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FIRST SESSION

VOLUME 127—PART 1

JANUARY 5, 1981 TO FEBRUARY 2, 1981

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United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, FIRST SESSION

SENATE—*Monday, January 5, 1981*

(Legislative day of Monday, January 5, 1981)

The 5th day of January being the day prescribed by Public Law 96-566, 96th Congress, 2d session, for the meeting of the 1st session of the 97th Congress, the Senate assembled in its Chamber at the Capitol, at 12 o'clock meridian.

The VICE PRESIDENT. The Senate will please come to order. The Chaplain will offer the prayer.

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

PRAYER

God of our fathers and our God, who has made and preserved us a nation, we thank Thee for Thy care over us from generation to generation, and for the new era which unfolds before us. Let Thy spirit descend upon us with all its cleansing, healing, and creative power. Make us new persons for new times in a land newborn in spirit.

May the solemn induction of the new Members of this body be a renewal of the vocational vows of all others. In the deliberations of this new Congress keep our motives pure, our vision clear, our patriotism undefiled, our speech chaste, our judgments fair, and our consciences unbetrayed. Help us to develop work patterns which sustain the soul, nourish the mind, and strengthen the will. And give us grace to make time for the family, for home, and for worship.

What we pray for this body we pray for all others in the service of the Government. Send us each day to our tasks to do justly, to love mercy, and to walk humbly with our God.

Hear us as we pray together the prayer the Master taught us—

"Our Father who art in heaven, hallowed be Thy name, Thy kingdom come, Thy will be done in Earth, as it is in heaven. Give us this day our daily bread. And forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil; For Thine is the kingdom, and the power, and the glory forever." Amen.

CREDENTIALS—RESIGNATIONS AND APPOINTMENTS

The VICE PRESIDENT. The Chair lays before the Senate letters of resignation of two Senators and certificates of appointment of two Senators to fill the vacancies caused by these resignations. Without objection, the reading will be waived, and the documents will be printed in the RECORD.

The documents ordered to be printed in the RECORD, are as follows:

U.S. SENATE,
Washington, D.C., November 14, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: This is to notify you that I have today informed the Governor of the State of Florida of my resignation as a member of the United States Senate, effective the close of business, December 31, 1980.

A copy of my letter to Governor Bob Graham is enclosed.

Warm personal regards.

Most cordially,

RICHARD (DICK) STONE.

U.S. SENATE,
Washington, D.C., November 14, 1980.

Hon. BOB GRAHAM,
Governor of Florida,
The Capitol, Tallahassee, Fla.

DEAR BOB: I herewith submit my resignation as United States Senator effective the close of business December 31, 1980. This notification should provide sufficient time for you to appoint my elected successor, Mrs. Paula Hawkins, so that her seniority can commence as of January 1, 1981.

Warm personal regards.

Most cordially,

RICHARD (DICK) STONE.

CERTIFICATE OF APPOINTMENT

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Florida, I, Bob Graham, the Governor of said State, do hereby appoint Paula Hawkins, a Senator from said State to represent said State in the Senate of the United States, effective January 1, 1981 for a term expiring noon January 3, 1981.

Witness: His excellency our Governor Bob Graham, and our seal hereto affixed at Tallahassee this twenty-third day of December, in the year of our Lord 1980.

BOB GRAHAM,
Governor.

U.S. SENATE,
Washington, D.C., December 15, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: As you will see in the enclosed letter to New Hampshire Governor Hugh Gallen, it is my intention to resign early so that Senator-elect Warren Rudman may enjoy seniority over some of his colleagues from larger states.

While I had hoped to resign effective December 26, 1980, it now appears that the closing of my office cannot be completed until December 29, and it is on that date that my resignation will be effective.

Sincerely,

JOHN A. DURKIN.

U.S. SENATE,
Washington, D.C., December 15, 1980.

Hon. HUGH J. GALLEN,
Governor, State of New Hampshire, State House, Concord, N.H.

DEAR GOVERNOR GALLEN: This is to advise you that I intend to resign my term in the Senate on December 29, 1980. I am doing this so Senator-elect Warren Rudman will enjoy seniority over newly elected Republican senators from larger states.

It is my understanding that arrangements should be made between your office and his so that he may be appointed by you and sworn in to fill out the balance of my term.

I had hoped that it would be possible for me to resign as early as December 26, however, the closing of my office is taking somewhat longer than anticipated.

Sincerely,

JOHN A. DURKIN.

THE STATE OF NEW HAMPSHIRE.

CERTIFICATE OF APPOINTMENT

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States, and the laws of the State of New Hampshire, I, Hugh J. Gallen, the Governor of said State, do hereby appoint Warren Rudman a Senator from said State to represent said State in the Senate of the United States until the vacancy therein,

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

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caused by the resignation of John A. Durkin, is filled by election as provided by law.

Witness: His Excellency our Governor, Hugh J. Gallen, and our seal hereto affixed at Concord, New Hampshire, this twenty-ninth day of December, in the year of Our Lord, nineteen hundred and eighty.

By the Governor:

HUGH J. GALLEN,
Governor.

WILLIAM M. GARDNER,
Secretary of State.

The VICE PRESIDENT. The Chair lays before the Senate the credentials of 34 Senators elected for 6-year terms beginning January 3, 1981. All certificates, the Chair is advised, are in the form suggested by the Senate or contain all the essential requirements of the form suggested by the Senate. If there be no objection, the reading of the 34 certificates will be waived and they will be printed in full in the RECORD.

The certificates ordered to be printed in the RECORD, are as follows:

STATE OF SOUTH DAKOTA,
Secretary of State.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, James Abdnor was duly chosen by the qualified electors of the State of South Dakota a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our governor William J. Janklow and our seal hereto affixed at the State Capitol, Pierre, South Dakota, this 20th day of November, in the year of our Lord 1980.

WILLIAM J. JANKLOW,
Governor.

STATE OF NORTH DAKOTA,
Bismarck.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Mark Andrews was duly chosen by the qualified electors of the State of North Dakota a Senator from said State for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor Arthur A. Link, and our seal hereto affixed at Bismarck, North Dakota, this 17th day of December, in the year of our Lord 1980.

ARTHUR A. LINK,
Governor.

STATE OF ARKANSAS.

PROCLAMATION—CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, the Honorable Dale Bumpers was duly chosen by the qualified electors of the State of Arkansas as a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the 3rd day of January, 1981, the vote being:

Honorable Dale Bumpers	477,905
Mr. Bill Clark	330,576
Mr. Walter T. (Mac) McCarty	331

Witness: His Excellency our Governor Bill Clinton and our Seal hereto affixed at Little Rock, Arkansas, this 1st day of December, in the year of Our Lord 1980.

BILL CLINTON,
Governor.

STATE OF CALIFORNIA,
Executive Department.

CERTIFICATION OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Alan Cranston was duly chosen by the qualified electors of the State of California a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

In witness whereof I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 1st day of December, 1980.

EDMUND G. BROWN, Jr.,
Governor of California.

STATE OF NEW YORK,
Executive Chamber.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, Alfonse M. D'Amato was duly chosen by the qualified electors of the State of New York a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the third day of January, 1981.

Witness: His excellency our Governor, Hugh L. Carey, and our seal hereto affixed at Albany this tenth day of December, in the year of our Lord nineten hundred eighty.

HUGH L. CAREY,
Governor.

STATE OF ALABAMA,
Montgomery.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Jeremiah Denton was duly chosen by the qualified electors of the State of Alabama a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 20th day of January, 1981.

Witness: His excellency our Governor Fob James, and our seal hereto affixed at Montgomery, Alabama, this 24th day of November, in the year of our Lord 1980.

FORREST H. JAMES, Jr.,
Governor.

STATE OF ILLINOIS.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, nineteen hundred and eighty, Alan J. Dixon was duly chosen by the qualified electors of the State of Illinois, a Senator from said State, to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and eighty one.

James R. Thompson, and our seal.

Springfield this twenty-sixth day of November, in the year of our Lord nineteen hundred and eighty.

JAMES R. THOMPSON,
Governor.

STATE OF CONNECTICUT,
Executive Department.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, nineteen hundred and eighty, Christopher J. Dodd was duly chosen by the electors of the State of Connecticut a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and eighty-one.

Witness: Her Excellency our Governor, Ella Grasso, and our seal hereto affixed at Hartford, this twenty-sixth day of November, in the year of our Lord nineteen hundred and eighty.

ELLA GRASSO, *Governor.*

STATE OF KANSAS,
Executive Department.

CERTIFICATE OF ELECTION

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, nineteen hundred eighty, Bob Dole was duly chosen by the qualified electors of the State of Kansas a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred eighty-one.

Witness: The Honorable John Carlin, our Governor, and our seal hereto affixed at Topeka, this twenty-fifth day of November, in the year of our Lord nineteen hundred eighty.

JOHN W. CARLIN, *Governor.*

STATE OF MISSOURI

CERTIFICATE OF ELECTION FOR U.S. SENATOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November 1980, Thomas F. Eagleton was duly chosen by the qualified electors of the State of Missouri a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the 3rd day of January, 1981.

In testimony whereof, I hereunto set my hand and cause to be affixed the Great Seal of the State of Missouri, in the City of Jefferson City this 8th day of December, 1980.

JOSEPH P. TEASDALE,
Governor.

STATE OF NORTH CAROLINA,
November 26, 1980.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the Fourth day of November, 1980, John P. East was duly chosen by the qualified electors of the State of North Carolina a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the Third day of January, 1981.

Witness: His excellency our governor James B. Hunt, Jr., and our seal hereto affixed at the Capitol this twenty-sixth day of November, in the year of our Lord 1980.

JAMES B. HUNT, Jr.,
Governor of North Carolina.

OFFICE OF THE GOVERNOR,
Frankfort, Ky.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Wendell H. Ford was duly chosen by the qualified electors of the Commonwealth of Kentucky a Senator from said state to represent said state in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor John Y. Brown, Jr. and our seal hereto affixed at Frankfort, Kentucky, in the year of our Lord 1980.

JOHN Y. BROWN, Jr.,
Governor.

STATE OF UTAH,
Executive Department.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Jake Garn was duly chosen by the qualified electors of the State of Utah a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor Scott M. Matheson, and our seal hereto affixed at Salt Lake City, Utah, this 8th day of December, in the year of our Lord 1980.

SCOTT M. MATHESON,
Governor.

THE STATE OF OHIO.

CERTIFICATE OF ELECTION—U.S. SENATOR

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, John Glenn was duly chosen by the qualified electors of the State of Ohio a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1981.

Witness: His Excellency our Governor James A. Rhodes, and our Seal hereto affixed at Columbus, Ohio, this fourth day of December, in the year of Our Lord nineteen hundred Eighty.

JAMES A. RHODES,
Governor.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Barry Goldwater was duly chosen by the qualified electors of the State of Arizona a Senator from said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor Bruce Babbitt, and our seal hereto affixed at Phoenix this 24th day of November, in the year of our Lord 1980.

BRUCE BABBITT,
Governor.

STATE OF WASHINGTON.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, nineteen hundred and eighty, Slade Gorton was duly chosen by the qualified electors of the State of Washington a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and eighty-one.

In witness whereof, I have hereunto set my hand and caused the Seal of the State of Washington to be affixed at Olympia this fourth day of December, A.D., nineteen hundred and eighty.

DIXY LEE RAY,
Governor.

STATE OF IOWA,
Executive Department.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, Charles E. Grassley was duly chosen by the qualified electors of the State of Iowa a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor Robert D. Ray, and our seal hereto affixed at Des Moines, Iowa, this 15th day of December, in the year of our Lord 1980.

ROBERT D. RAY,
Governor.

STATE OF COLORADO.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, Gary Hart was duly chosen by the qualified electors of the State of Colorado a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd of January, 1981.

Witness: His excellency our Governor Richard D. Lamm, and our seal hereto affixed at this eleventh day of December, in the year of our Lord, 1980.

RICHARD D. LAMM,
Governor.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November A.D., 1980, Paula Hawkins was duly chosen by the qualified electors of the State of Florida a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third of January, A.D., 1981.

Witness: His excellency our Governor, Bob Graham, and our seal hereto affixed at Tallahassee, this nineteenth day of November, in the year of our Lord 1980.

BOB GRAHAM,
Governor.

CERTIFICATE OF ELECTION

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, Ernest F. Hollings was duly chosen by the qualified electors of the State of South Carolina a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning in January of 1981.

Witness: His excellency our Governor Richard W. Riley, and our seal hereto affixed at Columbia, South Carolina, this ninth day of December, in the year of our Lord 1980.

RICHARD W. RILEY,
Governor.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Daniel K. Inouye was duly chosen by the qualified electors of the State of Hawaii a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor George R. Ariyoshi, and our seal hereto affixed at Honolulu, Hawaii, this 18th day of December, in the year of our Lord 1980.

GEORGE R. ARIYOSHI,
Governor.

THE STATE OF WISCONSIN,
Executive Department.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

I, Lee Sherman Dreyfus, Governor of the State of Wisconsin, do hereby certify that on the Fourth day of November, A.D., 1980, Robert W. Kasten, Jr., was duly chosen by the qualified electors of the State of Wisconsin a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the Third day of January, A.D. 1981.

In testimony whereof, I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol, in the City of Madison, this 2nd day of December, in the year of our Lord, One Thousand, Nine Hundred and Eighty.

LEE SHERMAN DREYFUS,
Governor.

STATE OF NEVADA,
Executive Department.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that at a general election held in the State of Nevada on Tuesday, the fourth day of November, nineteen hundred and eighty Paul Laxalt was duly elected by the qualified electors of the State of Nevada a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and eighty-one, having received the highest number of votes cast for said office at said election, as appears by the certificate of the duly constituted and qualified Board of Canvassers now on file in the office of the Secretary of State at Carson City, Nevada.

In testimony whereof, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol at Carson City, this first day of December, in the year of our Lord one thousand nine hundred and eighty.

ROBERT F. LIST,
Governor.

OFFICE OF THE GOVERNOR,
Montpelier, Vt.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Patrick J. Leahy was duly chosen by the qualified electors of the State of Vermont a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor Richard A. Snelling, and our seal hereto affixed at Montpelier this 24th day of November, in the year of our Lord 1980.

RICHARD A. SNELLING,
Governor.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that Russell B. Long having received a majority of votes cast at the primary election held September 13, 1980 and having been unopposed at the general election held November 4, 1980, was duly chosen by the qualified electors of the State of Louisiana a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and eighty-one.

Witness: His excellency, our Governor David C. Treen, and our Seal hereto affixed at Baton Rouge, this 18th day of November, in the year of our Lord, nineteen hundred and eighty.

DAVID C. TREEN,
Governor.

EXECUTIVE DEPARTMENT,
Annapolis, Md.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Charles McC. Mathias, Jr. was duly chosen by the qualified electors of the State of Maryland a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the 3rd day of January, 1981.

Witness: His Excellency our Governor, Harry Hughes, and our seal hereto affixed at the City of Annapolis, this 24th day of November, in the Year of Our Lord, One Thousand, Nine Hundred and Eighty.

HARRY HUGHES,
Governor.

SECRETARY OF STATE,
STATE OF GEORGIA.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Mack Mattingly was duly chosen by the qualified electors of the State of Georgia a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His Excellency our Governor, George Busbee, and our Seal hereto affixed at the State Capitol in Atlanta, Georgia, this 17th day of December, in the year of our Lord 1980.

GEORGE BUSBEE,
Governor.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, 1980, Frank H. Murkowski was duly chosen by the qualified electors of the State of Alaska a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the third day of January, 1981.

Witness: His Excellency our Governor, Jay Hammond, and our seal hereto affixed at Juneau this first day of December, in the year of our Lord 1980.

By the Governor:

JAY S. HAMMOND,
Governor.

CERTIFICATE OF ELECTION FOR 6-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Don Nickles was duly chosen by the qualified electors of the State of Oklahoma, a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1981.

Witness: His excellency our Governor, George Nigh, and our seal hereto affixed at this 10th day of November, 1980.

GEORGE NIGH,
Governor.

CERTIFICATE OF ELECTION

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Bob Packwood was duly chosen by the qualified electors of the State of Oregon a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning at noon on the 3rd day of January 1981.

Witness: His excellency our Governor, Victor G. Atiyeh, and the Seal of the State of Oregon hereto affixed at Salem, Oregon this 4th day of December, in the year of our Lord 1980.

VICTOR G. ATIYEH,
Governor.

STATE OF INDIANA,
Indianapolis, Ind.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, nineteen hundred eighty, Dan Quayle was duly chosen by the qualified electors of the State of Indiana a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the third day of January, nineteen hundred eighty-one.

Witness: His excellency our Governor Otis R. Bowen, M.D. and our seal hereto affixed at Indianapolis, Indiana, this 29th day of November in the year of our Lord nineteen hundred eighty.

OTIS R. BOWEN,
Governor.

THE STATE OF NEW HAMPSHIRE.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November, nineteen hundred and eighty Warren Rudman was duly chosen by the qualified electors of the State of New Hampshire a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and eighty-one.

Witness: His Excellency, our Governor Hugh J. Gallen and our Seal hereto affixed at Concord this tenth day of December, in the year of our Lord nineteen hundred and eighty.

HUGH J. GALLEN,
Governor.

COMMONWEALTH OF PENNSYLVANIA.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the fourth day of November 1980, Arlen Specter was duly chosen by the qualified electors of the State of Pennsylvania a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1981.

Witness: His excellency our governor Dick Thornburgh, and our seal hereto affixed at Harrisburg this twelfth day of December, in the year of our Lord 1980.

DICK THORNBURGH,
Governor.

STATE OF IDAHO,
Department of State.

CERTIFICATE OF ELECTION FOR A SIX-YEAR TERM

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1980, Steve Symms was duly chosen by the qualified electors of the State of Idaho a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1981.

Witness: His excellency our governor John V. Evans, and our seal hereto affixed at Boise this 21st day of November, in the year of our Lord 1980.

By the governor:

JOHN V. EVANS,
Governor.

The VICE PRESIDENT. If the 34 Senators-elect will now present themselves at the desk in groups of four as their names are called in alphabetical order, the Chair will administer their oaths of office.

The clerk will call the names.

The legislative clerk called the names of Mr. ABDNOR, Mr. ANDREWS, Mr. BUMPERS, and Mr. CRANSTON.

These Senators, escorted by Mr. PRESSLER, Mr. BURDICK, Mr. PRYOR, and Mr. HAYAKAWA, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. D'AMATO, Mr. DENTON, Mr. DIXON, and Mr. DODD.

These Senators, escorted by Mr. MOYNIHAN, Mr. HEFLIN, Mr. WEICKER, and Mr. PERCY, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. DOLE, Mr. EAGLETON, Mr. EAST, and Mr. FORD.

These Senators, escorted by Mrs. KASSEBAUM, Mr. HELMS, Mr. DANFORTH, and Mr. HUDDLESTON, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. GARN, Mr. GLENN, Mr. GOLDWATER, and Mr. GORTON.

These Senators, escorted by Mr. HATCH, Mr. ROBERT C. BYRD, Mr. DECONCINI, and Mr. JACKSON, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. GRASSLEY, Mr. HART, Mrs. HAWKINS, and Mr. HOLLINGS.

These Senators, escorted by Mr. JEPSEN, Mr. ARMSTRONG, former Senator Brock of Tennessee, and Mr. THURMOND, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. INOUYE, Mr. KASTEN, Mr. LAXALT, and Mr. LEAHY.

These Senators, escorted by Mr. MATSUNAGA, Mr. PROXMIRE, Mr. CANNON, and Mr. STAFFORD, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. LONG, Mr. MATHIAS, Mr. MATTINGLY, and Mr. MURKOWSKI.

These Senators, escorted by Mr. JOHNSTON, Mr. SARBANES, Mr. NUNN, and Mr. BAKER, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. NICKLES, Mr. PACKWOOD, Mr. QUAYLE, and Mr. RUDMAN.

These Senators, escorted by Mr. BOREN, Mr. HATFIELD, Mr. LUGAR, and Mr. HUMPHREY, and former Senator Cotton of New Hampshire, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. SPECTER and Mr. SYMMS.

These Senators, escorted by Mr. HEINZ and Mr. MCCLURE, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President, and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

CALL OF THE ROLL

The VICE PRESIDENT. The Chair recognizes the Senator from Tennessee.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 1 Leg.]

Abdnor	Garn	Melcher
Andrews	Glenn	Mitchell
Armstrong	Goldwater	Moynihan
Baker	Gorton	Murkowski
Baucus	Grassley	Nickles
Bentsen	Hart	Nunn
Biden	Hatch	Packwood
Boren	Hatfield	Pell
Bumpers	Hawkins	Percy
Burdick	Hayakawa	Pressler
Byrd, Harry F., Jr.	Heflin	Proxmire
Byrd, Robert C.	Heinz	Pryor
Cannon	Helms	Quayle
Chafee	Hollings	Randolph
Chiles	Huddleston	Riegle
Cochran	Humphrey	Roth
Cohen	Inouye	Rudman
Cranston	Jackson	Sarbanes
D'Amato	Jepsen	Sasser
Danforth	Johnston	Schmitt
DeConcini	Kassebaum	Simpson
Denton	Kasten	Specter
Dixon	Kennedy	Stafford
Dodd	Laxalt	Stennis
Dole	Leahy	Symms
Domenici	Levin	Thurmond
Durenberger	Long	Tower
Eagleton	Lugar	Wallop
East	Mathias	Warner
Exon	Matsunaga	Weicker
Ford	Mattingly	Zorinsky
	McClure	

Mr. BAKER. I announce that the Senator from Minnesota (Mr. BOSCHWITZ), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Ohio (Mr. METZENBAUM), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The VICE PRESIDENT. A quorum is present.

Mr. BAKER. Mr. President, may I take this opportunity to say that the distinguished Senator from Alaska (Mr. STEVENS) is necessarily absent on official business and could not be present in the Senate today for that reason.

LIST OF SENATORS BY STATES

Alabama.—Howell Heflin and Jeremiah Denton.

Alaska.—Theodore F. Stevens and Frank H. Murkowski.

Arizona.—Barry Goldwater and Dennis DeConcini.

Arkansas.—Dale Bumpers and David Pryor.

California.—Alan Cranston and S. I. Hayakawa.

Colorado.—Gary Hart and William L. Armstrong.

Connecticut.—Lowell P. Weicker, Jr. and Christopher J. Dodd.

Delaware.—William V. Roth, Jr. and Joseph R. Biden.

Florida.—Lawton Chiles and Paula Hawkins.

Georgia.—Sam Nunn and Mack Mattingly.

Hawaii.—Daniel K. Inouye and Spark M. Matsunaga.

Idaho.—James A. McClure and Steven D. Symms.

Illinois.—Charles H. Percy and Alan J. Dixon.

Indiana.—Richard G. Lugar and Dan Quayle.

Iowa.—Roger W. Jepsen and Charles E. Grassley.

Kansas.—Robert Dole and Nancy Landon Kassebaum.

Kentucky.—Walter (Dee) Huddleston and Wendell H. Ford.

Louisiana.—Russell B. Long and J. Bennett Johnston.

Maine.—William S. Cohen and George J. Mitchell.

Maryland.—Charles McC. Mathias and Paul S. Sarbanes.

Massachusetts.—Edward M. Kennedy and Paul E. Tsongas.

Michigan.—Carl Levin and Donald W. Riegle.

Minnesota.—Rudy Boschwitz and David Durenberger.

Mississippi.—John C. Stennis and Thad Cochran.

Missouri.—Thomas F. Eagleton and John C. Danforth.

Montana.—John Melcher and Max Baucus.

Nebraska.—J. James Exon and Edward Zorinsky.

Nevada.—Howard W. Cannon and Paul Laxalt.

New Hampshire.—Gordon J. Humphrey and Warren Rudman.

New Jersey.—Harrison A. Williams, Jr. and Bill Bradley.

New Mexico.—Pete V. Domenici and Harrison (Jack) Schmitt.

New York.—Daniel Patrick Moynihan and Alfonse M. D'Amato.

North Carolina.—Jesse Helms and John P. East.

North Dakota.—Quentin N. Burdick and Mark Andrews.

Ohio.—John Glenn and Howard M. Metzenbaum.

Oklahoma.—David L. Boren and Don Nickles.

Oregon.—Mark O. Hatfield and Bob Packwood.

Pennsylvania.—John Heinz and Arlen Specter.

Rhode Island.—Claiborne Pell and John H. Chafee.

South Carolina.—Strom Thurmond and Ernest F. Hollings.

South Dakota.—Larry Pressler and James Abdnor.

Tennessee.—Howard H. Baker, Jr., and Jim Sasser.

Texas.—John Tower and Lloyd Bentsen.

Utah.—Jake Garn and Orrin G. Hatch.

Vermont.—Robert T. Stafford and Patrick J. Leahy.

Virginia.—Harry F. Byrd, Jr. and John W. Warner.

Washington.—Henry M. Jackson and Slade Gorton.

West Virginia.—Jennings Randolph and Robert C. Byrd.

Wisconsin.—William Proxmire and Robert W. Kasten, Jr.

Wyoming.—Malcolm Wallop and Alan K. Simpson.

NOTIFICATION TO THE PRESIDENT

Mr. BAKER. Mr. President, I send a resolution to the desk and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 1) was considered and agreed to, as follows:

Resolved, That a committee consisting of two Senators be appointed by the Vice President to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

The VICE PRESIDENT. Pursuant to Senate Resolution 1, the Chair appoints the Senator from Tennessee (Mr. BAKER), and the Senator from West Virginia (Mr. ROBERT C. BYRD) as members of a committee to join the committee of the House of Representatives to wait upon the President of the United States and inform him that a quorum is assembled and that Congress is ready to receive any communication he may be pleased to make.

(Later the following occurred:)

Mr. BAKER. Mr. President, pursuant to the provisions of the resolution just adopted, I am happy to report that the distinguished minority leader and I have reached the President of the United States and notified him that the Senate is in session, that a quorum is present, and that we are prepared now to receive his messages and requests and transact such business as may properly come before the Senate.

The President asked us to particularly express his congratulations to new Members, his good wishes to those who are departing, to wish everyone here a happy new year, and he expressed the hope, if I may say so, that the transition in the executive department may be as smooth as the transition has been in the Senate.

I observed to the President that that was indeed the case, and was so in large measure due to the generosity and cooperation of the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), our new minority leader.

I told him then, as I would reiterate now for the benefit of the Senate, that his cooperation in this transition has been most remarkable indeed; that I personally, and I believe every Member on this side, I am sure every Member on this side, wish to express our personal gratitude and appreciation to the Senator from West Virginia for that cooperation.

The President, as well, indicated that he stood ready to cooperate with the Senate and that he would have further messages to be delivered in due course.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, there is nothing I can add to what has already been stated lucidly, cogently, clearly, and completely as to the sense of our conversation with the President, and I am delighted to have served in this capacity and, as I say, I have nothing further to say.

Mr. BAKER. Mr. President, I thank the minority leader.

NOTIFICATION TO THE HOUSE

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 2) was considered and agreed to, as follows:

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

HOUR OF DAILY MEETING

Mr. McCLURE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 3) was considered and agreed to, as follows:

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian unless otherwise ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President. I observe the presence of the incoming chairman of the Committee on Rules and Administration in the Chamber and I inquire if he has a resolution to offer in respect to the counting of the electoral vote.

COUNTING OF THE ELECTORAL VOTE

Mr. MATHIAS. Mr. President, I have a concurrent resolution which I send to the desk, and I ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 1) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress shall meet in the Hall of the House of Representatives on Tuesday, the 6th day of January 1981, at 1 o'clock postmeridian, pursuant to the requirements of the Constitution and laws relating to the election of President and Vice President of the United States, and the President of the Senate shall be their Presiding Officer; that two tellers shall be previously appointed by the President of the Senate on the part of the Senate and two by the Speaker on the part of the House of Representatives, to whom shall be handed, as they are opened by the President of the Senate, all the certificates of the electoral votes, which certificates and papers shall be opened, presented, and acted upon in the alphabetical order of the States, beginning with the letter "A"; and said tellers, having then read the same in the presence and hearing of the two Houses, shall make a list of the votes as they shall appear from the said certificates; and the votes having been ascertained and counted in the manner and according to the rules by law provided, the result of the same shall be delivered to the President of the Senate, who shall thereupon announce the state of the vote, which announcement shall be deemed a sufficient declaration of the persons, if any, elected President and Vice President of the United States, and, together with a list of the votes, be entered on the Journals of the two Houses.

The VICE PRESIDENT. In accordance with the provisions of Senate Concurrent Resolution 1, the Chair appoints the Senator from Maryland (Mr. MATHIAS) and the Senator from Kentucky (Mr. FORD) tellers on the part of the Senate to count the electoral votes for President and Vice President of the United States on January 6, 1981.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Administrator of General Services Administration transmitting, pursuant to law, certified copies of the fnal ascertainment of the electors for President and Vice President from the several States and the District of Columbia which with the accompanying papers are ordered to lie on the table.

ELECTION OF THE PRESIDENT PRO TEMPORE OF THE SENATE

Mr. BAKER. Mr. President, I send to the desk a resolution in respect to the election of the President pro tempore of the Senate and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 4) to elect the Honorable Strom Thurmond, of the State of South Carolina, to be President pro tempore of the Senate of the United States.

UP AMENDMENT NO. 1

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 1.

On page 1, lines 1 and 2, strike "the Honorable Strom Thurmond, a Senator from the State of South Carolina" and insert in lieu thereof "the Honorable John C. Stennis, a Senator from the State of Mississippi".

Mr. ROBERT C. BYRD. Mr. President, I have acted with some reluctance and also with some joy, so one might say that I have acted ambivalently.

My reluctance is born of my respect for the distinguished Senator from South Carolina (Mr. THURMOND). I have worked in this body with Mr. THURMOND for many years. I admire him, regard him highly, and under other circumstances I would join without further adieu in supporting the resolution that has been submitted by the distinguished Senator from Tennessee, the majority leader.

However, on our side of the aisle there is a patrician Senator who is a man of 33 years experience in this body. He was chairman of the Committee on Armed Services for 13 years. He is now the ranking member of that committee. He would also be the ranking member of the Appropriations Committee had he chose to claim that position.

Senator STENNIS was circuit judge in the State of Mississippi for many years before he came to the Senate.

When I first came to the Senate I went on the Committee on Appropriations and there I came to know JOHN STENNIS and respect and admire him. When the then majority leader became President I took Mr. Johnson's seat on the Armed Services Committee and there I had the opportunity to work under the late Senator Russell, who was chairman of that committee, and work with JOHN STENNIS, my friend.

He is a man who looks like a Senator, talks like a Senator, acts like a Senator, and who is a Senator's Senator in my humble judgment.

He is well-beloved by all Members of this Senate on both sides of the aisle. He is highly respected on both sides of the aisle, highly respected in and out of the Senate.

Mr. President, it is with a great deal of pleasure and with tremendous pride that I present him to the Senate today for its consideration, although I have some doubts with respect to the outcome [laughter], as I look about me here and see the slightly thinned ranks of the Democrats, and as I look to the other side and see the rather slightly bloated [laughter] ranks of the Republicans, realizing we will have to out up with that for a short while [laughter], and knowing beforehand that my nominee may not survive the vote count, so I do present this name with a great deal of admiration and respect and with great pride, and I urge the Senate to support the amendment.

Mr. BAKER. Mr. President, it is often said that beauty is in the eye of the beholder, and what may appear bloated on his side seems like mere political justice on this side. [Applause.]

Mr. President, my good friend, the distinguished Senator from West Virginia, the minority leader, understands what I am about to say is said in good grace and in keeping with our friendship and understanding.

He pointed out that he thought our increased numbers might be only temporary and transient. I would point out that no doubt is what Republicans thought in 1955 when they lost control of the Senate, so I would hope our 26 years will be as enjoyable as his 26 years. [Laughter and applause.]

Mr. President, I cannot say what difficulty I have in rising to oppose the amendment offered by the distinguished minority leader—I have to get used to that, the distinguished minority leader—because I, too, have such an extraordinary respect for the Senator from Mississippi. He and I come from the same region of the country. We, as I am fond of saying, share a common unfortified boundary between Tennessee and Mississippi.

He is a great man of distinction and has shed that light of distinction with his service in the Senate. It is with great reluctance that I rise in opposition to the amendment offered. I urge instead that our colleagues support the nomination of one of the finest men to grace the Senate of the United States in the person of Senator STROM THURMOND of South Carolina.

STROM THURMOND has become a political institution in his lifetime. He has been a trail blazer in the political arrangements of this country, and particularly of his region of the country.

I cannot think of a man or woman in this Chamber who has served with greater distinction and for a greater public good than has Senator STROM THURMOND of South Carolina.

Mr. President, it is, therefore, with great enthusiasm that I stand before my colleagues to urge that they elect as President pro tempore of the Senate the Senator from South Carolina, STROM THURMOND.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from West Virginia. [Putting the question.]

The amendment was rejected.

The VICE PRESIDENT. The question now recurs on agreeing to the resolution of the Senator from Tennessee. [Putting the question.]

The resolution (S. Res. 4) was agreed to as follows:

Resolved, That the Honorable Strom Thurmond, a Senator from the State of South Carolina, be, and he is hereby, elected President of the Senate pro tempore, to hold office during the pleasure of the Senate, in accordance with Rule I, paragraph 1, of the Standing Rules of the Senate.

[Applause, Senators rising.]

The VICE PRESIDENT. The Senator from Tennessee.

NOTIFICATION TO THE PRESIDENT

Mr. BAKER. Mr. President. is it the intention of the Chair to administer the oath to the new President pro tempore?

The VICE PRESIDENT. I will. I understood the order of business would be to act on the Secretary of the Senate first.

Mr. McCLURE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 5) notifying the President of the United States of the election of a President pro tempore

Resolved, That the President of the United States be notified of the election of the Honorable STROM THURMOND, a Senator from the State of South Carolina, as President pro tempore.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 5) was considered and agreed to.

SECRETARY OF THE SENATE

Mr. BAKER. Mr. President, I send to the desk a resolution in respect to the election of the Secretary of the Senate and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 6) electing William F. Hildenbrand as the Secretary of the Senate.

Resolved, That William F. Hildenbrand, of the District of Columbia, be, and he is hereby, elected Secretary of the Senate, beginning January 5, 1981.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 6) was considered and agreed to.

SERGEANT AT ARMS

Mr. BAKER. Mr. President, I send to the desk a resolution in respect to the election of a Sergeant at Arms of the Senate of the United States and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 7) electing Howard Liebengood as the Sergeant at Arms and Doorkeeper of the Senate.

Resolved, That Howard Liebengood be, and he is hereby elected Sergeant at Arms and Doorkeeper of the Senate, beginning January 5, 1981.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 7) was considered and agreed to.

SECRETARY FOR THE MAJORITY

Mr. BAKER. Mr. President, I send to the desk a resolution in respect to the election of the Secretary to the Majority of the Senate and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 8) electing Howard O. Greene, Jr. as the Secretary of the Majority of the Senate.

Resolved, That Howard O. Greene, Jr. be, and he is hereby elected Secretary for the Majority of the Senate, beginning January 5, 1981.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 8) was considered and agreed to.

NOTIFICATION TO THE PRESIDENT

Mr. BAKER. Mr. President, I send to the desk a resolution in respect to notifying the President of the United States with respect to the election of the Secretary of the Senate and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 9) notifying the President of the United States of the election of a Secretary of the Senate.

Resolved, That the President of the United States be notified of the election of William F. Hildenbrand, of the District of Columbia, as Secretary of the Senate.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 9) was considered and agreed to.

ADMINISTRATION OF OATH TO THE PRESIDENT PRO TEMPORE

The VICE PRESIDENT. The Senator from South Carolina will, pursuant to the provisions of the Senate resolution, approach the rostrum, and I appoint Mr. STENNIS as a committee of one to escort the President pro tempore to the rostrum for the purpose of taking the oath.

The Honorable STROM THURMOND, escorted by Mr. STENNIS, advanced to the desk of the Vice President; the oath prescribed by law was administered to him by the Vice President.

[Applause, Senators rising.]

ADMINISTRATION OF OATH TO THE SECRETARY OF THE SENATE

The VICE PRESIDENT. The Secretary of the Senate will present himself for the taking of the oath of office, escorted by the Honorable Stanley J. Kimmitt.

The Honorable William F. Hildenbrand. escorted bv the Honorable Stanley Kimmitt, advanced to the desk of the Vice President; the oath prescribed bv law was administered to him by the Vice President.

[Applause. Senators rising.]

The President pro tempore (Mr. THURMOND) assumed the chair.

[Applause, Senators rising.]

SECRETARY FOR THE MINORITY

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 10) electing Walter J. Stewart as Secretary for the Minority of the Senate.

Resolved, That Walter J. Stewart be and he is hereby elected Secretary for the Minority of the Senate, beginning January 6, 1981.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

Mr. CRANSTON addressed the Chair.

The PRESIDENT pro tempore. The Senator from California.

NOTIFICATION TO THE HOUSE

Mr. CRANSTON. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

S. RES. 11

Resolved, That the House of Representatives be notified of the election of the Honorable Strom Thurmond, a Senator from the State of South Carolina, as President pro tempore, and of William F. Hildenbrand, of the District of Columbia, as Secretary of the Senate.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

Mr. BAKER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Tennessee.

RESOLUTION TO AMEND RULE XXV OF THE STANDING RULES OF THE SENATE

Mr. BAKER. Mr. President, I send to the desk a resolution, on behalf of myself and Mr. ROBERT C. BYRD, in respect to the rules of the Senate dealing with the membership of committees and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 12) to amend Rule XXV of the Standing Rules of the Senate so as to allow certain Senators to serve, or continue serving, on more committees than otherwise would be permitted under such Rule.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

The resolution (S. Res. 12) is as follows:

S. RES. 12

Resolved, That (a) the second sentence of paragraph 4(g) of Rule XXV of the Standing Rules of the Senate is amended by inserting "other than the Committee on Rules and Administration" immediately after "paragraph 3 (a) or (b)".

(b) Paragraph 4(h) of Rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subdivision:

"(4) A Senator who on the last day of the Ninety-sixth Congress was serving as a Member on the Joint Economic Committee may, during the Ninety-seventh Congress, also serve as a member of the Committee on Intelligence so long as his service as a member of each such committee is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than two committees listed in paragraph 3 (a) or (b).".

(c) Paragraph 4 (i) of such Rule XXV is amended by—

(1) striking out subdivision (3) thereof,

(2) redesignating subdivision (4) thereof as subdivision (3), and

(3) by adding after subdivision (3) thereof (as so redesignated) the following new subdivisions:

"(4) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations or the Committee on Finance may, during the Ninety-seventh Congress, also serve as a member of the Committee on the Judiciary so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(5) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Small Business and was also serving on the Committee on Intelligence may, during the Ninety-seventh Congress, continue to serve on both of such committees so long as service as a member of each such committee is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than two committees listed in paragraph 3 (a) or (b).

"(6) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Appropriations and the Committee on Energy and Natural Resources may, during the Ninety-seventh Congress, also serve as a member of the Committee on Labor and Human Resources so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(7) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on the Judiciary and the Committee on Commerce, Science, and Transportation may, during the Ninety-seventh Congress, also serve as a member of the Committee on the Agriculture, Nutrition, and Forestry so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(8) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on the Judiciary and the Committee on Finance may, during the Ninety-seventh Congress, also serve as a member of the Committee on Environment and Public Works so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(9) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Finance and the Committee on Banking, Housing, and Urban Affairs may, during the Ninety-seventh Congress, also serve as a member of the Committee on Energy and Natural Resources so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(10) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Armed Services and the Committee on Labor and Human Resources may, during the Ninety-seventh Congress, also serve as a member of the Committee on Energy and Natural Resources so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(11) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Appropriations and the Committee on Commerce, Science, and Transportation may, during the Ninety-seventh Congress, also serve as a member of the Committee on Banking, Housing, and Urban Affairs so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.

"(12) A Senator who on the last day of the Ninety-sixth Congress was serving as a member of the Committee on Finance and the Committee on Environment and Public Works may, during the Ninety-seventh Congress, also serve as a member of the Committee on Banking, Housing, and Urban Affairs so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.".

(d) Paragraph 4 of Rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraphs:

"(j) If the majority and minority leaders find that the limitation, imposed by the preceding provisions with respect to the number of committees listed in paragraphs 2 and 3 (a) and (b) upon which a Senator may serve, prevents the filling of all membership positions in any of such committees, then such leaders may enter into an agreement under which a Senator may serve on the Committee on the Budget while also serving on two other of the committees listed in paragraph 2 and on one of the committees listed in paragraph 3 (a) or (b). The provisions of this subparagraph shall be effective only during the Ninety-seventh Congress.

"(k) Two Senators, each of whom was first elected to the Senate for a term which commences on January 3, 1981, may serve, during the Ninety-seventh Congress, on the Committee on the Judiciary, the Committee on Labor and Human Resources, and also on one other committee listed in paragraph 2 so long as the service of the Senator as a member of each of such committees is continuous, but in no event may he serve, by reason of this subdivision, as a member of more than three committees listed in paragraph 2.".

RESOLUTION TO AMEND PARAGRAPH 2 AND 3 OF RULE XXV OF THE STANDING RULES OF THE SENATE

Mr. BAKER. Mr. President, I send a resolution to the desk in respect to the size of committees and the allocation of members, and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 13) amending paragraphs 2 and 3 of rule XXV of the Standing Rules of the Senate.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

The resolution (S. Res. 13) is as follows:

S. RES. 13

Resolved, That paragraphs 2 and 3 of rule XXV of the Standing Rules of the Senate are modified to read as follows:

"2. Except as otherwise provided by paragraph 4 of this rule, each of the following standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

"Committee	Members
Agriculture, Nutrition and Forestry	17
Appropriations	29
Armed Services	17
Banking, Housing, and Urban Affairs	15
Commerce, Science, and Transportation	17
Energy and Natural Resources	20
Environment and Public Works	16
Finance	20
Foreign Relations	17
Governmental Affairs	17
Judiciary	18
Labor and Human Resources	16

"3 (a) Except as otherwise provided by paragraph 4 of this rule, each of the following standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

"Committee	Members
Budget	22
Rules and Administration	12
Veterans' Affairs	12

"(b) Each of the following committees and joint committees shall consist of the number of Senators (or Senate members, in the case of a joint committee) set forth in the following table on the line on which the name of that committee appears:

"Committee	Members
Aging	13
Intelligence	15
Small Business	17
Joint Economic Committee	10

"(c) Each of the following committees and joint committees shall consist of the number of Senators (or Senate members, in the case of a joint committee) set forth in the following table on the line on which the name of that committee appears:

"Committee	Members
Ethics	6
Indian Affairs	7
Joint Committee on Taxation	5

RESOLUTION MAKING MAJORITY PARTY APPOINTMENTS TO SENATE COMMITTEES FOR THE 97th CONGRESS

Mr. BAKER. Mr. President, I send to the desk a resolution making majority party appointments to the committees of the Senate and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 14) making majority party appointments to Senate committees for the 97th Congress, and electing chairmen of such committees.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

The resolution (S. Res. 14) is as follows:

Resolved, That the following shall constitute the majority party's membership on the standing committees, the Select Committee on Small Business, and the Special Committee on Aging of the Senate for the 97th Congress:

Committee on Agriculture, Nutrition, and Forestry: Mr. Helms (chairman), Mr. Dole, Mr. Hayakawa, Mr. Lugar, Mr. Cochran, Mr. Boschwitz, Mr. Jepsen, Mrs. Hawkins, and Mr. Andrews.

Committtee on Appropriations: Mr. Hatfield (chairman), Mr. Stevens, Mr. Weicker, Mr. McClure, Mr. Laxalt, Mr. Garn, Mr. Schmitt, Mr. Cochran, Mr. Andrews, Mr. Abdnor, Mr. Kasten, Mr. D'Amato, Mr. Mattingly, Mr. Rudman, and Mr. Specter.

Committee on Armed Services: Mr. Tower (chairman), Mr. Thurmond, Mr. Goldwater, Mr. Warner, Mr. Humphrey, Mr. Cohen, Mr. Jepsen, Mr. Quayle, and Mr. Denton.

Committee on Banking, Housing, and Urban Affairs: Mr. Garn (chairman), Mr. Tower, Mr. Heinz, Mr. Armstrong, Mr. Lugar, Mr. D'Amato, Mr. Chafee, and Mr. Schmitt.

Committee on Commerce, Science, and Transportation: Mr. Packwood (chairman), Mr. Goldwater, Mr. Schmitt, Mr. Danforth, Mrs. Kassebaum, Mr. Pressler, Mr. Gorton, Mr. Stevens, and Mr. Kasten."

Committee on Energy and Natural Resources: Mr. McClure (chairman), Mr. Hatfield, Mr. Weicker, Mr. Domenici, Mr. Wallop, Mr. Warner, Mr. Humphrey, Mr. Murkowski, Mr. Nickles, Mr. East, and Mr. Heinz.

Committee on Environment and Public Works: Mr. Stafford (chairman), Mr. Baker, Mr. Domenici, Mr. Chafee, Mr. Simpson, Mr. Abdnor, Mr. Symms, Mr. Gorton, and Mr. Murkowski.

Committee on Finance: Mr. Dole (chairman), Mr. Packwood. Mr. Roth, Mr. Danforth, Mr. Chafee, Mr. Heinz, Mr. Wallop, Mr. Durenberger, Mr. Armstrong, Mr. Symms, and Mr. Grassley.

Committee on Foreign Relations: Mr. Percy (chairman), Mr. Baker, Mr. Helms, Mr. Hayakawa, Mr. Lugar, Mr. Mathias, Mrs. Kassebaum, Mr. Boschwitz, and Mr. Pressler.

Committee on Governmental Affairs: Mr. Roth (chairman), Mr. Percy, Mr. Stevens, Mr. Mathias, Mr. Danforth, Mr. Cohen, Mr. Durenberger, Mr. Mattingly, and Mr. Rudman.

Committee on the Judiciary: Mr. Thurmond (chairman), Mr. Mathias, Mr. Laxalt, Mr. Hatch, Mr. Dole, Mr. Simpson, Mr. East, Mr. Grassley, Mr. Denton, and Mr. Specter.

Committee on Labor and Human Resources: Mr. Hatch (chairman), Mr. Stafford, Mr. Quayle, Mrs. Hawkins, Mr. Nickles, Mr. Weicker, Mr. Humphrey, Mr. Denton, and Mr. East.

Committee on Aging: Mr. Heinz (chairman), Mr. Domenici, Mr. Percy, Mrs. Kassebaum, Mr. Cohen, Mr. Pressler, and Mr. Grassley.

Committee on the Budget: Mr. Domenici (chairman), Mr. Armstrong, Mrs. Kassebaum, Mr. Boschwitz, Mr. Hatch, Mr. Tower, Mr. Andrews, Mr. Symms, Mr. Grassley, Mr. Kasten, Mr. Quayle, and Mr. Gorton.

Committee on Rules and Administration: Mr. Mathias (chairman), Mr. Hatfield, Mr. Baker, Mr. McClure, Mr. Helms, Mr. Warner, and Mr. Dole.

Committee on Small Business: Mr. Weicker (chairman), Mr. Packwood, Mr. Hatch, Mr. Hayakawa, Mr. Boschwitz, Mr. Gorton, Mr. Nickles, Mr. Rudman, and Mr. D'Amato.

Committee on Veterans' Affairs: Mr. Simpson (chairman), Mr. Thurmond, Mr. Stafford, Mr. Kasten, Mr. Denton, Mr. Murkowski, and Mr. Specter.

RESOLUTION MAKING MINORITY PARTY APPOINTMENTS TO SENATE COMMITTEES FOR THE 97TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution making minority party appointments to the Senate committees, and I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection. the clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 15) making minority party appointments to Senate Committees for the 97th Congress.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

The resolution (S. Res. 15) is as follows:

S. RES. 15

Resolved, That the following shall constitute the minority party's membership on the standing committees, the Select Committee on Small Business, and the Special Committee on Aging of the Senate for the Ninety-Seventh Congress:

Committee on Agriculture, Nutrition, and Forestry: Mr. Huddleston, Mr. Leahy, Mr. Zorinsky, Mr. Melcher, Mr. Pryor, Mr. Boren, Mr. Dixon and Mr. Heflin;

Committee on Appropriations: Mr. Proxmire, Mr. Stennis, Mr. Byrd of West Virginia, Mr. Inouye, Mr. Hollings, Mr. Eagleton, Mr. Chiles, Mr. Johnston, Mr. Huddleston, Mr. Burdick, Mr. Leahy, Mr. Sasser, Mr. DeConcini and Mr. Bumpers;

Committee on Armed Services: Mr. Stennis, Mr. Jackson, Mr. Cannon, Mr. Byrd of Virginia, Mr. Nunn, Mr. Hart, Mr. Exon and Mr. Levin;

Committee on Banking, Housing, and Urban Affairs: Mr. Williams, Mr. Proxmire, Mr. Cranston, Mr. Riegle, Mr. Sarbanes, Mr. Dodd and Mr. Dixon;

Committee on Commerce, Science, and Transportation: Mr. Cannon, Mr. Long, Mr. Hollings, Mr. Inouye, Mr. Ford, Mr. Riegle, Mr. Exon and Mr. Heflin;

Committee on Energy and Natural Resources: Mr. Jackson, Mr. Johnston, Mr. Bumpers, Mr. Ford, Mr. Metzenbaum, Mr. Matsunaga, Mr. Melcher, Mr. Tsongas and Mr. Bradley;

Committee on Environment and Public Works: Mr. Randolph, Mr. Bentsen, Mr. Burdick, Mr. Hart, Mr. Moynihan, Mr. Mitchell and Mr. Baucus;

Committee on Finance: Mr. Long, Mr. Byrd of Virginia, Mr. Bentsen, Mr. Matsunaga, Mr. Moynihan, Mr. Baucus, Mr. Boren, Mr. Bradley and Mr. Mitchell;

Committee on Foreign Relations: Mr. Pell, Mr. Biden, Mr. Glenn, Mr. Sarbanes, Mr. Zorinsky, Mr. Tsongas, Mr. Cranston and Mr. Dodd;

Committee on Governmental Affairs: Mr. Eagleton, Mr. Jackson, Mr. Chiles, Mr. Nunn, Mr. Glenn, Mr. Sasser, Mr. Pryor and Mr. Levin;

Committee on Judiciary: Mr. Biden, Mr. Kennedy, Mr. Byrd of West Virginia, Mr. Metzenbaum, Mr. DeConcini, Mr. Leahy, Mr. Baucus and Mr. Heflin;

Committee on Labor and Human Resources: Mr. Kennedy, Mr. Williams, Mr. Randolph, Mr. Pell, Mr. Eagleton, Mr. Riegle and Mr. Metzenbaum;

Committee on Rules and Administration: Mr. Ford, Mr. Cannon, Mr. Pell, Mr. Byrd of West Virginia and Mr. Williams;

Committee on the Budget: Mr. Hollings, Mr. Chiles, Mr. Biden, Mr. Johnston, Mr. Sasser, Mr. Hart, Mr. Metzenbaum, Mr. Riegle. Mr. Moynihan and Mr. Exon;

Committee on Veterans' Affairs: Mr. Cranston. Mr. Randolph, Mr. Matsunaga, Mr. DeConcini and Mr. Mitchell;

Select Committee on Small Business: Mr. Nunn, Mr. Huddleston, Mr. Bumpers, Mr. Sasser, Mr. Baucus, Mr. Levin, Mr. Tsongas and Mr. Dixon;

Special Committee on Aging: Mr. Chiles, Mr. Glenn, Mr. Melcher, Mr. Pryor, Mr. Bradley and Mr. Burdick.

FEDERAL ELECTION CAMPAIGN ACT OF 1971

Mr. ROBERT C. BYRD. Mr. President. I send a bill to the desk and I ask that it be read the first and second time and the Senate proceed to its immediate consideration.

The PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, I am not acquainted with the substance of the bill. The distinguished minority leader had advised me of his intention to introduce such a bill at this time. Because I am unfamiliar with its subject matter, I object to further consideration beyond the first reading.

The PRESIDENT pro tempore. The bill will be read the first time.

The legislative clerk read as follows:

A bill (S. 9) to amend the Federal Election Campaign Act of 1971 to provide reforms with respect to campaign contributions.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the bill be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RESOLUTION TO AMEND THE STANDING RULES

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution to amend the standing rules, and I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard.

The resolution will lie over under the rule.

The text of the resolution (S. Res. 16) is as follows:

Resolved, That Rule XV of the Standing Rules of the Senate is amended—

(1) by inserting after "Motions" in the caption a semicolon and the following: "GERMANENESS";

(2) by adding at the end thereof the following new paragraph:

"6. (a) At any time during the consideration of a bill or resolution, it shall twice be in order during a calendar day to move that no amendment, other than the reported committee amendments, which is not germane or relevant to the subject matter of the bill or resolution, or to the subject matter of an amendment proposed by the committee which reported the bill or resolution, shall thereafter be in order. The motion shall be privileged and shall be decided after one hour of debate, to be equally divided and controlled by the Majority Leader and the Minority Leader or their designees.

"(b) If a motion made under subparagraph (a) is agreed to by an affirmative vote of three-fifths of the Senators present and voting, then any floor amendment not already agreed to (except amendments proposed by the committee which reported the bill or resolution) which is not germane or relevant to the subject matter of the bill or resolution, or the subject matter of an amendment proposed by the committee which reported the bill or resolution, shall not be in order.

"(c) When a motion made under subparagraph (a) has been agreed to as provided in subparagraph (b) with respect to a bill or resolution, points of order with respect to questions of germaneness or relevancy of amendments shall be decided without debate, except that the Presiding Officer may entertain debate for his own guidance prior to ruling on the point of order. Appeals from the decision of the Presiding Officer on such points of order shall be decided without debate.

"(d) Whenever an appeal is taken from a decision of the Presiding Officer on the question of germaneness of an amendment, or whenever the Presiding Officer submits the question of germaneness or relevancy of an amendment to the Senate, the vote necessary to overturn the decision of the Presiding Officer or hold the amendment germane or relevant shall be two-thirds of the Senators present and voting, a quorum being present."

RESOLUTION TO PROVIDE FOR THE CONTINUATION OF THE JOINT COMMITTEE ON INAUGURAL CEREMONIES

Mr. HATFIELD. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 2) to provide for the continuation of the Joint Committee on Inaugural Ceremonies and for the appointment of two additional members thereto.

The PRESIDENT pro tempore. Without objection, the concurrent resolution is agreed to.

The concurrent resolution (S. Con. Res. 2) is as follows:

S. CON. RES. 2

Resolved by the Senate (the House of Representatives concurring), that effective from January 5, 1981, the joint committee created by Senate Concurrent Resolution 84, of the Ninety-sixth Congress, to make the necessary arrangements for the inauguration of the President-elect and Vice President-elect of the United States on the 20th day of January 1981, is hereby continued and for such purpose shall have the same power and authority as that conferred by such Senate Concurrent Resolution 84, of the Ninety-sixth Congress, except that the size of the Joint Committee is hereby increased to consist of four Senators and four Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively.

The PRESIDENT pro tempore. Pursuant to the concurrent resolution, the following Senators are members of the Joint Committee on the Inaugural:

The Senator from Oregon (Mr. HATFIELD); the Senator from Tennessee (Mr. BAKER); the Senator from West Virginia (Mr. ROBERT C. BYRD); and the Senator from Rhode Island (Mr. PELL).

Mr. BAKER addressed the Chair.

The PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I have a series of unanimous-consent requests that I will make in respect to the Senate on today and tomorrow and, in some cases, for the remainder of this session.

AUTHORIZATION FOR COMMITTEE ON ETHICS TO MEET DURING SENATE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that for the duration of the 97th Congress, the Ethics Committee be authorized to meet at any time during the session of the Senate.

Mr. LONG. Mr. President, reserving the right to object, what committee is that?

Mr. BAKER. The Ethics Committee.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

AUTHORIZATION TO REFER TREATIES AND NOMINATIONS ON THE DAY THEY ARE RECEIVED FROM THE PRESIDENT

Mr. BAKER. Mr. President, I ask unanimous consent that for the duration of the 97th Congress it be in order to refer treaties and nominations on the day when they are received from the President, even when the Senate has no executive session that day.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

AUTHORIZATION FOR RECEIPT OF BILLS, JOINT RESOLUTIONS, SIMPLE RESOLUTIONS, AND CONCURRENT RESOLUTIONS

Mr. BAKER. Mr. President, I ask unanimous consent that during the 97th Congress Senators may be allowed to bring to the desk bills, joint resolutions, and simple resolutions for referral to appropriate committees.

The PRESIDENT pro tempore. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, does the distinguished majority leader intend to include in that request concurrent resolutions?

Mr. BAKER. Mr. President, I would include concurrent resolutions. The request literally stated was for bills, joint resolutions, and simple resolutions, but it should have included concurrent resolutions. I amend the unanimous-consent request to that effect and I thank the minority leader for his attention.

The PRESIDENT pro tempore. The unanimous-consent request, as modified, is agreed to.

ORDER FOR TIME LIMITATION ON ROLLCALL VOTES

Mr. BAKER. Mr. President, I ask unanimous consent for the duration of the 97th Congress there be a limitation of 15 minutes each upon any rollcall vote, with the warning signal to be sounded at the midway point, beginning at the last 7½ minutes, and when rollcall votes are of 10-minute duration, the warning signal be sounded at the beginning of the last 7½ minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR MEMBERS OF THE STAFF TO RECEIVE REPORTS AT THE DESK WHEN PRESENTED BY A SENATOR

Mr. BAKER. Mr. President, I ask unanimous consent that during the 97th Congress it be in order for the proper members of the staff to receive reports at the desk when presented by a Senator at any time during the day of the session of the Senate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the majority——

Mr. ROBERT C. BYRD. Will the distinguished majority leader repeat that last request?

Mr. BAKER. Yes. Mr. President, I am happy to. I ask unanimous consent that during the 97th Congress it be in order for the proper members of the staff to receive reports at the desk presented by a Senator anytime during the day of the session of the Senate.

Mr. ROBERT C. BYRD. This would mean that reports would be eligible for receipt at the desk on calendar days when the Senate has recessed and not necessarily just during morning business on a new legislative day. Is that correct?

Mr. BAKER. Mr. President, that would be my interpretation of the request. The purpose, of course, is to provide a greater ease and convenience for Members to file reports and not to limit it to that particular morning business period as would otherwise be the case under the standing rules and precedents. The effect of this request would be to provide that members of the staff of the Senate could receive those reports when presented by a Senator during any part of a day when the Senate was in session.

Mr. ROBERT C. BYRD. What is being done in one respect here is a waiving of Senate rule VIII with respect to receiving of committee reports during the period of morning business. Am I correct?

The PRESIDENT pro tempore. This is a standard request and has been done in the past when morning business occurred.

Mr. ROBERT C. BYRD. Mr. President, I have no objection. I simply wanted to understand the request.

Mr. BUMPERS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BUMPERS. Do I understand this to mean that a committee report may be filed by a Senator or a staff member.

Mr. BAKER. If I may respond, it does not. It means only a Senator could file the report but it may be received at the desk by a member of the staff of this body.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER DESIGNATING DAILY ASSIGNMENT OF LEADERSHIP TIME

Mr. BAKER. Mr. President, I ask unanimous consent that the majority and minority leaders may daily, as during the past Congress, have up to 10 minutes each on each calendar day following the prayer and the disposition of the reading of, or the approval of, the Journal.

Mr. LONG. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. BAKER. Mr. President, I might say that this is a standard leadership time we have used in the past. It is for the purpose of allowing the majority leader and the minority leader to transact the routine business of the Senate which ordinarily occurs at the beginning of each session, and on occasion it is used to supplement the time for special orders or for time allocated otherwise for morning business. It is no special privilege as far as the majority leader is concerned, and I am sure the minority leader feels the same way. I would hope the distinguished Senator from Louisiana might not object to that request because otherwise it would make it more difficult to conduct the Senate's business.

Mr. LONG. Mr. President, when the Senate meets, if the majority leader wants to be recognized he will be recognized, and if the minority leader wants to be recognized I have no doubt he will be recognized. But it seems to me that other Senators have a right to insist that they be included while unanimous-consent requests are being made. If the majority leader wants to make a speech or if the minority leader wants to make a speech, it seems to me that any other Senator has the right to say, "Just a minute. While you are asking for that, put me in there for a few minutes. I would like to say something." This is the first time I have heard of this, so I must object.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. BAKER. I yield to the minority leader.

Mr. ROBERT C. BYRD. If I may say to my friend, as a very distinguished Senator who has been a Member of the Senate longer than any of the rest of us with the exception of Senator STENNIS, this is an order which is being sought by the distinguished majority leader which has been accorded both leaders during the past two Congresses. It is for the purpose of allowing the majority leader and the minority leader to carry on some business or to yield part of their time to Members on their respective sides if they see a need to do so. I do not think there has been any abuse of the order.

Mr. LONG. Has this request been made in a previous Congress?

Mr. ROBERT C. BYRD. Yes, in the past two Congresses. It has been made by me, as a matter of fact.

Mr. LONG. Then I will not object.

Mr. BENTSEN. Will the Senator yield for a question?

Mr. BAKER. I am happy to yield to the Senator from Texas.

Mr. BENTSEN. It is somewhat difficult to follow all of the changes being proposed. I ask only for information. Is this something that has been prepared in consultation with the minority leader?

Mr. BAKER. Mr. President, I might say that the request I have just made, about which we are having this conversation, I believe is an exact duplicate of the request made 2 years ago by the distinguished Senator from West Virginia as majority leader, and 2 years before that. These requests have been prepared, frankly, in consultation with the Parliamentarian and the staff of the minority leader. They are in the nature of housekeeping details. To the best of my ability I would represent to the Senator from Texas and all other Senators that there is nothing new or different. These are routine, regular, housekeeping provisions that need to be made for the convenience of the Senate and to expedite the progress of the business of this body.

Mr. LONG. Can the Senator assure us that these other requests he has here do not change anything, that it will be exactly the same as it was last year?

Mr. BAKER. I believe, Mr. President, if the Senator will yield to me, they are identical in every respect.

Mr. LONG. All I am asking is if the Senator is asking for something that will be different this year than last year, will he please so indicate when he makes his request? If all he is asking is for the same privilege that Mr. BYRD had as majority leader last year, I will not object, but I would like to know if something new is being done here. I was not aware that we had agreed by unanimous consent that throughout the session the majority and minority leaders would each be first recognized. If we are doing something that is different, I would like to know about it.

Mr. BAKER. We are not doing anything different. I believe that every one of these requests is now imbedded in the procedure and practice of the Senate to such an extent that it is recognized as a routine and regular housekeeping request necessary to conduct the business of the Senate.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. I wish to assure the Members on my side of the aisle that nothing new up to this point has been proposed. These are the regular routine orders that have been entered during the past 4 years. I assure those on my side of the aisle that nothing is new there and that, in my judgment, there will be nothing new in the additional requests that are going to be made. If there is, we will alert the body to it.

Mr. BAKER. If there is, Mr. President, I will be the most surprised Senator on the floor.

Mr. LONG. Had the Senator given that assurance to begin with, I would not have objected.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER GRANTING PRIVILEGE OF THE FLOOR TO THE PARLIAMENTARIAN OF THE HOUSE OF REPRESENTATIVES

Mr. BAKER. Mr. President, I ask unanimous consent that the Parliamentarian of the House of Representatives and his three assistants be given the privilege of the floor during the 97th Congress.

Mr. ROBERT C. BYRD. Reserving the right to object, Mr. President—Mr. President, I have no objection.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Now, Mr. President, can we have order in the Senate?

The PRESIDENT pro tempore. The Senator from Tennessee.

PROCEDURES FOR PRIVILEGE OF THE FLOOR DURING 97TH CONGRESS

Mr. BAKER. Mr. President, I ask unanimous consent that, for the dura-

tion of the 97th Congress, Senators be allowed to leave at the desk with the Journal clerk a list of no more than two staff members who will be granted the privilege of the floor during the consideration of the specific matter noted on the list, and that the Sergeant at Arms be instructed to rotate such staff members as space allows.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PRINTING OF CONFERENCE REPORTS

Mr. BAKER. Mr. President, I ask unanimous consent that, notwithstanding the provisions of the Legislative Reorganization Act, conference reports and statements accompanying them not be printed as Senate reports when such conference reports and statements have been printed as a House report, unless specific request is made in the Senate in each instance to have such a report printed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR THE COMMITTEE ON APPROPRIATIONS TO TAKE CERTAIN ACTION

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Appropriations be authorized during the 97th Congress to file reports during adjournments or recesses of the Senate on appropriation bills, including joint resolutions, together with any accompanying notices of motions to suspend rule XVI, pursuant to rule V, for the purpose of offering certain amendments to such bills or joint resolutions, which proposed amendment shall be printed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO TAKE CERTAIN ACTIONS

Mr. BAKER. Mr. President, I ask unanimous consent that, for the duration of the 97th Congress, the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossments of all Senate-passed bills and resolutions, Senate amendments to House bills and resolutions, Senate amendments to House amendments to Senate bills and resolutions, and Senate amendments to House amendments to Senate amendments to House bills and resolutions.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR PROCEDURE ON TRANSACTION OF MORNING BUSINESS TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that, until 5 p.m. today, morning business—the introduction of bills and joint resolutions and the submission of simple and concurrent resolutions and statements by Senators—may be transacted by being presented at the desk.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS TODAY UNTIL TOMORROW AND ORDER OF PROCEDURE TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 noon on tomorrow; and that, following the prayer on tomorrow and at no later than 12:40 p.m., on tomorrow, Senators march in a body to the Hall of the House of Representatives for the purpose of counting the electoral votes with respect to the last Presidential election.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. ROBERT C. BYRD. Will the majority leader state to the Senate what his plans are for tomorrow following the counting of the electoral votes and beyond, for the remainder of the week, if he can?

Mr. BAKER. Mr. President, I thank the distinguished minority leader for his request. In a very real way, that request symbolizes the transfer of power in the Senate. It is the first time I have been honored with such a request to state my intentions with respect to the operation of the Senate. I am more than pleased to respond.

Mr. President, as I have indicated, the Senate will recess over until tomorrow at noon, to proceed at 12:40 p.m. to the hall of the House of Representatives to count the electoral votes pursuant to the last Presidential and Vice Presidential elections in accordance with the constitutional forms. Following that, there will be no further business before the Senate. Indeed, it is my expectation that the Senate will recess over, either until the 19th of January by resolution, or until Thursday, at which time, I shall expect a pro forma session, depending rather on the decision that is made in the other body in relation to the arrangement of their schedule.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader. He does not anticipate, then, that the Senate will be called upon to perform its constitutional duties vis-a-vis the election of a Vice President?

Mr. BAKER. Mr. President, will the minority leader——

Mr. ROBERT C. BYRD. Following the counting of electoral ballots.

Mr. BAKER. The minority leader makes a very valid point. This matter will be disposed of by the counting of the electoral votes. That will, of course, include the election of both a President and a Vice President of the United States. The responsibility for the election of a Vice President does not devolve upon the Senate unless no candidate for that office achieves a majority in the Electoral College.

Mr. ROBERT C. BYRD. So he does not anticipate a tie vote in that instance?

Mr. BAKER. I do not anticipate a tie vote for any contested result. On the contrary, I expect that the electoral vote will be counted and tallied, and that a clear victor will emerge. Then we shall recess over until Thursday, if need be, or until the 19th, by resolution if possible.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON GEOGRAPHICAL RESTRICTIONS ON COMMERCIAL BANKING IN THE UNITED STATES—MESSAGE FROM THE PRESIDENT—PM 1

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

I am pleased to submit a report on the Geographic Restrictions on Commercial Banking in the United States, which was prepared pursuant to Section 14 of the International Banking Act of 1978 (P.L. 95-369, Sec. 14).

JIMMY CARTER.

THE WHITE HOUSE, *January 5, 1981.*

MESSAGE FROM THE HOUSE

At 3:44 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has agreed to the following resolutions:

H. Res. 3. Resolution informing the Senate that a quorum of the House is present, and that the Honorable Thomas P. O'Neill, Jr. has been elected Speaker, and that Edmund L. Henshaw, Jr., of Virginia, has been elected Clerk of the House for the 97th Congress; and

H. Res. 4. Resolution informing the Senate that three Members be appointed by the Speaker on the part of the House to join with a committee on the part of the Senate to inform the President of the United States that a quorum of each House has been assembled and is ready to receive any communication that he may be pleased to make.

EXECUTIVE COMMUNICATION

The PRESIDING OFFICER laid before the Senate the following executive communication; which, together with accompanying reports, papers, and documents, was referred as indicated:

EC-1. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the twelfth annual report on Truth in Lending; to the Committee on Banking, Housing, and Urban Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE (for himself, Mr. ARMSTRONG, Mr. DURENBERGER, Mr. COHEN, Mr. BOSCHWITZ, Mr. SCHMITT, Mr. DECONCINI, Mr. PRESSLER, Mr. SYMMS, Mr. JEPSEN, Mr. HAYAKAWA, Mr. PERCY, Mr. HELMS, and Mr. DENTON):

S. 1. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Finance.

By Mr. MATHIAS:

S. 2. A bill to amend the Internal Revenue Code of 1954; to the Committee on Finance.

By Mr. PRYOR:

S. 3. To reduce paperwork in the administration of certain construction contract provisions of law relating to wage rates; to the Committee on Governmental Affairs.

By Mr. CHAFEE (for himself and Mr. BRADLEY):

S. 4. A bill to provide a cap on Federal unemployment tax rates in certain States; to the Committee on Finance.

By Mr. WARNER:

S. 5. A bill to amend title 38, United States Code, to provide a new program of educational assistance for persons who serve in the Armed Forces; to the Committee on Veterans' Affairs.

By Mr. HELMS (for himself, Mr. GOLDWATER, Mr. MCCLURE, and Mr. SYMMS):

S. 6. A bill to provide for the reinstatement of the dollar as a gold reserve currency, to stabilize the value of the dollar, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. THURMOND:

S. 7. A bill to amend title 38, United States Code, to provide a new educational assistance program for veterans and persons who serve on active duty with the Armed Forces after September 30, 1981, and for persons who perform service in the Selected Reserve of the Ready Reserve of an Armed Force after such date, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DOLE (for himself, Mr. DECONCINI, Mr. TOWER, Mr. LUGAR, Mr. JEPSEN, and Mr. LAXALT):

S. 8. A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes; to the Committee on Finance.

By Mr. ROBERT C. BYRD:

S. 9. A bill to amend the Federal Election Campaign Act of 1971 to provide reforms with respect to campaign contributions.

By Mr. ROTH (for himself and Mr. EAGLETON):

S. 10. A bill to establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels; to the Committee on Governmental Affairs.

By Mr. MITCHELL (for himself and Mr. COHEN):

S. 11. A bill to prohibit the Secretary of the Treasury from processing potatoes for entry into the United States until certain measures are taken; to the Committee on Finance.

By Mr. DOLE (for himself and Mr. COCHRAN):

S. 12. A bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans; to the Committee on Finance.

By Mr. DOLE:

S. 13. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Federal revenues set forth in concurrent resolutions on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget which set forth a deficit, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent, pursuant to the order of August 4, 1977.

By Mr. ZORINSKY:

S. 14. A bill for the relief of Francisco D. Dozon, doctor of medicine; to the Committee on the Judiciary.

S. 15. A bill for the relief of Attilio Antonio LaFatia, Maria Rosa Scrofani (LaFatia), Piziana LaFatia, JoAnna LaFatia, and Mazzia LaFatia; to the Committee on the Judiciary;

S. 16. A bill for the relief of T.Sgt. Herman F. Baca, U.S. Air Force; to the Committee on the Judiciary.

S. 17. A bill to permit the importation of a leopard skin; to the Committee on Finance.

By Mr. CRANSTON:

S. 18. A bill to establish the Orange Coast National Urban Park in the State of California; to the Committee on Energy and Natural Resources.

By Mr. DOLE (for himself, Mr. BOREN, Mr. ARMSTRONG, Mr. BUMPERS, Mr. BURDICK, Mr. COCHRAN, Mr. DOMENICI, Mr. GARN, Mr. GLENN, Mr. GOLDWATER, Mr. HART, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HELMS, Mr. HUMPHREY, Mr. JEPSEN, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. LAXALT, Mr. LONG, Mr. LUGAR, Mr. MELCHER, Mr. PERCY, Mr. PRYOR, Mr. RANDOLPH, Mr. SCHMITT, Mr. SIMPSON, Mr. TOWER, and Mr. WALLOP):

S. 19. A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax; to the Committee on Finance.

By Mr. SASSER:

S. 20. A bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 21. A bill to establish a United States Court of Appeals for the Federal Circuit, to establish a United States Claims Court, and for other purposes; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 22. A bill to amend the Communications Act of 1934 in order to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment to radio and television; to the Committee on Commerce, Science, and Transportation.

By Mr. DOLE (for himself and Mr. PERCY):

S. 23. A bill to amend the Internal Revenue Code of 1954 with respect to the special valuation of farm property for purposes of the estate tax: to the Committee on Finance.

By Mr. DOLE (for himself, Mr. CHAFEE, Mr. DANFORTH, Mr. GARN, Mr. HATFIELD, and Mr. WALLOP):

S. 24. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and the deduction of contributions to, education savings accounts and housing savings accounts; to the Committee on Finance.

By Mr. ARMSTRONG:

S. 25. A bill to amend title 38, United States Code, to provide a new educational assistance program for persons who enlist, reenlist, or otherwise enter the Armed Forces after December 31, 1980; and a career service person's educational assistance program, and to amend title 10, United States Code, to authorize an educational leave of absence for members of the Armed Forces; to the Committee on Veterans Affairs.

By Mr. PRESSLER:

S. 26. A bill to amend title 38 United States Code, to provide for a comprehensive program of improved benefits for veterans of the Vietnam era by establishing a program of Career Development. Advancement and Training, by establishing a Post-Vietnam Veteran's Recruitment, Retention and Readjustment Assistance Program, by providing for a conditional extension of the delimiting period with respect to educational assistance, by providing for the payment of tuition expenses under the GI Bill through an educational loan discharge program, by expanding for a period of two years the Psychological Readjustment program, by expanding and improving the effectiveness of outreach programs, educational and occupational counseling, and employment programs for Vietnam and post-Vietnam era veterans, by establishing an Interagency Veterans Coordinating Committee, and a Presidential Commission on Veterans Affairs, by providing for the identification, treatment, and compensation of veterans and dependents suffering from diseases or disabilities attributable to exposure to toxic substances, chemical or biological agents, or radiation and for other purposes; to the Committee on Veterans Affairs.

By Mr. DOLE:

S. 27. A bill to amend the Internal Revenue Code of 1954 to make permanent the allowance of a deduction for eliminating architectural and transportation barriers for the handicapped and to increase the amount of such deduction from $25,000 to $100,000; to the Committee on Finance.

By Mr. LUGAR:

S. 28. A bill to terminate the authorizations for Lafayette Dam and Reservoir, Big Pine Dam and Reservoir, Cliffy Creek Dam and Reservoir and the Big Blue Dam and Reservoir in the State of Indiana; to the Committee on Environment and Public Works.

S. 29. A bill to repeal the Federal requirement of incremental pricing under the Natural Gas Policy Act of 1978; to the Committee on Energy and Natural Resources.

By Mr. SASSER:

S. 30. A bill to provide for the payment of interest by the Federal Government on any amount due for more than thirty days to any person under the terms of a contract entered into by the Federal Government and such person; to the Committee on Governmental Affairs.

By Mr. ARMSTRONG (for himself, Mr. DOLE, Mr. BOREN, Mr. MATHIAS, Mr. GOLDWATER, and Mr. EXON):

S. 31. A bill to amend the Internal Revenue Code of 1954 with respect to the deduction of certain expenses in connection with the business use of homes and the rental of residences to family members, and for other purposes; to the Committee on Finance.

By Mr. CHAFEE (for himself, Mr. DECONCINI, Mr. DOMENICI, Mr. GOLDWATER, Mr. WILLIAMS, Mr. PERCY, Mr. TSONGAS, Mr. MOYNIHAN, Mr. BAUCUS, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. CANNON, Mr. COHEN, Mr. DANFORTH, Mr. DOLE, Mr. DURENBERGER, Mr. EAGLETON, Mr. GLENN, Mr. HATFIELD, Mr. JEPSEN, Mr. JOHNSTON, Mr.

LEAHY, Mr. LEVIN, Mr. LUGAR, Mr. MATHIAS, Mr. MITCHELL, Mr. PELL, Mr. RANDOLPH, Mr. SIMPSON, Mr. SCHMITT, Mr. TOWER, Mr. WEICKER, Mr. BRADLEY, Mr. INOUYE, Mr. LAXALT, Mr. METZENBAUM, Mr. KENNEDY, Mr. ROBERT C. BYRD, Mr. HUMPHREY, and Mr. SARBANES):

S. 32. A bill to grant a Federal Charter to the Italian American War Veterans of the United States of America; to the Committee on the Judiciary.

By Mr. BURDICK:

S. 33. A bill to rescind the agricultural commodity export embargo to the Union of Soviet Socialist Republics; to the Committee on Banking, Housing, and Urban Affairs.

S. 34. A bill to amend the Internal Revenue Code; to the Committee on Finance.

By Mr. BURDICK:

S. 35. A bill to modify the authorization for the Burlington Dam, Souris River, North Dakota, contained in the Flood Control Act of 1970, and for other purposes; to the Committee on Environment and Public Works.

S. 36. A bill amending the conveyance of property to Mountrail County Park Commission, North Dakota, and for other purposes; to the Committee on Environment and Public Works.

S. 37. A bill to amend title VII of the Public Health Service Act to provide for making of grants to schools of medicine and osteopathy to assist them in the establishment and operation of educational programs; to the Committee on Labor and Human Resources.

S. 38. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Finance.

By Mr. TOWER:

S. 39. A bill for the relief of Alberto Quilop Banes and Eloisa Yu Banes, his wife; to the Committee on the Judiciary.

By Mr. CRANSTON:

S. 40. A bill to establish the Big Sur Coast Area in the State of California; to the Committee on Energy and Natural Resources.

S. 41. A bill to authorize the establishment of the Desert Pupfish National Wildlife Refuge in the State of Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SASSER:

S. 42. A bill to enhance the ability of the Federal Government to collect delinquent debts; to the Committee on Governmental Affairs.

By Mr. SASSER (for himself, Mr. DURENBERGER, Mr. NUNN, Mr. ROTH, Mr. BRADLEY, Mr. EAGLETON, Mr. LEVIN, Mr. HATFIELD, Mr. HEFLIN, Mr. DANFORTH, and Mr. PRYOR):

S. 43. A bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent jointly, pursuant to the order of August 4, 1977.

By Mr. BRADLEY:

S. 44. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for social security taxes paid in 1981 and 1982; to the Committee on Finance.

By Mr. SASSER (for himself, Mr. NUNN, Mr. PRYOR, Mr. LEVIN, and Mr. BAUCUS):

S. 45. A bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance; to the Committee on Governmental Affairs.

By Mr. THURMOND:

S. 46. A bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits; to the Committee on Governmental Affairs.

By Mr. SCHMITT:

S. 47. A bill to amend the Immigration and Nationality Act to establish a temporary worker's visa program between the United States and Mexico; to the Committee on the Judiciary.

By Mr. DECONCINI:

S.J. Res. 1. Joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself, Mr. DANFORTH, and Mr. ZORINSKY):

S.J. Res. 2. Joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office which members of the Senate and House of Representatives may serve; to the Committee on the Judiciary.

By Mr. PRYOR (for himself, Mr. BAUCUS, Mr. DURENBERGER, Mr. EXON, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. RANDOLPH, Mr. LEAHY, Mr. CHAFEE, Mr. MATSUNAGA, Mr. PROXMIRE, Mr. LEVIN, and Mr. CRANSTON):

S.J. Res. 3. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. BURDICK:

S.J. Res. 4. Joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week"; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself, Mr. ROTH, Mr. LEVIN, Mr. EAGLETON, Mr. BIDEN, Mr. GLENN, Mr. WILLIAMS, and Mr. METZENBAUM):

S.J. Res. 5. Joint resolution authorizing the President to enter into negotiations with foreign governments to limit the importation of automobiles and trucks into the United States; to the Committee on Finance.

By Mr. CRANSTON:

S.J. Res. 6. Joint resolution to establish a national policy for taking of predatory or scavenging mammals and birds on public lands, and for other purposes; to the Committee on Environment and Public Works.

By Mr. LUGAR:

S.J. Res. 7. Joint resolution proposing an amendment to the Constitution to require that Congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself and Mr. HATFIELD):

S.J. Res. 8. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and the Vice President of the United States; to the Committee on the Judiciary.

By Mr. THURMOND (for himself, Mr. DECONCINI, Mr. HATCH, Mr. HEFLIN, Mr. SIMPSON, Mr. LAXALT, Mr. EAST, and Mr. GRASSLEY):

S.J. Res. 9. Joint resolution proposing an amendment to the Constitution to promote fiscal responsibility; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself, Mr. ARMSTRONG, Mr. DURENBERGER, Mr. COHEN, Mr. BOSCHWITZ, Mr. SCHMITT, Mr. DECONCINI, Mr. PRESSLER, Mr. SYMMS, Mr. JEPSEN, Mr. HAYAKAWA, Mr. PERCY, Mr. HELMS, and Mr. DENTON):

S. 1. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and the amount of personal exemptions; to the Committee on Finance.

TAX EQUALIZATION ACT

● Mr. DOLE. Mr. President, despite all the debate over tax cuts in the 96th Congress, no action was taken to alleviate the rising burden of taxation that has become a drag on our economy. The election results have given us a mandate to reduce taxes. But whatever we do at this point, there will be a net increase in the taxes paid by the American people in 1981. Higher social security taxes, the windfall profit tax, and inflation will combine to raise the tax burden to record peacetime levels. The tax increase from inflation pushing people into higher brackets alone will amount to $20 billion or more in 1981.

TAXFLATION

Mr. President, inflation is our No. 1 tax problem. As inflation increases, a taxpayer's income must also increase to enable the family to buy the same amount of goods and services. But, as nominal income rises, the taxpayer is pushed into higher and higher tax brackets—thus, paying a larger tax bill—despite the fact that no gain in purchasing power has been realized. Because of our progressive tax system, the taxpayer is required to pay a higher percentage of his earnings in taxes. Although the taxpayer is earning more money to keep up with inflation, his or her real standard of living may actually decline.

INDEXING

Mr. President, the legislation I introduce today is designed to protect taxpayers from the tax impact of inflation by automatically adjusting tax liabilities each year to reflect increases in the cost of living. The Tax Equalization Act would adjust the personal income tax rates, the personal exemption, and the zero bracket amount to reflect increases in the cost of living as measured by the consumer price index during the previous year. The Tax Equalization Act is effective beginning with tax years after 1981, and will remain in effect for 4 years, at which point Congress will have an opportunity to review and determine

whether to continue the indexing adjustments.

Indexing is the way to stop unlegislated increases. Indexing is a simple concept. As inflation increases, the tax system is adjusted to prevent individuals from being pushed into higher tax brackets. For example, under the Tax Equalization Act, if the inflation rate for 1981 were 10 percent, the personal exemption would increase from $1,000 to $1,100.

VESTED INTEREST

The Government has a vested interest in inflation. For each percentage increase in the inflation rate, the Federal Government can expect an additional $1.5 to $1.9 billion in new tax revenues. According to the Joint Committee on Taxation, taxflation will increase taxes by around $20 billion in 1981. This yearly windfall bonus allows Congress to continually expand the role of Government without having explicitly to increase taxes to finance the programs it generates. The Tax Equalization Act, by depriving Congress of inflation-induced revenues, will encourage fiscal restraint and decrease the size of Government.

Many of the opponents of tax indexing have stated that such adjustments would be conceding defeat in our battle against inflation. This, of course, is nonsense. Indexing, by itself, will neither cause nor cure inflation. In fact, it may help to reduce the major impediment in our ability to control inflation—excessive Federal spending.

WAGE DEMANDS

Indexing may have a positive effect in keeping wage increases down. Without indexing, a worker realizes that a wage increase that just keeps pace with inflation will push him into a higher tax bracket. In order for him to achieve a real gain, his wages must rise faster than the cost of living. The inflation penalty inherent in the present tax structure is one of the basic reasons for inflationary wage demands, since workers must receive inflationary wage increases in excess of the cost-of-living increase simply to maintain the actual value of their take-home pay.

PUBLIC SUPPORT

Mr. President, Congress, from time to time, has reduced taxes in order to compensate for inflation. However, these reductions are often no more than a redistribution of the tax burden.

Mr. President, there are a number of other countries that have already adopted some form of tax indexing. These countries include Canada, France, Luxembourg, Denmark, Israel, Brazil, the Netherlands, and recently, Australia. In the United States, nine States, including Colorado and California, have already initiated indexed tax systems for the collection of their State income tax. In recent weeks the Advisory Commission on Intergovernmental Relations released a report concluding that State tax indexing systems help maintain the integrity of progressive taxation, protect low-income taxpayer, and increase political accountability. In addition, the New York Times has editorially endorsed tax indexing.

INCREASED REALITY

Mr. President, the Senator from Kansas believes that tax indexing will soon become a reality. In 1978 the House of Representatives passed a bill to prevent the Federal Government from taxing inflation on capital gains. Although this was not enacted into law, it was a significant step for indexing and an indication of things to come. In 1979, during the consideration of the windfall profit tax, an amendment which I introduced with a number of my distinguished colleagues received wide bipartisan support.

Mr. President, we cannot ignore the compelling arguments for indexing much longer. The American taxpayer understands the reasons that his taxes are increasing and that the Federal Government is the prime beneficiary.

Indexing is the logical and responsible way to end the see-saw syndrome of automatic and unlegislated tax increases caused by inflation. I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tax Equalization Act".

SEC. 2. ADJUSTMENT TO INDIVIDUAL TAX RATES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.

(a) GENERAL RULE.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—

"(1) IN GENERAL.—

"(A) TAXABLE YEARS BEFORE 1986.—Not later than December 15 of each calendar year before 1983, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

"(B) TAXABLE YEARS AFTER 1985.—In the case of taxable years beginning after December 31, 1985, the tables prescribed under subparagraph (A) for taxable years beginning in 1985 shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning after 1985.

"(2) METHOD OF PRESCRIBING TABLES.—The table which under paragraph (1)(A) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

"(A) by increasing—

"(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table,

by the cost-of-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A)(ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets. If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10).

"(3) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for the calendar year 1980.

"(4) CPI FOR ANY CALENDAR YEAR.—For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index for the months ending in the 12-month period ending on September 30 of such calendar year.

"(5) CONSUMER PRICE INDEX.—For purposes of paragraph (4), the term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor.".

(b) DEFINITION OF ZERO BRACKET AMOUNT.—Subsection (d) of section 63 of such Code (defining zero bracket amount) is amended to read as follows:

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) in the case of an individual to whom subsection (a), (b), (c), or (d) of section 1 applies, the maximum amount of taxable income on which no tax is imposed by the applicable subsection of section 1, or

"(2) zero in any other case.".

SEC. 3. COST-OF-LIVING ADJUSTMENTS IN AMOUNT OF PERSONAL EXEMPTIONS.

(a) GENERAL RULE.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(b) EXEMPTION AMOUNT.—Section 151 of such Code is amended by adding at the end thereof the following new subsection:

"(f) EXEMPTION AMOUNT.—For purposes of this section, the term 'exemption amount' means, with respect to any taxable year, $1,000 increased by an amount equal to $1,000 multiplied by the cost-of-living adjustment (as defined in section 1(f)(3))—

"(1) for the calendar year in which the taxable year begins, or

"(2) in the case of a taxable year beginning after December 31, 1984, for calendar year 1985.

If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the next highest multiple of $10).".

SEC. 4. ADJUSTMENTS IN WITHHOLDING.

(a) IN GENERAL.—Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to requirement of withholding) is amended by inserting after the second sentence the following new sentence: "The Secretary shall, not later than December 15 of each calendar year before 1985, prescribe tables which shall apply in lieu of the tables prescribed above to wages paid during the succeeding calendar year and which shall be based on the tables prescribed under section 1(f) which apply with respect to taxable years beginning in such succeeding calendar year. The tables prescribed under the preceding sentence for 1985 shall also apply with respect to wages paid after 1985.".

(b) PERCENTAGE METHOD OF WITHHOLDING.—Paragraph (1) of section 3402(b) of such Code (relating to the percentage method of withholding) is amended by adding at the end thereof the following new sentence: "The Secretary shall, not later than December 15

of each calendar year before 1985, prescribe a table which shall apply in lieu of the above calendar year and which shall be based on the exemption amount (as defined in section 151(f) which applies to taxable years beginning in the succeeding calendar year. The table prescribed under the preceding sentence for 1985 shall also apply to wages paid after 1985.".

(c) WITHHOLDING ALLOWANCES BASED ON ITEMIZED DEDUCTIONS.—Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(1) by striking out "$1,080" and inserting in lieu thereof "the exemption amount (as determined under section 151(f) for taxable years beginning in the calendar year)."; and

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) an amount equal to the maximum amount of taxable income for taxable years beginning in the calendar year on which no tax is imposed by section 1(a) (or section 1(b) in the case of an individual who is not married, within the meaning of section 143, and who is not a surviving spouse, as defined in section 2(a))".

SEC. 5. RETURN REQUIREMENTS.

(a) Clause (i) of section 6012(a)(1)(A) of the Internal Revenue Code of 1954 is amended by striking out "$3,300" and inserting in lieu thereof "the sum of the exemption amount and the zero bracket amount applicable to such an individual".

(b) Clause (ii) of section 6012(a)(1)(A) of such Code is amended by striking out "$4,400" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual".

(c) Clause (iii) of section 6012(a)(1)(A) of such Code is amended by striking out "$5,400" and inserting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return".

(d) Paragraph (1) of section 6012(a) of such Code is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(e) Paragraph (1) of section 6012(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph—

"(i) The term 'zero bracket amount' has the meaning given to such term by section 63(d).

"(ii) The term 'exemption amount' has the meaning given to such term by section 151(f).".

(f) Subparagraph (A) of section 6013(b)(3) of such Code is amended—

(1) by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount",

(2) by striking out "$2,000" each place it appears and inserting in lieu thereof "twice the exemption amount", and

(3) by adding at the end thereof the following new sentence: "For purposes of this subparagraph, the term 'exemption amount' has the meaning given to such term by section 151(f).".

SEC. 6. EFFECTIVE DATES.

(a) The amendments made by sections 1, 2, and 5 of this Act shall aply to taxable years beginning after December 31, 1981.

(b) The amendments made by section 4 of this Act shall apply to remuneration paid after December 31, 1981.

By Mr. MATHIAS:

S. 2. A bill to amend the Internal Revenue Code of 1954; to the Committee on Finance.

MARRIAGE TAX PENALTY

● Mr. MATHIAS. Mr. President, getting this country's economy moving again is the most important job facing the 97th Congress. President-elect Reagan and many Senators have supported a major tax cut that will spur productivity and ease the tax burden on all Americans, and I applaud these efforts. The ripple effect of a major tax cut will give our economy the boost it needs, and will help every household make ends meet in these inflationary times. Furthermore, a tax cut will give us a long delayed opportunity to end the most glaring inequity in our tax code, the marriage tax penalty, and I hope we seize this opportunity to do so.

Mr. President, in the last 20 years, our country has undergone great changes. We have put men on the Moon, learned to wait in gas lines, and watched miniskirts and wide ties come and go. Along with these noteworthy events, American society has seen an important evolution in family lifestyle. Last year, for the first time, more than 50 percent of all married American women were working outside the home—at jobs never before held by women, and at salaries more and more in line with the work they do. It is estimated that in the next 20 years, the number of women working outside the home will continue to increase, reaching 70 percent by 1990. Clearly, women wage-earners are now an integral part of American society.

Yet, in the face of this change, our tax system has stood still. Twenty-five years ago, we devised a system to allow married people to combine all family income and file their tax returns jointly. For a traditional family, with one wage-earner, this is a good system. It recognizes the expenses of raising a family, and taxes married people at an appropriately lower rate. As long as the majority of married couples were "traditional" couples, this system fell within our guidelines of being "fair and equitable to the majority of American citizens."

However, lifestyles have changed. The typical American family is no longer the traditional one. Over half of all married couples—40 million taxpayers—have two wage earners. Our tax system refuses to recognize this, and the majority of American couples are forced to pay extra taxes based upon an antiquated system that is now "fair and equitable" only to a minority of people.

This inequity is called the "marriage tax penalty." It taxes wage earners more if they are married than if they are not, because when two incomes are combined and filed jointly, both incomes are thrown into a higher tax bracket. This penalty affects all income levels, but hurts the middle income couple the most, increasing that couple's tax bill by as much as 63 percent. In short, our tax system has turned the so-called tender trap into a booby trap.

Clearly, this quirk in our tax code encourages people to save money by divorcing and simply living together, or never to marry at all.

Just listen to the letters I have received:

A Maryland minister writes that tax advisers are now advising people to live together rather than marry:

It is interesting that the very things you said in your address to Congress, especially concerning the advice of tax advisers to older couples, contemplating marriage, is the same advice I had to give most reluctantly, and certainly with moral twinges of conscience. Yet, I know (my parishioners) could make ends meet easier as single persons than as married couples. There was no way I, as a pastor, could advise them to become man and wife under the present tax structure.

A sociologist from the University of California at San Francisco writes:

As a sociologist I am acutely concerned over disincentives to women working and to laws and regulations which undermine the family . . . Bills such as (S. 336) are sorely needed to bring about the structural changes in our society which will allow women to realize their potential and have equal access to opportunities.

And listen to this cry from the heart from a distraught father;

A few weeks ago . . . (my) daughter, a working girl in her early twenties, told me that she hoped to have children in the future, but would not necessarily get married . . . I tried, without sounding too preachy, to explain that a child deserved to grow up in a stable environment with both a father and a mother. But what chance have I got against a government which actually charges you money for getting married?

And, then there are examples like Mr. and Mrs. Boyter, from my own State of Maryland. For 3 years running, they have divorced at the end of the year, and remarried a few days later, after taking a vacation on the money they saved by filing as single people. I do not think our tax system should force a couple to this extreme.

It is our job as legislators to resolve this problem. Today I am reintroducing a bill which Representative MILLICENT FENWICK and I have introduced for the last three Congresses. Our bill would allow all married couples the option of filing their taxes as if they were single, using the rate schedule for single people. This proposal would simply allow all married couples to choose between two systems of filing, preventing them from paying higher taxes simply because they are married.

The Interdepartmental Task Force on Women concluded a major study on the married tax penalty which strongly supports my proposal as the "simplest way to permanently eliminate the marriage tax penalty." Our proposal is, in fact, not only the simplest, but I think the best way to eliminate the marriage tax penalty. A tax credit or deduction against the second spouse's income may be less expensive for the Treasury, but the reduction in the marriage tax would not be uniform for all couples, such a proposal would result in over-compensation for a few for the penalty they previously paid, and under compensation for the vast majority of taxpayers affected by this inequity.

Last year, in the Senate, my bill had over 30 cosponsors, and Representative

FENWICK's bill in the other body had over 250. Both the Republican and the Democratic platforms as well as 83 percent of the American public, according to a Gallup poll, support a reduction in the marriage tax penalty. The National Federation of Business and Professional Women, the Women's Equity Action League, the National Taxpayers Union, and the Family Service Association of America are among the many groups which have endorsed my bill. Clearly, the support for optional, separate filing is widespread and continuing to grow.

This penalty is not a problem that is going to disappear if we ignore it. Every time a woman enters the work force, the marriage penalty grows, as do the Treasury's windfall revenues. An obstacle to our proposal is the revenue loss. But this figure—estimated by the Joint Taxation Committee at $8 billion for 1981—makes the case for our bills more compelling. It spotlights the magnitude of the inequity, and the amount of tax money involved will only become larger and more difficult to deal with in the years ahead. The longer we wait to act, the harder it will be to wean the budget from this extra bite.

Mr. President, I ask each of my colleagues to study my bill and to join me in support of eliminating the marriage tax penalty. I ask unanimous consent that the text of my bill appear in the RECORD following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) so much of subsection (c) of section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) as precedes the table is amended to read as follows:

"(c) INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS) AND CERTAIN MARRIED INDIVIDUALS.—There is hereby imposed on the taxable income of—

"(1) every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)),

"(2) every married individual (as defined in section 143) who—

"(A) does not make a single return jointly with his spouse under section 6013,

"(B) who elects, at such time and in such manner as the Secretary prescribes, to have this subsection apply, and

"(C) whose spouse elects, at such time and in such manner the Secretary prescribes, to have the provisions of this subsection apply,

a tax determined in accordance with the following table:".

(b) Section 1 of such Code is amended by adding at the end thereof the following new subsection:

"(f) COMMUNITY PROPERTY LAWS.—In the case of a married individual (as defined in section 143) who elects to have the provisions of subsection (c) apply with respect to his taxable income for any taxable year, the computation of such taxable income shall be made without regard to any community property laws.".

(c) Subsection (d) of section 1 of such Code is amended—

(1) by inserting "CERTAIN" before "MARRIED" in the heading thereof, and

(2) by inserting ", or who elects to have the provisions of subsection (c) apply," after "section 6013".

(d) Subsection (d) of section 63 of such Code (relating to the definition of taxable income) is amended—

(1) by inserting ", or who is married and makes an election under section 1(c)" before the comma at the end of paragraph (2), and

(2) by inserting "under section 1(d)" after "return" in paragraph (3).

(e) Clause (i) of section 6012(a)(1)(A) of such Code (relating to persons required to make returns of income) is amended—

(1) by striking out ", is not" and inserting in lieu thereof "and is not", and

(2) by inserting "or who is married (as so determined) and makes an election under section 1(c)," before "and for the taxable year".

SEC. 2. Subsection (c) of section 42 of the Internal Revenue Code of 1954 (relating to general tax credit) is amended by inserting "under subsection (d) of section 1" after "return".

SEC. 3. (a) Section 44A of the Internal Revenue Code of 1954 (relating to expenses for household and dependent care services necessary for gainful employment) is amended—

(1) by inserting ", or a married individual who makes an election under section 1(c) for such year" after "year" the first place it appears in subsection (e)(1)(A),

(2) by inserting "and who has not so elected" after "year" the first place it appears in subsection (e)(1)(B),

(3) by inserting "CERTAIN" before "MARRIED" in the heading of subsection (f)(2), and

(4) by inserting "or make the election provided under section 1(c) for such year" before the period at the end of subsection (f)(2).

(b) Section 152 of such Code (relating to definition of dependent) is amended—

(1) by striking out "or (e)" in subsection (a) and inserting in lieu thereof lieu ", (e), or (f)", and

(2) by adding at the end thereof the following new subsection:

"(f) SUPPORT TEST IN CASE OF CREDIT FOR EMPLOYMENT-RELATED EXPENSES.—In the case of a married individual who makes an election under section 1(c) for the taxable year and who is entitled to claim the credit under section 44A with respect to any person but for the fact that he did not contribute over half of the support of such person, such person shall be treated for purposes of subsection (a) as having received over half of such support from such individual if—

"(1) over half of such support was received from such individual and his spouse;

"(2) the individual contributed over 10 percent of such support; and

"(3) the individual's spouse does not claim such person as a dependent in any taxable year beginning in such calendar year.".

SEC. 4. Section 1348 of the Internal Revenue Code of 1954 (relating to 50 percent maximum rate on personal service income) is amended by inserting "or make the election provided in section 1(c) for such year" before the period at the end of subsection (c).

SEC. 5. The amendments made by this Act apply to taxable years ending after the date of the enactment of this Act.●

By Mr. PRYOR:

S. 3. A bill to reduce paperwork in the administration of certain construction contract provisions of law relating to wage rates; to the Committee on Governmental Affairs.

PAPERWORK REDUCTION FOR CONSTRUCTION CONTRACTORS

● Mr. PRYOR. Mr. President, this bill has a simple purpose. This bill would change the requirement that construction contractors on Federal building projects report weekly concerning wages paid. The weekly report has become an unnecessary paperwork burden, so I propose to require instead that reports be filed with the contracting agencies only at the beginning and the end of the contract period.

This measure is intended to do something concrete and meaningful about burdensome Government regulations—something that will actually provide relief to the individuals affected. A good many people have been talking "regulatory reform" for some time. My hope is that enactment of this proposal would be at least a small step toward the reform that we all seek.

The Copeland Anti-Kickback Act, originally passed in 1934, makes it illegal to ask workers on Federal construction projects to kickback or return a portion of their wages to the contractor as a means of circumventing the prevailing wage standards of the Davis-Bacon Act. The Copeland Act and Department of Labor regulations implementing it require contractors to furnish weekly statements with respect to wages paid each employee during the preceding week.

In 1958 the Senate Government Operations Committee approved legislation amending the original act to remove the requirement that the weekly statements be "sworn affidavit(s)," and substituted instead the word "statement," making it subject to the False Information Act and, therefore, liable to criminal sanction. The purpose of that action is the same as the purpose of this proposal—that is, to simplify the filing of payroll information without reducing its usefulness as an enforcement tool.

It is the intention of this proposal to eliminate the requirement for submission of the weekly statement of wages and the requirement for submission of weekly payroll records. This proposal is intended to mean the total elimination of weekly filing requirements on federally involved construction contracts.

The language of the Copeland Act directs the Secretary of Labor to make "reasonable regulations" in furtherance of its purpose. Under current regulations, contractors must send weekly payroll reports to the contracting agency or to a Department of Labor area representative. The prime contractor is made responsible for assuring that all subcontractors used on the project adhere to the requirements, and for certifying and transmitting the subcontractors weekly payrolls to the contracting agency. This is in addition to a requirement that payroll and other basic records be preserved by contractors for a period of 3 years after the work is completed.

The information which is required to be reported weekly includes the following: Name and address of the contractor, project and its location, or contract number, payroll number, week of filing; and for each employee: Name, address, social security number, number of withholding exemptions, number of hours worked each day of the week, rate of pay, gross earnings, FICA, withholding tax and other deductions, and net wages paid for the week.

Additional requirements include more

certifications that no rebates have been made, and certifications about fringe benefits paid.

Theoretically, the weekly reports are examined by Department of Labor inspectors or other contract specialists, and the payroll information is compared to the prevailing wages prescribed by the Labor Department. However, Labor authorities have reported that real enforcement comes not from examination of these weekly payroll records submitted, but rather from spot checking carried out by the contracting agencies as well as the Department of Labor. When a worker reports an apparent violation, an onsite check is made.

Although it is difficult to pinpoint precisely the exact costs of complying weekly with the payroll reporting requirements, it is obvious that the paperwork involved is immense and the costs high.

Furthermore, the costs are not to the contractors alone. The monitoring requirement placed on contracting agencies is made burdensome and unwieldy when payrolls must be submitted weekly.

In a report released in 1979, the General Accounting Office estimated that the annual cost to contractors throughout the country is about $190 million. Although only a portion of this amount is directly attributable to the weekly reports required by the Copeland Act, I believe it to be a substantial portion.

My hope and aim is that Federal reporting requirements in this area will be amended to resemble the 1969 Arkansas law for public works construction. Section 14-635 of the Arkansas State Code requires simply that contractors and subcontractors keep records of the names, occupations, hours worked, and actual wages paid each workman, and that such records be available for inspection by the department which awarded the contract.

We, at the Federal level, can learn from this simple and reasonable approach.

This matter was fully considered in hearings of the Subcommittee on Federal Spending Practices and Open Government of the Senate Governmental Affairs Committee on October 2, 1979. Additionally, a major study of this issue was made by the Congressional Research Service. I ask unanimous consent that an excerpt from that study be printed in the RECORD following my statement.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

[Excerpt]

COPELAND ANTI-KICKBACK ACT: ELIMINATION OF WEEKLY WAGE REPORTING REQUIREMENTS

Background and pro-con analysis

(By Mary Jane Bolle)

V. SUMMARY OF ARGUMENTS FOR AND AGAINST S. 1661

Many of the arguments in support of the Pryor bill have been discussed at length previously in this paper, in setting for the backdrop and atmosphere surrounding the construction industry which is required to comply with the Copeland Act, and the Federal agency officials who enforce it. In summarizing these arguments reference is made to the pages where relevant discussion of many of the arguments appears. Where arguments either for or against the bill have not been previously discussed, they are considered in greater detail here. These arguments in no way reflect the viewpoint of the Library of Congress, Congressional Research Service, or the author of this paper.

Summary of Arguments in Favor of Eliminating Weekly Wage Reporting Requirements.—

(1) Four separate studies have concluded that weekly wage reporting requirements should be eliminated. These studies were conducted by the Commission on Government Procurement (1972), Professor Armand Thieblot of the Wharton School, in a study funded by the U.S. Chamber of Commerce (1975), Mr. Clinton C. Bourdon and Mr. Raymond E. Levitt from the Massachusetts Institute of Technology, in a study for the U.S. Department of Housing and Urban Development (1978), and the General Accounting Office. (See discussion on page 20–22 for their various recommendations.) The GAO stated additionally in its 1979 report that, "(If the Davis-Bacon Act were repealed, we believe there would be no need for contractors to submit the weekly payrolls to Labor, and this provision could be rescinded.)" [1]

(2) Other Federal laws passed since the Davis-Bacon and Copeland Acts offer enforceable wage protections to construction workers. With these other laws constituting a checks and balances system, the protection afforded by the weekly wage reporting requirements is not as crucial as it once was. These laws are summarized below:

(a) The Miller Act of 1935,[2] amended in 1978, requires that all contracts of more than $25,000 for federally funded construction work covered by the Davis-Bacon Act must be covered by a performance bond and payment bond furnished by the contractor. Every construction worker (or person who furnished material on a covered contract) has the right to sue the contractor or bonding company if he is not paid for his services within 90 days of performance.

(b) The Social Security and Wagner-Peyser Acts of 1935 [3] established a program of unemployment insurance to insure workers against the loss of wages as a result of adverse economic conditions.

(c) The Fair Labor Standards Act of 1938 [4] (amended many times) provided for a system of minimum wage requirements. In 1931 the Act was amended to cover certain workers in the construction industry. A 1973 study of the former Senate Labor Subcommittee indicated that 90 percent of all construction workers were covered by the Act.

(d) The Contract Work Hours and Safety Standards Act of 1962 [5] (amended in 1976) requires contractors and subcontractors to pay laborers and mechanics performing on Government construction contracts, overtime pay for work in excess of 8 hours a day and 40 hours a week, at not less than 1½ times the basic rate. (The penalty is $10 for each violation for each calendar day of occurrence.)

(e) Walsh-Healy Public Contracts Act of 1936.[6] This is the first of two other prevailing wage laws (besides the Davis-Bacon Act) affecting the wages of employees working in Federal contracts. It applies to Federal supply contracts of more than $10,000 and to employees of contractors manufacturing or furnishing materials, supplies, articles or equipment to the Government. It requires that they be paid at least the minimum wages prevailing in the locality in which the materials are to be manufactured or furnished under contract.

(f) The Service Contract Act of 1965 [7] is the second of two other prevailing wage laws affecting employees working on Federal contracts. It applies to Federal contracts for the furnishing of services to Federal agencies. It requires that employees be paid at least minimum wages as specified in the Fair Labor Standards Act, and for contracts of over $2,500 that employees be paid at least minimum wages prevailing for service employees in the respective localities.

It should also be noted that none of these laws or other Federal law containing labor standard provisions requires weekly reporting of wages to workers.

(3) The Copeland Act was passed as a Depression measure to protect the wages of workers. It is not needed today. In 1934 workers were substantially at the mercy of their employers. There does not exist today the same panic in the employment situation. Unemployment had reached 25 percent in 1933. The highest unemployment rate in recent years was 9.1 percent in May of 1975. Moreover, the average annual income of construction workers has risen from an estimated $1,674 in 1929 to about $14,000 in 1977.[8]

A General Accounting Office follow-up memo to the GAO report phrased the argument this way: [9]

"The fact that an estimated 3 million construction workers who work on projects not covered by Davis-Bacon are among the best paid workers in the country indicates to us that construction workers do not need the 'special protection' of the act deemed so essential by Labor."

(4) The weekly reporting requirements inundate the Federal agencies with paperwork. There are about 600,000 prime and subcontractors annually who are each providing weekly payroll forms to their contracting agencies.[10] This potentially results in a total of up to 31,200,000 payroll forms being processed by Federal Government agencies annually.

The Commission on Government Procurement stated that Government resident engineers and contracting personnel responsible for verification of such records were almost unanimous in their conclusion that few, if any, violations of significance were ever disclosed as a result of the review and verification of weekly payrolls.[11]

A letter dated September 22, 1977, written by the Secretary of Commerce to the Secretary of Labor in connection with the President's program to reduce the public reporting burden stated that: [12]

"There is no practical way nor any amount of staffing resources which will allow the Department (of Commerce) to make use of the mounting payroll reports EDA (the Economic Development Administration which was involved in about 6,000 projects under the local public works program during 1977) will accumulate."

One of the responses to the Associated General Contractor's study mentioned earlier said, with regard to the Federal agency ability to assimilate the reports sent in,[13]

"We feel that in many cases the reports are filed and not even reviewed. We have purposely made errors in reports to check this out and they have never been brought to our attention."

(5) The Copeland Act weekly wage reporting requirements represent significant costs to both contractors and the Government. Previous discussion shows that weekly reporting requirements are costly to both the private contractor and to the Federal Government. The Associated General Contractor Study suggests that the cost to contractors may be as great as $6 per week.[14] (Whether or not this cost is ultimately totally borne by the Federal Government depends on whether the project is federally funded or federally assisted.) The cost to Federal agencies for enforcement of the Copeland weekly wage reporting provisions may run as high as $15 million.[15]

FOOTNOTES

[1] The Davis-Bacon Act Should Be Repealed, report of the General Accounting Office, op. cit., p. 22.

[2] 40 U.S.C. 270.

[3] 42 U.S.C. 501 et seq., and 29 U.S.C. 49 et seq., respectively.

[4] 29 U.S.C. 201, et seq.

[5] 40 U.S.C. 327, et seq.

[6] 41 U.S.C. 35 et seq., 29 U.S.C. 251 et seq.

[7] 41 U.S.C. et seq.

[8] The Davis-Bacon Act Should Be Repealed, op. cit., p. 21.

[9] Memo of Comptroller General Elmer B. Staats, op. cit., p. 29.

[10] As reported in the memo of Comptroller General Elmer B. Staats, op. cit., p. 21.

[11] The Davis-Bacon Act Should Be Repealed, op. cit., p. 80.

[12] Ibid., p. 82.

[13] The Davis-Bacon Act Should Be Repealed, op. cit., p. 106.

[14] Memo of Comptroller General Elmer B. Staats, op. cit., p. 21.

[15] See p. 19 for breakdown of agency costs under the Davis-Bacon and Copeland Acts. ●

By Mr. CHAFEE (for himself and Mr. BRADLEY):

S. 4. A bill to provide a cap on Federal unemployment tax rates in certain States; to the Committee on Finance.

REPAYMENT OF STATE LOANS IN THE UNEMPLOYMENT COMPENSATION PROGRAM

● Mr. CHAFEE. Mr. President, the legislation I introduce today addresses the increasing problem of the repayment of loans made to States in the unemployment compensation program.

The bill is identical to an amendment which passed the Senate on October 2, 1980, during consideration of H.R. 8146, the Federal Unemployment Compensation Act. Due to the press of business at the close of the 96th session, the conference on H.R. 8146 was never convened.

I am honored to be joined in introducing this bill by my colleague Mr. BRADLEY, who worked tirelessly for its enactment last year.

Currently, 16 States owe more than $4.4 billion to the Federal Government for unemployment compensation program loans. I believe that States which borrowed money to meet unemployment insurance (UI) benefit claims should continue to repay those loans. I am concerned, however, that repayment schedule in current law is overly punitive and will result in loss of jobs and industry in indebted States. The bill I am introducing today seeks to ease this schedule while insuring continuous reimbursement of outstanding loans.

There are many reasons why States need to borrow money to meet UI benefit claims. Some factors, such as eligibility requirements, tax and benefit levels, and administrative efficiency, are primarily determined by State law.

States have less control, however, over two additional factors which have a far greater effect on unemployment compensation program costs: The number of unemployed and the duration of unemployment. These factors are influenced by national economic policy far more than by State law. Thus, a combination of State law and the national economic situation determine UI costs in each State.

During the 1974–76 recession, State UI trust fund payments exceeded income because of chronic, high levels of unemployment, coupled with a longer duration of unemployment for most workers. States were permitted to borrow from the Federal UI trust fund in order to meet benefit claims. Repayment of State loans was deferred until 1979.

At that time, indebted States were assessed an additional 0.3 percent of payroll under the Federal Unemployment Tax Act (FUTA) actually, a 0.3-percent reduction in the FUTA credit. This add-on was earmarked to repay the outstanding loan. The penalty tax is assessed all employers, regardless of their experience rating. For each subsequent year that there is an outstanding loan, the penalty tax increases by 0.3 percent.

The policy of annually increasing the penalty tax assessed employers in indebted States is a perfect example of a "catch 22." Indebted States are caught in the unenviable position of needing to reduce unemployment and attract new jobs in order to improve the fiscal stability of the UI programs, while being assessed an additional tax in order to repay the loan.

Higher taxes make businesses in the State less competitive, thereby providing an incentive for firms to cut jobs and relocate. Unemployment in the State increases, adding to the State's debt and need to borrow from the Federal Government to meet benefit claims.

This clearly does not make sense. In my view, States should be required to pay back their loans but should not be subject to a steadily increasing tax burden. An additional FUTA tax of 0.9 percent or 1.2 percent is highly punitive. It will force business to leave indebted States, only making matters worse.

The bill I introduce today establishes criteria for a State to qualify for a cap on the escalating penalty tax. If a State program is sound—according to the criteria in this bill and regulations issued by the Secretary of Labor—the penalty tax would be capped at a minimum of 0.6 percent. If a State that complies with these requirements is already subject to a higer penalty tax, the tax would be capped at the higher level.

In order to be eligible for the tax cap, a State must meet several requirements. First, the overall State unemployment insurance program solvency could not be decreased from the previous year. Its tax effort must not have been reduced and must be sufficient to meet that year's benefit obligations. No State legislation could have been enacted during the preceding year which had the effect of lessening the solvency of the program; that is, liberalization of benefits must be accompanied by an increase in taxes in order for a State to be eligible for the cap. Second, the State must repay its loan at the capped rate—0.6 percent or higher—and any additional loans received during the preceding year.

Mr. President, States which meet these requirements will have generally sound unemployment insurance systems. Revenues will equal or exceed benefit payments and new loans from the Federal Government will not be necessary.

States which have sound unemployment insurance programs and are repaying their loans should not continue to be penalized with an escalating penalty tax. States which fail to meet the solvency requirements or change their programs once a freeze is in effect would lose eligibility for the cap and be subject to the penalty tax in current law.

The bill also includes special provisions for recission-impacted States. In the case of States experiencing unusually high rates of unemployment, the bill would allow the cap to apply, except that affected States would not be required to have repaid any new loans taken out during the preceding year. To qualify for this exception, a State would have to have either, first an insured unemployment rate of 7 percent or more during a 26-week period in the Federal fiscal year preceding the determination date, or second, an insured unemployment rate during a 26-week period of that fiscal year which was 4.8 percent or higher and was at least 20-percent higher than the average insured unemployment rate in the comparable 26-week period of the 2 preceding fiscal years. States which qualify for this provision would have to repay any new loans no later than 12 months following the end of the first fiscal year in which they no longer qualify for the exception.

Over the long run, this bill has no impact on the budget. All outstanding loans will be repaid, but the payments will be spread over a longer period of time than what is contemplated by current law. Because States which qualify for the cap cannot increase their net loan balances, this bill may actually reduce the overall cost of the unemployment compensation program.

Mr. President, the bill I introduce today is extremely important to my State of Rhode Island as well as 15 other States, located in the industrialized Northeast and Midwest regions. Those States now in debt include: Connecticut, Delaware, District of Columbia, Illinois, Maine, Massachusetts, Michigan, Minnesota, Montana, New Jersey, Pennsylvania, Puerto Rico, Vermont and the Virgin Islands.

The unemployment compensation tax cap is a reasonable, fair and straightforward way to protect jobs and industry in these States. I urge speedy enactment of this bill.●

● Mr. BRADLEY. Mr. President. I am pleased to join my colleague Senator CHAFEE in introducing this legislation which would assist the employers of New Jersey and more than a dozen other States to make an orderly repayment of funds borrowed from the Federal unemployment trust fund.

Widespread joblessness and declining tax revenues during the last recession forced 25 States to take loans from the Federal unemployment trust fund because they had exhausted their own resources. The State of New Jersey was forced to borrow nearly $750 million to meet its unemployment benefit obligations. As of last year, it has repaid $83 million—leaving an outstanding debt of almost $652 million. As of last year, a total of $4.3 billion is owed by the 12 States still in debt, including, Connecticut, Delaware, Illinois Maine, Massachu-

setts, Michigan, Montana, Pennsylvania, Rhode Island, Vermont, as well as New Jersey.

With the current economic outook—continued escalating interest rates, increased unemployment—additional States are likely to join the ranks of these 12. Furthermore, the burden of the "penalty tax" in the current law is likely to be the final straw for businesses in the 12 present debtor States.

Existing law permits States to borrow interest-free loans from the Federal unemployment trust fund. If the debt is not paid off on time, employers in the State face an escalating penalty tax of a 0.3-percent-per-year surcharge on employers' payments into the State fund. That means that the surcharge becomes 0.6 percent in the second year, 0.9 percent in the third year, and so on until the debt is entirely repaid. This surcharge is on top of the 0.7 percent Federal unemployment tax that all employers pay.

The legislation before us does not forgive any outstanding loans to anyone. What it does do is to establish a reasonable and orderly means of repaying the debt without destroying the economies of the States involved and bankrupting countless businesses for an economic climate they did not create.

Simply put, this amendment would cap the interest rates so the penalty tax would go no higher than 0.6 percent and, if States meet certain requirements, they could draw on their own unemployment trust funds or general revenues to pay the equivalent penalty tax instead of imposing that burden on employers. The indebted States would have extra flexibility during a recession. At the same time, the amendment places responsibility on these States to repay outstanding loans and not to liberalize employee benefits or decrease employer tax effort until the loans are repaid.

I believe that this legislation offers a reasoned approach to a severe and widespread national problem. It is an approach which was carefully crafted by the Senate Finance Committee last year with bipartisan support. It was also endorsed by this body last year as part of legislation which passed the Senate but which was not acted upon by the House.

I urge the Senate to act promptly in passing this legislation. States throughout the country cannot afford to wait for another year and worse economic conditions before relief is offered.●

By Mr. WARNER:

S. 5. A bill to amend title 38, United States Code, to provide a new program of educational assistance for persons who serve in the Armed Forces; to the Committee on Veterans' Affairs.

ARMED FORCES EDUCATIONAL ASSISTANCE ACT OF 1981

● Mr. WARNER. Mr. President, during the past year a very serious problem emerged with respect to our Nation's Armed Forces. It became clear during the course of 1980 that the readiness of our military forces had declined considerably and that one of the primary causes of this decline was the failure to recruit and to retain qualified individuals in adequate numbers to man our Forces.

The Congress and the Nation, in effect, were faced with a military manpower crisis. We were suffering a "hemorrhage of talent," in the words of the Chief of Naval Operations, Adm. Thomas Hayward. All our military services were encountering shortages of senior enlisted and junior officer personnel numbering in the tens of thousands.

In some instances these shortages of skilled personnel were so serious as to prevent the deployment of military units. A Navy ship, the U.S.S. *Canisteo*, was, in fact, removed from operational status and failed to deploy to the Mediterranean because the ship was judged unsafe due to personnel shortages. An aircraft carrier battle group narrowly missed being held back from deployment because of similar personnel shortages.

Happily, the Congress responded quickly and over the course of 1980 a substantial number of military manpower initiatives were passed into law. Military pay was raised; medical benefits were improved; enlistment and reenlistment bonuses were increased; Navy sea pay and submarine pay were increased; flight pay was increased; and a number of other pay and nonpay initiatives were approved.

In all, a very substantial sum of money was rightfully directed at our military manpower problems and I am hopeful that these efforts will help to stem the loss of highly skilled personnel from our Armed Forces. Early indications are that the manpower initiatives of the past year are having a positive impact and that reenlistment rates have improved.

However, more needs to be done if we are to maintain capable military forces over the long term. Military pay should be made competitive with civilian pay and a number of quality-of-life issues must be addressed, including military housing, medical care and other concerns of military personnel and their families.

One item, however, which would contribute greatly to recruiting and retaining quality military personnel would be to reinstitute the GI bill.

In my view, no single factor could do more to induce substantial numbers of high quality personnel to join the military than a new GI bill. Also a GI bill with a provision that earned benefits may be passed on to a spouse or children of a career military man or woman would be very helpful in retaining people in military service.

For these reasons I am today reintroducing a bill to provide a new form of the GI bill. This bill, if passed, will certainly improve recruiting prospects for our military services and induce qualified college-bound individuals or those with technical aptitude to enlist in our military services. Such a bill would also help to retain qualified individuals in our military services.

I believe it was a serious mistake for the Congress to terminate the GI bill in 1976. I believe we are paying a heavy price in the declining quality and overall aptitude of our military personnel and in the increased costs due to higher attrition of personnel who are unqualified. Congress should quickly reinstitute a new GI bill.

This bill I am introducing is designed to provide four basic educational assistance options which, taken together, will encourage enlistment and improve retention of quality military personnel.

The first option is specifically designed as an incentive for recruitment. To qualify for educational assistance, an enlistee must make a commitment of time and service. After 3 years of active duty and with a 3-year commitment to the Active Reserves, the individual qualifies for 18 months of educational assistance. This should also be an important benefit for those not necessarily interested in formal university level education, but who can take advantage of this option for junior college or technical school training. There is a critical national shortage of technicians, professional machine and tool designers, skilled medical assistants, et cetera, and such training should help alleviate that situation.

The second option is analogous to the original GI bill in concept and is designed as an incentive for both recruitment and retention. Thirty-six months of educational assistance would be provided to those who make the time and service commitment of 4 years of active duty, along with a 4-year service in the Active Reserves.

The third option provides 36 months of educational assistance to those individuals who remain on active duty 6 years before taking advantage of the GI bill. The Active Reserve commitment is waived. The 6 years of active duty should help relieve the critical skill shortage at intermediate enlisted personnel levels.

As an additional incentive for retention, a fourth option is provided which allows the individual to pass his or her 36-month educational assistance program on to a spouse or child after 16 years have been devoted to active duty.

The costs of this bill have been estimated to be about $1 billion per year which is only a small percentage of the amount of taxpayers' funds being spent by the Department of Education in aid to higher education loan and grant programs.

However, much of this cost would be offset by lower recruiting and training costs, and by savings accruing from lower attrition rates which would result from higher proportions of recruits who are high school graduates or are from the higher mental categories.

Also, in a very real sense, a GI bill would pay for itself over the long term, due to the increased tax revenues resulting from the improved earning potential of those who gain a higher education as a result of the GI bill. This was clearly the case with the World War II, Korea, and Vietnam GI bills.

In sum, a GI bill would be a good investment both in terms of improving our military forces and in improving the educational level and earning potential of millions of Americans.

Mr. President, several forms of the GI bill have been introduced over the past year and, though the details differ, there is strong support in the Congress for a new GI bill. President-elect Reagan has indicated his strong support for a return to the GI bill and I am hopeful that 1981 will be the year a new GI bill is instituted.

I urge that the Veterans Affairs Committee hold hearings on this and other GI bills at an early date.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Armed Forces Educational Assistance Act of 1981".

SEC. 2. (a) Title 38, United States Code, is amended by adding after chapter 32 the following new chapter:

"Chapter 33—ARMED FORCES EDUCATIONAL ASSISTANCE PROGRAM

"Sec.
"1644. Statement of purpose.
"1645. Definitions.
"1646. Eligibility, entitlement.
"1647. Time limitations for completing a program of education.
"1648. Educational assistance; subsistence allowance.
"1649. Program requirements.
"1650. Right of eligible veteran to transfer entitlement to spouse or dependent children.

"§ 1644. Statement of purpose

"It is the purpose of this chapter to demonstrate that an improved educational assistance program for persons who serve on active duty will not only exact honorable military service from such persons but will also increase the retention rate of current and future military personnel, increase recruitment of personnel, and enhance the quality of the military force generally.

"§ 1645. Definitions

"For the purposes of this chapter—

"(1)(A) The term 'eligible veteran' means any person who entered military service after September 30, 1981, and (i) served on active duty for three or more years after such date and was discharged or released therefrom under conditions other than dishonorable, or (ii) was discharged or released from active duty after such date for a service-connected disability.

"(B) The requirement of discharge or release, prescribed in subparagraph (A), shall be waived in the case of any person who has completed at least three years' active duty (which began after September 30, 1981).

"(C) For the purposes of subparagraphs (A) and (B), the term 'active duty' does not include any period during which an individual (i) was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, (ii) served as a cadet or midshipman at one of the service academies, or (iii) served under the provisions of section 511 (d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard, or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve.

"(2) The terms 'program of education' and 'educational institution' shall have the same meaning as in subsections (b) and (c), respectively, of section 1652 of this title.

"§ 1646. Eligibility; entitlement

"(a) Except as otherwise provided in this section—

"(1) an eligible veteran who serves at least 36 consecutive months but less than 48 consecutive months of active duty and who agrees to serve as a member of the Ready Reserve of an armed force for three years immediately after such veteran's discharge or release from active duty shall be entitled to 18 months of educational assistance under this chapter;

"(2) an eligible veteran who serves at least 48 consecutive months but less than 72 consecutive months of active duty and who agrees to serve as a member of the Ready Reserve of an armed force for four years immediately after such veteran's discharge or release from active duty shall be entitled to 36 months of educational assistance under this chapter; and

"(3) an eligible veteran who serves at least 72 consecutive months of active duty shall be entitled to 36 months of educational assistance under this chapter without any requirement for service as a member of a reserve component of an armed force.

"(b) An eligible veteran who has served on active duty for a period of 16 years as of September 30, 1967, or any time thereafter, may transfer, as provided in section 1650 of this title, such veterans educational entitlement under this chapter to such veteran's spouse or children.

"(c) Whenever the period of entitlement under this section of an eligible veteran who is enrolled in an educational institution regularly operated on the quarter or semester system ends during a quarter or semester, such period shall be extended to the termination of such unexpired quarter or semester. In educational institutions not operated on the quarter or semester system, whenever the period of eligibility ends after a major portion of the course is completed such period shall be extended to the end of the course or for 12 weeks, whichever is the lesser period.

"(d) Eligible veterans under this chapter shall be eligible for education loans authorized by subchapter III of chapter 36 of this title in such amounts and on the same terms and conditions as provided in such subchapter, except that the term 'eligible veteran' as used in such subchapter shall be deemed to include 'eligible veteran' as defined in this chapter.

"(e) Except as provided in subsection (a) and in subchapter V of chapter 34 of this title, no eligible veteran shall receive educational assistance under this chapter in excess of 36 months.

"(f)(1) No educational assistance shall be afforded to any eligible veteran who fails to complete three consecutive years of active duty service.

"(2) The Administrator shall terminate the benefits under this chapter in the case of any veteran who fails to participate satisfactorily in the Ready Reserve of an armed force if such participation was a requirement for entitlement under this section. The Administrator may reinstate such benefits upon receipt of certification from the Secretary of Defense that such veteran is participating satisfactorily as a member of the Ready Reserve of an armed force.

"§ 1647. Time limitations for completing a program of education

"(a) No educational assistance shall be afforded an eligible veteran under this chapter beyond the date six years after the veteran's last discharge or release from active duty after September 30, 1981; except that, in the case of any eligible veteran who was prevented from initiating or completing such veteran's chosen program of education within such time period because of a physical or mental disability which was not the result of such veteran's own willful misconduct, such veteran shall, upon application, be granted an extension of the applicable delimiting period for such length of time as the Administrator determines, from the evidence, that such veteran was prevented from initiating or completing such program of education.

"(b) In the case of any eligible veteran who has been prevented, as determined by the Administrator, from completing a program of education under this chapter within the period prescribed by subsection (a), because the veteran had not met the nature of discharge requirements of this chapter before a change, correction, or modification of a discharge or dismissal made pursuant to section 1553 of title 10, the correction of the military records of the proper service department under section 1552 of title 10, or other corrective action by competent authority, then the six-year delimiting period shall run from the date the veteran's discharge or dismissal was changed, corrected, or modified.

"(c) In the case of any eligible veteran (1) who became eligible for educational assistance under the provisions of this chapter, and (2) who, subsequent to the veteran's last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, there shall be excluded, in computing the veteran's six-year period of eligibility for educational assistance, any period during which the veteran was so detained and any period immediately following the veteran's release from such detention during which the veteran was hospitalized at a military, civilian, or Veterans' Administration medical facility.

"§ 1648. Educational assistance; subsistence allowance

"(a) The Administrator shall pay, in the case of each eligible veteran pursuing a program of education under this chapter, the cost of such veteran's tuition and fees or $1,500 per school year (or an appropriate portion thereof, as determined under regulations which the Administrator shall prescribe, in the case of an eligible veteran pursuing a program of education on a part-time basis), whichever is less.

"(b) The Administrator shall pay to each eligible veteran pursuing a program of education under this chapter a subsistence allowance of $300 per month (or an appropriate portion thereof, as determined under regulations which the Administrator shall prescribe, in the case of an eligible veteran pursuing a program of education on a part-time basis), except that an eligible veteran pursuing a program of education while serving on active duty shall not be eligible for a subsistence allowance under this section.

"§ 1649. Program requirements

"The provisions of sections 1670, 1671, 1673, 1674, 1677, 1681(c), 1683, 1696, and 1698 of this title and the provisions of chapter 36 of this title shall be applicable to the educational assistance program provided for in this chapter.

"§ 1650. Right of eligible veteran to transfer entitlement to spouse or dependent children

"(a)(1) An eligible veteran described in section 1646(b) of this title may transfer all or any part of such veteran's educational entitlement under this chapter to such veteran's spouse or to a child of such veteran. Any transfer under the preceding sentence may be revoked at any time by the veteran making the transfer.

"(2) If a veteran described in paragraph (1) dies before making such an election but has never made an election not to transfer such entitlement, any unused entitlement of such veteran shall be automatically transferred to such veteran's surviving spouse or (if there is no surviving spouse or if the surviving spouse so elects) to such veteran's children.

"(b) Any transfer of entitlement under subsection (a) shall be made in such form and manner as the Administrator concerned may prescribe.

"(c) A spouse or surviving spouse or a child to whom entitlement is transferred

under this section is entitled to educational assistance under this chapter in the same manner and in the same amount as the veteran from whom the entitlement was transferred, except that the delimiting period shall be ten years after the date on which the entitlement is transferred or ten years after the veteran's last discharge or release from active duty, whichever is earlier. A surviving spouse is not entitled to educational assistance under this section by virtue of the service of another person during any period during which the surviving spouse is remarried.

"(d) The total amount of educational assistance available to a veteran entitled to edurational assistance under section 1646 of this title and to the veteran's spouse and dependent children is the amount of educational assistance to which the veteran is entitled. If more than one person is being provided educational assistance for the same period by virtue of the entitlement of the same veteran, the subsistence allowance authorized by section 1648(b) of this title shall be divided in such manner as the person may specify or (if the person fails to specify) as the Secretary concerned may prescribe.".

(b) The table of chapters at the beginning of such title and at the beginning of part III of such title are each amended by adding below the item relating to chapter 32 the following new item:

"33. Armed Forces Educational Assistance Program.".

(c) Chapter 32 of title 38, United States Code, relating to the post-Vietnam-era veterans' educational assistance program, is amended by adding at the end thereof the following new section:

"§ 1644. Termination of program.

"No person who enters the military service after September 30, 1981, and who is eligible to earn educational assistance entitlement under chapter 33 of this title shall be eligible to participate in the program provided for in this chapter after such date, and no person who entered the military service before such date shall be eligible to participate in such program after September 30, 1983. The preceding sentence shall not be construed to deny benefit payments under this chapter to any eligible veteran who was a participant before the applicable termination date specified in the preceding sentence.".

(d) Clause (4) of section 1795 of title 38, United States Code, relating to limitation on period of assistance under two or more programs, is amended by inserting "33," after "chapters 31,".

Sec. 3. (a) The Administrator of Veterans' Affairs and the Secretary of Defense, not later than ninety days after the date of enactment of this Act, shall submit to the Congress a joint report containing their respective plans for implementing the educational assistance program provided for under chapter 33 of title 38, United States Code, as added by section 2 of this Act.

(b) The Secretary of Defense shall report to the Congress semiannually on the effect that the educational assistance program provided for under chapter 33 of title 38, United States Code, as added by section 2 of this Act, has had on the number and quality of individuals entering the Armed Forces. Each such report shall include—

(1) the number of original enlistments in the Armed Forces, the number of first reenlistments, and the number of other volunteers for active duty during the preceding six-month period;

(2) the retention and attrition rates in the Armed Forces during the preceding six-month period;

(3) a comparison of the enlistment, reenlistment, retention, and attrition rates in the Armed Forces during the preceding six-month period with those for a comparable period in each of the preceding five years; and

(4) such other pertinent information as the Secretary deems appropriate.●

By Mr. HELMS (for himself, Mr. GOLDWATER, Mr. MCCLURE, and Mr. SYMMS):

S. 6. A bill to provide for the reinstatement of the dollar as a gold reserve currency, to stabilize the valuation of the dollar, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

GOLD RESERVE ACT OF 1981

● Mr. HELMS. Mr. President, today, I offer a bill which would dramatically reform our Nation's monetary system.

My bill would provide for restoration of the dollar as the premier world currency.

The bill would provide for the removal of politics and manipulation from the monetary system.

The bill would provide for relative price stability—an end to inflation.

The bill would make the dollar as good as gold.

SUPPLY-SIDE MONETARY POLICY

Mr. President, the Gold Reserve Act of 1981 provides for a new gold standard designed to meet the needs of our complex economy and designed to take our Nation into the next century with growth and stable prices.

The Gold Reserve Act of 1981 is the monetary equivalent of supply-side, classical economics—the economics of growth, jobs and stable prices.

We must put an end to inflation. The American working man cannot survive more of the same old Keynesian medicine that made America's economy sick in the first place. The American economy cannot survive; the Nation itself is threatened.

The United States is the only nation that can provide a reserve currency—one that holds its value. The U.S. dollar is now sadly, a second-class currency. U.S. inflation helps feed international inflation and leads to the disruption of every economy in the West. We undermine the values of civilization by not stopping this insanity.

We undermine the very foundations of the family, the church, schools, communities, political and social institutions.

Why a gold standard? The answer to that is simple: It works. The hysteria of the inflationists, when they berate gold, reveals that they either do not understand the gold standard concept or inflation is a part of their game plan.

The Gold Reserve Act of 1980 provides that the Federal Reserve System administer monetary policy so as to provide for stable prices. This is accomplished by strictly limiting the authority of the central bank to manipulate the monetary base.

In brief, this act would prohibit the monetization of Federal debt, and require the regulation of monetary policy so as to keep the value of the currency equal to a given quantity of gold. Gold will serve as a "surrogate" for all goods and services, just as it has done for almost all stable monetary systems in recorded history.

THE MARKET SETS THE GOLD/DOLLAR RATIO

My proposal specifies that the marketplace will determine the "price of gold—the number of dollars per ounce; the number of grains per dollar. This will be done through a transition period of 6 months following enactment of the bill. During that period, the Federal Reserve would take no action to affect the money supply. The Treasury would announce that, after 6 months, it would stand ready to buy and sell gold at the average free market price of the last 5 business days at the end of that period.

The purpose of letting the marketplace determine the gold/dollar ratio is to prevent either more inflation or a deflation.

If, for example, the United States would attempt to reestablish the old, $35 per ounce price, the only way to prevent a massive run on gold stocks would be by greatly contracting the supply of dollars. Only if price levels were reduced through a great contraction of the money supply, would gold be worth $35 per ounce, thereby stemming the gold flows.

In the 1960's, the London Gold Pool and other mechanisms were devised to reduce the accessibility of individuals abroad from converting their dollars into gold. Since 1933, Americans were denied this vital ability. Only central banks were allowed to convert dollars to gold, and central banks are the economic institutions most susceptible to political pressure. The world's central banks are the institutions the U.S. Government could most easily persuade to refrain from requesting gold for dollars.

In Europe, it was the threat of troop removal that the Lyndon Johnson administration—and, one suspects, the Nixon administration—used on our dollar-glutted allies.

At the same time, the reduced convertibility of dollars into gold reduced the utility of dollars. The threat of devaluation made people and organizations less willing to hold dollars; this exacerbated an already difficult situation. The desirability of holding dollars declined, and this effectively increased the amount of unneeded dollars internationally. At home, monetary policy did little to try to maintain the value of the dollar. Monetary policy was aimed at financing deficits and tampering with the economy. Monetary policy was not administered to maintain the value of the currency—to make $35 be worth 1 ounce of gold.

The reduced convertibility was an attempt to treat a symptom, but it worsened the problem of excess dollars.

If monetary policy had been administered to maintain the $35-per-ounce price, then there would have been no need to curb convertibility.

Once inflation got out of hand, however, it was foolish to think of "going back" to the $35 price. Such a restoration would have meant a general price deflation brought on by a significant contraction in the money supply. If the free market was simply reflecting the monetary value of gold in 1974, when Americans again could own gold, then

gold at $200 per ounce would have meant that a restoration of the old $35 per ounce price required a massive reduction in the money supply: perhaps something like an 80-percent reduction, if a straight mathematical relationship is applicable.

What has happened in the past? In the 1920's Great Britain attempted to restore the gold standard it had abandoned in the midst of World War I. It restored the prewar gold/pound ratio in spite of the fact that there had been considerable inflation during the war. The upshot was a price deflation in Great Britain that led to great unemployment, economic contraction, and the abandonment of the gold standard again.

If Great Britain had chosen another gold/pound ratio that was double or triple the old ratio, then instead of deflation, there would have been more inflation until the general price level made the legislated ratio fit the marketplace.

The same is true in the establishment of a new gold standard for the United States. If we arbitrarily pick a gold/dollar ratio that would be too low—too few dollars per ounce—then, in order to protect that established ratio, there would have to be a contraction of the money supply: a deflation. If, on the other hand, we were to pick a gold/dollar ratio too high—too many dollars per ounce—then there would be an influx of gold to the central bank, an increase in the reserves, an addition to the money supply; inflation.

Thus, unless we would change the present value of the dollar, we have to allow the marketplace to tell us what the present value of the dollar is in terms of gold. Our purpose in monetary reform is to stabilize the value of the dollar and not allow for more disruptive inflation or for the concomitant monetary disorder, deflation. Thus, the market must be able to make the determination—with the full knowledge that once that determination is made, the United States will administer monetary policy to preserve it. In other words, we cannot use today's market price of gold of around $600 per ounce because that price may be quite different if the dollar were to be "as good as gold." The present price would be influenced by the changed utility of dollars vis-a-vis gold under a monetary system where the concept of "inflation hedges" becomes one with little practical use.

If we allow a 6-month transition period for the marketplace to establish the "price" of gold, we allow for the knowledge of the new monetary system to spread throughout the world, and for the market to dictate what the value of 1 ounce of gold is in terms of dollars and what the value of $1 is in terms of a quantity of gold.

There is no way that we can know today what that price is. There are a number of formulae which suggest anything from $400 per ounce to $1,000 per ounce. It has been said that I advocate the former, $400, price. That is, of course, wrong, for it would be supposing that I know what the market will determine. Many have said that the price would have to fall because the gold price is forced up today by those in the market for inflation hedges or in the market for something that serves as a real store of value. Undoubtedly this is true, but there has never, to my knowledge, been a definitive way of saying just how much of the gold market would dissolve if the United States were to make the dollar fully convertible.

The important factor is that the market would have a period of time to tell us what the proper "price" or the proper gold/dollar ratio is.

From then on, the price of gold would be fixed. The Federal Reserve would be required to keep the quantity of gold within a specific range as a percentage of the monetary base—the outstanding currency, and central bank member reserves. The target level of gold would be present gold stocks of 265 million ounces. The present monetary base is approximately $165 billion. The target gold reserve level would depend on the value of the U.S. gold stocks as a percentage of the monetary base.

MARKET-SET MONETARY POLICY

Just as we ask the marketplace to determine what the initial gold/dollar ratio will be, so we ask the marketplace to dictate the monetary policies that will keep the dollar/gold ratio stable.

If, for example, the system is in operation for some time, and we find that increased amounts of gold are coming into the Federal Reserve, what happens? First of all, the increased gold means that there are increased reserves in the central bank against which its member banks can make loans. But in addition, the increased reserves tell the bank authorities that the marketplace is desiring dollars over gold: that there is a need for more dollars. In such instances, the central bank can take actions such as purchasing Government securities to further increase its reserves and thus augment the supply of credit available in the economy.

The Federal Reserve would be bound by its reserve guidelines so it could not increase money supply excessively. It is also bound by the marketplace which would begin to turn in dollars for gold if the dollar's value began to fall as a result of actions by the monetary authorities resulting in too much liquidity. In this case, the turned-in dollars reduce the supply of currency in circulation, and redeemed gold reduces the bank reserves against which member banks can lend.

What the constancy of the system does is to provide a stabilization of the value of the currency. This automatic accommodation of changes in the market demand for money means that there is little to gain from monetary speculation for there is little change in the value of the currency. The system means that there is much to gain by counting on the long-term value of the currency for investment and savings.

THE NEED FOR ADDED COMMENTARY

It is my intention to ask a broad spectrum of economists, bankers, businessmen, and others for their views on this bill. I am prepared to make what modifications seem proper.

IS "PRICE STABILITY" THE PROPER GOAL?

Since I introduced the "Gold Reserve Act of 1980," S. 3181, in the 96th Congress, some concerns about that legislation have been brought to my attention. I think it is important to discuss them briefly.

The first has to do with the concept of "relative price stability." I have tried to discuss the present bill in the context of maintaining the value of the currency, rather than maintaining relative price stability. The confusion arises in two contexts.

The first, and relatively less important, is that price stability sounds a lot like we are saying that the price of a car will stay the same relative to the price of a loaf of bread or a suit of clothes. Under a free market, relative prices are always changing as tastes, technology, and other factors of production and demand change. The goal we want to accomplish with monetary reform is that the consumer and the businessman will know if price changes are a result of the changes in the value of the monetary unit or a result of market factors. In order for that individual to make a good decision, he must know that it is not the Government's money manipulators that are affecting the price of a given good or service.

The second aspect of this term, "price stability," is more important. It deals with the question of what makes up our definitions of inflation and price levels. The Consumer Price Index (CPI) is an index of goods and services worked up some years ago by somebody in the Department of Labor who thought it would be a good, rough, judgment of how much an average family of four has to spend to get along. But by using the CPI to index programs, contracts, and benefits, we politicise the index. We made adjustments to its political hotcakes. We institutionalize something that may or may not really reflect our own individual cost of living.

In other words, were our goal to stabilize the Consumer Price Index, we could probably come up with a monetary system that required the Federal Reserve Board to contract the money supply growth rates every time the CPI went up a point or two, and to increase the money supply growth rates every time the CPI went down a point or two. That would be the ultimate in institutionalizing a statistical abstract.

WHY NOT MONEY SUPPLY TARGETS?

The problem with price levels in some respect is similar to the problem with money supply targets themselves. Many of my friends have endorsed a system of legislated specific growth rates in the money supply—or one of the several definitions of the money supply presently in use.

In this case, the institutionalized statistical abstract would not be the CPI, it would be "M2" or "M1b." Monetary policy would be administered to reach a specific target of money supply.

The Nobel prize winner, Frederick von Hayek, accused those who would so define money as having a "pretense of knowledge." I suppose he would say the same about those who would put today's CPI on a pedestal in the same context. He said simply, that money cannot be defined because it changes from person to person and even from transaction to transaction. Certainly, we have seen the

various statistical monetary measurements change greatly with recent changes in the banking laws and with changes in the desires of the marketplace. Hayek says, and I think he is right in this regard, that the Federal Reserve System simply is not omniscient, and cannot judge for our economy what our money supply is, let alone what it should be.

WOULD A GOLD STANDARD LAST?

There is an added skepticism about the gold standard which should be addressed. It was recently published by Business Week magazine, a journal noted for its Keynesian outlook. The surprising thing was that it was a statement by the great Austrian economist himself, Frederick von Hayek. Hayek was asked by the writers at Business Week about a gold standard and replied that he thought that a gold standard was a gimmick that would be scrapped after a few years.

I suspect that Hayek was referring to a restoration of the Bretton Woods system which had few binding disciplines on the creation of credit. In other words, if we adopted a gold standard in 6 months, and if we were to sell gold at the newly fixed price, and then we continued to monetize a big Federal deficit, and we increased money supply whenever the computer in the basement of the Fed said to, then people would start turning in their dollars for gold and within a year or two there would not be any gold left. Hayek's prophecy would come true and we will be back where we started.

Hayek was also speaking from a deep skepticism of anything governmental. It is a skepticism that I share, in part, with him. I suspect that Professor von Havek would agree with me when I suggest that politicians should not have the power to debase the currency. The power that the politicians in the Federal Reserve System have today is just that. They contend that Congress has given them the mandate to do just what they are doing and to a large degree they are right. The present laws give the authority to the Fed to inflate, and inflate they do.

I suspect, in addition, that Hayek would also doubt that taking away the power to destroy the currency—as I would do—would be reversed by subsequent changes in the law. It is true that the meager disciplines of the Bretton Woods system were diluted by amendment after amendment. It is also true that there could be amendments to the Gold Reserve Act of 1981 that could change reserve requirements or in other ways dilute it. But as long as the individual has the opportunity to redeem his dollar into gold, the marketplace would provide discipline and the individual at least would not face the kind of confiscation of the value of his currency that now takes place.

In order to abandon the new Gold Reserve Act, the Government would once again require people to turn in all their gold as was done under the administration of Franklin Roosevelt.

Hayek's solution is an independent, floating gold currency that would exist alongside the dollar. I have no objections to such a system, and unless we can restore the dollar to a currency of choice, then I will do what I can to see that Americans have freedom to use what currency they would or to use gold. Hayek contends that if this gold currency is available, eventually people would turn to it instead of dollars. In theory, of course, he is right.

If the dollar becomes more and more useless as a decent form of money, people will seek alternates. But they will not do so until more destruction of the dollar takes place. They will not do it until we inflict even more damage on our economy—even more damage on our social and political institutions. There are historical precedents available, of course. The hyperinflation of Germany toward the end of World War II saw the use of cigarettes, chocolate and other commodities as alternative currencies. Most especially, the end of World War II saw the use of the U.S. dollar as the premier alternative currency. But I think that there would have to be a massive hyperinflation before alternative currencies would be used here voluntarily in daily commerce.

In Germany's other hyperinflation—that of 1922–23, the remedy was a gold standard. The remedy was the use of a government-adopted gold standard to stabilize the economy and allow people to resume their normal lives. In Germany, the gold standard came too late. Inflation virtually destroyed the middle class, and with the economic keel on which the republican form of government rested. The rise of totalitarian fascism followed.

In the United States, I do not think we have the luxury of waiting around until the present monetary system completely collapses. I do not want my country to pay that cost

ART LAFFER'S "BLUEPRINT"

I am indebted to Prof. Arthur Laffer, author of the paper, "The Reinstatement of the Dollar: The Blueprint," for his work in outlining the way that the new gold standard would be effectively and beneficially adopted by our Nation. The paper incorporates many concepts contained in the U.S. proposals offered at the Nairobi meeting of the International Moneary Fund and printed in the Economic Report of the President submitted in 1972.

On August 18, 1980, I asked that excerpts of the Laffer paper be printed in the CONGRESSIONAL RECORD. It is located on page 21576 in the Senate proceedings of that day.

OUR PRESENT MONEY MESS

Mr. President, the present, patchwork monetary system is staggering along without any clear hope of survival. Indeed, the most likely case is more inflation—more destruction of the monetary system.

That is what inflation is. It is the destruction of the money—the crumbling of the value of the dollar.

Inflation destroys the ability of the U.S. dollar to serve as money. It removes two of the three functions of money. Inflation means that the dollar no longer serves as a store of value. Inflation also means that the dollar no longer serves as a standard of value. Today, the dollar only serves as a medium of exchange, a unit of account that is good for today's transaction only at today's value. Tomorrow, the dollar will be worth less.

We can no longer use the dollar as a standard of value because of its changing value. As a result, there is no way that judgments can be made about relative prices over time. In other words, how can we judge the relative value between a 1980 model Chevrolet and a 1960 model Chevrolet? We cannot use their original purchase prices. Well, of course, we could have an economist calculate the depreciation of the value of the dollar in the past 20 years, and we would come up with a figure which would say that the $10,000 Chevrolet is really only a fraction of that amount when measured in 1960 dollars. Then we can compare the relative merits based on 1960 dollars. This price in 1960 dollars versus that price in 1960 dollars.

The great cost, difficulty, awkwardness of this process means that it is simply not done in almost all transactions. It means that the sovereign individual in the marketplace has lost one of the most important tools of making rational economic judgments—historical prices. It means that the inability of the individual to make rational judgments distorts the market. It delivers the wrong signals to producers. It means that there will be less goods and services available.

Today, the faltering present monetary system is being blamed on everything except the monetary authority. The present Federal Reserve System policies seem based on the principle that the monetary policy must accomplish things more than maintaining the value of the currency. The present Fed seems to think that its most important duty is to finance Federal deficits.

The present Federal Reserve System seems to have been under the impression that it had to hold down the Treasury funds rate before the election: I point to the fact that money supply was increasing at an unconscionable rate of over 17 percent per year in certain weeks before the election. Now we see the results: a predictable money crunch that has crippled the capital markets and threatens another recession. In the late summer, one Federal Reserve Board Governor said that they could not do anything about the money supply. Most recently a newspaper article quoted an unnamed Fed official who said that it was not the intention of the Board to let interest rates get this high.

POLITICAL MONEY MANAGERS

But the Governors on the Board of the Federal Reserve System are politically appointed, and confirmed by the Senate. It is not surprising that they act in such a way as to accommodate their political sponsors. They are all too clearly, mortal men.

What should be clear is that men should not be given such vast powers over the money system. Certainly, the power to corrupt the dollar is a corrupting influence itself.

What should be clear is that the Federal Reserve Act must be replaced with

legislation which would make the political appointees subject to an iron rule to maintain the value of the currency. That is the intent of my bill—its basic purpose.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD along with the text of the Gold Reserve Act of 1981.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Gold Reserve Act of 1981".

FINDINGS

SEC. 2. The Congress finds that—

(1) maintenance of the value of the dollar is necessary for the economic independence and security of the individual and the family;

(2) monetary policy should provide for the maintenance of the value of the dollar;

(3) monetary policy is not a proper or effective tool for reaching economic or social goals, other than assuring the value of the monetary unit, the dollar;

(4) the destruction of the value of the dollar through chronic inflation is caused by monetary policy;

(5) the failure to contain inflation demonstrates that discretionary monetary policy must be tempered by a monetary standard;

(6) failure to maintain the value of the dollar has led to international economic disorder;

(7) experience in other countries as well as in the United States, over long stretches of time, has shown that a gold monetary standard has superior ability to maintain the value of currency; and

(8) a gold standard can provide a monetary system that maintains price stability in a growing economy.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "standard price of gold" means the average price of gold bullion at New York for immediate delivery prevailing during the five business days ending on the one hundred and eightieth day after the date of enactment of this Act, as determined and proclaimed by the Secretary of the Treasury, except that if a gold holiday is proclaimed under the provisions of section 7 of this Act, the standard price of gold then in effect shall cease to apply, and the "standard price of gold" shall mean the average price of gold bullion at New York for immediate delivery prevailing during the five business days ending on the ninetieth day after the proclamation of such gold holiday as determined and proclaimed by the Secretary of the Treasury;

(2) the term "gold reserves" means the value, at the standard price of gold, of the aggregate amount of gold held by the Federal Reserve banks or held by the Treasury in custody for such banks;

(3) the term "monetary base" means the aggregate of liabilities (excluding capital accounts) of the Federal Reserve banks;

(4) the terms "upper reserve limit" and "lower reserve limit" means 175 per centum and 25 per centum, respectively, of the target reserve quantity;

(5) the term "gold holiday" means the ninety days following proclamation of such holiday by the Board of Governors of the Federal Reserve System pursuant to section 7 of this Act; and

(6) the term "target reserve quantity" means that total value of gold, at the standard price of gold, which bears the same proportion to the monetary base as gold reserves bore to the monetary base on the one hundred and eighty-first day after approval of this Act or, if a gold holiday shall have been proclaimed, on the ninety-second day after proclamation of such holiday.

TRANSFER OF GOLD RESERVES

SEC. 4. Upon the enactment of this Act, the gold certificates issued and outstanding under the provisions of section 2(a) of the Gold Reserve Act of 1934 (31 U.S.C. 441) shall be canceled and every right, title, interest, and claim of the United States to the gold represented by such certificates shall pass to and are hereby vested in the several Federal Reserve banks holding such certificates. All gold so transferred, not in the possession of the Federal Reserve banks, shall be held in custody for the banks and delivered upon the order of the Board of Governors of the Federal Reserve System. The Secretary of the Treasury shall take such action as may be necessary to assure that such gold shall be so held and so delivered.

REVALUATION OF GOLD RESERVES

SEC. 5. Any increase or decrease in gold reserves due to a change in the standard price of gold shall be credited or debited to a special capital account to be established on the books of account of the Federal Reserve banks, but no credit balance shall be distributed to any stockholder or to the United States.

GOLD PURCHASES AND SALES

SEC. 6. (a) Each Federal Reserve bank shall sell gold on demand at a price equal to 100$\frac{1}{4}$ per centum of the standard price of gold, and shall accept in payment therefor only Federal Reserve notes, whether issued by itself or another Federal Reserve bank, or drafts on reserve accounts or other deposits held by it.

(b) Each Federal Reserve bank shall buy gold when offered to it at a price equal to 99$\frac{3}{4}$ per centum of the standard price of gold, and shall issue in payment therefor only Federal Reserve notes or deposit credits in that bank.

(c) Nothing in this section shall be deemed to require any Federal Reserve bank to buy or sell gold in any quantity less than that quantity having a value of $10,000 at the standard price of gold, except as provided in section 10 of this Act.

(d) The provisions of this section shall become effective on the one hundred and eighty-second day after the approval of this Act.

RESTRICTIONS ON CHANGES IN THE MONETARY BASE

SEC. 7. Notwithstanding subsections (b) and (c) of section 12A of the Federal Reserve Act (12 U.S.C. 263(b) and (c)) or any other provision of law, the monetary base—

(1) shall not be permitted to increase during any period in which gold reserves are less than 75 per centum of the target reserve quantity;

(2) shall be decreased by 1 per centum per month during any period in which gold reserves are less than 50 per centum of the target reserve quantity;

(3) shall be increased by 1 per centum per month during any period in which gold reserves are more than 125 per centum of the target reserve quantity; and

(4) shall be increased by 2 per centum per month during any period in which gold reserves are more than 150 per centum of the target reserve quantity.

GOLD HOLIDAY; PROCLAMATIONS; PROHIBITED ACTIONS

SEC. 8. (a) If gold reserves become less than 25 per centum, or more than 175 per centum, of the target reserve quantity, the Board of Governors of the Federal Reserve System shall proclaim a gold holiday.

(b) Upon proclamation of a gold holiday under subsection (a), the standard price of gold then in effect shall cease to apply, and a new standard price shall be determined in accordance with section 2(a) of this Act.

(c) Notwithstanding any other provision of law, during the period of any gold holiday proclaimed under subsection (a)—

(1) no Federal Reserve bank shall purchase gold for, or sell gold from, its gold reserves; and

(2) the monetary base shall not be permitted to increase or decrease by more than 1 per centum from its value at the time the gold holiday is proclaimed.

RULES AND REGULATIONS

SEC. 9. The Board of Governors of the Federal Reserve System shall prescribe rules and regulations to carry out the provisions of this Act other than section 9.

COINAGE

SEC. 10. The Secretary of the Treasury shall mint and issue gold coins of .900 fineness in such denominations and of such sizes and weights, but not less than one-fourth of an ounce, as he determines to be appropriate to meet public demand. Coins minted under this section shall be subject to the requirements of section 3517 of the Revised Statutes (31 U.S.C. 324), and shall bear such other patriotic designs, symbols, or inscriptions as the Secretary determines to be appropriate.

REPEAL OF EXISTING LAWS

SEC. 11. (a) Sections 5, 6, and 7, and the last sentence of section 15 of the Gold Reserve Act of 1934 (31 U.S.C. 315b, 408a, 408b, 444) are repealed.

(b) Section 11(n) of the Federal Reserve Act (12 U.S.C. 248(n)) is repealed.

SECTION-BY-SECTION SUMMARY OF THE GOLD RESERVE ACT OF 1981

Section 1. Short Title. "Gold Reserve Act of 1981".

Section 2. Findings. Maintenance of the value of the dollar is the sole proper goal of monetary policy. A gold standard is necessary to success in such policy.

Section 3. Definitions.

"Standard price of gold"; "gold reserves"; "monetary base"; "upper reserve limit" and "lower reserve limit"; "gold holiday"; "target reserve quantity".

Section 4. Transfer of gold reserves. All gold certificates evidencing gold held by Treasury as reserve for Federal Reserve System are cancelled, and the ownership of all the gold so evidenced reverts to the Federal Reserve, upon enactment. This exactly reverses the action taken by the Gold Reserve Act of 1934.

Section 5. Revaluation of gold reserves. When U.S. gold reserves are transferred to the Federal Reserve and valued at market (instead of, as at present, being valued at the artificial price of $42.22/fine troy ounce), there will be a substantial increase in Federal Reserve assets. To balance this on the other side of the books, a capital account is established which cannot be distributed to member banks holding Federal Reserve stock.

Section 6. Gold purchases and sales.

(a) and (b). Provide for sale and purchase, respectively, of gold by the Federal Reserve banks, on demand, payments to be made only in Federal Reserve notes or drafts on Federal Reserve liabilities (such as reserve accounts). Prices of transactions are set at 7/10 of one per cent on each side of the standard price of

gold, which is essentially the market price of gold for immediate delivery in New York in the week before resumption of gold transactions under this Act.

(c) Federal Reserve banks shall not be required to deal in quanities of gold of value less than $10,000, except for gold coins.

(d) Resumption of gold transactions will occur on the 182nd day after enactment of this Act.

Section 7. Restrictions on changes in the monetary base. The Federal Reserve System will be required to expand or contract the aggregate of its liabilities (thereby, through bank reserves, expanding or contracting the money supply) whenever the value of the gold reserves deviates substantially from the target reserve quantity. This target is set to maintain the same percentage of gold backing for Federal Reserve liabilities (including Federal Reserve notes and reserve accounts) as obtained on the day before resumption of gold transactions under this Act. Full discretion is allowed if gold reserves are between 75 percent and 125 percent of the target: the base may not be increased if reserves fall below 75 percent and must be decreased by 1 percent per month if they fall below 50 percent of the target. If reserves are above 125 percent of target, the monetary base must be increased 1 percent per month, and they must be increased by 2 percent per month if reserves are above 150 percent of the target.

Section 8. Gold holiday; Proclamation: Prohibited actions.

(a) If gold reserves deviate beyond 25 percent or 175 percent of the target, the Board of Governors of the Federal Reserve System is required to proclaim a gold holiday.

(b) During a gold holiday, for a period of 90 days, there will be no transactions in gold, and then a new standard price of gold will be established and gold transactions resumed on the 92nd day. The purpose of this provision is to prevent the entire economy from having to adjust, through inflation or deflation, to some extraordinary occurrence affecting the underlying supply or demand for gold. For example, discovery of the cyanide process for recovery of gold meant that the "natural" price of gold should decline. There is no economic purpose to having the entire monetary base and the economy adjust to this, so this provision would permit establishment of a new price standard.

(c) During the period of a gold holiday, there would be no gold transactions and the monetary base would not be permitted to vary by more than 1 percent from its value at the beginning of the period. Thus, the gold price will be established by the market and not be affected by government monetary actions.

Section 9. Rules and regulations. The Board of Governors of the Federal Reserve System is granted the usual authority to prescribe rules and regulations to carry out the Act.

Section 10. Coinage. Provides for gold coinage in sizes and weights to meet public demand, such coins to be determined by the Secretary of the Treasury, but not in size less than ¼ ounce.

Section 11. Repeal of existing laws. Repeals various parts of the Gold Reserve Act of 1934 that are inconsistent with the present Act, and section 11(n) of the Federal Reserve Act (pertaining to authority of the Secretary of the Treasury to seize gold).●

By Mr. DOLE (for himself, Mr. DECONCINI, Mr. TOWER, Mr. LUGAR, Mr. JEPSEN, and Mr. LAXALT):

S. 8. A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes; to the Committee on Finance.

INDEPENDENT CONTRACTORS

● Mr. DOLE. Mr. President, I send to the desk a bill to clarify the standards for determining whether an individual is an independent contractor or an employee.

NEW LEGISLATION SIMILAR TO EARLIER DOLE PROPOSAL

This bill is similar to the measure I introduced in the last Congress in that it provides objective criteria for the determination of independent contractor status. A new provision, however, has been added to provide that failure to meet the objective standards of the bill will not prohibit an individual from asserting independent contractor status under common law.

The addition of this "no inference" clause will assure that all individuals who traditionally have been considered independent contractors will continue to be treated as independent contractors for Federal tax purposes. This Senator, however, anticipates that most independent contractor issues will be settled by reference to the objective standards contained in this legislation. These objective standards should provide for a significant reduction in disputes with the Internal Revenue Service.

IRS AUDIT CAMPAIGN

Since the early 1970's the Internal Revenue Service has undertaken an aggressive audit campaign of employment taxes. In this effort the IRS has sought to recharacterize as employees many individuals who have been traditionally considered independent contractors. This increase in audits and in retroactive assessment of taxes has placed a great burden on many taxpayers who have relied upon long-standing characterization as independent contractors.

The distinction between an independent contractor and an employee is important because employers do not have to withhold on wages of independent contractors, nor pay social security or unemployment taxes. If the IRS prevails on a reclassification of employment tax status from an independent contractor to employee, the employer becomes liable for employment taxes which have not been withheld or paid to the Treasury.

The IRS effort to recharacterize independent contractors as employees has been based on a belief that independent contractors are not paying the taxes they owe the Government. No one would question that each segment of our population should pay its rightful share of taxes. Unfortunately, the IRS has undertaken a massive campaign in this area without satisfactorily showing that there is sufficient noncompliance to justify the increased burdens they seek to impose. This Senator, for one, remains unconvinced that independent contractors are avoiding any significant amount of taxes which would be paid if withholding were imposed.

PRIOR LEGISLATIVE ACTION

The Congress included in the Revenue Act of 1978 a provision which I sponsored to allow employers to continue to treat individuals as independent contractors if there was a "reasonable basis" for treating them as independent contractors in the past. This temporary measure was set to expire at the end of 1980 so that Congress would have the opportunity to fashion a permanent solution.

It proved to be impossible to act on a permanent solution by the expiration date of the temporary measure. This Senator was reluctantly forced to offer merely an additional 18-month extension of the status quo. This extension was enacted, along with several other extensions of present law, at the end of the session last year.

RESPONSIBILITY FOR EARLY ACTION

Mr. President, the Senator from Kansas believes this legislation being introduced today represents a good approach to an unfortunate problem. We have an obligation to many taxpayers in this country to provide them with certainty as to their responsibilities in the collection of taxes. We have an equal obligation not to impose requirements more restrictive than necessary to assure the collection of taxes due. This Senator truly hopes that this measure will be considered and acted upon prior to June 1982 so that further extension of temporary legislation will become unnecessary.●

By Mr. ROTH (for himself and Mr. EAGLETON):

S. 10. A bill to establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels; to the Committee on Government Affairs.

ESTABLISHMENT OF A CITIZENS COMMISSION ON MORE EFFECTIVE GOVERNMENT

● Mr. ROTH. Mr. President, we are all very concerned at the direction our Nation will follow throughout the new decade of the eighties. We are facing serious problems as a people which will require strong and effective leadership and a consistent, well constructed set of ideas and policies to guide our efforts. If we set our goals and develop our resources with careful foresight, I believe that we will emerge from the challenges of this decade stronger as a nation than ever before.

To help us cope with developments in this rapidly changing world, however, we must have an effective and coherent set of principles and, most importantly, a governmental structure capable of guiding our Nation's evolution. In my view, there is no task more pressing than to improve the quality and effectiveness of Federal, as well as State and local, service to the American public. We simply can no longer afford to tolerate a government which is expensive, wasteful, and incapable of balancing the many competing and diverse needs of our society. The American people must have confidence in their government and its direction. Without that confidence, we stand less chance of making the adjustments and adopting the new ideas and policies we must to cope with the future.

Unfortunately, as we are all too aware, the citizens of our Nation have steadily lost their confidence in government at all levels. The Advisory Commission on Intergovernmental Relations recently completed its annual survey on citizen attitudes toward government and its findings report, in startling clarity, the extent of public dissatisfaction with government. The Commission found, for example, that almost 40 percent of those surveyed felt the Federal Government has too much power. A plurality of those contacted believed that State and local governments are too fragmented and disorganized to be effective. Even more revealing, for the first time since 1972, the Commission found that the Federal Government was rated far less effective than local governments "in giving the people the most for their money."

Mr. President, I believe the American people do want their government, at all levels, to be active, but they also want an effective and efficient leadership capable of identifying the really pressing issues and formulating coherent policies. It is evident to me that the Government has tried to be all things to all people. It has begun to perform functions that are not Caesar's and as a consequence, it has begun to neglect Caesar's primary and important duties. Government is so involved in every conceivable issue that the urgent has begun to displace the necessary and important. We need to reshape our Government and make it manageable as well as more capable of performing its necessary functions.

For these reasons, Mr. President, I am today introducing, with Mr. EAGLETON, a bill to establish an 18-member commission on more effective government, modeled, to some degree, after the two successful Hoover Commissions of the 1940's and 1950's. The legislation will provide the commission with the tools it needs to study government at all levels and propose effective and I hope fundamental reforms in the governmental process. Similar legislation was introduced in the House last year by Congressman RICHARD BOLLING, with the support of over 160 cosponsors, and will be again this year an important priority for the Congressman. Congressman BOLLING and I met in early December on this legislation and agreed to make the push for the creation of a broad study commission a bipartisan and cooperative effort.

This proposal for a Hoover-style commission is one that I have made on several prior occasions. As a Member of the House of Representatives in 1968, I suggested a comprehensive reorganization and simplification effort under the direction of a 10-member commission. One hundred and four House Members joined me as cosponsors of that bill. Several years later, in the Senate, I again initiated a proposal for a major and comprehensive examination of the structure of Government as part of our effort to curb Federal spending. The same basic approach was included in S. 2925—the Government Economy and Spending Reform Act of 1976—which became known as the sunset bill. The sunset bill was introduced last year as S. 2 and had 74 cosponsors. Title III of that bill again provided for a commission to study Government structure and functions.

Mr. President, I believe the Commission proposed by the bill introduced today by Senator EAGLETON and myself must be made a first priority of the Congress. I believe we need a guide or blueprint to help us reorganize and improve our Government. We have given the President broad authority to reorganize the Government agencies and redirect Government policies. While this authority is important, I do not feel it provides the necessary tools we need to revitalize Government.

By their nature, reorganization plans concentrate on specific, often narrow policy and program areas. Broad overviews of the effectiveness of national policies are not possible through the reorganization process because it is designed largely to deal with management or administrative issues and problems. Further, reorganization plans seldom reflect broad public support and strong interest by Members of Congress. Often, such plans fall victim to the vested interests that private and professional interest groups have in existing policies and agency arrangements.

Ultimately, the true champion of reform and reorganization must be the American public in cooperation with both the President and the Congress. Unless there is a solid and recognized commitment by both Congress and the President with strong public backing, the various interest groups can play "reorganization roulette" and offset the intentions of one branch of Government by the actions of another branch. There must be a recognized political imperative to move in the direction of changing our Government in order to overcome the inertia and resistance of the existing chaos. The public mandate must outweigh the preference for inaction or muted reform.

This is why a commission, such as we propose in this bill, is so important. A commission which is jointly established by Congress and the President, and which has half of its members recruited from the general public, would embody a joint commitment and joint dedication to reform. It would transform public support and anticipation for reform into a practical mandate for the findings and the final blueprint of the commission. The commission would be in a position to sustain public support for an overhaul of government structure and objectives by enhancing reform proposals with political balance, objectivity and independence. The opportunity for significant and lasting reforms which presents itself today is one that should be used to the best possible advantage for the lasting improvement of government at all levels.

Mr. President, there has not been a governmentwide nor intergovernmental examination of government operation and structure for almost 30 years. A government which was complex and in need of reform in 1950 is now considerably larger and more complicated but still in need of reform. Some things do not change.

The Federal budget has grown from $45 billion in 1950 to a possible $660 billion or more in the current fiscal year. State and local governments spent a combined total of just over $20 billion in 1950 while they will spend over $350 billion in 1980. In an area in which I am particularly familiar, Federal assistance to State-local governments amounted to only $2.2 billion in 1950 and is projected to reach a level of over $90 billion in the 1981 fiscal year. In terms of sheer size, the problems and complexities of government have been compounded dramatically over the last three decades.

There are even more startling indicators of these dramatic changes. For instance, between the years 1930 and 1939, 149 new government agencies at the Federal level were created. Only 53 of those agencies were created by the Congress. The rest appeared through executive action of some type or another. By contrast, only 67 existing agencies terminated during that same time period. In the decade of the 1970's, 430 new agencies sprang to life, a threefold increase in agency births over the previous decade. Two hundred and sixty-five of those agencies were created by statute and during the same time period only 157 existing agencies were eliminated. Altogether, during the entire nearly half century from 1930 to 1978, 1,037 new agencies were born and only 550 were eliminated. The growth in government is more than an illusion and it has greatly constrained government's ability to lead our Nation.

We need another comprehensive review of our system of government. The commission we propose today, like the Hoover Commissions, can provide us with the mechanism to make that review and give us, I believe, a good return on our investment. The first Hoover Commission, for example, established by President Truman, served from 1947 to 1949. It made 273 recommendations to reorder the structure of government. Seventy-two percent of its recommendations (196) were eventually adopted. There have been estimates that the adoption of these recommendations has saved the taxpayer as much as $5 billion annually.

The second Hoover Commission was established by President Eisenhower and served from 1953 to 1955. It made 314 recommendations and of those 200 or 64 percent were adopted. These improvements have saved the taxpayers an estimated $4 billion a year. Yet, the two Hoover Commissions together cost less than $5 million.

I do not want to leave the impression that the Commission we are seeking will only be charged with streamlining and reorganizing Government operations. I believe the Commission should, and does have a far broader mandate. It should review not only the structure, but also the substance of government. It should ask fundamental questions such as which level of Government should have primary responsibility for a given policy? What is the President's role in directing Federal policies and managing programs? How should Congress restructure itself to reflect changing requirements? How do we establish mechanisms to reconcile the

many conflicting national policies? Is the typical agency structure in need of change?

We need, in other words, to fundmentally rethink our attitude toward Government and how it should function in and with our modern day society and economy. I believe the bill Senator EAGLETON and I introduce today can help us rethink our assumptions and, in the final analysis, make Government work better and more effectively in a rapidly changing world.

Mr. President, I have met with President-elect Reagan and members of the transition team about this proposal and they fully agree that a broad study of Government is needed. Although the bill I introduce today is not perfect, I plan to convene hearings in the Governmental Affairs Committee soon in an effort to strengthen and improve the legislation. I look forward to working with the incoming administration, Congressman BOLLING, Congressman JACK BROOKS, to whose committee the Bolling bill will be referred, and Senator EAGLETON, the ranking minority member on the Governmental Affairs Committee, to insure the enactment of this important measure.●

By Mr. DOLE (for himself and Mr. COCHRAN):

S. 12. A bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans; to the Committee on Finance.

RETIREMENT SAVINGS DEDUCTION

● Mr. DOLE. Mr. President, today I am introducing legislation which will provide a substantial incentive to the many participants in tax-qualified retirement plans to save additional funds for their retirement. This legislation will allow individuals who participate in employer-sponsored plans to either contribute to such a plan or to a special retirement savings account and receive a tax deduction for that contribution.

NEED FOR RETIREMENT SAVINGS

Encouragement of savings for retirement must be a major emphasis of this Congress. We are all too aware how inflation has cruelly discounted the value of every individual's savings. Inflation has provided a major disincentive for long-term savings, such as for retirement years. Yet, the pressures on the social security system and private retirement plans make obvious that additional sources of retirement funding must be considered.

This Senator, for one, believes that encouragement of private savings must play a major part in the Nation's retirement policy. Encouraging voluntary savings has the advantage of imposing less Government on our people while making it more worthwhile for individuals to save, rather than spend their incomes on current consumption.

PRESENT INCENTIVES FOR RETIREMENT SAVINGS

Congress has seen the wisdom of such incentives for voluntary savings in the past. The Employee Retirement Income Security Act of 1974 included a provision which allows an individual to take a tax deduction for contributions to an individual retirement account.

However, this provision was limited to individuals who did not participate in an employer's tax-qualified retirement plan. The thought was that individuals who had no other retirement plan should be encouraged to set aside funds of their own for retirement.

This had some merit, especially since the primary concern was to provide a modest benefit for nonparticipants in pension plans at the same time that ERISA was enacted in an attempt to provide more responsible employer-sponsored pension plans.

INCENTIVES MUST BE BROADENED

However ERISA created a disparity which has resulted in a drop in employee participation in private pension plans and has created a disincentive for employers to establish modest pension plans with hopes that they could be made more generous in the future. Obviously, if an employer-sponsored plan must rely on substantial employee contributions in early years, it is unlikely to be considered as attractive to employees as an IRA to which contributions are tax deductible.

Furthermore, many individuals are considered to be participants in tax-qualified retirement plans even though, in fact, they may receive little or no benefits when they retire. For instance, in some plans an employee must work for 10 years before he obtains a nonforfeitable right to receive any retirement benefit. During these first 10 years an employee is considered to participate in the plan even though he may never remain employed by the same employer for the 10 years necessary to qualify for retirement benefits.

It should be clear that all employees should be allowed to deduct, within limits, amounts contributed to provide funds for retirement. Discrimination between employees based upon the mere existence of an employer-sponsored plan is neither reasonable nor good policy.

ESSENTIAL PART OF ECONOMIC RECOVERY

This Senator has introduced similar legislation in both the 95th and 96th Congress and has long been committed to legislation which will encourage long-term savings. There should be little doubt that there is now an increased awareness of the economic pressures awaiting employees who retire in an inflationary economy. I hope the time has come for action.

This Senator believes that a major part of any effort to restrain inflation must include incentives to make savings more attractive than immediately spending all income. At the same time, increased savings will provide the capital necessary to relieve some of the pressures which are causing interest rates to rise so dramatically and make economic recovery a realistic goal.

The Senator from Kansas also is introducing similar legislation which would encourage saving to purchase a first home and to fund college education. These incentives should be considered a foundation upon which to reverse the bias against saving and in favor of current consumption which now exists in our tax laws.●

By Mr. DOLE:

S. 13. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Federal revenues set forth in concurrent resolutions on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget which set forth a deficit, and for other purposes; pursuant to the order of September 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

SPENDING LIMITATION ACT

● Mr. DOLE. Mr. President, one of the most pressing and serious problems facing us as we reconvene for the start of the 97th Congress is the expanding role of Government. The American people are tired of seemingly limitless Government spending, ever increasing taxing, and a rapidly growing national deficit.

EXCESSIVE FEDERAL SPENDING

Mr. President, the public wants more efficient and smaller Government. In recent years a number of initiatives have been approved at the State level that limit Government spending and taxes.

The Federal Government has so far not heeded these warnings. Congress continues to increase spending, maintain unwarranted deficits, and legislate higher tax rates. The bill which I introduce today is designed to restore fiscal sanity and sound economic planning.

GOVERNMENTAL EXPENDITURES

Mr. President, the range of governmental activities has been increasingly expanding. In 1929, governmental expenditures—the combined Federal, State, and local spending—was 11 percent of our gross national product. Governmental spending as a percentage of gross national product rose to 20 percent in 1950, 30 percent in 1960, 35 percent in 1970, and nearly 38 percent in 1978.

Mr. President, the growth in Federal spending has been incredible. In fiscal year 1962, Federal outlays were slightly over $100 billion. In less than two decades from that time, the President of the United States submitted a budget over six times that number. To demonstrate how outrageous Federal spending has become, the Government increased new Government outlays by $130 billion in the 3 years ending in 1978.

NATIONAL DEBT

This tremendous increase in spending has brought about a dramatic growth in our national debt. In fiscal year 1975, the Federal debt stood at $544 billion. However, in only a short period of time, it is likely that the national debt will reach $1 trillion. Federal spending in the current fiscal year is up dramatically. However, if off-budget agencies are included, the figures appear even more dramatic. It is apparent that Federal spending, which has by all sane standards become out of control, needs to be cut back.

The expanding role of Government has led to a proliferation of Government agencies, regulations and bureaucratic morass. At least 90 Federal agencies are involved in issuing Government regulations. Some economists have said that Government regulation increases the

price of goods and services in the United States by as much as $200 billion a year.

BALANCED BUDGET

Mr. President, since 1950, the Federal budget has been balanced in only 5 years and the Government has not balanced the budget at all in the past decade. These budget deficits indicate a lack of a coherent fiscal policy. In fact, we seem to run a deficit no matter what the state of our economic affairs. Mr. President, I am introducing several proposals today. They include: Limits on Federal spending, taxes and a mandate for a Federal balanced budget. I believe that my approach is a sensible one to a chronic problem.

SPENDING AS PERCENTAGE OF GNP

Mr. President, in the current fiscal year, Federal spending will be approximately 22 percent of gross national product, the sum of all goods and services produced in the United States. The Senator from Kansas believes that that level, over the long run, is too high. My proposal calls for a limit on Federal spending as a percent of gross national product. The Senator from Kansas believes that it is time to return the percentage of Federal expenditures, as it relates to gross national product, to its historical level of 18 percent. The Spending Limitation Act requires the Government to decrease spending as a percent of gross national product until it reaches the 18 percent level in 3 years. In order to maintain some flexibility, spending may rise if the increase is approved by two-thirds of both Houses of Congress.

Mr. President, to complement the spending limitation, I am introducing a counterpart initiative to limit taxes. Under my proposal, the Congress ability to raise revenue is similarly limited to 18 percent of gross national product. This limit will act to curb Federal spending and insure potential tax relief to the overburdened taxpayer.

TAXING LIMITATION

Mr. President, the American people have had enough. They have had enough of big Government—inflation—and high taxes. The taxpayers' revolt that started in California and spread across the country is only the beginning. The taxpayers across the country are sending a message. We in Washington are obliged to listen.

Mr. President, the Senator from Kansas is also submitting initiatives to balance the Federal budget. It has been shown time and time again that the public overwhelmingly supports a federally balanced budget. According to a recent survey, more than 80 percent of Americans favor requiring the Congress to balance expenditures with revenue each year.

FEDERAL DEFICIT

The persistence of substantial deficits has been largely responsible for our serious inflation problem. When a government sustains a budget deficit, it is putting more money into the economy than it is taking out. It should be no surprise, given the persistent large deficits that have cumulated over the past two decades, that double-digit inflation continues to plague the economy. Control of the Federal deficit would help control inflation. Still, it is clear that a balanced budget by itself will not halt the expansion of the public sector at the expense of the private sector. That is why a balanced-budget requirement must be coupled with limits on spending and taxation.

The third requirement imposed by my Spending Limitation Act is a balanced Federal budget. However, to provide the Government with the necessary flexibility to adapt to changing economic circumstances, the Government may run a deficit in 2 of every 5 years. However, any such deficit must be made up within 2 years.

Mr. President, the issues raised by the Spending Limitation Act, described above, were debated in the 96th Congress. In fact, I introduced similar legislation 2 years ago. The Budget Committee held hearings last year on this and similar legislation, but no further action was taken. In addition, the Judiciary Committee considered at length proposals to amend the Constitution to limit Federal spending and mandate a balanced budget. While a consensus proposal on amending the Constitution came close to being approved by the Judiciary Committee, the issue of institutional restraints on the Federal budget was never really addressed in the last Congress.

I think it should be addressed in the 97th Congress, and I believe there is a good chance that it will be addressed, given the clear public mandate for a smaller and more efficient Government. I recognize however, that there is considerable divergence of opinion over how to best achieve budget restraint: Through resort to the Constitution, through a tighter budget process, through fixed limits on the budget or through changes in procedure designed to move us in the direction of restraint. I expect to be closely involved in the debate over these various approaches, and in the effort to reach a consensus that will satisfy the demands of the American people for a controlled Federal budget. In the meantime, I offer the Spending Limitation Act as one possible approach that I believe merits consideration. I may introduce further legislative proposals later in this session, but it is not too soon to start laying out the options and beginning the debate.●

By Mr. CRANSTON:

S. 18. A bill to establish the Orange Coast National Urban Park in the State of California; to the Committee on Energy and Natural Resources.

ORANGE COAST NATIONAL URBAN PARK

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to establish the Orange Coast National Urban Park in California. This is basically the same bill which Senator HAYAKAWA and I sponsored in the 96th Congress.

The Orange Coast area protected by this legislation comprises about 11,000 acres of land between the cities of Newport Beach and Laguna Beach. It is one of the last remaining stretches of coastal open space in southern California south of Los Angeles. In sharp contrast to its urban surroundings, this portion of the Orange County coast contains unspoiled steep narrow canyons with magnificent groves of sycamore and oak. The coastal hills rise to over 1,000 feet providing splendid views of the Pacific Ocean. Plant and animal life abounds. Federal acquisition of this area would provide outstanding recreational opportunities for over 13 million people who live within a 2-hour drive of the proposed park.

I also believe there is a national interest in protecting the Orange Coast, primarily because so many millions of Americans from every State in the Union visit the California coast, its mountains, and other tourist attractions each year. Orange County, which is famous for its fine beaches, has no national parks or recreation areas. The proposed park would benefit many thousands of tourists who visit the county annually.

In addition to its value as open space, the Orange Coast area has several unique and nationally significant resources worthy of protection. In a congressionally mandated study completed in 1978, the National Park Service reported that the coastal shelf, inland canyons and mountains of the Orange Coast area contain archeological and paleontological remains of national significance. According to the study, the area also contains two plants listed on the endangered species list and five rare and endangered birds, including the American golden eagle.

A little over a year ago, the State of California completed the acquisition of 2,000 acres and 3 miles of Orange County coastline at a cost of $32.6 million for the establishment of the Crystal Cove State Park. The purchase is the single largest park acquisition in the State's history. Now the State has an option until December 1981 on some property above Muddy Canyon valued at $3.5 million.

The legislation I am reintroducing today would protect the Orange Coast further through Federal park designation of the entire 11,000-acre area. The bill authorizes $38 million from the existing land and water conservation fund as a match to the State's efforts to provide open space and new recreational opportunities in this rapidly growing area of California. The two principal owners of the properties still privately held have agreed to donate substantial acreage to the park and sell the remaining land to the Federal Government. The lands owned by the State of California and its political subdivisions would be acquired only by donation or exchange.

Under the bill, the Secretary of Interior is authorized to convey properties to the State of California or enter into a cooperative agreement with the State or its political subdivision for State or local management of the park. There can be no Federal land acquisition of any of the properties within the proposed Orange Coast Park, however, until the Secretary has received a written commitment from the State or its political subdivision that the properties will be managed and developed at no direct Fed-

eral expense. The State has already indicated its willingness to manage the entire park if requested.

Mr. President, there is tremendous local support for this proposed park. The Orange Coast National Urban Park proposal is supported by the California Department of Parks and Recreation, the California Coastal Commission, the Orange County Board of Supervisors, all the affected cities, and all the affected property owners, as well as the conservationist community.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 18

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to provide for public outdoor recreation use and enjoyment of the Irvine Coast-Laguna area of California, and to protect the area's unique ecology and topography, its watershed, vegetation, and other natural and cultural resources, there is hereby established the Orange Coast National Urban Park (hereinafter in this Act referred to as the "park").

(b) The park shall consist of the lands and interests in lands within the boundary generally depicted on the map entitled "Boundary Map, Irvine Coast National Urban Park," numbered 20,064B, and dated May 1980, and the accompanying insert map, which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior, and an additional area of approximately 25 acres shown on said map as the two most northerly exclusions from "Area C" adjacent to Laguna Canyon Road.

SEC. 2. Except as otherwise provided in this Act, it is the intention of the Congress that all the property within the park be acquired by December 31, 1985, and accordingly, any lands, or interests therein not acquired by that date shall no longer be deemed included in the park. Any land or interests therein owned by the State of California or any political subdivision thereof may be acquired only by donation or exchange. The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized, with respect to the property acquired pursuant to this Act, (1) to convey the property to the State of California or any political subdivision thereof, subject to such terms, conditions, and reversionary provisions as will assure preservation of the property for public park or open-space purposes, and (2) to enter into an agreement with the State or a political subdivision thereof pursuant to which the State or such political subdivision shall administer, protect, and manage the property for public park or open-space purposes.

The Secretary shall not acquire any lands or interests therein for the purposes of this Act until he has received written commitments satisfactory to him from the State of California or a political subdivision thereof, which commitments shall provide for either a conveyance or agreement as described in this section, and which will specify that all property to be acquired by the Secretary will be managed and developed at no direct federal expense.

SEC. 3. Except as otherwise provided in this Act, the Secretary is authorized to acquire lands and interests therein within the boundaries of the park by donation, purchase with donated or appropriated funds, or exchange, or otherwise, which authority is expressly conditioned upon the following events occurring within the time periods indicated:

(a) On or before June 30, 1981, the California Coastal Commission shall have approved and certified, and the county of Orange shall have accepted, a local coastal program (as defined in the California Coastal Act of 1976), for the entire area identified as the "Irvine Coastal Area" on the map referred to in section 2 of this Act, which local coastal program shall provide, among other things, for a watershed management program for the area identified on such map as "Los Trancos Canyon".

(b) On or before June 30, 1981, the county of Orange and the owner of record of the area identified as "Area C" on such map shall have entered into an agreement, and the California Coastal Commission shall have approved such agreement, containing among other things an irrevocable offer to donate the entirety of Area C to the Secretary, the State of California or to a political subdivision thereof, which donation may be in phases and conditioned upon performance by the county of Orange of its obligations under such agreement: *Provided, however,* That the Secretary may, at his sole discretion, waive the foregoing condition.

(c) On or before December 31, 1981, the State of California shall have exercised its right to acquire the area identified as "State Expansion Area" on such map: *Provided, however,* That the Secretary may, at his sole discretion, waive the foregoing condition.

(d) The Secretary shall use all due diligence to acquire from the owner of record of the areas identified on such map as "Muddy Canyon", "Laurel Canyon", and the "Frontal Slopes of Wishbone Hill" a right to acquire such lands by purchase under the threat of condemnation, in a form acceptable to the Secretary. This right shall remain in effect until December 31, 1985. In the event said right is exercised on or before October 1, 1982, the total purchase price shall be $32,000,000, or the fair market value, whichever is less. In the event said right is exercised after October 1, 1982, said total purchase price shall be increased monthly in pro rata increments at the simple rate of 10 per centum per annum. Such right to acquire shall be in favor of the United States of America or such other public entity as the Secretary may designate and shall be assignable at any time by the Secretary, for consideration he deems in his discretion to be adequate, to the State of California or any political subdivision thereof or such other nonprofit, tax-exempt organization as the Secretary shall, in his discretion, deem appropriate: *Provided, however,* That any such assignment shall only be for park and/or open-space purposes.

In the event the total purchase price, as adjusted in accordance with the preceding formula, exceeds the total sum of $37,000,000, the Secretary, in his sole discretion, may either—

(1) delete from the areas to be purchased under the option the entire area shown on such map as the "Frontal Slopes of Wishbone Hill", in which case the total purchase price shall be recomputed on the basis of an original purchase price of $16,000,000 or the fair market value, whichever is less, instead of the $32,000,000 subject to the adjustment provided above: and/or

(2) assign all his rights, which shall be severable for this purpose only, to the State of California, or to a political subdivision thereof, to purchase the "Frontal Slopes of Wishbone Hill" for a total purchase price recomputed on the basis of an original purchase price of $16,000,000 or the fair market value, whichever is less, subject to the adjustment provided above.

SEC. 4. (a) In carrying out his authorities under this Act, the Secretary shall expeditiously take such actions as may be necessary to convey and transfer for purposes of the proposed San Joaquin Hills transportation corridor (as designated on the general plan of the county of Orange, California), and the proposed San Canyon Road as agreed upon by the county of Orange and the California Coastal Commission, such rights-of-way through the park as may be necessary for the establishment of such corridor and/or road. Such actions may also include the establishment by the Secretary of such conditions for the protection and utilization of the park as will facilitate the construction of such corridor and such road, the issuance of any certification required under the Act of August 27, 1958 (23 U.S.C. 317), for the transfer of lands within the park to the State highway department, or its nominee, and any combination of the foregoing actions and other action which the Secretary is required to take as a condition to the construction of such portions of the proposed corridor, and road.

(b) In exercising his authorities under regulations and applicable provisions of law (including, but not limited to, section 4(f) of the Department of Transportation Act (49 U.S.C. 1653(f)): and section 15(a) of the Act of September 13, 1966 (23 U.S.C. 138): and section 2(a)(1) of the Act of September 8, 1966 (49 U.S.C. 1610)), the Secretary of Transportation shall expeditiously take the actions required under such regulations and applicable provisions of law in such manner as will facilitate to the maximum extent practicable, the construction of so much of the transportation corridor and road referred to in subsection (a) of this section as is within the boundaries of the park or as otherwise affects the park.

SEC. 5. There are hereby authorized to be appropriated $38,000,000 and such additional sums as may be required to fulfill the provisions of section 3(d) for acquisition of lands and interests therein pursuant to this Act.●

By Mr. DOLE (for himself, Mr. BOREN, Mr. ARMSTRONG, Mr. BUMPERS, Mr. BURDICK, Mr. COCHRAN, Mr. DOMENICI, Mr. GARN, Mr. GLENN, Mr. GOLDWATER, Mr. HART, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HELMS, Mr. HUMPHREY, Mr. JEPSEN, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. LAXALT, Mr. LONG, Mr. LUGAR, Mr. MELCHER, Mr. PERCY, Mr. PRYOR, Mr. RANDOLPH, Mr. SCHMITT, Mr. SIMPSON, Mr. TOWER, and Mr. WALLOP):

S. 19. A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax; to the Committee on Finance.

SMALL ROYALTY OWNER RELIEF

● Mr. DOLE. Mr. President, the Senator from Kansas today would like to reintroduce a bill to provide permanent relief for small royalty owners from the harsh effects of the windfall profit tax.

On April 2, 1980, President Carter signed the windfall profit tax into law. Throughout the debate on the windfall profit legislation, it was characterized as a tax on the big oil companies. Nevertheless, the tax as enacted also applies to holders of even the tiniest oil royalty. Indeed, these small royalty owners are subjected to the full windfall profit tax rates—a 70-percent tax rate on upper and lower tier oil, a 60-percent tax rate for stripper oil, and a 30-percent tax rate for newly discovered, incremental tertiary and heavy oil. These are the same windfall tax rates applicable to Exxon and the other giant, multinational oil companies.

This heavy tax has caused great hardship among the approximately 2 million royalty owners throughout the United States. The Senator from Kansas has heard from literally thousands of anguished royalty owners who have had their incomes slashed by this tax.

Contrary to popular myth the vast majority of these royalty owners are not wealthy individuals. Rather they are typically struggling farmers, retired persons who depend on small royalty checks to supplement their social security checks or others with the most modest incomes. Many of these individuals do not have sufficient income to have any Federal income tax liability. It is hard to justify the imposition of a windfall profit tax on such persons.

Testimony submitted to a Senate Finance Committee hearing last May revealed that about 60 percent of the 120,000 royalty owners in Kansas receive only about $600 of royalty income per year. This amounts to only $50 per month—hardly the income of an "oil profiteer."

The imposition of the windfall profit tax upon these small royalty owners has caused a substantial rollback in the income received by these individuals. This is especially true for royalty owners on stripper oil properties. On a barrel of stripper oil selling for $38, a royalty owner would typically receive a $4.75 royalty payment. After the imposition of the windfall profit tax, the royalty owners will have to pay a $1.71 tax on this royalty income. Thus, the royalty owner's payment per barrel will be slashed from $4.75 to $3.04 by the windfall profit tax—a 36-percent drop in income.

Mr. President, on the same day the windfall profit tax was signed into law, the Senator from Kansas introduced a bill to exempt all small royalty owners from the tax. The Senator from Kansas was joined introducing this bill by the distinguished Senator from Oklahoma (Mr. BOREN) and a number of other Members. By the close of the 96th Congress, there were 32 Senate cosponsors to the royalty owner bill and at least 100 House cosponsors to identical legislation introduced in the House. Under this bill, every royalty owner could receive a royalty of up to 10 barrels per day before he would be subject to the windfall tax. This 10-barrel-per-day exemption should cover virtually every small royalty owner in the United States. It is this bill that the Senator from Kansas is reintroducing today.

Hearings were held on the small royalty owner exemption in Oklahoma City; Great Bend, Kans.; and Austin, Tex. Collectively, nearly 7,500 persons attended these hearings.

Despite the growing support for the 10-barrel exemption, it was not enacted by the 96th Congress. Nevertheless, as part of the Omnibus Reconciliation Act of 1980 the last Congress did enact some temporary relief for small royalty owners. Under the Reconciliation Act provision, each royalty owner can claim a refund of up to $1,000 of windfall profit taxes incurred in 1980. While this provision will provide welcome relief to royalty owners, it is only a 1-year stopgap measure. Permanent relief is needed.

The Senator from Kansas is hopeful that the 10-barrel exemption introduced today will provide the model for this permanent relief.●

By Mr. SASSER:

S. 20. A bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy; to the Committee on the Judiciary.

ROBBERIES INVOLVING CONTROLLED SUBSTANCES

● Mr. SASSER. Mr. President, I rise today to offer legislation that would allow the Federal Government to use its power to fight the increasing number of robberies of drugstores.

As the demand for drugs covered by the Controlled Substances Act has increased and as other sources for these drugs have been effectively eliminated, the criminal element has turned to retail pharmacies to supply certain narcotics. While these drugs are controlled by Federal law, when a pharmacist is robbed because he has these drugs on hand, the Federal Government can do nothing to give him help. It does not have the jurisdiction. The Federal Government controls who may prescribe drugs and for what illness. It sets penalties for illegal sales and possession. The Federal Government has done a very good job of drying up many traditional illicit sources of drugs. Paradoxically, that is one of the reasons drugstore robberies have increased. However, the Federal Government has not been able to step in to help prevent pharmacy robberies.

My bill would make the theft from a pharmacy of any substance listed in schedules I through IV of the Controlled Substance Act a Federal crime subject to a prison term of 10 years, a fine of $5,000 or both. Federal jurisdiction would be established when the robbery is for goods valued in excess of $500.

Mr. President, the need for this type of legislation has been recognized in the past. During discussion of the Criminal Code Reform Act in the 95th Congress, the Senate adopted unanimously an amendment that would have enacted the provisions of the bill I am offering today. The Senate Judiciary Committee adopted similar provisions when it reported the Criminal Code Reform Act during the last session of Congress. While the need for the provisions of my bill are widely recognized, implementation has unfortunately been blocked by the controversy around the larger issue of Criminal Code reform.

I do not think that we should allow any more delay. Last year I held hearings in the Senate Small Business Committee where this matter was discussed. I heard from pharmacists who live in daily fear of the crime that afflicts their industry. They have been victims and their friends have been victims. It is an unfortunate fact of life in their business. They fear not for their property but for their lives. Many of the pharmacists I have heard from keep "goodybags" on hand for drug-crazed robbers. They just want to keep the robber happy enough to keep him from shooting. They have seen too much of that.

It is not difficult to understand why drugstores are a prime target for robbers. It is not always a drug addict who roos pharmacies. It is often a regular street criminal who knows that he can steal a handful of dilaudid, a heroin substitute, and turn it into several thousands of dollars by sundown.

Mr. President, the problem is out of hand. Local officials cannot do the job alone. It is essential that the weight of the FBI and Drug Enforcement Administration be put behind the fight against drugstore crimes.●

By Mr. DECONCINI:

S. 21. A bill to establish a U.S. Court of Appeals for the Federal Circuit, to establish a U.S. Claims Court, and for other purposes; to the Committee on the Judiciary.

FEDERAL COURTS IMPROVEMENT ACT OF 1981

● Mr. DECONCINI. Mr. President, I am today introducing a bill, S. 21, the "Federal Courts Improvement Act of 1981." The bill is identical to the bill that had been agreed to between the House and the Senate at the close of the 96th Congress but which failed of passage for reasons unrelated to the text of the bill. In slightly modified form the Senate during the last Congress passed the bill as S. 1477 and the House passed the bill as H.R. 3806. The bill has been referred to as the most important court reform package of this century and I hope that the Committee on the Judiciary and the Senate will be able to again give its speedy approval to this legislation.

The heart of the bill is the creation of a new court of appeals for the Federal circuit and the elimination of the existing Court of Claims and Court of Customs and Patent Appeals. The new court will be made up of the judges of the disbanded courts and will have a similar jurisdiction with the prime exception that all patent appeals from the U.S. district courts will be heard by the new court.

It is my feeling and that of most patent lawyers, the judges of the courts affected, and commentators on the courts this change will greatly improve our Federal court system. Patent cases will be more speedily heard and greater certainty added to the law which in itself will cut back significantly on the litigation in the patent field. The certainty in the law should lead American corporations that develop patents to invest much greater resources to their research and development programs with the likely result of a technological boom in the 1980's. This, of course, means more jobs, social and scientific advancements, and should assist in bringing about a better balance of payments ratio with our trading partners.

Other aspects of the bill deal with mundane but important structural re-

forms to the Federal courts that hopefully will clarify a number of problem areas in the law and result in more effective and efficient administration of the Federal courts.

I want to thank all the parties whose input to this bill have made it possible, especially Daniel Meador, former Assistant Attorney General of the United States and his successor Maury Rosenberg, for all their assistance and that of their staff in the development of this bill. And although he did not have a direct impact on this bill, I would be remiss not to thank the Chief Justice of the United States, Warren Burger, for his consistent and tireless support of legislation to create a better court system. He is a wealth of ideas in a branch of government that is rather set in its ways. It is a tribute to Chief Justice Burger that our Federal Courts have met the litigation explosion of the seventies as well as they have and are on solid footing to meet the needs of the eighties.

With the support of the distinguished chairman of the Committee on the Judiciary, it will be my goal to pass this legislation out of the Senate in sufficient time for the House of Representatives to also act in a timely fashion, to avoid the end of session problems which caused the bill to die last Congress. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 21

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Courts Improvement Act of 1981".

TITLE I—UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT AND UNITED STATES COURT

PART A—ORGANIZATION, STRUCTURE, AND JURISDICTION

NUMBER AND COMPOSITION OF CIRCUITS

SEC. 101. Section 41 of title 28, United States Code, as amended by the Fifth Circuit Court of Appeals Reorganization Act of 1980, is amended by striking out "twelve" and inserting in lieu thereof "thirteen" and by adding at the end thereof the following:

"Federal..... All Federal judical districts.".

NUMBER OF CIRCUIT JUDGES

SEC. 102. (a) Section 44(a) of title 28, United States Code, as amended by the Fifth Circuit Court of Appeals Reorganization Act of 1980, is amended by adding at the end thereof the following:

"Federal..... 12".

(b)(1) Section 44(c) of title 28, United States Code, is amended by adding the following sentence at the end thereof: "While in active service, each circuit judge of the Federal judicial circuit appointed after October 1, 1981, and the chief judge of the Federal judicial circuit, whenever appointed, shall reside within fifty miles of the District of Columbia.".

(2) The first paragraph of section 48 of title 28, United States Code, is amended by striking out the first two sentences and inserting in lieu thereof the following:

"(a) The courts of appeals shall hold regular sessions at the places listed below, and at such other places within the respective circuit as each court may designate by rule:".

(3) Section 48(a) of title 28, United States Code, as amended by the Fifth Circuit Court of Appeals Reorganization Act of 1980, is amended further by inserting at the end of the table of circuits and places the following:

"Federal..... District of Columbia.".

(4) Section 48(a) of title 28, United States Code, is amended further by striking out the final paragraph and inserting in lieu thereof the following:

"(b) Each court of appeals may hold special sessions at any place within its circuit as the nature of the business may require, and upon such notice as the court orders. The court may transact any business at a special session which it might transact at a regular session.

"(c) Any court of appeals may pretermit, with the consent of the Judicial Conference of the United States, any regular session of court at any place for insufficient business or other good cause.".

PANELS OF JUDGES

SEC. 103. (a) Section 46(a) of title 28, United States Code, is amended by striking out "divisions" and inserting in lieu thereof "panels".

(b) Section 46(b) of title 28, United States Code, is amended—

(1) by striking out "divisions" each place it appears and inserting in lieu thereof "panels"; and

(2) by inserting immediately before the period at the end of the first sentence thereof the following: "; except that the United States Court of Appeals for the Federal Circuit may determine by rule the number of judges, not less than three, who constitute a panel".

NUMBER OF JUDGES FOR HEARINGS

SEC. 104. (a) The first sentence of section 46(c) of title 28, United States Code, is amended by inserting immediately after "three judges" the following: "(except that the United States Court of Appeals for the Federal Circuit may sit in panels of more than three judges if its rules so provide)".

(b) Section 46(d) of title 28, United States Code, is amended by striking out "division" and inserting in lieu thereof "panel".

ORGANIZATION OF UNITED STATES CLAIMS COURT

SEC. 105. (a) Chapter 7 of title 28, United States Code, is amended to read as follows:

"Chapter 7—UNITED STATES CLAIMS COURT

"Sec.
"171. Appointment and number of judges; character of court; designation of chief judge.
"172. Tenure and salaries of judges.
"173. Times and places of holding court.
"174. Assignment of judges; decisions.
"175. Official duty station; residence.
"176. Removal from office.
"177. Disbarment of removed judges.

"§ 171. Appointment and number of judges; character of court; designation of chief judge

"(a) The President shall appoint, by and with the advice and consent of the Senate, sixteen judges who shall constitute a court of record known, as the United States Claims Court. The court is declared to be a court established under article I of the Constitution of the United States.

"(b) The Claims Court shall at least biennially designate a judge to act as chief judge.

"§ 172. Tenure and salaries of judges

"(a) Each judge of the United States Claims Court shall be appointed for a term of fifteen years.

"(b) Each judge shall receive a salary at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351–361), as adjusted by section 461 of this title.

"§ 173. Times and places of holding court

"The principal office of the United States Claims Court shall be in the District of Columbia, but the Claims Court may hold court at such times and in such places as it may fix by rule of court. The times and places of the sessions of the Claims Court shall be prescribed with a view to securing reasonable opportunity to citizens to appear before the Claims Court with as little inconvenience and expense to citizens as is practicable.

"§ 174. Assignment of judges; decisions

"(a) The judicial power of the United States Claims Court with respect to any action, suit, or proceeding, except congressional reference cases, shall be exercised by a single judge, who may preside alone and hold a regular or special session of court at the same time other sessions are held by other judges.

"(b) All decisions of the Claims Court shall be preserved and open to inspection.

"§ 175. Official duty station; residence

"(a) The official duty station of each judge of the United States Claims Court is the District of Columbia.

"(b) After appointment and while in active service, each judge shall reside within fifty miles of the District of Columbia.

"§ 176. Removal from office

"Removal of a judge of the United States Claims Court during the term for which he is appointed shall be only for incompetency, misconduct, neglect of duty, engaging in the practice of law, or physical or mehtal disability. Removal shall be by the United States Court of Appeals for the Federal Circuit, but removal may not occur unless a majority of all the judges of such court of appeals concur in the order of removal. Before any order of removal may be entered, a full specification of the charges shall be furnished to the judge, and he shall be accorded an opportunity to be heard on the charges. Any cause for removal of any judge of the United States Claims Court coming to the knowledge of the Director of the Administrative Office of the United States Courts shall be reported by him to the chief judge of the United States Court of Appeals for the Federal Circuit, and a copy of the report shall at the same time be transmitted to the judge.

"§ 177. Disbarment of removed judges

"A judge of the United States Claims Court removed from office in accordance with section 176 of this title shall not be permitted at any time to practice before the Claims Court.".

(b) The item relating to chapter 7 in the chapter analysis of part I of title 28, United States Code, is amended to read as follows:

"7. United States Claims Court..... 171".

REPEAL OF PROVISIONS RELATING TO THE COURT OF CUSTOMS AND PATENT APPEALS

SEC. 106. Chapter 9 of title 28, United States Code, and the item relating to chapter 9 in the chapter analysis of part I of such title, are repealed.

INTERLOCUTORY APPEALS FROM CERTAIN ORDERS

SEC. 107. Section 256(b) of title 28, United States Code, is amended by striking out "section 1541(b)" and all that follows through "in that section." and inserting in lieu thereof the following: "section 1292(c)(3) of this title, and the United States Court of Appeals for the Federal Circuit may, in its discretion, consider the appeal.".

REPEAL; ASSIGNMENT OF CIRCUIT JUDGES

SEC. 108. Subsection (b) of section 291 of title 28, United States Code, is repealed.

ASSIGNMENT OF DISTRICT JUDGES

SEC. 109. Section 292(e) of title 28, United States Code, is amended by striking out "the Court of Claims, the Court of Customs and Patent Appeals or" and by striking out "in which the need arises".

REPEAL; ASSIGNMENT OF OTHER JUDGES

SEC. 110. Subsections (a), (c), and (d) of section 293 of title 28, United States Code, are repealed.

JUDICIAL CONFERENCE

SEC. 111. Section 331 of title 28, United States Code, is amended—

(1) in the first paragraph, by striking out ", the chief judge of the Court of Claims, the chief judge of the Court of Customs and Patent Appeals,"; and

(2) in the third paragraph, by striking out the second sentence.

RETIREMENT

SEC. 112. (a) Section 372(a) of title 28, United States Code, is amended—

(1) in the third paragraph, by striking out "Court of Claims, Court of Customs and Patent Appeals, or"; and

(2) in the fifth paragraph, by striking out "Court of Claims, Court of Customs and Patent Appeals, or".

(b) Section 372(b) of title 28, United States Code, is amended by striking out "Court of Claims, Court of Customs and Patent Appeals, or" each place it appears.

REPEAL; DISTRIBUTION OF COURT OF CLAIMS DECISIONS

SEC. 113. Section 415 of title 28, United States Code, and the item relating to section 415 in the section analysis of chapter 19 of such title, are repealed.

DEFINITIONS

SEC. 114. Section 451 of title 28, United States Code (including that section as it will become effective on April 1, 1984), is amended—

(1) in the first paragraph, by striking out "the Court of Claims, the Court of Customs and Patent Appeals,"; and

(2) in the third paragraph, by striking out "Court of Claims, Court of Customs and Patent Appeals,".

TRAVELING EXPENSES AND COURT ACCOMMODATIONS

SEC. 115. (a)(1) Section 456 of title 28, United States Code, is amended to read as follows:

"§ 456. Traveling expenses of justices and judges; official duty stations

"(a) The Director of the Administrative Office of the United States Courts shall pay each justice or judge of the United States and each retired justice or judge recalled or designated and assigned to active duty, while attending court or transacting official business at a place other than his official duty station, upon his certificate all necessary transportation expenses and also a per diem allowance for travel at the rate which the Director etablishes not to exceed the maximum per diem allowance fixed by section 5702(a) of title 5, or in accordance with regulations which the Director shall prescribe with the approval of the Judicial Conference of the United States, reimbursement for his actual and necessary expenses of subsistence not in excess of the maximum amount fixed by section 5702 of title 5.

"(b) The official duty station of the Chief Justice of the United States, the Justices of the Supreme Court of the United States, and the judges of the United States Court of Appeals for the District of Columbia Circuit, the United States Court of Appeals for the Federal Circuit, and the United States District Court for the District of Columbia shall be the District of Columbia.

"(c) The official duty station of the judges of the United States Court of International Trade shall be New York City.

"(d) The official duty station of each district judge shall be that place where a district court holds regular sessions at or near which the judge performs a substantial portion of his judicial work, which is nearest the place where he maintains his actual abode in which he customarily lives.

"(e) The official duty station of a circuit judge shall be that place where a circuit or district court holds regular sessions at or near which the judge performs a substantial portion of his judicial work, or that place where the Director provides chambers to the judge where he performs a substantial portion of his judicial work, which is nearest the place where he maintains his actual abode in which he customarily lives.

"(f) The official duty station of a retired judge shall be established in accordance with section 374 of this title.

"(g) Each circuit or district judge whose official duty station is not fixed expressly by this section shall notify the Director of the Administrative Office of the United States Courts in writing of his actual abode and official duty station upon his appointment and from time to time thereafter as his official duty station may change.".

(2) The item relating to section 456 in the section analysis of chapter 21 of title 28, United States Code, is amended to read as follows:

"456. Traveling expenses of justices and judges; official duty stations.".

(b)(1) Section 460 of title 28, United States Code, is amended to read as follows:

"§ 460. Application to other courts

"(a) Sections 452 through 459 and section 462 of this chapter shall also apply to the United States Claims Court, to each court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States, and to the judges thereof.

"(b) The official duty station of each judge referred to in subsection (a) which is not otherwise established by law shall be that place where the court holds regular sessions at or near which the judge performs a substantial portion of his judicial work, which is nearest the place where he maintains his actual abode in which he customarily lives.".

(2) The item relating to section 460 in the section analysis of chapter 21 of title 28, United States Code, is amended to read as follows:

"460. Application to other courts.".

(c)(1) Chapter 21 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 462. Court accommodations

"(a) Sessions of courts of the United States (except the Supreme Court) shall be held only at places where the Director of the Administrative Office of the United States Courts provides accommodations, or where suitable accommodations are furnished without cost to the judicial branch.

"(b) The Director of the Administrative Office of the United States Courts shall provide accommodations, including chambers and courtrooms, only at places where regular sessions of court are authorized by law to be held, but only if the judicial council of the aporopriate circuit has approved the accommodations as necessary.

"(c) The limitations and restrictions contained in subsection (b) of this section shall not prevent the Director from furnishing chambers to circuit judges at places where Federal facilities are available when the judicial council of the circuit approves.

"(d) The Director of the Administrative Office of the United States Courts shall provide permanent accommodations for the United States Court of Appeals for the Federal Circuit and for the United States Claims Court only at the District of Columbia. However, each such court may hold regular and special sessions at other places utilizing the accommodations which the Director provides to other courts.

"(e) The Director of the Administrative Office of the United States Courts shall provide accommodations for probation officers, pretrial service officers, and Federal Public Defender Organizations at such places as may be approved by the judicial council of the appropriate circuit.

"(f) Upon the request of the Director, the Administrator of General Services is authorized and directed to provide the accommodations the Director requests.".

(2) The section analysis of chapter 21 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"462. Court accommodations.".

(3) Section 142 of title 28, United States Code, and the item relating to section 142 in the section analysis of chapter 5 of such title, are repealed.

INTERESTS OF THE UNITED STATES IN CERTAIN ACTIONS

SEC. 116. Section 516(a) of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court or in the United States Court of Appeals for the Federal Circuit".

TRANSMISSION OF PETITIONS IN SUITS AGAINST THE UNITED STATES

SEC. 117. (a) Section 520 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court or in the United States Court of Appeals for the Federal Circuit"; and

(2) by striking out "Court of Claims" in the section heading and inserting in lieu thereof "United States Claims Court or in the United States Court of Appeals for the Federal Circuit".

(b) The item relating to section 520 in the section analysis of chapter 31 of title 28, United States Code, is amended to read as follows:

"520. Transmission of petitions in United States Claims Court or in United States Court of Appeals for the Federal Circuit; statement furnished by departments.".

BUDGET ESTIMATES

SEC. 118. Section 605 of title 28, United States Code, is amended by inserting immediately before the period at the end of the second undesignated paragraph the following: "and the estimate with respect to the United States Court of Appeals for the Federal Circuit shall be approved by such court" and by striking out "Bureau of the Budget" each place it appears and inserting in lieu thereof "Office of Management and Budget".

DEFINITION OF COURTS

SEC. 119. (a) Section 610 of title 28, United States Code, is amended by striking out "the Court of Claims, the Court of Customs and Patent Appeals" and inserting in lieu thereof "the United States Claims Court".

(b)(1) Section 713 of title 28, United States Code, is amended to read as follows:

"§ 713. Librarians

"(a) Each court of appeals may appoint a librarian who shall be subject to removal by the court.

"(b) The librarian, with the approval of the court, may appoint necessary library assistants in such numbers as the Director of the Administrative Office of the United States Courts may approve. The librarian may remove such library assistants with the approval of the court.".

(2) The item relating to section 713 in the section analysis of chapter 47, United States Code, is amended to read as follows:

"713. Librarians.".

(c)(1) Chapter 47 of title 28, United States Code, is amended by adding at the end thereof the following new sections:

"§ 714. Criers and messengers

"(a) Each court of appeals may appoint a crier who shall be suoject to removal by the court.

"(b) The crier, with the approval of the court, may appoint necessary messengers in such number as the Director of the Administrative Office of the United States Courts may approve. The crier may remove such messengers with the approval of the court. The crier shall also perform the duties of bailiff and messenger.

"§ 715. Staff attorneys and technical assistants

"(a) The chief judge of each court of appeals, with the approval of the court, may appoint a senior staff attorney, who shall be subject to removal by the chief judge with the approval of the court.

"(b) The senior staff attorney, with the approval of the court, may appoint necessary staff attorneys and secretarial and clerical employees in such numbers as the Director of the Administrative Office of the United States Courts may approve, but in no event may the number of staff attorneys exceed the number of positions expressly authorized in an annual appropriation act. The senior staff attorney may remove such staff attorneys and secretarial and clerical employees with the approval of the court.

"(c) The chief judge of the Court of Appeals for the Federal Circuit, with the approval of the court, may appoint a senior technical assistant who shall be subject to removal by the chief judge with the approval of the court.

"(d) The senior technical assistant, with the approval of the court, may appoint necessary technical assistants in such number as the Director of the Administrative Office of the United States Courts may approve, but in no event may the number of technical assistants in the Court of Appeals for the Federal Circuit exceed the number of circuit judges in regular active service within such circuit. The senior technical assistant may remove such technical assistants with the approval of the court.".

(2) The section analysis of chapter 47, United States Code, is amended by adding at the end thereof the following new items:

"714. Criers and messengers.
"715. Staff attorneys and technical assistants.".

OFFICERS AND EMPLOYEES OF THE UNITED STATES CLAIMS COURT

SEC. 120. (a) Section 791(a) of title 28, United States Code, is amended to read as follows:

"(a) The United States Claims Court may appoint a clerk, who shall be subject to removal by the court. The clerk, with the approval of the court, may appoint necessary deputies and employees in such numbers as may be approved by the Director of the Administrative Office of the United States Courts. Such deputies and employees shall be subject to removal by the clerk with the approval of the court.".

(b) Section 792 of title 28, United States Code, and the item relating to section 792 in the section analysis of chapter 51 of such title, are repealed.

(c)(1) Section 794 of title 28, United States Code, is amended to read as follows:

"§ 794. Law clerks and secretaries

"The judges of the United States Claims Court may appoint necessary law clerks and secretaries, in such numbers as the Judicial Conference of the United States may approve subject to any limitation of the aggregate salaries of such employees which may be imposed by law.".

(2) The item relating to section 794 in the section analysis of chapter 51 of title 28, United States Code, is amended to read as follows:

"794. Law clerks and secretaries.".

(d)(1) Section 795 of title 28, United States Code, is amended to read as follows:

"§ 795. Bailiffs and messengers

"The chief judge of United States Claims Court, with the approval of the court, may appoint necessary bailiffs and messengers, in such numbers as the Director of the Administrative Office of the United States Courts may approve, each of whom shall be subject to removal by the chief judge, with the approval of the court.".

(2) The item relating to section 795 in the section analysis of chapter 51 of title 28, United States Code, is amended to read as follows:

"795. Bailiffs and messengers.".

(e) Section 796 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "Director of the Administrative Office of the United States Courts".

(f) Section 797 of title 28, United States Code, and the item relating to section 797 in the section analysis of chapter 51 of such title, are repealed.

(g)(1) The item relating to chapter 51 in the chapter analysis of part III of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(2) The chapter heading of chapter 51 of title 28, United States Code, is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

ABOLISHMENT OF UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

SEC. 121. (a) Chapter 53 of title 28, United States Code, and the item relating to chapter 53 in the chapter analysis of part III of such title, are repealed.

(b) Subsection (a) of section 957 of title 28, United States Code, is amended by striking out "(a)" and subsection (b) of such section 957 is repealed.

TECHNICAL AND CONFORMING AMENDMENTS RELATING TO REPEAL OF COURT OF CUSTOMS AND PATENT APPEALS

SEC. 122. Sections 1255 and 1256 of title 28, United States Code, and the items relating to sections 1255 and 1256 in the section analysis of chapter 81 of such title, are repealed.

COURTS OF APPEALS JURISDICTION

SEC. 123. Section 1291 of title 28, United States Code, is amended—

(1) by inserting "(other than the United States Court of Appeals for the Federal Circuit)" after "courts of appeals"; and

(2) by adding at the end thereof the following new sentence: "The jurisdiction of the United States Court of Appeals for the Federal Circuit shall be limited to the jurisdiction described in sections 1292 (c) and (d) and 1295 of this title.".

INTERLOCUTORY DECISIONS

SEC. 124. (a) Section 1292(a) of title 28, United States Code, is amended—

(1) by striking out "The courts" and inserting in lieu thereof "Except as provided in subsections (c) and (d) of this section, the courts";

(2) by striking out the semicolon at the end of paragraph (3) and inserting in lieu thereof a period; and

(3) by striking out paragraph (4).

(b) Section 1292 of title 28, United States Code, is amended by adding at the end thereof the following new subsections:

"(c) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—

"(1) of an appeal from an interlocutory order or decree described in subsection (a) of this section in any case over which the court would have jurisdiction of an appeal under section 1295 of this title; and

"(2) of an appeal from a judgment in a civil action for patent infringement which would otherwise be appealable to the United States Court of Appeals for the Federal Circuit and is final except for an accounting.

"(d)(1) When the chief judge of the Court of International Trade issues an order under the provisions of section 256(b) of this title, or when any judge of the Court of International Trade, in issuing any other interlocutory order, includes in the order a statement that a controlling question of law is involved with respect to which there is a substantial ground for difference of opinion and that an immediate appeal from its order may materially advance the ultimate termination of the litigation, the United States Court of Appeals for the Federal Circuit may, in its discretion, permit an appeal to be taken from such order, if application is made to that Court within ten days after the entry of such order.

"(2) When any judge of the United States Claims Court in issuing an interlocutory order, includes in the order a statement that a controlling question of law is involved with respect to which there is a substantial ground for difference of opinion and that an immediate appeal from its order may materially advance the ultimate termination of the litigation, the United States Court of Appeals for the Federal Circuit may, in its discretion, permit an appeal to be taken from such order, if application is made to that Court within ten days after the entry of such order.

"(3) Neither the application for nor the granting of an appeal under this subsection shall shall stay proceedings in the Court of International Trade or in the Claims Court, as the case may be, uness a stay is ordered by a judge of the Court of International Trade or the Claims Court or by the United States Court of Appeals for the Federal Circuit or a judge of that court.".

CIRCUITS IN WHICH DECISIONS ARE REVIEWABLE

SEC. 125. Section 1294 of title 28, United States Code, is amended by striking out "Appeals" and inserting in lieu thereof "Except as provided in section 1295 of this title, appeals".

JURISDICTION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SEC. 126. (a) Chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new sections:

"§ 1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit

"(a) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction—

"(1) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title, except that jurisdiction of an appeal in a case involving a claim arising under any Act of Congress relating to copyrights or trademarks and no other claims under section 1338(a) shall be governed by sections 1281, 1292, and 1294 of this title;

"(2) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1346 of this title, except that jurisdiction of an appeal in a case brought in a district court under section 1346(a)(1), 1346(b), or 1346(e) of this title or under section 1346(a)(2) when the claim is founded upon an Act of Congress or a regulation of an executive department providing for internal revenue shall be governed by sections 1291, 1292, and 1294 of this title;

"(3) of an appeal from a final decision of the United States Claims Court;

"(4) of an appeal from a decision of—

"(A) the Board of Appeals or the Board of Patent Interferences of the Patent and Trademark Office with respect to patent applications and interferences, at the instance of an applicant for a patent or any party to a patent interference, and any such appeal shall waive the right of such applicant or party to proceed under section 145 or 146 of title 35;

"(B) the Commissioner of Patents and Trademarks or the Trademark Trial and Appeal Board with respect to applications for registration of marks and other proceedings as provided in section 21 of the Trademark Act of 1946 (15 U.S.C. 1071); or

"(C) a district court to which a case was directed pursuant to section 145 or 146 of title 35;

"(5) of an appeal from a final decision of the United States Court of International Trade;

"(6) to review the final determinations of the United States International Trade Commission relating to unfair practices in import trade, made under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337);

"(7) to review, by appeal on questions of law only, findings of the Secretary of Commerce under headnote 6 to schedule 8, part 4, of the Tariff Schedules of the United States (relating to importation of instruments or apparatus);

"(8) of an appeal under section 71 of the Plant Variety Protection Act (7 U.S.C. 2461);

"(9) of an appeal from a final order or final decision of the Merit Systems Protection Board, pursuant to sections 7703(b)(1) and 7703(d) of title 5; and

"(10) of an appeal from a final decision of an agency board of contract appeals pursuant to section 8(g)(1) of the Contract Disputes Act of 1978.

"(b) The head of any executive department or agency may, with the approval of the Attorney General, refer to the Court of Appeals for the Federal Circuit for judicial review any final decision rendered by a board of contract appeals pursuant to the terms of any contract with the United States awarded by that department or agency which the head of such department or agency has concluded is not entitled to finality pursuant to the review standards specified in section 10(b) of the Contract Disputes Act of 1978 (41 U.S.C. 609(b)). The head of each executive department or agency shall make any referral under this section within one hundred and twenty days after the receipt of a copy of the final appeal decision.

"(c) The Court of Appeals for the Federal Circuit shall review the matter referred in accordance with the standards specified in section 10(b) of the Contract Disputes Act of 1978. The court shall proceed with judicial review on the administrative record made before the board of contract appeals on matters so referred as in other cases pending in such court, shall determine the issue of finality of the appeal decision, and shall, if appropriate, render judgment thereon, or remand the matter to any administrative or executive body or official with such direction as it may deem proper and just.

"§ 1296. Precedence of cases in the United States Court of Appeals for the Federal Circuit

"Civil actions in the United States Court of Appeals for the Federal Circuit shall be given precedence, in accordance with the law applicable to such actions, in such order as the court may by rule establish.".

(b) The section analysis of chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit.

"1296. Precedence of cases in the United States Court of Appeals for the Federal Circuit.".

INTERSTATE COMMERCE COMMISSION ORDERS; JURISDICTION

SEC. 127. Section 1336(b) of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

UNITED STATES AS DEFENDANT; JURISDICTION

SEC. 128. Section 1346(a) of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

INTERSTATE COMMERCE COMMISSION ORDERS; VENUE

SEC. 129. Section 1398(b) of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

UNITED STATES AS DEFENDANT; VENUE

SEC. 130. Section 1402(a) of title 28, United States Code, is amended by inserting "in a district court" after "civil action".

CURE OR WAIVER OF DEFECTS

SEC. 131. Section 1406(c) of title 28, United States Code, is amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "Claims Court".

UNITED STATES CLAIMS COURT JURISDICTION AND VENUE

SEC. 132. (a) Section 1491 of title 28, United States Code, is amended to read as follows:

"§ 1491. Claims against United States generally; actions involving Tennessee Valley Authority

"(a)(1) The United States Claims Court shall have jurisdiction to render judgment upon any claim against the United States founded either upon the Constitution, or any Act of Congress or any regulation of an executive department, or upon any express or implied contract with the United States, or for liquidated or unliquidated damages in cases not sounding in tort. For the purpose of this paragraph, an express or implied contract with the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, or Exchange Councils of the National Aeronautics and Space Administration shall be considered an express or implied contract with the United States.

"(2) To afford complete relief in controversies within its jurisdiction, the court may grant declaratory judgments and such equitable and extraordinary relief as it deems proper, including but not limited to injunctive relief; and the court may, to complete the relief afforded by a judgment, issue orders directing restoration to office or position, placement in appropriate duty or retirement status, and correction of applicable records; and any such orders issued pursuant to a grant of equitable or extraordinary relief or issued to complete relief may be issued to any appropriate official of the United States. In any case within its jurisdiction, the court shall have the power to remand appropriate matters to any administrative or executive body or official with such direction as it may deem proper and just. The Claims Court shall have jurisdiction to render judgment upon any claim by a contractor arising under section 10(a)(1) of the Contract Disputes Act of 1978.

"(b) Nothing herein shall be construed to give the United States Claims Court jurisdiction of any civil action within the exclusive jurisidiction of the Court of International Trade, or of any action against, or founded on conduct of, the Tennessee Valley Authority, or to amend or modify the provisions of the Tennessee Valley Authority Act of 1933 with respect to actions by or against the Authority.".

(b) Section 1492 of title 28, United States Code, is amended by striking out "chief commissioner of the Court of Claims" and inserting in lieu thereof "chief judge of the United States Claims Court".

(c)(1) Sections 1494, 1495, 1496, and 1497 of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(2) The section heading of section 1497 of title 28, United States Code, is amended by striking out "growers," and inserting in lieu thereof "growers'".

(d) Section 1498 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court";

(2) in subsections (b) and (d), by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

(e) Sections 1499, 1500, 1501, 1502 and 1503 of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(f) Section 1504 of title 28, United States Code, and the item relating to section 1504 in the section analysis of chapter 91 of such title, are repealed.

(g) Section 1505 of title 28, United States Code, is amended by striking out "Court of Claims" the first place it appears and inserting in lieu thereof of "United States Claims Court" and by striking out "Court of Claims" the second place it appears and inserting in lieu thereof "Claims Court".

(h) Section 1506 of title 28, United States Code, and the item in the section analysis of chapter 91 of such title, are repealed.

(i) Section 1507 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(j)(1) The item relating to chapter 91 in the chapter analysis of part IV of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(2) The chapter heading of chapter 91 of title 28, United States Code, is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

(3) The item relating to section 1499 in the section analysis of chapter 91, United States Code, is amended to read as follows:

"1499. Liquidated damage withheld from contractors under Contract Work Hours Standards Act.".

REPEAL OF PROVISIONS RELATING TO THE COURT OF CUSTOMS AND PATENT APPEALS

SEC. 133. Chapter 93 of title 28, United States Code, and the item relating to chapter 93 in the chapter analysis of part IV of such title, are repealed.

REPEAL; CURE OF DEFECTS

SEC. 134. Section 1584 of title 28, United States Code, and the item relating to section

1584 in the section analysis of chapter 95 of such title, are repealed.

REPEAL; TIME FOR APPEAL

SEC. 135. Section 2110 of title 28, United States Code, and the item relating to section 2110 in the section analysis of chapter 133 of such title, are repealed.

COURT OF APPEALS JURISDICTION

SEC. 136. Section 2342 of title 28, United States Code, is amended—

(1) by inserting "(other than the United States Court of Appeals for the Federal Circuit)" after "court of appeals";

(2) in paragraph (4), by inserting "and" after the semicolon;

(3) in paragraph (5), by striking out "; and" and inserting in lieu thereof a period; and

(4) by striking out paragraph (6).

PLANT VARIETY PROTECTION OFFICE DECISIONS

SEC. 137. Section 2353 of title 28, United States Code, and the item relating to section 2353 in the section analysis of chapter 158 of such title, are repealed.

UNITED STATES CLAIMS COURT PROCEDURE

SEC. 138. (a) Sections 2501 and 2502(a) of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(b)(1) Section 2503 of title 28, United States Code, is amended to read as follows:

"§ 2503. Proceedings generally

"Parties to any suit in the United States Claims Court may appear before a judge of that court in person or by attorney, produce evidence, and examine witnesses. The proceedings of the Claims Court shall be in accordance with such rules of practice and procedure (other than the rules of evidence) as the Claims Court may prescribe and in accordance with the rules of evidence applicable to trials without a jury in a district court of the United States. The judges shall fix times for trials, administer oaths or affirmations, examine witnesses, receive evidence, and enter dispositive judgments. Hearings shall, if convenient, be held in the counties where the witnesses reside.".

(2) The item relating to section 2503 in the section analysis of chapter 165 of title 28, United States Code, is amended by striking out "before commissioners".

(c) Section 2504 of title 28, United States Code, and the item relating to section 2504 in the section analysis of chapter 165 of such title, are repealed.

(d) Section 2505 of title 28, United States Code, is amended—

(1) by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) by striking out "report findings" and inserting in lieu thereof "enter judgment".

(e) Section 2506 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(f) Section 2507 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) in subsection (c), by striking out "Court of Claims" and inserting in lieu thereof "Claims Court".

(g) Section 2508 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(h)(1) Section 2509(a) of title 28, United States Code, is amended to read as follows:

"(a) Whenever a bill, except a bill for a pension, is referred by either House of Congress to the chief judge of the United States Claims Court pursuant to section 1492 of this title, the chief judge shall designate a judge as hearing officer for the case and a panel of three judges of the court to serve as a reviewing body. One member of the review panel shall be designated as presiding officer of the panel.".

(2) Section 2509 of title 28, United States Code, is amended—

(A) in subsections (b), (c), (d), and (f), by striking out "trial commissioner" and inserting in lieu thereof "hearing officer";

(B) in subsections (b), (c), and (e), by striking out "chief commissioner" and inserting in lieu thereof "chief judge";

(C) in subsections (b), (f), and (g), by striking out "Court of Claims" and inserting in lieu thereof "Claims Court";

(D) in subsection (d), by striking out "of commissioners";

(E) in subsection (g), by striking out "commissioners" the first place it appears and inserting in lieu thereof "judges"; and

(F) in subsection (g), by striking out "trial commissioners" and inserting in lieu thereof "hearing officers".

(i)(1) Section 2510 of title 28, United States Code, is amended to read as follows:

"§ 2510. Referral of cases by Comptroller General

"(a) The Comptroller General may transmit to the United States Claims Court for trial and adjudication any claim or matter of which the Claims Court might take jurisdiction on the voluntary action of the claimant, together with all vouchers, papers, documents, and proofs pertaining thereto.

"(b) The Claims Court shall proceed with the claims or matters so referred as in other cases pending in such Court and shall render judgment thereon.".

(2) The item relating to section 2510 in the section analysis of chapter 165 of title 28, United States Code, is amended to read as follows:

"2510. Referral of cases by Comptroller General.".

(j)(1) Section 2511 of title 28, United States Code, is amended by striking out ", or of the Supreme Court upon review,".

(2) Sections 2511, 2512, 2513(c), 2514, and 2515(a) of title 28, United States Code, are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(k) Section 2517 of title 28, United States Code, is amended—

(1) in subsection (a), by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(2) in subsection (b), by striking out the comma at the end thereof and inserting in lieu thereof a period.

(l) Section 2518 of title 28, United States Code, and the item relating to section 2518 in the section analysis of chapter 165 of such title, are repealed.

(m) Section 2519 of title 28, United States Code, is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court".

(n)(1) Section 2520(a) of title 28, United States Code, is amended—

(A) by striking out "(a)";

(B) by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court"; and

(C) by striking out "$10" and inserting in lieu thereof "$60".

(2) Subsections (b) and (c) of section 2520 of title 28, United States Code, are repealed.

(3) The section heading for section 2520 of title 28, United States Code, is amended by striking out "; cost of printing record".

(4) The item relating to section 2520 in the section analysis of chapter 165 of title 28, United States Code, is amended to read as follows:

"2520. Fees.".

(o)(1) The item relating to chapter 165 in the chapter analysis of part VI of title 28, United States Code, is amended to read as follows:

"165. United States Claims Court Procedure ..... 2501".

(2) The chapter heading of chapter 165 of title 28, United States Code, is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

(p)(1) Section 1926 of title 28, United States Code, is amended to read as follows:

"§ 1926. Claims Court

"(a) The Judicial Conference of the United States shall prescribe from time to time the fees and costs to be charged and collected in the United States Claims Court.

"(b) The court and its officers shall collect only such fees and costs as the Judicial Conference prescribes. The court may require advance payment of fees by rule".

(2) The item relating to section 1926 in the section analysis of chapter 123 of title 28, United States Code, is amended to read as follows:

"1926. Claims Court.".

(q)(1) Chapter 165 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 2522. Notice of Appeal

"Review of a decision of the United States Claims Court shall be obtained by filing a notice of appeal with the clerk of the Claims Court within the time and in the manner prescribed for appeals to United States courts of appeals from the United States district courts.".

(2) The section analysis of chapter 165 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"2522. Notice of Apeal.".

REPEAL OF PROVISIONS RELATING TO THE COURT OF CUSTOMS AND PATENT APPEALS

SEC. 139. Chapter 167 of title 28, United States Code, and the item relating to chapter 167 in the chapter analysis of part VI of such title, are repealed.

COURT OF INTERNATIONAL TRADE; PROCEDURE

SEC. 140. Section 2645(c) of title 28, United States Code, is amended by striking out "Customs and Patent Appeals within the time and in the manner provided in section 2601 of this title" and inserting in lieu thereof "Appeals for the Federal Circuit by filing a notice of appeal with the clerk of the Court of International Trade within the time and in the manner prescribed for appeals to United States courts of appeals from the United States district courts".

FEDERAL RULES OF EVIDENCE

SEC. 141. Rule 1101(a) of the Federal Rules of Evidence is amended by striking out "Court of Claims" the first place it appears and inserting in lieu thereof "Claims Court" and by striking out "and commissioners of the Court of Claims".

PART B—CONFORMING AMENDMENTS OUTSIDE TITLE 28

SEC. 142. Section 225(f)(C) of the Federal Salary Act of 1967 (2 U.S.C. 356(C)), is amended by inserting "and the judges of the United States Claims Court" immediately before the semicolon at the end thereof.

SEC. 143. Section 7703 of title 5, United States Code, is amended—

(1) in subsection (b)(1), by striking out "Court of Claims or a United States court of appeals as provided in Chapter 91 and 158, respectively, of title 28" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit";

(2) in subsection (c), by striking out "Court of Claims or a United States court of appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit"; and

(3) in subsection (d), by striking out "District of Columbia" and inserting in lieu thereof "Federal Circuit".

SEC. 144. The second sentence of section 71 of the Plant Variety Protection Act (7 U.S.C. 2461) is amended to read as follows: "The United States Court of Appeals for the Federal Circuit shall have jurisdiction.".

SEC. 145. Section 11(d) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2210(d)) is amended by striking out "Court of Claims of the United States" and inserting in lieu thereof "United States Claims Court".

SEC. 146. Section 204 of title 18, United States Code, and the section heading thereof are amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court or the United States Court of Appeals for the Federal Circuit".

SEC. 147. Section 39 of the Trademark Act of 1946 (15 U.S.C. 1121) is amended by inserting "(other than the United States Court of Appeals for the Federal Circuit)" after "circuit courts of appeal of the United States".

SEC. 148. Section 516A(a)(3) of the Tariff Act of 1930 (19 U.S.C. 1516a(a)(3)) is amended by striking out "subsections (b), (c), and (e) of".

SEC. 149. (a) Section 29 of the Act entitled "An Act to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes", approved August 13, 1946 (25 U.S.C. 70v-3), is amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "Claims Court".

(b) Subsection (c) of section 29 of such Act is repealed.

(c) Subsection (d) of section 29 of such Act is amended by striking "Supreme Court in accordance with the provisions of section 1255" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit in accordance with the provisions of section 1295".

SEC. 150. Section 2 of the Act of May 18, 1928 (25 U.S.C. 652) is amended by striking out "Court of Claims" and inserting in lieu thereof "United States Claims Court" and by striking out "Court of Claims of the United States" and inserting in lieu thereof "United States Claims Court" and by striking out "Supreme Court of the United States" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit".

SEC. 151. Section 7422(e) of the Internal Revenue Code of 1954 is amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "United States Claims Court".

SEC. 152. Section 7428 of the Internal Revenue Code of 1954 is amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "Claims Court".

SEC. 153. (a) The second sentence of section 7456(c) of the Internal Revenue Code of 1954 is amended to read as follows: "Each commissioner shall receive pay at an annual rate determined under section 225 of the Federal Salary Act of 1967 (2 U.S.C. 351-361), as adjusted by section 461 of title 28, United States Code, and also necessary traveling expenses and per diem allowance, as provided in the Travel Expense Act of 1949, while traveling on official business and away from Washington, District of Columbia.".

(b) Notwithstanding the preceding paragraph, until such time as a change in the salary rate of a commissioner of the United States Tax Court occurs in accordance with section 7456(c) of the Internal Revenue Code of 1954, the salary of such commissioner shall be equal to the salary of a commissioner of the Court of Claims.

SEC. 154. Section 7482(a) of the Internal Revenue Code of 1954 is amended by inserting "(other than the United States Court of Appeals for the Federal Circuit)" after "United States Court of Appeals".

SEC. 155. Section 8(g)(1) of the Contract Disputes Act of 1978 (41 U.S.C. 607(g)(1)) is amended—

(1) in subparagraph (A), by striking out "Court of Claims" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit"; and

(2) in subparagraph (B), by striking out "United States Court of Claims for judicial review, under section 2510 of title 28, United States Code, as amended herein," and inserting in lieu thereof "Court of Appeals for the Federal Circuit for judicial review under section 1295 of title 28, United States Code,".

SEC. 156. Section 10(c) of the Contract Disputes Act of 1978 (41 U.S.C. 609(c)) is amended by striking out ", or, in its discretion" and all that follows through "of the case".

SEC. 157. Section 713 of title 44, United States Code, is amended—

(1) by striking out "eight hundred and twenty-two" and inserting in lieu thereof "eight hundred and twenty";

(2) by inserting "and" after "Superintendent of Documents;"; and

(3) by striking out "to the Court of Claims, two copies; and".

SEC. 158. Section 1103 of title 44, United States Code, is amended by striking out ", the Court of Claims," and by striking out ", chief judge of the Court of Claims,".

SEC. 159. (a) The following provisions of law are amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "United States Claims Court":

(1) Sections 1 and 2 of the Act of October 19, 1973 (87 Stat. 466).

(2) Section 8715 of title 5, United States Code.

(3) Section 8912 of title 5, United States Code.

(4) Section 2273(b) of title 10, United States Code.

(5) Section 337(i) of the Tariff Act of 1930 (19 U.S.C. 1337(i)).

(6) Section 606(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2356(a)).

(7) Section 1 of the Act entitled "An Act providing for the allotment and distribution of Indian tribal funds", approved March 2, 1907 (25 U.S.C. 119).

(8) Section 2 of the Act of August 12, 1935 (25 U.S.C. 475a).

(9) Section 6110(i)(1) of the Internal Revenue Code of 1954.

(10) Section 2 of the Act of May 28, 1908 (30 U.S.C. 193a).

(11) Section 7 of the Act of July 31, 1894 (31 U.S.C. 72).

(12) Section 1302 of the Act of July 27, 1956 (31 U.S.C. 724a).

(13) Section 183 of title 35, United States Code.

(14) Section 104(c) of the Contract Work Hours and Safety Standards Act (40 U.S.C. 330(c)).

(15) Sections 13(b)(2) and 14 of the Contract Settlement Act of 1944 (41 U.S.C. 113(b) and 114).

(16) Sections 8(d), 10(a)(1), and 10(d) of the Contract Disputes Act of 1978 (41 U.S.C. 607(d), 609(a)(1), and 609(d)).

(17) Sections 171 and 173 of the Atomic Energy Act of 1954 (42 U.S.C. 2221 and 2223).

(18) Section 10(i) of the Trading with the Enemy Act (50 U.S.C. App. 10(i)).

(19) Sections 103(f), 103(i), 105, 106(a)(6), 108, 108A, and 114(b) of the Renegotiation Act of 1951 (50 U.S.C. App. 1213(f), 1213(i), 1215, 1216(a)(6), 1218, 1218a, and 1224(b)).

(20) Section 4 of the Act of July 2, 1948 (50 U.S.C. App. 1984).

(b) The section heading of section 108A of the Renegotiation Act of 1951 (50 U.S.C. App. 1218a) is amended by striking out "COURT OF CLAIMS" and inserting in lieu thereof "UNITED STATES CLAIMS COURT".

(c) Section 108A of the Renegotiation Act of 1951 (50 U.S.C. App. 1218a) is amended by striking out "Supreme Court upon certiorari in the manner provided in section 1255" and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit in accordance with the provisions of section 1295".

SEC. 160. The following provisions of laws are amended by striking out "Court of Claims" each place it appears and inserting in lieu thereof "Claims Court.":

(1) Section 4(c) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(c)).

(2) Section 20 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831s).

(3) Section 403 of the International Claims Settlement Act of 1949 (22 U.S.C. 1642b).

(4) Section 2(a) of the Act of May 15, 1978 (92 Stat. 244).

(5) Section 311(i) of the Federal Water Pollution Control Act (33 U.S.C. 1321(i)).

(6) Section 10(b) of the Intervention on the High Seas Act (33 U.S.C. 1479(b)).

(7) Section 262 of title 35, United States Code.

(8) Section 5261 of the Revised Statutes (45 U.S.C. 87).

(9) Section 41(a) of the Trading with the Enemy Act (50 U.S.C. App. 42(a)).

SEC. 161. The following provisions of law are amended by striking out "United States Court of Customs and Patent Appeals" and "Court of Customs and Patent Appeals" each place they appear and inserting in lieu thereof "United States Court of Appeals for the Federal Circuit":

(1) Section 21 of the Trademark Act of 1946 (15 U.S.C. 1071).

(2) Section 162 of the Atomic Energy Act of 1954 (42 U.S.C. 2182).

(3) Section 305(d) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457(d)).

SEC. 162. (a) The following provisions of law are amended by striking out "Court of Customs and Patent Appeals" each place it appears and inserting in lieu thereof "Court of Appeals for the Federal Circuit":

(1) Subsections (d) and (f) of section 516 of the Tariff Act of 1930 (19 U.S.C. 1516 (d) and (f)).

(2) Section 516A (c) and (e) of the Tariff Act of 1930 (19 U.S.C. 1516a (c) and (e)).

(3) Section 528 of the Tariff Act of 1930 (19 U.S.C. 1528).

(4) Section 337(c) of the Tariff Act of 1930 (19 U.S.C. 1337(c)).

(5) Section 284(c) of the Trade Act of 1974 (19 U.S.C. 2395(c)).

(6) Section 308(9) of the Ethics in Government Act (28 U.S.C. App.).

(7) Sections 141 through 146 of title 35, United States Code.

(b)(1) The item relating to section 141 in the section analysis of chapter 13 of title 35, United States Code, is amended by striking out "Court of Customs and Patent Appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit".

(2) The section heading for section 141 of title 35, United States Code, is amended by striking out "Court of Customs and Patent Appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit".

SEC. 163. The following provisions of law are amended by striking out "the United States Court of Claims, the United States Court of Customs and Patent Appeals" each place it appears and inserting in lieu thereof "the United States Claims Court":

(1) Section 6001(4) of title 18, United States Code.

(2) Section 906 of title 44, United States Code.

PART C—MISCELLANEOUS PROVISIONS

EFFECTIVE DATE

SEC. 164. Except as provided in section 170 of this title, the provisions of this title shall take effect on October 1, 1981.

CONTINUED SERVICE OF CURRENT JUDGES

SEC. 165. The judges of the United States Court of Claims and of the United States Court of Customs and Patent Appeals in regular active service on the effective date of this Act shall continue in office as judges of the United States Court of Appeals for the Federal Circuit. Senior judges of the United States Court of Claims and of the United States Court of Customs and Patent Appeals on the effective date of this Act shall continue in office as senior judges of the United States Court of Appeals for the Federal Circuit.

APPOINTMENT OF CHIEF JUDGE OF COURT OF APPEALS FOR THE FEDERAL COURT

SEC. 166. Notwithstanding the provisions of section 45(a) of title 28, United States Code, the first chief judge of the United States Court of Appeals for the Federal Circuit shall be the Chief Judge of the United States Court of Claims or the Chief Judge of the United States Court of Customs and Patent Appeals, whoever has served longer as chief judge of his court. When the person who first serves as chief judge of the United States Court of Appeals for the Federal Circuit vacates that position, the position shall be filled in accordance with the provisions of such section 45(a).

COURT OF CLAIMS COMMISSIONERS

SEC. 167. (a) Notwithstanding the provisions of section 171(a) of title 28, United States Code, as amended by this Act, a commissioner of the United States Court of Claims serving immediately prior to the effective date of this Act shall become a judge of the United States Claims Court on the effective date of this Act.

(b) Notwithstanding the provisions of section 172(a) of title 28, United States Code, as amended by this Act, the initial term of office of a person who becomes a judge of the United States Claims Court under subsection (a) of this section shall expire on September 30, 1986, except that no such individual shall serve as a judge after reaching the age of seventy years.

(c) Notwithstanding the provisions of section 172(b) of title 28, United States Code, as amended by this Act, until such time as a change in the salary rate of a judge of the United States Claims Court occurs in accordance with such section 172(b), the salary of such judge shall be equal to the salary of a Commissioner of the Court of Claims.

(d) If any position of commissioner on the United States Court of Claims becomes vacant during the period beginning on the date of enactment of this Act and ending October 1, 1981, such position shall remain vacant during the remainder of such period and shall be filled, after October 1, 1981, by appointment in accordance with section 171 of title 28, United States Code, as amended by this Act.

EFFECT ON PENDING CASES

SEC. 168. Any matter pending before a commissioner of the United States Court of Claims on the effective date of this title shall be transferred to the United States Claims Courts. Any appeal which has been taken from a district court of the United States prior to the effective date shall be decided by the court of appeals in which it has been filed. Any matter pending before the United States Court of Customs and Patent Appeals or awaiting disposition by the United States Court of Claims on the effective date shall be transferred to the United States Court of Appeals for the Federal Circuit.

TVA LEGAL REPRESENTATION

SEC. 169. Nothing in this Act affects the authority of the Tennessee Valley Authority under the Tennessee Valley Authority Act of 1933 to represent itself by attorneys of its choosing.

TITLE II—GOVERNANCE AND ADMINISTRATION OF THE FEDERAL COURTS

PART A—CHIEF JUDGE TENURE

APPOINTMENT AND TERMS OF CHIEF JUDGES OF THE COURTS OF APPEALS

SEC. 201. (a) Section 45(a) of title 28, United States Code, is amended to read as follows:

"(a)(1) The chief judge of the circuit shall be the circuit judge in regular active service who is senior in commission of those judges who—

"(A) are sixty-four years of age or under;

"(B) have served for one year or more as circuit judge; and

"(C) have not served previously as chief judge.

"(2)(A) In any case in which no circuit judge meets the qualification of paragraph (1), the youngest circuit judge in regular active service who is sixty-five years of age or over and who has served as circuit judge for one year or more shall act as the chief judge.

"(B) In any case under subparagraph (A) in which there is no circuit judge in regular active service who has served as a circuit judge for one year or more, the circuit judge in regular active service who is senior in commission and who has not served previously as chief judge shall act as the chief judge.

"(3)(A) Except as provided in subparagraph (C), the chief judge of the circuit appointed under paragraph (1) shall serve for a term of seven years and shall serve after expiration of such term until another judge is eligible under paragraph (1) to serve as chief judge of the circuit.

"(B) Except as provided in subparagraph (C), a circuit judge acting as chief judge under subparagraph (A) or (B) or paragraph (2) shall serve until a judge has been appointed who meets the qualifications under paragraph (1).

"(C) No circuit judge may serve or act as chief judge of the circuit after attaining the age of seventy years unless no other circuit judge is qualified to serve as chief judge of the circuit under paragraph (1) or is qualified to act as chief judge under paragraph (2).".

(b) Section 45(c) of title 28, United States Code, is amended to read as follows:

"(c) If the chief judge desires to be relieved of his duties as chief judge while retaining his active status as circuit judge, he may so certify to the Chief Justice of the United States, and thereafter the chief judge of the circuit shall be such other circuit judge who is qualified to serve or act as chief judge under subsection (a).".

APPOINTMENT AND TERMS OF CHIEF JUDGES OF THE DISTRICT COURTS

SEC. 202. (a) Section 136(a) of title 28, United States Code, is amended to read as follows:

"(a)(1) In any district having more than one district judge, the chief judge of the district shall be the district judge in regular active service who is senior in commission of those judges who—

"(A) are sixty-four years of age or under;

"(B) have served for one year or more as district judge; and

"(C) have not served previously as chief judge.

"(2)(A) In any case in which no district judge meets the qualifications of paragraph (1), the youngest district judge in regular active service who is sixty-five years of age or over and who has served as district judge for one year or more shall act as the chief judge.

"(B) In any case under subparagraph (A) in which there is no district judge in regular active service who has served as a district judge for one year or more, the district judge in regular active service who is senior in commission and who has not served previously as chief judge shall act as the chief judge.

"(3)(A) Except as provided in subparagraph (C), the chief judge of the district appointed under paragraph (1) shall serve for a term of seven years and shall serve after expiration of such term until another judge is eligible under paragraph (1) to serve as chief judge of the district.

"(B) Except as provided in subparagraph (C), a district judge acting as chief judge under subparagraph (A) or (B) of paragraph (2) shall serve until a judge has been appointed who meets the qualifications under paragraph (1).

"(C) No district judge may serve or act as chief judge of the district after attaining the age of seventy years unless no other district judge is qualified to serve as chief judge of the district under paragraph (1) or is qualified to act as chief judge under paragraph (2).".

(b) Section 136(d) of title 28, United States Code, is amended to read as follows:

"(d) If the chief judge desires to be relieved of his duties as chief judge while retaining his active status as district judge, he may so certify to the Chief Justice of the United States, and thereafter, the chief judge of the district shall be such other district judge who is qualified to serve or act as chief judge under subsection (a).".

EFFECTIVE DATE; APPLICABILITY

SEC. 203. (a) The amendments to section 45 of title 28, United States Code, and to section 136 of such title, made by sections 201 and 202 of this part, shall take effect one year after the date of enactment of this Act but shall not apply to or affect any person as chief judge on such effective date.

(b) The provisions of sections 45(a) of title 28, United States Code, as in effect on the day before the effective date of this part, shall apply to the chief judge of a circuit serving on such effective date. The provisions of section 136(a) of title 28, United States Code, as in effect on the day before the effective date of this part, shall apply to the chief judge of a district court serving on such effective date.

PART B—PRECEDENCE AND COMPOSITION OF PANEL PRECEDENCE ON PANEL

SEC. 204. Section 45(b) of title 28, United States Code, is amended by inserting "of the court in regular active service" immediately after "circuit judges" in the second sentence.

COMPOSITION OF PANEL; REQUIREMENTS AND SIZE

SEC. 205. Section 46(b) of title 28, United States Code, as amended by this Act, is further amended by inserting after the first sentence thereof the following new sentence: "At least a majority of the judges of a panel of a court shall be judges of that court, unless such judges cannot sit because recused or disqualified or unless the chief judge of that court certifies that an emergency exists, including but not limited to the unavailability of a judge that court because of illness.".

PART C—JUDICIAL COUNCILS OF THE CIRCUITS

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 206. (a) Section 3006A (h)(2)(A) of title 18, United States Code, is amended—

(1) by striking out "judicial council" each place it appears and inserting in lieu thereof "court of appeals" in each instance; and

(2) by striking out "Judicial Council of the Circuit" and inserting in lieu thereof "court of appeals of the circuit".

(b) Section 3006A(i) of title 18, United States Code, is amended by striking "judicial council" and inserting in lieu thereof "court of appeals".

(c) The amendment made by subsection (a) of this section shall not affect the terms of existing appointments.

PART D—RETIREMENT AND PENSIONS

JUDICIAL RESIGNATION AND RETIREMENT

SEC. 207. (a) Section 371 of title 28, United States Code, is amended to read as follows:

"§ 371. Resignation or retirement for age.

"(a) Any justice or judge of the United States appointed to hold office during good behavior who resigns after attaining the age and meeting the service requirements, whether continuous or otherwise, of subsection (c) of this section shall, during the remainder of his lifetime, receive an annuity equal to the salary which he was receiving when he resigned.

"(b) Any justice or judge of the United States appointed to hold office during good behavior may retain his office but retire from regular active service after attaining the age and meeting the service requirements, whether continuous or otherwise of subsection (c) of this section. He shall, during the remainder of his lifetime, continue to receive the salary of the office. The President shall appoint, by and with the advice and consent of the Senate, a successor to a justice or judge who retires.

"(c) The age service requirements for resignation or retirement of a justice or judge of the United States under this section are as follows:

"Attained age:	Years service
65	15
70	10.".

(b) The amendments made by subsection (a) shall apply with respect to any justice or judge of the United States who retires on or after the date of enactment of this Act.

PENSIONS OF JUDGES WHO RESIGN TO ACCEPT EXECUTIVE POSITIONS

SEC. 208. (a) Section 8332(b) of title 5, United States Code, is amended by striking out "and" at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting in lieu thereof "; and", and by inserting at the end thereof the following new paragraph:

"(10) service as a justice or judge of the United States, as defined by section 451 of title 28, and service as a judge of a court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States, but no credit shall be allowed for such service if the employee is entitled to a salary or an annuity under section 371, 372, or 373 of title 28.".

(b) Section 8334 of title 5, United States Code, is amended by inserting at the end thereof the following new subsection:

"(i)(1) The Director of the Administrative Office of the United States Courts shall pay to the Fund the amount which an employee may deposit under subsection (c) of this section for service creditable under section 8332(b)(10) of this title if such creditable service immediately precedes service as an employee subject to this subchapter with a break in service of no more than ninety working days. The Director shall pay such amount from any appropriation available to him as a necessary expense of the appropriation concerned.

"(2) The amount the Director pays in accordance with paragraph (1) of this subsection shall be reduced by the amount of any refund to the employee under section 376 of title 28. Except to the extent of such reduction, the amount the Director pays to the Fund shall satisfy the deposit requirement of subsection (c) of this section.

"(3) Notwithstanding any other provision of law, the amount the Director pays under this subsection shall constitute an employer contribution to the Fund, excludable under section 402 of the Internal Revenue Code of 1954 from the employee's gross income until such time as the contribution is distributed or made available to the employee, and shall not be subject to refund or to lump-sum payment to the employee.".

PART E—TEMPORARY ASSIGNMENT OF JUSTICES AND JUDGES

ASSIGNMENT TO OTHER OFFICES WITHIN THE JUDICIAL BRANCH

SEC. 209. (a) Title 28, United States Code, is amended by inserting the following new chapter after chapter 13:

"Chapter 14—TEMPORARY ASSIGNMENT OF JUSTICES AND JUDGES TO OTHER OFFICES WITHIN THE JUDICIAL BRANCH

"Sec.
"301. Temporary assignment.
"302. Appointment of successor.
"303. Official duty station.
"304. Return to active service; seniority and precedence.

"§301. Temporary assignment

"Any retired justice of the United States, or any judge of the United States in active, senior, or retired status may be temporarily assigned by the Chief Justice to the position of Administrative Assistant to the Chief Justice, Director of the Administrative Office of the United States Courts, or Director of the Federal Judicial Center. Such service shall be without additional compensation.

"§ 302. Appointment of successor.

"Upon the temporary assignment of any judge in active status pursuant to section 301 of this title, the President shall, by and with the advice and consent of the Senate, appoint a successor to fill the vacancy resulting from such temporary assignment. After such a successor is appointed, if the judge who is temporarily assigned by the Chief Judge pursuant to section 301 of this title dies, resigns, or retires, then a vacancy requiring a further appointment does not occur. If the judge temporarily assigned resumes active service pursuant to section 304(a) of this title, the first vacancy created thereafter on that court shall not be filled.

"§ 303. Official duty station.

"Notwithstanding the provisions of sections 374 and 456 of this title, the official duty station of the Administrative Assistant to the Chief Justice, the Director of the Administrative Office of the United States Courts, and the Director of the Federal Judicial Center is the District of Columbia.

"§ 304. Return to active service; seniority and precedence.

"(a) Any judge who was in active service at the time of his temporary assignment made pursuant to section 301 of this title may resume such active service upon vacating his temporary assignment.

"(b) For the purposes of seniority and precedence, a judge who resumes active service under subsection (a) shall be considered to have been in continuous active service as a judge of that court.".

(b) The chapter analysis of part I of title 28, United States Code, is amended by inserting the following new item immediately after the item relating to chapter 13:

"1d. Temporary Assignment of Justices and Judges to Other Offices Within the Judicial Branch ..... 301".

PART F—RULES OF PRACTICE

PUBLICATION OF RULES

SEC. 210. (a) Chapter 131 of title 28 of the United States Code is amended by adding at the end thereof the following section:

"§ 2077. Publication of rules; advisory committees.

"(a) The rules for the conduct of the business of each court of appeals, including the operating procedures of such court, shall be published. Each court of appeals shall print or cause to be printed necessary copies of the rules. The Judicial Conference shall prescribe the fees for sales of copies under section 1913 of this title, but the Judicial Conference may provide for free distribution of copies to members of the bar of each court and to other interested persons.

"(b) Each court of appeals shall appoint an advisory committee for the study of the rules of practice and internal operating procedures of the court of appeals. The advisory committee shall make recommendations to the court concerning such rules and procedures. Members of the committee shall serve without compensation, but the Director may pay travel and transportation expenses in accordance with section 5703 of title 5.".

(b) The section analysis of chapter 131 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"2077. Publication of rules, advisory committees.".

* * * * *

TITLE III—JURISDICTION AND PROCEDURE

PART A—TRANSFER OF CASES

TRANSFER TO CURE WANT OF JURISDICTION

SEC. 301. (a) Title 28, United States Code, is amended by adding the following new chapter after chapter 97:

"Chapter 99.—GENERAL PROVISIONS

"Sec.
"1631. Transfer to cure want of jurisdiction.

"§ 1631. Transfer to cure want of jurisdiction

"Whenever a civil action is filed in a court of the United States, the United States Claims Court, a court created by Act of Congress in a territory which is invested with any jurisdiction of a district court of the United States, or a United States bankruptcy court, and that court finds that there is a want of jurisdiction, the court shall, if it is in the interests of justice, transfer such action to any other such court in which the action could have been brought at the time such action was filed, and the action shall proceed as if it had been filed in the transferee court on the date upon which it was actually filed in the transferor court.".

(b) The chapter analysis of part IV of title 28, United States Code, is amended by adding at the end thereof the following:

"99. General Provisions ..... 1631".

PART B—INTEREST

INTEREST ON JUDGMENTS AND PREJUDGMENT INTEREST

SEC. 302. (a) Section 1961 of title 28, United States Code, is amended—

(1) by inserting "(a)" immediately before "Interest shall" in the first sentence;

(2) by striking out "at the rate allowed by State law" in the last sentence and inserting in lieu thereof the following: "at the rate established pursuant to section 6621 of the Internal Revenue Code of 1954 as of that date. The Director of the Administrative Office of the United States Courts shall distribute notice of that rate and any changes in it to all Federal judges"; and

(3) by adding at the end thereof the following new subsections:

"(b)(1) Except as provided in paragraph (2) or unless otherwise required by law, in awarding damages to a party the court may add to the sum of actual damages awarded a sum of interest computed over a period before the time of judgment where the facts of the controversy and the manner in which the case was litigated indicate that an award

of such prejudgment interest is appropriate to afford the prevailing party complete relief. This prejudgment interest shall be computed at the rate fixed under subsection (a) at the time of judgment and measured from the time that the party against whom damages have been awarded became aware of his potential liability or from the time that he should have become aware of such liability but, in any case, not to exceed a period of five years.

"(2) Interest under paragraph (1) shall not be awarded on losses which will not be incurred until after judgment, nor shall such interest be awarded where such an award would be duplicative of some other sum awarded.

"(c) Interest shall be computed daily to the date of payment and shall be compounded annually.

"(d)(1) In any judgment of any court rendered against the United States for any overpayment with respect to any internal revenue tax, interest shall be allowed at an annual rate established under section 6621 of the Internal Revenue Code of 1954 upon the amount of overpayment, from the date of the payment or collection thereof to a date preceding the date of the refund check by not more than thirty days, such date to be determined by the Commissioner of Internal Revenue. The Commissioner is authorized to tender by check payment of any such judgment, with interest as herein provided, at any time after such judgment becomes final, whether or not a claim for such payment has been duly filed, and such tender shall stop the running of interest, whether or not such refund check is accepted by the judgment creditor.

"(2) Except as otherwise provided in paragraph (1) of this subsection, interest shall be allowed on all final judgments against the United States (including judgments of the United States Claims Court) as provided in subsections (a) and (b).".

(b) Sections 2411 and 2516 of title 28, United States Code, and the items relating to sections 2411 and 2516 in the section analyses of chapter 161 and chapter 165 of such title, respectively, are repealed.

(c) Section 1302 of the Act of July 27, 1956 (31 U.S.C. 724a), is amended by striking out "to which the provisions of subsection 2411(b) of title 28, United States Code apply" and by striking out "in accordance with subsection 2516(b) of title 28, United States Code".

TITLE IV—MISCELLANEOUS PROVISIONS

EFFECTIVE DATE

SEC. 401. The provisions of this Act shall take effect October 1, 1981 or sixty days after the date of enactment of this Act whichever is later.

EFFECT ON PENDING CASES

SEC. 402. Any matter pending before a commissioner of the United States Court of Claims on the effective date of this Act shall be transferred to the United States Claims Court. Any appeal which has been taken from a district court of the United States prior to the effective date shall be decided by the court of appeals in which it has been filed. Any matter pending before the United States Court of Customs and Patent Appeals or awaiting disposition by the United States Court of Claims on the effective date shall be transferred to the United States Court of Appeals for the Federal Circuit.●

By Mr. DOLE (for himself and Mr. PERCY):

S. 23. A bill to amend the Internal Revenue Code of 1954 with respect to the special valuation of farm property for purposes of the estate tax; to the Committee on Finance.

VALUATION OF FARM PROPERTY FOR ESTATE TAX

● Mr. DOLE. Mr. President, I am pleased to introduce with the distinguished Senator from Illinois (Mr. PERCY) a bill to correct an inequity in the implementation of the special use valuation for family farms.

The Tax Reform Act of 1976 allowed a special valuation for certain farm property at its current use rather than its highest and best use for the purposes of estate taxation. This section was designed to insure that land used for farming both before and after its owner's death would be valued for estate tax purposes on the basis of its value as farmland and not at an inflated value which would necessitate the breakup of family farms.

The formula used by the Internal Revenue Service for determining special use valuation of farmland requires that net annual gross cash rent for comparable farmland located in the area of the farm in question be divided by the average annual effective interest rate charged by Federal land banks on new agricultural loans to farmers and ranchers. The estate tax value is the average of the resulting amount for the five most recent calendar years ending before the decedent's death.

In Kansas, Illinois, and several other States, little farmland is cash rented; rather it is share leased on a percentage basis in which the lessor and lessee divide the expenses and profits of the farm operation. It is difficult in these States to find local cash rents.

In proposed regulations issued by the Internal Revenue Service on July 19, 1978, an exception was made to the requirement of gross cash rental figures in situations in which no farm property existed in the particular locality that was both comparable and leased on a cash basis. The proposed regulation would have permitted the cash rent to be determined by appraisal using share rents.

On September 10, 1979, however, the IRS reversed itself by issuing proposed regulations which prohibit the use of crop share rentals for the purpose of valuing farm property. The revised regulations became final in July 1980. These new regulations will make the election of the special use valuation prohibitively difficult in those States where share leasing of farmland is predominant. This is an obviously inequitable result.

Mr. President, in the last Congress Senator PERCY took the initiative on this issue by introducing legislation to allow the use of crop share rentals in valuing farm property for estate tax purposes. I was pleased to be the principal cosponsor of that legislation. I am introducing similar legislation today because this matter deserves immediate attention: The problem has already been allowed to persist for too long. I am pleased that Senator PERCY has agreed to cosponsor this legislation, and I know that he will join me in working for prompt passage. I understand that Senator PERCY is examining related problems regarding the availability of the special use valuation, and that he may at a later date make proposals to further ease the burden that farm estates face in proving their qualification for special use valuation. I will be happy to work with him in that effort. But in the meantime, the clarification regarding crop share rentals is urgently needed, and is clearly consistent with the intent of Congress to allow family farms to continue to exist after the death of the original owner. I urge expeditious consideration of and action on our bill.●

● Mr. PERCY. Mr. President, today Senator DOLE and I are reintroducing legislation to correct an inequity in the implementation of the special use valuation for family farms.

I originally introduced this legislation on October 4, 1979 as S. 1859. Although the Subcommittee on Taxation and Debt Management held hearings on my bill last year, the Senate Finance Committee did not have the opportunity to report the bill. Under the very able leadership of the distinguished Senator from Kansas (Mr. DOLE), I am very optimistic that the problem addressed by our legislation will be corrected.

Mr. President, last year the Internal Revenue Service interpreted a portion of the Tax Reform Act of 1976 in a manner which poses a threat to family farmers, contrary to the intent of Congress.

In 1976, we enacted the Tax Reform Act to make a fundamental change in estate tax policy for family farms. Prior to 1976, family farms, like other property, were valued at their highest and best use for estate tax purposes. This made the continuation of farming financially impossible for many family farmers. They were put out of business because they were forced to sell their land to pay the tax bill.

The Tax Reform Act recognized the importance of keeping the family farm intact by writing into the law a special provision—the special use valuation—which valued the family farm on its income potential as a farm; not on its value as a subdivision or its speculative agricultural value when it does not bear a reasonable relationship to its earning capacity. This act eased the estate tax burden on the heirs of family farms and made it possible for them to continue contributing to the agricultural productivity of the Nation. I fully supported this change.

Unfortunately, as too often happens with laws of good intent, the 1976 act is complex and its administration has been difficult. And in this particular case it has been grossly unfair.

The Tax Reform Act provided a formula to calculate the special use valuation.

The formula simply divides the net annual gross cash rent for comparable farmland in the area of the farm in question by the average annual effective interest rate charged by the Federal land banks on new agricultural loans to farmers and ranchers. The estate tax value is the average of the resulting amount for the 5 most recent calendar years ending before the decedent's death.

A problem has arisen in Illinois, Kansas, South Carolina, Oklahoma, and several other States where little farmland is cash rented. Most farmland in these

States is share leased on a percentage basis in which the lessor and lessee divide the expenses and profits of the farm operation.

The Internal Revenue Service in 1978 recognized that cash rent figures would be difficult to find in many States and allowed crop share leases to be substituted in the formula when no farm property existed in the particular locality that was both comparable and leased on a cash basis.

In September 1979 in proposed regulations and again last July in final regulations, the IRS reversed itself and prohibited the use of crop share lease figures in the special use formula. These regulations make the election of the special use valuation prohibitively difficult in those States where share leasing of farmland is predominant. This is an obviously inequitable result.

The bill Senator DOLE and I are reintroducing today will resolve this matter by allowing the substitution of crop share leases for cash rentals. This clarification is clearly consistent with the intent of Congress to allow family farms to continue to exist after the death of the original owner.●

By Mr. DOLE (for himself, Mr. CHAFEE, Mr. DANFORTH, Mr. GARN, Mr. HATFIELD, and Mr. WALLOP):

S. 24. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and the deduction of contributions to education savings accounts and housing savings accounts; to the Committee on Finance.

HOUSING AND EDUCATION SAVINGS ACCOUNTS

● Mr. DOLE. Mr. President, it is undeniable that inflation and a stagnating economy has had a major, adverse impact on the people of our Nation. For the first time in many years, people have begun to lose faith that they will be able to improve their lives and provide a better life for their children.

While it is not surprising that the state of the economy has led to dismay of our countrymen, this Senator is optimistic that the economy can and will be turned around. Obviously, to rebuild the economy will take time and will require broad efforts on the part of this Congress to curtail inflation and stimulate capital formation.

An important part of any effort to boost capital formation must be tax incentives which will encourage individuals to save for major events in their lives. The legislation I am introducing today will provide such an incentive by helping individuals to save for the purchase of their first home and for their children's education.

The mechanism for encouraging savings for these purposes would be accounts similar to those already authorized by statute for retirement savings. These accounts, like individual retirement accounts, would be simple to administer and would provide a mechanism for tax deferral, rather than tax avoidance.

HOUSING SAVINGS ACCOUNTS

The bill permits an individual to establish a housing savings account and to obtain a tax deduction of up to $1,500 for contributions to the account each year for 10 years. This would allow an individual to accumulate up to $15,000 plus investment gain over the life of the account. Married couples filing a joint return would be able to contribute $3,000 per year for a total of $30,000 plus gain on this investment.

The bill provides that a housing savings could be set up solely to fund the purchase of an individual's first home. It is these people who have suffered disproportionately from the vast inflation in housing prices over the last few years since they usually have insufficient means to save for an ever increasing minimum down payment. It may be possible to examine further whether less restrictive limitations may be necessary if other segments of our population are unable to sell a small house and purchase another modestly priced home.

If the amount accumulated in a housing savings account is used to purchase a first home, there will be no tax at the time the account assets are distributed. But this amount could be recaptured on a subsequent sale if another house is not purchased.

Let me give an example of how this bill would work. Suppose a couple contributed $2,000 per year to a housing savings account for 4 years and this investment grows in value to $9,000. The couple could take a tax deduction of $2,000 per year contributed to the account. They also would have to pay no tax on the $1,000 gain.

The $9,000 may be taken from the account and used to purchase a first home at any time. There would be no tax at that time. Similarly, there would be no tax if the couple subsequently sold their home and bought another of at least equal value. However, if the couple sold the home and decided not to buy another, the $9,000 would then be subject to tax. Alternatively, the one-time $100,000 exclusion of gain from sale of a principal residence by an individual who has attained age 55 would be reduced by the $9,000 when that first residence is sold.

MANY INDIVIDUALS PRECLUDED FROM HOMEOWNERSHIP

The purchase of a home has been the traditional way for young people to acquire a stake in our society. This legislation will thus provide a stabilizing influence on society as well as fostering a major aspect of the American dream which may otherwise vanish for many people.

It may be argued that a special incentive designed to facilitate an individual's purchase of his first home is unnecessary. Even a casual look at the statistics, however, proves the necessity of action. For instance, the price of a new home has doubled since 1974. Furthermore, escalating interest rates make financing less and less available to individuals who would otherwise purchase a home.

It has been estimated that, at a 15 percent mortgage interest rate, fewer than 5 percent of American families can afford the median price of a new home. This is a problem of crisis proportions for the vast majority of prospective new home buyers.

EDUCATION SAVINGS ACCOUNT

The second part of this bill is aimed at the other major expense incurred by families, the higher education of their children.

The bill provides that an education savings account may be established for each child. Parents and the child may contribute up to $1,000 per year to this account and receive a corresponding tax deduction. Contributions may be made each year of a child's life until the child reaches 21 or enrolls at a qualified college or vocational school, whichever occurs first.

Amounts from the fund will not be subject to tax when used for tuition, fees, and reasonable living expenses while the child is at a qualified educational institution. However, the amounts so expended will be included ratably in the child's income over a 10-year period beginning in the year the child attains age 25.

EDUCATION COSTS ARE PROHIBITIVE

The need to help families provide for higher education costs is manifest. The costs of an education at poth public and private colleges have increased dramatically over the past 10 years. For instance, the median cost of an education at a private college has increased 105 percent over the last 10 years and the median cost for an in-State student at a public university has increased 80 percent over the same period. The costs for both in-State and out-of-State students in public schools and for students in private schools have all out-paced the consumer price index for this period.

With the cost of higher education rising so dramatically, many people will not be able to afford to pursue higher education without assistance. This bill is intended to encourage long-term savings for education, rather than relying solely on loans and grants when an individual reaches college age.

CAPITAL FORMATION

I firmly believe that Government aid in the form of this type of tax incentive will provide an effective way to help individuals enjoy the benefits of homeownership and receive needed education while providing much needed funds to encourage capital investment.

Tax policy in this country has tended, in recent years, to encourage consumption and discourage investment, savings, and capital formation. Among major industrialized nations, the United States ranks last in savings as a percent of income, last in fixed investment as a percent of GNP, and last in productivity growth. This is no accident and it is not caused by the profligacy of our citizens. It is simply a result of tax policy.

The bill I am introducing today is intended to follow a new direction in tax policy, a policy encouraging savings, rather than consumption. There is no

more opportune time to commit ourselves to reversing the trend in this Nation's productivity and this commitment must consist, in major part, of incentives for investment.

INFLATION PROTECTION

Finally, Mr. President, both accounts provide for indexing of the maximum deductible contribution. I firmly believe that incentive for savings such as that provided in this bill will assist greatly in the fight against inflation. But in the meantime, it also is important that the impact of these provisions not be diminished by inflation while incomes are artificially increased by inflation forcing taxpayers into higher tax brackets. People of this Nation deserve protection from the ravages of inflation over which they can exercise so little control. This provides a mechanism to preserve the real value of the deductible amount in times of economic instability.

The Senator from Kansas recognizes that we in Congress have a duty to the people of this country to act with utmost fiscal responsibility. It may therefore be advisable to examine a phase-in of this legislation. For instance, if this bill is phased in over a 3-year period, the first year combined revenue loss estimate for both housing and education savings accounts would drop substantially. It is important to point out the positive revenue-producing effect of the additional funds that this legislation will make available to increase productive capacity, and is a very minor price to pay for such great benefits to be derived.

Mr. President, I hope that housing and education savings accounts, together with further liberalization of the individual retirement account provisions, will be quickly considered and enacted as part of a concerted program to initiate a sustained economic recovery.●

● Mr. CHAFEE. Mr. President, I rise to congratulate Senator DOLE for reintroducing the Housing and Education Savings Act, and to thank him for including me as a cosponsor for the second year in a row.

This legislation provides an enhanced opportunity for American families to save for the purchase of a first home and for the costs of college or vocational schooling. Individuals who save money in special housing or education savings accounts would be entitled to tax deductions for their contributions to these accounts and would not be taxed on the dollars earned by their savings. This will dramatically increase the return on individual savings and provide the kind of encouragement people need to save, rather than borrow, for future expenditures.

Mr. President, many Senators will recognise the similarity between these savings vehicles and the individual retirement account, which is currently used by millions of Americans to supplement their retirement incomes through tax-deferred savings.

By encouraging people to put away more of their disposable income, we can also help dampen the inflationary pressures caused by excess personal borrowing and the shortage of investment capital.

As chairman of the new Finance Subcommittee on Savings, Pensions and Investment Policy, I intend to push for enactment of new savings and investment incentives and will be introducing legislation of my own in the very near future. I hope to schedule subcommittee hearings on these proposals as soon as possible this session.●

By Mr. PRESSLER:

S. 26. A bill to amend title 38 United States Code, to provide for a comprehensive program of improved benefits for veterans of the Vietnam era by establishing a program of career development, advancement and training, by establishing a post-Vietnam veteran's recruitment, retention and readjustment assistance program, by providing for a conditional extension of the delimiting period with respect to educational assistance, by providing for the payment of tuition expenses under the GI bill through an educational loan discharge program, by extending for a period of 2 years the psychological readjustment program, by expending and improving the effectiveness of Outreach programs, educational and occupational counseling, and employment programs for Vietnam and post-Vietnam era veterans, by establishing an Interagency Veterans Coordinating Committee, and a Presidential Commission on Veterans Affairs, by providing for the identification, treatment, and compensation of veterans and dependents suffering from diseases or disabilities attributable to exposure to toxic substances, chemical or biological agents, or radiation and for other purposes; to the Committee on Veterans' Affairs.

COMPREHENSIVE VIETNAM AND POST VIETNAM ERA VETERANS READJUSTMENT, RECRUITMENT, AND RETENTION ASSISTANCE ACT OF 1981

● Mr. PRESSLER. Mr. President, I am introducing the Comprehensive Vietnam and Post-Vietnam Era Veterans Readjustment, Recruitment and Retention Assistance Act of 1981.

This legislation fulfills critical unmet needs as well as the commitments made by the Republican Party in its 1980 platform position on Vietnam and post-Vietnam era veterans. The legislation provides for a program of career development, advancement, and training; a conditional extension of the 10-year delimiting period with respect to use of GI benefits; a program for payment of tuition expenses under the GI bill through educational loan discharge provisions; a comprehensive post-Vietnam readjustment, recruitment, and retention program; establishment of a veterans interagency coordinating group to improve efficiency and weed out fraud and abuse; a program for the identification, treatment, and compensation of veterans and dependents suffering from diseases or disabilities attributable to exposure to agent orange, radiation, or other toxic substances; and a 2-year expansion and extension of the VA's psychological readjustment program.

Vietnam era veterans' unemployment currently exceeds half a million and is greater than the rate for nonveterans aged 25 to 29. Vietnam veterans and their families are plagued by fears and unanswered questions about the possible adverse health effects of the herbicide, agent orange. Delayed stress is taking a serious toll on the mental health of many Vietnam veterans.

The VA is ill equipped to address the magnitude of the problems with the current program which is scheduled to terminate in 8 months. Hundreds of millions of dollars are being lost to fraud, abuse, and waste, largely because efforts are uncoordinated, and laws and regulations are not being enforced. Over one-half of the Vietnam veterans are denied access to their readjustment benefits by the 10-year delimiting period. Today, the majority of Vietnam veterans with employment, readjustment, psychological or agent orange-related problems are, or soon will be, left without recourse to any meaningful assistance.

The All-Volunteer Armed Forces are failing to attract and retain a major and vital segment of society—white, middle-class youth. The Armed Forces have become overrepresentative of minorities, the unemployed, and distressed youth. Young white middle-class youth look at the fate of the Vietnam veterans and the problems they are experiencing, and are discouraged from serving in the Armed Forces. As long as the Congress allows the legacy of unemployment and broken promises to Vietnam veterans to continue, it perpetuates one of the strongest disincentives for capable young men and women to join and serve in today's Armed Forces.

In the past, veterans initiatives have been made on a piecemeal basis, they have usually provided too little to meet the problem, they have come too late to help many veterans, they usually have been irrelevant to veterans' readjustment needs, and they have also failed to contribute to meeting the Nation's military personnel needs.

The comprehensive legislation I am introducing today will address the Vietnam veterans' problems effectively and in a fiscally responsible manner. It is targeted to help those who need the help the most in the context of contemporary and future veterans' needs. The legislation also contains a comprehensive post-Vietnam readjustment recruitment and retention program to help address serious manpower problems in the Armed Forces today.

This year we will be devoting additional billions to military material. But the finest material is no better than the manpower which employs it. The comprehensive bill is an essential element of a stronger defense posture and a competent, motivated, and dedicated armed force. It also restores the attractiveness of military service to all segments of the Nation's youth.

Mr. President, I ask unanimous consent that a section-by-section analysis of the Comprehensive Vietnam and Post-Vietnam Veterans' Readjustment Recruitment and Retention Assistance Act of 1981 be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

COMPREHENSIVE VIETNAM AND POST-VIETNAM VETERANS READJUSTMENT, RECRUITMENT AND RETENTION ASSISTANCE ACT OF 1981—SECTION-BY-SECTION ANALYSIS

TITLE I—INTERAGENCY COORDINATION AND VETERANS OUTREACH SERVICES

The bill expands the scope of the Veterans Administration's coordination and outreach functions to insure more effective utilization of existing resources and to inform veterans of the new opportunities accorded under the Act.

TITLE II—COMPENSATION AND TREATMENT FOR DISEASES AND DISABILITIES CAUSED BY TOXIC SUBSTANCES AND RADIATION EXPOSURE

Provides the VA with the authority it requires to treat and compensate veterans who have developed disabilities or diseases as a result of exposure to radiation or toxic substances [Agent Orange] in the line of duty. It would also grant the VA the authority to provide for the treatment and disability compensation of children born with diseases or deformities resulting from genetic damage to a parent exposed to radiation or toxic substances in the line of duty. Title II also provides for comprehensive screening of exposed veterans, and coordinated research including the establishment of a central registry of toxic substances and radiation related claims and symptoms.

TITLE III—READJUSTMENT COUNSELING IMPROVEMENT AND EXPANSION

The bill extends for two years and expands the scope of the VA's psychological readjustment program to provide for research and coordination with other mental health agencies and service delivery systems and to provide limited contract authority to use facilities outside of the VA when deemed necessary or appropriate. Would permit veterans with serious readjustment problems to receive Vocational Rehabilitation assistance.

TITLE IV—GI BILL PROGRAM ADJUSTMENTS

Provides for a one-time delimiting date extension of not more than the time required to complete training or two years whichever is the lesser period for veterans who demonstrate need. In addition, in the case of a wife of a disabled veteran, when married after disability occurred, computes delimiting date from the time when the spouse married the disabled veteran.

TITLE V—POST-VIETNAM RECRUITMENT, RETENTION AND READJUSTMENT ASSISTANCE PROGRAM

The bill establishes a new chapter 33 to provide readjustment, recruitment, and retention assistance programs for veterans of the All Volunteer Armed Forces (those who served after 1976). The program would entitle post-Vietnam veterans to GI Bill benefits at the rate of one month of benefit entitlement for each month of honorable service up to 45 months (additional entitlement could be authorized for critical combat and military skills). The program would allow career servicepersons to transfer their GI Bill entitlement to their spouses of children. The program also provides for an educational assistance initiative for persons who agree to serve four years in the Reserves.

TITLE VI—INTERAGENCY TASK FORCE; PRESIDENTIAL COMMISSION ON VETERANS' AFFAIRS

Establishes a Presidential Commission on Veterans Affairs and expands and enhances an Interagency Veterans Advisory Task Force to assist and advise in the coordination, development, and implementation of veterans programs, and would suggest changes needed to preclude waste, fraud, mismanagement, inefficiency and abuse in VA programs. In addition, the legislation would amend the accelerated entitlement program to allow needy veterans who qualify for a VA educational loan to discharge their loan obligations in the amount of GI Bill entitlement they have remaining upon the successful completion of their education and training.

TITLE VII—JOB COUNSELING, TRAINING AND PLACEMENT SERVICES FOR VIETNAM AND POST-VIETNAM ERA VETERANS

Entitles post-Vietnam All-Volunteer Armed Forces veterans to special employment and training programs authorized for Vietnam era veterans under chapter 42 (this would include eligibility to participate in CETA programs for veterans). It requires a specific estimate of funding which the Department of Labor will make available for veterans employment services.

TITLE IX—VETERANS CAREER DEVELOPMENT, ADVANCEMENT AND TRAINING ASSISTANCE

Establishes a program of career development, advancement, and training for Vietnam theatre, disabled and post-Vietnam era veterans through direct incentives to private sector employers. The program would subsidize up to one-third of a veteran's wages in a career and up to one-half of the wage and training costs if the career involved on-the-job training. The subsidies would derive from unused entitlement the veteran has earned under the GI Bill. Employer must agree that the employment and advancement opportunities are permanent and will continue after the career development, advancement and training allowances end. Allowances would vary from 9 to 18 months depending on the veteran's status and the severity of his or her employment problems. Career development will provide Vietnam veterans the opportunity to acquire meaningful and productive private sector careers commensurate with their abilities and aspirations, while insuring that the training and jobs promised under the All-Volunteer Armed Forces are supported by effective efforts.●

By Mr. DOLE:

S. 27. A bill to amend the Internal Revenue Code of 1954 to make permanent the allowance of a deduction for eliminating architectural and transportation barriers for the handicapped and to increase the amount of such deduction from $25,000 to $100,000; to the Committee on Finance.

ARCHITECTURAL AND TRANSPORTATION BARRIERS

● Mr. DOLE. Mr. President, I am pleased to reintroduce this legislation today which would amend the Internal Revenue Code of 1954 to extend permanently a provision which allows for expenses incurred when removing certain architectural and transportation barriers to be counted as a deduction by the taxpayer. The Senator from Maine (Mr. COHEN) joins me in this continuing effort to provide income tax incentives to promote the accessibility of existing facilities.

The idea of a tax incentive for the removal of barriers is not a new idea, for it was first proposed several years ago. In 1976 I introduced legislation which was incorporated into the 1976 Tax Reform Act which allowed a deduction of up to $25,000 for cost incurred in the removal of barriers. That provision expires at the end of this Congress, so I am therefore introducing this legislation to continue indefinitely that provision. The only change in this provision from current law is that a maximum of up to $100,000 is allowed to be claimed as a deduction, rather than $25,000.

Undoubtedly the disabled face many problems in our society. However, one of the most frustrating—and certainly one of the most needless—is that which they incur because of inaccessible design. Mr. President, I firmly believe that in this day and age there is no reason why facilities cannot be designed to accommodate the mobility limitations of the handicapped. Recognizing that there is much discrepancy between the way things should be and the way things are, I offer this legislation as a means to help bridge that gap.

Under present law, Government facilities are required to be accessible if they are constructed or renovated after 1968. While there have been many violations of this regulation, considerable progress has been made in recent years. This bill would address the problem of private facilities which are riddled with obstacles by giving private enterprise an economic incentive to take their own steps toward removing barriers.

Five years ago when I introduced similar legislation there was considerable support from disabled advocate groups. They were excited about the prospect of offering an incentive rather than a mandate to private industry, and thought that this was a workable approach to take. I am pleased that the handicapped groups have continued to believe that this is a reasonable means by which to address this problem, and look forward to discussing it in the Finance Committee.

Since 1976 I believe that disabled persons have made some gain. In general, I think the public is more sensitive to their needs and to the Federal legislation designed to protect their civil rights. However, this does not mean that the work has been accomplished. However, regardless of how much gain we make in the areas of education, employment, or whatever, all achievements will be somewhat limited until disabled persons are allowed to circulate freely on our sidewalks, in our buildings, and on our public transportation systems.

In many ways the problem of accessibility is one of the most pressing which faces disabled persons. We have made some progress with the provision in the 1976 tax law and I hope we will continue to press forward by extending and expanding it.

In all truthfulness, I will admit that I have been somewhat disappointed with the results of the 1976 tax provision. In many ways, response to it has been more limited than anticipated. Although I briefly debated whether or not to introduce legislation extending that provision, I decided that the provision was worthwhile.

I consulted the Building Owners and Managers Association International to solicit their opinion on this legislation. Their feeling was that the provision in current law is good, but too limited. First of all, the $25,000 limitation is quite low. With inflation, the high cost

of labor, and the ever increasing cost of construction, it is almost impossible to make substantial modification for under $25,000. Thus, the incentive becomes less attractive in reality than it is on paper. Second, I understand that the temporary regulations issued by the Department of the Treasury were not only late in forthcoming, but are also quite restrictive. This legislation gives us the opportunity to address both concerns.

In conclusion, I suggest that inasmuch as this legislation is designed to increase the mobility of physically disabled persons and to encourage their circulation along the pathways of society, I anticipate that this legislation will lead to increased employment of handicapped persons. It is difficult for disabled persons to seek gainful employment when they are denied access to transportation systems and buildings. It is my hope that this bill will continue efforts being made to integrate the disabled into all walks of life, and to allow them to make greater contributions to the world around us.●

By Mr. LUGAR:

S. 28. A bill to terminate the authorizations for Lafayette Dam and Reservoir, Big Pine Dam and Reservoir, Clifty Creek Dam and Reservoir, and the Big Blue Dam and Reservoir in the State of Indiana; to the Committee on Environment and Public Works.

TERMINATION OF AUTHORIZATION FOR CERTAIN DAMS

● Mr. LUGAR. Mr. President, the bill I am introducing today will deauthorize four dam and reservoir projects in my home State of Indiana.

These projects—Lafayette Lake Dam and Reservoir, Big Blue Dam and Reservoir, Big Pine Dam and Reservoir, and Clifty Creek Dam and Reservoir represent a cost to taxpayers in Indiana of over $300 million.

The Indiana House of Representatives and the Indiana Senate voted by overwhelming margins to deauthorize these projects in a bipartisan expression of support for their termination. Their deauthorizations are also supported by the Governor of Indiana, the wide majority of citizens who live in and around the project site areas, and numerous environmental groups in the State.

None of these projects can be justified economically on the basis of flood control by the corps' own figures, nor do any of them show a favorable benefit to cost ratio.

All of these projects are on the Army Corps of Engineers inactive list, and the corps estimates that their costs projections have escalated 12 to 15 percent a year since January 1977. At that time, Lafayette Lake was estimated to cost $111,000,000; Big Pine, $45,600,000, Clifty Creek, $36,000,000; and Big Blue, $115,000,000.

As with other major public works projects that have been pending over a period of years, the costs of constructing these four projects have risen dramatically. Their costs, coupled with potential damage to the environment, far exceed their benefits.

Since 1977, I have introduced legislation, with Senator Bayh, to deauthorize Big Pine, Lafayette Lake, and Clifty Creek. Last year, following action by the Indiana General Assembly, we added Big Blue to our deauthorization bill. Although deauthorizations for Big Pine and Lafayette Lake were adopted by the Senate in 1977, this legislation has continually failed to come before the House of Representatives for action, but has remained in the House committee.

It is clear that a majority of Indiana citizens do not want these projects built and support their immediate termination. We have an opportunity here to reduce Federal spending by hundreds of millions of dollars with a strong constituency supporting that effort. I hope that my colleagues will act favorably on this legislation in a responsible effort to terminate unnecessary and costly Federal projects.●

By Mr. LUGAR:

S. 29. A bill to repeal the Federal requirement of incremental pricing under the Natural Gas Policy Act of 1978; to the Committee on Energy and Natural Resources.

REPEAL OF TITLE II OF NATURAL GAS POLICY ACT

● Mr. LUGAR. Mr. President, the bill I am introducing today has a single purpose—to repeal title II of the Natural Gas Policy Act of 1978. Title II provides for the incremental pricing of natural gas to most interstate industrial gas users. Incremental pricing requires that certain natural gas acquisition costs incurred by the interstate pipelines be borne solely by industrial users until the rate paid by these users reaches the price of fuel oil. Intrastate industrial gas consumers are exempted from incremental pricing.

I introduced identical legislation last March which received the cosponsorship of over 20 Senators, both Democrats and Republicans. The same legislation, introduced in the House, had over 100 cosponsors.

Incremental pricing was a compromise provision included in the Natural Gas Policy Act of 1978 as the price for deregulation of natural gas. It is clear that the deregulation portion of this legislation is working, while the incremental pricing provisions are not.

With regard to deregulation, passage of the NGPA has increased the supply of natural gas. Additions to natural gas proved reserves were up 35 percent last year over 1978 and additions to reserves in the lower 48 were higher than they had been since 1968. New field discoveries were 52 percent higher than they had been in 1978 and at their highest level since 1967. And since passage of the NGPA, the rise in seismic activity reached a 20-year high.

This is strong evidence that the NGPA is working. However, as the American Gas Association stresses, incremental pricing is still impeding industrial gas sales to interstate customers. Phase II, which would have broadened the application of incremental pricing to virtually all industrial users of natural gas—some 50,000 users—was vetoed by the Congress last year. Nevertheless, phase I, affecting boiler users of 300 MCF a day or more, still remains in effect.

Incremental pricing of natural gas was enacted to protect residential energy consumers from the impact of rising natural gas prices by shifting much of the burden to industrial gas users. Since the passage of NGPA, a number of events have rendered incremental pricing totally inappropriate and unworkable.

Incremental pricing, in fact, will not protect residential users. Ironically, it will result in higher prices for all consumers. First, if industries convert to oil, gas utilities will lose their ability to load balance, thereby transferring additional fixed system costs to residential customers. Whether industries switch to oil or remain on natural gas, their energy costs will increase and will be passed on in the form of higher product prices to all consumers.

The irony of this policy is that oil and electric residential consumers will not only pay far more for fuel, but they will be subsidizing those customers that heat with gas. The reason is that the industrial users who are directly subsidizing the residential gas users will pass through these higher costs in the form of higher prices for all the goods and services they produce. Since incremental pricing will eventually affect virtually all industries, oil heat customers will face higher prices across the board.

According to the Federal Energy Regulatory Commission, last year, the average household will save, according to the most generous estimate to date, a maximum of only $2 per month from full implementation of incremental pricing. A Washington Post survey of energy experts also conducted last year reported predicted savings of only $1.25 per household per month.

Under phase I incremental pricing, consumers in Indiana were being treated to the royal protection of a full $1.50 for the entire 10-month period commencing January 1, 1980. FERC Chairman Charles Curtis, after months of struggling to devise a workable phase II, was quoted as saying that incremental pricing will not bring very much to any of its intended beneficiaries. "It is my personal view that this is a very crude instrument," Curtis said.

Incremental pricing will cost large numbers of jobs outrights, as some businesses close under the burden of artificially high gas prices.

Incremental pricing will cost thousands of additional jobs in the industrial Midwest and Northeast, as major industries choose to relocate or to site their expansions in the intrastate markets of the Sun Belt, where natural gas is not incrementally priced.

Incremental pricing will double the price disadvantage of American steel companies in competition with Japanese manufacturers not subject to incremental pricing, and this same phenomenon will occur in dozens of other industries faced with stiff foreign competition, jeopardizing still more jobs.

Incremental pricing will operate directly counter to national energy policy by driving industrial users out of natural gas and back to oil. This dangerous and unhappy trend has already commenced even under the partial incremental system of the NGPA's phase I.

It should be added that the importance of gas energy has been stressed in a Carnegie-Mellon Energy Productivity Center study. That study, which was aimed at achieving both energy conservation and a reduction of inflation, called for an increase in the use of only one fuel, natural gas. The study recommended a 68-percent increase in the industrial use of natural gas. The Carnegie-Mellon study therefore tied industrial gas use to an overall national strategy for more efficient use of energy in all of its forms.

Incremental pricing will discourage the use of natural gas, the cleanest fuel, in favor of environmentally damaging oil.

I would like to add one more test case to illustrate further what I have stated. Of great concern to me is the viability of industry and particularly, the steel companies in Indiana.

After 8 continuous months of no applicable surcharge, the alternate fuel price ceiling for January 1981, for Indiana, as published by the Energy Information Administration, has been dramatically increased from $2.51 to $3.40 per million Btu's.

This will require a surcharge to be placed on certain steel mill natural gas usage in northern Indiana of approximately $70 per million Btu, and will amount to an increase of 25 percent, for that gas subject to incremental pricing. This is an additional cost of natural gas of $634,000 for 1 month for the five major steel companies in Indiana, all of whom are currently struggling with an adverse economic situation and intense foreign competition.

The total burden of this surcharge on all industries in northern Indiana is estimated to be $1,248,000, which, in turn, will ultimately be refunded to exempt gas usage—residential customers in average amount of $0.47 per customer—a very small benefit for such a horrendous burden to job producing industries.

The need for immediate repeal of title II, incremental pricing is obvious. It is inflationary, is contrary to the Nation's energy policy of reducing oil imports, will cause industrial dislocation, and will not help residential customers. I hope my colleagues will support this bill, and I urge its prompt and immediate consideration.●

By Mr. SASSER:

S. 30. A bill to provide for the payment of interest by the Federal Government on any amount due for more than 30 days to any person under the terms of a contract entered into by the Federal Government and such person; to the Committee on Governmental Affairs.

LATE PAYMENTS ACT OF 1981

● Mr. SASSER. Mr. President, today I am introducing the Late Payments Act of 1981. If you are a small business who has had to deal with the Federal Government by selling or servicing certain material and you have failed to receive prompt payment, you would say indisputably that such a legislative move is "long overdue."

The purpose of the Late Payments Act is clear: To make the Federal Government do what most businesses do when they receive a bill for goods or services rendered—pay it within a reasonable period of time, 30 days. If a Federal agency does not pay the bill within 30 days after reciving an invoice, interest would be charged.

Such a measure is particularly needed by small businesses. The need is underscored by the current economic crisis, which already threatens the solvency of small businesses.

Large corporate contractors who deal with the Government have the financial and administrative ability to cope with occasional late payments and past due accounts receivable.

Small businesses—especially those businesses "in the field" that do not have the opportunity to secure large, broad-based contracts with Federal agencies and large grantees.

An order from a Federal agency to a small firm may be the largest order that such a firm receives. If the Federal agency, or large grantee, fails to make prompt payment for its order after receiving an invoice, it can cause serious cash-flow problems for the small business.

Adoption of a 30-day time period in which the Federal Government must pay its bills or face interest charges makes good business sense, and it implements what is regarded as a universal procedure in the American business community.

All the major credit card companies charge interest after 30 days. Most of the major retail operations in the Nation charge interest after a 30-day period.

The same small business that suffers heavy carrying costs because of a late payment from the Federal Government would receive little solace or sympathy from its own creditor if it attempted to explain away an overdue payment by saying: "Well, since I wasn't paid on time, neither will you. And you won't charge interest, either."

Perhaps the Late Payments Act of 1981 would not be necessary if the record of all Federal agencies in its payment procedures was good.

A recent study of this issue by the General Accounting Office showed that of 3,200 procurement invoices, 1,167 were paid more than 30 days after the invoice date. These overdue payments represented nearly 40 percent of the total invoices and almost 20 percent of the dollar volume of these invoices.

In addition, the GAO report showed that some Federal agencies are inexcusably delinquent in making payments on invoices. For instance, 74 percent of all invoices paid by the General Services Administration were made more than 30 days after the invoice date. The Department of Health and Human Services and the Commerce Department made late payments two-thirds of the time.

Small businesses simply do not have the cash flow capability or administrative resources to pursue overdue accounts the way large corporations do.

For many small businesses, the practice of late payments by the Federal Government is part of a double standard. They will tell you that the Internal Revenue Service would not look as kindly on small businesses if they made quarterly payments at the same rate at which the GAO study showed that Federal agencies made payments on its invoices.

Put another way, small businesses feel what they believe is a disproportionate share of the burden of Federal rules, regulations and guidelines at the same time they suffer disproportionately from poor business practices by the Federal Government.

Frankly, I think small businesses in America have been extraordinarily reticent on this issue. I suspect that one of the reasons for this is that they have been working overtime to make up for profits lost through late payments, and they have not had the time to be more assertive.

Mr. President, I say let us correct this imbalance through the passage of the Late Payments Act of 1981. It is a measure that would encourage the Federal establishment to put its books in order, to be no less business-like than the businesses that serve it.●

By Mr. ARMSTRONG (for himself, Mr. DOLE, Mr. BOREN, Mr. MATHIAS, Mr. GOLDWATER, and Mr. EXON):

S. 31. A bill to amend the Internal Revenue Code of 1954 with respect to the deduction of certain expenses in connection with the business use of homes and the rental of residences to family members, and for other purposes; to the Committee on Finance.

BUSINESS USE AND RENTAL OF HOMES

● Mr. ARMSTRONG. Mr. President, if a proposed ruling by the Internal Revenue Service is allowed to stand, taxpayers will almost always pay higher taxes if they choose to rent homes to family members rather than nonfamily members, or if they choose to operate part-time businesses in their homes.

This antifamily, antismall business policy is unwise.

That is why I am introducing, with the support of Senators DOLE, BOREN, EXON, GOLDWATER, and MATHIAS, legislation to repeal the so-called family rental/home business tax.

This tax stems from provisions included in the 1976 Tax Reform Act, and as those provisions were subsequently interpreted by proposed IRS rules. Included in these provisions are three particularly objectionable features:

First, individuals who rent homes to family members will almost certainly pay higher taxes than if they rent to nonfamily members.

Second, a homeowner who operates a legitimate part-time business from a home will no longer be able to deduct business-related expenses for that office.

Third, property owners who rent their property will be charged with a full day of personal use—and, therefore, excluded from normal business deductions for that day—for every visit if almost all of the time virtually every accompanying individual is devoted to repairing or maintaining the property.

The legislation I am introducing today accomplishes three objectives:

First, it removes any hint in the U.S. Tax Code that renting to family mem-

bers automatically carries a higher tax burden.

Second, it allows home-based entrepreneurs to deduct business expenses for maintaining offices in their homes.

Third, it allows a property owner to claim normal business deductions if he maintains or repairs rental property and is accompanied by individuals who do not assist him in the work.

This commonsense solution following enactment of the continuing resolution, House Joint Resolution 610, which included a provision barring IRS from enforcing the family rental tax through December 15. Subsequently, IRS announced it will withhold final regulations in this area until after July 1, 1981. This will give Congress the time it needs to enact corrective legislation.

My colleagues will be interested to know that the IRS argues that its proposed regulations do not absolutely bar business expense deductions for family rentals. Technically, IRS is right. But the practical effect of the proposed IRS regulations, and IRS agree, is that the regulations will increase taxes on most family rentals. Here is how the proposed IRS rule works:

If a taxpayer uses a rental residence for "personal use" (renting to relatives is a personal use) for more than 14 days, or 10 percent of the days held for rental, deductible expenses are governed by the following three-step formula:

1. Gross Deductible Expense = Total Expense X days rented at fair rental days unit is used for any purpose.

2. Deductible expenses may not exceed gross rental income.

3. Expenses must be deducted in the following order: mortgage interest, taxes, insurance, utilities, maintenance, depreciation.

Below is a case example showing how these regulations impose higher taxes when renting to family members.

Joe Brown is single and earns $25,000 in taxable income a year. He buys a $50,000 home with a $5,000 down payment, and finances the $45,000 mortgage at 10 percent interest. He rents the home to his mother for the entire year at $500/month. Thus:

Joe's annual rental income	
Rent	$6,000
Total income	6,000
Joe's annual rental expenses	
Mortgage interest	$4,500
Property tax	1,200
Insurance, utilities, maintenance	1,800
Depreciation (straight line basis)	2,500
Total expenses	10,000

Since Joe's expenses exceed rental income, he must deduct expenses according to the order established in the regulations. Thus, Joe can only deduct all mortgage interest and taxes ($5,700) plus $300 of the insurance, utilities and maintenance. Joe cannot deduct the remaining $1,500 of insurance, utilities or maintenance, or any of the depreciation expense.

Since Joe rented the residence at tax time, he must add the $6,000 rental income to the $25,000 he earned, and then subtract the allowable expenses of $6,000. So Joe will pay $5,952 in income taxes on $25,000 . . . while incurring $4,000 of other expenses he cannot deduct.

By contrast, if Joe had rented the home to a non-relative, he would be able to deduct the entire $10,000 of expenses. So Joe will pay $4,500 in taxes on $21,000 of taxable income. In this case, the family rental tax is $1,452.

In today's market, however, Joe Brown would not get a 10 percent interest rate. Joe Brown would likely have to pay more than 13 percent interest on his mortgage, and he would accumulate the $6,000 of the deductible expenses solely from mortgage interest and taxes.

Since these proposed new rules came to light a few weeks ago, congressional offices have been flooded with mail from constituents who oppose the new rules. And for good reason. The IRS proposal assumes there is wrongdoing in all rental transactions involving family members and operating a part-time business from home. This scattershot approach is not equitable, and must be stopped.

I urge enactment of this legislation.●

FAMILY RENTAL TAX

● Mr. DOLE. Mr. President, the Tax Reform Act of 1976 contained several provisions intended to limit the use of the business deduction for what were essentially personal expenses. These provisions included limitations on certain tax deductions relating to the business use of the home, renting to relatives, and the use of vacation homes.

On August 7, 1980, the Internal Revenue Service proposed regulations which many people consider to expand the limitations well beyond the intent of Congress. Senator ARMSTRONG and I were extremely concerned about the adverse impact of these proposed regulations on many Americans. On September 26, we, therefore, offered an amendment to the continuing resolution intended to prevent implementation and enforcement of these proposed regulations. The Congress passed this amendment and the Internal Revenue Service was blocked from implementing its regulations on this issue until December 15, 1980.

Senator ARMSTRONG and I were prepared to offer an additional limitation on IRS funding to prohibit implementation of these regulations when the continuing resolution was considered in December. However, we received written assurance from the Treasury Department that final regulations would not be published before mid-1981. This will allow sufficient time for consideration and enactment of a permanent solution to the problem highlighted by the proposed regulations. The legislation we are introducing today provides such a permanent solution.

It may be helpful to explain, in a little more detail, the genesis of the problem and the solution we are providing in this legislation.

BUSINESS USE OF HOME

In the Tax Reform Act of 1976 we provided rules intended to limit the deduction of expenses attributable to the business use of the home. Under the 1976 law, in order for a taxpayer to obtain a deduction for expenses relating to a business conducted from his home, he must use a specific part of the home exclusively as his principal place of business. I believe the intent of Congress was to allow a deduction only if the home is the principal office for a particular business. That is, if an individual feels he must "moonlight" at a business operated from his home, he should not be denied a business deduction merely because he may hold another full-time job. No one should be penalized for having the industry to hold more than one job.

Unfortunately, the Internal Revenue Service has interpreted the "principal place of business" test to mean that, if you hold a full-time job and operate another business from your home, you lose some of your business deductions for this second business.

This Senator cannot see any justification for the Internal Revenue Service position. The legislation introduced today makes clear that a deduction will be available without unwarranted limitations for expenses related to the use of a portion of a home for the operation of a business. The legislation provides that the "principal place of business" test is met if the deductions are related to any business if the principal place of business at which the taxpayer conducts that business is at home.

RENTING TO FAMILY MEMBERS

A second area which has evoked public outrage concerns a limitation on normal business expenses connected with rental property where a dwelling is rented to a family member. Back in 1976, Congress intended to place some limitation on the availability of business deductions relating to vacation homes which taxpayers used themselves for substantial periods. "Personal use" was broadly defined to include use by a brother, sister, spouse, grandparent, child, or grandchild. The rule has been construed by the Internal Revenue Service to apply to any dwelling unit, including houses, apartments, condominiums, mobile homes, and boats, as well as to vacation homes.

This presents a serious problem if a taxpayer rents any residence to a family member, instead of a stranger. For example, the IRS view would have the incredible result of limiting business deductions allowable to an individual if he rents a residence to his elderly parents, at the going rental rate. On the other hand, if he had rented the residence for the same rent to a stranger, there would be no similar limitation.

Whether or not the IRS is correct in arguing that it has not misinterpreted the law as written, this Senator is absolutely convinced that the IRS interpretation does not accurately reflect the concerns of Congress.

This discrimination against the family should not be tolerated. Our solution to this problem is simply to remove language from the applicable section of the Internal Revenue Code which could be interpreted by the IRS to allow discrimination against renting to family members. If a dwelling is rented at market rates, a taxpayer would receive the same treatment regardless of his relationship with his tenant.

We believe that the purpose of Congress to limit deduction of personal expenses related to vacation homes can be

served without discrimination against an individual's family.

PERSONAL USE OF VACATION HOME

A third area treated by the proposed regulations is what constitutes personal use of a vacation home. The 1976 act provided that business deductions related to the rental of a dwelling woud be limited if the taxpayer uses the dwelling for the greater of 14 days or 10 percent of the days for which the dwelling is rented.

This is a sensible rule for limiting the possible abuse of the business deduction provisions. However, the IRS has taken a very expansive view of when a taxpayer is considered to enjoy the use of his vacation home—a view that is not within the limits of the stautory language.

According to the IRS, a taxpayer who spends a day repairing or maintaining his property is considered to be "on vacation" if he spends the day working, but he does not force all other individuals with him who are capable of working to work full time also. For example, if a man spends all day fixing up property so that he can rent it, he will be considered to have used the property for his personal enjoyment if his teenaged son spends only part of the day working with him. Not only is this an unrealistic rule, but is also a rule that is incapable of enforcement.

The bill introduced today prevents the IRS from enforcing this absurd rule.

EARLY ACTION NEEDED

This bill is a remedial measure which deserves serious and early consideration by this Congress. It is designed to be limited merely to a clearer statement of congressional intent, rather than to break new ground. The "family rental tax" is an affront to the American family and should be put to rest at the earliest possible time. The Senator from Kansas is hopeful that this issue will be resolved by midyear and will not force additional limitations on IRS rulemaking authority. A substantive solution is a much preferable method of amending the tax laws than limiting administrative authority.●

By Mr. CHAFEE (for himself, Mr. TSONGAS, Mr. DECONCINI, Mr. DOMENICI, Mr. GOLDWATER, Mr. WILLIAMS, Mr. PERCY, Mr. MOYNIHAN, Mr. BAUCUS, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. CANNON, Mr. COHEN, Mr. DANFORTH, Mr. DOLE, Mr. DURENBERGER, Mr. EAGLETON, Mr. GLENN, Mr. HATFIELD, Mr. JEPSEN, Mr. JOHNSTON, Mr. LEAHY, Mr. LEVIN, Mr. LUGAR, Mr. MATHIAS, Mr. MITCHELL, Mr. PELL, Mr. RANDOLPH, Mr. SIMPSON, Mr. SCHMITT, Mr. TOWER, Mr. WEICKER, Mr. BRADLEY, Mr. INOUYE, Mr. LAXALT, Mr. METZENBAUM, Mr. KENNEDY, Mr. ROBERT C. BYRD, Mr. HUMPHREY, and Mr. SARBANES):

S. 32. A bill to grant a Federal charter to the Italian American War Veterans of the United States of America; to the Committee on the Judiciary.

FEDERAL CHARTER TO ITALIAN AMERICAN WAR VETERANS

● Mr. CHAFEE. Mr. President, I rise today to speak on behalf of the Italian American War Veterans of the United States (IAWV), and to urge my colleagues here in the Senate to grant this fine organization a Federal charter.

My bill, which had 48 cosponsors in the 96th Congress, passed the Senate by unanimous vote on December 1, 1980. Unfortunately, the bill was delayed on the House side and time ran out on us before it could pass. Today, in reintroducing this legislation, I am pleased to say that I already have 40 cosponsors from both sides of the aisle. I am certain that this noncontroversial piece of legislation will be expeditiously handled in the 97th Congress, and will provide the IAWV with the charter they so richly deserve.

My reasons for introducing this legislation early this year grow out of the long and fruitful relationship I have had with the IAWV in the State of Rhode Island. I first began working with them 18 years ago, in 1963, when I was elected Governor of Rhode Island. Since that time, I have had ample opportunity to see their good works, and to appreciate their contribution to veterans and to the community at large.

The Rhode Island Department of the IAWV is neither the largest nor the oldest in the Nation. It was incorporated in 1950 and there are now 13 posts in the State. Yet, they have been very active in Rhode Island.

For many years, IAWV volunteers have served disabled and aged veterans in the veterans hospital in Davis Park, Providence, and the veterans home in Bristol. They have provided money for the maintenance of the veterans cemetery in Exeter, and for college scholarships to deserving young students. Earlier this year, the Rhode Island Department of the IAWV sent funds and supplies to the homeless refugees in the Azores following a serious earthquake in the islands.

As might be expected, the IAWV actively coordinates its activities with other veterans groups in the State and Mr. Dando DiManna, currently the Rhode Island department commander, is also vice president of the United Veterans Council of Rhode Island, an organization which combines all veterans organizations in the State.

In my judgment, Mr. President, the fine record of the IAWV in Rhode Island is a reflection of their solid work for veterans in other States as well. I recently received an example of this in the form of a letter from Joseph C. Barone of Syracuse, N.Y. Mr. Barone is the adjutant of the local chapter of the Disabled American Veterans. He wrote that the Italian American War Veterans in his area have cooperated in all endeavors to promote and assist less fortunate veterans, and "have proven themselves in the general welfare of the community at large in every respect."

It is my understanding that any group requesting a Federal charter must pass a set of basic requirements or "minimum standards" setout by this committee. Let me begin by saying that I support these standards, and never would have proposed a Federal charter for the IAWV unless I thought their organization and record of service to the Nation's veterans exceeded these standards in every possible way.

First, the IAWV has operated under various State charters for almost 50 years, the first such charter having been granted in 1932 in Connecticut. During this time, it has conducted a broad range of activities which are clearly in the public interest.

Second, the granting of a Federal charter will clearly provide the IAWV with a boost to its membership and its activities across the Nation. The lack of a charter inhibits public service organizations and places "redtape" between them and the very people they are trying to help. With a membership of almost 7,000 public-spirited people, the IAWV represents a terrific resource to be used in the battle to help disabled, aged and economically deprived veterans, their families and their communities. A Federal charter will help this resource to grow and to expand its activities.

Third, the Italian American War Veterans have an open door policy in terms of membership. While many of its members are drawn from those with Italian heritage, it is open to any honorably discharged American veteran regardless of sex, race, religion, and national origin.

Fourth, the IAWV is organized as a nonprofit service group in the States where it is incorporated. Its purpose is to engage in charitable, educational, civic improvement, and patriotic activities. The IAWV is engaged in activities which are truly national in scope, and it has been of service to this country for almost half a century.

Mr. President, recently I received a letter from a constituent in Rhode Island who asked why "the funds that once supported a fine veterans hospital system no longer exist." Her concerns were reflected in a recent letter written by Stan Pealer, national commander of the Disabled American Veterans, who stated, "We have an obligation to make certain that the men who sacrificed their health and their future for our country are not neglected."

It seems clear to me, Mr. President, that with the specter of fiscal austerity staring us in the face in the coming years, the problem of scarce resources for America's veterans is going to get worse, not better. We are all going to have to learn that Federal funds are not limitless and cannot meet all the demands of the deserving.

In my judgment, the volunteer services of groups like the IAWV and the Disabled American Veterans will of necessity plan an expanding role in serving the needs of our veterans. And we should encourage them to do so. Granting a Federal charter will cost this Congress and this Government little more than the cost of printing the document itself. Such an action would be a strong symbol of encouragement not only to the IAWV, but to other worthy organizations that perform similar services. What we will realize from this expenditure is more than just the savings to the Government of the services provided by the IAWV. What we will realize will be the deep personal satisfaction that comes from being part of an unselfish effort to help our fellow man.

Mr. President, according to the Veterans' Administration, volunteer hours donated free of charge by public spirited organizations such as the Italian-American War Veterans amount to almost $35 million per year. These organizations provide an additional $45 million per year through donations of goods and materials. On this basis, and because of the possibility of more stringent Federal budgets in the future, I believe it is vital to support the voluntary efforts of all our veterans service organizations. Your support, and that of this Senate in obtaining a Federal charter for the IAWV will enhance their fine service to America's hospitalized veterans across the Nation.●

By Mr. CRANSTON:

S. 40. A bill to establish the Big Sur Coast Area in the State of California; to the Committee on Environment and Public Works.

BIG SUR COAST AREA ACT

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to establish the Big Sur Coast Area in California. As many Members of this body are aware, I have taken a deep personal interest in preservation of this magnificent stretch of undeveloped California coastline.

Everyone who knows and loves Big Sur as I do wants to keep it the way it is today, including the residents of the Big Sur Area. With strong local citizen support, the State of California and the local county governments are doing everything they can to protect the Big Sur Coast through zoning and the local coastal programs being developed under the California Coastal Act.

But in spite of these efforts, some residential and commercial development is occurring which over a period of time will alter the existing character of the Big Sur Coast and degrade its natural beauty.

The Big Sur Coast truly is a national treasure, and sooner or later the Federal Government is going to be called upon to help save it. I believe that it makes the best sense to act now before there is significant degradation or even a major threat to the resources. But once subdivision of the larger ranches occurs with a consequent increase in land values, the cost to the Federal Government will be much greater.

The bill I am offering today embodies the provisions of the Big Sur coast area bill passed by the House in the 96th Congress. This proposal has been carefully crafted to strike a balance between the interests of those who have pushed for strong Federal action to protect Big Sur and the concerns of local residents who fear a Federal takeover of the area.

The bill designates a 160,000-acre Big Sur coast area to be administered by the U.S. Forest Service. At the same time, it gives leadership and initiative to local residents through a Big Sur area council which is given the responsibility of recommending a comprehensive plan for the protection and management of the Big Sur coast. The land use component of the comprehensive plan is to incorporate the approved local coastal programs for Big Sur by Monterey and San Luis Obispo Counties. The Secretary of Agriculture would be granted the final authority to approve the comprehensive plan.

The bill authorizes a total of $30 million for land acquisition of those areas recommended for purchase in the plan. Of this amount, $25 million would be made available from the land and water conservation fund and $5 million from the Treasury for administration, planning, management, and grants for acquisition by the State, local governments, private nonprofit organizations or other public entities.

Mr. President, this is a very small price to preserve a unique and extraordinarily beautiful area. I believe the entire Nation will benefit from our efforts to protect the priceless resources of the Big Sur coast. I hope that the 97th Congress will enact this important legislation to protect for all posterity the Big Sur coast area.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 40

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Big Sur Coast Area Act".

SEC. 2. The Congress finds and declares that—

(a) the Big Sur coast is a unique region of national significance as the largest and most scenic stretch of undeveloped coastline in the coterminus United States;

(b) the unique beauty of the Big Sur coast is enhanced by its proximity to the Los Padres National Forest, including the Ventana Wilderness, and by the independent and self-reliant character of the people of the area;

(c) the existing character of the Big Sur coast and the existing rural communities which have contributed to the maintenance of the natural environment should be protected and preserved;

(d) the California State Highway Route Numbered 1 along the Big Sur Coast from Malpaso Creek in Monterey County to San Carpoforo Creek (San Carpojo Creek) in San Luis Obispo County provides one of the most beautiful drives in the United States, and shall remain a rural, scenic two-lane highway;

(e) there is growing development, tourist visitation, and associated vehicular traffic, particularly during peak use periods, which is adversely affecting the unique beauty and character of the Big Sur coast;

(f) the local planning efforts being conducted by Monterey and San Luis Obispo Counties, the citizens of the Big Sur coast, and the State of California pursuant to the California Coastal Act of 1976 and the Coastal Zone Management Act of 1972 (16 U.S.C. 1451–1464), and planning by the United States Forest Service for the Los Padres National Forest provide a unique foundation for coordinating Federal, State, and local planning and management processes;

(g) the local and State coastal planning and regulatory authorities lack sufficient resources to provide for adequate and comprehensive natural resource protection and equitable compensation to landowners, and to effectively manage appropriate public use and enjoyment of the area;

(h) effective protection of the existing character of the Big Sur coast and of the nationally significant natural and scenic resources, and enjoyment of these resources can be accomplished by State and local land-use control efforts coupled with appropriate Federal assistance where necessary to supplement these efforts, including the acquisition of selected lands and interests in lands and the provision of limited Federal management to implement coordinated policies for the Big Sur coast.

PURPOSES

SEC. 3. The purposes of this title are—

(a) to protect, preserve, and enhance the unique and significant natural resources and scenic qualities of the Big Sur coast, including, but not limited to, sensitive habitats and habitat for rare and endangered species, redwood canyons, beaches, fresh and marine waters, and the view from California State Highway Route Numbered 1, the Old Coast Road, and other significant public vista points;

(b) to protect and perpetuate the rural character and historic agricultural activities of the existing communities along the Big Sur coast and the historic and cultural values of the Big Sur coast in a manner consistent with natural and scenic resource protection;

(c) to provide for and manage public use and enjoyment of the area in a manner consistent with natural resource protection and maintenance of the existing rural landscape;

(d) to protect and support private landowners' conservation efforts consistent with the purposes stated in paragraphs (a), (b), and (c);

(e) to utilize the land-use planning, regulatory powers and implementation authorities of Monterey County, San Luis Obispo County and the State of California to the fullest extent possible consistent with the other purposes of this title;

(f) to provide Federal assistance in the development and implementation of a comprehensive management plan (hereinafter in this title referred to as the "plan"), and prior to the adoption of such plan, to protect those critical values of significance only when they are in danger of being adversely affected or destroyed; and

(g) to define the Federal role in the implementation and enforcement of the plan and other land-use plans for the Big Sur coast in a manner which maximizes coordination with the State and local units of government and private landowners, utilizes existing levels of jurisdiction and establishes appropriate governmental coordination and authority where necessary to accomplish the purposes of this title, and to provide appropriate financing and enforcement where necessary to preserve and protect the natural and scenic resources of the Big Sur coast.

BIG SUR COAST AREA

SEC. 4. (1) In order to carry out the purposes of this title, there is hereby established the Big Sur Coast Area (hereinafter in this title referred to as the "area"). All references to the area in this title shall be limited to the area described in this section.

(b) The boundary of the area shall generally extend from the southern bank of Malpaso Creek in Monterey County in the north to the northern bank of San Carpoforo Creek (San Carpojo Creek) in San Luis Obispo County in the South; its western boundary shall be the line three geographical miles seaward from the coastline of the State; its eastern boundary shall be the same as the inland boundary of the California Coastal Zone as established by the California Coastal Act of 1976 as in effect as of the date of enactment of this Act, except that in San Luis Obispo County the boundary shall be along the county line westerly from the intersection with the California Coastal

Commission's boundary to the intersection with the described southern boundary at a point approximately in the center of the northern line of section 1, township 25 south, range 6 east, Mount Diablo meridian; all as depicted on the map entitled "Boundary Map, Big Sur Coast Area," dated May 1, 1980, which shall be on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture, in the field offices of the Forest Service in Monterey and San Luis Obispo Counties, and in the appropriate planning offices of the State and county governments involved.

BIG SUR COAST AREA COUNCIL

SEC. 5. (a) There is hereby established the Big Sur Coast Area Council (hereinafter in this title referred to as the "Council"), the members of which shall be appointed within ninety days after the date of enactment of this Act. Within one hundred and twenty days after the date of enactment of this Act, the Secretary of Agriculture (hereinafter in this title referred to as the "Secretary") shall convene the Council. The Council shall, in accordance with subsection (e), develop and recommend the plan, facilitate communication and coordination among the governmental agencies that have jurisdiction within the area and the residents and landowners of the area, and advise the Secretary on the appropriate Federal role in the management and administration of the area. The plan developed by the Council shall be prepared so as to carry out the purposes of this title. The Council shall, notwithstanding any other provision of law, be terminated only by an Act of Congress.

(b) The Council shall consist of the following representatives who shall be appointed by the Secretary from persons nominated as follows:

(1) one representative from the United States Forest Service to be nominated by the Secretary;

(2) one representative from the California Resources Agency to be nominated by the Governor of California;

(3) one representative from the California Coastal Commission to be nominated by the Governor of California;

(4) three representatives to be nominated by the Monterey County Board of Supervisors in such manner as may be determined by such Board of Supervisors—

(A) one who resides in the area from Malpaso Creek to Bixby Creek;

(B) one who resides in the area from Bixby Creek to Anderson Landing; and

(C) one who resides in the area from Anderson Landing to the Monterey and San Luis Obispo County line;

(5) one representative who resides in the area from the Monterey and San Luis Obispo County line to the southern boundary of the area to be nominated by the San Luis Obispo County Board of Supervisors in such manner as may be determined by such Board of Supervisors;

(6) one representative who resides in the area to be nominated by the Secretary; and

(7) one representative at large from the State of California to be nominated by the Secretary.

(c)(1) The terms of the representatives serving on the Council shall be for three years, except that the initial terms for the representatives shall be established by the nominating authority in accordance with the following:

(A) One of the representatives nominated by the Monterey County Board of Supervisors shall serve for a term of two years, and two of such representatives shall serve for terms of three years.

(B) The representative nominated by the San Luis Obispo County Board of Supervisors shall serve for a term of three years;

(C) One representative nominated by the Governor of the State of California shall serve for a term of two years and one shall serve for a term of three years;

(D) Two representatives nominated by the Secretary shall serve for a term of two years and one shall serve for a term of three years.

(2) All reappointments and renominations of representatives on the Council shall be made in the manner set forth in this section, except that any person appointed to fill the unexpired term of any representative on the Council shall be appointed only for the remainder of such term.

(3) If, for any reason, there is a failure to nominate any representative as provided in subsection (b), notwithstanding such failure, the Secretary shall convene the Council and the Council may conduct business.

(4) The representative of the United States Forest Service nominated under subsection (b)(1) shall serve as Chairman of the Council.

(5) To the maximum extent practicable, all meetings of the Council shall take place within the area.

(6)(A) Members of the Council who are full-time officers or employees of the United States, or of a State or local government, shall receive no additional pay on account of their service on the Council.

(B) While away from their homes or regular places of business in the performance of services for the Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service under section 5703 of title 5, United States Code.

(d) The Secretary shall provide the Council with such staff and technical assistance as the Secretary, after consultation with the Council, considers appropriate to enable the Council to carry out its duties.

(e) The Council shall be responsible for the following:

(1) Development and recommending to the Secretary the plan.

(2) Reviewing and monitoring the implementation by Federal, State, and local agencies having jurisdiction within the area of all programs set forth in the plan to ensure consistency and compliance with the plan, and making appropriate recommendations for revision and enforcement of the plan.

(3) Reviewing all Federal development projects and plans for consistency with the plan for the purpose of submitting recommendations thereon to the Coastal Commission in accordance with section 7(d) of this title.

(4) Recommending to the Secretary appropriate agreements with public agencies and private nonprofit organizations to further the purposes of this title, and to implement the plan.

(5) Making such other recommendations to the Secretary and State and local units of government as it may deem necessary to carry out the purposes of this title.

COMPREHENSIVE MANAGEMENT PLAN

SEC. 6. (a) On or before the expiration of the twenty-four month period following the date of the enactment of this Act, the Council shall recommend to the Secretary the plan for the protection and management of the area.

(b) During the development of the plan the Council shall—

(1) consult with appropriate officials of any local government or Federal or State agency which has jurisdiction over lands and waters within the area;

(2) consult with interested professional, business, conservation, and citizen organizations; and

(3) conduct public hearings at places within the area, and at such other places as may be appropriate, for the purposes of providing interested persons with an opportunity to testify with respect to matters to be addressed by the plan.

(c) The plan shall include the following components:

(1) The land-use plan component of the local coast programs developed by Monterey and San Luis Obispo Counties and certified by the California Coastal Commission pursuant to the California Coastal Act of 1976: *Provided,* That nothing contained in this title shall be construed to authorize the Secretary or the Council to amend any portion of the certified local coastal programs under the California Coastal Act of 1976.

(2) A component including, but not limited to, consideration of available land and water protection and management techniques, including zoning and regulation derived from State and local police powers, development and use standards and permit requirements, acquisition of conservation easements and other interests in land, public access agreements with private landowners, purchase of land for resale or leaseback, acquisition of public recreation sites and ecologically sensitive areas, and any other method of land and water protection and management which will help meet the goals and carry out the provisions of the plan.

(3) An inventory of lands and waters or interests therein, which should be considered for acquisition by the Secretary or, with Federal assistance, by private nonprofit organizations or public entities, for the following critical purposes: preservation of scenic views from California State Highway Route Numbered 1 and other important vista points; protection of environmentally sensitive habitat areas; public access to the beaches and coastal uplands; protection of the watershed, public health and safety; interpretation of the natural and cultural heritage of the area; development of minimal visitor-serving facilities; and implementation of the local coastal program.

(4) A coordination component including, but not limited to, provisions for the maximum feasible participation of State and local governments and the public in the implementation of the plan in a manner that will ensure the continued, uniform, and consistent protection of the area in accordance with the purposes of this title.

(5) A community resource protection component including, but not limited to, identification of rural residential enclaves and an assessment of them to consider whether more development is appropriate, consistent with the purpose of this title. Lands in areas determined to be suitable for development shall not be designated for purchase by the Secretary. The Secretary may enter into agreements with state or local agencies and may enter into contracts with private nonprofit organizations to assist in the implementation of this component in these areas.

(6) A highway transportation component implementing the intent of the California State Legislature regarding State Highway Route Numbered 1 expressed in the California Coastal Act of 1976. Such component shall include, but not be limited to, the specific manner to (A) preserve the rural, scenic, two-lane highway within the area, (B) ensure residents continued access to their homes, and (C) minimize highway congestion that seriously impairs the enjoyment of the natural and scenic resources of the area.

(7) A public use component which includes a plan for managing visitation to the area. This shall include, but need not be limited to, a plan for providing information about the scenic features, recreation opportunities, and visitor facilities in the area; a plan for the interpretation of the resource and natural values in the area for the enjoyment and appreciation of visitors; and a plan for managing public access and use to the extent necessary to protect the natural and scenic values in the area.

(8) A comprehensive resources protection

and management component including, but not limited to, all natural, historic, and cultural resources in the area, and protection and management of unique or sensitive plant or animal habitat, or both.

(9) An agricultural component including procedures for protection of the historic agricultural uses of existing agricultural lands.

(d) The Council shall treat the components of the plan as set forth in subsection (c) as the basis for the plan only insofar as there are no conflicts with the purposes of this title.

(e) If the local coastal programs for the area mandated by the California Coastal Act of 1976 are not certified by the California Coastal Commission by the statutory deadline of July 1, 1981, the Council shall proceed to recommend for adoption by the Secretary of a land-use plan and implementation program for the area that shall be in effect until certification of the local coastal programs. The interim land-use plan and implementation program shall be based on the policies of the California Coastal Act of 1976, and shall use to the maximum extent possible the planning for the area accomplished to date by the counties of Monterey and San Luis Obispo.

(f)(1) The Secretary shall, within one hundred and twenty days after the date the plan is submitted to him by the Council, review the plan to determine its consistency with the purposes of this title and shall, on the basis of this review, approve or amend the plan. Should the Secretary fail to act on the proposed plan within such period, the plan shall be treated as approved. If the Secretary amends the plan, the Secretary shall, within one hundred and twenty days after the date the plan is submitted to him by the Council, submit in writing to the Council any amendments made by the Secretary to the plan, together with an explanation of the reasons for such amendments.

(2) When the Secretary submits an amended plan to the Council, the Council shall respond to the amendments made by the Secretary by submitting to the Secretary, within ninety days after its receipt of the amended plan, any recommendations of the Council for changes in the plan (as amended by the Secretary) or, if the amended plan is acceptable to the Council, a statement that no revisions in the amended plan are proposed. If the Council fails to act within such ninety days, the Secretary's amended plan shall be deemed to be adopted.

(3) Within 30 days after receiving the response of the Council, the Secretary shall consider such recommendations and shall adopt a Plan which responds to the Council's recommendations in a manner which is consistent with the policies and purposes of this title.

(4) The plan may be revised from time to time in accordance with the procedure set forth in this section. The Council shall review the plan periodically, but not less frequently than once every five years.

ADMINISTRATIVE RESPONSIBILITIES WITHIN THE AREA

SEC. 7. (a)(1) Within the area, State and local governmental authorities of the State of California having jurisdiction shall exercise their authorities in a manner which is not inconsistent with the plan.

(2) Within one hundred and twenty days after the adoption of the plan, the counties of Monterey and San Luis Obispo and each State agency having jurisdiction in the area shall submit to the Council a program which describes the manner within their respective jurisdiction in which such county or agency shall provide for the implementation of the plan. The Council shall review the programs submitted under the preceding sentence and shall submit comments to each entity submitting such a program. The Council shall also consult with such entities and provide guidance to assist them in exercising their authorities in a manner consistent with the plan.

(b)(1) The Secretary shall administer the national forest system lands within the area in accordance with the provisions of this title and the laws applicable to the National Forest System in such manner as will best implement the plan adopted under section 6 of this title. Prior to the adoption of the plan, those portions of the area consisting of National Forest System lands shall be administered in accordance with the laws applicable to the National Forest System in a manner that will best achieve the purposes of this title. For the purposes of administration and management of lands or interests in lands acquired by the Secretary under the provisions of this title, the boundary of the Los Padres National Forest shall include such lands acquired within the boundaries of the area.

(2) The provisions of section 7(a)(1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-4-4601-11) shall be applied within the area without regard to the acreage limitations set forth in such provisions, and in applying such provisions, the purposes of this title shall be treated as outdoor recreation purposes.

(3) Subject to valid existing rights, all federally owned lands within the area are withdrawn from the operation of the mining and mineral leasing laws of the United States. No timber harvest or other cutting of timber shall be permitted on so much of the Los Padres National Forest as is within the area except to the extent necessary to control fire, disease, or insect activity.

(c) The Secretary, with the advice of the Council, shall provide for the administration of the plan and shall insure, within his existing powers, that the plan is carried out by all Federal, State, and local agencies having jurisdiction within the areas as required under subsection (a). The Secretary may enter into contracts and agreements with State or local agencies, landowners, or private nonprofit organizations in order to provide for the management of the area in accordance with the provisions of the plan. Authority to enter into contracts and agreements and to make payments under this title shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts. The Secretary shall be responsible for implementing section 6(c)(7) of this title and for coordinating the efforts of Monterey and San Luis Obispo Counties and the State of California to manage visitation on lands within the boundaries of the area managed by the counties and the State.

(d) Any consistency certification, consistency determination, or negative determination submitted to the California Coastal Commission pursuant to section 307 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451-1464) for any development project or plan within or adjacent to the area shall include a recommendation made by the Council for concurrence or objection by the coastal commission, based on the Council's review of the project or plan for its consistency with the plan. If the Council fails to make its recommendation within sixty days after the submission of a consistency review by the federal agency or the applicant to the coastal commission, the Council shall be considered to have made a recommendation for concurrence. Each Federal agency conducting or supporting activities directly affecting the area shall, after consultation with the Council, conduct or support such activities in a manner which is, to the maximum extent practicable, consistent with the plan. Any Federal agency proposing to undertake any development project in the area shall, after consultation with the Council, insure that the project is, to the maximum extent practicable, consistent with the plan.

LAND ACQUISITION AUTHORITIES AND RESTRICTIONS

SEC. 8. (a) From the date of enactment of this Act until adoption of the plan, the Secretary may acquire (1) lands, waters, or interests therein within the area by donation, purchase with donated or appropriated funds, or by exchange, where such lands, waters, or interests therein have been recommended for such acquisition by the Council, or (2) any other lands, waters, or interests therein determined by the Secretary; in accordance with the purposes of this title, to have critical ecological or scenic values which are in immediate danger of being adversely affected or destroyed.

(b) After the plan has been adopted, the Secretary shall have the following authorities in such areas as set forth in the plan:

(1)(A) The Secretary may acquire by donation, purchase with donated funds or by exchange in accordance with subparagraph (B), any lands, waters or interests therein (including scenic easements) within the area. Lands, waters or any interests therein within the area may be acquired without the consent of the owner thereof only to the extent provided under subsection (c) of this section. Lands, waters or any interests therein within the area owned by the State of California, or any political subdivision thereof, may be acquired only by donation or exchange. In exercising the authority provided under this subparagraph, the Secretary shall, to the extent feasible, acquire less than fee simple title to lands and waters.

(B) In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property, or any interest therein, located within the area, and in exchange for such property or interest, may convey to the grantor any federally owned property under the jurisdiction of the Secretary within the State of California which the Secretary classifies as suitable for exchange or disposal. The values of the properties so exchanged shall be equal, or if not equal, shall be equalized by the payment of cash to the grantor or to the United States, as the circumstances require. In the exercise of the authority to exchange property, the Secretary may utilize authorities and procedures generally available to him in connection with the exchange of lands.

(2) The Secretary may make grants under this title to the State, local governments, or private non-profit organizations or public entities for the acquisition of lands and waters or interest therein within the area to carry out the purposes of this title. The grants authorized by this section shall—

(A) be made in accordance with regulations promulgated by the Secretary, consistent with other applicable law, to carry out the purposes of this title;

(B) not exceed 50 percentum of the total cost of each parcel acquired by the State, by any local government, or by private nonprofit organizations or other public entities under this paragraph;

(C) be supplemental to any other Federal financial assistance for any other program; and

(D) be subject to such additional terms and conditions as the Secretary may deem necessary to effectuate the purposes of this section.

(3) In accordance with the provisions of the plan, the Secretary may convey title of property acquired pursuant to this title to State and local governmental entities where management efficiencies would thereby result and where such lands would be managed and protected in accordance with the purposes of this title. If the Secretary publishes his written opinion that the property has ceased to be used and protected pursuant to the provisions stipulated at the time of such conveyance, the title to the property shall promply revert to the United States, and the property shall be managed by the Secretary in accordance with the purposes of this title. Ninety days prior to his conveyance of property pursuant to this provision, the Secretary shall publish notice of the proposed conveyance in the Federal Register and shall also inform, in writing, the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate of his intention to do so and the reasons therefor. Upon such conveyance, the Secretary shall publish notice to that effect in the Federal Register.

(4) The Secretary may sell or lease back lands purchased within the area, as provided under paragraph (1), subject to restrictions in the deed or lease as the Secretary deems appropriate to ensure that such lands are used in a manner consistent with the purposes of this title; Provided, that the last previous owner or successor in interest shall be given right of first refusal of any such action proposed by the Secretary. The Secretary shall use the authority of this paragraph to provide for efficient management of the area and to preserve existing uses of the land in carrying out the purpose of this title.

(c)(1) The Secretary shall have no authority under subsection (b)(1) to acquire, to make grants to acquire, lands, waters or interests therein within the area without the consent of the owner thereof unless such acquisition is required—

(A) to provide for public access and recreation use as specified by the plan; or

(B)(i) to prevent new uses which would be substantially incompatible with the plan where the Secretary determines that there is no feasible alternative available to prevent such uses, (ii) to reclaim lands on which prior to adoption of the plan, to prevent such new uses have been initiated, or (iii) new uses which are substantially incompatible with the purposes of this title.

(2) In no event shall the Secretary acquire without the consent of the owner thereof any structure on which construction was initiated prior to July 1, 1980, including such lands on which the structure is located as are determined to be reasonably necessary to the use and enjoyment of the structure; Provided, that the structure was approved pursuant to State and local law.

(d) Whenever the Secretary of Defense determines any lands under his jurisdiction within the area are excess to the needs of the Department of Defense, such lands shall be transferred to the Secretary and shall be administered by the Secretary pursuant to the management plan. The exclusive jurisdiction exercised by the United States on the Federal lands transferred to the Department of Agriculture by the Department of Defense on June 4, 1957 (pursuant to 70 Stat. 736) is hereby changed to propriety jurisdiction.

SAVINGS PROVISION

SEC. 9. Nothing in this title shall be construed to affect or in any way diminish the authority of the California Department of Fish and Game or the California Fish and Game Commission to regulate or otherwise manage and preserve the fish and wildlife resources of the State in the area.

DEFINITIONS

SEC. 10. For purposes of this title, the term—

(1) "private non-profit organization" means an organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code and which was exempt from taxation under section 501(a) on the date of the enactment of this title.

(2) "contract" includes a contract or cooperative agreement which may involve the expenditure of appropriated funds.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There is hereby authorized to be appropriated for the purposes of this title, effective October 1, 1981—

(1) an amount not to exceed $5,000,000 from the General Fund of the Treasury for administration, making grants, and management and planning, as authorized by this title; and

(2) an amount not to exceed $25,000,000 from the Land and Water Conservation Fund in the Treasury for acquisition, such sums to remain available until expended.

By Mr. CRANSTON:

S. 41. A bill to authorize the establishment of the Desert Pupfish National Wildlife Refuge in the State of Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

DESERT PUPFISH NATIONAL WILDLIFE REFUGE

Mr. CRANSTON. Mr. President, I rise to introduce, for appropriate reference, a bill to authorize the establishment of the Desert Pupfish National Wildlife Refuge, to protect the few remaining desert pupfish. This legislation is based on measures I introduced in the 92d through 96th Congresses. The new bill, however, cuts the acreage to about 75 percent of my original proposal.

The Ash Meadows Area of Nevada has been the home of the several species of pupfish for 20,000 years. During this time, the pupfish have adapted from the cold water, postglacial lakes which covered the Western United States following the last Ice Age to a totally different and inhospitable environment, which is typified by Devil's Hole—where the water is high in mineral content, low in oxygen, and 92 in temperature.

Yet the desert pupfish may not survive another decade unless steps are taken to preserve their unique habitat. The pumping of water and development threaten their existence.

Saving the remaining species and subspecies of this endangered fish, along with the protection of their habitat, is of importance not only for the maintenance of nature's diversity, but because of their tremendous value for studies of genetic evolution. Already man's needless indifference has permitted the extinction of several subspecies, and two which live in the Ash Meadows Area are on the brink of extinction.

In addition to the unique desert pupfish found in the Ash Meadows Area, botanical research conducted by Dr. Janice C. Beatley of the laboratory of nuclear medicine and radiation biology of the University of California at Los Angeles, assistant professor of botany James L. Reveal, of the University of Maryland, and others, has revealed unique species of plants growing in the Ash Meadows Area—plants that are found in no other place in the world.

Some of these plants were restricted by revolution to this single area; most of them are entirely different from plants in surrounding areas of Nevada and California. If a Desert Pupfish National Wildlife Refuge were established, not only would the desert pupfish be rescued from extinction but these unique species of plants would be preserved. As Professor Reveal states—

We are fighting time. No advanced technology will ever replace an extinct species.

The desert region which I propose as the site of the Desert Pupfish National Wildlife Refuge is a 40-acre parcel of hillside which is part of Death Valley National Monument, but separated by almost 20 miles of desert from the main body of the monument. The 40 acres was included in the national monument in 1952, because of a deep limestone chasm in the side of the hill at the bottom of which is a small warm water spring. It is called Devils Hole, and is surrounded by two chain link fences.

Outside of the fences the Park Service has erected a sign which reads as follows:

DEVIL'S HOLE

In the small pool at the bottom of this limestone cavern lives the entire population of Cyprinodon diabolis, one type of desert pupfish. These fish live in what is probably the most restricted environment of any animal in the world.

If the pupfish becomes extinct, it will be because of man's activities. The little pupfish stands as both a concrete example of a living species about to become extinct as a result of man's reckless expansion and as a symbol of what the environmental fight is all about. Few of us have ever seen a pupfish; unlike many other fish, pupfish cannot be eaten; and most would, in considering my proposal, find a question on the tip of their tongues: "What good are they? Why should we worry?"

The answer to that question is that we cannot afford not to worry about the unforeseen future consequences of allowing the desert pupfish to die out as a living species on the planet Earth. Much of the environmental crisis today is the result of man's failure to see far enough ahead to avoid some of the frightening consequences which all of us now face. Not only are we faced with a tremendously costly cleanup job, but we are faced with a struggle over our own future survival.

I sincerely hope that my colleagues will join with me in this effort to save the tiny desert pupfish from total extinction.

Mr. President, I ask unanimous consent that the full text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 41

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve and protect several species of desert pupfish, and to interpret their evolution in areas of their natural environment, for the benefit and education of the people of the United States, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to establish the Desert Pupfish National Wildlife Refuge (hereinafter referred to as the "refuge") in the State of Nevada. The refuge shall contain certain lands in Ash Meadows, Nevada, comprising approximately 40,000 acres as depicted

on a map entitled "Ash Meadows, Nev.-Calif.", dated January, 1981.

SEC. 2. Within the boundary of the refuge, the Secretary may acquire lands, waters, and interests therein by donation, purchase with donated or appropriated funds, or exchange. Lands, waters, and interests therein owned by the State of Nevada, or any political subdivision thereof, may be acquired only with the consent of such owner. When the Secretary determines that lands, waters, and interests therein have been acquired sufficient to constitute an efficiently administrable unit for the purposes of this Act, he shall establish the refuge by publication of notice to that effect in the Federal Register. Pending such establishment and thereafter, the Secretary shall administer the lands, waters, and interests therein within the boundary of the refuge in accordance with the provisions of this Act.

SEC. 3. Effective upon establishment of the refuge pursuant to section 2, the Devil's Hole portion of Death Valley National Monument, which was added to the Death Valley National Monument by Proclamation numbered 2961 of January 17, 1952 (66 Stat. c 18), is abolished, as such, and the lands, waters, and interests therein are made a part of the refuge established pursuant to this Act. Any funds available for the Devil's Hole portion of Death Valley National Monument on the date of such establishment shall be available for the purposes of the refuge established pursuant to this Act.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. SASSER:

S. 42. A bill to enhance the ability of the Federal Government to collect delinquent taxes; to the Committee on Governmental Affairs.

DEBT COLLECTION PRACTICES IMPROVEMENTS ACT OF 1981

● Mr. SASSER. Mr. President, I am today introducing the Debt Collection Practices Improvements Act of 1981.

In the spring of 1980, I reported to my colleagues on the efforts of Federal agencies to collect just debts owed to the Treasury of the United States. The many reports by the General Accounting Office on governmental debt collection efforts chronicle a history of ineptitude and indifference. The reports also indicate that staggering sums of—as much as $1 billion a year in 1979 alone—are actually written off as uncollectable.

Unlike private institutions, the Federal Government has no coherent policy designed to recover money loaned to domestic and foreign institutions and individuals. In fiscal year 1979, the U.S. Office of Management and Budget reports that $175 billion is owed to the Government. Of this figure $47 billion is due to be repaid. The General Accounting Office has estimated that anywhere between $26 and $35 billion of this amount may be delinquent and that at least one-quarter, and possibly one-third of that delinquent debt will be lost to the Government. To put this loss in perspective, the recovery of the lowest estimated figure would have been sufficient to cover the outlays for 1980 of the Department of Justice, the Department of State, the entire appropriations for the legislative branch, and we still would have had almost a $500 million surplus to be used where most needed. Clearly, recovery of these funds would be an important step toward reducing waste and increasing the fiscal responsibility and restraint of their Government.

The information from the General Accounting Office led Senator PERCY and me last year to introduce the Debt Collection Act of 1980. This legislation, which we are reintroducing this year, is based on the recommendations contained in several GAO reports. Basically, this bill would allow Federal agencies to transmit the names of loan defaulters to credit bureaus as is commonly done in the private sector. We felt that the Debt Collection Act of 1980 was a start in the right direction, a meaningful effort to reverse the Federal Government's poor debt collection efforts.

Senator PERCY and I conducted hearings on the Debt Collection Act of 1980 last November. Much of the testimony at those hearings was supportive and encouraging. The distinguished Comptroller General of the United States, Elmer Staats, testified in support of the legislation, but suggested a number of additional steps not addressed in the bill.

The Comptroller's suggestions included: Charging interest on debts owed the Federal Government, preventing overpayments, contracting for debt collection assistance, collecting delinquent debt by offsets, more aggressive collection from Federal employees, using Internal Revenue Service locator assistance in tracking down delinquent debts and clarification of the 6-year statute of limitations on debt collection.

Some of these suggestions can be addressed administratively, others require further study, but several of the suggestions warrant immediate action. The Comptroller General specifically recommended legislation to:

Provide authority to collect general debts owed the Government by offset from a Federal employee's salary;

Recognize that the 6-year statute of limitations does not prohibit the offset of debts owed to the Government; and

Remove the restrictions on redisclosure of a debtor's address that has been obtained from the Internal Revenue Service.

The Debt Collection Practices Improvements Act of 1981, which I am introducing today, responds to the Comptroller General's recommendations. The bill does provide for three things: First, it provides for an offset from the salary of a Federal employee who is indebted to the Federal Government. Second, it clarifies the statute of limitations provision of title 28 of the United States Code by explaining that the section does not prevent the United States from collecting a claim against an individual by offsetting that amount against moneys payable by the United States to that individual. Finally, the bill amends the Internal Revenue Code to provide that the IRS may disclose a taxpayer's mailing address to an agency, under limited circumstances, to redisclose that information to consumer reporting agencies or debt collection agencies.

As I have noted, this bill compliments and expands upon other debt collection legislation which Senator PERCY and I and several of our colleagues are reintroducing. The two bills mark the beginning of a creative congressional response to a wasteful and intolerable situation, and I encourage my colleagues to give it their serious consideration during the 97th Congress.

Mr. President, I would like to have printed in the RECORD, along with my remarks, a copy of a letter from Mr. Bob Bullock, comptroller of public accounts for the State of Texas. In his letter, Mr. Bullock attests to the success—in the State of Texas—of debt collection practices similar to those called for in my legislation.

Also, I ask unanimous consent to have printed in the RECORD several summary tables prepared last year by the U.S. Office of Management and Budget outlining the amount of debt owed to the United States, as well as allowances—expected writeoffs of debts—and actual writeoffs that were made in 1979.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AUSTIN TEX.,
December 15, 1980.

The Hon. JAMES R. SASSER,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR SASSER: Your legislation to collect debts owed to the Federal government caught my attention because of a similar program underway in Texas.

Frankly, I think you are on the right track as far as fiscal sanity and financial responsibility.

Our program has been successful in tracking down and collecting from deadbeats and I can't see why the same theory wouldn't work on the federal level.

By way of background, the Comptroller of Public Accounts is Texas' chief fiscal officer and is responsible for collecting taxes as well as issuing warrants (payments) for goods and services purchased by state agencies.

Fortunately, Texas has a law (Article 4350) which prohibits the Comptroller from issuing a warrant to any person who is indebted to the state. The law was enacted more than 70 years ago and in 1967 it was broadened to include delinquent taxpayers.

In 1978, I established an automated accounting system and payment system which interfaces with tax information and tax collections.

Simply, we are able to short-circuit any state payment to a person or organization who owes the state a debt. When the debtor clears the delinquency, we make the payment.

Since mid-1978, I've held 75,038 warrants by using this system.

That resulted in the collection of $3,633,557.48 in delinquent taxes.

While this system was designed to assist in the collection of delinquent taxes, we found it could be easily applied to other kinds of debts.

In mid-1979, I ordered the "warrant hold" program to comb the delinquency list on the state's student loan program.

The state had advanced education money to more than 130,000 students since 1966 and 13 years later there was a delinquency roster of more than 24,000 persons owing the state some $39 million.

During the first month, 641 state employees were identified as delinquent. In addition to these employees 322 other individuals were identified as owing student loans.

The paychecks of the state employees were "impounded" until these individuals either paid off the debt or made arrangements to make payments.

The 322 other debtors were individuals who had state payments due them for goods and services supplied to state agencies and their payments were held until the education loan debt was erased.

This action "cleared" $1.2 million the first month alone.

During the past year, the procedure for establishing holds on warrants and then releasing them as the accounts are cleared has become a routine part of our efforts to collect debts owed the state.

The success of the program finally led to several colleges and universities in the state asking me to help collect National Direct Student Loans (N.D.S.L.) for them.

Naturally, I'm pleased with the results, over the past couple years, in collecting debts owed to the state.

In delinquent taxes, we can account for more than $3 million that would not have otherwise been sent to the treasury. On student loans there are several million dollars that can now be put back to use on new student loans.

For sure, we aren't tackling the kind of debts that you want to see collected. I pass this information along to you in the spirit that if an administrator or government agency wants to collect debts, they can be collected. And, frankly, they can be collected without expensive or far-flung bureaucracies.

If you want additional information, please let me know.

And, again, I think you're on the right track. Keep up the good work.

Sincerely,

BOB BULLOCK,
Comptroller of Public Accounts.

GOVERNMENT-WIDE

STATUS OF RECEIVABLES DUE FROM THE PUBLIC, SEPT. 30, 1979

[Amounts in millions]

	Accounts receivable		Loans receivable		Total receivables	
	Amount	Percent	Amount	Percent	Amount	Percent
1. Total receivables	24,672.2	100.0	150,520.3	100.0	175,192.5	100.0
(a) Current	24,022.2	97.4	27,946.8	18.7	46,969.0	26.8
(b) Long term	650.0	2.6	127,573.5	84.6	128,223.5	73.2
2. Age of receivables:						
(a) Not delinquent	4,426.1	18.0	14,863.8	64.8	19,289.9	81.1
(b) Delinquent	17,538.2	71.0	7,732.2	33.7	25,270.4	53.8
1 to 30 days	314.1	1.3	169.6	.7	483.7	1.0
31 to 90 days	4,204.4	17.5	635.0	2.8	4,839.4	10.3
Over 90 days	13,019.7	54.2	6,927.6	30.2	19,947.3	42.5
(c) Not aged	2,057.9	8.6	350.8	1.5	2,408.7	5.1
Total allowances	3,341.7		2,944.0		6,285.7	
Total writeoffs	780.7		237.3		1,018.0	

DOMESTIC SUMMARY

STATUS OF RECEIVABLES DUE FROM THE PUBLIC SEPTEMBER 30, 1979

[Amounts in millions]

	Accounts receivable		Loans receivable		Total receivables	
	Amount	Percent	Amount	Percent	Amount	Percent
1. Total receivables	23,041.5	100.0	102,712.2	100.0	125,753.7	100.0
(a) Current	22,865.5	99.2	17,710.7	17.2	40,576.2	32.3
(b) Long term	176.0	.8	85,001.5	82.8	85,177.5	67.7
2. Age of receivables:						
(a) Not delinquent	3,452.5	15.1	10,906.3	51.6	14,358.8	35.4
(b) Delinquent	17,369.0	75.0	6,513.2	30.8	23,882.2	58.9
1 to 30 days	313.7	1.4	136.8	.8	450.5	1.1
31 to 90 days	4,204.1	18.4	581.3	3.3	4,785.4	11.8
Over 90 days	12,851.2	56.2	5,795.1	32.7	18,646.3	46.0
(c) Not aged	2,044.0	8.9	291.2	1.6	2,335.2	5.7
Total allowances	3,341.7		2,944.0		6,285.7	
Total writeoffs	780.7		237.3		1,018.0	

FOREIGN SUMMARY STATUS OF RECEIVABLES DUE FROM THE PUBLIC SEPTEMBER 30, 1979

[Amounts in millions]

	Accounts receivable		Loans receivable		Total receivables	
	Amount	Percent	Amount	Percent	Amount	Percent
1. Total receivables	1,630.7	100.0	47,888.1	100.0	49,438.8	100.0
(a) Current	1,156.7	70.9	5,236.1	10.9	6,392.8	12.9
(b) Long term	474.0	29.1	42,572.0	88.1	43,046.0	87.1
2. Age of receivables:						
(a) Not delinquent	972.5	84.2	3,957.5	75.6	4,931.1	77.1
(b) Delinquent	169.2	14.6	1,219.0	23.3	1,388.2	21.7
1 to 30 days	.4	(1)	32.8	.6	33.2	.5
31 to 90 days	.3	(1)	53.7	1.0	54.0	.8
Over 90 days[2]	168.5	14.6	1,132.5	21.7	1,301.0	20.4
(c) Not aged	13.9	1.2	59.6	1.1	73.5	1.2

[1] Less than 1/10 of 1 percent.

[2] All delinquencies for all over 90 day categories for Ex-Im and AID have been combined into this category. ●

By Mr. SASSER (for himself, Mr. DURENBERGER, Mr. NUNN, Mr. ROTH, Mr. EAGLETON, Mr. LEVIN, Mr. HATFIELD, Mr. HEFLIN, Mr. DANFORTH, and Mr. PRYOR):

S. 43. A bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

STATE AND LOCAL GOVERNMENT FISCAL NOTE ACT OF 1981

● Mr. SASSER. Mr. President, I rise today to introduce the State and Local Government Fiscal Note Act of 1981. This measure is, quite simply, a timely and necessary response to the rising chorus of voices in our land who are crying out for fiscally prudent and accountable behavior on the part of the Federal Government in its dealings with State and local governments.

Fiscal notes, or analyses of the costs of legislation to government, are not a new idea, although they represent a relatively recent phenomenon at the Federal level. It was not until the Congress

passed the Congressional Budget Act of 1974 that it directed the newly created Congressional Budget Office, or CBO, to prepare fiscal notes outlining the cost to the Federal Government of proposed legislation. Prior to that, these costs had simply not been determined.

Fiscal note processes originated at the State level. In the late 1950's, New Jersey and Wisconsin enacted fiscal note laws, and in the early 1960's, Missouri and Colorado did the same.

Many States, with constitutional limitations on their ability to raise new taxes and, hence, pay for new programs, found fiscal notes a sound device for anticipating the costs of new legislation—not only to State governments, but to local governments as well.

Some States have even adopted fiscal note procedures for proposed administrative rules and regulations. In total, 47 States have in place—either through statute or administrative action—procedures for fiscal notes on measures resulting in costs to State governments. And 35 States use fiscal notes for proposed legislation affecting local governments.

The rationale behind the proposed State and Local Government Fiscal Note Act of 1981 is plain and forthright. A fiscal note bill will serve as a "caution light," if you will, to Congress—warning of hazardous fiscal consequences ahead should it proceed with costly legislation.

From time to time a new Federal program, no matter how well-intentioned it is, ends up costing the Nation's States, counties, cities, townships and towns millions and even billions of dollars in unintended costs.

For example, Mr. President, many of us here are familiar with the Federal Water Pollution Control Act Amendments of 1972. Few in 1972 questioned the wisdom for the Federal Water Pollution Control Act, which was destined to channel billions of dollars for badly needed sewerage facilities across the Nation. As such, the 1972 amendments, with their promise of billions of dollars, were quite popular, both in and out of Congress.

Local governments in particular saw the funds as the solution to a costly capital improvement program they themselves were incapable of undertaking.

So, what happened? This legislation also contained requirements for pollution discharge standards for municipal sewage treatment operations. Ultimately, local governments spent $6 billion from 1972 to 1977 to pay the capital costs involved in meeting the Federal standards.

There are other examples in which conditions attached to congressional legislation or mandatory requirements by Federal agencies have made State and local governments sometimes question the benefit of even applying for funding under certain programs—which returns me to my original argument for this legislation.

Why is a State and Local Government Fiscal Note Act so important now?

The quickest explanation is that as long as the Federal Government was earmarking more and more money to State and local governments, the costs of complying with the conditions attached to that money did not really hurt.

Adjusted for inflation, Federal aid to State and local governments from 1956 to 1977 increased by over 450 percent. With that much fiscal relief, few State and local governments felt fiscal pain.

The past several years have brought a change, however, in the fiscal relationship between Federal, State, and local governments. For a variety of reasons, Congress has scaled down the level of Federal aid to other levels of government. Federal assistance to State and local governments in the past several years, when adjusted for inflation, has remained virtually stable.

And as the discussion over our Nation's economic future in recent months indicates, there may be little prospect for a reversal of this trend. In fact, the remainder of the 1980's may see a decline in Federal assistance to States, counties, cities, and towns across the Nation.

Mr. President, my bill recognizes the recent trends and demands extant in intergovernmental fiscal relations. It seeks to begin to remedy the situation now faced by State and local governments.

We in the Congress almost recognized the inherent need for such legislation last year. The same bill was approved unanimously by both the Senate Budget Committee and the Senate Governmental Affairs Committee. And the House Rules Committee had almost finished action on an identical version when the 96th Congress came to an end. Now, it is time to act again.

I might point out that, in developing this bill, there was input from representatives of State and local governments, who gave the measure their overwhelming endorsement, and from the CBO, which would prepare the fiscal notes. CBO, too, supports this bill.

Specifically, under the terms the State and Local Government Fiscal Note Act, proposed legislation would have to have a "threshold" impact of at least $200 million nationwide on State and local governments, or a significant impact on a particular region or level of government, before a fiscal note is required. And, secondly, the bill requires fiscal notes only for those bills or resolutions which are reported by congressional committees—not for all bills introduced. This would be a manageable process for CBO.

So, I urge my colleagues to give this measure their consideration and support.

In the long term, however, Mr. President, we in Congress will have to address the larger question—the question of just how we plan to give State and local governments the greater flexibility they need to deal with the formidable network of requirements, conditions, mandates, and expanded responsibilities the Congress and the Federal Government has imposed on them over the past few decades, at the same time State and local governments face the prospect of shrinking financial assistance to cope with it all.

Enactment of the State and Local Government Fiscal Note Act of 1981 is a sound, logical, first step in addressing this question.

I might point out, Mr. President, that this fiscal note concept has received widespread editorial support from various newspapers, and I ask unanimous consent to have printed in the RECORD in addition to my remarks, copies of two such editorials—one from the Washington Post and one from the Nashville Banner.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Nashville Banner, Sept. 18, 1980]

CONGRESS SHOULD POINT UP LOCAL COSTS OF ITS ACTIONS

Sen. Jim Sasser has offered a constructive and important piece of legislation with his bill that would force Congress to take a close look, before taking final action, at how much its major legislation would cost local and state governments to comply.

For as long as anyone can remember, Congress has been blamed by local public administrators for passing bills and forcing local officials to meet the expenses as best they could with limited operating budgets. For instance, it was revealed in a Senate hearing chaired by Sen. Sasser that St. Louis is building a bridge with federal funds, only to find federal requirements for ramps and elevators to serve the handicapped costing more than the bridge itself. Another was the case of New York City being hit with a bill for $2 billion, which it doesn't have, to provide access for the handicapped to several already-completed federal aid projects.

Private industry, as well as local governments, would benefit from Sen. Sasser's bill, as it, too, is burdened greatly with high costs of federal regulations.

Tennessee is one of only a few states which require the state to provide funding to local governments to implement, or comply with, state-mandated programs and services. The idea behind Sen. Sasser's legislation is that Congress might not enact certain legislation if it determines that the costs to implement it would be too great a burden on state and local governments.

A strong case in point, as explained by State Rep. John Bragg, chairman of the legislature's Finance Ways and Means Committee, is the Rehabilitation Act of 1973, which promises the handicapped full access to programs receiving federal funds. The legislation, and regulations which inevitably followed, cost state and local governments across the nation billions of dollars in extra outlays. Another regulation, the proposed measure governing bilingual education, may well cost the state of Virginia $10 million to comply.

Even if legislation were approved that would be costly to local governments, under Sen. Sasser's bill Congress would have to tell them roughly what costs would be incurred in order to comply. Since many state and local budgets must be approved before the federal budget, cost estimates for local officials would help them to prepare better for the extra financial strain.

Sen. Sasser proposes, rightly, that Congress immediately identify hidden and significant costs of its actions in order to give local governments adequate information for better policy-making and budget decisions. It has been needed for a long, long time, and we, along with local government officials and those in private industry, applaud the effort of Sen. Sasser in helping to know the costs of complying with federal regulations.

[From the Washington Post, Jan. 3, 1980]

GIFT HORSE

After two decades of soliciting federal grants, governors and mayors are becoming wary. The federal gift horse, they have learned, is a ponderous beast dragging behind him a chain of encumbrances.

The most recent evidence of this reevaluation is the decision of Virginia's Gov. John Dalton to refuse federal money under the developmental disabilities program for certain retarded and disabled persons. Among the reasons cited by the governor were requirements that states establish elaborate evaluation systems, and find jobs with equal pay and benefits for personnel laid off as the result of program efforts to move institutionalized persons back into the community. These provisions are not new, and the governor's claims with respect to their potential cost are questionable. But his action should draw attention to a growing problem in our federal system.

When the federal government provides money to states and localities it must also try to see that the money is used efficiently for the purposes intended. But there are some devices employed in federal statutes and regulations that deserve closer scrutiny. One is the practice of specifying not only the general purpose of a program but the exact method of its operation without regard to the necessity and suitability of each minute requirement in each and every case. Day care, bilingual education and nursing-home regulations are frequently cited examples of this kind of overkill.

Still more galling to states and localities are federal commands with no federal dollars to back them up. The classic example of this kind is the federal regulation requiring not just that some, but rather *all* federally aided mass transit systems (including even local bus systems in small towns) be retrofitted to provide elevators and wheelchair lifts for the handicapped. Estimates of the potential cost to localities range to $20 billion, despite the uncertain benefit of this sort of transportation to many of the handicapped.

Not all of the many claims of heavy-handed federal regulation are of equal merit, and all of the regulations involved will be defended as necessary by well-meaning advocates. While some requirements are the work of overzealous bureaucrats, most spring directly from congressional statutes. Many of the most burdensome rules were added to federal laws at the behest of special interest groups with little or no public hearing or debate. Almost all passed into law with no estimation of their likely costs.

Congress already requires the Congressional Budget Office to prepare an estimate of the federal cost of all reported legislation prior to passage. Why not extend that same good rule to the likely costs for state and local governments as well?

● Mr. DURENBERGER. Mr. President, I am pleased to join with Senator SASSER and other colleagues as a sponsor of the State and Local Government Fiscal Note Act of 1981.

This legislation would require the Congressional Budget Office to prepare and each House of the Congress to consider a formal estimate of the costs incurred by State and local governments for each bill reported by a committee to the House or Senate of the United States. The Congressional Budget Act of 1974 already contains a fiscal note provision for the cost of new legislation to the Federal Government. Approximately 35 States require the preparation of fiscal notes for bills and resolutions considered by their legislatures.

At a time when resources for Federal Government action will be more scarce, but the demands for services ever as pressing, the fiscal note process required by this bill will afford needed protection to State and local governments and to their taxpayers. I am sure there will be a strong temptation in this Congress to continue with Federal activism.

It is our habit and one that will be hard to break. Faced with the public demand to reduce the size of the Federal budget and the scope of Federal activity, that temptation may take the form of seemingly innocent legislative language which keeps government growing by mandating State or local actions paid for with dollars that do not appear on the Federal ledger.

As the incoming chairman of the Subcommittee on Intergovernmental Relations, I am eager to take up the challenge of our new Republican President. His promise to thoroughly examine the Federal structure of government and to determine at which level services are best provided—and at which level services are best funded—means that the IGR Subcommittee will have a full plate in the coming 2 years. I see this fiscal note bill as an important step, necessary to provide the tools for a thorough review of the Federal system.

I want to thank Senator SASSER and Senator MOYNIHAN for bringing this approach to the attention of the Congress last year. Similar legislation was reported by both the Governmental Affairs Committee and the Budget Committee without dissent in the 96th Congress. I think this record portends early action in the 97th and I pledge these Senators my efforts to move this bill swiftly.

Thank you, Mr. President.●

● Mr. DANFORTH. Mr. President, I am pleased to cosponsor the State and Local Government Fiscal Note Act of 1981. This bill would require the Congressional Budget Office to estimate the costs which State and local governments can be expected to incur in complying with significant legislation. Last year I cosponsored an identical bill, which was favorably reported by the Governmental Affairs Committee but never considered by the full Senate.

Mr. President, this proposal is so reasonable it is surprising it has never been approved. It is simply good sense for Congress to have as much information as possible in assessing the impact of proposed legislation. If we are going to enact legislation imposing significant costs on State and local governments we should be aware of those costs at the time we are considering the legislation—not afterward. Congress good intentions—written into laws imposing all sorts of mandates on State and local governments—are paving a proverbial road to the poorhouse for many governments. This bill recognizes that a good deal of the costs imposed by Federal legislation may well be intentional and avoidable—that it would be a good idea for Congress to consider the impact of its actions on State and local governments before it acts.

I hope that my colleagues will join in support of this legislation. It is needed. But in addition, should this legislation pass and should this process be put into place, I hope and trust that my colleagues will heed the reports of the Congressional Budget Office—rejecting legislation imposing unjustified costs on State and local governments and modifying legislation imposing unnecessary costs on State and local governments, mindful that such costs must be borne by the taxpayers just as surely as the costs of any Federal spending program. The willingness to support this legislation now must carry with it the commitment to make it mean something in the future.●

By Mr. BRADLEY:

S. 44. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for social security taxes paid in 1981 and 1982; to the Committee on Finance.

TAX CREDIT FOR SOCIAL SECURITY

● Mr. BRADLEY. Mr. President, as we begin the new 97th Congress and the country awaits the inauguration of a new President, our domestic agenda is already before us. 1981 will be the year the Government addresses our economic difficulties, with a hope that the country will indeed see the beginning of a revitalized economy, a stimulation of productivity, a return of millions of Americans to work, a reduction of taxes, and last and by no means least, a reversal of our economy's endemic inflation.

Americans look forward to the new administration's plans with hope and expectation. The campaign was full of dramatic rhetoric and confident promise. Much of the talk seemed to rely more on optimism and enthusiasm than traditional economic theory. But maybe the essential ingredients of a successful economic program are optimism and enthusiasm. If so, the new Republican leadership in the Senate and the Finance Committee, together with President Reagan's new government, have those qualities in abundance. I know that I speak for my Democratic colleagues on the committee and in the Senate in wishing them well. We all stand to gain if the new Republican leadership succeeds in making good on the promise that brought them to office.

The new administration promises its economic and tax plan soon after inauguration. That plan cannot come too soon. For January, as the month of new beginnings, is also the month of a new increase in social security taxes. Starting the first of this year, payroll taxes have increased by 8 percent, thus reducing the amount of spendable income of all Americans on salary at the very same time that double digit inflation continues to make their take-home pay worth even less.

The impact of the social security tax increase is not only on consumers, with its direct effect of reducing demand and further hampering recovery from the recession; the tax increase also applies to business, and drives up the labor costs that are directly related to prices. Thus this tax increase has two damaging effects; it reduces demand and slows down recovery while it drives up costs and prices, furthering inflationary pressure.

Americans might wonder at the wisdom which mandated a tax increase at this time. Unfortunately, the tax increase was made necessary by the depleted social security trust fund, which

badly needs a new infusion of revenues to stay solvent. The increase will fend off a crisis in the trust funds for a short while, but we will have to take a good hard look at social security reform this year if the system is to be put on a permanently sound basis. While the increase offers a temporary respite from a crisis in social security, it is bitter, difficult medicine for most Americans and for all businesses.

Nonetheless, we must have this payroll tax increase, which Americans will start seeing in their first weekly and biweekly paychecks in a few days.

I believe that it is necessary to compensate for this tax increase and to do so in a way which not only relieves taxpayers and businesses of the hardship I describe, but in a way which also has some direct benefit to the country's economy. For that reason, I have today introduced a bill for a temporary 2-year income tax credit amounting to 10 percent of social security tax payments. I am convinced that this proposal will stimulate employment by reducing the cost of labor. It will also provide business an infusion of cash flow quickly if the credit is returned during the tax year, reduce inflation by lowering the CPI, and offer immediate relief to individual taxpayers who will see the credit reflected in their withholding soon after it is enacted.

I offered this proposal last year, in the hopes that it would become part of the general tax reduction bill than being constructed by the Senate Finance Committee. That bill, as we all know, was the product of masterful cooperation between the majority and minority members of the committee, and belied claims that a good tax bill could not be written in the middle of a political campaign. It was also a tribute to Senators DOLE and LONG, who have now exchanged positions, but not, I hope, their commitment to that legislation. This bill was endorsed by candidate Reagan. Wisdom suggests that President Reagan will also endorse it.

My proposal forms a proper and needed complement to that legislation. I had intended to offer it to the committee bill as an amendment, had the tax bill been taken up by the Senate. I introduce it again today in the hopes that the tax bill that comes out of Finance this year will contain its provisions; if not, I will offer it on the floor.

Last year, when I first introduced the Senate version with Senators EAGLETON, RANDOLPH, and DURENBERGER, I enumerated the advantages I saw in the social security tax credit. They are even more valid today:

First, it provides needed additional income to businesses by reducing the amount they have to contribute as employer share of social security taxes. This income will be available for additional investments, for additional employment, and as much as 75 percent will be reflected in lower prices for goods and services. As it reduces the cost of labor it has an immediate impact on productivity. While admittedly this is not the long-term solution to increasing productivity, it does represent a needed shot in the arm to this critical problem of our economy.

Second, unlike other business tax cuts, this reduction will benefit all types of industry, not just those which are capital intensive. In this respect, it offers special advantages for the service sector of our economy which, of course, is labor intensive.

Third, it should be especially helpful in encouraging employment. It is estimated that it takes an investment of about $100,000 in the manufacturing sector to provide for each additional new employee. In the service sector, the cost is $20,000 to $40,000. And the service sector offers the greatest opportunities for employment of minorities, women, the unskilled, and others who are most immediately and seriously hurt by recession.

Fourth, this proposal offers tax benefits to both business and labor. The estimated $10.3 billion tax reduction for fiscal year 1981 and $16.2 billion for fiscal year 1982 will be divided about 2 to 1 in favor of individuals.

Fifth, the importance of this proposal in easing recession cannot be overstated. It should reduce the cost of goods and services immediately, by reducing the labor costs attributable to them. On the one hand, it makes those products more attractive to the consumer, while also providing more resources to the consumer with which to make those purchases.

Sixth, this tax cut will reduce inflation. The CBO estimates that it will actually reduce the rate of inflation by as much as 0.3 percent and at the least, by 0.1 percent, since most of the business labor cost savings will probably be reflected in lower prices.

Seventh, the proposal may go far toward counteracting the Federal revenue losses and expenses associated with the recession. As a rule of thumb, every increase in unemployment of 1 percent results in the loss of revenue and increases of other costs to the Federal Treasury of $29 billion. To the extent that this proposal does result in creating jobs, Federal revenues will increase. Counting the savings in the costs associated with unemployment and the return to the Treasury in increased income taxes from those at work, the net cost to the Treasury of this proposal would be reduced.

Eighth, as with all good tax cuts, this proposal is progressive. For those employees who have not had an increase in salary, the tax cut of 10 percent will more than offset the 8-percent increase in payroll taxes that is now in effect. And, since this is a tax credit, it will offer proportionately more benefits to those at the lower tax brackets than to individuals at the higher rates.

Finally, I propose to have this credit refundable, so it will benefit those at the very lowest income levels, as well.

Most important, however, this proposal is a way of attacking directly the great increase in social security taxes that will take effect on January 1.

I believe this is a proposition that should attract the support of Members on both sides of the aisle, because it is a job-creating, anti-inflationary tax cut that also increases productivity.●

By Mr. SASSER (for himself, Mr. NUNN, Mr. PRYOR, Mr. LEVIN and Mr. BAUCUS):

S. 45. A bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance; to the Committee on Governmental Affairs.

FEDERAL ASSISTANCE REFORM ACT OF 1981

● Mr. SASSER. Mr. President, I introduce legislation today with Senators LEVIN, PRYOR, NUNN, and BAUCUS to reduce the paperwork and cost burdens imposed on State and local governments, as well as nonprofit organizations, which receive Federal assistance.

This bill was shaped during the 96th Congress by the Governmental Affairs Committee in consultation with public interest groups, nonprofit organizations, and other groups affected by Federal grant programs. It was unanimously approved by the Senate Governmental Affairs Committee last September and passed the Senate on December 1. However, the press of business prevented its consideration in the House.

It is clear that the funding for intergovernmental aid programs is in a period of decline in the 1980's. For one thing, the buying power of the Federal assistance dollar is projected to decline 8.3 percent in 1981. For another, the Congress must attend to other priorities such as spending for defense and insuring the continuation of social security.

This decline in Federal assistance comes at a time when State and local governments face a budgetary squeeze because of the erosion of their own tax base. In addition, the proliferation of regulations attached to Federal assistance programs imposed heavy additional cost burdens on the recipients of grants.

The comprehensive grant reform legislation, S. 45, which I introduce today proposes several solutions to the problems of the Federal grant system.

This legislation, if enacted, would encourage congressional consideration or Presidentially proposed consolidations of duplicative, overlapping grant programs. Such consolidation of grant programs would mean fewer "strings" because there would be a reduction in the requirements for the administration of grant programs.

Passage of this legislation would put into statute the single audit of organizations receiving Federal assistance which is now administratively directed by OMB Circular A-102, attachment P, and it insures that the provisions of this circular are extended to nonprofit organizations as well as State and local governments. Putting this administrative directive into law gives it congressional backing and more clear authority.

This omnibus grant reform bill also strengthens the Joint Funding Simplification Act of 1974. Essentially, this procedure allows the administrative "consolidation" of grant programs through negotiation between grant recipients and Federal grant-making agencies. Once a joint funding agreement has been signed, recipients can administer grant programs with just one audit, one report and one application for renewal.

Although joint funding has already been reauthorized for another 5 years, until 1984, the passage of S. 45 allows strengthening revisions which give greater authority to the Office of Management and Budget and directs the Federal agencies to work with their counterparts in developing compatible grant procedures.

S. 45 incorporates a procedural "bill of rights" for recipients of Federal grants. This concept was suggested by Senator LEVIN. Essentially, the provisions of this section authorize Federal agencies to waive new regulations in cases where grant recipients have made a substantial commitment to compliance with a superseded requirement. It would also require notification to grant recipients whenever a Federal agency withdraws from or refuses to renew funding for an ongoing project or program so that the recipient would have an opportunity to respond. Agencies would also be required to explain their rejection of an application for a grant.

Several other provisions of S. 45 are intended to improve the management of Federal grant programs. The Office of Management and Budget is required to develop a system, in cooperation with Federal grant-making agencies, to provide comprehensive information on the amount and purrose of Federal assistance awarded a State or its subdivisions in a given fiscal year. The Advisory Commission on Intergovernmental Relations is directed to study alternative methods of delivering public services supported by Federal grants. And the OMB is directed to study the costs for administering the Federal assistance system by conducting a pilot study to develop methodology and coordinating annual agency reports on administrative expenditures for the 100 largest programs.

S. 45 also amends the Intergovernmental Cooperation Act, the statute governing the administration of the Federal assistance system, by adding a requirement that State legislatures be involved in decisionmaking about grant programs within their jurisdiction when their involvement is the practice within a State.

These reforms in the intergovernmental grant system are needed now more than ever before. The administrative costs for Federal assistance programs were offset in the past, when the grant system was growing at a rapid pace during the past 30 years. And they were offset when the State and local sector was one of the Nation's leading growth industries, with expenditures and employment outpacing Federal Government and private sector growth.

However. State and local expenditures from their own source revenues fell from 11.1 percent of the gross national product in 1975 to 10.5 percent of GNP in 1979. State and local employment declined from a 4.5 percent annual rate of growth between 1962 and 1972 to a 2.5 percent rate between 1973 and 1978.

Today, approximately 25 percent of the budgets of State and local governments is comprised of money from the Federal Government. The legislation I propose will give them the flexibility that is needed to manage this money well without becoming discouraged by the "hidden costs" of regulations and paperwork burdens.●

By Mr. THURMOND:

S. 46. A bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits; to the Committee on Governmental Affairs.

MILITARY RETIREMENT BILL

Mr. THURMOND. Mr. President, in 1956, the Congress, in passing a modification to the social security law (Public Law 84-881), inadvertently created an inequity that has come to be known as "catch-62," because the injustice is mandatory under the law. I am again proposing legislation for the fourth time to correct this inequity.

My measure refers to the provision in the law which requires that at age 62 and thereafter, all civil service retirees who are veterans and have combined their military service and civil service for calculation of their civil service annuities must involuntarily accept a recomputation of their annuities, omitting all credit for their military service after 1956. This is because of their eligibility for social security benefits due in any part to military service.

These annuity reductions take place even though the retiree may not receive social security payments because he is working, or would prefer to delay receiving them to age 65 for maximum payments, as all others are allowed to do.

This enforced substitution of a less advantageous civil service annuity when a veteran has properly qualified for an annuity based upon all his Government employment and the average of his highest 3 years' pay was placed in Public Law 84-881 without adequate hearings or evaluation of its long-term impacts.

Mr. President, while the intent of the law was to provide military personnel a portable social security benefit and to increase their incomes in retirement, the Civil Service Commission (CSC), now known as the Office of Personnel Management (OPM), objected to veterans receiving credit for both social security and their annuity for the same years of service. The Commission took the position that this would be a double credit in violation of laws which preclude crediting service to two retirement systems at the same time.

The fallacy in this objection is that the social security system is not a retirement system, and was never so intended. It was originated in 1936 as an old age benefit to keep persons in their declining years from becoming indigent. It was expected that social security recipients would have additional income from part-time work, personal savings, and retirement plans.

In order to qualify for a civil service combined annuity, a veteran entitled to military retired pay must waive all rights to it and accept only the annuity. There is no double credit for the military service; it is counted only for civil service retirement.

Military retirees who do not enter the civil service receive both their full retired pay and social security payments based upon the same periods of military service. Temporary Federal employees are also simultaneously covered by the social security system. Under Public Law 91-360, temporary employees who acquire permanent employee status and come under the civil service retirement system may credit all their temporary employment for retirement purposes without penalty at age 62. Also, they retain their social security entitlements based upon their temporary employment.

Mr. President, more than 350,000 temporary civil service employees have become permanent employees, and the number is increasing daily. Approximately 45 percent of the 2.9 million civil service and postal service employees have had some military service. Nearly 1 million, including 345,000 Vietnam veterans, have had service after 1956 and are subject to catch-62. Only 14 percent of these veterans are military retirees, but all will suffer from catch-62 when they become eligible for social security.

At present, Federal civil service retirees who have had no military service after 1956, do not suffer annuity reductions at age 62 if they are entitled to social security (or at any later age if they become so entitled). About 60 percent of civil service annuitants are entitled to social security payments in addition to their annuities.

Military retirees who do not enter the civil service draw retired pay from the date of their retirement and social security at age 62 or later, when eligible. The uniformed services have been required to contribute to social security since 1956, and any military retiree with 10 years of service after 1956 is eligible for social security on the basis of military service alone.

However, the individual with any military service after 1956, who enters the civil service and retires, counting his military service in the computation of his annuity, is required at age 62 to forfeit that portion based on his military service, if he is entitled to social security (or at any later age when he becomes so entitled). The annuity reduction takes place even when he cannot draw social security because he is working again, and he does not have the choice of deferring the annuity reduction to age 65 for maximum social security payments. Unlike the all-military careerist, or the all-civil-service careerist, the catch-62 victim is denied retirement income after age 62, based on all his Government service just because he transferred from military to civil service.

Mr. President, it is a matter of equity

that all employees of the civil service should receive equal consideration on retirement for service renedered to the U.S. Government, be it military or civil service. This was a principle of the Civil Service Retirement Act of 1920 and has remained constant except for the single anomaly catch-62 created in 1956 by section 8332(j), title 5, Public Law 84-881. Some agencies have obtained exceptions for all or part of their employees who are veterans. These exceptions are the Foreign Service, the Environmental Protection Agency, the Federal Water Pollution Control Administration, and the Consumer Product Safety Commission. In fairness, the policy should be the same for all. It is a gross injustice and discrimination for other veterans to be penalized monetarily by catch-62.

A civil service retiree who served in the uniformed services for 5 years after 1956, and has his required total of 40 quarters, will lose about 17 percent of his Federal annuity at age 62. A Federal employee retiring in 1979 with 11 years in the uniformed services after 1956, would find his annuity reduced by about 37 percent. The social security entitlement often is far less than the lost annuity income.

Mr. President, I am including a brief tabular comparison of the after-1962 incomes of typical civil service annuitants who are entitled to social security, veteran and nonveteran. Bear in mind that the Universal Social Security Study Group projected that nearly 80 percent of civil service employees are or will be qualified for social security through other employment. This table shows that the nonveteran annuitant entitled to social security always has a higher post-62 gross income than the veteran annuitant of the same grade and length of Government service.

The table is as follows:

ANNUAL INCOMES AT AGE 62 FOR AVERAGE CIVIL SERVANT WHO RETIRED AT AGE 55 WITH 30 YR OF GOVERNMENT SERVICE AND IS ENTITLED TO SOCIAL SECURITY (ALL VETERANS SUBJECT TO CATCH-62)

	Nonveteran with minimum social security income	Veteran with 3 yr military service	Veteran with 10 yr military service	Nonveteran with 20 yr social security coverage	Veteran with 20 yr military service	
					Combined annuity	Separate annuities
Annuity	11,400	10,180	7,350	11,050	4,400	5,200
Social security [1]	1,900	1,900	1,900	2,900	2,900	2,900
Military retiree	0	0	0	0	0	6,100
Total	13,300	12,080	9,250	13,950	7,300	12,200

[1] Typical low-level social security entitlements of civil service annuitants and 20-yr military retirees (worker only).

The above chart depicts the dramatic catch-62 inequity between the total post-62 retirement income of a typical veteran with 30 years of Government service, including 20 years of social-security-covered military service, and a nonveteran who spent all 30 years in the civil service and also acquired a matching 20 years of social security coverage in Government and private employment. Although the 20-year veteran is entitled to military retired pay, his total post-62 income is only $7,300 if he combines his two periods of Government service to have the same retirement income as the nonveteran at age 55; or only $8,100 from 55 to 62 and $12,200 thereafter, if he defers his civil service annuity to age 62 for maximum income thereafter. The nonveteran with the same total service has the maximum income of $11,050 from age 55 on with social security wholly additive at age 62 for a total of $13,950 thereafter.

Mr. President, it is simply disgraceful that our Government gives greater civil service retirement credit to its temporary employees, who staved home with their families and worked only 40 hours a week at good incomes, than it does to those veterans who went to Vietnam as draftees and risked their lives for $75 per week take-home pay with no limit on their working hours.

There are other unfair aspects of the current catch-62 situation.

Many civil service retirees with military service were forced to take a combined retirement to qualify for immediate retirement income. Some military retirees had to take a combined civil service retirement to qualify their families for adequate survivor benefits. The military survivor benefit plan was not provided to the uniformed services until September 21, 1972.

A widow's benefit—the survivor's benefit—is calculated at 55 percent of the annuity of her sponsor. If he dies before reaching his 62d birthday, on the date he would have reached it her benefit is reduced to 55 percent of what his reduced annuity would have been at 62 had he lived.

Mr. President, to make the situation even more unfair, enforcement of Public Law 84-881 is inexact, and many individuals to whom catch-62 should apply are not identified and their annuities are not reduced at age 62. Those who have waived military retired pay to include their military service in annuity computations are more readily identified and their annuities reduced. Many thousands of annuitants with less than 20 years of military service counted in their annuity computations escape the legally required reductions at age 62 entirely. They are particularly likely to escape detection when they do not apply for social security, or when their military service alone is insufficient to qualify them for social security and is combined with other covered employment subsequent to civil service retirement to qualify for social security benefits.

Mr. President, I am introducing a bill to correct this injustice which has been unfairly denying retirement annuity credit for military service after 1956. It is identical with S. 92, which I introduced in the last Congress. The executive branch frustrated congressional action on this bill by failing to provide agency positions on this bill, as requested by the Committee on Governmental Affairs.

Mr. President, I have been unofficially advised that the Department of Defense supports my bill, and the Veterans' Administration is also anxious to have the current inequitable treatment of veterans ended; 12 of my distinguished colleagues joined me in cosponsoring S. 92, and I expect even more cosponsors for my new bill in the 97th Congress.

Mr. President, I am confident that my distinguished colleagues will want to go on record in support of this bill. It will end the discriminatory treatment to which a small group of veterans and their survivors have been subjected for 24 years.

My bill is a simple measure. It will end the current practice of recomputing the civil service retiree's annuity at age 62 to remove credit for social security covered military service and continue his or her annuity unchanged after age 62, the years in which the income is needed most.

Retirement annuities based on total service are already budgeted for these veterans from age 55 to age 62. Additional costs thereafter under my proposed change are a very small percentage increase in civil service retirement costs. Regardless of the money involved, however, we are dealing here not with any additional pay or "double dip," but with an injustice perpetrated in error.

The following organizations are supporting legislation to eliminate catch-62:

National Association for Uniformed Services.
Veterans of Foreign Wars.
The American Legion.
American Federation of Government Employees.
National Federation of Federal Employees.
National Treasury Employees' Union.
American Association of Retired Persons.
National Retired Teachers Association.
The Retired Officers Association.
Reserve Officers Association.
Fleet Reserve Association.
Naval Reserve Association.
National Association of Retired Federal Employees.
Air Force Association.
Air Force Sergeants Association.
Marine Corps League.
Marine Corps Reserve Officers Association.
Blinded Veterans Association.
Disabled American Veterans.
Disabled Officers Association.
Paralyzed Veterans of America.
Organization of Professional Employees/Dept. of Agriculture.

National Association of Federal/State Employees.
National Association of Rural Letter Carriers.
Jewish War Veterans.
Legion of Valor.
Regular Veterans Association.
Retreads.
Non Commissioned Officers Association.
National Association of Letter Carriers.
American Postal Workers Union, AFL-CIO.
Military Order of Purple Heart.
U.S. Army Warrant Officers Association.
Chief Warrant and Warrant Officers Association, USCG.
National Association of Concerned Veterans.
Federal Managers Association (formerly Nat'l Assoc. of Supervisors).
Amveta.

Mr. President, I urge my distinguished colleagues to support this most worthwhile measure. I ask unanimous consent that this bill be printed in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8332(j) of title 5, United States Code, be amended—

(1) by striking out "military service, except military service covered by military leave with pay from a civilian position, performed by an individual after December 1956," in the first sentence thereof; and

(2) by striking out "the military service or" in the second sentence thereof.

(b) The amendment made by subsection (a) shall apply only in the case of annuities to which individuals become entitled on or after the date of the enactment of this Act.

(c) (1) Upon the written request to the United States Civil Service Commission (filed in such form and manner and containing such information as the Civil Service Commission shall by regulation prescribe) by any individual receiving an annuity before the date of the enactment of this Act to have the amendment made by subsection (a) apply to such annuity—

(A) the provisions of section 8332(j) of title 5, United States Code, as amended by subsection (a), shall apply to such annuity, and

(B) the Civil Service Commission shall recompute such annuity by redetermining the aggregate period of service on which the annuity is based so as to include military service excluded under such section 8332(j) as in effect on the day before such date of enactment.

(2) Any annuity which is recomputed under paragraph (1) shall be effective with respect to payments of such annuity for months after the month in which this Act is enacted and no payment of any such annuity for any month prior to such month shall be considered erroneous by reason of this paragraph.

(3) The Civil Service Commission shall take such actions as may be necessary to notify individuals receiving an annuity before the date of the enactment of this Act of the provisions of this section.

By Mr. SCHMITT:

S. 47. A bill to amend the Immigration and Nationality Act to establish a temporary worker's visa program between the United States and Mexico; to the Committee on the Judiciary.

UNITED STATES-MEXICO GOOD NEIGHBOR ACT OF 1981

● Mr. SCHMITT. Mr. President, today I am introducing a bill which is for all practical purposes identical to one I introduced in the 96th Congress (S. 1427) and carried the same title.

On this very day, President-elect Reagan and President Lopez Portillo of Mexico are meeting to discuss the future of our two countries. Mexico and the United States are inextricably linked in most activities involving commerce and international relations. In no area are we more intertwined than in the area of migration. Later this year the Select Commission on Immigration and Refugee Policy will issue its formal report. Its preliminary recommendations indicate that this will be a controversial problem and require resolution by this Congress.

Being from a Southwestern State, which has a lengthy border with Mexico, has naturally made me very interested in the problems of undocumented workers. The problem is now of truly national scope and importance, and the time for addressing our immigration policy is at hand.

The purpose of the bill I am reintroducing is to establish a legal framework for admitting a specified number of Mexican workers without adversely affecting domestic workers. However, for too long our policy in this area has failed to address the realities of Mexican migration.

No social problem facing North America is of more long-term significance to so many people than the problems of undocumented workers from Mexico.

It is a problem for the United States because there is a growing shortage of workers in jobs only workers from Mexico will take.

It is a problem for Mexico because any major restriction on Mexican workers would aggravate the extreme unemployment that country faces.

It is a problem for our Government because it is impossible to police the border between Mexico and the United States at reasonable cost. The harder we try, the richer the inhuman smugglers get without any significant reduction on the numbers of illegal aliens entering our country.

It is a problem for willing U.S. workers because undocumented workers at times displace these workers by working at much lower pay scales.

It is a problem for people; those in Mexico upon whom economic crisis has descended, those in this country whose businesses need workers, and those Mexicans who live in fear of being uprooted from the life they have made among us.

Increased border enforcement alone, employer's sanctions and national identity cards are neither workable in fact, nor humanistic in spirit.

However, in discussing these proposals it began to become apparent what was needed. New research, both in the United States and Mexico, disclose the scope and nature of the problem far better than ever before. It also became apparent what Mexico feels should be the essential elements of a solution to a problem which involves so many of her citizens.

First of all, modern research now indicates that most undocumented workers from Mexico come here because of a temporary and personal economic crisis in their family. They make only a few such trips in a lifetime and stay for only about 8 months. Those who stay longer appear to do so because of the difficulty of moving back and forth across the border or because they have established roots in the United States.

It also is clear, that the employment of Mexican workers is beneficial to the U.S. economy and the Mexican economy. For us, it fills jobs that would go unfilled and contributes to the productivity and tax base of the Nation at very little cost.

For Mexico, it is a direct people-to-people form of foreign aid and a means of training large numbers of future workers for their growing economy.

Putting all the available facts and commonsense together, the essential elements of a solution to the problem of illegal aliens, or undocumented workers, is as follows:

Make the workers legal for the 8 months they need to be here and are, in fact, needed.

Base the number of temporary worker visas on the number of unfilled jobs in agricultural, service, and other appropriate industries.

Allow U.S. workers to protect their jobs at specific business locations if qualified and willing U.S. workers are available.

Provide permanent residency in the United States for those Mexican nationals who can prove long-established roots here, lawful marriage, or lawful child or parent dependency.

All these elements, except for the last, are included in the bill I am introducing.

The question of allowing permanent residency under certain conditions is more difficult than other issues and should be addressed separately.

The benefits of a legal status would be immeasurable. By diverting this incredible stream of illegal aliens into a legal flow, the reduced pressure on our enforcement system will alleviate the strain now placed on it and enable it to function much more effectively. By merely having a legal status, the person who was formerly an undocumentado will be able to openly join unions which can then ensure that there is no exploitation of these temporary workers. By having a legal status, the workers will also be able to take advantage of the state workmen's compensation laws, earn a guaranteed minimum wage, file for appropriate tax refunds and—except for agricultural workers—they could engage in employment which could earn them a social security pension if they completed 40 quarters of work. By guaranteeing that these minimal benefits accrue to the temporary workers, we will also be reducing any opposition to this

approach in that the "exploitation factor" will be removed.

Under the provisions of the principal bill, the Attorney General, in consultation with the Secretary of State, will set up a program of temporary worker visas. Acting in consultation with the Secretaries of Agriculture, Labor, Commerce, and State, the Attorney General would establish annual and monthly quotas for temporary worker visas based on need over and above available domestic labor.

These visas would be issued in Mexico on a first-come first-served basis. The Mexican citizen holding such a visa would then be eligible to spend 240 days within the United States seeking or working at a job.

The legislation does not place any geographical restraint on where the visa holder may seek employment. Similarly, there is no prohibition on the type of work in which he or she may engage. There is, however, a provision designed to help protect the U.S. workers at any given business location from unreasonable labor competition from such a visa holder. The Secretary of Labor could make a finding that at a specific business or agricultural site, there are available qualified and willing domestic workers. If so, the Mexican national could be restricted from working at that site.

Should a visa holder fail to return to Mexico after the expiration date of the visa or enter the United States illegally, there would be stiff prohibitions on their eligibility for future visas. Also, the Attorney General is required to make semiannual reports to the Congress on the effectiveness of the program.

It is a widely known fact, supported by all recent studies on illegal immigration, that immigrants are coming to the United States for economic reasons. The gap between the standards of living of the developing countries and the United States creates a situation that attracts people from impoverished nations to seek a better standard of living in the United States.

The issue, has, however, been acute since 1968, when for the first time, emigration from countries of the Western Hemisphere into the United States was restricted. The impact of this decision was felt immediately.

By way of illustration, in fiscal year 1967, 161,608 illegal aliens were apprehended by the Immigration and Naturalization Service. By fiscal year 1976, that figure of deportable aliens had risen to 875,915. Of that figure, 88 percent were as a result of illegal entry and 89 percent, 781,474, were Mexican nationals, many of whom were repeated visitors.

As to total number of undocumented workers within the United States, one of the most widely accepted estimates—provided to the Immigration and Naturalization Service by Lesko and Associates—is 8.2 million illegals, 1975, of whom 5.2 million are from Mexico. Another recent estimate by the Bureau of Census sets this total figure at about 4 million. The vast majority of the Mexican migrants are young and from rural areas in Mexico. Many recent studies corroborate the fact that at least 70 percent of the Mexican nationals come to the United States for short periods of time and then return to Mexico without any intention of permanently residing in the United States.

These are very proud, hard-working people with close ties to their homeland who come to the United States to increase their earnings so that they may see their families through economic hardship.

We have a very unique situation with Mexico. In no other part of the world does a developing country, with severe economic problems, border such a technologically advanced country. This is the key factor involved in the large influx of illegal Mexican migration.

Historically, of course, Mexico has always provided the United States with large numbers of needed workers. In turn, the United States has trained and paid these workers to the benefit of Mexico and its economy. This should not be surprising especially when one recalls the history of the United States. In the West, especially in the Southwest, the Spanish presence and influence was very great. For example, the capital of my State of New Mexico, Santa Fe, was established in 1610, and remained in Spanish and later Mexican control until 1846 when General Kearny raised the U.S. flag.

Now, by simply legislating against the entrance into our country of Mexican nationals, as some propose, the United States would ignore, in a single act, both history and reality. There always has and there always will be a large number of Mexican workers in our country. Any effort on our part to seal off our long 900 mile common border is doomed to continued failure, and only benefits the worst kind of smugglers, those who traffic in human beings.

Furthermore, even if we were successful in sealing off the United States-Mexican border, the effect upon Mexico would be catastrophic.

Presently, about one half of the population in Mexico is under the age of 15. The present work force is estimated to be about 18 million. The unemployment rate is anywhere from 20 to 30 percent. By 1990, the work force will be 26 million, by the year 2000, 35 million.

Clearly, the only long-term solution is the rapid economic development of Mexico; however, in the short-term we can stabilize the situation with a legal worker program. We must act for both the short- and long-term. These people are not only our neighbors and in need, they are human beings.

We must also recognize the fact that the jobs these people take are jobs which are rejected by our citizens. Unlike the Mexican people, we have a social net to catch us before we hit the economic rock bottom. The emotional charge that undocumented workers take jobs away from the U.S. workers is unproven. In fact, recent studies indicate the contrary to be true. How many U.S. workers want to pick onions in 100° heat, or pick apples or work in low-paying service jobs? Unfortunately, the answer is very few. In fact, the existence of the low-paid undocumented worker is a base upon which jobs and products are made available to our economy.

I do not think that once the facts are known, our people would begrudge a Mexican neighbor the opportunity to honorably come to our country for a short time in order to earn a wage with which to feed his family, knowing that no willing U.S. citizen has lost a job as a result.

As a factfinding device to determine how New Mexicans feel about the possibility of providing a legal means by which Mexican immigrants may come to work temporarily in certain areas where there is a shortage of U.S. workers, I distributed a questionnaire to a cross-section of my constituents regarding a modified foreign worker program.

The majority of respondents stressed the fact that foreign workers are essential to many businesses and industries in the Southwest because there are not enough domestic workers who are willing to take the low-skill jobs that are required regardless of pay or other incentives offered. In addition, they stated that since many of the low-skill jobs are temporary in nature, U.S. citizens find it more profitable and secure to collect unemployment or public assistance.

Now, Mr. President, the legislation which I have introduced will do more than ease a difficult economic, social, and political situation in Mexico. It will also go a long way toward resolving two domestic problems that we in this country face.

First, there are a large number of illegal aliens in our country, who because of their status must live a shadowy existence. The price these people pay to seek employment in our country is enormous. First, they are exploited by the professional smugglers. The fees charged by these smugglers have ranged from $150 to $400 per worker, and abuses of these people are numerous.

Once the alien is here, the situation does not improve that greatly. At times, they are the victims of an employer or con artist who is aware of their status and their resultant inability to demand social justice in treatment. They must consistently look over their shoulder for fear that the Immigration and Naturalization Service is about to apprehend them. They dare not apply for social service, even when they are needed.

Now it may well be that this bill does not provide all the answers to this difficult question of the illegal alien. It is, however, a start supported by most workers in this field and by Mexican officials. It is my hope that the Senate Judiciary Committee will hold hearings on this legislation within the near future. The pros and cons of such a temporary worker program can be discussed; and, if necessary, changes and additions made to the bill.

In the meantime, I invite all Senators to cosponsor the bill as an expression of their concern for our relationship with Mexico and for basic social justice for those Mexicans presently illegally living within our country.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That this Act may be cited as the "United States-Mexico Good Neighbor Act of 1981."

FINDINGS

SEC. 2. The Congress finds that—

(a) strong economic and political cooperation between the United States and Mexico will benefit not only the people of these countries, but will also help to eliminate western hemisphere tensions;

(b) the root cause of illegal migration from Mexico into the United States is the lack of reasonable alternatives for economic well-being in Mexico relative to those in the United States;

(c) the mutual benefit of past economic cooperation through legal work programs and investment opportunities is well documented;

(d) in order to eliminate the present large and uncontrolled influx of undocumented workers a system of temporary legal admissions should be established;

(e) the vast majority of jobs that will be taken by Mexicans are in the agricultural and service industries where jobs are not now greatly in demand by American workers;

(f) many of the short-term economic needs of Mexicans and the short-term labor needs of American agricultural and service industries can be met by a temporary worker visa program for Mexicans seeking temporary employment in the United States;

(g) the value to Mexico of temporary employment of Mexican workers in the United States is in the direct flow of dollars into its economy and in the increase in skills within its labor force;

(h) a program of temporary worker visas would encourage the existing temporary nature of most Mexican migration into the United States;

(i) attempts to seal our vast border with Mexico to the flow of migrants are doomed to failure and only increase the exploitation of such workers by smugglers and unscrupulous employers;

(j) employer sanctions against the hiring of illegal Mexican migrants could result in discrimination against Hispanic Americans and/or in an unprecedented national identification system; and

(k) it is necessary to establish a legal framework for Mexican labor in the United States in order to harmonize the use of such workers, to prevent abuse of them by smugglers and unscrupulous employers, to better protect American workers from unfair competition, to reduce the flow of illegal migrants, and to permit a better understanding of the scope of the opportunities and problems related to Mexican workers in the United States and Mexico.

ESTABLISHMENT OF VISA PROGRAM

SEC. 3 Section 214 of the Immigration and Nationality Act is amended by adding the following new subsections at the end thereof;

"(e) (1) The Attorney General, in consultation with the Secretary of State, shall by regulation establish a program for the admission as nonimmigrants into the United States under section 101(a) (15) (M) of Mexican nationals who desire to temporarily perform services or labor in the United States. The regulations shall establish methods for establishing monthly and annual numerical quotas for the issuance of temporary worker visas in accordance with subsection (g). Visas shall be made available on the basis of such quotas to qualified applicants in the chronological order for which they are applied. Such visas shall permit each alien to temporarily perform services or labor within the United States for a period not to exceed 240 days during any calendar year, such period not necessarily a 240 day consecutive period. Such aliens shall not be required to obtain a petition of any prospective employer within the United States in order to obtain such a visa. Such visas shall not limit the geographical area within which the alien may be employed nor set any limitations on the type of employment for which the alien may be employed, except as provided in subsection (f).

"(2) Any alien who obtains a visa under the program established under paragraph (1) who (A) violates the restrictions with respect to the amount of time for which the alien is allowed to remain in the United States, or (B) violates any restriction required under subsection (f), shall be ineligible to obtain another visa under such program for a period of 5 years. Any alien who, after the inception of this program, enters the United States unlawfully shall be prohibited from obtaining a visa under such program for a period of 10 years.

"(f) The Attorney General, upon request from the Secretary of Labor, shall place specific restrictions on employment of aliens holding temporary work visas under this program at a specific business or agricultural site if employees or employers demonstrate that such aliens will displace available, qualified, and willing domestic workers. The Secretary of Labor shall establish the criteria under which such restrictions may be requested.

(g) When appropriate, the Attorney General shall seek the assistance of the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor in establishing the regulations under subsection (e), and in computing the annual and monthly numerical quotas for temporary worker visas, based upon the number of seasonal or cyclical workers sought by employers in the United States. In computing such quotas, the Attorney General shall also consider historical needs, availability of domestic labor, and the projected needs of prospective employers.".

UNITED STATES CONSULATES IN MEXICO

SEC. 4. (a) The Secretary of State is authorized to take such steps as are necessary in order to establish and expand the United States Consulates in Mexico in order to implement the program established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act.

(b) The Secretary of State shall coordinate with appropriate officials of Mexico in order to insure maximum awareness in Mexico of the nature and restrictions of the program established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act.

(c) The Secretary of Labor shall undertake to insure, to the extent practicable, that the nature and restrictions of the programs established in section 214 (e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act are known to aliens of Mexican citizenship residing in the United States.

NONIMMIGRANT CATEGORY

SEC. 5. Section 101(a) (15) of the Immigration and Nationality Act is amended by adding at the end thereof the following:

"(M) a Mexican national who has no intention of abandoning his or her residence in Mexico who is coming to the United States for a period of not to exceed 6 months during any calendar year, for an indefinite number of such periods, to temporarily perform services or labor.".

EFFECT OF DEPORTATION

SEC. 6. Section 212(a) is amended—

(1) by inserting before the semicolon at the end of paragraph (16) a comma and the following: "except that the Attorney General shall not consent to the reapplying for admission of an alien described in section 101 (a) (15) (M)"; and

(2) by inserting before the semicolon at the end of paragraph (17) a comma and the following: "except that the Attorney General shall not consent to the applying or reapplying for admission of an alien described in section 101(a) (15) (M)".

PROHIBITION ON ADJUSTMENT OF STATUS UNDER TEMPORARY WORKER VISA PROGRAM

SEC. 6. Section 245(c) of the Immigration and Nationality Act is amended—

(1) by striking out "or", and

(2) by inserting immediately after "section 212(d) (4) (C)" a semicolon and the following: "or (4) any alien described in section 101(a) (15) (M)".

REPORT TO CONGRESS

SEC. 8. The Attorney General shall report semiannually to the Congress on the temporary worker visa program established in section 214(e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act, and shall include in that report a summary of the number of visas issued under the program, the effectiveness of the program, enforcement problems related to the program, and any recommendations for legislative change in the program.

BILATERAL ADVISORY COMMISSION

SEC. 9. It is the sense of the Congress that the President should negotiate with the appropriate officials of the government of Mexico to establish an Advisory Commission on the Mexico-United States Temporary Worker Visa Program to consult with and advise the Attorney General in establishing the regulations, and in computing the monthly and annual numerical quotas, for the temporary worker visa program established under section 214(e), (f), and (g) of the Immigration and Nationality Act, as added by section 3 of this Act.

AUTHORIZATIONS

SEC. 10. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

TERMINATION

SEC. 11. This program shall terminate ten years after the date of enactment.●

By Mr. DECONCINI:

S.J. Res. 1. Joint resolution to require the Federal Government to end deficit spending; to the Committee on the Judiciary.

DEFICIT SPENDING

● Mr. DECONCINI. Mr. President, I am today introducing a constitutional amendment prohibiting deficit financing on the part of the Federal Government except in situations of grave national emergency declared by the Congress.

The content of the amendment we are suggesting, Mr. President, is well known. It would simply require the imposition of an income surtax to raise whatever additional revenues may be necessary to keep the budget in balance. This surtax would take effect for the calendar year following any fiscal year in which outlays exceeded revenues unless the Congress, by a two-thirds vote of those present and voting, declares a state of national emergency and suspends it in whole or in part. It would, thus, provide an uncomplicated and eminently prac-

ticable procedure for restoring responsible fiscal management to the Federal system.

It is becoming abundantly clear, Mr. President, that we cannot continue to live beyond our means as a nation. The old maxim, "There's no such thing as a free lunch," is as fundamentally valid for government as it is for any other institution or group. At some point, the laws of economics demand a settling of accounts. The costs of providing goods and services, whether in the private or public sector, may be temporarily postponed, but they cannot be avoided forever.

For too long the Federal Government has been operating as if it were exempt from the basic economic relationship. Deficit has been piled upon deficit, and in the process, the national debt has reached astronomical, indeed, almost incomprehensible magnitudes.

At the end of fiscal year 1977 the gross Federal debt stood at $785,583,000,000, which equals $3,571 for every man, woman, and child in this country. Yet, as astounding as these figures are, they understate the volume of public indebtedness in the United States. Thus, in 1976, the last year for which complete data have been compiled, the net Federal debt amounted to $515.8 billion. Off budget, but federally sponsored credit agencies had outstanding obligations of another $81.4 billion. At the same time, State and local governments were liable for $236.3 billion. Thus, 2 years ago, aggregate public debt in the United States came to a monumental $833.5 billion. The entire gross national product for that year, Mr. President, was only slightly more than double this amount, that is $1,750,000,000, and the interest on the Federal debt for that year was $27.2 billion, which was 7 percent of total outlays and a little over half of the deficit for that year.

The intervening biennium has brought over $100 billion in additional Federal deficits alone.

We cannot afford, Mr. President, to continue mortgaging the future in this manner. It is time to call a halt and bring this Nation's fiscal affairs back under some semblance of control. That is what the amendment I am introducing today intended to accomplish. It is imperative that we act promptly and expeditiously on this matter. Further delay can only worsen the economic and financial disarray with which we are confronted.

No one, to be sure, favors deficit financing as a matter of principle. Just the opposite is usually the case. I am sure that none of my colleagues think that deficits are desirable per se. At most, some may consider budgetary unbalances a necessary evil under certain economic conditions. Indeed, there is general agreement among my colleagues, and for that matter, most public officials from the President on down, as to the need for a balanced Federal budget. Yet, despite this seemingly overwhelmingly consensus, a consensus that I believe has been forming for some time, we have been unable to achieve it. In fact, deficit financing has become a virtual addiction in the Federal sector.

In only 9 of the last 31 years has the Federal budget been in the black. Worse still, outlays have exceeded receipts in every budget in this decade and the gap has widened dramatically since fiscal year 1974. In that year, the Federal deficit was $4.7 billion. In fiscal year 1975, it jumped to $45 billion and then shot to $65 billion in 1976. It has since hovered in the range between $40 and $55 billion.

The economic consequences have been as disruptive as they should have been predictable. Inflationary pressures have sharply intensified, compounding economic uncertainties, exacerbating social conflict and unrest, and raising the specter of coercive governmental interference in the private enterprise system. This instability in turn has discouraged capital formation and stunted the growth of productivity in American industry.

The consequences have been sluggish domestic growth coupled with chronically unfavorable trade balances and a dangerously weakened dollar.

The reason it has proved so difficult to accommodate the Federal budget to these economic realities, in my judgment, have less to do with ideology or political chicanery than is commonly supposed. They inhere, instead, in certain characteristics of the institutional system through which the budget is formulated.

Let me elaborate briefly. The focus in the existing budgetary process is almost exclusively on expenditures. We estimate revenues and try to adjust outlays accordingly. But there is no direct and explicit mechanism for coordinating revenue decisions with particular authorization and funding decisions. To be sure, the congressional budget process directs attention in a general sort of way to these relationships. But, to all intents and purposes, the process of forming tax policy still involves a different set of actors, roles, and interests than do the budgetary and appropriations processes. Moreover, even when tax policy remains relatively consistent, revenues may fluctuate owing to economic circumstances. The upshot is that the revenue side of the budget is, as a practical matter, uncontrollable. And, if budget receipts cannot be definitely known, they can, in a sense, be ignored, for recourse can always be had to additional borrowing to cover the costs of expanding existing programs or instituting new ones.

This temptation to resort to the easy expedient of deficit financing is rendered all the more appealing by the fact that, at any given time, approximately 80 percent of the Government's expenditures are uncontrollable.

It is, of course, always difficult to reach agreement as to where the requisite changes and reductions should be made. Reasonable people may well disagree as to the merit of this or that program or agency. Moreover, every program has its clients, supporters, and advocates.

Taken in combination, these factors mean that a strategy which relies solely on reducing Government spending to achieve a balanced budget suffers from severe handicaps.

The amendment I am introducing today would establish a procedure for coordinating tax and spending decisions and thus serve to make the real costs of governmental programs unmistakeably clear. It would, therefore, create a direct and compelling incentive for keeping a much tighter rein on Federal expenditures. It would, I believe, help to insure the kind of tough discipline that will be necessary to get Federal overspending under control and reverse the tendency toward unlimited growth in the public sector.

I urge my colleagues to support this measure, and I especially urge my colleagues on the Senate Judiciary Committee to hold indepth public hearings on this most pressing of economic issues affecting the well-being of all Americans.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 1

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall seek to assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"SEC. 2. No later than the twentieth day after the close of each fiscal year, the President shall—

"(1) ascertain the total receipts of the Government during such fiscal year, not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States, and not including any receipts from any income tax surtax imposed under this article;

"(2) ascertain the total outlays of the Government during such fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States; and

"(3) if the total receipts described in paragraph (1) are less than the total outlays described in paragraph (2), determine the percentage rate of income tax surtax, to be imposed as provided in section 3, which is necessary to provide an additional amount of revenue equal to the amount by which such total receipts are less than such total outlays, and transmit to the Congress, by special message, the rate of income tax surtax so determined.

"SEC. 3. Subject to the provisions of section 4, an income tax surtax, at the rate determined and transmitted by the President under section 2—

"(1) shall be effective for the calendar year following the close of the fiscal year with respect to which the determination was made, or for so much of such calendar year for which such surtax is not suspended under section 4, and

"(2) shall apply, as an additional income tax for the period for which it is in effect, with respect to the income tax liability of each taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

The income tax liability attributable to a portion of a taxable year falling within a period shall be based upon the ratio of the number of days in the taxable year within such period to the total number of days in the taxable year.

"SEC. 4. In the case of a grave national emergency declared by Congress (including a state of war formally declared by Congress), the income tax surtax which would otherwise be in effect for a calendar year under section 3 may be suspended for such year, or a portion thereof, by a concurrent resolution agreed to by a rollcall vote of two-thirds of the Members present and voting of each House of Congress, with such resolution providing the period of time, if less than the whole calendar year, during which such surtax is to be suspended.

"SEC. 5. This article shall apply with respect to the first fiscal year beginning after the ratification of this article and each succeeding fiscal year.

"SEC. 6. The Congress shall have power to enforce this article by appropriate legislation."●

By Mr. DECONCINI (for himself, Mr. DANFORTH, Mr. SCHMITT, and Mr. ZORINSKY):

S.J. Res. 2. Joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office which Members of the Senate and the House of Representatives may serve; to the Committee on the Judiciary.

LIMIT ON CONGRESSIONAL TERMS

● Mr. DECONCINI. Mr. President, today I introduce Senate Joint Resolution 2, a constitutional amendment to limit congressional terms.

The question of whether to limit congressional terms is one predating the Constitution. It was debated by the Continental Congress over 200 years ago, and resolved in that body by the adoption of a limit of 3 years service in any 6-year period. The question of limitation and length of terms has arisen in each U.S. Congress.

Mr. President, in the 95th Congress the Constitution Subcommittee, chaired by Senator Bayh, held hearings on Senate Joint Resolution 27 and Senate Joint Resolution 28. I believe an unbiased reading of those hearings makes a strong case for enactment of a constitutional amendment limiting congressional terms.

Our constitutional structure with its delicate checks and balances rests on the prudent assumption that men are corruptible and that power may be misused. This is a healthy skepticism; one that keeps us constantly aware of how fragile freedom really is. We have placed the power of the Congress as a check against the power of the Executive, with the Federal courts occupying the third point on the triad. In diffusing power among different groups and persons, we have tried to insure that no individual will dominate the Government and destroy our liberty.

To be true to our commitment that shared power is responsible power we need to address ourselves to the subtler dimensions of the problem. The 22d amendment to the Constitution removes an inherent contradiction in our system by limiting the terms a President can serve. The same contradiction persists in the unlimited terms for legislators. True, the potential for damage is less; the principle, however, is nonetheless valid.

Adoption of the amendment I propose should be viewed from two different perspectives. First, it would eliminate present disparities between Senators and Representatives based upon length of tenure. It would place each State, each district, each citizen on a more nearly equal footing, simultaneously, it would add an additional safeguard against possible abuse of power.

The second perspective is the one I would emphasize. It is the positive side of the amendment. By limiting the length of service in the legislature, we will be embracing the idea that new people should be brought constantly and consciously into the system. By opening the doors of the legislature to people from every walk of life and every age group, we will be providing far more opportunities for everyone to participate. I am especially committed to the youth of today as the hope of tomorrow. That youth should be encouraged to serve the Nation; it is our responsibility to insure that as few barriers as possible stand in the way.

Mr. President, the support congressional term limitations has received from our national leaders outside the legislative branch speaks well of the soundness of the idea.

In 1951, President Harry Truman announced his support for a 12-year limit on years of service for Senators and Representatives. Later, President Dwight Eisenhower also supported limiting Senators to two 6-year terms and Representatives to three 4-year terms. In his book, "Waging Peace," Eisenhower wrote that each person serving under term limitation—

Would tend to think of his Congressional career as an important and exciting interlude in his life, a period dedicated to the entire public rather than as a way of making a living or making a career of exercising continuous political power. . . . more rapid turnover of the membership in both Houses with its constant infusion of new blood would largely eliminate the "career" politician in Congress, but I can see little damage that would result from such a change except possibly to the personal ambitions of particular individuals.

Eisenhower went on to say that—

Experience may produce greater skill in political maneuvering in the legislative process, but [it] does not necessarily produce better statesmen.

When asked to comment upon Eisenhower's support for service limitation, President John Kennedy replied:

It's the sort of proposal I might advance in a post-presidential period, but not right now.

Dr. Milton Eisenhower, brother of the President, scholar and author, wrote not long ago that—

Service in the national Congress, instead of being a career, should be a contribution an individual makes to his country. Re-election should not be paramount and defeat at the polls should not be cause for personal frustration. Service in Congress should be an interruption to one's normal career, whether he or she be a lawyer, educator, manufacturer, finance expert, housewife, or social or cultural leader. . . . With reelection made less important and with the transcendent problems of keeping the nation at peace, prosperous, and constantly altering social programs and policies to meet changing economic, social, and cultural conditions, it seems inevitable that a more co-operative spirit would be evident in Washington [between the President and Congress].

Of course, in making any change in the Constitution that has served us well for these two centuries, reason counsels on the side of caution. I urge every Member of this Chamber to read the hearing record and weigh the arguments against limitation with those for it. I believe my colleagues will find, as do I, that this proposed amendment will bring the congressional structure more in line with the ideals of representative democracy and balanced power. The advantages the Nation would sacrifice by this change are those of concentration of power, unequal representation, and an insulated legislature.

Mr. President, I would like to conclude these remarks with a most appropriate quotation from America's first great statesman, Benjamin Franklin, who, in speaking of returning legislators to the private realm, stated:

In free governments the rulers are the servants, and the people are their superiors and sovereigns. For the former therefore to return among the latter was not to degrade them but to promote them.

I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 2

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. No person shall be elected to the Senate for more than two full terms. No person shall be elected to the House of Representatives for more than seven full terms.

"SEC. 2. Notwithstanding the provisions of section 1 of this article, any person may serve not more than fourteen years as a Senator or not more than fifteen years as a Representative.

"SEC. 3. For purposes of determining eligibility for election under section 1 of this article, no election occurring before the date this article is ratified shall be taken into account. For purposes of determining years of service under section 2 of this article, no service of any part of a term of office by a Senator or a Representative elected to such term before the date this article is ratified shall be taken into account."●

By Mr. PRYOR (for himself, Mr. BAUCUS, Mr. DURENBERGER, Mr. EXON, Mr. FORD, Mr. GARN, Mr. GLENN, and Mr. RANDOLPH):

S.J. Res. 3. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT

● Mr. PRYOR. Mr. President, tomorrow all of the Members of both Houses of Congress will meet in a joint session to count the votes cast by members of the electoral college for the President and Vice President of the United States. Once again we will have chosen the leaders of this country not by the popular vote of the people but by the antiquated system that was devised to suit the needs of a very different nation almost 200 years ago. A system which leaves open the possibility of a constitutional crisis with each Presidential election.

The time is long overdue to address the realities of our election process. We need to seek now to correct our outdated and potentially dangerous electoral college system. Our country stands for equality and "one man, one vote," yet under the electoral college system, all votes are not equal and many votes are negated or counted for an opponent. The electoral college system is not equitable to all Americans and does not provide our country with the best selection method for our two highest national officials.

The present electoral college system can elect a President who has fewer popular votes than his opponent. This has happened three times in our history:

In 1824, Andrew Jackson received more electoral votes and popular votes than John Quincy Adams, however, the election went to the House of Representatives and John Quincy Adams was elected.

In 1876, Samuel J. Tilden received a majority of more than 250,000 popular votes over Rutherford B. Hayes, but the returns from four States were contested. An electoral commission created by Congress to settle the dispute decided the contested returns in favor of Rutherford Hayes, however, and he won the election.

In 1888, although Grover Cleveland received a popular plurality of approximately 100,000 votes over Benjamin Harrison, he obtained only 168 electoral votes, and Benjamin Harrison with 233 electoral votes was elected President.

There have also been instances when the mere shift of the popular vote in one or two States would have given the election to the candidate who had not received the greatest total number of popular votes.

In 1960, a change of approximately 4,500 votes in Illinois and 23,000 votes in Texas would have given the election to Richard Nixon rather than John Kennedy.

In 1976, if less than 10,000 voters in Ohio and Hawaii had voted for Gerald Ford rather than Jimmy Carter, Gerald Ford would have carried both States, giving him a bare majority of 270 in the electoral college. Jimmy Carter would have received 1,670,000 more popular votes than Gerald Ford and still lost the election.

Other inequities also exist in the electoral college system which would be corrected by the adoption of direct popular election.

The entire electoral vote of a State is awarded to the winner of the popular vote, whether the margin of victory is 1 or 1 million votes. In two States with equal electoral votes, one candidate who received 85 percent of the popular vote in one State would only receive as many electoral votes as a candidate in the other State who won 51 percent of the popular vote. With direct popular election, all of the votes which are cast are counted and credited to each candidate. This method reflects the true margin of victory for each candidate.

Popular votes which are cast for the losing candidate are canceled out and cast for the winner. Since all the electoral votes of a State are cast for the winner of the popular vote, those votes which are cast for the losing candidate are in effect canceled and credited to the winning candidate. Under direct election, all the votes which are cast are credited to the candidate who won those votes.

Electoral votes assigned to each State remain the same regardless of the voter turnout. Thus, candidates would receive an equal number of electoral votes from two similar States even though 2 million more voters may have cast their ballots in one of the States. Under direct election, this inequity would be corrected. All the votes which are cast could be counted, correctly reflecting the strength of support in a given State.

The method of selecting a President in the event no candidate received an electoral majority is undemocratic. If the election goes to the House of Representatives, each State has one vote—determined by a poll of the delegation's members. The candidate receiving a majority of a delegation's votes receives the vote, but in the event there is a tie, the State loses its vote completely. Under direct election, if no candidate receives 40 percent of the popular vote, the two leading pairs of candidates would take part in a runoff election, voted on by the people, with the pair winning the largest number of popular votes being elected.

Presently a candidate could be elected by winning the electoral vote in only the 11 most populous States and the District of Columbia, regardless of the outcome in the rest of the country. The electoral vote from just these few States and the District of Columbia is enough to give a candidate an electoral majority in the electoral college and the Presidency. The President should be the representative of all the country and elected by all the people. Under the method of direct election, a candidate would necessarily require the votes which are cast from across the country to win the highest number of popular votes cast.

Because the number of a State's electoral votes is determined by its congressional allotment, there is a lag in the distribution of electoral votes because reapportionment only occurs once every decade after the census is taken. Thus, a candidate could win with a combination of States in 1980 and lose with the same combination in 1984.

The President and Vice President are the only representatives which are not directly elected by the people. All other such Federal, State, and local representatives are chosen by direct election. The 17th amendment to the Constitution in 1913 providing for the direct election of U.S. Senators affirmed each citizen's right to elect his or her own representatives.

If we examine the reasons why the electoral college came into existence, we find that the electoral system was a compromise between advocates of popular election and those who favored the executive to be chosen by the legislative branch. The question was whether the public had the necessary information to cast an informed vote.

The electoral college was devised to suit the conditions which existed in 1787. At that time, approximately 97 percent of the people lived in rural areas—on farms and plantations, and in log cabins; only five cities had a population over 10,000. It took from 3 to 6 days to travel from Boston to New York, and in many parts of the country roads were almost nonexistent. Mail and word of mouth were the principal means of communication. Newspapers, usually weekly, had small circulations and contained primarily local news.

The electoral system was a compromise which took into account the difficulties in communication and transportation, the desire to have an informed electorate, and the desire to bring the election closer to the people if direct election was not possible.

Today the situation is quite different. While the electoral college may have been proper in its time, almost two centuries ago, the country has matured greatly in the intervening years. Today citizens are capable of making informed judgments and casting their votes individually. We must look to our times and provide the best method of selecting our President and Vice President that we can devise. This is in keeping with the intent of the Founding Fathers.

Direct election will give every man and woman in every State of our Union an equal voice in the election of our two highest officials. Direct election will also do away with the inefficient and potentially dangerous electoral college. There is truth in the argument that if the electoral college truly represents the vote, it is not needed; and if it does not truly reflect the vote, it subverts the decision of the Nation as to who its national leaders should be.

Proposing an amendment to the Constitution is not an endeavor which should be taken lightly, rather only when the issue is of the utmost importance. We need only to remember the past year and the concern which was expressed when it appeared that a strong candidacy of Representative John Anderson might throw the Presidential election into the House of Representatives. A far more disastrous possibility in a close election would have been the election by electoral vote of a candidate not receiving the majority of the popular vote.

We have survived another Presidential election year without the occurrence of either constitutional crisis. Now is the time to take the necessary action of referring to the States an amendment to the Constitution which will assure that all future Presidential elections will reflect the votes cast by the people. The citizens of our respective States have elected the Members of this body to serve as their representatives in the U.S. Senate, and I believe that they should have the right to elect their President and Vice President to lead this nation.

Mr. President, I ask unanimous consent that the text of Senate Joint Resolution 3 be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 3

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislature of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The people of the several States and the District constituting the seat of Government of the United States shall elect the President and Vice President. Each elector shall cast a single vote for two persons who shall have consented to the joining of their names as candidates for the offices of President and Vice President. No candidate shall consent to the joinder of his name with that of more than one other person.

"SEC. 2. The electors of President and Vice President in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature, except that for electors of President and Vice President the legislature of any State may prescribe less restrictive residence qualifications and for electors of President and Vice President the Congress may establish uniform residence qualifications.

"SEC. 3. The persons joined as candidates for President and Vice President having the greatest number of votes shall be elected President and Vice President, if such number be at least 40 per centum of the whole number of votes cast.

"If, after any such election, none of the persons joined as candidates for President and Vice President is elected pursuant to the preceding paragraph, a runoff election shall be held in which the choice of President and Vice President shall be made from the two pairs of persons joined as candidates for President and Vice President who received the highest numbers of votes cast in the election. The pair of persons joined as candidates for President and Vice President receiving the greater number of votes in such runoff election shall be elected President and Vice President.

"SEC. 4. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations. The days for such elections shall be determined by Congress and shall be uniform throughout the United States. The Congress shall prescribe by law the times, places, and manner in which the results of such elections shall be ascertained and declared. No such election, other than a runoff election, shall be held later than the first Tuesday after the first Monday in November, and the results thereof shall be declared no later than the thirtieth day after the date on which the election occurs.

"SEC. 5. The Congress may by law provide for the case of the death, inability, or withdrawal of any candidate for President or Vice President before a President and Vice President have been elected, and for the case of the death of both the President-elect and Vice President-elect.

"SEC. 6. Sections 1 through 4 of this article shall take effect two years after the ratification of this article.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.". ●

By Mr. BURDICK:

S.J. Res. 4. Joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week"; to the Committee on the Judiciary.

NATIONAL FAMILY WEEK

● Mr. BURDICK. Mr. President, I am today introducing a joint resolution that authorizes the President to issue an annual proclamation designating the week in November which includes Thanksgiving Day as "National Family Week."

We have celebrated National Family Week for the last 5 years as well as in 1972. Many States adopted their own resolutions in 1971 as well. In 1976, 1977, 1978, 1979, and 1980 both Houses of Congress approved resolutions authorizing this celebration. The legislation I am introducing today would establish National Family Week as an annual event, and, with the consistent support past Congresses have shown, I would hope that a permanent authorization will be considered.

The purpose of National Family Week is simple: it is a specific time to recognize the importance of the family in American life and the fundamental role it has played in forming the values upon which our Nation is based. Although many may be skeptical about the proliferation of official holidays, I think it is important to remember that National Family Week is neither commercial nor promotional. Its purpose is not to promote sales or festivities. Rather, it is a way to encourage people to pause for a moment and reflect on the way families have affected their lives and the course of the Nation.

The role of the family has changed dramatically in this century. From the basic economic and social unit of our society in the 1900's, the family today has evolved into a much different and less central role. For many, the family unit is breaking down, and an extended family living under one roof is virtually a thing of the past.

Despite these changes, however, the family unit is still the basic moral and economic unit for most of us. It is still where the values and experiences of one generation are passed on to the next. Because of this, I believe it is imperative that we recognize the importance of the family and do all we can to preserve it.

Last year 25 Senators cosponsored the National Family Week resolution with me, and over half the Members of the House cosponsored a similar measure. I am very hopeful that both Houses will again recognize the value of National Family Week and approve the joint resolution I am introducing today.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD at this point.

The joint resolution follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue annually a proclamation designating the week beginning on the Sunday preceding the fourth Thursday in November of each year as "National Family Week", and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such day with appropriate ceremonies and activities. ●

By Mr. RIEGLE (for himself, Mr. ROTH, Mr. LEVIN, Mr. EAGLETON, Mr. BIDEN, Mr. GLENN, Mr. WILLIAMS, and Mr. METZENBAUM):

S.J. Res. 5. Joint resolution authorizing the President to enter into negotiations with foreign governments to limit the importation of automobiles and trucks into the United States; to the Committee on Finance.

LIMITING IMPORTATION OF AUTOMOBILES AND TRUCKS

● Mr. RIEGLE. Mr. President, I am introducing today a joint resolution that would give the President the explicit authority to enter into negotiations with foreign governments to relieve foreign penetration of the U.S. automobile and truck markets. A bipartisan coalition of Senators joins me in cosponsoring this legislation.

A similar joint resolution received extensive consideration and support in the last Congress. The House of Representatives passed the resolution with a vote of 317 to 57. The joint resolution was cosponsored by 34 Senators, of both parties, representing many parts of the Nation and diverse philosophies. The Senate Finance Committee reported the joint resolution by a vote of 12 to 2. The full Senate voted 65 to 12 to consider the joint resolution, however a few Senators were able to prevent the Senate from acting on the joint resolution during the closing hours of the 96th Congress.

Our joint resolution would strengthen the President's ability to avoid an economically damaging surge in auto imports during the next few months. It would be a strong signal to Japanese car makers not to exploit the vulnerability of the American auto industry while it adjusts to new market conditions.

The provisions of this joint resolution are carefully circumscribed. The joint resolution would remove any legal obstacle to negotiations on a voluntary restraint agreement or an orderly marketing agreement to temporarily reduce auto imports into the U.S. market.

It would not direct the President to enter into such negotiations or give him any new powers to impose quotas or tariffs unilaterally.

Subsection (a) would give the President authority to negotiate with foreign governments to obtain import restraint agreements on cars, trucks, and auto parts used in assembly. That authority would expire on July 1, 1984.

Subsection (b) would place two reconditions on any negotiations: First the President would have to consider that the importation of autos, trucks or parts used in assembly is causing or threatening to cause serious injury to the domestic industry; and second, the President would have to be satisfied that the domestic industry has exhausted remedies under section 201 of the Trade Act of 1974. Any agreement would expire on June 30, 1984, thus limiting any import reduction to the period vitally needed to convert U.S. auto maufacturing facilities to the production of highly fuel efficient cars and trucks.

Subsection (c) would require the President to consult with interested parties in the private sector, including representatives of consumers, before entering into any agreement. The President could use the system of trade advisory committees that has been established under section 135 of the Trade Act of 1974, as amended, or a less formal procedure if that is more appropriate.

Subsection (d) would enable the President to implement an orderly marketing agreement by authorizing him to regulate the introduction of foreign cars into the U.S. market in accordance with the terms of such an agreement.

Section 2 would exempt the act of entering into an auto export agreement, and actions necessary to implement any agreement, from antitrust laws of the United States or any State. This is intended to prevent the implementation of an agreement from being delayed by court suits.

Mr. President, auto manufacturing is the keystone of this Nation's economy. It directly creates 1 out of every 12 manufacturing jobs and generates prime demand for such basic industries as steel, aluminum, rubber, textiles, machine tooling, and increasingly, electronics. It affects the economy of every State, and its health is vital to 50,000 small and medium-sized supplier firms and to 28,000 auto dealers.

The collapse of domestic auto sales has caused the layoff of 1 million American workers and has dangerously weakened the financial structure of the U.S. economy's dominant industry. The latest national unemployment figures are 7.5 percent. In some States and regions of the country, unemployment has reached levels which are catastrophic.

The Japanese efforts to further penetrate the U.S. market are escalating these problems into a disaster. Japanese imports captured more than 21 percent of the U.S. market in the first 11 months of 1980, and the Japanese are expanding their capacity enough to supply 50 percent of this country's vital small car market. That threatens to cause a massive permanent loss of U.S. jobs and a continued rise in the auto trade deficit with Japan well beyond the present $10 billion deficit.

In my own State of Michigan, unemployment was 12.5 percent in November. Unemployment has been at the highest level since the Great Depression; 540,000 people are now jobless in my State. Almost 260,000 people are collecting unemployment insurance, and more than 250,000 have been out of work so long that they have exhausted all their unemployment insurance benefits. More than 1 in 9 of our citizens have been forced to turn to some form of public assistance. We are suffering from the greatest economic catastrophe since the Depression of the 1930's. These are stark and brutal facts. They paint a grim picture of the human devastation to the people of my State.

But while the worst of this recession is centered in Michigan, it is a national problem where unemployment in November was at 8.8 percent in Ohio, 8.1 percent in Illinois, 7.2 percent in New Jersey, 7.5 percent in Pennsylvania, and 7.2 percent in New York. Because of the large size of these industrial States, the percentage figures represent millions of persons.

Today's problems in the American auto and truck industry are immense with massive financial losses being incurred at a time when $80 billion of new capital must be raised in order to modernize plants and retool production lines. The domestic auto companies are working at maximum speed to accomplish the conversion to smaller fuel efficient cars.

The 25 percent penetration by foreign suppliers, the extraordinarily high interest rates and the recession have combined to deal a crippling blow to the industry at this time. The prospect for the industry over the next several months is grim. Japan has substantial excess auto manufacturing capacity to further increase their U.S. market share if they choose to. Our domestic industry is in such a highly vulnerable position that we are almost certain to have continued shutdowns of American auto plants over the next few months.

Of particular concern is the strategy of Japanese automakers to penetrate the U.S. market. They have already strengthened their U.S. retail networks, increased overtime, and expanded production capacity to capture a whopping 21 percent of the U.S. auto sales in 1980. Because auto consumers typically show strong brand loyalty, the Japanese penetration threatens to permanently restructure the U.S. auto market and reduce the market shares and employment of domestic car manufacturers.

The Japanese Government has indicated its willingness to work out mutually acceptable limits on auto exports and avoid further disruption of the U.S. auto market.

Carter administration officials, however, believe that they need additional legal authority before they can enter into such negotiations. While there is considerable disagreement about the President's present authority to act in this matter, Congress should clear any legal obstacles to negotiations that both sides feel would be in the long-term interests of both countries.

I am pleased that the Senate Finance Committee's Trade Subcommittee has scheduled hearings on the auto crisis later this month. I believe that we must make a broad national response to end that crisis and that adoption of this resolution would be one important element of that response.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 5

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President may, whenever the President determines such action appropriate, negotiate with the representatives of foreign governments in an effort to obtain agreements limiting the export from such countries, and the importation into the United States, of automobiles and trucks, and the parts used in assembling them, and enter into and carry out such agreements. The authority provided by the preceding sentence shall expire on July 1, 1984.

(b) No negotiation shall be entered into pursuant to subsection (a) unless the President considers, after consulting with the Secretary of Commerce and the United States Trade Representative, that increased imports of automobiles and trucks, and the parts used in assembling them, are causing serious injury, or threat thereof, to the domestic industry; and is satisfied that the domestic industry has exhausted available remedies under section 201 of the Trade Act of 1974. Further, any agreement entered into pursuant to subsection (a) shall be for a limited period of time, not to exceed the time necessary to allow orderly adjustment to import competition, and shall not have force and effect after June 30, 1984.

(c) The President shall seek information and advice from representative elements of the private sector, including representatives of consumers, with respect to negotiating objectives and bargaining positions before entering into an agreement referred to in subsection (a), either in accordance with section 135 of the Trade Act of 1974 or in accordance with such other procedures as the President may establish.

(d). The President is authorized to issue regulations governing the entry or withdrawal from warehouse of automobiles or trucks, and the parts used in assembling them, to carry out any agreement referred to in subsection (a).

SEC. 2. No person shall be liable for damages, penalties, or other sanctions under the Federal Trade Commission Act (15 U.S.C. 41–77), the Antitrust Acts (as defined in section 377 of the Tariff Act of 1930 (19 U.S.C. 1337), or any similar State law, based upon actions necessary to implement any agreement referred to in the first section of the joint resolution, or any modification or renewal of such an agreement●

● Mr. ROTH. Mr. President, I rise in support of this resolution, which would provide the President with the tools necessary to negotiate temporary quantitative limitations on the importation of automotive equipment. The joint resolution does not force the President's hand; it gives him the means to do something about imports if, after consultations, he determines that import measures are necessary.

Auto and truck imports threaten the very existence of this crucial domestic sector. Moreover, declines in these industries have sent shock waves throughout our economy as producers of secondary and tertiary goods and services suffer lost markets. It has been estimated that, in my own State of Delaware, automotive and related industries employ 21 percent of the work force. In Delaware and elsewhere, we must reverse the downward spiral of the American automotive industry if we are to restore a vital part of our Nation's economy to health.

Mr. President, this is an industry that has taken risks of its own. It has committed billions of dollars to retool and meet foreign competition and domestic demand for more fuel-efficient vehicles. Chrysler Corp., for example, has invested $50 million in new, automated machinery, computerized quality controls and other assembly line equipment for its Newark, Del. plant alone. If Chrysler, and other auto producers do not receive the breathing space they need from ever-expanding import competition, however, many of the dollars they invest now will be wasted.

I firmly believe the health of our automotive sector should be of serious concern to all Americans, indeed to the entire world. As a leader of the free world, we must maintain one of the industries that form the economic and national security backbone of our country. Our trading partners in Europe, the Far East and elsewhere must recognize they have a stake in a strong America built on healthy basic industries.

The United States has traditionally been one of the most open markets in the world. While I applaud this stance, and ardently support free and fair trade over the long term, I believe we must take into account the impact such free trade policies have had on many of our basic domestic industries. We must therefore afford the opportunity to provide American producers with the domestic and international remedies they need to learn to deal effectively with import competition. By providing the tools to negotiate a temporary import remedy, I am convinced we can move a giant step closer to easing our automotive industry into a dynamic world trading environment. Moreover, we can accomplish this objective without unduly hampering our long-term efforts to expand commerce worldwide.●

By Mr. LUGAR:

S.J. Res. 7. Joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

CONSTITUTIONAL AMENDMENT RELATING TO CONGRESSIONAL BUDGET ACTION

● Mr. LUGAR. Mr. President, today I am introducing a resolution for a constitutional amendment to require a balanced Federal budget. I introduced the same resolution on the first day of the 96th Congress, exactly 2 years ago. Much has changed in the last 2 years, but the need for fiscal responsibility on the part of the Federal Government has not.

For the sake of newly elected Senators, let me review the record of the balanced budget amendment during the past 2 years. No less than 12 Senators introduced balanced budget amendment proposals early in the 96th Congress; many more Senators cosponsored one or more of these proposals. For example, my own resolution, Senate Joint Resolution 4, was cosponsored by 14 other Senators. In all, roughly one-third of all Senators expressed a firm commitment to the balanced budget principle. In order to coordinate their efforts, this group of Senators and their staffs met from time to time in an informal balanced budget caucus. Based largely upon the constructive leadership of five of the seven members of the Senate Subcommittee on the Constitution, this group agreed to support a common proposal, Senate Joint Resolution 126. This proposal was passed out of the subcommittee by a vote of 5 to 2, and referred to the full Judiciary Committee. There it was defeated by a close vote of 8 to 9.

I am hopeful that a balanced budget amendment will fare even better in the 97th Congress than it did in the 96th. At the beginning of the 96th Congress, 22 States had petitioned the Congress to send a balanced budget amendment proposal to the States or to call a Second Constitutional Convention. At the present, 30 States have done so, leaving the total only 4 States short of the 34 necessary for calling a constitutional convention.

Since the beginning of the 96th Congress, the United States has experienced 2 more years of enormous Federal deficits, and a rate of inflation which has raged out of control. The American people indicated in the November elections their overwhelming desire for a change in "business as usual" in Washington. Quite a number of our colleagues who did not perceive their message in time will no longer be with us in the new Congress. If the Congress does not act decisively in the coming year, more colleagues will likely share their fate. Poll after poll has revealed the continuing support of four out of five Americans for a balanced budget amendment.

Mr. President, my proposal simply requires a two-thirds majority in both Houses of Congress to adopt deficit budgets. Although it will restrict the ease with which Congress can adopt deficit budgets, my proposal will not flatly prohibit deficit budgets. There are compelling reasons why deficit budgets may be necessary from time to time. Pressing national security needs or severe economic dislocations are two such reasons. Accordingly, flat prohibitions on the Congress power to adopt deficit budgets appear to me unwise.

Nevertheless, no one could seriously deny that the budgetary record of the last two decades has been a sorry one of chronic deficits. The Congress has adopted deficit budgets year in and year out, in good times and bad, with only one exception in the last 21 years. Current interest payments on previous debt now constitutes a substantial portion of yearly expenditures. Years of short-term convenience and political expediency have resulted in a massive burden of debt which has been placed upon the American people.

What the economy requires, and what all Americans desire, is a sign that the Congress is finally prepared to address the question of fiscal responsibility forthrightly and decisively. Prompt adoption by the Senate of a balanced budget amendment resolution would be an excellent indication that America's economic recovery has begun.●

By Mr. MATHIAS (for himself and Mr. HAYFIELD):

S.J. Res. 8. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT

● Mr. MATHIAS. Mr. President, at 12:30 p.m. tomorrow in my capacity as chairman of the Rules Committee I will proceed to the House of Representatives to count the electoral ballots and certify the electoral college results.

I hope that the joint resolution I am introducing now will make that charade unnecessary hereafter and forevermore. It amends the Constitution to abolish the electoral college and provide for the direct popular election of the President and Vice President of the United States. This resolution is identical to Senate Joint Resolution 28, which, under the leadership of our former distinguished colleague from Indiana, Senator Bayh, was reported by the Senate Judiciary Committee and debated on the Senate floor in the 96th Congress.

In the course of the lengthy debate and hearings on this amendment, the argument most often used by its opponents is reminiscent of Mark Twain's advice: "If it ain't broke, don't fix it." But must we really wait for a crisis in the electoral process before we act? I think not.

Rather, we should look for the simplest and most democratic method for choosing the leaders of our land. We must face the reality that the electoral college system is antiquated and unnecessary. In the political climate of the 18th century, the founders were anxious that the best informed citizens be responsible for the selection of the President and Vice President. Indeed, methods of communication were limited and illiteracy was widespread.

As political and social conditions have changed, however, so have our laws. Thus, we have seen many reforms in the electoral process over the past two centuries, including the direct election of Senators and the enfranchisement of blacks, women, and 18-year-olds.

Viewed in light of these democratizing electoral reforms, the electoral college stands out as an anachronism. Above all, the electoral college is inconsistent with the fundamental principle of equal treatment under the law for

all Americans. Its flaws are widely recognized by legal scholars, Members of Congress, and many others. These include:

The uncertainty of whether the candidate who garners the most popular votes will ultimately prevail;

The State-by-State winner-take-all system;

The contingency election feature which, under certain circumstances, places with the House of Representatives the final decision in choosing the President instead of with the electorate at large; and

The faithless elector.

Concern over the deviation from democratic tenets is grounded in historical fact. Three times in our history, in 1824, 1876, and 1888, the winner of the popular election did not become President. Furthermore, a shift of less than 1 percent of the total popular vote cast could have produced a minority President 17 times.

Direct election is the most effective method to remedy these faults. As the late Senator Hubert Humphrey noted, only direct election insures that

"The votes of the American people wherever cast (are) counted directly and equally in determining who shall be President of the United States."

Only by direct election can the fundamental principle of equal treatment under the law for all Americans be incorporated into our Presidential selection process.

Fears have been expressed about electoral reform and it potential adverse effects on various blocs of voters as well as on the system as a whole. I do not find these dire forebodings persuasive.

One of the major indictments leveled at direct election is that it would weaken our system of federalism. It is contended that this proposal would have the effect of erasing State boundaries and shifting the overall strategy of a Presidential candidate from a State-by-State to a national one. I find this argument unconvincing. As former Senator Mike Mansfield stated in 1961 in reference to the electoral college:

The Federal system is not strengthened through an antiquated device which has not worked as it was intended to work when it was included in the Constitution and which, if anything, has become a divisive force in the Federal system by pitting groups of States against groups of States.

Finally, I would like to clarify the effect of a runoff provision in this resolution. With direct election, a winning candidate would have to receive at least 40 percent of the national vote. This provision would discourage single-issue splinter parties and ultimately strengthen the two-party system. A runoff between the two top contenders would be required only when no candidate received 40 percent of the popular vote. In fact, only one President was ever elected with less than 40 percent of the popular vote. That was President Lincoln who, in 1860, received 39.76 percent of the vote. Moreover, in the unlikely event that no candidate receives the requisite 40 percent of the vote, a runoff is certainly a more democratic procedure than selection by the House of Representatives, as is now provided for with the electoral college system.

Over the past 15 years, the electoral college mechanism has been thoroughly scrutinized by the Congress. The record compiled during this period not only warrants but demands the step contemplated by this joint resolution. The time has come to act on our findings. As chairman of the Committee on Rules and Administration, and as a longtime member of the Senate Judiciary Committee, I will do all in my power to insure that result.●

By Mr. THURMOND (for himself, Mr. DECONCINI, Mr. HATCH, Mr. HEFLIN, Mr. SIMPSON, Mr. LAXALT, Mr. EAST, Mr. DENTON, and Mr. GRASSLEY):

S.J. Res. 9. Joint resolution proposing an amendment to the Constitution to promote fiscal responsibility; to the Committee on the Judiciary.

CONSTITUTIONAL AMENDMENT TO PROMOTE FISCAL RESPONSIBILITY

Mr. THURMOND. Mr. President, today, I am introducing, along with Senators DECONCINI, HATCH, HEFLIN, SIMPSON, LAXALT, EAST, DENTON and GRASSLEY legislation proposing an amendment to the Constitution to promote fiscal responsibility.

Polls indicate that 80 percent of all Americans favor fiscal responsibility and restraint by the Federal Government. The recent elections should leave no doubt in anyone's mind that the American people expect the Federal Government to exercise fiscal responsibility.

It is no surprise, of course, that there have been many different solutions proposed to put fiscal integrity back into Government. In the last Congress alone over almost 50 amendments were introduced. For years, I have advocated more fiscal responsibility by the Federal Government and in the last Congress I had my own amendment to balance the budget.

The resolution I am introducing today is identical to Senate Joint Resolution 126 which was pending last year. I am hopeful that in the next several months the Senate will have the opportunity to discuss this resolution and in time act on it.

Fundamentally, the proposed amendment is a procedural one. It is not an economic amendment. It requires the Congress to responsibly address its fiscal policies, but it does not predetermine what these policies must be. However, the resolution does remove two biases which exist in our current budgetary practice.

First, it does away with the current bias toward increased spending by reestablishing the relocationship between Government receipts and expenditures. Without setting an absolute limit on the amount that Congress can spend, the amendment simply requires that for each dollar spent, there is $1 raised. This would eliminate the current bias toward deficit spending.

As the system now works, on each appropriation bill there is concentrated support by those most likely to benefit from the expenditure and a generalized opposition composed of taxpayers who will have to shoulder the final burden of appropriation. My amendment would not prevent appropriation bills aimed at concentrated beneficiaries, but it would change the rules of the game. No longer would these special interest groups compete against the general taxpaying public, but these groups would be forced to compete against one another. The net result will be a more efficient use of Federal moneys which are available.

The second bias which this amendment would remove is the bias toward ever-increasing tax revenues. Because of our progressive tax structure, Congress reaps the benefits of tax bracket creep regardless of whether that higher marginal rate is caused by inflation or real growth. This is a real problem which few people fully realize. Presently, even if there were no real growth in our economy the funds available for Federal spending represents an increasingly larger share of our national wealth. This amendment removes this automatic increase in the Federal share by requiring that Congress must consciously decide that it wants the Federal sector to increase in size in relation to the private sector of our economy. Congress can still allow the Federal sector to consume a larger share of our wealth, but it must specifically vote for that increase.

Mr. President, those are the major principles of this proposed amendment. As one studies this amendment it becomes obvious that it would not write specific economic policy into the Constitution. It merely establishes the norm of a balanced budget, a norm desired by 80 percent of the American people, and then it allows the system to function in a responsible, accountable manner. It dos not limit Congress prerogatives, but it insures that Congress will make these decisions consciously and in the open. In this manner, we will insure that Congress is responsive to the wishes of the American people.

This amendment is the product of a bipartisan effort. It represents what we think is the best solution to a pressing problem. I encourage all of my colleagues to study this amendment, and I hope that they will join as cosponsors in this important step to restore fiscal responsibility to our Government.

SENATE RESOLUTION 17—RESOLUTION CONCERNING REVISION OF THE MONETARY POLICIES OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE ACT

Mr. SASSER (for himself, Mr. RANDOLPH, Mr. BRADLEY, Mr. LEVIN, Mr. BUMPERS, Mr. EXON, Mr. HUDDLESTON, Mr. BAUCUS, and Mr. MELCHER) submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs.

S. RES. 17

Whereas the prime interest rate has increased to 20 per centum from 12.9 per centum in September 1979 and from 4.5 per centum since December 1960;

Whereas the acceleration of interest rates have contributed directly and significantly to the near tripling of bankruptcy rates during the past decade;

Whereas the high interest rates fostered by the monetary control policy of the Board of Governors of the Federal Reserve System have not reduced, but have increased, the rate of inflation as measured by the gross national product deflator;

Whereas current high interest rates threaten to destroy those sectors of the American economy that are critically important to the general well-being of our Nation, especially homebuilding, automobile production and sales, farming, and small business sectors;

Whereas high interest rates have not restrained the demand for credit, but have resulted in the rapid growth of credit demand, and subsequently higher interest rates;

Whereas the American business community and the American public have indicated serious reservations about the effectiveness of the Board's new policies;

Whereas the recent high volatility of interest rates have created a negative environment for business investment, productivity growth, and expansions; and

Whereas the Federal Open Market Committee which presently sets Federal interest rate policies does not fully reflect the economic concerns of many essential sectors of the American economy: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Board of Governors of the Federal Reserve System should act immediately to prevent any further increases of interest rates and to reduce such rates as soon as practically possible;

(2) the Federal Reserve Board should act immediately to abandon its present policies of managing the monetary structure of this country which were initiated in October 1979, and shall institute alternative policies to restrain interest rates and the growth of nonessential credit directly;

(3) the Congress should take action to abolish the Federal Open Market Committee and to stipulate that all final decisions which are made to limit the growth of the money supply and interest rates be made by the Board of Governors of the Federal Reserve System;

(4) the Congress should take action to insure that the membership of the Board of Governors be so constituted as to include appropriate representation of all sectors of the American economy, especially those sectors that are particularly dependent on the need for stable financial markets;

(5) the Committee on Banking, Housing, and Urban Affairs of the Senate, in conjunction with the Joint Economic Committee, should study the advisability of seeking other necessary institutional reforms in the structure and operation of the Federal Reserve System that may be required to improve the management of this Nation's monetary structure with the goal of providing a stable and positive economic environment for growth and investment while reducing inflationary pressures, and to make a report of its findings to the Senate no later than June 1, 1981; and

(6) the study made under clause (5) of this section should include an investigation of (A) the feasibility of implementing a "dual prime rate" which can be used to channel credit to those sectors of the economy that have suffered from chronic credit shortages as a result of the Board's current monetary policies, and (B) the advisability of increased congressional supervision of policies affecting the Nation's monetary system.

Mr. SASSER. Mr. President. I rise today to once again draw attention of my colleagues for the need to abandon the current high interest rate policies of the Federal Reserve Board.

Since October 1979 the Federal Reserve Board has embarked on a misguided crusade to end inflation by relying on a tight money policy. And while the Federal Reserve Board should follow monetary policies that can moderate inflation, the Federal Reserve Board must understand that inflation cannot be halted through monetary policy alone.

Inflation must be attacked through sensible budget cutting, the adoption of tax cuts that will stimulate economic productivity, and through Federal policies that will reduce the economic drag of misguided regulations on American business. And the private sector must do its part as well. Big business and labor must moderate their price and wage policies so that we do not heighten inflationary expectations.

Inflation fighting requires teamwork. No single institution of Government can end inflation by its own actions. Yet that is precisely what the Federal Reserve Board is attempting to do today. Through its money management policies, the prime rate has once again reached 20 percent and has gone even higher. Why just 16 months ago, the prime rate was only 12.9 percent. Twenty years ago, the prime rate was 4.5 percent.

And what is the economic cost of this misguided interest rate policy?

In the homebuilding industry the devastation has been incredible. We should be building 2.3 million new housing units every year just to meet our normal housing demand. This year, because of soaring interest rates, we may build only 1.2 million units—a shortfall of 1.1 million units. And if high interest rates keep up, we will have a deficit of 2.4 million housing units by 1982.

And the cost of homeownership has risen dramatically as well. The National Association of Homebuilders, for example, has indicated the average cost of a $60,000 mortgage has risen by more than $100 per month. And due to high interest rates, only 18 percent of those who bought a house in 1980 were first-time homebuyers—a dramatic reduction in such homebuyers.

Other sectors have suffered as well.

This year over 2,100 automobile dealerships may go out of business, a rate nearly triple that for the period from 1975 through 1978. Overall business bankruptcies were running at a rate of 35 to 50 percent greater than the years between 1967 and 1979.

And through all this have we reduced inflation? Have we slowed down the demand for credit?

No, we have not.

Inflation is still running at well over 10 percent and higher. And in this period of ever spiraling interest rates, we find American business running scared and further bidding up the demand for credit thus, in October 1979, before the Federal Reserve Board announced its current interest rate policy, loan commitments by major commercial banks were growing at a rate of 17 percent. In the first quarter of 1980 when the prime rate moved to a 20-percent level, the loan commitment growth moved to 38 percent. And Mr. President, there is no indication that this loan commitment growth rate is slackening given the fear that American business has of spiraling interest rates.

So what do we have here? We have an interest rate policy that is shoving us back into a recession, bankrupting homebuilders, automobile dealers, small businessmen, and farmers.

We have an interest rate policy where the prime rate is changing almost weekly, making sound business investment plans almost impossible.

And tragically, we have an interest rate policy that is doing nothing, absolutely nothing to control inflation.

This hardly makes economic sense for American business or the American people.

Now there are some in the Congress that say—

Let's not criticise the Fed. They are just trying to do their job. Let them follow a tight money policy and interest rates will fall back to their natural levels as inflation subsides.

But, that, Mr. President, should not be the case.

We simply cannot continue to follow the Federal Reserve Board's high-interest policies. We must not be cowed or intimidated by those that say the Fed can bring down inflation if only we can leave it alone. The Fed's interest rate policies are not working and we must recognize that fact and act accordingly.

We simply do not have a monetary system that can be fully controlled by the Fed's monetary policies. Our monetary system is now international rather than national in character. We have no clear idea of the amount of money that can be subjected to the Federal Reserve Board's controls, and there is ample evidence that unless we follow complementary fiscal, wage-price, and regulatory policies, monetary policies will never, never control inflation. Indeed, without these policies and efforts to reduce nonessential credit more directly, the present Fed monetary policies will only drive up prices, including interest rates.

So, Mr. President, let us cut our costs while we can. Let us turn away from the human misery and economic chaos caused by high interest rates, and let us refashion our monetary policies accordingly.

I, for one, do not plan to stand idly by during this interest rate crisis.

Consequently, I am today submitting the resolution which is cosponsored by Senators RANDOLPH, BRADLEY, LEVIN, BUMPERS, EXON, HUDDLESTON, BAUCUS, and MELCHER.

In summary this resolution would:

Direct the Federal Reserve Board to take appropriate actions to hold down the prime rate and to reduce interest rates as soon as possible;

Direct the Federal Reserve Board to abandon its present approach of managing the money supply by means of meeting general monetary aggregate targets as announced in October 1979, and to restore traditional financial constraints such as Federal interest rate targets, and stronger reserve and margin requirements on borrowing;

Direct the Congress to have the Federal Reserve Board through its Board of Governors, rather than the open market committee, set national monetary policy;

Further direct the Congress to broaden the membership of the Federal Board of Governors in order to include representation of a wider spectrum of the economic community, and

Finally, to direct the Senate, through its established committees, to undertake a thorough investigation of the steps that are required to provide a more stable and growth-oriented monetary system that insures adequate credit supply to hard-pressed economic sectors while reducing the speculative and intrinsically inflationary pressures which now characterize the financial sector.

In such, Mr. President, the responsibility for sound monetary policy rests with the Congress. The American people do not expect us to sit idly by while our economy falters and stumbles. But, that is precisely what is happening today in no small measure because of the Federal Reserve Board's monetary policies. We must take concrete and far-reaching steps to end these high interest rate policies now.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, as chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, I advise Senators that a confirmation hearing has been scheduled on the nomination of John R. Block to be Secretary of Agriculture.

Mr. Block is well qualified for this position. He owns and operates a family farm near Galesburg, Ill. Most recently, he has served as director of the Illinois Department of Agriculture. He is a strong advocate of increased agricultural exports, and has served as a member of several agricultural export expansion projects.

The hearing will be held on Tuesday, January 6, beginning at 10 a.m. in room 4221 Dirksen Senate Office Building. The commitee will hear from Mr. Block, Members of Congress, and public witnesses.

Anyone wishing further information should contact Mac McCarthy or Denise Alexander of the Agriculture Committee staff at 224-2035.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public hearings before the Committee on Energy and Natural Resources on the nomination of Mr. James G. Watt to be Secretary of the Interior and on the nomination of Mr. James B. Edwards to be Secretary of Energy.

The hearing for the nomination of Mr. Watt is scheduled for Wednesday, January 7, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, with Thursday, January 8, reserved as an additional hearing date, if necessary. For further information, please contact Tony Bevinetto at 224-0611.

The hearing for the nomination of Mr. Edwards is scheduled for Monday, January 12, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, with Tuesday, January 13, reserved as an additional hearing date, if necessary. For further information, please contact Chuck Trabandt at 224-7141.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510. For further information regarding the hearings, you may wish to contact Ms. Carol Garnett at 224-7153.

ADDITIONAL STATEMENTS

SEVERANCE PAY FOR SENATE EMPLOYEES

● Mr. MATHIAS. Mr. President, Senate Resolution 573, adopted by the Senate on December 16, 1980, provided for severance pay to those employees of the Senate terminated as the result of the transition to the new Republican majority in the 97th Congress.

On Monday, January 5, 1981, the Rules Committee prescribed regulations to govern the procedures for the payment of severance to qualified Senate employees. These regulations were sent to all affected Senate offices.

So that these regulations will be generally known, I ask that the Rules Committee regulations governing severance pay be printed in the RECORD at the conclusion of my remarks, along with two form letters to be used by affected employees and certifying offices.

It is important to note that for those employees terminated at the close of business January 2, 1981, the deadline for certification to the Rules Committee is not later than January 12, 1981. For those terminated later, the deadline is 10 days following actual termination.

The material follows:

REGULATIONS OF THE COMMITTEE ON RULES AND ADMINISTRATION FOR THE PAYMENT OF SEVERANCE PAY IN ACCORDANCE WITH SENATE RESOLUTION 573, 96TH CONGRESS, AGREED TO DECEMBER 16, 1980

1. Under the provisions of S. Res. 573 former Senate employees qualify for one month's basic pay, as severance pay, if:

(a) they were employed by a standing, select, joint, or special committee of the Senate, whose funds are disbursed by the Senate, or by the Office of the Vice President of the United States, the Secretary of the Senate, or the Sergeant at Arms and Doorkeeper of the Senate,

(1) on January 2, 1981, and

(2) were employed by the U.S. Senate for at least 183 days during 1980, and

(b) such employment as a Senate employee was terminated on or after January 2, 1981, solely and directly as a result of the reorganization of his office of employment, caused by the transition to a Senate in which a majority of Senators are members of the Republican party.

2. Affected employees must be certified as qualified for severance by the Chairman and Ranking Minority Member of their respective Committees, or by the Vice President, the Secretary or the Sergeant at Arms of the Senate, respectively.

3. Application forms, like that attached hereto, will be available to employees in the office of the Rules Committee, 305 Russell Senate Office Building.

4. Certification of qualification shall be submitted to the Rules Committee by the respective committees or office, on or before January 12, 1981 for all qualified employees terminated on January 2, 1981, and within ten days of such displacement termination if it occurs after January 2, 1981.

5. It shall be the responsibility of each affected employee to insure that his respective office of employment timely submits his certification to the Rules Committee, in accordance with the provisions of subsection (b) of S. Res. 573 and paragraph 4 of these regulations. Certifications may be by letter, for one or more affected employees, signed by the Chairman and Ranking Minority Member of the Committee, or the Vice President, or the Secretary or Sergeant at Arms of the Senate, and stating that "such employees are certified as qualified for their appropriate severance payments in accordance with the provisions of S. Res. 573, agreed to December 16, 1980, and the regulations of the Senate Rules Committee promulgated thereto."

6. Upon receipt of properly completed Applications and Certifications, the Rules Committee will transmit such forms, approved by the Chairman of the Committee, to the Senate Disbursing Office for processing and payment.

7. Election by an employee to take retirement after qualifying termination will not affect his entitlement to full severance payment.

8. Re-employment in the Senate during the 30-day period after qualifying termination will result in a pro-rata reduction in such employee's severance payment, on a day-for-day basis, regardless of disparities in the applicable old and new Senate salaries.

ATTACHMENT No. 1

(Employee Letter of Application for Severance Payment)

Hon. CHARLES MCC. MATHIAS, Jr.,
Chairman, Committee on Rules and Administration, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I hereby apply for such severance payment as I am entitled to pursuant to Senate Resolution 573, agreed to on December 16, 1980.

Sincerely,

_____ _____,
Employee.

ATTACHMENT No. 2

(Letter of Certification of Qualification for Severance Payment)

Hon. CHARLES MCC. MATHIAS, Jr.,
Chairman, Committee on Rules and Administration, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: As Chairman and Ranking Minority Member, respectively, of the Committee on _____, we hereby certify that the following employees are qualified for their respective appropriate severance payments pursuant to the provisions of Senate Resolution 573, agreed to on December 16, 1980, and to the regulations pursuant thereto promulgated by the Committee on Rules and Administration.

(List Names)

Sincerely,

_____ _____,
Chairman,

_____ _____,
Ranking Minority Member.●

TRIBUTE TO SENATOR DICK SCHWEIKER

● Mr. SASSER. Mr. President, I would like to take a brief opportunity to salute the work and efforts of DICK SCHWEIKER.

DICK SCHWEIKER came to Congress 20 years ago. Since that time, the Congress and the country benefited from his diligent legislative endeavors in the areas of health, labor policy, and military concerns.

While DICK is most noted for his work on the Labor and Human Resources Committee—a committee on which he would now be serving as chairman were it not for his retirement—I have had the particular pleasure of working with him on the Senate Appropriations Committee. From that perspective, I have come to know DICK as a conscientious fair-minded individual. He is extremely concerned over fraud and abuse in Federal programs. Yet, DICK SCHWEIKER approaches these problems with a distinct compassion for his fellow man.

That is why I am pleased with his selection as the new Secretary for the Department of Health and Human Services. I know he will be committed to reducing wasteful spending, but I also know that he will be committed to those programs in which he played such an important founding role.

It is regrettable that DICK chose to end his career as an able legislator after only 20 years. However, there are certainly thousands of coal miners, jobless youths, poor and hungry children, older Americans, and working men and women who have the prospect of a brighter, more healthful tomorrow thanks to the dedication of DICK SCHWEIKER.●

HONOR COLUMBUS CAMPAIGN PRAISED

● Mr. DECONCINI. Mr. President, Charles T. Gabriele, a resident in the district of our congressional colleague GLADYS NOON SPELLMAN, a noted composer and a retired college professor, has received many honors for his "Christopher Columbus March," "My Heritage," "William Paca March," and other musical compositions. It is understandable that the Italian Government decorated him a cavaliere of the Republic of Italy and that the Order Sons of Italy in America established a lodge in his name.

However, Professor Gabriele deserves much praise for having formulated the "Honor Columbus Campaign," a program for revitalizing the image of Christopher Columbus in the schools. This program entails the donation of copies of "Christopher Columbus March" to school bands. The students then practice the march, striving for excellence. Those bands that achieve performance proficiency are presented awards during campaign events such as Columbus Day celebrations. Indeed a very fine program for helping to put Columbus back into the schools as well as encouraging musical excellence.

Mrs. SPELLMAN was the principal speaker at the Columbus Day celebration held at Pallotti High School in Laurel, Md., on October 13, 1980. The hosts of this memorable event were George L. Repass, principal, and Sister Patrice Wales, dean of students, Rev. Anthony Dal Balcon, administrator of Villa Rosa Rest Home in Mitchellville, gave the invocation, and Rev. Edward T. Hartel, pastor of St. Mary's Church in Laurel, gave the closing prayer.

I agree with Mrs. SPELLMAN that in recent years the image of Columbus has waned to a sad low. In her address she admonished the encycloped'a for short changing Columbus. She indicated that Columbus was a monumental figure who singlehandedly altered the course of history and that his contributions are far greater than being first. His discovery led to the founding of the greatest nation on this Earth. Later in the ceremony program, former Navy Secretary J. William Middendorf II, added that Columbus also represented "perfection" and that the "Honor Columbus Campaign" not only honors Columbus, but also encourages youths to achieve perfection.

Other speakers included Prince George's County Councilman Frank P. Casula, city of Laurel Mayor Robert J. Di Pietro, and Lawrence J. Hogan, Jr., representing his father, County Executive Hogan, who issued a proclamation commending the Prof. Charles T. Gabriele Lodge of Sons of Italy and the Pallotti High School.

Presentation of the awards was as follows: Judge Francis J. Valle of Baltimore, president of the Order of Sons of Italy in Maryland, presented a trophy to Luan Muller, bandmaster of Pikesville High School band. Joseph A. Nobile of Oxon Hill, president of Prince George's County Lodge of the Order Sons of Italy, presented a trophy to Joseph Kessler and Marilyn Delgado, representing Oxon Hill Senior High School band. Lt. Col. Donald Sells of Rockville, president of Montiliano Lodge of the Order Sons of Italy, presented a trophy to Angela Seypoler, representing Wheaton High School band. Richard Berardino, of Laurel, president of Antonio Gatto Lodge, introduced three fellow lodge members who made the following awards: Councilman Casula presented a trophy to John B. Collins, bandmaster of Fort Meade High School band. Mayor Di Pietro presented a trophy to James P. Morrison, band director of Laurel Senior High School band. And Mary Markey, also of Laurel, presented a trophy to Martin Staub, band director of Paint Branch High School band. Victor Reyes, of Bowie, orator of the Prof. Charles T. Gabriele Lodge, presented Robert Gill, band director of Cardozo High School in the District of Columbia, a trophy. Former Navy Secretary Middendorf, of McLean, Va., presented Carl Bianchi, band director of James Madison High School band in Vienna, Va., a trophy. Rev. Patrick W. Kemp, pastor of St. Edward's Church in Bowie, presented copies of "Christopher Columbus March" to several high school bands on behalf of the Knights of Columbus. On behalf of composer Charles T. Gabriele, Lt. Cmdr. Allen E. Beck, leader of the U.S. Naval Academy band, presented the "Composer's Award" trophy to John H. Mitchell, director of DeMatha High School band. Professor Gabriele presented Pallotti High School a trophy for being the first school to host an "Honor Columbus Campaign" ceremony.

Col. Francis Cipolla of Bowie, vice president of the Prof. Charles T. Gabriele Lodge, served as master of ceremonies of this historic event which was attended by 600 students and adults. During the program the U.S. Naval Academy band, under the direction of Lt. Cmdr. Allen E. Beck, performed patriotic selections. Professor Gabriele conducted a stirring performance of his "Christopher Columbus March."●

TRIBUTE TO SENATOR MIKE GRAVEL

● Mr. SASSER. Mr. President, I would like to join my colleagues in paying tribute to Senator Mike Gravel of Alaska.

During his 12 years in the Senate he has served his State and the Nation aggressively and courageously. From his membership on the Finance and Environment and Public Works Committees, Senator Gravel has had considerable impact on issues of crucial importance to Alaska. This has been no small task given the unique problems of this distant and vast State.

Mike has worked tirelessly on energy and environmental issues such as the crude oil pipeline which delivers much needed oil to the lower 48 States. More recently, he had directed his efforts to making an Alaska natural gas pipeline a reality.

Senator Gravel worked hard to forge a compromise on the important Native Claims Act that has been controversial for many years. He also worked diligently for the protection of American fisheries.

I applaud his dedication and the energy Mike has brought to his work in the Senate. Alaska will miss his effective advocacy of its interests.●

TRIBUTE TO SENATOR RICHARD STONE

● Mr. SASSER. Mr. President, it is my privilege and pleasure to pay tribute today to a man who has made a tremendous contribution to this body and to the American people, Senator Dick Stone.

Dick is to be commended for his leadership role in the Middle East peace plan. The spirit and the content of the Camp David agreements owe much to Dick Stone's leadership. I certainly hope that he will lend his sound judgment and keen insight to future diplomatic efforts in this area.

Through his service especially on the Foreign Relations Committee, Dick Stone has seen the need for strengthening our trade relations with the rest of the world. He has worked for legislation and trade agreements that have spurred agricultural exports to Japan and Taiwan and many other countries. And as one of the original founders of the U.S. Senate Tourism Caucus, he has understood the

need to encourage more international travel to this great country of ours.

Dick Stone has made important contributions on the domestic front as well. He has spoken strongly about the need to insure that condominium conversions do not wipe out the low-income rental market in this country. And he has supported much of the progressive health and nutrition legislation of the 94th, 95th, and 96th Congresses that have helped the less fortunate of his constituents.

Dick Stone's record of achievement is impressive. He has served the people of Florida and the United States honorably and well.●

TRIBUTE TO SENATOR RIBICOFF

● Mr. SASSER. Mr. President, Senator Abe Ribicoff will not be with us in the 97th Congress. We will miss his service and counsel in the U.S. Senate.

Abe is truly a unique man. He is the only active American to have served as State legislator, judge, Congressman, Governor, Cabinet officer, and U.S. Senator. The scope of Abe's service to our Nation is truly remarkable in this day and age.

The structure of American Government owes much to Abe Ribicoff, he has led the way in the creation of the Departments of Housing and Urban Development, Transportation, Energy and Education. He was the champion of the Civil Service Reform Act of 1978 which is so essential to building a productive Federal work force. And Abe has worked tirelessly to promote regulatory reform legislation that would revamp our burdensome regulatory bureaucracy.

I was privileged to serve with Abe Ribicoff during the last 4 years on the Senate Governmental Affairs Committee. As our chairman, Abe has been scrupulously fair to all members of our committee. He has worked us hard and demanded that we understand all the various facets of the legislation that we worked on. And, in no small measure, Abe's sense of good legislation has meant that the work of the Governmental Affairs Committee has always been received well in the U.S. Senate.

Abe has made his mark on international policy as well. He was a leader in the fight for strong nuclear nonproliferation legislation. And, in 1978 Abe served as a representative on the U.S. Mission to the United Nations. Abe has long been recognized as being a leader in the promotion of fair and free trade relations among the nations of the world.

Abe Ribicoff's record of public service speaks for itself. His character and integrity are a model for all those who wish to serve our Nation wisely and well.●

TRIBUTE TO SENATOR ADLAI STEVENSON

● Mr. SASSER. Mr. President, I rise to pay tribute to Adlai E. Stevenson who ends his Senate service with the 96th Congress.

The illustrious son of an illustrious father, Adlai Stevenson has continued the tradition of visionary Illinois public servants.

As a State legislator, State treasurer, and as U.S. Senator since 1970, Adlai has provided yeoman service to the people of Illinois.

But the Nation has benefited as well from Adlai's public service. He has understood the need for strong trade legislation in a time when the United States must have a strong economy which exports goods to all parts of the world. And it is fair to say that his legislative work on the Senate Commerce Committee will provide the foundation forevermore far-reaching trade and commerce legislation in the future.

Adlai has shown courage and integrity in his efforts to reform congressional operations. As a leader of sweeping Senate committee reforms in 1977, Adlai tread where so few of us care to go—in scrutinizing the effectiveness and efficiency of our own operations. But that is Adlai's measure—has never shirked duties just because they were unpopular or unfashionable.

The American Nation has been blessed by the Stevenson family of Illinois. The last four generations of Stevensons have enriched this Nation more than they will ever know. America will be hard put to repay the debt.●

TRIBUTE TO SENATOR DONALD STEWART

● Mr. SASSER. Mr. President, I rise to commend the work of Senator Donald Stewart, especially for his service on the Senate Small Business, Agriculture, and Banking, Housing, and Urban Affairs Committees.

Don's service on the Small Business Committee is especially meritorious. Don has been in the forefront of much of the small business legislation signed in the 96th Congress that has reversed the Federal tax and regulatory policies that have done so much harm to small business in the past. The list of the projects and investigations that the Small Business Committee has conducted under his guidance is truly impressive. Furthermore, Don has continued to draw the attention of the American people to the need to revise the ill-advised interest rate policies of the Federal Reserve Board which have done so much to impede small business expansion in this country.

Don has also been rightly concerned about the energy security of this country and has been recognized as a leader in our efforts to promote a strong and sensible alcohol fuels program. The 97th Congress will surely build on many energy polices that Don advanced in his brief career in the U.S. Senate.

Don also has consistently spoken up against corruption, fraud, and waste in the Federal Government and elsewhere. He was a prime leader in the Senate investigations of the Bunker Hunt silver speculation scandal, and he has often joined with me and many other Senate colleagues in working to reduce unnecessary or wasteful Federal spending.

Don Stewart's expertise in these many areas will be missed in the U.S. Senate. But the legacy of his work will endure.

I wish Don well and hope that he will continue his work in the public interest of the Nation and his native State of Alabama.●

AMENDMENT TO CONTINUING RESOLUTION

● Mr. MITCHELL. Mr. President, I have today introduced a bill which addresses a very serious problem facing the potato producers of northern Maine.

Last April, potato producers of Maine were facing a very difficult financial crisis. To meet this crisis there was formed a special White House task force to study the problems confronting this industry, which is so vital to the economy of northern Maine.

One of the problems that has been identified is the apparent misdirection of potatoes that are being imported from Canada as seed stock to the supermarkets in New England.

Currently, there is an import quota of 114,000 cwt. for seed potatoes and a quota of 45,000 cwt. for table stock potatoes. When either quota is filled the tariff is doubled for that type. However, what is happening, is that once the table stock quota is reached, the Canadian producers are exporting potatoes under the seed quota in order to take advantage of the lower tariff, even though the potatoes are actually intended to be sold as table stock.

For example, from the beginning of the growing season in July until the end of December 1979, Canada had exported approximately 3.3 million pounds of seed potatoes. The quota for table stock potatoes was reached on December 27, 1979. In the following 3 months, over 21 million pounds of so-called seed potatoes were imported from Canada under the lower tariff. That is a 1,200 percent increase in the monthly average.

The table stock quota for 1980 was reached on November 12. From July 1 of this year until that date, Canada had exported no seed stock potatoes through Maine borders. In the first week following the triggering of the double tariff for table stock, over 980,000 pounds of seed potatoes were imported to Maine from Canada. Unfortunately, these so-called seed potatoes are eventually being sold as table stock potatoes. This substitution of seed potatoes for table stock potatoes is a disservice to consumers and to potato producers. Clearly, this practice voids the higher tariff disincentive.

I am told by Maine's commissioner of agriculture that the Federal task force indicated that the current laws do not contain an express prohibition of a change of the end use classification.

The U.S. Customs Service is doing its job properly. My amendment would simply require that appropriate measures be taken to assure that the end use of these potatoes is the same use for which they have been imported.

Accordingly, this bill will prohibit the expenditure of funds by the U.S. Customs Service to process the entry of any potatoes designated as seed stock until the President has certified that appropriate measures have been taken to achieve this purpose. This is the minimum step we

must take, not only to prevent unfair competition against American farmers, but to protect American consumers against the substitution of produce on their supermarket shelves.

I urge that my colleagues join me in supporting this bill.●

FAIR PRICES FOR FAMILY FARMERS

● Mr. PRESSLER. Mr. President, today I wish to once again address the importance of agriculture to all Americans. The strength of American agriculture lies in the preservation of the family farm.

My State of South Dakota was built on family farms and thrives on the bounty they produce. Farmers, consumers, small businesses, and laborers all benefit throughout the cycle from production to consumption. The family farm is the foundation for a strong agriculture and a healthy economy.

I am continually concerned about the future of the family farm. Over the last 5 years, the number of farms has consistently decreased, while the average size of farms has increased. Should this trend continue, the family farm could become a thing of the past. I, for one, do not intend to stand by and let that happen.

The new administration and the new leadership in the Senate present the 97th Congress with the opportunity to shape the farm bill to preserve the family farm. The new farm bill must be directed toward family farmers; to promote new family farmers, to maintain management at the family farm level, and to preserve the incentive to work, manage, and grow. These objectives all revolve around one basic principle—that family farmers must receive a fair price for their products.

I will soon introduce legislation that will tie price supports to parity and recognize the ever-increasing costs of production. Although family farms are efficient and productive, most elements of the cost of production are outside of their control. Because family farms cannot pass on the rising costs, many farmers lose money. Indeed, the Department of Agriculture estimates that net farm income declined approximately 25 percent from 1979 to 1980, in current dollars. When inflation is considered, the decline is even more frightening.

My legislation may not cure all the ills facing family farmers. But it will give family farmers a fighting chance and remove the bias—which has existed in the past—toward huge and corporate farms that are better able to absorb rising costs and weather fluctuating markets. My legislation will seek parity prices for family farmers to preserve our family farms. For when family farms profit, America profits.

Mr. President, farm family income security is increasingly dependent on U.S. foreign policy. The agricultural commodity export embargo which was imposed 1 year ago by President Carter for foreign policy reasons has been extended. I continue to oppose this embargo, both because it has not succeeded and because it is unfair to agricultural producers and exporters. Therefore, I will be introducing legislation early in this session to amend the Export Administration Act of 1979 so that the foreign policy grounds upon which a President may base an export embargo are better defined and to put a greater burden on the executive branch to consult with Congress before imposing such an embargo.

We owe it to family farmers to protect their right to put their production into international marketing channels. Not only will this benefit farmers, it will also benefit the entire Nation through improvements in our exports and a more favorable balance of trade. The worst thing that could happen to American agriculture would be for the Federal Government to take action on specious foreign policy grounds which forecloses potential multibillion dollar export markets for American farmers.●

GEORGIA BULLDOGS—NATIONAL FOOTBALL CHAMPIONS

● Mr. NUNN. Mr. President, they did it—and today 5 million Georgians are bursting with pride. "They" are the University of Georgia Bulldogs, and what they did was to vanquish 12 consecutive opponents on their way to capturing the National College Football Championship.

They did what no one believed could be done when the football season began in September. The Bulldogs were unranked at the beginning of the season, but they showed the Nation what dedication to excellence and perservance can achieve. Their coach, Vince Dooley, said it best: "This is the fightingest team I have ever coached."

The record proves it:

Georgia, 16—Tennessee, 15.
Georgia, 42—Texas A&M, 0.
Georgia, 20—Clemson, 16.
Georgia, 34—TCU, 3.
Georgia, 26—Ole Miss, 21.
Georgia, 41—Vanderbilt, 0.
Georgia, 27—Kentucky, 0.
Georgia, 13—South Carolina, 10.
Georgia, 26—Florida, 21.
Georgia, 31—Auburn, 21.
Georgia, 38—Georgia Tech, 20.

Finally, the 1980 champions defeated Notre Dame in the Sugar Bowl in New Orleans on New Year's Day by a score of 17 to 10 to lock up the national crown. Both wire services confirmed the obvious with their final polls which placed Georgia at the top of the list of major college football teams.

We in Georgia are very proud of Coach Vince Dooley and the Georgia Bulldogs.●

CAN THE U.S. ARMY FIGHT?

● Mr. NUNN. Mr. President, over the past year, there has been increased concern over the current status of the All-Volunteer Force, the readiness of military units, and the ability of the military services to attract sufficient numbers of high quality recruits and retain sufficient skilled, experienced personnel.

I ask that a recent series from the Washington Star entitled "Can the U.S. Army Fight?" by John Fialka be reported in the RECORD. These articles provide an excellent analysis of our military personnel problems and are based on facts and studies provided by the Army itself, other expert opinions, and personal interviews with soldiers.

I hope my colleagues will take the time to review these articles which highlight many of the serious problems we are facing.

The series follows:

[From the Washington Star, Dec. 15, 1980]

THE REPORT NO ONE WANTS TO TALK ABOUT

(By John Fialka)

After eight years of experimentation, the all-volunteer U.S. Army is faltering under the burden of increasingly severe manpower, morale and management problems. The Army's internal studies indicate that it may now be dangerously unprepared for combat.

The problems faced by the Army, as the Reagan administration takes command of the Pentagon, are deep-seated. They present strong evidence that not all of the nation's major defense problems are going to be solved by simply spending more money.

The deterioration of the Army's manpower situation has been measured and reported repeatedly by the Army in a complex, worldwide system of opinion sampling and surveys. Aimed at assessing the attitudes of officers and men, the program is known as the Human Readiness reporting system.

That system, according to sources in the Army and Defense Departments and on Capitol Hill, was quietly dismantled last January when the Secretary of the Army, Clifford L. Alexander Jr., read and angrily rejected the dismal conclusions of the latest report: "Human Readiness Report No. 5."

The sources, several of them highly placed, said that Alexander was so angry that he barred anyone in the Army from talking about the report. He has also imposed the same restriction on himself.

Human Readiness Report No. 5, a copy of which was obtained by The Washington Star, is based in part on surveys of more than 3,000 officers throughout the world. It concludes that the Army's most severe problem is a growing feeling among officers that there are large numbers of "low-ability personnel" among the junior noncommissioned officers who would lead the Army into battle.

The study, completed in August 1979, states that the lack of confidence is focused on corporals and younger sergeants—the men who lead teams, squads and platoons—and the specialists who serve in such crucial roles as tank gunners.

The most devastating portrait of the all-volunteer Army to emerge from the Army's own statistics, the study says that the concern over the competence of the junior noncommissioned officers has grown steadily since 1975.

It says the feeling is strongest among officers of combat units, especially in Europe where the Army has two corps—about 215,000 men—that are supposed to be the most combat-ready U.S. military units in the world.

There is considerable evidence that the officers are not alone in their concern. Among enlisted men who were asked by the Army whether their unit would "do a good job" in combat, there has also been a steady decline in optimism since the mid-1970s.

The lowest levels of optimism are indicated by junior enlisted men in Europe, where only 39 percent agreed that their units would do well in combat.

The study was prepared by the Army's Human Resources Directorate and signed by the man who was the unit's director last year, Maj. Gen. Walter F. Ulmer Jr., a former commandant at West Point.

Late last fall, the study and Ulmer found themselves on a collision course with Alexander. According to Army sources, the re-

sult was not only the shelving of Ulmer's report but the abolition of the entire "Human Readiness" reporting system, which has collected survey information and published annual reports based on it since 1974.

"There will be no Human Readiness Report No. 6," explained one well-placed Army source, who pointed out that in the normal course of events that study should have been ready this summer.

He said that the study raised Alexander's anger partly because it linked soldierly competence to intelligence and education levels, a sore point with the secretary of the Army. Alexander ordered intelligence scores removed from the field files of 400,000 soldiers last summer to prevent their use in personnel decisions by combat officers.

The source said that "pressure" was put on Ulmer to rewrite the conclusions of the report but that Ulmer—an officer who is regarded by his peers as an extremely stubborn and courageous man—did not rearrange the data to fit the much rosier view projected by Alexander.

In a classified letter accompanying the report, Ulmer notes that it draws on an accumulation of five years of data from questionnaires regularly given to thousands of officers and enlisted men throughout the Army.

"That the current report indicates a gradual decline in human readiness during the last 18–24 months will no doubt cause some controversy," Ulmer wrote. "Many of the problem areas discussed already are controversial and our 'measures' of them will be a subject of debate.

"I am convinced, however, that the data used for this report are acceptably reliable and permit a reasonably accurate assessment about trends in active Army human readiness. These trends are consistent with, and reinforce, findings from other recent studies and analyses."

Ulmer has since been given command of the 3rd Armored Division in Germany and he could not be reached for comment.

Through his Army spokesmen, Alexander repeatedly warned a Washington Star reporter that he would only consent to an interview on Army manpower problems if Human Readiness Report No. 5 were not discussed. Later Alexander grudgingly consented to the interview, but he adamantly refused to answer any questions about the report.

"Why don't you get away from the report?" said the departing secretary of the Army. Calling the document "outdated," he added, "I can't comment about the report, because I thought we are not going to be discussing the report at this time. I haven't reviewed the report and don't intend to at this time for this interview."

Maj. Gen. Robert A. Sullivan, the Army's chief of public affairs, said no other Army official would talk about the report, which he called "unscientific." Asked repeatedly for evidence that would show how the report's conclusions are either outdated or scientifically unsupportable, Sullivan and other Army spokesmen have not been forthcoming.

"This," explained one of them, wearily, "is a very, very sensitive subject."

The controversial report states that three key indicators of "unit climate," or the attitudes of enlisted men, have been declining since 1976. Unit morale, measured on a worldwide basis, has dropped steadily, with the lowest readings showing up among enlisted men in Europe.

Troop motivation, or the willingness of soldiers to "work hard to get things done," has shown a similar decline since 1976, with the exception of units stationed in Korea, where indicators of motivation were driven sharply upward after the ax-murder of two American officers in the demilitarized zone in August 1976. Soldier motivation, the study states, is "lowest in Europe."

"The percent of commanders and other officers serving in troop units who state that motivation, discipline and morale are a problem in their unit has increased steadily since 1977," the study says. "About 10–15 percent more currently cite each of these as problems than was the case in 1977."

While reportable incidents of crimes and disciplinary problems have dropped sharply since the beginning of the all-volunteer force, the study says that part of the decline is related to the "prudent use of the various expeditious discharge programs" that simply remove the soldier from the Army, rather than apply punishment.

According to Army statistics, 35.2 percent of new soldiers are now leaving the Army before their first three-year terms are completed.

Interestingly, the study notes that the Army's drug problem, which hit a high point during the late 1960s and early 1970s, appears to be dropping. In its place, however, is an increasing concern about alcoholism, especially among Army units in Europe.

Army commanders listed alcohol abuse as their second most serious problem—coming just a few percentage points behind their concern about junior NCO leadership. Marijuana abuse ranked in fourth place among 13 problem categories, and the use of hard drugs ranked last.

The central concern of the study—that officers are most concerned about what they see as declining competence of their corporals and younger sergeants—points up an extremely serious problem because it affects the "cohesion" of small units, or their ability to stick together under fire. Military analysts have long regarded unit cohesion as one of the prime measures of the fighting potential of an army.

The study suggests that the officers' worries about their men may be mirrored by their troops in another ominous statistic. Among first-term soldiers, the percentage of those who believe their officers "care about their welfare" has dropped from 50 percent to 40 percent in three years. The percentage of first-termers who believe that most of their officers are competent "has declined from over 60 percent to less than 45 percent."

The study notes another probably related statistic: The percentage of young captains and lieutenants who agree to stay in the Army after their first tours of duty has "declined substantially," with the sharpest rate of decline being in front-line combat units.

In 1975, 70 percent of the younger officers in combat units opted to stay on. By 1979, only 44 percent would make that decision. Among regular Army officers, the study noted, the percentage resigning after their first term doubled during those four years.

Among West Point graduates, generally regarded as the cream of the U.S. Army officer corps, the number of younger officers "voting with their feet," or opting out of the all-volunteer Army after their first term, was still higher, rising from 10 percent in 1975 to 25 percent in 1978.

The flap over the intelligence and education levels of enlisted troops first surfaced last spring when it was revealed that another major Army research effort, called the Army Training Study, concluded that there was a definite relationship between low intelligence scores and the inability of tank and air defense missile gunners to hit targets. (The Army Training Study also was shelved by Army officials.)

Secretary Alexander, testifying before the House Armed Services Committee in June, flatly rejected the thesis. "No one, no expert, has been able to state what difference it makes," he said, referring to intelligence scores.

Human Readiness Report No. 5, based on five years worth of Army behavioral data, takes the intelligence argument one step further. Scores of the Enlisted Efficiency Report, the basic annual "report card" for enlisted soldiers, and AWOL (absent without leave) records show that education level and mental aptitude often are accurate predictors of how well a soldier will perform in his unit, the report says.

"There is evidence that these indicators do in fact measure potential for military performance (not precisely, but not trivially either) and it would be imprudent to ignore them in the absence of other measures," the study says.

It notes that since 1976 the mental aptitude of the average Army male recruit has dropped by 5 percentage points. Twenty-eight percent of soldiers training at Forts Benning, Dix, Knox and Leonard Wood, it says, "read at or below the seventh-grade level." About a third of this group, it adds, actually read "at or below the fifth-grade level."

The Army, in its official response to The Star's request for a comment on the study, said that "numerous actions and programs initiated since that time have had an impact on a number of aspects of the issues treated by the study, altering many of the conditions observed and the analysis and conclusions made by the author."

Alexander, who announced last week that he is resigning, effective Jan. 20, is certain that intelligence scores and the matter of having or not having a high school degree has no bearing on the performance of his soldiers.

Recently, he explained, he visited the Army's sergeant-majors academy, training grounds for the cream of the non-commissioned officers in the Army, and asked how many of the trainees were high school dropouts. Nearly half raised their hands.

Later, Alexander noted, a group of sergeant-majors visited him in his office, and he asked how many scored in Category IV, the Army's lowest intelligence category.

"Over a third of them admitted they did, as a matter of fact. They raised their hands," Alexander said.

He cited their response as proof of his success in office. He appears to be serene in his confidence that after four years of running the Army he has won the manpower debate, regardless of what the reports he has shelved may say.

The data, he says, "does not amount to a hill of beans. It is quite irrelevant."

[From the Washington Star, Dec. 16, 1980]

U.S. POSTS DISMAL RECORD IN NATO COMPETITIONS

(By John Fialka)

(The U.S. Army must prepare its units to fight outnumbered, and to win.—Excerpt from FM 100–5, the Army's basic field manual.)

Soldiers from the best, most combat-ready U.S. Army units have run up a dismal record of losses in recent competitions against other NATO armies in Europe.

Handpicked U.S. armor crews have been outgunned and outmaneuvered repeatedly by crews from the Netherlands, Belgium, Great Britain, Canada and West Germany in competitions designed to simulate armored warfare on the plains of Central Europe.

The results of the competitions—obtained by The Washington Star through the Freedom of Information Act and from NATO sources—are not widely known in the United States, not even among senior Pentagon officials. That is not, however the case in Europe, where the Army's failures are causing politicians and military men alike to discount heavily U.S. rhetoric about defense readiness.

The record begins in 1977, when U.S. tank crews finished sixth out of six in NATO's most prestigious competition, a tank gunnery contest called the Canadian Army Trophy. They were beaten by the Canadians, West Germans, Belgians, British and Dutch, in that order.

In 1979 the Army overhauled its training program and fielded another team of elite tank crews. That year it finished fourth out of five, beaten by West Germany, Belgium and Great Britain.

For NATO cavalry units, the big contest is a German-sponsored event, called the Boeselager Armored Cavalry Competition, for crews of armored personnel carriers. In 1979, the first time the Army entered the contest, the United States finished last, behind 20 other crews.

This year, two U.S. APC crews made the best U.S. showing in recent history. They finished eighth and 10th among 23 competitors. They were beaten by six West German crews and teams from Canada and the Netherlands.

Spokesmen insist that these competitions do not indicate the Army's overall readiness and skills because other NATO units allegedly relieve their competition teams from daily chores and give them special training.

Secretary of the Army Clifford L. Alexander Jr. dismissed the scores as "marginal differences between crack units." He added, "Now I don't know of the particular events you're talking about, but I assume that they were all crack units."

U.S. allies, however, take a different view.

"We do not look at this with *schadenfreude* (gloating)," said one German armored division commander. "Our safety and our lives depend on that (the American) army."

The German general would only agree to discuss the matter with a reporter if his identity were withheld. He said his impressions were not entirely based on the contests, but on a recent conversation with a German civilian, a foreman at a tank shooting range who has been in the business for 23 years.

The civilian, a connoisseur of precision tank gunnery, had this to say about the American crews that now train regularly at his range: "Forget the Americans. We don't talk about the Americans anymore. They use a tremendous amount of ammunition. They claim a remarkable number of hits. And then when we go out to renew the targets we see that the number of hits they claim is completely wrong. They simply missed the targets."

The general went on to admit that his private doubts about the competence of the American Army might be unfounded and that the contest results might be anomalous.

But, he explained, because the doubts are widely shared by officers of other NATO armies, the doubts themselves have military significance.

"Reputation and prestige are very important things, even if it may be wrong," the general said. "Part of the deterrence is credibility, and if an army doesn't have any credibility any more, that is bound to be a factor in deterrence."

One of the few senior West German military men willing to talk openly about the dismal U.S. competitive showing is Gen. Franz-Joseph Schulze, former NATO commander of 80,000 allied soldiers in Germany's central region.

"The last time, the American unit participating in the competition (the Canadian Cup) took the matter rather well. They had the feeling that at least they had knowledge of where the deficiencies were," explained Schulze.

"It was more serious the time before. There was such a disappointment that it was difficult for me to convince the 7th (U.S.) Army that they had to continue, that it would not be right for them to withdraw from the competitions," added Schulze, who retired a year ago.

After the 1979 contest, Schulze recalls, he walked among the tank crews and discovered that while it took the German crews an average of 2.3 seconds to identify targets, the American crews in the competition were taking twice that long.

In modern combat, accuracy and quickness may mean the difference between life or death. In a duel against the best anti-tank weapon—another tank—a near miss doesn't count. A successful tank "kill" requires a direct hit.

It takes approximately six seconds for the second-best anti-tank weapon, a wire-guided missile, to hit its target. Assuming the tank gunner sees the telltale back blast when the missile is fired, he can save himself only if he can fire and hit the enemy missile crew within that six seconds.

For younger American officers, filled with the can-do enthusiasm radiated by Secretary Alexander and enforced by the official Army doctrine of "fight outnumbered and win," a defeat at the hands of the Belgians, the Dutch, the Canadians, the British and then West Germans can be a shocking experience.

Consider this story, by the lieutenant colonel who was in charge of the U.S. tank crews picked for the 1977 Canadian Cup contest.

The officer, now a full colonel who commands a desk in the Pentagon, agreed to talk about the contest only if his name was withheld.

That summer, 12 of the U.S. Army's newest heavy tanks were loaded on special railroad flatcars in Bavaria and shipped to Bergen-Hohen, a desolate but well-equipped tank gunnery range in Northern Germany.

Along with the tanks went the 12 best four-man tank crew teams from a unit that had been designated the best U.S. tank battalion in Europe.

For the colonel, tanks were a lifelong passion. He was sure he knew good tankers, and he was extremely confident of the men he had picked. They would show the other members of the NATO alliance a thing or two.

The Canadian Cup contests, held at Bergen-Hohen since 1963, are the Olympics of NATO. For almost two generations, the measure of steel in a Central European army has begun with the quality of its tanks and the skill of its crews.

The stakes for the 1977 contest were high. There had been persistent rumors among the other NATO armies that the quality of the U.S. soldier had deteriorated since the All-Volunteer Army experiment begun in 1972.

A tank victory would put that to rest.

The colonel's team had over $7 million worth of military hardware. Each M-60A1 tank, equipped with the latest diesel engine and the last word in night vision devices, costs $600,000.

Confident as he was, the colonel knew he faced serious obstacles. At that time U.S. Army tank units did not train regularly at Bergen-Hohen because they were primarily located in southern Germany, near a less sophisticated gunnery range on the Czech border called Grafenwoehr.

While U.S. training at Grafenwoehr emphasized firing at stationary targets, the NATO units at Bergen-Hohen performed simulated tank battles between numbers of manuevering tanks, the kind of battles that most military planners envision if the tank-heavy forces of the Warsaw Pact ever cross the West German border.

But the colonel had done his best to drill his men on the differences between the two ranges, and they were all fired up for the contest. In other words, they were totally unprepared for the disaster that followed.

As his tanks manuevered in teams of three down the range, the young colonel stood watching on the sidelines with his heart in his mouth. Targets were popping up over a mile away. They were small, six-by-six foot targets, enemy tank silhouettes. They appeared with a telltale puff of smoke, as if a tank round had been fired.

"My guys were just not seeing some of the targets," recalls the colonel. "I was standing there jumping up and down yelling things like 'over there!' 'OVER THERE!' but of course they couldn't hear me. They were on their own. One gunner missed nearly all of his targets. I still can't explain that. I thought he was really good, one of my best."

Some people who know the American colonel say he was shattered by the experience. He admits that he still broods about it. "Before that," he told a reporter, "I had never come in second place in anything in my life."

Schulze and several other German senior officers suspect that one of the things that is showing up in the tank contests is a fundamental difference between the West German and the American Army. The West German army is a draftee force, drawing on a full spectrum of intelligence ranges. The 18-year-old German male has a 70 percent chance of being drafted, but he will not appear as a gunner or the commander of a tank unless he scores in the upper 40 percent range of intelligence tests.

He is also tested for mechanical aptitude and the psychomotor skills that allow quick target recognition and response. Furthermore, West Germany tries to keep tank crews together, while U.S. crews are constantly shifting.

In the U.S. Army, a majority of tank gunners and commanders ranks below the upper 40 percentile range of intelligence, according to a 1978 Army survey called the Army Training Study.

The survey of 1,288 tank crewmen, found that many of the gunners and commanders rapidly forgot what they had learned in training and that field training in Europe did not improve their situation. According to the survey, tank crew proficiency among U.S. units in Europe was 40 percent lower than combat-ready requirements and was 50 percent lower in U.S.-based armored units.

The Army's official position, as dictated by Secretary Alexander, is that such studies are "irrelevant," and Alexander's message has been heard down through the chain of command.

Brig. Gen. Frederic J. Brown, who was the director of the study, is now the chief training officer for the 8th Mechanized Infantry Division in Baumholder, Germany. He refused to discuss the implications of the study during a recent interview, saying he could only discuss his current assignment.

Brown's current job is critical because the 8th Division is the unit that would defend the Fulda Gap, one of the main invasion routes from the east into West Germany.

Because the Warsaw Pact forces have a 4–1 superiority in tanks, Brown admitted that the requirements for the survival of a U.S. tank crew in any battle to defend Fulda Gap are very stiff. They require tanks to hide in depressions of the terrain and then pop out to hit and "kill" as many as three enemy tanks at once.

"I expect the crews to get three target hits get back down—all in 15 seconds," said Brown, asserting that for some of his crews, those who have studied the border terrain, the assignment "is a piece of cake."

"Of course," Brown added, "not all of them can do that."

[From the Washington Star, Dec. 17, 1980]

U.S. SHELL GAMES COVER UP SERIOUS LACK OF READINESS

(Providence is always on the side of the last reserves.—Napoleon.)

Braunschweig, West Germany—For the first time since World War II, the tanks of

the 2nd Armored Division, Gen. George Patton's "Hell on Wheels" unit, were rolling through the northern plains here. They were fighting a mock battle near the East German border.

While it took Patton months to prepare his forces and move them here to Germany's "tank country," Col. Paul Schwartz, commander of the division's 1st Brigade, had brought his 2,000 men here from Fort Hood, Texas, in six days. If it came to war, Schwartz explained, he might do it in three or four days.

Germany is a country where people constantly live with the thought of war, where the autobahns and bridges are built with hollow sections so that demolition crews could quickly deny Warsaw Pact tank Columns easy passage from the East.

But the defense of West Germany in the swift, high-technology war NATO planners now envision may depend on Schwartz's getting his troops in place even quicker than his projections allow. While the United States had two years to build and test its army in World War II, the type of defense the United States is committed to here will pose a severe, almost instantaneous test of the readiness, stamina and combat skills of the units stationed in Europe.

The U.S. Army apparently is increasingly incapable of meeting that test. Its mounting problems in the areas of troop morale, competence and readiness, which have been revealed in recent NATO competitions and in Army studies, are among the unstated reasons why the United States has difficulty convincing West Germany to increase its defense spending and its manpower commitment to NATO.

As one senior diplomat in Bonn put it: "The West Germans measure their defense contributions in the skill of their army and in the size and readiness of their reserves. Those are areas that the U.S. has difficulty matching and that is where the problems here begin, although the Germans will never state that publicly. It is not just money. It is a complex, multi-faceted problem, and your army is squarely in the middle of it."

Perhaps the best way to understand the problem is to begin with the basic NATO plan for World War III, a concept called Forward Defense. Like the celebrated Von Schlieffen plan of World War I and the Maginot Line of World War II, it is an ambitious concept, but not without some rather rigid, controversial aspects.

In essence, it will require the two U.S. Army corps stationed here—some 215,000 soldiers—to fight at their assigned border positions and to hold for days without benefit of reserves.

In the classic military battle—the kind fought on sand tables in military academies and in the complex war games now flooding U.S. markets—the prudent commander almost always keeps one-third of his forces back. He will yield some land to gain enough time to be sure he knows where the enemy commander has committed his main force before committing his reserve units.

Under the Forward Defense concept—the foundation of NATO's defense structure and the underpinning of what has been considered for years as the United States' most serious foreign defense commitment—all forces here would be committed, thrown at the border to save as much of West Germany as possible.

Col. Schwartz's unit and the others coming in from the United States, Britain, Belgium and the Netherlands would be the reserves. Just how fast they materialize and how combat-ready they may be are not, as in previous wars, merely the tests of who will win or lose. Planners here regard them as the key determinants of whether and when an escalating nuclear war will begin.

Forward Defense is essentially a West German invention, deeply rooted in the geography and politics of America's strongest ally. Twenty-five percent of West Germany's industry and a considerable part of her population are situated in a 62-mile-wide strip along her eastern borders.

"Even minor losses of territory would be serious," explained Lt. Col. Hans Goebel, assistant head of the policy section of the German Defense Ministry's equivalent of the U.S. Joint Chiefs of Staff. "No German government could accept a strategy which gives up terrain in order to gain time. This requires Forward Defense as far east as possible."

As Goebel explained it, the concept requires "instantly available" forces that would attack the invader to prevent even a limited penetration. "We want to force the enemy to fight troops of several nations right up close to his border. For this we may have to accept certain operational disadvantages," Goebel added, referring to the absence of immediately available reserves.

"The defensive action we plan will be strongly tied to existing terrain. It will mean high casualties in the early stages," Goebel said, noting that for several months NATO planners have believed that the Soviet Union is building up the capability to launch an attack from a "standing start," an attack that could begin with as little as two days of obvious preparation.

If that happens, Goebel continued, then reserve units like Schwartz's, flying in from U.S. bases, might not arrive in time.

Much would depend upon the willingness of a U.S. president to send his troops before the battle, he pointed out.

"Early political decision is necessary. Time is the decisive factor, if the defense is to be successful. We envision a war for some days. After that, decisions to employ nuclear weapons or to go to negotiations must be undertaken," the German officer explained.

The U.S. commitment to the rigors of the Forward Defense concept, coupled with the chronic recruiting problems of the all-volunteer Army, is, according to U.S. Army officials, the major reason why overall Army readiness is poor and why six divisions now in the United States—including most of the units that would be sent over as NATO's reserves—are not ready for combat.

For several years, as recruiting has become difficult and as skilled sergeants and technicians have quit in droves, Army personnel experts have engaged in a shell game to keep Army units in Germany at or above their assigned combat strength. Many units in U.S.-based divisions have been "reroed out," turned into paper phantoms so the recruits who would have filled them could be assigned to Europe, according to Gen. Edward C. Meyer, the Army's chief of staff.

The game has been played most intensely with sergeants. To fill their rapidly diminishing ranks, some sergeants have been permanently "borrowed" from stateside units and others have been given quick turnarounds, leaving them relatively little time between long tours in Germany.

This, in turn, has caused more sergeants to leave the service. The net effect is that many stateside units, including Schwartz's, have only 70 percent of the sergeants they're supposed to have.

According to Gen. Meyer and other Army leaders, a nation cannot have a credible army without competent sergeants. They are the basic teachers of the arts of warfare, the glue that holds small units together. They are a considerable part of the Army's corporate memory, especially when it comes to moving, firing and maintaining the complex tanks, guns, missile and communications systems needed to fight a NATO war.

Schwartz's unit came here not only lacking many sergeants, it also came over without most of its equipment. The 2,000 men came from Fort Hood with their M-16s and their field packs stuffed into chartered commercial airliners, just the way the reserves would arrive in time of war.

They landed where they would land in war, at the U.S. Air Force base at Ramstein, some 370 miles from the border. They drew their tanks and armored personnel carriers from specially built, air-conditioned warehouses at three nearby locations. Then they crossed the Rhine by ferry because one of the assumptions of the mock battle is that enemy aircraft have already blown the bridges.

The equipment warehouses constitute another kind of Army shell game shoring up the concept of Forward Defense. They contain some of the Army's best equipment, about three divisions' worth. The equipment is rarely used, but is well-maintained by German workmen.

The tanks drawn by Schwartz's men were two years old, but in excellent condition. They are part of a $3 billion equipment store that is known by one of the Army's more mind-boggling acronyms—POMCUS (prepositioned equipment configured in unit sets.)

POMCUS is another major reason why six U.S.-based regular Army divisions and nearly all of the Army Reserve and state National Guard units are short of the modern equipment they would need to be considered ready for combat.

Much of the equipment in the warehouses was accumulated during years of tight defense budgets by diverting new stocks from stateside units and indefinitely postponing modernization of equipment in National Guard and Reserve units, many of which train with Korean War-vintage equipment.

By 1982 according to Army plans, there will be three more divisions' worth of POMCUS here, roughly another $3 billion worth of equipment. Army planners see no other way to equip the reserve force in time, because flying the heavy equipment over would be a logistical and a financial impossibility given the immediacy of the expected need.

These are just the surface features of the strategic games that are being played here involving the U.S. Army. There are shell games within shell games. A good bit of the U.S. war reserve equipment stored here was borrowed for the Vietnam war and later drawn down for the 1973 Arab-Israeli conflict. Some of it has yet to be replaced.

The reserves for the reserves, the trained replacement soldiers who would be needed to fill casualties in Schwartz's unit and in front-line U.S. Army units, are largely nonexistent.

Because the Army reserve structure has suffered enormous attrition during the all-volunteer era, the branch of the Army that is supposed to provide replacements—the Independent Ready Reserve—is somewhere between 300,000 and 700,000 people short of the trained soldiers that would be needed in a NATO war scenario, depending upon which Pentagon official makes the assessment.

All of this, combined with the declining quality and morale in the active Army, have given West German military planners a peculiarly cold-eyed view of U.S. proposals to shift resources to the Persian Gulf.

That view was hightened a few weeks ago when Gen. Meyer decided to tackle the sergeants problem by stripping 6,000 sergeants from Army units here. They are now being shipped back home to rebuild what Meyer calls the "hollow Army" in the states, especially its long-neglected training base.

Although Meyer has repeatedly stressed that the move will eventually improve the U.S. ability to reinforce NATO as well as to project power into the Persian Gulf, that part of the message has become garbled here.

West German military officials know what happens to an already troubled army when you suddenly remove a large chunk of its sergeants, and Meyer did not help matters any by his failure to tell the West Germans about the move in advance.

"It (the failure to consult) is the devil's own cycle and we have to get out of it," said Gen. Franz-Joseph Schulze, who developed much of the current NATO defense plan while serving as planning deputy to Gen. Alexander M. Haig when he was Supreme Allied Commander for NATO.

Schulze, who retired from the West German Army a year ago, said that while the official reaction from Bonn was subdued, "the real fear is that this is the beginning of another thinning out of the U.S. forces in Europe as we have seen during Korea and the Vietnam war."

One of the principal worries, Schulze said, is "whether the buildup of the (U.S.) Rapid Deployment Force will destroy all of our rapid reinforcement plans for Europe."

Each year NATO demonstrates its muscle to reinforce West Germany in exercises called Autumn Forge. The U.S. part of the exercise, the part that brought most of the "Hell on Wheels" division to exercises in northern Germany, is called Reforger.

This year Reforger was highlighted by the drop of a battalion of paratroopers from the 82nd Airborne Division flown directly from the United States, an event that caught the attention of the media, but did little to ease the German concerns about the U.S. Army.

"I have serious doubts whether politicians will do what soldiers are trained to do: to act into the face of uncertainty," said Schulze.

"You need forces on the ground. We have seen a fundamental change in reinforcement policy during the last three or four years. I would argue that to deter you have to get rid of the Reforger philosophy."

"If you want to deter a nuclear exchange, then that means the forces have to be there before the nuclear exchange," he added. "After the nuclear exchange anyone who has a structural force could be the emperor of Europe and that could be the Swiss if the Russians decided to spare them."

[From the Washington Star, Dec. 18, 1980]

SOCIAL CHANGE ALTERS SHAPE OF THE ARMY'S ENLISTED RANKS

(By John J. Fialka)

One of the first things the new Reagan administration's defense planners will discover is that the U.S. Army is no longer quite all there.

In 1965, Congress, the constitutional overseer of the Army, authorized a force structure of 16 combat divisions. To fill and support them then required the services of 1,422,493 soldiers and civilians.

Today there are still 16 combat divisions, but somewhere on the long, hard road to Vietnam, the Army has shrunk by 194,000 soldiers and 94,0000 civilians.

Despite the cutbacks—largely in enlisted ranks—Army officials insist their service has been growing ever stronger. "All in all, the Army now generates one-third more combat power than it did five years ago, and it does so with fewer soldiers," asserted Clifford L. Alexander Jr., secretary of the Army, in a recent speech.

Alexander was touting some of the new features of the Army: its complex, high-technology weaponry, the large numbers of women now present in the lower ranks, the greater percentages of people from minority groups and the high school dropouts who have fleshed out the ranks during the lean recruiting years of the late 1970s.

But almost any outsider who spends some time on an Army base or talks to experts about the Army on Capitol Hill and in academia will quickly find a large number of people who disagree with Alexander's assessment.

One of them is Dr. Charles C. Moskos Jr., professor of sociology at Northwestern University. Moskos is regarded as one of the foremost experts on the enlisted soldier. His views about Alexander's pro-nouncements are often very succinct.

"That's just baloney," he told a reporter.

Moskos sees a "tremendous social change" in the lower ranks of the new Army, but he seriously doubts whether it adds up to more combat power.

Thanks to the economic slowdown, the pipeline feeding people into the Army is currently running full. For the first time in years the Army has met its recruiting quota, bringing in 173,300 people in fiscal 1980.

Perhaps the most critical measure of the quality of the people in that pipeline is the number of high school dropouts the Army is attracting. In the 1965 Army, only 26 percent of the draftees were dropouts. Among the 1980 volunteers the figure is 46 percent.

Meanwhile, according to the Department of Education, the percentage of high school dropouts among 18-year-olds in the nation as a whole has declined from 33 percent to 26 percent.

Other services do much better. This year 75 percent of Navy recruits are high school graduates, the Marines reached 78 percent and the Air Force has 83 percent.

The Army has more black recruits than the other services. In 1970, blacks comprised 14 percent of the Army's enlisted ranks. At the moment 33 percent of new Army recruits are black. The percentage of blacks in combat units is between 40 and 50 percent, and, according to Alexander, 24 percent of the three top sergeant positions are now held by blacks.

In contrast, 22 percent of the Marine Corps is black. The Air Force, which is 16 percent black and the Navy, which is 11 percent black, more closely resemble the racial makeup of the nation as a whole, where 12 percent of the people between 17 and 44 years of age are black.

An interesting aspect of these statistics is that the Army is the one branch of service where the new black recruits are more highly educated than the whites. The Army's blacks, in terms of education, are fairly representative of their age group as a whole. The new white recruits are not, scoring far below the levels of their civilian peers.

In a sense, the Army's problem is a problem of color, but it is not the one that some people might think it is. "If you could paint the number of white high school dropouts blue, they would stand out a lot more than the blacks do," asserts Moskos, who believes that the almost total absence of the white, middle class soldier in combat units is the most profound contrast between the new army and armies of the recent past.

While the Army's mounting reading problems and its wholesale adoption of seventh grade level, comic-book-like training materials have been widely publicized, another change, the accompanying relaxation in traditional discipline, has not.

On Aug. 6, 1979, boot camp became a relatively benign environment as the Army Training and Doctrine Command introduced "constructive" training techniques.

The new order, called Initial Entry Changing Policies, forbade recruits to call their drill sergeants drill sergeants. They are now addressed simply as "sergeant." Recruits, on the other hand, are to be called "soldier" from the day of enlistment.

Cast out along with "drill sergeant" were skinhead haircuts, "nonproductive stress created by verbal or physical abuse," rules against moustaches, talking in the mess hall, and any notion that a recruit's character upon entering might have to be torn down and reconstructed. Spit-shined boots and polished floors are going out, too.

The new training emphasizes "self-discipline" among the troops and a "positive climate" among their leaders.

Recently, troops leaving boot camp at Fort Jackson, S.C., were given an Army questionnaire asking them whether their particular "sergeant" had given them enough sleep, taught them the proper combat skills or used profanity. "How frequently during training were you promised privileges you did not get?" the troops were asked.

Capt. Samuel J. Barlotta, one of the young training officers at the base, recently condemned the whole "positive approach" in an article for one of the Army's internal journals.

"The Army must get back to training soldiers instead of nice little boys and girls who are afraid of hearing a curse word, who have never been subjected to operating in an intense environment, who have never been yelled at and who, when confronted in combat with these types of circumstances, will be overwhelmed and confused.

"They will lay down their arms, costing the lives of you and me, the so-called professionals who trained them but prepared them for nothing," Barlotta warned his fellow officers.

A reporter who spent a day with an MP training battalion at Ft. McClellan found that an even more troubling policy for troop trainers was an edict requiring "unisex" training of men and women.

One week the members of the battalion would fall out of their campus-like dormitories into integrated platoons. The next week the women were put in one platoon and the men in another, as Army officials continued to battle about the policy.

In a private session with a reporter, both the men and the women officers in the unit said their greatest fear was what would happen to the female MPs in combat.

"The policy is that they're supposed to stay back from the FEBA (Forward Edge of Battle)," said one major, a Vietnam veteran. "Now you tell me where that will be and I'll tell you how this is going to work."

There are now 65,000 women in the active army—roughly eight times the level seen in past wars—and another 40,000 in the reserves and the National Guard. An Army fielded with that number of women will not only be a social experiment, but a military experiment as well. No other major army in the world is following the U.S. lead in training women for combat support roles.

Since basic training has been slowed down to accommodate the large number of soldiers with reading and other learning problems coming into the pipeline, recruits are learning only half of the basic combat skills, according to Army officials.

Last month the Army announced it will extend basic training from seven to eight weeks and make it tougher. Because of "budget constraints," however, the Army later admitted that implementing the new regime at all seven training bases will take until October 1983.

Thus many of the U.S. troops on NATO duty in Europe are getting on-the-job-training.

The U.S. Army in Europe is attacking the training problem with high technology. Some commanders are being issued new computers so that they can keep better track of unit training hours.

Another experiment under way is something called MILES (Multiple Integrated Laser Engagement System). It is a system of infrared lasers attached to various weapons, and laser sensors that are attached to soldiers, tanks and other battlefield targets.

When a laser beam, initiated by the firing of a blank M-16 rifle bullet or another weapon, hits a button-sized sensor worn on a soldiers helmet or field jacket, a buzzer goes off, something like that on a car when the seat belt isn't fastened.

The MILES sensors on a tank can distinguish between the lasers of a rifle, an anti-tank missile and the main gun of another tank. When a tank is properly "killed" a siren goes off, an oscillating yellow light on the turret is activated and the tank's ignition is turned off.

One of the Army's pet theories is that the American soldier is better because he is more innovative. The soldiers have proved that in Germany. Privates have tried to thwart MILES by smearing Vaseline on their laser

sensors. Sergeants have casually draped ponchos, helmets and plastic bags over the sensors on their tanks.

So far, though, the technicians have stayed one step ahead of them by installing more sensors, and war games are becoming more realistic.

"It's the best breakthrough I've seen in 28 years in the Army," claims Maj. Gen. William J. Livesay Jr., commander of the 8th Infantry Division, which is the first to begin large-scale training with MILES.

There are also a lot of things the enlisted man must do in the modern Army that will never become dramatic, short of an actual war. The list includes memorizing firing sequences for complicated weapons systems, like tanks and missile systems, and a myriad of maintenance chores.

A lot of it is boring, repetitive work, almost exactly the same type of challenge that foiled the high school dropout in the first place.

A young company commander put it this way: "If they're not motivated to get up to the 9th-grade reading level, they're not going to be motivated to learn to hit the target. If there's something wrong with the system, then they have to be able to write a report. If they can't write, that's another problem."

"The part that worries me the most," the captain went on, is the NBC (Nuclear, Biological and Chemical weapons) part of it. The test for nerve gas is too complicated. You have this sheet of little glass ampules. You break these in a certain sequence and drip them on a sheet of special testing paper which must be heated up.

"By the time some of my guys master that one, we'll all be dead."

Many of the officers and soldiers interviewed for this series noted that soldiers with low intelligence scores and those without high school diplomas can and do serve with courage and distinction. However, nearly all felt that the possession of a high school diploma was the best indicator of whether a given soldier will stick to and finish an assigned task.

According to Army statistics, 35 out of every 100 recruits now leave the Army before the end of their three-year enlistments. Among high school dropouts, the rate is 49 percent. Among women high school dropouts—who are beginning to enter the Army in large numbers—the dropout rate is 59 percent.

Some volunteers leave the Army for legitimate family or health problems, but many of them are leaving for disciplinary or drug-related problems that in an earlier era would have resulted in criminal charges. Today many problem soldiers are simply "papered out" of the Army, given honorable or general discharges.

The new system has certainly eased the burden of Army prosecutors. Among the 12,330 soldiers officially classified last year as deserters—a crime that carries up to a year in prison, forfeiture of pay and dishonorable discharge—Army statistics show that only six soldiers were successfully prosecuted.

But it has not eased the burden of commanders, who can no longer promise their good men that the disturbers in their units will be punished. A recent study by the Congressional Budget Office estimated that veterans benefits are accruing to the Army dropouts—many of whom have completed only a few months of service—at a cumulative rate of about $75 million a year.

There is still one more phase of the pipeline. For the thousands of soldiers now leaving the service every month, it does not end with a military flight home from Europe or Korea, or an early exit from a U.S. military base. For the Army dropout, it ends by pumping him back into the same community, the same ghetto or small town where he came from.

The experience under the philosophy of the new Army has probably not changed him very much; he has failed again. What is different about him is that he is among the relatively few young men in his neighborhood whom the nation has trained to use military weapons.

[From the Washington Star, Dec. 19, 1980]

IN VOLUNTEER ARMY, OFFICERS DO MORE

(By John J. Fialka)

The burden of running the Army increasingly rests on the 85,440 men and women who make up its officer corps.

As recruiters fill enlisted ranks with soldiers having basic reading and writing deficiencies, many jobs formerly delegated to sergeants are now done by officers.

The result is something like the "Peter Principle," only in reverse. Officers are often forced to function at one or more levels below their stated jobs.

It is a subtle change that has become part and parcel of the volunteer Army.

Officers are also a rarer commodity in the 1980 Army. Since Vietnam, the ratio of officers to total Army strength has dropped from 17 percent to 11 percent and the Army finds it increasingly difficult to retain skilled combat commanders.

Meanwhile, the Army is still trying to cure what some people call "the doctrine of zero defects" or the "ticket puncher syndrome," the career that consists of rapid transfers and promotions, where one mistake can ruin a career. The policy is "up or out." To survive, an officer's unit must always look good.

Judging from Washington Star interviews with more than 100 officers in combat commands, both here and in Europe, the No. 1 problem of the ambitious officer is how you can "look good" when the troops who come into your command are increasingly less literate, less intelligent and often less motivated.

Some observers believe success in the officer corps has become a kind of management game not really related to combat at all.

"The younger officers don't believe in the system," asserts Richard A. Gabriel, a political scientist and Army Reserve major who wrote "Crisis in Command," a study of the Army's failures during Vietnam.

"They see it for what it is. It's a job," adds Gabriel. "If our Army is ever sent to combat it will not stand. . . . We're going to collapse like the French army in 1940. The only difference is that, relatively speaking, they had better weapons."

While many younger officers interviewed would quarrel with that, most agreed on one point: One aspect of the game is that the true readiness of the Army doesn't always show up on reports. Consider this dilemma, gleaned from an afternoon spent with a lieutenant colonel in command of an armored battalion, a man regarded by his peers as a bright, up-and-coming young officer.

"I have increasing difficulty getting people to fix the tank turrets. That's a complex mechanism and the guys just have problems getting it right. I could go to brigade meetings and say, 'Hey, my guys are having problems with tank turrets,' but there are two other battalion commanders there, and you know what they're going to say? They're going to say 'What problem? We don't have any problem with turrets.' So that's a subject that never comes up at brigade meetings."

The upshot is that the young commander pushes harder on his few good mechanics, often pushing so hard that they join the river of skilled technicians leaving the Army. He also spends long hours crawling over the tanks himself, to be sure they will pass inspection.

If the old, draftee Army, the younger officer always had a few "sparkplugs" who could always find ways to make things work. Now they are mostly gone.

In the old Army the sergeants did the paperwork. In the new Army, which has more paperwork, there are fewer sergeants who can read and write. Now the lieutenant colonel uses his lieutenants to account for tools and spare parts.

The commander finds his battalion structure so fragile that it takes 18-hour days to keep the unit functioning. "I am at the post all the time. I can't be a good husband. I can't be a good father. That's a large price to pay," he explained.

What would happen in wartime? a reporter asked. The commander looked down at his boots for a minute, tracing a pattern in the greasy dust of the motor pool compound where is 54 M-60 tanks—worth $50 million—were in various stages of repair.

Then he looked up, confronting the reporter with a quick, icy smile. "My guys," he said, "will fight like hell."

Ticket-punching involves two things: relatively short tours of duty and evaluation reports that rarely use any adjective other than "outstanding."

The problems with ticket punching first became obvious in Vietnam, where the press by officers for combat commands created a situation in which enlisted men served 12-month tours under fire while their officers served only six.

Afterwards, in 1971, the Army War College produced the first of a series of internal reports studying problems in the officer corps.

It criticised the "ambitious, transitory commander—marginally skilled in the complexities of his duties—engulfed in producing statistical results, fearful of personal failure, too busy to talk with or listen to his subordinates, and determined to submit acceptably optimistic reports which reflect faultless completion of a variety of tasks at the expense of the sweat and frustration of his subordinates."

Officers in other armies, particularly Britain's and West Germany's, express amazement over the short duty tours in the U.S. system. A combat command in their armies is often four or five years long.

They also take a dim view of the "zero defects" syndrome. "You show me an officer who hasn't made a mistake in a year or two and I'll show you a man who has been afraid to try anything," said one senior German officer.

In August 1979, after nine years of hand-wringing by U.S. generals, another internal study, an Army-wide attitude survey called Human Readiness Report No. 5, concluded that in the "view of many officers," the problems posed by ticket-punching had become worse in the all-volunteer Army.

Eighty percent of captains and lieutenants and 65 percent of more senior officers agreed that "the need to stay competitive has caused some shading of the truth." Only 39 percent of all officers agreed that they were satisfied that their reports accurately reflected unit readiness to their superiors.

The view from the captain's vantage point is often even more muddied than his superior's, partly because of the anxiety over ticket-punching and partly because it is the captain who must cope with disciplinary problems.

A crucial Army role is played by the 11th Armored Cavalry Regiment, which guards the Fulda Gap, a border area in southern West Germany that is a likely route for a tank invasion from the east.

A 27-year-old company commander who agreed to talk about his difficulties there was preoccupied by a disciplinary case involving one Pvt. Michaelson (not his real name), a man the captain wanted to keep in his unit.

The captain spends about a quarter of his work week, some 15 to 20 hours, handling disciplinary cases. He has had major problems with insubordination, cases where

enlisted men talk back or refuse commands of their officers.

"Basically all you can do is ease them out of the service," he explained, noting that the paperwork and the burden of proof that the Army currently requires for prosecution make that option "almost impossible to handle."

The captain's problem is that if he "eased" all his disciplinay problems out of the service he wouldn't have much of a unit left. Some soldiers who are not disciplinary problems will cause trouble if they see it as an early, easy way out of the Army, he reasoned.

One result is that he has now had two cases in which soldiers have escalated their insubordination to the point where he could no longer ignore them. Both attempted to burn down the barracks.

"You're forced into it," the captain said, explaining the long hours spent getting the two barracks-burners out of his unit. "You can't leave them with the troops."

Michaelson, however, was different. He was like many young men in the unit, a high school dropout with a tangled social background. He had spent some time in mental institutions and, the captain discovered, his one weakness was that he tended to break down under stress.

But he was a good truck driver who tried hard, and the captain wanted to keep him. The trouble was that he took up a lot of his captain's time.

In his last adventure, Michaelson got drunk and stole a truck. Upbraided for it by his first sergeant, he went berserk. The sergeant threw him up against a wall locker. Then Michaelson filed an assault complaint against the sergeant.

The captain learned about it when the sergeant called him from jail. The case has taken hundreds of hours to straighten out and it's not over yet.

"I'm not a commander any more," shrugged the captain. "I'm really more of an administrator."

The first senior Army officer to launch a serious attack on ticket punching and the related, gradual unraveling of the Army under the all-volunteer regime is the man at the top: Gen. Edward C. Meyer, the Army's chief of staff.

Meyer is trying to recreate an atmosphere something like that of the mid 1960s, when he was a company commander in Germany. In the old days, he explained, the bonds between combat commanders and their men were much clearer.

Some examples:

On pay day Capt. Meyer put's his .45 on his hip and sat down at a table in front of a large stack of greenbacks. He personally paid each man. Today they are paid electronically by a computer in Indianapolis.

In the old days, Capt. Meyer fed his men in a company mess. Now they go to a larger, consolidated mess somewhere else on the base.

The privates in Capt. Meyer's unit made only about one-seventh the pay of their senior sergeants and on weekends often stayed on the base. There Capt. Meyer provided entertainment and organized football and baseball teams.

Now, because the pay scales have been compressed and "front-loaded" to attract new recruits, the private earns about one-third of the pay top sergeants make. Now the privates take off on weekends and the sergeants and younger officers must stay on the base.

In the old days the troops lived in platoon-sized barracks. Today, under one of the Army's "reforms," they live three to a room, a change that Meyer believes has further weakened unit morale.

Meyer admits that not all of these conditions can be changed, but he is trying to change some fundamental ones.

He started last January by quietly extending combat commands from an average of 18 months to between 30 to 36 months.

A problem closely related to the rapid, in-and-out movement of the ticket-punching officer is the accelerating turnover among enlisted men. This problem, officially called "turbulence," is related to the Army's personnel replacement system, which trains recruits and then sends them out individually to fill gaps in existing units.

Turbulence did not matter that much when the basic tools were rifles and shovels, but in a mechanized army, soldiers must function and maintain their weapons in teams.

Meyer is searching for a way to replace whole units, rotating them through 18-month tours in Europe. He would also like to give each unit a sense of mission and history, like that offered by the British regimental system. To do that he needs to find a way to keep a given unit and its officers together.

Meyer's effort is based on research that has been under way since the Korean War. The theory is that men do not fight and die for extraneous things like Mom's apple pie or the peculiar charisma of a given commander.

They fight for each other. They fight because their squad or platoon is a kind of super family: intimate, disciplined and motivated. In a word, a squad will fight rather than run if it is cohesive.

Small-unit cohesion is the new buzzword in Meyer's army, but the reality will be some time in coming.

The view of most of the younger officers interviewed is that what Meyer is trying to do is a painful, but necessary first step. But many of them also believe that reform has come very late in the game. They have developed some hard-eyed views of the reality they face.

"The essential difference between you and me," remarked one captain, the officer of a unit that would be sent to reinforce the 11th Armored Cavalry's defense of the Fulda Gap, "is that when the world ends, they will wake us up to see it. It will come to you in your bed."●

OUR RELATIONSHIP WITH IRAN

● Mr. HEINZ. Mr. President, a recent advertisement which appeared in the Washington Post on January 4 dramatically makes clear the differing points of view about the present situation in Iran among Iranians and Iranian-Americans who have long been interested in that country. Just as there appears to be little consensus within the Iranian leadership over what to do about the hostages, this advertisement suggests there is little consensus among Iranians over what to do about their government.

Without getting into the merits of these obviously strongly felt differences, I do think the advertisement contains a useful lesson for those of us less close to this situation—that we should not put on all the people of Iran the burden of our disagreements with their government. We have a long history of warm relations with the Iranian people which should not be forgotten by them or by us. I hope that when the current difficulties have been resolved we will be able to rebuild that relationship. Mr. President, I ask that the text of the excerpt from the Post be printed at this point in the RECORD.

The text follows:

OPEN LETTER TO THE PRESIDENT-ELECT RONALD REAGAN

DEAR MR. REAGAN: On two recent occasions concerning the U.S. hostages in Iran, you have made statements such as "criminals, kidnappers, and barbarians." Although on the first occasion you have made it clear you were referring to the hostages' captors; the lack of any specific reference on the second occasion has caused concern among a large segment of Iranians as well as many Americans acquainted with Iran who maintain close contact with their Iranian friends.

We would like to bring to your attention and the attention of all the Americans and the people of the free world that, there is distinction between the terrorist gang who are holding power in Iran and the general and genuine population of Iran by citing the following facts:

Since February 1979, over 800,000 Iranians have left their homeland and millions of others would leave Iran if it were physically and financially possible. Some have fled the terror by risking their lives and thousands have been victims of summary execution in so called "Islamic Revolutionary Courts."

Before the present chaos in Iran, over 1,000,000 members of the international community were treated in the best manner. More than 50,000 Americans and other foreigners, along with their families, resided and worked in Iran, and were respected and secured by our laws.

Americans and Iranians have had a friendship of long duration, economically, militarily and culturally. During their period thousands of intellectuals and students have studied and were influenced by American institutions.

Thousands of Iranians who are holding jobs in different countries are respected and trusted for their integrity and behavior.

Therefore it is logical that the practices of the *terrorist gang* in Iran, under the guise of Islam, goes against the wishes of the majority of Iranians and this group's policies are opposed to the spirit of Islam and the teaching of hold Koran.

We definitely understand and support your concern for the lives and safety of the 52 Americans held hostages in Iran; however, we hope that as the president of a free world country, you should at least have some concern for the 36 million Iranians who are held captive in their own country under the tyranny of a group of religious fanatics.

In the past fourteen months the U.S. government has tried in vain to come to some kind of accommodation with the terrorist regimes in Iran. However, in spite of all those efforts, not only the problem has remained unresolved, but in addition, it has caused false hopes, embarrassment, and humiliation for U.S. prestige at home and abroad.

It is our firm belief that the hostage problem *cannot be solved* until the Iranian people are able to overthrow the existing terrorist regime in their homeland. And in order to do so they need the moral and material support of the responsible freedom-loving citizens and countries of the world.

Therefore, we urge you Mr. President, to distinguish between the terrorists flouting international law and the majority of Iranians who are law-abiding; to initiate a firm policy to end the blackmail, kidnapping and terrorism which has been allowed to disrupt diplomatic relations, as well as to create an international misunderstanding in the world community towards millions of Iranians whose revolution for the establishment of a democratic institution, freedom, and the rule of law has been vanquished by the present terrorist regime in Iran.

We hope that the revised American policy and the pressure of world public opinion

soon will help the Iranian people to put an end to this tyrannical, corrupt regime and Iran will once again resume the place as a responsible, respected member in the world community.

We would urge all the concerned American people, especially those who have visited Iran or who have lived and worked in Iran and are familiar with the true nature of Iranian morals and values, to send letters and telegrams to President-elect Reagan and to their senators and congressmen expressing support for decisive action and a unified policy against international terrorism now!

IRANIAN-AMERICAN COMMITTEE FOR PROTECTION OF IRANIAN INTEGRITY.●

BRIEFING SCHEDULED CONCERNING THE SITUATION IN EL SALVADOR

● Mr. HELMS. Mr. President, the situation in El Salvador deteriorates steadily. Yesterday came the news that two American labor organizers were murdered in El Salvador. As yet, it is not known whether the murders were politically inspired. Nor, if they indeed were politically inspired, is it known whether the murders were committed by partisans of the right in El Salvador, or partisans of the left.

Mr. President, it is essential to reserve judgment until all relevant facts can be accumulated. After all, both sides had motives to murder two Americans. The right, it can be argued, murdered the labor organizers because they were helping force implementation of the hated land reform program and because they were symbols of an unpopular interventionist program of the United States in El Salvador.

On the other hand, the left, it can be argued, was motivated to murder the two Americans, in the hope that the United States will throw up its hands in disgust at the whole matter, withdraw its aid money and its support for the current government—thus leaving the fate of tiny El Salvador to the mercy of the left, or at least to the anarchy of a bloody civil war.

Because the Senate does not have the facts on which to make a considered judgment about El Salvador, I have this morning asked the Departments of State and Defense, and the CIA, to come before the Subcommittee on Hemispheric Affairs and brief interested Senators on that subcommittee concerning what information the executive branch may have about the murders and the general situation in El Salvador. The briefing is at 4:30 p.m. in S-116 in the Capitol.●

CONGRATULATIONS TO FRANKLIN HIGH SCHOOL BAND

● Mr. SASSER. Mr. President, the Franklin High School marching band of Franklin, Tenn., is to be congratulated for its splendid performance in the annual Orange Bowl Parade in Miami, Fla.

Not only did the band make our great State proud in being 1 of the only 10 such units selected from across the Nation to participate in the colorful parade, but also it was named "grand champion" in competition prior to the parade.

Under the able direction of Wayne Simpson, the student musicians returned to their high school January 2 to a rousing welcome indicative of the community support which is the backbone of successful extracurricular interscholastic endeavors.

The 192 band members who reaped these honors did so only after contributing patience, hard work and practice. They even conducted their own fundraising drives to underwrite the expense of the trip.

The band also enjoyed the unwavering support of parents, boosters, friends, and students, and was enhanced by the drive and determination of its director, Mr. Simpson, and the school principal, Carl Pike.

All involved in the band's excellent performance and its signal honor of winning "grand champion" status are to be congratulated. They have made our entire State proud.●

NOMINATION OF ALEXANDER HAIG

● Mr. NUNN. Mr. President, as the 97th Congress gets underway, none of the responsibilities we shoulder is more important than our advice and consent role under the U.S. Constitution. We have a duty to carefully examine the background, experience, abilities, views and integrity of those whom President-elect Reagan has nominated for his cabinet.

One of the most important of these positions is that of Secretary of State, for which the President-elect has nominated Alexander Haig.

America faces many critical problems in foreign policy today. Our challenge in the Senate is to build a broad bipartisan consensus on foreign policy and national security strategy to cope with the serious threats of the decade ahead. Nothing could be more damaging to this effort than a rehashing of the traumatic Watergate experience.

The Foreign Relations Committee has the duty and obligation to conduct thorough hearings on the nomination of Alexander Haig, but neither the Foreign Relations Committee nor the Senate has any duty or obligation to reopen a detailed Watergate investigation.

The Watergate affair was one of the most investigated events in American history. I have long been under the impression that the Special Prosecutor vigorously pursued any criminal leads or criminal allegations during this period. Leon Jaworski and his top assistants should be asked whether there was any evidence of criminal conduct on the part of Alexander Haig.

If evidence of illegal or unethical conduct by the nominee was found, certainly this evidence should be pursued by the Foreign Relations Committee and made known to the Senate. If not, then I see no need to drag the country back through the morass of Watergate.

For those who are insatiably curious about the Nixon era and Watergate, there are plenty of books they can buy. Televised hearings dominated by Watergate would serve to convince our allies and adversaries that we are still obsessed with Watergate. A nation obsessed with the past cannot be a leader in the future.

I recognize the legitimate and rational concern of those who are concerned about a military officer heading up our State Department. As a general rule, I share that apprehension. As George Marshall clearly established, however, there are notable exceptions to this rule. I believe that Alexander Haig will be one of these notable exceptions.

No military officer in recent American history has had more diplomatic and foreign policy experience than Alexander Haig. No military officer in recent history has had more personal experience with the crucial separation of military and civilian functions in our Government. Few Americans today have the degree of foreign policy expertise and strategic grasp of Alexander Haig.

Mr. President, I plan to support the confirmation of Alexander Haig, and I pledge to do all I can to promote a bipartisan approach to the crucial problems facing our Nation and the world today.●

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. BAKER. Now, Mr. President, in order to permit the distinguished minority leader and me to perform the duties assigned to us by the Chair with respect to the notification of the President of the United States, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 1:14 p.m., recessed subject to the call of the Chair; whereupon, at 3:44 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. PRESSLER).

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, I wish to commend the distinguished occupant of the chair. I believe he is the first Republican to grace that position following on after the election of the Republican majority, and following on after the election of a Republican President pro tempore of the Senate. So I congratulate him for that signal honor.

I am awaiting the arrival on the floor of the distinguished minority leader, and while we are doing that I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

RECESS UNTIL TOMORROW

Mr. BAKER. Mr. President, if there is no further business to come before the Senate today, I move, in accordance with the order previously entered, that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and at 3:49 p.m., the Senate recessed until Tuesday, January 6, 1981, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate January 5, 1981:

DEPARTMENT OF STATE

The following-named Foreign Service Information officers for promotion in the Foreign Service to the classes indicated:

Foreign Service Information officers of class 1:

Alan H. Dodds, of Nevada.
Marilyn Johnson, of New Hampshire.
William A. Rugh, of Maryland.
James P. Thurber, Jr., of California.
Robert C. Voth, of California.
Stanley A. Zuckerman, of Virginia.

Foreign Service Information officers of class 2:

Albert Ball, of Virginia.
Mary Frances Cowan, of New Jersey.
Arthur S. Giuliano, of Virginia.
Sally M. Grooms, of Illinois.
Barbara A. Hutchison, of Delaware.
Kent D. Obee, of Idaho.
Robert A. Powers, of Virginia.
Marie Louise Telich, of California.
Richard E. Undeland, of Virginia.

Foreign Service Information officers of class 3:

Sheldon H. Avenius, Jr., of New York.
Brian E. Carlson, of Virginia.
James B. Carroll, of Illinois.
James F. Channing, of Virginia.
James W. Findley, of West Virginia.
John A. Predenburg, of Florida.
Gail J. Gulliksen, of New Jersey.
Corinne A. Heditsian, of Rhode Island.
Bernard M. Henagen, of Virginia.
James J. Hogan, Jr., of New Hampshire.
Mary Roberta Jones, of Montana.
John E. Kataka, of California.
David K. Krecke, of Michigan.
Frederick E. V. LaSor, of California.
Charles C. Loveridge, of Utah.
William H. Maurer, Jr., of Virginia.
Michael Mennard, of California.
Robert P. Milton, of Georgia.
Ray Peppers, of South Carolina.
Stanley N. Schrager, of Illinois.
James H. Pease, of Oregon.

Foreign Service Information officers of class 4:

Philix Silvio Aragón, of New Mexico.
Kenneth R. Audroué, of California.
Sheridan W. Bell III, of Pennsylvania.
George P. Bonioc, of California.
Michael L. Braxton, of the District of Columbia.
Guy Burton, of New Jersey.
William D. Cavness, Jr., of Florida.
Susan Ann Clyde, of the District of Columbia.
Charles Miller Crouch, of Connecticut.
William C. Dawson, Jr., of Kentucky.
David P. Good, of Virginia.
Arthur E. Green, of New York.
Robert B. Hall, of Oregon.
Don Reed Hamilton, of Oklahoma.
Hugh H. Hara, of Illinois.
Beverly C. Hendrix, of Pennsylvania.
Tyrone William Kemp, of New York.
Nicholas Mele, of California.
Diana Moxhay, of New York.
William T. Peters, of Michigan.
Lawrence I. Piotkin, of the District of Columbia.
Ronald J. Post, of California.
Anna M. Romanski, of New Jersey.
Ralph H. Ruedy, of Iowa.
Paul J. Saxton, of Virginia.
John Walsh, of New Jersey.

Foreign Service Information officers of class 5:

Stephen L. Akers, of Connecticut.
Alexander Almasov, of Connecticut.
Rose Susan Berstein, of Rhode Island.
Susan E. Brandt, of Florida.
Mary Ellen Connell, of Florida.
Daryl A. Daniels, of Illinois.
Douglas A. Davidson, of California.
Thomas J. Delaney, of New York.
Carol Doerflein, of New Jersey.
John P. Dwyer, of Connecticut.
Helmut Fischer, of California.
K. Kimberly King, of California.
David Kurakane, of California.
Katherine Inez Lee, of Alabama.
Gary B. MacDonald, of Washington.
Barbara Calandra Moore, of Oregon.
Yolanda Maria Martinez Robinson, of California.
Stephen B. Rounds, of New Hampshire.
Bernard Francis Shinkman, of Virginia.
Charles N. Silver, of Maryland.
Catherine M. Smith, of Connecticut.
Pamela Sherry Sterne, of New York.
Sydnee L. Tyson, of California.
Mark Van Fleet, of Pennsylvania.
Arthur Zegeibone, of Illinois.

Foreign Service Information officers of class 6:

David R. Andresen, of Texas.
Louise Bedichek, of New York.
Cynthia B. Caples, of Texas.
Marianne Craven, of Vermont.
Robert Lee Earle, of Maryland.
David Ettinger, of New Jersey.
Thomas F. X. Haran, Jr., of Massachusetts.
Mary Ann Ignatius, of Hawaii.
Lee James Irwin, of Wisconsin.
J. Michael Korff, of California.
William M. Morgan, of California.
Warren Morningstar, of Utah.
Jeffrey C. Murray, of Maryland.
Edward H. Piatte, of the District of Columbia.
John D. Roney, of Missouri.
Margarete Schmidt, of the District of Columbia.
Daniel J. Schuman, of Michigan.
Stephen A. Seche, of Massachusetts.
Patricia L. Sharpe, of Florida.
Holly Stewart, of the District of Columbia.
Craig J. Stromme, of New York.
Walter Theurer, of Texas.

Foreign Service Information officers of class 7:

Ruth A. Kurzbauer, of Ohio.
Gregory Lagana, of Indiana.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the regular corps of the Public Health Service subject to qualifications therefore as provided by law and regulations:

For permanent promotion:

To be medical director

Kenneth S. Brown
Francis Caprio
Frank Clarke
Philip A. Corfman
Anthony N. Damato
John C. Duffy
James D. Fett
J. William Flynt, Jr.
Michael M. Frank
Robert G. Godersky
Kenneth L. Herrmann
Ward B. Hurlburt
James D. MacLowry
Robert G. Martin
James E. Maynard
David M. Neville, Jr.
Joost J. Oppenheim
Jacqueline Whang Peng
Donald L. Randall
John A. Vaillancourt
John J. Witte

To be senior surgeon

George W. Brown
Gerald D. Buker
Glyn G. Caldwell
William A. Eaton
Evan Eisenberg
Stephen J. Kraus
Wojciech A. Krotoski
Frederick P. Li
Jerry M. Lyle
Frank L. Mitchell
Daniel W. Nebert
William W. Niemeck
Thomas J. Porter
Lee M. Schmidt
Albert T. Snoke
Robert W. Sullivan

To be surgeon

Robert S. Blumberg
Ronald Fried
Kenneth P. Moritsugu
Derald L. Seid

To be dental director

Richard R. Baker
Robert C. Birch
Norman L. Clark
Merwyn C. Crump
Richard Q. Dunn
Robert C. Paine
Paul D. Frazier
Ralph A. Frew
Charles H. Hayden
Karl J. Hettwer
John H. Holt
Richard D. Lowe
Horace E. Lyon
Richard P. Bibial, Jr.
Wayne E. Stroud

To be senior dental surgeon

Robert W. Beck
John P. Clark
Jerry L. Dickson
J. David Erickson
Stephen Gobel
Gene F. Grewell
Jerry L. Gribble
Regis M. Nairn
John H. Nasi
Michael W. Roberts
John P. Short
Harry D. Smole
James B. Sweet
George T. Ward
Steven A. Weiss

To be dental surgeon

Thomas G. Atkins
Robert J. Collins, Jr.
Edward S. Colyer
Richard D. Crockett
Merle C. Drew
David M. Gabelman
James C. Hamilton
Richard L. Betherington
Melvin L. Lerner
Reginald Louie
Robert J. Partak
Daniel L. Pinson
Donald R. Sciame
Ray P. Vanderhook

To be nurse director

Kathryn G. Ames
Jennifer Boondas
Virginia B. Brown
Celeste B. Evans
Janet L. Lunceford
Ellen I. McDonald
Annette McLemore
June G. Michalski
M. Ethel Payne

To be senior nurse officer

Katharine A. Callaway
Thomas P. Phillips
Donna G. Roehl
Sadie J. Stout

To be nurse officer

Suzanne Dahlman
Paul A. Ducommun
Kathleen A. Moore
Gail M. Tidmore
Daniel J. Walz

To be senior assistant nurse officer

Larry R. Tripp

To be engineer director

James H. Eagen
Santo A. Furfari
Lawrence P. Gasda
Joseph M. Hans, Jr.
John J. Henderson
Anton J. Muhich

To be senior engineer officer

Donald A. Anderson
Robert L. Boin, Jr.
William L. Brinck
Jerry L. Butler
John D. Clem
Jackie Demaree
Cyde J. Dial
Leslie M. Dunn
Tommie E. Flora
Walter E. Gundaker
Robert E. Hatten
William F. Holcomb
Michael E. Jensen
Raymond H. Johnson, Jr.
William F. Johnson
Richard Liberace
Edwin C. Lippy
Troy Marcelano
William F. Martin
James C. Meredith
F. Warren Norris, Jr.
James G. Payne, Jr.
Claude A. J. Schleyer
Keith R. Sherer
Roger T. Shigehara
Chester L. Tate, Jr.
James E. Warren

To be engineer officer

Joseph S. Ali
George L. Allen, Jr.
William F. Barnard
Mark A. Brumbaugh
Herbert Caudill, Jr.
Patrick A. Crotty
Ronald D. Dobbin
William E. Engle
Ted W. Fowler
C. Lewis Fox, Jr.
Wallace Hampton
Robert W. Harding
Gerald R. Harris
Robert H. James
Paul F. Kanitz
Peter C. Karalekas, Jr.
Wayne E. Mohler
Ralph C. Olsen
Harvey W. Rogers

To be scientist director

Robert E. Bergman
Robert G. Patzer
Harley G. Sheffield

To be senior scientist

James E. Davis
Stanley A. Edlavitch
Ashley Foster
Denis J. Prager

To be scientist

John D. Boice, Jr.
Charles E. Bowles
Donald L. Campbell
Edward J. Cone
Robert M. Gagne
Roland A. Garcia
William A. Kachadorian
Kenneth Krell

To be sanitarian director

Gene P. Burke
Harry Haverland
Alfred B. Kline
John L. Kreimeyer
Joseph Lovett
James W. Pees
Charles R. Porter
Philip J. Robbins
Donald R. Smith
Geswaldo A. Verrone
William P. Wollschlager
Litsey L. Zellner

To be senior sanitarian

Kenneth E. Bailey
William S. Clinger
Theadore H. Erickson
Orin O. Evans
Conrad P. Ferrara
Curtis A. Golden
F. Gene Headley
William E. Knestis
Eugene W. Lewis
Jon E. Perry
Donavan C. Shook
Laren J. Sickles
Theodore A. Ziegler

To be sanitarian

Richard A. Lemon
Elsdio Perez-Zayas
Michael J. Saccoman
Ray A. Van Ostran
Joseph W. Winkler

To be senior assistant sanitarian

Jack L. Christy

To be veterinary officer director

George M. Baer
David L. Madden

To be senior veterinary officer

James W. Ebert
Charles G. Liddle
John G. Orthoefer

To be veterinary officer

Dennis D. Juranek
Richard E. Rade

To be pharmacist director

Clarence L. Portner
Ronald D. Gilbert
Philip R. Hugill

To be senior pharmacist

Gordon R. Aird
Charles A. Branagan, Jr.
Emil L. Cekada
Joseph H. Deffenbaugh, Jr.
John T. Olmon
Sydney H. Hamet
Samuel C. Ingraham III
Kent T. Johnson
Jackie L. Knight
John J. Lucas
Jules M. Meisler
James E. Mills
Richard A. Moss
Andrew J. Passeri, Jr.
William H. Peterson, Jr.
Francis A. Quam
Robert J. Scholiard

To be pharmacist

Cletis V. Bonnett
Hiner R. Burton
David C. Ewing
Roger D. Gorton
Stephen C. Croft
James K. Hooper
Tillman H. Hughes
Edgar R. Jeter
Christopher P. Konrad
Gary L. Nelson
William C. Robinson, Jr.
Robert J. Tonelli
John M. Twitty
Joseph C. Whitaker

To be senior assistant pharmacist

Michael F. Breckinridge
Roy S. Cram, Jr.
Robert B. Oshida
Larry A. Pfeifer
Gordon W. Reiter
George R. Schmidt
Larry C. Steward

To be senior dietitian

Barbara H. Dennis

To be therapist director

Richard S. Mazzacone
Robert D. Skinner
Ronnie E. Townsend
William D. Wallis

To be senior therapist

Donald S. Henderson
Jonathan T. Spry
Leonard A. Stone

To be therapist

Robert E. Mansell
Margaret A. Wilson

To be senior assistant therapist

Bruce P. Klein

To be health services director

Owen L. Ellingson
Arthur N. Jarvis
Reginald A. Spindler
William K. Young, Jr.

To be senior health services officer

Harold A. Bond
Joseph A. Brennan, Jr.
William J. Brown
David W. Callagy
James E. Hamilton
Thomas J. Keast
Barbara A. Maxwell
Bert L. Murphy
Edward B. Radden
Elmer G. Renegar, Jr.
Edwin P. Yarnell

To be health services officer

Robert J. Battjes
Paul A. Dickson
John R. Heinz
Bruce A. Herman
John E. Hickey
Daniel A. Hoffman
Michael J. Kennedy
Richard E. Lippman
Frederick J. Miller
Jennings E. Partridge
John H. Peterson
Fred M. Randall
Paul F. Schulze
David R. Selby
Stuart M. Swayne
Thomas C. Voskuhl

To be senior assistant health services officer

Raymond L. Clark
Kenneth C. Diepold
Paul Durand
Alfred G. Fahlstedt
Robert P. Nugent

IN THE COAST GUARD

The following-named commanders of the Coast Guard Reserve to be permanent commissioned officers in the Coast Guard Reserve in the grade of captain:

Welton H. Jones, Jr.
David A. Wills
Robert K. Mills
Philip L. Adair
Harry Y. Char
William B. Christy
Richard H. Kuhn
Ronald P. Hunter
George H. Peck, III
Jerome J. Salomone
Henry H. Odom
Jay H. Pearson
Clarence F. Smith, Jr.
Daniel E. Williams
Allyn S. Norton, Jr.
Kerney W. Bolton
Roger L. Oberndorf
Richard E. Wheeler
George M. Pettyjohn
Frederick J. Turner
Richard H. Crawford
John M. Bohunsky, Jr.
Ora F. Frase, III
Marcus J. Wallace, Jr.

The following officers of the United States Coast Guard for promotion to the grade of lieutenant commander:

John L. Glen
Gary L. Gregory
Kenneth M. Coffland
David F. Wallace
Thomas A. Rummel
Robert M. Letourneau
William J. Seney
Robert C. Dorfler
Pedro G. Filipowsky
David L. Edwards
Kenneth S. Shepard, Jr.
William R. Phillips
Steven W. Vagts
Harry A. Vaughan
Terry L. Lott
James D. Manclark
Eric E. Erickson
William A. Dickerson III
James H. Williams
Alexandre Legault
James L. McClinton
Michael J. Haucke
Mark E. Charbonneau
Bernard P. Obrien, Jr.
Jerry W. Degan
Gaetano Martini
Douglas R. Halsey
Robert A. Taylor
Jon A. Thulin
Bruce I. Merchant
Bruce K. Klimek
Robert W. Montfort
William R. Miller
William A. Cassels
Robert G. Vorthman, Jr.
Russel J. Lutz
Richard T. Bartlett
Ronald D. Beck
Bruce M. Wallisch
John R. Frost
Leonard F. Bosma
William S. Davis
Jack L. Burl
Stephen V. Hughes III
Roger T. Argalas
Larry A. Doyle
Edward G. Rosenberg
Brian G. Basel
Laird H. Hall
Gordon N. Hanson
John J. Murray, Jr.
John T. Sugimoto
Dennis G. Beck
Steven C. Borlos
Benjamin J. Stoppe, Jr.
Richard R. Mead
Gary L. Frago
Patrick M. Stillman
Dennis M. Egan
Penn P. Shade
David A. Rogers
Bienvenido Abiles
Winston S. Jones
Thomas P. Dolan
Richard A. Knee
Stephen R. Oemer
James W. Norton
Bruce E. Meinick
William R. Armstrong
Marlin L. Shelton
Edward J. Peak
Thomas H. Gilmour
Richard J. Sellers
Craig P. Coy
William H. Wissman
Christopher G. Burns
Arthur E. Crostick
Joseph A. Stimats
Arthur R. Butler
Norman B. Henslee
Dennis D. Rome
Edmond P. Thompson
Robert J. Wells, Jr.
Terry W. Newell
James W. Gormanson
Harry W. Forster, Jr.
Steve S. Sheek
Lawrence G. Brudnicki
James M. Alderson
Frederic R. Gill
Jimmy Ng
Danny D. Benefield
John C. Malmrose
Richard T. Buckingham
Walter G. Johnson
Charles F. Klingler
Joseph M. Kyle, Jr.
Thomas D. Yearout
Charles B. Williams
Clay A. Fust
James F. McEntire, Jr.
Henry F. Baley, IV
Erroll M. Brown
Michael D. Shidle
Hampton E. Beasley, Jr.
Patrick J. Popleski
John W. Whitehouse
Ronald C. Gonski
Phillip C. Smith
Alan D. Summy
Carl R. Smith
Thomas J. Meyers
James E. Whiting
Jan. E. Terveen
James M. Cooper
Joseph H. Jones, Jr.
James W. Meyer
Mark D. Noll, Jr.
Gary M. Heil
Michael D. Hathaway
Tim B. Doherty
Wayne H. Ogle
James W. Underwood
Edwin E. Rollison, Jr.
Hugh T. Grant
Danny J. Sanromani
Gary R. Westling
Richard W. Withers
James L. Rohn
Edward E. Page
Bradley J. Nieson
Gary L. Swan
Robert D. Innes, Jr.
William B. Turek
Paul L. Berger
Dean L. Harder

The following graduate of the Coast Guard Academy to be a permanent commissioned officer in the Coast Guard in the grade of ensign:

Michael P. Farrell

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapter 35 and 837, title 10, United States Code.

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Abbee, James G., 447-30-6303.
Adams, Edwin H., Jr., 538-30-5610.
Albi, Joseph R., 523-30-8578.
Alton, Thomas W., 043-28-6922.
Archer, Stuart H., 264-50-5387.
Ary, Charles D., 308-22-3827.
Baldwin, Harold R., 249-44-0113.
Barmore, Gaston C., Jr., 456-40-7704.
Bates, James M., 252-52-7266.
Baumer, Gerald C., 487-40-7186.
Bennett, Joe E., 409-52-6875.
Bermel, Blaine L., 183-28-5210.
Boffin, Kenneth G., 525-58-6252.
Boyd, Clifton E., 245-42-2806.
Bressi, Samuel N., Jr., 211-30-9269.
Briant, Robert C., 253-62-7715.
Brooks, Raymond M., 154-20-3274.
Buckel, Charles A. 380-28-7337.
Buehler, Norman C., 190-22-8635.
Bustamante, Elizabeth L., 557-48-6009.
Caldwell, Dana T., 302-24-6883.
Campbell, Conrad E., 080-30-8053.
Carpenter, Shirley M., 226-50-0291.
Carpenter, William L., 510-30-7862.
Carr, William H., 261-38-0770.
Chambliss, Alton M., 073-26-5160.
Chase, Norman E., 299-26-9636.
Cobb, Laurence A., 122-26-3211
Colson, Kenneth R., 563-32-8973.
Compton, Roger B., 528-54-7176.
Conroe, Wallace W., 561-34-2869.
Copenhaver, James D., 550-46-3315.
Crump, Gerald F., 558-46-2550.
Dawson, David S., Jr., 455-64-8984.
Dewitt, William E., 411-56-1936.
Dolin, Phyllis A., 434-20-0260.
Dove, Edgar C., 413-50-4446.
Duckwitz, William G., 382-38-0690.
Duddy, John H., III, 169-26-9477.
Edrington, John D., Jr., 262-42-1434.
Ennis, George S., Jr., 090-28-8431.
Epstein, Heinz, C., 548-42-9469.
Erwine, Everett D., 550-42-3692.
Estrella, George, 011-26-8679.
Evans, David J., 242-22-9414.
Fean, Robert A., 174-26-0399.
Filleau, Clifford R., 533-34-4957.
Fischer, Robert H., 207-28-6989.
Fordham, Lawrence C., 391-34-5377.
Freeman, William H., Jr., 541-34-9720.
Freytag, Richard A., 353-26-3930.
Fuller, William T., Jr., 025-28-3859.
Furukawa, Joseph K., 576-28-3951.

Gaston, Leonard G., 507-34-5151.
Glass, Charles S., 414-46-9688.
Glover, Harlan W., 015-26-6471.
Goldfarb, Abraham, 145-30-4552.
Gorman, Irwin, 106-24-0241.
Griffin, Edward L., 214-30-7600.
Guidice, Donald A., 115-26-6963.
Guinouard, Donald E., 516-26-2051.
Hafler, Harry A., 268-28-3069.
Hamer, James E., 301-28-5715.
Hanaway, James F., Jr., 039-22-8302.
Hart, James W., Jr., 263-48-0980.
Hellauer, Joseph F., Jr., 043-28-6419.
Hermann, Peter J., 110-26-3705.
Hillman, Donald W., 476-30-1288.
Idrogo, Samuel, 459-27-7890.
Jackson, Michael H., 523-40-0455.
Jenkins, Joseph F., 259-52-0887.
Jensencurrie, Laura B., 061-32-1534.
Jones, Thomas M., Jr., 366-30-3383.
Justin, James G., 534-32-1262.
Keegan, Dennis F., 077-32-1330.
Kemp, Thomas D., III, 242-44-8638.
Kingston, George, 138-30-9833.
Klein, Jacques P., 334-30-3977.
Kloess, Lawrence H., Jr., 131-18-7850.
Knight, Roger G., 534-32-1363.
Kuzelka, William J., 380-28-9552.
Kumler, David A., 355-28-9567.
Larson, Alric T., 160-28-3531.
Latimer, George W., Jr., 528-40-9052.
Laub, Dale J., 529-34-8325.
Lindstrom, Richard E., 043-26-7242.
Linkous, Rodney L., 535-28-9260.
Lusk, Edward E., 418-38-0842.
Mason, Allen S., 514-32-9279.
McAnally, Samuel D., 452-48-8115.
McDermott, Leo B., Jr., 056-32-7275.
McGee, James R., 196-28-9521.
McKeown, Frank J., 540-34-0660.
McLaughlin, George G., 383-30-1670.
McNulty, Edward J., 296-28-7935.
Mench, Edwin E., Jr., 164-26-6273.
Meyers, William E., 533-30-7249.
Milbrandt, Ransom J., 472-32-8316.
Monan, Gerald E., 535-32-3842.
Monczewski, Matthew E., 199-26-4744.
Mulvihill, Jeremiah J., 264-56—1092.
Nesbitt, John R., 169-32-3329.
O'Donohue, Daniel J., Jr., 384-30-9048.
Olmeda, Edward J., 364-34-7801.
Pantone, Donald M., 528-24-9539.
Pappert, Eugene X., 205-24-2851.
Paskevicz, Louis, 047-26-0312.
Peden, Roger L., 426-58-0115.
Perciballi, Angelo J., 013-28-6996.
Perrin, James E., 369-40-1403.
Petersen, Robert G., 430-40-8882.
Porter, Samuel R., 168-20-4360.
Prevallet, Donald E., 492-34-2783.
Ranson, James C., 350-30-1883.
Redmond, Glenn W., 153-30-8018.
Rehm, Jerry T., 488-34-0359.
Robbins, Wayne K., 373-38-0760.
Robertson, Gilbert A., 476-30-6117.
Robertson, Wesley L., III, 440-32-2680.
Roth, Donald C., 333-26-1053.
Sanders, Ned M., 250-44-8481.
Schloesser, Stanley F., 469-28-6315.
Schornstein, Stuart J. 143-24-6012.
Sefchik, Francis T., 149-22-6809.
Sharp, Richard M., 330-26-1079.
Simon, James E., 276-28-2230.
Smith, Clarence E., Jr., 025-22-5936.
Smith, Jerrold P., 250-46-2090.
Smith, John H., Jr., 265-42-6411.
Smith, John R., 431-38-3993.
Smith, Roy L., Jr., 432-46-7029.
Snow, William A., 541-34-2154.
Standfield, Eugene F., 561-40-2239.
Stanton, Ronald L., 559-42-2110.
Steele, John J., Jr., 029-26-7578.
Streeter, Richard G., 187-26-0797.
Sullivan, Eugene F., Jr., 048-34-8555.
Thomas, James A., 176-24-0859.
Thomson, David A., 560-50-8121.
Tidwell, Frank R., 528-38-7722.
Toolson, Gene A., 526-38-1657.
Torpy, Charles E., 229-48-5625.
Trimble, Preston A., 514-26-7459.
Troyer, Thomas G., 390-38-3442.
Turano, Eugene A., 266-38-1026.
Viener, Rudolph, III, 434-46-6678.
Vorwald, Guenter W., 074-30-0104.
Waller, Alan M., 214-26-2602.
Watkins, James V., 235-48-3543.
Watson, Joe N., 461-46-3059.
Watson, Robert C., 281-34-2038.
Weiss, Joel M., 122-26-0767.
Williams, Don V., 139-28-4168.
Williams, Jimmie M., 465-34-5235.
Wilson, Charles G., 248-52-6154.
Wilson, Larry W., 316-34-1029.
Wolfe, Wayne D., 219-38-1267.
Wood, Bruce F., 540-38-0631.
Wright, Robert L., 275-28-3362.

CHAPLAIN CORPS

Andreasen, Samuel G., 482-44-6362.
Duggan, Paul E., 573-20-4961.
Herrstrom, Brewster C., 475-20-8890.
Pielemeier, Gary L., 295-28-9448.
Prendergast, Thomas J., 074-16-9633.
Rhett, William P., Jr., 247-52-4281.
Tolbert, I. V., 511-26-8660.
Whitehouse, Donald S., 406-42-4620.

DENTAL CORPS

Kay, William D., 247-54-0349.
Reger, Roy H., 450-48-0064.
Robinson, Harold D., 293-24-2351.

MEDICAL CORPS

Abramo, Arnold A., 050-26-7582.
Baser, Ali N., 500-44-3815.
Bost, Charles R., 453-50-2987.
Britt, Darryl B., 416-48-7586.
Broome, Larry G., 427-76-1164.
Christman, James E., 294-38-5632.
Cooper, James T., 253-46-8112.
Darienzo, Charles M., 131-26-8900.
Davis, Merritt G., Jr., 221-20-8109.
Desanto, Lawrence W., 471-34-8461.
Dinmore, Richard C., 575-20-4824.
Egan, Robert C., 506-38-6240.
Fisher, John A., 542-22-2287.
Fry, Harold H., 411-44-1654.
Gensler, Thomas D., 505-36-9907.
Goff, Terry H., 074-26-8450.
Graham, John L., 535-30-7201.
Griffin, Robert P., 427-36-7409.
Hafermann, David R., 336-34-1782.
Hard, Benjamin F., 453-36-6063.
Harville, Victor L., Jr., 430-52-5937.
Hucke, Samuel T., Jr., 517-22-2972.
Janes, Robert G., 236-28-2940.
Kuhn, Charles R., 462-64-5793.
Lamb, Johnny M., 430-72-8720.
Lansford, Doyle K., 429-50-8888.
Lee, Chang H., 576-24-4826.
Mabeus, Duane F., 508-48-5690.
Mapes, Donald L., 561-44-7788.
Martin, Archibald M., 248-40-8622.
Meyer, James E., 498-20-8731.
Miller, James B., 548-48-1785.
Mills, Billy G., 419-36-8483.
Nathan, Lester A., 347-16-6984.
Nielsen, John R., 440-14-9687.
Postles, William T., 544-18-7033.
Rivera, Antonio M., 054-30-2535.
Sacchetti, Louis J., 372-30-2218.
Schwab, Edward T., 492-34-3400.
Wasserman, James M., 280-34-2036.
Watters, John A., Jr., 209-28-1480.

NURSE CORPS

Butler, Norma J., 482-42-7407.
Cruse, Annie H., 252-38-3522.
David, Joy M., 437-58-2584.
Diehl, Joyce M., 057-28-9101.
Finnegan, James B., 123-24-3973.
Gray, Joan I., 027-24-6295.
Hewitson, Joyce C., 151-22-6036.
Iverson, Carol J., 501-34-9804.
Liberty, Gail N., 005-36-6915.
Mahoney, Margaret J., 138-24-1916.
May, Peggy S., 463-44-5870.
Melnik, Clara A., 155-22-7401.
Mursch, Sara B., 340-53-7403.
Prue, Mildred S., 122-14-8598.
Spors, Hiltrud G., 499-38-7388.
Thomas, Loretta A., 230-38-6126.

MEDICAL SERVICE CORPS

Patrick, John F., 224-46-8178.
Pearce, James T., 423-24-4895.
Wilson, Charles E., 420-70-7505.

BIOMEDICAL SCIENCE

Brunner, George D., 298-12-8739.
Carter, Phyllis A., 261-40-6027.
Christenberry, Curtis C., 422-40-4007.
Craig, Dan J., 487-36-7745.
Kamerbeek, Maris G., 578-56-6986.
Snyder, Gerald E., 067-32-4552.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a) title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Larry K. Arnold, 230-40-3721.
Maj. Charles M. Baier, Jr., 514-42-8350.
Maj. James F. Barto, 236-48-9507.
Maj. Gary A. Brewington, 519-44-4746.
Maj. John D. Brownlee, 301-30-0414.
Maj. Robert A. Bunn, 408-52-8549.
Maj. John D. Calvin, 296-30-1207.
Maj. Richard C. Cosgrove, 292-36-0678.
Maj. John B. Dockendorff, 482-34-3503.
Maj. Warren J. Drouhard, Jr., 264-36-3528.
Maj. Paul D. Duvall, 430-66-3439.
Maj. John S. Gerber, Jr., 528-38-3082.
Maj. Tommy R. Gilbert, 442-23-8228.
Maj. Richard A. Guglielmi, 030-28-2345.
Maj. Harry B. Hoover, Jr., 264-62-5669.
Maj. Robert A. Hotchkiss, 221-34-5325.
Maj. Armin R. Lichtfuss, 395-36-2144.
Maj. George L. Lickman, 196-28-9903.
Maj. Melvyn S. Montano, 525-68-7736.
Maj. Thomas W. Myers, 167-22-9783.
Maj. Gerald B. Olender, 056-34-9562.
Maj. Jack C. Paterno, Jr., 521-56-1868.
Maj. Dewey R. Preiser, 237-44-8354.
Maj. David J. Rist, 176-30-9433.
Maj. David M. Rodrigues, 576-32-7898.
Maj. Joseph K. Simeone, 059-34-3044.
Maj. Richard D. Switzer, 212-36-1868.
Maj. Harold R. Tollefson, 504-46-0124.

JUDGE ADVOCATE

Maj. Robert V. Paschon, 141-30-1870.
Maj. Charles E. Racine, 293-32-3292.

CHAPLAIN

Maj. Harold G. Geiss, 062-36-8573.
Maj. James A. Kees, 194-24-8990.

MEDICAL CORPS

Maj. Rudolf G. Carlstein, 031-36-1922.
Maj. Richard O. Reinhart, 480-36-6556.
Maj. Philip E. Zongker, 512-42-3331.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under provisions of title 10, United States Code, sections 3305; 3284 and 3299:

MEDICAL CORPS

To be colonel

Brandel, George P., 278-36-4690.
Gardner, Richard M., 577-30-2159.

DENTAL CORPS

To be colonel

Hoffman, Jerry L., 318-30-1434.

MEDICAL SERVICE CORPS

To be colonel

Gillespie, Ronald L., 551-44-6335.

ARMY PROMOTION LIST

To be lieutenant colonel

Collins, Billy C., 230-36-7841.
Davis, Donald R., 277-36-8219.
Lehrfeld, William H. 095-28-7152.

MEDICAL CORPS

To be lieutenant colonel

Miyazawa, Kunio, 230-60-0981.
Rumbaugh, James H., 196-30-7563.

VETERINARY CORPS

To be lieutenant colonel

Bixby, Howard R., 511-30-8008.

ARMY PROMOTION LIST

To be major

Behnke, Douglas J., 068-36-8644.
Briggs, Earl D., 133-34-6587.
Crosby, John W., 305-44-1323.
Davis, Glenn E., 434-84-3433.
Dever, Benny J., 230-56-2852.
Donnellan, Robert F., 019-30-1649.
Flournoy, John H., Jr., 258-62-2380.
Freedman, Gary M., 375-44-5305.
Frost, Jerry D., 465-68-5920.
Grube, Uwe A., 554-54-9634.
Harrison, Klein S., 430-80-1355.
Hollis, James B., Jr., 261-72-6121.
Lloyd, Howard M., Jr., 230-60-4377.
Millard, Arthur F., 510-42-3667.
Norton, William E., Jr., 240-68-3162.
Nowlin, James M., 197-34-7194.
O'Connor, Joseph E., 098-34-1654.
Peck, Daniel J., 077-34-0436.
Nemencua, Brooks E., 335-34-4491.
Rice, Frances P., 260-68-3435.
Rosebeary, Michael L., 441-46-5410.
Schleicher, Juergen H., 546-60-1511.
Severson, Barton E., 502-35-3692.
Simiele, Frank A., 226-56-2560.
Small, Harry C. Jr., 450-72-9522.
Steve, Joseph A., Jr., 176-32-5769.
Talbert, David A., 253-58-6705.
Tom, Jeffrey G., 575-46-0066.
Trevino, Vicente V., 466-52-4002.

ARMY PROMOTION LIST

To be captain

Burke, Michael A., 039-34-4074.
East, Robert E., 264-90-3558.
Davis, Jay L., 190-46-0932.
Gamboa, Donna G., 575-54-1330.
Holland, Paul R., III, 254-90-1955.
Kaetner, William G., 027-38-9414.
Kendall, Marvin J., 203-36-0592.
Lyons, David L., 417-60-0604.
Mills, David F., 424-74-6609.
Morris, William R., III, 267-80-5040.
Morrison, Linda L., 510-56-7581.
Obermeyer, Kenneth M., 562-86-1999.
Peer, Stephen M., 268-48-2137.
Reaney, David W., 557-80-1500.
Rose, Charles A., 268-38-0107.
Rynearson, Charles B., 009-38-4421.
Seigler, Robert D., 247-92-6959.
Simmons, Hollis E., III, 573-70-8870.

MEDICAL CORPS

To be captain

Harper, Michael G., 433-70-6451.

The following-named officers for promotion in the Army of the United States, under provisions of title 10, United States Code, sections 3442 and 3447:

ARMY PROMOTION LIST

To be colonel

Crerar, John E., II, 095-22-0676.
Dashields, Charles E., 239-36-5531.
Howell, Leamon E., 267-40-7524.
McKee, William S., 142-26-9372.

DENTAL CORPS

To be colonel

Jastrzembski, Steve V., 172-30-7455.
Stanton, Gary A., 300-32-9250.

MEDICAL CORPS

To be colonel

Bell, Exter F., Jr., 449-28-3558.
Collin, Daniel B., 476-38-2784.

ARMY PROMOTION LIST

To be lieutenant colonel

Barcena, Luis C., 267-72-3757.
Batts, William M., III, 462-68-8371.
Buford, Lauren D., 562-46-2283.
Burelli, Robert C., 167-34-4389.
Chamberlain, Wayne J., 390-36-8566.
Clay, James E., 234-58-4058.
Clegg, Ronald W., 283-38-7762.
Covalucci, Robert J., 011-32-7130.
Draper, Floyd L., 530-24-8516.
Eveleth, Robert G., 015-26-5090.
Gibbs, Terrence H., 230-50-5588.
Gonzales-Rodriquez, Francisco, 227-44-9447.
Greene, Mervin W., 228-50-2085.
Halker, William H., Jr., 463-58-0164.
Jackman, William L., 023-32-9177.
Levanson, Joel S., 014-32-7988.
Orenstein, Leo R., 453-68-4166.
Primm, Columbus F., Jr., 423-44-6363.
Rasmussen, Delbert T., 528-50-2332.
Rezek, Ronald E., 342-34-7208.
Rinaldo, Richard J., 073-34-7646.
Thames, John W., Jr., 426-78-9955.
Watts, Robert P., Sr., 250-58-5512.
Weise, David G., 470-44-3438.
Zebell, Robert A., 329-34-7946.

MEDICAL CORPS

To be lieutenant colonel

Farrell, Shari L., 561-50-5500.
Vyas, Hansa B., 013-44-5371.
Weaver, Michael, 527-72-9872.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Muul, Illar, 030-28-3136.
Ward, Stewart R., 516-36-6124.

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Bilbrey, Robert E., 414-50-7683.
Culbreath, Richard A., 249-42-2872.
Culmer, James D., 173-22-2734.
Gillen, Richard F., 046-20-6848.
Herrmann, Thomas A., 494-28-9874.
Huseland, Stanley A., 531-34-0615.
Magrogan, Francis G., 215-28-0661.
Winkler, Jack L., 562-46-5973.

CHAPLAIN

To be colonel

Eastham, Frederick, 215-38-8945.
Johnson, Robert R., 388-24-0168.

The following-named officers for promotion in the Reserve of the Army of the United States under the provisions of title 10, United States Code, sections 3370 and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Abrahamson, Ray S., 541-34-7669.
Adams, Charles K., 231-22-3479.
Adams, Linthon C., 472-38-5885.
Adams, William K., 402-46-6263.
Ahern, John M., 552-48-0018.
Albino, Salvatore W., 103-30-0672.
Aldrich, Leon C., 460-54-6029.
Alexander, John R., 431-76-9590.
Allen, Paul F., 414-54-2513.
Alverson, William K., 403-52-9828.
Amerson, Larry C., 264-58-2720.
Amirault, Robert J., 032-28-2587.
Ancelin, Donald R., 460-60-1678.
Anderson, Charles W., 483-36-0044.
Anderson, John E., 172-26-8333.
Anderson, Leonard H., 453-60-2673.
Anderson, Robert O., 519-36-4267.
Anduss, Lynn E., 509-28-5026.
Armacost, James A., 457-56-1488.
Armstrong, Alan L., 307-42-8108.
Armstrong, Charles, 235-60-0342.
Arnott, Thomas P., 021-28-2035.
Arrington, R. L., 540-46-5757.
Auen, Harold K., 022-26-7327.
Ausley, Joseph M., Jr., 421-36-4624.
Austin, Duane, 373-32-0448.
Austin, Louis W., 052-32-8351.
Autrey, Willie E., 424-52-0364.
Avitabile, Louis N., 033-24-6756.
Ayers, Robert D., 249-52-2670.
Baal, John M., 163-22-0263.
Babcock, Charles B., 113-30-0962.
Baca, Gilbert S., 525-66-7639.
Badallan, Hrair, 095-26-4825.
Bailes, Elbert L., 251-48-0540.
Bailey, C. D., Jr., 508-48-7371.
Bailey, Joseph B., 463-54-1066.
Bailey, Joseph W., 422-50-3364.
Bailey, Thomas H., 294-24-8066.
Baize, Billy D., 406-44-7489.
Baker, John L., 519-34-1391.
Ball, Elizabeth C., 238-56-3493.
Banks, William J., 408-58-2833.
Barland, Gordon H., 392-36-0624.
Barnhart, Fred P., 538-32-4778.
Barrows, Raymond R., 214-36-6106.
Barrs, Robert F., 250-64-3518.
Bartels, Larry T., 475-38-0463.
Bartkus, Albert A., 350-28-7590.
Barton, David C., 333-30-1558.
Barton, Kenneth P., 466-48-9469.
Batterson, James R., 490-34-3969.
Bauer, Joseph L., 180-26-8864.
Bayliss, M. A., Jr., 496-38-7478.
Beach, Ted A., 410-52-4641.
Beatty, Norman G., 505-46-9038.
Beatty, Norman H., 457-64-2359.
Beckle, Robert E., 526-34-6496.
Beckno, John, Jr., 199-26-4565.
Becton, Herbert E., 260-56-1396.
Belanger, Joseph A., 014-26-8709.
Bellis, Edward A., 429-74-3527.
Benson, Sumner, 549-52-5621.
Berry, James L., 568-44-0283.
Birberick, John R., 385-26-5458.
Bishop, Noyes S., Jr., 462-50-8660.
Bissonnette, Robert, 002-28-4355.
Black, Willie F., Jr., 267-60-5865.
Blackstad, James P., 474-32-0786.
Blair, Jimmy S., 247-64-6068.
Blake, William L., 252-56-7107.
Bialock, Kenneth H., 334-36-5497.
Blank, Gerald L., 324-30-3680.
Blauvelt, James A., 479-52-4494.
Blue, Dorsey D., 467-52-5266.
Boarnet, Bernard N., 466-54-0474.
Boatright, Spessard, 265-58-1634.
Bobnick, James E., 087-30-2926.
Bode, Jerome G., 503-38-7208.
Bodisco, Michael A., 567-50-5585.
Bonaccorso, Santo L., 026-26-9594.
Bonanno, Jack F., 555-58-6179.
Booker, Marshall L., 465-40-4885.
Boone, Daniel R., 234-58-0840.
Boone, John M., 400-50-2647.
Borden, Charles A., 271-36-8987.
Borel, Charles E., 438-46-9189.
Boring, Franklin E., 509-26-2116.
Bortree, Walter E., 135-34-3034.
Botelho, Richard E., 016-26-4797.
Boterf, Chester A., 512-30-6409.
Bowden, Jackson R., 410-62-4728.
Bowe, Howard M., 070-26-4384.
Bowman, Charles L., 487-40-8069.
Bowman, William D., 413-56-5557.
Boyzen, Stephen M., 458-58-1426.
Brace, James B., 176-22-6163.
Bradlee, William J., 017-28-3933.
Branch, Jackson A., 237-42-9342.
Bray, Lloyd L., 431-60-8008.
Brock, Rogers E., Jr., 251-42-8389.
Brogan, James A., 288-34-6208.
Brooks, Boyce F., 249-56-1358.
Brown,. Alan W., 030-24-9133.
Brown, Conrad I., 075-32-5815.
Brown, Gerald T., 496-38-9682.
Brown, James A., 410-58-5792.
Brown, John L., 225-54-9394.
Brown, Kenneth W., 250-62-9557.
Bruce, Robert C., 278-32-6397.
Brunner, Joseph F., 554-44-8311.
Brushie, Leonard J., 049-30-6750.
Bube, Joseph F., 400-40-7197.
Buck, Richard L., 572-44-7448.
Buckman, Robert D., 534-36-5203.
Bullis, Franklin J., 064-30-7142.
Buntin, Thomas J., 225-50-8249.
Burke, David E., 104-30-7523.

Burkett, Robert E., 166-34-3802.
Burnett, James H. Jr., 411-44-9940.
Burnside, Bradley W., 079-34-8744.
Burrows, Leroy T., 230-46-0221.
Bush, Evan M., 107-30-8163.
Butcher, Glen E., 233-50-3861.
Butler, Bennie W., 404-52-2438.
Butler, Herman Jr., 265-54-1424.
Byse, Robert J., 463-40-6188.
Cacciola, Philip P., 048-32-7554.
Cahill, James E. Jr., 428-72-2764.
Caldwell, Haskell J., 445-34-9361.
Callaway, Chas B., 263-56-0692.
Campbell, Mitchell, 264-56-1341.
Cardon, Marvin B., 562-40-5228.
Carlan, Carl R., 567-40-6172.
Carlson, G. E., Jr., 455-60-4065.
Carlton, Frank A., 428-64-8187.
Carpenter, Michael, 367-26-2286.
Carpenter, Neil E., 504-30-5402.
Carrillo-Rivera, Luis M., 580-34-9118.
Carver, James G., 001-26-7783.
Casey, Charles R., 419-40-0310.
Cashman, Frederick, 017-24-1309.
Cassell, Peter I., 261-62-8252.
Cassell, Richard S., 057-32-5822.
Cellini, William F., 322-28-7150.
Chacon, Ray M., 526-42-3997.
Chafin, William V., 259-54-2361.
Chambers, Leslie B., 488-36-6315.
Chapman, Malcolm E., 299-30-6687.
Childress, Russell, 213-42-5484.
Chisholm, Raymond G., 467-66-1106.
Church, Billy R., 413-60-8306.
Cinnamon, Michael M., 380-34-1847.
Clark, Robert L., 214-42-6246.
Clark, William E., 404-46-5485.
Clarke, Warren E., 215-40-5328.
Coffman, Herbert C., 517-30-3396.
Coleman, Martin W., 443-40-9309.
Collard, Kenwood J., 397-28-0765.
Collier, Curtis A., 431-70-1093.
Collins, James T., 452-50-8167.
Collins, Larry W., 248-72-7735.
Collins, Rollin E., 209-30-5254.
Confer, James R., 086-26-8721.
Conlon, Robert C., 150-30-1389.
Conn, Charles C., 117-26-3398.
Connell, Jerry L., 444-30-3286.
Connor, John G., 165-30-9246.
Cook, Gerald L., 529-46-1274.
Cooley, Robert E., 206-30-7098.
Coomer, Carroll M., 247-54-4083.
Cooper, Glenwood L., 245-58-0958.
Copsinis, Jerry S., 046-32-6535.
Cornelius, Marcus M., 253-58-9321.
Cortinez, Robert R., 439-48-5327.
Costa, Louis P., 026-28-3676.
Cotner, Calvin B., 108-32-0026.
Cotton, Charles A., 404-46-8845.
Cowart, Franklin O., 422-48-8081.
Cox, Anthony A., 300-34-1410.
Cox, Charles G., 519-40-8636.
Cox, John G., 544-46-6862.
Craft, Toby W., 418-56-0570.
Crane, Lawrence W., 096-30-5993.
Crawford, Ernest W., 239-52-9660.
Crawford, Everett J., 455-62-1121.
Crittenden, Jerry J., 439-44-5910.
Crockett, Ralph G., 229-36-6906.
Cromwell, George E., 432-64-7791.
Crossley, Ronnie N., 448-32-7090.
Crowley, Robert L., 547-52-2902.
Cruz, Margarito, 582-70-2278.
Culver, Donald E., 374-34-5474.
Curtis, John D., 423-42-9613.
Cusack, John A., 160-32-9363.
Cyr, Ronald T., 393-34-9208.
Czarnecki, William, 167-30-6640.
Damutz, Edward V., 048-26-8092.
Dana, Leroy J., 178-28-6623.
Dancer, Charles R., 146-26-4607.
Dandaneau, George E., 006-36-4693.
Daniel, Jack R., 411-60-0683.
Daniel, James D., 247-56-8384.
Dany, Daniel M., 335-30-5968.
Darpino, Ernest R., 138-28-1510.
David, Raymond S., 063-26-2835.
Davidson, Danny E., 500-40-7469.
Davis, Bobby E., 240-56-4499.
Davis, Curtis E., 252-46-9807.
Davis, Frank D., 253-60-7183.
Davis, Robert H., 509-38-2195.
Davis, Stephen, 176-34-9018.
Davis, William H., 475-40-5028.
Dawson, Floyd, 266-54-5544.
Dayoc, Michael J., 181-24-2292.
Deboer, Edward D., 507-28-0019.
Delatorre, Raul A., 261-74-9923.
Delbridge, Wilfred, 216-36-3378.
Demczak, Ronald J., 221-22-4261.
Dennis, Raymond L., 525-86-6348.
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Schoolcraft, David, 561-42-8108.
Schottenbauer, Michael, 473-36-9901.
Schreifels, Eugene, 474-38-8855.
Schrof, Glen E., 329-32-5670.
Schuetz, Terry L., 505-36-2302.
Scribner, Carroll G., 004-30-8601.
Seales, Raymond M., 065-30-9509.
Seay, Theodore S., 416-52-0377.
Seeley, Leslie C., 542-34-0602.
Self, Dennis R., 426-66-7862.
Seppala, Earl E., 363-36-8397.
Shackelford, Earl V., 405-50-5015.
Sharp, Robert L., 429-76-6187.
Shawen, Robert J., 537-34-0714.
Sheldon, Robert L., 540-38-1568.
Sheppard, Fred A., 498-46-4222.
Sheppard, Leonard G., 503-32-9482.
Sherman, Larry G., 421-40-3428.
Shields, Neal G., 434-56-2483.
Shirley, William A., 250-56-7214.
Sigler, David P., 433-50-1678.
Sigler, Frank L., 420-52-9057.
Sigona, Peter J., 461-52-8951.
Simmons, Roger W., 230-48-7651.
Simpson, Eugene P., 025-30-4952.
Sinnott, Richard J., 089-30-1158.
Sittnick, Donald F., 348-30-1510.
Skelton, Thomas W., 512-34-6410.
Skinner, Alonzo, J., 438-46-9920.
Slaughter, James L., 244-44-4248.
Slechta, Nicholas V., 515-28-3064.
Sloan, Helen N., 239-52-4940.
Smith, Dallas H., 518-36-8521.
Smith, Jack J., 424-32-8712.
Smith, James C., 215-36-1066.
Smith, James F., 253-48-9357.
Smith, Jerry A., 459-54-2114.
Smith, Jerry F., 464-40-9242.
Smith, Kenneth W., 428-72-1127.
Smith, Nathan R., 246-54-2244.
Smith, Richard A., 336-32-7719.
Smith, Robert G., 384-36-5495.
Smith, Robert S., 426-74-5265.
Smith, Stephen B., 524-22-5766.
Smith, William J., 430-62-1843.
Sneed, Donald W., 348-22-6812.
Snelbecker, Leroy D., 187-30-1500.
Snyder, Daniel M., 268-36-1326.
Solmo, Joseph A., 084-30-4611.
Solomon, Morris J., 185-32-3707.
Sonners, Leonard E., 297-26-1372.
Soule, Thomas F., Jr., 037-26-7799.
Southern, John B., 451-60-5708.
Sparks, Richard A., 079-26-9842.
Spaulding, Norman W., 550-54-7004.
Spicer, Clyde E., 455-64-5117.
Spiech, John W., 384-40-5236.
Sprague, William D., 423-48-7916.
Springer, George W., 139-24-2336.
Squire, Joseph W., 106-28-9410.
Stahl, Frederick R., 142-32-6502.
Stallings, Lawrence, 520-30-7755.
Stalls, Kenneth L., 241-52-2996.
Standifer, Ray W., Jr., 442-34-4855.
Stanton, Daniel A., 413-50-9013.
Steed, John H., 247-58-2434.
Steel, Frank E., Jr., 297-34-7802.
Steinwinder, James, 426-56-5163.
Stephens, William C., 258-50-8797.
Stewart, Carl J., Jr., 242-48-3375.
Stockdale, Wayne T., 534-36-6255.
Stocker, William L., 177-28-9785.
Storer, Frank E., 371-26-3353.
Strickland, Johnnie, 416-34-6391.
Styrsky, Jerry J., 351-32-0292.
Sucharetza, C. J., 342-32-9601.
Summers, Charles R., 405-48-6302.
Swartz, Robert J., 033-28-4330.
Swenson, Robert L., 477-42-2393.
Tabb, Billy, 255-56-7501.
Taggart, Kenneth M., 503-36-2060.
Talbot, Thomas J., 010-28-5203.
Tasker, Roger E., 092-22-1641.
Tavernaro, John, III, 515-36-3708.
Taylor, Grady E., 431-58-5707.
Taylor, Harrison D., 525-66-1460.
Taylor, Larry R., 446-36-5897.
Teloh, David W., 058-32-0509.
Thebaud, Charles G., 054-32-9421.
Thompson, Louis M., 492-40-2822.
Thompson, Raymond, 248-72-5157.
Thompson, Robert E., 299-28-8922.
Tietenberg, Enn, 531-32-8837.
Tilden, Carol J., 029-26-3578.
Timmerman, Benjamin, 498-44-5776.
Tomczyk, Alfred J., 222-20-6530.
Tonne, Ronald C., 509-36-2799.
Topp, Howard S., 384-36-0645.
Towles, James E., 262-52-9853.
Trecker, Thomas M., 396-34-8971.
Tucker, William A., 184-32-7508.
Turner, Pierce D., 422-42-1136.
Tyler, John E., 161-28-8457.
Tyson, Willie, 515-32-0601.
Uberti, Edward J., 197-32-5536.
Urie, Edwin E., 181-32-5255.
Vanallen, Jack W., 505-48-2092.
Vanbrunt, James B., 054-34-5649.
Vancleave, Herbert, 542-26-3944.
Venters, Tommy R., 430-54-4481.
Venticinque, Carmen, 151-28-7042.
Verdone, William L., 161-36-4961.
Vincent, Warren L., 528-48-4583.
Voelk, Eugene C., 474-30-1165.
Wagner, Fred L., 408-60-3578.
Wagner, Michael P., 105-28-7194.
Waldrop, James L., 452-60-9750.
Wales, Harold F., 431-70-5446.
Wall, George N., 394-40-8285.
Wallace, Charles E., 415-54-0356.
Wallace, Richard B., 011-28-2033.
Wallace, William C., 276-30-8028.
Waltrip, Rufus C., 525-66-2020.
Warner, Dudley A., 561-50-2661.
Warnicky, Victor A., 535-30-6695.
Wasserman, Melvin, 365-36-1023.
Watanabe, Robert M., 575-36-7907.
Watson, Albert, III, 231-52-6560.
Weatherwax, Wallace, 576-40-2242.
Webb, Weyman F., 249-66-8063.
Webber, James C., 250-58-5163.
Weil, William E., 564-46-1682.
Weinberg, Langston, 107-28-1984.
Wellman, Allen C., 503-44-2113.
Wells, Jay L., 519-44-6645.
Wendel, David J., 392-40-5270.
Werner, William P., 171-34-3575.
West, J. B., 454-60-2379.
West, Worthing L., 032-28-9574.
Wester, William, 237-50-7607.
Westermeier, John T., 059-32-3608.
Wheeler, James H., 431-68-7840.
Wheeler, Mason W., 504-40-1527.
Whitfield, Robert J., 329-30-5314.
Wick, Dennis W. Sr., 451-52-3551.
Wilkinson, Maurice, 529-32-3955.
Williams, Jack, 442-24-0515.
Williams, Jerry D., 442-38-8055.
Williams, Joseph R., 534-46-1338.
Williams, Ray E., 237-46-9126.
Williams, Robert E., 232-60-4198.
Williams, Wilbert, 266-50-3455.
Wilson, Robert M., 215-38-4232.
Winesett, Frank, 248-64-3310.
Wingers, Johnny M., 252-58-7705.
Winterle, David D., 375-36-5660.
Withee, Charles E., 516-32-1383.
Wither, James D. Jr., 191-24-5320.
Wolff, James W., 388-36-6115.
Woll, Joseph E., 434-52-9706.
Wood, Roy F., 432-40-5810.
Woods, Richard L. Sr., 266-48-1314.
Woodward, Bernis A., 407-54-0310.
Woody, Robert B., 187-30-1454.
Wright, Hugh M., 452-54-6519.
Wright, Beverdy E., 014-30-6294.
Wright, Robert A., 088-24-6072.
Wrightson, Wilford, 215-40-2838.
Wurzbacher, Charlie, 056-28-7077.
Wyman, Peter R., 519-36-4221.
Yaeger, Carl H., 049-24-8592.
Yap, Randolph H., 576-34-3427.
Yarbrough, David W., 577-50-1480.
Yashima, Wallace K., 576-28-0919.
Yeary, Warren J., 500-40-5019.
York, James N., 424-40-7673.
Young, Doy D., 500-38-9580.
Young, William D., 432-52-2067.
Zaic, William L., 474-34-0341.
Ziebarth, Earl W. Jr., 266-69-3444.
Zieske, Arthur N., 273-32-8177.
Zimmerman, Harry G., 457-54-0539.
Zirkle, William D., 225-48-3906.
Zolnoski, Vincent J., 140-24-5065.

CHAPLAIN

To be lieutenant colonel

Abel, Donald W., 282-26-9484.
Ackley, Robert H., 140-30-2833.
Anderson, Bruce D., 110-20-2555.

Arold, Richard J., 069-28-7047.
Arturet-Melendez, A., 581-50-2139.
Baker, Richard C., 162-26-1830.
Banner, Ernest A., 242-40-0018.
Barnett, Dillmus W., 267-34-3641.
Baxter, Gary G., 519-22-7353.
Benonis, Richard R., 178-24-7056.
Berger, Murray J., 291-34-0785.
Betts, Richard M., 567-38-8851.
Bickley, Hugh J., 250-44-9061.
Bradley, Roger L., 020-36-3702.
Bryon, George T., 426-62-4702.
Bunnett, Thomas T., 558-44-6216.
Campbell, Robert L., 400-42-2233.
Carroll, Emmitt T., 402-30-7191.
Cohen, Gary G., 188-38-9570.
Collins, Delton, 258-46-1773.
Cooper, Reuel J., 454-46-9500.
Corbett, Clarence L., 246-46-9885.
Daniels, Franklin D., 245-50-8286.
Daniels, James W., 140-20-0393.
Davidson, Neal R., 358-28-7009.
Davis, Charles J., 097-24-7418.
Davis, Daniel O., 262-38-0172.
Deady, Robert M., 119-20-9709.
Dean, Jasper J., 420-38-1450.
Delgehausen, L. E., 473-36-8704.
Dorshimer, John R., 146-26-5062.
Drosd, Henry J., 460-60-6553.
Duncan, Francis J., 221-20-1246.
Flonah, Phillip M., 304-60-5956.
Fowler, Donald E., 263-44-4433.
Entwistle, Daniell A., 255-46-7001.
Freeman, Kunald N., 552-40-2326.
Gaffney, Edward M., 154-10-3180.
Gardella, Donald L., 359-26-7448.
Gariepy, Robert E., 020-22-7185.
Giudice, Anthony R., 093-38-8732.
Glass, James L., 491-42-5424.
Goforth, Billy E., 411-46-8537.
Gogl, George L., 543-36-9331.
Gorham, Donald H., 390-24-3344.
Green, Jesse C., 231-44-4126.
Guesnier, Rene, 512-28-0742.
Hadad, Gerald A., 032-22-7641.
Halvorsen, Richard, 326-28-5583.
Hartlage, Albert J., 310-40-6439.
Hoehne, William F., 533-30-0973.
Horn, Elmer G., 426-54-8171.
Hoyme, David A., 476-38-0010.
Huntsingger, Gene, 310-34-9260.
Hutchens, James M., 305-30-7290.
Iverson, Virgil G., 538-30-8023.
Jett, Billy C., 456-36-8028.
Johnson, Richard C., 406-34-0146.
Jopp, Frank G., 043-26-0179.
Kastell, Frans R., 112-28-3049.
Keenen, Marvin D., 513-30-1275.
King, Roba L., 242-62-9229.
Knapp, Donald W., 187-26-5834.
Kuchanek, Donald R., 535-34-6501.
Kowal, John P., 026-24-1802.
Larson, John L., 475-30-9700.
Lisk, Richard A., 238-5607.
Litorja, Marvin C., 334-26-5789.
Lokkesmoe, Robert G., 476-22-8995.
Lovingood, Richard, 466-42-6801.
Maddox, Fred L., 232-52-0500.
Marcantonio, Clement, 521-62-6623.
Marsh, Robert W., 232-46-4290.
Mask, Robert H., 171-22-9120.
Mason, Alexander M., 451-50-0034.
May, Huel E., 240-42-8833.
McGown, Andrew D., 460-42-8523.
McLean, Richard, 254-50-0047.
Michelson, Aaron D., 072-32-8027.
Miles, Joel L., 443-34-2828.
Mills, Harold L., 450-34-1860.
Mirtz, Benjamin P., 481-36-4067.
Moss, Robert H., 529-38-4820.
Murphy, Conall E., 019-22-3321.
Neely, Donald, 479-34-0060.
Nichols, George H., 256-38-7589.
Nondorf, Aloysius J., 309-24-9235.
Norris, Elvin B., 451-32-6333.
Novikoff, John, 555-32-4054.
O'Connor, John L., 092-30-5102.
Ornburn, Frank M., 494-38-3136.
Price, Billy J., 258-46-8987.
Rausch, Hubert A., 315-32-1538.
Reed, George L. Jr., 377-40-6340.
Renfrow, Kenneth E., 512-22-0656.
Richardson, Ezra J., 411-54-8967.
Riemer, Hilbert W., 390-36-6449.
Rodeck, Ronald R., 359-26-8364.
Roe, Russell A., 077-26-3299.
Rudasill, Leroy U., 579-46-5720.
Russell, Charles N., 467-36-0902.
Schalm, Roger B., 572-38-5496.
Schmidt, Donavon V., 475-36-1960.
Silveri, Donato P., 183-22-0753.
Singletary, James D., 223-44-5658.
Sipantzi, Vahan, 556-34-4243.
Skinner, Albert C., 051-28-5338.
Smidt, Francis R., 504-24-9251.
Spiller, Jimmie C., 444-30-0409.
Stalling, Bennie A., 427-68-6416.
Steffer, Robert W., 533-34-7474.
Stephens, Carl R., 258-44-1568.
Stiscia, Alfred R., 190-36-4188.
Swanson, John, 023-24-3139.
Swanson, Loren R., 556-32-6622.
Thomas, Jack L., 242-36-2143.
Timm, Harry W., 506-36-6021.
Trapold, John T., 195-20-2234.
Utley, Lathrop P., 152-16-7294.
Waddle, Walter R., 419-52-3907.
Wade, Henry G., 527-36-1102.
Warme, Thomas M., 471-34-7450.
Wells, William L., 537-30-3980.
Wilkins, Frank G., 147-12-7667.
Wilson, Donald G., 231-46-0409.
Wilson, Hoyt, 402-48-8383.

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 591, 593, and 594:

MEDICAL CORPS

To be colonel

Brown, J. Royston, 429-40-1260.
Dibenedetto, Margarete, 120-26-0692.
Jakoby, Ruth, 579-52-0974.
Kirshman, Herbert S., 109-26-5678.
Knouse, Charles A., 482-12-6467.
Mayer, Klaus, 074-14-0134.
Watanabe, Henry K., 576-28-2930.

ARMY PROMOTION LIST

To be lieutenant colonel

Mannschreck, Dannen D., 487-42-6164.
Sinnott, John P., 106-22-0216.
Salamone, Luciano C., 115-24-6682.

DENTAL CORPS

To be lieutenant colonel

Dodson, Charles A., 398-24-8098.
Duckworth, James H., 428-90-6314.
Goodwin, James D. Sr., 243-44-3393.
Wilson, Roy L., 457-54-1748.

MEDICAL CORPS

To be lieutenant colonel

Asuncion, Celedonio M., 407-56-3358.
Battles, James W., 237-58-8907.
Bellott, Grace, 058-22-9398.
Brown, Robert S., 223-31-1485.
Bush, Roger A., 504-26-1627.
Cotter, Clement P., 460-30-9479.
Dunaif, Samuel L., 069-30-2423.
Fager, Donald B., 327-14-2329.
Gibaldi, Andre V., 298-26-7329.
Grossman, Thomas W., 388-24-2405.
Heiny, Arlen B., 529-42-8816.
Keeling, Hershell L., 353-20-2108.
Kramer, Kenyon K., 146-36-2069.
McCreary, Maurice L., 270-32-6105.
Milham, Jimmie L., 514-32-6580.
Moffat, John P., 560-26-5242.
Nunes, Maria L., 257-62-4423.
Osborne, Horace H., 260-14-7327.
Pablos, Gliceria T., 054-22-7594.
Payne, Ronald A., 528-40-7366.
Popejoy, Lou A., 434-72-3261.
Semon, Hakin, 157-32-7899.
Shapiro, Robert L., 026-16-6748.
Strong, James S., 248-52-8761.
Streiling, John L., 368-32-0426.
Sue, Samuel S., 204-38-0183.
Swallow, Charles T., 526-46-5550.
White, Betty J., 496-40-7670.
Zymnomyrsky, Zenon B., 043-24-9012.

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, United States Congress, section 3494:

MEDICAL CORPS

To be colonel

Rend, Charles A., 566-50-3444.

MEDICAL CORPS

To be lieutenant colonel

Carroll, Charles, 120-30-5660.
Garcia, Jose H., 458-68-1708.
Haynes, Ralph L., 216-42-5580.

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Congress, section 3385:

ARMY PROMOTION LIST

To be colonel

Anderson, Benny P., 526-46-6967.
Berthold, Julius L., 406-40-9829.
Carline, John L., 113-14-8874.
Cole, Donald C., 528-36-2786.
Cordell, Lloyd B., 448-24-2735.
Dougherty, Edward T., Jr., 403-38-4343.
Falkner, Murry C., 426-64-0270.
Gordon, Thomas B., 089-22-4423.
Gustafson, Allan C., 474-20-5310.
Hoelscher, James E., 431-44-2621.
Jones, Donald L., 433-36-1829.
Judge, Jimmie, 401-48-5696.
Meadows, Robert E., 309-34-9343.
Morris, Earle E., Jr., 249-38-9822.
Nalley, Wayland J., 403-36-0581.
Wickham, Herbert F., III, 488-34-9634.
Whitley, Douglas B., 243-40-2756.

MEDICAL CORPS

To be colonel

French, Alfred R., 527-20-2214.
Jesseph, John E., 517-22-5698.

ARMY PROMOTION LIST

To be lieutenant colonel

Backman, Richard W., 520-36-1046.
Baiden, Hugh G., Jr., 247-58-3907.
Bryan, Alan J., 459-48-5142.
Cantwell, James F., Jr., 139-30-5620.
Christensen, Ronald F., 331-34-7566.
Cobleigh, Gerard P., 139-32-6759.
Davies, Joseph D., 529-42-8428.
Deangelis, Rocco R., 039-16-4524.
Derrick, Donald E., 514-38-2177.
Duffie, John B., 251-50-3862.
Furman, Leroy F., 011-28-2377.
Hartman, William G., 232-60-0647.
Idol, Tony G., 240-66-1817.
Johnson, Conrad A., 476-38-1381.
Kohutka, George A., 207-28-1536.
LaBollita, Francis A., 028-28-6545.
Lancaster, John D., 247-46-8456.
Larsen, Raymond E., 480-38-1243.
Lesesne, Joab M., Jr., 251-56-4100.
MacDonald, James B., 216-34-9388.
Mutchler, John E., 298-30-7460.
Ocasio-Belen, Felix E., 581-62-0469.
Permenter, Larry M., 247-46-7050.
Robinson, Harold G., 402-46-5398.
Rhodes, Charles A., 517-34-0104.
Royse, Edward E., 526-60-8295.
Schaneman, Robert A., 520-38-9285.
Spears, Stanhope, S., 248-50-2413.
Taylor, Alfred T. Jr., 238-64-3298.
Thompson, Hoyt E., 248-48-8582.
Woodson, Ronald P., 402-52-8270.
Yeager, Jack E., 234-54-4905.

DENTAL CORPS

To be lieutenant colonel

Gauthier, Robert V., Sr., 539-22-2558.
Keith, Francis E., 482-30-4069.

MEDICAL CORPS

To be lieutenant colonel

Hauge, Arthur L., 519-20-5254.
Kim, Hong Kyun K., 084-32-7025.
Nogueras, Juan A., 581-44-0460.

Thomas, William J., 227-36-7405.
Widrow, Bernice M., 538-50-4121.

ARMY PROMOTION LIST

To be lieutenant colonel

Backman, Richard W., 520-36-1046.
Baiden, Hugh G. Jr., 247-58-3907.
Bryan, Alan J., 459-48-5142.
Cantwell, James F. Jr., 139-30-5620.
Christensen, Ronald F., 331-34-7566.
Cobleigh, Gerard P., 139-32-6759.
Davies, Joseph D., 529-42-8428.
Deangelis, Rocco R., 039-16-4524.
Derrick, Donald E., 514-38-2177.
Duffie, John B., 251-50-3862.
Furman, Leroy F., 011-28-2377.
Hartman, William G., 232-60-0647.
Idol, Tony G., 240-66-1817.
Johnson, Conrad A., 476-38-1381.
Kohutka, George A., 207-28-1536.
LaBollita, Francis A., 028-28-6545.
Lancaster, John D., 247-46-8456.
Larsen, Raymond E., 480-38-1243.
Lesesne, Joab M. Jr., 251-56-4100.
MacDonald, James B., 216-34-9388.
Mutchler, John E., 298-30-7460.
Ocasio-Belen, Felix E., 581-62-0469.
Permenter, Larry M., 247-46-7050.
Robinson, Harold G., 402-46-5398.
Rhodes, Charles A., 517-34-0104.
Royse, Edward E., 526-60-8295.
Schaneman, Robert A., 520-38-9285.
Spears, Stanhope, S., 248-50-2413.
Taylor, Alfred T. Jr., 238-64-3298.
Thompson, Hoyt E., 248-48-8582.
Woodson, Ronald P., 402-52-8270.
Yeager, Jack E., 234-54-4905.

DENTAL CORPS

To be lieutenant colonel

Gauthier, Robert V. Sr., 539-22-2558.
Keith, Francis E., 482-30-4069.

MEDICAL CORPS

To be lieutenant colonel

Hauge, Arthur L., 519-20-5254.
Kim, Hong Kyun K., 084-32-7025.
Nogueras, Juan A., 581-44-0460.
Thomas, William J., 227-36-7405.
Widrow, Bernice M., 538-50-4121.

IN THE NAVY

The following-named Naval Reserve Officers Training Corps candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law:

Cangelosi, Diana T.
Zeller, Daniel E.

The following-named Navy Enlisted Scientific Education Program candidates to be appointed permanent ensign in the line of the U.S. Navy, subject to qualification therefor as provided by law:

Kirkland, Michael
Martinez, Ricardo

The following-named U.S. Naval Reserve officers to be appointed permanent lieutenant commander and temporary commander in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law:

Etienne, Harry
Ruiz, Hernan G.
Sands, John P., Jr.
Zel, Gerald

The following-named U.S. Naval Reserve officers to be appointed permanent lieutenant commander in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law:

Burns, William W.
Deleon Mendoza, Felicisima
Eguiguren, Vicente L.
Espiritu, Roger F.
Isaac, Felix
Mendoza, Salustiano F.
Parina, Bernardo B.
Rafanan, Manuel O.
Supnet, Benbrigido M.
Supnet, Leonora D.

James S. Arthur, U.S. Naval Reserve officer, to be appointed a permanent lieutenant commander in the Dental Corps of the U.S. Navy, subject to qualification therefor as provided by law.

The following-named Navy enlisted candidates to be appointed permanent chief warrant officer, W-2, in the U.S. Navy, subject to qualification therefor as provided by law:

Adams, Sidney J., Jr.
Alex, Michael K.
Allen, Jimmie S.
Anderson, Melvin J.
Arbogast, Michael L.
Arnold, James L.
Avelino, William V.
Bacon, Robert F., Jr.
Barley, Billy J.
Barley, Donald G.
Bartley, Thomas E., Jr.
Bass, William O., Sr.
Baumann, Donald H.
Beery, Lester R.
Behm, Marshall M.
Bell, Darvin S.
Bellew, Richard J.
Bench, William L.
Bernabe, Ricardo G.
Bingham, Larry R.
Birdwell, Larry E.
Blackburn, Alan D.
Blass, Steven M.
Bloxham, John W.
Boissonneault, Alan
Boneta, Ralph
Bovastro, Charles J.
Bowen, Larry L.
Boyda, John P.
Brake, Larry J.
Brooks, Benny R.
Browder, Charles F.
Brown, William D., Jr.
Broxson, Joseph C.
Bryfogle, David T.
Buehler, Lynn R.
Burbar, Kendall E.
Burgess, Ray C.
Burke, Michael S.
Burse, William M., Jr.
Byrne, Charles A.
Caldwell, Alan L.
Carideo, Anthony P.
Castanada, Armando A.
Casto, Randy O.
Castor, David L.
Caudill, Ronald W.
Charves, Carlos
Chateauneuf, Richard
Chatfield, Charles A.
Clendenin, James M.
Cocherell, Bobby R.
Coe, Thomas C.
Colbow, David A.
Cole, Robert M.
Collier, Carl M.
Collins, Joseph L.
Collins, Kenneth L.
Conrey, Gilbert A.
Cook, William E., Jr.
Cooney, Robert F.
Cooper, Ronald M.
Corbin, James R.
Cotant, James O., Jr.
Coyle, James E.
Cozzo, Leonard P., Jr.
Crawley, Lowell B., Jr.
Crick, Jerry L.
Crites, Gregory P.
Crosby, Elvin G.
Cyr, Peter F.
Czajkowski, Frank J.
Daniels, Larry M.
Darnell, Kenneth W.
Davis, Douglas L.
Davis, Raymond E.
Davis, Ronald E.
Decker, Jefferson L.
Dewald, Martin J.
Dodd, Oliver, Jr.
Dorio, Michael
Dougherty, Patrick M.
Doyle, Bruce D.
Ducich, George C.
Duley, Robert A.
Duncan, John L., Jr.
Dunham, Howard R., Jr.
Dyson, Francis W.
Dziedzicki, Robert A.
Eastwood, Raymon D.
Edler, Charles W.
Edwards, William R.
Eggleton, Frank C.
Eldridge, Paul W.
Escano, Ronnie A.
Esteban, Oscar B.
Evans, Tracy W.
Fagan, Lemuel D.
Ferrell, Charles T.
Fenton, Douglas D.
Fetcho, Paul E.
Forbes, James P.
Frampton, Thomas L. J.
Frazier, Richard J. J.
Friedlander, Allen R.
Fuller, Charles D.
Gaines, Arthur F., Jr.
Garcia, Doncarlos S.
Gary, Cephas H.
Geiger, Howard L.
Geitz, William C.
Getty, Bruce E.
Ginder, Carl L.
Giorgianni, Thomas J.
Glover, William T.
Gonzalez, Pedro L.
Goodboe, Michael E.
Gordin, Steven L.
Griffith, Ronald L.
Guay, Philip A., Jr.
Haas, Eugene C., Jr.
Hale, William A., Jr.
Hall, Dwight G.
Hamather, Fred M.
Hammill, Stephen J.
Hancock, James H.
Hardine, Milton J.
Harmon, William R.
Harris, Johnny T.
Hass, Randall M.
Haver, John W., II
Hayes, Charles R.
Hensley, John C.
Henson, Milton L.
Herman, Alfred J.
Herron, Steven P.
Hess, Donald D.
Hewitt, Marion J.
Hickey, William L.
Hiebert, Bruce A.
Hill, James G.
Hoffman, Donald F.
Holland, Daniel E.
Hollis, W. D.
Hood, Robert H.
Hover, Edwin M.
Huck, John E.
Hudson, George E., Jr.
Huffman, Stuart A., Jr.
Hummel, Joseph L.
Hunnicutt, James A.
Huntsman, Kenneth A.
Jardon, Gary L.
Johnson, Leroy A.
Johnson, William G.
Jones, Edmund P.
Jordan, Frederick H.
Joy, Terry G.
Kalosky, David F.
Kelley, Michael T.
Kelly, Roland W.
Kelsey, Brent A.
Kiser, James P., Jr.
Klaus, Peter W.
Kogler, Kenneth L.
Lachance, Paul M.
Lee, James L.
Leard, Dennis P.
Lee, Roger M.
Legaspi, Rodel R.
Leonard, Luther D.
Libby, Darrell B.
Ligtermolt, Marinus
Littlecloud, Roberto
Lombard, James F., Jr.
Louis, Michael L.
Ludlam, Stephen
Luscan, John J.
McCartney, Richard A.
McCauley, Walter J.
McClearn, Donald B.
McElroy, Richard S. I.
McGovern, Samuel D.
McKibben, Jerry D.
McLaughlin, Michael
McMullen, William D.
McRay, William M.
McWhirter, Ralph L. J.
MacDonald, Ronald W.
Macedo, Manuel A.
Manning, Steve P.
Mantanona, Daniel J.
Martin, Branton F., Jr.
Martin, Darel L.
Mason, Richard J.
Mathews, Harold A., Jr.
Mathews, Larry
Matthiesen, John D.
Maynor, William H.
Medeiros, Clarence H.
Meier, Bernard W., Jr.
Merritt, Solon W., Jr.
Meservey, John E.
Meyers, Eric J.
Michelson, Craig
Miller, Harold L.
Miller, John W., III
Miller, Joseph H.
Mills, Jerry C.
Misenheimer, Kenneth
Mitchell, Henry A., Jr.
Mitchell, James C., Jr.
Mock, Robert F.
Monroe, Rolland L.
Moorhead, Alexander
Morgan, Ronnie H.
Morgan, William R.
Morris, Robert L.
Morrison, Michael W.
Morway, Ronald C.
Moss, Phillip E.
Nalley, Charles L.
Naylor, Gerald W.
Niblett, Kenneth T.
Nickerson, Roger A.
Nye, Robert J.
O'Brien, James A.
O'Connor, Thomas F.
Odell, Leonard D.
Olen, Robert A.
Otto, John E.
Pacheco, Antonio L.
Padgett, James L.
Pajaro, Victor M.
Parks, Raymond C., Jr.
Pascual, Alfredo S.
Pasquarelli, Vincent
Pasag, Samuel E.
Payne, Robert D., II
Payne, Tommy L.
Peck, Gene F.
Phillips, DeWayne E.
Pierce, James W.
Pilkington, William
Pittman, John S.
Platzkow, Ronald E.
Pope, Malcolm P.
Porter, James D.
Predmore, Thomas J.
Pugh, Gary L.
Queen, Harold V.
Quinlan, Michael R.
Radabaugh, Forrest A.
Reed, Robert W., Jr.
Rees, Lloyd C.
Reyes, Cezar M.
Reynolds, Thomas K.
Richardson, Charles
Richardson, Dale N. J.
Riehn, Carl J., Jr.
Riggs, Francis A.
Rinehart, Bruce T.
Rippee, Robert A.
Robinson, Gerald G.
Robinson, James W.
Romeo, Donald H.
Rosenbaim, Craig M.
Roushey, James A.
Sanders, Terry L.
Schlosser, Robert A.
Schmidlkofer, Paul W.
Shepard, Earl L.
Shirley, William Q.
Sirmans, Robert D.
Smith, Carroll B.
Smith, Grant A.
Smith, Vernon G., Jr.
Smith, Wilbur C.
Spicer, Elmer A., Jr.
Stein, Michael E.
Stephens, James R.
Stewart, Lyle E.
Stillman, Fred J.
Storm, Henry J.
Stover, Edward M.
Stroble, John T.
Stumpf, Marc
Sullivan, George W. J.
Swientek, Joseph D.
Swindle, Johnny L.
Taft, Kenneth A.
Taylor, Kenneth N.
Taylor, William T.
Teasdale, Vance A.
Tessier, Ronald J.
Thomason, James A.
Thompson, John E.
Tollefson, Thomas W.
Tombleson, Michael A.
Tomer, Arthur W.
Toney, Cleveland S.
Toth, Wayne L.
Trelewicz, Robert R.
Trujillo, Michael G.
Tuttle, Barry A.
Tyson, Donald R.
Upton, Charles R.
Vandagriff, Arthur J.
Van Londen, Wouter
Vault, Frank L., IV
Vernon, Dennis L.
Wadholm, Donnie R.
Wagner, Dennis L.
Walker, Burman H., Jr.
Wall, Garland R., Jr.
Wallace, Clarence L.
Waltz, Michael E.
Wankowski, John S.
Weiss, William G., III
Welch, Samuel J., Jr.
Welch, William M., Jr.
Whatley, Ronnie T.
Wiggs, Morris L.
Wilhite, David M.
Willey, Frederick E.
Williams, George A.
Williamson, Charles
Willoughby, Raymond
Windon, Larry R.
Woodruff, John A.
Wright, Kenneth S.
Wright, Samuel L.
Yearty, Dennis M.
Youtsey, Edwin T.

Ives C. Thillet, Naval Reserve officer, to be appointed a temporary commander in the Medical Corps in the U.S. Navy, subject to qualification therefor as provided by law.

The following-named Navy enlisted candidates to be appointed ensign in the U.S. Navy, for limited duty, for temporary service, subject to qualification therefor as provided by law:

Abel, Jay K.
Africa, Galileo A.
Aguinaldo, Angel G.
Alley, Robert D.
Ames, Ronald E.
Anderson, Raymond G.
Aniskevich, Stephan
Archer, Robert W.
Arthur, Douglas S.
Babich, Eugene V.
Bailey, Bruce O.
Balch, Frederick S.
Baker, Dennis O.
Baker, Ronald A.
Baker, Ronald M.
Ballard, Robert M.
Balvocius, Philip M.
Barber, James A.
Barron, Benjamin J.
Belaire, Huey N.
Belt, Keith A.
Bentley, Arnold L.
Bera, Michael O.
Berrier, Keith T.
Berry, Dennis R.
Bevill, James R.
Biddle, Raymond D., Jr.
Blair, Charles M., III
Blair, Dan
Blauvelt, Everett A.
Block, James M.
Blyth, Bert E.
Bodkin, David E., Sr.
Bogart, Michael J.
Bolger, Gregory R.
Bonnette, Michael R.
Booth, Martin S.
Boothe, Edward M.
Botello, Raul, Jr.
Boudreaux, Lou E.
Bowles, Donald W.
Boye, Robin D.
Braithwood, Edward G.
Brockway, Daniel C.
Brooks, William T., Jr.
Bukoski, George E.
Burba, Michael J.
Burris, James E.
Butler, Wilton N., Jr.
Calderwood, William
Caldwell, Jack D.
Calligan, William E.
Canaday, Leon P.
Carder, Ronald L.
Carroll, Richard V.
Carter, David A.
Carter, Linda L.
Castiglione, Thomas
Casto, Lester M.
Castor, Robert J.
Catullo, Arthur S.
Chatten, Calvin R.
Chenault, Daniel M.
Chilton, Thomas E.
Cline, Jaer J. D.
Cole, William K.
Collins, Timothy A.
Combs, William W.
Connolly, Michael G.
Conover, Gerri W.
Conroy, Patrick M.
Cose, James P.
Cowan, Brian M.
Cronin, Dennis M.
Cribbis, Richard J.
Crawford, Ivan L., Jr.
Currivan, Paul B.
Curry, Charles J.
Cushing, Paul R.
Cusick, Michael J.
Dalton, Elizabeth H.
Davidson, Dickie C.
Davidson, George W.
Deal, Jerry W.
Deck, Ervin C.
Defendi, Dennis C.
Dennison, Lee E.
Digangi, Charles J. J.
Dimmick, Michael A.
Dobbs, Willoughby B.
Dodmead, James M.
Dove, William L.
Downs, Robert L.
Duell, Leslie R.
Easton, Stephen C.
Edwards, Dennis E.
Elliott, William C.
Elmore, William L.
English, Kenneth P.
Engman, Harold A., Jr.
Estela, Oniel M.
Everett, John C., Jr.
Fallon, Michael A.
Fathke, Donald D.
Faust, Donald B.
Feeney, William S.
Fix, Bruce P.
Flores, Manuel A.
Fowler, David J.
Fox, Robert A.
Francoeur, Leonard C.
Frank, Randall W.
Franklin, Eugene
Freeman, Kenneth W.
French, Kenneth D.
Fuchs, Louis G.
Fulkerson, Terry L.
Fuller, Frank B., Jr.
Furlong, Ronald L.
Gallaher, Richard D.
Gallion, Lloyd E.
Gamber, John A.
Gambone, Ralph M.
Garletts, Donald R.
Gee, Carlton E., Jr.
Gentry, Michael S.
Gentry, William D.
Gerik, John L.
Glenn, William G.
Goldsworthy, David R.
Gould, Harrell L.
Green, Frank, Jr.
Greene, Thomas M.
Gregory, Ralph M.
Grubbs, James W.
Guptill, William C.
Gurath, Michael W.
Gustafson, David B.
Guthrie, Donald W.
Hagan, Thomas M.
Hahn, Brant E.
Hahn, Robert D., Jr.
Haraldson, Gary L.
Harbaugh, John J., Jr.
Hardy, Dallas S.
Harrell, Daniel T.
Harris, Frederick L.
Harris, Roger L.
Harris, Stephen H.
Harrison, Richard E.
Harrison, Robert M.
Hartington, William
Hartman, Ronald G.
Haves, Calvin
Heape, William E.
Henderson, James Q.
Hendy, William L.
Henninger, Terence P.
Hermanson, Kenneth A.
Hicks, Duane D.
Highfill, James J.
Hill, Martin R.
Hill, Norman L., Jr.
Hlusko, Edward G.
Hoberg, Gary E.
Hoover, Steven L.
Hope, Richard R.
Hostetler, Ricky D.
Howard, James R.
Howser, Thomas J.
Hublitz, Gary R.
Ingram, Billy R.
Jackson, Robert E.
Janik, Louis A.
Jessup, Daniel P.
Johnson, Craig R.
Johnson, Douglas C.
Johnson, Peter F.
Johnson, Roy A.
Johnson, Thad A.
Jones, Thomas E.
Josephs, Robert M.
Junkins, Carroll E.
Junkins, Richard C.
Justice, Kenneth B.
Kalinowski, Robert Z.
Keaney, Thomas E.
Kennerson, Michael A.
Kightlinger, Edward
Kinsey, Luther D.
Kleckner, Anna R. E.
Knapp, Michael L.
Kobs, Paul I.
Kout, James P.
Kusha, Joseph E.
Krekeler, Adron D.
Krumrine, Deborah B.
Kusmiers, Richard T.
Kuykendall, Jerry L.
Lambert, Otis P.
Lamontagne, David E.
Lane, William R., Jr.
Langham, Jerry D.
Langley, Earl T.
Laughlin, Richard F.
Laurent, Michael J.
Lavine, Michael L.
Lawson, Lawrence J.
Lee, Steven E.
Leonaitis, James A.
Letke, Thomas R.
Lewis, Bruce C.
Lierman, Theodore W
Livingston, Ryan M.
Lofton, Gerald C.
Lott, Jack L.
Lupi, Sebastian A.
McCaffrey, George J.
McCall, David C.
McCall, Warren B.
McClintock, Elmer C.
McCready, Michael D.
McFarland, William E
McGuire, Philip M.
McKimmy, Emery M.
Machleit, Rickie L.
Magnuson, Franklin C
Maguire, Bernard L. I.
Mallicoat, Duane W.
Mangold, Leo B.
Mangiantini, Guido E
Mangus, Gregg R.
Manning, Robert L.
Mariette, William F.
Martin, Frederick F.
Martin, Michael R.
Masterman, Howard W.
Mattern, Peter A.
Matthews, Jack A.
Mayes, Frederick W.
Mead, Michael E.
Megahee, William D. I
Mendoza, John
Mikell, John S., Jr.
Miller, Douglas R.
Miller, Howard P.
Miller, John H.
Misconis, Leo A., Jr.
Moller, Carlos E.
Monahan, Richard E.
Moore, Donald A.
Moore, Gregory
Moran, Thomas C.
Morgan, Kenny
Mosley, David L.
Mount, Arnold A.
Murphy, Thomas F.
Murray, Robert H., III
Myers, Joseph O., Jr.
Newland, Robert E.
Nolan, Larry E.
Novak, Jerome T.
Nussbaum, Jack V.
O'Brien, Patrick T.
Oderman, Carl W., Jr.
Pagan, Samuel W.
Pait, Gerald L.
Pariah, Benjamin A.
Pehl, Peter, II
Penix, Larry D.
Perau, Monte R.
Perkins, David L.
Perry, David
Perry, Lorens M.
Peterson, James T.
Phelps, Kenneth A.
Phenis, James C.
Phillips, David C.
Piccus, David L.
Pickles, Norman W., Jr.
Pitcavage, Edward W.
Pitt, Richard F., Jr.
Plude, Douglas J.
Pochel, Stephen R.
Prather, Larry J.
Price, Dennis M.
Pulford, Michael J.
Pum, Joseph H.
Pyle, Ronald E.
Quiros, Freddie E.
Radke, Franklin B.
Ramirez, Orlando
Re, Philip T.
Reaka, Michael W.
Reap, Daniel J.
Renier, Clifford J. J.
Ritarita, Edmundo L.
Rives, Richard S.
Roberts, Richard D. J.
Roberts, Stephen L.
Robinson, Oscar J.
Rodkey, Joreph R.
Rodriguez, Richard N.
Rodriguez, Robert J.
Roe, Richard A.
Rogers, Troy M.
Rolfe, Patrick W.
Rose, Jerald L.
Ruff, James R.
Ruth, Dennis B.
Sacks, Joseph C.
Sammons, Gloria J.
Savage, Earl E.
Scharf, Michael J.
Schmidt, Larry F.
Schwecke, James K.
Sciancalepore, Michael
Scott, Morris V.
Scott, Randall E.
Seiferd, Vincent L. J.
Senk, Stephen M.
Shank, Jeffrey B.
Shaunessy, Martin J.
Shervey, Bruce E.
Shirley, Calvin C.
Simmons, John A.
Sinyard, William A.
Skube, Edward A., Jr.
Small, Noel A.
Smith, Dale D.
Smith, Gary D.
Snyder, Clinton T., II
Sola, Domingo R.
Sourgose, Frank J., Jr.
Speirs, Douglas W.
Spradlin, Larry L.
Stangeland, Herbert
Stenzel, Leonard C. J.
Stephan, David A.
Steppling, James D.
Stevens, Leigh E.
Stevens, Mark W.
Stewart, Daniel L.
Stobart, Ralph E.
Stofan, Wayne E.
Stonecypher, Maurice
St. Jean, Michael A.
Stotts, William J.
Strange, Vernon L.
Sullivan, Lawrence J.
Summers, Charles
Sutton, Ronald C.
Swarts, Russell P.
Swift, Preston L.
Tabor, Daniel N., III
Tackett, Danny R.
Tangen, Larry A.
Tarrani, Joseph M.
Taylor, Michael J.
Taylor, Winford J.
Teague, Carl R.
Tessier, James J.
Thayer, Richard E., Jr.
Thompkins, Robert W.
Thompson, Robert A.
Thoms, Harry R., Jr.
Thorness, Marvin A.
Torell, Clark R., Jr.
Tostevin, Daniel C.
Trahan, Theresa J.
Trexler, Eric M.
Truan, Michael A.
Upton, Michael L.
Urello, Howard P.
Vajda, James E.
Vanderstine, Robert
Varga, John K.
Venter, Dale A.
Ventura, Denis F.
Vlicheck, John R., Jr.
Virgin, Albert C.
Walker, Anthony E.
Walker, Robert L.
Walter, Owen F.
Warn, Richard D.
Watts, Harold D.
Webb, Stephen C.
Welton, Michael J.
Wesells, James A.
White, James S.
Whitney, Walter M.
Williamson, James L.
Winston, Eugene
Witt, Richard C., Jr.
Wood, David W.
Word, Samuel B., Jr.
Worth, Mary L.
Wright, David H.
Yaskin, Michael
Zalonis, James E.

Raymond W. Scallen, civilian college graduate, to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following-named ex-Navy officers to be appointed permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Rosendal, Robert H.
Whitehead, William O.

The following-named civilian college graduates to be appointed permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Beringer, Everett D.
Irving, Buster L.

Lyman P. Wojan, ex-Reserve officer, to be appointed a permanent commander and a temporary captain for special duty (Merchant Marine, deck) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Alexander H. Dorman, civilian college graduate, to be appointed a permanent commander and a temporary captain for special duty (Merchant Marine, engineering) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Charles W. Schwab, U.S. Navy officer, to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Douglas E. May, U.S. Navy officer, to be appointed a temporary commander in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Raymond E. Barringer, civilian college graduate, to be appointed a temporary commander for special duty (Merchant Marine, Engineering) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

John W. Weiss, ex-Reserve officer, to be appointed a temporary commander for special duty (Merchant Marine, deck) in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

IN THE MARINE CORPS

The following-named women officers of the Marine Corps for permanent appointment to the grade of captain under the provisions of title 10, United States Code, section 5771:

Linda C. Arms
Roberta L. Beaty
Gwendolyn E. Blizzard
Robin C. Brookins
Janice P. Closson
Karen L. Corbett

June M. Dignan
Teresa L. Dillon
Marion E. Eason
Colleen M. Flynn
Elizabeth K. Freund
Sarah E. Fry
Debra Haas
Carole J. Hansen
Robin L. Higgins
Jerri L. Jones
Barbara M. Keitz
Rosa K. Knight
Kathleen G. Kramer
Leellen Kratochvil
Maureen M. Lynch
Alyce M. Mahlock
Shirley A. Manzi
Patricia B. Martin
Rosemary L. McCammond
Christine A. McKay
Nancy A. Myers
Crystal M. Nans
Kelley J. Nielsen
Berva B. Noons
Margaret M. Nordin
Bonita J. Olivett
Carolyn L. Rice
Ana M. Roberts
Bonnie J. Robison
Barbara J. Rollins
Megan G. Sanford
Joanne L. Schilling
Judith C. Shaw
Sheri A. Smith
Emma M. Taylor
Jo A. Taylor
Wilma L. Turner
Janice M. Vancamp
Margarete A. Vinskey
Roxanne L. Waters
Denice T. Williams
Lorraine C. Williamson
Debra A. Woodard
Pamela F. Yarbrough

The following-named male officers of the Marine Corps for temporary appointment to the grade of captain under the provisions of title 10, United States Code, section 5769:

James E. Adams
David R. Aday
Jimmy D. Adkins
Daniel Aguilar
Byron A. Alexander
William T. Alexander
Mark E. Alfers
Donald B. Allegro
John R. Allen
Randolph D. Alles
Michael C. Anderson
Wayne C. Anderson
James C. Andrus
Scott E. Apgar
Michael F. Applegate
Thomas E. Archer II
Roy A. Arnold
Michael L. Arter
Stephen E. Arthur
Lawrence W. Astyk
John H. Aten
Richard A. Atkisson
Lauren D. Ayers, Jr.
Frank A. Baleskie
Anthony Banaszewski
Jeffrey M. Banwell
Terry L. Barger
Steven F. Barilich
Dennis J. Barr
James J. Barry III
Mark P. Barthel
Ralph G. Bass
Robert H. Bauman
Dennis W. Beal
Ronald D. Bean
Maynard P. Bearce
Gerald W. Becknell
Patrick J. Behnke
Romeo W. Belanger, Jr.
Francis X. Bergmeister
John W. Berkley
Paul A. Berna
Richard L. Bernardo
Bruce Bessemer
Raymond L. Betros
Brent J. Beverly
Eddie Bickham
Mark W. Bircher
Michael J. Blaine
Leonard A. Blasiol
Alan L. Bliss
John T. Boggs, Jr.
Patrick S. Bole
Kenneth L. Boles
Kent R. Bolin
James R. Bonnell
Henry Bookhardt
Gordon C. Bourgeois
Terry R. Bower
Charlie C. Boyd, Jr.
John F. Boyle
Gary W. Bradley
Terry W. Bradley
Thomas I. Branch
Kevin B. Brewer
Gregory K. Brickhouse
Steven P. Brierty
Wayne E. Briggs
Woodford E. Broaddus
George S. Brock
Mark L. Broin
Alan A. Bromka
Russell A. Brooks
Timothy E. Brooks
Gary W. Brown
Larry K. Brown
Terrence D. Brown
William D. Brown
Roy D. Bryant
Geoffrey J. Bullung
Joseph F. Buranosky
Roland N. Burgess
Paul A. Burkholder
Steven Busch
Felix M. Bush
Roy R. Byrd
Greg D. Calhoun
Daniel L. Calise
Peter J. Calvello
Robert D. Campbell
Robert I. Campbell
Randy B. Carlton
Mario V. Carmo
Andrew J. Carrabus
Aron K. Champion
Gerald R. Chapman
Johnny F. Charles
Robert S. Chester
Joseph C. Chiles
Samuel H. Christopher IV
Daniel F. Chwalisz
Barry H. Clark
Bradley S. Clark
John C. Clark
Michael E. Clark
Robert B. Clark
Steven E. Clark
Scott W. Clarke
Ronald E. Clemons
Robert A. Coates
Curtis A. Cobb
Ray J. Coffman
Gerald L. Colby
Thomas V. Colella
Gary C. Conary
Edward J. Condon
Christophe J. Conian
George W. Connell III
Mark A. Conner
Timothy J. Connolly, J
Donald B. Conrad
Michael J. Cooper
William J. Corcoran
Jeffrey A. Cory
Allen Coulter
Larry A. Cowart
Robert L. Crabb
Constant P. Craig
Ralph D. Craig
Donald E. Creighton
James M. Crites
Donald G. Cruom
John G. Crosby, Jr.
Clyde V. Croswell, Jr.
Gary B. Cullop
John P. Curry
Robert S. Cypher
Michael N. Daily
Michael F. Daly
Michael L. Dammer
Richard A. Daprato, Jr.
Rodell C. Darling
Robert G. David
Thomas A. Davidson
James C. Davis
James M. Davis
Sidney F. Davis
Thomas M. Davis
Michael T. Daw
Charles H. Dawson III
Ralph D. Dawson
Richard B. Dawson
David R. Dean
William T. Decamp
Armando G. Deguzman
Francis J. Demoss
Dymond R. Dempster
James I. Dennis III
Vincent G. Depierre
Bruce D. Devers
Robert N. Diab
Dennis J. Dilucente
Charles L. Dirienzo, Jr.
William N. Dischinger
Charles E. Doleja
Leo M. Donnelly
Michael S. Dossett
Michael J. Doughty
Robert D. Dozier
Michael L. Drennan
Vincent M. Dubois, Jr.
Charles R. Dyer
Dale A. Dykhuizen
Michael T. Edwards
Richard J. Eisloeffel
Richard E. Ekerberg, Jr.
Steven T. Elkins
Ronald L. Ellis
Oregon Emerson III
Kenneth R. England
Stephen A. Epley
Rick C. Erickson
Alfred J. Espinosa
Stephen D. Ewers
Philip J. Exner
John R. Farris, Jr.
Zenas E. Fearing, Jr.
Brian T. Fenlon
Timothy B. Ferris
Donald M. Finney
Jeffrey C. Fishbaugh
Thomas W. Fitzgerald
Leonard J. Fitzgibbons
John S. Flanagan II
Roy W. Flentge
Larry G. Flores
John W. Foley
Michael R. Funteno
Steven W. Forney
Michael F. Furrester
Henry J. Foshee
Frank E. Foster
Harold H. Fox II
Roylance J. Frank, Jr.
Joseph H. Franz G.
Richard M. Frazier
Kent R. Freeland
Mark Freitas
Lee W. Freund
Arthur G. Friend
Steve A. Fris
Jack H. Gallino
Alfred A. Gambone, Jr.
Leslie C. Garrison
Timothy M. Gaskins
Harold A. Gawerecki
Michael E. George
Rodney J. Gerdes
John L. Gerlaugh
Mark J. Gibson
Kevin M. Gilpin
Bruce A. Giron
Charles D. Godby
Gregory G. Golden
Kenneth B. Goodrow
Robert W. Gose
Darrell L. Goudge
Dirk S. Graham
Sylvester Graves
Wilbur L. Graves III
Tommy S. Gray
Eric J. Green
Eric J. Gremminger
Craig A. Griffith
Leon D. Guenzler
Benjamin S. Guerrero
Ramon L. Guerrero
Charles M. Gurganus
Pepper E. Guthrie
Kenneth Guy
Mark W. Haas
David L. Hackemeyer
James A. Haig
Gary L. Hall
Michael D. Halloran
Richard F. Hamme
Gerald M. Hammes
Donald B. Hanks
Patrick H. Hannum
Robert S. Hansel
Kenneth S. Harbin
Jon T. Hardwick
Edward A. Harper
William L. Harraman
Richard E. Harrell
Charles R. Harris
Timothy B. Harris
Willie J. Harris
Donald S. Hartman, Jr.
Rodney G. Harvey
Michael S. Haskell
Carson E. Haury
William R. Hayes
Michael L. Heath
Raymond B. Held
Timothy W. Helms
Tony A. Helms
John F. Hemleben
Mark L. Hendricks
Martin W. Hendrix
James A. Henry
David C. Hering
Charles M. Herndon, Jr.
Timothy J. Heaketh
Richard W. Hess
William R. Hestir
Mark A. Hickey
Ernest E. Hickson
James M. Higgins
Peter E. Higgins
Clayton F. Hill
Terry L. Hill
Alden E. Hingle, Jr.
Lew D. Hodge
Mitchell S. Hoffman
William M. Hoffman
Jay W. Hommer
Donald C. House, Jr.
Harvey E. Howard, Jr.
Joseph D. Howard
Gordon A. Howe
Alan P. Howell
Jack M. Hughes
James G. Hughes
Michael J. Hughes
Richard D. Hughes
Timothy P. Hughes
Robert J. Hugin
Mark C. Hunt
Joseph M. Husick
Vince L. Huston
Phillip R. Hutcherson
Maurice B. Hutchinson
John A. Hutchison
Timothy M. Hutchison
Glen A. Inserra
Robert A. Ipavec
Warren W. Irvine
Steven W. Jacklin
Dennis J. Jackson, Jr.
Otis J. Jackson, Jr.
Everett L. Jacobson
Gerald T. Janda
Richard E. Jannell
Kevin P. Janowsky
Robert L. Jenkins
Harold L. Jennings, Jr.
James M. Jennings
Richard M. Jensen
Edward A. Jeter
Edward I. Johnson
Gary Johnson
Joe V. Johnson
Roy H. Johnson
Scott U. Johnson
Terrie B. Johnson
William L. Johnson III
Jere J. Johnston
George L. Joiner, Jr.
Charles L. Jones
David A. Jorgensen
Joseph E. Joutras
Dennis Judge
Arlow A. Julian
Timothy J. Kaminski
Peter J. Keenan
Donald M. Keithly
William F. Keller, Jr.
William R. Kellner, Jr.
Michael T. Kelly
Kit M. Kerkemer
Michael L. Kernan
David T. Kerrick
Joseph D. Kinney
John J. Kirk
Thomas H. Kitto
Gordon Klau
David P. Klemme
Christian P. Klinefelter
Robert J. Knapp
Donald R. Knauss
Daniel S. Knisley
Philip E. Knobel
Calvin A. Knox
Robert W. Knowles
Robert M. Knutsen
John Konicki
Gary R. Koslusky
John E. Kraus
John E. Kruse
Philip B. Kumpis
Carl P. Kusch
John C. Ladd
Paul L. Ladd
David J. Landolfi
Stephen E. Lane
Robert L. Langrill
Randall W. Larsen
Ronald O. Larson
Ivan W. Lassiter
Rufus B. Laws
Paul W. Leblanc
Marc D. Lederman
Kevin H. Leeman
Vincent R. Leone, Jr.
Kent A. Leonhardt
Curtis A. Leslie
Daniel C. Leutner
Danny U. Lewis
James E. Lindsey
Richard M. Linton
Jerome C. Liscomb
Clifton E. Little
Gary A. Littlejohn
Duane B. Logan
Robert R. Logan
Leonard C. Long III
Thomas B. Long, Jr.
Richard C. Lopez
Tommy L. Lopez
Paul S. Loschiavo
James M. Lowe
Steven M. Lowery
Robert E. Lund
Michael J. Lyden
Gregg L. Lynes
John F. MacDonald, Jr.
Bron N. Madrigan
Gary J. Magnuson
David F. Maier
Michael A. Malachowsky
John D. Mann
Joel R. Mariani
Jeffery L. Marrin
Michael A. Marriott
Paul J. Matthews
Clement J. Matylinski
Patricio Mayorga, Jr.
John J. McAteer III
Michael L. McCabe
Charles B. McClain
Tommy B. McClelland, Jr.
Howell G. McCloskey
Michael P. McCloskey
Gary M. McConnell
Charles R. McCord IV
Chester H. McFarland
Douglas J. McGinley
William T. McKenzie
David A. McMaster
Michael D. McMillan
Rand A. McNally
James S. McTighe
William M. Meade
Joseph V. Medina
William L. Meeks
Charles J. Mehalic
John M. Melink
Frank E. Merrifield, Jr.
William H. Merring III
Phil H. Meyer, Jr.
David C. Mickelson
Jim B. Mickler
Frang E. Mikolajczak
John R. Miles
Blaise P. Miller
Mark C. Miller
William F. Miller, Jr
James R. Milner
William R. Mimiaga
Scott J. Minturn
John M. Miskewicz
David M. Mitchell
Joseph E. Moeder
Leonard M. Mokan
John G. Molter
Douglas J. Montgomery
Richard A. Montgomery
David B. Moore
Gregory A. Moore
Richard S. Moore
Robert H. Moore
Richard D. Morgan
Gregory S. Morin
Phillip A. Morris
Way P. Mov
George E. Mueller, Jr.
Leonard A. Mueller
Michael J. Mueller
Charles V. Mugno
Gary W. Munn
Brian A. Murray
Bryan K. Murray
Joseph I. Musca

Dillard O. Myers
John D. Myers
Kenneth P. Myers
Arthur L. Nalls, Jr.
Clayton P. Nans
Roderic S. Navarre
Alan J. Neff
Carlos Negron, Jr.
Ronald C. Neher
Charles P. Neimeyer
Kenneth E. Neu
Jeffrey A. Neufeld
James L. Newbold
Michael S. Newhouse
Phillip L. Newman
Ernesto A. Newsom
John B. Noel
Martin R. Nolan
David B. Norris
William E. Norvell
Robert A. Nurum
Eric N. Nyberg
John P. O'Connor
Lawrence J. O'Donnell, Jr.
Allen E. Oliver
Randy P. Oneal
William R. O'Neil
Gordon C. O'Neill
Craig E. Opel
Roy F. Page
Menelaos P. Pallas
Robert D. Papak
Joseph A. Papay, Jr.
Robert S. Paris
Robert R. Parker, Jr.
Randall D. Parman
Charles S. Patton
Oeland Paulding
Leslie M. Payne, Jr.
Steven A. Peak
Raymond M. Peavy
Reynolds B. Peele
Michael L. Pellegrini
George D. Penny
Teddy H. Perrodin
Michael F. Perry
Gary N. Peters
Bruce K. Petit
Walter K. Pfandl
Thomas E. Phillips
Merrill L. Pierce
Eugenio G. Pino
Paul J. Pisano
Christophe D. Platt
James M. Plumer
Roger R. Poole
Richard J. Poppe
Dennis C. Pratt
Raymond W. Priest
Randall R. Pritchett
Bobby E. Purnell
Phillip E. Pyle, Jr.
Edgar F. Quigley, Jr.
Mario T. Rabusin
John C. Rader
William A. Radtke III
Curtis G. Raets
Stephen W. Randall
Manuel G. Rangel, Jr.
John J. Rankin
Richard C. Rascher
Franklin V. Reagan
George E. Rector, Jr.
John T. Rees
Stephen K. Reese
Joseph A. Regan
Michael R. Regner
Charles W. Reif
Harley J. Rhoten
Eugene J. Richardson III
Guy S. Richardson
Rodney C. Richardson
Thomas C. Richardson
Edward Richey, Jr.
Stephen W. Richey
Chester A. Riley III
Jerry A. Roberts
Mark A. Roberts
Gerald B. Robertson II
David J. Robinson
Wayne D. Robinson
Terry G. Robling
Melvin Rogers
William G. Rohlfs, Jr.
Louis L. Rosanelli
Knute K. Roeche
David M. Rosenau
James M. Rush
Brendan P. Ryan
James T. Ryan
Peter L. Rybacki
Eugene R. Rybak
Jonathan T. Ryberg
Daniel W. Sable
David A. Salzman
Kevin G. Sandri
William A. Sanderson
Francis J. Sansone
Bennett W. Saylor
John M. Scepurek
Duane R. Schattle
Steven M. Schenk
Mark A. Schon
Kenneth W. Schwenke
William E. Scull
William T. Sears
John D. Self
Tommy L. Sellers
Robert J. Semonich
Thomas R. Serrin
Curtis J. Shaffer
Fred J. Shane
Carl H. Sharperson, Jr
David J. Shaw
Michael T. Shaw
Joseph L. Sheppard, Jr.
Karim Shihata
Thomas L. Shirk
Daniel W. Shupe, Jr.
Patrick K. Shy
Clifford M. Simmons
Reginald S. Simmons
Walter W. Simmons
Raymond M. Simon
Johnny A. Simonowich
Dan Simons
Neil E. Sissemore
Bryant W. Smith II
Jordan B. Smith, Jr.
Richard J. Smith
Thomas M. Smith
Vincent L. Smith
Dennis L. Smock
William T. Snider, Jr.
Robert E. Snyder
Paul F. Souza
Pedro E. Souza
Michael A. Sovacool
Marcus E. Sowl, Jr.
Jack K. Sparks
John E. Sparks, Jr.
Richard M. Speidel
Melvin G Spiese
Louis P. Sposato, Jr.
Ricky H. Spykes
Kim Stalnaker
Mikal P. Stampke
Gregory W. Stanley
Paul T. Stanley
Ernest B. Stark
Randall L. Stegner
Gary D. Stewart
Harry P. Stickley, III
Anthony Z. Stobiecki
John W. Stokes
Silas L. Strother
Ralph Sturgeon, Jr.
James A. Summers, Jr.
Richard M. Summers
Carroll B. Sumrall
John R. Suter
Stephen D. Swazee
William S Sweeney
Theodore M. Swendra, Jr.
James M. Tate
Frank B. Taylor, Jr.
Jonathan M. Taylor
Michael E. Taylor
Richard F. Tedeschi
David E. Ternes
Kenneth W. Terry
Thomas F. Thaler
Jeffrey R. Theinert
Victor J. Thombs
Dennis C. Thompson
Steven P. Tidwell
Peter B. Todsen, II
Jeffrey J. Tomlin
John A. Toolan, Jr
Charles E. Tower, Jr.
Craig W. Towsey
Randall L. Trammell
Dennis F. Tretter
Danny K. Trout
Robert P. Troy, Jr.
Alan A. Turk
Tommy L. Tyrrell, Jr.
Graydon S. Uyeda
Mark D. Vail
Charles E. Vallandingham
Jackson M. Vanderburg
Kevin A. Vietti
James B. Vile
Stanley H. Vilhauer
Douglas A. Vogel
Blair R Vorgang
Lyndon F. Vrooman
Derrell E. Wade
Thomas D. Waldhauser
Frank A. Walizer
Lawrence G. Walker
Jeffrey S. Wall
Rory J. Walsh
David G. Waltrip
Belton R. Ward, Jr.
Kevin L. Warkentin
Bradford G. Washabaugh
Paul W. Watson
Dolph N. Watts
Richard D. Watts
Stephen D. Weldon
Karl D. Wells
Mark Wells
Michael D. Weltsch
James M. Wenk
Raymond W. Wersel
James G. Westberg
George M. Wheeler
John D. Whitaker
Jonathan C. White
Steve E. White
Peter A. Whitenack
Walter W. Whittington III
Kenneth D. Wickwire
Terrence W. Wilcutt
Jeffrey L. Wilkinson
Robert J. Wilkinson, Jr.
Anthony W. Williams
Dennis J. Williams
James D. Williams, Jr.
Jan J. Williams
Kenneth D. Williams
Kenneth R. Williams, Jr.
Lansdale B. Williams, Jr.
Loxie A. Williams III
Ronald M. Williams
David J. Wilson
David M. Winn
Floyd H. Winn, Jr.
Kevin H. Winters
Johnny M. Withrow
W. L. Wolf
Robert S. Wolfe
Michael A. Woodcock
Benjamin G. Wyatt
Francis J. Wysocki
Thomas M. Yackley
Stephen A. Yates
James M. Yeager
Stanley J. Yelito, Jr.
Wade Yoffee

First Lieutenant Timothy W. Foley, U.S. Marine Corps for appointment to the grade of captain pursuant to title 10, United States Code, section 6222.

IN THE MARINE CORPS

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 2107, subject to the qualifications therefor as provided by law:

Alvick, Robert A.
Askey, Charles F.
Banicki, Gary A.
Bardel, Patrick J.
Cain, Curtis A.
Chung, David Y.
Coffing, Mark A.
Cutter, David M.
Davis, Mark J.
Falls, Charles S.
Falvey, Joseph L.
Farris, Kevin L.
Franklin, Randall B.
Hanson, Michael A.
Hearnsberger, Brian J.
Heft, Stephen M.
Males, William G.
Montgomery, Kenneth A.
Neely, Jeffrey C.
Nelson, Randal L.
Nowak, Thomas T.
Pritchett, David F.
Provenzano, Joseph D., III
Reisenfeld, Jeffrey
Slaughter, Meril M.
Stone, Michael A.
Temple, Jay L.
Thompson, Chet D.
Tucker, Brian J.
Winn, Michael C.

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 5590, subject to the qualifications therefor as provided by law:

Ballinger, Catherine A.
Botta, Jeannine A.
McCracken, Teresa L.

The following-named temporary disability retired officers for reappointment to the grade of captain in the U.S. Marine Corps, pursuant to title 10, United States Code, section 1211, subject to the qualifications therefor as provided by law:

Reeves, Walter A.

HOUSE OF REPRESENTATIVES—*Monday, January 5, 1981*

This being the day fixed by the 20th amendment of the Constitution and by Public Law 566 of the 96th Congress for the annual meeting of the Congress of the United States, the Members-elect of the 97th Congress met in their Hall, and at 12 o'clock noon, were called to order by the Sergeant at Arms of the House of Representatives, Hon. Benjamin J. Guthrie.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, from whom we have received the gift of life and opportunities for service to people about us, we ask Your blessing upon those who are to enter into responsibility in this new Congress. Keep them ever in Your grace and bestow upon them Your abundant spirit. Renew them each day with strength for the high calling they will assume, that supported by Your love, they may lead this Nation in the paths of peace and good will. Raise the vision of all the people of the land that we may truly open our hearts to those who suffer or are in great need. As we see dispute and anger between the peoples, enable us to be reconcilers and healers, that together we may sense our common creation and our shared humanity. May Your bountiful spirit surround us and encourage us that we may do justice, love, mercy and ever walk humbly with You. In Your holy name we pray. Amen.

The SERGEANT AT ARMS. Representatives-elect to the 97th Congress, this being the day fixed by the 20th amendment of the Constitution and Public Law 566 of the 96th Congress for the meeting of the 97th Congress, the Clerk of the 96th Congress has prepared the official roll of the Representatives-elect. Pursuant to 2 U.S.C. 26, the Sergeant at Arms of the 96th Congress will make the following announcement:

Certificates of election covering the 435 seats in the 97th Congress have been received by the Clerk of the House of Representatives, and the names of those persons whose credentials show that they were regularly elected as Representatives in accordance with the laws of their respective States and of the United States will be called.

Without objection, the Representatives-elect will record their presence by electronic device, and their names will be reported in alphabetical order by States, beginning with the State of Alabama, to determine whether a quorum is present.

There was no objection.

The call was taken by electronic device, and the following Representatives-elect responded to their names:

[Roll No. 1]

ALABAMA

Dickinson
Nichols
Bevill
Flippo
Smith, Ala.
Shelby

ALASKA

Young, Alaska

ARIZONA

Rhodes
Udall
Stump
Rudd

ARKANSAS

Alexander
Bethune
Hammerschmidt
Anthony

CALIFORNIA

Chappie
Clausen
Matsui
Fazio
Burton, John
Burton, Phillip
Miller, Calif.
Dellums
Stark
Edwards, Calif.
Lantos
Mineta
Shumway
Coelho
Panetta
Pashayan
Thomas
Lagomarsino
Goldwater
Fiedler
Moorhead
Bellenson
Waxman
Roybal
Rousselot
Dixon
Hawkins
Danielson
Dymally
Anderson
Grisham
Lungren
Dreier
Brown, Calif.
Lewis
Patterson
Dannemeyer
Badham, Calif.
Lowery, Calif.
Hunter
Burgener

COLORADO

Schroeder
Wirth
Kogovsek
Brown, Colo.
Kramer

CONNECTICUT

Cotter
Gejdenson
DeNardis
McKinney
Ratchford
Moffett

DELAWARE

Evans, Del.

FLORIDA

Hutto
Fuqua
Bennett
Chappell
McCollum
Young, Fla.
Gibbons
Ireland
Nelson
Bafalis
Mica
Shaw
Lehman
Pepper
Fascell

GEORGIA

Ginn
Hatcher
Brinkley
Levitas
Gingrich
McDonald
Evans, Ga.
Jenkins
Barnard

HAWAII

Heftel
Akaka

IDAHO

Craig
Hansen, Idaho

ILLINOIS

Washington
Savage
Russo
Derwinski
Fary
Hyde
Collins, Ill.
Rostenkowski
Yates
Porter
Annunzio
Crane, Philip
McClory
Erlenborn
Corcoran
Martin, Ill.
O'Brien
Michel
Railsback
Findley
Madigan
Crane, Daniel
Price
Simon

INDIANA

Benjamin
Fithian
Hiler
Coats
Evans, Ind.
Myers
Deckard
Hamilton
Sharp
Jacobs

IOWA

Leach, Iowa
Tauke
Evans, Iowa
Smith, Iowa
Harkin

KANSAS

Roberts, Kans.
Jeffries
Winn
Glickman
Whittaker

KENTUCKY

Hubbard
Natcher
Mazzoli
Snyder
Rogers
Hopkins
Perkins

LOUISIANA

Livingston
Boggs
Tauzin
Roemer
Huckaby
Moore
Bresaux
Long, La.

MAINE

Emery
Snowe

MARYLAND

Dyson
Long, Md.
Mikulski
Holt
Byron
Mitchell, Md.
Barnes

MASSACHUSETTS

Conte
Boland
Early
Frank
Shannon
Mavroules
Markey
O'Neill
Moakley
Heckler
Donnelly
Studds

MICHIGAN

Conyers
Pursell
Wolpe
Stockman
Sawyer
Dunn
Kildee
Traxler
Albosta
Davis
Bonior, Mich.
Crockett
Hertel
Ford, Mich.
Dingell
Brodhead
Blanchard
Broomfield

MINNESOTA

Erdahl
Hagedorn
Frenzel
Vento
Sabo
Weber, Minn.
Stangeland
Oberstar

MISSISSIPPI

Whitten
Bowen
Montgomery
Hinson
Lott

MISSOURI

Clay
Young, Mo.
Gephardt
Skelton
Bolling
Taylor
Bailey, Mo.
Volkmer
Emerson

MONTANA

Williams, Mont.
Marlenee

NEBRASKA

Bereuter
Daub
Smith, Nebr.

NEVADA

Santini

NEW HAMPSHIRE

D'Amours
Greer

NEW JERSEY

Florio
Hughes
Howard
Smith, N.J.
Fenwick
Forsythe
Roukema
Roe
Hollenbeck
Rodino
Minish
Rinaldo
Courter
Guarini
Dwyer

NEW MEXICO

Lujan
Skeen

NEW YORK

Carney
Downey
Carman
Lent
McGrath
LeBoutillier
Addabbo
Rosenthal
Ferraro
Biaggi
Scheuer
Chisholm
Richmond
Zeferetti
Schumer

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Green
Rangel
Weiss
Garcia
Bingham
Peyser
Ottinger

Jones, N.C.
Fountain
Whitley
Neal

Gradison
Luken
Hall, Ohio
Guyer
Latta
McEwen
Kindness
Weber, Ohio

Jones, Okla.
Synar

AuCoin
Smith, Oreg.

Foglietta
Gray
Lederer
Dougherty
Schulze
Yatron
Edgar
Coyne, James

Hartnett
Spence

Daschle

Quillen
Duncan
Bouquard

Hall, Sam
Wilson
Collins, Tex.
Hall, Ralph
Mattox
Gonzalez
Archer
Fields

Hansen, Utah

Tribble
Whitehurst
Bliley
Daniel, R. W.

Swift
Bonker

Moakley
Benedict

Aspin
Kastenmeier
Gunderson

Fish — Wortley
Gilman — Lee
McHugh — Horton
Stratton — Conable
Solomon — Nowak
Martin, N.Y. — Kemp
Mitchell, N.Y. — Lundine

NORTH CAROLINA

Johnston — Broyhill
Rose — Hendon
Hefner
Martin, N.C.

NORTH DAKOTA

Dorgan, N.Dak

OHIO

Miller, Ohio — Applegate
Stanton, Ohio — Williams, Ohio
Shamansky — Oakar
Pease — Stokes
Seiberling — Eckart
Wylie — Motl
Regula
Ashbrook

OKLAHOMA

Watkins — Edwards, Okla.
McCurdy — English

OREGON

Wyden — Weaver

PENNSYLVANIA

Shuster — Walgren
McDade — Goodling
Nelligan — Gaydos
Murtha — Bailey, Pa.
Coughlin — Murphy
Coyne, William — Clinger
Ritter — Marks
Walker — Atkinson

RHODE ISLAND

Schneider

SOUTH CAROLINA

Derrick — Holland
Campbell — Napier

SOUTH DAKOTA

Roberts, S.Dak.

TENNESSEE

Gore — Jones, Tenn.
Boner, Tenn. — Ford, Tenn.
Beard

TEXAS

Brooks — Stenholm
Pickle — Leland
Leath, Tex. — Hance
Wright — Gonzalez
Hightower — Loeffler
Patman — Paul
de la Garza — Kazen
White — Frost

UTAH

Marriott

VERMONT

VIRGINIA

Daniel, Dan — Wampler
Butler — Wolf
Robinson
Parris

WASHINGTON

Morrison — Dicks
Foley — Lowry, Wash.

WEST VIRGINIA

Staton, W.Va. — Rahall

WISCONSIN

Zablocki — Obey
Reuss — Roth
Petri — Sensenbrenner

WYOMING

Cheney

The SERGEANT AT ARMS. The quorum call discloses that 417 Representatives-elect have answered to their names. A quorum is present.

ANNOUNCEMENT BY THE SERGEANT AT ARMS

The SERGEANT AT ARMS. The Chair will state the credentials regular in form have been received showing the elections of the Honorable BALTASAR CORRADA as Resident Commissioner from the Commonwealth of Puerto Rico for a term of 4 years beginning January 3, 1981; the election of the Honorable WALTER E. FAUNTROY as Delegate from the District of Columbia; the election of the Honorable ANTONIO WON PAT as Delegate from Guam; the election of the Honorable RON DE LUGO as Delegate from the Virgin Islands; and the election of the Honorable FOFO I. F. SUNIA, as Delegate from American Samoa.

□ 1230

ELECTION OF SPEAKER

The SERGEANT AT ARMS. The next order of business is the election of the Speaker of the House of Representatives for the 97th Congress.

Nominations are now in order.

The Sergeant at Arms recognizes the gentleman form Louisiana (Mr. LONG).

Mr. LONG of Louisiana. Mr. Sergeant at Arms, as chairman of the Democratic Caucus, I am directed by the unanimous vote of that caucus to present for election to the office of the Speaker of the House of Representatives of the 97th Congress the name of the Honorable THOMAS P. O'NEILL, Jr., a Representative-elect from the Commonwealth of Massachusetts.

The SERGEANT AT ARMS. The Chair now recognizes the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Sergeant at Arms, as chairman of the Republican Conference and by the authority and direction and unanimous vote of the Republican Conference, it is my honor to nominate for Speaker of the House of Representative the Honorable ROBERT H. MICHEL, a Representative-elect from the State of Illinois to the 97th Congress.

The SERGEANT AT ARMS. The Honorable THOMAS P. O'NEILL, Jr., a Representative-elect from the Commonwealth of Massachusetts and the Honorable ROBERT H. MICHEL, a Representative-elect from the State of Illinois, have been placed in nomination.

There being no further nominations, the Sergeant at Arms will appoint tellers.

The Chair appoints the gentleman from California (Mr. HAWKINS), the gentleman from Alabama (Mr. DICKINSON), the gentlewoman from New York (Mrs. CHISHOLM), the gentlewoman from Massachusetts (Mrs. HECKLER).

The tellers will come forward and take their seats at the desk in front of the Speaker's rostrum.

The roll will now be called, and those responding to their names will indicate by surname the nominee of their choice.

The reading clerk will now call the roll.

The tellers having taken their places, the House proceeded to vote for the Speaker.

The following is the result of the vote:

[Roll No. 2]

O'NEILL—234

Addabbo
Akaka
Albosta
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkinson
AuCoin
Bailey, Pa.
Barnard
Barnes
Bellenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boiling
Bonker
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burton, John
Burton, Phillip
Byron
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Conyers
Cotter
Coyne, William
Crockett
D'Amours
Daniel, Dan
Danielson
Daschle
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan, N.Dak.
Downey
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards, Calif.
English
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fithian
Flippo
Florio
Foglietta
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Guarini
Hall, Ohio
Hall, Ralph
Hall, Sam
Hamilton
Hance
Harkin
Hatcher
Hawkins
Hefner
Heftel
Hertel
Hightower
Holland
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Lantos
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Long, La.
Long, Md.
Lowry, Wash.
Luken
Lundine
McCurdy
McHugh
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Motl
Murphy
Murtha
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patman
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Roemer
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Savage
Scheuer
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shelby
Simon
Skelton
Smith, Iowa
St Germain

Stark
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauzin
Traxler
Udall
Vento
Volkmer
Walgren
Washington
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson
Wirth
Wolpe
Wright
Wyden
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

MICHEL—182

Archer
Ashbrook
Badham
Bafalis
Bailey, Mo.
Beard
Benedict
Bereuter
Bethune
Bliley
Broomfield
Brown, Colo.
Broyhill
Burgener
Butler
Campbell
Carman
Carney
Chappie
Cheney
Clausen
Clinger
Coats
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Coyne, James
Craig
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Daub
Davis
DeNardis
Deckard
Derwinski
Dickinson
Dornan, Calif.
Dougherty
Dreier
Duncan
Dunn
Edwards, Okla.
Emerson
Emery
Erdahl
Erlenborn
Evans, Del.
Evans, Iowa
Fenwick
Fiedler
Fields
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Gradison
Green
Gregg
Grisham
Gunderson
Guyer
Hagedorn
Hammer-schmidt
Hansen, Idaho
Hansen, Utah
Hartnett
Heckler
Hendon
Hiler
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hunter
Hyde
Jeffries
Johnston
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
LeBoutillier
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lowery, Calif.
Lujan
Lungren
McClory
McCollum
McDade
McEwen
McGrath
McKinney
Madigan
Marks
Marlenee
Marriott
Martin, Ill.
Martin, N.C.
Martin, N.Y.
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead
Morrison
Myers
Napier
Nelligan
O'Brien
Parris
Pashayan
Paul
Petri
Porter
Pursell
Quillen
Rallsback
Regula
Rhodes
Rinaldo
Ritter
Roberts, Kans.
Roberts, S.Dak.
Robinson
Rogers
Roth
Roukema
Rousselot
Rudd
Sawyer
Schneider
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Skeen
Smith, Ala.
Smith, Nebr.
Smith, N.J.
Smith, Oreg.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton, Ohio
Staton, W.Va.
Tauke
Taylor
Thomas
Trible
Walker
Wampler
Weber, Minn.
Weber, Ohio
Whitehurst
Whittaker
Williams, Ohio
Winn
Wolf
Wortley
Wylie
Young, Alaska
Young, Fla.

PRESENT—2

Michel — O'Neill

NOT VOTING—2

McDonald — Stockman

□ 1310

The SERGEANT AT ARMS. The tellers agree in their tallies that the total number of votes cast is 419, of which the Honorable THOMAS P. O'NEILL, JR., of Massachusetts, has received 234, and the Honorable ROBERT H. MICHEL, of Illinois, has received 182, with 2 voting "present."

Therefore, the Honorable THOMAS P. O'NEILL, JR., of Massachusetts, is duly elected Speaker of the House of Representatives for the 97th Congress, having received a majority of the votes cast.

The Sergeant at Arms appoints the following committee to escort the Speaker-elect to the chair: The gentleman from Illinois (Mr. MICHEL), the gentleman from Texas (Mr. WRIGHT), the gentleman from Mississippi (Mr. LOTT), the gentleman from Louisiana (Mr. LONG), the gentleman from Massachusetts (Mr. BOLAND), and the gentleman from Massachusetts (Mr. CONTE).

The committee will retire from the Chamber to escort the Speaker-elect to the chair.

The Doorkeeper announced the Speaker-elect of the House of Representatives of the 97th Congress, who was escorted to the chair by the Committee of Escort.

Mr. MICHEL. Mr. Speaker, and my colleagues and guests of the House, and ladies and gentlemen: Since 1899 it has been customary, with three notable exceptions, in the contest for Speaker for the vanquished to present the victor to the House. Before exercising that very high privilege, I should like, with you permission, Mr. Speaker, to make several very brief observations.

You know, for a Republican it is a mighty long trek up to the top of this Speaker's dais. For this Member, it has taken 25 years. I might add that there is only one other sitting Republican Member of this House, JOHN RHODES of Arizona, who has ever served under anyone other than a Democratic Speaker, and that was 27 years ago.

In all candor, Mr. Speaker, you have a very impressive view from this vantage point, and I guess one could easily get accustomed to it. I particularly like the sight of 52 new Republican freshmen.

May I take this opportunity to publicly thank my Republican colleagues for the high honor that they have accorded me and my family is presenting me as a candidate for Speaker. The result, of course, was predictable, and I suspect this will not be the last of the straight party-line votes during the balance of this session. I hope, however, that they will be held to a minimum, for on a straight party-line vote we Republicans cannot possibly win one of them in this House.

□ 1320

To my friends here on the Democratic side of the aisle I say that we know all too well that you still are in the majority with a 51-vote margin. I should like to feel, however, that when the really big issues of great importance are considered in this House, there will be many occasions when partisanship will be laid aside and a significant number of you will be so persuaded by our logic, by our good sense, and by our compelling arguments that you will actually vote with us from time to time.

You do have it within your power in this House to give life and breath to the new President-elect's proposals, to modify them slightly or drastically, or, if you choose, to kill them outright.

I simply want to pledge to you Members on the Democratic side my desire as the Republican leader to work with you in the best interest of the American people.

And to you, Mr. Speaker, let me say that we have been very good personal friends for a number of years. We have talked about the adversary role that we are obliged to play from time to time. I might dare to say that we have even had our differences out there on the golf course—on the first tee—when handicap strokes were at issue.

We do have a mutual respect, however, for one another and know that after the legislative battles of each day are over and the adjournment bell sounds, we can still be the very best of friends, and no doubt before this day has run its course there will be another test of that relationship.

I have a gavel here, Mr. Speaker, and in past years I have observed you using it very tenderly and gently at times. There have been other occasions when you have been very firm, and I suspect there were several times when I thought you might have been inclined to wield the gavel a bit too harshly. But then we all know that it depends on the temperament of the House at any given time.

I would like to think that as individual Members of this great body, this Member included, we are all going to pledge ourselves to live strictly by the rules, have the utmost respect and the highest regard for the traditions of this House, and, of course, conduct ourselves in such a fashion as to bring nothing but credit to this great institution.

If we do that, Mr. Speaker, then you will have no alternative but to wield this gavel fairly and in a nonpartisan way.

I congratulate you, sir. It is a very high privilege and personal honor for this Member from Illinois to present to this House the Speaker-elect of the 97th Congress from the great State of Massachusetts, the Honorable THOMAS P. O'NEILL, JR.

[Applause, the Members rising.]

Mr. O'NEILL. My colleagues, let me say that I appreciate the remarks of the minority leader, Mr. BOB MICHEL, who is one of my closest social friends. Such friendship is one of the great things, I believe, that this Nation has to offer, and you new Members will ul-

79-059 O — 84 —— 7 (Vol. 127 Pt. 1)

timately learn, when you go abroad to broaden yourselves, that there are many nations of the world where those who are of different parties do not speak to each other. You will find that they look at Americans and say, "This is unbelievable—that Members of the two parties of the Congress of the United States may differ philosophically and still seem to be close friends."

I think perhaps we are the only Nation in the world where, when we shut the session down at the end of the evening, we socialize together. That is one of the great attributes of democracy.

I am sure that JOHN RHODES would tell you, Bob, that more than 27 years is not all that long ago, and I am sure that for many years to come you will play the exact role you have played today. This is the one time when a Republican can come up and bang the gavel and open the session to introduce a new Speaker.

I do want you to have this gavel as a token of the esteem we have for you and to commemorate the fact that you were one of the Republicans who through the years have had the great privilege of coming up here and opening this session and introducing the Speaker. So this is for you, BOB.

Fellow Members, family, and friends, I am deeply honored and greatly pleased to be elected for a third time as Speaker of the U.S. House of Representatives. I want to extend my special thanks to my wife, Millie, who is sitting in the gallery, and my family, who have given so much support to me through a lifetime.

I am grateful to the people who voted for me in the Eighth Congressional District of Massachusetts and who have sent me here 15 consecutive times. I am grateful to my colleagues on this side of the aisle for the support they have given me through the years on the majority side.

No other honor that I have received do I value more highly. No responsibility that I have been given will I exercise more faithfully.

I have spent a lifetime in parliamentary bodies—16 years in the great and General Court of Massachusetts and 28 years in this House of Representatives. Churchill once said, you could call me a child of the House; I too was "born" in the House, and I believe in the legislative process. I am proud to preside over the greatest legislative body in the history of this Earth.

With renewed dedication and purpose and with strong feelings of pride and obligation, I accept the mantle of leadership and the position of authority. I take this gavel as an emblem of resolve, an emblem of responsibility, and an emblem of privilege. I pledge to you that I will wield it strongly and decisively and always according to the traditions and the parliamentary procedures of this House.

The 97th Congress convenes under unusual but not unprecedented circumstances. Each branch is controlled by a rival political party. Enacting laws, by design of the Founding Fathers, is seldom a simple matter. In our present circumstances it is bound to be challenging.

Nevertheless, because the Members of this branch are elected every 2 years, we are truly sensitive to the desires of the people and the problems that face this great Nation. The leadership of this House is impatient to satisfy these desires and to solve these many problems. The process will not be easy, but we intend to adapt to changed circumstances.

We intend to seek the common ground with the other body and with the new President. When differences occur, as they no doubt will, we will air them in an atmosphere of constructive dialog rather than partisan recrimination. We intend to prove that Jefferson was right when he stated that our Government is "founded not on the fears and follies of men, but in his reason."

Long before American dominance in world affairs placed special demands on American Presidents, Woodrow Wilson, a professor at the time at Princeton, observed that the American President was the "most heavily burdened officer in the world." I have served with seven different Presidents; many of you have served with more, and I can personally attest to the accuracy of Wilson's statement.

On January 20, a new President will take office. Let me say today that we seek to work with him to meet the challenges that face this Nation, and I personally wish him well as he assumes this greatest of responsibilities.

The challenges that we will meet are many and varied. The American people expect us to reduce inflation, improve productivity, promote employment, provide for the needy and the aged, strengthen the national defense, and yet balance the budget.

□ 1330

As we begin a new decade we have more to do, but we have much to work with as well. For example, reinvigorating our economy is high on everyone's agenda. Fortunately, as Walter Heller recently pointed out in the Wall Street Journal—we start out with something to work with—the American worker is still the most productive in the world.

The volume of our exports have increased by over a third since 1977; the Federal civilian work force is smaller in 1980 than it was in 1970; and per capita Government spending has declined for the last 2 years. In addition our oil imports are at their lowest level in 4 years.

In world affairs, renewed Soviet expansionism caused the passage in the 96th Congress of the largest single increase in a peacetime defense budget since World War II. We are prepared to cooperate with President-elect Reagan in allocating the resources necessary to make America the world's most powerful force for peace and freedom.

These expenditures will be massive and costly. The human costs of military expenditures were noted in 1953, when I first came here as a Member, by President Dwight D. Eisenhower when he stated—

> Every gun that is fired, every warship launched, every rocket fired signifies in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed.

As we start a new Congress and a new decade let us recall the philosopher Ralph Waldo Emerson's description of America as—

> The country of the future . . . it is the country of beginnings.

The Founding Fathers felt that for the people to have a share in this Government—The "First Branch," as they called this House in the Constitutional Convention—the House must begin anew every 2 years.

The Government they crafted has been unique in its ability to reconcile unity with diversity and majority rule with individual rights. By retaining our confidence in this complicated but proven system of governing and by exhibiting our willingness to accept the outcome of our legislative process, we will prove once again that our system does work.

As we do so let us not ignore the words of Daniel Webster spoken in Charlestown, Mass.—an area I have represented in this Congress for the last 28 years—155 years ago and inscribed above the Speaker's rostrum, "and see whether in our day and generation may not perform something worthy to be remembered."

I thank you all.

[Applause, the Members rising.]

Mr. O'NEILL. I ask the distinguished dean of the House of Representatives, the gentleman from Mississippi (Mr. WHITTEN) to administer the oath of office.

Mr. WHITTEN then administered the oath of office to Mr. O'NEILL, of Massachusetts.

[Applause, the Members rising.]

SWEARING IN OF MEMBERS

The SPEAKER. According to the precedent, the Chair will swear in all Members of the House at this time.

If the Members will rise, the Chair will now administer the oath of office.

The Members-elect and Delegates-elect and the Resident Commissioner-elect rose, and the Speaker administered the oath of office to them.

The SPEAKER. The gentlemen and gentlewomen are now Members of Congress.

The Chair recognizes the gentleman from Louisiana (Mr. LONG).

MAJORITY LEADER

Mr. LONG of Louisiana. Mr. Speaker, as chairman of the Democratic Caucus, I have been directed to report to the House that the Democratic Members have selected as majority leader the gentleman from Texas, the Honorable JIM WRIGHT.

□ 1340

The SPEAKER. The Chair now recognizes the gentleman from New York (Mr. KEMP).

MINORITY LEADER

Mr. KEMP. Mr. Speaker, as chairman of the Republican Conference, I am directed by that conference to officially notify the House that the gentleman from Illinois, the Honorable ROBERT H. MICHEL, has been selected by the Republican Members of the House as the minority leader of the House.

MAJORITY WHIP

Mr. WRIGHT. Mr. Speaker, I have the honor to advise the Members of the House that the very distinguished legislator, a great American, the gentleman from Washington (Mr. FOLEY) has been chosen to serve as the Democratic whip of the House.

MINORITY WHIP

Mr. KEMP. Mr. Speaker, as chairman of the Republican Conference, I am directed by that conference to notify the House officially that our Republican Members have selected as our minority whip the gentleman from Mississippi, the Honorable TRENT LOTT.

ELECTION OF CLERK OF THE HOUSE, SERGEANT AT ARMS, DOORKEEPER, POSTMASTER, AND CHAPLAIN

Mr. LONG of Louisiana. Mr. Speaker, I offer a resolution (H. Res. 1) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1

Resolved, That Edmund L. Henshaw, Jr., of the Commonwealth of Virginia, be, and he is hereby, chosen Clerk of the House of Representatives;

That Benjamin J. Guthrie, of the Commonwealth of Virginia, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives;

That James T. Molloy, of the State of New York, be, and he is hereby, chosen Doorkeeper of the House of Representatives;

That Robert V. Rota, of the Commonwealth of Pennsylvania, be, and he is hereby, chosen Postmaster of the House of Representatives; and

That Reverend James David Ford, of the Commonwealth of Virginia, be, and he is hereby, chosen Chaplain of the House of Representatives.

Mr. KEMP. Mr. Speaker, I shall offer a substitute for the resolution just offered by the gentleman from Louisiana (Mr. LONG), but before offering the substitute, I request that there be a division of the question on the resolution so that we may have a separate vote on the Office of the Chaplain.

The SPEAKER. The question is on agreeing to the portion of the resolution providing for the election of the Chaplain.

That portion of the resolution was agreed to.

SUBSTITUTE AMENDMENT OFFERED BY MR. KEMP

Mr. KEMP. Mr. Speaker, I offer a substitute amendment for the remainder of the resolution.

The Clerk read the substitute amendment, as follows:

Amendment offered by Mr. KEMP of New York as a substitute for the remainder of House Resolution 1:

Resolved, That Hyde H. Murray of the State of Maryland, be, and he is hereby, chosen Clerk of the House of Representatives;

That Walter P. Kennedy, of the State of New Jersey, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives;

That Tommy Lee Winebrenner, of the State of Indiana, be, and he is hereby, chosen Doorkeeper of the House of Representatives;

That Ronald W. Lasch, of the State of New Jersey, be, and he is hereby, chosen Postmaster of the House of Representatives.

The SPEAKER. The question is on the substitute amendment offered by the gentleman from New York (Mr. KEMP).

The substitute amendment was rejected.

The SPEAKER. The question is on the resolution offered by the gentleman from Louisiana (Mr. LONG).

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Will the officers elected present themselves in the well of the House?

The officers-elect presented themselves at the bar of the House and took the oath of office.

The SPEAKER. Congratulations to all of you.

NOTIFICATION TO SENATE OF ORGANIZATION OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 2) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 2

Resolved, That the Senate be informed that a quorum of the House of Representatives has assembled; that Thomas P. O'Neill, Jr., a Representative from the Commonwealth of Massachusetts, has been elected Speaker; and Edmund L. Henshaw, Jr., a citizen of the Commonwealth of Virginia, has been elected Clerk of the House of Representatives of the Ninety-seventh Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE TO NOTIFY THE PRESIDENT OF THE UNITED STATES OF THE ASSEMBLY OF THE CONGRESS

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 3) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 3

Resolved, That a committee of three Members be appointed by the Speaker on the part of the House of Representatives to join with a committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that Congress is ready to receive any communication that he may be pleased to make.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to join the committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that Congress is ready to receive any communication that he may be pleased to make, the gentleman from Texas (Mr. WRIGHT), the gentleman from Illinois (Mr. MICHEL), and the gentleman from Washington (Mr. FOLEY).

AUTHORIZING THE CLERK TO INFORM THE PRESIDENT OF THE UNITED STATES OF THE ELECTION OF THE SPEAKER AND THE CLERK OF THE HOUSE OF REPRESENTATIVES

Mr. WHITTEN. Mr. Speaker, I offer a resolution (H. Res. 4) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 4

Resolved, That the Clerk be instructed to inform the President of the United States that the House of Representatives has elected Thomas P. O'Neill, Jr., a Representative from the Commonwealth of Massachusetts, Speaker; and Edmund L. Henshaw, Jr., a citizen of the Commonwealth of Virginia, Clerk of the House of Representatives of the Ninety-seventh Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RULES OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I offer a privileged resolution (H. Res. 5) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 5

Resolved, That the Rules of the House of Representatives of the Ninety-sixth Congress, including all applicable provisions of law which constituted the Rules of the House at the end of the Ninety-sixth Congress, be, and they are hereby, adopted as the Rules of the House of Representatives of the Ninety-seventh Congress, with the following amendments included therein as part thereof, to wit:

(1) In Rule I, clause 4 is amended by adding at the end thereof the following new sentence: "The Speaker is authorized to sign enrolled bills whether or not the House is in session.".

(2) In Rule I, clause 5(b)(1) is amended to read as follows:

"(b)(1) On any legislative day whenever a recorded vote is ordered or the yeas and nays are ordered, or a vote is objected to under clause 4 of Rule XV on any of the following questions, the Speaker may, in his discretion, postpone further proceedings on each such question to a designated time or place in the legislative schedule on that legislative day or within two legislative days:

"(A) the question of passing bills;

"(B) the question of adopting resolutions;

"(C) the question of ordering the previous question on privileged resolutions reported from the Committee on Rules;

"(D) the question of agreeing to conference reports; and

"(E) the question of agreeing to motions to suspend the rules.".

(3) In Rule III, add at the end thereof the following new clause:

"5. The Clerk is authorized to receive messages from the President and from the Senate at any time that the House is not in session.".

(4) In Rule VIII, add at the end thereof the following new clause:

"3. (a) A Member may not authorize any other individual to cast his vote or record his presence in the House or Committee of the Whole.

"(b) No individual other than a Member may cast a vote or record a Member's presence in the House or Committee of the Whole.

"(c) A Member may not cast a vote for any other Member or record another Member's presence in the House or Committee of the Whole.".

(5) In Rule X, the first sentence of clause 1(e)(1) is amended to read as follows: "Committee on the Budget, to consist of thirty Members as follows:

"(A) twenty-eight Members who are members of other standing committees, including five Members who are members of the Committee on Appropriations, and five Members who are members of the Committee on Ways and Means;

"(B) one Member from the leadership of the majority party; and

"(C) one Member from the leadership of the minority party.".

(6) In Rule X, clause 1 is amended by redesignating paragraph (l) as paragraph (h) and by redesignating paragraphs (h) through (k) accordingly.

(7) In Rule X, clause 4(d)(3) is amended by striking out "a scheduling service which may be used" and inserting in lieu thereof "a scheduling service which shall be used".

(8) In Rule X, clause 5 is amended by striking out paragraphs (d) and (e).

(9) In Rule XI, clause 2(g)(3) is amended by inserting immediately before the period at the end thereof the following: "and promptly entered into the committee scheduling service of the House Information Systems".

(10) In Rule XI, the first sentence of clause 2(i) is amended to read as follows: "No committee of the House (except the Committee on Appropriations, the Committee on the Budget, the Committee on Rules, the Committee on Standards of Official Conduct, and the Committee on Ways and Means) may sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.".

(11) In Rule XI, the last sentence of clause 2(l)(6) is amended to read as follows: "This subparagraph shall not apply to—

"(A) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

"(B) any decision, determination, or action by a Government agency which would become or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

For the purposes of the preceding sentence, a Government agency includes any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or the government of the District of Columbia.".

(12) In Rule XI, clause 4(a) is amended by inserting after "The Committee on Appropriations—on general appropriations bills" the following: "and on joint resolutions continuing appropriations for a fiscal year if reported after September 15 preceding the beginning of such fiscal year".

(13) In Rule XI, clause 4 is amended by striking out paragraph (e).

(14) In Rule XIII, clause 7(d) is amended to read as follows:

"(d) The preceding provisions of this clause do not apply to the Committee on Appropriations, the Committee on House Administration, the Committee on Rules, and the Committee on Standards of Official Conduct, and do not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and included in the report pursuant to clause 2(l)(3)(C) of Rule XI."

(15) In Rule XXIII, the second sentence of clause 2(a) is amended to read as follows: "The first time that a Committee of the Whole finds itself without a quorum during any day, the Chairman shall invoke the procedure for the call of the roll under clause 5 of Rule XV, unless, in his discretion, he orders a call of the Committee to be taken by the procedure set forth in clause 1 or clause 2(b) of Rule XV: *Provided*, That the Chairman may in his discretion refuse to entertain a point of order that a quorum is not present during general debate only.".

(16) In Rule XXIII, clause 5 is amended by inserting "(a)" immediately after "5" and by adding at the end of such clause the following new paragraph:

"(b) It shall be in order to move in the Committee of the Whole to dispense with the reading of an amendment if the amendment has been printed in the bill as reported from a committee, or if any Member shall have caused the amendment to be printed in the Congressional Record, and to be submitted to the Clerk, or to any responsible staff member designated by the Chairman, of the reporting committee or committees, at least one day prior to floor consideration, and said motion shall be decided without debate.".

(17) In Rule XXVII, clause 3 is amended by striking out "(a)" immediately after "3" and by striking out paragraph (b).

(18) At the end of Rule XLIX, add the following new rule:

"RULE L

"PROCEDURE FOR RESPONSE TO SUBPENAS

"1. When any Member, officer, or employee of the House of Representatives is properly served with a subpena or other judicial order directing appearance as a witness relating to the official functions of the House or for the production or disclosure of any documents relating to the official functions of the House, such Member, officer, or employee shall comply, consistently with the privileges and rights of the House, with said subpena or other judicial order as hereinafter provided, unless otherwise determined pursuant to the provisions of this rule.

"2. Upon receipt of a properly served subpena or other judicial order directing appearance as a witness relating to the official functions of the House or for the production or disclosure of any documents relating to the official functions of the House, such Member, officer, or employee shall promptly notify, in writing, the Speaker of its receipt and such notification shall then be promptly laid before the House by the Speaker, except that during a period of recess or adjournment of longer than three days, no such notification to the House shall be required. However, upon the reconvening of the House, such notification shall then be promptly laid before the House by the Speaker.

"3. Once notification has been laid before the House, the Member, officer, or employee shall determine whether the issuance of the subpena or other judicial order is a proper exercise of the court's jurisdiction, is material and relevant, and is consistent with the privileges and rights of the House. The Member, officer, or employee shall notify the Speaker prior to seeking judicial determination of these matters.

"4. Upon determination whether the subpena or other judicial order is a proper exercise of the court's jurisdiction, is material and relevant, and is consistent with the privileges and rights of the House, the Member, officer, or employee shall immediately notify, in writing, the Speaker of such a determination.

"5. The Speaker shall inform the House of the determination of whether the subpena or other judicial order is a proper exercise of the court's jurisdiction, is material and relevant, and is consistent with the privileges and rights of the House, and shall generally describe the records or information sought, except that during any recess or adjournment of the House for longer than three days, no such notification is required. However, upon the reconvening of the House, such notification shall then be promptly laid before the House by the Speaker.

"6. Upon such notification to the House that said subpena is a proper exercise of the court's jurisdiction, is material and relevant, and is consistent with the privileges and rights of the House, the Member, officer, or employee shall comply with such subpena or other judicial order by supplying certified copies, unless the House adopts a resolution to the contrary; except that under no circumstances shall any minutes or transcripts of executive sessions, or any evidence of witnesses in respect thereto, be disclosed or copied. Should the House be in recess or adjournment for longer than three days, the Speaker may authorize compliance or take such other action as he deems appropriate under the circumstances during the pendency of such recess or adjournment. And upon the reconvening of the House, all matters having transpired under this clause shall be laid promptly before the House by the Speaker.

"7. A copy of this rule shall be transmitted by the Clerk of the House to any of said courts whenever any such subpena or other judicial order is issued and served on a Member, officer, or employee of the House.

"8. Nothing in this rule shall be construed to deprive, condition or waiver the constitutional or legal rights applicable or available to any Member, officer, or employee of the House, or of the House itself, or the right of a Member or the House to assert such privilege or right before any court in the United States, or the right of the House thereafter to assert such privilege or immunity before any court in the United States.".

Mr. WRIGHT (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. WRIGHT) is recognized for 1 hour.

Mr. WRIGHT. Mr. Speaker, I will yield for purposes of debate only 30 minutes to the very distinguished minority leader, the gentleman from Illinois (Mr. MICHEL), pending which, I yield myself such time as I may consume in a preliminary description of what is involved in the rules changes.

Fundamentally, we seek to amend the rules in such ways as to facilitate the conduct of the business of the House. Nothing dramatic nor highly controversial is embodied, in my judgment, in these proposed rules changes.

We would seek in this package of rules modifications to achieve two basic functions: First, to write into the standing rules existing traditional administrative housekeeping practices, in order that we may eliminate the need for recurring unanimous-consent requests on separate resolutions.

□ 1350

The second thing we seek to do by these modifications is to expedite the conduct of the House business, to enable Members more predictably to determine their schedules consistent with the constitutional requirement of a quorum to conduct business. These are the principal changes.

I will yield to the gentleman from Illinois such time as he may desire to consume at this point for purposes of debate, and I reserve the balance of my time.

Mr. MICHEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to the ordering of the previous question.

The rules we have before us are an extension of those adopted by the 96th Congress. They were too restrictive then and they are too restrictive now. Two years' time has not vindicated them.

The majority is also proposing a few changes, which they refer to as merely technical in nature. They are technical to the extent that they represent no sweeping change. They are significant to the extent that they perpetuate the gradual concentration of power in the hands of a few.

Having said that, however, I will tell you it is not my intention to fight these rules. The country does not have the time to spend on these issues, and we do not have the votes. You know it and I know it.

When it comes to House rules, only one rule applies: The Speaker wins and we lose.

There are more important issues we must discuss today. One is the matter of committee ratios. When it comes to the composition of House committees, the majority seems to believe that a little representative government is better than none, and a lot of representative government is worse than a little. The majority has provided for representation on some committees and not on others. On two major committees, Rules and Ways and Means, the majority has substituted autocracy for democracy.

Since the 95th Congress, Republicans have increased their membership in this House by 45. Yet in those 4 years, we have not been allowed one single additional seat on either Rules or Ways and Means. Ways and Means is the taxwriting committee of the Congress through which the very cornerstone of President Reagan's economic program must pass. If the majority intends to work with the new administration on tax reform, why then does the majority assume such an arbitrary and obstructionist attitude toward who sits on that committee? There is a message in those numbers and it must not escape the attention of the American people.

However, as intolerable as they are, even the ratios are secondary to what we must do today, our first day in office. The people are not preoccupied with rules or ratios. They are preoccupied with the economy. They want us to do something about it, before we do anything else.

We can start today. We can impose a ceiling on Federal spending. We can begin cleaning up a budget process that is so badly beaten and bruised, there is a real danger it will not survive the year.

The first priority is a limitation on spending. Our amendment would prohibit the House from considering any resolution that contained a level of outlays in excess of a certain percentage of the gross national product. You are all familiar with the idea. The Rules Committee has held extensive hearings on it. It has bipartisan support. It is something all of us can live with.

Our proposal would put outlays for fiscal 1982 at 22.5 percent of the GNP. The figure for fiscal 1983 would be 22 percent. In the 2 following years, the figures would be lowered a full percentage point.

Tying spending to the GNP is nothing new. It is no panacea and it is not going to tie the hands of the new administration or the Congress. It is a commitment we can make today to the people who committed themselves to us last November.

Our second proposal transfers the legislative oversight of the Budget Act of 1974 from the Rules Committee to the Budget Committee. The Committee on Rules has this authority now only because it has always had it. There is no other justification or logic behind it. But there is good reason for change.

The budget process is a mess. In fiscal 1980 we adjusted budget figures no less than six times. Outlay projections went from $532 billion in May 1979 to $578 billion in July 1980. The same sad scenario has been replayed in fiscal 1981. My good colleague from California, Mr. ROUSSELOT, by himself, has been closer to the mark on economic projections than the entire majority staff. The Rules Committee has continually reported out one budget waiver after another, 50 or 60 times a year. And last year we just started violating the law outright.

The budget process is threatened with extinction and if we do not move now to salvage it, we may as well revert back to our old method of operation and save the taxpayers the expense of staff and paperwork.

What has the Rules Committee done over the last 6 years? Very little. Only one set of hearings has been held in all that time. And those were in 1980. They brought no results. They were for show, not substance.

The SPEAKER pro tempore (Mr. ALEXANDER). The time of the gentleman from Illinois (Mr. MICHEL) has expired.

Mr. MICHEL. Mr. Speaker, I yield myself 1 additional minute. I will insert in the RECORD at this point an analysis which I prepared about the so-called technical amendments being offered by the majority. As I said earlier, this previous question fight is not over those changes, but rather wheth-

er the House will adopt our amendment strengthening the budget process and placing a ceiling on Federal spending. A copy of my analysis follows:

THE DEMOCRAT RULES PACKAGE: AN ANALYSIS OF THE RULES CHANGES

(Prepared by the Office of the Republican Leader, Robert H. Michel)

INTRODUCTION

The rules changes proposed by the Majority Leadership are expected to be offered as H. Res. 5 of the 97th Congress on January 5, 1981.

There will be one hour of debate on the resolution and no opportunity for amendment. Republicans will attempt to defeat the previous question on the resolution to offer an alternative.

The changes proposed by the Majority are deceptive. Their relation to other rules and precedents of the House have been simplified in order to better explain their full impact on House operations.

Members are being told that these changes are merely "technical" in nature. That may be true when considered individually. However, the changes were originally proposed as part of a larger package, most of which was postponed for action at a later date. Given the potential for additional rules changes, the "technical" amendments take on new meaning. Furthermore, the new changes must be considered in the context that they are extensions of the changes made at the outset of the 96th Congress. Rules changes adopted at that time brought about much greater concentration of power in the hands of a few and further restrained free and open debate. Rules proposed for the 97th Congress perpetuate and extend the concentration of power and the erosion of open deliberation.

(1) Authority of the Speaker and his officer:

(a) Speaker authorized to sign enrolled bills when House not in session.

Amend clause 4 of Rule I by adding at the end thereof the following:

"The Speaker is authorized to sign enrolled bills whether or not the House is in session."

(b) Suspensions—change vote postponement procedure "rules" and previous questions of rules.

Amend clause 5(b)(1) of Rule I to read as follows:

"(b)(1) On any legislative day whenever a recorded vote is ordered or the yeas and nays are ordered, or a vote is objected to under clause 4 of Rule XV on any of the following questions, the Speaker may, in his discretion, postpone further proceedings on each such question to a designated time or place in the legislative schedule on that legislative day or within two legislative days:

(1) The question of passing bills;

(2) The question of adopting resolutions;

(3) The question of ordering the previous question on privileged resolutions reported from the Committee on Rules;

(4) The question of agreeing to conference reports; and

(5) The question of agreeing to motions to suspend the rules.

Delete clause 3(b) of Rule XXVII and delete "(a)" after "3" in clause 3 of Rule XXVIII.

Delete clause 4(c) of Rule XI.

(c) Duties of the Clerk—receive message.

Amend Rule III by adding at the end thereof the following new clause:

"5. The Clerk is authorized to receive messages from the President and from the Senate at any time that the House is not in session."

Comments

(a) The current practice has been to grant unanimous consent anytime the House adjourns to authorize the Speaker to sign enrolled bills. The Committee on House Administration notifies the House as to the accuracy of the enrollment of each bill and should submit this before its signing (IV, 3452). Technically the signing should be while the House is in session and in the presence of a quorum. It is assumed that this power would automatically be transferred to any elected Speaker pro tempore (Clause 7, Rule I), but not to a designated Speaker pro tempore.

(b) At the beginning of last Congress the Majority Leadership was given very broad discretion in the scheduling of votes on legislation. Under that change, the Speaker was allowed the discretion to postpone votes on "rules" reported from Rules Committee (Rule XI, 4(e)) or legislation considered under suspension of the Rules until the end of all such consideration or until the next legislative day. Speaker was given the power to postpone roll call votes on final passage of a bill, resolutions, or conference report (Rule I, 5(b)) to a later time on the same day of consideration or within two legislative days of consideration. It was argued at the time that vote postponements will lessen the meaning of debate and eliminate any requirement for the Member to be on the House Floor during consideration of legislation. Last Congress the Speaker was also given the authority to cluster any of the postponed votes, allowing fifteen minutes for the first roll vote by electronic device, and may reduce to five minutes each subsequent vote.

Formerly the only requirement on the Speaker was that he announce his intention to postpone votes in the case of "rules" and suspensions of the rules.

Under the current procedure once postponed voting on suspensions begins no further motions to suspend may be considered. This rule change would allow the Speaker the discretion to allow further suspensions to be considered on the same day with postponed and clustered votes. This would place all authority for deferral of votes to be in Rule I—Duties of the Speaker, and treat all votes similarly in that they can be postponed for up to two legislative days. In other words, on Monday or Tuesday, measures could be debated and recorded votes could be postponed and clustered until Wednesday or Thursday. This could take public attention away from those debates which spell out for the press and the general public, the pros and cons of the issues before Congress. Postponement also gives the Majority Leadership a great deal more power to schedule votes at times when the Leadership knows enough votes to sustain its position are available. Such a concentration of power is not consistent with the spirit of a truly open and deliberative body.

(c) Unanimous consent is normally given to authorize the Clerk to receive messages from the President and from the Senate whenever the House adjourns over several days. This rule change would provide standing authority for him to receive messages at any time the House is not in session. This would not have any effect on those legislative veto provisions (i.e. deferrals, rescissions) which require action within a certain time period as the countdown would not begin until the messages are actually laid before the House. This would also prevent any attempts at pocket-vetoes during any non sine die adjournments of the Congress, because in the Kennedy vs. Sampson case the courts held that the President could not "pocket-veto" during an adjournment to a day certain since the Senate had authorized the receiving of messages while they were not in session.

(2) Prohibition on "phantom voting":

(a) Prohibiting a Member from casting another Member's vote, or recording another Member's presence in the House.

Rule VIII is amended by inserting at the end thereof the following new clause:

"3. (a) A Member may not authorize any other individual to cast his vote or record his presence in the House or Committee of the Whole.

(b) No individual other than a Member may cast a vote or record a Member's presence in the House or Committee of the Whole.

(c) A Member may not cast a vote for any other Member or record another Member's presence in the House or Committee of the Whole."

Comments

(a) During the last Congress it was discovered that on at least two occasions (May 14, 1979 and July 30, 1979) that votes were cast and recorded for Members who were not physically in town to cast such votes. The Committee on Standards of Official Conduct reported its findings of these voting anomalies on May 15, 1980 (House Report 96-991). It could not prove any specific wrong doing but recommended that this proposed rules change be added to the Rules of the House.

(3) Expand size of Committee on the Budget:

(a) The Budget Committee is increased from twenty-five members to thirty members.

In Rule X, the first sentence of clause 1(e)(1) is amended to read as follows:

"Committee on the Budget, to consist of 30 Members as follows:

"(A) twenty-eight Members who are members of other standing committees, including five Members who are members of the Committee on Appropriations, and five Members who are members of the Committee on Ways and Means;

"(B) one Member from the leadership of the majority party; and

"(C) one Member from the leadership of the minority party."

Comments

(a) The Committee on the Budget was established in the 93d Congress effective July 12, 1974 by sec. 101 of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-944). The membership was increased from twenty-three members to twenty-five at the beginning of the next Congress (H.Res. 5, 94th Congress). The rule as originally written stated that of the twenty-five members thirteen members must be members of standing committees other than the Committee on Ways and Means or Appropriations. The rule as now written is ambiguous in that it says that the Committee shall consist of thirty members, twenty-eight who are members of other standing committees as well as two from the leadership. The caucus-drafted language implies that the leadership appointments should not be a member of any other committee, although we assume that is not their intention.

(4) House Information Systems—committee scheduling:

(a) Requiring all committees and subcommittees to use HIS scheduling services.

In Rule X, clause 4(d)(3) is amended by striking out "a scheduling service which may be used" and inserting in lieu thereof "a scheduling service which shall be used".

In Rule X, clause 5 is amended by striking out paragraphs (d) and (e).

In Rule XI, clause 2(g)(3) is amended by inserting immediately before the period at the end thereof the following: "and promptly entered into the committee scheduling service of the House Information Systems".

Comments

(a) The Bolling Committee on Committees reform (H. Res. 988, 93d Congress) tried to have Committees and Subcommittees eliminate any meeting and scheduling conflicts by giving the Committee on House Administration the responsibility over a House Information Systems. Use of the systems was optional but this rules change would make its use mandatory. This would also amend those sections of the rule requiring public notice of committee hearings to require a prompt entering of such notice in the committee scheduling service of HIS. There will continue to be conflicts as long as the number of Committee and Subcommittees remains as large as it has been.

(5) Committee on Ways and Means:

(a) Ways and Means to sit under the five minute Rule.

Amend the first sentence of clause 2(i), Rule XI to read as follows:

"No committee of the House (except the Committee on Appropriations, the Committee on the Budget, the Committee on Rules, the Committee on Standards of Official Conduct, and the Committee on Ways and Means) may sit, without special leave, while the House is reading a measure for amendment under the five-minute rule."

Comments

(a) The Committee on Ways and Means has traditionally been permitted, by unanimous consent granted by each Congress, to sit while the House is reading a measure for amendment under the five-minute rule.

This rule formerly prohibited Committees from sitting at any time while the House was in session but in 1970 was changed to only during the five-minute rule. In 1975 only the Committees on the Budget, Appropriations and Rules were exempted. In 1977 the Committee on Standards of Official Conduct was included with them. This rules change would reflect the current practice of including Ways and Means by unanimous consent.

(6) Exemption from 3-day rule:

(a) Apply exemption from 3-day rule to any decision which would become effective unless disapproved by Congress (present exception applies only to "executive decisions".

Amend the last sentence of clause 2(1)(6) to read as follows:

"This subparagraph shall not apply to—

(A) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(B) any decision, determination, or action by a Government agency which would become or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress. For the purpose of the preceding sentence, a Government agency includes any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or the government of the District of Columbia.

Comments

(a) The rule currently states that any measure reported by a committee shall not be considered in the House until the third calendar day after the report has been available. The rule provides for a two exceptions: (1) declaration of war or national emergency or (2) legislative votes of any executive decision.

There are a number of laws which allow legislative vetoes of entities which are not part of the Executive Branch, i.e., D.C. Home Rule Act. This would include all government agencies covered by legislative veto statutes exempt from the three-day layover requirement. This would also exempt any congressional approval requirement of any quasi-governmental corporation such as possibly any new synthetic fuel enterprise.

(7) Continuing appropriations privilege:

(a) Permit continuing appropriations to be privileged after certain date.

Clause 4(a) of Rule XI is amended by inserting after "The Committee on Appropriations—on general appropriations bills" the following: "and on joint resolutions continuing appropriations for a fiscal year if reported after September 15 preceding the beginning of such fiscal year."

Comments

(a) Under the existing rules of the House only general appropriation bills embodying funds of any agency or agencies are privileged for consideration in the House. This means that its report is filed in the House and a motion to resolve into committee is privileged and no "rule" from Rules Committee is required to consider it.

The Congressional Budget Act requires a specific timetable for appropriations bill to be completed. Once they are finalized the Congressional budget of that fiscal year must be completed no later than September 15th. That is the date this rules change would make continuing appropriations bills privileged. The implication is that the same appropriation bills won't be final so any resolution providing a continuation should be given special status. If the appropriations aren't final the Congressional budget resolution would be meaningless and not final. Unanimous consent or "rules" for consideration have routinely been used and this rules change merely portends failed budget deadlines.

(8) Committee cost estimates:

(a) Committee cost estimate optional if CBO estimate included in report.

Amend clause 7(d), Rule XIII to read as follows:

"(d) The preceding provisions of this clause do not apply to the Committee on Appropriations, the Committee on House Administration, the Committee on Rules, and the Committee on Standards of Official Conduct, do not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and included in the report pursuant to clause 2(1)(3)(C) of Rule XI."

Comments

(a) The rules currently require committees to include in their reports on public bills a five year estimate made by the Committee of the costs which would be incurred in carrying out such bill. The Congressional Budget Act (P.L. 93-344) created a Congressional Budget Office (section 201) and required it to submit to each committee a five year cost estimate of their bills (section 403). Committees are also required to include such CBO cost estimate in their report. Many committees now adopt the CBO estimates as their own and this rules change would allow them to rely on CBO rather than their own independent estimate, which they still make if they so desire.

(9) Quorum during general debate:

(a) Eliminate mandatory quorum call during general debate in Committee of Whole.

Amend the second sentence of clause 2(a) of Rule XXIII to read as follows:

"The first time that a Committee of the Whole finds itself without a quorum during any day, the Chairman shall invoke the procedure for the call of the roll under clause 5 of Rule XV, unless, in his discretion, he orders a call of the Committee to be taken by the procedure set forth in clause 1 of clause 2(b) of Rule XV: provided, that the Chairman may in his discretion refuse to entertain a point of order that a quorum is not present during general debate only."

Comments

(a) Article I, section 5, clause 1 of the Constitution states that a quorum is necessary to do business in the House of Representatives. In 1977 the rules of the House were changed to prohibit the Chair from entertaining a point of no quorum unless a pending question has been put to a vote. In adopting that rule (Rule XV, clause 6) the House has presumably determined that the conduct of debate in the House is not such business as requires a quorum under the Constitution. In 1977 the rules were changed also to prohibit quorum calls under the five-minute rule unless the Chairman has put the question on a pending proposition, but would allow one during general debate, the first time the Committee of the Whole finds itself without a quorum during that day. This Rules change would allow the Chair the discretion to entertain a point of no quorum during general debate therefore allowing the scheduling of general debate at the end of the day or any time where it is less likely there will be a quorum. This lessens even more the significance of debate on matters considered in the House.

(10) Reading of amendments:

(a) Motion to dispense with reading of certain amendments in Committee of Whole.

Amend clause 5 of Rule XXIII by inserting the following new subclause:

"(b) It shall be in order to move in the Committee of the Whole to dispense with the reading of an amendment if the amendment has been printed in the bill as reported from a committee, or if any Member shall have caused the amendment to be printed in the Congressional Record, and to be submitted to the Clerk of the reporting committee or committees, at least one day prior to floor consideration, and said motion shall be decided without debate."

Comments

(a) In the House there were initially three readings. The bill was read in full in order that the membership may understand the question as a whole. After general debate it is then read a second time under the five-minute rule when it was open to amendment and debate in all its parts. The third reading was the reading in full in its final form just prior to passage. The Rules Committee has been routinely waiving the first reading and the third reading is by title only. This rules change would allow a nondebatable motion to be made to dispense

with any committee reported amendment or any amendment printed in the Record. This rule is intended to stop any Member from forcing the reading of amendments for dilatory purposes. This proposal would accomplish that only in part as it involves only amendments printed in the Record. A Member could still offer unprinted amendments and require them to be read in full. If the Majority Leadership intends to have the Rules Committee require that all amendments must be printed in the Record then all reading could be dispensed with, although such a printing requirement would prevent the Committee of the Whole from truly working its will as it could only consider those amendments printed a day before.

(11) CRS summary of bills—Joint Committee on Atomic Energy:

(a) Permit clustering of all or some suspensions at Speaker's discretion, with right to permit additional suspensions at end of day; consolidate in one rule all circumstances where the Speaker may postpone and cluster votes.

Amend clause 5(b)(1) of Rule I to read as follows:

"(b)(1) On any legislative day whenever a recorded vote is ordered or the yeas and nays are ordered, or a vote is objected to under clause 4 of Rule XV on any of the following questions, the Speaker may, in his discretion, postpone further proceedings on each such question to a designated time or place in the legislative schedule on that legislative day or within two legislative days:

(1) the question of passing bills;

(2) the question of adopting resolutions;

(3) the question of ordering the previous question on privileged resolutions reported from the Committee on Rules;

(4) the question of agreeing to conference reports; and

(5) the question of agreeing to motions to suspend the rules.

Delete clause 3(b) of Rule XXVII and delete "(a)" after "3" in clause 3 of Rule XXVIII.

Delete clause 4(e) of Rule XI.

Comments

(a) Clause 5(d) requires that after the introduction in the House of each bill or resolution the Congressional Research Service of the Library of Congress prepares a factual description of each measure not to exceed one hundred words and publish such description in the Congressional Record and the Digest of Public General Bills and Resolutions as soon as possible after introduction. The description usually appears in the Congressional Record well after the introduction of the bill and isn't much more than the long title of the bill. The cost to the Library of Congress of preparing these summaries is about $9,000 per year. It is basically prepared as a bi-product of the bill digest. Eighteen people work on the bill digest, and it is estimated that about fifty hours per year per person is required to do the summaries. These summaries also go into the House Information System and other computer systems, so presumably they would still have to be prepared for that use even if they were no longer inserted in the Record.

(12) Procedure for response to subpenas add a new rule L—procedure for response to subpenas:

(a) The Rule contains the following principal provisions:

Section 1—When a House Member, officer, or employee is served with a subpena requesting appearance as a witness or the production of documents, relating to the official functions of the House, he shall comply unless otherwise determined pursuant to the resolution.

Section 2—Upon receipt of such a subpena, the Member, officer, or employee shall promptly notify the Speaker of its receipt in writing, and such notification shall then be laid promptly before the House, except during a recess or adjournment of more than three days, in which case no notification of the House is required until it reconvenes.

Section 3—Once notification of receipt is laid before the House, the Member, officer, or employee shall determine whether it is a proper exercise of the court's jurisdiction, is material and relevant, and is consistent with the privileges and rights of the House, and shall notify the Speaker prior to seeking any judicial determination of these matters.

Section 4—Once a determination has been made as to the above three criteria, the Member, officer, or employee shall immediately notify the Speaker in writing of such determination.

Section 5—The Speaker shall then inform the House of such determination and generally describe the information sought, except during a recess or adjournment of longer than three days, no such notification is required until the House reconvenes.

Section 6—Once the House has been notified of such determination, the Member, officer, or employee shall comply with the subpena by supplying certified copies, unless the House adopts a resolution to the contrary. If the House is in recess or adjournment for longer than three days when notice of determination is made, the Speaker may authorize compliance or take such other action as he deems appropriate. Upon the reconvening of the House, all actions transpiring under this section shall be laid promptly before the House.

Section 7—A copy of the Rule shall be transmitted by the Clerk of the House to any court issuing a subpena on a Member, officer, or employee.

Section 8—Nothing in the resolution is to be construed as depriving, conditioning or waiving the constitutional or legal rights of any Member, officer, employee or the House itself, or the right of a Member or the House to assert such privilege or right before any court in the U.S.

Comments

(a) This procedure was adopted during the 96th Congress, on September 17, 1980, by a recorded vote of 380 to 23. The Speaker is committed to informing the Republican Leadership of any subpena served and to consult with them about what action should be taken in response.

ERRATA

Number (11) should read as follows up to "COMMENTS" section:

(11) CRS summary of bills—Joint Committee on Atomic Energy

(a) Delete requirement of CRS summary of bills and prohibition on reference to Joint Committee on Atomic Energy:

Delete clauses 5(d) and 5(e) of Rule X.

Mr. MICHEL. Mr. Speaker, it is just good commonsense to put authority for the Budget Act in the hands of the Budget Committee.

My fellow colleagues, we are all Members of a new Congress. We are not an extension of the 96th Congress and we must not leave that impression in the minds of the American people.

We have the opportunity today to start fresh, to begin anew.

Let us not blow it.

I urge a vote against the previous question in order that we may consider our proposed budget amendments.

At this point I will insert copies of our proposed amendments with a brief explanation of each:

AMENDMENT No. 1

This amendment requires that total federal outlays as defined in Concurrent Budget Resolutions be limited to a certain percentage of the Gross National Product.

The amendment establishes an outlay ceiling for Fiscal Year 1982 at 22.5% of the Gross National Product. The Fiscal Year 1983 ceiling would be 22% of GNP; the Fiscal Year 1984 ceiling 21%, and the Fiscal Year 1985 ceiling 20%, bringing total outlays down to a percentage of GNP close to that which existed in 1974.

The provisions establishing a limitation on expenditures could be waived by majority vote of the House. The provision is limited in its impact to direct federal expenditures and does not affect such items as tax expenditures or off-budget items.

The following statistics offer some perspective as to how spending currently relates to GNP. The information was compiled by Data Resources, Inc.

[Dollars in billions]

	Projection of GNP, December 1980	Projection of outlays, December 1980	Percent of GNP
Fiscal year:			
1980	$2,521.4	$579.0	23.0
1981	2,771.1	637.6	23.0
1982	3,138.7	706.4	22.5

The Republican proposal is similar in concept to provisions of legislation introduced in the 96th Congress, including the Kemp-Roth proposals for tax reform; H.R. 5371 offered by Mr. Jones of Oklahoma, and H.R. 6021 offered by Mr. Giaimo of Connecticut.

The Committee on Rules conducted extensive hearings on these measures in January, February and March of 1980. It was expected that those hearings would result in a House vote on some form of spending limitation; however, no specific vote on these proposals was forthcoming prior to adjournment of the 96th Congress.

PROPOSED RULES CHANGE

In Rule XXIII, clause 8 is amended by inserting "(a)" immediately after "8" and by adding at the end of such clause the following new paragraph:

"(b) It shall not be in order in the House or in a Committee of the Whole to consider any concurrent resolution on the budget for any fiscal year if the level of total budget outlays contained in the resolution exceeds—

"(1) for the fiscal year ending on September 30, 1982, an amount equal to 22½ percent of the estimated gross national product for such fiscal year;

"(2) for the fiscal year ending on September 30, 1983, an amount equal to 22 percent of the estimated gross national product for such fiscal year;

"(3) for the fiscal year ending on September 30, 1984, an amount equal to 21 percent of the estimated gross national product for such fiscal year; and

"(4) for the fiscal year ending on September 30, 1985, and for each following fiscal year, an amount equal to 20 percent of the estimated gross national product for such fiscal year."

AMENDMENT No. 2

This amendment changes Rule X, Clause 1(e), of the House to provide for a transfer of legislative oversight authority of the Budget Act of 1974 from the Rules Committee to the Budget Committee of the House. The Budget Committee would be authorized to conduct hearings on matters relating to the performance of the budget process and to report recommendations to the full House, under the same procedures followed by the other standing committees in relation to their area of jurisdiction.

The Budget Act of 1974 was first reported by the House Rules Committee and that Committee has retained jurisdiction over legislative oversight of the Act since that time. However, throughout the past six years, the Rules Committee has conducted no hearings in regard to its oversight responsibilities, with one exception. In January, February and March of 1980, the Rules Committee agreed to conduct hearings on measures calling for some form of spending limitation, specifically those that would tie spending to a percent of the Gross National Product. No legislation was reported out as a result of those hearings.

This provision would bring the House Budget Committee more closely in line with the oversight capabilities of the Senate Budget Committee. It would place legislative oversight of the Budget Act in the hands of those Members and staff who are most familiar with the functions of the Act, and its application to the formulation of budget resolutions.

PROPOSED RULES CHANGE

In Rule X, clause 1(e) is amended by inserting immediately after subparagraph (2) the following new subparagraph:

"(3) The Congressional Budget and Impoundment Control Act of 1974, except emergency waivers."

and by redesignating subparagraph "(3)" as "(4)".

Mr. Speaker, does the majority leader desire to yield to Members on his side?

Mr. WRIGHT. No. I would be happy, Mr. Speaker, if the distinguished minority leader might continue to consume such time as he or his colleagues might desire.

Mr. MICHEL. I thank the distinguished majority leader.

I would at this time yield 5 minutes to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, we could just as well go back to our offices and run the videotape from the rules debate at the beginning of the last Congress, because the House Democratic Party is still stuck in this undemocratic groove of dictating House rules for the new Congress without adequate debate, amendments, or minority participation.

It is hard to believe that just a few minutes ago we all took the oath of office which binds us to supporting and defending the Constitution, and now we are openly and flagrantly flouting that founding document by ignoring one of its central provisions which states, in article I, section 5:

Each House may determine the rules of its proceedings.

I was led to believe a few minutes ago that I was part of this House, as were some 191 of my colleagues on this side of the aisle. And yet we had no say in determining the rules which are before us today in this resolution. No, these were all hammered out behind the closed doors of the Democratic Caucus. How, oh, how can the so-called Democratic Party in the House justify such secrecy and exclusion in formulating the rules for the people's House—exclusion not just of the minority party, but of the public and press as well? How, oh, how can the so-called Democratic Party in the House justify disenfranchising some 96 million Americans represented on this side of the aisle from this process?

Mr. Speaker, it has always puzzled me as to just what the Democrats fear so much that they would have to resort to such a legislative straitjacket—especially on the very first day of a new Congress. Is the majority leadership telling the American people that their elected Representatives really cannot be trusted to set their own legislative ground rules for themselves? And if we cannot even be trusted to debate and amend our own rules, how can we possibly be trusted to legislate?

Could it be that the majority leadership is afraid some of their own members might break ranks to vote for Republican rules changes? Are they in effect admitting that we just might have some good ideas on this side of the aisle that might fly if the majority leadership did not keep our wings clipped? Or is the majority leadership also afraid that their own party members might be capable of some independent thinking and acting of their own? That they might just have some ideas for improving this institution?

Mr. Speaker, in the face of this perplexing parliamentary situation, we are left only the device of the previous question vote. We would ask our colleagues on the other side of the aisle to join us in defeating the previous question so we can at least offer 2 amendments to your list of 18 amendments. You can then reject those amendments if you like, but at least give us a chance to offer them. You might even find you like them since they go to the heart of what this last election was all about—how to get our budget and our economy under control. We would like to amend House rules as they relate to the budget act to limit outlays in the budget resolution to a fixed percentage of the estimated gross national product. This is taken directly from a bill introduced in the last Congress by the gentleman from Oklahoma (Mr. JONES), the new chairman of the Budget Committee. Our distinguished majority leader (Mr. WRIGHT), in testifying for an even more stringent spending control measure before the Rules Committee last year said, and I quote:

> We need to tilt the weight of the rules so as to make it easier for those who would balance the budget and relatively harder for those who would not.

He went on to say:

> In the end, we have to reserve the right of the majority of the people's elected representatives to work its will.

That is all we are asking in the additional rule we want to propose today: To tilt the rules in favor of spending control and a balanced budget. To demonstrate to the American people at the outset of this new Congress that we are deadly serious about righting this devastated economy and assisting our new President in bringing Government spending under control. I would therefore urge my colleagues to join in defeating the previous question so we can offer this important amendment.

Second, I would advise my colleagues that we intend to offer a motion to commit this resolution to a select committee to report back with an equitable committee party ratio rule—one which recognizes the tradition of giving the majority party three-fifths of the seats on Appropriations, Ways and Means, and Budget, and two-thirds of the seats on Rules, but no more. There can be no excuse for the Democratic Caucus rule that would award Democrats nearly 69 percent of the Rules Committee seats and nearly 66 percent of the Ways and Means seats. Our proposed rule would return those committees to the traditional two-thirds and three-fifths majority share respectively. The Budget and Appropriations Committees would also enjoy three-fifths majority representation under our rule, and the rest of the House committees, except for Ethics which is bipartisan, would reflect the overall House party ratio.

I urge my colleagues in the interest of fairness, equity, and tradition to vote for this motion to commit with instructions.

□ 1400

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would like to announce that any Member-elect who failed to take the oath of office may present himself or herself in the well of the House prior to the vote on the previous question on the resolution now pending or on any other rollcall vote.

The Chair now recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, I would like to make a special point at this

time if I may. We have just observed the democratic process in action. We elected a Speaker by some 59 percent of the vote. If the absentees had been present it would have been 56 percent of the vote. So I think that the majority of the House as constituted, 56 and 44, is a fair majority.

Now let us turn that around. Democracy in action. Let us go to the House Rules Committee. The caucus of the Democratic Party mandated that the percentage would be 69 percent Democrat and 31 percent Republican. My colleagues know what a steamroller is. A steamroller is a piece of equipment that cannot be stopped and runs over everything in front of it. That is exactly what the Democrats are proposing here today.

Let us go to the Ways and Means Committee. The Democrats are a little bit better at heart, so to speak. They say that the Republicans can have only 34 percent and the Democrats must have 66 percent.

If we go to the Budget Committee we have the same kind of percentages that the Democrats are now demanding that we go by as Republicans on the powerful committees of this House.

Yet we just witnessed the election of a Speaker in a democratic process where the true ratio of the House was exemplified. Therefore I appeal to those who are in power, in the leadership, to be fair. Do not be a steamroller because there is a day of reckoning. Besides, the American people mandated that we must do a job.

The steamroller presents to me an idea that one is going to try to block, going to try to steamroll, going to try to add obstacles in the way of the administration's proposals. Is that what my colleagues are going to do? Lay it on the line.

Mr. Speaker, these proposed party ratios make a mockery of the name, Democratic Party and that vital democratic tenet of fair and equal representation—of one-man, one vote. It is not just that the minority party in the House has been wronged, but that the 96 million American people represented by 192 Republican Representatives in the House have been wronged. If the Rules and Ways and Means Committees do not more accurately reflect House membership and the will of the American people as expressed last November 4, then how can we expect the decisions and legislation out of those committees to fulfill the wishes of the American people?

Mr. Speaker, these committee party ratios are not presently established by House rules, but rather are dictated from behind the closed doors of the majority party caucus, with no opportunity for the House to even ratify that decision. It seems to me that this is not only an undemocratic way of determining party ratios, but unconstitutional as well since the Constitution provides that—

> Each House may determine the Rules of its proceedings.

One of the most fundamental components of our legislative process is the House committee system—its establishment and operation. Certainly the full House should determine the size and party makeup of our committees, and not just the Democratic Caucus.

What we are proposing today is that the party ratios be established in the rules of the House, and that those ratios be fixed according to the traditional ratios I have already mentioned. We will offer this rule change in our motion to commit this rules resolution to a select committee with instructions to report the resolution back with this one additional rule. I strongly urge my colleagues on both sides of the aisle to support this fair and democratic rule change.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my distinguished minority leader for yielding. I would agree with everything that has been said by him. These rules are probably the best we can get out of a bad situation.

But while I agree 100 percent with everything that has been said by the minority whip and the minority leader, I do not like restrictive rules. I have been consistent in opposing gag rules, gag limits, closed rules, and maneuvers that restrict debate on the floor. At the same time I would like to congratulate the Democratic majority for one limited area of their proposed rules changes. I would like to thank them and congratulate them not for what they included in their proposed package, but for what they left out. I think we ought to at least count our blessings there. Aside from the Democrat imposed ratios on the committees which I think are blatantly unfair, the operating rules at least for the 97th Congress will not be that much worse than they were in the 96th Congress.

I confess to some difficulty even at this moment of euphoria and reconciliation. I am not sure actually which one of the three or four Democratic parties over there I should congratulate. I know last year when this 96th Congress staggered to a conclusion, the corridors around the Capitol were rife with all of the proposals that you Democrats were going to make. You were going to limit the amendments that could be offered to appropriations bills. You were going to raise the number for requesting record votes, all aimed at restricting the ability of the House to operate and to legislate and for the House to work its will. I well recall a debate last year with my good friend from California (Mr. JOHN BURTON) when there was an effort on the part of some of the liberals on the other side to limit debate, and objecting to some of the amendments that were offered. Somewhat sarcastically, maybe a little wistfully, I pointed out that I thought the floor of the House was a very poor place to legislate and if many on that side had their way we would not legislate on the floor of the House. We would get a package, we would ratify it, and it would be one vote up or down, no amendments.

So at least whatever else happens, I must thank the Democratic Party for not moving in that direction. As I said earlier, I am not sure which of the parties over there deserve the praise. I know many of my conservative Democrat friends bristled immediately at the thought of limiting debate on the floor and they opposed these moves within the Democratic Caucus, in the proper way that they should, the proposed Democratic proposals for rule changes.

I would also say that many of my liberal friends have been here long enough to know that rules cut both ways. The same rule change that would limit conservatives in offering an amendment would also limit liberals in offering amendments.

So I think at least in the spirit of compromise and euphoria that we have in the first day, I do want to congratulate the Democratic majority in this one limited area. Thank you for what you did not include in these rules. While I cannot agree with what you have done and the package you have presented, at least you have not made them worse and, for that small favor, I say thanks.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Speaker, I thank my colleague for this time.

I would like to bring to the House something that I think we really ought to face. I think we ought to have a rule in this House that we treat the people's money with more respect, that we do not allow appropriations out of the people's purse in any shorter time than 5 days before we adjourn so that when an amendment is offered or the bill can be offered we have time to study it.

We all know what goes on here. This year was not as bad as some other years, but the desire to adjourn, the deadline of adjournment and then these appropriations are added, added and added, and everybody knows why. They were not done before because this is the system. You get them in when people are anxious to adjourn and you do it by unanimous consent. You make enemies if you object, and the system does not work to the benefit of the public.

□ 1410

I think we should really face it. I know it will not happen this time. But I do wish that we could get this in the Rules of the House, that we do not appropriate any bill. Any bill that is brought to the floor, it means 5 days before we adjourn. We have in this House, since I have been here, voted on a $20 billion tax cut, and we did not even see the bill. We only saw a mimeographed digest.

How is it possible to treat the people's money in this callous and careless and flagrantly irresponsible way? We must change.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. I thank the Republican leader for yielding.

Mr. Speaker, I am not sure that the American people understand what we are doing here today. As a member of the Ways and Means Committee, I would just like to give my viewpoint on what I think is really going on.

The adoption of these rules is important to determine how this House shall operate for the next 2 years. But it also amounts to a great deal of philosophical and political decision-making going into what makes up these rules.

The Ways and Means Committee is simply being stacked. That is a good word for it, the best word I can think of. I think the people of America ought to understand it. The Ways and Means Committee is being stacked. It is being stacked by a philosophical minority in this House, it is being stacked by the same people who were repudiated overwhelmingly by the American people on November 4, in order to block what those people wanted done. A tax cut was not passed by the 96th Congress. The philosophical majority of that Congress is the philosophical minority of this Congress. But that group still controls the makeup of rules of this House, and these rules that are before us to vote on today are nothing more than stacking the Ways and Means Committee, to thwart the decision of the American people on November 4, to see to it that we still do not get a tax cut, like we did not get in the last Congress and under the last administration. I think the American people ought to understand that this vote that shall be coming up, this vote on whether or not to vote down the previous question, amounts to simply stacking the committee and thwarting the will of the American people and the economic policy they voted for.

I urge that we vote down the previous question so that we have an opportunity to vote for a set of rules that will let happen what the American people wanted. I think the American people ought to understand that this is not a mere technical vote, this is not merely a procedural vote. This is a very substantial, substantive vote that folks back home ought to understand as to how their Congressman and Congresswoman voted.

Mr. Speaker, I urge that we vote down the previous question.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. I thank the distinguished minority leader for yielding, and I would like to point out, Mr. Speaker, that the gentleman from Texas, the majority leader, described the rules changes as an attempt to expedite and to facilitate. Mr. Speaker, it seems to me that what we have here is really an attempt to severely limit the debate of the House of Representatives.

Since I have been here we have had individual gag rules on many occasions before this House. It seems to me that what we are being asked to adopt here today is a collective gag rule. This House has long been a bastion of open debate. We have had the idea in the House of Representatives that men and women could exchange ideas and, out of that, produce good legislation. Well, this would take away some of that attempt to debate. It would also mean that the majority would not even hear some of the views of the minority on specific issues.

What we are really doing is violating a meaningful parliamentary tradition in this country, open debate. I would say, Mr. Speaker, that it is time that we stand up and do something about it. The attempt to gag this House should be roundly defeated by supporting the motion to defeat the previous question.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, this is an economic fight. It is a mistake to gag this House and prevent it from fulfilling the promises that were made during this past election. If this rule is passed as it is, we will not have a chance to fulfill the economic promises that the American people are waiting for. And make no mistake about it, that is exactly what we will be doing if we pass this rule as is.

It cannot be passed over as easily as the majority leader would like to make us believe. It is saddling this House with an inability to fulfill the economic promises that were made by Members of this House, by the President, and by Members of the other body. I think it would be a major mistake for this country to believe that we are fulfilling their promises if this rule is passed as is.

So I urge my colleagues to vote down the previous question, so that we can free up this rule by several amendments that will be offered.

Mr. MICHEL. Mr. Speaker, I yield 5 minutes to the distinguished ranking minority member of the Ways and Means Committee, the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr Speaker, there are lots of things I would like to talk about in these rules. For instance, I think the clustering of votes is an abomination. It reduces the attention of the House, the understanding of the issues, it usually reduces the attendance at debate considerably. I think, also, the minority leader is absolutely right when he says that the economic issue is central and that we should give control over this issue to the Budget Committee rather than to the Rules Committee, which, as we know, has been splendidly stacked by the rules we are about to vote on.

I want to spend most of my time, however, talking about what is happening to the Ways and Means Committee. You know, one of the things that saddens the American people is that elections come and elections go, but politics is always with us. Elections should make a difference. We had in the 95th Congress 12 members of the Republican Party on the Ways and Means Committee. In the 96th, we had 12. In the 97th, we have 12. By this rule we have moved, of course, the ratio from 2-to-1 plus 1 in the 95th to 2-to-1 minus 1 now; that is all the response we have had to two elections which have added 45 Republicans to the House. Now, I say that is grossly unfair. It is manipulative. That is reason enough to oppose this rule. But it is also unrealistic.

The power reality on the the floor is going to be different from the committee ratio of the tax-writing committee and there is no more important issue between the Government and the people than taxation. Taxation is an issue that should be dealt with by a body representative of the House as a whole. Under this rule it is not going to be handled in that way.

Now, another probably effect of this change is going to be to shift the tax initiative from the House of Representatives to the Senate. The administration will much more easily interface with the Senate, which is going to be representative of the popular vote, while in our body we will find a measure prepared by the Ways and Means Committee going to the floor in unacceptable form, an impasse inherent in the process, and the inevitable result is going to be a proliferation of nongermane amendments from the Senate. Rules can impose a restriction of amendments to the Ways and Means bill, and the floor as a whole will have no alternative but complete rejection when it finds the committee work out of phase.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Illinois.

Mr. MICHEL. Does not the Constitution itself provide that money bills originate in this body?

Mr. CONABLE. Mr. Speaker, may I say to my minority leader that this is the saddest thing of all. This step is in derogation of our constitutional role in the House, and it is a most unfortunate development. The inevitable result is going to be not just a manipulative result, not just an unrealistic result, not just an unfair result; it is going to be a result which downgrades the processes of the House in relation to our primary function, the generation of money bills.

Now, Mr. Speaker, I know that nothing can be done about this. It has been said that there are no prizes for second place, and the majority is controling this with a naked exercise of power. But power should be fairly used. It is not being fairly used in this respect, and we are going to have to remind you of this time and time again during the 97th Congress. I pledge that the minority on the Ways and Means Committee will not forget this in the 97th Congress. We are going to remind the people of the United States that if results are not what they would like, it is due to unfairness on the part of the leadership in foisting this kind of committee ratio off on us.

We are going to do the best we can, of course. We are going to cooperate and try to put through a program that will be representative of what the people want. But when that fails, we are going to be sure that everyone understands where the problem is. We may remind you of this in the next Congress, too. We have had a tradition of 3 to 2, except in those times when the party ratio in the House has been even greater than that. To violate that tradition is to ask for trouble in the future. I must say that I regret that the majority party is not exercising the restraint of which we know any great political party should be capable in this respect.

□ 1420

Mr. WRIGHT. Mr. Speaker, I yield 3 minutes to the very distinguished gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I thank the gentleman from Texas for yielding to me. I would like to direct an inquiry concerning the change in the rules relative to the Budget Committee.

As I read the proposed changes, the only increase is the increase in numbers from 25 to 30 members on that committee. Is that the majority leader's understanding of the rule change?

Mr. WRIGHT. The gentleman is exactly correct. There will be an increase in numbers. No other fundamental change is intended.

Mr. LATTA. As in the past, we have had representatives from the leadership on the majority side as well as the minority side. The gentleman from Texas, the majority leader, has been representative of the leadership for the majority party, and I have been the representative of the minority party on that committee. As far as our two particular statuses on that committee are concerned, they will not change?

Mr. WRIGHT. The gentleman from Ohio is absolutely correct. If he will refer to the last four lines on page 3 of the committee print of the resolution, he will observe that the rule expressly provides for one member from the leadership of the majority party and one member from the leadership of the minority party. The gentleman from Ohio and I have had the privilege of serving in those two positions, and I would presume it likely that we might do so in this Congress.

In any extent, whomever the Speaker may determine to appoint for the majority party, and whomever the minority leader or the minority party among them may select—and I would hope that it might be the gentleman from Ohio (Mr. LATTA)—will indeed be privileged to serve without hindrance under this rule.

Mr. LATTA. Notwithstanding the fact that both the gentleman from Texas, the majority leader, and myself serve on other committees?

Mr. WRIGHT. In this instance I do not think serving or not serving on other committees has any bearing whatever. The reference on line 15 to 28 members who are members of other standing committees is intended to distinguish them from the 5 members who are members of the Committee on Appropriations, and the 5 who are members of the Committee on Ways and Means. It does not have any bearing whatever with respect to the leadership appointees. The leadership in each party is free to appoint whomever that leadership may choose.

The gentleman from Ohio may or may not serve on other committees. The gentleman from Texas, as the gentleman from Ohio is probably aware, serves also on the Committee on Intelligence, and that does not serve as any bar or barrier to my being appointed, if the Speaker should choose to appoint me again, to serve for the leadership on the Committee on the Budget. Surely, it would not serve to prevent the gentleman from Ohio from being appointed again or selected by his party to serve in that same capacity.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. WRIGHT. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio.

Mr. LATTA. I thank the majority leader for yielding.

The ratio on this committee will be 18 for the majority side and 12 for the minority side?

Mr. WRIGHT. The gentleman is correct.

Mr. LATTA. I thank the majority leader for yielding.

Mr. WRIGHT. Mr. Speaker, I yield myself such time as I may consume at this juncture.

I just want to observe that the only objection that I have heard offered to the rules are, first, the committee ratios; and, second, the limitations on spending, which some of the gentleman on my right would like to enter as a part of the rules of the House. Now, I am going to yield very shortly to the distinguished gentleman from Oklahoma (Mr. JONES), who will be chairman of the House Committee on the Budget, to respond to that second suggestion and to give such assurances as I think will be pleasing to Members on both sides of the aisle concerning our determination that there will be some realistic means of controlling expenditures. Whether it be by establishing an arbitrary percentage of the gross national product, as I understand the distinguished minority leader or his associates would desire to offer as an amendment to the rules, or whether it be by some other effective means, I think we all can be assured that there will be an opportunity during this Congress for the Members to vote on some means of establishing a limitation upon expenditures.

Now, to the end that that might be further discussed, I yield 5 minutes, or such part thereof as he may desire to consume, to the very distinguished gentleman from Oklahoma, the chairman of the Committee on the Budget (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Speaker, I thank the distinguished majority leader for yielding.

Mr. Speaker, I would like to address the second point that has been referred to as a suggestion to the proposed rules of the majority party. That pertains to the spending limit amendment. I recognize that the exercise that we are going through here today is basically a partisan exercise, because it deals with organization, rules, and by tradition it has been partisan and the vote, the speeches, will basically be along party lines. But, I think the thing that is encouraging to me is that underlying those partisan traditions I think is a bipartisan effort to make our budget process work and to use Federal budget policy to help get this economy under control and back on a track toward real economic growth.

Now, I have a particular interest in the proposal which the minority party is advancing, one to limit Federal

spending to a percentage of the gross national product because, as many of you know, I and a number of other Democrats and Republicans alike in the last Congress offered essentially this same resolution in the form of legislation, which we were not able to get acted upon. As the new chairman of the Budget Committee, I am committed to making sure that we do have a substantive vote on a spending limit amendment.

The amendment which I introduced last year and which was, as I say, cosponsored by Democrats and Republicans alike, does have some flaws in it, at least as it pertains to the new economic realities that all of us face. I know some members of the minority party and members of the majority party have talked to me about the need to refine this concept so that it truly can be a workable concept, and so that it will send the proper signals out to the financial markets, that the Congress is indeed serious about fighting inflation through budget policy in a workable fashion. And so, immediately after our caucus nominated me as budget chairman in December, I met with a number of economists from the universities as well as the Budget Committee staff to begin the refining process of this spending limit proposal.

I think it would be premature at this time to put a spending limit amendment as outlined here in the House rules, but I can assure the Members that as we tackle the very tough question, the very tough problem of bringing our budget policy under control, that we will have a spending limit amendment similar to the one that we are discussing here today, to be voted on by the entire House of Representatives.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. JONES of Oklahoma. I will be happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate our new chairman of the Budget Committee yielding to me. The gentleman is aware that many of the concepts of the amendment to be offered by the gentleman from Illinois (Mr. MICHEL) on the first amendment is very similar to the amendment that the gentleman from Oklahoma offered and that may of us cosponsored and favored.

Mr. JONES of Oklahoma. I have so stated.

Mr. ROUSSELOT. The projections, even though they are slightly different today on future economic projections there is not that much difference on this spending limit as it relates to the gross national product, as I am sure the gentleman is aware. How has the gentleman changed his mind?

Mr. JONES of Oklahoma. I have not changed my mind. As I say, I am delighted to see that this principle, this concept which was introduced by our party in the last Congress and cosponsored by your party members in the last Congress, that this concept is being discussed in a bipartisan manner. What we are trying to do is to make this concept as workable and reasonable as we possibly can.

□ 1430

For example, I have felt that this arbitrary ceiling of 22½ percent, working itself down to 20 percent of GNP, may have us working against economic cycles and we may actually be spending too much in coming years, as we have in the past 2 years, spending too much on economic conditions.

So we are working on a leeway. When a recession is higher than we would like and we have perhaps a half a percent above that target, and where the economy is gaining real ground and we do not need to spend, say, 22½ percent, we would have the target come down some.

These are the kinds of things we are trying to do to define the concept and really make it work.

At this time I do not want to offer—and I do not think the gentleman from California (Mr. ROUSSELOT) would want me to do it, nor would he want to do it—a substantive proposal that could be improved upon, particularly in this forum on an issue such as we are discussing today, which is basically a partisan issue and a procedural matter as well.

The SPEAKER pro tempore. The time of the gentleman from Oklahoma (Mr. JONES) has expired.

Mr. WRIGHT. Mr. Speaker, do I understand correctly, if I could have the attention of the minority leader or the gentlemen who are controlling the debate on the Republican side, that there is only one other speaker on the minority side?

Mr. MICHEL. Mr. Speaker, the gentleman is correct; yes.

Mr. WRIGHT. In that case, Mr. Speaker, at this time I yield 5 minutes or such portion thereof as he would desire to consume to the chairman of the Committee on Appropriations, the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, I would just like to call attention to several facts that seem to be forgotten as we move along.

I was co-chairman of the study group which recommended the establishment of a Budget Committee, and I was a member of that committee the first year. It was recommended that the committee, by and large, be members of the Committee on Appropriations and the Committee on Ways and Means, since they were the primary committees, who heard witnesses and testimony, and then there were to be a limited number of representatives from the legislative committees.

That principle has been reversed now. Membership of those two committees is now cut down, on the Budget Committee, and numerically it has come under the control of the legislative committees, to a great degree.

Let me call attention to the fact that when the previous chairman of the Appropriations Committee, Mr. Mahon, announced that he was going to retire, I knew what the situation was and I had a study made for the Committee on Appropriations on a variety of fiscal matters. We found out that the Committee on Appropriations, for 36 of the last 37 years has been below the budget. What has happened is that through legislation such as entitlements and contract authority recommended by the authorizing committees, the Congress went over the budget. I voted for some of it but the point is that the problem was not with bills from the Appropriations Committee. The study showed that some 58 percent was beyond the annual appropriation process. This 58 percent was effectively escaping the discipline of the annual review in the appropriation process.

The other thing I would like to call attention to involves the calculation of the gross national product. Why the figures are carried this way, I do not know, but the gross national product—and I have had this confirmed by the top people in the executive branch—is the sum total of all goods and services. That is the sum total that is spent. So the more that is wasted, the greater the GNP.

Forty-two percent of those who come into the Army do not go beyond the first tour of duty, and their training and pay and replacement costs are counted as part of the gross national product. Any Government spending, whether it is efficient or wasted is counted. The more that is wasted, the greater the GNP. So under some budget control formulas, the more we waste, the more we can spend.

If we are going to have a sound and constructive system, we had better tie it to something firm. If we are going to do something to balance the budget and do all these other things, we had better look to these things where entitlements have been mandated by the legislative committees, because again the Committee on Appropriations has been below the budget for 36 out of the last 37 years.

These are facts that should be considered. I do not know the answer to all these things. I have made recommendations to the Budget Committee. I voted for the establishment of the Budget Committee, and I voted for the last budget resolution, knowing that it was unrealistic. For a number of reasons we have been forced to operate

under an extensive continuing resolution and there are many uncertainties now and many more ahead for the balance of this year. That is not a good way to run things.

I have been trying to do the best I could with the support of my committee. I am pleased that we have made our recommendations as we did. But if we are to accomplish what we hope, we must tie it down to something that is not shaky, because the more we waste, the greater the GNP, and the greater the GNP, the more we can spend under certain proposals.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, we have only one more speaker on our side, and I wonder if the gentleman from Illinois (Mr. MICHEL) would like to use time now.

Mr. MICHEL. Yes, Mr. Speaker. I yield the balance of my time to the gentleman from New York (Mr. KEMP).

The SPEAKER pro tempore. The gentleman from New York (Mr. KEMP) is recognized for 3 minutes.

Mr. KEMP. Mr. Speaker, I thank the Republican minority leader, and I rise to urge the House to vote down the previous question.

I must agree that the rule changes proposed by the majority would further concentrate power in the hands of the majority leadership and further undermine the remaining privileges of the minority.

For example, proposed change 1(b) would expand the majority leadership's ability to postpone and schedule voting to separate it from debate on the issue at hand and to accommodate the schedules of absentee members of the majority.

Change 6(a) would further erode the 3-day rule for consideration of measures reported by committee.

Change 7 would further weaken the budget process by making it easier to ignore the September 15 budget deadline, since continuing appropriations bills would be privileged.

Change 8, by making independent committee cost estimates optional, would further aggrandize the role of the Congressional Budget Office, which has not always been a model of impartiality in such cases.

Change 9 would abolish the right to demand a quorum call, thereby lessening the significance of debate on the floor.

Change 10 would permit nondebatable motions to dispense with the reading of committee-reported amendments and those printed in the RECORD.

We have also made the point that we are deeply upset and concerned about the proposed committee ratios, but put the ratios and the rules changes aside for a moment. What we really want to dramatize today is the fact that the economy is the No. 1 issue, not just for Republicans or Democrats, but for all the American people.

Our Speaker, the Honorable "TIP" O'NEILL, said that the American people expect us to move on inflation, they expect us to move on employment and productivity, they expect us to be concerned about the needy, and they expect us to balance the budget and to revitalize the U.S. economy. And he was right. But then he went on to quote Walter Heller, who said in the Wall Street Journal a few days ago that every American working man and woman is more productive than ever, that the massive borrowing of the Federal Government is not all that much of a concern to the American people because it is less than 1 percent of the gross national product, and that really there is not much to be concerned about because we are building from a sounder base.

Mr. Speaker, I say to the Members of the House that that just will not cut with the American people. With the prime rate at 20.5 percent, with interest rates in the long-term bond market into double digits, with the consumer price index well into the double-digit figures, and with the bond market skittish, the American people are concerned about the problem of stagflation. That is why high rates of inflation and low rates of economic growth—steady as you go—just will not meet the mandate that the people sent us last November.

What this side of the aisle said is that rather than arguing about the rules of the House, as important as they may be to us, what is of greater concern to us is the economy. Our constituents and the American people are demanding action, but we are told today by the distinguished new chairman of the Budget Committee that we cannot move until a perfect spending limitation bill is found.

I have recently been reading the great historian, William Manchester. I read his book on Franklin Roosevelt, and as I understand it, Mr. Roosevelt, after taking the inaugural oath, went to the White House after the pro forma inaugural ceremonies. He went straight to the White House and called for a bank holiday. That was not the perfect thing to do, and it might have been considered wrong from some of our perspectives. But he did something. He told the American people that the President and the Congress had to move quickly and within 24 hours he and his economic advisers took strong action.

I am not advocating further Government intervention in the economy as a way of alleviating the people's concern, but I am suggesting that the American people voted for a change. They wanted us to take action, and there is no more symbolic nor more substantive move that this Congress could make to restore financial credibility to the bond market, to the equity markets, and to the long-term-interest rate situation in this country than to put a ceiling on Government spending and pave the way for an economic recovery and an improved fiscal program.

Essentially, the majority faces a choice of fiscal policies—it can oppose efforts to remove tax and regulatory disincentives and to get a handle on Federal spending; or it can support efforts to revitalize our economy and to control the Federal budget.

By opposing the previous question, the majority has a chance to give the authority for oversight of the budget process to the Budget Committee instead of the Rules Committee. In the last budget, we changed spending estimates no less than six times. The Rules Committee held exactly one set of hearings in the last 6 years, without result. The Rules Committee has reported literally scores of budget waivers, and a few months ago, Congress was violating the law as laid down by the Budget Act. Clearly, this committee is not doing the oversight job that needs to be done.

The majority has a chance, as well, to support an amendment to place a ceiling on spending as a share of the economy. The Republican amendment would limit Federal on-budget spending to 22.5 percent of GNP in fiscal year 1982, 22 percent in fiscal year 1983, 21 percent in fiscal year 1984, and 20 percent in fiscal year 1985.

It is sometimes argued that tax-rate reduction is not possible without spending limitation. I believe the reverse is also true. Without removing disincentives to employment, productivity, and growth, and without reducing inflation, spending limitation cannot succeed. The reason is that so much of the Federal budget depends on the misery index—the combination of the rates of inflation and unemployment. Inflation raises debt service, procurement costs and indexed payments to individuals. Unemployment automatically increases payments for unemployment benefits, trade adjustment benefits, welfare, and other entitlement programs. It also loses revenue. The CBO estimates the impact of 1 percentage point of increased unemployment on the Federal deficit at $25 to $29 billion in lost revenue and automatic spending increases. Each percentage point of inflation adds about $6 billion to Federal spending.

In an economy which is contracting because of faulty economic policy, spending is out of control, and yet there are fewer resources to pay for it. I ask my colleagues on the majority side to consider the arithmetic implications of their attitude to economic policy.

GNP last year was about $2.5 trillion. Since 1973, real economic growth has averaged 1.9 percent a year—only half the long-term trend of 3.7 percent, and far below the 4.6-percent average achieved during the 1960's. If real economic growth continues to stagnate as it has in recent years, growing at about 2 percent annually, GNP will barely stagger to $3 trillion by the end of the decade, in constant dollars. But if real GNP were to grow at the average rate of the 1960's, it would reach $4 trillion in real terms during the same period—or almost one-third larger.

Consider also that 23 percent of a $3 trillion economy is $690 billion. The same Federal budget is only 17.3 percent of a $4 trillion economy. On the other hand, 20 percent of a $4 trillion economy would yield $800 billion.

In setting long-term economic policy, there is no tradeoff between cutting tax rates and paying for Federal expenditures. There is only a choice between growth and contraction.

With incentives for higher economic growth, incomes would be substantially higher and jobs more plentiful. Federal revenues would be high enough for a balanced budget, adequate funding of health, education and social programs, and unquestioned military preeminence. Economic growth would eliminate budget deficits caused by stagnation, and reduce pressure on the Federal Reserve to create more money. We could end inflation. The social gains from economic growth would be enormous. Faster growth, higher incomes, and plentiful jobs are exactly what the underprivileged and minorities have been seeking for many years.

Where does the majority stand on the economic future of the country? Does it plan to support initiatives to revive the economic growth we need to provide jobs and develop the resources to pay for necessary defense and social programs? Or does the Democratic Party plan to continue favoring an ever-larger Government share of the economy, and destroying economic incentives and opportunity which are the last and best hope of the poor and disadvantaged?

The time to answer that question is right now—by opposing the previous question, and supporting the Republican amendments to regain control of the Federal budget, and then the new administration's economic stabilization and recovery plan.

The SPEAKER pro tempore. The time of the gentleman from New York (Mr. KEMP) has expired.

The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

● Mr. FRENZEL. Mr. Speaker, in the first place there is never enough time to discuss the rules of this before they are adopted. They will govern our total conduct here for the next 2 years, but most of us have not even seen them in writing yet.

The reason for lack of discussion is not that we are terribly busy, for we will do nothing for the next 2 weeks, and almost nothing for a month after that. It is, of course, that the majority would prefer that the rules not be discussed.

Unfortunately, the rules are something more than an item of interest for scholarly research by students of parliamentary procedure. We, all of us, have to live under these rules. More important laws, more programs, more ideas, pass or fail here on matters of procedure than on matters of substance.

Unfortunately also, our rules are a relatively untidy assemblage of majority whims accumulated over more than 200 years. They are archaic, arcane, and often asinine. This year's changes only make them more so. They are in desperate need of emergency repairs, and, if this House is serious about its work, they are in need of drastic, comprehensive overhaul.

Egregious examples of bad procedure abound. The suspension rule, for instance, is outrageously overused and abused, and needs strong limits on its use. The proliferation of the suspension procedure is really the hallmark of the Democratic majority of the decade of the 1970's. Apparently unwilling to stand the scrutiny of debate or to risk amendments, the majority group has simply expanded suspensions. This has snuffed out debate and amendments on some of the major legislation of the 96th Congress.

Over the past decade the Republican minority has demanded, futilely of course, that proxy voting in committees be eliminated. It is antithetical to the representative form government that Members, who campaign vigorously for the privilege of representing about a half-million people, are allowed to give that precious vote to someone else, usually a chairman who cannot pass a questionable bill without it.

We have also demanded, again futilely, that the rule allowing committees to transact business with less than half its Members present be rescinded. That odious flaw in our rules deserves no further comment.

The Reorganization Act of 1970 gives the minority one-third of committee staff but the House rules have warped the intent of that law for 10 years. We used to ask for more staff to equal one-third of what the majority uses, but since the staff explosion of the past half-dozen years, we have been asking that the majority staff be cut to only twice as much as we use. The savings would be fantastic.

However, the worst item in these rules which the Democrat majority wants us to adopt today with 60 minutes of debate, all controlled by the majority, and no amendments, is the establishment of scandalously unfair ratios of Democrats to Republicans on important committees. The Democrat Caucus, in an obvious attempt to reverse the election mandate, has packed the key committees.

Republican candidates for the House got about 50 percent of the votes. Because of malapportionment of districts, we got 44 percent of the House seats. These Democrat rules give us 31 percent of the Rules Committee, 34 percent of Ways and Means, and 40 percent of the Appropriations and Budget Committees.

Those unfair ratios are more than unfair. They have been carefully engineered to deny the changes that the people said they wanted when they voted in November. They apply only to the major issues of spending and taxes. Fair ratios; that is, 44 percent Republican membership, are established for other committees. Only the important committees have been stacked.

The Speaker has been quoted as saying that Republicans established a 3-to-2 ratio in Ways and Means a quarter of a century ago and that justifies today's grand larceny. Most people, being aware of the intervening one-person-one-vote decision of the Supreme Court would reject that petty argument out of hand.

Those of us who have been here in this House in the past decade do, in addition, remember the Democrat reforms of the 1970's. This Speaker, and many of the people who will vote for this distinctly undemocratic rule, promised us reform, ethical conduct, openness, and a new kind of politics.

Is stacking committees ethical conduct? Is adopting this rule in a closed caucus openness? I don't think so. It may have been acceptable political conduct in the Boston of Mayor Curley, but it is surely unworthy of any political party today, especially one which has tooted its own horn ad nauseum about fairness and ethics.

With stacked committees, it is likely that much of the mandate of the recent elections cannot become law. How will President-elect Reagan move a tax program out of a Ways and Means Committee which has only one-third Republican membership?

If the mandate is frustrated, and if the vote of the American people is reversed, by the rules of this House, the Democrat majority in this House will not escape the blame. That majority is advised that even if the people and the press do not know much, or apparently do not care much, about unfairness, they do understand economics. They will be carefully and regularly advised how this ratio rule is affecting

the progress of important economic legislation.

Mr. WRIGHT. Mr. Speaker, we have had a useful discussion. There has been some rather extreme rhetoric to which we have been exposed.

Under the circumstances, I think that is to be expected, and it is to be understood. However, I do think that we ought to understand that this is exactly what the House has done traditionally on the opening day of every Congress for as long as I can remember, and the Parliamentarian advises me that he has no knowledge of any other procedure than that which we are following today.

One of the gentlemen on the Republican side referred to this as an exercise in autocracy. Another referred to the flouting of the Constitution by this means. One other Member indicated that he felt we were being dictated to by this process of amending the rules on the opening day under this kind of a 1-hour time limit.

I am not aware of any other situation that ever has applied. One of the Members referred to this as a gag rule, and certainly there is no intention to apply a gag rule.

I think we have had an interesting and useful debate. Two objections have been offered to the changes in the rules, and those are not really objections to the proposed changes in the rules. One of them is an objection to the committee ratios that the majority party has been directed by the Democratic Caucus to seek in this Congress. The other is a demand that there be written into the rules of the House something that never has been written into the rules of the House, and that is a limitation upon expenditures based upon the gross national product. That would be an entirely unprecedented thing, if it were to be done.

Now, the gentleman who offered that panacea for all of our ills ought to be reassured by the statements that have been made by the chairman of the Committee on Appropriations and the chairman of the Committee on the Budget, and the Members ought to be reassured that there will be a very serious effort made to establish a workable limitation upon expenditures. Perhaps it would be tied to the gross national product, and perhaps it would not be, but surely the rules of the House adopted on the opening day of each session are not the appropriate place in which to repose some entirely new and undebated concept of a limitation on total spending as a percentage of the gross national product.

□ 1440

With regard to all of the talk we have heard about the committee ratios, I would just like to point out that we on the majority side are being considerably more generous in our division of committee positions than was the minority party when it, the Republican Party, was last in the majority. On the last occasion when the Republican Party held a majority in the past, it held a majority by only eight Members. That represented 51.2 percent of the House seats. If House committees had been divided precisely by that means, they would have been divided almost evenly and yet the average Republican percentage on committees in general during that 83d Congress, the last occasion upon which the Republicans were in the majority, was 55.3 percent, not 51.2 percent, 4.1 percent higher than the Republican House percentage would have indicated.

At the beginning of the 96th Congress, by contrast, the one just ended, the Democratic Members held 63.8 percent of the House seats but the average Democratic percentage on committees was only one-half a percentage point higher or 64.3 percent. I think that will surely demonstrate that we have tried to be responsible in the exercise of that power which goes with the majority.

Mr. MICHEL. Mr. Speaker, would my friend from Texas yield?

Mr. WRIGHT. Surely I will yield to my distinguished friend, the minority leader.

Mr. MICHEL. Talking in more recent times when supposedly the Democrats had a 2-to-1 majority, where that really hurt, and few people realized, down at the subcommittee level where your 2 to 1 plus 1; seven for a majority, two for a minority; is just not the way to get a good product at the subcommittee level.

Now, the gentleman refers to the 83d Congress when we had this narrow margin in the House but I would remind the gentleman that up to that time the practice in this body, no matter whether one had a majority of 100 or 150, the natural breakdown was 2 to 1 for Rules, 3 to 2 for Appropriations and Ways and Means, and that was before we had a Committee on the Budget. That was practice up to that time so there was nothing unique about the fact that when we had it by that narrow margin in the first Eisenhower term that we should have exercised what was practiced up to that time and it was not unduly unfair.

We hope in time we might very well have even a slim majority on this side and then, of course, we will have to reassess our position. We will have been living in different times than we were 20 or 30 years ago.

Mr. WRIGHT. I thank the gentleman from Illinois. I believe the gentleman has made precisely the point that I have been attempting to make. This is, there are a few committees which are instruments of the leadership. Back in 1953 when the Republican Party was in the majority it had to have a working majority on both committees if it was to assert the responsibilities of leadership which the public had given to it.

That same identical position applies today. Those committees we regard to include the Committee on Appropriations, the Committee on Rules, and the Committee on Ways and Means.

On that occasion, those 27 years or such matter ago, when the minority party was then the majority party, it insisted, though it enjoyed only an eight vote margin—51 percent of the membership—it insisted on having 30 to 20 on Appropriations. That is 3 to 2. It insisted on an 8 to 4 division on the Rules Committee, 2 to 1. It insisted on a 15-10 division on the Committee on Ways and Means, 3 to 2.

Now, it is necessary for the majority party, as the Republicans recognized in those days, to have a working majority on these particular leadership committees if that party is to function as a leadership party. If it is to carry out the mandates that have been given to it by the American people in sending its Members to be the majority party in the Congress.

So it is we are doing precisely that same thing. I think the gentleman would acknowledge that what we have sought by way of a division on the Committee on Appropriations is exactly the same as they sought, 3 to 2, when they had only an eight vote margin. What we seek on the Committee on Rules is not an unreasonable division.

Mr. MICHEL. Mr. Speaker, will the gentleman again yield?

Mr. WRIGHT. Yes, I will yield to my friend.

Mr. MICHEL. That is an unreasonable ratio, 11 to 5. A 2 to 1 plus 1. That might have been appropriate for two or three Congresses back but not today. The reason is that the gentleman knows what function the Rules Committee performs in this House. It is a traffic cop for every piece of legislation and to think that we cannot get by with just 2 to 1 but have to still maintain 2 to 1 plus 1, puts us in a very critical bind.

I might even be willing to concede that if on the Committee on Ways and Means the majority adhered to that principle of 24, if that is the case, or 20 to 12, in that light. However, that is not the case.

At one time there was some talk to the effect, well, 23 to 12 could possibly be changed to 23 to 13. That would at least be some movement in that direction. I would have hoped maybe it would have been possible for the majority leader under Speaker to go back to the Democratic Caucus and get that kind of an adjustment but if the majority side is so adamant on that, then, of course, we have no alternative but to make the point we are making, that

it is critical in this time for us to have a reasonable shake in the Committee on Ways and Means in which committee there will be so much of the action flowing in the early days of this session.

Mr. WRIGHT. Mr. Speaker, I appreciate, of course, the role of advocacy which falls unavoidably upon the shoulders of the gentleman from Illinois. Were I in the gentleman's position I would probably be making exactly the same point. I think the facts will bear me out in the conclusion that we on the Democratic side have been every bit as considerate and probably even more generous than our leadership position would have warranted throughout the years and again today.

If the gentleman from Illinois were right in asserting that a 2 to 1 plus 1 margin were inappropriate at a time when we enjoy a 51 Member majority, then surely he would have to conclude that a 2-to-1 ratio was highly inappropriate when his party enjoyed only an 8 vote margin.

Mr. Speaker, we are not arguing that point nor are we trying to rewrite history. I only suggest that it is the responsibility of the majority party, and it always has been, to exercise effective leadership in the Congress. We assume that responsibility gladly.

In the last Congress we gave an average committee breakdown which was within one-half of 1 percentage point across the board of the membership division between the two parties. I think that bespeaks fairness, it bespeaks equanimity, it bespeaks equity, and that is what we are trying to do today.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Mr. Speaker, I do not choose to yield further. I think the gentleman from New York has made his point and has made it well. The gentleman from New York feels there is something special in the Committee on Ways and Means which ought to confer upon the minority party, particularly in view of the fact that the minority party now occupies the White House, a more narrow division than is extended in the 23-to-12 ratio. That is not quite 2 to 1.

Mr. Speaker, I would recognize that the gentleman is sincere in the argument he makes but I would offer to the gentleman this suggestion: Just as the American people chose to select a Republican to sit in the White House, just so have the American people chosen a Democratic majority to exercise leadership in the House. We do not want to have a role of confrontation continuously belaboring our relations with the White House or with the other body.

□ 1450

To the extent that it is possible, I pledge to the gentleman that we want to have a role of cooperation, that we want to work with the new President-elect, and that we want to work with our contraries in the other body to try to fashion creative legislative solutions, and they include those which the gentleman has referred to earlier.

I think all of the Members understand what is at issue. What is at issue, quite plainly, my colleagues, is the question of a right of the majority to exercise the leadership and the function of responsibility that has been reposed in that majority by the American people, and that we expect to do.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. Will the gentleman from Texas withhold moving the previous question until after the Speaker has resumed the chair for the swearing in of Members-elect?

Mr. WRIGHT. I withdraw the motion, and I will offer it after the administration of the oath of office.

SWEARING IN OF MEMBERS

The SPEAKER. Members who have not taken the oath of office will kindly step to the well.

If the Members will raise their right hand, the Chair will now administer the oath of office.

The Speaker administered the oath of office to the following Members-elect: Hon. PHIL GRAMM; Hon. SAM B. HALL, Jr.; Hon. CHARLES WHITLEY; Hon. MARTIN OLAV SABO; Hon. DAN MICA; Hon. ANTHONY C. BEILENSON, and Hon. FLOYD SPENCE.

The SPEAKER. The gentlemen are now Members of Congress.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

Mr. MICHEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote taken by electronic device, and there were—yeas 216, nays 179, not voting 24, as follows:

[Roll No. 3]

YEAS—216

Addabbo
Akaka
Albosta
Alexander
Anderson
Annunzio
Applegate
Aspin
AuCoin
Bailey, Pa.
Barnard
Barnes
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burton, John
Burton, Phillip
Byron
Chappell
Clay
Coelho
Conyers
Cotter
Coyne, William
Crockett
D'Amours
Daniel, Dan
Danielson
Daschle
de la Garza
Dellums
Dicks
Dingell
Dixon
Donnelly
Dorgan, N.Dak.
Downey
Dwyer
Dyson
Early
Eckart
Edgar
English
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fithian
Flippo
Floria
Foglietta
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frank
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Hall, Ohio
Hall, Sam
Hamilton
Hance
Harkin
Hatcher
Hawkins
Hefner
Heftel
Hertel
Hightower
Holland
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Lantos
Leath, Tex.
Lehman
Leland
Levitas
Long, La.
Long, Md.
Lowry, Wash.
Luken
Lundine
McCurdy
McHugh
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moffett
Murphy
Murtha
Natcher
Neal
Nelson
Nowak
Oakar
Oberstar
Ottinger
Panetta
Patman
Pease
Pepper
Perkins
Peyser
Pickle
Price
Rahall
Rangel
Ratchford
Richmond
Rodino
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Savage
Scheuer
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shelby
Simon
Skelton
Smith, Iowa
St Germain
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauzin
Traxler
Udall
Vento
Volkmer
Walgren
Washington
Weiss
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson
Wirth
Wolpe
Wright
Wyden
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—179

Archer
Ashbrook
Badham
Bafalis
Bailey, Mo.
Beard
Benedict
Bereuter
Bethune
Bliley
Broomfield
Brown, Colo.
Broyhill
Burgener
Butler
Campbell
Carman
Carney
Chappie
Cheney
Clausen
Clinger
Coats
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Coyne, James
Craig
Crane, Daniel
Daniel, R.W.
Dannemeyer
Daub
Davis
Deckard
DeNardis
Derwinski
Dickinson
Dornan, Calif.
Dougherty
Dreier
Duncan
Dunn
Edwards, Okla.
Emerson
Emery
Erdahl
Erlenborn
Evans, Del.
Evans, Iowa
Fenwick
Fiedler
Fields
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Gradison
Green
Gregg
Gunderson
Guyer
Hagedorn
Hammer-schmidt
Hansen, Idaho
Hansen, Utah
Hechler
Hendon
Hiler
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hunter
Hyde
Jacobs
Jeffries
Johnston
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
LeBoutillier
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lowery, Calif.
Lujan
Lungren
McClory
McCollum
McCrade
McDonald
McEwen
McGrath
McKinney
Madigan
Marks
Marlenee
Marriott
Martin, Ill.
Martin, N.C.
Martin, N.Y.

Michel	Roberts, Kans.	Snyder
Miller, Ohio	Roberts, S.Dak.	Solomon
Mitchell, N.Y.	Robinson	Spence
Moore	Roemer	Stangeland
Morrison	Rogers	Staton, W.Va.
Myers	Roukema	Tauke
Napier	Rousselot	Taylor
Nelligan	Rudd	Thomas
O'Brien	Sawyer	Trible
Parris	Schneider	Walker
Pashayan	Schulze	Wampler
Paul	Sensenbrenner	Weber, Minn.
Petri	Shaw	Weber, Ohio
Porter	Shumway	Whitehurst
Pursell	Shuster	Whittaker
Quillen	Skeen	Williams, Ohio
Railsback	Smith, Ala.	Winn
Regula	Smith, Nebr.	Wolf
Rhodes	Smith, N.J.	Wortley
Rinaldo	Smith, Oreg.	Wylie
Ritter	Snowe	Young, Fla.

NOT VOTING—24

Anthony	Gejdenson	Oberstar
Atkinson	Grisham	Patterson
Chisholm	Guarini	Reuss
Collins, Ill.	Hall, Ralph	Roe
Crane, Philip	Hartnett	Roth
Derrick	Lederer	Stanton, Ohio
Dymally	Moorhead	Stockman
Edwards, Calif.	Nichols	Young, Alaska

□ 1510

So the previous question was ordered.

The result of the vote was announced as above recorded.

MOTION TO COMMIT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Speaker, I offer a motion to commit.

The Clerk read as follows:

Mr. MICHEL moves to commit the resolution (H. Res. 5) to a select committee to be appointed by the Speaker and to be composed of nine members, not more than five of whom shall be from the same political party, with instructions to report the same back to the House within 7 calendar days with the following amendment:

On page 10, after line 8, add the following:

(19) In rule X, clause 6(a) is amended by adding the following new subparagraph:

"(3) The membership of each committee (and of each subcommittee, task force or subunit thereof), shall reflect the ratio of majority to minority party members of the House at the beginning of this Congress. This subparagraph shall not apply to—

"(A) the Committee on Appropriations, three-fifths of whose members shall be from the majority party and two-fifths of whose members shall be from the minority party;

"(B) the Committee on the Budget, three-fifths of whose members shall be from the majority party and two-fifths of whose members shall be from the minority party;

"(C) the Committee on Rules, two-thirds of whose members shall be from the majority party and one-third of whose members shall be from the minority party;

"(D) the Committee on Standards of Official Conduct, which shall be constituted as provided for in subparagraph (2); and

"(E) the Committee on Ways and Means, three-fifths of whose members shall be from the majority party and two-fifths of whose members shall be from the minority party."

Mr. MICHEL (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Illinois?

Mr. LOTT. Mr. Speaker, reserving the right to object, I will not object except to ask the distinguished Republican leader to explain the motion.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the distinguished minority leader.

Mr. MICHEL. Mr. Speaker, as indicated, this motion is not a debatable motion. Most of my colleagues have been conversant with motions to recommit. This is a motion to commit to a select committee of nine members, five of whom would be Members of the majority party, to accomplish several goals.

Let me briefly—while I am no better reader than the reading clerk—outline for my colleagues what these things are and then, if there are any questions, I can answer and respond to the inquiries.

On page 10, after line 8, add the following:

(19) In rule X, clause 6(a) is amended by adding the following new subparagraph:

"(3) The membership of each committee (and of each subcommittee, task force or subunit thereof), shall reflect the ratio of majority to minority party members of the House at the beginning of this Congress. This subparagraph shall not apply to—

(A) the Committee on Appropriations, three-fifths of whose members shall be from the majority party and two-fifths of whose members shall be from the minority party;

(B) the Committee on the Budget, three-fifths of whose members shall be from the majority party and two-fifths of whose members shall be from the minority party;

(C) the Committee on Rules, two-thirds of whose members shall be from the majority party and one-third of whose members shall be from the minority party;

(D) the Committee on Standards of Official Conduct, which shall be constituted as provided for in subparagraph (2); and

(E) the Committee on Ways and Means, three-fifths of whose members shall be from the majority party and two-fifths of whose members shall be from the minority party.

Concerning the first paragraph which I read, we understand in conversations with the distinguished speaker and leaders on the Democratic side that there will be more or less a 5-to-4 ratio on all of those committees, depending upon how events unfold. But we would then have that traditional 3-to-2 margin on the Appropriations, which I understand my colleagues are prepared to give us by way of 33 to 22. On the budget it would be 18 to 12, 3 to 2. The 23-to-12 ratio on Ways and Means would be what we consider to be a much more fair and equitable alinement of the 3 to 2 plus 1. Rules would be 2 to 1.

That really is the thrust of our special motion.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. LOTT. Further reserving the right to object, I yield to the gentleman from California.

Mr. JOHN L. BURTON. I just wonder how much staff this new committee has. Where are we going to house it? How much taxpayers' dollars is it going to cost? I hope the gentleman from Texas (Mr. COLLINS) is listening. How much money is involved in the creation of a new committee of the House of Representatives?

I am shocked that the first official act of the gentleman from Illinois (Mr. MICHEL) as a leader is to propose an additional expenditure of taxpayers' dollars. But I thank the gentleman for yielding and would like an answer to that question forthwith.

Mr. LOTT. Further reserving the right to object, I would like to yield to the leader for an explanation.

Mr. MICHEL. I appreciate my colleague yielding.

Mr. JOHN L. BURTON. Mr. VANDER JAGT would not have done that to us, I will tell you that.

Mr. LOTT. I yield to the leader.

Mr. MICHEL. The gentleman has made that point several times in previous Congresses. I would expect that he would propound that kind of a question in this Congress.

The thrust of my motion, however, requires that this be done within 7 days. I am inclined to think that under those circumstances, and with the little work that would be involved here, that there would be very little, if any, expenditure of public funds.

Mr. JOHN L. BURTON. We have gone down that road before.

If the gentleman will yield further, is this an entitlement committee?

Mr. MICHEL. I did not know the gentleman had yielded to the gentleman from California.

Mr. LOTT. I yield to the gentleman from Illinois.

Mr. JOHN L. BURTON. I hope this is not an entitlement. We have been down that road again and again.

Mr. MICHEL. I think we have probably had enough discussion on the motion, Mr. Speaker.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. LOTT. Further reserving the right to object, I yield to the gentleman.

Mr. ASHBROOK. I would like to add to my colleague from California, if past is any prolog the five would probably spend some money but the four over here would not.

Mr. LOTT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. ALEXANDER). Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to commit.

There was no objection.

The question is on the motion to commit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. MICHEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 180, nays 220, not voting 19, as follows:

[Roll No. 4]

YEAS—180

Archer	Guldwater	Myers
Ashbrook	Gudding	Napier
Badham	Gradison	Nelligan
Bafalis	Green	O'Brien
Bailey, Mo.	Gregg	Parris
Beard	Grisham	Pashayan
Benedict	Gunderson	Paul
Bereuter	Guyer	Petri
Bethune	Hagedorn	Porter
Billey	Hammer-schmidt	Pursell
Broomfield	Hansen, Idaho	Quillen
Brown, Colo.	Hansen, Utah	Railsback
Brophill	Hartnett	Regula
Burgener	Heckler	Rhodes
Butler	Hendon	Rinaldo
Campbell	Hiler	Ritter
Carman	Hinson	Roberts, Kans.
Carney	Hollenbeck	Roberts, S.Dak.
Chappie	Holt	Robinson
Cheney	Hopkins	Rogers
Clausen	Horton	Roth
Clinger	Hunter	Roukema
Coats	Hyde	Rousselot
Coleman	Jeffries	Rudd
Collins, Tex.	Kemp	Sawyer
Conable	Kindness	Schneider
Conte	Kramer	Schulze
Corcoran	Lagomarsino	Sensenbrenner
Coughlin	Latta	Shaw
Courter	Leach, Iowa	Shumway
Coyne, James	LeBoutillier	Shuster
Craig	Lee	Skeen
Crane, Daniel	Lent	Smith, Ala.
Daniel, R. W.	Lewis	Smith, Nebr.
Dannemeyer	Livingston	Smith, N.J.
Daub	Loeffler	Smith, Oreg.
Deckard	Lott	Snowe
DeNardis	Lowery, Calif.	Snyder
Derwinski	Lujan	Solomon
Dickinson	Lungren	Spence
Dornan, Calif.	McClory	Stangeland
Dougherty	McCollum	Staton, W.Va.
Dreier	McCrady	Tauke
Duncan	McDade	Taylor
Dunn	McDonald	Thomas
Edwards, Okla.	McEwen	Trible
Emerson	McGrath	Walker
Emery	McKinney	Wampler
Erdahl	Madigan	Weber, Minn.
Erlenborn	Marks	Weber, Ohio
Evans, Del.	Marlenee	Whitehurst
Evans, Iowa	Marriott	Whittaker
Fenwick	Martin, Ill.	Williams, Ohio
Fiedler	Martin, N.C.	Winn
Fields	Martin, N.Y.	Wolf
Findley	Michel	Wortley
Fish	Miller, Ohio	Wylie
Forsythe	Mitchell, N.Y.	Young, Alaska
Frenzel	Moore	Young, Fla.
Gilman	Moorhead	
Gingrich	Morrison	

NAYS—220

Addabbo	Biaggi	Byron
Akaka	Bingham	Chappell
Albosta	Blanchard	Clay
Alexander	Boggs	Coelho
Anderson	Boland	Conyers
Annunzio	Bolling	Cotter
Applegate	Boner, Tenn.	Coyne, William
Aspin	Bonior, Mich.	Crockett
Atkinson	Bonker	D'Amours
AuCoin	Bouquard	Daniel, Dan
Bailey, Pa.	Bowen	Danielson
Barnard	Brinkley	Daschle
Barnes	Brodhead	de la Garza
Bellenson	Brooks	Dellums
Benjamin	Brown, Calif.	Derrick
Bennett	Burton, John	Dicks
Bevill	Burton, Phillip	Dingell
Dixon	Ireland	Ratchford
Donnelly	Jacobs	Richmond
Dorgan, N.Dak.	Jenkins	Rodino
Downey	Jones, N.C.	Roe
Dwyer	Jones, Okla.	Rose
Dymally	Jones, Tenn.	Rosenthal
Dyson	Kastenmeier	Rostenkowski
Early	Kazen	Roybal
Eckart	Kildee	Russo
Edgar	Kogovsek	Sabo
Edwards, Calif.	Lantos	St Germain
English	Leath, Tex.	Santini
Evans, Ga.	Lehman	Savage
Evans, Ind.	Leland	Schauer
Fary	Levitas	Schroeder
Fascell	Long, La.	Schumer
Fazio	Long, Md.	Seiberling
Ferraro	Lowry, Wash.	Shamansky
Fithian	Luken	Shannon
Flippo	Lundine	Sharp
Florio	McCurdy	Shelby
Foglietta	McHugh	Simon
Foley	Markey	Skelton
Ford, Mich.	Matsui	Smith, Iowa
Ford, Tenn.	Mattox	Stark
Fountain	Mavroules	Stenholm
Frank	Mazzoli	Stratton
Frost	Mica	Studds
Puqua	Mikulski	Stump
Garcia	Miller, Calif.	Swift
Gaydos	Mineta	Synar
Gephardt	Minish	Traxler
Gibbons	Mitchell, Md.	Udall
Ginn	Moakley	Vento
Glickman	Moffett	Volkmer
Gonzalez	Mollohan	Walgren
Gore	Montgomery	Washington
Gramm	Murphy	Watkins
Gray	Murtha	Waxman
Guarini	Natcher	Weaver
Hall, Ohio	Neal	Weiss
Hall, Sam	Nelsen	White
Hamilton	Nowak	Whitley
Hance	Oakar	Whitten
Harkin	Oberstar	Williams, Mont.
Hatcher	Ottinger	Wilson
Hawkins	Panetta	Wirth
Hefner	Patman	Wolpe
Heftel	Patterson	Wright
Hertel	Pease	Wyden
Hightower	Pepper	Yates
Holland	Perkins	Yatron
Howard	Peyser	Young, Mo.
Hubbard	Pickle	Zablocki
Huckaby	Price	Zeferetti
Hughes	Rahall	
Hutto	Rangel	

NOT VOTING—19

Anthony	Hall, Ralph	Roemer
Breaux	Johnston	Stanton, Ohio
Chisholm	Lederer	Stockman
Collins, Ill.	Motti	Stokes
Crane, Philip	Nichols	Tauzin
Davis	Obey	
Gejdenson	Reuss	

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will announce that one of the voting terminals has been judged out of order. The Chair reminds each Member of his or her responsibility to verify their respective votes.

□ 1530

So the motion to commit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to recommit was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed the following resolutions:

S. RES. 1

Resolved, That a committee consisting of two Senators be appointed by the Vice President to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

S. RES. 2

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

S. RES. 11

Resolved, That the House of Representatives be notified of the election of the Honorable Strom Thurmond, a Senator from the State of South Carolina, as President pro tempore, and of William F. Hildenbrand, of the District of Columbia, as Secretary of the Senate.

The message also announced that the Senate had passed concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 1. Concurrent resolution to provide for the counting on January 6, 1981, of the electoral votes for President and Vice President of the United States; and

S. Con. Res. 2. Concurrent resolution to provide for the continuation of the Joint Committee on Inaugural Ceremonies and for the appointment of two additional members thereto.

COMPENSATION OF CERTAIN MINORITY EMPLOYEES

Mr. MICHEL. Mr. Speaker, I offer a resolution (H. Res. 6) and ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 6

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, five of the six minority employees authorized therein shall be the following named persons, effective January 3, 1981, until otherwise ordered by the House, to-wit: Hyde H. Murray, Walter P. Kennedy, Tommy Lee Winebrenner, Ronald W. Lasch, and William R. Pitts, Jr., each to receive gross compensation pursuant to the provisions of House Resolution 119, Ninety-fifth Congress, as enacted into permanent law by section 115 of Public Law 95-94.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING SPEAKER OR DEPUTY TO ADMINISTER OATH OF OFFICE TO HON. JACK EDWARDS AT MOBILE, ALA.

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 7) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 7

Resolved, Whereas Jack Edwards, a Representative-elect from the State of Alabama, from the First District thereof, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election; Therefore be it

Resolved, That the Speaker, or deputy named by him, be, and he is hereby, authorized to administer the oath of office to the Honorable Jack Edwards at Mobile, Alabama, and that the said oath be accepted and received by the House as the oath of office of the said Jack Edwards.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1540

The SPEAKER. Pursuant to the authority of House Resolution 7, 97th Congress, the Chair appoints the Honorable William Brevard Hand, U.S. district judge, southern district, Mobile, Ala., to administer the oath of office to the Honorable JACK EDWARDS.

HOUR OF MEETING OF HOUSE OF REPRESENTATIVES

Mr. BOLLING. Mr. Speaker, I offer a privileged resolution (H. Res. 8) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 8

Resolved, That until otherwise ordered, the hour of the meeting of the House shall be 12 o'clock meridian on Mondays and Tuesdays; 3 o'clock post meridiem on Wednesdays; 11 o'clock ante meridiem on all other days of the week up to and including May 14, 1981, and that from May 15, 1981, until the end of the first session, the hour of daily meeting of the House shall be 12 o'clock meridian on Mondays and Tuesdays and 10 o'clock ante meridiem on all other days of the week.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR A JOINT SESSION TO COUNT ELECTORAL VOTES

The SPEAKER laid before the House a privileged Senate concurrent resolution (S. Con. Res. 1), which was read by the Clerk, as follows:

S. CON. RES. 1

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress shall meet in the Hall of the House of Representatives on Tuesday, the 6th day of January 1981, at 1 o'clock post meridian, pursuant to the requirements of the Constitution and laws relating to the election of President and Vice President of the United States, and the President of the Senate shall be their Presiding Officer; that two tellers shall be previously appointed by the President of the Senate on the part of the Senate and two by the Speaker on the part of the House of Representatives, to whom shall be handed, as they are opened by the President of the Senate, all the certificates of the electoral votes, which certificates and papers shall be opened, presented, and acted upon in the alphabetical order of the States, beginning with the letter "A"; and said tellers, having then read the same in the presence and hearing of the two Houses, shall make a list of the votes as they shall appear from the said certificates; and the votes having been ascertained and counted in the manner and according to the rules by law provided, the result of the same shall be delivered to the President of the Senate, who shall thereupon announce the state of the vote, which announcement shall be deemed a sufficient declaration of the persons, if any, elected President and Vice President of the United States, and, together with a list of the votes, be entered on the Journals of the two Houses.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of Senate Concurrent Resolution 1, the Chair appoints as tellers on the part of the House to count the electoral votes on January 6, 1981, the gentleman from California (Mr. HAWKINS) and the gentleman from Alabama (Mr. DICKINSON).

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 5, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Under Rule III, Clause 4 (Section 647) of the Rules of the House of Representatives, I herewith designate Mr. W. Raymond Colley, Deputy Clerk, to sign any and all papers and do all other acts for me under the name of the Clerk of the House which he would be authorized to do by virtue of this designation, except such as are provided by statute, in cases of my temporary absence or disability.

If Mr. Colley should not be able to act in my behalf for any reason, then Mr. Thomas E. Ladd, Assistant to the Clerk, should similarly perform such duties under the same conditions as are authorized by this designation.

These designations shall remain in effect for the 97th Congress or until revoked by me.

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 5, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House received in the Clerk's Office at 11:10 a.m. on Monday, January 5, 1981, and said to contain a message from the President wherein he transmits the report on the Geographic Restrictions on Commercial Banking in the United States as required by P.L. 95-369, Sec. 14.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REPORT ON GEOGRAPHIC RESTRICTIONS ON COMMERCIAL BANKING IN THE UNITED STATES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. ALEXANDER) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs:

To the Congress of the United States:

I am pleased to submit a report on the Geographic Restrictions on Commercial Banking in the United States, which was prepared pursuant to Section 14 of the International Banking Act of 1978 (P.L. 95-369, Sec. 14).

JIMMY CARTER.

THE WHITE HOUSE, *January 5, 1981.*

AUTHORIZING FUNDS FOR THE STANDING AND SELECT COMMITTEES OF THE HOUSE OF REPRESENTATIVES

Mr. HAWKINS. Mr. Speaker, I offer a resolution (H. Res. 9) and ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I do so only to give the distinguished incipient chairman of the Committee on House Administration a chance to discuss the resolution, if he wishes.

The SPEAKER pro tempore. The Chair will inquire, would the gentleman from Minnesota (Mr. FRENZEL) allow the resolution to be read?

Mr. FRENZEL. I will, Mr. Speaker. I withdraw my reservation of objection.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 9

Resolved, That (a) there shall be paid out of the contingent fund of the House, in accordance with subsection (b), for the period beginning January 3, 1981, and ending March 31, 1981, such sums as may be necessary for the continuance of necessary projects, activities, operations, and services, by contract or otherwise, including payment of staff salaries for services performed, by each standing or select committee established in the Rules of the House.

(b) Each committee referred to in subsection (a) shall be entitled, for each month during the period specified in subsection (a), to payments out of the contingent fund of the House in amounts equal to nine percentum of the total amount authorized for use by such committee during the second session of the Ninety-sixth Congress.

SEC. 2. In the case of any former select committee of the House—

(1) which was established by resolution during Ninety-sixth Congress; and

(2) for which a reestablishing resolution is introduced in the Ninety-seventh Congress;

such committee shall be entitled, for each month during the period specified in subsection (a) of the first section, to payments out of the contingent fund of the House, for the purposes specified in subsection (a) of the first section, in amounts equal to nine percentum of the total amount authorized for use by such committee during the second session of the Ninety-sixth Congress.

SEC. 3. The entitlement of any standing or select committee of the House to payments under this resolution shall cease on the effective date of the primary expense resolution adopted with respect to such committee.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to rules and regulations promulgated by the Committee on House Administration.

SEC. 5. Notwithstanding any provision of law, Rule of the House, or other authority, from January 3, 1981, until the election of the chairman of the committee involved in the Ninety-seventh Congress—

(1) the Member of the House who was chairman of a committee of the House which was in existence at the close of the Ninety-sixth Congress (if such Member is a Member of the House in Ninety-seventh Congress); or

(2) in any other case, the ranking majority party member of such committee who was serving on such committee at the close of the Ninety-sixth Congress (and is a Member of the House in the Ninety-seventh Congress);

may approve payments under this resolution under rules and regulations promulgated by the Committee on House Administration.

Mr. HAWKINS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I do so simply to give the committee chairman a chance to describe the resolution.

Mr. HAWKINS. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished acting chairman.

Mr. HAWKINS. Mr. Speaker, section 1 of the resolution will authorize each standing committee of the House, and the two permanent select committees established in the rules of the House—the Select Committee on Aging and the permanent Select Committee on Intelligence—to expend necessary moneys from the contingent fund until the House is able to adopt primary expense resolutions covering such committees, or until March 31, 1981.

Section 2 of the resolution provides the basis for authorizing the Select Committee on Narcotics Abuse and Control to expend moneys from the contingent fund until the committee is reconstituted and funded by resolution, or until March 31, 1981. The select committee has indicated its intention to seek reconstitution, and would qualify under section 2 upon the introduction of a reconstitution resolution. There are no other former select committees which intend to seek reconstitution.

Section 3 provides that funds spent by a committee under the continuing resolution shall be debited against amounts authorized in the primary expense resolution.

Section 4 requires compliance with the regulations of the Committee on House Administration, and any rules necessary to administer the continuing resolution.

Section 5 provides that a returning Member who served as chairman of a committee during the 96th Congress, or if there is no returning chairman, then the next ranking majority party member, be authorized to sign the vouchers and certifications necessary to make payments under the continuing resolution, until such time as a chairman is duly elected for the 97th Congress. This provision is essential to insure the timely payment of routine and continuing expenditures, including January committee payrolls, which must be processed prior to the earliest date upon which the House is scheduled to consider action on committees.

This resolution will maintain the overall status quo with respect to the expenditure of funds by standing and select committees. Its spending authority is identical to the continuing resolution adopted for the 2d session of the 96th Congress in that each committee will be authorized to expend not to exceed 9 percent per month of the funds authorized for its operation in the last session.

The resolution clearly served its purpose in the last Congress, and everyone is familiar with the meaning and application of the language.

Mr. FRENZEL. Mr. Speaker, further reserving the right to object, the gentleman's description is accurate. The resolution is similar to the one we pass each biennium. I have no objection to dispensing with its further reading or to its passage.

Mr. Speaker, I withdraw my reservation of objection.

Mr. HAWKINS. Mr. Speaker, I thank the gentleman from Minnesota (Mr. FRENZEL).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California that the resolution be considered as read and printed in the RECORD?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from California (Mr. HAWKINS)?

There was no objection.

Mr. HAWKINS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT OF THE UNITED STATES OF THE ASSEMBLY OF THE CONGRESS

Mr. WRIGHT. Mr. Speaker, your committee to notify the President that the House has met, that a quorum is present, and that we are ready to do business and receive messages from him has performed that function—and a pleasant one it was.

The President was in very fine spirits and allowed that he was most happy that the House is now in session, and that he can feel more easy and feel the Nation is in good hands. He gave us all his best wishes for a Happy New Year in a most highly nonpartisan way and extended to all those whom we represent the best regards from himself and the First Lady.

□ 1550

Mr. MICHEL. Mr. Speaker, I might just add, Mr. Majority Leader, that the President was very complimentary of the chore of the 96th Congress and hoped as much from this. Naturally, I quickly responded that with our increased support we are going to do even better.

The SPEAKER pro tempore. The Chair thanks the committee for reporting on its notification of the President.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. On behalf of the Speaker, the Chair would like to make a statement concerning the introduction and reference of bills and resolutions.

As Members are aware, they have the privilege today of introducing bills. Heretofore on the opening day of a new Congress, several thousand bills

have been introduced. It will be readily apparent to all Members that it may be a physical impossibility for the Speaker to examine each bill for reference today. The Chair will do his best to refer as many bills as possible, but he will ask the indulgence of Members if he is unable to refer all the bills that may be introduced. Those bills which are not referred and do not appear in the RECORD as of today will be included in the next day's RECORD and printed with a date as of today.

The Chair has advised all officers and employees of the House that are involved in the processing of bills that every bill, resolution, memorial, petition, or other material that is placed in the hopper must bear the signature of a Member. Where a bill or resolution is jointly sponsored, the signature must be that of the Member first named thereon. The bill clerk is instructed to return to the Member any bill which appears in the hopper without an original signature. This procedure was inaugurated in the 92d Congress. It has worked well, and the Chair thinks that it is essential to continue this practice to insure the integrity of the process by which legislation is introduced in the House.

The Chair also desires to announce that pursuant to authority conferred upon him in clause 5, rule X, the sequential referral of any bills and resolutions in the 97th Congress from a committee initially reporting thereon to a second or subsequent committee will be based upon the subject matter contained in any amendment recommended by a reporting committee, as well as upon the original text of the bill or resolution.

AUTHORIZING THE SPEAKER TO DECLARE RECESS ON TOMORROW

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that on Tuesday, January 6, 1981, it may be in order for the Speaker to declare a recess at any time subject to the call of the Chair.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

OFFERING THE ADMINISTRATION ANOTHER OPTION IN DEALING WITH THE HOSTAGE SITUATION IN IRAN

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, today I am introducing a bill to require the payment of $1 million per day for each hostage presently held by Iran from the date the bill is enacted until the hostages are returned home.

During the recess, I discussed this with Mr. Warren Christopher, Deputy Secretary of State. Mr. Christopher did not endorse or oppose the proposal but did advise that such a proposal would require legislation. Hence this bill which provides another option.

Mr. Speaker, without success, our Government has attempted to deal in a rational way with irrational people. We have proposed civilized solutions in an uncivilized environment. What I am proposing is a concrete disincentive to whoever is in charge in Iran, for money apparently speaks its own language to these people. It is beyond any interpretation of decency that the Iranian Government should hold American citizens for ransom, but at the very least, by assigning a dollar value to the lives of these hostages Iran has delineated the extent of its callousness and contempt for law and humanity.

MALFUNCTION OF VOTING MACHINES ON HOUSE FLOOR

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time simply that I may yield to the gentleman from Pennsylvania (Mr. GAYDOS) for a discussion regarding the malfunctioning of the voting machines in the House today.

Mr. GAYDOS. Mr. Speaker, I thank my colleague from Texas for yielding.

Mr. Speaker, I wish to make a matter of record a complaint lodged principally by the Pennsylvania delegation but also by others who used our voting station No. 28. I believe that is the accurate identification. That station is back in the so-called Cherokee Strip on the left as I face the Speaker.

I inserted my card and upon the insertion, I noted the card automatically voted aye, incorrectly. I tried to make a change and the machine would not respond. Consequently, there was a large number of voters using the same station and I am sure they could explain their own lack of confidence in station 28.

Mr. Speaker, I think this intrinsically shows that this system and these voting stations do make errors and are subject to errors.

Mr. Speaker, my colleague from Pennsylvania (Mr. BAILEY) has been most vociferous in the past in pointing out what he believed to be an error committed by the machine in recording his vote. I think the situation today will somewhat offset the teasing of which he was the recipient at an earlier time.

Mr. Speaker, I thank the majority leader for yielding to me. I again want to conclude by making it a matter of record that errors do occur and that if we are not alert we may have our votes improperly reported by this electronic machine.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. BAILEY).

Mr. BAILEY. Mr. Speaker, I thank the majority leader for yielding.

I take special pleasure, ironic pleasure I suppose, in pointing out the error committed by the machine today, since I have had difficulty with it in the past. In an attempt to investigate the difficulty I was previously informed that the machine could not make the type of mistake that I felt it did.

Today when I inserted my card in the machine it recorded my vote initially. When I inserted my card a second time, the machine changed my vote. I then had to come to the well and cast a vote by written card.

Mr. Speaker, adopting the excellent choice of words by our colleague from Pennsylvania (Mr. GAYDOS) because of the machine's misfunction today I feel my past criticisms to be vindicated.

Mr. GAYDOS. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I do yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Mr. Speaker, being on the Committee on House Administration, we had at one time considered a mechanism using a thumbprint or some kind of a print. The reason we are making some issue out of this situation is because some Members of this House have been accused, directly or indirectly, of improperly using their voting cards. I again want to make it a matter of record that it is possible for this mechanism to function improperly.

Mr. Speaker, I shall bring this before the Committee on House Administration, hopefully on behalf of every Member of this House, and suggest we should reanalyze the system and possibly again consider or reconsider some change in the computer or the computer programing. Some 8 years ago when we installed this system, I had insisted upon a thumbprint because I knew at that time the difficulty experienced by the State of Pennsylvania with so-called phantom voting or absentee voting and things of that nature.

Mr. Speaker, I would again ask everyone to reconsider their opinions on some of the accusations that have been made that some Member has or has not utilized his voting card or privilege properly.

Mr. DOUGHERTY. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I do yield to the gentleman from Pennsylvania.

Mr. DOUGHERTY. I happened to have been back in the corner when the voting incident occurred. I would like to go on record in support of my two colleagues from Pennsylvania.

□ 1600

I specifically saw the gentleman from Pennsylvania (Mr. GAYDOS) submit his card in the rear machine, and the green light show up. The gentleman from Pennsylvania (Mr. GAYDOS) then went to the machine immediately in front of him and changed his vote to "no." He brought his card back and reinserted it in the back machine, and the green light was lit, which means that having tried to change his vote, it did not come up on the back machine.

In effect, I would aver to what the gentlemen from Pennsylvania are saying is absolutely correct on the vote. The last machine in the back of the Chamber was not working properly, and it indicates a weakness in the system.

Mr. WRIGHT. I simply want to say that I was an additional witness in the case of the gentleman from Pennsylvania (Mr. GAYDOS), and two other Members who tried to do identically the same thing, which was to record a "no" vote, voting station No. 28, that box in the extreme southeast corner of this Chamber, and on all those occasions the machine refused to record a "no" vote at this particular rollcall and recorded instead "aye" votes.

That being the case, I think it is a rarity and a most extremely unusual, if not unprecedented occurrence, but I should like to attest as a witness to this event.

ADJOURNMENT OF THE HOUSE TO VARIOUS DATES DURING JANUARY 1981

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns on January 6, 1981, it adjourn to meet at noon on Friday, January 9, 1981; that when the House adjourns on that day, it adjourn to meet at noon on Tuesday, January 13, 1981; that when the House adjourns on that day, it adjourn to meet at noon on Friday, January 16, 1981; and that when the House adjourns on that day, it adjourn to meet at noon on Monday, January 19, 1981.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SENSENBRENNER. Mr. Speaker, reserving the right to object, will the distinguished majority leader please inform the House on whether any legislative business will be scheduled for any of those days so that the Members can make their plans?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Texas.

Mr. WRIGHT. There is absolutely no legislative business scheduled for any of those days between January 6 and January 19. It had been our original intention to introduce a resolution calling for an adjournment during that entire period, but there was objection to that.

Therefore, we will adjourn over for 3-day lapses, and meet in pro forma sessions only.

Mr. SENSENBRENNER. I thank the distinguished majority leader and, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT AS MEMBERS OF HOUSE OFFICE BUILDING COMMISSION

The SPEAKER. Pursuant to the provisions of 40 U.S.C. 175 and 176, the Chair appoints as Members of the House Office Building Commission to serve with himself: The gentleman from Texas (Mr. WRIGHT) and the gentleman from Illinois (Mr. MICHEL).

ABSCAM AND THE ASSASSINATION OF JUDGE JOHN W. WOOD

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, I rise to renew in the new Congress what we left hovering as a specter over the last so-called Abscam and the tremendous crime committed 2 years ago in the assassination of Federal District Judge John W. Wood.

The Congress is not a continuing body, but that does not mean that the problems and concerns left unresolved at the end of one Congress should not concern the next; far from it. Our greatest business should be to deal with the issues that have been left over from the past.

Not least of these is the need to take a dispassionate look at what has happened in the so-called Abscam cases, and to compare that investigative action with the investigative action in another, equally serious matter, the assassination of Judge John Wood and the assault on U.S. Attorney James Kerr.

Both these situations involve the independence of branches of our Government—the independence of this, the first branch from overweening and improper actions of the executive, and the independence of the judiciary, which can be endangered by criminal elements that seek to intimidate the judges and law enforcement officers of the Nation. If the independence of the Congress is threatened, then the whole basis of democratic representation is endangered. The threat to the judiciary, represented by the Wood and Kerr cases, is no less serious. On the one hand we lose the ability to independently make law. On the other we lose the ability of law itself to function.

In the Abscam case, it is incredible that everyone, almost everyone, overlooks the crucial fact that this was not an investigation of crimes that had been committed. It was instead an elaborate staging of situations in which crime might be made to occur. There is a critical difference—and the difference goes to the whole basis of our legal system, the presumption of innocence. The Abscam case did not investigate people who were presumed to be innocent. Far from it—the technique was to create the crime and create the guilt with it. This is the exact technique that you would find in the Gulag; it is the technique of the totalitarian, of the police state.

We ought to ask why it was that the Justice Department resorted to this sinister tactic, this clear assault on the right of presumed innocence. Why should our Government go about staging crimes? We must force ourselves to ask what would happen if the intention has been to intimidate Members of Congress.

It ought to concern us to note just who the targets were, and ask ourselves how they got selected. Could it have been that one or more had too close ties to labor, and were selected because of that? A listing of all those involved in these cases certainly could lend credence to that kind of speculation. It is interesting to note the other scam operation was LabScam, that is, labor unions. Why not business, or professions.

Why, is the question. Why the sinister business of creating crime, and why these particular targets?

We have to ask ourselves as well, if the Justice Department had all the resources, and all the ingenuity, and all the priority necessary for this extraordinary investigation, has it not been able to solve crimes that really did happen, crimes of the gravest moment—and I refer to the assassination of Judge Wood, still unsolved, and the assault on James Kerr, for which no perpetrator has even been charged. Is it not a matter of greater moment to solve an actual crime against public officials, than to dedicate millions of dollars in resources to fabricate crimes implicating other officials.

We have to ask why, too, all the Abscam evidence was made available to the press, months before any indictments were ever brought. There is no way to gainsay that all this publicity, unmatched in American history, was prejudicial. The disclosure of this information was enormously damaging to the Justice Department and to the defendants. It was in fact disgraceful. We were told that the leaks would be investigated, and that measures would be taken against anyone found responsible for them. Today, a full year later,

there has never been a report on the results of that investigation, nor has there ever been a report indicating that anyone was ever penalized for this, surely the most complete and massive leak of criminal evidence in the long history of the Justice Department.

We have to ask why there is some inability on the part of our law enforcement agencies to solve real crimes, crimes of the greatest import—while at the same time it redeems its reputation with a fantastic and indeed grotesque business designed to lure public officials into crime. We have to remember that at least one thoughtful judge found the conduct of the Government so egregiously wrong that he dismissed the cases against indicated persons. That judge noted what we should remember: even the threat of an indictment impinges upon the independence of a legislator. Any prosecutor will tell you it is no hard trick to obtain an indictment. With the kind of powers employed in Abscam, the threat ought to be easy to see.

We have a special obligation to heed the hard questions. We are elected to do that. The questions I have raised must be confronted, sooner or later. We ought to ask ourselves if it is any less a crime to accept massive gifts from political action committees than to accept money from strange characters who are promising to make investments in districts. What, we might ask, would have been the reaction if Ozzie Myers or Frank Thompson had been smart enough to suggest that his interlocutors set up a PAC? Would they then have created an indictable offense? What is the difference between one who accepts hundreds of thousands from PAC's, and one who takes money from supposed businessmen? The difference is that one is a form of open corruption, and the other a more traditional form of it. I have seen both kinds, and both are wrong. But how many among us are willing to recognize that corruption, even if open and above board, is corruption nevertheless.●

THE NONDISCRIMINATION IN INSURANCE ACT

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

● Mr. DINGELL. Mr. Speaker, as this 97th Congress convenes, I invite all Members of the House to cosponsor the nondiscrimination in insurance bill which I introduced today.

This bill has one single, simple, narrow, objective—to eliminate discrimination, on the basis of race, color, religion, sex, or national origin, in insurance and annuities. It prohibits such discrimination in all phases of insurance and annuities—in access and availability of coverage and underwriting; in the terms, conditions, rates, benefits, and requirements of the insurance and annuity contracts; and in the methods for determining them. It would not do anything else. It would not in any other way interfere with any State's power to regulate the insurance industry. It would not affect any other type of action by any insurance company.

This bill, like the bill (H.R. 100) in the 96th Congress on which 85 Members joined me as cosponsors and on which preliminary subcommittee hearings were held last year, is patterned after three major laws which are now in the United States Code, namely:

Title VII of the Civil Rights Act of 1964, which prohibits such discrimination in employment;

Title VIII of the Civil Rights Act of 1968, which prohibits such discrimination in housing; and

The Equal Credit Opportunity Act which prohibits such discrimination in consumer credit and finance.

Like the employment and housing antidiscrimination laws, this will place primary jurisdiction in the States to deal with such discrimination in insurance and annuities. Thus, the bill specifically provides that any complaint that an insurer has committed an unlawful discriminatory act—that is, based on race, color, religion, sex, or national origin—must first be filed with the appropriate State agency, if the State has a law prohibiting such discrimination and an agency to administer and enforce that State law. Only if the State has no such law or agency, or fails to resolve it to the complainant's satisfaction, will this bill allow the complainant to seek the next remedy, namely, to file a judicial action in a State or Federal court. The availability of that judicial remedy will, of course, encourage the enactment of State laws prohibiting such discrimination. It will also help make the administration of the State law more effective, because the State can then proceed to eliminate discrimination based on race, color, religion, sex, or national origin, without any fear that such action may result in insurance companies or their contracts moving to another State which allows such discrimination.

WHY THIS BILL SHOULD BE ENACTED

The principle of prohibiting discrimination based on race, color, religion, sex, or national origin is now part of our fundamental law and doctrine. We have made great strides toward making that principle into living reality—in employment, public accommodations, housing, credit, government regulation and government benefits, transportation, recreation, voting, education, athletics, and many other areas of life.

But one of the greatest remaining gaps is in insurance and annuities. Blacks are heavily discriminated against in property, accident, casualty, and health insurance, and more subtly in other forms of insurance. Sex discrimination is blatant and widespread. These discriminations have widespread impact on millions of people. Our national policy of ending discrimination on the basis of race, color, religion, sex, or national origin demands that such discrimination in insurance and annuities also be ended.

This bill will not harm the insurance industry. It will help to protect consumers, business, poor people, widows, and orphans. It will not intrude on the ability or powers of any State, which complies with the nondiscrimination principle, to regulate the insurance industry. Most defined-benefit pension and annuity plans, and much of the group forms of insurance, already operate without such discrimination. Several Federal courts, including the Supreme Court of the United States, have already ruled that sex discrimination in pension plans violates title VII of the Civil Rights Act of 1964, but many insurance companies still engage in such discrimination in their annuity plans. This bill will eliminate that disparity between the requirements of title VII as now applied by the courts in employment-related plans, and the industry's discriminatory practices, and will thus prevent possible frustration of title VII's nondiscrimination mandate. It is a bill whose enactment is long overdue.

Last year, many organizations endorsed H.R. 100, including among them the Leadership Conference on Civil Rights; American Association of University Professors; the AFL-CIO; National Women's Political Caucus; NAACP; American Association of University Women; Women's Equity Action League; American Civil Liberties Union; Mexican-American Legal Defense Fund; National Organization for Women; Interdepartmental Task Force on Women; Women, U.S.A.; and many other groups.

I invite all Members to cosponsor this bill. I intend, after a reasonable time for responses, to ask that the bill be reprinted to list all cosponsors.●

THE HANDGUN CONTROL ACT OF 1981

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

● Mr. BINGHAM. Mr. Speaker, today I am offering legislation which could save the lives of some 10,000 people each year. Passage of this legislation, H.R. 40, could mean the difference between life and death to these individuals by placing stringent controls on the manufacture, sale, and possession of the deadly handgun.

There is strong public support for stronger handgun controls in the wake of the recent assassination of singer John Lennon and the murder of Dr. Michael Halberstam, noted cardiologist and handgun control advocate. The world will miss not only the famous individuals who have been killed by handguns, but the ordinary men, women, and children—our constituents—who are cut down daily by this most dangerous weapon. We have the power to act and pass effective gun control legislation, and for the sake of our constituents, we should do so quickly.

The legislation I am introducing, H.R. 40, would ban the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns by ordinary citizens. H.R. 40 would make it difficult for would-be criminals to obtain handguns, and would keep "law abiding" citizens from committing crimes of passion. It would also stop innocent children from picking up the handgun of a relative and killing themselves or a friend with it. Had H.R. 40 been law, then the assassin of John Lennon would not have been able to purchase a handgun so easily.

Following is the full text of H.R. 40:

H.R. 40

A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns, except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, antique collectors, and pistol clubs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Handgun Control Act of 1981".

SECTION 1. The Congress hereby finds and declares—

(a) that annual sales of handguns in the United States have risen sharply in the last decade, bringing the total number of handguns in private hands to approximately twenty-four million by the end of 1968; and

(b) that handguns play a major role, and a role disproportionate to their number in comparison with long guns, in the commission of homicide, aggravated assault, and armed robbery, and that the percentage of violent crimes in which handguns are used is increasing; and

(c) that most homicides are committed in altercations between relatives, neighbors, or other acquaintances, rather than in a confrontation between strangers; and

(d) that handguns in the home are of less value than is commonly thought in defending against intruders, and are more likely to increase the danger of a firearm fatality to the inhabitants than to enhance their personal safety; and

(e) that with few exceptions, handguns are not used for sporting or recreational purposes and that such purposes do not require keeping handguns in private homes; and

(f) that more than one-half of all handguns are acquired secondhand and that licensing and restrictions on sale of new handguns will not significantly reduce handgun crime and handgun violence; and

(g) that violent crimes perpetrated with handguns constitute a burden upon and interfere with interstate and foreign commerce and threaten the internal security and domestic tranquillity of the Nation; and

(h) that fear of firearms crimes discourages citizens from traveling between the States to conduct business or to visit the Nation's Capital; and

(i) that crimes committed with guns have disrupted our national political processes, and threaten the republican form of government within the States as guaranteed by article IV of the Constitution; and

(j) that a national firearms policy which restricts the availability of handguns for nonlaw enforcement and nonmilitary purposes will significantly reduce violent crime, reduce deaths from handguns, and reduce other handgun violence in the United States.

SEC. 2. Title 18, United States Code, is amended by inserting immediately after chapter 50 thereof the following new chapter:

"Chapter 50A—HANDGUNS

"Sec.
"1091. Unlawful acts.
"1092. Licensing.
"1093. Penalties.
"1094. Exceptions.
"1095. Voluntary delivery to law enforcement agency; reimbursement.
"1096. Rules and regulations.
"1097. Effect on State law.
"1098. Separability clause.
"1099. Appropriations.
"1100. Definitions.

§1091. Unlawful acts

"(a) Except as provided in section 1094 of this chapter and in subsection (c) of this section, it shall be unlawful for any person to import, manufacture, sell, buy, transfer, receive, or transport any handgun and handgun ammunition.

"(b) Except as provided in section 1094 of this chapter and in subsection (c) of this section, it shall be unlawful, after one hundred and eighty days from the effective date of this chapter, for any person to own or possess any handgun or handgun ammunition.

"(c) The Secretary may, consistent with public safety and necessity, exempt from the operation of subsection (a) and subsection (b) of this section such importation, manufacture, sale, purchase, transfer, receipt, possession, ownership, or transportation of handguns and handgun ammunition by importers, manufacturers, or dealers, licensed under chapter 44 of this title, and by pistol clubs licensed under this chapter, as may in his judgment be required for the operation of such pistol clubs or for purposes in section 1094 of this chapter.

"(d) It shall be unlawful for any licensed importer, manufacturer, or dealer to sell or otherwise transfer any handgun or handgun ammunition to any person, except another licensed importer, manufacturer, or dealer, without presentation by the purchaser or recipient of written verification that the receipt or purchase is being made by or on behalf of a person or government agency eligible to obtain and possess handguns under section 1094 of this chapter or a pistol club licensed under this chapter.

"(e) Every manufacturer, importer, and dealer who sells or otherwise transfers handguns or handgun ammunition shall maintain records of sale or transfer of handguns and handgun ammunition in such form as the Secretary may by regulations provide and shall permit the Secretary to enter the premises at reasonable times for the purpose of inspecting such records.

"§1092. Licensing

"(a) A pistol club desiring to be licensed under this chapter shall file an application for such license with the Secretary. The application shall be in such form and contain such information as the Secretary shall by regulation prescribe. The fee for such license shall be $25 per year.

"(b) Any importer, manufacturer, or dealer desiring to be licensed under this chapter shall apply as provided in chapter 44 of this title.

"(c) Any application submitted under subsection (a) shall be approved if—

"(1) no member of the pistol club is a person whose membership and participation in the club is in violation of any applicable State laws;

"(2) no member of the pistol club is prohibited from transporting, shipping, or receiving firearms or ammunition in interstate or foreign commerce under section 922 (g) or (h) of this title;

"(3) no member of the pistol club has willfully violated any of the provisions of this chapter or of chapter 44 of this title or any regulations issued thereunder;

"(4) the pistol club has not willfully failed to disclose any material information required, or has not made any false statement as to any material fact in connection with its application;

"(5) the club has been founded and operated for bona fide target or sport shooting and other legitimate recreational purposes; and

"(6) the pistol club has premises from which it operates and—

"(A) maintains possession and control of the handguns used by its members, and

"(B)(i) has procedures and facilities for keeping such handguns in a secure place, under the control of the club's chief officer, at all times when they are not being used for target shooting or other sporting or recreational purposes, or

"(ii) has effected arrangements for the storage of the members' handguns in a facility of the local police department or other nearby law enforcement agency.

"(d)(1) The Secretary must approve or deny an application for a license with the sixty-day period beginning on the date it is received. If the Secretary fails to act within such period, the applicant may file an action under section 1361 of title 28 to compel the Secretary to act. If the Secretary approves an applicant's application, such applicant shall be issued a license upon payment of the prescribed fee.

"(2) The Secretary may, after notice and opportunity for hearing, revoke any license issued under this section if the holder of such license has violated any provision of this chapter or of chapter 44 of this title or any rule or regulations prescribed by the Secretary under such chapters. The Secretary's action under this paragraph may be reviewed only as provided in subsection (e) of this section.

"(e)(1) Any person whose application for a license is denied and any holder of a license which is revoked shall receive a written notice from the Secretary stating specifically the grounds upon which the application was denied or upon which the license was revoked. Any notice of revocation of a license shall be given to the holder of such li-

cense before the effective date of the revocation.

"(2) If the Secretary denies an application for, or revokes, a license, he shall, upon request by the aggrieved party, promptly hold a hearing to review his denial or revocation. In the case of a revocation of a license, the Secretary shall upon the request of the holder of the license stay the effective date of the revocation. A hearing held under this paragraph shall be held at a location convenient to the aggrieved party.

"(3) If after a hearing held under paragraph (2) the Secretary decides not to reverse his decision to deny an application or revoke a license, the Secretary shall give notice of his decision to the aggrieved party. The aggrieved party may at any time within sixty days after the date notice was given under this paragraph file a petition with the United States district court for the district in which he resides or has his principal place of business for a judicial review of such denial or revocation. In a proceeding conducted under this subsection, the court may consider any evidence submitted by the parties to the proceeding. If the court decides that the Secretary was not authorized to deny the application or to revoke the license, the court shall order the Secretary to take such action as may be necessary to comply with the judgment of the court.

"(f) Each licensed pistol club shall maintain such records of receipt, sale, or other disposition, of handguns at such place, for such period, and in such form as the Secretary may by regulations prescribe. Such pistol clubs shall make such records available for inspection at all reasonable times, and shall submit to the Secretary such reports and information with respect to such records and the contents thereof as he shall by regulations prescribe. The Secretary may enter at reasonable times the premises (including places of storage) of any pistol club for the purpose of inspecting or examining (1) any records or documents required to be kept by such pistol club under the provisions of this chapter or chapter 44 of this title and regulations issued under such chapters, and (2) any handguns or ammunition kept or stored by such pistol club at such premises.

"(g) Licenses issued under the provisions of subsection (c) of this section shall be kept posted and kept available for inspection on the premises covered by the license.

"(h) The loss or theft of any firearms shall be reported by the person from whose possession it was lost or stolen, within thirty days after such loss or theft is discovered, to the Secretary. Such report shall include such information as the Secretary by regulation shall prescribe, including, without limitation, the date and place of theft or loss.

"§ 1093. Penalties

"(a) Whoever violates any provision of Section 1091 of this chapter shall be fined not more than $5,000, or imprisoned not more than five years, or both, and shall become eligible for parole as the Board of Parole shall determine.

"(b) Whoever knowingly makes any false statement or representation with respect to the information required by the provisions of this chapter to be kept in the records of an importer, manufacturer, dealer or pistol club, licensed under this chapter, or in applying for a pistol club license under the provisions of this chapter, shall be fined not more than $5,000, or imprisoned not more than five years, or both, and shall become eligible for parole as the Board of Parole shall determine.

"(c) Any handgun or handgun ammunition involved or used in, or intended to be used in, any violation of the provisions of this chapter or chapter 44 of this title or any rule or regulation promulgated thereunder, or any violation of any other criminal law of the United States, shall be subject to seizure and forfeiture and all provisions of the Internal Revenue Code of 1954 relating to the seizure, forfeiture, and disposition of firearms shall, so far as applicable, extend to seizures and forfeitures under the provisions of this chapter.

"(d) Except as provided in subsection (b), no information or evidence obtained from an application or certificate of registration required to be submitted or retained by a natural person in order to comply with any provision of the chapter or regulations issued by the Secretary shall be used, directly or indirectly, as evidence against that person in a criminal proceeding with respect to a violation of law occurring prior to or concurrently with the filing of the application for registration containing the information or evidence.

"§ 1094. Exceptions

"(a) The provisions of this chapter shall not apply with respect to the importation, manufacture, sale, purchase, transfer, receipt, or transportation of any handgun or handgun ammunition which the Secretary determines is being imported or manufactured for, sold, or transferred to, purchased, received, owned, possessed, or transported by, or issued for the use of—

"(1) a professional security guard service which is licensed by the State in which the handgun is to be used, and which is authorized to provide armed security guards for hire; or

"(2) the United States or any department or agency thereof or any State or any department, agency, or political subdivision thereof.

"(b) Every security guard service purchasing, receiving, owning, possessing, or transporting handguns under subsection (a) shall maintain records of receipts, sale, ownership, and possession of handguns in such form as the Secretary may provide and permit the Secretary to enter the premises at reasonable times for the purpose of inspecting such records.

"(c) The provisions of this chapter shall not apply with respect to the importation, sale, purchase, transfer, receipt, or transportation of a handgun manufactured before 1890, or any other handgun which the Secretary determines is unserviceable, not restorable to firing condition, and intended for use as a curio, museum piece, or collector's item.

"§ 1095. Voluntary delivery to law enforcement agency; reimbursement

"(a) A person may at any time deliver to any Federal, State, or local law enforcement agency designated by the Secretary a handgun owned or possessed by such person. The Secretary shall arrange with each agency designated to receive handguns for the transfer, destruction, or other disposition of all handguns delivered under this section.

"(b) Upon proof of lawful acquisition and ownership by a person delivering a handgun to a law enforcement agency under this section, within one hundred and eighty days of the effective date of this chapter, the owner of the handgun shall be entitled to receive from the United States a payment equal to the fair market value of the handgun or $25, whichever is more. The Secretary shall provide for the payment, directly or indirectly, through Federal, State, and local law enforcement agencies, of the amounts to which owners of handguns delivered under this section are entitled.

"(c) The amounts authorized in subsection (b) of this section shall be paid out of the fees collected under section 1092(a) of this chapter to the extent that such fees are sufficient for this purpose. The remainder of amounts authorized in subsection (b) of this section shall be paid out of general revenues.

"§ 1096. Rules and regulations

"(a) The Secretary may prescribe such rules and regulations as he deems necessary to carry out the provisions of this chapter.

"§ 1097. Effect on State law

"No provision of this chapter shall be construed as indicating an intent on the part of the Congress to occupy the field in which such provision operates to the exclusion of the law of any State on the same subject, unless there is a direct and positive conflict between such provision and the law of the State so that the two cannot be reconciled or consistently stand together.

"§ 1098. Separability

"If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the remainder of the chapter and the application of such provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

"§ 1099. Assistance to the Secretary

"When requested by the Secretary, Federal departments and agencies shall assist the Secretary in the administration of this title.

"§ 1100. Appropriations

"There are authorized to be appropriated such sums as are necessary to carry out the purposes of this chapter.

"§ 1101. Definitions

"As used in this chapter—

"(1) The term 'person' and the term 'whoever' includes any individual, corporation, company, association, firm, partnership, club, society, or joint-stock company.

"(2) The term 'importer' means any person engaged in the business of importing or bringing handguns into the United States for purposes of sale or distribution; and the term 'licensed importer' means any such person licensed under the provisions of chapter 44 of this title.

"(3) The term 'manufacturer' means any person engaged in the manufacture or assembly of handguns for the purposes of sale or distribution; and the term 'licensed manufacturer' means any such person licensed under the provisions of chapter 44 of this title.

"(4) The term 'dealer' means (A) any person engaged in the business of selling handguns at wholesale or retail, (B) any person engaged in the business of repairing handguns or of making or fitting special barrels, or trigger mechanisms to handguns, or (C) any person who is a pawnbroker. The term "licensed dealer' means any dealer who is licensed under the provisions of chapter 44 of this title.

"(5) The term 'fair market value' means the prevailing price on the open market for such weapons immediately prior to enactment or at the time of voluntary transfer under section 1095 of this chapter, whichever is higher, the method of establishing such prices to be prescribed by the Secretary in accordance with his authority under section 1096.

"(6) The term 'Secretary' or 'Secretary of the Treasury' means the Secretary of the Treasury or his delegate.

"(7) The term 'handgun' means any weapon—

"(A) designed or redesigned, or made, or remade, and intended to be fired while held in one hand;

"(B) having a barrel less than ten inches in length; and

"(C) designed or redesigned, or made or remade, to use the energy of an explosive to expel a projectile or projectiles through a smooth or rifled bore.

"(8) The term 'handgun ammunition' means ammunition or cartridge cases, or bullets designed for use primarily in handguns.

"(9) The term 'pistol club' means a club organized for target shooting with handguns or to use handguns for sporting or other recreational purposes.

"(10) The term 'licensed pistol club' means a pistol club which is licensed under this chapter."

Sec. 3. The enforcement and administration of the amendment made by this Act shall be vested in the Secretary of the Treasury.

Sec. 4. Nothing in this Act or the amendment made thereby shall be construed as modifying or affecting any provision of—

(a) the National Firearms Act (chapter 53 of the Internal Revenue Code of 1954);

(b) section 414 of the Mutual Security Act of 1954 (22 U.S.C. 1934), as amended, relating to munitions control; or

(c) section 1715 of title 18, United States Code, relating to nonmailable firearms.

Sec. 5. The provisions of this Act shall take effect one hundred and eighty days following the date of enactment.●

TRIBUTE TO THE LIFE OF CLOYS HOBBS

The SPEAKER. Under a previous order of the House, the gentleman from Kentucky (Mr. HUBBARD) is recognized for 5 minutes.

Mr. HUBBARD. Mr. Speaker, it is my privilege today, the first day of the 97th Congress, to give this tribute to the life of Cloys A. Hobbs, a dear friend of mine from my hometown of Mayfield, Ky., who died last October 5 at the age of 66.

Cloys Hobbs was an intelligent, effective, hard working, personable man whose integrity, diligence, and smile won for him the respect and admiration of those who knew him.

For 37 years Mr. Hobbs was president of Jackson Purchase Production Credit Association in western Kentucky.

An active member of High Point Baptist Church of Mayfield, he served that church as deacon and treasurer.

Surviving are his wife, Mrs. Rachel Hobbs; his father, Carl Hobbs, of Fancy Farm, Ky; a daughter, Mrs. Curtis "Mignon" Cole, of Spartanburg, S.C., and a son, Robert Hobbs, Paducah, Ky.

Other survivors include three sisters, Mrs. Charles Long, Kuttawa, Ky.; Mrs. Sam Brown, Livermore, Ky., and Mrs. Jimmy Bodkin, Arlington, Ky., two brothers, Scott Hobbs, Fountaintown, Ind., and Vodra Hobbs, Bardwell, Ky., four grandchildren and several nieces and nephews.

Obviously, this Member of Congress was very much a friend and admirer of Cloys Hobbs. However, I speak for thousands in Kentucky who were also friends and admirers of this fine gentleman.

GENERAL LEAVE

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on House Resolution 5, which was adopted earlier today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LOTT) to revise and extend their remarks and include extraneous material:)

Mr. COLLINS of Texas, for 60 minutes, January 6, 1981.

(The following Members (at the request of Mr. DYMALLY) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. DINGELL, for 5 minutes, today.
Mr. BINGHAM, for 15 minutes, today.
Mr. HUBBARD, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LOTT) and to include extraneous matter:)

Mr. SOLOMON.
Mr. DANNEMEYER.
Mr. WHITEHURST.
Mr. SHUMWAY.
Mr. ROTH.
Mr. DUNCAN.
Mr. MCCLORY.
Mr. WAMPLER in two instances.
Mr. ASHBROOK in three instances.
Mr. FINDLEY.
Mr. COLLINS of Texas in three instances.
Mr. MILLER of Ohio in three instances.
Mr. SCHULZE in two instances.
Mr. MICHEL.

(The following Members (at the request of Mr. DYMALLY) and to include extraneous matter:)

Mr. ANDERSON of California in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. ROSENTHAL in 10 instances.
Mrs. BOUQUARD in five instances.
Mr. HAMILTON in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. ASPIN.
Mr. PEYSER.
Mr. BARNARD.
Mr. TRAXLER.
Mr. BIAGGI in 10 instances.
Mr. BINGHAM in six instances.
Mr. RICHMOND.
Mr. DOWNEY.
Mr. HUBBARD.
Mr. BROOKS in two instances.
Mr. ZEFERETTI.

ADJOURNMENT

Mr. DYMALLY. Mr Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 8 minutes p.m.), the House adjourned until tomorrow, Tuesday, January 6, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Assistant Secretary of Defense (Comptroller), transmitting certification that no use was made of funds appropriated in the Department of Defense Appropriation Act, 1980, or the Military Construction Appropriation Act, 1980, during the second half of fiscal year 1980, to make payments under contracts in foreign countries except where it was determined that the use of foreign currencies was not feasible, pursuant to sections 735 and 109 of the respective acts; to the Committee on Appropriations.

2. A letter from the Acting Comptroller General of the United States, transmitting his review of the deferrals and revised deferrals of budget authority contained in the message from the President dated December 2, 1980 (H. Doc. No. 96-388), pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 97-4); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of the Army, transmitting the annual reports for fiscal year 1980 on voluntary agreements entered into by the Army under the Defense Production Act of 1950, pursuant to section 708(l) of the act, as amended (89 Stat. 810); to the Committee on Banking, Finance and Urban Affairs.

4. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during September 1980 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

5. A letter from the first vice president and vice chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction exceeding

$100 million with British Airways, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

6. A letter from the first vice president and vice chairman, Export-Import Bank of the United States, transmitting a report covering the quarter ended September 30, 1980, on the export expansion facility program, pursuant to Public Law 90-390; to the Committee on Banking, Finance and Urban Affairs.

7. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting the 12th annual report on Truth in Lending, pursuant to section 114 of Public Law 90-321; to the Committee on Banking, Finance and Urban Affairs.

8. A letter from the Attorney General, transmitting the second annual report of the Rehabilitation Act Interagency Coordinating Council, pursuant to section 507 of Public Law 95-112, as amended (92 Stat. 2983); to the Committee on Education and Labor.

9. A letter from the Secretary of Labor transmitting a report on coordination in the administration and enforcement of the Occupational Safety and Health Act of 1970 and other Federal laws affecting occupational safety and health, pursuant to section 4(b)(3) of the act (Public Law 91-596); to the Committee on Education and Labor.

10. A letter from the Secretary of Education, transmitting proposed amendments to the regulations governing the library career training program, pursuant to section 431(d)(1) of the General Education Provisions Act; to the Committee on Education and Labor.

11. A letter from the Secretary of Education, transmitting proposed revisions to the regulations governing the strengthening research library resources program, pursuant to section 431(d)(1) of the General Education Provisions Act; to the Committee on Education and Labor.

12. A letter from the Secretary of Education, transmitting proposed amendments to the regulations governing the Education Appeal Board, pursuant to section 431(d)(1) of the General Education Provisions Act; to the Committee on Education and Labor.

13. A letter from the Secretary of Education, transmitting proposed final regulations to govern the precollege teacher development in science program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

14. A letter from the Secretary of Education, transmitting proposed final regulations to govern the part 690 Pell grant program (formerly the basic educational opportunity Grant program), pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

15. A letter from the Secretary of Education, transmitting proposed final regulations governing the rehabilitation training program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

16. A letter from the Secretary of Education, transmitting proposed final regulations governing the program of assistance to States for education of handicapped children, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

17. A letter from the Secretary of Education, transmitting proposed final regulations establishing general provisions for student assistance programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

18. A letter from the Chairman, Advisory Panel on Financing Elementary and Secondary Education, transmitting a report on the Panel's activities during calendar year 1980, pursuant to section 1203(f) of Public Law 95-561; to the Committee on Education and Labor.

19. A letter from the Secretary of Health and Human Services, transmitting a report on the direct and affiliated medical residency program, pursuant to section 771(b)(2) of the Public Health Service Act; to the Committee on Energy and Commerce.

20. A letter from the Secretary of Health and Human Services, transmitting the annual report for fiscal year 1979 on the health maintenance organization program, pursuant to section 1315 of the Public Health Service Act; to the Committee on Energy and Commerce.

21. A letter from the Acting General Counsel, Department of Energy, transmitting notice of meetings related to the international energy program to be held on January 6, in New York, N.Y., and on January 14 and 15, in White Plains, N.Y.; to the Committee on Energy and Commerce.

22. A letter from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report for September 1980, on changes in market shares for refined petroleum products and retail gasoline, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Commerce.

23. A letter from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting a report covering the period July through September 1980, on imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; together with data on exploratory activity, exports, nuclear energy, and electric power, pursuant to section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974; to the Committee on Energy and Commerce.

24. A letter from the Chairman, Interstate Commerce Commission, transmitting a report on the impact of contracts for rail service on competition among shippers, pursuant to 49 U.S.C. 10713(m)(3) (94 Stat. 1908); to the Committee on Energy and Commerce.

25. A letter from the Director, U.S. Office of Consumer Affairs, transmitting a draft of proposed legislation entitled "The Consumer Information and Cost-Saving Act of 1981"; to the Committee on Energy and Commerce.

26. A letter from the vice president for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the X Corporation for the month of July 1980, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

27. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 80-29, finding that the sale of defense articles and defense services to the Government of Papua New Guinea will strengthen the security of the United States and promote world peace, pursuant to section 3(a)(1) of the Arms Export Control Act; to the Committee on Foreign Affairs.

28. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of France for permission to transfer certain U.S.-origin military equipment to Singapore, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

29. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Australia for permission to transfer certain U.S.-origin defense equipment to the Government of Papua New Guinea, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

30. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially to Sweden (Transmittal No MC-28-80), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

31. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially to Spain (Transmittal No. MC-2-81), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

32. A letter from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

33. A letter from the Acting Secretary of the Treasury, transmitting a report on foreign portfolio investment in the United States as of December 31, 1978, pursuant to section 4(c)(1) of Public Law 94-472; to the Committee on Foreign Affairs.

34. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting various project performance audit reports prepared by the International Bank for Reconstruction and Development and project performance audit reports or project completion reports prepared by the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

35. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting quarterly and annual reports on foreign military sales of September 30, 1980, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

36. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting addenda to the quarterly and annual reports on foreign military sales as of September 30, 1980, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

37. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the number of officers and employees of the U.S. Government and U.S. civilian personnel in foreign countries for assignment in implementation of sales and commercial exports under the Arms Export Control Act, as of June 30, 1980, pursuant to section 36(a)(7) of the Arms Export Control Act; to the Committee on Foreign Affairs.

38. A letter from the Secretary of Commerce, transmitting notice of the extension and expansion of export controls maintained for foreign policy purposes, pursuant to section 6(e) of the Export Administration Act of 1979; to the Committee on Foreign Affairs.

39. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing Navy records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

40. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing Air Force records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

41. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

42. A letter from the Assistant Attorney General for Administration, transmitting the Justice Department's annual report for fiscal year 1980 on disposal of foreign excess property, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

43. A letter from the Secretary of Transportation, transmitting a report on the department's disposal of foreign excess property during fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

44. A letter from the Administrator of General Services, transmitting followup reports on the recommendations contained in the report of the Board of Visitors to the Air Force Academy, dated 1978, and the reports of the Board of Visitors, U.S. Military Academy, dated November 20, 1978, and April 29, 1976, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

45. A letter from the Chairman, Navy Resale and Services Support Office Retirement Trust, transmitting the annual report of the Trust for calendar year 1979, pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

46. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during November 1980, pursuant to section 234 of the Legislative Reorganization Act of 1970, as amended; to the Committee on Government Operations.

47. A letter from the Comptroller General of the United States, transmitting a report on the ability of Federal agencies to counter possible loss of automatic data processing systems and maintain continuity of operations in a disaster (AFMD-81-16, December 18, 1980); to the Committee on Government Operations.

48. A letter from the Comptroller General of the United States, transmitting a report on the impact of Federal matching and maintenance of effort requirements on State and local governments (GGD-81-7, December 23, 1980); to the Committee on Government Operations.

49. A letter from the Acting Comptroller General of the United States, transmitting a report on improving the management of Federal travel (FPCD-81-13, December 24, 1980); to the Committee on Government Operations.

50. A letter from the Secretary of the Interior, transmitting a report as to whether additional compassionate compensation may be justified for the Rongelap and Utirik individuals who were exposed to radiation fallout as a result of the thermonuclear detonation of March 1, 1954, pursuant to section 104(a)(5) of Public Law 95-134; to the Committee on Interior and Insular Affairs.

51. A letter from the Acting Assistant Secretary of the Interior, transmitting financial statements of the Colorado River Basin Project for fiscal year 1980, pursuant to section 404 of Public Law 90-537; to the Committee on Interior and Insular Affairs.

52. A letter from the Chairman, U.S. Nuclear Regulatory Commission; transmitting a proposed regulation to implement the new section 147 of the Atomic Energy Act of 1954 enacted by section 207 of Public Law 96-295; to the Committee on Interior and Insular Affairs.

53. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the court's judgment order in case No. 247, *The Seminole Nation of Oklahoma* v. *The United States;* to the Committee on Interior and Insular Affairs.

54. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

55. A letter from the Secretary, Federal Trade Commission, transmitting the fourth annual report on the operation of the premerger notification provisions of the Clayton Act, pursuant to section 7A(j) of the act, as amended (90 Stat. 1394); to the Committee on the Judiciary.

56. A letter from the Comptroller General of the United States, transmitting a draft of proposed legislation to amend the Equal Access to Justice Act, and for other purposes; to the Committee on the Judiciary.

57. A letter from the Chairman, Little League Baseball, transmitting the annual report and audit of the organization for the year ended September 30, 1980, pursuant to section 14(b) of Public Law 88-378; to the Committee on the Judiciary.

58. A letter from the Secretary of Commerce, transmitting the annual report on the relative cost of shipbuilding in the various coastal districts of the United States, pursuant to section 213(c) of the Merchant Marine Act, 1936, as amended; to the Committee on Merchant Marine and Fisheries.

59. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report covering fiscal year 1980 on expenditures from the President's Unanticipated Needs Fund, pursuant to 3 U.S.C. 108(b); to the Committee on Post Office and Civil Service.

60. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on the investigation of allegations of violations of procurement law, mismanagement, and harassment at the John F. Kennedy Space Center, Fla., pursuant to 5 U.S.C. 1206(b)(5)(A); to the Committee on Post Office and Civil Service.

61. A letter from the Secretary of Transportation, transmitting a report on the study of the potential for reducing urban blight adjacent to Federal-aid primary and Interstate highways located in central business districts, pursuant to section 159 of Public Law 95-599; to the Committee on Public Works and Transportation.

62. A letter from the Administrator of General Services, transmitting a prospectus proposing the construction of a Federal office building in San Frnaciaco, Calif., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

63. A letter from the Administrator of General Services, transmitting a report on a building project survey for New Orleans, La., pursuant to section 11(b) of Public Law 86-249; to the Committee on Public Works and Transportation.

64. A letter from the Associate Director for Natural Resources and Commercial Service, Office of Science and Technology Policy, Executive Office of the President, transmitting a report on the status of the Office's negotiations with the National Academy of Sciences with regard to a comprehensive assessment of the impact of increasing levels of atmospheric carbon dioxide, pursuant to section 711(a)(2) of Public Law 96-294; to the Committee on Science and Technology.

65. A letter from the Administrator of Veterans Affairs, transmitting the annual report for fiscal year 1980 on the exchange of medical information program, pursuant to 38 U.S.C. 5057; to the Committee on Veterans' Affairs.

66. A letter from the Chairman, U.S. International Commission, transmitting the 31st report on the operation of the trade agreements program, pursuant to section 163(b) of the Trade Act of 1974; to the Committee on Ways and Means.

67. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a determination that it would further the foreign policy and national interests of the United States to provide economic assistance to Mozambique, pursuant to section 533(b) of the Foreign Assistance Act of 1961, as amended, and section 511 the fiscal year 1980 foreign assistance and related programs appropriation bill (H.R. 4473), as made applicable to fiscal year 1981 by section 101(b) of Public Law 96-369; jointly, to the Committees on Appropriations, and Foreign Affairs.

68. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of the Board's letter appealing the Office of Management and Budget's budget allowance for the Board for fiscal year 1982, pursuant to section 304(b)(7) of Public Law 93-633; jointly, to the Committees on Appropriations, and Public Works and Transportation.

69. A letter from the vice president for Government Affairs, National Railroad Passenger Corporation, transmitting a report on mail and express revenues, pursuant to section 131 of Public Law 96-73; jointly, to the Committees on Energy and Commerce, and Post Office and Civil Service.

70. A letter from the Comptroller General of the United States, transmitting a report on the Defense Department's authority to plan the size of new military hospitals and clinics (HRD-81-24, December 17, 1980); jointly, to the Committees on Government Operations, and Armed Services.

71. A letter from the Comptroller General of the United States, transmitting a report on internal controls to prevent waste and fraud at military exchanges (FPCD-81-19,

December 31, 1980); jointly, to the Committees on Government Operations, and Armed Forces.

72. A letter from the Comptroller General of the United States, transmitting a report on energy conservation standards for new buildings being developed by the Department of Energy (EMD-81-2, December 23, 1980); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

73. A letter from the Comptroller General of the United States, transmitting a report on how the Departments of State and Health and Human Services can help improve the care and protection of guardianship children (HRD-81-7, December 30, 1980); jointly, to the Committees on Government Operations, Foreign Affairs, and Ways and Means.

74. A letter from the Comptroller General of the United States, transmitting a report assessing 1980 census results in 10 urban areas (GGD-81-29, December 24, 1980); jointly, to the Committees on Government Operations, the Judiciary, and Post Office and Civil Service.

75. A letter from the Comptroller General of the United States, transmitting a report on the cost, effectiveness, and reasonableness of permitting voluntary early retirements to solve staffing problems in the civil service (FPCD-81-8, December 31, 1980); jointly, to the Committees on Government Operations, and Post Office and Civil Service.

76. A letter from the Comptroller General of the United States, transmitting a report on management of the Department of Energy's solar energy research and development projects (EMD-81-10, December 22, 1980); jointly, to the Committees on Government Operations, and Science and Technology.

77. A letter from the Comptroller General of the United States, transmitting a report summarizing actions taken on GAO's recommendations in 27 previous reports on the Social Security Administration's income security programs (HRD-81-37, December 31, 1980); jointly, to the Committees on Government Operations, and Ways and Means.

78. A letter from the Secretary of the Interior and the Secretary of Agriculture, transmitting the third report on the protection, management, and control of wild horses and burros on public lands, pursuant to section 11 of Public Law 92-195, as amended; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Submitted December 29, 1980]

Mr. PEPPER: Select Committee on Aging. Report on activities of the Select Committee on Aging, during the 96th Congress (Rept. No. 96-1543). Referred to the Committee of the Whole House on the State of the Union.

[Submitted December 31, 1980]

Mr. PRICE: Committee on Armed Services. Report of the activities of the Committee on Armed Services (Rept. No. 96-1555). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. Report on survey of activities of the House Committee on Rules (Rept. No. 96-1556). Referred to the Committee of the Whole House on the State of the Union.

Mr. HANLEY: Committee on Post Office and Civil Service. Report on legislative review by the Committee on Post Office and Civil Service (Rept. No. 96-1557). Referred to the Committee of the Whole House on the State of the Union.

[Submitted January 2, 1981]

Mr. NEDZI: Committee on House Administration. Report on activities of the Committee on House Administration during the 96th Congress (Rept. No. 96-1558). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. Report on activities of the Committee on Veteran's Affairs during the 96th Congress (Rept. No. 96-1559). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. Report on activities of the Committee on Science and Technology during the 96th Congress (Rept. No. 96-1560). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. Report on activities of the Committee on Interior and Insular Affairs during the 96th Congress (Rept. No. 96-1561). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. Report on activities of the Committee on Appropriations during the 96th Congress (Rep. No. 96-1562). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASHLEY: Committee on Merchant Marine and Fisheries. Report on activities of the Committee on Merchant Marine and Fisheries during the 96th Congress Rept. No. 96-1563). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. Report on activities of the Committee on Agriculture during the 96th Congress (Rept. No. 96-1564). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. Report on activities of the Committee on Public Works and Transportation during the 96th Congress (Rept. No. 96-1565). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. Report on activities of the Committee on Interstate and Foreign Commerce during the 96th Congress (Rept. No. 96-1566). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MOAKLEY:

H.R. 1. A bill to make regulations more cost-effective, to insure periodic review of old rules, to improve regulatory planning and management, to eliminate needless formality and delay, to enhance public participation in the regulatory process, to establish a select committee of the House of Representatives to conduct investigations of Federal agency rules, to establish procedures for congressional review of agency rules, and for other purposes; divided and referred as follows: Titles I, II and III to the Committee on the Judiciary and Title IV to the Committee on Rules.

By Mr. BLANCHARD (for himself, Mr. MINETA, Mr. GEPHARDT, Mr. RUSSO, Mr. FITHIAN, Mr. ALBOSTA, Mr. APPLEGATE, Mr. BENNETT, Mr. BOLAND, Mr. COELHO, Ms. FERRARO, Mr. FUQUA, Mr. GUYER, Mr. HALL of Ohio, Mr. HIGHTOWER, Mr. KASTENMEIER, Mr. KOGOVSEK, Mr. MAZZOLI, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. STARK, Mr. STUDDS, Mr. SYNAR, Mr. UDALL, Mr. VOLKMER, Mr. WHITEHURST, Mr. WHITLEY, and Mr. YATRON):

H.R. 2. A bill to require reauthorization of budget authority for Government programs at least every 10 years, to provide for review of Government programs at least every 10 years, and for other purposes; jointly, to the Committees on Rules and Government Operations.

By Mr. ALBOSTA:

H.R. 3. A bill to amend the Internal Revenue Code of 1954 to provide a simplified system of capital cost recovery, to provide additional incentives for investment in areas of high unemployment, and for other purposes; to the Committee on Ways and Means.

By Mr. BOLAND (for himself, Mr. MAZZOLI and Mr. ROBINSON):

H.R. 4. A bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain U.S. intelligence officers, agents, informants, and sources; to the Permanent Select Committee on Intelligence.

By Mr. DANIELSON:

H.R. 5. A bill to require the public disclosure of lobbying and related activities; to the Committee on the Judiciary.

By Mr. RHODES:

H.R. 6. A bill to provide for the establishment of a U.S. Court of Labor-Management Relations which shall have jurisdiction over certain labor disputes in industries substantially affecting commerce; to the Committee on the Judiciary.

By Mr. FRENZEL (for himself and Mr. HEFTEL):

H.R. 7. A bill to reduce the capital gains tax rate and for other purposes; to the Committee on Ways and Means.

By Mr. BROOKS (for himself and Mr. DERWINSKI):

H.R. 8. A bill to recognize the Cabinet status of the Director of the Office of Management and Budget, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FUQUA:

H.R. 9. A bill to designate components of the National Wilderness Preservation System in the State of Florida; to the Committee on Interior and Insular Affairs.

By Mr. CLAY:

H.R. 10. A bill to amend title 39 of the United States Code to require that at least 10 percent of expenditures by the Postal Service under certain contracts entered into by the Postal Service are expended for minority business enterprises, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Iowa (for himself and Mr. McDADE):

H.R. 11. A bill to assist innovative small businesses by strengthening their role in federally funded research and development and by fostering their formation and growth in the economy, and to encourage investment in small businesses; jointly, to the Committees on Small Business, Ways and Means, and the Judiciary.

H.R. 12. A bill to provide the Small Business Administration with additional authority to assist small business concerns in obtaining financing and for other purposes; to the Committee on Small Business.

H.R. 13. A bill to provide for better access to the Federal courts for small businesses and others with small to moderate size claims, to expand the duties of the Office of Advocacy of the Small Business Administration, and for other purposes; jointly, to the Committees on the Judiciary and Small Business.

By Mr. MINISH:

H.R. 14. A bill to establish a National Development Bank to provide loans to finance urgently needed public facilities for State and local governments, to help achieve a full employment economy by providing loans for the establishment of businesses and industries, and the expansion and improvement of such existing businesses and industries, and to provide job training for unskilled and semiskilled unemployed workers and underemployed; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WYLIE:

H.R. 15. A bill to amend the Internal Revenue Code of 1954 to increase to $10,000 the amount of savings interest which may be excluded from gross income by individuals and to make such exclusion permanent; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 16. A bill to provide a program of national health insurance, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BENNETT:

H.R. 17. A bill to protect the constitutional rights of those subject to the military system, to revise the Uniform Code of Military Justice, and for other purposes; to the Committee on Armed Services.

By Mr. BOLLING:

H.R. 18. A bill to establish a Commission on More Effective Government, with the declared objective of improving the quality of government in the United States and of restoring public confidence in government at all levels; to the Committee on Government Operations.

By Mr. PICKLE:

H.R. 19. A bill to provide a comprehensive program to improve cargo security for property being transported in interstate and foreign commerce; jointly, to the Committees on Energy and Commerce, the Judiciary, Merchant Marine and Fisheries, Public Works and Transportation, and Ways and Means.

By Mr. RAILSBACK:

H.R. 20. A bill to amend the copyright law, title 17 of the United States Code, to provide for protection of ornamental designs of useful articles; to the Committee on the Judiciary.

H.R. 21. A bill to amend title 18, United States Code, to permit a Federal court, upon the recommendation of the U.S. prosecutor, to place certain persons charged with Federal crimes in programs of community supervision and services; to the Committee on the Judiciary.

By Mrs. HOLT:

H.R. 22. A bill to improve the congressional budget process by the establishment in the House of Representatives of a two-step budget procedure for the consideration of a first required concurrent resolution on the budget; to the Committee on Rules.

By Mr. WAMPLER:

H.R. 23. A bill to extend and amend title XIV of the Food and Agriculture Act of 1977 for 5 years; and for other purposes; to the Committee on Agriculture.

By Mr. DANIELSON:

H.R. 24. A bill to amend title 28 of the United States Code to provide for an exclusive remedy against the United States in suits based upon acts or omissions of U.S. employees, to provide a remedy against the United States with respect to constitutional torts, to establish procedures whereby a person injured by a constitutional tort may initiate and participate in a disciplinary inquiry with respect to such tort, and for other purposes; to the Committee on the Judiciary.

By Mr. ERLENBORN:

H.R. 25. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to revise the manner of computing the benefits provided under such act, to provide for certification of physicians eligible to provide medical care to workers covered by such act, to provide for an attorney to serve as the representative of the special fund established under such act, to establish a benefits review board the members of which are appointed by the President, to establish an advisory committee to evaluate the manner in which the provisions of the act are carried out, and for other purposes; to the Committee on Education and Labor.

By Mr. YATES:

H.R. 26. A bill to amend the act of August 27, 1935, to provide for the administration, maintenance, and operation of the Institute of American Indian Arts by the Indian Arts and Crafts Boards; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON:

H.R. 27. A bill to amend chapter 44 of title 18 of the United States Code to extend and strengthen the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies, and for other purposes; to the Committee on the Judiciary.

H.R. 28. A bill entitled the "Madrona Marsh National Wildlife Refuge Act"; to the Committee on Merchant Marine and Fisheries.

H.R. 29. A bill to require the Secretary of Commerce to undertake a study to determine the effects of certain past ocean dumping of radioactive wastes; jointly, to the Committees on Merchant Marine and Fisheries, and Science and Technology.

By Mr. SAM B. HALL, JR.:

H.R. 30. A bill to authorize construction of the Little Cypress Lake and Reservoir, Texas; to the Committee on Public Works and Transportation.

By Mr. ANNUNZIO:

H.R. 31. A bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 32. A bill to limit the authority of the Secretary of Health, Education, and Welfare with respect to regulation of vitamin and mineral products for over-the counter human use; to the Committee on Energy and Commerce.

H.R. 33. A bill to grant a Federal charter to the Italian American War Veterans of the United States; to the Committee on the Judiciary.

H.R. 34. A bill to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

H.R. 35. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

H.R. 36. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

H.R. 37. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 38. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. CLAY:

H.R. 39. A bill to amend title 39, United States Code, to restore to Postal Service employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BINGHAM:

H.R. 40. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns, except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, antique collectors, and pistol clubs; to the Committee on the Judiciary.

By Mr. APPLEGATE:

H.R. 41. A bill to require that direct Presidential primary elections be held throughout the United States on the first Tuesday after the first Monday in May of each Presidential election year; to the Committee on House Administration.

H.R. 42. A bill to amend the Immigration and Nationality Act of 1952 (8 U.S.C. 1251), relating to the general classes of deportable aliens; to the Committee on the Judiciary.

H.R. 43. A bill to amend the Internal Revenue Code of 1954 to eliminate the changes made by the Tax Reform Act of 1976 in the exclusion from gross income of sick pay; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 44. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income up to $1,000 of interest and dividends; to the Committee on Ways and Means.

H.R. 45. A bill to amend the Internal Revenue Code of 1954 to exempt independent producers and royalty owners from the windfall profit tax on the first 1,000 barrels of daily production; to the Committee on Ways and Means.

H.R. 46. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.R. 47. A bill to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture

and to direct the Secretary to analyze information contained in such reports and determine the effects such transactions and holdings have, particularly on family farms and rural communities, and for other purposes; to the Committee on Agriculture.

H.R. 48. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H.R. 49. A bill to amend the National Labor Relations Act to provide for strike votes, direct court appeals in election cases, and to guarantee the right to challenge a union's majority status; to the Committee on Education and Labor.

H.R. 50. A bill to amend the National Labor Relations Act to protect the rights of employees, to strengthen the remedies under such act, and for other purposes; to the Committee on Education and Labor.

H.R. 51. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

By Mr. OBERSTAR:

H.R. 52. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. ASHBROOK:

H.R. 53. A bill to amend the National Labor Relations Act to exclude illegal aliens from coverage under the act; to the Committee on Education and Labor.

H.R. 54. A bill to consolidate and simplify the administration of Federal aid for elementary and secondary education authorized by the Elementary and Secondary Education Act of 1965, as amended, in order to eliminate unnecessary paperwork and undue Federal interference in our schools, and for other purposes; to the Committee on Education and Labor.

By Mrs. BOGGS (for herself, Mr. LIVINGSTON, Mr. BEVILL, Mr. BREAUX, Mr. LONG of Louisiana, Mr. MOORE, Mr. TAUZIN, and Mr. YOUNG of Missouri):

H.R. 55. A bill to provide for improving the efficiency of certain rivers and harbors of the United States and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ASHBROOK:

H.R. 56. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on Foreign Affairs.

H.R. 57. A bill to reduce payments to the United Nations and its affiliated agencies; to the Committee on Foreign Affairs.

By Mr. LONG of Louisiana (for himself and Mr. DERRICK):

H.R. 58. A bill to establish as a part of the Rules of the House of Representatives and the Senate a procedure for the periodic congressional review of Federal programs and tax expenditures, and to improve legislative oversight of Federal activities and regulatory programs; to the Committee on Rules.

By Mr. ASHBROOK:

H.R. 59. A bill to prohibit Soviet energy investments; to the Committee on Foreign Affairs.

H.R. 60. A bill to provide for the regulation of State Presidential primary elections; to the Committee on House Administration.

H.R. 61. A bill to amend section 4 of the Internal Security Act of 1950; to the Committee on the Judiciary.

H.R. 62. A bill to provide additional penalties for the use of firearms or destructive devices in the commission of certain crimes of violence; to the Committee on the Judiciary.

By Mr. SCHULZE:

H.R. 63. A bill to amend the Internal Revenue Code of 1954 to encourage individuals to invest in the stock of domestic corporations by allowing a 10-percent income tax credit for such investments; to the Committee on Ways and Means.

By Mr. ALBOSTA:

H.R. 64. A bill to amend titles II and XVI of the Social Security Act to provide that an individual receiving child's insurance benefits on the basis of blindness or other disability shall not lose his or her entitlement to such benefits by reason of marriage, if such marriage is to a recipient of supplemental security income benefits; to the Committee on Ways and Means.

By Mr. ALBOSTA (for himself, Mr. OTTINGER, Mr. PEPPER, Mr. GRISHAM, Mr. CLAY, Mr. WHITTEN, Mr. MURPHY, Mr. BAFALIS, Mr. WILLIAMS of Ohio, Mr. PAUL, Mrs. HOLT, Mr. WHITEHURST, Mr. HUGHES, Mr. FORSYTHE, Mr. BROYHILL, Mr. YATRON, Mr. YOUNG of Missouri, Mr. PERKINS, Mr. RINALDO, Mr. GREEN, Mr. MOTTL, Mr. SAM B. HALL, JR., Mr. KRAMER, Mr. NICHOLS, Mr. BEVILL, Mrs. SCHROEDER, Mr. FUQUA, Mr. GINGRICH, Mr. OAKAR, Mr. ADDABBO, Mr. GUYER, Mr. GOLDWATER, Mr. JOHN L. BURTON, Mr. OBERSTAR, Mr. LAGOMARSINO, Mr. KILDEE, Mr. COELHO, Mr. LEHMAN, Mr. PANETTA, Mr. RICHMOND, Mr. WINN, Mr. YOUNG of Florida, Mr. CORRADA, Mr. CONYERS, Mr. WON PAT, Mr. MATSUI, Mr. RATCHFORD, Mr. WAMPLER, Mr. DOUGHERTY, Mr. MITCHELL of New York, Mr. ZABLOCKI, Mr. ROTH, Mr. MONTGOMERY, Mr. DOWNEY, Mr. VENTO, Mr. LEACH of Iowa, Mr. LOTT, Mr. PORTER, Mr. WEISS, Mr. HUTTO, Mr. HORTON, Mr. WILLIAMS of Montana, Mr. DANIEL B. CRANE, Mr. WILSON, Mr. CAMPBELL, and Mr. ROE):

H.R. 65. A bill to amend title II of the Social Security Act to reaffirm the fact that benefits payable thereunder are exempt from all taxation; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 66. A bill to extend the authorization of appropriations under the Vocational Educational Act of 1963; to the Committee on Education and Labor.

By Mr. ASHBROOK:

H.R. 67. A bill to amend the Internal Security Act of 1950 to control and penalize terrorists, and for other purposes; to the Committee on the Judiciary.

H.R. 68. A bill to make it a Federal crime to kill or assault a fireman or law enforcement officer engaged in the performance of his duties when the offender travels in interstate commerce or uses any facility of interstate commerce for such purpose; to the Committee on the Judiciary.

H.R. 69. A bill to amend chapter 44 of title 18, United States Code, to exempt ammunition from Federal regulations under the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. FINDLEY (for himself, Mr. ANNUNZIO, Mr. BENNETT, Mr. COELHO, Mr. EDWARDS of California, Mr. GILMAN, Mr. HORTON, Mr. HYDE, Mr. LEDERER, Mr. MOAKLEY, Mr. MURPHY, Mr. PANETTA, Mr. PERKINS, Mr. RICHMOND, Mr. ROE, Mr. WEISS, Mr. WHITEHURST, and Mr. YATRON):

H.R. 70. A bill to amend the Age Discrimination in Employment Act of 1967 to provide that individuals who are 40 years of age or older shall be protected by the provisions of such act, and for other purposes; jointly, to the Committees on Education and Labor, and Post Office and Civil Service.

By Mr. ASHBROOK:

H.R. 71. A bill to repeal the Gun Control Act of 1968 to the Committee on the Judiciary.

H.R. 72. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

H.R. 73. A bill to limit the jurisdiction of the courts of the United States in matters relating to abortion to the Committee on the Judiciary.

H.R. 74. A bill to amend the Fair Labor Standards Act of 1938, as amended, to exclude illegal aliens from coverage under the act; to the Committee on Education and Labor.

H.R. 75. A bill to provide that certain criminal penalties imposed as a result of the failure of an individual to answer to questions submitted in connection with a census or survey conducted under title 13, United States Code, shall not be applicable to any census taken under section 142 of such title; to the Committee on Post Office and Civil Service.

H.R. 76. A bill to guarantee that every employee of the Federal Government shall have the right to refrain from union activity; to the Committee on Post Office and Civil Service.

H.R. 77. A bill to remove certain criminal penalties imposed as a result of the failure of an individual to answer questions submitted in connection with a census or survey conducted under title 13, United States Code; to the Committee on Post Office and Civil Service.

H.R. 78. A bill to make the first Monday in February a legal public holiday for Lincoln's birthday; to the Committee on Post Office and Civil Service.

H.R. 79. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions; to the Committee on Veterans' Affairs.

H.R. 80. A bill to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale or exchange of certain farmland and other rural land located in the United States; to the Committee on Ways and Means.

By Mr. EDWARDS of California:

H.R. 81. A bill to amend the Internal Revenue Code of 1954 to provide tax reform and tax incentives for individuals and businesses; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.R. 82. A bill to provide that the Internal Revenue Service may not implement certain rules relating to the determination of whether private schools have discriminatory policies until Congress provides specific guidelines for such determinations; to the Committee on Ways and Means.

H.R. 83. A bill to provide direct aid to the States and territories for educational purposes only for the benefit of the taxpayers and local governments; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 84. A bill to establish temporary provisions governing the day and times for the elections of Senators, Members of the House of Representatives, and electors of the President and Vice President; to the Committee on House Administration.

By Mr. BIAGGI (for himself, and Mr. YOUNG of Alaska, Mr. JONES of North Carolina, Mr. STUDDS, Mr. SNYDER, Mr. HUGHES, Mr. OBERSTAR, Mr. LENT, Mr. TRIBLE, Mr. HUBBARD, Mr. D'AMOURS, Mr. AKAKA, Mr. DORNAN, Ms. MIKULSKI, Mr. FORSYTHE, Mr. EVANS of Delaware, Mr. ZEFERETTI, and Mr. MARTIN of North Carolina):

H.R. 85. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, Public Works and Transportation, and Ways and Means.

By Mr. ASHBROOK:

H.R. 86. A bill to amend the Internal Revenue Code of 1954 to require most individuals to have as their taxable year a year which will require the filing of tax returns just before the November elections; to the Committee on Ways and Means.

H.R. 87. A bill to amend the Internal Revenue Code of 1954 to allow the charitible deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

H.R. 88. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide an exemption from coverage under the social security program, through a tax refund procedure for employees who are members of religious faiths which oppose participation in such program, and to provide a similar exemption on a current basis (pursuant to waiver certificates filed in advance) for employers engaged in farming and their employees in cases where both are members of such faiths; and to make the existing exemption for self-employed members of such faiths available to certain additional individuals; to the Committee on Ways and Means.

H.R. 89. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

H.R. 90. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

H.R. 91. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pension, or other retirement benefits; to the Committee on Ways and Means.

H.R. 92. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for tuition expenses of the taxpayer or his spouse or a dependent at an institution of higher education, and an additional credit for gifts or contributions made to any institution of higher education; to the Committee on Ways and Means.

H.R. 93. A bill to amend title II of the Social Security Act to increase to $5,000 the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

H.R. 94. A bill to exempt limited amounts of oil production by independent producers from the windfall profit tax and for other purposes; to the Committee on Ways and Means.

H.R. 95. A bill to amend the Internal Revenue Code of 1954 to prohibit the Internal Revenue Service from terminating for reasons of racial discrimination the tax exempt status of any organization established for the purposes of educational instruction without proper adjudication by a court of the United States or of any State; to the Committee on Ways and Means.

H.R. 96. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 97. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. BENNETT:

H.R. 98. A bill to make eligible for annuities payable under section 4 of Public Law 92-425 (relating to the Armed Forces survivor benefit plan) persons who became widows during the 18-month period following the effective date of such law; to the Committee on Armed Services.

H.R. 99. A bill to amend title 10, United States Code, to regulate the discharge of members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. DINGELL:

H.R. 100. A bill to prohibit discrimination in insurance on the basis of race, color, religion, sex or national origin; to the Committee on Energy and Commerce.

By Mr. BENNETT:

H.R. 101. A bill to amend the urban development action grant program with respect to determining the level of physical and economic distress of certain urban counties; to the Committee on Banking, Finance and Urban Affairs.

H.R. 102. A bill to provide Federal grants to assist elementary and secondary schools to carry on programs to teach the principles of citizenship and ethics; to the Committee on Education and Labor.

H.R. 103. A bill to amend the Regional Rail Reorganization Act of 1973 to provide a payment for certain protected employees to insure that such employees were not disadvantaged between April 1 and September 30, 1976, with respect to preretirement life and medical insurance benefits; to the Committee on Energy and Commerce.

H.R. 104. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

H.R. 105. A bill to establish a series of six regional Presidential primaries at which the public may express its preference for the nomination of an individual for election to the office of President of the United States; to the Committee on House Administration.

H.R. 106. A bill to amend the Federal Election Campaign Act of 1971 to provide that, with respect to any Federal election, no expenditure may be made by a candidate or political committee unless there are sufficient funds in the checking account maintained by such committee to pay the amount of such expenditure and all other checks drawn on such account and unpaid, and for other purposes; to the Committee on House Administration.

H.R. 107. A bill to require certain reports to the Federal Election Commission, and for other purposes; to the Committee on House Administration.

H.R. 108. A bill to establish controls on year-end expenditure practices of Federal agencies; to the Committee on Government Operations.

H.R. 109. A bill to amend the Arms Export Control Act (formerly Foreign Military Sales Act) to authorize the President to prescribe regulations for protecting arms information from the risk of indiscriminate export; to the Committee on Foreign Affairs.

By Mr. BLANCHARD:

H.R. 110. A bill to amend the Internal Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account, and for other purposes; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 111. A bill to provide for disclosure by lobbyists, and for other purposes; to the Committee on the Judiciary.

H.R. 112. A bill to amend chapter 313 of title 18 of the United States Code to improve the system dealing with mental defectives charged with offenses against the United States; to the Committee on the Judiciary.

H.R. 113. A bill to subject certain nationals or citizens of the United States to the jurisdiction of the U.S. district courts for their crimes committed outside the United States and to provide for the apprehension, restraint, removal, and delivery of such persons; to the Committee on the Judiciary.

H.R. 114. A bill to amend title 28 of the United States Code to limit the jurisdiction of courts established by Congress under article III of the Constitution of the United States over State cases; to the Committee on the Judiciary.

H.R. 115. A bill to prohibit any act or threat of violence in a labor dispute and any conspiracy to accomplish such act or threat and to impose criminal and civil penalties therefor; to the Committee on the Judiciary.

H.R. 116. A bill to amend title 5, United States Code, to permit present and former civilian employees of the U.S. Government to receive civil service annuity credit for retirement purposes for all their periods of service to the United States (Federal Government, uniformed services and District of Columbia government) including such service which was covered by social security, regardless of eligibility for social security benefits; to the Committee on Post Office and Civil Service.

H.R. 117. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 118. A bill to authorize the discharge of dredged or fill material as part of Federal projects for the construction of the Fernandina Harbor Jetties, Fla., and the portion of the Intracoastal Waterway between Saint Mary's River and Saint John's River, Fla.; to the Committee on Public Works and Transportation.

79-059 O — 84 —— 9 (Vol. 127 Pt. 1)

H.R. 119. A bill to amend the Federal Aviation Act of 1958 to require regulations prohibiting air carriers from dispensing alcoholic beverages and tobacco without charge to passengers aboard air carrier aircraft; to the Committee on Public Works and Transportation.

H.R. 120. A bill to require the submission to Congress of research proposals prior to the expenditure of Federal funds; to the Committee on Science and Technology.

H.R. 121. A bill to provide for a national cemetery in Duval County, Fla.; to the Committee on Veterans' Affairs.

H.R. 122. A bill to provide for a Veterans' Administration general medical and surgical hospital at Jacksonville, Fla., and to achieve cooperation with the University of Florida College of Medicine in its activities in Jacksonville; to the Committee on Veterans' Affairs.

H.R. 123. A bill to amend title XVI of the Social Security Act to provide that an alien may not qualify for supplemental security income benefits unless he not only is a permanent resident of the United States but has also continuously resided in the United States for at least 5 years; to the Committee on Ways and Means.

H.R. 124. A bill to amend the Internal Revenue Code of 1954 to provide that the unified credit against the estate tax shall not be reduced by certain gifts made during 1976 which are includible in the gross estate of the decedent; to the Committee on Ways and Means.

H.R. 125. A bill to amend the Internal Revenue Code of 1954 to provide that no individual shall pay an income tax of less than 10 percent of his net income which exceeds $30,000 for any taxable year; to the Committee on Ways and Means.

H.R. 126. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 127. A bill to amend title 10, United States Code, and the Public Health Service Act, as amended, to provided for adjustments in the benefits afforded participants in the Armed Forces health professions scholarship programs; jointly, to the Committees on Armed Services and Energy and Commerce.

H.R. 128. A bill to provide that payments for military retired pay shall be made by the Civil Service Commission and that appropriations for such purpose shall be made to the Civil Service Commission; jointly, to the Committees on Armed Services and Post Office and Civil Service.

H.R. 129. A bill to amend the Defense Production Act of 1950, as amended; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Government Operations, and Post Office and Civil Service.

H.R. 130. A bill to abolish the National Security Council, and for other purposes; jointly, to the Committees on Armed Services and the Permanent Select Committee on Intelligence.

H.R. 131. A bill to amend the National Security Act of 1947 to establish by law procedures for the classification and protection of sensitive information relating to the national security, to provide criminal penalties for unauthorized disclosure of such information, to limit matters that may be classified and impose penalties for unauthorized classification, to provide for declassification, and for other purposes; jointly, to the Committees on Armed Services and the Permanent Select Committee on Intelligence.

H.R. 132. A bill to provide that any abandoned historic shipwreck located, in part, on the Outer Continental Shelf or on lands beneath navigable waters within the boundaries of a State shall be the property of the United States (subject to transfer to that State after adoption of an adequate State plan), and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

H.R. 133. A bill to amend title 18, United States Code, to prohibit the unauthorized disclosure of information concerning individuals engaged or assisting in foreign intelligence or counterintelligence activities, and for other purposes; jointly, to the Committee on the Judiciary and the Permanent Select Committee on Intelligence.

By Mr. BENNETT (for himself and Mr. CHAPPELL):

H.R. 134. A bill to amend title 28 of the United States Code and the rules governing section 2254 cases in the U.S. district courts to change the types of hearings which a magistrate may conduct and to change the jurisdiction for the consideration of, and the standards for the granting of, writs of habeas corpus by Federal courts upon the application of persons in custody pursuant to judgments of State courts; to the Committee on the Judiciary.

By Mr. BENNETT (for himself and Mr. LUKEN):

H.R. 135. A bill to amend title 38, United States Code, to provide a new educational assistance program for persons who enlist, reenlist, or otherwise enter the Armed Forces after December 31, 1981; to provide for the cancellation of certain education loans in the case of individuals who perform service in the Selected Reserve of the Ready Reserve of an Armed Force; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BIAGGI:

H.R. 136. A bill to amend the Social Security Act to provide that the Federal Government will gradually take over the local share of welfare and medicaid costs, and for other purposes; jointly to the Committees on Ways and Means, and Energy and Commerce.

By Mr. BINGHAM:

H.R. 137. A bill to provide for judicial review of administrative determinations made by the Board of Veterans Appeals; to the Committee on Veterans' Affairs.

H.R. 138. A bill to amend title V of the Social Security Act to require States to provide women access to their obstetric medical records and current information on obstetrical procedures; to amend the Federal Food, Drug, and Cosmetic Act to require the dissemination of information on the effects and risks of drugs and devices on the health of pregnant and parturient women and of prospective and developing children; and to provide for a study on the delayed long-term effect on child development of obstetrical drugs and procedures administered to or used by pregnant and parturient women; jointly to the Committees on Ways and Means, and Energy and Commerce.

H.R. 139. A bill to amend title V of the Social Security Act to require States to provide women access to their obstetric medical records and current information on obstetrical procedures; to amend the Federal Food, Drug, and Cosmetic Act to require the dissemination of information on the effects and risks of drugs and devices on the health of pregnant and parturient women and of prospective and developing children; and to provide for a study on the delayed long-term effect on child development of obstetrical drugs and procedures administered to or used by pregnant and parturient women; jointly to the Committees on Ways and Means, and Energy and Commerce.

By Mr. BINGHAM (for himself and Mr. WHITTAKER):

H.R. 140. A bill to amend section 6(e)(2) of the Land and Water Conservation Fund Act of 1965, as amended; to the Committee on Interior and Insular Affairs.

By Mr. BOLAND:

H.R. 141. A bill to preserve and promote the resources of the Connecticut River Valley, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRODHEAD:

H.R. 142. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on trucks and tractors and parts and accessories for such vehicles; to the Committee on Ways and Means.

H.R. 143. A bill to provide a program of emergency unemployment compensation; to the Committee on Ways and Means.

H.R. 144. A bill to amend the Internal Revenue Code of 1954 to encourage employment and the modernization of manufacturing plants by providing an additional investment credit for machinery placed in service in existing manufacturing plants or in nearby plants; to the Committee on Ways and Means.

H.R. 145. A bill to amend title XVI of the Social Security Act with respect to the negotiability of supplemental security income checks, and for other purposes; to the Committee on Ways and Means.

H.R. 146. A bill to amend the Internal Revenue Code of 1954 to allow a refundable income tax credit for the purchase of new automobiles manufactured by certain companies which have substantially increased their average fuel economy; to the Committee on Ways and Means.

H.R. 147. A bill to amend the Internal Revenue Code of 1954 to make the investment tax credit for motor vehicle manufacturing property refundable; to the Committee on Ways and Means.

H.R. 148. A bill to amend the Internal Revenue Code of 1954 to remove certain limitations in the case of charitable contributions of literary, musical, or artistic compositions, or similar property; to the Committee on Ways and Means.

H.R. 149. A bill to amend the Internal Revenue Code of 1954 to make certain changes in the provisions which increase the Federal unemployment tax in States which have outstanding Federal loans; to the Committee on Ways and Means.

H.R. 150. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, with the new method of financing being gradually phased in over a 3-year period, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

H.R. 151. A bill to provide for reimbursement to States experiencing high rates of insured unemployment, to reimburse States for the costs of providing certain extended benefits paid before 1981, and to cancel certain advances made to the Federal extended unemployment compensation account; to the Committee on Ways and Means.

H.R. 152. A bill to provide medicare coverage for orthopedic shoes or other supportive devices prescribed by a physician for correction or treatment of abnormalities of the feet or legs which cause serious detrimental medical effects; jointly to the Committees on Ways and Means, and Energy and Commerce.

H.R. 153. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, and hearing aids among the items and services for which payment may be made under the supplementary medical insurance program; jointly to the Committees on Ways and Means, and Energy and Commerce.

By Mr. BROOMFIELD:

H.R. 154. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 155. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest and dividends on deposits in savings institutions; to the Committee on Ways and Means.

By Mr. BURGENER:

H.R. 156. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, to regulate the issuance and use of social security account cards, and for other purposes; jointly, to the Committees on the Judiciary, Education and Labor, and Ways and Means.

By Mr. CAMPBELL:

H.R. 157. A bill to amend the Fair Labor Standards Act of 1938 to provide a special minimum wage for the employment for limited periods of time of youth aged nineteen and under and to broaden the authority for the employment of full-time students at a special minimum wage; to the Committee on Education and Labor.

H.R. 158. A bill to prohibit the mandatory termination or phaseout of the use by public utilities of any particular energy source; to the Committee on Energy and Commerce.

H.R. 159. A bill to provide procedures for certain cases of death or disqualification of persons eligible to be selected as President or Vice President by the Congress; to the Committee on House Administration.

By Mr. STUMP:

H.R. 160. A bill to remove residency requirements and acreage limitations applicable to land subject to reclamation law; to the Committee on Interior and Insular Affairs.

By Mr. CAMPBELL:

H.R. 161. A bill to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel, fabric, yarn or fiber, and for other purposes; to the Committee on the Judiciary.

H.R. 162. A bill for the relief of certain hospitals and health-care facilities; to the Committee on Ways and Means.

By Mr. CLAUSEN:

H.R. 163. A bill to provide for the payment by the Government of Iran of those U.S. citizens held hostage in the U.S. Embassy in Tehran; to the Committee on Foreign Affairs.

H.R. 164. A bill authorizing the Secretary of the Interior to retain as a national reserve, lands of the Outer Continental Shelf included in the proposed lease sale numbered 53, and prohibiting the Secretary from leasing such lands for oil or gas production or development, except as recommended by the President of the United States and not disapproved by the Congress, and for other purpose; to the Committee on Interior and Insular Affairs.

H.R. 165. A bill to amend the Internal Revenue Code of 1954 to increase for taxable years beginning after December 31, 1980, the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

H.R. 166. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 167. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mr. CLAY:

H.R. 168. A bill to amend title 39 United States Code to provide that the U.S. Postal Service shall be subject to certain provisions of the Occupational Safety and Health Act of 1970; to the Committee on Post Office and Civil Service.

H.R. 169. A bill to amend title 39 of the United States Code to provide for congressional review of capital investments proposed by the Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 170. A bill to amend title 39 of the United States Code to provide for the right of employees of the Postal Service to a safe working environment, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 171. A bill to provide for congressional review of proposed changes in postal services; to the Committee on Post Office and Civil Service.

H.R. 172. A bill to amend title 39 of the United States Code to prohibit the Postal Service from limiting regular daily mail delivery to fewer than six days each week, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 173. A bill to amend title 39 of the United States Code to remove the budget of the Postal Rate Commission from the control of the Postal Service; to the Committee on Post Office and Civil Service.

H.R. 174. A bill to amend title 39 of the United States Code to terminate the Board of Governors of the U.S. Postal Service, to provide that the exercise of the power of the Postal Service shall be directed by the Postmaster General, to revise the authority of the Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 175. A bill to amend title 39 of the United States Code to insure organizational independence for the Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 176. A bill to amend chapter 79 of title 5 of the United States Code to provide for the application of occupational safety and health standards to the Federal workplace, and for other purposes; jointly, to the Committees on Education and Labor and Post Office and Civil Service.

By Mr. CONABLE:

H.R. 177. A bill to amend the Internal Revenue Code of 1954 to reduce the tax effect known as the marriage penalty by permitting the deduction, without regard to whether deductions are itemized, of 10 percent of the earned income of the spouse whose earned income is lower than that of the other spouse; to the Committee on Ways and Means.

H.R. 178. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of and the deduction of contributions to, education savings accounts and housing saving accounts; to the Committee on Ways and Means.

By Mr. CORCORAN:

H.R. 179. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. D'AMOURS:

H.R. 180. A bill to amend title 4 of the United States Code to restrict the authority of any State to impose any income tax on any compensation paid to any individual who is not a domiciliary or resident of such State; to the Committee on the Judiciary.

H.R. 181. A bill to amend the Internal Revenue Code of 1954 to provide that expenditures for woodburning stoves shall be eligible for the residential energy credit for energy conservation expenditures; to the Committee on Ways and Means.

H.R. 182. A bill to amend the Internal Revenue Code of 1954 to provide that services performed for camps by certain students who generally are not eligible to receive unemployment compensation will not be subject to the Federal unemployment tax; to the Committee on Ways and Means.

By Mr. DAN DANIEL:

H.R. 183. A bill providing that $1,000,000 per day shall vest in the United States from the blocked Iranian assets for each of the 52 American hostages until the hostages are released, and to provide for the compensation of the hostages and their families; to the Committee on Foreign Affairs.

By Mr. DANIELSON:

H.R. 184. A bill to provide a uniform time for the closing of the polling places in all elections of the electors of the President and Vice President of the United States, and for other purposes; to the Committee on House Administration.

H.R. 185. A bill to amend the Immigration and Nationality Act to provide that any person who pays any compensation to an illegal alien shall be guilty of a petty offense and subject to a fine; to the Committee on the Judiciary.

H.R. 186. A bill to amend the Internal Revenue Code of 1954 to disallow deductions from gross income for salary paid to aliens illegally employed in the United States; to the Committee on Ways and Means.

H.R. 187. A bill to amend the Internal Revenue Code of 1954 to allow an itemized deduction for certain salaries and other compensation paid for personal services; to the Committee on Ways and Means.

By Mr. DANNEMEYER:

H.R. 188. A bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles; to the Committee on Energy and Commerce.

By Mr. DE LA GARZA:

H.R. 189. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. DOWNEY:

H.R. 190. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of the deduction of contributions to parents' and students' savings accounts for educational purposes; to the Committee on Ways and Means.

H.R. 191. A bill to amend the Internal Revenue Code of 1954 to allow the deduction for contributions to individual retirement savings even though the taxpayer is an active participant in a pension plan and to require the Secretary of the Treasury to provide, with the instructions for completing individual income tax returns, a simple-language explanation of the requirements and benefits of such deduction; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 192. A bill to provide that social security benefit increases occurring after May 1981 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

H.R. 193. A bill to provide for assistance to certain urban counties under title I of the Housing and Community Development Act of 1974; to the Committee on Banking, Finance and Urban Affairs.

H.R. 194. A bill to amend the Railroad Unemployment Insurance Act to increase the maximum daily benefit from $25 to $40; to the Committee on Energy and Commerce.

H.R. 195. A bill to amend the Railroad Retirement Act of 1974 to provide spouses' and widows' benefits to certain divorced persons; to the Committee on Energy and Commerce.

H.R. 196. A bill to amend the Railroad Retirement Act of 1974 to provide an increased benefit for certain persons by changing the requirement that such persons have been fully insured under the Social Security Act as of December 31 of calendar year in which they last rendered railroad-related service; to the Committee on Energy and Commerce.

H.R. 197. A bill to amend the Railroad Retirement Act of 1974 to provide for the counting of certain World War II military service toward the years of service requirements for eligibility for certain benefits under such Act; to the Committee on Energy and Commerce.

H.R. 198. A bill to amend the Railroad Retirement Act of 1974 to eliminate disqualification of employed spouses for certain annuities; to the Committee on Energy and Commerce.

H.R. 199. A bill to amend chapter 44 of title 18 of the United States Code, respecting firearms, to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

By Mr. CLAY:

H.R. 200. A bill to amend title 5, United States Code, to restore to Federal civilian employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DUNCAN:

H.R. 201. A bill to amend the Tennessee Valley Authority Act of 1933 relating to the sale of electricity to industrial users by the Tennessee Valley Authority through States, counties, municipalities, and cooperative organizations; to the Committee on Public Works and Transportation.

H.R. 202. A bill to amend the Internal Revenue Code of 1954 to provide that an unmarried individual who maintains a household shall be considered a head of household, without regard to whether the individual has a dependent who is a member of the household; to the Committee on Ways and Means.

H.R. 203. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

H.R. 204. A bill to provide for permanent tax rate reductions for individuals and incentives for new plant and equipment; to the Committee on Ways and Means.

H.R. 205. A bill to require the Internal Revenue Service to follow Frederick against the United States in the administration of the Internal Revenue Code of 1954 with respect to transportation expenses; to the Committee on Ways and Means.

H.R. 206. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for charitable contribution of the right to use a residence for occupancy by handicapped individuals; to the Committee on Ways and Means.

H.R. 207. A bill to amend the Internal Revenue Code of 1954 to exempt from the excise tax imposed on trailers any trailer designed to be used with a light-duty vehicle for farming purposes or for transporting horses or livestock; to the Committee on Ways and Means.

H.R. 208. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

H.R. 209. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 210. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions for the construction or maintenance of buildings housing fraternal organizations; to the Committee on Ways and Means.

H.R. 211. A bill to provide for demonstration projects whereby medicare patients receiving chemotherapy or radiation therapy may be housed and boarded in settings other than inpatient hospital facilities; to the Committee on Ways and Means.

H.R. 212. A bill to amend title II of the Social Security Act to provide that mother's insurance benefits will continue to be paid as long as the mother has in her care a child, entitled to child's insurance benefits, who is between ages 18 and 22 and is a full-time student; to the Committee on Ways and Means.

H.R. 213. A bill to amend the Internal Revenue Code of 1954 to provide that gross income shall not include interest on certain obligations issued by the Tennessee Valley Authority; to the Committee on Ways and Means.

H.R. 214. A bill to amend title XVIII of the Social Security Act to include as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. ENGLISH:

H.R. 215. A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax; to the Committee on Ways and Means.

By Ms. FERRARO:

H.R. 216. A bill to provide that elderly persons residing in dwelling units receiving Federal assistance shall be provided with certain rights in the lease agreements between the elderly persons and the owners of the units; to the Committee on Banking, Finance and Urban Affairs.

H.R. 217. A bill to amend the Fair Labor Standards Act of 1938 to narrow the circumstances under which an employer employing employees subject to that act may have wage differentials based on sex of the employees; to the Committee on Education and Labor.

H.R. 218. A bill to amend the Urban Mass Transportation Act of 1964 to require recipients of assistance under such act to establish plans for crime prevention for public mass transportation systems; to the Committee on Public Works and Transportation.

H.R. 219. A bill to amend the Federal Aviation Act of 1958 to provide for criteria for the provision of air navigation and traffic control facilities and services, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 220. A bill to promote the development of methods of research, experimentation, and testing that minimize the use of, and pain and suffering to, live animals; jointly, to the Committees on Energy and Commerce, and Science and Technology.

By Mr. FISH:

H.R. 221. A bill to provide for payment to each American hostage in Iran of $100 for each day of captivity; to the Committee on Foreign Affairs.

H.R. 222. A bill to provide that polling and registration places for elections for federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on House Administration.

H.R. 223. A bill to amend section 1332 of title 28, United States Code, to grant jurisdiction to the district courts to enforce any custody order of a State court against a parent who, in contravention of such order, takes a child to another State; to the Committee on the Judiciary.

H.R. 224. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 225. A bill to revise the laws governing appointments to the service academies so as to relieve Members of Congress from the responsibility of making nominations for appointments thereto, and for other purposes; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

By Mr. FISH (for himself, Mr. MOORHEAD, and Mr. HORTON):

H.R. 226. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 227. A bill to amend title 10 of the United States Code in order to establish Optometry Corps in the Army and the Navy and to provide a separate optometric service within the Air Force; to the Committee on Armed Services.

H.R. 228. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 229. A bill to amend the Occupational Safety and Health Act of 1970 to provide that where violations are corrected within the prescribed abatement period no penalty shall be assessed; to the Committee on Education and Labor.

H.R. 230. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

H.R. 231. A bill to amend the Controlled Substances Act to provide for persons who obtain or attempt to obtain narcotics or other controlled substances from a retail pharmacy by force and violence, and for other purposes; to the Committee on Energy and Commerce.

H.R. 232. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and County extension services to obtain excess property from the United States; to the Committee on Government Operations.

H.R. 233. A bill to amend the Miller Act to authorize the payment of attorney fees and litigation cost to a prevailing plaintiff from performance bonds furnished by Federal contractors; to the Committee on the Judiciary.

H.R. 234. A bill to repeal the Gun Control Act of 1968, to reenact the Federal Firearms Act, to make the use of a firearm to commit certain felonies a Federal crime where that use violates State law, and for other purposes; to the Committee on the Judiciary.

H.R. 235. A bill to amend title 39, United States Code, to require the United States Postal Service to make certain considerations prior to the closing of third- and fourth-class post offices; to the Committee on Post Office and Civil Service.

H.R. 236. A bill to authorize and direct the Secretary of the Army to convey to the trustees of the Salem Wesleyan Church a certain parcel of land of the United States at the Jim Woodruff Dam and Reservoir project, Florida; to the Committee on Public Works and Transportation.

H.R. 237. A bill to direct the Administrator of General Services to provide for the construction of a public building in Tallahassee, Fla.; to the Committee on Public Works and Transportation.

H.R. 238. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 239. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 240. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committees on Ways and Means.

H.R. 241. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits which are due an individual who dies without leaving an eligible spouse shall be paid to the person or persons who paid the expenses of such individual's last illness and burial; to the Committee on Ways and Means.

H.R. 242. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 243. A bill to permit either House of Congress to disapprove certain rules proposed by executive agencies; jointly to the Committees on the Judiciary, and Rules.

H.R. 244. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly to the Committees on Ways and Means, and Energy and Commerce.

H.R. 245. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly to the Committees on Ways and Means, and Energy and Commerce.

By Mr. GOODLING:

H.R. 246. A bill to amend the Internal Revenue Code of 1954 to increase by $3,000 the amount of living expenses which may be deducted by Members of Congress; to the Committee on Ways and Means.

By Mr. GRADISON (for himself, Mr. ARCHER, Mr. ASHBROOK, Mr. BAFALIS, Mr. BARNARD, Mr. BEARD, Mr. BEREUTER, Mr. BETHUNE, Mr. BLANCHARD, Mrs. BOUQUARD, Mr. BOWEN, Mr. BROYHILL, Mr. BURGENER, Mr. JOHN L. BURTON, Mr. CAMPBELL, Mr. CARNEY, Mr. CHAPPELL, Mr. CHENEY, Mr. CLAUSEN, Mr. CLINGER, Mr. COELHO, Mr. COLEMAN, Mr. COLLINS of Texas, Mr. CONABLE, Mr. CONTE, Mr. CORCORAN, Mr. COUGHLIN, Mr. COURTER, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, Mr. DAVIS, Mr. DERWINSKI, Mr. DICKINSON, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DUNCAN, Mr. EDWARDS of Oklahoma, Mr. ERDAHL, Mr. EVANS of Indiana, Mr. EVANS of Georgia, Mr. FAZIO, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. GILMAN, Mr. GINGRICH, Mr. GINN, Mr. GOLDWATER, Mr. GOODLING, Mr. GRAMM, Mr. GREEN, Mr. GRISHAM, Mr. GUYER, Mr. HAGEDORN, Mr. HANSEN of Idaho, Mrs. HECKLER, Mr. HINSON, Mr. HOLLENBECK, Mr. HOPKINS, Mr. HORTON, Mr. IRELAND, Mr. JACOBS, Mr. JEFFRIES, Mr. JONES of North Carolina, Mr. KEMP, Mr. KILDEE, Mr. KINDNESS, Mr. KRAMER, Mr. LEACH of Iowa, Mr. LEE, Mr. LENT, Mr. LEVITAS, Mr. LEWIS, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LAGOMARSINO, Mr. LOTT, Mr. LATTA, Mr. LUKEN, Mr. LUNGREN, Mr. MCDONALD, Mr. MCEWEN, Mr. MADIGAN, Mr. MARKS, Mr. MARRIOTT, Mr. MARTIN of North Carolina, Mr. MOTTL, Mr. MICHEL, Mr. MILLER of Ohio, Mr. MILLER of California, Mr. MITCHELL of New York, Mr. MOORHEAD, Mr. MOORE, Mr. MURPHY, Mr. O'BRIEN, Mr. PASHAYAN, Mr. PETRI, Mr. PURSELL, Mr. RAILSBACK, Mr. REGULA, Mr. RITTER, Mr. ROBINSON, Mr. ROE, Mr. ROTH, Mr. ROUSSELOT, Mr. RUDD, Mr. SAWYER, Mr. SCHULZE, Mr. SENSENBRENNER, Mr. SHUMWAY, Mrs. SMITH of Nebraska, Mrs. SNOWE, Mr. SNYDER, Mr. SOLOMON, Mr. SPENCE, Mr. STANGELAND, Mr. STANTON of Ohio, Mr. STOKES, Mr. STOCKMAN, Mr. SWIFT, Mr. TAUKE, Mr. THOMAS, Mr. TRIBLE, Mr. WALKER, Mr. WAMPLER, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr. WINN, Mr. WYLIE, Mr. YATRON, and Mr. YOUNG of Florida):

H.R. 247. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

By Mr. GUARINI (for himself and Mr. DUNCAN):

H.R. 248. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction for certain amounts paid into a reserve for service liability losses and expenses of design professionals, and for other purposes; to the Committee on Ways and Means.

By Mr. GUYER:

H.R. 249. A bill to amend section 6(d)(1) of the Food Stamp Act of 1977, and for other purposes; to the Committee on Agriculture.

H.R. 250. A bill to amend the Food Stamp Act of 1977 to provide for the acceptance by pharmacies of food stamps in exchange for food supplements prescribed for consumption by cancer patients; to the Committee on Agriculture.

H.R. 251. A bill to amend the Truth in Lending Act to require that contracts and agreements respecting credit transactions subject to the Act be written in clear and understandable language; to the Committee on Banking, Finance and Urban Affairs.

H.R. 252. A bill to amend the Elementary and Secondary Education Act of 1965 to provide assistance for the establishment of basic standards of educational proficiency applicable to public school students; to the Committee on Education and Labor.

H.R. 253. A bill to provide Federal financial assistance to employers, labor organizations, or consortiums thereof, or other groups or individuals, to establish and operate occupational alcoholism programs for the diagnosis and treatment of alcohol abuse and alcoholism in employed persons, including managerial personnel, and their dependents, and for other purposes; to the Committee on Education and Labor.

H.R. 254. A bill to amend title VII of the Civil Rights Act of 1964 to provide increased protection to employees' religious observances and practices; to the Committee on Education and Labor.

H.R. 255. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap; to the Committee on Education and Labor.

H.R. 256. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety;

to the Committee on Energy and Commerce.

H.R. 257. A bill to improve agency responsiveness to citizen complaints and inquiries, to require submission to Congress of information on administrative procedures used to handle citizen complaints and inquiries, and for other purposes; to the Committee on Government Operations.

H.R. 258. A bill to amend chapter 44 of title 18 of the United States Code to extend the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies, and for other purposes; to the Committee on the Judiciary.

H.R. 259. A bill to amend the Administrative Procedure Act to require the performance and publication of economic impact analyses in the Federal Register for all proposed and final rules which are subject to the provisions of that act; to the Committee on the Judiciary.

H.R. 260. A bill to encourage on-the-scene emergency care aboard aircraft by relieving physicians, registered nurses, and aircraft employees from civil liability for damages resulting from any act or omission in rendering such care; to the Committee on the Judiciary.

H.R. 261. A bill to amend title 39, United States Code, to establish a reduced rate of postage for certain mail matter of private individuals; to the Committee on Post Office and Civil Service.

H.R. 262. A bill to amend title 5, United States Code, to deny Federal retirement annuities to individuals convicted of any felony, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 263. A bill to amend the Internal Revenue Code of 1954 to provide a credit for tuition paid for higher education; to the Committee on Ways and Means.

H.R. 264. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that any individual may elect, on an annual basis, to contribute to a private retirement plan rather than participating in the social security program; to the Committee on Ways and Means.

H.R. 265. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

H.R. 266. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

H.R. 267. A bill to reduce the amount of paperwork required by Federal agencies and to increase congressional awareness of the increase in paperwork required by bills and joint resolutions under consideration by Congress; jointly, to the Committees on Government Operations, and Rules.

[The remainder of the bills and resolutions introduced today will appear in the RECORD of Tuesday, January 6. All bills introduced on January 5 will be printed with that date.]

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

1. By the SPEAKER: Memorial of the Legislature of the State of Illinois, relative to the Republic of China on Taiwan; to the Committee on Foreign Affairs.

2. Also, memorial of the Senate of the State of New Jersey, relative to immigration of Italian earthquake victims; to the Committee on the Judiciary.

3. Also, memorial of the Legislature of the Territory of Guam, relative to the election of Ronald Reagan and George Bush as President and Vice President of the United States; to the Committee on Post Office and Civil Service.

4. Also, memorial of the House of Representatives of the State of Ohio, relative to accelerated depreciation allowances for capital assets of American industry; to the Committee on Ways and Means.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1. By the SPEAKER: Petition of the Kauai County Council, Hawaii, relative to the Farmers Home Administration's interest credit program; to the Committee on Agriculture.

2. Also, petition of the Suffolk County Legislature, New York, relative to human rights in northern Ireland; to the Committee on Foreign Affairs.

3. Also, petition of the city council, Philadelphia, Pa., relative to earthquake relief for southern Italy; to the Committee on Foreign Affairs.

4. Also, petition of the Congress of the Federated States of Micronesia, Kolonia, Ponape, Eastern Caroline Islands, relative to the service of the Honorable Robert Duncan; to the Committee on Interior and Insular Affairs.

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EXTENSIONS OF REMARKS

SMALL BUSINESS TAX RELIEF ACT OF 1981

HON. RICHARD T. SCHULZE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. SCHULZE. Mr. Speaker, in the last Congress my Small Business Tax Relief Act attracted the bipartism support of nearly 160 Members of the House. Unfortunately the conditions which motivated my introduction of this bill still exist. Therefore, today, I am introducing the Small Business Tax Relief Act of 1981.

Briefly, the seven provisions of my bill would:

First, permit a small businessman to sell his business, reinvest the profit within 18 months in another small business without paying tax, as in the case of an individual's residence;

Second, increase the allowance of additional first depreciation for small business;

Third, permit rapid amortization of certain federally required expenditures;

Fourth, liberalize the provisions with respect to small domestic international sales corporations;

Fifth, provide for the optional cash or accrual method of accounting for sole proprietors;

Sixth, require the IRS to refund employers their proportionate share of excess social security payments made on behalf of employees who were employed by two or more employers during the year, and finally my bill would;

Seventh, grant a tax credit of $5 for each document or form which a small business is required to file under Federal law.

The Small Business Tax Relief Act of 1981 is a balanced and multifaceted bill which will assist our small entrepreneurs in a meaningful way. I urge all of my colleagues whose constituencies include small businesses to join me in facilitating the formation and growth of small business by cosponsoring the Small Business Tax Relief Act of 1981.

To give a more detailed explanation of my bill I am providing a description of each provision.

First, gain from a sale sole proprietorship. This "rollover" provision would allow a small businessman who sells his entire business interest and reinvests the entire proceeds in another qualifying small business venture within 18 months to recognize no gain at that time. If the sale occurs after age 55 years, the taxpayer has the option of electing capital gains treatment on the accumulated gain or ordinary income treatment in conjunction with a special 10-year averaging mechanism.

Second, increase in additional first-year depreciation allowance for small business. This section of the bill would simply increase the amount which may be claimed for additional first-year depreciation from the existing 20 percent of the first $10,000 to $20,000 if married and filing jointly—of investment to 25 percent of the first $25,000 to $50,000 if married and filing jointly—of investment. This provision is designed primarily to benefit the small businessman by allowing him to recoup a greater part of his investment via reduced tax liability.

Third, rapid amortization of certain federally required expenditures. This section provides for the rapid amortization over a 36-month period, of federally required expenditures for plant and equipment. The aim of this provision is to give rapid writeoff to businesses forced to comply with Federal laws or regulations such as OSHA, HHS rules for the handicapped, regulations governing pollution control and so forth. To qualify for rapid amortization, such changes would have to be certified by the particular Federal agency as being in compliance with the law and of a type which does not significantly increase output or capacity. This provision would apply only to existing facilities.

Fourth, removal of certain limitations of deferral in cases of small DISC's. The domestic international sales corporation is an important device for increasing export sales and in so doing, reducing our balance-of-payments deficit and inflation. This provision of my bill changes current law to allow a small DISC having an adjusted taxable income of $1 million or less to be exempt from the base period limitations imposed on large DISC's. As a result of this change, small manufacturers will be encouraged to develop export sales as a result of the tax deferral offered via the small DISC provision.

Fifth, optional cash method of accounting for taxpayers operating as a sole proprietor. This section allows the sole proprietor to choose the method of accounting, either cash or accrual, which will be more beneficial. Small businesses with inventory which are frequently not equipped to utilize the LIFO accounting provisions currently suffer a hidden tax which is brought about by the inflationary increase in the value of that inventory. Under this section of my bill, any appreciation of inventory would not have to be shown until such time as there is a cash sale providing the proceeds with which to pay the tax.

Sixth, refund or credit of employer share of certain excess social security taxes. Social security taxes are a source of agitation to most employers, because of the amount of related paperwork. Yet, many employers unknowingly pay a greater amount in social security than is necessary. This occurs when an employee is employed by two or more employers during the year. In this situation there is, generally, an excess employer contribution which is never refunded to the employers. Presently, an employee can claim a credit for excess social security tax withheld. However, there is no similar provision for employers. This provision of my bill would require the IRS to credit or refund to each employer his proportionate share of the overpayment. Qualifying employers would be identified when an employee claimed the credit. Within 90 days, the IRS must credit or refund the appropriate amount to each employer. One of the benefits of this plan is that employers automatically receive the payment without having to complete any complex forms or paperwork.

Seventh, expense of filing Federal forms. This final section of the bill would grant a tax credit of $5 for each form or document which a small business is required to file pursuant to Federal law. The crushing burden of Federal paperwork is well known to every small businessman. The theory behind this provision should help to defray the expense of complying with the requirements it imposes on business.

Tax policy plays an integral part in the success or failure of a new business enterprise. It is significant to note that the Small Business Administration indicates that out of every 10 new businesses, only 5 will be operating within 2 years. In order to insure the viability of our economy, it is essential that Congress take the actions needed to bolster the existing small business community and encourage the creation of new businesses.

I urge my colleagues to join with me in aiding American small business.

Thank you.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

LEGISLATION TO ADJUST OMB PAY LEVELS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BROOKS. Mr. Speaker, today Congressman ED DERWINSKI and I offer legislation to raise the level of the Director of the Office of Management and Budget to Cabinet status. Congress has recognized that the position of OMB Director is as important as that of Cabinet officers, by requiring that nominees for the position be confirmed by the Senate. But we have failed to follow through by compensating the Director at the level of Cabinet Secretaries, and his Deputy at the level of Deputy Cabinet officers.

This is an important bill for several reasons. First, simple equity demands that officials at similar levels of responsibility be compensated equally. In addition, the OMB Director, as the President's chief representative in dealing with Cabinet Secretaries on essential administrative and budget issues, should be able to conduct those dealings on the same management level as those officials. The same principle holds true for the Deputy OMB Director in his transactions with lower level Cabinet officials.

The effective operation of OMB is not a Republican or Democratic issue. The ability to conduct business on the same management level with Cabinet officers will be just as important and valuable for DAVE STOCKMAN as it would have been for Jim McIntyre. I hope this bill will be approved promptly by Congress.●

JUDGES' SALARIES VERSUS THE POWER OF THE PURSE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. ASHBROOK. Mr. Speaker, once again, we have cause to wish that the Supreme Court were as concerned about the rights of Congress as it has been about the rights of criminals. The Court has set precedents which have allowed dangerous criminals back on the streets at enormous risk and cost to the public. This has been regarded as merely the price the public has to pay so that the most extreme technical legalities are exercised by the police and by prosecutors.

But when it comes to judicial salaries, the Court finds that an invasion of the fundamental constitutional prerogative of the legislative branch, the power of the purse, must yield. People may be murdered, children must be bused, but these are simply necessary sacrifices to be made for a strict adherence to the Constitution. Judges' salaries, however, would seem to be a different matter altogether.

The history of legislative power in the Anglo-Saxon tradition begins with the power of the purse. The previously absolute authority of English monarch was harnessed by Parliament only as Kings became dependent on the legislature for money. It was with this example in mind that the Founding Fathers wrote the Constitution, and it was emphasized by their requirement that money bills originate in the House of Representatives.

If the public can face the physical danger of criminals let loose for the sake of avoiding dangerous legal precedents, judges can forego pay raises for the same purpose. The Congress has the power and the duty to check the abuse of power represented by the *Will* decision, and we should not hesitate to do so.●

TRIBUTE TO ANDY JACOBS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. EDWARDS of California. Mr. Speaker, I want to bring to the attention of my colleagues a recent article by Colman McCarthy of the Washington Post about our esteemed colleague, ANDY JACOBS. I think this article illuminates the rare qualities and style that ANDY has brought to this body during the years he has been here. I cannot think of any Member of Congress who is more respected by his or her colleagues than the gentleman from Indiana, ANDY JACOBS. I commend the article to all here in the House.

[From the Minneapolis Tribune, Dec. 27, 1980]

HERE'S PROOF A LIBERAL CAN BE THRIFTY

(By Colman McCarthy)

WASHINGTON.—On the next to last day of the 96th Congress—a tradition-honored moment when the special interests rush under the federal money tree to give it a final greedy shake—one scheme to reach the floor of the House had an audacity all its own. It was an amendment supposedly intended to help fire-disaster victims in San Bernardino, Calif., by permitting the issuance of $225 million worth of tax-free mortgage bonds.

Something smelled fishy, at least to the alert nostrils of Rep. Andy Jacobs, Indiana Democrat. This is another welfare bill for the affluent, Jacobs said to himself, thinking of the countless others he had seen since he came to Congress in 1964.

"For every three dollars government would give up under this program," Jacobs explained later, "one dollar would get through to the homeowner. The other two would be siphoned off by the money-changers along the way—lawyers, brokers and the rest. First, San Bernardino was already declared a disaster area, and a separate 5-percent loan was available. Second, we have to presume that at least some of those people in San Bernardino who have been so successful in life remembered to take out fire insurance."

On the House floor, late in the afternoon on a Saturday, Jacobs argued that the legislation was really an appropriations bill and thus out of order at this time. His argument held, and the federal pocket—at least for this $225 million—remained unpicked.

The maneuver was vintage Andy Jacobs: He knew the facts, he was on the barricades at the right moment, and he acted with the authenticity of one who is unique in Congress in being entitled to call himself "a parsimonious progressive." According to the National Taxpayers Union, Jacob's attentiveness to wasteful federal spending "has saved the country billions of dollars."

As the national mood seems to be turning to the kind of fiscal accountability that Jacobs, almost by himself, has been championing, he is a fitting model for the new group of politicians now coming to Congress fresh from winning elections with their "cut the budget" and "stop the spending" speeches.

Jacobs, a tall fellow, a former policeman and a vegetarian who is as lean physically as he'd like the government to be financially, would appear to be this group's natural leader. Except that when he is arpar about federal waste, he means it. He starts with himself.

He believes that at $60,600 a year, congressional wages are too high; so he accepts only $44,600, his salary when he first came to town. He was wounded in Korea, but his health is fine now (as it naturally would be with a non-meat diet), so he refuses his veteran's disability check. In November, he used only $13,000 for reelection, compared with the House record of $1.8 million set by a California Republican.

House members are allowed a staff of 22; Jacobs' functions smoothly with eight. To look at itself on television, the House provided members with closed-circuit color sets. Jacobs said no thanks, hooking up his 14-year-old black and white for the job. "I know of no good reason for viewing Tip O'Neill in color," he quips.

In 1974, his conscientiousness saved his life. On booking a flight from Indianapolis to Washington, Jacobs was told that only first-class seats were available. He said no. Even though it was a government-paid trip, he wanted to save the public the extra $20. Instead, he went coach on an earlier flight. The plane he would have taken crashed into a mountain as it approached Dulles airport. There were no survivors.

With a little effort—say the hiring of a ninth staff member to write press releases and a tenth to deliver them hot to the media—Jacobs might be better known for his money-saving ways. But he instinctively understands how the Washington game works: Become a showman and you are dismissible. By avoiding the flashy—and by being on the House floor on lonely Saturday afternoons when it is make-the-rich-richer time—Jacobs wins the respect not only of groups like the National Taxpayers Union, but also the taxpayers in his own conservative district.

His hometown paper, the Indianapolis Star, a voice of the Stolid Right, says that Jacobs is "shocking," not for his views on cutting waste and balancing the budget, but because he is a *Democrat* who thinks that way. The shock was such that the Star endorsed him in his last race, which was a shock to Jacobs and his 65 ADA rating as well.

It is possible to be a liberal and not be an extravagant spender. In a long conversation in his office the other day, Jacobs said, "Let's give the necessities the highest priorities." This would seem to be a new kind of liberalism, except that, as Jacobs has been practicing it, it has been around for some time, and more than earning its keep.●

DEDUCTING COST OF HIGHER EDUCATION

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. DOWNEY. Mr. Speaker, today I am introducing a bill to establish the parents and students savings program, otherwise known as the PASS plan. Under PASS, a taxpayer would be allowed a deduction for contributions made to a qualified higher education fund which must be established solely for the purpose of paying for the future costs of higher education of eligible beneficiaries. For each student, a taxpayer could make contributions to a PASS fund which may total up to $1,500 each year. The student beneficiary could then use the assets of the fund for attending college or other institutions of higher education anywhere in the United States. After the beneficiaries finish college, they would be required to report the distributions received from the fund as ordinary income, with the tax liability spread over a 5-year period.

Under this plan, the taxpayer would be able to deduct the amounts contributed to the account from his or her taxable income, and the beneficiary would owe the tax on the interest and original deposits at his or her lower income tax level.

This PASS plan was originally enacted by New York State in 1978 and has been successful there. Other States also offer incentives for educational savings; however, the participation rate in these plans would increase dramatically if there were also Federal tax incentives to encourage families to plan for their educational costs. A Federal PASS program would provide a strong incentive for this kind of long-range savings which would also be an important source of funds for capital investment by business.

Furthermore, our Nation's saving rate compares unfavorably with other nations. Our savings rate of 4.5 percent of disposable income is small compared to 24 percent in Japan, 17 percent in West Germany, and 14 percent in Great Britian. Most of our industrial competitors have extensive Government programs and subsidies to encourage savings. This PASS plan would promote savings for investment in education, which, like the GI bill, would turn out to be the most dollar-wide spending by the Federal Government.

Finally, a Federal PASS program would decrease the demand for federally subsidized student loans by making it possible for more families to shoulder the burden of spiraling college costs.

Like any other tax cut proposal, it is important to benefit those that need help the most. My bill will do just that, by giving parents a break from the crushing burden of college costs, while increasing the supply of money for business investment.●

SOLOMON BALANCED BUDGET AMENDMENT

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. SOLOMON. Mr. Speaker, today I am introducing a proposed constitutional amendment to require a balanced Federal budget. This proposal is identical to House Joint Resolution 274, which I introduced in the 96th Congress, and it is once again being sponsored in the other body by Senator RICHARD LUGAR.

Only once since 1960 has the Federal Government limited its spending to available revenues. Successive Presidents and Congresses have proven themselves unable to resist pressures to spend, and there is reasonable doubt that the budget will ever be balanced again in the absence of a constitutional amendment to enforce the discipline which the Congress has not exercised itself.

A look at what happened during consideration of the fiscal 1981 budget explains why enforced restraint is necessary. At the time the first concurrent budget resolution was adopted, Congress was projecting a slight budget surplus. By the time the second budget resolution was adopted, the surplus has become a deficit in excess of $27 billion. Now, barring unforeseen circumstances, the deficit is likely to double.

It is clear that Congress is reluctant to pass an amendment to restrain itself. However, I believe that a flexible approach to balanced budgets stands a reasonable chance of enactment, and that is what I have proposed.

Simply stated, the Solomon amendment requires that when Congress votes on a concurrent budget resolution in which projected revenues exceed projected outlays, a two-thirds majority of those present and voting would be necessary for passage. A balanced budget could be approved by a simple majority vote.

The key feature of this amendment is that it establishes a balanced budget as a normal situation. It will be more difficult to secure a two-thirds vote for a deficit than a simple majority for a balanced budget. This proposal will make diversions from the norm exceptions which are justified only in circumstances so compelling that they can convince two-thirds of the Members of both Houses that deficits are necessary.

I sincerely believe that this proposal will improve the budget process because it will force the Congress to heed the budget deadlines it established in 1974, and ignored ever since. My amendment would involve no serious disruption or alteration of the budget process, but it would require the Congress to take the budget process more seriously.

Indeed, the Solomon amendment would increase the flexibility of the budget process. We are currently on a course in which larger and larger portions of the budget are considered uncontrollable. The only flexibility in the current arrangement is to adopt even larger than usual deficits. The two-thirds proposal will liberate the budget process from its current tendency toward uncontrollability, and will thus possess the merits of both sunset legislation and zero-based budgeting.

Whenever two-thirds of the Members of both Houses agree that a deficit is necessary—for whatever reason—it will be possible to adopt one. Congress could choose to stimulate the economy through increased spending or tax cuts. This amendment would, however, undoubtedly lead to somewhat greater restraint in applying governmental stimulus, and this would be a useful corrective to current policy.

It is abundantly clear that the American people want the Government to start living within its means. All recent polls—including the one last November 4—have shown overwhelming support for more responsible budget policy. Also, a majority of the States have gone on record in support of a constitutional amendment to balance the budget. I believe that my amendment has the advantage of being flexible, straightforward, and streamlined. It gives budget considerations an appropriate place in the Constitution. At the same time, it gives Congress the latitude it needs to deal effectively with economic circumstances as they develop. I urge my colleagues to join me in cosponsoring this legislation.●

TRIBUTE TO GEORGIA BULLDOGS

HON. DOUG BARNARD, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BARNARD. Mr. Speaker, on Thursday, January 1, 1981, at the 47th annual Sugar Bowl in New Orleans, La., the national football championship was decided when the University of Georgia Bulldogs were victorious. This team performed as true champions in not only this game but for the entire season. It has been with exemplary courage and admirable determination that the University of Georgia team has fought for and won every contest in a sportsmanlike manner. Never focusing on individual statistics, the quest has always been a total team effort resulting in well-deserved victories. It has not been a club of superlatives but instead a group of young men fighting for a common goal.

But this has also been a team of individual talent. Led by the National Coach of the Year, Coach Vince Dooley, the team had matchless direction. Coach Dooley has been at the University of Georgia for 17 years. During those years he has had a record of 130–56–6; been named SEC Coach of the Year 6 times; taken 12 Georgia teams to bowl games; elected NCAA District Coach of the Year 6 times, and served as the chairman of the American Football Coaches Association's Ethics Committee. Let me also add that Coach Dooley had the assistance of the best defensive coordinator and assistant coach in the Nation in Erk Russell.

This year's team also had very gifted players. Three Bulldogs were given first team All-American status; Scott Woerner, Rex Robinson, and, of course, Herschel Walker. These fine young people all deserve applause and commendation for a job well done. Mr. Walker should receive special recognition as the first freshman ever to receive consensus All American as a freshman and for finishing highest ever as a freshman, third place, in competition for the Heisman Trophy.

These men have made us proud. They have gloriously represented the University of Georgia, one of the finest universities in the Nation. The University of Georgia in Athens, Ga., is the oldest chartered State university in the Nation having received that charter in 1785. It has grown to a student population of 22,500 and a faculty of 2,000. UGA now boasts 13 schools and colleges and awards 18 masters degrees in 125 areas of concentration as well as 3 doctorates in 73 areas of concentration.

Please join with me today in commending these fine young men and their coaches in their finest victory and their excellent representation of this outstanding institution of higher learning.●

WINDFALL PROFIT TAX PROBLEMS

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. ENGLISH. Mr. Speaker, on March 13, 1980, the House of Representatives approved a new excise tax on the oil industry, the Crude Oil Windfall Profit Tax Act of 1980. This act imposes an excise tax on all producers of domestic crude oil. The term producer means the holder of the economic interest with respect to the crude oil in place in the ground. Under this definition, a royalty owner is considered to be a producer of crude oil.

There are thousands of small royalty owners throughout this Nation who have nothing to do with the production of crude oil. They do not drill the wells, they do not pump, transport, refine, retail or wholesale the product. Many of these small royalty owners hold the right to only a small fraction of low producing wells which often produce only a few barrels of crude oil per day. The monthly royalty income to these small royalty owners is small, often less than $100 per month, sometimes considerably less. In many instances, these meager checks are needed to supplement social security payments or retirement income of our elderly citizens. I dare say that many farmers, struggling to survive in the face of high interest rates and escalating operating costs, have been able to do so solely because of the royalty revenue they may be fortunate enough to receive. And now, the windfall profit tax has reduced these needed revenues to the point of forcing financial hardship on these small royalty owners.

Mr. Speaker, I opposed the windfall profit tax because I believed it was poor energy policy. I still believe that. What I cannot believe is that my colleagues who supported this legislation intended for it to apply to small royalty owners. The windfall profit tax allows independent producers to apply special tax rates to their windfall profits on the first 1,000 barrels a day of tier one and tier two oil. Specific exemptions exist for certain entities and organizations. Yet, royalty owners are subject to the same high taxation rate as the major integrated oil companies. This, Mr. Speaker, is absolutely ludicrous, a fact recognized when this body granted a $1,000 credit for 1980 windfall tax payments as part of the budget reconciliation bill. This credit, however, is only a temporary credit and a permanent, more equitable, solution is needed.

I have today introduced legislation which, when enacted, will provide permanent relief from the windfall profit tax for the thousands of small royalty owners who have been unfairly categorized with the major integrated oil companies. This legislation would exempt the first 10 barrels per day of royalty owner interest from the windfall profit tax. This modification to the Crude Oil Windfall Profit Tax Act of 1980 will provide much needed financial relief to small royalty owners who have been unjustly and unfairly burdened by this act. I urge the support of my colleagues in calling for the rapid enactment of this bill during the early days of the 97th Congress.●

STATEMENT TO ACCOMPANY THE IRA BILL

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. DOWNEY. Mr. Speaker, today I am introducing a bill to permit any individual to make annual contributions to an individual retirement account regardless of any other affiliation with a private or public pension plan.

Today, the annual savings rate of U.S. citizens of 4.5 percent compares unfavorably with other nations such as Japan with a rate of 24 percent, West Germany with 17 percent, and Great Britain with 14 percent. One of the reasons for the serious decline of our housing industry is this lower percentage of savings. Too small savings for future retirement also causes Government spending on social programs to increase, thus increasing the size of the Federal budget. To encourage retirement savings, contributions to these IRA's would be tax deferred, and amounts up to $1,500 annually would be permitted. Taxes would be levied at the lower retirement rate when benefits were withdrawn from these accounts.

The President's Commission on Pension Policy stated in its interim report that:

> The lowest rate of return is from an annual contribution to a regular savings account. Employee contributions to a qualified pension plan provide a somewhat higher return on the investment. The highest monthly pension for the same $100 contribution is available to those employees who invest in an IRA or Keogh up to the limits imposed on those plans. This return on the contribution is equivalent to the return on the employer contribution to a qualified pension plan.

My bill also includes a provision to overcome the previous low-user rate of IRA's by lower income earners by directing the Treasury Department to provide to each taxpayer a "plain English" explanation of individual retirement accounts and their benefits.

This tax cut would benefit our economy in two important ways. One, it would encourage individuals to save for their own retirement and increase the money supply of financial institutions. By lowering the need for lending houses to borrow at high rates the housing industry would begin to return to its normally healthy status. By allowing this money to circulate through our economy we could lower Government spending and cut the rate of inflation. This can only benefit all of us.●

THE DAVID MOSS STORY

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. DUNCAN. Mr. Speaker, as we start the 97th Congress, I am aware that I along with all of my other colleagues will find ourselves faced with uncountable challenges during the coming months. I feel it would be very much in order if we pause for a few minutes to not only contemplate the challenges we will face but to also reflect on how other persons have met challenges and turned seemingly hopeless situations into outstanding achievements.

One such example of how apparent defeat can be turned into accomplishment was given by the late David Moss of Ringgold, Ga. Moss came to the University of Tennessee in Knoxville as a scholarship athlete. Though his on-the-field playing career was cut short by cancer, David Moss continued to make outstanding contributions to his school, his employer, and his family. David Moss died on December 17, 1980. But his comparatively short life benefited many scores of people.

The David Moss story was never told any better than it was on December 20, 1980, when Mr. Marvin West, sports editor of the Knoxville News-Sentinel, paid tribute to this outstanding young man.

[From the Knoxville News-Sentinel, Dec. 20, 1980]

THEY HAD A FUNERAL FOR DAVID * * * BUT MOSS LOVE WILL LIVE ON

(By Marvin West)

They buried a Tennessee treasure Saturday but, believe me, the David Moss Story didn't end at the Ringgold, Ga., Community Cemetery.

No Volunteer athlete I know has made a greater impact on those around him. Friends will never forget. Those who shook his hand will remember the firm grip and the way his eyes searched to meet theirs. Those who heard him speak surely felt the motivation, depth and sincerity. Those who saw him only at a distance must know he didn't hold anything back.

In Ringgold, whence he came, David is a sports legend, state high jump champion, Parade All-American in basketball, the kind people will talk about in years to come and say, "You remember that game against . . ."

He didn't do all that much at Tennessee. He could jump higher as a freshman than anybody 6–4 and above many bigger but he wasn't a great shooter. I could see he'd contribute but I never thought he'd be a star.

No, that wasn't how David did it. He made it as a man. Just two quarters removed from the security of his living room, at age 17, Moss took the terrible news that he was losing a leg to cancer . . . and didn't flinch. He came back from traumatic surgery with an artificial limb, a walking stick and a smile to warm your heart.

He made appointed rounds, in pursuit of a business degree, to little boys' banquets, all around town and often out, on assignment as a Ray Mears coaching aide. David never sought sympathy. He wouldn't have it on a platter. He accepted a car from Tennessee fans. He needed one and he sure couldn't buy it. But, he wasn't looking for favors and when he reached out his hand, it was to pick someone up.

David went about life as if nothing had happened. He knew the odds but did not whimper about tough luck. He married pretty Priscilla Little and interviewed for jobs.

The night that would have been his final appearance as a basketball senior, David marched out to mid-court at Stokely Center, stood in the spotlight and soaked up a thunderous ovation. Smokey stood with him, as if on holy ground. It was, David Moss was that special.

IBM hired him. IBM will take a risk with talent, David responded. He stirred those he met in that little company. So said IBM's Saturday speaker, a Mr. Wall. Could be winners are winners, wherever they go.

First Baptist Church, on Nashville Street, in Ringgold, in North Georgia, set a record. As funerals go, it was like Easter, standing room only. The black folk borrowed the white folk's biggest church because they wanted to accommodate the crowd. All pews were filled, some to overflowing. Hosts carried in folding chairs. Some sat on steps in the balcony.

There was a wall of flowers, a spray from former teachers, one arrangement that looked like a big orange basketball. Five preachers took turns reading scriptures and saying prayers and recalling the good life of David Moss. "Amens" far outnumbered tears. Songs from the soul are uplifting and they were presented with enthusiasm, to be heard in the vestibule and parking lot.

Dr. J. C. Neal, United Methodist, downtown Carrollton, delivered an entire sermon in two minutes: "This man David was a champion, a scholar, a star and a Christian. He had great courage and great faith. He was a fighter, a doer, a positive person.

"Sometimes, when people get a grip on the world, they lose touch with God. David didn't. I think the impact of his life reaches far beyond what we can see."

Dr. Neal said all that and sat down. I felt like applauding.

Mears got it said, too. The former Tennessee coach told the story of driving David home to tell his parents of the original crisis, of the forthcoming operation.

"He wanted to tell them himself. When it was time to go to the hospital, Mr. and Mrs. Moss got into the back seat of my car. David sat beside me. He wanted to know how to adjust his seat forward so his mother, behind him, would have more room.

"You need to know this about David Moss. At a time like that, he wasn't concerned if his legs were cramped. He wanted his mother to be comfortable."

The church was still as death when Mears told of his personal depression, how there were times he didn't want to live and how he looked to David Moss for strength to go on.

"I hope I gave him something in return."

Chuck Threeths, ex-Vol, home for halftime from a basketball league in Finland, wasn't on the program but he remembers * * * how David Moss changed his mind * * * and his life.

Chuck grew up in New York and thought if you ventured south of Cincinnati you'd bump into burning crosses and men in white robes.

"David told me how Tennessee cared for him, about the thousand letters and the car. I remember the words, 'Look what they did for me!' "

A moment later, Threeths was saying, "Look what he did for me. He was true. He loved everybody. He was love. He had more courage than I have ever seen.

"David knew how to live and how to die. I don't argue with God but I don't understand why, at 24. We need more David Mosses, not less.

"I think I am trying to tell you he made all of us who knew him at least a little better. When you looked at him and saw that smile, you knew material things aren't so all-fired important, after all.

"This man touched lives and changed a few. Me, I'd rather be a David Moss than a Dr. J."

It isn't over, the Moss story. We can't allow it to be.

Mr. Speaker, I feel confident all of us have benefited by reading about the courage shown by David Moss. His life was marked by courage and determination not often found. We can learn much from David Moss, even though his time on Earth was cut short by tragedy.●

AUTO EMISSION SANCTIONS CANNOT BE SANCTIONED ON A COST-EFFECTIVENESS BASIS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. DANNEMEYER. Mr. Speaker, purportedly acting under sections 176(a) and 316(b) of the Clean Air Act Amendments of 1977, the Environmental Protection Agency (EPA) announced on December 11, 1980, that Federal highway and sewer funds for the States of California and Kentucky would be cut off because those States had not adopted a mandatory, periodic auto emission inspection and maintenance (I/M) program. Notwithstanding the fact that this announcement is based on a questionable interpretation of the law, and comes at an equally questionable time, the crux of the matter is that mandatory auto emis-

sion inspection simply cannot be justified on a cost-effectiveness basis.

Based on a variety of reports and studies, it would appear that, for a first year cost of $272.2 to $467.3 million—which will rise to $400 to $500 million per year by 1987—Californians can expect no more than a 4- to 5-percent reduction in air pollution from mandatory I/M. A joint report, prepared by the California Air Resources Board and the California Department of Consumer Affairs, indicates 5 percent; a study done by the Economic Research Institution in La Jolla puts the figure at 4 percent or less. Either way, that is not much of a return on a program that could cost as much as $37 per car in California the first year. Nor does it take into account the fact that technological advances in the auto industry coupled with the natural attrition of older, more pollution prone, cars will result in a reduction of auto-caused air pollution anyway.

Mr. Speaker, California is not unique in its opposition to mandatory I/M. Not only is Kentucky likewise affected by the recent EPA directive—which will start being felt sometime around the end of this month—but, contrary to what EPA would have us believe, a lot of other States have reservations about I/M as well. One State, Michigan, approved I/M only after requiring that its attorney general sue EPA in the event sanctions are threatened. In two other States, New York and Pennsylvania, the legislatures have indicated they may not fund I/M even though they have previously authorized it. Three States, Ohio, Texas, and Missouri, have made implementation of mandatory I/M contingent upon favorable findings by study commissions. And five other States are planning to review the merits of I/M again this year. Only four States, Oregon, Arizona, Rhode Island, and New Jersey, have actually begun implementing I/M and New Jersey is one of those States that will be taking another look in 1981. In short, if it were not for the fact EPA has been given a big sanctions stick—which could strike down as much as $850 million in Federal funds for the State of California—one doubts very many States would have considered I/M a cost-effective way of dealing with pollution.

The ultimate irony of all this is that section 176(a) of the Clean Air Act Amendments of 1977 does not say that States must adopt mandatory I/M as part of their Clean Air Act implementation plans in order to escape the aforementioned sanctions; it only says that they must "consider" I/M. Of course, EPA has its own line of legal reasoning to support its contention that the word "consider" really means adopt, but just as a court is likely to uphold such a contention, so too could a court uphold an EPA finding that the word "consider" means just what most people understand it to mean—take under advisement. The law is that unspecific and, in the case of California one can further argue that, by requiring tailpipe inspection every time auto ownership changes, as the State legislature has done, the State has not only considered I/M but has already adopted an acceptable plan for it.

What all this boils down to is that EPA, simply by changing its interpretation of the law, can legally put an end to such a cost-ineffective response to the pollution problem. Fortunately, there is reason to believe that EPA, under the incoming administration, might just do that. From what I have been told, the transition team for EPA recommended that the agency defer its final I/M ruling until after the new administration takes office. Now that does not mean that EPA will necessarily reconsider; it simply means that it might and I, for one, hope that it will. However, in case it does not, I am today introducing a bill that would settle this controversy for once and for all by eliminating the alleged requirement that State implementation plans (SIP's), under the Clean Air Act Amendments of 1977, provide for periodic auto emission inspection and testing. Identical legislation was introduced in the 96th Congress by Representatives Satterfield and STOCKMAN and enjoyed considerable support in the Health Subcommittee of the Commerce Committee. But now, with the refusal—so far—of the California and Kentucky Legislatures to buckle under to the threats of a faceless bureaucracy, the issue can be postponed no longer. I urge my colleagues, both in the Commerce Committee and in the House as a whole, to act favorably on this measure without further delay.●

THE BATTLE OFF THE VIRGINIA CAPES, SEPTEMBER 5, 1781

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. WHITEHURST. Mr. Speaker, the celebration for our Nation's 200th birthday, which began with such fanfare and enthusiasm on January 1, 1976, will reach another climax in 1981 with the commemoration of the surrender at Yorktown. A major ceremony has been planned for this October, and national recognition will be given to this great event.

At the same time, however, there is a less well-known event which took place in 1781, one which played a major part in making the victory at Yorktown possible: The battle off the Virginia Capes on September 5, 1781, when the French Fleet under the command of Adm. Francois de Grasse won an important victory.

Today I am introducing a resolution to provide appropriate recognition to the battle off the Virginia Capes, and I hope that it will have the support of my colleagues. Permit me at this time, Mr. Speaker, to offer a little of the background of this battle, to illustrate its importance to the final American victory.

American military and naval might in our War for Independence was bolstered dramatically by the contributions of a number of foreign officers, of whom two of the most accomplished were the French General Rochambeau and the French Adm. Francois de Grasse. During the dramatic Yorktown campaign, in the closing moments of the war, both performed brilliantly, to the great benefit of the fledgling American Republic. Insofar as naval activity was concerned, no action was more vital to American success than the leadership of Admiral de Grasse in the battle off the Virginia Capes in September 1781.

Rochambeau has unquestionably been the better known of the two French leaders prior to the Franco-American Alliance of 1778, having served the Bourbon Monarchy with distinction as a general officer in the War of the Austrian Succession and the 7 Years' War. De Grasse, on the other hand, was regarded only as a competent squadron commander, and it was in this capacity that he was dispatched to the New World in 1778, with orders to protect the interests of France in the Caribbean area as well as those of Spain, which, as an ally of France, has entered into a war with England under the terms of the Franco-American Alliance.

Despite the limited nature of his assignment, de Grasse was moved to make a greater contribution to the American Revolutionary cause. In fact, he had been fighting the British Empire since his early youth, and on one occasion, having been taken as a prisoner at sea, spent 3 months studying the Royal Navy at close range. In the Caribbean battles which began in 1778, he served as a subordinate under Adm. Jean d'Estaing, winning promotion in the process to the rank of rear admiral and securing an independent command. At 6 feet 2 inches, he was one of the tallest men in the French Navy, and it was said of him that he was "six foot six on days of battle."

The Yorktown Campaign of 1781, which involved de Grasse in the battle off the Virginia Capes, was basically a French idea, and its result was largely determined by French participants. As a concept, it was initially opposed by the American commander, Gen. George Washington, who preferred the strategy of striking the British stronghold at New York City. This

proposal was opposed by French General Rochambeau, and as commander of the sizable French expeditionary force stationed in Rhode Island, Rochambeau was one of the major authors of the American military plan as finally adopted. Contrary to Washington's recommendations, Rochambeau called for combining the French Expeditionary Force with the main body of the American Northern Army and their joint advance into Virginia, there to engage the forces of British General Cornwallis, stationed on the Yorktown Peninsula. To assist in this endeavor Rochambeau proposed the use of the French naval contingent in the Caribbean under the command of de Grasse.

Of additional significance at this point was the role of de Grasse as a financial agent, looking to the rescue of the American economy, which was almost collapsing under the strain of war exigencies. In July 1781, de Grasse received dispatches at Cap Francois in Haiti, transmitted from Rochambeau in Rhode Island, advising of several recent and vital developments: The nearly bankrupt condition of both the American Continental Army and the French Expeditionary Force, the planned Allied attack on Yorktown, and the extreme need for naval support in any such attack. Recognizing the vital importance of rapid movement, and informed by the Spanish, who has just captured Pensacola, that they had no military plans requiring his services in the near future, de Grasse decided to depart promptly for the Chesapeake Bay to support the impending Franco-American attack on Yorktown.

Picking up one French general, the Marquis Saint-Simon, and 3,500 French troops under his command at Cap Francois, de Grasse prepared himself for the trip north, assuring the Spanish authorities that the troops involved would all be back in the Caribbean by November. Within 12 days after the receipt of Rochambeau's dispatches, Saint-Simon's men had all been loaded aboard French vessels, and the French Fleet was ready to sail. But the funds necessary to insure the success of this complex undertaking were not yet available. An appeal for financial assistance was therefore dispatched by frigate to Spanish authorities in Havana, and the response was decidedly encouraging: 1.2 million livres, raised entirely through private contributions. These funds would enable French officials in the American Colonies to lend a month's payroll to the Continental Army, an action which General Washington regarded as extremely important to the American cause at that moment, in order to help stave off the threat of mutiny. In addition, the French Army of Rochambeau would be provided with the specie to purchase necessary supplies in Virginia.

On August 14, 1781, Washington and Rochambeau received word that de Grasse was on his way to the Chesapeake Bay and Yorktown. Under his command was a fleet of 26 ships of the line, of which the British expected him to remove no more than half from the Caribbean at any time, for any reason, since they assumed that his principal responsibility was to protect the French islands in that sector. But when de Grasse departed for the Chesapeake, he took the entire fleet with him.

Belatedly sensing a naval assault on Cornwallis' position, the British naval commanders at New York City brought a sizable fleet of their own into play, some 19 ships of the line. But they were too late, because de Grasse had preceded them into Chesapeake Bay, and with a larger force, just in time for the arrival of the Allied land expedition from the north. Upon sighting the French Fleet on August 30, 1781, George Washington is said to have jumped for joy, shouting the name of Admiral de Grasse.

Joining combat off the Virginia Capes on September 5, 1781, the British and French Fleets sought to bar each other from access to Chesapeake Bay and Yorktown. The outcome would determine whether or not Cornwallis would be trapped without a means of supply. When the British appeared, the French fleet was already in the Chesapeake Bay supporting the Franco-American Army. Saint-Simon's troops were being landed on the Virginia shore, several ships of the line were guarding the mouths of the James and York Rivers to blockade the transports to Cornwallis, and some light vessels were preparing to move up the bay to embark other French and American troops gathered at Baltimore and Annapolis for movement to the Yorktown Peninsula. In addition, de Grasse was expecting the convoy of Adm. Louis de Barras, which had left Newport, R.I., on August 25, bearing the French siege train and other vital equipment.

De Grasse issued orders to the 24 ships-of-the-line that were immediately available, and they filed out of the bay, ready for action. Against them stood only 19 British vessels, but despite the odds, the British attacked first. According to a French eyewitness account:

> The two vans having come so close as to be almost within pistol shot, the fire was long well sustained, and the affair seemed about to be decisive when (British) Admiral Hood made a signal to the English rear division, which he commanded, to bear down on the French rear. (Admiral de Grasse) witnessed this movement with pleasure and prepared to tack his whole fleet together, bearing NNW, which would have inevitably thrown the English line into confusion, but (British) Admiral Graves anticipated him and signaled his whole fleet to keep the wind. The heads of the two fleets gradually fell off in consequence * * * and the fire ceased * * *

Only the 8 leading British ships and the first 15 French ships took a significant part in this initial battle, but the results proved disastrous to British plans. The *Terrible*, a British battleship with 64 guns, was so badly damaged as to be regarded as incapable to return safely to her base. She therefore was set afire and destroyed, at the order of British Admiral Graves. The *London*, which had served throughout the battle as Graves' flagship, was so badly punished by de Grasse's *Ville De Paris* that all her masts had to be replaced. The British frigates *Iris* and *Richmond* had gone off on their own on September 6, seeking refuge in Chesapeake Bay, and they were captured on the 11th when they emerged in hopes of rejoining the main body of the British Fleet.

Following the fighting of September 5, the rival naval forces maintained their lines but withheld their fire, drifting southward to the vicinity of Cape Hatteras. On the morning of September 9, the French lost sight of the British fleet, and on September 11, de Grasse directed the return of his own fleet to the Chesapeake Bay, where he joined forces with French Admiral Barras, who had arrived with a squadron the previous day. The resulting numerical superiority of the French on Chesapeake Bay sealed the doom of Cornwallis at Yorktown. On October 19, 1781, a rescue of Cornwallis was attempted by a fleet of 23 British ships of the line, sailing from New York City. But on that very day, Cornwallis surrendered.

Thus, Mr. Speaker, as we approach the celebration of the final victory at Yorktown in October, it seems to me that it is only fitting that we also commemorate the battle off the Virginia Capes on September 5, 1781, when the French fleet, under the command of Admiral de Grasse, played such a vital role in bringing about the ultimate victory at Yorktown.

Thank you, Mr. Speaker.●

ON SHOOTING HORSES

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. SHUMWAY. Mr. Speaker, the Wall Street Journal has been carrying a series of articles concerning the floundering Chrysler Corp. On December 26, the Journal provided an editorial response to Chrysler Chairman Iacocca's criticism of previous editorials, and I believe that commentary should be shared with all of my colleagues here in the House. In addition to out-

lining some salient reasons why this particular instance of Federal bailout should be terminated, the editorial underlines a major premise: the power of example. If Chrysler remains viable solely as a result of a costly Federal life support system, what is to prevent other failing companies from vying for the same privilege?

I commend the following article to my colleagues' attention:

ON SHOOTING HORSES

Our running debate with Chrysler Chairman Lee A. Iacocca continues today with a letter from Mr. Iacocca saying we should have titled our previous editorial "They Shoot Horses, Don't they?" It's an interesting thought, since the point of Jane Fonda's memorable words was apparently that society is more humane toward horses than people.

Fine judgments about social justice we will leave to Miss Fonda. But someone ought to note that if Chrysler were reorganized or liquidated under the bankruptcy laws, Mr. Iacocca's rhetoric to the contrary, its facilities and employes would not vanish off the face of the earth. There would of course be disappointment and pain. Its auto workers might not be able to find other jobs paying twice or more the U.S. industrial average, its executives' egos would be bruised, and its bankers might not be paid in full on the loans for which they have collected premium interest rates.

Against these costs, though, must be laid the price of keeping Chrysler alive as a ward of the state. Having the taxpayers make good on the guarantees the federal government has advanced is not the most important part of the price. More important is the power of the example in the economy as a whole. If failing corporations are not allowed to pass out of their misery, all other corporations have an incentive to leverage up their balance sheets with increasingly risky debt. This creates powerful forces for additional money creation and inflation, to the detriment of us all.

It is fairly evident to most people that the U.S. economy is not what it should be. The symptoms are well known: double-digit inflation, chaotic credit markets, chronic unemployment, sluggish economic growth. Many of the people affected by these circumstances are worse off than those at Chrysler, who at least have cushions in the form of unemployment benefits. Jobs, careers and savings are at risk for the likes of a carpenter affected by credit market impacts on homebuilding, the widow who is watching her savings lose value, the cop whose city is forced to cut back vital services. Or for that matter, there are folks at Ford, who aren't feeling so good either.

The people who have been chosen by Washington to receive federal sustenance are fortunate indeed. But what about all the people who have not, and who moreover are under obligation to pay off the loans when the sustenance plans fail? Who is protecting them from economic risks?

There is more to it than that. Mr. Iacocca attempts a distinction between what he was talking about and we were talking about with regard to Federal Reserve management of the dollar. But there is very little distinction to be made. Those wild interest rates that jump up and down and create such uncertainty and turmoil for business didn't get that way by accident. The mistakes the Fed made last summer were not the kind auto executives would have been inclined to criticize, since they were intended to revive the economy with another dose of easy money and credit. They did to some degree, but they also revived the inflation expectations that sent interest rates soaring.

We can't blame the Chrysler people for wanting to survive. But we don't think public policy can be made in terms of politicians picking a few entities to protect against the onslaughts of competition and adversity. That principle holds true whether the favored few are auto companies, farmers or giant cities. The credit markets are signaling more than anything else that the nation's supply of genuine capital (as opposed to the fake capital created by inflation) is getting very thin indeed. Unless we return to a process where capital is rationed not by the politicians but by judgments, on merit, by individual lenders—forced by a sound money policy to make real choices—the United States will continue to make less and less efficient use of its capital. That means, purely and simply, that we will have less growth, fewer jobs, more inflation.

No one wants Chrysler to die. The new administration should move quickly to get the Department of Transportation out of the hair of the auto makers, so they can start making competitive decisions again. The UAW should be told to bargain with the auto makers, not Washington. The Nader crowd should be invited to go pick on the Japanese. Energy policy, the cover for some of the worst depredations against the auto industry, should be focused on restoring competition in the energy industry by getting the government out. As to Chrysler, it is not a question of shooting horses, but of disconnecting a life support system we can ill afford.●

NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. WAMPLER. Mr. Speaker, I am today introducing legislation to extend and amend the National Agricultural Research, Extension, and Teaching Policy Act of 1977, title XIV of the Food and Agriculture Act of 1977.

Mr. Speaker, one of the principal undertakings of this new Congress will be to write a new farm bill to replace many of the provisions of the Food and Agriculture Act of 1977, which will expire this year. While the funding authorizing provisions of title XIV of the 1977 Farm Act will not expire until the end of fiscal year 1982, there are a number of technical changes needed in the law which have been experienced since the law was enacted in 1977, to require including the revision of this title in the new farm bill.

I consider the enactment of the extension and the amendments offered in my bill to title XIV or similar legislation as perhaps one of the important steps this Congress will undertake.

Few of us, Mr. Speaker, think about shortages of food and fiber. We have been principally concerned in the Congress, going back for almost half a century, with agricultural overages—managing surpluses if you will. Most of the young people in the United States have never lifted a hoe or a sack of grain. Few of us know that it took 30 years of trial and error research and development to gain the benefits of hybrid corn, a discovery that tripled America's corn production. Today many of our people think our food and fibers are manufactured by big supermarkets. We talk about undernourished people—we use the word "starving," but how many of us have seen a starving American?

However, Mr. Speaker, we do have starving people in this world; the estimates place them in the millions. And each year for the next 20 years we are going to add a new nation the size of France to this world; a noplace, yet an everyplace state, of some 75 million souls to be fed, clothed, and sheltered by somebody, someplace. And come the year 2000, this exploding population will increase at an even faster rate.

Since the world food situation points to an increasingly tight world supply-demand balance in the 1980's and 1990's and beyond, this leaves the farmers and ranchers of the world with little choice but to increase food and fiber production to meet these new demands.

Our own country, Mr. Speaker, as the principal supplier of many of these agricultural products, is now faced with a new problem—a change in policy. Heretofore, the Committee on Agriculture, this House, the American people, have had the luxury of concerning ourselves with the old problem of managing agricultural surpluses—and farmer price supports. From this day forward, Mr. Speaker—even though some of us may say it will be slow in coming—we will be increasingly concerned, as we face each coming year with the new task of managing agricultural shortages. Already there are voices from some quarters advocating restricting exports, to hold down predicted food price increases. I call your attention to a lengthy article in the November 28, 1980, issue of the Wall Street Journal by Terri Minsky, entitled "Big Increases in Food Prices Loom as World Demands More U.S. Grain." I also want to remind my colleague that we have been paying, for the most part, for our oil imports with farm exports. I like to say the exports of grains and other farm products from our farms and ranches have made the difference these last several years whether the average American has walked or ridden to work.

We are also faced, Mr. Speaker, with several other problems that can only be solved by more and better research. We must find a way to reduce the cost of producing food, which today is driving farmers and ranchers off the farm and raising the cost of food to consumers. We must also consider that current technology will only permit us to increase food and fiber production by putting additional land into production or by applying increasing amounts of fertilizers and pesticides, all of which will require more petroleum-based energy. Even if we could rely on these current technologies we would find them hardly capable of increasing production to meet more than several years of anticipated population growth. The fact is we have little land to put into production and other existing technologies require increased use of already short petroleum and, additionally, increase environmental hazards.

The bill I am introducing today extends the goal set forth in the 1977 Act to double agricultural research, extension, and teaching in the food and agricultural sciences over the period 1976 to 1981 by extending the goal 5 more years to fiscal year 1987.

Congress must take the lead, as it has since the days of Abraham Lincoln, to insure that American farmers, ranchers, and the food and fiber industries of our country have the scientific technology in the form of tools, seed, animal breeds, and know-how to provide a bountiful and safe food supply, at reasonable costs, for our own people and the ever-increasing demands of an exploding world population.

My bill also contains a number of technical amendments to the 1977 Agricultural Research, Extension, and Teaching Act to reinforce the Federal-State research and extension partnership, to strengthen the land-grant college and university system, by increasing in law its representation on the Joint Council, and to require that Hatch formula funding to State Agricultural Experiment Stations constitute one-fourth, 25 percent, of all funds appropriated to the Secretary of Agriculture for food and agriculture research. The bill further establishes an Assistant Secretary for Agriculture Research, Extension, and Teaching, thus elevating the current Administrator and his function to the hierarchy of the Department of Agriculture, a place of eminence this function has traditionally held in USDA. The bill also establishes for the first time an aquacultural research and extension program with the Department of Agriculture, which includes a modest $7,500,000 Federal-State research program to improve the productivity and marketability of domestic aquaculture to meet the domestic market for aquatic food.

Mr. Speaker, I recognize that the outgoing administration has a draft proposal to amend title XIV of the 1977 farm bill. I have been made privy to this proposal. I am also aware that the National Association of State Universities and Land Grant Colleges also has recommendations that will be finalized within the very near future. Also distinguished members of the President-elect's transition team, as well as the Office of Technology Assessment, have been looking at means to improve our agricultural research and extension system. This bill I am introducing today includes many of these proposals. Hopefully my bill will act as a catalyst to lay all of these ideas before our Agriculture Committee and in the end will further strengthen what has been the backbone of this Nation—American agriculture.●

COMPREHENSIVE OIL POLLUTION LIABILITY AND COMPENSATION ACT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BIAGGI. Mr. Speaker, I am introducing today a bill—for the third Congress in a row—to provide a comprehensive system of liability and compensation for damage caused by oil pollution and for removal costs. This bill is essentially the same as H.R. 85, which was passed by the House during the last Congress by a recorded vote of 288 to 11. It is also very similar to a predecessor bill, H.R. 6803, that was passed by the House during the 95th Congress.

I believe many Members of the House are familiar with the reasons why the oilspill title of H.R. 85 failed of final enactment. Suffice to say that these reasons did not relate to the merits of that title. The concept of a comprehensive oilspill liability and compensation bill has long been accepted and the bill that passed the House was generally acceptable to industry, the administration, and environmental groups as well as to four committees of the House. I am hopeful that now that Congress has dealt with spills of hazardous substances and clean up of hazardous waste dump sites, we can focus on oilspill legislation without the confusion of issues that was engendered by considering all three subjects at once. I have been assured by Members of both Houses that consideration of this legislation will be a priority matter in the 97th Congress.

This legislation had its inception over 10 years ago when the tank vessel *Torry Canyon* grounded off the southwest coast of England in 1967. In that incident, approximately 100,000 tons of crude oil were spilled into the ocean and ultimately fouled the shores of the British Isles and the coast of France.

The oil pollution problem was again highlighted in 1969 when a production platform off Santa Barbara, Calif., suffered a blowout that lasted for many days and discharged considerable amounts of oil before it could be brought under control.

Since then, numerous other casualties have highlighted the oil pollution problem and the need for a national and comprehensive oilspill liability and compensation scheme.

While existing oil pollution legislation permits compensation for cleanup and removal costs, there is no legislation that adequately and timely compensates those who have been victimized.

One particular casualty, the grounding of the very large crude carrier *Amoco Cadiz*—of 228,513 tons—off the coast of France on March 16, 1978, is a recent and memorable reminder of the need to establish such a system.

A recent and significant casualty that did affect our coastal environment and economic well-being was the blowout of IXTOC I in the Bay of Campeche, Mexico, on June 3, 1979. The impact of this spill and the resulting oil pollution of the Texas coastal environment and the waters of the Gulf of Mexico were extensive. The litigation of oilspill liability and compensation issues arising out of this incident are likewise extensive and no doubt will be protracted. Had the proposed legislation been in place, the alternative would have been fair, adequate, and prompt compensation to those who were victimized. Therefore, it continues to be necessary to provide for adequate compensation to those parties who suffer damage from the effect of oil pollution incidents occurring along our coasts and in the waters of the United States.

Prevention of oilspills is still considered to be the most effective means of protecting our coastal and estuarine environment from damage. The Port and Tanker Safety Act of 1978—which I was privileged to sponsor and pursue during the 95th Congress—should be very effective in this area of prevention. However, we cannot preclude the possibility of oilspills occurring due to mechanical failures and the carelessness of individuals.

In the United States, the public's concern had led to the enactment of a number of measures to improve the quality of our waters and control pollution. The Water Quality Improvement Act of 1970—which was subsequently amended by the Federal Water Pollution Control Act Amendments of 1972—and most recently amended by the Clean Water Act of 1977—declared, as a national policy, that there should be no discharges of oil into or upon our waters. In addition to numerous specific measures for the protection of the marine environ-

ment, they established liability on the part of spillers for the costs of cleanup. These acts, however, do not address themselves to the question of any damages other than for the costs of cleanup.

Three other Federal statutes have been enacted which do address the problems of liability for damages. In the Trans-Alaska Pipeline Authorization Act, the Congress in 1973—for the first time—addressed in Federal statute the issue of liability for damages other than cleanup costs. We created a compensation fund available to respond to damage caused by oil pollution from vessels moving TAP's oil to ports in the continental United States.

A similar scheme of liability and compensation was also established in the Deepwater Port Act of 1974 for oil pollution damage from offshore facilities constructed pursuant to the act or from vessels at those facilities.

The Congress—in enacting the Outer Continental Shelf Lands Act Amendments of 1978, during the last days of the 95th Congress—established a similar liability and compensation scheme for oil pollution damage related to OCS activities. The Coast Guard has enabling regulations for the establishment of a federally administered Outer Continental Shelf fund to provide compensation for losses which are not otherwise compensated. These regulations detail requirements for the establishment of financial responsibility, settlement and adjudication of claims, notification of oil pollution incidents, designation of pollution sources, and many other related provisions.

These measures are necessary to insure that funds are available to pay for the prompt removal of any oil spilled or discharged as a result of OCS activities—and to compensate for any damage to public and private interests caused by such spills or discharges when, for whatever reason, payment is not made by those responsible for the source of the oil pollution.

While this offshore fund legislation focuses on oil pollution incidents arising in connection with OCS activities, it contains parallel provisions to the House-passed bill H.R. 85, which was not acted upon by the Senate during the latter part of the 96th Congress.

The bill I am introducing today likewise parallels these provisions and will expand the scope of coverage to include virtually all marine oil pollution from vessels and from onshore facilities. My proposal would continue the imposition of strict liability on persons responsible for an oilspill—while creating a domestic compensation fund that would be available to settle claims in excess of a spiller's liability.

The concepts of this bill have had broad support from the users of oil—from the oil industry itself—from the insurance industry which does the underwriting—and from many environmental groups. The bill I am introducing today should continue to receive overwhelming bipartisan support. The bill:

Establishes strict liability for the owners and operators of the source of oil discharges;

Creates a backup compensation fund to respond to damage claims which are not satisfied;

Provides for the establishment of an oil pollution trust fund supported by a tax of 1.3 cents a barrel on crude oil and petroleum products;

Provides for superseding duplicative funds and procedures which now exist in various Federal and State statutes;

Provides for evidence of financial responsibility sufficient to satisfy the maximum amount of liability; and

Provides a simple and workable claims settlement procedure.

I reiterate my prior conviction that this bill is practicable in application—and fully considers the needs of those who have been victimized by oil pollution. I firmly believe that we must act now in the public interest and provide a comprehensive oil pollution liability and compensation scheme.

One might ask: "Why has this legislative initiative—if it has broad support—met strenuous opposition by our colleagues in the Senate?" Before commenting, I might note that only a limited number of our colleagues in the Senate have voiced opposition—but those few have been successful in preventing enactment of this important legislation in the last three Congresses.

Prior to discussing the issues which prevented enactment, I would like to discuss the study by the Attorney General on the methods and procedures for implementing a uniform law providing liability for cleanup costs and damages caused by oilspills from ocean-related sources. This study was reported to the Congress on July 3, 1975.

As many of you might recollect, during Congress consideration of the Deepwater Port Act of 1974, Public Law 93-627, enacted on January 3, 1975, the weaknesses in oilspill liability and compensation laws became indisputedly evident. The Senate, in particular, adopted a provision which required that "the study shall give particular attention to methods of adjudicating and settling claims as rapidly, economically, and equitably as possible."

I believe that the Attorney General's study and his report have served as valuable background to the intricate legal problems associated with oil pollution liability and compensation. I further believe that the bill we passed in the last two Congresses and the bill I am introducing today have considered or adopted all of the recommendations in the report.

One of the major issues which received and continues to receive considerable attention is the question of preemption of State laws.

It has been claimed that, by permitting the States to establish liability schemes and other requirements as they see fit, the States—on an individual basis—can develop such strict requirements that the owners and operators of all modes of transportation—that is, vessel, truck, train, and pipeline—and the owners and operators of storage, transfer, and processing facilities will exercise such extreme care and diligence that there will be no oil pollution. This is simply not true. This is what I call emotional reasoning—completely without foundation, in fact.

The simple fact is that in any business or industrial activity, there is a recognized potential for damage with attendant liability. Even the homeowner or renter recognizes that he can cause damage to a visiting guest and can be made liable for those damages.

The issue of liability touches all of us in our day-to-day activities, and we protect ourselves by obtaining the necessary insurance. The transportation industry, the oil industry, any industry—like the homeowner or renter—protects itself with insurance.

No matter what liability limits are established—and no matter who, State or Federal, establishes them, the end line is insurability. For example, if a vessel operator cannot obtain insurance, then there will be no vessels carrying the needed oil. The same can be said for the other modes of transportation. A case in point is the history of the oil pollution liability law in the State of Florida.

While the Supreme Court upheld some provisions of that law, the inability to insure to meet these provisions—and the resultant loss of vessel transportation of oil—created a serious oil distribution problem that was only remedied when these provisions were not enforced. As a matter of fact, they were eventually brought in parallel with existing Federal law, where they remain today.

It is also argued that the States should have the right to maintain their own funds—to charge their own fees—and to provide for the payments of any economic or natural resources damages they see fit.

No one argues with this right, and no one wants to see an erosion of State power. However, one must think of the consuming public—the ones who will, in the end, pay for whatever liability and compensation scheme or schemes are developed.

A patchwork of oilspill liability and compensation laws on the Federal and State levels can only create excessive bureaucracies and a mass of paperwork.

How can the various affected industries and transportation modes cope with 50 or more liability and compensation schemes and funds, which I am sure are going to be varied and complex? The burden we are imposing—if we do not preempt State laws in this field—will only create a greater burden on you and I, the paying consumer. I sympathize with those who advocate State's rights, but I have considerably more sympathy for the paying consumer.

I believe we must ask ourselves, "What do we really want and how can that best be achieved?"

First, we must consider what damage should be made compensable.

Second, we must examine the limit of liability we want to impose.

Third, we want to make sure that, no matter what the damage is, there will be funds available for compensation.

Fourth, although we want the oil industry to pay for the creation of a fund, it must be recognized that the user of oil—the consumer—in the end will be paying through increased cost of the product.

I believe my bill provides for a simple and practicable system for the compensation of a broad range of oil pollution damage. It also imposes reasonable and insurable limits of liability on the owner or operator of the particular transportation mode or facility—thereby making him the frontline payer in most instances, and insuring frontline responsibility for responding to an oil pollution incident.

Another issue which has had extensive review is the limit of liability problem. During the 95th and 96th Congresses, the hearings on H.R. 6803 and H.R. 85, respectively and the attendant reports clearly documented the rationale for certain limits of liability.

The bill provides that, in the preponderance of incidents, the source of the pollution will be liable for all claims. In those cases where the pollution is extensive, the source of the pollution will be held liable for all claims up to reasonable and insurable limits, while the owner of the oil carries the burden for claims exceeding those limits by contributing to the fund. Thus, the cost of oil pollution is spread between the owner or operator of the transportation mode or facility from which oil enters the environment—and the owner of the oil which creates the pollution risk.

Ultimately, of course, as I have previously stated, the cost is reflected in large measure in the cost of the product—and is therefore borne by the user of the oil, the consumer.

Different limitations of liability are necessary due to the many varied modes of transportation and facilities. With respect to different limits of liability for various types of vessels, it is readily apparent that a general cargo freighter—carrying only oil bunkers for the vessel's operation—does not present as great a risk of oil pollution as a tank vessel that not only has bunkers on board but also carries a cargo of oil.

The same rationale is applicable to tank barges, which often carry considerably less than a self-propelled tank vessel. However, it must be remembered that limitations of liability do not reduce the amount of funds available for payment of damages, since the fund—which is supported by all oil owners—is available to pay any additional amounts above the limitations.

During the last two Congresses, there was considerable discussion within both the Subcommittee on Coast Guard and Navigation and the Committee on Merchant Marine and Fisheries on a maximum ceiling of liability for tank vessels. There was eventual agreement on a maximum level of $30 million, because this was reported as being the so-called insurable limit, the limit of coverage that could be provided by the international insurance market.

Another issue which I have reviewed and reconsidered is the many purposes which have been advocated for the use of the fund. I still believe that the fund should be established for limited purposes—and should provide an immediate source of available funds for cleanup and should assure reasonable and expeditious compensation to the damaged party. I do not believe the fund we are establishing should be available for the payment of costs which are of a capital or research nature—and which are normally subject to authorization and appropriation processes.

A final issue of a somewhat lesser concern has been the method and procedure for processing claims and the related administration of the fund. The bill is designed to provide for minimal governmental interference—with strong incentives for prompt and equitable settlement using detailed statutory provisions. I believe that many of these procedures are so important in creating substantial incentives to settle damage claims that they cannot be left to the imagination of the administration through regulatory and rulemaking procedures.

Further, many of these requirements—such as types of claims payable; types of investigative, court, or attorney fees; and the availability of interest charges—are so substantive that we might create a vacuum if they were not included in the bill.

The objectives of my oilspill liability and compensation legislation are to:

Establish one fund at the Federal level that will provide ample money for prompt compensation of oilspill damage;

Establish one set of oilspill liability laws for the entire Nation, covering all types of oilspills from all sources;

Remove the overlaps and bare spots of the present patchwork system; and

Minimize the bureaucracy.

This, in turn, will benefit the one who has been victimized as well as the one who will pay for this compensation—the ultimate consumer of oil.

I, therefore, am introducing legislation similar to H.R. 85, which was passed by the House during the last Congress, for reconsideration by this Congress.●

A TRIBUTE TO SECRETARY OF COMMERCE PHILIP M. KLUTZNICK

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. ROSENTHAL. Mr. Speaker, I rise today to pay tribute to Philip M. Klutznick, the outgoing Secretary of Commerce. Mr. Klutznick has served in some significant capacity under every Democratic President since Franklin Roosevelt. He is an important link between our generation of governmental leaders and those who established the era of social justice and social progress in the United States under the New Deal.

As Secretary of Commerce, Mr. Klutznick infused this administration with his deep personal concern for the welfare of his countrymen, and his profound desire to see the American business community prosper in tandum with the improving welfare of the American people. During slightly more than a year in office he has advanced a great deal of difficult legislation. The "shippers export declaration" legislation is an important addition to our body of laws, as is the new patent bill which should assist the U.S. ability to utilize innovations.

Mr. Klutznick's career as a diplomat, first under President Eisenhower and then under President Kennedy, was of great significance for this country since he was one of the first of our senior diplomats to show a profound interest in the development problems of the nations of the Third World.

Widely active in the affairs of the American Jewish community, Mr. Klutznick has historically led the way in building ties between this Jewish community and the Arab world. He has long enjoyed the respect of the Arab Ambassadors in Washington, and he is a welcome guest in many of the Arab capitals. His term as president of the World Jewish Congress was marked by his usual spirit of broad

humanitarian concern for all the people of the world.

We associate Mr. Klutznick with Franklin Roosevelt, his wife Eleanor, with Harry Truman, Adlai Stevenson, and our late distinguished Senator from New York, Herbert Lehman. I am sure that he will remain vigilant in his attention to the affairs of our country so that we may once again see him grace the halls of Washington. While he sojourns in Chicago I wish him good health and happiness.●

TO ESTABLISH A NATIONAL SCIENCE COUNCIL TO DECIDE ON SCIENTIFIC FACTS

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. WAMPLER. Mr. Speaker, last February 13, I introduced legislation, H.R. 6521, to divide the regulatory decisionmaking process into two stages. The first stage would have a scientific council define and evaluate the scientific question of whether or not a substance was a risk—a hazard—and to what degree it was a hazard. In the second stage, our current regulators would assess the significance of the risk—the benefits, if any, to be derived from the substance and the appropriate means, if any, for limiting its use.

To accomplish the first stage would require the creation of an independent science body of the highest qualifications to make the scientific risk evaluations, to assure that our regulatory decisions are based on the best objective science available. A section-by-section analysis of my earlier bill, titled "The National Science Council Act of 1980," was placed in the CONGRESSIONAL RECORD page 2791 on February 13, 1980. As a result of favorable comments received from numerous scientists in academia and industry in a detailed review of my bill, I have made one modification to the bill I am introducing today. H.R. 6521 would have placed the task of selecting the scientists after they were nominated by the National Academy of Sciences in the President of the United States. Many of those commenting on the bill felt that allowing the President to select the Council members would make the Council subject to political manipulation. Most of them would have preferred having the Academy nominate and select the Council. But the Academy itself opposed the task of selecting the final makeup of the Council and also providing for its facilities, administrative staffing, and furnishing other administrative activities required to support the Council. H.R. 6521 would have required the Office of Science and Technology Policy to have provided this support.

The bill I am introducing today would transfer these tasks—that of selecting the scientists to make up the Council and that of providing for its administrative support—to the Chairman of the National Science Board, the independent governing body of the National Science Foundation. This action, it is thought, would further increase the independence of the Science Council.

Mr. Speaker, we must halt the confusion now existing in the different regulatory decisionmaking agencies of our Government over whether or not a particular substance should or should not be banned from our food or use in the workplace, such as saccharin and nitrite, to name a few.

The failure of Federal agencies to adopt a consistent approach to identifying and regulating these substances has imposed an increasing number of stringent and desperate restrictions on the uses of chemicals, without a sound scientific basis for many of these actions, thereby limiting the quantity, quality, and variety of food, fiber, and forest products available to consumers. The failure on the part of the regulators in Government to follow good scientific procedures has evoked such severe criticism by consumers and by scientists in Government, academic institutions, and industry, that the Congress has become increasingly involved in implementing regulatory policy with respect to these substances.

Hopefully, Mr. Speaker, this problem can be cured administratively but in the event it cannot, this bill will go a long way toward correcting this most severe regulatory problem.●

NO MEDICAL DEFENSE TO A NUCLEAR ATTACK

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BINGHAM. Mr. Speaker, during the past year Dr. Howard H. Hiatt, dean of the Harvard School of Public Health, has performed a great public service by pointing out the impossibility of providing anything like adequate medical care for the vast numbers of people who would be critically injured in a nuclear attack, regardless of any alleged civil defense preparations. His efforts have struck a responsive chord in the medical community, both here and abroad.

Last month leading American and Soviet doctors met in Switzerland and agreed that "Physicians in a postattack period would be unable to provide effective care for the sick and injured." The following article about the meeting from the Boston Globe of Sunday, December 7, 1980, is of particular interest now that some American leaders are saying a nuclear war would be survivable:

[From the Boston Globe, Sun., Dec. 7, 1980]

UNITED STATES, SOVIET DOCTORS AGREE N-DEFENSE AN ILLUSION

(By Richard A. Knox)

A group of Soviet and American physicians meeting in Switzerland agreed yesterday that nuclear war between the superpowers would be "an unparalleled human disaster" and that civil defense measures designed to save significant numbers of civilians in either country are "an illusion."

The outcome of the unprecedented discussions, which included three of the Soviet Union's most prominent medical authorities, was learned in telephone interviews with members of both delegations at the conclusion of the two-day sessions.

The doctors' talks also produced agreement that:

"Physicians in a postattack period would be unable to provide effective care for the sick and injured."

Even if nuclear weapons are never used, the enormous price tag of the nuclear arms race "is diverting scarce resources desperately needed for medical and human needs."

"Physicians can and should make important contributions to the prevention of such a disaster," the bilateral group said.

The doctors' joint declaration was adopted during the first-ever formal discussions between medical leaders of the two leading nuclear powers on the human consequences of nuclear war and the arms race.

The talks, which took place Friday and yesterday, officially launched a new doctors' organization called International Physicians for the Prevention of Nuclear War. After the two delegations agreed on the main principles behind the group, the Soviets asked to add a plea for "all physicians of the world to raise their voices against nuclear war and for nuclear disarmament."

"Our task is to show the people of the world what nuclear war is," Dr. Eugene Chazov, Soviet deputy minister of health, said yesterday in a telephone interview with The Globe from Geneva. Chazov is co-chairman of the new group with Dr. Bernard Lown of the Harvard School of Public Health.

"In some countries there is a new understanding of the consequences of nuclear war," he added, speaking through an interpreter. "In this sense I would like to recall the words of Albert Einstein when he was asked a question concerning when World War III would start. He said: 'I don't know when it will start. But I know for sure there will be no World War IV.'"

The Geneva meeting is the latest in a rapidly growing new movement among physicians designed to call attention to the horrors of nuclear war, which Dean Howart H. Hiatt of the Harvard School of Public Health has called "the last epidemic."

The effort, which began last February with a much-publicized conference in Cambridge on the medical consequences of nuclear war, has since spread to the medical communities of other countries—and even captured the attention of the politically conservative American Medical Assn.

A group of British doctors last month announced the formation of a group called Medical Campaign against Nuclear Weapons "to heighten the awareness of the medical profession and of those concerned with public policy about the medical implications of nuclear war."

Hiatt spoke to the AMA Board of Trustees in June on the role of doctors in preventing nuclear war as "our only recourse," and last month the Journal of the AMA carried an editorial by him on the issue. Tomorrow at the AMA's interim meeting in San Francisco the organization will consider a resolution calling for "the immediate education of all physicians concerning the catastrophic consequences of thermonuclear warfare."

The Geneva meeting was the first to recruit leading Soviet physicians into the effort. The US and Soviet delegations agreed on the agenda for the first full-scale working session of the groups, to be held March 19-26 at a location near Washington.

The three Boston doctors who initiated the private meetings said from Geneva yesterday that they were startled to achieve agreement on the group's main principles from such highly placed Soviet physicians—especially on the unequivocal statement regarding civil defense.

"We were rather taken aback, quite frankly, that the Soviets would agree to that," Lown, the leader of the American delegation, said. Many US politicians and defense analysts portray the Soviets as counting heavily on large-scale civil defense measures, such as mass evacuations, to ensure greater "survivability" following a nuclear attack.

During the recent US election campaign, both Ronald Reagan and George Bush said that nuclear war is survivable and that the Soviets are basing military strategy on the assumption that a significant proportion of the population can be protected from nuclear attack.

"All we've heard lately is that the Soviets are preparing for war," said Dr. James E. Muller of Harvard Medical School, a Russian-speaking heart specialist who helped organize the talks and went to Geneva. "These doctors are saying that such preparation is futile."

The Americans said they were relieved that the Soviet doctors seem determined to avoid using the new organization as a propaganda platform. In June, after the Bostonians first contacted Soviet physicians to propose a joint campaign against nuclear war, they received a letter that blamed US imperialism for initiating and perpetuating the nuclear arms race.

There was no such posturing this weekend, the US doctors said, and their Soviet counterparts seemed "especially eager to depoliticize the major questions."

When the issue of the June letter was raised by the Americans, Dr. Eric Chivian of the Massachusetts General Hospital reported, "the Soviets themselves said, 'If we get into this it will sabotage our medical purpose. We are not politicians or military experts, we are doctors.'"

In discussing the short- and long-term consequences of nuclear war, the group will try to avoid politics by staying close to health effects and medical capabilities in the wake of nuclear exchange. "At the same time," Chivian said, "we have no doubts that everything we say will have tremendous political implications."

"In this struggle we must unite all physicians regardless of their political views," Chazov said yesterday. "If nuclear war starts, there will be huge losses of both American and Soviet peoples."

The March meeting will be a series of workshops in which various experts from the two nations—and possibly from other countries as well—will attempt to quantify and describe the immediate and long-term effects of a nuclear attack.

Chazov, a cardiac specialist who is also chairman of the USSR's union of cardiologists and director-general of the National Cardiology Research Center in Moscow, has known Lown for 15 years through medical exchanges with US heart researchers.

Another member of the Soviet delegation, Dr. Mihael I. Kuzin, was dean of the First Moscow Medical School 13 years ago, when Muller was a student there. He is now director of the Veshnevsky Institute of Surgery in Moscow, where one of the Soviet Union's major treatment centers for serious burns is located, and the author of a book on the effects of nuclear war.

The third member of the delegation, Dr. Loenid Ilyin, is chairman of the National Committee on Radiation Protection, director of the National Institute of Biophysics and an expert on the radiation effects of nuclear explosions.

All three are members of the 13-man Presidium of the Soviet Academy of Medical Sciences, a select group of only 130 leading academicians.

The American doctors said they were encouraged that the Soviets sent doctors who were qualified experts to discuss the medical effects of nuclear war. "On two counts it is extremely important who they have chosen to send," Muller said. "They are among the important Soviet physicians and their areas of expertise are related to the problem."

A Soviet television camera crew accompanied the three Soviet doctors to Geneva to tape the joint declaration for a national newcast in the USSR tomorrow.●

SMALL BUSINESS AND FAMILY FARMS PRESERVATION ACT

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. ROTH. Mr. Speaker, today I introduced legislation designed to correct certain inequities in the estate and gift tax law. My legislation will amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes so that estates under $500,000 will not be subject to estate tax and to increase the gift tax exclusion from $3,000 to $6,000.

Almost everyone in America suffers today from excessive taxation. However, in the area of estate and gifts taxes, the situation has dramatically damaging effects on individual taxpayers and creates far-reaching negative economic impacts.

The entire estate and gifts tax structure is heavily slanted against passing down family farms and small businesses. In my view, it is a tragic situation that family farms and small businesses cannot be passed from generation to generation because the estate taxes are too high.

Moreover, these taxes serve as a real disincentive to productivity and innovation because there is little desire to create and build a productive business if it cannot be passed down to one's heirs. The purpose of estate and gift tax laws has always been redistribution of wealth, not revenue raising. In the name of redistribution, we are now facing the social problem of small businesses and family farms that cannot be passed from generation to generation and yet the tax only brings in approximately 1 percent of Federal revenue per year.

Another point has to do with entities to which these farms and businesses are being transferred. Competition from enormous corporate interest has spurred the trend toward agribusiness. Many of these farms and small businesses being transferred to large conglomerates include some owned in part or in whole by foreign interest, thereby creating the possibility of foreign encroachment on private ownership by U.S. citizens.

The current rates, deductions, exclusions, and credits were last revised in a major way during the formulation of the Tax Reform Act of 1976. Current estate and gift tax rates were merged into a single system by that law. Inflation has made a mockery of these figures. Further, the 1976 drafters failed to raise the gift tax exclusion, which has been in existence since 1942. For example, individuals who pay more than $3,000 for a child's college tuition or for an elderly parent's medical expenses must pay gift taxes on the excess over $3,000.

In short, the entire estate and gift tax structure is heavily slanted against passing down family farms and small businesses. It is forcing many to sell out or liquidate before death in order to pay the estate tax bills. My legislation would help to correct this problem and provide a more equitable transfer of property to future generations. I welcome my colleagues to cosponsor this badly needed legislative relief.●

FACTS AND VISIONS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. PEYSER. Mr. Speaker, in September 1980, I had the opportunity of being at Harvard University where my son Tom had just enrolled as a freshman. While there I attended the Opening Day ceremonies and listened to a sermon preached by the Rev. Peter J. Gomes. I was so impressed by what he had to say that I requested his permission, which he granted, to have the text of his sermon appear in the CONGRESSIONAL RECORD. It is my opinion that the freshmen Members of Congress, as well as other Members, could gain a great deal by reading

what Rev. Gomes has to say. If they just insert "The Congress" where Harvard is spoken of and "Members of Congress" where students are spoken of, it is my feeling that this message would be a great help to all of us. I am pleased to insert the text of Rev. Gomes' sermon:

FACTS AND VISIONS

A sermon preached in the Memorial Church, Harvard University, by The Reverend Peter J. Gomes, Minister and Plummer Professor of Christian Morals, Freshman Sunday, September 7, 1980.

Text: For there is still a vision for the appointed time.—Habakkuk 2:2 N.E.B.

Let me once again take this opportunity to welcome to Harvard and to this church the members of the Class of 1984 and their parents. In a class of great accomplishment and distinction, it perhaps can be said that you have already achieved your greatest accomplishment to date: and that is surviving the fact of your arrival yesterday. Here in Cambridge we conspire to provide a heavensent day and hell-bent traffic as the final test for admission. Our theory is if you can survive the traffic of Harvard Square and the confusion of the College Yard, the lack of directions to dormitories and the seemingly random nature of the driveways and paths, then you are truly the sort of survivor that Harvard and Radcliffe want. We therefore salute you, the survivors. But there is, of course, much more to it than all that, though "all that" is quite considerable. And that is why I have the privilege of the "first word" with you upon your arrival. Your Harvard experience begins here in the Memorial Church not because we don't know what else to do with you, but rather because we want to impress upon you the fact that you cannot make it here alone, or on your own. We begin together here because we need you: the new and vital members of our ancient community of scholars. And you need us, because we know where the bodies are buried; we need one another and each other; and, indeed, this service affirms that we need God as well to be a central part of our enterprise here. Thus we begin together: an old adventure for some of us, and a new and thrilling adventure for most of you, and we begin it together in the presence of God, who was before we were and who will be long after we are gone. It is important to remember that, especially as you come to terms with your accomplishments and those things that remain to be done. To begin in church is to acknowledge with profound and simple modesty that we don't know enough and that what we do know is not enough. This church will stand to remind you all of your days here that all of the facts of Widener and the Science Center are not sufficient if there is no vision to set those facts in order, to provide priority, proportion, and perspective to our lives. And it will serve to remind you as well, that there is a vision for the appointed time.

Now you bring to us so many gifts and talents: your board scores, your letters of recommendation, your parent's tuition. You bring us the diversity of the earth and the special skills of special people. There may even be among you some mediocre, normal, and ordinary people as well. I certainly hope so for there are many of us already here who crave your company and support as well. Perhaps you are not unlike the boy from the Ozarks who, when it was announced that he was admitted to Harvard, was asked, "What are you going to study there?" He replied, "Oh, I am not going to study anything; they are going to study me." There comes from time to time that terrible time in the freshman year when you are convinced that you are an unwilling subject in some bizarre human experiment conducted in the admissions office, or, at worst, you are "a demographical distributive factor" in the diversity machine. On those days you will long for New Haven or for such other exotic foreign parts, but the fact of the matter is you are here, most of you for the duration, and, by God's grace, and your own hard work, you had better come to terms with that reality, and the sooner the better. It is at just such points as this that you need to be reminded that you are neither the first nor the last to go through these trials of spirit here. You are in fact not the first class of '84, there have been three before you, and while not one of those classes has produced a single memorable figure in history, they nevertheless survived, even as will you.

Survival is not enough, however, for you expect and are expected not only to spend quantity time but quality time here as well. And what, we might ask, can you contribute to the quality of the time spent here with us in Cambridge? Well, by who you are, you contribute a freshness and a vitality, a newness to the scene and the enterprise. Some will call it naivete: but if it is naive to buy a book with the intention of reading it, to take a course with the intention of learning from it; to make a friendship with the intention of growing from it, then we need more of that naivete in this place. You do not yet know our ways and so you will bring us the vitality of your own ways of thinking, being, and doing. That is how this great and good place has come into being over nearly three and one half centuries: it has willingly accepted the variety of gifts of its members and made them its own. You have your ideals and your wonder to bring here and you should not be ashamed of making those gifts to so venerable a place as this.

You have what it takes, so take what you have and enrich the place and your part in it by sharing in the spirit and substance of its labors. This means in some measure that you must have a hearty regard for facts. You must care to think and know whereof you speak. In these days of cheap opinions and cheaper words, that is easier said than done, but it is nevertheless for you to do with us. Have a regard for what you say: say what you mean and mean what you say, not bad advice, even for Harvard students. The work of this place is accomplished in slow, measured cadences, accompanied by the accumulation of sometimes unassuming little facts, which, when taken together, assist us in the search for truth. The scholar in general and the Christian scholar in particular is very much a part of that process and has a healthy regard for the vitality of facts. Two times two is frequently four, and water seldom runs up hill. These indeed are "facts," and they help us orient ourselves in an increasingly dis-orienting world. The great historian of the American experience, Charles A. Beard, was once asked to write a little book on the lessons to be learned from history, a subject filled with "facts," so we are told. Professor Beard replied not with a book but with four simple and familiar aphorisms drawn from the collected folk wisdom of the west: 1. Whom the gods would destroy they first make mad with power; 2. The mills of God grind slowly but they grind exceedingly small; 3. The bee fertilizes the flower it robs; 4. When it is dark enough you can see the stars.

Now some of the clever among you can see in Professor Beard's answer the rudiments of the Harvard core curriculum: politics, moral philosophy, biology, and astronomy. But the fact of the matter is that these by themselves are a rather incomplete set of realities, true as they may be, upon which to build either a philosophy of history or a platform for the future. Incomplete because while they are true, they are sufficient enough to give us the full picture without vision to which we need to see our way. Major General Stanley in Gilbert and Sullivan's "Pirates of Penzance," was "the very model of a modern major general, with information vegetable, animal, and mineral," together with many cheerful facts about the square of the hypoteneuse. But he was also a liar, a braggart, and a very stupid character. Harvard has produced more than its fair share of "modern Major Generals" since the matriculation of your predecessors in the class of 1684, but it has not produced its fair share of those men and women of competence and compassion, facts and vision, who see themselves as part of God's plan for righteousness, justice, and mercy in the world, but who accept the fact that not only is there still a vision for the appointed time, but that they are a part of that vision, have a place in it, a responsibility for it.

T. S. Eliot '13, writing of William James '69, once remarked, "he had a mind so fine that no idea could penetrate it." A fine mind is a wonderful thing: we specialize in that here. But it is not enough without an ample vision to inspire it, a passion to fuel it, and a faith to sustain it. (That is why it is the poets and not the philosophers who are remembered as the voice of an age.) Even in these cynical and self-serving times where it is difficult to see much of value surviving the threats and tantrums of the age, there is, in the word of that unpronounceable prophet, a vision still for this time, and it is the same old vision that has obtained from the beginning of time itself, the vision of the kingdom of God in which loving minds and learned hearts are put to the service of creation in response to the love of the creator.

Thus, when we read the Beatitudes we are reading not simply a formula for successful living in "never-never land," we are reading a vision for times such as these, a vision that sustains our own reality, a life-style to be aspired to in the midst of our despair. Blessed, or more accurately, happy are they who in the darkness hold onto this vision of how things can, ought, and must be if the darkness is ever to be overcome.

And you, my dear friends, are a part of all this: you are a part of the vision that can by God's grace transform mere facts into that truth that sets us all free from bondage to the past and fear of the future. You, and I, and this old college are part of that vision that in Christ has made us and sustains us, and in whose service is our only perfect freedom. It will not be easy, but most things worth accomplishing never are. There will be days when the effort to reconcile your facts with your visions will not seem worth the while, and there will be more congenial things to do and be. And yet you will never be what you can become until your mind is animated by what your soul sees: that is called insight, and by that light is the only journey worth taking made. May you begin that journey with us in this place today, and the grace of God go with you.

Let us Pray:

Blessed Lord, what it is to be young,
To be of, to be for, be among—

Be enchanted, enthralled,
Be the caller, the called,
The singer, the song, and the sung.
(David T. W. McCord '23)●

ARTISTS PENALIZED UNFAIRLY

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. RICHMOND. Mr. Speaker, in 1969, Congress decided to change the tax code specifically to stop elected officials from donating their personal papers to libraries or archives and receiving large tax deductions for those contributions. Congress acted properly in closing a large tax loophole which was, unfortunately, used by a few elected officials.

At the same time that Congress closed this loophole it quite unintentionally changed the tax laws that allowed artists to contribute their art works, manuscripts, and compositions to museums and libraries. This was never the intent of Congress, yet we have been unable to rectify the situation in 12 years. Unfortunately, an entire decade has come and gone and a tremendous amount of art work, manuscripts, and compositions have been lost to personal sales or outright destruction because artists can receive no more than the cost of materials when contributing their art work to a tax-exempt organization.

The unfairness of this situation is most evident when one considers an art collector may buy a work from an artist, keep that work for a year, and then give it away at its fair market value and receive a tax deduction for the full amount. While I do not suggest that it is unfair for the collector to receive such a deduction, I certainly believe it is unfair that the artist is prohibited from receiving a similar deduction for his or her work.

We continually ask the artists in our society to subsidize the museums and arts centers by contributing their time and talents, by working for minimum wages and by contributing their art work. It is time that we stop a gross negligence by the Federal Government and allow artists the deduction which they so rightfully deserve.

Ironically, when the artist dies, the same art work he or she could not give away for more than the cost of materials is now taxed, for estate tax purposes, at its full fair market value. This means, for example, that the artist may get a $5 tax deduction for contributing an art work while the same art work—for which he could receive only a minimal deduction—is not taxed as part of his estate at the full fair market value which may be thousands of dollars.

The vast majority of artists do not sell all the art work that they produce in their lifetimes. I have known several artists who paint 5 to 10 pictures each month. If, for example, an artist becomes regionally known and his works begin to sell for $1,000 each and if he has 1,000 works left in the estate at the time of his death then the estate will be taxed by the IRS at $1 million. The chart below will explain this tax structure. The family will have to pay $308,000 if the artist was not married; with the marital deduction his widow will have to pay $118,000. If the family does not have this much money to pay the taxes, then it would seem to follow that at $1,000 apiece either 118 pieces or 308 pieces could be sold to pay the estate taxes. Unfortunately, trying to sell that much work in a short period of time gluts the art market and forces prices down. Second, these prices do not take into account any middleman. Thus, if the family decides to try and sell the art work through a gallery or an auction house—as is usually the case—the family might have to sell twice as many works to receive enough money to pay the estate taxes.

	Single	Married
Gross estate after deduction of:		
Administration expenses	$1,000,000	$1,000,000
Marital deduction		500,000
Adjusted gross estate	1,000,000	500,000
Total Federal and State estate taxes	308,000	118,000
Total Federal and State income taxes on sale of assets to raise funds to pay estate taxes	[1]0	[1]0
Total taxes	308,000	118,000

[1]No income tax because of step up in basis of art work to estate value. Assumptions: (1) All art work produced after 1976. No consideration for other income earned by estate or heirs. (2) No consideration for estate tax added to basis. (3) Art work did not increase in value after death. (4) State estate tax equals credit for State tax on Federal estate tax return.

Mr. Speaker, because of this situation many artists have opted to destroy their art work rather than force their families into bankruptcy. Several well known artists have begun destroying their work. This is not only a loss of national treasures, it is also a national disgrace.

I have introduced legislation that will permit artists to donate their works to museums and other nonprofit institutions. This legislation would take artists back to pre-1969, when they were allowed to take a full fair market tax deduction for contributing their works. The prohibition with regard to contribution of official papers by politicians would still remain in effect. Similarly, I have introduced legislation which would, from estate tax purposes only, allow the valuation of the art work left in the artist's estate at the cost of materials. All this would mean is that the family would not be forced to liquidate the estate to pay the taxes. If the estate decided to sell any individual piece of art work, then ordinary income taxes would still be paid on that sale. I have received several comments about these pieces of legislation from artists and supporters of the arts and I would like to enter them into the RECORD at this time:

COMMENTS BY ARTISTS AND CULTURAL REPRESENTATIVES ON THE BILL TO RECTIFY ARTIST'S ESTATE TAXES.

This bill is essential to family security and piece of mind of every creative artist in the country. Evaluating artists' work at cost solves the agonizing problem of heirs having to quickly sell the art to pay the estate tax.

RUBIN GOREWITZ,
President, Artists' Rights Today.

The irony of an artist not to be able to afford being alive or dead can be creatively altered by the passing of your bill. Everyone survives in this change in the law, even the deceased is comforted. Thank you.

ROBERT RAUSCHENBERG,
Prominent American Artist.

The present estate tax situation is a glaring inequity. It seems to me an appalling contradiction that an artist giving a gift of his or her own work to a public institution may deduct only the cost of producing that work. (Usually about $75.) At the artist's death that same work is then assessed at fair market value and this figure often reaches into the hundreds of thousands of dollars. The real losers in this situation are our public institutions, libraries, and museums and thus the American people. If we are to believe that the arts are a national resource, let us encourage them with this measure.

JAMIE WYETH,
Prominent American Artist.

Artists' Equity Association, the national organization for professionals in the visual arts, endorses H.R. 1720 so that created art work may be valued for estate tax purposes at the costs of artists' materials. In addition to relieving the punitive burden on artists' heirs, the legislation would, if enacted, bring the code into line with those portions that pertain to deductions for casualty losses and charitable donations.

GILDA ELLIS,
President, Artists' Equity Association.

I want to thank you for writing this bill to enable the artist at his death to leave his work evaluated at cost to his heirs. This would help stop the confusion between esthetic value and money, so that after death each painting could achieve its own value and be taxed as it is sold. Thomas Hart Benton whose morals adorned the Truman Library burned many of his works so his family wouldn't inherit an immediate, unusual tax burden. The passing of this bill will help normalize a stricken cultural situation.

JAMES ROSENQUIST,
Prominent American Artist.

An unfair contradiction exists in present tax law. In an artist's estate, his work is taxed at full value, but should he donate his works to an institution during his life-time, the works are valued essentially at zero. One end or the other of this contradiction

should be changed. I am very much in favor of H.R. 1720.

ROY LICHTENSTEIN,
Prominent American Artist.

As an artist deeply concerned about the welfare of my family, I heartily endorse this bill. Being an artist is a risky and uncertain occupation. I am disturbed that I can contribute to a museum and only deduct cost of materials. If I give the work as a gift, I must pay a gift tax. I cheerfully pay all my taxes when I sell my work. When I die, my heirs under present law would be forced to pay large taxes on unsold works. Your bill redresses an unfair situation and I wish you great success in your endeavors.

GEORGE SEGAL,
Prominent American Artist.

Mr. Speaker, these bills will rectify current tax structures which discriminate against artists and will provide some relief to the pressing financial burdens facing individuals and cultural institutions. I hope that my colleagues in Congress will act swiftly to pass these bills putting to an end glaring errors in the current tax laws unfairly penalizing artists and art institutions and insuring that the American people will have the opportunity to enjoy the creative efforts of contemporary artists.

I urge my colleagues to join with me in insuring that the tax inequities I propose to eliminate are ended in the very near future.

The following is the text of the legislation:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to remove certain limitations in the case of charitable contributions of literary, musical, or artistic compositions, or similar property

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (e) of section 170 of the Internal Revenue Code of 1954 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSITIONS.—

"(A) IN GENERAL.—In the case of any charitable contribution of a literary, musical, or artistic composition, any letter or memorandum, or similar property if such property was created by the personal efforts of the taxpayer making such contribution, the amount of such contribution shall be the fair market value of the property contributed at the time of such contribution and no reduction in such amount shall be made under subparagraph (A) or (B) of paragraph (1).

"(B) CERTAIN CONTRIBUTIONS BY PUBLIC OFFICIALS.—Subparagraph (A) shall not apply in the case of any charitable contribution of any letter, memorandum, or similar property which was written, prepared, or produced by or for an individual while such individual was an officer or employee of the United States or of any State (or political subdivision thereof) if the writing, preparation, or production of such property was related to, or arose out of, the performance of such individual's duties as such an officer or employee."

(b) The amendment made by subsection (a) shall apply to contributions made after December 31, 1980, in taxable years ending after such date.

H.R. —

A bill to amend the Internal Revenue Code of 1954 to provide that the executor may elect to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would not have been capital gain if such item had been sold by the decedent at its fair market value

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to gross estate) is amended by inserting after section 2032A the following new section:

"SEC. 2032B. VALUATION OF CERTAIN ITEMS CREATED BY THE DECEDENT.

"(a) GENERAL RULE.—If—

"(1) the decedent was (at the time of his death) a citizen or resident of the United States, and

"(2) the executor elects the application of this section,

then, for purposes of this chapter, the value of qualified creative property shall be determined under subsection (b).

"(b) VALUE OF QUALIFIED CREATIVE PROPERTY.—For purposes of subsection (a), the value of qualified creative property of the decedent shall not include any amount which would not have been capital gain if such property had been sold by the decedent at its fair market value (determined at the time of the valuation of the gross estate of the decedent).

"(c) QUALIFIED CREATIVE PROPERTY DEFINED.—For purposes of this section, the term 'qualified creative property' means any copyright, any literary, musical, or artistic composition, any letter or memorandum, or any similar property—

"(1) which was held by the decedent at the time of his death, and

"(2) which was created by the personal efforts of the decedent.

"(d) ELECTION.—The election under this section shall be made not later than the time prescribed by section 6075(a) for filing the return of tax imposed by section 2001 (including extensions thereof), and shall be made in such manner as the Secretary shall by regulations prescribe."

(b) The table of sections for such part III is amended by inserting after the item relating to section 2032A the following new item:

"Sec. 2032B. Valuation of certain items created by the decedent."

(c) Paragraph (3) of section 1014(a) of such Code (relating to basis of property acquired from a decedent) is amended by striking out "section 2032A" and inserting in lieu thereof "section 2032A or 2032B".

SEC. 2. The amendments made by the first section of this Act shall apply to estates of decedents dying on or after January 1, 1981.●

CONSTITUTIONAL AMENDMENT NEEDED TO LIMIT FEDERAL SPENDING

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. McCLORY. Mr. Speaker, in my judgment, no recent development has been more welcome or more urgently necessary than the spread of awareness among the American public and their elected representatives that our grave economic difficulties cannot be overcome unless and until the Congress and the administration take immediate action to control runaway Government spending and to eliminate massive Federal deficits.

Federal expenditures climbed $86 billion, from $493 billion to $579 billion between fiscal year 1979 and fiscal year 1980, and are projected to rise by a nearly equal amount to in excess of $660 billion in fiscal year 1981. It has been over a decade since the Nation has had a budget surplus, and meanwhile the national debt has increased from $382 billion in 1970 to over $908 billion in the latest figures available. Mr. Speaker, this is nothing less than fiscal madness.

In the last Congress, the Judiciary Subcommittee on Monopolies and Commercial Law, on which I have been ranking minority member, held seven hearings and heard testimony from over 40 witnesses on nearly 200 constitutional amendments to limit Federal spending. Those of us who favored this approach to restore fiscal integrity to our Government were frustrated by the unwillingness of our chairman to proceed to markup and by the lack of a broad consensus on a single workable formula. I am frankly optimistic however, that the recent election returns have reduced the first obstacle and that the second can be met by early agreement in this Congress among proponents.

The amendment I am introducing today, a modification of House joint resolution 269, which I sponsored in the last Congress, seeks to promote that consensus. It provides that expenditures in any fiscal year, including interest on debt but excluding expenditures for repayment of debt principal, shall not exceed revenues collected in that year, except revenues raised by borrowing on the credit of the United States, nor the average of expenditures as a percentage of gross national product over the 3 preceding fiscal years. Revenues would exclude amounts raised by borrowing on the credit of the United States, but such borrowing, except for refinancing of debt incurred prior to the amendment coming into effect, must be specifically authorized by Congress for capital expenditures for a period of time not to exceed their useful life. Congress is mandated to provide by law for the repayment of the debt of the United States existing when the amendment comes into effect. Any provisions of the amendment may be suspended for a year whenever two-thirds of the Congress determines it to be necessary. The amendment is made applicable to fiscal years commencing more than 2 years after ratification.

My amendment embodies a number of concepts which I believe should attract broad support from the Members of the House. Among these are the following:

First, that expenditures should be both balanced against revenues and capped as a proportion of GNP;

Second, that if GNP is a measure that it should be retrospective over several years to achieve greater accuracy and to minimize the effect of swings in the business cycle;

Third, that borrowing for capital expenditures should only be for a period of time commensurate with the probable useful lives of the tangible assets acquired;

Fourth, that a separate capital budget is a concept which can be as viable on the Federal budget level as it is in most States;

Fifth, that a constitutional mandate for retirement of the Federal debt should be made flexible by not prescribing particular congressional action; and

Sixth, that provision for a congressional override by two-thirds vote is necessary and appropriate.

I commend this approach to my colleagues, I encourage your cosponsorship, and I pledge myself to work diligently to secure early passage of a realistic and effective spending limitation amendment in this Congress.●

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. ZEFERETTI. Mr. Speaker, I have introduced today H. Res. 13 to reconstitute the Select Committee on Narcotics Abuse and Control in the 97th Congress. This measure is identical to the resolution that established the Select Committee on Narcotics Abuse and Control in the 96th Congress. The committee would be authorized "to conduct a continuing comprehensive study and review of the problems of narcotics, drug, and polydrug abuse and control," to review executive branch recommendations concerning drug abuse programs and policies, and to recommend legislation or other action to the appropriate standing committees of the House. The committee would not have legislative jurisdiction.

Drug abuse and drug trafficking are among the most serious social problems facing our Nation today, and unfortunately, they will continue to present difficult challenges for the foreseeable future. Drug trafficking in the United States has become a $50–$60 billion-a-year industry. Our hard-won successes in reducing the level of heroin addiction and the number of heroin-related deaths and injuries nationally are now threatened by a new influx of high-grade heroin from Southwest Asia that has already created a heroin crisis in several eastern U.S. cities. Marihuana and cocaine use are at all-time highs, and the abuse of prescription drugs constitutes a serious threat, particularly for vulnerable populations such as the growing number of elderly people in our society.

Developing and implementing effective, long-term strategies to meet the problems of drug abuse requires the continued, concentrated effort of the Congress and the executive branch, working together with State and local governments, the private sector, and the international community. We cannot afford to lose the momentum that has been generated in the past several years. Continuing the Select Committee on Narcotics Abuse and Control will assure that the House has the resources and the expertise needed to conduct the comprehensive oversight essential to the formation of sound drug abuse policies and programs.

During the 96th Congress, the Select Committee on Narcotics Abuse and Control recommended that the House establish a permanent Special Oversight Committee on Drug Abuse and Control. The committee's recommendation was presented in a report to the House entitled "Recommendation for Continued House Oversight of Drug Abuse Problem" (H. Rept. 96-1380), a copy of which was circulated to all House Members. Because of the many changes in the membership of the Congress, and also because a new administration will soon take office, we believe it best to defer seeking permanent status at this time. Nonetheless, many of the reasons we offered for creating a permanent committee—namely, the scope of the problem, the need for comprehensive, coordinated oversight and the fragmentation of drug abuse jurisdiction among the standing committees of the House—apply with equal force to continuing the select committee for an appropriate interim period. I encourage each of you to consider these arguments carefully.

There is strong grassroots support to continue the work of the committee. Parents, educators, State, local, and private drug abuse treatment organizations as well as law enforcement organizations have petitioned for our continuance. The National Federation of Parents for Drug Free Youth, comprised of concerned parent groups throughout the country, passed a resolution strongly supporting the continuance of the committee and conducted a letterwriting campaign to Members of Congress. These groups look to the committee as the only body in the Congress which is committed solely to address the complex problems of drug abuse and they need our continued support.

Drug abuse and drug trafficking affect virtually every congressional district. Controlling and preventing these menaces merit the bipartisan support of this body. I urge you to support the continuation of the Select Committee on Narcotics Abuse and Control and invite you to join with me in sponsoring H. Res. 13.●

"SAME-TIME"/SUNDAY VOTING BILL

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BIAGGI. Mr. Speaker, last August I introduced a bill, H.R. 7928, to establish Sunday elections and uniform voting hours nationwide on a trial basis. At that time, I expressed my conviction that these two changes would help to stimulate our Nation's dismal voter turnout rate and prevent west coast voter apathy during Presidential elections.

Today, convinced more than ever that these election reforms are necessary, I am reintroducing this measure in identical form, and am hopeful it will receive prompt consideration.

Specifically, my bill would require that all general elections be held on Sunday, and all polls across the country open and close during the same 9-hour period of 12 to 9 p.m. (e.s.t.) in Presidential election years. The 6-year trial period would begin in 1982, with the Federal Elections Commission monitoring the impact of the changes on voter turnout.

The need for these changes is clear:

Voter turnout has declined in every Presidential election since 1960;

The 1980 voter turnout was the lowest for a Presidential election in 32 years—with only 52.3 percent of all those eligible actually participating;

In non-Presidential elections, the figures are far worse—only 34 percent went to the polls in 1978;

Voter turnout in Western European democracies where national elections are held on Sundays averages nearly 40 percent higher than our own; and

Voter participation declined from 1976 in every Pacific time zone State, including Alaska and Hawaii, where polls were still open when the first projections of a Ronald Reagan victory were announced.

Since launching my campaign for "Same-Time"/Sunday voting last August, the proposal has received enthusiastic endorsements from the media, religious leaders, State election officials, and numerous other interested groups and individuals around the country.

Mr. Speaker, the facts clearly indicate that our current election process is failing us miserably. We must not allow this deterioration in our democratic process to continue. I offer my proposal as a responsible and effective solution, and urge my colleagues to join me in this crucial cause.●

INTEREST RATES ADVERSELY AFFECTING HOUSING STARTS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. HUBBARD. Mr. Speaker, to express his concerns about the problems homebuilders are confronting with uncontrollable interest rates, one of my friends, Frank W. Wagner, president of Wagner-Shuck Builders, Inc., of Owensboro, Ky., wrote the following letter to me. I want to share this letter with my colleagues because I believe that Mr. Wagner has included suggestions which could be beneficial to us in our search for solutions to the problem of decreased housing starts.

Carroll, it is obvious to you, no doubt, that our industry is in an extremely precarious position.

Something must be done right away to bring the interest rate down which is going to necessitate an immediate and no doubt unpopular move by someone in Congress. Any effort in this regard will most certainly mean an outflow or reduction in income to the treasury.

I have written to both Senators Huddleston and Ford begging for an immediate moratorium on income taxes charged against earnings on deposit in savings institutions earmarkrd for home financing. Our National Association has been asking for this for quite some time and there is sufficient evidence to indicate that the result of such action could instantly create adequate home financing money at a rate that many more Americans can qualify to pay. It is appalling to note that with 14% mortgage interest rates (which incidentally is the average rate here in Owensboro), only 9.1% of American families in this nation could qualify for a $60,000 mortgage. More alarming, however, is that our industry, probably the second most significant industry in our country, is experiencing an unemployment rate in excess of 17%. The resulting inactivity plus the additional burden of those receiving federal assistance is creating billions of dollars in deficits to the treasury. One source quoted a 1% decrease in unemployment as amounting to an increase of between $20-27 billion being added to the treasury.

These are indeed complex problems and certainly there are several things the government can do to immediately help including, but not limited to, the lifting of income taxes on savings dividends to encourage deposits for the purpose of home loans. Something else which would immediately help the movement of existing house inventory would be a tax credit, which was most effectively done back in 1974-1975. Another proven method of stimulating sales would be the reactivation of the Emergency Home Purchase Act of 1974 (Brooke-Cranston). This is something we begged for back in May, but to no avail, which ironically, had this program been implemented then, mortgages purchased by GNMA at three points under market at that time could have subsequently been sold at close to par.

It is frustrating to me to see our government supporting farmers and other industry, but doing nothing to help our industry which is in a crisis situation because of government's inappropriate action.

I really did not mean to rattle on about our problems but we do need help and it has got to come from government and in order to help it needs to be fast. Out of the 15 largest builders in Kentucky, all but two are in precarious financial condition and many of the smaller ones have already failed.

I know that of all the people in office you are indeed one of the most concerned for the welfare of our industry and feel that we can continue to count on you for support. Perhaps with your close connection with the House leadership, you may just be the one to help solve some of our problems. Needless to say, any efforts in this regard will be greately appreciated and I would be most anxious to supply you with direct and precise facts concerning our problem.●

WILL RUSSIA INVADE POLAND

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. ASPIN. Mr. Speaker, Americans are breathing more easily about Poland, generally believing that each day that passes without a Soviet invasion makes an invasion all the more unlikely. But, in reality, the most dangerous time for Poland is just around the corner—and the chances of a Soviet invasion are very high.

Looking at recent U.S. press accounts, the most widely accepted interpretation holds that Moscow has been prepared militarily to invade since early December. But there is strong evidence that Moscow is not yet prepared, either militarily or politically.

The main piece of evidence for a lack of political preparedness is the absence of a constant propaganda line. Before any major initiative, Moscow always starts greasing the propaganda skids by telling the world how bad are the conditions the Red army is planning to cure. That has not yet happened.

On December 6, Moscow hosted an Eastern summit that underscored Moscow's lack of political preparation. The Rumanians were invited and attended. Because of their firm opposition to Moscow's claimed authority to preserve the Communist commonwealth, the Rumanians would never have gone to that summit if a propaganda line had been fixed and they thought a decision to invade was preordained. It is probable, therefore, that they attended because they knew a decision remained to be made and they hoped to be able to influence the outcome.

The final political preparations have most likely not been made because the Russians are unready militarily. The Russians are careful and, some might say, plodding planners. Before the 1968 invasion of Czechoslovakia, the Red army exercised each component of the invasion force, sometimes more than once.

Some analysts viewed this as politically motivated—that the Russians were making noises, first, to scare the Czechs into complying without an invasion, and, second, to try to lull the West and fool it about the true invasion date.

But this misses the point that long and careful preparations are a fixture of Soviet military doctrine. Czech intelligence officers, who have been trained in the Soviet system, said it took the Russians 6 months to prepare for the 1968 invasion of Czechoslovakia. It would take an equal time to prepare a similar invasion; 6 months, they insist, is the standard.

The Polish strikes began in mid-July. If the Russians began working on the invasion option at that time—the earliest they could possibly have begun preparations—then the time to begin worrying seriously about an invasion is after mid-January.

U.S. officials have been touting Soviet preparedness since as early as December 3. It is this official position, more than anything else, that Fed expectations of Soviet action early in December and that has produced the current sense of ease. But this may be another case of the common intelligence failure known as mirror imaging—assuming that others are like us. The United States has a firefighter approach to the use of military force and is very conscious of the importance of speed in the event of intervention. The Soviets give much greater weight to advance preparation.

Thus, on December 9, one administration official told newsmen that the Russians had done "everything short of starting the motors." Reports such as these grossly exaggerated the state of readiness of the Red army. On December 12, it was reported in the press that Soviet forces were "reconnoitering" routes into Poland. That, in itself, indicated the Russians were far from ready. Reconnoitering is a step taken

during the runup to a military operation, not at the last minute after units have already reached a state of readiness.

If the Soviet preparation time is the usual 6 months and the Soviet leadership does decide to go ahead, the invasion of Poland can come sometime after mid-January. But a decision cannot be postponed long after that point. The window during which the invasion can be launched stretches only from roughly mid-January to late March. The window closes by the end of March for three reasons.

First, there is the weather. In the spring, the invasion routes turn to mud. That would complicate the task of the invading force and make the invasion far more difficult. The frozen ground of winter is a preferable fighting stage for the Russians and their tank-led forces than the mud of the Russian rasputitsa, the "roadlessness" of spring.

Second, there is the mobilization timetable. The Russians called up thousands of reservists a few weeks ago, an action that helped to fuel the concerns about an invasion. Those troops are due to head homeward in March. Of course, they could be held on duty longer, but that would lower troop morale and threaten production plans at the factories from which they were drawn. What is more, the equipment now being exercised will begin to show the effects of extensive use.

Third, there is the unique Soviet draft system. The biannual callup of conscripts who are due to head homeward in May. Again, their tours of duty could be extended, but only at the risk of considerable disruption to the creaky Soviet administrative apparatus.

Politically, the invasion window will also close by late March because the Polish Party Congress is due to convene soon afterward. The current party leadership is relatively pliant, but the Congress could choose a new leadership more likely to lead resistance to a Soviet invasion. While there is little question that the Soviet Army could crush the Polish Army, Moscow would certainly prefer to avoid the additional costs—both political and human—of bloody warfare.

Will the Russians invade? There is no definitive word: The Kremlin probably has yet to make up its own mind. Once the political and military preparations are in place, the decision can be made in less than 72 hours before the borders of Poland are crossed. But the odds certainly lean toward an invasion for three key reasons.

First, there is the bureaucratic momentum. A great deal of time, effort, and money is being expended on preparations, which have a way of taking on a life of their own. Many up-and-coming Communist bureaucrats working on this project undoubtedly see a chance to advance their careers. While the window is open, Kremlin decision-makers will be reminded of the old dictum: Use it or lose it. If those leaders decide not to invade, the opportunity will pass—if Poland blows up, guess who will take the heat. Furthermore, on no other occasion of which we are aware have the Soviets failed to use the moblized forces at their command after such massive preparations.

Second, the overriding concern of the Russians is the perpetuation of Communist party control in Warsaw—by definition that means crippling the nascent independent trade union movement. Moscow has been trying to control the unions through the Polish Communist Party. Poland's Communists today, however, are anything but a reliable instrument of Kremlin control. Some of them even sympathize with the trade union movement. Unless Stanislaw Kania, the party First Secretary, can whip the party into line—and convince Moscow that he has done so—the Soviet leadership will have but one option—to invade.

Third, Kania faces opposition within his own party, not just from those who sympathize with the unions, but also from personal and professional opponents who would love to see Kania get his comeuppence. That opposition sees a Russian invasion as a means to effect a clean sweep of the Kania clique. Thus there are elements within Poland eagerly urging the Russians to get on with it.

In sum, the real danger period for Poland has not passed; it is just about to begin. And while the Soviet Politburo has probably not yet voted on whether to invade, the head of steam building inside the Kremlin makes an invasion far more likely than a peaceful resolution.●

ELEANOR JOSAITIS: A WOMAN WHO CARES

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. TRAXLER. Mr. Speaker, it gives me great pleasure to advise our colleagues today that Eleanor M. Josaitis of Detroit, Mich., has been selected as the Career Guild's First Woman of the Year for 1981.

It is rare that a Member of Congress has an opportunity to get to know and work with an individual from outside one's own congressional district, but I am very pleased that as a member of the Subcommittee on Agricultural Appropriations I have had the good fortune to work with Eleanor over the past few years to help safeguard the continued operation of the commodity supplemental feeding program, a program which provides food items to needy mothers, infants, and children at one of the lowest per person costs of any Federal feeding program.

Eleanor Josaitis is the codirector of Focus: HOPE, a Detroit organization that was established as a result of the riots in Detroit in 1968 to help thousands to find jobs, maintain their dignity, and avoid the ravages of hunger. Focus: HOPE is the largest commodity supplemental feeding program in the Nation, serving about 40,000 individuals a month. The program is expanding daily, and today is particularly significant as Focus: HOPE opens another food distribution center in Detroit.

Many people will take on several projects during their lifetimes, and only a select few leave a mark that will be remembered and used as a model. Eleanor Josaitis is such a person. She has set one simple goal for herself: to do whatever is possible to help those in need. With this one goal, she has worked to feed the hungry, to provide legal representation for those who might not otherwise have had it, to aid the old and the young when they are ill, to help those who want work to find it, and, most importantly, to be a friend to those who believe that they have been forgotten by society.

Eleanor has worked with Father William Cunningham, a priest who believed that he needed to be involved with people to be helpful and founded Focus: HOPE. Together they have earned the respect of civil rights and hunger organizations throughout the Nation.

The work of Eleanor Josaitis has been so impressive that in 1978 she was chosen by Secretary of Agriculture Bob Bergland to serve as a member of the National Advisory Panel on Maternal, Infant and Fetal Nutrition, and has in that position done more than anyone could imagine to help people understand the importance of the commodity supplemental feeding program.

Mr. Speaker, I am proud to know Eleanor Josaitis, and I would like all of our colleagues to know more about this exemplary woman who believes that Government can and does help people. I am submitting a copy of the release announcing Eleanor's selection, and I commend it to all of our colleagues who may want to know more about this woman who will be honored in Chicago on January 30 with an awards luncheon:

ELEANOR M. JOSAITIS NAMED CAREER GUILD WOMAN OF THE YEAR

EVANSTON, ILL.—Eleanor M. Josaitis of Detroit, Michigan, has been selected Career Guild Woman of the Year for 1981. Ms. Josaitis is Associate Director and co-founder of Focus: HOPE, a civil and human rights movement in metropolitan Detroit. She will be honored at a luncheon to be held January 30, in Evanston.

In the words of her nominator, Career Guild member, Marilyn Mosier of Detroit, Eleanor Josaitis is "a 'dynamite' woman exploding with energy, social commitment, and leadership ability".

Twelve years ago, after the Detroit riots and the assassination of Dr. Martin Luther King, Eleanor Josaitis realized what really mattered to her. Her reaction to national and local racial problems was moral outrage and a plan for action.

Eleanor and her husband and five young children moved from their suburban home to a house in an integrated neighborhood of Detroit. Both parents felt that they should raise their family in a racially and economically integrated neighborhood. They "didn't want the children to have narrow minds", but wanted them to be "open and generous", Eleanor explains.

She had first become aware of the poverty that existed in Detroit when Father William Cunningham visited her suburban church as a week-end assistant. Realizing the social and racial inequities of the inner city, Eleanor reached with her concern for basic human rights.

In 1968, Eleanor, Father Cunningham, and Father Jerry Fraser, responding to the moral and social crisis in Detroit, founded Focus: HOPE to deal with racism and inequalities suffered by people in the city. As Eleanor explains, they asked themselves, "What are we as Christian men and women doing about this?" Thus emerged their dream to bring black and white people together and to feed the hungry. They became the leaders of the project; and after they began to do something, others followed.

"If you put people in a position where they see an injustice, they will then become a part of the solution," Eleanor believes. "I am convinced that there are thousands and thousands of people who want to contribute, who want to do something to combat injustice and inequality. But someone needs to lead." Eleanor sees herself as a catalyst to affect change.

In response to discriminatory food prices in the inner city, the Food Prescription Program was established. Today this program distributes food to 38,000 low income and undernourished mothers, pregnant women, babies, and pre-school children each month. Food from the U.S. Department of Agriculture is distributed according to a prescription based on the family's need.

Currently, there are three food distribution centers, but a fourth will be opened soon. The number of recipients will increase to 48,000. However, Eleanor points out that Detroit health department statistics indicate that there are 138,000 people in the city who need assistance. "Even though we're proud of what we're doing, we're a long way from getting the job done," she says.

Father Cunningham and Eleanor Josaitis now oversee a staff of 96 at Focus: HOPE, and other programs involve encouraging teenagers to stay in school, support for inner city neighborhood problem solving, equal employment opportunities, and public education. Soon Focus: HOPE will expand its services with a food program for senior citizens and a plan to improve the quality of inner city housing.

Eleanor Josaitis' concern for people and their well-being dominates her home, her family life, and her career. Eleanor's own children are now age 14, 18, 20, 22, and 23. At one time the family opened their home to a foster child. Commenting on the "life of reality" they have experienced, Eleanor says of her children, "They are loving and giving. They have moral fiber, a sense of fairness. They are intolerant of injustice. They, too, will affect changes in society."

Eleanor has been appointed to the U.S. Department of Agriculture Advisory Council on Maternal, Infant and Fetal Nutrition. The council reports to the President and Congress and makes recommendations for food assistance programs.

"We at Focus: HOPE are willing to help other communities in any way possible to start a program," she states. "We believe in the program. It works."

"Eleanor Josaitis' success," her nominator points out, "illustrates what creativity, drive, moral strength, and hard work can accomplish." She is an impressive role model for women everywhere.●

INTRODUCING CONSTITUTIONAL AMENDMENT FOR 6-YEAR PRESIDENTIAL TERM

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BROOKS. Mr. Speaker, today I am introducing a proposed constitutional amendment to provide for a single, 6-year term of office for the President. Let me say at the outset that my decision is in no way influenced by the election of Ronald Reagan as President. No incumbent President's term of office would be affected by this amendment if it were adopted. Nor is it my intention to reduce the power and influence of the Office of President. To the contrary, I believe a single, 6-year term of office would make the President a stronger, more effective leader of the Nation.

This is not a new suggestion. It was considered at the Constitutional Convention, has been brought forward periodically in the 200 years since then, and has been the subject of hearings in the House and Senate in recent Congresses.

Despite the failure of all those previous efforts to bring about the change, I am persuaded to try again because of my conviction that the stresses and complexities of the Office of President of the United States have become so great; that the decisions the President must make have such awesome import for the entire world, that we must do everything we can to make the Office as effective as it can be. I am further convinced that it would be in the best interest of the Nation if the person in the Oval Office were free to concentrate on running the country instead of running for a second 4-year term.

Mr. Speaker, we have just seen how distracting the demands of partisan politics can be on a President. President Carter was forced to spend nearly the entire last year of his term in grueling campaigns, first for his party's nomination, and then for reelection. And at the same time, he had the full responsibilities of his Office to carry out.

We can only speculate as to whether the decisions he made and the actions he took in the vitally important matters he had to deal with during that period might have been different if he had been free of the concerns of reelection. But there can be no doubt that those concerns were present, and that the pressures they created added to the burdens the President bore.

We do not need to add to the burdens of the Presidency. It is already a job that will tax to the fullest the capacities of whoever holds the Office. By setting a 6-year term and removing the possibility of reelection, we would be permitting the skills, energies, intelligence, and dedication the job requires to be focused where they should be—on leading the Nation—instead of having them diluted and diverted in political campaigning.

I hope this proposal will be given serious consideration during the 97th Congress.●

INTELLIGENCE PRIORITIES FOR THE 97TH CONGRESS

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. BOLAND. Mr. Speaker, today, the first meeting of the 97th Congress, seems to me an appropriate time in which to make some observations concerning the state of the U.S. intelligence community.

Much has been said in recent months about the health of our intelligence services. I feel that, throughout that period, too little emphasis was placed on the positive developments that I have observed in 3½ years as chairman of the Permanent Select Committee on Intelligence. To list but a few, our Nation is served by technical intelligence systems unsurpassed by any other nation; by a solid corps of dedicated, highly professional intelligence careerists; by an improved indications and warning system; by increased attention to a healthy analytic effort; and by annual qualitative improvements in intelligence production. Last, there has been established, and I believe firmly established, the positive role that Congress can play through oversight of intelligence activities, through review and authorization of the intelligence budget and through the enactment of legislation that meets the special needs of intelligence operations while providing the same protections to Americans as do other government activities. The most important aspect of the congressional role—access to information—is now guaranteed by statute. The budget and legislative processes work well—as is amply testified to by the endorsements of all the officials heading our intelligence agencies.

All these developments are positive signs that the U.S. intelligence community remains strong, second to none. Yet there are problems which must receive attention. The list is familiar because of the attention devoted to these problems in the preceding Congresses. The most important one is also the most difficult to attack—that of morale among those who, by stealth and clandestine craft, must collect human intelligence, the sine qua non that can expose the enemy's intentions and plans.

Because of the importance of human intelligence collection, much has been proposed to improve morale. The essence of these proposals has been to protect intelligence personnel as they go about their duties. Thus much attention was given to improving cover and assuring intelligence sources of the integrity of U.S. security. A three-pronged effort-intelligence identities protection (H.R. 5615, which I reintroduce today in the form in which it was reported by both the Intelligence and Judiciary Committees), amendment of the Freedom of Information Act and the plugging of leaks—was put forward. Although the 96th Congress achieved some progress toward considering these initiatives, no final resolution occurred. Also deferred was a more ambitious effort of enacting intelligence charter legislation, an effort to legitimitize and place the seal of approval on intelligence activities within guidelines established by law. The complexity of this task seems to have been its principal foe, yet the clearing away of ambiguities and legal uncertainties remains an important goal of the intelligence community.

Mr. Speaker, the new President will have his own ideas on how to use the capabilities of the intelligence community and how to resolve its problems. The Permanent Select Committee on Intelligence will work hard with him and with the new Director of Central Intelligence to formulate programs to achieve these ends. One change is already apparent. The new Director of Central Intelligence will have Cabinet rank, a preeminence no predecessor has ever achieved.

In the midst of all the changes that are and will be taking place, however, I wish to make clear to the new President, the House, and American people, that the Permanent Select Committee on Intelligence will take its role in these matters very seriously. It will expect to be kept fully informed of intelligence operations in accordance with the new oversight statute. It will examine the budget and all legislative proposals carefully and fully. And most importantly, it will seek to proceed in these tasks on the basis of the very positive foundations built by both the Ford and Carter administrations.

Among these basic authorities are those established by Executive order (E.O. 11905 under President Ford; E.O. 12036 under President Carter) which strengthened the central management of the intelligence community and provided for Attorney General approval of operating procedures affecting Americans. These guidelines have provided certain basic protections through two administrations—Republican and Democratic. Their thrust has been to foster respect for the rights of citizens in a fashion that does not impede intelligence operations. Further, essential statutory authority, such as the Foreign Intelligence Surveillance Act and the Classified Information Procedures Act, has improved the ability of intelligence and legal authorities to operate effectively within a framework that protects basic privacy rights of Americans. Public endorsements by key intelligence officials of the essential value of these achievements places a heavy burden on those who would change them.

It has been the experience of the committee—as, I am sure, it will continue to be—that full consultation concerning, and consideration for, intelligence needs can produce legislation which provides the authorities and procedures essential to intelligence operations without sacrificing the individual liberties of Americans. The strong evidence is that clearly established legal, administrative, and organizational lines of authority insure legitimacy, public approval, and effective operation of essential intelligence tasks.

The intelligence community can work toward the resolution of the problems it faces through the same careful procedures that have produced authorities which have proven effective. The Permanent Select Committee on Intelligence will continue to be sympathetic to intelligence concerns. It will seek to insure flexible responses to problems while establishing firm protections where necessary. The essential operations of the committee will continue in a bipartisan fashion. Where members disagree, their differences will be aired in full public view and by debate that preserves the secrecy of important national security secrets.

Mr. Speaker, I personally, and I am sure the committee as a whole, pledge to complete the task begun by Presidents Ford and Carter of rejuvenating, improving, and legitimizing the intelligence process. The increased challenges that face the Nation and create the demands upon intelligence will make this task all the harder, but I believe that much can be accomplished in the 97th Congress if the cooperative approach which is the President-elect's trademark helps guide the process of finding solutions to these challenges.●

INDIVIDUAL INVESTORS INCENTIVE ACT OF 1981

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. SCHULZE. Mr. Speaker, 3 years ago, this legislative body took a positive step to encourage investment and promote the growth of capital formation with the passage of the Revenue Act of 1978, maximum Federal tax rates on long-term capital gains were rolled back from 49 percent to 28 percent.

This measure which was overwhelming approved by the Congress was rightfully hailed as a significant development for it began to reverse our past misguided economic policies. These past policies have resulted in our Government taxing profits and dividends, savings and capital, sales and income, and all of the other rewards of risk taking so heavily that the risks are no longer worth taking.

While I do not wish to minimize the importance of the capital gains reduction, it must be viewed as only the first step in our ongoing struggle to reduce our Nation's declining productivity growth by encouraging individuals to invest their savings in America's future.

Regrettably, the United States remains a nation with a low level of capital investment and the lowest savings rate of all major industrialized nations. In the last 10 years, at least 6 million investors have left the stock market and every group of individuals, except those 65 or older have opted to not invest their savings in American industry. This mass defection of individual shareholders has had an extremely detrimental impact on capital formation and has virtually eliminated the equity capital market for small and new enterprises.

As a result of this lack of investment, the United States is losing its lead in innovation and the technological superiority we have enjoyed for many years. I find it extremely disturbing that in the past 5 years, foreign citizens have won more than one-third of all patents issued by the U.S. Government.

In response to this growing problem, I have drafted legislation, which I introduce today, which will increase productivity, create jobs, provide additional capital for research and development, and will strengthen our Nation's ability to compete overseas. The bill will accomplish this purpose by providing a 10-percent tax credit of up to $1,000 to individuals or $2,000 to

married couples filing a joint tax return for new or additional investments in stocks, bonds, and mutual funds investing in domestic corporations.

Additionally, the bill encourages investment in all types of businesses by stipulating that there would be no limit on the size of a company whose stock would be a permissible investment. Further, it provides for a minimum 12-month holding period in order to qualify for the tax credit thus encouraging investment rather than speculative trading.

Finally, the tax credit would not be limited to new stock issues, due to the fact secondary markets are no less important to equity capital formation than the sale of new issues.

This legislation which I am proposing has the strong support of such groups as the 700 chief executives of the committee of publicly owned companies and the national association of investment clubs which is comprised of over 4,000 clubs and over 51,000 small investors.

It should also be noted that this concept is not an untested idea but is modeled after a French law enacted in 1978. As a result of this law, Frenchmen investing in the stocks of French companies were permitted to deduct up to 5,000 francs—roughly $1,200—from their taxable income each year for 4 consecutive years. Since the enactment of this investment incentive, the French Bourse Stock Index has increased by over 60 percent with 1 million Frenchmen taking advantage of this incentive. Half of these individuals have been firsttime investors which contrasts with our dwindling and aging shareholders.

Mr. Speaker, rarely do we have an opportunity to pass legislation beneficial to all of our constitutents. There is nothing in this proposal which any interest group could find objectionable, that is unless they object to increased productivity, the creation of new jobs, additional capital for research and development, and improved efficiency in American industry.

I urge my colleagues to examine this legislation and to adopt this proposal, the Individual Investors Incentive Act of 1981, as a realistic means of attracting vitally needed investment which will facilitate the development of capital formation.

Thank you.

AVOIDING A GOP ECONOMIC DUNKIRK

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. FINDLEY. Mr. Speaker, our colleague, DAVE STOCKMAN, has written one of the most penetrating analysis I have seen of our Nation's economic plight. In a comprehensive memorandum to President-elect Reagan, Mr. STOCKMAN has set forth a long list of excellent recommendations which he believes will bring inflation under control, lower interest rates, lessen unemployment, and promote stable economic growth. As the new Director of the Office of Management and Budget, Mr. STOCKMAN will be in a unique position to implement these recommendations. So that all may review his proposal, I am today placing his memorandum in the CONGRESSIONAL RECORD. It is without question one of the most important proposals of its kind and it deserves the thoughtful study of all Americans.

Text of memorandum follows:

AVOIDING A GOP ECONOMIC DUNKIRK

I. THE GATHERING STORM

The momentum of short-run economic, financial and budget forces is creating the conditions for an economic Dunkirk during the first 24 months of the Reagan Administration. These major factors threaten:

1. A second 1980 credit crunch

By year end bank rates are likely to hit the 15–17 percent range, causing further deterioration in long-term capital markets for bonds and equities, a renewed consumer spending slowdown, and intensified uncertainty throughout financial markets.

There are a number of potential contributory forces. The most important is the fact that the Fed has been substantially overshooting its 1980 money supply growth goals ever since mid summer. Were Volcker to attempt to use the interregnum to impose the severe constraint necessary to get back on track, M1-B, for example, would have to be held to essentially a zero growth rate for the remainder of the year to fall within the 6.5 percent upper target for 1980.

In addition, the Treasury will impose massive financing requirements on the market through January 1, including about $100 billion in refinancing and potentially $25–28 billion in new cash requirements at current budget operating levels (fourth quarter). While private credit requirements are likely to soften in response to the emerging slowdown in housing, durables and other real sectors, year-end seasonal borrowing requirements are still likely to be heavy.

In all, President Reagan will inherit thoroughly disordered credit and capital markets punishingly high interest rates, and a hair-trigger market psychology posed to respond strongly to early economic policy signals in either favorable or unfavorable ways.

The pre-eminent danger is that an initial economic policy package that includes the tax cuts but does not contain decisive, credible elements on matters of outlay control, future budget authority reduction, and a believable plan for curtailing the Federal Government's massive direct and indirect credit absorption will generate pervasive expectations of a continuing "Reagan inflation." Such a development would almost ensure that high interest rates would hang over the economy well into the first year, deadening housing and durables markets and thwarting the industrial capital spending boom required to propel sustained economic growth. Thus, Thatcherization can only be avoided if the initial economic policy package simultaneous spurs the output side of the economy and also elicits a swift downward revision of inflationary expectations in the financial markets.

2. A double-dip recession in early 1981

This is now at least a 50 percent possibility given emerging conditions in the financial markets and gathering evidence from the output side of the economy. Stagnant or declining real GNP growth in the first two quarters would generate staggering political and policy challenges. These include a further worsening of an already dismal budget posture (see below) and a profusion of "quick fix" remedies for various "wounded" sectors of the economy. The latter would include intense pressure for formal or informal auto import restraints, activation of Brooke-Cranston or similar costly housing bailouts, maintenance of current excessive CETA employment levels, accelerated drawdown of various lending and grant aids under SBA, EDA, and FmHA, a further 13 week extension of Federal unemployment benefits, etc. Obviously, the intense political pressures for many of these quick fix aids will distract from the Reagan program on the economic fundamentals (supply side tax cuts, regulatory reform, and firm long-term fiscal discipline) and threaten to lock in budget costs and policy initiatives that are out of step with the basic policy thrust.

There is a further danger; the Federal budget has now become an automatic "coast-to-coast soup line" that dispenses remedial aid with almost reckless abandon, converting the traditional notion of automatic stabilizers into multitudinous outlay spasms throughout the budget. For instance, the estimates for FY 81 trade adjustment assistance have exploded from $400 million in the spring to $2.5 billion as of November, and the summer drought will cause SBA emergency farm loan aid to surge by $1.1 billion above planned levels.

For these reasons, the first hard look at the unvarnished FY 81 and 82 budget posture by our own OMB people is likely to elicit coronary contractions among some, and produce an intense polarization between supply-side tax cutters and the more fiscally orthodox. An internecine struggle over deferral or temporary abandonment of the tax program could ensue. The result would be a severe demoralization and fractionalization of GOP ranks and an erosion of our capacity to govern successfully and revive the economy before November 1982.

3. Federal budget and credit hemorrhage

The latest estimates place fiscal year 1981 outlays at nearly $650 billion. That represents a $20 billion outlay growth since the August estimates; a $36 billion growth since the First Budget Resolution passed in June; an outlay level $73 billion above fiscal year 1980; and a $157 billion growth since the books closed on fiscal year 1979 just 13 months ago.

The table below illustrates the full dimension of the coast-to-coast soup line problem mentioned above and the manner in which it drives outlay aggregates upward at mind-numbing speed. A worsening of the informal "misery index" (i.e. higher inflation and interest rates, or lower output growth and employment rates) drives hard on entitlements, indexing, debt servicing, budget authority spend-down rates, and loan facilities spread throughout the Federal government, resulting in a surge of incremental outlays.

Between June and November, for example, Federal outlay estimates have risen

from $613 billion to $649 billion. Of the $36 billion growth in outlay estimates, fully $26 billion or 72 percent is due to automatic budget responses to the mechanisms listed above.

The $3.2 billion increment for interest outlays represents a revision of the 1981 average T-bill rate from 9.6 in June to 11.0 in the latest estimate. Similarly, the $9.2 billion increment for trade adjustment assistance, food stamps, cash assistance, and unemployment benefits represents a revised assumption about the expected duration of high unemployment during calendar 1981. The continuing disintermediation crisis in the thrift sector will cause nearly a billion dollar draw-down from the savings and loan insurance fund. Category (4) presents still another example of the soup line dynamic: when private sector orders soften, Federal defense and "brick and mortar" contractors tend to speed up delivery on contract work, increasing the spend-out rate against obligated authority in the pipeline—in this case by about $5 billion.

These illustrations drive home a fundamental point: Achieving fiscal control over outlays and Treasury borrowing cannot be conducted as an accounting exercise or exclusively through legislated spending cuts in the orthodox sense. Only a comprehensive economic package that spurs output and employment growth and lowers inflation expectations and interest rates has any hope of stopping the present hemorrhage.

SOURCES OF $36 BILLION GROWTH IN FISCAL YEAR 1981 OUTLAY ESTIMATES BETWEEN JUNE AND NOVEMBER

[Dollars in billions]

Program	Cost [1]
(1) Due to higher inflation:	
Indexed benefits:	
Social security	$0.75
Pension benefits	.40
Specific price reestimates:	
Defense fuel costs	1.20
Medicare	1.60
Food assistance	1.65
Subtotal	6.00
(2) Due to higher interest rates:	
Student loans	.40
Interest on the debt	1.30
Rural housing programs	.15
FSLIC outlays	.95
Subtotal	2.80
(3) Due to higher unemployment:	
Medicaid	.60
Assistance payments	.75
Unemployment insurance	4.70
TRA	2.10
Food stamps	.30
Federal supplemental unemployment insurance benefits	.70
Subtotal	9.15
(4) Due to general economic conditions:	
Defense Department procurement	3.35
Non-defense procurement	3.25
Corps of Engineers	.10
EPA sewer construction	.10
VA construction	.10
SBA disaster loans	1.35
Subtotal	8.25
Grand total	26.10

[1] Excess cost over June, first budget resolution.

The deficit and total Federal credit activity figures are even more alarming. When the off-budget deficit is included, which it must be since most of this category represents Treasury advances to the Federal Financing Bank (which in turn are financed in the government market for bonds and T-bills), the pre-tax cut deficit for fiscal year 1981 ranges between $50–60 billion.* This follows a closing level of nearly $80 billion for fiscal year 1980 (including off-budget).

The vigorous tax cut package required to spur the supply side of the economy could raise the total static fiscal year 1981 deficit to the $60–80 billion range, depending upon the timing of tax cut implementation and real GNP, employment and inflation levels during the remaining nine months of the fiscal year. These parameters make clear that unless the tax cut program is accompanied by a credible and severe program to curtail fiscal year 1981–82 outlays, future spending authority, and overall Federal credit absorption, financial market worries about a "Reagan inflation" will be solidly confirmed by the budget posture.

An alternative indication of the fiscal management crisis is given by the figures for new loan and loan guarantee activities during fiscal year 1981 by Federal agencies. These are now estimated at $150 billion, with only $44 billion of this amount included in the official on-budget accounts. Thus, Federal credit agencies will absorb an additional $100 billion in available funds beyond the Treasury's requirements for financing the official deficit.

It is these spending growth trends, deficit levels, and Federal credit absorption parameters which are generating market expectations of a chronic and severe Reagan inflation: market participants simply will not accept the Federal Reserve's money growth and anti-inflation goals in light of this massive governmental domination of credit markets.

4. Commodity shocks and the final destruction of Volcker monetary policy

The U.S. economy is likely to face two serious commodity price run-ups during the next 5–15 months. First, if the Iran-Iraq war is not soon terminated, today's excess worldwide crude and product inventories will be largely depleted by February or March. Under those conditions, heavy spot market buying, inventory accumulation, and eventually panic bidding on world markets will once again emerge. Indeed, unless the war combatants exhaust themselves at an early date and move quickly back into at least limited production, this outcome is almost certain by spring. Under these circumstances, OPEC contract rates will rise toward spot market levels in the $40–50 per barrel range during the first and second quarters of 1981, which a consequent price shock to the U.S. economy. Even a $10 per barrel increase in average U.S. refiner acquisition cost would add $50–60 billion annually to aggregate national petroleum expenditures (assuming full decontrol).

Similarly, the present rapid draw-down of worldwide feed grain and protein oil reserves could turn into a rout by the fall of 1981, if the Soviets have another "Communist" (i.e. poor) harvest and production is average-to-below-average elsewhere in the world. Under an adverse 1981 harvest scenario, but not an improbable one, $4–5 corn, $6–7 wheat, and $10–11 soybeans are a distinct possibility.

The problem here is that demand for these basic commodities is highly inelastic in the very short run; and this generates strong credit demands from both the business and household sectors to finance existing consumption levels without cutting back on other expenditures. If the Federal Reserve chooses to accommodate these commodity price/credit demand shocks, as it has in the past, then in the context of the massive Federal credit demand and financial market disorders described above, only one result is certain: the already tattered credibility of the post-October 1979 Volcker monetary policy will be destroyed. The Federal Reserve will subsequently succumb to enormous internal strife and external pressure, and the conditions for full-scale financial panic and unprecedented global monetary turbulence will be present. The January economic package, therefore, must be formulated with these probable 1981 commodity shocks and resulting financial market pressures clearly in mind.

5. Ticking regulatory time bomb

Unless swift, comprehensive and far-reaching regulatory policy corrections are undertaken immediately, an unprecedented, quantum scale-up of the much discussed "regulatory burden" will occur during the next 18–40 months. Without going into exhaustive detail, the basic dynamic is this: During the early and mid 1970's, Congress approved more than a dozen sweeping environmental, energy and safety enabling authorities, which for all practical purposes are devoid of policy standards and criteria for cost-benefit, cost-effectiveness, and comparative risk analysis. Subsequently, McGovernite no-growth activists assumed control of most of the relevant sub-Cabinet policy posts during the Carter Administration. They have spent the past four years "tooling up" for implementation through a mind-boggling outpouring of rule-makings, interpretative guidelines, and major litigation—all heavily biased toward maximization of regulatory scope and burden. Thus, this decade-long process of regulatory evolution is just now reaching the stage at which it will sweep through the industrial economy with near gale force, preempting multi-billions in investment capital, driving up operating costs, and siphoning off management and technical personnel in an incredible morass of new controls and compliance procedures.

In the auto manufacturing sector, for example, new or substantially tougher regulations in the following areas will impact the industry during 1981–84: passive restraint standard (airbags)—1981 passenger tailpipe standard (including an unnecessary 3.4 gram/mile CO_2 limit)—unproven 5 mph bumper standards—final heavy duty engine emission standards—vast new audit, enforcement and compliance procedures, and a new performance warranty system—light duty diesel particulate and NO_x standards—heavy duty truck noise standards—model year 83–85 light duty truck emission standards—MY 83–85 light duty truck fuel econo standards—bus noise standards—ad infinitum. These measures alone will generate $10 to $20 billion in capital and operating costs while yielding modest to non-existent social benefits.

Similarly, a cradle-to-grave hazardous waste control system under RCRA will take effect in 1981 at an annual cost of up to $2 billion. While prudent national waste disposal standards are clearly needed, the RCRA system is a monument to mindless excess: It treats degreasing fluids and PCB's in the same manner; and the proposed standards and controls for generators, transporters and disposers, along with relevant explanations and definitions, encom-

* This assumes current estimate revenues of $615 billion, outlays of $649 billion, an on-budget deficit of $35 billion, and an off-budget deficit of $20 billion.

pass more than 500 pages of the Federal Register.

Multi-billion overkill has also bloomed in the regulatory embellishment of the Toxic Substances Control Act, which threatens to emulate FDA "regulatory lag" on new chemical introductions. The proposed OSHA generic carcinogen standard and the technology based BACT, RACT, LAER and NSPS standards under the Clean Air Act also represent staggering excess built upon dubious scientific and economic premises. Three thousand pages of appliance efficiency standards scheduled for implementation in 13 categories of home appliances in 1981 also threaten to create multi-billion dollar havoc in the appliance industry.

There are also literally dozens of recently completed or still pending rule-makings targeted to specific sectors of the industrial economy as follows: proposed NSPS standards for small industrial boilers (10 to 250 million BTU per hour) are estimated at $1-2 billion over 1980–85; proposed utility sector standards for bottom ash, fly ash and cooling water control could cost $3.3 billion; pending OSHA hearing conservation standards, $500 million; abrasive blasting standards, $130 million; and asbestos control standards, up to $600 million. New industrial waste water pretreatment standards—EPA's proposed fluorocarbon-refrigerant control program—the CAA stage II vapor recovery and fugitive hydrocarbon control program—the vehicle inspection and maintenance program—all have price tags in excess of $1 billion. Moreover, most of the country will fail to meet the 1982 compliance deadline for one or more regulated air pollutants, thereby facing a potential absolute shut-down on the permitting of new or modified industrial sources. All told, there are easily in excess of $100 billion in new environmental safety and energy compliance costs scheduled for the early 1980's.

II. THE THREAT OF POLITICAL DISSOLUTION

This review of the multiple challenges and threats lying in ambush contains an inescapable warning: things could go very badly during the first year, resulting in incalculable erosion of GOP momentum, unity and public confidence. If bold policies are not swiftly, deftly and courageously implemented in the first six months, Washington will quickly become engulfed in political disorder commensurate with the surrounding economic disarray. A golden opportunity for permanent conservative policy revision and political realignment could be thoroughly dissipated before the Reagan Administration is even up to speed.

The specific danger is this: If President Reagan does not lead a creatively orchestrated high-profile policy offensive based on revision of the fundamentals—supply side tax cuts and regulatory relief, stern outlay control and Federal fiscal retrenchment, and monetary reform and dollar stabilization—the thin Senate Republican majority and the de facto conservative majority in the House will fragment and succumb to parochial "fire-fighting as usual" in response to specific conditions of constituency distress.

For example, unless the whole remaining system of crude oil price controls, refiner entitlements, gasoline allocations, and product price controls is administratively terminated "cold turkey" by February 1, there is a high probability of gasoline lines and general petroleum market disorder by early spring. These conditions would predictably elicit a desultory new round of Capitol Hill initiated energy policy tinkering reminiscent of the mindless exercises of Summer 1979. Intense political struggles would develop over implementation of the stand-by conservation programs, extension of EPA controls and allocations, and funding levels for various pie-in-the-sky solar, conservation, synfuels and renewables programs. The Administration would lose the energy policy initiative and become engulfed in defensive battles, and frenetic energy legislating would preempt Hill attention from more important budget control, entitlement reform, and regulatory revision efforts. In short, if gas lines are permitted to erupt due to equivocation on revocation of controls, debilitating legislative, and political distractions will be created.

Similarly, failure to spur early economic expansion and alter financial market inflation expectations will result in a plethora of Capitol Hill initiatives to "fix up" the housing, auto and steel sectors, hype up exports, subsidize capital formation, provide municipal fiscal relief, etc. Again, the Administration would be thrown on the defensive. Finally, persistence of "misery index" driven budget deficits, high interest and inflation rates, and continued monetary policy vacillation at the Fed would quickly destroy the present GOP consensus on economic policy, pitting tax cutters against budget cutters and capital formation boosters against Kemp-Roth supporters.

To prevent early dissolution of the incipient Republican majority, only one remedy is available: an initial Administration economic program that is so bold, sweeping and sustained that it—

Totally dominates the Washington agenda during 1981;

Holds promise of propelling the economy into vigorous expansion and the financial markets into a bullish pyschology;

Preempts the kind of debilitating distractions outlined above.

The major components and tenor of such an orchestrated policy offensive are described below.

III. EMERGENCY ECONOMIC STABILIZATION AND RECOVERY PROGRAM

In order to dominate, shape and control the Washington agenda, President Reagan should declare a national economic emergency soon after inauguration. He should tell the Congress and the nation that the economic, financial, budget, energy, and regulatory conditions he inherited are far worse than anyone had imagined. He should request that Congress organize quickly and clear the decks for exclusive action during the next 100 days on an Emergency Economic Stabilization and Recovery Program he would soon announce. The Administration should spend the next two to three weeks in fevered consultation with Hill Congressional leaders and interested private parties on the details of the package.

Five major principles should govern the formulation of the package:

1. A static "waste-cutting" approach to the fiscal year 1981 outlay component of the fiscal hemorrhage will hardly make a dent in the true fiscal problem. Persisting high "misery index" conditions in the economy will drive the soup line mechanisms of the budget faster than short-run, line-item cuts can be made on Capitol Hill. Fiscal stabilization (i.e. elimination of deficits and excessive rates of spending growth) can only be achieved by sharp improvement in the economic indicators over the next 24 months. This means that the policy initiatives designed to spur output growth and to lower inflation expectations and interest rates must carry a large share of the fiscal stabilization burden. Improvement in the "outside" economic forces driving the budget is just as important as success in the "inside" efforts to effect legislative and administrative accounting reductions.

2. For this reason, dilution of the tax cut program in order to limit short-run static revenue losses during the remainder of fiscal year 1981 and fiscal year 1982 would be counter-productive. Weak real GNP and employment growth over calendar 1981 and 1982 will generate soup line expenditures equal to or greater than any static revenue gains from trimming the tax program.

3. The needed rebound of real GNP growth and especially vigorous expansion in the capital spending sector of the economy can not be accomplished by tax cuts alone. A dramatic, substantial recision of the regulatory burden is needed both for the short-term cash flow relief it will provide to business firms and the long-term signal it will provide to corporate investment planners. A major "regulatory ventilation" will do as much to boost business confidence as tax and fiscal measures.

4. High, permanent inflation expectations have killed the long-term bond and equity markets that are required to fuel a capital spending boom and regeneration of robust economic growth. Moreover, this has caused a compression of the financial liability structure of business into the short-term market for bank loans and commercial paper, and has caused a flight of savings into tangible assets like precious metals, land, etc. The result of this credit market dislocation and inversion is that superheated markets for short-term credits keep interest rates high and volatile and make monetary policy almost impossible to conduct.

The Reagan financial stabilization plan must seek to restore credit and capital market order and equilibrium by supporting monetary policy reform and removing the primary cause of long-term inflation pessimism: the explosive growth of out-year Federal liabilities, spending authority, and credit absorption.

This points to the real leverage and locus for budget control: severe recession of entitlement and new obligational authority in the Federal spending pipeline, which creates outlay streams and borrowing requirements in fiscal year 1982, fiscal year 1983 and beyond. The critical nature of future spending authority is dramatically illustrated by the experience during fiscal year 1980: new budget authority increased from $556 billion (fiscal year 1979) to nearly $660 billion in fiscal year 1980, an increase of more than $100 billion, or 18 percent. Much of this authority will create outlay streams and Treasury cash borrowing requirements in fiscal year 1981 and beyond.

The fiscal stabilization package adopted during the 100 day session, therefore, must be at minimum equally weighted between out-year spending and entitlement authority reductions and cash outlay savings for the remainder of fiscal year 1981. Indeed, the latter possibilities are apparently being exaggerated and over-emphasized. Of the current $649 billion fiscal year 1981 outlay estimate, $187 billion stems from prior year obligations or authority and cannot be stopped legally; $97 billion represents defense spending from current obligations and should not be stopped; another $260 billion represents permanent authority primarily for Social Security and interest. The latter can only be reduced by "outside" economic

improvements, and the former would be a political disaster to tinker with in the first round. This leaves $159 billion in controllable outlays, half of which will be spent or obligated before Congress acts in February-April. In short, $13 billion (2 percent) in waste-cutting type fiscal year 1981 cash outlay savings must be gotten from an $80 billion slice of the budget. Achieving this 16 percent hold-down will be tough and necessary, but if it is the primary or exclusive focus of the initial fiscal package, the ball game will be lost.

Again, the primary aim of the fiscal control component must be to shift long-term inflation expectations downward and restore bond and equity markets. Severe reductions in out-year authority and Federal credit absorption can accomplish this. In turn, robust long-term capital markets would lessen the traffic jam in short-term credit markets by permitting corporate portfolio restructuring and by drawing savings out of unproductive tangible assets. The conditions for re-establishing monetary policy credibility would be achieved and short-term interest rates, demand for money and inflation expectations would adjust accordingly.

5. Certain preemptive steps must be taken early on to keep control of the agenda and to maintain Capitol Hill focus on the Stabilization and Recovery Program. Foremost, all remaining petroleum product controls and allocations should be cancelled on day one. This will prevent a "gasoline line crisis," but will permit retail prices to run up rapidly if the world market tightens sharply as expected. This prospective price run-up can be readily converted into an asset: It can provide the political motor force for a legislative and administrative program to step up U.S. energy program production (see below).

In addition, some informal agreement should be sought with Chairmen Hatch, Garn and others to defer the labor policy agenda (minimum wage, Davis Bacon, etc.) until the fall of 1981. Both committees will have a substantial role in the stabilization program, and there is no point in antagonizing organized labor during this critical period. Similarly, the Moral Majority agenda should also be deferred. Pursuit of these issues during the 100 day period would only unleash cross-cutting controversy and political pressures which would undermine the fundamental Administration and Congressional GOP economic task.

The following includes a brief itemization of the major components of the Stabilization and Recovery Program:

(a) Supply-Side Tax Components

The calendar year 1981 and 1982 installments of Kemp-Roth, reduction of the top income tax rate on unearned income to 50 percent, further reduction in capital gains, and a substantial reform along 10–5–3 lines of corporate depreciation.

(b) Fiscal Stabilization Component

This would consist of two parts. First, the cash outlay savings measures for the remainder of fiscal year 1981 would be aimed at holding outlays to the $635 billion range. A hiring freeze and a severe cutback in agency travel, equipment procurement, and outside contracting would be the major areas for savings.

The second part would be oriented toward entitlement revisions and budget authority reductions in fiscal year 1982 and beyond. Some of this could be accomplished through budget authority rescissions included in the remainder of the fiscal year 1981 appropriations bill. This would have to be enacted before the expected December-March continuing resolution expires. Expiration of the continuing resolution would provide strong leverage. Another part could be accomplished through the revised fiscal year 1982 budget and scaled-back requests for new budget authority. The remainder would require the legislative committees to address a carefully tailored package of initial entitlement revisions.

Expressed in functional program and spending areas the out-year authority reduction package should address the following items, with a view to reducing Federal domestic program levels by $30–50 billion per annum in the fiscal year 1982–83 period:

(1) *Public sector capital investment deferrals.* We are now spending about $25 billion per year for highways, mass transit, sewer treatment facilities, public works, national parks, and airport facilities. These are all necessary and productive Federal investments, but their benefit stream will accrue over the next 20–40 years. In light of the current financial crisis, a modest deferral and stretch-out of activity rates (a 10–20 percent reduction) in these areas should be considered.

(2) *Non-Social Security entitlements.* Current expenditures for food stamps, cash assistance, Medicaid, disability, heating assistance, housing assistance, WIC, school lunches, and unemployment compensation amount to $100 billion. A carefully tailored package to reduce eligibility, overlap and abuse should be developed for these areas—with potential savings of $10–20 billion.

(3) *Low priority program cut-backs.* Total fiscal year 1981 expenditures of NASA, CETA, UDAG, the Community Development Program, EDA, urban parks, impact aid, Action, Department of Energy commercialization and information programs, arts and humanities, and the Consumer Cooperative Bank amount to $25 billion. Most of these programs are ineffective or of low priority and could be cut by at least one third or $8 billion.

(4) *Federal credit, lending and guarantee reform.* As was indicated previously, concessional direct lending and loan guarantee activities by on-budget, off-budget, and government sponsored enterprises is now running rampant, absorbing ever bigger shares of available credit market funds. These programs are buried in HUD, SBA, FmHA, EDA, USDA, Commerce and HHS, as well as in the traditional housing credit and farm credit agencies. Controlling SBA direct grant activities, for instance, will accomplish little if program activity is simply shifted to concessional loan authorities, with the resultant outlays laundered through the FFB.

(c) Regulatory Ventilation

This component also has two segments. The first and most urgent is a well-planned and orchestrated series of unilateral administrative actions to defer, revise or rescind existing and pending regulations where clear legal authority exists. The potential here is really staggering, as this hastily compiled list of specific actions indicates. The important thing is that the work-up on these initiatives must occur during the transition and very early after the inauguration. Again, the aim would be to firmly jolt business confidence and market psychology in a favorable direction.

ACTION AND IMPACT

(1) Grant model year 1982 CO waiver: $300 million auto industry savings.

(2) Rescind passive restraint standard: $300–600 million auto investment savings over 3 years.

(3) Relax 1984 heavy duty truck emission standard: Minimum savings of $100 million.

(4) Simplify auto emissions certification and testing: $80 million per year.

(5) Modify ambient air standard for ozone to permit multiple exceedences or higher standard value in conformance with scientific evidence: $15 to $40 billion in reduced compliance costs over next 8 years.

(6) Eliminate unnecessary NSPS for small industrial boilers: $1–2 billion over next 5 years.

(7) Cancel EPA fuel additive testing program: Savings of $90 to $120 million.

(8) Relax proposed light duty truck emission standards for post-1983: Savings would be a substantial fraction of currently estimated $1.3 billion compliance cost.

(9) Modify or defer EPA pretreatment standards for industrial wastewater: Savings of a substantial fraction of the $6 billion compliance cost for just three sectors—utilities, steel and paper.

(10) Cancel DOE appliance efficiency standards: Avoids multi-billion havoc in an industry that is already improving product efficiency in response to market pressure.

(11) Eliminate building energy performance standards: Market forces are working here, too, but rigid BTU budgets for each new structure could cost billions per year for non cost-effective energy savings.

(12) Modify RCRA to incorporate "degree of hazard" and control system simplification: Savings would be some fraction of $2 billion per year.

(13) Defer new OSHA workplace noise standards: Save $250 million per year.

(14) Modify or defer pending OSHA standards on scaffolding, asbestos exposure, cadmium and chromium exposure, and grain elevator dust control: More than $1 billion in annual combined savings.

These are suggestive illustrations with rough savings parameters from among literally dozens of potential unilateral administrative actions of this sort. A centralized Transition Task Force charged with identification of targets for early action and determination of required legal and rule-making procedures to commence after inauguration could help speed this initiative.

On a second front, both temporary and permanent statutory revisions will be needed. There are literally dozens of rule-making and compliance deadlines on the statute books for the next 20 months that cannot be prudently met. An omnibus "suspense bill" might be necessary during the 100 day session to defer these deadlines and to implement the one year moratorium on new rule-makings proposed by Murray Weidenbaum.

Finally, a fundamental legislative policy reform package to be considered after the 100 day period will have to be developed. This would primarily involve the insertion of mandatory cost-benefit, cost-effectiveness, and comparative risk analyses into the basic enabling acts—Clean Air and Water, Safe Drinking Water, TOSCA, RCRA, OSHA, etc. Without these statutory changes, administrative rule-making revisions in many cases will be subject to successful court challenge.

(d) Contingency Energy Package

The probable 1981 "oil shock" could entail serious political and economic disruption. Therefore, the preemptive step of dismantling controls before the crisis really hits is

imperative. Incidentally, the combination of immediate decontrol and a $10 rise in the world price would increase windfall profits tax revenue by $20-25 billion during calendar 1981, thereby adding substantially to short-run budget posture improvement, if not to long-run energy production prospects.

But beyond this, a planning team should be readying a package of emergency steps to increase short-run domestic energy production and utilization. This should be implemented if the world market pinch becomes severe. The primary areas for short-run gains would be: accelerated licensing of a half-dozen completed nuclear plants; removal of all end-use restrictions on natural gas; changes in NGPA to permit accelerated infill drilling and near-term production gains; elimination of stripper, marginal and EOR oil properties from the windfall tax; emergency variances from SO_2 standards for industrial and utility coal boilers; and power wheeling from coal-nuclear to oil-based utility systems.

If the crisis is severe enough, rapid statutory revision of the natural gas decontrol program and modification of the windfall tax might be considered as part of the 100 day agenda.

(e) A Monetary Accord

The markets have now almost completely lost confidence in Volcker and the new monetary policy. Only an extraordinary gesture can restore the credibility that will be required during the next two years. President Reagan should meet with Volcker or the entire Federal Reserve Board at an early date and issue them a new informal "charter"—namely, to eschew all consideration of extraneous economic variables, like short-term interest rates, housing market conditions, business cycle fluctuations, etc., and to concentrate instead on one exclusive task: bringing the growth of Federal Reserve credit and bank reserves to a prudent rate and stabilization of the international and domestic purchasing power of the dollar.

The President and Congress would jointly take responsibility for ameliorating credit and capital market conditions through implementation of the Stabilization and Recovery Program and would stoutly defend the Fed from all political attacks. Insulation of the Fed from extraneous economic and financial preoccupations, political pressures, recalibration of its monetary objective, and restoration of its tattered credibility is the critical lynch-pin in the whole program.●

LOCAL BOY MAKES GOOD: DIXON, ILL., CHEERS RONALD REAGAN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 5, 1981

● Mr. MICHEL. Mr. Speaker, there are many versions of the American dream and one of the most exciting is the rise of a young American of modest means to the highest office of the land. It happened to Abe Lincoln, an adopted son of Illinois and it has happened once again, this time to a native son of Illinois, Ronald Reagan. Born in Tampico, Reagan came to manhood in Dixon and attended Eureka College in Woodford County.

The Glasford Gazette/Hanna City-Trivoli Index of Illinois recently published an article which tells of the pride of citizens of Dixon, Ill. over the great achievements of "local boy", President-elect Ronald Reagan.

At this time I wish to include in the RECORD, "Town of Dixon Popping Its Buttons Over Local Boy" from the Glasford Gazette/Hanna City-Trivoli Index, December 25, 1980.

TOWN OF DIXON POPPING ITS BUTTONS OVER LOCAL BOY

(By Randy Bridson)

The placid Northern Illinois town of Dixon claims a "Lincoln Soldier" statue as one of its attractions. But from now on, the 16th President of the United States will have to share the spotlight in Dixon with the latest man to be elected to that office.

In this town on the Rock River, some people still know President-elect Ronald Reagan by his childhood nickname "Dutch." November 4 was in fact "Dutch Day" in Dixon. The streets were decked with flags—from the 50 States—and red, white, and blue streamers. And when it became clear that Ronald Reagan would be elected the 40th President by an impressive margin, townspeople cheered in the streets and school bands marched in the crisp autumn night. A local boy had reached the top.

Dixon, of course, does not have "exclusive rights" to "Dutch" Reagan. He was born in Tampico, southwest of Dixon, on Feb. 6, 1911. His college alma mater is Eureka College in Woodford County. Still, it is Dixon where Reagan grew into a young man on the threshold of adulthood.

Mrs. Helen Lawton of Dixon recalls that "all the kids knew him" because he was a lifeguard during most of his high school and college summers at Lowell Park, several miles outside of Dixon. Mrs. Lawton, six years behind Reagan in school, lived next door to the Reagan family at one time in the early 1930s and kept in touch with the family even after he had moved to California and subsequently brought his parents, Nelle and Jack, west with him.

Mrs. Lawton recalls vacationing with mother Nelle Reagan in 1950 and spending one Sunday on the first California ranch which Reagan owned, where she visited with the then-movie actor and her son rode horses with two of the Reagan children.

He came from a family of modest means and was not always the athletic, strapping fellow he portrayed in the movies, says Mrs. Lawton.

The Reagan family, including oldest son Neil, moved frequently from the time Ronald was born in Tampico until they came to Dixon and rented their first of five homes in that town in 1920. The Reagans "had a rough time of it," Mrs. Lawton recalls. Jack was a shoe salesman who was sometimes out of work. Mother Nelle earned $14 a week by doing alternations in a dress shop.

Nelle was "a very wonderful Christian woman," Mrs. Lawton recalls. "I think a lot of it has rubbed off on Dutch . . . he was raised to be that kind of a person."

During his early high school days, he was small and had poor eye sight, she says. But through "pure determination" to succeed, he went on to play football in both high school and Eureka College.

After graduating from Eureka in 1932, his "gift of gab" earned him a stint in radio broadcasting which in turn led to a Hollywood screen test and a career in movies.

Mrs. Lawton says a group of local citizens has purchased the first home in Dixon (on Hennepin Avenue) where the Reagans lived. They hope to restore the home and fill it with Reagan memorabilia.

She says the Reagan of Dixon days was a well-liked young man—just as many in town were. But the thought that he would someday become President of the United States just never crossed many folks' minds back then.

Now, of course, Dixon is "popping its buttons" with pride, she adds, as the first native-born Illinoisan elected President prepares to occupy the Oval Office.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, January 6, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 7

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on the current state of the U.S. economy.
5302 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the prospective nomination of Malcolm Baldrige, of Connecticut, to be Secretary of Commerce.
235 Russell Building

Energy and Natural Resources
To hold hearings on the prospective nomination of James G. Watt, of Colorado, to be Secretary of the Interior.
3110 Dirksen Building

Labor and Human Resources
To hold hearings on the prospective nomination of Raymond J. Donovan, of New Jersey, to be Secretary of Labor.
4232 Dirksen Building

JANUARY 8

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on the current state of the U.S. economy.
5302 Dirksen Building

10:00 a.m.
Energy and Natural Resources
To continue hearings on the prospective nomination of James G. Watt, of Colorado, to be Secretary of the Interior.
3110 Dirksen Building

Governmental Affairs
To hold hearings on the prospective nomination of David A. Stockman, of Michigan, to be Director of the Office of Management and Budget.
3302 Dirksen Building

Select on Intelligence
To hold a closed organizational business meeting.
S-407, Capitol

JANUARY 9

10:00 a.m.
Foreign Relations
To hold hearings on the prospective nomination of Alexander M. Haig, Jr., of Connecticut, to be Secretary of State.
1202 Dirksen Building

Joint Economic
To hold hearings on the employment-unemployment situation for December.
2128 Rayburn Building

JANUARY 10

10:00 a.m.
Foreign Relations
To continue hearings on the prospective nomination of Alexander M. Haig, Jr., of Connecticut, to be Secretary of State.
1202 Dirksen Building

JANUARY 12

10:00 a.m.
Energy and Natural Resources
To hold hearings of the prospective nomination of James B. Edwards, of South Carolina, to be Secretary of Energy.
3110 Dirksen Building

JANUARY 13

10:00 a.m.
Energy and Natural Resources
To continue hearings on the prospective nomination of James B. Edwards, of South Carolina, to be Secretary of Energy.
3110 Dirksen Building

JANUARY 15

10:00 a.m.
Judiciary
To hold hearings on the prospective nomination of William French Smith, of California, to be Attorney General, Department of Justice.
2228 Dirksen Building

79-059 O — 84 —— 11 (Vol. 127 Pt. 1)

SENATE—*Tuesday, January 6, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Almighty God, in whom our fathers trusted, we thank Thee for this Nation, born amid suffering, nourished in freedom and built upon faith in Thee and in Thy law. Enable us to rejoice in this day of precious memories and bright hopes, a day emblematic of representative government of free men.

Grant to each American a solemn sense of civic responsibility. Hold us firmly to all that is right and good and true. Make sacred our stewardship of power and of wealth, that both may be honorably acquired and worthily used.

Give us a part in the recovery of national purpose, the renewal of pure religion and a refined patriotism. Quicken our love of America that beyond the events of today we may see the shining glory of the Republic both as a heritage and as a trust.

In the Redeemer's name, we pray. Amen.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. I thank the Chair.

APPOINTMENT OF MAJORITY PARTY'S MEMBERSHIP ON THE SELECT COMMITTEE ON ETHICS

Mr. BAKER. Mr. President, I have a resolution in respect to the appointment of majority members of the Select Committee on Ethics. I send the resolution to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 18) appointing majority party's membership on the Select Committee on Ethics.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

The resolution (S. Res. 18) is as follows:

S. RES. 18

Resolved, That the following shall constitute the majority party's membership on the Select Committee on Ethics:

Malcolm Wallop, Chairman; Thad Cochran, Mack Mattingly.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, in a moment I will have a unanimous-consent request in respect to the introduction of bills and joint resolutions and other related matters. Before I do that, however, I need to consult with the other body in respect to their intention on recessing over or adjourning.

I ask unanimous consent that I may reserve the remainder of my time under the standing order. I am prepared at this point to yield the floor so that the minority leader may be recognized, if he wishes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Senator from West Virginia.

APPOINTMENT OF THE MINORITY PARTY'S MEMBERSHIP ON THE SELECT COMMITTEE ON ETHICS FOR THE 97TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk appointing minority party membership on the Select Committee on Ethics and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 19) appointing minority party's membership on the Select Committee on Ethics for the 97th Congress.

The PRESIDENT pro tempore. Without objection, the resolution is agreed to.

The resolution (S. Res. 19) is as follows:

S. RES. 19

Resolved, That the following shall constitute the minority party's membership on the Select Committee on Ethics for the 97th Congress:

Mr. Heflin, Vice-Chairman; Mr. Pryor, Mr. Eagleton.

ORDER FOR CERTAIN ACTION UNTIL 5 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that until 5 p.m. today, morning business, the introduction of bills, joint resolutions, simple resolutions, and concurrent resolutions may be transacted and statements submitted by Senators by being presented at the desk.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have no need for my time. Unless the majority leader or Mr. CRANSTON would like some additional time I am prepared to yield it back.

Mr. BAKER. Mr. President, I yield back my time under the standing order.

Mr. ROBERT C. BYRD. Mr. President, I yield back my time.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDENT pro tempore. The Chair, pursuant to Senate Resolution 400, 94th Congress, and Senate Resolution 4, 95th Congress, appoints the following Senators to the Select Committee on Intelligence: The Senator from Arizona (Mr. GOLDWATER), chairman; the Senator from Utah (Mr. GARN); the Senator from Rhode Island (Mr. CHAFEE); the Senator from Indiana (Mr. LUGAR); the Senator from Wyoming (Mr. WALLOP); the Senator from Minnesota (Mr. DURENBERGER); the Senator from Delaware (Mr. ROTH); and the Senator from New Mexico (Mr. SCHMITT).

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to section 1024 of title 15, United States Code, appoints the following Senators to the Joint Economic Committee: The Senator from Iowa (Mr. JEPSEN), vice chairman; the Senator from Delaware (Mr. ROTH); the Senator from South Dakota (Mr. ABDNOR); the Senator from Idaho (Mr. SYMMS); the Senator from Florida (Mrs. HAWKINS); and the Senator from Georgia (Mr. MATTINGLY).

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MURKOWSKI). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for routine morning business, not to exceed 20 minutes in length, and that Senators may speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

MESSAGE FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the following concurrent resolutions, without amendment:

S. Con. Res. 1. Concurrent resolution to provide for the counting on January 6, 1981, of the electoral votes for President and Vice President of the United States.

S. Con. Res. 2. Concurrent resolution to provide for the continuation of the Joint Committee on Inaugural ceremonies and for the appointment of two additional members thereto.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COHEN:

S. 48. A bill to amend title 10, United States Code, to provide expanded opportunities for individuals to earn education benefits based on honorable active service in the armed forces, and for other purposes; to the Committee on Veterans Affairs.

By Mr. CRANSTON (for himself and Mr. TSONGAS):

S. 49. A bill to amend the Uniform Time Act of 1966 to provide that daylight savings time commence each year on the first Sunday in March rather than the last Sunday in April; to the Committee on Commerce, Science, and Transportation.

By Mr. DECONCINI:

S. 50. A bill to amend certain provisions of title 28, United States Code, relating to venue, and to provide for special venue provisions in cases relating to the environment; to the Committee on the Judiciary.

By Mr. CRANSTON:

S. 51. A bill to require persons who manufacture cigarettes or little cigars for sale or distribution in commerce to meet performance standards prescribed by the Consumer Product Safety Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HAYAKAWA:

S. 52. A bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles; to the Committee on Environment and Public Works.

S. 53. A bill to amend the Voting Rights Act of 1965 to repeal certain requirements relating to bilingual election requirements; to the Committee on the Judiciary.

S. 54. A bill to repeal the provisions of title 23, United States Code, requiring a national maximum speed limit of 55 miles per hour; to the Committee on Environment and Public Works.

By Mr. HAYAKAWA (for himself and Mr. DECONCINI):

S. 55. A bill to establish provisions governing the day and time for the election of electors of the President and Vice President; to the Committee on Rules and Administration.

S. 56. A bill to establish provisions governing the day and times for the election of electors of the President and Vice President; to the Committee on Rules and Administration.

S. 57. A bill to establish temporary provisions governing the day and times for the elections of Senators, Members of the House of Representatives, and electors of the President and Vice President; to the Committee on Rules and Administration.

S. 58. A bill to restrict the release of results from Presidential elections until all the polls are closed; to the Committee on Rules and Administration.

By Mr. BIDEN:

S. 59. A bill to amend the Congressional Budget Act of 1974 to terminate certain existing entitlement authority and prohibit new entitlement authority, to terminate certain existing permanent budget authority and prohibit new permanent budget authority, to provide that the new budget authority can be available for outlays only for a single fiscal year, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

By Mr. BUMPERS:

S. 60. A bill to establish competitive oil and gas leasing and modify leasing procedures for onshore Federal lands; to the Committee on Energy and Natural Resources.

By Mr. SASSER:

S. 61. A bill to reduce Federal travel and consultant costs, and to improve Federal debt collection procedures; to the Committee on Governmental Affairs.

By Mr. HUDDLESTON:

S. 62. A bill for the relief of Carol Allen Gilliam; to the Committee on the Judiciary.

By Mr. RANDOLPH (for himself, Mr. HEINZ, Mr. GLENN and Mr. LUGAR):

S. 63. A bill to amend the Clean Air Act to provide compliance date extensions for steel-making facilities on a case-by-case basis to facilitate modernization; to the Committee on Environment and Public Works.

By Mr. HEFLIN:

S. 64. A bill for the relief of Mohannad Zaheer, his wife, Imbiaz Zaheer, and his sons, Eram Zaheer and Asim Zaheer; to the Committee on the Judiciary.

S. 65. A bill for the relief of Jae Sill Rim and his wife, Young Ja Rim; to the Committee on the Judiciary.

By Mr. HAYAKAWA (for himself, Mr. HELMS, Mr. LAXALT and Mr. PRESSLER):

S. 66. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

By Mr. BUMPERS (for himself, Mr. SIMPSON and Mr. LAXALT):

S. 67. A bill to improve and expedite the administrative process and clarify the standards for judicial review of administrative action; to the Committee on the Judiciary.

By Mr. RANDOLPH:

S. 68. A bill to recognize the importance of ports and harbors to this country's economy and national defense, and the world's economy and energy self-sufficiency, and to authorize construction of harbor improvements to promote domestic commerce and to facilitate United States export of coal and other commodities; to the Committee on Environment and Public Works.

By Mr. CANNON:

S. 69. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE:

S. 70. A bill for the relief of George Hook Wo Young; to the Committee on the Judiciary.

S. 71. A bill for the relief of Mrs. Araceli Gushiken; to the Committee on the Judiciary.

S. 72. A bill for the relief of Sylvester Hiongue; to the Committee on the Judiciary.

S. 73. A bill for the relief of Mrs. Tomo Kaalakamanu; to the Committee on the Judiciary.

S. 74. A bill for the relief of John K. Karaya, Mary W. Karaya, Martin M. Z. Karaya, Peter D. Karaya, and Andrew M. Karaya; to the Committee on the Judiciary.

By Mr. WALLOP (for himself, Mr. MOYNIHAN, and Mr. CRANSTON):

S. 75. A bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations; to the Committee on Finance.

By Mr. INOUYE:

S. 76. A bill for the relief of Sun Ok lKim, Ok Lyun Kim, Koang Hi Kim, Chin Hi Kim, Hyun Soo Kim; to the Committee on the Judiciary.

S. 77. A bill for the relief of Benjamin N. Mascarenas; to the Committee on the Judicary.

S. 78. A bill for the relief of Dr. Kenneth P. K. Ng and his wife Mrs. Wai Lin Ng; to the Committee on the Judiciary.

S. 79. A bill for the relief of Joseph Y. Quijano, his wife Marichu Larrazabal Quijano and his son, Frans Joseph Quijano and his daughter, Maria Estrella Quijano; to the Committee on the Judiciary.

S. 80. A bill for the relief of Mr. Pennisimani Mau; to the Committee on the Judiciary.

S. 81. A bill for the relief of Mr. Andres B. Pasion; to the Committee on the Judiciary.

S. 82. A bill for the relief of Arron P. K. Yung; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. HEFLIN, Mr. GOLDWATER, Mr. DURENBERGER, and Mr. TOWER):

S. 83. A bill to amend the Congressional Budget Act of 1974 to limit the level of total budget outlays in any fiscal year and to require compensation for additional costs imposed on State and local governments, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

By Mr. DOLE:

S. 84. A bill to amend title 5, United States Code, to eliminate an inequity in computing annuities of Federal law enforcement officers or firefighters; to the Committee on Governmental Affairs.

By Mr. HUDDLESTON:

S.J. Res. 10. Joint resolution to establish a Commission on Presidential Nominations;

to the Committee on Rules and Administration.

By Mr. HEFLIN:

S.J. Res. 11. Joint resolution establishing the policy with respect to the number of digits which should be used as ZIP codes or other codes used for mail delivery; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COHEN:

S. 48. A bill to amend title 10, United States Code, to provide expanded opportunities for individuals to earn education benefits based on honorable active service in the Armed Forces, and for other purposes; to the Committee on Veterans Affairs.

GI BILL EDUCATION BENEFITS

● Mr. COHEN. Mr. President, during the 96th Congress, I was the first Member of the Senate to introduce legislation calling for a new GI bill. Today, I am reintroducing that legislation.

When I introduced S. 2020 in November of 1979, there appeared little chance that a program of educational assistance in return for military service, ended by Congress in 1976, would be reinstated. Despite the clear need, little attention had been given to the serious manpower problems which are at least partially attributable to the elimination of educational benefits.

The prospects for a return to the GI bill are much better today than they were when I proposed this measure. The Army has listed it as its top legislative priority for this Congress. The Senate Veterans' Affairs Committee held hearings last summer on my proposal and a bill introduced by my distinguished colleague from Colorado, BILL ARMSTRONG. Senator WARNER and Senator THURMOND, colleagues of mine on the Armed Services Committee, have introduced bills of their own, as has Senator CRANSTON, who chaired the Veterans' Affairs Committee in the last Congress. Finally, both the Senate and House Armed Services Committees included educational test packages in their versions of the defense authorization bill, and the two were incorporated into the conference report on that measure. They are now being implemented.

All of these actions give recognition to one important fact. Educational benefits have consistently been listed as one of the most popular incentives for joining the military. Congress' decision to eliminate the GI bill 4 years ago has been cited as one of the key factors in the perception of those in—or considering—military service that benefits are eroding.

The purpose of my bill is to provide an opportunity for individuals to earn educational benefits based on honorable service in the military. It should encourage more top-quality young men and women to enlist and reenlist in the service.

Basically the bill would provide education benefits at the same rate authorized veterans pursuing a program of education under chapter 34, title 38, United States Code.

The legislation does not require a monetary contribution from the participant as does the current veterans education assistance program (VEAP). Rather it requires something more valuable—time. Eligibility for education under this proposal begins when the member has completed 2 years of honorable service. The maximum educational benefit cannot be earned in less than 48 months.

The program is a simple one. After completing 2 years of service, a member in a critical skill or combat arms position becomes eligible for 18 months of educational assistance. Those in noncritical or noncombat arms occupations earn 12 months of educational assistance.

Benefits continue to accrue beyond the 2-year point. Those with critical skills or in combat arms will earn the maximum 36 months of benefits in 4 years. For their noncritical/noncombat arms counterparts the 36-month maximum may be earned in 6 years.

In the case of individuals choosing to serve the minimum 2-year active duty period or serving less than a full enlistment the program requires that they be transferred to the reserve forces to help alleviate reserve manpower shortages.

Further to reduce attrition figures, the bill will not, in most cases, allow military members to collect their eligibility if they fail to complete the first 2 years of their enlistment or reenlistment. This is why it is called an "earned" educational assistance program. No education benefits are earned if the service obligation is not fulfilled.

For young people sincerely interested in attaining an educational goal, the bill offers a program of assistance for services rendered. It also provides for education loans and gives the eligible veteran 10 years from the date of last discharge from active duty to complete the education earned as a result of the proposal.

The program will produce a recruiting incentive aimed directly at a desirable target group—high school graduates not in college. These are the committed, top-quality individuals that the services need to attract and retain.

While there is a cost involved in reestablishing this program of educational benefits, it is likely to provide far greater short- and long-range benefits. These go beyond the quality of our defense forces. The U.S. Treasury should reap benefits from the veterans who use the program. Testimony before the Senate Veterans' Affairs Committee in 1975 illustrated the fact that: 'Veterans using the GI bill return to the Federal Treasury more than the Nation invests in them to pay for 36 months of college."

The new GI bill I have proposed will, I hope, serve as a reflection of the commitment of Congress to those who sacrifice years of their lives to serve in the Nation's defense. We must not forget the special sacrifices made by our young men and women in uniform, whether in peacetime or in war.

VEAP does not provide adequate recognition of the efforts made by those who serve. Simply put, the program has been a failure. The reason why is clear. Its primary goal was to reduce the cost to the Government of post-service education, not to reward individuals for military service.

Unfortunately, at the same time this route has been taken to save the Government money, Federal educational assistance programs not requiring any service to the Nation has burgeoned. As Dr. Charles Moskos, the noted military sociologist, has so eloquently put it, today we have the GI bill, without the GI.

In a time when military real wages were diminishing, prior to the approval last year of several pay improvements, it is little wonder that VEAP has failed to be a recruiting incentive. And it is easy to understand why recruiters so badly want a return to the GI bill.

A recent U.S. Navy memo concluded: 'The quality high school graduate who lacked sufficient funds for a college education lost in essence a $4,000-plus enlistment bonus with the demise of the old GI bill." The memo noted that its elimination and replacement with VEAP did nothing but work against the All-Volunteer Force.

Just a few years ago, a survey of soldiers pointed out that educational benefits were the main reason for joining the Army. The old GI bill helped recruit 25 to 30 percent of the volunteers entering the Armed Forces. In December 1976, the last month for the old GI bill, a record 27,585 youths enlisted in the Army. The year before, only about half that many, 14,173, enlisted.

Organizations such as the Noncommissioned Officers Association (NCOA) warned Congress that elimination of the GI bill could have serious negative repercussions on the quality and quantity of recruits for military service. Unfortunately, as reports of this past year have reflected, this prediction has been borne out. It is time that we acknowledge the mistake we made and that we take steps to correct our earlier action.

The approach embodied in my proposal is, I think, one which will have far-ranging benefits for our young men and women considering military service, for our Armed Forces, and for the Nation itself. It will aid recruiting efforts, enhance the quality of our defense force, encourage educational advancement, and stimulate the economy. As the old GI bill did, my proposal will return far more than it will cost.

Perhaps the major difference from—and improvement of—the old GI bill is the provision that participants must serve a minimum of 2 years before they are eligible for benefits. This should help reduce the services' attrition problem: It will also insure that only committed, qualified young men and women who have given 2 or more years in service to their country will reap the benefits of the program.

Costs will thus be reduced in two ways. The Navy has estimated that each recruit dropout represents a $7,000-plus loss. For every individual encouraged to serve a full term of enlistment or reenlistment, a substantial savings accrues. Extending the minimum service time from 6 months to 2 years for benefits eligibility will limit participation to those most deserving and will bring costs down significantly.

I believe this approach represents the direction we should be going as we seek to strengthen our military forces. And it reflects my firm belief that the Nation should give proper recognition to those who have served in their Nation's behalf. We owe them a considerable debt. Reinstating educational benefits for veterans is one small way of repaying them for their military service.

The NCOA deserves great credit for its work on this legislation. It has been in the forefront in working for a return to GI bill education benefits. I am pleased to work with NCOA in this important endeavor.

I also look forward to working with my colleagues who have introduced GI bill proposals of their own. This legislation must be a top priority of the 97th Congress. I hope we can join together to develop the best possible proposal—and to win its early approval this year.●

By Mr. CRANSTON (for himself and Mr. TSONGAS):

S. 49. A bill to amend the Uniform Time Act of 1966 to provide that daylight savings time commence each year on the first Sunday in March rather than the last Sunday in April; to the Committee on Conmmerce, Science, and Transportation.

EXTENSION OF DAYLIGHT SAVINGS TIME

Mr. CRANSTON. Mr. President, we are today introducing a bill to extend by approximately 2 months daylight savings time, commencing on the first Sunday of the first March after the bill is enacted.

This measure would save us an estimated 100,000 barrels of oil per day for 2 months, or approximately 5.6 million barrels of oil each year. In addition to, and as a result of, this huge energy savings, our bill would save more than $150 million or more for American consumers, at current oil prices.

Under present law, daylight savings time goes into effect on the last Sunday of April each year, and ends 6 months later, on the last Sunday in October.

Under our bill, daylight savings time would begin on the first Sunday in March each year and continue until the last Sunday in October.

In 1973, Congress passed the Emergency Daylight Savings Time Energy Conservation Act authorizing a 2-year experiment with year-round DST beginning in January of 1974.

Because that approach continued daylight savings time through the winter months, requiring children to go to school in the dark, there was considerable opposition to it.

During October of that year, in response to concerns expressed by both the general public and the Department of Transportation, this act was repealed. It was subsequently replaced by Public Law 93-434, to provide for 8 months of daylight savings time beginning with the last Sunday in February and ending the last Sunday in October, 1 week longer than my bill would do. The purpose of this bill is to use daylight savings time where there is more daylight. It does not require children to go to school in the dark.

Studies done by the Department of Transportation have supported the concept of 8 months of daylight savings time.

Moreover, under the underlying law, any State which so wishes may exempt itself from adopting daylight savings time.

Public Law 93-434 expired in April, 1975, returning us to a 6-month daylight savings time, although in the 94th Congress, the Senate passed by a vote of 70 to 23 S. 2391 which provided for daylight savings time on a 7-month basis.

The House of Representatives failed to enact the 7-month plan and it died at the end of the 94th Congress.

This is a sensible, painless and cost-free way to reduce energy demand in order to reduce our dependence on imported oil. We believe it should be considered promptly and adopted promptly.

Mr. President, our current law makes no scientific sense. School children need no more early morning or late afternoon light in the spring than in the fall.

Under present law, using 1981 as an example, daylight savings time will commence on April 27 and end on October 26.

But on April 27, the daylight hours are far longer than on October 26.

The equivalent day to April 27 is August 17. That is, on April 27 and on August 17, 1981, the daylight will be the same length.

That is because April 27 is 37 days after the vernal equinox (March 21) and August 1 is 37 days before the autumnal equinox (September 23).

By the same token, the equivalent day for October 26 (33 days after the autumnal equinox)) is February 16 (33 days before the vernal equinox). Again, the time between sunrise and sunset on February 16 will be just as long as on October 26.

The length of the daylight hours we derive from the sun results from the constant tilt of the Earth as it revolves around the Sun. This tilt causes the length of day and night to change, causing the seasons.

On March 21 (the vernal equinox) and September 21 (the autumnal equinox), the light just reaches from one pole to the other. The Sun is directly overhead at the equator and days and nights are equal all over the globe.

The vernal equinox begins spring in the northern hemisphere, just as the autumnal equinox begins fall.

The daylight hours then increase in length from March 21 until June 21 (the summer solstic) when the North Pole is most tilted toward the Sun. June 21—our traditional first days of summer—is the longest day of the year.

The days then shorten until the winter solstice (December 22), when the light of the Sun falls well short of the North Pole.

Mr. President, my legislation errs on the side of caution. It does not change the ending date for d.s.t., which this year will be October 26, at all. Nor would it move the starting day for d.s.t. all the way to February 16, when equivalent light conditions will exist.

Rather, it changes the starting date to the first Sunday in March—this year that would be on March 1. Again, the equivalent date in terms of daylight hours would be October 13, well before daylight savings time is presently scheduled to end.

We introduced similar legislation in the last Congress, which did not receive hearings because the Department of Transportation was late in indicating support for the bill.

But it did receive favorable editorial response:

I ask unanimous consent that an editorial from the Camarillo, Calif., Daily News, dated May 9, 1979, be included at this point in my remarks:

MORE DST MAKES GOOD SENSE

California's Senator Alan Cranston has proposed a plan that makes lots of sense even without its main objective, which is a good one.

Cranston has introduced legislation which would extend Daylight Savings Time to eight months a year.

According to our senior senator, the additional two months of DST would save the United States the energy equivalent of six million barrels of oil each year.

Cranston's bill would add the two extra months of DST in the springtime. In compliance with the current daylight savings program, clocks were turned one hour ahead a week ago Sunday, the last Sunday of April. That will be reversed the last Sunday in October when standard time is resumed.

If the legislation is adopted, Daylight Savings Time will begin the first Sunday in March next year and each succeeding year.

Sen. Cranston did not originate the idea. During the first big energy crunch of 1973-74, Congress passed emergency legislation that provided for year-round Daylight Savings Time. This was repealed because of complaints that children were endangered while waiting for buses or walking to school in the dark during winter months.

Congress then replaced the year-round DST experiment with an eight-month program, similar to the one being proposed by Cranston. But like so many energy-saving schemes, such as car-pooling; it fell by the wayside and when the emergency legislation expired in 1975, we went back to six months of Daylight Savings Time.

There has been much talk about using solar energy to conserve fuel. One simple method of using the sun's power for lighting, with no capital outlay required, would be to begin Daylight Savings Time two months earlier.

Even if there were no energy shortage, expanding DST would be welcomed by many people who enjoy that extra hour of daylight during their active hours. Cranston's proposal should get strong and immediate support.

An identical bill to the one we are today introducing will be introduced in the House by Congressman CARLOS J. MOORHEAD this week.

I hope that hearings will be held promptly on this legislation by the Commerce, Science and Transportation Committee, and that this bill will be ultimately adopted.

I ask unanimous consent that the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 49

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. § 260a(a)) is amended by striking out "last Sunday of April" and inserting in lieu thereof "first Sunday of March".

Section 2. The amendment made by the first section of this act shall take effect at 2 a.m. on the first Sunday of the first March beginning after the date of the enactment of this act.

By Mr. DECONCINI:

S. 50. A bill to amend certain provisions of title 28, United States Code, relating to venue, and to provide for special venue provisions in cases relating to the environment; to the Committee on the Judiciary.

VENUE PROVISIONS RELATING TO ENVIRONMENTAL CASES

● Mr. DECONCINI. Mr. President, I am introducing today a bill to insure that environmental cases are brought in court of the general area where the environmental impact or injury occurs. The bill, S. 50, is identical to S. 3028 reported last Congress from the Committee on the Judiciary, but which was never considered by the full Senate.

PURPOSE OF THE BILL

The bill rests on the premise that in certain environmental actions essentially against the United States, the most appropriate forum to hear the case is the Federal district court located in the judicial district where the primary impact or subject matter of the case is located. Currently, such actions may be brought in several diverse forums at the discretion of the plaintiff. The bill is designed to provide specific guidance to the Federal courts with respect to the transfer of such cases without disrupting the plaintiff's traditional right to initially select a forum. S. 50 also provides district and appellate courts with the authority to consider the primarily local or regional impact of any action or proceeding as a factor in such a court's change of venue deliberations.

The bill further responds to a need for a mechanism for notifying states through their attorneys general of the pendancy of an environmental action filed in the United States District Court for the District Court for the District of Columbia when the action may be primarily local to such states. Such a notice system will increase public confidence in the Federal judicial system by providing states with the opportunity to participate in environmental actions that affect them through timely intervention in such actions.

BACKGROUND

Legislation to correct certain major inadequacies in the Federal venue statutes was the subject of congressional evaluation in the 87th Congress resulting in enactment of the Mandamus and Venue Act of 1962 (Public Law 87-748; 76 Stat. 744, October 5, 1962). Prior to this Act civil actions against the Federal government were restricted to the United States District Court for the District of Columbia because, in part, of the doctrine of "indispensable parties," which limited such actions to Washington, home of the indispensable agency head or other government official. In its consideration of "this historic accident," the Senate Judiciary Committee noted that "the current state of the law respecting venue in actions against Government officials is contrary to the sound and equitable administration of justice." (Senate Report 1992, 87th Cong., 2d Sess., August 31, 1962; U.S. Code, Cong. & Ad. News 2784; *see also* H.R. Report No. 536, 87th Cong. 1st Sess.) [1] With passage of the Act the law was changed to "make it possible to bring actions against Government officials and agencies in U.S. district courts outside the District of Columbia . . ." (S. Rept. 1992). The resulting change in the law broadened venue in such actions to include not only where "a defendant in the action resides," but also, except where a statute calls for specific venue, where "the cause of action arose" or where "any real property involved in the action is situated" or where "the plaintiff resides if no real property is involved in the action" (28 U.S.C. 1391(e)). This change applies to all cases where the United States is a defendant, i.e., the Act is not restricted to a specific type of case such as an environmental matter.

EXPLANATION OF THE BILL

Although the Mandamus and Venue Act cured the technical impediment that had restricted cases against the United States to the District of Columbia, the Act did not consider how such a venue provision might protect the committee's desire to "assist in achieving prompt administration of justice by making it possible to bring these actions in courts throughout the country . . ." (S. Rept. 1992). Nor did the Act contemplate the impact on its findings and purpose by the advent of litigation of potentially primary "local" issues in non-local district courts because of a broadened interpretation given to the requirements for standing. (*Sierra Club* v. *Morton*, 405 U.S. 727 (1972)).

Hearings were held in the 96th Congress (See Senate Committee on the Judiciary, Subcommittee on Improvements in Judicial Machinery, Federal Venue Statutes, Hearings, 96th Cong. 2d sess. Feb. 20, 1980) to consider legislative proposals designed to update the Mandamus and Venue Act of 1962. Both S. 739, introduced by Senator Paul Laxalt, and S. 1472, introduced by Senator Dennis DeConcini would have required that certain civil actions originate in a judicial district where a "substantial portion of the impact or injury" occurred; both bills made similar changes at the appellate level. S. 739 would have applied to all civil actions against the United States regardless of subject matter; S. 1472 was restricted to environmental actions regardless of the type of defendant (i.e., the United States or otherwise). The hearing particularly substantiated the inadequacies of the Federal venue statutes with respect to environmental matters with case histories demonstrating the use of Federal district courts outside of the local area of impact [*Defenders of Wildlife* v. *Andrus*, 455 F. Supp. 446 (D.D.C. 1978)[2]; *Natural Resources Defense Council* v. *Morton*, 388 F. Supp. 829 (D.D.C. 1974); *National Wildlife Federation* v. *Brock Adams*, Civ. Action No. 78-2090 (D.D.C. 1979); *Pyramid Lake Tribe of Indians* v. *Morton*,[3] 354 F. Supp. 252 (D.D.C. 1973)]; the difficulty parties encounter in seeking transfer (change of venue) of such an action to the local judicial district [*Environmental Defense Fund* v. *Costle*, 79 F.R.D. 235 (D.D.C. 1978); *National Wildlife Federation* v. *Andrus*,[4] Civ. A. No. 78-1522 (D.D.C. 1978)]; and problems of an intervenor in such an action [*Sierra Club* v. *Andrus*,[5] 487 F. Supp. 443 (D.D.C. 1980); *Environmental Defense Fund* v. *Costle*, infra; *National Wildlife Federation* v. *Andrus*, infra.]

Opponents to the bills claimed that the proposed changes would undermine the basic purpose of a venue statute, create additional threshold litigation and inhibit venue flexibility. At the hearing, James Moorman, Assistant Attorney General, Land and Natural Resources Division, testifying for the Department of Justice, agreed that there was a problem in certain cases; however, he favored a solution "less sweeping" than either S. 739 or S. 1472. Moorman stated that "(O)ur best suggestion is a combination of a new notice requirement and an amendment to the transfer section (1404(a)) to establish a presumption in favor of transferring cases in which the impact is primarily local." On May 2, 1980, the Subcommittee on Improvements in Judicial Machinery favorably reported an original Subcommittee bill incorporating the essence (i.e., a notice and presumption for transfer provision) but not the method of the Department of Justice suggestion.[6]

The original Subcommittee bill reflected the following policy conclusions: (1) the traditional right of the plaintiff to initially choose a forum under 28 U.S.C. 1391(e) in an action against the United States should not be disturbed; (2) current statutes specifying venue should not be overturned; (3) the notice and presumption sections of the bill should relate only to local environmental actions where the United States is a defendant; and (4) the notice section should be triggered solely by such actions filed in the United States District Court for the District of Columbia. S. 3028 also reflects these very same policy conclusions.

On May 7, 1980 the Senate Committee on the Judiciary considered this original Subcommittee bill as an amendment to the Regulatory Flexibility and Administrative Reform Act of 1980 (S. 2147). At this time one substantive amendment was accepted; this amendment added language to the new transfer section that would allow a rebuttal argument against the "presumption" (for transfer) section if the action was "substantially national rather than local in effect or scope." The original Subcommittee bill, as amended, was overwhelmingly accepted as an amendment to S. 262 (S. 2147), which was reported, without objection, by the Committee.

On June 24, 1980 the Committee on the Judiciary met in open executive session at which time it considerd S. 3028, a bill virtually identical to the original Subcommittee

Footnotes at end of article.

bill. The differences with tre original Subcommittee bill relate to the definition of "local" and the type of action that may be "national." The Committee then ordered S. 3028, without amendment, favorably reported, which is identical to the text of the bill I am introducing today.

CONCLUSION

S. 50 will promote greater judicial efficiency by encouraging plaintiffs filing civil actions against a Federal government agency to file such actions in a local Federal district court when the primary impact of the action is in the local judicial district, particularly when the case deals with the environment. If the subject matter is locally situated, or if the cause of action arises locally, or if the environmental, economic or other effects of the action have a primarily local impact, the judicial efficiency resulting from a localized adjudication should be encouraged and enhanced and not denied. The bill is a logical extension of the Mandamus and Venue Act of 1962. That Act expanded the general venue statute for actions against the Federal government to allow—for the first time—any civil action against the Federal government to be brought in a local district court rather than only in the United States District Court for the District of Columbia. The bill merely fine-tunes the 1962 Act to provide district courts with additional specific guidance when considering motions to transfer actions of a "local environmental nature" to the local judicial district of primary impact. S. 50 also provides district and appellate courts with the authority to consider the local impact of any civil action as a factor in such courts' consideration of a change of venue motion. In addition, S. 50 creates a system for notifying state attorneys general of the pendancy in the United States District Court for the District of Columbia of an action against the Federal government that is an action of a "local environmental nature."

FOOTNOTES

[1] The Committee's intentions are well stated in the Senate Report:

"Frequently, the administrative determinations involved are made not in Washington but in the field. In either event, these are actions which are in essence against the United States. The Government official is defended by the Department of Justice whether the action is brought in the District of Columbia or in any other district. U.S. attorneys are present in every judicial district. Requiring the Government to defend Government officials and agencies in places other than Washington would not appear to be a burdensome imposition.

"On the other hand, where a citizen lives thousands of miles from Washington, where the property involved is located outside of the District of Columbia, where the cause of action arose elsewhere, to require that the action be brought in Washington is to tailor our judicial processes to the convenience of the Government rather than to provide readily available, inexpensive judicial remedies for the citizen who is aggrieved by the workings of Government.

"Frequently, these proceedings involve problems which are recurrent but peculiar to certain areas, such as water rights, grazing land permits, and mineral rights. These are problems with which judges in those areas are familiar and which they can handle expeditiously and intelligently."

[2] This was actually the second action dealing with Ruby Lake Wildlife Refuge brought by Defenders of Wildlife. The first action, *Defenders of Wildlife* v. *Andrus*, Civil Action No. 78-1210 (D.D.C. 1978) sought to invalidate special regulations signed by the Director, Fish and Wildlife Service on April 21, 1978 which permitted certain recreational activities within the Ruby Lake Wildlife Refuge. That action resulted in a remand of the regulations in question to the Secretary of the Interior for a determination of whether "the permitted recreational use would not interfere with the Refuge's primary purpose." In addition, the action resulted in a ban on the use of the Refuge just prior to the July 4th holiday. The Director signed new regulations on July 19, 1978 again permitting certain recreational usage of the Refuge, which led to the second action. This second action specifically sought declaratory and injunctive relief to prohibit the Federal defendants from permitting (through the regulations) power boating within Ruby Lake Wildlife Refuge and from permitting all boating within the Refuge prior to July 15 of each year. Ruby Lake Wildlife Refuge is located wholly within the State of Nevada; it is the only publically-owned boating recreational area within 125 miles of northeast Nevada's primary population centers, and its primary users (Nevadans) had use of the facility since its establishment in 1963. The action in the District Court for the District of Columbia generated additional court action. (*State of Nevada, et al.* v. *United States of America, et al.*, Civil Action No. 11473, 7th Judicial District Court, Nevada (1978) and *State of Nevada* v. *United States of America, et al.*, Civil Action No. R-78-0157 BRT (D. Nev. 1978)).

[3] This action challenged the government's regulations dealing with the supply of water from Pyramid Lake (wholly located in Nevada) to TCID, the Truckee-Carson Irrigation District. TCID was not a party to the litigation, even through 60,000 acres of irrigated Nevada land depend on TCID for water. The action sought to reduce the TCID's water supply by 30 percent. The Department of Justice, defending the Secretary, neither sought to transfer the case nor to dismiss for failure to join an indispensable party, TCID. This Washington, D.C. action generated additional Federal litigation in Nevada (*TCID* v. *Secretary of the Department of the Interior*, Civ. A. No. R-74-34 B RT (D. Nev. 1974)) to invalidate the regulations adopted pursuant to the Washington, D.C. action. Denying the United States' motion for summary judgment in the Nevada action, the Federal district court in Nevada commented on the Washington action: "* * * It is, nevertheless, obvious that the case was presented to him (Judge Gesell of the United States District Court for the District of Columbia) by parties who did not represent competing interests. The United States of America has never been able to decide whom it represents in these controversies."

[4] In this controversy, the City of Denver determined that an additional water treatment facility was needed to meet the needs of the City; a bond issue to finance this project—the Foothills Project—was passed by a wide margin. Although a related lawsuit was under way in Colorado, the plaintiffs filed suit in Washington D.C., to stop construction on NEPA grounds. A motion to transfer the D.C. case to Colorado was denied. Ultimately, and after more than 2 years of costly delay and court action, the case was settled along with an overall compromise, allowing Denver to do what it had intended in the beginning, pursuant to a Consent Decree entered February 26, 1979 in the United States District Court for the District of Columbia.

[5] In this action the plaintiffs filed a lawsuit in Washington, D.C., requesting the court to order the Secretary of Interior to "define, assert, and protest federal reserved water rights . . . in southern Utah and northern Arizona." The suit basically challenged the Secretary's discretion with respect to an alleged failure to "carry out their trust and statutory obligations." On behalf of the town of Escalante, Utah and others, the Mountain States Legal Foundation intervened and assumed the financial burden and inconvenience of traveling to Washington, D.C. After more than a year and a half of court action, summary judgment was entered on March 21, 1980, in favor of the defendants (as to 3 of 5 claims); the remaining two plaintiff claims were dismissed.

[6] The Department of Justice approach was essentially similar to the Subcommittee's with respect to the "notice" provision except that the Department's definition of "local" was restricted to an "impact on interests in no more than five states." The Department's version of a "presumption" section similarly restricted "local" to an action affecting five or fewer states. The Committee believes, however, that a numerical test for "local" would be unnecessarily restrictive on the courts; the discretion of the courts in this area has been and should continue to be free from such an objective limitation. In either event (i.e., the notice or presumption sections) their changes would not have restricted the provisions to environmental actions. In addition, the Department of Justice version would not have provided the court with the right to transfer the action on its own motion. The Committee feels that this right (it is not a requirement) will be particularly helpful in situations where the court identifies circumstances dictating transfer that escape the parties. The Subcommittee concluded that although non-environmental cases should be addressed (as reflected in the Justice Department version), the Hearing Record demonstrated that the "notice" and "presumption" proposals were particularly needed for environmental actions brought against the United States. Therefore, the Justice Department's suggestion to not restrict the legislation to environmental actions was adopted by the Committee only with respect to the more general provisions of S. 3028, Sections 2(a) and (3).●

By Mr. CRANSTON:

S. 51. A bill to require persons who manufacture cigarettes or little cigars for sale or distribution in commerce to meet performance standards prescribed by the Consumer Product Safety Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CIGARETTE SAFETY ACT

Mr. CRANSTON. Mr. President, 6 weeks ago the front page headline in the Washington Post read, "At Least 85 Die in Las Vegas Hotel-Casino Blaze." The fire was apparently caused by an electrical malfunction. Similar headlines covered the front page of every newspaper across the country. Imagine if in the 6 weeks since the MGM fire two similar hotel fires had occurred, each also claiming 85 lives. The public outcry over the loss of these 255 lives would have justifiably been enormous. Swift action to improve fire safety in our Nation's hotels would have been demanded.

So why is so little attention paid to the 265 lives which on the average are lost every 6 weeks in cigarette-caused fires? Probably because most of these fires are less dramatic. Large numbers of lives are not lost at one time in one location. So most Americans do not realize that at the end of each year when the National Fire Administration compiles fire statistics, cigarettes routinely come out the No. 1 cause of both residential fire deaths and fire injuries. In 1979, such fires resulted in 2,300 deaths, 5,800 injuries, and $210 million in property damage.

The agonizing truth about most of the

74,000 fires caused each year by lighted cigarettes is that tragedy easily could have been prevented.

In reintroducing the Cigarette Safety Act, S. 51, Senator TSONGAS and I recognize that there is a simple—truly preventive—step Congress can and should take to address the leading cause of residential fires. Our bill would give the Consumer Product Safety Commission authority it is now specifically denied to develop a mandatory performance test of a cigarette's tendency to ignite upholstered furniture and mattresses.

We know it is economically feasible to manufacture a safer cigarette. The National Bureau of Standards reports there are currently a few cigarettes on the market that could pass such a performance test. In other words, the cigarette manufacturers inadvertently created a cigarette which has a lower tendency to ignite upholstery and now sells those cigarettes at the same price and with the same success with which it sells other brands.

This is not an antismoking bill. It is legislation directed at a proven safety hazard, a hazard which the cigarette manufacturing industry has regrettably decided not to address voluntarily.

It has been suggested by the Tobacco Institute that public education about the dangers of carelessly dropping lit cigarettes would help solve this serious fire threat. My colleagues might be interested in knowing that out of the 616 million cigarettes smoked in this country each year 99.99 percent are properly disposed of. Considering human fallibility, it seems that an extremely high percentage of smokers are very mindful of their lit cigarettes. I doubt whether this percentage could be further improved upon through any means.

I am sure that my colleagues will agree that "fire-proofing" cigarettes is far easier, cheaper and more effective than attempting to fireproof everything they might be accidentally dropped on.

The 2,300 lives that will be lost in 1981 from cigarette fires will not be confined to any one region of this country. It is a national problem that demands a national solution. I urge my colleagues to join me in working to reduce this major fire danger by supporting this legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 51

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cigarette Safety Act".

DEFINITIONS

SEC. 2. For purposes of this Act, the term—

(1) "cigarette", "commerce", "United States", and "little cigar" have the meanings prescribed in paragraphs (1), (2), (3), and (7), respectively, of section 3 of the Federal Cigarette Labeling and Advertising Act;

(2) "sale or distribution" includes distribution of samples or any other distribution not for sale;

(3) "Commission" means the Consumer Product Safety Commission; and

(4) "cigarette safety standard" means any performance standard or cigarette safety rule promulgated by the Commission.

FINDINGS

SEC. 3. (a) The Congress finds that—

(1) the United States Fire Administration has determined that the careless use of smoking materials is the leading cause of fire-related death and injury in residences in the United States;

(2) fires caused by cigarettes and the careless use of smoking materials in the United States annually—

(A) kill approximately two thousand three hundred people,

(B) injure approximately five thousand eight hundred people, and

(C) result in property damage amounting to approximately $210,000,000;

(3) laboratory experiments have shown that a cigarette will burn continuously for approximately 20 to 45 minutes when placed on a flat surface and that there is a reasonable period of time for which a burning cigarette must remain in contact with fabrics before a fire will result;

(4) as presently marketed, cigarettes and little cigars are a dangerous ignition source which present an unreasonable risk of injury; and

(5) it is feasible and practical to produce cigarettes and little cigars which do not present an unreasonable risk of injury.

(b) The Congress declares it to be the policy of the United States—

(1) to reduce the loss of life and property in the United States by requiring that cigarettes and little cigars manufactured for sale or distribution in commerce be processed to ensure that such cigarettes or little cigars—

(A) if ignited, will stop burning within a time period designated by the Commission, if such cigarettes or little cigars are not smoked during such period, or

(B) meet some other performance standard promulgated by the Commission to insure that such cigarettes or cigars do not ignite smoldering upholstered furniture and mattress fires; and

(2) that such proceeding be accomplished without the addition of any toxic elements to a cigarette or little cigars.

RULEMAKING

SEC. 4. (a) (1) The Commission shall promulgate, within 24 months after the date of enactment of this Act, final consumer product safety standards for cigarettes and little cigars which set performance standards ensuring that such cigarettes and little cigars have a minimum capacity for igniting smoldering upholstered furniture and mattress fires.

(2) Performance standards for cigarettes and little cigars shall be developed by the Commission based on objective studies, including studies conducted by the Bureau of Standards of the Department of Commerce.

(b) The Commission shall commence the proceedings for the development of the cigarette safety standards under this Act by the publication in the Federal Register of an advance notice of proposed rulemaking which shall—

(1) state that Congress has declared that a safety standard for cigarettes and little cigars is necessary and that such standard shall be promulgated by the Commission; and

(2) invite interested persons to present their views concerning such standards, orally or in writing, during a period of not less than 30 days immediately following publication of such notice.

(c) Within 12 months after publication of the notice required by subsection (b), the Commission shall publish in the Federal Register general notice of proposed rulemaking under section 553(b) of title 5, United States Code. Such general notice of proposed rulemaking shall include the terms and substance of the proposed cigarette safety standard.

(d) Within months after publication of the notice required by subsection (b), the Commission shall promulgate the standard after there has been an opportunity for interested persons to orally present their views.

(e) (1) The final rule promulgating the cigarette safety standard shall specify the date such standard is to take effect, not to exceed 48 months after the date of enactment of this Act. If the Commission finds by the 18th month after the date of enactment of this Act that it is unable to issue the rule within this specified time period it shall prepare and transmit a report to the Committee on Commerce, Science and Transportation of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, outlining the reasons for the extension and designating the additional time period required, not to exceed one year, to issue a rule, and the Commission shall issue a notice of extension in the Federal Register.

(2) For purposes of this Act, the rulemaking provisions of sections 7 and 9 of the Consumer Product Safety Act, shall not apply, and notwithstanding any other provision of law, the Commission shall not be required to make findings pursuant to these sections.

(3) The Commission may by rule prohibit a manufacturer of cigarettes or little cigars from stockpiling such products to which the standard promulgated pursuant to this section applies. For purposes of this paragraph, the term "stockpiling" means manufacturing or importing a product between the date of promulgation of such consumer product safety standard and its effective date at a rate greater than the rate at which such products were produced or imported during the one year period immediately preceding the date of enactment of this Act.

JUDICIAL REVIEW

SEC. 5. (a) Any person who is adversely affected or aggrieved by the standard promulgated pursuant to this Act may, at any time prior to the 60th day after the Commission promulgates the final rule, file a petition with the United States Court of Appeals for the circuit in which such person resides or has his principal place of business for a judicial review of this rule. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commission. The Commission shall file in the court the record of the proceedings on which the Commission based its final rule as provided in section 2112 of title 28, United States Code.

(b) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there was no opportunity to adduce such evidence in the proceeding before the Commission, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Commission in a hearing or in such other manner, and upon such terms and conditions, as the court deems proper. The Commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, and its recommendations, if any, for the modification of the final rule.

(c) Upon the filing of the petition under this section, the court shall have jurisdiction to review the final rule of the Commission, as modified, in accordance with chapter 7 of title 5, United States Code. If the court ordered additional evidence to be taken under subsection (b) of this section, the court shall also review the Commission's final rule to determine if, on the basis of the entire record before the court pursuant to subsections (a) and (b) of this section, it is supported by substantial evidence. If the court finds the final rule is not so supported, the court may require its modification or reversal.

(d) The judgment of the court in affirming, setting aside or modifying, in whole or in part, the Commission's final rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.

(e) Section 11 of the Consumer Product Safety Act does not apply to judicial review of the Commission's final cigarette safety standard.

REMEDIES

SEC. 6. The cigarette safety standards, as promulgated in a final rule, shall be deemed to be a Consumer Product Safety Standard as defined under section 3 of the Consumer Product Safety Act, and shall be subject to all remedial and penalty provisions of the Consumer Product Safety Act.

CONFORMING AMENDMENTS

SEC. 7. Section 3(a)(1)(B) of the Consumer Product Safety Act is amended by adding after the word "products" the following: "except that cigarettes and little cigars are deemed to be consumer products for the purposes of regulating them as an ignition source".

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. For each of the first three fiscal years beginning after the date of enactment of this Act, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. HAYAKAWA:

S. 52. A bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles; to the Committee on Environment and Public Works.

AMENDMENT OF CLEAN AIR ACT

Mr. HAYAKAWA. Mr. President, today I am introducing a bill to amend the Clean Air Act so that each State will be able to determine whether or not a mandatory inspection and maintenance program for motor vehicles is necessary and practicable. I do this with the hope that such legislation will help put a stop to the type of blatant coercion that is currently being used against the State of California by the Environmental Protection Agency.

The Clean Air Act requires each State to submit to the EPA an implementation plan which provides for the attainment of national ambient air quality standards by December 31, 1982. However, in recognizing that attainment may not be possible in some areas by that deadline, the act also provides that a State which demonstrates that it is unable to attain the national standards for ozone or carbon monoxide prior to December 31, 1982, may provide in its implementation plan for attainment of those standards no later than December 31, 1987. But there is a catch. In order to take advantage of this extension, the State must establish a specific schedule for implementation of a vehicle emission control inspection and maintenance program. I believe this catch or this requirement is a deviation from the overall philosophy of the Clean Air Act under which the States are generally free to choose the control measures which they believe to be appropriate.

The legislation which I am introducing allows the States to choose the programs by which they will attain the national air quality standards. It does not alter air quality standards, and it does not alter the deadlines by which they must be achieved. Specifically, this legislation would delete the requirement that forces a State which cannot meet the national standards for photochemical oxidants (ozone) or carbon monoxide by the 1982 deadline to establish a specific schedule for implementation of a vehicle emission control inspection and maintenance program.

Thus, a State would be required to have an inspection and maintenance program only to the extent to which it found such a program to be necessary and practicable. Moreover, this bill would add a new section to the Clean Air Act which would provide that: First the Administrator of the EPA could not require an inspection and maintenance program as a condition of approval for any State implementation plan, second if the Administrator, rather than the State, promulgates an implementation plan it may not require an inspection and maintenance program, and third any State may revise its implementation plan to eliminate an inspection and maintenance program.

Now it makes sense to allow States to use means other than inspection and maintenance programs to control emissions, because there is considerable disagreement about the benefits to be derived by implementing such programs. The EPA has suggested that based on data developed in Portland and Eugene, Oreg., one might expect a 24-percent reduction in hydrocarbons and a 34-percent reduction in carbon monoxide over a year's time. However, these figures have been contested by some very responsible sources. A study done for the legislative analyst of the State of California projects only a 17.4-percent reduction in hydrocarbons and a 22.4-percent reduction in CO. These reductions could still be considered substantial. But a report done jointly by the California Air Resources Board and the California Department of Consumer Affairs projects only a 5-percent reduction in total hydrocarbons and a 1-percent reduction in total oxide emissions as a result of an inspection and maintenance program. This would represent a relatively small impact.

The total cost to all of the States subject to the inspection and maintenance requirements would be in the range of $300 to $800 million a year. One must ask the question, "Are the projected benefits worth an investment of this magnitude?" Other factors will significantly influence automotive emissions in future years. The dominant influence will be the changing composition of the automotive fleet. As newer, low-emission cars replace older cars, total emissions will fall, regardless of whether inspection and maintenance is required. More reliable emissions control technology and a reduction in total mileage driven as a result of higher gasoline prices can also be expected to have a significant impact. I believe the determination of how much an inspection and maintenance program will enhance these factors and the decision to invest in such a program should be left to be made by each State.

The need for this legislation is made evident by the EPA's actions against my own State of California. Because the State legislature has voted against the establishment of legal authority necessary to implement a motor vehicle inspection and maintenance program, the EPA has formally indicated, in a notice of proposed rulemaking, its intention to withhold up to $850 million in Federal highway and sewer funds that would otherwise go to California. It is also threatening to hold up approvals for further industrial expansion in the State. These threats constitute nothing less than blatant coercion on the part of the Environmental Protection Agency, and it is my intent to strip away this power to coerce. The Clean Air Act seemingly gives the EPA the power to use this form of coercion; therefore, the Clean Air Act must be corrected.

Nobody opposes clean air. But more and more people are demanding that flexibility and common sense be exercised in our pursuit of air quality goals. This is evident in the current administration's own steel revitalization program, and I suspect it will be evident in the next administration's economic revitalization programs. Passage of this legislation will help to insure that the Environmental Protection Agency will lead the States toward the attainment of national air quality standards through commonsense and flexibility, and will help put a stop to the type of "arm twisting" tactics that are currently being employed by the EPA against the State of California.

By Mr. HAYAKAWA:

S. 53. A bill to amend the Voting Rights Act of 1965 to repeal certain requirements relating to bilingual election requirements; to the Committee on the Judiciary.

AMENDMENT OF VOTING RIGHTS ACT

Mr. HAYAKAWA. Mr. President, today I am introducing legislation to amend the Voting Rights Act by deleting the provisions added in 1975 which require that bilingual election materials be provided in certain States and counties.

When the 94th Congress amended the Voting Rights Act to require the use of bilingual ballots, the intent was to bring our nonEnglish-speaking population into the mainstream of American society by allowing them to vote in a language they can read and understand. The effect of that act, however, is to foster the fallacy among immigrants to the United States that it is not necessary to learn English. That fallacy can lead to trouble for all of us in the years ahead.

As a semanticist, I must point out that language is a means of communication. If you speak one language and I speak another and we need to communicate, either I must learn your language or you must learn mine. If I decide not to learn your language and you decide not to learn mine, we have established a barrier

to communication by which both our cultures are impoverished. Throughout our history our Nation has been enriched because our immigrants have eliminated communications barriers with the use of a common language—English.

With the use of bilingual ballots, however, we are saying to our non-English-speaking citizens that they can fully participate in the political process without overcoming the language barrier. That simply is not true.

Suppose, for instance, a Spanish-speaking citizen wants to vote for a Presidential candidate or one of the various State propositions being offered. While the individual may have a ballot printed in Spanish, it will not help illuminate the differences between the candidates; it will not enlighten him on the effect the proposition will have on his life. Voter information pamphlets which are supposed to explain the issues in question are often so bureaucratically written that they are incomprehensible in any language. So those who do not understand English are totally dependent on information received from foreign language television programs and newspapers, and discussions with friends and relatives. They are excluded from the broader perspective obtained from English-language newspapers, magazines, and television programs. They cannot listen to an English-speaking candidate present his or her own views. While the non-English-speaking citizen has been provided with an easier means to express his views, a ballot in his own language, he has been discouraged from obtaining the wide range of information necessary to develop those views.

At some point the person who does not speak English will realize the political limitations. As a member of a minority-language group, he will find it impossible to run for an office that serves a constituency whose majority speak English. He cannot effectively address his views to those who do not understand his language, so he surrounds himself with those who do. This political polarization can lead to a separatist movement, especially among our growing Spanish-speaking population.

There are those who argue that bilingual ballots are necessary for those citizens who, in years past, were denied the opportunity to learn English. These people are dependent upon, and have available to them, the assistance of foreign language newspapers, television programs, and friends and relatives. It may be unfortunate, but with or without a bilingual ballot that dependence will remain.

I am introducing legislation to abolish bilingual ballots because I believe that our country's greatness is directly related to our unique ability to merge a multitude of foreign cultures into one. The key to this ability is the acceptance of a common language that allows each new culture group to communicate and share ideas with those who have been here longer. We cannot as a nation afford to ignore the value of the American melting pot.

The bilingual ballot is a long step in the wrong direction. Real political participation, social participation and cultural participation in all aspects of American life cannot be achieved through misguided mechanisms like the bilingual ballot. It is time we told our non-English speaking citizens the truth: They need to learn English.

By Mr. HAYAKAWA:

S. 54. A bill to repeal the provisions of title 23, United States Code, requiring a national maximum speed limit of 55 miles per hour; to the Committee on Environment and Public Works.

THE 55-MILE-PER-HOUR SPEED LIMIT

Mr. HAYAKAWA. Mr. President, I am today introducing a bill, for appropriate reference, which will right an injustice that began in 1974 and continues to harass States with no regard for responsibility or reality. I refer to the national maximum speed limit of 55 miles per hour.

This is not the first time I have introduced this legislation; I hope it will be the last. The time has come for Congress to recognize its responsibility to the States and to the people by correcting a problem which has less to do with lives and fuel than with the expansion of Federal power into areas reserved for the States.

Prior to 1974, the various States were charged with the responsibility of establishing maximum speed limits. To this day the States retain, not only that responsibility, but that authority. The Federal Government does not have the power to deprive the States of that responsibility—so it threatens to deprive Federal highway funds to States which maintain maximum speed limits in excess of 55 miles per hour. That is nothing less than extortion.

If that is not enough, the Federal Government requires that the States not only establish maximum speed limits at 55 miles per hour, to be eligible for owed highway funds, States are required to demonstrate compliance with the limit. In many States, that is not possible—because drivers will not accept this Federal mandate.

Not unlike prohibition, the national speed limit is creating a population of criminals. Like prohibition, the national speed limit cannot be tolerated. Ironically, a prohibition on alcoholic beverage would have a much greater impact on traffic fatalities and fuel economy than the 55-per-mile-hour speed limit could ever have; since nearly half of all traffic fatalities involve drunken driving, the absence of intoxicants would severely decrease highway accidents; the production of ethyl alcohol, which was formerly made for human consumption, could be converted to an alternate fuel source. But prohibition was repealed because it infringed on the right of an individual to choose. Similarly, the national maximum speed limit should be repealed because it infringes on the right of States to determine what a safe and economical speed is for their own highways.

It simply does not make sense for a citizen of New Jersey to determine what a safe rate of speed is on California highways. New Jersey is a densely populated State which is 166 miles in length; the distance between California's two major commerce centers, San Francisco and Los Angeles, is 347 miles through sparsely populated agricultural land. So while a speed of 55 miles per hour may be appropriate for New Jersey, it is not appropriate for California.

I am not advocating that we abolish the 55-mile-per-hour speed limit. I am saying that the responsibility for making that determination should be returned to the States, and that Federal blackmail for highway funds must stop.

There are those who argue that the national speed limit has saved lives and conserves fuel, however, to be responsible for a change in the highway death toll, or the rate of fuel consumption, the limit would have to be observed. A 50-percent compliance rate could hardly be considered demonstrative, and must be considered to have had limited influence on either highway deaths or fuel economy.

The highway fatality statistics, which proponents of the national speed limit cite, include all deaths involving a motor vehicle, on all roads in the country. Deaths resulting from speed in excess of 55 miles per hour form an estimated 5 percent of the total. Moreover, while the number of highway deaths dropped significantly in 1974, the year in which the national speed limit became effective, since 1975 that number has been increasing. It was easy to claim a significant correlation then. It is more difficult to explain the increase in fatalities as a result of the national speed limit, especially in that face of recent safety innovations. Perhaps a more reasonable explanation of the entire phenomenon is that traffic volume decreased significantly in 1974 and 1975 because of the Arab oil embargo and the subsequent rise in fuel prices; with decreased traffic volume came fewer highway deaths.

Similarly, the contribution of the national speed limit to fuel conservation has been exaggerated. One estimate concludes that the 55-mile-per-hour limit has an impact on one-half of 1 percent of the total fuel consumption of the United States. Another estimate concludes that the speed limit has had no greater impact on fuel economy than properly inflated tires would have.

I ask unanimous consent that an article by John Tomerlin and the results of a survey conducted by Road & Track magazine be printed in the RECORD at this point.

There being no objection, the article and survey were ordered to be printed in the RECORD, as follows:

[A Road & Track Report, May 1980]

THE 55-MILE-PER-HOUR MYTH—SIX YEARS OF SPEED PROHIBITION

(By John Tomerlin)

On January 2, 1974, less than two months after Saudi Arabia's King Faisal announced a halt in shipments of Middle Eastern oil to the United States, the Emergency Highway Energy Conservation Act was signed into law, establishing 55 mph as the nation's maximum legal highway speed. One year later the

Federal-Aid Highway Amendments provided for an indefinite extension of the National maximum speed limit (Nmsl) on the grounds that it had contributed significantly to fuel conservation and was responsible for a major reduction in traffic accidents and deaths.

Under the provisions of the legislation, states that fail either to establish a 55-mph speed limit or to certify certain levels of enforcement will be penalized by the loss of a portion of their gasoline-tax funds. Administration of the law is in the hands of two agencies of the Department of Transportation (DOT)—the National Highway Traffic Safety Administration (NHTSA), which oversees enforcement by the states, and the Federal Highway Administration (FHwA), which collects and analyzes speed-control and speed-monitoring data.

These and other branches of the DOT collaborate on public information programs to promote the advantages of the 55-mph limit. According to these sources, the Nmsl is the "most significant action taken on behalf of traffic safety in half a century," one that has saved the nation at least 1.5 billion gallons of gasoline per year and prevented upward of 6000 fatalities annually. Both figures could be doubled, it is claimed, by greater efforts at enforcement.

Greater efforts are a certainty. The Highway Safety Act of 1978 authorizes up to $50 million per year to help the states enforce the Nmsl. This money is in addition to whatever share of state gasoline-tax funds the Secretary of Transportation sees fit to mandate for enforcement. In 1979, $40 million in 402 funds[1] were earmarked for this purpose, while for fiscal 1980 Congress has budgeted $20 million. This kind of multiple-source funding makes a precise analysis of long-range costs difficult, but NHTSA officials now estimate that direct federal aid to speed enforcement will cost taxpayers $646 million over the next decade. In all likelihood this is an underestimate.

Given the magnitude of commitment to the 55-mph speed limit, it might be expected that a substantial amount of evidence exists proving that it performs as claimed. In fact, such evidence is lacking. Claims for savings of "over 4 million gallons of gas a day" are challenged by every professional survey of fuel consumption to date; and analyses of the alleged safety benefits of the Nmsl are so inconclusive that former Transportation Secretary Brock Adams admitted during appropriations hearings in 1977 that, "We have found that no accurate estimate can be made on the overall safety impact of the 55-mph speed limit . . ."

Adams went on to assure the Congress that it should have "high confidence" that the federal limit had contributed to safety, but he failed to emphasize the importance of other changes that took place with the Nmsl. There were significant reductions in vehicle mileage in the wake of the Arab oil embargo, resulting in lessened exposure to accidents; there was an increase in driver awareness, especially during periods of uncertain fuel supplies; and there was a continuation of the historical trend to greater safety resulting from improved highways, vehicles and driver licensing procedures.

Although the safety benefits of the Nmsl have proved elusive, its negative effects are all too concrete. It has severely restricted application of the best-known technique for setting highway speeds for maximum safety, replacing it with an arbitrary speed that ignores local needs and conditions. It has created a nation of scofflaws and resulted in a significant diversion of police services from other vital functions. It has caused dissension between the federal and state governments, between legislators and their constituents, and between the public and their law enforcement and judiciary officials—to the disadvantage of all concerned.

Based on six years of practical experience, it is not too much to say that the experiment with Speed Prohibition is a failure, and that the greatest obstacle to further gains in highway safety has become the 55-mph speed limit itself.

55 MPH AND FUEL

The idea for saving energy by reducing highway speeds was not developed overnight. As early as May 1973 the Secretary of Transportation began urging the states to reduce their limits; and that summer similar requests were made by the Senate and the President. In support of these appeals were the results of tests performed by the FHwA in October 1973, comparing fuel consumption rates at various speeds in 13 American-made cars.

"The Effect of Speed on Automobile Gasoline Consumption Rates" documented economy losses in all cars tested, at all speeds higher than 50 mph. On average, mileage dropped off 10 percent when speed was increased from 50 mph to 60 mph; at 70 mph, mileage fell an average of 25 percent. No tests were performed at 55 mph, perhaps because that speed had not at that time been selected for the national speed limit.[2]

In view of the fact that Americans consume a virtual sea of gasoline each year—110 billion gallons of it in 1973, and considerably more today—the prospects for achieving significant savings by reducing speeds seemed good.

So good, the Administration began claiming success almost at once. "In the first six months of 1974, about 135,000 barrels of gasoline were saved each day that would have been consumed under previous speed limits," the Federal Energy Administration announced. NHTSA agreed with this estimate, adding that more than 98,000 barrels per day continued to be saved thereafter.

As it turned out, both estimates were premature and inaccurate. When professional studies were commissioned to determine the impacts of the speed limit on conservation, the findings were quite different. The Mitre Corp. in a report to the National Science Foundation, discovered that while 255,000 fewer barrels of fuel per day were consumed in 1974 than in 1973, most of this was the result of shortages and reduced travel. Only about 71,000 barrels per day could "possibly" be attributed to the "combined efforts of the 55-mph speed limit and more fuel-efficient cars."

A second study, performed by Braddock, Dunn and McDonald in September 1974, also for the National Science Foundation, agreed with the theoretical possibility of saving 200,000 barrels of gas per day by reducing highway speeds—but, after examining consumption trends and traffic volumes for the winter of 1973 and the spring of 1974, the researchers concluded: "There was no actual improvement" in consumption.

Somewhere, between theory and application, the expected conservation benefits of the National maximum speed limit had vanished.

Less than half of one percent

There's no mystery about the Nmsl's failure to live up to expectations. To begin with, reliance on the results of the FHwA's tests gave rise to false hopes. Whereas the Highway Administration performed straight-time runs at constant speeds on uncrowded roadways—conditions "not likely to occur in normal operation," as the researchers themselves conceded, most motorists spend little if any time in such circumstances. The rest is spent braking, shifting, accelerating, changing lanes and so on. Much of it is spent on roads where 55 mph or better is either inadvisable or impossible.

As those who have made the experiment know, a consistent 10-percent improvement in mileage is difficult to achieve through speed control alone; and even that requires some techniques not necessarily recommended from a safety standpoint.

A second miscalculation was the failure to analyze the potential for making a significant impact on energy problems. Only about one-third of the total vehicle mileage traveled in this country is on roads where 55 mph or more is possible; and only about half of that mileage actually is driven at or above the limit. This means only one-sixth of all vehicle miles are subject to any fuel savings from the Nmsl.

The precise amount of saving will average around 12 percent, depending on car weight, engine efficiency and the exact speed above 55 mph; which means that the formula for the *maximum* savings available from the Nmsl, assuming absolute compliance would be: 33⅓ percent x 50 percent x 12 percent. Or, a little less than 2 percent of consumption.

Inasmuch as the petroleum for highway transportation represents about one-quarter of the nation's energy needs, the greatest possible savings amount to *less than one-half of one percent* of total energy requirements.

From a moral viewpoint there is something to be said for saving even this minuscule amount; but from an economic point of view,[3] the value of that half of a percent must be discounted for enforcement and other costs. These happen to be substantial. In addition to the federal contribution of around $65 million per year, an estimated $2.5 billion is spent by local police and traffic services. Ever-increasing portions of this money are being directed at monitoring and enforcing the 55-mph speed limit. Currently NHTSA requires annual reports from all of the states on every type of road: interstate highways, urban and rural; multi-lane divided and undivided roads, urban and rural; federally aided primary roads, urban and rural; plus summaries of average speeds on these roads, median speeds, 85th-percentile speeds, and the ratios of traffic exceeding 55, 60 and 65 mph.

And now the DOT is demanding that such reports be made quarterly, hence four times the expense.

The FHwA, which heretofore required only "representative" speed data, now wants measurements for *all* traffic—a task so monumental that government spokesmen admit, "technology for this calculation is not presently available." When and if the technology becomes available, certain states with lower traffic densities (no freeway rush hours, for example) are virtually certain to fail the federal guidelines on compliance, for which the penalty is the loss of a portion of 402 funds. This will have the ironic effect of curtailing safety improvements on the affected state's highways.

California's Department of Transportation estimates that federal enforcement guidelines will increase its administrative costs from $20,000 at present, to more than $200,000.

Another cost attributable to the Nmsl is its impact on truckers. Although trucks, like cars, get better mileage at lower speeds (assuming proper final-drive ratios), the savings in fixed, per-mile costs at higher speeds outweigh the added expense of fuel. A recent report from an office of the Department of Agriculture revealed that while a 33-percent improvement in fuel consumption reduced a trucker's per-mile expense about 3.5¢, triple that savings resulted from an increase in speed of 10 mph.

All of this suggest that, even if total compliance with the Nmsl were achievable, the maximum benefits would be less than the costs involved.

Total compliance appears highly unlikely. In spite of large infusions of manpower and money during the past six years, noncompli-

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Footnotes at end of article.

ance is widespread and rising. According to official estimates, more than half of all traffic on roads with the Nmsl now exceeds 55 mph. An estimated 70–80 percent of all drivers do so at least some of the time. The average speed of traffic, which fell 7–10 mph during the initial gasoline crisis—and again during shortages last year—has risen steadily at all other times. Eighty-fifth percentile speeds, which have special value as indicators of traffic behavior in general, are consistently above 60 mph—as high as 68 mph in some places.

Meanwhile, arrests nationally for speeds in excess of the Nmsl have risen from 5.7 million in 1973, to more than 8 million this past year, to no apparent effect.

Lowering the average weight of the passenger car fleet 1000 lb per car will save several times as much gasoline as the 55-mph speed limit purports to save; slightly higher tire pressures and more frequent tuneups would be more effective (there is, of course, some cost involved with tuneups); and, considering that radial tires improve mileage 3–5 percent, it would be cheaper and more effective to give a set to every driver who doesn't presently use them than to persist with the current unpopular impractical program.

55 MPH AND SAFETY

One of the most significant consequences of the Arab oil embargo was a dramatic decline in traffic accidents and deaths. During 1974 there were some 230,000 fewer accidents than the previous year, a reduction of nearly 4 percent. Highway[4] fatalities dropped 16 percent as compared to 1973—from 54,600 to 46,000—and the death rate per 100 million vehicle miles fell from 4.3 to 3.6. Supporters of the Nmsl were quick to credit lower speeds for such changes.

"At least 66 percent of the fatality reduction is directly attributable to the 5-mph speed limit," the DOT announced, adding that on the basis of its studies, "4500 to 6000 lives have been saved each year as a result."

Other members of the safety establishment, while assigning a smaller percentage of the improvement to the new speed limit, agreed generally with this assessment. The few dissenters were criticised as much for their motives as for their findings; average speeds had decreased at the same time accidents had decreased, a cause-effect relationship was presumed.

There were other causes, however. Fewer vehicle miles because of gasoline shortages and higher prices[5] meant less overall exposure, hence fewer accidents. Increased driver awareness played a role, though no one could say how much of one. And some technological improvements, such as added miles of interstate highway; increased use of radial tires; the advent of better safety belts and the belt-ignition interlock, etc., also contributed. What wasn't understood at the time was how great the cumulative effect of these changes would be.

It is now clear that they account for virtually the entire gain in highway safety during and after the gasoline crisis of 1973–1974. Although no exact statistics exist, and the estimates vary all the way from 4 percent (California) to 12 percent (North Carolina), most authorities concur in a 5 percent overall mileage reduction. While this isn't much, it had greater significance because of the *kinds* of driving most affected. Night driving decreased more than daytime; rural driving more than city driving; and weekend and holiday traffic was hardest hit of all. A typical case was Iowa, where mileage dropped only 6–8 percent on rural roads during weekdays, but fell 25–30 percent on weekends.

Inasmuch as the kinds of driving most affected by the gasoline crisis also are associated with the highest accident rates (alcohol abuse, driver fatigue and anti-social driving all are at their peaks), reduced mileage accounted for about 30 percent of the reduction in fatalities during first-half 1974.[6] This calculation takes into account lighter traffic density (a factor missed by several authorities) which is a well established corollary of accident rates. In fact, top officials at the California Department of Transportation are worried by evidence that, "Density remains the most reliable indicator of accident incidence."

A second major change in conditions during late 1973 and early 1974 was the alteration in driver attitudes. Although difficult to quantify, the effects of this heightened awareness were manifested in two ways. Average speeds began to drop before the Nmsl was passed—reaching their lowest level in January before major enforcement began; and during this period speeds decreased on *all* roads, not just those posted for the lower limit.

Statistics show that voluntary actions produced the greatest gains in safety.

The death rate, having reached its lowest level in history between October 1973 and January 1974, began rising simultaneously with the enforcement of the Nmsl. It increased still further as normal gasoline supplies were restored and the Arab embargo ended.

Although reduced nonessential driving and heightened driver awareness were responsible for most of the safety improvement through first-half 1974, a third influence was at work. This was the evolutionary trend to greater traffic safety, a tendency that has continued, and American highways have become consistently safer for the past half century.

Between 1925 and 1975 the death rate declined from 19.0 to 3.4—an improvement of roughly 3.5 percent per year—while highway speeds rose with equal consistency. This agreement between greater speed and greater safety was achieved through consistent, rational improvements in the highway environment: everything from better median dividers, energy-absorbing barriers on bridge abutments and breakaway light standards, to the refinement of 3-point safety belt systems.[7]

Fifty years of traffic history suggests that the death rate would have declined by some amount with or without a fuel crisis, and with or without a 55-mph speed limit. Washington, D.C.-based safety advocate Roger Johnson has noted, "Following a sharp decline in fatality rates from 1973 to 1974, actual rates gradually approached predicted rates until, in 1978, they exceeded predicted rates".

It is apparent from Table 3 that, while voluntary speed reductions were associated with minor improvements in safety at the beginning of the fuel crisis, the National speed limit *per se* had little or no impact. This finding is consistent with all that is known about proper speed zoning, the underlying principle of which was set forth in a pamphlet by the Southern California Automobile Club: "Generally speaking, traffic laws that reflect the behavior of the majority of motorists are found to be successful [while] laws that arbitrarily restrict the majority of drivers encourage wholesale violations, lack the public's support, and usually fail to bring about desirable changes in driving behavior. This is especially true of speed zoning."

The 85th Percentile

Speed limits that "reflect the behavior of the majority" are determined by the 85th percentile method. Traffic is monitored and speeds recorded for a section of road where prima facie speed limits are desired; the speed that 15 out of every 100 cars exceed, and that the other 85 travel at or below, is the 85th percent speed. Speed limits normally are set 5 mph below this figure.

This technique is founded on an observation made some 25 years ago by Matthew C. Sielski, a traffic engineer for the Chicago Motor Club. On the basis of extensive studies of accidents along selected midwestern highways, Sielski determined that, "Most motorists drive at a reasonable and proper speed, and are capable of recognizing conditions that warrant lower speeds."

Practical experience has borne out this conclusion. Where observations are made along unposted roads with no concealed hazards, cars traveling at the 85th-percentile speed have been found to have the fewest accidents; statistically, a car traveling this speed is 5–6 times less likely to crash than one driving 5–10 mph *below* the posted limit.

The effect of posting speed limits at or near the 85th percentile is to reduce the number of accidents occurring on that road; it reduces them whether the previous limit was *above or below* the 85th percentile speed.[8] But this invaluable implement of highway safety cannot be applied on freeways, parkways, interstate highways and other limited-access roads where the consequences of crashes are most severe, until the federal formula is withdrawn and decision-making powers are returned to local jurisdictions.

In the meantime, the ability of local agencies to provide effective traffic management is being hampered by federal requirements. Officers have many responsibilities in addition to enforcing speed limits; assisting at the scene of accidents, fires and public disturbances; arresting drunk and aggressive drivers; aiding stranded motorists; identifying hazards and patroling high-risk areas, and much more. Yet, in order to meet the DOT schedule for increased compliance with the Nmsl, police have been forced to pull out of high-risk areas on weekends and holidays, in order to patrol freeways and interstate highways where the risk of an accident is lowest.[9]

In Oregon, for instance, state police now devote one-third of their time to patroling freeways, where only 6 percent of that state's traffic fatalities occur. Better than 53 percent of the arrests made are for exceeding the Nmsl, even though that act is considered a minor cause of accidents. Oregon authorities have calculated that the "direct increase in enforcement cost in terms of officer patrol on freeways . . . amounts to $1,382,971 annually because of the 55-mph basic rule."

An analysis by the California Highway Patrol has shown that speed-caused accidents resulted in 30 percent of all fatalities in that state; "Thus 70 percent of all fatalities resulted from causes other than speed, an indication that enforcement concentration on speed violations alone would not be consistent with the demonstrated accident problem."

In North Carolina, the Highway Safety Research Center (HSRC) ran a statistical comparison of the leading causes of traffic accidents, versus the number of traffic tickets issued for each of those actions, attempting to determine the appropriateness of enforcement. Here is a partial listing of the result.

"There is an enormous mismatch between enforcement practice and . . . crash involvement," the HRSC researchers concluded.

R&T RECOMMENDS

This mismatch is likely to continue until popular misconceptions about the relationship between speed and accidents are corrected. For example, traffic engineers now know that speed is the primary causal factor in only 4–6 percent of all accidents—speed in this case meaning "too fast for conditions," not merely "exceeding posted limits." Yet crackdowns on speeding—particularly on open, lightly traveled highways with the lowest accident rates—continue to be a favorite tactic of many officials and politicians.

There is no question that speed intensifies the likelihood and severity of injuries when accidents do occur; but an equally well established tenet of 20th century transportation is man's decision to travel faster than he can afford to crash. Under such circumstances there is more to gain from eliminating the causes of accidents than from the effort to impose Speed Prohibition.

The 85th percentile is not only the best known method for setting realistic speed limits, it has the added advantage of increasing the overall proportion of traffic traveling within the pace (the 10 mph range in which the highest percentage of traffic moves). It is an established fact that fewer accidents occur when the greatest number of cars are traveling within the pace. Another important factor is that vehicle fuel economy would benefit from a smoother flow of traffic.

Accordingly, R&T recommends the following:

1. Immediate repeal of the 55-mph National maximum speed limit. State legislators must be urged to take action in the true interests of highway safety;

2. Reallocation of funding from the Highway Safety Act of 1978 to increase the use of the 85th percentile in setting prima facie limits on all roads, and for identifying and eliminating concealed road hazards;

3. Federal aid to expand and implement the concept of Traffic Management By Objectives, in which the primary objective is the reduction of accidents and the saving of lives;

4. Considering the profound effect they have had on society and the market place, continued implementation of the federally mandated Corporate Average Fuel Economy (CAFE) standards as the most productive approach to fuel economy savings.

FOOTNOTES

[1] Title 23, section 402 of the U.S. Government Code. Such terms as "402 money," "federal highway funds," etc. refer to what amounts to revenue sharing as applied to gasoline taxes.

[2] The President initially called for a 50-mph limit, possibly suggested by an oil company ad campaign in May which featured the slogan, "50 is thrifty." Congress raised the final figure to 55.

[3] See "Where Has All the Gasoline Gone?" R&T, July 1979.

[4] Traffic statistics, which vary according to source, are rounded for purposes of this discussion.

[5] The cost of a gallon of regular gasoline rose from 35–40 cents in December 1973, to above 60 cents in April 1974.

[6] In North Carolina, where accidents and deaths were down 10 percent and 22 percent respectively, it was determined that both reductions were due "primarily to decreases in rural, weekend accidents."

[7] The major contributor to highway deaths which is sometimes obscured by the government's emphasis on 55-mph enforcement, has been and continues to be the drunk driver.

[8] It may be that the only identifiable benefit of the 55-mph speed limit was on roads with hidden hazards, where posting had been set dangerously high.

[9] The death rate on rural interstate highways in 1979 was about 1.6, as opposed to 3.3 for all roads.

Footnotes at end of article.

SPEED LIMIT SURVEY: RESULTS OF THE R&T SPEED LIMIT QUESTIONNAIRE

More than 20,000 Speed Limit Questionnaires have been received from the April and May 1980 issues of R&T. In addition to answering the 25 questions (some of them multiple part) in the survey, most respondents added extensive comments on such subjects as safety, fuel conservation and traffic enforcement. All in all, the questionnaire prompted an impressive demonstration of the interest most drivers feel in the 55-mph National maximum speed limit (Nmsl).

Although several other surveys have been performed by the National Highway Traffic Safety Administration and law enforcement agencies—all purporting to show widespread popular support for the 55-mph limit—such findings are sharply at odds with observed traffic speeds.[1]

R&T's sampling, in addition to providing the largest data base of any such survey to date, also is the first to be performed on a knowledgeable, well informed segment of the driving public. It may be no coincidence, then, that the results are highly compatible with actual highway experience.

This is not to claim that the R&T survey is unbiased, or that it represents the viewpoint of the "average" motorist. The personal data obtained from questionnaires indicates that most respondents are above average in income, education and driving experience. Just over half (54 percent) reported earnings of between $20,000–$50,000 per year; one-third said they earned $20,000 or less; the top 14 percent have incomes of $50,000 per year or better.

The sample group is well educated, 55 percent having been to college, and 32 percent reporting graduate school experience.

The mean age of respondents is 32, with three-quarters of the total vote coming from those between ages 25 and 55. Only 1 percent of the participants are under 18, and 2 percent are over age 60.

Most are relatively high-mileage drivers: Only 9 percent drive less than 10,000 miles per year; 48 percent drive 10,000–20,000 miles/year; 36 percent 20,000–40,000 miles/year; and the top 6 percent log more than 40,000 miles annually.

By cross referencing the respondents' personal data with their answers to key survey questions, it's possible to arrive at interesting, often intriguing, conclusions. Such as:

The two age groups most *opposed* to repealing the 55-mph Nmsl are drivers under 18 years—or above age 60.

The more education a motorist has, the less likely he is to agree that "55 saves" lives or fuel.

The more experienced a driver is, the more he disagrees with the statement "Speed kills."

THE KEY QUESTIONS

One of the goals of the Speed Limit Questionnaire was to sample reader opinion prior to and after the publication of "The 55-mph Myth."[2] John Tomerlin's in-depth study of the national speed limit. Identical questionnaires, except for color-coding for identification, were run the month before and the month of the article. April brought approximately 14,000 responses, while May resulted in an additional 6000 completed questionnaires; there was minimal overlap in "before" and "after" balloting, so that it was possible to determine how, and how much, opinions were influenced by the information contained in the Tomerlin article.

It's apparent from the results that the article had major impact. Although a majority of replies in April indicated skepticism of the Nmsl's life-saving potential, this tendency was far more pronounced in May, as shown by the answers to Question 1:

[In percent]

	April	May
Do you think the 55-mi/h speed limit saves lives?		
Yes	30	21
No	63	75
Don't know	7	4

Not only did the Nmsl's credibility sink by nearly one-third after readers were presented with the facts, the number of undecided votes fell by an even larger percentage factor.

Both changes are more than large enough to be considered "significant," in the language of statisticians.

Also quite significant is the fact that respondents' belief in "55 saves lives" is inversely proportional to the amount of driving they do. Those who drive 10,000 miles/year or less answered yes 32% of the time to Question 1; only 16% of motorists who drive 40,000–50,000 miles/year agreed to the safety value of the Nmsl.

Those surveyed are more ready to believe that the 55-mph limit saves some fuel than that it saves lives. April opinion is almost evenly divided on the question—a situation that changed drastically after a discussion of the subject in "The 55-mph Myth." The answers to Question 2 were:

[In percent]

	April	May
Do you think the 55-mi/h speed limit saves fuel?		
Yes	46	32
No	48	63
Don't know	6	5

As in Question 1, the more experienced drivers are less convinced of the benefits of the Nmsl than low-mileage drivers. About 48 percent of those who reported driving 10,000 miles/year or less think 55 mph saves them fuel, a figure that dropped to 40 percent for those who drive more than 10,000 but fewer than 40,000 miles/year, and plunged to 26 percent for those who drive 50,000 miles/year or more.

In light of the above, it could have been expected that a majority of those surveyed would be in favor of repealing the 55-mph national speed limit. But the responses to Question 3 brought a surprise: Far more respondents voted to *repeal* the Nmsl than had questioned either its fuel conservation or safety benefits. The totals on Question 3 were:

[In percent]

	April	May
Do you think the 55-mi/h speed limit should be repealed?		
Yes	85	89
No	12	9
Don't know	3	2

Part of the explanation for such lopsided sentiment in favor of repeal is that, while many feel the Nmsl might save some lives or fuel, most believe there are better ways to produce this result than with massive federal intervention. Many feel that the savings obtained are measurably less than the disadvantages entailed, as in such "additional comments" as:

"I believe the speed limit has saved lives and fuel, however not in sufficient amounts to justify the other costs." Or,

"Fifty-five could save some lives, but getting drunk drivers off the road could save many more." Or,

"As an energy-conscious motorist, I feel the government has overstepped its moral and constitutional grounds."

NONE OF THE ABOVE

It is clear again in the answers to Question 3 that "miles driven" has an important influence on voter opinion. The smallest plurality in favor of repeal is the 10,000 miles/year-or-less group at 75 percent. This margin rises steadily with higher mileage, reaching an astonishing 98.6 percent for repeal among those who drive as much as 40,000–50,000 miles.

As mentioned earlier, when broken down

[1] Official speed surveys show that the majority of traffic now exceeds 55 mph, with 70–80 percent of motorists doing so at least part of the time.

[2] R&T, May 1980.

by age groups, those who oppose repeal of the Nmsl most frequently are below age 18 (25 percent "no") and from age 60–64 (32 percent "no"). Those strongest in favor of repeal according to age are:

[In percent]

	For repeal	Opposed
Age:		
18 to 24	85	8
25 to 29	89	9
30 to 34	86	12
35 to 39	91	7
40 to 44	91	7
45 to 49	84	14
50 to 54	85	11
55 to 59	77	22

(With the difference from 100 percent being "Don't Know").

Many readers learned of the 85th percentile method of setting speed limits from "The 55-mph Myth." According to the California Department of Motor Vehicles, "Speed limits established on this basis conform on the consensus of those who drive the highway as to what speed is reasonable and safe, and are not dependent on the judgment of one or a few individuals."[*]

Speed limits set by the 85th percentile result in a more orderly flow of traffic and fewer accidents—a fact that has been withheld from the public by NHTSA, presumably in order to protect the 55-mph speed limit, which is in direct conflict with it. This lack of information probably explains why only 13% of those surveyed in April checked "always" in answer to Question 4: *How often should the 85th percentile principle be used to set speed limits?*

In May, the vote for "always" soared to 31%, reflecting an enormous 130% increase in approval for this known life-saving technique.

Question 6 revealed a sizable loss of confidence in the job being done by the DOT and NHTSA in the areas of vehicle safety, highway safety and fuel conservation. Assessments of federal efforts are highest in the first department, vehicle safety, probably in recognition of several worthwhile mechanical improvements mandated in recent years. The government does less well with respect to highway safety, and poorest of all in the matter of fuel conservation. A summary of results in the three categories of Question 6 looks like this:

[In percent]

	April	May
Has the DOT/NHTSA made a worthwhile contribution to:		
Vehicle safety?		
Yes	44.5	41
No	36.5	43
Don't know	19.0	16
Highway safety		
Yes	32.5	33
No	42.5	47
Don't know	25.0	20
Fuel conservation?		
Yes	13.0	10
No	65.0	73
Don't know	22.0	17

Reductions in the "don't know" column are large enough to account for the vote shift indicating that the DOT/NHTSA has not improved either vehicle safety or highway safety between "April" and "May." Interestingly, a substantial number remain undecided on both questions.

There is less ambiguity about fuel conservation, where a large majority find the DOT/NHTSA contribution—and presumably that of the Nmsl—to be unsatisfactory.

[*] *State of California Traffic Manual*, DOT, 1977.

OUR READERS GET INVOLVED

Participants in the speed limit survey are willing to do more than complain about the poor performance of government. When asked if they would be willing to pay a 50¢/gal. tax on gasoline with proceeds going to (a) "develop alternative fuels," or (b) "develop mass transit systems," an impressive 23 percent voted for one or the other of these programs.

Another 20 percent show support for "total decontrol of crude oil and pump prices," with a like number indicating a preference for "more car pooling." Least popular are "coupon rationing," 6 percent; "odd-even rationing," 4 percent; and "government takeover of the oil industry," 3.4 percent.

Significantly, the least popular choice of all is "no action," with less than 2 percent of the vote; while "other solutions" command 22 percent, the largest total in any single category. Some recommended solutions are: "Eliminate EPA regulations" . . . "Tax cars with poor fuel economy" . . . "Reduce registration fees for fuel-efficient cars" . . . "Abolish DOE (DOT . . . NHTSA . . . etc.)" . . . "Personal conservation efforts," and, perhaps the most intriguing suggestion of all, "Phase out replacement parts for older model gas-guzzlers."

A similar independence of thought emerges in regard to the role of speed in accidents. Readers show little confidence in the dangerous but popular oversimplification, "Speed kills," and reject it by an even larger margin after learning (in "The 55-mph Myth") that speed is a primary cause in only 5 percent of all fatal accidents. The complete vote on this question (No. 9) was:

[In percent]

	April	May
Is speeding a major contributor to traffic accidents?		
Yes	22	15
No	71	80
Don't know	7	5

On closely related Question 18, *How responsible was the 55-mph limit for the 9000 fewer traffic deaths in 1974?* there was a significant shift in votes following "The 55-mph Myth." Whereas 12% of April responses find the Nmsl "mostly" responsible, only 8% credit it this highly in May. Fifty percent of April balloting gives the Nmsl "some" credit, compared to 44% in May; but the big swing is in the number of voters who say the speed limit is "not responsible" for the reduction in deaths. In April, 38% said "not responsible"; in May, the tally rose to 48%.

Major concern was expressed in "The 55-mph Myth" over the deterioration in relationships "between federal and state governments, between legislators and their constituents, and between the public and their law enforcement officials. . . ." Responses to Question 19 indicate that voters are aware of both the problem and its causes. A large majority, 71% in April and 77% in May, say that relations between police and drivers are "worse." About 25% think there has been "no change," while only 1% believe relations have "improved."

It isn't necessary to look very far for the reason for poorer relations. Readers who think speed enforcement has increased had their suspicions confirmed in "The 55-mph Myth." The answers to Question 17 reflect this heightened awareness:

[In percent]

	April	May
Since the 55-mi/h speed limit was instituted, do you think enforcement has:		
Increased slightly?	27	27
Increased greatly?	38	49
Decreased?	17	12
Not changed?	18	12

In spite of greatly increased enforcement, more motorists are disregarding the Nmsl than ever before. Survey respondents show that they are well aware of this fact in their answers to Question 7: *Does the 55-mph speed limit encourage disobedience of the law?* An overwhelming majority affirmed John Tomerlin's assertion that the Nmsl has "created a nation of scofflaws." More than 85% in April—and 88% in May—answer yes to Question 7; 11.5% and 8%, respectively, say no, with about 3% undecided.

To the directly related Question 8: *What percentage of the public do you think disregards the 55-mph speed limit?* the majority of voters (60%) indicate their belief that most drivers now break the law. Another 20% of those taking part in the sample think the level of disobedience is even higher: all the way up to 100%.

Respondents appear to be quite candid in assessing their own driving habits. Replies to Question 10, essentially unchanged between April and May, are:

[In percent]

	April	May
Did you obey highway speed limits before the 55-mi/h limit was instituted?		
All the time	7.5	7
Most of time	67	66
Some of time	23	24
Never	2.5	3

The majority—54% in April and 52% in May—say they normally drive 55–65 mph on limited-access highways; between one-quarter and one-third say they go 65–75 mph, while only 4% from each sample claim they "usually" drive faster than 75 mph. (Less than 1.5% say they drive slower than 55 mph.)

How many people "usually" stick to the federally sanctioned 55 mph? Of these 20,000 motorists, the answer is less than 7%.

HOW DO R&T READERS DRIVE?

A more detailed picture of the driving habits of those who participated in the survey emerges from Question 12. With responses virtually unchanged in April and May, a substantial majority—58%—say they exceed the Nmsl "most of the time."

Those who exceed 55 mph "some of the time" tally 23%; 17% drive faster "all the time," and only 2% claim never to exceed the limit.

Driving speed proved to be the most age-sensitive category in the questionnaire. When Question 24, "age," was cross referenced with Question 10, "obey the 55-mph speed limit," the results were those shown in Table 1.

TABLE 1.—AGE VERSUS EXCEED 55-MI/H LIMIT

[In percent]

Exceed 55	All of the time	Most of the time	Some of the time	Never
Age group under 18	18	41	23	18
18 to 24	11	64	21	4
25 to 29	7	67	23	3
30 to 34	5	67	26	2
35 to 39	4	65	27	4
40 to 44	6	66	25	3
45 to 49	9	69	20	2
50 to 54	10	74	14	2
55 to 59	9	66	25	0
60 to 64	18	68	14	0
65 plus	0	81	19	0

The distribution on this table is symmetrical and self-consistent, conforming closely to several commonly accepted indicators of traffic behavior. Although those under 18 are under-represented in this survey, it is ominous to note this group's extremely high ranking, both in full compliance and total rejection of the Nmsl. What this means in terms of future attitudes toward safety and traffic authorities should be a matter for concern.

There is, as might be imagined, a certain lack of enthusiasm for stiffer fines or penalties for violating the Nmsl. Question 14 asked: *How many convictions for this offense should be grounds for losing one's license?*

Balloting shows some tolerance (28% of the answers) for 2 convictions, but none at all for any lesser number. By far the most frequent response to this question—63% in April and 71% in May—is for "other," with agreement that Nmsl violators should not be penalized at all but drunk or reckless drivers should pay the full penalty of the law, while others should be excused.

Few are in favor of punishing Nmsl offenses by adding points to licenses—only 16%—while 80% prefer a fine but no points. The amount of fine most voters suggest would not please the authorities, though: more than one-third of the returns name $5 as the appropriate penalty, while another 28% prefer a warning or suggest fining gas-guzzlers but not fuel-efficient cars. There is scattered support, about 17% in each case, for fines of either $10 or $25, but little acceptance for any higher penalty.

In fact, about the same number of votes (8%) are cast for fines larger than $25 as there are readers who claim never to exceed the Nmsl. . .

WHO IS IN FAVOR OF 55?

Opinions on what constitutes a safe and reasonable speed on freeways, thruways, interstates and other limited-access highways vary widely. Given the size of the sample, this diversity could be expected; what had not been anticipated is the decisive plurality in favor of setting speed limits—both urban and rural—according to "conditions."

The popularity of setting limits as a consequence of actual road conditions increased radically, statistically speaking, after publication of "The 55-mph Myth" (see Table 2).

TABLE 2

[In percent]

	April		May	
	Urban	Rural	Urban	Rural
Preferred speed limit on limited-access highways should be:				
45 mi/h	1.5	0.5	1	0.5
55 mi/h	20.5	7.0	16	6.0
65 mi/h	20.0	13.0	16	7.0
70 mi/h	8.0	16.0	6	15.0
75 mi/h	2.0	10.5	2	10.0
80 mi/h	.5	4.5	———	1.0
Unlimited	1.5	11.0	1	10.0
Set according to conditions	44.0	34.0	56	48.0
Other	4.0	4.0	2	.5

It is interesting that the 6–7 percent who favor a 55-mph speed limit on "rural" highways is the same percent saying it "always" obeyed the speed limit in Question 8. Here, as in other respects, the responses to the R&T "Speed Limit Questionnaire" show an impressive inner consistency.

Given the size of the sample and the obvious lack of widespread support for, or acceptance of, the 55-mph speed limit, it seems reasonable to ask: Who still supports it? Part of the answer may lie in the fact that, as has been seen, attitudes toward the Nmsl are highly "age sensitive." In all major categories, "saves lives," "saves fuel," "should be repealed," the older the respondent, the more likely that he/she will support the 55-mph speed limit.

And, of course, those who make the laws in this country tend to fall into the higher age brackets.

Many people will study this survey and be satisfied to know where they rank in the broad spectrum of opinion represented, or to learn what the majority of drivers think or do. For those with a professional interest in traffic safety, the data may be of even greater interest. For there are answers implicit in this study to such crucial questions as: Is the 55-mph National maximum speed limit working to save fuel or lives? (It is not.) What are the prospects for imposing the Nmsl by force on an intelligent and informed public? (Virtually nonexistent.) Are there better means for saving energy and improving safety than a national speed limit? (An overwhelming majority believes there are.)

Whether the answers are taken to heart by those in positions of authority is another question.

Mr. President, I quarrel here, not so much with the merits of the 55-mile-per-hour speed limit, but with the argumentation it produces. I suggest that we rid ourselves of this burden, and return the right of setting maximum speed limits to the States.

I ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 54

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 141 of title 23, United States Code, is amended—

(1) by striking out subsection (a);

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively; and

(3) by striking out "subsection (b)" in paragraphs (1) and (2) of subsection (a), as redesignated by clause (2) of this subsection, and inserting in lieu thereof "subsection (a)".

(b) Section 154 of such title is repealed.

SEC. 2. The amendments made by the first section of this Act shall become effective as of October 1, 1980.

By Mr. HAYAKAWA (for himself and Mr. DECONCINI):

S. 55. A bill to establish provisions governing the day and time for the election of electors of the President and Vice President; to the Committee on Rules and Administration.

S. 56. A bill to establish provisions governing the day and times for the election of electors of the President and Vice President; to the Committee on Rules and Administration.

S. 57. A bill to establish temporary provisions governing the day and times for the elections of Senators, Members of the House of Representatives, and electors of the President and Vice President; to the Committee on Rules and Administration.

S. 58. A bill to restrict the release of results from Presidential elections until all the polls are closed; to the Committee on Rules and Administration.

LEGISLATION RELATING TO ELECTION DAY AND TIME FOR CLOSING OF POLLS

Mr. HAYAKAWA. Mr. President, on election day, November 4, 1980, while many people in our Western States were waiting to cast their votes for our country's next President, word was received that President Carter had conceded the election to Ronald Reagan. A great many of these potential voters turned around and went home.

Several Members of Congress may have lost their bids for reelection because those people failed to vote.

One of the most important privileges we Americans have is the right to cast a vote for our choice of candidates for the office of President. The results of that race often have a substantial effect on the races for the House and Senate, which are decided on the same day. The practice of projecting the Presidential winner on the basis of 1 or 2 percent of the returns certainly does not create a climate which best insures a fair election and maximum participation in the election process. But at present we find the press telling us who has won the Presidential race after receiving only a tiny fraction of the actual returns.

Part of our problem this past election day came from the polls taken by the television networks of voters who had just finished casting their ballots. We cannot prevent the press from taking this kind of poll, nor can we stop them from making predictions based on such a poll. But we can keep the press from having access to any actual election results until everyone has had the opportunity to vote. At least in this way each voter would be assured that early predictions were based only on conjecture.

I wish the news media were willing to curtail their own guesswork activities and join us in the attempt to encourage every voting age citizen to participate in the election process. However, what we have today is a race between the major television networks which has overshadowed the importance of the race for the Presidency.

Our problems November 4 were not new; we first had trouble when early election results were broadcast in 1960. In the years since 1960 several bills have been introduced in Congress to deal with the problem, but a solution has never been enacted. It is time we woke up and faced the reality of the situation; it is time to enact a solution.

Because of the seriousness of this problem, on November 18 I offered not one, but four different proposals for a solution. Today my colleague from Arizona and I are reintroducing those bills. Each one provides the means to make the results from the Presidential race available at the same time across the country. We are offering four different measures in order to insure that the possible solutions are each given thorough consideration, to insure that any potential problems are thoroughly aired, and to allow the selection of a solution which will best serve our country's needs.

Two of the bills set an hour for all the polls across the country to close simultaneously. Certain Western States would have additional voting hours on the preceding Monday evening to insure that all States have a total of 12 hours for voting. One proposal changes election day to Sunday, with all the polls opening and closing simultaneously. The remaining bill requires that the results of

the Presidential race be embargoed until all the polls across the country have closed.

Each of these bills offers a workable solution to the problem that we faced on November 4. We cannot allow the continuation of the current situation when it causes a person to turn away from the polls because his vote has become meaningless.

In recent years we have witnessed a declining number of the people who are eligible to vote make that simple effort. This is the only opportunity many people have to participate in their own governing process. This participation is guaranteed by our Constitution; it is up to us to insure that the guarantee is meaningful.

By Mr. BIDEN:

S. 59. A bill to amend the Congressional Budget Act of 1974 to terminate certain existing entitlement authority and prohibit new entitlement authority, to terminate certain existing permanent budget authority and prohibit new permanent budget authority, to provide that the new budget authority can be available for outlays only for a single fiscal year, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

CONGRESSIONAL BUDGET ACT AMENDMENTS OF 1981

● Mr. BIDEN. Mr. President, in its efforts to reduce spending, the Congress is always haunted by the uncontrollable spending in the Federal budget. These are a variety of programs that under existing laws spend money automatically, without any annual review or action by Congress. They do not depend on the annual review of the budget and appropriation process for their funds and thus these opportunities for control are lost.

The legislation I am introducing today seeks to bring this so-called uncontrollable spending under control. Controlling the uncontrollables would require that virtually all future actions that commit the Federal Government to spending must be approved in an appropriation bill. My bill would eliminate permanent appropriations that authorize spending forever with no further action by Congress. It would require that spending for each year be approved in an appropriation bill for that year—thus wiping out billions of dollars of authority to spend that carry over from year to year, bloating the Federal budget. It would not allow any money to be committed until it had been appropriated, bringing under control much backdoor spending through entitlements, loan guarantees, contract authority and borrowing authority. There are certain exceptions for social security programs.

Under this bill, each year there would be a congressional budget setting forth the major spending priorities, not just for the coming year but for 5 years. And it would no longer be inhibited by tagging certain expenditures as uncontrollable.

And then, the Appropriations Committees would go over the budget line by line. But now it would be the whole budget, all the new spending for the next year. And they could cut almost anything. Obviously, we would normally want to honor previous commitments and ongoing activities, but we would now have the option of bringing them to a halt. This is no panacea. It alone will not balance the budget. But combined with other spending reforms, it will accomplish much toward reducing Federal spending and holding down inflation.

Just two statistics, Mr. President, can demonstrate the fiscal problem that uncontrollable spending presents. Although the problem is not new, it is certainly growing larger. At the beginning of this decade, the uncontrollable spending in the 1970 budget was estimated at 64 percent of the total. In dollars, this uncontrollable spending represented about $125 billion. The 1981 budget, which will start the next decade, is expected to be inflated by about $500 billion in uncontrollables, more than 75 percent of the total budget.

The problem of Federal budget control is summed up well in a paragraph from a study prepared for the House Budget Committee by Allen Schick of the Library of Congress. Entitled, "Congressional Control of Expenditures" it comments on the loss of congressional control (page 61):

Over the years, Congress has lost bits and pieces of budgetary control through an assortment of legislative and executive actions. An expedient in one case establishes a precedent for another. Whatever the special circumstances which justified the first use of a new practice, it is hard to resist later extensions to other situations. If already existing experiences cannot be extended to new circumstances, legislative or executive minds will fertilely devise new ones. Under the stress of spending pressures, isolated fissures in the wall of budget control merge into massive gaps, undermining the ability of Congress to govern the purse.

The issues surrounding budget control of Federal spending are complex, as is the law governing it. Budget control is an important issue, particularly in these days of high deficits and high inflation. However, in enacting legislation Congress is almost always seeking other goals in addition to cost controls. Clearly, the Federal Government must meet its contractual obligations and pay the interest on its debt. It does not want retired persons to go through long periods of uncertainty as to whether pensions they had been promised will be forthcoming. It does not want to create massive uncertainty regarding Federal action among the business and financial communities. It wants local governments to be able to budget with some certainty as to Federal action affecting them. It wants to respond quickly to emergencies. But the Federal Government does not want these things to the point where it loses all control over its own financial destiny.

Congress has allowed the pendulum to swing too far toward certainty of Federal action, away from fiscal control and responsibility. It is time for a reasonable reversal. The Congressional Budget Act of 1974 was a major swing in the right direction. I believe that enactment of the bill I offer today will strengthen the operation of that legislation. I believe this bill, Mr. President, represents the next logical step toward more responsible Federal budgetary control.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 59

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Budget Act Amendments of 1981".

SEC. 2. (a) Title IV of the Congressional Budget Act of 1974 (2. U.S.C. 1351–1358) is amended by striking out section 401 and inserting in lieu thereof the following new sections:

"NEW SPENDING AUTHORITY

"SEC. 401. (a) NEW SPENDING AUTHORITY SUBJECT TO APPROPRIATIONS ACTS.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment which provides new spending authority unless that bill, resolution, or amendment also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

"(b) DEFINITIONS.—For purposes of this section—

"(1) The term 'new spending authority' means spending authority not provided by law on the effective date of section 2 of the Congressional Budget Act Amendments of 1981, including any increase in or addition to spending authority provided by law on such date.

"(2) The term 'spending authority' means authority (whether temporary or permanent)—

"(A) to enter into contracts under which the United States is obligated to make outlays, the budget authority for which is not provided in advance by appropriation Acts;

"(B) to incur indebtedness (other than indebtedness incurred under the Second Liberty Bond Act) for the repayment of which the United States is liable, the budget authority for which is not provided in advance by appropriation Acts;

"(C) to make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriation Acts, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by such law;

"(D) to insure or guarantee on behalf of the United States the repayment of indebtedness incurred by another person or government, the budget authority for which is not provided in advance by appropriation Acts; and

"(E) to obligate the United States by any other means to make outlays, the budget authority for which is not provided in advance by appropriation Acts.

"NEW PERMANENT BUDGET AUTHORITY

"SEC. 401A. (a) PROHIBITION OF NEW PERMANENT BUDGET AUTHORITY.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment which provides new permanent budget authority.

"(b) DEFINITIONS.—For purposes of this section—

"(1) The term 'new permanent budget authority' means permanent budget authority not provided by law on the effective date of section 2 of the Congressional Budget Act Amendments of 1981, including any increase in or addition to permanent budget authority provided by law on such date.

"(2) The term 'permanent budget authority' means budget authority provided for an indefinite period of time or an unspecified number of fiscal years which does not require recurring action by the Congress.

"NEW BUDGET AUTHORITY TO BE PROVIDED FOR SINGLE FISCAL YEAR

"SEC. 401B. It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment which provides new budget authority which is to be available for outlays therefrom during any fiscal year or other period after the close of the fiscal year for which such new budget authority is provided.".

(b) The table of contents in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by striking out the item relating to section 401 and inserting in lieu thereof the following:

"Sec. 401. New spending authority.
"Sec. 401A. New permanent budget authority.
"Sec. 401B. New budget authority to be provided for single fiscal year.".

(c) Section 303(a) of the Congressional Budget Act of 1974 (31 U.S.C. 1324(a)) is amended—

(1) by inserting "or" at the end of paragraph (2);

(2) by striking out "or" at the end of paragraph (3); and

(3) by striking out paragraph (4).

(d) Section 309 of such Act (31 U.S.C. 1330) is amended to read as follows:

"COMPLETION OF ACTION ON BILLS PROVIDING NEW BUDGET AUTHORITY

"SEC. 309. Except as otherwise provided pursuant to this title, not later than the seventh day after Labor Day of each year, the Congress shall complete action on all bills and resolutions providing new budget authority for the fiscal year beginning on October 1 of such year, other than supplemental, deficiency, and continuing appropriation bills and resolutions, and other than the reconciliation bill for such year, if required to be reported under section 310(c). The preceding sentence shall not apply to any bill or resolution if legislation authorizing the enactment of new budget authority to be provided in such bill or resolution has not been timely enacted.".

(e) Section 310(a)(1) of such Act (31 U.S.C. 1331(a)(1)) is amended—

(1) by inserting "and" at the end of subparagraph (A);

(2) by striking out "and" at the end of subparagraph (B); and

(3) by striking out subparagraph (C).

(f) Section 311(a) of such Act (31 U.S.C. 1332(a)) is amended by striking out ", providing new spending authority described in subsection 401(c)(2)(C) to become effective during such fiscal year,".

(g) Section 402 of such Act (31 U.S.C. 1330) is amended—

(1) by inserting "or provides new spending authority to become effective during a fiscal year" after "for a fiscal year" in subsection (a); and

(2) by striking out subsections (e) and (f).

(h) This section shall take effect on the first day of the Ninety-eighth Congress.

SEC. 3. (a) Title VI of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new section:

"TERMINATION OF CERTAIN SPENDING AUTHORITY AND PERMANENT BUDGET AUTHORITY; SINGLE-YEAR NEW BUDGET AUTHORITY

"SEC. 608. (a) Effective with respect to the fiscal year beginning on October 1, 1983, and succeeding fiscal years—

"(1) all spending authority (as defined in section 401(b)(2) of the Congressional Budget Act of 1974) which is provided by law on the effective date of section 2 of the Congressional Budget Act Amendments of 1981 shall be effective only to the extent that new budget authority therefor is provided in appropriation Acts;

"(2) all provisions of law providing permanent budget authority (as defined in section 401A(b)(2) of the Congressional Budget Act of 1974) shall cease to be effective for the purpose of providing such budget authority; and

"(3) new budget authority which is provided for any fiscal year shall not be available for outlays therefrom after the close of such fiscal year.

"(b) EXCEPTIONS.—

"(1) Paragraph (1) of subsection (a) shall not apply to spending authority described in section 401(b)(2)(C) provided by the Social Security Act on the effective date of section 2 of the Congressional Budget Act Amendments of 1981.

"(2) Paragraph (2) of subsection (a) shall not apply to permanent budget authority (as in effect on the effective date of section 2 of the Congressional Budget Act Amendments of 1981) for—

"(A) payments to or from a trust fund established by the Social Security Act, but only to the extent provided by such Act on such effective date;

"(B) payments of interest on obligations constituting a part of the public debt of the United States; or

"(C) payments of refunds of internal revenue collections, but not including payments to any person in excess of his tax liability under the internal revenue laws.".

(b) The table of contents in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting the following after the item relating to section 607:

"Sec. 608. Termination of certain spending authority and permanent budget authority; single-year new budget authority.".

SEC. 4. (a)(1) Clause 1(b)(4) of rule X of the Rules of the House of Representatives is amended to read as follows:

"(4) The extent or amount of spending authority (as described in the Congressional Budget Act of 1974) that is to be effective for a fiscal year.".

(2) Clause 4(a) of such rule is amended by striking out subparagraph (2).

(b) Paragraph 1(b) of rule XXV of the Standing Rules of the Senate is amended by striking out subparagraphs 3 and 4 and inserting in lieu thereof the following:

"3. The extent or amount of spending authority described in section 401(b) of the Congressional Budget Act of 1974 that is to be effective for a fiscal year.".

SEC. 5. Sections 2 and 4 of this Act (and the amendments made by such sections) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.●

By Mr. BUMPERS:

S. 60. A bill to establish competitive oil and gas leasing and modify leasing procedures for onshore Federal lands; to the Committee on Energy and Natural Resources.

FEDERAL OIL AND GAS LEASING ACT OF 1981

● Mr. BUMPERS. Mr. President, today I am introducing S. 60, a bill which will reform the Federal onshore oil and gas leasing system.

This bill is identical to S. 1637, which was favorably reported out of the Senate Committeee on Energy and Natural Resources in the 96th Congress. It is designed to assure a fair return to the public for development of its resources, reduce speculation, assure diligent development of oil and gas leases, and simplify leasing procedures to promote rapid development of oil and gas on Federal lands.

Under the existing system, only about 3 percent of Federal leases are sold competitively. Regardless of the fair market value of the tracts, the remainder are sold noncompetitively for an annual rental of $1 an acre for 10 years without any obligation to drill. In 1979 the Department of Interior issued only 319 leases covering 62,606 acres competitively. In the same year, 10,530 leases covering 12,980,128 acres were leased noncompetitively.

Noncompetitive leases are issued in two ways. Lands which have never been leased for oil and gas are leased to the first person filing an application. Lands which have been previously leased for oil and gas are available through a filing system which treats all applications filed within a certain period as having been filed simultaneously. The winner of the lease is chosen by lottery. Both systems are subject to the Secretary of the Interior's discretion not to lease at all.

Last year, the Secretary of Interior suspended oil and gas leasing on Federal lands because a Justice Department investigation disclosed fraudulent activity in the lottery and the over-the-counter systems on a scale never imagined by some of the most persistent critics of the existing system. Although noncompetitive leasing will be resumed later this month under new regulations, fraudulent activities are likely to continue until these valuable resources are sold on a competitive basis.

An egregious example of the problem with the current system occurred in the summer of 1979 when the Department leased over 30,000 acres in Fort Chaffee, Ark., for only $1 an acre. The acreage was in the middle of a known gas field, land already producing gas. In testimony before the Senate Subcommittee on Energy Resources and Materials Production, experienced oil and gas men testified that some of the Fort Chaffee acreage could have been leased for $500 an acre. The most conservative estimates are that the lease would have

brought between $10–$14 million if it had been competitively bid.

The overthrust belt, consisting of about 20 million acres, is considered the most promising area of the country for developments of oil and gas. Yet under the existing system, 12 million acres have already been leased for $1 an acre.

The advertising literature of filing service companies, which were created solely to take advantage of the present lottery system, is filled with examples of people who won noncompetitive leases and paid $1 an acre only to assign them for immediate cash bonus payments and future royalties. Information supplied by the Department of the Interior at hearings on S. 1637 showed that a lessee received $200,000 plus future royalties for a lease obtained from the Federal Government for $2,157, plus a $10 filing fee.

The argument has been made by opponents that a more competitive system will add unacceptable front-end costs which will impair exploration. These costs are not new or additional. They exist on every lease and are met by every operator who eventually gains a lease. Instead of competing for an assignment from a lease under a noncompetitive system, operators will be competing for the initial lease itself under a more competitive system.

Arguments are made that independents, who indeed do most of the exploring in this country, will be cut out. Yet, of the leases competitively bid, both by the United States and the States, independents have consistently gotten over 80 percent of them.

Existing law does not require diligent development of oil and gas leases. The Department of Interior estimates that most oil and gas leases are never drilled and those which are drilled are not developed until the last 2 years of the 10-year primary term. Based on the number of outstanding leases in 1979 and the number of wells actually drilled, it is estimated that only 1.3 percent of outstanding leases were drilled.

This bill contains a more stringent diligence requirement for exploring and developing leased tracts, provides for more flexibility in setting royalty rates on all tracts to be leased, permits the leasing of tracts of a larger size more capable of being explored and developed, and gives the Department greater authority to control speculative lease assignments. The competitive leasing system required by this legislation contains all the reforms necessary to insure an efficient, effective and equitable leasing program which will be most responsive to our need for prompt exploration for and development of, our Nation's remaining oil and gas resources.

At a time when every effort is being made to balance the budget and increase energy production, the noncompetitive leasing system is an anachronism. It is rife with invitations to fraud and inequities. Most major oil and gas producing States in the Nation have a competitive leasing system. Why should the United States let its lands by lottery? The law must be changed immediately, and this bill should be given the highest priority on the Senate agenda.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 60

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Federal Oil and Gas Leasing Act of 1981."

SEC. 2. Subsections (a) through (e) of section 17 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (30 U.S.C. 226(a) through (e)), are amended to read as follows and subsection 17(f) and following are relettered accordingly:

"SEC. 17. (a) The Secretary may lease onshore Federal lands for oil and gas development by competitive bidding only. Competitive bidding shall be on the basis of those bidding systems set forth in section 8(a)(1) of the Outer Continental Shelf Lands Act, as amended (43 U.S.C. 1335), which the Secretary determines would maximize competition.

"(b) At least once each quarter, the Secretary shall invite the public nomination of areas favorable for the discovery of oil or gas. Any area of the public domain that receives two or more public nominations and which the Secretary determines to be available and suitable for oil and gas leasing shall automatically be offered for lease by the Secretary at one of the next two scheduled lease sales. Any area of the public domain that receives a single nomination in two successive quarters which the Secretary determines to be available and suitable for oil and gas leasing shall automatically be offered for lease by the Secretary at one of the next two scheduled lease sales.

"(c) The Secretary shall hold competitive oil and gas lease sales in states where tract nominations are received, on a quarterly basis. Such sales shall consist of all available and suitable tracts nominated for leasing as specified in section 17(b) and any additional areas selected by the Secretary of Interior.

"(d) The Secretary shall issue a lease to the highest responsible qualified bidder for each tract offered at a lease sale.

"(e) No lease issued under this section shall be for a tract exceeding five thousand one hundred and twenty acres, unless the Secretary finds that a larger area is necessary to comprise a reasonable economic unit.

"(f) Each lease that the Secretary issues under this section shall be for an initial period of five years and so long thereafter as oil or gas is produced in paying quantities or drilling or well reworking operations as approved by the Secretary are conducted thereon. A lessee may apply to extend the initial term for an additional period or periods not to exceed a total of five years. Each extension application shall include an exploration plan for the extended term. The Secretary, in his discretion, may extend the initial term only if he finds that because of adverse technical, environmental or economic conditions which are beyond the control of the lessee, the lessee cannot adequately explore the lease during the initial five year term or any extended term. Nothing in this subsection shall be construed as affecting existing leases.

"(g) All leases issued under this section shall be conditioned upon payment by the lessee of a rental or not less than $2 per acre each year of the lease. Each year's lease rental shall be paid in advance. A minimum royalty of $4 per acre in lieu of rental shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased.".

SEC. 3. Action taken by the Secretary pursuant to the bidding, nomination, and lease procedures of subsections (a), (b), and (c) of section 17 of the Act of February 25, 1920 (U.S.C. 226 (a) through (c)), shall not be considered "major Federal actions" for purposes of implementing section 102 of the National Environmental Policy Act. Nothing in this subsection shall be construed as affecting the application of section 102 of that Act to the issuance of a lease under section 17.

SEC. 4. Section 30(a) of the Act of February 25, 1920 (30 U.S.C. 187a) is amended by striking the third sentence and inserting in lieu thereof "The Secretary shall disapprove the assignment or sublease only for lack of qualification of the assignee or sublessee or for lack of sufficient bond: *Provided, however*. That the Secretary may, in his discretion, disapprove an assignment (1) of a separate zone or deposit under any lease, (2) of less than six hundred and forty acres, or (3) containing an overriding royalty which exceeds limitations established by regulations.".

SEC. 5. The Secretary shall prescribe such rules and regulations, or amendments to existing rules and regulations, as may be necessary to reflect the amendments made by this Act within one hundred and eighty days after the date of enactment of this Act.●

By Mr. SASSER:

S. 61. A bill to reduce Federal travel and consultant costs, and to improve Federal debt collection procedures; to the Committee on Governmental Affairs.

REDUCTION OF FEDERAL TRAVEL AND CONSULTANT COSTS

● Mr. SASSER. Mr. President, I rise to introduce legislation to reduce nonessential travel and consultant costs, and to improve the woefully inadequate Federal debt collection operations.

Mr. President, in fiscal year 1981, the Federal Government has budgeted $8.9 billion for travel and transportation of Federal employees. In addition, $3 billion to $5 billion will be spent on consultants. Recent testimony by representatives of the Office of Management and Budget indicates that the Federal Government is owed $175 billion. Of that amount $47 billion is currently due and $25 billion is delinquent. The sum of $6 billion has been set aside for bad debts and $1 billion was written off in fiscal year 1979 alone.

OMB testimony also indicates that up to $16 billion could be cut from the Federal deficit if the Federal Government would conduct a more vigorous and effective effort to collect its debts.

In order to address this situation, I am sponsoring this legislation (S. 61) which would require cutbacks in nondefense travel by Federal employees, reductions in consultant costs, and more vigorous efforts to collect Federal debts. The proposed legislation sets a goal of $2 billion in savings to be achieved through these measures, which seems particularly modest in view of testimony that indicates that $16 billion could be

collected in delinquent debts through more vigorous collection efforts.

Mr. President, as the sponsor of this legislation, which requires reductions in the Federal Government's fiscal year 1981 expenditures for travel and transportation and the use of experts or consultants, and requires agencies to intensify efforts to improve the collection of debts owed to the Federal Government, I would like to clarify that the provisions of this legislation are not intended to apply to the power program of the Tennessee Valley Authority. This is consistent with the treatment of TVA's power program under last year's travel and transportation restrictions. The TVA power program operates on a totally self-financing basis and receives no appropriations; its proposed expenditures are presented in conjunction with the President's budget solely for informational purposes.

I also want to make it absolutely clear that this legislation is in no way intended to diminish in any degree the intelligence-gathering activities or combat readiness of the Armed Forces.

Mr. President, this legislation is identical to section 156 of House Joint Resolution 637, which I proposed, and which was agreed to in conference. The conference report on House Joint Resolution 637 was then approved overwhelmingly by both Houses of Congress, but failed of enactment in the last days of the 96th Congress because of an extraneous issue. It is my hope that this legislation will again receive the support of my colleagues so that this legislation may be enacted and the $2 billion in savings achieved.●

By Mr. RANDOLPH:

S. 63. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization; to the Committee on Environment and Public Works.

STEEL INDUSTRY COMPLIANCE EXTENSION ACT OF 1981

● Mr. RANDOLPH. Mr. President, I introduce today legislation to amend the Clean Air Act. This legislation has been developed as a proposal of the Steel Tripartite Committee to help revitalize the American steel industry.

The Steel Tripartite Committee consisted of representatives from Government, the steel industry, and labor. There also was participation by the environmental community. We propose an extension for compliance with certain requirements of the Clean Air Act only if the steel industry promises to invest the money saved by deferral of expenditures on pollution control equipment in the modernization of its facilities.

The amendment was the subject of a hearing, which I chaired. before the Environment and Public Works Committee last year. At that time representatives from National Steel Corp., the Environmental Protection Agency, the United Steelworkers of America, the Natural Resources Defense Council, and the Office of Technology Assessment gave testimony.

The subject matter of this proposal has been agreed to by the Environmental Protection Agency, the United Steelworkers of America, the Natural Resources Defense Council and several steel companies. This stretchout is supported by President Carter, and I believe it has been endorsed in principle by President-elect Reagan.

The Committee on Environment and Public Works expects to consider numerous proposals to amend the Clean Air Act this year. I hope that committee members will give early attention to the bill I introduce with the helpful cosponsorship of Senators GLENN, HEINZ, and LUGAR, all of whom serve with me as members of the Senate Steel Caucus.

CLEAN AIR ACT MODIFICATIONS NECESSARY TO MAINTAIN EMPLOYMENT IN DOMESTIC STEEL INDUSTRY, ENHANCE INTERNATIONAL COMPETITIVENESS OF AMERICAN STEEL INDUSTRY

Mr. HEINZ. Mr. President, I rise today to offer, along with my distinguished colleague from West Virginia, legislation that would amend the Clean Air Act to insure that timely compliance with air quality standards does not jeopardize the ability of the American steel industry—in which 54,000 workers are already jobless and another 15,000 on short weeks—to make the capital investments necessary to preserve American jobs and compete with foreign producers.

This legislation is supported by both the outgoing and incoming Presidents and reflects a consensus agreed to by the Steel Tripartite Advisory Committee, including the American Iron and Steel Institute, the International Steelworkers Union, EPA and other agencies, and representatives of the environmental community. In view of the consensus favoring this legislative change, I would hope that its enactment will be swift.

Briefly, this legislation would grant the EPA Administrator the discretionary authority to enter into consent decrees with individual iron and steel producers establishing a schedule for extending compliance with Clean Air Act requirements by up to 3 years beyond the current statutory deadline of December 31, 1982. Any stretchout of pollution control requirements would have to be accompanied by a modernization of existing facilities to improve productivity and efficiency.

Not only would modernization of facilities in many cases result in cleaner operations, the stretchout could only be granted if it would not significantly reduce air quality in the area. And, of course, air quality standards would still have to be met no later than December 31, 1985. As an added inducement for firms to proceed as scheduled with the plant modernizations and pollution abatement expenditures prescribed in such consent decrees, monetary penalties would be imposed for noncompliance with the terms of the consent decree.

By stretching out compliance with Clean Air Act requirements, this legislation will insure that pollution abatement expenditures do not jeopardize the ability of firms to finance replacement of obsolete facilities and expand productive capacity—thereby creating more jobs, increasing productivity, improving the competitiveness of the American goods at home and abroad, and reducing inflation.

As an example of the economic burden imposed by pollution control requirements, in my native Monongahela Valley in Pennsylvania, one company alone, U.S. Steel Corp., has already spent $400 million on environmental controls. As socially desirable as this expenditure may have been, and as desirable as the additional pollution abatement investments required by law may be, none of this investment will help produce an additional ounce of coke or steel.

In the steel industry as a whole, the capital shortfall forecast for the coming years—unless environmental control compliance requirements are stretched out—bodes ill for the future of domestic producers. Although an Arthur Little study forecast annual capital needs for the industry of some $7 billion, to finance plant modernization and pollution abatement required by law, the industry was projected to be able to generate only $3 to $3.5 billion annually for such purposes. Because pollution abatement expenditures are required by law, the impact of this impending capital shortfall is clear.

As an additional example of the impact of environmental expenditures on the steel industry, I ask unanimous consent that there be inserted in the RECORD recent journal articles.

In closing, Mr. President, I hope that my colleagues on the Environment and Public Works Committee and in the Senate as a whole will make passage of this measure a top priority.

The article follows:

[From the Washington Report, Apr. 14, 1980]

PITTSBURGH'S POLLUTION DECISION

(By Nick Thimmesch)

The steel industry is fretting plenty these days over what the Allegheny, Pa., County Board of Commissioners will do with a proposal to change that county's clean-air standards. If the board swings toward the tendencies of the Environmental Protection Agency, the steelmakers argue that operating in the Pittsburgh area—and possibly in other steel centers as well—will be very difficult.

Egads, Pittsburgh without steel? That seems as unlikely as Pittsburgh without championship sports teams. But the financially strapped steel industry is concerned that the exorbitant cost of cleaning up that last five percent of air pollutants—with questionable health benefits—would push the industry into an uncompetitive position.

Once, Pittsburgh was 'Darkness At Noon,' but that was a long time ago. Today, Pittsburgh air seems as clean as any in the nation, but according to EPA, the county air standards do not conform to the 1977 amendments to the Federal Clean Air Act. Moreover, EPA classifies Allegheny County as a "nonattainment area," meaning industry cannot expand in the county.

Now the steel companies say they want to build new facilities in Pittsburgh and other industries say they are ready to do the same. U.S. Steel Corp. Chairman David Roderick says that his firm is ready to replace the old open-hearth shop at Homestead with a new, basic oxygen facility and also is ready to install a new caster at another Monongahela Valley plant—providing the county modifies its plan to comply with the Clean Air Act and that U.S. Steel can modify its 1979 consent decree with the EPA.

SPEND MILLIONS

That 1979 agreement would require a $400-million environmental expenditure by U.S. Steel, the biggest single outlay in the history of such negotiations. Smaller manufacturers are hit proportionately just as hard as the big ones on environmental costs and sometimes scream even louder.

Since Pittsburgh lost 30,000 manufacturing jobs (mostly in smaller firms) between 1970–79, some doomsayers claim it could become another Youngstown.

The larger, national issue here is whether the steel industry can afford to spend $4 billion in constant 1978 dollars through 1985 to comply with the 1972 air-quality and 1984 water-quality deadlines. The industry estimates that this cost will add $20 to $30 per ton to the cost of raw steel production and that federally required capital spending for environmental controls is now at 25 percent of all industry capital expenditures. As of Jan. 1, 1979, the steelmakers spent $6 billion to comply with air and water standards, raising the air-pollution-free level to 95 percent.

DOUBTFUL BENEFIT

The argument is now made that raising the level to 98 or 99 percent will cost as much as the first 90 percent. No less an environmentalist than William D. Ruckelshaus, once cursed by some industrialists for clamping down on polluters when he was EPA's first director, now challenges whether the aggravation and expense of achieving absolute conformance to standards is worth the actual health benefits.

"It is clear that as cleanup costs escalate out of sight," Ruckelshaus declared in a 1979 speech, "with hundreds of millions of dollars spent for no benefits, this thing has become insane. The public winds up paying for something of highly doubtful benefit.

"Are clean-air standards worth the candle? I don't know and I submit neither does anyone else. We have no credible universally accepted process to arrive at a common data base."

Environmentalists argue that the last five percent is critical because the pollution contains fine particulate matter which can be drawn deep into the lungs and is retained longer. "What you can't see," says Robert Rauch, a lawyer for the Environmental Defense Fund, "can hurt you. Fine particulates from steel mills and electric utilities are insidious."

COULD AFFECT OTHER AREAS

And so the debate rages in Pittsburgh. The steel companies are afraid that if they lose the Allegheny County battle, those standards will also be imposed on them in Chicago, Buffalo, Cleveland and Detroit. A battle is already enjoined in Utah, where EPA has charged that U.S. Steel's Geneva Works is not preparing sufficiently for compliance with the 1982 clean-air standards and should spend $177 million on pollution control equipment instead of the $50 million contemplated.

What is interesting in Utah is that both U.S. senators and the state's two representatives are backing the steel company against the government on the basis that the Geneva Works is vital to the state.

SHORTFALL EACH YEAR

National Steel Chairman and CEO George Stinson says the industry now needs up to $7 billion a year to replace and modernize present plants and to install and pay for environmental controls. "Even in good years," he says, "we can generate only $3 to $3.5 billion for these purposes, so there's shortfall."

Between 1972 and 1977, the industry's capital spending was far less than its world competition. "We can compete because we're still efficient," Stinson says, "but we've got to be relieved of environmental costs that achieve no health gains and only hold back overdue modernization."

Big Steel in America is cutting back on plants and employment. We should be moving ahead in both areas. Ironically, the urge which prompted America to plunge into environmentalism is the same urge which earlier sparked the building of our once-marvelous industrial engine.

ADVERSARY SITUATION

That same vigor has caused the pursuit of pollution control to become an adversary situation which can turn fierce—the kind which rubs feelings raw, discourages enterprise and often causes firms to lose competitive advantages in world markets.

Other nations seem to be able to resolve their environmental and safety requirement differences by conciliation or arbitration. Other nations, particularly the Japanese, are increasingly tough competition for U.S. manufacturers.

What goes on in those meetings of the Allegheny County Board of Commissioners between now and June 1, when they must come up with a final plan for the Pennsylvania Department of Environmental Resources—which must submit the plan to EPA—will have much to do with how steel and other industries will be able to do business in the 1980's.

[From the Green Bay (Wis.) Press Gazette, Mar. 21, 1980]

ENVIRONMENTAL ZEAL THREATENS STEEL FIRMS

(By Louis Rukeyser)

NEW YORK.—Pollution is bad.

Right?

And therefore anything that fights pollution is good.

Right?

Wrong.

And therein lies one of the central errors of economic policy in the 1970s that will have to be corrected if the U.S. economy is truly going to get moving in the 1980s.

The steel industry—badgered, beleaguered and bemused—provides a classic example.

It's certainly no secret that this vital industry is in trouble. U.S. Steel announced in December the closing of 15 plants that would idle about 13,000 employees—including 3,200 to be phased out in June in Youngstown, Ohio, where some of the plants date back to the turn of the century.

The nation's steel industry will now have lost more than 38,000 jobs because of shutdowns in the last three years. And the worst is yet to come.

The rule of thumb in the industry is that for every million tons of capacity lost, roughly 4,000 jobs are lost.

Last year, according to the American Iron and Steel Institute, total U.S. steel making capacity dropped from 156 million to 155 million tons—and actual production fell from 137 million to 135 million. A downtrend in industry employment began in December, when U.S. Steel made its disheartening announcement, and indications are that the labor force will show sharp dips in 1980. A further capacity decline of 10–15 percent is predicted by 1982.

Of course, the situation cannot all be blamed on well-meaning efforts to clean up the nation's air and water.

The steel companies face an array of obstacles: intense foreign competition, a drastic shortage of investment capital for badly needed expansion for modernization, the gathering recession and particularly the economic woes of Detroit: shrinking sales, a large backlog of unsold 1979 cars and the use of less steel in 1980 models.

But environmental regulatory problems do help significantly to cloud the future.

The steel companies argue with considerable merit that the cost of meeting the federal 1982 air-quality and 1984 water-quality deadlines could force them to postpone many expansion and modernization plans that would otherwise consume the available capital.

Unless the Environmental Protection Agency eases its current regulations, the firms maintain, it could accelerate the premature shutdown of as much as 26 million tons of old "limited-life" capacity by the end of 1982 by making it unprofitable to retrofit such outdated equipment.

Before visions of 19th century smokestacks belching vicious poisons into the air dance into your head, consider what we're really talking about.

J. Robert Ferguson Jr., U.S. Steel's executive vice president of engineering and research, points out that it cost only $1,200 per pound per hour to control the first 99 percent of the emissions from the company's steel-making furnace at Fairfield, Ala. But to handle the last 1 percent as well would cost a whopping $400,000 per pound per hour.

Given the country's other pressing and neglected economic problems for the 1980s, the real question is: Is that the best way this money could be spent?

George A. Stinson, chairman of National Steel Corp.—the nation's third-largest steel producer—and head of the industry's Environmental Campaign Task Force, told me that no industry had contributed more to the national environmental effort than steel—up to 25 percent of the industry's total capital expenditures—but that the regulations now provided little flexibility for local conditions, frequently force what he terms "overkill" and thus contributes to decisions to close plants.

Given the environmental gains already made, Stinson said, the unyielding regulations would add only marginal improvements to air and water quality—and have little, if anything, to do with public health.

Instead, in pursuit of idealized "aesthetics," the regulations siphon away money that a capital-short industry otherwise would use to replace existing facilities.

Nobody wants to move backward in fighting pollution: the true challenge is setting the right priorities and paces for its future elimination.

And that's an issue where the ideologues and bureaucrats have fouled, not cleared, the national air.●

By Mr. HAYAKAWA:

S. 66. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

AMERICAN SOVEREIGNTY PROTECTION ACT

● Mr. HAYAKAWA. Mr. President, on March 19 of last year I introduced the American Sovereignty Protection Act in an effort to deal with the Iranian situation. In the ensuing months it has become increasingly apparent to me that this legislation provides an appropriate and necessary Presidential authority for the contemporary milieu.

As I see it, the question arises as to what in this day and age constitutes a "war" or "state of hostilities" requiring extraordinary measures. On the basis of what all of us have been witnessing in the last 30 years on the international scene, I respectfully submit that the concept of "war" in this nuclear age has changed. Incidents—perpetuated with governmental approval—of international terrorism, of taking and killing diplomatic personnel, of seizing diplomatic property, of invading foreign territory, of prolonged fighting without declaration of war are too numerous to be listed here.

In a less "enlightened" period of history most of these events would have been followed by miscellaneous declarations of war but today the situation is different. The nuclear stalemate that exists necessitates extreme caution and prevents the principal actors in the international arena from formalizing warlike actions which de facto amounts to the conduct of war. Accordingly, we have invented such terms as "police actions," "liberation movements," "protection of some particular doctrine," and "humanitarian rescue missions."

Mr. President, I believe that not a single Member of the Senate would deny that in the last decade there were innumerable cases of a "state of antagonism" and/or of "struggle between opposing forces" which were tantamount to a de facto war although war was not declared. Obviously, the taking of our hostages in Iran was the impetus for introducing the American Sovereignty Protection Act.

However, projecting the experiences of the last 30 years into the future, it seems to me of paramount importance to give the President authority to deal with situations which would have seemed unthinkable in 1798 when the Alien Enemy Act was written.

The Alien Enemy Act, allows the President to declare that nationals of a country with whom we are at declared war or when any invasion or predatory incursion is perpetrated, attempted or threatened against the territory of the United States shall be liable to be apprehended, restrained, secured, and removed as alien enemies. My bill amends the Alien Enemy Act to expand the definition of alien enemies to include nationals of foreign nations or governments (or the aiding or abetting by a foreign nation or government of any individual or group) who seize or hold the premises of a diplomatic mission and/or the taking of any diplomatic agent of the United States as hostage.

When our Embassy in Tehran was seized and Americans were taken hostage I was deeply outraged—as were all Americans. But the initial release of some of the hostages gave us hope that all might be returned home in the very near future. And so we tied yellow ribbons and appealed to the United Nations and to the International Court of Justice, expecting that reason would prevail.

Fifteen months have passed and so far efforts on the part of the Carter administration to gain the release of the hostages have failed. In the meantime pro-Khomeini Iranians held anti-American demonstrations in many of our cities—in some cases leading to violence. The subsequent arrests of many of these Iranian dissidents illustrated the inadequacy of present immigration regulations which did not provide the necessary Presidential authority for the deportation of the demonstrating Iranian nationals. Had the American Sovereignty Protection Act been enacted into law, the President would have had the necessary authority to detain at his discretion these dissidents for eventual deportation.

It is my fervent hope, Mr. President, that the hostage situation will be resolved soon. I also hope that we will not be subjected again to violent demonstrations similar to those of last fall. But it is imperative that Congress enact measures that reflect the world as it exists in the 1980's. The American Sovereignty Protection Act is one measure that does just that. Mr. President, I urge the Senate to give this important legislation its immediate consideration.●

By Mr. BUMPERS (for himself, Mr. SIMPSON, and Mr. LAXALT):

S. 67. A bill to improve and expedite the administrative process and clarify the standards for judicial review of administrative action; to the Committee on the Judiciary.

ADMINISTRATIVE PROCEDURE ACT AMENDMENTS OF 1981

● Mr. BUMPERS. Mr. President, I am today introducing a bill entitled the "Administrative Procedure Act Amendments of 1981." The bill referred on behalf of myself, Mr. SIMPSON and Mr. LAXALT is designed to accomplish the long overdue task of revising those sections of the Administrative Procedure Act which have proved to be no longer sufficient to meet the goals of providing our citizens adequate participation in the regulatory process, insuring prompt agency decisions and maintaining the traditional role of the courts as final arbiters of the law.

Specifically, the bill which I am introducing today will amend the general rulemaking provisions of the APA to incorporate much of the case law which has been developed over the last 10 years. These changes, some of which have previously been incorporated in agency organic statutes such as the Clean Air Act, are necessary to provide adequate citizen participation in the many complex rulemakings that have come to be a crucial aspect of the administrative process. See, generally, the Judicial Review of Informal Rulemaking Procedure: When May Something More Formal Be Required? 27 A.U.L. Rev. 781 (1978).

The bill would also provide for expedited proceedings in those cases which have traditionally been labeled adjudications but which do not involve contested factual issues. A similar provision has been recommended by the American Bar Association as a necessary and desirable change in the APA.

Third, the bill authorizes agencies to establish boards to review initial decisions of administrative law judges and other presiding employees. The provision is designed to speed agency decision-making by helping to clarify issues before they arrive at the agency review level and thus limit the amount of review time that must be spent by the agencies.

Finally, the bill contains what I believe are crucial amendments to the judicial review provisions contained in section 706 of the APA. These amendments to section 706 have come to be known as the Bumpers amendment, and are identical to the provisions of the amendment I offered to H.R. 3806 on September 30, 1980, during the 96th Congress.

These judicial review provisions have gathered a great deal of support and have the endorsement of many groups; they represent a sensible approach to solving some of the problems we are facing with overzealous regulators. Here is a brief explanation of these provisions.

POLICY

The amendments to section 706 of the Administrative Procedure Act are premised on the basic constitutional principle that in a representative democracy, legislative power shall be exercised by elected representatives and not by unelected officials who are not directly responsible to the electorate. The delegation doctrine requires that there be mechanisms for controlling the exercise of delegated regulatory power.

These mechanisms are the requirements that when the legislature delegates power it must establish an "intelligible principle" to govern the delegate, and that the judiciary will hold invalid actions which are not authorized by the statutory delegation. In the words of Mr. Justice Reed—

> An agency may not finally determine the limits of its statutory power. That is a judicial function. *Social Security Board* v. *Nierotko*, 327 U.S. 358, 369 (1946).

The insertion of the word "independently" in the introductory sentence of section 706 reemphasizes this primary role in the courts.

SCOPE OF AGENCY JURISDICTION

The first sentence of new subsection (c) of section 706 directs the courts to exercise their traditional review function to prevent an agency from acting beyond its regulatory authority.

This provision directs the courts to play a more active role in policing regulatory power by closely construing statutes which transfer regulatory authority to administrators. See Stewart, The Reformation of American Administrative Law, 88 Harv. L. Rev. 1667 (1975). The Supreme Court has followed this approach in two recent decisions. See *FCC* v. *Midwest Video Corp.*, 99 S. Ct. 824 (1979); *NLRB* v. *Catholic Bishops of Chicago*. 99 S. Ct. 1313 (1979). See also *Kent* v. *Dulles*, 357 U.S. 116 (1958); *National Cable Television Assn. Inc.* v. *United States*, 415 U.S. 336 (1974); Schwartz, Administrative Law Cases During 1979, 32 Ad. L. Rev. 411, 413–415 (1980).

Under subsection (c), a court must determine that the agency's authority to act has been granted expressly in the language of its organic statute or, in the event of ambiguity, by reference to the statute's legislative history or other materials relevant to ascertaining legislative intent. This provision is intended to underscore the duty of the courts to insure that agencies do not transgress the outer boundaries of their authority. Indeed, for a court to allow an agency to go beyond these boundaries would be "an unwar-

ranted judicial intrusion upon the legislative sphere wholly at odds with the democratic processes of lawmaking contemplated by the Constitution." *Lubrizol Corp.* v. *EPA*, 562 F.2d 807, 820 (D.C. Cir. 1977). See *City of Palestine* v. *United States*, 559 F.2d 408, 414 (5th Cir. 1977); *Nat'l Nutritional Foods Ass'n* v. *Mathews*, 557 F.2d 325, 326 (2d Cir. 1976).

Subsection (c), then, does not seek to impose any new, strange, or radical duty on the judiciary. Instead, it simply directs the reviewing court to take a hard look at an agency's assertions of regulatory jurisdiction or authority. It will allow the reviewing courts to make use of all appropriate materials for ascertaining the legislative will, but it is not intended to allow abuses of post-hoc legislative history. *Consumer Product Safety Commission* v. *GTE Sylvania* — U.S. — 64 L. Ed. 2d 766 (1980). Performance of this duty often will be difficult, but I am confident that the good sense and resourcefulness of the Federal judiciary will be equal to the task.

In making such determinations, the court will be influenced not only by the statute's legislative history but also by the nature of the asserted power. If, for example, the agency is asserting a basic or significant extension of authority, especially one which bears on personal liberties or heralds significant involvement of the agency in a new area or imposes significant costs, the reviewing court should not uphold the extension unless it is convinced that the statute and relevant legal materials demonstrate that Congress specifically or generally addressed the issue, and that the statute does contain the authority asserted by the agency.

On the other hand, if the asserted authority at issue relates to an interstitial or minor matter, the reviewing court might well conclude that although Congress had not really addressed the issue, the matter is of such a character that sensible administration necessarily requires exercise of such an implementing authority.

From the perspective of the agencies, it is true that some statutes are imperfectly drafted, or are silent or even conflicting. In these circumstances, agencies must use their discretion soundly to formulate the most appropriate means of carrying out their basic statutory mandates, filling in what are interstices of the statutory framework by which they are bound but adhering scrupulously to express or implied limitations on their authority.

It should be emphasized that the primary thrust of this portion of the amendment is to curb attempts by agencies to exercise positive jurisdiction in areas beyond the boundaries spelled out in their organic statutes. It is not intended to prevent an agency from exempting from regulation activities or persons under the traditional de minimus rationale where such exemptions are consistent with the basic purposes of the statute. Nor is this amendment intended to preclude rational interpretation and application of statutory criteria in ways that lessen the costs and other burdens of regulation.

The intent is to exclude those cases where the agency exercises its permissible discretion and declines to take affirmative action. Such a declaration is consonant with the policy to encourage agencies to refrain from taking unnecessary or inappropriate regulatory measures.

Nor is the amendment intended to nullify broad grants of administrative discretion where Congress knowingly intends that. When the statute and legislative history are clear that Congress intended a broad delegation, and the grant is not so unconfined as to violate the delegation doctrine, courts should give effect to such an intended broad grant. But the reviewer—the court, not the agency—is to determine independently whether the asserted power has in fact been conferred, either expressly or by implication.

THE "NO PRESUMPTION" CRITERION

The second sentence of new subsection (c) of section 706, together with the insertion of the word "independently" in subsection (a), is intended to make clear that Congress intends the courts to perform, and to perform diligently, their traditional role as the ultimate and impartial interpreters of the law. It is designed to insure that as to decisions of law, the agency and the appellant stand on equal footing before the law without bias, preference, or deference to either and without any presumption in support of or against agency action, except as to questions of jurisdiction, where the first part of subsection (c) imposes the burden upon the agency.

In providing that the "no presumption" criterion will apply only to questions of law, the intent is to preserve the existing "arbitrary, capricious, an abuse of discretion" standard of section 706 with respect to policy determinations within the permissible limits of agency discretion. The intent is also to make it clear that the reviewing court will apply the new "substantial support" standard in clause 2(F) only to agency factual determinations.

Thus, ample room is left for proper reliance on agency expertise where it actually exists. It is recognized that some issues will involve mixed legal and policy, or mixed legal and fact, aspects. Regardless of the agency's characterization of the issues, the courts must independently define the issues and reexamine independently the questions of law involved; at the same time, the courts should recognize the primary role of the agency with respect to choice of policy, official notice of legislative facts, and factual findings.

It is not the intent of the no presumption criterion to preclude consideration of an agency legal interpretation. This interpretation will be one element of the process of independent judicial reexamination. The effect of any agency interpretative judgment, whether contained in a rule or order, on the court's own interpretation should not, however, depend on some general rule or deference. Rather the court, in examining the agency interpretation, should evaluate the thoroughness in its consideration, the validity of its reasoning, its consistency with earlier and later pronouncements and all these factors which give it power to persuade if lacking power to control. *Skidmore* v. *Swift & Co.* 323 U.S. 134, 140 (1944). The court should also weigh any countervailing factors bearing on the validity of the agency's legal position.

Thus, the court may not regard the agency's reading of the statute as controlling or entitled to a deference that would avoid the court's reaching its own independent judgment. Accordingly, under this amendment, a reviewing court may not proceed on the asumption that it should uphold an agency's statutory construction so long as that construction is not unreasonable or not irrational. Instead, the court shall regard the interpretation of the statute as a judicial question.

SUBSTANTIAL SUPPORT FOR FACTUAL DETERMINATIONS

The substantial support standard of new clause 2(F) of paragraph (a) relates to review of factual determinations in informal rulemakings. The standard recognizes that in such proceedings there is a distinction between an exercise of discretion (policy choice) by the agency, which remains subject to the "arbitrary, capricious, an abuse of discretion" standard of clause 2(A), and the factual foundation for such a choice.

Relying on the analysis in administrative Conference Recommendation 74 to 4, 1 CFR, sections 305.74–4, the new clause 2(F) requires substantial support for factual determinations in informal rulemaking in two cases:

First. Where the finding of fact is necessary to the rule, that is to say, where the policy choice would fail to satisfy the arbitrary, capricious, an abuse of discretion criterion absent such a finding of fact.

Second. Where the finding of fact is an "asserted" basis for the rule, that is to say, where the agency relies on the finding as part of its rationale for the policy choice reflected in the rule.

Under the terms of clause 2(F) the "substantial support" must be found in "the rulemaking file, viewed as a whole." This provision meshes with other provisions of the act amending section 553 calling for the organized and systematic development of a file on which the rulemaking action is to be based. Pedersen, Formal Records and Informal Rulemaking, 85 Yale L.J. 38 (1975). The amendment does not preclude an agency in an appropriate case from taking official notice of legislative facts that underpin policy choice.

Earlier versions of this amendment used the words "substantial evidence" rather than "substantial support."

The change in language is meant to negate any implication that the intent of the amendment is to require indirectly the use of trial-type procedures in informal rulemaking. Procedural requirements for such rulemaking will be found in other provisions of the Administrative Procedure Act, as amended, and in

constitutional and common law considerations of fairness.

On the other hand, the words "substantial support" are intended to require that the data or materials on which the agency bases its factual determinations must be reliable and credible even though they have not been generated through trial-type procedures, and even though they do not necessarily satisfy the rules of evidence applied in judicial proceedings.

Enactment of these three changes in section 706 will not require all Federal courts to alter their decisional process. As Mr. Justice Frankfurter said with respect to a similar congressional endeavor some years ago:

> Some—perhaps a majority—have always applied the attitude reflected in this legislation. To explore whether a particular court should or should not alter its practice would only divert attention from the application of the standard now prescribed to a futile inquiry into the nature of the test formerly used by a particular court. *Universal Camera Corp.* v. *NLRB*, 340 U.S. 474, 490 (1951).

The ultimate objective of this amendment is to make sure that the pace and scope of regulation conform to the timetable and map established by elected representatives rather than by an unelected bureaucracy.

TECHNICAL

First. The changes in section 706 are not intended to affect any applicable rule of law which provides that in a civil or criminal action reliance on an agency rule or order is a defense. Thus, a defendant who has acted in compliance with an agency rule or order would continue to have any protection the law now provides even if the rule or order is subsequently found to be invalid.

Second. The Congress expects that whenever an agency rule or order is challenged in a civil action where a private party is suing under an express or implied right of action for violation of an agency rule (arguably not a "proceeding for judicial enforcement" within the meaning of section 703 to which the section 706 scope of review applies), the court will apply the same standards of review as set forth in section 706. In stating this expectation there is no intention to imply any new standing or right of a defendant to challenge the validity of an agency rule or order. Thus, only if and to the extent that a rule can be reviewed by the court in the action would the reviewing court be expected to apply the same section 706 tests of lawfulness of agency action.

Third. While this amendment applies to the judicial review of questions arising under the existing and future organic acts of Congress where the general standards for judicial review as previously articulated in section 706 have been applicable, it is not intended either to change any settled judicial interpretation existing at the date of enactment as to the boundaries of a particular agency's jurisdiction or authority determined by a Federal appellate court, or to unsettle any res judicata or collateral estoppel effects of prior court decisions that have become final.

Mr. President, if the November elections taught us anything it is that the people are desperate for the Congress to take firm, yet rational and thoughtful, action to get Government off of their backs. The people do not mind regulations as such, but they are sick and tired of unnecessary and onerous regulations promulgated by bureaucrats over which they have no control. This bill, which Senator LAXALT and I introduce today, offers a rational approach to these problems. It will send a clear message to the regulation-writers that considerable circumspection is in order. It will send a clear message that it is time for the administrative process to become rational and thoughtful. It is our hope that the Senate will act quickly and decisively on this bill.●

By Mr. CANNON:

S. 69. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

PRODUCT LIABILITY RISK RETENTION ACT OF 1981

● Mr. CANNON. Mr. President, I am pleased to introduce the Product Liability Risk Retention Act, a bill that would allow manufacturers, wholesale-distributors and retailers to establish product liability risk retention groups and to purchase product liability insurance on a group basis.

This bill provides a much needed alternative solution to an immediate problem facing all product sellers today—the opportunity to secure protection against product liability loss at reasonable rates. The bill I am introducing today is the bill reported by the Commerce Committee late in the last session of Congress. It reflects substantial amendments made by the committee on the basis of the hearings in the 96th Congress. I hope that this legislation will be considered early in the 97th Congress.

Adoption by the State courts of new and expanded theories of liability has imposed a disproportionate legal burden on small businesses who find themselves exposed to enormous risk of loss with little or no means of obtaining competitively priced insurance protection against that risk of loss.

Sudden and dramatic increases in premiums, inconsistently applied, have created a crisis for product sellers today insofar as their ability to absorb such increases. The alternatives currently available to the product seller have indeed been very bleak. One alternative, forced upon far too many product sellers, has been to do business without insurance protection. The consequences of such an alternative, both as to injured parties and as to product sellers, are so severe as to make this a totally unacceptable alternative.

Nevertheless, the product seller faces a significant availability problem with respect to obtaining protection against risk of loss. The real issue is not whether the product seller can obtain any insurance protection at all—but rather it is whether such insurance protection is affordable.

Affordability at any price translates into nonavailability for the product seller, especially the small businessman who has neither the resources to absorb the prohibitive costs of insurance protection nor the ability to pass these costs on in a competitive manner.

The Product Liability Risk Retention Act of 1981 provides an acceptable alternative to the affordability problem that is immediately available to those who need it most. It provides an opportunity for product sellers of all sizes to participate in a form of self-insurance on a group basis. This will result in insurance protection costs that will be more closely related to each particular form of operation and risk of loss.

The hills and valleys created by panic pricing and by inconsistent applications of rate making criterion will dissipate as competitive forces in the marketplace increase. Product sellers will be assured of objective evaluations of risk and commensurate premium rates based on such evaluations.

The Risk Retention Act is supported by over 200 national business organizations, including the National Association of Wholesaler-Distributors, the National Association of Manufacturers, the National Machine Tool Builders Association, the National Federation of Independent Businesses, and the Small Business Legislative Council.

The bill accomplishes its purposes without creating any new regulatory agency by utilizing the existing mechanisms of the State insurance departments.

Today a self-insuring group is required to comply with various State countersignature laws and to utilize a fronting company to do business in other States. Thus, such self-insurers must comply with the same regulations as a full line insurance company selling to the public. But, these self-insuring groups are not full line insurance companies selling to the public at large. The fact is that self-insuring groups composed of small businesses find it unfeasible to pool their resources because of this unnecessary regulation.

Under this bill, unnecessary regulation is removed, but necessary State regulation of the domicile is retained, and an opportunity is afforded for small companies to secure risk protection not currently available to them.

The small businesses who have been impacted so severely by the product liability problem need the immediate relief this bill can give them. I urge you all to support this proposal which will provide that relief.●

By Mr. WALLOP (for himself, Mr. MOYNIHAN, and Mr. CRANSTON):

S. 75. A bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations: to the Committee on Finance.

INVESTMENT INCENTIVE ACT OF 1981

● Mr. WALLOP. Mr. President, today I am joining with my distinguished colleague, Senator MOYNIHAN, in introducing the Investment Incentive Act of 1981, legislation reducing the effective capital gains tax rate for individuals from 28 to 17.5 percent. The cur-

rent maximum individual tax rate of 28 percent results from a 40-percent inclusion of the capital gain times the 70-percent maximum tax rate on so-called unearned or investment income. Under our proposal, the individual would include 25 percent of his capital gain, thus paying a maximum tax rate of 17.5 percent. The bill also reduces the capital gains tax rate for corporations from 28 to 17.5 percent.

This bill continues the process begun by the Revenue Act of 1978, and carried forward by the Senate Finance Committee 1980 tax cut bill of encouraging productive investment by helping ameliorate the bias in the tax system against saving and investment.

POSITIVE EFFECTS OF THE 1978 CAPITAL GAINS TAX REDUCTION

The Revenue Act of 1978 reduced the maximum effective capital gains tax rate for individuals from about 49 percent to 28 percent. That act also reduced the alternative tax rate of 30 percent on corporate net capital gains to 28 percent. Hailed by many as a first step toward encouraging needed new capital formation, the positive impact of the cut in capital gains tax rates is now being felt.

The 1978 cut in capital gains taxation has served as an extremely effective stimulus to investment and has bolstered the economy in an otherwise difficult economic period. The cut has had a substantial effect on capital formation, the primary source of productivity and employment growth, and it has done so at a relatively modest cost. Lower capital gains tax rates have exerted a powerful leverage effect on the equity investment process, stimulating higher equity values, more venture capital, more equity capital for rapidly growing companies, greater common stock ownership, and increasing total common stock offerings.

The reports of financial experts regarding the investment climate since the passage of the Revenue Act of 1978 are impressive and edifying.

A dramatic increase in funds entering the venture capital market has taken place. Industry sources indicate that venture capital investment has risen from an average of $325 million per year in the 1974–77 period to $550 million in 1978 and $1 billion in 1979. During the first 9 months of 1980, investment of venture capital firms rose to $400 million.

Stock issues for firms going public for the first time are on the rise. According to the research publication "Going Public," in 1974, only 15 firms tapped the new issues market for a total of $51 million. During 1978, 46 public offerings raised $250 million, nearly a fivefold increase in 4 years. In 1979, 81 firms raised $506 million, and for the first 9 months of 1980, an incredible 145 public offerings raised almost $668 million.

The capital gains tax reduction has been a shot in the arm for existing stocks, too. For example, September 16, 1980, was a remarkable day for the country's equity markets. The most popular market index—the Dow Jones industrial average—climbed 15.36 points and record levels were reached by the New York Stock Exchange's Composite Index or all common stocks, the NASDAQ Composite Index and the Standard and Poor's 500-Stock Index. The day was especially interesting because of the performance of the last index. The S. & P. 500 reached 128.87 which, in turn, was 41.6 percent above its close of 90.98 on April 13, 1978. On that date, the Steiger bill providing for pre-1969 treatment of capital gains, was introduced, formally starting the dramatic reversal of the trend to higher capital gains taxes in the United States. The index of the American Stock Exchange, home of many small and medium-sized public companies, rose 155.0 percent during the same time period. These increases have come at a time of considerable economic uncertainty and high rates of inflation, traditional stock market depressants.

Actual business outlays in 1979 for new plant and equipment showed surprising strength despite the uncertain economic climate. Expenditures rose from $154 billion in 1978 to $177 billion in 1979, an increase of 15 percent. In 1980, purchases are expected to top $192 billion.

A substantial expansion in the percentage of corporate investments in private venture capital partnerships has been observed. Industrial corporations, which provided only 5 percent of private venture capital funding in 1970, committed about 16 percent of funds raised from mid-1979 to mid-1980, according to the research publication, Venture Capital.

Individual investors, who fled the stock market in the first half of the 1970's following the increase in capital gains tax rates, have come back strongly since 1978, according to a recently released study by the New York Stock Exchange. The NYSE study shows that most of the new investors are younger, less affluent, and own less stock than individual investors who have been in the market for a number of years. Taken every 5 years, the survey showed nearly 31 million individuals owned stock in 1970 but this figure fell precipitously to 25 million by 1975. The 1980 results show 29.8 million stockholders this year, an increase of 4.6 million over 1975. According to the survey another 115 million individuals currently have an indirect share in the stock market through their pension funds and insurance policies.

The latest revenue estimates from the Treasury Department indicate that increased realizations from the 1978 cut are now close to 60 percent above the level of the original forecast. The original estimates for the 1978 capital gains cut showed an anticipated revenue gain from induced realizations, or "unlocking," of $573 million in 1979 and $535 million in 1980. The Treasury recently projected revenue gains from "unlocking" of $900 million in these 2 years, 1979 and 1980. In addition, these estimates do not take into account that reductions in the capital gains tax encourage individuals to invest in new business enterprises. These new companies and their new employees will contribute to individual income tax revenue. This so-called "feedback" plays an important role in generating new tax revenues to the Federal Government.

NEED FOR FURTHER CAPITAL GAINS TAX REDUCTIONS

The impressive influx of new capital and new investors comes at a time when this Nation must have an increase both in saving and investment to realize its growth potential, provide new jobs, encourage the production and efficient use of energy, and increase its ability to compete in worldwide markets. Economic growth depends on the availability of new capital, capital that must come primarily from the savings of individuals and businesses. The demand for capital today is increasing, yet the bias in our tax system against saving and investment raises the cost of capital. The high cost of capital is a significant factor in this Nation's declining rate of growth of productivity and has helped erode the competitive position of the United States in world markets.

The increasing activity in the equity market and the return of the "little guy" to the market are encouraging signs. The combination of high rates of inflation and tax laws biased against saving and investment had discouraged the traditional forms of personal saving and investment.

High rates of inflation, which have made significant inroads in the ability and willingness of American families to save and invest in productive assets, have an equally deleterious effect on corporations. A strong stock market allows established companies to sell additional stock at attractive prices and thus helps companies avoid an overreliance on debt financing. At today's interest rates, this allows corporations to save 13 or 14 percent in annual interest payments. In fact, in the first 9 months of 1980, corporations raised some $8.3 billion in additional commonstock offerings, more than in any full year since 1972. This booming equity market has an added plus: By keeping companies out of the debt market, it eases the upward pressure on interest rates, lessening inflationary pressures.

A recent study conducted by the accounting firm of Arthur Andersen & Co. of the taxation of capital gains realized on the sale of portfolio stock investments by individual residents of 10 countries showed that, even with the 1978 capital gains tax cut, most other industrialized countries tax capital gains less than the United States. The study showed that, of the 10 countries reviewed, only Canada includes in the taxable income of individuals a greater percentage of long-term gains than does the United States. But in Canada, there is no holding period required for long-term treatment while in the United States, the requirement to qualify as long-term gains is 1 year. In addition, the maximum tax on income is 43 percent in Canada, compared to 70 percent (on so-called "unearned" income) in the United States. Canada includes 50 percent of long-term gain, while 40 percent is included in the United States and Sweden. The United Kingdom taxes gains at a flat rate of 30 percent. The remaining countries in the study—Australia, Belgium, Germany, Italy, Japan, and The Netherlands—provide for total exemptions for long-term gain.

In terms of the minimum holding period required to qualify for long-term gain treatment, only Sweden requires a longer holding period than does the United States. As can be seen from the summary below, Sweden requires a 2-year holding period, the United States and Australia require 1 year, Germany requires 6 months, and the remaining countries grant the same capital gain treatment to both long- and short-term gains.

COMPARISON OF INDIVIDUAL TAXATION OF CAPITAL GAINS ON PORTFOLIO STOCK INVESTMENTS IN 10 COUNTRIES

Country	Maximum short-term capital gain tax rate [1]	Maximum long-term capital gain tax rate [1]	Minimum holding period to qualify for long-term gain treatment	Maximum annual net worth tax rate
United States	70 percent	28 percent	1 yr.	None.
Australia	60 percent	Exempt	1 yr.	None.
Belgium	Exempt	Exempt	None	None.
Canada	22 percent	22 percent	None	None.
Germany	56 percent	Exempt	6 mo.	0.7 percent.
Italy	Exempt	Exempt	None	None.
Japan	Exempt	Exempt	None	None.
Netherlands	Exempt	Exempt	None	0.8 percent.
Sweden	50 percent	23 percent	2 yr.	2.5 percent.
United Kingdom	30 percent	30 percent	None	None.

[1] State, provincial and local taxes not included.

Source: Arthur Andersen & Co., June 1980.

CAPITAL GAINS TAX CUTS AND AGRICULTURE

Mr. President, we often associate capital gains taxation with the major financial issues of capital formation and general economic growth, but capital gains taxation also affects the most essential and basic enterprises in our economy—farms and ranches. A tax on capital appreciation discourages the replacement of worn out or obsolete equipment, retards new investments, and inhibits the creation of new jobs, that stem from the purchase of farm machinery.

The detrimental effects of capital gains taxes is especially acute in the cattle industry. Livestock operations require significant capital investment in land, equipment, and animals. Even under the best conditions, livestock and farm operations require several years before a profitable cash flow can be achieved. Even when profits are realized, they produce a rate of return which is one of the lowest of all national industries. In addition, raising cattle and sheep is a very high-risk business. Uncertain and damaging weather conditions, diseases, market fluctuations, Government regulation, foreign imports, and ever-increasing production costs are constant threats to economic survival.

As a consequence, it is not uncommon for a farm or cattle operation to produce little or no income, or even to operate at a loss, for long periods of time. For many cattlemen, capital gains from the sale of breeding animals, equipment or land may represent most, if not all, of their income in a taxable year. Moreover, the capital gains can sometimes be of considerable size. For example, circumstances beyond the control of a cattleman such as drought may force him to make a dispersal sale of the breeding herd or sell a large parcel of ranch land, thereby generating recognition of large capital gains.

The current high rate of tax on capital gains is, therefore, of vital concern to cattlemen and the agricultural industry. When a substantial portion of a recognized capital gain must be paid to the Government in taxes, the ability of a farmer or rancher to reinvest the proceeds in the farm or ranch operation to modernize his operation and make it more productive is correspondingly reduced. In most cases, the impact of the capital gains tax can go beyond merely reducing the farmer's or rancher's ability to expand his operation.

Frequently, the gain on which taxes are paid is nothing more than a paper profit produced by inflation, and does not reflect any true economic gain. In this situation, the tax bite can prevent a cattleman from simply maintaining the status quo, let alone expanding or improving his operation, since he usually does not have enough after-tax income to replace the capital taken by the Government in the form of taxes. In an industry which requires a high degree of capital investment to yield a relatively small return, this contraction of capital through taxation can prove fatal.

Lowering the capital gains taxes will also have a beneficial effect for farmers and landowners who own timberland and wood lots. The reduced capital gains tax rates called for in this legislation will give greater incentive for increased investment in and management of our timber resources; 59 percent of the Nation's commercial timber is owned by individual farmers, partnerships and small corporations. Since timber is treated similarly to other capital assets, a reduction in the capital gains tax rate will provide additional incentive for increased plantings and higher productivity on private timber lands. These tax changes will help expand our forest resources, and allow timber-growing communities and wood product consumers to look forward to a continued supply of raw materials.

REVENUE ESTIMATES OF CAPITAL GAINS TAX CUTS

The cost of the 1978 reduction in capital gains taxes has proven to be much smaller than originally estimated. The $2.8 billion revenue estimate originally projected by the Joint Committee on Taxation has been substantially offset by nearly $1 billion per year in added tax receipts from increased capital gains realization, according to preliminary estimates by the Treasury Department.

The joint committee's estimate does not take into account that reductions in the capital gains tax encourage individuals to invest in new enterprises. These new companies, generally among the most dynamic in the economy, pay business taxes and their new employees will contribute to individual income tax revenues. This so-called feedback plays an important role in generating new revenue to the Treasury.

While the final results are not yet in from 1978's crucial reverse in the trend toward the overtaxation of capital, it seems apparent from the evidence thus far that further reductions in capital gains tax rates would encourage even greater advances in investment in the innovative small business sector, and strengthen the economy's potential for growth and job creation.

CONCLUSION

Mr. President, we ended the decade of the 1970's with an economy burdened by a record of insufficient growth, inadequate job creation, poor productivity performance, and a deep-seated inflationary bent. Study after study now calls for greater attention to the economic basics: greater investment and saving to stabilize and revitalize our economy. The focus of public policy has begun to shift from shortrun, Keynesian solutions—an ever-larger role for government with an emphasis on fiscal and monetary policies favoring consumption over providing our society with the means to meet the future adequately prepared—toward longer range, supply side policies which work to expand and increase our capital stock.

The Revenue Act of 1978 pointed the direction for tax policy and events following the passage of that act—the resurgence of individual investors into the equity markets, the increase in the availability of venture capital, the increase in new stock issues, and the strength and exuberence of the equities markets—signal that the economy will respond to well-structured tax initiatives. This Congress must now choose to follow the lead set for us. We now need to reduce further the tax on capital and clear the way for stronger and greater investment in the future.

Mr. President, I ask unanimous consent that the bill I am introducing today, with my distinguished cosponsors, be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 75

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN CAPITOL GAINS DEDUCTION.

(a) IN GENERAL.—Subsection (a) of section 1202 of the Internal Revenue Code of 1954 (relating to deduction for capital gains) is amended by striking out "60 percent" and inserting in lieu thereof "75 percent".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 1202 of such Code is amended to read as follows:

"(c) TAXABLE YEARS WHICH INCLUDE JANUARY 1, 1981.—If for any taxable year begin-

ning before January 1, 1981, and ending after December 31, 1980, a taxpayer other than a corporation has a net capital gain, the deduction under subsection (a) shall be the sum of—

"(1) 75 percent of the lesser of—

"(A) the net capital gain for the taxable year, or

"(B) the net capital gain taking into account only gain or loss property taken into account for the portion of the taxable year after December 31, 1980, plus

"(2) 60 percent of the excess of—

"(A) the net capital gain for the taxable year, over

"(B) the amount of net capital gain taken into account under paragraph (1).".

(2) Subparagraph (B) of section 170(e)(1) of such Code (relating to charitable deductions for contributions of capital gain property) is amended by striking out "40 percent" and inserting in lieu thereof "25 percent".

(c) REDUCTION IN RATE OF ALTERNATIVE MINIMUM TAX.—Subsection (a) of section 55 (relating to alternative minimum tax imposed) is amended to read as follows:

"(a) ALTERNATIVE MINIMUM TAX IMPOSED.—In the case of a taxpayer other than a corporation, if—

"(1) an amount equal to the sum of—

"(A) 10 percent of so much of the alternative minimum taxable income as exceeds $20,000, but does not exceed $60,000, plus

"(B) 17.5 percent of so much of the alternative minimum taxable income as exceeds $60,000, exceeds

"(2) the regular tax for the taxable year,

then there is imposed (in addition to all other taxes imposed by this title) a tax equal to the amount of such excess.".

(d) SPECIAL RULE FOR PASS-THROUGH ENTITIES.—

(1) IN GENERAL.—In applying sections 1201(c)(2)(A)(ii) and 1202(c)(1)(P) of the Internal Revenue Code of 1954 with respect to any pass-through entity, the determination of the period for which gain or loss is properly taken into account shall be made at the entity level.

(2) PASS-THROUGH ENTITY DEFINED.—For purposes of paragraph (1), the term "pass-through entity" means—

(A) a regulated investment company,

(B) a real estate investment trust,

(C) an electing small business corporation,

(D) a partnership,

(E) an estate or trust, and

(F) a common trust fund.

(e) EFFECTIVE DATES.—

(1) The amendments made by subsections (a), (b)(1), and (d) shall apply to taxable years ending after December 31, 1980.

(2) The amendment made by subsection (b)(2) shall apply to contributions made after December 31, 1980.

(3) The amendments made by subsection (c) shall apply to taxable years beginning after December 31, 1980.

SEC. 2. REDUCTION OF ALTERNATIVE CAPITAL GAINS FOR CORPORATIONS.

(a) GENERAL RULE.—Paragraph (2) of section 1201(a) of the Internal Revenue Code of 1954 (relating to alternative tax for corporations) is amended by striking out "28 percent" and inserting in lieu thereof "17.5 percent".

(b) TRANSITIONAL RULE.—Subsection (c) of section 1201 is amended to read as follows:

"(c) TAXABLE YEARS WHICH INCLUDE JANUARY 1, 1981.—If for any taxable year beginning before January 1, 1981, and ending after December 31, 1980, a corporation has a net capital gain, then subsection (a) shall be applied by substituting for the language of paragraph (2) the following:

"(2) (A) a tax of 17.5 percent of the lesser of—

"(i) the net capital gain for the taxable year, or

"(ii) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year after December 31, 1980, plus

"(B) a tax of 28 percent of the excess of—

"(i) the net capital gains for the taxable year, over

"(ii) the amount of net capital gain taken into account under subparagraph (A).".

(c) CONFORMING AMENDMENTS.—

(1) Subsection (c)(2) of section 58 of such Code is amended by striking out "28 percent (30 percent if the exchange occurs before January 1, 1979)" and inserting in lieu thereof "17.5 percent".

(2) Subparagraph (B) of section 170(e)(1) of such Code (relating to charitable deduction for contributions of capital gain property) is amended by striking out "28/46" and inserting in lieu thereof "17.5/46".

(3) Subparagraph (E) of section 593(b)(2) of such Code (relating to addition to reserves for bad debts) is amended by striking out "18/46" each place it appears and inserting in lieu thereof "28.5/46".

(4) Clause (iii) of section 852(b)(3)(D) of such Code (relating to treatment by shareholders of undistributed capital gains) is amended by striking out "72 percent" and inserting in lieu thereof "82.5 percent".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after December 31, 1980.

(2) CHARITABLE CONTRIBUTIONS. — The amendment made by paragraph (2) of subsection (c) shall apply to gifts made after December 31, 1980.●

By Mr. HEINZ (for himself, Mr. HEFLIN, Mr. DURENBERGER, Mr. GOLDWATER, and Mr. TOWER):

S. 83. A bill to amend the Congressional Budget Act of 1974 to limit the level of total budget outlays in any fiscal year and to require compensation for additional costs imposed on State and local governments, and for other purposes; pursuant to the order of September 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

AMENDMENT OF CONGRESSIONAL BUDGET ACT OF 1974

● Mr. HEINZ. Mr. President, the legislation I am offering today is a statutory version of a constitutional amendment I offered last year and intend to reintroduce when the 97th Congress begins in earnest on January 19. The purpose of that amendment would be to halt the runaway growth of Federal spending.

Given the overwhelming mandate of the recent election—reflecting a desire on the part of most Americans for less Federal Government intrusion into their lives—I would hope that passage of a constitutional limitation on spending would be of top priority.

As many may be aware, the constitutional amendment, drafted by Nobel laureate Dr. Milton Friedman and the National Tax Limitation Committee, would limit the growth of Federal spending to no more than the rate of growth of the gross national product.

Like many of my colleagues, I am dismayed that the so-called balanced budget we so triumphantly passed back in June will in fact show a deficit of perhaps as much as $50 billion. As dismayed as I am by the prospect of yet another massive budget deficit, and as important as I believe it is to insure that the Federal Government spends no more than it collects in taxes, I feel that we are deluding ourselves to think that our economic problems will be solved merely by balancing the Federal budget.

Regardless of how hard the heavy hand of recession puts its thumb on the scales of the so-called balanced budget for the current fiscal year, that really is not the issue. The key to solving our problem of declining productivity and the double-digit inflation accompanying it is not just to balance the Federal budget—although that is a necessary first step. After all, we could have a balanced budget at $1 trillion.

The key is to bring under control the amount of our output, the amount of our productive resources, usurped by the Federal Government.

To halt the unrestrained growth of the Federal Government as an ever-increasing chunk of our Nation's output, the measure I am introducing today and which I intend to reintroduce in the form of a constitutional amendment on the 19th would do the following things:

First, it prohibits Congress from increasing outlays—both on and off budget—in any fiscal year by a rate greater than the increase in nominal GNP in the calendar year ending before the start of that fiscal year.

Second, during times of high inflation, Government spending would be limited even more. Whenever the inflation rate exceeded 3 percent, the percentage increase in outlays which would otherwise be permitted would be reduced.

Third, it prevents the Federal Government from forcing the States to expand their services by simply replacing Federal grants-in-aid with Federal mandates. It also stipulates that the Federal spending limit would be reduced even further when Federal grants to the States decline over a set period.

Fourth, it authorizes emergency spending above the overall limit subject to a declaration by the President and a two-thirds vote of both Houses of Congress. In addition, the measure allows increases in the spending limit, on a year-to-year basis, if three-fourths of the Members of both Houses approve.

As an indication of the demonstrated need for such a limitation, consider the following statistics. Federal spending as a share of GNP has increased from 18 percent in 1965 to an estimated 22.3 percent today. For 10 of the past 15 years, Federal spending has increased at a faster rate than has GNP. In one year alone, fiscal year 1967, Federal spending increased by more than twice the 8.2-percent increase in GNP. In three other years, Federal spending increased by 4.5 percent or more than the most recent increase in the GNP.

My amendment—unlike measures which would limit Federal spending to a fixed percentage of GNP—would bring about reductions in the growth of spending gradually. Thus provided would be a

reasonable transition period to the fiscal discipline we so desperately need, without drastic cuts in ongoing programs.

Mr. President, thanks to a considerable amount of analysis, I can provide some idea of the benefits of this legislation. For example, had it been in effect just since 1970:

Our national debt would be lower today than it was in 1970, instead of its actually being $624 billion higher.

Interest payments on the national debt would be at least $35 billion lower this year, instead of being over $60 billion.

Federal debt per household would have been cut significantly from $6,098 per household in 1970 to $4,766 today. Unfortunately, in the real world without this legislation, the Federal debt per household today is instead a staggering $11,652.

I ask unanimous consent that tables demonstrating the impact which this measure would have had on Federal outlays since 1965 (table 1) and Federal debt since 1970 (table 2) be inserted in the RECORD.

As a further example, Mr. President, the following table demonstrates the impact that this measure, had it already been on the books, would have had on the Carter administration's budget projections for fiscal years 1980 through 1985:

Fiscal year	GNP [1]	Federal outlays [2]	Federal outlays [3]	Net reduction	Federal spending (percent) [3]
1980	2,558	583.9	583.9	0	22.8
1981	2,879	630.2	630.2	0	22.4
1982	3,172	629.6	686.3	13.3	21.6
1983	3,588	771.5	744.1	27.4	20.7
1984	4,027	857.8	831.6	26.2	20.7
1985	4,479	936.1	930.0	6.1	20.8

[1] As projected by the President in his March budget message.
[2] As projected in the March budget.
[3] After implementation of my bill.

These limitations on the proportion of GNP consumed by the Government are consistent with congressional efforts to limit Federal spending to 21 percent of GNP. They are consistent with requirements of the Humphrey-Hawkins Act that spending as a percentage of GNP be reduced. And they are consistent with the Revenue Act of 1978 which established—as a matter of national policy—that spending be reduced to less than 21 percent of GNP.

Besides limiting the percentage of GNP usurped by the Federal Government, this amendment would also, of course, limit the growth of Federal spending, which has been accelerating at an alarming rate for the past 20 years. It took 173 years for our Federal budget to reach $100 billion, in 1962. But it took only 9 more years for the budget to reach $200 billion; 4 more years for it to exceed $300 billion; 2 more years to exceed $400 billion, in 1977; and 4 more years to exceed $600 billion, in the current fiscal year.

Finally, this amendment would provide a means of controlling the growth of the national debt, which is fast approaching $1 trillion. Four times last year, the 96th Congress increased the limit on the national debt: First, from $798 billion to $830 billion; then to $879 billion; then to $905 billion; and, finally, to $935 billion.

As a result of all these temporary increases in the debt ceiling, interest on the national debt alone is projected to be $67 billion in fiscal year 1981—making it the third largest item of Federal spending. The runaway Federal spending which this national debt represents is the major cause of double-digit inflation—and a burgeoning Federal bureaucracy which imposes even more inflationary costs on the beleaguered taxpayer, businessman, and State and local government.

As currently drafted, the amendment would control the growth of the national debt only in an indirect way. This limitation could be made more explicit by perhaps adding a stipulation that the national debt could only be increased beyond its level at the time of ratification by a three-fourths rate of both Houses of Congress, and then only on a temporary basis. I would be happy to include such a provision in the amendment if my colleagues feel that would strengthen it.

To summarize, Mr. President, passage of this measure is necessary because—like the compulsive eater, the chronic gambler, and the alcoholic—the Federal Government needs to be saved from itself. Although like following a doctor's advice, many may be reluctant at first to embrace what we prescribe. But I am convinced this treatment will help reverse the habits of nearly two decades that have weakened our economy and productive base.

I believe the end result will be to liberate enormous reserves of creative energy and productivity today latent in America.

I strongly urge my distinguished colleagues to spend the next 2 weeks reviewing this legislation, to offer constructive suggestions for its improvement, and to join me as a cosponsor of the constitutional amendment to be introduced on January 19.

I ask unanimous consent that the text of this legislation and a chart be inserted in the RECORD.

There being no objection, the bill and chart were ordered to be printed in the RECORD, as follows:

S. 83

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title III of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new section:

"LIMITATION ON LEVEL OF TOTAL BUDGET OUTLAYS

"SEC. 312. (a) IN GENERAL.—

"(1) Notwithstanding any other provisions of this Act (but subject to paragraphs (2), (3), and (4) of this subsection and to subsection (b)), total budget outlays (as defined for purposes of this section in subsection (c)(2)) for any particular fiscal year beginning after September 30, 1980, shall not exceed total budget outlays (as so defined) for the preceding fiscal year by a percentage greater than the percentage of the increase in nominal gross national product which occurred during the last calendar year ending before the first day of that particular fiscal year.

"(2) The maximum amount of total budget outlays which is otherwise permitted for any fiscal year under paragraph (1) may be changed by a specified dollar amount by the Congress, through the adoption of a provision to that effect in a concurrent resolution on the budget under section 301, 304, or 310 or through the adoption of any other concurrent resolution which has (and is limited to) that effect, if such provision or such other concurrent resolution is agreed to by the affirmative vote of three-fourths of the authorized membership of each House.

"(3) If the inflation rate for the last calendar year ending before the first day of a particular fiscal year was more than 3 per centum, the percentage increase in total budget outlays which is otherwise permitted for such fiscal year under paragraph (1) (after the application of paragraph (2)) shall be reduced by a percentage equal to one-fourth of the percentage by which such inflation rate exceeded 3 per centum.

"(4) If the total amount of the Federal grants to State and local governments which are included in the budget for any fiscal year, computed as a fraction of the total budget outlays for such fiscal year, is less than the smallest of the corresponding fractions for the three preceding fiscal years, the maximum amount of total budget outlays which is otherwise permitted for such fiscal year under paragraph (1) (after the application of paragraphs (2) and (3)) shall be reduced to the extent necessary to make such fraction for the fiscal year involved exactly equal to the smallest of such corresponding fractions for the three preceding fiscal years.

"(b) EMERGENCY OUTLAYS.—Following the declaration of an emergency by the President, at any time during any fiscal year while the emergency continues, the Congress may authorize a specified amount of emergency outlays for such fiscal year (over and above the maximum amount of total budget outlays permitted for such fiscal year under subsection (a)), through the adoption of a provision to that effect in a concurrent resolution on the budget under section 304 or 310, or through the adoption (after a concurrent resolution on the budget has been adopted for such fiscal year under section 304 or 310) of any other concurrent resolution which has (and is limited to) that effect, if such provision or such other concurrent resolution is agreed to by the affirmative vote of two-thirds of the authorized membership of each House.

"(c) DEFINITIONS.—For purposes of the preceding provisions of this section—

"(1) the 'inflation rate' for any calendar year is the percentage by which the percentage increase in nominal gross national product for that calendar year exceeds the percentage increase in real gross national product for that year;

"(2) the term 'total budget outlays' includes all off-budget outlays, but does not include redemptions of the public debt or any emergency outlays authorized under subsection (b) (and, for purposes both of such preceding provisions and of the provisions of subsection (d), the term 'off-budget outlays' means outlays which under specific provisions of law are not included in the totals of the budget of the United States Government and are exempt from any annual expenditure and net lending (budget outlays) limitations imposed on such budget); and

"(3) the 'nominal gross national product' and 'real gross national product' for any calendar year shall be determined and promulgated by the Secretary of Commerce.

"(d) REQUIREMENTS APPLICABLE TO BUDGET RESOLUTIONS.—It shall not be in order in either the House of Representatives or the Senate to consider or adopt a concurrent resolution on the budget for any fiscal year under section 301, 304, or 310, or to con-

sider or adopt any amendment to such a concurrent resolution, if the level of total budget outlays which is set forth in such resolution or which would result from such amendment exceeds the maximum amount of total budget outlays which (when added to the total of all off-budget outlays for such fiscal year) would be permitted for such year under subsections (a) and (b) of this section.".

Sec. 2. Title III of the Congressional Budget Act of 1974, as amended by the first section of this Act, is further amended by adding at the end thereof the following new section:

"REQUIREMENT OF COMPENSATION FOR ADDITIONAL COSTS IMPOSED ON STATE AND LOCAL GOVERNMENTS

"SEC. 313. (a) IN GENERAL.—No State or local government may be directly or indirectly required by any Federal law hereafter enacted, or by any officer or agency of the United States pursuant to such a law, to perform any new or additional functions or engage in any new or additional activities, or to expand any of the functions or activities which it is already performing or in which it is already engaged, without compensation equal to the necessary costs incurred in connection with such new, additional, or expanded functions or activities.

"(b) Requirements for Congressional Action.—It shall not be in order in either the House of Representatives or the Senate to consider or pass any bill or joint resolution (or to consider or adopt any amendment to a bill or joint resolution) which directly or indirectly requires a State or local government to perform any new or additional function, engage in any new or additional activity, or expand any function or activity which it is already performing or in which it is already engaged, unless compensation for such State or local government in an amount equal to the necessary costs incurred in connection with such new, additional, or expanded function or activity—

"(1) is authorized or otherwise provided for in such bill, joint resolution, or amendment, or in a law previously enacted; and

"(2) is included as part of the total budget outlays which are permitted for the fiscal year involved under section 312(a), as set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year.".

Sec. 3. (a) The table of contents for the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end of the matter relating to title III the following new items:

"Sec. 312. Limitation on level of total budget outlays.

"Sec. 313. Requirement of compensation for additional costs imposed on State and local governments.".

(b) Section 301(a) of the Congressional Budget Act of 1974 is amended—

(1) by inserting "(subject to section 312)" after "total budget outlays" in paragraph (1);

(2) by redesignating paragraphs (5) through (7) as paragraphs (6) through (8), respectively; and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) the estimated amount of the grants to be made to State and local governments, both as an aggregate amount and as a fraction of total budget outlays;".

(c) Section 310(a) of such Act is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(2) by inserting after paragraph (2) the following new paragraph:

"(3) specify the amount by which grants to State and local governments, both as an aggregate amount and as a fraction of total budget outlays, are to be changed and direct the committees having jurisdiction to recommend such change;"; and

(3) by striking out "(1), (2), and (3)" in the paragraph redesignated as paragraph (5) by paragraph (1) of this subsection and inserting in lieu thereof "(1), (2), (3), and (4)".

(d) Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended—

(1) by striking out "301(a)(1)-(5)" in subsection (d) and inserting in lieu thereof "301(a)(1)-(6)"; and

(2) by adding at the end thereof the following new subsection:

"(k) The Budget transmitted pursuant to subsection (a) for each fiscal year shall be prepared, on the basis of the best estimates then available, in such a manner as to assure compliance with sections 312 and 313 of the Congressional Budget Act of 1974; and the President shall from time to time during each fiscal year take such action as may be necessary to assure continuing compliance with such sections.".

Sec. 4. The amendments made by this Act shall apply with respect to fiscal years beginning on or after October 1, 1980.

TABLE 1.—TOTAL OUTLAYS OF THE FEDERAL GOVERNMENT, 1965–82

Year	Total outlays (billions)		Year-to-year (percent change)		Share of GNP (percent)	
	Actual	Amendment	Actual	Amendment	Actual	Amendment
1965	118.4	NA	−0.2	NA	18.0	NA
1966	134.7	NA	13.8	NA	18.7	NA
1967	158.3	NA	17.5	NA	20.4	NA
1968	178.8	NA	13.0	NA	21.5	NA
1969	184.6	NA	3.2	NA	20.4	NA
1970	196.6	200.6	6.5	8.6	20.5	20.9
1971	211.4	215.0	7.5	7.2	20.7	21.1
1972	232.0	224.5	9.7	4.4	20.9	20.2
1973	247.1	241.7	6.5	7.7	20.0	19.5
1974	271.1	265.4	9.7	9.8	19.9	19.5
1975	334.2	294.0	23.3	10.8	22.9	20.2
1976	373.7	313.1	11.8	6.5	23.0	19.3
Transition quarter	96.5	79.8	NA	NA	NA	NA
1977	411.4	338.1	8.0	6.6	22.4	18.5
1978	461.2	375.0	12.1	10.6	22.6	18.4
1979	505.4	413.3	9.6	10.2	22.1	18.1
1980	543.5	456.3	7.5	10.3	21.7	18.2
1981	589.5	502.1	8.5	10.0	21.4	18.2
1982	626.0	544.6	6.2	8.5	20.7	18.0

Source: Actuals: Budget of the United States (1980). Amendment: Simulation assumes total outlays are equal to maximum permissible outlays.

TABLE 2.—DEBT OF THE FEDERAL GOVERNMENT, 1970–82

Year	Annual Federal deficit (surplus) (billions)		Total Federal debt (billions)		Federal debt/household (dollars)		Federal interest payments (billions)		Outlays less interest (billions)	
	Actual	Amendment	Actual	Amendment	Actual	Amendment	Actual	Amendment	Actual	Amendment
1970	2.9	6.9	382.6	386.6	6,035	6,098	18.3	18.5	178.3	182.1
1971	23.0	26.6	409.5	417.0	6,319	6,435	19.6	20.0	191.8	195.0
1972	23.4	15.9	437.3	437.3	6,556	6,556	20.6	20.6	211.4	209.9
1973	14.9	9.5	458.4	463.0	6,858	6,779	22.8	22.5	224.3	219.2
1974	6.2	.5	486.2	475.1	6,956	6,797	28.0	27.4	243.1	238.0
1975	53.2	11.0	544.1	492.8	7,653	6,931	30.9	28.0	303.3	266.0
1976	73.7	13.1	631.9	529.0	8,668	7,133	34.5	28.4	339.2	284.7
1977	53.6	(18.7)	709.1	503.2	9,570	6,858	38.0	27.2	373.4	311.9
1978	58.2	(27.0)	780.4	493.3	10,258	6,491	44.0	27.8	417.2	347.2
1979	49.4	(42.7)	839.2	460.0	10,828	5,935	52.8	28.9	452.6	384.4
1980	40.9	(46.3)	890.0	432.6	11,365	5,469	57.0	27.4	495.5	428.9
1981	12.7	(74.8)	940.3	386.4	11,652	4,788	59.1	24.3	530.4	477.7
1982	(26.6)	(108.0)	951.9	316.7	11,586	3,848	59.5	19.8	566.5	524.8

●

By Mr. DOLE:

S. 84. A bill to amend title 5, United States Code to eliminate an inequity in computing annuities of Federal law enforcement officers or firefighters; to the Committee on Governmental Affairs.

COMPUTING ANNUITIES OF FEDERAL LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS

● Mr. DOLE. Mr. President, the bill I am offering at this time was originally introduced as Senate bill S. 565 during February of 1977. At that time, I pointed out that the legislation is intended to correct an oversight in Public Law 93-350, which was enacted by the 93d Congress. I subsequently introduced it as S. 99 in the 96th Congress.

ANNUITY COMPUTATION FORMULA

Mr. President, during the 93d Congress, we gave our approval to a bill, H.R. 9281—later enacted as Public Law 93-350—to provide Federal law enforcement and firefighting personnel a special 2½ percent retirement computation formula in recognition of the special hazardous duty service which they perform. In doing so, however, we failed to recognize the substantial inequity that would result from premising the incentive credit on a full 20 years of service in such capacity.

In order to correct that oversight, I propose this bill to extend appropriate annuity credit to retiring Federal employees who have at least 5 years' service as law enforcement or firefighter personnel, but who have not completed 20 years. This would be consistent with the full credit given congressional employees under the higher 2½ percent formula after they have served 5 years (5 U.S.C.A. 8339 (b)).

As the law now stands, Government employees who have performed "hazardous duties" for fewer than 20 years are penalized merely because they fail to reach the magic benefit line. Even though they were exposed to the same dangers, subjected to the same perils, and employed in the same high risk endeavors for our Nation, they receive no recognition if, for one reason or another, they choose or are compelled to leave such service 1 day before their 20 years are up.

SUPPORT FOR AMENDMENT

This legislation has been endorsed by the International Association of Chiefs of Police, Inc., and has been praised by the Federal Criminal Investigators Association, the National Treasury Employees Union, and the Society of Former Special Agents of the FBI. In August 1978, this bill was accepted by the Senate as an amendment to the Civil Service Reform Act. Unfortunately, the amendment was dropped in conference. The Senate also approved it as an amendment to last year's continuing resolution, but it was dropped in conference along with other Senate amendments entangled in the pay raise dispute. I believe there remains a good deal of support in Congress for the measure, and I hope we see its enactment in the 97th Congress.

Although the Civil Service Commission is on record as opposing preferential computation formulas as a reward for particular kinds of service, it seems to me that as long as the current law provides for such treatment, all those entitled should receive it. If they do not, we are going to find ourselves in the business of suppressing lateral movement of these types of Government employees, as well as discouraging the initial recruitment of qualified personnel who may not wish to commit themselves for a full 20 years in such a demanding profession.

In addition to the recruitment argument, it is my belief that the change I am proposing could also operate to help retain qualified and experienced personnel within the Government by encouraging them to stay in, or return to, civil service rather than the private sector. Too often, now, for example, a firefighter or law enforcement officer who has put in perhaps 10 years of service and decides that it is not in his own or his family's best interest to continue for another 10 years, would have just as much motivation to go to private industry as to another Government agency.

It seems to me that 5 years is a reasonable minimum to expect of a career-orientated professional and that, in many instances, we are promoting morale problems and indifference among 15- to 20-year agents who are "putting in their time" simply because of the leverage being held over them by the 20-year requirement. Again, I think we could have a much more dedicated, effective, and inspired contingent of Federal officers if they knew they could transfer at any time from a hazardous position and still receive full credit for the period spent in that position when they eventually qualified for Government retirement.

Since the bill I am proposing would become effective upon enactment, any problem of recomputation for those already retired would be avoided. Moreover, Federal service retirement computations are done on an individual basis anyway, and no additional administrative burden would be imposed.

Any measure designed to eliminate an existing inequity should, Mr. President, receive the sympathetic consideration of this body. I hope the Senate Governmental Affairs Committee will schedule hearings on the computation formula for Federal hazardous-duty employees.●

By Mr. HEFLIN:

S.J. Res. 11. Joint resolution establishing the policy with respect to the number of digits which should be used as ZIP codes or other codes used for mail delivery; to the Committee on Governmental Affairs.

ZIP CODES AND OTHER MAIL CODES

● Mr. HEFLIN. Mr. President, today I am introducing a joint resolution to put a halt to the Postal Service's proposed plan to expand the present five-digit ZIP code to nine digits until Congress can fully study the cost effectiveness of the plan and make a decision, by law, whether to approve or disapprove its implementation.

The Postal Service has already delayed implementing the nine-digit ZIP code from April to June in the face of overwhelming public disapproval and mounting congressional opposition to the proposal.

In order to implement the nine-digit ZIP code the Postal Service will be required to spend more than $1 billion for new and sophisticated equipment to handle the expanded ZIP. But the costs do not stop there. It has been estimated that the cost to American businesses to convert their mailing lists to the nine-digit ZIP would be an additional $1 billion. These costs would ultimately be passed on to American consumers who are already suffering from the debilitating effects of double-digit inflation.

Mr. President, I am not opposed to a Postal Service attempt to improve service. However, I am not convinced that the Postal Service has thought this proposal through or that most Members of Congress are aware of the enormous costs of the nine-digit ZIP. This proposal should be thoroughly studied by the Congress as to the cost to the Postal Service, the cost to the business community and the consuming public, the social consequences and the technical issues associated with the proposal. Only after such a thorough study and only after positive congressional action should such a proposal be implemented.

Mr. President, I am convinced that the Postal Service can improve and speed up mail delivery by other means than four more numbers to the ZIP code. The American people have proven that they are willing to use the present five-digit ZIP code, but the public reaction to the nine-digit ZIP has been universally negative. For the expanded ZIP code proposal to work it must have the support of the American people. From the many people of Alabama that have contacted me on this subject, it appears the nine-digit ZIP code is doomed to fail.

Mr. President, my resolution differs from others that have been introduced dealing with this subject in that it spells out that the plan cannot be implemented until Congress approves it by law.

The Postal Service has postponed the implementation of the nine-digit ZIP, but it has not scrapped the plan. Unless Congress takes positive action to halt the proposal, it will take effect June 1, 1981. Mr. President, I ask that my resolution be quickly approved by the Senate.●

ADDITIONAL COSPONSORS

S. 44

At the request of Mr. BEAILEY, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 44, a bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for social security taxes paid in 1981 and 1982.

SENATE RESOLUTION 17

At the request of Mr. SASSER, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of Senate Resolution 17, a resolution concerning revision of the monetary policies of the Board

of Governors of the Federal Reserve System.

SENATE RESOLUTION 20—RESOLUTION CONCERNING TELEVISED SENATE PROCEEDINGS

Mr. BAKER (for himself and Mr. ROTH) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 20

Resolved, That the Committee on Rules and Administration is authorized and directed to provide for television and radio coverage (including videotapes and radio broadcast recordings) of proceedings in the Senate Chamber. Such coverage shall be provided for continuously at all times, except for any time when a meeting with closed doors is ordered.

SEC. 2. Under such terms and conditions as the Committee on Rules and Administration may prescribe—

(1) television and radio coverage of proceedings in the Senate Chamber provided for in the first section shall be made available to public and commercial television and radio broadcasting stations and networks; and

(2) videotapes and recordings shall be made available to such stations and networks, to Members of the Senate, and to such other organizations and persons as the committee may authorize.

SEC. 3. The television and radio coverage of proceedings in the Senate Chamber under this resolution shall be carried out in such manner as the Committee on Rules and Administration shall prescribe.

Mr. BAKER. Mr. President, I am this morning sending to the desk a resolution which would provide for the televised coverage of the proceedings of the Senate in this Chamber.

Basically, this resolution simply allows us a vehicle by which I trust we will be able to accommodate the concerns many of my colleagues have expressed with regards to televised coverage of our proceedings. I understand and appreciate those concerns, Mr. President, and I certainly desire nothing which would detract from or diminish the dignity and efficacy of this body.

However, I have consistently supported some form of televised recordings of our business here in the Senate. Such coverage, in my view, is simply a modern-day extension of the public gallery and the public's right to view the legislative process of their Government in a first-hand manner. A great many difficult decisions are to be made in this Chamber in the weeks and months to come. Some form of televised coverage of those decisions being formulated will, I believe, enhance the public understanding, acceptance, and support of those decisions.

Similarly, it is my hope and intention that the Senate, from time to time, will discuss and debate in a broad context the great issues of the time, not necessarily related to a specific piece of legislation pending at the moment. Through such discussion and debate, I hope we will be able to establish a broad national agenda for America. Televised coverage of these discussions will afford the American public greater input and understanding of that agenda, an understanding which can only serve to benefit this Senate and our Nation.

SENATE RESOLUTION 21—RESOLUTION COMMENDING JAMES DUMARESQ CLAVELL FOR HIS CONTRIBUTIONS TO LITERATURE

Mr. HAYAKAWA submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 21

Whereas James Clavell is a widely acclaimed author whose writings have been enjoyed by the American people;

Whereas James Clavell has written such outstanding novels as "Shogun", "King Rat", and "Tai-Pan: A Novel of Hong Kong";

Whereas James Clavell has written many successful screenplays such as "To Sir With Love" and "The Great Escape" for which he received the Writers Guild Best Screenplay Award in 1964; and

Whereas James Clavell, through his sensitive portrayal of Japanese customs and heritage in the novel "Shogun" has enhanced the understanding of the American people of Japanese culture: Now, therefore, be it

Resolved, That the Senate commends James duMaresq Clavell for his outstanding contributions to literature.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to James duMaresq Clavell.

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, I wish to announce that the Budget Committee will hold hearings on January 13 and January 14, 1981 in room 6202 of the Dirksen Senate Office Building to examine the current economic situation and its impact on the Federal budget. The hearings will begin at 10 a.m. on Tuesday, January 13, and will last until the noon hour, and will then recommence at 2 p.m. that afternoon. On Wednesday, January 14, there will only be a morning session commencing at 10 a.m.

On the morning of January 13, the committee will hear testimony from Arthur Burns, presently with the American Enterprise Institute and formerly the chairman of the Federal Reserve Board. In the afternoon, it will hear from Larry Kudlow, chief economist for the Wall Street firm of Bear, Stearns, Inc., and Donald E. Maude, senior financial economist and chairman of the Interest Rate Policy Committee of Merrill Lynch, Pierce, Fenner and Smith. Martin Feldstein, president of the National Bureau of Economic Research and professor of economics at Harvard University, and Barry Bosworth, senior fellow at the Brookings Institution will testify the morning of January 14.

These hearings will form the basis for much of the Budget Committee's early work on both the 1981 and 1982 fiscal year budgets. For further information, or more details, please contact Bill Stringer of the Senate Budget Committee staff at 224-0538.

ADDITIONAL STATEMENTS

DEATH OF MICHAEL P. HAMMER

● Mr. MATHIAS. Mr. President, Michael P. Hammer of Potomac, Md., was a man dedicated to improving the lives of the poor farmers in Latin America through agrarian reform. On Saturday, he was brutally murdered in San Salvador for his involvement in the land reform program in El Salvador. Mark Pearlman, a colleague and, Rodolfo Viera, the head of El Salvador's agrarian reform institute, were also killed.

Mike Hammer, an acknowledged expert in agrarian affairs in Latin America, spent most of his professional life with the American Institute for Free Labor Development, an affiliate of the AFL-CIO created to support the formation of democratic trade unions in Latin America.

He believed that a more equitable distribution of land was the key to improving the lives of the poor farmers in Latin America. He first became involved in El Salvador in 1966, when he was country director for AIFLD. He was instrumental in the formation of a democratic organization for small farmers. He has worked throughout the region since that time, but returned often to El Salvador. He had just arrived in El Salvador on Saturday morning to assist Mr. Viera, who he had heard was about to be removed from his position.

The agrarian reform program, begun last March, was a key to the ruling junta's program to liberalize the country's economic and social structure. The program has been very controversial, however, and has come under attack from both rightist and leftist guerillas. Close to 200 people connected with the program have been killed in the last 9 months, according to the Department of State.

It is not yet clear who is responsible for killing these three men. What is clear is that a very dedicated and able man, Michael Hammer, has lost his life in defense of his beliefs. We all share in the loss and extend our deep sympathy to his family.●

S. 27—FREEDOM OF ACCESS

● Mr. COHEN. Mr. President, I am pleased to join again with the Senator from Kansas (Mr. DOLE) in cosponsoring legislation to upgrade and extend section 190 of the Internal Revenue Code.

This little-known section is based on legislation I originally introduced in the House during the 93d Congress. That bill, the Freedom of Access Act, called for tax incentives to encourage owners of buildings and transportation facilities to remove structural barriers from the paths of the aged and disabled.

Senator DOLE introduced that measure in the Senate, and, through his efforts, it was added as an amendment to the Tax Reform Act of 1976. As enacted, this provision allowed an annual deduction of up to $25,000 for the expenses of barrier removal for a 3-year period which ended on December 31. That period has been extended, but the need to increase the level of the allowable deduction remains.

The proposal I am cosponsoring with Senator DOLE would upgrade the allowable deduction from $25,000 to $100,000 per year. It would also make the section a permanent addition to the code. I think these modifications are reasonable and desirable.

One of the most serious and least understood problems facing elderly and handicapped persons today is the large number of architectural barriers that stand in their way. It is estimated that 1 of every 10 persons in the United States has limited mobility because of a temporary or permanent physical handicap.

With our growing elderly population and our improved medical technology, which provides many with mobility not previously possible, the number of individuals hampered by architectural barriers will continue to expand. Unfortunately, all too often, our communities are designed to accommodate only the able-bodied adult. As Dr. Henry Betts of the Rehabilitation Institute of Chicago has remarked:

> Centuries ago, parents of deformed or handicapped babies in Sparta abandoned their infants on the hills, and the Eskimos still abandon their aged on icebergs. We're supposed to be the most progressive of societies. But by designing the vast majority of facilities and services to meet the needs of the "average" young, able-bodied American, by creating an environment with architectural barriers which limit the mobility of millions of Americans, we have taken the disabled and aged off the hills and icebergs and imprisoned them in their homes.

For too long, we have tacitly ignored our duty as a compassionate nation to see that our handicapped and elderly have as productive a role in our society as possible. Handicapped people must surmount many obstacles alone. We need not compound the physical and psychological problems of these citizens with structural barriers that keep them shut away from interaction with the rest of their community.

Obviously, the best time to eliminate barriers is before they are constructed. Studies have shown that when a barrier-free environment is planned prior to construction, the expense usually runs less than 1 percent of the total cost.

Where barriers are already in place, it is important to remember that the costs of removal are generally a one-time expense. Afterward, as customers and employees, handicapped persons will return the investment through their patronage.

The National Commission on Architectural Barriers to Rehabilitation of the Handicapped concluded that:

> The greatest single obstacle to the gainful employment of handicapped persons is the architectural barriers they must contend with.

The promises of equal employment opportunity in the Rehabilitation Act and the Age Discrimination in Employment Act ring hollow if the elderly and handicapped cannot reach places of employment to begin with.

In 1975, the Urban Institute estimated that $13 billion could be saved from Government disability and welfare programs if public transportation alone were accessible to handicapped persons, thus enabling them to get to and from work. Other estimates suggest that employment of this group would yield an additional minimum of $824 million in wages. Such sums overwhelmingly offset the costs of this bill. Clearly, more can and must be done to open up the workplace to those with limited mobility.

Mr. President, I submit that it is time to give the Nation's disabled and elderly a productive place in our society. We must now take the necessary steps to place commercial buildings and transportation within the reach of all American citizens.

A country which can leap the barrier of space to put a man on the Moon should not stumble at a street curb. Mobility need not stand in the way of equal access to services and opportunities.●

ELEANOR JOSAITIS NAMED CAREER GUILD WOMAN OF THE YEAR

● Mr. RIEGLE. Mr. President, recently, Eleanor Josaitis was named the "Career Guild Woman of the Year." She is truly an outstanding woman, whose work has touched thousands of people in Michigan. I have known Eleanor for many years, and our relationship has been marked with friendship and a common interest in the enhancement of the lives of the disadvantaged.

Eleanor does not seek the limelight, and most of her work is done without the benefit of publicity. For this reason, I am especially pleased that she is receiving the recognition that she richly deserves. She has spent countless hours making Focus: HOPE the effective organization that it is. Its work includes operating the largest commodity supplemental feeding program in the country, developing new education programs for inner-city youth, and implementing innovative programs to control juvenile crime.

This honor is appropriate for Eleanor, since it represents the fact that she gives herself for the growth and improvement of her community. She is dedicated to the renewal of Detroit, and to the belief that opportunity exists in this country for everyone to achieve his fullest potential. I am proud to be associated with Eleanor and her work with Focus: HOPE, and I wish her the best in the coming year.●

ENDING THE MARRIAGE PENALTY TAX

● Mr. WARNER. Mr. President, I am pleased to join today as a cosponsor of the bill which my distinguished colleague from Maryland has once again introduced in this Chamber. This measure, commonly referred to as the "marriage tax" bill, would amend the Internal Revenue Code to allow married individuals to elect the same tax rates currently applicable to unmarried individuals.

The injustices in our Federal tax code affecting married individuals have existed for the past 12 years. In 1969, Congress acted to alleviate the inequitable taxation of single workers, who were then paying as much as 42 percent more in taxes than married workers. But, in readjusting the tax equations, Congress reversed the situation, imposing a higher tax on married individuals.

As a result, married persons may no longer file single returns, and spouses who are working pay more in taxes than two single individuals who have the same combined income as does the married couple.

Mr. President, in recent years the inequity of this situation has aroused much public attention and concern. I am certain we have all heard the stories of married couples who take annual "divorce vacations" at the end of each year. They travel to a foreign country, divorce, remarry on the first day of the new year, and pay for the entire trip with the money they have saved from being "single individuals."

The marriage penalty tax is felt by all married couples, regardless of their income. In recent years, a married couple earning a combined income of $40,000 owed $4,350 more in taxes than two single individuals earning a comparable amount. Two persons each earning $5,000 owed $703 in taxes if they were married, and $500 if they were not.

While there have been modest attempts in recent years to lessen the marriage penalty tax, wedded couples continue to be penalized solely for having chosen matrimony over remaining single. With the huge increase in the number of working wives, coupled with the continuing impact of inflation, the time has come to eliminate the marriage penalty tax once and for all.

The importance of the institution of marriage to our Nation far outweighs any fiscal considerations in terms of less revenue to the U.S. Treasury.

The bill which my colleague from Maryland has introduced would allow married couples the choice of filing either a joint return or separate returns. In the Congress just ended, this bill enjoyed the cosponsorship of more than 30 Senators. It is my fervent hope that positive action can be taken on this measure quickly, in order to insure wedded couples the same opportunities as single individuals.●

THE TRANSPORTATION TASK FORCE RECOMMENDATION TO HALT WORK ON INTERSTATE HIGHWAY SYSTEM

● Mr. CHILES. Mr. President, I was very distressed to learn last week that President-elect Reagan's transportation task force has recommended that work on the Nation's Interstate Highway System be halted. While over 90 percent of the interstate system has been completed, there remain substantial gaps. These incomplete segments impair commerce and mean that highway transportation in some fast growing areas and between certain large population centers has not progressed past a 1950's level. Of the total 42,500-mile system authorized by Congress, some 1,500 miles remains to be done. Florida leads the Nation with almost 300 uncompleted miles of interstate and these unfinished segments represent significant holes in the transportation links between the heavily populated areas of south Florida. For example, most of I-75 in the southwest Florida area connecting Tampa with Miami is incomplete and other large gaps exist in St. Lucie, Martin, Palm Beach, Broward, and Dade Counties along the east coast.

There is no question that Florida's No. 1 highway priority is the elim-

ination of these gaps and the completion of the interstate system. Because Florida's economy is so dependent on tourism, agriculture, and a number of other rapidly growing industries, it is essential that our transportation facilities be in place and operating as soon as possible. Unfortunately, Florida cannot possibly claim that its highway system is in place while major population centers lack modern interstate connections. Not only do the task force's recommendations threaten the economic growth and development of my State, they also raise a serious question of equity.

Since work on the Interstate System began, Florida has kicked in some $3.3 billion in gasoline taxes to the highway trust fund but has received only $2.1 billion from the trust fund for completion of its own system. In short, Florida has been contributing greatly to the completion of interstate mileage in other States while waiting to have its own system completed. Now, all of a sudden, we are hearing talk about halting work and allowing large gaps in the system to remain. This, I do not believe, is equitable and it's certainly not acceptable.

In addition, I think it is important to note that in 1980 we saw a sizable reduction in interstate obligation ceilings due to President Carter's deferral of some $1 billion in highway obligations. I think actions like this underscore our need to act responsibly in these difficult budget times but I do not think we can afford to take actions like stopping work on the interstate system that could well threaten our long term economic viability. While I have long supported reasonable budget cuts, I am concerned that the task force has made some generalizations regarding interstate completion costs that are misleading.

In certain cases, such as the urban project in New York where it is estimated that a 4-mile stretch of interstate will cost $1 billion, completion cost may be excessive. But this just is not the case with the uncompleted Florida mileage. Most of the urban mileage in Florida has already been completed and a great deal of the remaining mileage is in rural areas and is designed simply to connect the fast growing urban centers of south Florida.

Mr. President, I cannot overstate my concern with the task force's interstate highway recommendations. Fortunately, the interstate highway program was authorized by Congress and any changes would have to be approved by Congress. I intend to do everything I can to make sure that we get our interstate system finished and finished in a timely manner.●

S. 19—A MEASURE TO OFFER RELIEF TO ROYALTY OWNERS FROM THE WINDFALL PROFIT TAX

● Mr. PERCY. Mr. President, I am proud to be an original cosponsor of the bill offered by the Senator from Kansas (Mr. DOLE) yesterday, S. 19. This measure would exempt certain royalty owners from the undue burden the windfall profit tax has placed on their lives.

It is perfectly clear that Congress made a grievous error last year when we passed the windfall profit tax: by taxing those individuals who had partial ownership in small parcels of land across this Nation, and who leased this land to oil companies for drilling, we taxed hundreds of thousands of individuals who depend on these earnings for their survival. We may not have meant to do it—the original Senate bill exempted royalty owners from the windfall profit tax. Yet we have done it nonetheless, and many, many citizens in Illinois and across the country are suffering as a result.

It is a myth to think that the windfall profit tax has affected only large oil companies. It is a myth to think that most royalty owners are wealthy individuals who can afford an ever-increasing tax on their oil earnings.

In fact, an overwhelming number of royalty owners are struggling farmers, retired persons on social security, and others who literally need these earnings to live. The royalties they have received from oil production have often totaled $50 per month or less. Combined with social security, it has often been hardly enough to provide for a comfortable retirement for these individuals.

But the effects of this windfall profit tax on these persons have literally been disasterous. Current law subjects each one of these royalty owners, no matter how impoverished, to the greatest windfall profit tax rate—to the same tax rate now applied to the largest oil companies. There is a 70-percent tax on upper and lower tier oil, a 60-percent tax on stripper oil, and a 30-percent tax on newly discovered, incremental tertiary, and heavy oils for these persons.

I have received thousands of letters from my constituents in Illinois who have told me, frankly, that this tax has made their dreams of a comfortable retirement nearly impossible. In Illinois, and in many other States across the Nation, most of the royalty owners receive earnings from the production of oil from stripper wells, wells which produce 10 barrels of oil per day or less. This oil has been decontrolled for several years; a tax on its profits means a serious drop in earnings. This is an unpalatable situation that must be corrected.

Mr. President, I was honored last year to be among the first cosponsors of Senator DOLE's royalty owners exemption bill. The bill would have exempted every royalty owner from the windfall profit tax for his first 10 barrels of oil produced daily. That measure was not enacted by the 96th Congress; S. 19 is identical to it.

The Congress has begun to see the need for royalty owner relief, however we did pass a measure last year which allows each royalty owner a refund of up to $1,000 for windfall profit taxes incurred in 1980. I am hopeful that the measure will be only a first step toward providing permanent tax exemptions for these individuals.

Exempting royalty owners from the tax for the first 10 barrels produced daily is not going to remove the tax burden one bit from those who were originally intended to pay it—the oil corporations of this country. Exempting royalty owners, instead, will offer an important measure of relief to a group of persons who were badly neglected by the Congress last year. We have a chance to improve their lives markedly through passage of this simple bill. We should not refuse to help them.

I urge the Congress to enact S. 19 as quickly as possible.●

RECESS UNTIL 12:40 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:40 p.m.

There being no objection, the Senate, at 12:24 p.m., recessed until 12:40 p.m.; whereupon, the Senate reassembled at 12:40 p.m. when called to order by the Presiding Officer (Mr. MURKOWSKI).

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. BAKER. Mr. President, I thank the Chair.

ORDER FOR RECESSES

Mr. BAKER. Mr. President, I ask unanimous consent that when the joint session is completed today the Senate stand in recess until Thursday, January 8, at 11 a.m., and that when the Senate convenes on Thursday, January 8, it immediately stand in recess until Monday, January 12, at 11 a.m. and that when the Senate convenes on January 12 it immediately stand in recess until Thursday, January 15, at 11 a.m. and that when the Senate convenes on January 15 it immediately stand in recess until Monday, January 19, at 11 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER PERMITTING INTRODUCTION OF BILLS, RESOLUTIONS, AND STATEMENTS ON JANUARY 15, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday, January 15, Senators be permitted to introduce bills, resolutions, and statements between the hours of 9 a.m. and 3 p.m. but for that purpose only and no business to be transacted.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES

Mr. BAKER. Mr. President, I ask unanimous consent that during the recesses of the Senate as specified in this request the Secretary of the Senate be authorized to receive messages from the President of the United States and the

House of Representatives and that such communications be appropriately referred.

Mr. GLENN. Mr. President, reserving the right to object, and I do not plan to object, I wish to clarify. Will January 15 be the only date on which Senators may introduce bills, resolutions, and statements?

Mr. BAKER. Mr. President, it will be on Thursday, January 15.

Mr. GLENN. That will be the only day?

Mr. BAKER. The single day during that period when bills, resolutions, and statements may be introduced.

Mr. GLENN. On the other days they may not be introduced?

Mr. BAKER. The other days would be pure pro forma with no provisions to introduce bills, resolutions, and statements.

Mr. GLENN. Then it will be January 15.

I do not object.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT MEETING OF THE TWO HOUSES FOR THE PURPOSE OF COUNTING ELECTORAL VOTES CAST FOR THE PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES

The PRESIDING OFFICER. In accordance with the provisions of Senate Concurrent Resolution 1, the Senate will now proceed to the Hall of the House of Representatives.

Thereupon, at 12:42 p.m., the Senate, preceded by the Sergeant at Arms, Howard Liebengood, and the Secretary of the Senate, William F. Hildenbrand, proceeded to the Hall of the House of Representatives to count the electoral votes cast for the President and Vice President of the United States.

(The counting of the electoral votes cast for the President and Vice President of the United States appears in the proceedings of the House of Representatives in today's RECORD.)

RECESS UNTIL THURSDAY, JANUARY 8, 1981, AT 11 A.M.

At the conclusion of the joint session of the two Houses, and in accordance with the order previously entered, at 1:30 p.m., the Senate recessed until Thursday, January 8, 1981, at 11 a.m.

79-069 O — 84 —— 13 (Vol. 127 Pt. 1)

HOUSE OF REPRESENTATIVES—*Tuesday, January 6, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We raise our voices to You, O God, in thankfulness and praise in the bounty You have given our Nation and the multitude of ways by which the people have been blessed.

Since the birth of our country we have celebrated Your abiding presence in all the circumstances of life—in good times and in bad, in our laughter and in our tears. We pray that Your Spirit will continue to be known in our lives through the words of judgment and forgiveness and assurance and peace. Be with us each day, O God, and strengthen us to do Your will, that justice will roll down like waters and righteousness like an even flowing stream. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

INAUGURATION CEREMONIES OF PRESIDENT-ELECT AND VICE-PRESIDENT-ELECT OF THE UNITED STATES

The SPEAKER laid before the House a Senate concurrent resolution (S. Con. Res. 2), which was read by the Clerk, as follows:

S. CON. RES. 2

Resolved by the Senate (the House of Representatives concurring), That effective from January 5, 1981, the joint committee created by Senate Concurrent Resolution 84, of the Ninety-Sixth Congress, to make the necessary arrangements for the inauguration of the President-elect and Vice President-elect of the United States on the 20th day of January 1981, is hereby continued and for such purpose shall have the same power and authority as that conferred by such Senate Concurrent Resolution 84, of the Ninety-sixth Congress, except that the size of the Joint Committee is hereby increased to consist of four Senators and four Representatives to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively.

The SPEAKER. Is there objection to the present consideration of the Senate concurrent resolution?

There was no objection.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of Senate Concurrent Resolution 2, 97th Congress, the Chair appoints as members of the joint committee to make the necessary arrangements for the inauguration of the President-elect and the Vice-President-elect of the United States on the 20th day of January 1981, the following Members on the part of the House: Mr. RHODES, of Arizona; Mr. MICHEL, of Illinois; Mr. O'NEILL, of Massachusetts; and Mr. WRIGHT, of Texas.

SWEARING IN OF MEMBER-ELECT

The SPEAKER. Will the gentleman from Ohio (Mr. BROWN) kindly come to the well of the House and take the oath of office at this time?

Mr. BROWN of Ohio appeared at the bar of the House and took the oath of office.

RECESS

The SPEAKER. The House will stand in recess until 12:50 p.m.

Accordingly (at 12 o'clock and 5 minutes p.m.), the House stood in recess until 12 o'clock and 50 minutes p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 50 minutes p.m.

□ 1250

COUNTING ELECTORAL VOTES—JOINT SESSION OF THE HOUSE AND SENATE HELD PURSUANT TO THE PROVISIONS OF SENATE CONCURRENT RESOLUTION 1

At 12 o'clock and 50 minutes p.m., the Doorkeeper, the Honorable James T. Molloy, announced the Vice President and the Senate of the United States.

The Senate entered the Hall of the House of Representatives, headed by the Vice President and the Secretary of the Senate, the Members and officers of the House rising to receive them.

The Vice President took his seat as the Presiding Officer of the joint convention of the two Houses, the Speaker of the House occupying the chair on his left.

□ 1300

The joint session was called to order by the Vice President.

The VICE PRESIDENT. Mr. Speaker, Members of the Congress, the Senate and the House of Representatives, pursuant to the requirements of the Constitution and the laws of the United States, have met in joint session for the purpose of opening the certificates and ascertaining and counting the votes of the electors of the several States for President and Vice President.

Under the precedents, unless a motion shall be made in any case, the reading of the formal portions of the certificates will be dispensed with. After ascertainment has been made that the certificates are authentic and correct in form, the tellers will count and make a list of the votes cast by the electors of the several States.

The tellers on the part of the two Houses will take their respective places at the Clerk's desk.

The tellers, Mr. MATHIAS and Mr. FORD on the part of the Senate, and Mr. HAWKINS and Mr. DICKINSON on the part of the House, took their places at the desk.

The VICE PRESIDENT. The Chair will now hand to the tellers the certificates of the electors for President and Vice President of the State of Alabama, and they will count and make a list of the votes cast by that State.

Mr. DICKINSON (one of the tellers). Mr. President, the certificate of the electoral vote of the State of Alabama seems to be regular in form and authentic, and it appears therefrom that Ronald Reagan of the State of California received nine votes for President, and GEORGE BUSH of the State of Texas received nine votes for Vice President.

The VICE PRESIDENT. There being no objection, the Chair will omit in further procedure the formal statement just made for the State of Alabama, and we will open the certificates in alphabetical order and pass to the tellers the certificates showing the vote of the electors in each State; and the tellers will then read, count, and announce the result in each State as was done in the case of the State of Alabama.

Is there objection?

The Chair hears no objection.

There was no objection.

The tellers then proceeded to read, count, and announce, as was done in the case of the State of Alabama, the electoral votes of the several States in alphabetical order.

□ 1320

The VICE PRESIDENT. Gentlemen and gentlewomen of the Congress, the certificates of all of the States have now been opened and read and the tellers will make the final ascertainment of the results and deliver the same to the Vice President.

The tellers delivered to the Vice President the following statement of the results:

The undersigned, CHARLES MCC. MATHIAS, JR. and WENDELL H. FORD, tellers on the part of the Senate, AUGUSTUS F. HAWKINS and WILLIAM L. DICKINSON, tellers on the part of the House of Representatives, report the following as the result of the ascertainment and counting of the electoral vote for President and Vice President of the United States for the term beginning on the twentieth day of January, nineteen hundred and eighty-one.

States	Electoral votes of each State	For President		For Vice President	
		Ronald Reagan	Jimmy Carter	George Bush	Walter Mondale
Alabama	9	9		9	
Alaska	3	3		3	
Arizona	6	6		6	
Arkansas	6	6		6	
California	45	45		45	
Colorado	7	7		7	
Connecticut	8	8		8	
Delaware	3	3		3	
District of Columbia	3		3		3
Florida	17	17		17	
Georgia	12		12		12
Hawaii	4		4		4
Idaho	4	4		4	
Illinois	26	26		26	
Indiana	13	13		13	
Iowa	8	8		8	
Kansas	7	7		7	
Kentucky	9	9		9	
Louisiana	10	10		10	
Maine	4	4		4	
Maryland	10		10		10
Massachusetts	14	14		14	
Michigan	21	21		21	
Minnesota	10		10		10
Mississippi	7	7		7	
Missouri	12	12		12	
Montana	4	4		4	
Nebraska	5	5		5	
Nevada	3	3		3	
New Hampshire	4	4		4	
New Jersey	17	17		17	
New Mexico	4	4		4	
New York	41	41		41	
North Carolina	13	13		13	
North Dakota	3	3		3	
Ohio	25	25		25	
Oklahoma	8	8		8	
Oregon	6	6		6	
Pennsylvania	27	27		27	
Rhode Island	4		4		4
South Carolina	8	8		8	
South Dakota	4	4		4	
Tennessee	10	10		10	
Texas	26	26		26	
Utah	4	4		4	
Vermont	3	3		3	
Virginia	12	12		12	
Washington	9	9		9	
West Virginia	6		6		6
Wisconsin	11	11		11	
Wyoming	3	3		3	
Total	538	489	49	489	49

CHARLES MCC. MATHIAS, JR.,
WENDELL H. FORD,
Tellers on the Part of the Senate.
AUGUSTUS F. HAWKINS,
WILLIAM L. DICKINSON,
Tellers on the Part of the House.

The VICE PRESIDENT. The state of the vote for President of the United States, as delivered to the President of the Senate, is as follows:

The whole number of the electors appointed to vote for President of the United States is 538, of which a majority is 270.

Ronald Reagan, of the State of California, has received for President of the United States 489 votes;

Jimmy Carter, of the State of Georgia, has received 49 votes.

The state of the vote for Vice President of the United States, as delivered to the President of the Senate, is as follows:

The whole number of the electors appointed to vote for Vice President of the United States is 538, of which a majority is 270.

GEORGE BUSH, of the State of Texas, has received for Vice President of the United States 489 votes;

WALTER F. MONDALE, of the State of Minnesota, has received 49 votes.

This announcement of the state of the vote by the President of the Senate shall be deemed a sufficient declaration of the persons elected President and Vice President of the United States, each for the term beginning on the 20th day of January, 1981, and shall be entered, together with a list of the votes, on the Journals of the Senate and House of Representatives.

The purpose for which the joint session of the two Houses of Congress has been called, pursuant to Senate Concurrent Resolution 1, 97th Congress, having been accomplished, the Chair declares the joint session dissolved.

(Thereupon, at 1 o'clock and 30 minutes p.m., the joint session of the two Houses of Congress was dissolved.)

□ 1330

The House was called to order by the Speaker.

The SPEAKER. Pursuant to Senate Concurrent Resolution 1, the Chair directs that the electoral votes be spread at large upon the Journal.

INTRODUCTION OF ECONOMIC LEGISLATION—JANUARY 5, 1981

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

ECONOMIC GROWTH AND PRICE STABILITY PROGRAM OF 1981

Mr. BROWN of Ohio. Mr. Speaker, the Nation faces severe economic problems. Congress must use its wisdom, creativity, courage, and statesmanship to solve them.

We must act quickly because the people of this country have suffered too long. Our economy is beset by:

An inflation rate teetering on the brink of running away;

A growing real tax burden and an adverse regulatory environment leading to a slowing of the growth of our real gross national product;

Serious underinvestment, aggravating a failure to achieve a reasonable strategy for long-run economic growth;

Negative productivity growth in the American business sector in the past year and the lowest productivity growth of any industrial nation the past 10 years as the American manufacturing plant continues to age; and

A continuing gnawing problem of heavy structural unemployment, especially among blacks and teenagers.

Clearly, the major economic concerns of Americans today are inflation, taxes, Federal deficits, Government regulation, and structural unemployment.

Today, as ranking House minority member of the Joint Economic Committee, I am introducing a package of legislation which can serve as a Republican economic program to solve the foregoing list of economic ills. The goal of the package is to stimulate economic growth and curb inflation. It incorporates the best economic proposals of the last Congress. It is in the forefront of sound, modern economic theory, which takes into account both the supply side and demand side of our economy.

The economic package contains five elements: Tax reform, reduced Federal spending, savings promotion, reduced Federal regulation, and a targeted program to cure structural unemployment. I believe this is a well-balanced program and it hits at the key sore spots in our economy.

In recent years, policymakers have been at a loss to explain why inflation and unemployment have been so stubborn. The fact is inflation and unemployment have only been as inflexible as the policymakers. The policymakers have lumped tax policy and spending policy in one category—fiscal policy—and have lost all flexibility by treating it as one rigid policy tool. They have linked fiscal policy to monetary policy in rigid fashion as well. Monetary and fiscal policies were either both too tight or both too easy, all stop or all go. Demand was pumped up or drawn down. No attention at all was paid to supply policy, or to ways in which tax policy could be used independently to affect costs, prices, employment, and growth.

Inflation is too much money chasing too few goods. The trick is to fight inflation by reducing money growth while stimulating production, the supply of goods, and services—through carefully designed tax reduction and restructuring—and reducing the growth of Federal spending to eliminate Federal borrowing and crowding out. These targeted policies, some easy and some tight, could solve our problems.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

In recent years, we have pumped up demand by increasing spending and creating money faster than ever. We have had the biggest deficits in history. We assumed that supply would automatically rise to satisfy the demand. This policy did not work. Output did not respond.

Output did not respond because Government has strangled it with higher taxes, higher costs, and higher regulatory burdens. Government has pumped up demand and throttled supply. No wonder we have had inflation. Furthermore, that same inflation has only made the supply situation worse.

Inflation lowers the rate of return to every worthwhile growth activity. As the reward falls, the activity declines.

Inflation pushes people into higher tax brackets. The marginal taxes taken out of each cost-of-living raise have reached amazing levels. Even middle-income taxpayers now face tax rates of 40 to 50 percent on each additional dollar earned. In fact, if the trend of 1972–79 continues, by 1986 everyone with an income of $20,000 in 1972 purchasing power will be in the 50-percent marginal bracket.

The high and rising marginal tax burdens have reduced the rate of return to labor. There has been no increase in real aftertax spendable earnings for the average worker since 1965. Extra effort is taxed at record rates. Workers have substituted leisure, early retirement, and nontaxable fringe benefits for added work and added pay.

Saving is also hard hit. The aftertax reward to saving is miserably inadequate in view of the great social service that saving performs. Saving is inherently double taxed. Income is taxed when earned. If it is spent on a good or service, only a small sales tax is incurred. If it is saved, the "service" acquired—interest or dividends—is taxed at rates up to 70 percent. Inflation increases this double-tax burden as it pushes taxpayers toward the upper brackets, reducing the reward to saving even further. Taxpayers have substituted consumption for saving, and tax-sheltered saving for ordinary saving. The supply of saving to the stock, bond, and other credit markets for use by ordinary business has been choked off.

Inflation has caused a gross understatement of depreciation, the amount of plant and equipment that is wearing out. As a result, business profits are overstated, and taxes are overpaid by 25 to 30 percent. The rate of return on the use of equipment is reduced, leading to a drop in desired investment. The cost of just standing still increases, as depreciation allowed by the tax code proves inadequate to replace old machinery. Even as overstated taxes and mandated pollution control spending reduce corporate cash flow, firms must dip into that cash flow to pay inflated prices for new machines. Little is left over to raise dividends or make higher interest payments to overcome the reduced desire to save on the part of taxpayers.

The supply of credit to business is further reduced, and the cost of that credit increased, by the increasing preemption of our limited supply of savings by Government borrowing to fund the Federal deficit.

The general profitability of business is further eroded by an enormous regulatory burden, the cost of which is now in the neighborhood of $100 billion a year, almost 5 percent of GNP. It reduces productivity and discourages all forms of production. It curbs the use of plant and equipment, labor, and land. It exacerbates inflation and results in the underemployment of every conceivable factor of production.

How do we fight this situation? There is no great mystery. The methods have been thoroughly studied and are ready to use if we only have the will. Here is the program:

To fight inflation and defend the value of the dollar, curb the creation of new money.

To keep slower money growth from causing a credit crunch and recession, get the Government out of the credit market by curbing the growth of Government spending to end the deficits.

To further increase the supply of credit for real growth, encourage saving by cutting personal tax rates and index the personal income tax to keep inflation from undoing the tax cut. Institute tax incentives for additional saving to offset the double taxation which saving now faces.

To encourage business to use the added saving to produce real growth, enact replacement cost or indexed depreciation. Encourage the employment of all inputs in their most efficient uses by cutting corporate tax rates to discourage the use of shelters.

To prevent the taxation of illusory capital gains due only to inflation, adjust the purchase price of capital assets for inflation when calculating taxable gains.

To reduce our soaring regulatory burdens, abolish existing regulations that are excessive, duplicative, or contradictory. Require that regulations be drafted to minimize costs to consumers and businessmen. Establish a regulatory budget, which puts a cap on the cost each Federal agency or department could impose on the private sector.

To increase work effort and the supply of labor, reduce personal tax rates and index the income tax to keep inflation from undoing the tax cut.

To make untrained workers employable, institute a wage subsidy for the hiring of unskilled workers, putting the hard-core unemployed into real training programs in the private sector. Delay further increases in the minimum wage in order to prevent thousands of teenagers and unskilled workers from being priced out of the market.

That is the program. It is infinitely more flexible than the stop-and-go policies of recent years. It can fight unemployment and inflation simultaneously. It will produce sustainable real economic growth and higher living standards for the first time in nearly a decade.

Here is a description of the bills.

PERSONAL TAX RATE REDUCTION

Increased tax credits or rebates, or wage guarantees, do nothing to increase the rate of return, the reward after taxes, to additional labor or saving. Only reduction of the marginal tax rates in each bracket, the rates that apply to added earnings due to added effort, can do that. Accordingly, in the last Congress, I cosponsored, and in this Congress I will cosponsor, the Kemp-Roth bill or a reasonable facsimile.

This should be part of a sound program to increase work effort and total saving, and to redirect saving out of shelters and into America's ordinary cash-starved businesses. A tax reduction bill of even this size will only serve to offset the tax increases that will be generated in the next few years due to social security tax increases and the effects of inflation in pushing people into higher tax brackets. Kemp-Roth works primarily because it is the right shape to stimulate supply.

INDEXING THE PERSONAL INCOME TAX

Each year, as incomes rise to keep up with the cost of living, millions of workers find themselves in higher tax brackets. The increased tax burden often robs the worker of any real increase in spendable earnings. In fact, today's average worker has had no real increase in real spendable earnings, after taxes and inflation, since 1965. That is 15 years of stagnant real spendable income even though nominal wages have more than doubled.

Because of higher tax brackets, many workers are discouraged from accepting overtime labor bargains for nontaxable fringe benefits, including more time off. Spouses who might seek part-time work find the added income taxed at high rates, and stay home. Saving is discouraged, as inflation erodes the principal and higher tax brackets steal the interest. Tax shelters are now used by millions who once had no need for them. Others simply spend. Growth rates of employment and real income are reduced.

Under the current tax code, tax revenues rise about 16 percent every time prices rise by 10 percent. The extra 6-percent rise in revenue is due to "bracket creep" as inflation pushes taxpayers into higher tax brackets. Bracket creep has effectively repealed the Kennedy tax cut of 1964 and subsequent tax reductions.

Indexing prevents inflation from pushing taxpayers into higher tax brackets just because they receive a cost-of-living increase. Indexing would hold Government revenues to a 10-percent increase when prices rose 10 percent. Thus, it does not deny the Government the revenue needed to keep up with prices. It simply denies the Government its automatic windfall from inflation.

Under the bill, each December, the Secretary of the Treasury would calculate the percent by which the average consumer price index rose for the 12 months ending September 30. All fixed dollar amounts in the income tax tables would be increased by that percent; the personal exemption, the "zero tax bracket"—that is, the standard deduction—and all the income levels which separate one tax bracket from the next, would be adjusted. This is the standard textbook method for accurately insuring that the same real income always faces the same real tax rate, both on average and at the margin. It ends the current system under which taxpayers on average have faced tax rates on additional income which are 1 or 2 percent higher each year. It ends the bracket creep problem which nurtures tax shelters, consumption, and leisure at the expense of work effort and straightforward saving and investment. It gives workers a chance for real wage increase even without double-digit wage demands.

A tax rate reduction program, such as has been proposed by Congressman KEMP and Senator ROTH, should be enacted, with indexing to take effect thereafter. The Kemp-Roth bill introduced last year included such a proposal for indexing to take effect in 1983 after 3 years of tax rate reduction.

If rate reduction is not enacted, immediate indexing becomes imperative. Indexing would neither roll back the use of tax shelters, nor restore incentives lost to previous taxflation. Only rate reduction can do that. However, indexing would prevent the further deterioration of spendable earnings and savings due to future taxflation.

INDEXING CAPITAL GAINS

This bill, modeled after the Archer amendment to the Revenue Act of 1978, would adjust the basis of capital assets for inflation in determining gains and losses for tax purposes. It would involve increasing the purchase price of our asset by the percent increase in the Consumer Price Index since the asset was levied on purely illusionary "gains" due to inflation.

Capital gains have been eroded by inflation to such an extent that most reported capital gains are really losses when adjusted for inflation. Prof. Martin Feldstein reported to the Joint Economic Committee on an exhaustive study of capital gains reported in 1973 tax returns. Taking all returns into account, the reported nominal gains of $4.6 billion were in fact real losses of nearly $1 billion, yet all the reported gains were taxed. Worse yet, the bulk of this overtaxation fell on middle-income taxpayers. The tax code was never intended to operate in this way. On average, on those gains which were still gains even after adjusting for inflation, the real effective tax rate was doubled.

As pointed out in the 1978 joint economic report:

Capital gains are already overtaxed. They are not ordinary income, and we should not be trying to tax them as if they were.

Capital gains occur when the price of an earning asset rises. The price increase is generally caused by a perceived increase in the future earnings of the asset. Those future earnings will be taxed when they occur. To tax the rise in the asset's value as well as the future earnings is to double tax those earnings. For this reason, no major nation treats capital gains as ordinary income.

To add to this double taxation by imposing taxes on the portion of gains due to inflation raises the effective tax rate well above rates intended in the Tax Code. In fact, taxing real capital losses means we impose a tax in excess of 100 percent on the "profit" from many transactions. This combination of inflation plus a tax on capital transfers has locked in thousands of investors and sharply reduced trading of all types of property. As a result, as several studies show, the Government is actually losing more money because of discouraged activity than it gained by raising capital gains tax rates in 1969.

More importantly, the country has lost out on a great deal of growth because saving and the efficient allocation of capital have been retarded.

DEPRECIATION REFORM

The Senate Finance Committee, in a nearly unanimous bipartisan vote, produced a program of personal and business tax rate reductions in 1980 largely geared toward the supply side of the economy. Most of the bill's provisions have some impact on marginal incentives.

An important part of the Senate Finance Committee package deals with depreciation. Congress has been more familiar with the problems of inadequate depreciation, and more united on the sort of tax changes that are needed, than any other tax question. Had we taken action on this matter a year or more ago, we might have averted the current needless recession, the rise in unemployment, and the slump in productivity that plague us today.

There are two major depreciation plans with widespread bipartisan support in the Congress. One is the Senate Finance Committee proposal. The other is the Conable-Jones 10-5-3 proposal.

The 10-5-3 proposal has the cosponsorship of a majority in the House and the backing of a majority in the Senate. It is simple and powerful. It has been slowed down by technical concerns and worries over its cost. These problems are not insurmountable.

The Senate Finance Committee proposal is somewhat smaller in size, but almost as simple and as easy for firms to use as the 10-5-3 approach. It too, requires some technical adjustments, which I intend to offer here today. The depreciation plan which I am introducing today is based on the Senate Finance Committee plan, but modifies it somewhat. It sets up four categories of equipment and machinery. Assets in these categories are to be depreciated over timespans of 2, 4, 7, or 10 years. Equipment, which now has the longest tax lives under the current ADR—asset depreciation range—system, would fall into the 10-year category. Shorter lived assets would fall into the shorter categories. Each asset will experience a significant reduction, at least 40 percent, in its writeoff period. In each category, there is an investment tax credit. My bill provides a 10-percent investment tax credit (ITC) for assets in the 7- and 10-year categories, a 7½-percent ITC for the 4-year category, and a 4-percent ITC for the 2-year category. This is a change from the Senate bill, which gave the 4- and 2-year categories smaller ITC's, 6 percent and 2½ percent respectively.

The increased ITC's are essential if smaller businesses are to be better off under the revised depreciation system than they are under current law. Smaller firms are in lower income tax brackets than larger firms. For those in the lower brackets, the depreciation allowances, which are deductions from taxable income, save less in taxes than for those in the higher brackets. for lower bracket firms, the ITC, which is a credit against tax, is relatively more valuable. The Senate bill grants shorter asset lives, faster depreciation, but with a reduced ITC. This tradeoff was carried too far for the smaller firms. The enlarged ITC in this bill remedies the defect. The change makes certain that firms of all sizes experience a significant improvement in their capital cost recovery allowances compared to current law.

Another provision of the Senate bill allows firms to write off $25,000 in new equipment in the first year—expensing. This is a very important provision for small business, greatly simplifying their accounting procedures. Unfortunately, the bill provides no

ITC for this equipment. For small firms the ITC obtainable under other provisions of the bill for assets written off over several years is more valuable than the added gains from first-year writeoff. No small firm would take advantage of this provision as it stands. To remedy the problem, my bill provides a 4-percent ITC for the $25,000 of expensed assets.

The rest of the bill parallels the Senate version. A fact sheet follows. For more detail on this legislation, see Senate Report 96-940 on H.R. 5829, subtitle B.

I am also introducing today two additional bills concerning depreciation. One would allow firms to write off pollution-control equipment in the year of purchase—expensing. A 4-percent ITC would be permitted.

The second bill cuts right to the heart of the depreciation question. Why do we make firms depreciate their machinery and equipment over many years? The standard tax base in the United States is income. The theory is that a machine should be written off over the time it earns income for the firm—the machine's useful life. This is fine philosophy, but it is economic nonsense. Aside from the obvious fact that a machine may become economically or technologically obsolete long before it wears out, there is a deeper problem.

Any income tax is a double tax on saving and investment, compared to consumption. Money saved and invested was taxed when it was earned. If it is saved and invested, instead of consumed, the earnings on the investment are taxed again. A tax system which is neutral between saving and consumption would tax either the income that got saved, or the earnings of the saving, but not both. This is why the value added taxes of Europe permit the full deduction of an investment in the year it is made.

The ideal unbiased tax code would permit a firm to deduct the cost of a machine as soon as it is purchased. The third bill I offer today would permit firms to write off their equipment and machinery over any time period they choose, and in any proportion in each tax year, with a 4-percent ITC. Some firms would prefer a longer depreciation period with all the deductions in later years if they were losing money in the year of purchase and had no profits to offset at that time. This is a bill for the future. It is the ideal system we should approach over time.

CAPITAL INVESTMENT ACT OF 1981

This legislation offers broad incentives to invest. It is based on the depreciation amendments reported by the Senate Finance Committee, with an important perfecting amendment.

1. SIMPLIFIED COST RECOVERY (SCR)

The bill establishes a simplified cost recovery system (SCR) which provides tax incentives for investment in equipment and machinery. Under the legislation, equipment would be classified in one of four recovery accounts with a recovery period of 2, 4, 7, or 10 years. Generally, equipment and machinery would be depreciated 40 percent faster than under present law. A simple "open-ended account" system for computing depreciation deductions, which has been successful in Canada, would replace the complicated "vintage account" system of present law.

In addition, the investment tax credit rules would be modified. Assets with recovery periods of 7 or 10 years would receive a 10-percent investment tax credit, as in the Senate Finance Committee bill. Assets with 4- and 2-year recovery periods would receive 7½-percent and 4-percent investment tax credits, respectively, higher than those in the Senate bill, 6 percent and 2½ percent, respectively. This modification is necessary if smaller firms are to receive improved incentives to invest, compared to current law.

2. STRUCTURES

At the option of the taxpayer, structures and structural components would be eligible for 20-year straight line depreciation with section 1250 recapture. This compares to a useful life of some 30 years for apartment buildings, 35 years for industrial structures, and 40 years for commercial structures under present law. Also, at the option of the taxpayer, certain low-income rental housing would be eligible for 15-year straight line depreciation with section 1250 recapture. This compares to a useful life of some 30 years for low-income housing under present law. Another option is provided for taxpayers who build, hold, and occupy structures for use in their business, rather than for resale. These would include plants or retail structures built by manufacturing or commercial firms for their own use. These structures would be eligible for 15-year straight line depreciation with section 1245 recapture. These provisions would provide an audit-proof system for taxpayers by eliminating disputes over useful life between businessmen and the Internal Revenue Service.

These provisions will encourage the construction of new factory buildings which is so important in modernizing our industrial base. The new rules will provide a needed stimulus to the depressed housing industry and help create jobs in the construction industry. Additional incentives are provided for low-income housing.

3. PROGRESS PAYMENTS

The bill permits firms to begin depreciation with respect to progress payments for property which requires a long period of construction, rather than wait until it is placed in service.

4. REHABILITATION OF COMMERCIAL AND INDUSTRIAL STRUCTURES

In an effort to help revitalize some of the older industrial sections of the Nation, the legislation increases the existing 10-percent investment tax credit for the rehabilitation of commercial and industrial structures to 25 percent.

5. SMALL BUSINESS SIMPLIFICATION AND INCENTIVE

In an effort to provide substantial simplification and a real tax incentive for small business, taxpayers can elect a first year writeoff, expensing, for the first $25,000 of annual investments in equipment and machinery. A 4-percent investment tax credit is allowed, which is not part of the Senate bill. This is necessary to make this option as attractive as ordinary multiyear depreciation with the investment tax credit allowed in that case. Hundreds of thousands of small businessmen across the Nation would no longer have to worry about burdensome depreciation calculations if they elect this option.

ENCOURAGING SAVING

These are tense times. We are threatened militarily and economically from abroad. At home, Americans struggle with each other for a bigger slice of a shrinking pie. It did not have to be this way.

If we had saved and invested a bit more; if our GNP had grown only 1½ percentage points faster each year since 1950, we would now have a $3¾ trillion economy instead of a $2½ trillion economy. We would have $200 billion more in Federal revenues, balanced budgets, stable prices, income and payroll tax cuts, 50 percent higher living standards, millions more jobs, a solvent social security system, an ultramodern productive economy three times the size of the Soviet Union's instead of twice their size, and unquestioned military superiority. Russia simply could not have kept up with us.

Faster growth, higher incomes, and plentiful jobs are exactly what the unemployed, underprivileged, and the minorities of this country have been seeking for many years. It is no accident that the greatest gains in income, jobs, and dignity for minority workers have come during periods of rapid expansion.

Growth is critical, and saving is critical to growth. We have thrown away 30 years. The hour is very late. It is high time we got started.

The United States has the lowest rate of saving in the Western World, resulting in the lowest rate of productivity growth, investment, and real wage increases among the major industrialized nations. Personal saving is falling because inflation and high tax rates reduce the real rate of return on savings. As people are pushed into higher tax brackets, they get to keep

less of each additional dollar of savings income. Since income from savings is added to income earned from personal service; the highest tax rate each taxpayer pays is imposed on his or her savings income. The higher the tax rate individuals face on additional income from saving, the less likely they are to save. Thus, the present high tax rates discourage new savings, encourage consumption, and force savings away from productive investments into tax-exempt bonds and tax shelters.

The total amount of saving in the United States—personal saving, retained earnings, and depreciation setasides—has already fallen so low that we are not providing enough investment to keep pace with replacing worn-out machinery and equipping a growing labor force. This is leading to falling productivity, lower real wages, and reduced job opportunities. Unless action is taken, we face a decade of stagnation.

This is too crucial an issue for casual legislation. We have to do it right, without ideology and without wishful thinking. It is a fact of life that the top half of the income distribution earns more than three-quarters of taxable income and undoubtedly does 90 percent or more of the Nation's personal saving. We have to encourage those with the capacity to save to do so to give this country the growth it needs to compete and survive in a hostile world. But the higher income groups are not the only ones that save. And whether we like it or not, that means reducing the tax rates on added earnings from added savings for people at all income levels.

I have made a careful study of this issue over several years. The Joint Economic Committee has held hearings on growth and noted the importance of savings in this process. We heard from the best experts in the country. I can tell you this: Savings can be encouraged. We can grow faster. Let me summarize some of what I have learned.

I must stress very strongly that the naive approach of exempting a limited dollar amount of interest from the tax does not do much. It merely rewards old saving. Most returns have more interest and dividend income than the ceilings in a limited $200 or $400 exclusion. IRS figures prove this beyond a shadow of a doubt. The tax status of any added interest is completely unchanged by the exclusion. If the taxpayer had become discouraged and had stopped saving before the exclusion, he still will not save after the exclusion. If the taxpayer was using tax shelters before the exclusion, he will still use them after the exclusion. We can justify some sort of exclusion on equity grounds to aid the elderly, whose interest on old bonds has been severely eroded by inflation. But we cannot, we must not, fool ourselves into thinking that a limited exclusion will increase saving in the economy.

There are only two effective ways to encourage more saving: First, reduce the tax rate on savings income in each existing tax bracket; and second, shift savings income into lower brackets.

Unless the actual tax rate paid on the last few dollars, on the marginal potential added dollars of savings income, is reduced, behavior will not be changed and saving will not be increased.

Today I am introducing two savings bills which incorporate these approaches. The first bill continues the existing interest exclusion, but it also reduces the effective tax rate on savings income by exempting 25 percent of every dollar of savings income above the $200–$400 exclusions from tax. This lowers the effective tax rates from the current range of 14 to 70 percent to 19½ to 52½ percent, greatly increasing the incentive to save.

The bill is designed to encourage a higher rate of saving by reducing the tax rates which apply to interest and dividend income. The bill provides a two-part approach to interest and dividend income.

To compensate existing savings for the effects of inflation on fixed interest, the bill continues the provision in existing law which excludes from taxable income 100 percent of the first $200 and $400 of interest and dividend income on single and joint returns.

To encourage new saving, the bill excludes from taxable income 5 percent of all interest and dividends above the amounts described above, increasing annually in stages—10, 15, 20 percent—to 25 percent in the fifth year after enactment.

In order to encourage new savings, the tax rates which apply to interest and dividends must be reduced. A limited interest tax exemption will not substantially increase saving. It will primarily reward existing savings. On equity grounds, an interest exemption is advisable for senior citizens and low- and moderate-income taxpayers. This bill continues this exemption. But, in order to encourage additional savings, the tax rates at which additional savings income is taxed must be reduced. The 25-percent exclusion of additional interest and dividends has the effect of reducing the tax rates on additional savings income by one-quarter. For example, an individual in the 28-percent tax bracket would see the effective marginal tax rate on savings income fall to 21 percent. The 40-percent bracket would effectively fall to 30 percent, and the 70-percent bracket to 53 percent. This would result in a substantial increase in saving, a switch out of tax shelters, reduced interest rates, and less pressure on the Federal Reserve to create money. It is a pro-growth, anti-inflationary step of great effectiveness.

The second savings bill which I am introducing today with Representative ROUSSELOT and Senator ROTH is even better than the above described bill because it targets the incentives more strongly at these people of working age who can and should save more and spend less. Current law combines savings income and personal service income, which puts the savings income in high brackets. I propose to split income into two parts for tax purposes. The first dollar of both earned income and unearned income would start in the 14-percent bracket, and the top tax rate on both would be 50 percent. Deductions and personal exemptions would be taken against either type of income, whichever was higher, or split between them. The two taxes would be added to find the total tax bill.

For most working-age taxpayers, the bulk of income is earned through personal service, with only a few hundred or a few thousand in savings income added on the top. This bill would bring this income down from the taxpayer's top bracket, where it may face rates of 21, 36, or even 70 percent, and puts it into the 14 or 16 percent brackets, producing a great jump in incentives at relatively low cost.

Let me elaborate on some of the rationale and the details on the income-splitting bill. The bill will treat interest and dividend income more equally with personal service income for tax purposes, thereby encouraging saving and economic growth. This is a carefully targeted proposal of particular benefit to Americans of working years with the desire and ability to save and invest to provide for their retirement and to help the country grow.

On equity grounds, many Members have proposed an interest and dividend exclusion to partially compensate for the damage inflation has done to interest and dividend income from existing savings. This bill does not interfere with such efforts to reward existing saving.

However, in order to encourage additional savings, the tax rates at which additional savings income is taxed must be reduced. The bill equalizes tax rates for both earned and unearned income at rates ranging from 14 to a maximum of 50 percent. This ends the discrimination against saving which has been in the tax code since 1969. Currently, personal service income faces a maximum tax rate of 50 percent, while savings income faces a top rate of 70 percent. The change will raise revenue because of a sharp drop in the use of tax shelters as the top rate is reduced to 50 percent for all forms of income.

Furthermore, low- and middle-income tax rates on savings income are reduced by an income-splitting provision. In current law, after exemptions, earned and unearned income are added together to obtain taxable income, stacking one on top of the other to reach the higher brackets. Under this proposal, each taxpayer would compute a tax on earned income alone, and on unearned income alone, and then add the taxes together. In this way, the first dollar of each type of income would start in the 14-percent tax bracket. Each type of income would rise only through as many brackets as its own size would warrant. The result would be lower tax rates on added income of both types. Specifically, the tax rate on additional interest and dividends from added savings would be in a lower tax bracket than at present for most taxpayers, resulting in more incentive to add to savings.

Currently, individuals with more than $10,000 in preference income—income from tax-sheltered activities—are subject to the minimum tax. As a further inducement for such individuals to return to more productive, ordinary investment, the bill limits the participation of those upper income individuals who continue to use tax shelters. Individuals with more than $10,000 in preference income, other than capital gains, are prohibited from using this income-splitting provision.

The reduction of the top tax rate to 50 percent would cost $4 to $5 billion, and the income-splitting provision, which could be phased in overtime, would add another $8 to $9 billion. These provisions would result in substantial revenue reflow to the Treasury by sharply encouraging a switch from tax-exempt to taxable investments, thus reducing the cost considerably.

We must move on this matter. We cannot wait to find room in the budget. We must make room in the budget. When fully phased in the income-splitting bill will run about $12 to $14 billion at today's prices. This is before tax reflows which are expected to be substantial. For the 25-percent exclusion bill, the initial costs will be less, but the reflows will also be less. The dollar for dollar net benefit to the economy from the income-splitting bill is much more powerful than the 25-percent exclusion bill. But both bills together will finance themselves in the capital markets in the short run out of the savings they generate. They will not be inflationary. In the long run, they will spur economic growth and cause people to leave the tax shelters for ordinary income, and will pay for themselves by tax revenue reflows.

There is ample money for these bills. Inflation is raising taxes in real terms above current annual levels by $15 billion a year, year after year. This means $15 billion the first year, $30 billion the second, $45 billion the third, and so on. It should be no trouble to phase in a bill that will take only the first year's increase. It is affordable. It is essential. It is time to act.

FEDERAL SPENDING LIMITATION

This bill amends the Budget Act to require that spending ceilings in future budget resolutions for fiscal years 1982, 1983, 1984, and 1985 not exceed, respectively, 21, 20, 19, and 18 percent of each year's projected GNP, except by vote of two-thirds of each House of Congress.

REGULATION

One of the most serious problems facing our economy is the stifling effect on profits, incentives, and investments from Federal regulations.

Over the past decade, we have witnessed a huge explosion of Federal rules and regulations. In the mid-1950's, some 10,000 pages were published in the Federal Register each year. By 1970, 15 years later, that number had doubled to 20,000, but now the number of pages added each year is about 75,000. Today, the cumulative Federal Registers fill 52 large shelves and totals over 800,000 pages, and is growing. In fact, Federal regulation is America's No. 1 growth industry.

Shelf space to house these regulations is not what concerns me. What concerns me is the costs these regulations impose on our economy.

In a 1979 study for the Joint Economic Committee, Murray Weidenbaum, professor at Washington University in St. Louis, put the private sector compliance costs at $97.9 billion. In addition, the agency administrative costs total $4.8 billion.

Much of this $102 billion regulatory burden is well intentioned. Concerns over safety, the environment, and consumer protection are legitimate concerns. But, it is time we applied some cost-benefit analyses to these regulations. There must be situations where the cost burdens imposed on society by these regulations exceed the benefits to society.

A number of witnesses who have testified before the Joint Economic Committee in recent years have made a strong point of the fact that Federal regulation aggravates our inflation problem. Higher prices due to regulation stem from two sources: First, the direct dollar expense of compliance with the regulations, currently costing $100 billion in the aggregate, as noted, which comes to about 6 percent of personal consumption expenditures. As a microexample, Government safety and pollution-control devices add about $660 to the price of the average automobile. Second is the adverse impact on productivity. When scientists and researchers are diverted from the constructive pursuits for which they are trained and qualified, to collecting data and filling out forms for Government agencies, productivity declines. Edward F. Denison of the Brookings Institution has estimated that, in recent years, Government regulations have caused a loss of approximately one-fourth of the potential annual increase in productivity. This reduced output per person, of course, exacerbates our already disturbing inflationary pressures.

Something must be done. Americans want these burdens removed; they want action now.

The regulatory reform package I am introducing today is varied, covering three aspects. It is designed to alter our Federal regulatory system. It introduces accountability—both in the Federal agencies and in the Congress. It introduces a system for abolishing existing regulations which are excessive, duplicative, contradictory, or inefficient. It mandates a thorough overhaul of the system for reviewing proposed regulations before issuance to insure that they minimize costs to consumers and businessmen. It seeks to reduce the cost of individual rules and regulations, both in direct tax costs and in the indirect costs of complying with them. The three bills are entitled: "The Regulatory Conflicts Elimination Act of 1981," "The Regulatory Cost Reduction Act of 1981," and "The Federal Regulatory Budget Act of 1981."

Briefly, this is what each bill does.

THE REGULATORY CONFLICTS ACT OF 1981

Under this legislation, the Office of Management and Budget will annually report to Congress and the President on Federal agency rules or regulations which duplicate or conflict with one another. At the start of each fiscal year, the President and the head of each agency will submit to Congress his recommendations for resolving or eliminating duplication or conflicts among these rules or regulations. The recommendations will go into effect 60 days following their submission unless Congress disapproves. The GAO will evaluate the President's recommendations as well as each agency's progress in implementing the recommendations.

It is senseless for a businessman to be put squarely between the rock and the hard place where complying with one regulation requires violating another.

This legislation is designed to eliminate the irrationality of overlapping and contradictory regulations.

THE REGULATORY COST REDUCTION ACT OF 1981

Under this legislation, the regulatory agencies will be required to meet their regulatory objectives in the most cost-effective manner.

Congress generally fails to impose a cost-effectiveness requirement in most measures establishing new regulatory

programs. As a result, regulatory agencies often issue regulations that employ excessively costly methods to achieve their goals. This is a tragic waste of our country's scarce resources.

We need to clean up our environment; we need to make our highways safe; we need to improve the health and safety of our workplaces. But, if we do this wastefully and inefficiently, we are simply misusing valuable resources that could be used to achieve other important goals.

Therefore, regulatory agencies should be required to minimize the cost of achieving their regulatory goals unless this consideration is overridden by a more important national goal. My bill will do this. All agencies will be required to examine all options for attacking a regulatory problem and to choose the least costly alternative. They will be required to publish a regulatory impact analysis in the Federal Register to back up their existing regulations. The only regulations exempt from this requirement are those dealing with military affairs, agency management, and procurement.

Regulation on its face is bad enough. But onerous regulation, not founded on least-cost principles, frustrates business and hurts consumers. If we have to have regulation, enactment of this bill will assure that it is at least efficient regulation.

THE REGULATORY BUDGET ACT OF 1981

My final bill would amend the Congressional Budget Act of 1974 to require the Congress to establish a regulatory budget, along with an administrative budget, which sets for each agency or department the maximum costs of compliance with rules and regulations promulgated by that agency or department. This bill, each year, forces the President and Congress to put a cap on the costs each agency could impose on the private sector, similar to ceilings imposed on the costs of administering the agencies.

It establishes a formal mechanism within the framework of the Congressional Budget Act passed 7 years ago for limiting the burden of Federal rules and regulations. Annually, the President and Congress would establish a maximum regulatory cost—a ceiling—for each Federal agency. This ceiling would be fixed, inviolate, just as agency budgets are today. The cap would be determined after an extensive, broad-based series of hearings, administrative reviews, with ample opportunity for public input.

In the past, the fiscal budget was quite adequate to show the impact of Government on the economy, since almost all Federal Government activities involved direct taxation and direct spending. If one added to these the financial commitments—through loans, guarantees, and insurance—of some 14 off-budget agencies, one could get a fairly clear picture of the Government's impact on the economy. Most of the economic effect of regulation is hidden, since Government-required private sector spending for auto safety, mine safety, pollution control, and consumer protection, plus the attendant paperwork costs, do not appear in the Government's budget figures. They are cloaked in off-off-budget spending, required of the private sector to comply with Federal regulation.

My bill will remove the ignorance surrounding the actual magnitude of costs imposed on the private sector by Federal regulations. This bill, and the other bills I am introducing, would force the Federal agencies to account for their rules, to assess what associated costs exist, and to toe the line in minimizing their costs.

The congressional budget process has worked well in serving to stress the need for spending restraint by Congress. It has increased Congress ability to assess the current status of the Federal budget, and to project—and, thereby control—future spending levels.

It is my hope that the Federal Regulatory Budget Act will yield similar benefits in reining in the runaway cost of burgeoning Federal regulations. There is little question that such restraints are long overdue. It is my conviction that adopting the congressional budget process is the best and most effective way to impose these restraints.

STRUCTURAL UNEMPLOYMENT

There is one economic problem that is most devastating to society. That problem is structural unemployment—that is, unemployment essentially caused by low skills; skills so few and so minimal that the person literally faces a life of unemployment, or at best part-time employment.

It is because of the present desperate situation and inevitable and hopeless future, that the structurally unemployed present this country with a severe test.

To meet this test, I am introducing a bill that will deal squarely with structural unemployment. This bill puts to use our most potent weapon in fighting this or any other economic problem—the private sector.

By the private sector I do not mean just business, but the entire private sector—labor, business, schools, religious organizations, citizen groups, and other members of the local community. Under this bill, these aspects of the private sector will combine the work together to match the structurally unemployed with available jobs. This community combination has proved highly successful in many localities across the country for the opportunities industrialization centers, the Committee for Economic Development, and other organizations that deal directly with structural unemployment.

The bill provides a wage subsidy paid to employers for training and employment. States would approve acceptable employer programs and petition the Secretary of Labor for the subsidy money. The subsidy, which begins at 50 percent of the wage, is decreased at 6-month intervals until it ends after 2 years of employment.

I stress that this subsidy would only be paid if training is provided. Training is the key to the solution. If structural unemployment is defined as being caused by low skills, then any bill that does not stress training is a waste of time and money. This bill will establish training as a requirement in order to provide the structurally unemployed with what they need most. The bill also establishes a priority system for granting these subsidies to private employers; assuring the subsidies will go to the areas where they are most needed and will be most successful.

The first priority established by this bill is the targeting of subsidies to areas of high unemployment. It is an unfortunate fact of our economy that structural unemployment is most severe in the most desperate of economic situations, where the structurally unemployed not only lack skills, but face a job market so depressed that they have only a small chance of receiving employment or training. They have lost man's most important defense—hope.

The second priority is for small business. The Joint Economic Committee has heard time and time again over the years that the most helpful solution to this structural unemployment problem is small business. The reasons are simple. Every community has a great number of small businesses whose condition and needs are most known to the rest of the community. These are the employers that are most responsive to wage subsidies. If only one-third of the 10 million small businesses in the United States would hire just one new employee each, we would more than solve our overall unemployment problem.

As I said earlier, the concept of community is very important to solving the problem of structural unemployment. The biggest problem in any training and employment program is the location of jobs and job retention. Local, private organizations that draw together various aspects of the community to solve the problem of structural unemployment have shown a far greater success in placing people in permanent jobs than any Federal Government training program.

Accordingly, this bill offers its final priority to those employers who use these community organizations in

finding employees. This priority guarantees that the hired worker will be carefully matched to the specific job. And just as important, these organizations will provide the support services after employment which are so critical to the newly hired, low-skill employee. The use of these organizations—called intermediate organizations—separate this bill from other employment and training bills. Judging from the unmatched success of intermediate organizations, it makes this a superior bill.

This bill has an important provision that guarantees that the subsidies will help those who need it the most.

This provision addresses the question of who is eligible for the subsidy. In other words, who is structurally unemployed? This bill uses a simple but reliable definition for structural unemployment that prevents the loss of time and effort just trying to figure out who can be hired under the subsidy.

Eligibility is defined as being out of work for at least 5 weeks and exhausting or being monetarily ineligible to receive unemployment compensation. Thus, the bill identifies workers who have been out of work for a long time and workers who have such low skills that their spotty pattern of employment provides them with only a short time period of unemployment compensation. This simple definition would include youths who have never held a job and, therefore, are not eligible for unemployment compensation. Likewise eligible would be the growing number of women who, by personal choice or economic hardship, have returned to the labor market after an absence of many years and with low marketable skills.

Highly skilled workers would not be eligible under this definition unless they faced dire economic circumstances. The reason is that highly trained workers who lose their jobs would receive unemployment compensation for a long period of time. Only if the highly trained worker was unemployed until unemployment compensation ran out would that person be eligible for subsidized employment.

Another important feature of this bill which improves efficiency is a minimum paperwork provision. This provision provides that no State will receive any Federal money for job subsidization until that State has assured the Secretary of Labor that its modus operandi requires a minimum of paperwork on the part of the employer. This unique feature ingrains administrative efficiency in the program at its inception. This is far different than other bills that start a program and then find out it is impossible to administer.

We must solve this problem of structural unemployment because our slumping economy needs the input of these workers.

But, most crucially, we must solve this problem to help millions of people who find their lives robbed of security, opportunity, and, most of all, hope.

EXPLANATION AS TO VOTE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, it was necessary for me to be absent from the House from December 11 through December 16, 1980, when the 96th Congress adjourned sine die. I therefore missed the following rollcalls. If present I would have voted as follows:

Rollcall No. 677, on December 11, the House voted to suspend the rules and pass the conference report on S. 1097, to establish a national tourism policy, a Cabinet level coordinating council and a nonprofit corporation as an implementing agency to carry out the national tourism policy. I would have voted "nay."

Rollcall No. 678, on December 12, the House failed to suspend the rules and pass House Resolution 829, providing for agreeing to the Senate amendment, with an amendment, to H.R. 4231, to designate the John D. Larkins, Jr., Federal Building. I would have voted "nay."

Rollcall No. 680, on December 13, the House receded from its disagreement and concurred in Senate amendment No. 30, to House Joint Resolution 637, making further continuing appropriations for the fiscal year 1981. I would have voted "yea."

Rollcall No. 681, on December 15, the House approved the Journal of Saturday, December 13, 1980. I would have voted "yea."

CONGRESSIONAL STAFF CUTS

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 60 minutes.

Mr. COLLINS of Texas. Mr. Speaker, inflation is the No. 1 concern of America today. Our constituents are looking to Congress to correct it. Too much government caused by too much congressional spending has created this high inflation. America has more Government than it wants, more regulations than it needs, and more taxes than the people can afford to pay.

Congress is responsible for the tremendous growth in the bureaucracy. The heart of the problem is in our own House. We have hired more people on congressional committees and have given them more money. The end result is more bureaucracy. These oversized, overpaid committee employees are directly responsible for the increase in the Federal budget, from $232 billion in 1972 to $494 billion in 1979. The number of committee staff has grown from 817 in 1972 to 1,939 in 1979. The cost of these staff has exploded from $14 million to nearly $96 million during this same period, an increase in funding of 586 percent.

We have known this deficit Government spending has caused inflation. To curb Government growth we must get at the cause of spending—committee staffs. These people draft the budget bills and draft the committee funding resolutions. Really, they write regulations to keep their jobs.

Two years ago in the 96th Congress, we began the fight to reduce committee staff and funding. The average vote was 264 to 120. But the votes to cut gained in 1980 for an average vote of 248 to 151. This Congress will see 52 more new Republicans voting in the House, and, combined with more support from conservative Democrats, we are going to vote for savings and a more efficient Congress.

As we begin this session, each House committee meets to establish its own budget request. They should cut down to basics. Their budget must then go to the Subcommittee on Accounts. The next step is approval from the full House Administration Committee. In the fourth and final stage, the committee budgets come to the House floor. We all must be ready to reduce inflated budgets.

To assist you in the preparation of your 1981 committee budgets, I submit eight tables which reflect the unnecessary expansion of so many committees since 1970. This material was prepared with the assistance of Congressional Research Service. For example, in 1978, 90 percent of expenditures went for salaries. The Committee on the District and the Rules Committee spent nearly 98 percent of their funds on salaries.

Salaries are the major item for consideration. Some committees are also out of line on travel expenses, witness fees and excessive computer and equipment costs. But the real concern, and our emphasis, will be to eliminate all of these excessive investigative staff and their cost.

Let us look at some comparisons for the 92d and 96th Congresses: Agriculture funding ballooned from $250,000 to $2,272,000. House Administration, with its duplicative computer services, grew from $615,000 to $22,699,500. Merchant Marine zoomed from $519,000 to $3,176,245. Ways and Means expanded from $75,000 to $4,252,000. Why should the Rules Committee that had a $5,000 budget in the 92d Congress need $1,134,000 in the 96th? Total committee budgets for these investigative staff grew from $6,800,000 in 1971 to $46,762,000 in 1979. When we cut the fat out of these committee budgets we will take the

first step toward reducing the size of the Government.

The material follows:

FACTSHEET—COMMITTEE STAFF FUNDING: STATUTORY AND INVESTIGATIVE

Committee staff in the House are divided into two categories: statutory and investigative. Statutory employees are hired without regard to political affiliation, solely on the basis of their ability to perform required duties, and are prohibited from performing work other than committee business during their hours of employment. Statutory staff are augmented by investigative personnel, hired pursuant to annual "inquiries and investigations" funding resolutions. Investigative staff are not covered by the legal protections and prohibitions under which statutory staff function.

All House committees except Appropriations and Budget are authorized to employ up to 30 statutory staff (18 professional and 12 clerical). The Appropriations and Budget Committees are permitted by House Rule XI to determine the appropriate level of staff they require. Neither committee is required to submit a funding resolution for employment of investigative staff.

Committees are funded through the Legislative Branch Appropriations Act approved by the Congress each year. Several line items in the appropriations measure relate to committee funding. Statutory staff for standing committees (including Appropriations and Budget Committees) are funded under "Committee Employees." Separate line items provide funds for studies and investigations expenses of the Appropriations and Budget Committees.

The contingent fund of the House covers all other committee expenses. Two line items under the contingent fund section contain contingent fund moneys to cover these expenses: (a) the "Special and Select Committees" line item provides funds for the expenses and salaries of special and select committees, salaries of nonstatutory (investigative) staff of standing committees, and the expenses of committee investigations and studies, and; (b) the "Allowances and Expenses" line item provides funds for other expenses of all committees, e.g. government contributions to employee life insurance fund, retirement fund, and health benefits; postage needs; furniture and furnishings, and stenographic reports of committee hearings. The "Allowances and Expenses" category also provides funds for telephone, telegraph, and stationery supplies, as they relate to the legislative function of committees. It does not provide for telephone and stationery expenses related to committee investigations and studies, since these are included in committee budgets and funded under the "Special and Select Committee" funds.

Appropriations for committee expenses are made on a fiscal year basis by the Legislative Branch Appropriations Act. However, for committees to obtain funds for special and select committee expenses and staff salaries, they must submit a budget to the House Administration Committee for each session.

Budget estimates for statutory staff salaries are based generally on past cost and usage. Similarly, estimates for committee funding resolutions are based on past experiences and anticipated needs.

TABLE I.—SUMMARY STATISTICS ON COMMITTEE STAFF AND FUNDING

Committee	92d	93d	94th	95th	96th	Percent increase
Agriculture:						
Staff	18	20	48	56	68	278
Funding	$250,000	$300,000	$1,585,563	$1,900,700	$2,272,250	800
Armed Services:						
Staff	33	29	38	48	50	52
Funding	$450,000	$375,000	$1,554,275	$1,735,900	$1,504,000	234
Banking, Finance Urban Affairs:						
Staff	49	51	85	107	105	114
Funding	$1,518,500	$2,130,300	$3,076,113	$5,227,100	$5,004,007	230
District of Columbia:						
Staff	38	34	43	38	41	8
Funding	$250,000	$550,000	$783,711	$550,000	$604,570	142
Education and Labor:						
Staff	82	95	114	102	113	38
Funding	$2,478,000	$2,620,000	$4,218,000	$4,706,000	$4,939,500	99
Foreign Affairs:						
Staff	32	36	54	93	85	166
Funding	$936,502	$1,168,735	$2,016,189	$3,080,762	$3,020,973	227
Government Operations:						
Staff	57	58	68	80	83	46
Funding	$1,832,600	$2,111,000	$3,129,000	$3,597,000	$4,364,400	138
House Administration:						
Staff	31	122	217	258	284	816
Funding	$615,000	$5,570,000	$11,766,000	$20,767,500	$22,699,500	3,591
Interior and Insular Affairs:						
Staff	19	38	57	64	74	289
Funding	$704,000	$1,496,000	$1,864,182	$3,975,000	$2,516,679	257
Interstate and Foreign Commerce:						
Staff	46	56	112	130	160	248
Funding	$1,474,000	$1,819,000	$6,056,000	$6,602,000	$7,456,000	406
Judiciary:						
Staff	39	44	69	84	82	110
Funding	$800,000	$2,000,218	$3,107,857	$2,779,029	$2,830,676	255
Merchant Marine and Fisheries:						
Staff	13	17	28	62	91	296
Funding	$519,000	$494,500	$810,500	$2,500,000	$3,176,245	512
Post Office and Civil Service:						
Staff	44	44	61	61	65	48
Funding	$1,250,000	$1,177,500	$1,439,000	$1,550,000	$1,800,000	70
Public Works and Transportation:						
Staff	47	64	88	80	82	74
Funding	$1,871,560	$2,914,100	$4,418,848	$4,050,000	$3,740,000	100
Rules:						
Staff	6	7	18	24	40	567
Funding	$5,000	$7,000	$67,750	$91,500	$1,134,000	22,500
Science and Technology:						
Staff	25	27	47	77	89	256
Funding	$790,000	$780,000	$1,296,738	$2,000,400	$3,496,300	343
Small Business:						
Staff			27	39	50	85
Funding			$1,056,925	$1,367,650	$1,570,650	43
Standards of Office Conduct:						
Staff	5	5	5	31	15	200
Funding	$25,000	$25,000	$170,000	$1,020,500	$1,000,000	3,900
Veterans Affairs:						
Staff	19	18	26	31	34	79
Funding	$760,000	$770,000	$814,762	$900,600	$752,400	199
Ways and Means:						
Staff	23	31	63	92	98	326
Funding	$75,000	$520,000	$3,015,000	$4,230,000	$4,252,000	5,569

TABLE II.—HOUSE APPROPRIATIONS FOR COMMITTEE EXPENSES, 1971–79

Fiscal year	Committee employees (statutory)	Appropriations/budget investigations	Select and special committees (includes funding resolutions for standing committees)
1971	$16,560,000	$1,815,000	$6,800,000
1972	8,381,000	1,719,000	10,770,000
1973	8,400,000	1,447,000	12,675,000
1974	8,400,000	1,612,000	14,175,000
1975	8,762,000	1,875,000	14,618,000
1976	20,766,000	[1]2,274,000	26,450,000
1977	21,805,000	[1]2,937,000	23,993,000
1978	24,705,000	[1]3,164,000	32,700,000
1979	24,705,000	[1]3,156,000	49,702,000

[1]Includes investigative funds for the Budget Committee as well.

TABLE III.—TOTAL AUTHORIZATIONS FOR "INQUIRIES AND INVESTIGATIONS", 92D–96TH CONGRESSES

Committee	92d	93d	94th	95th	96th	Percent increase
Agriculture	250,000	300,000	1,585,561	1,980,200	2,277,200	809
Armed Services	450,000	375,000	1,554,275	1,235,500	1,504,000	234
Banking, Finance and Urban Affairs	1,518,500	2,138,300	3,876,113	5,227,180	1,004,187	230
District of Columbia	250,000	550,000	783,211	550,000	604,670	142
Education and Labor	2,479,000	2,629,000	4,218,000	4,286,000	4,939,500	99
Foreign Affairs	936,582	1,168,735	2,016,169	3,680,762	3,620,923	287
Government Operations	1,837,680	2,111,000	3,129,600	3,597,000	4,368,400	138
House Administration	615,000	5,570,000	11,158,000	70,767,500	77,698,500	3,391
Interior and Insular Affairs	704,000	1,496,000	1,860,182	1,975,000	2,516,679	257
Interstate and Foreign Commerce	1,474,000	1,819,000	6,056,000	6,602,000	7,458,000	406
Judiciary	800,000	2,880,218	3,107,857	2,779,020	2,838,676	255
Merchant Marine and Fisheries	519,000	494,500	810,500	2,800,000	3,176,245	512
Post Office and Civil Service	1,056,200	1,173,500	1,439,000	1,550,000	1,800,000	70
Public Works and Transportation	1,871,560	2,914,180	4,418,848	4,050,000	3,740,000	100
Rules	5,000	7,000	67,750	91,500	1,134,000	22,580
Science and Technology	790,000	780,000	1,296,738	2,898,400	3,496,800	343
Small Business			1,056,925	1,387,650	1,570,650	45
Standards of Official Conduct	25,000	25,000	270,000	1,030,000	1,000,000	3,900
Veterans' Affairs	250,000	270,000	814,763	900,000	752,490	189
Ways and Means	75,000	520,000	3,615,000	4,230,000	4,252,000	5,569

[1]Includes WMC.

TABLE IV.—HOUSE COMMITTEE STAFF LEVELS: STATUTORY AND INVESTIGATIVE, 1973–79 [1]

Committee	1973		1974		1975		1976		1977		1978		1979	
	Statutory	Investigative	Statutory	Investigative	Statutory	Investigative	Statutory	Investigative	Statutory	Investigative	Statutory	Investigative	Statutory	Investigative
Agriculture	11	9	10	12	26	22	29	29	29	27	31	27	28	43
Appropriations	69	8	78	7	91	7	111	7	125	(*)	*179	(*)	123	8
Armed Services	23	6	25	5	29	9	27	12	30	18	29	18	30	17
Banking, Finance and Urban Affairs	9	42	9	50	17	68	26	86	24	83	29	81	24	125
Budget	(*)	(*)	(*)	(*)	*67	(*)	*65	(*)	*56	*70	*77	(*)	*84	(*)
District of Columbia	13	21	12	25	20	15	30	24	24	14	24	11	27	12
Education and Labor	12	83	12	96	26	88	25	104	23	79	22	81	26	84
Foreign Affairs	11	25	10	31	20	26	24	40	26	67	26	75	29	54
Government Operations	11	47	12	52	20	48	17	56	15	65	19	63	19	67
House Administration	12	110	12	151	26	191	30	218	28	240	35	234	39	236
Interior and Insular Affairs	12	26	10	31	30	27	30	28	28	36	29	39	29	58
Interstate and Foreign Commerce	16	40	10	42	29	83	35	113	27	103	30	121	27	127
Judiciary	15	29	15	157	23	46	22	62	28	56	29	53	30	52
Merchant Marine and Fisheries	10	12	10	12	20	8	24	10	30	32	29	50	28	63
Post Office and Civil Service	11	33	9	34	23	38	27	37	28	33	30	35	30	36
Public Works and Transportation	12	52	12	60	22	66	25	76	25	63	27	66	28	54
Rules [2]	7		9		19		26		24		25		27	13
Science and Technology	12	15	12	17	28	19	28	25	28	40	33	47	30	57
Small Business	(*)	(*)	(*)	(*)	13	14	16	21	11	20	9	31	20	29
Standards of Official Conduct	5	(*)	5	(*)	5	(*)	14	(*)	26	5	28	9	16	
Veterans' Affairs	10	8	10	6	20	6	22	9	19	12	22	12	23	10
Ways and Means	27	4	27	4	26	37	30	56	26	66	29	64	30	64
Total	308	570	315	782	615	818	667	1,013	680	1,056	739	1,105	730	1,221

[1]Staff levels for 1973–76 are those as of June 30 of each year. Staff levels for 1977 and 1978 are those as of Sept. 30.
[2]Appropriations and Budget Committees are permitted to establish their own staff levels. Staff report formats make it impossible to determine which staff hold statutory positions and which hold investigative positions. In such instances, combined staff figures are included in the statutory staff total.
*Committee was not a standing committee.
*Figures include employees of House Information Systems, the central computer facility.
*Committee did not employ investigative staff.

TABLE V.—COMMITTEE WORKLOAD, 92D–96TH CONGRESSES

Committee	92d		93d		94th		95th		96th	
	Referred	Reported	Referred	Reported	Referred	Reported	Referred	Reported	Referred	Reported
Agriculture	615	48	666	46	772	51	785	95	394	49
Armed Services	791	82	740	68	821	34	484	124	375	40
Banking, Finance, and Urban Affairs	664	24	1,087	33	743	29	825	80	483	19
District of Columbia	274	57	222	37	94	13	84	38	43	15
Education and Labor	1,117	29	1,244	40	1,084	34	1,112	83	520	33
Foreign Affairs	1,060	31	970	90	790	45	867	93	542	28
Government Operations	468	14	536	27	565	20	478	57	325	22
Interior and Insular Affairs	1,072	121	1,094	105	1,036	107	980	247	839	123
Interstate and Foreign Commerce	2,164	54	2,712	67	2,442	66	2,322	140	1,331	86
Judiciary	2,536	(*)	3,601	211	2,883	61	3,049	310	2,121	180

TABLE V.—COMMITTEE WORKLOAD, 92D–96TH CONGRESSES—Continued

Committee	92d		93d		94th		95th		96th	
	Referred	Reported	Referred	Reported	Referred	Reported	Referred	Reported	Referred	Reported
Merchant Marine and Fisheries	535	55	514	54	478	50	477	138	261	68
Post Office and Civil Service	792	33	877	33	1,543	50	1,474	132	677	75
Public Works and Transportation	746	23	649	40	891	160	800	132	473	64
Science and Technology	158	7	293	11	261	21	224	55	187	35
Small Business [1]					96	4	144	16	80	14
Veterans Affairs	693	63	840	15	720	23	709	240	330	11
Ways and Means	3,157	68	3,420	45	3,748	96	3,924	140	2,303	93

[1]Created as standing committee in 1975.
[2]Data not available.

TABLE VI.—EXPENDITURES OF STANDING COMMITTEES IN THE U.S. HOUSE OF REPRESENTATIVES 95TH CONGRESS, 2D SESSION (1978) [1]

Committee	Statutory	Salaries investigative	Total	Training	Travel	Equipment	Consultants	Miscellaneous	Total
Agriculture	$959,626	$651,088	$1,610,714		$37,020	$86,005		$103	$1,732,861
Armed Services	876,540	380,996	1,257,535	3,567	53,399	14,570	8,580		1,341,280
Banking, Finance and Urban Affairs	970,729	2,036,744	3,064,573		73,293	101,348	24,052	24,760	3,188,416
District of Columbia	661,443	230,818	892,261		3,614	16,330			912,205
Education and Labor	880,791	1,629,263	2,509,554		81,242	57,661	2,667	429	2,651,553
Government Operations	636,450	1,535,550	2,172,016		43,733	68,226	5,219	172	2,289,366
House Administration	974,091	390,944	1,364,035		35,212	38,500	26,524	47,463	1,511,734
Interior and Insular Affairs	1,041,805	750,079	1,790,884		77,171	20,562	6,147	33,766	1,937,530
International Relations	875,686	1,294,836	2,168,522		101,286	48,205	37,161	550	2,357,313
Interstate and Foreign Commerce	941,256	2,993,564	3,934,820		124,131	58,851	43,310	77,465	4,238,557
Judiciary	947,006	1,067,157	2,014,163	815	48,869	68,109	55,798		2,187,754
Merchant Marine and Fisheries	977,191	948,655	1,925,846		97,916	68,347	113,980	4,238	2,210,327
Post Office and Civil Service	943,271	593,183	1,536,454		45,898	28,722		2,589	1,613,663
Public Works and Transportation	947,543	1,465,615	2,413,158		117,862	45,145	3,984	305	2,580,374
Rules	644,088		644,088		598	14,746			659,432
Science and Technology	974,300	1,077,101	2,051,401		89,851	61,692	59,848		2,261,792
Small Business	304,180	598,567	902,667		21,816	13,624	2,863	10,777	950,887
Standards of Official Conduct	860,890	189,874	1,050,764		47,545	27,478	134,936	15,379	1,276,652
Veterans' Affairs	609,989	211,303	821,292		33,742	22,883	5,318		883,235
Ways and Means	1,086,185	1,582,656	2,670,241		83,618	68,271	1,275,000		4,187,080
Total	17,070,177	19,643,501	36,713,768	4,382	1,220,025	931,405	1,870,376	218,555	40,916,511

[1]Does not include data on the Appropriations or Budget Committees.

TABLE VII.—INVESTIGATIVE STAFF—ANNUAL SALARIES [1]

[Dollars in thousands]

Committee	$50 plus	$40 to $50	$30 to $40	$20 to $30	$10 to $20	$0 to $10	Total
Agriculture			12	11	13	3	39
Armed Services	3	5	2	2	10		22
Banking, Finance and Urban Affairs	9	8	18	13	17	1	66
District of Columbia				1	9	1	11
Education and Labor	4	4	14	27	40	17	106
Foreign Affairs	2	7	11	16	19		55
Government Operations	7	10	17	19	13		66
House Administration		1	0	8	22	7	35
House Information Systems	2	9	36	50	60	2	159
Interior and Insular Affairs			9	18	13	1	41
Interstate and Foreign Commerce	8	15	28	31	33	1	116
Judiciary		2	7	19	22	1	51
Merchant Marine and Fisheries		1	5	28	21		55
Post Office and Civil Service			2	14	14	6	36
Public Works and Transportation	1	6	11	16	19		53
Rules			1	5	10	1	17
Science and Technology		8	14	11	24	3	60
Small Business	2		8	9	6		23
Standards of Official Conduct							
Veterans' Affairs			1	4	4		9
Ways and Means	5	6	12	11	27		61
Total	43	82	208	318	425	44	1,120

[1]November, 1980 payroll.

TABLE VIII.—1980 VOTES ON COMMITTEE FUNDING

COMMITTEE	1980 vote	1980 votes versus defeats and retirees
Agriculture	208–115	236–103
Armed Services	Voice	
Banking, Finance & Urban Affairs	231–169	186–144
District of Columbia	Voice	
Education and Labor	210–184	188–163
Foreign Affairs	220–175	174–158
Government Operations	241–159	185–142
House Administration (includes HIS)	222–162	191–144
Interior and Insular Affairs	257–146	209–130
Interstate and Foreign Commerce	271–132	229–126
Judiciary	260–130	219–123
Merchant Marine and Fisheries	237–166	191–148
Post Office and Civil Service	206–194	161–175
Public Works and Transportation	207–92	252–84
Rules	226–176	
Science and Technology	257–145	209–120
Small Business	242–57	204–52
Standards of Official Conduct	382–1	
Veterans' Affairs	Voice	
Ways and Means	250–151	202–138

Average vote in 1979: 264–120.
Average vote in 1980: 248–151.
Votes needed in 1981: 51.
52 new Republicans came into the 97th Congress.
Committees terminated in 1980: (1) Select Committee on Committees, (2) Select Committee on Narcotics Abuse and Control, (3) Select Committee on Outer Continental Shelf, (4) Select Committee on Population.

FAIRNESS FOR CALIFORNIA FISHERMEN

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, I bring to your attention legislation of tremendous importance to the fishermen of California. It is an amendment to the Fishery Conservation and Management Act of 1976 to create a California Pacific Fishery Management Council to have jurisdiction over the State's vast fishery resources.

Since the enactment of the 1976 law which created the present Pacific Fishery Management Council, California fishermen have felt that their concerns are not being fully represented. While the members of the council have tried in good faith to be sensitive and responsible to the needs of California fishermen, the fact of the council's overextended jurisidiction has prevented it from doing an adequate job. The basic purpose of these councils was to provide for the specific needs of fishermen in line with particular problems they may face in their areas. California has a 1,000-mile coastline with unique fisheries and concerns. When these are combined with the problems of Oregon, and Washington, and Idaho, California fishermen get the short end of the stick.

My colleagues will note that the 96th Congress passed a 3-year reauthorization of the Fishery Conservation and Management Act which expanded the voting membership on the Pacific Fishery Management Council from 13 to 15.

I commend my colleagues on the Merchant Marine and Fisheries Committee for this reform because it reflects the committee's recognition of the present Pacific Fishery Management Council's inability to do the job. I believe, however, that additional reform is needed to address the needs of California is needed to address the needs of California fishermen in particular. As the Commerce Department moves forward with the adoption of various fishery management plans, it is vital that we create a separate council with jurisdiction over the 1,000 miles of coastal fisheries off of California.

The California State Legislature has passed a resolution urging Congress to create the very council I propose in my legislation. At present, the Pacific Fishery Management Council includes the Western States of Oregon, Washington, and Idaho, as well as California. Yet California has more fisheries in the fishery conservation zone than the other Pacific council States combined. In fact, of the many species of fish for which management plans are being developed, only three of those found in California waters are common to the other States. Indeed, a number of the east coast management councils encompass areas a great deal smaller than California alone, much less the present Pacific council.

In the interest of equitable representation, I urge my colleagues to support this effort. Your support in bringing this matter before the committee will be greatly appreciated.

The following is the text of my proposal:

H.R. 770

A bill to amend section 302(a) of the Fishery Conservation and Management Act of 1976 to create a new California Pacific Council with authority over the fisheries in the Pacific Ocean seaward of the State of California

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fairness for California Fishermen Act of 1981".

SEC. 2. Section 302(a) of the Fishery Conservation and Management Act of 1976 is amended—

(1) in the matter preceding paragraph (1), by striking out "eight" and inserting in lieu thereof "nine";

(2) in paragraph (6), by striking out "California,"; and

(3) by adding at the end the following new paragraph:

"(9) CALIFORNIA PACIFIC COUNCIL.—The California Pacific Fishery Management Council shall consist of the State of California and shall have authority over the fisheries in the Pacific Ocean seaward of such State. The California Pacific Council shall have 9 voting members, including 7 appointed by the Secretary pursuant to subsection (b)(1)(C) (7 of whom shall be appointed from the State of California).".

VIRGINIA DELEGATION INTRODUCES PORT DREDGING BILL

The SPEAKER pro tempore (Mr. AUCOIN). Under a previous order of the House, the gentleman from Virginia (Mr. TRIBLE) is recognized for 5 minutes.

● Mr. TRIBLE. Mr. Speaker, in the last year there has been a dramatic surge in worldwide demand for American coal. The nations of Western Europe and Japan have chosen to rely on the coal available in the United States, rather than depend on uncertain supplies of increasingly expensive Mideast oil.

This development has assumed national importance. The economic gains—increased employment and investment, and a decrease in our balance-of-payments deficit—will have a national impact. In addition, the American coal industry is experiencing a revitalization, particularly the coal-producing States of Kentucky, West Virginia, Pennsylvania, and Ohio. Demand will continue to rise and coal exports are expected to double in the next decade.

This valuable natural resource must pass through our ports and our ports have proved the weakest link in the chain of supply running from American mines to foreign facilities. Nowhere is this more evident than in the port of Hampton Roads. Seventy percent of the coal exported by the United States flows through Hampton Roads and the Virginia Port Authority estimates that coal exports through Hampton Roads will increase by 33 percent this year.

There are, however, serious problems which jeopardize our Nation's position as a major coal exporter. One is the adequacy of coal loading facilities. American business is moving rapidly to meet this challenge. There have been commitments to construct large new loading facilities, and other proposals are under active consideration.

These new facilities alone will not be enough. The capacity of the port to receive large coal colliers, load them, and turn them around without excessive delay is also inadequate. The consequence is exceedingly long vessel delays at the port. These vessel delays are costly. The queue of colliers awaiting pier space in Hampton Roads frequently now exceeds 100 vessels. Each day a collier sits idle costs an estimated $15,000 and vessels have been lying at anchor for up to 35 days.

These delays, and their attendant costs, threaten our position as a coal exporter and could, conceivably, lead the nations of the world to turn to other sources. Our domestic economy—especially the economies of our coal-producing States—and our balance of payments would suffer irreparably.

The solution to the problem of port capacity is to deepen the channels of Hampton Roads to accommodate super colliers. Many ships now depart from Hampton Roads carrying several thousand tons of coal less than their

full capacity. This means more ships waiting at anchorage.

Studies done by the Army Corps of Engineers indicate that with each foot of increased draft, the typical collier will be able to load an additional 5,000 tons of coal. Were the channel deepened to 55 feet, the deeper draft vessels now calling at Hampton Roads would be able to carry an additional 55,000 tons per ship. Many of the foreign ports have channels of depths of 55 feet or more which can readily accommodate the larger vessels.

The Army Corps of Engineers has been actively studying the issues since 1969. Their feasibility report recommends deepening the major channels in Hampton Roads from 45 to 55 feet up to coal loading facilities in Norfolk and Newport News, and the dredging of a new channel in the Atlantic Ocean to a depth of 57 feet. In addition, the project would provide three fixed mooring areas, each capable of handling two vessels simultaneously.

The cost-benefit analysis for the projects computed by the corps is 4.7 to 1. With the anticipated expansion of coal facilities, the port will have the capacity to handle an additional 40 million tons of steam coal. If this additional 40 million tons is included in the economic analysis, the cost-benefit ratio will rise to 9.1 to 1.

Yesterday Virginia's 10 Members of this body introduced legislation which will contribute substantially to resolution of the port capacity problem. It authorizes the Secretary of the Army, acting through the Army Corps of Engineers, to dredge the port of Hampton Roads to a depth of 55 feet. In addition, the legislation calls for the construction of needed anchorage and mooring areas for vessels. The project is to proceed on an expedited basis to insure completion at the earliest possible date.

In sum, this legislation will maintain America's competitiveness in the international market, contribute substantially to our balance of payments, and improve our domestic economy. It is a measure that merits prompt congressional action.●

ABSCAM AGAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, yesterday the Justice Department asserted that it has the right to lure a public official into a criminal act, even when, and I quote:

> There is no reasonable indication that that particular individual has engaged, or is engaging in, the illegal activity that is properly under investigation.

This assertion is at the heart of the whole Abscam business. In each and every case, the FBI offered bribes to people who had not committed crimes, but who the FBI thought might be induced to commit crimes. For the courts, this kind of perverse process raises the legal question of what entrapment is or is not. For me, and others who are concerned about our constitutional system, the question is, Whatever happened to the right of presumed innocence, and whatever happened to the separation of powers?

Even the Justice Department recognizes how thin is the line between what they are doing and what they can properly do; even they recognize that this kind of technique is so dangerous that abusive investigators could wreck the Constitution itself. That is why they add to their guidelines on undercover operations the caveat:

> In any undercover operation, the decision to offer an inducement to an individual . . . shall be based solely on law enforcement considerations.

Another way of saying this is that the Justice Department does not think it would be nice to offer bribes to public officials as a way of getting at or doing in the opponents or enemies of any particular administration. Now I am not an enemy of the present administration, far from it—but I know that past administrations, and specifically the Nixon administration, was not above using investigative powers and regulatory powers to punish perceived opponents. Knowing that history, how could anyone fail to be alarmed at the assertion that investigators can attempt to bribe people who are known to be innocent, and how can anyone believe that the caveat quoted above has any meaning or offers any protection?

The undercover operations guidelines issued yesterday by the Attorney General sanctify the Abscam techniques, but they do not erase the questions about this sinister method of so-called law enforcement. Legal investigations are supposed to be concerned with solving crimes that have actually taken place, not creating criminal acts.

The quick reaction to what I am saying is to shrug and say that an innocent person might be counted on to refuse to be tempted. But that begs the question: Why should an innocent person be put to such a test? What kind of Orwellian vision is it that invites agents of the Government to place in front of innocent persons deals that they cannot afford to pass up? The guidelines say that the FBI cannot offer a bribe to anyone who is not predisposed to accept. But by definition, anyone who does accept would be predisposed, and therefore anyone can be approached by the bagmen of the FBI.

Now let us suppose that the FBI uses this kind of technique merely to amass evidence so as to put officials under its control. What then becomes of the independence of public officials? The answer is self-evident. And we should not think for a moment that this kind of blackmail has not taken place; we know that it has. The undercover guidelines issued yesterday simply make it easier for this to happen.

The business of law enforcement agencies is to investigate criminal acts, not manufacture them. Abscam was not an investigation into criminal acts; it was the actual manufacture of criminal acts. There is no denying that the evidence showed money changing hands, and that was illegal. But the issue is this: How can we know that any one of those individuals has ever before committed a crime, or would have ever done so? Does the FBI have a license to go out and offer fantastic temptations, so as to entice people into criminal acts? I say that they do not, and if they do, if they can go out and manufacture crime, the whole basis of our judicial system is in trouble. We are confronted with the techniques of the tyrant.

I have grown up in a rougher school than most. I know what it is to have someone try to set up a frame to compromise a political enemy, for that has been done to me. I know what it is to be the target of FBI surveillance, for no crime greater than to attend an NAACP meeting and advocate racial justice. I know what it is to be confronted, as a poor man, with offers of great opportunity by people who want a lever over me and my office. But others have not been through that kind of experience, do not understand how thin the line is between law enforcement and legal abuse, do not know how dearly have been bought our constitutional protections.

I have seen enough to know, with no doubt whatever, that when the Attorney General claims the right to offer criminal bribes to people who have done no wrong, are known to be innocent, and who might never do anything wrong, it is dangerous, it is pernicious, and it is contrary to our basic principles. Who but the tyrant has any interest in inducing innocent people to commit crimes? Who but the tyrant seeks to manufacture crime, rather than investigate actual criminal acts? Who but the tyrant seeks to use perverse methods in the pursuit of some self-defined goal or good? For we all know that when the criminal acts of criminal regimes are revealed, the jurisdiction is always the same: It was for the good of the country. The argument of tyrants and the creed of slaves is: Necessity.

Our country is one of the few on the face of the Earth that has proclaimed that good goals and right ends are not to be attained by perverse means and wrong acts. We stand threatened today, all of us. Remember: The worse of slaves are corrupted free men.

I commend to my colleagues that report of the New York Times on the Justice Department's claim to the right of offering bribes to the innocent:

NEW RULES FOR FBI FORBID ENTRAPMENT—BUT AGENT COULD BE AUTHORIZED TO OFFER BRIBES TO A PUBLIC OFFICIAL

(By Robert Pear)

WASHINGTON, January 5.—The Justice Department issued guidelines today under which the Director of the Federal Bureau of Investigation could, in some cases, authorize undercover agents to offer a bribe to a public official "even though there is no reasonable indication that that particular individual has engaged, or is engaging" in a crime.

The guidelines, approved by Attorney General Benjamin R. Civiletti, were prepared jointly by officials of the bureau and the department. The rules state that "entrapment should be scrupulously avoided" in all undercover operations. Entrapment is defined in the guidelines as "the inducement or encouragment of an individual to engage in illegal activity in which he would otherwise not be disposed to engage."

The Justice Department, in a statement accompanying the rules, said they were "significantly more restrictive" than the law of entrapment or the constitutional principles requiring "due process of law" in Federal investigations.

Meanwhile, the attorney for one of the Abscam defendants, Representative Raymond F. Lederer, Democrat of Pennsylvania, said as the trial opened in Federal District Court in Brooklyn that the defense would argue that the Congressman was a victim of illegal "entrapment" by Federal undercover agents. [Page A17.]

The law of entrapment, now somewhat murky, is almost certain to be clarified by the courts in cases arising from the Abscam investigation of corruption among elected officials. In those cases, undercover Federal agents, posing as representatives of wealthy Arab sheiks, offered bribes to members of Congress and other officials selected by "middle men" cooperating with the bureau.

Last November, a Federal judge set aside the convictions of two Philadelphia officials after finding that the Abscam investigators had "stretched" the law and "entrapped" the defendants.

Irvin B. Nathan, the Deputy Assistant Attorney General who supervised the Abscam investigation, said that, under the guidelines, it would have been "essentially the same," though perhaps with "certain refinements and improvements in procedural matters."

The new rules make formal existing procedures and do not make it significantly easier or more difficult for agents to gain approval for undercover investigations.

The standards issued today have been in preparation for 18 months. Justice Department officials said, in response to questions, that the final review might have been expedited slightly to insure publication before the Carter Administration leaves office on Jan. 20.

In the last three years, the bureau has increasingly used undercover techniques to investigate white-collar crime, political corruption and organized crime.

The new guidelines define the type of information that the bureau must have before beginning an undercover investigation, and establish a multilevel system of review requiring higher authorization for the use of particularly sensitive techniques.

TOP REVIEW REQUIRED

The guidelines say that certain types of undercover operations may not be approved by an F.B.I. field supervisor and must be referred to Washington, where a committee of Justice Department and bureau officials will review the proposal.

Investigations in this category include those requiring the expenditure of more than $20,000, those lasting more than six months and those focusing on the activities of a public official, a foreign government or a news organization.

"Under the law of entrapment," the guidelines read, "inducements may be offered to an individual even though there is no reasonable indication that that particular individual has engaged, or is engaging, in the illegal activity that is properly under investigation."

Before authorizing the offer of a bribe or other inducement to commit a crime, the review committee must have reason to believe that the recipient "is engaging, has engaged or is likely to engage in illegal activity." Alternatively, the committee must conclude that the people being offered an opportunity to commit some crime were "predisposed" to do so.

Even if neither of these conditions is satisfied, the Director of the bureau may still authorize the payment of a bribe, subject to general restrictions found elsewhere in the guidelines.

EXCERPTS FROM GUIDELINES ON COVERT OPERATIONS

WASHINGTON, January 5.—Following are excerpts from the guidelines issued today by the Justice Department to govern undercover operations conducted by the Federal Bureau of Investigation:

AUTHORIZATION OF THE CREATION OF OPPORTUNITIES FOR ILLEGAL ACTIVITY

(1) Entrapment should be scrupulously avoided. Entrapment is the inducement or encouragement of an individual to engage in illegal activity in which he would otherwise not be disposed to engage.

(2) In addition to complying with any legal requirements, before approving an undercover operation involving an invitation to engage in illegal activity, the approving authority should be satisfied that

(a) The corrupt nature of the activity is reasonably clear to potential subjects;

(b) There is a reasonable indication that the undercover operation will reveal illegal activities; and

(c) The nature of any inducement is not unjustifiable in view of the character of the illegal transaction in which the individual is invited to engage.

(3) Under the law of entrapment, inducements may be offered to an individual even though there is no reasonable indication that that particular individual has engaged, or is engaging, in the illegal activity that is properly under investigation. Nonetheless, no such undercover operation shall be approved without the specific written authorization of the Director, unless the Undercover Operations Review Committee determines, insofar as practicable, that either

(a) there is a reasonable indication, based on information developed through informants or other means, that the subject is engaging, has engaged, or is likely to engage in illegal activity of a similar type; or

(b) The opportunity for illegal activity has been structured so that there is reason for believing that persons drawn to the opportunity, or brought to it, are predisposed to engage in the contemplated illegal activity.

(4) In any undercover operation, the decision to offer an inducement to an individual, or to otherwise invite an individual to engage in illegal activity, shall be based solely on law enforcement considerations.

ELECTORAL COLLEGE HAS OUTLIVED ITS USEFULNESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, there is no question but that our Constitution is one of the greatest charters of government ever written. But one reason it has served so admirably for over 200 years as the foundation for our Government is that we have been willing to change it when the need arose. I believe such a need is now upon us.

If there was one area in which the Founding Fathers saw the future with something less than their usual clarity and wisdom, it was in the manner in which we would elect our President. They either failed to see, or hoped to prevent, the rise of political parties and the direct participation of the people in the election of our national leader. By providing for electors who would actually select the President, and having all of a State's electoral votes counted for the leading candidate in that State, they devised a system that in light of today's reality is undemocratic, cumbersome, and potentially dangerous.

I am introducing a resolution today that would abolish the electoral college and provide for the direct election of the President by the voters—the method by which we elect all our other public officials and the only method that is consistent with the democratic ideals that we profess to follow.

My amendment would provide that the candidate receiving at least 40 percent of the popular vote would be elected. If no candidate got 40 percent, there would be a runoff election between the top two finishers.

Mr. Speaker, this is a proposal that received serious attention by the Congress about 10 years ago. I cosponsored it then, so I want to assure my Republican friends that this is not something I am coming forward with at this time just because the present electoral system seems to be favorable to them. In the good old days when we had a solid Democratic South, the system was favorable to the Democrats, and it is not unlikely that the pendulum will swing again.

But the point is that we should not have an electoral system that is favorable or unfavorable to any specific candidate or party. We should have one that is fair to everyone, and particularly to the voters. We do not have such a system now.

There are many problems to be faced in making so drastic a change in so fundamental a process as the election of a President. But I believe we must face those problems and try to devise a solution if we are to keep our system flexible enough to meet the demands of a changing world. One of our greatest strengths as a nation is the manner in which we provide for the peaceful exchange of power from one administration to another. But we are courting great danger by clinging to a system that could easily lead to the installation of a President who did not receive the most popular votes. There is no need to take such a risk.

I recognize that there may be other solutions to this dilemma than the one I am proposing. I am willing to listen to them and consider them. What I urgently desire is that Congress undertake the task of finding a solution. That is why I am introducing this resolution today.

A TRIBUTE TO JIM CLEVELAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, in the rush of reaching adjournment last year, I regret that I failed to take the opportunity to pay tribute to a very close, personal friend who retired from the House of Representatives after 18 years of outstanding service. I refer to Jim Cleveland and would like to take this opportunity at the beginning of the 97th Congress to pay tribute to him.

He served with distinction on the Public Works and Transportation Committee and House Administration Committee. In fact, one of his last legislative chores was to fashion realistic legislative language that would lead to improved service for the handicapped on public transportation without causing an undue financial burden on local units of government.

Jim Cleveland proved himself to be a friend of the handicapped who are dependent on public transportation, as well as a consistent supporter of improved highways and traffic safety in America.

Mr. Speaker, we will all miss Jim Cleveland's wit and also his ability to express himself clearly in House debate. He was always able to come right to the point of any legislative debate and express the important points with clarity.

Jim Cleveland has returned to New Hampshire where he will be involved in private business. I know my colleagues will join with me in wishing him the very best in the years to come and in expressing the hope that he will not be a stranger to Washington. We are indeed thankful for Jim Cleveland's service to his Nation.●

LEGISLATION TO RECHARTER FEDERAL AVIATION ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I have today introduced a bill to recharter the Federal Aviation Administration. This legislation will make aviation safety the FAA's sole mission.

It has been my concern for many years that the Federal Aviation Administration has problems in setting priorities and executing its primary responsibilities of regulating aviation safety. My concerns are based on a number of considerations, such as the time lag between the identification of an aviation hazard and action by the FAA. For example, in 1977, I spoke out on the floor of this House on the large number of recommendations made by the National Transportation Safety Board to the FAA which the FAA had accepted but never acted on in any final fashion. The numbers of open recommendations were in the hundreds. That situation is not much improved.

In addition, when the FAA does regulate, it writes the regulations to fit the present state of the art. There is no challenge to the aerospace manufacturers to design an improved technology. This is not the way we achieved progress in the automobile industry or in the environment. We passed legislation telling them where we expected them to be at a future time. The state of the art was not at those levels, but the manufacturers developed the state of the art to meet the regulations. This is something we need to do in aviation, but the FAA is blind to the example.

Why is it that the FAA rulemaking is a reaction to accidents rather than anticipatory?

In my quest for answers as to why FAA has these problems in identifying safety hazards and taking action on them, I have run into a stone wall. I have never been able to get satisfactory answers from FAA. I have written Administrators of the FAA. I have queried FAA officials in hearing after hearing.

The problem cannot be money. The FAA has an aviation trust fund created by ticket taxes and overseas departure fees which will reach $4 billion this year. What, then is the problem?

Since I could not get an explanation or a solution for these problems from the FAA, I asked the GAO to investigate and report.

The report, which was released February 29, 1980, after a full year's study of the FAA, substantiated my beliefs that the core of FAA's problem is not knowing what its priorities should be. To quote from the report:

FAA's missions are defined in various statutes, executive directives, and national transportation policy statements. These missions should be translated into safety goals and objectives and, ultimately, agency safety priorities. However, FAA's attempts to do this have been unsuccessful, leaving the agency with statements of its safety goals, objectives, and priorities which are not current and need to be updated.

The last time the FAA expressed its policy was in April 1965, with updates in 1972 and 1973. These orders are still listed as current FAA directives.

Since these policy statements were issued, FAA has made some attempts to define safety goals, incentives, and priorities. Each effort, however, was short-lived and failed.

Almost every year, according to the GAO report, FAA attempts to list its priorities and goals and every year the attempt either fails, or the goals are so broad as to be useless in setting policy.

In thinking over the problems of the FAA, I have concluded that a large part of the problem is the FAA's dual role in being responsible both for aviation safety and also for promoting the civil aviation industry. I believe that the GAO reports bear this out in the examples I have given which demonstrate the lack of priorities and objectives and the inability to reach a consensus even within the FAA itself as to what those priorities should be.

Therefore, it seems to me that Congress role in all this is to relieve the FAA of a dual responsibility which can cause internal conflicts and which is draining the resources needed to manage the Nation's airspace in the most efficient and safe way humanly possible. In order to be free to devote itself solely to the safety of aviation, FAA needs to be freed from having to promote the industry and to make economic decisions instead of safety decisions.

My bill proposes to put the economic, nonsafety related areas elsewhere in the Department of Transportation, thus allowing the FAA to concentrate its full resources and considerable talent on safety matters.

Section 1 restricts the Federal Aviation Administration to performing only those functions related to aviation safety and transfers the nonsafety functions to the Secretary of Transportation. Within 120 days after the enactment of this bill, the Secretary of Transportation will identify and report to the Congress those aviation functions which are nonsafety and the office within the Department of Transportation to which these functions will be transferred.

Section 2 restricts the Secretary of Transportation from delegating to the Federal Aviation Administration any

functions not pertaining to aviation safety.

Section 3 transfers all personnel, contracts, property, records, and other related assets and liabilities related to the nonsafety aviation functions to the Secretary of Transportation.

Section 4 states that all orders, determinations, rules, regulations, permits, contracts, licenses, and privileges shall continue in effect according to their terms until modified, terminated, superseded, set aside or repealed by the Secretary of Transportation by any court of competent jurisdiction or by operation of law. Proceedings pending that relate to the nonsafety functions of the FAA shall be continued before the Department of Transportation.

Section 5 says that references in the Federal law—related to the nonsafety functions being transferred to the Department of Transportation—to the Administrator of the FAA or to the Federal Aviation Administration shall be deemed to refer to the Secretary of Transportation or to the Department of Transportation respectively.

Section 6 transfers the non-safety-related functions of the Federal Aviation Administration to the Secretary of Transportation 180 days after the date of enactment of this legislation.

H.R. 697

A bill to provide that the Federal Aviation Administration shall only perform functions relating to aviation safety, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 301 of the Federal Aviation Act of 1958 (49 U.S.C. 1341) is amended by adding at the end thereof the following new subsection:

"DUTIES OF THE ADMINISTRATOR

"(d) The Administrator shall perform the functions, powers, and duties of the Secretary of Transportation pertaining to aviation safety, including, but not limited to, the functions, powers, and duties transferred to the Administrator by section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c); 80 Stat. 937). Notwithstanding any other provision of law, the Administrator shall not perform any functions, powers, and duties other than those pertaining to aviation safety.".

(b)(1) Any functions, powers, and duties performed by the Administrator of the Federal Aviation Administration before the effective date of this Act which do not pertain to aviation safety (as identified by the Secretary of Transportation under paragraph (2) of this subsection) shall be performed on and after such effective date by the Secretary of Transportation.

(2) Not later than one hundred and twenty days after the date of enactment of this Act, the Secretary of Transportation shall identify, and report to the Congress on, the functions, powers, and duties described in paragraph (1) of this subsection and the office within the Department of Transportation which will perform such functions, powers, and duties after the effective date of this Act.

(c) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 301. Creation of Agency."

is amended by adding at the end thereof the following:

"(d) Duties of the Administrator.".

SEC. 2. Section 9(e) of the Department of Transportation Act is amended by inserting at the end thereof the following new paragraph:

"(4) Notwithstanding any other provision of this subsection, no functions, powers, or duties of the Secretary or any officer or employee of the Department which do not pertain to aviation safety may be delegated to the Federal Aviation Administration, the Administrator of such Administration, or any officer or employee of such Administration.".

SEC. 3. The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available in connection with the functions, powers, and duties described in subsection (b) of the first section of this Act are hereby transferred to the Secretary of Transportation.

SEC. 4. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of the functions, powers, and duties described in subsection (b) of the first section of this Act by the Federal Aviation Administration or any court of competent jurisdiction, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Transportation, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending at the time this Act takes effect before the Federal Aviation Administration; but such proceedings, to the extent that they relate to functions, powers, and duties described in subsection (b) of the first section of this Act shall be continued before the Department of Transportation. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Transportation, by a court of competent jurisdiction, or by operation of law.

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect, and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act has not been enacted.

(d) No suit, action, or other proceeding commenced by or against any officer of the Federal Aviation Administration in his official capacity shall abate by reason of the enactment of this Act. No cause of action by or against the Federal Aviation Administration or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, the Federal Aviation Administration or any officer thereof in his official capacity, is a party to a suit in connection with any function, power, or duty described in subsection (b) of the first section of this Act, then such suit shall be continued with the Secretary substituted.

SEC. 5. With respect to any functions, powers, and duties described in subsection (b) of the first section of this Act, reference in any other Federal law to the Administrator of the Federal Aviation Administration or to the Federal Aviation Administration shall be deemed to refer to the Secretary of Transportation or to the Department of Transportation, respectively.

SEC. 6. This Act (other than subsection (b)(2) of the first section of this Act) and the amendments made by this Act shall take effect one hundred and eighty days after the date of enactment of this Act.●

THE FALLS OF THE OHIO—A NATIONAL WILDLIFE REFUGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. SNYDER) is recognized for 10 minutes.

● Mr. SNYDER. Mr. Speaker, in the heart of Louisville, Ky., lies one of the natural wonders of the world: The Falls of the Ohio River. Yesterday, I introduced legislation which would establish the area known as the Falls of the Ohio as a national wildlife refuge. This bill is identical to H.R. 7940 which I introduced during the 96th Congress.

The Falls of the Ohio is an area located in the Ohio River which includes a unique and world-renowned 300-million-year-old fossilized coral reef which is the only place where the Ohio River flows over bedrock. These wetlands have also become nationally known among ornithologists as one of the most exciting places in the country to see migrating waterbirds, waterfowl and shorebirds as well as an attraction for fishermen, other outdoor enthusiasts, archeologists and amateur collectors of artifacts. Perhaps nowhere else in the world is there an area which offers such geological, ornithological, archeological and paleontological distinctions within such close proximity to a major metropolitan area.

The coral reef of the falls is one of the finest horizontal exposures in the world of Devonian fossil corals. Nearly 900 nominal species of fossil corals have been founded on specimens collected from approximately 150 feet of coral beds in the falls area. Corals from the Falls of the Ohio can be seen in almost every natural history museum in the world.

To those who understand its significance, it is a natural wonder of the world, a jewel, a treasure house of the Earth's history. Yet it has never been protected, and often it has been a victim of unknowing "rock collectors" who may hammer out some valuable specimen without realizing they are interfering with the hands of time.

Actually the falls consisted of a series of rapids, falling some 26 feet in a 2-mile stretch beginning at a point near the McAlpine Dam.

For many years before the dam and locks were built, boats and barges heading downstream shot the falls at highwater with pilots who knew the dangerous course and its pitfalls. They made a specialty of falls operation.

It was in 1817 that Capt. Henry Shreve, with a canny eye on both the law—Robert Fulton and Robert Livingston's steamship patent gave them a monopoly on the steamboat trade—and the falls, built the giant *G. Washington* with a shrewd innovation that altered the course of commercial river operations.

Instead of a tall, oscillating, vertical cylinder which required deep draft, Shreve substituted a pair of fixed horizontal cylinders he could lay flat on deck. That gave him a tongue-in-cheek possible loophole from the language of the Fulton-Livingston patent. But more importantly, it gave him a shallow draft to run on the falls, not in it. Captain Shreve reportedly boasted, "I can run the falls in a heavy dew."

The falls is also a favorite habitat for wildlife. Among the birds spotted in the falls area are several species of sandpipers, and herons, the snowy egret, piping plover, blue-winged teal duck, ringed-bill gull, and the common and black terns.

Several species of heron frequent the area. Stately great blue herons bring their young there to feed, while little green herons nervously prowl the banks. In the evenings, vast numbers of elegant black-crowned night herons wing their way into the area for their nightly sojourn.

The large pools and back-eddies in the lower stretch of this portion of the river harbor large concentrations of waterfowl. Diving ducks like the lesser scaup, canvasbacks and redheads feed on the abundant Crustacae in these backwater retreats. Goldeneye, bufflheads and ringnecked ducks vie with them for food, too.

Huge flotillas of puddle ducks use the area as a resting spot in the fall and winter of the year. Wood ducks, mallards, black ducks, widgeon, blue- and green-winged teal and pintails migrate into this unique ecological niche every year.

John James Audubon saw an osprey, or fishhawk, nesting when he visited George Rogers Clark at his home in Clarksville, Ind. Also reported by Audubon was a swallow-tailed kite, which has not been seen in Kentucky in this century.

In past years, as many as 75 species of birds, including many waterfowl have been at the falls. The migratory birds that pause and nest on the islands at the falls are an unmatched display of birdlife so far inland. Many of the birds that stop there breed in Canada and Alaska, including Arctic regions, and spend their winters on the gulf coast and in Central and South America.

The area still serves as a haven for some of the most diverse bird-life in the Southeast. Shorebirds such as the sandpiper, plover, killdeer and snipe are commonplace. Early in the mornings and late in the evenings you can observe them skittering across the flats in search of food.

However, in recent years, a chief concern has been the dramatic decline in the population of these birds. Within recent years, poachers with guns have killed many of the birds and driven off others. Egrets, for example, were familiar sights at the falls in the 1940's and 1950's but are no longer visitors there. This decline in population levels has also been due largely to changes that were made in dam construction near the falls, which has resulted in excess silt accumulation, and serves to dramatically highlight the urgent need to protect this area.

At the same location was a crossing of the ancient buffalo trace, known to have been used by mastodons and by tens of thousands of buffaloes in giant herds, on their way to the salt licks of Kentucky. The buffalo trace continued on through the Cumberland Gap in the southeastern corner of Kentucky, following in general the pioneer route later famous as the Wilderness Road. Its northwestern extension through Bullitt and Jefferson Counties carried pioneers past many of the salt licks—as important to the settlers as to the animals—and then to the falls.

Because of the unusual bottom structure of the river bed, the area also has an incredibly abundant fish population. Largemouth, smallmouth and Kentucky spotted bass work the sand bars and shoals in search of minnows. White bass, crappie and bluegill swim side by side with them. Walleye have been showing up with increasing frequency, and the area supports one of the largest sauger populations in the country. The annual spring sauger run draws fishing enthusiasts from all over the Midwest.

Rough fish such as gar, buffalo, carp, white perch and paddlefish are so numerous that you can actually see them teeming in the shallows. The catfish clan is well represented, too. Blue, channel, flathead, bullhead and white catfish abound in the waters.

Yet, despite the efforts, for over 20 years, by interested, hard-working local groups, plans to establish the falls as a bi-State park have failed. The legislation which I am introducing today represents an attempt to break the stalemate which currently exists, before any more serious harm to the falls and its resources is allowed to occur.

The proposed refuge area extends from the Pennsylvania Railroad bridge downstream to the Kentucky and Indiana Terminal Railroad bridge at New Albany, following the downsteam line of McAlpine Dam and curling around the Louisville hydroelectric plant. It would include an estimated 1,000 acres of land and water, the largest recreational open space left in the heart of the Louisville metropolitan area.

It is my belief that the Falls of the Ohio National Wildlife Refuge will represent one of the most unique and interesting wildlife refuges in our country and that it will not only continue to attract the fishermen, nature lovers and scientists who now visit there, but it will insure that future generations also have an opportunity to appreciate and learn about nature.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. SENSENBRENNER) to revise and extend his remarks and include extraneous material:)

Mr. TRIBLE, for 5 minutes, today.

Mr. CORCORAN, for 5 minutes, today.

Mr. SNYDER, for 10 minutes, today.

(The following Members (at the request of Mr. PATMAN) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SENSENBRENNER) and to include extraneous matter:)

Mr. HANSEN of Idaho in five instances.

Mr. LAGOMARSINO.

Mr. DERWINSKI in two instances.

Mr. BROWN of Ohio in two instances.

Mr. MICHEL.

Mr. PARRIS.

(The following Members (at the request of Mr. PATMAN) and to include extraneous matter:)

Mr. FROST.

Mr. HOLLAND in five instances.

Mr. STARK.

Mr. HUBBARD.

Mr. GEPHARDT.

Mr. STUDDS.

ADJOURNMENT

Mr. PATMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 47 minutes p.m.), under its previous order, the House adjourned until Friday, January 9, 1981, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and delegations traveling under an authorization from the Speaker, concerning the foreign currencies and U.S. dollars utilized by them during the third and fourth quarters of calendar year 1980 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Peter W. Rodino, Jr., M.C.	7/7	7/10	Italy		372.00		2,597.00				2,969.00
Garner J. Cline, staff	7/7	7/10	Italy		372.00		2,711.00				3,083.00
John Conyers, Jr., M.C.	8/25	8/31	Venezuela		840.00		1,044.00				1,884.00
Steven Rubin, staff	8/25	9/6	Venezuela		1,560.00		505.00				2,065.00
Timothy A. Boggs, staff	8/25	9/6	Venezuela		1,680.00		1,007.00				2,687.00
Hayden Gregory, staff	8/26	9/5	Venezuela		1,200.00		505.00				1,705.00
Robert F. Drinan, M.C.	8/30	9/2	Venezuela		404.21		829.00				1,233.21
Committee total [3]					6,428.21		9,198.00				15,626.21

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Enter committee totals on the last page of the report only.

PETER W. RODINO, JR.,
Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
John P. O'Hara	10/20	10/25	Germany	DM 977.40	540.00					DM 977.40	540.00
Committee total [3]					540.00						540.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Enter committee totals on the last page of the report only.

HAROLD T. JOHNSON,
Chairman.

January 2, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Hon. Bill Frenzel	11/10	11/12	Belgium	7,104.00	228.00		36.27				264.27
	11/12	11/17	Denmark	2,887.50	525.00						525.00
	11/17	11/17	France								
Transportation by Department of Defense							2,650.85				2,650.85
Thomas J. Ashey	10/19	10/22	Switzerland	896.05	300.00						300.00
	10/22	10/25	Belgium	10,788.00	351.00						351.00
Refund					(117.00)						(117.00)
							982.00				982.00
Richard Self	10/19	10/25	Switzerland	1,157.45	700.00		982.00				1,682.00
Mary Lane Wigand	11/2	11/11	Switzerland	1,024.80	600.00		982.00				1,582.00
Committee totals [3]					2,587.00		5,633.12				8,220.12

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Enter committee totals on the last page of the report only.

AL ULLMAN,
Chairman.

December 31, 1980.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

79. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Federal Crop Insurance Corporation for Administrative and Operating Expenses for fiscal year 1981 has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

80. A letter from the Acting Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the guard services activity at Fort Knox, Ky., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

81. A letter from the Assistant Attorney General (Antitrust Division), transmitting a report covering calendar year 1980 on enforcement of the Truth in Lending Act, pursuant to section 114 of the Consumer Credit Protection Act of 1968, as amended; to the Committee on Banking, Finance and Urban Affairs.

82. A letter from the Commissioner on Aging, Department of Health and Human Services, transmitting three reports on transportation services for older persons, pursuant to section 411 of the Older Americans Act of 1965, as amended (92 Stat. 1539); to the Committee on Education and Labor.

83. A letter from the Acting Deputy Secretary of Energy, transmitting the annual report for calendar year 1979 on the Department's industrial energy efficiency program, pursuant to section 876 of the Energy Policy and Conservation Act; to the Committee on Energy and Commerce.

84. A letter from the Acting Deputy Secretary of Energy, transmitting a report on the results of preliminary energy audits of Federal buildings with 1,000 or more square feet, pursuant to section 547(b) of Public Law 95-619; to the Committee on Energy and Commerce.

85. A letter from the Assistant Secretary of Energy for Conservation and Solar Energy, transmitting notice of a delay until spring, 1981, of the prescription of final energy efficiency standards for eight consumer products, required by January 2, 1981, by the Energy Policy and Conservation Act, as amended; to the Committee on Energy and Commerce.

86. A letter from the Acting Chairman, Federal Energy Regulatory Commission, transmitting proposed regulations to exempt mechanical cogeneration facilities from the incremental pricing program required by section 201 of the Natural Gas Policy Act of 1978, pursuant to section 206(d) of the act; to the Committee on Energy and Commerce.

87. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on U.S. efforts to encourage third country aid and investment in Egypt and Israel and the impact of Arab sanctions on the economy of Egypt, pursuant to section 7(b) of Public Law 96-35; to the Committee on Foreign Affairs.

88. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

89. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

90. A letter from the Secretary of the Interior, transmitting a report covering fiscal year 1980 on the disposal of surplus Federal real property for park, recreation, and historic monument purposes, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

91. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting the annual report for fiscal year 1980 on the agency's disposal for foreign excess property, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

92. A letter from the Acting Secretary of Agriculture, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

93. A letter from the Assistant Secretary for Health and Surgeon General, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

94. A letter from the Administrator, Health Care Financing Administration, Department of Health and Human Services, transmitting notice of proposed changes in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

95. A letter from the Director, Office of Administration, U.S. Nuclear Regulatory Commission, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

96. A letter from the Administrator of General Services, transmitting copies of certificates of ascertainment of electors appointed to the Electoral College received from various States, pursuant to 3 U.S.C. 6; to the Committee on House Administration.

97. A letter from the Administrator of General Services, transmitting additional copies of certificates of ascertainment of electors appointed to the Electoral College received from various States, pursuant to 3 U.S.C. 6; to the Committee on House Administration.

98. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $72,920.39 in excess rental and minimum royalty payments to C & K Petroleum Inc., Getty Oil Co., Shell Oil Co., Diamond Shamrock Corp., and Texasgulf Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

99. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $115,690.88 and $17,780.41 to Amoco Production Co., and Superior Oil Co., respectively, for excess gas royalties, pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

100. A letter from the Chairman and Members, U.S. Commission on Civil Rights, transmitting recommendations of the Commission, pursuant to section 104(c) of Public Law 85-315, as amended; to the Committee on the Judiciary.

101. A letter from the Clerk, U.S. Court of Claims, transmitting a report on all judgments rendered by the court during fiscal year 1980, pursuant to 28 U.S.C. 791(c); to the Committee on the Judiciary.

102. A letter from the Adjutant General, Military Order of the Purple Heart, transmitting the audit report of the organization as of June 30, 1980, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

103. A letter from the General Counsel of the Navy, transmitting a report in response to a complaint filed with the Special Counsel of the Merit Systems Protection Board, pursuant to 5 U.S.C. 1206(b)(5); to the Committee on Post Office and Civil Service.

104. A letter from the Librarian of Congress, transmitting a report on scientific and professional positions in existence in the Library of Congress during calendar year 1980, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

105. A letter from the Administrator of General Services, transmitting a report on response to a complaint filed with the Special Counsel of the Merit Systems Protection Board, pursuant to 5 U.S.C. 1206(b)(5); to the Committee on Post Office and Civil Service.

106. A letter from the Administrator of Veterans' Affairs, transmitting a report covering fiscal year 1980 on the nature and disposition of all cases in which an institution, approved for veterans benefits, utilizes advertising, sales or enrollment practices which are erroneous, deceptive, or misleading, pursuant to 38 U.S.C. 1790(d); to the Committee on Veterans' Affairs.

107. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the statement of liabilities and other financial commitments of the U.S. Government as of September 30, 1980, pursuant to section 402 of Public Law 89-809; to the Committee on Ways and Means.

108. A letter from the Secretary of Education, transmitting proposed final regulations to govern international education programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; jointly, to the Committees on Education and Labor, and Foreign Affairs.

109. A letter from the Under Secretary of Agriculture for International Affairs and Commodity Programs, transmitting a commodity and country allocation table showing the planned programing of food assistance under titles I and III of the Agricultural Trade Development and Assistance Act, covering the second quarter of fiscal year 1981, pursuant to section 408(b) of the act; jointly, to the Committees on Foreign Affairs and Agriculture.

110. A letter from the Comptroller General of the United States, transmitting a report on Federal examinations of privately owned financial institutions (GGD-81-12, January 6, 1981); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

111. A letter from the Comptroller General of the United States, transmitting a report on the implications for Federal policy of New York State's public assistance cost-sharing policies (PAD-81-11, December 18, 1980); jointly, to the Committees on Government Operations, Energy and Commerce, and Ways and Means.

112. A letter from the Comptroller General of the United States, transmitting a report on problems in assessing the cancer risks of low-level ionising radiation exposure (EMD-81-1, January 2, 1981); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Energy and Commerce.

113. A letter from the Comptroller General of the United States, transmitting a report on Federal monitoring of Trans-Alaska oil pipeline operations (EMD-81-11, January 6, 1981); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Energy and Commerce.

114. A letter from the Secretary of Health and Human Services, transmitting the annual report for calendar year 1980 on the activities of the Maternal and Child Health Services Research Grants Review Committee, pursuant to section 1114(f) of the Social Security Act; jointly, to the Committees on Ways and Means, and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Submitted January 2, 1981]

Mr. RODINO: Committee on the Judiciary. Report on the activities of the Committee on the Judiciary during the 96th Congress (Rept. No. 96-1567). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Omitted from the Record of January 5, 1981]

By Mr. ALBOSTA:

H.R. 268. A bill to provide that each State must establish a jobfare program, and require participation therein by residents of the State who are receiving benefits or assistance under the AFDC, food stamp, and public housing programs, as a condition of the State's eligibility for Federal assistance in connection with those programs; jointly, to the Committees on Agriculture, Banking, Finance and Urban Affairs, Education and Labor and Ways and Means.

By Mr. FINDLEY (for himself, Mr. CHAPPELL, Mr. COELHO, Mr. COLLINS of Texas, Mr. DANIEL B. CRANE, Mr. DERWINSKI, Mr. ERLENBORN, Mr. HANSEN of Idaho, Mrs. HOLT, Mr. MARTIN of North Carolina, Ms. MARTIN of Illinois, Mr. MOLLOHAN, Mr. PETRI, Mr. SPENCE, Mr. WHITEHURST, Mr. WINN, Mr. WON PAT, Mr. O'BRIEN, Mr. BUTLER, and Mr. BROYHILL):

H.R. 269. A bill to provide that each State must establish a workfare program, and require participation therein by all residents of the State who are receiving benefits or assistance under the aid to families with dependent children, food stamp, and public housing programs, as a condition of the State's eligibility for Federal assistance in connection with those programs; jointly, to the Committees on Education and Labor, Ways and Means, Agriculture, and Banking, Finance and Urban Affairs.

By Mr. HANSEN of Idaho:

H.R. 270. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 271. A bill to provide for at-large appointment of the Federal Reserve Chairman; to the Committee on Banking, Finance and Urban Affairs.

H.R. 272. A bill to amend the Federal Reserve Act to provide that the Chairman and Vice Chairman of the Board shall continue to serve until their successors are designated and have qualified; to the Committee on Banking, Finance and Urban Affairs.

H.R. 273. A bill to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings be released to the general public 5 years after the date of the meeting to which they relate; to the Committee on Banking, Finance and Urban Affairs.

H.R. 274. A bill to provide for steady, noninflationary growth in the money supply; to the Committee on Banking, Finance and Urban Affairs.

H.R. 275. A bill to repeal the authority of the Secretary of the Treasury to seize privately owned gold; to the Committee on Banking, Finance and Urban Affairs.

H.R. 276. A bill to amend the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H.R. 277. A bill to amend the Occupational Safety and Health Act of 1970 to prohibit restrictions on work rules in locations in which there is hunting, fishing, or shooting sports, and for other purposes; to the Committee on Education and Labor.

H.R. 278. A bill to amend the Occupational Safety and Health Act of 1970 to exempt small businesses having no more than 10 full-time employees or the equivalent thereof, and does not have an occupational injury incidence rate exceeding 7 per 100 full-time employees based upon the annual Bureau of Labor Statistics survey of 3- and 4-digit Standard Industrial Classification Code industries; to the Committee on Education and Labor.

H.R. 279. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the Secretary of Labor may conduct inspections at the workplace of an employer only after the issuance of a search warrant; to the Committee on Education and Labor.

H.R. 280. A bill to exempt nonhazardous businesses from the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

H.R. 281. A bill to amend section 16(a) of the National School Lunch Act to permit the State of Idaho to receive cash payments in lieu of donated foods for purposes of programs under such act and under the Child Nutrition Act of 1966; to the Committee on Education and Labor.

H.R. 282. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

H.R. 283. A bill to amend the Contract Work Hours Standards Act to require overtime compensation only for hours of employment in excess of 40 hours in a workweek; to the Committee on Education and Labor.

H.R. 284. A bill to amend the Occupational Safety and Health Act of 1970 to concentrate enforcement activities on hazardous workplaces, to exempt family farms from the act, to encourage self-initiative in improving occupational safety and health, to provide the procedures by which the Secretary of Labor may procure a search warrant for the purpose of conducting inspections at the workplace of an employer pursuant to the act, and for other purposes; to the Committee on Education and Labor.

H.R. 285. A bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles; to the Committee on Energy and Commerce.

H.R. 286. A bill to amend the Clean Air Act to make certain modifications in provisions relating to automobile emission control devices and fuel additives, and for other purposes; to the Committee on Energy and Commerce.

H.R. 287. A bill entitled the "State Legislative and Administrative Procedure Protection Act of 1981"; to the Committee on Energy and Commerce.

H.R. 288. A bill to establish a commission which shall be called the Iran Claims Settlement Commission and to enable the President of the United States to release the assets frozen by Presidential order on November 14, 1979; to the Committee on Foreign Affairs.

H.R. 289. A bill to require the Environmental Protection Agency and all other Federal regulatory agencies to evaulate, prior to the issuance of a regulation, the potential economic effect and environmental impact of such regulations; to the Committee on Government Operations.

H.R. 290. A bill to establish a commission and task force to review all Federal Government programs, determine what economies and efficiencies can be achieved through program consolidation, review the functions carried out by each level of government, and make recommendations for more clearly defining the respective responsibilities of such levels, and for other purposes; to the Committee on Government Operations.

H.R. 291. A bill to amend the Public Rangelands Improvement Act of 1978, to prevent the loss of economic grazing units, to prevent increased unemployment and food inflation, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 292. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 293. A bill to establish a ceiling on statutory wilderness designated lands located within the National Forest System in the State of Idaho; to the Committee on Interior and Insular Affairs.

H.R. 294. A bill to amend certain provisions of title 28, United States Code, relating to venue in the district courts and courts of appeals; to the Committee on the Judiciary.

H.R. 295. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 296. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 297. A bill providing that any State legislature which rescinds its ratification of a proposed amendment to the Constitution shall not be considered to have ratified the amendment; to the Committee on the Judiciary.

H.R. 298. A bill to remove statutory limitations upon the application of the Sherman Act to labor organizations and their activities, and for other purposes; to the Committee on the Judiciary.

H.R. 299. A bill to restore and promote competition in the marketing of motor fuel by prohibiting the control, operation, or acquisition of marketing outlets by petroleum refiners, producers, and distributors, and for other purposes; to the Committee on the Judiciary.

H.R. 300. A bill to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes; to the Committee on the Judiciary.

H.R. 301. A bill to amend title 38, United States Code, to allow beneficiaries of U.S. Government life insurance policies to elect to receive such insurance in a lump sum, rather than in monthly installments, when the insured has not specified the method of payment of such insurance; to the Committee on Veterans' Affairs.

H.R. 302. A bill to amend the Federal Aviation Act of 1958 to prohibit the Secretary of Transportation and the Administrator of the Federal Aviation Administration from issuing any rule, regulation, or order relating to certain aspects of the control of navigable airspace; to the Committee on Public Works and Transportation.

H.R. 303. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from active military service under less than honorable conditions are administratively upgraded under the revised standards as implemented by the Department of Defense's special discharge review program; to the Committee on Veterans' Affairs.

H.R. 304. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes; to the Committee on Ways and Means.

H.R. 305. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for certain amounts of savings; to the Committee on Ways and Means.

H.R. 306. A bill to amend the Internal Revenue Code of 1954 to exempt dividends from Federal taxation, to allocate corporate income tax revenues for payments to qualified registered voters, and for other purposes; to the Committee on Ways and Means.

H.R. 307. A bill to exempt limited amounts of oil production by independent producers from the windfall profit tax and for other purposes; to the Committee on Ways and Means.

H.R. 308. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 309. A bill to amend title II of the Social Security Act to increase to $24,000 in 1981—with automatic adjustments thereafter—the amount of outside earnings which a beneficiary age 65 or over may have in any taxable year without suffering reductions in the amount of his benefits; to the Committee on Ways and Means.

H.R. 310. A bill to prohibit the importation into the United States of certain agricultural products of Cuba, to include citrus, winter vegetables, and tropical fruits until after 1989; to the Committee on Ways and Means.

H.R. 311. A bill to strengthen the American family and promote the virtues of family life through education, tax assistance, and related measures; jointly, to the Committees on Agriculture, Armed Services, Education and Labor, the Judiciary, and Ways and Means.

H.R. 312. A bill to reduce interest and inflation, and for other purposes; jointly, to the Committees on Banking and Finance, Government Operations, Rules, and Ways and Means.

H.R. 313. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment, and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; jointly, to the Committees on Education and Labor and the Judiciary.

H.R. 314. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 315. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. HIGHTOWER (for himself, Mr. STENHOLM, Mr. ANTHONY, Mr. ARCHER, Mr. BEARD, Mr. BOWEN, Mr. BRINKLEY, Mr. BROOKS, Mr. BURGENER, Mr. COLLINS of Texas, Mr. PHILIP M. CRANE, Mr. ROBERT W. DANIEL, JR., Mr. EDWARDS of Oklahoma, Mr. DE LA GARZA, Mr. DERWINSKI, Mr. DORNAN of California, Mr. DUNCAN, Mr. ENGLISH, Mr. ERDAHL, of Minnesota, Mr. FISH, Mr. FORSYTHE, Mr. FROST, Mr. GARCIA, Mr. GOLDWATER, Mr. GRAMM, Mr. GRISHAM, Mr. GUYER, Mr. SAM B. HALL, JR., Mr. HANCE, Mrs. HOLT, Mr. HOPKINS, Mr. HUGHES, Mr. HYDE, Mr. JACOBS, Mr. JEFFRIES, Mr. JONES of North Carolina, Mr. KAZEN, Mr. KEMP, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEATH of Texas, Mr. LOEFFLER, Mr. LOTT, Mr. LUJAN, Mr. MARRIOTT, Mr. MONTGOMERY, Mr. MOORHEAD, Mr. NELSON, Mr. PAUL, Mr. PICKLE, Mr. RAILSBACK, Mrs. SCHROEDER, Mr. SENSENBRENNER, Mr. SHELBY, Mr. SHUMWAY, Mr. STANGELAND, Mr. SYNAR, Mr. WAMPLER, Mr. WHITE, Mr. WHITEHURST, Mr. WILSON, Mr. WINN, Mr. WRIGHT, and Mr. ALEXANDER):

H.R. 316. A bill to provide that a Federal agency may not require that any person maintain records for a period in excess of 4 years, and a Federal agency may not commence an action for enforcement of a law or regulation or for collection of a civil fine after 4 years from the date of the act which is the subject of the enforcement action or fine, and for other purposes; to the Committee on Government Operations.

By Mr. HIGHTOWER (for himself, Mr. ANTHONY, Mr. ARCHER, Mr. BAFALIS, Mr. BENJAMIN, Mr. BEVILL, Mr. BOWER of Tennessee, Mrs. BOUQUARD, Mr. BOWEN, Mr. BROOKS, Mr. BURGENER, Mr. DANIEL B. CRANE, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. CORRADA, Mr. ROBERT W. DANIEL, JR., Mr. DAN DANIEL, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DUNCAN, Mr. FUQUA, Mr. GIBBONS, Mr. GINN, Mr. GOLDWATER, Mr. GRAMM, Mr. GUYER, Mr. HANCE, Mr. HANSEN of Idaho, Mr. HEFTEL, Mr. HINSON, Mrs. HOLT, Mr. HUBBARD, Mr. HYDE, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEATH of Texas, Mr. LEVITAS, Mr. LIVINGSTON, Mr. LUJAN, Mr. MCCLORY, Mr. MCDADE, Mr. MATTOX, Mr. MITCHELL of New York, Mr. MONTGOMERY, Mr. MURPHY, Mr. MYERS, Mr. NICHOLS, Mr. PEPPER, Mr. QUILLEN, Mr. REGULA, Mr. ROBINSON, Mr. ROE, Mr. SMITH of Iowa, Mr. STENHOLM, Mr. STUMP, Mr. TRAXLER, Mr. WHITEHURST, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr. WON PAT, Mr. YATRON, Mr. YOUNG of Florida, and Mr. YOUNG of Missouri):

H.R. 317. A bill to amend the Immigration and Nationality Act to provide for the deportation of nonimmigrant alien students who knowingly participated in a violent political demonstration or otherwise participated in activities inconsistent with the terms of their admittance to the United States; to the Committee on the Judiciary.

By Mr. HIGHTOWER (for himself, Mr. LEATH of Texas, Mr. ANTHONY, Mr. ARCHER, Mr. BUTLER, Mr. CAMPBELL, Mr. COELHO, Mr. CORCORAN, Mr. DANIEL B. CRANE, Mr. ROBERT W. DANIEL, JR., Mr. DORNAN of California, Mr. EDWARDS of Oklahoma, Mr. ENGLISH, Mr. FORSYTHE, Mr. GONZALEZ, Mr. GRAMM, Mr. GUYER, Mr. HANCE, Mr. HINSON, Mr. JONES of Oklahoma, Mr. LAGOMARSINO, Mr. LEHMAN, Mr. LUJAN, Mr. MONTGOMERY, Mr. PEPPER, Mr. STENHOLM, Mr. SYNAR, Mr. TAUKIN, Mr. WEISS, Mr.

WILLIAMS of Montana, Mr. WILSON, Mr. WIRTH, Mr. YATRON, and Mr. YOUNG of Missouri):

H.R. 318. A bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profit tax oil produced from interests held by or for residential child care agencies; to the Committee on Ways and Means.

By Mrs. HOLT:

H.R. 319. A bill to amend title 10, United States Code, to reduce cost sharing required of participants in the civilian health program of the uniformed services (CHAMPUS) for inpatient medical care provided on an emergency basis; to the Committee on Armed Services.

H.R. 320. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 321. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H.R. 322. A bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 to provide emphasis within the National Institute on Alcohol Abuse and Alcoholism for families of alcohol abusers and alcoholics; to the Committee on Energy and Commerce.

H.R. 323. A bill to provide a remedy for sex discrimination by the insurance business with respect to the availability and scope of insurance coverage for women; to the Committee on Energy and Commerce.

H.R. 324. A bill to provide for payments in lieu of real property taxes, with respect to certain real property owned by the Federal Government; to the Committee on Government Operations.

H.R. 325. A bill to provide for the inclusion of certain Federal entities in the budget totals, effective with the 1985 budget; to the Committee on Government Operations.

H.R. 326. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

H.R. 327. A bill to amend title IV of the Civil Rights Act of 1964 to prohibit federally ordered assignment of teachers or students on racial and other similar grounds; to the Committee on the Judiciary.

H.R. 328. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 329. A bill to repeal section 3108 of title 5, United States Code, which prohibits the employment by the United States and the District of Columbia of individuals employed by detective agencies; to the Committee on Post Office and Civil Service.

H.R. 330. A bill to provide for reconstruction and rehabilitation of any bridge on the Interstate System which is both owned by the U.S. Government and located in two States and the District of Columbia; to the Committee on Public Works and Transportation.

H.R. 331. A bill to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-base budgeting process, with full congressional review of each Federal program at least once every 6 years; to the Committee on Rules.

H.R. 332. A bill to amend the Internal Revenue Code of 1954 to prohibit the Internal Revenue Service from terminating for reasons of racial discrimination the tax exempt status of any organization established for the purposes of educational instruction without proper adjudication by a court of the United States or of any State; to the Committee on Ways and Means.

H.R. 333. A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes; to the Committee on Ways and Means.

H.R. 334. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in banks and certain other savings institutions; to the Committee on Ways and Means.

H.R. 335. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for expenses paid by him for the education of any of his dependents at an institution of higher learning; to the Committee on Ways and Means.

H.R. 336. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

H.R. 337. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

H.R. 338. A bill to amend the Internal Revenue Code of 1954 to allow an exemption for certain professional liability insurance organizations; to the Committee on Ways and Means.

H.R. 339. A bill to provide that the statue of Maj. Gen. George Gordon Meade be transferred to Fort George G. Meade, Md.; jointly, to the Committees on House Administration and Armed Services.

H.R. 340. A bill to assure the continued dedication of the United States to quality education and the neighborhood school concept; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. HORTON:

H.R. 341. A bill to create a National Commission on Compulsive Gambling; to the Committee on Energy and Commerce.

H.R. 342. A bill to amend title 39 of the United States Code for the purpose of establishing a new procedure for fixing rates and classes of mail, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 343. A bill to modify the navigation project at Irondequoit Bay, N.Y.; to the Committee on Public Works and Transportation.

H.R. 344. A bill to amend title 38, United States Code, so as to provide a special pension program for veterans of World War I; to the Committee on Veterans' Affairs.

H.R. 345. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deductions to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

H.R. 346. A bill to amend the Internal Revenue Code of 1954 to allow the residential energy credit for certain wood or peat burning stoves; to the Committee on Ways and Means.

H.R. 347. A bill to amend title II of the Social Security Act to increase to $750 in all cases the amount of the lump-sum death payment thereunder; to the Committee on Ways and Means.

H.R. 348. A bill to provide for the termination of the Interim Convention on the Conservation of North Pacific Fur Seals of February 9, 1957, to prohibit the taking of seals in the Pribilof Islands, and for other purposes; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, and Merchant Marine and Fisheries.

H.R. 349. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. HYDE:

H.R. 350. A bill to amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency; to the Committee on Government Operations.

H.R. 351. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

H.R. 352. A bill to amend title 18 of the United States Code to revise and improve the laws controlling false identification crimes; to the Committee on the Judiciary.

By Mr. HYDE (for himself and Mr. LUNGREN):

H.R. 353. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 354. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

H.R. 355. A bill to amend the Federal Aviation Act of 1958 to authorize reduced-rate air transportation to the United States for certain persons who have been or will be adopted by a resident of the United States; to the Committee on Public Works and Transportation.

H.R. 356. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment for purposes of sections 219 and 220 of such code of certain individuals who separate from service with an employer during the taxable year; to the Committee on Ways and Means.

H.R. 357. A bill to amend title II of the Social Security Act to require actual dependency as a condition of a stepchild's eligibility for child's insurance benefits, thereby preventing an insured individual's stepchildren from qualifying for such benefits on his or her wage record—and thereby reducing the benefits of his or her natural children—if they are being supported by their natural parent; to the Committee on Ways and Means.

H.R. 358. A bill to amend title II of the Social Security Act to provide that surviving

divorced wives, as well as widows, may marry after attaining age 60 without affecting their entitlement to widow's insurance benefits; to the Committee on Ways and Means.

H.R. 359. A bill to amend the Internal Revenue Code of 1954 to provide for the nonrecognition of gain from the sale of stock in a domestic corporation engaged in a trade or business related to energy if within 90 days after the sale the proceeds are invested in stock of another such corporation; to the Committee on Ways and Means.

H.R. 360. A bill to amend the Internal Revenue Code of 1954 to deny the business deduction for any amount paid or incurred for regularly scheduled air transportation to the extent such amount exceeds the normal tourist class fare for such transportation; to the Committee on Ways and Means.

H.R. 361. A bill to amend Public Law 94-484, the Health Professions Educational Assistance Act of 1976, as amended, relating to the immigration of foreign medical graduates; jointly, to the Committees on Energy and Commerce and the Judiciary.

H.R. 362. A bill to amend title XVIII of the Social Security Act for the purpose of mandating guidelines with respect to the return of unused home dialysis supplies; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. KASTENMEIER:

H.R. 363. A bill to amend the Internal Revenue Code of 1954 to provide that cigarette advertising is not a deductible business expense; to the Committee on Ways and Means.

By Mr. KILDEE (for himself, Mr. BRODHEAD, Mr. BONIOR of Michigan, and Mr. TRAXLER):

H.R. 364. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of a certain portion of amounts received as annuities, pensions, or other retirement benefits by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. LEDERER:

H.R. 365. A bill to extend for one year the provisions of law relating to the business expenses of State legislators; to the Committee on Ways and Means.

H.R. 366. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition for elementary and secondary education; to the Committee on Ways and Means.

By Mr. LENT:

H.R. 367. A bill to authorize the Secretary of Housing and Urban Development to make grants to local agencies for converting closed school buildings to efficient, alternate uses, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 368. A bill to direct the Secretary of the Treasury to compensate States and units of local government for the loss of real property tax revenues due to the tax-exempt status of certain real estate property owned or occupied by foreign countries and international organizations; to the Committee on Government Operations.

H.R. 369. A bill to amend the Internal Revenue Code of 1954 to allow certain low- and middle-income individuals a refundable tax credit for a certain portion of the property taxes paid by them on their principal residences or of the rent they pay for their principal residences; to the Committee on Ways and Means.

H.R. 370. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

H.R. 371. A bill to amend title II of the Social Security Act to improve the treatment of women through the establishment and payment of working spouse's benefits; to the Committee on Ways and Means.

H.R. 372. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 373. A bill to establish a task force to study and evaluate the taxation of real property by State and local governments, the effects of such taxation on certain taxpayers, and the feasibility of Federal taxation and other policies designed to reduce the dependence of State and local governments on such taxation; jointly to the Committees on Ways and Means and Government Operations.

By Mr. LONG of Maryland:

H.R. 374. A bill to discourage the use of leg-hold or steel jaw traps on animals in the United States; to the Committee on Energy and Commerce.

H.R. 375. A bill to amend the Communications Act of 1934 to provide that telephone receivers may not be sold in interstate commerce unless they are manufactured in a manner which permits their use by persons with hearing impairments; to the Committee on Energy and Commerce.

H.R. 376. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 377. A bill to amend title II of the Social Security Act to reaffirm the fact that benefits payable thereunder are exempt from all taxation; to the Committee on Ways and Means.

H.R. 378. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 379. A bill to require adjustments in census population figures for aliens in the United States illegally so as to prevent distortions in the reapportionment of the House of Representatives, the legislative apportionment and districting of the States, and the allocation of funds under Federal assistance programs; jointly, to the Committees on the Judiciary and Post Office and Civil Service.

By Mr. LUKEN (for himself, Mr. GOLDWATER, Mr. MOTTL, Mr. ROBERT W. DANIEL, JR., Mr. SCHEUER, Mr. MAZZOLI, Mr. DOUGHERTY, Mr. FORSYTHE, Mr. LIVINGSTON, Mr. VOLKMER, Mr. EDWARDS of Oklahoma, Mr. SNYDER, AND Mr. CHAPPELL):

H.R. 380. A bill to amend the Internal Revene Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. McKINNEY:

H.R. 381. A bill to protect the rights of individuals guaranteed by the Constitution of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of polygraph equipment for certain purposes; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. MINISH:

H.R. 382. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

By Mr. MOORHEAD:

H.R. 383. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public involvement in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. NATCHER:

H.R. 384. A bill to extend veteran benefits to persons serving in the Armed Forces between November 12, 1918, and July 2, 1921; to the Committee on Veterans' Affairs.

By Mr. NEAL:

H.R. 385. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide that rescue squad members are entitled to death benefits made available under such act; to the Committee on the Judiciary.

H.R. 386. A bill to amend the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 to provide that adjustments in the pay for Members of Congress may not take effect unless specifically approved by each House of Congress; to the Committee on Post Office and Civil Service.

H.R. 387. A bill to protect the confidentiality of the identities of certain employees of the Central Intelligence Agency; to the Permanent Select Committee on Intelligence.

H.R. 388. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 389. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit against income tax for qualified fire detector expenses; to the Committee on Ways and Means.

By Mr. NOWAK:

H.R. 390. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives for businesses located in distressed areas; to the Committee on Ways and Means.

By Mr. PAUL:

H.R. 391. A bill to repeal the privilege of banks to create money; to the Committee on Banking, Finance and Urban Affairs.

H.R. 392. A bill proposing an amendment to the Constitution of the United States guaranteeing the right to life; to the Committee on the Judiciary.

H.R. 393. A bill to amend section 404 of the Federal Water Pollution Control Act to restrict the jurisdiction of the United States over discharge of dredged or fill material to discharges into waters which are navigable and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PERKINS:

H.R. 394. A bill to assist the States and local educational agencies in providing educational programs of high quality in elementary and secondary schools; to the Committee on Education and Labor.

H.R. 395. A bill to amend the Clean Air Act; to the Committee on Energy and Commerce.

H.R. 396. A bill to amend the Surface Mining Control and Reclamation Act of 1977 to provide that performance standards for the reclamation of surface coal mining operations shall not require restoration of lands to the approximate original contour where the surface owner specifies a different reclamation standard; to the Committee on Interior and Insular Affairs.

By Mr. PERKINS (for himself and Mr. GOODLING):

H.R. 397. A bill to dismiss certain cases pending before the Education Appeal Board; to the Committee on Education and Labor.

By Mr. PICKLE:

H.R. 398. A bill to amend the Fair Labor Standards Act of 1938 to raise the dollar volume test for coverage of employees of enterprises engaged in commerce or the production of goods for commerce to $750,000; to the Committee on Education and Labor.

H.R. 399. A bill to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 400. A bill to remove Members of Congress from the purview of section 225 of the Federal Salary Act of 1967, relating to the Commission on Executive, Legislative, and Judicial Salaries, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 401. A bill to provide mandatory social security coverage for Members of Congress and the Vice President; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 402. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 403. A bill to amend Public Law 874, relating to Federal impact aid, to provide for the use of current assessed values of Federal property in determining eligibility for assistance under such act; to the Committee on Education and Labor.

H.R. 404. A bill to amend the Railroad Retirement Act of 1974 to change benefit eligibility requirements so that individuals who have completed 30 years of service as an employee and have attained the age of 55 years are eligible and so that certain other individuals who have attained the age of 55 years and are related to employees are also eligible; to the Committee on Energy and Commerce.

H.R. 405. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 406. A bill to amend the Public Health Act to authorize the Secretary of Health and Human Services to provide assistance for the treatment of epilepsy; to the Committee on Energy and Commerce.

H.R. 407. A bill to provide for payments in lieu of real property taxes, with respect to certain real property owned by the Federal Government; to the Committee on Government Operations.

H.R. 408. A bill to remove from the Supreme Court of the United States and the district courts of the United States jurisdiction over any case relating to voluntary prayer in any public school or public building; to the Committee on the Judiciary.

H.R. 409. A bill to provide reduced rates for nonprofit senior citizens organizations; to the Committee on Post Office and Civil Service.

H.R. 410. A bill to amend title 39 of the United States Code to provide for door delivery of mail to the physically handicapped, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 411. A bill to amend title 38, United States Code, to provide that monthly annuity payments under the Railroad Retirement Act of 1974 shall not be included as income for the purpose of determining eligibility for or the amount of certain veterans' pension and dependency and indemnity compensation benefits; to the Committee on Veterans' Affairs.

H.R. 412. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

H.R. 413. A bill to amend title 38, United States Code, to require that burials be permitted in national cemeteries on weekends and holidays; to the Committee on Veterans Affairs.

H.R. 414. A bill to amend title II of the Social Security Act to provide that an individual's entitlement to benefits thereunder shall continue through the month of his or her death (without affecting any other person's entitlement to benefits for that month), in order to provide such individual's family with assistance in meeting the extra death-related expenses; to the Committee on Ways and Means.

H.R. 415. A bill to amend title II of the Social Security Act to provide that widow's insurance benefits shall be payable at age 50, without actuarial reduction and without regard to disability; to the Committee on Ways and Means.

H.R. 416. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 417. A bill to amend title 10 of the United States Code to permit senior Reserve officers' training programs to be established at public community colleges; to the Committee on Armed Services.

H.R. 418. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 419. A bill to amend the tax laws of the United States to encourage the preservation of independent local newspapers; to the Committee on Ways and Means.

H.R. 420. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions for the construction or maintenance of buildings housing fraternal organizations; to the Committee on Ways and Means.

H.R. 421. A bill to amend the Internal Revenue Code of 1954 to increase to $6,000 the exclusion from taxable gifts made during a calendar year by a donor to a person; to the Committee on Ways and Means.

H.R. 422. A bill to amend the Internal Revenue Code of 1954 to provide that the requirement that unemployment compensation be reduced by certain retirement benefits will not apply to social security and railroad retirement benefits; to the Committee on Ways and Means.

H.R. 423. A bill to amend the Internal Revenue Code of 1954 to increase the accumulated earnings credit, to increase the amount of used equipment eligible for the investment tax credit, and to allow certain small businesses to use the cash method of accounting without regard to inventories; to the Committee on Ways and Means.

H.R. 424. A bill to amend the Internal Revenue Code of 1954 to increase to $1,200 the personal income tax exemptions of taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

H.R. 425. A bill to amend the Internal Revenue Code of 1954 to provide that an individual may deduct amounts paid for his higher education, or for the higher education of any of his dependents; to the Committee on Ways and Means.

H.R. 426. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 427. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

H.R. 428. A bill to amend the Internal Revenue Code of 1954 to provide to individuals who have attained the age of 62 a refundable credit against income tax for increases in real property taxes and utility bills; to the Committee on Ways and Means.

H.R. 429. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by an individual for dependent care services to enable him to perform volunteer services for certain organizations; to the Committee on Ways and Means.

H.R. 430. A bill to amend the Internal Revenue Code of 1954 to allow handicapped individuals a deduction for certain transportation expenses; to the Committee on Ways and Means.

H.R. 431. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

H.R. 432. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 433. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

H.R. 434. A bill to require authorizations of new budget authority for Government programs at least every 6 years; to provide for review of Government programs every 6 years, and for other purposes; to the Committee on Rules.

H.R. 435. A bill to extend from 5 to 10 years the period during which individuals becoming eligible for Government pensions may qualify for an exemption from the pension offset provisions of the Social Security Act; to the Committee on Ways and Means.

H.R. 436. A bill to amend title 10, United States Code, to allow supplies under the control of departments and agencies within the Department of Defense to be transferred to the Federal Emergency Management Agency as if it were within the Department of Defense and to amend the Federal Civil Defense Act of 1950 to authorize the Federal Emergency Management Agency to loan to State and local governments property transferred to such agency from other Federal agencies as excess property; jointly; to the Committees on Armed Services, and Government Operations.

H.R. 437. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; jointly, to the Committees on Ways and Means, and Energy and Commerce.

H.R. 438. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 439. A bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 440. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by professional registered nurses in the peer review, and related activities authorized thereunder; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 441. A bill to amend the Social Security Act to provide for the payment of services by psychologists, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 442. A bill to provide a 3-year residency requirement for aliens receiving supplemental security income benefits and to require every alien admitted for permanent residence to have a sponsor who will contract to support him for 3 years, or to have other means of support; jointly, to the Committees on Ways and Means and the Judiciary.

By Mr. RICHMOND:

H.R. 443. A bill to amend the Federal Hazardous Substances Act to establish labeling requirements applicable to substances which cause chronic health side effects, and for other purposes; to the Committee on Energy and Commerce.

H.R. 444. A bill to amend the Internal Revenue Code of 1954 to remove certain limitations in the case of charitable contributions of literary, musical, or artistic compositions, or similar property; to the Committee on Ways and Means.

H.R. 445. A bill to amend the Internal Revenue Code of 1954 to provide that the executor may elect to disregard, in the valuation for estate tax purposes of certain items created by the decedent during his life, any amount which would not have been capital gain if such item had been sold by the decedent at its fair market value; to the Committee on Ways and Means.

By Mr. ROBINSON:

H.R. 446. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

H.R. 447. A bill to amend the National Labor Relations act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes; to the Committee on Education and Labor.

H.R. 448. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

H.R. 449. A bill to establish the authorized area of Shenandoah National Park; to the Committee on Interior and Insular Affairs.

H.R. 450. A bill to amend section 1951, title 18, United States Code, act of July 3, 1946; to the Committee on the Judiciary.

H.R. 451. A bill to provide for the exclusion from the United States of aliens affiliated with terrorist organizations, to require investigations of registered agents of such organizations, and for other purposes; to the Committee on the Judiciary.

H.R. 452. A bill relating to collective-bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

H.R. 453. A bill to amend the Small Business Emergency Relief Act to provide for emergency relief for small business concerns in connection with fixed-price Government contracts for the lease of real property; to the Committee on Small Business.

H.R. 454. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 455. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

H.R. 456. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 457. A bill to provide for congressional review of all regulations relating to costs and expenditures for health care, reimbursements to individuals or providers of health care, and for other purposes; jointly, to the Committees on Energy and Commerce, Ways and Means and Rules.

H.R. 458. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. ROTH:

H.R. 459. A bill entitled "Domestic Crime Control and Prevention Act"; to the Committee on the Judiciary.

By Mr. ROE:

H.R. 460. A bill to correct inequities in the termination and renewal of franchises, to protect franchisees from unfair practices, to protect franchisors and franchisees from actions inconsistent with the successful operation of franchises, to provide consumers with the benefits which result from a competitive and open market economy, and for other purposes; to the Committee on Energy and Commerce.

H.R. 461. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

H.R. 462. A bill to amend the Equal Credit Opportunity Act to prohibit discrimination against any applicant for credit on the basis of the geographical location of the applicant's residence; to the Committee on Banking, Finance and Urban Affairs.

H.R. 463. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act and to otherwise require the labels on foods and food products to disclose all of their ingredients and any changes in their ingredients, their nutritional content, accurate weight data, storage information, their manufacturers, packers, and distributors, and their unit prices and to provide for uniform product grading and prohibit misleading brand names; to the Committee on Energy and Commerce.

H.R. 464. A bill to provide for the safeguarding of taxpayer rights, and for other purposes; to the Committee on Ways and Means.

H.R. 465. A bill to correct inequities in the relationship between sales representatives and their principals, and for other purposes; to the Committee on Energy and Commerce.

H.R. 466. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit of $250 to an individual for expenditures for health insurance premiums; to the Committee on Ways and Means.

H.R. 467. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption where a taxpayer, his spouse, or any dependent of the taxpayer is handicapped; to the Committee on Ways and Means.

H.R. 468. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $10,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 469. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of individuals who have attained the age of 62 $3,000 of interest received during any taxable year; to the Committee on Ways and Means.

H.R. 470. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 471. A bill to amend title XVI of the Social Security Act to direct the Secretary, in determining the extent to which the value of an individual's home is excludable for purposes of establishing his or her eligibility for supplemental security income benefits, to take into account regional variations in the market prices of homes and to make periodic adjustments reflecting changes in land and home values; to the Committee on Ways and Means.

H.R. 472. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to taxpayers who contribute the right to use certain real property to charitable organizations for outpatient geriatric clinics or for multipurpose senior centers; to the Committee on Ways and Means.

H.R. 473. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

H.R. 474. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individ-

uals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 475. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the annual gift tax exclusion from $3,000 to $5,000; to the Committee on Ways and Means.

H.R. 476. A bill to amend the Internal Revenue Code of 1954 to provide that the standard mileage rate for use of a passenger automobile which may be used in computing the charitable contribution deduction shall be the same as the standard mileage rate which may be used in computing the business expense deduction; to the Committee on Ways and Means.

H.R. 477. A bill to amend the Internal Revenue Code of 1954 to restore the deduction for State and local taxes on gasoline and other motor fuels and to allow the deduction for such taxes without regard to whether the taxpayer itemizes other deductions; to the Committee on Ways and Means.

H.R. 478. A bill to eliminate the offset against social security benefits in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

H.R. 479. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to reduce social security taxes and apply the proceeds thereof exclusively to the financing of the old-age, survivors, and disability insurance program, with the medicare program being hereafter financed from general revenues (earmarking a portion of Federal income tax receipts for that purpose) rather than through the imposition of employment and self-employment taxes as at present; to the Committee on Ways and Means.

H.R. 480. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 481. A bill to amend the Internal Revenue Code of 1954 to provide that severance pay resulting from a plant closing shall be subject to tax at reduced rates; to the Committee on Ways and Means.

H.R. 482. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for amounts paid or incurred by the taxpayer for alterations to his principal residence in order to make such residence more suitable for handicapped family members; to the Committee on Ways and Means.

H.R. 483. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for one-third of the amount of certain local wage taxes paid by individuals who are not residents of the local governmental area; to the Committee on Ways and Means.

H.R. 484. A bill to amend the Internal Revenue Code of 1954 to clarify the tax exemption for interest on obligations of volunteer fire departments; to the Committee on Ways and Means.

H.R. 485. A bill to amend the Internal Revenue Code of 1954 to allow a refundable tax credit for amounts paid for increases in electricity under automatic fuel adjustment clauses as a result of the shutdown of the nuclear generating facilities; to the Committee on Ways and Means.

H.R. 486. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses of elementary and secondary education; to the Committee on Ways and Means.

H.R. 487. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 488. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Ways and Means.

H.R. 489. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

H.R. 490. A bill to amend the Internal Revenue Code of 1954 to treat permanently and totally disabled individuals in the same way as individuals who have attained the age of 55 for purposes of the one-time exclusion of gain from the sale of a principal residence; to the Committee on Ways and Means.

H.R. 491. A bill to amend section 411 of the Higher Education Act of 1965 to exclude from eligibility calculations for basic grants the value of a family's residence; to the Committee on Education and Labor.

H.R. 492. A bill to amend the Home Owners' Loan Act of 1933 to provide that a Federal savings and loan association may not offer a renegotiable rate mortgage to any person unless such association also offers such person a standard mortgage instrument; to the Committee on Banking, Finance and Urban Affairs.

H.R. 493. A bill to stimulate research and development aimed at the production of gasohol as an alternative energy source by establishing national demonstration facilities for the conversion of garbage and other solid wastes into fuels, to be constructed by the Secretary of Energy under the Federal Nonnuclear Energy Research and Development Act of 1974; to the Committee on Science and Technology.

H.R. 494. A bill to provide for a Council of Oil Importing Nations, and for other purposes; to the Committee on Foreign Affairs.

H.R. 495. A bill to provide for an accelerated program of wind energy research, development, and demonstration, to be carried out by the Department of Energy with the support of the National Aeronautics and Space Administration and other Federal agencies; to the Committee on Science and Technology.

H.R. 496. A bill to amend the Clean Air Act to promote the use of alcohol as a motor vehicle fuel and as an additive to motor vehicle fuels, and for other purposes; to the Committee on Energy and Commerce.

H.R. 497. A bill to provide for a research, development, and evaluation program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic purposes; to the Committee on Science and Technology.

H.R. 498. A bill to provide that the Federal Government shall assume 100 per centum of all Federal, State, and local welfare costs; to the Committee on Ways and Means.

H.R. 499. A bill to provide that the U.S. District Court for the Judicial District of New Jersey shall be held at Paterson, N.J., in addition to those places currently provided by law; to the Committee on the Judiciary.

H.R. 500. A bill to amend the Congressional Budget Act to require the Congressional Budget Office, for every bill or resolution reported in the House or Senate, to prepare and submit (along with its regular estimate of the Federal cost involved) an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on Rules.

By Mr. GEPHARDT (for himself and Mr. CONABLE):

H.R. 501. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

By Mr. ROE:

H.R. 502. A bill to establish as a part of the Rules of the House of Representatives and the Senate a procedure for the periodic congressional review of Federal programs and tax expenditures, and to improve legislative oversight of Federal activities and regulatory programs; to the Committee on Rules.

H.R. 503. A bill to amend the Older Americans Act and the Public Health Service Act to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

H.R. 504. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Energy and Commerce, and Ways Means.

H.R. 505. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Energy and Commerce, and Ways Means.

H.R. 506. A bill to permit the introduction or delivery for introduction of laetrile into interstate commerce without the approval of a new drug application under the Federal Food, Drug, and Cosmetic Act; to the Committee on Energy and Commerce.

H.R. 507. A bill to amend the Public Health Service Act to provide for the control of vitiligo; to the Energy and Commerce.

By Mr. KASTENMEIER:

H.R. 508. A bill to promote competition in the production of coal, uranium, and geothermal power; to the Committee on the Judiciary.

H.R. 509. A bill to establish a Federal Oil and Gas Corporation; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. ROE:

H.R. 510. A bill to amend title XVI of the Social Security Act to provide that the income and resources of parents shall not be attributed to their children (for purposes of determining the eligibility of such children for supplemental security income benefits) in certain cases where the payment of such benefits is necessary to enable the parents to provide disability-related home care without which the children would require continued institutionalization; to the Committee on Ways and Means.

H.R. 511. A bill to establish a commission to hear, determine, and pay claims against the United States for money damages for the injuries to individuals who contracted the Guillain-Barre Syndrome after receiving immunizations under the national swine flu immunization program, and for other purposes; to the Committee on the Judiciary.

H.R. 512. A bill directing the President to take certain actions with respect to any country which engages in certain hostile actions against property of the United States or U.S. officers or employees assigned to duty abroad; to the Committee on Foreign Affairs.

H.R. 513. A bill to amend the Export Administration Act of 1969 to improve the administration of export controls by assigning to the Secretary of Defense the primary responsibility for identifying the types of technologies and goods which shall be controlled for national security purposes; by providing for a comprehensive and continuing review of export controls with a view to strengthening controls over exports of critical technologies and goods while facilitating exports of any technologies and goods which will not significantly adversely affect the national security of the United States; and by providing for congressional oversight of such exports; and for other purposes; jointly, to the Committees on Foreign Affairs and Armed Services.

H.R. 514. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

H.R. 515. A bill to amend title 38 of the United States Code in order to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 516. A bill to amend title 38, United States Code, to provide that agricultural employment required for eligibility for educational assistance under the GI bill for a person enrolled in a farm cooperative program need not be full-time employment or the principal expected source of income of such person and may include employment in establishments engaged in the processing, distribution, or sale of agricultural products; to the Committee on Veterans' Affairs.

H.R. 517. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either; to the Committee on Veterans' Affairs.

H.R. 518. A bill to amend title 38, United States Code, to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

H.R. 519. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

H.R. 520. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his educational benefits; to the Committee on Veterans' Affairs.

H.R. 521. A bill to extend the eligibility of certain persons for educational benefits under the GI bill; to the Committee on Veterans' Affairs.

H.R. 522. A bill to amend title 38 of the United States Code in order to authorize the Administrator of Veterans' Affairs to make scholarship grants to individuals attending medical schools on the condition that such individuals will serve in Veterans' Administration facilities for a certain period of time upon completion of professional training, and for other purposes; to the Committee of Veterans' Affairs.

H.R. 523. A bill to amend title 38, United States Code, to waive the 1-year limitation on claims for compensation from the Veterans' Administration for disabilities and diseases incurred in or aggravated by military service in the case of claims by veterans who served in Southeast Asia during the Vietnam era for compensation for disabilities resulting from exposure to the phenoxy herbicide known as agent orange or other phenoxy herbicides; to the Committee on Veterans' Affairs.

H.R. 524. A bill to amend title 10, United States Code, to raise to 45 the maximum age at which an individual may receive an original appointment as a commissioned officer of the Armed Forces; to the Committee on Armed Services.

H.R. 525. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

H.R. 526. A bill to amend chapter 44 of title 18 of the United States Code to extend the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies, and for other purposes; to the Committee on the Judiciary.

H.R. 527. A bill to amend title 18, United States Code, to increase the term of imprisonment for certain offenses relating to carrying or using firearms, to eliminate eligibility for parole with respect to such term, and to require that such term be served before and consecutively to any related sentence of imprisonment; to the Committee on the Judiciary.

H.R. 528. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to add a requirement that the comprehensive State plan include provisions for attention to the special problems of prevention, treatment, and other aspects of crimes against the elderly; to the Committee on the Judiciary.

H.R. 529. A bill to amend the Flammable Fabrics Act to prohibit the manufacture for sale in commerce of articles of interior furnishing intended for use in any public facility unless such articles conform with requirements established by the Consumer Product Safety Commission designed to make such articles fire resistant; to the Committee on Energy and Commerce.

H.R. 530. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and for other purposes; jointly to the Committees on Public Works and Transportation, the Judiciary, and Foreign Affairs.

H.R. 531. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits; to the Committee on Ways and Means.

H.R. 532. A bill to provide income tax incentives for the modification of certain facilities so as to remove architectural and transportational barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 533. A bill to increase alternatives to institutionalization for senior citizens; jointly, to the Committees on Energy and Commerce and Ways and Means.

H.R. 534. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 535. A bill to amend title II of the Social Security Act to provide in certain cases for an exchange of credits between the old-age, survivors, and disability insurance system and the civil service retirement system so as to enable individuals who have coverage under both systems to obtain maximum benefits based on their combined service; to the Committee on Ways and Means.

H.R. 536. A bill to amend the Older Americans Act of 1965 to provide that the Commissioner of the Administration on Aging may make grants to assist older persons adversely affected by natural disasters, and for other purposes; to the Committee on Education and Labor.

H.R. 537. A bill to amend various laws relating to civil rights to extend their protection to the elderly, and for other purposes; to the Committee on the Judiciary.

H.R. 538. A bill to amend title II of the Social Security Act to provide that the widow's or widower's insurance benefits to which a disabled individual becomes entitled before attaining age 60 shall not be less than the amount (71½ percent of the deceased spouse's primary insurance amount) to which they would have been reduced if the first month of such entitlement had been the month in which such individual attained that age; to the Committee on Ways and Means.

H.R. 539. A bill to amend title II of the Social Security Act to provide that upon the death of one member of a married couple the surviving spouse or surviving divorced spouse shall automatically inherit the deceased spouse's earnings credits to the extent that such credits were earned during the period of their marriage; to the Committee on Ways and Means.

H.R. 540. A bill to amend title II of the Social Security Act to provide that a divorced spouse may qualify for benefits on the basis of a marriage which lasted for as few as 5 years (instead of only on the basis of a marriage which lasted for 10 or more years as at present) in the case of certain late-life divorces; to the Committee on Ways and Means.

H.R. 541. A bill to amend title II of the Social Security Act to provide that a husband and wife may elect to split their earnings for social security purposes upon the retirement of either or both of them, or upon their divorce, and to equalize the benefits payable to a retired worker and his or her spouse (on such worker's wage record) if they have not so elected; to the Committee on Ways and Means.

H.R. 542. A bill to amend title II of the Social Security Act to provide for the payment of a transition benefit to the spouse of an insured individual upon such individual's death if such spouse has attained age 50 and is not otherwise immediately eligible for benefits; to the Committee on Ways and Means.

H.R. 543. A bill to amend title II of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes, so as to recognize the economic contribution of each spouse to the marriage and assure that each spouse will have social security protection in his or her own right; to the Committee on Ways and Means.

H.R. 544. A bill to amend title II of the Social Security Act to reaffirm the fact that

benefits payable thereunder are exempt from all taxation; to the Committee on Ways and Means.

H.R. 545. A bill to amend title XVIII of the Social Security Act to provide for the enforcement of standards relating to the rights of patients in certain medical facilities; jointly, to the Committees on Ways and Means, and Energy and Commerce.

H.R. 546. A bill to amend title XIX of the Social Security Act to permit States to establish flexible income contribution and resource standards for couples in which one spouse is in a nursing home; to the Committee on Energy and Commerce.

H.R. 547. A bill to establish a program to promote the utilization of spinoffs from space technology in meeting the needs and alleviating the suffering of the elderly; to the Committee on Science and Technology.

H.R. 548. A bill to amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 60 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 549. A bill to establish within the Department of Health and Human Services a Home Health Clearinghouse to provide elderly persons with a single place where they can obtain complete information on the Federal home health programs available to them; to the Committee on Energy and Commerce.

H.R. 550. A bill to establish a program of drug benefits for the aged; to establish a Drug Benefits Council and other appropriate management controls to provide for the efficient administration of such program; and to require the conducting of certain studies and experiments, to enhance the capability of the Secretary of Health and Human Services to administer such program, and for other purposes; to the Committee on Energy and Commerce.

H.R. 551. A bill to amend title 38 of the United States Code in order to waive the payment of premiums for National Life Insurance by certain persons who have attained age 70; to the Committee on Veterans' Affairs.

H.R. 552. A bill to direct the Secretary of Health and Human Services to provide Federal minimum standards for health insurance for the elderly, and to amend title XVIII of the Social Security Act for the purpose of directing the Secretary to study methods of further improving the regulation of health insurance for the elderly and to evaluate methods by which the medicare program could more fully meet the health insurance needs of the elderly; jointly, to the Committees on Ways and Means, and Energy and Commerce.

H.R. 553. A bill to further amend the Older Americans Act of 1965, as amended, to establish a program under which institutions of higher education may receive grants to defray 55 percent of the tuition costs of older persons attending such institutions on a tuition-free basis, and for other purposes; to the Committee on Education and Labor.

H.R. 554. A bill to amend title II of the Social Security Act to increase from $255 to $750 the lump sum death payment which will be made in the case of an insured individual who dies leaving a relatively small estate; to the Committee on Ways and Means.

H.R. 555. A bill to provide for an accelerated program for the recovery of energy from municipal wastes, and for other purposes; jointly, to the Committees on Science and Technology and Energy and Commerce.

By Mr. ROE (for himself, Mr. HOLLENBECK, and Mr. RICHMOND):

H.R. 556. A bill to establish a National Center of Alternative Research; to develop and coordinate alternative methods of research and testing which do not involve the use of live animals; to develop training programs in the use of alternative methods of research and testing which do not involve the use of live animals; to eliminate or minimize the duplication of experiments on live animals; to disseminate information on such methods; and for other purposes; jointly, to the Committees on Energy and Commerce and Science and Technology.

By Mr. ROE:

H.R. 557. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for the cutting and removal of corns, warts, and calluses, and the reduction of club nails; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 558. A bill to amend title 5, United States Code, to entitle Civil Air Patrol Cadets 18 years of age and older to compensation available to Civil Air Patrol senior members in the event of disability or death, and to increase the level of compensation available to both; to the Committee on Education and Labor.

H.R. 559. A bill to amend the Commodity Credit Corporation Charter Act to create within the Commodity Credit Corporation a national grain board, to provide the highest possible prices in foreign markets for American agricultural producers, to provide price and supply stability in domestic markets, and for other purposes; jointly, to the Committees on Agriculture and Foreign Affairs.

H.R. 560. A bill to provide for the termination of the Interim Convention on the Conservation of North Pacific Fur Seals of February 9, 1957, to prohibit the taking of seals in the Pribilof Islands, and for other purposes; jointly, to the Committees on Foreign Affairs, Merchant Marine and Fisheries, and Interior and Insular Affairs.

H.R. 561. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend various provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, and the Judiciary.

H.R. 562. A bill to create a national system of health security; jointly to the Committees on Energy and Commerce, and Ways and Means.

H.R. 563. A bill to provide that all petroleum imported into the United States after September 1, 1981, shall not be available for purchase other than by the Government of the United States; jointly, to the Committees on Energy and Commerce and Ways and Means.

H.R. 564. A bill to establish a Space Industrialization Corporation to promote, encourage, and assist in the development of new products, processes, and industries using the properties of the space environment; jointly, to the Committees on Banking, Finance and Urban Affairs and Science and Technology.

H.R. 565. A bill to require business concerns which undertake changes of operations to give notice to the Secretary of Labor, and to affected labor organizations, employees, and local governments; to require business concerns to provide assistance to employees who suffer an employment loss caused by changes of operations, to authorize the Secretary of Labor to provide assistance to such business concerns, and to such affected employees and local governments; and for other purposes; jointly, to the Committees on Education and Labor and Banking, Finance and Urban Affairs.

By Mr. ROTH:

H.R. 566. A bill authorizing to provide for the filing of tariffs by common carriers by water in the foreign commerce of the United States; to the Committee on Merchant Marine and Fisheries.

H.R. 567. A bill relating to the treatment of certain annuity contracts; to the Committee on Ways and Means.

H.R. 568. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes so that estates under $500,000 will not be subject to estate tax and to increase the gift tax exclusion from $3,000 to $6,000; to the Committee on Ways and Means.

By Mr. ROYBAL:

H.R. 569. A bill to amend section 8 of the United States Housing Act of 1937 for the purpose of reducing the amount of rent required to be paid by elderly families residing in dwelling units assisted by Federal contributions authorized by such section; to the Committee on Banking, Finance and Urban Affairs.

H.R. 570. A bill to provide that elderly persons residing in dwelling units receiving Federal assistance shall be provided with certain rights in the lease agreements between the elderly persons and the owners of the units; to the Committee on Banking, Finance and Urban Affairs.

H.R. 571. A bill to amend the National Housing Act and other acts for the purpose of providing assistance for outpatient geriatric clinics and for multipurpose senior centers, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 572. A bill to provide for the inclusion of emergency power equipment in federally assisted multifamily housing facilities which are designed for occupancy in whole or substantial part by the elderly, and to authorize Federal loans to finance the provision of such equipment for those facilities; to the Committee on Banking, Finance and Urban Affairs.

H.R. 573. A bill to provide assistance and coordination in the provision of child-care services for children living in homes with working parents, and for other purposes; to the Committee on Education and Labor.

H.R. 574. A bill to amend the Education of the Handicapped Act to provide tutorial and related instructional services for homebound children through the employment of college students, particularly veterans and other students who themselves are handicapped; to the Committee on Education and Labor.

H.R. 575. A bill to amend the Community Services Act of 1974 to permit the Director of Community Services Administration to furnish assistance for the installation of security devices in the residences of elderly persons; to the Committee on Education and Labor.

H.R. 576. A bill to amend the Older Americans Act of 1965 to provide assistance for the installation of security devices in the residences of elderly persons; to the Committee on Education and Labor.

H.R. 577. A bill to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

H.R. 578. A bill to provide for the monthly publication of a Consumer Price Index for the Elderly and to provide for studies to be made with regard to utilizing such index in determining cost-of-living adjustments authorized in certain Federal programs for individuals who are at least 62 years of age; to the Committee on Education and Labor.

H.R. 579. A bill to establish an Office of Spanish-Speaking Affairs in the Executive Office of the President, and for other purposes; to the Committee on Government Operations.

H.R. 580. A bill to provide for payment by the United States for certain medical services and treatment provided to United States citizens and permanent residents suffering from physical injuries attributable to the atomic bomb explosions on Hiroshima and Nagasaki, Japan, in August 1945; to the Committee on the Judiciary.

H.R. 581. A bill to provide for grants to States for the payment of compensation to certain elderly individuals who are injured by criminal acts and omissions or who suffer property loss as a result of certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

H.R. 582. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

H.R. 583. A bill to amend the Legal Services Corporation Act to provide legal assistance to older persons in connection with their participation in certain health insurance and medical assistance programs under the Social Security Act; to the Committee on the Judiciary.

H.R. 584. A bill to amend title 5, United States Code, to include as creditable service for civil service retirement purposes service as an enrollee of the Civilian Conservation Corps, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 585. A bill to require that each executive department regularly publish certain statistics relating to Americans of Spanish origin or descent; to the Committee on Post Office and Civil Service.

H.R. 586. A bill to amend the Small Business Act to increase to $110,000 the amount of a borrower's disaster loans eligible for a 3 per centum interest rate; to the Committee on Small Business.

H.R. 587. A bill to amend the Second Liberty Bond Act to provide that individuals age 65 or older who purchase certain U.S. savings bonds shall be paid a rate of interest which is 2 per centum higher than the rate of inflation; to the Committee on Ways and Means.

H.R. 588. A bill to amend the Internal Revenue Code of 1954 to provide that certain rentals to members of the taxpayer's family will not be treated as personal use by the taxpayer for purposes of the disallowance of certain expenses in connection with the business use of homes, rental of vacation homes, et cetera; to the Committee on Ways and Means.

H.R. 589. A bill to amend title II of the Social Security Act to increase to $10,000 in the case of an individual under age 65, and to $15,000 in the case of an individual age 65 or over, the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

H.R. 590. A bill to amend title XVI of the Social Security Act to provide for the payment of a special housing allowance to each recipient of supplemental security income benefits whose housing expenses exceed an amount equal to 25 per centum of his or her income, so as to reduce such expenses to that amount; to the Committee on Ways and Means.

H.R. 591. A bill to amend title XX of the Social Security Act to include among the services eligible for Federal assistance under such title the installation of devices to promote the security of the elderly in their homes; to the Committee on Ways and Means.

H.R. 592. A bill to amend the Internal Revenue Code of 1954 to make permanent law the deduction for expenditures to remove architectural and transportation barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 593. A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of social services, recipients of aid to families with dependent children, and recipients of aid or assistance under certain other Federal and federally assisted programs will not have the amount of such benefits, services, aid, or assistance reduced because of increases in monthly social security benefits; and to provide that cost-of-living increases in annuity, pension, retirement, disability, or other employment-related benefits being paid to an individual under a public program, occurring after such individual's initial entitlement to such benefits, shall not be included in such individual's income in determining his or her eligibility for supplemental security income benefits; to the Committee on Ways and Means.

H.R. 594. A bill to authorize the Secretary of Housing and Urban Development to encourage and assist in the development on a demonstration basis of several carefully planned projects to meet the special health-care and related needs of elderly persons in a campus-type setting; jointly, to the Committees on Banking, Finance and Urban Affairs, and Energy and Commerce.

H.R. 595. A bill to establish a Commission on a North American Economic Alliance; jointly, to the Committees on Foreign Affairs, and Ways and Means.

H.R. 596. A bill to amend title XVIII of the Social Security Act to include hearing aids and dentures among the items and services for which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 597. A bill to amend titles XVIII and XIX of the Social Security Act to include services of licensed (registered) nurses, physician extenders, and nurse practitioners among the services for which payment may be made under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ROYBAL (for himself and Mr. WAXMAN):

H.R. 598. A bill to establish an Office of Federal Audio-Visual Policy within the Office of Management and Budget, and for other purposes; to the Committee on Government Operations.

By Mr. ROUSSELOT:

H.R. 599. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations, sand and gravel mining operations, or certain surface construction operations; to the Committee on Education and Labor.

H.R. 600. A bill to repeal the Emergency Petroleum Allocation Act; to the Committee on Energy and Commerce.

H.R. 601. A bill to amend title 39, United States Code, to eliminate certain provisions relating to private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 602. A bill to amend the Internal Revenue Code of 1954 to provide for automatic cost-of-living adjustments in the income tax and withholding rates; to the Committee on Ways and Means.

H.R. 603. A bill to amend sections 46(f) and 167(l) of the Internal Revenue Code of 1954 regarding the treatment of public utility property and to provide a transitional rule with respect thereto; to the Committee on Ways and Means.

H.R. 604. A bill to amend the Internal Revenue Code of 1954 to provide that the investment tax credit shall be allowable with respect to certain small boilers fueled by oil or gas; to the Committee on Ways and Means.

H.R. 605. A bill to amend the Internal Revenue Code of 1954 to provide that the investment tax credit for energy property shall apply to certain property which is at least 10 percent more efficient than the property replaced; to the Committee on Ways and Means.

H.R. 606. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

H.R. 607. A bill to amend the Internal Revenue Code of 1954 to allow individuals under age 55 to elect the one-time exclusion of gain from sale of principal residence; to the Committee on Ways and Means.

H.R. 608. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $10,000 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 609. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $5,000 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 610. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $2,000 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 611. A bill to amend the Internal Revenue Code of 1954 to cut in half the capital gains tax on the sale of certain stocks and bonds of qualified small corporations; to the Committee on Ways and Means.

H.R. 612. A bill to amend the Internal Revenue Code of 1954 to repeal the provisions requiring withholding of tax on certain gambling winnings; to the Committee on Ways and Means.

H.R. 613. A bill to amend the Internal Revenue Code of 1954 and for other purposes; to the Committee on Ways and Means.

H.R. 614. A bill to repeal the earnings limitation of the Social Security Act; to the Committee on Ways and Means.

H.R. 615. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ROUSSELOT (for himself and Mr. HANSEN of Idaho):

H.R. 616. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

By Mr. ROUSSELOT (for himself and Mr. LEWIS):

H.R. 617. A bill to amend the Internal Revenue Code of 1954 to provide for a definition of the term "artificial bait"; to the Committee on Ways and Means.

By Mr. SHUMWAY:

H.R. 618. A bill to convey certain interests in public lands to the city of Angels, Calif.; to the Committee on Interior and Insular Affairs.

H.R. 619. A bill to amend the Immigration and Nationality Act to facilitate the admission of aliens for temporary agricultural employment; to the Committee on the Judiciary.

H.R. 620. A bill to amend the Immigration and Nationality Act to provide for labor certification on an areawide, rather than on a countrywide, basis for admittance of temporary agricultural laborers; to the Committee on the Judiciary.

H.R. 621. A bill to amend the Internal Revenue Code of 1954 to provide for equipment which conserves irrigation water an additional 10 percent investment tax credit and an election to depreciate such equipment based on a 3-year useful life; to the Committee on Ways and Means.

H.R. 622. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

H.R. 623. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. SMITH of Iowa:

H.R. 624. A bill to provide family farmers and others with timely information concerning export sales of certain agricultural commodities; to the Committee on Agriculture.

H.R. 625. A bill to amend the United States Grain Standards Act for the purpose of expanding foreign trade by improving and maintaining the quality of grain shipped from an export elevator at an export port location; to the Committee on Agriculture.

H.R. 626. A bill to repeal the 1976 Official Standards for Grades of Carcass Beef; to the Committee on Agriculture.

H.R. 627. A bill to authorize loans for study at nonprofit institutions of higher education; to the Committee on Education and Labor.

H.R. 628. A bill to amend section 403 of the Federal Food, Drug, and Cosmetic Act to require that foods intended for human consumption be labeled to show the amount of sodium and potassium they contain; to the Committee on Energy and Commerce.

H.R. 629. A bill to require the consideration of environmental and other factors, and the stockpiling and replacement of soil on all public works projects and highway and other projects which are federally assisted, on federally held land, and on projects which affect commerce among the States, or the general welfare and quality of life of the Nation; jointly, to the Committees on Agriculture and Public Works and Transportation.

H.R. 630. A bill to clarify the eligibility of certain small businesses for loans under the Small Business Act, to aid, protect, and preserve small businesses in meat production and marketing, and for other purposes; jointly, to the Committees on Agriculture and Small Business.

H.R. 631. A bill to amend the Small Business Act to assist and protect small businesses and to protect small businesses against unreasonable use of economic power by major meatpacking companies, and for other purposes; jointly, to the Committees on Agriculture and Small Business.

By Mr. SNYDER:

H.R. 632. A bill to establish the Falls of the Ohio Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. SOLOMON:

H.R. 633. A bill to provide that rates of pay for Members of Congress shall not be subject to adjustment under the Federal Salary Act of 1967 or subject to any other automatic adjustment; to the Committee on Post Office and Civil Service.

H.R. 634. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

H.R. 635. A bill to amend title II of the Social Security Act to make it clear that social security benefits are and will continue to be exempt from all taxation; to the Committee on Ways and Means.

By Mr. TRIBLE (for himself, Mr. WHITEHURST, Mr. ROBINSON, Mr. BUTLER, Mr. ROBERT W. DANIEL, JR., Mr. BLILEY, Mr. WOLF, Mr. WAMPLER, Mr. PARRIS, and Mr. DAN DANIEL):

H.R. 636. A bill to provide for dredging of Hampton Roads Harbor and Channels, Virginia; to the Committee on Public Works and Transportation.

By Mr. WALKER:

H.R. 637. A bill to amend the Food Stamp Act of 1977 to authorize the States to establish eligibility standards for participation in the food stamp program and benefit levels under such program, and for other purposes; to the Committee on Agriculture.

By Mr. WAMPLER:

H.R. 638. A bill to establish the National Science Council to decide questions of scientific fact which arise in agency adjudications involving restricting the use of certain substances which are primarily used in food production, processing, or marketing and which may be harmful to human health, and for other purposes; jointly, to the Committees on Agriculture, Energy and Commerce, and Science and Technology.

By Mr. WEAVER:

H.R. 639. A bill to prohibit the export of unprocessed timber harvested from lands owned by the United States located west of the hundredth meridian and in the continental United States, and for other purposes; jointly, to the Committees on Agriculture, Foreign Affairs and Interior and Insular Affairs.

By Mr. WHITEHURST:

H.R. 640. A bill to amend chapter 55 of title 10, United States Code, to authorize the provision of medical and dental care to surviving spouses of members and certain former members of the uniformed services who are not remarried; to the Committee on Armed Services.

H.R. 641. A bill to provide a basic allowance for quarters for certain members of the armed services while on field or sea duty; to the Committee on Armed Services.

H.R. 642. A bill to establish a National Zoological Foundation; to the Committee on Merchant Marine and Fisheries.

H.R. 643. A bill to modify the navigation project for Lynnhaven inlet, bay, and connecting waters, Virginia; to the Committee on Public Works and Transportation.

H.R. 644. A bill to amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 60 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans Affairs.

H.R. 645. A bill to amend the Internal Revenue Code of 1954 to provide taxsaving incentives for savings accounts established for the purpose of purchasing a home; to the Committee on Ways and Means.

H.R. 646. A bill to amend the Internal Revenue Code of 1954 to provide for individual supplemental retirement savings; to the Committee on Ways and Means.

H.R. 647. A bill to terminate the Department of Energy; jointly, to the Committees on Government Operations, and Rules.

By Mr. WYLIE:

H.R. 648. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; jointly, to the Committees on Government Operations, and Rules.

H.R. 649. A bill to amend the Congressional Budget Act of 1974 to limit the total of all Federal expenditures and outlays to 2 per centum of gross national product after September 30, 1983, except in time of war or economic necessity declared by the Congress; jointly to the Committees on Government Operations, and Rules.

H.R. 650. A bill to amend the Congressional Budget Act of 1974 to set a maximum percentage of 7 per centum by which Federal expenditures and new budget authority could increase from any one fiscal year to the next fiscal year, except in time of war or in time of economic necessity declared by Congress; jointly, to the Committees on Government Operations, and Rules.

By Mr. YATES:

H.R. 651. A bill to amend title 42, United States Code, chapter 7, subchapter II to reduce from 10 to 5 years the length of time a divorced woman's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his wage record; to the Committee on the Judiciary.

H.R. 652. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, or transportation of handguns, in any manner affecting interstate or foreign commerce, except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, and pistol clubs; to the Committee on the Judiciary.

H.R. 653. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 654. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Ways and Means.

By Mr. YATES:

H.R. 655. A bill to encourage increased use of public transit systems by amending chapter 1 of title 26, United States Code, to allow a credit against individual income taxes for funds expended by a taxpayer for payment of public transit fares from his or her residence to his or her place of employment and from his or her place of employment to his or her residence; to the Committee on Ways and Means.

H.R. 656. A bill to amend chapter 1 of title 26, United States Code, to allow a deduction to tenants of houses or apartments for their proportionate share of the taxes and interest paid by their landlords; to the Committee on Ways and Means.

H.R. 657. A bill to reduce until the close of June 30, 1983, the rate of duty on certain woven fabrics of wool; to the Committee on Ways and Means.

By Mr. ZEFERETTI:

H.R. 658. A bill to provide assistance for the construction, acquisition, and renovation of State and local prison facilities, and for other purposes; to the Committee on the Judiciary.

H.R. 659. A bill to amend title XX of the Social Security Act to increase the entitlement ceiling, and for other purposes; to the Committee on Ways and Means.

H.R. 660. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. BROOKS:

H.J. Res. 1. Joint resolution proposing an amendment to the Constitution of the United States to provide for single 6-year terms for the President and Vice President, and to repeal the 22d article of amendment to the Constitution; to the Committee on the Judiciary.

By Mr. COLEMAN (for himself, Mr. BADHAM, Mr. BLILEY, Mr. BROWN of Colorado, Mr. BURGENER, Mr. CAMPBELL, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. DANIEL B. CRANE, Mr. ROBERT W. DANIEL, JR., Mr. DERWINSKI, Mr. DORNAN of California, Mr. DUNCAN, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. FORSYTHE, Mr. HARTNETT, Mr. HUBBARD, Mr. JEFFRIES, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEE, Mr. LUJAN, Mr. LUNGREN, Ms. MARTIN of Illinois, Mr. MONTGOMERY, Mr. NICHOLS, Mr. ROBERTS, Mr. SIMON, Mr. SPENCE, Mr. WALKER, Mr. WHITTAKER, and Mr. YATRON):

H.J. Res. 2. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. NEAL:

H.J. Res. 3. Joint resolution proposing an amendment to the Constitution of the United States to provide that, except in cases of war or other grave national emergency as determined by the Congress, expenditures of the United States in each fiscal year shall not exceed 20 percent of the gross national product for the preceding calendar year, and expenditures of the United States in each fiscal year shall not exceed revenues of the United States for that fiscal year; to the Committee on the Judiciary.

By Mr. McCLORY:

H.J. Res. 4. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget, the limitation of expenditures, and the reduction of the public debt; to the Committee on the Judiciary.

By Mr. ALBOSTA:

H.J. Res. 5. Joint resolution authorizing the President to enter into negotiations with foreign governments to limit the importation of automobiles and trucks into the United States; to the Committee on Ways and Means.

By Mr. ANNUNZIO (for himself and Mr. McCLORY):

H.J. Res. 6. Joint resolution recognizing the State of Illinois and the city of Chicago as hosts in 1992 of the official quincentennial celebration of the discovery of America; to the Committee on Post Office and Civil Service.

By Mr. APPLEGATE:

H.J. Res. 7. Joint resolution proposing that a Presidential commission be established to study full implications of compliance with the Clean Air Act, as amended, and adjusting the criteria that is used in monitoring air quality; to the Committee on Energy and Commerce.

H.J. Res. 8. Joint resolution proposing an amendment to the Constitution of the United States to limit the terms of office of the judges of the Supreme and inferior courts; to the Committee on the Judiciary.

By Mr. ARCHER:

H.J. Res. 9. Joint resolution proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President and action by the Congress to provide revenues to offset Federal funds deficits; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.J. Res. 10. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. ASHBROOK:

H.J. Res. 11. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 12. Joint resolution proposing an amendment to the Constitution of the United States to provide a new procedure for the election of the President and Vice President; to the Committee on the Judiciary.

H.J. Res 13. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life to the unborn; to the Committee on the Judiciary.

By Mr. BAFALIS (for himself, Mr. BURGENER, Mr. PHILIP M. CRANE, Mr. ROUSSELOT, Mr. LOTT, Mr. HYDE, Mr. YOUNG of Florida, Mr. COLLINS of Texas, Mr. MOORE, Mr. MARTIN of North Carolina, Mr. DUNCAN, Mr. WALKER, Mrs. HOLT, Mr. BEARD, Mr. BUTLER, Mr. GUYER, Mr. EVANS of Delaware, Mr. HANSEN of Idaho, Mr. SAM B. HALL, JR., Mr. EDWARDS of Oklahoma, Mr. LAGOMARSINO, Mr. SPENCE, Mr. MOTTL, Mr. SHUSTER, Mr. YOUNG of Alaska, and Mr. LOEFFLER):

H.J. Res 14. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. ASHBROOK:

H.J. Res 15. Joint resolution proposing an amendment to the Constitution of the United States relative to force and effect of treaties; to the Committee on the Judiciary.

H.J. Res 16. Joint resolution proposing an amendment to the Constitution of the United States relative to freedom from forced assignment to schools or jobs because of race, creed, or color; to the Committee on the Judiciary.

H.J. Res 17. Joint resolution proposing an amendment to the Constitution to permit the imposition and carrying out of the death penalty in certain cases; to the Committee on the Judiciary.

H.J. Res. 18. Joint resolution to establish a Joint Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. BENNETT:

H.J. Res. 19. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

H.J. Res. 20. Joint resolution proposing an amendment to the Constitution to provide for the direct election of the President and the Vice President and to authorize Congress to establish procedures relating to the nomination of Presidential and Vice-Presidential candidates; to the Committee on the Judiciary.

H.J. Res. 21. Joint resolution proposing an amendment to the Constitution of the United States allowing an item veto in appropriations; to the Committee on the Judiciary.

H.J. Res. 22. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

By Mr. ROUSSELOT (for himself, Mr. McDONALD, Mr. PAUL, Mr. ASHBROOK, and Mr. COLLINS of Texas):

H.J. Res. 23. Joint resolution proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes and prohibiting the U.S. Government from engaging in business in competition with its citizens; to the Committee on the Judiciary.

By Mr. DE LA GARZA:

H.J. Res. 24. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

H.J. Res. 25. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations shall not exceed revenues of the United States, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.J. Res. 26. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. EMERSON:

H.J. Res. 27. Joint resolution proposing an amendment to the Constitution of the

United States with respect to the right to life; to the Committee on the Judiciary.

H.J. Res. 28. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling the attendance of a student in a public school other than the public school nearest the residence of such student; to the Committee on the Judiciary.

By Mr. FUQUA:

H.J. Res. 29. Joint resolution proposing an amendment to the Constitution of the United States to establish a new procedure for the election of the President and Vice President; to the Committee on the Judiciary.

H.J. Res. 30. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.J. Res. 31. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 32. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

By Mr. JACOBS:

H.J. Res. 33. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 34. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

H.J. Res. 35. Joint resolution proposing an amendment to the Constitution of the United States for the purpose of limiting the power of Congress to tax; to the Committee on the Judiciary.

H.J. Res. 36. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. HANSEN of Idaho:

H.J. Res. 37. Joint resolution to establish a select committee for the implementation of interparliamentary relations between the legislatures of the Government of Iran and the Government of the United States; jointly to the Committees on Foreign Affairs and Rules.

H.J. Res. 38. Joint resolution proposing an amendment to the Constitution of the United States allowing the District of Columbia and the territories and possessions of the United States to have Representatives in the House of Representatives; to the Committee on the Judiciary.

H.J. Res. 39. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

H.J. Res. 40. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 41. Joint resolution proposing an amendment to the Constitution of the United States to provide that the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such fiscal year and for the disposition of unanticipated deficits; to the Committee on the Judiciary.

H.J. Res. 42. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 43. Joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

By Mrs. HOLT:

H.J. Res. 44. Joint resolution proposing an amendment to the Constitution of the United States for the purpose of limiting the power of Congress to tax; to the Committee on the Judiciary.

H.J. Res. 45. Joint resolution to amend the Constitution of the United States to require a balanced Federal budget; to the Committee on the Judiciary.

H.J. Res. 46. Joint resolution proposing an amendment to the Constitution of the United States relative to neighborhood schools; to the Committee on the Judiciary.

H.J. Res. 47. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. HORTON:

H.J. Res. 48. Joint resolution to authorize the President to issue annually a proclamation designating November 7 of each year as "National Teenager Day"; to the Committee on Post Office and Civil Service.

By Mr. HYDE:

H.J. Res. 49. Joint resolution proposing an amendment to the Constitution of the United States providing that all persons shall have the right to be free from discrimination; to the Committee on the Judiciary.

H.J. Res. 50. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

By Mr. JACOBS:

H.J. Res. 51. Joint resolution proposing an amendment to the Constitution of the United States to limit service by Representatives, Senators, and Federal judges; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.J. Res. 52. Joint resolution proposing an amendment to the Constitution of the United States relating to the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. LATTA:

H.J. Res. 53. Joint resolution proposing an amendment to the Constitution to prohibit the Congress from making any law which would cause the total amount of the expenditures by the United States in any fiscal year to exceed the total amount of revenues received during that fiscal year, and which would require the Congress to provide a reasonable sum of money in each fiscal year to be applied on the repayment of the national debt; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.J. Res. 54. Joint resolution proposing an amendment to the Constitution of the United States to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. MOORHEAD:

H.J. Res. 55. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on Judiciary.

By Mr. MOTTL (for himself and Mr. BAFALIS):

H.J. Res. 56. Joint resolution proposing an amendment to the Constitution of the United States under which the courts of the United States may not assign any person to any school on the basis of race, religion, or national origin; to the Committee on the Judiciary.

By Mr. QUILLEN:

H.J. Res. 57. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or threat of war as determined by the Congress; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. RAILSBACK:

H.J. Res. 58. Joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting the total outlays of the Government; to the Committee on the Judiciary.

By Mr. ROBINSON:

H.J. Res. 59. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 60. Joint resolution proposing an amendment to the Constitution relating to the continuance in office of judges of the Supreme Court and of inferior courts; to the Committee on the Judiciary.

H.J. Res. 61. Joint resolution to proclaim June 4, 1981, as "Jack Jouett Day"; to the Committee on Post Office and Civil Service.

By Mr. RHODES:

H.J. Res. 62. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. ROE:

H.J. Res. 63. Joint resolution to proclaim March 20, 1981 as "National Agriculture Day"; to the Committee on the Post Office and Civil Service.

By Mr. ROUSSELOT:

H.J. Res. 64. Joint resolution proposing an amendment to the Constitution of the United States requiring a review by the Congress of each rule and regulation issued to carry out any law and allowing the Congress to approve, modify, or disapprove such rules or regulation; to the Committee on the Judiciary.

By Mr. SHUMWAY:

H.J. Res. 65. Joint resolution proposing an amendment to the Constitution of the United States providing for staggered 4-year terms for Representatives, for a limitation on the number of terms a person may serve in the House of Representatives or the Senate, and for other purposes; to the Committee on the Judiciary.

By Mr. SOLOMON:

H.J. Res. 66. Joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

H.J. Res. 67. Joint resolution proposing an amendment to the Constitution of the United States with respect to the proposal and the enactment of laws by popular vote of the people of the United States; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H.J. Res. 68. Joint resolution designating September 5, 1981, as "Battle off the Virginia Capes Day"; to the Committee on Post Office and Civil Service.

By Mr. WYLIE:

H.J. Res. 69. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. SMITH of Iowa:

H.J. Res. 70. Joint resolution proposing an amendment to the Constitution of the United States relating to the nomination of individuals for election to the offices of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. NEAL (for himself and Mr. ROBERT W. DANIEL, JR.):

H. Con. Res. 1. Concurrent resolution declaring the sense of Congress regarding periods of silence in the public schools; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. ANDERSON:

H. Con. Res. 2. Concurrent resolution to express the thanks of the Congress of the United States to those persons who, during the period of October 4 through 6, 1980, directly participated in the rescuing of 510 people onboard the burning passenger vessel *Prinsendam* off the coast of Alaska; to the Committee on Merchant Marine and Fisheries.

By Mr. ANNUNZIO:

H. Con. Res. 3. Concurrent resolution expressing the sense of the Congress relating to films and broadcasts which defame, stereotype, ridicule, demean, or degrade ethnic, racial, and religious groups; to the Committee on Energy and Commerce.

By Mr. ASHBROOK:

H. Con. Res. 4. Concurrent resolution to reiterate that the Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States and their political subdivisions; to the Committee on Energy and Commerce.

H. Con. Res. 5. Concurrent resolution expressing the sense of the Congress with respect to the Baltic States; to the Committee on Foreign Affairs.

H. Con. Res. 6. Concurrent resolution to uphold the separation of powers between the executive and legislative branches of Government in the termination of treaties; to the Committee on Foreign Affairs.

By Mr. FISH:

H. Con. Res. 7. Concurrent resolution expressing the sense of the Congress that all nuclear weapons in the world should be eliminated; jointly, to the Committees on Armed Services and Foreign Affairs.

By Mr. FUQUA:

H. Con. Res. 8. Concurrent resolution to collect overdue debts; to the Committee on Foreign Affairs.

By Mr. HANSEN of Idaho:

H. Con. Res. 9. Concurrent resolution expressing the sense of the Congress that the Congress should immediately hold hearings and conduct an investigation to find facts necessary for the release of the American hostages in Iran; to the Committee on Foreign Affairs.

H. Con. Res. 10. Concurrent resolution to authorize participation in an interparliamentary meeting between delegates from the Congress of the United States and the Parliament of the Islamic Republic of Iran to discuss matters of concern to the people of both nations, including, but not limited to, the steps necessary to bring about the release of American diplomatic personnel and others detained by militant elements within the country of Iran; to the Committee on Foreign Affairs.

H. Con. Res. 11. Concurrent resolution expressing the sense of the Congress that the U.S. Postal Service should not reduce the frequency of mail delivery service; to the Committee on Post Office and Civil Service.

By Mrs. HOLT:

H. Con. Res. 12. Concurrent resolution to collect overdue debts; to the Committee on Foreign Affairs.

H. Con. Res. 13. Concurrent resolution declaring the sense of Congress regarding periods of silence in the public schools; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. HORTON:

H. Con. Res. 14. Concurrent resolution requesting the President of the United States to seek the release of Yuriy Skukhevych; to the Committee on Foreign Affairs.

By Mr. LONG of Maryland:

H. Con. Res. 15. Concurrent resolution expressing the sense of Congress with respect to periods of silence (for private prayer, meditation, contemplation, or introspection) in public schools; jointly, to the Committees on Education and Labor, and the Judiciary.

H. Con. Res. 16. Concurrent resolution stating the intent of the Congress that social security benefits payable to prison inmates be surrendered to defray the current costs to the taxpayer of supporting prisoners in penal institutions as well as supporting their dependents on public assistance; to the Committee on Ways and Means.

By Mr. RAILSBACK:

H. Con. Res. 17. Concurrent resolution declaring the sense of Congress regarding periods of silence in the public schools; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. ROE:

H. Con. Res. 18. Concurrent resolution urging a moratorium on the commercial killing of whales; to the Committee on Foreign Affairs.

H. Con. Res. 19. Concurrent resolution expressing the sense of the Congress with respect to the strategic importance of Israel to the United States; to the Committee on Foreign Affairs.

H. Con. Res. 20. Concurrent resolution urging the President to attempt to bring about the establishment of an international food cartel involving the major food-exporting countries which would use export prices for food commodities as a bargaining tool in negotiations with the Organization of Petroleum Exporting Countries for reasonable oil prices; to the Committee on Foreign Affairs.

H. Con. Res. 21. Concurrent resolution expressing the sense of the Congress that the United States should recognize Jerusalem as the capital of Israel, and that the U.S. Embassy in Israel should be relocated to Jerusalem; to the Committee on Foreign Affairs.

H. Con. Res. 22. Concurrent resolution expressing the sense of the Congress that April 22, 1981, should be celebrated as "Earth Day, 1981"; to the Committee on Post Office and Civil Service.

By Mr. APPLEGATE:

H. Res. 10. Resolution to express the sense of the House of Representatives that the United States of America should establish and actively and immediately pursue a national energy plan that emphasizes and demands the use of domestic coal as a means of displacing current foreign energy imports, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ARCHER (for himself, Mr. PETRI, Mr. COLLINS of Texas, Mr. KEMP, Mrs. HOLT, Mr. JEFFRIES, Mr. CORCORAN, Mr. HUBBARD, Mr. SOLOMON, Mr. DORNAN of California, Mr. JACOBS, Mr. EDWARDS of Oklahoma, Mr. ROBERT W. DANIEL, JR., Mr. GRAMM, Mr. WINN, Mr. ROBINSON, Mr. WHITEHURST, Mr. BURGENER, and Mr. GREGG):

H. Res. 11. Resolution expressing the sense of the House that the Congress should limit legislative branch appropriations for the 97th Congress to not more than 90 percent of such appropriations for the 96th Congress; to the Committee on House Administration.

By Mr. ASHBROOK:

H. Res. 12. Resolution providing for the impeachment of U.S. District Judge Frank J. Battisti; to the Committee on Judiciary.

By Mr. ZEFERETTI (for himself, Mr. BEARD, Mrs. COLLINS of Illinois, Mr. COUGHLIN, Mr. DE LA GARZA, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. GILMAN, Mr. GUYER, Mr. NEAL, Mr. RAILSBACK, Mr. RANGEL, Mr. RODINO, Mr. DORNAN, and Mr. SCHEUER):

H. Res. 13. Resolution to establish the Select Committee on Narcotics Abuse and Control; to the Committee on Rules.

By Mr. ASHBROOK:

H. Res. 14. Resolution to amend the Rules of the House of Representatives to reestablish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. BENNETT:

H. Res. 15. Resolution authorizing the Committee on House Administration to acquire a suitable residence to be maintained as a home for pages employed by the House of Representatives; to the Committee on House Administration.

By Mr. GUYER:

H. Res. 16. Resolution to reaffirm the use of our national motto on currency; to the

Committee on Banking, Finance and Urban Affairs.

H. Res. 17. Resolution to amend the Rules of the House of Representatives to require that reports accompanying certain bills and joint resolutions reported by committees contain computations of the potential tax impact of such bills and resolutions on the individual taxpayer; to the Committee on Rules.

H. Res. 18. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. HANSEN of Idaho:

H. Res. 19. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mrs. HOLT:

H. Res. 20. Resolution providing for the immediate consideration of the bill—H.R. 326—to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on Rules.

By Mr. HORTON:

H. Res. 21. Resolution amending clause 7 of rule XVIII of the rules of the House; to the Committee on Rules.

By Mr. JACOBS:

H. Res. 22. Resolution establishing a committee to recommend a memorial to the late Honorable Allard K. Lowenstein; to the Committee on Rules.

By Mr. MOAKLEY (for himself and Mr. BOLAND):

H. Res. 23. Resolution to provide for the printing as a House document of tributes made to the late former Speaker John W. McCormack on the floor of the House, and for other purposes; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

[Omitted from the Record of January 5, 1981]

By Mr. ANDERSON:

H.R. 661. A bill for the relief of Blanca Rosa Luna de Frei; to the Committee on the Judiciary.

H.R. 662. A bill for the relief of John S. Tichenor and Pearl G. Tichenor; to the Committee on the Judiciary.

By Mr. ASHBROOK:

H.R. 663. A bill for the relief of Sgt. Garland Conner; to the Committee on the Judiciary.

By Mr. BENNETT:

H.R. 664. A bill for the relief of Earnestine Austin; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 665. A bill for the relief of Mrs. Mae Ferris; to the Committee on the Judiciary.

By Mr. D'AMOURS:

H.R. 666. A bill for the relief of Alberto Feliciano Jentimane and Nancy Mwatindodini Jentimane, husband and wife; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.R. 667. A bill for the relief of Clyde E. Petree; to the Committee on the Judiciary.

H.R. 668. A bill for the relief of Dean Alan Peden; to the Committee on the Judiciary.

H.R. 669. A bill for the relief of Camel Manufacturing Co.; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 670. A bill for the relief of Felipe Cabral, Lucrecia Cabral, Juan Cabral, Carlos Eduardo Cabral, Leticia Cabral, Maria de la Luz Cabral, and Maria Moreno Cabral; to the Committee on the Judiciary.

By Mr. FISH:

H.R. 671. A bill for the relief of Louis Rizzo; to the Committee on the Judiciary.

H.R. 672. A bill for the relief of Karen Odell Donnelly; to the Committee on the Judiciary.

By Mr. FUQUA:

H.R. 673. A bill for the relief of Michael D. Howard; to the Committee on the Judiciary.

H.R. 674. A bill for the relief of Marija Artis; to the Committee on the Judiciary.

H.R. 675. A bill for the relief of Archibald M. Withers; to the Committee on the Judiciary.

H.R. 676. A bill for the relief of Dr. R. E. Kalman; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 677. A bill for the relief of Marcelo Enrile Inton; to the Committee on the Judiciary.

By Mr. HANSEN of Idaho:

H.R. 678. A bill for the relief of Walter Mario Piccirillo, Emma Piccirillo, spouse; and Mario Williams Piccirillo and Roberto Piccirillo, sons; to the Committee on the Judiciary.

H.R. 679. A bill for the relief of Amina (Mona) Abou-Bakr; to the Committee on the Judiciary.

H.R. 680. A bill for the relief of Mrs. William F. Wong; to the Committee on the Judiciary.

By Mr. HUBBARD:

H.R. 681. A bill for the relief of Dr. Jaime Bon Tiu and his wife, Eve Coo Tiu; to the Committee on the Judiciary.

H.R. 682. A bill for the relief of Emmanuel Najera Macaraeg and his wife, Aurora C. Macaraeg; to the Committee on the Judiciary.

H.R. 683. A bill for the relief of Dr. Ricardo B. Maddela and his wife, Dr. Zenaida Andaya Maddela; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 684. A bill for the relief of Kang Ok Boon; to the Committee on the Judiciary.

By Mr. LENT:

H.R. 685. A bill for the relief of Antonio Lopes Rodrigues; to the Committee on the Judiciary.

H.R. 686. A bill for the relief of Ana Maria Escandell; to the Committee on the Judiciary.

H.R. 687. A bill for the relief of Norman Shubinsky; to the Committee on the Judiciary.

By Mr. McCLORY:

H.R. 688. A bill for the relief of Junior Edmund Moncrieffe; to the Committee on the Judiciary.

By Mr. MONTGOMERY:

H.R. 689. A bill for the relief of Heung-Sang Chun (also known as Margret Chun); to the Committee on the Judiciary.

By Mr. NATCHER:

H.R. 690. A bill for the relief of Dr. Kok Liong Tan and his wife, Gloria Siao Tan; to the Committee on the Judiciary.

By Mr. PERKINS:

H.R. 691. A bill for the relief of Dr. Bonifacio B. Aranas, Mrs. Helen Aranas, and their children, Ethel Aranas, Eileen Aranas, Bonifacio Aranas, Jr., and Lourra Aranas; to the Committee on the Judiciary.

By Mr. SHUMWAY:

H.R. 692. A bill to provide for the exchange of certain lands within Tuolumne County, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Iowa:

H.R. 693. A bill for the relief of Jerome J. Hartmann and Rita J. Hartmann; to the Committee on the Judiciary.

By Mr. STENHOLM:

H.R. 694. A bill for the relief of Virgilio C. Carandang (doctor of medicine) and Cecilia Tanedo Carandang; to the Committee on the Judiciary.

H.R. 695. A bill for the relief of Dr. Ricardo Mateo Rodrigues; to the Committee on the Judiciary.

H.R. 696. A bill for the relief of Dr. Vidal O. Simpao, Jr.; to the Committee on the Judiciary.

By Mr. WHITTAKER:

H.R. 697. A bill for the relief of Divyakant Chaturbhai Patel, his wife Shakuntala Divyakant Patel, and their children Daraika Patel and Preete Patel; to the Committee on the Judiciary.

H.R. 698. A bill for the relief of Indravadan Chaturbhai Patel, his wife Anjana Indravadan Patel, and their son Preeyesh I Patel; to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Introduced January 6, 1981]

By Mr. BROWN of Ohio:

H.R. 699. A bill to establish a program of Federal grants to encourage the employment and training of unemployed individuals; to the Committee on Education and Labor.

H.R. 700. A bill to establish a procedure to reduce the cost of compliance with Federal rules and regulations by requiring the adoption of the most cost-effective alternative; to the Committee on the Judiciary.

H.R. 701. A bill to reduce duplicative and conflicting Federal rules or regulations, and for other purposes; to the Committee on the Judiciary.

H.R. 702. A bill to amend the Congressional Budget Act of 1974 to limit Federal outlays, over a 4-year period, to specified percentages of the projected gross national product; to the Committee on Rules.

H.R. 703. A bill to amend the Congressional Budget Act of 1974 to require the Congress to establish, for each fiscal year, a regulatory budget for each Federal agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency, and for other purposes; to the Committee on Rules.

H.R. 704. A bill to provide that adjustments to the pay of Members of the Congress based on adjustments to rates of pay under the general schedule under title 5 of the United States Code shall not take effect without the express approval by both Houses of the Congress; to the Committee on Post Office and Civil Service.

H.R. 705. A bill to provide that adjustments to the pay of Members of the Congress shall take effect at the beginning of the Congress following the Congress in which they are approved, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 706. A bill to amend title II of the Social Security Act to provide for a phasing out of the application of the earnings test in the case of individuals age 65 or over; to the Committee on Ways and Means.

H.R. 707. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

H.R. 708. A bill to amend the Internal Revenue Code of 1954 to increase the amount of dividends and interest which are excluded from gross income, and for other purposes; to the Committee on Ways and Means.

H.R. 709. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of depreciation deduction with respect to any property for a taxable year shall be an amount selected by the taxpayer; to the Committee on Ways and Means.

H.R. 710. A bill to amend the Internal Revenue Code of 1954 to provide a simplified cost recovery system for recovery property; to the Committee on Ways and Means.

H.R. 711. A bill to amend the Internal Revenue Code of 1954 to provide that taxpayers may elect a 12-month amortization period—in lieu of the 60-month period—for any certified pollution control facility; to the Committee on Ways and Means.

H.R. 712. A bill to amend the Internal Revenue Code of 1954 to provide for the indexing of certain assets for purposes of determining gain or loss; to the Committee on Ways and Means.

By Mr. BROWN of Ohio (for himself and Mr. ROUSSELOT):

H.R. 713. A bill to amend the Internal Revenue Code of 1954 to provide for a 50-percent maximum rate of income tax for individuals, to provide for a separate computation of such tax on personal service income and nonpersonal service income, and for other purposes; to the Committee on Ways and Means.

By Mrs. COLLINS of Illinois:

H.R. 714. A bill to permit Federal financial assistance provided by section 8 housing to be made available in Chicago, Ill., through existing Federal programs without regard to criteria which presently prohibit the use of such assistance for such purpose; to the Committee on Banking, Finance and Urban Affairs.

H.R. 715. A bill to amend section 312 of the Housing Act of 1964 for the purpose of authorizing $245,000,000 to be appropriated under such section for rehabilitation loans for fiscal year 1982; to the Committee on Banking, Finance and Urban Affairs.

H.R. 716. A bill to protect purchasers and prospective purchasers of condominium housing units, and residents of multifamily structures being converted to condominium units, by providing for the establishment of national minimum standards for condominiums—to be administered by a newly created Assistant Secretary in the Department of Housing and Urban Development—to encourage the States to establish similar standards, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 717. A bill to amend the Truth in Lending Act to require lenders to post current interest rates charged for various categories of loans to consumers; to the Committee on Banking, Finance and Urban Affairs.

H.R. 718. A bill to amend the Truth in Lending Act to prohibit discrimination on account of age in credit card transactions; to the Committee on Banking, Finance and Urban Affairs.

H.R. 719. A bill to provide that certain services under the Older Americans Act of 1965 be delivered by personnel trained in the field of aging and to encourage the development of training programs in the field of aging under the Higher Education Act of 1965; to the Committee on Education and Labor.

H.R. 720. A bill to make it an unfair practice for any retailer to increase the price of certain consumer commodities once he marks the price on any such consumer commodity, and to permit the Federal Trade Commission to order any such retailer to refund any amounts of money obtained by so increasing the price of such consumer commodity; to the Committee on Energy and Commerce.

H.R. 721. A bill to prohibit involuntary terminations by electric and natural gas utilities of service for residential heating and other residential purposes between October 15 of each year and April 14 of the following year and in cases in which such terminations present special dangers to health, and for other purposes; to the Committee on Energy and Commerce.

H.R. 722. A bill to prohibit the export of certain militarily significant items to the Republic of South Africa and to provide for notification to the Congress of the proposed issuance of a validated license for an export to the Republic of South Africa, with each House of Congress being able to prevent the issuance of any such license by adoption of a resolution of disapproval; to the Committee on Foreign Affairs.

H.R. 723. A bill to amend title 18 of the United States Code to provide penalties for assaults against the elderly that result in medical expenses paid by the United States; to the Committee on the Judiciary.

H.R. 724. A bill to amend the Immigration and Nationality Act to require that any alien who has been detained for further inquiry or who has been temporarily excluded shall have the right to be represented by counsel from the time of such detention or exclusion; and for other purposes; to the Committee on the Judiciary.

H.R. 725. A bill to amend title 5, United States Code, to require certain Federal agencies to provide to certain employees notice of procedures through which such employees may challenge actions taken against them by such agencies; to the Committee on Post Office and Civil Service.

H.R. 726. A bill to amend chapter 4 of title 23, United States Code, to authorize the Secretary of Transportation to make incentive grants to any State which uses certain information relating to auto safety devices in its procedure for the issuance of motor vehicle operating permits; to the Committee on Public Works and Transportation.

H.R. 727. A bill to amend the Internal Revenue Code of 1954 to provide an additional personal exemption for certain elderly individuals whose spouses have died; to the Committee on Ways and Means.

H.R. 728. A bill to amend part A of title XVIII of the Social Security Act to provide emergency assistance to medicare-participating hospitals to enable them to continue to provide vital medical and other health services; to the Committee on Ways and Means.

H.R. 729. A bill to amend the Public Works and Economic Development Act of 1965, as amended, to establish an emergency Federal economic assistance program, to authorize the President to declare communities of the Nation which meet certain economic and employment criteria to be economic disaster communities, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Banking, Finance and Urban Affairs.

H.R. 730. A bill to provide payment for dental services under part B of the medicare program; jointly, to the Committees on Ways and Means, and Energy and Commerce.

H.R. 731. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine Papanicolaou tests for the diagnosis of uterine cancer; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. COLLINS of Texas:

H.R. 732. A bill to amend the Employee Retirement Income Security Act of 1974 with respect to certain reporting and disclosure requirements; to the Committee on Education and Labor.

H.R. 733. A bill providing for the conversion of the U.S. Postal Service into a privately owned and operated entity; to the Committee on Post Office and Civil Service.

H.R. 734. A bill to reduce the number of individuals employed by the Federal Government in executive agencies in or near the District of Columbia; to the Committee on Post Office and Civil Service.

H.R. 735. A bill to establish a 10-year moratorium on the construction, alteration, acquisition, or leasing of certain buildings for use by Federal agencies in the Greater Washington area; to the Committee on Public Works and Transportation.

H.R. 736. A bill to amend the Congressional Budget Act of 1974 to assure a balanced budget by requiring that Federal expenditures be limited to Federal revenues under the congressional budget process; to the Committee on Rules.

H.R. 737. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 738. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 739. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 740. A bill to provide that Federal taxes may not be increased during a 4-year period; to the Committee on Ways and Means.

H.R. 741. A bill to prohibit permanently the issuance of regulations on the taxation of fringe benefits; to the Committee on Ways and Means.

H.R. 742. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment and to prescribe reasonable limits on the collection of

data relating to race, color, religion, sex, or national origin, and for other purposes; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. CONABLE:

H.R. 743. A bill to reinstate the tax treatment with respect to annuity contracts with reserves based on a segregated asset account as they existed prior to issuance of revenue ruling 77-85; to the Committee on Ways and Means.

By Mr. D'AMOURS:

H.R. 744. A bill to prohibit any State from imposing a tax on the income derived by any individual from services in the Federal area within such State if such individual is not a resident or domiciliary of such State; to the Committee on the Judiciary.

By Mr. DAN DANIEL:

H.R. 745. A bill to amend title 10, United States Code, to establish a policy for improved and more flexible contracting procedures for the Department of Defense, to allow the Department of Defense to use multiyear procurement contracts under less restrictive conditions, and for other purposes; to the Committee on Armed Services.

By Mr. DANIELSON:

H.R. 746. A bill to amend the Administrative Procedure Act to make regulations more cost effective, to insure periodic review of old rules, to improve regulatory planning and management, to eliminate needless formality and delay, to enhance public participation in the regulatory process, and for other purposes; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 747. A bill to amend title 38, United States Code, to extend the period of Vietnam era veterans' eligibility for readjustment counseling and related mental health services; to the Committee on Veterans' Affairs.

HR. 748. A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes; to the Committee on Veterans' Affairs.

H.R. 749. A bill to amend title 5 of the United States Code to increase the efficiency of Government-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts of the United States; jointly, to the Committees on the Judiciary, and Government Operations.

By Mr. FINDLEY (for himself, Mr. HORTON, Mr. LAGOMARSINO, Mr. PRICE, and Mr. LONG of Maryland):

H.R. 750. A bill to create a body corporate known as Daughters of Union Veterans of the Civil War; to the Committee on the Judiciary.

By Mr. FISH:

H.R. 751. A bill to terminate the granting of construction licenses of nuclear fission powerplants in the United States pending action by the Congress following a comprehensive 5-year study of the nuclear fuel cycle, with particular reference to its safety and environmental hazards, to be conducted by the Office of Technology Assessment, and for other purposes; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Foreign Affairs.

By Mr. GONZALEZ:

H.R. 752. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage the building and rehabilitation of rental housing and low-income housing; to the Committee on Ways and Means.

H.R. 753. A bill to improve the physical security features of the motor vehicle and its parts, increase the criminal penalties of persons trafficking in stolen motor vehicles and parts, and to curtail the exportation of stolen motor vehicles and for other purposes; jointly, to the Committees on Energy and Commerce, the Judiciary, and Ways and Means.

By Mr. HANSEN of Idaho:

H.R. 754. A bill to amend title 28 of the United States Code to provide for special venue provisions in cases relating to the environment; to the Committee on the Judiciary.

By Mr. KAZEN:

H.R. 755. A bill to provide financial assistance for school construction to local educational agencies educating large numbers of immigrant children born in Mexico; jointly, to the Committees on Public Works and Transportation, and Education and Labor.

By Mr. KILDEE (for himself and Mr. BONER of Tennessee):

H.R. 756. A bill to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes; to the Committee on Education and Labor.

By Mr. KILDEE (for himself, Mr. GIBBONS, and Mr. BONER of Tennessee):

H.R. 757. A bill to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes; to the Committee on Education and Labor.

By Mr. LEVITAS:

H.R. 758. A bill to amend title 18, United States Code, to further restrict the interception of certain wire or oral communications; to the Committee on the Judiciary.

H.R. 759. A bill to provide for a study of the problems of allocating the use of airport facilities; to the Committee on Public Works and Transportation.

By Mr. LEWIS:

H.R. 760. A bill to amend title II of the Social Security Act to make it clear that social security benefits are and will continue to be exempt from all taxation; to the Committee on Ways and Means.

By Mr. McDONALD:

H.R. 761. A bill to insure the equal protection of the laws and to protect the liberty of citizens as guaranteed by the 14th amendment, by eliminating Federal court jurisdiction over forced school attendance; to the Committee on the Judiciary.

H.R. 762. A bill to prohibit the removal before January 1, 1982, of houseboats or floating cabins from water resource areas under the jurisdiction of the Corps of Engineers; to the Committee on Public Works and Transportation.

By Mr. MARLENEE:

H.R. 763. A bill to amend the Clean Air Act to permit a State legislature to contest the redesignation under such act of an area within such State by an Indian tribe, and for other purposes; to the Committee on Energy and Commerce.

H.R. 764. A bill to amend the Solid Waste Disposal Act to exempt rural communities from the prohibition on open dumping of solid waste; to the Committee on Energy and Commerce.

H.R. 765. A bill to convey certain lands and to remove certain restrictions from certain previous conveyances of lands in Custer County, Mont.; to the Committee on Interior and Insular Affairs.

H.R. 766. A bill to exempt limited amounts of oil production by independent producers from the windfall profit tax and for other purposes; to the Committee on Ways and Means.

By Ms. MIKULSKI:

H.R. 767. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for individuals who perform voluntary services for certain public service organizations; to the Committee on Ways and Means.

H.R. 768. A bill to amend the Internal Revenue Code of 1954 to provide that the standard mileage rate for use of a passenger automobile which may be used in computing the charitable contribution deduction shall be the same as the standard mileage rate which may be used in computing the business expense deduction; to the Committee on Ways and Means.

By Ms. OAKAR (for herself and Mr. PEPPER):

H.R. 769. A bill to provide financial assistance for programs for the prevention, identification, and treatment of elder abuse, neglect, and exploitation, to establish a National Center on Elder Abuse, and for other purposes; jointly, to the Committees on Education and Labor and Energy and Commerce.

By Mr. PANETTA (for himself and Mr. CLAUSEN):

H.R. 770. A bill to amend section 302(a) of the Fishery Conservation and Management Act of 1976 to create a new California Pacific Council with authority over the fisheries in the Pacific Ocean seaward of the State of California; to the Committee on Merchant Marine and Fisheries.

By Mr. QUILLEN:

H.R. 771. A bill to create a commission to grant exclusive franchises for the exploration for and the commercial development of geothermal energy and for the right to market any such energy in its natural state, and for other purposes; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. REGULA (for himself and Mr. SEIBERLING):

H.R. 772. A bill to provide for the retention of the name of Mount McKinley; to the Committee on Interior and Insular Affairs.

By Mr. REUSS:

H.R. 773. A bill to amend the Federal Reserve Act to eliminate the Federal Open Market Committee and vest its powers in the Board of Governors of the Federal Reserve System; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STUDDS:

H.R. 774. A bill to amend the Uniform Time Act of 1966 to extend the period of daylight savings time in each year, and for other purposes; to the Committee on Energy and Commerce.

H.R. 775. A bill to require that State elections, within the same region of the United States, for delegates to national Presidential nominating conventions be held on the same date, and for other purposes; to the Committee on House Administration.

By Mr. TRAXLER:

H.R. 776. A bill to provide for the issuance of a postage stamp to commemorate the 150th anniversary of the birth of Dr. Samuel A. Mudd; to the Committee on Post Office and Civil Service.

By Mr. WATKINS:

H.R. 777. A bill to change the name of Clayton Lake which is an element of the flood control project for the Clayton and Tuskahoma Reservoirs, Kiamichi River, Oklahoma, to Sardis Lake; to the Committee on Public Works and Transportation.

By Mr. WINN:

H.R. 778. A bill to amend title 28 of the United States Code to provide that the clerk of each U.S. district court and U.S. bankruptcy court shall reside in the district for which he is appointed, or within 20 miles of his official station; to the Committee on the Judiciary.

By Mr. WRIGHT (for himself and Mr. STENHOLM):

H.R. 779. A bill to authorize the Secretary of the Army to contract with the Tarrant County Water Control and Improvement District No. 1 and the city of Weatherford, Tex., for the use of water supply storage in Benbrook Lake, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ZEFERETTI:

H.R. 780. A bill to amend the Congressional Budget Act to require the Congressional Budget Office, for every significant bill or resolution reported in the House or Senate, to prepare and submit an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on Rules.

By Mr. ANDERSON:

H.J. Res. 71. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. ANDERSON (for himself, Mr. DANIEL B. CRANE, Mr. FARY, Mr. GOLDWATER, Mr. RUDD, Mr. RHODES, and Mr. HAMMERSCHMIDT):

H.J. Res. 72. Joint resolution to designate the week commencing with the third Monday in February of 1982 as "National Patriotism Week"; to the Committee on Post Office and Civil Service.

By Mrs. COLLINS of Illinois:

H.J. Res. 73. Joint resolution to provide for the designation of August 31, 1981, as "Working Mothers' Day"; to the Committee on Post Office and Civil Service.

H.J. Res. 74. Joint resolution to provide for the designation of September as "National Sickle Cell Month" to the Committee on Post Office and Civil Service.

By Mr. COLLINS of Texas:

H.J. Res. 75. Joint resolution proposing an amendment to the Constitution of the United States to provide for a single 6-year term of office for the President, Vice President, and Senators, and for other purposes; to the Committee on the Judiciary.

By Mr. KAZEN:

H.J. Res. 76. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying of the national debt; to the Committee on the Judiciary.

By Mr. STUDDS:

H.J. Res. 77. Joint resolution proposing an amendment to the Constitution of the United States to provide for single 6-year terms for the President and Vice President, and to repeal the 22d article of amendment to the Constitution; to the Committee on the Judiciary.

By Mr. STUDDS:

H.J. Res. 78. Joint resolution proposing an amendment to the Constitution of the United States to limit to 18 the number of years Senators and Representatives may serve; to the Committee on the Judiciary.

H.J. Res. 79. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. BROOKS:

H.J. Res. 80. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. COLLINS of Texas:

H. Con. Res. 23. Concurrent resolution expressing the sense of Congress with regard to compliance with laws relating to equal employment opportunity in the competitive service of the Federal civil service; to the Committee on Post Office and Civil Service.

By Mr. WINN:

H. Con. Res. 24. Concurrent resolution expressing the sense of the Congress with respect to the International Year of Disabled Persons; to the Committee on Foreign Affairs.

By Mr. EDWARDS of California:

H. Res. 24. Resolution expressing the sense of the House that the Board of Governors of the Federal Reserve System should immediately take steps to reduce interest rates; to the Committee on Banking, Finance and Urban Affairs.

By Mr. COLLINS of Texas:

H. Res. 25. Resolution to provide for a 50-percent reduction of the amount of funds available to, of the number of individuals employed as staff for, and of the amount of office space and number of telephone lines available for use by, any committee of the House of Representatives during the 96th Congress; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

[Introduced January 6, 1981]

By Mr. FROST:

H.R. 781. A bill for the relief of Bishop College; to the Committee on the Judiciary.

By Mr. HUBBARD:

H.R. 782. A bill for the relief of Dr. Javad Najafi Sani, his wife, Parvin Nahvi, and their children, Roya N. Sani and Farhad N. Sani; to the Committee on the Judiciary.

By Mr. KAZEN:

H.R. 783. A bill for the relief of Roland Karl Heinz Vogel; to the Committee on the Judiciary.

By Ms. MIKULSKI (by request):

H.R. 784. A bill for the relief of Mirza Arqueta, Griselda Arqueta, Brenda Arqueta, and Clarisa Arqueta; to the Committee on the Judiciary.

By Ms. MIKULSKI:

H.R. 785. A bill for the relief of James McColvin; to the Committee on the Judiciary.

By Ms. MIKULSKI (by request):

H.R. 786. A bill for the relief of Lagrimas Martinez and Ruiz Martinez; to the Committee on the Judiciary.

By Ms. MIKULSKI:

H.R. 787. A bill for the relief of Zeinalabedin A. Namini, his wife Nourani Namini, and their children Ramin Namini and Mahnaz Namini; to the Committee on the Judiciary.

H.R. 788. A bill for the relief of Michael Whitlock; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

KENNAN ON THE UNITED STATES AND RUSSIA

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. STUDDS. Mr. Speaker, George Kennan has for more than three decades been one of America's most eloquent and farseeing experts on relations between our Nation and the Soviet Union. In a recent speech delivered in West Germany, Mr. Kennan spoke brilliantly about the almost irresistible but thoroughly irrational forces which are fueling the arms race between the superpowers at this time. His comments are logical, his thesis chilling, and I commend his words to the attention of my colleagues:

THE MOMENT A CRUCIAL ONE—A PLEA TO REPLACE ARMS WITH REASON

(By George F. Kennan)

When I glance back over these past 50 years, it seems evident that the East-West relationship has been burdened at all times by certain unique factors which lie in the very nature of the respective societies—factors, that is, that do not reflect just the policies of any given government at any given moment but rather deeply rooted, habitual and in part subconscious reactions of the respective political establishments.

I have no doubt that there are a number of habits, customs and uniformities of behavior, all deeply ingrained in the American tradition, which impede, for others, the conduct of relations with the Amerian government.

There is, for example, the extensive fragmentation of authority throughout our governmental system—a fragmentation which often makes it hard for the foreign representative to know who speaks for the American government as a whole and with whom it might be useful for him to speak. There is the absence of any collective Cabinet responsibility or indeed of any system of mutual responsibility between the executive and legislative branches of government.

When we look at the Soviet regime, we also encounter a whole series of customs and habits, equally deeply rooted historically, which also weighs heavily on the external relationships of that regime.

These, strangely enough, seem to have been inherited much less from the models of the recent Petersburg epoch than from those of the earlier Grandy Duchy of Muscovy. And they have found a remarkable reinforcement in the established traditions of Leninist Marxism itself: in its high sense of orthodoxy, its intolerance for contrary opinion, its tendency to identify ideological dissent with moral perversity, its ingrained distrust of the heretical outsider.

These then, in both cases, are what I might call the permanent complications of the East-West relationship. They place limitations on the type of peaceful coexistence that can prevail between the two worlds. Unfortunately, they have not been the only major complications to which the relationship has been subject. There have been others, less permanent, but even more serious; and it is to these that we must now turn.

The first of these and the one that marked the relationship throughout much of the 1920s and 1930s was the world-revolutionary commitment of the early Leninist regime, with its accompanying expression in rhetoric and activity.

It is true, of course, that the period of the intensive pursuit of world-revolutionary undertakings was brief. As early as 1921, aims of this nature were already ceasing to enjoy the highest priority in the policies of the Kremlin.

Their place was being taken by considerations of the self-preservation of the regime and of the agricultural and industrial development of the USSR. But the world-revolutionary rhetoric remained substantially unchanged throughout the remaining years of the 1920s and much of the 1930s; and Moscow continued throughout that period to maintain in the various Western countries small factions of local communist followers over whom it exerted the strictest discipline, whom it endeavored to use as instruments for the explication and pursuit of its own policies and whose unquestioning, loyalty it demanded even when this conflicted with any conceivable loyalty to their own governments.

So unusual were these practices, so unprecedented in modern usage and so disturbing to Western governments and publics, that they formed, the main cause for the high degree of tension and uncertainty then prevailing in the relations between Russia and the West.

The Americans, unable to accommodate themselves to the recognition that their great country was no longer defensible, threw themselves headlong into the nuclear arms race. In the U-2 episode and the Cuban missile crisis, the two great nuclear powers traded fateful mistakes further confirming each other in the conviction that in armed force, and in armed force alone, lay their only hopes of salvation.

And out of all these ingredients, including some of more recent origin, there was brewed that immensely disturbing and tragic situation in which we find ourselves today: this anxious competition in the development of new armaments; this blind dehumanization of the prospective adversary; this systematic distortion of that adversary's motivation and intentions; this steady displacement of political considerations by military ones in the calculations of statesmanship; in short, this dreadful militarization of the entire East-West relationship.

There are certain specific features of this moral and political cul-de-sac I have just described which warrant our attention.

First, it represents a basic change, as compared with the first two decades of Soviet power, in the source of East-West tensions. Gone, or largely gone, is the world-revolutionary fervor that marked the early stages of Soviet power. Gone, too, are the anxieties that fervor provoked in Western circles.

The Soviet Union is still seen as a menace, yes—but primarily as an aggressive military menace. It is not the capacity of the Kremlin for promoting social revolution in other countries that is feared and resented. Even the Soviet efforts to gain influence in the Third World are viewed primarily not from the standpoint of their possible effects on social revolution as such but from the standpoint of their effects on the world balance of military power.

Secondly, I would point out that this whole great militarization of concept about the Cold War is largely unnecessary. There is no rational reason for it. Neither side wants a third world war. Neither side sees in such a war a promising means of advancing its interests.

The West has no intention of attacking the Soviet Union. The Soviet leadership, I am satisfied, has no intention, and has never had any intention, of attacking Western Europe.

The interests of the two sides conflict, to be sure, at a number of points. Experience has proven, most unfortunately, that in smaller and more remote conflicts, where the stakes are less than total, armed force on a limited scale might still continue to play a certain role, whether we like it or not. This possibility cannot, in any case, be excluded.

The United States has used its armed forces in this manner three times since World War II: in Lebanon, in Santo Domingo and in Vietnam. The Soviet Union now does likewise in Afghanistan.

Thirdly, while this militarization of concept and behavior is thus devoid of rational basis, it is a phenomenon of the greatest conceivable seriousness and dangerousness. It is dangerous precisely because it needs no rational basis—because it feeds upon itself and provides its own momentum.

No one will understand the danger we are all in today unless he recognizes that governments in this modern world have not yet learned to cope with the compulsions that arise for them not just from an adversary's cultivation of armed force on a major scale but from their own as well.

Peoples and governments of this present age have not yet learned how to create and cultivate great military establishments, and particularly those which include weapons of mass destruction, without becoming the servants rather than the masters of that which they have created, and without resigning themselves helplessly to the compulsive forces they have thus unleashed.

The historical research with which I have recently been occupied has carried me back to the diplomacy of the European powers of a century ago; and I find these truths clearly evidenced in the record of those times, even though the terribleness of the weapons then at the disposal of great governments did not approach what we know today.

I find instances there of great powers which had no seriously conflicting interests at all—no conflicts of interest, that is, which could remotely have justified the sacrifices and miseries of a war. Yet they, too, were carried helpless along into the catastrophe of the first world war; and the force that carried them in that direction was simply the momentum of the weapons race in which they were then involved.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

This not only can happen again, it is happening.

We are all being carried along at this very moment toward a new military conflict—a conflict which could not conceivably end, for any of the parties, in anything less than disaster.

It is sobering to remember that modern history offers no example of the cultivation by rival powers of armed force on a massive scale which did not in the end lead to an outbreak of hostilities. And there is no reason to believe that our measure of control over the fateful process is any greater than that of the powers that have been caught up in it in the past.

We are not greater, or wiser, than our ancestors. It would take a measure of insight—of understanding, of restraint, of willingness to accept the minor risks in order to avoid the supreme ones—it would take a measure of these qualities greater than anything yet visible on either side to permit us to release ourselves from this terrible convulsion and to save ourselves, and others, from the catastrophe to which it is leading.

One is obliged to doubt that there could be any voice from within the societies of the two superpowers strong enough to bring about this act of self-emancipation, on which the future of civilization itself may depend. It would take a very strong voice, indeed a powerful chorus of voices, from the outside, to say to the decision makers of the two superpowers what should be said to them:

"For the love of God, of your children, and of the civilization to which you belong, cease this madness. You have a duty not just to the generation of the present—you have a duty to civilization's past, which you threaten to render meaningless, and to its future, which you threaten to render nonexistent. You are mortal men. You are capable of error. You have no right to hold in your hands—there is no one wise enough and strong enough to hold in his hands—destructive powers sufficient to put an end to civilized life on a great portion of our planet. No one should wish to hold such powers. Thrust them from you. The risks you might thereby assume are not greater—could not be greater—than those which you are now incurring for us all."

This, I repeat, is what should be said to those who pursue the nuclear weapons race. But where is the voice powerful enough to say it?

There is a very special tragedy in this weapons race. It is tragic because it created the illusion of a total conflict of interest between the two societies; and it does this at a time when their problems are in large measure really common ones.

It tends to conceal the fact that both of these societies are today confronted with new internal problems which were never envisaged in either of the ideologies that originally divided them—problems that supersede the essentially 19th-century conditions to which both of these ideologies, and Marxism in particular, were addressed.

In part I am referring to the environmental problems with which we are now all familiar; the question as to whether great industrial societies can learn to exist without polluting, exhausting, and thus destroying the natural resources essential to their very existence.

But beyond that, there are deeper problems—social and even moral and spiritual—which are coming increasingly to affect all the highly industrialized, urbanized and technologically advanced societies of this modern age. What is involved here is essentially the question as to how life is to be given an adequate meaning, how the quality of life and experience is to be assured, for the individual citizen in the highly artificial and overcomplicated social environment that modern technology has created.

The present moment is in many respects a crucial one. Not for 30 years has the political tension reached so high and dangerous a point as it has today. Not in all this time has there been so high a degree of misunderstanding, of suspicion, of bewilderment, and of sheer military fear.

We must expect that in both the Soviet Union and the United States the coming months will see extensive changes in governmental leadership. Will the new leaders be able to reverse these trends?

It will not be too late for them to make the effort to do so.

Two things, as I see it, would be necessary.

First, of course, would be the overcoming of the military fixations that now command in so high degree the reactions on both sides.

What is urgently needed is that statesmen on both sides of the line should take their military establishments in hand and insist that these should become the servants, not the masters and determinants, of political action.

On both sides, one must learn to accept the fact there is no security to be found in the quest for military superiority—that only in the reduction, not the multiplication, of the existing monstrous arsenals can the true security of any nation be found.

But beyond this, when it comes to the more normal and permanent problems of foreign policy, both of the superpowers could serve the cause of peace by developing a bit more humility in their view of themselves and of their relationship to their world environment, particularly the Third World.

Both could take better account of the bitterness of their own domestic problems, and of the need for overcoming some of these problems before indulging themselves in dreams of external grandeur and world leadership.●

BIAGGI INVITES MEMBERS TO JOIN AD HOC CONGRESSIONAL COMMITTEE FOR IRISH AFFAIRS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. BIAGGI. Mr. Speaker, as we begin the 97th Congress, I wish to take this occasion to invite all Members to join the ad hoc Congressional Committee for Irish Affairs.

The committee was established on September 27, 1977, following a direct request by the then-president of the Ancient Order of Hibernians, Jack Keane. The AOH, the oldest and largest of Irish-American organizations, asked me to create and chair the committee because of my longstanding concern about peace and justice in the North.

In the 96th Congress, our membership was comprised of 132 Members of both parties. In our history, we have sought to focus new attention on the overall Irish question. We feel we have succeeded in raising the issue from relative obscurity to one which commands national and international attention.

Our main objectives revolve around trying to make a positive contribution to the process which will lead to peace, justice, and human rights for Ireland. We do not seek to propose or impose any solutions upon the people of Ireland, but neither do we want to permit the perpetuation of a political vacuum which prohibits movement toward peace.

The ad hoc committee, in the strongest possible terms, condemns the use of violence. We deplore all civilian and official violence. Our members have been critical of both forms. The ad hoc committee seeks a restoration of all human rights for the people of Ireland and is strongly opposed to any U.S. assistance being provided which can restrict human rights. In July 1979, our committee spearheaded the effort which led to an August 1979 decision by the Department of State to suspend all future U.S. arms shipments to the Royal Ulster Constabulary, the main police force of Northern Ireland. Our effort was a result of a January 1979 sale of 3,500 rifles to the RUC which was approved by the Department of State. This sale was agreed to despite the fact that the RUC had been cited on repeated occasions for human rights violations. This suspension is now entering its 17th month and we will closely monitor developments with the new administration to insure it is honored until such time as an overall review is completed and reforms are implemented by the British Government.

The ad hoc committee enjoys the active support of leading Irish-American organizations including the Ancient Order of Hibernians and the Irish National Caucus. I urge Members to join this important organization and thus demonstrate your commitment to the cause of peace in Northern Ireland.●

REINTRODUCING THE MOTOR VEHICLE THEFT PREVENTION ACT

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. GONZALEZ. Mr. Speaker, I am reintroducing a bill that is vitally needed to help decrease the enormous number of auto thefts in our Nation each year. This bill, known as the Motor Vehicle Theft Prevention Act of 1981 was reported out of the Com-

merce Committee late in the last Congress and unfortunately was unable to be considered in the House before the 96th Congress adjourned. However, I am hopeful that this measure can receive action early in this session.

In my hometown of San Antonio there are about 3,700 vehicles stolen each year, and the number nationwide is close to 1 million. In terms of dollar figures the loss to the victimized owners and taxpayers amount to $4 billion a year. These figures indicate that while some of the thievery is done by joyriding teenagers a large portion of auto theft is done by an organized business run by professionals.

I believe that my bill is one of the answers to the auto theft problem because it would require better identification of vehicle parts and a vast number of vehicles are stolen for parts. This is why the recovery rate for stolen vehicles is so poor; there is usually nothing left to recover.

At the present time vehicle identification numbers are attached only to engines and transmissions. Professional thieves normally junk these parts because they can be traced and they deal in parts which cannot be identified such as doors, hoods, fenders, frames, trunk lids, and deck lids.

The bill I am proposing also makes it a crime to remove, alter, or obliterate a marked part, sets up new penalties for trafficking in stolen vehicles and parts, and makes auto theft rings subject to the Federal racketeering laws.

At the present time there is no Federal law that prohibits the export of stolen vehicles or parts. My bill makes this act a Federal offense. Because of the location of San Antonio this is a very important feature as the number of stolen vehicles that end up across the border is large and growing. My bill would give the Federal authorities the power that they need to investigate and take action against the professional thieves who are finding a market for these stolen autos and parts in Mexico.

It is important to remember that auto theft ends up costing everyone, not just the victim. The ever-increasing trend in professional auto theft has led to higher insurance premiums for many, especially for those who live in high auto theft areas.

I believe that my bill is a big step in the direction of reducing auto theft in our Nation and I urge the Members to support my efforts in this regard.●

LET'S LAY DOWN LAW TO SOVIETS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. MICHEL. Mr. Speaker, it would seem apparent that we are going to see a change of attitude on the part of our Government toward the Soviet Union approximately 30 seconds after President-elect Reagan takes the oath of office. I recently came across some very interesting and, for the most part, useful, suggestions as to how we might approach the Soviet Union from now on. I want to bring these suggestions to your attention, so at this time I insert in the RECORD, "Let's Lay Down Law to Soviets" by Richard F. Staar, a senior fellow of the Hoover Institution at Stanford University, printed in the Chicago Tribune, January 3, 1981.

LET'S LAY DOWN LAW TO SOVIETS

Relations with the Soviet Union during the 1980s should be predicated on the clear understanding that Soviet leaders will continue to differ considerably in attitude from their American counterparts. Subterfuge, dissembling, and outright dishonesty are deeply imbedded in the psychological makeup of Soviet leaders, whose conspiratorial mentality was molded by the Bolshevik Revolution, Leninist new-Machiavellianism, Stalinist terror, and the unedifying politics of the totalitarian state. They cannot be explained away in terms of Soviet suspicions or fear of declining U.S. strategic power. They obviously color perceptions vis-a-vis any country not under U.S.S.R. control.

The struggle for power that will follow the late President Leonid Brezhnev's disappearance from the scene may also involve an extended period of disorientation in Moscow. This opportunity could be exploited by a strong American President who has studied past relations with the U.S.S.R. and decided to place them on a genuine quid pro quo basis. It is futile to hope that a new generation of Soviet leaders will voluntarily change course since the present one has proven so successful in dealings with the United States. The following are suggested as possible courses of action:

Without waiting for a policy change that cannot possibly occur in the Soviet Union, unless incentive exists, the new administration in Washington should establish a small group of experts to analyze Soviet propaganda activities, not only to monitor Russian-language publications and broadcasts over Radio Moscow but to refute them systematically and persistently.

Espionage capability can be reduced by limiting personnel at the Soviet Embassy and consulates in the U.S. (350 plus 550 at the United Nations) to the same number of American diplomatic personnel stationed in the Soviet Union (153). Furthermore, if a Soviet citizen is caught in activities not compatible with his or her status, reciprocal expulsion should not be accepted and no replacement should be allowed to enter this country.

The U.S. would strengthen its position by requiring the Soviet Union to balance its accounts periodically and make up the deficit by supplying this country with strategic raw materials needed here.

If an American citizen is roughed up, interrogated by the secret police, and convicted on the basis of falsified evidence, the Soviet ambassador in Washington should be informed that he will be expelled and his counterpart in Moscow recalled if such harassment is not stopped immediately. Accreditation of Soviet journalists should be revoked when their counterparts are harassed by KGB agents.

No future SALT agreement may be preferable to having one that shackles the U.S. and accepts Russian promises on faith alone. The same reasoning is applicable to talks on force reductions between NATO and the Warsaw Pact. Tough Soviet bargaining must be countered by equal firmness.

The U.S. must project itself to the Third World as a revolutionary system that has brought prosperity to the American working class, where skilled laborers often earn more money than professors and where human rights are strongly upheld by press and courts. The corollary would be a campaign that will expose false Soviet propaganda concerning America and tell the truth about Soviet colonialism in central Asia and Eastern Europe through such forums as the UN and the U.S. International Communications Agency externally, as well as through the mass media internally.

Special emphasis should be placed on a broad campaign in support of generally accepted human rights. Based upon the 1948 Universal Declaration of Human Rights convention and the 1975 Final Act at Helsinki, violations of specific provisions should be called to the attention of world public opinion.

More care should be taken that all exchange programs are reciprocal and not largely channels for transmission of technical information. Soviet scholars should not be permitted to travel all over the U.S. while Americans are restricted largely to a few cities in the U.S.S.R.

Finally, the U.S. has a weapon that is probably more powerful than oil; huge agricultural surpluses. During fiscal year 1980–1981, these will include 110 million metric tons of grain alone sold to other countries. The U.S. government could purchase all such crops for export and establish a "grain board" on which American farmers would be represented. Free market proponents may oppose such an agreement, but there is no better way for it to be used than as a humanitarian instrument to alleviate famine in the Third World.●

INCREASING MEMBERS' ACCOUNTABILITY IN RECEIVING PAY HIKES

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. BROWN of Ohio. Mr. Speaker, today I have introduced two bills designed to increase the accountability of Members of Congress in voting themselves pay increases.

The first bill provides that any increase in the rate of pay for Members of Congress shall not take effect earlier than the beginning of the next Congress. This assures that each Member of this body will have to stand before their constituents for reelection before a scheduled salary increase can take effect and is similar to the law governing pay raises for the Ohio General Assembly—as well as 36 other State legislatures.

However, unlike Ohio law, this legislation uses the same definition for the start of a new Congress as the definition of election day. This prevents the possibility of Congress reconvening in a lame duck session to vote itself a pay raise in the next Congress.

Retired Congressman Charles Whalen along with 176 cosponsors introduced a measure very similar to this during the 95th Congress and that bill was reported by the Post Office and Civil Service Committee. However, as those of us who were Members of the House at that time will recall, the measure failed under suspension of the rules amidst confusion over a provision added to the bill in committee. This provision barred in the future any amendments to House budget or appropriations bills which would directly or indirectly prevent the payment of increases in pay raises for Members of Congress. This was widely interpreted as a move to bar votes killing future automatic cost-of-living increases. It also presented procedural problems for the future because it put an unprecedented stipulation upon the appropriations process. My bill does not include this provision.

However, my second bill deals with this problem in that it amends the present procedure through which Congress receives its annual, Presidentially recommended cost-of-living increase.

At present, unless Congress introduces and approves a disapproval resolution of an annual cost-of-living raise, the increase automatically takes effect 60 days after the President presents his recommendations to Congress. My bill requires Congress to express its approval of the recommendation in order to receive it. This bill will bring the automatic cost-of-living increase out of the closet and put it before the scrutiny of the American public, where it belongs.

If the Democratic leadership refuses to let this legislation see the light of day, it will be a clear indication that their intention is to force the brunt of the burden of our spiraling inflation onto the American public, rather than share in the sacrifices their free-wheeling spending practices have forced upon all other Americans.●

BIAGGI SPONSORS WELFARE REFORM LEGISLATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. BIAGGI. Mr. Speaker, on the first day of the 97th Congress I introduced legislation to provide for meaningful welfare reform for State and local governments. I introduce this bill today as a reflection of the high priority I give to its passage.

Central to this legislation are its provisions increasing the Federal reimbursement of State and local expenditures for benefits under the aid to families with dependent children (AFDC) and medicaid programs from the current 50 percent to 75 percent in fiscal year 1982, 80 percent in fiscal year 1983, 85 percent in fiscal year 1984, and 90 percent for fiscal year 1985 and beyond.

In addition under my legislation, which I might point out is identical to legislation offered in the 96th Congress by the distinguished Senator from my home State of New York, Mr. MOYNIHAN, in those States where cities, counties or local governments share in the cost of AFDC and/or medicaid the State is required to passthrough the additional Federal funding to the localities to the extent necessary to eliminate the entire local share. The remainder of the additional Federal funding is retained by the States which may use it for increased benefits or expanded medicaid coverage or fiscal relief.

This legislation could prove to be medicine to restore the fiscal health of areas in this Nation such as my home city of New York. New York City has an onerous burden caused by the ever increasing costs associated with the AFDC and medicaid program.

If we are truly committed to the dual goals of providing long-overdue fiscal relief to beleaguered State and local governments and also to provide the mechanism to provide long-needed benefit increases for our neediest citizens—we must commit ourselves to passage of my bill. I am beginning the process today with the introduction of the legislation and I pledge to work diligently throughout this Congress on behalf of its passage.●

PRIVACY LAWS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. LAGOMARSINO. Mr. Speaker, several years ago we passed a law protecting individuals against unnecessary violations of privacy. The right to privacy is a valued right in our society, and distinguishes us from many other, more authoritarian societies. Unfortunately, this law is being interpreted in some instances in ways that affect other rights, particularly the right of persons to be protected from violence and crime.

A recent Los Angeles Times editorial addresses this problem in eloquent fashion, citing instances where the law is being used to protect criminals and criminal activity at the expense of innocent victims. I commend this editorial to my colleagues and include the text of the editorial in the RECORD:

[From the Los Angeles Times, Dec. 22, 1980]

PERVERSION OF PRINCIPLE

Individual privacy is a fundamental value in a civilized society, and must be protected from unjustified encroachment by government or intrusion from any other quarter.

But that principle has been perverted in recent years into a screen imposed between the public and the operation of the criminal-justice system.

Only this month, when reporters sought to obtain the criminal-arrest record of the man accused of the murder of Dr. Michael J. Halberstam, officials of the Federal Bureau of Investigation refused to release the information. Such disclosure, they said, would intrude on the privacy of the suspect. Subsequently it was revealed that he was an escaped felon who had been sentenced to prison four times and arrested at least 25 times.

This absurdity is only one of many inimical results of laws in many states, including California, that restrict access by the public and news organizations to records of arrests, indictments, trials, acquittals, convictions and sentences.

After an employee of a mental institution in Texas last month was accused of raping a patient, it was discovered that he previously had been convicted of rape. Texas law denied the hospital a right to screen his arrest record before employment.

In the District of Columbia, a man obtained a custodian's job at an apartment house for women. Only after he had murdered a tenant was it revealed that he was a convicted rapist and burglar.

Five years ago, Oregon enacted a law that closed most criminal records to the public. An Oregon man whose daughter was missing finally located her three days later in a mental hospital after he filed a missing-person report. Only then did he find out that she had been arrested. Authorities had refused to disclose her arrest. Oregon promptly repealed the ludicrous law.

Oddly enough, among the strongest supporters of suppression of criminal records is the American Civil Liberties Union. ACLU attorneys often argue, no doubt with the best of intentions, that disclosure of such records harms the released offender's chances for employment. But what of the rights of the woman murdered in the Washington apartment house? What of the rights of an elementary-school girl in California who was raped by an employee who had, unknown to school officials, a record of sex offenses?

The ACLU's position implicitly suggests that justice is a private affair between the accused and the state. That is an authoritarian notion and one that if accepted in this country would give the police the power of secret arrest and detention. Criminal-justice records, available for public inspection, are the great democratic safeguard against abuses in the criminal-justice system.

The serious offender against the law does carry the burden of his past, but by his act he has breached his own privacy. The ACLU's claim of privacy in the offender's behalf must not be imposed at the risk of the lives of schoolgirls or other innocents.●

IMPROPER REPRESENTATION ON COMMITTEES

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. PARRIS. Mr. Speaker, I am angry and appalled by the failure of the majority to provide proper representation for the minority in committee assignments.

While it is obvious that this is and must be a political body, I do not believe that the results of the November elections should be undercut by denying the Republicans a fair share of the seats on the major committees.

It is obvious that the majority is attempting to insure that President Reagan's proposals, particularly in the tax and budget areas, may not receive proper consideration by this House.

In last November's elections the Republican Party outpolled the Democrats nationally yet only gained 44 percent of the House seats, a fitting testament to the ability of our State legislatures to gerrymander. In spite of holding 44 percent of the House seats the Republicans will only receive 34 percent of the seats in the Ways and Means Committee, 40 percent of the seats on Appropriations and Budget, and a mere 31 percent of the seats on the Rules Committee, a fitting testament to the political tyranny of the majority.

The party which temporarily has the majority in this House is clearly acting to deny the mandate given to the President and his party in the November election. If the President's programs are not enacted as a result of this obstructionism, and we are not able to rescue the country from the mess the majority has gotten us into, I do not think the American people will have any difficulty in deciding where to place the blame.●

ELIMINATION OF THE SOCIAL SECURITY EARNING LIMITATION

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. BROWN of Ohio. Mr. Speaker, today I am reintroducing a bill that eliminates, over a 6-year period, the retirement test of the social security program for Americans ages 65 to 71. This legislation is similar to the amendment proposed by the House during its consideration of the Social Security Amendments of 1977 which, unfortunately, was considerably weakened by the Senate. In the last session of Congress, my bill was introduced in the Senate by the Honorable PAUL LAXALT of Nevada.

Current law requires those between the ages of 65 and 71 to forgo $1 of social security for every $2 of income earned over $5,500 per year. Although the Social Security Amendments of 1977 provides for this age limit to drop to 69 in 1982, my bill would reduce the age to which earnings limits apply by 1 year, each year, beginning in 1981 until 1986 when the test will be eliminated.

The purpose of the social security system is to provide a minimum income for minimum need and not to impose a ceiling on retirement income. At age 65, those citizens who paid into the system are entitled to benefits earned without regard to their employment status.

In 1981, a retiring worker, age 65 may continue to work and receive between $153.10 and $677 in monthly benefits without penalty provided he does not exceed the $5,500 per year limitation. Past this limit, an individual loses $1 of benefits for every $2 of earnings. It seems to me most inequitable to impose a 50-percent tax based solely on the annuitant's age and desire to work especially during these inflationary times when the added income is needed to merely maintain a decent standard of living. I am sure my colleagues will agree that is a perverse law that hurts the very people we want to help, those who did not earn enough in their younger years to retire with an adequate income.

At present, I am awaiting an update of the cost of my proposal. However, last year, the Social Security Administration's actuary office estimated this measure would cost the Government an additional $600 million in 1981 and 1982, $900 million in 1983, $1.4 billion in 1984, and $2.2 billion in 1985. However, these numbers do not reflect the additional tax revenues that would flow to the Treasury from the employed individuals. Also omitted are the increased payments to the social security fund and the reduction in public assistance expenditures.

Mr. Speaker, my bill is a reasonable solution to end the unjust penalty imposed upon this Nation's elderly. With double digit inflation rates, the relief can come none too soon. I urge the House to act as it did in 1977 and remove this inequity from the law.

Thank you, Mr. Speaker.●

IRISH HUNGER STRIKE ENDS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. BIAGGI. Mr. Speaker, during the last days of the 96th Congress, a situation was unfolding in Northern Ireland which was of intense concern to me as chairman of the ad hoc Congressional Committee for Irish Affairs.

Beginning on October 27, seven male prisoners in the Long Kesh prison in Northern Ireland began a hunger strike to protest the British Government's failure to grant them political status and other basic prison reforms. They were later joined by three women prisoners from the Armagh prison in the north.

For 7½ weeks, the strike continued, heightening new fears of violence throughout the six counties. Starting on October 29, I led members of the ad hoc committee in a number of appeals for a humanitarian resolution of the problem. Our communications were sent to President Carter and Secretary of State Muskie prior to his early December meeting with Prime Minister Thatcher. In addition, we appealed to the United Nations to involve itself in a mediating capacity to try and expedite the reopening of dialog between the various sides in the dispute.

On December 18, the hunger strike ended after one of the striking prisoners was nearing total blindness and death. The end of the hunger strike has precipitated a wide variety of interpretations by different observers of the Northern Ireland scene.

I wish at this point in the RECORD to insert the text of the official British Government statement issued on the occasion of the ending of the hunger strike for the benefit of my colleagues. The statement was printed by the New York Times:

BRITISH STATEMENT ON IRISH STRIKE

LONDON, Dec. 19.—Following is the text of a statement by the Secretary for Northern Ireland, Humphrey Atkins, that was delivered in the House of Commons today after being presented last night to the Irish prisoners who were on a hunger strike in Belfast and who then called it off:

1. On Dec. 4 the Government set out clearly what is available to all prisoners in Northern Ireland's prisons.

2. We hoped that this would bring an end to the protests. Two more weeks have passed. The protests continue. Those on hunger strike are two weeks nearer death.

3. Their demand for political status is not going to be granted. The European Commission of Human Rights has considered the case made to it by the protesters for political status and has rejected it. The commission asked the Government to keep the humanitarian aspects of the prison regime under continuing review. The Government responded positively to that request with the changes on nine specific points which I set forth in detail in my statement to the House of Commons on Dec. 4. It is our concern that these protests and the hunger strike should not lead to pointless deaths. To the protesters and those on hunger strike I want to say: "There is no reason to go on. The Government has made its response. I want to spell out for you and your families what will happen when the protests end."

4. First of all, any such prisoner will be put into a clean cell. If, as I hope, all prisoners end their protests, we shall begin the task of cleaning up all the cells right away and this would take a week or 10 days.

5. Within a few days clothing provided by their families will be given to any prisoners giving up their protest so that they can wear it during recreation, association and visits. As soon as possible all prisoners will be issued with civilian-type clothing for wear during the working day. From then on, as I said in October, denim prison uniform becomes a thing of the past for all prisoners.

6. They will also immediately become entitled every month to eight letters, four parcels and four visits.

7. Prisoners who end their protest will be able to associate within each wing of the prison blocks in the evening and at weekends. If large groups of prisoners cease their protest simultaneously, a few days may be needed for cleaning up.

8. We want to work out for every prisoner the kinds of available activity which we think suit him best—work (including of course the work of servicing the prison itself), vocational training and educational training. Again, if groups of prisoners come off the protest together, getting this program organized will take some time.

9. On the question of remission—and this will be of special importance to the prisoners' families—provision already exists for lost remission to be restored after subsequent good behavior. We shall immediately start reviewing each case individually.

10. We do not want any prisoners to die; but if they persist in their hunger strike they will not be forcibly fed. If they die, it will be from their own choice. If they choose to live, the conditions available to them meet in a practical and humane way the kind of things they have been asking for. But we shall not let the way we run the prisons be determined by hunger strikes or any other threat.

11. Northern Ireland prisons are acknowledged to include some of the best in the United Kingdom. The boards of visitors will continue to play their part in maintaining this position. For our part we will, subject to the overriding requirements of security, keep prison conditions—and that includes clothing, work, association, education, training and remission—under continuing review.

12. It is the Government's earnest wish that, in the light of these possibilities, all prisoners now protesting in one form or another will bring their protest to an end. In particular, those on hunger strike have nothing to gain by fasting to death. The time to stop is now.●

H.R. 501: TAX DEDUCTION FOR CHARITABLE CONTRIBUTIONS

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. GEPHARDT. Mr. Speaker, today my colleague Representative BARBER CONABLE and I are introducing legislation to permit all taxpayers to claim a tax deduction for their contributions to charitable organizations whether or not they itemize their personal deductions.

This legislation has received serious attention in previous Congresses in both the Committee on Ways and Means and in the Senate Finance Committee. A large share of the credit for the substantial progress made in the last 4 years toward enactment of this concept must go to our former colleague, Representative Joseph Fisher of Virginia. His leadership on this issue was invaluable, and the fact that the bill we are introducing today stands such a good chance of enactment during the 97th Congress is due to his considerable efforts and influence on its behalf.

Joining with us in cosponsoring this legislation are Senators DANIEL P. MOYNIHAN and ROBERT PACKWOOD, who are introducing an identical bill.

In the 96th Congress, this measure was sponsored by 253 House Members and 43 Senators. I trust that this breadth of support from both sides of the aisle will soon be evident in the 97th Congress as well.

The rationale behind this bill continues to be both timely and relevant. The major idea is that people ought not be taxed on money they contribute to charitable causes. This should be true whether or not other economic actions make it advantageous for them to itemize personal deductions. Allowing everyone to deduct charitable contributions from taxable income, as this bill proposes, would restore the badly eroded incentives for supporting the independent sector and would strengthen the precarious position of charities in today's inflationary economy. We need to reestablish a proper and appropriate balance between the Government and the voluntary sector. Reaffirming this balance is crucial in today's tightfisted environment, which is restricting Government's ability to support social services, cultural activities, health, education, and many other important services.

The Tax Code currently discourages many individuals from making the contributions that are necessary to sustain the vitality of the independent sector. Two-thirds of the tax returns filed currently use the so-called standard deduction rather than itemization of personal deductions. This is particularly true for taxpayers in the middle and lower income brackets where inflation is already viciously bearing down on people's ability to support themselves and their families and eroding their support for charity. For many, it is becoming increasingly impossible to continue making contributions of after-tax dollars.

These same economic conditions which are adversely impacting people's ability to make charitable contributions are simultaneously reducing the Government's ability to provide services and creating greater needs for such services than ever before. Transferring some of this necessary work of society out of the public sector and into the community—the independent, the voluntary and the nonprofit sector—offers a way out of this dilemma. H.R. 501 provides an incentive to taxpayers to make the charitable contributions which are necessary to accomplish this goal of disengaging the Government from doing many of the things that could be accomplished just as well or even better through voluntary, charitable organizations.●

TRIBUTE TO RETIRED MEMBERS FROM CALIFORNIA

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. STARK. Mr. Speaker, I rise to express my gratitude to Biz Johnson, Jim Corman, Jim Lloyd, and Lionel Van Deerlin who retired at the end of the last Congress. These men have served their districts, the State of California, and the entire Nation well and faithfully. Their leadership will be especially missed by those of us who are their colleagues from California.

If I may, I'd like to express my personal thanks to Jim Corman for 20 years of service to the people of California and the Nation.

It has been my rare privilege to serve with Jim on the Ways and Means Committee and on the Subcommittee on Public Assistance and Unemployment Compensation, which he has chaired so ably.

I can say with confidence that no Member of this body has better represented the needs of the poor and the disadvantaged than Jim Corman. We've all been educated by his eloquence and his sincerity on welfare reform and national health insurance.

But Jim Corman's constituency is larger than the disenfranchised of this Nation—it includes every American taxpayer who is concerned about tax equity and justice.

Jim Corman is above all a man with a vision of the United States where no person is cold or hungry, sick, or left by the wayside because of social or political forces beyond his control. He has shared that vision with me and with all of us. We are better legislators, better men and women, and better Americans because of it.

Thanks are not enough. We have come a long way in the last 20 years toward the realization of the goals that Jim Corman and I share. But the job is not done, and I know that Jim Corman will not stop working in the years ahead. So I would like to say to that distinguished gentleman from California—you have my thanks and my promise to continue to work with you to realize the vision we share.

And to all my retired colleagues from California we are honoring, I offer my thanks.●

PRIVATE BILL FOR THE RELIEF OF BISHOP COLLEGE

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. FROST. Mr. Speaker, I am introducing a private bill today which proposes to relieve Bishop College, of Dallas, Tex., of the pressures of its debt to the Federal Government. This is the successor to the legislation I introduced last year on behalf of Bishop.

For the benefit of my colleagues who are not familiar with this story, I should say that Bishop is a 200-year-old black college with a rich and proud tradition. It is known nationwide as an institution suited for serving the special needs of black students.

Yet, like many of our black colleges, Bishop fell victim several years ago to the twin pressures of falling enrollments and rising operating costs. The "Great Society" programs of the sixties offered some relief, but the variety of rules and reporting requirements that accompanied programs such as title III and title IV made compliance difficult for an administration staffed primarily by ministers and educators. The technical problems were compounded by the actions of a few misguided officials at Bishop who used Federal funds for other than their intended purpose. They did so believing they could save the college, yet the result was that Bishop amassed such a large debt to the Federal Government that its continued operation became questionable.

In August 1979, after an arduous negotiation process, the Department of Health, Education, and Welfare and Bishop College agreed to the terms of Bishop's repayment schedule. Those terms were stringent, yet Bishop's officials were convinced that the college could be rehabilitated.

Mr. Speaker, in the year and one-half since that agreement was signed, Bishop's administrators have been proven correct. They have replaced nonproductive staff with competent and technically proficient financial administrators. This was crucial to the college's future, as a substantial portion of its debt had resulted from funds which may have been used for legitimate purposes but which Bishop's officials could not adequately account for.

Bishop's new administrators have streamlined the college's operations. The academic program has been reduced. Unused lands have been sold off and a profitable bicentennial drive was launched and generated substantial new funds for the school. Most important, a permanent President has been hired, and he has worked diligently over the past year and one-half to turn the school around.

There is every reason to believe that Bishop is on its way to recovery. Officials from the Department of Education will attest to its progress, much of which has taken place during the short time since I introduced the first bill on Bishop's behalf.

But, Mr. Speaker, the terms of the 1979 repayment agreement require Bishop to begin repaying its debt to the Federal Government on August 31, 1981. Interest on that debt has been accruing since 1979, and the terms of the agreement require Bishop to repay the debt in exceptionally large installments. Quite truthfully, those installments are so large that Bishop will be faced with a difficult choice this summer: It can continue to guide the school toward recovery while at the same time providing high quality education, or it can put student needs on the back burner while it makes its debt to the Government its No. 1 priority.

Please understand that no one involved with this college believes that it has been victimized by the Federal Government. Bishop's officials are well aware that the college and its administrators are solely responsible for its current problems. But it is also important to remember that those individuals who were operating the school when it ran up this debt are now out of the system. With only a very few exceptions, there are new administrators at Bishop. And while those individuals may not be connected with Bishop's past mistakes, they took their jobs with the realization they had inherited the mistakes of their predecessors and they have every intention of living up to their obligations.

Mr. Speaker, my bill will enable this college and its administrators to live up to those obligations without forcing it to close its doors. This bill will combine the debts of years up to and including 1978, and will stretch the repayment terms over a 30-year period. More important, it will require Bishop to pay only the principal on that debt—all interest will be forgiven. An interest-free note is crucial to the settlement, as it is the interest now accruing at an annual rate of 10 percent which is compounding Bishop's debt situation. I might add that I am proposing this package with the advice and consent of Department of Education officials. They too are convinced of Bishop's potential, but they are concerned that they do not have the authority to administratively extend the terms of the note over a 30-year period and forgive the interest.

Finally, Mr. Speaker, I will make the same observation I made last year when I spoke out on Bishop's behalf. Should the Federal Government not search for a manageable solution to this problem, it will not be its loss if the college closes and it will not be the loss of the American people. The ultimate losers will be the students—the ones now enrolled and those who plan to enroll there someday. Those young men and women who look to schools like Bishop for their futures will suffer the most if this college is not permitted to continue building on its progress of the past several years.

This package sets a strong precedent for future debt settlements. It puts this body on record as expecting schools which accept Federal funds to use those funds properly and to compensate the Government for any funds that are not used properly. but it also demonstrates that this body can be flexible—that it can recognize how events can get out of control and how it is the innocent who ultimately suffer in the process. I urge my colleagues to look on this college with understanding, and to give every consideration to the legislative package I am introducing today.

Thank you.●

THE TEN COMMANDMENTS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. HUBBARD. Mr. Speaker, the U.S. Supreme Court recently ruled that Kentucky's public schools could not place copies of the Ten Commandments in their classrooms. It mattered little to the Court that private donors purchased these copies of the Ten Commandments and that no one forced Kentucky's schoolchildren to read or study the posted commandments. The Supreme Court seems so determined to wipe away all mention or hint of God in our public schools that it has overlooked the fact that a copy of the Ten Commandments hangs in a prominent place in its own chambers. Furthermore, the Supreme Court fails to recognize that the Ten Commandments serve not only as a good guide to schoolchildren for daily living but also as a fundamental basis of Western legal tradition.

I would like to introduce the text of a letter by Gayle R. Rogers, of Wickliffe, Ky., which highlights the detrimental impact of this Supreme Court ruling:

> I am shocked at the recent Supreme Court decision to eliminate the Ten Commandments from Kentucky schools. As the wife of a high school principal, I am particularly aware of the necessity of some sort of moral guidance for our young people.
>
> Can't the appellate jurisdiction be limited? Can't the states have the final say in how to run their schools? Can't God's people have a voice in what is right and wrong for their children? I feel so very helpless in combating the problems that face our nation, but I so feel we should express our views to the leaders who are in a position in government to do something!●

THE RESIDENTIAL RENTAL HOUSING TAX INCENTIVE ACT OF 1981

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 6, 1981

● Mr. GONZALEZ. Mr. Speaker, there is a great need all across the country for rental housing, and most specifically in urban areas. Thus, I am reintroducing a bill that I proposed late in the last Congress entitled, "The Residential Rental Housing Tax Incentive Act of 1981."

The purpose of my proposal is to encourage the building of rental housing. At the present time the vacancy rate is around 5 percent which means that every rental building has practically every usable unit rented.

This is a crisis situation for many new families or young people wanting to get out on their own, and also for the elderly who have been displaced from their previous homes either due to condominium conversions or the high cost of upkeep in owning a home today. These people are unable to find a decent place to live.

At the present time builders are finding it more lucrative to build other forms of housing, but my bill tries to deal with that problem by providing tax incentives in order to get more reasonably priced housing on the market.

My bill calls for accelerated tax depreciation of new buildings, a 5-year writeoff on improvements to existing low-income apartments, and repeal of the restrictions on amortization of construction-period interest and taxes.

We need to provide decent and affordable housing in every area of our Nation and I believe that my bill is a step in the right direction.

The Committee on Ways and Means will have the Tax Code under consideration for substantial revision in the next few months and I am hopeful that they will give my bill serious consideration.●

SENATE—*Thursday, January 8, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 11 a.m., and was called to order by the Honorable PAULA HAWKINS, a Senator from the State of Florida.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 8, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAULA HAWKINS, a Senator from the State of Florida, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mrs. HAWKINS thereupon assumed the chair as Acting President pro tempore.

RECESS UNTIL 11 A.M., ON MONDAY, JANUARY 12, 1981

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 11 a.m., on Monday, January 12, 1981.

Thereupon, at 11:01 a.m., the Senate recessed under the order of Tuesday, January 6, 1981, until Monday, January 12, 1981, at 11 a.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

HOUSE OF REPRESENTATIVES—*Friday, January 9, 1981*

The House met at 12 o'clock noon.

The Reverend Mr. Charles A. Mallon, permanent deacon, Holy Family Church, Mitchellville, Md., offered the following prayer:

For everything there is a season, and a time for every matter under heaven; a time to be born; and a time to die; a time to plant, and a time to pluck up what is planted; a time to kill, and a time to heal; a time to break down, and a time to build up; a time to weep, and a time to laugh; a time to mourn, and a time to dance; a time to cast away stones, and a time to gather stones together; a time to embrace, and a time to refrain from embracing; a time to seek, and a time to lose; a time to keep, and a time to cast away; a time to rend, and a time to sew; a time to keep silence, and a time to speak; a time to love, and a time to hate; a time for war, and a time for peace. What gain has the worker from his toil?—Ecclesiastes 3: 1–9.

Father, You have created time and brought us into its embrace. We have learned to toil throughout our entry into time, and to measure our gain in terms of achievements. Teach us the value of this eternal gift and help us to recognize Your presence in this time that is ours.

We ask this through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

SWEARING IN OF MEMBER-ELECT

The SPEAKER. Will the gentleman from New York (Mr. MOLINARI) kindly come to the well of the House and take the oath of office at this time?

Mr. MOLINARI appeared at the bar of the House and took the oath of office.

LOOKING FORWARD TO SERVING IN 97TH CONGRESS

(Mr. MOLINARI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLINARI. Mr. Speaker, I would like to thank the Chair for permitting me to be sworn in today. I would also like to recognize Mr. D'AMATO, the junior Senator from the great State of New York, Mr. LOTT, and Mr. VANDER JAGT for taking the time from their busy schedules to be with me.

I would like to apologize to the many family, close friends, and supporters of mine from New York's 17th District that traveled to Washington to view Monday's ceremonies. I regret that I was unable to be present with them to join in on the festivities. I owe my presence here today to them and many more like them who were unable to attend. We have fought many battles together in the past. With their continued help and support I hope to fight many more in the future.

I look forward to working with my fellow colleagues of the 97th Congress in solving many of the problems that afflict our great Nation—in particular in easing the tremendous tax burden that is placed on our citizens, and protecting the health and safety of the people in and around Staten Island from the oversaturation of toxic chemical pollution.

Let me also reaffirm my pledge to my constituents that I will serve them in the years ahead with efficient, open, and honest government.

Thank you.

COMMUNICATION FROM WILLIAM BREVARD HAND, U.S. DISTRICT JUDGE, SOUTHERN DISTRICT OF ALABAMA, REGARDING OATH OF OFFICE ADMINISTERED TO REPRESENTATIVE-ELECT JACK EDWARDS

The SPEAKER laid before the House the following communication from William Brevard Hand, U.S. district judge, southern district of Alabama:

U.S. DISTRICT COURT,
SOUTHERN DISTRICT OF ALABAMA,
Mobile, Ala., January 5, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, H-209, The Capitol, Washington, D.C.

DEAR MR. SPEAKER: In accordance with your designation of me, pursuant to House Resolution 7, Ninety-seventh Congress, adopted by the House of Representatives, to administer the oath of office to Representative-Elect Jack Edwards, of the first district of Alabama, I have the honor to report that on the 5th day of January, 1981, at Mobile County, State of Alabama, I administered the oath of office to Mr. Edwards, form prescribed by section 1757 of the Revised Statutes of the United States, being the form of oath administered to Members of the House of Representatives, to which Mr. Edwards subscribed.

Sincerely,

WILLIAM BREVARD HAND,
U.S. District Judge.

The SPEAKER. Pursuant to House Resolution 7, the oath is considered and accepted and received by the House.

The Member is reelected and officially a Member of the House of Representatives.

ANNOUNCEMENT OF APPOINTMENT OF CHIEF DEPUTY REPUBLICAN WHIP

Mr. LOTT. Mr. Speaker, it is my very great pleasure to announce that I have appointed the gentleman from Maine, Mr. DAVID F. EMERY, as chief deputy Republican whip for the 97th Congress.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *January 7, 1981.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, the Clerk has received on this date the following messages from the Secretary of the Senate:

(1) That the President pro tempore, pursuant to Senate Concurrent Resolution 2, 97th Congress, appointed Mr. Hatfield, Mr. Baker, Mr. Robert C. Byrd, and Mr. Pell to the Joint Committee on the Inaugural Ceremonies.

(2) That the Vice President, pursuant to section 1024 of title 15, United States Code, appointed the following Senators to the Joint Economic Committee: Mr. Jepsen (vice chairman), Mr. Roth, Mr. Abdnor, Mr. Symms, Mrs. Hawkins, and Mr. Mattingly.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *January 9, 1981.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

79-050 O — 84 —— 16 (Vol. 127 Pt. 1)

of Representatives, I have the honor to transmit sealed envelopes received from The White House as follows:

(1) At 1:45 p.m. on Wednesday, January 7, 1981 and said to contain a message from the President where he transmits the 1980 Census to the Congress.

(2) At 1:45 p.m. on Wednesday, January 7, 1981 and said to contain a message from the President wherein he transmits the Ninth Annual Report on the Administration of the Federal Railroad Safety Act of 1970.

(3) At 1:45 p.m. on Wednesday, January 7, 1981 and said to contain a message from the President where he transmits the 1979 Annual Report on United States Participation in the United Nations.

(4) At 6:13 p.m. on Wednesday, January 7, 1981 and said to contain a message from the President on Federal Executive, Legislative, and Judicial Salaries.

(5) At 2:13 p.m. on Thursday, January 8, 1981 and said to contain a message from the President wherein he transmits the Annual Report on Pipeline Safety for the Calendar Year 1979.

(6) At 2:13 p.m. on Thursday, January 8, 1981 and said to contain a message from the President wherein he transmits the Ninth Annual Report on Hazardous Materials Control.

(7) At 2:13 p.m. on Thursday, January 8, 1981 and said to contain a message from the President wherein he transmits the Eleventh Annual Report on the Administration of the Natural Gas Pipeline Safety Act of 1968, covering activities of calendar year 1978.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

□ 1210

MARTIN LUTHER KING, JR., LEGAL HOLIDAY

(Mr. CONYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, again this year I am very privileged to introduce this bill on behalf of the hundreds of Members who supported the memory of Martin Luther King and the notion that the time has come that his birthday be celebrated as a public legal holiday. I have introduced this legislation in every Congress since 1968, and, since that time, we have witnessed a growing interest and concern. Fifteen States now officially honor him, as do hundreds of cities and millions of people, and his birthday is indeed an international event.

So I entreat my colleagues, the new administration, and citizens from all over this country to join with me in the great and important opportunity that this Congress has to make legal and public and national and international the celebration of the birth date of the late Reverend Martin Luther King, Jr.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to my colleague, the gentleman from Illinois, the ranking minority member on the Committee on the Judiciary.

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Speaker, I do support the measure. I might say that I supported the Martin Luther King birthday as a Monday holiday, and I think that if we could agree on that, I do not see any reason why we should not pass that measure overwhelmingly.

Mr. CONYERS. Mr. Speaker, my colleague, the gentleman from Illinois (Mr. McCLORY) has always supported us on that, and we understand the importance of that caveat.

It seems to me that the moment has come, and this is the session, and I urge that immediate and swift action be taken on this measure.

STATEMENT PREPARED BY DIRECTOR OF THE CENSUS, DEPARTMENT OF COMMERCE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-5)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on the Judiciary and the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

Pursuant to the provisions of Title 2, United States Code, Section 2a(a), I transmit herewith a statement prepared by the Director of the Census, Department of Commerce, pursuant to Title 13, United States Code, Section 141(b) showing (1) the population of each State and the District of Columbia as ascertained by the Twentieth Decennial Census of the population, and (2) the number of Representatives to which each State would be entitled under an apportionment of the existing number of Representatives by the method of equal proportions.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

NINTH ANNUAL REPORT ON THE ADMINISTRATION OF THE FEDERAL RAILROAD SAFETY ACT OF 1970—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Energy and Commerce:

To the Congress of the United States:

I transmit herewith the Ninth Annual Report on the Administration of the Federal Railroad Safety Act of 1970 (45 U.S.C. 421 et seq.) as required by that Act. This report was prepared in accordance with Section 211 of the Act and covers the period from January 1, 1979, through December 31, 1979.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

REPORT OF ACTIVITIES OF U.S. GOVERNMENT IN THE UNITED NATIONS AND ITS AFFILIATED AGENCIES DURING 1979—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit to the Congress this report of the activities of the United States Government in the United Nations and its affiliated agencies during calendar year 1979.

The international crisis created by the seizure of the American Embassy in Tehran and the taking of Americans hostage overshadowed much of the 34th General Assembly. In this atmosphere, the United States directed its efforts in the United Nations toward supporting the work of the Secretary General and the Security Council to resolve this breach of international law. The Secretary General brought the issue to the Council which unanimously called upon the Government of Iran to release the hostages. Ironically, after three years of negotiations, the Assembly adopted by consensus the Convention Against the Taking of Hostages. This Convention affirms that there is no valid excuse for the taking of hostages and that there are no circumstances under which the seizure of hostages can be condoned.

Both the Security Council and the General Assembly focused international attention on the continued military occupation of Kampuchea by Vietnam. Of particular note during 1979 was the Security Council's termination of sanctions against Southern Rhodesia, a result of the agreement by the Lancaster House Conference.

On economic issues, UN actions ranged from highly technical meetings such as those on commodities, to continuing the work of the International Monetary Fund and to political dicussions in the General Assembly on the future of international economy and development.

These discussions, attended by almost all UN members, saw a continuous, intense, and sometimes acrimonious series of exchanges between the developed and developing countries on the organization of the international economy, the nature of international economic relations, and the effects of both on economic development. This resulted in the decision by the 34th General Assembly to hold further meetings on these issues. We believe that negotiations of this kind and at this level are important and necessary to relations between developed and developing countries. However, whether the U.S. participates in these global negotiations will depend on how effectively we use but do not intrude upon the agencies of the UN and other international organizations.

The United States continues to monitor closely UN expenditures and programs and supports the Secretary General's efforts to limit budget growth.

Our participation in the United Nations and its related agencies and programs is an integral part of our foreign policy. As this report makes clear, the United Nations system of organizations is important and sometimes indispensable to the achievement of many of our central foreign policy objectives. This report should contribute to American understanding of and support for the United Nations and to the continuing active and constructive role of the United States.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

PUBLIC SERVICE COMPENSATION LEVELS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-6)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

If the Federal Government is to meet successfully the enormous challenges it faces in these difficult times, it must be able to attract and retain men and women of outstanding ability and experience for its highest posts.

Monetary awards are not the principal attractions offered by the public service, and complete parity with private sector salaries is neither desirable nor possible. Those who serve at the highest levels of the Federal Government expect and are willing to make some financial sacrifice to serve their country. Nevertheless, compensation levels today have fallen below the point at which they provide adequate monetary recognition of the complexity and importance of top Federal jobs.

The financial sacrifice demanded of top Federal officials is becoming far too great. Since the last quadrennial adjustment in 1977, the salaries of those officials have increased only 5.5 percent. During that same period, the CPI has risen by about 45 percent, which means that the purchasing power of these salaries has declined by about 28 percent.

I fully recognize that the salaries already being paid these officials look very large to the average taxpayer. But when we are seeking to fill an Assistant Secretary position, a Bureau Chief position, or one of the other top level policymaking positions in the Executive Branch, we want people who know the specialized field involved and who have had extensive experience and success in it. Usually, these people are already being highly paid, and there is a limit to the financial sacrifices they can afford to make.

Not only is the discrepancy between private sector executive pay large now; it is continuing to widen. Since 1977, for example, while Federal executive pay has risen only 5.5 percent, private sector executive pay has gone up about 25 percent. If this gap continues to widen, government service will be so unattractive that increasing numbers of the best qualified will refuse to serve.

These observations apply equally to the selection of judges. The Federal judiciary has traditionally drawn a substantial number of appointees from the top echelons of the legal profession. These individuals are mature, experienced, and often at the height of their career earnings. When they become judges, it is usually at a financial sacrifice. If the sacrifice we ask becomes too great, increasing numbers of those best qualified will refuse consideration for appointment. The Attorney General tells me we are already receiving many declinations from lawyers of the quality we desire. We must not allow that trend to accelerate.

In addition to the recruiting problem, there are important considerations of retention and of equity. Resignations from the Federal bench show a disturbing tendency: only seven Federal judges resigned in the 1950's, and eight in the 1960's; but 24 resigned in the 1970's. Three resigned in 1980 alone.

The Constitution wisely provided that Federal judges would be appointed for life. The founders believed, and experience has confirmed, that lifetime service enhances the integrity and independence of a judge's performance. It also strengthens public confidence that judges possess these qualities, and increases public respect for their decisions. When lifetime judges leave the bench because of inadequate salaries, the public loses more than their experience and efficiency. The public also loses the confidence in the judicial process that is central to the success of our Constitutional system.

Obviously, many judges will not leave the bench even for the much larger salaries they could earn by returning to private practice. But the devotion of these judges should not be rewarded by unfair treatment. Something must be done to encourage and reward continuous judicial service.

Turning now to career executives, you know that Executive Levels IV and V are by law the ceiling for career salaries. You know also that General Schedule salaries have risen by 31.9 percent over the period in which executive salaries rose by only 5.5 percent. As a result, more and more GS employees each year reach the executive pay ceiling.

Consequently, we now have a salary system in which up to seven levels of career executives and managers are all receiving the same pay. Career executives who are promoted to more responsible and demanding positions often receive no pay increase whatsoever to compensate them for taking on heavier responsibilities. Agencies with field organizations, which need to advance successful managers from district offices to regional offices to headquarters offices, find it increasingly difficult to persuade capable employees to move their families for "promotions" that carry no pay increase.

One result of this compression is that many experienced and valuable career executives are retiring as quickly as they become eligible for retirement. For the twelve month period ending last March, a startling 75 percent of career executives in the 55-59 age bracket who were at the executive pay ceiling and were eligible to retire, did so. The result is that talented, experienced and creative public servants are leaving when they are of maximum value to their agencies. Unless these trends are reversed, the nation cannot expect to retain a high quality senior career group.

Congress shares many of these salary problems. We all know that people do not run for office because of the salaries involved, and that many people would run for Congress even if the members drew no pay at all. But it is of vital importance to have Congressional salaries high enough to attract a broad range of people, including those who want their families to enjoy the same standard of living they would if they were carrying even moderately comparable responsibilities in other occupations.

Congressional salaries have experienced the same loss of purchasing power as those already discussed. Yet, Congressmen face even greater expense than the other groups because they must maintain two residences and have other expenses stemming from their unique responsibilities. So they, too, need pay increases.

As the new law provides, a Commission on Executive, Legislative and Judicial Salaries has considered these and related salary issues. This Commission, which was composed of distinguished private citizens with no selfish

interests in Federal pay scales, made the findings I have summarized above. To correct them, it has unanimously recommended salary increases averaging about 40 percent.

I have no doubt that the facts fully justify those recommendations. Nevertheless, I continue to be concerned that we balance compensation needs against Federal Government leadership in fighting inflation and in minimizing the overall costs of government. Consequently, I am recommending to you in my budget for FY 1982 that smaller increases be allowed at this time, but—just as importantly—that we commit ourselves to allowing future increases annually to prevent these salary problems from continuing to worsen.

As you know, General Schedule employees received increases in FY 1979 and FY 1980 that totaled 16.8 percent. By operation of PL 94-82, the legal salaries of top level officials also increased by these same amounts. Congress, with my concurrence, enacted appropriation language that temporarily prohibited the *payment* of those increases to the top officials. Consequently, their payable salaries are now 16.8 percent below their legal salaries. Several judges sued over the application of that appropriation limitation to the judiciary and recently won a Supreme Court decision that means many judges will receive the 16.8 percent in question.

I believe the least we can do at this point is to give the Executive and Legislative branch officials the 16.8 percent already received by most General Schedule employees and already won by the judges. Just as important as the immediate increase, however, is adoption of the principle that we will allow whatever increase is granted General Schedule employees in October of 1981 and in subsequent years to be paid also to the top level officials, as PL 94-82 provides. Only by following this principle can we prevent the salary muddle from becoming worse every year. Experience has shown that if we wait four years to make salary adjustments in a time of rapid inflation, the needed catch-up will be so large as to be unacceptable to our citizens.

Because the case for a significant increase in the salaries of Federal judges is especially strong, I urge also that Congress give consideration to a salary scale for judges that would explicitly recognize the public importance of continuous judicial service; for example, by an annual or periodic increase for longevity in addition to the cost of living adjustments that are made from time to time.

In addition, I urge that Congress give careful consideration to the five non-salary recommendations made by the Commission, especially their proposal for a special two year study of the complex and harmful compensation problems that now exist.

The Commission concluded that the conditions I have outlined constitute ". . . a quiet crisis, unperceived by most citizens of the nation but requiring an immediate response by the President and the Congress to safeguard the high quality of its senior officials." I agree with that conclusion and urge you to act favorably upon my recommendations. President-elect Reagan has authorized me to say that he fully supports these recommendations.

PL 95-19 provides that each House must within 60 days conduct a separate recorded vote on my recommendations for each branch of government. In addition, if you wish to accept my recommendation to make the current legal rates payable now, you should amend section 101(c) of PL 96-536 accordingly.

In the event that you decide you do not wish to approve increases for your own Members, I strongly urge that you allow them for officials of the Executive and Judicial branches. The gravity of the "quiet crisis" those branches face requires you to do no less.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

DEPARTMENT OF TRANSPORTATION ANNUAL REPORT ON PIPELINE SAFETY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Energy and Commerce and the Committee on Public Works and Transportation:

To the Congress of the United States:

I hereby transmit to Congress the Department of Transportation's annual report on pipeline safety. The submitted report covers pipeline safety and related activities for the calendar year of 1979. This combined report is prepared as required by section 213(c) of the Hazardous Liquid Pipeline Safety Act of 1979.

This report is the Department's First Annual Combined Report on Pipeline Safety for 1979. The combined reports are: the 12th Annual Report of the Natural Gas Pipeline Safety Act of 1968 as amended, submitted in accordance with section 16 of the Act; and the First Annual Report of the Hazardous Liquid Pipeline Safety Act of 1979 in accordance with section 213(a) of this Act.

JIMMY CARTER.

THE WHITE HOUSE, *January 8, 1981.*

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NINTH ANNUAL REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Energy and Commerce, the Committee on Merchant Marine and Fisheries, and the Committee on Public Works and Transportation:

To the Congress of the United States:

I transmit herewith the Ninth Annual Report on Hazardous Materials Control as required by the Hazardous Materials Transportation Act, Title I of Public Law 93-633. This report has been prepared in accordance with Section 109 of the Act and covers calendar year 1978.

JIMMY CARTER.

THE WHITE HOUSE, *January 8, 1981.*

ELEVENTH ANNUAL REPORT OF NATURAL GAS PIPELINE SAFETY ACT OF 1968—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. ALEXANDER) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce and the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I hereby transmit to Congress the 11th Annual Report of the Natural Gas Pipeline Safety Act of 1968, covering pipeline activities for the calendar year of 1978. This report is submitted in accordance with section 14 of the Act.

Included in this report are two other elements concerning pipeline safety: the annual report on the administration of the Mineral Leasing Act of 1920, submitted in accordance with subsection 28(w)(4) of this Act; and a report on liquid pipeline safety programs.

This report details the Department of Transportation's responsibility and progress in regulating safe pipeline transport of natural and other gases on Federal lands.

JIMMY CARTER.

THE WHITE HOUSE, *January 8, 1981.*

LEGISLATION INTRODUCED REGARDING MILITARY PERSONNEL EDUCATIONAL BENEFITS ENTITLEMENT

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, during my campaign for Congress, I tried to meet and talk with large numbers of residents of the 42d Congressional District. Among the most eye-opening experiences were my conversations with active duty military personnel—of all ranks, years of service, and occupational specialties. These young men and women pulled no punches in explaining what was right and, more often, what was wrong with military service. Their candor was an education in itself.

Obviously, they were very concerned about the economic realities of military life—low pay, increasing out-of-pocket medical expenses, and the continuing threat of the loss of other benefits, such as commissaries and retirement. It is important to note the the 96th Congress took several dramatic, if long overdue, steps to reverse the downtrend. Along with the Nunn-Warner package and the 11.7 percent pay raise, the single most important shot in the arm for the Navy was the substantial increase in sea and submarine pay approved in the final hours.

We will make a very serious mistake, however, if we consider these measures the final chapter and thereby once again close the book on improvements in military compensation and the quality of military life. In my conversations during the campaign, I was particularly impressed by the importance which many servicemen and women attach to education. One of the three or four most frequently asked questions was why Congress had eliminated the GI bill and, more specifically, why Congress was making Vietnam-era servicemen choose between their GI bill entitlement and a military career.

The law which abolished the Vietnam-era GI education bill also provided that anyone entitled to educational assistance under the terms of the pre-1976 law must use all their benefits prior to 1989 or completely lose them. This presents no great problem for the average veteran who, like me, returned to civilian life after his hitch in the Army was finished. The 1989 cutoff is proving increasingly to be a major obstacle to retention of the career force. A large number of midterm careerists with pre-1976 service will begin leaving the services, literally in droves, early in this decade in order to use their educational benefits prior to the 1989 termination date. Ironically, those individuals who leave in order to use their educational benefits will be the most highly motivated and best trained—in other words, the cream of our midcareer force. With the Navy alone already short 20,000 skilled petty officers, this is a group of experienced personnel that we can scarcely afford to lose.

I am, therefore, today introducing legislation which would give military personnel entitled to educational benefits under the pre-1976 GI bill a period of 6 years from their release from active duty in which to use their educational benefits entitlement, regardless of the 1989 cutoff. With 6 years, the individual will have an opportunity to use his or her full 45-months of education and will have approximately a year's grace period in which to get relocated, attend to family problems, establish finances, et cetera. The 6-year time limitation does not extend the program for an inordinate period of time for the Government, but it does give the individual some degree of flexibility for unexpected crises and financial obligations.

It is imperative that we act this year on this extension of time. If we wait until 1983, 1985 or, worse yet, 1987, the quality career people we so urgently need to retain will be gone. I urge my colleagues to act expeditiously. The hourglass is rapidly running out of sand.

BURDEN OF FEDERAL REGULATIONS MUST BE EASED

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, today I am introducing legislation which aims at improving the standards for judicial review of administrative-regulatory decisions. The bill is structured as an amendment to the judicial review section of the Administrative Procedure Act (5 U.S.C. 706).

The language of my bill is based upon, and is a direct descendant of, an amendment originally offered by Senator DALE BUMPERS of Arkansas. In the last Congress, I was pleased to be one of the principal sponsors of the Bumpers amendment in the House of Representatives. Our efforts met with some success, in that we were able to attach revised language embodying this amendment to the comprehensive regulatory reform bill (H.R. 3263) during House Judiciary Committee deliberations on that subject. Unfortunately, the 96th Congress adjourned before taking final action on either the comprehensive bill or the Bumpers amendment by itself.

The legislation I introduce today would set clear boundaries for the executive branch departments and the independent regulatory agencies in the exercise of their statutory power. Agencies cannot, and should not, be permitted to be the final interpreters of their own authority. In keeping with this philosophy, my bill would abolish the presumption of validity currently afforded regulatory agency decisions in Federal courts. Now, as to questions of law, a court would not accord any presumption in favor of or against agency action.

Consequently, the Federal courts are directed to exercise greater scrutiny when interpreting agency powers. The deference to the so-called administrative expertise would no longer be so extensive. Rather, the courts are encouraged to take a hard and independent look at an agency's exercise of jurisdiction and authority. The amendment would make statutory the hard look doctrine enunciated by Judge Leventhal when he was serving on the District of Columbia Circuit Court of Appeals. The language of the bill directs a court to make an independent determination as to whether or not the agency action was based upon power expressly granted in the organic statute or may readily be ascertained from the surrounding legislative intent. This approach merely recognizes and reinforces the traditional constitutional role of our Federal courts in determining agency jurisdiction. It does not create new powers or a new role for the Federal courts.

Under the terms of this bill, the substantial evidence rule would continue to be applied to adjudicatory proceedings and to formal rulemaking proceedings. (5 U.S.C. 554; 556-557.) Further, my bill does not alter the burden of proof with respect to regulations adopted through the informal rulemaking process, that is, where no hearing is required to be on the record. Those regulations would still be subject to the arbitrary, capricious standard currently applied under Federal law.

It is my feeling that to subject rules promulgated under the informal procedure to a more difficult standard of review would unduly formalize and delay the rulemaking process. I did not want to hamper the efforts of the new Reagan administration to undertake deregulation efforts through the informal rulemaking procedure. Under the APA, rulemaking includes the repeal of existing rules, as well as the promulgation of new rules or amendments to existing rules. By confining my amendment to judicial review of adjudicative and formal rulemaking procedures, I have left open the option of the new administration to repeal unnecessary or ill-advised regulations through the use of the informal rulemaking mechanism. So, any challenges to the repeal of rules would have to be shown to be arbitrary or capricious.

The national concerns which prompted both the Bumpers amendment and a laundry list of regulatory reform proposals, are still very much

in evidence. The American people are fed up with being overregulated and underserved by big Government. I strongly believe that the enactment of a Bumpers amendment would be a significant, important step toward true regulatory reform. But, nevertheless, I fully recognize that it would represent only one step in this overall effort. I look forward to working closely with the new Reagan administration toward the enactment of this legislation, as well as on the formulation and passage of a new omnibus regulatory reform bill.

NUCLEAR INSPECTION TOURS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, during the period January 8 to 18, I will have the opportunity to inspect several nuclear power and waste facilities in Japan and Taiwan in order to ascertain knowledge about how these two countries are utilizing nuclear power. Following is a statement that I provided the press describing the nature of my foreign tour:

Congressman Tom Corcoran (R-Ottawa) announced today that he will participate in an inspection tour of nuclear power and waste facilities in the Far East during the period of Jan. 8-18. This tour will consist of 5 days in Japan and 5 days in Taiwan.

In Japan, Corcoran will participate in a fact-finding visit for the purpose of inspecting various nuclear facilities and meeting with Japanese government and nuclear industry officials. This trip has been authorized by the House Committee on Energy and Commerce, of which Corcoran is a member, and will be funded by the Department of State. Through the cooperation of the Atomic Industrial Forum, a Washington, D.C.-based international trade association which specializes in nuclear energy policy, and Japanese officials, the congressman will learn more about the advances the Japanese have made in nuclear technology.

Corcoran's interest in nuclear power and waste disposal stems from the fact that his congressional district includes a site near Morris which is currently operating as the only away-from-reactor facility receiving commercially-generated spent nuclear fuel in this country. His district also includes two operating and two under-construction nuclear power plants; Illinois, with 7 operating facilities, leads the nation in nuclear power. His efforts to prevent a federal takeover of the Morris storage site and his activities on the nuclear-oversight committee have made Corcoran a leading figure in nuclear power debates in Congress.

In Taiwan, the Sino-American Cultural and Economic Association has invited Corcoran to spend 5 days participating in a fact-finding trip emphasizing economic, social and cultural developments of mutual interest to the U.S. and Taiwan. The Association is a private, non-profit organization financed by business interests in Taiwan, similar to our Chamber of Commerce. While in Taiwan, Corcoran will tour various nuclear and coal facilities, inspect the Taiwanese postal system from his vantage point as a senior member of the House Committee on Post Office and Civil Service, and attend meetings with the American Soybean Association, an export-promotion group located in Taipei. Corcoran's district is one of the largest exporters of soybeans in the U.S.

"I believe that my visits to these two countries will give me the added expertise I need to continue my work in Congress, especially in the nuclear- and coal-related areas of our energy policy," Corcoran said. "I intend to learn from the on-site inspections and discussions with government and nuclear industry officials why these countries appear to be technologically advanced in this regard." He said he would issue a report on his findings upon his return.●

LEGISLATION TO RECHARTER FEDERAL AVIATION ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 10 minutes.

● Mr. LEVITAS. Mr. Speaker, I have today introduced a bill to recharter the Federal Aviation Administration. This legislation will make aviation safety the FAA's sole mission.

It has been my concern for many years that the Federal Aviation Administration has problems in setting priorities and executing its primary responsibilities of regulating aviation safety. My concerns are based on a number of considerations, such as the time lag between the identification of an aviation hazard and action by the FAA. For example, in 1977, I spoke out on the floor of this House on the large number of recommendations made by the National Transportation Safety Board to the FAA which the FAA had accepted but never acted on in any final fashion. The numbers of open recommendations were in the hundreds. That situation is not much improved.

In addition, when the FAA does regulate, it writes the regulations to fit the present state of the art. There is no challenge to the aerospace manufacturers to design an improved technology. This is not the way we achieved progress in the automobile industry or in the environment. We passed legislation telling them where we expected them to be at a future time. The state of the art was not at those levels, but the manufacturers developed the state of the art to meet the regulations. This is something we need to do in aviation, but the FAA is blind to the example.

Why is it that the FAA rulemaking is a reaction to accidents rather than anticipatory?

In my quest for answers as to why FAA has these problems in identifying safety hazards and taking action on them, I have run into a stone wall. I have never been able to get satisfactory answers from FAA. I have written Administrators of the FAA. I have queried FAA officials in hearing after hearing.

The problem cannot be money. The FAA has an aviation trust fund created by ticket taxes and overseas departure fees which will reach $4 billion this year. What, then, is the problem?

Since I could not get an explanation or a solution for these problems from the FAA, I asked the GAO to investigate and report.

The report, which was released February 29, 1980, after a full year's study of the FAA, substantiated my beliefs that the core of FAA's problem is not knowing what its priorities should be. To quote from the report:

FAA's missions are defined in various statutes, executive directives, and national transportation policy statements. These missions should be translated into safety goals and objectives and, ultimately, agency safety priorities. However, FAA's attempts to do this have been unsuccessful, leaving the agency with statements of its safety goals, objectives, and priorities which are not current and need to be updated.

The last time the FAA expressed its policy was in April 1965, with updates in 1972 and 1973. These orders are still listed as current FAA directives.

Since these policy statements were issued, FAA has made some attempts to define safety goals, incentives, and priorities. Each effort, however, was short-lived and failed.

Almost every year, according to the GAO report, FAA attempts to list its priorities and goals and every year the attempt either fails, or the goals are so broad as to be useless in setting policy.

In thinking over the problems of the FAA, I have concluded that a large part of the problem is the FAA's dual role in being responsible both for aviation safety and also for promoting the civil aviation industry. I believe that the GAO report bears this out in the examples I have given which demonstrate the lack of priorities and objectives and the inability to reach a consensus even within the FAA itself as to what those priorities should be.

Therefore, it seems to me that Congress role in all of this is to relieve the FAA of a dual responsibility which can cause internal conflicts and which is draining the resources needed to manage the Nation's airspace in the most efficient and safe way humanly possible. In order to be free to devote itself solely to the safety of aviation, FAA needs to be freed from having to promote the industry and to make economic decisions instead of safety decisions.

My bill proposes to put the economic, nonsafety related areas elsewhere in the Department of Transportation, thus allowing the FAA to concentrate its full resources and considerable talent on safety matters.

Section 1 restricts the Federal Aviation Administration to performing

only those functions related to aviation safety and transfers the nonsafety functions to the Secretary of Transportation. Within 120 days after the enactment of this bill, the Secretary of Transportation will identify and report to the Congress those aviation functions which are nonsafety and the office within the Department of Transportation to which these functions will be transferred.

Section 2 restricts the Secretary of Transportation from delegating to the Federal Aviation Administration any functions not pertaining to aviation safety.

Section 3 transfers all personnel, contracts, property, records, and other related assets and liabilities related to the nonsafety aviation functions to the Secretary of Transportation.

Section 4 states that all orders, determinations, rules, regulations, permits, contracts, licenses, and privileges shall continue in effect according to their terms until modified, terminated, superseded, set aside or repealed by the Secretary of Transportation, by any court of competent jurisdiction or by operation of law. Proceedings pending that relate to the nonsafety functions of the FAA shall be continued before the Department of Transportation.

Section 5 says that references in the Federal law—related to the nonsafety functions being transferred to the Department of Transportation—to the Administrator of the FAA or to the Federal Aviation Administration shall be deemed to refer to the Secretary of Transportation or to the Department of Transportation respectively.

Section 6 transfers the non-safety-related functions of the Federal Aviation Administration to the Secretary of Transportation 180 days after the date of enactment of this legislation.

H.R. 816

A bill to provide that the Federal Aviation Administration shall only perform functions relating to aviation safety, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 301 of the Federal Aviation Act of 1958 (49 U.S.C. 1341) is amended by adding at the end thereof the following new subsection:

"DUTIES OF THE ADMINISTRATOR

"(d) The Administrator shall perform the functions, powers, and duties of the Secretary of Transportation pertaining to aviation safety, including, but not limited to, the functions, powers, and duties transferred to the Administrator by section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c); 80 Stat. 937). Notwithstanding any other provision of law, the Administrator shall not perform any functions, powers, and duties other than those pertaining to aviation safety.".

(b)(1) Any functions, powers, and duties performed by the Administrator of the Federal Aviation Administration before the effective date of this Act which do not pertain to aviation safety (as identified by the Secretary of Transportation under paragraph (2) of this subsection) shall be performed on and after such effective date by the Secretary of Transportation.

(2) Not later than one hundred and twenty days after the date of enactment of this Act, the Secretary of Transportation shall identify, and report to the Congress on, the functions, powers, and duties described in paragraph (1) of this subsection and the office within the Department of Transportation which will perform such functions, powers, and duties after the effective date of this Act.

(c) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the side heading

"Sec. 301. Creation of Agency."

is amended by adding at the end thereof the following:

"(d) Duties of the Administrator.".

Sec. 2. Section 9(e) of the Department of Transportation Act is amended by inserting at the end thereof the following new paragraph:

"(4) Notwithstanding any other provision of this subsection, no functions, powers, or duties of the Secretary or any officer or employee of the Department which do not pertain to aviation safety may be delegated to the Federal Aviation Administration, the Administrator of such Administration, or any officer or employee of such Administration.".

Sec. 3. The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available in connection with the functions, powers, and duties described in subsection (b) of the first section of this Act are hereby transferred to the Secretary of Transportation.

Sec. 4. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective in the exercise of the functions, powers, and duties described in subsection (b) of the first section of this Act by the Federal Aviation Administration or any court of competent jurisdiction, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Transportation, by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this Act shall not affect any proceedings pending at the time this Act takes effect before the Federal Aviation Administration; but such proceedings, to the extent that they relate to functions, powers, and duties described in subsection (b) of the first section of this Act shall be continued before the Department of Transportation. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Transportation, by a court of competent jurisdiction, or by operation of law.

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect, and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No suit, action, or other proceeding commenced by or against any officer of the Federal Aviation Administration in his official capacity shall abate by reason of the enactment of this Act. No cause of action by or against the Federal Aviation Administration or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, the Federal Aviation Administration or any officer thereof in his official capacity, is a party to a suit in connection with any function, power, or duty described in subsection (b) of the first section of this Act, then such suit shall be continued with the Secretary substituted.

Sec. 5. With respect to any functions, powers, and duties described in subsection (b) of the first section of this Act, reference in any other Federal law to the Administrator of the Federal Aviation Administration or to the Federal Aviation Administration shall be deemed to refer to the Secretary of Transportation or to the Department of Transportation, respectively.

Sec. 6. This Act (other than subsection (b)(2) of the first section of this Act) and the amendments made by this Act shall take effect one hundred and eighty days after the date of enactment of this Act.●

H.R. 1—REGULATION REFORM ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

● Mr. MOAKLEY. Mr. Speaker, on the first day of the session I introduced a bill (H.R. 1), the Regulation Reform Act of 1981. Titles I, II, and III of the bill have been referred to the Committee on the Judiciary and are substantially modeled after the regulatory reform bill (H.R. 3263) reported from that committee in the last Congress.

Title IV of H.R. 1 is a new proposition and has been referred to the Committee on Rules. This title would establish a House select committee responsible for systematic scrutiny of Federal regulations and would provide procedures for congressional review of agency rules.

LEGISLATIVE VETO

Mr. Speaker, H.R. 1 provides Congress with a unique opportunity to make hard, and long overdue, decisions about how it will assert responsibility for the vast Federal regulations. And it provides us with an opportunity to make these decisions in the broad context of regulatory reform so that we can insure that improvements in the procedures by which agencies make rules and are consistent with improvement in the manner by which we review them. As the first bill of this

Congress, H.R. 1 puts the difficult issue of legislative veto squarely before the two committees having jurisdiction over the subject.

As chairman of the Subcommittee on Rules of the House, I have participated in extensive hearings on bills which propose to give Congress the unilateral power to nullify Federal agency rules. We have received testimony not only from lawyers, judges, Federal regulatory officials, Federal and State legislators, and academic experts. We have also held field hearings and listened to farmers, small college administrators, dry cleaners, and local government officials.

No one who has participated in these studies could help but determine that something is critically wrong and that there is a dangerous level of public resentment and dissatisfaction over the method by which Federal rules are prepared. We have heard numerous cases in which a rule by one agency prohibits a company from doing something it is required to do by the rule of another agency. Although this sort of situation may sound funny, a small businessman can hardly be expected to be amused; Federal rules have all the force of law and carry civil, and sometimes criminal, penalties.

More subtle forms of duplication, overlap, and conflict between rules of different agencies, or even the same agency, are common. And the cumulative impact of these regulations is imposing serious economic burdens and compliance costs on business and the costs contribute to our domestic inflation and our ability to compete for foreign markets.

I am certainly not surprised that a majority of the House responded in the last Congress by cosponsoring H.R. 1776 and other bills proposing a legislative veto.

But there are serious difficulties with the legislative veto.

The constitutionality of the veto is seriously questioned. Indeed the U.S. court of appeals last month overturned one legislative veto by finding it unconstitutional. I do not want to take unfair advantage of the doubts raised by that ruling; the specific case was a unique one dealing with an adjudicatory, rather than a regulatory, function and its implications should be weighed cautiously. Nevertheless, I would have to be convinced that no other alternative would work before I could suggest that Congress tell the public it was going to solve its problems by arming itself with this big gun, only to have the Supreme Court rule later that the gun was empty.

I would also suggest that there are some serious problems with the legislative veto even if its constitutionality is affirmed. Hundreds of legislative vetoes, applicable to specific agencies or programs, already have been enacted. In the past decade we have enacted veto provisions applicable to the FTC and to portions of EPA, GSA, INS, HUD, Education, Energy, and scores of other agencies. Could anyone argue that these agencies as a result have become models of regulation or that this congressional control has made the quality of their regulatory activities better? The sad truth is that Congress has been much more interested in arming itself with this tool than in using it. In each recent session, the number of new veto laws established has exceeded the number of times Congress used the hundreds of vetoes already on the books.

In fact, Mr. Speaker, I am not entirely sure that the situation might not be even worse if the veto was used more. The most serious problem with the veto is that it is too easy. It would permit, indeed, require, Congress to respond to a lengthy, complex, or technical rule that had required years to write with a simple "yes" or "no." To cite a 1977 case, OSHA issued a rule that required butcher shops to use grated floors in work areas but compliance was difficult because of an Agriculture Department rule that prohibited grated floors. If we had had a generic legislative veto, the issue would have been put before Congress in this form: "Do we overturn the OSHA rule, condemning our constituents who work in meat processing to unacceptably high incidents of injury on wet tile floors? Or do we overturn the Agriculture rule and expose our constituents to the danger of meat contaminated by rotting meat particles under grated floors?"

It might be hoped that such issues would be resolved during committee consideration of the veto resolutions. But, even under the most rational committee reorganization, veto resolutions on food and labor rules would go to different committees. And neither rule, in the case cited, was unreasonable on its own; the problem was purely a matter of the cumulative impact of rules written by two separate departments which are under the jurisdiction of separate committees in both the House and Senate.

SELECT COMMITTEE

Mr. Speaker, H.R. 1 meets most of the goals of the legislative veto. But it meets the goals in a manner that is likely to be more effective than I believe would be the case with a generic legislative veto.

The congressional review system proposed in H.R. 1 would provide a coherent method for Congress to manage the Federal regulatory process in a manner that is open, on the record, and, above all, constructive.

The bill would establish a select committee which could examine any Federal agency rule or sets of related or overlapping rules and would have significant authority to place the issue before the House.

It is with some reluctance that I propose the creation of a new congressional committee. I am aware of the political and policy concerns but feel that the central problem of Federal regulation cannot be addressed as effectively without this structural change. The select committee would be established with due regard for the need to protect the primacy of the legislative committees in policy matters and specifically is intended to take on the work least well handled through the existing committee structure, resolution of conflict and duplication between agencies.

The select committee approach would facilitate nonpartisan review of regulations which is essential if anything is to be accomplished within the political context established by the 1980 House, Senate, and Presidential elections.

The proposed Committee on Regulatory Affairs could review any Federal agency rule or set of related or conflicting rules. It would always act when requested by the appropriate standing committee and could do so on its own initiative or in response to requests by Members or groups of Members, the agencies themselves, or the public.

Through hearings or less formal reviews the select committee could be expected to obtain significant voluntary improvements by Federal agencies. In the event of an impasse, the select committee could place the issue before the House in a number of ways. The select committee would be able to choose the least confrontative method which would enable Congress to assert its legislative prerogatives and, faced with any agency intransigence, could later present the House with more forceful responses.

REPORTS

The first step in any case in which problems could not be resolved through hearings would be to file a report stating the specific grounds on which it objected to a rule. Grounds on which the committee could object are established by the bill:

(1) in the case of a new agency rule, the rule was not submitted to the select committee;

(2) the rule is arbitrary, capricious, or unreasonable;

(3) the rule duplicates, overlaps, or conflicts with other Federal rules or statutes (or common State regulations or statutes) in such a way that compliance is unnecessarily costly or burdensome;

(4) the rule imposes a significant cost or burden which is not adequately offset by the public benefit;

(5) the rule (A) has been issued in such a way as to make it unreasonable to expect the regulated community to be aware of the rule, (B) is written in such a way that the regulated community cannot reasonably be expected to understand the rule, or (C) does not provide adequate guidance for compliance; or

(6) the rule (A) is beyond the statutory authority of the agency or (B) is inconsistent with the legislative intent of the applicable statutes, or (C) is inappropriate because of changed circumstances.

However, if the select committee determined that the agency had acted within its statutory authority but objected to the rule on policy grounds, it would present its concerns to the legislative committee which would have sole authority to act.

If the select committee made a report objecting to a rule, the head of the agency would be required to certify that he or she had personally read the rule in question; to respond to the issues raised by the report; and to indicate any changes it was making. I may have too much faith in the value of commonsense but I firmly believe that many regulatory dilemmas would solve themselves if a method like this could be established to force the head of an agency to read rules to which his name has been signed.

LEGISLATIVE REVIEW

The select committee, in an impasse, could present the House with a joint resolution, the enactment of which would nullify the rule in question. Since a joint resolution requires the concurrence of the Senate and must be signed by the President—or his veto overridden—this is not a "legislative veto," in the sense the word is understood.

Congress has the power, in making the original delegation of rulemaking power to the agency, to set any limitations, requirements, or instructions it wishes in the law. If the President objects, he can veto the bill. If those ground rules are to be changed later, the President should not be bypassed. I took that position under a President from my own party and, in introducing H.R. 1, I am taking that position again under a Republican President.

Since the majority of members of most regulatory commissions will not be appointees of the new President until nearly the end of his term and since it is the rules of these agencies which seem to involve the most controversy, I am unsure, even as a matter of politics, why it would be necessary to bypass the President.

JUDICIAL REVIEW

I believe that there is one case in which Congress ought to be able to act decisively, even over a President's objection: when an agency issues a rule that is beyond the statutory authority of the agency or inconsistent with the clear legislative intent of the underlying law. For this reason, H.R. 1 proposes that the select committee could present a simple resolution to the House finding the regulation beyond statutory authority or inconsistent with legislative intent. If the House passed such a resolution, in any subsequent judicial challenge to the rule, the agency would enjoy absolutely no presumption of validity and would carry the full burden of proof as a matter of law. If such a resolution was passed, the select committee would have specific legal standing to file suit, on behalf of the House, to overturn the regulation. Of course, the select committee could not go to court except by this specific vote of the House.

As a matter of comity, the same standing would be granted to similar resolutions of the Senate.

This procedure meets the stated goals of proponents of the legislative veto. It provides a method by which Congress can overturn an agency rule, even over the objections of the President, but does so in a manner whose constitutionality is beyond doubt. It is, in fact, in particular harmony with the concept of checks and balances.

Mr. Speaker, I believe that these tools will enable Congress to meet the public demand for congressional accountability for Federal regulation. But I wish to point out that I do not intend to close the door on the more traditional legislative veto. In 2 years H.R. 1 requires the select committee to report on the success of this review system; the Rules and the Judiciary Committees are specifically directed to consider the need for the one or two House veto in the light of that experience. I would hope, incidentally, that there would have been a definitive Supreme Court ruling on the veto by that time, since numerous cases are now in the courts.

REGULATORY REFORM

Titles I, II, and III of H.R. 1 have been referred to the House Judiciary Committee. In the last Congress, under the leadership of the gentleman from California (Mr. DANIELSON), the committee reported H.R. 3263.

Because of the prominence of H.R. 1 and because my own committee has no jurisdiction over the subject matter of these titles, I felt constrained to use the text of the prior Judiciary Committee bill.

As a result, I find myself in the unusual position of being sponsor of a bill to which I would support some amendments. In particular, I would urge the Committee on the Judiciary to consider modifications to title III to improve funding for public participating in agency rulemaking.

I should also point out that there are two changes in these titles from H.R. 3263. Although the changes are related to the proposed select committee, the Judiciary Committee has jurisdiction for these matters:

LEVIN-BOREN

The Judiciary Committee had reported a version of the legislative veto which involved the use of a joint resolution—which requires Presidental signature—although providing delays in the effectiveness of rules if the authorizing committee acted on such a resolution, in order to give Congress time to act. H.R. 1 carries this provision but makes this provision applicable to reports from the select committee as well as the legislative committee.

BUMPERS

In the Senate during the last Congress, Senator BUMPERS offered an amendment to a different bill which would have shifted the entire burden of proof to agencies in all judicial challenges to regulations. The Judiciary Committee, in H.R. 3263, adopted a modified version of the Bumpers amendment. H.R. 1 contains a complete substitute for this provision which triggers this shift in burden of proof only if one House of Congress passes a resolution such as I have previously described.

Mr. Speaker, I believe that H.R. 1 provides a reasonable basis for congressional action on legislative review of agency rules within the context of regulatory reform. I would hope that title IV of this bill can be incorporated in any regulatory reform bill reported from the Judiciary Committee.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HUNTER) to revise and extend their remarks and include extraneous material:)

Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. SUNIA) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LEVITAS, for 10 minutes, today.

Mr. MOAKLEY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HUNTER) and to include extraneous matter:)

Mr. HORTON.

Mrs. ROUKEMA.

Mr. DERWINSKI in three instances.

Mr. PARRIS.

Mr. MOLINARI.

Mr. BROOMFIELD.

(The following Members (at the request of Mr. SUNIA) and to include extraneous matter:)

Mr. WEISS in five instances.

Mr. PICKLE in 25 instances.

Mr. BOLLING.

Mr. BARNES in two instances.

Mr. MOAKLEY in five instances.
Mr. HAMILTON in five instances.

ADJOURNMENT

Mr. SUNIA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until Tuesday, January 13, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

115. A letter from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting the annual reports for fiscal year 1980 on aviation career incentive pay, pursuant to 37 U.S.C. 301a; to the Committee on Armed Services.

116. A letter from the Attorney General, transmitting the annual report for fiscal year 1980 on enforcement of title II (extortionate credit transactions) of the Consumer Credit Protection Act of 1968, pursuant to section 203 of the act (Public Law 90-321); to the Committee on Banking, Finance and Urban Affairs.

117. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-307, "To repeal provisions of law for the application of the penalty of death and to substitute in lieu thereof the penalty of life imprisonment, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

118. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-308, "To raise the settlement authority of the Mayor with regard to claims against the District of Columbia government, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

119. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act, 3-309, "To prohibit new construction or substantial rehabilitation in designated community development program areas," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

120. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-310, "To authorize the Mayor to transfer the Old Benning Road Elementary School to the Washington Metropolitan Area Transit Authority in exchange for the Brook Mansion and Basic renovation thereof," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

121. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-311, "To subject to criminal penalty failure or refusal to pay the lawful fare for a taxicab," pursuant to section 602(c), of Public Law 93-198; to the Committee on the District of Columbia.

122. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-312, "To amend the District of Columbia Architectural Barriers Act of 1980 to exclude public utility operating facilities not open to the public from coverage under the act," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

123. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-313, "To create a Law Revision Commission in the District of Columbia," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

124. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-314, "To order the closing of a public alley abutting lots 48, 69, and 800 in Square 376, bounded by 10th Street, NW., G Street, NW., 9th Street, NW., and F Street, NW., and to accept the dedication of land in square 376 for alley purposes (S. D. 71-7-1-Revised) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

125. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-315, "To order the closing of the public alley abutting lot 800 in Square N-5951 and Parcel 234/38, between Martin Luther King, Jr., Avenue, SE., and Seventh Street, SE.; Seventh Street, SE., between LeBaum Street, SE., and Parcel 234/38; and a portion of LeBaum Street, SE., between Martin Luther King, Jr., Avenue, SE., and Parcel 234/38 (S.O. 79-341-Revised) (Ward 8)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

126. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-316, "To order the closing of a portion of public alley which abuts lots 26, 25, 24, 23, 63, 62, 61, 60, 59, 31, 30, and 51 in Square 6154, bounded by Condon Terrace, SE., and 4th Street, SE. (S.D. 78-278) (Ward 8)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

127. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-317, "To order the closing of a portion of public alley abutting lots 818 and 819 in Square 1074, bounded by 15th Street, SE., C Street, SE., 16th Street, SE., and D Street SE. (S.O. 75-211) (Ward 6)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

128. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-331, "To establish an Office of the General Counsel within the Public Service Commission," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

129. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-334, "To eliminate the maximum weight requirement for motorized bicycles registered in the District of Columbia," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

130. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-335, "To order the closing of the public alleys abutting lots 809, 812, 43, 826, 49, 22, 50, 803, 804, 805, 806, 807, and 808 in square 254, bounded by 14th Street, N.W., F Street, NW., 13th Street, NW., and E Street NW. (S.O. 80-123) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

131. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-336, "To amend the District of Columbia Air Quality Control Regulations," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

132. A letter from the Secretary of Labor and the Secretary of Education, transmitting the annual report for fiscal year 1978 on the status of bilingual vocational education, pursuant to section 182 of the Vocational Education Act of 1963, as amended; to the Committee on Education and Labor.

133. A letter from the Secretary of Education, transmitting proposed final regulations for the national direct student loan program, the college work-study program, and the supplemental educational opportunity grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

134. A letter from the Secretary of Education, transmitting proposed final regulations for the transition program for refugee children and the educational services for Cuban and Haitian entrant children program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

135. A letter from the Secretary of Education, transmitting proposed final regulations on the annual funding priorities for Department of Education programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

136. A letter from the Secretary of Education, transmitting proposed final regulations for title I, of the Elementary and Secondary Education Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

137. A letter from the Secretary of Agriculture, transmitting a report that the Department has funded no research into the effects of changes in the ozone in the stratosphere upon animals, pursuant to section 154(d) of the Clean Air Act, as amended; to the Committee on Energy and Commerce.

138. A letter from the Secretary of Health and Human Services, transmitting an interim report on the study of State laws, practices, and systems used to investigate sudden and unexplained infant deaths, required by section 1121(c)(2) of the Public Health Service Act; to the Committee on Energy and Commerce.

139. A letter from the vice president for government affairs, National Railroad Passenger Corporation, transmitting a report covering the month of October 1980 on the average number of passengers per day on board each train operated, and the ontime performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

140. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on steps taken by the Administrator of the Agency for International Development to alter U.S. programs under part I of the Foreign Assistance Act of 1961 in any country because of human rights considerations, pursuant to section 116(d)(2) of the act, as amended; to the Committee on Foreign Affairs.

141. A letter from the Secretary of the Treasury, transmitting the combined statement of receipts, expenditures, and balances of the U.S. Government for fiscal year 1980, pursuant to section 15 of the act of July 31, 1894, and section 114 of the act of September 12, 1950; to the Committee on Government Operations.

142. A letter from the General Counsel, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

143. A letter from the Secretary of the Interior, transmitting a preliminary report on the plan for health care and related programs for people of the Marshall Islands, pursuant to section 102 of Public Law 96-205; to the Committee on Interior and Insular Affairs.

144. A letter from the Secretary of the Interior, transmitting the annual report of the Migratory Bird Conservation Commission for fiscal year 1980, pursuant to section 3 of the act of February 18, 1929; to the Committee on Merchant Marine and Fisheries.

145. A letter from the Assistant Secretary of the Army (Civil Works), resubmitting the fifth annual report recommending deauthorization of various water resources projects (H. Doc. No. 96-360), transmitted during the 2d Session of the 96th Congress pursuant to section 12 of the Water Resources Development Act of 1974, as amended; to the Committee on Public Works and Transportation.

146. A letter from the Attorney General, transmitting notice of the Justice Department's decision not to defend the constitutionality of section 202(f) of the Social Security Act in *Steven J. Cramer* v. *Califano* (E.D. N.Y., Civil No. 78-1523) and *Robert M. Vitale* v. *Califano* (S.D. Fla., Civil No. 78-6551), pursuant to section 21 of Public Law 96-132; to the Committee on Ways and Means.

147. A letter from the Comptroller General of the United States, transmitting a report on Amtrak's passenger service contracts (CED-81-35, January 7, 1981); jointly, to the Committees on Government Operations and Energy and Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CHAPPELL:

H.R. 789. A bill to amend title 10, United States Code, to provide a new Assistant Secretary of Defense for Reserve Affairs and to change the existing position of Assistant Secretary of Defense for Manpower and Reserve Affairs to Assistant Secretary of Defense for Manpower; to the Committee on Armed Services.

H.R. 790. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

H.R. 791. A bill to assist in combating crime by reducing the incidence of recidivism, providing improved Federal, State, and local correctional facilities and services, strengthening administration of Federal corrections, strengthening control over probationers, parolees, and persons found not guilty by reason of insanity, and for other purposes; to the Committee on the Judiciary.

H.R. 792. A bill to authorize the Attorney General to exchange criminal record information with certain State and local agencies; to the Committee on the Judiciary.

H.R. 793. A bill to amend the Immigration and Nationality Act to provide for the deportation of certain nonimmigrant aliens who knowingly participated in unlawful or violent acts in connection with a political demonstration; to the Committee on the Judiciary.

H.R. 794. A bill to authorize the Secretary of the Interior to classify and inventory wetland resources, to measure wetlands degradation, to evaluate the environmental contribution of natural wetlands, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 795. A bill to amend title 38 of the United States Code so as to treat certain expeditionary campaigns as periods of war for the purposes of such title; to the Committee on Veterans' Affairs.

H.R. 796. A bill to provide for the establishment of a national cemetery in Florida; to the Committee on Veterans' Affairs.

H.R. 797. A bill to provide for a Veterans' Administration hospital in the Halifax area of Volusia County, Fla.; to the Committee on Veterans' Affairs.

H.R. 798. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period which is presently a prerequisite of eligibility insurance benefits or the disability freeze; to the Committee on Ways and Means.

H.R. 799. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned; to the Committee on Ways and Means.

By Mr. CONYERS (for himself, Mrs. CHISHOLM, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. CROCKETT, Mr. DELLUMS, Mr. DIXON, Mr. DYMALLY, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. GRAY, Mr. HAWKINS, Mr. LELAND, Mr. MITCHELL of Maryland, Mr. NOWAK, Mr. RANGEL, Mr. RODINO, Mr. SAVAGE, Mr. STOKES, and Mr. WASHINGTON):

H.R. 800. A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. CHAPPELL:

H.R. 801. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 802. A bill to amend the Internal Revenue Code of 1954 to prohibit the Internal Revenue Service from terminating for reasons of racial discrimination the tax-exempt status of any organization established for the purposes of educational instruction without proper adjudication by a court of the United States or of any State; to the Committee on Ways and Means.

H.R. 803. A bill to amend the Internal Revenue Code of 1954 to allow individuals to designate $1 of their income tax liability to be used for purposes of reducing the public debt of the United States; to the Committee on Ways and Means.

H.R. 804. A bill to amend the Clean Air Act and the Federal Water Pollution Control Act to provide that compliance orders shall include cost-benefit analyses; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

H.R. 805. A bill to amend titles II and XVIII of the Social Security Act to eliminate the requirement that an individual must have been entitled to disability benefits for at least 24 consecutive months in order to qualify for medicare on the basis of disability; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 806. A bill to amend title XVIII of the Social Security Act to provide for the administrative and judicial review of claims (involving the amount of benefits payable) which arises under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. McCLORY:

H.R. 807. A bill to expand the scope of judicial review of agency action so as to make Federal agencies more responsive to the will of the people and the intent of Congress; to the Committee on the Judiciary.

By Mr. McKINNEY:

H.R. 808. A bill to amend the Immigration and Nationality Act to provide preferential treatment in the admission of certain children of U.S. Armed Forces personnel; to the Committee on the Judiciary.

By Mr. DAN DANIEL:

H.R. 809. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to increase from $150 to $500 the minimum amount of cash remuneration which a farmworker must generally receive from an employer in any year (for agricultural labor) in order for such remuneration to constitute covered wages for purposes of social security benefits and taxes; to the Committee on Ways and Means.

By Mr. ROBERT W. DANIEL, JR.:

H.R. 810. A bill to terminate authorization for a portion of the Nansemond River project, Va.; to the Committee on Public Works and Transportation.

H.R. 811. A bill to terminate the authorization for a portion of the Norfolk Harbor and Thimble Shoal Channel, Va., improvement project; to the Committee on Public Works and Transportation.

H.R. 812. A bill to modify the project for navigation on the Southern Branch of Elizabeth River, Va., to the Committee on Public Works and Transportation.

H.R. 813. A bill to permit the Corps of Engineers or its contractors to dispose of dredged material from the Norfolk Harbor Channel project in certain ocean waters; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. GONZALEZ:

H.R. 814. A bill to amend the Truth in Lending Act to encourage cash discounts; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HUNTER (for himself, Mr. BURGENER, Mr. LOWERY of California, and Mr. WOLF):

H.R. 815. A bill to amend title 38 of the United States Code to allow eligible veterans to receive certain educational assistance during the 6-year period following their last discharge or release from active duty even if such period extends beyond December 31, 1989; to the Committee on Veterans' Affairs.

By Mr. LEVITAS:

H.R. 816. A bill to provide that the Federal Aviation Administration shall only perform functions relating to aviation safety, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ROUSSELOT:

H.R. 817. A bill to amend sections 46(f) and 167(l) of the Internal Revenue Code of 1954 with respect to the treatment of public utility property; to the Committee on Ways and Means.

H.R. 818. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit against income taxes for expenses incurred as a result of an income tax audit, in any case in which the taxpayer is not liable for more taxes as the result of such audit; to the Committee on Ways and Means.

H.R. 819. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee on Ways and Means.

H.R. 820. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of individuals who have attained the age of 62, $3,000 of interest received during any taxable year; to the Committee on Ways and Means.

By Mr. ROUSSELOT (for himself, Mr. PICKLE, Mr. DOWNEY, Mr. BAFALIS, Mr. KEMP, and Mr. COURTER):

H.R. 821. A bill to amend the Internal Revenue Code of 1954 to cut in half the capital gains tax on the sale of certain stocks and bonds of qualified small corporations; to the Committee on Ways and Means.

By Mr. SHANNON:

H.R. 822. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of incentive stock options; to the Committee on Ways and Means.

By Mr. STARK (for himself and Mr. EDWARDS of California):

H.R. 823. A bill to establish certain limitations relating to the movement of professional sports franchises, to require the equal sharing of revenues under certain professional sports broadcasting agreements, and for other purposes; to the Committee on the Judiciary.

By Mr. SHANNON:

H.J. Res. 81. Joint resolution designating August 2, 1981, as "National Day of Peace"; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H. Con. Res. 25. Concurrent resolution expressing the sense of Congress on the Iranian crisis; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHAPPELL:

H.R. 824. A bill for the relief of Ellen and Horst Bliedung; to the Committee on the Judiciary.

H.R. 825. A bill for the relief of Yick Bong Au Yeung; to the Committee on the Judiciary.

H.R. 826. A bill for the relief of Ramona Castro Flores Vda. De Guzman; to the Committee on the Judiciary.

By Mr. McDONALD:

H.R. 827. A bill for the relief of Vernon Myers; to the Committee on the Judiciary.

By Mr. NOWAK:

H.R. 828. A bill for the relief of George G. Barrios, doctor of medicine, his wife Olga T. Crus, and their children Kurt F. Barrios and Karl S. Barrios; to the Committee on the Judiciary.

H.R. 829. A bill for the relief of Johnny C. Reyes, doctor of medicine; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 63: Mr. PHILIP M. CRANE, Mr. MCCLORY, and Mr. HORTON.

H.R. 247: Mr. BROOMFIELD, Mr. SHUSTER, Mr. FISH, Mr. EMERY, Mr. HYDE, Mr. LUJAN, Mr. MARLENEE, Mr. PAUL, Mr. BROWN of Ohio, Mr. HALL of Ohio, Mr. EDWARDS of Alabama, Mr. MCKINNEY, and Mr. DECKARD.

H. Res. 13: Mr. DORNAN of California.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5. By the SPEAKER: Petition of the Association of the U.S. Army, Arlington, Va., relative to defense problems; to the Committee on Armed Services.

6. Also, petition of the Forest District Civic Association, Buffalo, N.Y., relative to the House Select Committee on Narcotics and Drug Abuse; to the Committee on Rules.

EXTENSIONS OF REMARKS

WREAKING HAVOC IN CENTRAL AMERICA

HON. WM. S. BROOMFIELD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. BROOMFIELD. Mr. Speaker, the brutal murders of two American labor organizers and their Salvadorian counterpart in El Salvador on January 3, 1981, brings to seven the number of U.S. citizens killed in that tiny Central American nation in the last few weeks. This wave of shocking violence has at least temporarily focused the attention of the American people on the death and destruction taking place throughout that region.

Unfortunately, while much print has been devoted to the emotional aspects of these tragedies, far too little time has been spent over the last few years in looking at the cause of the violence and the real problems facing our allies in the area. At the same time there is a serious need to review U.S. posture and policy options in the region as a result of 4 years of the Carter administration. In this regard, I would like to bring to the attention of my colleagues an article that appeared in the Washington Star of January 4.

Entitled "Wreaking Havoc in Central America," the article was written by Mrs. Jeane J. Kirkpatrick, who is Leavy professor of government at Georgetown University, and a resident scholar of the American Enterprise Institute. Most recently she was designated to be U.S. Ambassador to the United Nations in the Reagan administration.

In her article Mrs. Kirkpatrick brilliantly analyzed the real issues in the current unrest and clearly spells out the U.S. interests that are at stake. The entire text of her article follows:

WREAKING HAVOC IN CENTRAL AMERICA

(By Jeane J. Kirkpatrick)

While American attention in the past year has been focused on other matters, developments of great potential importance in Central America and the Caribbean have passed almost unnoticed. The deterioration of the U.S. position in the hemisphere has created serious vulnerabilities where none existed, and threatens now to confront this country with the unprecedented need to defend itself against a ring of Soviet bases on and around our southern and eastern borders.

The first fruits of the Soviet and Cuban efforts are the new governments of Grenada and Nicaragua, whose commitment to Marxist-Leninist principles and solidarity with Soviet/Cuban policies led Castro to brag on returning from Managua, "Now there are three of us." There may soon be four. El Salvador, having arrived now at the edge of anarchy, is threatened by well-armed guerrillas whose fanaticism and violence remind some observers of Pol Pot. Meanwhile, the terrorism has reappeared in Guatemala.

Slower but no less serious transformations are under way in Guyana, where ties to Castro have become extensive and tight, and in Martinique and Guadeloupe, where Castroite groups threaten existing governments.

American policies have not only proved incapable of dealing with Soviet/Cuban expansion in the area, they have positively contributed to it and to the growth of neutralism, the destabilization of friendly governments, the spread of Cuban influence, and the decline of U.S. power in the region. Hence one of the most urgent tasks of the Reagan administration will be to revise the U.S. approach to Latin America and the Caribbean.

To an extent unusual in government, Carter administration policies toward Latin America and the Caribbean (as in the world more broadly) were derived mainly from an ideology rather than from tradition, habit, or improvisation.

Indeed, nothing is as important as understanding the relationship between the recent failures of American policy—in Latin America and elsewhere—and the philosophy of foreign affairs that inspired that policy. Such an effort of understanding requires, first, that we disregard the notion that the failure of the Carter policy was the personal failure of a man unskilled in the ways of diplomacy; and second, that we look beyond superficial day-to-day policy changes to the stable orientations that reassert themselves after each discrete crisis in world affairs.

No one expressed the new approach better than Zbigniew Brzezinski, whose book, Between Two Ages, spelled out the implications of the new spirit for Latin American policy. Brzezinski argued that previous policies were inappropriate to the new realities of declining ideological competition, declining nationalism, increased global interdependence and rising Third World expectations. The U.S. should therefore give up its historic hemispheric posture, which had postulated a "special relationship" with Latin America and emphasized hemispheric security and, since World War II, anti-Communism. We should instead make an explicit move to abandon the Monroe Doctrine, "concede that in the new global age geographic or hemispheric contiguity no longer need be politically decisive," adopt a "more detached attitude toward revolutionary processes," demonstrate more "patience," and take an increasingly depoliticized approach to aid and trade.

"Change" was the favorite word of administration policy-makers. Carter, Vance, and their associates reiterated their conviction that the world was in the grip of a process of transformation which was irresistible, systematic, and desirable. Spokesmen reiterated that "our national interests align us naturally and inescapably with the forces of change, of democracy, of human rights and of equitable development" (Philip Habib). And the belief that the whole world was caught up in a process of modernization moving it toward greater democracy and equality subtly transformed itself into an imperative: The U.S. should throw its power behind the "progressive" forces seeking change, even if they "seem" anti-American or pro-Soviet.

A REGION TRANSFORMED

The policies which grew out of these beliefs have had a large impact on U.S. relations with most nations of South America. In Central America in particular, the direction of administration policy interacted with the presence there of weak regimes and Cuban-supported insurgents to transform the region into a battleground in an ideological war that the administration did not understand and could not acknowledge.

In Central America the boundaries between the political system, the economy, the military establishment, and the Church are often unclear and unreliable. Weak governments confront strong social groups, and no institution is able to establish its authority over the whole.

A democratic facade—elections, political parties, and fairly broad participation—is a feature of these systems. But the impact of democratic forms is modified by varying degrees of fraud, intimidation, and restrictions on who may participate. Corruption is endemic. Political institutions are not strong enough to channel and contain the claims of various groups. No procedure is recognized as the legitimate route to power, so competition for influence proceeds by whatever means are at hand: the Church manipulates symbols of rectitude; workers resort to strikes; businessmen use bribery; political parties use votes; politicians use persuasion and demagoguery; military officers use force. Lack of consensus permits political competition of various kinds and gives the last word to those who dispose of the greatest force.

THE ROLE OF VIOLENCE

Violence or the threat of violence is an integral, regular, predictable part of these political systems—a fact which is obscured by our way of describing military "interventions" in Latin political systems as if the system were normally peaceable. Coups, demonstrations, strikes, plots and counterplots are, in fact, the norm.

Traditionally, however, actual violence has been limited by the need to draw support from diverse sectors of the society and by the fact that politics has not been viewed as involving ultimate stakes. The various competitors for power have sought control of government to increase their wealth and prestige, not for the "higher" and more dangerous purpose of restructuring society. Traditionally, competitors do not destroy each other. The habit of permitting opponents to survive to fight another day is reflected in the tendency of Latin regimes to instability. In such a system a government normally lasts as long as it is able to prevent a coalition from forming among its opponents. Because there is no consensus on what makes government itself legitimate, successive regimes remain vulnerable to attacks on their legitimacy. They are also especially vulnerable to attacks on public order, which tends to be tenuous and to lack a firm base in tradition, habit and affection.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

GUERRILLAS STEP 1

To these patterns of political interaction there has been added in recent years the unfamiliar guerrilla violence of revolutionaries linked to Cuba by ideology and training, and through Cuba to the Soviet Union. Such groups rely on terrorism to destroy public order, to disrupt the economy and make normal life impossible, to demoralize the police, and mortally wound the government by demonstrating its inability to maintain public order.

It is at this point that the roles of Cuba on the one hand, and the U.S. on the other hand, become crucial. Cuba stands ready to succor, train, equip, and advise revolutionaries produced within these societies and to supply weapons for a general insurgency when that is created. The U.S. is important to existing authorities as a source of economic aid and moral and military support. Traditionally, it has also exercised a veto power over governments in the area and reinforced acceptable governments with its tacit approval When aid and comfort from the U.S. in the form of money arms, and the services of counterinsurgency experts are no longer available governments like those of Nicaragua, El Salvador and Guatemala are weakened. And when it finally sinks in that the U.S. prefers insurgents to incumbents, the blow to such weak traditional regimes is devastating.

THE NICARAGUAN EXAMPLE

The now familiar case of Nicaragua illustrates to perfection what happens when "affirmative pressures for change" on the part of the U.S. interact with Cuban-backed insurgency and a government especially vulnerable to shifts in U.S. policy.

What did the Carter administration do in Nicaragua? It brought down the Somoza regime. The Carter administration did not "lose" Nicaragua in the sense in which it was once charged Harry Truman had "lost" China or Eisenhower Cuba—by failing to prevent a given outcome. In the case of Nicaragua, the State Department acted at critical junctures to weaken the government of Anastasio Somoza and to strengthen his opponents.

First, it declared "open season" on the Somoza regime. When in the spring of 1977 the State Department announced that shipments of arms would be halted for human-rights violations, and followed this with announcements that economic aid would be withheld, it served notice that the regime no longer enjoyed the approval of the United States and could no longer count on its protection.

Second, the Carter administration's policies inhibited the Somoza regime in dealing with its opponents while they were weak enough to be dealt with. Fearful of U.S. reproaches and reprisals, Somoza fluctuated between repression and indulgence in his response to violence.

Third, by its "mediation" efforts and its initiatives in the Organization of American States (OAS), the Carter administration encouraged the internationalization of the opposition. Further, it demoralized Somoza and his supporters by insisting that Somoza's continuation in power was the principal obstacle to a viable, centrist, democratic government. Finally, the State Department deprived the Somoza regime of legitimacy not only by repeated condemnations for human-rights violations but also by publishing a demand for Somoza's resignation and by negotiating with the opposition.

MAKE ROOM FOR CHANGE

Why did the Carter administration do these things? Because it thought the fall of Somoza would bring progress to Nicaragua. Viron Vaky put it this way.

"The Nicaraguan tragedy stems from dynastic rule. Times have changed, Nicaragua has changed, but the government of Nicaragua has not."

Somoza should relinquish power to make room for "change." When he declined to do so, the Carter administration accused him of "polarizing" the situation. When the National Guard responded to the revolutionaries' violence with violence, the State Department said that the National Guard had "radicalized the opposition." On the other hand, the fact that Cubans were supplying arms to the FSLN was not regarded as being of much importance.

The Carter administration expected that democracy would emerge in Nicaragua. Even after it had become clear that the FSLN, which was known to harbor powerful antidemocratic tendencies, was the dominant force in the new regime, U.S. spokesmen continued to speak of the events in Nicaragua as a democratic revolution.

STILL HOPING FOR BEST

The expectation that change would produce progress and that socialism equaled social justice made it difficult for Carter policy-makers to assess Nicaragua's new rulers realistically, even though grounds for concern about their intentions, already numerous before the triumph, continued to multiply.

Revolution begins with destruction. The first consequence of the destabilization of Somoza was a civil war in which some 40,000 Nicaraguans lost their most basic human right (life), another 100,000 were left homeless, and some $2 billion worth of destruction was wrought. Nicaragua was left in shambles.

Where did the expectations, the hopes, the intentions of the Carter administration then lead us and the Nicaraguans who took the consequences? Although the FSLN had solemnly committed itself to hold free elections, its leaders have shown no disposition to share the power they seized in July 1979. Sandinista leaders have made no secret of their opinion that competitive elections are an unsatisfactory and unnecessary mechanism. Junta members have asserted that the people spoke through the revolution and that any way, having been brainwashed by 40 years of Somoza rule, they are not capable of choosing among candidates—at least not until they have been "reeducated" by the Sandinistas.

Restrictions on unfavorable news constitute just one significant part of the Sandinistas' gradual campaign to control the climate of opinion. Television and radio had already been brought under control. Among opposition newspapers, only La Prensa remains: it has already come under pressures more harsh than those applied during the Somoza era, and its continuation as an independent critical voice is at best uncertain. The literacy campaign has extended the junta's reach further into the minds of Nicaragua's people as well as into the countryside. Every lesson in the literacy textbooks instructs students in the prescribed interpretation of Nicaragua's past, present, and future.

TOTALITARIAN TRADEMARK

Efforts to organize and coordinate other traditionally nongovernmental associations reflect the characteristic totalitarian desire to absorb the society into the state, to transform social groups into agencies and instruments of the government. This has required taking over some existing institutions, coopting and/or intimidating others, and forcibly eliminating others—such as the National Guard, whose members have either fled into exile or remain in prison with little prospect of ever being tried, much less released.

But the Sandinistas do not rely on control of existing agencies to preserve their power. To accomplish that task new institutions have been forged, the most important of which are an enormous, all-new revolutionary army whose training (military and political) and equipment have been provided by Cubans, and a new internal police force which is already more extensive and effective than Somoza's.

The most telling indicator of Sandinista intentions and commitments is their unambiguous identification of Nicaragua with the foreign policy and perspectives of the Soviet Union.

"We have emerged from one dictatorship and entered another," asserted moderate Alfonso Robelo recently. "Nicaragua has become a satellite of a satellite of the Soviet Union."

UNCHASTENED BY EXPERIENCE

Nothing that happened in Nicaragua seemed able to dampen the Carter people's enthusiasm for "change" in Central America. In El Salvador, Guatemala, Bolivia, and wherever else the opportunity presented itself, the administration demonstrated the priorities, predilections, and policies that in less than four years have transformed the political map of the hemisphere.

Because it failed to take account of basic characteristics of Latin political systems, the Carter administration underestimated the fragility of order in these societies and overestimated the ease with which authority, once undermined, can be restored. Because it regarded revolutionaries as beneficent agents of change, it mistook their goals and motives and could not grasp the problem of governments which became the object of revolutionary violence. Because it misunderstood the relations between economics and politics, it wrongly assumed (as in El Salvador) that economic reforms would necessarily and promptly produce positive results. Because it misunderstood the relations between "social justice" and authority, it assumed that only "just" governments can survive. Finally, because it misunderstood the relations between justice and violence, the Carter administration fell into an effort to fight howitzers with land reform and urban guerrillas with improved fertilizers.

Above all, the Carter administration failed to understand politics. Politics is conducted by persons who by various means, including propaganda and violence, seek to realize some vision of the public good. Those visions may be beneficent or diabolic. But they constitute the real motives of real political actors. When men are treated like "forces," their intentions, values, and world view tend to be ignored. But in Nicaragua the intentions and ideology of the Sandinistas have already shaped the outcome of the revolution, as in El Salvador the intentions and ideology of the leading revolutionaries create intransigence where there might have been willingness to cooperate and compromise, nihilism where there might have been reform.

BUILDING A NEW POLICY

The first step in the reconstruction of U.S. policy for Latin America is intellectual. It requires thinking more realistically about the politics of Latin America, about the alternatives to existing governments, and about the amounts and kinds of aid and time that would be required to improve the lives and expand the liberties of the people of the area. The choices are frequently unattractive.

The second step is to assess realistically the impact of various alternatives on the security of the United States and on the safety and autonomy of the other nations of the hemisphere.

The third step is to abandon the globalist approach which denies the realities of culture, character, geography, economics, and history in favor of a vague, abstract universalism "stripped," in Edmund Burke's words, "of every relation," standing "in all the nakedness and solitude of metaphysical abstraction." What must replace it is a foreign policy that builds (again Burke) on the "concrete circumstances" which give . . . to every political principle its distinguishing color and discriminating effect."

Once the intellectual debris has been cleared away, it should become feasible to construct a Latin American policy that will protect U.S. security interests and make the actual lives of actual people in Latin America somewhat better and somewhat freer.●

NEW JERSEY COMMUNITY BREAKS A TRADITION TO HONOR THE HOSTAGES

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mrs. ROUKEMA. Mr. Speaker, a community in my district, the borough of Waldwick, has broken a long-standing local tradition as its way of showing continued strong support for the 52 American hostages.

Each New Year's Day, a citizen of Waldwick is honored as the "Citizen of the Year." This year, the Waldwick Borough Council broke tradition by honoring the 52 American hostages as "Citizens of the Year" and placing a plaque in the borough hall. The action of the council stands as a symbol of the concern that we all share.

I was honored to be asked to accept the Waldwick Council's proclamation this past New Year's Day. I have forwarded the proclamation to the families of the hostages. The courage of the hostages—and their families—is an example to us all. I feel the council's action is a heartfelt and poignant expression of the deeply held feelings of millions of Americans.

I join the people of Waldwick in their prayers that the hostages will soon be returned, and I am proud to share their official proclamation with my colleagues.

PROCLAMATION

Whereas the Mayor and Council of the Borough of Waldwick holds its Organizational Meeting on January 1st at 12 noon; and,

Whereas at this meeting the governing body traditionally recognizes and honors an outstanding citizen of Waldwick; and,

Whereas 52 Americans have been held hostage by Iran for the past 14 months; and,

Whereas all Waldwick residents are desirous of demonstrating their love and support for the 52 courageous Americans being held captive;

Now, therefore, I, John E. Cassetta, Mayor of the Borough of Waldwick, on this 1st day of January 1981 proclaim the 52 hostages to be honorary citizens of the Borough of Waldwick and, further, let it be known that the Mayor and Council of the Borough of Waldwick names the 52 American hostages to be the worthy recipients of the Citizen of the Year Award of the Borough of Waldwick, as we join with their families, friends and our entire nation in hope and prayer for their well-being and long awaited homecoming.

John E. Cassetta, Mayor; G. T. Bell, Councilman; Richard Bradley, Councilman; William Branagh, Councilman; Russell J. Litchult, Councilman; Frank T. McKenna, Councilman; Lawrence E. Williams, Councilman.●

SOME GOOD NEWS ABOUT REGULATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, December 24, 1980, into the CONGRESSIONAL RECORD:

SOME GOOD NEWS ABOUT REGULATION

The direction of the meeting was clear from the outset. In this small Southern Indiana town, people were asking a simple but very important question: how do we lighten the burden of federal regulation? I spent the better part of an hour discussing the question that day, agreeing that the burden is excessive, pointing out where progress has been made toward deregulation, and giving my views on innovative methods of regulation that should be tried, methods that make regulation less intrusive.

There are scores of common-sense ways to minimize regulatory interference in the lives and work of Americans. The following are some of the new techniques that are being tried by federal agencies. The use of such techniques should be encouraged:

Standards of performance: Instead of telling people what to do and how to do it, regulators can set overall goals and leave people to choose the best means of compliance. Such standards of performance yield the same results, but they permit more individual freedom, cut the cost of regulation, and encourage people to seek out new technologies of compliance that will make for even greater savings in the future. Among good examples of this regulatory technique are the standards of fuel economy for fleets of new vehicles.

Tiering: The word "tiering" refers to the practice of tailoring regulation to the size of the organization being regulated. Most closely identified with small business, tiering is being employed more and more to ease compliance, open up federal programs, and cut down on reporting and recordkeeping. A notable example of this regulatory technique is OSHA's virtual elimination of reporting for firms with fewer than ten workers.

Marketable rights: In areas where regulators control the public's access to a limited resource (for example, radio frequencies), the ability to market the right to access is an important alternative to time-consuming administrative decisions. The quick, efficient market replaces the slow, cumbersome bureaucracy. One proposal would have the government assign radio frequencies by auction and would allow assignees to sell or transfer their rights.

Economic incentives: Rather than ordering people and organizations to take certain actions, regulators can offer them economic incentives as encouragement. Lower taxes and lower fees are just two of the "carrots" that can replace "sticks". Economic incentives play a major role in our national energy policy, but they are not confined to that mission. The Postal Service, for example, offers a discount for pre-sorted mail, an incentive expected to save mailers $800 million and the government $1.4 billion every year.

Reform of compliance: The government is discovering that federal inspection and inflexible penalties are not always needed to guarantee compliance with regulations. Inspection by third parties and supervised self-regulation are alternatives to federal inspection; penalties that reflect the degree of non-compliance are alternatives to inflexible penalties. Examples of reform are a program of volunteers who assess products for safety and a proposal that a graduated "emission fee" be paid by automotive manufacturers for each polluting engine produced.

Enhanced competition: In many instances where regulators are concerned with the availability and cost of a service, competition may be a better policy than regulation. Again, the idea is that the market can "decide" more quickly and efficiently than the bureaucracy. Congress has moved to enhance competition and loosen regulation in the airline, banking, railroad, and trucking industries. The telecommunications industry may be next.

Disclosure of information: The government can sometimes achieve its regulatory goals with little more than information. Also, it can sometimes use information in conjunction with existing regulatory programs to secure more benefits at a reduced cost. For example, regulators have chosen to label (rather than control) major noise-emitting products. Also, they have launched an educational program to assist people in the selection of the appropriate kind of long-term care for elderly relatives.

Voluntary standards: Regulators are coming to rely on voluntary standards in an increasing number of fields. Whether set by third parties or by the regulated organizations themselves, such standards are beneficial because they draw on private expertise and can

Government has looked too often to a direct form of regulation, one of command and control, to solve problems. Such regulation, however, consumes too much time, costs too much money, and destroys too much initiative.

The trend toward innovative methods of regulation is still in its early stages, so it is too soon to say what the ultimate impact will be. I am persuaded, however, that such methods must be encouraged because they result in immediate savings, substitute the judgments of individuals and businesses for

those of bureaucrats, give regulated organizations more flexibility in the conduct of their affairs, and under the antagonistic attitudes that divide the people from the government. I am not expecting miraculous progress against overregulation, but I believe that Congress should press hard for positive changes in regulatory

DWYER COMMENTS ON INFANT FEEDING AND WORLD POLITICS

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. HORTON. Mr. Speaker, in recent years we have witnessed a spirited debate, both here and abroad, over the manufacture and sale of baby food in developing nations. This debate reached its zenith when the issue surfaced on Capitol Hill when hearings in both the House and Senate were held. While no legislative action was taken, legislative proposals were reviewed by the Foreign Affairs Committee and the Health Subcommittee of the Committee on Labor and Human Resources in the Senate.

Will Dwyer, who reports on economic and political affairs for the Public Affairs Broadcast Group of Los Angeles, recently went to Geneva, Switzerland, to cover preparations being made by the World Health Organization to adopt an international marketing code for infant formula. The following commentary is based on the half-hour documentary he wrote and produced on the issue. The "In Depth" broadcast series, in which the Dwyer documentary is included, is carried by several hundred U.S. radio stations which are affiliated with Public Affairs Broadcast Group.

The text follows:

INFANT FEEDING AND WORLD POLITICS

The swearing-in of Ronald Reagan as U.S. President no doubt will evoke an enthusiastic response from those in the free market cheering section. But, their glee could quickly turn to gloom if they look at some current goings on in Geneva at the World Health Organization.

The issue involves what this United Nations agency may attempt to do in regulating the baby food business. It is a controversy in which emotional arguments often outweigh scientific ones and where anti-business activism can be found parading under church banners.

THIRD WORLD BACKGROUND

Various studies in recent years have reported a decline in breastfeeding of infants, especially by new mothers in the world's developing countries. Bottle feeding, either as a substitute or a supplement, has gained popularity. In some cases, what the bottle contains is infant formula produced by several companies in the industrialized parts of the world.

For a variety of reasons, many in the international community strongly oppose the advertising and other promotional practices of baby food makers. It is their view that such activity turns women away from breastfeeding to formula.

They also asserted that poor women neither could afford the cost of formula nor were careful enough to avoid its contamination, arguing they mixed it with polluted water.

BUILDUP AND INTENSIFICATION

Probably the most visible sign of infant feeding activism in this country came in the Nestle boycott. Because the giant Swiss chocolate maker is the leading supplier of infant formula, its candy bars and other products were targeted for boycott. Campuses were the principal place of protest.

The impact of this "don't buy" campaign appears to have been negligible. Some of that probably is explained by the caption of the cartoon that showed a man at the sales counter ordering "whatever *they're* against this week!".

Infant formula opponents successfully brought the issue before the Congress. A round of hearings was held by Senator Kennedy's Health Subcommittee.

And from this forum, the issue was next raised in Geneva, Switzerland, before the World Health Organization.

THE WHAT OF WHO

Formally known as a specialized agency of the United Nations, WHO was chartered in 1948 to serve as an international focal point for disease fighting and the improvement of public health.

Much of its work is heroic. Many of its achievements, especially in smallpox eradication and national quarantines, are worthy of continuing accolade.

THE CODE QUESTION

At a Geneva meeting in the fall of 1979, sponsored jointly by WHO and UNICEF, all involved parties—governments, scientists, activists and industry—came to a consensus on how to promote breastfeeding. The marketing code proposal was but one of many recommendations, and only to assure, as the U.N.'s own document states, that "marketing of breastmilk substitutes and weaning foods should be designed not to discourage breastfeeding."

Since then, the proverbial "inch" given has become at least a "meter" and threatens to become a "mile" before it's over.

The current version of the code, scheduled for final action by the World Health Assembly in May of 1981, is decidedly Draconian. From such benign beginnings as found in the industry-activist harmony of 1979, the present wording effectively would socialize the spectrum of marketing for infant formula.

Item: No advertising of these fully-legal products would be allowed.

Item: No sampling of infant formula—even to health professionals—would be permitted.

Item: Employer recognition of sales success by bonuses to its formula marketers would be forbidden.

Many of the code's proposed provisions give rise to immediate difficulty in the U.S. and other industrial nations. For example, a measure to snuff out advertising runs afoul of our First Amendment "free speech" guarantees. The Supreme Court has afforded commercial expression essentially the same protection as political statements.

Additionally, where the code calls for cooperation among manufacturers to end certain promotional practices, that kind of "cooperation" would be collusion in the U.S. and an invitation to indictment on anti-trust charges.

THE OUTCOME?

As with much of the U.N., the United States is the WHO's biggest benefactor. American taxpayer dollars fund 25 percent of the agency's annual working budget.

Therefore, opponents of such severe restrictions as this code would impose are counting on the Reagan mandate for reduced regulation to be a moderating influence in Geneva. Some worry aloud, however, that Washington bureaucrats known for their sympathy to international business intervention may beat their new bosses, the Reagan appointees, to the draw.

Should WHO succeed in enforcing regulations on infant food marketing, the action would be unprecedented. But, more significantly, it will telegraph a message about the appetite for control this agency has discovered.

But, after all, wasn't it a psalmist who spoke of "ordained strength" coming "out of the mouths of babes?"●

CHARLES D. OBERSHAW

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. LEWIS. Mr. Speaker, I would like to take this opportunity to recognize one of the truly fine men in America today, Mr. Charles D. Obershaw, president of the San Bernardino Area Chamber of Commerce.

Charles Obershaw has been the driving force in the growth and development of San Bernardino and the "Inland Empire" for many years. His contributions to community activities and charitable causes have earned him a warm place in the hearts of all who have had the opportunity to work with him.

During his term of office, the San Bernardino Area Chamber of Commerce reached the 1,000 new member level for the first time. He raised the necessary funds to sponsor a Regional Urban Development Assistance Team to come to San Bernardino from the American Institute of Architects. This was totally supported through private funds.

Beyond his contributions to the chamber of commerce, Charles Obershaw is a member of the Redevelopment Commission, the Bicentennial Committee, the Argonauts Club, and the Parks and Recreation Commission.

Mr. Speaker, Charles Obershaw has served San Bernardino and the "Inland Empire" in a way few before him have. He is an inspiration to the people who work with him and a driving force in our community. It is my privilege today to commend Charles D. Obershaw to the House of Representatives and extend my very best wishes to him and his family.●

THE BIG CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, December 17, 1980, into the CONGRESSIONAL RECORD:

THE BIG CONGRESS

One place to start attacking big government in Washington is in the Congress itself. My impression is that congressional staffs have grown too large and have gained too much influence. I agree with the complaints I hear about the "unelected bureaucracy" that helps Congressmen and Senators with their constituents and aids them in guiding the legislative process. A respected colleague of mine recently remarked that "you can become a prisoner of your staff." A senior Senator made the same point more bluntly when he said: "Staff runs Congress."

During most of its history, Congress has gotten by with very little staff. The first permanent staffs in Congress, a handful of clerks who worked for committees, were hired in 1856, and it was not until 1900 that all standing panels in the House and Senate had such assistance. Personal staffs, also consisting of a few clerks, made their appearance in the closing years of the last century. One of the main reasons why staff has been so slow to proliferate on Capitol Hill may have been legislators' fear that staff help might be seen as a sign of inability to master the job. A second reason is that Congress has done less in the past than it does today.

Whatever the situation decades ago, it has changed dramatically since the mid-1950's. According to one reckoning, Congress and all its agencies were staffed with 5,200 employees at a cost of $70 million 25 years ago. By 1980, staff had quadrupled to 20,000 at a cost of $1.2 billion. Today's Congress may pale when compared to the executive branch, but it is a giant when compared to the Congress of yesteryear. The additional staff, of course, generates additional work. It needs more space, more parking, and more supporting services. One result of this growth is that members of Congress have become too busy and too dependent on staff. As staff permits more constituents, special interest groups, and legislative ideas to press upon legislators whose time and energy are limited, the legislators must spread themselves more thinly. They find it hard to reflect on the issues. Another result is a huge budget for Congress.

As might be expected, there are understandable causes behind the expansion of congressional staffs. One is the increase in demand for services to constituents. In 1910, the year the number of House seats was fixed at 435, each Congressman represented 212,000 people. Today, he represents 500,000. The constituencies of Senators have grown just as rapidly. The growth of government since the Second World War has made these expanding constituencies more desirous of help in their relations with government. In a period of 25 years after 1940, for example, the number of social security recipients rose from 330,000 to 21 million. Such an increase can be multiplied time and again for the many federal initiatives that touch people's lives. Active and growing special interest groups make sure that the needs of constituents are known.

Other factors have caused Congress to hire staff. A principal factor was the executive-legislative confrontation that characterized the Johnson and Nixon Administrations. In the view of many, Mr. Johnson misled Congress concerning his conduct of the Vietnam War. Without a big staff at its disposal, Congress had to accept what it was given. A few years later, Mr. Nixon impounded large sums of money Congress had appropriated. Congress reacted by creating the budget committees and their supporting staffs. Another factor of importance is the unprecedented rate at which complex issues are coming before Congress. Prior to the 1970's, for example, few legislators were concerned about the availability of adequate supplies of energy. This is only one of dozens of new, technically difficult issues which have forced legislators to seek expert help. The legislative reforms that swept through Congress some years ago constitute another factor behind the growth of staff. During that time, the power of committee chairmen was redistributed among younger members. This "democratization" of Congress led to a sharp increase in the number of committees and subcommittees, each of which has its own staff.

The expansion of staff in Congress, then, has come about for several reasons: the strong demands of constituents and special interest groups, a desire for independence from the executive, the greater number and complexity of issues on the agenda, and reforms that disbursed power and gave younger members a voice. In a sense, Congress has grown because government and the interests it serves have grown. These others have grown faster, but all the growth is interrelated. Each feeds on the others, and feeds them in turn.

If we are to have a Congress that is responsive to the people, independent of the executive, expert enough to handle complex issues, and open to the leadership of new members, we must have an adequate congressional staff. But it is time to call a halt to growth. Reductions in staff must begin, and subcommittees must be cut. What started out as an honest attempt to make Congress better has gotten out of hand. When I was in conference committee with a few colleagues not long ago, I saw dozens of aides jammed into the room. Most of them watched and listened but did little else. Congress must make use of the tools it has. It does not need new ones.

I am not persuaded that the extra capability provided to individual members by staff means that Congress as a whole has greater capability. In fact, I suspect that the broader capability of individual members, supported by large and aggressive staffs, may have overloaded the system. Instead of adding new staff when problems arise, Congress should tighten its belt and organize itself in the most efficient manner possible. If staff can be trimmed and if each legislator can learn to be a better manager, the potential danger posed by an unelected bureaucracy on Capitol Hill will be greatly diminished. We may even find that Congress will work better.●

JAYCEE WEEK

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. PARRIS. Mr. Speaker, the second week of January marks a special time for over 550 young men in the Eighth Congressional District of Virginia. These men are celebrating an anniversary. Over 61 years ago, the Jaycees, formerly known as the Junior Chamber of Commerce, was founded in St. Louis and in 1981 boasts over 450,000 members in the United States. Jaycees across America are actively involved in civic affairs today as they have been over the years. They have tackled difficult problems in their communities, States, and on the national and international level—all with one purpose in mind—the common good.

Mr. Speaker, these 550 young men, in 9 local and 2 institutional chapters in my district are an integral part of the over 180 chapters throughout Virginia. They toil long hours, on and off their jobs, on projects to help retarded children, victims of muscular dystrophy, cystic fibrosis, juvenile diabetes, and heart disease. They perform a wide range of community action programs and individual development projects designed to improve themselves and their families. All of these young men exemplify their creed which states that, "service to humanity is the best work of life."

I salute the Jaycees on their 61st year of service to the people of northern Virginia and wish at this time to recognize the presidents and State directors of those outstanding chapters located in the Eighth District, and known to the Jaycees as District 22, "Super Nova" region.●

CENSORSHIP OF INTERNATIONAL NEWS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. DERWINSKI. Mr. Speaker, a recent development that has not been the subject of constant attention, but which arouses indignation is the endorsement of the UNESCO plan by the world's governments last month at a conference held in Belgrade, Yugoslavia. This plan does, in fact, call for censorship of international news.

I wish to insert a most penetrating article by Shirley Hazzard, who has worked in the United Nations Secretariat for 10 years and is the author of the novel, "Defeat of an Ideal: A Study of the Self-Destruction of the

United Nations." Her article, which follows, appeared in the December 30 Chicago Sun-Times:

[From Chicago Sun-Times, Dec. 30, 1980]

UN HATCHES PLAN TO MUZZLE WORLD NEWS FLOW

(By Shirley Hazzard)

The United Nations is impotent, yet not harmless. The delusion that the UN is as incapable of evil as it is of virtue presumably accounts for public inertia over the UNESCO "world information order" endorsed by the world's governments last month at a conference in Belgrade, Yugoslavia.

Few Americans even seem aware of this abomination, which constitutes, in brief, a plan for official interference in the International flow of news and ideas.

While the concept approved at Belgrade is interred in jargon and presented as a means of improving global communications, its ultimate intent is starkly clear. When we are told of journalistic "principles" that will "take into account the public interest," and of "the concept of an international code of ethics" for the communications media, we recognize the very restraints under which journalists already labor in totalitarian states—whether in the Soviet Union or South Africa, Chile or Cuba, China, South Korea or Saudi Arabia. When we hear that the press will be "encouraged" by governments to refrain from inciting "hostility," we readily imagine how that word may be defined in—for example—Pravda, and used against courageous voices throughout the world.

The UNESCO plan is put forward in particular as a means of facilitating the flow of news from Third World countries; in other words, as a method of sealing off from world view events in such places as Cambodia or Libya. The truth is that the peoples of the Third World urgently need to develop a free press, rather than a Newspeak machine, just as their governments need the corrective of free journalism.

That the United States, Britain and other Western governments should have acquiesced—with ineffectual criticisms—in this sinister farce need surprise no one. There are few governments with sufficient integrity to deny themselves the opportunity offered by the UNESCO plan to impose censorship in particular instances, under pretense of conforming with an international convention. Publication of such revelations as the Nixon tapes might easily be held, by an embarrassed administration, to violate "the public interest." In the absence of forceful protest from the public or the media, Western governments felt able to "join the consensus" at Belgrade—a euphemistic "consensus" having been substituted for a "vote," in an ominous foretaste of the vocabulary we may expect under the "international code of ethics."

Near its close, the conference was enthusiastically addressed by the leader of the Palestine Liberation Organization, Yasir Arafat. The UNESCO plan undertakes to assist the PLO and other terrorist movements by improving their propaganda methods—thus augmenting the PLO propaganda unit long since installed at United Nations headquarters in New York.

As with any UN venture, further studies are inevitably interminably and expensively envisaged. Composition of the ponderous document approved at Belgrade has itself consumed years of intrigue and dispute and spawned inane conferences and innumerable haunts. An additional "intergovernmental council" of 35 nations is now in view, and—with costs already in the millions—UNESCO looks forward to a bonanza of committees and an eventual agency for administering its Orwellian "plan."

While there is no dispassionate proof of UNESCO's ability to manage any undertaking with competence, it would be foolhardy, in this case, for the public to rely on mere UN incapacity as a safeguard, since the eagerness of officialdom to act against a free press is an unusually compelling force.

That such an act or repression can be proposed to us by an international institution, that our government endorses it, that the American press itself is largely indifferent toward it and that the public is silent tells us much about the apathy induced, worldwide, by UN deliberations.

The fatal weakness of the United Nations lies in its complete lack of public accountability and exposure.

The organization's hideous record on human rights cries out for public study, as does the collusion of UN officials in that crime. The staggering disproportion between any useful UN service and its gigantic cost is ripe for examination. In fawning on official torturers and terrorists, the UN leadership has contributed—as in Iran—to the rise of fanaticism by denying a legitimate voice to moderation and dissent and by disregarding a flood of humanitarian appeals.

The crisis of morale and capacity at the UN can no longer be contained or ignored. The brave and lonely figures who struggle, within the UN Secretariat, to bring health to this malignant body deserve public support, and this can only be developed by a realistic press.

Now it is up to the press to raise the alarm.●

DAVID GREENE

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. LEWIS. Mr. Speaker, today I would like to honor Mr. David Greene, an outstanding American philanthropist who will celebrate his 80th birthday this January 14.

David Greene is a man whose presence, success, and generosity have been recognized and appreciated wherever he has been, from Long Island to Palm Springs. As his financial success has contributed to the health of the American economy, his spirit of giving has contributed to the lives of all he meets.

He gave the rehabilitation center wing to the Desert Hospital in Palm Springs and a wing to the North Shore University Hospital in Manhasset, Long Island. He has actively supported many events, such as the Desert Auxiliary Ball and the William Demarest Tourney, which have benefited and served the community.

The United Jewish Appeal in New York and Palm Springs, the national cerebral palsy organization, the Jewish Welfare Federation, and the Long Island Jewish Hospital are all recipients of his philanthropy.

Mr. David Greene embodies a spirit of giving which has made America the great Nation she is. It is a privilege to live in the community with him. I commend him to the House of Representatives and extend my best wishes to him.●

THE TRANSITION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, January 7, 1981, into the CONGRESSIONAL RECORD:

THE TRANSITION

It is my impression that the transfer of power from one administration to its successor is one feature of our government that works rather well. Surely one of our strengths as a country is that this transfer of power from one President to the next is done smoothly. Despite all the charges and counter-charges of the campaign and all the predictions of disaster if one candidate or the other were to win, the vote of a majority of the people is clearly accepted and both sides strive to act in the national interest. One has only to observe the turmoil and violence that often accompany the transfer of power in other countries of the world to appreciate the magnitude of our accomplishment. The presidential transition now underway in Washington tends to reaffirm one's faith in the American political process.

The transition is clearly a delicate period. A defeated incumbent remains the President for ten weeks. Unlike other democratic nations, the United States experiences a transitional "gap" during which the defeated President continues to make appointments, to conduct foreign affairs, and to take care that the laws are faithfully executed. If necessary, he may even ask Congress to commit troops abroad or declare war.

As a practical matter, however, his power slips away. The sense of urgency and responsibility fades. There is work to be done, but it is inevitable that morale will lag and planning stop. Everyone's interest shifts to his successor. The incumbent President holds the levers of power and remains the chief executive until Inauguration Day, but actual power shifts to his successor. Most decisions are left to the day when the President-elect takes over the White House. The ambiguities of power during the transition often puzzle foreign leaders and could present a danger to the country if these leaders believed that the government was in disarray or that nobody was in charge. The United States must be careful that our adversaries do not act to take advantage of the situation. It is, therefore, important that the President and the President-elect convey to the world the sense that the fundamental elements of American policy continue unchanged during the shift of administrations.

The transfer of authority to govern is an exceedingly important time for the incoming administration. During this crowded and chaotic period, members of the new administration must design and implement their plans and find the best available people to fill some 3,000 key policy-making jobs. Advisors to the President-elect know that a new President must act forcefully and boldly. If he does not, he may lose the political "clout" that he needs to carry forward his proposals. In recent years Congress has come to recognize the importance of the transition by appropriating funds for it—$2 million for the President-elect and $1 million for the outgoing President.

Transitions usually begin with the incoming and departing Presidents vowing complete cooperation. This year President Carter set the right tone for the transition when he promised "the best transition" in history. He directed officials in his administration to cooperate fully with representatives of the Reagan Administration. It is my feeling that Mr. Carter's directives have been followed in general.

The transition is not a simple exercise. It is not surprising to see a few "hitches". This transition has grown bigger and more complex than the Reagan Administration expected. In fact, it has become the most elaborate transition ever. No one has produced a definite count of the number of persons involved, but estimates range from 580 to 1,200. It is 50 per cent over budget—a cost overrun of $1 million. It has been untidy on occasion. Senior transition officials have often disassociated themselves from reports leaking out of dozens of transition teams. One day recently the President-elect's chief advisor on foreign policy warned some 200 transition officials to curtail their comments on international affairs. Internal memoranda containing recommended positions on issues have been slipping out so fast that Reagan aides have had to deny daily that decisions on policies have been made. In addition, Mr. Reagan has been slow in selecting his cabinet. Although they can be troublesome, such "snafus" are normal for the period during which power is transferred in a democracy. For the incoming President, they should serve as warning signs of the problems that lie ahead.

It seems to me that the transition is also a time of hope. There is a sense of new beginning with a new President who will lead us into a new decade. People tend to be more optimistic about the immediate future. They hope that he will do better than his predecessor. To be sure, there are undercurrents of anxiety and nervousness about the future, but these are unavoidable. The transition is bound to be a period of high expectation for the new President and his new administration.●

RECONSTITUTING THE NARCOTICS SELECT COMMITTEE

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. ZEFERETTI. Mr. Speaker, on Monday, January 5, 1981, I introduced House Resolution 13, creating in the 97th Congress a Select Committee on Narcotics Abuse and Control. A copy of my statement introducing this resolution appears in the CONGRESSIONAL RECORD on page 149. The name of my distinguished colleague, the gentleman from California (Mr. DORNAN), was inadvertently omitted as an original cosponsor.

The following Members have cosponsored House Resolution 13: Mr. BEARD, Mrs. COLLINS of Illinois, Mr. COUGHLIN, Mr. DORNAN of California, Mr. DE LA GARZA, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. GILMAN, Mr. GUYER, Mr. NEAL, Mr. RAILSBACK, Mr. RANGEL, Mr. RODINO, and Mr. SCHEUER.

Mr. Speaker, I am inserting at this point in the RECORD the complete text of House Resolution 13 and would welcome the support of my colleagues in reconstituting our select committee:

H. RES. 13

A bill to establish the Select Committee on Narcotics Abuse and Control.

Resolved, That there is hereby established in the House of Representatives a select committee to be known as the Select Committee on Narcotics Abuse and Control (hereinafter referred to as the "select committee").

FUNCTIONS

SEC. 2. The select committee shall not have legislative jurisdiction. The select committee shall have authority—

(1) to conduct a continuing comprehensive study and review of the problems of narcotics, drug, and polydrug abuse and control, including (but not limited to) the study and review of (A) the abuse and control of opium and its derivatives, other narcotic drugs, psychotropics, and other controlled substances, as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970, and any such drug or substance when used in combination with any other substance; (B) domestic and international trafficking, manufacturing, and distribution; (C) treatment, prevention, and rehabilitation; (D) narcotics-related violations of the Internal Revenue Code of 1954; (E) international treaties and agreements relating to the control of narcotics and drug abuse; (F) the role of organized crime in narcotics and drug abuse; (G) problems of narcotics and drug abuse and control in the Armed Forces of the United States; (H) problems of narcotics and drug abuse and control in industry; and (I) the approach of the criminal justice system with respect to narcotics and drug law violations and crimes related to drug abuse;

(2) to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies affecting narcotics or drug abuse or control; and

(3) to recommend to the appropriate committees of the House legislation or other action the select committee considers necessary with respect to programs or policies affecting narcotics or drug abuse or control.

APPOINTMENT AND MEMBERSHIP

SEC. 3. (a) The select committee shall be composed of seventeen Members of the House, who shall be appointed by the Speaker, one of whom he shall designate as chairman. At least one member of the select committee shall be chosen from each of the following committees of the House: The Committee on Agriculture, the Committee on Armed Services, the Committee on Government Operations, the Committee on Foreign Affairs, the Committee on Energy and Commerce, the Committee on the Judiciary, the Committee on Merchant Marine and Fisheries, and the Committee on Ways and Means.

(b) Any vacancy occurring in the membership of the select committee shall be filled in the same manner in which the original appointment was made.

AUTHORITY AND PROCEDURES

SEC. 4. (a) For purposes of carrying out this resolution the select committee is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, or elsewhere, whether the House is in session, has recessed, or has adjourned, and to hold such hearings as it deems necessary.

(b) The provisions of clauses 1, 2, and 3 of rule XI of the Rules of the House of Representatives shall apply to the select committee.

ADMINISTRATIVE PROVISIONS

SEC. 5. (a) Subject to the adoption of expense resolutions as required by clause 5 of rule XI of the Rules of the House of Representatives, the select committee may incur expenses in connection with its duties under this resolution.

(b) In carrying out its functions under this resolution, the select committee is authorized—

(1) to appoint, either on a permanent basis or as experts or consultants, such staff as the select committee considers necessary;

(2) to prescribe the duties and responsibilities of such staff;

(3) to fix the compensation of such staff at a single per annum gross rate which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code;

(4) to terminate the employment of any such staff as the select committee considers appropriate; and

(5) to reimburse members of the select committee and of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties and responsibilities for the select committee, other than expenses in connection with any meeting of the select committee held in the District of Columbia.

REPORTS

SEC. 6. (a)(1) The select committee shall report to the House with respect to the results of any field investigation or inspection it conducts.

(2) The select committee shall submit an annual report to the House which shall include a summary of the activities of the select committee during the calendar year to which the report applies.

(b) Any such report which is made when the House is not in session shall be filed with the Clerk of the House.●

INTERNATIONAL CONCERNS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. DERWINSKI. Mr. Speaker, I want to commend both the U.S. delegation to the Madrid review meeting of the Conference on Security and Cooperation in Europe and the Voice of

America for its recent increase in broadcasting to the Soviet Union.

In my judgment, the performance of the U.S. delegation to the first phase of the Conference on Security and Cooperation in Europe or Helsinki accords review meeting, recently concluded in Madrid, was outstanding. The delegation's position on "equal rights and self-determination of peoples" was particularly forthright and forceful.

As a long-time advocate of the cause of the subject peoples of the Soviet empire, I believe the delegation should be complimented for its strong advocacy that the denial of self-determination is a threat to peace. In addition to reiterating U.S. refusal to recognize the illegal Soviet occupation of the Baltic countries, the U.S. delegation stressed the importance of the right of all nations and national minorities to pursue their national identity, to express their culture and to use their language, as well as their right to economic development of their own.

More than anything else in the world, the dictators of the Soviet Union fear the truth. The Soviet invasion of Afghanistan and their efforts to intimidate the free trade movement in Poland demonstrate the perpetual totalitarian nature of the Red regime. We have to fight back in forums such as the Madrid Conference and through our radio facilities.

I also want to commend the Voice of America, the U.S. official overseas broadcasting service, for its response to the threat of a Soviet invasion of Poland. VOA has expanded its programing in six Soviet languages. It is essential that the peoples of the Soviet Union have access to the truth of their government's actions in the world and what the world thinks about them. Both the U.S. delegation to the CSCE review meeting in Madrid and the VOA, in expanding its programing to the Soviet Union at this critical period, deserve recognition and commendation.●

CONTINUING MOMENTUM FOR HANDGUN CONTROLS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. BARNES. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial in the Washington Post of January 6, 1980, entitled "Pistol-Packing People." I hope that our constituents, and the media, will continue to press the Congress for significant action to control the sale and use of handguns.

The editorial follows:

PISTOL-PACKING PEOPLE

While the new Congress is in town setting up shop, we offer a few items for the files that every member should keep on the great American weapon—the handgun—and how it affects, or extinguishes, the lives of people back home. Unfortunately, space considerations don't allow anything close to a district-by-district roster of the atrocities involving handguns that have occurred during the latest congressional break; perhaps constituents around the country will assist their elected officials in keeping tabs on hometown killings and other local handgun news.

Who knows—if voters get mad enough about the refusal of Congress to crack down on America's handgun traffic, maybe they will start noticing exactly which lawmakers do what about gun control legislation; and during the session, we'll try to help out by naming names from time to time. In the meantime, a casual flip through the latest reports on how America puts the handgun to work turns up a variety of grim examples:

Most prominent in this latest roundup, of course, is Sunday's tragic story out of Richmond, in which the senior executive assistant to the governor is reported to have killed himself after shooting his fiancee three times with a .38-caliber pistol. Yes, the National Rifle Association and other groups that front for the pistol traffickers would want you to know that in this case the person doing the shooting had a permit to carry a concealed weapon. That's right—and it just goes to show that a registered concealed gun can be just as deadly as an illegal gun. But what if there weren't any handguns of any kind on the open market?

The stock answer from the pistol pack is that people would be stripped of protection against all sorts of outlaws. This assumes, naturally, that people can keep a loaded pistol at-the-ready instead of disassembled and locked up. That's when you get stories like the one on our wires yesterday, about a woman in Los Angeles who kept a handgun under her pillow in case of burglars; her 3-year-old son found it and now he is dead.

Also found dead over the weekend in Delmar, Iowa, were a mother and her five young children; about 450 miles away, in Yale, S.D., the body of the woman's husband was found, and police termed his death an apparent suicide. Then there's the self-defense story of a man in Oak Lawn, Ill., who reportedly boasted that he and 15 friends had set up their own "army"; police seized 19 guns of unspecified lengths at his home.

But enough for now. Sooner or later, another headline-maker will be assassinated and members of Congress will wring their hands and do little else about banning handguns. If there is any fresh hope at all this year, it is in a report that Sen. Strom Thurmond, the new chairman of the Senate Judiciary Committee, is taking a serious look at ways to curb pistol traffic. His support for such a bill could be just the thing to turn the tide.●

IMPROVING THE CONSULTATIVE PROCESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, December 31, 1980, into the CONGRESSIONAL RECORD:

In the newsletter I wrote two weeks ago, I suggested that we should start attacking big government by cutting the size of the Congress. The use of consultants by federal agencies—the subject of this newsletter—is another place to mount the attack against big government.

The use of consultants is a normal, legitimate, and economical way for the federal government to operate. A short-term contract for the work of a highly skilled adviser is often preferable to the permanent employment of a person whose expertise would be utilized only part of the time. The public is served well by thoughtfully constructed and effectively executed studies on a wide variety of issues confronting government. In the past, consultants have studied many issues in the areas of environmental protections, health care, and transportation, to name just a few. Consultants have done much to help government function more efficiently.

Notwithstanding the benefits of the consultative process, hearings in Congress and investigations by journalists have established to my satisfaction that the growing use of consultants by the federal government has produced massive waste and abuse. These twin problems are extreme and pervasive. They have turned a worthwhile practice into an epidemic of misspending. Consequently, the use of consultants must be immediately and sharply curtailed.

It has been estimated that the federal government spent $13.4 billion on research contracts last year. As much as $2.3 billion may have gone to consultants. The size of these sums implies that consultants and contractors have become an invisible branch of government, one that has assumed a large portion of the workload in some agencies. A congressional inquiry revealed that the Department of Energy, for example, spent 87 per cent of its $11-billion budget on consultants and contractors, letting 4,000 contracts to firms whose combined workforce totaled more than 200,000. These workers outnumbered the department's own staff nearly ten to one. What is more disturbing, testimony offered in hearings showed that the Department of Energy could not produce the results of millions of dollars in contracts. In addition, it paid millions of dollars to consulting firms in apparent violation of rules concerning conflict of interest.

We should not focus our criticism on only one agency—the problems of waste and abuse in consulting are widespread and have many aspects. The system of competitive bidding for contracts has collapsed. Some agencies award a disproportionate number of contracts in the final quarter of the year, an action which casts doubt on the legitimacy of the contracts since it may be viewed only as an effort to ensure that all appropriated funds are expended. Studies which may be unnecessary at the outset are not monitored and eventually go unread. Some agencies simply fail to search the relevant literature before contracting with consultants for new studies. Researchers present bills for days not worked. Unreasonably high fees for them are not uncommon. Consultants chosen to do research may have a deep financial self-interest in the outcome of their studies. Federal officials leave their posts, go to work as consultants at high pay, and then receive contracts from colleagues who remained in the agencies they left. Officials responsible for administering contracts routinely accept favors from those to whom contracts are awarded.

Congress and the executive branch—the latter working through the Office of Management and Budget—must get serious about waste and abuse in the consultative process. No one in government today seems to know how many consultants government has, nor at what cost or for what purpose they work, so better information is needed. We should insist that there be genuine competition in the awarding of contracts. We must halt the practice of awarding contracts at the end of the year. We should constantly question the need for consultants, turning instead to regular federal employees whenever possible. We must stop duplication of research by demanding rigorous searches of repositories and libraries prior to the initiation of studies. We should examine consultants' fees with greater care and reduce them generally across the board. We must be on the lookout for conflict of interest, disqualifying consultants for either the fact or the appearance of it. Finally—and as a signal of our dissatisfaction with waste and abuse—we should reduce appropriations for consultants across the board.

Congress has a special responsibility to oversee and investigate the consultative process. New legislation may be necessary to redress specific problems. The 96th Congress considered bills to restrict the process both by allowing individuals alone to act as consultants and by requiring extended control and disclosure of the activities of consultants under contract. Other proposals outlined procedures and criteria for contract offers and payments.

It is essential that agencies charged with the administration of federal programs—many of them ordered by the Congress—be able to acquire the services of consultants. I have no objection to the reasonable and proper use of expert advice by government. My emphasis, however, is on the words "reasonable and proper." There is no denying that the consultative process is badly out of line. We should spare no effort to put it right again.

THE DITCHLEY FOUNDATION LECTURE—XVII

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, January 9, 1981

● Mr. BOLLING. Mr. Speaker, the lecture which follows was the 17th Ditchley Foundation lecture and it was delivered by Lewis Thomas, M.D., at Ditchley Park in the United Kingdom on July 11, 1980. Some will know Ditchley Park as the beautiful English country house at which useful dialogs among leaders of various nations, often England and the United States, take place. And some will recognize Lewis Thomas, M.D., as the author of the quite wonderful essays published in "The Medusa and the Snail" and "The Lives of a Cell." The lecture "On the Usefulness of Biology" is one of the most stimulating and thoughtful statements about our world and our condition on it that I have seen.

The lecture follows:

ON THE USEFULNESS OF BIOLOGY

(By Lewis Thomas)

Male songbirds are able to sing because they possess, in the left side of their brains, a solid cluster of nerve cells for mediating and regulating this function. Females, songless, do not have such centers; we must assume that they have other specialized receptor cells for listening to the song, but we don't know where these are. It is an interesting observation, frequently cited these days in the vast literature of neurobiology as a piece of evidence for lateralization of brain function in animals other than ourselves, perhaps analogous to the localization of speech centers in the left hemisphere of right-handed humans.

The calls of songbirds have been analyzed by acoustic physiologists for their information content; an immense literature has evolved just in the last decade or so, reducing birdsong to its essential, species-specific content of signals.

A female firefly attracts, from distant trees in the dead of night, males of her own species for the purpose of mating. She does this by emitting sets of flashes in code—repetitions of two tightly coupled flares, for example. Not long ago it was reported in *Nature* that the females of one species regularly switched signals after successful mating, attracting thus a flurry of males of another species which they then ate.

Bees are able to navigate with accuracy the route between the hive and sugar sources because of lenses for sensing polarized light from the sun. Pigeons find their way home on cloudy days by the use of tiny magnets just beneath their skulls. Certain strains of marine bacteria are also equipped with magnetite, enabling them to orient themselves in deep waters containing nutrient.

The Skylab satellite lost its predicted altitude and fell to earth because of sunspots; the planet's atmosphere expanded just enough to lightly brush against the vehicle, trapping it with friction.

News items like these turn up in almost every week's cascade of scientific journals, and there is no doubt that we are caught up in something like a revolution in science, with the speed of entry of new bits of information increasing each year. It is not only known that DNA is the essential stuff of reproduction; this material can be handled in the laboratory as easily as tape, spliced, edited, inserted into other strips of DNA and so forth. Bacteria can be induced to make insulin; fused cells can be invented to produce absolutely pure antibodies. Science moves, it seems, from strength to strength.

You'd think that fifty years of such progress would have provided all of us with so rich a library of reductionist detail that we might now begin to settle back with satisfaction at having at hand so many final answers. The trouble is that what come in looking like answers turn out, on close inspection, to be new puzzles.

I claim that puzzlement is an identifying characteristic of the human species, genetically governed, universal, and a central determinant of human behaviour. I can go this far with sociobiology, but then, influenced by this same trait, my mind falls away in confusion. Uncertainty, the sure sense that the ground is shifting at every step, is one of the marks of humanity. We keep changing our minds together, in a biological process rather similar, in its outlines, to evolution itself.

The great body of science, built like a vast hill over the past 300 years, is a mobile, unsteady structure, made up of solid-enough single bits of information but with all the bits always moving about, fitting together in different ways, adding new bits to themselves with flourishes of adornment as though always consulting a mirror, giving the whole arrangement something like the unpredictability and unreliability of living flesh. Human knowledge doesn't stay put, it evolves by what we call trial and error, or as is more usually the sequence, error and trial.

Other animals differ from us in this respect. Each of them has at least one thing to be very good at, even superlatively skilled, surefooted. Any beetle can live a flawless, impeccable life, infallible in the business of procreating beetles. Not us: we are not necessarily good at anything in particular except language, and using this we tend to get things wrong. It is built into our genes to veer off from the point; somehow or other we have been selected in evolution for the gift of ambiguity.

This is how we fell into the way of science. The endeavor is not, as is sometimes thought, a way of building, a solid indestructible body of immutable truth, fact laid precisely upon fact in the manner of twigs in an anthill. Science is not like this at all; it keeps changing, shifting, revising, discovering that it was wrong and then heaving itself explosively apart to redesign everything. It is a living thing, a celebration of human fallibility. At its very best, it is rather like an embryo.

Ordinarily, scientists do not talk this way about their trade, because there is always in the air the feeling that this time we have it right, this time we are about to come into possession of a finished science, knowing, almost everything about everything. Biology has been moving so fast, in just the last few years, that there is some risk of making it seem nearly complete, at the very stage in its development when it is, in real life, just getting ready to take off. It is nothing like finished, it is only just at the beginning.

We are in trouble whenever persuaded that we know everything. Today, an intellectually fashionable view of man's place in nature is that there is really no problem: the plain answer is that it makes no sense, no sense at all. The universe is meaningless for human beings; we bumbled our way into the place by a series of random and senseless biological accidents. The sky is not blue; that is an optical illusion: the sky is black. You can walk on the moon if you feel like it, but there is nothing to do there except look at the earth, and when you've seen one earth, you've seen them all. The animals and plants of the planet are at hostile odds with one another, each bent on elbowing any nearby neighbour off the earth. Genes, tapes of polymer, are the ultimate adversaries and, by random, the only real survivors.

This grasp of things is sometimes presented as though based on science, with the implication that we already know most of the important knowable matters and this is the way it all turns out. It is the wisdom of the 20th century, contemplating as its only epiphany the news that the world is an absurd apparatus.

In the circumstance, we would surely have no obligations except to our individual selves, and of course to the genes coding out those selves.

I believe something considerably less than this. I take it as an article of faith that we humans are a profoundly immature species, only now beginning the process of learning how to learn. Our most spectacular biologi-

cal attribute, which identifies us as our particular sort of animal, is of course, language and the deep nature of this gift is a mystery. We are aware of our consciousness, but we cannot even make good guesses as to how this awareness arises in our brains, or even, for that matter, that it does arise there for sure. We do not understand how a solitary cell, fused from two, can differentiate into an embryo and then into the systems of tissues and organs that become us, nor do we know how a tadpole accomplishes his emergence, nor even a flea. We can make up instant myths, transiently satisfying but always subject to abandonment, about the origin of life on the planet. We do not understand why we make music, or dance, or paint or write poems. We are bewildered, especially in this century, by the pervasive latency of love.

Our place in the life of the world is still unfathomable because we have so much to learn, but it is surely not absurd. We matter. For a time, anyway, it looks as though we will be responsible for the thinking of the system which seems to mean, at this stage, the responsibility not to do damage to the rest of life if we can help it. There is no hope of thinking our way through the quandary except by learning more, and part of the learning (not all of it, mind you, but a good part) can only be achieved by science, more and better science, not for our longevity or comfort or affluence but for comprehension, without which our long survival is unlikely.

The culmination of a liberal arts education ought to include, among other matters, the news that we do not understand a flea, much less the making of a thought. We can get there one day if we keep at it, but we are nowhere near and there are mountains and centuries of work still to be done.

The physicists are more candid than the biologists in acknowledging the profundity of their ignorance. They have had to live more unsettling lives, having survived one astonishment after another, running into queerness after queerness in their explorations of the very small and very large affairs of nature. They know better than to conclude that they can conclude. You can see this in the offhand diffidence of their technical jargon, terms designed to stay away from anything like meaning: strange particles, particles with flavour and colour, the choice of Joyce for quarks; best of all, the most extraordinarily ordinary, banal phrase for the starting up of the whole universe: The Big Bang. It is an evidence of maturity in physics that such flat, sparsely evocative, unallusive words as Big Bang came into the language to describe so great an occasion. But just think of the more accurate alternative: it couldn't have been a Bang, of course—without an atmosphere it must have been absolutely silent; the proper term would be The Great Light, but today's physicists, most of them anyway, puzzled by the inconclusiveness of their knowledge, know better than to talk that way.

One major question needing to be examined is the general attitude of nature. A century ago there was a consensus about this: nature was 'red in tooth and claw', evolution was a record of open warfare among competing species, the fittest were the strongest aggressors and so forth. Now it begins to look different. The tiniest and most fragile of organisms dominate the life of the earth: the chloroplasts inside the cells of plants, which turn solar energy into food and suppy the oxygen for breathing, appear to be the descendants of ancient blue-green algae, living now as permanent lodgers within the cells of 'higher' forms; the mitochondria of all nucleated cells, which serve as engines for all the functions of life, are the progeny of bacteria which took to living as cells-inside-cells long ago. The urge to form partnerships, to link up in collaborative arrangements, is perhaps the oldest, strongest and most fundamental force in nature. There are no solitary, free-living creatures; every form of life is dependent on other forms. The great successes in evolution, the mutants who have, so to speak, made it, have done so by fitting in with, and sustaining, the rest of life.

The hardest of all the problems confronting our species is the linkage between each of our individual, unique, person-specific selves and all the rest of us. We are perhaps no different from the bees in our general arrangement of interdependence, but an individual bee has a lot less brain to think with, and therefore, I would assume, a lot less to think about. We have enormous brains, the best brains on earth so we say, and along with these marvellous organs comes the gift of worry. The main worry, I'd guess, is how to be single, sentient beings, fully aware of being aware and, at the same time, the working parts of a social species.

An optimistic view of this dilemma, which I take for my comfort, is that we have come only part of the way along, and there is an embarrassing asymmetry in our evolutionary progress to date. We are already highly skilled at being individuals, and we are reasonably skilled although still prone to error, at living in families. Each of us has a circle of friends, and each member of that circle has another circle of friends, and so it goes, and you'd think this would end up in a solid geometry of friendship all around the earth, but something always goes wrong, at one border or another. In small groups, we tend to like each other, or at least we are glad to put up with each other.

But get us together in large clusters, especially dense clusters in bad times, and we can become the most primitive, self-destructive, failure-doomed of creatures. Not always, of course. There is another side to our grouped selves, immensely heartening: you see it best in concert halls, every one listening intently, all together, listening together. We are, for sure, a mixed breed, but when we are collectively engaged in listening to music we are at our very best, the most highly social animals on earth. This is a genuine mystery, and not one to be solved soon by science. What goes on in the human mind in response to music is anyone's guess.

My own guess, unsupported by anything resembling data, is that music is the sound made by thinking. It is not about thinking about anything in particular; it is the way words arrange themselves into ideas, and ideas into meaning. It is about grammar. I do not believe there is ever such a thing as a single thought. Each time you try to do this—just think about the word music, for instance—you discover that distant tympani of thought are heard at the same time, and still more strings of thought a few moments later, and then descants of ideas, popping into the mind as we say. Some of the lines of thought run together, in parallel, but other separate notions, subthoughts, weave in and out, interrupting and embellishing, changing the whole meaning into something different, then swinging away into other orbits, setting up resonances in other regions of the mind. Very old, deeply seated thoughts are sounded in a recurring series like a continuo, holding up all the higher bits of idea in a coherent structure.

You cannot think about music and about nothing else at the same time; your mind is set alive and conducts itself as though it contained its own orchestra. The Art of Fugue is the sound made by a profound mind, meditating, thinking of two things at once, then four, then sixteen, and the ideas multiply in a geometric series until they are expanding at the speed of light and the whole sound becomes a wave of pure white thought, and then in the Last Great Fugue, Bach signs his name.

It may be that the neurobiologists will be able, some day, to tell us how this works. The cortex of the brain is made up of what are called 'modules', clusters of nerve cells arranged in columns, all interconnected with each other and with the other clusters in an immense network. When one of the cells in a column is sounded there is activity in the others, and then the firing off of cells in other columns set at great distances in other regions of the brain.

Perhaps music is a way of finding out how the brain works. We usually put it the other way round, when we think about it at all, and say that if we could know more about the mind we might then begin to understand music. I prefer the first approach. Start with the notion that music describes the process of thinking, and work your way back. It will take a long time, generations of the brightest people in town, vast sums in government grants, new buildings on the outskirts of Washington to house a National Institute of Bach, and I would rather pay taxes for this than anything, even oil, even solar energy.

We like to think of ourselves as unique individuals, each marvelously different from every other, and we set great store on the human self as the centre of the universe; we have constructed whole societies and their religions on the idea that the individual person is the unique culmination of nature's progress and the most special thing around. And, at the same time, we have imagined that there is a sameness, or an absence of individuality, an interchangeability among all the members of other species. The minnows in a school are, for all practical purposes, all versions of the same minnow. Mice are simply mice.

It is, as it turns out, not so. All creatures are unique selves. Minnows can tell each other apart as though they wore name-tags; catfish can do the same. The only genuine duplicates are the odd set of identical twins and those strains of interminably inbred mice that end up with interchangeable parts. Even the individual motile bacteria cloned from a single colony have been discovered to differ from each other in significant ways: they swim in different ways, tumble at different intervals, and the differences are characteristic and consistent for each single organism observed. There is nothing unique about being unique.

Moreover, the markers governing selfness are specific and invariant, allowing for no errors. If you are going to have a closed ecosystem containing an endless variety of organisms as the ultimate destiny for planetary life—as I believe has become demonstrably the case—you would have to begin by setting up the necessary linkages and inter-dependencies on which any such system of life would have to depend. It is a particularly urgent problem if you have to keep adapting to new varieties of creatures all the time, as was foreordained by the built-in mutability, the error-proneness, of the DNA molecule. In order to get the thing going, and then to keep it going in the face

of constant changes in the configurations of living things, you would have to have something like symbiosis as a fundamental and universal process.

But partnerships have to have a certain steadiness and predictability to survive for any length of time. You cannot have linkages between creatures that have nothing at all to offer to each other, and partners have to be equipped with accurate information about the identity of each other. There would, in short, be required an information system capable of emitting signals indicating usefulness. You can see this sort of system still conspicuously at work in the life of the sea. There are here no unattached, isolated animals. Creatures live on each other, next to each other, inside the same carapaces and, most commonly of all, inside each other. The emergence of mitochondria and chloroplasts as organelles is only one example, perhaps one of the earliest and most spectacular, of this tendency in nature. According to recent investigations, the cilia at the surface of modern eukaryotic cells like the cells in our own bronchial tubes, are the descendants of spirochaetes which originally became attached as symbionts. You can still observe the beginnings of this kind of partnership in the protozoans which live inside the digestive tract of certain termites. These single-celled animals are famous for the speed and accuracy with which they are propelled through the termite's digestive contents, in search of bits of wood. Propulsion is provided by the rhythmic, synchronized beating of what look like cilia under low magnification but turn out to be perfectly formed spirochaetes under electron microscopy.

Indeed, the Australian termite is really all you need for a paradigm of symbiosis. The termite lives as a useful partner with forests, converting dead wood to reusable forms of organic matter. The protozoan, *myxotricha paradoxa*, propelled by its symbiotic spirochaetes, engulfs the fragments of wood chewed to proper size by the termite. Inside the protozoan, the wood is digested by enzymes provided by bacteria which live as permanent symbionts within and on the surface of the protozoan's flesh. The termite is not just an animal, it is a committee, rather like a government—but this puts a high value on government.

For minisystems like this to work, there have to be infallible recognition mechanisms. The spirochaetes must find information at the protozoan's surfaces, to know where and how to attach; the bacteria have to incorporate themselves and be recognized by the host as organelles; the protozoan has to find the termite, and here the recognition mechanisms are crucial: only one species of *myxotricha* can live in only one species of termite.

Sometimes symbiosis produces biological freaks, which seem to make no sense at all, but possess at the same time, a puzzling kind of beauty.

The mimosa girdler is an excellent example. This is the brainiest insect I know of, thinking hard all the way. I recently received a gift of this beetle, packed in cotton from a young pathologist friend who recently moved from Manhattan to Houston and bought a house in the country with a capacious backyard containing, among various growths, several mimosa trees. He discovered his prize when he noticed some small, neat mounds of wood cylinders, precisely cut into quarter-inch lengths, about a millimeter in diameter, on the floor of the deck which extends behind his house under the shade of one of the mimosa trees. Clinically trained for quick observation and action, he looked above for the source of such craft and found his first girdler. Later, in astonishment tinged with dismay, he found he had lots of them, but only on his mimosas, not on any of the other trees around.

So, the first thing to say about the mimosa girdler is that this tree has evolved an attractant of some sort, guiding this particular beetle through a confusion of other tree smells to the base of a mimosa, up the trunk and out onto a branch where the work is performed, perhaps in a gradient of irresistible fragrance all the way. It is important to note here that the mimosa thrives, more than most trees of its size, on pruning. Untouched, it has a limited life span; it will grow pretty well for 25 years or so and then dies off, but with constant trimming the mimosa can go on and on, bursting with flowers year after year. From the tree's point of view, this seems to be the function of the mimosa girdler.

The insect is about an inch long, a quiet-looking animal in a clerical grey carapace with a subdued stripe of lighter grey across the middle. The beetle has in mind three crucial pieces of behaviour. First, of course, is finding the right tree and climbing it. Second is the laying of eggs. This is done by cutting a narrow slit, longitudinally placed out at the periphery of the limb, the eggs, four or five of them, are deposited in the slit, which then heals over so neatly that it cannot be seen.

Then, the last step. The eggs cannot hatch in live wood, nor can the larvae survive. This is the point of the girdle, which the beetle makes, beaver style, by hunching itself around, chiselling out the wood in tiny cylinders with a sharp protuberance of its mandible. Mind you, the beetle obtains, so far as is known, no profit from this action. The wood is not eaten; it drops to the ground. It is an immense expenditure of energy, consuming several hours of hard work by the beetle, equivalent to ten years of labour for us. But it is essential for the success of egg-laying. Once girdled, the branch dies, and falls in the next brisk wind. Then the larvae can hatch, at home in an abundance of food, and the cycle can start again.

This, as I say, takes thinking and I am more curious about what goes on in the mind of that beetle than about the mediation of whales or the small talk of dolphins. Also, I'd like a better understanding of how these three separate, seemingly independent but tightly interlocked pieces of behaviour got selected in the evolution of this beetle. I know the doctrine, and I believe it of course: these are aspects of adaptive, heritable behaviour which probably started out as quite different 'preadaptive' ceremonies, intended for other purposes. Pure chance, and successive modifications of the DNA in certain individual beetles, over an interminable period of time, led, by a sort of biological accident, to today's successful girdler, and today's pruned mimosa trees.

But there is a primitive part of my mind, probably a network in my limbic system, which keeps insisting that I've got it wrong. I hear a voice that says, you've got it wrong. That's a smart bug, smarter than you'll ever be, and it knows exactly what it is doing every step of the way, and why. Trouble is, you don't know how to talk to a beetle, or even listen.

The greatest single achievement of nature to date was surely the invention of the molecule of DNA. We have had it from the very beginning, built into the first cell to emerge, membranes and all, somewhere in the soupy water of the cooling planet three thousand million years ago. All of today's DNA, strung through all the cells of the earth, is simply an extension and elaboration of that first molecule. In a fundamental sense we cannot claim to have made progress, since the method used for growth and replication is essentially unchanged.

It is a lucky thing for us that nature has exhibited such a restraint and good taste in evolution. Given brains of the size and complexity of ours, capable of manufacturing an infinity of sentences in strings long enough to stretch from here to the sun and back again, we are given at the same time a sense of limitation, preventing us from settling all our affairs once and for all by words alone. In a lesser world, we might have been condemned long ago to string out one huge set of sentences, wrapping ourselves in a cocoon of changeless words, immutable, in which to live forever like the termites who can never revolutionize the inner structure of their hills. We in contrast, can make up new thoughts whenever we feel like it. Nature has been kind to us, leaving us leeway, never piling it on too much. Having been given brains with a certain power but limited by a certain fallibility, we are better equipped for finding our way through the future.

Biology needs a better word than error for the driving force in evolution. Or maybe error will do after all, when you remember that it came from an old Indo-European root meaning to wander about, looking for something.

I cannot abide the notion of purposelessness and blind chance in nature, and yet I do not know what to put in its place for the quietening of my mind. It is absurd to say that a place like this place is absurd, when it contains in front of our eyes so many billions of different forms of life, each one in its way absolutely perfect, all linked together to form what would surely seem to an outsider a huge, spherical organism.

Some people believe that we are in trouble because of science, and that we should stop doing science and go back to living in nature, with nature, contemplating nature. It is too late for us to do this, too late by several hundred years, and there are now too many of us here: four billion already, with the likelihood of doubling that population and doubling it again within the lifetime of some of the people alive today.

What I would like to know most about the developing earth is: does it already have a mind? Or will it some day gain a mind and are we part of that? Are we a tissue for the earth's awareness?

I like this thought, even though I cannot take it anywhere, and I must say it embarrasses me. I have that nagging hunch that it is a presumption, a piece of ultimate hubris. A single insect may have only two thoughts, maybe three, but there are a lot of insects. The million blind and almost mindless termites in a hill make up, in their collective life, an intelligence, a kind of brain, now capable of building endless vaulted chambers and turning perfect arches, thinking all the way. I would like to know what whales are thinking about, or dolphins, but if I were hoping to find out how intercommunication really works on this planet, I would study termites.

I am willing to predict, uncertainly, provisionally, that there is one central, universal aspect of human behaviour, genetically set by our very nature, biologically governed,

driving each of us along. Depending on how one looks at it, it can be defined as the urge to be useful. This urge drives society along, sets our behaviour as individuals and in groups, invents all our myths, writes our poetry, composes our music.

This is why it is so hard being a juvenile species, still milling around in groups, trying to construct a civilization that will last. Being useful is easy for an ant; you just wait for the right chemical signal, at the right stage of the construction of the hill, and then you go looking for a twig of exactly the right size for that stage and carry it back, up the flank of the hill, and put it in place, and then you go and do that again. An ant can dine out on his usefulness, all his life, and never get it wrong.

It is a different problem for us, carrying such risks of doing it wrong, getting the wrong twig, losing the hill, not even recognizing, yet, the outline of the hill. We are beset by strings of DNA, immense arrays of genes, instructing each of us to be helpful, impelling us to try our whole lives to be useful, but never telling us how. The instructions are not coded out in anything like an operator's manual; we have to make guesses all the time. The difficulty is increased when groups of us are set to work together; I have seen, and sat on, numberless feckless committees, not one of which intended anything other than great merit. Larger collections of us, cities for instance, hardly ever get anything right. And, of course, there is the modern nation, probably the most stupefying example of biological error since the age of the great reptiles, wrong at every turn, but always felicitating itself loudly on its great value. It is a biological problem as much so as a coral reef or a rain forest, but such things as happen to human nations, error piled on error, could never happen in a school of fish. It is, when you think about it, a humiliation, but then humble and human are cognate words; both derived from an old root word meaning, simply, earth. We are smarter than the fish but their instructions come along in their eggs; ours we are obliged to figure out, and we are, in this respect, slow learners.

If you are going to make up a story about the earth, based on today's scientific information, it is useful to have a third person to tell the tale. For this role, I summon that sagacious and ubiquitous gentleman know as the Extraterrestrial Visitor. Zipping through our part of the galaxy, his attention is caught by our small, suburban solar system, and he comes in among the planets, carrying along a number of instruments in a vehicle whose details I need not bother imagining.

He spots the earth and sees the difference immediately, moving in for a closer look. No matter where he came from, or what he has seen before, I take it for granted that his first reaction is an indrawn breath at its sheer beauty. I have no doubt that there are colonies of life elsewhere in the universe, and perhaps he has seen them all, but I choose to doubt that there can be many celestial bodies at the very springtime of their development, marked so extravagantly by exuberance, youth and perfection of detail, as this one.

Let me change the story here, to insert more time. He sees the earth now, but he is one of the older Extraterrestrial Visitors, and has been making periodic detours in our direction since the birth of the structure, the laying down of bone four billion years ago, and taking time-lapse photographs close up, every few hundred thousand years. Running the whole film through, this year, say, what sort of impression would he have of us?

I think he would conclude that his lens had caught the gestation, still in progress, of a stupendous embryo, clinging to a warm round stone by what we call earth, or soil, turning slowly in the sun. He would have seen this creature starting from a single cell, fertilized by lightening or ultraviolet light or cosmic rays or what-have-you. For two billion-odd years he would observe the formation of a sort of blastula, a huge cluster of cells multiplying first in the sea and later on land, all pretty much the same kind of primitive, non-nucleated cell. Then the film would show a green tinge here and there, and then, with the appearance of oxygen, and thanks to the sun, an explosive emergence of new forms of life would be seen everywhere, new cells with nuclei, new collections of cells gathering to form tissues, coral reefs, and, finally, roses, dolphins and then at last ourselves, off and running, making metaphors and music, the newest and youngest working parts of the planet.

I would like to think that we are on our way to becoming an embryonic central nervous system for the whole system; I even like the notion that our cities, still primitive, archaic, fragile structures, could turn into the precursors of ganglia, to be ultimately linked in a network around the planet. But I do worry, from time to time, about that other possibility; that we are a transient tissue, replaceable, biologically representing a try at something needing better means of perfection, and therefore on our way down under the hill, interesting fossils for contemplation by some other kind of creature. In my more depressed moments I find this a plausible form of heartsink. But at better times, remembering how skilled our species is with language and metaphor almost from birth, how good we are at recognizing and recording our mistakes, and how spectacularly we excel all other creatures on this planet because of the presence in our midst, from time to time, of people like Johann Sebastian Bach and Mark Twain displaying for all the world what we can do as a species with our brains when we put our minds to it, and remembering that Nature is by nature parsimonious, tending to hang on to useful things when they really do work, I have hopes for our survival into maturity. I say: just get us through the next 20 years, maybe 25, and then we will have thousands of years ahead. Perhaps, after all, we do have a long way to go. If this is so we have a lot to learn, and I do like that thought.

It is, after all, the oldest of human ideas, and still by all odds the best one.●

SENATE—*Monday, January 12, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 11 a.m., and was called to order by the Honorable MACK MATTINGLY, a Senator from the State of Georgia.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 12, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MACK MATTINGLY, a Senator from the State of Georgia, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. MATTINGLY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ASSISTANT MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The assistant majority leader is recognized.

ORDER FOR CHANGE IN CONVENING TIME ON MONDAY, JANUARY 19, 1981, TO 4 P.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the convening of the Senate on Monday, January 19, 1981, be changed from 11 a.m. to 4 p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. ON THURSDAY, JANUARY 15, 1981

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will stand in recess until 11 a.m. on Thursday, January 15, 1981.

Thereupon, at 11:01 a.m., the Senate recessed under the order of Tuesday, January 6, 1981, until Thursday, January 15, 1981, at 11 a.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, January 13, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 14

9:00 a.m.
Foreign Relations
To continue hearings on the prospective nomination of Alexander M. Haig, Jr., of Connecticut, to be Secretary of State.
1202 Dirksen Building

9:30 a.m.
Finance
International Trade Subcommittee
To hold hearings on aspects of the problems facing the domestic automobile industry.
2221 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider the prospective nominations of James G. Watt, of Colorado, to be Secretary of the Interior, and James B. Edwards, of South Carolina, to be Secretary of Energy.
3110 Dirksen Building

2:00 p.m.
Foreign Relations
To continue hearings on the prospective nomination of Alexander M. Haig, Jr., of Connecticut, to be Secretary of State.
1202 Dirksen Building

JANUARY 15

9:30 a.m.
Finance
International Trade Subcommittee
To continue hearings on aspects of the problems facing the domestic automobile industry.
2221 Dirksen Building

10:00 a.m.
Judiciary
To hold hearings on the prospective nomination of William French Smith, of California, to be Attorney General, Department of Justice.
2228 Dirksen Building

JANUARY 21

10:00 a.m.
Budget
To hold hearings to examine the current economic situation and its impact on the Federal budget.
6202 Dirksen Building

2:00 p.m.
Budget
To continue hearings to examine the current economic situation and its impact on the Federal budget.
6202 Dirksen Building

JANUARY 22

10:00 a.m.
Budget
To continue hearings to examine the current economic situation and its impact on the Federal budget.
6202 Dirksen Building

FEBRUARY 24

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from the Disabled American Veterans.
318 Russell Building

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

HOUSE OF REPRESENTATIVES—*Tuesday, January 13, 1981*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. NATCHER).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. NATCHER) laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 9, 1981.

I hereby designate the Honorable WILLIAM H. NATCHER to act as Speaker pro tempore on Tuesday, January 13, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Reverend Mr. Charles A. Mallon, permanent deacon, Holy Family Church, Mitchellville, Md., offered the following prayer:

In You O Lord, I take refuge; let me never be put to shame. In Your justice rescue me, incline Your ear to me, make haste to deliver me! Be my rock of refuge, a stronghold to give me safety. You are my rock and my fortress; for Your name's sake You will lead and guide me. You will free me from the snare they set for me for You are my refuge. Into Your hands I commend my spirit; You will redeem me, O Lord, O faithful God.—Psalms 31: 1-6.

Father we are mindful that on every level of the legislative process, decisionmaking is a way of life. Our Nation's representatives and staff employees are constantly confronted with decisions which might bring ruin and shame upon themselves. It is in this area of decision that we are most in need of Your strength, for we wish to choose justly and maintain our personal integrity. Rescue us and deliver us from those who would snare us because we ask this in the name of Your Son, Christ our Lord. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

TRIBUTE TO BOB HOPE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 15 minutes.

● Mr. O'NEILL. Mr. Speaker, on January 18, an historic event is going to take place in Burbank, Calif., that will be hailed nationwide. On that occasion, Bob Hope will celebrate his 30th anniversary on television—three decades in which television has grown from an infant industry to one of the biggest and most influential in America.

Bob Hope is pure Americana. Time magazine, in its cover article, once called Hope—

The Will Rogers of his age, a kind of updated, urbanized Farmer's Almanac of political and social currents. Hope has become the friend of politicians and statesmen, tycoons and sportsmen. These are the public figures at whom he tees off at a banquet or on television.

Of his way of handling such celebrities, a magazine once noted that "Hope punctures pomposity but the punctured love it."

Beginning with a telecast in 1950 in which his guest stars were Dinah Shore, Douglas Fairbanks, Jr., and Bea Lillie, Bob Hope has gone on to establish probably the most impressive record in the medium in which he was a pioneer. According to Variety, nearly 50 percent of the people tuning into television on any night when Bob Hope has been on the air during the past 30 years, have tuned in a Hope special. His 44.8 share of the audience over that long a period is unmatched.

Bob Hope is more than a popular entertainer. He is one of a kind. He has undoubtedly appeared at more benefits and raised more money for worthy causes than any other human being. He still makes an average of 250 appearances each year. Those appearances may be as far afield as the U.S. Embassy in Moscow or as close to home as the nearest veterans' hospital.

His dedication to entertaining service men and women all over the world is legendary. Some of the most memorable and poignant moments on television were those showing our service men and women in combat areas in far-off places enjoying the wit of Bob Hope and his troupe of entertainers.

No wonder more stars than have attended many Academy Award functions will be on hand at NBC Burbank to pay tribute to this master showman. More than 200 stars will be seen via clips of film from shows Hope has done in the past. Hundreds more will be in the audience. Appearing in "live" tribute to the man called affectionately "Old Ski Nose" will be: Lucille Ball, Milton Berle, George Burns, Glen Campbell, Rosemary Clooney, Sammy Davis, Jr., Douglas Fairbanks, Jr., Eydie Gorme and Steve Lawrence, Marie Osmond, Martha Raye, Brooke Shields, Tanya Tucker, Robert Urich, and Les Brown and his Band of Renown.

The syndicated columnist, Don Freeman, has written of Hope's 30-year tenure on television:

An incredible stretch for a medium that devours talent with such graceless profligacy. Hope, for all his origins in England, is distinctively in the American tradition, a jaunty symbol of the American spirit. Hope is more than a great comedian. Bob Hope is a state of mind, a mood, an attitude, a part of our lives—warm and winning and indomitable.●

MARTIN LUTHER KING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. WASHINGTON) is recognized for 5 minutes.

● Mr. WASHINGTON. Mr. Speaker, on Thursday, January 15, we will celebrate the birthday of Martin Luther King. I would like to share with my colleagues the text of a speech which I will deliver in Chicago that day:

We are here today to celebrate our holiday, the birthday of Martin Luther King. It is the only day set aside for remembrance of our achievements as a people, as black people in America.

We are here to celebrate our great leader, he whose dream lives on in all of us, whose example lends strength to each of us.

We are here, finally, because we know—as simply living in America teaches every black person—that Martin Luther King's struggle is still only just begun.

Martin led a three pronged struggle:

He led us first to seek social justice, so that no one among us would be denied the right to go to a good school, the right to a good home in any community, the right to a seat on the bus or a meal at the lunch counter.

He led us, second, to seek political justice: That we black people would have the right to vote, the right to choose our own leaders.

He led us, finally, to seek economic justice: That no American of any color would go hungry, that no American of any color would be without a job, that all Americans, regardless of color would have the right to improve their lives at work by forming strong labor unions.

Martin voiced our dream, but he did not invent it. His dream, our dream, was built on the sweat and the blood of countless thousands of known and nameless heroes.

On this day, Martin's day, we must remember the men and women who constructed that dream.

We must remember Crispus Attucks, the black man who was the first man to die for American independence. Shot down in the

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Boston massacre. Attucks gave his life for a nation not yet born and for a freedom that his people—our ancestors—would not begin to share for nearly one hundred years.

We must remember the leaders of the slave revolts—Denmark Vesey, Nat Turner and a host of others. They, too, gave their lives to make us free people, and this a free nation.

We must remember Harriet Tubman, the escaped slave who risked death by returning to the South again and again, leading hundreds to freedom.

We must remember Frederick Douglass, the great abolitionist statesman.

We must remember W. E. B. Dubois and all our great scholars and teachers.

Finally, we must remember Martin Luther King, Jr., and all those who with him gave their lives for our modern freedom struggles.

We must remember them all today, because this is our only holiday. Crispus Attucks was the first to give his life for independence. Yet we do not celebrate Crispus Attuck's birthday.

Long before Lincoln, Denmark Vesey gave his life to end the slavery system that destroyed our ancestors and divided America. Yet we do not celebrate Denmark Vesey's birthday.

Here in Illinois we do have our one day to celebrate all of them: This day, the birthday of Martin Luther King is a State holiday, yet, incredibly, it is not yet a national holiday.

As a State legislator in Springfield I led the fight to make King's birthday a State holiday. In Washington, I have already joined my friend and colleague, Congressman John Conyers of Michigan, in sponsoring a bill which will make King's birthday a national holiday, for all Americans to celebrate our black freedom struggles. Our black history is a valiant history. We must celebrate it. We must not let our history be forgotten.

But remembrance is not enough. We must live the lessons of our leaders.

Heed the words of Frederick Douglass "If there is no struggle, there is no progress. Those who profess to favor freedom, and yet depreciate agitation, are men who want crops without plowing up the ground. They want rain without thunder and lightning. They want the ocean without the awful roar of its many waters."

Frederick Douglass told your ancestors that "power concedes nothing without a demand . . . If we ever get free from all the oppressions and wrongs heaped upon us, we must pay for their removal. We must do this by labor, by suffering, by sacrifice, and if needs be, by our lives and the lives of others."

Martin Luther King and the thousands who marched with him heard those words. By their struggles, their peaceful yet demanding presence, they tore a few links from the chains of oppression which have bound our people since they came to this continent more than three hundred years ago.

He, and we, weakened those chains. But we did not break them.

Our black families still must get by on just sixty percent of the average white family's income. Nearly half of our black children are still born into poverty. Our people, eleven percent of the United States population, still hold just one percent of all elected political offices.

And today we face new dangers. Our enemies again grown strong. They aim to block our progress. Furthermore, they aim to take back what little we have already won. Finally, some aim to take not merely our rights, but our lives.

The Klan and the Nazis are again on the march. On this very day, our holiday, they are spreading their racist message with an anti-black demonstration in Buffalo, New York.

Across the country, racists attack our people. There is a connection between the murders in Buffalo, the ruthless massacre of small black children in Atlanta, the attempt on the life of Urban League President Vernon Jordan. Whether or not these acts constitute a conspiracy is besides the point. Their message is clear. America has given birth to a new generaton of haters, a new rampaging lynch mob.

But violent racists may not be our most dangerous enemies. They have their counterparts—refined, softspoken, elegantly dressed but every bit as hostile to you and me—in government, industry and academia.

There are those in the United States Congress who would take away the Voting Rights Act, and sell our southern brothers and sisters back into political slavery.

There are those in the Reagan administration who would ban affirmative action, so that they may sell us all back into economic slavery.

There are those who aim to take away the Justice Department's power to enforce our civil rights laws, selling us back into the slavery of a segregated social system.

Here in Chicago we think we have some power. We have three black members in the U.S. House of Representatives, more than any other city has ever had. We have fifteen black men and women on the city council. We have five blacks on the school board.

But, here too, our enemies are on the march.

Racist violence greets any black person who moves onto the "wrong" block on the southwest side of our city.

A white, downtown political machine still tries to force us to accept its lackies as our political representatives. Soon, if we don't stop them, we will be forced to watch helpless as the city council and State legislature redistrict away from black people the political representation for which we fought so hard.

Though our schools are two thirds black, a white power structure still aims to impose its candidate to run those schools. And our young people still graduate into a world which offers most no hope for decent jobs.

In such a city, in such a nation, to merely commemorate the past would dishonor our fallen heroes. We honor Martin Luther King only when we work to complete the justice struggle for which he gave his life. Only if we work together, for change, will we achieve the day he dreamed of, the day when, in Martin's words: "All of God's children, black men and white men, Jews and Gentiles, Protestants and Catholics, will be able to join hands and sing: Free at last! Free at last! Thank God almighty, we are free at last!"

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. TAUZIN) to revise and extend their remarks and include extraneous material:)

Mr. O'NEILL, for 15 minutes, today.

Mr. WASHINGTON, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BLILEY) and to include extraneous matter:)

Mr. DERWINSKI in four instances.

Mr. COLLINS of Texas.

Mr. SAWYER.

Mr. LAGOMARSINO in two instances.

Mr. FINDLEY.

Mr. MICHEL.

Mr. MCCLORY.

(The following Members (at the request of Mr. TAUZIN) and to include extraneous matter:)

Mr. SEIBERLING in 10 instances.

Mr. BRODHEAD.

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. APPLEGATE.

ADJOURNMENT

Mr. TAUZIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until Friday, January 16, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows.

148. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of January 1, 1981, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. 97-7); to the Committee on Appropriations and ordered to be printed.

149. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the central issue facility activity at Fort Riley, Kans., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

150. A letter from the Commander, Naval Facilities Engineering Command, Department of the Navy, transmitting a report on Navy military construction contracts awarded on other than a competitive basis to the lowest responsible bidder, and the top 10 architect-engineer firms, covering fiscal year 1980, pursuant to section 604 of Public Law 96-418; to the Committee on Armed Services.

151. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelfstocking and custodial services function at Beale Air Force Base, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

152. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting summary reports of pupil assessment projects conducted in the Department's dependent schools during the 1979-80 school year, pursuant to section 1405(b) of Public Law 95-561; to the Committee on Education and Labor.

153. A letter from the Secretary of Education, transmitting proposed final regulations to govern the selection criteria for the fellowship grants for graduate and professional study program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

154. A letter from the Secretary of Education, transmitting proposed final regulations to govern the selection criteria for the instructional media for the handicapped program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

155. A letter from the Secretary of Education, transmitting proposed final regulations for the handicapped interpretation—individualized education program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

156. A letter from the Secretary of Education, transmitting proposed final regulations for the guaranteed student loan program, deferment provisions pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

157. A letter from the Secretary of Education, transmitting proposed final regulations to govern the guaranteed student loan program, provision to refund tuition charges and other fees, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

158. A letter from the Secretary of Education, transmitting proposed final regulations to govern the centers for independent living program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

159. A letter from the Secretary of Education, transmitting proposed final regulations to govern the State vocational rehabilitation and independent living rehabilitation programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

160. A letter from the Secretary of Education, transmitting proposed final regulations to implement the Asbestos School Hazard Detection and Control Act of 1980, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

161. A letter from the Secretary of Education, transmitting proposed final regulations to govern the Arts in Education Act of 1978, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

162. A letter from the Secretary of Education, transmitting a proposed final rule changing the definition of "handicapped children" under Part B of the Education of the Handicapped Act, as amended, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

163. A letter from the Secretary of Education, transmitting proposed final regulations to govern the Law-Related Education Act of 1978, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

164. A letter from the Comptroller, Department of State, transmitting the Department's semiannual report on international narcotics control program activities for the period ended September 30, 1980, pursuant to the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

165. A letter from the Director, Defense Security Assistance Agency, transmitting a report covering the quarter ended December 31, 1980, listing the price and availability estimates provided to countries and the requests for issuance of letters of offer received, pursuant to section 28 of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

166. A letter from the Assistant Attorney General for Administration transmitting notice of a proposed new records system for the Federal Bureau of Investigation, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

167. A letter from the Secretary of Education, transmitting a report on the donation of Federal surplus real property donated to educational institutions, covering fiscal year 1980, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

168. A letter from the Administrator of General Services, transmitting a report on the donation of Federal surplus personal property to States and local organizations for public purposes, covering fiscal year 1980, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

169. A letter from the Comptroller General of the United States, transmitting a report on the interaction of Federal aid and State aid in New York State (PAD-81-10, December 16, 1980); to the Committee on Government Operations.

170. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

171. A letter from the president, National Safety Council, transmitting the audit report of the organization for the year ended June 30, 1980, pursuant to a section 3 of Public Law 88-504; to the Committee on the Judiciary.

172. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on Federal radio navigation systems, pursuant to section 507(b) of the Communications Satellite Act of 1962, as amended; jointly, to the Committees on Energy and Commerce, and Merchant Marine and Fisheries.

173. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statement of the Panama Canal organization for fiscal year 1979, pursuant to section 106 of the Government Corporation Control Act (ID-81-14, Jan. 12, 1981) (H. Doc. No. 97-8); jointly to the Committees on Government Operations, and Merchant Marine and Fisheries, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLLINS of Texas:

H.R. 830. A bill to abolish the Department of Energy, and for other purposes; to the Committee on Government Operations.

By Mr. PHILIP M. CRANE:

H.R. 831. A bill to provide that all Federal Reserve notes and other currencies of the United States shall be redeemable in gold; to the Committee on Banking, Finance and Urban Affairs

H.R. 832. A bill to amend title 5 of the United States Code to provide that a rule promulgated by a Federal agency may not become final unless such agency submits such rule and an economic impact statement with respect to such rule and statement, and for other purposes; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 833. A bill to extend duty-free treatment to prayer shawls, bags for the keeping of prayer shawls, and certain headware used in religious observances; to the Committee on Ways and Means.

By Ms. FERRARO:

H.R. 834. A bill to grant immigrant visas to certain nationals of Italy who were victims of earthquakes which occurred on or about November 23, 1980, in Italy; to the Committee on the Judiciary.

H.R. 835. A bill to amend the Internal Revenue Code of 1954 to allow employers a tax credit for hiring displaced homemakers; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 836. A bill to establish a United States-Mexico Joint Development Bank; jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

By Mr. LEACH of Iowa:

H.R. 837. A bill to provide that the proposed increases in imputed interest rates under sections 482 and 483 of the Internal Revenue Code of 1954 shall not apply to farms and other small businesses; to the Committee on Ways and Means.

By Mr. McDONALD:

H.R. 838. A bill to provide that existing regulations issued by the Secretary of Labor with respect to occupational exposure to cotton dust shall cease to be effective and that any future regulations with respect to such exposure shall be subject to congressional disapproval; to the Committee on Education and Labor.

By Mr. MILLER of Ohio:

H.R. 839. A bill to authorize the construction of such facilities as deemed necessary by the Secretary of the Army (acting through the Chief of Engineers) in the vicinity of Logan and Nelsonville, Ohio, for the purpose of providing adequate flood protection to this area; to the Committee on Public Works and Transportation.

H.R. 840. A bill to terminate the authorization of the Salt Creek Dam and Reservoir project, Ohio; to the Committee on Public Works and Transportation.

By Mr. MILLER of Ohio (for himself and Mr. SEIBERLING):

H.R. 841. A bill to name the U.S. Post Office building in Portsmouth, Ohio, the "William H. Harsha U.S. Post Office Building"; to the Committee on Public Works and Transportation.

By Mr. OBERSTAR:

H.R. 842. A bill to amend the National Labor Relations Act to repeal the provision which permits States to prohibit agreements requiring membership in a labor organization as a condition of employment; to the Committee on Education and Labor.

H.R. 843. A bill to establish mandatory penalties for use of a firearm during the commission of a felony, and for other purposes; to the Committee on the Judiciary.

H.R. 844. A bill to amend the Great Lakes Pilotage Act of 1960 to limit the liability of U.S. registered pilots so as to provide for reciprocal and equitable participation by United States and Canadian citizens in the pilotage of vessels on the Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mr. OBERSTAR (for himself and Mr. VENTO):

H.R. 845. A bill to restructure the financing of the activities of the St. Lawrence Seaway Development Corporation; to the Committee on Public Works and Transportation.

H.R. 846. A bill to revise the boundary of Voyageurs National Park in the State of Minnesota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILIP M. CRANE:

H.J. Res. 82. Joint resolution to amend the Constitution of the United States to provide that appropriations made by the United States shall not exceed 33⅓ percent of the average national income of the prior 3 calendar years, except as specified during war or national emergency; to the Committee on the Judiciary.

By Mr. REUSS (for himself and Mr. KASTENMEIER):

H.J. Res. 83. Joint resolution to designate March 16 of each year, the anniversary of the birth date of James Madison, as "Freedom of Information Day"; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. OBERSTAR introduced a bill (H.R. 847) for the relief of Herman R. Klun and Helen Klun, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

TRIBUTE TO HAROLD C. UREY

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. FINDLEY. Mr. Speaker, it is with sadness that I offer the following words of tribute to Harold Clayton Urey, an outstanding American, a Nobel laureate and a proponent of Atlantic Union, who died on January 5, 1981.

Harold Urey received the Nobel Prize in chemistry in 1934 for his discovery of deuterium. His experiments with deuterium and his later work for the Manhattan project were essential to the making of the first U.S. atomic bomb. After World War II, Urey made major contributions to the science of space exploration and to the understanding of the origins of the universe. He is considered by many to be the founder of modern lunar science.

For Harold Urey a deep commitment to scientific discovery did not, however, mean a life of self-imposed isolation in the research laboratory. Indeed, he considered it his moral obligation as a scientist to understand the impact of his work on social and political forces and to help mankind adapt to technological change.

The car, the airplane, and the telephone were all 20th century developments which had touched everyday life in largely positive ways. But Urey was most sensitive to the potential for destruction in new technology such as the atom bomb. As he stated in 1960, "For the first time in history, no country is large enough to maintain within its border a relatively secure heartland which can be regarded as free from attack."

Dr. Urey considered it absolutely critical to develop new political institutions to accommodate new technologies such as the bomb, to promote solutions to the world's growing problems, to avoid the sure devastation of war, and to maintain individual liberty. The institution best suited to respond to all these needs was a Union of the Atlantic Democracies. Urey felt so deeply about Atlantic Union that he often stated that his promotion of its ideals and goals was more important than anything he would ever do for science.

A federal union of the democratic world would make the political, military, and ideological strength of the West so great that it would diminish the potential for aggression from the Communist bloc and decrease the possibility of war. Consequently, the liberty of the individual and the dignity of mankind would be preserved.

In order to appreciate fully Dr. Harold Urey's compassion for humanity and his recommended steps toward Atlantic Union which would insure its survival in freedom and prosperity, I recommend to my colleagues the following excerpts from a speech he delivered in 1960. Though 20 years old, the speech is amazingly prescient about the problems of 1981 and the ever more urgent need for the Atlantic democracies to unite in a federal union to meet them.

ATLANTIC UNION IS IMPERATIVE

My own political memories go back to the first decade of this century when I was a student in the grade schools and high schools of Indiana. My first memories include the high cost of living, which we have heard about ever since, and the Hague International Court of Justice. We had the greatest hopes that it would solve many international problems, yet today it has dropped out of the news almost entirely.

Since that time, international news has consisted of peace conferences, threats of wars, diplomatic maneuvers, World War I, the League of Nations and its many troublesome discussions, Locarno, the pact to outlaw the war as an instrument of national policy, Munich, World War II, the Yalta Conference, the Potsdam Conference, the many troubled arguments of the United Nations since its creation, threats and counterthreats of war, peaceful uses of atomic energy, disarmament conferences, the summit fiasco, the many travels of the President of the United States, the Vice-President, the Secretary of State, the travels of Khrushchev to the U.S., the travels of other heads of state. At the end of this long list I am led to inquire: did or will any of these things delay the coming of World War III by a single year? I am led to doubt it.

These diplomatic moves are to a large extent only the continuation of national policies by other methods than war. They are an attempt to further the interests of nations or groups of nations by other methods. One becomes completely weary of the clichés of such conferences. A just peace, lasting peace, peace with honor, and so forth.

The conferences on disarmament are disillusioning. So many people believe that disarmament would solve the problem of war and apparently they do not realize that armament is not the cause of war, but the threat of war is the cause of armament. There are two groups of people who are for disarmament: Those who are sincere and the muddle-headed.

Khrushchev is for disarmament and it is quite obvious that he is not muddle-headed at all. He knows that if the western world could be induced to abandon its bases, its planes, its bombs, that he would be able to advance the interests of his group much more effectively than he could otherwise. The armaments of the western world are a definite impediment to his plans for world conquest and he is not at all muddled about the matter. Other, very well-meaning people have not thought through the basis of a peaceful world or even the basis of local peace.

It is not possible to disarm in the absence of legal means to keep order. This is true of small communities and even individuals. The simple office of justice of the peace carries with it an understanding of the basis of peace. Men have learned through their long history which is beset with wars and periods of peace that there is indeed no basis for peace even in very localized areas except with the establishment of the forms of law, and only so long as they are able to be maintained over limited times and limited areas does peace exist.

* * * * *

The world has changed completely since 1900. In 1900, it was one hour from my home in the country to the town five miles away. Today it is approximately five minutes. It was three or four days from Chicago to Los Angeles; today it is four or five hours. It was two weeks from New York to London; today it is six hours. It was 80 days around the world, and it will soon be 100 minutes. In my youth, the machine gun was a dreadful weapon. Today we talk about the possibility of 50 million casualties in a day or so. Communication was not slow in the early years of this century. The telegraph and telephone were reasonably rapid, but today radio has increased the rate of communication until there is hardly any privacy left any more.

What I wish to emphasize is that the magnitude of these changes is so great that it involves a change in the quality of the modern world. For the first time in history, no country is large enough to maintain within its border a relatively secure heartland which can be regarded as free from attack. It was in a way not necessary to develop the atomic bomb to make us realize that the modern world has developed to an intolerable situation. The atomic bomb nevertheless has put an enormous exclamation point after any conclusions of this kind.

It of course goes without saying that such revolutionary changes in the physical world must produce changes in our political organizations. We have moved to a place where a modern war could destroy all the civilization of the world for a long period to come in the future. It may be that war will come but it will produce an effect from which we will not recover in a short period of time, and completely new types of civilizations might develop on the ruins.

In considering problems of this kind we are all thinking of survival in a physical sense, but we are also thinking of the survival of our institutions. We should like to take forethought with regard to these problems. It seems to me that remarkable political institutions were invented by our forefathers when they founded this country, and these political inventions can be important in the present situation.

The 13 states of North America formed an effective alliance under what was known as the Articles of Confederation. Under these

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Articles each state remained sovereign. The Confederation could not levy taxes, conscript an army, or control trade between the colonies, etc. It won a war of independence, and as soon as the war was over, began to fall apart.

The history of this confederation resembles on a smaller scale, what has happened in two world wars. Alliances are formed, political differences and animosities are forgotten, a successful war is fought, and then immediately the alliance begins to disintegrate.

In the case of these 13 colonies, some very astute men drafted a remarkable constitution in which they introduced the concept of a federal government which was given sovereignty over certain political areas of activity, while sovereignty over all other activities was reserved to the states. This government with this sovereignty was constructed with an effective organization for carrying out its duties, executive, legislative and judicial branches, the power of police within its area of sovereignty, and the power of taxation to support its activities.

A "whiskey rebellion" was required to convince the states that the federal government had power, and it was necessary to have a Civil War to decide that once having subscribed to this federal type of government no state could withdraw again.

This government had within it the power of growth. States were added steadily across the North American continent, and now outside of this area is Alaska and Hawaii. This constitution laid the political basis for what is today the most powerful and the richest country on the earth. We should note our history shows us what can be done by the application of this principle to government. It seems to me that it is obvious that another such application is needed in the modern world.

NATO MAKES MANY DOUBT

In practice, this country must cooperate with England, with France, with other countries of Western Europe. It must cooperate with the South American states, and it must try to cooperate with the Asiatic countries whose interests bear upon the interests of this country.

* * * * *

Always, * * * we wonder whether the grand Atlantic alliance known as NATO will hold together in the next sticky situation. We are not the only ones who wonder. Our allies who are in far more dangerous positions than we are wonder if we will continue to support them in the next difficult situation. For example, if Denmark were invaded, what would we do? The Danes wonder too.

The cooperation with all these other countries involves military matters, foreign affairs relative to our relations with the Communist bloc, Africa, the Middle East, the Far East. They also involve commercial and economic relations. We are constantly worrying about trade problems between us and our allies and between the allies themselves.

* * * * *

These areas of cooperation indicate that what we need is a federal government whose sovereignty is limited to matters of military and foreign affairs and to the economics of what is now international trade.

The problems which we face considering such a federal government are very great indeed. The English have a monarchy and a state religion. The Japanese have an emperor and religions which are strange to us. Countries of Europe have monarchies, traditions, history, educational systems and legal systems which are not quite the same as our own. South America is cursed with unstable governments that have a marked tendency to become dictatorships. The U.S.S.R. has Communism and has always lived under a dictatorship. Africa is emerging from savagery, and sometimes, as recent evidence indicates, we are not so sure they are emerging. India has masses of illiterate and very poor people. China is a dictatorship over very poor and illiterate people. The question comes up as to whether we could organize these countries into a single federal government. I do not believe this would be possible.

The Communist U.S.S.R. has another answer to this question, however. Moscow believes that it can be done. Its methods are ruthless. It destroys all religion, all royalties and all classes. It destroys intellectuals and all government forms and re-makes all institutions in the pattern of Communism.

We require a more gradual method. We require the consent of the governed and we wish to preserve cultural institutions. We may well ask whom in this mass of people could we include in such a government and whom could we not include. In the latter group I would definitely place the U.S.S.R., China and most of Africa. I would say that we could include Western Europe with the probable exception of Spain and Portugal; North America, probably including Mexico; we could only surely include Australia and New Zealand. It would certainly be hoped that soon we should be able to include Japan, India and parts of South America.

We may ask what would be the results of such a political reorganization in the world. First of all, there would be no more wars between the members of such a federal group. Differences between these countries would be settled by legal methods by a supreme court. Execution of the laws would be in the hands of the police, not in the hands of an army.

In the second place, we would have a much better chance of maintaining a peace, a troubled peace it is true, but a peace nonetheless with the Communist bloc. The U.S.S.R. and China most probably would not attack a very strong political power unless provoked by most overt acts. From the position of the enormous strength that would result for the Western world with such a political organization, there would be no need to attack the Communist bloc.

The Communist bloc knows that we will not attack them at the present time and from a postion of greater strength it would be possible to make it even more evident that we have no intentions of doing this in the future. Such an organization would give us the basis for patient waiting for the evolution of democracy in the U.S.S.R. and China. We all recognize that we cannot impose democracy by force unless that force can completely crush the old order, and it is very doubtful that the western nations could successfully crush the Soviet Union without suffering crushing destruction themselves.

It is often stated that the idea of overwhelming strength on the part of the democracies of the world as opposed to the Communist bloc is impossible since both sides have atomic and hydrogen bombs and this makes any disparity in military strength impossible. I think this is true, or that it will be true in a short time.

But it is also stated, and I believe correctly, that neither side can use these immensely powerful weapons for they will surely destroy both sides in a major conflict. I rather think that this is understood by the people of the U.S. and those who represent us in Washington. I also think that it is realized by the Soviet Union.

As a practical matter of pursuing the policies of these individual groups it is not possible to use these great weapons. All of us, therefore, must fall back on something else.

In fact, it appears that the Soviet Union is actively pursuing a policy of disruption in any part of the world where it can exert influence—Cuba, Africa, the Middle East, the Far East—and attempts are made to promote disorder and misunderstanding in Europe and between Europe and the U.S. In other words, it is pursuing other means of waging conflict than the use of atomic bombs.

This means that the West must strengthen its means of waging its war along similar lines. The Union of the democratic countries of the West in a Federal Government would promote great strength along these other lines.

In the third place, such a federation would greatly increase the prosperity of all members of the federation. To a certain extent, the establishment of law and order over a limited part of the earth where only anarchy reigns would add greatly to the security and prosperity of the people taking part. It would furnish the basis for a growth of this type of organization over much of the rest of the earth's surface.

This is a very simple and brief statement of a situation that exists in the modern world. It could be elaborated in much greater detail with much additional specific problems added to the discussion. Such additional details must be considered if an Atlantic Union, or a World Union, is to be considered and constructed. In the years ahead this should be done with great diligence.

It should be realized that this is not an easy development and it is not entirely safe from the possibilities of war and loss of our political freedom. It is, however, in my opinion, the most likely development which will enable us to avoid both of these catastrophic possibilities. Trying to preserve the status quo of complete national independence as has been done during the years of this century will lead in the immediate years ahead most probably to World War III.●

ELECTRONIC MAIL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. DERWINSKI. Mr. Speaker, the U.S. Postal Service must have a meaningful role in electronic mail, if it is to continue to serve all of the mail-using public. That point was underscored logically and forcefully in a January 12 editorial in the Federal Times. Despite overwhelming odds, Postmaster General William Bolger is making a determined effort to see that the Postal Service is not sidelined in the continuing jurisdictional dispute on electronic mail. The Federal Times editorial, which is recommended reading, follows:

HANG IN, BILL

The key to the U.S. Postal Service's survival in this decade quite simply is whether this 200-year-old institution is permitted a meaningful role in the already burgeoning telecommunications marketplace.

Quite frankly we had just about written off the semi-independent postal corporation in 1980. It had been stymied by upstarts at the Postal Rate Commission, sniped at by a questionable Commerce Department official, side-tracked by the Federal Communications Commission and betrayed by one or two on its own board of governors.

And behind it all were the often hysterical and certainly short-sighted minions of the telecommunications industry who—demonstrating an unseemly avidity—used fair means and foul to elbow USPS from contention.

For postal workers—particularly postal clerks—exclusion spelled the almost certain loss in the next several years of something on the order of 100,000 or more jobs.

Thus we were pleased to discover that Postmaster General William F. Bolger has at last started to fight back. He dispatched Senior Assistant PMG Paul E. Jaquish to define this new get-tough policy at a convocation of telecommunication industry experts here in Washington just several weeks ago.

Jaquish's message, this newspaper has learned, had these industry folks squirming in their seats.

A sample of his statement follows:

"We see the [postal service's telecommunications arm] as having full scale involvement in generation I and II electronic mail services. We see this as a cooperative role with the telecommunications industry, but not a role in which the postal service is relegated to that of a delivery service for electronic mail, where the communications industry claims jurisdiction for all collection and distribution services."

Whether USPS is able to make good on its intent remains to be seen. Many postal experts believe it may already be too late for the postal service and postal workers. We hope they are wrong.

But what we praise here is a PMG, who despite the odds against him—including a union president who has made common cause with the telecommunications industry—is resolved to wage the good fight for postal workers and more importantly the public who would be ripped this way and that once the telecommuncations industry cornered the market.

Hang in there, Bill.●

MARKETING OF INFANT FORMULA IN THIRD WORLD COUNTRIES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. LAGOMARSINO. Mr. Speaker, the Subcommittee on International Economic Policy and Trade, on which I am ranking minority member, reviewed last year the marketing of infant formula in Third World countries. During extensive hearings, food industry spokesmen, drug company representatives, and their critics presented their views on a proposed marketing code for the infant food industry being prepared by the World Health Organization. That new code is expected to be considered in May at the next world health assembly.

According to some observers, the procedures adopted in drafting the code have not permitted all the affected parties to participate fully in the development of the code. Kenneth Olson, writing in Third World Forum describes the factors affecting this issue and the position of the infant food industries regarding the marketing code.

I urge my colleagues to give serious attention to Mr. Olson's comments:

NOTES BY KENNETH G. OLSON, INTERNATIONAL AFFAIRS CONSULTANT

A little-publicized new effort by a United Nations agency may bring Third World problems under regulatory control of U.N. bureaucrats: the World Health Organization (WHO) is writing a marketing code for the world infant food industry.

This effort is unique in two ways. It is the first attempt by WHO to regulate a specific industry—in this instance, an industry that sought WHO intervention against a worldwide campaign that called the industry directly responsible for millions of infant deaths in the Third World.

Secondly, the code is being drafted—not by national delegations at public sessions as is usual—but by the WHO Secretariat, in secrecy. National governments and the food industry have only commented on completed drafts of the code, to be sent to the World Health Assembly in May 1981 for ratification.

Food industry spokesmen say they have little opportunity to contribute to the drafting process, and fear code may be "railroaded" through the Assembly by an overwhelming vote.

They also say the situation can set a precedent for other products labeled "hazardous," for whatever reason, to Third World peoples.

In the early 1970's, world concern about the decline of breastfeeding in poor countries, said to be caused by an early—perhaps unnecessary—shift to bottlefeeding, led to meetings among U.N. personnel, pediatricians, and industry representatives. One result was a 1972 report by the U.N. Protein Advisory Group. Another was industry's formation of the International Council of Infant Food Industries (ICIFI), which adopted a voluntary code of ethics and working program to improve infant nutrition.

Some observers were hostile. Dr. Derrick B. Jelliffe, a British nutritionist, rejected the U.N. recommendations and attacked the food industry. He argued that bottlefeeding of processed infant foods caused malnutrition, was largely instigated by industry and therefore was responsible for "commerciogenic malnutrition" and ultimately for millions of deaths.

Jelliffe's logic was not widely accepted by other nutritionists or U.N. officials, but did appeal to some church and charitable organizations. Working through the World Council of Churches and the National Council of Churches, Jelliffe and others accused the industry of "killing babies for profit" and calling for boycotts against them. One Swiss organization attacking Nestle for "killing babies" was convicted of libel in 1976, which added more fuel to the emotional controversy.

The issue was further publicized in 1978, when Sen. Edward Kennedy conducted hearings in the U.S. Senate on Third World nutrition problems. ISIPE recommended that the infant food controversy be resolved by rational, professional dialogue under World Health Organization auspices.

To the WHO, the industry has argued that "breast is best," but few mothers can breastfeed only, because of insufficient breast milk and because they work outside their homes. Few poor Third World mothers actually buy infant formulas; instead, they buy local foods that are often unsuitable as breast milk substitutes or supplements. Even in areas where infant formulas are not promoted, breastfeeding has declined.

Decommercialization is obviously not the magic formula to correct Third World malnutrition.

The industry agrees that infant formula should not compete with breast milk and that it should not discourage breastfeeding. The industry also says it shares responsibility, with governments and the health professions, to ensure that infant foods are used correctly and that mothers can make informed choices.

Industry critics, through the International Baby Food Action Network, argue that breast milk substitutes are unnecessary for most mothers. They also say aggressive industry promotion creates an artificial need for infant formula and leads to less breastfeeding. They argue that poor mothers lack the money, knowledge, and facilities to use infant formula correctly, so infant formulas should not be promoted. Some critics say infant foods should be used only by medical prescription.

Critics' attacks seem more calculated to curb industry activity than the problem of Third World malnutrition. As one observer phrased it, critics are "throwing the baby out with the bath water."

A basic consensus was reached at a WHO/UNICEF meeting in 1979: the promotion of breast milk substitutes should not be designed to increase sales to the detriment of breastfeeding.

WHO and UNICEF were empowered to "organize the process" to prepare "an international code of marketing of infant formula and other products used as breast milk substitutes . . . with the involvement of all concerned parties," which was unanimously confirmed in May 1980.

Industry and ICIFI feel industry critics have been warmly received at industry's expense.

Since the drafting is private, industry cannot contribute to the process, and ICIFI comments on three drafts have been largely ignored. ICIFI protests that the drafts do not recognize industry's role in teaching correct use of infant formulas.

When the next World Health Assembly meets in May 1981 to consider adopting the new code, the Secretariat will probably have its way, unless national government delegates ask what is really likely to advance the nutritional wellbeing of Third World infants—politics or better food.●

PAT HURLEY OF ILLINOIS—JOB WELL DONE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. McCLORY. Mr. Speaker, politics often involves doing a hundred things all at once. A huge task must be completed on deadline by an ad hoc organization of volunteers and a few professionals which came into existence just the day before. When the task is done, the organization dissolves as quickly as it appeared, and no one is around to say thanks for a job well done.

Patricia Hurley of my home State of Illinois has devoted herself to two jobs in particular this past year which have involved long hours of attention to detail, endless coping with personal demands—whether reasonable or unreasonable—and little prospect of thanks at the end.

Mr. Speaker, during the summer of 1980, Patricia Hurley had the huge task of being a coordinator for the Illinois delegation to the Republican National Convention. She handled the hundreds of personal and political problems which arose in that hectic atmosphere and did a thoroughly professional job.

For most of us, that would have been enough aggravation to last a lifetime. But when Ronald Reagan was elected President, the Republican Party in Illinois asked Pat Hurley to take on yet another thankless task—serving as one of two coordinators from the State of Illinois for the 1981 inaugural. Pat accepted this job and set about it with the same competence, dedication, and personal grace which has marked all her endeavors in politics.

Mr. Speaker, although a job as inaugural coordinator is more likely to gain one enemies rather than friends, I have yet to hear an unfriendly word said about Pat Hurley.

Mr. Speaker, at this time, I wish to thank and commend Patricia Hurley for a job well done. Pat Hurley is not only a credit to the Republican Party of Illinois, but to the Nation as well.●

DETROIT WOMAN WINS NATIONAL AWARD

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. BRODHEAD. Mr. Speaker, a remarkable woman who has made significant contributions to assist the poor and underprivileged in Detroit for the past 13 years has received national acclaim. Eleanor Josaitis, associate director of Focus: HOPE, a Detroit civil rights organization, has been named "Woman of the Year" by the Career Guild.

Mrs. Josaitis was chosen from thousands of nominees from all 50 States and she richly deserves the honor. I have had the privilege of working with her and Father William Cunningham, director of Focus: HOPE on a wide range of projects from supplemental feeding programs for mothers, infants, and senior citizens to racial brotherhood classes in high schools.

She leads a selfless, caring life and she will undoubtedly find some way to use this award to help others. I would like to share a story from the Detroit News of January 11 which explains the award.

The article follows:

SHE PUTS SOFT TOUCH IN RACISM FIGHT

(By Lowell Cauffiel)

"Above all, do something."

Those words go everywhere with Eleanor Josaitis, who is associate director of Focus: HOPE, the Detroit racial brotherhood group.

They're scrawled on a frayed scrap of paper she keeps tucked in her wallet.

Her belief in doing something is one reason the Career Guild, a women's clothing retailing service, this month will announce Mrs. Josaitis has been chosen as its first national Woman of the Year. The award follows months of screening thousands of nominees from all 50 states.

The aim of the award is to provide "role models" for women, and Mrs. Josaitis is some model: She's a 45-year-old former housewife and mother who managed to turn social activist without discarding her soft, almost gentle way of speaking.

In less than 15 years, with what she called no more "credentials" than a high school diploma, Mrs. Josaitis has accomplished the kind of feats that formally schooled social workers and activists fantasize about. She has:

Been the catalyst, colleagues say, that turned Focus: HOPE, originally meant to be a "temporary" race relations effort after the Detroit riots of 1967, into a nationally respected, multipurpose organization aimed at breaking the back of racism and poverty.

Been an influential member of the U.S. Department of Agriculture's national advisory council on maternal, infant and fetal nutrition as well as Detroit's task force on hunger and malnutrition.

Been, say congressional staffers, one of Washington's most successful lobbyists for efficient food projects for the poor.

At a comparatively low salary, a portion of which she donates back to the organization, administered Focus: HOPE, which now has 103 employees and a $10 million budget which is four times that of New Detroit.

Raised, with her husband, Donald, five children.

Fr. William Cunningham, Focus: HOPE director, whose own flamboyant style and wide media exposure has often overshadowed others in the group, says of Mrs. Josaitis:

"She has the ability to see the practical application of civil rights principles.

"She is the connection. She is the one they trust. She is who everybody calls. When they say, 'Cunningham, you're way off base with this one, or tell Cunningham he's drunk,' they call Josaitis."

Mrs. Josaitis said her activism in racial problems was spurred unexpectedly in the 1960s. At the time a pregnant Taylor housewife, she was sitting in her living room watching television.

"I was watching the Nuremberg trials on TV and then the news came on with these pictures of police horses riding through crowds in Selma, Ala., and police using cattle prods on black protesters," she said.

"It hit me: My God is this America or Nazi Germany?

"It's nice to be an armchair liberal, but I said to myself, what can you do about it, Josaitis?"

Mrs. Josaitis eventually met Fr. Cunningham in Taylor's St. Alfred's parish, and the two began brain-storming during a time when many Catholics were trying to apply their religious principles to social activism.

During the summer following the Detroit riots of 1967, the two and another priest, the Rev. Jerome Fraser, organized a series of pulpit talks by priests they recruited to help make Detroit area Catholics understand the causes of racial unrest.

It was a scheme of sorts, as Cardinal John Dearden was not even informed of the plan until it was too late to stop it.

Mrs. Josaitis was the catalyst, says Fr. Cunningham.

"What we had," remembers Fr. Cunningham, "was two academic-type priests, me and Jerry, trying to map out these complex strategies to make people understand why Detroit was being torn apart. We had all these heavy intellectual plans of attack.

"But then Eleanor said, 'Why don't you speak to the people on Sunday morning? You have to present this in moral terms.'"

Such no-frills practicality, rather than complex intellectualizing, is a hallmark of Mrs. Josaitis.

Do something, don't just talk about it.

"I really don't want to come across in some kind of self-righteous thing here," Mrs. Josaitis said. "But when I sat in church as a kid and heard the gospel say 'feed the poor,' I took it seriously. Religion so often makes people passive—an opiate. To me, it should be a burr under your saddle."

When Suburban housewives couldn't understand why inner city blacks complained of high food and prescription prices in Detroit, she organized scores of suburban women to conduct a price survey in Detroit, sending them to do their own shopping in the inner city stores.

Several years later, Mrs. Josaitis and another Focus: HOPE staffer were in Washington and having no luck at getting to Earl Butz, then secretary of agriculture in the Nixon administration, to talk about nutritional problems of the poor.

Mrs. Josaitis went to Butz's office, waited until Butz's secretary went into the ladies room, followed her in and fast-talked her way into an immediate audience with the Cabinet member.

Last summer, when Vice-President-elect George Bush—then still a presidential candidate—came to Detroit on a campaign swing, Mrs. Josaitis arranged for Bush and Gov. William Milliken to tour the Focus: HOPE food operation.

"Some staff members said, 'What the hell would you want to do that for? We're all registered Democrats here.'" Fr. Cunningham remembers.

"But there she was sitting down between Bush and the governor, never blinking an eye."

Said Mrs. Josaitis:

"I don't care if they were using us politically. It gave me a chance to invite them into the solution."

Simply, it's hard to refuse Eleanor Josaitis.

"She has a very personal and honest style," said Roger Szemraj, legislative assistant to U.S. Rep. J. Robert Traxler, member of the agricultural appropriations subcommittee.

"Sometimes people become so submersed in their programs they become stodgy. But that's not the case with her. She's always full of enthusiasm and looking for better ways to do things."

There was a time, Mrs. Josaitis said, when she was insecure about her clout and acceptance in political and intellectual circles because she lacked a college degree.

Mrs. Josaitis says, "It took me a while to learn that traditional credentials are an obstacle only if you think they are," she said.●

WORLDWIDE KIWANIS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. DERWINSKI. Mr. Speaker, I wish to take this opportunity to direct the special attention of the Members to the upcoming observance of "Worldwide Kiwanis Week," which is sponsored by Kiwanis International. This week, which runs from January 18 through 24, promotes global goodwill and closer relationships between Kiwanis clubs around the world.

An article from the recent edition of Kiwanis magazine reports the president of Kiwanis International, Merald Enstad, as saying that—

Worldwide understanding, cooperation, and goodwill can be renewed and strengthened through this unique program. Worldwide Kiwanis Week helps us celebrate the fellowship of service that is truly what Kiwanis is all about.

Many of the Kiwanis clubs will take part in developing permanent communications with another club in different part of the world. For the most part, these twinning relationships have developed into something that lasts for many years.

As an active member of Kiwanis for many years, I was especially pleased to note this observance and to see that this great service organization, whose roots began in the United States in 1916, is now making international efforts toward promoting goodwill between the United States and the world community.●

GEN. ALTON D. SLAY—PRODUCTIVITY

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. COLLINS of Texas. Mr. Speaker, Gen. Alton D. Slay made an important speech in Dallas, Tex., this past month. He outlined the facts concerning the decline in American productivity with its related negative impact on our Nation's defense.

I was glad the general put it on the line as the folks in my hometown want to know where we stand. I heard from Bill Cooper, chairman of the board of the Dallas Market Center. Bill heads up the Dallas Council on World Affairs that held a conference to determine America's preparedness. Gen. Alton D. Slay is commander of Air Force Systems Command and he was specific in alerting us to America's decline in productivity. Let us face the facts. Let me review with you some of the key points that were made by Air Force Gen. Alton D. Slay on America's resources and production:

I'm not going to talk about the fact that the overpowering strategic nuclear power edge we had over the Soviet Union 15 years ago has vanished.

I'm not going to tell you that during the last decade our Armed Forces strength has declined 40 percent while Soviet Armed Forces strength grew by 25 percent.

I'm not going to mention the fact that during the 1970's, Soviet spending on things related to military research and development, military weapons systems acquisition, and military facilities, exceed that which we spent on those things by $240 billion.

I won't burden you with the statistic that the Soviets now have three times as many engineers engaged in military research and development as do we, nor with the fact that they are graduating six times the number of engineers each year that we do.

And I won't try to support such a statement by telling you about the fact that they now outproduce us 11½ to 1 in armored vehicles and artillery tubes; 18 to 1 in surface-to-air-missiles; 3 to 1 in attack helicopters; and 2 to 1 in submarines, naval surface combatant ships, and tactical fighter aircraft.

Also, I won't try to make anything at all out of the fact that they've introduced three totally new types of ICBM's since we introduced our last one—the Minuteman III—over 10 years ago.

And I won't advertise the fact that they have deployed over 600 new ICBM's since we deployed our last Minuteman III 5 years ago.

Nor will I trouble you with the fact that they have commissioned over 60 new ballistic missile subs since we commissioned our last Poseidon Sub 13 years ago; Nor even with the fact that they're building 30 bombers every year and have built almost 600 bombers since we built our last B-52 20 years ago.

But I will talk about another type of decline—the decline of our economic, industrial, and technical power relative to the rest of the world.

In past times, we in the United States have always been proud to believe and to proclaim that we were basically a self-sufficient nation.

Today, the self-sufficiency myth is completely destroyed. In terms of many essential nonfuel materials, the United States is a "have not" nation.

Today the United States is more than 50 percent dependent on foreign sources for 23 of the 40 essential nonfuel minerals we use in the United States; and almost totally import dependent for 12 of the most critical of these.

The Soviet Union is totally independent of foreign sources for all but 5 of these 40 essential minerals and in none of those 5 are they 50 percent dependent.

Much of the world's production and reserves of a number of our critical materials are located in two areas of the world: Siberia and Southern Africa. These two areas contain 99 percent of the world's reserves of platinum group metals; 80 percent of the world's manganese ore; 97 percent of the world's vanadium; 96 percent of the world's chrome; 87 percent of the world's diamonds; 60 percent of the world's vermiculite; and 50 percent of the world's fluorspar, iron ore, asbestos, and uranium.

OPEC controls only 52 percent of the world's oil supply and the power of that cartel needs no commentary.

In 1973, in Prague, Leonid Brezhnev made the following comment to Siad Barre, President of Somalia, and I quote: "Our aim is to gain control of the two great treasure houses on which the west depends. The energy treasure house of the Persian Gulf and the mineral treasure house of Central and Southern Africa." Think what's happened since. Five nations in Central and Southern Africa and about that number in the general Persian Gulf area already under heavy Soviet influence or control.

Our national stockpile is grossly deficient in many of these essential minerals—in fact we are below established goals in 37 critical materials; this shortage amounts to $11 billion or 61 percent of the desired inventory of $18 billion. And no purchases have been made to add to the stockpile in over 20 years.

It takes up to 10 years to develop and bring a material deposit into production without any Federal constraints; but we do have many Federal constraints to mining—80 different Federal laws administered by 20 different Federal agencies constrain mineral exploration and mining operations in the United States.

As a result of these laws, over 75 percent of the public land in the United States has either been withdrawn or severely restricted from mining and mineral exploration—most of it in the last few years. This equates to an area the size of the entire United States east of the Mississippi River.

Moving up to the next industrial echelon, we find another capacity problem. There are, for instance, only three remaining U.S. suppliers of large forgings—the kind we need for aircraft landing gear and engine components. Literally hundreds of foundries were closed in the mid-1970's as a result of very ambitious OSHA/EPA rulemaking—51 have closed just in the last 2 years.

The shrinking industrial base, coupled with increasing demand, not only nationally, but worldwide for scarce materials, and products made from these materials has resulted in greatly lengthened lead times—as much as 200 percent—and greatly escalated costs—as much as a 300-percent price rise in just the last 2 years.

The United States is dead last in productivity growth rate of all industrialized Western nations and our productivity growth rate continues to decline.

According to the Bureau of Labor Statistics, while Japan's rate has been increasing annually at almost 8 percent and West Germany's at almost 5 percent for the past 20 years, the United States has been limping along at an average growth rate of 1.5 percent over that period.

But that's an average. Last year, we had a negative growth rate of eight-tenths of 1 percent. In other words, we didn't grow at all—our rate went down, not up.

There are a lot of reasons for our productivity decline.

One of the most important is low capital investment in modern plant and equipment, and low amounts spent for research and development.

Today the average U.S. plant is 20 years old—8 years older than the equivalent German plant and more than 10 years older than the equivalent Japanese plant.

The United States is dead last among industrial countries in investment in new and modern equipment as a percent of the gross national product.

Furthermore, a significant share of the capital investment that has been made in recent years has been for the installation of pollution abatement and health and safety equipment which do not contribute to productivity.

The ratio of our national R. & D. expenditures to GNP has decreased nearly 24 percent in the last 15 years and much of today's R. & D. is spent to comply with Government regulations—in some industries compliance R. & D. approaches 40 percent of the total amount spent.

Another reason for our productivity decline is poor quality of much of the output of our industry.

Poor quality and poor productivity are costing every man, woman, and child in the United States. It's costing the Department of Defense dearly in military preparedness; it's costing American industry dearly in profit and reputation; and it's costing the country dearly in international trade.

In 1960, we imported only 5 percent of our consumer electronic goods. Today we import 51 percent.

In 1960, we imported only 4 percent of our automobiles. Today we import 27 percent.

In 1960, we imported only 3 percent of our metal forming machine tools. Today we import 25 percent.

In 1960, we imported only a fraction of 1 percent of our electrical components. Today we import over 20 percent.

In 1960, we imported only 2 percent of our industrial chemicals. Today we import 20 percent.

In 1960, we imported only 4 percent of our steel. Today we import 14 percent.

Those losses mean lost jobs, lost profits, lost taxes, lost opportunity.

Last year our balance of payments for merchandise was $29.5 billion in the red. For the first half of this year, we were $18.5 billion in the red. Oil imports generally get blamed for these deficits, but Japan and West Germany import all of their oil and yet they have a strong surplus of exports over imports. Why are they so different? We're losing our markets overseas, and at home, because we are failing to put out enough high quality products at a competitive price.

Foreign nations are now setting world productivity and quality standards—not the United States; and Japan is the leader.

The total foreign share of the United States auto market now stands at a whopping 27 percent.

And there's another black spot. Our electronic industry is fast being surpassed by the Japanese. For instance they gained a toehold in the world's semiconductor markets a few years ago and now seem bound and determined to take it over. They now enjoy 41 percent of the world market in a key component of modern computers.

Why? A combination of high productivity, reasonable price, and high quality.

There is currently a great shortage of technically educated professionals and skilled labor in the United States and the forecast is that things will get worse. For instance, the N.S.F. projects an 80 percent shortage of computer professionals, an 87 percent shortage of statistical professionals and a 47 percent shortage of industrial engineers by 1990.

The forging industry is currently 20 percent short of its needs for die designers, 18 percent short in impression die makers, and 13 percent short of trim makers.

The tooling and precision machining industry could hire 60,000 journeymen right now if they were available and they say that that shortage could quadruple by 1985.

Japan is graduating more engineers in Japan every year than the United States, even though their population is roughly one-half of ours.

It is a gross contradiction to think that we can maintain our position as a first-rate military power with a second-rate industrial base.

I've sponsored a legislative change and regulatory change package to modernize government contracting procedures and make the act of doing business with the government easier. Central to this proposal is a law change to enable government agencies to use multiyear contracts to save money and encourage capital investment. Currently, we are required to contract one year at a time—a very poor and expensive procedure which also is a great disincentive to capital investment in new plant and equipment.

I've worked with the Federal Emergency Management Agency, and the Congress on getting a more rational critical materials policy and I'm pushing very hard to get Congress to revitalize the stockpile.

I've asked Congress to change our depreciation laws and to enact other legislation to incentivise capital investment in productivity enhancing venture.

We need many voices raised to keep these problems visible and on the public conscience.

What we don't need are soothsayers—Pollyannas—who claim that everything will turn out all right if we just sit and wait. Things won't turn out all right unless we make things turn out all right.●

OFFICIAL CAR OF THE U.S. SKI TEAM

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. APPLEGATE. Mr. Speaker, over the Christmas holidays, I had the opportunity to be viewing television when a commercial came on about the U.S. ski team, and, in particular, the official car of the team, a Subaru. As I am sure you know this is a Japanese-produced vehicle.

At a time of most severe economic hardship in one of, if not the most basic industry in the United States, that being the auto industry, I am quite dismayed that an entity that represents America, such as the U.S. ski team, would favor foreign products over those made in America. I do not claim to be qualified to judge the merits of the official car versus those of American products, although I am sure there are American products of equal quality; however, I believe that the underlying theme of the U.S. ski team, that of pride in America should be carried out in every way possible. To only take this concept to the slopes of mountains and then forget about it when it comes to strengthening our national economy, and, in turn, our national security, is hypocritical at best. I do not mean to imply that a single Subaru is a direct threat to our national security, but certainly, when it is promoted as it is by the ski team and then grouped together with other foreign makes, there is a definite detrimental overall effect.

In light of current economic and industrial conditions, I strongly urge the U.S. ski team to take immediate action and reject this or any other foreign product as an official car of the team. If an official car is indeed needed at all, the team should select one that promotes American industry and helps our economy to grow and prosper. I further believe a public statement to this affect should also be made.●

GERALD R. FORD PRESIDENTIAL MUSEUM

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. SAWYER. Mr. Speaker, I am extremely proud to inform my colleagues of the planned opening of the Gerald R. Ford Presidential Museum in my home town of Grand Rapids, Mich., in September 1981.

The museum, built to honor our 38th President, marks a significant step in the redevelopment of the city of Grand Rapids, just as the tenure of President Ford marked a significant transition for our Nation.

There can be no doubt that Jerry Ford helped shape the successful all-American image of Grand Rapids, which he represented in Congress before assuming the responsibilities of Vice President and later President. The residents of the Fifth Congressional District are excited to be joined by the entire Nation in saying a well-deserved "thank you" through the grand opening of the Ford Presidential Museum.

I am pleased to include an article from the Grand Rapids Press of December 16, 1980, which tells more for those who may want to know about the Ford Presidential Museum opening:

WEEK-LONG FESTIVAL IS PART OF FORD MUSEUM DEDICATION

(By Jim Harger)

A week-long festival attracting an array of international entertainment and political figures was announced Tuesday for the Sept. 14 through 19 dedication of the Gerald R. Ford Presidential Museum.

Comedian Bob Hope is planning to film an NBC television special about Grand Rapids during the celebration.

And, President-elect Ronald Reagan, Vice President-elect George Bush, Israeli Prime Minister Menachim Begin, Egyptian President Anwar Sadat, Canadian Prime Minister Pierre Trudeau and a host of national leaders are expected to appear and possibly lecture during the dedication week.

In addition to the Ford Museum dedication on Sept. 18, the "Celebration on the Grand II" will feature the reopening of the Pantlind Hotel as the Amway Grand Plaza Hotel on Sept. 15 and dedication of the Grand Rapids Art Museum on Sept. 16.

In a press conference Tuesday, Museum Dedication Committee co-chairman Richard DeVos, president of Amway Corp., said the extravaganza is expected to draw national media exposure to Grand Rapids.

"They will watch Grand Rapids move into the big time," said DeVos of the celebration. "Ford represents what Grand Rapids really is. You just know this town is going to hit the big time."

"Hope wants to capture the spirit of Grand Rapids and Ford on film to let other cities in the U.S. know what's good about America," said DeVos in a joint statement with Werner Veit, president of Booth Newspapers and co-chairman of the dedication committee.

"While other cities are failing, Grand Rapids is totally rejuvenating itself," said DeVos, who said the television special will include performances by Tony Orlando, Beverly Sills, Sammy Davis, Jr., and Pearl Bailey.

Frank Sinatra, Glen Campbell and the Oak Ridge Boys also have been extended invitations, said DeVos.

Hope's show, which is expected to be more somber than his typical television presentation, also will feature the comedian and Ford strolling through the Presidential Museum, reminiscing about Ford's political past.

"Jerry Ford had a healing effect on this country," said a spokesman for the dedication committee. "There's been a healing effect, too, on this city by the leaders in this community. That's what they're going to try to catch in the Hope show."

In addition to Reagan and Bush, Senate Majority Leader-elect Howard Baker and Speaker of the House Thomas P. O'Neill will attend and are expected to co-chair an honorary "Committee of '81," a non-functioning honorary group of 81 persons demonstrating the broad, representative nature of the celebration, said DeVos.

The celebration committee also hopes to attract U.S. Sen. Edward Kennedy, Lady Bird Johnson, former Secretary of State Henry Kissinger, former Treasury Secretary William Simon, former Defense Secretary Donald Rumsfeld, members of the U.S. Supreme Court, Congress and other Ford Cabinet members.

DeVos said other dignitaries, such as President Jimmy Carter, will be invited but have not yet been contacted.

"President Ford is calling in every political and entertainment chit he had out for this," said a spokesman for the dedication committee.

"I don't know of any city outside of Washington during a Presidental Inauguration that's managed to get people of their caliber together," said the spokesman.

The U.S. Marine Corps band, the Naval Academy Glee Club and the Strolling Strings—performers at White House black tie dinners—also will participate during the week.

For West Michigan residents, the festival will feature a downtown salmon fishing derby, hot-air balloon races, fireworks and parades, said Peter Secchia, head of committee's operations and community events subcommittee.

All of the community events will be self-funded, said Secchia, a long-time personal friend of Ford.

The $500,000 that will be needed to finance the overall planning of the events probably will be raised through "expensive luncheons", a dinner before the Bob Hope show and tickets to Hope's show and rehearsals, said DeVos.

A coordinating committee to raise funds and complete plans for the event will be made up of the chairmen of various subcommittees under the dedication committee.

Subcommittee chairmen are: Casey Wondergem of Amway, public relations; Secchia of Universal Companies, operations and community events; architect and builder Jordan Sheperd, commemorative committee; Martin J. Allen of Old Kent Bank and Wood's Willard Schroeder, arrangements; Peter Cook and Robert Hooker of Mazda Great Lakes with Carl Morgenstern of Old Kent Bank and Trust, finance.

Amway will plan its own dedication activities for the Amway Grand Plaza Hotel. Molly Bradshaw and Carson Donley will plan the dedication of the Art Museum.

DeVos also announced the selection of Danny Gaydou of Booth Newspapers as treasurer of the dedication committee, and the hiring of Ben Dean as the initial staff person for the museum dedication.●

TRIBUTE TO STU NOLTON

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. LAGOMARSINO. Mr. Speaker, on January 5, just as we were being sworn in for the 97th Congress, my field representative and good friend, Stu Nolton, passed away in Santa Barbara.

I have known Stu since college days, and he and his wife, June, have been close to my wife, Norma, and me for many years. Stu was a veteran of World War II and a businessman in the district prior to joining my staff as district coordinator when I served in the California State Senate. After my election to this House nearly 7 years ago he continued to work as field coordinator in my Santa Barbara office. He was a loyal patriot and public official, and his counsel and efforts in behalf of public safety, in which he specialized, will be missed by me and by my constituents.

On their behalf, I would like to extend the condolences of this House to his widow, June, and to his daughters, Lori and Lisa; and to add my own sentiments that he was a good friend and colleague who will be remembered.●

THE 1980 CENSUS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 13, 1981

● Mr. DERWINSKI. Mr. Speaker, the 1980 census has been the subject of much knee-jerk criticism, most of which is unwarranted. Therefore, I was especially pleased to note the editorial in the Chicago Sun-Times of January 6, which is a most accurate summation of the results of the census count.

This editorial follows:

TAKE CENSUS AS IT IS

The final census count is in, and the U.S. Supreme Court has invalidated a lower court's order that would have blocked its certification.

New York, Detroit and 30 other municipalities are crying "undercount," and their battles will continue in the courts. But we might as well all learn to live with the final numbers. Nothing is likely to change.

Even if the 1980 count is not "the most accurate ever," as the Census Bureau claims, it's close enough so that laborious, expensive patchwork would not significantly alter application of the census to congressional reapportionment or federal aid to cities and states, which is what the screaming is all about.

For one thing, as Princeton Professor Richard P. Nathan wrote in the Wall Street Journal, past evidence indicates that "undercounted people tend to be spread fairly evenly over the country." If anything, "proportionately larger numbers of people were missed [in 1970] in rural areas and in the South" than in the Northern cities.

For another, the claim that a city loses $200 for every uncounted resident is wrong.

That claim assumes that federal grants would grow by $200 with the discovery of every person who has been uncounted. Actually, over all grant totals are fixed by law, and population corrections would be so evenly spread that redivision of the available funds would bring minimal changes.

Furthermore, federal aid is shared on other than per capita considerations. For example, community development block grants, riches cornucopia for most cities, favor those with declining populations. Thus, finding the uncounted would negate this distress factor.

Let's take it as is—226,504,825.●

SENATE—*Thursday, January 15, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 11 a.m., and was called to order by the Honorable WARREN RUDMAN, a Senator from the State of New Hampshire.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 15, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WARREN RUDMAN, a Senator from the State of New Hampshire, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. RUDMAN thereupon assumed the chair as Acting President pro tempore.

RECESS UNTIL 4 P.M. ON MONDAY, JANUARY 19, 1981

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will stand in recess until 4 p.m. on Monday, January 19, 1981.

Thereupon, at 11:01 a.m., the Senate recessed under the order of Tuesday, January 6, 1981, as modified by the order of Monday, January 12, 1981, until Monday, January 19, 1981, at 4 p.m.

ROUTINE MORNING BUSINESS

(The following bills, resolutions, and statements were introduced and submitted today under the order of January 6, 1981:)

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 7, January 8, and January 14, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on January 7, January 8, and January 14, 1981, are printed at the end of the Senate proceedings.)

ANNUAL REPORT ON ADMINISTRATION OF THE FEDERAL RAILROAD SAFETY ACT—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 2

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 7, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Ninth Annual Report on the Administration of the Federal Railroad Safety Act of 1970 (45 U.S.C. 421 et seq.) as required by that Act. This report was prepared in accordance with Section 211 of the Act and covers the period from January 1, 1979, through December 31, 1979.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

REPORT ON ACTIVITIES OF THE UNITED STATES GOVERNMENT IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 3

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 7, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress this report of the activities of the United States Government in the United Nations and its affiliated agencies during calendar year 1979.

The international crisis created by the seizure of the American Embassy in Tehran and the taking of Americans hostage overshadowed much of the 34th General Assembly. In this atmosphere, the United States directed its efforts in the United Nations toward supporting the work of the Secretary General and the Security Council to resolve this breach of international law. The Secretary General brought the issue to the Council which unanimously called upon the Government of Iran to release the hostages. Ironically, after three years of negotiations, the Assembly adopted by consensus the Convention Against the Taking of Hostages. This Convention affirms that there is no valid excuse for the taking of hostages and that there are no circumstances under which the seizure of hostages can be condoned.

Both the Security Council and the General Assembly focused international attention on the continued military occupation of Kampuchea by Vietnam. Of particular note during 1979 was the Security Council's termination of sanctions against Southern Rhodesia, a result of the agreement by the Lancaster House Conference.

On economic issues, UN actions ranged from highly technical meetings such as those on commodities, to continuing the work of the International Monetary Fund and to political discussions in the General Assembly on the future of international economy and development.

These discussions, attended by almost all U.N. members, saw a continuous, intense, and sometimes acrimonious series of exchanges between the developed and developing countries on the organization of the international economy, the nature of international economic relations, and the effects of both on economic development. This resulted in the decision by the 34th General Assembly to hold further meetings on these issues. We believe that negotiations of this kind and at this level are important and necessary to relations between developed and developing countries. However, whether the U.S. participates in these global negotiations will depend on how effectively we use but do not intrude upon the agencies of the U.N. and other international organizations.

The United States continues to monitor closely U.N. expenditures and programs and supports the Secretary General's efforts to limit budget growth.

Our participation in the United Nations and its related agencies and programs is an integral part of our foreign policy. As this report makes clear, the United Nations system of organizations is important and sometimes indispensable to the achievement of many of our central foreign policy objectives. This report should contribute to American understanding of and support for the United Nations and to the continuing active and constructive role of the United States.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

FEDERAL, EXECUTIVE, LEGISLATIVE, AND JUDICIAL SALARIES—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 4

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 7, 1981, received the following message from the President of the United States; which was referred to the Committee on Governmental Affairs:

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

To the Congress of the United States:

If the Federal Government is to meet successfully the enormous challenges it faces in these difficult times, it must be able to attract and retain men and women of outstanding ability and experience for its highest posts.

Monetary awards are not the principal attractions offered by the public service, and complete parity with private sector salaries is neither desirable nor possible. Those who serve at the highest levels of the Federal Government expect and are willing to make some financial sacrifice to serve their country. Nevertheless, compensation levels today have fallen below the point at which they provide adequate monetary recognition of the complexity and importance of top Federal jobs.

The financial sacrifice demanded of top Federal officials is becoming far too great. Since the last quadrennial adjustment in 1977, the salaries of those officials have increased only 5.5 percent. During that same period, the CPI has risen by about 45 percent, which means that the purchasing power of these salaries has declined by about 28 percent.

I fully recognize that the salaries already being paid these officials look very large to the average taxpayer. But when we are seeking to fill an Assistant Secretary position, a Bureau Chief position, or one of the other top level policymaking positions in the Executive Branch, we want people who know the specialized field involved and who have had extensive experience and success in it. Usually, these people are already being highly paid, and there is a limit to the financial sacrifices they can afford to make.

Not only is the discrepancy between private sector executive pay large now; it is continuing to widen. Since 1977, for example, while Federal executive pay has risen only 5.5 percent, private sector executive pay has gone up about 25 percent. If this gap continues to widen, government service will be so unattractive that increasing numbers of the best qualified will refuse to serve.

These observations apply equally to the selection of judges. The Federal judiciary has traditionally drawn a substantial number of appointees from the top echelons of the legal profession. These individuals are mature, experienced, and often at the height of their career earnings. When they become judges, it is usually at a financial sacrifice. If the sacrifice we ask becomes too great, increasing numbers of those best qualified will refuse consideration for appointment. The Attorney General tells me we are already receiving many declinations from lawyers of the quality we desire. We must not allow that trend to accelerate.

In addition to the recruiting problem, there are important considerations of retention and of equity. Resignations from the Federal bench show a disturbing tendency: only seven Federal judges resigned in the 1950's, and eight in the 1960's: but 24 resigned in the 1970's. Three resigned in 1980 alone.

The Constitution wisely provided that Federal judges would be appointed for life. The founders believed, and experience has confirmed, that lifetime service enhances the integrity and independence of a judge's performance. It also strengthens public confidence that judges possess these qualities, and increases public respect for their decisions. When lifetime judges leave the bench because of inadequate salaries, the public loses more than their experience and efficiency. The public also loses the confidence in the judicial process that is central to the success of our Constitutional system.

Obviously, many judges will not leave the bench even for the much larger salaries they could earn by returning to private practice. But the devotion of these judges should not be rewarded by unfair treatment. Something must be done to encourage and reward continuous judicial service.

Turning now to career executives, you know that Executive Levels IV and V are by law the ceiling for career salaries. You know also that General Schedule salaries have risen by 31.9 percent over the period in which executive salaries rose by only 5.5 percent. As a result, more and more GS employees each year reach the executive pay ceiling.

Consequently, we now have a salary system in which up to seven levels of career executives and managers are all receiving the same pay. Career executives who are promoted to more responsible and demanding positions often receive no pay increase whatsoever to compensate them for taking on heavier responsibilities. Agencies with field organizations, which need to advance successful managers from district offices to regional offices to headquarters offices, find it increasingly difficult to persuade capable employees to move their families for "promotions" that carry no pay increase.

One result of this compression is that many experienced and valuable career executives are retiring as quickly as they become eligible for retirement. For the twelve month period ending last March, a startling 75 percent of career executives in the 55–59 age bracket who were at the executive pay ceiling and were eligible to retire, did so. The result is that talented, experienced and creative public servants are leaving when they are of maximum value to their agencies. Unless these trends are reversed, the nation cannot expect to retain a high quality senior career group.

Congress shares many of these salary problems. We all know that people do not run for office because of the salaries involved, and that many people would run for Congress even if the members drew no pay at all. But it is of vital importance to have Congressional salaries high enough to attract a broad range of people, including those who want their families to enjoy the same standard of living they would if they were carrying even moderately comparable responsibilities in other occupations.

Congressional salaries have experienced the same loss of purchasing power as those already discussed. Yet, Congressmen face even greater expense than the other groups because they must maintain two residences and have other expenses stemming from their unique responsibilities. So they, too, need pay increases.

As the law provides, a Commission on Executive, Legislative and Judicial Salaries has considered these and related salary issues. This Commission, which was composed of distinguished private citizens with no selfish interests in Federal pay scales, made the findings I have summarized above. To correct them, it has unanimously recommended salary increases averaging about 40 percent.

I have no doubt that the facts fully justify those recommendations. Nevertheless, I continue to be concerned that we balance compensation needs against Federal Government leadership in fighting inflation and in minimizing the overall costs of government. Consequently, I am recommending to you in my budget for FY 1982 that smaller increases be allowed at this time, but——just as importantly—that we commit ourselves to allowing future increases annually to prevent these salary problems from continuing to worsen.

As you know, General Schedule employees received increases in FY 1979 and FY 1980 that totaled 16.8 percent. By operation of PL 94–82, the legal salaries of top level officials also increased by these same amounts. Congress, with my concurrence, enacted appropriation language that temporarily prohibited the *payment* of those increases to the top officials. Consequently, their payable salaries are now 16.8 percent below their legal salaries. Several judges sued over the application of that appropriation limitation to the judiciary and recently won a Supreme Court decision that means many judges will receive the 16.8 percent in question.

I believe the least we can do at this point is to give the Executive and Legislative branch officials the 16.8 percent already received by most General Schedule employees and already won by the judges. Just as important as the immediate increase, however, is adoption of the principle that we will allow whatever increase is granted General Schedule employees in October of 1981 and in subsequent years to be paid also to the top level officials, as PL 94–82 provides. Only by following this principle can we prevent the salary muddle from becoming worse every year. Experience has shown that if we wait four years to make salary adjustments in a time of rapid inflation, the needed catch-up will be so large as to be unacceptable to our citizens.

Because the case for a significant increase in the salaries of Federal judges is especially strong, I urge also that Congress give consideration to a salary scale for judges that would explicitly recognize the public importance of continuous judicial service: for example, by an annual or periodic increase for longevity in addition to the cost of living adjustments that are made from time to time.

In addition, I urge that Congress give careful consideration to the five nonsalary recommendations made by the Commission, especially their proposal for a two year study of the complex and harmful compensation problems that now exist.

The Commission concluded that the conditions I have outlined constitute ". . . a quiet crisis, unperceived by most citizens of the nation but requiring an immediate response by the President and the Congress to safeguard the high quality of its senior officials." I agree with that conclusion and urge you to act favorably upon my recommendations. President-elect Reagan has authorized me to say that he fully supports these recommendations.

PL 95-19 provides that each House must within 60 days conduct a separate recorded vote on my recommendations for each branch of government. In addition, if you wish to accept my recommendation to make the current legal rates payable now, you should amend section 101(c) of P.L. 96-536 accordingly.

In the event that you decide you do not wish to approve increases for your own Members, I strongly urge that you allow them for officials of the Executive and Judicial branches. The gravity of the "quiet crisis" those branches face requires you to do no less.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

REPORT ON 20TH DECENNIAL CENSUS AND APPORTIONMENT OF REPRESENTATIVES—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 5

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 7, 1981, received the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

Pursuant to the provisions of Title 2, United States Code, Section 2a(a), I transmit herewith a statement prepared by the Director of the Census, Department of Commerce, pursuant to Title 13, transmit herewith a statement prepared showing (1) the population of each State and the District of Columbia as ascertained by the Twentieth Decennial Census of the population, and (2) the number of Representatives to which each State would be entitled under an apportionment of the existing number of Representatives by the method of equal proportions.

JIMMY CARTER.

THE WHITE HOUSE, *January 7, 1981.*

ANNUAL REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 6

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 8, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Ninth Annual Report on Hazardous Materials Control as required by the Hazardous Materials Transportation Act, Title I of Public Law 93-633. This report has been pepared in accordance with Section 109 of the Act and covers calendar year 1978.

JIMMY CARTER.

THE WHITE HOUSE, *January 8, 1981.*

ANNUAL REPORT ON PIPELINE SAFETY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 7

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 8, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I hereby transmit to Congress the Department of Transportation's annual report on pipeline safety. The submitted report covers pipeline safety and related activities for the calendar year of 1979. This combined report is prepared as required by section 213(c) of the Hazardous Liquid Pipeline Safety Act of 1979.

This report is the Department's First Annual Combined Report on Pipeline Safety for 1979. The combined reports are: the 12th Annual Report of the Natural Gas Pipeline Safety Act of 1968 as amended, submitted in accordance with section 16 of the Act; and the First Annual Report of the Hazardous Liquid Pipeline Safety Act of 1979 in accordance with section 213(a) of this Act.

JIMMY CARTER.

THE WHITE HOUSE, *January 8, 1981.*

ANNUAL REPORT OF THE NATURAL GAS PIPELINE SAFETY ACT OF 1968—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 8

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 8, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

I hereby transmit to Congress the 11th Annual Report of the Natural Gas Pipeline Safety Act of 1968, covering pipeline activities for the calendar year of 1978. This report is submitted in accordance with section 14 of the Act.

Included in this report are two other elements concerning pipeline safety: the annual report on the administration of the Mineral Leasing Act of 1920, submitted in accordance with subsection 28(w)(4) of this Act; and a report on liquid pipeline safety programs.

This report details the Department of Transportation's responsibility and progress in regulating safe pipeline transport of natural and other gases on Federal lands.

JIMMY CARTER.

THE WHITE HOUSE, *January 8, 1981.*

EXTENSION OF EMERGENCY BUILDING TEMPERATURE RESTRICTIONS—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 9

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 13, 1981, received the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Energy and Natural Resources.

To the Congress of the United States:

On July 10, 1979, I issued a Proclamation pursuant to the Energy Policy and Conservation Act of 1975 by which I implemented Standby Energy Conservation Contingency Plan No. 2 and imposed emergency building temperature restrictions, effective July 16, 1979. On April 15, 1980, I issued a Proclamation which continued those emergency building temperature restrictions until January 16, 1981.

I have now issued the attached Proclamation which renews the required statutory findings and continues the Plan in effect until October 16, 1981, unless sooner rescinded.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

ANNUAL REPORT OF THE DEPARTMENT OF EDUCATION—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 10

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 13, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I am pleased to transmit to the Congress the first Annual Report of the Department of Education, as required by Section 426 of Public Law 96-88, the Department of Education Organization Act.

The Report outlines the progress of the Department during Fiscal Year 1980 in the attainment of its goals, priorities, and plans. It also emphasizes this Administration's efforts to provide more responsible and effective Federal support for education.

I believe that we have made substantial progress since the Department of Education opened its doors on May 4, 1980, in providing new leadership and support for American education.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

ANNUAL REPORTS ON ADMINISTRATION OF THE NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 11

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 13, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation.

To the Congress of the United States:

The Highway Safety Act and the National Traffic and Motor Vehicle Safety Act, both enacted in 1966, initiated a cohesive national effort to reduce the deaths and injuries on the Nation's highways and require annual reports on the administration of these acts.

The report on motor vehicle safety includes the annual report required by Title I of the Motor Vehicle Information and Cost Savings Act of 1972 (bumper standards). An annual report is also required by the Energy Policy and Conservation Act of 1975 which amended the Motor Vehicle Information and Cost Savings Act and directed the Secretary of Transportation to set, adjust and enforce motor vehicle fuel economy standards. Similar reporting requirements are contained in the Department of Energy Act of 1978 with respect to the use of advanced technology by the automobile industry. These requirements have been met in the Fourth Annual Fuel Economy Report, the highlights of which are summarized in the motor vehicle safety report.

In the Highway Safety Acts of 1973, 1976 and 1978, the Congress expressed its special interest in certain aspects of traffic safety which are addressed in the volume on highway safety.

The combination of motor vehicle and highway safety standards, enforcement, and research have reduced the fatality rate by about 39 percent. This reduction has been achieved in spite of tremendous increases in traffic volume—registered motor vehicles up 67 percent, licensed drivers up 42 percent, vehicle miles driven up 64 percent.

Even so, 51,083 people met violent deaths on the highways in 1979—up from 50,331 in 1978. Based on current trends, each person born this year can expect to be involved in a crash every 10 years. One in 60 will be killed, and one in 20 will be seriously injured.

In addition to the persistent problems of drunk driving and speeding, several influences have contributed to the upward trend in fatalities: the increasing nonobservance of the 55 mph speed limit, which in some States is only lightly enforced; the repeal, or weakening, of motorcycle helmet laws; the increasingly widespread use of vans and light trucks, which have not been subject to the majority of Federal motor vehicle safety standards; the fact that the Nation's roads are deteriorating faster than they can be maintained, especially the non-Interstate Systems, where more than 90 percent of all fatal accidents occur; and the shift to smaller, lighter cars.

While small cars made up only 38 percent of the cars on the road in 1979, small car occupants accounted for a disproportionate 55 percent of the deaths that year in two-vehicle crashes. Because of the lower weight of smaller cars, their occupants fare poorly in collisions, particularly in collisions with heavier vehicles. In a crash between a subcompact car and a full-sized model which is severe enough to cause a fatality, the occupants of the small car are eight times more likely to be killed than the occupants of the large car.

As America moves into the small car era, the consequences of ignoring the need for further safety improvements become unacceptable in both human and economic terms. Traffic safety must be given a high priority by Federal, State and municipal Governments, by the automotive industry, by private organizations, and most important of all, by the potential victims of highway accidents—the public.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

ANNUAL REPORT OF THE U.S. ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 12

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 13, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In transmitting to you the 1980 Annual Report of the United States Arms Control and Disarmament Agency, I must emphasize that in 1980, although efforts to control the arms race have made some progress, they have also suffered a serious setback.

The SALT negotiations, aimed at controlling the strategic nuclear arms competition between the United States and the Soviet Union, have continued through four Administrations. The SALT II Treaty, which I signed in June 1979 with Soviet President Brezhnev, represents a significant step in the direction of such arms control. This treaty was the subject of intense national debate and of hearings by three committees of the Senate. However, the Soviet invasion of Afghanistan in December 1979 made it necessary for me to ask the Senate to delay consideration of the SALT II Treaty on the floor, although, as I informed the Congress, I intended to take up the treaty again after dealing with more urgent matters.

The subsequent Presidential campaign and election have had the effect of referring to the incoming Administration and Congress the question of what action to take with respect to the SALT II Treaty. The fact that this treaty has not been ratified raises serious issues concerning our national security and future arms control efforts.

In the period of relative calm that follow an election year, it should be possible to move quickly toward a mutually acceptable SALT II Treaty that will be ratified by the Senate. This is important to our own national security, and it is the strong wish of all our allies. In addition, while some progress has been made in other arms control negotiations—such as those seeking a Comprehensive Nuclear Test Ban Treaty, a treaty banning chemical weapons, and a treaty to achieve Mutual and Balanced Force Reductions in Europe—success in these efforts is probably dependent upon resolving the issue of SALT II.

Similarly, the success of our continuing efforts to prevent the proliferation of nuclear weapons in other countries is directly related to what the major nuclear powers do in controlling their own nuclear arsenals.

There are many serious problems in this world, but I continue to believe, as I stated in submitting the first annual arms control report of this Administration, that "The challenge of preventing war—and redirecting resources from arsenals of war to human needs—is the greatest challenge confronting mankind in this last quarter of the 20th century." We have made progress, but much remains to be done. The future depends on our success.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

MESSAGE FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of January 6, 1981, the following message from the House of Representatives was received on January 8, 1981, during the recess of the Senate:

Pursuant to the provisions of Senate Concurrent Resolution 2, 97th Congress, the Speaker appoints as members of the Joint Committee To Make Necessary Arrangements for the Inauguration of the President-Elect and the Vice President-elect of the United States on the 20th day of January 1981, the following members on the part of the House: Mr. RHODES, Mr. MICHEL, Mr. O'NEILL, and Mr. WRIGHT.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2. A communication from the Under Secretary of Agriculture for International Affairs and Commodity Programs, transmitting, pursuant to law, the second quarterly commodity and country allocation table showing the planned programing of food assistance for fiscal year 1981; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3. A communication from the Administrator of the Rural Electrification Administration, transmitting, pursuant to law, notice of a commitment to guarantee a non-REA loan to the Saluda River Electric Cooperative, Inc., of Laurens, S.C.; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4. A communication from the Administrator of the Rural Electrification Administration, transmitting, pursuant to law, notice of a commitment to guarantee a non-REA loan to the North Carolina Electric Membership Corp. of Raleigh, N.C.; to the Committee on Agriculture, Nutrition, and Forestry.

EC-5. A communication from the Deputy Assistant Administrator of the Environmental Protection Agency for pesticide programs, transmitting, pursuant to law, a final regulation for the enforcement of the Federal Insecticide, Fungicide, and Rodenticide Act; to the Committee on Agriculture, Nutrition, and Forestry.

EC-6. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of the Office of the Attending Physician Revolving Fund—Fiscal Year 1980", to the Committee on Appropriations.

EC-7. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the use of funds made appropriated in the Department of Defense Appropriation Act and the Military Construction Appropriations Act; to the Committee on Appropriations.

EC-8. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Legislation on Sizing Military Medical Facilities Needed To Correct Improper Practices, Save Money, and Resolve Policy Conflicts"; to the Committee on Armed Services.

EC-9. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "More Effective Internal Controls Needed to Prevent Fraud and Waste in Military Exchanges"; to the Committee on Armed Services.

EC-10. A communication from the Assistant Attorney General, Antitrust Division, transmitting, pursuant to law, a report on the enforcement of Title I of the Consumer Credit Protection Act for calendar year 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC-11. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on the activities of the Bank concerning the export expansion facility program for the quarter ended September 30, 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC-12. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Examinations of Financial Institutions: Issues That Need To Be Resolved"; to the Committee on Banking, Housing, and Urban Affairs.

EC-13. A communication from the Secretary of the Army, transmitting, pursuant to law, the annual report on the administration of the Voluntary Agreements Program under the Defense Production Act as of September 30, 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC-14. A communication from the Secretary of Commerce, transmitting pursuant to law, a report on the extension and expansion of certain export controls for foreign policy purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-15. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a transaction of the Bank on a transaction involving U.S. exports to the United Kingdom; to the Committee on Banking, Housing, and Urban Affairs.

EC-16. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee, and insurance transactions involving communist countries for September 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC-17. A communication from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, a report on the impacts of contracts for rail service with purchasers of rail service, to the Committee of Commerce, Science, and Transportation.

EC-18. A communication from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report on the December 31, 1980 comprehensive benchmark survey of foreign residents' portfolio investment in the United States; to the Committee on Commerce, Science, and Transportation.

EC-19. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report on the relative cost of shipbuilding in the various coastal districts of the United States; to the Committee on Commerce, Science, and Transportation.

EC-20. A communication from the Secretary of the Interior as Chairman of the Migratory Bird Conservation Commission, transmitting, pursuant to law, the annual report of the Migratory Bird Conservation Commission for fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC-21. A communication from the Vice President for Government Affairs of the National Railroad Passenger Corporation, transmitting, pursuant to law, a report on total itemized revenues and expenses and revenues and expenses of each train operated by the Corporation for the month of July 1980; to the Committee on Commerce, Science, and Transportation.

EC-22. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "An Assessment of 1980 Census Results in 10 Urban Areas"; to the Committee on Commerce, Science, and Transportation.

EC-23. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on committees which advise and consult with the Secretary for calendar year 1980; to the Committee on Finance.

EC-24. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Implementing GAO's Recommendations on the Social Security Administration's Programs Could Save Billions"; to the Committee on Finance.

EC-25. A communication from the Chairman of the National Commission on Unemployment Compensation, transmitting, pursuant to law, the final report of the Commission; to the Committee on Finance.

EC-26. A communication from the Chairman of the U.S. International Trade Commission, transmitting, pursuant to law, the 31st report of the Commission on the operation of the trade agreements program; to the Committee on Finance.

EC-27. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the statement of liabilities and other financial commitments of the U.S. Government as of September 30, 1980; to the Committee on Finance.

EC-28. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the U.S. Government, in the 60-day period prior to December 24, 1980; to the Committee on Foreign Relations.

EC-29. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties entered into by the United States in the 60-day period prior to Decembr 22, 1980; to the Committee on Foreign Relations.

EC-30. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to December 15, 1980; to the Committee on Foreign Relations.

EC-31. A communication from the Acting Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, regulations which would exempt mechanical cogeneration facilities from the incremental pricing program required under the Natural Gas Pricing Act; to the Committee on Energy and Natural Resources.

EC-32. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Trans-Alaska Oil Pipeline Operations: More Federal Monitoring Needed"; to the Committee on Energy and Natural Resources.

EC-33. A communication from the Acting Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on imports of crude oil, residual fuel, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; for the period July through September 1980; to the Committee on Energy and Natural Resources.

EC-34. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improved Data and Procedures Needed for Development and Implementation of Building Energy Performance Standards"; to the Committee on Energy and Natural Resources.

EC-35. A communication from the Acting Deputy Secretary of Energy, transmitting, pursuant to law, the annual report of the Department's industrial energy efficiency program for calendar year 1979; to the Committee on Energy and Natural Resources.

EC-36. A communication from the Acting Administrator of the Energy Information, Administration, Department of Energy, transmitting, pursuant to law, a report on sale of refined petroleum products and retail gasoline for September 1980; to the Committee on Energy and Natural Resources.

EC-37. A communication from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, the financial statements of the Colorado River Basin project for the fiscal year 1980; to the Committee on Energy and Natural Resources.

EC-38. A communication from the Secretary of the Interior and the Secretary of Agriculture, transmitting, pursuant to law, the third report on the protection, management, and control of wild burros and horses on public lands; to the Committee on Energy and Natural Resources.

EC-39. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for the acquisition of space by lease in Sacramento, Calif.; to the Committee on Environment and Public Works.

EC-40. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report of building project survey which proposes the construction of a Federal office building in San Francisco, Calif.; to the Committee on Environment and Public Works.

EC-41. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the study of the potential for reducing urban blight adjacent to Federal-aid primary and Interstate highways located in central business districts; to the Committee on Environment and Public Works.

EC-42. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report of building project survey for New Orleans, La.; to the Committee on Environment and Public Works.

EC-43. A communication from the Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a proposed alteration to a system of records in the Department of the Navy for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-44. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Voluntary Early Retirements in the Civil Service Too Often Misused"; to the Committee on Governmental Affairs.

EC-45. A communication from the Assistant Secretary of Health and Human Services for Health and Surgeon General, transmitting, pursuant to law, a report on a proposed new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-46. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "New York State Public Assistance Cost-Sharing Policies: Implications for Federal Policy"; to the Committee on Governmental Affairs.

EC-47. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Management Problems Impede Success of DOE's Solar Energy Projects"; to the Committee on Governmental Affairs.

EC-48. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Proposed Changes in Federal Matching and Maintenance of Effort Requirement for State and Local Governments"; to the Committee on Governmental Affairs.

EC-49. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Proposals for Improving the Management of Federal Travel"; to the Committee on Governmental Affairs.

EC-50. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on an investigation involving the Federal Procurement Data Center; to the Committee on Governmental Affairs.

EC-51. A communication from the Assistant Secretary of Housing and Urban Development, transmitting, pursuant to law, a proposed change to a system of records in the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-52. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a proposed change in a system of records for the Department of Defense for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-53. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Most Federal Agencies Have Done Little Planning for ADP Disasters"; to the Committee on Governmental Affairs.

EC-54. A communication from the Chairman of the Navy Resale and Services Support Office, transmitting, pursuant to law, a statement of General Information Actuary's report and Auditor's report; to the Committee on Governmental Affairs.

EC-55. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, a report of NASA on allegations submitted to the Office of Special Counsel of the Merit Systems Protection Board by an employee of the John F. Kennedy Space Center, Florida; to the Committee on Governmental Affairs.

EC-56. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a follow up report on the recommendations of the Board of Visitors to the Air Force Academy, 1978, and the report of the Board of Visitors to the U.S. Military Academy, November 20, 1978 and April 29, 1976; to the Committee on Governmental Affairs.

EC-57. A communication from the Acting Administrator of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on certain aliens who have been granted temporary admission to the United States under section 212(d)(3) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-58. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a proposed amendment to the payment provisions of the Equal Access to Justice Act; to the Committee on the Judiciary.

EC-59. A communication from the Clerk of the U.S. Court of Claims, transmitting, pursuant to law, a statement of all judgments rendered by the Court of Claims for fiscal year 1980, the amount thereof, the parties in whose favor rendered, and a brief synopsis of the nature of the claims; to the Committee on the Judiciary.

EC-60. A communication from the Chairman, Vice Chairman, and Commissioners of the U.S. Commission on Civil Rights, transmitting, pursuant to law, recommendations of the Commission; to the Committee on the Judiciary.

EC-61. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on the enforcement of regulations pertaining to the Occupational Safety and Health Act of 1970; to the Committee on Labor and Human Resources.

EC-62. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems in Assessing the Cancer Risks of Low-Level Ionising Radiation Exposure"; to the Committee on Labor and Human Resources.

EC-63. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for precollege teacher development in science program; to the Committee on Labor and Human Resources.

EC-64. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for international education programs; to the Committee on Labor and Human Resources.

EC-65. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for student assistance general provisions; to the Committee on Labor and Human Resources.

EC-66. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for rehabilitation training program; to the Committee on Labor and Human Resources.

EC-67. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for assistance to States for education of handicapped children—nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance; to the Committee on Labor and Human Resources.

EC-68. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—part 690, Pell grant program, formerly Basic Educational Opportunity Grant Program; to the Committee on Labor and Human Resources.

EC-69. A communication from the Chairman of the Advisory Panel on Financing Elementary and Secondary Education, transmitting, pursuant to law, the annual report of the panel for calendar year 1980; to the Committee on Labor and Human Resources.

EC-70. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the health maintenance organization program for fiscal year 1979; to the Committee on Labor and Human Resources.

EC-71. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for strengthening research library resources program; to the Committee on Labor and Human Resources.

EC-72. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Guyana Tragedy Points to a Need For Better Care and Protection of Guardianship Children"; to the Committee on Labor and Human Resources.

EC-73. A communication from the Secretary of Education, transmitting, pursuant to

law, final regulations for the Education Appeal Board extending designation of jurisdiction; to the Committee on Labor and Human Resources.

EC-74. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for library career training program—Title II-B-HEA; to the Committee on Labor and Human Resources.

EC-75. A communication from the Attorney General of the United States as Chairman of the Rehabilitation Act Interagency Coordinating Council, transmitting, pursuant to law, the annual report on the activities of the Council for 1980; to the Committee on Labor and Human Resources.

EC-76. A communication from the Administrator of the Veterans' Administration, transmitting, pursuant to law, the report concerning the exchange of medical information program of the Veterans' Administration for fiscal year 1980; to the Committee on Veterans' Affairs.

EC-77. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on budget rescissions and deferrals contained in the President's second special message to the Congress; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Armed Services, the Committee on Commerce, Science, and Transportation, the Committee on Finance, and the Committee on Environment and Public Works.

EC-78. A communication from the Assistant Secretary of the Treasury, transmitting, pursuant to law, project performance reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance audit reports or project completion reports prepared by the Asian Development Bank; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-1. A resolution adopted by the County Council of Kauai County, Hawaii, regarding helping low and moderate income families of Kauai in financing home ownership; to the Committee on Agriculture, Nutrition, and Forestry.

POM-2. A petition from a citizen of Indianapolis, Indiana, favoring the building of a navy to protect our national security; to the Committee on Armed Services.

POM-3. A resolution adopted by the Senate of the State of New Jersey; to the Committee on the Judiciary.

"SENATE RESOLUTION

"Whereas, Among the many thousands left homeless by the earthquake which last month devastated a wide region of southern Italy is a large number of persons having close ties to this country through the presence here of friends and kinsmen who have emigrated hither at various times in the past and who have maintained affectionate connections with the communities of their origin; and,

"Whereas, Many of these persons have suffered not only the destruction of their homes, their possessions and their means of livelihood, but also the loss of family and friends and, in some instances, the near-total obliteration of entire communities; and,

"Whereas, It is natural to expect that survivors of such calamities may find hope in the proffered assistance and warm sympathies of their American kinsmen, and that they may find better prospects of rebuilding their lives and reestablishing communal ties here than in their native localities; and,

"Whereas, In particular, the children orphaned by the recent disaster face a bleak future in their native region, and the care and compassion so generously offered to them by persons in this country should be facilitated by all possible means, official and private; and,

"Whereas, Proposals have been made in the Congress of the United States for such modification of our immigration laws as may be necessary to expedite the entry into this country of such persons, and in particular of orphaned children; now, therefore,

"*Be It Resolved by the Senate of the State of New Jersey:*

"That the Congress of the United States be memorialized to give early attention to proposals for expediting the entry into this country of the victims of the recent Italian earthquake—especially the children orphaned thereby—and to enact such legislation as may be necessary or expedient to that end; and

"*Be It Further Resolved*, That duly authenticated copies of this resolution be transmitted to the Vice President of the United States and the Speaker of the House of Representatives, and to each of the members of Congress elected from this State."

POM-4. A petition from a citizen of Houston, Texas, favoring the adoption of legislation to make the birthday of Martin Luther King, Jr. a national holiday; to the Committee on the Judiciary.

POM-5. A petition from a citizen of St. Louis, Missouri relating to the selection of certain personnel in the Reagan Administration; to the Committee on Labor and Human Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN (for himself, Mr. JOHNSTON, and Mr. TOWER):

S. 85. A bill to amend the Internal Revenue Code of 1954 to exempt independent producers and royalty owners from the windfall profit tax on the first 1,000 barrels of daily production; to the Committee on Finance.

By Mr. PROXMIRE:

S. 86. A bill to amend the Food Stamp Act of 1977 to revise eligibility to participate in the food stamp program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BOREN (for himself and Mr. NICKLES):

S. 87. A bill to repeal the windfall profit tax; to the Committee on Finance.

S. 88. A bill to exempt newly discovered oil from the windfall profit tax; to the Committee on Finance.

S. 89. A bill to exempt incremental tertiary oil from the windfall profit tax; to the Committee on Finance.

S. 90. A bill to exempt certain royalty interests from the windfall profit tax; to the Committee on Finance.

By Mr. BOREN (for himself, Mr. NICKLES, and Mr. DOLE):

S. 91. A bill to exempt stripper well oil from the windfall profit tax; to the Committee on Finance.

S. 92. A bill to amend the Internal Revenue Code of 1954 to provide, in lieu of the reduced rates for independent producer oil, an exemption of 1,000 barrels per day from the crude oil windfall profit tax for independent producers and royalty owners; to the Committee on Finance.

By Mr. MATHIAS (for himself, Mr. KENNEDY, Mr. LEVIN, Mr. GLENN, Mr. PERCY, Mr. MOYNIHAN, Mr. BIDEN, Mr. WILLIAMS, Mr. MATSUNAGA, Mr. LUGAR, Mr. RIEGLE, Mr. SARBANES, Mr. HEINZ, Mr. TSONGAS, Mr. MOYNIHAN, and Mr. INOUYE):

S. 93. A bill to designate of Martin Luther King, Jr., a legal public holiday; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S. 94. A bill for the relief of Adel Shervin; to the Committee on the Judiciary.

By Mr. PERCY (for himself and Mr. GLENN):

S. 95. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies with respect to nuclear waste management; to the Committee on Governmental Affairs.

By Mr. BUMPERS (for himself, Mr. JACKSON, and Mr. TSONGAS):

S. 96. A bill to direct the Secretary of the Interior to provide for the protection of the Barrier Islands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JEPSEN:

S. 97. A bill for the relief of Artemio C. Santiago, doctor of medicine, and Josefina Santiago, husband and wife; to the Committee on the Judiciary.

By Mr. DANFORTH (for himself, Mr. BRADLEY, Mr. BENTSEN, Mr. CHAFEE, Mr. HEINZ, Mr. CRANSTON, and Mr. TSONGAS):

S. 98. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain research and experimental expenditures, and for other purposes; to the Committee on Finance.

By Mr. JEPSEN:

S. 99. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child; to the Committee on Finance.

By Mr. INOUYE:

S. 100. A bill for the relief of Mrs. Manuela Valenzuela Acosta and Evangelina Acosta, to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 101. A bill to amend title 18 of the United States Code to define and limit the exclusionary rule in Federal criminal proceedings; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 102. A bill to amend titles XVIII and XIX of the Social Security Act to provide that professional nurse services shall be covered under part B of medicare and shall be a required service under medicaid; to the Committee on Finance.

S. 103. A bill to amend title 5 of the United States Code to provide payments under Government health plans for services of nurses

not performed in connection with a physician; to the Committee on Governmental Affairs.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 104. A bill to amend title I of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to prohibit the reduction of disability payments under employer-maintained disability compensation plans whenever certain social security benefit programs are increased; to the Committee on Finance.

S. 105. A bill to amend chapter 34 of title 38, United States Code, to authorize the Administrator of Veteran's Affairs to extend, under certain circumstances, the period within which a veteran must complete a program of education under such chapter; to the Committee on Veterans' Affairs.

By Mr. INOUYE:

S. 106. A bill to require the disclosure of information relating reports prepared for executive agencies by experts or consultants; to the Committee on Governmental Affairs.

S. 107. A bill to amend title 10, United States Code, to authorize former members of the armed forces who are totally disabled as the result of a service-connected disability to travel on military aircraft in the same manner and to the same extent as retired members of the armed forces are permitted to travel on such aircraft; to the Committee on Armed Services.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 108. A bill to amend title 10 of the United States Code relating to retention in active service of certain officers; to the Committee on Armed Services.

S. 109. A bill to amend title 38, United States Code, to provide that the Administrator of Veterans' Affairs may furnish outpatient dental services and treatment for a non-service connected disability to any war veteran who has a service-connected disability of 80 percentum or more; to the Committee on Veterans' Affairs.

S. 110. A bill to amend titles XVIII and XIX of the Social Security Act to provide that gerontological nurse practitioner services shall be covered under part B of medicare and shall be a required service under medicaid; to the Committee on Finance.

By Mr. DECONCINI:

S. 111. A bill to provide for open meetings of the Judicial Conference of the United States, to provide procedures to implement that policy, and for other purposes; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 112. A bill to amend section 1003 of title 38, United States Code, relating to memorial areas and appropriate memorials to honor the memory of certain deceased members of the Armed Forces whose remains were buried at sea, have not been identified, or were nonrecoverable; to the Committee on Veterans' Affairs.

By Mr. INOUYE (for himself, Mr. MATSUNAGA, and Mr. THURMOND):

S. 113. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes; to the Committee on Armed Services.

By Mr. DECONCINI:

S. 114. A bill to establish rational criteria for the imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 115. A bill for the relief of Mr. and Mrs. John Reginald Delaney; to the Committee on the Judiciary.

S. 116. A bill for the relief of Bounrid Vongphaody, Phouangchith Vongphaody, Chanmany Vongphaody, Chandara Vongphaody, Khamwa Phixanouxan; to the Committee on the Judiciary.

S. 117. A bill for the relief of Alfredo M. Maglinao; to the Committee on the Judiciary.

S. 118. A bill for the relief of Shon Ning Lee; to the Committee on the Judiciary.

S. 119. A bill for the relief of Mrs. Shu-Yung Gloria Kaw; to the Committee on the Judiciary.

S. 120. A bill for the relief of Mrs. Ting Ping Cheung-Yeh; to the Committee on the Judiciary.

S. 121. A bill for the relief of Ms. Saturnina V. Bonifacio; to the Committee on the Judiciary.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 122. A bill to authorize the spouses of certain former members of the armed forces of the United States to use the services and facilities of post exchanges and commissaries; to the Committee on Armed Services.

S. 123. A bill to amend titles XVIII and XIX of the Social Security Act to provide more adequate coverage of the services of mental health specialists under the Medicare supplemental benefits program and under Medicaid programs; to the Committee on Finance.

S. 124. A bill to limit the costs resulting from acts of negligence in health care and to improve the level of health care services in the United States, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. INOUYE:

S. 125. A bill to revise and codify the Shipping Act, 1916, and related laws; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 126. A bill to establish the position of Associate Director for Minority Concerns in the National Institute on Alcohol Abuse and Alcoholism; to the Committee on Labor and Human Resources.

S. 127. A bill to establish the position of Associate Director for Minority Concerns in the National Institute on Drug Abuse; to the Committee on Labor and Human Resources.

S. 128. A bill to amend section 1002 of title 38, United States Code, to authorize the burial in a national cemetery of the parents of certain members of the Armed Forces who die in active service; to the Committee on Veterans' Affairs.

By Mr. INOUYE:

S. 129. A bill to authorize the Secretary of Commerce to sell the obsolete vessel U.S.S. *Comstock* (LSD-19) to Pacific Marine, a United States company, for conversion for operation under the American flag, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 130. A bill to amend the Immigration and Nationality Act with respect to the granting of United States Citizenship to certain mentally retarded adults; to the Committee on the Judiciary.

S. 131. A bill to incorporate the Pearl Harbor Survivors Association; to the Committee on the Judiciary.

S. 132. A bill to amend title XII of the Public Health Service Act to provide demonstration programs relating to emergency child health care; to the Committee on Labor and Human Resources.

S. 133. A bill to amend section 1079 of title 10, United States Code, to eliminate the requirement for using customary charges in developing a profile of physician charges and to permit the updating of charge profiles more often than once a year; to the Committee on Armed Services.

S. 134. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus real or personal property for use in connection with a public harbor; to the Committee on Governmental Affairs.

S. 135. A bill to limit the amount that may be obligated by any agency of the Federal Government for contracts in the last three months of any fiscal year; to the Committee on Governmental Affairs.

By Mr. INOUYE:

S. 136. A bill to authorize reduced postage rates for certain mail matter sent to Members of Congress; to the Committee on Governmental Affairs.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 137. A bill to require that skilled nursing facilities furnishing services under the medicare and medicaid programs be adequately equipped with wheelchairs and other appropriate equipment and supplies; to the Committee on Finance.

S. 138. A bill to amend chapter 55 of title 10, United States Code, to improve vision care services under CHAMPUS; to the Committee on Armed Services.

By Mr. HATCH:

S. 139. A bill entitled "The Comprehensive Health Care Reform Act; to the Committee on Finance.

S. 140. A bill to provide for a National Blood Program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S.J. Res. 12. Joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself, Mr. JOHNSTON, and Mr. TOWER):

S. 85. A bill to amend the Internal Revenue Code of 1954 to exempt independent producers and royalty owners from the windfall profits tax on the first 1,000 barrels of daily production; to the Committee on Finance.

EXEMPTION OF CERTAIN PRODUCERS FROM WINDFALL PROFITS TAX

● Mr. BENTSEN. Mr. President, on April 2, 1980, the President signed into law a massive tax guaranteeing less domestic energy production in the future while insuring our continued, growing, and expensive dependence on foreign sources of energy supply. I consistently voted against the windfall profit tax because it symbolises the sort of disastrous energy policy this Nation can no longer afford.

The fact that the tax has been in effect 9 months only strengthens my determination to redress the injustices inherent in the notion of "windfall profits" and embodied in the tax.

When people consider the issue of the windfall profit tax there is a tendency

to believe it is targeted solely at the major oil companies—the so-called Seven Sisters—who, according to conventional wisdom, stand to reap huge, unearned profits from the decontrol of oil. The general public failed to recognize that the windfall profit tax also victimizes millions of individuals, millions of royalty owners, who hold title to an average of less than five barrels per day of crude production from their land.

Another major defect in the bill signed into law by President Carter is that it imposes a stiff excise tax—some $22 billion over the next decade—on oil produced by America's 12,000 independent producers.

Most of the oil and gas found in this country is due to the efforts of our independent producers. Unlike the majors, these entrepreneurs have no other fish to fry. Their only activity, their only source of income, is to search for oil and gas in this country.

They drill the wells that are not big enough or profitable enough for the majors; they take the chances considered too risky by the majors. Day in and day out they find oil—millions of barrels of oil—that would otherwise remain under the ground.

The statistics are by now familiar and compelling. Independents drill 90 percent of the wildcat wells in this country. They find 75 percent of the new oil and gas fields. They account for 54 percent of our new oil and gas reserves.

The vast majority of independents are unincorporated, and their profits are subject to a maximum tax rate of 70 percent—not the 46 percent corporate tax rate enjoyed by their competition.

If we are sincerely concerned about increasing domestic oil and gas production, I can think of no more efficient way to go about it. Year after year it has been demonstrated that when we give our independent producers $100 in incentives, they will invest $105 in new production at a time we desperately need every drop of oil we can produce in this country.

Mr. President, if we want to make maximum effective use of our energy assets in America, it simply makes no sense to place a windfall profit tax on the first 1,000 barrels of daily production from our independent operators. It makes no sense to take $22 billion out of production over this decade.

The effect of such a tax is clear and indisputable: It takes resources away from those who invest in our energy future. It increases our dependence on imported energy. It imposes a hug regulatory burden on those least able to contend with it.

What happens to the so-called windfall profit that will be earned by the independent producers? That income, earned in the risky and expensive business of exploration, will be reinvested—dollar for dollar and then some—in activities leading directly to greater energy production in America. That, in my opinion, is a trend that should be encouraged, particularly at a time when it is becoming increasingly costly and risky to find oil and gas in this country.

Accordingly, Mr. President, I am introducing legislation today designed to eliminate two of the more onerous aspects of the windfall profit tax. My legislation would exempt royalty owners, millions of whom depend on this modest income to cope with inflation, from paying a windfall profit tax which clearly should not have been applied to them. It would also provide a complete and total exemption for the first 1,000 barrels of daily production by America's independent producers.

The Senate is clearly on record, Mr. President, as favoring both exemptions and I am hopeful that we can move promptly to redress these flagrant injustices in the windfall profit tax.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 85

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 4987 of the Internal Revenue Code of 1954 (relating to amount of windfall profit tax) is amended to read as follows:

"SEC. 4987. AMOUNT OF TAX.

"(a) IN GENERAL.—The amount of tax imposed by section 4986 with respect to any barrel of taxable crude oil shall be the applicable percentage of the windfall profit on such barrel.

"(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a)—

"(1) GENERAL RULE FOR TIERS 1 AND 2.—The applicable percentage for tier 1 oil and tier 2 oil is—

"Tier 1 70
"Tier 2 60

"(2) TIER 3 OIL.—The applicable percentage for tier 3 oil is 30 percent.

"(c) FRACTIONAL PART OF BARREL.—In the case of a fraction of a barrel, the tax imposed by section 4986 shall be the same fraction of the amount of such tax imposed on the whole barrel.".

SEC. 2. Section 4991(b) of the Internal Revenue Code of 1954 (relating to taxable crude oil) is amended to read as follows:

"(b) EXEMPT OIL.—For purposes of this chapter, the term 'exempt oil' means—

"(1) any crude oil from a qualified governmental interest or a qualified charitable interest,
"(2) any exempt Indian oil,
"(3) any exempt Alaskan oil,
"(4) any exempt front-end oil, and
"(5) any independent producer and royalty owner oil.".

SEC. 3. Section 4992 of the Internal Revenue Code of 1954 (relating to independent producer oil) is amended by—

(a) changing the heading to read

"SEC. 4992. INDEPENDENT PRODUCER AND ROYALTY OWNER OIL."

(b) striking paragraph (d)(1)(D), and
(c) striking paragraph (d)(2).

SEC. 4. EFFECTIVE DATE.—The amendments made by this Act shall be effective beginning January 1, 1981.●

By Mr. BOREN (for himself and Mr. NICKLES):

S. 87. A bill to repeal the windfall profit tax; to the Committee on Finance.

S. 88. A bill to exempt newly discovered oil from the windfall profit tax; to the Committee on Finance.

S. 89. A bill to exempt incremental tertiary oil from the windfall profit tax; to the Committee on Finance.

S. 90. A bill to exempt certain royalty interest from the windfall profit tax; to the Committee on Finance.

By Mr. BOREN (for himself, Mr. NICKLES, and Mr. DOLE):

S. 91. A bill to exempt stripper well oil from the windfall profit tax; to the Committee on Finance.

S. 92. A bill to amend the Internal Revenue Code of 1954 to provide, in lieu producer oil, an exemption of 1,000 barrels per day from the crude oil windfall profit tax for independent producers and royalty owners; to the Committee on Finance.

LEGISLATION TO REPEAL AND TO AMEND THE WINDFALL PROFIT TAX

● Mr. BOREN. Mr. President, a first-year analysis of the windfall profit tax is ample proof of the need to repeal, or substantially change, this unfair tax. Statistics show that as many as 1.7 million barrels per day could be developed and produced by the mid-to-late 1980's if the windfall profit tax had not been coupled with price decontrol. When price controls were clamped on oil in 1975, the price rollback amounted to a 12.41 percent price reduction. The equivalent price rollback under the windfall profit tax is 16.91 percent for independents and 33.93 percent for major integrated companies. The impact on producers is quite significant.

I believe that the loss of net revenue to the producer and the serious additional administrative difficulties imposed by this tax are proving to be major deterrents to additional recovery of oil. For example, the producer or first purchaser of oil must integrate revenue and royalty accounting with Department of Energy pricing procedures, incorporate new tax definitions and calculations in his accounting system and develop new collection and reporting systems. For many independent producers, the additional accounting requirements imposed by the tax are so onerous that many have given up the business altogether because of the many headaches involved.

What is most absurd about this unfair tax is that consumers in the United States are paying higher gasoline prices, but their money is not being used to increase domestic production—it is only going to increase the Government's coffers. Instead of more energy, we are getting higher taxes, more Government spending, and more bureaucracy, all of which we certainly do not need.

In addition to the problems this tax has caused for producers, the group which is truly suffering most from imposition of the windfall tax is the royalty owner. Many of these persons are retired and count on their royalty checks to supplement social security. Farmers and ranchers also constitute a significant part of this group. The majority of these royalty owners have purchased their royalty interests as part of their

savings for retirement. It is truly unfair to tax the royalty owner under the windfall profit tax.

Therefore, because of the serious energy situation our country is facing and to alleviate the many administrative problems and personal inequities this tax has caused, I am today introducing a package of six bills which will have the effect of dismantling the windfall profit tax. My colleague, Senator NICKLES, is joining as principal cosponsor.

The package includes:

First, A bill to totally repeal the windfall profit tax.

Second, A bill to provide a total and permanent exemption for royalty owners. The Senator from Kansas (Mr. DOLE) and I worked very hard during the last session to try to prevent royalty owners from being taxed, and when defeated in that effort, urged Congress to reconsider and provide at least some temporary relief. We were successful in passing a one-time, $1,000 refund for royalty owners during the waning hours of the 96th Congress. But we need to make this a total and permanent exemption. There are over 2 million royalty owners in the United States who are being hurt by this tax, and the majority of these persons draw a royalty check of only $200 per month or less. These persons are not "oil barons," but average citizens who have worked to save and invest for their future, and are now finding their investment being taken away from them by the Federal Government.

Third. Legislation to provide an exemption from the tax for stripper wells. Over 72 percent of the Nation's 516,752 crude oil wells are stripper wells. These wells account for 16.16 percent of the Nation's oil production. The number of stripper wells declined to a low of 365,-733 in 1975 with the enactment of the Energy Policy and Conservation Act (EPCA) which rolled back the price of stripper oil from free market to upper tier price. In September 1976, the Congress recognized the value of escrowing the known reserves and remaining oil-in-price associated with stripper wells, and freed stripper crude oil production from price controls. As a result of this action, the number of stripper wells was increased to 374,635 as of January 1, 1979, and the number of abandonments has declined sharply.

Stripper wells are extremely sensitive to price because of their low average production, 2.86 barrels per day, and the subsequent volumes of saltwater produced with stripper crude oil. If we compare the impact of the imposition of EPCA to the imposition of the windfall tax, we will see 13,318 premature stripper well abandonments, 10,728 fewer stripper well additions, and a 131,475 barrel per day reduction in crude oil production. We need to act now to prevent the abandonments which occurred in 1975 from recurring.

Fourth. A bill to exempt newly-discovered oil. It is expected that this exemption alone would increase oil production by as much as 1½ million barrels per day by 1990. The whole rationale of having a windfall profit tax has been that it would be a tax on inventory profits—but there can be no profits tax on something which has not even been discovered yet.

Fifth. A bill to exempt incremental tertiary oil from the tax is also part of this package. Although long hours were spent in order to provide an understandable and workable definition of incremental tertiary oil, there are a volume of problems with this portion of the windfall bill. Vague rules covering recoupable expenses for such projects, and other administrative headaches of a similar nature, are holding back the kind of investment needed to get these projects going. The tax should be eliminated in order to provide maximum incentives for producers to make the investment required in tertiary projects, and thus, to insure production of the significant recoverable reserves. The DOE has testified that with proper inducement, over 2 million barrels per day could be recovered by 1990.

Sixth. A bill to exempt the first 1,000 barrels per day of production by an independent producer. As a nation, we must recognize and preserve the role of the independent producer. The windfall tax has had a greater impact on the independent than on the large oil companies. Because the independent producer derives his income from a single activity, the discovery and production of oil and gas, any capital loss resulting from increased taxes means that fewer wells can be drilled. During the 5-year period from 1969 through 1973, independent producers accounted for 89.2 percent of the wildcat wells drilled, 75 percent of the new fields found, and 54 percent of the total oil and gas discovered. These producers plowback 105 percent of their wellhead revenues from both crude oil and natural gas production into more exploration, drilling, and production activities. It costs tremendous amounts of money to explore and drill for oil.

The needed capital must not be taken away from the independent producer, especially at a time when we need to be increasing domestic production and decreasing our dependence on unstable, foreign sources of oil. An exemption of this type would also eliminate much of the administrative burden which is now being imposed by this tax on small producers.

Our current energy crisis is not primarily economic. It is certainly not the result of a shortage of energy resources. The problem is a political one. It is obvious that we produce too little energy in the United States and that we consume too much, yet we continue to follow a policy of taxing production while subsidizing consumption. It makes no sense economically, even though it plays well politically.

It is always popular to tell people what they want to hear. Many wish to believe that we can have more energy by paying less for it. The truth is that the only way that we can become free from a dependence on OPEC is to invest our money in producing more energy here at home. The windfall profit tax does not in any way help us move toward that goal. Instead, it represents a giant step backward which must be rectified in order for the United States to become energy self-sufficient in the future.●

By Mr. MATHIAS (for himself, Mr. KENNEDY, Mr. LEVIN, Mr. GLENN, Mr. PERCY, Mr. METZENBAUM, Mr. BIDEN, Mr. WILLIAMS, Mr. MATSUNAGA, Mr. LUGAR, Mr. RIEGLE, Mr. SARBANES, Mr. HEINZ, Mr. TSONGAS, Mr. MOYNIHAN, and Mr. INOUYE):

S. 93. A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday; to the Committee on the Judiciary.

MARTIN LUTHER KING HOLIDAY

● Mr. MATHIAS. Mr. President, today I send to the desk a bill to designate the birthday of Martin Luther King, Jr., a legal public holiday. This legislation has been introduced every Congress since Dr. King's death in 1968. His contribution to the civil rights movement of the 1960's was unique. In spite of the many words of praise that have been bestowed on this man and his epic struggle to redeem for black Americans what he called "the promissory note" of the Constitution, no legislation designating a day in his honor has been enacted.

Today, most Americans are too young to remember the atmosphere of the sixties in which Dr. King undertook his peaceful crusade to achieve equal rights for his people. The air then was saturated with hate and fear and his every act of conscience from Selma to Memphis was a demonstration of physical and moral courage that inspired the world. His legacy to his people and all Americans is incalculable. Observing Dr. King's birthday as a Federal holiday is a fitting tribute to a man of vision who became a great national leader and hero. Such a holiday would stimulate schools, community, and civic organizations and individuals to examine Dr. King's extraordinary quest for justice and to partake of his vision of equality. This official recognition is long overdue.

A national holiday would renew our commitment to fulfilling his dream. Some elements of this dream have been achieved. The 1965 Voting Rights Act is a legislative result of this great crusade for voting rights. We have also made progress in our efforts to achieve equal opportunity and open housing. Setting aside the birthday of Martin Luther King, Jr. as a legal public holiday in recognition of his aspirations would not only be a suitable way to honor the memory of a great American, but would provide us with an occasion, annually, to take stock of our progress as a people in securing to all Americans their basic civil rights and civil liberties.●

● Mr. KENNEDY. Mr. President, I am proud to join today with Senator MATHIAS and other colleagues in the Senate in introducing legislation to designate January 15, Martin Luther King, Jr.'s birthday as a national holiday.

This legislation, which has been introduced in every Congress since Dr. King's tragic death in 1968, is long overdue. No

American has made greater contributions toward equality and justice in this century than Dr. King. The winner of the Nobel Peace Prize, he is recognized not only throughout the Nation, but also worldwide, as the architect of our peaceful revolution in civil rights and as one of the greatest and most inspiring leaders in American history.

By commemorating his birthday with the introduction of this legislation, we join hands with thousands of Americans who have gathered today in the District of Columbia and throughout this Nation to honor the life and work of Dr. King, and to renew their own commitment to the principles which Dr. King so eloquently espoused—the quest for social justice, the end to discrimination, and the belief in the equality of all men and women.

In testimony before the Judiciary Committee last Congress, Mrs. Coretta King spoke eloquently of the importance of creating a national holiday to commemorate her husband's birthday:

> We deeply believe, along with millons of other Americans of good will, that in the interest of improved human relations in our country there should be a national holiday honoring a Black American, a national holiday each January 15, which would be much more than a focal point for honoring the contributions of Blacks to American history. We believe that, in addition, it would serve as an annual reminder to Americans of all races that there is a vital relationship between nonviolent protest and the promise of democracy.

This legislation making January 15 a national holiday is identical to the bill favorably recommended by the Senate Judiciary Committee in 1979. We made substantial progress toward enacting this legislation in the past Congress. It was supported by a broad bipartisan coalition of 38 cosponsors in the Senate, and over 100 in the House. We hope that 1981 will be the year in which this legislation is finally passed.

As we work together to meet the difficult social and economic challenges of this new decade, let us honor together the leader who succeeded so well in achieving major change in our society through peaceful means. And in honoring Dr. King, we will be honoring the best in our country and in ourselves.●

Mr. LEVIN. Mr. President, I am honored to join my colleagues Senators MATHIAS, KENNEDY, BIDEN, METZENBAUM, PERCY, and GLENN in the sponsorship of legislation to designate January 15, Dr. Martin Luther King's birthday, as a national holiday.

Dr. King's death is 13 years behind us now. To a great extent, deeply felt passions and the frustration, anguish, and bitterness with which the Nation was consumed during that tragic year of 1968 have cooled.

What remains with us and what is indelibly woven into the fabric and history of our Nation is the vision which Dr. King lived for and the dream for which he died. This vision and dream embraced all Americans in Dr. King's quest to make a living reality our fundamental principles, that "all men are created equal," and with a right to "life, liberty, and the pursuit of happiness." His legacy, known throughout the world, is that he lived and died for these ideals.

This great warrior, whose battlefield was the hearts and minds of those who did not feel that justice and dignity were meant for all humankind, whose shield and armor was strong determination and an unassailable character and whose ammunition was moral conviction and self-sacrifice deserves the fullest honor of this Nation.

Few have dedicated their life so fully and tirelessly in the struggle of equality as Dr. King.

From the bus boycott in Montgomery to the sanitation workers in Memphis, his unyielding commitment to improve the lot of all Americans was demonstrated—he achieved significant goals by peaceful and aggressive nonviolence actions.

To King, the means was as beneficial to those in the struggle as the ends they were seeking.

With reference to the 11-month-long successful Montgomery bus boycott, he said:

> "Nonviolence had tremendous psychological importance to the Negro . . . This method was grasped by the Negro masses because it embodied the dignity of struggle, of moral conviction and self-sacrifice. The Negro was able to face his adversary, to concede to him a physical advantage and to defeat him because the superior force of the oppressor had become powerless . . . I am convinced that the courage and discipline with which Negro thousands accepted nonviolence healed the internal wounds of Negro millions who did not themselves march in the street or sit in the jails of the South. One need not participate directly in order to be involved . . . to have pride in those who were the principals . . . to restore to them some of the pride and honor which had been stripped from them over the centuries.

When the Supreme Court order to end segregation on buses was delivered to Montgomery, Dr. King proudly told an overflow crowd at a local church:

> We came to see that, in the long run, it is more honorable to walk in dignity than ride in humiliation. So in a quiet dignified manner, we decided to substitute tired feet for tired souls, and walk the streets of Montgomery until the sagging walls of injustice had been crushed.

One way of insuring renewed dedication to his goals of freedom and equality is to enact legislation to honor Dr. King by designating January 15 as a national holiday—allowing Americans at least 1 day each year to honor Dr. King's contributions to this country.

Mr. President, I would like to end my remarks with what the very essence of Dr. King's life, in his own words:

> I have a dream . . . it is a dream deeply rooted in the American dream. I have a dream that one day this nation will rise up, live out the true meaning of its creed: "We hold these truths to be self-evident, that all men are created equal." I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character.

The following is a Detroit Free Press editorial which appeared in this morning's paper relative to the anniversary of Dr. King's birthday and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KING: HIS DREAM OF JUSTICE CONTINUES, AND SO DOES THE FIGHT FOR A NATIONAL HOLIDAY

It's been 13 years since an assassin's bullet struck down the Rev. Martin Luther King, Jr. in Memphis, but he remains a living force. Family members and former companions continue speaking and agitating for justice in his name. Detroiters attending a Stevie Wonder concert Sunday left Cobo Hall and strode into the streets singing "Happy Birthday," Stevie's tribute to the late civil rights leader.

The drive to make Dr. King's birthday, Jan. 15, a national holiday goes on, too, but with much less success; some states, such as Michigan, observe his birthday while others do not. Critics claim the country has too many holidays and another would only waste time and cut productivity. Most of our national holidays, it is further noted, honor events, not men.

The critics have a point, but it is not very strong. Presidents Abraham Lincoln and George Washington, one considered the father of freedom for the slaves, the other the father of his country, have been honored by holidays. More to the point, in honoring Dr. King, the country would be paying homage to both a momentous event, the birth of the civil rights movement, and a man who was equal to the times.

He was the man who had the right combination of skills to help transform a boycott of buses in Montgomery, Ala., into a full-scale movement for racial justice and equity, a movement that mobilized blacks, seared the consciences of whites and left an indelible mark on this nation. A national holiday is not too much of a tribute to such a man and such a time.

Yet as bills are introduced this week in Congress calling for a national observance of Dr. King's birthday, the same old arguments are apt to be heard again from people who, as Stevie Wonder puts it, "cannot see the dream as clear as he." It is time to expose those arguments for the hypocritical shams they are and past time to end the wrangling about honoring a man who so clearly deserves national recognition.

A TRIBUTE TO MARTIN LUTHER KING, JR.

● Mr. GLENN. Mr. President, I am proud to be a sponsor of the bill which is being introduced today to make the birthday of Martin Luther King, Jr., a national holiday. This bill is identical to S. 25, a bill which I sponsored along with many other Senators in the 96th Congress.

Martin Luther King, Jr., was an American with a dream of peace. It was to that dream that he dedicated his life—a life that was tragically ended only 39 years after it began at the hands of an assassin. Throughout his brief but full life, Martin Luther King, Jr., stood with other American martyrs in the cause of freedom, justice, and equality. To accomplish these goals, he espoused a policy of nonviolent protest. It is surely no accident that Dr. King's policy of nonviolence became the dominant force in the civil rights movement during the period of its greatest achievement.

Dr. King made his first mark on the civil rights movement in 1956 by mobilizing Montgomery's black community in support of the bus boycott which eventually resulted in the U.S. Supreme Court's declaration that Alabama's segregated bus system was unconstitutional.

A year later, Dr. King was elected president of the Southern Christian Leadership Conference. In 1963, he led a successful campaign against unfair hiring practices in Birmingham, Ala. During the same year, he led the historic March on Washington which preceded and may have hastened the enactment of the Civil Rights Act of 1964.

In recognition of his steadfast commitment to nonviolence in the pursuit of racial harmony and social justice, Dr. King was awarded the Nobel Peace Prize in 1964. Subsequently, he led the Selma-to-Montgomery "Freedom March" to increase minority voter registration. Several years later, Dr. King's life was taken shortly after he joined the striking Memphis sanitation workers' efforts to win decent wages, working conditions, and job benefits.

Mr. President, I sincerely hope that my colleagues will join with me today in sponsoring this bill to commemorate the birthday of this courageous American, renowned leader and man of peace. Because his life symbolized many of the ideals and principles which have been fundamental to this Nation since its inception and which continue to distinguish us from our adversaries on the world stage, let us resolve to make Dr. King's birthday a holiday—but even more, let us resolve to make an America full of freedom and equal opportunity—the living memorial he deserves.●

● Mr. METZENBAUM. Mr. President, I am pleased to join my colleagues in introducing this legislation to designate January 15, the birthday of Martin Luther King, Jr., a legal public holiday.

I do not know of any legislation more worthy of our immediate attention than this measure. Dr. King was not only one of our finest and most courageous leaders, he was a teacher of the highest order as well. He taught us about justice and decency, about the basic goodness of human beings and about the need to better the lot of those less fortunate than we. He taught us to stand up against intolerance, prejudice, and injustice, whatever the source and to struggle nonviolently and with dignity for the goal of equality of opportunity for all. He taught us to hope and dream of better times when "justice rolls down like waters and righteousness like a mighty stream." And perhaps most important of all, he taught us that one man—one committed, caring, courageous and selfless man—can make a difference.

Legislation to designate January 15 a national holiday has been introduced in every Congress since Dr. King's death in 1968. And frankly I am baffled that there can be any question about honoring the greatness of Dr. King in this way. Dr. King transformed the spirit of this Nation. He kindled a passion for justice and social reform that will forever burn in our hearts. I will always be proud that I had the privilege of marching with him from Selma to Montgomery. The least we can do is acknowledge Dr. King's unselfish contribution to this society by commemorating his name through a national holiday. And perhaps in these troubled times such remembrance will also serve to keep our own commitment to justice, equality, and peace burning bright. As our distinguished former colleague Senator Birch Bayh, chief sponsor of this legislation during the last Congress, so eloquently testified at hearings on S. 25 in the 96th Congress:

> If we as a nation remember Dr. King's birthday each year, it will provide us with an annual reminder that the pursuit of equal justice for all is a task we all share as American citizens—a task which will not be completed until we can truly say that no American is a second-class citizen.

Dr. King committed his life to the betterment of his fellow human beings. From Selma to Montgomery to Birmingham to the Lincoln Memorial to Memphis, Tenn., Dr. King carried his message of hope, peace, and justice. His vision of true equality for all Americans has continued to shine brightly years after his tragic death. By honoring Dr. King through the creation of a national holiday commemorating his name, we help to build a greater national commitment to the goals which Dr. King dedicated his life to achieving.

As in the past, the effort in this Congress to enact the Martin Luther King, Jr., bill is a truly bipartisan effort. And that is as it should be. For Dr. King's message of hope transcends political parties. The goals he helped us set for ourselves and our society are goals that all just men and women strive for regardless of political affiliation. It is my fervent hope that this will be the year in which my colleagues on both sides of the aisle—here and in the House—will join together and finally succeed in properly honoring Dr. King's memory by making his birthday an occasion of national celebration and remembrance.●

By Mr. PERCY (for himself and Mr. GLENN):

S. 95. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies with respect to nuclear waste management; to the Committee on Governmental Affairs.

NUCLEAR WASTE MANAGEMENT REORGANIZATION ACT OF 1981

● Mr. PERCY. Mr. President, last year for the first time Congress seriously and thoroughly examined the crucial, complicated issue of nuclear waste management. The Senate and the House of Representatives, at long last, considered and passed separate bills which sought to resolve an issue which should have been resolved long ago: where, when, and how this Nation should proceed to dispose of the 7,700 tons of spent reactor fuel, and the 70 million gallons of high-level radioactive waste from military sources which have been building up in temporary storage pools across America since the nuclear age began—which continue to build up even as I speak.

Unfortunately, the 96th Congress was unable to reach a consensus on a single comprehensive nuclear waste bill: There are serious differences of opinion which continue to exist over several very important issues: Whether or not to construct new temporary away-from-reactor storage facilities, whether or not to dispose of nuclear wastes only in a geologic medium.

Despite our setback in the last Congress to pass comprehensive legislation, it is clear that real progress was made nonetheless: Congress is now fully alert to the fact that the nuclear waste disposal problem is a real one, and that it is not going to go away unless we resolve it. It is perfectly clear to all of us that, unless we take it upon ourselves to pass comprehensive nuclear waste legislation in the 97th Congress, we are going to be jeopardizing the energy and environmental security of this country. I call upon all Members to join me in a commitment to make passage of comprehensive nuclear waste legislation one of the highest, if not the highest, energy legislative priority of this new Congress.

It should be emphasized, Mr. President, that Congress made genuine progress last year in dealing with one particularly sensitive aspect of the nuclear waste controversy, despite the fact that no final bill was passed. The question of the proper role for State and local authorities in Federal decisionmaking was clearly one of the most controversial of all issues when the 96th Congress began; the feeling was held in some quarters that States deserved an ultimate, final veto power to block any disposal decisions made by the Department of Energy. Others believed that the less power given to States in nuclear waste decisionmaking, the better.

By year's end, however, a growing consensus had emerged among Members of Congress, and among the general public, that States deserved an extensive, guaranteed role in working with the Federal Government in all aspects of waste management planning. State and local groups came to realize that no good purpose was served by an absolute State veto, that to award such unilateral authority would probably remove the chance for ever resolving the disposal controversy. Similarly, advocates of a strong national nuclear program came to see that States could be given a substantive role in decisionmaking that would not necessarily prevent reaching a viable solution to the waste management problem.

In the last Congress both Houses passed bills giving States an extensive, if not an ideal, role in waste disposal planning. The contours of this authority were similar in the two bills: State review groups were authorized to work with the DOE and other Federal agencies; the review groups were given the power to reject a repository plan of the DOE, an action which would give Congress the responsibility of deciding whether such a plan should proceed to the Nuclear Regulatory Commission for licensing; and the disapproval of the plan by one House of Congress, in support of a State review group's objections, was required to prevent its licensing review by the NRC.

Mr. President, this "one House veto" procedure was seen by many Members last year as a tolerable, but not an ideal, means of granting limited power to the States in this matter. In a genuine effort to reach a compromise that might have

led to final passage of a bill, the "one House veto" was accepted as a necessary concession. Many of us preferred a "two House approval" process which would have given even greater power to a State review group. This mechanism was based on the theory that the burden lay with DOE to prove that a waste disposal facility was worthy of NRC license review, not with a State to prove it was unworthy. Under a "two House approval" process, a repository plan would not go to the NRC unless both Houses of Congress affirmed the plan's merits.

I wholeheartedly endorse this "two House approval" process, Mr. President, and on March 28, 1979, I introduced the legislation along with Senator GLENN which established a strong role for the States and which included such a process. Nearly every other provision of our legislation, the "Nuclear Waste Management Reorganization Act," S. 742, was adopted by the Senate 83 to 0 last summer; compromise was made only on the "one House veto" process, for the reasons I have described above.

Nonetheless, I am proud that the Senate accepted the bulk of S. 742 and saw that bill as an appropriate vehicle for giving substantive power to the States in nuclear waste decisionmaking. S. 742 won the endorsement last year of the National Governors Association; the National Association of Counties; the National Council of State Legislatures; and the Environmental Policy Center. It is my expectation that these groups will continue to support the concepts which were embodied in S. 742.

At this time, therefore, I am reintroducing the Percy-Glenn "Nuclear Waste Management Reorganization Act." As chairman of the Governmental Affairs Subcommittee on Energy, Nuclear Proliferation, and Government Processes, I look forward to holding new hearings as quickly as possible on the formula for States' rights which this bill creates. Our legislation can and will be improved, but there is no doubt in my mind that the basic structure we provide for State participation—guaranteeing States a substantial but not an excessive right to affect nuclear waste policy—offers a practical and sensible solution to this important national issue.

In addition to the text of this legislation, Mr. President, I ask unanimous consent that my original floor statement on the "Nuclear Waste Management Reorganization Act," offered in March, 1979, be inserted into the RECORD.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Nuclear Waste Management Reorganization Act of 1981".

SEC. 2. TABLE OF CONTENTS.

TABLE OF CONTENTS

TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS
Sec. 101. Declaration of findings.
Sec. 102. Declaration of purposes.
Sec. 103. Definitions.
TITLE II—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE MANAGEMENT PLANNING COUNCIL
Sec. 201. Establishment of Nuclear Waste Management Planning Council.
Sec. 202. Membership of the Council.
Sec. 203. Functions of the Council.
TITLE III—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE COORDINATING COMMITTEE
Sec. 301. Establishment of Nuclear Waste Coordinating Committee.
Sec. 302. Membership of the Committee.
Sec. 303. Functions of the Committee.
Sec. 304. Congressional review procedures.
Sec. 305. Effect on other laws.
TITLE IV—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE REPOSITORY REVIEW PANELS
Sec. 401. Establishment of Nuclear Waste Repository Review Panels.
Sec. 402. Membership of Review Funds.
Sec. 403. Functions of Review Panels.

TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS

DECLARATION OF FINDINGS

SEC. 101. (a) The Congress finds that—

(1) nuclear wastes generated in the national defense program have been accumulating for more than thirty years, and spent nuclear fuel and nuclear wastes from the commercial industry are increasing rapidly;

(2) nuclear waste has become a major issue of public concern;

(3) stringent precautions must be taken to ensure that nuclear wastes do not adversely affect the public health and safety of this or future generations;

(4) confidence in the ability of the Federal Government to manage a program providing for the safe and permanent disposal of nuclear wastes must be substantially increased if nuclear power is to contribute significantly to meeting the energy needs of the United States in the future;

(5) Federal nuclear waste disposal programs have been ineffective due to—

(A) inadequate coordination among the various Federal agencies and departments which have responsibilities relating to nuclear waste management;

(B) the lack of a policymaking process which integrates the views of all Federal agencies and departments into a comprehensive government-wide policy;

(C) the lack of an organizational mechanism which affords States, localities, and the public the opportunity to participate fully in the formulation of Federal nuclear waste management policy; and

(D) the lack of an organizational mechanism which allows States and localities to review Federal plans for the development of nuclear waste disposal facilities, and to ensure thereby that such plans adequately protect State and local interests;

(6) a Nuclear Waste Management Planning Council must be established to afford States, localities, and the public the opportunity to participate fully in the formulation of Federal nuclear waste management policy;

(7) a Nuclear Waste Coordinating Committee must be established in order to—

(A) improve the coordination of the activities of Federal departments and agencies with respect to nuclear waste management;

(B) annually prepare a Nuclear Waste Management Plan which reflects the views of all Federal agencies and departments with responsibilities pertaining to nuclear waste management and the views of the Nuclear Waste Management Planning Council; and

(C) prepare Repository Development Reports and Repository Loading Reports with respect to proposed nuclear waste disposal facilities;

(8) Nuclear Waste Repository Review Panels must be established to ensure that States and localities have adequate opportunities to review plans for the development of Federal nuclear waste disposal facilities.

DECLARATION OF PURPOSES

SEC. 102. The Congress declares that there is a compelling need to improve coordination among Federal agencies and departments with respect to nuclear waste management activities, to establish a policymaking process which integrates the views of all such agencies and departments, together with the views of States, localities, and the public, and to provide for State and local review of Federal plans for the development of nuclear waste disposal facilities. It is the purpose of this Act to—

(1) establish a Nuclear Waste Management Planning Council to provide State, local, and public views in the Federal nuclear waste management policy development process;

(2) establish a Nuclear Waste Coordinating Committee, to improve coordination of Federal nuclear waste management programs, to prepare annually a Nuclear Waste Management Plan which reflects the views of all interested parties, and to prepare Repository Development Reports and Repository Loading Reports with respect to proposed nuclear waste disposal facilities; and

(3) establish Nuclear Waste Repository Review Panels to review Federal plans for the development of proposed nuclear waste disposal facilities; and localities have adequate opportunity to review Federal plans for the development of nuclear waste disposal facilities.

DEFINITIONS

SEC. 103. For the purposes of this Act the term—

(1) "Committee" means the Nuclear Waste Coordinating Committee;

(2) "Council" means the Nuclear Waste Management Planning Council;

(3) "Secretary" means the Secretary of Energy;

(4) "Department" means the Department of Energy;

(5) "Review Panel" means a Nuclear Waste Repository Review Panel;

(6) "Chairman" means the Chairman of a Review Panel;

(7) "Plan" means the annual Nuclear Waste Management Plan;

(8) "Governor" means the Governor of a State, or successors to the Governor, during their respective terms of office, or their designees;

(9) "Nuclear waste" means high-level waste, transuranic contaminated waste and low-level waste;

(10) "high-level waste" means the highly radioactive wastes resulting from the reprocessing of spent nuclear fuel, and includes both the liquid waste which is produced directly in reprocessing and any solid material into which such liquid waste is made;

(11) "transuranic contaminated waste" means material contaminated with elements having an atomic number greater than 92, including neptunium, plutonium, americium, and curium, in concentrations of greater than 10 nanocuries per gram;

(12) "low-level waste" means material contaminated with radioactive elements emitting beta or gamma particles or with traces of transuranic elements in concentrations less than 10 nanocuries per gram;

(13) "spent nuclear fuel" means fuel which has been discharged from a nuclear reactor following irradiation, whose constituent elements have not been separated by reprocessing;

(14) "repository" means a facility for the permanent disposal of high-level waste, transuranic contaminated waste, or spent nuclear fuel, whether or not such facility is designed to permit the subsequent recovery

of such material, except for facilities to be used exclusively for research and development purposes containing an insignificant amount of such material;

(15) "storage" means retention of nuclear waste or spent nuclear fuel with the intent to recover such material for subsequent use, processing, or disposal;

(16) "disposal" means the emplacement of nuclear waste or spent nuclear fuel with no intent of recovery, whether or not such emplacement permits the recovery of such materials;

(17) "local government" means any political subdivision of a State including any town, city, township, borough, parish, village, county, or other general purpose political subdivision of a State;

(18) "Indian tribe" means an Indian tribe, as defined in the Indian Self-Determination and Education Assistance Act (Public Law 93-638);

(19) "public health and safety" means the public health and safety of current and future generations;

(20) "nuclear waste and spent nuclear fuel management" means the transport, storage, and disposal of nuclear waste and spent nuclear fuel; and

(21) "main shaft" means the primary vertical access shaft of a nuclear waste repository.

TITLE II—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE MANAGEMENT PLANNING COUNCIL

ESTABLISHMENT OF NUCLEAR WASTE MANAGEMENT PLANNING COUNCIL

SEC. 201. There is established a Nuclear Waste Management Planning Council as an independent instrumentality of the United States in the executive branch.

MEMBERSHIP OF THE COUNCIL

SEC. 202. (a) The Council shall consist of fifteen members appointed by the President. Eleven members of the Council shall be elected officials of State or local government or Indian tribes, except that not less than three such members shall be elected officials of local government or of Indian tribes. The remaining four members of the Council shall be selected from interested members of the public. Members of the Council shall be appointed for a term of two years and may be reappointed for additional terms. No member appointed as one of the eleven elected officials may continue to serve on the Council if such member ceases to be an elected official of State or local government or of an Indian tribe.

(b) In appointing members of the Council, the President shall endeavor to ensure representation of a broad range of views with respect to nuclear waste and spent nuclear fuel management and to ensure representation of areas which are users of nuclear power and of areas which are serving or may be likely to serve as locations for nuclear waste and spent nuclear fuel storage or disposal or which may be directly or substantially affected by such activities.

(c) The Chairman of the Council shall be a member of the Council designated by the President and shall be the Governor of a State.

FUNCTIONS OF THE COUNCIL

SEC. 203. (a) The Council shall—

(1) pursuant to section 301, appoint a representative to the Nuclear Waste Coordinating Committee;

(2) pursuant to the procedures set forth in section 303, provide views on the annual Nuclear Waste Management Plan to the President;

(3) advise the Federal agencies and departments having membership on the Committee on nuclear waste and spent nuclear fuel management policy, with special reference to issues pertaining to the siting and development of nuclear waste and spent nuclear fuel storage and disposal facilities; and

(4) comment on proposed Federal regulations, standards, and criteria pertaining to nuclear waste and spent nuclear fuel management and spent fuel storage, including radiation exposure standards.

(b) The Council shall have the authority to—

(1) obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the number of days or the period of such service) the services of experts or consultants who have scientific or other pertinent professional qualifications;

(2) utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, with or without reimbursement therefor;

(3) accept voluntary and uncompensated services;

(4) accept unconditional gifts, or donations of services, money, or property, real, personal, or mixed, tangible or intangible; and

(5) enter into such contracts, leases, cooperative agreements, or other transactions, without regard to sections 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529, 41 U.S.C. 5), as may be necessary in the conduct of its functions, with any public agency, or with any person, firm, association, corporation, or educational institution.

(c) There are authorized to be appropriated to carry out the provisions of this title such sums as may be necessary.

TITLE III—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE COORDINATING COMMITTEE

ESTABLISHMENT OF NUCLEAR WASTE COORDINATING COMMITTEE

SEC. 301. There is established a Nuclear Waste Coordinating Committee as an independent instrumentality of the United States in the executive branch.

MEMBERSHIP OF THE COMMITTEE

SEC. 302. (a) The Secretary, the Council, the Nuclear Regulatory Commission, the Council on Environmental Quality, the Director of the Office of Science and Technology Policy, the Administrator of the Environmental Protection Agency, the Secretaries of Interior, Transportation, and State, and the head of any other Federal agency or department designated by the President shall each appoint one representative to serve as members of the Committee.

(b) The representative of the Department shall serve as the Chairman of the Committee.

(c) The Nuclear Regulatory Commission shall participate in the activities of the Committee to the extent it determines such participation to be consistent with the independent regulatory responsibilities of the Commission.

FUNCTIONS OF THE COMMITTEE

SEC. 303. (a) The Committee shall facilitate the coordination of activities of the Federal agencies and departments represented on the Committee with respect to nuclear waste and spent nuclear fuel management so as to minimize duplication of effort and unnecessary delay in Federal nuclear waste and spent nuclear fuel management programs.

(b) The Committee shall make recommendations to the President to resolve jurisdictional disputes and schedule conflicts regarding the activities of the Federal agencies and departments represented on the Committee.

(c) The Committee shall prepare an annual Nuclear Waste Management Plan for the fiscal years 1983, 1984, 1985, 1986, and 1987, as follows:

(1) To the maximum extent feasible, the Plan shall incorporate the views of all members of the Committee. If significant divergence of opinion exists among Committee members on major issues, the draft Plan shall indicate where such divergences of opinion exist and shall include the relevant options for consideration by the President following the submission of public comment pursuant to paragraph (2).

(2) The Committee shall make the draft Plan available for public comment for at least thirty days, and shall thereafter submit the draft Plan to the President; concurrent with the submission of the draft Plan to the President, the Federal departments and agencies represented on the Committee and the Council shall submit their views on the draft Plan to the President.

(3)(A) The President shall review the draft Plan and the comments he receives thereon and shall resolve any divergent views presented pursuant to paragraph (1), and may further modify the draft Plan as he deems appropriate.

(B) Protection of the public health and safety shall be foremost among the factors to be weighted by the President in reviewing the draft Plan.

(4) Not later than March 1, 1982, and March 1 of each succeeding year thereafter through March 1, 1986, the Committee shall submit the final version of the Plan for the next fiscal year to the Congress.

(5) Any committee of either House of Congress reporting a bill authorizing funds for activities described in the Plan shall consider the Plan and may specify in any report accompanying such bill the extent to which such proposed authorization is consistent with the Plan.

(d)(1) At such time as any Federal agency or department represented on the Committee shall decide to undertake the study of any area within a State for the purpose of determining its suitability for a nuclear waste or spent nuclear fuel repository or storage facility, the Committee shall notify in writing the Governor of the State in which the area is located of such determination and shall furnish such Governor all relevant information on a current basis concerning the program of the relevant Federal agency or department for such study.

(2) The Committee shall seek the views of appropriate agencies of any State containing an area under study for the purposes described in subsection (d)(1) and, at the discretion of the Chairman of the Committee, the appropriate agencies of any concerned adjacent State. Technical representatives designated by the Governor of each such State may participate in the technical analyses performed by the relevant Federal agency or department.

(e)(1) The Committee shall—

(a) at the earliest feasible time prior to the intended submission by any Federal agency or department to the Nuclear Regulatory Commission of an application for a license to construct the main shaft of a nuclear waste repository, or

(B) in the event that such agency or department is not required by law to obtain a license from the Nuclear Regulatory Commission for the construction of the main shaft of such repository, at the earliest feasible time prior to undertaking site preparation work leading to construction of the main shaft of such repository,

prepare a nuclear waste Repository Development Report. The Chairman of the Committee shall have the authority to resolve differences of view among Committee members with respect to such report. The Committee shall immediately notify the Governor of the State in which such proposed reposi-

tory would be located of its decision to prepare the Repository Development Report.

(2) The Repository Development Report shall contain—

(A) a detailed description of—

(i) the design of the repository and plans for its construction;

(ii) proposed operating procedures for the emplacement of high-level or transuranic contaminated wastes or spent nuclear fuel, including amounts and types of waste or spent nuclear fuel to be emplaced, loading factors, waste form, and packaging;

(iii) procedures for maintaining the retrievability of emplaced nuclear waste or spent nuclear fuel and for subsequent shaft and tunnel sealing; and

(iv) plans for perpetual care and monitoring of the facility;

(B) an analysis of the anticipated environmental, health, and safety impacts of the proposed facility, including a discussion of any remaining areas of scientific and technological uncertainty and plans for resolving such uncertainties, with specific reference to information to be collected during the course of the proposed facility's construction and operation;

(C) a plan for the transport of high-level or transuranic contaminated waste or spent nuclear fuel to the repository, including an assessment of anticipated environmental, health, and safety impacts and a description of emergency planning procedures; and

(D) any plan to provide financial assistance to State or local governments or Indian tribes with respect to impacts arising from the proposed repository.

(3) The Committee shall coordinate the preparation of a Repository Development Report for a proposed facility with the preparation of any pertinent Environmental Impact Statements mandated by the National Environmental Policy Act so as to avoid unnecessary delay and duplication of effort. Nothing in this title shall be construed to relieve any Federal agency or department of any duty imposed by that Act.

(4) If a Nuclear Waste Repository Review Panel has been convened with respect to a proposed repository pursuant to section 401—

(A) the Committee shall prepare the Repository Development Report with respect to such proposed repository in close cooperation with the appropriate Review Panel and shall incorporate the views of such Panel into such Repository Development Report to the maximum extent feasible;

(B) upon completing the Repository Development Report, the Committee shall submit the Repository Development Report to the Review Panel for final review.

(5) The Committee shall submit the Repository Development Report for a proposed repository to the Congress, together with the comments of the appropriate Review Panel, if one has been convened with respect to the proposed repository, and any formal objections raised by the Chairman of such Review Panel with respect to such Report. Until a Repository Development Report for a proposed repository has been submitted by the Committee to the Congress no Federal agency or department may undertake site preparation work leading to the construction of the main shaft of such repository, except that where the Chairman of the Review Panel convened with respect to such repository formally objects to such Repository Development Report pursuant to the provisions of section 403(b), the action prohibited in this paragraph may not be taken unless and until Congress shall have passed a concurrent resolution pursuant to section 304 stating in substance that the Repository Development Report equitably balances State, local, and national interests.

(6) In the event that Congress fails to pass a concurrent resolution as specified in paragraph (5) with respect to a Repository Development Report to which the Chairman of the relevant Panel has formally objected, the prohibitions set forth in paragraph (5) shall remain in effect until such time as—

(A) the Committee shall have submitted to the Congress a revised Repository Development Report to which the Chairman of the relevant Review Panel has not formally objected, or

(B) Congress shall have passed a concurrent resolution as specified in paragraph (5) with respect to a revised Repository Development Report to which the Chairman of the relevant Panel shall have formally objected.

Each revised Repository Development Report shall be prepared pursuant to the procedures set forth in this section and in section 403 pertaining to the preparation of Repository Development Reports.

(f)(1) The Committee shall—

(A) at the earliest feasible time prior to the intended submission by any Federal agency or department to the Nuclear Regulatory Commission of an application for a license to emplace significant quantities of high-level or transuranic contaminated nuclear waste or spent nuclear fuel into a repository; or

(B) in the event that such agency or department is not required by law to obtain a license from the Nuclear Regulatory Commission in order to emplace significant quantities of high-level or transuranic contaminated nuclear waste or spent nuclear fuel into such repository, at the earliest feasible time prior to beginning the emplacement of such waste or spent nuclear fuel into such repository,

prepare a Repository Loading Report with respect to such repository. The Chairman of the Committee shall have authority to resolve differences of view among Committee members with respect to such report. The Committee shall immediately notify the Governor of the State in which such repository is located of its decision to prepare the Repository Loading Report.

(2) The Repository Loading Report prepared with respect to such repository shall contain the information required in the Repository Development Report prepared with respect to such repository pursuant to section 303(e)(1), appropriately updated. The Repository Loading Report for such repository shall identify any significant differences between the plans, descriptions, and analyses contained therein and those presented in the Repository Development Report prepared with respect to such repository. Special emphasis shall be given to assessing the significance of information collected during the course of the construction of the repository to the analyses of the anticipated environmental, health, and safety impacts of such repository.

(3) If a Nuclear Waste Repository Review Panel has been convened with respect to a proposed repository pursuant to section 401, the Committee shall—

(A) prepare the Repository Loading Report with respect to such repository in close cooperation with the Review Panel and shall incorporate the views of such Panel into such report to the maximum extent feasible;

(B) upon completing such Repository Loading Report, the Committee shall submit the report to the Review Panel for final review.

(4) No Federal agency or department may emplace significant quantities of nuclear wastes or spent nuclear fuel into any repository, unless and until the Committee shall have submitted to the Congress a Repository Loading Report prepared with respect to such repository, together with the comments of the appropriate Nuclear Waste Repository Review Panel, and a period of thirty days of continuous session of Congress (as defined in section 304) shall have elapsed.

CONGRESSIONAL REVIEW PROCEDURES

SEC. 304. (a) Not later than forty-five days of continuous session after the date of transmittal to the Congress of a Repository Development Report with respect to which the Chairman of the appropriate Review Panel has raised formal objections, the committees of the House of Representatives and of the Senate to which such Repository Development Report is referred shall submit a report to their respective House on their views and recommendations respecting such Repository Development Report together with a concurrent resolution, as defined in subsection (g), stating in substance that the Congress believes that the report equitably balances State, local, and national interests. If any such committee has not reported such a resolution at the end of such forty-five-day period, such committee shall be deemed to be discharged from further consideration of such Repository Development Report. If no such resolution has been reported at the end of such period, the first resolution as defined in subsection (g) which is introduced within five days thereafter within such House shall be placed on the appropriate calendar of such House.

(b) The Chairman of the Coordinating Committee may amend a report to address any objection raised to it by the Chairman of the Appropriate Review Panel during the first thirty days of continuous session after it is submitted to the Congress.

(c) When the relevant committee or committees have reported such a resolution (or have been discharged from further consideration of such a resolution pursuant to subsection (a)), or when a resolution has been introduced and placed on the appropriate calendar pursuant to subsection (a), as the case may be, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion shall not be subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to, or disagreed to, shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(d) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than ten hours, which shall be divided equally between individuals favoring and individuals opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to a motion to postpone, or a motion to recommit the resolution, or a motion to proceed to the consideration of other business is not in order. A motion to reconsider the vote by which the resolution is agreed to, or disagreed to, shall not be in order. No amendment to any concurrent resolution pursuant to the procedures of this section is in order except as provided in subsection (e).

(e) Immediately following (1) the conclusion of the debate on such concurrent resolution, (2) a single quorum call at the conclusion of debate if requested in accordance with the rules of the appropriate House, and (3) the consideration of an amendment introduced by the majority leader or his designee to insert the phrase "does not" in lieu of the word "does" if the resolution under consideration is a concurrent resolution

of approval, the vote on final approval of the resolution shall occur.

(f) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to such a resolution shall be decided without debate.

(g) For the purposes of this section, "concurrent resolution" means only a concurrent resolution, the matter after the resolving clause of which is as follows: "That the Congress believes that the Repository Development Report numbered relating to the proposed development of a nuclear waste or spent nuclear fuel repository at within the State of transmitted to Congress by the Nuclear Waste Coordinating Committee on , 19 (as amended by the Chairman of the Nuclear Waste Coordinating Committee on , 19) equitably balances State, local, and national interests.", the blank spaces therein being appropriately filled and the text in parenthesis being included if the Chairman of the Coordinating Committee has amended the report pursuant to subsection (b).

(h) If the Congress has not passed a concurrent resolution in accordance with the procedures described in this section within sixty days of continuous session after the transmittal of the Repository Development Report, such report shall be considered rejected.

(i) For the purposes of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

(j) This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by subsection (g) of this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(k) In considering any Repository Development Report submitted to the Congress pursuant to this title, the Congress may obtain the views and comments of the Nuclear Regulatory Commission on such report. The provision of views by the Commission shall not be construed as binding the Commission with respect to any subsequent licensing action pertaining to the repository which is the subject of such Repository Development Report.

(l) The passage of a resolution by the Congress pursuant to this title shall in no way be considered as binding with respect to any subsequent licensing action of the Nuclear Regulatory Commission pertaining to the repository which is the subject of such resolution.

(m) For the purposes of this section a revised Repository Development Report as set forth in section 303(e)(6) shall be deemed to be a Repository Development Report.

EFFECT OF OTHER LAWS

SEC. 305. (a) Nothing in this Act shall affect the authority of the Nuclear Regulatory Commission to license and regulate high-level or transuranic contaminated waste or spent nuclear fuel storage and disposal pursuant to section 202 of the Energy Reorganization Act of 1974 or of byproduct, source, or special nuclear material pursuant to section 201(f) of such Act.

(b) Nothing in this Act shall exempt any Federal department or agency from the requirements of the National Environmental Policy Act.

(c) Nothing in this Act shall affect the authority of States to inspect nuclear facilities as designated pursuant to State law pursuant to section 274 of the Atomic Energy Act.

TITLE IV—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE REPOSITORY REVIEW PANELS

ESTABLISHMENT OF NUCLEAR WASTE REPOSITORY REVIEW PANELS

SEC. 401. (a) At any time within one hundred and twenty days after receiving notification of the intention of the Committee to prepare a Repository Development Report pursuant to section 303(e)(1) with respect to a proposed repository to be located within a State, the Governor of such State receiving such notification may establish a Nuclear Waste Repository Review Panel to facilitate State and local participation in the planning and development of such repository.

(b) The procedures provided by sections 303(e), 304, and 403(b) for State and local review and for submission to the Congress of objections to the Repository Development Report prepared with respect to a proposed repository, and the procedures provided by sections 303(f) and 403(c) for State and local review and for submission to the Congress of comments on the Repository Loading Report prepared with respect to such repository, shall not apply with respect to such repository unless there shall have been convened a Nuclear Waste Repository Review Panel with respect to such repository pursuant to subsection (a).

(c) A Review Panel convened pursuant to section 401(a) with respect to a proposed repository shall continue to function until—

(1) the Committee formally notifies the Panel that the Federal Government no longer intends to construct and operate such repository, or

(2) the Committee formally notifies the Panel that a Repository Loading Report prepared with respect to such repository has been submitted to the Congress pursuant to section 303(f), and the Chairman of the Panel thereafter declares the Panel to be adjourned.

MEMBERSHIP OF REVIEW PANELS

SEC. 402. A Review Panel convened by a Govenor pursuant to section 401(a) shall consist of—

(1) the Governor convening the Panel who shall serve as the Chairman of the Panel;

(2) seven additional individuals from the State of the convening Governor to be appointed by the Governor and to serve at the pleasure of the Governor. The convening Governor shall include on the Panel individuals who are local government or Indian tribe officials of the area under study by the Department as a possible site for the proposed nuclear waste and spent nuclear fuel repository and may include—

(A) other officials of the State's government including members of the State legislature, and

(B) interested residents of the State, except that such residents shall be selected so as to ensure representation of a broad range of views on nuclear waste repository development issues; and

(3)(A) the Governors of any adjacent State or States, to be appointed by the Council, upon a finding that such State or States may be directly and substantially affected by the operation of a nuclear waste repository situated in the State of the convening Governor;

(B) Each Governor so appointed by the Council may appoint up to three additional individuals from his State to serve on the Review Panel at the pleasure of the Governor. Such Governor shall include among such appointees at least one local government or Indian official of the areas which would be directly and substantially affected by the development of the proposed repository, and may include—

(i) other officials of the State government including members of the State legislature, and

(ii) interested residents of the State, except that such residents shall be selected so as to ensure representation of a broad range of views on nuclear waste or spent nuclear fuel repository development issues.

FUNCTIONS OF REVIEW PANELS

SEC. 403. (a) A Review Panel established pursuant to section 401(a) shall meet regularly to review current and planned actions of the Federal agencies and departments having membership on the Committee with respect to the siting, construction, and operation of the relevant proposed nuclear waste repository. Representatives of such agencies and departments shall meet regularly with the Review Panel to explain their activities and obtain the views of the Panel thereon.

(b)(1) A Review Panel shall cooperate closely with the Committee in the preparation of a Repository Development Report prepared pursuant to section 303(e)(4)(A).

(2) A Review Panel shall, within ninety days after receipt of a Repository Development Report pursuant to section 303(e)(4), ascertain whether the report adequately provides for the protection of State and local interests and may hold public hearings on the Repository Development Report in support of this review.

(3) Within ninety days after the Review Panel receives the Repository Development Report, the Chairman of the Panel, after consultation with other Panel members, may submit to the Committee formal objections that the Repository Development Report does not adequately provide for the protection of State and local interests. A formal objection shall state the grounds therefor and shall also propose amendments to the Repository Development Report whose implementation would remove the basis for such objections. The Chairman of the Panel and other members of the Panel may provide comments on the Repository Development Report to the Committee regardless of whether the Chairman has submitted formal objections to the Repository Development Report.

(c)(1) A Review Panel shall cooperate closely with the Committee in the preparation of a Repository Loading Report prepared pursuant to section 303(f)(1).

(2) Such Review Panel shall, within ninety days after receipt of the Repository Loading Report pursuant to section 303(f)(4), ascertain whether the report adequately provides for the protection of State and local interests and may hold public hearings on the report in support of this review.

(3) Within ninety days after such Review Panel receives such Repository Loading Report, the members of the Panel shall submit their comments on such report to the Committee.

STATEMENT BY SENATOR PERCY

Mr. PERCY. Mr. President, Senator Glenn and I are introducing this bill at a crucial time in the national debate on nuclear waste management. In recent months that debate has become focused on the efforts of the interagency review group (IRG) on nuclear waste management. The IRG has spent a year reviewing the issue and formulating recommendations for administration policy. It has summarized its conclusions in a report issued last week.

The IRG effort has encouraged a broad discussion of the issues which must be addressed as we formulate nuclear waste management policy. It is now up to the Congress to address those issues and, where appropriate, to pass legislation to insure that they are resolved.

The issues facing us today are of two kinds: Technical and institutional. The technical issues include doubts as to the geologic formations and waste packaging best suited to permanent nuclear waste disposal. While Congress itself cannot "resolve" all of the technical issues being raised today, it can, and I believe should, express confidence that those issues can be resolved given the proper research.

It is in the institutional area where direct congressional action is most clearly needed. If there is a nuclear waste management crisis today, it exists not because the technical issues are so intractable, but because the Federal programs designed to address them have been so inadequate. Those programs have in the past been poorly planned, poorly managed, and poorly coordinated, and have lacked coherent principles to guide their development.

The result has been a dramatic loss in public confidence in the Federal Government's ability to do the job. This drop in public confidence has been accompanied by a blurring of public perceptions of the issues. The technical issues have grown in stature and have become inseparably linked to the Federal Government's inability to deal with them, so that the public now perceives nuclear waste as an ominous problem to which there may be no solution.

Some members of the Federal Government have finally come to recognize the significance of this situation. In testimony before Senator GLENN's Energy Nuclear Proliferation and Federal Services Subcommittee, Gus Speth of the Council on Environmental Quality noted that:

". . . We all inherited a seriously flawed Federal program that has provided a poor basis for getting to the right answer quickly and little basis for public confidence. The history of waste management in the United States provides warning of the risks of having policy formulation colored by past programs and promotional concerns. It is a history of failure to produce an acceptable method of waste disposal. Devising a program for the future must take into account the loss of credibility that has ensued; it will not be enough to devise a program that could be credible under other circumstances."

I agree wholeheartedly with these comments. Reestablishing public confidence in Federal nuclear waste management programs will not be easy, but it is essential if those programs are to be successful.

In order to win back the public's confidence, we must identify and correct the weaknesses in current Federal nuclear waste programs. We must anticipate the challenges which those programs will face in the future, and insure that they are equipped to handle them. Last, we must base those programs on sound principles which can guide their development in the future and gain public acceptance for the results they produce.

I see two areas where improvements must be made, and which are addressed in this legislation. The first involves policy formation and program planning at the national level, and the second involves the siting and development of nuclear waste disposal facilities.

On the issue of policy formation and program planning, I believe there are three main deficiencies in the way that these activities are being undertaken today. First, the efforts of the various Federal agencies and departments with responsibilities for nuclear waste management are poorly coordinated. Efforts undertaken by some agencies are unnecessarily duplicated by others, and as program objectives shift there is a danger that the regulations needed to license those programs will not be in place in time.

Second, there is no policy planning process which involves all of the relevant Federal agencies and departments in the formation of a comprehensive, governmentwide policy toward nuclear waste. Indeed, even within these various agencies and departments there seems to be little in the way of rigorous policy planning.

Last, State and local government officials and the public have no way to provide meaningful input into Federal nuclear waste policy. Decisions which will ultimately affect some States and localities very directly are made in the depths of the bureaucracy and buried within budget legislation. It should hardly be surprising, given the current mood of distrust of the Federal Government, that States, localities, and the public are likely to oppose such decisions when they are implemented.

I do not believe that the answer to these problems lies in creating a new Federal agency for nuclear waste management. The legislation which Senator GLENN and I are introducing contains several provisions which will correct these deficiencies while leaving primary responsibility for nuclear waste management where it is now, in the Department of Energy.

First, our bill proposes the establishment of a Nuclear Waste Coordinating Committee. The coordinating committee would consist of representatives of the various Federal agencies which have responsibilities relating to nuclear waste management, including DOE, DOI, CEQ, EPA, and the NRC. It would also have a member representing the Nuclear Waste Management Planning Council, which I will discuss shortly. The committee would be chaired by the representative of the Department of Energy.

The coordinating committee would have several functions. First it would work to improve coordination of the efforts of its member agencies, and to resolve jurisdictional disputes and scheduling conflicts. If necessary, it would make recommendations to the President on these issues.

Second, in each of the first 5 years of its existence, the committee would be required to prepare a comprehensive nuclear waste management plan describing current and planned Federal nuclear waste management programs. In preparing the plan, the members of the committee would work to integrate and reconcile the views of their respective organizations. If agreement could not be reached among committee members on key provisions of the plan, the different views would be brought to the attention of the President and resolved by him. The resulting final document, which would represent Government-wide nuclear waste policy, would then be submitted to Congress.

A key feature of the bill is the creation of a Nuclear Waste Management Planning Council. The members of the Council would be appointed by the President, and would include 11 officials of State or local government, and 4 private citizens. The Council would be the mechanism through which these groups could participate in the formation of Federal nuclear waste policy. A representative of the Council would participate fully in the activities of the coordinating committee, including the preparation of the annual nuclear waste management plan. The Council would also advise the various Federal agencies on nuclear waste management issues.

I believe that these measures would correct the deficiences I discussed above. While they require the creation of two new Government entities, I believe that is an acceptable price to pay. Wherever possible, Senator Glenn and I have tried to minimize that price. We have for example "sunsetted" the preparation of the annual plan, in the expectation that after 5 years a stable and comprehensive Federal nuclear waste policy will have emerged.

One of the best arguments for the measures we are advocating has been the IRG effort itself. Whatever its failings, the IRG has produced some highly valuable self-criticism of the Federal Government's nuclear waste management efforts. It has forced the agencies to come together, to ask themselves tough questions about what each of them was doing and why, and finally to try to put the pieces together in a defensible and coherent whole. The value of such a process was noted by Worth Bateman of the Department of Energy, in testimony before the Energy and Environment Subcommittee of the House Interior and Insular Affairs Committee:

"The Administration also recognizes that a successful waste management policy is not just a DOE policy. It must be developed in conjunction with the many executive agencies which already have a statutory role or other interests bearing directly on waste management. Moreover, a successful policy also requires broad public understanding, participation and support."

I agree with Mr. Bateman's assessment, and believe that the measures we have suggested will insure that a rigorous policy formation process will be employed in the future.

The second main area we have addressed in the legislation is the process by which nuclear waste repositories are sited and developed. As their mistrust of Federal nuclear waste management programs has grown, State governments have increasingly demanded the right to stop the construction of Federal nuclear waste repositories within their borders. Although the Federal Government seems clearly to have preempted the States' right to control the siting of such facilities a dozen States have nevertheless enacted laws which purport to give them some control over repository siting. Whether such laws are valid or not, it is clear that States have numerous other legal and political tools at their disposal with which they can effectively stop construction of Federal nuclear waste repositories.

The dangers of this situation cannot be overemphasized. Given the current atmosphere, the Federal Government will be lucky to find States willing to accept these repositories. Even if it finds such States, we have no assurances that they will contain the best sites for repositories.

Clearly, a major revision in Federal policy is needed. If such a revision is not made, repository siting could well prove to be the Achilles' heel of the entire nuclear waste management effort.

In revising the current process, we must recognize several key facts. First, it is clear that States do have legitimate concerns about nuclear waste repositories, or more precisely, about the Federal Government's ability to construct and operate them safely. This mistrust is the sad legacy of the past performance of the Federal Government. In order to overcome it, we must establish a process which allows States to raise their legitimate concerns about these facilities and insures that those concerns will be addressed.

On the other hand, we must realize that ultimate control over the siting of nuclear waste repositories should remain in the hands of the Federal Government. If State Governments are given unlimited veto power over such repositories, I believe they will utilize that power whether or not their fears about them are legitimate. Public anxiety about the problem is so great that most, if not all, State governments would be forced to exercise the veto.

In short, both the State veto and Federal preemption approches to repository siting contain elements which are absolutely essential to a successful repository siting process. Neither approach alone is likely to produce desirable results, given the current atmosphere of public mistrust. Clearly then we must seek a "middle ground" between the two approaches, one which incorporates their essential elements while excluding their physical flaws.

The legislation Senator Glenn and I are proposing attempts to set forth such an approach. Under the bill, the Federal Government would be required to provide early notification to the Governor of a State of its intention to construct a repository for high level nuclear waste, spent nuclear fuel or TRU-wastes in that State. Upon receiving such notification, the Governor could convene a repository review panel to participate in the planning of the repository. The review panel would consist of the Governor, who would serve as chairman, together with other State and local government officials and concerned private citizens from the State, and representatives of concerned adjacent States.

The Nuclear Waste Coordinating Committee which I described earlier would be required to prepare a detailed repository review report for the proposed repository. The report would contain descriptions of the design of the facility and proposed operating procedures for it, safety and environmental analyses, and plans for transporting wastes and providing economic assistance to affected States and localities. The representative of the Department of Energy would take the lead in the preparation of the report, and would have the authority to resolve disputes among committee members over its contents. In preparing the report, the committee would be required to consult closely with the review panel and incorporate its views into the report to the maximum extent feasible.

When the committee finished the report, it would submit it to the review panel for final review. If the Governor who convened the panel believed that the report did not adequately protect State and local interests, he could, after consulting with other panel members, raise formal objections to the report. If he did not raise formal objections, licensing and construction of the facility could proceed.

If the Governor did raise formal objections, the repository could not be built unless the Congress passed a concurrent resolution stating that the report adequately balanced State, local and national interests. Congress would have 60 days in which to consider such a resolution, with such consideration taking place under highly expedited procedures. If Congress did not pass a resolution in the 60-day period, the repository could not be built unless a revised repository development report was prepared. The revised report would have to be prepared under the same procedures, and would be subject to the same review, as was the original report.

I believe that this approach reconciles the conflicting needs of giving the States a significant role in repository siting while maintaining ultimate Federal control. Under this proposal, States would have the right to demand that Congress review the Federal Government's plans for a repository to ensure that they adequately protect the interests of affected States and localities. The debate over those plans would be highly visable, and the decision on their adequacy would be made by elected members of Congress responsible to their constituents. Congress would have the right, if it was satisfied that the plans adequately responded to legitimate States and local concerns, to direct that the repository be built.

This process has several inherent advantages. First, it would force the Federal facilities and establish their safety prior to constructing them. The review panels would provide forums through which the States would participate in the preparation of those plans from the outset, and thereby develop confidence in them and in the Federal Government itself. Both the States and the Federal Government would have clear incentives to participate in this process in a responsible manner, since both would know that their cases might be scrutinized by the Congress.

Several additional comments should be made about the process we are proposing. First, I would like to address the question of whether Congress is up to the role which this bill would give to it. To begin with, the bill does not ask Congress to make final, definitive judgments on the complex technical issues which will undoubtedly be raised about these facilities. Instead, it asks Congress to make a general finding about whether the Federal Government has done a defensible job of addressing those issues and other issues which are of concern to the States. In short, it asks Congress to play a vigorous oversight and review role. Such congressional review would not replace or prejudge either the NEPA process or NRC licensing of these facilities, and it would be through those processes that final judgments would be passed on the complex technical issues.

It could be argued that Congress will not be able to address an issue such as this on the merits alone, that the vote in the Senate will be 98 to 2 against the State in which a repository is to be located. I do not accept these arguments. Congress has repeatedly shown that it can act responsibly on an issue such as this and can strike a fair balance between national and local interests. Good examples can be found in some of the environmental and parks bills which Congress has considered recently.

The nuclear industry may worry that the process we are proposing will be time consuming and will carry with it an element of uncertainty. However, I believe that it has less potential for delay and uncertainty than either the current situation or any of the alternatives I have heard proposed. To begin with, it should be emphasized that, if current expectations hold, the process I have outlined would be employed only a handful of times before the turn of the century. Furthermore, under our proposal, the role of the States, the Federal Government and Congress are clearly defined and circumscribed. If and when objections come up to the Congress, they will be considered under highly expedited procedures which will prevent the use of dilatory parliamentary tactics and ensure that Congress will be able to act if it so wishes.

To be sure, we have no assurance that Congress will overrule a State's objections and direct a repository to be built. However, I believe that if a majority of the Members of either House of Congress cannot be convinced that the plans for such a repository are adequate, then those plans should be improved before the repository is built.

In sum, I believe that the process that Senator GLENN and I are proposing will enable us to select the best possible sites for repositories in the shortest time possible, and gain public acceptance of those facilities. Our proposal recognizes that the primary obstacle to siting and developing these facilities is public mistrust of the Federal Government. If we are to succeed in getting them built, the Federal Government has no alternative but to work hard to regain the public's confidence. The measures we have suggested will ensure that the Federal Government will indeed work hard to produce the high level of results which the public deserves.

Before closing, Mr. President, I would like to emphasize again that there are a number of other nuclear waste issues which must be addressed by this Congress. In particular, I believe that Congress must establish a funding mechanism which will ensure that the producers of commercial nuclear wastes pay all of the costs of disposing of those wastes. I introduced legislation in the last session of Congress which would have established such a mechanism, and may reintroduce such legislation, again during this session.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section summary of it be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION SUMMARY: NUCLEAR WASTE MANAGEMENT REORGANIZATION ACT OF 1979

Title I. Findings, Purposes, and Definitions.

Sec. 101. Findings.

Sec. 102. Purposes.

Sec. 103. Definitions.

Title II. Establishment, Membership, and Functions of Nuclear Waste Management Planning Council.

Sec. 201. Establishes the Council as an independent instrumentality of U.S. in the Executive Branch.

Sec. 202. Membership. The Council is to have 15 members appointed by the President. Eleven are to be elected officials of State or local government and the remaining four shall be interested private citizens. The Chairman of the Council is to be the Governor of a State.

Sec. 203. Functions. The Council shall appoint a representative to the Nuclear Waste Coordinating Committee pursuant to section 302. The Council shall also advise federal agencies and departments on nuclear waste and spent nuclear fuel management policy.

Title III. Establishment Membership and Functions of Nuclear Waste Coordinating Committee.

Sec. 301. Establishes the Committee as an independent instrumentality of the U.S. in the Executive Branch.

Sec. 302. Membership. The Council and all federal agencies with responsibilities relating to nuclear waste and spent nuclear fuel management are to appoint representatives to the Committee. The DOE representative shall serve as Chairman.

Sec. 303.

303(a). The Committee is to facilitate coordination of federal activities with respect to nuclear waste and spent nuclear fuel management.

303(b). The Committee is to attempt to resolve jurisdictional and scheduling disputes and to make recommendations on such matters to the President where necessary.

303(c). The Committee is to prepare an annual Nuclear Waste Management Plan for each fiscal year through 1985.

To the maximum extent feasible the Plan is to incorporate the views of all members of the Committee. If members disagree over the major provisions of the Plan, the draft Plan shall so indicate and shall include relevant options for Presidential consideration.

The draft Plan shall be made available for public comment and shall then be submitted to the President, together with the views of the members of the Committee.

The President may modify the draft Plan as necessary. In so doing, protection of the public health and safety is to be foremost among the factors weighed.

The Committee shall submit final version of the Plan to the Congress by March 1, 1980, and by March 1 of each succeeding year

thereafter, through March 1, 1984. Congressional authorizing committees would then consider the Plan.

303(d). The Committee is to notify the Governor of a State of Federal plans to undertake studies in the State leading to the siting a nuclear waste or spent nuclear fuel repository or storage facility in that state. Thereafter the Committee shall seek the views of appropriate agencies of any such State, and shall permit technical representatives of such States to participate in any federal technical analyses performed.

303(e). Prior to the commencement of construction of a repository by any Federal agency or department, the Committee must prepare a Repository Development Report for that repository. The Report shall contain descriptions of the design and proposed operating procedures of the proposed repository; safety and environmental analyses; plans for transporting nuclear wastes to the repository; and plans for providing federal impact aid or other assistance to States and localities affected by it.

If a Repository Review Panel has been convened with respect to the proposed repository pursuant to section 401, the Committee is to consult closely with the Panel while preparing the Report.

Upon completing the Report, the Committee shall submit it to the Review Panel. After a 90-day review period, the Chairman of the Panel (the Governor of the State containing the facility) may submit formal objections to the Report to the Committee if he believes that the Report does not adequately protect state and local interests. (See Section 403) The Committee must then submit the Report, together with such objections if any to the Congress.

If the Chairman has not raised formal objections, the appropriate federal agency may proceed with construction or licensing of the repository.

If the Chairman has raised objections, the construction or licensing of the repository may not proceed unless Congress passes a concurrent resolution, pursuant to the procedures set forth in section 304, stating that the Report equitably balances State, local, and national interests.

If Congress does not pass the resolution within the 60 day period, construction or licensing of the repository may not proceed unless and until a revised Repository Development Report has been prepared following the same procedures for preparation and review outlined above; and, either (1) the Chairman of the relevant Panel does not formally object to such revised Report or (2) if he does object, Congress passes a concurrent resolution (as above) with respect to the revised report.

303(f). Repository Loading Reports. Prior to the emplacement of significant quantities of nuclear waste or spent nuclear fuel in a repository by any Federal agency or department, the Committee shall prepare a Repository Loading Report. The Repository Loading Report shall update the information contained in the relevant Repository Development Report. The Committee shall prepare such Loading Report in consultation with the Repository Review Panel formed with respect to that repository, and upon completing such Report shall submit it to the Panel for review. The Committee shall submit the complete Loading Report and the comments of the Review Panel on it to the Congress. The procedures for submitting and resolving formal objections of the Panel shall not apply in the case of Repository Loading Reports.

Sec. 304. Congressional Review Procedures. Congress shall have 60 days of continuous session after receiving a Repository Development Report to which the Chairman of a Panel has objected in which to pass a concurrent resolution stating that the Report equitably balances local, State, and national interests.

Committees to which the Report is referred shall have 45 days of continuous session to report such a resolution, after which they would be discharged from further consideration of it. The Chairman of the Committee would be able to amend the Report for the first 30 days of continuous session after its submission. Consideration of the resolution on the floors of both Houses would be under highly expedited procedures.

Sec. 305. Effect on Other Laws. The provisions of this Act shall in no way affect the authority of the NRC to license waste facilities, nor shall it relieve any Federal department or agency of the requirements of the National Environmental Policy Act.

Title IV: Establishment, Membership, and Functions of Nuclear Waste Repository Review Panels.

Sec. 401. Establishment of Nuclear Waste Repository Review Panels. Within 120 days after receiving notification of the Committees' intent to prepare a Repository Development Report for a repository in his state, the Governor of the State may form a nuclear waste Repository Review Panel.

The Repository Review Panel would remain convened until such time as the Committee formally notifies the Panel that the federal government no longer intends to construct or operate such proposed repository, or until such time as the Committee notifies the Panel that a Repository Loading Report prepared with respect to such repository has been submitted to the Congress pursuant to section 303.

Sec. 402. Membership. A Repository Review Panel would consist of the Governor convening the Panel, who would be its Chairman; seven additional State and local government officials and private citizens from that State to be appointed by the Governor; the Governors of any adjacent State or States which would be directly affected by the development of the repository in question, to be appointed by the Nuclear Waste Management Planning Council; and three representatives from each such adjacent State to be appointed by the respective Governor of that State.

Sec. 403. Functions. The Repository Review Panel would review current and planned federal actions regarding the siting, construction, and operation of the relevant proposed repository, and would participate in the preparation of the Repository Development Report for the repository and would, within 90 days after receipt of the Repository Development Report, ascertain whether the Report adequately provided for the protection of State and local interests. At the end of that 90 day period, the Chairman of the Panel, after consultation with other Panel members, could submit to the Committee formal objections that the Repository Development Report does not adequately provide for the protection of State and local interests. The Chairman would state the grounds for his decision and propose amendments to the Repository Development Report.

The Repository Review Panel would participate in the preparation of and would comment on any Repository Loading Report prepared for such repository.●

● Mr. GLENN. Mr. President, on behalf of Senator PERCY and myself, Senator PERCY is reintroducing today the Nuclear Waste Management Reorganization Act, which he and I coauthored during the 96th Congress. A version of this bill, which provides a major new role for States in Federal nuclear waste disposal activities, ultimately was included as an amendment to the comprehensive nuclear waste legislation passed by the Senate last session (S. 2189).

That amendment, I might note, passed by a vote of 83 to 0; the House of Representatives passed similar language on the State role issue, also by a strong majority, but in the closing days of the last session we were unable to compromise the two bills to the satisfaction of all parties. This record demonstrates, however, the very strong support for the general approach Senator PERCY and I have embodied in this bill.

The text of the Nuclear Waste Management Reorganization Act which Senator PERCY is introducing today is identical to the original version of the Percy-Glenn bill introduced at the beginning of the 96th Congress—S. 742.

To provide some additional background on the bill, I am inserting at the end of my remarks a statement that I made at the time of the bill's original introduction. I might note that while there have been considerable improvements in coordination among the concerned executive branch agencies and in easing some of the tensions between the States and the Federal Government, serious problems remain in both areas. Moreover, many of the positive changes which have been made are embodied in Executive Orders or other discretionary rulings or initiatives and do not have the permanence which is essential in this difficult area. We must have a solid, predictable, and effective mechanism for resolving differences among all the parties involved. In a word, legislation is needed and the Percy-Glenn bill provides an evenhanded, widely accepted approach for bringing our national nuclear waste disposal efforts to a successful conclusion.

Mr. President, I ask unanimous consent that the statement I made at the time of the bill's original introduction be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR GLENN

Mr. GLENN. Mr. President, the introduction of the Nuclear Waste Management Reorganization Act of 1979 [now. of 1981] which I have coauthored with Senator Percy, is a major new initiative in our Nation's long-term effort to address the problem of disposing of radioactive wastes safely and permanently. For the past 30 years these lethal and long-lived byproducts of our nuclear weapons and civilian nuclear power programs have been accumulating at temporary storage facilities around the country and, as nuclear power expands in the decades ahead, the amounts of radioactive wastes generated, while not excessive now, will increase in almost geometric proportions.

Serious difficulties have plagued our efforts to develop methods for disposing of these dangerous materials, and numerous technical questions remain to be resolved even today. . . . Major research, development, and demonstration efforts will be needed to deal systematically with these outstanding issues.

One reason for our current lack of knowledge is that over the years the Department of Energy's predecessor agencies, ERDA and AEC, gave relatively little attention to nuclear waste management and tended to minimize the overall difficulty of this task. Related research and development activities

were funded at modest levels and were focused on a narrow range of waste disposal options; fundamental earth sciences questions—geology and hydrology—received little attention. Moreover, little or no account was taken of the research needs of other agencies, in particular the Nuclear Regulatory Commission and the Environmental Protection Agency which are responsible for regulating U.S. nuclear waste disposal activities.

Uncertainty still plagues executive branch nuclear waste program planning today. DOE is proceeding with its Waste Isolation Pilot Plant in Carlsbad, N. Mex., despite the fact that the basic regulatory standards necessary to evaluate the WIPP site have not been issued by the Nuclear Regulatory Commission and the Environmental Protection Agency. [This problem continues even in 1981.]

This lack of coordination among concerned Federal agencies has had a counterpart in the area of Federal-State relations. In particular the Federal nuclear waste disposal program has lacked adequate opportunity for State and local and public participation. Crucial siting and design decisions have been taken outside public view and, until recently, early consultation with individual States even on such vital matters as the siting of a major nuclear waste repository within their borders has often been nonexistent. In reaction to this history of Federal highhandedness many States and municipalities have enacted laws restricting the storage or transport of nuclear wastes in areas under their jurisdiction. The result is a pattern of restrictions on Federal waste management efforts which may seriously hinder our attack on this problem.

The Nuclear Waste Management Reorganization Act of 1979, which Senator PERCY and I are introducing today, attempts to remedy these difficulties by—

Creating a Federal interagency Nuclear Waste Coordinating Committee to insure an integrated government-wide approach to nuclear waste management issues based on comprehensive, annual plans;

Creating a Nuclear Waste Management Planning Council consisting of 11 State and local elected officials and 4 members of the public to participate in the development of Federal nuclear waste management policy; and

Establishing a process to give States and localities, through specially created nuclear waste repository review panels, a dramatically increased role in decisions regarding the siting of individual nuclear waste repositories. This process would permit a State to ban further work on a repository until both Houses of Congress passed a resolution overruling the State's objections.

At the Federal level the Coordinating Committee would insure the proper integration of all Federal waste management actions, including R. & D. activities, and its annual plan would provide a clear statement to the Congress and the public of the direction of the Federal program. State, local, and public views would be incorporated from the start via the advice provided by the Nuclear Waste Management Planning Council, one of whose members would sit on the Interagency Coordinating Committee, to provide continuous representation of the Planning Council. This would insure substantial State input on such crucial matters as repository site, selection.

In addition, under the bill, individual States would be immediately notified of any contemplated Federal activities within their borders regarding the siting of a nuclear waste storage or disposal facility and State participation in any Federal evaluations would be encouraged. If, on the basis of such early studies the Federal Coordinating Committee determined to proceed with development of a repository within a given State the Committee would prepare a repository development report on the facility. At the same time, the Governor of that State would convene a nuclear waste repository review panel to work with the Federal Committee on the report being prepared and to review the final report. If the Governor, who would chair the panel, objected to the report on the ground that it did not adequately protect State and local interests, no application for a license to construct the facility could be submitted to the Nuclear Regulatory Commission—or, if no license were required, no site preparation work could begin—until Congress passed a concurrent resolution stating that the report equitably balanced State, local, and national interests.

This mechanism will insure a full review of the State's concerns, while at the same time allowing the repository to go forward if that is found to be essential to the national interest. Negotiations between the Federal Government and the State could continue after the report and the State objections were submitted to Congress. Amendments to the report reflecting the outcome of such negotiations would be possible for the first 30 days of continuous session after the report was submitted.

I believe this mechanism, by giving the States the clear right to put a freeze on further Federal activity, and giving Congress the right to review the matter and to consider it in the context of the wide range of Federal programs affecting the States involved, will allow an orderly and timely resolution of this area of potentially serious State-Federal conflict.

Mr. President, the organizational structure and procedures created by this bill will insure that decisions on the ultimate disposal of nuclear waste will proceed in a scientifically careful and informed manner, and through political and social consensus. I urge the support of my colleagues for it.●

By Mr. BUMPERS (for himself, Mr. JACKSON, and Mr. TSONGAS):

S. 96. A bill to direct the Secretary of the Interior to provide for the protection of the barrier islands, and for other purposes; to the Committee on Energy and Natural Resources.

PROTECTION FOR THE BARRIER ISLANDS

● Mr. BUMPERS. Mr. President, I am introducing today, along with Senator JACKSON and Senator TSONGAS, legislation designed to significantly limit wasteful Federal expenditures which encourage inappropriate development on the barrier islands of the east and gulf coasts of the United States. This legislation was reported unanimously from the Energy and Natural Resources and Environment and Public Works Committees last year. Unfortunately, the Senate was unable to act on this matter before the end of the 96th Congress.

There are over 300 barrier islands, barrier spits, and bay barriers located off the Atlantic and gulf coasts. These entities consist of unconsolidated sand which, as a result of wave action and the rising sea level, migrate toward the shoreline. The deflection of the waves by barrier islands protects the mainland behind them. In fact, many coastal communities and harbors owe their very existence to the protection provided by the barrier islands. A variety of activities, many of them federally funded, can damage these important entities. The creation of building sites destroys these natural vital processes. Bulldozing dunes to provide for oceanfront development greatly diminishes island stability. Diking and filling wetlands and marshes often destroy important wildlife habitat as well as nutrients critical to healthy fish populations. Groins and jetties are built to enhance one beach, but rob sand from another island thus greatly accelerating island retreat.

The development man places on these islands is extremely vulnerable to the violent storms and hurricanes which frequently strike the barrier islands with the full brunt of their force. Access to these islands is usually by ferry or two-lane roads which are often inadequate to evacuate people quickly and safely in cases of impending hurricanes or other disasters.

It is estimated that more than $500 million in Federal funds has been spent over the last 3 years on barrier islands through some 30 different programs administered by 20 different Federal agencies. Much of this money was spent to encourage and subsidize the type of unwise development discussed above. It seems to me to be a tremendous waste of Federal funds to encourage new development on these islands by providing beach stabilization, bridge construction, wastewater treatment facilities, and flood insurance assistance in the first instance, and then paying for reconstruction of these facilities, often in the same place, following a major storm. In an effort to limit the impact of this problem, a limitation and redirection of Federal development subsidies for undeveloped barrier islands are in order.

The legislation I am introducing today will accomplish three things: First, it will help reduce the waste associated with many Federal programs which encourage unwise development on barrier islands; second, it will help reduce the safety hazard associated with hurricanes and other storms; and third, it will serve to protect the important natural, historic, and cultural resources associated with these barrier island ecosystems.

It is important to note that this legislation will only limit Federal actions, assistance, or permits for certain undeveloped islands or undeveloped portions of islands. Developed islands or portions thereof would not be adversely affected. In addition, expenditures for public recreation, navigational safety, energy development, and other crucial projects will not be affected at all.

Mr. President, I am hopeful that this important legislation can be enacted before the end of this Congress. I urge my colleagues to join with me in supporting this measure.●

By Mr. JEPSEN:

S. 97. A bill for the relief of Artemio C. Santiago, doctor of medicine, and Josefina Santiago, husband and wife; to the Committee on the Judiciary.

ARTEMIO C. SANTIAGO AND JOSEFINA SANTIAGO

● Mr. JEPSEN. Mr. President, I send to the desk a bill for the relief of Artemio C. Santiago, M.D., and Josefina Santiago, husband and wife, and ask that it be read twice and reported to the appropriate committee.

Mr. President, I introduced an exact bill on behalf of the Santiago family in

the 96th Congress with the hope of preventing what I and the citizens of Fort Madison, Iowa, consider an unfortunate situation.

Dr. Santiago and his family are of Filipino origin. He and his family entered the United States in 1972 for the purpose of continuing his medical education. Dr. Santiago has initiated his medical training in the Philippines, his residency in Detroit, Mich., an internship in Lorrain, Ohio, and his internal medicine residency in Allen Park, Mich. Dr. Santiago joined in the Valley Clinic in Fort Madison in 1977 and is now a partner in the clinic with an established practice and referral service.

Mr. President, it is very obvious that the problem here does not involve Dr. Santiago's credentials or standing within the community of Fort Madison. The problem is centered on his inability to obtain permanent residency or citizenship within the United States.

The rationale used to deny Dr. Santiago and his family a work permit or permanent residency is that he is no longer eligible for an educational visa. U.S. immigration officials have argued that his request for a work permit as a doctor is not justified because there is not a shortage of doctors in the United States.

His problem is further complicated in that there is a 10-year waiting list of Filipinos awaiting permission for permanent residency in the United States.

Mr. President, I do not concur with that assessment. I am sure many of my colleagues from rural States or States with rural areas will agree that there is a real and frustrating shortage of doctors in rural America. The rural areas of the country desperately need qualified physicians. This is particularly true in my home State of Iowa.

According to the Valley Clinic officials, Dr. Santiago is the only board certified internist in the city of Fort Madison and general county area. His presence and service in Fort Madison has been of mutual benefit to all.

Therefore, it is with great hope this legislation will be passed during this session of Congress.●

By Mr. DANFORTH (for himself, Mr. BRADLEY, Mr. BENTSEN, Mr. CHAFEE, Mr. HEINZ, Mr. CRANSTON, and Mr. TSONGAS):

S. 98. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain research and experimental expenditures, and for other purposes; to the Committee on Finance.

RESEARCH AND DEVELOPMENT ACT OF 1981

● Mr. DANFORTH. Mr. President, last year I introduced several pieces of legislation aimed at stimulating additional research and development in our country. One of these bills, S. 2906, was incorporated—with only minor modification—in H.R. 5829, the major tax cut bill reported out of the Senate Finance Committee on September 15, 1980. The bill I am introducing today is the same provision approved by the Senate Finance Committee last year by a vote of 19 to 1.

The Senate Finance Committee report sets out the reasons for the committee's decision as follows:

> The committee believes that a substantial tax credit for incremental research and experimental expenditures will overcome the resistance of many businesses to bear the costs of staff and facilities which must be incurred in initiating or expanding research programs. While such costs bear characteristics of investment activity, the relationships between the investment and the subsequent earnings often are less directly identifiable, and many businesses are reluctant to allocate scarce investment funds for uncertain rewards.
>
> Research and experimentation are basic activities that must precede the development and application of new techniques and equipment to production and the development and manufacture of new products. The committee believes that its multifaceted approach in the bill, designed to stimulate a higher rate of capital formation and to increase productivity, appropriately includes incentives for greater private activity in research.
>
> In recent years, spending for these purposes by the federal government and businesses has not been adequate. Although current expenditures increased throughout the past 12 years, real outlays (expressed in 1972 prices) fluctuated in a $2 billion range between $19.1 and $21.1 billion for most of the period. Relative to real gross national product, real research expenditures decreased through 1978 and increased minimally in 1979.
>
> If we are going to control inflation in our country, we must adopt a multifaceted approach designed to stimulate a higher rate of capital and to increase productivity. In my opinion, and that of 18 other Finance Committee members last year, that "multifaceted" approach should include incentives for research and development similar to those which I am introducing today.
>
> Scientific knowledge has always been the cutting edge of American economic strength. As a result, the United States has become the most advanced country in the world. Some studies have concluded that technological innovation has accounted for more than 51 percent of the growth in U.S. productivity. Therefore, America stands to suffer from the decline in research and development spending that has occurred during the last decade. Our current rate of productivity is unacceptably low, and is a major factor in inflation, growing unemployment, and our adverse balance of foreign trade. The legislation I am introducing today can provide a means for reversing these trends. In my opinion, it is essential that legislation similar to this be included in any tax reduction bill enacted by the Congress this year.

Mr. President, I ask unanimous consent that this bill be printed in full following the statement of the Senator from New Jersey (Mr. BRADLEY).●

● Mr. BRADLEY. Mr. President, I am pleased again to have the opportunity to cosponsor with my good friend from Missouri, Mr. DANFORTH, a proposal to offer a maximum 25 percent tax credit for incremental investments in research and experimentation.

As we begin a new year with a determination to improve our economy, increase productivity, and restore American industrial competitiveness in world markets, the importance of this provision cannot be overstated. Innovation has always been the hallmark of our economy. We grew to be the world's strongest economy principally because we developed new products and built them better and more efficiently than anyone else. The decline of our relative position today is due in large part because we have not maintained that great lead over our competitors in these fundamental attributes.

If we are to restore our competitive position and invigorate our economy, we must pay more attention to research and development. Yet strangely, with all the special tax provisions designed to help business, the code is silent on one of the most helpful kinds of tax stimulus. That is why this proposal is so important. It offers an incentive for investment in research and experimentation, and it does so in a way which rewards new levels of investments. Thus, its direct benefit would be to those areas of our economy which are growing and which are the most dynamic. Two sectors that come quickest to mind are electronics and genetic engineering. In different ways these two growth areas are also greatly in need of investments, the one because the research is moving so fast and the competition from foreign sources is so keen, the other because the field is so new, the possibilities potentially unlimited, but the products are not yet commercially developed. There are, of course, other sectors of the economy that would be benefited besides these two.

I am pleased that the Finance Committee adopted this proposal last year in its tax bill. I hope that it will once again find its way into the tax legislation that most certainly will be forthcoming from Congress this year.●

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 98

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAX CREDIT ALLOWED.

(a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44F. CREDIT FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of the qualified research or experimental expenditures paid or incurred by the taxpayer during the taxable year in carrying on any trade or business of the taxpayer.

"(b) QUALIFIED RESEARCH AND EXPERIMENTAL EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified research and experimental expenditures' means the excess of—

"(A) the research and experimental expenditures of the taxpayer for the taxable year, over

"(B) the average of such expenditures during the base period of the taxpayer.

"(2) BASE PERIOD.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'base period' means the 3 taxable years immediately preceding the taxable year for which the determination is being made.

"(B) TRANSITIONAL RULES.—Subparagraph (A) shall be applied—

"(i) by substituting 'first taxable year' for '3 taxable years' in the case of taxable years beginning in 1981, and

"(ii) by substituting '2' for '3' in the case of taxable years beginning in 1982.

"(3) DEEMED TAXABLE YEARS.—If the number of taxable years in the base period exceeds the number of taxable years of—

"(A) the taxpayer, or

"(B) any person with whom the taxpayer is required to aggregate expenditures under subsection (c)(2),

which precede the taxable year, then the taxpayer or such person shall be treated as having a number of taxable years equal to such excess during which no research and experimental expenditures were made.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) RESEARCH AND EXPERIMENTAL EXPENDITURES.—The term 'research and experimental expenditures' has the meaning given to such term by section 174(f), except that such term shall only include expenditures for research and experimentation conducted within the United States.

"(2) AGGREGATION OF EXPENDITURES.—

"(A) CONTROLLED GROUP OF CORPORATIONS.—In determining the amount of the credit under this section—

"(i) all research and experimental expenditures of members of the same controlled group of corporations shall be treated as expenditures of a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such member shall be its proportionate share of the increase in research and experimental expenditures giving rise to the credit.

"(B) COMMON CONTROL.—Under regulations prescribed by the Secretary, in determining the amount of the credit under this section—

"(i) all research and experimental expenditures of trades or businesses (whether or not incorporated) which are under common control shall be treated as expenditures of a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such person shall be its proportionate share of the increase in research and experimental expenditures giving rise to the credit.

The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(3) PASSTHROUGH IN THE CASE OF SUBCHAPTER S CORPORATIONS, ETC.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply.

"(4) ADJUSTMENTS FOR CERTAIN ACQUISITIONS, ETC.—Under regulations prescribed by the Secretary—

"(A) ACQUISITIONS.—If, after December 31, 1979, a taxpayer acquires the major portion of a trade or business of another person (hereinafter in this paragraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section for any taxable year ending after such acquisition, the amount of research and experimental expenditures paid or incurred by the taxpayer during periods before such acquisition shall be increased by so much of such expenditures paid or incurred by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business or separate unit acquired by the taxpayer.

"(B) DISPOSITIONS.—If, after December 31, 1979—

"(i) a taxpayer disposes of the major portion of any trade or business or the major portion of a separate unit of a trade or business in a transaction to which subparagraph (A) applies, and

"(ii) the taxpayer furnishes the acquiring person such information as is necessary for the application of subparagraph (A),

then, for purposes of applying this section for any taxable year ending after such disposition, the amount of research and experimental expenditures paid or incurred by the taxpayer during periods before such disposition shall be decreased by so much of such expenditures as is attributable to the portion of such trade or business or separate unit disposed of by the taxpayer.

"(5) SHORT TAXABLE YEARS.—In the case of any short taxable year, research and experimental expenditures shall be annualized in such circumstances and under such methods as the Secretary may prescribe by regulation.

"(6) CONTROLLED GROUP OF CORPORATIONS.—The term 'controlled group of corporations' has the same meaning given to such term by section 1563(a), except that—

"(A) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(B) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(d) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) IN GENERAL.—The credit allowed by subsection (a) for any taxable year shall not exceed the amount of the tax imposed by this chapter reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(2) CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

"(A) ALLOWANCE OF CREDIT.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided by paragraph (1) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be—

"(i) a research and experimental credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(ii) a research and experimental credit carryover to each of the 7 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year beginning before January 1, 1981, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of 10 taxable years to which (by reason of clauses (i) and (ii)) such credit may be carried, and then to each of the other 9 taxable years to the extent that, because of the limitation contained in subparagraph (B), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) LIMITATION.—The amount of the unused credit which may be added under subparagraph (A) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by paragraph (1) for such taxable year exceeds the sum of—

"(i) the credit allowable under this section for such taxable year, and

"(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year.".

(b) DEDUCTION FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.—

(1) IN GENERAL.—Section 280C (relating to disallowance of deduction for portion of wages for which credit is claimed under section 40 or 44B) is amended by adding at the end thereof the following new subsection:

"(c) RULE FOR SECTION 44F CREDIT.—In the case of an individual or an electing small business corporation (within the meaning of section 1371(b)), no deduction shall be allowed for that portion of research and experimental expenditures paid or incurred during the taxable year which is equal to the amount allowable as a credit under section 44F for such taxable year (determined without regard to section 44F(d)).".

(2) CONFORMING AMENDMENTS.—

(A) The heading for section 280C is amended to read as follows:

"SEC. 280C. Expenditures for which credit is claimed under section 40, 44B, 44B, or 44F."

(B) The item relating to section 280C in the table of sections for part IX of subchapter B of chapter 1 is amended to read as follows:.

"SEC. 280C. Expenditures for which credit is claimed under section 40, 44B, or 44F.".

(c) TECHNICAL AMENDMENTS RELATED TO CARRYOVER AND CARRYBACK OF CREDITS.—

(1) CARRYOVER OF CREDIT.—

(A) Subsection (c) of section 55 (relating to credits) is amended by striking out paragraph (3) and inserting in lieu thereof the following new paragraph:

"(3) CARRYBACK AND CARRYOVER OF CERTAIN CREDITS.—For purposes of this part—

"(A) SUBSTITUTE LIMITATION.—In any taxable year in which a tax is imposed by this section (referred to as the 'current taxable year') the limitation on the amount (if any) of credit which may be carried back or over for any credit allowable under subpart A which is not allowable against the tax imposed by this section shall be computed in accordance with subparagraphs (B) and (C).

"(B) ORDER.—The amount of any limitation on carrybacks or carryovers under this paragraph shall be determined with respect to each credit in reverse order of the letter or number designation of the credits.

"(C) DETERMINATION OF AMOUNT.—The amount of each such limitation shall be the amount (if any) by which—

"(i) the amount of the credit allowable for the current taxable year (determined without regard to this paragraph), exceeds

"(ii) the smaller of—

"(I) such limitation (determined without regard to this paragraph), or

"(II) the net tax imposed by this section for the taxable year (reduced by the sum of the amounts determined under this clause with respect to any credit which has a higher number or letter designation).

"(D) NET TAX IMPOSED BY THIS SECTION.—For purposes of this paragraph, the term 'net tax imposed by this section' means the tax imposed by this section reduced by the credit allowed by section 33(a), as modified by paragraph (2).".

(B) Subsection (c) of section 381 (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

"(28) CREDIT UNDER SECTION 44F.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44F, and under such regulations as may be prescribed by the Secretary) the items required to be taken

into account for purposes of section 44F in respect of the distributor or transferor corporation.".

(C) Section 383 (relating to special limitations on unused investment credits, work incentive program credits, new employee credits, alcohol fuel credits, foreign taxes, and capital losses), as in effect for taxable years beginning after June 30, 1982, is amended—

(i) by inserting "to any unused credit of the corporation under section 44F(d)(2)," after "44E(e)(2),", and

(ii) by inserting "RESEARCH AND EXPERIMENTAL CREDITS," after "ALCOHOL FUEL CREDITS," in the section heading.

(D) Section 383 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(i) by inserting "to any unused credit of the corporation which could otherwise be carried forward under section 44F(d)(2)," after "44E(e)(2),", and

(ii) by inserting "RESEARCH AND EXPERIMENTAL CREDITS," after "ALCOHOL FUEL CREDITS," in the section heading.

(E) The table of sections for part V of subchapter C of chapter 1 is amended by inserting "alcohol fuel credits, research and experimental credits," after "new employee credits," in the item relating to section 383.

(2) CARRYBACK OF CREDIT.—

(A) Subparagraph (C) of section 6511(d)(4) (defining credit carryback) is amended by striking out "and new employee credit carryback" and inserting in lieu thereof "new employee credit carryback, and research and experimental credit carryback".

(B) Section 6411 (relating to quick refunds in respect of tentative carryback adjustments) is amended—

(i) by striking out "or unused new employee credit" each place it appears and inserting in lieu thereof "unused new employee credit, or unused research and experimental credit";

(ii) by inserting "by a research and experimental credit carryback provided in section 44F(d)(3)," after "53(b)," in the first sentence of subsection (a);

(iii) by striking out "or a new employee credit carryback from" each place it appears and inserting in lieu thereof "a new employee credit carryback, or a research and experimental credit carryback from"; and

(iv) by striking out "work incentive program carryback)" and inserting in lieu thereof "work incentive program carryback, or, in the case of a research and experimental credit carryback, to an investment credit carryback, a work incentive program carryback, or a new employee credit carryback)".

(d) OTHER TECHNICAL AND CLERICAL AMENDMENTS.—

(1) Subsection (b) of section 6096 (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44E" and inserting in lieu thereof "44E, and 44F".

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Credit for research and experimental expenditures.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

SEC. 232. RESEARCH AND EXPERIMENTAL EXPENDITURES DEFINED.

(a) IN GENERAL.—Section 174 (relating to deduction for research and experimental expenditures), as amended by section 231(b), is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

(f) RESEARCH AND EXPERIMENTAL EXPENDITURES DEFINED.—

"(1) IN GENERAL.—For purposes of this section, the term 'research and experimental expenditures' means amounts paid or incurred by the taxpayer—

"(A) for research for the purpose of discovering information which is potentially useful in—

"(i) the development of a new business item for the taxpayer, or

"(ii) bringing about a significant improvement in an existing business item of the taxpayer, or

"(B) in applying results obtained by research to develop a plan or design for a new business item for the taxpayer, or for a significant improvement in an existing business item of the taxpayer.

"(2) EXCLUSIONS.—The term 'research and experimental expenditures' does not include expenditures related to—

"(A) research in the social sciences or the humanities; and

"(B) to the extent that such expenditures are funded by a grant, contract or subcontract for research and development with any agency or instrumentality of any Federal, State, or local government.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) RESEARCH.—The term 'research' means a planned search or critical investigation, and includes experimentation.

"(B) BUSINESS ITEM.—The term 'business item' means a product, service, process, or technique for use by the taxpayer in a trade or business.

"(C) EXISTING.—The term 'existing' means a business item sold or used by the taxpayer in a trade or business before the taxpayer paid or incurred the amounts for research, or for the application of research results.

"(4) LIMITATION OF AMOUNTS SPENT FOR APPLIED RESEARCH.—No amount shall be taken into account under paragraph (1) as a research and experimental expenditure which is paid or incurred for research, or the application of research results, in connection with a business item after the point at which—

"(A) the new business item or significantly improved business item meets specific functional and economic requirements of the taxpayer for that item, or

"(B) the new or improved item is ready for manufacture, sale, or use.

"(5) PERSONS WITH COMMON INTERESTS.—For purposes of this subsection, a business item of any person with whom the taxpayer is required to aggregate expenditures under section 44F(c)(2) shall be treated as a business item of the taxpayer.".

(b) CONFORMING AMENDMENT.—Subsections (a) and (b) of section 174 are amended by striking out "research or experimental" each place such term appears and inserting in lieu thereof "research and experimental".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.●

By Mr. JEPSEN:

S. 99. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child; to the Committee on Finance.

TAX DEDUCTION FOR EXPENSES INVOLVED IN THE ADOPTION OF A CHILD

● Mr. JEPSEN. Mr. President, I send to the desk a bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child.

Mr. President, it was my pleasure during the 96th Congress to introduce a similar bill along with Senator HATFIELD of Oregon, S. 2959. Without exception the bill has captured the interest and imagination of everyone concerned about the status of adoption in America and abroad.

The bill I introduce today has several modifications. After some review and discussion the revised version has an established ceiling of $3,500 for domestic adoption and a $4,500 ceiling for international adoptions. The bill provides that deduction shall be allowable for the first $500 of adoption expenses paid or incurred with respect to an adoption.

The bill further provides that no deduction shall be allowable for any amount for adoption expenses paid from any funds received under Federal, State, or local program. The purpose of this provision is to eliminate the possible abuse of doubledipping.

Finally the bill provides that the act shall apply to adoption expenses paid or incurred after December 31, 1978, in connection with any adoption which becomes final after December 31, 1980.

Mr. President, I am particularly proud of this bill. It has been a labor of love thus far and I look forward to additional comments and additions as may be necessary.

Mr. President, it is my intention to have additional remarks and accompanying material submitted to this bill when the Senate officially reconvenes next week. I would however ask unanimous consent that my remarks of Thursday, July 24, 1980, be inserted into the RECORD, together with the text of the bill.

There being no objection, the bill and the statement were ordered to be printed in the RECORD, as follows:

S. 99

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the amount of the adoption expenses paid or incurred by the taxpayer during the taxable year.

"(b) LIMITATION ON DEDUCTIONS.—

"(1) MINIMUM DOLLAR AMOUNT.—No deduction shall be allowable under subsection (a) for the first $500 of adoption expenses paid or incurred with respect to the adoption of any child.

"(2) MAXIMUM DOLLAR AMOUNT.—The aggregate amount allowable as a deduction under subsection (a) for all taxable years with respect to the adoption of any child shall not exceed $3,500 ($4,500 in the case of an international adoption).

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No deduction shall be allowable under subsection (a) for any amount for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No deduction shall be allowable under subsection (a) for any adoption expense paid from any funds received under any Federal, State, or local program.

"(c) DEFINITIONS.—For purposes of this section—

"(1) ADOPTION EXPENSES.—The term 'adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law.

"(2) INTERNATIONAL ADOPTION.—The term 'international adoption' means an adoption—

"(A) occurring under the laws of a foreign country, or

"(B) involving a child who was a citizen of a foreign country who—

"(i) was brought to the United States for the purpose of adoption, or

"(ii) came to the United States under circumstances with respect to which the necessity for the child's placement in adoption proceedings was reasonably foreseeable.".

(b) Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (16) the following new paragraph:

"(17) ADOPTION EXPENSES.—The deduction allowed by section 221.".

(c) The table of sections for such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"Sec. 221. Adoption expenses.
"Sec. 222. Cross references.".

(d) The amendments made by this Act shall apply to adoption expenses paid or incurred after December 31, 1978, in connection with any adoption which becomes final after December 31, 1980.

Mr. JEPSEN. Mr. President, I send to the desk a bill on behalf of myself and the Senator from Oregon (Mr. HATFIELD) which would allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child.

Specifically, Mr. President, the bill amends (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 by including an additional new section entitled "Adoption Expenses." Under the new section there are three new subsections:

(a) "Allowance of Deduction," which establishes the deduction allowance to individuals who incur expenses in an adoption during the taxable year. These deductions are limited to:

Reasonable and necessary adoptive fees.
Court costs.
Attorney fees, and
Other expenses which are directly related to the legal adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law.

(b) "Adoption Expenses Defined," which defines the term "adoption expense."

(c) "Denial of Double Benefit," which provides that there shall be no amount under the bill for computing a deduction or credit under the provisions of itemized deductions for individuals.

The remainder of the bill makes necessary technical corrections to the Internal Revenue Code consistent with the provisions of the bill.

There are many reasons why this bill is necessary. First and foremost is the fact that as a result of Federal and State laws, the Supreme Court decisions relating to adoptions, child custody provisions and parental rights, the cost of adoption has increased dramatically over the years. This is of particular concern to me because of the large number of individuals who literally wait years for the opportunity to adopt and then are faced with the burden of committing large sums of money to finalize the adoption process.

Unbeknown to many Americans, the adoption process involves a great deal of expertise and technical knowledge in statutory as well as administrative law. Even under the most convenient or conducive circumstances an adoption is a lengthy and tedious process.

For example, a blue ribbon case, involving an unwanted child by a college coed who has an adoptive family waiting and financially prepared to accept the child, the process is still filled with high costs, legal technicalities, and administrative delays.

Depending on which State or region of the country a person lives, there may be the cost of terminating the parental rights of a biological parent. Second, the adoptive family may be required to pay for prenatal and maternity care. Then, there is the preplacement cost, and thereafter the actual cost of placement. After placement is provided there is a fee for the State or private agency involved in licensing or providing background information on the child and its ancestry regarding genetic disease. Now comes reasonable attorney fees, court costs and other incidental costs associated with finalizing the adoption process. I must emphasize again, that these are minimal costs of a blue ribbon adoption. The average adoption and adoptions involving a hard-to-place child is much more costly.

In spite of the high cost, tedious technical legal work, and administrative delays, there are a great number of individual families who have a strong desire to adopt a child. This bill will help to encourage and maintain their desires, because it offers a hedge against the built-in financial economic disincentives associated with the adoption process.

Mr. President, I have not yet formally requested a revenue estimate on this bill, but I have made several informal inquiries to the Joint Committee on Taxation and various child welfare and national adoption associations here in Washington and around the country.

According to the Joint Committee on Taxation, there are approximately 150,000 adoptions annually in America. One-third of these adoptions are among families and relatives. Another one-third involves agency adoptions, and the final one-third involves independent adoptions. The Joint Committee on Taxation received this information from the Children's Bureau of the Department of Health and Human Services. The cost to the Nation in lost revenues resulting from this bill according to the committee would be approximately $50 to $60 million.

The nongovernment figures are twice the administration figures, therefore, we may be talking about approximately 300,000 adoptions nationwide with an estimated cost between $100 and $120 million in lost revenues.

I realize that in this period of economic crisis it is not popular to talk about new or additional expenditures. Nevertheless, the adoption process and the public interest in insuring that children in need, as well as individual families who desire to adopt, have every reasonable available alternative to do so must be addressed.

Mr. President, according to the Senate Finance Committee report to H.R. 3434, the Child Welfare Amendments of 1979, the cost of foster care under "Aid to Families with Dependent Children" (AFDC) was approximately $351,171,877 in 1977. I emphasize again, this figure only represents foster care under AFDC. Unfortunately, figures for 1979–80 are not available on the cost of foster care. Nevertheless, it is expected that foster care in America has exceeded $400 million today.

Therefore, Mr. President, the bill I offer will have the effect on reducing the cost of foster care. If children are taken out of the foster care setting, and placed in homes as adopted children, the cost to State and local governments and the Federal match for foster care will be greatly reduced, and as such, represents a very attractive offset of expenditures and loss revenues.

Every child in America should have the opportunity to be surrounded by the love and warmth of a family. Likewise, every individual family ought to have an opportunity to share its sense of family with a child in need if it so desires. There is no such thing as an unwanted child so long as there are parents who want to adopt a child.

The bill which I offer is only one step to curbing the dramatic impact of the high cost of adoptions for those individuals who wish to adopt a child, while at the same time it opens up a new avenue of choice for those individuals who for personal or financial reasons do not desire an unwanted child.

The issue is whether or not the Congress is willing or prepared to respond to this situation in an effective and responsible manner. Therefore, I ask for your support and the support of this Congress in addressing this issue.●

By Mr. DECONCINI:

S. 101. A bill to amend title 18 of the United States Code to define and limit the exclusionary rule in Federal criminal proceedings; to the Committee on the Judiciary.

EXCLUSIONARY RULE

● Mr. DECONCINI. Mr. President, today I am introducing a bill to define and limit the exclusionary rule. The exclusionary rule is the judicially created doctrine under which evidence secured in violation of the fourth amendment becomes inadmissible. The rule has stimulated both beneficial and unfortunate changes in the American system of criminal justice.

One of the more troubling attributes of the rule is the uncertainty of its demands. S. 101 is designed to solve this problem. It would define and limit application of the exclusionary rule in Federal courts. The definition and limitations it would impose are drawn from recent Supreme Court decisions. It would

strengthen the rule and the protections afforded by the fourth amendment by eliminating the unreasonable applications of the rule.

Some scholars view the rule as constitutionally required and immune from congressional modification, see Kamisar, "Is the Exclusionary Rule an 'Illogical' or 'Unnatural' Interpretation of the fourth amendment?" 62 Judicature 66 (1978). The history of the Supreme Court's treatment of the rule makes such assertions untenable, nor does the fourth amendment itself require such an interpretation. It states:

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrant shall be issued, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized (U.S. Const. amend. IV).

Unlike the fifth amendment, there is no express language of exclusion. However, concern over abusive law enforcement procedures led the Supreme Court to hold in 1914 that evidence secured by Federal officers in violation of an individual's fourth amendment rights must be excluded from his Federal criminal trial, *Weeks* v. *United States*, 232 U.S. 383 (1914). The Court subsequently made the exclusionary rule applicable to the States through the due process clause of the 14th amendment, *Mapp* v. *Ohio*, 367 U.S. 643 (1961).

Although some of the earlier cases might suggest that the rule is a Fourth Amendment imperative, see, for example, *Elkins* v. *United States*, 364 U.S. 206 (1960), the recent cases make it clear that the rule is a judicial creation subject to modification, see, *United States* v. *Janis*, 428 U.S. 433 (1976); *Stone* v. *Powell*, 428 U.S. 465 (1976); *United States* v. *Ceccolini*, 435 U.S. 268 (1978).

The Court's treatment in Stone against Powell, supra, of the "imperative of judicial integrity" rationale for the rule demonstrates that the rule cannot be considered constitutionally required without reference to the deterrent effect of exclusion in a particular case:

Although our decisions often have alluded to the "imperative of integrity," *e.g.*, *United States* v. *Peltier*, 422 U.S. 531, 536–539 (1975), they demonstrate the limited role of this justification in the determination whether to apply the rule in a particular context. Logically extended this justification would require that courts exclude unconstitutionally seized evidence despite lack of objection by the defendant, or even over his assent. *Cf. Henry* v. *Mississippi*, 379 U.S. 443 (1965). It would also require abandonment of the standing limitations on who may object to the introduction of unconstitutionally seized evidence. *Alderman* v. *United States*, 394 U.S. 165 (1969), and retreat from the proposition that judicial proceedings need not abate when the defendant's person is unconstitutionally seized, *Gerstein* v. *Pugh*, 420 U.S. 103, 119 (1975); *Frisbie* v. *Collins*, 342 U.S. 519 (1952). Similarly, the interest in promoting judicial integrity does not prevent the use of illegally seized evidence in grand jury proceedings. *United States* v. *Calandra*, 414 U.S. 338 (1974). Nor does it require that the trial court exclude such evidence from use for impeachment of a defendant even though its introduction is certain to result in conviction in some cases. *Walter* v. *United States*, 347 U.S. 62 (1954). 428 U.S. at 485.

Instead of viewing the question in absolute constitutional terms, the Court has utilized a balancing test in deciding whether to extend the scope of the rule which the bill would codify in all cases:

Recognizing not only the benefits but the costs, which are often substantial, of the exclusionary rule, we have said that "application of the rule has been restricted to those areas where remedial objectives are thought most efficaciously served." *United States* v. *Calandra*, 414 U.S. 338, 348 (1974), United *States* v. *Ceccolini*, 435 U.S. 268, 274 (1978).

In short, we conclude that exclusion from federal civil proceedings of evidence unlawfully seized by a state criminal enforcement officer has not been shown to have sufficient likelihood of deterring the conduct of the state police so that it outweighs the societal costs imposed by the exclusion. This court, therefore, is not justified in so extending the exclusionary rule. *United States* v. *Janis*, 428 U.S. 433, 454 (1976).

The Supreme Court, of course, has the authority to modify the exclusionary rule by judicial decision. In order for Congress to similarly change the rule, it must hold comparable authority. It does. The Constitution vests Congress with the power to ordain and establish inferior courts, U.S. Constitution, article III, section 1; to make regulations and establish exceptions with respect to the appellate jurisdiction of the Supreme Court, U.S. Constitution, article III, section 2; and to make all laws necessary and proper for carrying into execution the powers granted the Federal Government by the Constitution, including those granted the courts, U.S. Constitution, article I, section 8. It is generally conceded that Congress has the power to establish rules for the admissibility of evidence in Federal courts, *Usery* v. *Turner Elkhorn Mining Co.*, 428 U.S. 1, 31 (1976); *Tot* v. *United States*, 319 U.S. 463, 467 (1943). Congress has recently exercised this authority by passage of the Federal Rules of Evidence, 88 Stat. 1929 (1975).

Further evidence of the general belief than Congress has the authority to define, modify, and limit the fourth amendment exclusionary rule comes from the bills introduced in the last several Congresses.

These proposals fall into three categories. Some, like S. 101 would bar exclusion of evidence secured through insubstantial violations of the fourth amendment: H.R. 12868 (95th Cong., Representative HYDE and others); S. 2657 (92d Cong., Senator BENTSEN); H.R. 13682 (92d Cong., Representative Hogan). Others would eliminate the exclusionary rule in favor of a statutory claim of cause of action, S. 3014 (95th Cong., Senator Griffin); H.R. 5628 (94th Cong., Representative Steiger); H.R. 10275 (93d Cong., Representative Steiger). The final group includes features of the first two categories. These bills would both eliminate the exclusionary rule in cases of insubstantial violations and provide for a claim or cause of action as a remedy for violation: S. 881 (93d Cong., Senator BENTSEN); H.R. 17096 (92d Cong., Representative McKay). Each of these approaches present problems. Providing for a claim or cause of action for fourth amendment violations brings up collateral issues that should be considered separately. Moreover, total abolition of the Rule ignores the powerful deterrent effect that the rule imposes on police activity.

S. 101 would bar exclusion in Federal criminal cases unless the court found, as a matter of law, that the violation was intentional or substantial. Restriction of the exclusionary rule in instances of unintentional, or insubstantial good faith violations finds support both in the cases and among legal scholars:

"At least in some cases of this sort, where, in contrast to confessions of dubious reliability, the evidence cannot impair any proper defense on the merits, the object of deterrence would be sufficiently achieved if the police were denied the fruit of activity intentionally or flagrantly illegal—where there was no reasonable cause." Friendly, *Benchmarks*, 260–61 (1967), noted in *Stone* v. *Powell*, 428 U.S. 465, 490 (1976); see also, *United States* v. *Janis*, 428 U.S. 433, 454 n.28 (1976); *United States* v. *Ceccolini*, 435 U.S. 268, 280 (1978); ALI, *A Model Code of Pre-Arraignment Procedure*, SS 290.2(4)(b).

S. 101 requires the court to look at all the circumstances of a case to determine whether a violation was substantial. The court is specifically directed to look at five factors, the first of which is the extent to which the violation was reckless.

The extent to which privacy is invaded is also a circumstance that would be considered in determining whether a violation was substantial. This same wording is found in a comparable provision of the ALI, "A Model of Pre-Arraignment Procedure," SS 290.2(4)(c), and is drawn from the Court's opinions in *Davis* v. *Mississippi*, 394 U.S. 721, 727–28 (1969); *Terry* v. *Ohio*, 392 U.S. 1 (1968); and *United States* v. *Dionisio*, 410 U.S. 1 (1973). These cases reflect the view that the fourth amendment, itself, demands less protection where the level of police invasion is less intrusive.

The third circumstance to be considered is whether exclusion would be an effective deterrent. This is the basic test which the Court used in Ceccolini and the cases in which it refused to expand the exclusionary rule's application. A virtually identical provision is contained in the ALI, "A Model Code of Pre-Arraignment Procedure," SS 290.2(4)(d).

The final specific circumstance which courts might consider under S. 1885 in determining whether a violation was substantial is "whether, but for the violation, the things seized would have been discovered, or the relationship between discovery and violation is attenuated." This provision also reflects the ALI provisions, SS 290.2(4)(e), and a number of Supreme Court decisions. The Court in Ceccolini observed that—

The constitutional question under the Fourth Amendment was phrased in *Wong Sun* v. *United States*, 371 U.S. 471 (1963), as whether "the connection between the lawless conduct of the police and the discovery of the challenged evidence has become so attenuated as to dissipate the taint." 435 U.S. at 273–74.

Also, the fact that evidence would have been available without the violation is a factor to be considered for purposes of exclusion. The Ceccolini court looked at the facts in light of this specific factor:

While the particular knowledge to which Hennessey testified at trial can be logically traced back to Biro's discovery of the policy slips, both the identity of Hennessey and her relationship with the respondent were well known to those investigating the case. *Id.* at 279.

By thus clearly delineating the dimensions of the exclusionary rule, S. 1885 would both invigorate fourth amendment protections and ease the caseload burdens of the Federal courts.

It is undeniable that given a choice between applying the exclusionary rule in hard cases and interpreting the Fourth Amendment so as to make application of the rule unnecessary, the judicial temptation to apply the fourth amendment narrowly is very alluring, see Geller, "Enforcing the Fourth Amendment: The Exclusionary Rule and Its Alternatives," 1975 "Washington University Law Quarterly," 621, 682–84; *Coolidge* v. *New Hampshire*, 403 U.S. 443, 490–91 (1971) (Harland, J., dissenting):

From the several opinions that have been filed in this case, it is apparent that the law of search and seizure is due for an overhauling.

By removing the application of the exclusionary rule in cases of unintentional or insubstantial fourth amendment violations, S. 1885 would reduce judicial efforts now expended in such cases frequently at the expense of the scope of fourth amendment protections. Yet, importantly, the bill requires the court to first find whether, as a matter of law, a violation had occurred. In novel factual situations the court would make a determination whether the specific facts constituted a violation, and then whether the violation was intentional or substantial. This provision is intended to overcome the objections of those who fear that a limitation on absolute exclusion will freeze fourth amendment adjudication at its present stage of development.

Since the bill preserves the rule for substantial violations, while eliminating application in those cases most likely to produce a narrower interpretation of the fourth amendment, it should enhance the protection of individual privacy.

That the criminal accused has a right not to be convicted on the basis of evidence secured in violation of the Constitution is questionable, see, *United States* v. *Calandra*, 414 U.S. 338 (1974). Still, the bill would deny the Government the benefits of either intentional or substantial wrongdoing.

The heart of S. 101 is the elimination of the exclusionary rule where it has no deterrent effect. While there is debate as to the efficacy of the rule, its total abolition would not lead to greater compliance with the fourth amendment.

Mr. President, S. 101 will preserve and strengthen the exclusionary rule in instances of flagrant violation. This will allow the continued development of the Federal law of search and seizure. Police activity will still be subject to judicial review and law enforcement agencies will continue to have the responsibility to educate, train, and supervise their employees, see Oaks, "Studying the Exclusionary Rule in Search and Seizure," 37 University of Chicago Law Review 665, 756 (1970).

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 101

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 223 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3505. Definition and limitation of exclusionary rule

"(a) Evidence shall not be excluded from any Federal criminal proceeding solely because that evidence was obtained in violation of the fourth amendment to the Constitution unless the court finds as a matter of law that—

"(1) a violation has occurred, and

"(2) such violation was intentional or substantial.

"(b) In determining whether a violation is substantial for the purposes of this section, the court shall consider all of the circumstances, including—

"(1) the extent to which the violation was reckless;

"(2) the extent to which privacy was invaded;

"(3) the extent to which exclusion will tend to prevent such violations;

"(4) whether, but for the violation, the things seized would have been discovered; or whether the relationship between the things discovered and the violation is attenuated.".

(b) The table of sections of such chapter is amended by adding at the end thereof the following item:

"3505. Definition and limitation of exclusionary rule.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 102. A bill to amend title XVIII and XIX of the Social Security Act to provide that professional nurse services shall be covered under part B of medicare and shall be a required service under medicaid; to the Committee on Finance.

S. 103. A bill to amend title 5 of the United States Code to provide payments under Government health plans for services of nurses not performed in connection with a physician; to the Committee on Governmental Affairs.

LEGISLATION RELATING TO NURSE SERVICES

● Mr. INOUYE. Mr. President, today I am introducing legislation to amend both the Social Security Act and the Federal employee health benefit program to provide that professional nursing services will be a mandated benefit regardless of whether or not there is actual physician involvement.

In my judgment, for too long a time now, we have assumed that our Nation's health care programs should reimburse services provided by physicians and treat nursing services as if they were merely incidental to those of a physician. Accordingly, we do in fact have a mechanism for reimbursing nursing services, but that is by "masking" services as if they were in fact provided by a physician or clearly labeling them as incidental to a physician.

I personally do not feel that this is an appropriate recognition for the many skills of our Nation's professional nurses nor do I feel that it has been a cost-effective manner in insuring quality care. Accordingly, my proposal today would rectify that situation and allow our Nation's professional nurses to bill appropriately for the care that they provide.

Mr. President, I ask unanimous consent that the text of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 102

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(s)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding at the end thereof the following new subparagraph:

"(H) professional nurse services;".

(b) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"PROFESSIONAL NURSE SERVICES

"(dd)(1) The term 'professional nurse services' means services performed by or under the direct supervision of a professional nurse (as defined in paragraph (3)) which he is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) of the State in which such services are performed, whether or not he is under the supervision of, or associated with, a physician or other health care provider.

"(2) The term 'professional nurse' means an individual who is a registered nurse and is licensed to practice nursing in the State in which the professional nurse services are performed.".

Sec. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (17);

(2) by redesignating paragraph (18) as paragraph (19); and

(3) by inserting after paragraph (17) the following new paragraph:

"(18) professional nurse services (as defined in section 1861(dd)); and".

(b) Section 1902(a) of such Act is amended—

(1) by striking out "paragraphs (1) through (5) and (17)" in paragraph (13) (B) and inserting in lieu thereof "paragraphs (1) through (5), (17), and (18)";

(2) by striking out "paragraphs (1) through (5) and (17)" in paragraph (13) (C)(i) and inserting in lieu thereof "paragraphs (1) through (5), (17), and (18)";

(3) by striking out "paragraphs numbered (1) through (17)" in paragraph (13)(C) (ii) and inserting in lieu thereof "paragraphs numbered (1) through (18)"; and

(4) by striking out "paragraphs (1) through (5), (7), and (17)" in paragraph (14)(A)(i) and inserting in lieu thereof "paragraphs (1) through (5), (7), (17), and (18)".

Sec. 3. (a) The amendments made by the first section of this Act shall be effective with respect to services performed on or after the first day of the first month which begins more than 60 days after the date of the enactment of this Act.

(b)(1) Except as provided under paragraph (2), the amendments made by section 3 shall be effective with respect to payments under title XIX of the Social Security Act for calendar quarters beginning more than 60 days after the date of the enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by section 3, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

S. 103

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (k) of section 8902 of title 5, United States Code, is amended by striking out "or optometrist" each place it appears and inserting in lieu thereof ", optometrist, or nurse".

Sec. 2. The amendment made by the first section of this Act shall apply to contracts entered into on or after the date of the enactment of this Act.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 104. A bill to amend title I of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to prohibit the reduction of disability payments under employer-maintained disability compensation plans whenever certain social security benefit programs are increased; to the Committee on Finance.

DISABILITY PAYMENTS

● Mr. INOUYE. Mr. President, today I am reintroducing a bill designed to deal with a serious inequity, currently legal, which allows insurance companies to reduce private disability benefits paid to policyholders by the amount of cost-of-living increases in social security payments.

Congress, in providing periodic cost-of-living increases in social security payments, intended to allow the income of beneficiaries to keep pace with inflation. That intent is completely subverted when insurance companies can reduce benefit payments by the amount of the cost-of-living increases. By using that practice insurance companies force disabled social security beneficiaries to live on fixed incomes subject to the ravages of inflation, while earning an unfair windfall profit themselves on each increase in social security payments. The disabled, who may well be unable to supplement their income with other employment and who often require ever more expensive medical treatment, can ill afford to have the cost-of-living increases intended for them diverted to subsidize insurance companies.

Therefore, I wish to take some corrective action. My bill will accomplish the reform so urgently needed in this area without disturbing the customary State regulation of the insurance industry. It amends the 1974 Employee Retirement Income Security Act and the 1954 Internal Revenue Code to prohibit the accrual of increased social security benefits toward defraying, reducing, or subrogating the payments owed beneficiaries under private insurance contracts.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 104

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 206(b) of the Employee Retirement Income Security Act of 1974 is amended by striking out "a pension plan" in paragraph (1) and inserting in lieu thereof "an employee welfare benefit plan".

SEC. 2. (a) Section 264 of the Internal Revenue Code of 1954 (relating to certain amounts paid in connection with insurance contracts) is amended by adding at the end thereof the following new subsection:

"(d) Certain Disability Compensation Plans.—Notwithstanding the provisions of sections 162, 212, and 404, no deduction shall be allowed for amounts paid or contributed to or under a disability compensation plan by the employer maintaining that plan if under the plan the benefits payable to an individual receiving benefits under the plan are reduced, or any scheduled increase in such benefits is omitted, on account of any increase in monthly insurance benefits to which such an individual is entitled under title II of the Social Security Act if such increase occurs after such individual begins to receive benefits under such plan. For purposes of this subsection, the term 'disability compensation plan' means a program (including a program of insurance) established by an employer under which employees receive periodic payments or a lump-sum payment in compensation for physical or mental disability resulting from their employment.".

(b)(1) The caption of section 264 of such Code is amended by inserting after "CONTRACTS" the following: "OR UNDER CERTAIN DISABILITY COMPENSATION PLANS".

(2) The table of sections for part IX of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 264 and inserting in lieu thereof the following:

"Sec. 2644. Certain amounts paid in connection with insurance contracts or under certain disability compensation plans.".

SEC. 3. The amendment made by the first section of this Act applies to plan years beginning after the date of the enactment of this Act. The amendment made by section 2 applies to taxable years beginning after the date of the enactment of this Act.●

By Mr. INOUYE (for himself and MATSUNAGA):

S. 105. A bill to amend chapter 34 of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to extend, under certain circumstances, the period within which a veteran must complete a program of education under such chapter; to the Committee on Veteran's Affairs.

EXTENSION OF EDUCATION BENEFITS

● Mr. INOUYE. Mr. President, today I am proposing legislation to authorize the Administrator of the Veterans' Administration to extend, upon a showing of compelling reasons, the period within which a veteran must use his or her educational benefits.

Our present laws entitle veterans, who are discharged after January 31, 1955, 10 years to complete their educational pursuits with the stipulation that this time limit does not go beyond December 31, 1989. An extension of this time limit is provided to those veterans who have been prevented from beginning or completing their chosen program of education because of a physical or mental disability, and not the result of willful misconduct.

Unfortunately, however, recently discharged veterans have been able to obtain only minimal assistance in their efforts to move upward toward their educational goals. Accordingly, with this amendment, I am seeking to give every opportunity possible to the members of the Armed Forces to lead productive and prosperous lives when they return home. I also feel that this amendment possesses the potential of enhancing our capability to recruit and retain members of the Armed Forces.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 105

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1662 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"EXTENSION OF DELIMITING PERIOD

"(f) Notwithstanding any other provision of this subsection, other than subsection (e), the Administrator is authorized to extend, for such period as the Administrator deems appropriate, the delimiting period applicable to any veteran when such veteran can demonstrate a compelling reason for such veteran's inability to complete such veteran's educational program within the delimiting period otherwise applicable. The Administrator shall issue regulations specifying the reasons for which extensions under this subsection will be granted.".●

By Mr. INOUYE:

S. 106. A bill to require the disclosure of information relating reports prepared for executive agencies by experts or consultants; to the Committee on Governmental Affairs.

FEDERAL REPORTS AUTHORSHIP DISCLOSURE ACT OF 1981

● Mr. INOUYE. Mr. President, as part of our continuing efforts to provide a more open government, we have enacted laws for freedom of information, government in the sunshine, campaign finance disclosure, and established the Federal Elections Commission. We have in recent years passed various disclosure laws.

Today, I introduce a disclosure bill which affects us in many ways as both Members of Congress and American citizens.

Many of the decisions we make and the opinions we form are based upon studies we read, produced by the Federal Government. We assume that a report issued by a Government agency represents the collective wisdom of the career officers in that agency who have developed considerable expertise in the execution of their work.

Unfortunately, sometimes this is not the case. These Government officials are often too busy to devote time to research and writing. Instead, outside consultants and experts are hired to prepare studies which are subsequently released for public consumption. I believe that all Government reports, like medicine and foods, should be labeled so that we, in Congress and the American public, can have an opportunity to know what we are going to digest before we swallow it.

The purpose of this bill is to make every Government agency that issues a report, be it a study, plan, evaluation, manual, presentation, publication or other document, state who actually prepared it if it was not prepared by personnel of that agency. In this way, the consumers of information will have a better idea of the real source of Government-disseminated information.

In addition, the bill calls for disclosure of the amount of the contract and the names of the principal experts or consultants who worked on the report. Too often, some agencies have permitted travesties in funding contracts far beyond the value of the report to be produced.

If each report contracted by a Government agency had to disclose how much it cost, much abuse might be avoided. I am sure that many agencies would think twice about okaying contracts if the subsequent reports were to state the cost of the contract.

The bill will force disclosure of the type of bidding used to let the contracts. Too often sweetheart deals are permitted, because of the supposed sole-source competence of one firm. Too often cost-plus contracts allow a supposedly lowest cost bidder to escalate the final price far beyond their competitors' original bids. Publishing the type of contracting used in each report will permit the public and the competition to be aware of what contracting procedures were used and allow them to challenge any inequities they perceive. Finally, this bill will require that copies of all such reports be deposited with the General Accounting Office.

Mr. President, this bill is one more measure, like those we have enacted in recent years, to make our Government more open and more deserving of the faith the American people have entrusted to us. In itself, it will not dramatically change the nature of Government operations, but it will be one more step in our continuing efforts to make our Government more open and responsive to the American people.

To further exemplify the attributes of the bill that I am introducing today, I would like to call your attention to an article recently published in the spring, 1980, edition of Management entitled "An Interview with U.S. Senator Pryor—Are Anonymous Consultants Establishing Federal Policy?" As my distinguished colleague so eloquently states:

It is time . . . to bring some sunshine into the consulting business arrangements with government via being able to identify who the consultants are, how they got these contracts, who signed off on each one, for what reason it was given, and whether it was sole source or competitive.

The article illustrates the dangerous implications involved in contracting out with little or no accountability assumed by the consultants performing the work. As a result, I ask unanimous consent for printing of the text of the bill and of the article in the RECORD.

There being no objection, the bill and the article were ordered to be printed in the RECORD, as follows:

S. 106

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Reports Authorship Disclosure Act of 1981".

SEC. 2. (a) For the purposes of this Act, the term—

(1) "agency" means any authority in the executive branch of the Government of the United States;

(2) "expert or consultant" means any individual who is not an official, officer, or employee of the United States Government or any organization consisting of two or more such individuals; and

(3) "report" means a study, plan, evaluation, manual, presentation or other document which is prepared by an expert or consultant pursuant to a contract or purchase order with an agency, and which is submitted (A) to such agency, or (B) on behalf of such agency, to any other authority of the United States Government.

(b) Any document which is published, distributed, or transmitted by any agency and which consists of, in whole or in part, information or other matter derived from any report which was submitted to such agency pursuant to a contract between any agency and an expert or consultant which was initially awarded for the preparation of that document, shall include on the title page or the next consecutive page—

(1) the names of the principal experts or consultants who prepared or contributed to such report;

(2) the duration and the beginning and closing dates, if available, of the contract pursuant to which such report was prepared;

(3) the total amount to be paid by such agency under such contract;

(4) the name of the agency to which such report was submitted and the name of the officer or employee who awarded such contract;

(5) the type of procurement which was used prior to the award of any such contract; and

(6) a copy of each such document shall be supplied to the General Accounting Office not later than 10 days after the date of issue of such document. Each document shall be recorded in order of receipt by the General Accounting Office and maintained by said Office for a period of five years following its date of issue.

AN INTERVIEW WITH U.S. SENATOR DAVID PRYOR

Q. You have served as a State Representative, Congressman, Governor and Senator since you were first elected to public office in 1960. How has government changed in that time?

A. Obviously, it has become much more complex. That trend, of course, began long before I was elected, began at least 30 years ago. Congress has delegated an enormous amount of its power to regulatory and administrative agencies. For the most part, that is both understandable and acceptable. But the agencies have, in turn, passed that authority on to consulting firms which are, to a very great degree, beyond accountability. Far from the people or their elected representatives, decisions are being made which affect the lives of our citizens. That is a dangerous trend, an undemocratic one, and I think may even be an unconstitutional one.

Q. Could you be specific? Could you give me an example of what you find troubling?

A. Sure. All of us are immensely concerned with the cost of government regulations. The Senate Committee on Governmental Affairs, in considering regulatory reform legislation, has mandated analysis and impact statements on the cost/benefit ratio of regulations. What happens? Instead of making the analysis in house, agencies turn to outside consultants, often on sole source contracts. As a Senator, I don't want the views of some anonymous consultant. The theory that judgments made "out there" are more objective is false.

There are serious potential, if not actual, problems of conflict of interest as unaccountable outsiders begin to make basic decisions for us. The decision on whether a regulation is too costly or not is not a decision to be left to a kind of shadow government that is neither elected nor appointed. I repeat: it is a very dangerous trend.

Contracting out has another debilitating consequence. Because it is a lucrative business, private firms can recruit government career employees because of higher salaries.

Q. Is that a real problem?

A. Sure it is. Contractors have the ability to pay more money and offer other inducements. They attract some of our more able people, leaving government less able to do what Congress has mandated because we've lost that manpower. The agency then says, "Look, we don't have the proper manpower to do what you ask. We need money to go outside."

That just doesn't make sense. We are creating an insatiable monster that is devouring our own people. As a result, we are already to the point where we are mandating regulatory reform responsibilities to agencies knowing full well that they may not have the expertise left to do the job.

But we haven't reached a point of no return. I think we can, and must, do these jobs within government. We can do it at less expense and more efficiently and responsibly. We still have the opportunity to save ourselves if we act, instead of just accepting the inevitability of contracting out.

Q. How big do you think the contracting out business and bureaucracy is?

A. No one knows precisely. I don't. Our committee doesn't. We all have tried to find out. Even the President doesn't know, and he has been possibly the first President to really try to get a handle on it. During his first month or two in office, he directed the Office of Management and Budget to report on the number of contracts, how much and with whom. There are billions of dollars of contracts out there, and in three years of trying hard, OMB has not been able to come up with a complete list. It is so institutionalized—beyond party or administration. It's incredible. We are shooting in the dark when we try to question what's going on.

Q. Is there something that should be done, that will be done?

A. Well, I'm trying . . . by oversight, by statute . . . to bring some sunshine into the consulting business arrangements with governments. I want us to be able to identify who the consultants are, how they got their contracts, who signed on each one, for what reason it was given and whether it was sole source or competitive. Demanding that kind of information on each contract would be a huge first step into the sunshine.

Q. Are you saying that all the money spent on consultants' contracts is wasted?

A. No. Some of it is useful. Some of it is even necessary. But, as I've said, nobody knows. GAO has analyzed the results and says that in one department, the Department of Defense, almost 40 percent of the results are never looked at and obviously, therefore, never used.

Beyond that, many more contracts should never be let because the subject has already been studied, either in another part of the same agency, or in another agency. The system goes on its inefficient and expensive way because everything is so fuzzy. We don't have a clearing house on proposed contracts to match what is proposed with what is available or being done elsewhere. Who knows what wisdom is covered with dust on some shelf? If we eliminated duplication and the 40 percent nobody reads, we could probably save half of what we spend on consulting contracts.

Q. Would you have a single clearing house? One for each agency?

A. Well, I started out with the idea of one clearing house for the entire Federal government, but I think that is probably too unwieldly and not the way to begin. I would now start with one for each department. And I'd make them report to Congress annually.

Q. Are there some agencies worse than others?

A. The answer is yes, but I really don't want to point fingers at anyone, where they don't have a chance to respond. In any case, it is a government-wide problem. I would guess that some agencies farm out half their professional work to consultants. They become great big laundries . . . legal ones, of course . . . which pass huge quantities of appropriated money through to private firms. It's a welfare program for PhD's. It's a very scary thing to have questions of basic concern to this nation being decided by faceless private institutions and people. Back home, we'd say that's swimming in very sharky waters.

Q. Some managers would not agree with you. They feel it is cheaper and more efficient to go outside to get a job done, rather than hiring career civil servants with the long-term burden of medical benefits and retirement and salaries. What do you say to them?

A. Of course there are going to be many instances where there is technical expertise outside government that we need and need quickly. That is the benefit of contracting out—reaching out to what you don't have available.

What I object to is the mentality of never considering alternatives to contracting out. It has become a Pavlovian reaction. Got a problem, get a consultant.

I am not saying get rid of all consultants. I am saying justify the contracts. I am saying use career public servants more. If we did, we'd eliminate a lot of what I see as bad procedure.

Q. What about employment ceilings? Good or bad?

A. I'm not for hiring anyone we don't need, but we have made such a virtue of employee ceilings and not adding anyone to the payroll that we are deluding ourselves. The bottom line is the amount of dollars we spend, not how many Federal employees we have. It is really deceitful to say with such pride that we have kept the number of employees down while we tremendously increase the dollars going to consulting firms.

Q. Will there be new regulations, new standards, more oversight on contracting out?

A. Yes. Hopefully this session. But if not now, then soon. I mentioned earlier some of the things I think need to known about every contract. I have proposed that these questions and others like them be answered for every contract let. I hope ultimately to have all agencies of government covered by this kind of sunshine legislation. When I am successful, and I intend to be, we will for the first time, know what we are doing and where we are in the field of consultants and contracting out.

You haven't asked, but I want to add something here that I've thought about for some time. The consultant problem is not just a Washington, D.C. problem. It is not just a Federal problem. It exists on a state and local level, too. And, to a large degree, I think it is a problem because Federal regulations and policies, often written by consulting firms, lock in the need for state and local governments to hire consultants to perform certain tasks and to meet certain criteria before grants or loans are made. We see an increased entanglement of the consulting industry on Federal, state and local levels. It's a vicious cycle.

Q. You spoke earlier of constitutional questions of contracting out. Could you expand on that?

A. I don't pretend to be a constitutional scholar, but I think we are very close, in many instances, to the improper delegation of authority. I frankly think that consultants are establishing Federal policy, something that was not contemplated by the Constitution or Congress. It's tough enough for citizens to try to hold their elected representatives accountable and responsible. They can't touch the consultant hiding in the murky waters of contracting out. That is no way to govern. That is no way to restore faith in government.

Q. How has this all come about?

A. Well, the complexity we talked about at first, the involvement of government in more fields, in more technical fields. I think, too, maybe both Congress and Federal managers have been too casual with defining who establishes policy. I hope to do something about that. Even without new legislation, I also hope that managers will take it upon themselves to question their own actions in contracting out.

I can tell you that I am looking closely right now at an arrangement one major agency has with some of its contractors. They provide what amounts almost to a retainer fee to a consulting firm, saying, essentially, "We will be calling on you from time to time for advice. When we use up your retainer, let us know and we'll give you some more." It's an outrageous system.

I know that managers need discretionary power, but it shouldn't be so discretionary that it abuses the public trust. Responsible managers should be able to defend their actions . . . and their results.

I don't expect to solve the problems of contracting out by myself or quickly. But I intend to persist until I have the allies to do so. The American people deserve better than having their lives regulated by consultants to agencies who have been directed by Congress to do something.●

By Mr. INOUYE:

S. 107. A bill to amend title 10, United States Code, to authorize former members of the Armed Forces who are totally disabled as the result of a service-connected disability to travel on military aircraft in the same manner and to the same extent as retired members of the Armed Forces are permitted to travel on such aircraft; to the Committee on Armed Services.

TRAVEL OF CERTAIN FORMER MEMBERS OF THE ARMED FORCES

● Mr. INOUYE. Mr. President, today I am reintroducing a bill which is of great importance to a group of patriotic Americans. This legislation is designed to extend space-available travel privileges on military aircraft to those who have been totally disabled in the service of our country.

Currently, retired members of the Armed Forces are permitted to travel on a space-available basis on unscheduled military flights within the continental United States and on scheduled overseas flights operated by the military airlift command. My bill would provide the same benefits for 100-percent, service-connected disabled veterans.

Surely we owe these heroic men and women who have given so much for our country a debt of gratitude. Of course, we can never repay them for the sacrifice they have made on behalf of all of us but we can surely try to make their lives more pleasant and fulfilling. One way in which we can help is to extend military travel privileges to these distinguished American veterans. I have received numerous letters from all over the country attesting to the importance attached to this issue by veterans. Therefore, I ask that my colleagues show their concern and join me in saying "thank you" by supporting this legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 107

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 53 (relating to miscellaneous right and benefits) of title 10, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1032. Travel privileges on military aircraft for certain former members of the armed forces

"A former member of the armed forces who is entitled to compensation from the Veterans' Administration for a service-connected disability rated total in degree by the Veterans' Administration is entitled, in the same manner and to the same extent as are retired members of the armed forces, to travel on a space-available basis on unscheduled military flights within the continental United States and on scheduled overseas flights operated by the Military Airlift Command.".

SEC. 2. The table of sections at the beginning of chapter 53 of title 10, United States Code, is amended by adding at the end thereof a new item as follows:

"1032. Travel privileges on military aircraft for certain former members of the armed forces.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 108. A bill to amend title 10 of the United States Code relating to retention in active service of certain officers; to the Committee on Armed Services.

RETENTION OF CERTAIN ACTIVE SERVICE OFFICERS

Mr. INOUYE. Mr. President, a situation has been called to my attention which I believe requires congressional action. Under the law presently in force, the Secretary of the Army may retain in an active status any consenting reserve officer in the Medical Corps, the Dental Corps, the Chaplaincy, the Army Nurse Corps, or the Army Medical Specialist Corps, until that officer reaches 60 years of age. Officers not included in the enumerated branches of the Army must retire when they satisfy the mandatory retirement requirements. In my judgment, this provision results in a significant loss of talent and taxpayer dollars. There are many situations in which Reserve officers continue to serve after they fulfill the conditions for mandatory retirement. Even though they want to give of their time and talent, even though thousands of taxpayers' dollars have gone toward training them, and even though the Army itself would like to continue to utilize their services the law forces these officers to retire.

The bill which I am reintroducing today would amend title 10 of the United States Code to allow the Secretary of the Army to retain a consenting Reserve officer in active status, regardless of his branch of service, until he reaches 60 years of age. Enactment of this bill will not result in an increase in the budgetary requirements of the Department of Defense. Therefore, I believe that this measure, which can offer so much at such a small cost, is deserving of the support of the Congress.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 108

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 3855 of title 10, United States Code, is amended by striking out everything after "reserve officer" down through the period and inserting in lieu thereof "until the date on which such officer becomes sixty years of age.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 109. A bill to amend title 38, United States Code, to provide that the Administrator of Veterans' Affairs may furnish outpatient dental services and treatment for a non-service-connected disability to any war veteran who has a service connected disability of 80 per centum or more; to the Committee on Armed Services.

CERTAIN MEDICAL TREATMENT TO CERTAIN DISABLED VETERANS

● Mr. INOUYE. Mr. President, I am introducing today, legislation which would provide for free outpatient dental care to any war veteran who is 80 percent or more disabled as a result of his military service. Veterans will be eligible for this care even if their dental problems are unrelated to their service injuries.

Legislation passed by the 91st Congress provides free medical and outpatient care for veterans of all wars who were totally and permanently disabled by service-related injuries. This law, Public Law 91–102, was designed to care for the medical needs that would arise during their lives, but would be unrelated to their military wounds. It however, specifically forbids payment for outpatient dental care. My bill seeks to fill the gap left by Public Law 91–102.

According to one estimate, 175,000 veterans would be eligible for dental care if this bill is passed. Currently, these men get free care only if their problems are directly related to their service disability. But, as the Disabled American Veterans noted when they urged me to introduce this measure, many veterans live on limited, fixed incomes. Dental costs are rising along with everything else in these inflationary times, and an increasing number are being forced to go without proper dental care because they cannot afford it.

Until 1973, blind, paraplegic veterans were eligible for free outpatient dental services. But the regulation permitting that was rescinded in 1973, much to the dismay of the severely disabled veterans who were its beneficiaries. Even now, veterans who attend school or undergo on-the-job training and spend time at a VA hospital are eligible for dental treatment without regard to their degree of disability. But many veterans do not want to, or cannot, be admitted to our overcrowded and understaffed veterans hospitals.

This neglect of men who served their Nation with honor strikes me as nearly criminal. How can we ask young Americans to serve this country when they see how it has ignored the needs of those who fought in past years to keep America free?

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 109

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (5) of section 612(b) of title 38, United States Code, is amended to read as follows:

"(5) which is a non-service-connected condition or disability of a veteran of any war who has a service-connected disability rated as 80 per centum or more; or".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 110. A bill to amend titles XVIII and XIX of the Social Security Act to provide that gerontological nurse practitioner services shall be covered under part B of medicare and shall be a required service under medicaid; to the Committee on Finance.

PROVISIONS OF CERTAIN SERVICES UNDER MEDICARE

● Mr. INOUYE. Mr. President, today I am introducing legislation which would amend our Nation's medicare law in order to provide for the independent reimbursement of those services that are rendered by professional gerontological nurse practitioners. Reimbursement of gerontological nurse practitioners should be provided whether they are self-employed, employed within an organized nursing service such as a nursing home, or employed within a multidisciplinary agency that lacks an organized nursing service organization.

The population of America is growing increasingly older, with more than 10 percent of all people now age 65 or older. The aged person, likely to have one or more chronic diseases, is in need of long-term health care. Long-term care demands more of the human service known as nursing than any other profession. Most of the known needs of medicare beneficiaries for primary health care services can be provided by qualified registered nurses.

Gerontological nurse practitioners are registered nurses who have received specialized education that prepares them to assume responsibility for delivery of primary care to older adults. Studies of the role of nurse practitioners conclude that care provided by these professionals is comparable in outcome to care given by physicians, rates high in consumer satisfaction, and is cost-effective. Care rendered by nurse practitioners has been applauded because of the priority placed on patient education, fostering self-care strategies, illness prevention, and health maintenance. Nursing services are intrinsically therapeutic in and of themselves and thereby, capable of restoring patients to optimal health or enabling them to adapt to chronic illness, disability, or terminal disease.

The first meaningful contact between patients in underserved areas and the health care system most often involves a public health nurse or nurse practitioner. For most patients the nurse practitioner sees, assesses, and treats with no direct physician involvement. Requirement of a physician's signature or so-called supervision is unnecessary and very costly.

The present structure makes hiring practitioners an economic liability for health care administrators. The provisions within the medicare reimbursement program are restrictive and prevent the delivery of needed health care services to persons who reside in rural areas of this country. Nurses in private practice in underserved areas have been forced to shut down needed facilities because of the inability to qualify for third-party funds.

Patients who need and want nursing services must make out-of-pocket payments in addition to paying high insurance premiums. If people are to have access to health care services, nurses must be recognized as providers of health care whose services are reimbursed through health insurance provisions of the medicare law.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 110

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(s)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding at the end thereof the following new subparagraph:

"(E) gerontological nurse practitioner services;".

(b) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"Gerontological Nurse Practitioner Services

"(dd) (1) The term 'gerontological nurse practitioner services' means services performed by a gerontological nurse practitioner (as defined in paragraph (2)) which he is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) of the State in which such services are performed, whether or not he is under the supervision of, or associated with, a physician or other health care provider.

"(2) The term 'gerontological nurse practitioner' means an individual who—

"(A) is a registered nurse and is licensed to practice nursing in the State in which the gerontological nurse practitioner services are performed; and

"(B) (i) holds a master's degree in gerontological nursing or related field from an accredited educational institution, or

"(ii) is certified as a gerontological nurse practitioner by the duly recognized professional nurses association.".

Sec. 3. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (17);

(2) by redesignating paragraph (18) as paragraph (19); and

(3) by inserting after paragraph (17) the following new paragraph:

"(18) gerontological nurse practitioner services (as defined in section 1861(dd)) and".

(b) Section 1902(a) of such Act is amended—

(1) by striking out "paragraphs (1) through (5) and (17)" in paragraph (13)(B) and inserting in lieu thereof "paragraphs (1) through (5), (17), and (18)";

(2) by striking out "paragraphs (1) through (5) and (17)" in paragraph (13)(C)(i) and inserting in lieu thereof "paragraphs (1) through (5), (17), and (18)";

(3) by striking out "paragraphs numbered (1) through (17)" in paragraph (13)(C)(ii) and inserting in lieu thereof "paragraphs numbered (1) through (18)"; and

(4) by striking out "paragraphs (1) through (5), (7), and (17)" in paragraph (14)(A)(i) and inserting in lieu thereof "paragraphs (1) through (5), (7), (17), and (18)".

Sec. 3. (a) Section 1861(j)(4) of the Social Security Act is amended by striking out "and" at the end of clause (A) and by inserting before the semicolon the following: ", and (C) provides that a gerontological nurse practitioner (as defined in subsection (dd)(2)) shall be available, on at least a consultant basis, to assure that necessary gerontological nursing services are furnished to patients".

(b) The first sentence of section 1905(c) of such Act is amended by striking out "and" at the end of clause (2) and by inserting before the period the following: ", and (3) provides that a gerontological nurse practitioner (as defined in section 1861(dd)(2) shall be available, on at least a consultant basis, to assure that necessary gerontological nursing services are furnished to patients".

Sec. 4. (a) The amendments made by the first section of this Act shall be effective with respect to services performed on or after the first day of the first month which begins more than 60 days after the date of the enactment of this Act.

(b)(1) Except as provided under paragraph (2), the amendments made by section 2 shall be effective with respect to payments under title XIX of the Social Security Act for calendar quarters beginning more than 60 days after the date of the enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by section 2, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(c) The amendments made by section 3 shall become effective on the first day of the first month which begins more than 60 days after the date of the enactment of this Act.●

By Mr. DECONCINI:

S. 111. A bill to provide for open meetings of the Judicial Conference of the United States, to provide procedures to implement that policy, and for other purposes; to the Committee on the Judiciary.

JUDICIAL CONFERENCE IN THE SUNSHINE ACT

● Mr. DECONCINI. Mr. President, democracy does not prosper in darkness. In a free and open society, secrecy should be the exception, not the rule. It has only been within the last decade that Congress has opened the doors of the Federal agencies as well as its own to public scrutiny. At the time these important steps were taken, there were the forecasters of doom who told us that Government could not possibly function effectively without the closed door. Nonetheless, both Congress and the executive branch have appeared to survive this public scrutiny intact, and the integrity of the decisionmaking process has been unaffected. The growing openness in Government has contributed to a far better understanding by the public and media of the processes by which policies are formulated. Knowledge can only strengthen the institutions of our Government.

This legislation mandates that certain aspects of the judicial branch involving policymaking be open to public observation. The focus of the legislation is on the Judicial Conference and its committees, subcommittees, and advisory committees. These bodies represent the policymaking organizations of the Federal judiciary. Since its establishment in 1922, the Judicial Conference has taken the lead in modernizing and adapting the Federal judiciary to changing conditions.

However, the work of the Judicial Conference is not per se judicial: Rather it is more accurately quasi-legislative and quasi-administrative. For example, the Judicial Conference issues position statements on matters of general policy, including legislation pending in Congress; it enacts regulations governing the behavior and conduct of judges; and most significant, it proposes and makes procedural rules that are binding on the Nation's courts. The decisions reached in proposing a new rule or changing an old one that affect, for example, class action cases may have as much ultimate effect on the Nation as an act of Congress. While the issues involved in no way touch upon the guilt or innocence of specific parties or the outcome of a specific civil case; they are matters of broad policy which affect us all as citizens.

The issue was probably best articulated by former Senator Sam Ervin. Let me quote him on this point:

> They certainly do not act as judges when they vote to approve or disapprove of pending legislation, or adopt rules of financial disclosure for their colleagues. Why, then, should the conference meet in secret? I believe that when the judges act as policy makers and lobbyists, it follows that their discussions should be public. If the conference supports or opposes a bill, the Congress and the public should have free access to the conference's debate on that proposal. The Congress should know how carefully the judicial conference researches its position so that it can attach relative weights to them.

The essence of our judicial system is the impartiality of judges. Thus, it is important to protect judges from external influences when they act in their judicial capacity. For example, the deliberations of an appellate panel or of the Supreme Court should, in my view, be protected and shielded from the public. Even though these decisions potentially affect other persons beyond the immediate parties involved, the primary function of our judicial system is to impartially decide individual cases or controversies.

It is important to note that this legislation does not violate that principle in any way. It is concerned solely with the nonjudicial policymaking and administrative functions of the Conference.

The provisions of this bill apply to meetings of the Judicial Conference of the United States and each committee, subcommittee, and advisory committee thereof. The disposition of all business by members of each judicial entity must adhere to certain guidelines that generally require every meeting to be open to the public. Exceptions to the open meeting requirement do exist, however. This bill mandates that the Judicial Conference establish rules of procedure for the reasonable closing of a meeting or any portion thereof if it involves accusing a person of a crime, personnel matters with respect to a specific officer or employee of the judiciary, a pending case or controversy, or any other matter of a similar nature.

The Judicial Conference must also establish appropriate rules of procedure for public notice of all meetings, including date, time, location, subject matter, and whether the meeting is to be open or closed; for obtaining public comment on proposed rules of practice and procedure and on the formulation of policies which will have substantial impact on the legal profession, the public, or an officer or employee of the judiciary; and for filing of petitions on rule changes and petitions for the formulation of policies.

Mr. President, at this point I urge my colleagues to support this proposal, a streamlined version of its predecessor of the 96th Congress (S. 2045), and ask unanimous consent that the text of the

proposed Judicial Conference in the Sunshine Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 111

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Judicial Conference in the Sunshine Act"

OPEN MEETINGS OF THE JUDICIAL CONFERENCE

SEC. 2. (a) Chapter 15 of title 28, United States Code, is amended by adding the following new section immediately after section 334:

"§ 335. Open Meetings of the Judicial Conference

"(3) Meetings of the Judicial Conference of the United States, and committees, subcommittees, and advisory committees of the Judicial Conference of the United States, which shall be open to public observation include, but are not limited to, meetings in which—

"(1) the issuance, amendment, or repeal of a rule of practice and procedure is analyzed, evaluated, or recommended, modified, adopted, or rejected;

"(2) policy is analyzed, evaluated, formulated or adopted which will have a substantial impact on the legal profession, the public, or an officer or employee of the court; or

"(3) proposed legislation is considered or discussed or positions with respect to proposed legislation are adopted by the Judicial Conference.

"(b) The Judicial Conference shall establish appropriate rules of procedure to implement subsection (a) of this section, including rules of procedure for—

"(1) public notice of the time, place, and subject matter of meetings of the Judicial Conference, and committees, subcommittees, and advisory committees of the Judicial Conference;

"(2) obtaining public comment on proposed rules of practice and procedures and on the formulation of policies which will have substantial impact on the legal profession, the public, or an officer or employee of the judiciary; and

"(3) filing by interested persons of petitions for the issuance, amendment, or repeal of any rule of practice and procedure, and petitions for the formulation of policies which will have substantial impact on the legal profession, the public, or an officer or employee of the judiciary.

"(c) The Judicial Conference shall establish rules of procedure for the reasonable closing of a meeting or any portion thereof, if such meeting or portion thereof involves accusing a person of a crime, personnel matters with respect to a specific officer or employee of the judiciary, a pending case or controversy, or any other matter of a similar nature.

"(d) The Judicial Conference shall establish a procedure for the annual reporting to Congress on the compliance by the Judicial Conference, and committees, subcommittees, and advisory committees of the Judicial Conference, with the requirements of this section.

"(e) The rules of procedure established under subsection (b) and (c) shall not take effect until they have been reported to Congress by the Chief Justice at or after the beginning of a regular session of Congress but not later than the first day of October and until the expiration of 180 days after they have been so reported. If either House of Congress within the time period described in the preceding sentence shall by resolution disapprove any rule of procedure so reported such rule of procedure shall not take effect. The effective date of any rule of procedure may be deferred by either House of Congress to a later date or until approved by Act of Congress. Any rule of procedure whether proposed or in effect may be amended by Act of Congress.".

(b) The table of sections for chapter 15 of such title is amended by inserting immediately after the item relating to section 334 the following new item:

"335. Open meetings of the judicial conference.".

COMPLIANCE AND EFFECTIVE DATES

SEC. 3. (a) The provisions of subsection (a) of section 335 of title 28, United States Code (as added by section 2 of this Act) shall take effect October 1, 1981. During the period beginning October 1, 1981 and ending on the effective date of the rules of procedure established under subsections (b) and (c) of section 335 of title 28, United States Code, the Judicial Conference of the United States may adopt such interim rules of procedure as may be necessary to implement subsection (a) of such section.

(b) The Judicial Conference of the United States shall submit to Congress, not later than October 1, 1981, the rules of procedure required to be established under subsection (b) and (c) of section 335 of title 28, United States Code (as added by section 2 of this Act).●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 112. A bill to amend section 1003 of title 38, United States Code, relating to memorial areas and appropriate memorials to honor the memory of certain deceased members of the Armed Forces whose remains were buried at sea, have not been identified, or were nonrecoverable; to the Committee on Veterans' Affairs.

MEMORIAL AREAS AND APPROPRIATE MEMORIALS FOR CERTAIN SERVICEMEN

● Mr. INOUYE. Mr. President, I am reintroducing at this time a bill to amend section 1003 of title 38, United States Code, which deals with memorial areas and appropriate memorials to honor the memory of deceased members of the Armed Forces whose remains were buried at sea, have not been identified, or were nonrecoverable. My proposal would extend this provision to include those members of the Armed Forces who have donated their remains for use in medical research and training, and also those who chose to be cremated and have their ashes scattered. Those honorable men and women who have chosen to extend their service to their country even beyond death by contribution of their bodies for medical research should not be deprived of the right to be memorialized after their deaths.

In my judgment, the Congress of the United States should properly acknowledge these patriotic men and women by providing for burial in a national cemetery. Similarly, I believe that this legislation should also extend to those members of the Armed Forces who have chosen, for religious reasons, to have their ashes scattered rather than inurned in a national cemetery. The manner in which their bodies are put to rest has no reflection on the years of service they gave to their country.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 112

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1003(a) of title 38, United States Code, is amended by striking out "or have been determined to be nonrecoverable." and inserting in lieu thereof ", have been determined to be nonrecoverable or have been donated for use in medical research or training.".●

By Mr. INOUYE (for himself, Mr. MATSUNAGA, and Mr. THURMOND):

S. 113. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes; to the Committee on Armed Services.

RETIRED PAY FOR CERTAIN RESERVISTS

● Mr. INOUYE. Mr. President, regulations currently governing retirement pay for reservists do not provide benefits for those who did not serve on active duty before August 16, 1945, the end of World War II. Although these regulations are designed to insure that only the most deserving reservists are compensated for their sacrifice to our Nation, I believe that they are unnecessarily restrictive in that no benefits are provided to those who came to the aid of our country during the Berlin crisis, the Korean war, the Cuban missile crisis, and the Vietnam war, or who served for an extended period of time following the end of World War II. These men and women have performed services for our country fully as valuable as those rendered by activated reservists who served during World War II.

The legislation I am reintroducing today recognizes the contribution made by these individuals and corrects the current inequity in the law by granting them eligibility for retirement benefits. I urge that my colleagues in the U.S. Senate join me in rewarding these reservists for the service they rendered to the United States in its times of need.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 113

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 67 of title 10, United States Code, is amended as follows:

(1) Section 1331(c) is amended as follows:

"(c) No person who before August 16, 1945, was a Reserve of an armed force, or a member of the Army without component or other category covered by section 1332(a)(1) of this title except a regular component, is eligible for retired pay under this chapter unless he performed—

"(1) active duty after April 5, 1917, and before November 12, 1918, or after September 8, 1940, and before January 1, 1947;

"(2) active duty (other than for training) after June 26, 1950, and before July 28, 1953, after August 13, 1961, and before May 31, 1963, or after August 4, 1964, and before March 28, 1973; or

"(3) at least twenty years of service (computed under section 1332 of this title) after August 15, 1945.".

(2) Section 1332(b) is amended by adding the following new clause after clause (7):

"(8) Service before August 16, 1945, if eligibility for retired pay is based on section 1331(c)(3) of this title.".

(3) Section 1369 is amended—

(A) by striking out "For" and inserting in lieu thereof "(a) Except as provided in subsection (b), for"; and

(B) by adding the following new subsection:

"(b) Service before August 16, 1945, may not be counted under subsection (a) if eligibility for retired pay is based on section 1331(c)(3) of this title.".●

By Mr. DECONCINI (for himself and Mr. THURMOND):

S. 114. A bill to establish rational criteria for the imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

CAPITAL PUNISHMENT

● Mr. DECONCINI. Mr. President, I am introducing today, on behalf of myself and my distinguished colleague, the Chairman of the Judiciary Committee, Senator THURMOND, a bill to amend title 18, United States Code, to establish a procedure which will meet the constitutional requirements for the imposition of capital punishment enunciated by the Supreme Court in Gregg against Georgia and companion cases, and in Furman against Georgia.

The bill is nearly identical to S. 114 of the 96th Congress that was reported favorably by the Committee on the Judiciary, but never taken up by the full Senate. The bill has been refined slightly to comport with recent Supreme Court decisions broadening the use of mitigating factors.

The bill is similar to S. 1382 of the 95th Congress which was introduced by Senator McClellan and 19 cosponsors on April 26, 1977, and is in some respects similar to S. 1401 of the 93d Congress which passed the Senate on March 13, 1974, by a vote of 54 to 33.

Beginning in 1976, the Supreme Court has decided a group of landmark death penalty cases—Gregg against Georgia, Proffitt against Florida, Jurek against Texas, Woodson against North Carolina, and Roberts against Louisiana—in which the death penalty was held constitutional when imposed under certain procedures which guarded against the unfettered discretion condemned in Furman, but which retained the important flexibility to consider the aggravating and mitigating factors of each case. Mandatory death penalty statutes were struck down.

S. 114 is drafted to meet the constitutional requirements of guided discretion based on rational criteria. The bill would provide that, after a conviction for an offense for which a penalty of death is authorized, the court must hold a separate hearing on whether to impose the death penalty. The hearing would normally be before the same jury which sat for trial, or if both parties agreed, before the judge. After both sides have an opportunity to present all relevant evidence, the jury would be asked to make special findings as to whether any of a list of mitigating or aggravating factors existed. The mitigating factors include such things as the youthfulness of the defendant, the extent of his involvement in the offense, any emotional problems of pressures, and the unforeseen nature of a resulting death. The aggravating factors would vary depending on whether the offense is one relating to treason or murder.

The jury would be required to determine by unanimous vote whether any of these factors existed. If no aggravating factors were found to exist, the court would impose a sentence of life imprisonment. If one or more aggravating factors were found to exist, the jury would then determine, in light of all the evidence, whether the aggravating factors found to exist sufficiently outweigh any mitigating factors found to exist, or in the absence of mitigating factors whether the aggravating factors were themselves sufficient, as to justify a sentence of death. If the jury finds that the death penalty is justified, the court is directed to impose a sentence of death.

The bill further provides that the defendant shall have a right to appeal the sentence and that such review shall have priority over all other cases. In order to affirm the sentence, the appellate court must determine that the sentence of death was not imposed under the influence of passion, prejudice, or other arbitrary factor; that the evidence supports the special findings; and that the sentence of death is not excessive considering both the crime and the defendant.

The record seems clear that the procedures imposed by this bill for the imposition of the death penalty successfully meet the constitutional requirements of the recent Supreme Court cases. None of the witnesses before the subcommittee hearings on S. 1382 could find any challenge to the constitutionality of the procedures set out in the bill for imposing the death penalty.

The main purpose of the bill is not to specify those Federal offenses for which the death penalty is to be authorized. Federal law already does this; and this bill would generally leave current law as it is, except to correct obvious inconsistencies or to avoid any potential constitutional difficulties.

There has already been extensive legislative consideration of the death penalty issue. The Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary held hearings in March and July of 1968 on a bill to abolish the death penalty for Federal offenses. Again in February 1972, and in April, June, and July 1973, it held hearings on bills to provide constitutional procedures for imposition of the death penalty. Through this extensive series of public hearings, the issue of whether we should have a Federal death penalty was examined in every respect. That broader question was ultimately resolved by the Committee on the Judiciary, and indeed, by the Senate, in favor of the death penalty. On March 13, 1974, the Senate passed S. 1401 by a vote of 54 to 33. Unfortunately, the bill was never acted upon by the House.

While opponents of the death penalty have asserted that it is ineffective as a deterrent and discriminatory against minorities, Dr. Ernest van den Haag, author of "Punishing Criminals," addressed these and other arguments. In reference to the deterrent effect of the death penalty, Dr. van den Haag stated:

> The preponderance of the evidence seems to me quite clearly now to indicate that the death penalty is far more deterrent than any other alternative . . . in the period 1933 to 1960, which in one investigation, every execution reduced the number of homicides committed by about 6 to 8. In other words, every time an execution took place, 6 to 8 victims of murder who would otherwise have been killed were not killed.

In response to the argument by opponents that the death penalty is discriminatory against minorities, Dr. van den Haag has asserted that even if such a doubtful proposition were true—

> That should lead us not to exonerate the poor and black who have committed this crime but also to catch the rich and white who have also committed the crime. In other words, it is not justice to say that if two persons are guilty of the same crime and one has been punished and the other has not, that's a reason for not punishing the first . . .

Ultimately, the conclusion in favor of the retention of capital punishment has its basis in the belief that the primary responsibility of society is the protection of its members so that they might live out their lives in peace and safety. Where the safety of its citizenry can no longer be guaranteed, society's basic reason for being disappears. In providing its members protection, society must do what is necessary to deter those who would break the laws and punish those who do so in an appropriate manner.

As Dr. van den Haag has said:

> I think it is simply unjust that we guarantee murderers that what they have done to their victims will never be done to them, that the murderer is guaranteed a continuous life, the kind of life he took from his victim. That seems to me unjust, immoral, and repulsive . . .

One can say many things about the Supreme Court's handling of the issue of capital punishment over the past decade. Many commentators were aghast at the Furman decision in 1972 that effectively declared unconstitutional most State capital punishment statutes as the court discovered new rights that had remained dormant for 200 years. In 1976 and again in 1978 the Court issued major opinions concerning capital punishment, but it is still not precisely clear what the Court intends. In *Lockett* v. *Ohio*, 438 U.S. 586, 602 (1978) the Chief Justice pointed out that—

> The signals from this Court have not . . . always been easy to decipher.

Mr. Justice Rehnquist, in the same area said:

> The Court has gone from pillar to post, with the result that the sort of reasonable predictability upon which legislatures, trial courts, and appellate courts must of necessity rely has been all but completely sacrificed.

If the pronouncements of the Court have been less than clear, the feeling of the vast majority of people and states of our Union has been quite clear and incapable of misunderstanding. Since the

Furman case, 35 states have reenacted their death penalty statutes and attempted to conform to the Supreme Court decisions. Congress also enacted into Public Law an air piracy statute that calls for the death penalty. Public opinion polls show that over the past decade the approval by the public for the use of the death penalty has increased steadily and is now approved by nearly two-thirds of the populace. We should take this clear expression of public desire to heart and reflect the public will with legislation restoring capital punishment.

Mr. President, it is my belief that S. 114 had the support of the majority of the members of the Senate Judiciary Committee last session. I ask my colleagues to give their unanimous support to this bill so that it may pass the Congress and be enacted into public law, and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 114

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 227 of title 18 of the United States Code is amended by adding after section 3562 a new section 3562A, to read as follows:

"§ 3562A. Sentencing for capital offenses

"(a) HEARING REQUIRED.—A person shall be subjected to the penalty of death for any offense against the United States only if a hearing is held in accordance with this section.

"(b) HEARING BEFORE COURT OR JURY.—When a defendant is found guilty of or pleads guilty to an offense for which one of the sentences provided is death, the judge who presided at the trial or before whom the guilty plea was entered, or any other judge if the judge who presided at the trial or before whom the guilty plea was entered is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. The hearing shall be conducted—

"(1) before the jury which determined the defendant's guilt;

"(2) before a jury impaneled for the purpose of the hearing if—

"(A) the defendant was convicted upon a plea of guilty;

"(B) the defendant was convicted after a trial before the court sitting without a jury;

"(C) the jury which determined the defendant's guilt has been discharged for good cause; or

"(D) after initial imposition of a sentence under this section, redetermination of the sentence under this section is necessary; or

"(3) before the court alone, upon the motion of the defendant and with the approval of the Government.

A jury impaneled pursuant to paragraph (2) of this subsection shall consist of twelve members, but, at any time before the conclusion of the hearing, the parties may stipulate with the approval of the court that it shall consist of any number less than twelve.

"(c) PROOF OF AGGRAVATING AND MITIGATING FACTORS.—Notwithstanding rule 32(c) of the Federal Rules of Criminal Procedure, when a defendant is found guilty of or pleads guilty to an offense for which one of the sentences provided is death, no presentence report shall be prepared. In the sentencing hearing, information may be presented as to any matter relevant to the sentence and shall include matters relating to any of the aggravating or mitigating factors set forth in subsections (f), (g), and (h) or any other mitigating factors. Information presented may include the trial transcript and exhibits if the hearing is held before a jury or judge not present during the trial. Any other information relevant to such mitigating or aggravating factors may be presented by either the Government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials. The Government and the defendant shall be permitted to rebut any information received at the hearing and shall be given fair opportunity to present argument as to the adaquacy of the information to establish the existence of any of the aggravating or mitigating factors, and as to the appropriateness in that case of imposing a sentence of death. The Government shall open the argument. The defendant shall be permitted to reply. The Government shall then be permitted to reply in rebuttal. The burden of establishing the existence of any aggravating factor is on the Government, and is not satisfied unless established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factor is on the defendant, and is not satisfied unless established by a preponderance of the information.

"(d) RETURN OF FINDINGS.—The jury, or if there is no jury, the court, shall consider all the information received during the hearing and the evidence received during the trial. It shall return special findings identifying any mitigating factors and any aggravating factors set forth in subsections (g) and (l) found to exist. A finding of such a factor by a jury shall be made by majority vote. If no such aggravating factors set forth in subsection (g) or (h) are found to exist the court shall impose a sentence, other than death, authorized by law. If one or more of such aggravating factors are found to exist, the jury, or if there is no jury, the court, shall then consider whether the aggravating factor or factors found to exist sufficiently outweigh any mitigating factor or factors found to exist, or in the absence of mitigating factors, whether the aggravating factors are themselves sufficient, to justify a sentence of death. Based upon this consideration, the jury by unanimous vote, or if there is no jury, the court, shall return a finding as to whether a sentence of death is justified.

"(e) IMPOSITION OF SENTENCE.—Upon a finding that a sentence of death is justified, the court shall sentence the defendant to death. Upon a contrary finding, the court shall impose a sentence, other than death, authorized by law.

"(f) MITIGATING FACTORS.—In determining whether a sentence of death is to be imposed on a defendant, the following mitigating factors shall be considered but are not exclusive:

"(1) the defendant was youthful at the time of the crime;

"(2) the defendant's capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired, but not so impaired as to constitute a defense to the charge;

"(3) the defendant was under unusual and substantial duress, although not such duress as constitutes a defense to the charge;

"(4) the defendant is punishable as a principal or otherwise, but his participation was relatively minor;

"(5) the defendant could not reasonably have foreseen that his conduct in the course of the commission of murder, or other offense resulting in death for which he was convicted, would cause, or would create a grave risk of causing, death to any person.

"(g) AGGRAVATING FACTORS FOR TREASON AND ESPIONAGE.—If the defendant is found guilty of or pleads guilty to an offense under section 794 or section 2381 of this title, the following aggravating factors shall be considered:

"(1) the defendant has been convicted of another offense involving espionage or treason for which either a sentence of life imprisonment or death was authorized by statute;

"(2) in the commission of the offense the defendant knowingly created a grave risk of substantial danger to the national security;

"(3) in the commission of the offense the defendant knowingly created a grave risk of death to another person.

"(h) AGGRAVATING FACTORS FOR HOMICIDE.—If the defendant is found guilty of or pleads guilty to any other offense for which one of the sentences provided is death, the following aggravating factors shall be considered:

"(1) the death or injury resulting in death occurred during the commission or attempted commission of, or during the immediate flight from the commission or attempted commission of, an offense under section 751 (prisoners in custody of institution or officer), section 794 (gathering or delivering defense information to aid foreign government), section 844(d) (transportation of explosives in interstate commerce for certain purposes), section 844(f) (destruction of Government property by explosives), section 844(i) (destruction of property in interstate commerce by explosives), section 1201 (kidnaping), or section 2381 (treason) of this title, or section 902 (i) or (n) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472 (i), (n)) (aircraft piracy);

"(2) the defendant has been convicted of another Federal offense, or a State offense resulting in the death of a person, for which a sentence of life imprisonment or a sentence of death was authorized by statute;

"(3) the defendant has previously been convicted of two or more State or Federal offenses punishable by a term of imprisonment of more than one year, committed on different occasions, involving the infliction of serious bodily injury upon another person;

"(4) in the commission of the offense the defendant knowingly created a grave risk of death to one or more persons;

"(5) the defendant committed the offense in an especially heinous, cruel, or depraved manner;

"(6) the defendant procured the commission of the offense by payment, or promise of payment, of anything of pecuniary value;

"(7) the defendant committed the offense as consideration for the receipt, or in the expectation of the receipt, of anything of pecuniary value;

"(8) the defendant committed the offense after substantial planning and premeditation to cause the death of a person or commit an act of terrorism;

"(9) the defendant committed the offense against—

"(A) the President of the United States, the President-elect, the Vice President, the Vice-President-elect, the Vice-President-designate, or, if there is no Vice President, the officer next in order of succession to the office of the President of the United States, or any person who is acting as President under the Constitution and laws of the United States;

"(B) a chief of state, head of government, or the political equivalent, of a foreign nation;

"(C) a foreign official listed in section 1116(b)(3)(A) of this title, if he is in the United States because of his official duties; or

"(D) a Federal judge, a Federal law-enforcement officer, or an employee of a United States penal or correctional institution, while performing his official duties or because of his status as a public servant. For purposes of this subsection, a 'law-enforcement officer' is a public servant authorized by law or by a Government agency or Congress to

conduct or engage in the prevention, investigation, or prosecution of an offense.".

SEC. 2. Section 34 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 3. Section 794(a) of title 18 of the United States Code is amended by changing the period at the end of the section to a comma and by adding immediately thereafter the words "except that the sentence of death shall not be imposed unless the jury or, if there is no jury, the court, further finds that the offense directly concerned nuclear weaponry, military spacecraft or satellites, early warning systems, or other means of defense or retaliation against large-scale attack; war plans; communications intelligence or cryptographic information; or any other major weapons system or major element of defense strategy."

SEC. 4. Section 844(4d) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 5. Section 844(4f) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 6. Section 844(1) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 7. The second paragraph of section 1111(b) of title 18 of the United States Code is amended to read as follows:

"Whoever is guilty of murder in the first degree shall be punished by death or by imprisonment for life;".

SEC. 8. Section 1116(a) of title 18 of the United States Code is amended by striking the words "any such person who is found guilty of murder in the first degree shall be sentenced to imprisonment for life, and".

SEC. 9. Section 1201 of title 18 of the United States Code is amended by inserting after the words "or for life" in subsection (a) the words "and, if the death of any person results, shall be punished by death or life imprisonment".

SEC. 10. the last paragraph of section 1716 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the paragraph.

SEC. 11. The second to the last paragraph of section 1992 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 12. Section 2031 of title 18 of the United States Code is amended by deleting the words "death, or".

SEC. 13. Section 2113(e) of title 18 of the United States Code is amended by striking the words "or punished by death if the verdict of the jury shall so direct" and inserting in lieu thereof the words "or if death results shall be punished by death or life imprisonment".

SEC. 14. Section 903 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1473), is amended by striking subsection (c).

SEC. 15. The analysis of chapter 227 of title 18 of the United States Code is amended by inserting after item 3562 the following new item:

"3562A. Sentencing for capital offenses.".

SEC. 16. Section 3566 of title 18 of the United States Code is amended by adding a second paragraph as follows:

"In no event shall a sentence of death be carried out upon a pregnant woman".

SEC. 17. Chapter 235 of title 18 of the United States Code is amended by inserting immediately after section 3741 the following new section:

"§ 3742. Appeal from sentence of death

"In any case in which the sentence of death is imposed under section 3562A of this title, the sentence of death shall be subject to review by the court of appeals upon appeal by the defendant. Notice of appeal must be filed within the time prescribed for appeal of judgment in section 2107 of title 28 of the United States Code. An appeal under this section may be consolidated with an appeal of the judgment of conviction. Such review shall have priority over all other cases.

"On review of the sentence, the court of appeals shall consider the record, the evidence submitted during the trial, the information submitted during the sentencing hearings, the procedures employed in the sentencing hearing, and the special findings returned under section 3562A(d) of this title.

"The court shall affirm the sentence if it determines that: (1) the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; (2) the information supports the special finding of the existence of any aggravating factor or the failure to find any mitigating factors as set forth or allowed in section 3562A; and (3) the sentence of death is not excessive, considering both the crime and the defendant. In all other cases the court shall remand the case for reconsideration under section 3562A of this title. The court of appeals shall state in writing the reasons for its disposition of the review of the sentence.".

SEC. 18. The analysis of chapter 235 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"3742. Appeal from sentence of death.".

SEC. 19. The provisions of sections 3562A and 3742 of title 18 of the United States Code, as added by this Act, shall not apply to prosecutions under the Uniform Code of Military Justice (10 U.S.C. 801).●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 122. A bill to authorize the spouses of certain former members of the Armed Forces of the United States to use the services and facilities of post exchanges and commissaries; to the Committee on Armed Services.

USE OF POST EXCHANGES AND COMMISSARIES

● Mr. INOUYE. Mr. President, it has come to my attention over the past several years that certain laws regulating benefits for veterans and their dependents have contained weaknesses or omissions that should be corrected. I found this to be especially true in the case of the disabled veteran and his wife or widow, who pays a high personal price in indirect service to her country through caring for her handicapped husband. Government assistance often fails to provide adequate support, primarily because the law is broadly written and the personal lives and conditions of disabled families are specific and individual by nature. Thus, in certain cases where the law should apply, it does not, and for some families of veterans the result of service to their country is economic hardship and bureaucratic confusion.

I am introducing today, a measure designed to rectify obvious inequities in the existing law relating to Government benefits for the widows of veterans who had 100 percent service-related disabilities at the time of death.

It is a bill to authorize the widows of certain former members of the Armed Forces of the United States to use the service and facilities of post exchanges and commissaries.

The widow of a serviceman who is 100 percent service-disabled is not entitled to exchange and commissary privileges if her husband died while on active duty. However, if he died after being honorably discharged from the service, she is eligible for these privileges.

This measure will help only a small number of people. But it is these very people who have paid such an extraordinarily high price on behalf of their country and whose lives thereafter have been dictated by their spouses' disabilities.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 122

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 53 of title 10, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1041. POST EXCHANGE AND COMMISSARY PRIVILEGES FOR SPOUSES OF CERTAIN FORMER MEMBERS OF THE ARMED FORCES

"Subject to such rules and regulations as the Secretary concerned may prescribe, the spouse of any former member of the armed forces who is entitled to dependency and indemnity compensation under chapter 13 of title 38 or to death compensation from the Veterans' Administration and the spouse of any former member of the armed forces who, at the time of such former member's death, was totally disabled as the result of one or more service-connected disabilities (as determined by the Veterans' Administration) shall be entitled to use the services and facilities of post exchanges and commissary stores operated under the jurisdiction of any military department.".

SEC. 2. The table of sections at the beginning of chapter 53 of title 10, United States Code, is amended by adding at the end thereof a new item as follows:

"1051. Post exchange and commissary privileges for spouses of certain former members of the armed forces.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 123. A bill to amend titles XVIII and XIX of the Social Security Act to provide more adequate coverage of the services of mental health specialists under the medicare supplemental benefits program and under medicaid programs; to the Committee on Finance.

MENTAL HEALTH SERVICES

● Mr. INOUYE. Mr. President, todav I am introducing legislation that would amend our Nation's medicare and medicaid programs under the Social Security Act in order to insure that qualified mental health providers/specialists will be directly reimbursable under these programs.

For some time now, I have introduced legislation on behalf of each of our traditional mental health disciplines in order to insure that their highest level of practitioner would be directly reimbursable without any Federal requirement of physician supervision or referral.

In August 1978, the Senate Finance Committee held extensive public hearings on this matter for the first time in 7 years. Essentially, the mental health provision of the Social Security Act has not been modified since the original enactment. In my judgment, there is a very real need both to increase the scope of benefits and also given the unique nature of mental health symptoms and especially their "subjectiveness" an equally pressing need to insure that only high quality practitioners will be reimbursed. In this regard, I am especially pleased that the Department of Defense's CHAMPUS program has been directly reimbursing clinical psychologists for some time and has recently instituted a pilot demonstration project for independently reimbursing psychiatric nurses and clinical social workers. I am confident that when my colleagues on the Senate Finance Committee consider this bill, that the evidence that we have accumulated under the CHAMPUS program will be extremely helpful to them in their deliberations.

At this time, my proposal would essentially accomplish two purposes. First, it would make mental health benefits a mandated benefit and would reimburse up to $1,000 per year of professional services. In so doing, I have also recommended that we modify the current 50-50 copayment mechanism to the more traditional 80-20 copayment mechanism that is in fact in place for physical medicine. By so doing, I feel that we will significantly reduce the present discrimination that does exist in the current law, but also allow ourselves the opportunity to phase-in this increased benefit in a timely fashion. Eventually, I am confident that with appropriate utilization review procedures, there will no longer be a need for any overall limitations on this mental health benefit package.

The second major purpose that I hope to accomplish in introducing this legislation is to legislatively define at the Federal level the type of educational requirements that are necessary for each of the four traditional mental health disciplines to have obtained in order to practice independently. Accordingly, in my proposal, I have in some detail spelled out proposed definitions of clinical psychologists, clinical social workers, psychiatric nurse specialists, and psychiatrists. By adopting these educational requirements, as well as State licensure and/or certification, I am confident that we will be able to insure that only qualified practitioners will become reimbursable.

Finally, as was brought out during the public hearings in August 1978, there is no question that by increasing the availability of mental health services to our Nation's social security recipients, there is every indication that we will in fact be reducing the overall cost of our Nation's health care programs. For too long a time now, mental health coverage has been relegated to "second-class status" probably primarily due to its non-objective and somewhat fussy nature. Hopefully, as we continue our public deliberations on our Nation's mental health programs, the current stigma will diminish significantly.

Mr. President, I request unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 1861(r) of the Social Security Act is amended by inserting, immediately before the period at the end thereof, the following: ", or (6) except for the purposes of section 1814(a) other than (a)(2)(A), section 1835 except (a)(2) and (b)(1), and subsections (j), (k), (m), and (o) of this section, a mental health specialist, but (unless clause (1) of this subsection also applies to him) only with respect to functions which he is legally authorized to perform as such in the State in which he performs them".

(b) Section 1861 of such Act is further amended by adding at the end thereof the following new subsection:

"MENTAL HEALTH SPECIALIST

"(bb) (1) The term 'mental health specialist' means an individual who is a clinical psychologist (as defined in paragraph (2)), a clinical social worker (as defined in paragraph (3)), a psychiatric nurse specialist (as defined in paragraph (4)), or a psychiatrist (as defined in paragraph (5)).

"(2) The term 'clinical psychologist' means an individual who (A) is licensed or certified at the independent practice level of psychology by the State in which he so practices, (B) possesses a doctorate degree in psychology from a regionally accredited educational institution, or for those individuals who were licensed or certified prior to January 1, 1978, possess a master's degree in psychology and are listed in a national register of Mental Health Service Providers in psychology which the Secretary of the Department of Health and Human Services deems appropriate, and (C) possesses two years of supervised experience in health service, at least one year of which is post degree.

"(3) The term, 'clinical social worker' means an individual who (A) possesses a master's or doctor's degree in social work, (B) after obtaining such degree has performed at least two years of supervised clinical social work, and (C) is licensed or certified as such in the State in which he practices, or if such State does not license or certify clinical social workers, is listed in a national register of social workers who, by education and experience, qualify as health care providers in clinical social work.

"(4) The term 'psychiatric nurse specialist' means an individual who (A) is licensed to practice nursing by the State in which the individual practices nursing, (B) possesses a master's degree or higher degree in psychiatric nursing or a related field from an accredited educational institution, and (C) is certified as a psychiatric nurse by a duly recognized national professional nurse organization.

"(5) The term 'psychiatrist' means a physician who (A) is described in clause (1) of section 1861 (r), and (B) is board certified by the American Board of Psychiatry and Neurology or has successfully completed a minimum of three years of approved graduate medical training in psychiatry."

(c) Section 1833 (c) of such Act is amended by striking out all that follows "purposes of subsections (a) and (b)" and inserting in lieu thereof "no more than $1,000".

(d) The amendments made by subsections (a) and (b) of this section shall be effective in the case of services furnished after the date of enactment of this Act, and the amendment made by subsection (c) shall be applicable in the case of services furnished in any calendar year after calendar year 1980.

SEC. 2. (a) Section 1905 (a) of the Social Security Act is amended—

(1) by striking out 'and' at the end of paragraph (16),

(2) by redesignating paragraph (17) as paragraph (18), and

(3) by inserting immediately after paragraph (16) the following new paragraph:

"(17) services of a mental health specialist (as defined in section 1861 (bb)); and".

(b) Section 1902 (a) (13) (C) (ii) of such Act is amended by striking out "numbered (1) through (16)" and inserting in lieu thereof "numbered (1) through (17)".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 124. A bill to limit the costs resulting from acts of negligence in health care and to improve the level of health care services in the United States, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH CARE PROTECTION ACT OF 1981

● Mr. INOUYE. Mr. President, during the last days of the 96th Congress, I introduced legislation which I entitled the Health Care Protection Act of 1980, which would, if enacted, have established for the first time, uniform Federal standards for a network of health care malpractice screening panels across the Nation. As I indicated at that time, that particular bill was an outgrowth of earlier legislation which I introduced in 1975 during the midst of our medical malpractice insurance crisis.

My primary intent in introducing this bill was to share with my colleagues the results of efforts that Senator JACOB JAVITS and I had undertaken in conjunction with the Department of Justice. It was my hope that the bill would become a catalyst for continued public debate on the medical malpractice insurance crisis, as it was our judgment that the fundamental problems that existed in 1975 have not been significantly modified. Unfortunately, since the introduction of the Health Care Protection Act of 1980, additional information has come to my attention to show that we were in fact correct.

For example, according to a study recently published by the National Association of Insurance Commissioners, the average award during the period from July 1975 to December 1978 increased by 70 percent, from $26,565 to $45,187 with awards of $1 million or more increasing from 1 in every 1,000 paid claims in 1975 to 3 in every 1,000 paid claims in 1978. That is, whereas there were 5 awards of $1 million or more in 1975, there were 23 in 1978. The National Association of Insurance Commissioners further noted that the average indemnity for very serious nonfatal injuries increased from $213,000 to $349,000 during this time.

Since September of 1980, when I introduced the Health Care Protection Act, I received a number of suggestions from journalists, attorneys, and health care practitioners. Accordingly, I have modified my earlier proposal somewhat

in five specific areas. First, I have required that each State will specifically spell out those professions that will be deemed to provide health services for the purposes of their panels. Also, the membership of the screening panels shall be directed to include at least one lay person or consumer and I deleted any reference to membership in political parties. I have also required that the screening panel or division must render their decision in a timely fashion, that is, within 30 days, following their hearing, unless there are extraordinary circumstances and that the statute of limitations shall be tolled for 60 days following the date of their ultimate decision.

Finally, I would like to note that the issue of whether or not the panel's or division's ultimate conclusion should be made part of the record in a de novo trial was specifically raised. In all candor, I am not confident that either approach is necessarily appropriate and thus, would urge my colleagues to explore this matter in particular during the subsequent hearings. At this time, I request unanimous consent that my earlier remarks be printed in the CONGRESSIONAL RECORD as well as the text of the bill.

There being no objection, the bill and remarks were ordered to be printed in the RECORD, as follows:

S. 124

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Care Protection Act of 1981".

SEC. 2. CONGRESSIONAL FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the health care professions and industry serve needs vital to the continuing health and welfare of the American people and form a vital part of commerce between the States;

(2) every person needs ready and economical access to medical and other health care services for full participation in American society and for full exercise of individual rights;

(3) the health care professions and industry apply national standards of health care to State and regional needs and circumstances;

(4) the need to compensate persons injured by avoidable acts of health care negligence or malpractice and the resultant costs of malpractice insurance significantly increase the costs of medical and other health care services and products;

(5) divergent systems for insuring against, and for litigating and compensating, health care malpractice claims further raise the cost of needed malpractice insurance and prevent speedy compensation of injured persons;

(6) a large majority of the cost of premiums paid for malpractice insurance goes to investigating or trying malpractice claims in State courts, while less than one-third of the premium amounts are now used to compensate persons injured by malpractice;

(7) many more incidents of health care malpractice occur than result in a claim for damages, and many valid claims for compensation are prevented because of the high costs of trial; conversely, many claims of malpractice are unjustified but result in settlements or awards for damages out of sympathy for the physical condition of the claimant;

(8) these added costs of insurance protection, and the risk of liability for compensation, burden both the health care providers and their patients, further raising the cost of health care goods and services;

(9) these costs also increase the costs to the United States Government of carrying out its programs for aiding the people and the States in meeting health care needs, and affect the extent to which the United States may be financially liable for health care services afforded by its own officers or employees, including the military services and veterans and public health care programs;

(10) failure to compensate adequately persons injured by health care malpractice adversely affects the general health and welfare of the people of the United States and burdens commerce between the States;

(11) many States have experimented successfully with nonjudicial malpractice claims systems using screening panels to reduce the costs of processing malpractice claims;

(12) early examination of claims regarding health care malpractice, before they reach court, by malpractice screening panels organized by the States according to uniform Federal standards will aid materially in reaching just and timely resolutions of those claims at much lower administrative and litigation costs than those now experienced under the existing system of direct tort litigation and malpractice insurance;

(13) members of the public and responsible public officials of the states are entitled to be informed in all instances in which health care malpractice is found by a State screening panel or court, in order to protect against the risk of further malpractice and to minimize the necessary costs of insurance protection;

(14) a small percentage of the health care providers account for a disproportionately high percentage of all malpractice claims, and an even higher percentage of insurance payments to persons injured by health care malpractice; and

(15) because insurance premiums are usually set for an entire specialty group in a given region, these high-risk providers do not bear a financial burden proportionate to the amount of injury they cause, so there is not an effective financial incentive for the safe practice of medicine and other health care specialties.

(b) STATEMENT OF PURPOSE.—The purpose of this Act is to provide minimum Federal standards for the creation by each State of health care malpractice screening panels and procedures that will reduce the costs to the public and to the health care professions of malpractice, and will provide full and expeditious compensation to the victims of health care malpractice.

SEC. 3. UNIFORM STANDARDS FOR COMPENSATION FOR HEALTH CARE MALPRACTICE.

(a) STATE PROGRAM FOR COMPENSATION.—Each State shall be encouraged to establish within four years of the date of enactment of this Act a program for compensation and reduction of health care malpractice that complies with the standards set forth in this Act. The State may establish the program by legislative, executive, or judicial action, as authorized by the laws and constitution of the State.

(b) ATTORNEY GENERAL REGULATIONS.—The Attorney General shall have the authority to promulgate regulations for the interpretation and implementation of this Act. Without limiting the foregoing, within one year of the date of enactment of this Act, the Attorney General shall issue regulations concerning certification of State programs established under this Act and for the payments under section 8 to support State programs.

SEC. 4. MALPRACTICE SCREENING PANELS.

(a) ESTABLISHMENT.—Each State shall be encouraged to establish one or more malpractice screening panels to hear all claims of health care malpractice against persons in the State who are licensed or certified by the State to provide health care services or who provide health care services for which State law requires a license or certification. Each State shall, after consultation with the Attorney General, publish a list of the health care professions that are so licensed or certified and the health care professions of which members provide health care services so licensed or certified. If the State establishes more than one screening panel, the jurisdiction of the panels may be divided by geographic area within the State or by health care specialty.

(b) MEMBERSHIP AND APPOINTMENT.—(1) A malpractice screening panel shall have at least three members, chosen and appointed under the laws or constitution of the State. A State may require that a panel sit as a single body or may auhorize the panel to sit in smaller divisions of at least three members. Each panel, and each division before which a claim is heard, shall include at least one licensed or certified health care professional, one person admitted to practice law in the courts of the State, and one layperson who represents consumers and is not affiliated with a health care practitioner or health service institution, and may include such other members as the State shall provide. The State may annex a panel to a court of the State. The State shall specify the method of selection and assignment of members of the panels, and of any division thereof, in a manner that assures that each panel and division thereof will afford a full and fair hearing to all parties to any claim brought before it. The members of the panel shall be selected without regard to sex, race, religion, or national origin.

(2) The State shall provide that any member or employee of a screening panel is immune from suit for defamation, libel, or slander, arising from the performance of his official duties with the panel, unless malice or actual knowledge of the falsity of a defamatory statement is proved.

(c) JURISDICTION AND RULES OF PROCEDURE.—The State program shall be encouraged to provide for the following:

(1) Each panel shall have original and exclusive jurisdiction within the State, or such area of the State or health care specialty as State law shall provide, to hear and decide any claim for damages resulting from injury or death incurred as a consequence of health care malpractice by an individual, group, or organization that is required to be licensed or certified by the State in order to provide health care goods or services in that State.

(2) Except as provided in subsection (j) or as provided for claims against the United States, every claim within the jurisdiction of a panel shall be filed with, heard, and decided by the panel.

(3) The existence or absence of requisite injury, causation, negligence, malpractice, or any other element of a claim, or defense to a claim, shall be determined under the law of the State, but the State shall authorize each panel and the person who appoints the panel to establish rules of procedure for fair and expedited hearing and decision of claims. All such rules of procedure shall be published and made available to the public.

(d) CLAIM AND ANSWER.—Each State shall be encouraged to provide that a claim for damages resulting from injury or death incurred as a consequence of health care malpractice shall be filed with a malpractice screening panel within the State in which the malpractice allegedly occurred. The State

shall specify the procedure for filing a claim, including a procedure for transfer to the appropriate panel of a claim improperly filed with a court or with the wrong panel, and shall require that a copy of the claim and any accompanying documents be served at the time the claim is filed on each person alleged to have caused the injury, each of whom shall be named as a defendant. The State shall require that each defendant answer the claim in timely fashion and completely. The State shall provide that a filed claim fully describe the alleged malpractice that gave rise to the claim and the nature and extent of the injury that resulted and the manner in which it took place, list the names of all liable persons and describe their role in the malpractice, and list the names of all expert witnesses who will be called in support of the claim, including their qualifications.

(e) SCREENING AND PRELIMINARY INVESTIGATION.—The panel or division of the panel to which the claim is assigned shall promptly review each claim and answer. If in the course of its review the panel or division determines that particular evidence will be needed to decide the claim, the panel or division shall notify the claimant and each defendant, and provide them an opportunity to provide the evidence at or before the hearing on the claim. The panel may, on its own motion, engage expert consultants or witnesses during review or at a hearing, and their testimony or reports shall be admitted into evidence.

(f) DISCOVERY.—The panel or division may permit discovery and motion practice prior to the hearing required by subsection (g) only as specially provided by State law for malpractice screening panels. The panel shall not permit discovery that will burden unduly the claimant, the defendant, or any third party, in light of the size and nature of the claim, or that will delay unduly the resolution of the claim.

(g) HEARING.—The panel or division shall, within one hundred and eighty days of the date on which a claim is filed, conduct a hearing on the claim. One continuance, not to exceed ninety days may be granted any party upon a showing that extraordinary circumstances not within that party's control warrant delay in the interests of justice. At the hearing, each party may be represented by counsel. The claimant shall be required to put on all evidence supporting his claim, and each defendant shall be required to put on all evidence rebutting or defending against that claim. Notwithstanding the rules of evidence applicable in the State's courts, the panel or division may hear and consider any relevant and material evidence, but a State may establish and publish rules or procedures preventing the introduction of irrelevant, unprobative, or unduly repetitious evidence. A State may establish and publish such separate procedures for the conduct of panel hearings as comport with the due process of law and with this section. A panel or division shall be authorized to compel the appearance of witnesses and the production of documents or other evidence.

(h) PANEL OR DIVISION DECISION.—After hearing all the evidence presented by the claimant and each defendant, the panel or division shall decide whether or not the malpractice was proved, and, if it was proved, whether the injury resulted from proved malpractice of one or more of the defendants. The decision shall be submitted in writing on the date not more than thirty days following the conclusion of the hearing of the evidence (unless a delay is necessary due to extraordinary circumstances) and shall include a written statement of the findings of fact and conclusions of law on which the panel or division based its decision and determined any award under subsection (i).

(i) AWARDS OF DAMAGES.—If a panel or division finds compensable injury resulting from health care malpractice by one or more named defendants, it shall determine the amount of damages owed under State law by each liable defendant to the claimant, and shall enter an order to pay an award in that amount. An award by a panel is due upon entry of the award, but a State may provide for judicial enforcement of an award that is not paid promptly. In court proceedings to enforce an order to pay an award, the only issue shall be whether payment has been made according to the terms of the order. The decision of a panel or division shall not be open for review, except to review an allegation of unlawful conflict of interest by a member of the panel or division that entered the decision, or of fraud. A State shall provide that, notwithstanding any other provision of law but subject to any State law limiting the amount of recoverable damages—

(1) a panel or division may provide that any award for continuing or prospective damages of $100,000 or more be made in the form of suitable annual or other periodic payments as actual damages are incurred;

(2) a panel or division may provide that any award for damages of $200,000 or more may be satisfied by establishing a trust fund or purchasing an annuity for the life of each person to whom the award is made, or during continuance of the compensable injury or disability, with reversionary interest in the persons liable for the award; and

(3) the timing and amounts of periodic payments or of payments from a trust fund or annuity shall be such as to avoid hardship to, and assure full compensation of, the person or persons to whom the award is made, as determined by the panel or division thereof.

(j) TRIAL DE NOVO IN STATE COURT.—(1) Each State shall provide that any party to a claim decided by a panel or division shall be entitled to trial de novo on the claim before a State court of appropriate jurisdiction on motion filed within sixty days of the panel's or division's decision. The decision of the panel or division and its written statement and order to pay an award shall be admissible as evidence in such trial on motion of any party to the panel or division hearing. Any right of trial by jury shall be preserved. If a trial de novo is held at the request of a party, that party may be liable for all costs of trial and for reasonable attorney's fees to opposing parties if, after final judgment in the State court, that party has not substantially prevailed in the action.

(2) A party has substantially prevailed in a trial de novo if—

(A) the party was a defendant at the panel or division hearing and is found by the court not to be liable in damages, or to be liable for damages in an amount at least 20 per centum or $6,000 (whichever is higher) less than the defendant's liability as established by the panel or division; or

(B) the party was the claimant at the panel or division hearing and the court awards damages in an amount at least 20 per centum or $6,000 (whichever is higher) greater than the amount awarded to that claimant by the panel or division.

(k) REPORT OF FINDINGS OF MALPRACTICE OR NEGLIGENCE.—(1) The State shall require that if a panel, division, or court finds health care malpractice by one or more named defendants, or if a settlement agreement is filed with a panel or division before decision, the panel, division, or court shall within thirty days report its decision, or notice of the settlement, to the State Insurance Commissioner, together with its written statement, verdict, or opinion and any order of award made in the case. The panel or court shall within the same time make a similar report to the State licensing or certification board or professional conduct body, if any, with jurisdiction over the licensed or certified health care profession or industry concerned.

(2) The State Insurance Commissioner shall make all such reports available for public inspection by any person, shall take such further action with respect to the report of malpractice as State law authorizes, and shall promptly notify each insurance company or association offering malpractice insurance for the licensed or certified profession or business within the State of the terms of the panel's or court's decision, including the name of each person found to have committed professional malpractice, the nature of his liability, and the amount of any award.

(3) The State shall provide that insurance companies or associations are authorized to adjust their rates for persons who are held liable by a panel, division, or court for malpractice, or who have entered into two or more settlements within the preceding three years that require payments to claimants in malpractice actions.

(l) SETTLEMENT BEFORE DECISION OR AWARD.—The parties to a claim filed with, but not yet decided by, a panel may enter into a settlement agreement at any time. A written copy of the agreement shall be filed with the panel. Any such settlement shall not provide for attorney's fees in excess of the amount authorized under section 5 of this Act. Upon receiving a copy of the agreement, the panel shall close its file on the claim and shall forward notice of the settlement as provided in subsection (k).

(m) FILING CLAIM TOLLS STATUTE OF LIMITATION.—The State shall provide that a statute of limitation pertaining to a claim relating to malpractice is tolled from the date on which the claim is filed under subsection (d) to the date sixty days after the date of the panel's or division's decision.

SEC. 5. AWARD OF ATTORNEYS' FEES IN MALPRACTICE ACTIONS.

(a) Each State shall provide that in any action or claim filed under this Act with the panel in which the claimant receives an award of damages, the amount of payments to the claimant's attorney shall not exceed the sum of—

(1) one-third of the amount of an award less than $100,000;

(2) one-quarter of the amount of an award between $100,000 and $200,000;

(3) 20 per centum of the amount of an award between $200,000 and $300,000; and

(4) 15 per centum of the amount of an award in excess of $300,000.

(b) Each State shall provide that where a panel or division orders payment of an award of damages in accordance with the methods set forth in paragraph (1), (2), or (3) of section 4(i), payments of any contingent fee to the claimant's attorney shall be made out of the periodic payments therein provided for and shall in no instance be a larger fraction of such periodic payment than the proportion borne by the total fee payable under subsection (a) of this section to the total amount of damages awarded.

(c)(1) This section does not require that fees for malpractice claims be contingent fees, nor does it authorize the award of fees against a liable party except where authorized by section 4(j) or under State law.

(2) If an attorney accepts payment in excess of the amount provided by this section, he shall forfeit three times the amount of the excess, plus costs of recovery, to the State in any civil action for recovery brought by the State in any Federal district court within the State. The Federal district courts shall have original and exclusive jurisdiction of such actions for recovery.

SEC. 6. HEALTH CARE FACILITY RISK MANAGEMENT PROGRAMS.

(a) DEVELOPMENT OF PROGRAM.—Within two years of the date of enactment of this Act, each State shall be encouraged to develop a program to require each licensed hospital, outpatient facility other than the office of an individual practitioner, and residential health-care organization or facility, within the State to employ a risk management program consistent with the standards of this section. Each Federal health-care institution in a State shall comply with the State program approved by the Attorney General of the United States under section 7. A State risk management program shall be consistent with State law, which shall meet the minimum requirements set forth in subsection (b).

(b) MINIMUM REQUIREMENTS.—

(1) REPORTING.—The State shall require that each licensed hospital or residential health care organization adopt procedures for identifying and reporting to a risk management committee or office approved by the State all known or suspected incidents of malpractice by that hospital or organization, or by the staff of the hospital or organization, or persons using facilities with the permission of the hospital or organization and for identifying the causes of such incidents and suspected incidents.

(2) INVESTIGATION AND PREVENTION.—Each approved risk management committee or office shall prepare a case file on each reported incident as soon as it is reported, and investigate the merits of any likely claim while evidence is fresh and the reports of witnesses are readily available. The case files and reports of investigations shall be made available to the patient and hospital or licensed organization. The reports shall be reviewed by the hospital or licensed organization to identify actions which can be taken to reduce the risk of further incidents of the same nature.

(c) JOINT COMMITTEES AND OFFICES.—Two or more licensed hospitals or residential health care organizations may jointly establish or use the same approved risk management committee or office, and approved committees or offices may exchange information concerning risk experience, prevention, and management, except that such committees or offices shall not be used for the exchange of price information in a manner forbidden by the antitrust laws of the United States, to fix prices for health care or insurance services, or to divide markets in a manner forbidden by the antitrust laws of the United States.

SEC. 7. CERTIFICATION OF QUALIFYING PROGRAM.

(a) The Governor of the State shall certify to the Attorney General of the United States within two years of the date of enactment of this Act whether the State has adopted a program which in the opinion of the Governor is in compliance with the provisions of this Act. The Governor shall attach to the certification copies of all relevant State laws, rules, procedures, and regulations which are a part of the State program.

(b) The Attorney General shall examine each certification within sixty days of receipt, and approve the certification if it is in substantial compliance with this Act. If in his opinion a State program is not substantially in compliance, the Attorney General shall within fifteen days notify the Governor accordingly and shall recommend revisions which would bring the State program into compliance.

(c) If within four years following the date of enactment of this Act the Attorney General is of the opinion that the program of a State does not substantially comply with the requirements of this Act, the Attorney General shall report that noncompliance to the Speaker of the House of Representatives, to the President pro tempore of the Senate, and to the President of the United States, together with his recommendations.

SEC. 8. PAYMENTS TO STATES WITH COMPLYING PROGRAMS.

(a) PAYMENTS BY ATTORNEY GENERAL.—The Attorney General shall, within ninety days of approving a State program certified by the Governor, pay to that State the amount specified in subsection (d). Payment shall be made in a single installment to the State officer, agency, or organization authorized by State law to receive it.

(b) FINANCIAL DEVELOPMENT OF STATE PROGRAM.—Payments made under subsection (a) shall be used by the receiving State to support and pay the costs of establishing the screening panel or panels established by it in compliance with section 4 and the costs of developing and submitting the State program required by section 7. Any amount of the payment not required to support the panel or panels or to reimburse the State for the costs of the program may be used by the State to—

(1) identify the causes of health care malpractice incidents within the State and develop means or programs to prevent or reduce the severity and frequency of avoidable injuries to patients;

(2) review the structure, authority, and operations of approved State malpractice claims plans, risk-management committees, professional standards review organizations, professional licensing bodies, and professional conduct bodies for licensed or certified health care professionals and industries, and to develop or implement needed improvements; and

(3) develop or offer courses or materials on recognized standards for the safe and approved practice of any licensed or certified health care profession or industry within the State, and relating to ways in which the risks of avoidable injury to patients may be reduced and the standards of practice improved.

(c) REPORT OF GOVERNOR.—The Governor shall, within one year of the date of enactment of this Act, report to the Attorney General on the State's use of any payment received under subsection (a), and shall provide to the Attorney General upon request the results or reports of State actions funded under subsection (b).

(d) AMOUNT OF PAYMENTS.—The Attorney General shall allocate among the States the funds appropriated to make payments under this section as follows:

(1) The Attorney General shall allocate $250,000 to each State described in subsection (a). He shall allocate the remainder of the funds among the States according to State population.

(2) If a State has not submitted a certified program within thirty months after the date of enactment of this Act that complies with this Act, the Attorney General shall notify the Governor of the State that unless a program that is in compliance with this Act is certified within six months, the State's allocation will be terminated.

(3) If after six months from notification under paragraph (2) the State has not certified a program to the Attorney General, or if a certified State program is disapproved by the Attorney General as not in compliance with the requirements of this Act, the amount allocated to the State under paragraph (1) shall be reallocated as provided in paragraph (4).

(4) Unused funds subject to reallocation pursuant to paragraph (3) shall be reallocated and paid to those States which the Attorney General determines in his discretion are most in need of additional funds to support State programs adopted in compliance with this Act. In reallocating funds, the Attorney General shall consider all relevant circumstances, including—

(A) a high incidence of malpractice claims within the State;

(B) unique or unusual types of claims requiring exceptional expense to the State;

(C) long distances or other geographical barriers within the State which increase travel and administrative costs;

(D) particular claims involving unusual problems of proof or presenting new issues of scientific fact or professional standards;

(E) particular claims or patterns of claims involving similar or related injuries to a large number of persons similarly situated; and

(F) special litigation or management needs occasioned in order to comply with existing State law or State constitutional requirements.

(5) Unused funds subject to reallocation pursuant to paragraph (3) may also be allocated by the Attorney General to any State, or to the Federal Justice Research Program, for the purpose of assisting in the development or implementation of an initial or modified State program, or for studies of the operations of existing programs within a State. The results of any such study shall be reported to the Attorney General.

(6) Any decision by the Attorney General that a State program is not in compliance with this Act, or that funds allocated to a State shall revert, or to reallocate reverted funds, shall be final and not subject to judicial review.

There are authorized to be appropriated to the Department of Justice $25,000,000 for fiscal year 1982, and each succeeding fiscal year to carry out the purposes of this Act, which shall remain available until expended.

SEC. 10. DEFINITIONS.

For purposes of this Act—

(1) "malpractice" means malpractice, or professional negligence, by an individual or group that provides health care services or goods and that is required by State law to be licensed or certified to provide such services or goods within the State;

(2) "panel" means a malpractice screening panel established pursuant to section 4;

(3) "division" means a division of a malpractice screening panel that is authorized to hear and decide malpractice claims pursuant to this Act; and

(4) "State Insurance Commissioner" means the officer or agency of State government charged with licensing or regulating the business of providing insurance against claims of malpractice within the State.

[From the CONGRESSIONAL RECORD, Sept. 25, 1980]

By Mr. INOUYE:

S. 3161. A bill to limit the costs resulting from acts of negligence in health care and to improve the level of health care services in the United States, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH CARE PROTECTION ACT

Mr. INOUYE. Mr. President, today I am introducing legislation which, if enacted, would establish for the first time, uniform Federal standards for a network of health care malpractice screening panels across our Nation. The Health Care Protection Act of 1980 is an outgrowth of earlier legislation that I introduced back in 1975 during the midst of our medical malpractice insurance crisis. My original proposal was essentially a workers compensation, no-fault approach. It attempted to isolate and deal separately with two, often emotionally charged, issues of practitioner competence and patient compensation. At that time, my colleague, Senator Kennedy, joined with me in proposing various alternative approaches, including another bill which proffered a screening panel approach.

During the past 5 years, in my judgment, we have come a long way in determining what should be the appropriate role for the Federal Government in the many complex issues that are often unfortunately grouped together under the general label of "medical malpractice." For example, we have recognized that there are many different types of health care practitioners with different responsibilities, levels of professional training, and modes of practice. Further, we have begun to appreciate the extent to which the emotional trauma that generally accompanies the classic medical malpractice suit is beneficial for neither the unfortunate patient nor the practitioner, regardless of the ultimate outcome of the trial. We have also come to publicly admit that the delivery of health care is still largely an art, rather than a precise science, and that although in retrospect it is oftentimes tempting to second-guess the practitioner, no one is well served by that approach.

Since 1975, a growing number of State legislatures, and even courts, have experimented with different approaches depending upon their own unique circumstances and philosophical orientations. Admittedly, for the past several years now, the malpractice crisis seems to have abated. And a number of my colleagues may wonder why today I still feel that it is important to address this issue. However, the answer is quite simple. From all that I have seen and read, we have not satisfactorily addressed the fundamental causes behind our earlier crisis. Accordingly, rather than being truly resolved, these highly complex issues are merely dormant. I am afraid that it will not be long before another emotionally charged crisis evolves, and this time it may well be more disruptive than before.

Mr. President, I ask unanimous consent that a reporting from the February 1980, issue of the National Law Journal be printed in the RECORD at this juncture.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

"IS ANOTHER CRISIS LOOMING?

"(By Stu Chapman)

"A new medical malpractice crisis could be brewing in the nation's courts.

"After a lull in litigation following the crisis of 1975, insurance carriers are reporting a dramatic increase in the number of liability claims filed against physicians. The increase in claims, accompanied by huge awards for plaintiffs, has prompted some of the nation's major insurance carriers to hike premiums for doctors.

"The St. Paul Fire and Marine Insurance Co., the largest medical malpractice carrier in the country, reports that malpractice claims against its physician subscribers rose 12 percent in 1978. The number of claims filed had dipped by as much as 11 percent during the previous two years.

"In Chicago, the Illinois State Medical Society said that more medical malpractice claims were filed in Cook County in September 1979 than in any month since November 1975.

"SUING POPULAR AGAIN

"Suing the doctor is popular again for a number of reasons.

"First, legislative efforts in many states to limit personal injury claims have undergone constitutional challenges. If the new malpractice laws have not been weakened, they apparently look less forbidding to attorneys than they did several years ago.

"At the same time, court decisions have been expanding physician liability, particularly concerning birth defects and injuries. For example, two New York cases held physicians liable for the lifelong special costs of caring for defective children if the doctors failed to warn the prospective parents of possible genetic risks.

"'The hair-raising verdicts are getting worse—particularly in New York,' said Don Fager, assistant treasurer of Medical Liability Mutual Insurance Co., the physician-owned company set up by the Medical Society of the State of New York. 'It used to be that we didn't get those million-dollar verdicts but now we get them routinely, and the publicity that accompanies them only whets the public's appetite for more.'

"MILLION-DOLLAR CASES

"Million-Dollar cases are becoming more commonplace, figures show. Jury Verdict Research Inc. shows 23 million-dollar cases in 1977 and 1978 compared to only a few for all preceding years combined.

"If the new groundswell of claims continues, it is not expected to have as widespread an impact, however, as the crisis that swamped physicians five years ago. The biggest difference: physician-owned insurance companies that can guarantee the availability of insurance for doctors and that are taking a tougher stand in fighting claims that might be marginal.

"The impact of the new doctor-owned companies on litigation can be seen in figures from the National Association of Insurance Commissioners. Its survey of claims closed between July 1, 1976, and June 30, 1978, showed a big jump in the number of cases going to court. The study shows 16 percent of the cases going to trial compared to only 5 percent previously. And the doctor-owned companies are proving to be tough opponents in court—winning 90 percent of their cases compared to 80 percent a few years ago."

Mr. INOUYE. Mr. President, in December 1978, then-Attorney General Griffin Bell announced the Department of Justice's intention to propose legislation establishing minimum standards for procedures to resolve malpractice claims. At that time, the Attorney General stated, in part, that—

"Medical malpractice problems are high on our agenda. These problems have reached troubling proportions in several ways: the cost of medical care is substantially increased; inflation is fueled; and expense and delay in litigation are exacerbated. The cost of malpractice insurance adds considerably to the cost of medical services to the people of the country. Last year, the nation's hospitals alone spent approximately $1.2 billion for malpractice insurance. This represents a six-fold increase over the past five years. The malpractice costs by themselves add approximately $5 per day for every person who requires hospitalization. Moreover, existing litigation procedures do not always assure that meritorious claims are compensated or that physicians and hospitals are adequately protected against unmeritorious claims.

"In an effort to get at this problem, we will send to the Congress a proposal to improve the process for resolving medical malpractice claims. The experience of several states shows that patients, doctors, and hospitals all benefit from a system that provides screening of malpractice claims and which is tied to improved professional discipline procedures.

"The use of screening panels provides a means of weeding out unfounded claims and encouraging prompt and fair settlement of those which are meritorious. We are going to propose national minimum standards for procedures to resolve malpractice claims. Within those national standards, the states would be free to shape individual systems to fit local needs and conditions. We believe this proposal would have a substantial effect in both reducing the cost and improving the quality of medical care."

In June 1979, after consultation with the Attorney General, Senator JAVITS and I shared a working draft of the proposed legislation with the 50 State Governors, requesting their review and comment. Again, since the earlier pressures no longer existed, there was considerable disagreement about whether the Federal Government ought to become involved at all. The other issues that they raised were also extremely helpful and I have tried to incorporte them wherever possible. Unfortunately, since Griffin Bell's departure from the Department of Justice, the administration's enthusiasm for aggressively addressing the malpractice issue has naturally cooled. However, the need is still pressing and I feel that it is appropriate to continue the dialog.

The cost of health care in our Nation has skyrocketed beyond belief and continues to escalate faster than almost any other segment of our economy. Before we can ever hope to enact a comprehensive national health insurance program, we must first address the issue of medical malpractice. In 1975, there were 20,000 medical malpractice claims, three-quarters of which arose from incidents that occurred within our Nation's hospitals. For the in-hospital claims that went the full route to a jury settlement, the average award was $350,000. It is estimated that our Nation's health care providers and hospitals presently pay over $1.25 billion a year in medical malpractice insurance premiums, yet only about 20 percent of this sum reached the pockets of malpractice victims. Further, it is estimated that there are between $2 billion and $7 billion a year of needless testing and procedures being performed merely because our nation's health care providers feel that they must practice what is known as defensive medicine.

Some 25 States established malpractice panels during the mid-1970s. The screening panel approach has worked especially well in the State of Hawaii, where 80 percent of the medical malpractice cases since 1976 have been settled out of court. Our Medical Claims Conciliation Panel has the support of lawyers, physicians, insurance companies and claimants. More specifically, interviews with Hawaii physicians revealed that 94 percent felt that the panels were helpful in resolving malpractice cases; 90 percent of the attorneys using the screening panels felt the same. In fact, the Pacific Business News heralded this procedure as curbing our state's medical malpractice insurance rates.

The bill that I am introducing today proposes a basic framework and economic incentive for our various state legislatures to develop their own malpractice screening panel programs. There are certain fundamental public policy value judgments inherent in my proposal that should be highlighted at this time. First, that malpractice is not limited only to the medical profession, but is the concern of all health care practitioners. Second, that a multidisciplinary screening approach should be utilized. Third, that all relevant information should be systematically collected and made public, and not hidden behind claims of privilege. And finally, that our malpractice insurance system should be reconceived to place far greater emphasis on compensating the unfortunate victim, rather than on pouring resources into courtroom clashes, claims administration, and insurer overhead.

My proposal is voluntary in nature. I have spelled out a number of specific standards which I feel would best serve the interests of all of the parties involved. I have authorized up to $25 million to be made available on a continuing basis for the Department of Justice to actively encourage states to comply. I proposed a mechanism for systematically collecting important data on malpractice claims, and in the future, when we have sufficient experience, I may very well make additional legislative recommendations.

It is my expectation that eventually every state will adopt this screening panel approach. Eventually, I hope that a truly no-fault approach patterned after our workers compensation laws can be developed, built upon the network of malpractice screening panels already in place, in order to insure that those who deserve compensation receive it, and that those practitioners who do not live up to appropriate standards are identified and properly limited in the scope of their practice.

Mr. President, I ask unanimous consent that the bill and its summary be included in the RECORD.

There being no objection, the bill and the summary were ordered to be printed in the RECORD, as follows:

S. 3161

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Care Protection Act of 1980".

SEC. 2. CONGRESSIONAL FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the health care professions and industry serve needs vital to the continuing health and welfare of the American people and form a vital part of commerce between the States;

(2) every person needs ready and economical access to medical and other health care services for full participation in American society and for full exercise of individual rights;

(3) the health care professions and industry apply national standards of health care to State and regional needs and circumstances;

(4) the need to compensate persons injured by avoidable acts of health care negligence or malpractice and the resultant costs of malpractice insurance significantly increase the costs of medical and other health care services and products;

(5) divergent systems for insuring against, and for litigating and compensating, health care malpractice claims further raise the cost of needed malpractice insurance and prevent speedy compensation of injured persons;

(6) a large majority of the cost of premiums paid for malpractice insurance goes to investigating or trying malpractice claims in State courts, while less than one-third of the premium amounts are now used to compensate persons injured by malpractice;

(7) many more incidents of health care malpractice occur than result in a claim for damages, and many valid claims for compensation are prevented because of the high costs of trial; conversely, many claims of malpractice are unjustified but result in settlements or awards for damages out of sympathy for the physical condition of the claimant;

(8) these added costs of insurance protection, and the risk of liability for compensation, burden both the health care providers and their patients, further raising the cost of health care goods and services;

(9) these costs also increase the costs to the United States Government of carrying out its programs for aiding the people and the States in meeting health care needs, and affect the extent to which the United States may be financially liable for health care services afforded by its own officers or employees, including the military services and veterans and public health care programs;

(10) failure to compensate adequately persons injured by health care malpractice adversely affects the general health and welfare of the people of the United States and burdens commerce between the States;

(11) many States have experimented successfully with nonjudicial malpractice claims systems using screening panels to reduce the costs of processing malpractice claims;

(12) early examination of claims regarding health care malpractice, before they reach court, by malpractice screening panels organized by the States according to uniform Federal standards will aid materially in reaching just and timely resolutions of those claims at much lower administrative and litigation costs than those now experienced under the existing system of direct tort litigation and malpractice insurance;

(13) members of the public and responsible public officials of the States are entitled to be informed in all instances in which health care malpractice is found by a State screening panel or court, in order to protect against the risk of further malpractice and to minimize the necessary costs of insurance protection;

(14) a small percentage of the health care providers account for a disproportionately high percentage of all malpractice claims, and an even higher percentage of insurance payments to persons injured by health care malpractice; and

(15) because insurance premiums are usually set for an entire specialty group in a given region, these high-risk providers do not bear a financial burden proportionate to the amount of injury they cause, so there is not an effective financial incentive for the safe practice of medicine and other health care specialties.

(b) Statement of Purpose.—The purpose of this Act is to provide minimum Federal standards for the creation by each State of health care malpractice screening panels and procedures that will reduce the costs to the public and to the health care professions of malpractice, and will provide full and expeditious compensation to the victims of health care malpractice.

SEC. 3. UNIFORM STANDARDS FOR COMPENSATION FOR HEALTH CARE MALPRACTICE.

(a) STATE PROGRAM FOR COMPENSATION.—Each State shall be encouraged to establish within four years of the date of enactment of this Act a program for compensation and reduction of health care malpractice that complies with the standards set forth in this Act. The State may establish the program by legislative, executive, or judicial action, as authorized by the laws and constitution of the State.

(b) ATTORNEY GENERAL REGULATIONS.—The Attorney General shall have authority to promulgate regulations for the interpretation and implementation of this Act. Without limiting the foregoing, within one year of the date of enactment of this Act, the Attorney General shall issue regulations concerning certification of State programs established under this Act and for the payments under section 8 to support State programs.

SEC. 4. MALPRACTICE SCREENING PANELS.

(a) ESTABLISHMENT.—Each State shall be encouraged to establish one or more malpractice screening panels to hear all claims of health care malpractice by persons in the State who are licensed or certified by the State to provide health care services or who provide health care services for which State law requires a license or certification. If the State establishes more than one screening panel, the jurisdiction of the panels may be divided by geographic area within the State or by health care specialty.

(b) MEMBERSHIP AND APPOINTMENT.—(1) A malpractice screening panel shall have at least three members, chosen and appointed under the laws or constitution of the State. A State may require that a panel sit as a single body or may authorize the panel to sit in smaller divisions of at least three members. Each panel, and each division before which a claim is heard, shall include at least one licensed or certified health care professional and at least one person admitted to practice law in the courts of the State, and may include such other members as the State shall provide. The State may annex a panel to a court of the State. The State shall specify the method of selection and assignment of members of the panels, and of any division thereof, in a manner that assures that each panel and division thereof will afford a full and fair hearing to all parties to any claim brought before it. The panel shall not be composed entirely of members of the same political party or persuasion, and shall be selected without regard to the sex, race, religion, or national origin of any person.

(2) The State shall provide that any member or employee of a screening panel is immune from suit for defamation, libel, or slander, arising from the performance of his official duties with the panel, unless malice or actual knowledge of the falsity of a defamatory statement is proved.

(c) JURISDICTION AND RULES OF PROCEDURE.—The State program shall be encouraged to provide for the following:

(1) Each panel shall have original and exclusive jurisdiction within the State, or such area of the State or health care specialty as State law shall provide, to hear and decide any claim for damages resulting from injury or death incurred as a consequence of health care malpractice by an individual, group, or organization that is required to be licensed or certified by the State in order to provide health care goods or services in that State.

(2) Except as provided in subsection (j) or as provided for claims against the United States, every claim within the jurisdiction of a panel shall be filed with, heard, and decided by the panel.

(3) The existence or absence of requisite injury, causation negligence, malpractice, or any other element of a claim, or defense to a claim, shall be determined under the law of the State, but the State shall authorize each panel and the person who appoints the panel to establish rules of procedure for fair and expedited hearing and decision of claims. All such rules of procedure shall be published and made available to the public.

(d) CLAIM AND ANSWER.—Each State shall be encouraged to provide that a claim for damages resulting from injury or death incurred as a consequence of health care malpractice shall be filed with a malpractice screening panel within the State in which the malpractice allegedly occurred. The State shall specify the procedure for filing a claim, including a procedure for transfer to the appropriate panel of a claim improperly filed with a court or with the wrong panel, and shall require that a copy of the claim and any accompanying documents be served at the time the claim is filed on each person alleged to have caused the injury, each of whom shall be named as a defendant. The State shall require that each defendant answer the claim in timely fashion and completely. The State shall provide that a filed claim fully describe the alleged malpractice that gave rise to the claim and the nature and extent of the injury that resulted and the manner in which it took place, list the names of all liable persons and decide their role in the malpractice, and list the names of all expert witnesses who will be called in support of the claim, including therewith their qualifications.

(e) SCREENING AND PRELIMINARY INVESTIGATION.—The panel or division of the panel to which the claim is assigned shall promptly review each claim and answer. If in the course of its review the panel or division determines that particular evidence will be needed to decide the claim, the panel or division shall notify the claimant and each defendant, and provide them an opportunity to provide the evidence at or before the hearing on the claim. The panel may, on its own motion, engage expert consultants or witnesses during review or at a hearing, and their testimony or reports shall be admitted into evidence.

(f) DISCOVERY.—The panel or division may permit discovery and motion practice prior to the hearing required by subsection (g) only as specially provided by State law for malpractice screening panels. The panel shall not permit discovery that will burden unduly the claimant, the defendant, or any third party, in light of the size and nature of the claim, or that will delay unduly the resolution of the claim.

(g) HEARING.—The panel or division shall, within one hundred and eighty days of the date on which a claim is filed, conduct a hearing on the claim. One continuance, not to exceed ninety days, may be granted any party upon a showing that extraordinary circumstances not within that party's control warrant delay in the interests of justice. At the hearing, each party may be represented by counsel. The claimant shall be required to put on all evidence supporting his claim, and each defendant shall be required to put on all evidence rebutting or defending against that claim. Notwithstanding the rules of evidence applicable in the State's courts, the panel or division may hear and consider any relevant and material evidence, but a State may establish and publish rules or procedures preventing the introduction of irrelevant, unprobative, or unduly repetitious evidence. A State may establish and publish such separate procedures for the conduct of panel hearings as comport with the due process of law and with this section. A panel or division shall be authorized to compel the appearance of witnesses and the production of documents or other evidence.

(h) PANEL OR DIVISION DECISION.—After hearing all the evidence presented by the claimant and each defendant, the panel or division shall decide whether or not the malpractice was proved, and, if it was proved, whether the injury resulted from proved malpractice of one or more of the defendants. The decision shall be in writing and shall include a written statement of the findings of fact and conclusions of law on which the panel or division based its decision and determined any award under subsection (i).

(i) AWARDS OF DAMAGES.—If a panel or division finds compensable injury resulting from health care malpractice by one or more named defendants, it shall determine the amount of damages owed under State law by each liable defendant to the claimant, and shall enter an order to pay an award in that amount. An award by a panel is due upon entry of the award, but a State may provide for judicial enforcement of an award that is not paid promptly. In court proceedings to enforce an order to pay an award, the only issue shall be whether payment has been made according to the terms of the order. The decision of a panel or division shall not be open for review, except to review an allegation of unlawful conflict of interest by a member of the panel or division that entered the decision, or of fraud. A State shall provide that, notwithstanding any other provision of law but subject to any State law limiting the amount of recoverable damages—

(1) a panel or division may provide that any award for continuing or prospective damages of $100,000 or more be made in the form of suitable annual or other periodic payments as actual damages are incurred;

(2) a panel or division may provide that any award for damages of $200,000 or more may be satisfied by establishing a trust fund or purchasing an annuity for the life of each person to whom the award is made, or during continuance of the compensable injury or disability, with reversionary interest in the persons liable for the award; and

(3) the timing and amounts of periodic payments or of payments from a trust fund or annuity shall be such as to avoid hardship to, and assure full compensation of, the person or persons to whom the award is made, as determined by the panel or division thereof.

(j) TRIAL DE NOVO IN STATE COURT.—(1) Each State shall provide that any party to a claim decided by a panel or division shall be entitled to trial de novo on the claim before a State court of appropriate jurisdiction on motion filed within sixty days of the panel's or division's decision. The decision of the panel or division and its written statement and order to pay an award shall be admissible as evidence in such trial on motion of any party to the panel or division hearing. Any right of trial by jury shall be preserved. If a trial de novo is held at the request of a party, that party may be liable for all cost of trial and for reasonable attorney's fees to opposing parties if, after final judgment in the State court, that party has not substantially prevailed in the action.

(2) A party has substantially prevailed in a trial de novo if—

(A) the party was a defendant at the panel or division hearing and is found by the court not to be liable in damages, or to be liable for damages in an amount at least 20 percent or $6,000 (whichever is higher) less than the defendant's liability as established by the panel or division; or

(B) the party was the claimant at the panel or division and the court awards damages in an amount at least 20 percent or $6,000 (whichever is higher) greater than the amount awarded to that claimant by the panel or division.

(k) REPORT OF FINDINGS OF MALPRACTICE OR NEGLIGENCE.—(1) The State shall require that if a panel, division, or court finds health care malpractice by one or more named defendants, or if a settlement agreement is filed with a panel or division before decision, the panel, division, or court shall within thirty days report its decision, or notice of the settlement, to the State Insurance Commissioner together with its written statement, verdict, or opinion and any order of award made in the case. The panel or court shall within the same time make a similar report to the State licensing or certification board or professional conduct body, if any, with jurisdiction over the licensed or certified health care profession or industry concerned.

(2) The State Insurance Commissioner shall make all such reports available for public inspection by any person, shall take such further action with respect to the report of malpractice as State law authorizes, and shall promptly notify each insurance company or association offering malpractice insurance for the licensed or certified profession or business within the State of the terms of the panel's or court's decision, including the name of each person found to have committed professional malpractice, the nature of his liability, and the amount of any award.

(3) The State shall provide that insurance companies or associations are authorized to adjust their rates for persons who are held liable by a panel, division, or court for malpractice, or who have entered into two or more settlements within the preceding three years that require payments to claimants in malpractice actions.

(l) SETTLEMENT BEFORE DECISION OR AWARD.—The parties to a claim filed with, but not yet decided by, a panel may enter into a settlement agreement at any time. A written copy of the agreement shall be filed with the panel. Any such settlement shall not provide for attorney's fees in excess of the amount authorized under section 5 of this Act. Upon receiving a copy of the agreement, the panel shall close its file on the claim and shall forward notice of the settlement as provided in subsection (k).

(m) FILING CLAIM TOLLS STATUTE OF LIMITATION.—The State shall provide that a statute of limitation pertaining to a claim relating to malpractice is tolled from the date on which the claim is filed under subsection (d) to the date of the panel's or division's decision.

SEC. 5. AWARD OF ATTORNEYS' FEES IN MALPRACTICE ACTIONS.

(a) Each State shall provide that in any action or claim filed under this Act with the panel in which the claimant receives an award of damages, the amount of payments to the claimant's attorney shall not exceed the sum of—

(1) one-third of the amount of an award of less than $100,000;

(2) one-quarter of the amount of an award between $100,000 and $200,000;

(3) 20 percent of the amount of an award between $200,000 and $300,000; and

(4) 15 percent of the amount of an award in excess of $300,000.

(b) Each State shall provide that where a panel or division orders payment of an award of damages in accordance with the methods set forth in paragraph (1), (2) or (3) of section 4(i), payments of any contingent fee to the claimant's attorney shall be made out of the periodic payments therein provided for and shall in no instance be a larger fraction of such periodic payment than the proportion borne by the total fee payable under subsection (a) of this section to the total amount of damages awarded.

(c)(1) This section does not require that fees for malpractice claims be contingent fees, nor does it authorize the award of fees against a liable party except where authorized by section 4(j) or under State law.

(2) If an attorney accepts payment in excess of the amount provided by this section, he shall forfeit three times the amount of the excess, plus costs of recovery, to the State in any civil action for recovery brought by the State in any Federal district court within the State. The Federal district courts shall have original and exclusive jurisdiction of such actions for recovery.

SEC. 6. HEALTH CARE FACILITY RISK MANAGEMENT PROGRAMS.

(a) DEVELOPMENT OF PROGRAM.—Within two years of the date of enactment of this Act, each State shall be encouraged to develop a program to require each licensed hospital, out-patient facility other than the office of an individual practitioner, and residential health-care organization or facility, within the State to employ a risk management program consistent with the standards of this section. Each Federal health-care institution in a State shall comply with the State program approved by the Attorney General of the United States under section 7. A State risk management program shall be consistent with State law, which shall meet the minimum requirements set forth in subsection (b).

(b) MINIMUM REQUIREMENTS.—

(1) REPORTING.—The State shall require that each licensed hospital or residential health care organization adopt procedures for identifying and reporting to a risk management committee or office approved by the State all known or suspected incidents of malpractice by that hospital or organization, or by the staff of the hospital or organization, or persons using facilities with the permission of the hospital or organization and for identifying the causes of such incidents and suspected incidents.

(2) INVESTIGATION AND PREVENTION.—Each approved risk management committee or office shall prepare a case file on each reported incident as soon as it is reported, and

investigate the merits of any likely claim while evidence is fresh and the reports of witnesses are readily available. The case files and reports of investigations shall be made available to the patient and hospital or licensed organization. The reports shall be reviewed by the hospital or licensed organization to identify actions which can be taken to reduce the risk of further incidents of the same nature.

(c) JOINT COMMITTEES AND OFFICES.—Two or more licensed hospitals or residential health care organizations may jointly establish or use the same approved risk management committee or office, and approved committees or offices may exchange information concerning risk experience, prevention, and management, except that such committees or offices shall not be used for the exchange of price information in a manner forbidden by the antitrust laws of the United States, to fix prices for health care or insurance services, or to divide markets in a manner forbidden by the antitrust laws of the United States.

SEC. 7. CERTIFICATION OF QUALIFYING PROGRAM.

(a) The Governor of the State shall certify to the Attorney General of the United States within two years of the date of enactment of this Act whether the State has adopted a program which in the opinion of the Governor is in compliance with the provisions of this Act. The Governor shall attach to the certification copies of all relevant State laws, rules, procedures, and regulations which are a part of the State program.

(b) The Attorney General shall examine each certification within sixty days of receipt, and approve the certification if it is in substantial compliance with this Act. If in his opinion a State program is not substantially in compliance, the Attorney General shall within fifteen days notify the Governor accordingly and shall recommend revisions which would bring the State program into compliance.

(c) If within four years following the date of enactment of this Act the Attorney General is of the opinion that the program of a State does not substantially comply with the requirements of this Act, the Attorney General shall report that noncompliance to the Speaker of the House of Representatives, to the President pro tempore of the Senate, and to the President of the United States, together with his recommendations.

SEC. 8. PAYMENTS TO STATES WITH COMPLYING PROGRAMS.

(a) PAYMENTS BY ATTORNEY GENERAL.—The Attorney General shall, within ninety days of approving a State program certified by the Governor, pay to that State the amount specified in subsection (d). Payment shall be made in a single installment to the State officer, agency, or organization authorized by State law to receive it.

(b) FINANCIAL DEVELOPMENT OF STATE PROGRAM.—Payments made under subsection (a) shall be used by the receiving State to support and pay the costs of establishing the screening panel or panels established by it in compliance with section 4 and the costs of developing and submitting the State program required by section 7. Any amount of the payment not required to support the panel or panels or to reimburse the State for the costs of the program may be used by the State to—

(1) identify the causes of health care malpractice incidents within the State and develop means or programs to prevent or reduce the severity and frequency of avoidable injuries to patients;

(2) review the structure, authority, and operations of approved State malpractice claims plans, risk-management committees, professional standards review organizations, professional licensing bodies, and professional conduct bodies for licensed or certified health care professional and industries, and to develop or implement needed improvements; and

(3) develop or offer courses or materials on recognized standards for the safe and approved practice of any licensed or certified health care profession or industry within the State, and relating to ways in which the risks of avoidable injury to patients may be reduced and the standards of practice improved.

(c) REPORT OF GOVERNOR.—The Governor shall, within one year of the date of enactment of this Act, report to the Attorney General on the State's use of any payment received under subsection (a), and shall provide to the Attorney General upon request the results or reports of State actions funded under subsection (b).

(d) AMOUNT OF PAYMENTS.—The Attorney General shall allocate among the States the funds appropriated to make payments under this section as follows:

(1) The Attorney General shall allocate $250,000 to each State described in subsection (a). He shall allocate the remainder of the funds among the States according to state population.

(2) If a State has not submitted a certified program within thirty months after the date of enactment of this Act that complies with this Act, the Attorney General shall notify the Governor of the State that unless a program that is in compliance with this Act is certified within six months, the State's allocation will be terminated.

(3) If after six months from notification under paragraph (2) the State has not certified a program to the Attorney General, or if a certified State program is disapproved by the Attorney General as not in compliance with the requirements of this Act, the amount allocated to the State under paragraph (1) shall be reallocated as provided in paragraph (4).

(4) Unused funds subject to reallocation pursuant to paragraph (3) shall be reallocated and paid to those States which the Attorney General determines in his discretion are most in need of additional funds to support State programs adopted in compliance with this Act. In reallocating funds, the Attorney General shall consider all relevant circumstances, including—

(A) a high incidence of malpractice claims within the State;

(B) unique or unusual types of claims requiring exceptional expense to the State;

(C) long distances or other geographical barriers within the State which increase travel and administrative costs;

(D) particular claims involving unusual problems of proof or presenting new issues of scientific facts or professional standards;

(E) particular claims or patterns of claims involving similar or related injuries to a large number of persons similarly situated; and

(F) special litigation or management needs occasioned in order to comply with existing State law or State constitutional requirements.

(5) Unused funds subject to reallocation pursuant to paragraph (3) may also be allocated by the Attorney General to any State, or to the Federal Justice Research Program, for the purpose of assisting in the development or implementation of an initial or modified State program, or for studies of the operations of existing programs within a State. The results of any such study shall be reported to the Attorney General.

(6) Any decision by the Attorney General that a State program is not in compliance with this Act, or that funds allocated to a State shall revert, or to reallocate reverted funds, shall be final and not subject to judicial review.

SEC. 9. AUTHORIZATION.

There are authorized to be appropriated to the Department of Justice $25,000,000 for Fiscal Year 1981 and each succeeding Fiscal Year to carry out the purposes of this Act, which shall remain available until expended.

SEC. 10. DEFINITIONS.

For purposes of this Act—

(1) "malpractice" means malpractice, or professional negligence, by an individual or group that provides health care services or goods and that is required by State law to be licensed or certified to provide such services or good within the State;

(2) "panel" means a malpractice screening panel established pursuant to section 4;

(3) "division" means a division of a malpractice screening panel that is authorized to hear and decide malpractice claims pursuant to this Act; and

(4) "State Insurance Commissioner" means the officer or agency of State government charged with licensing or regulating the business of providing insurance against claims of malpractice within the State.

SUMMARY: THE HEALTH CARE PROTECTION ACT OF 1980

The Health Care Protection Act of 1980 ("the Act") provides financial incentives for States to establish health care malpractice screening panels in accordance with uniform federal standards. The Act also limits the size of attorney fees which can be awarded in a malpractice case, and introduces federal standards for health care facility risk management programs across the United States. It is intended to control the rising costs—in money and personal suffering—of malpractice disputes by providing uniform nationwide standards for fair, affordable and expedited review of malpractice damage claims. At the same time, the Act will improve the incentives for safer practice within the licensed health care professions and industries.

1. Scope. The Act covers all licensed and certified health care professions and industries. It is not limited to traditional "medical malpractice". Its scope includes all claims for damages resulting from injuries incurred as a result of malpractice or other negligent delivery of health care goods or services by any covered individual, group or organization.

2. Timing. Each state will be encouraged to: (a) establish a screening panel system for handling malpractice claims; (b) adopt a prescribed schedule of limits on attorney fees in malpractice cases; and (c) implement risk management programs which comply with the standards of the Act. An initial report would be due in two years from the date of enactment, and the Attorney General would authorize federal assistance payments to those states whose reports indicate that they have complying programs. The Attorney General would provide advice and assistance to the states, upon request, in developing or revising state programs to comply with the standards of the Act.

3. Uniform standards for malpractice screening panels. Each state would establish, under state law, one or more malpractice screening panel(s), which could be given specific jurisdiction according to state geography or health care specialty. Each panel would have three (3) or more members, with at least one licensed or certified health care professional and at least one member of the state bar on each panel or division before which a claim is heard.

All claims for damages resulting from health care malpractice or professional negligence would be heard and decided by the state panel using expedited procedures, within 180 days of the time a claim is filed. The state's statute of limitations would be tolled during that time. Any party dissatisfied with the panel's decision would be entitled to a full trial in the state's courts, at which the panel's written decision and award could be introduced into evidence. If a party took advantage of the right to a trial de novo and still failed to substantially improve his position (by the larger of $6,000 or 20 percent) over the panel's decision, the trial court could require the party to pay all costs of the trial including his opponent's attorney fees. Panel and court awards for future damages could be satisfied under the Act by requiring the responsible party to set up an annuity or trust fund, or to make periodic payments as damages are incurred, rather than through a lump-sum payment which might give rise to a windfall profit later.

Panel and court findings that malpractice or professional negligence has occurred would be reported to the state insurance commissioner and the state professional licensing board. Such reports would also eventually be made available to the public. Insurance companies offering malpractice coverage would be authorized to charge higher premiums to persons or organizations with a history of frequent malpractice settlements or liability.

4. Uniform standards for the award of attorney fees in malpractice actions. The Act also establishes federal standards which set the maximum amount of contingency fees payable to attorneys in malpractice cases. An attorney could collect no more than one-third of the first $100,000 of any judgment, and would be limited to a progressively declining share of each additional $100,000 increment. An attorney who accepted a higher fee would be liable to the state for treble damages in an action in federal district court.

5. Health care facility risk management programs. Under the Act, each state would within two years develop a program requiring all residential health care facilities to employ an approved risk management program. These programs would identify report and investigate all known or suspected incidents of malpractice or negligence in a covered facility, and would require covered facilities and organizations to take positive steps to investigate and prevent future instances of malpractice or negligence.

6. Payments to States with complying plans. A total of $25 million would be authorized annually to fund state activities under the Act and would be allocated among the states by the Attorney General. Three years following its enactment, the Act would authorize the Attorney General to provide payments to only those states whose programs comply with the federal requirements. Funds not required for development costs could be used for studies and information development on state malpractice problems.●

By Mr. INOUYE:

S. 125. A bill to revise and codify the Shipping Act, 1916, and related laws; to the Committee on Labor and Human Resources.

OCEANS SHIPPING ACT OF 1981

● Mr. INOUYE. Mr. President, last year, after extensive hearings and deliberations by the Commerce Committee over a 3-year period, the Senate unanimously passed S. 2585, the Ocean Shipping Act of 1980. The legislation also had the overwhelming support of the maritime industry. Unfortunately, the House failed to act.

S. 2585 attempted the first major overhaul in 64 years of the Shipping Act, 1916, which is the blueprint of Federal regulation of international liner shipping. The 1916 act was enacted long before such technological breakthrough as containerization which revolutionized the maritime industry.

Mr. President, everyone familiar with our laws regulating international ocean commerce recognizes the urgent need to update the Shipping Act of 1916, if we are to assure a regulatory environment which encourages the lowest feasible and stable freight rates and the highest quality service to shippers and consignees.

Revision of that act is also necessary to enable U.S. ship operators to compete equally with their foreign counterparts for cargo in our own trades. As it is, because of judicial and administrative interpretations the provisions of the 1916 act have been unevenly applied to the detriment of U.S.-flag carriers.

Briefly, Mr. President, S. 2585 included the following major substantive changes in existing law:

Set forth a declaration of policy which clearly delineated the objectives of ocean transportation regulation in the foreign commerce of the United States.

The nine policy objectives specified in the bill were intended to serve as the substantive standards for the Federal Maritime Commission (FMC) evaluation of agreements involving concerted activity in international ocean shipping and patronage contracts between carriers, shippers, and consignees.

Clarified and reaffirms the complete exemption of concerted activities in ocean shipping (which are specified in the act) from the operation of the antitrust laws.

Established clear procedures for FMC approval of agreements and places statutory time limits on Commission action; provides for temporary approval of agreements; and establishes certain categories of presumptively approvable agreements.

Permitted the establishment and operation of shippers' councils within the United States.

Allowed greater flexibility in the type of patronage contracts offered by carriers and conferences.

Authorized the approval and implementation of intermodal agreements.

Directed the U.S. Government to negotiate intergovernmental maritime agreements between the United States and its trading partners as a matter of U.S. policy whenever conditions in foreign commerce warrant their use and prescribes guidelines for their development.

Subjected all carriers to independent, neutral body self-policing in order to ensure compliance with the requirement of the Act.

Clarified and reaffirms the independence of the FMC from OMB clearance of legislative recommendations, testimony or comments.

Provided for annual authorization of appropriations for the Commission, giving Congressional committees with substantive jurisdiction over Commission activities the opportunity to ensure that sufficient funds are allocated to implement the laws administered by the Commission.

Mr. President, with one exception, which I shall discuss, the legislation I am introducing today is, except for necessary technical changes, identical to S. 2585.

The change in the instant measure is a conforming one to reflect an amendment to the Shipping Act of 1916, which was enacted into law subsequent to Senate passage of S. 2585, that is, the Maritime Labor Agreements Act of 1980.

The Maritime Labor Agreements Act of 1980, also unanimously passed the Senate, with unanimous industry support. It does not therefore inject any controversial matter in the legislation I am introducing today.

Mr. President, I believe that if the legislation did nothing more than restore the primacy of the shipping laws to our international trades, it would merit the Senate's strong endorsement and approval. But the legislation does considerably more. It streamlines and updates our entire body of law regulating international liner shipping, and in the process fashions a regulatory system which will assure the maintenance of a dependable common carrier service responsive to the needs of the vessel operators, exporters, and importers in the waterborne commerce of the United States.

In my judgment this legislation is a necessary step toward restoring the U.S. merchant marine to a position of leadership in the world of ocean shipping.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 126. A bill to establish the position of Associate Director for Minority Concerns in the National Institute on Alcohol Abuse and Alcoholism; to the Committee on Labor and Human Resources.

S. 127. A bill to establish the position of Associate Director for Minority Concerns in the National Institute on Drug Abuse; to the Committee on Labor and Human Resources.

ESTABLISHMENT OF CERTAIN ASSOCIATE DIRECTORS

● Mr. INOUYE. Mr. President, today I am introducing legislation that would amend both the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, and the Drug Abuse Office and Treatment Act of 1972, in order to provide for the establishment of an Associate Director for Minority Concerns within each of these two important Institutes.

During our deliberations on the Reauthorization Act for both of these Institutes during the 96th Congress, the Senate unanimously accepted a floor amendment which I offered that would have established Associate Directors for underserved populations with broad-ranging policy, training, research, and treatment mandates.

Unfortunately, during the subsequent conference deliberations these Associate Director positions were deleted. However, during our deliberations on the Mental Health Systems Act, the third Institute within the Alcohol, Drug Abuse, and Mental Health Administration, my proposal for an Associate Director for Minority Concerns was accepted both in the U.S. Senate and the House of Representatives.

Accordingly, the conferees did retain the position and I have drafted these two proposals in keeping with the Mental Health Systems conference agreement. Specifically, the Associate Director for Minority Concerns shall develop and coordinate prevention, treatment, research and administrative policies and programs to insure increased emphasis in the alcoholism and/or drug abuse related needs of minority populations.

In so doing, needed demonstration programs and projects will be authorized and a long-term strategy will be devel-

oped to increase the representation of minority populations in the appropriate research and training programs.

There is no question that our Nation's minorities traditionally and unfortunately presently still possess a disproportionate percentage of alcoholism and drug abuse related symptoms. Hopefully, by targeting the specific populations and by developing innovative appropriate approaches, we will at long last be able to address these needs satisfactorily. Incidentally, during the past Congress, the Alcoholism, Drug Abuse, and Mental Health Administration submitted an in-depth report on their current minority training efforts and although I personally felt that they have come a long way, I remained impressed by the extent to which there is yet more to be done.

Mr. President, I request unanimous consent that the text of my bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 126

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 101 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by adding the following new subsection at the end thereof:

"(e)(1) The Director of the National Institute on Alcohol Abuse and Alcoholism shall designate an Associate Director for Minority Concerns.

"(2) The Secretary, acting through the Associate Director for Minority Concerns, shall—

"(A) develop and coordinate prevention, treatment, research, and administrative policies and programs to assure increased emphasis on the alcohol and alcohol-related needs of minority populations;

"(B) support programs and projects relating to the delivery of alcohol and alcohol-related services to minority populations, including demonstration programs and projects;

"(C) develop a plan to increase the representation of minority populations in alcohol and alcohol-related service delivery and manpower programs;

"(D) support programs of basic and applied social and behavioral research on the alcohol and alcohol-related problems of minority populations;

"(E) study the effects of discrimination on institutions and individuals, including majority institutions and individuals;

"(F) develop systems to assist minority populations in adapting to, and coping with, the effects of discrimination;

"(G) support and develop research, demonstration, and training programs designed to eliminate institutional discrimination; and

"(H) provide increased emphasis on the concerns of minority populations in training programs, service delivery programs, and research endeavors of the Institute.".

(b) The amendment made by subsection (a) shall take effect on the date of the enactment of this Act or October 1, 1981, whichever occurs later.

S. 127

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 501 of the Drug Abuse Office and Treatment Act of 1972 is amended by adding the following new subsection at the end thereof:

"(e)(1) The Director of the National Institute on Drug Abuse shall designate an Associate Director for Minority Concerns.

"(2) The Secretary, acting through the Associate Director for Minority Concerns, shall—

"(A) develop and coordinate prevention, treatment, research, and administrative policies and programs to assure increased emphasis on the drug abuse and drug abuse-related needs of minority populations;

"(B) support programs and projects relating to the delivery of drug abuse and drug abuse-related services to minority populations, including demonstration programs and projects;

"(C) develop a plan to increase the representation of minority populations in drug abuse and drug abuse-related service delivery and manpower programs;

"(D) support programs of basic and applied social and behavioral research on the drug abuse and drug abuse-related problems of minority populations;

"(E) study the effects of discrimination on institutions and individuals, including majority institutions and individuals;

"(F) develop systems to assist minority populations in adapting to, and coping with, the effects of discrimination;

"(G) support and develop research, demonstration, and training programs designed to eliminate institutional discrimination; and

"(H) provide increased emphasis on the concerns of minority poulations in training programs, service delivery programs, and research endeavors of the Institute.".

(b) The amendment made by subsection (a) shall take effect on the date of the enactment of this Act or October 1, 1981, whichever occurs later.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 128. A bill to amend section 1002 of title 38, United States Code, to authorize the burial in a national cemetery of the parents of certain members of the Armed Forces who die in active service; to the Committee on Veterans Affairs.

BURIAL IN A NATIONAL CEMETERY

● Mr. INOUYE. Mr. President, I would like to take this opportunity to bring to the attention of my colleagues a current inequity regarding burial rights for members of the Armed Forces who died in active service.

Our present law entitles the spouses and/or children of these patriotic men and women to be buried alongside their loved ones in the national cemetery grounds. I am proposing legislation today to amend the appropriate section of the Code to further authorize the burial in a national cemetery of the parents of these patriotic men and women. My amendment would only apply for those parents who survive their son or daughter.

In many cases I understand that there has not been any spouse or child left behind when these honorable veterans die. Thus, their parents have been the only remaining family member. Accordingly, I strongly feel that they should have the right to join their beloved in final rest. I urge my colleagues to join with me in honoring these citizens who have sacrificed so much for our Nation.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 128

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1002 of title 38, United States Code, is amended by redesignating paragraph (6) as paragraph (7) and adding after paragraph (5) a new paragraph (6) as follows:

"(6) The surviving parents of any member of the Armed Forces who was the only child of such parents and whose death occurred under honorable conditions while such member was serving on active duty for a period of more than thirty days.".

By Mr. INOUYE:

S. 129. A bill to authorize the Secretary of Commerce to sell the obsolete vessel U.S.S. *Comstock* (LSD-19) to Pacific Marine, a U.S. company, for American flag, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SALE OF A U.S. VESSEL

● Mr. INOUYE. Mr. President, I am introducing today a bill to authorize the Secretary of Commerce to sell an obsolete vessel, the U.S.S. *Comstock*, to Pacific Marine, a firm based in Hawaii, for conversion for operation under the American flag as a support vessel in the Midway albacore fisheries.

The vessel will function as a drydock and would be capable of handling refrigerated containers on deck as well as fuel, fresh water, and spare parts to provide total support for the fishing fleet. It would provide a low cost alternative to support the fishing fleet during the Midway fisheries season and would be a sensible use of the vessel as a means to stimulate our fishing industry at a time when we are to rebuild our fishing fleet.

The ship is currently docked at Portland, Oreg., and was to have been sold for scrap this summer after being declared surplus. As a support vessel, its benefit to our national economy would be far enhanced rather than to permit it to be scrapped.

There are several safeguards which have been included in this bill. Conversion would have to be performed in the United States. It would have to be documented and operated under the laws of the United States. Finally, if it is scrapped, it would have to be scrapped in the domestic market.

Pacific Marine & Supply Co., Ltd., is located in Hawaii and has had a solid reputation for the last 36 years since it was founded in 1944. It has extensive repair and support facilities in Honolulu.

I believe that the bill is consistent with the pressing need for the United States to have a fishing fleet second to none. I strongly urge that it be passed.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 129

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provisions of law, the Secretary of Commerce is authorized, within two years of enactment of this Act, to sell, subject to such conditions as he deems are appropriate in the national interest, the USS *Comstock* (LSD-19) to Pacific Marine, a United States company, for conversion for

operation under the American flag in support of the Pacific fishing industry, provided, that (1) the Secretary shall not sell the vessel for less than its scrap value in the domestic market; (2) any conversion work shall be performed in the United States; (3) the vessel shall be documented and operated under the laws of the United States; and (4) if the vessel is scrapped, it shall be scrapped in the domestic market.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 130. A bill to amend the Immigration and Nationality Act with respect to the granting of U.S. citizenship to certain mentally retarded adults; to the Committee on the Judiciary.

GRANTING OF U.S. CITIZENSHIP TO RETARDED ADULTS

● Mr. INOUYE. Mr. President, during the 96th Congress, I introduced legislation that would amend the Immigration and Nationality Act to permit mentally retarded minors, who attain adulthood during the process of their application for citizenship, to become naturalized U.S. citizens in their own rights. When I originally introduced this bill, I felt that it was legislation that was merited and indeed necessary and I have not since that time received any other information that would contradict its importance.

This legislation, in my judgment, is necessary for several reasons, primarily because enactment will again demonstrate the continued compassion of America for those in need, while still preserving the integrity and the continuity of the family unit. This has always been a basic belief of our country.

My bill would give those mentally retarded aliens the opportunity to become citizens, without embarrassment and without the added burden to their families and legal guardians.

The present statute causes great hardship on certain families which have immigrated to the United States having mentally retarded children as family members. In the space of time required by the heads of these households to become citizens of our Nation, many of their retarded children will attain the age of adulthood chronologically. According to our laws, having attained the age of 18, these mentally retarded individuals are now required to demonstrate performances expected of a person with normal faculties in order for them to become U.S. citizens.

For example, the law requires that a person who seeks naturalization demonstrate knowledge of and attachment to the Constitution of the United States of America. He must comprehend the effect of the oath of renunciation and the allegiance and the nature of the obligation of citizenship. Yet, we know that many mentally retarded adults are simply not capable of such abstract conceptualization. Thus, we have a most unfortunate situation. The families have come to make their home in this country, yet they must now anguish over the denial of citizenship for their mentally retarded member. Various Immigration and Naturalization Service agents have personally informed me that they too are anguished in having to enforce this law.

I strongly believe that it was not the intention of the Immigration and Nationality Act to deny citizenship to these particular mentally retarded individuals and thereby ultimately cause hardship to their families who truly are eligible to become citizens.

It is with this belief in mind that I am reintroducing this legislation today.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 130

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That (a) section 101 (c) (1) of the Immigration and Nationality Act (8 U.S.C. 1101 (c) (1)), is amended by inserting ", except as otherwise provided in section 322," after "twenty-one years of age".

(b) Section 322 of such Act (8 U.S.C. 1433) is amended—

(1) by striking out in the first sentence of subsection (a) "and" after "eighteen years" and inserting in lieu thereof ", or if mentally retarded, and if";

(2) by inserting in the second sentence of subsection (a) "or is mentally retarded" after "tender years"; and

(3) by adding at the end thereof the following:

"(c) For purposes of applying this section to a child who is mentally retarded, the term 'child' has the same meanings as ascribed to such term in section 101 (c) (1), except that such meaning shall not include the age limitation of 21 years contained in such section, and the term 'parent' includes a parent of a child within the meaning of this sentence.".

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 131. A bill to incorporate the Pearl Harbor Survivors Association; to the Committee on the Judiciary.

PEARL HARBOR SURVIVORS ASSOCIATION

● Mr. INOUYE. Mr. President, I am proud to introduce before this distinguished body, a bill to incorporate the Pearl Harbor Survivors Association. This measure would bestow Federal recognition on this most honorable private nonprofit association.

Mr. President, the devastation of December 7, 1941, is still fresh for many of us, but for untold thousands, it was the catalyst for a personal sacrifice that could never be exceeded. The Pearl Harbor Survivors Association is comprised of men and women who defended our Nation against the onslaught of the Japanese attack on the Pacific fleet at Pearl Harbor. Since 1941, survivors of the Pearl Harbor attack have formed many local and regional groups, and there are now 127 active chapters located in almost every State. Their national organization, the Pearl Harbor Survivors Association, was incorporated in Missouri in 1958.

Today there are an estimated 15,000 surviving members of the U.S. Armed Forces who served at Pearl Harbor and in the area of Oahu during the December 7 attack. Of that number, the Pearl Harbor Survivors Association has an active membership of 7,900 men and women. Anyone who was a member of the Armed Forces on Oahu or was stationed aboard a ship located within 3 miles of the island on December 7, 1941, is eligible to join. Members must either have been honorably discharged or still be a member of the Armed Forces. The association conducts regular chapter, district, and State meetings, and a biennial national convention.

The motto of the organization is "Keep America Alert," which this association strives to accomplish through the preservation of historical mementos and chronicles of the Pearl Harbor attack, as well as preserving the gravesites of those who were killed in the attack. Their ultimate mission is to stimulate Americans to take a more active interest in the affairs and future of our Nation.

The Pearl Harbor Survivors Association is truly unique because it will only exist as long as there are actual survivors of Pearl Harbor. In my judgment, this association fulfills all of the necessary requirements to warrant a Federal charter. In all candor, Mr. President, this recognition is the least that we can do to honor the survivors of this infamous attack.

I am most proud to sponsor this legislation and I wish to insert in the RECORD a statement by the Pearl Harbor Survivors Association. I believe that it best summarizes the purposes of the organization.

Mr. President, at this time I request unanimous consent that the text of this bill and the Pearl Harbor Survivors Association's statement be printed in the RECORD.

There being no objection, the bill and statement were ordered to be printed in the RECORD, as follows:

S. 131

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That William E. Aupperlee, North Hollywood, California; Dale E. Speelman, Toledo, Ohio; G. Hall Pickard, Las Vegas, Nevada; Jesse E. Pond, Jr., Sperryville, Virginia; Henry R. Prettas, Walnut Creek, California; Roland L. Thomas, Cheyenne, Wyoming; George E. Demming, Albuquerque, New Mexico; Ben DeSanti, Florissant, Missouri; David F. Briner, Waukegan, Illinois; Samuel D. Smith, Elon College, North Carolina; Hervey G. Spencer, Warren, Michigan; Mannie Siegle, Auburn, New York; and their successors, are hereby created and declared to be a body corporate by the name of Pearl Harbor Survivors Associaton, and by such name shall be known and have perpetual succession and the powers and limitations contained in this Act.

SEC. 2. The persons named in the first section of this Act are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws, not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

SEC. 3. The objects and purposes of the corporation shall be:

(1) To uphold and defend the Constitution of the United States.

(2) To collate, preserve, and encourage the study of historical episodes, chronicles, mementos, and events pertaining to "The Day of Infamy, 7 December 1941", and in partic-

ular those memories and records of patriotic service performed by the heroic Pearl Harbor survivors and nonsurvivors and to shield from neglect the graves, past and future, of those who served at Pearl Harbor on such day.

(3) To stimulate communities and political subdivisions into taking more interest in the affairs and future of the United States of America, so as to "keep America alert".

(4) To fight unceasingly for our national security in order to protect Americans from enemies within our borders, as well as those from without; to the end that our American way of life be preserved, and to foster the spirit and practice of Americanism.

(5) To instill love of country and flag and to promote soundness of mind and body in the youth of our country.

SEC. 4. The corporation shall have power:

(1) To sue and be sued, complain, and defend in any court of competent jurisdiction.

(2) To adopt, alter, and use a corporate seal.

(3) To take gifts, legacies, and devises which will further the corporate purposes.

(4) To adopt, amend, and alter a constitution and bylaws, not inconsistent with the laws of the United States or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs.

(5) To charge and collect membership dues, subscription fees, and receive contributions or grants of money or property to be devoted to the carrying out of its purposes.

(6) To establish, regulate, and maintain offices for the conduct of the affairs of the corporation.

(7) To promote the formation of subordinate ladies auxiliaries, the membership requirements of which shall be determined according to the constitution and the bylaws of the corporation.

(8) To publish a magazine or other publications.

(9) To adopt emblems and badges.

(10) To do any and all lawful acts and things necessary or desirable in carrying out the objects and purposes of the corporation.

SEC. 5. Eligibility for membership in the corporation and the rights, privileges, and designation of classes of members shall be determined as the constitution and bylaws of the corporation may provide, but in no case shall eligibility for membership include persons who did not serve honorably in the Armed Forces of the United States of America.

SEC. 6. (a) The principal office of the corporation shall be located in Sperryville, Virginia, or in such other place as may be determined by the corporation; but the activities of the corporation shall not be confined to that place, but may be conducted through the various States, District of Columbia, and territories and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept services of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

SEC. 7. The corporation and its regional districts and local branches shall have the sole and exclusive right to use in carrying out its purposes the name "Pearl Harbor Survivors Association".

SEC. 8. (a) No part of the income or assets of the corporation shall inure to any of its members or officers as such, or be distributed to them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the executive board of the corporation.

(b) The corporation shall not make loans to its officers or employees. Any member of the executive board who votes for or assents to the making of a loan or advance to an officer or employee of the corporation, and any officer who participates in the making of such a loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

SEC. 9. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

SEC. 10. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its national convention and executive board. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose, at any reasonable time.

SEC. 11. The provisions of sections 2 and 3 of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law" (36 U.S.C. 1102, 1103), approved August 30, 1964, shall apply with respect to the corporation.

SEC. 12. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets of the corporation may be distributed in accordance with the determination of its governing board and in compliance with this Act and all other Federal and State laws applicable thereto.

SEC. 13. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

SEC. 14. The corporation and its officers and agents as such shall not contribute to or otherwise support or assist any political party or candidate for public office.

SEC. 15. The corporation may acquire the assets of the Pearl Harbor Survivors Association, Incorporated, a corporation organized under the laws of the State of Missouri, upon discharging or satisfactorily providing for the payment and discharge of all of the liability of such corporation organized under the laws of such State and upon complying with all laws of the State of Missouri applicable thereto.

SEC. 16. The right to alter, amend, or repeal this Act is hereby expressly reserved.

REMEMBER PEARL HARBOR

On that peaceful Sunday morning, December 7th, 1941, an enemy attack force hit Pearl Harbor with all its fury of death and destruction. In only thirty short minutes the attackers accomplished their most important mission; they had wrecked the battle force of the United States Pacific Fleet. We also lost half of the military aircraft on the island. We accounted for ourselves as military, by fighting back, not yet aware that history had been thrust upon us. Pearl Harbor was the actual beginning of the great war which was to change the entire structure of the world. We Americans who were there demonstrated that we were prepared to give our lives, and did give them when necessary. Our sacrifices at Pearl Harbor united the nation and gave rise to a determination to protect and keep the American freedom. Our sacrifice alerted a relaxed nation, brought it to its feet and caused it to win World War II. The lesson we learned by our sacrifice will not be easily forgotten. Many of us are no longer of use as sailors, soldiers, marines, and airmen. We must make ourselves useful at home, by dedicating ourselves to the principles of freedom; by doing everything within our power to bring about a commitment of patriotism. We survivors who are still alive, for those who did not survive, can never permit ourselves to become vulnerable again. "Remember Pearl Harbor." ●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 132. A bill to amend title XII of the Public Health Service Act to provide demonstration programs relating to emergency child health care; to the Committee on Labor and Human Resources.

EMERGENCY CHILD HEALTH CARE

● Mr. INOUYE. Mr. President, today I am reintroducing legislation that would amend our Nation's emergency medical services programs to insure that special priority will be given to the development of demonstration projects addressing the many unique needs of our Nation's children. There is no question in my mind that our emergency medical services programs have demonstrated their extraordinary cost-effectiveness to date: however, various statistics have come to my attention that suggest that insufficient attention has been placed on the needs of our Nation's children and youth. For example, of all patients receiving in our Nation's hospital emergency departments, 20 to 35 percent are children or adolescents. Further, on weekends and especially at nights, children may account for more than 40 percent of all visits. Nearly 18 million children receive emergency medical services annually. Unfortunately, the American Hospital Association's statistics state that nearly 100,000 children are permanently crippled by trauma each year and as much as 55 percent of all deaths up to the age of 15 are due to injuries. From discussions that I have had with various professionals, both from the nursing profession and the medical profession, there would appear to be a consensus among our Nation's health care practitioners that children do indeed have unique psychological and physical needs.

In developing this legislation, I have been working closely with the American Academy of Pediatrics and the Hawaii Emergency Medical Services program in particular. I have been especially heartened by their ability to develop considerable grassroots support within the medical profession for this proposal. Above everything else, there seems to be unanimous agreement that children are not simply "miniature adults" and that special pediatric experience and technology is absolutely mandatory. Accordingly, I urge my colleagues in the Senate Labor and Human Resources Committee to give expeditious attention to this particular proposal.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 132

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Child Health Services Act of 1981".

SEC. 2. (a) Part A of title XII of the Public Health Service Act is amended by adding the following new section at the end thereof:

"EMERGENCY MEDICAL SERVICES FOR CHILDREN

"SEC. 1211. (a) The Secretary may make grants to and enter into contracts with eligible entities (at defined in section 1206 (a)) for demonstration programs for the expansion and improvement of emergency medical services systems to provide emergency medical services for children. No eligible entity may receive a grant or enter into a contract for a demonstration program under this section unless—

"(1) such entity has received a first grant under section 1203(e)(1);

"(2) such demonstration project is conducted in connection with an emergency medical services system; and

"(3) the eligible entity meets the requirements of section 1206(b).

"(b)(1) No grant or contract may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be in such form and be submitted in such manner as the Secretary shall by regulation prescribe. Such application shall provide assurances satisfactory to the Secretary that the applicant will make such reports and provide such other information respecting the grant or contract as the Secretary may require.

"(2) The Secretary may not approve an application for a grant or contract under this section for a demonstration program unless the application contains a full description of the program and provides assurances, satisfactory to the Secretary, that the program will be conducted as follows:

"(A) The program provides emergency medical services for children, including services to respond to trauma, accidental injuries and child abuse, poisonings, infectious diseases, respiratory difficulties, dehydration, and other life-threatening pediatric medical emergencies.

"(B) The program provides for the participation, in an advisory capacity, of concerned medical professionals and other interested groups.

"(C) The program provides for information programs relating to prevention of pediatric emergencies.

"(D) The program provides that trained personnel including paramedics are available to meet the needs if pediatric patients receiving services under the program.

"(E) The program provides that pediatric specialty facilities utilize biomedical communication systems, and that communities that do not have such specialty facilities are included in a communication system to facilitate emergency communication by physicians in such communities regarding pediatric patients.

"(F) The program provides for the coordination of emergency transportation of high-risk pediatric patients to regional specialty facilities.

"(G) The program assures that sufficient emergency facilities and critical care units for pediatric patients are available, including poison control centers.

"(H) The program provides for the transfer of pediatric patients to acute or other care facilities that will provide long-term care and rehabilitation.

"(I) The program provides for review and evaluation of pediatric services provided under the program, including appropriate methods for evaluating the cost-effectiveness of the program and the quality of care and services provided under the program.

"(c) The Secretary shall determine the amount of any grant or contract made under this section. Payments under such grants and contracts may be made in advance on the basis of estimates or by way of reimbursement, with necessary adjustments on account of underpayments or overpayments, and in such installments and on such terms and conditions as the Secretary finds necessary to carry out the purposes of such grants and contracts.

"(d)(1) Each recipient of a grant or contract under this section shall keep such records as the Secretary shall prescribe, including records that fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the undertaking in connection with which such grant or contract was made, the amount of the portion of the cost of the undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, and records of the recipient of grants or contracts under this section that are pertinent to such grants or contracts.

"(e) The Secretary may provide technical assistance to eligible entities with respect to programs assisted under this section.

"(f) The Secretary shall evaluate the demonstration programs supported under this section and shall submit to the Congress, not later than January 1, 1985, a report including—

"(1) the results of such demonstration programs;

"(2) the Secretary's evaluation of such programs, including the cost-effectiveness of such programs, the quality of care provided under such programs, and the effect of different geographic settings on the results of such programs; and

"(3) any recommendations the Secretary may have with respect to such programs.

"(g) There are authorized to be appropriated, $10,000,000 for the fiscal year ending September 30, 1982, $10,000,000 the fiscal year ending September 30, 1983, and $20,000,000 the fiscal year ending September 30, 1984.".

(b)(1) Section 1206(a) is amended by—

(A) striking out "and" after "1203,"; and

(B) inserting "and 1211," after "1204,".

(2) Section 1206(b)(1)(B) is amended—

(A) by striking out "or" after "1202(b)(1)" and inserting in lieu thereof a comma; and

(B) by inserting ", or 1211" after "1205". ●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 133. A bill to amend section 1079 of title 10, United States Code, to eliminate the requirement for using customary charges in developing a profile of physician charges and to permit the updating of charge profiles more often than once a year; to the Committee on Armed Services.

DEVELOPING PROFILES FOR PHYSICIAN CHARGES

● Mr. INOUYE. Mr. President, today I am introducing legislation of a highly technical nature to modify the present CHAMPUS reimbursement procedures for those health care practitioners who deliver high quality care to CHAMPUS beneficiaries. I am introducing this bill in order to streamline the current reimbursement mechanism and insure that our Nation's health care practitioners will receive appropriate payment for the care that they provide.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 133

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (h) of section 1079 of title 10, United States Code, is amended to read as follows:

"(h) Payment of a charge for individual professional or other noninstitutional provider services for which a claim is submitted under a plan contracted for under subsection (a) may be denied to the extent that the charge exceeds an amount equivalent to the ninetieth percentile of the charges made for similar services in the same locality during the base period (not to exceed 12 months). The ninetieth percentile of charge levels will be developed on the basis of statistical data and methodology acceptable to the Secretary of Defense, in consultation with the Secretary of Health and Human Services and shall be updated not less than once a year (on July 1) from charges made during the base period.".

SEC. 2. The amendment made by the first section shall become effective on October 1, 1981. ●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 134. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus real or personal property for use in connection with a public harbor; to the Committee on Governmental Affairs.

DONATION OF SURPLUS REAL OR PERSONAL PROPERTY

● Mr. INOUYE. Mr. President, the Surplus Property Act of 1944 allows the transfer of surplus Federal real property, without monetary compensation, to local governments for the development or improvement of public airports. Current General Services Administration regulations also allow the conveyance of surplus lands for public airport use, or for wildlife conservation, or historical monuments as long as the lands remain in that use in perpetuity.

This treatment is due to the clear national interest in public airport development, improvement, operations, and maintenance. But we should not forget that these national interests exist with respect to our public harbor facilities which are presently excluded from the kind of preferential treatment now given to public airports.

Mr. President, the legislation I am again introducing today seeks nothing more than to correct this imbalance. It would amend section 203 of the Federal Property and Administrative Services Act of 1949 to authorize the donation of surplus real or personal property for use in connection with a public harbor.

Under this bill, surplus real property conveyed for purposes of a public harbor shall be conveyed in perpetuity as is the case for public airports.

The bill also provides that the surplus property so conveyed shall be without monetary consideration, at no cost, as is the case with public airports.

Mr. President, the intention of this measure is to seek for public harbors no more nor less than the same preferential treatment accorded public airports in the disposition of Federal real and personal property.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 134

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203 of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following:

"(p) (1) Under such regulations as he may prescribe, the Administrator is authorized, in his discretion, to assign to the Secretary of the Army for disposal, without monetary consideration, such surplus real property or personal property (exclusive of property the highest and best use of which is determined by the Administrator to be industrial and which shall be so classified for disposal without regard to the provisions of this subsection) which, in the determination of the Secretary of the Army, is essential, suitable, or desirable for the development, improvement, operation, or maintenance of a public harbor, as defined in the River and Harbor Act of 1970, or which, in the determination of the Secretary of the Army, is reasonably necessary to fulfill the immediate and foreseeable future requirements of the grantee for the development, improvement, operation, or maintenance of such a public harbor, including property needed to develop sources of revenue from nonmaritime businesses at a public harbor.

"(2) The deed of conveyance of any surplus real property disposed of under the provisions of this subsection—

"(A) shall provide that all such property shall be used and maintained for the purpose for which it was conveyed in perpetuity, and in the event such property ceases to be used or maintained for such purpose during such period, all or any portion of such property shall revert in its then existing condition at the option of the Secretary of the Army to the United States; and

"(B) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Secretary of the Army to be necessary to safeguard the interests of the United States.

"(3) Subject to the disapproval of the Administrator within thirty days notice to him of any action to be taken under this subsection, the Secretary of the Army is authorized and directed—

"(A) to determine and enforce compliance with any terms, conditions, reservations, and restrictions contained in any instrument by which a transfer under this subsection is made;

"(B) to reform, correct, or amend any such instrument by the execution of a corrective, reformative, or amendatory instrument where necessary to correct such instrument or to conform such transfer to the requirements of applicable law; and

"(C) to (i) grant leases from any of the terms, conditions, reservations, and restrictions contained in, and (ii) convey, quitclaim, or release to the transferee or other eligible user, without monetary consideration, any right or interest reserved to the United States by any instrument by which such transfer was made if he determined that the property so transferred no longer serves the purpose for which it was transferred or that such release, conveyance, or quitclaim deed will not prevent the accomplishment of the purpose for which such property was transferred, except that any such release, conveyance, or quitclaim deed may be granted on, or made subject to, such terms and conditions as he shall deem necessary to protect or advance the interests of the United States."●

By Mr. INOUYE:

S. 135. A bill to limit the amount that may be obligated by any agency of the Federal Government for contracts in the last 3 months of any fiscal year; to the Committee on Governmental Affairs.

OBLIGATION OF FUNDS FOR CONTRACTS IN LAST 3 MONTHS OF FISCAL YEAR

● Mr. INOUYE. Mr. President, I am introducing a bill establishing a limit on the proportion of funds that may be obligated by any agency under contracts entered into during each of the last 3 months of any fiscal year.

In this time of high inflation and the need for reducing deficits, it is essential that every agency be fiscally responsible and establish rigorous procedures for approving contracts. By restricting contract funds obligated during any one month in the final quarter of the fiscal year to not more than 10 percent of any agency's total contract obligations negotiated during the fiscal year as this bill establishes, it would encourage better management throughout the Government sector and save the taxpayers money.

The necessity for implementing such a bill is evident from two U.S. General Accounting Office reports which have been issued in the last 5 months. The reports show that disproportionately large amounts are expended for consultant contracts and other contracts in the latter months of the fiscal year.

GAO's report entitled "Spending Patterns of the Departments and Agencies of the Federal Government" (PAD-80-34) analyzed gross contract obligations incurred during fiscal years 1977, 1978, and the first half of 1979. It found that a disproportionate amount of obligations occurred in the last quarter of the fiscal year and particularly in the last month of that quarter. Associated with this dilemma of yearend surges in Government contract spending, GAO identified several problems: First, disruption of orderly funding of Government operations; second, certain procurement controls being bypassed, and third, the inflationary impact on the economy of these awards.

In addition, GAO reported in its analysis entitled "Controls Over Consulting Service Contracts at Federal Agencies Need Tightening" (PSAD-80-35) that an abnormal amount of spending occurred in the fourth quarter of the fiscal year. GAO indicated that such spending activity casts doubt upon the legitimacy of the agencies' contracting requirements. Further, it believes, as I do, that the "rush" to award contracts in the last quarter of any fiscal year can seriously impair the objectivity as well as the thoroughness of an agency's proposal evaluation process.

Mr. President, in view of the importance of this subject and the savings to the taxpayers associated with it, I ask unanimous consent that the bill be printed in the RECORD.

S. 135

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as provided in subsection (b), the total amount that may be obligated by any agency under contracts entered into during each of the last three months of any fiscal year may not exceed an amount equal to 10 percent of the total amount obligated by such agency under all contracts entered into by such agency in such fiscal year.

(b) The Director of the Office of Management and Budget may, upon application by any agency, waive the limitation prescribed in subsection (a) with respect to a specific contract proposed by the agency. In any case in which the Director grants a waiver under this subsection, he shall transmit to the Congress and the Comptroller General of the United States a report describing the contract for which the waiver was made, including a statement of (1) the amount obligated under the contract and the amount by which it exceeds the limitation prescribed in subsection (a), and (2) the reasons of the Director for granting the waiver for such contract.

(c) For purposes of this Act, the term "agency" has the same meaning in section 551(1) of title 5, United States Code.●

By Mr. INOUYE:

S. 136. A bill to authorize reduced postage rates for certain mail matter sent to Members of Congress; to the Committee on Government Affairs.

REDUCED POSTAL RATES FOR CERTAIN MATTER

● Mr. INOUYE. Mr. President, I rise today to reintroduce a bill to provide for the issuance of a special 1-cent postage stamp to be used for correspondence with Members of Congress.

Mr. President, ours is a democratic Government—a representative Government and thus, by definition, one dependent on the continuing operation of a two-way communication system between the people of this country and their elected Representatives.

Each Member of the Congress is directly responsible to those people in his State or district whom he represents. He must not only keep communication channels open but, more importantly, he must be responsive to the concerns he receives through these channels. The most practical means of transmitting these constituent concerns is through the mail. It is most difficult for many of us to imagine ourselves in a situation where the desire to express an opinion is frustrated because we must think twice about spending money on a postage stamp. Unfortunately, we must face the fact that many of our Nation's citizens are forced to consider the purchase of a 15 cent postage stamp for the purpose of expressing a grievance, or opinion or idea, as something beyond their means.

The issuance of a 1-cent stamp for this purpose would effectively remove this prohibition and allow all citizens to apprise their Representatives and Senators of their individual thoughts and position on the issues facing our Nation. This measure would amend the Postal Reform Act of 1970 to provide for the issuance of these 1-cent stamps to be sold at U.S. Post Offices. The bill also authorizes appropriations necessary to account for the difference in postal revenue resulting from the sale of 1-cent stamps as opposed to prevailing postage rates for mail matter addressed to Congressmen which does not exceed 4 ounces in weight.

Recognizing the necessity of open communication between elected officials and the people, Congress adopted the franking system allowing congressional communication between elected officials to constituents. We have neglected, however, to provide our constituents with a convenient and affordable means of access to their Senators and Congressmen. It is difficult to overstate the importance of this concept of individual expression. Each and every citizen has the right and the responsibility to participate in the democratic system, through both the ballot box and through correspondence with their representatives between elections.

Because the effective operation of our political system is dependent upon open communication, I am hopeful that this bill will receive the early approval of the Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the bill I have introduced today.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 136

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 32 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3219. Mail matter sent to Members of Congress

"(a) Any person may send any piece of mail matter, not exceeding four ounces in weight, for postage of 1 cent to (1) any Member of the Senate representing the State, and (2) the member of the House of Representatives representing the district, in which such person resides, if that person uses a special stamp issued by the Postal Service for any such matter. The Postal Service shall issue special 1-cent stamps to be used in sending such matter, and such stamps shall only be sold at post offices.

"(b) For the purposes of this section—

"(1) 'district' includes Puerto Rico and the District of Columbia;

"(2) 'Member of the House of Representatives' includes a Representative, Delegate, and Resident Commissioner; and

"(3) a Member of the House of Representatives elected at large from a State having more than one district shall be considered a Member elected from each district of that State."

(b) The analysis of such chapter is amended by adding immediately below item 3218 the following new item:

"3219. Mail matter sent to Members of Congress.".

(c) Section 2401(c) of such title is amended by inserting after "3217" a comma and "3219".

(d) This Act is effective January 1, 1980.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 137. A bill to require that skilled nursing facilities furnishing services under the medicare and medicaid programs be adequately equipped with wheelchairs and other appropriate equipment and supplies; to the Committee on Finance.

EQUIPPING NURSING FACILITIES WITH WHEELCHAIRS

● Mr. INOUYE. Mr. President, today I am reintroducing legislation designed to improve the services provided at our nursing homes. This bill requires that those homes which furnish services under medicare and medicaid programs be adequately equipped with wheelchairs and other appropriate equipment and supplies.

Nursing homes are an essential service to our elderly, who often have no other place to live. Unfortunately, the quality of nursing homes throughout our country varies; many can rightly be depicted as crimes against humanity. There is evidence, in many of these homes, that the physical facilities are totally inadequate.

More specifically, in many nursing homes now receiving medicare and medicaid reimbursements, patients are confined to beds due to a severe lack of wheelchairs and other equipment. Such physical limitation proves to be extremely frustrating and debilitating to the convalescent elderly. However, studies have shown remarkable improvement in nursing home patients when physical mobility and activities are encouraged and supplied.

I urge my fellow colleagues to join with me in alleviating this sorry situation of the elderly, confined members of our society. Although my bill does not allow for beneficial therapy, at least physical mobility through the availability of wheelchairs and other such equipment, would be improved. We must not forget the needs of our elderly, infirm patients.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 137

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1861 (j) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (14),

(2) by inserting "and" at the end of paragraph (15), and

(3) by inserting after paragraph (15) the following new paragraph:

"(16) is adequately equipped (as determined under regulations of the Secretary) with wheelchairs and other appropriate equipment and supplies;".

SEC. 2. The amendments made by this Act shall become effective on the first day of the first month which begins more than 90 days after the date of enactment of this Act, and the Secretary of Health and Human Services shall, prior to such date, promulgate and have published in the Federal Register, the regulations which are referred to in section 1861(j)(16) of the Social Security Act (as amended by this Act).●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 138. A bill to amend chapter 55 of title 10, United States Code, to improve vision care services under CHAMPUS; to the Committee on Armed Services.

VISION CARE SERVICES

● Mr. INOUYE. Mr. President, today I am introducing legislation that would provide for a comprehensive and preventive vision care program for members of the uniformed services and their dependents by removing the present legislative restrictions under the civilian health and medical program of the uniformed services (CHAMPUS).

Presently, there are approximately 9.1 million Department of Defense beneficiaries worldwide, of which 8.6 million are eligible for CHAMPUS benefits.

Under my proposal, eye examinations, including, but not limited to, preventive and diagnostic services, when performed by a doctor of optometry, osteopathy, or medicine, will be authorized for reimbursement. In cases that are deemed appropriate, lenses and eyeglass frames will also be provided.

During our deliberations on the fiscal year 1980 Department of Defense appropriations bill, we decided to remove our prior Appropriations Committee restriction on optometry services. We did this primarily in recognition that all the available evidence now indicated that eye/vision disorders comprise the second most chronic health condition in our Nation. Given the pressing need to retain highly trained personnel in the armed services, it was out considered judgment that "skimping" in eye/vision care as a means of controlling costs, simply no longer made any sense. Unfortunately, however, it now becomes evident to me that it is also necessary to modify the basic CHAMPUS authorization act to accomplish our purpose.

Across our Nation, the major health provider of these vision services has been the doctor of optometry, commonly called the optometrist. He or she presently provides approximately two-thirds of the vision care services in the United States, and thereby functions as the basic entry point to the entire health care system for those in need of vision care.

The optometrist is exceptionally well prepared for this very important role. I understand that approximately 85 percent of the students entering optometry school have completed 3 or more years of college, usually majoring in the biological or physical sciences. The optometry professional curriculum itself consists of a total of 4 additional years, leading to the degree of doctor of optometry. Seven schools also have graduate programs which grant a master of science degree and six have programs leading to a Ph. D. in physiological optics. There are 14 fully operational schools and colleges of optometry nationwide such as Ohio State and the University of California. The total enrollment now approaches 5,000 with an aggregate graduating class of approximately 1,030 doctors of optometry each year. In all, there are currently approximately 20,000 active optometrists in the United States.

During our Senate Appropriations Committee deliberations, I was particularly distressed to learn that at this time it has been estimated that only 50 percent of the U.S. population who require some form of vision care services actually receive them. The American Optometric Association estimates that this figure can be broken-down demographically as follows: 25 percent of Americans under age 20; 40 percent between ages 20 to 30; 50 percent between ages 30 to 40; 70 percent of those aged 40 to 50; 85 percent of those aged 50 to 60; and 95 percent of those over 60.

Furthermore, apparently 46 percent of the U.S. population aged 18 to 44 wear corrective lenses, and over 51 percent of

our total population wear corrective lenses. Undoubtedly, the proportions are not significantly different for our active duty personnel or their families. Of special interest, 90 percent of the vision care services required are considered to be within the scope of the Optometrists Practicing Act.

In my judgment, it is now time for the Congress to commit ourselves to providing high quality health care to all our active duty personnel and their dependents. Without question, this must include ready access to eye/vision care, and especially the preventive examinations. For too long now, we have only talked about the importance of preventive services; the time has now come to provide them.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 138

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (3) of section 1079 of title 10, United States Code, is amended to read as follows:

"(3) eye examinations and vision care services (including but not limited to preventive, diagnostic and treatment services) may be provided when performed by a doctor of optometry, osteopathy, or medicine.".

SEC. 2. This Act becomes effective October 1, 1981.●

By Mr. HATCH:

S. 139. A bill entitled "The Comprehensive Health Care Reform Act"; to the Committee on Finance.

COMPREHENSIVE HEALTH CARE REFORM ACT

● Mr. HATCH. Mr. President, I am today introducing the Comprehensive Health Care Reform Act to contain health care costs, provide protection to individuals against catastrophic medical expenses, and encourage greater availability of preventive health benefits. I was cosponsor of this bill when it was introduced in 1979 as S. 1590 by Senator Richard S. Schweiker. This bill is an important part of the so-called competitive approach to a more comprehensive health benefit program for all Americans.

At the time the Comprehensive Health Care Reform Act was first introduced, I stated:

In these fiscally austere times, this is a commonsense approach to the problems facing our health care delivery system and a sane alternative to the $18 to $60 billion proposals now being bandied about congressional circles.

The Comprehensive Health Care Reform Act will address the health care issues of catastrophic health insurance, preventive medical care, and hospital cost containment. The beauty of it is that it will do so, not with further regulation or new government programs, but by using the tax system to promote more competition in health delivery and to put more emphasis on controlling costs.

The advocates of socialized medicine never point out that only 5 percent of Americans lack any health insurance, and a slightly higher percentage lacks catastrophic coverage. Both these groups could be protected by slightly expanding coverage of existing health programs. We are told that without more Government control, costs will go through the roof. But it was precisely when all the Government's programs, regulations, and paperwork began weighing down on the health care community that medical costs first took off. How will even more bureaucracy lead to lower costs?

We can solve the pressing problems of escalating medical costs, but only by reducing Government control and regulation and by simultaneously promoting more competition. The Comprehensive Health Care Reform Act is a sensible step in the right direction.

I pledged then to work with Senator Schweiker to assure that a fiscally painless, comprehensive health bill would be enacted. Little did I know when I made that pledge that the Senator would become the new Secretary of Health and Human Services, providing an opportunity for us to continue working together toward improvement of this bill and its eventual adoption.

In the year and a half since we first introduced the Comprehensive Health Care Reform Act there has been considerable dialog about "competitive" programs. Support for this approach has broadened. However the overall economic situation has greatly worsened and the immediate national environment is not favorable for comprehensive reform of the health care system, even if it ultimately results in more competition, less regulation, and containment of costs.

The importance of introducing the Comprehensive Health Care Reform Act at this time is to continue the nationwide discussion of competitive approaches. Hopefully this dialog will: Stimulate experiments, models, and studies that will refine the "competitive" approach; suggest interim measures that lead toward comprehensive reform; and shorten the final debate when the Nation is able to fully focus on this issue.

Senator Schweiker acknowledged these circumstances at his recent confirmation hearing when he predicted that, rather than offering a comprehensive package, the new administration would probably propose demonstration projects relating to health care competition. This caution is appropriate. Demonstration projects will find support even among enthusiastic advocates of a comprehensive-oriented reform. This reflects an acknowledgment of the complexity of the health care system, not evidence of doubt that the competitive approach is superior to a federalized health insurance and delivery system.

In continuing the debate on competition, I am particularly interested in receiving information on the strengths and weaknesses of the Comprehensive Health Care Reform Act, particularly any evidence that its provisions would or would not work.

Among the questions which need answers are:

First. Is the requirement that large employers provide three plans by different carriers a realistic one? Should it be required that an HMO be one of the plans?

Second. Will large numbers of individuals accept the risk of 25 percent copayment, up to 20 percent of family income? Will individuals accepting the risk use the health care system less? Will they be as healthy?

Third. Will States be willing to form insurance pools to provide coverage to uninsured individuals?

Fourth. Will the savings from increased health care competition offset the cost of increased health and tax benefits?

Fifth. Is it appropriate for the Federal Government to load onto the minimum benefit package requirements for preventive care services? Is it cost effective to do so?

In sum, I believe that national health policy should deal with cost containment, catastrophic health insurance, and preventive health care. A unified comprehensive approach to these problems is possible and this bill attempts to do just that.

As Richard Schweiker correctly stated nearly 2 years ago:

The fundamental cause of rampant health cost inflation and lack of catastrophic and preventive health insurance benefits is a noncompetitive third-party reimbursement system weighted too heavily toward first-dollar hospitalization coverage. Scarce resources and disenchantment with government regulation make it unlikely that yet another public program will be the solution.

In this situation, we can use tax incentives to offer Americans a tradeoff: If they are willing to pay slightly more in copayments for low-cost medical care, they can save enough money to obtain catastrophic protection and preventative care. In addition, they can stop the health cost inflationary spiral without new Government regulation. We can also use tax incentives to help restore competition to health care by giving our citizens a greater variety of health insurance choices and ensuring that they will save money on premiums if they choose more efficient providers of care.

The Comprehensive Health Care Reform Act is more realistic, more effective, and clearly less costly than the regulatory alternatives. Consequently I will be advocating this nonregulatory approach with the hope of achieving a most worthwhile goal: That all Americans have access to quality health care at a reasonable cost.

Mr. President, I ask unanimous consent that the bill and a summary be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 139

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Health Care Reform Act".

TITLE I—COST CONTAINMENT INCENTIVES

SEC. 101. The Public Health Service Act is amended by adding the following new title at the end thereof:

TITLE XIX STANDARDS FOR HEALTH BENEFIT PLANS

"Part A—COST CONTAINMENT INCENTIVES

"CONDITIONS FOR FEDERAL TAX BENEFITS

"SEC. 1901. No deduction shall be allowed under section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses), and no exclusion shall be allowed

under section 106 of such Code (relating to contributions by employer to accident and health plans), for any contributions by an employer, to a health benefit plan for his employees, unless such employer meets the requirements of this part.

"COPAYMENT OPTION

"SEC. 1902. (a) An employer must offer to his employees at least one group health benefit plan for inpatient hospital services (notwithstanding any other health benefits available to an employee) having an annual copayment for hospital services, to be paid by the employee, of at least 25 percent, except as provided in subsection (b).

"(b) The copayment requirement of subsection (a) need not apply with respect to a period—

"(1) beginning with the date on which an employee and his spouse and dependent children covered under the plan have incurred out-of-pocket medical expenses during a calendar year in an amount in excess of 20 percent of the combined income of such individuals from wages and net earnings from self employment during the preceding calendar year, and

"(2) ending on the last day of such calendar year.

"(c) For purposes of this section, the term 'medical expenses' means expenses incurred for—

"(1) inpatient hospital services (as defined in section 1861(b) of the Social Security Act);

"(2) post-hospital extended care services (as defined in section 1861(i) of such Act);

"(3) home health services (as defined in section 1861(m) of such Act);

"(4) medical and other health services (as defined in section 1861(s) of such Act); and

"(5) prescription drugs and biologicals.

"(d) The requirements of this section shall apply to an employer only to the extent that such a plan is available.

"EMPLOYER CONTRIBUTION AND EMPLOYEE REBATES

"SEC. 1903. (a) If an employer makes an expenditure for any group health benefits plan offered by such employer on behalf of his employees, such employer shall make the same expenditure with respect to each plan per employee enrolled in such plan, regardless of the actual premium cost.

"(b) If an employer's expenditure under this section is more than the premium cost of the group health benefit plan selected by an employee, the employee shall receive the excess of the employer's expenditure amount over the premium cost, in cash or other benefits from the employer. Such amount shall not be considered income to the employee in accordance with section 106 of the Internal Revenue Code of 1954.

"(c) No employer shall unilaterally lower the amount of his expenditure for health benefit plans per employee offered by such employer after the effective date of this title, except for the purpose of complying with subsection (d).

"(d) No employer shall expend an amount for a health benefit plan on behalf of an employee in excess of the premium cost of the most costly group health benefit plan offered by such employer in which at least 10 percent of his employees are actually enrolled at the time that the expenditure is made.

"MULTIPLE CHOICE OF HEALTH PLANS

"SEC. 1904. (a) Each employer having at least 200 full-time employees shall make available to his employees a choice of not less than three health benefit plans, each of which meets the requirements of this title and each of which is offered by a different carrier.

"(b) The requirements of this section shall apply to an employer only to the extent that such plans are available.

"(c) For purposes of this title the term 'full-time employee' means an employee who works for any one employer at a rate of at least 25 hours per week, and has been such an employee for more than 30 days.

"RIGHTS OF COLLECTIVE BARGAINING REPRESENTATIVE

"SEC. 1905. (a) If any of the employees of an employer are represented by a collective bargaining representative or other employee representative designated or selected under law, offer of the group health benefit plan described in section 1902—

"(1) shall first be made to such collective bargaining representative or other employee representative, and

"(2) if such offer is accepted by such representative, shall then be made to each such employee.

"(b) Failure of a collective bargaining representative to accept such a plan shall not relieve the employer or employees of any requirement of this title for purposes of the Internal Revenue Code.".

TITLE II—CATASTROPHIC ILLNESS INSURANCE

SEC. 201. Title XIX of the Public Health Service Act (as added by title I of this Act) is amended by adding at the end thereof the following:

"PART B—CATASTROPHIC ILLNESS INSURANCE

"EMPLOYER PLANS—CONDITIONS FOR FEDERAL TAX BENEFITS

"SEC. 1921. No deduction shall be allowed under section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses), and no exclusion shall be allowed under section 106 of such Code (relating to contributions by employer to accident and health plans), for any contribution by an employer, having 50 or more full-time employees, to a health benefit plan for his employees, unless such plan meets the requirements of sections 1922 and 1923.

"MINIMUM CATASTROPHIC BENEFITS

"SEC. 1922. (a) A health benefit plan shall provide for payment, without any cost sharing by any individual covered under the plan, for medical expenses incurred by any employee or his spouse or dependent children covered under the plan with respect to any period—

"(1) beginning with the date on which such employee and his spouse and dependent children covered under the plan have incurred out-of-pocket medical expenses during a calendar year in an amount in excess of 20 percent of the combined income of such individuals from wages and net earnings from self employment during the preceding calendar year, and

"(2) ending on the last day of such calendar year.

"(b) For purposes of this section the term 'medical expenses' means expenses incurred for—

"(1) inpatient hospital services (as defined in section 1861(b) of the Social Security Act);

"(2) post-hospital extended care services (as defined in section 1861(i) of such Act);

"(3) home health services (as defined in section 1861(m) of such Act);

"(4) medical and other health services (as defined in section 1861(s) of such Act); and

"(5) prescription drugs and biologicals.

"COVERAGE FOR DEPENDENTS; CONTINUITY OF COVERAGE

"SEC. 1923. (a)(1) A health benefit plan shall provide the coverage required under section 1922 to the employee, and to his spouse and any of his dependent children (up to the age of 21) for whom he wishes to provide coverage under the plan, without regard to any pre-existing medical condition.

"(2) For purposes of this title a dependent child of an employee is an individual who is a child of such employee, and is a dependent of such employee within the meaning of section 152 of the Internal Revenue Code of 1954.

"(b) The plan shall continue coverage for covered individuals for a period of 6 months after the member employee becomes unemployed, ceases to be a full-time employee, or dies. Such coverage shall be continued in the same manner and subject to the same conditions as when such member employee was a full-time employee, but the plan may discontinue such coverage if the member employee becomes eligible to enroll in a plan as an employee of another employer or obtains equivalent catastrophic coverage. This subsection shall not apply to a member employee who was an employee for a period of less than 30 days.

"CARRIER POOLING REQUIREMENTS FOR CERTAIN INDIVIDUALS

"SEC. 1924. (a) Every carrier shall enter into an arrangement in each State in which it conducts business for the purpose of providing catastrophic illness insurance and preventive care coverage to those individuals in such State who are not eligible for a group health benefit plan meeting the requirements of this part and part C of this title, and are not eligible for a government program of health care. Such arrangements shall be made by the States or by mutual agreement among carriers.

"(b) Arrangements required under subsection (a) shall provide that—

"(1) individuals described in such subsection are assigned on an equitable basis to carriers;

"(2) each carrier shall provide coverage, which meets the requirements of section 1922 and part C of this title, to such individuals;

"(3) the proposition of such individuals assigned to a particular carrier in a State shall be equal to the proportion of the health benefit business provided in such State by such carrier; and

"(4) the premium cost to the individual for a health benefit plan under this section shall not exceed 125 percent of the premium cost of comparable group health benefit plans offered in the same geographic area.

"(c) For purposes of this title the term 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the cost of, health services under group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arrangements, in consideration of premiums of other periodic charges payable to the insurer, including a health benefit plan duly sponsored or underwritten by an employee organization.

"(d) Any carrier that fails to meet the requirements of this section shall not be permitted to participate in any health benefits program paid for in whole or in part with Federal funds.".

MEDICARE COVERAGE FOR CATASTROPHIC ILLNESS

SEC. 202. (a) Section 1812(a)(1) of the Social Security Act is amended to read as follows:

"(1) inpatient hospital services;".

(b) Section 1812(b) of such Act is amended—

(1) by striking out "(subject to subsection (c)";

(2) by striking out paragraph (1); and

(3) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(c) Section 1912(c) of such Act is repealed.

(d) Section 1812(e) of such Act is amended by striking out "(c)," and by striking out "inpatient hospital services,".

(e) Section 1813(a)(1) of the Social Security Act is amended—

(1) by inserting "(A)" after "SEC. 1813. (a)(1)";

(2) by striking out all that follows the first sentence thereof; and

(3) by adding at the end thereof the following new subparagraph:

"(B) Such amount shall be further reduced by a coinsurance amount equal to 20 percent of the charges imposed with respect to such individual for such services, but only for days which are not within a benefit period with respect to that individual (as defined in section 1861(bb)).".

(f) Section 1833(a) of such Act is amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) in the case of all services described in section 1832(a) which are rendered during a benefit period (as defined in section 1861(bb)), 100 percent of the reasonable charge, reasonable cost, customary charge, or other criteria (as the case may be) as those criteria are otherwise determined for such services under this section.".

(g) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"Benefit Period

"(bb) The term 'benefit period' means, with respect to any individual, a period during any calendar year—

"(1) beginning with the day on which the total expenses incurred by that individual (and not reimbursed under this title) during the calendar year for services for which any benefits under this title are payable, exceeds 20 percent of such individual's income from wages and net earnings from self-employment for the preceding calendar year, and

"(2) ending on the last day of such calendar year.".

TITLE III—PREVENTIVE CARE

SEC. 301. Title XIX of the Public Health Service Act (as added by titles I and II of this Act) is amended by adding at the end thereof the following part:

"PART C—PREVENTIVE CARE

"CONDITIONS FOR FEDERAL TAX BENEFITS

"SEC. 1941. No deduction shall be allowed under section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses), and no exclusion shall be allowed under section 106 of such Code (relating to contributions by employer to accident and health plans), for any contributions by an employer, having 50 or more full-time employees, to a health benefit plan for his employees, unless such plan meets the requirements of this part.

"PREVENTIVE CARE SERVICES

"SEC. 1942. (a) A health benefit plan shall provide coverage for the following services (as defined by the Secretary in regulations) to individuals covered under the plan—

"(1) comprehensive maternal care;

"(2) newborn and childhood screening and counseling for heritable and acquired diseases;

"(3) vision and hearing examinations for children;

"(4) childhood immunizations;

"(5) hypertension screening and counseling for adults;

"(6) screening and counseling for cervical cancer; and

"(7) periodic health examinations for adults.

"(b) The Secretary shall establish age and sex parameters with respect to the requirements, of subsection (a), which shall be reviewed and updated where appropriate on a biennial basis.

"CARRIER POOLING REQUIREMENT

"SEC. 1943. Any carrier entering into an arrangement under section 1924 of this Act shall provide preventive care coverage meeting the requirements of this part to those individuals for whom such carrier is required to provide coverage under such arrangement.".

TITLE IV—INTERNAL REVENUE CODE AMENDMENTS

SEC. 401. Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by redesignating subsection (h) as subsection (i) and inserting after subsection (g) the following new subsection:

"(h) LIMITATION ON DEDUCTION OF COST OF HEALTH BENEFIT PLANS.—No deduction shall be allowed under subsection (a) for expenses paid or incurred by an employer in providing a health benefit plan for his employees, their spouses, or their dependents, unless such employer complies with the provisions of title XIX of the Public Health Service Act, to the extent such title applies to such employer. If a deduction is allowed under subsection (a) for such contributions, such deduction shall include any cash payment or other benefit made by the employer to the employee under section 1903 of the Public Health Service Act.".

SEC. 402. Section 106 of the Internal Revenue Code of 1954 (relating to contributions by employer to accident and health plans) is amended to read as follows:

"SEC. 106. CONTRIBUTIONS BY EMPLOYER TO ACCIDENT AND HEALTH PLANS

"(a) IN GENERAL.—Gross income does not include—

"(1) contributions by the employer to accident or health plans for compensation (through insurance or otherwise) to his employees for personal injuries or sickness, or

"(2) contributions by the employer to his employees as required under section 1903 of the Public Health Service Act.

"(b) PUBLIC HEALTH SERVICE ACT REQUIREMENTS.—The exclusion provided by subsection (a) shall not apply to contributions to a health benefit plan by an employer, or to contributions described in subsection (a)(2), unless such employer meets the requirements of title XIX of the Public Health Service Act, to the extent those requirements are applicable to such employer.".

TITLE V—EFFECTIVE DATES

SEC. 501. (a) Except as provided in subsections (b) and (c), the amendments made by this Act shall be effective with respect to taxable years beginning after December 31 of the year in which this Act is enacted.

(b) If, at the time the amendments made by this Act (other than those made by section 202) become effective, an employer has in effect a health benefit plan for his employees which is an item covered under a collective bargaining agreement, such amendments shall not be effective with respect to such employer until such time as the collective bargaining agreement expires, or January 1, 1982, whichever is earlier.

(c) The amendments made by section 202 of this Act (relating to title XVIII of the Social Security Act) shall become effective on the first day of the first calendar month beginning more than six months after the date of the enactment of this Act.

SUMMARY OF THE COMPREHENSIVE HEALTH CARE REFORM ACT OF 1981

I. BASIC PRINCIPLES

The bill addresses the health care issues of hospital cost containment, catastrophic health insurance, and disease prevention in a comprehensive and consistent manner.

It does so, not with further regulation or by setting up costly new government programs, but by rearranging federal tax incentives to attack the root cause of all three problems: a third-party reimbursement system, subsidized by federal tax deductions for health insurance premiums, that is noncompetitive and too heavily oriented toward providing first-dollar insurance coverage used primarily for short-term hospital care.

Under this "third-party" reimbursement system, 90 percent of all hospital bills are currently paid by insurance plans or government programs. Consequently, neither patients, doctors, nor hospitals have adequate incentives to hold down the prices of health care. Escalating costs, in turn, lead people to demand more insurance coverage for the relatively low-cost hospital services they encounter most often—broadening the range of services subject to third-party reimbursement but leaving people unprotected against the less frequently encountered catastrophic or preventive care expenses. Moreover, there is little competition in the health care system to help break this inflationary spiral.

The bill will change the third-party reimbursement system in a way that will attack the problems of rising costs, inadequate catastrophic coverage, and limited availability of preventive care.

(1) To reduce health cost inflation, it will—

(a) Encourage competition by requiring large employers, as a condition of deducting premium contributions from their gross income, to offer their employees the choice of at least *three* competing health plans.

(b) Encourage the patient to participate more actively in hospital service pricing decisions by requiring that at least one employee health plan offered by all employers contain a 25% cost-sharing provision for hospital services, effective until medical expenses exceed 20% of family income from wages and self employment. The employer would have to make this option available to his employees in order for the premium costs of any health plan he offers to be deductible from his gross income.

(c) Ensure that employees will receive a direct financial reward for choosing a high-deductible or other low-cost health plan in the form of tax-free premium rebates.

(2) To provide all Americans with a minimum level of catastrophic protection, the bill will utilize a combination of (a) additional prerequisites for tax deductible insurance plans, (b) state-administered insurance pooling arrangements, and (c) increased Medicare benefits.

(3) To encourage preventive care the bill will require that all insurance plans receiving favorable tax treatment contain a specified minimum level of health promotion/disease prevention benefits, without copayments.

COST IMPACT

Total new federal outlays under the plan would be approximately $.5 billion per year, primarily for new medicare benefits. Projected savings to the federal government from the additional copayment provisions alone would be $2.5 billion per year.

The cost to the private sector will be about $3 billion per year. This will be offset by projected savings to the private sector from the annual copayment provisions alone of approximately $5 billion per year.

Therefore, the bill will offer the American people a tradeoff: if they are willing to share a little more on their short-term hospital costs through copayments, they can save enough money to obtain catastrophic protection and preventive care.

II. COST CONTAINMENT PROVISIONS

A. To encourage competition:

In order for an employer to deduct his contributions to employee health benefits

plans from his gross income for federal tax purposes—

1. If he has more than 200 full-time employees, he must offer them the choice of at least three health insurance plans. Each must be sponsored by an independent organizational entity.

2. An employer, regardless of the number of employees he has, must make the same dollar outlay for health benefits per employee (whether that outlay goes entirely to the employee's insurance company or is divided between premium payments to the insurance company and rebates to the employee.) An employer's outlay per employee for health benefits (though usually referred to as "employer contribution") is a known category and would not be hard to determine for purposes of administering the law. It is an amount set by the employer in advance on an annual basis through negotiations with employee representatives.

In addition:

Outlays per employee could not be lowered after the bill's effective date.

Outlays per employee could not exceed the amount of the highest cost plan actually selected by at least 10% of the employees. (This will ensure that an employee cannot use an artificially high outlay level to funnel tax free income to employees.)

3. If an employee chooses a plan whose premium cost is less than the employer's outlay per employee, he will be entitled to receive the difference between the outlay and the cost of the plan on a tax-free basis (or he could receive the payment in the form of other tax-free fringe benefits). Currently, few employers pass on such premium savings directly to their employees, giving them little incentive to choose lower cost plans.

EXAMPLE 1

	Plan 1	Plan 2	Plan 3
Total premium cost	$2,000	$1,000	$500
Employer contribution to plan	2,000	1,000	500
Employee contribution to plan	0	0	0
Refund to employee (employer outlay minus total premium cost)	0	1,000	1,500

Note: Employer's total outlay per employee, $2,000.

EXAMPLE 2

	Plan 1	Plan 2	Plan 3
Total premium cost	$1,000	$500	$250
Employer contribution to plan	600	500	250
Employee contribution to plan	400	0	0
Refund to employee (employer outlay minus total premium cost)	0	100	350

Note: Employer's total outlay per employee, $600.

4. The definition of health plans that must be offered is very broad. Generally, it includes all standard insurance arrangements certified under state laws, as well as health maintenance organizations and prepaid group practices.

5. The rights of collective bargaining agents are preserved by requiring that health plan alternatives be offered to the employees through them.

B. *Consumer Cost-Sharing:*

In order for any employer to continue to deduct any health insurance contributions from gross income, he must offer his employees at least one plan which includes an annual copayment rate for hospital services of at least 25 percent, effective at least until annual medical expenses exceed 20 percent of family income from wages or self-employment. The availability of tax free rebates (described above) will encourage employees to select this option, since it will frequently have a much lower premium cost than the other plans offered. A 25 percent cost-sharing plan would also have to be offered to government employees.

Cost impact

Negligible cost to federal and state governments.

$7.5 billion per year savings to the health system as a whole ($2.5 billion to the federal government and $5 billion to the private sector.)

III. CATASTROPHIC PROVISIONS

A. *For large-firm employers and their families—*

1. In order for premium costs to be tax deductible by employers or employer contributions to be tax exempt for employees, the plan for which the premium was paid must contain a minimum level of catastrophic protection for the employees and their families. Also, catastrophic coverage must continue for at least 6 months after an employee left the job.

2. This requirement will apply only to firms with more than 50 full-time employees and only to policies covering full-time employees.

3. The minimum level of catastrophic coverage will be full payment of all "medical expenses" (as defined under Medicare, excluding long-term nursing home care) incurred annually in excess of 20 percent of family income from wages or self-employment.

Cost impact

Negligible cost to federal and state governments.

Negligible cost to private sector but $6 billion financing burden shifted from employees to employers.

B. *For small firm employees (less than 50 employees), uninsurable risks, self-employed, and those without government or private insurance—*

1. States in cooperation with insurance carriers, will be encouraged to set up a mechanism for equitably assigning such individuals to insurance companies or carrier-sponsored insurance pools.

2. In order to continue participating in federal programs, an insurance company will have to enroll assigned individual's to provide them at least with catastrophic protection (as defined in section A, above). The premiums charged to assigned individuals can be no more than 125% of their comparable large-group rates for similar protection in the same geographic area.

Cost impact

Negligible cost to federal and state governments.

$1 billion cost to private sector.

C. *For the Elderly—*

Medicare will be restructured to provide catastrophic benefits.

Under current law, an individual must pay a $160 deductible under part A (hospital insurance) and a $60 deductible under part B (physician services insurance). There are also copayment requirements for hospital care: $40 per day for the 61st through the 90th day, and $80 per day for days he draws from a 60-day lifetime reserve. There is also a 150-day limit on covered hospital days.

The bill eliminates the 150-day limit and revises the copayment rates. An individual will have to pay 20% of the cost of hospital care regardless of the number of days he is in the hospital. However, once part A and B copayments reach 20% of annual net income in any one year, all copayment requirements would cease.

Cost impact

$0.8 billion per year to federal government.

IV. PREVENTIVE BENEFITS

In order for an employer to deduct the costs of health insurance premiums or an employee to exclude employer contributions from taxed income, the plan for which the deduction is claimed must contain:

1. Comprehensive (prenatal and perinatal) maternal care;
2. "Well-baby" clinic services, newborn nursery screen, vision and hearing exams;
3. Childhood immunizations;
4. Hypertension screening;
5. Cervical cancer screening; and
6. Periodic physical examinations.

Cost impact

Negligible cost to state and federal governments.

$8 billion per year cost to private sector.

This requirement would apply only to firms with more than 50 employees. Employees of firms with less than 50 employees would receive these preventive benefits through the state-administered pooling mechanism described in section III, B above. The individuals eligible for the pooling arrangement would also receive the preventive benefits, with the same 125 percent premium cap that applies to catastrophic benefits.●

By Mr. HATCH:

S. 140. A bill to provide for a national blood program, and for other purposes; to the Committee on Labor and Human Resources.

NATIONAL BLOOD PROGRAM

● Mr. HATCH. Mr. President, I am today introducing the Blood Assurance Act of 1981, which is designed to assure the adequate nationwide availability of quality blood and blood products.

Over the last 2 years, through two hearings and under the guiding hand of former Senator Richard S. Schweiker, the Committee on Labor and Human Resources has explored some of the continuing problems in the blood collection and delivery system in the United States. On July 31, 1979, Senator Schweiker introduced S. 1610, of which I became a cosponsor, in order to stimulate private activity related to solving a fundamental schism in the blood industry and to decrease inequities in charges for blood and blood products. It has always been our hope that the goals of this bill could be met without legislation.

The initial reaction to this bill was in some cases extremely favorable. For example the San Antonio, Tex., Light on December 27, 1979, editorialized:

NATIONAL BLOOD EXCHANGE PROGRAM SHOULD BE ONE WHICH ADDRESSES ALL

Safe, sufficient supplies of blood and blood products will be assured under a Sen. Richard S. Schweiker bill, cosponsored by Utah Senator Orrin Hatch.

The Blood Assurance Act, S. 1610, is designed to ensure that blood will be available when needed for a reasonable charge.

It prohibits any levying of a "penalty fee" on anyone who receives blood but does not replace it through soliciting donations.

The bill also establishes a national blood exchange program to improve the availability of blood, and mandates Federal research and educational programs on the nature and need for blood.

Articles in several newspapers and Parade magazine, a supplement to the Sunday Light, created grave concern among blood donors and recipients, many of whom have called or writen Congressmen demanding remedy.

National blood policy, originally set in 1973, has never been fully implemented. Reports say that as a result blood banks can make more than $300 from one pint of blood that is usually donated at no charge, Hatch said.

The General Accounting Office (GAO) has

reported significant abuse of penalty fees charged to citizens unable to return the blood.

There's a lot of money in the blood industry—but money must take the backseat to public need. Jurisdictional infighting over these issues between some within the major blood outlets (the American Red Cross, the American Association of Blood Banks and scattered private suppliers) has hindered the transfer of blood from oversupplied areas to undersupplied areas. This cannot go on, he said.

Hatch, who is in line to become the top Republican on the Senate Labor and Human Resources Committee when Schweiker retires in 1981, feels that the national blood exchange program is a good government coordination plan to treat the problem of distribution, especially to poor areas.

"This is not an administrative program, which sometimes creates the worst kinds of bureaucracy. Rather it's a coordinating plan to aid the various suppliers in their duty. Federal research will aid in the expansion of our blood-access efforts for the future."

We agree with Hatch and support the efforts of Schweiker and Hatch, borne out of the Parade inquiry.

As a result of the efforts of Senator Schweiker and myself, there are indications that some progress has been made. Beginning next month the major organizations involved in blood activities in this country will enter into a 6-month implementation stage of a national blood resources sharing agreement. I am hopeful the continued cooperation of all parties to this agreement may solve some of the fundamental problems that have plagued the blood industry over the last few years. It is my intention to follow the progress made under the new sharing agreement and eventually to seek comment from across the Nation as to the impact of this program.

Assuring all Americans adequate blood resources is a significant and important health issue. It is clearly preferable that the existing blood organizations meet this goal without Federal legislation. However, the proposal incorporated in the Blood Assurance Act of 1981 is more a Federal prod than an intervention. On that basis, I am prepared to have this bill, and other proposals, considered by the Committee on Labor and Human Resources if current private initiatives fail. Finally, some future consideration may need to be given to the value of a "truth in giving" requirement. Many donor recruitment drives rely, explicitly or implicitly, upon a promise of an individual benefit to the donor when that in fact is not the case.

To further clarify the background of this bill and its relation to activities over the last decade. I have inserted in the RECORD at the end of my statement a speech given by Senator Schweiker in November 1979 and an article by him published in October 1980. Mr. President, I ask unanimous consent that these articles and the text of the bill be printed in the RECORD.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 140

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Blood Assurance Act of 1981"

PURPOSE

SEC. 2. It is the purpose of this Act to improve and assure the availability of blood and blood products as needed to all Americans, to facilitate the efficient transfer of blood and blood products throughout the United States, and to promote public awareness of the national need for safe and sufficient quantities of blood and blood products.

NONREPLACEMENT PENALTY PROHIBITED

SEC. 3 (a). No person shall, as a condition to the provision of blood to any individual—

(1) charge or collect any fee from, or on behalf of, such individual because such individual

(A) does not replace, or provide for the replacement of, the blood he receives; or

(B) does not have blood credits to assure replacement of such blood from a blood supplier;

(2) require the donation or provision of blood by, or on behalf of, such individual; and

(3) require a guarantee that blood will be transferred or require the transfer of blood, on behalf of such individual.

(b) Nothing in this section shall be construed to prohibit a blood supplier from recruiting blood donors by offering such donors incentives to provide blood, such as a discount on the charge to an individual for the provision of blood as a result of a blood donation or blood drive, except that such discount shall not exceed, per unit, the greater of—

(1) the average cost of recruiting a donor in the area; or

(2) 20 per centum of the cost of processing a unit of blood.

(c) For purposes of determining the discount allowed under subsection (b), the fair and reasonable regional recruitment and processing costs shall be determined under section 5(b)(1) of this Act.

(d)(1) Section 1813(a) of the Social Security Act is amended by striking out paragraph (2).

(2) Section 1833(b) of such Act is amended by striking out the last sentence.

(3) Section 1866(a)(2) of such Act is amended by striking out subparagraph (C).

(4) Section 1861(v)(1)(A) of such Act is amended (1) by striking out "and" before "(ii)", and (2) by inserting the following before the period at the end thereof: ", and (iii) take into account the processing fees incurred (other than fees paid to a donor of blood) by a provider of services in the replacement of blood (or equivalent quantities of packed red blood cells, as defined in regulations) furnished to an individual under this title, but only to the extent the provider furnishes documentation satisfactory to the Secretary demonstrating that it has been able to secure replacement of such blood only through the payment of such fees".

(e) This section shall become effective three years after the date of the enactment of this Act.

BLOOD EXCHANGE

SEC. 4. (a) No person shall deny to any health care facility or blood supplier the reciprocal exchange of available blood required as a result of patient needs, unless the exchange of such blood would, in the judgment of such person, deplete the available blood needed by such establishment. Such exchange shall be without regard for geographical location or affiliation of such establishment. The fair and reasonable charge for blood shall be determined under section 5(b)(1) of this Act.

(b) Nothing in this section shall be construed to require a health care facility or blood supplier to accept blood credits in lieu of blood in the fulfillment of a request for blood.

NATIONAL PROGRAM

SEC. 5. (a) It is the purpose of this section to encourage the continued operation of a private entity to facilitate the exchange of blood among health care facilities and blood suppliers as required under section 4 of this Act, and to ensure the maximum and efficient utilization of blood throughout the United States.

(b) In order to promote the purposes of this section, the Secretary, acting through a recognized private entity, composed of, in part, national blood suppliers, shall—

(1) foster the exchange and availability of blood;

(2) collect cost and charge data from blood suppliers, and analyze such data, to determine, among other things, the fair and reasonable exchange rates to be charged among blood suppliers for blood; and

(3) determine, and implement, any other actions that may be necessary to carry out the purposes of this section.

ENFORCEMENT

SEC. 6. (a)(1) If a person violates section 3 or 4 of this Act, and such person has a license for the maintenance of an establishment for the propagation or manufacture and preparation of blood under section 351 of the Public Health Service Act, the Secretary shall suspend or revoke such license for such period as he may prescribe.

(2) Section 351(d) of the Public Health Service Act is amended by inserting: "If any person having a license for the maintenance of an establishment for the propagation or manufacture and preparation of blood under this section violates section 3 or 4 of the Blood Assurance Act of 1979, the Secretary shall suspend or revoke such license for such period as he may prescribe under section 6 of such Act", after the first sentence.

(b)(1) If a person violates section 3 or 4 of this Act, and such person is a provider of services within the meaning of section 1861 (u) of the Social Security Act, such person shall be ineligible to receive payments under title SVIII of such Act for such period as the Secretary may prescribe.

(2) Section 1815 of the Social Security Act is amended by inserting the following new subsection at the end thereof:

"(d) No payment shall be made to a provider of services who violates section 3 or 4 of the Blood Assurances Act of 1981 for such period as the Secretary shall prescribe under section 6 of such Act.".

PUBLIC INFORMATION

SEC. 7. (a) Pursuant to his authority under section 1701 of the Public Health Service Act, the Secretary shall—

(1) analyze various aspects of donor recruitment;

(2) develop health education programs and materials and disseminate such information and materials to persons providing health care, to schools and businesses, and to the public generally;

(3) develop cooperative arrangements with private organizations to carry out the purposes of this section; and

(4) carry out a program to conduct studies and initiate demonstration projects to develop public information relating to the nature of, and need for, blood and blood donors.

(b) The Secretary shall submit, not later than two years after the date of the enactment of this Act, a report to the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives respecting the implementation of this section and the results obtained from the activities authorized by it.

DEFINITIONS

SEC. 8. For the purposes of this Act, the term—

(1) "blood" means human blood, and includes packed red blood cells and other products derived from human blood;

(2) "blood supplier" means any entity that provides for the collection, processing, distribution, or transfusion of blood;

(3) "blood credits" means a guarantee by a blood supplier that such blood supplier will offset any blood replacement requests made by a health care facility or blood supplier against blood requests owed to such health care facility, blood supplier, or its affiliate;

(4) "establishment for the propagation or manufacture and preparation of blood" does not include establishments licensed exclusively under 21 CFR 640.64; and

(5) "Secretary" means the Secretary of Health, Education, and Welfare.

REMARKS OF SENATOR RICHARD S. SCHWEIKER TO THE AMERICAN ASSOCIATION OF BLOOD BANKS, NOVEMBER 5, 1979, LAS VEGAS, NEV.

It is a pleasure for me to be here speaking to you amid the glitter and the glamour. I find it somewhat ironic that we are convened here in the country's gambling capital to discuss a product—blood—and a system—blood banking—where we can ill afford to gamble. The odds for a sufficient blood supply must always be stacked in our favor.

I am particularly pleased that this audience represents those most closely involved with blood banking itself—technicians and specialists, recruiters, researchers, nurses, doctors, and administrators. This is my first opportunity since introducing my bill to speak to those of you directly on the firing line. Let me state right at the start—you are the folks who have been responsible for making blood banking among the most progressive medical industries in the world. In the past decade, both medically and organizationally, blood banking has taken great strides and witnessed several achievements. You are to be commended for your contributions to the improved health and welfare of our citizens.

Despite this significant record of accomplishment, there are persistent and serious problems which plague the industry. The result is an adverse impact on the blood consumer. These problems have prompted my legislation and bring me here to talk to you tonight.

Blood is unquestionably a national resource. And much like the oil and natural gas industries, we have the technical know-how to tap it and process it; we know where to find it, who our most likely donors are and we know where our future reserves are likely to be—the young, healthy population. The analogy ends there, however, for to acquire sufficient blood means relying on motivated individuals, dedicated organizations, and efficient blood agencies.

In 1973, the typical blood donor was a white male between the ages of 25 and 34. He lived in a metropolitan area outside the central city, had at least a high school diploma, had served in the military and earned a better than average salary. This statistical description suggests the need to spread the responsibility of an adequate donor supply among more eligible population groups. Availability is further constrained by the physical properties of blood. We continually have to maintain a proper balance between blood as a renewable resource and as a perishable product. Add to this the pressure of an ever-increasing need for blood and blood products, and it is easy to understand why donor recruitment is a relentless, never-ending pursuit.

The federal government has had a long and legitimate role in the activities of the blood banking industry, principally in research, regulation, and as a payor.

Prior to the mid-1960's, the government primarily performed scientific research through the National Institutes of Health. NIH appeared content to monitor technological developments in blood banking and their various applications. However, growing public concern over the stubborn post-transfusion hepatitis problem spurred Congress into establishing a National Blood Program in 1968. It also resulted in the transfer of the regulatory functions from the Public Health Service to the Food and Drug Administration, and that expanded the government's watchdog role over blood banking. Today the FDA licenses and inspects all interstate blood establishments and all manufacturers of source plasma. The quality of blood products is monitored through regulation. Thus, the federal government can claim at least partial credit for some of the gains made in the safety and efficacy of blood products.

The federal government is also the largest single blood buyer in the country through Medicare. Approximately one-third of the blood resource is consumed by persons aged 65 and over. Under Medicare insurance, such individuals have all their blood charges paid for except for the first three units under the nonreplacement fee. The Health Care Financing Administration of HEW reports that Medicare in 1977 paid $105 million and Medicare beneficiaries paid another $10 million.

This kind of money gives the federal government a large stake in the blood industry's operation. Are we sure we are getting the lowest possible blood charges? Are the elderly being treated fairly in the blood pricing system?

These and other questions prompted the Senate Subcommittee on Health and Scientific Affairs to examine the status of the nation's blood policy. The National Blood Policy was an outgrowth of public concern over the high incidence of post-transfusion hepatitis and its linkage to commercial blood collections. After a Presidential task force examined the current blood supply system, recommendations were made to the Department of Health, Education and Welfare which led to the formal statement of the nation's blood policy in 1973. In brief, the policy spelled out four goals: an adequate supply, high quality products, accessibility, and an efficient system. The overall objective was to strive toward an all voluntary donor blood supply. But other things, such as resource sharing, uniform accounting and reporting systems, and a national data collection system also were to be pursued. The blood banking industry, the providers, the insurance industry, and major blood consumer groups were urged to undertake responsibility for the policy. These interests responded by creating the American Blood Commission in 1975, with HEW's blessing.

During oversight hearings which I chaired on June 7th of this year, the Senate Health Subcommittee sought to answer several questions: What progress have we made toward achieving the National Blood Policy's goals? What, if anything, should be done to alter these goals or the manner in which we pursue them? Has HEW abdicated its role in monitoring the policy? Is the American Blood Commission an effective vehicle for implementing the policy?

The hearings opened many eyes concerning the state of the nation's blood system. Some major problems were uncovered.

First, the federal government, as the nation's largest blood purchaser, was being overcharged due to abuse of the nonreplacement fee. The Government Accounting Office testified that the blood replacement practices of some hospitals and blood banks discriminated against Medicare patients. Some institutions were billing nonreplacement fees to Medicare for blood supplied by blood banks that charge only processing fees. Medicare was often not informed when blood had been replaced. Often hospitals were just ignoring proper billing instructions from Medicare intermediaries. These abuses resulted in substantial overpayments by the government estimated to total millions of dollars annually. Just as appalling was the disclosure that the Health Care Financing Administration operating Medicare was aware of the abuses yet did nothing.

Second, the major blood suppliers—the American Red Cross and the American Association of Blood Banks—are waging a bitter civil war. This feud results in temporary regional shortages which postpone surgeries and inflict emotional and economic hardships on patients requiring blood. The Subcommittee heard several individuals describe their personal suffering at the hands of an uncooperative blood system.

Third, there is a wide disparity of charges for blood and blood products across the country with little data to explain why this occurs. For example, in 1978, the processing cost for a unit of whole blood was $17 in Johnstown, Pennsylvania, and $38 in San Jose, California. In Tulsa, Oklahoma, the charge for frozen red cells was $150, five times the charge for whole blood, but in Salt Lake City, it cost $60, only twice the cost of whole blood.

Fourth, the effectiveness of the ABC received mixed reviews. All agreed that the Commission was instrumental in assisting toward an all voluntary donor supply. The Commission's decision in 1977 to seek elimination of the nonreplacement fee was likewise courageous. Nevertheless, there is criticism of the Commission's ability to carry out policies it passes.

On the positive side, we learn that the percentage of paid or commercial blood collected in this country dropped from about 25 percent in 1971 to only 5 percent in 1978. This significant achievement has contributed to a reduction in the incidence of viral hepatitis.

But after careful examinations of all of the problems which surfaced at the hearings, I concluded that further meaningful progress toward a viable national blood policy needed the force of legislation. With substantial input from all the concerned blood organizations, I fashioned the Blood Assurance Act of 1979, introduced on July 31st in the Senate.

The nonreplacement fee has become the single most visible issue in blood banking today. It appears to be the major note of discord to harmony among all blood suppliers. It compounds an already complex accounting problem. Its supporters claim it a necessary inducement for replacing blood.

It is estimated that as few as 40 percent of all units used are replaced under the fee. HCFA estimates that only one out of three units are replaced by or for Medicare beneficiaries. This casts serious doubt on the replacement fee as an effective recruitment tool. We know that approximately 30 percent of the hospitals in the U.S. now use the fee. For some, the fee has become the source of considerable windfall revenue. Medicare alone pays $20 million annually for non-deductible, nonreplacement fees. Medicare patients pay many millions more from their own pockets for deductible units not replaced. This puts untold economic hardship on many who cannot replace the blood or pay the fees. I am firmly opposed to penalizing patients who have received blood but cannot replace it.

Testimony suggested the nonreplacement fee concept was not necessary to maintain the blood supply. The AABB went on record

in 1977 to eliminate the penalty fee concept. Several states have introduced legislation addressing the nonreplacement fee issue. Illinois recently passed a law prohibiting its use in that state. There is general acknowledgement by experts in the blood field that the nonreplacement fee is slowly declining. I believe legislation is necessary to hasten its demise.

My bill would prohibit the nonreplacement fee after a three-year phaseout period. The estimated impact of the fee's elimination would not result in additional Medicare costs and there is a possibility that some tax money might be saved. This recognizes that some processing fees will go up in institutions now charging nonreplacement fees. Some argue that this action will jeopardize the blood supply. I have seen no evidence that, allowing for an adjustment period of three years, the blood supply in an area cannot be maintained or even increased. The phaseout provision in my bill provides ample opportunity to prepare for the changeover.

I find merit in the argument that a discount incentive might be useful in attracting potential donors—as a recruiting tool. I am aware that many blood banks encourage a pre-deposit of blood by individuals, often through employer programs, so that the donor receives a break on any blood charges. With the relentless difficulties in blood recruitment nationally, a variety of positive incentives should be tried to encourage blood donation, and I believe the discount incentive is a good one.

For this reason I have included in my bill a provision which would allow blood banks to recruit donors by offering those donors a discount on the processing fee for any blood they might need later. There has been confusion about this provision by the industry, and I want to make my intent clear. The discount would only apply for the donor who deposits blood in advance of his or her need for blood. No discount would be allowed for the replacement of blood by or on behalf of the patient. This is not the nonreplacement fee under another name. It is simply an incentive to an individual who wishes to donate blood and at the same time obtain a guarantee of less costly blood should he or his family need it. The bill allows the amount of the discount to be the greater of 20% of the normal processing fee or the average cost of recruitment of a donor in the service area of the blood supplier. I am aware there is no commonly accepted definition of recruitment costs. I am confident the industry can come up with one. If not, the bill relegates such authority to the Secretary of HEW.

The division of our major blood banking organizations has existed for three decades. In recent years, the gap has widened. In 1976, the American Red Cross decided to withdraw from the AABB's National Clearinghouse Program. Regardless of the merits of the argument, the departure caused greater friction among the organizations. But it caused even more hardships on patients. Today, we have no single system for the exchange of blood between regions or institutions. With a national resource at stake, I find this situation intolerable. No one sick or injured should also have to worry about whether blood is available. The absence of a coordinated system nationally to facilitate blood exchange cannot continue.

For this reason my bill provides for the creation of one national program to exchange blood and blood products. But I am not creating a government program. This program would be operated under the authority of a private sector agency whose membership would include the nation's major blood suppliers. This unit would establish the program's operating policies and foster the transactions necessary to ensure an adequate blood supply everywhere in this country. One goal of this effort would be to reduce regional and seasonal shortages. Another goal would be to accommodate those who need blood away from home.

As I explained earlier, we found largely unexplained differences in charges for the same blood product. The price relationship between blood products also varies widely. Why the mystery? I was told the data either did not exist—or was not available. If the public is ever going to have any confidence that its precious donation is being handled efficiently, we need answers. The federal government has a right to know if charges to Medicare patients are the lowest possible.

Another important purpose of the national exchange program would be to collect cost and charge data from all participating blood banks. This data could be analyzed to determine fair and reasonable exchange rates.

HEW has been criticized for its poor performance in overseeing the National Blood Policy. Under my bill, the Secretary of HEW would have responsibility for monitoring the national exchange program. I envision a renewed federal commitment to protect the public interest and the government purse under this new program. Nevertheless, I seek as little regulatory intervention as possible—without sacrificing principle.

Another concern raised at the hearings and repeatedly in private conversations deals with this nation's ability and willingness to meet our future blood needs. For example, some are concerned about our continued dependence on Euroblood shipped to the U.S. from foreign donors. Others suggest America's younger population does not share an appropriate appreciation for our blood needs. I believe we must instill a greater appreciation of the nature and need for blood among our young people—so they too will give freely. There is little research that tackles the issues of donor motivation and recruitment strategy.

I have included a provision in my bill which directs the federal government to carry out research and public education projects concerning blood giving on a demonstration basis. This can be accomplished under existing authority within the Public Health Service for health promotion and health education. I view this activity to be as important as any other we might undertake to ensure a future blood supply.

I have described for you the Blood Assurance Act of 1979 as it is currently written. Today, however, I am announcing a further element which I intend to add to my legislative proposal.

It has been increasingly apparent to me that there is a general lack of public understanding, particularly by those who donate blood, as to how the blood system actually operates. There are numerous documented instances where a local recruitment appeal has misled donors. The donor expected something in return for his donation. But in fact, no guarantee existed. Such deception occurs under every type of recruitment system or philosophy. Often it is unintentional—but the result is always the same—donors do not fully understand what their donation entitles them to. In fact, as you and I know, it may not entitle them to anything. It is time we are candid with the American people.

I intend to close this credibility gap by amending my bill to include a "truth in giving" provision. This provision will require all blood collecting agencies to inform a person prior to or at the time of donation what, if any, benefits the donor gets. It is no different than the disclosure you get when borrowing money from a bank. It will, however, protect the public so that every prospective blood donor understands what he can expect for his blood donation.

The problems I have identified for you are serious ones. They must be handled in a firm yet responsible way. The blood industry itself recognizes the necessity to resolve these issues. Yet the problems persist and the industry continues to battle internally.

For my part, I worked carefully to fashion a solution which can be fair to all parties involved. My bill proposes a reasonable approach which favors no particular industry viewpoint yet protects the public interest. It does this with minimal federal intervention. It begs for private sector initiative to address and resolve the issues. I am aware of one recent action which steps in the right direction. The American Blood Commission at its September Board Meeting created a committee to develop a unified blood resource sharing system for the industry and the country. I am encouraged by this endeavor. But I will continue to push for passage of my legislative proposal until its objectives have been achieved.

I encourage you who are on the operating front in blood banking to let your regional and national organizations know your thoughts on these issues. I want you to view my bill as a vehicle for attacking the problems you face—not as government intrusion into your affairs. If these problems persist, you can expect far more direct government intervention. You must settle your differences and press forward.

The American public must be assured not only that these problems are solved but that they will not recur. They expect this and as blood donors they deserve no less. I challenge you to meet with those who differ with you—to resolve your differences and to develop a workable blood program for this country. The responsibility and opportunity are yours. I hope you will accept this challenge.

[From Lab World, October 1980]

LEGISLATIVE UPDATE

(By Richard Schweiker, U.S. Senator, Pennsylvania)

Public concern helped create a national blood policy to deal with hepatitis transfer in blood transfusions. That same concern is now testing that policy as a result of a schism that occurred between the two major blood suppliers four years ago.

While the two events may not equate in terms of human suffering, their importance to Americans cannot be minimized. The dissolution of an agreement in 1976 between the American Red Cross and the American Association of Blood Banks had its roots in a history of disagreements over recruiting philosophies, territorial claims and economic policies. Nevertheless, the parting was unexpected.

The absence of a single, unified system for blood resource sharing affected not only local blood center jurisdictions but it also crossed state lines. Letters and newspaper articles from around the country appeared in state and federal legislative offices. Legislative proposals cropped up in many states addressing the supply and economics of blood service. Even the Congress, which was silent during formation of the National Blood Policy during the early 70's, had to note the concern.

As the ranking Republican of the Senate Subcommittee on Health and Scientific Research, I was acutely aware of the controversy from problems in my own state of Pennsylvania. The concern there over lack of cooperation among blood banks led to substantive amendments to the Pennsylvania Blood Bank Act of 1972.

Staff inquiries found situations similar to Pennsylvania's in many other parts of the country. Additional issues surfaced concerning the economics of blood banking. Seven years had elapsed since enunciation of the blood policy and mounting public concern over recent developments. The time for airing the matter was overdue. On June 7, 1979, the Senate hearing to assess progress

on implementation of the National Blood Policy heard several witnesses who had fallen victims to gaps in the blood services system. The hearing also laid bare the intense rivalry between the major blood suppliers. Based on the testimony, I decided that introduction of legislation was the best way to move toward resolution of the issue. Thus, on July 31, 1979, I introduced the Blood Assurance Act, Senate Bill 1610.

The bill essentially proposed: 1. to establish through a private entity a national exchange program with all blood suppliers participating and the Secretary of Health and Human Services (HHS) overseeing its implementation; 2. to phase-out the non-replacement fee in three years; 3. a discount to encourage prospective blood donations; and 4. federal government support for public education and awareness of blood and blood needs.

Five months later, the three major blood suppliers—the American Red Cross, the American Association of Blood Banks and the Council of Community Blood Centers—together with the American Blood Commission formed a working group on blood resource sharing. After an erratic start, the group established a biweekly schedule and met in earnest. The issues were not easily ironed out.

In the meantime, doubts were expressed both privately and publicly whether S. 1610 would ever move legislatively. They were quickly dispelled when Senator Edward Kennedy (D-MA), chairman of the subcommittee, wrote me indicating he would gladly move the bill if industry efforts stalled. To reinforce this and to satisfy legislative protocol, hearings on S. 1610 were held in May 1980. Many of the first hearing's participants reappeared to state their views, including the Department of Health and Human Services, the three major blood organizations, the American Blood Commission and consumer groups such as the National Hemophilia Foundation and the American Kidney Foundation.

The Department of Health and Human Services, which had announced the laudable blood policy goals in 1973 only to ignore their implementation thereafter, once again jumped aboard the blood policy bandwagon by surprisingly supporting elimination of the non-replacement fee nationally. Nonetheless, after two General Accounting Office reports and a public hearing, the administration failed to take action to assure implementation of the national blood policy. HHS promised me an internal assessment of the progress in achieving blood policy goals.

Within weeks of the second hearing the resource sharing task force announced a tentative agreement for each of the participating organizations to approve. They told me they believed an approach had been drafted to which everyone could agree.

Hurdles remain, however. The boards of each of the four organizations must now approve the document. If changes are proposed, the working group must reconvene to consider them. The timetable for approval stretches until December of this year. If the agreement is ratified, a six-month implementation phase begins to work out the final operational details.

Based on the first-hand report from work group members, I am optimistic a resolution will soon be reached. Many years of learning the act of compromise, however, have taught me such agreements are fragile. For the sake of those who need blood and to ensure the integrity of the blood services field, a resolution must be won.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S.J. Res. 12. Joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day"; to the Committee on the Judiciary.

OPERATING ROOM NURSES DAY

● Mr. INOUYE. Mr. President, today I am introducing a resolution that would authorize the President of the United States to designate November 14 of each year as "Operating Room Nurses Day".

The Association of Operating Room Nurses has a membership of nearly 28,500 with chapters in each of our 50 States and in several foreign countries. Since last year, the association has undertaken a nationwide education program to inform the public of the special role that our operating room nurses play in the health care of our Nation.

I have long felt that members of our nursing profession should receive more public recognition for their many hours of service to our Nation's ill and am especially impressed by the dedication and professionalism of these practitioners.

The operating room nurse is in many ways the guardian and overseer of operating room procedures, preserving the crucial quality of the environment, while at the same time monitoring the patient's vital signs and needs. The responsibilities of the operating room nurse do not begin and end in the operating room. They are often called upon before surgery to counsel patients who are fearful. After surgery they actively participate in the patient's recovery.

The association in establishing November 14 as "National Operating Room Nurses Day" has undertaken a most worthwhile goal of providing educational opportunities for our Nation to inform the public about the roles and responsibilities of the operating room nurse.

Accordingly, I am most pleased today to introduce this resolution and urge my Senate colleagues to join me in awarding operating room nurses the full recognition that they richly deserve.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 12

Whereas the Association of Operating Room Nurses, Incorporated, is a specialty nursing organization with a primary focus on education and a goal of excellence in patient care for all who undergo surgery;

Whereas there are twenty-eight thousand five hundred registered nurse members in such association;

Whereas on November 14, 1980, such association sponsored activities nationwide to educate the public about the role the members of the association play in health care; and

Whereas the association intends to continue to educate the public of the nursing care rendered during surgery: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate November 14 of each year as "Operating Room Nurses Day", and to call upon Federal, State, and local government agencies, and the people of the United States to observe such day with appropriate programs, ceremonies, and activities.●

SENATE RESOLUTION 22—RESOLUTION CALLING FOR A STUDY REGARDING THE INSTITUTION OF A BIENNIAL FISCAL PERIOD

Mr. BUMPERS submitted the following resolution which was referred jointly to the Committee on the Budget and the Committee on Governmental Affairs, pursuant to the order of August 4, 1977:

S. RES. 22

Resolved, That (a) The Committee on the Budget and the Committee on Governmental Affairs are authorized and directed to study the advisability and feasibility of conducting the fiscal affairs of the United States Government on a two-year fiscal period or, in the alternative, of having the Budget submitted and new budget authority enacted for two fiscal years at a time.

(b) Such committees may conduct such study jointly or separately and shall submit their joint report or separate reports, together with their recommendations to the Senate as soon as practicable, but not later than September 30, 1981.

● Mr. BUMPERS. Mr. President, today I am submitting a resolution which will require the Senate Budget and Governmental Affairs Committees to study the feasibility of conducting our Government's fiscal affairs on a biennial basis. Under this resolution, these committees will be directed to submit their recommendations to the Senate by September 30, 1981.

In submitting this resolution, Mr. President, I do not intend to minimize or undermine the Congressional Budget Act because I believe that it is an excellent tool in achieving control over the Federal budget. The Budget Committee has spent numerous hours on budget matters and because of its work each Member of this body has become more enlightened on budget matters. However, I do believe that because of the increasingly heavy workload of the Congress, biennial budgeting is an idea whose time has come.

The annual budget cycle poses a severe dilemma for Congress. On the one hand, annual review of authorizations and appropriations provides Congress with an opportunity to influence programs and policies, in addition to performing the oversight function. On the other hand, as annual authorizations and appropriations increase the workload of Congress, the quality and time spent on congressional oversight has diminished.

The study to be performed under this resolution could apply to all of the components of our budget processes—authorizations, appropriations, and the budget resolutions.

Annual authorizations place severe time restrictions on the legislative committees who must report the authorizing legislation by May 15 of each year. By using a biennial authorization cycle, these committees would have increased time to spend on their oversight responsibilities.

The only time we really perform our oversight responsibilities well around here is when there is a gigantic story in the press about some terrible aberration, how the Government has been ripped off. If it gets press and television attention, then, of course, we go right to

work on it. But we are not performing the mundane chore of oversight responsibility. This has generated much hostility across the country at the local levels where people are having to deal with the way we appropriate money and the purposes for which we appropriate it.

Before World War II, authorizations were usually permanent. It has been estimated that at the end of World War II, 95 percent of Federal spending, exclusive of one-time projects, was under permanent authorization. Therefore, Mr. President, this Government has recently moved toward an annual authorizations and appropriations process.

A biennial authorization procedure would help to alleviate the tremendous workload of Congress. If we could relieve the burden of annual authorizations, the Congress could spend more time in its oversight responsibilities. A 2-year authorization would free the legislative committees to investigate and review governmental agencies and programs more effectively. The biennial authorization procedure would also encourage the orderly consideration of authorizations and appropriations and relieve the scheduling problems caused when authorizations are not enacted on time. Indeed, Mr. President, this orderly consideration of authorizations is provided for in section 607 of the Congressional Budget and Impoundment Control Act of 1974. The section reads:

> In the case of a request for the enactment of legislation authorizing the enactment of new budget authority for a new program or activity which is to continue for more than one fiscal year, such request shall be for at least the first two fiscal years.

Finally, Mr. President, biennial authorizations would help relieve the scheduling and time problems that annual authorizations present. A study by the Congressional Research Service of authorizations which had created bottlenecks for appropriations acts, authorizations requiring budget waivers, bills with a large number of separate authorizations, and authorizations for large dollar amounts shows the time sequence for these bills. In the sampling for authorization bills in the 95th Congress almost half were not enacted until after the appropriations bills had been enacted.

Let me repeat that. Half of the authorization bills in the sampling had not been enacted at the time the appropriations were passed. You and I both know, Mr. President, that no money is supposed to be appropriated until it has been authorized.

Further, a majority of the authorization bills were not completed by early September. The study concludes:

> The sample indicates that the legislative process involved with some authorization bills has been too lengthy to be accommodated within the prescribed schedule in the Budget Act.

Everybody recognizes that we have a serious problem. Therefore, Mr. President, a biennial authorization procedure is necessary to give the Congress more time for oversight responsibilities and also, to have an orderly consideration of authorization and appropriations.

The second component of biennial budgeting is the appropriations process. Congress has traditionally encouraged and used annual appropriations to exert more control over the budget. For example, in 1966 the Joint Committee on the Organization of the Congress declared:

> We strongly believe that an annual review is the best means of insuring that Federal spending received adequate congressional attention.

Also, section 253 of the Legislative Reorganization Act encourages the Congress to make appropriations for continuing programs on an annual basis. Finally, section 402 of the Congressional Budget Act requires the committees of both Houses to study permanent appropriations and recommend terminations or modifications.

With the legislative directives I just mentioned, Mr. President, we are moving toward an increased number of annual appropriations. This can only mean an increased workload and additional time spent on appropriations. The result of this increased time on appropriations will be a diminished role for legislative oversight. I do not intend to diminish the vital part that the appropriations process plays in congressional responsibilities.

It is just that we are spending too much time on appropriations and not nearly enough time on seeing how that money is being spent.

The final part of a biennial fiscal cycle, Mr. President, could be the application of the biennial cycle to our existing budget resolution process. Instead of enacting the budget resolutions for a single fiscal year the Budget Committees could report the resolutions on a biennial basis. The Congressional Budget Act contains provisions to encourage the Budget Committees and Congress to look beyond the immediate fiscal year. Some of the requirements are:

First. The Congressional Budget Office must project the 5-year impact for every spending bill reported by the House and Senate Committees;

Second. At the beginning of each fiscal year the Congressional Budget Office must report to Congress on spending, revenue, surplus or deficit, public debt and tax expenditures for the coming 5 years; and

Third. The President must project the effects of his annual budget over 5 years.

Two-year budget resolutions would still provide Congress with budget control and permit planning and flexibility to adjust to changing economic conditions. Congress could enact 2-year budget resolutions and still retain some annual appropriations, while enacting 2-year appropriations on a selective basis.

We would not be locked in stone. We pass supplemental appropriations all year long.

The selective use of biennial appropriations with 2-year budget resolutions offers Congress the opportunity to study the effectiveness of the 2-year cycle without sacrificing much short-term control of the budget. It could also help in determining how the congressional workload and floor scheduling would be affected by a change to the 2-year cycle as well as whether a decrease in workload would encourage greater oversight.

In conclusion, Mr. President, I firmly believe that biennial budgeting is a procedure which can be effectively implemented and will alleviate many of the difficulties the Congress encounters in carrying out its very important oversight function. During this period of increasing demands on the Federal budget and the need for effective oversight to reduce programs which have gotten out of control, I think biennial budgeting is a method which can be used to strengthen our budget process.

When I was Governor of my State we used biennial budgeting. Most States in the country use it. I know the State of Arkansas is not the Federal Government and I promise you our budget does not approach it. However, we ran our government very efficiently and we did not have any problems budgeting on a biennial basis. We made some mistakes. We almost always had legislative sessions to correct them, but they did not take very long. One of the reasons Government is inefficient is because Congress is not overseeing and supervising the expenditure of the $600 billion we are appropriating. We are appropriating it, but we are not following it up to see how it is being spent.●

SENATE RESOLUTION 23—RESOLUTION RELATING TO THE DISAPPROVAL OF PAY INCREASES FOR MEMBERS OF CONGRESS AND INCREASES FOR SENIOR CIVIL SERVICE EXECUTIVES

Mr. CHAFEE submitted the following resolution, which was referred to the Committee on Governmental Affairs:

S. Res. 23

Resolved, That with respect to the recommendations of the President which are to be transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate—

(1) disapproves the proposed recommendations for increases in rates of pay for positions described in subparagraph (A) of section 225(f) of such Act (2 U.S.C. 356(A)), relating to Members of Congress, and

(2) approves the proposed recommendations for increases in rates of pay for all other offices and positions.

● Mr. CHAFEE. Mr. President, on January 7, 1981, President Carter sent to Congress a proposal to increase the pay of senior level civil service executives and Members of Congress. His recommendations were based on the report of the quadrennial commission authorized under the Federal Salary Act of 1967 which reviews salaries of Members of Congress.

Today, I am introducing a resolution disapproving that part of the President's proposal pertaining to Members of Congress. Approval of my resolution within 60 days by either House will allow this raise to go into effect for senior level civil servants while retaining the present cap on salaries for Members of Congress.

The argument is made that we should allow Members of Congress to have this raise, since their salaries are only adjusted every 4 years. This would allow them to keep pace with raises in the private sector, as well as maintaining their position in relation to civil service employees. But by focusing strictly on the monetary arguments, we miss a larger and more important point.

The foundation of representative democracy is the confidence that the people have in their elected officials. Congress came close to violating this confidence late last year when a $10,000 pay raise was nearly approved before receiving the recommendations of the quadrennial commission.

Next month, we will be called upon to make difficult decisions about cutting spending in an effort to get the Federal budget under control. Few, if any, groups in our society who are receiving Federal aid will be exempt from this process. The public will have to have confidence in our judgment that these cuts have been spread equitably throughout the budget. Voting ourselves a pay raise prior to this process will damage that confidence and make it more difficult to receive support for the enactment of those painful decisions that are necessary to get our economy moving again. When Congress can bring inflation and Federal spending under control, then, and only then, should Congress consider the questions of pay raises for its Members.

The situation with civil service is another case altogether. The present cap on senior level pay causes two severe problems. First, it makes attracting top-notch people to Government service very difficult. A look at what has happened to senior level salaries since 1977—the date of the last quadrennial commission report—explains why.

Since 1977, Federal level executive pay has increased 5.5 percent. During this same period, comparable private sector pay has increased by 25 percent, general schedule civil service pay has increased by 32 percent, and the Consumer Price Index has gone up 45 percent.

Second, this wage disparity is a disincentive for people already part of civil service to either take a promotion or to stay on the job as they approach retirement. Seven grades of high level civil service executives are now paid the same. Each year, the pay cap is in effect, more grade levels bump up against the pay ceiling. Without the incentive of a pay raise, these people are becoming increasingly reluctant to accept the additional responsibility or the need to relocate that a promotion may bring.

In addition, the pay cap provides an incentive for executives to retire early. Last year, 75 percent of the Federal executives who had reached the pay ceiling and were eligible to retire, did so. This results in an incalculable loss of experience and knowledgeable talent to the Federal Government.

Mr. President, the ability to attract good people and to retain the qualified professionals already in Government are two key ingredients to making Government more efficient.

Approving this resolution will help improve the operations of the executive level without decreasing the confidence that the public has in its elected officials. I urge my colleagues to approve this resolution.●

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Budget Committee has rescheduled its economic outlook hearings, originally dated January 13 and 14, for January 21 and 22. On both days there will be a 10 a.m. and 2 p.m. session in room 6202 of the Dirksen Senate Office Building.

On Wednesday, January 21, Dr. Arthur Burns, distinguished scholar-in-residence at the Washington-based American Enterprise Institute for Public Policy and Research and former chairman of the Federal Reserve Board, will testify at 10 a.m. That afternoon the committee will hear Mr. Larry Kudlow, chief economist at the Wall Street firm of Bear, Stearns & Co., and Mr. Alan Reynolds, vice-president of the First National Bank of Chicago.

The Thursday morning session will commence with the testimony of Dr. Martin Feldstein, president of Harvard University's National Bureau of Economic Research and former member of the President's Council of Economic Advisers, and Dr. Barry Bosworth, senior fellow at the Brookings Institution and former director of the President's Council on Wage and Price Stability. The hearings will convene after hearing from Dr. James M. Howell, senior vice-president and chief economist of the First National Bank of Boston, and Mr. Donald E. Maude, chief financial economist and chairman of the Interest Rate Policy Commission of Merill Lynch, Pierce, Fenner & Smith, Inc. of New York City.

For further information, contact Mr. Bill Stringer of the Budget Committee staff at 224-0538.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, the Energy and Natural Resources Committee will hold hearings Thursday, January 22, 1981, to review public and classified assessments of the world petroleum outlook for 1981. Even though domestic petroleum stocks remain above average, the exceedingly cold winter in the East and the continuing Iran-Iraq war will surely place downward pressure on stock levels. The hearings will provide expert opinion from Government, industry, and users on the current supply/demand balance and the outlook for petroleum supplies, including home heating oil and diesel fuel, for the coming year.

The first hearing, to start at 10 a.m. in 3110 Dirksen, will be open to the public and take testimony from the Department of Energy, an independent analyst, industry representative, distributor, and consumer representative.

In closed session beginning at 2 p.m. in S-407 of the Capitol, the committee will continue with testimony from the Central Intelligence Agency and the Departments of Energy and State.

Individuals, organizations, or companies wishing to submit statements for the record may send them for receipt by January 26 to: Committee on Energy and Natural Resources, Attention, Dave Russell, 3202 Dirksen Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

CONTINUE MILITARY REGISTRATION

● Mr. ROBERT C. BYRD. Mr. President, on January 5, the second phase of the military registration plan began. This phase called for young men born in 1962—19-year-olds—to register from January 5 to January 10. Right after the January 10 registration, the Selective Service System went to a system of continuous registration, which means that every young man will be required to register within 30 days after reaching his 19th birthday.

If the response to the second phase of the military registration plan is anywhere near as high as the response to the first phase, it will undoubtedly be a success. The first phase began on July 21, 1980, and continued for 2 weeks. At that time, 19- and 20-year-olds were required to register. There was a 94.5-percent response to the first registration period, and eligible men continued to register after the official registration period.

President-elect Reagan promised to address the question of military registration early in his administration. During the campaign, he criticized President Carter's military registration plan. Immediately after the campaign, some people began urging the newly elected President to act quickly to cancel military registration.

I understand that the President-elect has decided to study the matter in more depth before making a decision. While some on his transition team support cancellation of military registration, others, namely those on the Defense Department transition team, want to continue the registration requirement.

I am please that Mr. Reagan decided to postpone his decision on military registration. This is not a decision to be taken lightly, and I think that by postponing it, the President-elect gives himself the opportunity to consult with his advisers and carefully assess our military preparedness and defense capabilities. As President and Commander in Chief of our Armed Force, he might well view the situation differently. I hope he will.

I am a strong advocate of military registration. I was an active supporter of President Carter's proposal during the Senate's consideration last July of a resolution to revitalize the Selective Service System and to provide for the military registration of men aged 18, 19, and 20.

While I am familiar with the arguments against military registration which Mr. Reagan made during his campaign for the Presidency, they are inconsistent with the strong stands he has taken on foreign policy and defense. In his statements advocating a strong national defense, it is clear that Mr. Reagan recognizes the importance of military preparedness. I believe that military registration will enhance our military preparedness by providing a pool of backup manpower which could save crucial days in the event of a mobilization.

Mr. Reagan calls for an adequate reserve that can be called up at a moment's notice, and a skilled, experienced All-Volunteer Force that can handle sophisticated equipment. The Senate supports these goals, as it clearly indicated last year when it moved to increase the salaries and benefits for our military forces to attract and retain skilled personnel.

The vote to reinstitute military registration demonstrated our commitment and our resolve to upgrade our defense capabilities and military preparedness. I believe this action was perceived as a realistic, substantive response to potential and unpredictable international crises. It sent a signal to the Soviet Union and to our allies of our determination to place our Armed Forces in a state of readiness in the event that they have to respond to a military emergency.

Canceling military registration—reversing a decision which a majority in the last Congress supported—would send another, potentially damaging, signal. It would create the impression that our commitment to strengthen our military preparedness and defense capabilities is an empty commitment.

I am confident that Mr. Reagan will thoroughly examine this issue. I hope that his decision will be one that I and I am sure a majority of my colleagues in the Senate can support—that is, to continue military registration.●

DEMOCRATIC SENATORS LUNCHEON

● Mr. ROBERT C. BYRD. Mr. President, on January 7 President-elect Ronald Reagan attended a luncheon in the U.S. Capitol with Democratic Senators.

Mr. Reagan initiated the meeting, and it was gracious of him to do so. Also attending were Vice President-elect George Bush, Senate Majority Leader HOWARD BAKER and Senator PAUL LAXALT, as well as several of Mr. Reagan's newly formed staff.

I will not attempt to reconstruct Mr. Reagan's talk, since no minutes of the meeting were kept. However, for the record, I would like to state my remarks as contained in my notes.

After thanking Mr. Reagan and Mr. Bush for having come to the Senate, I said the following:

Your Party has a majority in the Senate, but not in the House of Representatives. The problems facing this nation are not created by either party. Yet, they face both of us. And you will need the consensus of both parties to solve these problems.

These party majorities are not issue majorities. Resolving the hard issues requires talent, and we have a wealth of talent in the Democratic Party.

On the environment: Senator Hart is especially knowledgeable; on defense: Senators Nunn and Stennis have contributed ideas and leadership; on economic affairs: Senators Bentsen, Cranston and Long have extensive experience; on energy: Senators Jackson and Bradley will have many useful insights; and on the budget: Senator Hollings is our foremost expert. There are many more. Every Democratic senator has one or more areas of special knowledge. They can help you.

This will be your government for the next few years. I know that you face enormous challenges in defense, and economic affairs, and energy, and foreign relations. I hope that you will call upon this wealth of expertise during your years as President.

I hope that you will have Senate Democrats get together with you for additional meetings of this kind. We Democrats are happy to meet and talk with you, and we stand ready to do so at any time you may wish.

Mr. President, this has been the substance of my thoughts following Mr. Reagan's remarks. I considered the meeting to be very beneficial.

In my welcoming remarks, I told Mr. Reagan that he had our hopes for a strong and prosperous America as he begins his administration.

While the executive and legislative branches have their distinct duties, we are joined in common purpose. It was in this spirit that we, as Democrats, were honored to have Mr. Reagan meet with us.●

POLICY DECISIONS FACING THE NATIONAL SPACE PROGRAM

● Mr. CANNON. Mr. President, on December 29, 1980, the Space Shuttle system assembled in a launch configuration, was transferred from the assembly building to the launch pad at the NASA John F. Kennedy Space Center. Upon completion of a series of final preflight tests on the launch pad that may extend through March of this year, we expect the first orbital test flight of the Space Shuttle to occur. This flight will be a most significant event and the forerunner of introducing the Space Shuttle to operational service in October 1982, following completion of the presently scheduled four orbital test flights.

Mr. President, it was my privilege to have served on the Senate Committee on Aeronautical and Space Sciences from January 14, 1959, a few months after it was established and assigned legislative jurisdiction over the fledgling U.S. space program. This responsibility provided the opportunity to help guide the development of our initial capabilities in space, the successful achievement of the lunar landing commitment, and the decision to initiate the Space Shuttle project. My association with, and responsibility for, the national space program continued with the transfer of these functions to the Committee on Commerce, Science, and Transportation as a part of the Senate committee reorganization in 1977. Reflecting on our past accomplishments in space technology and the status of our program today, I believe it is most appropriate that we examine carefully where the Nation stands in space transportation, space applications, space science and advanced technology, and what our future needs may be.

The current launch preparations are the culmination of a major research and development program that was initiated in January 1972. The program, not unexpectedly, has experienced technical problems leading to schedule delays and a total development cost increase currently estimated at about 20 percent. While no one of us likes cost increases, it is important to recognize the technical complexity and sophistication involved in this undertaking. Against that background and measuring this performance against other projects, some of much lesser technical complexity, the result appears from the information available to the committee to be within a reasonable range.

Now that the Nation is on the threshold of introducing an extensive new capability in space operations, it is important that we address many new issues vital to the role of the United States as the leader in space research and technology. Our leadership role was established as national policy in the enactment of the National Aeronautics and Space Act of 1958. The Nation got a late start in space research and technology; however, with a strong resolve and comprehensive program commitments with the Apollo program as a centerpiece, we developed and demonstrated an extensive capability in space science, space applications, and space technology by the late 1960's. During the 1970's, in addition to committing to the development of a much more versatile and reusable space transportation system, we continued to extend our technological base with the Viking-Mars, Pioneer-Venus, and Voyager-Jupiter-Saturn space science successes, the initiation of Earth resources remote sensing technology and with advances in meteorological satellite systems. We have also learned that in generating the technology to carry out the charter in space, we have developed a new competence to apply to other important national needs, such as energy development. Today, in fact, NASA conducts energy research and development tasks valued at approximately $300 million annually for the Department of Energy.

The commitment to the Space Shuttle system, in addition to its reusability, versatility, and economy of operation, embodied the establishment of a national shuttle fleet to support U.S. civil and military, commercial/industrial, and international space activities, with the subsequent phaseout of the inflexible, more expensive, expendable launch vehicles included in the Delta, Atlas-Centaur, and Titan families. To accomplish the transition from the expendables and to provide a national capability to support increasing exploration and utilization of the space environment, it is essential that the United States have a Space Shuttle orbiter fleet of adequate size.

The currently proposed four vehicle fleet, with one orbiter complete and three in fabrication, is booked to capacity through 1986. This has made it necessary to continue to launch payloads with expendable vehicles well beyond the transition period originally anticipated. A major factor underlying this condition

is an unexpected growth in launch service requests, particularly for communications satellites, not to mention the acceleration in interest in using the Shuttle for both civil and military applications as the orbital test flight program nears.

Initially in fiscal year 1978, acquisition of a five orbiter fleet was proposed by the executive branch; however, the fleet size was reduced to four vehicles with the next budget submission in spite of the long fabrication period involved in building an orbiter. The Senate has consistently stressed the need for a five orbiter fleet. The Nation, in the Shuttle, is investing in a unique capability to extend its exploration and utilization of space, to advance space technology and to maintain its leadership role as set forth in the Space Act. We must address the issue of an adequately sized orbiter fleet promptly if we are to enjoy the benefits of our investment, whether it is to fly the traffic requests presented or to use the space environment to support national needs.

As I have noted, it has become necessary to continue the utilization of expendable launch vehicles to support all the launch service requests being received. This is a decision I agree with. Competition in the launch support field is emerging in Europe with the flight testing of the Ariane launch vehicle and the contracting of payloads for it. Japan is developing an expendable launch vehicle which may pose a further competitive threat. Since we have developed a fine record in suporting launch requests, we should now yield this advantage in the international marketplace.

A closely associated issue is that of pricing policy for launch services provided to others by shuttle or by expendable vehicles. Generally, we have been operating on a full cost recovery basis, a sound policy. However, we should monitor developments in this area very closely and evaluate our policies continuously to assure that, in the final analysis, they serve our national interest as a space-faring nation as competition intensifies. We should meet the competitive thrust with the space shuttle to the maximum extent possible but also with expendable launch vehicles if the situation demands. Quite simply, we should be prepared to support all launch requests.

Mr. President, one of the unique features of the space shuttle is to enable scientists and engineers to accompany and to conduct their experiments in space and to return the results to Earth for quick assessment and in the case of instrument development, a rapid conversion to operational hardware. Such activities are not now possible. It is this capability that will allow us to examine thoroughly and utilize the environment of space for national needs and to reduce the cost of space exploration. Inherent in capitalizing on the foregoing is the need to accelerate and increase our investment in payload development, particularly in the broad areas of space applications. Shuttle payload development funding, whether for direct shuttle applications or for European Space Agency-developed Spacelab—with the first unit furnished free to the United States—has been severely constrained in recent budget submissions of NASA. While the adverse impact of such reduced funding has been lessened by the delays in the availability of the space shuttle, it is now very important that these activities be reemphasized so that experiments related to space processing and manufacturing, Earth resources, weather and climate, advanced communications, life sciences, space sciences and other endeavors are ready when the shuttle attains operational status.

Maximizing the productive and beneficial use of the space environment by applying space technology to national needs implies a significant involvement of and investment by the private sector. The private sector has long been a participant in the U.S. space program primarily through the provision of hardware and supporting services in response to NASA requirements. However, based upon the traditional role of industry in our society, one would expect that application of the unique properties of space to materials processing and manufacturing, particularly those activities that represent extensions of such operations on Earth, is an initiative that should be pursued by the private sector. Policies should be developed and implemented to encourage investment by industry building upon the limited experience acquired to date from one major joint NASA/industry initiative.

Mr. President, the communications satellite industry, spawned by early NASA research, today is a multimillion-dollar enterprise; and it is a splendid example of the productive application of space technology. The United States is the principal builder and operator of communications satellites and in addition to the contribution to our economic wealth, this development has greatly enhanced business and social communications not only within and between the developed countries of the world but among the developing nations as well. Satellite communications offer a unique advantage in areas where traditional communications networks have not been constructed. It is for these reasons that the committee welcomed the reentry of NASA into advanced communications research 2 years ago in order to preserve our competitive edge as other nations enter this field. Funds should be provided to continue this highly successful space applications research effort.

Mr. President, I have been discussing the business/commercial aspects of space policy and the need to address issues to assure continued leadership and success on his high technology frontier. I would not want to neglect the need for continued investment in space science, an arena where we unquestionably lead the world. Our successes in space physics and astronomy and planetary exploration are unexcelled. Our scientists are using the planets as laboratories to enhance our understanding of the solar system and the uniqueness of the planet Earth in that system.

I would sugest this knowledge may some day become very important to the preservation of the Earth as a viable planet to support human endeavor. Space science is also essential to develop the knowledge to proceed with space applications and utilization of space to support national needs. Finally, Mr. President, space science heavily involves our university community, and it represents a stimulus to youth to enter careers in science and engineering. Without such stimulus, this Nation will be ill-equipped to deal effectively with the major problems of our time, such as energy and environmental pollution, and to compete in an increasingly competitive, technical international marketplace. As we move forward in the 1980's, we must assure that adequate support is given to space science so we do not surrender the distinctive position we now hold.

The items I have been discussing, space transportation, space applications, and space science, usually consist of major, well-identified projects. However, underlying the ability to accomplish such initiatives is a strong research and technology base. This involves advancing the state of the art in materials, structures, propulsion, life support systems, data handling and many other areas, and represents a multitude of small research tasks. The maintenance of a strong space research and technology program is essential to being prepared to exercise options and grasp opportunities in space in the future. Unfortunately, budget constraints applied in recent years have resulted in a gradual reduction of resources available to these fundamental activities. This trend must be reversed; and I might add, small increments of increased funding properly applied can be highly productive since research tasks do not require the large investments normally associated with hardware projects.

Mr. President, our most important asset is people. Without highly trained scientists, engineers, and managers, and skilled supporting personnel, it would not have been possible to proceed from a zero base in space in 1958 to the position of leadership we enjoy today. NASA reached an employment level of aporoximately 33,000 during the peak of Apollo program activity. In fiscal year 1981, NASA is authorized 22,713 positions, a decrease of about 30 percent during the past 11 years. While one recognizes the maximum effort associated with the Apollo lunar landing commitment required a much larger force than today's civil space program, the point has long since been passed at which NASA can maintain a viable force.

For example, committee requested reviews of the space shuttle program in 1979 clearly indicate NASA did not have sufficient project management staff on board. It is essential that the agency have positions available to recruit young scientists and engineers to reinvigorate the work force in a rapidly changing

technical environment and to halt the increasing average age of agency personnel. Without a steady influx of new people, NASA will be without the capacity to accomplish the research, development, and management tasks essential to maintaining leadership in space technology. One final point on the personnel issue. A prerequisite to attracting and retaining new and outstanding talent is a recognized national commitment to an aggressive space program. I suggest this could be evidenced by positive responses to the issues I have been discussing.

Mr. President, in my years in the Senate, I have been privileged to be very closely associated with all aspects of the Nation's space program almost from its inception. I have observed its setbacks and its triumphs as we have achieved a sound position in space transportation, space science, and space applications. We have invested heavily, and we have worked hard to attain a leadership posture. I would not like to see our position wither away. We should not walk away from the environment of space and leave it to others until such time as we understand fully its uses and its implications for our national well-being. It is for these reasons that I have identified some of the issues which I believe should be weighed carefully by the Senate in the 97th Congress as we enter the shuttle era.●

IN MEMORIAM: PROF. BRIGITTE BODENHEIMER

● Mr. WALLOP. Mr. President, I was shocked and saddened by the news of the untimely death of Brigitte Bodenheimer, professor emerita at the University of California School of Law at Davis, on January 7, 1981. Professor Bodenheimer was recognized at home and abroad as a leading family law scholar and child custody expert. She was respected, admired and well-liked by all those who had the privilege to know and work with her.

I came to know Professor Bodenheimer in the course of developing Federal legislation to deter child-snatching. Professor Bodenheimer generously offered her invaluable advice and counsel over 3 years which finally culminated in the enactment of the Parental Kidnaping Prevention Act on December 28, 1980. The Federal law is modeled in part on the Uniform Child Custody Jurisdiction Act, which Professor Bodenheimer helped write in 1968 as reporter for the National Conference on Commissioners on Uniform State Laws.

Brigitte Bodenheimer's devotion to the task of promoting secure and stable home environments and family relationships for children is also reflected in the recently concluded Treaty on the Civil Aspects of International Child Abduction. In her quiet but enormously competent manner, Professor Bodenheimer won the hearts and minds of the delegates of the 29 countries participating in the drafting of a treaty to foster international cooperation for the immediate return of abducted children. Fortunately, Brigitte lived to see the convention completed. It is my sincere hope that the treaty will soon be ratified by the United States to stand as a living memorial to Professor Bodenheimer's great achievements.

Brigitte Bodenheimer will be dearly missed by her many students, friends, family and by the countless children whose lives have been touched by her life-long dedication to the improvement of laws affecting children and their families. Her mark on society will never be forgotten.

Mr. President, I ask that a poem in tribute to Professor Bodenheimer written by her colleague and dear friend, Prof. Carol Bruch, be printed in the RECORD at the conclusion of my remarks so that all may gain an insight into the life and accomplishments of this marvelous woman.

The poem follows:

POEM IN TRIBUTE—APRIL 6, 1979*

(To Prof. Brigitte M. Bodenheimer, Emerita—
In Tribute)

Forgive us, Brigitte, for noticing.
(Of course you hate the fuss!)
But it really *takes* a day, you know,
To say what you mean to us.

We know you've lots of things to do—
Teaching[1] and writing[2] and such[3]
Plus children to care for (thousands in fact!)
And all of it means so much.

But we've told Edgar to skip the news[4]
(Or at least we thought we did!)
And now we want to recount with pride
The things you'd rather have hid.

Two wars,[5] two countries,[6] two law school degrees,[7]
And nepotism rules on top![8]
'Twix Neckan[9] and Putah[10] a diaper or two[11]
Nothing could make you stop.[12]

With grit,[13] with skill, with compassion deep
(The Levys[14] would be so proud!)
You've helped the folks whose needs got lost,
Those faceless in the crowd.

The poor,[15] the old,[16] the displaced too,[17]
They've all received your aid.
And you were there to help the young
As stepping stones were laid.

Juvenile courts,[18] adoption law[19]—
Your make is clear and fine—
And now the children of divorce
Can see a hopeful sign:

Conflict of laws[20] and new court schemes[21]—
You've thought it through anew,[22]
And as the world for kids improves,[23]
They'll owe their thanks to you.

So students, colleagues, even deans,
Whose lives you richly cheer,[24]
Join gladly here and now to name
Our "Person of the Year!"

And if my meter is quite poor,
You know it means in fact
That substance conquered form once more.
For sure you'll not mind that!

With love, respect—in fellowship—
We toast you, colleague dear:
Prosit! Much luck! Long life and health!
From friends both far and near!

—CAROL S. BRUCH[25]

FOOTNOTES

*On this day the Davis community marked Professor Bodenheimer's forthcoming retirement with lectures by Professors Homer H. Clark and Herma Hill Kay and a program at which various tributes (these lines among them) were read.

[1] Professor Bodenheimer began her university teaching career at the University of Utah's College of Law in 1952. During her four years as a member of that faculty she ran what can fairly be termed an intellectual gauntlet, teaching Commercial Law, Family Law, Criminal Law, Remedies and Federal Jurisdiction. Since 1971 at Davis, her coursework has concentrated in the Family Law area, expanded by classes in Children and the Law and yet another specialty, Marital Property Law. This remarkable diversity in teaching has not been confined to the university classroom. A veteran instructor of Utah's bar review course, Brigitte also wrote a much-used MANUAL FOR JUSTICES OF THE PEACE IN THE STATE OF UTAH (1956), and remains unfailingly helpful when those adrift in the sea of the law (be they laymen, practitioners, legislators or colleagues) turn to her for wise counsel.

[2] Citations to many of Professor Bodenheimer's significant works are contained in these footnotes. Her most recent publication can be found *infra* at page 229 of this volume. Bodenheimer and Neely-Kvarme, *Jurisdiction Over Child Custody and Adoption After Shafer and Kulko*. Typically, it discusses exceedingly complex material with welcome clarity, illuminates the potential impact of abstract doctrine on those who turn to the law at times of personal crisis, and comes down firmly on the side of practicality and humanity, tempered with a dash of idealism.

[3] Undoubtedly the most important current "such" on Brigitte's agenda is her service as the U.S. State Department's expert at meetings on international child abduction by one parent at the Hague. Her presence augers well for the possibility of a meaningful international convention in this troubled area. *See* UNIFORM CHILD CUSTODY JURISDICTION ACT (1968); *Equal Rights, Visitation, and the Right to Move*, 1 FAM. ADVOCATE 18 (1978); *The International Kidnapping of Children: The United States Approach*, 11 FAM. L.Q. 83 (1977); *Progress under the Uniform Child Custody Jurisdiction Act and Remaining Problems: Punitive Decrees, Joint Custody, and Excessive Modifications*, 65 CALIF. L. REV. 978 (1977); *The Rights of Children and the Crisis in Custody Litigation: Modification of Custody In and Out of State*, 40 COLO. L. REV. 495 (1975); *Judicial and Legislative Cures for Child Custody Ills*, 12 THE JUDGES' J. 82 (1973); *The Uniform Child Custody Jurisdiction Act*, 3 FAM. L.Q. 304 (1969); *The Uniform Child Custody Jurisdiction Act: A Legislative Remedy for Children Caught in the Conflict of Laws*, 22 VAND. L. REV. 1207 (1969).

[4] Edgar and Brigitte Bodenheimer's shared interests and activities (including their lunchtime walks home across campus and dinner after the six o'clock news) mark an unusual marriage—one with abundant intellectual, professional and personal sharing that at the same time supports each's distinctive personality. Brigitte, for example, in contrast to Edgar, is a member of the "Brinksmanship School of Research and Writing." Somehow, for her the right word or the solution to a thorny problem often seems to come only long after the painstaking hours of research are completed and occasionally, indeed, after the editor's "deadline" is past. As a fellow member of this beleaguered group of scholars, I am continually sustained by the memory of one such occasion, when Brigitte's editor called to threaten that his publication simply could not wait any longer for her promised contribution. With a not-to-be-repressed giggle and only a modest display of pride, Brigitte later revealed that she had successfully reassured her distraught caller by saying that the manuscript was being typed and would be in the mail shortly—neglecting only to mention that *she* was the typist, busily composing at the keyboard!

[5] Professor Bodenheimer was born Brigitte M. Levy on September 27, 1912, in Berlin. She grew up in Berlin, Frankfurt and Freiburg, moving to Heidelberg with her parents and brother when her father, the distinguished Roman law scholar Ernst Levy, accepted a chair at that university in 1928.

[6] One of the many forced to flee Germany during the 1930's, Brigitte came to the United States in 1933 as she was completing her doctorate degree in law at Heidelberg. Here, after a second legal education at Columbia University and the University of Washington, she became an American citizen in 1939 and, shortly thereafter, a member of the Washington State Bar.

[7] Dr. jur. 1934, University of Heidelberg; LL.B. 1936, University of Washington. One cannot recite these dates without commenting on the remarkable accomplishment that they reveal: a doctorate in German law at 21 and an American law degree a scant two years later!

[8] Because Edgar was a member of the law faculty at Utah during a period of strong nepotism rules, Brigitte's first teaching position was delayed until 1962 (15 years after their arrival in Salt Lake City), when she was appointed as a Lecturer. Only after the University made a waiver of its nepotism rule in her case did she become an Associate Professor of Law (in 1964). This unfortunate story was to be repeated. When Brigitte resigned her position at Utah in 1966 to come to Davis with Edgar as he became a founding member of our faculty, this university's nepotism rule, in turn, barred her from the classroom. Instead, she was given office space as an unsalaried research assistant, later using the (still unsalaried) title of Research Professor of Law. When the rule was finally relaxed somewhat Brigitte returned to teaching, first as a Lecturer in January 1971 and then as a full professor in 1972.

[9] The Neckar River, which flows through Heidelberg.

[10] Putah Creek, visible from Brigitte's office window at Davis.

[11] A modest understatement, as befits a tribute to Brigitte Bodenheimer. Peter, Tom and Rosenmarie (called "Ti") joined the Bodenheimers during their years in Washington State and Washington, D.C., and Brigitte was at home with them during their early years. *See* notes 6 *supra* and 12 *infra*. All three have followed in their parents' footsteps of scholarship and service, two as professors (Peter of Astro-Physics and Ti of English) and one (Tom) as a doctor specializing in the delivery of health care services to the poor. They have also contributed three grandchildren, to Edgar and Brigitte's continuing delight.

[12] It is to Brigitte's great credit that the hurdles placed in her professional path did not deter her from making consistent scholarly contributions. *See* note 8 *supra*. Her non-teaching years were as professionally fruitful as those spent in the universities, with legislative reform playing a major role. Professor Bodenheimer's training in this area started early, during her stint as an Attorney and, later, Assistant to the General Counsel of the Federal Public Housing Authority in Washington, D.C., from 1942–1946. Her special responsibilities for State and Federal legislation in the areas of temporary war housing, low-rent public housing and urban development were to influence her later work in Utah. In private practice after her 1947 move to Salt Lake City, Brigitte specialized in German restitution claims and real estate matters. *See Forfeitures under Real Estate Installment Contracts in Utah*, 3 UTAH L. REV. 30 (1952). Her next public employment, in 1952 as Special Assistant Attorney General to represent the State of Utah in litigation concerning the constitutionality of a Public Employee's Retirement Law, led her back to legislation. Before long Brigitte had drafted public employees' and teachers' retirement laws for Utah and Wyoming. Soon she became a familiar sight in the halls of the Utah legislature as she took part in two lengthy, ultimately successful, lobbying efforts. Her first project, as a member of an interprofessional Citizens' Committee on Divorce, lasted three years and produced a state marriage counseling service attached to the divorce courts. *See The Utah Marriage Counseling Experiment: An Account of Changes in Divorce Law and Procedure*, 7 UTAH L. REV. 449 (1961). This interest in the divorce process and its impact on litigants under stress has continued over the years. *See* BOOK REVIEW, *Foster and Freed, Law and the Family, New York*, 1 FAM. L.Q. 57 (1967); *Reflections on the Future of Grounds for Divorce*, 8 J. FAM. L. 179 (1968); *The New Canadian Divorce Law*, 2 FAM. L.Q. 213 (1968); *New Approaches of Psychiatry: Implications for Divorce Reform*, 1970 UTAH L. REV. 191; Book Review, *Rheinstein, Marriage Stability, Divorce, and the Law*, 7 FAM. L.Q. 112 (1973). Her next legislative foray, as Chairman of the Utah State Bar Committee on Juvenile Courts, was to have even greater eventual impact. In the first half of the sixties, her committee prepared a complete revision of the state's Juvenile Court Law, including a proposed removal of these courts from the then-existing control and supervision of the State Welfare Department. Two stormy legislative sessions and constitutional litigation followed, but the project's eventual success brought about more than a reform of the Utah Juvenile Courts. Governor Rampton, impressed with Brigitte's scholarship and legislative know-how, appointed her as Commissioner on Uniform State Laws for the State of Utah in 1965. Although Brigitte was to resign this position a year later upon her move to Davis, her affiliation with the National Conference of Commissioners on Uniform State Laws was renewed in 1967, when she was employed as Reporter to draft the UNIFORM CHILD CUSTODY JURISDICTION ACT, an Act with nationwide and international significance. *See* notes 3 *supra* and notes 13, 22, and 23 *infra*. Similar legislative work has continued unabated during her years since as a faculty member. *See* notes 18 and 19 *infra*.

[13] Brigitte's quiet tenacity has stood the law well. In the face of nepotism rules, she persevered in her scholarly contributions. Her legislative victories have been neither speedy nor simple. When convinced that a new idea is important and valuable, she is willing to sow the seed once, twice, or however many times, until the idea takes root. *See, e.g., Equal Rights, Visitation, and the Right to Move*, 1 FAM. ADVOCATE 18 (1978); *Progress under the Uniform Child Custody Jurisdiction Act and Remaining Problems: Punitive Decrees, Joint Custody, and Excessive Modifications*, 65 CALIF. L. REV. 978, 1004 (1977); *Foreword, Legal Problems in Family Law*, 6 U.C. DAVIS L. REV. vi, vii (1973) (arguing that restrictions on a custodial parent's ability to move out of the jurisdiction constitute a violation of the parent's constitutional right to travel). Fully capable of spirited indignation in private, she has a well-developed sense of proportion that tempers her public statements, combined with a canny ability to inspire others to trek to Sacramento, Los Angeles, or wherever to fight the good fight. But when children are endangered by a law proposed in Sacramento, or about to be significantly helped by a law proposed in Washington or the Hague, and Brigitte agrees that her personal involvement may be important, she sets aside her distaste for hurried travel and possible public confrontation. With the fine attention to detail that characterizes her work, she prepares a concise, articulate, always diplomatic, written statement of her views so that if the legislators (as they are sometimes wont) have their minds elsewhere during the hearings or are impatient, her arguments will not get lost in the shuffle. Such meticulous scholarship and good common sense may soon encourage the adoption of a federal provision that will require state courts to give full faith and credit to custody decrees under standards based upon the Uniform Child Custody Jurisdiction Act. *See* the report of pending federal legislation at 5 FAM. L. REP. (FLB) 2303 (Feb. 13, 1979).

[14] Brigitte's parents, Marie and Ernst Levy.

[15] *See* the report of her public and private work in real estate law and reparations law in note 12 *supra* and her articles dealing with inequity under California's community property laws, *The Community Without Community Property: The Need for Legislative Attention to Separate-Property Marriages Under Community Property Laws*, 8 CAL. W.L. REV. 381 (1972); *Justice Peters' Contribution to Family and Community Property Law*, 57 CALIF. L. REV. 577, (1969).

[16] See her work in the area of retirement laws described in note 12 *supra*.

[17] Brigitte has worked with the displaced in both the narrow and the broader senses of the term. In private practice, she represented victims of Nazi persecution as they sought recompense for their economic losses. *See* note 12 *supra*. A major part of her legislative and scholarly effort has been dedicated to the needs of children who may be displaced as a result of their own actions, or the actions of those around them. *See* the references to her work in the areas of juvenile law, adoption law, and custody law in notes 3, 12, and 13 *supra* and notes 18 and 19 *infra*.

[18] *See* note 12 *supra*; *The Multiplicity of Child Custody Proceedings—Problems of California Law*, 23 STAN L. REV. 753 (1971) (completed as a background study and recomendations for legislation in the areas of child custody and guardianship law for the California Law Revision Commission).

[19] Professor Bodenheimer's 1973 study of adoption law for the California Law Revision Commission will soon result in a draft proposal for a revised Adoption Law. *Cf. New Trends and Requirements in Adoption Law and Proposals for Legislative Change*, 49 So. CAL. L. REV. 10 (1975) (setting forth the analysis which will provide the basis for legislative drafting that Brigitte plans for this summer).

[20] Recognized as a leading family law scholar at home, Brigitte is known abroad as an expert in the conflict of laws. She is, happily, both. The uniqueness of her contributions in the areas of enforcement of custody decrees and jurisdiction is the degree to which she incorporates sound family law policy in the structure and interpretation of conflicts doctrine. *See* her writings and drafting cited in notes 3, 13, and 18 *supra* and notes 21 and 22 *infra*, and her article in this volume at page 229.

[21] *See* her work on conciliation courts and juvenile courts discussed in note 12 *supra*; her proposals for a new form of family court in California, set forth in her study of custody and guardianship law cited in note 18 *supra*; and the provisions of the UNIFORM CHILD CUSTODY JURISDICTION ACT that call for cooperative contact between courts sitting in related custody matters, discussed in note 22 *infra*.

[22] The UNIFORM CHILD CUSTODY JURISDICTION ACT amply demonstrates Professor Bodenheimer's unusual ability to shed years of traditional thought by cutting directly to the core of a problem. In the face of polar, albeit simultaneous, doctrines of custody jurisdiction under in personam and in rem rubrics, *compare* May v. Anderson, 345 U.S. 528 (1953) *with* Sampsell v. Superior Court, 23 Cal. 2d 763, 197 P.2d 739 (1948) *and* RESTATEMENT (SECOND) OF CONFLICT OF LAWS § 79 (1971), she anticipated Shaffer v. Heitner, 433 U.S. 186 (1977) by almost a decade. As the Act's Reporter, she opted for a form of forum conveniens that is defined with reference to factors that promote the court's ability to enter a substantively sound order. UNIFORM

CHILD CUSTODY JURISDICTION ACT, Prefatory Note, §§ 1, 2, 6, 7 and accompanying Comments (1968). The resulting custody order is given heightened protection in other jurisdictions, again for substantive reasons. *Id.* §§ 13–15 and accompanying Comments. Similarly creative and to the point are the Act's provisions for inter-court cooperation (§§ 19–23), for the return of absent parties for a unitary hearing (§ 11), and for recognition of custody orders without a reciprocity requirement in both the national and international settings (Prefatory Comment at 6, §§ 6, 7, 23 and accompanying Comments).

[8] The most dramatic example is the rapid acceptance of the UNIFORM CHILD CUSTODY JURISDICTION ACT, already adopted by 36 states. *See Jurisdiction Over Child Custody Adoption After Shaffer and Kulko*, page 229 *infra*, note 94.

[9] Eminently realistic, Brigitte has at the same time an infectiously optimistic view of the world. Her cup of tea and ready box of tissues, interspersed with an encouraging, "Of course you can!" and a consoling "Of course no one could!" bring many to her for comfort and counsel. In each tale Brigitte finds another message to add to her storehouse of human knowledge and, in her teaching, her writing and her advocacy, applies what she has learned to the benefit of others.

[*] Professor of Law, King Hall, University of California, Davis (on leave 1978–1979); Rheinstein Fellow, A. von Humboldt-Stiftung, Institut für Internationales Recht, University of Munich (1978–79).●

TELEVISION AND THE SENATE

● Mr. ROBERT C. BYRD. Mr. President, television coverage of the U.S. Senate is not a new proposal. I have been interested in this idea as early as the 93d Congress. On September 14, 1974, I introduced and the Senate subsequently adopted Senate Resolution 452, which provided for television, radio, and photographic coverage of the inauguration proceedings of Vice President Nelson Rockefeller. Earlier in the 93d Congress and again in the first session of the 94th, I cosponsored a resolution introduced by Senator METCALF, generally authorizing television coverage of Senate proceedings. Both of these resolutions were referred to the Committee on Rules and Administration for further consideration. At the time, several questions regarding the extent of coverage and technological constraints needed to be resolved. Although no further formal action was taken on either of these measures, their introduction served to advance the Senate's discussion of the concept.

In the first session of the 95th Congress, I also cosponsored Senate Resolution 177, which authorized television, radio, and photographic coverage of only the Senate proceedings related to the contested Senate election in New Hampshire. This resolution was introduced on June 6, 1975, and after several days of Senate debate was adopted on June 9, 1975.

The resolution contained an amendment which made its implementation contingent on the Senate's reaching an overall time limitation on the proceedings in question. The text of the resolution also assumed that any broadcasting of the proceedings would be contingent on a mutually agreeable arrangement between the Senate leadership and the major networks regarding lighting and other technical logistics. Unfortunately, the Senate encountered serious difficulty in satisfying the terms of both contingencies. Consequently, broadcasting and photographic coverage of the proceedings related to the contested New Hampshire Senate seat never materialized.

In the 95th Congress, I was the primary sponsor of two additional broadcasting resolutions. The first of the two resolutions that I introduced in the 95th Congress was Senate Resolution 74, which authorized closed-circuit television from the Senate Chamber to the office of each Member of the Senate. This resolution was referred to the Rules Committee where no further formal action by the committee was taken. The second resolution I introduced in that session was Senate Resolution 268, which authorized radio coverage of the proceedings related to the Panama Canal Treaty. This resolution was subsequently adopted allowing the entire country to follow every development of that historic treaty.

My interest in providing selective coverage of the Senate's proceedings continued into the 96th Congress. At that time, I initiated meetings with officials of the public and commercial networks to explore the feasibility of television coverage of the Senate deliberation of SALT.

I believe the concept of television coverage of the Senate's proceedings has merit; however, it still raises many complex policy and logistical issues. The resolution recently introduced by Senator BAKER has been referred to the Committee on Rules and Administration. This will provide ample opportunity for my colleagues to thoroughly investigate the extent to which television coverage can serve the needs and purposes of the Senate.

I remain open to the possibility that there may be a role for television coverage of Senate proceedings. I will continue to seek the advice of my colleagues as we explore together its potential value to the Senate.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Ms. Erica Kenney, a member of the staff of Senator ZORINSKY, to participate in a cultural exchange program sponsored by a foreign educational organization, the Tamkang College of Arts and Sciences, in Taiwan from December 28, 1980, to January 4, 1981.

The committee has determined that participation by Ms. Kenney in the program in Taiwan, at the expense of Tamkang College, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Stephen E. Ockenden, a member of the staff of Senator DURENBERGER, to participate in a program sponsored by a foreign educational organization, the Van Leer Jerusalem Foundation in Israel from January 4 to 18, 1981.

The committee has also received a request for a determination under rule 35 which would permit Mr. Ralph Oman, of the staff of Senator MATHIAS, to participate in a program sponsored by a foreign educational organization, Tamkang University in Taipei, Taiwan, from December 28, 1980, to January 4, 1981.

The committee has determined that participation by Mr. Ockenden and Mr. Oman in these programs is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Dave Holliday, a member of the staff of Senator BOREN, to participate in a program sponsored by a foreign educational organization, the Van Leer Jerusalem Foundation in Israel from January 4 to 18, 1981.

The committee has determined that participation by Mr. Holliday in this program is in the interests of the Senate and the United States.●

THE PARK POLICE AT FORT CHAFFEE

● Mr. BUMPERS. Mr. President, we have read numerous news reports about the incidents that have occurred at Fort Chaffee, Ark., since the Cuban refugees were relocated at that facility. Last week I received a letter from the magistrate of the western district of Arkansas, the Honorable Ned A. Stewart, Jr., informing me about the excellent work of the U.S. Park Police who have served under most difficult circumstances at Fort Chaffee. Mr. President, I shall submit for the RECORD at the conclusion of my remarks the letter from Judge Stewart.

In the letter, he points out that several individuals from the Park Police have performed their jobs in a professional and competent manner and he has singled out the following individuals for special praise: Detective Pat Moyer, U.S. Park Police. Washington, D.C.; Detective Louis Robinson, U.S. Park Police, Washington; and Mr. Raul Jimenez, Park Police interpreter, Puerto Rico State Police, San Juan, Puerto Rico.

He points out other individuals who have performed beyond the call of duty in support of the court proceedings involving refugee defendants in the temporary public defender office. These individuals are: Mr. Norman Lynch, Chief, Criminal Justice Act Division, Administrative Office of the U.S. Courts. Washington, D.C., and Mr. Ray Conrad. Federal public defender, Kansas City, Mo.

He gives special recognition to the special prosecutor assigned to Judge Stewart's court, Capt. Leon Martinez, Judge Advocate General Corps, U.S. Army and to his secretary, Mrs. Janie Gazzola, and his court interpreter, Mrs. Rachel Smith.

All of these individuals have served in an outstanding capacity and their service should be noted by the Senate. It is a pleasure for me to recognize them in this manner.

For this reason I am bringing this letter to the attention of my colleagues. We often dwell on problems encountered by citizens when the Federal employees do not perform their jobs correctly. We also should be just as quick to praise when Federal employees do their jobs well.

Mr. President, I commend these individuals and also commend Judge Stewart for the fine role which he has played in expediting the court proceedings involving Cuban refugee defendants at Fort Chaffee.

The letter follows:

U.S. DISTRICT COURT,
Fort Smith, Ark., January 6, 1980.

Hon. DALE BUMPERS,
U.S. Senator,
Dirksen Senate Office Building,
Washington, D.C.

Hon. DAVID H. PRYOR,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

Hon. JOHN PAUL HAMMERSCHMIDT,
U.S. Representative,
Rayburn House Office Building,
Washington, D.C.

GENTLEMEN: During the past several months, I have been heavily engaged in conducting misdemeanor court proceedings at Fort Chaffee involving Cuban refugee defendants. Since the inception of our court proceedings at Fort Chaffee in June of this past year, we have handled approximately 625 refugee defendants through my court. This is an unusually high volume of cases considering that none of the refugee defendants spoke English nor had any familiarity whatsoever with our judicial system.

It would have been virtually impossible for me to handle this volume of cases through my court but for the considerable assistance I have received from other federal agencies and employees engaged in law enforcement activities at Fort Chaffee. Many of these agencies and employees are no longer at Fort Chaffee, having been returned to their regular duty roles and stations. Although all of the assistance rendered me has been good, some has been particularly good to the end that, in my judgment, it is worthy of special praise and recognition. As all of you are directly concerned with Fort Chaffee, I thought it appropriate to call these matters to your attention.

Up until recently, the United States Park Police has had the principal responsibility for law enforcement within the refugee compound. This agency has recently been replaced in this regard by the Federal Protective Service. During their stay at Fort Chaffee, the Park Police did an outstanding job under what can only be described as very difficult conditions. While all the Park Police I encountered performed their jobs in a professional and competent manner, there are three individuals associated with this agency that I would like to single out for special praise: Detective Pat Moyer, U.S. Park Police, Washington, D.C.; Detective Louis Robinson, U.S. Park Police, Washington, D.C.; and Mr. Raul Jimines, Park Police Interpreter, shortly to be associated, I believe, with the Puerto Rico State Police. San Juan, Puerto Rico. These three individuals were directly concerned with my court operations on a day to day basis and rendered invaluable services to my court on many, many occasions. I cannot praise these three men too highly.

We now have in place at Fort Chaffee solely in support of court proceedings involving refugee defendants a temporary Federal Public Defender office. Because of the high volume of refugee defendants going through my court, this office has proved crucial to the success of my court proceedings. When I requested the establishment of this office several months ago, I was fearful that administrative requirements would delay its establishment considerably if, indeed, it could be established at all. Mr. Norman Lynch, Chief, Criminal Justice Act Division, Administrative Office of the U.S. Courts, Washington, D.C. and Mr. Ray Conrad, Federal Public Defender, Kansas City, Missouri, came to my aid in this regard and established this temporary office in record time. I very much appreciate the special efforts put forth by these two men.

We also now have in place at Fort Chaffee a special prosecutor assigned to my court, a Captain Leo Martinez, Judge Advocate General Corps, U.S. Army. In addition to being an able officer and lawyer, Captain Martinez is bilingual and performs exceptionally well in my court on this account. Captain Martinez was made available to serve in my court through the special efforts of Mr. Larry McCord, U.S. Attorney, Fort Smith, and General Hugh R. Overholt, Judge Advocate General Corps, U.S. Army, Washington, D.C. A very good example of mutually beneficial civilian-military cooperation.

Finally, I must give special commendation to my secretary, Mrs. Janie Gazzola, and my court interpreter, Mrs. Rachel Smith. Both of these ladies have worked long, arduous hours under difficult conditions and done truly a superior job. Mrs. Smith, by the way, is the wife of a Fort Smith attorney, Mr. Don Smith, and is not a full time government employee. She has served in my court at considerable sacrifice to her family life.

I enclose for your inspection copy of a letter recently received by me from Major Frank E. Devine, Judge Advocate General Corps, U.S. Army, assigned to Fort Chaffee. It expresses quite well the situation at Fort Chaffee and it is in this background that the agencies and individuals mentioned above have functioned.

I very much appreciate your taking time out of a busy schedule to consider my comments. I feel strongly that the agencies and individuals mentioned above are most deserving of whatever recognition this letter might afford them.

Yours very truly,

NED A. STEWART, Jr.

DEPARTMENT OF THE ARMY, U.S. ARMY TASK FORCE/GARRISON, RESETTLEMENT OPERATION,
Fort Chaffee, Ark., December 19, 1980.

Hon. NED A. STEWART, Jr.,
U.S. Magistrate,
U.S. Post Office and Courthouse Building,
Fort Smith, Ark.

DEAR MR. STEWART: As I depart from my temporary duty assignment at Fort Chaffee, I wish to take this opportunity of expressing my personal appreciation for your cooperation with me and for the extensive efforts you and your staff have undertaken in the disposition of criminal cases arising at Fort Chaffee.

All the Federal agencies involved in the current refugee relocation effort were faced with a complex situation that was, perhaps, unique in our national experience. If it was to be successfully coped with, this situation required extensive departures from each agency's normal mode of operation. The extent to which each aspect of the total effort was successful reflected, in my opinion, the willingness of those involved to exercise initiative and to be innovative in approach.

In the law enforcement/judicial fields, the record establishes, I believe, that operations at Fort Chaffee have been markedly more successful than were those at Fort McCoy or Fort Indiantown Gap. In part this has been attributable to the presence at Fort Chaffee of a well-trained professional police force, the United States Park Police. Police work, however, is only the first stage of the judicial process. I am convinced that the factor which more than any other has distinguished law enforcement operations at Fort Chaffee from those at the other camps has been the vigorous prosecutive effort resulting in trials before the U.S. Magistrate and the U.S. District Court.

This effort has required extensive Federal involvement in matters not normally regarded as within the domain of the national government, and has necessitated the modification of normal prosecutorial guidelines. It has required also the commitment of extraordinary resources and personal endeavors far beyond those normally expected. The success of the prosecutive effort is demonstrated in the maintenance of a relatively secure environment within the enclave and the avoidance of either major outbreaks of organized criminal activity or of mass civil disturbances.

In my view, the success of the effort is further demonstrated by the fact that increasing numbers of Cubans are asserting their rights to a trial and to legal defense. The operation of the refugee enclave at Fort Chaffee has become, in effect, a laboratory demonstration to an alien population—one previously exposed only to a dictatorial regime—of the key role of the rule of law in the maintenance of an ordered society.

Your personal commitment to this effort as well as that of your staff have been central to the success of the endeavor. I am proud to have been associated, although in small part, with you in this task. As I depart, I thank you for your cooperation and assistance and express the hope that the successful efforts undertaken to date continue unabated until the closing of the refugee relocation center.

Sincerely,

FRANK E. DEVINE,
Major (P), JAGC,
Task Force Judge Advocate.●

MESQUITE, TEX., POLICE DEPARTMENT

● Mr. TOWER. Mr. President, recently the Mesquite, Tex., Police Department successfully engaged in a resourceful investigation which resulted in the identification of the victim of a local murder. An account of that investigation was published in the January 4 edition of the Washington Post.

I commend the Mesquite Police Department for their excellent work on this case. This is an example of the professionalism of the detectives and of their determination to solve difficult cases.

I submit for the RECORD the article from the Washington Post.

The article follows:

CAR KEYS HELP TEXAS POLICE IDENTIFY BODY OF VIRGINIA WOMAN

(By Ronald D. White)

A set of car keys has helped Texas investigators identify the body of a woman found strangled in a motel room there three months ago as a resident of Woodbridge.

The body of Linda A. Adams, 30, who lived in the 16000 block of Carroll Avenue in Woodbridge, had no identification on it when

it was discovered Sept. 30 in Mesquite, Tex., Prince William County police said yesterday. But the Texas police did find keys to a Honda Civic that Adams owned.

After weeks of checks through Honda offices in California and Japan the police were able to trace the car to a Woodbridge auto dealer and to Adams, police said.

Authorities said that the car had been abandoned nearly three months ago at a North Carolina truck stop. But police said yesterday they have no idea why Adams abandoned the car there and hitchhiked more than 1,600 miles to Mesquite (pop. 70,000). Adams reportedly was last seen on Sept. 21 by her mother-in-law in North Carolina.

Mesquite detectives have distributed more than 1,100 photographs of Adams and a composite drawing of their prime suspect, a man known as Daniel Avery. Texas investigators have theorized that Adams met Avery at a truck stop after she arrived in Mesquite. The two had been seen at a bar there on the night before she was killed, police said.●

ADMINISTRATIVE PROCEDURE ACT AMENDMENTS OF 1981

● Mr. BUMPERS. Mr. President, on January 6, 1981, Senators SIMPSON, LAXALT, and I introduced S. 67, the Administrative Procedure Act Amendments of 1981. I ask that the text of this bill be printed in full in the RECORD.

The bill follows:

S. 67

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Administrative Procedure Act Amendments of 1981".

IMPROVING THE RULEMAKING PROCESS

SEC. 101. Section 553 of title 5, United States Code, is amended to read as follows:

"§ 553. Rulemaking

"(a)(1) This section applies according to the provisions thereof, except to the extent that notice and hearing is not required by statute and that there is involved—

"(A) a military or foreign affairs function of the United States;

"(B) a matter relating to agency management, organization, or personnel, or to loans, grants or benefits;

"(C) a matter relating to public property or contracts, except that an agency shall comply with any rule or directive relating to such matters issued by the Office of Federal Procurement Policy, the General Services Administration or any other agency pursuant to statute;

"(D) a rule which the agency for good cause finds involves a matter for which notice and public procedure is impracticable, unnecessary, or contrary to the public interest; or

"(E) an interpretative rule or a general statement of policy except that when the rule or statement has general applicability and would have a substantial impact on persons outside the agency, the agency shall after issuance of such rule or statement follow the procedures required by this section upon petition of any affected person.

"(2) In the case of a rule for which an agency makes a finding under clause (D) of this subsection, the agency shall publish the rule in the Federal Register with a brief statement of the finding of the agency under such paragraph and the reasons therefor.

"(b) General notice of proposed rulemaking shall be published in the Federal Register, unless persons subject thereto are named and either personally served or otherwise have actual notice thereof in accordance with law. The notice shall include—

"(1) the terms or substance of the proposed rule or a description of the subjects and issues involved;

"(2) a statement of the time, place, and nature of public rulemaking proceedings;

"(3) a brief discussion of the legal authority of the proposed rule;

"(4) a summary of the factual data on which the proposed rule is based;

"(5) a description of any methodology used in obtaining and analyzing the data; and

"(6) an identification of the reports, documents, studies or other information from which the factual data were derived.

This subsection shall not apply to rules of agency practice or procedure.

"(c)(1) Following the publication in the Federal Register of a general notice of proposed rulemaking required by subsection (b), the agency shall provide interested persons an opportunity to submit written comments, data, or documentary information. The agency shall also provide interested persons an opportunity for oral presentation of data, views, and arguments. A transcript shall be kept of any such oral presentations and the record of such proceeding shall be kept open for thirty days after completion of the proceeding to provide an opportunity for submission of rebuttal and supplementary comments.

"(2) The agency may use such additional oral or written procedures as it determines are appropriate considering the expected impact of the proposed rule, the nature of the facts in dispute, the numbers of persons interested in the dispute, the length of time available for consideration of the proposed rule, and such factors as the agency determines are appropriate.

"(d)(1) After consideration of the relevant matter presented, the agency shall incorporate in the final rule adopted a concise general statement of the basis and purpose of the rule. The statement shall include a response to the significant issues raised by the comments received by the agency.

"(2) If an agency expects, in its statement of basis and purpose for a final rule, to rely on written data or factual matter which is developed during the course of the rulemaking, which was not previously available for public comment, and which is likely to affect the outcome of the rulemaking, the agency shall permit the public a reasonable opportunity to comment thereon.

"(3) The required publication or service of a rule shall be made not less than thirty days before its effective date, except—

"(1) a rule which grants or recognizes an exemption or relieves a restriction;

"(2) interpretative rules and statements of policy;

"(3) as otherwise provided by the agency for good cause found and published with the rule; or

"(4) where a longer period of time is required by law.

"(e)(1) Not later than the date on which the agency publishes in the Federal Register a general notice of proposed rulemaking for a rule under subsection (b) of this section, the agency shall establish a public file for each rulemaking proceeding conducted pursuant to subsection (c) of this section. Except as provided in paragraph (2) of this subsection, the file shall include—

"(A) the notice of proposed rulemaking and any supplemental notice;

"(B) copies of, or identification of, all studies and documentary material upon which the agency relied in formulating the proposed or final rule;

"(C) copies of all written comments on the proposed rule or area of inquiry submitted pursuant to any agency notice of the proposed rulemaking published in the Federal Register;

"(D) all material which the agency, pursuant to any statute authorizing the promulgation of the rule, is required to make public in connection with the rulemaking or which the agency determines to make part of the record; and

"(E) any statement, description, or analysis required to be prepared by the agency in formulating the rule.

"(f) Each agency shall give an interested person the right to petition for the issuance, amendment, or repeal of a rule.".

EXPEDITED HEARING PROCEDURE

SEC. 102. (a)(1) Sections 558 and 559 of title 5, United States Code, are redesignated as sections 559 and 560, respectively.

(2) Section 555 of such title is redesignated as section 556.

(b) Subchapter II of chapter 5 of such title is amended by inserting after section 554 the following new section:

"§ 555. Expedited hearing procedure

"(a)(1) An agency may, in its discretion, apply this section to any agency proceeding subject to section 554 of this title which predominantly concerns policy issues of a general character, including ratemaking, rulemaking, and initial licensing proceedings, rather than a proceeding which predominantly concerns specific factual questions requiring trial-type procedures for their resolution, except that this section shall not apply to any proceeding to—

"(A) impose civil penalties or fines or otherwise to establish that a culpable violation of law has been committed by any person; or

"(B) determine the claims of any individual for benefits relating to his physical or mental condition, age, employment status or status as a dependent, survivor, or relative of another person.

"(2) Within one hundred and fifty days after the effective date of this chapter, and at such times thereafter as the agency may deem appropriate, each agency shall issue a rule (A) designating the categories of proceedings to which the provisions of this section shall apply, and (B) governing the manner in which proceedings subject to this section shall be conducted.

"(b) In the case of any proceeding conducted under this section, each agency shall require the party initiating the proceeding, including the agency, to submit in written form at the time the proceeding becomes subject to this section, a summary of the facts and arguments upon which such party initially proposes to rely that are known at such time to such party, unless the agency finds that the submission of such facts and arguments will unduly delay the proceeding or materially prejudice the rights of any party.

"(c) In any proceeding conducted under this section, the agency shall conduct a hearing to afford parties an opportunity to submit for the record such written data, views, or arguments and such responses to the data, views, or arguments submitted by other parties, as the agency or the presiding employee may specify. At the request of any party in the proceeding, the hearing shall include an opportunity for oral argument with respect to such written submissions. To the extent authorized by section 556 of this title or other law, the hearings shall be preceded by such discovery procedures as the agency determines appropriate.

"(d)(1) At the conclusion of any hearing, or applicable portion of any hearing, conducted under subsection (b) of this section, the presiding employee shall designate a disputed question for resolution in a formal hearing conducted under section 556(d) of this title if he determines—

"(A) such question consists of a genuine and substantial dispute of fact which only can be resolved with sufficient accuracy by introduction of reliable evidence at a formal hearing; and

"(B) the decision of the agency in the case is likely to depend in whole or in part on the resolution of such question.

"(2) In making a determination under paragraph (1) of this subsection, the presiding employee shall designate in writing the specific facts which are in genuine and substantial dispute, and the reason why the decision of the agency is likely to depend on the resolution of such facts. Upon review no court shall hold unlawful or set aside any agency action, finding, or conclusion on the basis of any choice of procedures made by the agency under this subsection, unless such choice was a abuse of discretion which prejudiced the rights of the parties.

"(e) For the purposes of any proceeding conducted under this section, the agency may designate one or more employees to assist the presiding employee by questioning parties at an oral hearing, or by otherwise advising the presiding employee. No employee designated under this subsection shall have any authority to issue any findings, decisions, or other orders in the proceeding.".

(c)(1) The item relating to section 555 in the table of sections for chapter 5 of such title is amended to read as follows:

"555. Expedited hearing procedure.".

(2) The items relating to sections 558 and 559 in such table are redesignated as the items relating to sections 559 and 560, respectively.

(3) Such table is amended by inserting after the item relating to section 557 the following:

"558. Ancillary matters.".

AGENCY REVIEW OF DECISIONS

SEC. 103. (a) Section 557 of title 5, United States Code, is amended to read as follows:

"§ 557. Initial decisions, conclusiveness; review by agency; submissions by parties; contents of decisions; record

"(a) This section applies, according to the provisions thereof, when a hearing is required to be conducted under section 554 of this title.

"(b)(1) If the agency did not preside at the hearing, the presiding employee or, in cases not subject to section 554(d), of this title, an employee qualified to preside at hearings pursuant to section 556 of this title, shall initially decide the cases unless the agency requires, either in specific cases or by general rule, the entire record to be certified to it for decision. When the presiding employee makes an initial decision, that decision then becomes the decision of the agency without further proceedings unless there is an appeal to, or review on motion of, the agency within time provided by rule. On appeal from or review of the initial decision, the agency has all the powers which it would have in making the initial decision except as it may limit the issues on notice or by rule.

"(2) Where the entire record has been certified to the agency for decision pursuant to paragraph (1) of this subsection, the presiding employee shall recommend a decision before certifying the record to the agency in cases conducted solely under section 556 of this title. In any proceeding conducted pursuant to section 555 of this title, the agency may require the presiding employee to certify the record to it with a recommended decision, or without a recommended decision but with such analysis of the record as the agency may specify, except that in the case of any disputed question designated under subsection (d) of such section for resolution in a formal hearing conducted under section 556 of this title, the agency shall require the presiding employee to make proposed findings and conclusions concerning such question.

"(3) Whenever the presiding employee submits the record without an initial or recommended decision, the agency shall issue a tentative decision or shall designate one of its responsible employees to recommend a decision except that such tentative or recommended decision may be omitted in a case in which the agency finds on the record that due and timely execution of its functions imperatively and unavoidably so requires.

"(c) Before a recommended, initial, or tentative decision, or a decision on agency review of the decision of presiding or responsible employees, the parties are entitled to a reasonable opportunity to submit for the consideration of the employees participating in the decisions or the agency—

"(1) proposed findings and conclusions; or

"(2) exceptions to the decision or recommended decisions of presiding or responsible employees or to tentative agency decisions; and

"(3) supporting reasons for the exceptions or proposed findings or conclusions.

The record shall show the ruling on each finding, conclusion, or exception presented. All decisions, including initial, recommended, and tentative decisions, are a part of the record and shall include a statement of—

"(A) findings and conclusions, and the reasons or basis therefor, on all the material issues of fact, law, or discretion presented on the record; and

"(B) the appropriate rule, order, sanction, relief, or denial thereof.

"(d)(1)(A) Each agency may establish by rule one or more boards to review decisions of presiding employees in accordance with the provisions of this section, except that no agency may subject any decision of the presiding employee to more than two different levels of review, including any review conducted by the agency itself. Each board authorized by this subsection shall be composed of one or more members of the body comprising the agency. Subject to paragraph (2) of this subsection, any agency may provide by rule that—

"(i) any decision or any category of decisions by the presiding employee shall become final unless reviewed by a board or by the agency; and

"(ii) any decision or any category of decisions made by a board on review shall become final unless reviewed by the agency.

"(B) Each agency shall specify by rule the circumstances and conditions, if any, under which the agency will entertain and consider appeals from the decision of the board or presiding employee. Such rule shall also specify the circumstances and conditions under which the agency shall exclude from the jurisdiction of the board responsibility for reviewing a decision or category of decisions.

"(2) Nothing in this subsection shall be construed to supersede—

"(A) any provision of law specifically governing the composition and organization of any employee board of a particular agency or the right of any agency members of a particular agency to direct review of decisions. or

"(B) any other authority of an agency to delegate the final decision to any agency members or other employees.

"(e)(1) In any proceeding, which is subject to section 554, except to the extent required for the disposition of ex parte matters as authorized by law—

"(A) no interested person outside the agency shall make or knowingly cause to be made to any member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding, an ex parte communication relevant to the merits of the proceeding;

"(B) no member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of the proceeding shall make or knowingly cause to be made to any interested person outside the agency an ex parte communication relevant to the merits of the proceeding;

"(C) a member of the body comprising the agency, administrative law judge, or other employee who is or may reasonably be expected to be involved in the decisional process of such proceeding who receives, or who makes or knowingly causes to be made, a communication prohibited by this subsection shall place on the public record of the proceedings—

"(i) all such written communications;

"(ii) memoranda stating the substance of all such oral communications;

"(iii) all written responses, and memoranda stating the substance of all oral responses, to the materials described in clauses (i) and (ii) of this subparagraph;

"(D) upon receipt of a communication knowingly made or knowingly caused to be made by a party in violation of this subsection, the agency, administrative law judge, or other employee presiding at the hearing may, to the extent consistent with the interests of justice and the policy of the underlying statutes, require the party to show cause why his claim or interest in the proceeding should not be dismissed, denied, disregarded, or otherwise adversely affected on account of such violation; and

"(E) the prohibitions of this subsection shall apply beginning at such time as the agency may designate, but in no case shall they begin to apply later than the time at which a proceeding is noticed for hearing unless the person responsible for the communication has knowledge that it will be noticed, in which case the prohibitions shall apply beginning at the time of his acquisition of such knowledge.

"(2) This subsection does not constitute authority to withhold information from Congress.".

JUDICIAL REVIEW

SEC. 104. Section 706 of title 5, United States Code, is amended to read as follows:

"§ 706. Scope of Review

"(a) To the extent necessary to decision and when presented, the reviewing court shall independently decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action. The reviewing court shall—

"(1) compel agency action unlawfully withheld or unreasonably delayed; and

"(2) hold unlawful and set aside agency action, findings and conclusions found to be—

"(A) arbitrary, capricious, an abuse of discretion or otherwise not in accordance with law;

"(B) contrary to constitutional right, power, privilege or immunity;

"(C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right;

"(D) without observance of procedure required by law;

"(E) unsupported by substantial evidence in a proceeding subject to section 554 of this title or otherwise reviewed on the record;

"(F) without substantial support in the rulemaking file, viewed as a whole, for the asserted or necessary factual basis of a rule adopted in a proceeding subject to section 553 of this title; or

"(G) unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court.

"(b) In making the foregoing determinations, the court shall review the whole record or those parts of it cited by a party, and due account shall be taken of the rule of prejudicial error.

"(c) In making determinations under clause (2)(C) of subsection (a) of this section, the court shall require that action by

the agency is within the scope of agency jurisdiction or authority on the basis of the language of the statute or, in the event of ambiguity, other evidence of ascertainable legislative intent. In making determinations on other questions of law under this section, the court shall not accord any presumption in favor of or against agency action."●

MICHAEL HAMMER, MARK PEARLMAN, AND RODOLFO VIERA

● Mr. MOYNIHAN. Mr. President, on the evening of January 3 two American trade unionists were murdered in the San Salvador Sheraton Hotel. Michael Hammer and Mark Pearlman, both of them representatives of the AFL–CIO's American Institute for Free Labor Development, were in El Salvador for one purpose: to help the small farmers and campesinos of that troubled country achieve a greater measure of justice and dignity.

Along with those two fine Americans, the assassins gunned down Jose Rodolfo Viera, president of the Salvadoran Communal Union, which has done so much to advance the interests of El Salvador's agricultural laborers and small farmers. Mr. Viera was also the director of El Salvador's Institute for Agrarian Transformation.

Though I did not know these men personally, their deaths fill me with sorrow and sincere sympathy for their families. They died in the prime of life, while doing good work for the good of others. Surely, they will be missed not only by those who knew them, but also by the thousands of workers whom they aided.

As trade unionists, these men were devoted to the idea that social reform should not come from above, but from the people themselves. They did the thankless and unglamorous jobs of teaching, of helping people organize themselves, and of designing a workable land reform program.

Michael Hammer and Mark Pearlman went to El Salvador because the trade unionists of that country needed assistance and asked for it. They were not intruders. They had been invited there. In the grand tradition of the American trade union movement, they went as brothers, hoping to bring to the workers of El Salvador at least a measure of the dignity and prosperity that American workers have achieved in this century through free trade unions and collective bargaining.

The assassinations of these men will not end the agrarian reform movement. Their lives will not have been in vain; their work will and must continue.

On January 9, Mr. President, a Mass of Christian Burial was celebrated for Mr. Hammer at the Fort Myer Memorial Chapel in Arlington, Va. The day before, a service was held at the AFL–CIO Headquarters in honor of Mr. Pearlman. I submit for the RECORD the remarks made at those services, and AFL–CIO President Lane Kirkland's statement.

The material follows:

REMARKS BY THE HONORABLE EDMUND S. MUSKIE, SECRETARY OF STATE

They devoted their careers to helping people in distant lands. That devotion cost them their lives. Their murder shocked and saddened all of us at the State Department, and friends and colleagues will not forget this sacrifice. we will not abandon their work.

To Mrs. Hammer, to Mike Junior and to all of Mike's friends here today, I know my words cannot ease your burden of grief but I ask you to remember this about Mike's work and his death—Mike gave his life for his country and the service of the American Labor Movement. He was making solidarity a reality by helping workers in other countries build stronger institutions and better lives. Our government supported his work and we commit ourselves to it once again in his memory.

Mike Hammer also gave his life for the working people of Latin America. He dedicated himself especially to helping poor and landless farmers—the vast majority of the people. In the field and later from Washington he helped them organize, strengthen their organization, struggle for land and credit to improve their lives and those of their children. Above all Mike Hammer gave his life for his ideals. The democratic ideals on which our country was founded and the ideals of the American Labor Movement. He strove to make democracy equal opportunity and human dignity a reality in El Salvador and throughout the hemisphere.

The greatest appreciation we can show for Mike Hammer and Mark Pearlman is to continue the work they started and to uphold the ideals they cherished. We are grateful their lives have touched ours. Their courage and dedication would inspire all of us to carry forward the cause for which they gave their lives.

REMARKS BY WILLIAM C. DOHERTY, JR.

Little did we know, only a few short weeks ago, when Mark Pearlman joined his brother AIFLD directors around the nightly poker table at the George Meany Labor Studies Center that traditionally accompanies our annual meeting, that he would soon be paying the ultimate price. We could not have imagined that this amiable, affable, dedicated and brilliant young man was gracing us with his company for the last time. But we full well knew, that for the short time he was among us that our lives were enriched by our friendship with him, and we are all better people because Mark Pearlman crossed our path.

The free trade union principles for which he lived were noble and the circumstances of his tragic death can serve no other purpose but to renew our commitment to fulfill those principles.

Let us remember Mark for his warm smile, gentle wit, scholarly mind, and great compassion for his fellow man. Let us remember that he was a man who could have chosen to be a comfortable lawyer in California, or any other safe place in this world, but instead chose to confront the danger and difficulties of El Salvador in order to serve an impoverished constituency far removed from his own culture and background. Mark was a man, a real man! I believe, Rabbi, in Yiddish you have an expression that summarizes such a person. He was a mensch!

Mark, your spirit lives on in all of us and in all of those who were fortunate enough to be touched by you. Despite all the problems in El Salvador, there are today thousands of campesinos living just a little bit better because you gave of your enormous talent to help them get on their plots of land. When they get clear title to it—as surely they will in the near future—this will be a fitting memorial for your efforts in El Salvador.

Dear brothers, sisters and friends, let us pray for our departed compañeros, let us meditate upon the meaning of the lives of Brothers Pearlman, Hammer and Viera, and draw great inspiration from what they did and tried to do. They have not died in vain and I know within my heart that they from their exalted position in God's heaven and we will all see their dream become a reality.

Thank you.

STATEMENT BY LANE KIRKLAND, AFL–CIO PRESIDENT

The AFL–CIO is outraged and saddened by the cold-blooded murders of American Institute for Free Labor Development (AIFLD) representatives Michael Hammer and Mark Pearlman, by extremist forces in El Salvador. These good men were in El Salvador to assist that nation's peasant unions to participate in a land reform program designed to improve the lives of hundreds of thousands of small farmers and to lay the foundation for a stable democratic society.

We are equally grieved by the assassination of our brother and friend Rodolfo Viera, president of the Union Comunal Salvadorena, the largest democratic peasant organization in the country.

The AFL–CIO calls upon the government of El Salvador to bring those responsible for these brutal murders to justice, and to redouble its efforts to bring about agrarian reform for the benefit of El Salvador's impoverished workers. Clear title must be granted to the 210,000 poor farmers who have been promised land.

The forces of extremism, the totalitarian right and left, must not be permitted to destroy the prospects for democratic reform, upon which depend the hopes of farmers and workers for a more peaceful and prosperous life. These brutal assassinations, coming within weeks of the similar cold-blooded killing of Felipe Zaldivar, president of the major democratic urban trade union center, are further proof of the determination of the extremists to destroy democratic institutions.

The AFL–CIO will continue its support to the rural and urban trade unions of El Salvador so long as they need and desire our help. We call upon the U.S. government to reiterate its support for the land reform program for which our brave friends gave their lives, and the success of which would be their best memorial.

We extend our deepest, heartfelt condolences to the families of Brothers Hammer, Pearlman and Viera.●

WHITE HOUSE CONFERENCE ON SMALL BUSINESS: FIRST ANNIVERSARY

● Mr. HUDDLESTON. Mr. President, 1 year ago this week, January 13–17, 1980, President Carter opened the largest convocation of small business people in the Nation's history—the White House Conference on Small Business. The process leading up to that Conference, from the germination of the idea with the former distinguished chairman of the Senate Small Business Committee, Gaylord Nelson, through the 18 months of State and regional meetings, involved thousands of small business owners and operators. Over 1,500 delegates met in Washington to debate and set an agenda for defining the relationship between the Federal and private sectors, and for enhancing the ability of small business to compete in the marketplace.

The results of that Conference were reflected in 60 issue recommendations—5 each in 12 subject areas of significant concern to small business—11 resolutions, and a detailed followup report by the White House Commission on Small Business.

That Conference was not the culmination of the event, but rather the starting point for action. As my colleagues know, the 96th Congress immediately began concerted efforts to enact those top delegate recommendations requiring legislation. The final scorecard shows an impressive accomplishment—greater than many of us initially thought possible.

Fourteen of the top recommendations received substantial action by the 96th Congress. Eight of thirteen recommendations requiring legislation were enacted into law, including the Regulatory Flexibility Act, the Equal Access to Justice Act, the Paperwork Reduction Act of 1980, the Small Business Export Expansion Act, patent reform, securities deregulation, elimination of the carryover basis in estate and gift tax law, and strengthening the SBA Office of Advocacy. Four additional recommendations were favorably reported by Senate committees, but time ran out before final Senate action could occur, including corporate tax reductions, accelerated and simplified depreciation, regulatory reform, and small business innovation.

In the 97th Congress, Senator NUNN, the new ranking minority member of the Senate Small Business Committee, the other Democratic members of the committee, and I, intend to continue our efforts to implement the balance of the Conference recommendations. In addition, we should consider the desirability, and feasibility, of expanding the existing "agenda" which the White House Conference on Small Business established 1 year ago.●

NOMINATION OF JAMES B. EDWARDS TO BE SECRETARY OF ENERGY

● Mr. McCLURE. Mr. President, the Committee on Energy and Natural Resources held a hearing on January 12 on the nomination of James B. Edwards for Secretary of Energy. I am pleased to note that the press reports on the hearing were very favorable. I submit for the RECORD news articles.

The articles follow:

[From the New York Times, Jan. 13, 1981]

ENERGY CHOICE BACKS FASTER DECONTROL

(By Robert D. Hershey, Jr.)

WASHINGTON, January 12.—James B. Edwards today told the Senate committee considering his nomination as Secretary of Energy that he was strongly inclined to recommend that President-elect Ronald Reagan lift the remaining price controls on crude oil, gasoline and some other products "as soon as possible" after taking office next week.

The 53-year-old oral surgeon and former governor of South Carolina thus added his voice to others in the Reagan camp favoring immediate abolition of the controls, which are not scheduled to expire until Sept. 30.

An executive order carrying this out is said to have already been drafted by aides to the President-elect.

Dr. Edwards himself raised the question in the context of energy conservation in his opening statement to the Senate Energy Committee this morning.

MARKETPLACE EFFICACY

"Of course, it is foolish to waste what can be saved for a cost less than what is being thrown away," Dr. Edwards said. But "the marketplace is the most effective way to accomplish even more toward this objective," he said, "if energy prices truly reflect energy cost."

"This is one of the reasons why decontrol is so important, he added. "Decisions about automobiles, insulation, appliances, industrial processes and the like are made by millions of individual consumers and producers."

The growing sentiment toward accelerated decontrol also seems to reflect, though Dr. Edwards did not refer to it, the desire by budget makers for the added revenue in the form of "windfall profit" taxes it would produce.

Dr. Edwards fielded questions on almost every energy issue and a number of personal matters as well, but despite charges at one point that he had violated the law in connection with an island he and some friends own for hunting and fishing, his confirmation appeared this evening to be in little doubt.

QUESTION OF DISMANTLING

Dr. Edwards, who a few weeks ago had agreed with Mr. Reagan's pledge to dismantle the Department of Energy and said he would like to work himself out of his job as Energy Secretary, said today he and others were "rethinking" this idea.

"We still favor dismantling some of the regulatory apparatus, however," he declared, and he said he expected to be the country's principal energy spokesman and an initiator of policy.

Much of the policy lead in the Carter Administration had been taken at the White House.

He said he knew nothing of a published report stating that some Reagan advisers had recommended that Mr. Reagan merge the Energy Department and the Interior Department into a kind of superagency that would also include some functions now handled by the Commerce and Agriculture Departments.

Dr. Edwards, who was introduced to the committee by both his state's Senators, Strom Thurmond, a Republican and Ernest F. Hollings, a Democrat, made the following other responses to the committee:

Research and development of synthetic fuels, including building demonstration plants, should be pressed by the Federal Government, but "when it comes to commercialization I'd like to get the Government out."

In selecting sites for nuclear waste disposal plants, which he termed a national problem, the Government should consult closely with the states but should also have the ability to impose its will if agreement could not be reached. States should not be allowed an ultimate veto over a proposed site he said.

Of the strategic petroleum reserve, which he agreed was important to fill more quickly, some "gentle persuasion" would be needed to overcome objections to it from producers in the Organization of Petroleum Exporting Countries, particularly Saudi Arabia.

It might be a good idea if an oil export ban could be modified so Alaskan oil could be sent to Japan and exchanged, in effect, for Venezuelan oil that now goes to that country.

It was "tragic" that so much Federal land was now unavailable for energy development. "There is more than one use for lands," he said.

He has not yet formed an opinion about whether independent oil refiners should continue to enjoy the right to buy oil from the major companies after the price and allocation system ends. But he said "it sort of goes against my grain."

When asked why it took more than three years for the group of which he was a member to comply with a Federal cease-and-desist order against building dikes on 3,050 acres of Hutchinson Island south of Charleston, Mr. Edwards said the regulations were changing as construction proceeded and that he personally "knew nothing about the order."

[From the Washington Post, Jan. 13, 1981]

GOOD ANSWERS ON ENERGY

The next Secretary of energy, James B. Edwards, got off to a good start yesterday with the right answers to two of the first questions he'll have to settle. At his confirmation hearing, the Senate Energy Committee was running him through the predictable catechism, and Sen. Henry Jackson inquired about his intentions regarding oil and gasoline price controls. Mr. Edwards replied that he was inclined to recommend total decontrol "as soon as possible."

Absolutely correct. How soon is possible? Mr. Edwards declined to say. But it ought to be sometime between lunch and bedtime on Jan. 20. The sooner it's done, the better for the country. President Carter, to his great credit, started the process of decontrol last year on a schedule that runs through next September. The question now is whether to let that process continue gradually for another nine months or to end it at once. The present moment is an ideal one because competitive pressures are currently holding gasoline prices well below the legal ceiling and decontrol would have little immediate effect. If supplies tighten this spring—and that's a real possibility—most drivers would rather put up with higher prices than with renewed gasoline lines.

A couple of senators grumbled that higher prices don't help conservation because people have to use their cars. That's flatly and demonstrably wrong. On the contrary, conservation laws don't work unless they are reinforced by rising prices. When the price of gasoline rose in 1974, gasoline consumption fell. Then, for four years, the price of gasoline in real terms, adjusted for inflation, steadily fell and consumption rose sharply. When the price suddenly began to rise again in 1979, fuel consumption again dropped. Mr. Edwards will find that his department has very good statistics to support him here.

Some of the senators were worried about the inflationary effects of sudden decontrol. They might more usefully worry about the inflationary effects of continuing the controls. By keeping oil and gasoline prices artificially low for the past decade, this country has encouraged the high consumption that has driven up its imports. The rapid rise in American imports strained world supplies, which in turn made it possible for the exporting countries to keep raising prices. Oil prices, and the inflation rate, are higher today than they would have been if Americans had never attempted to control prices in the first place.

On another heavily lobbied subject, Sen. Bennett Johnston asked the new secretary whether he agreed that the independent refiners were entitled to still more subsidies and protection from competition. Mr. Edwards said that he did not. "Basically," he said, "I'm a free-market man." Oil refining is one of the most profitable businesses in the world and, while the independent refiners are accustomed to heavy government aid, it is utterly unjustified. Mr. Edwards will be pressed hard by many senators to strike a deal, but he would be wiser to stand fast. If consumers have to take the cold shower of decontrol, neither the Reagan administration nor anyone else can defend the perpetual bubble bath for the independent refiners.

[From the Wall Street Journal]

REAGAN'S CHOICE FOR ENERGY POST MIRRORS HIS STRESS ON OUTPUT RISE, DEREGULATION

(By Rich Jaroslovsky)

WASHINGTON.—James Edwards, Ronald Reagan's Energy Secretary-designate, sketched a policy mirroring his boss's emphasis on increased fuel production and deregulation of industry.

Testifying before the Senate Energy Committee, which is expected to approve his nomination, Mr. Edwards said he is "inclined" to recommend that Mr. Reagan decontrol petroleum prices "as soon as possible" after taking office. And the former South Carolina governor promised strong government support for all forms of energy, including nuclear power.

While staking out a position against federal regulations, Mr. Edwards appeared to lay to rest Mr. Reagan's campaign pledge to dismantle the Energy Department. "There has to be some point of focus" for government energy policy, Mr. Edwards acknowledged, and the Energy Department will be it.

Also, he said, the government will have to remain in the energy-regulating business, at least to be prepared for possible emergencies.

A BALANCED APPROACH

In a full day of testimony, Mr. Edwards generally glided smoothly through the proceedings. He told Senators that he will push for a "balanced approach to energy," including support for the environment and for energy conservation. But he pointedly rejected "the concept of conservation that focuses on no-growth policies," and repeatedly emphasized ways he thinks the nation can stimulate its energy output.

One way, he said, would be to speed up President Carter's timetable for lifting petroleum price controls, which currently are due to expire Sept. 30. Sen. J. Bennett Johnston (D., La.), citing government and private forecasters, argued that decontrol's increased production won't offset the long-term national decline in oil output. But Mr. Edwards took a more optimistic line. "I think we'll get a lot more production" through deregulation, he insisted.

Mr. Edwards said he is disturbed by the increasing flow of Western revenues to the oil-producing nations, but he isn't concerned by burgeoning oil company profits. Such profits, he said, are "the driving force that makes America great." At another point, he referred to the oil industry as "a lot of little people out there owning stocks."

Mr. Edwards also promised steps to "get the nuclear industry back on track again." He said he favors development of a nuclear breeder reactor, which was opposed by the Carter administration, and said that failing to build a plant to reprocess spent nuclear fuel would be like "saying no to another Alaska pipeline."

Mr. Edwards depicted himself as a champion of states' rights who will consult frequently with governors. But he opposed giving governors veto power over federal plans to dispose of radioactive wastes in their states. "We can't expect governors to take that political risk," the Energy Secretary-designate said. He added that he favors continued federal spending on nuclear research and development, as well as for synthetic fuels and other energy sources. But such aid should stop, he said, when technologies are ready to move onto commercial markets.

Senators pressed Mr. Edwards repeatedly on whether he will push to abolish the department. Chairman James McClure (R., Idaho) told the Secretary-designate that "the formulation and implementation of national energy policy must reside" in a single Cabinet officer, the Energy Secretary.

Mr. Edwards, who soon after his selection as Secretary said he looked forward to working for the demise of the department, said he now realizes that idea isn't "realistic." His major goal, and President-elect Reagan's, is rather to see the dismantling of "the regulations of the department." He said he doesn't know enough yet to evaluate a proposal, floated by some members of Mr. Reagan's energy transition team, to eventually merge the Energy and Interior Departments.

Mr. Edward's testimony may upset small and independent oil refiners. Under questioning from Sen. Johnston, the Secretary-designate singled out for criticism several regulations designed to aid such refiners by insuring that they have access to crude oil and that they aren't forced to bear the entire burden of high prices for oil they buy.

AVOIDS SPECIFICS

Such regulations, Mr. Edwards said, "mean that domestic crude oil is subsidizing importation of foreign crude." He promised to consider alternative policies that might help small and independent refiners survive, but added that "my basic philosophy is that the marketplace should control things like this."

Mr. Edwards also stressed the importance of market factors in determining the nation's use of coal and natural gas. But he generally stayed away from specifics.

The one regulatory area that requires additional effort, Mr. Edwards said, is contingency planning. The current standby gasoline rationing program would be a "disaster" if ever imposed, he said, but may have to remain until the new administration can come up with something better.

The new administration will proceed to fill the strategic petroleum reserve, a major Reagan campaign pledge, "as soon as possible," Mr. Edwards said. Many producing nations, including Saudi Arabia, have criticized such U.S. oil stockpiling, and Sen. Henry Jackson (D., Wash.) attacked what he termed a "quiet kind of blackmail" inherent in such complaints. Mr. Edwards, while promising to use some of the "quiet art of persuasion" on balky Persian Gulf nations, also said that the Reagan administration will be sensitive to the needs of "some friends who've been very kind to us" in the region.

The Secretary-designate also said the new administration is looking at new ways of financing oil-stockpile purchases. One way, he said, might be through a "quasi-private, quasi-public" entity that would issue a security linked to oil prices, "sort of like investing in futures." Other energy officials said such a plan has been suggested by Rep. David Stockman (R., Mich.), director-designate of the Office of Management and Budget, as one way of easing pressure on the federal deficit.

Answering a query from Sen. John Warner, (R., Va.) Mr. Edwards said he isn't inclined to support creation of a strategic natural-gas stockpile similar to the oil reserve. Instead, he said, it would be "better to keep the natural gas reserves, identified in the ground."

[From the Washington Post, Jan. 13, 1981]

EDWARDS FINDS ABOLISHING ENERGY DEPARTMENT HAS LOST MUCH OF ITS APPEAL

(By Joanne Omang)

Dr. James B. Edwards said yesterday that he used to favor abolishing the Department of Energy, but the idea has lost much of its appeal since he was nominated to be energy secretary.

Instead, the former South Carolina governor told the opening of his confirmation hearings that he wants to "unshackle the sleeping giant" of American industry to produce energy for continued economic growth. "There has to be some sort of focus for energy policy," he said. "We'll have a Department of Energy until you gentlemen [in Congress] decide otherwise."

The Energy and Natural Resources Committee was clearly glad to hear that. "You're a natural fast learner," said Sen. Spark Matsunaga (D-Hawaii).

President-elect Ronald Reagan said during the campaign that he intended to dismantle DOE, and Edwards said, when he was nominated for the Cabinet post that he was eager to go to Washington and "work myself out of a job."

Edwards, 53, a practicing oral surgeon, ducked many questions about specific energy policies with the reply that he had yet to study the issues. He said he wants to "dismantle some of the regulatory apparatus at DOE" but declined to predict any budget or personnel cuts.

He will recommend refilling the strategic petroleum reserve and decontrol of oil prices "as soon as possible," he said, but, in regard to natural gas prices, he said he will study the situation further. Edwards took no position on continuing the Synthetic Fuels Corp., but firmly favored more deepwater port construction to boost coal exports.

A proposal from Reagan's energy transition team to combine the Energy and Interior departments into one Cabinet-level department of energy and natural resources also will need a lot of study, Edwards said. "I'm not waffling; it's just a desire to get adequate data," he said.

The graying, soft-spoken Edwards repeatedly endorsed the production approach to energy self-sufficiency over other methods and emerged as a strong defender of the oil industry. "I wish we could conserve ourselves into full employment in this country but I don't believe we can," he said. "I believe we've got to produce, produce, produce."

Edwards hedged on the oil profits tax, saying he would "look at it very carefully" but that he was philosophically opposed to it. "Profits are a driving force of this country," he said.

Money flowing to the Arab oil cartel worries him more than U.S. oil company profits, he said, "because a lot of little people out there own stock in the oil companies and they are the ones benefiting." Any antitrust worries, he said, are the responsibility of Congress.

Sen. Howard Metzenbaum (D-Ohio) worried that Edwards had ignored consumer and environmental concerns as South Carolina governor, failing to name any consumer representatives or environmentalists to a private Energy Research Institute foundation, though its charter called for such representation. Edwards admitted that "in retrospect we have neglected the consumers," and said he would not do that as energy chief.

Asked about a remark in 1975 that South Carolina did not need antipollution laws because of its fresh breezes, Edwards said he doubted the quote was correct, "and if it is I would revise it." He had found, he said, that pine trees were emitting hydrocarbons, an air pollutant, "and I probably had some strong words to say about that"—indicating he did not believe his state needed to be protected from its trees.

Reagan has been subject to some gibing because of a well-publicized comment that trees could be called air polluters. The Environmental Protection Agency has said hydrocarbons are not a problem in forests where there are no nitrogen oxides, as there are in cities, with which to combine to form smog.

Edwards also defended his involvement in a duck hunting partnership on Hutchinson Island near Charleston, S.C., saying an illegal dike the group built there was "solely to increase wildlife habitat."

Metzenbaum questioned him on the three-year gap between a cease-and-desist order from the Army Corps of Engineers and the group's compliance. "If you don't have law and order in regard to your own operations, how can the people expect it in regard to the oil companies?" Metzenbaum asked.

"We didn't mean to violate any laws," Edwards responded. Negotiations with officials accounted for the delay, he said, and the project is now in full compliance.

Asked what he thought about Three Mile Island, Edwards said the name "conjures up a company that's in trouble and needs some help." The accident at this Pennsylvania nuclear power plant in 1979 "showed that the system worked. Nobody was harmed. Nobody was killed," he said.

After the hearing, Edwards said he was "very pleased" with the "kind and gentlemanly" treatment he received. His nomination is expected to be approved this week without difficulty.

[From the Washington Star, Jan. 13, 1981]

DOE CHOICE: NO VOWS ON BUDGET CUT

(By Sheilah Kast)

President-elect Ronald Reagan's choice as Energy secretary doesn't expect the Energy Department to be dismantled soon. Moreover, he isn't even sure he can cut DOE's $12.5 billion budget.

"I'd like to say I'm going to cut it by half or 10 percent or even 5 percent," Energy Secretary-designate James B. Edwards, former governor of South Carolina, told the Senate Energy Committee yesterday. "But I'm aware of the political forces that come to bear. I would like to slow the growth, if not cut back. I'm not going to make you any promises."

At his confirmation hearing, Edwards repeatedly asserted that trimming the role of the federal government would allow American firms to find and produce more energy. Although energy prices will rise, Edwards contended, such a policy is best for consumers in the long run.

"One of the best things I can do for consumers is to make sure that when they go and turn on that light switch, the light goes on," said Edwards, an oral surgeon whose previous experience in energy policy came during 1975 to 1979 when he was governor of South Carolina.

In response to questions by committee member Howard M. Metzenbaum, D-Ohio, Edwards said he is less concerned about the transfer of billions of dollars from the pockets of consumers to the coffers of the oil companies than the transfer of billions of dollars from the United States to the Organization of Petroleum Exporting Countries.

"I'm not one of those who believes profit is a four-letter word," he said in response to Sen. Dale L. Bumpers, D-Ark., who noted that oil companies accrue roughly 40-percent of all U.S. manufacturing profits and that oil companies have been buying other energy resources, such as coal.

On the question of dismantling the Department of Energy, which had been a pledge in several of Reagan's campaign speeches, Edwards acknowledged, "There's been some rethinking, there's no doubt about that."

He said he did not think Reagan would change his mind about abolishing the department's role of allocating petroleum products and regulating their prices.

The vast bulk of the department's budget is spent on research and development, nuclear weapons, conservation projects and filling the Strategic Petroleum Reserve—all functions which Edwards said he favored continuing, at least to some extent.

After several senators quoted news reports that Reagan's advisers are suggesting merging the Interior and Energy Departments, Edwards said he had never before heard of the proposal.

"Until you gentlemen change the situation," he told the senators, "we will have a Department of Energy."

The advisers reportedly urged that no immediate move be made on the Interior-DOE merger, but that it be studied for a year.

Edwards told the senators that he would soon start a detailed study of each DOE program to determine what programs should be continued. Such a study was mandated by the 1977 law which set up the energy agency.

Edwards said he is inclined to recommend that Reagan speed up the decontrol of oil and gasoline prices, now scheduled to occur gradually until Oct. 1. Some experts estimate that such a speed-up would raise oil prices about $10 billion, and boost the price of a gallon of gasoline an extra 12 cents.

Edwards noted repeatedly that after the government started raising natural gas prices, the industry discovered much more natural gas.

On many issues, Edwards said he had not yet made up his mind.

For example, he declined to say whether he favored repealing the windfall-profits tax on oil, though he said he firmly opposed instituting a similar tax on natural gas. "I have always stood on less taxes", he said. "We would certainly look at it (the question of repeal) with an open mind."

Edwards also said he had not decided whether the Synthetic Fuels Corp., the quasi-governmental corporation set up by Congress last year to fund the building of massive plants to make synthetic fuels, should continue to exist.

At the committee's morning session, he said he did not know that the SFC would be empowered to make grants, as well as orchestrating financing from private sources. Later, referring to the SFC's budget, he said, "I can't spend $20 billion efficiently or effectively between now and 1990—that's too much money."

On topics related to nuclear power, Edwards said he favors giving states a strong role in planning where and how nuclear waste will be stored, but not a veto.

Asked what the phrase, "Three Mile Island" means to him, Edwards answered, "A company that's in trouble and needs some help." He said the March 1979 accident near Harrisburg, Pa., "showed that the system worked—no one was harmed or killed at Three-Mile Island." ●

MARTIN LUTHER KING, JR.

● Mr. DODD. Mr. President, I wish to commemorate the 52d birthday of the Reverend Dr. Martin Luther King, Jr.

I am especially pleased that this, my first official statement in this Chamber, should be about a man of true peace—a man who stirred the conscience of an entire Nation and instilled in generations of Americans an understanding of the real meaning of social justice

The peace Martin Luther King, Jr., strove for all his life, both for his people and the country he loved, was never a quiet peace. It was, instead, a peace that called all its followers to constantly confront barriers, both physical and attitudinal, that denied any human being the opportunity to fulfill his or her potential. Dr. King sought a peace that would inspire each of us to reach out for the best in ourselves and others.

Today, those who believe in the same peace that Dr. King believed in must take little comfort in the limited progress we have made in the 12 years since his death. The U.S. Commission on Civil Rights reported this week that "In 1980 the Nation witnessed increased resistance to equal opportunity, deepening concern about the relationship between minorities and agencies responsible for the administration of justice, growing strength of groups that preach hate, and civil unrest in many communities." Discrimination in education, employment and housing is still widespread, and in order to root it out each of us in his own way must along with the Government take direct action.

Finally, Mr. President, it would be my hope that this year we will enact legislation making Martin Luther King's birthday a national holiday. By doing so, we would honor not only his specific achievements but also his ideals which make America a beacon of hope for the world.

At this time, Mr. President, I submit for the RECORD Martin Luther King's "Letter From Birmingham City Jail" (April 16, 1963) in which he talks about his idea of peace:

I have almost reached the regrettable conclusion that the Negroes' great stumbling block in the stride toward freedom is not the White Citizens' "Councilor" or the Ku Klux Klanner, but the white moderate who is more devoted to "order" than to justice; who prefers a negative peace which is the absence of tension to a positive peace which is the presence of justice; who constantly says, "I agree with you in the goal you seek, but I can't agree with your methods of direct action"; who paternalistically feels that he can set the timetable for another man's freedom, who lives by the myth of time and who constantly advised the Negro to wait until a "more convenient season." Shallow understanding from people of good will is more frustrating than absolute misunderstanding from people of ill will. Lukewarm acceptance is much more bewildering than outright rejection.

I had hoped that the white moderate would understand that law and order exist for the purpose of establishing justice, and that when they fail to do this they become the dangerously structured dams that block the flow of social progress. I had hoped that the white moderate would understand that the present tension in the South is merely a necessary phase of the transition from an obnoxious negative peace, where the Negro passively accepted his unjust plight, to a substance-filled positive peace, where all men will respect the dignity and worth of human personality. Actually, we who engage in nonviolent direct action are not the creators of tension. We merely bring to the surface the hidden tension that is already alive.●

PRESIDENT CARTER'S FAREWELL ADDRESS

Mr. ROBERT C. BYRD. Mr. President, last evening President Carter bid farewell to the American people in a brief televised address. He emphasized those issues which, to him personally, had been the most significant during his Presidency: nuclear arms control, the pursuit of human rights and the conservation of this Earth's natural resources. He promised to work for these goals as a private citizen as courageously as he had sought their achievement as President.

I wish President Carter and his family well as they return to life as private citizens. The President's remarks reflected, in a dignified fashion, the strength of the American political system as we complete the transition from one administration to another. We will value his advice and counsel in the days to come.

I ask that the text of President Carter's remarks be printed in the RECORD.

The text follows:

PREPARED TEXT OF CARTER'S FAREWELL ADDRESS ON MAJOR ISSUES FACING THE NATION

WASHINGTON, January 14.—Following is the prepared text of President Carter's farewell address to the nation tonight:

Good evening. In a few days, I will lay down my official responsibilities in this office to take up once more the only title in our

democracy superior to that of President, the title of citizen.

Of Vice President Mondale, my Cabinet and the hundreds of others who have served with me during these four years, I wish to say publicly what I have said in private: I thank them for the dedication and competence they have brought to the service of our country.

But I owe my deepest thanks to you, the American people, because you gave me this extraordinary opportunity to serve. We have faced great challenges together. We know that future problems will also be difficult, but I am now more convinced than ever that the United States—better than any other nation—can meet successfully whatever the future might bring.

These last four years have made me more certain than ever of the inner strength of our country—the unchanging value of our principles and ideals, the stability of our political system, the ingenuity and decency of our people.

Tonight I would like first to say a few words about this most special office, the Presidency of the United States.

This is at once the most powerful office in the world—and among the most severely constrained by law and custom. The President is given a broad responsibility to lead—but cannot do so without the support and consent of the people, expressed formally through the Congress and informally through a whole range of public and private institutions.

This is as it should be. Within our system of government every American has a right and duty to help shape the future course of the United States. Thoughtful criticism and close scrutiny of all Government officials by the press and the public are an important part of our democratic society. Now as in our past, only the understanding and involvement of the people through full and open debate can help to avoid mistakes and assure the continued dignity and safety of the nation.

Today we are asking our political system to do things of which the founding fathers never dreamed. The Government they designed for a few hundred thousand people now serves a nation of almost 230 million people. Their small coastal republic now spans beyond a continent, and we now have the responsibility to help lead much of the world through difficult times to a secure and prosperous future.

Today, as people have become more doubtful of the ability of the Government to deal with our problems, we are increasingly drawn to single-issue groups and special interest organizations to insure that whatever else happens our own personal views and our own private interests are protected. This is a disturbing factor in American political life. It tends to distort our purposes because the national interest is not always the sum of all our single or special interests. We are all Americans together and we must not forget that the common good is our common interest and our individual responsibility.

Because of the fragmented pressures of special interests, it is very important that the office of the President be a strong one, and that its constitutional authority be preserved. The President is the only elected official charged with representing all the people. In the moments of decision, after the different and conflicting views have been aired, it is the President who then must speak to the nation and for the nation.

I understand, as few others can, how formidable is the task the President-elect is about to undertake. To the very limits of conscience and conviction, I pledge to support him in that task. I wish him success and Godspeed.

I know from experience that Presidents have to face major issues that are controversial, broad in scope, and which do not arouse the natural support of a political majority.

THE THREE MAJOR ISSUES

For a few minutes now, I want to lay aside my role as a leader of one nation and speak to you as a fellow citizen of the world about three such issues: The threat of nuclear destruction, our stewardship of the physical resources of our planet and the pre-eminence of the basic rights of human beings.

It has now been 35 years since the first atomic bomb fell on Hiroshima. The great majority of the world's people cannot remember a time when the nuclear shadow did not hang over the earth. Our minds have adjusted to it, as after a time our eyes adjust to the dark.

Yet the risk of a nuclear conflagration has not lessened. It has not happened yet, but that can give us little comfort—for it only has to happen once.

The danger is becoming greater. As the arsenals of the super powers grow in size and sophistication and as other governments acquire these weapons, it may only be a matter of time before madness, desperation, greed or miscalculation lets loose this terrible force.

DESPAIR AFTER NUCLEAR WAR

In an all-out nuclear war, more destructive power than in all of World War II would be unleashed every second for the long afternoon it would take for all the missiles and bombs to fall. A World War II every second—more people killed in the first few hours than all the wars of history put together. The survivors, if any, would live in despair amid the poisoned ruins of a civilization that had committed suicide.

National weakness—real or perceived—can tempt aggression and thus cause war. That is why the United States cannot neglect its military strength. We must and we will remain strong. But with equal determination, the United States and all countries must find ways to control and reduce the horrifying danger that is posed by the world's stockpiles of nuclear arms.

This has been a concern of every American President since the moment we first saw what these weapons could do. Our leaders will require our understanding and support as they grapple with this difficult but crucial challenge. There is no disagreement on the goals or the basic approach to controlling this enormous destructive force. The answer lies not just in the attitudes or actions of world leaders, but in the concern and demands of all of us as we continue our struggle to preserve the peace.

Nuclear weapons are an expression of one side of our human character. But there is another side. The same rocket technology that delivers nuclear warheads has also taken us peacefully into space. From that perspective, we see our earth as it really is—a small and fragile and beautiful blue globe, the only home we have. We see no barriers of race or religion or country. We see the essential unity of our species and our planet; and with faith and common sense that bright vision will ultimately prevail.

QUALITY OF THE WORLD

Another major challenge is to protect the quality of this world within which we live. The shadows that fall across the future are cast not only by the kinds of weapons we have built but by the kind of world we will either nourish or neglect. There are real and growing dangers to our simple and most previous possessions: the air we breathe, the water we drink and the land which sustains us. The rapid depletion of irreplaceable minerals, the erosion of top-soil, the destruction of beauty, the blight of pollution, the demands of increasing billions of people all combine to create problems which are easy to observe and predict but difficult to resolve. If we do not act, the world of the year 2000 will be much less able to sustain life than it is now.

But there is no reason for despair. Acknowledging the physical realities of our planet does not mean a dismal future of endless sacrifice. In fact, acknowledging these realities is the first step in dealing with them. We can meet the resource problems of the world—water, food, minerals, farmlands, forests, overpopulation, pollution—if we tackle them with courage and foresight.

I have just been talking about forces of potential destruction that mankind has developed and how we might control them. It is equally important that we remember the beneficial forces that we have evolved over the ages and hold fast to them.

INDIVIDUAL HUMAN FREEDOMS

One of those constructive forces is enhancement of individual human freedoms through the strengthening of democracy, and the fight against deprivation, torture, terrorism and the persecution of people throughout the world. The struggle for human rights overrides all differences of color, nation or language.

Those who hunger for freedom, who thirst for human dignity, and who suffer for the sake of justice—they are the patriots of this cause.

I believe with all my heart that America must always stand for these basic human rights—at home and abroad. That is both our history and our destiny.

America did not invent human rights. In a very real sense it is the other way round. Human rights invented America.

Ours was the first nation in the history of the world to be founded explicitly on such an idea. Our social and political progress has been based on one fundamental principle—the value and importance of the individual. The fundamental force that unites us is not kinship or place of origin or religious preference. The love of liberty is the common blood that flows in our American veins.

IDEALS BEHIND THE NATION

The battle for human rights—at home and abroad—is far from over. We should never be surprised nor discouraged because the impact of our efforts has had varied results. Rather, we should take pride that the ideals which gave birth to our nation still inspire the hopes of oppressed people around the world. We have no cause for self-righteousness or complacency. But we have every reason to persevere, both in our own country and beyond our borders.

If we are to serve as a beacon for human rights we must continue to perfect here at home the rights and values we espouse around the world: A decent education for our children, adequate medical care for all Americans, an end to discrimination against minorities and women, a job for those able to work and freedom from injustice and religious intolerance.

We live in a time of transition, an uneasy era which is likely to endure for the rest of this century. It will be a period of tensions both within nations and between nations—of competition for scarce resources, of social, political and economic stresses and strains. During this period we may be tempted to abandon some of the time-honored principles and commitments which have been proven during the difficult times of past generatons.

We must never yield to this temptation. Our American values are not luxuries but necessities—not the salt in our bread but the bread itself. Our common vision of a free and just society is our greatest source of

cohesion at home and strength abroad—greater even than the bounty of our material blessings.

A VISION TO INSPIRE THE WORLD

Remember these words: "We hold these truths to be self-evident, that all men are created equal; that they are endowed by their creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness."

This vision still grips the imagination of the world. But we know that democracy is always an unfinished creation. Each generation must renew its foundations. Each generation must rediscover the meaning of this hallowed vision in the light of its own modern challenges. For this generation, life is nuclear survival; liberty is human rights; the pursuit of happiness is a planet whose resources are devoted to the physical and spiritual nourishment of its inhabitants.

As I return home to the South where I was born and raised, I am looking forward to the opportunity to reflect and further to assess—I hope with accuracy—the circumstances of our times. I intend to give our new President my support, and I intend to work as a citizen, as I have worked as President, for the values this nation was founded to secure.

Again, from the bottom of my heart, I want to express to you the gratitude I feel. Thank you, fellow citizens, and farewell.

NOMINATIONS

Executive nominations received by the Secretary of the Senate January 7, 1981, under authority of the order of the Senate of January 6, 1981:

IN THE AIR FORCE

The following officers for temporary appointment in the United States Air Force to the grade indicated, under the provisions of chapter 839, title 10 of the United States Code:

To be brigadier general

Col. Richard F. Abel, 282-24-0932FR, Regular Air Force.

Col. Michael H. Alexander, 481-34-0617FR, Regular Air Force.

Col. Melvin G. Alkire, 216-32-1998FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Carl N. Beer, 214-30-1913FR, Regular Air Force.

Col. William P. Bowden, 431-58-0401FR, Regular Air Force.

Col. Elmer T. Brooks, 579-42-8140FR, Regular Air Force.

Col. James T. Callaghan, 359-28-2527FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Duncan W. Campbell, 526-42-2984FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Michael P. C. Carns, 578-48-9103FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Aloysius G. Casey, 169-24-4566FR, Regular Air Force.

Col. Wilson C. Cooney, 209-24-2396FR, Regular Air Force.

Col. Thomas L. Craig, 435-54-8105FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Milford E. Davis, 010-30-4892FR, Regular Air Force.

Col. Chris O. Divich, 504-26-9714FR, Regular Air Force.

Col. Fredric F. Doppelt, 051-26-4294FR, Regular Air Force, Medical.

Col. John J. Doran, Jr., 013-24-3203FR, Regular Air Force.

Col. Christian F. Dreyer, 577-46-0193FR, Regular Air Force.

Col. Michael J. Dugan, 091-28-2234FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Pintad M. Dyer III, 439-36-8540FR, Regular Air Force.

Col. David W. Forgan, 355-26-6055FR, Regular Air Force.

Col. Daniel B. Geran, 291-26-7370FR, Regular Air Force.

Col. Gordon A. Ginsburg, 297-26-7043FR, Regular Air Force.

Col. John E. Griffith, 512-22-7822FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Alfred G. Hansen, 067-26-5750FR, Regular Air Force.

Col. Edward J. Heinz, 471-32-4675FR, Regular Air Force.

Col. Thomas J. Hickey, 478-40-1715FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Jesse S. Hocker, 402-36-6773FR, Regular Air Force.

Col. Hansford T. Johnson, 251-58-7597FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. James G. Jones, 278-30-0928FR, Regular Air Force.

Col. Gordon P. Masterson, 366-32-6989FR, Regular Air Force.

Col. Robert I. McCann, 011-28-0707FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Thomas G. McInerney, 336-30-8725FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Merrill A. McPeak, 554-44-2858FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Michael A. Nelson, 560-46-5214FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Robert B. Patterson, 237-42-6805FR, Regular Air Force.

Col. Randall D. Peat, 329-28-3055FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Leonard H. Perroots, 236-46-8026FR, Regular Air Force.

Col. Robert O. Petty, 459-46-9938FR, Regular Air Force.

Col. Jimmy C. Pettyjohn, 526-36-9576FR, Regular Air Force.

Col. Robert B. Plowden, Jr., 250-48-6191FR, Regular Air Force.

Col. Philip S. Prince, 547-40-0275FR, Regular Air Force.

Col. Donald L. Rans, 316-34-6754FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Craven C. Rogers, Jr., 576-46-3442FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Gerald C. Schwanki, 533-28-3002FR, Regular Air Force.

Col. Henry J. Sechler, 477-34-2551FR, Regular Air Force.

Col. William M. Shaw, Jr., 242-48-7811FR, Regular Air Force.

Col. Jack W. Sheppard, 297-26-0630FR, Regular Air Force.

Col. Ellie G. Shuler, Jr., 249-50-1947FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Charles P. Skipton, 287-28-0483FR, Regular Air Force.

Col. Monroe T. Smith, 264-34-1200FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Richard E. Steere, 550-40-3819FR, Regular Air Force.

Col. John T. Stihl, 550-38-1457FR, Regular Air Force.

Col. Donald J. Stukel, 503-46-3291FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Thomas G. Tobin, 506-38-7813FR, Regular Air Force.

Col. Russell L. Violett, 524-46-5062FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Donald B. Wagner, 205-22-4351FR, Regular Air Force, Medical.

Col. William B. Webb, 262-60-4091FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Bernard L. Weiss, 146-24-6060FR, Regular Air Force.

Col. Browning C. Wharton, 234-32-6439FR, Regular Air Force.

Col. Gordon E. Williams, 002-22-6525FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 837, title 10, United States Code:

To be major general

Brig. Gen. S. T. Ayers, 458-24-8932FV, Air Force Reserve.

Brig. Gen. James J. Feeney, 134-18-7835FV, Air Force Reserve.

Brig. Gen. James E. McAdoo, 435-38-1041FV, Air Force Reserve.

Brig. Gen. Donald A. McGann, 101-22-4131FV, Air Force Reserve.

Brig. Gen. Richard A. Wegner, 519-16-1897FV, Air Force Reserve.

To be brigadier general

Col. Thomas H. Dinwiddie, 274-22-2903FV, Air Force Reserve.

Col. George P. A. Forschler, 518-36-0997FV, Air Force Reserve.

Col. George D. Leadbetter, 441-28-8473FV, Air Force Reserve.

Col. Edward L. McFarland, 498-42-9900FV, Air Force Reserve.

Col. James R. Milligan, 176-24-3110FV, Air Force Reserve.

Col. John D. Moore, 550-40-9135FV, Air Force Reserve.

Col. Billy B. Morgan, 400-32-8491FV, Air Force Reserve.

Col. Ronald G. Severs, 490-32-0871FV, Air Force Reserve.

Col. Raymond Thompson, 118-18-2908FV, Air Force Reserve.

Executive nominations received by the Secretary of the Senate January 8, 1981, under authority of the order of the Senate of January 6, 1981:

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

Dorothy Sellers, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice Edmond T. Daly, deceased.

Ricardo M. Urbina, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice Normalie Holloway Johnson, elevated.

BOARD FOR INTERNATIONAL BROADCASTING

John A. Gronouski, of Texas, to be a Member of the Board for International Broadcasting for a term expiring April 28, 1983 (reappointment).

COMMUNICATIONS SATELLITE CORPORATION

Thomas R. Donahue, of the District of Columbia, to be a Member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1981, vice George Meany.

DEPARTMENT OF ENERGY

Lynn R. Coleman, of the District of Columbia, to be Deputy Secretary of Energy, vice John C. Sawhill, resigned, to which office he was appointed during the last recess of the Senate.

THE JUDICIARY

Walter Mebeula Heen, of Hawaii, to be U.S. District Judge for the District of Hawaii, vice Dick Yin Wong, deceased, to which office he was appointed during the last recess of the Senate.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Ralph W. Emerson, of the District of Columbia, to be a Member of the Foreign Claims Settlement Commission of the United States for the term expiring September 30, 1981 (new position—Public Law 96-209), to which office he was appointed during the last recess of the Senate.

DEPARTMENT OF THE INTERIOR

Thomas W. Fredericks, of Colorado, to be an Assistant Secretary of the Interior, vice Forrest J. Gerard, resigned, to which office he was appointed during the last recess of the Senate.

DEPARTMENT OF AGRICULTURE

Alex P. Mercure, of New Mexico, to be Under Secretary of Agriculture for Small Community and Rural Development (new position), to which office he was appointed during the last recess of the Senate.

SOLAR ENERGY AND ENERGY CONSERVATION BANK

Joseph S. Bracewell, of Texas, to be president of the Solar Energy and Energy Conservation Bank (new position), to which office he was appointed during the last recess of the Senate.

COMMUNITY SERVICES ADMINISTRATION

The following-named persons to be Assistant Directors of the Community Services Administration, to which offices they were appointed during the last recess of the Senate:

Laird P. Harris, of Michigan, vice Frank Jones, resigned.

Harold Lafayette Thomas, of the District of Columbia, vice John B. Gabusi, resigned.

CORPORATION FOR PUBLIC BROADCASTING

The following-named persons to be Members of the Board of Directors of the Corporation for Public Broadcasting for terms expiring March 26, 1986, to which offices they were appointed during the last recess of the Senate:

Reuben W. Askanase, of Texas, vice Donald E. Santarelli, term expired.

Melba Pattillo Beals, of California, vice Lucius Percy Gregg, Jr., term expired.

FEDERAL ELECTION COMMISSION

Vernon W. Thomson, of Virginia, to be a Member of the Federal Election Commission for the remainder of the term expiring April 30, 1983, vice Max L. Friedersdorf, resigned, to which office he was appointed during the last recess of the Senate.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

Alice Coig McDonald, of Kentucky, to be a Member of the National Council on Educational Research for a term expiring September 30, 1982, vice John Corbally, term expired, to which office she was appointed during the last recess of the Senate.

NATIONAL LABOR RELATIONS BOARD

John C. Truesdale, of Maryland, to be a Member of the National Labor Relations Board for the term of 5 years expiring August 27, 1985 (reappointment), to which office he was appointed during the last recess of the Senate.

NATIONAL MUSEUM SERVICES BOARD

The following-named persons to be Members of the National Museum Services Board for terms expiring December 6, 1985, to which offices they were appointed during the last recess of the Senate:

John Connell, of California, vice Gary K. Clarke, term expired.

Dorothy Graham-Wheeler, of North Carolina, vice George Horse Capture, term expired.

Albert T. Klyberg, of Rhode Island, vice Charlotte Ferst, term expired.

U.S. POSTAL SERVICE

Wallace Nathaniel Hyde, of North Carolina, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1989, vice M. A. Wright, term expired, to which office he was appointed during the last recess of the Senate.

U.S. SYNTHETIC FUELS CORPORATION

John C. Sawhill, of the District of Columbia, to be chairman of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 7 years (new position), to which office he was appointed during the last recess of the Senate.

The following-named persons to be Members of the Board of Directors of the U.S. Synthetic Fuels Corporation for the term indicated, to which positions they were appointed during the last recess of the Senate:

John D. DeButts, of Virginia, for a term of 1 year (new position).

Catherine Blanchard Cleary, of Wisconsin, for a term of 2 years (new position).

Frank Savage, of New York, for a term of 3 years (new position).

Joseph Lane Kirkland, of the District of Columbia, for a term of 5 years (new position).

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the regular crops of the Public Health Service subject to qualifications therefore as provided by law and regulations:

For appointment:

To be senior surgeon

Norma M. Aquino
Wanho Cheung
Ernest F. Doherty, Jr.
Clyde W. Parson
Elba J. Garcia
George E. Hardy, Jr.
Allan S. Hild
Robert W. Jones
Anil Kumar
Sung W. Lee
David M. Logan
Raymond B. Mabrey
Audrey F. Manley
Julieta D. McAllister
George R. Stanley
Sumathy Vannarth
Benjamin C. Young, Jr.

To be surgeon

Myron J. Adams, Jr.
William B. Baine
John A. Barranger
Robert B. Craven
Kenneth J. Darcy
Edwin P. Ewing, Jr.
Robert D. Fischer
Robert E. Fontaine
Lillian Gavrilovich
Hettie S. Gibbs
Robert E. Johnson
Terry L. Kellenberger
Cheung-Ki Kim
Ira S. Lourie
Joseph B. McCormick
Richard C. Moore, Jr.
Thomas I. Nary
Richard J. OBrien, Jr.
Charles A. Patout, Jr.
Kenneth M. Peterson
Kenneth E. Powell
Neal L. Presant
Thomas B. Richards
Jeffrey A. Samuels
Lawrence B. Schonberger
Jay S. Weisfeld
Edith R. Welty
Rickey Wilson

To be senior assistant surgeon

Roy C. Baron
Angel R. Brana
Mitchell L. Cohen
Richard M. Douglass
Ralph L. Dru
Howard M. Friedman
David A. Goodman
Laurence D. Gruenwald
Vern W. Harpole
Thomas L. Harrison
Janice G. Hutchinson
Philip G. Jajosky
Andrew C. John
Anton P. Kemps
Thomas M. Kessler
Dorothy K. MacFarlane
David M. Morens
Ralph D. Morris
Michael H. Munos
David N. Rose
Christopher Simpson
Steven M. Teutsch
Timothy J. Ungs, Jr.
Mark E. White

To be assistant surgeon

Edgar R. Cordivin
Martha L. Hauk
Lorenz F. Lassen
Neil J. Makela

To be dental surgeon

Bruce J. Baum
Jack Belchinsky
Anthony R. Cavalli
Jeffrey W. Hagen
James A. Lipton
Lawrence W. Walker

To be senior assistant dental surgeon

Robert J. Allen
Dale P. Armstrong
Raymond D. Barnum
Sylvia A. Bartalsky
Robert A. Best
Harold A. Black
William J. Bretz
James A. Coope
Fred E. Coy III
James J. Crumbaker
Thomas J. Decaro
Raney J. Deschenes
James W. Farrington
James N. Fodor
Robert D. Fowler
Neil F. Gardner
Duv Glazer
Andrew P. Goldbeck
Clarence E. Holden
Gerald L. Hussong
Lawrence M. Keil
James T. Lowe, Jr.
Ronald L. Majka
James M. Mixson
Kim R. Montgomery
Robert A. Palmer
Kenneth R. Powders
Scott M. Preston
John L. M. Robinson
Edward N. Sague
Francisco L. San Miguel-Mendez
Alan L. Sandler
Donald T. Sauter
Scott N. Schaar
Robert H. Selwitz
Gerald K. Shaddix
Richard M. Snyder
Barry H. Waterman

To be nurse officer

Dixie A. Deeter
Joyce A. Elmore
May B. Givan
Jean E. Hastings
Marie A. Moses
Susan Simmons
Marilyn W. Sjafiroeddin
Darlene M. Todd

To be senior assistant nurse officer

Naomi C. Ballard
Lawrence J. Beach
M. Elizabeth Dickey
Terry L. Godfrey
Bernardo J. Gonsalves
Frank J. Lang
Kathleen A. McCormick
Lynn E. McCourt
Carroll G. ONeill
Juliana Rugg
Joann Seger
Mary M. Shoultz
Andrew G. Sparber
Orville H. Tews
Kathleen A. Weis
Jaloo I. Zelonis

To be assistant nurse officer

Regan L. Crump
Janice M. Hyman
Roger A. Monson
Meredith J. Perkins
Arlene B. Wahwasuck
Deirdre S. Williams

To be senior engineer officer

David E. Clapp

To be engineer officer

Ralph L. Hogge
Roger C. Jensen
John E. Osborn
John R. Worlund

To be senior assistant engineer officer

Alfred A. Amendola
Stephen S. Aoyama
Barry J. Davis
Gary J. Hartz
Richard H. Johnson
Timothy A. McLaughlin
Bryan K. H. Yim

To be assistant engineer officer

James T. Sorensen

To be senior scientist

Joel M. Solomon

To be scientist

W. Kent Anger
David G. Hattan
George C. Jan
Jerry M. Johnson
Robert P. Klein
George J. Nemo

To be senior assistant scientist

Hugh J. Hansen
Joseph M. Lary III
Joseph M. Madden
Yeu-Tong Sit

To be sanitarian

Ronald H. Smith
Byron L. Tart, Jr.

To be senior assistant sanitarian

Alan M. Croft
Thomas E. Crow
Richard D. Eubanks
John J. Hanley
Robert F. Hendrickson
John T. Jankovic
John G. Sery

To be assistant sanitarian

Ralph T. Trout

To be senior veterinary officer

Richard P. Bradbury

To be veterinary officer

Milton April

To be pharmacist

David A. Apgar
Paul A. Goodspeed
Max Lager
Kay C. Pearson
Donald G. Weinand
Ray D. Westerlage

To be senior assistant pharmacist

Neil M. Abel
Marion T. Bearden
Thomas M. Dolan
Michael W. Dreis
Gordon R. Johnston
Alan R. Jorgenson
Laura E. Kachmarchik
Dianne L. Kennedy
Rick S. Larrabee
Craig R. McCormack
John E. Miller
Justina A. Molzon
James W. Moore
Robert C. Nelson
Thomas H. Perez
Richard R. Potter
Mark E. Ramey
Weldon B. Roberts
Christopher L. Shawyer
Michael G. Smith
David R. Taylor
Charles A. Trimmer
Timothy P. Utke
John D. Ware, Jr.
Paul R. Wright

To be assistant pharmacist

Yana R. Albers
Robert W. Boyce
Joseph M. Buccino
Paul N. Deramo
Mary B. Forbes
James P. Hannan
William A. Hess
Ralph B. Lillie
Dale R. Rasmussen
David L. Rosen
Cathie L. Schumaker
Michael R. Seybold
Gregory D. Thomas

To be Dietitian

Edward R. Tate

To be senior assistant dietitian

Janice M. Rary
Carol I. Johnson

To be assistant dietitian

Gloria J. Mostad

To be therapist

Arthur J. Plumstead, Jr.

To be senior assistant therapist

Beverly J. Bell
Marie A. Schroeder
Donald E. Tate

To be assistant therapist

Thomas G. Bennett III
Walter K. Cleary
Charles L. McGarvey
Sherry L. Phillips

To be health services officer

Johnell Branch
Louise Y. Doss
Leland D. Freidenburg, Jr.
Henry A. Hayes
Philip W. McClain
Philip M. McClean
Harley V. Piltingsrud
John B. Richardson

To be senior assistant health services officer

Eugenia Adams
Charles A. Beckwith
Raymond E. Biagini
Shelby A. Biedenkapp
Eleanor A. Crocker
Michael L. Davis
John H. DeLeon
Erik P. Deeter
John D. Gallicchio
John M. Garber
Jesse L. Glidewell
Edward N. Goodman
Kent E. Jaffe
Edwin A. Knecht
Mary E. Kreick
Andrew P. Lanza
George G. Martin
Anne O. Mitchell
Joseph A. Moquino
Leonard C. Nelson
Armando A. Pollack
Ann E. Russell

To be assistant health services officer

Patricia E. Brooks
Philip J. Burnell
Thomas F. Carrato
Dixie L. Cole
Joseph Dipaolo
Michael R. Hanna
Janet E. Johnson-Leclair
Robert M. Krochak
James D. McGlothlin
Wayne T. Sanderson
James P. Sprouse
Susan B. Toal

IN THE AIR FORCE

The following officer for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. JOHN B. CONWAY, 315-30-2700 FG, Air National Guard.

Executive nominations received by the Senate January 14, 1981, under authority of the order of the Senate of January 6, 1981:

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of rear Admiral:

Capt. Robert S. Lucas, USCG.
Capt. Kenneth G. Wiman, USCG.
Capt. Edwin H. Daniels, USCG.
Capt. Clyde T. Lusk, Jr., USCG.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of lieutenant:

Michael B. Karr
Steven B. Gerke
Marion J. Lewandowski
Ricardo Ledesma
Thomas C. Christian
Eric J. Rosenbluth
Terry T. White
Jerry D. Jackson
Daniel B. Lloyd
Elias J. Moukawsher
Hooper R. Brock
John A. Schott, Jr.
Gary F. Greene
Stephen L. Wilhelm
John R. Lynch
George E. Howe
Thomas W. Sparks
Garry B. Roisma
Thomas A. Wenzel, Sr.
Gregory T. Jones
Richard J. Hartnett
Jerry K. Thorusen
Thomas P. Leveille
Joseph W. St. Martin
Frank N. McCarthey
Ronald W. Kaye
Jay D. Mahaffey
Steven P. Carpenter
Lawrence C. Vose
Joseph E. Wiggins
Kenneth S. Prime
Blaine D. Horrocks
Albert E. Simmons, Jr
Michael N. Powers
Peter L. Seidler II
Arthur M. Bonneau
Alan L. Peek
Kim L. Krzywicki
Phillip J. Heyl
Michael V. Franchini
John C. Nelson
Vincent J. Dicecco III
Andrew T. Moynahan
John P. Lanigan, Jr.
William A. Mathus
Robin E. Kutz
Dennis J. Houghton
Glenn R. Hermann
Marc A. Blanchard
William L. Fry
Phillip E. Coletti
Wayne A. Fisher
Donald B. Trone, Jr.
Edmundo Marmol
Roger D. Gibson
James S. Angert
David T. Levesque
Michael L. Butler
Richard F. Beseler
Stephen H. Goetchius
Paul C. Potvin, Jr.
David T. Glenn
Guy R. Nolan
Stephen A. Fiedler
Brian S. White
Richard W. Habib
Tony J. Barrett
John E. Harrington
Mark A. Grossetti
James B. Hall
Joseph L. Nimmich
Henry C. Deens III
Charles J. Bennardini, Jr.
Raymond E. Seebald
Kevin E. Schumacher
Donald E. Wilt II
James M. Hass IV
Robert J. Morrison, Jr.
Jeffrey S. Smith
Donald A. Ross
Guy R. Gerrard
Albert L. Barco IV
Gerald R. Wheatley
John A. Stout
David P. Pekoske
Robert M. Eisener
Victor J. Mihal
Robert J. Quirk
Michael W. Carr
Richard A. Rita, Jr.
Paul F. Zukunft
Justin H. Randall III
Scott R. Settimo
Arthur L. Halvorson
Richard P. Yatto
Jeffrey Q. Gamble
Jerome A. Ilis
Michael R. Moore
Thomas G. Gomes
Daniel R. Brown
Mark D. Layne
Michael D. Farrell
Robert S. Branham
Kenneth M. Bradford
Harald B. Creech
Michael A. Karman
Roger K. Butturini
Edward S. Carroll
Larry G. Nelson
William S. Cheever
Harold D. Morrison, Jr.
Gregory L. Oxley
Donald R. Goldstein
Thomas P. Johnson
Thomas H. Briggs
Victor A. Loher
Ronald B. Hoffmann
Dale E. Walker
Wayne E. Justice
Mark W. Byrum, Jr.
Keith G. Johnson
Robert J. Onorato, Jr.
David L. Hiltibrand, Jr.
Remer G. Boothe
Craig E. Bone
Robert L. McLaughlin
Robert A. Goetz
Michael D. Hazel
James A. Dale
John O. Skidmore
Collin S. Campbell
Paul C. Redwine
Thero Mitchell
Charles H. Denmark, Jr.
Jimmie G. Weibley
Timothy C. Stone
Jerry D. Jackson

The following-named officer to be a permanent commissioned officer in the Coast Guard in the grade of lieutenant, having been found fit for duty while on the temporary disability retired list:

Timothy C. Hess

IN THE ARMY

The following-named officers for appointment to the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284, 3306, and 3307:

To be major general

Maj. Gen. Charles P. Graham, 518-24-7877, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James M. Rockwell, 121-20-9150, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Albert B. Akers, 410-64-1753, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Emmett W. Bowers, 253-24-5704, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Story C. Stevens, 299-18-3409, Army of the United States (brigadier general, U.S. Army).

Lt. Gen. James M. Thompson, 519-16-9499, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edward B. Atkeson, 234-52-6595, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Richard X. Larkin, 505-28-6239, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert L. Wetzel, 519-44-2009, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edmund R. Thompson, 579-40-7802, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Jack N. Merritt, 446-22-2608, Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Glenn K. Otis, 004-20-5028, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Guy S. Meloy III, 460-64-4230, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Maxwell R. Thurman, 237-42-0668, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William E. Reed, 240-28-5658, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert Arter, 294-26-4790, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edward C. Peter II, 263-60-4591, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Stan R. Sheridan, 564-30-2397, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Nathaniel R. Thompson, Jr., 183-20-5652, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William E. Cooper, Jr., 420-52-6048, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Harvey D. Williams, 239-40-2664, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Drake Wilson, 447-26-3948, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Clarence E. McKnight, Jr., 413-34-8454, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Emmett Paige, Jr., 267-32-1935, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Orlando E. Gonzales, 524-28-8901, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Duard D. Ball, 447-28-9115, Army of the United States (brigadier general, U.S. Army).

HOUSE OF REPRESENTATIVES—*Friday, January 16, 1981*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. NATCHER).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 9, 1981.

I hereby designate the Honorable WILLIAM H. NATCHER to act as Speaker pro tempore on Friday, January 16, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

Rev. Mr. Charles A. Mallon, permanent deacon, Holy Family Church, Mitchellville, Md., offered the following prayer:

The Lord is just in all His ways and holy in all His works. The Lord is near to all who call upon Him, to all who call upon Him in truth.—Psalms 145: 18.

Father, our Nation's political leadership is in transition, and we are mindful of both the joy and sorrow that accompanies administrative change. We pray for a holy transition, one that reflects Your presence, Your joy, Your compassion, Your gladness, Your faithfulness, Your justice, and Your strength.

We ask this through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

HOUR OF MEETING ON TUESDAY, JANUARY 20, 1981

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOAKLEY. Mr. Speaker, on behalf of the majority leader, I desire to alert my colleagues that when we adjourn on Monday we will meet on Tuesday at 10:30 a.m. I urge all Members to be here promptly because the process for Members of the House will leave in a body promptly at 10:40 a.m. so that the inaugural exercises on the platform at the West Front might start precisely at 12 noon.

Members must display their official tickets in order to get a seat on the platform.

The seats to be occupied by Members of the Senate and House of Representatives have no cover and the area is unheated. Members are urged to dress appropriately for the weather.

No children will be allowed upon the platform, and there will be no seats except for Members actually holding tickets for their own seats.

Members of the House should be ready to leave the House Chamber not later than 10:40 a.m. The process will be headed by the Speaker pro tempore, the Clerk of the House, and the Chaplain who will assemble the House Members in procession with the House leadership, committee chairmen, and ranking minority members at the front of the procession. When notified by the coordinator, the Members of the House will move through the rotunda to their seats on the House side of the President's platform. House leadership, committee chairmen, and ranking minority members will be seated in the inner ring of the platform. Mr. James T. Molloy, Mr. Walter Kennedy, and Mr. Robert V. Rota will assist in the seating of all other Members in the outer ring.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. MOAKLEY. I gladly yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I appreciate the gentleman giving us those instructions for the inaugural ceremonies next week. I wonder if the gentleman would be prepared to inform the Members what the program might be then for the balance of the week. It is my understanding that we would have no session on the following day, on Wednesday.

Mr. MOAKLEY. The gentleman is correct. We will have no session on Wednesday.

On Thursday, the House will meet at 11 a.m. for committee assignments and various other resolutions. I really do not know what they might be at this time.

We will also meet on Friday at 11 a.m.

Mr. MICHEL. I thank the gentleman. I think the Members would want to know whether or not they are obligated to be present for the balance of the week, or will be free to go back to their districts.

Mr. MOAKLEY. I thank the gentleman for the question.

Mr. MICHEL. I suppose the gentleman cannot, then, fully respond as to whether or not there would definitely be a program on Friday.

Mr. MOAKLEY. No, at this present time we just have knowledge that resolutions might be offered.

Mr. MICHEL. I do know that we do have those inportant resolutions on Thursday having to do with committee assignments.

Mr. MOAKLEY. Committee assignments will be made on Thursday.

Mr. MICHEL. I thank the gentleman.

ESTONIAN DISSIDENTS PUT ON TRIAL BY SOVIET UNION

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. FENWICK. Mr. Speaker, I would like to put on the Record of this House, in this Republic, what is happening to other people in other parts of the world. I would like to speak specifically of two people in the Baltic countries who have been taken up and who are now on trial for nothing more than exercising the rights guaranteed to them by a treaty which we signed together with the Soviet Union on the 1st of August, 1975.

I do not know how long this kind of thing is going to continue in the world; how long this empire, which acquired these lands by a treaty between Molotov, the Foreign Minister of the Soviet Union, and Ribbentrop, the Foreign Minister of Nazi Germany, allowing them to march their armies into these three helpless countries at the edge of the Baltic Sea.

I do not know how long this can last, and these people, trying to speak for some religious and other freedoms which are precious to them, how long they must suffer as they are now suffering.

Mr. Speaker, at this point I would like to insert an article from the Christian Science Monitor into the RECORD:

[From the Christian Science Monitor, Jan. 5, 1981]

KREMLIN STEPS UP ITS 4-YEAR ASSAULT ON BALTIC DISSIDENTS

(By David K. Willis)

Moscow.—Moving faster than expected, the Kremlin has intensified its drive against sensitive Baltic nationalism by putting on trial two well-known dissidents in the Republic of Estonia.

The trials, set to open Jan. 5 in the Estonian capital of Tallinn, continue a four-year assault by Soviet authorities on all kinds of dissent in this country—an assault that has resulted in the arrest, trial, jailing, internal exile, or forced emigration of more than 450 dissidents of all kinds, whether advocating human rights or nationalism or religion.

The crackdown represents the Kremlin's answer to the hopes raised by the Helinski Final Act of August 1975. The act provided a platform for dissident activity. Today, dissidence continues, but both individual dissidents and their spokesmen have been dealt heavy blows.

On trial now are biologist and language teacher Mart Niklus, who capped two decades of dissident protest by signing a "Baltic appeal" for independence from Moscow in August 1979, and scientist Juri Kukk, who was a member of the Communist Party for 12 years but resigned after comparing Soviet life with conditions in France, where he spent a year in the mid-1970s.

Mr. Niklus's parents (he is unmarried), Mr. Kukk's wife and others in Tallinn and the university city of Tartu, where both men live, had expected trials to come in about a month from now.

They are surprised at the speed with which they are being held. The two men are being tried together, this newspaper has been told, but on different charges. Both are weak from prolonged hunger strikes.

Mr. Niklus faces up to 10 years in camps under Article 68 of the Estonian penal code, which prohibits spreading anti-Soviet propaganda. He was arrested March 19, 1980, in Tartu, after being fired from a job teaching English, French, and German at the Evening School of Foreign Languages there.

Mr. Kukk, arrested last March 13 in Tartu under Article 194, Section 1, of the code, faces three years in camps for spreading "prefabricated lies." He and his wife, Silvi, have a son aged 12 and a daughter aged 8.

Sources say verdicts of guilty are inevitable.

Niklus has been fighting the authorities since he graduated from the university of Tartu in 1957. The following year he sent abroad 15 photographs of Estonian slums, and was sentenced to 10 years in camps. He was released after eight.

In 1976 he tore up his Soviet passport after more harassment and was arrested again. He started a hunger strike and was mysteriously released after 56 days.

Harassment began again after he and 44 other Baltic dissidents signed the "Baltic appeal" in August 1979, the 40th anniversary of the Molotov-Ribbentrop pact that opened the way for Soviet troops to march into Estonia, Lithuania, and Latvia.

Baltic independence from Moscow is simply not possible in the foreseeable future, but yearning for it smolders on, especially in Estonia and Lithuania. Signers of the "appeal" have been systematically harassed: Mr. Niklus lost his job, two others were also fired, and others questioned.

The authorities were also angry at Niklus and Kukk for releasing to this newspaper in January 1980 an open letter to Soviet leader Leonid Brezhnev and UN Secretary-General Kurt Waldheim condemning the Soviet invasion of Afghanistan. The two men also asked the International Olympic Committee to move the 1980 Moscow Olympics to another country.

Several hundred students staged a public demonstration on Christmas Eve 1979 in Tartu, singing patriotic songs. In October 1980, encouraged by strikes in neighboring Gdansk in Poland in August, about 1,000 Estonian workers in a tractor factory in Tartu struck for two days.

Also in October, 2,000 students demonstrated in Tallinn, waving the Estonian national flag (now banned) and calling for Soviet troops to leave Estonia. The students were upset, in part, at official refusal to allow a local pop group, Propeller, to sing at half time at a soccer match because of a dispute over some of the lyrics.

After several more demonstrations, Estonian parents were lectured in schools to discipline their children properly.

Mr. Kukk was first arrested in late January 1980 after talking to this correspondent in a car on Moscow's main ring road. He was held for three days and escorted by police back to Tartu.

A mild-mannered, gentle chemist, he told me he was astonished at the official campaign against him after he resigned from the Communist Party in 1978.

"I thought I could just concentrate on my work at Tartu university," he said before his arrest. "Instead, my wife was told I would have to undergo psychiatric treatment. I lost my job. I was detained in Moscow—and I really began to see how the KGB operates. I really hadn't known anything about the KGB before. Now I do."

Since his arrest, Kukk has been in psychiatric institutions in Tallinn and Moscow, but sources say doctors were unable to prove he was mentally disturbed.

Meanwhile, the Kremlin campaign against other dissidents in the Soviet Union has continued recently, with several trials and jail sentences.

THE LATE HONORABLE EMANUEL CELLER

(Mr. WHITTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, I have been requested by the New York delegation to announce the death of Mr. Emanuel Celler. Mr. Celler was a Member of the Congress for 50 years and served as chairman of the Judiciary Committee for over 20 years.

Mr. Speaker, I make this announcement today, and I also advise the Speaker that a day will be set aside to pay tribute to Mr. Celler.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, the one-time dean of the House of Representatives, the venerable Emanuel Celler, long-time chairman of the House Judiciary Committee, has come to the end of his lifeline.

While "Manny" Celler was defeated for reelection in the 1972 election, he remained active in the practice of law after he left us. Then, just shortly before his 93d birthday, he passed on to the world of eternal life.

We eulogized Manny Celler on October 12, 1972, just shortly before his final days in this body. Still, it is appropriate at this hour to reflect on his great and long life and his exceptional service to the institution of the Congress of the United States and to our Nation.

It was my privilege to serve with Manny Celler on the House Judiciary Committee over a period of 10 years and to experience firsthand his great talents as a scholar, as a lawyer, and as a compassionate and lovable individual.

Mr. Speaker, I am proud to recount today that I was able to work closely with Congressman Celler during those highly emotional and historic days when we enacted the civil rights and voting rights legislation which has brought a large measure of equality to our constitutional system of equal rights and opportunities.

Mr. Speaker, I do not undertake to delineate Manny Celler's many virtues or his extended record of service. Instead, I feel impelled only to express these words to heartfelt respect, admiration, and love for one of the alltime greats of our beloved House of Representatives.

It is my understanding that Manny Celler leaves a daughter, Jane Wertheimer, two grandchildren and two great grandchildren as his survivors and to them and to more distant relatives, as well as to all of the close friends and associates of former Congressman Emanuel Celler, my wife Doris and I extend our respect and deep sympathy.

May I add that as the ranking Republican on the House Judiciary Committee I intend these words to be expressive of the sentiments of all of my colleagues who serve on the committee.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Speaker, I join with the gentleman from Mississippi and the gentleman from Illinois in expressing my sadness at the death of an old friend and fellow Member of the House, Emanuel Celler. He was a great Member of the House, and we miss him. I am sure all the Members join me in extending their sympathy to his family.

□ 1210

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. MICHEL. I appreciate the gentleman's yielding.

Mr. Speaker, I would like to say, too, that Mr. Celler was really a legend in his own time, serving in this body for the extended period that he did. There is no question but that in the history of this country, Manny Celler had a definite imprint on his legislative promise all through those many years. I am just happy that I came to this Congress as a relatively young man but was able to associate myself with one giant, as he was, and I am

sorry to learn through the press that he has died, but he certainly lived a long and useful life.

Mr. WHITTEN. I thank my colleagues.

Mr. Speaker, may I add to the statements of my colleagues here today. Manny Celler not only was an outstanding lawyer and possessed a brilliant mind, but in debate he would take a positive and determined stand. However, he was always gracious and kind, and I never saw him get upset about anything that transpired on the floor of this House. Younger Members and older Members, whether they agreed or disagreed about the issue at point, would always be treated like gentlemen by Manny Celler and, as a result, he was always treated in the same manner. He set a fine example for the younger Members, not only because of his long length of service, but in the way he conducted himself during that period. I know that all of us profited by serving with Manny Celler.

We also extend sympathy to his family and his loved ones and announce again that the country has lost a fine citizen.

● Mr. CONYERS. Mr. Speaker, it was a great privilege to be able to serve on the House Judiciary Committee, especially during the final years of Emanuel Celler's chairmanship. Singlehandedly, probably more than any other individual in Government, Manny Celler was responsible for fashioning the monumental civil rights agenda of modern times and shepherding it through Congress—the Civil Rights Act of 1957; the 1960 School and Voting Rights Act; the 1964 public accommodations law; and the 1965 Voting Rights Act.

His tenure as chairman of the Judiciary Committee also embraced the enactment of four constitutional amendments—the 23d amendment enabling citizens of the District of Columbia to vote in Presidential elections; the 24th amendment barring the levying of poll taxes in Federal elections; the 25th amendment providing for Presidential disability and succession; and the 26th amendment lowering the voting age to 18. For the record, Manny Celler during his 50-year service in the House of Representatives was largely responsible for the passage of more constitutional amendments than any Member of Congress, with the exception of Thomas Jefferson and James Madison.

His legislative accomplishments were extraordinary and unique. Yet for me Manny Celler will be most remembered for building the political support in Congress for the civil rights revolution, despite the great obstacles and odds that stood in the way. In this he showed the most extraordinary will, determination, steadfastness, as well as the basic political ability, first to create a civil rights legislative agenda and then to carry it through. America will always be in his debt for having done this so well.●

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks in today's RECORD on the life, character, and public service of the late Honorable Emanuel Celler.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

FRANCIS P. CROSSIN—EULOGY

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, in my first address on the floor of the House, I rise to eulogize a dedicated public servant and family man who was also one of the most outstanding athletes ever to come out of northeastern Pennsylvania.

I refer to Francis P. Crossin of Kingston, Pa., who died tragically last week at the age of 57.

Frank Crossin, more commonly known as Chink, was a dominant figure in Luzerne County politics for nearly two decades, serving most recently as chairman of the county's commissioner board. He had been a member of the board for 13 years; prior to that, he served as a State legislator.

Although we were of different political persuasions, I say without hesitation that Frank Crossin was an able, tough-minded administrator whose abiding goal was to better serve the residents of Luzerne County

Before entering the political arena, he had shown the same dedication and versatility as a high school, college, and professional athlete.

While he excelled in football at Luzerne High School, he made his greatest mark in basketball, leading all Pennsylvania schoolboy scorers in 1941. He went on to earn All-America honors at the University of Pennsylvania, then played with the National Basketball Association's Philadelphia Warriors for several years before returning home to Kingston.

In addition to his political and business pursuits, Frank was active in a variety of religious, veterans', and civic organizations. They included: St. Ignatius Church, Kingston, and its Holy Name Society; the Luzerne Council of Knights of Columbus; Kingston Veterans of Foreign Wars 283; Catholic War Veterans of Edwardsville; Luzerne American Legion; Friendly Sons of St. Patrick, and Ancient Order of Hibernians.

Surviving are his wife, the former Helen Gutchmonoski; three sons, Robert, Frank, and Donald, and two daughters, Kathleen and Mary Margaret, all of Kingston; a sister, Mrs. John Gill of Forty Fort, and two brothers, Jack of Kingston and Joseph of Forty Fort.

One of the most penetrating portraits of Frank Crossin was provided in the latest issue of the influential Sunday Independent of Wilkes-Barre. Its front-page editorial said in part:

> Though his was largely a public image, there were many things about him that he kept to himself. Few, for instance, knew that he was a daily communicant.
>
> Chink Crossin was a man's man, stemming to some extent from his days as an athlete when he led Luzerne High School teams to their glory days in football and basketball
>
> He has rubbed elbows with the lofty and the lowly, yet he could relate to both.
>
> He was blessed with a personality and an energy seldom seen in any man, especially one who was battling an affliction.
>
> He was always worried more about the other guy than he was himself. He may not always have produced love and admiration from his political enemies, but even they had to respect him.
>
> Even with the score stacked against him, he was a battler to the end. He was a true friend to the man in need and a dedicated public servant.
>
> Just as surely as we all will miss him, Luzerne County has been the better for having had his service.

Frank Crossin chose to dedicate his adult career to public service in Luzerne County. But if he had chosen a national forum instead, he more than likely could have served in the Congress of the United States. In that role, the Nation would have been the better for having had his service.

PRESIDENT CARTER'S BUDGET STATEMENT—A SHELL GAME

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS. Mr. Speaker, as I received President Carter's budget statement last evening it became obvious that his budget is nothing more than a shell game—and there was Mr. Carter playing the role of the classic flimflam man.

When I listened to the President's farewell address to the Nation, I felt empathy for a man who obviously believed he has given his best to the Nation but had been soundly defeated for a second term. But the very next day he presented budget figures that clearly do not reflect reality. Revenue figures so overinflated—budget expenditures so understated that informed observers can come to only one of two conclusions: Either the President continues to insist upon believing that we can wish problems away or that he is deliberately trying to set up

his successor for a fall in the budget year just ahead.

Several specific items were included in the projected revenues for fiscal year 1982 but failed to pass the last Congress and are unlikely to pass the 97th Congress—the 10-cent-a-gallon tax on gasoline and the 15-percent withholding tax on interest and dividend payments. Just these two items alone account for an overstatement in revenues of $18.5 billion.

Both proposals were soundly defeated in the past and clearly met with the disapproval of the American people. I can think of no reason for the inclusion of these items as revenues. If nothing else, Carter could have presented the new President-elect with factual projections, not optimistic figures that serve to hide the depth of our real economic problems.

There were several other specific assumptions made in estimating the 1982 budget that are highly questionable: Less than realistic increases in defense spending, a tax increase of $104.3 billion, an increase in the national debt of $45 billion, restricting civilian employee pay raises to 5.5 percent, does not include across-the-board tax cuts and limits the twice-a-year cost-of-living raises to Federal retirees to once a year.

President Carter concludes that his proposed budget involves a deficit of $27.5 billion. Everybody knows what happened with his past budget projections. A cursory review of these figures indicates an actual deficit of at least $50 billion.

If the American people are going to be able to believe in their Government again, if President-elect Reagan is to stand a chance to turn our economy around, we must deal in the real world. He must have factual information that clearly indicates how serious our economic problems are. The President-elect—indeed the people of this country, deserve no less.

WOMEN'S BASKETBALL TEAM OF CAL STATE UNIVERSITY

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, in my particular district, I have an outstanding institution of higher learning which many may not have heard of, Cal State University at Long Beach, which has an enrollment of about 32,000 students. This institution has many, many positive parts to it. It has been recognized as an outstanding institution for many years, and this year we have something even more unique. This year we have the women's basketball team at that institution, which is currently ranked fourth. They are with us today on part of a trip to the east coast, enjoying the beautiful weather here, having left 80° weather back home. They had a little setback against Old Dominion, but last night they managed to beat the University of Virginia by 2 points, and tomorrow night they are going to play the University of Maryland.

I would like on their behalf to publicly thank those institutions for having them here and to say to my colleagues that if you want to have an opportunity to really enjoy good women's basketball, you might think about looking in on that game tomorrow.

Mr. Speaker, I would like to say that I am very honored to have them here, to show them the Capitol of the United States, and to have them here during this very, very important week as we initiate a new administration in Washington, D.C.

PROPOSED BUDGET FOR FISCAL YEAR 1982

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I have had a chance to look at the proposed budget for fiscal 1982. My reaction is good, bad, and indifferent.

I react negatively to any budget that increases the tax burden on the American people by $100 billion. This one does. I react negatively to any budget that proposes new forms of taxation on top of what we already have. This one does. I react negatively to a budget that does not reflect reality. This budget can no more stand on its own than a strand of spaghetti.

I have a good feeling about some of the proposals the Carter administration has put forward. They have finally addressed the critical problem of entitlements and the need for their reform. It has been a long time coming. But theirs is just a first step, where many are needed.

I was pleased to see a solid commitment to defense.

Mostly, however, I have to be indifferent about this budget. Let us face it. It is a lameduck budget. It means relatively little at this juncture. It is time to move on, quickly and decisively. Next week is the beginning of a new era, and an even newer budget.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 16, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit sealed envelopes received from the White House as follows:

(1) At 3:55 p.m. on Tuesday, January 13, 1981 and said to contain a message from the President wherein he transmits the First Annual Report of the Department of Education.

(2) At 3:55 p.m. on Tuesday, January 13, 1981 and said to contain a message from the President wherein he transmits a proposed nuclear agreement between the United States and the Republic of Colombia concerning civil uses of nuclear energy.

(3) At 3:55 p.m. on Tuesday, January 13, 1981 and said to contain a message from the President wherein he transmits a copy of a proclamation by which he continues an extension of emergency building temperature restrictions.

(4) At 3:55 p.m. on Tuesday, January 13, 1981 and said to contain a message from the President wherein he transmits the 1980 Annual Report of the U.S. Arms Controls and Disarmament Agency.

(5) At 3:55 p.m. on Tuesday, January 13, 1981 and said to contain a message from the President wherein he transmits the 13th Annual Reports on Highway Safety and National Traffic and Motor Vehicle Safety for 1979.

(6) At 4:15 p.m. on Thursday, January 15, 1981 and said to contain a message from the President wherein he transmits the Third Special Message for FY 1981 under the Impoundment Control Act of 1974.

(7) At 4:15 p.m. on Thursday, January 15, 1981 and said to contain a message from the President wherein he transmits the Budget of the United States for Fiscal Year 1982.

(8) At 4:15 p.m. on Thursday, January 15, 1981 and said to contain a message from the President, wherein he transmits the second annual report on the United States Government's international activities in the field of science and technology, entitled "Science, Technology and American Diplomacy, 1981".

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

[Omitted from the Record of Tuesday, December 30, 1980]

WASHINGTON, D.C.,
December 17, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted December 16, 1980, the Clerk has received on this date the following messages from the Secretary of the Senate:

(1) That the Senate agree to the amendment of the House of Representatives to the bill (S. 3212) entitled "An Act to designate the 'Thomas J. McIntyre Federal Building' ".

(2) That the Senate passed without amendment House Concurrent Resolution 400.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By THOMAS E. LADD,
Assistant to the Clerk.

FIRST ANNUAL REPORT OF DEPARTMENT OF EDUCATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following Message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

I am pleased to transmit to the Congress the first Annual report of the Department of Education, as required by Section 426 of Public Law 96-88, the Department of Education Organization Act.

The Report outlines the progress of the Department during Fiscal Year 1980 in the attainment of its goals, priorities, and plans. It also emphasizes this Administration's efforts to provide more responsible and effective Federal support for education.

I believe that we have made substantial progress since the Department of Education opened its doors on May 4, 1980, in providing new leadership and support for American education.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

TEXT OF PROPOSED AGREEMENT FOR COOPERATION BETWEEN UNITED STATES AND REPUBLIC OF COLOMBIA CONCERNING CIVIL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-9)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to Section 123 (d) of the Atomic Energy Act of 1954, as amended, the text of the proposed Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Colombia Concerning Civil Uses of Nuclear Energy and accompanying exchange of notes; my written approval, authorization and determination concerning the agreement; and the memorandum of the Director of the Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretaries of State and Energy, which includes a summary analysis of the provisions of the agreement, and the views and recommendations of the Members of the Nuclear Regulatory Commission and the Director of the Arms Control and Disarmament Agency are also enclosed.

The Nuclear Non-Proliferation Act of March 10, 1978 sets forth certain requirements for new or amended peaceful nuclear cooperation agreements with other countries. In my judgment, the proposed agreement for cooperation between the United States and Colombia, together with its accompanying exchange of notes, meets all statutory requirements.

The proposed bilateral agreement between us reflects the desire of the Government of the United States and the Government of Colombia to update the framework for peaceful nuclear cooperation between our two countries in a manner that recognizes both the shared non-proliferation objectives and the close relationship between the United States and Colombia in the peaceful applications of nuclear energy. The proposed agreement will, in my view, further the non-proliferation and other foreign policy interests of the United States.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution, and urge that the Congress give it favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

□ 1220

PROCLAMATION CONTINUING EMERGENCY BUILDING TEMPERATURE RESTRICTIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-10)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce and ordered to be printed:

To the Congress of the United States:

On July 10, 1979, I issued a Proclamation pursuant to the Energy Policy and Conservation Act of 1975 by which I implemented Standby Energy Conservation Contingency Plan No. 2 and imposed emergency building temperature restrictions, effective July 16, 1979. On April 15, 1980, I issued a Proclamation which continued those emergency building temperature restrictions until January 16, 1981.

I have now issued the attached Proclamation which renews the required statutory findings and continues the Plan in effect until October 16, 1981, unless sooner rescinded.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

1980 ANNUAL REPORT OF UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

In transmitting to you the 1980 Annual Report of the United States Arms Control and Disarmament Agency, I must emphasize that in 1980, although efforts to control the arms race have made some progress, they have also suffered a serious setback.

The SALT negotiations, aimed at controlling the strategic nuclear arms competition between the United States and the Soviet Union, have continued through four Administrations. The SALT II Treaty, which I signed in June 1979 with Soviet President Brezhnev, represents a significant step in the direction of such arms control. This treaty was the subject of intense national debate and of hearings by three committees of the Senate. However, the Soviet invasion of Afghanistan in December 1979 made it necessary for me to ask the Senate to delay consideration of the SALT II Treaty on the floor, although, as I informed the Congress, I intended to take up the treaty again after dealing with more urgent matters.

The subsequent Presidential campaign and election have had the effect of referring to the incoming Administration and Congress the question of what action to take with respect to the SALT II Treaty. The fact that this treaty has not been ratified raises serious issues concerning our national security and future arms control efforts.

In the period of relative calm that follows an election year, it should be possible to move quickly toward a mutually acceptable SALT II Treaty that will be ratified by the Senate. This is important to our own national security, and it is the strong wish of all our allies. In addition, while some progress has been in other arms control negotiations—such as those seeking a Comprehensive Nuclear Test Ban Treaty, a treaty banning chemical weapons, and a treaty to achieve Mutual and Balanced Forced Reductions—success in these efforts is probably dependent upon resolving the issue of SALT II. Similarly, the success of our continuing efforts to prevent the proliferation of nuclear weapons in other countries is directly related to what the major nuclear powers do in controlling their own nuclear arsenals.

There are many serious problems in this world, but I continue to believe, as I stated in submitting the first annual arms control report of this Administration, that "The challenge of preventing war—and redirecting resources from arsenals of war to human needs—is the greatest challenge confronting mankind in this quarter of the 20th century." We have made progress, but much remains to be done. The future depends on our success.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

ANNUAL REPORT ON HIGHWAY SAFETY ACT AND NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce and to the Committee on Public Works and Transportation:

To the Congress of the United States:

The Highway Safety Act and the National Traffic and Motor Vehicle Safety Act, both enacted in 1966, initiated a cohesive national effort to reduce the deaths and injuries on the Nation's highways and require annual reports on the administration of these acts.

The report on motor vehicle safety includes the annual report required by Title I of the Motor Vehicle Information and Cost Savings Act of 1972 (bumper standards). An annual report is also required by the Energy Policy and Conservation Act of 1975 which amended the Motor Vehicle Information and Cost Savings Act and directed the Secretary of Transportation to set, adjust and enforce motor vehicle fuel economy standards. Similar reporting requirements are contained in the Department of Energy Act of 1978 with respect to the use of advanced technology by the automobile industry. These requirements have been met in the Fourth Annual Fuel Economy Report, the highlights of which are summarized in the motor vehicle safety report.

In the Highway Safety Acts of 1973, 1976 and 1978, the Congress expressed its special interest in certain aspects of traffic safety which are addressed in the volume on highway safety.

The combination of motor vehicle and highway safety standards, enforcement, and research have reduced the fatality rate by about 39 percent. This reduction has been achieved in spite of tremendous increases in traffic volume—registered motor vehicles up 67 percent, licensed drivers up 42 percent, vehicle miles driven up 64 percent.

Even so, 51,083 people met violent deaths on the highways in 1979—up from 50,331 in 1978. Based on current trends, each person born this year can expect to be involved in a crash every 10 years. One in 60 will be killed, and one in 20 will be seriously injured.

In addition to the persistent problems of drunk driving and speeding, several influences have contributed to the upward trend in fatalities: the increasing nonobservance of the 55 mph speed limit, which in some States is only lightly enforced; the repeal, or weakening, of motorcycle helmet laws; the increasingly widespread use of vans and light trucks, which have not been subject to the majority of Federal motor vehicle safety standards; the fact that the Nation's roads are deteriorating faster than they can be maintained, especially the non-Interstate Systems, where more than 90 percent of all fatal accidents occur; and the shift to smaller, lighter cars.

While small cars made up only 38 percent of the cars on the road in 1979, small car occupants accounted for a disproportionate 55 percent of the deaths that year in two-vehicle crashes. Because of the lower weight of smaller cars, their occupants fare poorly in collisions, particularly in collisions with heavier vehicles. In a crash between a subcompact car and a full-sized model which is severe enough to cause a fatality, the occupants of the small car are eight times more likely to be killed than the occupants of the large car.

As American moves into the small car era, the consequences of ignoring the need for further safety improvements become unacceptable in both human and economic terms. Traffic safety must be given a high priority by Federal, State and municipal Governments, by the automotive industry, by private organizations, and most important of all, by the potential victims of highway accidents—the public.

Jimmy Carter.

THE WHITE HOUSE, *January 13, 1981.*

PROPOSED NEW RESCISSIONS OF BUDGET AUTHORITY AND NEW DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-11)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose 33 new rescissions of budget authority previously provided by the Congress, totalling $1,142.4 million. In addition, I am reporting 15 new deferrals totalling $1,429.9 million and revisions to three previously-reported deferrals totalling $4.4 million.

The rescission proposals affect programs of the Departments of Commerce, Education, Energy, Health and Human Services, and Housing and Urban Development as well as the Community Services Administration, the Federal Mine Safety and Health Review Commission, the Federal payment to the Postal Service Fund, and the Tennessee Valley Authority. The deferrals affect programs of the Departments of Commerce, Defense, Energy, Interior, Justice, Labor, and State, as well as the intelligence community staff, the National Consumer Cooperative Bank, the Pennsylvania Avenue Development Corporation, and the Small Business Administration.

The details of each rescission proposal and deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1981.*

BUDGET MESSAGE OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-2)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations, and in addition, part 7 of appendix is referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

My administration has faced a wide range of challenges at home and abroad, challenges stemming from our strengths, not our weaknesses: our strengths as a world leader, as a developed industrial nation, and as a heterogeneous democracy with high goals and great ambitions. Meeting these challenges satisfactorily requires that we establish priorities, recognizing the limits to even our Nation's enormous resources. We cannot do all that we wish at the same time. But we must provide for our security, establish the basis for a strong economy, protect the disadvantaged, build human and physical capital for the future, and safeguard this Nation's magnificent natural environment.

This budget provides for meeting these needs, while continuing a 4-year policy of prudence and restraint. While our budget deficits have been higher than I would have liked, their size has been determined for the most part by economic conditions. Even so, the trend has been downward. In 1976, the budget deficit equalled 4.0% of gross national product. This was reduced to 2.3% in the budget year that ended 3 months ago. The 1982 budget deficit is estimated to equal only 0.9% of gross national product.

The rate of growth in budget outlays has been held to a minimum. In spite of significant increases in indexed programs, outlays for nondefense programs—after adjusting for inflation—decrease slightly.

The 1982 budget calls for outlays of $739 billion, an increase of 1.0% when adjusted for inflation. Nondefense spending is projected to decline by 0.2% in real terms. The tax reductions I proposed as part of the economic revitalization program have been retained, but some have been delayed or phased in over a longer period in recognition of the continued high inflation rate. The budget deficit—which is now projected at $55.2 billion in 1981—is estimated to decline to $27.5 billion in 1982.

THE BUDGET TOTAL

[In billions of dollars]

	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Outlays	579.6	662.7	739.3	817.3	890.3
Receipts	520.0	607.5	711.8	809.2	922.3
Surplus or deficit (−)	−59.6	−55.2	−27.5	−8.0	32.0
Budget authority	658.8	726.5	809.8	892.0	962.7
Credit budget	131.2	165.4	152.6		

In planning this budget, I have considered four major issues:

—What is the economic policy that will ensure prosperity for all while minimizing inflation?

—How much of our Nation's wealth should be used by the Federal Government?

—What are desirable spending proposals and strategies for defense, human resources, and investment?

—How can the management of Government be improved?

THE ECONOMY

During the last decade we withstood a series of economic shocks unprecedented in peacetime. The most dramatic of these were the explosive increases of OPEC oil prices. But we have also faced world commodity shortages, natural disasters, agricultural shortages, and major challenges to world peace and security. Our ability to deal with these shocks has been impaired by slower productivity growth and persistent, underlying inflationary forces built up over the past 5 years.

Nevertheless, the economy has proved remarkably resilient. Real output has grown at an average annual rate of 3% since I took office, and employment has grown by 2½%. Nearly 8 million productive private sector jobs have been added to the economy. However, unacceptably high inflation remains our most difficult economic problem. This inflation requires that we hold down the growth of the budget to the maximum extent, while still meeting the demands of national security and human compassion. I have done so, as I did in my earlier budgets.

While budget restraint is essential to any appropriate economic policy, high inflation cannot be attributed solely to Government spending. The growth in budget outlays has been more the result of economic factors than the cause of them. For fiscal year 1981 alone, budget outlays must be increased by $9 billion over last year's estimate as a result of higher interest rates. Yet this increase results not only from inflation but from the monetary policies undertaken to combat it. Nearly $18 billion for 1981 reflects higher defense costs and higher automatic inflation adjustments than were anticipated a year ago.

We are now in the early stages of economic recovery following a short recession. Typically, post-recessionary periods have been marked by vigorous economic growth abetted by stimulative policies such as large tax cuts or spending programs. I am not recommending such actions, because persistent inflationary pressures dictate a restrained fiscal policy. However, I continue to recommend specific tax reductions that contribute directly to increased productivity and long-term growth.

THE SIZE AND ROLE OF GOVERNMENT

We allocate about 23% of our Nation's output through the Federal budget. (Including all levels of government, the total government share of our gross national product is about one-third.) We must come close to matching Federal outlays with tax receipts if we are to avoid excessive and inflationary Federal borrowing. This means either controlling our appetite for spending or accepting the burden of higher taxes.

The growth of budget outlays is puzzling to many Americans, but it arises from valid social and national security concerns. Other developed countries face similar pressures. We face a threat to our security, as events in Afghanistan, the Middle East, and Eastern Europe make clear. We have a steadily aging population; as a result, the biggest single increase in the Federal budget is the rising cost of retirement programs, particularly social security. We must meet other important domestic needs: to assist the disadvantaged; to provide the capital needed by our cities and our transportation systems; to protect our environment; and to revitalize American industry.

I have been concerned with the proper role of the Federal Government in designing and providing such assistance. The Federal Government must not usurp functions that are best left to the private sector or to State and local governments. My administration has sought to make the proper assignments of responsibility, to resolve problems in the most efficient manner.

We have also recognized the need to simplify the system of Federal grants to State and local governments. Once again, I am proposing several grant consolidations in the 1982 budget, including a new proposal that would consolidate several highway programs. Previous consolidation proposals of my administration have been in the areas of youth training and employment, environment, energy conservation, airport development, and rehabilitation services. These consolidations are essential to improving our intergovernmental system. However, the Congress has so far agreed to consolidate only rehabilitation services grants. Therefore, I am proposing again the consolidations recommended earlier.

MAJOR BUDGET PRIORITIES

Spending growth can be constrained; not easily, not quickly, but it is possible. My budget priorities have been established, once again, to achieve this goal in a responsible manner.

Three years ago, in my 1979 budget message, I outlined the following principles:

—The Nation's armed forces must always stand sufficiently strong to deter aggression and to assure our security.

—An effective national energy plan is essential to reduce our increasingly critical dependence upon diminishing supplies of oil and gas, to encourage conservation of scarce energy resources, to stimulate conversion to more abundant fuels, and to reduce our large trade deficit.

—The essential human needs of our citizens must be given high priority.

—The Federal Government must lead the way in investment in the Nation's technological future.

—The Federal Government has an obligation to nurture and protect our environment—the common resource, birthright, and sustenance of the American people.

My 1982 budget is again based on these principles.

Tax policy and economic revitalization.—I continue to believe that large inflationary individual income tax cuts are neither appropriate nor possible today, however popular they might

appear in the short run. My economic revitalization program stresses tax reductions on a timetable that we can afford, and that will fight inflation by encouraging capital formation and increasing industrial productivity. This program stresses:

—simplification and liberalization of depreciation allowances;

—modification of the investment tax credit to encourage investment by temporarily depressed firms and by growing new firms;

—an income tax credit to offset increases in social security taxes;

—a liberalized earned income credit to also offset social security taxes and to encourage low-income earners to work;

—a working-spouse deduction to make more equitable the way working husbands and wives are taxed; and

—more favorable tax treatment for Americans in certain areas overseas to help American exports and strengthen the dollar.

Defense.—Maintaining a strong defense has been a primary objective of this administration. In order to meet the security needs of the Nation, real spending for defense increased in 1979 and 1980 by more than the 3% target I set at the NATO ministerial meeting in 1977. This real growth rate in defense spending has been maintained despite the adverse effects of higher than anticipated inflation, and restrained budgets.

To meet critical remaining needs, this budget includes a $6.3 billion supplemental request for 1981, largely for military pay increases and combat readiness. Together with congressional add-ons to my earlier 1981 request, this supplemental will increase defense programs almost 8% in real terms over 1980. For 1982 and beyond, the budget charts a course of sustained and balanced improvements in defense programs that will require real annual increases in funding of about 5% per year.

The budget request reflects a careful balance between the need to meet all critical defense needs, while maintaining fiscal restraint. There will be advocates for higher defense levels, but after careful review I do not believe that higher spending would add significantly to our national security. My budget already provides for the three major defense requirements:

—*Personnel recruitment and retention.*—Our armed forces can be no better than the quality of the people who serve in them. Accordingly, I recently approved the largest pay and benefits increase in history—a $4.5 billion compensation package that provides for an average compensation increase of 16%. This increase in base pay, plus better housing allowances, expanded enlistment and reenlistment bonuses, and special pay enhancements for submariners and other specialists, will help attract and retain highly qualified men and women.

—*Improving combat readiness.*—Increased compensation will be a key factor in overcoming key personnel shortages, which are the major source of readiness problems. In addition, there have been shortages in critical spare parts and, in a few cases, inadequate funds for training. The funds recommended by this budget should alleviate these problems.

—*Modernizing our forces.*—I also propose major investments to enhance substantially the capabilities of our forces. Strategic forces are being upgraded through continued procurement of Trident submarines and missiles, procurement of cruise missiles, modification of the B-52 bomber, and development of the MX missile. Army equipment, including tanks, armored vehicles, helicopters, and air defense and other missile systems, is being modernized. Fighter and attack planes are being added to Navy and Marine forces, and a continuing major shipbuilding program will add over 80 ships to our growing fleet between 1982 and 1986. The rapid deployment of our forces is being improved through the acquisition of more cargo ships and modification of airlift aircraft.

Foreign aid.—Foreign assistance remains crucial in achieving our country's international political and economic goals. From the start of my administration, I have stressed the need for substantial increases in assistance to friendly nations, many of whom are drastically harmed by constantly increasing oil prices and other external economic and security pressures. At the same time, I have insisted upon improved management of both our security and development assistance programs.

In the first 2 years of this administration, the Congress reduced my foreign aid requests but permitted some program growth. For the past 2 years, however, the Congress has failed to pass regular foreign aid appropriations. Assistance programs in 1981 are being funded under a continuing resolution that provides amounts slightly above the 1979 levels in nominal terms, and substantially below them in real terms.

I believe in the need for higher levels of aid to achieve foreign policy objectives, promote economic growth, and help needy people abroad. Foreign aid is not politically popular and represents an easy target for budget reduction. But it is not a wise one. For 1982, therefore, I am requesting a foreign assistance program level that is higher by 14% in real terms than the amount currently available for 1981. This request would reverse the recent real decline in aid and demonstrate that the United States retains its commitment to a world of politically stable and economically secure nations.

The bilateral development aid budget includes a U.S. response to the 1980 Venice Summit agreement that the major industrial countries should increase bilateral aid for food production, energy production and conservation, and family planning in the developing countries. Such an effort to increase the availability of resources on which the industrial countries depend will serve U.S. national security, and will stimulate additional actions by the private sector in the recipient countries. This U.S. effort is planned in the expectation that the other Summit countries will also increase aid in these sectors, in response to the Venice Summit agreement. We hope this initiative will lead to agreement on arrangements for increased consultation and cooperation among the major industrial countries providing increased bilateral aid to these three vital sectors.

Energy.—My administration, working with the Congress, has established fundamental new policies that will profoundly change the way the Nation produces and uses energy. They have already led to more domestic exploration and to substantial energy conservation. This energy program represents a major long-range national commitment to meeting one of our most pressing problems. It includes:

—Deregulation and decontrol of oil prices to be completed by October of this year.

—Establishment of the Synthetic Fuels Corporation, which will share with the private sector the risk in producing oil and natural gas substitutes that directly reduce U.S. oil imports.

—Support for energy research and development in technologies, such as solar and fusion energy, that the private sector would not finance.

—Development of the stategic petroleum reserve to reduce the impact of disruptions in world oil supplies.

—Energy conservation in public and nonprofit enterprises.

—Research on the environmental effects of energy production and use to assure that adverse effects on environmental quality are minimized.

Continuation of a sound energy policy is essential to the Nation's well-being in the coming decades. Such a policy must include the pricing of energy at its true cost, mechanisms to stimulate conservation, incentives for the continued development of our own domestic sources of energy, encourage-

ment for longer-run renewable forms of energy, and equity for all our citizens as we adjust to this new reality.

Basic science and space technology.—Basic research is essential to the long-term vitality of the Nation's economy. Because the benefits of such investments cannot be fully realized by individual companies, the Federal Government plays a key role in supporting such research.

My budgets have reversed a long period of decline in Federal support for basic research. The 1982 budget continues that policy by providing for 4% real growth in support for the conduct of basic research across all Federal agencies. The budget also provides for greater efforts to foster cooperation among government, business, and universities in research.

In addition, we have recognized the growing importance of improving scientific technology in the Nation's universities as critical to the advancement of science and to the training of scientific and engineering manpower.

My administration's comprehensive space policy encourages the practical, effective use of information obtained from oribiting satellites and the coordinated use of the Space Shuttle, now nearing completion. Successful resolution of development problems is expected to lead to the first manned orbital flight of the Shuttle in 1981.

With these increases, Federal support for basic research will have increased by almost 58% over 1978.

Social programs.—This budget supports my deep commitment to programs that help our citizens develop their full potential, and to programs assisting the poor, the unemployed, the elderly, and the sick.

The most extensive such programs are *social security* and *medicare*. Parts of this system are expected to experience short-run financing problems because higher than expected unemployment has decreased payroll taxes below previous forecasts, and high inflation has increased benefit payments. Therefore, the administration continues to urge the passage of legislation that would permit the three major social security trust funds to borrow from each other. In addition, it is essential that the Congress and the American people give early consideration to medium-term financing concerns.

The reports of the Commission on Pension Policy, which I established 2 years ago, and the National Commission on Social Security should stimulate constructive debate on these issues. These Commissions will complete their final reports during the coming months.

My administration has consistently maintained a strong commitment to remedying *youth unemployment* and the problems it causes. This budget includes an increase of $1.2 billion in 1982 and an additional increase of $0.8 billion in 1983 for the youth initiative I proposed last year. This initiative emphasizes the mastery of basic arithmetic and literacy skills, as well as the link between the classroom and the workplace.

The Job Corps would be continued at this year's level, serving twice as many youth as when my administration took office. In addition, my budget provides 240,000 public service jobs for low-income, long-term unemployed persons in 1982. This program is designed for the hard-core structurally unemployed, and includes substantial training in order to place men and women in permanent jobs. At the same time, the budget continues the countercyclical public service employment program through 1982 at the 100,000 level set by the Congress in 1981. The budget also provides a slight increase for the administration's private sector jobs initiative and essentially maintains the 1980 level of summer youth employment.

I am again proposing to augment medicaid with a *child health assurance* program effective by the end of 1982. This proposal, which the House of Representatives passed last year, would extend medicaid coverage to an additional 2 million children and pregnant women.

I am also proposing a number of changes in existing programs. For example, I am again proposing that retirement benefits for government employees be adjusted for inflation once, rather than twice, a year. This change would make these adjustments comparable to those for social security and most private sector automatic adjustment practices. The Congress approved a similar administration initiative last year for the food stamp program. This proposal would save $1.1 billion in 1982.

Benefits that are adjusted by statute for inflation will comprise nearly one-third of total Federal spending in 1981. During the last year, my administration has been assessing whether these adjustments are fair and equitable. We have concluded that the Consumer Price Index has several deficiencies as a measure of the true cost of living, particularly because of the manner in which it represents housing costs. I am therefore proposing, in this budget, that future benefits be based on an alternative, more representative index. The alternative index is already calculated and published by the Bureau of Labor Statistics. This proposal is designed to improve the technique of indexing these programs, not to reduce benefits. Therefore, no cost savings are assumed in the budget.

The budget also includes legislation to make unemployment benefits more nearly uniform among the States and to coordinate benefits more precisely with unemployment rates. Although this proposal would save about $2 billion in 1982 under the unemployment rates being projected for this budget, a slightly higher rate of unemployment would trigger extended benefits nationally. In such a case, unemployment benefits would be very close to those under current law. Even with the projected change, under current economic projections $1.5 billion would be paid in 1982 for extended benefits in States where the program is triggered.

I remain committed to a national health plan that would assure basic and catastrophic medical coverage for all Americans, as well as for prenatal and infant care. An estimated 22 million Americans lack any private or public health insurance coverage. Another 60 million people lack adequate basic coverage or protection against catastrophic medical expenses. Given the fact that adequate cost containment does not exist and the need for overall budgetary constraints, the budget does not include specific amounts for this plan. However, it is important that our Nation attempt to meet these needs and that the incentives in our health care system be restructured. A clear demonstration of success in restraining medical care costs is an essential prerequisite to the enactment of a national health plan.

My proposals to reform our welfare system should also be enacted as soon as possible. Such a program is essential to ensuring that no American goes hungry or lacks a reasonable income, and to provide needed fiscal relief to States, counties, and cities.

IMPROVING GOVERNMENT MANAGEMENT

This budget reinforces my commitment to use resources not only wisely, but efficiently. During my administration we have:

—installed new Offices of Inspectors General in 15 major agencies to combat waste, fraud, and abuse;
—carried out a major Government-wide reform of the civil service system;
—reorganized important areas of the Federal Government, particularly those concerned with education and energy;
—reduced permanent Federal civilian employment by 45,000;
—achieved budgetary savings directly through improved cash management; and
—reduced paperwork and established a paperwork budget.

Such efforts to streamline the way the Government conducts its business are rarely dramatic. Improved efficiency is not the product of a simple sweeping reform but, rather, of diligent, persistent attention to many aspects of Federal program management.

One important aspect of improved management has been in the budget process itself. *Zero-base budgeting* is now an integral part of the decision-making system, providing a more systematic basis for making decisions. We have also instituted a 3-year budget planning horizon so that the longer range consequences of short-term budget decisions are fully considered and understood.

In 1978 I made a major commitment to establish a system of controlling *Federal credit* since, in the past, the very large Federal loan guarantee programs had largely escaped the discipline of the budget process. This system is now in place.

I am gratified that the Congress has supported these efforts to improve budget control. Appropriations bills now include limits on many credit programs. The congressional budget resolutions place significantly greater emphasis on longer range budget trends and set overall credit targets.

While the credit control system provides a means of assessing and limiting Federal credit programs, I believe Federal credit programs have become unduly complex and pose an increasing threat to the effective and efficient operation of private capital markets. In particular, the Federal Financing Bank has become a major and rapidly growing source of off-budget funds for direct loans to a wide range of borrowers.

Therefore, I am recommending that a panel of outstanding financial and budget experts should be established to examine these issues. Such a panel should consider the treatment of credit activities in the budget, the adequacy of program administration, uniform rules and procedures for Federal credit programs, the role of the Federal Financing Bank, and the relationship of tax-exempt financing to overall credit and tax policies.

CONCLUSION

My budget recommendations reflect the major changes that have taken place in our country over recent decades. In 1950, social security and railroad retirement benefits accounted for less than 3% of budget outlays. Last year they accounted for more than one-fifth of the total. Mandatory outlays for entitlement programs, the levels of which are fixed by law, for interest on the public debt, and for payments under binding contracts account for three-fourths of total budget outlays. Because so much of the budget is committed under current law before either the President or the Congress begins the annual budget formulation process, controlling budget growth has been difficult, and the results uneven. It has been difficult because benefit payments and other legal obligations have too often been spared from annual budget scrutiny. The results have been uneven because budget restraint has fallen disproportionately on programs subject to the annual appropriations process.

My administration and the Congress began to redress this imbalance in the 1981 budget. The Congress passed, and I signed into law, a reconciliation bill that for the first time was used as a mechanism for changing a variety of entitlement and tax programs. I do not propose that we break faith with the American people by arbitrarily or unfairly reducing entitlement programs. However, these programs developed independently, and they should be made less duplicative, more consistent, and more equitable. The size of these programs, and our need for budget restraint, requires that we address these problems. I urge the Congress to build upon last year's experience and review all aspects of the budget with equal care.

The allocation of one-fifth of our Nation's resources through the Federal budget is a complex, difficult, and contentious process. Restraint on any program, small or large, is usually subject to heated debate. At a time when there is broad consensus that the size of the Federal budget is too large, we can no longer—as individuals or groups—make special pleas for exceptions to budget discipline. Too often we have taken the attitude that individual benefits or particular programs or specific tax measures are not large enough to require restraint. Too often we have taken the attitude that there must be alternative sources for reductions in programs that benefit our particular group. This attitude is in part responsible for the rapid budget growth we have experienced—and can no longer afford.

Given our Nation's needs and our economic constraints, my recommendations meet the fundamental demands of our society: a strong defense, adequate protection for the poor and the disadvantaged, support for our free enterprise economy, and investment in the Nation's future.

JIMMY CARTER.

JANUARY 15, 1981.

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SECOND ANNUAL REPORT ON U.S. GOVERNMENT'S INTERNATIONAL ACTIVITIES IN FIELD OF SCIENCE AND TECHNOLOGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and to the Committee on Science and Technology:

To the Congress of the United States:

In accordance with Title V of the Foreign Relations Authorization Act, Fiscal Year 1979 (P.L. 95-426), I am pleased to transmit to the Congress the second annual report on the United States Government's international activities in the field of science and technology.

The report—entitled "Science, Technology and American Diplomacy, 1981"—has been prepared by the Department of State in collaboration with the other departments and agencies concerned.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1981.*

DO NOT PUT THE FROST BELT IN THE DEEP FREEZE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WORTLEY) is recognized for 10 minutes.

Mr. WORTLEY. Mr. Speaker, in this, my first address before my colleagues in the House of Representatives, I had hoped to discuss a program of promise, a plan using incentives, to benefit all Americans. Instead, I stand compelled, not to applaud an agenda which would better the economic climate of our country, but to condemn another agenda, one which would benefit only the semitropical temperate climate of certain regions in our land. I refer to a report made public a few hours ago, a report whose conclusions should outrage every one of us.

This report was written by President Carter's Commission for a National Agenda for the Eighties. But it is not national; it is regional in outlook. It is not an agenda; it is an obituary for the Northeast. It is certainly not for the eighties, or for the nineties or any other time in our Nation's future.

The report is a reckless requiem. It is a premature postmortem.

The Northeast, and New York State in particular, has many of our country's greatest financial, agricultural, educational, and cultural centers. Our region is rich in American history and tradition. To abandon it would be disastrous for the entire Nation, not just the Northeast, where fewer and fewer people would have to shoulder a bigger and bigger share of the tax burden.

There are other reasons we cannot afford to forget the Northeast States. The Federal Government cannot now bear the expense of building new roads, new hospitals, and other public services as it once could. If we encourage an exodus from the Northeast, we would lay to waste all that has been built there, and we would have to build it all again, somewhere else. I would hope that is not what President Carter had in mind when he called for a "New Foundation."

Another reason, of many, is that no one knows for sure whether available resources, such as water and energy,

exist in quantities large enough to take care of the mass migration which the report favors.

Yet the most important reason to reject this report is found in the district I represent, New York's 32d, which I believe is typical of the Northeast. Our district shares many of the urban and rural problems of our part of the United States, but I am sure we will solve those problems if we have the opportunity that the report would take from us. I am sure, because I know the people in our district. They work hard, they are energetic, and they still have hope.

I assure you that "the reports of our death are greatly exaggerated." The Northeast is as alive as we are today, and it will outlive us all if we reject the perilous premises and contorted conclusions of President Carter's Commission.

Abraham Lincoln observed: "A house divided against itself cannot stand." He knew that this Nation must thrive as a nation, that our people must prosper as a people, together. Lincoln was right, and still is.

TAX INCENTIVES FOR SAVERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 5 minutes.

● Mr. BONKER. Mr. Speaker, there is a growing realization in the Congress that the U.S. economy lacks sufficient capital to continue its historical expansion of industry and productivity. Our country ranks last among the industrial nations in both the rate of savings as a percentage of disposable income and the rate of fixed investment, as a percentage of national output. On the average, Britons save 13 percent of their disposable income; West Germans save 15 percent; Japanese, 26 percent. But Americans save only 4.5 percent.

To increase productivity, provide sufficient funds for the home mortgage market, to replace worn out plants and equipment and make us more competitive in world markets, we need to encourage greater saving and investment.

There are many reasons for our poor savings record as a Nation, but one is clear: Our tax laws penalize the saver.

Congress acknowledged this fact last session, when it attached to the windfall profit tax a provision to increase the annual tax-free limit on savings and interest to $200 for individuals and to $400 for a joint tax return.

But I believe our current economic situation requires stronger medicine. For that reason, I am today introducing a bill which raises this exemption even further—gross income for tax purposes would not include amounts received as dividends or interest up to $1,000, or $2,000 for a joint return.

This legislation is particularly necessary at a time when the homebuilding industry has been ravaged by tight money and high interest rates. With meaningful tax incentives, the American public will be lured back to our thrift institutions, which also have suffered from the current economic climate. The result will be an increase in the capital available for investment as well as the provision of more money for home mortgages.

I would appreciate the support of my colleagues in this effort. We should not allow our tax laws to penalize those who otherwise would follow a sound savings program.●

UNIVERSAL COVERAGE FOR SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I am today reintroducing legislation that would require Members of Congress and employees of the legislative and executive branches of the Federal Government to participate in the social security program.

Not all citizens outside of the Federal Government realize that most Federal employees do not participate at all in social security, and when they do become aware of this fact, their first question, logically enough, is: If the social security system is such a wonderful program, why do not Federal employees and those in Congress—which, after all, was the originator of the system and is now responsible for making desirable changes in it—participate in social security and come under its coverage? Is their own retirement system better and more beneficial?

It seems rather strange that the social security system which supposedly is good enough to cover 114 million working Americans at the present time, is apparently not good enough for Congress or even for the Commissioner of Social Security himself.

The confidence of the American public in the future viability of the social security system is already rapidly evaporating, as evidenced by the fact that more than 112,000 State and local government employees have relinquished their membership, which is voluntary, in the system, and well over 99,000 State and local employees are now in the 2-year process of doing so. In fact, one State, Alaska, has already terminated coverage for all State and local employees throughout the State.

We cannot let the commitment of the 95th Congress to improve social security falter or fail, because of a lack of concern or inaction on the part of the President and this Congress. And I can think of no better way for those of us who serve in Congress to demonstrate that we fully recognize this commitment and that we are totally resolved to carry it out than by placing ourselves under mandatory participation in the social security system, and thereby tying our own personal finances into the future of a program which already directly affects over 90 percent of the country's working population, because they are paying into the system, and 36 million, because they are receiving monthly benefits from it. It is our responsibility to take decisive action, because the wheels of change have already been set in motion in the Social Security Amendments of 1977. This legislation, which established the National Commission on Social Security, required it to do an extensive study on universal coverage. This study was just completed by the Commission, and based on a summary just released, the Commission recommends that social security coverage should be made compulsory in 1982 for all Federal, State, and local government employees not now covered by any retirement system, and for the President, Vice President, Cabinet members, Social Security Commissioner and Members of Congress, and employees of nonprofit organizations. The Commission also recommends that by 1985, all new Government employees joining civil service should be included on a mandatory basis. Certainly, we must now respond.

I believe required participation in the system by Members of Congress and other Federal employees would go a long way toward sensitizing the Congress and the executive branch as to what must be done.

After all, if the present system is so good, why should not we all pay for it and benefit from it? On that basis alone, I would confidently anticipate speedy and overwhelming passage of this legislation so that U.S. Representatives and Senators would be able to avail themselves of the social security system's present advantages and opportunities, providing, of course, that Members of Congress really do think that the program as it now exists is a good investment to make for one's future.

On the other hand, if enthusiastic congressional support for this legislation does not materialize after all, we should in all fairness explain to our constituents just why what is good enough for them is not good enough for us. We can certainly be quite confident that such an explanation will be requested, if not demanded, by our constituents. And if it is sought by enough people, the only justifiable and defensible response we can give will be to enact either this bill or the necessary remedial legislation.

In sum, I believe that all of us in the Congress will have more incentive promptly to improve the social security system if we ourselves become part of it.

H.R. 999

A bill to provide coverage under the Federal old-age, survivors, and disability insurance system for all officers and employees of the United States and its instrumentalities other than those in the judicial branch

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) section 210(a) of the Social Security Act is amended by striking out paragraphs (5) and (6), and inserting in lieu thereof the following:

"(5) Service performed in the employ of the United States in the judicial branch, if such service is covered by a retirement system established by a law of the United States;".

(2) Section 210(a) of such Act is further amended by redesignating paragraphs (7) through (20) as paragraphs (6) through (19), respectively.

(b)(1) Section 205(o) of such Act is amended by striking out "section 210(a)(9)" and inserting in lieu thereof "section 210(a)(8)".

(2) Section 210(b) of such Act is amended by striking out "paragraph (9) of subsection (a)" and inserting in lieu thereof "paragraph (8) of subsection (a)".

(3) Section 210(l)(1) of such Act is amended to read as follows:

"(1) Except as provided in paragraph (4), the term 'employment' shall include—

"(A) service (other than service performed while on leave without pay) which is performed by an individual as a member of a uniformed service on active duty after December 1956, whether performed before, on, or after the effective date of the repeal of paragraph (6) of subsection (a), notwithstanding the provisions of subsection (a) as in effect before the repeal of such paragraphs; and

"(B) any service not covered by subparagraph (A) which is performed by an individual as a member of a uniformed service on or after the effective date of the repeal of paragraph (6) of subsection (a), if and to the extent that such service constitutes 'employment' under subsection (a) without regard to this paragraph.

For purposes of sections 202(i), 205(p)(i), 209, 215(h), and 229(a), both service described in subparagraph (A) and service described in subparagraph (B) shall be considered service to which the provisions of this paragraph are applicable.".

(4) Section 210(o) of such Act is amended by striking out ", notwithstanding the provisions of subsection (a),".

(5) Section 229(a) of such Act is amended by striking out "service as a member of a uniformed service (as defined in section 210(m)) which was included in the term 'employment' as defined in section 210(a) as a result of the provisions of section 210(l)" and inserting in lieu thereof "service, as a member of uniformed service, to which the provisions of section 210(l)(1) were applicable".

(6) Section 211(c)(2) of such Act is amended—

(A) by striking out "section 210(a)(14)(B)" in subparagraph (A) and inserting in lieu thereof "section 210(a)(13)(B)";

(B) by striking out "section 210(a)(16)" in subparagraph (B) and inserting in lieu thereof "section 210(a)(15)";

(C) by striking out "section 210(a) (11), (12), or (15)" in subparagraph (C) and inserting in lieu thereof "section 210(a) (10), (11), or (14)"; and

(D) by striking out "section 210(a)(20)" in subparagraph (F) and inserting in lieu thereof "section 210(a)(19)".

(7) Section 218(c)(5) of such Act is amended by striking out "other than paragraph (7)" and inserting in lieu thereof "other than paragraph (6)".

(8) Section 218(c)(6)(D) of such Act is amended by striking out "other than paragraph (7)" and inserting in lieu thereof "other than paragraph (6)".

(c) Section 18(2) of the Railroad Retirement Act of 1974 is amended by striking out "section 210(a)(9) of the Social Security Act" and inserting in lieu thereof "section 210(a)(8) of the Social Security Act".

SEC. 2. (a)(1) Section 3121(b) of the Internal Revenue Code of 1954 (relating to definition of employment) is amended by striking out paragraphs (5) and (6) and inserting in lieu thereof the following:

"(5) service performed in the employ of the United States in the judicial branch, if such service is covered by a retirement system established by a law of the United States;".

(2) Section 3132(b) of such Code is further amended by redesignating paragraphs (7) through (20) as paragraphs (6) through (19), respectively.

(b)(1) Section 1402(c)(2) of such Code (relating to definition of trade or business) is amended—

(A) by striking out "section 3121(b)(14)(B)" in subparagraph (A) and inserting in lieu thereof "section 3121(b)(13)(B)";

(B) by striking out "section 3121(b)(16)" in subparagraph (B) and inserting in lieu thereof "section 3121(b)(15)";

(C) by striking out "section 3121(b) (11), (12), or (15)" in subparagraph (C) and inserting in lieu thereof "section 3121(b) (10), (11), or (14)"; and

(D) by striking out "section 3121(b) (20)" in subparagraph (F) and inserting in lieu thereof "section 3121(b)(19)".

(2) Section 3121(c) of such Code (relating to included and excluded service) is amended by striking out "by subsection (b)(9)" and inserting in lieu thereof "by subsection (b)(8)".

(3) Subparagraphs (B) and (C) of section 3121(k)(1) of such Code (relating to waiver of exemption by organization) are each amended by striking out "subsection (b)(8)(B)" and "section 210(a)(8)(B)" and inserting in lieu thereof "subsection (b)(7)(B)" and "section 210(a)(7)(B)", respectively.

(4) Section 3121(m)(1) of such Code (relating to service in the uniformed services) is amended to read as follows:

"(1) INCLUSION OF SERVICE.—The term 'employment' shall include—

"(A) service (other than service performed while on leave without pay) which is performed by an individual as a member of a uniformed service on active duty after December 1956, whether performed before, on, or after the effective date of the repeal of paragraph (6) of subsection (b), notwithstanding the provisions of subsection (b) as in effect before the repeal of such paragraphs, and

"(B) any service not covered by subparagraph (A) which is performed by an individual as a member of a uniformed service on or after the effective date of the repeal of paragraph (6) of subsection (b), if and to the extent that such service constitutes 'employment' under subsection (b) without regard to this paragraph. For purposes of section 3122 and subsection (f)(2) of this section, both service described in subparagraph (A) and service described in subparagraph (B) shall be considered service to which the provisions of this paragraph are applicable.".

(5) Section 3121(p) of such Code (relating to Peace Corps volunteer service) is amended by striking out ", notwithstanding the provisions of subsection (b) of this section,".

(6) Section 3121(r)(3) of such Code (relating to election of coverage by religious orders) is amended by striking out "subsection (b)(8)(A)" and "section 210(a)(8)(A)" and inserting in lieu thereof "subsection (b)(7)(A)" and "section 210(a)(7)(A)", respectively.

(7) Section 3124 of such Code (relating to estimate of revenue reduction) is amended by striking out "section 3121(b)(9)" and inserting in lieu thereof "section 3121(b)(8)".

SEC. 3. The amendments made by this Act shall apply with respect to service performed after the last day of the month in which this Act is enacted.●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I am notifying the House today of the U.S. Export-Import Bank's proposal to help finance the sale of more than $605 million worth of U.S.-made Boeing 757 jet aircraft to British Airways.

The Eximbank is prepared to extend a credit of $257,142,000 to British Airways to make possible the sale of the U.S.-made airframe components of 19 Boeing 757's and related spare parts.

In addition to this purchase, the Government-owned British Airways has indicated it may submit financing applications to Eximbank later for assistance in buying another 18 Boeing 757's.

This notification from Eximbank was referred to me as chairman, during the 96th Congress, of the Banking Committee's Subcommittee on International Trade, Investment and Monetary Policy. Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, requires that the Eximbank notify Congress of proposed loans or financial guarantees, or combinations thereof, of $100 million or more. Unless the Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress after notification.

I am submitting for the RECORD at this time a copy of the Eximbank notification providing the terms and details of the proposed financing. I would welcome any comments or questions my colleagues may have about the proposed British Airways transaction.

The Eximbank material follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., December 19, 1980.

Hon. STEPHEN L. NEAL,
Chairman, Subcommittee on International Trade, Investment and Monetary Policy, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

H. K. ALLEN.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., December 19, 1980.

SPEAKER OF THE HOUSE OF REPRESENTATIVES,
The Speaker's Room,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the House of Representatives with respect to the following transaction involving U.S. exports to the United Kingdom.

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank is prepared to make available a credit of $257,142,000 to British Airways (BA) to facilitate the purchase in the United States by BA of the U.S. components of 19 new Boeing 757 jet aircraft and related airframe spares. The total U.S. export value for this transaction is estimated to be $605,040,000.

BA has indicated plans to purchase 18 additional Boeing 757 jet aircraft for which it may submit financing applications for the U.S. components to Eximbank at a later date.

2. Identity of the Parties

BA is one of the largest airlines in the world and is wholly owned by the Government of the United Kingdom. Eximbank has dealt with BA and one of its predecessors, British Overseas Airways Corporation (BOAC), since the mid-1960's and all loan repayments have been made on a timely basis.

Her Majesty's Lord Commissioners of the Treasury on behalf of the United Kingdom, as in the past, will unconditionally guarantee repayment of the Eximbank Credit.

3. Nature and use of goods and services

The principal goods to be exported from the United States at this time are the airframe components of 19 medium range commercial jet aircraft to be used by BA to service demand on domestic and European routes. These aircraft will replace aging, fuel inefficient and noisy aircraft now in BA's fleet and which no longer meet government noise abatement regulations. They will not be operated on routes normally served by U.S. flag airlines. Deliveries of the aircraft are scheduled in late 1982, 1983, 1984 and early 1985. The aircraft will be powered by British made Rolls Royce engines which are being financed from private sources and not under the Eximbank Credit. BA is the first foreign airline to purchase this type of aircraft from Boeing.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

Eximbank's financing support for the export of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80% of the world market (which includes the United States) for commercial jet aircraft. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40% of the total U.S. aircraft sales. Over the next few years several large foreign airlines, such as BA, will be undertaking major re-equipment programs, and most airlines choosing a particular aircraft type will continue with future purchases of the same models to maintain fleet continuity. During these next few years there will be intense competition from foreign aircraft and engine manufacturers and they will be supported by subsidized export credit from government sources. Consequently Eximbank recognizes the need to support the sale of U.S. aircraft and engines in such a competitive environment by offering attractive financing so that U.S. manufacturers can maintain their position.

At the time BA was considering this first purchase of Boeing 757's by any airline it was necessary for BA also to consider the option of purchasing Airbus A300 or A310 aircraft. At about the same time as this choice needed to be made, the United Kingdom government decision was also being made for British aerospace manufacturers to resume participation in the Airbus consortium. Whether or not BA would proceed with the Boeing contract depended also upon the availability of Eximbank credit in addition to sufficiently competitive technological and cost features of the aircraft. Moreover, the ability to rely on the availability of Eximbank credit for 757 purchases will also influence BA's consideration of the purchase of the potential additional 18 aircraft which also will be compared to the A300 or A310 and the financing available for those aircraft at the time.

It should be noted that BA must conduct its commercial operations much like non-government airlines. It must seek profitable operations and manage its debt in a difficult environment of accelerating fuel and other inflationary costs. These factors are having strong adverse pressure on its earnings and equity base. Further, because a large number of the aircraft in its fleet are fuel inefficient, BA plans to replace these aircraft in the near future and this will further increase its debt structure. Present U.K. government policies do not favor additional equity infusions from that government. In view of the combined economic and competitive circumstances, BA seeks Eximbank credits to assist financing of its aircraft purchases and uses the only support of the U.K. government available to it, the government guarantee of indebtedness incurred.

The Boeing Company estimates that the export of the 19 Boeing 757 airframes and airframe spares will provide 13,200,000 man/hours for Boeing, its subsidiaries and its sub-suppliers. Additional benefits which will flow to the United States from the transaction included sizable follow-on exports of spare parts, and ground support and other related equipment.

2. The financing plan

The financing plan for the total U.S. procurement for the 757 airframes and airframe spares supported by the Eximbank Credit is as follows:

	Percent of U.S. costs	Amount
Cash payment	57.5	$347,898,000
Eximbank direct credit	42.5	257,142,000
Total	100	605,040,000

(a) Eximbank Charges.—The Eximbank Credit will bear interest at the rate of 9⅞% per annum, payable semiannually. Eximbank will charge a commitment fee of one-half of 1% per annum of the undisbursed amounts of the Eximbank Credit.

(b) Repayment Terms.—Aggregate disbursements under the Eximbank Credit will be repaid by BA in three repayment schedules of 20 equal semiannual installments beginning (i) September 28, 1983, for aircraft and spares delivered during the period ending April 30, 1983; (ii) July 28, 1984, for aircraft and spares delivered during the period May 1, 1983 through March 30, 1984; and (iii) September 28, 1985, for aircraft and spares delivered during the period April 1, 1984 through September 20, 1985.

Attached is certain additional information on Eximbank activity in and economic data on the country involved in this transaction.

Sincerely,

H. K. ALLEN.

ATTACHMENT 1

EXIMBANK EXPOSURE IN THE UNITED KINGDOM

[As of Sept. 30, 1980, in thousands of dollars]

	Outstanding	Undisbursed
Direct loans	435,054	136,411
CFF loans	38	0
Financial guarantees	72,653	311,657
Bank guarantees and other	5,710	13,566
Insurance:		
Medium-term	2,501	3,056
Short-term	135,623	0
Total for the United Kingdom	651,579	464,690

Defaults and reschedulings

In the past ten years there have been no defaults or rescheduling of Export-Import Bank direct credits for U.S. export sales in the United Kingdom.

ATTACHMENT 2

UNITED KINGDOM

AREA AND POPULATION

Area: 244,000/sq. km.
Population (mid-1979): 55.8 million.
Population density: 229/sq. km.
GDP per capita (1979): $6,129.

SOURCES AND APPLICATION OF NATIONAL PRODUCT

[In percent]

Uses (1978):	
Consumption	53.8
Government	23.2
Capital formation	20.7
Stocks	1.0
Exports	33.9
Imports	−32.6
Total	100
Sources (1978):	
Agriculture, forestry and fishing	2.6
Mining and quarrying	3.2
Manufacturing	28.7
Construction	6.0
Transportation and communication	−8.2
Services	51.3
Total	100

GDP data	1976	1977	1978	1979	1980 (estimate)
Billions of dollars (nominal)	221	246	300	342	385
Rate of change (real)	3.6	1.4	3.3	.5	−3.5
Fiscal and monetary data:					
Government deficit (billions of dollars)	12.3	7.8	16.1	17.4	NA
Deficit as percent of GNP	5.5	3.2	5.2	5.1	NA
Percent increase in money supply (M3)	11.2	9.8	16.0	12.7	12.7
Savings ratio	14.6	15.9	15.2	14.4	17.0
Price data (percent increase over preceding year):					
CPI	16.5	15.9	8.3	17.5	18.5
WPI	17.3	19.8	8.1	12.3	16.3
Labor data (percent increase over preceding year):					
Wages (weekly rates)	14.5	10.3	14.6	15.5	12.0
Unemployment	5.3	5.7	5.7	6.4	7.1
External debt:					
Outstanding public debt (billions of dollars)	14.2	18.0	15.8	14.6	13.9
Debt/GDP (percent)	6.4	7.3	5.1	4.3	4.6
Debt service ratio (public debt only) [1]	7.3	4.8	2.9	4.9	NA
Balance-of-payments data (billions of dollars):					
Exports	45.9	56.1	67.3	86.3	111.5
Imports	−52.4	−58.2	−70.2	−93.3	−111.3
Trade balance	−6.5	−3.1	−2.9	−7.0	−.2
Invisibles balance	4.5	3.8	4.2	2.1	1.8
Current account balance	−2.0	.7	1.3	−4.9	1.3
Capital account	−4.6	12.2	−3.0	9.0	NA
Overall balance	−6.6	12.8	−1.7	3.8	NA
Reserve data (billions of dollars):					
Foreign exchange (excluding gold)	3.4	20.1	16.0	18.5	————
Gold (average London price)	2.6	3.3	4.4	12.1	————

[1] For 1976 and 1977 includes only capital repayment.

Sources: IMF, IFS, and OECD survey, OECD.

ENERGY CONSERVATION BLOCK GRANTS FOR LOCAL GOVERNMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

● Mr. AUCOIN. Mr. Speaker, I am introducing today legislation that will encourage our Nation's communities to develop and implement comprehensive energy conservation plans. This legislation recognizes that conservation is our cheapest source of new energy and has the greatest potential for reducing our reliance on scarce fossil fuels. As important, it recognizes the value of local decisionmaking in mapping effective energy conservation programs.

One difficulty with the Federal Government's approach to energy conservation is that it relies on the application of Federal standards in local areas—standards that often are inappropriate and lack general community acceptance. One need only look at energy conservation standards for federally assisted housing to see the truth of this statement. By relying on local decisionmaking, energy conservation can be achieved through community consensus rather than through Federal edicts.

I would remind my colleagues that this is legislation I sponsored in the 96th Congress where it was reviewed by two committees along with other energy conservation proposals. Because this legislation offers a dynamic, new approach for solving our energy dilemma with such sweeping implications for the relationship between local communities and Federal Government, I am offering it again. I intend to press for action by this Congress.

Many Members have read of the trend-setting efforts in Portland, Oreg. to achieve significant energy savings through a multifaceted energy conservation program. I represent Portland and I am proud of the innovative approach the city has taken to saving energy. This program, developed by local citizen planning groups, sets a target of weatherizing homes and commercial buildings within 5 years. It also calls for revising zoning laws to promote higher population density near main public transit routes and provides a public education program on alternative energy systems. It is a bold, fresh approach to meeting our energy needs.

The legislation I am introducing would encourage local governments to develop plans similar to Portland's, but plans tailored to the distinct and individual needs of the community. In addition, my legislation would provide grants to cities for the development of proven alternative energy systems such as geothermal projects, industrial cogeneration, solid waste heat recovery, and other systems that will conserve scarce fossil fuels.

This legislation—actually two separate bills—would expand the existing programs for community development block grants and urban development action grants to eligible communities. One advantage of this approach is that it simplifies administration by providing that new initiatives are implemented through existing Federal programs.

In addition, energy conservation programs can be directly linked at the local levels with other community and economic development programs designed to benefit low-income persons.

Mr. Speaker, let me summarize each of the bills.

ENERGY BLOCK GRANTS

The first bill would encourage units of local government to adopt and implement community development energy plans and programs designed to achieve significant energy savings. To fulfill this objective, the Department of Housing and Urban Development would provide assistance under the community development block grant program. Local governments receiving energy block grants would be expected to:

Develop and implement a local energy conservation plan;

Enact or modify local ordinances, such as building codes and zoning laws, to encourage conservation;

Encourage energy conservation improvements in public buildings;

Provide financial and other assistance for energy-conserving improvements in residential structures, primarily for low- and moderate-income tenants and homeowners.

Grants would be awarded to local governments based on funding criteria for the community development block grant program. The structure of entitlement and discretionary applicants would be maintained. However, in allocating funds to local governments, the Secretary would be directed to take into account the potential energy savings possible as a result of the energy block grant program.

ENERGY ACTION GRANTS

The second bill would establish a new program similar to the urban development action grant program. This program would provide grants to local governments to assist in the expansion and development of feasible energy supply or conservation systems of proven technology.

The purpose of this program is to provide capital grants to local governments for alternative energy systems that may be technically feasible, but not yet economically feasible. The grants would provide only the subsidy necessary to lower the capital cost to the point of economic feasibility. This approach recognizes that most alter-

native energy systems have not developed the cost efficiencies that result from widespread use and higher levels of energy output. In addition, alternative energy systems that offset the use of scarce fossil fuels have a social value that may not be reflected in the cost savings from reduced consumption of fossil fuels.

The most exciting aspect of the energy action grant program is that it could provide a vehicle for one or more neighborhoods in a community to tap into an alternative energy system cooperatively. It is not far-fetched to imagine that the solid waste collected from residences in one area of town could be hauled a short distance to a neighborhood solid waste heat recovery plant. The heat generated by such a plant would provide for some of the energy needs of the neighborhood.

Mr. Speaker, the message Americans have been sending to Washington over the past decade is that Washington does not have all the answers to the Nation's problems. Local decisionmaking can help contribute to solving these problems by designing programs that take into account differences among regions and communities.

The diversity of our towns and communities is one of our great national strengths. This legislation recognizes that strength and offers a fresh approach to tapping it for our common benefit. As we prepare for a change in administrations, I ask my colleagues to look anew at this important proposal in helping to solve one of our country's most pressing problems.●

THE CHINESE GULAG AND SELECTIVE INDIGNATION

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, the New York Times recently reported on the existence of what might be called a Chinese Gulag Archipelago, a system of forced-labor camps spread throughout the People's Republic of China (PRC). If the report in the Times is anywhere near true then we have partial confirmation of what many of us have long suspected: The Chinese people have been in the grip of a tyranny that is among the most brutal and repressive in human history. Indeed, what is happening now in China is nothing compared to the atrocities committed by Mao whose memory is revered by the Communist leaders.

I realize that the realities of international geopolitics make it necessary for us to engage in friendly relations with the rulers of the PRC. But that does not mean we should not criticize the human rights violations.

There are more civil and human rights violated by the Communist totalitarian governments in the PRC and the Soviet Union than by all of the authoritarian governments of Central and South America combined. Yet all we have heard in recent years is criticism of human rights violations in repressive authoritarian governments who, whatever else may be said about them, at least do not have as part of their guiding philosophy the defeat of the Western World.

I hope the Reagan administration carries out a true policy of human rights, one that openly criticizes the biggest, as well as the smallest, offenders instead of spending time and money castigating only those whose human rights offenses, while repugnant and unacceptable, do not exist on the monumental scale seen in the PRC. In short, I hope the Reagan administration stops the policy of selective indignation we have seen in recent years.

Mr. Speaker, I insert in the RECORD, "Hundreds of Thousands Toil in Chinese Labor Camps," from the New York Times, January 3, 1981:

HUNDREDS OF THOUSANDS TOIL IN CHINESE LABOR CAMPS

(By Fox Butterfield)

PEKING, JANUARY 2.—DESPITE A RECENT EFFORT TO CREATE A FAIR LEGAL SYSTEM AND PREVENT A RENEWAL OF THE ARBITRARY PERSECUTIONS OF THE CULTURAL REVOLUTION ERA, CHINA STILL OPERATES A VAST NETWORK OF LABOR REFORM CAMPS POPULATED BY HUNDREDS OF THOUSANDS OF PRISONERS.

This conclusion emerges from interviews with several dozen former camp inmates whose accounts presented a portrait of a system under which the work is hard, the food scanty and the punishment often brutal. A few months ago, a white-haired 70-year-old former Protestant minister was released from a labor camp near the city of Datong in Shanxi Province in northern China. He has worked there in a coal mine, along with 10,000 other prisoners, scraping up chunks of black rock with his bare hands for 23 years.

He has been sentenced to laodong gaizao, or "reform through labor." He had been accused, the man said recently, of being an "American spy." He had gone to divinity school in the United States and in 1949, after the triumph of the Communists, returned to China. When he was convicted in 1957, two agents of the Public Security Bureau, or the police, said there was no need for them to prove the charge. They said that he had been given his orders in America and that they could not go there to produce the evidence.

The prisoners in his camp worked from 6 A.M. to 6 P.M., seven days a week, with a day off every two weeks, the minister said. "If you didn't meet your daily quota of coal, measured by baskets filled, they charged you with having a bad attitude and cut your food ration or might eventually put you in solitary confinement," he said.

The normal diet was a steamed bun, made from coarse corn flour for breakfast, a watery soup or gruel for lunch and another steamed bun for dinner. He said he received meat only twice a month, and the small pieces were usually just chunks of fat. "But we devoured them happily because it was the only oil we got," he said.

When the man's son went to pick him up at the camp—he was too weak to travel on his own—he brought his father a wristwatch as a present, still a luxury here.

"But he wouldn't wear it," the son said. "When he tried it on, he said it reminded him of the handcuffs he had to wear much of the time."

The country has not produced an Alexandr I. Solzhenitsyn to chart the dimensions of the equivalent of what he called the Gulag Archipelago, the system of labor camps and political prisons in the Soviet Union under Stalin. It is impossible to calculate the exact number of inmates in labor reform camps; estimates by former convicts vary from several hundred thousand to a million.

OFFICIALS ARE SILENT ON CAMPS

The Government refuses to discuss the subject. Repeated requests for interviews with the information department of the Foreign Ministry, the Peking City Government, the Public Security Ministry and the Justice Ministry were all turned down. An official of the Justice Ministry, which is in charge of the court system, said his office had nothing to do with labor reform and that it was handled by the police.

Indeed, many of the convicts sent to labor camps, like the former minister, are apparently not tried at all in the Western sense but merely sentenced by the police. This is contrary to a new criminal code adopted last year.

China also has regular jails and a variety of detention centers where those people not yet convicted are kept. But more than 80 percent of all prisoners are assigned to the labor camps, the People's Daily, the Communist Party paper, once reported.

The use of physical punishment varies from camp to camp, ex-prisoners report. An official radio broadcast from Jilin Province in the northeast recently disclosed three instances in which inmates in a "forced labor team" were beated to death or seriously injured.

"Zang Yong, a prisoner sentenced to three years labor for robbery, attempted to escape from a forced labor team but was soon recaptured," the radio said. "At about 11 P.M. that night, the leader and five members of the team beat him to death." Two "responsible cadres" from the team were "temporarily relieved of their posts for self-examination."

Technically the prisoners in labor reform camps are divided into different categories: ordinary criminals sentenced to straight jail terms; those sent for reform through labor, and others given "reeducation through labor," a milder noncriminal sanction that carries a three- or four-year limit. Some are juvenile delinquents. But in practice, former inmates say, the different groups are often lumped together.

It is also difficult to distinguish political prisoners. Almost every convict, whether a murderer or dissident, is labeled a counter-revolutionary, and Peking insists that it does not hold anyone strictly as a political prisoner.

Each city and province maintains its own camp or set of camps. The Peking Public Security Bureau has a labor farm east of the city called the Clear River Farm, with about 20,000 prisoners, and suburban labor reform factories known as the New Capital Foundry, New Capital Tile and Brick Works, New Capital Steel Working Plant and New Capital Rubber Plant.

BUILDING ROADS AND RAILROADS

In addition, some of the biggest camps have been established in sparsely populated and rugged frontier regions. As in their Russian equivalents, the prisoners are put to work building roads and railroads, clearing forests and swamps or laboring in mines.

One of these, known for its location on the Khanka Lake in the far northeast on the Soviet border, held 40,000 inmates before the brief border war with Russia in 1969, Chinese who were there claim. One of the prisoners was Ding Ling, the leading writer among the country's women and a veteran Communist.

After Peking's split with Moscow, the Government shifted a number of these camps to other parts of the country, "because they were afraid the prisoners were a security risk," according to an engineer who was once an inmate. His camp was originally in the mountains of Ningxia Province near the border with Outer Mongolia. All the prisoners and guards came from Tianjin, 800 miles to the east, and were under the city's jurisdiction.

One of the largest concentrations of camps is in Qinghai, an almost treeless, bitterly cold plateau of grasslands, salt lakes and snow-covered mountains originally inhabited by Tibetans. The province was closed to foreigners until two months ago. A group of Australian journalists taken to Xining, the provincial capital, as the first visitors, saw a mud-walled prison that stretched for a mile on the drive in from the airport.

A HUGE WALL AROUND THE CAMP

A Peking factory worker who was accused of stealing a bicycle and who was sent to Qinghai, recalled his arrival there. "We were in a convoy of trucks," he said. "The lead one had a machine gun mounted on it, and our own truck was covered with a tarpaulin and then a rope net so we couldn't see or jump out. At the rear came another truck full of soldiers with rifles."

He was assigned to a giant camp near the hamlet of Gonghe, 60 miles southwest of Xining. It was circled with two walls, the outer one so large that it took 15 minutes to walk to the inner enclosure. The camp had a factory for making automobile parts and wheat fields for its own food.

There are indications that the number of labor reform camp prisoners has been reduced in the past four years. Two of the largest categories of inmates—former Kuomintang Army officers and policemen and the people accused as rightists in 1958—have either died or been released in amnesties.

NO FREEDOM AT END OF TERM

But last year Peking pointedly republished a tough 1957 regulation that provided for "re-education through labor," and the Government is now evidently using the camps to try to discipline the cynical generation of young people created by the Cultural Revolution.

For example, Liu Qing, an editor of one of Peking's dissident journals, was sentenced to three years in a labor camp last winter. The Peking Daily reported recently that a young woman who was a photographer in the capital's Tien An Men Square who tricked passers-by into paying for pictures when her camera did not have film was also given three years.

A unique feature of the camps is that many prisoners stay on, or are kept on, after their sentences are over.

"In our society, they couldn't face going back home," said the engineer who had been in Ningxia. "It would always be on your personal dossier. You couldn't get a decent job, and you'd have trouble finding a wife."

"In the camps, at least the men had friends and they had learned a trade so they could make money," he said. "For some other people, the guards just tell you that your wife has divorced you or that they won't give you a residence permit to go back home, so you don't have a choice."

BOWED HEADS AND NO CONFIDENCE

Many of the ethnic Chinese inhabitants of Qinghai are now former prisoners, according to a former Red Guard who was sent there partly as servitude for his activities during the Cultural Revolution.

"You could always tell who they were by their eyes," the man said. "You got the feeling they didn't have any confidence left. When they talked with you, they always bowed their heads."

Last year, when Peking republished its old rules about labor reform, The Guangming Daily praised the success of the labor camp system. The inmates, the paper said, "have gradually built up the concept of being patriotic and law abiding and have begun to feel it an honor to work. They have turned over a new leaf and followed the correct path. Practice of more than two decades has proved that education through labor has indeed achieved notable results."

THE YEAR OF THE HANDICAPPED

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, occasionally we come across an article that is refreshing in its original approach to an old subject. You would think that there would be nothing new to say, for example, on the subject to the handicapped. But Bill Campbell has done just that and I want to share the uncommon perceptive thoughts of this excellent syndicated columnist who is himself handicapped.

I include in the RECORD, "Year of Handicapped Won't Solve Problems" by Bill Campbell, Galesburg Register Mail, December 27, 1980:

YEAR OF HANDICAPPED WON'T SOLVE PROBLEMS

I read somewhere the other day that 1981 has been designated The Year of the Handicapped.

I don't know who proclaimed it so. I don't even know what it means. Maybe it's like The Year of the Monkey. Or perhaps it just means "Take a gimp to lunch this year."

Whatever it means, I'm not particularly excited about it because someone is always designating a day, a week or a year to someone else, and after the grand pronouncement nothing much happens. It'll be business as usual for the handicapped next year.

In recent years there has been some increased awareness of the problems of the handicapped, especially those of us in wheelchairs. This is mostly because there are more of us in chairs than ever before. Vietnam boosted our number dramatically, of course. And the heightened popularity of motorcycles and other mechanical toys has helped bolster our ranks. As a result, ramps are being installed here and there, and handicapped parking areas have appeared. Wheelchair ramps are still too few and far between, and handicapped parking spaces are more often than not filled by vehicles belonging to able-bodied creeps.

But ramps and parking facilities, necessary as they are, do not make a society accessible. If all the steps in this country were replaced with ramps it wouldn't solve our biggest problem. The real barrier which prevents handicapped persons from becoming a part of society is more subtle. The real barrier is ignorance.

That ignorance is personified in the view, held by many, that if you try hard enough you will be able to completely recover from your injuries—that somehow, if you stay in the chair, it's your own fault.

We are forever reading about how the doctors told the young man he would never walk again, but through his tremendous will, determination and courage, he is back on his feet today, running marathons. Sure, that happens. Rarely. And for every case like that there are hundreds where the doctors predicted the young man would never walk again, and in spite of his tremendous will, determination and courage, the doctors were right. The implication is that the hundreds who didn't walk again are failures.

Next year is The Year of the Handicapped—society's losers in the eyes of many. So build a ramp. Take a gimp to lunch.

Better yet, the next time you run into someone in a wheelchair take a look at yourself and how you feel about them.

THERE IS NO SUCH THING AS A FREE RIDE ON DEFENSE

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, we are already in one of the most crucial decades of our Nation's existence and if we are going to survive this decade with our freedom intact, we had better rid ourselves—and our allies—of certain myths. One of these myths is the belief that Japan can continue to enjoy the benefits of a free enterprise system and a political democracy without paying the necessary cost to defend these blessings. The time has come for Japan to become a working partner in the defense of the interests of the industrial democracies.

I include in the RECORD two articles from the New York Times: "Japanese Officials Say Groundwork Has Been Laid for a Military Buildup in 80's" and "U.S. Pressing Tokyo To Buttress Forces" from the New York Times, January 14, 1981:

JAPANESE OFFICIALS SAY GROUNDWORK HAS BEEN LAID FOR A MILITARY BUILDUP IN THE EIGHTIES

(By Henry Scott Stokes)

TOKYO, Jan. 13.—After a year of debate within the Government, Japan ended 1980 with a budget in which the military received a 7.6 percent increase.

The United States hoped last summer that the increase in the military budget would be far higher—at least 11 percent—

but those hopes were dashed as the press turned strongly against higher spending in the late autumn.

The $12 billion that Japan has budgeted for the coming fiscal year will still make it by far the largest military spender in Asia outside China, and Japanese officials believe that the groundwork has been laid for considerable increases later in the 1980's.

"The security relationship between Japan and the United States has never been so good as at present," said Minoru Tamba, a Foreign Ministry official concerned with United States-Japanese military affairs. "It should be stressed that the defense budget request has never been given such special attention since the end of World War II and that this stance is of epoch-making importance."

ATTITUDES MAY BE CHANGING

Whether this view will be shared by the Reagan administration remains to be seen, but there are grounds for believing that despite the disagreement with the United States over the arms budget, the long-term prospect is for somewhat different attitudes here on military matters than have prevailed since the end of World War II.

But the basic attitude that Japan should not become an aggressive military power will not change in the foreseeable future.

"Japanese abhorrence of military power since the termination of World War II has been much stronger than foreigners imagine," said Keiichi Ito, secretary general of the National Defense Council. "The Japanese still believe even today that the Japanese militarists started the war and for their sake the people had to lose many of their loved ones and suffer the hardships following defeat."

In the longer term, arms spending is expected to increase because of the slowly growing perception of a Soviet threat in Asia and the need to increase the ability of the Japanese armed forces.

FIVE-YEAR WEAPONS BUILDUP

Japan's 240,000-member armed forces are increasing their potential under a five-year, $14.5 billion weapons program that runs through 1984. The arms are intended to provide for defense of Japan itself while the United States focuses on strategic priorities with about 45,000 men based in Japan, including a Marine division on Okinawa, a Marine air wing at Iwakuni, near Hiroshima, the Seventh Fleet at Yokosuka, near Yokohama, and the Fifth Air Force at Yokota, near Tokyo.

The air force has been enhanced by arms purchases from the United States that include sophisticated F-15 fighters, P-3C antisubmarine planes and E-2C surveillance aircraft. These are the largest arms orders in Japan's history. In August, the air forces, which include about 320 fighter interceptors, were authorized for the first time to carry air-to-air missiles.

The ground forces, with a strength of about 150,000, are 30,000 under their approved ceiling of 180,000, mainly because the forces, in which service is voluntary, cannot entice recruits away from high-paying jobs in industry. A large part of the ground forces is concentrated in Hokkaido, Japan's northern island, the area closest to the Soviet Union.

The 50 or so destroyers in the Japanese navy were also authorized last summer to carry armed torpedoes, an authorization that was opposed by Japanese left-wing parties in Parliament as a breach of the hallowed principle of "civilian control." Critics of the action asserted that the Prime Minister, whose chairmanship of the National Defense Council makes him commander of all armed forces, did not give permission in advance for the changes.

GAPS IN JAPANESE MILITARY SEEN

Specialists here point to some important gaps in Japan's military. There are only 40,000 reservists, who receive scant training. This contrasts with the practice in many European countries of keeping reservist strength at the same level as the regular armed forces.

"Countries like Switzerland, Sweden or Yugoslavia all maintain big reserves, so by comparison the Japanese appear to be doing little there," a United States official said.

Another worry for some Americans is that the Japanese have no command center for combined service operations. In late 1979 the army and air force conducted a combined exercise on Hokkaido that was the first of its kind since World War II, but there is still no overall command to compare with the Joint Chiefs of Staff in the United States.

Lack of coordination between the branches has been a failing of Japan's forces since well before World War II, in which the army and navy often appeared to regard each other as the real enemy and not the Allies. The deficiency will not be remedied easily, American specialists say.

UNITED STATES-JAPANESE JOINT PLANNING

Two years ago Japan and the United States began an effort at "joint staff planning" of the kind that the United States has practiced for many years with its European allies to provide for contingencies in the event of a Soviet attack. There has been slow but steady progress, according to Japanese and American officials, although Japan is not ready to consider joining in regional defense outside its territory.

The Japanese military has other shortcomings, largely because the 1946 Constitution is interpreted as barring offensive weapons. It has no strategic bombers, no nuclear submarines, no long-range missiles and no aircraft carriers or ships larger than destroyers.

Another reason for hesitating over much bigger military spending is fear of antagonizing Asian neighbors, according to Koji Watanabe, a Foreign Ministry official.

"The Government is considering a steady increase in defense efforts in order to better cope with the type of danger and contingency Japan may face in the 80's," Mr. Watanabe said in an article in Asian Pacific Community, a Tokyo review. He added that in "clear contrast to the intensity of the controversy" over military affairs here, "the order of magnitude of the proposed defense spending is a very limited and modest one, according to the international standard of defense burden."

IMPORTANCE OF PUBLIC OPINION

The statement appears true in the short term, but some very important changes were made in the 1970's. "Through the 1970's the annual growth rate of our defense expenditure in real terms has been 6 to 7 percent, which is the highest among the U.S. allies," Mr. Tamba said.

Officials say that a slow shift in public opinion in favor of higher spending to meet a Soviet threat is likely to continue, provided that American pressure is not regarded as too strong.

Public opinion is likely to be the key to what Japan will do in military matters in the next few years. As a percentage of the national budget, military spending fell in every year in the 1970's and dropped from a peak of more that 13 percent 25 years ago to 5.1 percent in the 1981 budget. This decline may be traced to public hostility to arms spending and to a perception of the greater needs of welfare, public works and education.

The signals are confused. A poll taken by the Prime Ministers' office in 1979 indicated that 60 percent of the Japanese wanted to maintain the United States-Japanese security treaty, seen as the cornerstone of foreign policy, and favored the status quo for the armed forces. But another poll said that only 40 percent felt this way.

A poll taken in February 1980 by Yomiuri Shimbun, a Tokyo newspaper, said that 55 percent opposed any United States request that Japan strengthen its military while 25 percent were in favor.

"There is still no consensus here on the need for defense," said a United States official who specializes in military affairs.

U.S. PRESSING TOKYO TO BUTTRESS FORCES

(By Richard Halloran)

WASHINGTON, January 13.—Senior American officials have quietly urged Japanese officials in recent months to build conventional military power capable of defeating Soviet naval and air forces above, on and below the seas for a distance of 1,000 miles from Japan's shores.

United States officials said the Japanese could make a significant contribution to the common defense of northeast Asia if they would acquire the naval and air power, the modern equipment and the logistical support to accomplish that mission.

The objective, if a conflict should break out, would be to clear the skies of Soviet aircraft and to bottle up the Soviet surface and submarine fleet based across the Sea of Japan in Vladivostok. It is estimated that there are 100 bombers, 80 surface combatants and 80 submarines stationed there.

Beyond adding to the collective military strength opposing the Soviet Union, the officials said, a Japanese military buildup would free more American forces to move from the western Pacific to the waters around Southeast Asia and especially into the Indian Ocean and Arabian Sea near the Persian Gulf.

JAPAN GETS MORE OIL FROM GULF

They contended that such an enhancement would be even more in the Japanese national interest than in that of the United States since Japan is far more dependent on oil from the Persian Gulf and from Indonesia than is the United States.

American officials have also urged the Japanese to increase economic aid to South Korea and to China in ways that would allow those nations to use more of their own money for military spending. That would be intended to dissuade North Korea from military adventures and to help China tie down Soviet military forces along the 5,000-mile Chinese-Soviet border.

So far, however, said an informed official, "we have been frustrated and disappointed." Japanese military officials generally agreed with the concept, officials here said, but they have been unable to obtain the necessary funds from Japan's political leaders and the Finance Ministry.

President-elect Ronald Reagan's foreign policy advisers have indicated that they intend to pursue the issue with the Japanese, perhaps even more vigorously than the Carter Administration did. Caspar W. Weinberger, Secretary of Defense-designate, said in Congressional testimony last week that both Japan and Western European nations must produce "real increases" in military spending.

THE ISSUE REMAINS SENSITIVE

The Reagan transition team at the State Department has identified military spending, along with trade disputes, as a critical issue between the United States and Japan. A report written by the team said, "Defense spending remains a sensitive issue for Japanese politicians; nonetheless, it is an issue which also concerns Americans."

Senator Charles H. Percy, Republican of Illinois, the new chairman of the Foreign Relations Committee, and Senator John G. Tower, Republican of Texas, the new chairman of the Armed Services Committee, are both known to believe that Japan should contribute more to collective security.

American officials have been reluctant to set definite numbers on what they want Japan to spend for military power because that tends to polarize political discussion and because it could be construed as interference in Japan's national affairs. Instead, they have urged the Japanese to spend enough to acquire an effective military ability to do what is necessary.

FINANCE MINISTRY CUTS ESTIMATE

Japanese military officials estimated last year that a 15 percent increase in military spending for the 1981 fiscal year would be needed to begin the buildup. Finance Ministry officials, however, at first cut that to 9.7 percent, wanting to keep the increase under 10 percent to avoid creating too much political opposition from the left. They agreed, however, to an additional 2.5 percent for military pay raises that would be counted elsewhere in the budget, making a total of 12.2 percent.

Officials here said that Defense Secretary Harold Brown, Ambassador Mike Mansfield and other senior American officials had been led by Japanese leaders to believe that the 12.2 percent total was firm. In late December, however, Tokyo announced that the increase would be only 7.6 percent.

That prompted Mr. Brown to issue a statement asserting that the budget proposal was so modest that it conveyed "a sense of complacency which simply cannot be justified by the facts."

He said: "It falls seriously short, whether measured by the security situation, by the discussions held between senior officials of our two Governments over the last year or by considerations of equitable burden-sharing."

UNITED STATES TAKING NEW APPROACH

Until the Soviet intervention in Afghanistan in December 1979, American officials had generally confined themselves to gentle suggestions that Japan "do more" to contribute to collective security. But the United States had few specific suggestions.

For their part, the Japanese brushed off allegations that they were getting a "free ride" on defense and resisted suggestions for a buildup by pointing to political pressures from the left, swiftly increasing deficit-financing in the nation's budget and fears among neighboring nations of a revival of Japanese militarism.

After Afghanistan, however, Secretary Brown told officials in Tokyo that the changes in the international situation meant that the United States, the Western European allies and Japan should make "steady and significant" increases in military spending over an extended period.

ALL THE PROPAGANDA THAT'S FIT TO PRINT

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, correspondent David K. Willis of the Christian Science Monitor has performed a public service by providing a "dictionary" of words and phrases used by Tass, the Soviet Union's official news agency. I think every Member of Congress should become acquainted with this "Newspeak" of the Soviets. At the same time we should be asking ourselves: How much time and energy and money are we in the United States spending to send our message to those in other lands compared with the Soviet Union's funding of its unrelenting program of anti-U.S. propaganda? It is my hope that President Reagan will make one of his top foreign policy priorities the revitalization and rebuilding of the U.S. overseas information program.

I insert in the RECORD, "Tass: All the Propaganda That's Fit To Print" and "'Dictionary' of Tass Words and Phrases" by David K. Willis of the Christian Science Monitor, January 12, 1981:

TASS: ALL THE PROPAGANDA THAT'S FIT TO PRINT

(By David K. Willis)

Moscow.—The Kremlin challenge comes not only in tanks and rockets, but also in words—the kind that clack endlessly from the small gray teleprinter that stands beside a battered gas stove and a small and ancient refrigerator in the back room of The Christian Science Monitor office here.

The room was built as a kitchen; the office, like all others in our building, was originally a small apartment.

The kitchen setting is apt, though. The little gray machine serves up dish after dish of propaganda prepared by the Soviet news agency Tass (the Russian initials for the Telegraph Agency of the Soviet Union) according to recipes set forth by the Kremlin.

The material is hard to read, harder to digest. No spontaneity, no fun, no liveliness. But after standing by the machine for 4½ years, starting and ending the day with its gray view of the world, I find myself wishing all Americans and their allies had to read it for at least a few days.

They would find the broadest and crudest of challenges: their own world turned on its head, all ideals and assumptions reversed, all items subordinated to the destructive view that everything good in the world is Soviet or pro-Soviet, and everything bad is American or pro-American.

Tass sends its basic service around the world. It reads all major overseas wire agencies and countless Western journals, taking advantage of Western freedom to play back criticisms of the West and ignore positive developments.

(Senior members of the Communist Party here are not given such heavily censored material. Some get "White Tass," which is a fuller compendium of Associated Press, United Press International, Reuters, and others. Top people get "Red Tass," which appears to be an almost complete version of daily news. In short, what anyone can read abroad, only the top people can see here.)

Tass is not a "news" agency at all, except that it does relay Soviet speeches and announcements. Every now and then it inserts a lighter note (the walrus population rising, the discovery of the bones of mammoths on which man may have beaten out primitive music), but even then the basic aim of Tass is preserved: to boost the Soviet system.

When it comes to the United States, no slander is bad enough. Here is one complete item, which indicates its lack of normal Western standards of reporting:

"Bonn Feb. 9 Tass.—During exercises in the FRG (West Germany), an American tank ran into a fence around a residential house in the city of Alzey, knocking down a West German policeman. The tank drove away from the accident scene. The policeman died." Item ends.

No other details. No explanations. Nothing except the barest details rewritten from local reports to make the US look as bad as possible. Have there been accidents involving Soviet troops in Eastern Europe? Don't read Tass to find out.

The Russian service is translated into other languages. The English version is awkward, since translation must be word for word to ensure political correctness. The last man to see the material before it is handed to teleprinter punchers is the political editor, who sees that nothing untoward creeps in.

Tass is a nonstop government circular and a relentless propagandist. And it uses words familiar to outside readers—"peace," "détente," and so on—but on Tass they have very different meanings.

The world of Tass is worth looking at closely. It gives insights into the heavy hand of Kremlin thought and action, the ideology in whose name all actions are taken and justified. Many people openly disbelieve the ideology by now, but its hold on power is still great.

If we let Tass words bounce around the world without knowing what they are and what they want to do, we simply make the Kremlin's job easier.

So here (below) is a minidictionary of Tass terms. It is offered in the tradition of the Marquis de Custine, a wise French nobleman who toured czarist Russia for five months in 1839.

"I do not blame the Russians for being what they are," he wrote later, "I blame them for pretending to be what we are."

"DICTIONARY" OF TASS WORDS AND PHRASES

(At first sight the words look the same as the ones we use. But they are not—whether on Tass or in Soviet speeches. They are the channels of Soviet ideology, and should be read as such.)

Across the ocean: code-phrase for the US, as in, "Those across the ocean who want. . . ."

Aggravated: what the arms race is, because of "those across the ocean. . . ."

Aggression: the foreign policy of the US, China, Egypt, South Africa, Britain, Australia. Usually "naked" or "unrestrained."

Bases: what Americans have around the world. The Soviet Union in Cuba, Aden, Vietnam, and elsewhere has only "friends."

Champions: those who support peace, Soviet-style (see "peace" below). As in, "Hel-

sinki peace champions held a rally today. . . ."

Consistent: Soviet policies. American ones are inconsistent.

Counterrevolutionary: anyone who favors a government Moscow doesn't. Western equivalent: "rebel," "guerrilla."

Democracy: one-party rule. Party selection of candidates for office, followed by ratification by the citizenry by "voting" for one pre-selected candidate per post.

Détente: an easing of the prospect of global shooting war, so that Moscow can get on with fighting capitalist states for influence by all other means (see "peace" below).

Don't you see?: parenthetical phrase to denote irony. As in, "The United States, don't you see, thinks it can lecture the USSR. . . ."

Facts are stubborn things: favorite Tass headline on its own version of events.

Farce: event "staged" by the West to criticize Moscow or its allies.

Good neighborliness: Soviet relations with its friends. The US only exploits.

Gunsights: what the imperialists have trained on peace.

Helsinki Final Act: document signed in 1975 to approve the postwar Soviet sphere in Europe. Also used by US and others to "interfere" in Soviet internal affairs.

Heroic: Soviet actions.

Hopeless: trying to threaten the Soviet Union. Suggesting Soviet troops leave Afghanistan.

Hullabaloo: much-loved Tass word. Any statement in the West construed to be anti-Soviet (Tass does a lot of construing). As in, ". . . The supporters of Bangkok raised a hullabaloo over these actions. . . ." (Vietnamese troops had just attacked Thailand from Cambodia.)

Independence: freedom from US influence, thus openness to Soviet influence.

Instigator: the US, also Egypt, China, etc.

Interference: any statement criticizing the Soviet Union or its friends. Anti-American statements by Moscow are the wise pronouncements of a great power.

Irreversible: what "detente" is (see above).

Liberation: freedom from US influence (see "independence"). It is predetermined by historical "laws."

Lies have short legs: favorite Tass headline attacking the West.

Nobody: the USSR, as in, "nobody threatens Japan (or Yugoslavia, or Western Europe, or detente)."

Nonaligned: anti-US, potentially pro-Moscow, as in Cuba.

Outrage: any action opposed to Soviet interests.

Peace: the absence of shooting war, in which Moscow can use all other means to dominate other countries.

Principled: a favorite word. Refers to all actions of the USSR, but none of the US.

Quill-driven: the Western press.

Racism: how the US treats blacks, and South Africa as well. Only found outside the Soviet Union.

Reaction: as in "forces of imperialism and reaction." (Also, what Tass spends a lot of time doing; some Westerners call Moscow the "reaction capital of the world" for the way it reacts to even the smallest events abroad.)

Rebuff: administered by Moscow or its friends to any critic. Usually verbal. Almost always "resolute" or "firm."

Revolutionary: Soviet ideas, and others based on them.

Righteous: Soviet, Marxist, Leninist, Formerly also: Stalinist.

Rights: what the 1977 Soviet Constitution guarantees. What the US tramples underfoot.

Slander: criticism of Moscow or its friends.

Telegram: method of Tass propaganda. Separate items are devoted to even the most routine telegrams to other governments—and to the replies, no matter how formal or meaningless. As in: "A telegram has come in to Andrei Gromyko, minister of foreign affairs of the USSR, from Hans Dietrich Genscher, who expresses gratitude for the congratulations on the occasion of . . . ."

Threat: what the US is to the world.

Vital interests: what the Soviets have around the world. What the US does not have in the Persian Gulf or in Cuba.

THE FRUGAL LYNN MARTIN

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, one of the great delights of this Congress is the presence of so many talented newcomers to our ranks. The Christian Science Monitor recently published a glowing report about one of these incoming Members, Congresswoman LYNN MARTIN, our colleague from Illinois.

Mr. Speaker, I include the article entitled "Illinois Congresswoman Brings Her Frugal Style to Washington," appearing in the Christian Science Monitor of January 8, 1981, in the RECORD:

ILLINOIS CONGRESSWOMAN BRINGS HER FRUGAL STYLE TO WASHINGTON

(By Deborah Churchman)

WASHINGTON.—The new green-eyed congresswoman from John Anderson's district around Rockford, Ill., is keeping a skeptical eye on old-time Washingtonians. Standing in the middle of a marbled hallway, Lynn Martin points an accusing finger toward the caucus room from which she just ducked and says, "I have a feeling that you can be overcome by a place like this—like the people in there."

Their problem, as she sees it, is that they have to live here all year. "The same thing started to happen to me in Springfield [Ill., where she served a full term in the state House of Representatives and a half term in the Senate]. Toward the end of the session, even I was starting to vote for appropriations—I'd think, Aw, they need help. Even me!"

That is not how the lady got her reputation. Known variously as the "ax" or the "sledge," Ms. Martin set out to prove on state appropriations committees that, as she says in her low-key, quick voice, "all bureaucracy doesn't have to exist forever." She even cut hard-to-turn-down items like programs for the deaf and the multiple-handicapped.

The tightly wired congresswoman hopes to apply her incredulity to the US budget. "I'm not overly fond of big government," she says. But after three days of briefings she was starting to come to grips with the fact that she would probably not make the committee appointment she most desires. She whispers its name, "appro, appro, appro," while leaning over and punctuating each pro with a poke to the reporter.

Asked what she expects to do, should she be given the prestigious appointment to the Appropriations Committee, she replies in clipped lingo, "Work. Learn. Learn. Work."

That sums up her political career so far, a drive in the fast lane that has observers speculating on a future US Senate seat for the successful Ms. Martin. A high school teacher of government and economics, she became "interested in my community" and concerned over the Winnebago County Board, which she perceived as "out of touch" and "buried."

So she ran and found herself elected as the Board's Republican spokeswoman. Then she made a discovery. "You know what? The old ducks weren't ignoring the people after all-they really cared about the community in their own quiet way."

Her term on the County Board was a "learning experience" for her, "sort of selfish, really, though I do think I brought more openness to the community."

From there, she bounced into the Illinois House after a campaign "everybody knew I would lose but me." To move in, she had to move a Democratic incumbent out.

It was during her term in the Illinois House that she gained her reputation as "frugal—other people have nastier names for it." She also sponsored a bill she says New York State used as its model for their "Son of Sam" legislation, which makes it illegal for a criminal to profit from books or plays written about his crime.

In her next campaign she unseated another Democrat in the Illinois Senate, where she strode in to play "my usual Machiavellian games" to get her legislation through.

Political writer Jim George of the Rockford Register Star sees this as her greatest strength. "She learned how to play political games early and well," he says in a telephone interview. "She became close acquaintances with the Chicago Democrats, and got them to cosponsor her bills."

She laughs this off, saying, "I'm half-Irish, and so are they [the Chicago Democrats]. I like them—they tell funny stories."

One of her cosponsors is known more for his political heritage than his funny stories. Richard Daley, son of Chicago's legendary mayor, cosponsored a nursing home bill that Ms. Martin hopes will become a model law for other states.

She is obviously proud of this piece of work—a work she enjoyed. "I really like state government," she says, draining her ice cubes. "I think it's the government that has the best chance to get its act together."

So why is she leaving it, with her Senate term unfinished? "I had an opportunity to run for the House and wrestle with some things, like the direction of growth in government." She lists, ticking them off on her fingers, "energy, and the relationship of a peaceful country with other nations."

She also sees her new job as an opportunity to work for the "part of my constituency who are women." Although she supports the Equal Rights Amendment and is in favor of keeping abortion legal, she has no specific female legislation to bring before Congress.

"There was a lot of promise given in the 1960s," she says, "and I think the disappointments of the 1970s were accentuated by the enormity of those promises. I think it's dangerous for women's groups to support large, overall programs instead of specific goals."

She has a specific goal in mind. "In a recessive economy, the people hurt the most are minority women. So the best place I could help would be to get it going again. If

we're in a recession—if there are no jobs—programs don't mean a thing."

And so she has come to Washington, because "I knew if I ignored the opportunity, then I'd never have the right to complain about these things."

LET'S LAY DOWN THE LAW TO THE SOVIETS

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, it would seem apparent that we are going to see a change of attitude on the part of our Government toward the Soviet Union approximately 30 seconds after President-elect Reagan takes the oath of office. I recently came across some very interesting and, for the most part, useful, suggestions as to how we might approach the Soviet Union from now on. I want to bring these suggestions to your attention, so at this point, Mr. Speaker, I include the article, "Let's Lay Down the Law to Soviets," by Richard F. Staar, a senior fellow of the Hoover Institution at Stanford University, printed in the Chicago Tribune, January 3, 1981:

LET'S LAY DOWN LAW TO SOVIETS

(By Richard F. Staar)*

Relations with the Soviet Union during the 1980s should be predicated on the clear understanding that Soviet leaders will continue to differ considerably in attitude from their American counterparts. Subterfuge, dissembling, and outright dishonesty are deeply imbedded in the psychological makeup of Soviet leaders, whose conspiratorial mentality was molded by the Bolshevik Revolution, Leninist new-Machiavellianism, Stalinist terror, and the unedifying politics of the totalitarian state. They cannot be explained away in terms of Soviet suspicions or fear of declining U.S. strategic power. They obviously color perceptions vis-a-vis any country not under U.S.S.R. control.

The struggle for power that will follow the late President Leonid Brezhnev's disappearance from the scene may also involve an extended period of disorientation in Moscow. This opportunity could be exploited by a strong American President who has studied past relations with the U.S.S.R. and decided to place them on a genuine quid pro quo basis. It is futile to hope that a new generation of Soviet leaders will voluntarily change course since the present one has proven so successful in dealings with the United States. The following are suggested as possible courses of action:

Without waiting for a policy change that cannot possibly occur in the Soviet Union, unless incentive exists, the new administration in Washington should establish a small group of experts to analyze Soviet propaganda activities, not only to monitor Russian-language publications and broadcasts over Radio Moscow but to refute them systematically and persistently.

Espionage capability can be reduced by limiting personnel at the Soviet Embassy and consulates in the U.S. (350 plus 550 at the United Nations) to the same number of American diplomatic personnel stationed in the Soviet Union (153). Furthermore, if a Soviet citizen is caught in activities not compatible with his or her status, reciprocal expulsion should not be accepted and no replacement should be allowed to enter this country.

The U.S. would strengthen its position by requiring the Soviet Union to balance its accounts periodically and make up the deficit by supplying this country with strategic raw materials needed here.

If an American citizen is roughed up, interrogated by the secret police, and convicted on the basis of falsified evidence, the Soviet ambassador in Washington should be informed that he will be expelled and his counterpart in Moscow recalled if such harassment is not stopped immediately. Accreditation of Soviet journalists should be revoked when their counterparts are harassed by KGB agents.

No future SALT agreement may be preferable to having one that shackles the U.S. and accepts Russian promises on faith alone. The same reasoning is applicable to talks on force reductions between NATO and the Warsaw Pact. Tough Soviet bargaining must be countered by equal firmness.

The U.S. must project itself to the Third World as a revolutionary system that has brought prosperity to the American working class, where skilled laborers often earn more money than professors and where human rights are strongly upheld by press and courts. The corollary would be a campaign that will expose false Soviet propaganda concerning America and tell the truth about Soviet colonialism in central Asia and Eastern Europe through such forums as the UN and the U.S. International Communications Agency externally, as well as through the mass media internally.

Special emphasis should be placed on a broad campaign in support of generally accepted human rights. Based upon the 1948 Universal Declaration of Human Rights convention and the 1975 Final Act at Helsinki, violations of specific provisions should be called to the attention of world public opinion.

More care should be taken that all exchange programs are reciprocal and not largely channels for transmission of technical information. Soviet scholars should not be permitted to travel all over the U.S. while Americans are restricted largely to a few cities in the U.S.S.R.

Finally, the U.S. has a weapon that is probably more powerful than oil: huge agricultural surpluses. During fiscal year 1980-1981, these will include 110 million metric tons of grain alone sold to other countries. The U.S. government could purchase all such crops for export and establish a "grain board" on which American farmers would be represented. Free market proponents may oppose such an agreement, but there is no better way for it to be used than as a humanitarian instrument to alleviate famine in the Third World.

*Richard F. Staar is a senior fellow of Stanford's Hoover Institution and a contributor to "The United States in the 1980s" (Hoover Institution Press).

BIG GOVERNMENT: A THREAT TO FAMILY VALUES

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, in recent years we have seen and heard much about the need to strengthen the American family. But many of the calls for aid to the American family demand more, not less, Government intervention. Yet it seems quite clear that it has been Government policies that have hurt the family.

This view was recently supported in an article appearing in Newsweek magazine. I commend it to your attention because it spoke of one of the most important issues of the day.

Mr. Speaker, I insert in the RECORD, "Big Brother and Big Mother," by Jonathan Kellerman from Newsweek, January 12, 1981:

BIG BROTHER AND BIG MOTHER

(By Jonathan Kellerman)*

Last summer a conference was held, under the auspices of the Federal government, on The Family. The stated reason for this august gathering of experts, bureaucrats and special-interest groups was concern about the weakened state of that beleaguered institution. It was a seemingly noble purpose, for the family has occupied a sacrosanct role in American tradition. Reports on the conference suggest that, like many such well-intentioned caucuses, much more heat than light was generated. Nevertheless, a general statement of support for the family permeated the proceedings along with pledges by government officials that they would do all they could to help.

It sounds harmless enough, if not particularly profound. Government wants to strengthen the family. However, when one examines the role government has played in its relationship to the family, it is clear that not only has there been no support, on the contrary there has been a systematic erosion of the family, perpetrated by executive, legislative and judicial branches of government.

Consider mandatory busing as an example. Forcing children to relocate their educational environment in order to achieve racial harmony is a policy based upon social-science data of dubious validity. At best, busing can be considered a grandiose social experiment—an experiment in which participation is coerced. The irony is that the government itself espouses a policy of informed consent when it comes to the medical or scientific human research it funds. Subjects must be informed of any potential hazards and their participation must be totally voluntary. Each year Federal regulations concerning informed consent grow more stringent. And yet that same government mandates a major program of human experimentation, with more than a few suggested hazards, and foists it upon unwilling participants who are minors.

Taxation: Perhaps most destructive is the general tendency of government to engage in patterns of spending that contribute to rising levels of inflation and progressively weakened purchasing power of the dollar. As parents are forced to spend more time in the work force in order to achieve minimal standards of living, there is less time to spend in family activities. As inflation and government regulation drive the price of private housing upward to where home ownership becomes a perquisite of the rich, the psychological benefits of ownership, such as

*Dr. Kellerman, a psychologist, is the author of "Helping the Fearful Child," to be published this month.

privacy and space, are lost. And when government attempts to fill its draining coffers through predatory taxation, it only makes matters worse.

Even basic decisions about child rearing, such as discipline, have been removed from the purview of parents and handed over to public institutions. A 1977 Supreme Court decision gave the right to public-school officials to inflict corporal punishment upon children against their own wills and against the wills of their parents. At the same time schools are allowed to spank kids, they are abdicating responsibility over keeping them in class—who has seen or heard of a truant officer recently? I have personally witnessed several instances of parents begging educational officials to enforce rules of attendance, only to be met with shrugs and helpless looks.

Our rapidly burgeoning welfare system is still another case of government preempting the parental role. It is a well-known finding in psychology that much of what children learn occurs through modeling—imitation. The child who is not exposed to role models who work, earn money, manage their finances and generally engage in fiscally responsible behavior is less likely to learn how to assume control over his own economic survival when he reaches adulthood. It is not surprising, then, to find that the pattern of dependency and helplessness fostered by welfare repeats itself generation after generation. When government assumes the role of provider—the very name welfare implies this—it also takes over the roles of teacher, trainer and transmitter of norms, skills and values. In short, government, through its dispensing of sustenance and discouragement of initiative and self-help, becomes The Great Parent in the Sky, albeit an incompetent one.

Pap: The reality is that there is just so much power to go around when it comes to making decisions about the family. Government and the individual have been cast into competitive roles, with the individual losing ground. The trend of the last two decades toward more government intervention and control has carried with it a clear message to families: you are not competent to decide how to live your life—we know better. This has created low parental self-esteem and feelings of powerlessness that manifest themselves in the sociopolitical arena. Witness the knee-jerk response to dissatisfaction with the pap that is offered to children on television: parents demand that the government regulate, legislate, forbid. However, the way to minimize the noxious influence of TV is not through more government tinkering with the airwaves. The sure way is for parents who don't like what their kids are watching to take charge of the set: say no. Turn the damn thing off.

A similarly self-reliant, assertive challenge to government must be assumed by parents if we are to stem the tide of encroachment by institutions upon the family. Results of the 1980 Presidential and Congressional elections indicate growing public skepticism of the ability of government to manage our lives for us. One would hope that this does not represent merely a negative, blame-seeking reaction but, rather, that it is accompanied by enthusiasm for the basic competence of the individual. Such individualism does not imply a disregard for the value of cooperation and compassion, nor does it establish any single group as the ultimate judge of public morality. On the contrary, it recognizes the importance of diversity. Unless parents develop a political identity as parents and translate this into demanding a phase-out of government interference, the true threat in 1984 will not be Big Brother. It will be Big Mommy/Daddy.

TIME FOR A CONFERENCE OF THE INDUSTRIAL DEMOCRACIES

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, on February 21, 1980, I had the honor of addressing a meeting of the Air Force Reserve Officers Association in Washington, D.C. At that time I suggested that the problems faced by the West and Japan might best be overcome through a conference of industrial democracies. Such an organization would seek to coordinate all of the means by which these nations can and should communicate and defend their values—military, economic, social, cultural, intellectual, and communications. I stated, in part:

We have become too comfortable with the collective security organizations we created after World War II. We have failed to see that they no longer meet our current needs.

The conference as I envision it would be a loosely knit organization with no formal bureaucracy. The member nations would periodically discuss and perhaps set policy on a broad range of issues, ranging from military preparedness—which I believe would mean a larger role for Japan—to discussions of the implications of scientific discoveries, social movements, or demographic trends. I do not agree with what has been reported to be National Security Adviser Zbigniew Brzezinski's view that we need an annual summit meeting. Summit meetings are "events, where political superstars appear." I want a low-keyed meeting of high level officials not a media event.

It was—and is—my conviction that what the industrial democracies are faced with in the 1980's is the challenge of creating a new concept, a new idea to match the unique and complex problems we face. The old alliances, while they have served and may well continue to serve a purpose—NATO is but one example—should not be abandoned. But the organization I envision must address the whole range of problems that no single existing organization of democratic nations is addressing at this moment.

Nothing that has happened during the last 11 months has changed my mind concerning the need for such an organization. To the contrary: I am more convinced than ever that the key to progress for freedom in the 1980's can be found only in the realization that the entirety of our concerns—not just military, not just economic—must be addressed and debated. This can be done only with a formal organization created specifically for such a purpose, one that complements existing security and economic organizations.

Recently I came across a study published by the Joint Working Group of the Atlantic Council of the United States entitled, "The Common Security Interest of Japan, the United States and NATO." I strongly urge that you read this brief but lucid and penetrating study. At this time I want to insert into the RECORD the policy recommendations of that study because they contain what I believe to be very good suggestions as to how we may meet current worldwide problems through mutual cooperation. While I do not necessarily accept the Atlantic Union concept, I do agree in principle with its goal of the need for political as well as military and economic strength.

At this same time I want to insert into the RECORD an article written by Hobart Rowen, economic writer of the Washington Post, "Oil-Consuming Nations Need a United Front" which addresses these same concerns from a slightly different angle.

Mr. Speaker, I insert both abovementioned articles in the RECORD:

[The Atlantic Council of the United States, Policy Papers]

THE COMMON SECURITY INTERESTS OF JAPAN, THE UNITED STATES, AND NATO

(Joint Working Group of the Atlantic Council of the United States and the Research Institute for Peace and Security, Tokyo; U. Alexis Johnson, Chairman, George R. Packard, Rapporteur; foreword by Kenneth Rush and Masamichi Inoki.)

The Joint Working Group of the Atlantic Council of the United States and the Research Institute for Peace and Security of Japan believes that the following recommendations can be effective in defending the common security interests of Japan, the United States and NATO:

1. FORMING A POLITICAL FRAMEWORK FOR COMPREHENSIVE SECURITY

There should be established a procedure, within or outside the framework of the present "Big Seven" Economic Summit Conferences, for high level exchanges of views or consultations among the United States, the other major members of NATO and Japan on comprehensive security questions of common interest to include (but not be limited to) those set forth below. Such activities would address overall goals and missions, including equitable sharing of the overall costs and responsibilities. Existing institutions would be used to the maximum extent possible in implementing decisions that are reached, but new institutions might be established where necessary.[1]

[1]Franklin B. Weinstein comments: "I have reservations about the desirability of launching a regular program of multilateral security consultations at the summit level. In my judgment, it would be preferable to begin with less formal consultations at the working level. Such consultations are likely to be more effective as a means of exchanging views and less provocative, either to Japanese who question the appropriateness of their participation in such an endeavor, or the Soviets concerned about the possible development of an anti-Soviet united front."

2. ESTABLISHING A CREDIBLE MIDDLE EAST DETERRENT

To deter the Soviet Union from directly or indirectly expanding its influence in the Middle East or obtaining control of access to Middle Eastern oil supplies, an adequate deterrent force should be established as quickly as possible in that area, capable of a variety of missions on land, sea and in the air. The United States is the only country capable of taking the lead in this operation. Other North Atlantic Treaty nations and Japan should undertake agreed assignments within the region:

- France, the Federal Republic of Germany, the United Kingdom and Canada should provide appropriate military assets to the Middle East/Persian Gulf area to enhance allied capability and to demonstrate allied solidarity.
- Other NATO/Europe nations and Japan should apply their own civil assets, including airlift and sealift, to support this allied presence in the Middle East/Persian Gulf area. Countries with past operational experience in the Middle East region could provide valuable intelligence and training support for forces in or being deployed to the area.

3. MAINTAINING DETERRENCE ELSEWHERE

As the foregoing will require some drawdown of US forces earmarked for deployment to the European and Asia/Pacific theaters in an emergency, and perhaps even limited temporary reductions in US air and naval forces there in peacetime, other NATO nations and Japan should promptly increase their defense efforts to compensate for the drawdowns for American forces.

4. STRENGTHENING U.S. FORCES

The United States should make greater efforts to maintain a sufficiently strong and credible strategic nuclear posture vis-a-vis the Soviet Union.

The United States should promptly increase the size and quality of its conventional forces in order to maintain with its allies a satisfactory level of deterrence in all three theaters. In doing so, the US should fulfill its commitments under NATO's Long Term Defense Program.

The United States should immediately proceed to implement its plan to create and maintain substantial strategic petroleum reserves.

5. DEMONSTRATING CONTINUED US COMMITMENT IN THE ASIA/PACIFIC AREA

By word and deed, the US should avoid any implication that it intends to withdraw from the Asia/Pacific region. By demonstrating that it is and will remain a Pacific power, the United States can ease many of the anxieties of its allies and potential supporters in the region.

6. RESTORING US ECONOMIC HEALTH

The United States should promptly do whatever is necessary to restore its own economy to health, enhancing its productivity, curbing inflation, correcting balance of payments deficits, and reducing its dependence on oil imports.

7. INCREASING JAPAN'S DEFENSE CAPABILITIES

Japan should strengthen and improve its Self Defense Force. It should stress its air defense, anti-submarine and mine-laying capabilities. Japan may have to increase its own war reserve stockpiles, thereby decreasing its dependence on US combat-sustaining support.

8. INCREASING THE EFFECTIVENESS OF THE US-JAPAN SECURITY TREATY

To the maximum feasible extent, Japan and the United States should, in implementing the 1978 Joint Defense Guidelines, standardize and integrate their intelligence, communications, logistics, weapons and training systems for the purpose of being prepared to undertake joint operations in the event of an outbreak of hostilities.

The United States and Japan should also find new and effective means to coordinate joint operations. Japan should increase the application of its own civil assets—including airlift and sealift—to support the movement of U.S. reinforcements across the Pacific.

9. INCREASING JAPAN'S FINANCIAL CONTRIBUTION

Japan should continue to increase its share of the costs for maintaining U.S. troops and bases in Japan, since those troops contribute in an important way to the comprehensive security of Japan and the United States.

10. ENHANCING JAPAN'S CONTRIBUTION TO ALLIED ENERGY INDEPENDENCE

As a significant component of comprehensive allied security, Japan should devote a major new effort to support research and development of alternate sources of energy.

11. INCREASING JAPAN'S CONTRIBUTION TO MIDDLE EAST STABILITY

Japan should continue to increase its economic and technical assistance to areas of conflict and potential conflict, especially to key nations in the Middle East.

12. AVOIDING TRADE CONFLICTS AND PROTECTIONISM

Japan, the U.S., and the other NATO nations should not permit temporary and inevitable trade frictions to undermine their far more important and lasting interest in working together for the common good. Above all, the kind of protectionism which led to disaster in the 1930s must be avoided. The advanced industrial democracies share a huge stake in maintaining regional and world peace and security for all nations, and in preserving stability and growth of the world economy under conditions of orderly trade, investment and access to raw materials. They share an interest in seeing that representative governments flourish wherever possible. All of these shared interests—and more—dictate that they should place potentially divisive trade issues in the perspective of the larger goals and deal with them accordingly.

13. AFFIRMING U.S. SUPPORT FOR THE REPUBLIC OF KOREA

The United States must make it unmistakably clear that it will continue its support for the Republic of Korea, and that the United States intends to maintain ground combat forces there.[2]

14. ASSISTING THE PEOPLE'S REPUBLIC OF CHINA

The allied nations should provide economic and technological assistance but not lethal military equipment in support of the modernization program of the People's Republic of China.

15. SUPPORTING ASEAN

The ASEAN nations represent an important element in the maintenance of the stability of Southeast Asia and occupy a critically important geographic position on the sea lines of communication. The allied nations should continue to support ASEAN and maintain closer relations with these friendly nations.

[2]Franklin B. Weinstein comments: "I do not agree that the U.S. should indicate an intention indefinitely to maintain ground combat forces in the ROK."

16. SUPPORTING OTHER DIPLOMATIC AND POLITICAL MEASURES[3]

Although these recommendations have focused mainly on common security interests and the strengthening of defense capabilities, this should not be interpreted as in any way detracting from the importance of diplomatic and political measures aimed at reducing areas of potential conflict, especially in the Middle East.

The Joint Working Group strongly recommends that the allied nations energetically pursue such efforts in concert.

[3]Robert W. Barnett comments: "Beyond the foregoing recommendations, there must be readiness to explore mutually beneficial relations with the U.S.S.R., and to negotiate such trustworthy arms control and disarmament arrangements as can lift some of the burden of military spending from the world economy."

[From the Washington Post, Dec. 21, 1980]

OIL-CONSUMING NATIONS NEED A UNITED FRONT

(By Hobart Rowen)

Once again, OPEC has performed its unique flimflamming act to perfection, and the oil-consuming countries bow in obsequious relief that the damage is no greater.

The reality is that by raising oil prices another 10 percent (on top of the 150 percent to 180 percent increase since the beginning of 1979), the OPEC ministers have contemptuously thrown another log on the world's inflationary fire.

Sheik Ahmed Zaki Yamani and his cohorts clearly have the Western world's number, although this time there have been some angry responses—from the Carter White House and from a few of the less-timid industrial nations. But for the past seven years of price shocks by the Organization of Petroleum Exporting Countries, the general response—arising out of fear—has been one of complaisant accord.

What I find disgusting is the way in which oil-industry officials time after time have greeted each OPEC price increase with words suggesting that the cartel has acted modestly.

For example, the Bali increase puts the oil-price ceiling all the way up to $41 a barrel, with the benchmark for Saudi crude raised $2 to $32, retroactive to Nov. 1, while most of the others move up $4 to a benchmark of $36. For the United States it means another nickel a gallon at the pump and yet another ratchet of a half point on the inflation index.

Marshall Thomas, an editor of the highly respected Petroleum Intelligence Weekly, says the overall effect of the Bali decision will be to make oil markets "more chaotic and more expensive."

Yet, there was this kind of incredible response, as well:

"Remarkably moderate"—John H. Lichtblau of the Petroleum Industry Foundation.

"Surprisingly small in light of the Iran-Iraq war"—Theodore Eck of Standard Oil of Indiana.

". . . Will be easily absorbed by the marketplace"—New York analyst Everett Titus.

Note, please, that like all of its previous price hikes, the Saudi boost is retroactive. "We have reached an era of lawlessness," New York oil exert Walter J. Levy told me. "OPEC shows a contempt for the other side

and for all legal pricing principles on which international commerce and comity have been based. And we sit there and say: 'How marvelous! We've been knocked down again, but it won't kill us.' When is enough enough?"

Equally disturbing is the way in which much of the world's press has swallowed and then regurgitated the smooth propaganda line of Sheik Yamani, which portrays the Saudis as moderates, taking on other OPECers as hawks. Time after time, Yamani's assurances that the Saudis would hold out against a big price increase have made the headlines.

And when Yamani gives in at last minute to preserve OPEC "unity," the price increase to which the Saudis "reluctantly" agree is said to be less than it would have been if our friends the Saudis hadn't been in there, fighting for its great pal, the United States. Maybe you also believe in Santa Claus.

A September 1980, analysis by the Paris correspondent of The Washington Post after the last OPEC price increase—the one in Vienna—read as follows ". . . On reflection, OPEC unity tends to mean an orderly oil market—no matter how high prices are, and that is ultimately in the West's interest." Maybe you also believe in the tooth fairy.

In the latest price-boosting episode, what should have been emphasized was not the relative moderation of the price increase, but the fact that 10 percent is a shocking boost in the face of prevailing economic conditions. A New York Times analysis made precisely the right point. The latest OPEC squeeze "demonstrates the stranglehold that producing countries continue to hold over pricing levels. . . ."

A myth some Western journals advance is that OPEC, as a cartel, is somehow disintegrating. If anything, the Bali meeting shatters that silly idea, displaying beyond doubt the viability of the cartel. OPEC showed it was more concerned with making money than the fact that two of its members—Iraq and Iran—are at war (Iraq has kidnapped the Iranian oil minister) while Iraq and Syria have come close to blows.

The OPEC glue is oil profit—lots of it—not ideology. "Of course, OPEC remains effective," Levy said. "They not only can set a price floor, they still maintain a clearinghouse for ideas, there is a conscious parallelism in their actions, and they all basically follow the principle that you can produce less, charge more and earn more."

Meanwhile, our "friend" Yamani has predicted that oil prices will hit $50 a barrel next spring if the Western nations have the temerity to continue protective stockpiling. "You will have to pay for this if this [stockpiling] trend is not stopped," Yamani warned darkly in an interview with Weltwoche, a Swiss weekly.

I hope that the incoming Reagan administration will tell Yamani to stuff it—that it intends to accelerate the building of the absolutely critical Stategic Petroleum Reserve. Inattention to the SPR is one of the blackest marks against the Carter administration.

But the most important lesson, as Levy stresses, is that the consuming nations have to act together. "If we don't hang together, we will hang separately," Levy says. This has been clear for a long time, but the only thing we seem to have learned is how to grovel.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. WORTLEY) to revise and extend his remarks and include extraneous material:)

Mr. WORTLEY, for 10 minutes, today.

(The following Members (at the request of Mr. CORRADA) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. BONKER, for 5 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.
Mr. AUCOIN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WORTLEY) and to include extraneous matter:)

Mr. DORNAN of California.
Mr. MCEWEN.
Mr. SMITH of New Jersey.
Mr. GREEN in two instances.
Mr. NELLIGAN.
Mr. GILMAN in two instances.
Mr. FISH.
Mr. PARRIS.
Mr. LEACH of Iowa.
Mr. DERWINSKI in two instances.
Mr. GRADISON.

(The following Members (at the request of Mr. CORRADA) and to include extraneous matter:)

Mr. DYSON.
Mr. CONYERS.
Mr. PEASE.
Mr. MCDONALD in five instances.
Mr. LUNDINE.
Mr. BINGHAM in two instances.
Mr. MILLER of California.

ADJOURNMENT

Mr. CORRADA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 47 minutes p.m.), under its previous order, the House adjourned until Monday, January 19, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

174. A letter from the Deputy Assistant Administrator for Pesticide Programs, U.S. Environmental Protection Agency, transmitting proposed final regulations to implement section 24(c) of the Federal Insecticide, Pesticide, and Rodenticide Act, as amended, pursuant to section 25(a)(4) of the act; to the Committee on Agriculture.

175. A letter from the Assistant Secretary of Defense (Comptroller), transmitting notice of the proposed obligation of $55.4 million in the Army Stock Fund for war reserve stocks, pursuant to section 736 of Public Law 96-527; to the Committee on Appropriations.

176. A letter from the Secretary of Housing and Urban Development, transmitting a report on a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

177. A letter from the Secretary of the Army, transmitting the annual report of the U.S. Soldiers' and Airmen's Home for fiscal year 1979 and a copy of the annual general inspection of the Home, 1980, by the Inspector General of the Army, pursuant to the act of March 3, 1883, as amended; to the Committee on Armed Services.

178. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the food services activity at Fort Knox, Ky., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

179. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the military family housing maintenance function at Tyndall Air Force Base, Fla., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

180. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the vehicle operations and maintenance function at Tinker Air Force Base, Okla., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

181. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at F. E. Warren Air Force Base, Wyo., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

182. A letter from the Chief, Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting a report on military construction contracts awarded by the Air Force without formal advertisement for fiscal year 1980, pursuant to section 604 of Public Law 95-356; to the Committee on Armed Services.

183. A letter from the Deputy Assistant Secretary of Defense (Information Operations and Reports), transmitting notice of the Navy's intention to omit the clause authorizing the Comptroller General to examine certain records which would otherwise be required to be included in a contract with British Aerospace and Rolls Royce Ltd. for the supply of post-production support of AV/TAV-8A Harrier and AV/TAV-8S Matador aircraft, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

184. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature and estimated cost of various construction projects proposed to be undertaken by the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

185. A letter from the Director, Federal Emergency Management Agency, transmitting a report that the Agency made no real or personal property acquisitions of emergency supplies and equipment during the quarter ended December 31, 1980, pursuant to section 201(h) of the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

186. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-254, "To amend the District of Columbia Securities Act; to clarify and make technical amendments to provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 relating to public school teachers; to provide for voluntary retirement by public school teachers, police officers, and firefighters, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

187. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-255, "To amend the schedule of water rates and the charges for sanitary sewer services, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

188. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-256, "To amend the law which regulates finance charges for retail installment sales of motor vehicles in the District of Columbia, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

189. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-257, "To establish the real property tax rates for tax year 1981, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

190. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-258, "To eliminate restrictions relating to the operation of beauty shop and barber shop establishments in the District of Columbia in order that such establishments may remain open for business 7 consecutive days each week of the calendar year," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

191. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-259, "To establish in the Executive Office of the Mayor, the Office of Financial Management and the Office of the District of Columbia Treasurer; to authorize the performance of financial management functions by the Office of Financial Management and the Office of the Treasurer; and for other purposes, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

192. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-260, "To increase the amount of revenue collected by the District of Columbia from sightseeing vehicles, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

193. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-261, "To provide protections for children determined to be in need of inpatient examinations in proceedings regarding delinquency, neglect, or in need of supervision", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

194. A letter from the Chariman, Council of the District of Columbia, transmitting District of Columbia Act 3-262, "To order the closing of a public alley abutting lots 30, 31, 32, 27, 801, 4, and 5 in Square 225, bounded by 15th Street, NW., F Street, NW., 14th Street, NW., and Pennsylvania Avenue, NW. (S.O. 79-392) (Ward 2)", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

195. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-263, "To order the closing of a north-south public alley abutting on lots 804, 828, 826, 820, 801, 802, 803, and 15 in Square 563, bounded by Massachusetts Avenue, NW., 2d Street, NW., New Jersey Avenue, NW., and H Street, NW., (S.O. 76-144) (Ward 2)," pursuant to section 602(c) of the Public Law 93-198; to the Committee on the District of Columbia.

196. A letter from the Chairman, Council of the District of Columbia, transmitting, District of Columbia Act 3-264 "To create a cause of action for damages against the District of Columbia by persons who have been unjustly convicted and imprisoned," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

197. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-265, "To amend the law with respect to the blind and otherwise physically handicapped to include deaf persons and persons using guide dogs, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

198. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-266, "To amend the District of Columbia Tissue Bank Act to authorize the Chief Medical Examiner to allow the removal of tissue from dead bodies in certain instances," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

199. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-267, "To revise the procedural rules of practice to govern hearings before the District of Columbia Alcoholic Beverage Control Board, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

200. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-272, "To amend the Firearms Control Regulation Act of 1975 to increase the criminal penalties thereunder, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

201. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-273, "To amend article 20, section 2 of the District of Columbia Police Regulations to permit indefinite posting of crime prevention signs, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

202. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-274, "To authorize the Mayor to take certain actions in connection with a public emergency," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

203. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-275, "To adopt the basic compensation system for the District of Columbia Board of Education and the University of the District of Columbia; to amend the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 relating to compensation; and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

204. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-276, "To name the part in lot 1, Square 2927, Bounded by 13th Street, NW., Arkansas Avenue, NW., and Emerson Street, NW., in memory of Mary Church Terrell and Arthur Fletcher Elmes (Ward 4)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

205. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-277, "To amend the Motor Vehicle Regulations for the District of Columbia relating to exhaust emission standards and equipment requirements for motor vehicles operated in the District of Columbia," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

206. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-280, "To order the closing of a portion of a public alley abutting on lots 801 and 802 in Square 69, bounded by 21st Street, NW., 22d Street, NW., N Street, NW., and O Street, NW., and to accept the dedication of certain other land in Square 69 for public alley purposes (S.O. 78-295) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

207. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-281, "To order the closing of a portion of Maine Avenue between 6th Street, SW., and 7th Street, SW. (S.O. 75-204) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

208. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-282, "To order the closing of the public alleys abutting on lots 84, 85, 86, 87, 88, 809, 810, 865, 864, 846, 863, 862, 861, 860, 39, 802, 801, and 2 in Square 183, bounded by L Street, NW., and 16th Street, NW., and to accept the dedication of land in Square 183 for alley purposes (S.O. 80-25) (Ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

209. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 33-283, "To amend the District of Columbia Cooperative Association Act to provide for directors of housing cooperative associations appointed by nonprofit sponsors and to allow adequate compensation for the organization of the association including promotional, advertising, and legal fees," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

210. A letter from the Chairman, Council of the District of Columbia, transmitting

District of Columbia Act 3-284, "To repeal that portion of the District of Columbia Alcoholic Beverage Control Act which prohibits the sale of alcoholic beverages on the day of the Presidential election in the District of Columbia during the hours the polls are open, and for other purposes", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

211. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-285, "To establish the District of Columbia Civilian Complaint Review Board for the purpose of resolving citizen allegations of misconduct by officers of the Metropolitan Police Department and Special Police employed by the District of Columbia government," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

212. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-286, "To permit the appointment of administrative law judges to the Section of Hearings of the Office of Consumer Protection, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

213. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-287, "To provide for the disposition of unclaimed personal and intangible property in the District of Columbia," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

214. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-289, "To order the closing of a portion of an east-west public alley abutting on lots 800, 802, 803, 805, 807, 809, and 811 in Square N-699, bounded by K Street, SE., Half Street, SE., L Street, SE., and First Street, SE (S.O. 73-31) (Ward 2)", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

215. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-290, "To order the closing of Linnean Avenue, NW., between Lenore Lane, NW., and Audubon Terrace, NW., in Square 2246 (S.O. 79-260) (Ward 3)", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

216. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-291, "To order the closing of a public alley abutting lots 835 and 838 in Square 250, bounded by H Street, NW., 14th Street, NW., I Street, NW., and 13th Street, NW. (S.O. 72-101-Revised) (Ward 2)", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

217. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-292, "To order the closing of a public alley abutting lots 12 and 13 in Square 1370, bounded by Reservoir Road, NW., Whitehaven Parkway, NW., Foxhall Road, NW., and 47th Street, NW. (S.O. 76-71) (Ward 3)", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

218. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-293, "To designate the public alley abutting lots 49, 52, 48, 835, 832, 802, 810, 8, 811, 812, 813, 814, 815, 816, 817, 818, 819, 54, 821, and 822 in Square 1199, bounded by Wisconsin Avenue, NW., and 31st Street, NW., as Blues Alley (Ward 3)", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

219. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-297, "To amend the Day Care Policy Act with regard to income eligibility," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

220. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-298, "To amend the Healing Arts Practices Act, District of Columbia 1928," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

221. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-299, "To designate the east-west public alley abutting on lots 64, 93, 97, 809, 53, 10, and 98 in Square 968, bounded by Constitution Avenue, NE., and East Capitol Street, between Eleventh Street, NE., and Twelfth Street, NE., as Walter Houp Court (Ward 6)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

222. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-300, "To regulate the conduct of business operations in the District of Columbia consistent with the goals of a free enterprise system," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

223. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-306, to order the closing of a public alley in Square 159, bounded by N and 17th Streets, NW., and Rhode Island and Connecticut Avenues, NW., (S.O. 77-232) (Ward 2), pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

224. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-337, "To order the closing of the portion of the east-west public alley abutting lots 36, 5, 6, and 19 in square 5263, bounded by Dix Street, NE., and 59th Street, NE. (S.O. 79-439-Revised)(Ward 7); to amend the Police and Firemen's Retirement and Disability Act, and an act for the retirement of public school teachers in the District of Columbia to provide for the optional, voluntary retirement of police officers, firefighters and teachers; to amend the District of Columbia Depository Act of 1977, to allow for continuation for 1 year of depository contracts expiring in fiscal year 1981, and to move the date for submitting social criteria information from December 1 to May 1; and to amend the District of Columbia Motor-Vehicle Fuel and Sales Tax Act, and the District of Columbia Sales Tax Act; and for other purposes", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

225. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-338, "To provide procedures to protect underground facilities from destruction, damage, or dislocation by persons performing excavation or demolition operations, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

226. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-339, "To amend the District of Columbia Government Comprehensive Merit Personnel Act of 1978 to modify the standards for compensation setting, to authorize the Mayor to make changes to the compensation system or adjustments in the rates of pay based on a consideration of economic conditions and budgetary contraints, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

227. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act, 3-340, "To provide relocation assistance, stabilize residential rents, provide eviction controls, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

228. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 3-341, "To establish the District of Columbia Office of Energy for the development and implementation of the comprehensive energy plan and programs, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

229. A letter from the Secretary of Education, transmitting proposed regulations establishing a new program of training teachers of handicapped children, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and labor.

230. A letter from the Secretary of Education, transmitting proposed final regulations for the Cost of Attendance Provisions for Student Assistance Programs; national direct student loan, college work-study, supplemental educational opportunity grant, guaranteed student loan, parent loans for undergraduate students, and Pell grant programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

231. A letter from the Secretary of Education, transmitting proposed final regulations for the minority institutions science improvement program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

232. A letter from the Secretary of Education, transmitting proposed final regulations for selection criteria for fiscal year 1981 Grant and Contracts, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

233. A letter from the Secretary of Education, transmitting proposed final regulations for the Vocational Rehabilitation Service Projects, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

234. A letter from the Secretary of Education, transmitting proposed final regulations establishing the Family Contribution Schedules for 1981-82 under the Pell grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

235. A letter from the Secretary of Education, transmitting proposed final regulations interpreting part B of the Education of the Handicapped Act and section 504 of the Rehabilitation Act of 1973 to require public educational agencies to provide clean intermittent catheterization as a "related service" to handicapped children entitled to receive services under those statutes, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

236. A letter from the Secretary of Health and Human Services, transmitting the annual report on the health consequences of smoking, pursuant to section 8(a) of Public Law 89-92, as amended (84 Stat. 89), and section 403 of Public Law 95-626; to the Committee on Energy and Commerce.

237. A letter from the Secretary of Health and Human Services, transmitting a report that no funds have been expended to make improvement to private property to alleviate health hazards in a migrant and community health center's catchment area, pursuant to section 329(f)(5) of the Public Health Service Act, as amended; to the Committee on Energy and Commerce.

238. A letter from the Secretary of Health and Human Services, transmitting a report on the Department's administration of the Fair Packaging and Labeling Act during fiscal year 1980, pursuant to section 8 of Public Law 89-755; to the Committee on Energy and Commerce.

239. A letter from the Secretary of Transportation, transmitting the fifth annual report on the automotive fuel economy program, covering fiscal year 1980, pursuant to section 502(a)(2) of the Motor Vehicle Information and Cost Savings Act; to the Committee on Energy and Commerce.

240. A letter from the Secretary of Commerce, transmitting a report on the imposition of foreign policy controls on certain exports to Libya, Iraq, the People's Democratic Republic of Yemen, and Syria, pursuant to section 6(e) of the Export Administration Act of 1979; to the Committee on Foreign Affairs.

241. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting the administration's fiscal year 1982 arms control impact statements, pursuant to section 36(b)(2) of the Arms Control and Disarmament Act, as amended; to the Committee on Foreign Affairs.

242. A letter from the Assistant Secretary of the Treasury for Administration, transmitting notice of proposed changes in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

243. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of proposed changes in two existing records systems of the Bureau of Mines, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

244. A letter from the Administrator of General Services, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

245. A letter from the Vice Chairman, Board of Governors, U.S. Postal Service; transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

246. A letter from the Acting Director, Office of Procurement and Assistance Management, Department of Education, transmitting a report that the Department disposed of no foreign excess property during fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

247. A letter from the Director, International Communication Agency, transmitting a report on the agency's disposal of foreign excess property during fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

248. A letter from the Clerk, U.S. House of Representatives, transmitting a list of reports which it is the duty of any Officer or Department to make to Congress, pursuant to rule III, clause 2, of the Rules of the House of Representatives (H. Doc. No. 97-12); to the Committee on House Administration and ordered to be printed.

249. A letter from the Clerk, U.S. Court of Claims, transmitting the court's judgment order in docket No. 279-C, *The Blackfeet and Gros Ventre Tribes of Indians, residing upon the Fort Belknap Reservations in the State of Montana* v. *The United States*, and docket No. 250-A, *The Fort Belknap Indian Community, sometimes referred to as the Gros Ventre Tribe and Assiniboine Tribe of the Fort Belknap Indians* v. *The United States*; to the Committee on Interior and Insular Affairs.

250. A letter from the Attorney General, transmitting notice of the Justice Department's decision to refrain from enforcing 18 U.S.C. 1461 and 39 U.S.C. 3001(e), which make it illegal to mail certain matter relating to abortions, on the grounds that Federal court decisions have found such provisions unconstitutional, pursuant to section 21 of Public Law 96-132; to the Committee on the Judiciary.

251. A letter from the Deputy Director, Office of Management and Budget, transmitting a draft of proposed legislation to amend chapter 83 of title 5, United States Code, to provide for annual cost-of-living adjustment to civil service annuities, and for other purposes; to the Committee on Post Office and Civil Service.

252. A letter from the Deputy Director, Office of Personnel Management, transmitting the biennial report on the operation of the Senior Executive Service, pursuant to 5 U.S.C. 3135 and 4314; to the Committee on Post Office and Civil Service.

253. A letter from the Assistant Secretary of Agriculture for Administration, transmitting a negative report on the employment of specially qualified scientific and professional personnel for calendar year 1980, pursuant to 5 U.S.C. 3104(b); to the Committee on Post Office and Civil Service.

254. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed expenditure of funds in excess of the authorized amount for the fiscal year 1981 Space Shuttle program, pursuant to section 4 of Public Law 96-316; to the Committee on Science and Technology.

255. A letter from the Administrator of Veterans' Affairs, transmitting the annual report for fiscal year 1980 on the agency's program for the sharing of medical facilities, pursuant to 38 U.S.C. 5057; to the Committee on Veterans' Affairs.

256. A letter from the Chairman, National Commission on Social Security, transmitting a summary of the Commission's major recommendations, pursuant to section 361 of Public Law 95-216, as amended; to the Committee on Ways and Means.

257. A letter from the Deputy Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend titles 5 and 37, United States Code, to extend the pay comparability concept to a total compensation comparability concept encompassing both pay and benefits, and for other purposes; jointly, to the Committees on Armed Services, Post Office and Civil Service, and Rules.

258. A letter from the Acting Comptroller General of the United States, transmitting a report on supply support costs of combat ships (LCD-81-9, January 15, 1981); jointly, to the Committees on Government Operations and Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AuCOIN:

H.R. 848. A bill to amend the Housing and Community Development Act of 1974 to provide for grants to be made by the Secretary of Housing and Urban Development to cities, urban counties, and Indian tribes for energy development and conservation action; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

H.R. 849. A bill to amend the Housing and Community Development Act of 1974 to provide for grants to be made by the Secretary of Housing and Urban Development to local governmental units and Indian tribes for the development of energy conservation plans and programs; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. GEPHARDT (for himself and Mr. STOCKMAN):

H.R. 850. A bill to institute fundamental reforms in the health care delivery system, to assist all Americans in obtaining health care, and to restrain increases in the cost of health care; jointly, to the Committees on Ways and Means, Energy and Commerce, the Judiciary, and Post Office and Civil Service.

By Mr. BONKER:

H.R. 851. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. PHILLIP BURTON:

H.R. 852. A bill to amend the Fair Labor Standards Act of 1938 to provide that blind persons may not be employed at less than the applicable minimum wage under that act; to the Committee on Education and Labor.

H.R. 853. A bill to provide benefits for sufferers from byssinosis; to the Committee on Education and Labor.

H.R. 854. A bill to require contractors of departments and agencies of the United States engaged in the production of motion picture films to pay prevailing wages; to the Committee on Education and Labor.

H.R. 855. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

H.R. 856. A bill to provide for National Park Service Wilderness designation in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 857. A bill to establish Barrier Islands National Parks, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 858. A bill to amend the Internal Revenue Code of 1954 to make permanent

certain rules relating to travel expenses of State legislators; to the Committee on Ways and Means.

H.R. 859. A bill to designate certain public lands in the State of California as wilderness, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Agriculture.

By Mr. PHILLIP BURTON (for himself, Mr. WEAVER, Mr. BONKER, Mr. MOFFETT, Mr. MAVROULES, Mr. NEAL, Mr. BAFALIS, and Mr. GORE):

H.R. 860. A bill to amend the Wild and Scenic Rivers Act to provide for the study of certain river segments for potential inclusion in the National Wild and Scenic Rivers System and to designate certain river segments for inclusion in such system, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, Mr. LAGOMARSINO, Mr. MILLER of California, Mr. KOGOVSEK, Mr. MINETA, Mr. CORCORAN, and Mr. SEIBERLING):

H.R. 861. A bill to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, Mr. BERKUTER):

H.R. 862. A bill to establish the National Hostel Systems Act of 1981, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Banking Finance and Urban Affairs.

By Mr. PHILIP M. CRANE:

H.R. 863. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

H.R. 864. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

H.R. 865. A bill to limit the jurisdiction of the Supreme Court and of the district courts in cases regarding voluntary school prayer; to the Committee on the Judiciary.

H.R. 866. A bill to protect the freedom of the press under the first amendment to the Constitution; to the Committee on the Judiciary.

H.R. 867. A bill to limit the jurisdiction of the Supreme Court and the district courts in certain cases; to the Committee on the Judiciary.

H.R. 868. A bill to amend title 18 of the United States Code to increase the penalties for persons convicted of committing a felony with or while unlawfully carrying a firearm; to the Committee on the Judiciary.

H.R. 869. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

By Mr. GILMAN:

H.R. 870. A bill to establish the Domestic and International Hunger Foundation; jointly, to the Committees on Agriculture, and Foreign Affairs.

By Mr. GRADISON:

H.R. 871. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 872. A bill to amend title 38, United States Code, to authorize the Veterans' Administration to furnish veterans' benefits to certain veterans who were exposed to ionizing radiation as a result of nuclear testing conducted by the United States; and to establish within the National Cancer Institute an Advisory Panel on the Health Effects of Exposure to Radiation; jointly, to the Committees on Veterans' Affairs, and Energy and Commerce.

By Mr. GRADISON:

H.R. 873. A bill to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress during certain periods before elections; to the Committee on Post Office and Civil Service.

By Mr. GREEN:

H.R. 874. A bill to amend title 18 of the United States Code to enhance personal safety and reduce crime by providing for the registration of handguns, the licensing of handgun users, and a ban on the sale, manufacture, and importation of certain handguns, and for other purposes; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 875. A bill to require that $50 bills bear a portrait of Georgia Neese Clark Gray, the first woman to serve as Treasurer of the United States; to the Committee on Banking, Finance and Urban Affairs.

H.R. 876. A bill to amend the Motor Vehicle Information and Cost Savings Act to require Environmental Protection Agency automobile fuel economy tests to be based upon actual road conditions; to the Committee on Energy and Commerce.

H.R. 877. A bill to prohibit any person, in manufacturing cigarettes or little cigars for sale or distribution in commerce, from adding to such cigarettes or little cigars any substance which has the effect of continuing the burning of such cigarette or little cigar if left unattended; to the Committee on Energy and Commerce.

H.R. 878. A bill, the Former Presidential Enough is Enough and Taxpayers Relief Act of 1981; to the Committee on Government Operations.

H.R. 879. A bill to amend the Federal Election Campaign Act of 1971 to disallow the personal use of amounts received as contributions; to the Committee on House Administration.

H.R. 880. A bill to limit the amount of official funds available to a Member of Congress for the purchase of postage stamps to $100 for each calendar year; to the Committee on House Administration.

H.R. 881. A bill to establish the Federal right of every unemancipated child to be supported by such child's parent or parents and, therefore, to confer upon certain local courts of the District of Columbia and every State and territory of the U.S. jurisdiction to enforce such right regardless of such child's residence; to the Committee on the Judiciary.

H.R. 882. A bill to amend title 18 of the United States Code, to provide for rewards for information leading to the apprehension and conviction of certain kidnapers; to the Committee on the Judiciary.

H.R. 883. A bill to include home delivery of children's publications in the existing rates for children's publications sent to schools; to the Committee on Post Office and Civil Service.

H.R. 884. A bill to provide that the proceeds of the windfall profit tax shall be used to reduce the public debt; to the Committee on Ways and Means.

H.R. 885. A bill to prohibit payments of retirement benefits to those who are not retired; to the Committee on Ways and Means.

H.R. 886. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of individuals over age 65 amounts received on the redemption of certain U.S. savings bonds which have been held for at least 10 years; to the Committee on Ways and Means.

H.R. 887. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that an individual who has attained age 65, and who is eligible for old-age insurance benefits but has not filed application therefor, may elect (on an annual basis) to treat his or her employment or self-employment as not covered for social security benefit purposes and as exempt from social security taxes; to the Committee on Ways and Means.

H.R. 888. A bill to eliminate the exemption for Congress or for the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security, and for other purposes; jointly, to the Committees on Education and Labor, Government Operations, and Ways and Means.

By Mr. LEVITAS:

H.R. 889. A bill to provide coverage under the Federal old-age, survivors, and disability insurance system for all officers and employees of the United States and its instrumentalities other than those in the judicial branch; to the Committee on Ways and Means.

By Mr. MARTIN of North Carolina:

H.R. 890. A bill to amend the Tax Reform Act of 1976 to postpone the effective dates of the family rental tax; to the Committee on Ways and Means.

H.R. 891. A bill to amend section 355 of the Revised Statutes of the United States to authorize the head of any agency of the United States to retrocede to a State concurrent jurisdiction over any lands or interests therein over which the United States has previously acquired exclusive jurisdiction; jointly, to the Committees on Interior and Insular Affairs, and Public Works and Transportation.

By Mr. MOORHEAD:

H.R. 892. A bill to incorporate the American Blood Commission; to the Committee on the Judiciary.

H.R. 893. A bill to amend title 18, United States Code, to revise the scope and applicability of the postemployment conflict of interest provisions with respect to officers and employees of the executive branch; to the Committee on the Judiciary.

H.R. 894. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. FORSYTHE:

H.J. Res. 84. Joint resolution designating the week of October 4 through October 11, 1981, as "National Diabetes Week"; to the Committee on Post Office and Civil Service.

By Mr. GRADISON:

H.J. Res. 85. Joint resolution proposing an amendment to the Constitution of the United States relative to incurrence of debt by the Federal Government; to the Committee on the Judiciary.

H.J. Res. 86. Joint resolution proposing an amendment to the Constitution of the United States relative to the assignment of public school students; to the Committee on the Judiciary.

By Mr. JACOBS:

H.J. Res. 87. Joint resolution proposing an amendment to the Constitution of the United States with respect to the compelling of testimony from a defendant in a criminal case in open court, a restriction on the use of prior convictions except when they are an element of the crime charged,

and the right of a defendant in a criminal case to be informed of the evidence against him; to the Committee on the Judiciary.

H.J. Res. 88. Joint resolution proposing an amendment to the Constitution of the United States allowing the States to propose amendments to the Constitution when the legislatures of two-thirds of the States have approved substantially identical proposals for an amendment; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H. Con. Res. 26. Concurrent resolution expressing the sense of the Congress regarding the biennial cost-of-living adjustments for Federal retirees; jointly, to the Committee on Armed Services and Post Office and Civil Service.

By Mr. JACOBS:

H. Con. Res. 27. Concurrent resolution expressing the sense of the Congress that any Federal agency that utilizes the Draize rabbit eye irritancy test should develop and validate alternative ophthalmic testing procedures that do not require the use of animal test subjects; to the Committee on Energy and Commerce.

H. Res. 26. Resolution to amend the Rules of the House of Representatives to require that measures affecting the salaries, freebies, or emoluments of Members or former Members of Congress be adopted by rollcall vote; to the Committee on Rules.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7. By the SPEAKER: Petition of the International Association of Chiefs of Police, Inc., Gaithersburg, Md., relative to public safety communications; to the Committee on Energy and Commerce.

8. Also, petition of the International Association of Chiefs of Police, Inc., Gaithersburg, Md., relative to use of force; to the Committee on the Judiciary.

9. Also, petition of the International Association of Chiefs of Police, Inc., Gaithersburg, Md., relative to 55-miles-per-hour speed limit and compliance standards; to the Committee on Public Works and Transportation.

10. Also, petition of the Universities Council on Water Resources, Inc., Lincoln, Nebr., relative to the Water Resources Council; jointly, to the Committees on Agriculture, Interior and Insular Affairs, and Public Works and Transportation.

EXTENSIONS OF REMARKS

NCLC—LAROUCHE GROUP REORGANIZES

HON. LARRY McDONALD
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. McDONALD. Mr. Speaker, members of the political cult led by Lyndon LaRouche again have undergone an organizational shakeup. Veteran LaRouche followers have been purged and the U.S. Labor Party (USLP) has been declared defunct. The original LaRouche organization, the National Caucus of Labor Committees (NCLC), remains as the core group of "friends of Lyndon LaRouche." But the NCLC's former principal political front, the USLP, has been abandoned in favor of a new grouping, the National Democratic Policy Committee (NDPC), which appeared following the Democratic National Convention.

New Solidarity, which proclaimed itself "The newspaper of the National Caucus of Labor Committees" until September 1979, now claims to be the "National Non-Partisan Newspaper of the American Whig Tradition." The revised terminology notwithstanding, the NCLC has not disbanded; and the list of offices, post office boxes, and phone numbers formerly published in New Solidarity as those of both the NCLC and the USLP have been relabeled "New Solidarity International Press Service (NSIPS)."

In part, the NCLC reoganization has developed from LaRouche's 1979–1980 effort to run as the Democratic Party's candidate for President of the United States. LaRouche and his followers have frequently floated grandiose schemes and plans. Rebuffed by Democratic voters in the primaries, and also with the loss of a recent court suit possibly providing impetus for abandoning the USLP, LaRouche is directing his followers to work within the Democratic Party via their new NDPC front. This is a tactic known as entryism—a favorite among Trotskyite Communists. Undoubtedly LaRouche became familiar with it during his dozen years as a member of the Socialist Workers Party (SWP).

As I have documented in previous reports to my colleagues on threats to the internal security of the United States (see the CONGRESSIONAL RECORD, Extensions of Remarks, for January 26, 1977; and June 28, 1977), the National Caucus of Labor Committees (NCLC) is a violence-prone, totalitarian political group.

The NCLC exhibits an extreme form of the personality cult customarily developed by contemporary totalitarian leaders whether Stalin, Mao, Hitler, or Enver Hoxha at the state level. Maintaining unswerving loyalty from his followers obviously has been a problem for LaRouche, who found he could not pretend to be a revolutionary demi-god unless he could distract his lackeys' eyes from his defects.

LaRouche's solution has been to maintain a near-hysterical fevered atmosphere inside the NCLC organization. To as great an extent as possible, the NCLC is a closed band, but one with its own unique twist that makes it as bizarre among political groupings as a "Moebius strip" is among geometrical figures.

LaRouche maintains an atmosphere of panic, paranoia, and confusion among his followers designed to prevent the sort of independent thinking and reflection that might lead them to challenge his orders or leave to find some more normal political grouping. Primarily, LaRouche relies on the tactic of repeatedly discovering bizarre assassination plots directed against him along with alleged treacheries among his followers and wild claims of grandiose international conspiracies, plots, and schemes—all averted only by the frenetic activity of his loyal "Caucusoids."

The replacement of the U.S. Labor Party by another "Caucusoid" front, the National Democratic Policy Committee, has occurred at the same time the USLP has lost a lawsuit it filed against the Anti-Defamation League (ADL) of B'nai B'rith. LaRouche's followers filed the lawsuit, demanding $26 million in damages, after the ADL published a report documenting the virulently antisemitic content of the USLP publications.

The trial judge in the New York State Supreme Court issued a 22-page opinion in which he said ADL's criticisms constituted fair comment on the positions and statements of USLP spokesmen. The judge concluded:

> It is only through public expression, protected so zealously by the First Amendment, that the clandestine work of bigotry and intolerances, which flourishes when comment is suppressed, can be exposed to the full light of public scrutiny and dealt with appropriately.

In part, the NCLC/USLP adoption of antisemitism appears to be an outgrowth of its mid-1970's backing of Libyan dictator Muammar Qaddafi, and its long-term united front operation with Liberty Lobby, an organization founded by Willis Carto who seeks to use American populist causes as the method to bring about a National Socialist (Nazi) regime.

The National Caucus of Labor Committees has undergone a number of bizarre shifts in its political line—the result of a combination of LaRouche's opportunism and his constant need to seek new issues to absorb his followers' interests and energies. However, it has been supportive of the Soviet Union for at least the past 7 years—a record of consistency for this group.

For example, in November 1973, NCLC backed a Middle East peacekeeping force of Soviet troops that would be better able to control the U.S.S.R.'s Middle East "clients." In 1974 and 1975, NCLC denounced arrests of Soviet-line Communists in Argentina and the shooting of members of a terrorist group run by the Moscow-line Colombian Communist Party, and alleged that the CIA was involved.

From 1976 through 1978, the NCLC/USLP line claimed that the CIA and Western intelligence agencies ran the Italian Red Brigades and West German Baader-Meinhof terrorists in order to bring about chaos and an excuse for institution of fascism. The same themes were played in the Soviet bloc press and in the media of a number of Western Marxist groups. The false claim that the CIA was responsible for the Red Brigades kidnaping and murder of former Italian prime minister Aldo Moro was a favorite KGB disinformation theme.

Recently LaRouche has been smearing conservatives, anti-Communists, journalists, and others as "KGB moles." LaRouche and his followers rationalize this by asserting that Soviet Communist Party chief Leonid Brezhnev is the world's leading supporter of peace who must be supported; but that there is a small faction in the KGB which wants nuclear war and uses its special agents—leading Western conservatives—to start one.

As have many anti-Semitic groups, the NCLC/USLP combined its smear attacks on American and Western European Jews with attacks on Israel. In 1973, the focus was the Middle East war and the sale of Israel bonds in the United States. By the next year, the NCLC was denouncing Israeli counterterrorist efforts as terror units and excoriated strikes against PLO centers in southern Lebanon.

During 1975, when the first reports of a massive Soviet military buildup began reaching the mass media and while evidence of direct Soviet backing for the MPLA in Angola mounted, the NCLC commenced charges that a United States-British "axis" was "reviving the cold war." The "Caucusoid" backing of Stalinist chief of the Portuguese Communist Party, Alvaro Cunhal was hardly surprising. In 1977, the uncovering of a Soviet espionage ring in New Jersey was termed by NCLC/USLP "an undisguised attempt to provoke the Warsaw Pact," but, continued NCLC, "the socialist sector with Czechoslovakia in the lead, is fast unraveling the * * * networks Wall Street has used against it." By this, the NCLC was backing the persecution of the charter 77 dissidents.

And so the use in NCLC 1980 publications of materials from official Soviet propaganda media has not been a completely unprecedented development in the development of the LaRouche group. NCLC/USLP literature also has been supporting quite a few Cuban interests in Central and South America. These include attacking the Venezuelan Government because its supreme court overturned the convictions of four anti-Castro exiles; claiming prior to the Jamaican election that the Jamaican Labor Party, which was successful, was trying to bring about anarchy and civil war to benefit international drug dealers; and that conservative think tanks were conspiring to "collapse the Cuban economy and magnify internal political dissidence on the island."

As I have previously reported to my colleagues, NCLC chief Lyndon LaRouche was a member of the Trotskyite Communist Socialist Workers Party from the late 1940's to the early 1960's. After leaving the SWP, he became involved with Trotskyite splinter sects. When none of these groups recognized, as he wished, that Lyndon LaRouche, then using the alias or party name Lyn Marcus, was really a theoretician above the rank of Karl Marx, he formed his own small group.

Practicing the old Trotskyite technique called entryism, LaRouche's labor committees joined Students for a Democratic Society and recruited among SDS members. Lyn Marcus was sufficiently highly thought of by New York SDS members that he and several other labor committee leaders taught at the 1968 "Liberation School" held by SDS at Columbia University that summer. Just before faction fighting destroyed SDS, the organization expelled the SDS labor committees.

Despite the expulsion, assorted radical figures rallied to the defense of labor committee members arrested on weapons and explosives charges. For 3 years, the NCLC took a low profile. Early in 1973, NCLC emerged from obscurity with a campaign of savage slander and physical assaults on members of rival revolutionary groups. The SWP and the Communist Party, U.S.A., of which LaRouche was briefly a member, were the chief targets.

Bizarre and slanderous smears of all individuals perceived by LaRouche and the NCLC/USLP have become the hallmark of the group.

The NCLC has since ignored the CPUSA and SWP. LaRouche has found more interesting targets. NCLC/USLP continuously finds conspiracies which are trying to kill LaRouche, or provoke Russia into a nuclear war. At various times, these conspiracies have been run by amorphous entity termed "British intelligence" but which has been expanded to include hundreds of British and American organizations, corporations, research institutes, foundations, banks, legislators, government officials, organized crime chiefs, and individuals from reporters and novelists to songwriters.

When the Anti-Defamation League criticized NCLC/USLP antisemitism, New Solidarity, the newspaper of the National Caucus of Labor Committees and the U.S. Labor Party, ran a front-page story—August 22, 1978—headlined, "Israeli Intelligence Runs World Terrorism," by Jeffrey Steinberg, a long-time "Caucusoid." Steinberg wrote that a "terrorist international run largely through Israeli intelligence and its affiliated Zionist networks within Western Europe, the United States and Canada" was "responsible for the kidnaping and assassination of Hanns-Martin Schleyer and Aldo Moro."

Steinberg, who is styled the counterintelligence editor of subsidiary NCLC publications, the Executive Intelligence Review, and Investigative Leads, was also security director of Citizens for LaRouche. LaRouche's security squads have received professional training in firearms and executive protection techniques. As a loyal cadre of LaRouche's political cult, Steinberg continues to churn out material for New Solidarity, now termed an "independent" newspaper. A recent article described U.S. neo-Nazi groups as "not a small band of criminal lunatics, but instead the covert arm of the secret services of several governments" which NCLC indicates are the United States, Britain, and Israel.

As noted earlier, LaRouche has customarily utilized the "Big Lie" technique against his targets. Currently the NCLC cadre are circulating an article on the letterhead of the New Solidarity International Press Service (NSIPS) signed by LaRouche, smearing several individuals as "'moles' linked to Soviet KGB Gen. H. 'Kim' Philby."

It is interesting that the NCLC fuhrer chooses to smear as covert KGB agents a number of well-known investigative reporters. Some of them are well known as conservatives; others are liberals or even radicals. What they have in common is having investigated and written critically on the activities of Lyndon LaRouche and his minions.

Among those being smeared by LaRouche as "moles linked to Soviet KGB Gen. H. Philby" are John Rees, publisher of the respected newsletter on U.S. political groups, the Information Digest; political columnist ("The Intelligence War") Robert Moss; Michael Hementhaler, a member of the staff of the House Science and Technology Subcommittee, and Charles Fager, formerly a reporter for the Boston Phoenix, and who is now on the staff of my distinguished colleague from California, the Honorable PAUL N. MCCLOSKEY.

The institutions smeared include the conservative think tank, the Heritage Foundation, which has published criticisms of the NCLC.

Some 6 years ago, John Rees published a richly documented report on the origins, development, and activities of the LaRouche group. His wife, Louise, a member of my staff, has provided me with continuing updated research on terrorism, and on threats to U.S. security including LaRouche's NCLC apparatus. Independently, Chuck Fager also carried out original research into LaRouche's political history and NCLC, published in the Boston Phoenix. In the course of researching the article, he interviewed LaRouche's parents—an action which evidently earned him the undying enmity of the NCLC boss.

LaRouche's cadre have forgotten that information must be evaluated according to its source. LaRouche's efforts to discredit individuals and organizations who have exposed the activities of violence-oriented extremist groups—both his NCLC and others—have had the effect only of confirming the placement of NCLC and all other LaRouche operations in that category.

The operations of violence-oriented armed extremist groups who utilize coercive manipulative techniques to maintain a cadre totally dedicated to the whims of its leader should be of concern to individual citizens, to law enforcement agencies, and to this body. In regard to the LaRouche organization, the potential of a recourse to violence or terrorism against perceived enemies is obvious.●

DR. MARTIN LUTHER KING—A GREAT AMERICAN

HON. BENJAMIN A. GILMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. GILMAN. Mr. Speaker, earlier this week I had the privilege and pleasure of speaking before the Middletown High School on the occasion of Dr. Martin Luther King's birthday. Dr. Martin Luther King was

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

a fine and exemplary American whose aims and goals of peace, nonviolence, and justice are in keeping with the desires of our Founding Fathers. His courageous stand on behalf of the rights of all Americans was not popular at the time that he espoused them; and yet Dr. King's vision transported him through hard times and through angry times.

We still have not declared the birthday of Dr. King a national holiday, although we came close to a final determination last Congress. I deeply hope that during the 97th Congress we will have the foresight to declare January 15 as a national holiday to commemorate the life and work of one of America's greatest leaders and true prophets.

Mr. Speaker, at this time I request permission to insert the brief remarks delivered at Middletown High School in the RECORD:

STATEMENT ON MARTIN LUTHER KING, JR., JANUARY 15, 1981

If he were not cut down in the prime of his life nearly thirteen years ago, the Rev. Martin Luther King, Jr., would be celebrating his fifty-second birthday today.

When I heard the news of Dr. King's tragic and senseless assassination on that sad April night in 1968, I was driving on the New York Thruway, returning from a meeting of the New York State Assembly in Albany, where I was then representing the 95th Assembly District of New York.

I shall never forget the thoughts that raced through my mind as the radio announcer injected that infamous bulletin.

I felt anger, sickness, fear, and pity.

Dr. King possessed so many noble virtues, and he exhibited them daily. He constantly intertwined courage and charity. He showed all people that social change can be brought about through the use of nonviolence. He made his arguments against bigotry, prejudice, and hatred living lessons for all of us.

The life of Dr. Martin Luther King was snuffed out prematurely, but his truths go marching on:

As long as inequality exists, as long as injustice exists, and until we truly become a land of brotherhood with equal justice for all, the goals which Dr. King set for all of us will be remembered. And the struggle will go on.

We will always remember the 1955 bus boycott in Montgomery, the demonstrations for equality in the early sixties, the march to Washington in 1963, the Civil Rights Act of 1964, and the march to Selma in 1965.

We will remember these milestones on the march to equal justice for all, and we will remember Martin Luther King for leading the way to each of these milestones and beyond.

Perhaps the greatest summary of Martin Luther King's career was presented to us by the Rev. Jesse Jackson, when he said of Dr. King:

He taught us that the freedom struggle is a marathon, not a sprint. A lot of people marched in Birmingham, then left, or marched in Selma, then left. But some of us learned that you've got to be there for a lifetime and be consistent, mountain high or mountain low. That gives you moral authority.

Dr. Martin Luther King Jr. had the moral authority to lead us all to moral, peaceful, non-violent change.●

CONGRESSMAN BILL GREEN SPEAKS ON RAISING THE RETIREMENT AGE

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. GREEN. Mr. Speaker, I have supported legislation in the last two Congresses which attempted to address the social security system's short- and long-term financial difficulties. My bill included proposals to raise the retirement age gradually from 65 to 68 beginning in the year 2000, eliminate gender based discrimination, eliminate the earnings limitation, and several other changes. On January 12, the National Commission on Social Security released its report on the program, proposing, among other things, that the normal retirement age for benefits be raised from 65 to 68 gradually after the turn of the century.

I am pleased that the Commission has proposed this change, as it is one which I have supported for some time, and which I believe merits our serious consideration. In the years after 2011, when the children of the postwar baby boom start turning 65, we shall be faced with a situation in which a roughly static work force will be paying for the retirement of an increasing number of older persons. My bill would not affect those who are presently retired, or who are considering retirement in the near future. It would simply provide payment into the system for an additional 3 years and put off collection of benefits for an additional 3 years. This small change would recognize that people are living and working longer today, and update the 45-year-old system to accommodate the lifestyles and health of today's and tomorrow's Americans.

I will introduce my bill—with a few minor changes—in the 97th Congress. I hope that action will be taken on the bill, particularly the provision pertaining to the retirement age. The importance of addressing the issues raised by the financial difficulty which the system faces cannot be stressed enough, and I look forward to solving the short- and long-term problems in the 97th Congress.●

DAVID ROCKEFELLER SPEAKS ON INFLATION

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. GRADISON. Mr. Speaker, no problem is more acute than inflation in America today, and there are few persons better able to advise us on how to deal with inflation than David Rockefeller, chairman of the Chase Manhattan Bank. For this reason I call to the attention of my colleagues Mr. Rockefeller's October 13, 1980, keynote address at the American Bankers Association convention in Chicago:

As always, I feel it is a special honor—even a spiritual homecoming—to address the American Bankers Association. I have been a banker now nearly 35 years, and there is no audience before which I feel so comfortable—and compatible.

It is a particular honor to be asked to speak to this distinguished group just two years after my first keynote address before you. On that occasion, I said—and I quote—"our economic problems are complex and not easily solved. But in my view, we cannot even begin to get at these problems unless we first attack one insidious root cause—namely government deficit spending and through it, that curse to all humanity—inflation."

Well, I guess the ABA feels that if at first you don't succeed, try, try again. Because here I am, back once more, with the same message and even greater urgency. During the last two years, inflation has continued to surge, and deficits have continued to grow. Productivity has continued to deteriorate, and personal savings—a vital source of future productivity growth and a crucial bastion against inflation—have shrivelled to the lowest level in recent history . . . and to the lowest rate of increase in the free world.

There is no question that we face an inflation crisis of worldwide reach and profound ramifications in the United States. Nonetheless, discussions of this crisis all too often drift off into metaphor, without first driving home the specific character and consequences of the problem. Inflation is compared to a "mythical dragon" that devours our substance; or "obesity," an effect of excessive consumption; or a "fire," as in the common warning not to fuel its flames. Or inflation is seen as a problem of the aerodynamics of money: the economy viewed as an airplane that has to be brought down safely, avoiding two extremes—either a crash landing or a runaway into an orbit of hyperinflation.

All these metaphors are vivid and alarming, particularly in combination: "an obese and blazing airborne dragon." But such images leave the audience more frightened than informed. Inflation is not a U.F.O. It is a mundane and pervasive reality that should be carefully considered in view of its effects and causes, its nature and its remedy.

Notice I mentioned its effects before its causes. That is because inflation is so often defined by its effects—namely rising prices—that many people have come to believe that rising prices are both the cause and the effect.

A recent study of the coverage of inflation on television news programs found that 80 percent of the reports deal with the problem only as a matter of price hikes or wage increases. The public then learns to see inflation as something done by the private sector: businesses lifting prices and pulling in higher profits; workers demanding raises; bankers asking higher interest rates. The government is left altogether out, which is somewhat like giving a performance of Hamlet without the moody Danish prince—in this case the moody American Administration, Congress, and Federal Reserve Board. For inflation as every banker knows, is a decline in the value of money—and only government has the power to debase the currency by creating too much of it.

Nonetheless, erratically rising prices are indeed a key facet of inflation and an index of its destructive effects. The effect on the poor is particularly grievous. The goods and services consumed by a family living on a low budget cost just under $7,000 in 1970. Today, they cost nearly $12,600. And at the inflation rate of the last five years, this budget will be over $24,000 by 1990.

The food budget of an average family of four has risen from $59 a week in 1970 to $122 today.

This family can no longer afford a new house. A house that cost $29,000 to buy in 1970 would cost about $75,000 today. At the recent rate of inflation, the price of an identical house will be $131,000 just five years from now—and $231,000 by 1990.

The insidious impact of inflation cuts across our entire society. For example, the fastest growing population group is the one between 25 and 34 years of age: the period when most people marry and have their first children. According to the Department of Labor, such a family will have to double its real income in 10 years, even to maintain its standard of living as it moves from being a family of two to becoming a family of four.

Older people also suffer from inflation. Even though social security payments are tied to the Consumer Price Index, social security, on the average, amounts to just one-third of the incomes of the elderly. The elderly also hold approximately one-third of the nation's personal savings, and inflation has been destroying these savings at a rate of more than 10 percent a year—or an estimated $30 billion in 1979 alone. The sad fact is that what the government gives the elderly with one hand, it takes away with the other.

Some analysts of inflation—and demagogic politicians—try to divide the American people by blaming the problem on one group or another in the private sector: whether profiteering capitalists or greedy workers or grasping lobbies or even interest-gouging bankers.

Such explanations may be politically appealing. But to speak of a "wage-price spiral" and blame it on either wages or prices misses the point. Wages after all are simply the *price* of labor. What we really have is a "price-price spiral." Even interest rates can be considered the price of money, and the greater part of them now consists of an *inflation premium* based on expectations of inflation.

And there is one further price—or more accurately, *cost*—that is the most onerous of all. Over the last decade, this cost has risen faster than the cost of food or the cost of housing, faster than wages and infinitely faster than profits. You might think that I am speaking of the cost of energy. Well, I am not. The fastest rising cost in the American economy over the past 15 years is neither the cost of haircuts nor mortgages nor any of the other goods and services in the Consumer Price Index. It is the cost of *government*—federal, state and local—paid for through our systemic taxation.

Between 1975 and 1979, the Federal tax bill for all American families increased more than *eight* times as much as their fuel bill. During those years, personal consumption expenditures on gas and oil rose 65 percent, or by a total of more than $25 billion. Total personal taxes at the Federal level rose by $211 billion, or 78 percent, and total taxes at all levels rose by $303 billion.

To put it bluntly, the root of our current inflationary crisis is clearly the soaring price of government.

Yet this fact does not appear obvious to everyone. The monetarists among us have another explanation. They say inflation is a monetary phenomenon. We all know that if the supply of money increases more rapidly than supplies of goods and services, prices are likely to rise. The Federal Reserve has permitted this to happen. But a nagging question remains. Why has the supply of money in our country increased as much as it has—enough to fuel a rising inflation? Is it because our Federal Reserve is weak and supine, derelict in its duty to manage the money supply? Or are the reasons more complex?

I think the latter. In the end, in fact, the answer lies at the very heart of the socio-political process.

We don't have to search far and wide for the instigator of much of the increase in the money supply. It rests in the huge rise in government spending. As a nation, we have been unwilling to couple this increase in government claims on our economy with an equivalent reduction in private spending. Instead, we have countenanced a steady stream of government deficits. For 19 of the past 20 years, the Federal budget has been in deficit, with the total exceeding $400 billion. Add to this another $300 billion, representing borrowing and loan guarantees by over 150 Federal credit agencies, and it should be no mystery why our nation has experienced an inflationary increase in its money supply.

There are those who still contend that the Federal Reserve, like the Dutch boy with his finger in the dike, could have held back this monetary flood. Technically, this could have been possible. And yet, to do so would have been to fly in the face of what appeared to be the expressed will of the people. Budget deficits first ballooned as a result of the Vietnam War. They were compounded by the host of social programs that fell under the name of The Great Society—many of which were worthy in themselves, but which frequently were entered into with no understanding of future costs. Over the past decade, Federal outlays for education, health, social security and other benefits increased by $270 billion. And they now account for more than 60 percent of the total budget. Moreover, these outlays have gained the name "entitlements" and many have come to be indexed to inflation—so costs rise automatically.

These programs were all authorized by elected representatives of the people—who frequently promised that such programs would be enacted. That is why I say, in the end, inflation is the result of the socio-political process. It is not this group or that group that is to blame. All of us, collectively, are responsible.

It is popular these days and appropriate to analyze inflation and its cure in terms of demand side and supply elements. Clearly, the Federal budget is the outstanding culprit on the demand side.

A top priority of the new Congress therefore must be a more effective control over expenditures.

There is much to be said for further changes in the budget-making process—building on the reforms in the Budget Control Act of 1974—that would force Congress to control expenditures more effectively. One possibility would require any deficit to be approved by more than a simple majority vote—perhaps by two-thirds or more. Alternatively, a similar vote might be required to approve any appropriations bill. Or the President might be authorized to withhold expenditures that Congress has authorized, unless his decision is overridden by 60 percent of the Congress. Such changes merit serious consideration by both the Administration and the Congress.

At the same time, we must recognize that no effective control over expenses is possible without action on the so-called entitlements. Standards for some of these programs could be tightened without creating hardship for genuinely needy recipients. Moreover, the practice and method of indexing many of these benefits to inflation should be scrutinized carefully. Certainly upward adjustments for inflation need to be made for social security and other purposes. But I am opposed to using the Consumer Price Index as the inflation barometer for such purposes. Perhaps a more reasonable and more equitable measure would be the average increase in hourly wages. If this lagged somewhat behind the rate of inflation, both active workers and the retired would share the burden of adjustment during periods of rapid inflation. This approach would also permit retired people to share in the real growth of our economy once we got inflation under control.

While we as bankers should support efforts to bring the money supply under control, all the moral support in the world will be insufficient to ensure a sound monetary policy if Federal spending is allowed perpetually to expand beyond the willingness of the public to foot the bill.

Much of our tax system is also geared to the promotion of demand. In particular, capital gains taxes discourage saving. So too does the personal income tax. In both cases, income is taxed even if it is entirely lost to inflation. The tax system does not quite order us to spend rather than save. But an abysmal national record of saving indicates that more and more Americans are getting the point anyway.

While the government has promoted consumption, it has also been busy discouraging supply. If inflation can be roughly summed up as too much money chasing too few goods, a relative decline in production is as inflationary as a relative increase in money.

Inflation has made a travesty of reported corporate profits. American industry was reported to enjoy before-tax profits of close to $240 billion in 1979. A quarter of that amount represented under depreciation of assets and appreciation of inventory. These profits, of course, are not real; capital must be available to replace them. But the supposed gains are taxed anyway—and the capital available to expand production and improve efficiency accordingly erodes—a process that goes on year after year.

Environmental, health, safety and other regulations proliferate. They not only add directly to costs, and, therefore prices, but they also preempt billions in capital that otherwise might be productive.

Small wonder that the United States trails most of the major industrial nations in the share of output devoted to capital investment. Even less wonder that it trails in improving productivity and thus raising its standard of living.

A meaningful program to restrain inflation must emphasize an aggressive array of regulatory reforms and judicious supply-side tax cuts.

Many regulations—in the environmental, civil rights and other areas—are useful and necessary. But too many regulations, issued too rapidly and thoughtlessly, in ever greater complexity, defeat their every purpose, except perhaps the enlargement of governmental power. A crucial mandate is to prune the forest of rules and let the economy grow.

Equally important is a prudent program of tax cuts for corporations and individuals. The initial purpose of supply side tax cuts is to counteract the damage already inflicted on America's corporations by the vicious interplay of inflation and taxes. While there is still some disagreement on the form that depreciation reform should take, there is now gratifying agreement that it has top priority in tax reform—that we must increase, and increase dramatically, the speed at which new plant and equipment can be written off. We should also implement a judicious program of income tax cuts that will ultimately encourage personal savings.

Special assistance for R&D also is justified because its benefits spread far beyond the company pursuing it. Otto Eckstein of Data Resources has concluded that supply side tax reforms designed to enhance productivity can be an effective instrument in overcoming inflation. In a report for the Joint Economic Committee, he presented empirical evidence of a multiplier effect in the relationship between productivity and inflation. Each sustained increase of one percent in productivity growth can bring a two percent reduction in the rate of inflation.

In the long run, innovation is perhaps the economy's most potent force for lower prices. Between 1950 and 1974, for example, high technology companies grew about twice as fast as the rest of the economy, while their prices grew only one-sixth as fast. In general, throughout the economy, the companies with the highest profits are those that can use earnings most productively in reducing the costs of the entire system.

Let me conclude on this note.

As bankers, you and I—and particularly you—must spread the word to all of those with whom we come in contact—our customers, our neighbors, the media, and politicians alike. We must convince our constituents that inflation, once and for all, must be brought under control. You in this audience carry considerable clout in your local communities. I would urge you to use it—to demand an end to the debauchery of the money of the American people and the betrayal of their trust.

The key truth we must communicate, the crucial fact we must face is that unless we halt the irresponsible growth of government spending—we will fail in all our other goals.

It is that simple and also that painful.

We are talking about programs that involve literally millions of Americans. The growth of such programs over the past 40 years is a great tribute to the generosity of the American people—and no major politician or other American leader, least of all myself—wishes to have these programs repealed.

But I would not be honest with you if I did not say something else: the headlong expansion of government benefits, if it continues, will make it impossible for us to control inflation, or restore healthy economic growth, or provide adequately for the national defense. The burden of government benefits on the productive economy must first be reduced, and future increases must be no greater than can be soundly supported by growth in the private economy.

We have reached the end of the line. The growth of social programs can no longer exceed the growth of the businesses on which they finally depend.

This is the bottom line.

But there is also a line of hope. For the best way to reduce the burden on all Americans is to enlarge the total economy and to give the poor and unemployed opportunities for real jobs. And that can be done if we have faith in the future of freedom. We can never surely predict what is to come. But we can be sure that any trial or difficulty can be overcome by the American people, if their leaders trust them to be free.

By relieving our workers and entrepreneurs of the burdens of inflation and controls, we can release the most powerful energies in the history of the globe—the energies that transformed a wilderness into the world's most productive economy. We face problems today. We confront limits. But if we remember our past, we can gain inspiration for our future. We can understand that our current limits and problems are merely our newest frontier.

In my own lifetime, I have seen America triumph over crises of depression and war far more desperate than our current plight. Provided we keep our trust with the American people—and maintain our faith in God and in freedom—I am confident we can prevail over the curse of inflation that afflicts us today.●

DECONTROL OIL NOW, AND SAVE

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. PARRIS. Mr. Speaker, as President Reagan begins his term of office as the 40th President of the United States, he faces a unique challenge in his effort to restore our economy.

One of the first steps he can take, which I believe will greatly assist America in its effort to reduce our dependence on foreign sources of energy, is to immediately decontrol the price of domestically produced petroleum.

These controls are scheduled to expire at the end of September 1981 and this action by the President would send a clear message to our allies of our willingness to reduce our level of imports.

I would like to insert at this time an article which appeared in the Washington Star of Sunday, January 11, 1981, for my colleagues' benefit and use.

The article follows:

DECONTROL OIL NOW, AND SAVE

It may not make sense at first glance, but immediate decontrol of domestic crude oil prices could end up saving the American consumer a lot of money. For quick decontrol is one of the most important steps that can be taken to try to prevent another devastating run-up in world oil prices that might well result from the Iran-Iraq War.

Price controls on oil keep average domestic crude oil prices $6 or so a barrel below world levels. The "composite" price, that is, the price of the national blend of domestic and imported oil which determines what consumers pay for products, will be about $3.50 a barrel lower than the average world price of about $39 a barrel, after the recent OPEC prices increases.

Price controls are scheduled to expire at the end of September. But some in the new Reagan administration argue that it should happen much sooner. In his "Economic Dunkirk" memorandum, budget director-designate David Stockman urged that domestic crude oil prices be "administratively terminated cold turkey" by February 1. Another Reagan adviser has recommended even swifter action—that he decontrol "within the first hour of moving into the White House and changing into his working clothes."

A number of reasons have emerged for swift decontrol. The most compelling, ironically, is that decontrol now might end up being cheaper for consumers than decontrol eight months later.

Oil prices were controlled along with everything else in 1971, as part of the Nixon freeze on wages and prices. Then a sudden rise in the world market in 1973-74 led to a long, grueling battle over domestic oil prices. Should they be set by the world market? Or should they somehow be restrained? Was the quadrupling in prices the result of international pressures or oil company manipulation? Were oil-company profits "obscene"?

The outcome of the debate was a clumsy, unwieldy system of oil price controls which, in 1975, were extended at least through September 1981, with the option to renew. In the period 1976-78, the composite price resulting from the blending of domestic prices with imported prices was 15 to 25 per cent less than the world price.

On April 5, 1979, in the midst of the Second Oil Shock, set off by the fall of the shah of Iran, President Carter announced that he would allow controls to run out at the end of September 1981. The move made a great deal of sense. For, during the latter half of the 1970s, American oil imports had increased dramatically—up to almost half of total domestic consumption. The United States had become by far the largest buyer of oil in the world and in German Chancellor Helmut Schmidt's phrase, its "sheer weight" in terms of imports and consumption had a profound impact on the market. Yet American consumers were given false signals by prices that, in effect, "lied" about the relationship of the domestic to the world market.

Amidst the passions and suspicions of those months, President Carter's act was a courageous political decision. It was received with surprising calm. Perhaps the public's thinking on the oil problem was undergoing a change. The fall of the shah and the rise of the ayatollah was bringing home how power had shifted from the oil companies to OPEC. Moreover, President Carter had followed up with a windfall profits tax that responded, in the eyes of many, to the equity issue.

But since the 1980 election, pressures have been building for immediate decontrol. Some of that can be explained in terms of basic Reagan policies—cut back on regulation, depend on the market—and as a response to vocal supporters.

The urgency, however, arises from another reason—the continuing war between Iran and Iraq. Given the amount of oil lost to the world market because of the conflict

(about 4 million barrels a day), as well as the risk that the war might spread, the world market has been relatively stable. This stability has been the result of high inventories, conservation, and recession in the consuming world. In addition, the International Energy Agency has provided a helpful framework for the Western nations to avoid the kind of competitive bidding that resulted in the more than doubling of oil prices in 1979 and the first part of 1980.

There are growing signs, however, that the calm could well turn into a storm, and the world in the spring and summer months could face another round of leapfrog and scrambling in the world oil market. Spot prices have begun to rise again. Since their mid-December meeting in Bali, the OPEC countries have begun pushing up prices, more than was at first expected. The Western Europeans and the Japanese are getting nervous, not knowing whether the Reagan administration will maintain the same level of commitment to a cooperative response. If they conclude that the United States is going to do otherwise, then they are likely to jump into the market, paying high spot prices for those extra barrels.

THE COST OF DECONTROL

What would be the costs to the American consumer of immediate decontrol?

Under phased decontrol, as currently working, the price of a "composite" barrel would rise gradually and reach completely decontrolled levels by Oct. 1, 1981. At that time, gasoline at the pump would be 22 cents a gallon higher than it is today if OPEC does not increase prices further. About 10 cents of this would be due to the recent OPEC price rise, and 12 cents would be due to decontrol. But with immediate decontrol, the rise of about 12 cents a gallon would occur fairly quickly—in a matter of weeks, rather than months.

In theory, at the end of the eight-month period, U.S. petroleum prices would be the same with either gradual or immediate decontrol. But, in fact, immediate decontrol likely would cause lower prices to exist on October 1, 1981, than if the prices were gradually decontrolled. Here are the reasons: (*1*) Immediate decontrol would help reduce U.S. imports during the interim period. (*2*) This would ease pressure on the world oil market. (*3*) This, in turn, would reduce the likelihood of a continuing increase in world oil prices.

In other words, the U.S. oil consumer faces the alternative of paying somewhat more now, or paying a good deal more later.

How would the higher oil prices that would result from swift decontrol reduce U.S. imports? In two ways: by reducing U.S. oil consumption and/or increasing U.S. oil production. In our judgment, a reduction in consumption is likely to be the most important.

Higher prices per se, of course, cause consumers to use less oil, sometimes by just doing without, and sometimes by substituting other forms of energy for oil. A one-step, highly visible price increase has more of an impact on consumer psychology than a gradual increase of, say, 1½ cents a month. The recognition would be driven home that the U.S. is no longer insulated from the world oil market.

This latter message will be received not only by U.S. consumers but also by government and consumers abroad. As a result, foreign governments will be in a better political position to instigate additional conservation measures there and to restrain spot bidding by their oil companies. Potential bidders for the high-priced spot crude could not be sure of making a profit on it. Thus, the U.S. actions will have a positive effect throughout the world.

DEMAND OUTSTRIPS SUPPLY

Because of the loss of crude oil in the world market due to the Iraq-Iran War, reduced demand on the market is of special importance now. The world is now consuming about 3.5 million barrels more crude oil each day than is being produced. In other words, each month inventories are falling by over 100 million barrels; and they will continue to fall until April 1980, when the seasonal decline in demand will drop consumption down to the level of available production. True, it would seem that ample crude oil would be available to meet summer requirements. But the problem is that a surplus of summer production will be needed to build up inventories for the following winter.

Therefore, unless the Iraq-Iran War eases sufficiently to allow the export of significant quantities of oil from Iraq and Iran by the latter half of 1981, a real shortage could develop next winter. The companies, fearing the greater consequences of a winter shortage compared with a summer one, would likely begin to build up inventories during the summer, thereby, in effect, moving the shortage forward into the summer. The likely result: higher crude oil prices in summer 1981. (For that matter, given the uncertainties of a continuing Iran-Iraq War, the companies might be unwilling to draw down their inventories even that long. In that case, a sharp upward movement in oil prices could occur even earlier, this spring.)

Hence the need to decontrol domestic oil prices now in order to head off what are likely to be substantially higher prices a little later in 1981. The final result of immediate decontrol would almost surely be lower oil prices in October.

There has been, of course, talk that immediate decontrol would result in increased U.S. production. In theory, this is logical. But in practice the impact on production would probably be minimal: for one thing, there is little spare rig capacity that could be brought into play prior to October.

TEN BILLION DOLLARS NOW, OR . . .

If immediate decontrol had no effect on world oil prices, then the amount of extra money to be paid by consumers between January and October 1981 would be in the area of $10 billion. As receipts, this $10 billion would be split very roughly as follows: oil companies, $2 billion; federal government, $7 billion; State and local governments, $1 billion. But if immediate decontrol does have the effects we describe, then it could end up saving the American consumer a lot of money. How?

Let us take as our time frame the years 1981 and 1982. Immediate decontrol, we have suggested, might cost the consumer about $10 billion—split up in the way described above.

But that must be weighed against the possible gains. A $1 increase in the price of oil on the world market that could have been averted by immediate decontrol would also end up costing the consumer $10 billion—except that $4 billion of this would leave the country to pay for imported oil.

FIFTY BILLION DOLLARS LATER

But if demand gets too hot this spring, the consequences in bid-up prices might well be more than $1. Consider the cost to the consumer of a $5 a barrel increase that otherwise would have been averted by swift decontrol—$50 billion, of which $20 billion would be exported to pay for oil imports. And then consider what a $10 a barrel increase would cost—$100 billion, of which $40 billion would be exported to pay for oil imports. The latter two assumptions for price increases are hardly unreasonable. After all, in the context of the 1979 oil shock, oil prices increased by $17 a barrel!

Yet the decision to decontrol swiftly should be taken with a sense of the political realities. In order to prevent an outbreak of renewed hostilities in the domestic political arena and the possible reimposition of controls at a later date, the new administration will need to attend to two important considerations.

PRESERVING EQUITY

The first is equity. Unless the system in which oil is decontrolled is seen to be fair by many consumers, then it will be subject to continuing political stress. Dealing with those stresses seems to have been one of the roles of the windfall profits tax. Almost certainly, it was a mistake to put a windfall tax on newly discovered oil; the urgency of finding new oil is so great that incentives should be pretty unambiguous. On the other hand, the windfall tax on old oil looks to be the price of decontrol in terms of the public's perception of equity.

Thus, if the Reagan administration decided to try to lift the windfall tax altogether, it might end up setting off a struggle that could lead after the 1982 election to recontrol! Nevertheless, as the new administration finds revenues from the windfall tax a useful way to meet other objectives, it is likely to lose interest in a wholesale repeal of the windfall tax.

The second requirement is the need to provide the American people with the tools to make a rapid adjustment to the rapid change in energy prices. This means such measures as expanded programs to make capital available for and to encourage investment in energy efficency—conservation. Thus, even as prices go up, their effects can be offset through increased efficiency that results in less consumption.

Without those tools, the "ouch" from the electorate is likely to become louder and louder, and the compelling and urgent arguments for permanent decontrol could end up being drowned out.●

TRIBUTE TO EMERSON HOLLOWAY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. DYSON. Mr. Speaker, on New Year's Day, Wicomico County, on the lower Eastern Shore, lost one of its good friends, the Honorable Emerson Holloway.

The untimely passing away of Mr. Holloway is, indeed, a loss for the people of Wicomico County and his friends in Salisbury, Md. A member of the Wicomico County Council, Mr. Holloway was the first black ever elected to that position and his community was proud of the service he provided its citizens.

Mr. Holloway spent his life in the field of education, working for 33 years as a teacher and administrator in the Wicomico County School System. His dedication to children and the community was unwavering.

Mr. Speaker, as we sit up here on this hill overseeing the complex, often consuming needs of this country, we often neglect the simpler things of life. Emerson Holloway never overlooked the simple joys that came with community service. For men of his caliber, the smile of a child was as envigorating as an election win. I believe Emerson Holloway and his family believed in that principle and I would like to read a poem that they wrote for his funeral:

"Life's race well run
Life's work well done.
Life's crown is won.
Now comes rest."

Mr. Speaker, I thank you for your time.●

RUSSIFICATION OF BALTIC STATE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. DERWINSKI. Mr. Speaker, an article, which appeared in the December 16, Christian Science Monitor, draws attention to the tragedy that exists in the Soviet-conquered Baltic states. Christian Science Monitor Correspondent David Willis, reporting from Riga, Latvia, objectively comments on the strong determination of the people of these nations to continue to resist the "Russification" of their culture and national identities. The people of Lithuania, Estonia, and Latvia, have grudgingly learned to live with Russian rule, but have maintained their nationalistic spirit despite the blatant political repression, religious persecution, and cultural genocide to which they have been subjected by Moscow-imposed measures. It is of special importance that the United States continues to denounce the Soviet occupation and forcible annexation of these Baltic areas into the U.S.S.R.

I insert into the RECORD Mr. Willis' very timely article at this point:

RIGA, LATVIA, USSR.—Beneath the spires of medieval churches, along narrow, cobbled streets with the North German, Hanseatic flavor of Rostok and Lübeck, beside the glassy moats and stone towers of fairy-tale castles, the Baltic peoples of this non-Slav corner of the Soviet empire work to preserve their own cultural and national identities.

In Riga, the brooding, somber capital of Latvia, a broad-faced, quiet-spoken Latvian intellectual described how he and his friends take pride in their massive song festivals of 10,000 or more voices, and their own literature and art.

Latvian-language schools are reservoirs of local culture: Only about half the pupils bother to join the official Komsomol, or Young Communists' League—whereas in Russian-language schools the rate is 99 percent.

In all three Baltic states, primary and secondary school still takes one year longer than in the rest of the country: 11 years instead of 10. Local officials want to teach local culture as well as subjects required by Moscow. They fear then going back to 10 years would cut into local, not Russian, lessons.

In Tallinn, capital of neighboring Estonia, national pride is intense, linked in part to the local Lutheran faith.

During the 1980 Olympic yachting regatta, a senior official was asked by a Westerner how many gold medals his country had won. The answer was prompt: "One." The Westerner was puzzled: The Soviet Union had won at least 30 by then. He repeated the question. The answer was the same. Then the Westerner understood.

The official was referring to the gold medal won by Estonia (in the triple jump, by Jaak Uudmae). He had said it deliberately, to emphasize that the official considered himself an Estonian first, a Soviet citizen second.

Estonians easily understand Finnish, a sister language, and watch Finnish television from across the Gulf of Finland. They know as much about the West as East Germans do from West German TV.

The window on the West feeds glowing memories of Estonian independence between the two world wars and helps keep alive dissident activity in Tallinn and the university city of Tartu.

In Vilnius, capital of Lithuania, nationalism goes hand in hand with the Roman Catholic faith.

Believers sit in tiny apartments filled with crucifixes and color pictures of a Pope from neighboring Poland, and they tune into nightly 15-minute broadcasts from Vatican Radio.

Catholic sources estimate up to 75 percent of Lithuanians are believers: Party officials put the figure around 40 percent, which is still high. Masses are crowded. An underground church trains its own priests, claiming the sole seminary (in Kaunas) is infiltrated by the KGB.

Human-rights activists publish their own samizdat journal, Ausra, which means "Dawn" and is named after the first nationalist Lithuanian paper in the 1880s.

Few except the most fervent pretend that any of this resolute activity can lead to a return to political independence anytime soon. Soviet control, established after the 1939 Hitler-Stalin pact delineated spheres of influence, remains solid, brushing aside US refusal to acknowledge it.

Almost 50 percent of people living in the main cities are Russian Slavs. Only Russians are said to be allowed to work on the Riga docks, a mere few hundred miles around the Baltic coast from the militant shipyards of Gdansk, in Poland.

Walking through the streets of Riga, it is hard to hear Latvian spoken at all. Crowds of well-dressed Russians swing by, pushing in and out of cafes and shops more attractive than any in the Slavic republics.

The crackdown against dissidents in Moscow, Leningrad, Kiev, Yerevan, and Tbilisi after the 1975 Helsinki Final Act also took place in the baltics. Three Lithuanian activists, Balis Gayaskas, Viktoras Pyatkus, and Antonas Terleckas, have been jailed.

Mart Niklus and Yuri Kukk, both Estonians, are in custody. Three others, Enn Tarto, Erik Udam, and Endel Ratas, have been harassed since they and Niklus signed an appeal for Baltic independence in 1979.

Moscow keeps tight rein on local Communist parties and close watch on Americans and other Westerners who return to visit relatives.

The three republics may contain only 2.8 percent of the Soviet population (7.4 million out of 262 million in January 1979) and occupy less than 1 percent of Soviet territory, but they also represent highly strategic border areas, the invasion route for invaders from time immemorial.

As elaborate ceremonies opened the 1980 yacht regatta in Tallinn, the dim outline of a Soviet warship could be seen in the mist guarding the sea border with Finland. To sail outside the Bay to Tallinn, yachtsmen need hard-to-to-get passports and other papers showing political trustworthiness.

Most parts of the republics are off limits to Westerners, except for the three capitals and some other resort and coast areas such as the splendid stretch of beach at Yurmala outside Riga, and the Estonian resorts of Kokhtla Yarve and Narva.

Tourists can drive from Tallinn to Leningrad, but may not stop overnight en route.

Westerners may visit Kaunus, the ancient capital of Lithuania, but again, not overnight.

Yet for all this close control, the spirit of Baltic identity lives on, in young and old alike, as it has done through centuries of attack and occupation by Teutons, Poles, Swedes, and Russians.

To take the train or plane northwest from Moscow is to leave behind much of the dirt and inefficiency that mark the nonmilitary Soviet Union proper, and to return to a cleaner, more European world, to cities more Germanic, more Western, to shop windows decorated with bright hangings and discreet metalwork, to clean and pleasant hotels.

In Riga, my family and I turned into a coffee shop-cum-snack bar, sat at a long counter, and ordered hot piroshki (meat buns) and chocolate eclairs. Rare is the chance to do such a thing even in Moscow, let alone other Soviet cities.

In Vilnius, colleagues and I ate pastries in a cheerful, crowded restaurant better than any we had seen in Moscow.

In Tallinn, the Hotel Viru was built by Finns. More impressive even than the floor show are the bathrooms, the best in the entire country.

On the surface, the three republics are alike: more and more urban; more women than men (after effects of purge and war); clean streets, tidy fields, and neat fences; the highest rates of car ownership, personal incomes, and worker productivity in the Soviet Union.

To many Russians, the Baltics are "the West"—oases of service and vacation quiet. They lie on the beaches at Yurmala or Narva, wander the streets of Kaunus or Vilnius, listen to the famous organ said to have been dedicated by Liszt himself in 1884 in Riga's Domski Sobor (Dom Cathedral—now a concert hall).

More and more Slavs settle in the Baltics, as Moscow has allocated more industry there and as Russians and Ukrainians have sought a higher standard of living. That immigration has slowed in the past decade, but only Roman Catholic Lithuania, with its high birthrate, has succeeded in keeping the

Slavic proportion of its population from rising.

In Latvia, however, Latvians seem about to be outnumbered.

The Latvian population in Latvia rose by only 2,000 between 1970 and 1979, while the Russian population went up by 116,000.

And the non-Latvian population is about to jump again: Work is about to begin on a new metro (underground railroad) in Riga, and local residents are being told 50,000 extra workers will be brought in from outside to construct it. Many of these will be Slavs. (Residents are also being told that all new apartments constructed in Riga for the next few years will be reserved for the new construction workers and their families—a fact that displeases a number of Rigans, who say their city is too small to need a metro anyway.)

By 1970 Russians outnumbered Latvians in Riga itself (by 42.7 percent to 40.9 percent), and the ratio is even more lopsided today.

Estonia is the smallest Soviet republic, smaller than Belgium, flat and stony, with 1,446,000 people at the most recent census, in January 1979. It prides itself on increasing productivity as a way of keeping Slavic immigrants at bay. Although the rate of Slavic migration has slowed down, Slavs themselves (Russians, Byelorussians, and Ukrainians) now make up almost one-third of the population (32 percent), against less than one-quarter (22.3 percent) in 1959.

"Estonians are surprising in their passion for independence," says a non-Estonian Balt. "It's all that television they watch from Finland, and their young people."

Several hundred university students in the town of Tartu, population 90,000, gathered on Christmas Eve 1979 for the annual tribute at the grave of a national hero, Julius Kuperjanov, who was killed fighting the Russians for independence in 1919. They lighted candles and made speeches, and about 40 marched downtown before being arrested.

Emigré sources in Stockholm reported in October that a thousand workers in a tractor factory in Tartu had staged a brief strike to protest unrealistic production targets and a lack of raw materials. It was said to have been inspired by worker protests in Poland. Mart Niklus is on a hunger strike in a Tallinn jail after resisting Soviet influence all his adult life. He lost his job as a language teacher in a Tartu night school after signing the Baltic appeal last year.

Yuri Kukk, an inorganic chemist, lost his university post in Tartu after signing several appeals against the Moscow Olympics and the Soviet invasion of Afghanistan. He had earlier resigned from the Communist Party after a membership of 12 years on returning from a year's study near Paris.

Today Mr. Kukk is in a psychiatric hospital in Moscow, where doctors are making their fifth attempt to prove him mentally unbalanced. The first four efforts only emphasized his sanity, friends report.

Again and again, conversation with Estonians turn back to 61 years ago, when Estonia won its first and only real independence from a Russia torn by war and winter and revolution. Soviet historians dismiss the 20 years that followed as an aberration, and the reunion with the Soviet motherland is painted as inevitable.

Lithuania is a different place, half again as big as Estonia, flat and filled with lakes. It was heir to the Livonian empire that in the 17th century stretched east to the Black Sea until the Russian czars pushed it back.

Today it is about the size of Austria. It remains a nesting ground for storks flying from northern Europe to East Africa each winter. And it is still strongly Roman Catholic, impressed by seeing a Polish Pope on live television via Poland when John Paul II was installed in Rome.

"Lithuanians are emphatic, assertive," says a neighboring Balt. "I think it's largely their religion."

Troops had to be called out to subdue demonstrations in Vilnius in 1972. A Helsinki human-rights watchdog committee has operated, along with an underground church.

Southern Lithuania, occupied by Polish troops in 1920, became part of Poland in 1923, while the larger part of the country emerged into independence. In June 1940 Soviet troops marched in. After a German occupation, Lithuania became Soviet again in 1944.

Lithuania is more rural than its Baltic neighbors (39 percent of the people live in rural areas), and its birthrate is higher, as befits a Roman Catholic area.

Its population (3,399,000 as of January 1979) grew 8.7 percent more than in the preceding decade. Estonia grew by 8.1 percent and the Russian Federation (the biggest Slav republic) by only 6 percent.

The high birthrate enables Lithuanians to form 80 percent of their own republic's population, a much higher percentage than Estonians make up of Estonia (61 percent). Slavic immigration has not affected the Lithuanian percentage for 20 years.

The trends are toward faster growth in the cities and continued Slavic settlers.

Party officials in Vilnius disparage religion and insist it is declining. In September 1980 the party newspaper Soviestkaya Litva made an unusual public attack on the Pope and accused the church of allying itself with "reactionary groupings." It criticized the Vatican Radio, thus indirectly confirming the radio's effectiveness and audience.

Latvia is about the same size as Lithuania, though its Lutheranism means a quieter form of independence and dissent, according to sources in Riga.

"For us the main thing is to survive," said one. "Ours is a passive resistance. We're trying to preserve our culture and our traditions. We suffer from the Russian presence: Our initiative is suppressed. The Russian standards of inefficiency and incompetence weigh on us. Our cities are not maintained. Shops are dirty. Service has declined."

Soviet officials scoff at such comments and insist that Soviet rule has brought the Baltics modern cities, greatly enhanced industry, and better living standards. They say they respect local cultures: Baltic sources say Soviet influence is inimical to their local ways.

Away from the Baltic shoreline, Latvia is largely forest. The Roman Catholic influence of Lithuania is much less in evidence: The reformation of the 16th century eliminated most of it.

Like its neighbors, Latvia was independent between 1922 and 1940, though it had had a right-wing dictatorship since 1934. It, too, was seized by the Soviets in 1940, taken by the Germans, and retaken by the Soviets at the end of the war.

Of concern to Latvian nationalists is the population trend: According to the census of 1979, only 53.7 percent of Latvia now consists of native Latvians, compared with 62 percent 20 years ago. Soon, Latvians may find themselves a minority in their own country, since their birthrate is low and Slavs keep on coming in slowly. Russians now make up 32.8 percent of the republic.

All Slavs, including Byelorussians, Ukrainians, and Poles, make up 43.5 percent.

"There's no hope for political independence," says one Western visitor to Riga, himself born in Latvia and now living abroad. "But when I write to my relatives asking if they want to emigrate, they say no—'We are the roots of our country,' they say."

He pauses. "The roots of their country. You can't argue with that."●

MARTIN LUTHER KING, JR.: A TRIBUTE

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. FISH. Mr. Speaker, I would like to share with my colleagues the text of a speech I delivered to the Dr. Martin Luther King Commemorative Committee of Dutchess County in Poughkeepsie on January 15, 1981, in honor of what would have been Dr. King's 52d birthday were it not for his untimely and tragic death. The text of the speech follows:

"History," said Emerson, "is the shadow cast by great men." On another occasion he noted that, "great men are those who see that spiritual is stronger than any material force, that thoughts rule the world." So it was with the life of Dr. Martin Luther King, Jr.

By furthering the civil rights of American Blacks he contributed to the liberties of all Americans, whatever their race or creed. By strengthening the cause of justice in this Nation he inspired millions throughout the world in mankind's common aspirations.

Dr. King once said, "Nonviolence is the answer to the crucial political and moral question of our time . . . the need for man to overcome oppression and violence without resorting to oppression and violence." Dr. King believed this could be achieved through love, compassion and faith and, armed with such conviction, he preached spiritual power in his moral crusade for civil rights reform in the 1960s. And it was largely through his tireless efforts and the strength of his beliefs that Congress passed the Civil Rights Act of 1964. That same year, Dr. King received the Nobel Peace Prize that gave him a forum to address the world.

The passage of years since his tragic and untimely death has in no way lessened the impact of his teachings nor clouded his memory in our minds and hearts. His message of redemption and reconciliation—his belief in spiritual power—is no less meaningful today than when Martin Luther King, Jr. lived. His life's work and unremitting adherence to social change through nonviolence serves as a great example in these turbulent and troubling times. As Andrew Young recently observed: Dr. King's message, "endures, spanning the seas and calling out to each new generation."

Dr. King helped redeem our Nation. To honor him I have continuously supported legislation to declare January 15, his birthday, a legal public holiday. Such recognition of this great human being is the most fit-

ting tribute a Nation can bestow on one of its most outstanding leaders.

Why a holiday some ask? Our answer is that his dream was the dream of an American, about his country; an affirmation of faith by a patriot.

Bestowing such an honor on Dr. King would transcend his status as a black civil rights leader. Such an act would recognize that Dr. King spoke as an American about the spiritual liberation of all people. He spoke of brotherhood, an end to poverty, of justice, of peace to you, yes, but also to me and to all mankind.●

POSTMORTEM: THE ELECTION AND THE ECONOMY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. McDONALD. Mr. Speaker, the pundits in the press and other self-appointed critics are already saying it is impossible for President-elect Reagan to balance the budget, cut taxes, and increase defense spending at the same time. Everyone agrees it will not be easy. Inflation is the No. 1 enemy that must be stopped and the first step in that direction is the creation of a balanced budget. Prof. Hans Sennholz has outlined the steps that need to be taken from that point to achieve the above goals. Obviously, they will be painful and many oxen will be gored in the process, but a return to a productive economy is desperately needed if this Nation is to remain the leader of the free world. Professor Sennholz tells us how in the December 1980 issue of Private Practice. I commend his article to the attention of my colleagues.

POSTMORTEM: THE ELECTION AND THE ECONOMY

Ronald Reagan will soon face the very issues that were burning during the long campaign: inflation, unemployment and foreign perils. To the many millions of Americans who elected him, he owes an obligation to face the issues with courage and dedication.

The causes of inflation, probably the greatest self-inflicted evil of our time, must be confronted courageously and diligently. The political pressures for federal deficit spending must be contained by stonewalling federal spending. In short, the federal budget must be balanced immediately.

To save the U.S. dollar from utter destruction and avert the frightful economic, social and political consequences of hyper-inflation, government spending must be brought under control. Surely, this is more easily said than done. Every president from F.D.R. to Jimmy Carter waxed eloquently about fiscal frugality and declared noisy wars on inflation while the U.S. dollar was shrinking at ever faster rates. And every president boosted federal spending for one reason or another, citing one full-employment doctrine or another.

If federal frugality provides the key to economic and social survival, how then can spending be cut in order to alleviate the inflationary pressures? Where should the cutting begin?

The U.S. budget can be balanced promptly and least painfully with the following cuts:

To set a shining example to the country he is leading, the President himself should take a salary cut of 50 percent.

The legislators who are the guardians of the public purse should lead the way to frugality by taking a cut of 25 percent.

All federal transfer spending, i.e., expenditures that benefit someone at the expense of someone else, must be cut by 5 percent.

This modest reduction in federal spending would bring immediate relief to our exhausted capital markets, which in turn would lower interest rates and the carrying charges of the federal debt. A mere drop of 3 percent would reduce the federal interest charges on more than $900 billion of debt by more than $27 billion. Altogether, these savings would suffice to restore fiscal solvency and integrity. They would give new life to the U.S. dollar and bring new hope to the people.

President Reagan will also face the burning issue of unemployment, which has been plaguing millions of Americans throughout many years of recession, economic stagnation and inflation. If he follows in the footsteps of his predecessors, the issue will continue to burn and get worse as the inflation is consuming productive capital and destroying jobs.

Unemployment is an economic cancer that not only causes poverty and despair, but also breeds immeasurable social and racial conflict. It must be a paramount concern to the new administration. But federal expenditures and make-work programs which have been tried again and again do not provide the answer. We do not need more "politics" as usual, but realistic labor policies that confront the real cause of unemployment—the maladjustment of price and cost. Both employment and unemployment are functions of labor costs. When individual employment costs exceed individual productivity and usefulness, the worker inflicts losses on his employer and therefore is likely to be unemployed. The federal minimum wage and legislated fringe costs, which together exceed $4 an hour and are scheduled to go higher, cause millions of unskilled workers, especially among our racial minorities, to be unemployed. This is why the federal minimum wage law must be repealed immediately. Moreover, all other federal acts and regulations that hamper the ready flow of labor in the national markets and encourage idleness must be rescinded without delay. There is full employment in freedom and unhampered labor markets.

The problems of unemployment are aggravated by the economic stagnation that has settled over the United States. The purchasing power incomes after taxes and inflation are actually eroding for most Americans. They are failing because countless government programs are promoting consumption at the expense of saving and investing. Many production facilities are worn out or antiquated because countless government programs are consuming our economic substance. With an insatiable appetite the taxing authorities are either inventing new taxes or raising old levies, consuming productive capital on an unprecedented scale. In short, our economy is in full retreat and in great danger of disintegration in a flurry of runaway inflation.

This ominous decline must be halted by an immediate reversal of policies. Business taxes must be lowered and regulatory costs be slashed. Surely, government need not promote saving and investing through special favors, but it must cease its ugly discrimination against capital accumulation. In particular, it must repeal the punitive and discriminatory tax rates on capital income and the steep progression on higher incomes that would otherwise be invested. The vicious estate tax which serves no purpose other than to destroy business capital in private hands must be rescinded immediately.

It must be emphasized that all such tax reductions to revive economic activity must not be allowed to engender new government deficits. A tax cut that is not matched by spending cuts is gross deception. It merely shifts some burden of government from favored taxpayers to lenders and inflation victims. Surely, tax relief for business tends to promote new business activity. But budgetary deficits for any reason not only exhaust the capital markets, but also feed the inflation. Both evils wreak havoc on business.

According to all expert reports, President Reagan faces unprecedented foreign perils that cast doubt on the future of the United States. During the 1960s and 1970s when our government was preoccupied with "redistribution" through massive spending on health, education and welfare, the Soviet Union built a superior ICBM force that is capable of smashing our weapons and rendering us defenseless. We are faced with a massive strategic preponderance by the Soviet Union.

The Soviets have at least 2,400 modern missiles aimed at U.S. defense installations. More than 326 of these missiles are SS-18s that carry 10 independently targeted warheads with a yield of about one megaton each. The United States has no missile force capable of disarming the Soviet Union. One thousand Minuteman IIs and IIIs spread in silos at a few Air Force bases have but slight chances against Soviet silos and military communications centers. They can best be used against population and industrial centers and "soft" military targets. Moreover, our Polaris-Poseidon fleet, consisting of 41 submarines carrying 16 missiles each with a yield of 40 kilotons, are useless for military targets. They are population-killing weapons designed to retaliate and revenge a nuclear attack. The Soviets, never wavering from the view that wars have winners and losers, built a nuclear force with disarming first-strike capabilities.

President Reagan will be severely tested in the coming years. He must frame a response to the Soviet threat, and avoid either succumbing to intimidation or blustering into war. If we want to survive a war as a free society, we must mend our defenses immediately. The hour is late and the dangers are growing. The coming years will be fraught with extreme dangers to our lives, fortunes and ways of life, dangers from which we can neither hide nor escape. To close our eyes is foolish and suicidal. To be afraid is natural and wise, for he who has no fears gives advantage to the dangers. To the Reagan administration, our fears of danger must be a spur to avert it.●

THE REDONDO BEACH 10K RUN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. DORNAN of California. Mr. Speaker, on Sunday morning, January 25, the Redondo Beach Chamber of Commerce will again sponsor their annual Redondo Beach Super Bowl Sunday 10K Run through some of the most scenic portions of that beautiful coastal city. Although I will be unable to be present this year, I will certainly be thinking back to the excitement this annual event generated last year when I was on hand for the opening ceremonies.

This year marks the third running of what is now becoming one of the premiere long-distance runs in the Nation. Last year, over 10,000 people participated on the measured course, which was specially designed to enhance the enjoyment of the runners. The organizers have developed a controlled and uncongested finish area, allowing all runners to cross the finish line at full stride. This will also make it easier for all participants to get their precise times. Finally, a distinctive and unique T-shirt is awarded to all runners.

One might wonder why anyone would decide to hold a mass-presentation event on Super Bowl Sunday and expect that anyone would attend. When the organizers for the first run in 1979 sought a suitable date, Super Bowl Sunday was the only one available. And through a little entrepreneurship and a lot of healthy promotion, they have made it into one of the largest annual running events in the Nation in just 3 short years.

Actually, a 10K run on the morning of the Super Bowl isn't a bad idea. Since it begins long before the game, it gives runners a chance to go out and get some good, healthy exercise. So, on a day when many of us might be content to languish in front of the tube, we are provided with an opportunity to take part in an outstanding athletic event. At the conclusion of the Redondo Beach run, there will still be enough time to get home before the football action begins in New Orleans.

I would just like to take this opportunity to commend the great work of Race Director Hans Albrecht and committee members James D. Graham and Dennis R. McCarbe for their fine efforts in organizing this great event. I am sure this year's Redondo Beach run will, like last year's, prove successful. Perhaps the magic 30-minute mark will be broken. And to the runners—good luck. They are all winners for taking part.●

AFGHAN FREEDOM FIGHTERS DESERVE SUPPORT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. DERWINSKI. Mr. Speaker, I would like to insert an article by Human Events columnist, John D. Lofton, Jr., who is a penetrating observer of the international scene. In the January 3 edition of Human Events, Mr. Lofton provides an in-depth study of Soviet expansionism, and calls for the support of the Afghan Freedom Fighters, a concept to which I certainly subscribe.

The article follows:

AFGHAN FREEDOM FIGHTERS DESERVE SUPPORT

The photograph haunts.

Appearing in the December issue of Geo magazine, it shows an Afghan freedom fighter fingering his prayer beads and holding in his left hand a small hatchet. The caption reads:

"These guerrillas were waiting for darkness before attacking a government garrison. Incredibly, some of them had only axes or shovels for weapons. Their adversaries were equipped with tanks, artillery, machine guns—and plenty of ammunition."

In the Geo article—written by Klaus Imbeck, a veteran German reporter who recently traveled to Afghanistan—a 50-year-old freedom-fighter commander, Gawher Khan, holding an 80-year-old Lee-Enfield rifle says:

"You see, we are fighting with rifles like this, and the Russians come with weapons as though they had to fight against the United States."

Khan says with considerable pride that he owns a dozen such rifles and plans to present one of them to his youngest son, an 11-year-old, when he comes of age a year from now.

In Time magazine, Leonid Brezhnev's chief spokesman, Leonid Zamyatin, says that Soviet actions in Afghanistan are to "render assistance" to the Afghan government and are "purely defensive." He observes:

"These actions pursue one aim: protection of our friends anw the security of our southern frontiers. No more than that."

But Zamyatin lies. What the Soviets are doing in Afghanistan is naked aggression, a classic example of Russian imperialism on the march.

Here are some of the things that have happened in Afghanistan in recent weeks.

According to reliable diplomatic reports, Soviet and Afghan forces have used informants to round up so-called rebel sympathizers in a tiny village 40 miles from Kabul and killed 12 of these individuals by deliberately running over them with tanks. After these men were killed, their homes were stripped of belongings, including furniture and food, and their families were left to fend for themselves.

An Afghan official who recently defected says that Soviet occupation forces have systematically looted millions of dollars of uranium ore and precious gems from Afghanistan without any compensation. Abdul Latif Aurah, a former department head in the Afghan Ministry of Mines and Industry, says that Soviet "advisers" are drawing up development policies with the aim of exploiting Afghanistan's resources for the benefit of the Soviet Union. He notes: "For 20 years they have been carrying out surveys and they know exactly where the mineral wealth lies."

Soviet helicopters have dropped hundreds of thousands of small boobytrap explosive devices in mountainous eastern Afghanistan in an attempt to restrict the movement of the freedom fighters. Some of these deadly things are shaped like toy cameras and watches, while others look like butterflies. A senior surgeon at a hospital in Pakistan says: "We've seen a rise in wounds requiring leg and foot amputation and a number of these were due to boobytrap bombs."

A background brief on Afghanistan published by the British Information Services says: "With the approach of winter, a real danger exists of famine in the country. Disease may also spread due to a growing shortage of medicines. The French organization Medecine du Monde has reported a complete breakdown of medical care in some areas, with chicken pox, pneumonia, tuberculosis, poliomyelitis and leprosy becoming endemic. Warnings of famine have come from many observers."

A former University of Kabul professor who fled his country says that the Soviets and their puppet Afghan government have combined to eliminate most intellectuals in Afghanistan. Sayd Majrooh estimates that the number killed, imprisoned or forced to flee is around 50,000, adding: "The cream of our society has been wiped out."

Tens of thousands of Afghans have been killed and more than one million refugees have fled the country since the Soviets invaded and occupied Afghanistan more than 10 months ago. Reliable sources report that the position of the freedom fighters battling the Soviets is deteriorating rapidly and verges on the desperate.

The brutal Soviet rape of Afghanistan has virtually no support in the world. The U.N. General Assembly recently renewed its call for the immediate withdrawal of "foreign" troops from Afghanistan by a vote of 111 to 22, including an overwhelming majority of Third World countries who joined the West.

As one of the earliest acts of his presidency, Ronald Reagan should hold a joint public press conference with his new CIA director, and they should announce that the United States is going to supply the Afghan freedom fighters with whatever supplies they need to successfully resist their Soviet attackers.

Why not? The Soviets are already accusing the United States of doing this—so why not do it?●

JIMMY CARTER'S LEGACY

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. BINGHAM. Mr. Speaker, in coming days historians and pundits will begin to assess the record Jimmy Carter compiled in 4 years in office. Already one such group allowed themselves to be quoted in the New York Times to the effect that Mr. Carter's only major achievement was his election. This is hogwash. President Carter will be remembered as a com-

passionate and decent President who had notable accomplishments in both the domestic and foreign policy arenas. In particular, the miracle at Camp David will rank with the very greatest Presidential achievements. But there is much more than that. Anthony Lewis, in the New York Times of January 11, assays the Carter record. I commend this piece to my colleagues.

[From the New York Times, Jan. 11, 1981]

THE KING MUST DIE

(By Anthony Lewis)

In "The King Must Die," the novel she built on Greek myths, Mary Renault told about the bloody political system of Naxos. Every year the ruling king of that island fought a stranger, and died. The stranger became king for a year and then lost his crown and his life. And the people celebrated.

Sometimes, these days, it seems as if the United States is following the model of mythical Naxos. We pile exaggerated hopes on our President and then, when inevitably he disappoints us, we destroy him.

But were there ever regrets on Naxos for the fallen king? Here, time does often bring a change of perspective: recognition that a once-scorned President brought good qualities to an impossible job. It happened to Harry Truman; it may be happening to Gerald Ford. And I think there will be rewards in history for the man now leaving office under the burden of rejection.

In Jimmy Carter's four years as President, no American soldier died in combat. That is a great achievement—a singular one in the last 50 years. It will look even more impressive if, as seems unhappily possible, the men around Ronald Reagan feel they must prove their toughness by military adventure.

Some people think it is easy for a President to avoid the use of arms; they charge Carter with being "soft." To the contrary, it requires will and courage for a President to say no to the advocates of force. President Kennedy, advised by his brother Robert, showed those qualities in the Cuban missile crisis in 1963. President Carter showed them in the Iran hostage crisis. His policy had flaws, but it was right and brave in putting the safety of the hostages first despite our frustration. Will Mr. Reagan similarly be able to resist the siren song of military retaliation?

The China policy of the Carter Administration is another achievement that may be in jeopardy, if the loose talk of Reagan and his people continues. Carter built on the Nixon breakthrough to cement a relationship with the People's Republic that is a crucial factor in international security.

The Panama Canal treaties were an act of courage that Presidents since Eisenhower, while recognizing the need, had lacked the political resolve to attempt. The treaties were part of a new policy moving the United States away from its old links with right-wing exploitation and oppression in Central America. Here again we may soon be nostalgic for Carter.

His greatest personal achievement was of course Camp David. We tend to take it for granted now, forgetting how extraordinary it was for an American President personally to shape such diplomatic instruments: not just the Camp David agreements but the treaty signed later, the first between Israel and an Arab neighbor. Without Jimmy Carter, both parties say, they could not have agreed.

There is also southern Africa, where Carter's support for British policy—against much pressure from the American right—made it possible to settle the savage war in Zimbabwe. With perseverance and some luck, there could be a settlement now in Namibia.

Finally, abroad, there was the Carter human rights policy. The critics say it was imperfect, and it was; no absolute symmetry is possible in such an area. But lives were saved, some torture stopped—and American idealism was represented in the world.

At home, history will probably rate his environmental record as Carter's most important accomplishment. He appointed sensible, sensitive administrators. Our children will be grateful for his legacy of cleaner, less dangerous surroundings, and for much natural beauty preserved—that is, unless the plunderers now have their way.

Carter's judicial appointments are also likely to be an impressive legacy. He never got to name anyone to the Supreme Court, but he picked 265 other Federal judges, most of them highly regarded in the legal profession and a significant number, for the first time, of women and members of minorities.

In energy, Carter did what five predecessors had been unable or unwilling to do: broke away from the distorting practice of holding American prices way below world levels. It was an essential step for both economic and security reasons, and one taken against the received liberal wisdom.

Carter also broke with outmoded liberal ideas to begin deregulation of airlines, trucks, banking.

But the domestic achievement that many will value in Jimmy Carter was a symbolic one: being elected President as a Southerner who rejected racism. That really brought the South back into the Union.

There were faults, deep ones. But Jimmy Carter is entitled to a moment of respect. I shall remember him on Labor Day last in Tuscumbia, Ala., when members of the Ku Klux Klan interrupted his first appearance of the election campaign. He said:

"As the first man from the Deep South in 140 years to be President of this nation, I say that these people in white sheets do not understand our region and what it's been through. . . . They do not understand what our country stands for. . . ."●

LIST OF KEY VOTES OF CONGRESSMAN DON J. PEASE, 96TH CONGRESS, 2D SESSION

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. PEASE. Mr. Speaker, it has become my practice to periodically list in the CONGRESSIONAL RECORD the key votes I have cast in the U.S. House of Representatives.

This list of my key votes is arranged as follows: Each item begins with the rollcall number of the vote, followed by the number of the bill or resolution, and a description of the question on which the vote was taken. This is followed by my own vote on the issue, either Y for yes, N for no, or NV for not voting. Finally, the vote of the entire House of Representatives is indicated by passed or failed followed by the yea-nay vote totals.

The list printed here includes key votes taken between June 5, 1980, and December 5, 1980.

301. H.R. 7428. Oil Import Fee/Debt Limit. Passage, over the president's June 5 veto, of the bill to extend through June 30 1980, the existing debt limit of $879 billion and to disapprove the $4.62 fee per barrel of imported oil that President Carter imposed effective March 15. June 5. Y, passed 335-34.

308. S. 562. Nuclear Regulatory Commission. Adoption of the conference report to authorize $426.8 million for FY80 and stiffen penalties for safety violations at nuclear reactor sites. June 10. Y, adopted 386-9.

315. H.R. 5200. Fair Housing Act Amendments. Passage of the bill to give the federal government new authority to enforce housing discrimination laws and to include handicapped persons within coverage of the fair housing laws, June 12. Y, passed 310-95.

321. H. Con. Res. 307. FY81 Budget Targets. Motion to approve the revised conference version of the resolution to revise binding FY80 budget totals and set FY81 budget targets as follows: for FY80—$658.9 billion in budget authority, $572.7 billion in outlays, $525.7 billion in revenues and a $47 billion deficit; for FY81—$697.2 billion in budget authority, $613.6 billion in outlays, $613.8 billion in revenues and a surplus of $200 million. June 12. Y agreed to 205-195.

326. H.R. 6413. National Aeronautics and Space Administration. Amendment to reduce FY81 funds for aeronautical research by $23.5 million in order to eliminate funding for research on advanced supersonic transport aircraft. June 13. Y, rejected 90-225.

339. H.R. 7542. FY80 Supplemental Appropriations. Amendment to rescind $100 million previously appropriated for the purchase of furniture by federal agencies, and to increase FY80 supplemental appropriations by $42,860,000 for the Agriculture Department's Food for Peace Program. June 17. Y, adopted 346-47.

342. H.R. 7542. FY80 Supplemental Appropriations. Amendment to delete from the bill $58 million in Army Corps of Engineers FY80 construction funds for the Tennessee-Tombigbee Waterway Project. June 18. Y, rejected 185-230.

344. H.R. 7542. FY80 Supplemental Appropriations. Amendment to provide the president with an additional $100 million for resettlement assistance for immigrants and refugees other than Cubans found by the Immigration and Naturalization Service to be convicted felons or prostitutes. June 19. Y, adopted 210-188.

346. S. 2698. Small Business Administration. Adoption of the conference report on the bill to authorize $1.2 billion in FY81 and $1.4 billion in FY82, FY83 and FY84 for Small Business Administration programs. June 19. Y, adopted (thus cleared for the president) 210-193.

350. H.R. 6418. Trucking Deregulation. Passage of the bill to substantially curtail federal regulation of the trucking industry, increase competition in the industry and allow individual trucking firms greater ability to change rates. June 19. Y, passed 367-13.

360. H.R. 3567. Soft Drink Bottlers' Antitrust Immunity. Motion to suspend the rules and pass a bill to insulate from antitrust challenge certain exclusive licenses owned by soft drink bottlers. June 24. N, agreed to 377-34.

361. H.R. 77018. Pesticides Authorization. Motion to suspend the rules and pass the bill to authorize $77.5 million in FY81 to continue programs of the Federal Insecticide, Fungicide and Rodenticide Act and to provide for a two-house congressional veto of Environmental Protection Agency pesticides regulations. June 24. Y, agreed to 392-22.

362. H.R. 7590. Energy and Water Development Appropriations, FY81. Amendment to increase FY81 funding for energy supply, research and development by $107 million. June 24. Y, adopted 254-151.

363. H.J. Res. 521. Draft Registration Funding. Motion to adopt the Senate-passed version (containing a minor amendment deleting $10,000 from the bill for technical reasons) of President Carter's $13.3 million plan to register 19- and 20-year-old men for a possible military draft. June 25. N, agreed to (thus cleared for the president) 284-168.

364. H.R. 7590. Energy and Water Development Appropriations, FY81. Amendment to reduce by $200 million FY81 funding for the Tennessee-Tombigbee Waterway. June 25. Y, rejected 196-216.

365. H.R. 7590. Energy and Water Development Appropriations, FY81. Amendment to delete $2.1 million in FY81 funding for the O'Neill irrigation unit in Nebraska. June 25. Y, rejected 202-211.

368. H.R. 7590. Energy and Water Development Appropriations, FY81. Passage of the bill to appropriate in FY81 $11.71 billion for the Department of Energy, the Army Corps of Engineers, the Bureau of Reclamation and other agencies, June 25. Y, passed 334-87.

372. S. 932. Synthetic Fuels/Defense Production Act. Adoption of the conference report on the bill to authorize $20 billion for alcohol fuels and urban waste and $3 billion for a solar energy and conservation bank to provide subsidized loans; and to extend authorization of the Defense Production Act through September 30, 1986. June 26. Y, adopted 317-93.

379. S. 1308. Energy Mobilization Board. Motion to recommit to the House-Senate conference committee the conference report (thus killing the conference report) on the bill to provide for establishment of an Energy Mobilization Board to cut red tape and waive certain laws for priority energy projects. June 27. Y, agreed to 232-131.

381. H.R. 7592. Military Construction Appropriations, FY81. Passage of the bill to appropriate $4,801,119,000 for military construction projects of the Department of Defense in FY81. June 27. Y, passed 308-19.

387. H.R. 7321. National Tourism Policy. Motion to suspend the rules and pass the bill to establish a national tourism policy, a Cabinet-level coordinating council and a board to develop marketing and implementing plans and to promote foreign travel in the United States. July 1. N, agreed to 347-55.

390. H.R. 7584. State, Justice, Commerce, Judiciary Appropriations, FY81. Amendment, to the amendment, to add $22.37 million to the Immigration and Naturalization Service appropriation for 311 border patrol positions and 91 inspectors. July 1. Y, adopted 337-72.

397. H.R. 7542. FY80 Supplemental Appropriations. Motion to concur in the Senate foreign aid amendment with an amendment to reduce appropriations by $554 million and provide funds for the Export-Import Bank, aid to Nicaragua and other programs. July 2. Y, passed 212-178.

402. H.R. 7511. Veteran's Disability Compensation and Survival Benefits. Motion to suspend the rules and pass the bill to provide a 13% cost-of-living increase in the rates of disability compensation for disabled veterans and to raise the rates of dependency and indemnity compensation for survivors of disabled veterans. July 21. Y, passed 383-1.

404. H. Con. Res. 351. Social Security Taxation. Motion to suspend the rules and adopt the resolution stating the sense of Congress that Social Security benefits should remain exempt from federal taxation. July 21. Y, passed 384-1.

406. H.R. 7593. Legislative Branch Appropriations, FY81. Amendment to delete from the bill $210,000 intended to reimburse House members for travel to and from Washington, D.C., in the first session of the 97th Congress. July 21. Y, passed 217-159.

430. H.R. 7631. HUD & Independent Agencies Appropriation, FY81. Amendment to cut $542,000 from the National Commission on Air Quality. July 25. N, rejected 176-184.

434. H.R. 658. Bankruptcy Law Amendments. Motion to suspend the rules and pass the bill to prohibit persons who receive student loans from discharging those loans in bankruptcy proceedings. July 28, Y, rejected 205-178.

454. H.R. 7583. Treasury, Postal Service, General Government Appropriations, FY81. Amendment to prohibit the use of appropriated funds by the Internal Revenue Service for the study or implementation of a proposed withholding tax on interest and dividends. August 19. Y, passed 401-4.

466. H.R. 7583. Treasury, Postal Service, General Government Appropriations, FY81. Amendment to prevent any funds appropriated by the bill to pay for abortions or the administrative expenses of any plan under the Federal Employees Health Benefit Program that provides coverage for abortions. August 20. N, adopted 228-170.

483. H.R. 7299. Mental Health Systems. Passage of the bill to extend and expand community mental health services programs, state mental health programs and mental illness prevention programs, and to authorize for those programs a total of $78 million for FY81, $152 million for FY82, $177.5 million for FY83. August 22. Y, passed 277-15.

484. H.R. 6308. Fusion Energy Research. Motion to suspend the rules and pass the bill to authorize $435 million for accelerated development of fusion energy. August 25. Y, motion agreed to 365-7.

489. H.R. 6974. Defense Authorization. Adoption of the conference report on the bill to authorize $52.8 billion in FY81 for Defense Department weapons procurement, research, and development, testing and evaluation, and to authorize the manpower strengths of the military services. August 26. Y, adopted 360-49.

494. H.R. 6711. Youth Jobs and Education. Passage of the bill to revise and extend existing youth jobs programs, and to establish a new program of aid for the teaching of basic educational skills in junior and senior high schools with high proportions of low-income students. August 26. Y, passed 337-51.

499. H.R. 7998. Labor-HHS-Education Appropriations, FY81. Amendment to exempt businesses with 10 or fewer employees in industries with good safety records from certain OSHA safety regulations. August 27. N, adopted 225-178.

502. H.R. 7998. Labor-HHS-Education Appropriations, FY81. Passage of the bill to appropriate $84.55 billion for the Departments of Labor, Education, and Health and Human Resources. August 27. Y, passed 320-53.

516. H.R. 7765. Budget Reconciliation. Amendment to restore provisions of existing law providing semiannual cost-of-living adjustments (COLA) in benefits to federal military and civilian retirees. September 4. N, passed 309-72.

519. H.R. 7765. Budget Reconciliation. Passage of the bill, as required under the first budget resolution for FY81, to reduce 1981 outlays by $5.3 billion, and increase revenues by $3.9 billion. September 4. Y, passed 294-91.

534. H.R. 235. Rail Deregulation. Passage of the bill to substantially ease federal regulation of the railroad industry. September 9. Y, passed 337-20.

546. H.R. 8015. Defense Department Appropriations, FY81. Amendment to prohibit use of funds for production of binary chemical munitions. September 16. Y, rejected 175-276.

548. H.R. 8015. Defense Department Appropriations, FY81. Amendment to repeal law that prohibits the Defense Department from paying the premium price on procurement contracts in order to award the contracts to firms located in areas of high unemployment. Y, adopted 220-179.

549. H.R. 8105. Defense Department Appropriations, FY81. Passage of bill to appropriate $157.2 billion for Defense Department programs in FY81. Y, passed 351-42.

560. H. Con. Res. 367. India Nuclear Fuel. Adoption of the resolution disapproving the shipment to India by the United States of enriched nuclear fuel. September 18. Y, adopted 298-96.

571. H.R. 85. Oil and Chemical Spill Liability. Passage of the bill to set up two $375 million funds to clean up oil and chemical spills into navigable waterways, and to compensate victims of such spills for certain damages. September 19. Y, passed 288-11.

579. H.R. 7020. Hazardous Waste Disposal. Passage of the bill to set up a $1.2 billion "superfund" to clean up abandoned hazardous waste dump sites. September 23. Y, passed 351-23.

581. H.R. 7590. Energy/Water Development Appropriations, FY81. Motion to agree to a Senate amendment to authorize a $284 million flood control project in the Tug Fork River valley along the Kentucky-West Virginia border. September 24. N, motion agreed to 230-164.

586. H.R. 6777. Council on Wage and Price Stability. Passage of the bill to extend the Council on Wage and Price Stability through September 30, 1981, and to authorize $6.9 million in appropriations for the council. September 24. Y, passed 229-165.

601. H.R. 8146. Unemployment Compensation. Passage of the bill to extend federal financial support for state unemployment benefit programs. September 30. Y, passed 336-71.

618. H.R. 2977. Domestic Violence. Adoption of the conference report on the bill to provide federal funds to states to set up shelters for victims of domestic violence. October 1. Y, passed 276-117.

622. H. Res. 794. Michael Myers Expulsion. Adoption of the resolution to expel Representative Michael Myers from the House of Representatives. October 2. Y, passed 376-30.

640. H. Con. Res. 448. Second Budget Resolution, Fiscal 1981. Resolution to set binding budget levels for fiscal year ending Sept. 30, 1981, as follows: budget authority, $689.5

billion; outlays, $631.75 billion; revenues, $606.7 billion; and deficit, $25.05 billion. Y, adopted 203-191.

643. H.R. 6704. Juvenile Justice. Amendment to allow juvenile court judges to jail certain youthful offenders who violated valid court orders regulating their behavior. Nov. 19. Y, adopted 239-123.

654. H.J. Res. 598. Auto Import Limitation. Motion to suspend rules and pass bill to give the President authority, for three years, to negotiate auto import restrictions with foreign countries. Dec. 3. Y, agreed to 317-57.

652. H.R. 3370. Nuclear Waste Policy Act. To permit states to veto federally selected nuclear waste sites within their borders unless both Houses of Congress voted to override the veto. Dec. 3. N, rejected 161-218.

669. H.R. 7591. Agriculture Appropriations, Fiscal 1981. To appropriate $21,696,661,000 in fiscal 1981 for the Agriculture Department and related agencies. Dec. 4. Y, adopted 325-25.

675. H.R. 3379. Motor Vehicle Safety. Motion to suspend the rules and pass the bill to authorize appropriations for the National Highway Traffic Safety Administration, delay implementation of federal automobile passive restraint standards by one year and make those standards first applicable to smaller cars. Dec. 5. Y, motion rejected 205-126.●

AFTER TITO, A STRUGGLE—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. McDONALD. Mr. Speaker, when President Tito died in Yugoslavia on May 4, 1980, there was a lot of hypocritical emotion expressed by many heads of state, in fact they appeared to wallow in it to paraphrase Hilaire du Berrier, who publishes a foreign affairs newsletter entitled: "H. du B. Reports." As he further stated in his May 1980 issue: "Perhaps now is an appropriate time to tell how Yugoslav reds killed more Yugoslavs than the Germans that a Communist might replace their King." Therefore, I wish to place his report on Tito in the CONGRESSIONAL RECORD at this point to correct some of the false impressions created over the years about this man. The material follows:

AFTER TITO, A STRUGGLE

MUCH OF THE TITO STORY WILL NEVER BE KNOWN

The official version is that Josep Broz Tito was born in the village of Kumrovec, near the border of Slovenia and Croatia, on May 7, 1892, of a Croatian drunkard father and a Slovakian peasant mother. Among the aliases he used in his climb upward as a revolutionary were Kostanjek, Tomanek and Walter. As a student he was a failure and after an apprenticeship with a locksmith he became a metal worker, more interested in labor agitation than job advancement. In 1913 he was drafted into the Austro-Hungarian Army and 1914 found him in the attack on Serbia, following the assassination of the Archduke Franz-Ferdinand of Sarajevo. A year later he was captured by the Russians and sent to the Siberian camp which was to be his communist university. 1917 found him in the thick of the insurrection in Saint Petersburg. When the illegal, Russian-directed communist party was set up in Vienna, Comrade Bros returned to Croatia to organize its Yugoslav arm, and the papers he signed during that period bore the initials T.I.T.O, for Tajna Internacionalna Terroristica Organizacija. Thus the name Tito was born. The organization was dissolved in 1921 after an attempt to assassinate the regent, who was to become King Alexander and die in Marseilles in 1934. Tito was working in shipyards and organizing labor cells when he was arrested on April 4, 1928, and sentenced to five years in Lepoglava prison where he was to later lock up his former friends.

When he got out of prison Tito went to Russia for advanced training in the Ecole Superieure of the communist party and emerged as agent No. 135 in the European branch of the Komintern. For a time, in 1935, he was teaching in Russia before being assigned a mission to Austria under the name of Ivan Velchik, with a job as a traveling salesman as a cover. August 1936 found him in Paris passing Yugoslav and Bulgarian volunteers on to the Civil War in Spain. By then his name was Tomanek and he was a Czechoslovakian engineer with letter drops in rue La Fayette, rue de Chabrol and Avenue Mathurin-Moreau. Among the future red leaders with him at the time were Clement Gottwald, the German, Palmiro Togliatti, Luigi Longo and Pietri Nenni, the Italians. In 1937 Stalin called him back to Moscow to help in the bloody purges of four former secretary-generals of the Yugoslav Communist Party and 150 Yugoslav party officials who had taken shelter in Russia. That accomplished, the way was clear for Tito to become head of the Yugoslav Communist Party under the name of Walter.

With the signing of the Russo-German pact on August 23, 1939, Hitler's wehrmacht needed communist help in staving off the Serbian nationalists and Stalin sent Tito home with explicit orders to co-operate with the Germans. There was nothing rebellious about Tito then. From April 1940 onward he condemned the imperialistic British and French attacks on Germany. And when the Germans invaded Yugoslavia in April 1941, Tito still did not lift a hand. Instead, he killed 280,000 of his fellow Croatians and from his HQ in Zagreb continued to work with the Italian High Command, denouncing the "chauvinistic Yugoslavs who wanted to oppose their Axis friends." Until the German invasion of Russia in June 1941, Hitler had no more faithful ally than Tito. Then orders came from Stalin to fight, but Tito was told to talk only of national liberation. The western camp had to be wooed back and "proletarian revolution" was not to be mentioned. By the end of June, 1941, the Germans had surrounded Serbia and driven 12,000 communists into the former Turkish Sandjac and Bosnia where General Draza Mihailovich had been uncontested ruler since the previous spring. Everywhere Mihailovich was acclaimed as a hero, the man who refused to surrender and abandoned his useless tanks to fight in the Ujidce and Cacak hills. Tito hid in Belgrade for a time, in the home of Yvan Ribar, the former minister, but in late July he appealed to Mihailovich and pretended to rally to the resistance. What Mihailovich did not know was that since June 22 Tito had been setting up a Communist General Staff which would cover Croatia, Bosnia and Montenegro and follow Moscow's orders, while Mihailovich was following London's.

December 1, 1941, was a big day in the Yugoslav camp. It was the anniversary of the 1918 proclamation of Yugoslav unity and as they celebrated it, Mihailovich's "chetniks" (members of his band) stacked their arms. At a given signal, Tito's partisans rushed for the chetniks' arms and tried to wipe them out. After a short fight the chetniks regained control and prevented Tito from taking over the Sandjac of Montenegro. From that moment Mihailovich was fighting against both the communists and the Germans.

A short time later two mysterious Russians appeared at Tito's HQ. One of them, Feodor Mahin, had passed for a white Russian in Yugolavia and published the anti-communist paper, "Ruskis Bornik," which King Alexander had financed. But in 1940 Mahin established contact with the Soviet embassy in Belgrade and began working openly with the Germans. With him, when he joined Tito, was another former Czarist officer named Wladimir Lebedev, who had passed as a white Russian journalist on the Belgrade daily, "Politika." Lebedev was a cultured man with dark glasses and a heavy beard which covered two-thirds of his face. His manners were aristocratic and he professed to be a monarchist, but as soon as the Russians re-established their embassy in Belgrade he was appointed press attaché and Tass correspondent on the Greek-Italian front. After the Germans invaded Yugoslavia on April 6, 1941, he disappeared and was not seen until a year later when he presented himself at Tito's camp near Foca. It was a period of complete confusion with Serbs fighting Croats, chetniks fighting Tito's partisans and all four being harassed by the Germans. Scattered groups of partisans straggling back to their hide-out noticed that a change had come over Tito. Gone was the sloppily-dressed man without polish or culture. The leader of the Partisans took to wearing a smart uniform, he seemed slightly larger than before and his hair was lighter. His Croatian accent had disappeared and he spoke like a Russian. Stranger still, he had five fingers on his left hand, while the Tito they had known had lost one in an accident.

One of the first to notice this was Tito's personal guard, Micha Popovich, who in 1943 carried his suspicions to Mihailovich. Two Montenegran students observed that their chief spoke several languages, that he had developed a passion for uniforms and decorations and lost his rude, peasant metal-worker manners. A few days later they were executed. Some did not dare to talk about it and others did not want to, but a rumor began circulating that while the confused fighting of April 1942 was going on the old Josep Broz with nine fingers had disappeared or been liquidated and Lebedev, minus beard and dark glasses, had taken his place. Captain Hudson, of the British Army, later recalled that he had landed on a Montenegran beach about ten miles south of the village of Budua on the night of October 25, 1941, accompanied by Colonel Zacharie Ostojich of the Royal Yugoslav Army. On their way northward to a rendezvous with Mihailovich, they were intercepted by Peko Dajcevic, Tito's commander in Montenegro. Dajcevic immediately reported to Tito and arranged for the British officer to meet him in late January 1942. Captain Hudson never forgot Tito's admission that he dared not cooperate too closely with the British, after the liquidation of four Yugoslav communist leaders who had made that mistake. It was a few days after the meeting with Captain Hudson that Lebedev appeared at Tito's HQ as an emissary from Moscow. Stalin was taking no chances that his man and the Britisher might make an arrangement between them. About a month later the change appeared to take place and the battle between the partisans and Mihailovich's chetniks for the conquest of Yugoslavia took precedence over the war against the Germans.

THE DISHONEST ACCOUNT GIVEN THE WORLD

A broadcasting station within Russia began flooding the air with stories of the victories of Tito's partisans and the West took them up. So successful was the campaign to smear Mihailovich, R. Harris Smith perpetuated the anti-Mihailovich theme in his shockingly slanted book: "OSS—The Secret History of America's First Central Intelligence Agency." Smith wrote: "Shortly after the German invasion and subjugation of Yugoslavia in April 1941, the allied propaganda services began to manufacture a legend, a heroic tale of a bearded and bespectacled colonel named Draza Mihailovich, Chief of staff of a Yugoslav army unit at the time of his country's capitulation, he had refused to surrender. Taking to the hills in the wake of the Nazi victory, he formed a guerrilla army against the invaders." Smith, the CIA leftist who quit Langley to lecture in the university at Berkeley, California, sneered at reports of Mihailovich's lone battle for his country and King.●

THE DOMESTIC AND INTERNATIONAL HUNGER FOUNDATION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. GILMAN. Mr. Speaker, today I am introducing legislation to establish the Domestic and International Hunger Foundation. I first introduced this measure toward the close of the 96th Congress in an effort to stimulate discussion and comment about this proposal. Response from numerous individuals and organizations working to resolve the critical problem of global hunger and undernutrition was very favorable and I am hopeful that this legislation will receive early consideration by the 97th Congress.

This proposed organization is to be charged with the task of better informing the American people about the causes of and possible solutions to a problem which has a critical bearing on both our determination to fulfill our commitment to the humanitarian principles upon which our Nation was founded and our desire to insure our national security in the decades ahead. That problem is the scourge of hunger and undernutrition which plagues hundreds of millions of people throughout the world.

THE PROBLEM OF HUNGER AND THE WORK OF THE PRESIDENTIAL COMMISSION ON WORLD HUNGER

In my work as a member of The Presidential Commission on World Hunger, established by the President's Executive order of September 5, 1978, in response to a congressional resolution, my worst fears about the enormity of the problem and the immense suffering it brings to innocent children and adults were quickly confirmed. The consensus of those serving on the Commission, men and women who have devoted much of their professional and personal lives to seeking solutions to the hunger problem, was summed up as follows in the Commission's final report issued in March 1980:

Of all the challenges facing the world today, agreement by the nations of the world on the actions required of all countries to eliminate hunger may be most important, and may also provide the most promising basis for other international actions to assure world peace. By placing the elimination of hunger high on its national agenda, the United States will demonstrate a major commitment to undertaking one of the most important tasks facing mankind.

In its comprehensive report establishing poverty as the principal cause of hunger and undernutrition, the Commission established that hunger has many inter-related causes tied into numerous political, economic, and social problems. While explaining that a major crisis of global food supply—of even more serious dimensions than the present energy crisis—appears likely within the next 20 years, unless steps are taken now to facilitate a significant increase in food production in the developing nations, the Commission underscored its finding that increased food production will not occur, however, without a market and will not benefit hungry people unless they acquire the purchasing power to enter the market. Solutions to ending hunger and undernutrition, thus lay in great measure with efforts to assure more equitable access to food and the resources to produce food through the generation of employment and income.

As the Roman philosopher Seneca proclaimed some 2,000 years earlier: "A hungry people listens not to reason, nor cares for justice, nor is bent by prayers." I doubt that any of us could expect a people whose mothers and fathers are plagued by hunger, seeing their children famished and stunted by malnutrition, to act otherwise.

The Commission found that the United States should be concerned about hunger because of moral obligation and responsibility and out of concern for national security. Traditional appeals to end hunger based on humanitarian concern are probably more familiar than the Commission's finding that promoting economic development in general, and overcoming hunger in particular, are tasks far more critical to the U.S. national security than most policymakers acknowledge or even believe. However, at a time when 750 million to 1 billion people suffer the physically and mentally debilitating effects of chronic undernutrition, hunger unquestionably becomes fused to the security concerns of our Nation and the entire international community because the deprivation experienced by the poor and hungry and those among them who can harness the indignation borne of being without the means to purchase or grow one's needed food, portends an explosive instability which will intensify during the next several decades. I might add that while our Commission was completing its report, the Independent Commission on International Development Issues, chaired by Willy Brandt, former Chancellor of the Federal Republic of Germany, concluded its own study which attached a similarly high priority to ending the world hunger problem.

The Commission noted also, in its findings about hunger and malnutrition in the United States that:

> While progress has been made in reducing the incidence of hunger and malnutrition in the United States, certain segments of the population of the United States, notably among native Americans, migrant workers, and the elderly remain vulnerable to malnutrition and related diseases.

THE NEED FOR PUBLIC EDUCATION

In addition to compiling a report identifying the causes of hunger and malnutrition, assessing past and present national programs and policies that affect hunger and malnutrition, and recommending to the President and Congress specific actions to create a national food and hunger policy, the Commission was charged by its mandate with undertaking a second phase of operations; helping to implement its recommendations and to focus attention on food and hunger issues through various public education activities.

The Commission's public education activities reached out to a broad cross-section of the American public including individuals, private voluntary organizations, the academic community, religious groups, consumer and labor organizations, and the private corporate sector. Numerous Commission publications were distributed, public hearings held, teaching materials developed, and efforts undertaken to involve constituency groups in learning about the causes and nature of and the possible solution to hunger.

Two public opinion polls conducted for the Hunger Commission demonstrated that the American people show strong public support for maintaining and even increasing U.S. assistance to the world's hungry. These public opinion surveys indicate, how-

ever, that there is a need to educate the American public about the complexities of hunger, the scale of the problem, and the realities of U.S. involvement because hunger seldom captures widespread public attention except in times of crisis or dire emergency.

At the Commission's final meeting, June 16, 1980, widespread agreement emerged that the Commission's public education campaign, while significant, had fallen short of the Commission's expectations. Strong support was demonstrated for followup public education activities, including the Commission's recommendation that Congress authorize funds to establish an organization to educate and inform the American public about world hunger.

The Commissioners noted that although the Commission would soon terminate, the problem of hunger was still very real, very critical. And while the Commission's public education activities revealed a concerned citizenry, the Commission could not, with the time and resources it was allotted, disseminate on a wide enough basis its findings and the reasons for its urgent appeal for action against hunger.

THE DOMESTIC AND INTERNATIONAL HUNGER FOUNDATION

Mr. Speaker, consultations with those serving on the Presidential Commission and with others who have worked long and hard on the problem of hunger and malnutrition has convinced me that we must continue our efforts to inform the American people about hunger and the serious implications it has for our Nation.

To achieve this objective, I propose the establishment of the Domestic and International Hunger Foundation. The Foundation's major functions would include: One, conducting, sponsoring, and otherwise supporting conferences, seminars, and workshops on matters pertaining to world hunger; two, developing reference materials dealing with world hunger which would be appropriate for elementary, secondary, and college level study; three, providing assistance for research and studies on the world hunger problem and the public perception of this problem; four, maintaining a speaker's bureau of individuals to discuss issues relating to world hunger; five, monitoring the implementation of the recommendations of the Presidential Commission on World Hunger; six, publishing and otherwise disseminating the results of hunger related research, studies, or investigations; seven, participating in the international exchange of learned publications and materials on hunger and retaining copies of such publications and materials for public access and review; eight, conducting symposia for interested individuals and representatives or organizations in order to explore means by which joint initiatives to alleviate world hunger could be undertaken; and nine, maintaining for public access an inventory of country and community requests for assistance in developing and implementing development assistance projects.

The Foundation's Board of Directors would be appointed by the President, by and with the advice and consent of the Senate. An Advisory Board of individuals representing a broad spectrum of public concerns relating to hunger would be selected to assist the Foundation in its activities. A modest budget would be authorized for the Foundation; a budget representing our Nation's first real commitment to informing the American people about the many dimensions of a problem which has and will continue to have a significant impact upon the lives of all our citizens * * * in this decade and in future decades.

Accordingly, Mr. Speaker, I urge my colleagues to support this legislation which I submit on behalf of all Americans committed to ending the hunger and undernutrition that claims the lives and productive potential of hundreds of millions of our fellow citizens throughout our Nation and throughout the world.

Mr. Speaker, I request that the complete text of this legislation be inserted at this point in the RECORD:

H.R. 870

A BILL TO ESTABLISH THE DOMESTIC AND INTERNATIONAL HUNGER FOUNDATION

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Domestic and International Hunger Foundation Act".

FINDINGS

SEC. 2. The Congress finds that—

(1) hunger and chronic undernutrition remain daily facts of life for hundreds of millions of people throughout the world;

(2) while progress has been made in reducing the incidence of hunger and malnutrition in the United States, certain segments of the population of the United States, notably among native Americans, migrant workers, and the elderly, remain vulnerable to malnutrition and related diseases;

(3) it is imperative that our Nation's policies be consistent with the right of every person in this country and elsewhere to a nutritionally adequate diet as outlined in the Right-to-Food Resolution of 1976;

(4) as the world's largest producer, consumer, and trader of food, the United States has a key role and responsibility in any effort to combat world hunger, and no significant progress is likely to be made without the active and wholehearted participation of the United States in efforts to assist nations and people to improve their capability to feed themselves;

(5) the world hunger problem is far more critical to the national security of the United States than most policymakers acknowledge or believe;

(6) a major global food supply crisis of even greater dimensions than the present energy crisis appears likely to occur within the next twenty years unless steps are taken to facilitate a significant increase in food production and to restructure the means by which food and the resources and technology needed to produce food are distributed;

(7) efforts to meet the rising global demand for food must take into consideration the limited nature of such resources as land, water, and energy, and the possible adverse effects which certain methods utilized to increase food production may have upon these resources;

(8) while world hunger has many interrelated causes, the central and most intransigent cause is poverty;

(9) gains in productivity must not be mistaken for nor subordinated to the goal of assuring more equitable access to food and the resources to produce food through the generation of employment and income;

(10) surveys indicate that the American people strongly support maintaining and even increasing efforts of the United States to eliminate world hunger; however, because hunger seldom captures widespread public attention except in times of catastrophe or dire emergency, it is necessary to further educate the American public about the complexity and scale of the world hunger problem, and the reasons why even greater United States involvement is required; and

(11) present efforts to increase public awareness of the world hunger problem and hunger-related issues fall far short of what is required.

ESTABLISHMENT

SEC. 3. (a) There is established a corporation to be known as the Domestic and International Hunger Foundation (hereinafter in this Act referred to as the "Foundation").

(b) The Foundation shall establish its principal office in the District of Columbia.

FUNCTIONS

SEC. 4. In order to alleviate the problems of world hunger and malnutrition, the Foundation shall—

(1) inform the American public about the causes of and possible solutions to such problems by—

(A) conducting, sponsoring, and otherwise supporting conferences, seminars, and workshops on matters pertaining to world hunger;

(B) developing and, upon request, providing reference materials dealing with world hunger which would be appropriate for use at the elementary school, secondary school, and college levels;

(C) providing assistance for research and studies on the world hunger problem and the public perception of this problem; and

(D) maintaining a speakers bureau of individuals to discuss issues relating to world hunger;

(2) monitor the implementation of the recommendations of the Presidential Commission on World Hunger, made in accordance with Executive Order 12076 (dated September 5, 1978);

(3) publish and otherwise disseminate the results of hunger-related research, studies, or investigations deemed appropriate by the Foundation;

(4) participate in the international exchange of learned publications and materials on hunger, and retain, if appropriate, copies of such publications and materials for public access and review;

(5) conduct symposia for interested individuals and representatives of organizations in order to explore means by which joint initiatives to alleviate world hunger could be undertaken; and

(6) maintain for public access a list of humanitarian organizations, governments of developing countries, and States or local units of government in the United States, requesting financial or other assistance in hunger or development assistance projects.

POWERS

SEC. 5. The Foundation—

(1) shall have perpetual succession unless dissolved by an Act of Congress;

(2) may adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction;

(4) may make and perform such contracts and other arrangements as may be necessary for carrying out the functions of the Foundation;

(5) shall prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid;

(6) may employ and fix the compensation of not to exceed 70 persons at any one time;

(7) may lease, purchase, or otherwise acquire, own, hold, improve, use, dispose of, and otherwise deal in and with such real or personal property or interest therein as may be necessary for carrying out its functions;

(8) may accept money, property, and services of any kind by gift, devise, bequest, grant, or otherwise;

(9) may use the United States mails in the same manner and on the same conditions as the executive departments of the Federal Government;

(10) may, with the consent of any agency of the United States, use the information, services, facilities, and personnel of that agency in carrying out its functions;

(11) may procure the services of experts or organizations thereof in accordance with section 3109 of title 5, United States Code; and

(12) shall have such other powers as may be necessary or incident to carrying out its functions.

BOARD OF DIRECTORS

SEC. 6. (a) The management of the Foundation shall be vested in a board of directors (hereinafter in this Act referred to as the "Board"), which shall direct the exercise of all powers of the Foundation.

(b)(1) The Board shall be composed of seven members who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) One member of the Board shall be designated by the President to serve as Chairperson of the Board and another member of the Board shall be designated by the President to serve as Vice Chairperson of the Board. Each person designated as Chairperson or Vice Chairperson shall be so designated for the term of such person's appointment to the Board.

(3) Except as provided in paragraphs (4) and (5), and members of the Board shall be appointed for seven-year terms.

(4) Of the members first appointed to the Board—

(A) the member designated as Chairperson shall be appointed for a seven-year term,

(B) the member designated as Vice Chairperson shall be appointed for a six-year term,

(C) one member shall be appointed for a five-year term,

(D) one member shall be appointed for a four-year term,

(E) one member shall be appointed for a three-year term,

(F) one member shall be appointed for a two-year term, and

(G) one member shall be appointed for a one-year term.

(5) A vacancy on the Board shall be filled in the manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which such member's predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of such member's term until a successor to such member has taken office.

(c) The Board shall meet at any time pursuant to the call of the Chairperson or as may otherwise be provided by the bylaws of the Foundation. A majority of the Board shall constitute a quorum, and no action may be taken by the Board except by majority vote of all members of the Board. The Board shall adopt, and may from time to time amend, such bylaws as are necessary for the proper management and functioning of the Foundation.

(d) Members of the Board shall receive no compensation for their services as members of the Board, but may be reimbursed for actual and necessary expenses not exceeding $100 per day, and for transportation expenses, while engaged in their duties on behalf of the Foundation.

(e)(1) The Chairperson—

(A) shall be the chief executive officer of the Foundation, and

(B) shall not engage in any other business, vocation, or employment during that person's period of service with the Foundation.

(2) The chief executive officer of the Foundation shall receive compensation at a rate not to exceed that payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

ADVISORY COMMITTEE

SEC. 7. (a) There is established an advisory committee to the Board for the purpose of advising the Foundation with regard to the objectives and activities of the Foundation.

(b)(1) The advisory committee shall be composed of twenty members as follows:

(A) the Secretary of State, the Secretary of Agriculture, and the Director of the International Development Cooperation Agency;

(B) two members appointed from the House of Representatives by the Speaker of the House of Representatives;

(C) two members appointed from the Senate by the President pro tempore of the Senate; and

(D) thirteen individuals appointed by the President from academic institutions, religious organizations, labor groups, consumer interest groups, and the private corporate sector, with at least one individual to be appointed from each of those groups.

(2)(A) Individuals appointed under paragraph (1)(D) shall be appointed for four-year terms.

(B) Members of the House of Representatives and Senators appointed under paragraph (1) shall be appointed to serve until the Congress succeeding the Congress from which such Member or Senator was appointed first assembles.

(C) The provisions of section 6(b)(5) shall apply with respect to members of the advisory committee.

(c) The advisory committee shall meet with the Board upon the request of the Board, but not less than semiannually.

(d) The Board shall, after consultation with the advisory committee, provide the advisory committee with such professional, secretarial, and other services as the Board deems necessary for the advisory committee to carry out its functions under this Act.

(e) Members of the advisory committee shall receive no compensation for their services as members of the advisory committee, but shall be entitled to reimbursement in accordance with section 5703 of title 5, United States Code, for travel and other expenses incurred by them in the performance of their functions under this Act.

NONPROFIT CORPORATION; CONFLICT OF INTERESTS

SEC. 8. The Foundation shall be a nonprofit corporation and shall have no capital stock. No part of of its revenue, earnings, or other income or property shall inure to the benefit of its directors, officers, or employees, and such revenue, earnings, or other income or property shall be used for the carrying out of the functions of the Foundation. No director, officer, or employee of the Foundation shall in any manner directly or indirectly participate in the deliberation upon or the determination of any question affecting such individual's personal interests or the interests of any corporation, partnership, or organization in which such individual is directly or indirectly interested.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated to carry out this Act—

(1) not to exceed $1,500,000 for the fiscal year ending September 30, 1982;

(2) not to exceed $3,500,000 for the fiscal year ending September 30, 1983;

(3) not to exceed $5,000,000 for the fiscal year ending September 30, 1984;

(4) such sums as may be necessary for each fiscal year thereafter.

REPORTS

SEC. 10. The Foundation shall transmit to the Congress each year a report on its activities in carrying out this Act during the preceding year.

GOVERNMENT CORPORATION CONTROL ACT

SEC. 11. The Foundation shall be subject to the provisions of the Government Corporation Control Act (31 U.S.C. 841 and following) relating to wholly owned Government corporations.●

GREEN INTRODUCES GUN CONTROL LEGISLATION

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. GREEN. Mr. Speaker, in the last few months we have witnessed the tragic deaths by shooting of outstanding Americans like Allard Lowenstein, Michael Halberstam, and John Lennon. Death due to the uncontrolled use of handguns is not a new phenomenon; in the past we have witnessed the deaths of John F. Kennedy and Martin Luther King, Jr., whose birthday we honored yesterday. These deaths and those of the 9,000 people killed by handguns annually—whose deaths are less well known but equally as devastating—are the reason I am introducing today the Personal Safety and Firearms Act of 1981.

This bill calls for the registration and licensing of handguns as well as harsher penalties for those who kill so needlessly. My commitment to a sensible legislative answer to this problem is indicated by the fact that this is the first bill I have introduced in this Congress.

It is hard to ignore the statistics that surround the "handgun war." Someone is murdered with a handgun every 50 minutes. A 1979 report of the Surgeon General indicated that firearms are second only to automobiles as a source of fatalities in the United States. Seventy-two percent of the law enforcement officers killed in 1979 were slain with handguns. No legislation can guarantee an end to crime; however, my legislation will make it more difficult for criminals to kill and also will help police in their investigations.

The first section of my bill calls for the registration of all handguns currently in circulation and of those yet to be sold. This registration would be a prerequisite to the purchase of ammunition; carrying an unregistered handgun would be a criminal offense. These controls should not only help those who have access to weapons but also aid in the location of criminals once offenses have been committed.

The second part of my bill calls for the licensing of handgun users. This system already exists in many States; my bill would clarify that no dealer or private individual could sell either handguns or ammunition to someone without a license with the individual's name, address, and photograph. All applicants would be thoroughly investigated as to their suitability for carrying a gun. The system would provide for local or Federal law enforcement authorities to conduct background investigations of applicants to locate felons, fugitives, or other criminals. Violation of either the licensing or registration provisions would subject the offender to up to 5 year imprisonment and/or $5,000 in fines.

Mr. ANDERSON of California, who has introduced a bill this session addressing crimes committed with guns, deserves credit for one provision of my bill which calls for an additional jail term of 5 years to be added to the jail sentence of anyone committing a felony with a firearm.

Last, my bill would remove from the marketplace any handgun which does not meet specified safety criteria in an effort to eliminate the so-called Saturday night specials.

There has been much debate the last few years as to whether "guns kill people" or whether "people kill people." I think my legislation addresses itself to both issues by assuring that those guns that are to be used will go only to those who can use them wisely.●

LIBERALS, UNDER THE CIRCUMSTANCES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. MILLER of California. Mr. Speaker, we are all aware of the recent discussions about conservative mandates and repudiations of liberal policies. But in a recent article in the Washington Post, Harvard Prof. John Kenneth Galbraith suggests that these convenient political labels are no longer as well suited to describing the origins or impact of public policies as in the past.

Government policies, and consequently congressional actions, according to Professor Galbraith, are less the product of rigid ideology than acquiescence to political facts of life. Intrusion by Government means not only picky regulatory details but, for example, lavish subsidized benefits which the recently released Department of Agriculture study revealed are enjoyed overwhelmingly by the biggest and richest farmers in the United States. Where does Government assistance end and intrusion begin? What is the conservative or liberal view? These are the questions which Professor Galbraith challenges us to answer, and I would like to share his views with my colleagues.

The article follows:

LIBERALS, UNDER THE CIRCUMSTANCES

In these past weeks when my fellow liberals have gathered for companionate discussion and support, the topic has everywhere been the same: is Ronald Reagan really as conservative as billed; surely some streaks of liberalism will eventually show through; there must be some hope somewhere. I've been an uneasy participant in these symposiums; in the past, when liberals have won elections, I've wanted them to stay that way. I was sorry when Jimmy Carter's economists turned out to be conservatives and, as I've previously noted on these pages, considering what they accomplished in combining recession and inflation with the Election Day, so must Carter have been as well. Ronald Reagan and his people won the election. On foreign policy, like nearly all citizens, I want them to keep the worriers on leash, consider consequences, keep the peace. But on domestic policy they have won the right to their hopes.

I do, however, have another line of thought for my co-religionists that could even be of some service, however unwanted, to Reagan's people as well. It is that much of what has been called liberalism in the last half century has been merely an accommodation to historical change—to circumstance.

In the government of the United States, the role of ideology is greatly overemphasized, that of binding circumstance greatly undervalued. Vanity is involved; scholars, pundits, public officials and politicians all wish to believe themselves the arbiters of a wide area of decision. It allows them—us—to feel important. In practice, the scope for decision is very narrow; it's the result of relentlessly constricting change. This, on the whole, is more painful for conservatives than liberals. Liberals, if sometimes reluctantly, make a virtue of adjustment; conservatives have a moral commitment to the past. That is why they are conservatives.

The force of circumstance is evident everywhere one looks—once one learns to look for it. Regulation comes first to mind—the classic liberal hang-up. Airplanes are a metaphor. When many are in the air, someone must regulate their movement; one cannot have them flying into National Airport, or even Dulles, at random. Regulation of air traffic was the invention, not of liberals, but of the Wright brothers. The regulation of nuclear power is similarly compelled by technical change and by that mass of radioactive water in the containment vessel at Three Mile Island; that of chemical wastes by chemistry and past carelessness, including at the Love Canal. In southern California, automobiles pollute the air to the intense dissatisfaction of some of the most conservative people in all the republic. It's the absence of natural ventilation along with the cars, not the Los Angeles liberals, that brings controls on emissions and on the release of industrial gases and particulates.

The just-mentioned Californians live cheek-by-jowl, or nearly so, with impeccably conservative farmers, who are supplied with irrigation water by a benevolent federal government, and near to others who would like yet more water. It was God, not the liberals, who made the West both fertile and dry, and an impersonal process of history that gave the idea of development such power.

Government intrusion upon agriculture is, in many respects, the greatest triumph of history and circumstance over ideology. The market for agricultural products is diffused among many sellers and numerous buyers. On no industry will Adam Smith, on the return that numerous of Reagan's economists are hoping to arrange, look with such satisfaction. (Smith, a much-forgotten point, did not approve of corporations—joint-stock companies as they were called in his day.) But farmers have always excoriated the down-side tendencies of the free market, a deeply characteristic feature of the free market. And they really need price and income protection for the large investment that modern, high-technology farming now requires. So, in the United States, as in all the other industrial countries, farm support prices are in effect and accepted. Prices can still rise, but, below a certain substantial level, they cannot fall. It would be hard to imagine a more egregious intrusion on the conservative commitment to the free market.

Yet there stand the farmers with their costly equipment, and also the very great productivity gains that have accrued to a partially guaranteed return. The new head of the Senate Committee on Agriculture and Forestry, Sen. Jesse Helms, is a man of more than adequately conservative temper. But will farmers be returned to the free market? One all but yearns to see the effort. In fact, much time will be spent looking into the use of food stamps.

Aid to urban areas, usually thought a uniquely liberal initiative, is also an accommodation to change. As the American federal system is arranged, economic growth and population movement give the federal government the revenues, the big cities the costs. Life in dense urban mass, we now know, is a very costly thing. Additionally, when the poor were scattered over the rural South and Puerto Rico, they could be allowed to starve or vegetate in a quiet way. Now that they are in the cities, it is no longer quite so easy to ignore them.

Social Security, unemployment compensation, aid to dependent children and medical assistance to the poor and the old were also liberal initiatives. And in any truly stern conservative view, all are socially enfeebling. But they, too, were an accommodation to historical change. In an earlier rural society, the old and the sick were wards of the family; unemployment was not a problem. Industrialization brought these protective measures in all industrial countries. Only a very severe conservative wishes to repeal the factory system.

Most disconcerting of all, socialism in its modern form is an accommodation to circumstance. Corporations have become very big. When they fail, the shock effect is very great. Too great. So, in Britain, France, Italy and now in the United States, there is a rapidly growing public sector consisting of firms that have taken refuge in the government. Chrysler, Amtrak, Conrail, anytime now some western railroads, maybe Ford—all are a part of a broad trend in what is still called the capitalist world. This socialism, however semantically disguised, is at the behest not of liberals but of conservatives. They lead the delegations down to Washington. It is, perhaps, the most bizarre triumph of circumstance over ideology.

There will be another such triumph in the months ahead involving monetary policy. The new administration is committed to a stronger use of this policy, and if it increases defense spending, cannot much reduce other expenditure, cuts taxes and eschews wage and price controls, there isn't anything else. For years now liberals and conservatives have been debating monetary policy in a symmetrically vacuous way as though it were an ideological issue. It's conservative to rely on it, liberal to oppose. The issue has little or nothing to do with ideology; the issue is, and simply, whether monetary policy works. If you control the money supply—and if you can control it—does all else fall into place?

In fact, all liberal bias apart, it doesn't work; corporations, trade unions, farmers and OPEC have intervened to make what might have served in the 19th century, albeit with some painful depressions, irrelevant now. And this is being affirmed by the increasingly instructive experience of Britain and by the way a more limited reliance on monetary policy is combining unemployment with inflation here at home. Again, the harsh rule of circumstance.

What has been called liberalism in the past has, in fact, been a kind of adaptive pragmatism, a phrase many of my fellow liberals find a trifle objectionable. And much of what has been called conservatism combines hope with a romantic resistance to the achieved fact of historical change. All this, if I may venture a forecast, the days ahead will attest.

THE INTERSTATE BANKING SHOOT-OUT—EASTERN GUNS RIDE WEST

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. LEACH of Iowa. Mr. Speaker, as president of a small town Iowa bank in the 1880's, my great-grandfather was shot in the arm by a bandit in a classic western-style bank robbery.

A posse of concerned citizens was quickly formed and chased Adel's only known bank robber 7 miles down country roads and across newly plowed fields before cornering him in a barn. Showing little instinct for modern-day criminal rights, the posse set fire to the barn and riddled the fugitive as he fled from its fiery hayloft.

The bank robber's body was then strapped to a horse and the posse returned triumphantly to town where the sheriff determined that the public interest would be best served by tying the body to a flagpole on the town square. A rather ghoulish warning was taped across the dead man's bullet-punctured chest: "This is what happens to bank robbers who come to Adel."

Today, small town bankers have reason to be as fearful that their vaults will be cleaned out by large out-of-State financial institutions as my great-grandfather was a century ago that his would be by an aspiring Jesse James.

Large money-center banks have long been calling on Congress to revise the banking laws to allow them to disregard State boundaries and set up shop nationwide. Their financial guns are aimed at banks in States like Iowa and in January in a report to Congress they received a substantial boost from the outgoing Carter administration. As one of its final acts before leaving office, the Carter White House urged that current restrictions on single State banking be liberalized.

Historically, Americans have been wary of concentrating banking authority in the hands of a few, and this concern has been reflected in statutes at the State and Federal levels. The McFadden Act of 1927 prohibits banks in one State from establishing banking operations in another State and the Douglas amendment to the Bank Holding Company Act of 1956 prohibits multibank holding companies from acquiring banks in other States unless the host State specifically permits such transactions. In addition, many States—the most important exception being California—limit in one way or another intra-State banking. Under current law, for example, no Iowa bank can maintain more than four branch offices and no bank holding company can control more than 8 percent of the total deposits in the State.

The major effect of banking laws now on the books has been to minimize the possibility of a few large banks coming to monopolize the capital markets of the country. However, some economists argue, and the Carter administration apparently agreed, that a lessening of restrictions on interstate banking would foster competition and therefore, allow the banking industry to serve the public more efficiently.

In theory there is some merit to this logic. But in practice individual States which have liberalized banking laws within their borders have found that bank expansion has come largely through acquisition and merger, rather than through the establishment of new institutions. Instead of promoting competition, State laws authorizing wide-scale branch banking have simply had a capital concentrating effect. Iowa for example, has one-eighth the population of California but more than twice as many banks. Practical experience would seem to fly in the face of the abstract economic theory that the absence of restrictions is always procompetitive.

Competitive is not the only issue at stake in considering changes in banking legislation. What would happen to interest rates? The prime rate, the fluctuations of which have been heralded so poignantly in recent months, represents the cost of borrowing money in the Nation's major financial centers. The prime in rural States like Iowa is substantially lower than that in money center areas. The changes in the Nation's banking laws advocated by the Carter administration and others would almost certainly cause a flattening of this difference, lowering the prime in New York City while raising it in Des Moines. It is doubtful that this would serve to strengthen the credit-intensive, agriculture-based economy of the Midwest.

Another question raised by the proposed liberalization of the banking laws relates to the availability of funds. Although conjectural, many believe interstate banking would result in concentration in the banking industry and that this in turn would give an unfair advantage to large corporate borrowers at the expense of small businesses and farmers. Whether concentration in banking benefits big business most or not, it is doubtful that the community concerns and know-how reflected on the boards of Iowa's 658 banks could be better reflected on the boards of banks 1,000 miles from the State. If interstate banking were authorized, it could very

well be that a few out-of-State bank boards would ultimately come to have the final say on what percentage of American private sector resources would be dedicated to specific parts of the national and international economy.

The fundamental irony in the prospect of big banks getting bigger is that large banks control more resources than smaller banks but are undercapitalized by comparison. The average Iowa bank has a capital base of 8 percent of its total deposits, whereas the largest banks in the country, such as Bank of America in California and Citibank in New York, have a capital base of approximately 2 percent of deposits. In addition, many believe it is the larger banks which have the more dubious loan portfolios. Agricultural loans that have farmland as security are simply more secure than some of the Third World and urban real estate debt carried by the large international banks.

The principle of interstate banking would seem, therefore, not only to create the prospect for concentration in an industry which by tradition Americans have preferred to be decentralized, but carries profound implications for the safety and soundness of the banking system itself. If the foreign loan portfolio of the large international banks proves as fragile as some economists contend it might, interstate banking could cause the international liabilities of America's largest banks to be passed on to domestic customers. Through interest rate premiums, Iowa farmers could be forced to bail out profligate international bankers. Walter Wriston could be the Jesse James of the 20th century, holding up rural banks to subsidize foreign loan losses.

Finally, it should be stressed that if banking becomes a centralized industry in America there inevitably will be carrot and stick efforts by the Federal Government to intercede and affect lending decisions. Decisions impacting on industries the Government wants aided or restrained can be pushed with relative ease on a concentrated banking system. On the other hand, decentralization has protected banks on the whole from overly coercive actions of Government.

I am convinced Congress would be well advised to scrutinize carefully the Carter administration proposal before tinkering with a State banking system which is functioning rather well today. Current restrictions on interstate banking may be exasperating to the larger banks. But keeping these restrictions in place could prove to be better public policy than the creation of a banking system where concentration becomes the norm. The problems of a decentralized industry are trivial compared to those of centralized power, especially where banking is concerned.●

COMMENT ON AMERICAN ECONOMY

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. LUNDINE. Mr. Speaker, despite the serious concern—throughout this Congress and throughout the country—about the current state of the American economy, there is still a great deal of confusion over what we can do to improve the situation. Clearly, no one has the complete solution. But, I believe a sensible starting point is offered in an article by Howard J. Samuels which recently appeared in the Washington Post.

Mr. Samuels traces much of our current difficulty to a "misdiagnosis" of the problem. On the whole, he points out, we are not suffering from an overheated economy, where too much money is driving up the cost of too few goods. Therefore, our troubles are not susceptible to what has so far been primarily a monetarist solution. If we are going to curb inflation we must undertake a broad and coordinated program aimed at reducing the cost-push process.

I might quibble with Mr. Samuels on a couple of points. For example, whereas Mr. Samuels views wages as the main force "driving our inflation," I would qualify the statement by noting that other costs—such as those for equipment, energy, and raw materials—have gone up as well and that wage increases over the last 2 years have not kept up with inflation. And, when Mr. Samuels urges a tax cut for the average worker who has been hit most by inflation, I would go a step further and suggest a rollback in the payroll tax as the vehicle for such a reduction, since it would serve the added purpose of lowering labor costs.

These, however, are minor matters. In its basic outline, I believe Mr. Samuels' article is a clear and persuasive economic prescription which deserves consideration in the Congress and which fits our current economic picture a good deal better than the rash of expensive and poorly targeted tax cuts which currently enjoy favor under the exotic rubric of "supply-side economics." I commend this article to my colleagues' attention.

[From the Washington Post, Jan. 2, 1981]

. . . AND WHAT THE REPUBLICANS SHOULD REJECT

(By Howard J. Samuels)

Weary of inflation, crushing interest rates and slow growth, the American people elected Ronald Reagan in hope of constructive solutions. But as we near his inauguration, there is good reason to fear that the Reagan administration could be locking itself into policies that will bring only more of the same—or worse.

Surrounded by apostles of laissez-faire monetarist economics, Reagan seems poised to unleash a repeat in the United States of the policies now under way in Margaret Thatcher's Britain. There, a mix of tight money, tax cuts for business and the investing classes, and a hands-off approach to wages and prices has resulted in a long-running recession, mounting social tension and scant evidence of any increase in business investment or production. Before his advisers take their ideological scalpels to the American body politic, we should reexamine the monetarist diagnosis of our stagflation problems.

Reagan's economists generally argue that we must deal with a demand-related inflation caused by government deficits, too-rapid growth in the money supply and easy credit. To curb this excess demand, Reagan is committed to maintaining the tight-money, high-interest policies of the Federal Reserve Board until they "wring out" the cash and liquidity that causes inflation. Meanwhile, in the private sector, Reagan's ideology calls for letting companies set whatever prices will clear the market while unions demand whatever wage increases their bargaining power allows. But what if the cause of inflation is not rising demand fueled by excess money? And with unemployment verging on 8 percent, and less than 80 percent of U.S. plant capacity being used, what grounds are there for arguing that demand is pulling inflation up?

What is driving our inflation isn't demand—it is cost, and mainly the cost of wages running steadily above any gains in U.S. productivity. While the most optimistic projections of productivity increases are less than 2 percent in 1981, we are facing another round of labor settlements that could run upward of 12 percent. It is painful for a Democrat to bring this lesson home to a Republican president-elect: the gap between wage raises and productivity gains in our basic inflation rate.

Other costs too, particularly OPEC's energy price boosts, contributed to inflationary psychology in the 1970s. But the rise in unit labor costs has been fundamental and there is nothing in the new administration's policies that even begins to address the problem. Instead, the monetarists' proposed remedies of tight money and high interest rates, as Lee Iacocca would be only too happy to explain, promise to discourage capital investment, slow growth, increase unemployment and ultimately raise the federal deficit. Thus, a policy designed to curb a demand-related inflation will actually exacerbate the cost-related inflation we are suffering from. High interest simply adds another category of cost to the economy's burdens.

Nor is there much chance of breaking inflationary psychology by just the "supply-side" solution of lowering taxes to business and investors. We have already lowered taxes to these sectors substantially in recent years. Thatcher's Tories in Britain have too. But generous tax breaks to business alone will not stimulate investment—especially in an economy with so much slack. What has to be accomplished to make supply-side policies work is the creation of an environment in which businesses can look forward to profitable sales, increased demand and a genuine break in the drive of unions along an endless—and futile—game of "catch-up" with inflation.

For Reagan, that means thinking about the unthinkable: a major effort to involve labor and business in a new social compact coordinated by an activist government. As it stands, the tax cuts and tight-money policies that the incoming administration proposes are grossly biased toward the well-to-do. Labor will respond to them by struggling for the largest wage increases it can muscle, and the spiral of inflation will run on. What we must seek is a true accord between labor and management comparable to that achieved in Japan. There, in contrast to Britain, a spirit of understanding and mutual interest across the bargaining tables has led to low inflation, high investment, minimal unemployment and the most striking growth of any major economy in the world. Inflation, in short, is a social and political problem that cannot be solved by monetarist tinkering or a package of business tax breaks.

If we are going to endure a period of austerity, we must find a more equitable program. That means one of sacrifices for all—not simply "incentives" to business and investors. Here are a few parameters of a program that would have a chance of working:

Limit wage increases. Much as he may prefer dodging this politically volatile issue, Reagan must come to realize that labor will continue to reach for the largest settlements possible. Insofar as these settlements surpass the rise in productivity, they form the base of our inflation. They can only be halted by Reagan's working with labor to develop a program on wage restraint, preferably by consensus, but, if need be, by law. Arbitrarily, let us say that the ceiling we shoot for is 5 percent annually for three years. At best, this might limit the base rate of inflation to 3-4 percent. We must have an incomes policy.

Focus tax breaks on workers. Since any wage-restraint program would require substantial sacrifice by labor—and provide advantages for all businesses—there must be compensation from government. Since there is a limit to total tax reductions, I would argue that we should target a major portion of our tax breaks to individuals who earn less than, say $20,000—in recognition of the sacrifices the program asks of them. This, together with some flexibility for wage increases, would enable labor to keep within hailing distance of inflation.

Raise corporate taxes while increasing investment breaks. The nation cannot return to an aggressive approach to economic growth unless we reduce inflation. As a matter of justice, sacrifice from the business community is an essential concomitant to any restraint to the wage front by labor. There is little disagreement that we must stimulate investment and technology. They are essential to economic growth. There is also a basic understanding that we must stimulate and motivate entrepreneurialism and long-term investment strategies. We have, in the past decade, substantially reduced corporate and capital gains taxes. The nation must realize that there is just a limited amount the federal budget can absorb. If the federal government is to offer additional tax incentives, it is essential that businesses pay part of the price of reducing inflation and encouraging the supply side of our economy. Therefore, we must raise corporate taxes at the same time we offer the supply-side incentives. Thus, businesses that don't reinvest will pay part of the price of our new economic thrust.

This, I argue, is rough and negotiable, but as the minimum program to snap inflationary expectations and, at the same time, encouraging investment, it would require balanced sacrifice by labor and business. It would reward productive investment, especially in manufacturing. And, unlike the nouveau-monetarist program that Reagan appears bent on, it acknowledges the wage spiral as inflation's deepest root.

It is ever so much easier to pretend that technical manipulation of monetary and tax policies will stall inflation and lead to a new wave of productive investment. Those policies not only misdiagnose inflation, but also represent a political cop-out. If we really want to stop inflation, the working people of this country have to be involved and have to be asked for sacrifices. They are simply not going to cooperate with any program that lavishes handouts to business while simultaneously squeezing interest rates so high that their children can't afford to buy a home.●

THE MYTH OF AFRICAN INDEPENDENCE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. McDONALD. Mr. Speaker, since World War II, we have been watching the Western-induced winds of change blow over Africa. What have these winds of change produced? The theory is that they produced democracy, one man-one vote and prosperity. The grim reality is that they have produced a series of dictatorships, some Soviet controlled, labor camps, and misery. Food production has gone down, human rights violations have gone up, and chaos reigns supreme. The last stupid act of this policy is being played out now in South Africa and in particular Southwest Africa. There is still time to reverse this disastrous course of action. In a recent article by Dr. Christiaan Barnard, the famous South African heart surgeon, that appeared in Leaders magazine for January-March 1981, he outlines the problems of Africa and why Western policy is so wrong. It is an article worth reading and I commend it to the attention of my colleagues.

[From the Leaders magazine, January-March 1981]

THE MYTH OF AFRICAN INDEPENDENCE

(By Prof. Christiaan Barnard)

Following the installation of an internationally acceptable Black government in Zimbabwe, the human rights activists are zeroing in with a new vigour on South Africa, which they regard, with its appendage of Namibia/South West Africa, as the last redoubt of white rule and colonialism in Africa. The demand is becoming more insistent for radical change in South Africa, for the elimination forthwith of all forms of racial discrimination and, ultimately, for the introduction of one man, one vote—or, put another way, for the transfer of political power from white to black.

Where in Africa are the people better off because of one man, one vote? The answer, quite simply, is that the ordinary men and women—and children—of Africa are no better off since they have had one man, one vote elections (usually once only) than they were when they had no vote at all. In many, many cases, their quality of life is worse than it was before they had elections.

LOOK AT THE FACTS!

The Economic Commission for Africa, which is a United Nations organ, established that 14 African countries had achieved no growth at all since their independence in the 1960s and, indeed, that in most cases the standard of living was lower than before independence. Another UN body, the Food and Agriculture Organization, found that the per capita food production in Africa had declined by an average of 1.3 percent per annum. Africa features prominently in the United Nations list of "Most Seriously Affected Countries." Indeed, it is a myth that African countries are independent: In the last 20 years or so, they have become more dependent on the colonialists and imperialists—through billions of dollars in development aid from the West as well as their trade and other economic ties to the former mother countries. As far as maintenance of their power structures by weaponry, they have become dependent on their Communist masters in the case of countries such as Ethiopia and Angola. This picture of retrogression is to be found throughout most of Africa. In Mozambique, agricultural and industrial production has plummeted by 70 percent in the five brief years of independence.

This is a very tragic story of what one man, one vote has meant to Africa. And I have not even touched on the even more tragic record of Africa on human rights: The upwards of 1,500 people who, Amnesty International estimates, are in indefinite detention without trial in Tanzania; the uncounted thousands who were butchered to death in Equatorial Guinea; the 1.3 million refugees in Somalia who are victims of man's inhumanity to man; the statutory torture and murder machine established in Idi Amin's Uganda. . . .

Cold statistics such as these are frightening, often horrific. Is it possible, one wonders, for a Washingtonian or a Londoner or a Parisian or a Berliner to comprehend just what life is like in a one man, one vote African democracy?

THE VIEW FROM THE BLACK SIDE

Let me quote you a few remarks made by the black man in some of the independent African countries I have visited:

"The biggest disaster that ever struck our country was independence. From that time onwards, we have only gone backwards."

"The only change that independence brought about is that the white bosses have been replaced by the black bosses."

"Since independence there is the possibility to get to the top if you have the money to buy your position."

The treatment of the ordinary man in the street by their new black bosses is clearly illustrated by the story of Maria, aged 65, after she escaped from a rehabilitation camp in Mozambique: "We were treated like animals. We lived in tiny huts, which reeked of feces. There were insects, rats and flies everywhere. * * * the hunger. In the evenings, all the guards gave us was a small portion of maize or sorghum. The women were so hungry that they ate green grasshoppers and beetles. And almost all of them fell ill with fever, dysentery, malaria or jaundice. By day, we had to do hard labour: Clear the bush with hoes and axes, work in the maize and cotton fields, repair roads and drains. We were not allowed to wear any clothes from the waist up. The white and Indian women, especially, felt ashamed. The Frelimo guards amused themselves by fondling them. Inside the barbed wire at

night, the camp became a brothel. Whenever they felt like it, the guards grabbed a woman and raped her. Often, a whole troop would run through the camp looking for attractive women, mostly young ones."

SOUTH AFRICA'S REAL FEAR

It is the fear that South Africa, under a one man, one vote system, will show the same retrogression in its economy, its treatment of individuals, its standard of living and its quality of life that make me believe in a gradual evolutionary change.

The realist must acknowledge that the place and role of the white man in South Africa is not all negative.

In the Ivory Coast, which is one of the few black African countries that has shown an improvement in agricultural production, it is now estimated that there are more whites than before independence. In Zambia, 300 white farmers produce 65 percent of the country's agricultural output. In Zaire, whites run the rich copper and cobalt mines in the Shaba Province.

It is no mystery that in South Africa itself (with only 5.6 percent of the continent's population) 18.8 percent of Africa's wheat is produced as well as 20.2 percent of its potatoes, 32.4 percent of its sugar and 41.4 percent of its maize. It is no secret why South Africa is the only food exporter on the continent and the economic and industrial giant of Africa.

The history of Africa has shown that wherever the white expertise has left, a vacuum is created. This vacuum is either filled by social disorder and agricultural, economic and industrial deterioration; or it is filled by some or other non-African nation. Andrew Young has claimed that the Cubans have brought stability to Angola, and he has been criticized for the remark. I agree with this remark, because the withdrawal of the Portuguese from Angola created a vacuum, and if this vacuum was not filled by the Cubans, one would have seen tremendous social disorder, civil war and even a greater deterioration in agricultural and economic output than already exists.

Have those who preached a transfer of power from white to black in South Africa ever considered who would fill the vacuum that would immediately be created?

TEETHING PROBLEMS?

There are those who say that the problems that one sees in newly independent black African countries are just teething problems and that these will disappear. But is this really a valid thought? Liberia has had teething problems ever since it became independent over a century ago, in 1847. And its teething problems have only progressed to a stage where it is ruled by a master sergeant in the army who rids himself of troublesome opponents by shooting them. Ethiopia, which has been independent for even longer than that, still has teething problems with its painfully slow march toward human dignity for all: harsh and repressive rule by a military clique with the assistance of Russia, Cuba and East Germany—and no elections!

It has become fashionable, both in the West and in the East, to insist on selective-one man, one vote for Africa. When a one man, one vote election returned Bishop Abel Muzorewa to power in 1979, it was rejected by both West and East because the Americans, the British (or rather their governments) and the Russians did not approve of a Muzorewa government. But they did approve of a Mugabe government arising out of the one man, one vote election in 1980 even if it was more a case of one-man intimidated, one vote. So blatant has the selective one man, one vote concept become that President Nyerere of Tanzania, whose people have not had personal experience of democracy for something like 20 years, stated before the results of the 1980 election were announced that he could not accept the results because the election had been rigged. But after the results were announced, and Mr. Mugabe, of whom he approved, was declared the winner, Nyerere pronounced himself satisfied that the elections had been fair and free.

I WOULD WAGER ANY MONEY

I would wager any money that if with this same fair and free election Bishop Abel Muzorewa was returned to power, then neither the West nor the African countries, not to speak of the Communist countries, would have accepted the outcome of the election.

The same selective concept is being played out in Namibia/South West Africa where the West, jubilantly supported by the Russians and the United Nations, is spending a great deal of time trying to devise a one man, one vote election. Then they can give their blessing to Mr. Sam Nujoma's Swapo terror group if they win, but they can reject out of hand if one of the democratic parties within South West Africa comes out as the winner.

What is really meant is that the selective one man, one vote concept favours those who reject to participate with the white man to run the country, who reject democracy and seek power through violence. The West is perfectly content to underwrite this concept. But those who underwrite violence in this way, and even more so those who actively support it and even participate in it, should remember that it is not only the black man in Africa who can resort to violence. The white man in Africa can also become violent if provoked beyond endurance. The white man has also fought for his place in the sun: Indeed, the Afrikaner fought the very first war of independence in Africa. And it was the Afrikaner who originated guerrilla warfare, here in Africa.

We Afrikaners do not seek violence, and we will do everything in our power to prevent a violent solution to our problems. But we do not want to rush change. It is a handy slogan to say Change or Perish. But the history of Africa in the 1960s and 1970s shows that if you push change too far too fast then it can also be a case of Change and Perish.

We have rejected, and we still reject, the road of confrontation and violence. But if confrontation and violence is sprung upon us, do not think that the white man will succumb and run away. He can also partake in violence. And confrontation and violence does not necessarily mean that the black man will win.●

REFLECTIONS ON THE HAIG HEARINGS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. BINGHAM. Mr. Speaker, after several days of listening to the Senate Foreign Relations Committee hearings on the confirmation of Alexander Haig, I have been once again struck by the value of this procedure.

I hope no one thinks, that because only two members of the committee voted against confirmation, the long hearings were a waste of time.

As General Haig himself said, the process was an education for him. Because the hearings covered so much ground, they were also, I feel sure, highly educational for those who listened, as I did, to the proceedings on National Public Radio, or who witnessed them on public television. Moreover, General Haig's testimony will provide a useful benchmark against which his performance can be evaluated as the months go by.

He was an impressive witness, who had carefully prepared himself in advance and had the benefit of the advice of an "old pro," former Secretary of HEW Joe Califano.

Senator PAUL TSONGAS in particular deserves great credit for his well-researched questioning and for his respectful but persistent effort to elicit from General Haig some disavowal of the mistakes of the late 1960's and early 1970's. I share his and Senator PAUL SARBANES' concern that General Haig's way of looking at the great planetary issues of the day is too narrow, perhaps dangerously so. On a personal note, I might add that Senator TSONGAS' performance once again made me proud that I had been able to help, in a very modest way, in his campaign for the Senate.

On another aspect of the Haig hearing, I am grateful to Bob Woodward of the Washington Post for putting the issue of the Watergate tapes in proper perspective. I insert herewith his column from the Washington Post for January 15.

DO NOT SUBPOENA THE TAPES

(By Bob Woodward)

The U.S. Senate should probably forget about obtaining any of the notorious Nixon tapes as part of the confirmation hearings of Alexander M. Haig, the secretary of state-designate. The subpoena for the logs of the 1973 Haig meetings with President Nixon should also be abandoned. It is a senseless chase. The subpoena is quite possibly illegal and, if challenged in court, is an almost sure loser for the Senate; the search is itself unfair and has no precedent in any other confirmation hearing.

Legally, the Senate and its Foreign Relations Committee have little to stand on. The Nixon tapes generated their very own Supreme Court decision, the 1974 ruling that directed Nixon to produce some tapes. Nixon lost on the particular taped conversations, but it is not well remembered that he won big on the overall principle. The unanimous court opinion stated emphatically, for the first time in a high court ruling, that the confidentiality of presidential communications is protected by the Constitution. The court said that the presidential confidentiality has "constitutional underpinnings . . . the privilege is fundmental to the operation of government."

The tone and language of the opinion make it clear that the tapes are presumed to be confidential and unobtainable unless

there is a presentation of sworn testimony that the discussion might be criminal. John Dean, former Nixon counsel, had testified precisely about specific meetings that were taped.

The Haig-Nixon conversations of 1973 do not come close to meeting such a standard. The senators in fact have said exactly the opposite and have fallen all over themselves praising Haig, saying that there is no evidence to suggest improper conduct on his part. Sen. Charles Percy, the committee chairman, who signed the subpoena for the 1973 logs said: "I have never seen a shred of evidence that would lead me not to believe that he [Haig] will be fit."

The law has for years been clear on at least one point: evidence is never obtainable to prove a charge that is not made. There has to be some reason, clue or hint of relevance or criminal activity before it generally can be subpoenaed. In the tapes opinion, the court applied the standard in the federal rules of criminal procedure about "relevance and admissibility"—the need to show that the subpoenaed tapes had something to do with the case and could be used in a trial. And the opinion goes on explicitly to note that a "fishing expedition" will not be permitted.

Granted, the Supreme Court opinion deals with a criminal trial only and not with the issue of a subpoena by a Senate committee. But the spirit of the 1973 rulings is clear—there has to be some established basis for seeking the material, not just a feeling that it might be useful. And another Senate committee, the Senate Watergate committee, did in 1973–74 try to get some of the Nixon tapes and lost its case.

Whether the Senate likes it or not, the Supreme Court might view its pursuit of the tapes as substantially less pressing than that of a prosecutor investigating a crime, especially if there is no specific charge. Carry the thought several steps further. Suppose Haig wrote some letters to his son during the same 1973 Watergate period and talked about the scandal in the White House. Should the Senate subpoena those letters also? No one has suggested that yet, but the Senate would have a better case to get such letters because they are not constitutionally protected as confidential, as the tapes are.

Four years ago when Cyrus Vance and Harold Brown were up for confirmation as secretary of state and secretary of defense, respectively, no one seriously suggested that the Senate subpoena documents from the Defense Department concerning their service during the Vietnam War era. But the Vietnam questions were able to be fully explored at their confirmation hearings.

It is little known that, because of the obstructionist actions of the White House in 1974, the Watergate prosecutors took a look at the actions of Haig, who was then serving as White House chief of staff, and at the actions of the White House lawyers. Though the Watergate prosecutors were not pleased with the delaying tactics and other stunts pulled by Nixon and his aides, Haig and the lawyers handling Nixon's case were unofficially cleared.

But there is much more than a principle of law involved in this resurfacing of Watergate and the tapes. The larger point has to do with the function of the Senate in reviewing someone's fitness for a Cabinet position. What are the limits? There must be some.

To turn to the practical questions posed by the tapes: the audio quality is terrible. The transcribing would be a nightmare task; the unintelligibles, the ambiguities, the vagueness and indirection of Nixon conversations are as maddening as the man himself. If the senators ever got the tapes, they might never be able to agree what actually was on them.

Haig was the chief aide to a criminal president trying to cover up an illegal eavesdropping operation. What would it mean if Haig, in an effort to console Nixon or get out of Nixon's office (Nixon was legend for keeping aides for hours rambling on), said something encouraging that would look bad now?

It is hard to agree with former special Watergate prosecutor Leon Jaworski's characterization of Haig's White House service during Watergate as "heroic." Haig was in a tough spot and played out many contradictory strategies on Watergate saying and doing many often contradictory things. He is probably a shameless self-promoter, and carried situation ethics to the point of making it a personal character flaw.

Haig, nonetheless, did keep a rickety and criminal ship of state afloat and helped ease Nixon out of office. To my mind, he should be neither hailed nor strangled for that role, only held accountable. That has happend and is happening. But let it happen without the tapes.●

HOUSE OF REPRESENTATIVES—*Monday, January 19, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Give thanks to the Lord, because He is good, and His love is eternal. Let the people of Israel say, "His love is eternal." Let the priests of God say, "His love is eternal." Let all who worship Him say, "His love is eternal."—Psalms 118: 1-4.

Our hearts are full of gratitude to You, O God, for Your faithful love to us and to all people. On this day we are conscious of the impending return of the hostages, and we are filled with joy that their ordeal will be ended. May Your spirit continue to strengthen them and their families in the days to come and cause them to know of our support and concern. Throughout the days of anguish and disappointment, Your love, O God, has been constant. For Your abiding presence and peace, we offer this our thanksgiving. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair wishes to make the following announcement concerning privileges of the floor for House staff during the 97th Congress.

Rule XXXII strictly limits those persons to whom the privileges of the floor during sessions of the House are extended, and that rule prohibits the Chair from entertaining requests for suspension or waiver of that rule. As reiterated as recently as August 22, 1974, by Speaker Albert under the principle stated in "Deschler's Procedure," chapter 4, section 3.4, the rule strictly limits the number of committee staff permitted on the floor at one time during the consideration of measures reported from their committees. To this end, the Chair requests all Members and committee staff to cooperate to assure that not more than the proper number of staff are on the floor, and then only during the actual consideration of measures reported from their committees. The Chair would extend this admonition to all properly admitted majority and minority staff by suggesting that their presence on the floor, including the areas behind the rail, be restricted to those periods during which their supervisors have properly requested their presence. The Chair has consulted with and has the concurrence of the minority leader with respect to this policy and has requested the Doorkeeper and the Sergeant at Arms to assure proper enforcement of the rule.

SWEARING IN OF MEMBERS-ELECT

The SPEAKER. Members who have not taken the oath of office will kindly step to the well.

If the Members will raise their right hand, the Chair will now administer the oath of office.

The Speaker administered the oath of office to the following Members-elect: Hon. GUY VANDER JAGT; Hon. PAUL N. MCCLOSKEY, JR.; Hon. ELWOOD HILLIS; Hon. JOEL PRITCHARD; and Hon. JOHN LAFALCE.

The SPEAKER. The gentlemen are now Members of Congress.

ANNOUNCEMENT ON BEHALF OF INAUGURAL COMMITTEE

(Mr. LONG of Louisiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LONG of Louisiana. Mr. Speaker, in addition to the remarks made by the acting majority leader on Friday, I desire to make the following announcement on behalf of the Inaugural Committee.

Following the inaugural ceremonies on the West Front, shuttle buses will be available on the east side of New Jersey Avenue between the Cannon and Longworth House Office Buildings, to take Members and two guests, who have purchased tickets for the inaugural parade, to the parade reviewing stands at the White House. The first buses will depart at 12:30 p.m. and the last will leave at 1 p.m., promptly. The buses will also be available to bring Members back to the Capitol after the parade.

HOUR OF MEETING TOMORROW

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

INAUGURAL CEREMONIES OF PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES

Mr. LONG of Louisiana. Mr. Speaker, I offer a resolution (H. Res. 27) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 27

Resolved, That when the House convenes on Tuesday, January 20, 1981, it proceed to the West Front of the Capitol for the purpose of attending the inaugural ceremonies of the President and Vice President of the United States; and that upon the conclusion of the ceremonies the House stand adjourned until 11 o'clock ante meridiem Thursday, January 22, 1981.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RELEASE OF AMERICAN HOSTAGES

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, the release of the American hostages by Iran will live in history as a tribute to the unity, reason, and perseverance of the American people.

The courage of the hostages and their families have brought great honor to this Nation. They have shown the world what can be expected of Americans in times of crisis. They have demonstrated that Americans cannot be taken for granted and when tested, their fiber is as strong as the challenges they face.

President Carter, Secretary of State Muskie, and the dedicated public servants of our State Department deserve praise for their patience and hard work.

This is a time of great joy. But we must not let the euphoria of the moment blind us to the fact that we have the duty to learn from this experience. We should never again be caught defenseless against terrorism. We must have the capacity to take any action against terrorism that might be deemed necessary, immediately.

For the moment, however, we can only thank God that we have such great people as the families of the hostages. It was the families who bore the greatest burden and their joy is one that is beyond our imagining. As to the hostages themselves, I join with all Americans in a simple, but heartfelt greeting: My fellow Americans, it is good to know you are free again, and will soon be home.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

□ 1210

CONTINUING THE GRAIN EMBARGO

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, 1 year ago the Soviet Union invaded Afghanistan. Shortly thereafter President Carter put in force the grain embargo.

Mr. Speaker, I shall introduce a resolution tomorrow urging the House to again express its very strong support of maintaining the grain embargo. I think in all fairness for President Reagan it is important that he know how we in the House feel on this most vital issue. We know today that in the Soviet Union they are suffering because of that grain embargo and for us to lift it would be to say the invasion of Afghanistan, where there are still over 80,000 Soviet troops, is perfectly acceptable.

Mr. Speaker, I am confident President Reagan will hold to the embargo but I think we ought to give him our help.

INCENTIVE PAY NEEDED FOR TITAN PROPELLANT HANDLING PERSONNEL

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, today I am introducing legislation to authorize the Secretaries of the various armed services to compensate personnel involved in particularly hazardous jobs for the extraordinary risks they face. I do so in light of the recommendation included in two reports on the safety of the Titan II missile system that such special pay be provided personnel involved in the delicate and hazardous task of handling the toxic propellant used in that system. In recognition of the fact that there are other similarly hazardous jobs in our military service, the bill I am introducing is written in general, discretionary fashion so the service Secretaries can assure that these people are adequately compensated. Similar authority is already on the books for hazardous civilian jobs.

In the case of the Titan II propellant personnel, either by accidentally breathing or coming into direct contact with the lethal missile fuel or its equally dangerous oxidizer, a person's health can be seriously damaged, even destroyed. In spite of protective garments and other precautions, the risk of contact for the propellant personnel remains great. And the accidents which have occurred at Titan sites point all too vividly to the types of tragic accidents that can occur.

It is no wonder that the retention rate for these jobs is far below that of the Air Force generally. Given the fact that it costs over $10,000 to train each new fuel system technician for the Titan system, it only seems wise to provide the kind of compensation that will encourage these highly technical personnel to stay with the job rather than to leave for more lucrative, safer positions elsewhere. That is what my legislation is aimed to do. I would welcome the support and help of all of my colleagues.

EMANUEL CELLER—MAY 8, 1888-JANUARY 15, 1981

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, in the history of this body some men have come to Washington to serve themselves. But not Emanuel Celler. He came to serve the people.

Last Thursday, Emanuel Celler, a former colleague and trusted friend, a champion of the poor, the weak, and the powerless, passed away at the age of 92. I will miss Manny very much, and it is with deep sadness and great personal loss that I add my respects today to his memory, a man I believe will certainly go down in history as one of the greatest, most dedicated, and articulate public servants the House of Representatives and this Nation has ever known. His accomplishments on behalf of the people of this country will never be equaled.

Emanuel Celler was a man who was loved by a great many people. Few human beings have touched so many, so often. He was admired and respected by those who marveled at his work and dedication. He was loved by those who enjoyed his humorous wit and countless stories, and revered for this uncanny ability to skillfully turn a phrase to get his point across. Few men, when chairing a hearing, could grasp the attention of those present as Manny could. While others would often struggle with 100 words to speak their mind, Manny could present his argument far more eloquently and clearly, with just a few.

In the half century he served in the House, this invaluable colleague, this man of vision, compassion, and integrity strove to help Americans who were powerless to help themselves. This was reflected very early in his career when he supported the New Deal and Fair Deal programs, tools which helped our country and the millions of Americans who suffered through the Depression, get back on its feet.

Many Americans will long remember his outstanding work as chairman of the House Judiciary Committee, a position he attained in 1949, and except when the Republicans controlled the House, a duty he held until he left Congress in 1972. As chairman, he helped shape the course of American civil liberties unlike any man before him. Landmark legislation, the 1957, 1964, and 1965 Civil Rights Acts, as well as the 1959 and 1968 acts became public law thanks to his tenacity and desire in securing their passage. Many people consider the 1964 Civil Rights Act one of the most important pieces of legislation ever passed in Washington, a bill covering desegregation in education, employment, and public accommodations. I shudder to think what would have happened to that law if Manny Celler had not fought so hard for it. His work in the area of civil rights is unparalleled in our history and Americans today are grateful for his efforts on behalf of them.

While some will recall his work in the area of civil rights, others will look back on his efforts in the area of the Constitution. In his role as chairman he was greatly responsible for the addition of four amendments, amendments which allowed citizens of the District of Columbia the right to vote in Presidential elections, barring poll taxes in Federal elections, the amendment on Presidential disability and succession, as well as the lowering of the voting age to 18.

Still others will reflect back on his influence and legislative skill in generating the support needed to abolish the use of national origins for setting immigration quotas, or for his role in the passage of Celler-Kefauver Antitrust Act of 1950.

Emanuel Celler was much more than a leader who helped pass legislation. My memories of him extend far beyond the parameters of the laws he fought for. To me, he was a friend here in Washington, or at home in New York. His advice was always the best, and he was never too busy to extend it. A genius of a man, his ability to fill the corridors with laughter will never be forgotten by his colleagues and friends, of which he had plenty. I considered it a privilege to have been his friend, and the lessons I learned from him I will carry with me forever.

To his family I extend my sincere condolence on their loss, a loss shared by a nation which appreciates all that he did for it. In this time of sadness they surely must be sustained by the memory of his lifetime and numerous achievements, as well as by the respect in which his memory is held by those fortunate to have known him.

GENERAL LEAVE

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life, character, and public service of the late Emanuel Celler.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

RELEASE OF AMERICAN HOSTAGES

(Mr. SUNIA asked and was given permission to address the House for 1 minute.)

Mr. SUNIA. Mr. Speaker, for the purpose of attending and witnessing the ceremonies and official functions marking the inauguration of our 40th President, many people have come from all over the Nation into the Capital. The Speaker will be interested to know, that there is also a delegation from American Samoa, our small territorial outpost in the South Pacific, appointed and sent here by the president and speaker of the American Samoa Legislature to attend the inauguration. The feeling of belonging, and the desire to participate in the activities of our Nation, Mr. Speaker, is deep rooted in the minds of our Samoan leaders.

The delegation, made up of two Samoan senators and four members of the house, return to the territory following the ceremonies tomorrow and will bring news of this historical event to our people, 7,000 miles away.

Mr. Speaker, I thank you for the opportunity to bring to your attention their presence in the Nation's Capital.

RELEASE OF THE AMERICAN HOSTAGES

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute.)

Mr. BROOMFIELD. Mr. Speaker, like every American, I am deeply relieved that this long, tragic ordeal in Iran finally has come to an end for the hostages and their families.

For America their release could not be more opportune as we prepare to inaugurate a new President and raise the curtain on a new—hopefully brighter—chapter in our history.

Few of us will ever be asked to make the great sacrifice these 52 Americans have made for their country.

They conducted themselves with bravery and dignity throughout their more than 14 months of imprisonment, and this Nation owes them its eternal gratitude and respect.

RELEASE OF THE AMERICAN HOSTAGES

(Mr. CARMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARMAN. Mr. Speaker, after more than 14 months, in captivity, freedom is at hand for 52 long-suffering Americans who have been illegally held by Iran. This is a day that millions of us have prayed for. I am sure the families of the hostages can hardly contain their joy, and those of us who have shared their long, lonely vigil, in spirit, now share their happiness.

This is not a day for politics. Everyone involved in this crisis owes a debt of thanks to President Carter for negotiating an end to this tragic chapter in our history.

We can now stop counting the days that our brave people have been held in bondage by the ayatollah and begin counting the days and hours until they again set foot on American soil.

We all give thanks to God for this great day, the day of their return, and embrace this day as one of thanksgiving.

ENERGY IMPACTED RAIL AND HIGHWAY SAFETY ACT

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, I rise today to introduce desperately needed legislation to help solve one of our most pressing energy-related problems. My bill is the Energy Impacted Rail and Highway Safety Act.

This vital measure contains essential language passed in 1980 by both Houses in S. 2720, the Surface Transportation Act. Although the 96th Congress did not have time to complete action on this bill, I feel it is vital and necessary for the well-being of hundreds of thousands of people adversely affected by the soaring rail traffic of coal trains.

This legislation will authorize the Secretary to make cost-sharing grants for transportation projects to alleviate the environmental, social, and economic impact of increased train traffic to meet national energy requirements. It will also authorize cost-sharing grants to reconstruct, resurface, restore, and rehabilitate nontoll public roads that have incurred a substantial increase in use as a result of energy-transportation activities.

Funding for the measure will come from the windfall profit tax, with the Federal cost share to be 80 percent. No State shall, in any fiscal year, receive less than one-half of 1 percent or more than 12 percent of the total apportionment made in that year.

Mr. Speaker, all across this country, communities are experiencing the impact of increased use of coal. Our drive for energy independence is at long last at the top of our agenda, but we must remember those who are adversely affected by the boom in coal-resource development.

As I have stated many times, Nebraska has become the coal chute of the Nation. My State, especially the western part that I represent, is a major, if not only, route for almost all coal going to southern and eastern markets from the coal-rich Powder River Basin in Wyoming and the eastern coalfields of Colorado.

Railroads are the exclusive transporter of this vast resource, and as many of you know most of our towns in the Western States grew up around or alongside a rail line. The rail station and railroads were the lifeblood of western development. These railroads are still vital to the economy of my State for movement of agricultural products as well as freight.

We in the West are now seeing a new and difficult problem arise with the growth in coal transportation by rail. We have 44 communities in my district alone and thousands more in other districts and States that are in fact split in half by a set of railroad tracks.

With the drastic increase in coal traffic, essential services such as provided by hospitals, fire, and police departments are cut off from major segments of these communities for many hours daily with tracks crossable only intermittently between trains. Schools, businesses, and residential areas are separated. This has caused and will continue to cause increasingly severe problems for the people of these communities.

The State of Nebraska is served by 11 railroad companies with a total of 5,494 railroad crossings. Our fatality rate is double the national average for vehicle-train collisions. In 1978 alone, 183 accidents occurred at Nebraska grade crossings, resulting in 18 fatalities and 79 injuries. This rate is bound to increase as coal traffic more than triples, as estimated, in the coming years.

One railroad alone expects to increase from 15 trains per day to 70 trains a day by the year 2000. If you consider the average unit train takes 3 minutes to pass through a crossing, that translates to a total of 3.5 hours daily that the essential services I mentioned earlier are cut off. If you happen to be on the wrong side of the tracks, it could mean the difference between life and death.

The Nebraska State Department of Roads in a recent study indicated that 76 grade separations are needed in the State at an average cost of $2.5 million each. This study also indicated the need for 10 flashing lights and 154 flashing lights with gates for safety purposes. The study projected a cost of $207 million for these improvements in Nebraska alone.

It is clear to me that the burden of these improvements should not and cannot fall solely upon the shoulders of the small communities or of the State. The entire Nation is benefiting from the conversion from lessened oil usage to more coal usage, and I do not think it is too much to ask that the whole country help pay some of the enormous cost.

Using revenues from the windfall profit tax, my bill will make cost-sharing funds available for energy-impacted rail and highway transportation improvements. A total of $250 million is authorized for 1981, increasing by $50 million each year for 5 years.

Although there is no specified breakdown between highway and railroad use of these funds, I feel that it is vital to the safety and well-being of the communities involved that some sort of effort be initiated to help them solve their own version of the energy crisis—that of public safety and convenience.

Thank you, Mr. Speaker.

RELEASE OF THE AMERICAN HOSTAGES

(Mr. MARTIN of North Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of North Carolina. Mr. Speaker, the drama of this week has built to a high pitch with the joyful yet tantalizing news of an agreement whereby the Iranian Government will release the American officials they have illegally held hostage for 1¼ years.

President Carter and his agents are to be commended for their tenacious efforts to effect this agreement, and we continue to hope and pray that it will succeed. We want our people home.

We also have reason to appreciate the intercession of the Government of Algeria on our behalf.

As for Iran, and its present Government, it will take a long time and much more that a negotiated document in three languages to heal the deep wounds of their callous humiliation of our Nation and its people. On this, the timely anniversary of the birth of Muhammed, we also are moved to recall the words of Jesus, who said in the Sermon on the Mount:

> Love your enemies and pray for those who persecute you.

Or as it is rendered in the sixth chapter of Luke:

> Love your enemies, do good to those who hate you, bless those who curse you, pray for those who abuse you.

That injunction clearly applies to us in the condition we have been placed by their hateful acts and will be difficult to live up to. As we pray for the safe return or our people, we must also offer a prayer of thanksgiving to God for softening the hearts of the captors and for strengthening the hearts of the hostages and their loved ones.

□ 1220

SWEARING IN OF MEMBERS-ELECT

The SPEAKER. Members who have not taken the oath of office will kindly step to the well.

If the Members will raise their right hand, the Chair will now administer the oath of office.

The Speaker administered the oath of office to the following Members-elect: Hon. BERKLEY BEDELL and Hon. IKE ANDREWS.

The SPEAKER. The gentlemen are now Members of Congress.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER. The Chair designates the honorable gentleman from Mississippi (Mr. WHITTEN) to act as Speaker pro tempore on Tuesday, January 20, 1981.

HOUSE MEMBERS SHOULD REMEMBER THE WORDS "GOD SAVE THIS INSTITUTION" AND "GOD SAVE THE UNITED STATES OF AMERICA"

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, this morning I had the pleasure of appearing before the Supreme Court and moving the admission to the Supreme Court bar, of a friend and a constituent of mine, Neal Barry Thompson of California. During that ceremony, I was struck with some words that were spoken. Those very simple words, as a matter of fact, has become tradition.

They basically are these: "God bless the United States, and God save this honorable Court."

Mr. Speaker, today as we again have one of the first few days of this, the 97th Congress, and the day before we inaugurate a new President, and on the day apparently that we will have the return of the hostages, it would do well for us to repeat those words, "God save this institution," and "God save the United States of America."

SWEARING IN OF MEMBER-ELECT

The SPEAKER. Will the gentleman from Georgia (Mr. FOWLER) kindly come to the well of the House and take the oath of office at this time?

Mr. FOWLER appeared at the bar of the House and took the oath of office.

PEOPLE OF PUERTO RICO REJOICE AT PENDING RELEASE OF HOSTAGES

(Mr. CORRADA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORRADA. Mr. Speaker, the people of Puerto Rico unite in rejoicing with the rest of the Nation about the agreement that has been signed early this morning for the release of the hostages.

We are praying and hoping that they will soon be arriving on American soil, which means freedom and security to all of them.

Also, many of our folks have come up for the inauguration of President-elect Reagan tomorrow. More than 100 people have come from Puerto Rico, showing their interest in the matters of our Nation, and we only hope that sometime in the near future our people also will have the right to vote for the President of the United States.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. MOAKLEY) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.
January 19, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit sealed envelopes received from The White House as follows:

(1) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President on the State of the Union.

(2) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President wherein he transmits the Tenth Annual Report of the Department of Transportation on Hazardous Materials Control covering calendar year 1979.

(3) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President wherein he transmits the report by the Department of Defense and the Department of Transportation on the Military Cash Awards Program.

(4) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President wherein he transmits the 1980 Annual Report of the ACTION Agency.

(5) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President wherein he transmits the Second Annual Report on the Status of the Weatherization Assistance Program.

(6) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President wherein he transmits the 23rd Quarterly Report of the Council on Wage and Price Stability.

(7) At 6:00 p.m. on Friday, January 16, 1981 and said to contain a message from the President wherein he transmits the 13th Annual Report of the Department of Transportation.

(8) At 1:00 p.m. on Saturday, January 17, 1981 and said to contain a message from the President wherein he transmits the Eleventh Annual Report of the Council on Environmental Quality.

(9) At 1:00 p.m. on Saturday, January 17, 1981 and said to contain a message from the President wherein he transmits the Economic Report of the President together with the annual report of the Council of Economic Advisers.

(10) At 10:06 a.m. on Monday, January 19, 1981 and said to contain a message from the President wherein he transmits the Third Annual Science and Technology Report.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

STATE OF THE UNION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-13)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Union Calendar and ordered to be printed:

(For message, see proceeding of the Senate of today, January 19, 1981.)

□ 1230

TENTH ANNUAL REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce, the Committee on Merchant Marine and Fisheries, and the Committee on Public Works and Transportation:

(For message, see proceedings of the Senate of today, Jan. 19, 1981.)●

JOY OF THE FAMILIES OF THE HOSTAGES

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. NELLIGAN. Mr. Speaker, it is a deep pleasure for me to appear here this morning, because at 7:30 I spoke with Mrs. Theresa Lodeski, from Evansville, Pa., who is the mother of Brian German, one of our 52 hostages. It is my sincere belief that the pleasure she feels today and the happiness she feels today are the greatest of her entire life. I talked with her. She was in ecstasy.

To all the parents of the 52 hostages, I believe that this is indeed the greatest day of their entire life. For those constituents and citizens of the 11th Congressional District who are in Washington, D.C., today for the inauguration ceremonies, I welcome you to this great city, the capital of the greatest country in the entire world.

REPORT OF SECRETARY OF DEFENSE AND SECRETARY OF TRANSPORTATION ON AWARDS MADE DURING FY 1980 TO MEMBERS OF ARMED FORCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Armed Services and the Committee on Merchant Marine and Fisheries:

(For message, see proceedings of the Senate of today, January 19, 1981.)

REPORT ON ACTION AGENCY FOR FY 1980—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor and the Committee on Foreign Affairs:

(For message, see proceedings of the Senate of today, January 19, 1981.)

SECOND ANNUAL REPORT ON THE WEATHERIZATION ASSISTANCE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Agriculture, the Committee on Banking, Finance and Urban Affairs, the Committee on Education and Labor, and the Committee on Energy and Commerce:

(For message, see proceedings of the Senate of today, January 19, 1981.)

TWENTY-THIRD QUARTERLY REPORT OF COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs:

(For message, see proceedings of the Senate of today, January 19, 1981.)

□ 1240

THIRTEENTH ANNUAL REPORT OF DEPARTMENT OF TRANSPORTATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committees on Energy and Commerce, Merchant Marine and Fisheries, and Public Works and Transportation:

(For message, see proceedings of the Senate of today, January 19, 1981.)

ELEVENTH ANNUAL REPORT OF COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries:

(For message, see proceedings of the Senate of today, January 19, 1981.)

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Joint Economic Committee:

(For message, see proceedings of the Senate of today, January 19, 1981.)

THIRD ANNUAL SCIENCE AND TECHNOLOGY REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science and Technology:

(For message, see proceedings of the Senate of today, January 19, 1981.)

□ 1250

LEGISLATION TO ESTABLISH POPULATION POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, today, I am introducing legislation intended to meet the threat our growing numbers pose to our economic prosperity and national interests.

This legislation declares the goal of population stabilization, by voluntary means, as the keystone of a national policy of planning for demographic change. Second, it grants the Federal Government the capacity to more accurately forecast and effectively respond to short-term and long-term trends in the relationships between population, resources, and the environment, both at home and abroad. And finally, it establishes, to fulfill these aims, an Office of Population Policy which, by directing, monitoring, and coordinating ongoing assessments of these relationships by its departments and agencies will enable the Federal Government to tailor its policies and programs to suit shifting demographic patterns.

Ignoring population growth and change will not stop them from reshaping our lives. Only conscious efforts at every level of government to understand them and plan ahead will make a difference. That is why I believe Congress should act now to make population stabilization the Nation's goal and to establish a White House Office of Population Policy to coordinate Federal planning for it.

I urge my colleagues to support this legislation. The text of my bill is printed below:

H.R. 907

A bill to establish a national population policy and to establish an Office of Population Policy

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title 13, United States Code, is amended by adding at the end thereof the following new chapter:

"Chapter 11—POPULATION POLICY

"Sec. 401. Purpose of chapter.
"Sec. 402. Declaration of policy.
"Sec. 403. Office of Population Policy.
"Sec. 404. Administration.
"Sec. 405. Policy review.
"Sec. 406. Annual report.
"Sec. 407. Definitions.

"§ 401. Purpose of chapter

The purposes of this chapter are—

"(1) to declare a national policy of coordinated planning for the Nation's approach to population change, and to establish a goal of eventual population stabilization in the United States as the keystone of a national population policy;

"(2) to facilitate the attainment of a balance between human population, the environment and natural resources, both nationally and, through cooperation with other nations, globally;

"(3) to improve the capability of the Federal Government to present the President of the United States and other Federal executives accurate, timely, and internally consistent projections of short-term and long-term trends in population, resources, and environment, both nationally and globally;

"(4) to establish for the purposes of this chapter, an Office of Population Policy with the requisite authority to direct and coordinate the continuing assessment by all agencies and departments of the Federal Government of national and global trends in population, resources, and environment, as factors materially affecting the maintenance of the national security and economic well-being of the citizens of the United States; and

"(5) to make possible, through these actions, effective and timely adjustments in Federal, State, and local policies and programs with regard to education, employment, housing, agriculture, commerce, transportation, communications, and services to senior citizens, based on the most current and accurate assessments of national and global trends.

"§ 402. Declaration of policy

"(a) Congress recognizes the direct relationship between population growth and economic development, environmental protection, natural resource availability, and national security. Congress further recognizes the impact of continued unplanned population change on the Nation, particularly as that change affects the national ability to fulfill needs for education, training and jobs, to provide needed health care, to maintain adequate energy supplies, to conserve natural resources, to produce food and agricultural goods, to satisfy the need for housing and transportation, to protect the environment, to provide income maintenance for retired and disabled persons, and to control Government expenditures. Congress recognizes the economic, social, governmental, and environmental advantages of a stabilized population. Congress also recognizes the present inability of the United States Government to derive internally consistent long-term projections of the United States and global trends in population, resources, and the environment; and the lack of effective means to adjust our foreign and domestic programs to the effects of population changes.

"(b) Congress declares that the Federal Government has the responsibility for coordinated planning for population change and declares as a national goal eventual population stabilization. It is the continuing policy of the Federal Government, consistent with other essential considerations of national policy and in cooperation with State and local governments as well as other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, to foster and promote the general welfare by creating and maintaining conditions under which it is possible to stabilize the Nation's population at a level which is consistent with a high standard of living relative to available resources, with a respect for the environment, and without major social or economic dislocations, at the earliest possible time. In attaining population stabilization, an immigration policy, consistent with this goal, is essential. Further, it is the intent of Congress that the foreign policy of the United States include these same goals of encouraging global population stabilization and attainment of a long-term balance between human population, resources, and the environment.

"(c) Congress declares that the Federal Government must improve its capability to coordinate and improve domestic and global population, resource and environmental projections and to assess their impact on national security. It is the policy of the Federal Government to develop and maintain this capability and to coordinate decisonmaking, both domestic and international, with these projections.

"§ 403. Office of Population Policy

"(a) There is created in the Executive Office of the President an Office of Population Policy headed by a Director appointed by the President, by and with the advice and consent of the Senate. The Office shall employ such officers and employees as may be necessary for the carrying out of its functions under this chapter. It shall be the duty and function of the Office—

"(1) to assist and advise the President in the preparation of the National Population Change and Planning Report required by section 406 of this chapter;

"(2) to coordinate the use of population statistics, and projections research and to gather timely and authoritative information concerning the conditions and trends in current and foreseeable United States and global population change; to analyze and interpret such information for the purposes of determining whether such conditions and trends are likely to interfere with the achievement of the policies set forth in this chapter; and to compile and submit to the President and Congress studies relating to such conditions and trends;

"(3) to review and appraise the various legislation, regulations, programs, and activities of the Federal Government in light of purpose and policy of this chapter to determine the extent to which they are contributing to the achievement of such purpose and policy, and to make recommendations to the President and Congress with respect thereto;

"(4) to develop and recommend to the President and Congress national policies to plan for population changes, as well as to foster and promote population stabilization to meet the environmental, social, economic, health, and other requirements and goals of the Nation;

"(5) to review and revise projections of long-term trends in global population, resources and the environment and their impact on national security by updating the Global 2000 Report to the President at least every two years;

"(6) to develop and recommend to the President international policies to encourage global population stabilization consistent with the highest possible standard of living without a depletion of the resource base and without environmental degradation;

"(7) to conduct investigations, studies, surveys, research, and analysis relating to population change and its impact on resources and the environment and eventual national population stabilization;

"(8) to document and define changes in the Nation's population and to accumulate necessary data and other information for a continuing analysis of these changes or trends and an interpretation of their underlying causes;

"(9) to prepare the report required in section 406 of this chapter for submission at

least once a year to the President and Congress on the state and conditions of population change and its impact; and

"(10) to make and furnish such studies, reports thereon, and recommendations with respect to matters of policy and legislation as the President may request or the Congress authorizes.

"(b)(1) In exercising its powers, functions, and duties under this chapter, the Office shall—

"(A) consult with such representatives of science, industry, health, education, agriculture, labor, conservation, social welfare, and population organizations, State and local governments, and international or other groups, as it deems advisable; and

"(B) utilize to the fullest extent possible the services, facilities, and information of public and private agencies and organizations, and individuals, in order that duplication of effort and expense may be avoided.

"(2) Each department, agency, and instrumentality of the executive branch of the Government and each independent agency is directed to furnish or provide access to the Director such information as the Director deems necessary and is reasonable to carry out the functions of the Office under this chapter.

"(c) Directors of the Office shall serve full-time and shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

"(d) In carrying out the functions of the Office under this chapter, the Director is authorized to—

"(1) appoint such officers and employees as may be necessary to perform the function now or hereafter vested in the Office and to prescribe their duties;

"(2) obtain service as authorized by section 3109 of title 5, United States Code, at rates not to exceed the rate prescribed for GS-18 under section 5332 of such title:

"(e) There are authorized to be appropriated to carry out the provisions of this chapter not to exceed $800,000 for the first fiscal year commencing after the date of enactment of this chapter, $1,200,000 for the succeeding fiscal year, and $1,600,000 for each fiscal year thereafter.

"§ 404. Administration

"The Congress authorizes and directs that, to the fullest extent possible—

"(1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this chapter;

"(2) all agencies of the Federal Government shall—

"(A) utilize a systematic, interdisciplinary approach which will assure the integrated use of reliable demographic research in planning and decisionmaking affecting national and global population change and its impact on resources, environment, and national security, and eventual national and global population stabilization;

"(B) identify and develop, in consultation with the Office of Population Policy, established by section 403 of this chapter, methods and procedures which will ensure that national and global population change and the goal of eventual national and global population stabilization be given appropriate consideration in decisionmaking along with other environmental, economic, resource, and technical considerations;

"(C) make available to States, counties, municipalities, institutions, and individuals, advice and information useful to planning for population change and eventual national population stabilization; and

"(D) assist the Office of Population Policy established by this chapter.

"§ 405. Policy review

"All agencies of the Federal Government shall review their present statutory authority, administrative regulations, and current policies and procedure for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of this chapter. They shall propose to the President and Congress such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and policies set forth in this chapter within one year of its enactment.

"§ 406 Annual report

"The President shall transmit to the Congress annually a National Population Change and Planning Report (hereinafter referred to as the 'report') which shall set forth—

"(1) the current status of, and foreseeable trends in, national and global population change;

"(2) current and foreseeable trends in national population change;

"(3) the adequacy of available natural resources for fulfilling human, environmental, and economic requirements of the Nation and world projected on the basis of current and foreseeable population change;

"(4) the impact of long-term national and global population, resource, and environmental trends on the United States economy and national security;

"(5) a review of the legislation, regulations, and programs and activities of the Federal Government, State and local governments and nongovernmental entities, or individuals, in relation to their effect on and planning for population change and eventual national and global population stabilization; and

"(6) a program for remedying the deficiencies of existing legislation, regulations, and programs and activities consistent with the purposes and policies of this chapter.

"§ 407. Definitions

"For the purposes of this chapter, the term—

"(1) 'long term' means for a period of at least 20 years;

"(2) 'global population stabilization' means that stage in population change when births approximately equal deaths from one generation to the next globally;

"(3) 'national population stabilization' means that stage in population change when births and immigration approximately equal deaths and emigration from one generation of the next in the United States; and

"(4) 'population change' means changes in fertility, mortality, immigration, emigration, and immigration which affect the number of people in the population, their age structure, and their geographic distribution as well as their health, education, employment, income, and resource needs.".

(b) The table of chapters of title 13, United States Code, is amended by adding at the end thereof the following:

"10. Population Policy ..... 401".

(c) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Director, Office of Population Policy.".●

STATEMENT BY THE HONORABLE CLEMENT J. ZABLOCKI, CHAIRMAN OF THE COMMITTEE ON FOREIGN AFFAIRS, CONCERNING THE RELEASE OF U.S. HOSTAGES IN IRAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 10 minutes.

● Mr. ZABLOCKI. Mr. Speaker, the safe release of the U.S. hostages is a cause for rejoicing by their families and loved ones and by all Americans and indeed for the entire international community. Their release also is a hopeful indication that Iran will now be turning toward normal relations with other nations.

With this barrier to normal relations removed, the United States and Iran can now begin exploratory discussions looking toward resumption of relations between the two nations. As in the past, a peaceful and secure Iran is essential to peace in the region.

President Carter deserves strongest praise for his experienced leadership, determination, perseverance, and prudent actions which climaxed finally in the hostage release. While there has been a regrettable tendency by some to exploit the hostage situation for political ends in recent months, the historical record will demonstrate that the President's firmness and patience were the key to success. The Nation owes him its collective thanks.

There are many others to whom we owe thanks for the happy outcome announced today. There are the brave men who served, those who died, in the earlier rescue mission. There are our Canadian neighbors and their brave Embassy staff in Tehran who watched over our interests and brought some Americans to safety. There are allies and friends throughout the world who responded favorably to our requests for assistance.

As we welcome our countrymen home and join with their families in joyful thanks for their safe return, we also pledge whatever help to them is needed for full physical and mental recovery from their long confinement. We cannot in good conscience do any less.

Mr. Speaker, among the returned hostages is my constituent Marine Sgt. Kevin Hermening whom we welcome back to freedom with his parents, relatives, and friends. I share their joy, and want to add my prayer of thanksgiving to their prayers for his safe return.●

OUR NATIONAL SECURITY INTERESTS IN THE INDIAN OCEAN AND MIDEAST AREAS

(Mr. PRICE asked and was given permission to extend his remarks at

this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, on Saturday, January 17, a delegation of Armed Services Committee members which I headed returned from a 10-day visit to the Indian Ocean and Mideast areas to obtain information on matters related to our national security. Our efforts were very rewarding. Included at the close of my remarks is a news release we issued upon our return which summarizes some of the highlights of what we learned. We are preparing a detailed report which will be published as soon as we complete it.

I am also including the announcement we issued prior to our departure which outlined our objectives and mentioned developments which disturbed us in these regions.

Our allies in these regions stressed over and over again the absolute dependence on the United States as the leader of the free world to stem the advancement of communism. They pleaded with us to assume a greater role of leadership to stop the advances the Soviet Union has made in the past 3 or 4 years. They stressed their need for armament so that they themselves could do whatever fighting is necessary to stop efforts to take over the area. They pointed out many times the vital dependence of the United States, Europe, Japan, and other nations of the free world on Mideast oil. Leaders such as President Sadat also pointed out the urgency of obtaining military assistance due to the increasing activity of nations under Communist influence to advance their cause.

What we found is disturbing. The committee plans to give attention to the unfavorable developments which we noted in our deliberations on national security matters this year.

ARMED SERVICES DELEGATION HEARS WORLD LEADERS CALL FOR MORE ACTIVE ROLE BY THE U.S.

A House Armed Services Committee delegation has returned from an overseas fact-finding mission during which it met with heads of government in India, Singapore, Egypt and Greece on a variety of world issues and heard many of those leaders call for a more active U.S. role in preserving peace in their regions.

The delegation also met with foreign and defense ministers in each country, as well as with Greek and Indian parliamentarians, during the period January 6 through 17.

Chairman Melvin Price (D-Ill.) said the delegation found most leaders in the countries visited urging a more active role by the United States in world affairs, including their regions, and greater U.S. effort to counter Soviet adventurism in troubled parts of the world.

Indian Prime Minister Indira Gandhi, however, told the delegation she does not want superpower confrontation in the Indian Ocean area on matters which concern local governments. She said that both the United States and the Soviet Union should remove their military forces from the Indian Ocean.

When the Congressional members made the point that the United States was responding to growing Soviet presence in the region, Mrs. Gandhi would not acknowledge who came first to the region but said regardless of who initiated it, any military buildup by one power brings an escalating reaction from the other.

Mrs. Gandhi said India is directing its nuclear research toward meeting national energy requirements, that it would share nuclear technology to a limited degree with its neighbors, and it was not pursuing the development of further nuclear explosion capability. She insisted that the nuclear explosion India set off in 1974 was for "peaceful" purposes.

The delegation visited the Bhabha Atomic Research Center (BARC) at Bombay and received a briefing on its program.

Indian leaders made clear that they believe the United States has a contractual obligation to provide enriched uranium to India and failure to do so because of U.S. laws passed subsequently would be considered a breach of contract. This in turn would free India to seek the enriched nuclear fuel elsewhere, possibly the Soviet Union.

In a discussion that lasted more than two hours, Egyptian President Anwar Sadat reviewed the Soviet threat in Africa, urged an increased U.S. presence in the Indian Ocean and analyzed the present state of the peace process between Israel and Egypt.

Mr. Sadat cautioned the delegation not to be disappointed if there is no progress on the peace talks on the Palestinian issue until Fall because new governments were coming into power in the United States and probably Israel and they would need time to establish their positions on the matter.

Mr. Sadat and other Egyptian leaders reviewed problems in the pace and management of the U.S. military aid program for Egypt. He stressed that he would never ask for U.S. soldiers to defend Egypt but needed arms, not only to defend his country, but to assist in defending weaker African states threatened by the widening Soviet sphere of influence. He also called on the United States to give material support to nations in Africa and the Middle East who are resisting Soviet efforts to encircle the vital Red Sea and Persian Gulf area through the use of Cuban proxy forces and "Stooges."

He termed the Libyan intervention in Chad a dangerous development and claimed that Egypt could have contained Libya's adventurism in the region if the United States had sent him the arms he asked for several years ago.

Prime Minister Lee Kuan Yew, the frank speaking leader of Singapore, lectured the delegation on the need for the United States to "learn to act like" the great power that it is. He urged the United States to put Watergate and the Vietnam War behind it and reassert itself in the world, including a strong presence in the Indian Ocean.

He gave the delegation valuable insights on the war in Kampuchea and said free nations must keep the pressure on Vietnam to withdraw its forces.

Chairman Price said Singapore is a showplace of enlightened free enterprise. Its economic growth rate has averaged about 10 percent yearly in the last decade, inflation is running much lower than other nations (around 5 percent yearly) and unemployment has been below three percent.

Mr. Lee said Singapore is firmly on the side of the United States. "If you go down, we go down," he said.

In Athens, the delegation met with Prime Minister George Rallis, who told the group that now that Greece is reintegrated into the military arm of the North Atlantic Treaty Organization (NATO), he expects that a new U.S. base rights agreement with Greece can be completed within the next three months.

He also reviewed for the delegation the bilateral issues requiring resolution between Greece and Turkey, the need for balance in the U.S. arms aid program to the two NATO countries, and Greece's resolve to stand side-by-side with Turkey against any Soviet aggression in the area of NATO's Southeastern flank.

Chairman Price said the delegation will file a report with the full committee soon. He said portions of the report may be classified.

He expressed his appreciation to the delegation members who took time from their schedules to make the trip.

"I think they have gained information that will be very helpful to the committee, and I think they will be better able to carry out their work for having discussed vital issues with these world leaders," he said.

Other members of the delegation were:

Democrats: Richard C. White (Tex.), Bill Nichols (Ala.), Robert H. Mollohan (W.Va.), Bob Stump (Ariz.), Beverly B. Byron (Md.), and Earl Hutto (Fla.).

Republicans: G. William Whitehurst (Va.), Floyd Spence (S.C.), Robert W. Daniel, Jr., (Va.), James A. Courter (N.J.), and Larry J. Hopkins (Ky.).

HOUSE ARMED SERVICES COMMITTEE DELEGATION TO MAKE FACT-FINDING VISIT TO INDIA

A House Armed Services Committee delegation will visit India in early January to discuss with Indian leaders conditions in the Indian Ocean region during this period of heightened tension in the area, Chairman Melvin Price (D-Ill.) announced today. The delegation visit comes at a critical time, Price said, since the Soviet Union and India recently issued a joint resolution which called for "the dismantling of all foreign military and naval bases in the Indian Ocean" and oppposed "all forms of outside interference in the international affairs of the region."

Soviet President Leonid Brezhnev and Indian Prime Minister Indira Gandhi issued the declaration on December 11 at the conclusion of several days of meetings in New Delhi.

Congressman William L. Dickinson (R-Ala.), the Ranking Minority Member of the delegation, said the group will ask Indian leaders to clarify the meaning of the declaration.

"The declaration makes no mention of Afghanistan even though it is a part of the region and occupied by 85,000 Soviet troops," Dickinson said. "I think the delegation will try to learn India's perception on this world issue particularly since the Soviet-Indian statement does not distinguish how India and the Soviet Union respectively view outside interference," he added.

"The increase in U.S. Naval presence in the Indian Ocean and the planned prepositioning of U.S. military equipment in certain countries bordering the Indian Ocean make it important for us to be aware of the views of nations in that area," Price said. The Chairman noted that a committee delegation had visited Oman, Somalia, Pakistan and Saudi Arabia early in 1980.

Mr. Price said the delegation hoped also to get the views of leaders, in India and in

other nations visited, on the war in the Persian Gulf and the Soviet invasion of Afghanistan.

Price said the delegation will be on travel from January 6 to 17, stopping in Singapore, at the key gateway to the Indian Ocean, on the way to India, and visiting Cairo, Tel Aviv, and Athens before returning to Washington. In each country, the delegation hopes to meet with the head of State and the defense minister.

In Singapore, the delegation plans to discuss the increasing transit of Soviet warships through the straits of Malacca enroute to their Indian Ocean patrols, and increased Soviet use of bases in Vietnam and Kampuchea.

While in Cairo and Tel Aviv, the delegation will discuss with Egyptian and Israeli leaders the progress of negotiations on a peace treaty and obtain the views of leaders of these countries on the prospects for ending the Persian Gulf War.

While in Athens the delegation hopes to discuss with Greek leaders the possibilities of renewing the U.S. base rights agreement with Greece now that Turkey has removed its objections to Greece's reentry into the military arm of the North Atlantic Treaty Organization (NATO). Price noted that a committee delegation visited Turkey last April.

Other members of the delegation are:

Democrats: Richard C. White (Tex.), Bill Nichols (Ala.), Robert H. Mollohan (W. Va.), Bob Stump (Ariz.), Beverly B. Byron (Md.), and Earl Hutto (Fla.).

Republicans: G. William Whitehurst (Va.), Floyd Spence (S.C.), Robin L. Beard (Tenn.), Robert W. Daniel, Jr. (Va.), David F. Emery (Maine), James A. Courter (N.J.), and Larry J. Hopkins (Ky).

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SUNIA) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. OTTINGER, for 5 minutes, today.
Mr. ZABLOCKI, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PARRIS) and to include extraneous matter:)

Mr. HYDE.
Mr. DERWINSKI in two instances.
Mr. PARRIS.
Mr. ROTH.

(The following Members (at the request of Mr. SUNIA), and to include extraneous matter:)

Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. ROSENTHAL in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. HAWKINS.
Mr. LEHMAN.
Mr. WEISS in 20 instances.
Mr. BIAGGI.

ADJOURNMENT

Mr. SUNIA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 53 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, January 20, 1981, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

259. A letter from the Assistant Secretary of the Army (Research, Development and Acquisition), transmitting a report for the period October 1, 1979 to September 30, 1980, on Army research and development contracts of $50,000 or more, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

260. A letter from the Assistant Secretary of the Air Force for Research, Development and Logistics, transmitting notice of a proposed conversion of the military family housing maintenance function at Blytheville Air Force Base, Ark., to contract performance, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

261. A letter from the Director, Selective Service System, transmitting a semiannual report for the period ended September 30, 1980, including a report on the 1980 registration, pursuant to section 10(g) of the Military Selective Service Act, as amended; to the Committee on Armed Services.

262. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to increase the authorization for fiscal year 1981 for operating subsidies for public housing projects, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

263. A letter from the Assistant Secretary of the Treasury, transmitting a report on the activities of the multilateral development banks in the development of renewable energy resources in developing countries, pursuant to Public Law 96-259; to the Committee on Banking, Finance and Urban Affairs.

264. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on the export expansion facility program for the quarter ended December 31, 1980, pursuant to Public Law 90-390; to the Committee on Banking, Finance and Urban Affairs.

265. A letter from the Secretary of Health and Human Services; transmitting a draft of proposed legislation to extend authorizations of appropriations for the developmental disabilities programs under the Developmental Disabilities Assistance and Bill of Rights Act, and for other purposes; to the Committee on Energy and Commerce.

266. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend authorizations of appropriations for programs under the Older Americans Act of 1965; to the Committee on Education and Labor.

267. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Economic Opportunity Act of 1964 to extend and amend the Head Start and Native American programs, and for other purposes; to the Committee on Education and Labor.

268. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend authorizations of appropriations for programs under the Child Abuse Prevention and Treatment Act and the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and for other purposes; to the Committee on Education and Labor.

269. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to strengthen and improve medicaid services to low-income children and pregnant women, and for other purposes; to the Committee on Energy and Commerce.

270. A letter from the Secretary of Transportation, transmitting the Department's evaluation of the common stock of the National Railroad Passenger Corporation, pursuant to section 12 of Public Law 95-421; to the Committee on Energy and Commerce.

271. A communication from the President of the United States transmitting a report on progress toward the conclusion of a negotiated solution of the Cyprus problem, pursuant to section 620C(c) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

272. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on human rights in countries receiving development and security assistance, pursuant to sections 116(d) and 502B(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

273. A letter from the Assistant Secretary of State for Congressional Relations, transmitting Presidential Determination No. 81-2, authorizing the furnishing of certain defense articles and services to El Salvador under section 506(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

274. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting a report on the economic conditions in Egypt, Israel, Portugal, and Turkey, pursuant to Public Law 96-533; to the Committee on Foreign Affairs.

275. A letter from the Comptroller General of the United States, transmitting a report on Federal budget totals being understated because of current budget practices (PAD-81-22, Dec. 31, 1980); to the Committee on Government Operations.

276. A letter from the Director, Office of Administrative Services, Department of Commerce, transmitting a report on the Department's disposal of foreign excess property during fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

277. A letter from the Acting Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new records system,

pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

278. A letter from the Director, Selective Service System, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

279. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $274,083.33 in excess royalties to Pennzoil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

280. A letter from the Acting Assistant Secretary of the Interior, transmitting a report on continuing studies of the quality of water of the Colorado River Basin, pursuant to sundry reporting requirements; to the Committee on Interior and Insular Affairs.

281. A communication from the President of the United States, transmitting a determination that the administration of the reception and placement grants, awarded to resettlement agencies for the performance of certain initial services for refugees coming to the United States, should be retained by the Department of State, pursuant to section 412(b)(1)(B) of the Refugee Act of 1980; to the Committee on the Judiciary.

282. A letter from the Chairman, Copyright Royalty Tribunal, transmitting the Tribunal's annual report, covering fiscal year 1980, pursuant to 17 U.S.C. 808; to the Committee on the Judiciary.

283. A letter from the Secretary of Commerce, transmitting the 1977-79 biennial report of the national sea grant college program, pursuant to Public Law 94-461; to the Committee on Merchant Marine and Fisheries.

284. A letter from the Secretary of Transportation, transmitting the first annual report on collision avoidance systems, pursuant to section 401 of Public Law 96-193; to the Committee on Public Works and Transportation.

285. A letter from the Secretary of Transportation, transmitting the Department's report on basic mass transportation systems, pursuant to section 318 of Public Law 95-599; to the Committee on Public Works and Transportation.

286. A letter from the Federal Cochairman, Ozarks Regional Commission, transmitting the 1980 annual report of the Commission, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

287. A letter from the Chairman, Upper Mississippi River Basin Commission, transmitting the preliminary comprehensive master plan for the management of the Upper Mississippi River System, pursuant to section 101(a) of Public Law 95-502; to the Committee on Public Works and Transportation.

288. A letter from the Administrator, Environmental Protection Agency, transmitting a report on the review of the Department of Energy's conservation and solar energy programs, pursuant to section 11 of the Federal Nonnuclear Energy Research and Development Act; to the Committee on Science and Technology.

289. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

290. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to terminate the authority for the pursuit of flight training by veterans and for the pursuit of correspondence training by veterans, spouses, and surviving spouses, and for other purposes; to the Committee on Veterans' Affairs.

291. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to eliminate provision of outpatient dental treatment for service-connected noncompensable dental conditions which are unrelated to service trauma or prisoner-of-war status; to the Committee on Veterans' Affairs.

292. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Security Act to increase the effectiveness and improve the administration of certain programs under the act, and for other purposes; to the Committee on Ways and Means.

293. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend title II of the Social Security Act, and related provisions of the Internal Revenue Code of 1954, for miscellaneous purposes; when enacted, it will be cited as the "Social Security Amendments of 1981"; to the Committee on Ways and Means.

294. A letter from the Chairman, International Trade Commission, transmitting the Commission's 24th quarterly report on trade between the United States and the nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows.

By Mr. AKAKA:

H.R. 895. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

By Mr. BEARD:

H.R. 896. A bill to amend title 5, United States Code, to provide that legal public holidays established in the future occur on a Saturday or Sunday; to the Committee on Post Office and Civil Service.

H.R. 897. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income all dividends received by individuals from domestic corporations and to exclude from gross income interest on certain savings; to the Committee on Ways and Means.

Ms. FIEDLER:

H.R. 898. A bill to provide that certain benefits under the Hostage Relief Act of 1980 will be available to all the American hostages held in Iran; jointly, to the Committees on Foreign Affairs and Post Office and Civil Service.

By Mr. GLICKMAN (for himself and Mr. WHITTAKER):

H.R. 899. A bill to amend title 37, United States Code, to authorize special pay to a member of a uniformed service who performs duties that are unusually hazardous or performed under unusually severe working conditions; to the Committee on Armed Services.

By Mr. HYDE (for himself and Mr. MAZZOLI):

H.R. 900. A bill to provide that human life shall be deemed to exist from conception; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 901. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. LEVITAS:

H.R. 902. A bill to amend the Federal Aviation Act of 1958 to provide for the termination of the Civil Aeronautics Board on January 1, 1983; to the Committee on Public Works and Transportation.

H.R. 903. A bill to provide coverage under the Federal Old-Age, Survivors, and Disability Insurance System for all Members of Congress and other officers and employees in the legislative branch of the Government; to the Committee on Ways and Means.

By Mr. NOWAK:

H.R. 904. A bill to amend the Federal Water Pollution Control Act to provide grants for the costs of operation and maintenance of waste treatment works; to the Committee on Public Works and Transportation.

H.R. 905. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

H.R. 906. A bill to amend the Internal Revenue Code of 1954 to allow the deduction of the portion of certain charges which is allocable to the construction and maintenance of waste treatment works; to the Committee on Ways and Means.

By Mr. OTTINGER:

H.R. 907. A bill to establish a national population policy and to establish an Office of Population Policy; jointly, to the Committees on Government Operations and Post Office and Civil Service.

By Mr. RICHMOND (for himself and Mr. CORRADA):

H.R. 908. A bill to amend title XVI of the Social Security Act and related laws to extend the supplemental security income benefits program to Puerto Rico, the Virgin Islands, and Guam on the same basis as the States; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 909. A bill to permit the advertising of drug prices and to require retailers of prescription drugs to post the prices of certain commonly prescribed drugs; to the Committee on Energy and Commerce.

H.R. 910. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to the date beyond which potency or efficacy becomes diminished; to the Committee on Energy and Commerce.

By Mr. ARCHER (for himself and Mr. PICKLE):

H.R. 911. A bill to amend the Internal Revenue Code of 1954 to increase the competitiveness of American firms operating abroad and to help increase markets for U.S. exports; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 912. A bill to amend the Federal Food, and Cosmetic Act so as to require that

in the labeling and advertising of drugs sold by prescription the "established name" of such drug must appear each time their proprietary name is used, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FRENZEL:

H.R. 913. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 914. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act and to otherwise require the labels on foods and food products to disclose all of their ingredients and any changes in their ingredients, their nutritional content, accurate weight data, storage information, their manufacturers, packers, and distributors, and their unit prices and to provide for uniform product grading and prohibit misleading brand names; to the Committee on Energy and Commerce.

H.R. 915. A bill to amend title 35 of the United States Code to provide for compulsory licensing of prescription drug patents; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska:

H.R. 916. A bill to authorize the establishment of the Trails West National Historical Park in the State of Nebraska, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 917. A bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes; to the Committee on Ways and Means.

H.R. 918. A bill to amend the Internal Revenue Code of 1954 to allow farmers a refundable credit against income tax of up to $2,000 for amounts paid or incurred to convert farm equipment for alcohol fuel use; to the Committee on Ways and Means.

H.R. 919. A bill to amend title II of the Social Security Act to provide that disability insurance benefits may not be paid to individuals who are confined in penal institutions or correctional facilities; to the Committee on Ways and Means.

H.R. 920. A bill to amend the Internal Revenue Code of 1954 to exempt independent producers and royalty owners from the windfall profit tax on the first 1,000 barrels of daily production; to the Committee on Ways and Means.

H.R 921. A bill to amend the Internal Revenue Code of 1954 to provide individuals a refundable credit against income tax for maintaining a household, a member of which is an individual who has attained the age of 65; to the Committee on Ways and Means.

H.R. 922. A bill to amend title 23, United States Code, to authorize the Secretary of Transportation to make grants relating to energy impacted rail and highway transportation; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mr. WEISS:

H.R. 923. A bill to provide that the Secretary of Housing and Urban Development may not approve any application for rental increases in federally assisted housing unless the amount of such increase is permitted under State and local law; to the Committee on Banking, Finance and Urban Affairs.

H.R. 924. A bill to establish a program of full employment, vocational training, and employment placement for all young Americans willing and able to work, and for other purposes; to the Committee on Education and Labor.

H.R. 925. A bill to amend the Labor-Management Reporting and Disclosure Act of 1959 to require reporting by certain employee associations; to the Committee on Education and Labor.

H.R. 926. A bill to provide that ionization smoke detectors shall bear a label specifying that they contain radioactive materials; to the Committee on Energy and Commerce.

H.R. 927. A bill to remove certain trade restrictions with respect to Cuba; to the Committee on Foreign Affairs.

H.R. 928. A bill to provide for payments in lieu of taxes to local governments by the Administrator of General Services based upon the amount of certain tax exempt property owned by the United States and foreign governments within such locality; to the Committee on Government Operations.

H.R. 929. A bill to amend title 18, United States Code, to require a specific judicial order for entry of premises to intercept a wire or oral communication under chapter 119 of such title; to the Committee on the Judiciary.

H.R. 930. A bill to establish a commission to study alternative methods to the use of live animals in laboratory research and testing; to the Committee on Science and Technology.

H.R. 931. A bill to amend the Internal Revenue Code of 1954 and the Comprehensive Employment and Training Act to provide for the eligibility of certain in-school youth for, and for the certification and referral of such youth to, jobs under the targeted jobs tax credit program; jointly, to the Committees on Education and Labor and Ways and Means.

H.R. 932. A bill to amend the Budget and Accounting Act, 1921, and the Congressional Budget Act of 1974 to require the inclusion of certain figures on capital and operational expenditures in the budgets transmitted to the Congress by the President and in the first concurrent resolutions on the budget; jointly, to the Committees on Government Operations and Rules.

H.R. 933. A bill to amend the Privacy Act of 1974 and the Communications Act of 1934 to provide for the protection of telephone records, and for other purposes; jointly, to the Committees on Government Operations, Energy and Commerce, and the Judiciary.

By Mr. WEISS (for himself, Mr. PERKINS, Mr. ROSENTHAL, Mr. DELLUMS, Mr. MITCHELL of Maryland, Mr. MOFFETT, and Mr. MOTTL):

H.R. 934. A bill to provide authority for the President to stabilize prices, wages, profits, interest rates, and corporate dividends; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WEISS (for himself and Mr. WAXMAN):

H.R. 935. A bill to amend the Age Discrimination in Employment Act of 1967 to permit persons to bring suits under the act in Federal district courts without regard to whether any proceedings have been commenced by or on behalf of such persons under State law, and for other purposes; to the Committee on Education and Labor.

By Mr. WEISS (for himself, Mr. MITCHELL of Maryland, Mrs. CHISHOLM, Mr. ROSENTHAL, and Mrs. COLLINS of Illinois):

H.R. 936. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the label and advertising for contraceptive drugs and devices state the effectiveness of the drugs and devices in preventing conception in humans, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WEISS (for himself, Mr. STARK, and Mr. MITCHELL of Maryland):

H.R. 937. A bill to provide that ionization smoke detectors containing any radioactive isotope shall be considered banned hazardous substances subject to the prohibitions of the Federal Hazardous Substances Act; to the Committee on Energy and Commerce.

By Mr. WEISS (for himself, Mr. CORRADA, Mr. VENTO, and Mr. LOWRY of Washington):

H.R. 938. A bill to amend title XIX of the Social Security Act to make assistance available under the medicaid program for patients in mental institutions without regard to their age (instead of only for those patients in such institutions who are under 22 or over 65 as at present); to the Committee on Energy and Commerce.

By Mr. WEISS (for himself, Mr. STARK, and Mr. MINETA):

H.R. 939. A bill to amend title 44, United States Code, to permit citizen suits to recover records wrongfully removed from agency files; to the Committee on Government Operations.

By Mr. WEISS (for himself, Mr. CORRADA, Mr. VENTO, AND MR. LOWRY of Washington):

H.R. 940. A bill to amend title XVI of the Social Security Act to eliminate the benefit reduction presently applicable to individuals receiving support and maintenance from families with whom they are living, to continue supplemental security income payments for 3 months when a beneficiary is institutionalized, to provide for the monitoring of the supplemental security income trial work period provisions, and to make it clear that supplemental security income benefits (for up to 3 months) may be paid on the basis of presumptive mental (as well as physical) disability; to the Committee on Ways and Means.

H.R. 941. A bill to amend title XX of the Social Security Act to increase Federal payments to States for services which will assist in removing people from institutions, including the provision of alternative housing, sheltered employment, and similar services; to the Committee on Ways and Means.

By Mr. WEISS (for himself and Mr. CLAY):

H.R. 942. A bill to amend the Hazardous Materials Transportation Act of 1974 to prohibit the transportation of radioactive materials in densely populated areas; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. WEISS (for himself, Mr. RICHMOND, Mr. NOWAK, Mr. STARK, Mr. MITCHELL of Maryland, Mr. LEDERER, and Ms. SCHROEDER):

H.R. 943. A bill to facilitate the economic adjustment of communities, industries, and workers to civilian-oriented initiatives, projects, and commitments when they have been affected by reductions in defense or aerospace contracts, military facilities, and arms export which have occurred as a result of the Nation's efforts to pursue an international arms control policy and to realine defense expenditures according to changing national security requirements, and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Education and Labor, Government Operations, and Ways and Means.

By Mr. WHITE:

H.R. 944. A bill to amend the Immigration and Nationality Act to provide for the issuance of nonimmigrant visas to certain aliens entering the United States to perform services or labor of a temporary or seasonal nature under specific contracts of employment and fair employment conditions; to require an immigrant alien to maintain a permanent residence as a condition for entering and remaining as an immigrant of the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 945. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly, to the Committees on the Judiciary and Rules.

H.R. 946. A bill to amend the Clean Air Act with respect to the prevention and control of air pollution in border areas of the United States and countries contiguous to the United States, and for other purposes; jointly, to the Committees on Foreign Affairs and Energy and Commerce.

By Mr. BEARD:

H.J. Res. 89. Joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

By Mr. NOWAK:

H.J. Res. 90. Joint resolution designating the first Sunday of October in every year as "National Choir Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. VOLKMER:

H.J. Res. 91. Joint resolution proposing an amendment to the Constitution of the United States prohibiting Federal courts from entering orders requiring the attendance of any student at a particular school; to the Committee on the Judiciary.

H.J. Res. 92. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. WEISS:

H.J. Res. 93. Joint resolution to renounce the first use of all nuclear weapons and to conclude treaties with all nations renouncing the first use of all nuclear weapons; to the Committee on Foreign Affairs.

By Mr. WEISS (for himself and Ms. FERRARO):

H.J. Res. 94. Joint resolution to provide that certain regulations issued by the Secretary of Transportation relating to highway routing of radioactive materials shall not be effective; to the Committee on Public Works and Transportation.

By Mr. WHITE:

H.J. Res. 95. Joint resolution proposing an amendment to the Constitution of the United States relating to the busing or involuntary assignment of students; to the Committee on the Judiciary.

H.J. Res. 96. Joint resolution proposing an amendment to the Constitution of the United States to provide that the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such fiscal year and to provide for the disposition of unanticipated deficits; to the Committee on the Judiciary.

By Mr. BEARD:

H. Con. Res. 28. Concurrent resolution establishing a Joint Select Committee on Defense Readiness and Mobilization Capability; to the Committee on Rules.

By Mr. WEISS:

H. Res. 28. Resolution to amend the Rules of the House of Representatives to require that all bills and resolutions have titles which accurately reflect their contents and all subject matters contained therein; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. SMITH of Nebraska:

H.R. 947. A bill for the relief of Rogelio Narvaez, doctor of medicine, and his wife, Perlita Narvaez, doctor of medicine; to the Committee on the Judiciary.

H.R. 948. A bill for the relief of Estella Chan, doctor of medicine; to the Committee on the Judiciary.

H.R. 949. A bill for the relief of Dr. Samuel K. K. Chung and Margarita Chung; to the Committee on the Judiciary.

H.R. 950. A bill for the relief of Teodoro A. Ando; to the Committee on the Judiciary.

By Mr. WHITE:

H.R. 951. A bill to increase the monthly basic pay of a certain officer of the Armed Forces and to make subsequent increases in pay and allowances for such officer reflective of changes in the Consumer Price Index; to the Committee on Armed Services.

By Mr. VOLKMER:

H.R. 952. A bill for the relief of Crisanto S. Gualberto (medical doctor), Thelma Castro Gualberto, Tina Gualberto, and Lala Gualberto; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 567: Mr. HYDE.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

11. By the SPEAKER: Petition of St. Clair County Commission, Ashville, Ala., relative to revenue sharing; to the Committee on Government Operations.

12. Also, petition of the Congress of the Federated States of Micronesia, relative to Japanese plans to dump nuclear waste; to the Committee on Interior and Insular Affairs.

13. Also, petition of the Congress of the Federated States of Micronesia, relative to funds needed for public education regarding the Draft Compact of Free Association; to the Committee on Interior and Insular Affairs.

SENATE—*Monday, January 19, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 4 p.m., and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray,

O God, our Father, who in ages past heard the anguished prayer, "Let my people go," hear us once more as we offer this prayer for our fellow citizens in captivity to a foreign power. Come graciously near to each person who has suffered the separation, the loneliness, the uncertainty, and the pain of imprisonment. Teach us whatever lessons must be learned from this agonizing experience that comity and good will may prevail among the nations.

We thank Thee for those servants of the Government whose diligence, persistence, and skill give promise for release of the captives. We give Thee thanks especially for Thy servant, Jimmy Carter, for his indomitable spirit, his perseverance, and steadfastness in service to the Nation. We thank Thee for his devotion to social justice, to human rights, and to world peace. Grant him in days to come a serene soul and rewarding work.

Bestow upon us in this place Thy grace and sufficient wisdom for our duties. And may Thy goodness and mercy follow us all our days.

Through Him whose name is above every name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Tennessee.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that following the time allocated under the standing order for the two leaders that there be a period for the transaction of routine morning business and that Senators may be permitted to speak therein.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I might say that it is my intention to attend to only one matter of routine business, which I have discussed with the minority leader, and then to yield my time under the standing order, or such other time as might be provided, to the distinguished minority leader if he so wishes.

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW; ORDER FOR THE SENATE TO PROCEED AS A BODY, AT 10:50 A.M., TO THE INAUGURATION PROCEEDINGS, FOLLOWING THE CONCLUSION OF WHICH THE SENATE RECESS UNTIL 3 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that at the conclusion of the business of the Senate today, the Senate stand in recess until the hour of 10:30 a.m. tomorrow; further, I ask unanimous consent that at the hour of 10:50 a.m. tomorrow the Senate proceed as a body to the west front of the Capitol for the inauguration of the President and the Vice President of the United States, that the Senate stand in recess at that time until the hour of 3 p.m.; and finally, Mr. President, I ask unanimous consent that on tomorrow, the time allocated to the two leaders under the standing order follow the reconvening of the Senate at 3 p.m. as provided for in this request.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF RULE XXV OF THE STANDING RULES OF THE SENATE

Mr. BAKER. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be stated by title.

The assistant legislative clerk read as follows:

Resolution (S. Res. 24) to amend paragraph 3 of rule XXV of the Standing Rules of the Senate.

Mr. BAKER. Mr. President, as I indicated earlier, this resolution has been cleared with the distinguished minority leader. It simply provides for a change in the total membership of the Aging Committee in order to accommodate the assignments to that committee by both caucuses.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 24) was considered and agreed to as follows:

S. RES. 24

To amend paragraph 3 of Rule XXV of the Standing Rules of the Senate.

Resolved, That Rule XXV, paragraph 3 (b), as amended by S. Res. 13 of the 97th Congress, is further amended by striking a new line:

"Aging ---------- 13"

and inserting in lieu thereof:

"Aging ---------- 15".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NOS. 97–1 TO 97–4

Mr. BAKER. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from a Tax Convention with the Federal Republic of Germany, the Protocol to the Agreement on the Importation of Educational, Scientific, and Cultural Materials, the Consular Convention with the People's Republic of China, and a Protocol Relating to an Amendment to the International Civil Aviation Convention (Treaty Doc. Nos. 97–1 to 97–4, respectively), which were transmitted to the Senate by the President of the United States on January 15, January 16, and January 19, 1981.

I further ask that the four treaties be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's messages in respect to the treaties be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification, the Convention between the United States of America and the Federal Republic of Germany for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates, Inheritances and Gifts (the Convention), signed at Bonn on December 3, 1980. For the information of the Senate, I also transmit the report of the Department of State with respect to the Convention.

The Convention is the first of its kind to be negotiated between the United States and the Federal Republic of Germany. It will apply, in the United States, to the Federal estate tax, the Federal gift tax, and the Federal tax on generation-skipping transfers, and in the Federal Republic of Germany, to the inheritance and gift tax.

In general, the Convention is similar to the estate and gift tax convention with the United Kingdom, which entered into force on November 11, 1979, and to the United States estate and gift tax convention with France, which entered into force on October 1, 1980.

The principle underlying the Convention is that the country of domicile may tax the estate and gifts of a decedent or donor on a worldwide basis, but must credit tax paid to the other State with respect to certain types of property located therein.

I recommend that the Senate give early and favorable consideration to the Convention and give advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1981.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Protocol to the Agreement on the Importation of Educational, Scientific, and Cultural Materials, adopted at Nairobi, Kenya, on November 26, 1976, and opened for signature at the United Nations on March 1, 1977. I also transmit, for the information of the Senate, the report of the Department of State with respect to the Protocol.

The Protocol amends and expands the coverage of the Agreement on the Importation of Educational, Scientific and Cultural Materials, which was adopted at Florence in July 1950, opened for signature on November 22, 1950, and entered into force for the United States on November 2, 1966. The purpose of the original Agreement was to facilitate the international flow of educational, scientific, and cultural materials, and generally the exchange of ideas, through the extension of duty-free treatment to a range of such educational, scientific and cultural materials. The present Protocol substantially broadens the list of eligible products, including those for the advancement of the blind and other handicapped persons.

Ratification of the Protocol is expected to have important beneficial effects on United States exports of products covered by the Agreement. It will also result in important benefits for the blind and handicapped in this country. I recommend, therefore, that the Senate give early and favorable consideration to the Protocol and advise and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

To the Senate of the United States:

I am transmitting for the Senate's advice and consent to ratification the Consular Convention between the United States of America and the People's Republic of China, signed at Washington on September 17, 1980. I am also transmitting for the information of the Senate the report of the Department of State with respect to the Convention.

The signing of the Convention is a significant step in the process of improving and broadening the relationship between the United States and the People's Republic of China. Consular relations between the two countries are not now the subject of a modern formal agreement. This Convention will establish firm obligations on such important matters as free communication between a national and his consul, notification of consular officers of the arrest and detention of their nationals and permission for visits by consuls to nationals who are under detention.

I also transmit for the information of the Senate two separate exchanges of letters, signed on September 17, 1980. The first sets forth the understanding of each side that:

1) reunification of families will be promoted as quickly as possible;

2) persons who may be regarded as possessing the nationality of both countries will be permitted to travel freely;

3) persons considered to be nationals of both countries will be entitled to the consular protection of the State whose valid passport (properly visaed) they possess while visiting the other and

4) financial benefits payable by one country to persons residing in the other will be paid under mutually agreed arrangements.

The second reflects agreement that three consulates, in addition to the two already established in each country, may be established.

I welcome the opportunity through this Consular Convention to improve the relations between the two countries and their nationals. I urge the Senate to give the Convention its prompt and favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1981.*

To the Senate of the United States:

I transmit herewith, for advice and consent of the Senate to ratification, a Protocol relating to an amendment to the Convention on International Civil Aviation, done at Montreal on October 6, 1980. The amendment permits a State in which an aircraft is registered to transfer its functions and duties under Articles 12, 30, 31 and 32(a) of the Convention on International Civil Aviation ("Convention") to the State of the operator leasing, chartering or interchanging that aircraft, subject to the latter State's agreement.

The Convention establishes the International Civil Aviation Organization ("IACO") and general rules for the safe and reasonable conduct of international civil aviation. The problems which arise today from the leasing of aircraft in international operations were not envisaged in 1944 at the time the Convention was drafted. These problems involve difficulties by the States of registry in discharging their responsibilities under Articles 12 (Rules of the Air), 30 (Aircraft Radio Equipment), 31 (Certificates of Airworthiness), and 32(a) (Licenses of Personnel). Ineffective discharge of these responsibilities by States of registry tends to decrease the level of safety in flight operations. The amendment would resolve these difficulties and facilitate greater safety by allowing a State of registry and a State of the operator to agree to transfer these responsibilities to the State of the operator.

The United States expects to benefit directly from this amendment. United States nationals and companies lease by far the greatest number of civil aircraft to operators of other States. In addition, under regulations of the Department of Transportation, United States air carriers may operate and carry local traffic within the United States on aircraft registered in other States. The role of the United States as the State of the operator of leased aircraft is therefore likely to expand.

This is the first substantive amendment of the Convention. It consummates years of United States effort and furthers United States objectives to facilitate safety in international flight operations. The IACO Assembly urged all Contracting States to ratify the amendment as soon as possible and to make any appropriate changes in their national laws. In accordance with Article 94 of the Convention, ratification by 98 Contracting States is required to bring this amendment into force. It would be desirable if the United States, originator of the amendment, were the first State to ratify it. I therefore recommend that the Senate give early and favorable consideration to the Protocol of Amendment, and advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1981.*

Mr. BAKER. Now, Mr. President, I am prepared at this time to yield any time I may have remaining under the standing order to the distinguished minority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

PROGRAM FOLLOWING THE INAUGURATION

Mr. ROBERT C. BYRD. Mr. President, I take this opportunity to ask the distinguished majority leader what the program will be for tomorrow when the Senate returns into session following the inauguration and what the business will be for the rest of the week, insofar as he can state it at this point.

Mr. BAKER. Mr. President, I thank the distinguished minority leader. I welcome his inquiry.

After we reconvene following the inauguration of the President and the Vice President on tomorrow, it is my hope and expectation that we will receive one or more messages from the President of the United States in respect to nominations to his Cabinet. I anticipate at that time that I will ask unanimous consent that the nominations be held at the desk and that the Senate proceed to their immediate consideration in some order.

I might say to my friend, the minority leader, that we are attempting now to negotiate time agreements on as many of them as possible. It will be tomorrow, I believe, for reasons that the minority leader is acquainted with, before we can complete those negotiations.

It would also be my expectation that there will be a request for the yeas and

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

nays on each of the nominations, so I would expect that on tomorrow we will not be able to complete consideration of all of the President's nominations submitted on tomorrow.

Therefore, we will proceed as we can until the hour of approximately 6 p.m., when it would be my intention to recess the Senate over until Wednesday and to resume the consideration of those nominations until they are disposed of.

I might also say it would appear at this time, for the information of the Senators, that on Tuesday, we probably will not begin with the nomination of the Secretary of State; that it probably will be my intention to ask consent to proceed with that nomination on Wednesday morning to accommodate the requests of certain Senators.

Following after the confirmation or the consideration of the nominations for Cabinet-level positions, there are no immediate plans for the balance of the week.

I assure my friend, the minority leader, that I shall consult and confer with him tomorrow after the inauguration and we can consult together on that subject.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

Let me say at the outset that I am delighted that the distinguished majority leader is with us today and looking as hale and hearty as ever. He has had a brief period of hospitalization and we regret that he has had that discomfort, but we are happy that he is back on the floor. We trust that he will have no further problems. I assure him that we have missed him, even though we have not been in session, except the pro forma sessions. We have followed his progress in the hospital and we have tried to keep in touch by telephone as well.

I know, on the part of my colleagues on this side of the aisle, that I express their gratitude at his being with us today. We are thankful for that.

Mr. President, may I suggest to the distinguished majority leader that it is my intention to have a conference later today, at which time the ranking members will be asked to advise my colleagues with reference to any nominees that come within their respective jurisdictions. I personally hope that the nominations could be disposed of with reasonable dispatch. Senator PROXMIRE has indicated that he wishes to have a rollcall vote on every Cabinet-level nominee. He is within his rights in making this request, and I personally think it is probably a good idea, myself.

He has also indicated that he would like to have at least 5 minutes on each nominee, which would allow him to ask questions of the chairman and ranking member of the committee handling the particular nomination that he is interested in.

Mr. PROXMIRE. Will the distinguished minority leader yield for a moment?

Mr. ROBERT C. BYRD. Yes.

Mr. PROXMIRE. I thank the distinguished Senator. As always, his statement is accurate. However, this Senator did not mean to imply that he would take either 5 minutes or 45 minutes. It depends, of course, on the particular case. I do expect in each case to have some questions for the manager with respect to the nominee. I intend to make a record on each.

I also intend to expedite these nominations as rapidly as possible. I hope we can confirm them and give President-elect Reagan his Cabinet as quickly as possible. I do feel we have a constitutional responsibility here and I do intend to make it as full a record as I can in each case.

Mr. BAKER. Will the distinguished minority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I entirely agree with the distinguished Senator from Wisconsin. I think we ought to have a rollcall on Cabinet appointments. I think they are extremely important. I thank the distinguished Senator from Wisconsin and I welcome his remarks that he wishes an expeditious confirmation of these nominees.

Mr. President, I take this opportunity to say that I have found nothing but the best and most generous cooperation from the minority leader and from every Member on the minority side in trying to put in place a Cabinet of President-elect Reagan's choosing at the earliest possible moment, consistent with the diligence of the inquiries that Members may seek. So I welcome the rollcalls, the inquiries, the debate.

I expect that time limitations would be the subject, or one of the subjects, of the Democratic caucus this afternoon. My final word would be that I hope they will be generous with us in that respect and give as brief time limitations as they possibly can in those cases where necessary.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield further, it would be my desire and certainly my intention to seek to expedite the action of the Senate on the nominees. Regardless of how I may personally feel about a particular nominee, I do not feel that that nomination should be unduly delayed. It will be my intention during the Democratic conference, may I say to the distinguished majority leader, to see that my colleagues will be willing to enter into time agreements on the various nominees, inluding the nomination of Mr. Haig.

I hope that the nomination of Mr. Haig can be disposed of on Wednesday. I believe that the new President should have his Government in place as much as possible for us to give him that Government. Each of us can quote our own particular sentiments in each case. The committees have acted with dispatch. The majority and minority on the committees have conducted the hearings expeditiously, and it seems to me that if we can proceed by time agreement to deal with these nominations, we ought to do it.

I personally have no doubt that Mr. Haig will be confirmed. The votes against him will be relatively few and it seems to me that if we can reach an agreement by which a final vote can be had on that particular nomination, especially, on Wednesday, it being the nomination for Secretary of State, it would be well for us to do so.

Mr. President, it will be my intention on this side of the aisle to attempt to get that kind of agreement. So if the majority leader thinks well of the suggestion, I would propose that, once the leader wishes to put the Senate into recess today, he do it on a call of the Chair basis because it may very well be—it may be—that once our conference has ended, I might have some information for him which will be helpful in his formulating unanimous-consent agreements with respect to the nominations.

Mr. BAKER. Mr. President, I thank the minority leader for his suggestion. It is a very welcome one. At the closing of morning business, I shall make that request in view of the suggestion just made.

May I say, Mr. President, as well, that I am deeply personally grateful to the minority leader for his remarks about my health. May I say I have only been in the hospital one other time and that was when I was a child. I had not been in the hospital more than an hour this time until I remembered why I did not like it. But I was well taken care of and I had a prompt recovery and I look forward to future activity.

Mr. President, if there is further time remaining to me under the standing order, I am prepared to yield it back or to yield it to the minority leader.

Mr. ROBERT C. BYRD. I thank the majority leader.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. ANDREWS). The Chair on behalf of the Vice President and upon the recommendation of the majority leader, pursuant to 22 U.S.C. 276, as amended, appoints the Senator from Vermont (Mr. STAFFORD) to attend the Interparliamentary Union meetings during the 97th Congress and to act as Chairman of the Senate Delegations to such Interparliamentary Union meetings during that time.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Senate Resolution 4, 95th Congress and Senate Resolution 448, 96th Congress, as amended, appoints the following Senators to the Select Committee on Indian Affairs: the Senator from Maine (Mr. COHEN), chairman; the Senator from Arizona (Mr. GOLDWATER); the Senator from North Dakota (Mr. ANDREWS); and the Senator from Washington (Mr. GORTON).

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, are we in morning business?

The PRESIDING OFFICER. We are in morning business.

FIRST AMENDMENT CLARIFICATION ACT OF 1981

Mr. PROXMIRE. Mr. President, on January 5, I introduced S. 22, the First Amendment Clarification Act of 1981.

Since today is the 1st day of the 97th Congress that Senators can deliver statements on the Senate floor, I am taking this opportunity to make brief remarks concerning S. 22.

This bill is similar to a measure I first introduced in 1975 and then again in 1977 and 1979.

The major goal of this legislation is to give fuller meaning to our first amendment's guarantee of freedom of the press by abolishing the so-called Fairness Doctrine and the equal time rule.

FIRST AMENDMENT: 13 PERCENT EFFECTIVE

The first amendment forbids the Congress from passing any law that might diminish our right to have a free press.

But, unfortunately, Congress has enacted a law which does just that. I refer, of course, to the Communications Act, which has abridged the rights of a part of the free press.

Other means of mass communication—newspapers, magazines, pamphlets, books, and motion pictures—have kept their free press rights. But not broadcasting.

Broadcasting—radio and television—is the preferred source of news for 87 percent of the American people. Yet, because of governmental controls like the Fairness Doctrine and the equal time rule, broadcasters are second-class citizens when it comes to first amendment rights.

In practical terms, this means that our first amendment is only about 13-percent effective when it comes to freedom of the press. Obviously, we can and must do better.

Freedom of the press is for the benefit of all Americans. If television and radio, the most popular disseminators of news and opinion, continue to be tied down by stifling government regulation, the people of this Nation will continue to be the losers.

Mr. President, my bill aims to change this situation by giving broadcasters more of the first amendment freedom they deserve.

PURPOSE DEFINED

The first section of my bill defines its purpose: to recognize and confirm the applicability of the first amendment to broadcasting and to strengthen and further the objectives of the first amendment.

This purpose is to be accomplished by removing certain statutory and regulatory restrictions placed on broadcasters operating under the Communications Act of 1934.

Section 2 of my bill deals with the definition of "public interest, convenience, and necessity" under which broadcasters operate.

That phrase in the Communications Act is currently used to make broadcasters accountable to the Federal Communications Commission, after the fact, for everything they put on the air.

My proposals make it clear that the term "public interest, convenience, and necessity" cannot be construed to give the FCC jurisdiction to require that any person be provided broadcast time, or to require that any viewpoint be given broadcast time.

Section 3 of my bill repeals that part of the Communications Act which permits the FCC to revoke the license of any station that willfully refuses or fails to allow a candidate for Federal office to buy reasonable amounts of broadcast time.

SECTION 315 REPEALED

Section 4 repeals section 315 of the Communications Act of 1934. Section 315 contains both the equal time rule and the basis for the FCC's Fairness Doctrine.

The equal time rule requires that when a candidate for public office is given or sold time, any other candidate for that same office must be given an equal opportunity.

That sounds great. But the equal time rule is an abridgement of the first amendment. It is governmental control over a part of the free press.

The Fairness Doctrine of the FCC requires that broadcasters afford reasonable opportunities for the presentation of contrasting viewpoints on controversial issues of public importance.

Unlike the equal time requirement, the Fairness Doctrine does not call for each viewpoint to receive the same amount of air time. Nor does it require that the other viewpoint be given in the same program.

Again, that sounds fine. But the Fairness Doctrine, like the equal time rule, violates the first amendment. Once more, a segment of the free press is being regulated by the Government.

PUBLIC BROADCASTING

Section 5 deals with a first amendment problem contained in section 396 (g)(1)(A) of the Communications Act of 1934, which authorizes the Corporation for Public Broadcasting to facilitate the full development of educational broadcasting in which programs of high quality, obtained from diverse sources, are to be made available to noncommercial educational television or radio stations. But this must be done with "strict adherence to objectivity and balance in all programs or series of programs of a controversial nature."

Such a Government-imposed standard is inappropriate and undesirable. Trying to enforce it can result in a chilling effect on the free play of ideas which public broadcasting should help promote.

By simply deleting this standard, section 5 of my bill is designed to solve the first amendment problem it poses.

Finally, section 6 of my bill repeals the prohibition on political editorializing by noncommercial educational broadcasting stations. This section of the current law, aimed at licensees, seems clearly unconstitutional.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 22

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND STATEMENT OF PURPOSE

SECTION 1. (a) This Act may be cited as the "First Amendment Clarification Act of 1981".

(b) It is the purpose of this Act to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment of the Constitution of the United States by removing statutory and regulatory restrictions on broadcasters operating under the Communications Act of 1934.

DEFINITION OF PUBLIC INTEREST, CONVENIENCE, AND NECESSITY

SEC. 2. Section 309 of the Communications Act of 1934 is amended by inserting at the end thereof the following:

"(i) Notwithstanding any other provision of this part, effective on and after the date of the enactment of this subsection for the purposes of this part, the term 'public interest, convenience, and necessity' shall not be construed to give the Commission jurisdiction to require the provision of broadcast time to any person or persons or for the expression of any viewpoint or viewpoints.".

REPEAL OF LICENSE OR CONSTRUCTION PERMIT REVOCATION POWER RELATING TO FACILITIES FOR CANDIDATES FOR FEDERAL PUBLIC OFFICE

SEC. 3. Section 312 (a) of the Communications Act of 1934 is amended by inserting "or" at the end of clause (5), striking out the semicolon and "or" at the end of clause (6) and inserting in lieu thereof a period, and striking out clause (7).

REPEAL OF SECTION 315 RELATING TO FACILITIES FOR CANDIDATES FOR PUBLIC OFFICE

SEC. 4. Section 315 of the Communications Act of 1934 is repealed.

REPEAL OF CERTAIN LIMITATIONS ON CORPORATION FOR PUBLIC BROADCASTING

SEC. 5. Section 396 (g)(1)(A) of the Communications Act of 1934 is amended by striking out all beginning with the comma following "telecommunications entities" to the semicolon at the end thereof.

REPEAL OF PROHIBITION OF POLITICAL EDITORIALS

SEC. 6. Section 399 of the Communications Act of 1934 is repealed.

THE COURAGE OF RAOUL WALLENBERG

Mr. PROXMIRE. Mr. President, on January 16, 1981, a meeting was held in Stockholm, Sweden, to honor a most extraordinary man: Raoul Wallenberg.

Mr. Wallenberg dedicated much of his life to helping the victims of the Nazi holocaust. He was a Swedish freedom fighter who saved more than 100,000 Hungarian Jews at the end of World War II. He literally pulled Jews out of the death marches and cattle trains bound for Auschwitz and provided them with Swedish passports of his own design. He placed these people in safe houses and personally defended them against the German death squads.

Ironically the Soviet Union, which of course was an enemy of Germany in World War II and presumably a friend of freedom—they say they were—sum-

moned Mr. Wallenberg to their headquarters, after the Russians took Budapest, and imprisoned him, and he has been in a Soviet prison ever since. Evidence strongly indicates that he has been held prisoner in the Gulag Archipelago for 36 years.

This remarkable Swede, who risked his life over and over, is an example of the power of one man's actions, by single-handedly saving hundreds of thousands from certain destruction.

In the wake of the horror which Mr. Wallenberg fought, the U.N., in 1949, unanimously approved the Genocide Convention, which this country, with President Truman's leadership, urged. Thirty-two years later, the United States still has not decided to ratify that convention.

Mr. President, we have seen the profound effect of one man's will. Why can we not, as a nation, act in the same courageous spirit?

As I have pointed out over and over, every President since Harry Truman, Republican and Democrat, has pleaded with us to ratify this convention. The State Department persistently has pleaded with us to do so. The American Bar Association as well as every religious group—Protestant, Catholic, Jewish—have urged us to ratify the convention, and the Senate has failed to act. Only the Senate has to act. The House does not have to act. No further action is required by the executive branch. It is entirely in our hands.

I hope we do not forget the deeds of remarkable martyrs such as Raoul Wallenberg. Let us assure that such actions never need to be employed again, and let us ratify the Genocide Convention.

THE SAGEBRUSH REBELLION

Mr. DECONCINI. Mr. President, one issue that is certain to receive a great deal of attention over the next few years is the ownership and management of the vast amounts of Federal land in our Western States. The "Sagebrush Rebellion," as this movement has been termed, already has attracted a great deal of attention to the discontent and even bitterness that surrounds the Federal ownership of the majority of acres in most of the West.

It is a vital issue, and one that deserves substantial study by all of us. A recent conference sponsored by a group known as the League for the Advancement of States' Equal Rights (LASER) in Salt Lake City produced some informative dialog on the subject. That conference was covered by one of Arizona's top newspapermen, Loyal Meek, editor of the Phoenix Gazette. Mr. Meek's articles from the conference, I believe, present an objective and impartial overview of the underlying reasons for the sagebrush rebellion.

Mr. President, I ask unanimous consent that the articles be printed in the RECORD, and I urge my colleagues to read them and other materials on this most important subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Phoenix Gazette; Dec. 1, 1980]

REBELLION: THE SAGEBRUSHERS ARE COMING! THE SAGEBRUSHERS ARE COMING!

(By Loyal Meek)

SALT LAKE CITY.—Suddenly, the Sagebrush Rebellion has become a cause to be taken seriously.

Since it was launched a couple of years ago, the effort to get the national government to give its vast land holdings in the West to the states has been regarded as a crusade by quixotic cowboys.

Now, and especially following the Republicans' November surprise, these latter-day rebels in Arizona and 11 allied states are, depending on your point of view.

About to charge the ramparts of the political and bureaucratic establishment in Washington with a good possibility of restoring the federal system by gaining equal and just rights for the states west of the 100th meridian, or

Threatening to seise control of hundreds of millions of acres from the preservationists and turn them over to the exploiters and developers to rape the environment that belongs to all the American people.

Under the auspices of the League for the Advancement of States' Equal Rights, nearly 600 concerned citizens, experts and observers met here recently for three days of intensive and extensive discussions on federal land policy.

The conference was set up before the election. But the Nov. 4 results gave the gathering an air of positive euphoria, taking off from a telegraphed pledge from President-elect Ronald Reagan that:

"My administration will work to insure that the states have an equitable share of public lands and their natural resources."

The main thrust of the Sagebrush rebels, however, will be on the legislative rather than the executive or judicial fronts.

Resolutions adopted at the close of the LASER conference call for both congressional and state legislative actions.

Western state legislatures are urged:

To pressure Congress to hold immediate hearings and enact legislation leading to the divestiture of the public lands from the federal government and vesting title and responsibility for these lands in the respective states;

Establish within the state which has large public land segments an entity responsible for making necessary preparation for the orderly transfer of the public lands to the state government (Already done by the Arizona Legislature, over the veto of Gov. Babbitt);

Assure to all who possess rights in and upon the public lands the continuation of those rights, and

Protect the counties within each state from any erosion of the benefits and rights the counties now enjoy by virtue of the present administration of the public lands.

With much of the power in the new Congress shifting to the Republicans, the LASER conferees also resolved to urge adoptions of legislation such as was introduced by Sen. Orrin G. Hatch, R-Utah, and Rep. James Santini, D-Nev., in the current Congress.

The Hatch bill, co-sponsored by Arizona Sens. Goldwater, R, and DeConcini, D, provides for the conveyance of federally-owned unreserved, unappropriated lands to the states and establishes policy, methods, procedures, schedules and criteria for such transfers.

Sagebrush Rebellion leaders also called for an attack on a third front, to take their message to the American people, particularly in the East and among Western urbanites.

An alliance of interested parties and organizations is to be formed by Feb. 1. One of its main functions will be to develop an effective media program to enlighten the public about appropriate and effective utilization of the nation's resource heritage in the public lands.

This gets down to the heart of the issue.

The Sagebrush Rebels argue that the federal government has evolved from a trustee interested in a well balanced multiple use of public lands into a permanent manager with an ever increasing penchant for restricting their use.

The solution, which Reagan presumably endorses, is to let the various Western states take over control and management of these lands.

According to the Sagebrush Rebels' rationale, the respective states would not be about to let their resources, which would become the basis of their wealth, be raped or ruined. Instead, they would see to it that farmers and miners would be allowed, under careful supervision, to produce the food, fibers, energy and minerals that a healthy American economy needs, to the benefit of all consumers from Maine to Hawaii.

Naturally, opponents don't see it this way. They argue that the transfer of public lands would jeopardize economic and environmental values that accrue to the total American public from these lands and, furthermore, that the Western states are not capable of managing these lands on a sound, multiple use basis, or of conserving or enhancing the resources in the manner now being carried out—under congressional mandate—by the Bureau of Land Management and the U.S. Forest Service.

Sagebrush Rebels counter that they are as keen on conservation and enhancement as are Audubon societies and Sierra clubs. They go back to one of the founding fathers of conservation, President Theodore Roosevelt, to make their case. In a speech to the LASER conference, Sen. Malcolm Wallop, R-Wyo., quoted Roosevelt to the effect that "conservation means development as much as it does protection . . .

"The conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our national life. Unless we maintain an adequate material basis for our civilization, we cannot maintain the institutions in which we take so great and so just a pride; and to waste and destroy our national resources means to undermine this material basis."

Today, given all our technological developments, the stakes are infinitely greater than they were in Teddy Roosevelt's day.

Public lands, a third of the nation's lands, include tremendous reserves of coal, oil, tar sands, oil shale, natural gas and minerals, as well as great potential in the renewable resources of farm and forest. Developing these resources while maintaining recreational uses and preserving natural areas and archeological treasures poses one of the greatest challenges to American ingenuity in the decade of the '80s.

The struggle over whether the feds or the states righters are the best qualified to meet this challenge promises to be a hard-fought one in Congress. Despite the euphoria at the LASER conference, realists cautioned that implementing the Sagebrush Rebellion program is going to be anything but easy.

Meanwhile, the battle on the judicial front has been given a lower priority.

Arizona is in the forefront of the effort to wrest control of the public lands from Washington by means of litigation. Attorney General Robert Corbin and his solicitor general, Anthony B. Ching, are preparing to seek permission from the United States Supreme Court to sue the United States for title to the public lands under the "equal footing" doctrine.

Upon admission into the Union, according to this argument, Arizona was entitled to and possessed of all the rights of dominion and sovereignty which belonged to the original 13 states and which the other 24 states east of the 100th meridian achieved. As of now, however, the political prerogatives and sovereignty of Arizona has been constricted to such an extent that Arizona has complete dominion and sovereignty over only 30 percent of lands within its borders.

Opponents of the states rights position contend that the equal footing doctrine is absurd. The Audubon Society, for example, wonders whether, if the Western states acquire these millions of acres of public lands, would not the Eastern states cry out that, lacking equal state-owned acreage, now they are not on an equal footing.

This, say the Sagebrush Rebels, is in itself absurd. The equality has to do with sovereignty, not property, they say. If the doctrine were based on physical property, they point out, then all the states would have to be the same size, water distributed equally among them and the mountains leveled off so that the average elevation in Kansas would be the same as that in Colorado.

While some Sagebrush Rebels favor pursuing the court case vigorously, the majority favors giving priority to pursuing legislative remedies, now that the climate in Congress appears to be so much improved.

One of the most graphic examples of what equal footing and the right to control the public lands can mean to a state is provided by Texas. J. Evetts Haley, best known as the author of "A Texan Looks At Lyndon (Johnson)," told a LASER conference panel that "Texas offers a shining example of the wisdom of not letting those Yankees have control of the land." He cited the use made by Texas institutions of the revenue from oil leases, noting wryly that "the University of Texas is so rich from oil lease revenue that it is uninhibited in training socialists in how to go out and take over the system."

At the LASER conference one heard any number of horror stories about over-regulation by federal bureaucrats. One from a mining engineer typified them.

It seems that an effort was made to explore a boulder-strewn area at about 11,000 feet elevation for the possibility of a copper ore body. Officials would not let exploration proceed until the area had been studied for possible archeological findings, even though no native, however primitive, would have picked that spot to live.

Regulations also require that federal inspectors go in after an exploration is done to determine if the site had been returned to its original condition. The explorers did such a good job of restoration that the inspectors had to be shown where the exploratory holes were drilled!

Things like this, in connection with cattle, sheep and timber operations as well as with mining, have given much of the impetus to the Sagebrush Rebellion movement.

The fundamental premise of the Sagebrush Rebellion is that the closer authority and control is to the people the better the governance of the public lands will be. Proving that, however, will take some doing.

The challenge to the Sagebrush Rebellion is to persuade the nation that wilderness designation and wildlife protection need not be accomplished at the cost of agricultural production and that energy and mineral exploration and development can proceed under state control with due regard for the special character of the Western environment.

Sagebrush Rebels say that they love the earth as much as anyone; that they have the expertise and resources to manage the land properly; that they are not going to rush to sell land to private developers and speculators, and finally, that the public will not lose access to public lands for hunting, fishing and general recreation activities if and when they are given control over the public lands.

If the LASER conference demonstrated anything, it was that the Sagebrush Rebellion is serious—either as an opportunity or a threat, depending on how you feel about state versus national control and management of the public lands.

[From the Phoenix Gazette, Dec. 1, 1980]

MEET HISTORY'S FIRST INCORPORATED REBELLION

(By Loyal Meek)

Meet what is said to be history's first rebellion to be incorporated.

The Sagebush Rebellion was born in Nevada early last year when Assemblyman Dean Rhoads succeeded in getting legislation adopted claiming title to the federally administered lands within the state's borders. The name was coined by John Rice, a newsman covering the Nevada Legislature.

Rhoads, a cattleman, is a chief spokesman for the Sagebrush Rebellion. He has traveled extensively throughout the West, meeting with legislators, county officials, other leaders and interested citizens to discuss and explain the movement.

Many individuals and organizations have joined the Sagebrush Rebellion movement. These forces are now combined under the acronym LASER, standing for the League for the Advancement of States Equal Rights.

John L. Harmer, executive vice president and general counsel for LASER and former California lieutenant governor, recalls that the movement was first conceived two and a half years ago. A total of five persons attended the initial meeting, held in a motel room. It included himself and Sen. Barry Goldwater, R-Ariz., now chairman of the organization's advisory board. The next meeting was held a year ago in Reno and drew about 300 participants. The latest meeting in Salt Lake City last week had an attendance of nearly double that.

LASER, based in Salt Lake City, describes itself as a nonprofit foundation engaged in creating a broad base of public support in favor of divesting the federal government of the public domain.

That domain consists of 70 percent of the land mass west of the 100th meridian, a line running roughly north and south between New Mexico and Texas, Colorado and Nebraska and the western edge of the Dakotas. Federal ownership of these lands ranges from 97 percent of Alaska and 87 percent of Nevada to 44 percent of California.

LASER's purpose is to gather legal and economic data to demonstrate that historically, constitutionally and morally the public domain belongs to the respective states in which it is located.

Funds donated to LASER by corporations, businesses and individuals are used for research, education and information on public domain divestiture.

Officials of LASER decline to give specifics on who donates how much.

RESOLUTION OF THE NAVAJO TRIBAL COUNCIL

Mr. DECONCINI. Mr. President, in November of 1980, the Navajo Tribal Council passed a resolution authorizing and appointing certain official delegates to hear and discuss certain issues with President-elect Ronald Reagan and Vice President-elect George Bush and the transition team.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE NAVAJO TRIBAL COUNCIL

Whereas: 1. The Navajo Tribal Council, and its Chairman, Peter MacDonald, endorced and supported the candidacy of Ronald Reagan and George Bush; and

2. On November 4, 1980, the Navajo people and the American people gave Ronald Reagan and George Bush a landslide victory in the election for President and Vice President of the United States; and

3. During the next two and one-half (2½) months, the transition to the Reagan Presidency shall take place; and

4. It would be appropriate for the Navajo Nation to establish an official delegation to meet with the President-elect and his staff to inform them about the needs of the Navajo Nation, and to respond to inquiries from them concerning future policies of the United States. Now therefore be it resolved that:

1. The Navajo Tribal Council, for and on behalf of the Navajo people, congratulates President-elect Ronald Reagan and Vice President-elect George Bush on their landslide victory in the General Election held on November 4, 1980 and wishes them well during the forthcoming years in office.

2. The Navajo Tribal Council appoints an Official Delegation to meet and confer with the President-elect and his staff consisting of the following: Chairman: Peter MacDonald, Chairman, Navajo Tribal Council; Vice Chairman: Frank E. Paul, Vice Chairman, Navajo Tribal Council; Member: Chester Yazzi, Member, Navajo Tribal Council; Member: Tom Lee, Member, Navajo Tribal Council, Member, Guy Gorman, Member, Navajo Tribal Council.

3. The Official Delegation shall report to the Advisory Committee, Navajo Tribal Council, at its regular meetings and to the Navajo Tribal Council at its Winter Session on the results of its meetings and discussions with the President-elect and his staff.

LABOR'S ROLE IN TELECOMMUNICATIONS

Mr. FORD. Mr. President, in recent years technological innovations have revolutionized the transmission of messages throughout the world, turning our planet into a "global village" of shared information.

Indeed, since Samuel Morse patented his telegraph in 1837, man has striven to improve the efficiency of telecommunications services, to increase their usefulness, and to make them generally available to the public.

Yet it is only in the past few years that progress in new applications of technological developments have taken on truly striking proportions. For example:

Transoceanic submarine telephone cables have been laid on the world's seabeds.

Equipment has been put in space that through satellite communications gives rise to direct home TV reception and the relaying of photographic images by telecommunications from space.

Miniaturization has led to low-cost electronic technology that has enhanced the telecommunication service industry.

Mr. President, it is often overlooked, however, that despite these advances in technology, human resources continue to be the most essential ingredient for achieving world progress through telecommunications.

Moreover, labor unions, both on the national and international level, are playing a vital, though little-heralded role in not only improving the quality of life for the millions of workers who operate the complex communications systems that link the world, but also in safeguarding basic human rights.

Recently, I read an article which elab-

orates on this subject and which I believe captures the essence of organized labor's role in world telecommunications. This article, entitled "Telecommunications and Organized Labor," was coauthored by Glenn E. Watts, president of the Communications Workers of America and Mr. Lou Gerber, registered lobbyist for the CWA.

The CWA has long been one of the most progressive pillars in our Nation's pluralistic system. Its outlook is broad and internationalist in scope rather than narrow and confined only with its own self-interest.

Mr. President, so that our colleagues might have the privilege of sharing in this article, I ask unanimous consent that it be printed in the RECORD. This article appeared in "World Progress Through International Telecommunications," a publication of the United Nations Association of the United States of America.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TELECOMMUNICATIONS AND ORGANIZED LABOR

(By Glenn E. Watts and Lou Gerber)

Despite the burgeoning technological innovations that are revolutionizing the transmission of global messages, human resources continue to be the most essential ingredient for achieving world progress through telecommunications.

In this connection, postal, telegraph and telephone labor unions, both on the national level and through supranational instrumentalities, are playing a vital, though little-heralded, role in safeguarding basic human rights. They are carrying out this mission by improving the quality of life for the millions of workers who operate the complex communications systems that link the world.

Along this line, the 20th century poet Ezra Pound once called artists "the antennae of the race." In a similar way, a nation's communications media have been recognized as a mirror of its consciousness.

It is often overlooked, however, that labor unions, representing workers in telecommunications as well as other industries, also serve as a unique conveyor belt for radiating pluralistic concepts, such as freedom of speech and association, which can help sharpen a nation's transcultural outlook. In essence, the emergence of effective national telecommunications unions can profoundly transform the landscape of human values for the population at large as well as for communication workers, just as the installation of a sophisticated telephone and telegraph system can alter the entire economic infrastructure of a nation.

Indeed, labor unions, particularly in telecommunications, which penetrates into remote corners of developing countries, have been, in some cases, the first wholly indigenous organizations that the people of an emerging nation have ever known. As such, unions in these countries have an unparalleled capacity for influencing citizens' political, economic and social attitudes.

This is true largely because labor unions in developing nations have different origins and perform services distinct from those of worker organizations in Western nations. Whereas unions in the West were born in the steaming cauldron of the Industrial Revolution, organized labor in many emerging nations was the spearhead of historic movements toward political independence.

Because of this fact, union roots lie deep in the hearts of the people in many newer sovereignties. A number of telecommunications unions, indeed, have been in the forefront of post-World War II efforts to achieve political freedom in young nations and to attain an improved level of living.

Moreover, at the same time that organized labor has been at the cutting edge of political progress, unions in many developing counties also have served as prime instruments for obtaining improvements in a wide variety of areas far transcending their traditional role as a collective bargaining mechanism.

As George C. Lodge, former Assistant Secretary for International Affairs at the U.S. Department of Labor, has written, in emerging nations unions are often conceived as being a combination of the Red Cross, an American-style trade union, a political party and, in some ways, a religious organization. Their functions and activities, he wrote, "reach into every phase of urban life, including politics, housing, hospitals, labor-management bargaining, public parades, demonstrations, schools and colleges. Of these, the collective bargaining function is by no means the most important."

Of course, this perspective on the function of labor organizations does not at all ignore the universal role of unions in helping their members to achieve freedom and dignity where there have been domination and servility, and to obtain a square meal where before there has been starvation.

In a larger context, the world's telecommunications unions are involved on a global level, as well as within national borders, in seeking to uplift the quality of life of working people. Almost 200 unions, representing approximately 4 million telecommunications workers from nearly 100 countries, belong to the Postal, Telegraph and Telephone International (PTTI), based in Geneva, Switzerland. At age 60, the PTTI is one of the world's oldest international organizations.

Although the first international conference of postal telephone and telegraph workers took place in Paris in June 1911 at the Learned Societies Building, the PTTI as presently known was founded in Austria in February 1920. The first meeting of the organization was held in a period of social ferment, as indicated by the resolutions adopted there, protesting the blockade of Russia and criticizing the restrictive conditions under which the Republic of Austria was established.

Today, the PTTI provides a voluntary multinational framework through which its national affiliates, telecommunications unions in individual nations, can compare collective bargaining practices in their countries, study the impact of technology on their members, utilize the best training and research materials, orchestrate propaganda campaigns for calling attention to anti-worker practices and examine the shared or unique experiences of unionism in a variety of political and economic systems.

In addition, the PTTI seeks to foster implementation of the International Labor Organization's Convention 87, which recognizes freedom of association and the right to strike as universal human rights, and Convention 98, which emphasizes the right of workers to organize for the purpose of collective bargaining.

A case study illustrating the contributions that global organizations representing telecommunications workers can make is the search in recent years for a solution to the dilemma of achieving a balance between the introduction of innovative technology and the preservation of employment opportunities for wage earners.

While the development of efficient new machines may reflect "progress," the installation of useful inanimate devices can also be accompanied by the dark companions of unemployment, personal alienation and economic upheaval if workers are simply cast aside as social driftwood before the onrush of technology.

Recognizing this danger, a PTTI special committee on technological change issued a report on this perplexing problem in 1975. As a result, the PTTI itself subsequently urged the International Labor Organization to investigate the changing conditions of work and employment in postal and telecommunications services.

Acting on PTTI's request, the ILO, with the active participation of an International Telecommunication Union observer representative convened a meeting in Geneva between March 8 and 16, 1977, to examine the issue. An additional purpose of the meeting was to consider a series of draft resolutions submitted by worker representatives, dealing with the repercussions of technological change on employment and conditions of work, the health environment and safety of the workplace and job satisfaction.

It is notable that representatives of the world's telecommunications workers did not object to technological progress per se. They believed that everyone would be able to benefit from mechanical advances, but that such advances could only be introduced smoothly with the full cooperation of employees.

After extensive discussions at the 1977 meeting, the ILO, unique among international agencies in that it is tripartite, consisting of worker, employer and government representatives, adopted an unprecedented set of "General Principles." These were to serve as recommendations to nations confronting the problem of the impact of technology on the telecommunications workplace.

Among the broad principles agreed to were that technological changes in postal and telecommunications services should be pursued to the extent that they benefit workers and minimize the cost of communications to the general public. Specifically, the ILO recommended that, when substantial technological changes are introduced, "appropriate machinery should be developed and agreed to between employers and workers (to) ensure . . . that the workers are informed before the necessary decisions are taken on planning" such changes.

The General Principles stressed, further, that consultation between employers and worker representatives should take place not only on the question of the introduction of new technology, but also on the timing of the change and its potential social effects.

On the matter of social effects, the General Principles addressed such questions as job security, retraining and quality of work-life. They paid special attention to occupational health and safety stipulating that technological changes should be used not only to increase productivity, but also to improve the work environment.

In this regard, the General Principles emphasized that telecommunications employers should take full account of the effects of noise, temperature, lighting problems and other potential hazards to health in the layout of the workplace. They also made it clear that one reason why special consideration must be given to employees is that workers, far from being incidental chesspieces, will actually be "indispensable to operate technical equipment and control work processes."

In conclusion, as the world enters an era of rapid technological change, it is worth remembering that efficient telecommunications services under malevolent forms of government can serve as agents for conveying tremendous evil as well as a transmission system for the public welfare.

During the Nuremberg Trials, following World War II, for example, former Nazi Armaments Minister Albert Speer spoke on how the Hitler government has effectively employed the nation's telecommunications services to shape life in Germany. Said Speer: "The telephone, the teleprinter and the wireless made it possible for orders from the highest level to be given directly to the lowest levels where, on account of the absolute authority behind them, they were carried out uncritically."

Having embarked upon a new decade nine months ago, we are also approaching the year 1984. Whether the world arrives four years from now at the doorstep of the Orwellian nightmare or emerges, instead, into the light of a genuinely free international order, may, in part, depend on the world community's wise management of telecommunications technology.

By paying special attention to this portentious vehicle and its impact on working people as well as other citizens, the leaders who guide our destiny can frustrate Orwell's dark dream of tomorrow and ensure the coming of a brighter era.

TRIBUTE TO DICK STONE

Mr. CHILES. Mr. President, I very much regret that the time has come when I must recognize and accept the departure of Dick Stone from the U.S. Senate. I feel a great sense of personal loss, but that is overshadowed by the real loss of his dedicated service to our State of Florida and to all the people of our Nation.

He has been an outstanding Senator, making his mark early in his term and and growing steadily in stature as he used his intelligence, energy and creativity so well in performance of his job.

Reference to only a handful of his accomplishments will attest to that performance.

Florida and other States are assured fairer sharing of Federal funds due to a census law mandating mid-decade census. It includes an amendment proposed by Dick Stone to require that updated population estimates be used in Federal aid formulae.

A severe hardship on social security recipients ended when the Treasury Department began delivering social security checks on Fridays. On long holiday weekends many people were not able to cash their checks until Tuesday and often went hungry.

The Veterans' Administration set a national policy on the acquisition and monitoring of cardiac pacemakers for veterans. The Pacemaker Diagnostic Clinic of Gainesville was awarded a contract allowing a veteran to test his pacemaker by phoning the company's computer.

Several Florida veterans finally received the war medals they deserved but had been denied through paperwork foulups.

Plagued by continuing water pollution problems which produced a sharp decline in the oyster industry, Wakulla County oystermen received Small Business Administration loans.

When the tobacco market opened in Live Oak and Lake City in 1979 and sales were extremely slow, the Department of Agriculture was persuaded to double the daily sales allocation figure for warehouses, thereby boosting sales.

For the 2 years Dick Stone led negotiations to get Japan to lift its ban on two citrus preservatives commonly used in Florida and this was done in 1979.

After he made a 3-week trip to the Far East in 1978, Japan and Taiwan pledged increased purchases of Florida citrus. Japan also announced its annual and seasonal quotas early, thus increasing the number of oranges that could be sold to Japan.

Under his initiative Taiwan sent trade teams to Florida in 1978 and 1979, resulting in their purchasing millions of dollars worth of our State's products.

Utility service in Leon County, Fla., will be more efficient and provide less costly service since the Federal Highway Administration funded construction of 6.2 miles of powerlines along Interstate 10. This was the first project of its kind in the country.

Fifteen oil-burning utility plants in Florida were granted exemptions from a Department of Energy regulation on coal conversion which would have pushed up electric rates to their customers.

The Florida Panhandle Emergency Medical Service Management Organization received over $500,000 to improve emergency medical care in northwest Florida.

A new agriculture trade office opened in Coral Gables, Fla., in 1979 will promote Florida products internationally.

The United States halted aid for 1 year for each instance in which a nation provides sanctuary to international terrorists under legislation he sponsored.

If the Internal Revenue Service makes a mathematical error in preparing a taxpayer's return, the agency can no longer charge interest on tax underpayments which result, thanks to Senator Stone's proposal.

Young people may be more likely to find jobs now that employers can take a jobs tax credit for high school work-study students they hire through age 19.

He has been a major innovator in efforts to accelerate interstate highway construction so that Florida can complete its missing links.

Two-way trade with Cuba in medicine, food, and agricultural products was blocked by the Foreign Relations Committee at Senator Stone's urging.

Wanting to encourage religious freedom among people of the Middle East, Dick Stone obtained an agreement from Saudi Arabia's King Khalid to allow Israel's Muslims to make the Hadj, the holy pilgrimage to Mecca.

These are but a few of his initiatives.

Dick Stone has long been a strong advocate of openness in Government, and his arrival in the Senate in 1975 gave a real boost to my efforts to gain passage of the Federal Government in the Sunshine Act which is now law. He also gave special effort to controlling Federal spending and the establishment of a national energy policy.

Put simply, he has been a doer and his work will be sorely missed.

Born September 22, 1928, in New York City, Senator Stone moved to Miami with his family when only 6 months old. He was graduated from Georgia Military College at Milledgeville and earned an AB degree cum laude in economics from Harvard University, followed by an LLB from Columbia University School of Law.

Senator Stone served as Miami city attorney in 1966, was twice elected to represent Dade County in the State senate and was elected Florida's secretary of state in 1970. He resigned that post to run for the U.S. Senate in 1974.

His wife is the former Marlene Singer and they have three children, Nancy, Amy, and Elliott.

As much as I have enjoyed the friendship, the enthusiastic spirit and the cooperative attitude of Dick Stone as we worked in the Senate, my wife Rhea has realized those same qualities from Marlene as they shared responsibilities in the leadership of Florida House, Floridian's home away from home in Washington.

So, we say goodby, but only from the Senate. We look forward to continuing in friendship and we know the Stones, with their great abilities and large hearts, will always be providing service to people. Knowing their success is assured, we wish them health and happiness.

TRIBUTE TO BIRCH BAYH

Mr. CHILES. Mr. President, it is with regret that I say goodbye to my good friend, Birch Bayh. I am saddened by the fact that Senator Bayh will no longer occupy a seat in this body; however, I am deeply grateful for his 18 years of service and many accomplishments. His presence will be sorely missed but the examples he has set will endure for years to come. I am sure Birch Bayh will best be remembered for the four constitutional amendments he was instrumental in guiding through Congress. Two of these amendments, the 25th providing for an orderly succession of the President and Vice President and the 26th providing the franchise for 18-year-olds have been ratified by the States. The other two, the equal rights amendment and the District of Columbia voting rights amendment are still pending before the States.

It has been my personal privilege to work closely with Senator Bayh on the Senate Appropriations Committee where he has been Chairman of the Subcommittee on Transportation. I am deeply grateful to him for his fine work on this subcommittee where he has always been responsive to the many transportation needs of the State of Florida.

In the years to come, I wish Birch Bayh every success and hope that he will continue to provide us with his very wise counsel, his good honor, and unfailing sense of humanity. To be sure, he can be proud of his service in the Senate and of the legacy he has left.

TRIBUTE TO ROBERT MORGAN

Mr. CHILES. Mr. President, it is my pleasure to join many of my colleagues in honoring Senator Robert Morgan of North Carolina. Since coming to the Senate in 1974, he has made many valuable contributions to this body but more importantly has well served the interests and needs of the people of North Carolina. It has been my pleasure to work closely with Senator Morgan on a number of issues. In all these dealings and in day to day contacts, Senator Morgan has demonstrated a love for his work and a unique ability to get things done. I shall

never forget the long but very informative and enjoyable trip we participated in together to Alaska to get a firsthand look at the Alaska lands issue. As a Member of the Senate he has been extremely interested and active in a wide variety of issues. He has been an articulate spokesman for rural America and has been especially effective as chairman of the Subcommittee on Rural Housing. He has also advocated a strong national defense and efficient transit systems while stressing the limitations of the Federal Government.

Senator Morgan's expertise, drive, and compassion will be missed by all of us. It has been my deep honor to work with the Senator from North Carolina, and I know I join my colleagues in wishing him and his family all the best in the years to come.

TRIBUTE TO JACOB JAVITS

Mr. CHILES. Mr. President, one of the most bipartisan acts that one can accomplish in this body is to pay tribute to one of the Senate's most distinguished Members—Senator Jacob Javits.

When I first came to the Senate in 1970, Senator Javits had already established himself as one of the hardest-working and most competent Members of this body. He leaves a tremendous legacy of legislative achievements and also a reputation of courteous and patient understanding for each Member of the Senate. I served with Senator Javits as a member of the Governmental Affairs Committee and he contributed greatly to the harmonious workings of that committee. His uncanny ability to elicit compromises on even the most delicate issue before the committee, will be sorely missed.

Many citizens of my State, perhaps more proportionately than any other in this country, have felt and will feel the impact of one aspect of Senator Javits work. His leadership in the passage of the Age Discrimination and Employment amendments of 1978 is a clear illustration of his concern for the elderly. His work on the Labor and Human Resources Committee has reflected his concern for elderly citizens in this country.

Finally, Mr. President, I must note as many in this body already have, that Senator Javits served this country for nearly one-third of a century including four terms in the House of Representatives and four terms in the Senate. He distinguished himself each day of his service. We will all miss him, and we wish him well.

TRIBUTE TO WARREN MAGNUSON

Mr. CHILES. Mr. President, most Members of the Senate would agree, I believe, that the pinnacle of power in the Senate resides in the chairmanship of the Appropriations Committee. While I do not wish to take anything away from the importance of the other decisions made by the Senate, the fact is that most Government policy is finally determined when the money is divided up.

It has been my honor over the last several years to serve on the Appropriations Committee both as chairman of the Treasury, Postal Service, and General Government Subcommittee and as chairman of the District of Columbia Subcommittee in my earlier years on the committee. During this time I have observed the excellent manner in which Chairman Warren Magnuson has presided over the immensely important decisions which are made under his guidance.

Senator Magnuson's leadership and accomplishments in the cause of better health for the American people are indeed monumental. He has been not only a prime mover in establishing the National Cancer Institute and the National Heart Institute but the essential force in assuring strong, balanced, and highly effective programs at the entire National Institutes of Health.

The greatest tribute to Senator Magnuson in the field of health care are the tens of thousands of Americans who are alive today because of the great progress in treatment and prevention of disease spearheaded by the National Institutes of Health.

These accomplishments in health care might be a sufficient lifetime accomplishment for most men, but Senator Magnuson's leadership and accomplishments in the Senate have extended to many other fields.

For example, long before it became an object of concern in the popular or mass media, Warren Magnuson was pushing for consumer safeguards. Long before medicare, medicaid, and health benefit plans were fashionable legislative subjects in either the House or the Senate, Warren Magnuson was shaping important, farsighted programs that today help to care for the sick, the needy and those in the twilight of their lives. And long before competent, reliable leadership became the national preoccupation it became a decade ago, Warren Magnuson was providing just that kind of leadership in Washington, D.C. and for his home State of Washington.

The list of accomplishments of Senator Magnuson is indeed long, and he has virtually become a legend in his own time.

TRIBUTE TO GAYLORD NELSON

Mr. CHILES. Mr. President, the U.S. Congress will miss the leadership of Senator Gaylord Nelson. Although I am glad to know that Senator Nelson will continue on the national scene as the new chairman of the Wilderness Society, I am sorry that the Senate will no longer have this talented and hard-working man within its ranks.

Since his election to the U.S. Senate in 1962, Senator Nelson has earned a reputation as one of the most diligent and thorough Members of the Senate. He was never one to grandstand or to go for the headlines. Rather, his was an approach that strove for the heart of the issue and that relied upon logic for persuasion.

As chairman of the Senate Committee on Small Business, Senator Nelson has been a true friend and supporter of the small business community. For years, he has been an outspoken leader in the effort to bring our tax, regulatory, and administrative policies in the line with the important role small business plays in our economy.

And of course, Senator Nelson will always be remembered for his unwavering support of environmental legislation. He was the founder of what is now a very popular Earth Day and Earth Week. He introduced the first legislation to control strip mining, as well as the first legislation mandating fuel-efficiency standards for automobiles. There are many hard-working Members of the Senate, but few are as successful in getting their legislation passed as Senator Nelson.

It has been my pleasure to serve in the Senate with Gaylord, and I am sure this Nation will continue to benefit from his life-long commitment to public service.

TRIBUTE TO DONALD STEWART

Mr. CHILES. Mr. President, 2 years in the Senate just does not seem a long enough time for a bright, dedicated man like Donald Stewart. His record in this short time has been most impressive, as he has served well the interests of the people of Alabama and the Nation. In the process, Donald Stewart has earned the respect and admiration of his colleagues here in the Senate. He has gained the reputation as a hardworker and a straightshooter. His presence will undoubtedly be missed.

On coming to the Senate in 1978, Donald Stewart wasted no time in establishing himself as a capable and assertive legislator. He quickly made the best use out of his committee assignments on the Senate Committee on Banking, Housing, and Urban Affairs and the Senate Agriculture by focusing his energies on the many varied problems in housing and agriculture, two areas of particular relevance to Alabama. Coming from Florida, a State with a substantial interest of its own in agriculture, I have been greatly impressed by Donald Stewart's tireless efforts to champion the cause of the small farmer and to promote rural development programs.

His work on these matters has helped to improve the quality of rural life in America. This praise holds equally true for his efforts in housing, as he strove to focus national attention on ways in which we could better handle some of our present housing problems. It was this work, in fact, that earned for him his position as head of the Housing and Construction Subcommittee on the Senate Economic Task Force which was chaired by Senator BENTSEN last summer.

But Donald Stewart's contributions have not merely been confined to his committee work. He has also been actively involved in other priority issues, such as the development of alternative energy sources. As one of the Senate's chief proponents and spokesmen for alcohol fuel production, Donald Stewart played an essential role in incorporating a varied approach to alcohol fuel development in the omnibus energy bill which Congress passed during the recent session. He was able to exert such a positive influence in the Senate on this subject that he was selected as a representative for the energy conference committee; the only Senate member of this Committee who was not a member of the Senate Energy Committee.

As one can plainly see, Donald Stewart's short time in the Senate has been well spent. I have enjoyed working with this young and talented gentleman from Alabama and am sorry that the Senate will not have an opportunity to continue to benefit from his valuable input. However, I expect that his achievements in the Senate have only served as a foreshadowing of the bright future he has ahead of him. I wish him all the best in his future endeavors.

TRIBUTE TO GEORGE McGOVERN

Mr. CHILES. Mr. President, George McGovern is an honest man of very high integrity. During his many years in the U.S. Senate, he has never gone against his beliefs, even when it would have been more popular to do so. I think the recent election results were testimony to his steadfast commitment to his priorities and attitudes. I wonder, who has not heard his voice championing the cause of the poor and underprivileged?

Senator George McGovern has been at the forefront of Congress efforts to emphasize better nutrition for Americans. He played a crucial role in getting the food stamp legislation passed in the Senate, and he went back later and worked to reform that program. As chairman of the Special Committee on Aging, I have been particularly interested in the effects that Senator McGovern's efforts have had for the Nation's elderly. I know that in my State, older citizens living on fixed incomes are much better off because of the work of George McGovern. At a time when inflation is taking bigger and bigger chunks of their fixed incomes, older Americans desperately need the benefits provided by our food stamp program.

I have also long admired George McGovern's work on behalf of the U.S. farmer. As a member of the Agriculture Committee, Senator McGovern has continued to fight to improve the conditions of the American farmer. Most recently, he has been working to place a floor under the world's grain prices, a long-term goal that is both complex and very difficult to achieve.

Although I have disagreed with some of Senator McGovern's positions, I have always admired his approach to solving the Nation's problems. And believe me, it has not been easy to be on the other side of the debate. He is a man of tremendous intelligence and knowledge, and I am sure the Senate will miss his input in the years ahead.

TRIBUTE TO JOHN CULVER

Mr. CHILES. Mr. President, I sincerely regret that Senator John Culver will not be with us in the 97th Congress. Throughout the 6 years he has served in the Senate, John Culver has consistently portrayed a dedication to purpose and commitment to principle, earning him the admiration and respect of his colleagues. His strong sense of dedication is matched by an equally driving sense of humor which warms those around him and endears him to many.

John Culver's presence in the Senate will be missed but, fortunately, his legislative accomplishments will remain with us. He has ably served on the Senate Armed Services Committee, the Environment and Public Works Committee, the Judiciary Committee, and the Select Committee on Small Business and has built a distinguished legislative record in each of these areas. John Culver has been a voice of foresight and reason on such issues as regulatory reform, environmental protection, and military preparedness and has achieved a position of leadership in discussions on control of nuclear weapons.

John Culver has served the people of Iowa since his election to the House of Representatives in 1964. He has worked hard for his State, fighting effectively for Federal support of public works projects throughout Iowa and expressing convincingly the needs and concerns of those he has represented. In his efforts to develop and support Government programs to benefit the agricultural interests of his State, Senator Culver authored significant legislation in the area of soil conservation. He has been a strong supporter of gasohol and other energy alternatives and has worked hard to preserve the family farm.

Senator Culver will be missed but not forgotten in this body. As his legislative achievements remain with us, so too, do the lasting impressions he has made on each of us. His sense of purpose, integrity, and dedication are examples to us all. I consider it a privilege to know John Culver and to have had the opportunity to serve with him in the U.S. Senate. I wish him all the best in future years.

TRIBUTE TO HENRY BELLMON

Mr. CHILES. Mr. President, I would like to say a few words of praise for Senator Henry Bellmon of Oklahoma, who is retiring from the Senate. We will be losing a dear friend and dedicated colleague who will be sorely missed. It has become commonplace, when discussing the development of the congressional budget process, to stress the critical role of bipartisan cooperation which Senator Bellmon protected through many troubled times. His bipartisan approach as ranking minority member has indeed made it possible for the budget process to work in the Senate, and I hope that approach will continue as we move to a new Senate and a new phase of budget control.

I should like to stress some other features of Henry Bellmon's role which are less well recognized. Making the budget process work has entailed more than just getting Members of both parties to adopt budget resolutions. It has meant going into other committees of the Senate and arguing for budgetary restraint. It has meant going to the floor of the Senate budget-cutting amendments to appropriations and authorising bills. Let me assure you that it is even more difficult and unpopular to take on those specific program cuts than to vote for low budget resolution spending ceilings.

I have been privileged to serve on the Appropriations Committee with Senator Bellmon, and to work with him to pass budget cuts on the floor of the Senate. I can therefore vouch that he has never flinched in the face of a different duty to defend the budget. He has consistently put aside the natural tendency to give special treatment to pet projects or politically popular programs. Senator Bellmon has never sat back and remained silent when the public good is being threatened by narrower concerns. His forthrightness has lent courage to his colleagues to also stand up and be counted in the unpopular task of restraining Federal spending. Since he has always approached that task from the direction of rational discussion of program effects and national needs, and avoided vindictiveness or demogoguery, Senator Bellmon has won extra credibility with his colleagues and the public. That will be a difficult standard for those of us who remain to uphold, but his model will continue to be an inspiration to us.

Let me close, Mr. President, by saying that I hope the people of the United States do not totally or permanently lose the services of Senator Henry Bellmon. We will miss him as an active member of the Senate, but I hope he will continue to give us the benefit of his advice with the broad perspective of experience, combined with the extra vision provided by distance from the fray.

TRIBUTE TO SENATOR RICHARD SCHWEIKER

Mr. CHILES. Mr. President, I would like to extend best wishes to Senator Richard Schweiker, who is retiring from the Senate. I have been privileged to serve with Senator Schweiker on the Appropriations Committee, particularly on the Labor, Health and Human Services and Education Subcommittee. As ranking Republican on that subcommittee, Dick Schweiker has been a consistent force for rational policymaking. He has not been afraid to make the hard decisions to cut back outmoded or inefficient programs. At the same time, he has fought for increases for those programs which he considers top priority. He has always argued his positions with hard facts and logic, rather than rhetoric, and this has made him persuasive and effective.

I am therefore particularly pleased that Dick Schweiker will become the next Secretary of Health and Human Services. Administering that huge department, which spends so much money and ministers to so many human needs, will be a major challenge. I know he is equal to that challenge, and I look forward to working with him in his new role.

TRIBUTE TO FRANK CHURCH

Mr. CHILES. Mr. President, for the past 24 years the Senate has been significantly influenced by the presence of our colleague from Idaho, Frank Church. This influence has permeated the policies of our land, especially with regard

to foreign relations, human rights, the environment, and our older Americans.

As chairman and a member of the Foreign Relations Committee for 20 years, Senator Church is associated with gallant efforts to promote world peace and human rights. At the same time, he served his State of Idaho with the same vigor and devotion. Frank Church's endeavors on the Idaho wilderness legislation will long stand as a fine tribute to his many efforts on behalf of his home State.

Mr. President, I had the distinct privilege of succeeding Senator Church as chairman of the Senate Committee on Aging. His record and success as the advocate for the elderly within the Congress was a very tough act to follow. Frank Church's efforts led the Congress in recognizing the needs of senior citizens. He taught us all about these needs and followed these teachings with legislation which improved the lives for all Americans. Frank Church never lost a floor amendment on behalf of the elderly. He fought for a better social security system which would help seniors keep pace with inflation. He shaped the Older Americans Act from a demonstration program into a nationwide major service network. He authored legislation which provides special tax relief and benefits for older taxpayers.

Yes, Frank Church influenced the Senate. His presence will be missed, but his achievements will continue to bear witness to his devotion to this body, his State and his country. I wish Senator Church and his wife, Bethine, all the best in the coming years, which I am sure will be as productive as their last 24 years.

TRIBUTE TO MILTON R. YOUNG

Mr. CHILES. Mr. President, after nearly 36 years of distinguished service in the U.S. Senate, my good friend and colleague from North Dakota, Senator Milton Young, has decided to retire. He will be sorely missed by all of us who had the pleasure of serving with him in the Senate.

Milt has served longer than any other Republican in the U.S. Senate. He is the senior Republican in the Senate, and in the entire Congress. His election as President pro tempore of the Senate for the remainder of this session is proof of the high esteem which Milt commands in these Chambers.

I have come to know him best through our service together on the Appropriations Committee. It has been my privilege to observe his detailed knowledge of the matters brought before that committee and to often seek his wise advice.

It is with deepest regret and heartfelt best wishes that I say goodbye to Senator Milt Young.

TRIBUTE TO HERMAN TALMADGE

Mr. CHILES. Mr. President, it is with sadness and deep regret that I join in bidding farewell to a most distinguished colleague and friend, Senator Herman Talmadge of Georgia.

He is one of the ablest Members of the Senate. During his 24 years of service in the Senate both Georgia's interests and the Nation's interests have been well served by Herman.

During his long and productive career in the Senate, Senator Talmadge has championed the cause of the farmer and American agriculture. He is considered by many to have the best understanding of agriculture and agricultural issues of anyone in the Senate. He is truly "Mr. Agriculture." His knowledge and leadership in this field will be sorely missed by us all.

Senator Talmadge is known for his excellent constituent service to the citizens of Georgia. He has always strongly pursued those causes important to the citizens of Georgia.

It has been my privilege to serve with Senator Talmadge, and I wish him the very best in his future endeavors.

TRIBUTE TO JOHN DURKIN

Mr. CHILES. Mr. President, I wish to join my colleagues in wishing all the best to Senator John Durkin from New Hampshire.

As we all know, John brought with him the reputation of being a tough fighter. In New Hampshire, John, as State Insurance Commissioner, was an effective voice for the consumer. Likewise, in his years in the Senate, he has been respected by all of us as a tough, hard-working leader on those issues which he championed.

He will be most remembered for his work in the energy area. As a member of the Senate Energy Committee he worked to solve the special energy problems of the Northeast and for the development of alternate sources of energy.

I know John best from my work with him on the Appropriations and Aging Committees. I commend his support for legislation to improve the quality of life for our senior citizens and for adequate funding for those who have served our Nation in the military.

I wish him every success in his future endeavors.

TRIBUTE TO MIKE GRAVEL

Mr. CHILES. Mr. President, I want to take this occasion to say farewell to my colleague from Alaska, Senator Mike Gravel. For 12 years he has served his constituents of the State of Alaska and the people of the Nation well. Through his work on the Energy and Natural Resources and Environment and Public Works Committees he has made substantial contributions toward our Nation's energy problem and, at the same time, protecting our vital natural resources. His expertise in these areas will be greatly missed in the coming years.

One of his most outstanding legislative achievements was his efforts to make the trans-Alaska pipeline a reality. Clearly, this was one of the major steps toward our goal of energy independence.

Mike Gravel will be missed. My best to him in all his future endeavors.

TRIBUTE TO ADLAI STEVENSON

Mr. CHILES. Mr. President, it is an honor for me to have this opportunity to pay tribute to my colleague from Illinois, Mr. Adlai Stevenson. After a long and distinguished career as a public servant, 10 of those years in the U.S. Senate, Adlai Stevenson has chosen to leave the Congress, a loss to the people of Illinois, and to the Nation as well.

In the relatively short period of time which Senator Stevenson has served in the Senate, he has established a remarkable legislative record. He has served with distinction on the Banking, Housing, and Urban Affairs Committee and on the Commerce, Science, and Transportation Committee. As chairman of the Subcommittee on International Finance, he has become a leading advocate of establishing a national export policy. By bringing together a bipartisan group of Senators in an Export Caucus, he has generated renewed interest in eliminating unnecessary restrictions on U.S. exports, and has produced a consensus on ways to enable U.S. products to be more competitive in the international marketplace and at home. Flowing from his expertise in international trade and finance were such legislative accomplishments as the Export Administration Act, reform of the Export-Import Bank, and the Export Trading Company Act.

When this body needed someone to take on the tough but unglamorous assignment of reviewing the Senate committee system, the leadership turned to Senator Stevenson. As chairman of the Select Committee to Study the Senate Committee System, he tackled the difficult job with the same dedication and vision that he has brought to every undertaking.

And again, when the Senate needed someone to assume the rather thankless but extremely important task of chairing the Committee on Ethics, it turned to Senator Stevenson. His integrity and reputation for fairness made him the ideal leader in a task that required sensitivity, evenhandedness, and good judgment.

Senator Stevenson has consistently been able to see beyond the problems of the day, and present proposals that offered hope for the future. His accomplishments from his service in the Senate will enrich our country for many years to come.

I know I speak for all my colleagues in wishing Senator Stevenson all the best in his new endeavors.

TRIBUTE TO MRS. OTIS BOWEN—BELOVED WIFE, MOTHER AND A WOMAN OF COURAGE AND VALOR

Mr. QUAYLE. Mr. President, my last speech as a Member of the House was to pay tribute to a very special person, JOHN RHODES, who stepped down as Republican minority leader. As a U.S. Senator, my first speech will be about another very special person, Mrs. Beth Bowen, devoted wife of the outgoing Governor of my State, Dr. Otis Bowen. Mrs. Bowen lost a courageous and valiant fight against cancer on January 1.

Beth and Otis Bowen had a 42-year partnership of love and devotion. She and Governor Bowen were parents of four grown children—Rick, of Lawrenceburg, Ind.; Mrs. David McGrew, of Bellevue, Wash.; Tim, of Muncie, Ind., and Circuit Judge Rob Bowen, of Breman, Ind.

She was the strong right arm of Otis Bowen. When he introduced her at a kick-off luncheon for a cookbook she had written, the Governor said: "She is my governor, your first lady." Beth Bowen usually was at the side of her husband during their many years in politics and public life. Beyond her intense dedication to her husband, Beth Bowen was a strong and gracious mother to her children. Her graciousness as a mother extended to her duties as the first lady.

She also found time to devote to other important causes including the betterment of underprivileged and handicapped children and those subjected to child abuse.

Her fight against cancer will serve as an inspiration to those who would lose their faith in God and just give up. Beth Bowen never gave up—never lost faith.

I know that thousands of my fellow citizens in Indiana have gained strength from Beth Bowen in her love and fight for life. My wife, Marilyn, and I are proud to have enjoyed her friendship and her support. We extend our heartfelt sympathy to our beloved friend, Otis Bowen, and his family on their great loss. May God comfort them all during this time of sorrow.

It seems appropriate to close with an eloquent verse selected from Proverbs, 31:

A woman of valor who can find?
Her price is far above rubies.
The heart of her husband trusteth in her,
And he shall have no lack of gain.
She doeth him good and not evil,
All the days of her life.
She looketh well to the ways of her household,
And eateth not the bread of idleness.
She giveth food to her household,
And a portion for her maidens.
Strength and dignity are her clothing,
And she laugheth at the time to come.
She stretcheth out her hand to the poor,
Yea, she reacheth forth her hands to the needy.
She openeth her mouth with wisdom,
And the law of lovingkindness is on her tongue.
Her children rise up and call her blessed,
Her husband also, and he praiseth her:
"Many daughters have done worthily,
But thou excellest them all."
Grace is deceitful, and beauty is vain,
But a woman that revereth the Lord, she shall be praised.
Give her of the fruit of her hands,
And let her works praise her in the gates.

Beth Bowen will long be remembered as a great inspiration to all of us.

MESSAGES RECEIVED FROM THE PRESIDENT DURING THE RECESS

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 15, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received during the recess are printed at the at the end of today's proceedings of the Senate.)

BUDGET OF THE UNITED STATES FOR FISCAL YEAR 1982—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 13

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 15, 1981, received the following message from the President of the United States, together with accompanying documents which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations and the Committee on the Budget:

To the Congress of the United States:

My administration has faced a wide range of challenges at home and abroad, challenges stemming from our strengths, not our weaknesses: our strengths as a world leader, as a developed industrial nation, and as a heterogeneous democracy with high goals and great ambitions. Meeting these challenges satisfactorily requires that we establish priorities, recognizing the limits to even our Nation's enormous resources. We cannot do all that we wish at the same time. But we must provide for our security, establish the basis for a strong economy, protect the disadvantaged, build human and physical capital for the future, and safeguard this Nation's magnificent natural environment.

This budget provides for meeting these needs, while continuing a 4-year policy of prudence and restraint. While our budget deficits have been higher than I would have liked, their size has been determined for the most part by economic conditions. Even so, the trend has been downward. In 1976, the budget deficit equaled 4.0% of gross national product. This was reduced to 2.3% in the budget year that ended 3 months ago. The 1982 budget deficit is estimated to equal only 0.9% of gross national product.

The rate of growth in budget outlays has been held to a minimum. In spite of significant increases in indexed programs, outlays for nondefense programs—after adjusting for inflation—decrease slightly.

THE BUDGET TOTALS
(In billions of dollars)

	1980 actual	1981 estimate	1982 estimate	1983 estimate	1984 estimate
Outlays	579.6	662.7	739.3	817.3	880.3
Receipts	520.0	607.5	711.8	889.2	922.3
Surplus or deficit (—)	—59.6	—55.2	—27.5	—8.0	32.0
Budget authority	658.8	726.5	809.8	882.0	962.7
Credit budget	131.2	165.4	152.6		

The 1982 budget calls for outlays of $739 billion, an increase of 1.0% when adjusted for inflation. Nondefense spending is projected to decline by 0.2% in real terms. The tax reductions I proposed as part of the economic revitalization program have been retained, but some have been delayed or phased in over a longer period in recognition of the continued high inflation rate. The budget deficit—which is now projected at $55.2 billion in 1981—is estimated to decline to $27.5 billion in 1982.

In planning this budget, I have considered four major issues:

- What is the economic policy that will ensure prosperity for all while minimizing inflation?
- How much of our Nation's wealth should be used by the Federal Government?
- What are desirable spending proposals and strategies for defense, human resources, and investment?
- How can the management of Government be improved?

THE ECONOMY

During the last decade we withstood a series of economic shocks unprecedented in peacetime. The most dramatic of these were the explosive increases of OPEC oil prices. But we have also faced world commodity shortages, natural disasters, agricultural shortages, and major challenges to world peace and security. Our ability to deal with these shocks has been impaired by slower productivity growth and persistent, underlying inflationary forces built up over the past 15 years.

Nevertheless, the economy has proved remarkably resilient. Real output has grown at an average annual rate of 3% since I took office, and employment has grown by 2½%. Nearly 8 million productive private sector jobs have been added to the economy. However, unacceptably high inflation remains our most difficult economic problem. This inflation requires that we hold down the growth of the budget to the maximum extent, while still meeting the demands of national security and human compassion. I have done so, as I did in my earlier budgets.

While budget restraint is essential to any appropriate economic policy, high inflation cannot be attributed solely to Government spending. The growth in budget outlays has been more the result of economic factors than the cause of them. For fiscal year 1981 alone, budget outlays must be increased by $9 billion over last year's estimate as a result of higher interest rates. Yet this increase results not only from inflation but from the monetary policies undertaken to combat it. Nearly $18 billion for 1981 reflects higher defense costs and higher automatic inflation adjustments than were anticipated a year ago.

We are now in the early stages of economic recovery following a short recession. Typically, post-recessionary periods have been marked by vigorous economic growth abetted by stimulative policies such as large tax cuts or spending programs. I am not recommending such actions, because persistent inflationary pressures dictate a restrained fiscal policy. However, I continue to recommend specific tax reductions that contribute directly to increased productivity and long-term growth.

THE SIZE AND ROLE OF GOVERNMENT

We allocate about 23% of our Nation's output through the Federal budget. (Including all levels of government, the total

government share of our gross national product is about one-third.) We must come close to matching Federal outlays with tax receipts if we are to avoid excessive and inflationary Federal borrowing. This means either controlling our appetite for spending or accepting the burden of higher taxes.

The growth of budget outlays is puzzling to many Americans, but it arises from valid social and national security concerns. Other developed countries face similar pressures. We face a threat to our security, as events in Afghanistan, the Middle East, and Eastern Europe make clear. We have a steadily aging population; as a result, the biggest single increase in the Federal budget is the rising cost of retirement programs, particularly social security. We must meet other important domestic needs: to assist the disadvantaged; to provide the capital needed by our cities and our transportation systems; to protect our environment; and to revitalize American industry.

I have been concerned with the proper role of the Federal Government in designing and providing such assistance. The Federal Government must not usurp functions that are best left to the private sector or to State and local governments. My administration has sought to make the proper assignments of responsibility, to resolve problems in the most efficient manner.

We have also recognized the need to simplify the system of Federal grants to State and local governments. Once again, I am proposing several grant consolidations in the 1982 budget, including a new proposal that would consolidate several highway programs. Previous consolidation proposals of my administration have been in the areas of youth training and employment, environment, energy conservation, airport development, and rehabilitation services. These consolidations are essential to improving our intergovernmental system. However, the Congress has so far agreed to consolidate only rehabilitation services grants. Therefore, I am proposing again the consolidations recommended earlier.

MAJOR BUDGET PRIORITIES

Spending growth can be constrained; not easily, not quickly, but it is possible. My budget priorities have been established, once again, to achieve this goal in a responsible manner.

Three years ago, in my 1979 budget message, I outlined the following principles:

- The Nation's armed forces must always stand sufficiently strong to deter aggression and to assure our security.
- An effective national energy plan is essential to reduce our increasingly critical dependence upon diminishing supplies of oil and gas, to encourage conservation of scarce energy resources, to stimulate conversion to more abundant fuels, and to reduce our large trade deficit.
- The essential human needs of our citizens must be given high priority.
- The Federal Government must lead the way in investment in the Nation's technological future.
- The Federal Government has an obligation to nurture and protect our environment—the common resource, birthright, and sustenance of the American people.

My 1982 budget is again based on these principles.

Tax policy and economic revitalization.—I continue to believe that large inflationary individual income tax cuts are neither appropriate nor possible today, however popular they might appear in the short run. My economic revitalization program stresses tax reductions on a timetable that we can afford, and that will fight inflation by encouraging capital formation and increasing industrial productivity. This program stresses:

- simplification and liberalization of depreciation allowances;
- modification of the investment tax credit to encourage investment by temporarily depressed firms and by growing new firms;
- an income tax credit to offset increases in social security taxes;
- a liberalized earned income credit to also offset social security taxes and to encourage low-income earners to work;
- a working-spouse deduction to make more equitable the way working husbands and wives are taxed; and
- more favorable tax treatment for Americans in certain areas overseas to help American exports and strengthen the dollar.

Defense.—Maintaining a strong defense has been a primary objective of this administration. In order to meet the security needs of the Nation, real spending for defense increased in 1979 and 1980 by more than the 3 percent target I set at the NATO ministerial meeting in 1977. This real growth rate in defense spending has been maintained despite the adverse effects of higher than anticipated inflation, and restrained budgets.

To meet critical remaining needs, this budget includes a $6.3 billion supplemental request for 1981, largely for military pay increases and combat readiness. Together with congressional add-ons to my earlier 1981 request, this supplemental will increase defense programs almost 8 percent in real terms over 1980. For 1982 and beyond, the budget charts a course of sustained and balanced improvements in defense programs that will require real annual increases in funding of about 5 percent per year.

The budget request reflects a careful balance between the need to meet all critical defense needs, while maintaining fiscal restraint. There will be advocates for higher defense levels, but after careful review I do not believe that higher spending would add significantly to our national security. My budget already provides for the three major defense requirements:

- *Personnel recruitment and retention.*—Our armed forces can be no better than the quality of the people who serve in them. Accordingly, I recently approved the largest pay and benefits increase in history—a $4.5 billion compensation package that provides for an average compensation increase of 16 percent. This increase in base pay, plus better housing allowances, expanded enlistment and reenlistment bonuses, and special pay enhancements for submariners and other specialists, will help attract and retain highly qualified men and women.
- *Improving combat readiness.*—Increased compensation will be a key factor in overcoming key personnel shortages, which are the major source of readiness problems. In addition, there have been shortages in critical spare parts and, in a few cases, inadequate funds for training. The funds recommended by this budget should alleviate these problems.
- *Modernizing our forces.*—I also propose major investments to enhance substantially the capabilities of our forces. Strategic forces are being upgraded through continued procurement of Trident submarines and missiles, procurement of cruise missiles, modification of the B-52 bomber, and development of the MX missile. Army equipment, including tanks, armored vehicles, helicopters, and air defense and other missile systems, is being modernized. Fighter and attack planes are being added to Navy and Marine forces, and a continuing major shipbuilding program will add over 80 ships to our growing fleet between 1982 and 1986. The rapid deployment of our forces is being improved through the acquisition of more cargo ships and modification of airlift aircraft.

Foreign aid.—Foreign assistance remains crucial in achieving our country's international political and economic goals. From the start of my administration, I have stressed the need for substantial increases in assistance to friendly nations, many of whom are drastically harmed by constantly increasing oil prices and other external economic and security pressures. At the same time, I have insisted upon improved management of both our security and development assistance programs.

In the first 2 years of this administration, the Congress reduced my foreign aid requests but permitted some program growth. For the past 2 years, however, the Congress has failed to pass regular foreign aid appropriations. Assistance programs in 1981 are being funded under a continuing resolution that provides amounts slightly above the 1979 levels in nominal terms, and substantially below them in real terms.

I believe in the need for higher levels of aid to achieve foreign policy objectives, promote economic growth, and help needy people abroad. Foreign aid is not politically popular and represents an easy target for budget reduction. But it is not a wise one. For 1982, therefore, I am requesting a foreign assistance program level that is higher by 14% in real terms than the amount currently available for 1981. This request would reverse the recent real decline in aid and demonstrate that the United States retains its commitment to a world of politically stable and economically secure nations.

The bilateral development aid budget includes a U.S. response to the 1980 Venice Summit agreement that the major industrial countries should increase bilateral aid for food production, energy production and conservation, and family planning in the developing countries. Such an effort to increase the availability of resources on which the industrial countries depend will serve U.S. national security, and will stimulate additional actions by the private sector in the recipient countries. This U.S. effort is planned in the expectation that the other Summit countries will also increase aid in these sectors, in response to the Venice Summit agreement. We hope this initiative will lead to agreement on arrangements for increased consultation and cooperation among the major industrial countries providing increased bilateral aid to these three vital sectors.

Energy.—My administration, working with the Congress, has established fundamental new policies that will profoundly change the way the Nation produces and uses energy. They have already led to more domestic exploration and to substantial energy conservation. This energy program represents a major long-range national commitment to meeting one of our most pressing problems. It includes:

- Deregulation and decontrol of oil prices to be completed by October of this year.
- Establishment of the Synthetic Fuels Corporation, which will share with the private sector the risk in producing oil and natural gas substitutes that directly reduce U.S. oil imports.
- Support for energy research and development in technologies, such as solar and fusion energy, that the private sector would not finance.
- Development of the strategic petroleum reserve to reduce the impact of disruptions in world oil supplies.
- Energy conservation in public and nonprofit enterprises.
- Research on the environmental effects of energy production and use to assure that adverse effects on environmental quality are minimized.

Continuation of a sound energy policy is essential to the Nation's well-being in the coming decades. Such a policy must include the pricing of energy at its true cost, mechanisms to stimulate conservation, incentives for the continued development of our own domestic sources of energy, encouragement for longer-run renewable forms of energy, and equity for all our citizens as we adjust to this new reality.

Basic science and space technology.—Basic research is essential to the long-term vitality of the Nation's economy. Because the benefits of such investments cannot be fully realized by individual companies, the Federal Government plays a key role in supporting such research.

My budgets have reversed a long period of decline in Federal support for basic research. The 1982 budget continues that policy by providing for 4% real growth in support for the conduct of basic research across all Federal agencies. The budget also provides for greater efforts to foster cooperation among government, business, and universities in research.

In addition, we have recognized the growing importance of improving scientific technology in the Nation's universities as critical to the advancement of science and to the training of scientific and engineering manpower.

My administration's comprehensive space policy encourages the practical, effective use of information obtained from orbiting satellites and the coordinated use of the Space Shuttle, now nearing completion. Successful resolution of development problems is expected to lead to the first manned orbital flight of the Shuttle in 1981.

With these increases, Federal support for basic research will have increased by almost 58% over 1978.

Social programs.—This budget supports my deep commitment to programs that help our citizens develop their full potential, and to programs assisting the poor, the unemployed, the elderly, and the sick.

The most extensive such programs are *social security* and *medicare*. Parts of this system are expected to experience short-run financing problems because higher than expected unemployment has decreased payroll taxes below previous forecasts, and high inflation has increased benefit payments. Therefore, the administration continues to urge the passage of legislation that would permit the three major social security trust funds to borrow from each other. In addition, it is essential that the Congress and the American people give early consideration to medium-term financing concerns.

The reports of the Commission on Pension Policy, which I established 2 years ago, and the National Commission on Social Security should stimulate constructive debate on these issues. These Commissions will complete their final reports during the coming months.

My administration has consistently maintained a strong commitment to remedying *youth unemployment* and the problems it causes. This budget includes an increase of $1.2 billion in 1982 and an additional increase of $0.8 billion in 1983 for the youth initiative I proposed last year. This initiative emphasizes the mastery of basic arithmetic and literacy skills, as well as the link between the classroom and the workplace.

The Jobs Corps would be continued at this year's level, serving twice as many youth as when my administration took office. In addition, my budget provides 240,000 public service jobs for low-income, long-term unemployed persons in 1982. This program is designed for the hardcore structurally unemployed, and includes substantial training in order to place men and women in permanent jobs. At the same time, the budget continues the countercyclical public service employment program through 1982 at the 100,000 level set by the Congress for 1981. The budget also provides a slight increase for the administration's private sector jobs initiative and essentially maintains the 1980 level of summer youth employment.

I am again proposing to augment medicaid with a *child health assurance* program effective by the end of 1982. This proposal, which the House of Representatives passed last year, would extend medicaid coverage to an additional 2 million children and pregnant women.

I am also proposing a number of changes in existing programs. For example, I am again proposing that retirement benefits for government employees be adjusted for inflation once, rather than twice, a year. This change would make these adjustments comparable to those for social security and most private sector automatic adjustment practices. The Congress approved a similar administration initiative last year for the food stamp program. This proposal would save $1.1 billion in 1982.

Benefits that are adjusted by statute for inflation will comprise nearly one-third of total Federal spending in 1981. During the last year, my administration has been assessing whether these adjustments are fair and equitable. We have concluded that the Consumer Price Index has several deficiencies as a measure of the true cost of living, particularly because of the manner in which it represents housing costs. I am therefore proposing, in this budget, that future benefits be based on an alternative, more representative index. The alternative index is already calculated and published by the Bureau of Labor Statistics. This proposal is designed to improve the technique of indexing those programs, not to reduce benefits. Therefore, no cost savings are assumed in the budget.

The budget also includes legislation to make unemployment benefits more nearly uniform among the States and to coordinate benefits more precisely with unemployment rates. Although this proposal would save about $2 billion in 1982 under the unemployment rates being projected for this budget, a slightly higher rate of unemployment would trigger extended benefits nationally. In such a case, unemployment benefits would be very close to those under current law. Even with the projected change, under current economic projections $1.5 billion would be paid in 1982 for extended benefits in States where the program is triggered.

I remain committed to a national health plan that would assure basic and catastrophic medical coverage for all Americans, as well as for prenatal and infant care. An estimated 22 million Americans lack any private or public health insurance coverage. Another 60 million people lack adequate basic coverage of protection against catastrophic medical expenses. Given the fact that adequate cost containment does not exist and the need for overall budgetary constraints, the budget does not include specific amounts for this plan. However, it is important that our Nation attempt to meet these needs and that the incentives in our health care system be restructured. A clear demonstration of success in restraining medical care costs is an essential prerequisite to the enactment of a national health plan.

My proposals to reform our welfare system should also be enacted as soon as possible. Such a program is essential to ensuring that no American goes hungry or lacks a reasonable income, and to provide needed fiscal relief to States, counties, and cities.

IMPROVING GOVERNMENT MANAGEMENT

This budget reinforces my commitment to use resources not only wisely, but efficiently. During my administration we have:

- installed new Offices of Inspectors General in 15 major agencies to combat waste, fraud, and abuse;
- carried out a major Government-wide reform of the civil service system;
- reorganized important areas of the Federal Government, particularly those concerned with education and energy;
- reduced permanent Federal civilian employment by 45,000;
- achieved budgetary savings directly through improved cash management; and
- reduced paperwork and established a paperwork budget.

Such efforts to streamline the way the Government conducts its business are rarely dramatic. Improved efficiency is not the product of a simple sweeping reform but, rather, of diligent, persistent attention to many aspects of Federal program management.

One important aspect of improved management has been in the budget process itself. *Zero-base budgeting* is now an integral part of the decisionmaking system, providing a more systematic basis for making decisions. We have also instituted a 3-year budget planning horizon so that the longer range consequences of short-term budget decisions are fully considered and understood.

In 1978 I made a major commitment to establish a system of controlling *Federal credit* since, in the past, the very large Federal loan guarantee programs had largely escaped the discipline of the budget process. This system is now in place.

I am gratified that the Congress has supported these efforts to improve budget control. Appropriations bills now include limits on many credit programs. The congressional budget resolutions place significantly greater emphasis on longer range budget trends and set overall credit targets.

While the credit control system provides a means of assessing and limiting Federal credit programs, I believe Federal credit programs have become unduly complex and pose an increasing threat to the effective and efficient operation of private capital markets. In particular, the Federal Financing Bank has become a major and rapidly growing source of off-budget funds for direct loans to a wide range of borrowers.

Therefore, I am recommending that a panel of outstanding financial and budget experts should be established to examine these issues. Such a panel should consider the treatment of credit activities in the budget, the adequacy of program administration, uniform rules and procedures for Federal credit programs, the role of the Federal Financing Bank, and the relationship of tax-exempt financing to overall credit and tax policies.

CONCLUSION

My budget recommendations reflect the major changes that have taken place in our country over recent decades. In 1950, social security and railroad retirement benefits accounted for less than 3% of budget outlays. Last year they accounted for more than one-fifth of the total. Mandatory outlays for entitlement programs, the levels of which are fixed by law, for interest on the public debt, and for payments under binding contracts account for three-fourths of total budget outlays. Because so much of the budget is committed under current law before either the President or the Congress begins the annual budget formulation process, controlling budget growth has been difficult, and the results uneven. It has been difficult because benefit payments and other legal obligations have too often been spared from annual budget scrutiny. The results have been uneven because budget restraint has fallen disproportionately on programs subject to the annual appropriations process.

My administration and the Congress began to redress this imbalance in the 1981 budget. The Congress passed, and I signed into law, a reconciliation bill that for the first time was used as a mechanism for changing a variety of entitlement and tax programs. I do not propose that we break faith with the American people by arbitrarily or unfairly reducing entitlement programs. However, these programs developed independently, and they should be made less duplicative, more consistent, and more equitable. The size of these programs, and our need for budget restraint, requires that we address these problems. I urge the Congress to build upon last year's experience and review all aspects of the budget with equal care.

The allocation of one-fifth of our Nation's resources through the Federal budget is a complex, difficult, and contentious process. Restraint on any program, small or large, is usually subject to heated debate. At a time when there is broad consensus that the size of the Federal budget is too large, we can no longer—as individuals or groups—make special pleas for exceptions to budget discipline. Too often we have taken the attitude that individual benefits or particular programs or specific tax measures are not large enough to require restraint. Too often we have taken the attitude that there must be alternative sources for reductions in programs that benefit our particular group. This attitude is in part responsible for the rapid budget growth we have experienced—and can no longer afford.

Given our Nation's needs and our economic constraints, my recommendations meet the fundamental demands of our society: a strong defense, adequate protection for the poor and the disadvantaged, support for our free enterprise economy, and investment in the Nation's future.

JIMMY CARTER.

JANUARY 15, 1981.

THIRD SPECIAL MESSAGE FOR FISCAL YEAR 1981—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 14

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 15, 1981, received the following message from the President of the United States, together with accompanying reports; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Labor and Human Resources, the Committee on Energy and Natural Resources, the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, the Committee on Governmental Affairs, the Committee on Environment and Public Works, the Committee on Foreign Relations, and the Select Committee on Small Business:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose 33 new rescissions of budget authority previously provided by the Congress, totalling $1,142.4 million. In addition, I am reporting 15 new deferrals totalling $1,429.9 million and revisions to three previously-reported deferrals totalling $4.4 million.

The rescission proposals affect programs of the Departments of Commerce, Education, Energy, Health and Human Services, and Housing and Urban Development as well as the Community Services Administration, the Federal Mine Safety and Health Review Commission, the Federal payment to the Postal Service Fund, and the Tennessee Valley Authority. The deferrals affect programs of the Departments of Commerce, Defense, Energy, Interior, Justice, Labor, and State, as well as the intelligence community staff, the National Consumer Cooperative Bank, the Pennsylvania Avenue Development Corporation, and the Small Business Administration.

The details of each rescission proposal and deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1981.*

PROPOSED NUCLEAR AGREEMENT BETWEEN THE UNITED STATES AND COLOMBIA—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 15

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 15, 1981, received the following message from the President of the United States, together with accompanying documents which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to Section 123(d) of the Atomic Energy Act of 1954, as amended, the text of the proposed Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Colombia Concerning Civil Uses of Nuclear Energy and accompanying exchange of notes; my written approval, authorization and determination concerning the agreement; and the memorandum of the Director of the Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretaries of State and Energy, which includes a summary analysis of the provisions of the agreement, and the views and recommendations of the Members of the Nuclear Regulatory Commission and the Director of the Arms Control and Disarmament Agency are also enclosed.

The Nuclear Non-Proliferation Act of March 10, 1978 sets forth certain requirements for new or amended peaceful nuclear cooperation agreements with other countries. In my judgment, the proposed agreement for cooperation between the United States and Colombia, together with its accompanying exchange of notes, meets all statutory requirements.

The proposed bilateral agreement between us reflects the desire of the Government of the United States and the Government of Colombia to update the framework for peaceful nuclear cooperation between our two countries in a manner that recognizes both the shared nonproliferation objectives and the close relationship between the United States and Colombia in the peaceful applications of nuclear energy. The proposed agreement will, in my view, further the non-proliferation and other foreign policy interests of the United States.

I have considered the views and recommendations of the interested agenices in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution, and urge that the Congress give its favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *January 13, 1981.*

U.S. GOVERNMENT'S INTERNATIONAL ACTIVITIES IN SCIENCE AND TECHNOLOGY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 16

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 15, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with Title V of the Foreign Relations Authorization Act, Fiscal Year 1979 (P.L. 95-426), I am pleased to transmit to the Congress the second annual report on the United States Government's international activities in the field of science and technology.

The report—entitled "Science, Technology and American Diplomacy, 1981"—has been prepared by the Department of State in collaboration with the other departments and agencies concerned.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1981.*

REPORT ON MILITARY CASH AWARDS PROGRAM—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 17

Under the authority of the order of Senate January 6, 1981, the Secretary of the State, on January 16, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Armed Services:

To the Congress of the United States:

Forwarded herewith in accordance with the provisions of 10 U.S.C. § 1124 are reports of the Secretary of Defense and the Secretary of Transportation on awards made during Fiscal Year 1980 to members of the Armed Forces for suggestions, inventions and scientific achievements.

Participation by military personnel in the cash awards program was authorized by the Congress in 1965. More than two million suggestion submissions since that time attest to the success which the program has had as a means of motivating military personnel to seek ways of reducing costs and improving efficiency. Of those suggestions submitted, more than 350,000 have been adopted with resultant tangible first-year benefits in excess of one billion dollars.

Of the 73,326 suggestions which were submitted by military personnel (including Coast Guard military personnel) during Fiscal Year 1980, 11,520 were adopted. Cash awards totalling $967,155 were paid for adopted suggestions during Fiscal Year 1980. These awards were based not only on tangible first-year benefits of $31,163,369 realized from adopted suggestions during the fiscal year, but also on many additional benefits and improvements of an intangible nature.

Enlisted personnel received $795,679 in awards during Fiscal Year 1980 representing 80% of the total cash awards paid during this period. Officer personnel received $194,626 during the fiscal year.

Attached are reports of the Secretary of Defense and the Secretary of Transportation containing statistical information on the military awards program and brief descriptions of some of the more noteworthy contributions made by the military personnel during Fiscal Year 1980.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

THE 23D QUARTERLY REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 18

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 16, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with Section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the twenty-third quarterly report of the Council on Wage and Price Stability. The report contains a description of the Council's activities during the second quarter of 1980 in monitoring both prices and wages in the private sector and various Federal Government activities that may lead to higher costs and prices without creating commensurate benefits. It discusses Council reports, analyses, and filings before Federal regulatory agencies. It also describes the Council's activities of monitoring wages and prices as part of the anti-inflation program.

The Council on Wage and Price Stability has played an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments or actions by the Government that could be of concern to American consumers.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

ANNUAL REPORT OF THE DEPARTMENT OF TRANSPORTATION—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 19

Under the authority of the order of the Senate of January 6, 1981, the Secretary of the Senate, on January 16, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Thirteenth Annual Report of the Department of Transportation. This report has been prepared in accordance with Section 11 of Public Law 89-670 and covers Fiscal Year 1979.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

REPORT ON HAZARDOUS MATERIALS CONTROLS—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 20

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 16, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Tenth Annual Report on Hazardous Materials Controls as required by the Hazardous Materials Transportation Act, Title I of Public Law 93-633. This report has been prepared in

accordance with Section 109 of the Act and covers calendar year 1979.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

REPORT ON STATUS OF WEATHERIZATION ASSISTANCE PROGRAM—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 21

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 16, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

I am pleased to send to the Congress the second annual report on the Status of the Weatherization Assistance Program, as required by Section 254 of the National Energy Conservation Policy Act (P.L. 95-619; 42 U.S.C. 8233).

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

ANNUAL REPORT OF THE ACTION AGENCY—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 22

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 16, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I am transmitting to the Congress the FY 1980 Annual Report of the ACTION Agency, as required by section 407 of the Domestic Volunteer Services Act of 1973, as amended.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

STATE OF THE UNION—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 23

Under the authority of the order of the Senate on January 6, 1981, the Secretary of the Senate, on January 16, 1981, received the following message from the President of the United States; which were ordered to lie on the table:

To the Congress of the United States:

The State of the Union is sound. Our economy is recovering from a recession. A national energy plan is in place and our dependence on foreign oil is decreasing. We have been at peace for four uninterrupted years.

But, our Nation has serious problems. Inflation and unemployment are unacceptably high. The world oil market is increasingly tight. There are trouble spots throughout the world, and 53 American hostages are being held in Iran against international law and against every precept of human affairs.

However, I firmly believe that, as a result of the progress made in so many domestic and international areas over the past four years, our Nation is stronger, wealthier, more compassionate and freer than it was four years ago. I am proud of that fact. And I believe the Congress should be proud as well, for so much of what has been accomplished over the past four years has been due to the hard work, insights and cooperation of Congress. I applaud the Congress for its efforts and its achievements.

In this State of the Union Message I want to recount the achievements and progress of the last four years and to offer recommendations to the Congress for this year. While my term as President will end before the 97th Congress begins its work in earnest, I hope that my recommendations will serve as a guide for the direction this country should take so we build on the record of the past four years.

RECORD OF PROGRESS

When I took office, our Nation faced a number of serious domestic and international problems:

—no national energy policy existed, and our dependence on foreign oil was rapidly increasing;

—public trust in the integrity and openness of the government was low;

—the Federal government was operating inefficiently in administering essential programs and policies;

—major social problems were being ignored or poorly addressed by the Federal government;

—our defense posture was declining as a result of a defense budget which was continuously shrinking in real terms;

—the strength of the NATO Alliance needed to be bolstered;

—tensions between Israel and Egypt threatened another Middle East war; and

—America's resolve to oppose human rights violations was under serious question.

Over the past 48 months, clear progress has been made in solving the challenges we found in January of 1977:

—almost all of our comprehensive energy program have been enacted, and the Department of Energy has been established to administer the program;

—confidence in the government's integrity has been restored, and respect for the government's openness and fairness has been renewed;

—the government has been made more effective and efficient: the Civil Service system was completely reformed for the first time this century; 14 reorganization initiatives have been proposed to the Congress, approved, and implemented; two new Cabinet departments have been created to consolidate and streamline the government's handling of energy and education problems; inspectors general have been placed in each Cabinet department to combat fraud, waste and other abuses; the regulatory process has been reformed through creation of the Regulatory Council, implementation of Executive Order 12044 and its requirement for cost-impact analyses, elimination of unnecessary regulation, and passage of the Regulatory Flexibility Act; procedures have been established to assure citizen participation in government; and the airline, trucking, rail and communications industries are being deregulated; critical social problems, many long ignored by the Federal government, have been addressed directly; an urban policy was developed and implemented to reverse the decline in our urban areas; the Social Security System was refinanced to put it on a sound financial basis; the Humphrey-Hawkins Full Employment Act was enacted; Federal assistance for education was expanded by more than 75 percent; the minimum wage was increased to levels needed to ease the effects of inflation; affirmative action has been pursued aggressively—more blacks, Hispanics and women have been appointed to senior government positions and to judgeships than at any other time in our history; the ERA ratification deadline was extended to aid the ratification effort; and minority business procurement by the Federal government has more than doubled;

—the Nation's first sectoral policies were put in place, for the auto and steel industries, with my Administration demonstrating the value of cooperation between the government, business and labor;

—reversing previous trends, real defense spending has increased every year since 1977; the real increase in FY 1980 defense spending is well above 3 percent and I expect FY 1981 defense spending to be even higher; looking ahead, the defense program I am proposing is premised on a real increase in defense spending over the next five years of 20 percent or more;

—the NATO Alliance has proven its unity in responding to the situations in Eastern Europe and Southwest Asia and in agreeing on the issues to be addressed in the review of the Helsinki Final Act currently underway in Madrid;

—the peace process in the Middle East established at Camp David and by the Peace Treaty between Egypt and Israel is being buttressed on two fronts: steady progress in the normalization of Egyptian-Israeli relations in many fields, and the commitment of both Egypt and Israel, with United States' assistance, to see through to successful conclusion the autonomy negotiations for the West Bank and Gaza;

—the Panama Canal Treaties have been put into effect, which has helped to improve relations with Latin America;

—we have continued this Nation's strong commitment to the pursuit of human rights throughout the world, evenhandedly and objectively; our commitment to a worldwide human rights policy has remained firm; and many other countries have given high priority to it;

—our resolve to oppose aggression, such as the illegal invasion of the Soviet Union into Afghanistan, has been supported by tough action.

I. ENSURING ECONOMIC STRENGTH

ECONOMY

During the last decade our Nation has withstood a series of economic shocks unprecedented in peacetime. The most dramatic of these has been the explosive increases of OPEC oil prices. But we have also faced world commodity shortages, natural disasters, agricultural shortages and major challenges to world peace and security. Our ability to deal with these shocks has been impaired because of a decrease in the growth of productivity and the persistence of underlying inflationary forces built up over the past 15 years.

Nevertheless, the economy has proved to be remarkably resilient. Real output has grown at an average rate of 3 percent per year since I took office, and employment has grown by 10 percent. We have added about 8 million productive private sector jobs to the economy. However, unacceptably high inflation—the most difficult economic problem I have faced—persists.

This inflation—which threatens the growth, productivity, and stability of our economy—requires that we restrain the growth of the budget to the maximum extent consistent with national security and human compassion. I have done so in my earlier budgets, and in my FY '82 budget. However, while restraint is essential to any appropriate economic policy, high inflation cannot be attributed solely to government spending. The growth in budget outlays has been more the result of economic factors than the cause of them.

We are now in the early stages of economic recovery following a short recession. Typically, a post-recessionary period has been marked by vigorous economic growth aided by anti-recessionary policy measures such as large tax cuts or big, stimulation spending programs. I have declined to recommend such actions to stimulate economic activity, because the persistent inflationary pressures that beset our economy today dictate a restrained fiscal policy.

Accordingly, I am asking the Congress to postpone until January 1, 1982, the personal tax reductions I had earlier proposed to take effect on January 1 of this year.

However, my 1982 budget proposes significant tax changes to increase the sources of financing for business investment. While emphasizing the need for continued fiscal restraint, this budget takes the first major step in a long-term tax reduction program designed to increase capital formation. The failure of our Nation's capital stock to grow at a rate that keeps pace with its labor force has clearly been one cause of our productivity slowdown. Higher investment rates are also critically needed to meet our Nation's energy needs, and to replace energy-inefficient plants and equipment with new energy-saving physical plants. The level of investment that is called for will not occur in the absence of policies to encourage it.

Therefore, my budget proposes a major liberalization of tax allowances for depreciation, as well as simplified depreciation accounting, increasing the allowable rates by about 40 percent. I am also proposing improvements in the investment tax credit, making it refundable, to meet the investment needs of firms with no current earnings.

These two proposals, along with carefully-phased tax reductions for individuals, will improve both economic efficiency and tax equity. I urge the Congress to enact legislation along the lines and timetable I have proposed.

THE 1982 BUDGET

The FY 1982 budget I have sent to the Congress continues our four-year policy of prudence and restraint. While the budget deficits during my term are higher than I would have liked, their size is determined for the most part by economic conditions. And in spite of these conditions, the relative size of the deficit continues to decline. In 1976, before I took office, the budget deficit equalled 4 percent of gross national product. It had been cut to 2.3 percent in the 1980 fiscal year just ended. My 1982 budget contains a deficit estimated to be less than 1 percent of our gross national product.

The rate of growth in Federal spending has been held to a minimum. Nevertheless, outlays are still rising more rapidly than many had anticipated, the result of many powerful forces in our society:

We face a threat to our security, as events in Afghanistan, the Middle East, and Eastern Europe make clear. We have a steadily aging population and, as a result, the biggest single increase in the Federal budget is the rising cost of retirement programs, particularly social security. We face other important domestic needs: to continue responsibility for the disadvantaged; to provide the capital needed by our cities and our transportation systems; to protect our environment; to revitalize American industry; and to increase the export of American goods and services so essential to the creation of jobs and a trade surplus.

Yet the Federal Government itself may not always be the proper source of such assistance. For example, it must not usurp functions if they can be more appropriately decided upon, managed, and financed by the private sector or by State and local governments. My Administration has always sought to consider the proper focus of responsibility for the most efficient resolution of problems.

We have also recognized the need to simplify the system of grants to State and local governments. I have again proposed several grant consolidations in the 1982 budget, including a new proposal that would consolidate several highway programs.

The pressures for growth in Federal use of national resources are great. My Administration has initiated many new approaches to cope with these pressures. We started a multi-year budget system, and we began a system for controlling Federal credit programs. Yet in spite of increasing needs to limit spending growth, we have consistently adhered to these strong budget principles:

—Our Nation's armed forces must always stand sufficiently strong to deter aggression and to assure our security.

—An effective national energy plan is essential to increase domestic production of oil and gas, to encourage conservation of our scarce energy resources, to stimulate conversion to more abundant fuels, and to reduce our trade deficit.

—The essential human needs of our citizens must be given the highest priority.

—The Federal Government must lead the way in investment in the Nation's technological future.

—The Federal Government has an obligation to nurture and protect our environment—the common resource, birthright, and sustenance of the American people.

My 1982 budget continues to support these principles. It also proposes responsible tax reductions to encourage a more productive economy, and adequate funding of our highest priority programs within an overall policy of constraint.

Fiscal restraint must be continued in the years ahead. Budgets must be tight enough to convince those who set wages and prices that the Federal government is serious about fighting inflation but not so tight as to choke off all growth.

Careful budget policy should be supplemented by other measures designed to reduce inflation at lower cost in lost output and employment. These other steps include measures to increase investment—such as the tax proposals included in my 1982 budget—and measures to increase competition and productivity in our economy. Voluntary incomes policies can also directly influence wages and prices in the direction of moderation and thereby bring inflation down faster and at lower cost to the economy. Through a tax-based incomes policy (TIP) we could provide tax incentives for firms and workers to moderate their wage and price increases. In the coming years, control of Federal expenditures can make possible periodic tax reductions. The Congress should therefore begin now to evaluate the potentialities of a TIP program so that when the next round of tax reductions is appropriate a TIP program will be seriously considered.

EMPLOYMENT

During the last four years we have given top priority to meeting the needs of workers and providing additional job opportunities to those who seek work. Since the end of 1976:

—almost 9 million new jobs have been added to the nation's economy

—total employment has reached 97 million. More jobs than ever before are held by women, minorities and young people. Employment over the past four years has increased by:

—17% for adult women

—11% for blacks, and

—30% for Hispanics

—employment of black teenagers increased by more than 5%, reversing the decline that occurred in the previous eight years.

Major initiatives launched by this Administration helped bring about these accomplishments and have provided a solid foundation for employment and training policy in the 1980's.

In 1977, as part of the comprehensive economic stimulus program:

—425,000 public service jobs were created
—a $1 billion youth employment initiative funded 200,000 jobs
—the doubling of the Job Corps to 44,000 slots began and 1 million summer youth jobs were approved—a 25 percent increase

In 1978:

—the Humphrey-Hawkins Full Employment Act became law
—the $400 million Private Sector Initiatives Program was begun
—a targeted jobs tax credit for disadvantaged youth and others with special employment barriers was enacted
—the Comprehensive Employment and Training Act was reauthorized for four years

In 1979:

—a $6 billion welfare reform proposal was introduced with funding for 400,000 public service jobs
—welfare reform demonstration projects were launched in communities around the country
—the Vice President initiated a nationwide review of youth unemployment in this country.

In 1980:

—the findings of the Vice President's Task Force revealed the major education and employment deficits that exist for poor and minority youngsters. As a result a $2 billion youth education and jobs initiative was introduced to provide unemployed youth with the basic education and work experience they need to compete in the labor market of the 1980's.
—As part of the economic revitalization program several steps were proposed to aid workers in high unemployment communities:
  —an additional 13 weeks of unemployment benefits for the long term unemployed.
  —$500 million to train the disadvantaged and unemployed for new private sector jobs.
  —positive adjustment demonstrations to aid workers in declining industries.
—The Important Title VII Private Sector Initiatives Program was reauthorized for an additional two years.

In addition to making significant progress in helping the disadvantaged and unemployed, important gains were realized for all workers:

—an historic national accord with organized labor made it possible for the views of working men and women to be heard as the nation's economic and domestic policies were formulated.
—the Mine Safety and Health Act brought about improved working conditions for the nation's 500,000 miners.
—substantial reforms of the Occupational Safety and Health Administration were accomplished to help reduce unnecessary burdens on business and to focus on major health and safety problems.
—the minimum wage was increased over a four year period from $2.30 to $3.35 an hour.
—the Black Lung Benefit Reform Act was signed into law.
—attempts to weaken the Davis-Bacon Act were defeated.

While substantial gains have been made in the last four years, continued efforts are required to ensure that this progress is continued:

—government must continue to make labor a full partner in the policy decisions that affect the interests of working men and women
—a broad, bipartisan effort to combat youth unemployment must be sustained.
—compassionate reform of the nation's welfare system should be continued with employment opportunities provided for those able to work
—workers in declining industries should be provided new skills and help in finding employment

TRADE

Over the past year, the U.S. trade picture improved as a result of solid export gains in both manufactured and agricultural products. Agricultural exports reached a new record of over $40 billion, while manufactured exports have grown by 24 percent to a record $144 billion. In these areas the United States recorded significant surpluses of $24 billion and $19 billion respectively. While our oil imports remained a major drain on our foreign exchange earnings, that drain was somewhat moderated by a 19 percent decline in the volume of oil imports.

U.S. trade negotiators made significant progress over the past year in assuring effective implementation of the agreements negotiated during the Tokyo Round of Multilateral Trade Negotiations. Agreements reached with the Japanese government, for example, will assure that the United States will be able to expand its exports to the Japanese market in such key areas as telecommunications equipment, tobacco, and lumber. Efforts by U.S. trade negotiators also helped to persuade a number of key developing countries to accept many of the non-tariff codes negotiated during the Multilateral Trade Negotiations. This will assure that these countries will increasingly assume obligations under the international trading system.

A difficult world economic environment posed a challenge for the management of trade relations. U.S. trade negotiators were called upon to manage serious sectoral problems in such areas as steel, and helped to assure that U.S. chemical exports will have continued access to the European market.

Close consultations with the private sector in the United States have enabled U.S. trade negotiators to pinpoint obstacles to U.S. trade in services, and to build a basis for future negotiations. Services have been an increasingly important source of export earnings for the United States, and the United States must assure continued and increased access to foreign markets.

The trade position of the United States has improved. But vigorous efforts are needed in a number of areas to assure continued market access for U.S. exports, particularly agricultural and high technology products, in which the United States continues to have a strong competitive edge. Continued efforts are also needed to remove many domestic disincentives, which now hamper U.S. export growth. And we must ensure that countries do not manipulate investment, or impose investment performance requirements which distort trade and cost us jobs in this country.

In short, we must continue to seek free—but fair—trade. That is the policy my Administration has pursued from the beginning, even in areas where foreign competition has clearly affected our domestic industry. In the steel industry, for instance, we have put a Trigger Price Mechanism into place to help prevent the dumping of steel. That action has strengthened the domestic steel industry. In the automobile industry, we have worked—without resort to import quotas—to strengthen the industry's ability to modernize and compete effectively.

SMALL BUSINESS

I have often said that there is nothing small about small business in America. These firms account for nearly one-half our gross national product; over half of new technology; and much more than half of the jobs created by industry.

Because this sector of the economy is the very lifeblood of our National economy, we have done much together to improve the competitive climate for smaller firms. These concerted efforts have been an integral part of my program to revitalize the economy.

They include my campaign to shrink substantially the cash and time consuming red tape burden imposed on business. They include my personally-directed policy of ambitiously increasing the Federal contracting dollars going to small firms, especially those owned by women and minorities. And they include my proposals to reinvigorate existing small businesses and assist the creation of new ones through tax reform; financing assistance; market expansion; and support of product innovation.

Many of my initiatives to facilitate the creation and growth of small businesses were made in response to the White House Conference on Small Business, which I convened. My Administration began the implementation of most of the ideas produced last year by that citizen's advisory body; others need to be addressed. I have proposed the reconvening of the Conference next year to review progress; reassess priorities; and set new goals. In the interim I hope that the incoming Administration and the new Congress will work with the committee I have established to keep these business development ideas alive and help implement Conference recommendations.

MINORITY BUSINESS

One of the most successful developments of my Administration has been the growth and strengthening of minority business. This is the first Administration to put the issue on the policy agenda as a matter of major importance. To implement the results of our early efforts in this field I submitted legislation to Congress designed to further the development of minority business.

We have reorganized the Office of Minority Business into the Minority Business Development Administration in the Department of Commerce. MBDA has already proven to be a major factor in assisting minority businesses to achieve equitable competitive positions in the marketplace.

The Federal government's procurement from minority-owned firms has nearly tripled since I took office. Federal deposits in minority-owned banks have more than doubled and minority ownership of radio and television stations has nearly doubled. The SBA administered 8(a) Pilot Program for procurement with the Army proved to be successful and I recently expanded the number of agencies involved to include NASA and the Departments of Energy and Transportation.

I firmly believe the critical path to full freedom and equality for America's minorities rests with the ability of minority communities to participate competitively in the free enterprise system. I believe the government has a fundamental responsibility to assist in the development of minority business and I hope the progress made in the last four years will continue.

II. CREATING ENERGY SECURITY

Since I took office, my highest legislative priorities have involved the reorientation and redirection of U.S. energy activities, and for the first time, to establish a coordinated national energy policy. The struggle to achieve that policy has been long and difficult, but the accomplishments of the past four years make clear that our country is finally serious about the problems caused by our overdependence on foreign oil. Our progress should not be lost. We must rely on and encourage multiple forms of energy production—coal, crude oil, natural gas, solar, nuclear, synthetics—and energy conservation. The framework put in place over the last four years will enable us to do this.

NATIONAL ENERGY POLICY

As a result of actions my Administration and the Congress have taken over the past four years, our country finally has a national energy policy:

—Under my program of phased decontrol, domestic crude oil price controls will end September 30, 1981. As a result exploratory drilling activities have reached an all-time high;
—Prices for new natural gas are being decontrolled under the Natural Gas Policy Act—and natural gas production is now at an all time high; the supply shortages of several years ago have been eliminated;
—The windfall profits tax on crude oil has been enacted providing $227 billion over ten years for assistance to low-income households, increased mass transit funding, and a massive investment in the production and development of alternative energy sources;
—The Synthetic Fuels Corporation has been established to help private companies build the facilities to produce energy from synthetic fuels;
—Solar energy funding has been quadrupled, solar energy tax credits enacted, and a Solar Energy and Energy Conservation Bank has been established;
—A route has been chosen to bring natural gas from the North Slope of Alaska to the lower 48 states;
—Coal production and consumption incentives have been increased, and coal production is now at its highest level in history;
—A gasoline rationing plan has been approved by Congress for possible use in the event of a severe energy supply shortage or interruption;
—Gasohol production has been dramatically increased, with a program being put in place to produce 500 million gallons of alcohol fuel by the end of this year—an amount that could enable gasohol to meet the demand for 10 percent of all unleaded gasoline;
—New energy conservation incentives have been provided for individuals, businesses and communities and conservation has increased dramatically. The U.S. has reduced oil imports by 25 percent—or 2 million barrels per day—over the past four years.

INCREASED DEVELOPMENT OF DOMESTIC ENERGY SOURCES

Although it is essential that the Nation reduce its dependence on imported fossil fuels and complete the transition to reliance on domestic renewable sources of energy, it is also important that this transition be accomplished in an orderly, economic, and environmentally sound manner. To this end, the Administration has launched several initiatives.

Leasing of oil and natural gas on federal lands, particularly the outer continental shelf, has been accelerated at the same time as the Administration has reformed leasing procedures through the 1978 amendments to the Outer Continental Shelf Lands Act. In 1979 the Interior Department held six OCS lease sales, the greatest number ever, which resulted in federal receipts of $6.5 billion, another record. The five-year OCS Leasing schedule was completed, requiring 36 sales over the next five years.

Since 1971 no general federal coal lease sales were suspended. Over the past four years the Administration has completely revised the federal coal leasing program to bring it into compliance with the requirements of 1976 Federal Land Planning and Management Act and other statutory provisions. The program is designed to balance the competing interests that affect resource development on public lands and to ensure that adequate supplies of coal will be available to meet national needs. As a result, the first general competitive federal coal lease sale in ten years will be held this month.

In July 1980, I signed into law the Energy Security Act of 1980 which established the Synthetic Fuels Corporation. The Corporation is designed to spur the development of commercial technologies for production of synthetic fuels, such as liquid and gaseous fuels from coal and the production of oil from oil shale. The Act provides the Corporation with an initial $22 billion to accomplish these objectives. The principal purpose of the legislation is to ensure that the nation will have available in the late 1980's the option to undertake commercial development of synthetic fuels if that becomes necessary. The Energy Security Act also provides significant incentives for the development of gasohol and biomass fuels, thereby enhancing the nation's supply of alternative energy sources.

COMMITMENT TO A SUSTAINABLE ENERGY FUTURE

The Administration's 1977 National Energy Plan marked an historic departure from the policies of previous Administrations. The plan stressed the importance of both energy *production* and *conservation* to achieving our ultimate national goal of relying primarily on secure sources of energy. The National Energy Plan made energy conservation a cornerstone of our national energy policy.

In 1978, I initiated the Administration's Solar Domestic Policy Review. This represented the first step towards widespread introduction of renewable energy sources into the Nation's economy. As a result of the Review, I issued the 1979 Solar Message to Congress, the first such message in the Nation's history. The Message outlined the Administration's solar program and established an ambitious national goal for the year 2000 of obtaining 20 percent of this Nation's energy from solar and renewable sources. The thrust of the federal solar program is to help industry develop solar energy sources by emphasizing basic research and development of solar technologies which are not currently economic, such as photovoltaics, which generate energy directly from the sun. At the same time, through tax incentives, education, and the Solar Energy and Energy Conservation Bank, the solar procal governments, industry, and our citizens to expand their use of solar and renewable resource technologies currently available.

As a result of these policies and programs, the energy efficiency of the American economy has improved markedly and investments in renewable energy sources have grown significantly. It now takes 3½ percent less energy to produce a constant dollar of GNP than it did in January 1977. This increase in efficiency represents a savings of over 1.3 million barrels per day of oil equivalent, about the level of total oil production now occurring in Alaska. Over the same period. Federal support for conservation and solar energy has increased by more than 3000 percent, to $3.3 bil-

lion in FY 1981, including the tax credits for solar energy and energy conservation investments—these credits are expected to amount to $1.2 billion in FY 1981 and $1.5 billion in FY 1982.

COMMITMENT TO NUCLEAR SAFETY AND SECURITY

Since January 1977, significant progress has been achieved in resolving three critical problems resulting from the use of nuclear energy: radioactive waste management, nuclear safety and weapons proliferation.

In 1977, the Administration announced its nuclear nonproliferation policy and initiated the International Fuel Cycle Evaluation. In 1978, Congress passed the Nuclear Nonproliferation Act, an historic piece of legislation.

In February 1980, the Administration transmitted its nuclear waste management policy to the Congress. This policy was a major advance over all previous efforts. The principal aspects of that policy are: acknowledging the seriousness of the problem and the numerous technical and institutional issues; adopting a technically and environmentally conservative approach to the first permanent repository; and providing the states with significant involvement in nuclear waste disposal decisions by creating the State Planning Council. While much of the plan can be and is being implemented administratively, some new authorities are needed. The Congress should give early priority to enacting provisions for away-from-reactor storage and the State Planning Council.

The accident at Three Mile Island made the nation acutely aware of the safety risks posed by nuclear power plants. In response, the President established the Kemeny Commission to review the accident and make recommendations. Virtually all of the Commission's substantive recommendations were adopted by the Administration and are now being implemented by the Nuclear Regulatory Commission. The Congress adopted the President's proposed plan for the Nuclear Regulatory Commission and the Nuclear Safety Oversight Committee was established to ensure that the Administration's decisions were implemented.

Nuclear safety will remain a vital concern in the years ahead. We must continue to press ahead for the safe, secure disposal of radioactive wastes, and prevention of nuclear proliferation.

While significant growth in foreign demand for U.S. steam coal is foreseen, congestion must be removed at major U.S. coal exporting ports such as Hampton Roads, Virginia, and Baltimore, Maryland. My Administration has worked through the Interagency Coal Task Force Study to promote cooperation and coordination of resources between shippers, railroads, vessel broker/operators and port operators, and to determine the most appropriate Federal role in expanding and modernizing coal export facilities, including dredging deeper channels at selected ports. As a result of the Task Force's efforts, administrative steps have been taken by the Corps of Engineers to reduce significantly the amount of time required for planning and economic review of port dredging proposals. The Administration has also recommended that the Congress enact legislation to give the President generic authority to recommend appropriations for channel dredging activities. Private industry will, of course, play the major role in developing the United States' coal export facilities, but the government must continue to work to facilitate transportation to foreign markets.

III. ENHANCING BASIC HUMAN AND SOCIAL NEEDS

For too long prior to my Administration, many of our Nation's basic human and social needs were being ignored or handled insensitively by the Federal government. Over the last four years, we have significantly increased funding for many of the vital programs in these areas; developed new programs where needs were unaddressed; targeted Federal support to those individuals and areas most in need of our assistance; and removed barriers that have unnecessarily kept many disadvantaged citizens from obtaining aid for their most basic needs.

Our record has produced clear progress in the effort to solve some of the country's fundamental human and social problems. My Administration and the Congress, working together, have demonstrated that government must and can meet our citizens' basic human and social needs in a responsible and compassionate way.

But there is an unfinished agenda still before the Congress. If we are to meet our obligations to help all Americans realize the dreams of sound health care, decent housing, effective social services, a good education, and a meaningful job, important legislation still must be enacted. National Health Insurance, Welfare Reform, Child Health Assessment Program, are before the Congress and I urge their passage.

HEALTH

NATIONAL HEALTH PLAN

During my Administration, I proposed to Congress a National Health Plan which will enable the country to reach the goal of comprehensive, universal health care coverage. The legislation I submitted lays the foundation for this comprehensive plan and addresses the most serious problems of health financing and delivery. It is realistic and enactable. It does not overpromise or overspend, and, as a result, can be the solution to the thirty years of Congressional battles on national health insurance. My Plan includes the following key features:

—nearly 15 million additional poor would receive fully-subsidized comprehensive coverage;

—pre-natal and delivery services are provided for all pregnant women and coverage is provided for all acute care for infants in their first year of life;

—the elderly and disabled would have a limit of $1,250 placed on annual out-of-pocket medical expenses and would no longer face limits on hospital coverage;

—all full-time employees and their families would receive insurance against at least major medical expenses under mandated employer coverage;

—Medicare and Medicaid would be combined and expanded into an umbrella Federal program, Healthcare, for increased program efficiency accountability and uniformity; and

—strong cost controls and health system reforms would be implemented, including greater incentives for Health Maintenance Organizations.

I urge the new Congress to compare my Plan with the alternatives—programs which either do too little to improve the health care needs of Americans most in need or programs which would impose substantial financial burdens on the American taxpayers. I hope the Congress will see the need for and the benefits of my Plan and work toward prompt enactment. We cannot afford further delay in this vital area.

HEALTH CARE COST CONTROL

Inflation in health care costs remains unacceptably high. Throughout my Administration, legislation to reduce health care cost inflation was one of my highest priorities, but was not passed by the Congress. Therefore, my FY 1982 budget proposes sharing the responsibility for health care cost control with the private sector, through voluntary hospital cost guidelines and intensified monitoring. In the longer term, the health care reimbursement system must be reformed. We must move away from inflationary cost-based reimbursement and fee-for-service, and toward a system of prospective reimbursement, under which health care providers would operate within predetermined budgets. This reimbursement reform is essential to ultimately control inflation in health care costs, and will be a significant challenge to the new Congress.

HEALTH PROMOTION AND DISEASE PREVENTION

During my Administration, the Surgeon General released *Healthy People*, a landmark report on health promotion and disease prevention. The report signals the growing consensus that the Nation's health strategy must be refocused in the 1980's to emphasize the prevention of disease. Specifically, the report lays out measurable and achievable goals in the reduction of mortality which can be reached by 1990.

I urge the new Congress to endorse the principles of *Healthy People*, and to adopt the recommendations to achieve its goals. This will necessitate adoption of a broader concept of health care, to include such areas as environmental health, workplace health and safety, commercial product safety, traffic safety, and health education, promotion and information.

MATERNAL AND CHILD HEALTH

Ensuring a healthy start in life for children remains not only a high priority of my Administration, but also one of the most cost effective forms of health care.

When I took office, immunization levels for preventable childhood diseases

had fallen to 70%. As a result of a concerted nationwide effort during my Administration, I am pleased to report that now at least 90% of children under 15, and virtually all school-age children are immunized. In addition, reported cases of measles and mumps are at their lowest levels ever.

Under the National Health Plan I have proposed, there would be no cost-sharing for prenatal and delivery services for all pregnant women and for acute care provided to infants in their first year of life. These preventive services have extremely high returns in terms of improved newborn and long-term child health.

Under the Child Health Assurance Program (CHAP) legislation which I submitted to the Congress, and which passed the House, an additional two million low-income children under 18 would become eligible for Medicaid benefits, which would include special health assessments. CHAP would also improve the continuity of care for the nearly 14 million children now eligible for Medicaid. An additional 100,000 low-income pregnant women would become eligible for prenatal care under the proposal. I strongly urge the new Congress to enact CHAP and thereby provide millions of needy children with essential health services. The legislation has had strong bipartisan support, which should continue as the details of the bill are completed.

I also urge the new Congress to provide strong support for two highly successful ongoing programs: the special supplemental food program for women, infants and children (WIC) and Family Planning. The food supplements under WIC have been shown to effectively prevent ill health and thereby reduce later medical costs. The Family Planning program has been effective at reducing unwanted pregnancies among low-income women and adolescents.

EXPANSION OF SERVICES TO THE POOR AND UNDERSERVED

During my Administration, health services to the poor and underserved have been dramatically increased. The number of National Health Service Corps (NHSC) assignees providing services in medically underserved communities has grown from 500 in 1977 to nearly 3,000 in 1981. The population served by the NHSC has more than tripled since 1977. The number of Community Health Centers providing services in high priority underserved areas has doubled during my Administration, and will serve an estimated six million people in 1981. I strongly urge the new Congress to support these highly successful programs.

MENTAL HEALTH

One of the most significant health achievements during my Administration was the recent passage of the Mental Health Systems Act, which grew out of recommendations of my Commission on Mental Health. I join many others in my gratitude to the First Lady for her tireless and effective contribution to the passage of this important legislation.

The Act is designed to inaugurate a new era of Federal and State partnership in the planning and provision of mental health services. In addition, the Act specifically provides for prevention and support services to the chronically mentally ill to prevent unnecessary institutionalization and for the development of community-based mental health services. I urge the new Congress to provide adequate support for the full and timely implementation of this act.

HEALTH PROTECTION

With my active support, the Congress recently passed "Medigap" legislation, which provides for voluntary certification of health insurance policies supplemental to Medicare, to curb widespread abuses in this area.

In the area of toxic agent control, legislation which I submitted to the Congress recently passed. This will provide for a "super-fund" to cover hazardous waste cleanup costs.

In the area of accidental injury control, we have established automobile safety standards and increased enforcement activities with respect to the 55 MPH speed limit. By the end of the decade these actions are expected to save over 13,000 lives and 100,000 serious injuries each year.

I urge the new Congress to continue strong support for all these activities.

FOOD AND NUTRITION

Building on the comprehensive reform of the Food Stamp Program that I proposed and Congress passed in 1977, my Administration and the Congress worked together in 1979 and 1980 to enact several other important changes in the Program. These changes will further simplify administration and reduce fraud and error, will make the program more responsive to the needs of the elderly and disabled, and will increase the cap on allowable program expenditures. The Food Stamp Act will expire at the end of fiscal 1981. It is essential that the new Administration and the Congress continue this program to ensure complete eradication of the debilitating malnutrition witnessed and documented among thousands of children in the 1960's.

DRUG ABUSE PREVENTION

At the beginning of my Administration there were over a half million heroin addicts in the United States. Our continued emphasis on reducing the supply of heroin, as well as providing treatment and rehabilitation to its victims, has reduced the heroin addict population, reduced the number of heroin overdose deaths by 80%, and reduced the number of heroin related injuries by 50%. We have also seen and encouraged a national movement of parents and citizens committed to reversing the very serious and disturbing trends of adolescent drug abuse.

Drug abuse in many forms will continue to detract, however, from the quality of life of many Americans. To prevent that, I see four great challenges in the years ahead. First, we must deal aggressively with the supplies of illegal drugs at their source, through joint crop destruction programs with foreign nations and increased law enforcement and border interdiction. Second, we must look to citizens and parents across the country to help educate the increasing numbers of American youth who are experimenting with drugs to the dangers of drug abuse. Education is a key factor in reducing drug abuse. Third, we must focus our efforts on drug and alcohol abuse in the workplace for not only does this abuse contribute to low productivity but it also destroys the satisfaction and sense of purpose all Americans can gain from the work experience. Fourth, we need a change in attitude, from an attitude which condones the casual use of drugs to one that recognizes the appropriate use of drugs for medical purposes and condemns the inappropriate and harmful abuse of drugs. I hope the Congress and the new Administration will take action to meet each of these challenges.

EDUCATION

The American people have always recognized that education is one of the soundest investments they can make. The dividends are reflected in every dimension of our national life—from the strength of our economy and national security to the vitality of our music, art, and literature. Among the accomplishments that have given me the most satisfaction over the last four years are the contributions that my Administration has been able to make to the well-being of students and educators throughout the country.

This Administration has collaborated successfully with the Congress on landmark education legislation. Working with the Congressional leadership, my Administration spotlighted the importance of education by creating a new Decartment of Education. The Department has given education a strong voice at the Federal level, while at the same time reserving the actual control and operation of education to states, localities, and private institutions. The Department has successfully combined nearly 150 Federal education programs into a cohesive, streamlined organization that is more responsible to the needs of educators and students. The Department has made strides to cut red tape and paperwork and thereby to make the flow of Federal dollars to school districts and institutions of higher education more efficient. It is crucial that the Department be kept intact and strengthened.

Our collaboration with the Congress has resulted in numerous other important legislative accomplishments for education. A little over two years ago, I signed into law on the same day two major bills—one benefiting elementary and secondary education and the other, postsecondary education. The Education Amendments of 1978 embodied nearly all of my Administration's proposals for improvements in the Elementary and Secondary Education Act, including important new programs to improve students' achievement in the basic skills and to aid school districts with exceptionally high concentrations of children from low-income families. The Middle Income Student Assistance Act, legislation jointly sponsored by this Administration and the Congressional leadership, expanded eligibility for need-based Basic Educational Opportunity Grants to approximately one-third of the students enrolled in

post-secondary education and made many more students eligible for the first time for other types of grants, work-study, and loans.

Just three and a half months ago, my Administration and the Congress successfully concluded over two years of work on a major reauthorization bill that further expands benefits to postsecondary education. Reflected in the Education Amendments of 1980 are major Administration recommendations for improvements in the Higher Education Act—including proposals for better loan access for students; a new parent loan program; simplified application procedures for student financial aid; a strengthened Federal commitment to developing colleges, particularly the historically Black institutions; a new authorization for equipment and facilities modernization funding for the nation's major research universities; and revitalized international education programs.

Supplementing these legislative accomplishments have been important administrative actions aimed at reducing paperwork and simplifying regulations associated with Federal education programs. We also launched major initiatives to reduce the backlog of defaulted student loans and otherwise to curb fraud, abuse, and waste in education programs.

To insure that the education enterprise is ready to meet the scientific and technological changes of the future, we undertook a major study of the status of science and engineering education throughout the Nation. I hope that the findings from this report will serve as a springboard for needed reforms at all levels of education.

I am proud that this Administration has been able to provide the financial means to realize many of our legislative and administrative goals. Compared to the previous administration's last budget, I have requested the largest overall increase in Federal funding for education in our Nation's history. My budget requests have been particularly sensitive to the needs of special populations like minorities, women, the educationally and economically disadvantaged, the handicapped, and students with limited English-speaking ability. At the same time, I have requested significant increases for many programs designed to enhance the quality of American education, including programs relating to important areas as diverse as international education, research libraries, museums, and teacher centers.

Last year, I proposed to the Congress a major legislative initiative that would direct $2 billion into education and job training programs designed to alleviate youth unemployment through improved linkages between the schools and the workplace. This legislation generated bipartisan support; but unfortunately, action on it was not completed in the final, rushed days of the 96th Congress. I urge the new Congress—as it undertakes broad efforts to strengthen the economy as well as more specific tasks like reauthorizing the Vocational Education Act—to make the needs of our nation's unemployed youth a top priority for action. Only by combining a basic skills education program together with work training and employment incentives can we make substantial progress in eliminating one of the most severe social problems in our nation—youth unemployment, particularly among minorities. I am proud of the progress already made through passage of the Youth Employment and Demonstration Project Act of 1977 and the substantial increase in our investment in youth employment programs. The new legislation would cap these efforts.

INCOME SECURITY

SOCIAL SECURITY

One of the highest priorities of my Administration has been to continue the tradition of effectiveness and efficiency widely associated with the social security program, and to assure present and future beneficiaries that they will receive their benefits as expected. The earned benefits that are paid monthly to retired and disabled American workers and their families provide a significant measure of economic protection to millions of people who might otherwise face retirement or possible disability with fear. I have enacted changes to improve the benefits of many social security beneficiaries during my years as President.

The last four years have presented a special set of concerns over the financial stability of the social security system. Shortly after taking office I proposed and Congress enacted legislation to protect the stability of the old age and survivors trust fund and prevent the imminent exhaustion of the disability insurance trust fund, and to correct a flaw in the benefit formula that was threatening the long run health of the entire social security system. The actions taken by the Congress at my request helped stabilize the system. That legislation was later complemented by the Disability Insurance Amendments of 1980 which further bolstered the disability insurance program, and reduced certain inequities among beneficiaries.

My commitment to the essential retirement and disability protection provided to 35 million people each month has been demonstrated by the fact that without interruption those beneficiaries have continued to receive their social security benefits, including annual cost of living increases. Changing and unpredictable economic circumstances require that we continue to monitor the financial stability of the social security system. To correct anticipated short-term strains on the system, I proposed last year that the three funds be allowed to borrow from one another, and I urge the Congress again this year to adopt such interfund borrowing. To further strengthen the social security system and provide a greater degree of assurance to beneficiaries, given projected future economic uncertainties, additional action should be taken. Among the additional financing options available are borrowing from the general fund, financing half of the hospital insurance fund with general revenues, and increasing the payroll tax rate. The latter option is particularly unpalatable given the significant increase in the tax rate already mandated in law.

This Administration continues to oppose cuts in basic social security benefits and taxing social security benefits. The Administration continues to support annual indexing of social security benefits.

WELFARE REFORM

In 1979 I proposed a welfare reform package which offers solutions to some of the most urgent problems in our welfare system. This proposal is embodied in two bills—The Work and Training Opportunities Act and The Social Welfare Reform Amendments Act. The House passed the second of these two proposals. Within the framework of our present welfare system, my reform proposals offer achievable means to increase self-sufficiency through work rather than welfare, more adequate assistance to people unable to work, the removal of inequities in coverage under current programs, and fiscal relief needed by States and localities.

Our current welfare system is long overdue for serious reform; the system is wasteful and not fully effective. The legislation I have proposed will help eliminate inequities by establishing a national minimum benefit, and by directly relating benefit levels to the poverty threshold. It will reduce program complexity, which leads to inefficiency and waste, by simplifying and coordinating administration among different programs.

I urge the Congress to take action in this area along the lines I have recommended.

CHILD WELFARE

My Administration has worked closely with the Congress on legislation which is designed to improve greatly the child welfare services and foster care programs and to create a Federal system of adoption assistance. These improvements will be achieved with the recent enactment of H.R. 3434, the Adoption Assistance and Child Welfare Act of 1980. The well-being of children in need of homes and their permanent placement have been a primary concern of my Administration. This legislation will ensure that children are not lost in the foster care system, but instead will be returned to their families where possible or placed in permanent adoptive homes.

LOW-INCOME ENERGY ASSISTANCE

In 1979 I proposed a program to provide an annual total of $1.6 billion to low-income households which are hardest hit by rising energy bills. With the cooperation of Congress, we were able to move quickly to provide assistance to eligible households in time to meet their winter heating bills.

In response to the extreme heat conditions affecting many parts of the country during 1980, I directed the Community Services Administration to make available over $27 million to assist low-income individuals, especially the elderly, facing life threatening circumstances due to extreme heat.

Congress amended and reauthorized the low-income energy assistance program for fiscal year 1981, and provided $1.85 billion to meet anticipated increasing need. The need for a program to help low-income households with rising energy expenses will not abate in the near future. The low-income energy assistance program should be reauthorized to meet those needs.

HOUSING

For the past 14 months, high interest rates have had a severe impact on the nation's housing market. Yet the current pressures and uncertainties should not obscure the achievements of the past four years.

Working with the Congress, the regulatory agencies, and the financial community, my Administration has brought about an expanded and steadier flow of funds into home mortgages. Deregulation of the interest rates payable by depository institutions, the evolution of variable and renegotiated rate mortgages, development of high yielding savings certificates, and expansion of the secondary mortgage market have all increased housing's ability to attract capital and have assured that mortgage money would not be cut off when interest rates rose. These actions will diminish the cyclicality of the housing industry. Further, we have secured legislation updating the Federal Government's emergency authority to provide support for the housing industry through the Brooke-Cranston program, and creating a new Section 235 housing stimulus program. These tools will enable the Federal Government to deal quickly and effectively with serious distress in this critical industry.

We have also worked to expand homeownership opportunities for Americans. By using innovative financing mechanisms, such as the graduated payment mortgage, we have increased the access of middle-income families to housing credit. By revitalizing the Section 235 program, we have enabled nearly 100,000 moderate income households to purchase new homes. By reducing paperwork and regulation in Federal programs, and by working with State and local governments to ease the regulatory burden, we have helped to hold down housing costs and produce affordable housing.

As a result of these governmentwide efforts, 5½ million more American families bought homes in the past four years than in any equivalent period in history. And more than 7 million homes have begun construction during my Administration, 1 million more than in the previous four years.

We have devoted particular effort to meeting the housing needs of low- and moderate-income families. In the past four years, more than 1 million subsidized units have been made available for occupancy by lower income Americans and more than 600,000 assisted units have gone into construction. In addition, we have undertaken a series of measures to revitalize and preserve the nation's 2 million units of public and assisted housing.

For Fiscal Year 1982, I am proposing to continue our commitment to lower income housing. I am requesting funds to support 260,000 units of Section 8 and public housing, maintaining these programs at the level provided by Congress in Fiscal 1981.

While we have made progress in the past four years, in the future there are reasons for concern. Home price inflation and high interest rates threaten to put homeownership out of reach for first-time homebuyers. Lower income households, the elderly and those dependent upon rental housing face rising rents, low levels of rental housing construction by historic standards, and the threat of displacement due to conversion to condominiums and other factors. Housing will face strong competition for investment capital from the industrial sector generally and the energy industries, in particular.

To address these issues, I appointed a Presidential Task Force and Advisory Group last October. While this effort will not proceed due to the election result, I hope the incoming Administration will proceed with a similar venture.

The most important action government can take to meet America's housing needs is to restore stability to the economy and bring down the rate of inflation. Inflation has driven up home prices, operating costs and interest rates. Market uncertainty about inflation has contributed to the instability in interest rates, which has been an added burden to homebuilders and homebuyers alike. By making a long-term commitment to provide a framework for greater investment, sustained economic growth, and price stability, my Administration has begun the work of creating a healthy environment for housing.

TRANSPORTATION

With the passage of the Airline Deregulation Act of 1978, the Motor Carrier Act of 1980, and the Harley O. Staggers Rail Act of 1980, my Administration, working with the Congress, has initiated a new era of reduced regulation of transportation industries. Deregulation will lead to increased productivity and operating efficiencies in the industries involved, and stimulate price and service competition, to the benefit of consumers generally. I urge the new Administration to continue our efforts on behalf of deregulation legislation for the intercity passenger bus industry as well.

In the coming decade, the most significant challenge facing the nation in transportation services will be to improve a deteriorating physical infrastructure of roadways, railroads, waterways and mass transit systems, in order to conserve costly energy supplies while promoting effective transportation services.

HIGHWAYS

Our vast network of highways, which account for 90 percent of travel and 80 percent by value of freight traffic goods movement, is deteriorating. If current trends continue, a major proportion of the Interstate pavement will have deteriorated by the end of the 1980's.

Arresting the deterioration of the nation's system of highways is a high priority objective for the 1980's. We must reorient the Federal mission from major new construction projects to the stewardship of the existing Interstate Highway System. Interstate gaps should be judged on the connections they make and on their compatibility with community needs.

During this decade, highway investments will be needed to increase productivity, particularly in the elimination of bottlenecks, provide more efficient connections to ports and seek low-cost solutions to traffic demand.

My Administration has therefore recommended redefining completion of the Interstate system, consolidating over 27 categorical assistance programs into nine, and initiating a major repair and rehabilitation program for segments of the Interstate system. This effort should help maintain the condition and performance of the Nation's highways, particularly the Interstate and primary system; provide a realistic means to complete the Interstate system by 1990; ensure better program delivery through consolidation, and assist urban revitalization. In addition, the Congress must address the urgent funding problems of the highway trust fund, and the need to generate greater revenues.

MASS TRANSIT

In the past decade the nation's public transit systems' ridership increased at an annual average of 1.1% each year in the 1970's (6.9% in 1979). Continued increases in the cost of fuel are expected to make transit a growing part of the nation's transportation system.

As a result, my Administration projected a ten year, $43 billion program to increase mass transit capacity by 50 percent, and promote more energy efficient vehicle use in the next decade. The first part of this proposal was the five year, $24.7 billion Urban Mass Transportation Administration reauthorization legislation I sent to the Congress in March, 1980. I urge the 97th Congress to quickly enact this or similar legislation in 1981.

My Administration was also the first to have proposed and signed into law a non-urban formula grant program to assist rural areas and small communities with public transportation programs to end their dependence on the automobile, promote energy conservation and efficiency, and provide transportation services to impoverished rural communities.

A principal need of the 1980's will be maintaining mobility for all segments of the population in the face of severely increasing transportation costs and uncertainty of fuel supplies. We must improve the flexibility of our transportation system and offer greater choice and diversity in transportation services. While the private automobile will continue to be the principal means of transportation for many Americans, public transportation can become an increasingly attractive alternative. We, therefore, want to explore a variety of para-transit modes, various types of buses, modern rapid transit, regional rail systems and light rail systems.

Highway planning and transit planning must be integrated and related to State, regional, district and neighborhood planning efforts now in place or emerging. Low density development and land use threaten the fiscal capacity of many communities to support needed services and infrastructure.

ELDERLY AND HANDICAPPED TRANSPORTATION

Transportation policies in the 1980's must pay increasing attention to the needs of the elderly and handicapped.

By 1990, the number of people over 65 will have grown from today's 19 million to 27 million. During the same period, the number of handicapped—people who have difficulty using transit as well as autos, including the elderly—is expected to increase from 9 to 11 million, making up 4.5 percent of the population.

We must not retreat from a policy that affords a significant and growing portion of our population accessible public transportation while recognizing that the handicapped are a diverse group and will need flexible, door-to-door service where regular public transportation will not do the job.

RAILROADS

In addition, the Federal government must reassess the appropriate Federal role of support for passenger and freight rail services such as Amtrak and Conrail. Our goal through federal assistance should be to maintain and enhance adequate rail service, where it is not otherwise available to needy communities. But Federal subsidies must be closely scrutinized to be sure they are a stimulus to, and not a replacement for, private investment and initiative. Federal assistance cannot mean permanent subsidies for unprofitable operations.

WATERWAYS AND RURAL TRANSPORTATION

There is a growing need in rural and small communities for improved transportation services. Rail freight service to many communities has declined as railroads abandon unproductive branch lines. At the same time, rural roads are often inadequate to handle large, heavily-loaded trucks. The increased demand for "harvest to harbor" service has also placed an increased burden on rural transportation systems, while bottlenecks along the Mississippi River delay grain shipments to the Gulf of Mexico.

—To further develop the nation's waterways, my Administration began construction of a new 1,200 foot lock at the site of Lock and Dam 26 on the Mississippi River. When opened in 1987, the new lock will have a capacity of 86 million tons per year, an 18 percent increase over the present system. The U.S. Army Corps of Engineers has also undertaken studies to assess the feasibility of expanding the Bonneville Locks. Rehabilitation of John Day Lock was begun in 1980 and should be completed in 1982. My Administration also supports the completion of the Upper Mississippi River Master Plan to determine the feasibility of contructing a second lock at Alton, Illinois. These efforts will help alleviate delays in transporting corn, soybeans and other goods along the Mississippi River to the Gulf of Mexico.

—The Department of Transportation's new Small Community and Rural Transportation Policy will target federal assistance for passenger transportation, roads and highways, truck service, and railroad freight service to rural areas. This policy implements and expands upon the earlier White House Initiative. *Improving Transportation in Rural America*, announced in June, 1979, and the President's *Small Community and Rural Development Policy* announced in December, 1979. The Congress should seek ways to balance rail branch line abandonment with the service needs of rural and farm communities, provide financial assistance to rail branch line rehabilitation where appropriate, assist shippers to adjust to rail branch line abandonment where it takes place, and help make it possible for trucking firms to serve light density markets with dependable and efficient trucking services.

MARITIME POLICY

During my Administration I have sought to ensure that the U.S. maritime industry will not have to function at an unfair competitive disadvantage in the international market. As I indicated in my maritime policy statement to the Congress in July, 1979, the American merchant marine is vital to our Nation's welfare, and Federal actions should promote rather than harm it. In pursuit of this objective, I signed into law the Controlled Carrier Act of 1978, authorizing the Federal Maritime Commission to regulate certain rate cutting practices of some state-controlled carriers, and recently signed a bilateral maritime agreement with the People's Republic of China that will expand the access of American ships to 20 specified Chinese ports, and set aside for American-flag ships a substantial share (at least one-third) of the cargo between our countries. This agreement should officially foster expanded U.S. and Chinese shipping services linking the two countries, and will provide further momentum to the growth of Sino-American trade.

There is also a need to modernize and expand the dry bulk segment of our fleet. Our heavy dependence on foreign carriage of U.S.-bulk cargoes deprives the U.S. economy of seafaring and shipbuilding jobs, adds to the balance-of-payments deficit, deprives the Government of substantial tax revenues, and leaves the United States dependent on foreign-flag shipping for a continued supply of raw materials to support the civil economy and war production in time of war.

I therefore sent to the Congress proposed legislation to strengthen this woefully weak segment of the U.S.-flag fleet by removing certain disincentives to U.S. construction of dry bulkers and their operation under U.S. registry. Enactment of this proposed legislation would establish the basis for accelerating the rebuilding of the U.S.-flag dry bulk fleet toward a level commensurate with the position of the United States as the world's leading bulk trading country.

During the past year the Administration has stated its support for legislation that would provide specific Federal assistance for the installation of fuel-efficient engines in existing American ships, and would strengthen this country's shipbuilding mobilization base. Strengthening the fleet is important, but we must also maintain our shipbuilding base for future ship construction.

Provisions in existing laws calling for substantial or exclusive use of American-flag vessels to carry cargoes generated by the Government must be vigorously pursued.

I have therefore supported requirements that 50 percent of oil purchased for the strategic petroleum reserve be transported in U.S.-flag vessels, that the Cargo Preference Act be applied to materials furnished for the U.S. assisted construction of air bases in Israel, and to cargoes transported pursuant to the Chrysler Corporation Loan Guarantee Act. In addition, the deep Seabed Hard Mineral Resources Act requires that at least one ore carrier per mine site be a U.S.-flag vessel.

Much has been done, and much remains to be done. The FY 1982 budget includes a $107 million authorization for Construction Differential Subsidy ("CDS") funds which, added to the unobligated CDS balance of $100 million from 1980, and the recently enacted $135 million 1981 authorization, will provide an average of $171 million in CDS funds in 1981 and 1982.

COAL EXPORT POLICY

While significant growth in foreign demand for U.S. steam coal is foreseen, congestion at major U.S. coal exporting ports such as Hampton Roads, Virginia, and Baltimore, Maryland, could delay and impede exports.

My Administration has worked through the Interagency Coal Task Force Study, which I created, to promote cooperation and coordination of resources between shippers, railroads, vessel broker/operators and port operators, and to determine the most appropriate Federal role in expanding and modernizing coal export facilities, including dredging deeper channels at selected ports.

Some progress has already been made. In addition to action taken by transshippers to reduce the number of coal classifications used whenever possible, by the Norfolk and Western Railroad to upgrade its computer capability to quickly inventory its coal cars in its yards, and by the Chessie Railroad which is reactivating Pier 15 in Newport News and has established a berth near its Curtis Bay pier in Baltimore to decrease delays in vessel berthing, public activities will include:

—A $26.5 million plan developed by the State of Pennsylvania and Conrail to increase Conrail's coal handling capacity at Philadelphia;

—A proposal by the State of Virginia to construct a steam coal port on the Craney Island Disposal area in Portsmouth harbor;

—Plans by Mobile, Alabama, which operates the only publically owned coal terminal in the U.S. to enlarge its capacity at McDuffie Island to 10 million tons ground storage and 100 car unit train unloading capability;

—Development at New Orleans of steam coal facilities that are expected to add over 20 million tons of annual capacity by 1983; and

—The Corps of Engineers, working with other interested Federal agencies, will determine which ports should be dredged, to what depth and on what schedule, in order to accommodate larger coal carrying vessels.

Private industry will, of course, play a major role in developing the United States' coal export facilities. The new Administration should continue to work to eliminate transportation bottlenecks that impede our access to foreign markets.

SPECIAL NEEDS

WOMEN

The past four years have been years of rapid advancement for women. Our focus has been two-fold: to provide American women with a full range of opportunities and to make them a part of the mainstream of every aspect of our national life and leadership.

I have appointed a record number of women to judgeships and to top government posts. Fully 22 percent of all my appointees are women, and I nominated 41 of the 46 women who sit on the Federal bench today. For the first time in our history, women occupy policymaking positions at the highest level of every Federal agency and department and have demonstrated their ability to serve our citizens well.

We have strengthened the rights of employed women by consolidating and strengthening enforcement of sex discrimination laws under the EEOC, by expanding employment rights of pregnant women through the Pregnancy Disability Bill, and by increasing federal employment opportunities for women through civil service reform, and flexi-time and part-time employment.

By executive order, I created the first national program to provide women businessowners with technical assistance, grants, loans, and improved access to federal contracts.

We have been sensitive to the needs of women who are homemakers. I established an Office of Families within HHS and sponsored the White House Conference on Families. We initiated a program targeting CETA funds to help displaced homemakers. The Social Security system was amended to eliminate the widow's penalty and a comprehensive study of discriminatory provisions and possible changes was presented to Congress. Legislation was passed to give divorced spouses of foreign service officers rights to share in pension benefits.

We created an office on domestic violence within HHS to coordinate the 12 agencies that now have domestic violence relief programs, and to distribute information on the problem and the services available to victims.

Despite a stringent budget for FY 1981, the Administration consistently supported the Women's Educational Equity Act and family planning activities, as well as other programs that affect women, such as food stamps, WIC, and social security.

We have been concerned not only about the American woman's opportunities, but ensuring equality for women around the world. In November, 1980, I sent to the Senate the Convention on the Elimination of All Forms of Discrimination Against Women. This United Nations document is the most comprehensive and detailed international agreement which seeks the advancement of women.

On women's issues, I have sought the counsel of men and women in and out of government and from all regions of our country. I established two panels—the President's Advisory Committee for Women and the Interdepartmental Task Force on Women—to advise me on these issues. The mandate for both groups expired on December 31, but they have left behind a comprehensive review of the status of women in our society today. That review provides excellent guidance for the work remaining in our battle against sex discrimination.

Even though we have made progress, much remains on the agenda for women. I remain committed to the Equal Rights Amendment and will continue to work for its passage. It is essential to the goal of bringing America's women fully into the mainstream of American life that the ERA be ratified.

The efforts begun for women in employment, business and education should be continued and strengthened. Money should be available to states to establish programs to help the victims of domestic violence. Congress should pass a national health care plan and a welfare reform program, and these measures should reflect the needs of women.

The talents of women should continue to be used to the fullest inside and outside of government, and efforts should continue to see that they have the widest range of opportunities and options.

HANDICAPPED

I hope that my Administration will be remembered in this area for leading the way toward full civil rights for handicapped Americans. When I took office, no federal agency had yet issued 504 regulations. As I leave office, this first step by every major agency and department in the federal government is almost complete. But it is only a first step. The years ahead will require steadfast dedication by the President to protect and promote these precious rights in the classroom, in the workplace, and in all public facilities so that handicapped individuals may join the American mainstream and contribute to the fullest their resources and talents to our economic and social life.

Just as we supported, in an unprecedented way, the civil rights of disabled persons in schools and in the workplace, other initiatives in health prevention—such as our immunization and nutrition programs for young children and new intense efforts to reverse spinal cord injury—must continue so that the incidence of disability continues to decline.

This year is the UN-declared International Year of Disabled Persons. We are organizing activities to celebrate and promote this important commemorative year within the government as well as in cooperation with private sector efforts in this country and around the world. The International Year will give our country the opportunity to recognize the talents and capabilities of our fellow citizens with disabilities. We can also share our rehabilitation and treatment skills with other countries and learn from them as well. I am proud that the United States leads the world in mainstreaming and treating disabled people. However, we have a long way to go before all psychological and physical barriers to disabled people are torn down and they can be full participants in our American way of life. We must pledge our full commitment to this goal during the International Year.

FAMILIES

Because of my concern for American families, my Administration convened last year the first White House Conference on Families which involved seven national hearings, over 506 state and local events, three White House Conferences, and the direct participation of more than 125,000 citizens. The Conference reaffirmed the centrality of families in our lives and nation but documented problems American families face as well. We also established the Office of Families within the Department of Health and Human Services to review government policies and programs that affect families.

I expect the departments and agencies within the executive branch of the Federal government as well as Members of Congress, corporate and business leaders, and State and local officials across the country, to study closely the recommendations of the White House Conference and implement them appropriately. As public policy is developed and implemented by the Federal government, cognizance of the work of the Conference should be taken as a pragmatic and essential step.

The Conference has done a good job of establishing an agenda for action to assure that the policies of the Federal government are more sensitive in their impact on families. I hope the Congress will review and seriously consider the Conference's recommendations.

OLDER AMERICANS

My Administration has taken great strides toward solving the difficult problems faced by older Americans. Early in my term we worked successfully with the Congress to assure adequate revenues for the Social Security Trust Funds. And last year the strength of the Social Security System was strengthened by legislation I proposed to permit borrowing among the separate trust funds. I have also signed into law legislation prohibiting employers from requiring retirement prior to age 70, and removing mandatory retirement for most Federal employees. In addition, my Administration worked very closely with Congress to amend the Older Americans Act in a way that has already improved administration of its housing, social services, food delivery, and employment programs.

This year, I will be submitting to Congress a budget which again demonstrates my commitment to programs for the elderly. It will include, as my previous budgets have, increased funding for nutrition, senior centers and home health care, and will focus added resources on the needs of older Americans.

With the 1981 White House Conference on Aging approaching, I hope the new Administration will make every ef-

fort to assure an effective and useful conference. This Conference should enable older Americans to voice their concerns and give us guidance in our continued efforts to ensure the quality of life so richly deserved by our senior citizens.

REFUGEES

We cannot hope to build a just and humane society at home if we ignore the humanitarian claims of refugees, their lives at stake, who have nowhere else to turn. Our country can be proud that hundreds of thousands of people around the world would risk everything they have—including their own lives—to come to our country.

This Administration initiated and implemented the first comprehensive reform of our refugee and immigration policies in over 25 years. We also established the first refugee coordination office in the Department of State under the leadership of a special ambassador and coordinator for refugee affairs and programs. The new legislation and the coordinator's office will bring common sense and consolidation to our Nation's previously fragmented, inconsistent, and in many ways, outdated, refugee and immigration policies.

With the unexpected arrival of thousands of Cubans and Haitians who sought refuge in our country last year, outside of our regular immigration and refugee admissions process, our country and its government were tested in being compassionate and responsive to a major human emergency. Because we had taken steps to reorganize our refugee programs, we met that test successfully. I am proud that the American people responded to this crisis with their traditional goodwill and hospitality. Also, we would never have been able to handle this unprecedented emergency without the efforts of the private resettlement agencies who have always been there to help refugees in crises.

Immigrants to this country always contribute more toward making our country stronger than they ever take from the system. I am confident that the newest arrivals to our country will carry on this tradition.

While we must remain committed to aiding and assisting those who come to our shores, at the same time we must uphold our immigration and refugee policies and provide adequate enforcement resources. As a result of our enforcement policy, the illegal flow from Cuba has been halted and an orderly process has been initiated to make certain that our refugee and immigration laws are honored.

This year the Select Commission on Immigration and Refugee Policy will complete its work and forward its advice and recommendations. I hope that the recommendations will be carefully considered by the new Administration and the Congress, for it is clear that we must take additional action to keep our immigration policy responsive to emergencies and ever changing times.

VETERANS

This country and its leadership has a continuing and unique obligation to the men and women who served their nation in the armed forces and helped maintain or restore peace in the world.

My commitment to veterans—as evidenced by my record—is characterized by a conscientious and consistent emphasis in these general areas:

First, we have worked to honor the Vietnam veteran. During my Administration, and under the leadership of VA Administrator Max Cleland, I was proud to lead our country in an overdue acknowledgement of our Nation's gratitude to the men and women who served their country during the bitter war in Southeast Asia. Their homecoming was deferred and seemed doomed to be ignored. Our country has matured in the last four years and at long last we were able to separate the war from the warrior and honor these veterans. But with our acknowledgement of their service goes an understanding that some Vietnam veterans have unique needs and problems.

My Administration was able to launch a long sought after psychological readjustment and outreach program, unprecedented in its popularity, sensitivity and success. This program must be continued. The Administration has also grappled with the difficult questions posed by some veterans who served in Southeast Asia and were exposed to potentially harmful substances, including the herbicide known as Agent Orange. We have launched scientific inquiries that should answer many veterans' questions about their health and should provide the basis for establishing sound compensation policy. We cannot rest until their concerns are dealt with in a sensitive, expeditious and compassionate fashion.

Second, we have focused the VA health care system in the needs of the service-connected disabled veteran. We initiated and are implementing the first reform of the VA vocational rehabilitation system since its inception in 1943. Also, my Administration was the first to seek a cost-of-living increase for the recipients of VA compensation every year. My last budget also makes such a request. The Administration also launched the Disabled Veterans Outreach Program in the Department of Labor which has successfully placed disabled veterans in jobs. Services provided by the VA health care system will be further targeted to the special needs of disabled veterans during the coming year.

Third, the VA health care system—the largest in the free world—has maintained its independence and high quality during my Administration. We have made the system more efficient and have therefore treated more veterans than ever before by concentrating on outpatient care and through modern management improvements. As the median age of the American veteran population increases, we must concentrate on further changes within the VA system to keep it independent and to serve as a model to the nation and to the world as a center for research, treatment and rehabilitation.

GOVERNMENT ASSISTANCE

GENERAL AID TO STATE AND LOCAL GOVERNMENTS

Since taking office, I have been strongly committed to strengthening the fiscal and economic condition of our Nation's State and local governments. I have accomplished this goal by encouraging economic development of local communities, and by supporting the General Revenue Sharing and other essential grant-in-aid programs.

GRANTS-IN-AID TO STATES AND LOCALITIES

During my Administration, total grants-in-aid to State and local governments have increased by more than 40 percent—from $68 billion in Fiscal Year 1977 to $96 billion in Fiscal Year 1981. This significant increase in aid has allowed States and localities to maintain services that are essential to their citizens without imposing onerous tax burdens. It also has allowed us to establish an unprecedented partnership between the leaders of the Federal government and State and local government elected officials.

GENERAL REVENUE SHARING

Last year Congress enacted legislation that extends the General Revenue Sharing program for three more years. This program is the cornerstone of our efforts to maintain the fiscal health of our Nation's local government. It will provide $4.6 billion in each of the next three years to cities, counties and towns. This program is essential to the continued ability of our local governments to provide essential police, fire and sanitation services.

This legislation renewing GRS will be the cornerstone of Federal-State-local government relations in the 1980's. This policy will emphasize the need for all levels of government to cooperate in order to meet the needs of the most fiscally strained cities and counties, and also will emphasize the important role that GRS can play in forging this partnership. I am grateful that Congress moved quickly to assure that our Nation's localities can begin the 1980's in sound fiscal condition.

COUNTER-CYCLICAL ASSISTANCE

Last year, I proposed that Congress enact a $1 billion counter-cyclical fiscal assistance program to protect States and localities from unexpected changes in the national economy. This program unfortunately was not enacted by the 96th Congress. I, therefore, have not included funding for counter-cyclical aid in my Fiscal Year 1982 budget. Nevertheless, I urge Congress to enact a permanent stand-by counter-cyclical program, so that States and cities can be protected during the next economic downturn.

URBAN POLICY

Three years ago, I proposed the Nation's first comprehensive urban policy. That policy involved more than one hundred improvements in existing Federal programs, four new Executive Orders and nineteen pieces of urban-oriented legislation. With Congress' cooperation, sixteen of these bills have now been signed into law.

ECONOMIC DEVELOPMENT

One of the principal goals of my domestic policy has been to strengthen the private sector economic base of our Nation's economically troubled urban and rural areas. With Congress' cooperation, we have substantially expanded the Federal government's economic development programs and provided new tax incentives for private investment in urban and rural communities. These programs have helped many communities to attract new private sector jobs and investments and to retain the jobs and investments that already are in place.

When I took office, the Federal government was spending less than $300 million annually on economic development programs, and only $60 million of those funds in our Nation's urban areas. Since that time, we have created the Urban Development Action Grant (UDAG) program and substantially expanded the economic development programs in the Commerce Department. My FY 1982 budget requests more than $1.5 billion for economic development grants, loans and interest subsidies and almost $1.5 billion for loan guarantees. Approximately 60 percent of these funds will be spent in our Nation's urban areas. In addition, we have extended the 10 percent investment credit to include rehabilitation of existing industrial facilities as well as new construction.

I continue to believe that the development of private sector investment and jobs is the key to revitalizing our Nation's economically depressed urban and rural areas. To ensure that the necessary economic development goes forward, the Congress must continue to provide strong support for the UDAG program and the programs for the Economic Development Administration. Those programs provide a foundation for the economic development of our Nation in the 1980's.

COMMUNITY DEVELOPMENT

The partnership among Federal, State and local governments to revitalize our Nation's communities has been a high priority of my Administration. When I took office, I proposed a substantial expansion of the Community Development Block Grant (CDBG) program and the enactment of a new $400 million Urban Development Action Grant (UDAG) program. Both of these programs have provided essential community and economic development assistance to our Nation's cities and counties.

Last year, Congress reauthorized both the CDBG and UDAG programs. The CDBG program was reauthorized for three more years with annual funding increases of $150 million, and the UDAG program was extended for three years at the current funding level of $675 million annually. My 1982 budget requests full funding for both of these programs. These actions should help our Nation's cities and counties to continue the progress they have made in the last three years.

NEIGHBORHOODS

During my Administration we have taken numerous positive steps to achieve a full partnership of neighborhood organizations and government at all levels. We have successfully fought against red lining and housing discrimination. We created innovative Self Help funding and technical resource transfer mechanisms. We have created unique methods of access for neighborhood organizations to have a participating role in Federal and State government decision-making. Neighborhood based organizations are the threshold of the American community.

The Federal government will need to develop more innovative and practical ways for neighborhood based organizations to successfully participate in the identification and solution of local and neighborhood concerns. Full partnership will only be achieved with the knowing participation of leaders of government, business, education and unions. Neither state nor Federal solutions imposed from on high will suffice. Neighborhoods are the fabric and soul of this great land. Neighborhoods define the weave that has been used to create a permanent fabric. The Federal government must take every opportunity to provide access and influence to the individuals and organizations affected at the neighborhood level.

RURAL POLICY

Since the beginning of my Administration, I have been committed to improving the effectiveness with which the Federal government deals with the problems and needs of a rapidly changing rural America. The rapid growth of some rural areas has placed a heavy strain on communities and their resources. There are also persistent problems of poverty and economic stagnation in other parts of rural America. Some rural areas continue to lose population, as they have for the past several decades.

In December, 1979, I announced the Small Community and Rural Development Policy. It was the culmination of several years' work and was designed to address the varying needs of our rural population. In 1980, my Administration worked with the Congress to pass the Rural Development Policy Act of 1980, which when fully implemented will allow us to meet the needs of rural people and their communities more effectively and more efficiently.

As a result of the policy and the accompanying legislation, we have:

—Created the position of Under Secretary of Agriculture for Small Community and Rural Development to provide overall leadership.
—Established a White House Working Group to assist in the implementation of the policy.
—Worked with more than 40 governors to form State rural development councils to work in partnership with the White House Working Group, and the Federal agencies, to better deliver State and Federal programs to rural areas.
—Directed the White House Working Group to annually review existing and proposed policies, programs, and budget levels to determine their adequacy in meeting rural needs and the fulfilling of the policy's objectives and principles.

This effort on the part of my Administration and the Congress has resulted in a landmark policy. For the first time, rural affairs has received the prominence it has always deserved. It is a policy that can truly help alleviate the diverse and differing problems rural America will face in the 1980's.

With the help and dedication of a great many people around the country who are concerned with rural affairs, we have constructed a mechanism for dealing effectively with rural problems. There is now a great opportunity to successfully combine Federal efforts with the efforts of rural community leaders and residents. It is my hope this spirit of cooperation and record of accomplishment will be continued in the coming years.

CONSUMERS

In September, 1979, I signed an Executive Order designed to strengthen and coordinate Federal consumer programs and to establish procedures to improve and facilitate consumer participation in government decision-making. Forty Federal agencies have adopted programs to comply with the requirements of the Order. These programs will improve complaint handling, provide better information to consumers, enhance opportunities for public participation in government proceedings, and assure that the consumer point of view is considered in all programs, policies, and regulations.

While substantial progress has been made in assuring a consumer presence in Federal agencies, work must continue to meet fully the goals of the Executive Order. Close monitoring of agency compliance with the requirements of the Order is necessary. Continued evaluation to assure that the programs are effective and making maximum use of available resources is also essential. As a complement to these initiatives, efforts to provide financial assistance in regulatory proceedings to citizen groups, small businesses, and others whose participation is limited by their economic circumstances must continue to be pursued.

It is essential that consumer representatives in government pay particular attention to the needs and interests of low-income consumers and minorities. The Office of Consumer Affairs' publication, *People Power: What Communities Are Doing to Counter Inflation*, catalogues some of the ways that government and the private sector can assist the less powerful in our society to help themselves. New ways should be found to help foster this new people's movement which is founded on the principle of self-reliance.

SCIENCE AND TECHNOLOGY

Science and technology contribute immeasurably to the lives of all Americans. Our high standard of living is largely the product of the technology that surrounds us in the home or factory. Our good health is due in large part to our ever increasing scientific understanding. Our national security is assured by the application of technology. And our environment is protected by the use of science and technology. Indeed, our vision of the future is often largely defined by the bounty that we anticipate science and technology will bring.

The Federal government has a special role to play in science and technology. Although the fruits of scientific achievements surround us, it is often difficult to predict the benefits that will arise from a given scientific venture. And these benefits, even if predictable, do not usually lead to ownership rights. Accordingly, the Government has a special obligation

to support science as an investment in our future.

My Administration has sought to reverse a decade-long decline in funding. Despite the need for fiscal restraint, real support of basic research has grown nearly 11% during my term in office. And, my Administration has sought to increase the support of long-term research in the variety of mission agencies. In this way, we can harness the American genius for innovation to meet the economic, energy, health, and security challenges that confront our nation.

—*International Relations and National Security.* Science and technology are becoming increasingly important elements of our national security and foreign policies. This is especially so in the current age of sophisticated defense systems and of growing dependence among all countries on modern technology for all aspects of their economic strength. For these reasons, scientific and technological considerations have been integral elements of the Administration's decision-making on such national security and foreign policy issues as the modernization of our strategic weaponry, arms control, technology transfer, the growing bilateral relationship with China, and our relations with the developing world.

Four themes have shaped U.S. policy in international scientific and technological cooperation: pursuit of new international initiatives to advance our own research and development objectives; development and strengthening of scientific exchange to bridge politically ideological, and cultural divisions between this country and other countries; formulation of programs and institutional relations to help developing countries use science and technology beneficially; and cooperation with other nations to manage technologies with local impact. At my direction, my Science and Technology Adviser has actively pursued international programs in support of these four themes. We have given special attention to scientific and technical relations with China, to new forms of scientific and technical cooperation with Japan, to cooperation with Mexico, other Latin American and Caribbean countries and several states in Black America, and to the proposed Institute for Scientific and Technological Cooperation.

In particular our cooperation with developing countries reflects the importance that each of them has placed on the relationship between economic growth and scientific and technological capability. It also reflects their view that the great strength of the U.S. in science and technology makes close relations with the U.S. technical community an especially productive means of enhancing this capability. Scientific and technological assistance is a key linkage between the U.S. and the developing world, a linkage that has been under-utilized in the past and one which we must continue to work to strengthen.

—*Space Policy.* The Administration has established a framework for a strong and evolving space program for the 1980's.

The Administration's space policy reaffirmed the separation of military space systems and the open civil space program, and at the same time, provided new guidance on technology transfer between the civil and military programs. The civil space program centers on three basic tenets: First, our space policy will reflect a balanced strategy of applications, science, and technology development. Second, activities will be pursued when they can be uniquely or more efficiently accomplished in space. Third, a premature commitment to a high challenge, space-engineering initiative of the complexity of Apollo is inappropriate. As the Shuttle development phases down, however, there will be added flexibility to consider new space applications, space science and new space exploration activities.

—Technology Development. The Shuttle dominates our technology development effort and correctly so. It represents one of the most sophisticated technological challenges ever undertaken, and as a result, has encountered technical problems. Nonetheless, the first manned orbital flight is now scheduled for March, 1981. I have been pleased to support strongly the necessary funds for the Shuttle throughout my Administration.

—Space Applications. Since 1972, the U.S. has conducted experimental civil remote sensing through Landsat satellites, thereby realizing many successful applications. Recognizing this fact, I directed the implementation of an operational civil land satellite remote sensing system, with the operational management responsibility in Commerce's National Oceanic and Atmospheric Administration. In addition, because ocean observations from space can meet common civil and military data requirements, a National Oceanic Satellite System has been proposed as a major FY 1981 new start.

—Space Science Exploration. The goals of this Administration's policy in space science have been to: (1) continue a vigorous program of planetary exploration to understand the origin and evolution of the solar system; (2) utilize the space telescope and free-flying satellites to usher in a new era of astronomy; (3) develop a better understanding of the sun and its interaction with the terrestrial environment; and (4) utilize the Shuttle and Spacelab to conduct basic research that complements earth-based life science investigations.

DISTRICT OF COLUMBIA

Washington, D.C. is home to both the Federal government and to more than half a million American citizens. I have worked to improve the relationship between the Federal establishment and the Government of the District of Columbia in order to further the goals and spirit of home rule. The City controls more of its own destiny than was the case four years ago. Yet, despite the close cooperation between my Administration and that of Mayor Barry, we have not yet seen the necessary number of states ratify the Constitutional Amendment granting full voting representation in the Congress to the citizens of this city. It is my hope that this inequity will be rectified. The country and the people who inhabit Washington deserve no less.

THE ARTS

The arts are a precious national resource.

Federal support for the arts has been enhanced during my Administration by expanding government funding and services to arts institutions, individual artists, scholars, and teachers through the National Endowment for the Arts. We have broadened its scope and reach to a more diverse population. We have also reactivated the Federal Council on the Arts and Humanities.

It is my hope that during the coming years the new Administration and the Congress will:

—Continue support of institutions promoting development and understanding of the arts;
—Encourage business participation in a comprehensive effort to achieve a truly mixed economy of support for the arts;
—Explore a variety of mechanisms to nurture the creative talent of our citizens and build audiences for their work;
—Support strong, active National Endowments for the Arts;
—Seek greater recognition for the rich cultural tradition of the nation's minorities;
—Provide grants for the arts in low-income neighborhoods.

THE HUMANITIES

In recently reauthorizing Federal appropriations for the National Endowment for the Humanities, the Congress has once again reaffirmed that "the encouragement and support of national progress and scholarship in the humanities . . . while primarily a matter for private and local initiative, is also an appropriate matter of concern to the Federal Government" and that "a high civilization must not limit its efforts to science and technology alone but must give full value and support to the other great branches of man's scholarly and cultural activity in order to achieve a better understanding of the past, a better analysis of the present, and a better view of the future."

I believe we are in agreement that the humanities illuminate the values underlying important personal, social, and national questions raised in our society by its multiple links to and increasing dependence on technology, and by the diverse heritage of our many regions and ethnic groups. The humanities cast light on the broad issue of the role in a society of men and women of imagination and energy—those individuals who through their own example define "the spirit of the age," and in so doing move nations. Our Government's support for the humanities, within the framework laid down by the Congress, is a recognition of their essential nourishment of the life of the mind and vital enrichment of our national life.

I will be proposing an increase in funding this year sufficient to enable the Endowment to maintain the same level of support offered our citizens in Fiscal Year 1981.

In the allocation of this funding, special emphasis will be given to:

—Humanities education in the nation's schools, in response to the great needs that have arisen in this area;
—Scholarly research designed to increase our understanding of the cultures, traditions, and historical forces at work in other nations and in our own;
—Drawing attention to the physical disintegration of the raw material of our cultural heritage—books, manuscripts, periodicals, and other documents—and to the development of techniques to prevent the destruction and to preserve those materials; and
—The dissemination of quality programming in the humanities to increasingly large American audiences through the use of radio and television.

The dominant effort in the Endowment's expenditures will be a commitment to strengthen and promulgate scholarly excellence and achievement in work in the humanities in our schools, colleges, universities, libraries, museums and other cultural institutions, as well as in the work of individual scholars or collaborative groups engaged in advanced research in the humanities.

In making its grants the Endowment will increase its emphasis on techniques which stimulate support for the humanities from non-Federal sources, in order to reinforce our tradition of private philanthropy in this field, and to insure and expand the financial viability of our cultural institutions and life.

INSULAR AREAS

I have been firmly committed to self-determination for Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands, and have vigorously supported the realization of whatever political status aspirations are democratically chosen by their peoples. This principle was the keystone of the comprehensive territorial policy I sent the Congress last year. I am pleased that most of the legislative elements of that policy were endorsed by the 96th Congress.

The unique cultures, fragile economies, and locations of our Caribbean and Pacific Islands are distinct assets to the United States which require the sensitive application of policy. The United States Government should pursue initiatives begun by my Administration and the Congress to stimulate insular economic development; enhance treatment under Federal programs eliminating current inequities; provide vitally needed special assistance and coordinate and rationalize policies. These measures will result in greater self-sufficiency and balanced growth. In particular, I hope that the new Congress will support funding for fiscal management, comprehensive planning and other technical assistance for the territories, as well as create the commission I have proposed to review the applicability of all Federal laws to the insular areas and make recommendations for appropriate modification.

IV. REMOVING GOVERNMENTAL WASTE AND INEFFICIENCY

One of my major commitments has been to restore public faith in our Federal government by cutting out waste and inefficiency. In the past four years, we have made dramatic advances toward this goal, many of them previously considered impossible to achieve. Where government rules and operations were unnecessary, they have been eliminated, as with airline, rail, trucking and financial deregulation. Where government functions are needed, they have been streamlined, through such landmark measures as the Civil Service Reform Act of 1978. I hope that the new administration and the Congress will keep up the momentum we have established for effective and responsible change in this area of crucial public concern.

CIVIL SERVICE REFORM

In March 1978, I submitted the Civil Service Reform Act to Congress. I called it the centerpiece of my efforts to reform and reorganize the government. With bipartisan support from Congress, the bill passed, and I am pleased to say that implementation is running well ahead of the schedule. Throughout the service, we are putting into place the means to assure that reward and retention are based on performance and not simply on length of time on the job. In the first real test of the Reform Act, 98 percent of the eligible top-level managers joined the Senior Executive Service, choosing to relinquish job protections for the challenge and potential reward of this new corps of top executives. Though the Act does not require several of its key elements to be in operation for another year, some Federal agencies already have established merit pay systems for GS-13-15 managers, and most agencies are well on their way to establishing new performance standards for all their employees. All have paid out, or are now in the process of paying out, performance bonuses earned by outstanding members of the Senior Executive Service. Dismissals have increased by 10 percent, and dismissals specifically for inadequate job performance have risen 1500 percent, since the Act was adopted. Finally, we have established a fully independent Merit Systems Protection Board and Special Counsel to protect the rights of whistle-blowers and other Federal employees faced with threats to their rights.

In 1981, civil service reform faces critical challenges—all agencies must have fully functioning performance appraisal systems for all employees, and merit pay systems for compensating the government's 130,000 GS-13-15 managers. Performance bonuses for members of the Senior Executive Service will surely receive scrutiny. If this attention is balanced and constructive, it can only enhance the chances for ultimate success of our bipartisan commitment to the revolutionary and crucial pay-for-performance concept.

REGULATORY REFORM

During the past four years we have made tremendous progress in regulatory reform. We have discarded old economic regulations that prevented competition and raised consumer costs, and we have imposed strong management principles on the regulatory programs the country needs, cutting paperwork and other wasteful burdens. The challenge for the future is to continue the progress in both areas without crippling vital health and safety programs.

Our economic deregulation program has achieved major successes in five areas:

Airlines: The Airline Deregulation Act is generating healthy competition, saving billions in fares, and making the airlines more efficient. The Act provides that in 1985 the CAB itself will go out of existence.

Trucking: The trucking deregulation bill opens the industry to competition and allows truckers wide latitude on the routes they drive and the goods they haul. The bill also phases out most of the old law's immunity for setting rates. The Congressional Budget Office estimates these reforms will save as much as $8 billion per year and cut as much as half a percentage point from the inflation rate.

Railroads: Overregulation has stifled railroad management initiative, service, and competitive pricing. The new legislation gives the railroads the freedom they need to rebuild a strong, efficient railroad industry.

Financial Institutions: With the help of the Congress, over the past four years we have achieved two major pieces of financial reform legislation—legislation which has provided the basis for the most far-reaching changes in the financial services industry since the 1930's. The International Banking Act of 1978 was designed to reduce the advantages that foreign banks operating in the United States possessed in comparison to domestic banks. The Depository Institutions Deregulation and Monetary Control Act, adopted last March, provides for the phased elimination of a variety of anticompetitive barriers to financial institutions and freedom to offer services to and attract the savings of consumers, especially small savers.

Recently, I submitted to the Congress my Administration's recommendations for the phased liberalization of restrictions on geographic expansion by commercial banks. Last year the Administration and financial regulatory agencies proposed legislation to permit the interstate acquisition of failing depository institutions. In view of the difficult outlook for some depository institutions I strongly urge the Congress to take prompt favorable action on the failing bank legislation.

Telecommunications: While Congress did not pass legislation in this area, the Federal Communications Commission has taken dramatic action to open all aspects of communications to competition and to eliminate regulations in the areas where competition made them ob-

solete. The public is benefitting from an explosion of competition and new services.

While these initiatives represent dramatic progress in economic deregulation, continued work is needed. I urge Congress to act on communications legislation and to consider other proposed deregulation measures, such as legislation on the bus industry. In addition, the regulatory commissions must maintain their commitment to competition as the best regulator of all.

The other part of my reform program covers the regulations that are needed to protect the health, safety, and welfare of our citizens. For these regulations, my Administration has created a management program to cut costs without sacrificing goals. Under my Executive Order 12044, we required agencies to analyze the costs of their major new rules and consider alternative approaches—such as performance standards and voluntary codes—that may make rules less costly and more flexible. We created the Regulatory Analysis Review Group in the White House to analyze the most costly proposed new rules and find ways to improve them. The Regulatory Council was established to provide the first Government-wide listing of upcoming rules and eliminate overlapping and conflicting regulations. Agencies have launched "sunset" programs to weed out outmoded old regulations. We have acted to encourage public participation in regulatory decision-making.

These steps have already saved billions of dollars in regulatory costs and slashed thousands of outmoded regulations. We are moving steadily toward a regulatory system that provides needed protections fairly, predictably, and at minimum cost.

I urge Congress to continue on this steady path and resist the simplistic solutions that have been proposed as alternatives. Proposals like legislative veto and increased judicial review will add another layer to the regulatory process, making it more cumbersome and inefficient. The right approach to reform is to improve the individual statutes—where they need change—and to ensure that the regulatory agencies implement those statutes sensibly.

PAPERWORK REDUCTION

The Federal Government imposes a huge paperwork burden on business, local government, and the private sector. Many of these forms are needed for vital government functions, but others are duplicative, overly complex or obsolete.

During my Administration we cut the paperwork burden by 15 percent, and we created procedures to continue this progress. The new Paperwork Reduction Act centralizes, in OMB, oversight of all agencies' information requirements and strengthens OMB's authority to eliminate needless forms. The "paperwork budget" process, which I established by executive order, applies the discipline of the budget process to the hours of reporting time imposed on the public, forcing agencies to scrutinize all their forms each year. With effective implementation, these steps should allow further, substantial paperwork cuts in the years ahead.

TIGHTENING STANDARDS FOR GOVERNMENTAL EFFICIENCY AND INTEGRITY

To develop a foundation to carry out energy policy, we consolidated scattered energy programs and launched the Synthetic Fuels Corporation; to give education the priority it deserves and at the same time reduce HHS to more manageable size, I gave education a seat at the Cabinet table, to create a stronger system for attacking waste and fraud, I reorganized audit and investigative functions by putting an Inspector General in major agencies. Since I took office, we have submitted 14 reorganization initiatives and had them all approved by Congress.

We have saved hundreds of millions of dollars through the adoption of business-like cash management principles and set strict standards for personal financial disclosure and conflict of interest avoidance by high Federal officials.

To streamline the structure of the government, we have secured approval of 14 reorganization initiatives, improving the efficiency of the most important sectors of the government, including energy, education, and civil rights enforcement. We have eliminated more than 300 advisory committees as well as other agencies, boards and commissions which were obsolete or ineffective. Independent Inspectors General have been appointed in major agencies to attack fraud and waste. More than a billion dollars of questionable transactions have been identified through their audit activities.

The adoption of business-like cash management and debt collection initiatives will save over $1 billion, by streamlining the processing of receipts, by controlling disbursements more carefully, and by reducing idle cash balances. Finally this Administration has set strict standards for personal financial disclosure and conflict of interest avoidance by high Federal officials, to elevate the level of public trust in the government.

V. PROTECTING BASIC RIGHTS AND LIBERTIES

I am extremely proud of the advances we have made in ensuring equality and protecting the basic freedoms of all Americans.

—The Equal Employment Opportunity Commission (EEOC) and the Office of Federal Contract Compliance (OFCCP) have been reorganized and strengthened and a permanent civil rights unit has been established in OMB.

—To avoid fragmented, inconsistent and duplicative enforcement of civil rights laws, three agencies have been given coordinative and standard-setting responsibilities in discrete areas: EEOC for all employment-related activities, HUD for all those relating to housing, and the Department of Justice for all other areas.

—With the enactment of the Right to Financial Privacy Act and a bill limiting police search of newsrooms, we have begun to establish a sound, comprehensive, privacy program.

Ratification of the Equal Rights Amendment must be aggressively pursued. Only one year remains in which to obtain ratification by three additional states.

The Congress must give early attention to a number of important bills which remain. These bills would:

—strengthen the laws against discrimination in housing. Until it is enacted, the 1978 Civil Rights Act's promise of equal access to housing will remain unfulfilled;

—establish a charter for the FBI and the intelligence agencies. The failure to define in law the duties and responsibilities of these agencies has made possible some of the abuses which have occurred in recent years;

—establish privacy safeguards for medical research, bank, insurance and credit records; and provide special protection for election fund transfer systems.

EQUAL RIGHTS AMENDMENT

I remain committed as strongly as possible to the ratification of the Equal Rights Amendment.

As a result of our efforts in 1978, the Equal Rights Amendment's deadline for ratification was extended for three years. We have now one year and three States left. We cannot afford any delay in marshalling our resources and efforts to obtain the ratification of those three additional States.

Although the Congress has no official role in the ratification process at this point, you do have the ability to affect public opinion and the support of State Legislators for the Amendment. I urge Members from States which have not yet ratified the Equal Rights Amendment to use their influence to secure ratification. I will continue my own efforts to help ensure ratification of the Equal Rights Amendment.

MARTIN LUTHER KING, JR.

Dr. Martin Luther King, Jr. led this Nation's effort to provide all its citizens with civil rights and equal opportunities. His commitment to human rights, peace and non-violence stands as a monument to his humanity and courage. As one of our Nation's most outstanding leaders, it is appropriate that his birthday be commemorated as a national holiday. I hope the Congress will enact legislation this year that will achieve this goal.

FAIR HOUSING

The Fair Housing Act Amendments of 1980 passed the House of Representatives by an overwhelming bipartisan majority only to die in the Senate at the close of the 96th Congress.

The leaders of both parties have pledged to make the enactment of fair housing legislation a top priority of the incoming Congress. The need is pressing and a strengthened federal enforcement effort must be the primary method of resolution.

CRIMINAL CODE

The Federal criminal laws are often archaic, frequently contradictory and imprecise, and clearly in need of revision and codification. The new Administration should continue the work which has been begun to develop a Federal criminal code which simplifies and clarifies our criminal laws, while maintaining our basic civil liberties and protections.

PRIVACY

As our public and private institutions collect more and more information and as communications and computer technologies advance, we must act to protect the personal privacy of our citizens.

In the past four years we acted on the report of the Privacy Commission and established a national privacy policy. We worked with Congress to pass legislation restricting wiretaps and law enforcement access to bank records and to reporters' files. We reduced the number of personal files held by the government and restricted the transfer of personal information among Federal agencies. We also worked with the Organization for Economic Cooperation and Development to establish international guidelines to protect the privacy of personal information that is transferred across borders.

VI. PROTECTING AND DEVELOPING OUR NATURAL RESOURCES

Two of our Nation's most precious natural resources are our environment and our vast agricultural capacity. From the beginning of my Administration, I have worked with the Congress to enhance and protect, as well as develop our natural resources. In the environmental areas, I have been especially concerned about the importance of balancing the need for resource development with preserving a clean environment, and have taken numerous actions to foster this goal. In the agricultural area, I have taken the steps needed to improve farm incomes and to increase our agricultural production to record levels. That progress must be continued in the 1980's.

ENVIRONMENT

Preserving the quality of our environment has been among the most important objectives of my Administration and of the Congress. As a result of these shared commitments and the dedicated efforts of many members of the Congress and my Administration, we have achieved several historic accomplishments.

PROTECTION OF ALASKA LANDS

Passage of the Alaska National Interest Lands Conservation Act was one of the most important conservation actions of this century. At stake was the fate of millions of acres of beautiful land, outstanding and unique wildlife populations, native cultures, and the opportunity to ensure that future generations of Americans would be able to enjoy the benefits of these nationally significant resources. As a result of the leadership, commitment, and persistence of my Administration and the Congressional leadership, the Alaska Lands Bill was signed into law last December.

The Act adds 97 million acres of new parks and refuges, more than doubling the size of our National Park and National Wildlife Refuge Systems. The bill triples the size of our national wilderness system, increasing its size by 56 million acres. And by adding 25 free-flowing river segments to the Wild and Scenic River System, the bill almost doubles the river mileage in that system. The Alaska Lands Act reaffirms our commitment to the environment and strikes a balance between protecting areas of great beauty and allowing development of Alaska's oil, gas, mineral, and timber resources.

PROTECTION OF NATURAL RESOURCES

In addition to the Alaska Lands Act, over the past four years we have been able to expand significantly the national wilderness and parks systems. In 1978, the Congress passed the historic Omnibus Parks Act, which made 12 additions to the National Park System. The Act also established the first two national trails since the National Trails System Act was passed in 1968. Then, in 1980, as a result of my 1979 Environmental Message, the federal land management agencies have established almost 300 new National Recreational Trails. With the completion of the RARE II process, which eliminated the uncertainty surrounding the status of millions of acres of land, we called for over 15 million acres of new wilderness in the nation's National Forest, in 1980 the Congress established about 4.5 million acres of wilderness in the lower 48 states. In addition, the Administration recommended legislation to protect Lake Tahoe, and through an Executive Order has already established a mechanism to help ensure the Lake's protection. Finally, in 1980 the Administration established the Channel Islands Marine Sanctuary.

Administration actions over the past four years stressed the importance of providing federal support only for water resource projects that are economically and environmentally sound. This policy should have a major and lasting influence on the federal government's role in water resource development and management. The Administration's actions to recommend to the Congress only economically and environmentally sound water resource projects for funding resulted not only in our opposing uneconomic projects but also—in 1979—in the first Administration proposal of new project starts in 4 years.

One of the most significant water policy actions of the past four years was the Administration's June 6, 1978 Water Policy Reform Message to the Congress. This Message established a new national water resources policy with the following objectives:

—to give priority emphasis to water conservation;

—to consider environmental requirements and values more fully and along with economic factors in the planning and management of water projects and programs;

—to enhance cooperation between state and federal agencies in water resources planning and management.

In addition, the Executive Office of the President established 11 policy decision criteria to evaluate the proposed federal water projects, the Water Resources Council developed and adopted a new set of Principles and Standards for water projects which is binding on all federal construction agencies, and improved regulations were developed to implement the National Historic Preservation Act and the Fish and Wildlife Coordination Act. As a result, water resource projects must be determined to be economically sound before the Administration will recommend authorization or appropriation. Over the years ahead, this policy will help to reduce wasteful federal spending by targeting federal funds to the highest priority water resource projects.

In the pursuit of this policy, however, we cannot lose sight of the vital role that sound water resource projects play in providing irrigation, power, and flood control. We must also recognize the special needs of particular regions of the country in evaluating the need for additional projects.

ADDRESSING GLOBAL RESOURCE AND ENVIRONMENTAL PROBLEMS

The *Global 2000 Report to the President*, prepared in response to my 1977 Environmental Message, is the first of its kind. Never before has our government, or any government, taken such a comprehensive, long-range look at the interrelated global issues of resources, population, and environment.

The Report's conclusions are important. They point to a rapid increase in population and human needs through the year 2000 while at the same time a decline in the earth's capacity to meet those needs—*unless* nations of the world act decisively to alter current trends.

The United States has contributed actively to a series of UN conferences on the environment, population, and resources, and is preparing for the 1981 Conference on New and Renewable Sources of Energy. Following my 1977 Environmental Message, the Administration development assistance programs have added emphasis to natural resource management and environmental protection. My 1979 Environmental Message called attention to the alarming loss of world forests, particularly in the tropics. An interagency task force on tropical forests has developed a U.S. government program to encourage conservation and wise management of tropical forests. The Administration is encouraging action by other nations and world organizations to the same purpose. The United States is a world leader in wildlife conservation and the assessment of environmental effects of government actions. The January 5, 1979, Executive Order directing U.S. government agencies to consider the effects of their major actions abroad, is another example of this leadership.

COMMITMENT TO CONTROL OF POLLUTION AND HAZARDOUS CHEMICALS

Over the past four years, there has been steady progress towards cleaner air and water, sustained by the commitment of Congress and the Administration to these important national objectives. In addition, the Administration has developed several new pollution compliance approaches such as alternative and innovative waste water treatment projects, the "bubble" concept, the "offset" policy, and permit consolidation, all of which

are designed to reduce regulatory burdens on the private sector.

One of the most pressing problems to come to light in the past four years has been improper hazardous waste disposal. The Administration has moved on three fronts. First, we proposed the Oil Hazardous Substances and Hazardous Waste Response, Liability and Compensation Act (the "Superfund" bill) to provide comprehensive authority and $1.6 billion in funds to clean up abandoned hazardous waste disposal sites. In November 1980 the Congress passed a Superfund bill which I signed into law.

Second, the Administration established a hazardous waste enforcement strike force to ensure that when available, responsible parties are required to clean up sites posing dangers to public health and to the environment. To date, 50 lawsuits have been brought by the strike force.

Third, regulations implementing subtitle C of the Resource Conservation and Recovery Act were issued. The regulations establish comprehensive controls for hazardous waste and, together with vigorous enforcement, will help to ensure that Love Canal will not be repeated.

THE FUTURE

For the future, we cannot—and we must not—forget that we are charged with the stewardship of an irreplaceable environment and natural heritage. Our children, and our children's children, are dependent upon our maintaining our commitment to preserving and enhancing the quality of our environment. It is my hope that when our descendants look back on the 1980's they will be able to affirm:

—that we kept our commitment to the restoration of environmental quality;

—that we protected the public health from the continuing dangers of toxic chemicals, from pollution, from hazardous and radioactive waste, and that we made our communities safer, healthier and better places to live;

—that we preserved America's wilderness areas, and particularly its last great frontier, Alaska, for the benefit of all Americans in perpetuity;

—that we put this nation on a path to a sustainable energy future, one based increasingly on renewable resources and on energy conservation;

—that we moved to protect America's countryside and coastland from mismanagement and irresponsibility;

—that we redirected the management of the nation's water resources toward water conservation, sound development and environmental protection;

—that we faced squarely such worldwide problems as the destruction of forests, acid rain, carbon dioxide build-up and nuclear proliferation; and

—that we protected the habitat and the existence of our own species on this earth.

AGRICULTURE

THE FARM ECONOMY

The farm economy is sound and its future is bright. Agriculture remains a major bulwark of the nation's economy and an even more important factor in the world food system. The demand for America's agricultural abundance, here and abroad, continues to grow. In the near-term, the strength of this demand is expected to press hard against supplies, resulting in continued price strength.

The health and vitality of current-day agriculture represents a significant departure from the situation that existed when I came to office four years ago. In January 1977, the farm economy was in serious trouble. Farm prices and farm income were falling rapidly. Grain prices were at their lowest levels in years and steadily falling. Livestock producers, in their fourth straight year of record losses, were liquidating breeding herds at an unparalleled rate. Dairy farmers were losing money on every hundredweight of milk they produced. Sugar prices were in a nosedive.

Through a combination of improvements in old, established programs and the adoption of new approaches where innovation and change were needed, my Administration turned this situation around. Commodity prices have steadily risen. Farm income turned upward. U.S. farm exports set new records each year, increasing over 80 percent for the four year period. Livestock producers began rebuilding their herds. Dairy farmers began to earn a profit again.

RECENT POLICY INITIATIVES

Several major agricultural policy initiatives have been undertaken over the past year. Some are the culmination of policy proposals made earlier in this Administration; others are measures taken to help farmers offset the impact of rapid inflation in production costs. In combination, they represent a significant strengthening of our nation's food and agricultural policy. These initiatives include:

FOOD SECURITY RESERVE

The Congress authorized formation of a 4 million ton food grain reserve for use in international food assistance. This reserve makes it possible for the United States to stand behind its food aid commitment to food deficit nations, even during periods of short supplies and high prices. This corrects a serious fault in our past food assistance policy.

COMPREHENSIVE CROP INSURANCE

The Congress also authorized a significant new crop insurance program during 1980. This measure provides farmers with an important new program tool for sharing the economic risks that are inherent to agriculture. When fully operational, it will replace a hodgepodge of disaster programs that suffered from numerous shortcomings.

SPECIAL LOAN RATES

Another legislative measure passed late in the 2nd session of the 96th Congress authorizes the Secretary of Agriculture to provide higher loan rates to farmers who enter their grain in the farmer-owned grain reserve. This additional incentive to participate will further strengthen the reserve.

INCREASED LOAN PRICES

In July 1980, I administratively raised loan prices for wheat, feedgrains, and soybeans to help offset the effects of a serious cost-price squeeze. At the same time, the release and call prices for the grain reserve were adjusted upward.

HIGHER TARGET PRICES

The Agricultural Adjustment Act of 1980 raised the target prices for 1980-crop wheat and feed grain crops. This change corrected for shortcomings in the adjustment formula contained in the Food and Agriculture Act of 1977.

FUTURE AGENDA

The food and agricultural policies adopted by this Administration over the past four years, including those described above, will provide a firm foundation for future governmental actions in this field. Expiration of the Food and Agriculture Act of 1977 later this year will require early attention by the Congress. With relatively minor changes, most of the authorities contained in the 1977 Act should be extended in their present form. The farmer-owned grain reserve has proven to be a particularly effective means of stabilizing grain markets and should be preserved in essentially its present form.

Beyond this, it will be important for the Congress to keep a close eye on price-cost developments in the farm sector. As noted above, some of the actions I took last year were for the purpose of providing relief from the cost-price squeeze facing farmers. Should these pressures continue, further actions might be required.

My Administration has devoted particular attention to the issues of world hunger, agricultural and use, and the future structure of American agriculture. I encourage the Congress and the next Administration to review the results of these landmark enquiries and, where deemed appropriate, to act on their recommendations.

Following a careful review of the situation, I recently extended the suspension of grain sales to the Soviet Union. I am satisfied that this action has served its purpose effectively and fairly. However, as long as this suspension must remain in effect, it will be important for the next Administration and the Congress to take whatever actions are necessary to ensure that the burden does not fall unfairly on our Nation's farmers. This has been a key feature of my Administration's policy, and it should be maintained.

VII. FOREIGN POLICY

From the time I assumed office four years ago this month, I have stressed the need for this country to assert a leading role in a world undergoing the most extensive and intensive change in human history.

My policies have been directed in particular at three areas of change:

—The steady growth and increased projection abroad of Soviet military power—power that has grown faster than our own over the past two decades.

—the overwhelming dependence of Western nations, which now increasingly includes the United States, on vital oil supplies from the Middle East.

—the pressures of change in many nations of the developing world, in Iran and uncertainty about the future stability of many developing countries.

As a result of those fundamental facts, we face some of the most serious challenges in the history of this nation. The Soviet invasion of Afghanistan is a threat to global peace, to East-West relations, and to regional stability and to the flow of oil. As the unprecedented and overwhelming vote in the General Assembly demonstrated, countries across the world—and particularly the non-aligned—regard the Soviet invasion as a threat to their independence and security. Turmoil within the region adjacent to the Persian Gulf poses risks for the security and prosperity of every oil importing nation and thus for the entire global economy. The continuing holding of American hostages in Iran is both an affront to civilized people everywhere, and a serious impediment to meeting the self-evident threat to widely-shared common interests—including those of Iran.

But as we focus our most urgent efforts on pressing problems, we will continue to pursue the benefits that only change can bring. For it always has been the essence of America that we want to move on—we understand that prosperity, progress and most of all peace cannot be had by standing still. A world of nations striving to preserve their independence, and of peoples aspiring for economic development and political freedom is not a world hostile to the ideals and interests of the United States. We face powerful adversaries but we have strong friends and dependable allies. We have common interests with the vast majority of the world's nations and peoples.

There have been encouraging developments in recent years, as well as matters requiring continued vigilance and concern:

—Our alliances with the world's most advanced and democratic states from Western Europe through Japan are stronger than ever.

—We have helped to bring about a dramatic improvement in relations between Egypt and Israel and an historic step towards a comprehensive Arab-Israeli settlement.

—Our relations with China are growing closer, providing a major new dimension in our policy in Asia and the world.

—Across southern Africa from Rhodesia to Namibia we are helping with the peaceful transition to majority rule in a context of respect for minority as well as majority rights.

—We have worked domestically and with our allies to respond to an uncertain energy situation by conservation and diversification of energy supplies based on internationally agreed targets.

—We have unambiguously demonstrated our commitment to defend Western interests in Southwest Asia, and we have significantly increased our ability to do so.

—And over the past four years the U.S. has developed an energy program which is comprehensive and ambitious. New institutions have been established such as the Synthetic Fuels Corporation and Solar Bank. Price decontrol for oil and gas is proceeding. American consumers have risen to the challenge, and we have experienced real improvements in consumption patterns.

The central challenge for us today is to our steadfastness of purpose. We are no longer tempted by isolationism. But we must also learn to deal effectively with the contradictions of the world—the need to cooperate with potential adversaries without euphoria, without undermining our determination to compete with such adversaries and if necessary confront the threats they may pose to our security.

We face a broad range of threats and opportunities. We have and should continue to pursue a broad range of defense, diplomatic and economic capabilities and objectives.

I see six basic goals for America in the world over the 1980's:

—First, we will continue, as we have over the past four years, to build America's military strength and that of our allies and friends. Neither the Soviet Union nor any other nation will have reason to question our will to sustain the strongest and most flexible defense forces.

—Second, we will pursue an active diplomacy in the world, working—together with our friends and allies—to resolve disputes through peaceful means and to make any aggressor pay a heavy price.

—Third, we will strive to resolve pressing international economic problems—particularly energy and inflation—and continue to pursue our still larger objective of global economic growth through expanded trade and development assistance and through the preservation of an open multilateral trading system.

—Fourth, we will continue vigorously to support the process of building democratic institutions and improving human rights protection around the world. We are deeply convinced that the future lies not with dictatorship but democracy.

—Fifth, we remain deeply committed to the process of mutual and verifiable arms control, particularly to the effort to prevent the spread and further development of nuclear weapons. Our decision to defer, but not abandon our efforts to secure ratification of the SALT II Treaty reflects our firm conviction that the United States has a profound national security interest in the constraints on Soviet nuclear forces which only that treaty can provide.

—Sixth, we must continue to look ahead in order to evaluate and respond to resource, environment and population challenges through the end of this century.

One very immediate and pressing objective that is uppermost on our minds and those of the American people is the release of our hostages in Iran.

We have no basic quarrel with the nation, the revolution or the people of Iran. The threat to them comes not from American policy but from Soviet actions in the region. We are prepared to work with the government of Iran to develop a new and mutually beneficial relationship.

But that will not be possible so long as Iran continues to hold American hostages, in defiance of the world community and civilized behavior. They must be released unharmed. We have thus far pursued a measured program of peaceful diplomatic and economic steps in an attempt to resolve this issue without resorting to other remedies available to us under international law. This reflects the deep respect of our nation for the rule of law and for the safety of our people being held, and our belief that a great power bears a responsibility to use its strength in a measured and judicious manner. But our patience is not unlimited and our concern for the well-being of our fellow citizens grows each day.

ENHANCING NATIONAL SECURITY—AMERICAN MILITARY STRENGTH

The maintenance of national security is my first concern, as it has been for every president before me.

We must have both the military power and the political will to deter our adversaries and to support our friends and allies.

We must pay whatever price is required to remain the strongest nation in the world. That price has increased as the military power of our major adversary has grown and its readiness to use that power been made all too evident in Afghanistan. The real increases in defense spending therefore probably will be higher than previously projected; protecting our security may require a larger share of our national wealth in the future.

THE U.S.-SOVIET RELATIONSHIP

We are demonstrating to the Soviet Union across a broad front that it will pay a heavy price for its aggression in terms of our relationship. Throughout the last decades U.S.-Soviet relations have been a mixture of cooperation and competition. The Soviet invasion of Afghanistan and the imposition of a puppet government have highlighted in the starkest terms the darker side of their policies—going well beyond competition and the legitimate pursuit of national interest, and violating all norms of international law and practice.

This attempt to subjugate an independent, non-aligned Islamic people is a callous violation of international law and the United Nations Charter, two fundamentals of international order. Hence, it is also a dangerous threat to world peace. For the first time since the communization of Eastern Europe after World War II, the Soviets have sent combat forces into an area that was not previously under their control, into a non-aligned and sovereign state.

The destruction of the independence of the Afghanistan government and the occupation by the Soviet Union have altered the strategic situation in that part of the world in a very ominous fashion. It has significantly shortened the strik-

ing distance to the Indian Ocean and the Persian Gulf for the Soviet Union.

It has also eliminated a buffer between the Soviet Union and Pakistan and presented a new threat to Iran. These two countries are now far more vulnerable to Soviet political intimidation. If that intimidation were to prove effective, the Soviet Union could control an area of vital strategic and economic significance to the survival of Western Europe, the Far East, and ultimately the United States.

It has now been over a year since the Soviet invasion of Afghanistan dealt a major blow to U.S.-Soviet relations and the entire international system. The U.S. response has proven to be serious and far-reaching. It has been increasingly effective, imposing real and sustained costs on the USSR's economy and international image.

Meanwhile, we have encouraged and supported efforts to reach a political settlement in Afghanistan which would lead to a withdrawal of Soviet forces from that country and meet the interests of all concerned. It is Soviet intransigence that has kept those efforts from bearing fruit.

Meanwhile, an overwhelming November resolution of the United Nations General Assembly on Afghanistan has again made clear that the world has not and will not forget Afghanistan. And our response continues to make it clear that Soviet use of force in pursuit of its international objectives is incompatible with the notion of business-as-usual.

BILATERAL COMMUNICATION

U.S.-Soviet relations remain strained by the continued Soviet presence in Afghanistan, by growing Soviet military capabilities, and by the Soviets' apparent willingness to use those capabilities without respect for the most basic norms of international behavior.

But the U.S.-Soviet relationship remains the single most important element in determining whether there will be war or peace. And so, despite serious strains in our relations, we have maintained a dialogue with the Soviet Union over the past year. Through this dialogue, we have ensured against bilateral misunderstandings and miscalculations which might escalate out of control, and have managed to avoid the injection of superpower rivalries into areas of tension like the Iran-Iraq conflict.

POLAND

Now, as was the case a year ago, the prospect of Soviet use of force threatens the international order. The Soviet Union has completed preparations for a possible military intervention against Poland. Although the situation in Poland has shown signs of stabilizing recently, Soviet forces remain in a high state of readiness and they could move into Poland on short notice. We continue to believe that the Polish people should be allowed to work out their internal problems themselves, without outside interference, and we have made clear to the Soviet leadership that any intervention in Poland would have severe and prolonged consequences for East-West detente, and U.S.-Soviet relations in particular.

DEFENSE BUDGET

For many years the Soviets have steadily increased their real defense spending, expanded their strategic forces, strengthened their forces in Europe and Asia, and enhanced their capability for projecting military force around the world directly or through the use of proxies. Afghanistan dramatises the vastly increased military power of the Soviet Union.

The Soviet Union has built a war machine far beyond any reasonable requirements for their own defense and security. In contrast, our own defense spending declined in real terms every year from 1968 through 1976.

We have reversed this decline in our own effort. Every year since 1976 there has been a real increase in our defense spending—and our lead has encouraged increases by our allies. With the support of the Congress, we must and will make an even greater effort in the years ahead.

The Fiscal Year 1982 budget would increase funding authority for defense to more than $196 billion. This amount, together with a supplemental request for FY 1981 of about $6 billion, will more than meet my Administration's pledge for a sustained growth of 3 percent in real expenditures, and provides for 5 percent in program growth in FY 1982 and beyond.

The trends we mean to correct cannot be remedied overnight; we must be willing to see this program through. To ensure that we do so I am setting a growth rate for defense that we can sustain over the long haul.

The defense program I have proposed for the next five years will require some sacrifice—but sacrifice we can well afford.

The defense program emphasizes four areas:

—It ensures that our strategic nuclear forces will be equivalent to those of the Soviet Union and that deterrence against nuclear war will be maintained;

—It upgrades our forces so that the military balance between NATO and the Warsaw Pact will continue to deter the outbreak of war—conventional or nuclear—in Europe;

—It provides us the ability to come quickly to the aid of friends and allies around the globe;

—And it ensures that our Navy will continue to be the most powerful on the seas.

STRATEGIC FORCES

We are strengthening each of the three legs of our strategic forces. The cruise missile production which will begin next year will modernize our strategic air deterrent. B-52 capabilities will also be improved. These steps will maintain and enhance the B-52 fleet by improving its ability to deliver weapons against increasingly heavily defended targets.

We are also modernizing our strategic submarine force. Four more POSEIDON submarines backfitted with new, 4,000 mile TRIDENT I missiles began deployments in 1980. Nine TRIDENT submarines have been authorized through 1981, and we propose one more each year.

The new M-X missile program to enhance our land-based intercontinental ballistic missile force continues to make progress. Technical refinements in the basing design over the last year will result in operational benefits, lower costs, and reduced environmental impact. The M-X program continues to be an essential ingredient in our strategic posture—providing survivability, endurance, secure command and control and the capability to threaten targets the Soviets hold dear.

Our new systems will enable U.S. strategic forces to maintain equivalence in the face of the mounting Soviet challenge. We would however need an even greater investment in strategic systems to meet the likely Soviet buildup without SALT.

STRATEGIC DOCTRINE

This Administration's systematic contributions to the necessary evolution of strategic doctrine began in 1977 when I commissioned a comprehensive net assessment. From that base a number of thorough investigations of specific topics continued. I should emphasize that the need for an evolutionary doctrine is driven not by any change in our basic objective—which remains peace and freedom for all mankind. Rather, the need for change is driven by the inexorable buildup of Soviet military power and the increasing propensity of Soviet leaders to use this power in coercion and outright aggression to impose their will on others.

I have codified our evolving strategic doctrine in a number of interrelated and mutually supporting Presidential Directives. Their overarching theme is to provide a doctrinal basis—and the specific programs to implement it—that tells the world that no potential adversary of the United States could ever conclude that the fruits of his aggression would be significant or worth the enormous costs of our retaliation.

The Presidential Directives include:

PD-18: An overview of our strategic objectives

PD-37: Basic space policy

PD-41: Civil Defense

PD-53: Survivability and endurance for telecommunications

PD-57: Mobilization planning

PD-58: Continuity of Government

PD-59: Countervailing Strategy for General War

These policies have been devised to deter, first and foremost, Soviet aggression. As such they confront not only Soviet military forces but also Soviet military doctrine. By definition deterrence requires that we shape Soviet assessments about the risks of war—assessments they will make using their doctrine, not ours.

But at the same time we in no way seek to emulate their doctrine. In particular, nothing in our policy contemplates that nuclear warfare could ever be a deliberate instrument for achieving our own goals of peace and freedom. Moreover, our policies are carefully devised to provide the greatest possible incentives and

opportunities for future progress in arms control.

Finally our doctrinal evolution has been undertaken with appropriate consultation with our NATO Allies and others. We are fully consistent with NATO's strategy of flexible response.

FORCES FOR NATO

We are greatly accelerating our ability to reinforce Western Europe with massive ground and air forces in a crisis. We are undertaking a major modernization program for the Army's weapons and equipment, adding armor, firepower, and tactical mobility.

We are prepositioning more heavy equipment in Europe to help us cope with attacks with little warning, and greatly strengthening our airlift and sealift capabilities.

We are also improving our tactical air forces—buying about 1700 new fighter and attack aircraft over the next five years—and increasing the number of Air Force fighter wings by over 10 percent.

We are working closely with our European allies to secure the Host Nation Support necessary to enable us to deploy more quickly a greater ratio of combat forces to the European theater at a lower cost to the United States.

SECURITY ASSISTANCE

As we move to enhance U.S. defense capabilities, we must not lose sight of the need to assist others in maintaining their own security and independence. Events since World War II, most recently in Southwest Asia, have amply demonstrated that U.S. security cannot exist in a vacuum, and that our own prospects for peace are closely tied to those of our friends. The security assistance programs which I am proposing for the coming fiscal year thus directly promote vital U.S. foreign policy and national security aims—and are integral parts of our efforts to improve and upgrade our own military forces.

More specifically, these programs, which are part of our overall foreign aid request, promote U.S. security in two principal ways. First, they assist friendly and allied nations to develop the capability to defend themselves and maintain their own independence. An example during this past year was the timely support provided Thailand to help bolster that country's defenses against the large numbers of Soviet-backed Vietnamese troops ranged along its eastern frontier. In addition, over the years these programs have been important to the continued independence of other friends and allies such as Israel, Greece, Turkey and Korea. Second, security assistance constitutes an essential element in the broad cooperative relationships we have established with many nations which permit either U.S. bases on their territory or access by U.S. forces to their facilities. These programs have been particularly important with regard to the recently-concluded access agreements with various countries in the Persian Gulf and Indian Ocean regions and have been crucial to the protection of our interests throughout Southwest Asia.

RAPID DEPLOYMENT FORCES

We are systematically enhancing our ability to respond rapidly to non-NATO contingencies wherever required by our commitments or when our vital interests are threatened.

The rapid deployment forces we are assembling will be extraordinarily flexible: They could range in size from a few ships or air squadrons to formations as large as 100,000 men, together with their support. Our forces will be prepared for rapid deployment to any region of strategic significance.

Among the specific initiatives we are taking to help us respond to crises outside of Europe are:

—the development of a new fleet of large cargo aircraft with intercontinental range;

—the design and procurement of a force of Maritime Prepositioning Ships that will carry heavy equipment and supplies for three Marine Corps brigades;

—the procurement of fast sealift ships to move large quantities of men and material quickly from the U.S. to overseas areas of deployment;

—increasing training and exercise activities to ensure that our forces will be well prepared to deploy and operate in distant areas.

In addition, our European allies have agreed on the importance of providing support to U.S. deployments to Southwest Asia.

NAVAL FORCES

Seapower is indispensable to our global position—in peace and also in war. Our shipbuilding program will sustain a 550-ship Navy in the 1990's and we will continue to build the most capable ships afloat.

The program I have proposed will assure the ability of our Navy to operate in high threat areas, to maintain control of the seas and protect vital lines of communication—both military and economic—and to provide the strong maritime component of our rapid deployment forces. This is essential for operations in remote areas of the world, where we cannot predict far in advance the precise location of trouble, or preposition equipment on land.

MILITARY PERSONNEL

No matter how capable or advanced our weapons systems, our military security depends on the abilities, the training and the dedication of the people who serve in our armed forces. I am determined to recruit and to retain under any foreseeable circumstances an ample level of such skilled and experienced military personnel. This Administration has supported for FY 1981 the largest peacetime increase ever in military pay and allowances.

We have enhanced our readiness and combat endurance by improving the Reserve Components. All reservists are assigned to units structured to complement and provide needed depth to our active forces. Some reserve personnel have also now been equipped with new equipment.

MOBILIZATION PLANNING

We have completed our first phase of mobilization planning—the first such Presidentially-directed effort since World War II. The government-wide exercise of our mobilization plans at the end of 1980 showed, first, that planning pays off and, second, that much more needs to be done.

OUR INTELLIGENCE POSTURE

Our national interests are critically dependent on a strong and effective intelligence capability. We will maintain and strengthen the intelligence capabilities needed to assure our national security. Maintenance of and continued improvements in our multi-faceted intelligence effort are essential if we are to cope successfully with the turbulence and uncertainties of today's world.

The intelligence budget I have submitted to the Congress responds to our needs in a responsible way, providing for significant growth over the Fiscal Year 1981 budget. This growth will enable us to develop new technical means of intelligence collection while also assuring that the more traditional methods of intelligence work are also given proper stress. We must continue to integrate both modes of collection in our analyses.

REGIONAL POLICIES

Every President for over three decades has recognized that America's interests are global and that we must pursue a global foreign policy.

Two world wars have made clear our stake in Western Europe and the North Atlantic area. We are also inextricably linked with the Far East—politically, economically, and militarily. In both of these, the United States has a permanent presence and security commitments which would be automatically triggered. We have become increasingly conscious of our growing interests in a third area—the Middle East and the Persian Gulf area.

We have vital stakes in other major regions of the world as well. We have long recognized that in an era of interdependence, our own security and prosperity depend upon a larger common effort with friends and allies throughout the world.

THE ATLANTIC ALLIANCE

At the outset of this Administration, I emphasized the primacy of our Atlantic relationship in this country's national security agenda. We have made important progress toward making the Atlantic Alliance still more effective in a changing security environment.

In recognition of the threat which the Soviet invasion of Afghanistan posed to Western interests in both Europe and Southwest Asia, NATO foreign and defense ministers have expressed full support for U.S. efforts to develop a capability to respond to a contingency in Southwest Asia and have approved an extensive program to help fill the gap which could be created by the diversion of U.S. forces to that region.

The U.S. has not been alone in seeking to maintain stability in the Southwest Asia area and insure access to the needed resources there. The European nations with the capability to do so are improving their own forces in the region and providing greater economic and political support to the residents of the area. In

the face of the potential danger posed by the Iran-Iraq conflict, we have developed coordination among the Western forces in the area of the Persian Gulf in order to be able to safeguard passage in that essential waterway.

Concerning developments in and around Poland, the allies have achieved the highest level of cohesion and unity of purpose in making clear the effects on future East-West relations of a precipitous Soviet act there.

The alliance has continued to build on the progress of the past three years in improving its conventional forces through the Long-Term Defense Program. Though economic conditions throughout Europe today are making its achievement difficult, the yearly real increase of 3 percent in defense spending remains a goal actively sought by the alliance.

The NATO alliance also has moved forward during the past year with the implementation of its historic December 1979 decision to modernize its Theater Nuclear Force capabilities through deployment of improved Pershing ballistic missiles and ground-launched cruise missiles in Europe. Our allies continue to cooperate actively with us in this important joint endeavor, whose purpose is to demonstrate convincingly to the Soviet Union the potential costs of a nuclear conflict in Europe. At the same time, we offered convincing evidence of our commitment to arms control in Europe by initiating preliminary consultations with the Soviet Union in Geneva on the subject of negotiated limits on long-range theater nuclear forces. Also, during 1980 we initiated and carried out a withdrawal from our nuclear weapons stockpile in Europe of 1,000 nuclear warheads. This successful drawdown in our nuclear stockpile was a further tangible demonstration of our commitment to the updating of our existing theater nuclear forces in Europe.

In the NATO area, we continued to work closely with other countries in providing resources to help Turkey regain economic health. We regretted that massive political and internal security problems led the Turkish military to take over the government on September 12. The new Turkish authorities are making some progress in resolving those problems, and they have pledged an early return to civilian government. The tradition of the Turkish military gives us cause to take that pledge seriously. We welcomed the reestablishment of Greece's links to the integrated military command structure of the Atlantic Alliance—a move which we had strongly encouraged—as a major step toward strengthening NATO's vital southern flank at a time of international crisis and tension in adjacent areas. Greek reintegration exemplifies the importance which the allies place on cooperating in the common defense and shows that the allies can make the difficult decisions necessary to insure their continued security. We also welcomed the resumption of the intercommunal talks on Cyprus.

THE U.S. AND THE PACIFIC NATIONS

The United States is a Pacific nation, as much as it is an Atlantic nation. Our interests in Asia are as important to us as our interests in Europe. Our trade with Asia is as great as our trade with Europe. During the past four years we have regained a strong, dynamic and flexible posture for the United States in this vital region.

Our major alliances with Japan, Australia and New Zealand are now stronger than they ever have been, and together with the nations of western Europe, we have begun to form the basic political structure for dealing with international crises that affect us all. Japan, Australia and New Zealand have given us strong support in developing a strategy for responding to instability in the Persian Gulf.

Normalization of U.S. relations with China has facilitated China's full entry into the international community and encouraged a constructive Chinese role in the Asia-Pacific region. Our relations with China have been rapidly consolidated over the past year through the conclusion of a series of bilateral agreements. We have established a pattern of frequent and frank consultations between our two governments, exemplified by a series of high-level visits and by regular exchanges at the working level, through which we have been able to identify increasingly broad areas of common interest on which we can cooperate.

United States relations with the Association of Southeast Asian Nations (ASEAN) have also expanded dramatically in the past four years. ASEAN is now the focus for U.S. policy in Southeast Asia, and its cohesion and strength are essential to stability in this critical area and beyond.

Soviet-supported Vietnamese aggression in Indochina has posed a major challenge to regional stability. In response, we have reiterated our security commitment to Thailand and have provided emergency security assistance for Thai forces facing a Vietnamese military threat along the Thai-Cambodian border. We have worked closely with ASEAN and the UN to press for withdrawal of Vietnamese forces from Cambodia and to encourage a political settlement in Cambodia which permits that nation to be governed by leaders of its own choice.

We still look forward to the day when Cambodia peacefully can begin the process of rebuilding its social, economic and political institutions, after years of devastation and occupation. And, on humanitarian grounds and in support of our friends in the region, we have worked vigorously with international organizations to arrange relief and resettlement for the exodus of Indochinese refugees which threatened to overwhelm these nations.

We have maintained our alliance with Korea and helped assure Korea's security during a difficult period of political transition.

We have amended our military base agreement with the Philippines, ensuring stable access to these bases through 1991. The importance of our Philippine bases to the strategic flexibility of U.S. forces and our access to the Indian Ocean is self-evident.

Finally, we are in the process of concluding a long negotiation establishing Micronesia's status as a freely associated state.

We enter the 1980's with a firm strategic footing in East Asia and the Pacific, based on stable and productive U.S. relations with the majority of countries of the region. We have established a stable level of U.S. involvement in the region, appropriate to our own interests and to the interests of our friends and allies there.

THE MIDDLE EAST AND SOUTHWEST ASIA

The continuing Soviet occupation of Afghanistan and the dislocations caused by the Iraq-Iran war serve as constant reminders of the critical importance for us, and our allies, of a third strategic zone stretching across the Middle East, the Persian Gulf, and much of the Indian subcontinent. This Southwest Asian region has served as a key strategic and commercial link between East and West over the centuries. Today it produces two-thirds of the world's oil exports, providing most of the energy needs of our European allies and Japan. It has experienced almost continuous conflict between nations, internal instabilities in many countries, and regional rivalries, combined with very rapid economic and social change. And now the Soviet Union remains in occupation of one of these nations, ignoring world opinion which has called on it to get out.

We have taken several measures to meet these challenges.

MIDDLE EAST

In the Middle East, our determination to consolidate what has already been achieved in the peace process—and to buttress that accomplishment with further progress toward a comprehensive peace settlement—must remain a central goal of our foreign policy. Pursuant to their peace treaty, Egypt and Israel have made steady progress in the normalization of their relations in a variety of fields, bringing the benefits of peace directly to their people. The new relationship between Egypt and Israel stands as an example of peaceful cooperation in an increasingly fragmented and turbulent region.

Both President Sadat and Prime Minister Begin remain committed to the current negotiations to provide full autonomy to the inhabitants of the West Bank and Gaza. These negotiations have been complex and difficult, but they have already made significant progress, and it is vital that the two sides, with our assistance, see the process through to a successful conclusion. We also recognize the need to broaden the peace process to include other parties to the conflict and believe that a successful autonomy agreement is an essential first step toward this objective.

We have also taken a number of steps to strengthen our bilateral relations with both Israel and Egypt. We share important strategic interests with both of these countries.

We remain committed to Israel's security and are prepared to take concrete steps to support Israel whenever that security is threatened.

PERSIAN GULF

The Persian Gulf has been a vital crossroads for trade between Europe and Asia at many key moments in history. It has become essential in recent years for its supply of oil to the United States, our allies, and our friends. We have taken effective measures to control our own consumption of imported fuel, working in cooperation with the other key industrial nations of the world. However, there is little doubt that the healthy growth of our American and world economies will depend for many years on continued safe access to the Persian Gulf's oil production. The denial of these oil supplies would threaten not only our own but world security.

The potent new threat from an advancing Soviet Union, against the background of regional instability of which it can take advantage, requires that we reinforce our ability to defend our regional friends and to protect the flow of oil. We are continuing to build on the strong political, economic, social and humanitarian ties which bind this government and the American people to friendly governments and peoples of the Persian Gulf.

We have also embarked on a course to reinforce the trust and confidence our regional friends have in our ability to come to their assistance rapidly with American military force if needed. We have increased our naval presence in the Indian Ocean. We have created a Rapid Deployment Force which can move quickly to the Gulf—or indeed any other area of the world where outside aggression threatens. We have concluded several agreements with countries which are prepared to let us use their airports and naval facilities in an emergency. We have met requests for reasonable amounts of American weaponry from regional countries which are anxious to defend themselves. And we are discussing with a number of our area friends further ways we can help to improve their security and ours, both for the short and the longer term.

SOUTH ASIA

We seek a South Asia comprising sovereign and stable states, free of outside interference, which can strengthen their political institutions according to their own national genius and can develop their economies for the betterment of their people.

The Soviet invasion of Afghanistan has posed a new challenge to this region, and particularly to neighboring Pakistan. We are engaged in a continuing dialogue with the Pakistan government concerning its development and security requirements and the economic burden imposed by Afghan refugees who have fled to Pakistan. We are participating with other aid consortium members in debt rescheduling and will continue to cooperate through the UNHCR in providing refugee assistance. We remain committed to Pakistan's territorial integrity and independence.

Developments in the broad South/Southwest Asian region have also lent a new importance to our relations with India, the largest and strongest power in the area. We share India's interest in a more constructive relationship. Indian policies and perceptions at times differ from our own, and we have established a candid dialogue with this sister democracy which seeks to avoid the misunderstandings which have sometimes complicated our ties.

We attach major importance to strong economic assistance programs to the countries in the area, which include a majority of the poor of the non-Communist world. We believe that these programs will help achieve stability in the area, an objective we share with the countries in the region. Great progress has been achieved by these countries in increasing food production; international cooperation in harnessing the great river resources of South Asia would contribute further to this goal and help to increase energy production.

We continue to give high priority to our non-proliferation goals in the area in the context of our broad global and regional priorities. The decision to continue supply of nuclear fuel to the Indian Tarapur reactors was sensitive to this effort.

AFRICA

The United States has achieved a new level of trust and cooperation with Africa. Our efforts, together with our allies, to achieve peace in southern Africa, our increased efforts to help the poorest countries in Africa to combat poverty, and our expanded efforts to promote trade and investment, have led to growing respect for the U.S. and to cooperation in areas of vital interest to the United States.

Africa is a continent of poor nations for the most part. It also contains many of the mineral resources vital for our economy. We have worked with Africa in a spirit of mutual cooperation to help the African nations solve their problems of poverty and to develop stronger ties between our private sector and African economies. Our assistance to Africa has more than doubled in the last four years. Equally important, we set in motion new mechanisms for private investment and trade.

Nigeria is the largest country in Black Africa and the second largest oil supplier to the United States. During this Administration we have greatly expanded and improved our relationship with Nigeria and other West African states whose aspirations for a constitutional democratic order we share and support. This interest was manifested both symbolically and practically by the visit of Vice President Mondale to West Africa in July (1980) and the successful visit to Washington of the President of Nigeria in October.

During Vice President Mondale's visit, a Joint Agricultural Consultative Committee was established, with the U.S. represented entirely by the private sector. This could herald a new role for the American private sector in helping solve the world's serious food shortages. I am pleased to say that our relations with Nigeria are at an all-time high, providing the foundation for an even stronger relationship in the years ahead.

Another tenet of this Administration's approach to African problems has been encouragement and support for regional solutions to Africa's problems. We have supported initiatives by the Organization of African Unity to solve the protracted conflict in the western Sahara, Chad, and the Horn. In Chad, the world is watching with dismay as a country torn by a devastating civil war has become a fertile field for Libya's exploitation, thus demonstrating that threats to peace can come from forces within as well as without Africa.

In southern Africa the United States continues to pursue a policy of encouraging peaceful development toward majority rule. In 1980, Southern Rhodesia became independent as Zimbabwe, a multiracial nation under a system of majority rule. Zambabwean independence last April was the culmination of a long struggle within the country and diplomatic efforts involving Great Britain, African states neighboring Zimbabwe, and the United States.

The focus of our efforts in pursuit of majority rule in southern Africa has now turned to Namibia. Negotiations are proceeding among concerned parties under the leadership of UN Secretary General Waldheim. This should lead to implementation of the UN plan for self-determination and independence for Namibia during 1981. If these negotiations are successfully concluded, sixty-five years of uncertainty over the status of the territory, including a seven-year-long war, will be ended.

Common efforts to resolve the Zimbabwean and Namibian issues have brought the United States closer both to its Western allies—Great Britain, France, the Federal Republic of Germany, and Canada—and to African states such as Tanzania, Zambia, Mozambique, Angola, and Botswana, with whom relations have at some times in the past been difficult. The success of these common undertakings demonstrates that complex problems with sometimes bitter and bloody histories can be resolved peacefully through negotiation.

In response to our active concern with issues of importance to Africans, African states have cooperated with us on issues of importance to our national interests. African states voted overwhelmingly in favor of the UN Resolution calling for release of the hostages, and for the UN Resolution condemning the Soviet invasion of Afghanistan. Two countries of Africa have signed access agreements with the U.S. allowing us use of naval and air facilities in the Indian Ocean.

Africans have become increasingly vocal on human rights. African leaders have spoken out on the issue of political prisoners, and the OAU is drafting its own Charter on Human Rights. Three countries in Africa—Nigeria, Ghana, and Uganda—have returned to civilian rule during the past year.

U.S. cooperation with Africa on all these matters represents a strong base on which we can build in future years.

Liberia is a country of long-standing ties with the U.S. and the site of considerable U.S. investment and facilities. This past April a coup replaced the government and a period of political and economic uncertainty ensued. The U.S. acted swiftly to meet this situation. We, together with African leaders, urged the release of political prisoners, and many

have been released; we provided emergency economic assistance to help avoid economic collapse, and helped to involve the IMF and the banking community to bring about economic stability; and we have worked closely with the new leaders to maintain Liberia's strong ties with the West and to protect America's vital interests.

NORTH AFRICA

In early 1979, following a Libyan-inspired commando attack on a Tunisian provincial city, the U.S. responded promptly to Tunisia's urgent request for assistance, both by airlifting needed military equipment and by making clear our longstanding interest in the security and integrity of this friendly country. The U.S. remains determined to oppose other irresponsible Libyan aspirations. Despairing of a productive dialogue with the Libyan authorities, the U.S. closed down its embassy in Libya and later expelled six Libyan diplomats in Washington in order to deter an intimidation campaign against Libyan citizens in the U.S.

U.S. relations with Algeria have improved, and Algeria has played an indispensable and effective role as intermediary between Iran and the U.S. over the hostage issue.

The strengthening of our arms supply relationship with Morocco has helped to deal with attacks inside its internationally recognized frontiers and to strengthen its confidence in seeking a political settlement of the Western Sahara conflict. While not assuming a mediatory role, the U.S. encouraged all interested parties to turn their energies to a peaceful and sensible compromise resolution of the war in the Sahara and supported efforts by the Organization of African Unity toward that end. As the year drew to a close, the U.S. was encouraged by evolution in the attitudes of all sides, and is hopeful that their differences will be peacefully resolved in the year ahead so that the vast economic potential of North Africa can be developed for the well-being of the people living there.

LATIN AMERICA AND THE CARIBBEAN

The principles of our policies in this hemisphere have been clear and constant over the last four years. We support democracy and respect for human rights. We have struggled with many to help free the region of both repression and terrorism. We have respected ideological diversity and opposed outside intervention in purely internal affairs. We will act, though, in response to a request for assistance by a country threatened by external aggression. We support social and economic development within a democratic framework. We support the peaceful settlement of disputes. We strongly encourage regional cooperation and shared responsibilities within the hemisphere to all these ends, and we have eagerly and regularly sought the advice of the leaders of the region on a wide range of issues.

Last November, I spoke to the General Assembly of the Organization of American States of a cause that has been closest to my heart—human rights. It is an issue that has found its time in the hemisphere. The cause is not mine alone, but an historic movement that will endure.

At Riobamba, Ecuador, last September four Andean Pact countries, Costa Rica, and Panama broke new ground by adopting a "Code of Conduct," stating that joint action in defense of human rights does not violate the principles of non-intervention in the internal affairs of states in this hemisphere. The Organization of American States has twice condemned the coup that overturned the democratic process in Bolivia and the widespread abuse of human rights by the regime which seized power. The Inter-American Commission on Human Rights has gained world acclaim for its dispassionate reports. It completed two major country studies this year in addition to its annual report. In a resolution adopted without opposition, the OAS General Assembly in November strongly supported the work of the Commission. The American Convention on Human Rights is in force and an Inter-American Court has been created to judge human rights violations. This convention has been pending before the Senate for two years; I hope the United States this year will join the other nations of the hemisphere in ratifying a convention which embodies principles that are our tradition.

The trend in favor of democracy has continued. During this past year, Peru inaugurated a democratically elected government. Brazil continues its process of liberalization. In Central America, Hondurans voted in record numbers in their first national elections in over eight years. In the Caribbean seven elections have returned governments firmly committed to the democratic traditions of the Commonwealth.

Another major contribution to peace in the hemisphere is Latin America's own Treaty for the Prohibition of Nuclear Weapons. On behalf of the United States, I signed Protocol I of this Treaty in May of 1977 and sent it to the Senate for ratification. I urge that it be acted upon promptly by the Senate in order that it be brought into the widest possible effect in the Latin American region.

Regional cooperation for development is gaining from Central America to the Andes, and throughout the Caribbean. The Caribbean Group for Cooperation in Economic Development, which we established with 29 other nations in 1977, has helped channel $750 million in external support for growth in the Caribbean. The recent meeting of the Chiefs of State of the Eastern Caribbean set a new precedent for cooperation in that region. Mexico and Venezuela jointly and Trinidad and Tobago separately have established oil facilities that will provide substantial assistance to their oil importing neighbors. The peace treaty between El Salvador and Honduras will hopefully stimulate Central America to move forward again toward economic integration. Formation of Caribbean/Central American Action, a private sector organization, has given a major impetus to improving people-to-people bonds and strengthening the role of private enterprise in the development of democratic societies.

The Panama treaties have been in force for over a year. A new partnership has been created with Panama; it is a model for large and small nations. A longstanding issue that divided us from our neighbors has been resolved. The security of the canal has been enhanced. The canal is operating as well as ever, with traffic through it reaching record levels this year. Canal employees, American and Panamanian alike, have remained on the job and have found their living and working conditions virtually unchanged.

In 1980, relations with Mexico continued to improve due in large measure to the effectiveness of the Coordinator for Mexican Affairs and the expanded use of the U.S.-Mexico Consultative Mechanism. By holding periodic meetings of its various working groups, we have been able to prevent mutual concerns from becoming political issues. The Secretary of State visited Mexico City in November, and, along with the Mexican Secretary of Foreign Relations, reviewed the performance of the Consultative Mechanism. The office of the Coordinator has ensured the implementation of my directive to all agencies to accord high priority to Mexican concerns. Trade with Mexico rose by almost 60 percent to nearly $30 billion, making that country our third largest trading partner.

These are all encouraging developments. Other problems remain, however.

The impact of large-scale migration is affecting many countries in the hemisphere. The most serious manifestation was the massive, illegal exodus from Cuba last summer. The Cuban government unilaterally encouraged the disorderly and even deadly migration of 125,000 of its citizens in complete disregard for international law or the immigration laws of its neighbors. Migrations of this nature clearly require concerted action, and we have asked the OAS to explore means of dealing with similar situations which may occur in the future.

We have a long-standing treaty with Colombia on Quita Sueno, Roncador, and Serrano which remains to be ratified by the Senate.

In Central America, the future of Nicaragua is unclear. Recent tensions, the restrictions on the press and political activity, an inordinate Cuban presence in the country and the tragic killing by the security forces of a businessman well known for his democratic orientation, cause us considerable concern. These are not encouraging developments. But those who seek a free society remain in the contest for their nation's destiny. They have asked us to help rebuild their country, and by our assistance, to demonstrate that the democratic nations do not intend to abandon Nicaragua to the Cubans. As long as those who intend to pursue their pluralistic goals play important roles in Nicaragua, it deserves our continuing support.

In El Salvador, we have supported the efforts of the Junta to change the fundamental basis of an inequitable system and to give a stake in a new nation to

those millions of people, who for so long, lived without hope or dignity. As the government struggles against those who would restore an old tyranny or impose a new one, the United States will continue to stand behind them.

We have increased our aid to the Caribbean, an area vital to our national security, and we should continue to build close relations based on mutual respect and understanding, and common interests.

As the nations of this hemisphere prepare to move further into the 1980's, I am struck by the depth of underlying commitment that there is to our common principles: nonintervention, peaceful settlement of disputes, cooperation for development, democracy and defense of basic human rights. I leave office satisfied that the political, economic, social and organizational basis for further progress with respect to all these principles have been substantially strengthened in the past four years. I am particularly reassured by the leadership of other nations of the hemisphere in advancing these principles. The success of our common task of improving the circumstances of all peoples and nations in the hemisphere can only be assured by the sharing of responsibility. I look forward to a hemisphere that at the end of this decade has proven itself anew as a leader in the promotion of both national and human dignity.

THE INTERNATIONAL ECONOMY

A growing defense effort and a vigorous foreign policy rest upon a strong economy here in the United States. And the strength of our own economy depends upon our ability to lead and compete in the international marketplace.

ENERGY

Last year, the war between Iraq and Iran led to the loss of nearly 4 million barrels of oil to world markets, the third major oil market disruption in the past seven years. This crisis has vividly demonstrated once again both the value of lessened dependence on oil imports and the continuing instability of the Persian Gulf area.

Under the leadership of the United States, the 21 members of the International Energy Agency took collective action to ensure that the oil shortfall stemming from the Iran-Iraq war would not be aggravated by competition for scarce spot market supplies. We are also working together to see that those nations most seriously affected by the oil disruption—including our key NATO allies Turkey and Portugal—can get the oil they need. At the most recent IEA Ministerial meeting we joined the other members in pledging to take those policy measures necessary to slice our joint oil imports in the first quarter of 1981 by 2.2 million barrels.

Our international cooperation efforts in the energy field are not limited to crisis management. At the Economic Summit meetings in Tokyo and Venice, the heads of government of the seven major industrial democracies agreed to a series of tough energy conservation and production goals. We are working together with all our allies and friends in this effort.

Construction has begun on a commercial scale coal liquefaction plant in West Virginia co-financed by the United States, Japan and West Germany. An interagency task force has just reported to me on a series of measures we need to take to increase coal production and exports. This report builds on the work of the International Energy Agency's Coal Industry Advisory Board. With the assurances of a reliable United States steam coal supply at reasonable prices, many of the electric power plants to be built in the 1980's and 1990's can be coal-fired rather than oil-burning.

We are working cooperatively with other nations to increase energy security in other areas as well. Joint research and development with our allies is underway in solar energy, nuclear power, industrial conservation and other areas. In addition, we are assisting rapidly industrializing nations to carefully assess their basic energy policy choices, and our development assistance program helps the developing countries to increase indigenous energy production to meet the energy needs of their poorest citizens. We support the proposal for a new World Bank energy affiliate to these same ends, whose fulfillment will contribute to a better global balance between energy supply and demand.

INTERNATIONAL MONETARY POLICY

Despite the rapid increase in oil costs, the policy measures we have taken to improve domestic economic performance have had a continued powerful effect on our external accounts and on the strength of the dollar. A strong dollar helps in the fight against inflation.

There has also been considerable forward movement in efforts to improve the functioning of the international monetary system. The stability of the international system of payments and trade is important to the stability and good health of our own economy. We have given strong support to the innovative steps being taken by the International Monetary Fund and World Bank to help promote early adjustment to the difficult international economic problems. Recent agreement to increase quotas by fifty percent will ensure the IMF has sufficient resources to perform its central role in promoting adjustment and financing payments imbalances. The World Bank's new structural adjustment lending program will also make an important contribution to international efforts to help countries achieve a sustainable level of growth and development.

SUGAR

In 1980, Congress passed U.S. implementing legislation for the International Sugar Agreement, thus fulfilling a major commitment of this Administration. The agreement is an important element in our international commodity policy with far-reaching implications for our relations with developing countries, particularly sugar producers in Latin America. Producers and consumers alike will benefit from a more stable market for this essential commodity.

COFFEE

At year's end, Congress approved implementing legislation permitting the U.S. to carry out fully its commitments under the International Coffee Agreement. Specifically, the legislation enables us to meet our part of an understanding negotiated last fall among members of the Agreement, which defends, by use of export quotas, a price range well below coffee prices of previous years and which commits major coffee producers to eliminate cartel arrangements that manipulate future markets to raise prices. The way is now open to a fully-functioning International Coffee Agreement which can help to stabilize this major world commodity market. The results will be positive for both consumers—who will be less likely to suffer from sharp increases in coffee prices—and producers—who can undertake future investment with assurance of greater protection against disruptive price fluctuations in their exports.

NATURAL RUBBER

In 1980, the International Natural Rubber Agreement entered into force provisionally. U.S. membership in this new body was approved overwhelmingly by the Senate last year. The natural rubber agreement is a model of its kind and should make a substantial contribution to a stable world market in this key industrial commodity. It is thus an excellent example of constructive steps to improve the operation of the world economy in ways which can benefit the developing and industrialized countries alike. In particular, the agreement has improved important U.S. relationships with the major natural rubber-producing countries of Southeast Asia.

COMMON FUND

The United States joined members of the United Nations Conference on Trade and Development, both developed and developing nations, in concluding Articles of Agreement in 1980 for a Common Fund to help international commodity agreements stabilize the prices of raw materials.

ECONOMIC COOPERATION WITH DEVELOPING NATIONS

Our relations with the developing nations are of major importance to the United States. The fabric of our relations with these countries has strong economic and political dimensions. They constitute the most rapidly growing markets for our exports, and are important sources of fuel and raw materials. Their political views are increasingly important, as demonstrated in their overwhelming condemnation of the Soviet invasion of Afghanistan. Our ability to work together with developing nations toward goals we have in common—their political independence, the resolution of regional tensions, and our growing ties of trade for example—require us to maintain the policy of active involvement with the developing world that we have pursued over the past four years.

The actions we have taken in such areas as energy, trade, commodities, and international financial institutions are all important to the welfare of the developing countries. Another important way the United States can directly assist these countries and demonstrate our concern for their future is through our

multilateral and bilateral foreign assistance program. The legislation which I will be submitting to you for FY 82 provides the authority and the funds to carry on this activity. Prompt Congressional action on this legislation is essential in order to attack such high priority global problems as food and energy, meet our treaty and base rights agreements, continue our peace efforts in the Middle East, provide economic and development support to countries in need, promote progress on North-South issues, protect Western interests, and counter Soviet influence.

Our proposed FY 1982 bilateral development aid program is directly responsive to the agreement reached at the 1980 Venice Economic Summit that the major industrial nations should increase their aid for food and energy production and for family planning. We understand that other Summit countries plan similar responses. It is also important to honor our international agreements for multilateral assistance by authorizing and appropriating funds for the International Financial Institutions. These multilateral programs enhance the efficiency of US contributions by combining them with those of many other donor countries to promote development; the proposed new World Bank affiliate to increase energy output in developing countries offers particular promise. All these types of aid benefit our long-run economic and political interests.

Progress was made on a number of economic issues in negotiations throughout the UN system. However, in spite of lengthy efforts in the United Nations, agreement has not been reached on how to launch a process of Global Negotiations in which nations might collectively work to solve such important issues as energy, food, protectionism, and population pressures. The United States continues to believe that progress can best be made when nations focus on such specific problems, rather than on procedural and institutional questions. It will continue to work to move the North-South dialogue into a more constructive phase.

FOOD—THE WAR ON HUNGER

The War on Hunger must be a continuous urgent priority. Major portions of the world's population continue to be threatened by the specter of hunger and malnutrition. During the past year, some 150 million people in 36 African countries were faced with near disaster as the result of serious drought, induced food shortages. Our government, working in concert with the UN's Food and Agricultural Organization (FAO), helped to respond to that need. But the problems of hunger cannot be solved by short-term measures. We must continue to support those activities, bilateral and multilateral, which aim at improving food production especially in developing countries and assuring global food security. These measures are necessary to the maintenance of a stable and healthy world economy.

I am pleased that negotiation of a new Food Aid Convention, which guarantees a minimum annual level of food assistance, was successfully concluded in March. The establishment of the International Emergency Wheat Reserve will enable the U.S. to meet its commitment under the new Convention to feed hungry people, even in times of short supply.

Of immediate concern is the prospect of millions of Africans threatened by famine because of drought and civil disturbances. The U.S. plea for increased food aid resulted in the organization of an international pledging conference and we are hopeful that widespread starvation will be avoided.

Good progress has been made since the Venice Economic Summit called for increased effort on this front. We and other donor countries have begun to assist poor countries develop long-term strategies to improve their food production. The World Bank will invest up to $4 billion in the next few years in improving the grain storage and food-handling capacity of countries prone to food shortages.

Good progress has been made since the Tokyo Economic Summit called for increased effort on this front. The World Bank is giving this problem top priority, as are some other donor countries. The resources of the consultative Group on International Agricultural Research will be doubled over a five-year period. The work of our own Institute of Scientific and Technological Cooperation will further strengthen the search for relevant new agricultural technologies.

The goal of freeing the world from hunger by the year 2000 should command the full support of all countries.

THE HUMAN DIMENSION OF FOREIGN POLICY

HUMAN RIGHTS

The human rights policy of the United States has been an integral part of our overall foreign policy for the past several years. This policy serves the national interest of the United States in several important ways: by encouraging respect by governments for the basic rights of human beings, it promotes peaceful, constructive change, reduces the likelihood of internal pressures for violent change and for the exploitation of these by our adversaries, and thus directly serves our long-term interest in peace and stability; by matching espousal of fundamental American principles of freedom with specific foreign policy actions, we stand out in vivid contrast to our ideological adversaries; by our efforts to expand freedom elsewhere, we render our own freedom, and our own nation, more secure. Countries that respect human rights make stronger allies and better friends.

Rather than attempt to dictate what system of government or institutions other countries should have, the U.S. supports, throughout the world, the internationally recognized human rights which all members of the United Nations have pledged themselves to respect. There is more than one model that can satisfy the continuing human reach for freedom and justice:

1980 has been a year of some disappointments, but has also seen some positive developments in the ongoing struggle for fulfillment of human rights throughout the world. In the year we have seen:

—Free elections were held and democratic governments installed in Peru, Dominica, and Jamaica. Honduras held a free election for installation of a constituent assembly. An interim government was subsequently named pointing toward national presidential elections in 1981. Brazil continues on its course of political liberalization.

—The "Charter of Conduct" signed in Riobamba, Ecuador, by Ecuador, Colombia, Venezuela, Peru, Costa Rica, Panama and Spain, affirms the importance of democracy and human rights for the Andean countries.

—The Organization of American States, in its annual General Assembly, approved a resolution in support of the Inter-American Human Rights Commission's work. The resolution took note of the Commission's annual report, which described the status of human rights in Chile, El Salvador, Paraguay and Uruguay; and the special reports on Argentina and Haiti, which described human rights conditions as investigated during on-site inspections to these countries.

—The awarding of the Nobel Prize for Peace to Adolfo Perez Esquivel of Argentina for his non-violent advocacy of human rights.

—The United States was able to rejoin the International Labor Organization after an absence of two years, as that UN body reformed its procedures to return to its original purpose of strengthening employer-employee government relations to insure human rights for the working people of the world.

The United States, of course, cannot take credit for all these various developments. But we can take satisfaction in knowing that our policies encourage and perhaps influence them.

Those who see a contradiction between our security and our humanitarian interests forget that the basis for a secure and stable society is the bond of trust between a government and its people. I profoundly believe that the future of our world is not to be found in authoritarianism: that wears the mask of order, or totalitarianism that wears the mask of justice. Instead, let us find our future in the human face of democracy, the human voice of individual liberty, the human hand of economic development.

HUMANITARIAN AID

The United States has continued to play its traditional role of safehaven for those who flee or are forced to flee their homes because of persecution or war. During 1980, the United States provided resettlement opportunities for 216,000 refugees from countries around the globe. In addition, the United States joined with other nations to provide relief to refugees in country of first asylum in Africa, the Middle East, and Asia.

The great majority of refugee admissions continued to be from Indochina. During 1980, 168,000 Indochinese were resettled in the United States. Although refugee populations persist in camps in Southeast Asia, and refugees continue to flee Vietnam, Laos and Kampuchea, the flow is not as great as in the past. One factor in reducing the flow from Vietnam has been the successful negotiation and commencement of an Orderly Departure Program which permits us to process Vietnamese for resettlement in the United States with direct departure from Ho Chi Minh Ville in an orderly fashion. The first group of 250 departed Vietnam for the United States in December, 1980.

In addition to the refugees admitted last year, the United States accepted for entry into the United States 125,000 Cubans who were expelled by Fidel Castro. Federal and state authorities, as well as private voluntary agencies, responded with unprecedented vigor to coping with the unexpected influx of Cubans.

Major relief efforts to aid refugees in countries of first asylum continued in several areas of the world. In December, 1980, thirty-two nations, meeting in New York City, agreed to contribute $65 million to the continuing famine relief program in Kampuchea. Due in great part to the generosity of the American people and the leadership exercised in the international arena by the United States, we have played the pivotal role in ameliorating massive suffering in Kampuchea.

The United States has taken the lead among a group of donor countries who are providing relief to some two million refugees in the Horn of Africa who have been displaced by fighting in Ethiopia. U.S. assistance, primarily to Somalia, consists of $35 million worth of food and $18 million in cash and kind. Here again, United States efforts can in large part be credited with keeping hundreds of thousands of people alive.

Another major international relief effort has been mounted in Pakistan. The United States is one of 25 countries plus the European Economic Community who have been helping the Government of Pakistan to cope with the problem of feeding and sheltering the more than one million refugees that have been generated by the Soviet invasion of Afghanistan.

In April, 1980, the Congress passed the Refugee Act of 1980 which brought together, for the first time, in one piece of legislation the various threads of U.S. policy towards refugees. The law laid down a new, broader definition of the term refugee, established mechanisms for arriving at a level of refugee admissions through consultation with Congress, and established the Office of the United States Coordinator for Refugees.

It cannot be ignored that the destructive and aggressive policies of the Soviet Union have added immeasurably to the suffering in these three tragic situations.

THE CONTROL OF NUCLEAR WEAPONS

Together with our friends and allies, we are striving to build a world in which peoples with diverse interests can live freely and prosper. But all that humankind has achieved to date, all that we are seeking to accomplish, and human existence itself can be undone in an instant—in the catastrophe of a nuclear war.

Thus one of the central objectives of my Administration has been to control the proliferation of nuclear weapons to those nations which do not have them, and their further development by the existing nuclear powers—notably the Soviet Union and the United States.

NON-PROLIFERATION

My Administration has been committed to stemming the spread of nuclear weapons. Nuclear proliferation would raise the spectre of the use of nuclear explosives in crucial, unstable regions of the world endangering not only our security and that of our Allies, but that of the whole world. Non-proliferation is not and can not be a unilateral U.S. policy, nor should it be an issue of contention between the industrialized and developing states. The international non-proliferation effort requires the support of suppliers as well as importers of nuclear technology and materials.

We have been proceeding on a number of fronts:

—First, we have been seeking to encourage nations to accede to the Non-Proliferation Treaty. The U.S. is also actively encouraging other nations to accept full-scope safeguards on all of their nuclear activities and is asking other nuclear suppliers to adopt a full-scope safeguards requirement as a condition for future supply.

—Second, the International Nuclear Fuel Cycle Evaluation (INFCE), which was completed in 1980, demonstrated that suppliers and recipients can work together on these technically complex and sensitive issues. While differences remain, the INFCE effort provides a broader international basis for national decisions which must balance energy needs with non-proliferation concerns.

—Finally, we are working to encourage regional cooperation and restraint. Protocol I of the Treaty of Tlatelolco which will contribute to the lessening of nuclear dangers for our Latin American neighbors ought now to be ratified by the United States Senate.

LIMITATIONS ON STRATEGIC ARMS

I remain convinced that the SALT II Treaty is in our Nation's security interest and that it would add significantly to the control of nuclear weapons. I strongly support continuation of the SALT process and the negotiation of more far-reaching mutual restraints on nuclear weaponry.

CONCLUSION

We have new support in the world for our purposes of national independence and individual human dignity. We have a new will at home to do what is required to keep us the strongest nation on earth.

We must move together into this decade with the strength which comes from realization of the dangers before us and from the confidence that together we can overcome them.

JIMMY CARTER.

THE WHITE HOUSE, *January 16, 1981.*

ANNUAL REPORT OF THE COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT—PM 24

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

I am pleased to transmit to the Congress the Eleventh Annual Report of the Council on Environmental Quality.

As the Report shows, the nation's environmental programs are producing tangible benefits. In two dozen of our larger cities, the number of days that air quality was in violation of pollution standards declined 18 percent between 1974 and 1978. By and large, water quality in our rivers and lakes has stopped deteriorating. Levels of certain damaging pesticides in the environment have ceased to climb or have dropped, and some of the bird species in danger of extinction a few years ago are returning. The number of American homes using solar power has increased tenfold in just four years. More efficient fuel use by cars and industry has helped to produce an 18 percent decline in oil imports by mid-1980 from 1977 levels.

The signs are unmistakable that we in the United States are learning how to live in balance with nature and beginning to find sustainable ways to exist on this Nation's plentiful but finite resources. Yet there are also undeniable signs that in many other parts of the world the Earth's carrying capacity—the ability of biological systems to meet human needs—is being threatened by human activities. At the time the Declaration of Independence was signed, there were fewer than one billion people on the Earth. Now there are four and one-half billion, and there will be more than six billion by the end of this century. If present trends continue, serious food scarcities are all too probable in many poor nations of the world. The world may continue to lose substantial areas of land to desertlike conditions. In addition, some projections indicate that as much as 40 percent of the world's remaining tropical forests, and perhaps 20 percent of all the species of plants, and animals on Earth, could disappear by the year 2000.

We can no longer assume as we could in the past that the Earth will heal and renew itself indefinitely. Human numbers and human works are catching up with the Earth's ability to recover. With care and careful management, our planet's resources—its water, soils, minerals, forests, fish and air—should be able to sustain us in great numbers. But to a degree unknown in past centuries, humankind is now a potent force on the face of the planet. The quality of human existence in the future will rest on careful stewardship and husbandry of the Earth's resources.

During the 1970s, the government and people of this Nation showed an ex-

traordinary grasp of the ties between human beings and their environment and demonstrated strong leadership in creating a sustainable relationship. The 1980s are presenting new challenges. Our Nation must continue to move forward and extend the progress we have made—progress for which we are being repaid many times over.

JIMMY CARTER,

THE WHITE HOUSE, *January 17, 1981.*

ECONOMIC REPORT OF THE PRESIDENT AND ANNUAL REPORT OF THE COUNCIL OF ECONOMIC ADVISERS—MESSAGE FROM THE PRESIDENT—PM 25

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Joint Economic Committee:

To the Congress of the United States:

Over the next few years our country faces several economic challenges that will test the will of our people and the capability of our government. We must find ways to bring down a stubborn inflation without choking off economic growth; we must channel a much larger share of our national output to investment and reverse a decade-long decline in productivity growth; and we must continue to reduce the Nation's dangerous vulnerability to disruptive changes in the world supply and price of oil.

In this *Economic Report* I set forth my views on how we can best meet those problems. The following *Annual Report of the Council of Economic Advisers* discusses the challenges and the policy responses in greater detail. It is useful to start by recognizing that in many respects we approach these challenges from a position of strength, with a record of significant economic progress, and the knowledge that over the past 4 years our people and our government have successfully resolved a number of difficult and potentially divisive economic issues. While it would be folly to close our minds to the stubbornness of the problems we face, it would serve the Nation equally ill to underrate our strengths and our proven ability to handle difficult issues.

STRENGTHS AND ACCOMPLISHMENTS

During the economic turmoil that characterized the decade of the 1970s, and especially during the past 4 years, the American economy succeeded in providing additional jobs for its people on a scale unsurpassed in our history. Employment grew by almost 25 percent over the decade, and by more than 11 percent in the past 4 years alone. Not only were jobs provided for a sharply rising population reaching working age, but job opportunities were opened up by the millions for new second earners, principally women. Neither Europe nor Japan came even close to the job performance of the American economy.

Along with employment, real per capita incomes grew during the past 4 years, despite the losses forced on the Nation by the huge increases in world oil prices and the effects of a slowing growth in productivity. As the year 1980 ended, per capita income, after taxes and adjusted for inflation, was some 8 percent higher than it was in 1976.

We have heard much about American industry losing its competitive edge in international markets and about the "deindustrialization" of America. In fact, during the 3 years prior to the onset of the 1980 recession—and the effects of that recession will be transient—the growth of industrial production in the United States was larger than it was in Germany, France, or the United Kingdom. The volume of American nonfarm exports rose by 35 percent between 1977 and the middle of 1980, and the share of U.S. exports among the total exports of the industrial countries rose by about 1¾ percentage points, reversing a declining trend that had been underway since the 1950s.

America's balance of payments is strong in large part because of its superior export performance. Despite a massive $40-billion annual drain of funds to pay for the oil-price increases of 1979 and 1980, our exports of goods and services now exceed our imports. Unlike the situation in most other oil-importing nations, our country's external balance is in surplus.

The dollar is also strong. After a period of weakness in its value abroad, we took decisive action 2 years ago to stabilize the dollar. Since then, in a world of sharply changing circumstances and disruptions of oil supply, the dollar has remained strong, and has risen in value compared to most major currencies.

While it is imperative that our country increase the share of its national output devoted to investment, the reason is not that investment has been weak in recent years. Between 1976 and 1980, real business investment grew almost 6 percent a year, substantially faster than GNP as a whole. Because of that rapid growth the share of business investment in GNP during the past 3 years exceeded that of any other 3-year period in the last three decades.

There are other areas where the Nation has made more progress than we sometimes realize. While we are properly concerned to limit the growth in Federal spending and voice our impatience with the waste and inefficiency that often exist in government programs, we should not forget the good that has been accomplished with these programs. Examples abound. In the early 1960s, for instance, infant mortality in the United States was scandalously high compared to other countries, and most of that high mortality was concentrated among the poor. Due in large part to programs like Medicaid, infant mortality has fallen sharply. More generally, we have dramatically improved access to medical care for the poor and the aged. Through Federal grants we have strengthened the mass transit systems of our major cities and helped our municipalities install critically needed waste treatment plants. We have helped millions of young people, who could not otherwise have afforded it, get a college education, and we have provided job training for workers who needed new skills.

Much attention is now focused on how to reduce the costs and ease the burden of Federal regulation to protect the environment, health, and safety. Concern about excessive regulatory costs is surely warranted, and my Administration has taken a number of specific steps to deal with the problem. In focusing attention on the burden of regulation, however, we should not lose sight of the substantial progress that has been made in enriching our lives, improving our health, and beautifying our country.

TACKLING DIFFICULT ISSUES

During the past 4 years the Nation has taken a series of important and in some cases painful steps to deal with its energy problems. Starting almost 2 years ago, we began to phaseout controls on domestic oil and natural gas prices. We thus moved to end the dangerous practice of holding U.S. energy prices below the world market price, a practice which tended to subsidize wasteful consumption and perpetuate our excessive dependence on oil imports.

Working with the Congress we also put in place the other principal elements of a comprehensive program to increase energy production and conserve energy use. We levied a windfall profits tax to divert the inevitable windfalls from oil decontrol to pay for the National Energy Program initiatives and to reduce the impact of decontrol on the poor.

Partly as a result of these policies we have begun to see dramatic results in both the supply and conservation of energy. There are now 70 percent more drilling rigs in operation than when my Administration took office, and the number of oil and gas wells being drilled has reached a new record. By late 1980 the United States was importing almost 30 percent less oil than it did 2 years ago and our gasoline use had dropped by more than 10 percent over the same period. While some of the reduction in energy use was due to the recession, most of it reflects real energy conservation.

What has happened in energy policy over the past 4 years augurs well for our country's future. Decontrolling domestic oil and gas was painful. It pushed up the prices each of us pay for driving and for heating our homes and added to our immediate inflation difficulties. But we showed that we were willing to take such painful steps when they were necessary in our Nation's longer-run interest. Because we are large-scale producers as well as consumers of energy, the energy problem was potentially a highly divisive issue in our country, involving the redistribution of hundreds of billions of dollars, pitting producer against consumer and one region of the Nation against another. But after prolonged and sometimes heated debate, we arrived at an approach that took account of the legitimate concerns of all groups and at the same time furthered the national interest. Dealing with the Nation's remaining economic problems will also require painful measures and the reconciliation of a number of different interests. Our handling of the energy problem should

raise our confidence that we can be successful elsewhere.

We have also had major successes in other fields. After decades of inaction, the past 4 years have seen the elimination of price-propping and competition-deadening regulations in a number of American industries. In these 4 years we witnessed more progress in economic deregulation than at any other time in the century. In the face of great skepticism and initial opposition, the executive branch, the Congress, and some of the independent regulatory agencies have deregulated or drastically reduced regulation in the airline, trucking, and railroad industries, and in banking and other financial institutions. We have also made a promising start in the communications industry. The transportation, communications, and finance industries comprise a triad that links the various strands of our economy together. Better performance in these industries should have effects far beyond their own boundaries.

The gains from deregulation will be substantial. For example, productivity and efficiency will be directly increased as transportation load factors are improved and empty backhauls reduced. One survey of studies estimates that reform in the trucking industry alone will lead to $5 billion in annual cost reductions. Even more important will be the longer-run spur to innovation and the increased flexibility that comes from opening up these industries to the fresh winds of competition.

Population trends will be working to help the country deal with some of its economic problems in the 1980s, whereas in the late 1960s and 1970s these trends required some difficult adjustments. The generation of the postwar baby boom began entering the labor market in the 1960s and the influx of new workers continued during the 1970s. The percentage of the population aged 16 to 24 rose sharply. And as birth rates slowed, women entered the labor force in ever increasing numbers. On average, the labor force became less experienced, and average productivity per worker suffered. The increased proportion of women and young people in the labor force also contributed to an increase in the average unemployment rate because the transition from school or home to job takes time and because these new workers sometimes had periods of unemployment as they explored different career possibilities.

Because of the slowdown in birth rates in the past 15 years, the 1980s will see about half as fast a growth in the labor force as in the 1970s. The proportion of experienced workers will rise, contributing to an increase in productivity, while the proportion of young people will fall, leading to a drop in unemployment.

There are a number of reasons, therefore, to confront with hope the economic challenges that face us. We have a solid record of achievement. In the fields of energy and deregulation we have already laid the foundations on which the future can build. And there are some favorable trends underway that should help raise productivity and reduce unemployment in the years ahead.

UNRESOLVED PROBLEMS

Despite much progress in recent years, we are faced with some serious problems. An inflation that was already bad became worse after the 1979 oil-price increase. Productivity growth, which had been declining sporadically for a decade, virtually ceased in the last several years. And although we have made substantial progress in adapting our economy to a world of higher oil prices, we remain dangerously vulnerable to serious supply disruption originating abroad.

These problems are closely related to each other. Our inflation stems in part from our oil vulnerability and our slowing productivity growth. High and rising inflation, in turn, tends to cause economic reactions that depress productivity. As we make progress in one of these areas, we will also make progress in the others.

None of the problems is so intractable that we cannot overcome it. But all are so deep-seated that progress will come slowly, only with persistence, and at the cost of some sacrifice on the part of us all.

INFLATION

In the first half of the 1960s inflation averaged about 1 percent a year, so low as to be virtually unnoticeable. In the past 15 years, however, the underlying rate of inflation has risen sporadically but inexorably and it is now running at about 10 percent a year.

During those 15 years there have been three major episodes in which the rate of inflation surged upward. The first came in the late 1960s, when the Vietnam war and the Great Society programs were financed for a number of years without a tax increase. The consequent high budget deficits during a period of economic prosperity generated strong inflationary pressures as total spending became excessive relative to the Nation's productive capacity. The second inflationary surge, which came in the early 1970s, was associated with the first massive oil-price increase, a worldwide crop shortage which drove up food prices, and an economy which again became somewhat overheated in 1972 and 1973. The third inflationary episode came in 1979 and 1980. It was principally triggered by another massive oil-price increase, but part of the rise in inflation may also have been due to overall demand in the economy pressing on available supply. Throughout the past decade, the slowing growth in productivity has pushed up the increase in business costs, adding its bit to the rise of inflation.

Late in each of the three inflationary episodes monetary and fiscal restraints were applied, and at the end of each a recession took place, with rising unemployment and idle capacity. Inflation did fall back somewhat, but at the end of each recession it had not declined to the level from which it started. And so the inflationary process has been characterized by ratchet-like behavior. A set of inflationary causes raises the rate of inflation; when the initiating factors disappear, inflation does not recede to its starting position despite the occurrence of recession; the wage-price spiral then tends to perpetuate itself at a new and higher level. Instead of an occasional 3 percentage point rise in inflation, which disappeared when the initial causes of the inflation were gone, our basic inflation rate rose first from 1 to 4 percent, then from 4 to 7 percent, and in this latest episode from 7 to 10 percent. It is this downward insensitivity of inflation in the face of economic slack that has given the last 15 years their inflationary bias.

A number of facts that are important for economic policy can be drawn from this history. *First*, excessive demand in the economy, fed by an overly large Federal budget deficit or excess growth in the money supply, was the major factor in one of the three inflationary episodes and played a subsidiary role in the other two. *Second*, twice in the last decade the tendency for government to stimulate the economy somewhat too freely during the recovery from recession probably played a role in retarding the decline of inflation or renewing its acceleration. That is why I was so insistent that a tax cut designed for quick economic stimulus not be enacted last year. *Third*, because the rate of increase in wages and prices did not decline very readily in response to the discipline of budgetary and monetary restraint, that restraint resulted only partly in reduced inflation; it also tended to retard the growth of output and employment. *Finally*, massive increases in world oil prices have twice in the past 7 years helped trigger a major inflationary episode. While we cannot eliminate our vulnerability to such shocks, a reduction in that vulnerability will improve our chances of avoiding new inflation in the future.

These realities dictate the broad tasks that economic policy must accomplish over the years ahead:

Our monetary and fiscal policies must apply steady anti-inflationary restraint to the economy. The restraint must be strong and persistent enough to convince those who set wages and prices that the government means to stand by its guns in the anti-inflation fight. But it must not be so severe or so restrictive as to prohibit even moderate economic growth and recovery, and thus collapse under its own political unreality.

We must seek means to reduce inflation at a lower cost in lost output and employment. These include measures to increase investment, the reform of regulation, and incomes policies. An increase in investment raises productivity growth which, in turn, tends to slow the rise in business costs and prices. Demand restraint will then produce more reduction of inflation and less reduction in output. Measures to lower regulatory costs and increase competition and flexibility in our economy will also directly lower inflationary pressures and let us have more economic growth without sacrificing our inflation goals. An improved set of voluntary incomes policies can directly influence wages and prices in the direction of moderation, and thereby bring inflation down faster and at lower costs.

Finally, we must build upon the foundations already laid and hasten our progress toward energy conservation and increased domestic energy supplies. We must also work to improve our capability of weathering a severe disruption in for-

eign oil supplies, since even a highly successful energy program will still leave our economy vulnerable to such disruptions over the coming decade.

Last August I outlined an Economic Revitalization Program that would accomplish the tasks set forth above. The specific economic policies I am recommending to the Congress in my 1982 *Budget Message* and in this *Economic Report* incorporate the elements of that revitalization program.

BUDGET AND TAX POLICIES

It is now estimated that the Federal budget for the current fiscal year 1981 will be in deficit by $55 billion, substantially more than I had hoped or planned. In part the size of that deficit reflects the loss of revenues induced by the recession from which our economy is now beginning to recover. Had the unemployment rate remained at the 6 percent level where it stood when I first submitted the 1981 budget last year, the deficit would now be less than $20 billion.

The size of the 1981 deficit also reflects three major factors which have driven up the estimates of Federal spending in the past 12 months. *First*, higher interest rates since the budget was originally submitted have added about $9 billion. *Second*, payments under many Federal programs, such as social security, are indexed to the consumer price index, which has proven in recent years to overstate significantly the actual rise in the cost of living because of the way it treats housing and mortgage interest costs. And *third*, defense spending was increased above original estimates.

As part of a program of anti-inflationary fiscal restraint I am recommending a number of steps that will help to cut the deficit in half, to $27.5 billion in the new budget for fiscal year 1982, and reduce it still further to $8 billion in 1983, despite the substantial increases in defense spending which I find it necessary to recommend for those years:

—Beyond exerting strict control over requests for new appropriations for ongoing programs, my 1982 budget sets forth a detailed list of requests to the Congress for the legislation needed to pare some $9 billion in spending in both fiscal 1982 and fiscal 1983. If enacted, these savings would help make possible a reduction in the share of GNP taken by Federal spending from 23.3 percent in 1981 to 23.0 percent in 1982 and 22.6 percent in 1983.

—The personal tax reductions which I am proposing should take effect on January 1, 1982, rather than at some earlier date in 1981.

—I am renewing my request to the Congress for a modest increase in the tax on gasoline; there is no better way to provide additional revenues for reducing the budget deficit than a measure which simultaneously reduces our imports of foreign oil.

—I still strongly support the national health insurance proposal that I earlier submitted to the Congress, but the need for budgetary restraint to control inflation requires that its introduction be delayed until more budgetary room is available and adequate cost containment is in place.

In order to avoid repetition of the recent situation in which many Federal payments rose too rapidly because they are tied to an index which does not accurately reflect changes in the cost of living, I am recommending that the Congress authorize use of a more representative index. I am informed by the Commissioner that the Bureau of Labor Statistics is now producing an index of this type and that it can quickly be made available on a timely basis.

Although my 1982 budget emphasizes the need for fiscal restraint, and for reduction of the deficit, it also takes the first major step in a long-term program of tax reductions aimed at increasing capital formation.

The causes of the longer-term slowdown in productivity growth are many—and some of them are still unknown. But a major depressing factor has been the failure of the Nation's capital stock to increase relative to its rapidly growing labor force in the past 5 or 6 years. Unlike earlier periods, American workers have not been working with increasing amounts of capital. Improving the trend of productivity growth will require restoring the growth of capital per worker.

Higher investment will also be critically required throughout America's energy-using industries to speed up the replacement of older energy-inefficient plant and machinery with newer energy-saving capital. In addition, a large expansion of energy-producing industries—both conventional and nonconventional—will add further to investment needs.

According to estimates made by my Council of Economic Advisers, the combined tasks of restoring the earlier growth of capital per worker and meeting the Nation's energy needs call for an increase in the share of investment in GNP from its recent 10½ percent to 12½ or 13 percent during the 1980s. This would require an expansion in investment by about one-fifth above the level that might normally be expected. It will not occur without the introduction of policies to make it happen.

To begin this task, my 1982 budget incorporates the two major changes in tax laws that I outlined last August in my Economic Revitalization Program to improve incentives and provide increased sources of financing for business investment. The first and most important proposal is a major liberalization of tax allowances for depreciation. Because tax depreciation is now based on the historic cost of an asset, inflation reduces allowable tax deductions relative to the cost of replacing an asset and thus lowers the profitability of investment. Inflation also distorts the tax treatment of assets with different useful lives. I am proposing a new approach to depreciation worked out by the Department of the Treasury which substantially simplifies depreciation accounting and increases the allowable rates of depreciation by about 40 percent. This approach, unlike some other depreciation liberalization proposals that have been introduced in the Congress, tends to avoid major distortions of economic incentives since it provides approximately equal percentage increases in allowable depreciation rates for each industry.

I also propose that the Congress expand investment incentives by improving the investment tax credit. That credit is now only partially available for short-lived assets; it should be made fully available. Even more importantly, part of the investment tax credit should be made refundable. Firms should be able to claim 30 percent of the value of the credit even if they had no tax liabilities for the year. In this way firms with substantial investment needs but with no current earnings can be supported in their efforts to rejuvenate and expand capital assets. Among these are younger and smaller firms that are just beginning to grow, and larger industries undergoing transition such as autos and steel. The latter may temporarily be experiencing depressed profitability but still have major investment needs for retooling or for new industrial facilities.

These two proposals would reduce business tax liabilities by $9 billion in calendar year 1981, $15 billion in 1982, and by 1985 the reductions would amount to over $27 billion. We estimate that with enactment of these new incentives business investment should increase 5–10 percent above its normally expected level in 1982, with additional gains thereafter.

While providing additional incentives for business investment, we can also move on a carefully phased basis to reduce other taxes in a way that improves both economic efficiency and tax equity. The Congress should enact an income tax credit for both employers and employees that would approximately offset the scheduled rise in social security payroll taxes that occurred in January of this year. To make the benefits available to lower-income workers who have no tax liability, I also propose an increase in the earned income tax credit. But, as I pointed out earlier in this *Report*, the critical importance of reducing the budget deficit as part of the fight against inflation has led me to recommend that this reduction take effect at the beginning of 1982, by which time the growth of revenues will make such a reduction consistent with overall budgetary objectives.

At the present time one of the major inequities in our tax system is the so-called marriage penalty. Under a wide range of cirmumstances a husband and wife, each working, will together pay a higher tax than if they were not married. I propose that this penalty be eased by making a tax credit available to the lesser-earning spouse. The credit should be introduced in two steps, half in 1982 and the other half in 1983.

I also propose that the Congress enact several important tax reforms: income from interest and dividends should be put on an equal footing with wages and other incomes by withholding taxes at the source; the excessive issuance of several types of tax-exempt bonds

should be curtailed; and the use of certain commodity futures transactions as a tax avoidance scheme should be prohibited.

The central feature of the tax policies I am proposing is their emphasis on increasing investment. By 1985, an unusually high 45 percent of the tax reductions will be directed toward spurring investment. But even this will not itself be sufficient to raise investment to the levels our country will need in the decade ahead in order to improve its productivity growth and deal with its energy problems. Careful control of Federal spending, however, will create the leeway for additional investment-oriented tax reductions in later years, within the framework of the overall budgetary restraint required to fight inflation. I do not believe that we should now commit budgetary resources to large-scale personal tax cuts which will stimulate consumption far more than investment and thereby foreclose the possibility of meeting the Nation's critical investment requirements.

MONETARY POLICY

Monetary policy is the responsibility of the Federal Reserve System, which is independent of the Executive. I respect that independence. But there are several broad aspects of monetary policy having to do with public perceptions that do fall within the purview of the President in his role as national leader.

Sustained restraint in monetary policy is a prerequisite to lowering inflation. The Federal Reserve exercises this restraint principally by keeping a strict limit on the growth of the Nation's money supply. In October 1979 the Federal Reserve modified its earlier policies and operating procedures to increase sharply the emphasis it gives to controlling the money supply. The Federal Reserve each year sets targets for monetary growth and seeks to hold the growth of the money supply within the targets. Increasingly the public in general and the financial community in particular have come to associate the credibility of the Federal Reserve and its determination to fight inflation with its success in keeping money growth continuously within the preannounced targets. It is very important, however, that public opinion not hold the Federal Reserve to such a rigid form of monetary targeting as to deprive it of the flexibility it needs to conduct a responsible monetary policy.

Temporary fluctuations in monetary conditions can sometimes cause the money supply to overrun or underrun the targets for a short period of time without any damage to anti-inflation objectives. Furthermore, economic developments occasionally occur that may make it appropriate for the Federal Reserve to modify the targets it had originally set, or to deviate from its announced aim of lowering the targets each year. If the public interprets occasional necessary changes in the longer-run monetary target ranges or short-run deviations of actual money growth from those targets as evidence that the Federal Reserve has lessened its determination to fight inflation and as a reason to expect higher inflation in the future, the Federal Reserve is confronted with an untenable situation. If it fails to make the adjustment in the monetary targets that is called for by a major change in economic circumstances, monetary policy may produce unwanted results. But if the Federal Reserve does change the targets in the face of public misunderstanding, it risks an impairment of its credibility. The same dilemma exists with respect to allowing short-run deviations in money growth from the target ranges.

Only if the public understands the realities, and the complexities, of carrying out an anti-inflationary monetary policy can the Federal Reserve successfully apply the measured restraint necessary to wring out inflation at minimum cost in production and jobs. On the one hand, the country must face the fact that in a world with a stubborn 10 percent inflation rate, keeping a tight rein on the growth of the money supply inevitably leads to interest rates that average significantly higher than those we were accustomed to in earlier periods of lower inflation. On the other hand, the public and the financial community must not become so obsessed with the mechanics of monetary targeting that any change in targets or any short-run deviation of money growth from those targets is taken as a sign that monetary restraint has been weakened.

Without reasoned and persistent monetary restraint, inflation cannot be licked. Perhaps more than in any other area of economic policy, however, achieving success in monetary policy depends on an informed public opinion.

INCOMES POLICIES

For the past 2 years my Administration has urged business and labor to comply with a set of voluntary pay and price standards. Even though it was introduced at a very difficult time—just before the oil-price explosion of 1979—this voluntary program of wage and price restraint did moderate the pace of inflation. It significantly reduced—although it could not eliminate—the effect of the oil-price rise on the underlying inflation rate.

After 2 years of operation there is general agreement that the current pay and price standards would not continue to be effective in their present form and without additional support. For this reason we have carefully examined the possibility of strengthening a voluntary incomes policy by using the tax system to provide incentives to firms and workers to slow the rate of inflation. This approach has been labeled a tax-based incomes policy (TIP). The detailed results of our review are contained in the accompanying *Annual Report of the Council of Economic Advisers*.

Broadly, we have concluded that an approach which provided a tax reduction to workers in firms whose average pay increase did not exceed some standard, set as part of a voluntary incomes policy, would be feasible and effective in helping to lower inflation. Two major conditions apply, however. *First*, such a policy must be a supplement to, not a substitute for, fiscal and monetary restraint. Without such restraint an incomes policy will produce only fleeting reductions in inflation or none at all. *Second*, a TIP program is likely to be desirable only on a temporary basis. After several years, such a program might cease to be effective and could induce significant distortions into wage relationships throughout the economy. But as an interim device to hasten the reduction in inflation and so shorten the period of reduced output and employment growth, a TIP program could serve the Nation well.

If the growth of Federal spending is restrained, periodic tax reductions will be both feasible and necessary in the years ahead as inflation and economic growth push taxpayers into higher brackets and raise average effective tax rates. Tax-based incomes policies are novel, and most people are unfamiliar with either the opportunities they present or the difficulties they pose. It is therefore highly unlikely that a TIP program could take effect in 1981. But it would be useful for the public in general, and the Congress in particular, to begin now to evaluate the pros and cons of TIP programs so that when the time comes for the next round of Federal tax cuts a TIP program will be seriously considered.

ENERGY

I am once again proposing that the Congress increase the Federal excise tax on gasoline by 10 cents per gallon as an additional incentive to cut petroleum consumption. The need for this tax is, if anything, even greater than it was 7 months ago when the Congress overturned my action to impose a gasoline conservation fee administratively.

We have once more seen a tightening of world oil supplies. The massive inventories built up in late 1979 and early 1980 have been drawn upon to make up for the loss of exports from Iran and Iraq. If that conflict should continue or if exports do not return to normal, the buffer which those record high inventories provided will be exhausted. Even in the last 2 months, we have seen significant escalation in prices charged by some OPEC members. National security requires us to put additional downward pressure on consumption of gasoline and other petroleum products. If we do not, OPEC may do it for us.

Paradoxically, one of the reasons given earlier for rejecting my proposed tax was that it was too small—some would have preferred a tax of 50 cents or even a dollar per gallon. Whether, over time, this Nation should move toward gasoline taxes that are comparable with those of our Western European allies is not a question that has to be answered now. In any event, to do so overnight would shock the economy excessively. At current gasoline consumption levels, a 50-cent per-gallon tax would draw approximately $50 billion per year out of consumers' pockets and require excessive adjustments by consumers and industry. It is much more sensible to start with the level I have proposed.

There is other important unfinished business to attend to in energy. The Congress failed to complete work on my pro-

posed Energy Mobilization Board, but events since August of 1979 have only made the case for the Board's creation more persuasive. It is equally important that we move ahead with the production of substitutes for petroleum. The Synthetic Fuels Corporation is established and operating. Its mission—to encourage commercial-scale production of synthetic fuels through risk-sharing with American industry—is vital.

My program of phased decontrol of domestic crude oil, along with the revamping of natural gas pricing policy contained in the Natural Gas Policy Act, is paying rich dividends. Drilling and seismic exploration have reached near-record levels. The Natural Gas Policy Act should be reviewed, however, to ensure that progress toward decontrol of new natural gas is not jeopardized by the increasing gap between oil prices and their natural gas equivalent, since world oil prices are now about twice those assumed in the act.

Our contingency planning to deal with a severe oil-supply disruption needs to be improved, since the authorities upon which many of the existing plans are based will expire at the end of September of this year. We have had underway for some time an examination of which, if any, of these authorities should be extended and what additional authorities might be required. This work should be completed as soon as possible.

Filling of the Strategic Petroleum Reserve must continue. The rate of fill should be at least the 100,000 barrels per day required by the Energy Security Act, and should, beyond that, be as high as can be accommodated without disrupting world oil markets.

INCREASE THE FLEXIBILITY OF OUR ECONOMY

Energy is not the only area where we must take additional steps to improve the ability of the economy to adjust to the changes that will be demanded of it in the years ahead. To the extent that we can reduce barriers to the flow of labor, capital, and other resources from inefficient to efficient uses, we can reduce inflationary pressures that arise from bottlenecks and economic rigidities and simultaneously speed up the pace of productivity growth.

We should not lose the momentum that has developed over the past 4 years in reducing obsolete and costly economic regulations. The Congress should complete its deliberations and pass legislation similar to that which I suggested last year to complete the task of modernizing our system of telecommunications regulation.

In the broad area of environmental, health and safety regulation, where deregulation is not an appropriate solution, we must expand on the successful beginning that has been made in providing greater flexibility and incentives for firms to meet environmental requirements in more cost-effective ways.

We must also continue our efforts to assure that the Nation's regulatory priorities are sensible. Our Nation can afford a cleaner environment, safer products, and healthier workplaces, but it does not have unlimited resources. Other national goals cry out for attention, and we cannot afford waste in attempting to achieve any of them.

During the coming years, when many of our most important industries will be facing difficult adjustment pressures, we must avoid taking shortsighted actions which block rather than promote this adjustment. Federal policies should indeed cushion the blow when sharp external shocks force an industry, its workers, and the communities within which it is located to undergo massive change in a short period of time. The programs of economic development and trade assistance which exist to meet these needs should be humanely and effectively administered. But such aid must be aimed at facilitating adjustment to change, not preventing it. While we can and should demand that all nations abide by internationally agreed-upon rules of trade, we must avoid the temptation to use the discretion open to us to prop up weak industries.

SUMMING UP: THE NEED FOR BALANCE

In the years immediately ahead, our country will be wrestling with two central domestic issues. The first is economic in nature: How can we reduce inflation while maintaining the economic growth that keeps our people employed? The second is even broader: What is the proper role of government in our society as spender of tax revenues and regulator of industry?

I am confident we can successfully come to grips with both of these issues. We would make a costly mistake, however, if we approached these problems with the view that there is some single answer to the economic problem and a single criterion for determining the role of government. The resolution of both of these great issues demands a balancing of many approaches and many considerations. Indeed, the only helpful simple proposition is the one which states that any simple and quick answer is automatically the wrong one.

The approach I have set forth in this *Report* will successfully meet the economic challenge. But it relies on not one but a number of essential elements. To reduce inflation we must be prepared for a period of sustained budgetary and monetary restraint. But since we know that this also tends to depress the growth of output and employment, we must not conclude that the greater the restraint the better. We want a degree of restraint that takes into account society's interest in employment and production as well as its concern to lower inflation. We can improve our prospects significantly by introducing investment-oriented tax cuts that increase supply and productivity. But the supply response will not be so quick or so great as to constitute an answer in and of itself. And, in particular, it would be very dangerous to make budgetary policy in the belief that the supply response can be so large as to wipe out the need for fiscal prudence and budgetary restraint. We can improve our prospects still further by the use of voluntary incomes policies, strengthened when budgetary resources become available by tax incentives for wage moderation. But, again, incomes policies alone will not do the job. If we try to rely on them excessively, we will do more harm than good. Only with a balance among the various elements, and only with persistence in the realization that sure progress will come gradually, can we have both lower inflation and better growth.

Sorting out the proper role of government also requires us to strike a balance. At times Federal spending has grown too rapidly. But in recent years, its growth did not result from the introduction of a host of new government programs by spendthrift politicians or a surge of profligacy by wasteful bureaucrats. It stemmed mainly from two sources: *first*, increased military spending to meet national security goals that are overwhelmingly supported by the American people; and *second*, the growth of long established and broadly accepted social security and social insurance programs that are directly or indirectly indexed against inflation or automatically responsive to an increase in unemployment.

There is some waste. There is some abuse. I have instituted a number of reforms to cut it back. I am sure my successors will continue this important effort. But waste and abuse are not the fundamental issues. The essence of the challenge that faces us is how to balance the various benefits that government programs confer on us against their costs in terms of higher taxes, higher deficits, and sometimes higher inflation.

It is my view that we must strike the balance so as to restrict for some time the overall growth of Federal spending to less than the growth of our economy, despite the faster increase of the military component of the budget. As a consequence, in my 1982 budget I have proposed a series of program reductions. I have suggested a delay in the effective date of new programs I believe important. I have recommended improvements in the index we use to adjust Federal programs for inflation.

I think we will do a better job in striking the right balance over the years ahead if we keep two principles in mind: The first is to recognize *reality*. The choices are in fact difficult, and we should not pretend that all we have to do is find wasteful programs with zero benefits. The second is to act with *compassion*. Some government programs provide special benefits for the poor and the disadvantaged; while these programs must not be immune from review and reform, they should not bear the brunt of the reductions.

The same general viewpoint is appropriate when we approach the problem of government as regulator, especially in protecting the environment, health, and safety. When we first awoke to the fact of generations of environmental neglect, we rushed to compensate for our mistake and paid too little attention to problems of cost and effectiveness. Sometimes the laws we passed and the deadlines we set took too little account of their economic impact. For 4 years my Administration has been engaged in a major program of finding ways to make regulations more cost-effective and to strike a reasonable

balance between environmental concerns and economic costs. A strong foundation has been laid. Much remains to be done. But lasting progress will not come unless we realize that there is a balance to be struck. Those who believe that virtually all regulation is bad and that the best regulation is a dead regulation will come to grips with the real problem no more successfully than the enthusiasts who believe that concern with regulatory costs is synonymous with lack of concern for the environment.

I believe that the government has indeed overregulated and that regulatory reform must continue to be a major objective of the Federal Government, as it has been during my Administration. But I also believe that true reform involves finding better ways to identify and to give proper consideration to gains as well as costs.

My reading of the distant and the nearby past gives me confidence that the American people can meet the challenges ahead. There are no simple formulas. There will be no quick victories. But an understanding of the diverse concerns we have, a pragmatic willingness to bring to bear a varied array of weapons, and persistence in the effort will bring success.

JIMMY CARTER.

THE WHITE HOUSE, *January 17, 1981.*

ANNUAL SCIENCE AND TECHNOLOGY REPORT—MESSAGE FROM THE PRESIDENT—PM 26

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I am pleased to submit to the Congress the Third Annual Science and Technology Report as required by the National Science and Technology Policy, Organization and Priorities Act of 1976.

Science and technology affect our lives in many ways, and policy decisions very often involve issues of a scientific and technical nature. Systematic assessment of scientific and technological developments is therefore a crucial element in the formation of effective public policy. My Administration has sought to make better use of science and technology in responding to challenges in many areas—energy, health, agriculture, environmental protection, national security, the quest for peace, economic productivity, and the renewal of our industrial base. The decisions, actions and programs described in this report show how developments in science and technology have interacted with recent public policies in these areas.

I hope that this report, like its predecessors and its companion, the *Five-Year Outlook* on science and technology will contribute to the informed discussion so essential to our scientific and technological capabilities and our future national strength.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1981.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-79. A communication from the Commander, Department of the Navy, Naval Facilities Engineering Command, transmitting, pursuant to law, reports indicating those military construction contracts awarded on other than a competitive bid basis to the lowest responsible bidder; to the Committee on Armed Services.

EC-80. A communication from the Comptroller General, transmitting, pursuant to law, a report entitled "Examination Of Fiscal Year 1979 Financial Statements Of The Panama Canal Organization And Treaty-Related Issues"; to the Committee on Armed Services.

EC-81. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, reports in compliance with the Aviation Career Incentive Act of 1974; to the Committee on Armed Services.

EC-82. A communication from the Acting Assistant Secretary of the Army, transmitting, pursuant to law, a study with respect to converting the guard services activity at Fort Knox, Ky.; to the Committee on Armed Services.

EC-83. A communication from the Deputy Assistant Secretary of Defense, Installations and Housing, transmitting, pursuant to law, notification of 41 construction projects to be undertaken by the Air National Defense; to the Committee on Armed Services.

EC-84. A communication from the Assistant Secretary of the Army, transmitting, pursuant to law, a study with respect to converting the central issue facility activity at Fort Riley, Kans.; to the Committee on Armed Services.

EC-85. A communication from the Assistant Secretary of the Air Force, Research, Development and Logistics, transmitting, pursuant to law, a study with respect to converting the commissary shelf-stocking and custodial services function at Beale Air Force Base, Calif.; to the Committee on Armed Services.

EC-86. A Communication from the Assistant Secretary of the Air Force, Research, Development, and Logistics, transmitting, pursuant to law, a study with respect to converting the vehicle onerations and maintenance function at Tinker Air Force Base, Okla.; to the Committee on Armed Services.

EC-87. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the imposition of foreign policy controls on certain exports to Libya, Iraq, the People's Democratic Republic of Yemen, and Syria; to the Committee on Banking, Housing, and Urban Affairs.

EC-88. A communication from the Comptroller General, transmitting, pursuant to law, a report entitled "New Strategy Required For Aiding Distressed Steel Industry"; to the Committee on Banking, Housing, and Urban Affairs.

EC-89. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, reports on the proposed use of funds appropriated pursuant to the National Aeronautics and Space Administration Authorization Act of 1981; to the Committee on Commerce, Science, and Transportation.

EC-90. A communication from the Comptroller General, transmitting, pursuant to law, a report entitled "Further Improvements Are Needed In Amtrak's Passenger Service Contracts, But They Won't Come Easily"; to the Committee on Commerce, Science, and Transportation.

EC-91. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report regarding the administration of the Fair Packaging and Labeling Act during fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC-92. A communication from the Vice President of Amtrak, transmitting, pursuant to law, the average number of passengers and the on-time performance for Amtrak rail service during the month of October, 1980; to the Committee on Commerce, Science, and Transportation.

EC-93. A communication from the Secretary of Agriculture and the Secretary of Energy, transmitting, pursuant to law, the joint U.S. Department of Agriculture/U.S. Department of Energy Plan for Biomass Energy Production and Use; to the Committee on Energy and Natural Resources.

EC-94. A communication from the Acting Deputy Secretary, Department of Energy, transmitting, pursuant to law, a report on the results of preliminary energy audits of Federal buildings with one thousand or more square feet; to the Committee on Energy and Natural Resources.

EC-95. A communication from the Secretary of the Interior, transmitting, pursuant to law, a preliminary report regarding health care and related programs for people of the Marshall Islands; to the Committee on Energy and Natural Resources.

EC-96. A communication from the Assistant Secretary of the Army, transmitting, pursuant to law, the report of the Chief of Engineers entitled "Projects Recommended for Deauthorization—6th Annual Report"; to the Committee on Environment and Public Works.

EC-97. A communication from the Attorney General, transmitting, pursuant to law, notice that the United States will not defend the constitutionality of section 202(f) of the Social Security Act; to the Committee on Finance.

EC-98. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the "Treasury Combined Statement of Receipts, Expenditures and Balances of the United States Government for the Fiscal Year Ended September 30, 1980"; to the Committee on Finance.

EC-99. A communication from the Chairman of the National Commission on Social Security, transmitting, pursuant to law, the recommendations contained in the final report of the Commission; to the Committee on Finance.

EC-100. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to December 31, 1980; to the Committee on Foreign Relations.

EC-101. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 18, 1980; to the Committee on Governmental Affairs.

EC-102. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 18, 1980; to the Committee on Governmental Affairs.

EC-103. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC-104. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC-105. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law,

legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–106. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–107. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–108. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–109. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 25, 1980; to the Committee on Governmental Affairs.

EC–110. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–111. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–112. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–113. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–114. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–115. A communication from the General Counsel, Department of Health and Human Services, transmitting, pursuant to law, a report regarding a new sstem of records—Demonstration Project; to the Committee on Governmental Affairs.

EC–116. A communication from the Acting Secretary of Agriculture, transmitting, pursuant to law, a report on a new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–117. A communication from the Assistant Administrator of the Agency for International Development, transmitting, pursuant to law, a report on the disposal of foreign excess property for fiscal year 1980; to the Committee on Governmental Affairs.

EC–118. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–119. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–120. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–121. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–122. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–123. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Interaction of Federal and State Aid in New York State: Trends and Patterns, 1969–75"; to the Committee on Governmental Affairs.

EC–124. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–125. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 25, 1980; to the Committee on Governmental Affairs.

EC–126. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980 to the Committee on Governmental Affairs.

EC–127. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Government Affairs.

EC–128. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–129. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–130. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 30, 1980; to the Committee on Governmental Affairs.

EC–131. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–132. A communication from the Assistant Attorney General for Administration, transmitting, pursuant to law, a proposed new system of records for the Department of Justice for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–133. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a proposed new system of records for the General Services Administration for implementing the Privacy Act; to the Committtee on Governmental Affairs.

EC–134. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report of personal property donated under the Federal Property and Administration Services Act of 1949 for fiscal year 1980; to the Committee on Governmental Affairs.

EC–135. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–136. A communication from the Chairman of the Council of the District of lumbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–137. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–138. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–139. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 12, 1980; to the Committee on Governmental Affairs.

EC–140. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–141. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–142. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–143. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–144. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC–145. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act entitled "Naming of the Mary Terrell-Arthur Elmes Park"; to the Committee on Governmental Affairs.

EC–146. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act entitled "D.C. Exhaust Emission Inspection/Maintenance"; to the Committee on Governmental Affairs.

EC–147. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act entitled "D.C. Public Emergency Act of 1980"; to the Committee on Governmental Affairs.

EC–148. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act entitled "Crime Prevention Sign Posting of 1980"; to the Committee on Governmental Affairs.

EC–149. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 30, 1980; to the Committee on Governmental Affairs.

EC–150. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 30, 1980; to the Committee on Governmental Affairs.

EC–151. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 14, 1980; to the Committee on Governmental Affairs.

EC–152. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 10, 1980; to the Committee on Governmental Affairs.

EC–153. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–154. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–155. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–156. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–157. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 28, 1980; to the Committee on Governmental Affairs.

EC–158. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 30, 1980; to the Committee on Governmental Affairs.

EC–159. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–160. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–161. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC–162. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to an interpretation of the rules of the House of Representatives made by the Parliamentarian of the House, a copy of an act of the Council, D.C. Act 3–263, September 16, 1980; to the Committee on Governmental Affairs.

EC–163. A communication from the Attorney General of the United States, transmitting, pursuant to law, a report on the position of the Department of Justice that a certain provision of law enacted by the Congress is not constitutional, and that the Department will refrain from enforcement; to the Committee on the Judiciary.

EC–164. A communication from the President of the United States, transmitting, pursuant to law, a determination by him that the administration of certain sections of the Refugee Act of 1980 should be retained by the Department of State; to the Committee on the Judiciary.

EC–165. A communication from the Acting Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, 1,033 reports on visa petitions accorded third and sixth preference classification; to the Committee on the Judiciary.

EC–166. A communication from the Acting Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, transmitting, pursuant to law, two reports of pupil assessment projects conducted by the Department of Defense on dependent's schools; to the Committee on Labor and Human Resources.

EC–167. A communication from the Secretary of Health and Human Resources, transmitting, pursuant to law, an interim report on the current status of the contractor's efforts in a study of sudden and unexplained infant deaths; to the Committee on Labor and Human Resources.

EC–168. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for instructional media for the handicapped program; to the Committee on Labor and Human Resources.

EC–169. A communication from the Secretary of Education, transmitting, pursuant to law, a report on final regulations for fellowship grants for graduate and professional study; to the Committee on Labor and Human Resources.

EC–170. A communication from the Secretary of Health and Human Resources, transmitting, pursuant to law, notice of a delay in delivery of a review of Federal programs of research on biological effects of ionizing radiation; to the Committee on Labor and Human Resources.

EC–171. A comunication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on direct and affiliated medical residency program data; to the Committee on Labor and Human Resources.

EC–172. A communication from the Assistant Secretary for Health and Surgeon General, transmitting, pursuant to law, a report on a new system of records; to the Committee on Labor and Human Resources.

EC–173. A communication from the Secretary of Education, transmitting, pursuant to law, a document which has been transmitted to the Federal Register for scheduled publication; to the Committee on Labor and Human Resources.

EC–174. A communication from the Secretary of Education, transmitting, pursuant to law, a document which has been transmitted to the Federal Register for scheduled publication; to the Committee on Labor and Human Resources.

EC–175. A communication from the Secretary of Education, transmitting, pursuant to law, a document which has been transmitted to the Federal Register for scheduled publication; to the Committee on Labor and Human Resources.

EC–176. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the health consequences of smoking; to the Committee on Labor and Human Resources.

EC–177. A communication from the Secretary of Labor and the Secretary of Education, transmitting, pursuant to law, a report on the status of bilingual vocational training; to the Committee on Labor and Human Resources.

EC–178 A communication from the Secretary of Education transmitting, pursuant to law, a report on final regulations for selection criteria for fiscal year 1981 grants and contracts; to the Committee on Labor and Human Resources.

EC–179. A communication from the Commissioner on Aging, Department of Health and Human Services, transmitting, pursuant to law, a report on revising Federal transportation programs for older individuals; to the Committee on Labor and Human Resources.

EC–180. A communication from the Commissioner on Aging, Department of Health and Human Services, transmitting, pursuant to law, two reports on providing transportation services for older persons; to the Committee on Labor and Human Resources.

EC–181. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the use of grant fund by migrant and community health center programs; to the Committee on Labor and Human Resources.

EC–182. A communication from the Secretary of Education, transmitting, pursuant to law, a technical amendment: final rule changing the definition of "handicapped children" under part B of the Education of the Handicapped Act, as amended; to the Committee on Labor and Human Resources.

EC–183. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for guaranteed student loan program deferment provisions; to the Committee on Labor and Human Resources.

EC–184. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for guaranteed student loan program, refund of tuition charges and other fees; to the Committee on Labor and Human Resources.

EC–185. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for handicapped interpretation—individualized education program; to the Committee on Labor and Human Resources.

EC–186. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for centers for independent living program: to the Committee on Labor and Human Resources.

EC–187. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for State vocational rehabilitation and independent living rehabilitation program; to the Committee on Labor and Human Resources.

EC–188. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for law-related education program; to the Committee on Labor and Human Resources.

EC–189. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for arts in education program; to the Committee on Labor and Human Resources.

EC–190. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for assistance to States for education of handicapped children catheterization; to the Committee on Labor and Human Resources.

EC–191. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for minority institutions science improvement program; to the Committee on Labor and Human Resources.

EC–192. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for training programs for teachers of handicapped children in areas with a shortage; to the Committee on Labor and Human Resources.

EC–193. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the cost of attendance provisions for student assistance programs—national direct student loan, college work study, supplemental educational opportunity grant, guaranteed student loan, parent loans for undergraduate students, and Pell grant programs; to the Committee on Labor and Human Resources.

EC–194. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for family contribution schedules 1981–82 Pell grant program;

to the Committee on Labor and Human Resources.

EC-195. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for asbestos detection and control: local educational agencies; asbestos detection and State plan: State education agencies; to the Committee on Labor and Human Resources.

EC-196. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for transition program for refugee children (34 CFR Part 538) and educational services for Cuban and Haitian entrant children program (34 CFR Part 539); to the Committee on Labor and Human Resources.

EC-197. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for Education Department general administrative regulations; annual funding priorities; to the Committee on Labor and Human Resources.

EC-198. A communication from the Administrator of the Veterans' Administration, transmitting, pursuant to law, the report on the sharing of medical resources program of the Veterans' Administration for fiscal year 1980; to the Committee on Veterans' Affairs.

EC-199. A communication from the Administrator of the Veterans' Administration, transmitting, pursuant to law, a report on the nature and disposition of all cases in which an institution, approved for veterans benefits, utilizes advertising, sales or enrollment practices which are erroneous, deceptive, or misleading, either by actual statement, omission, or intimation for fiscal year 1980; to the Committee on Veterans Affairs.

EC-200. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals for January 1981; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Armed Services, the Committee on Labor and Human Resources, the Committee on Energy and Natural Resources, the Committee on the Judiciary, the Committee on Finance, and the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Finance:

Special report entitled "Legislative Review Activity; Report of the Committee on Finance" (Rept. No. 97-1).

By Mr. DOLE, from the Committee on Finance, without amendment:

S. Res. 25. An original resolution authorizing expenditures by the Committee on Finance; referred to the Committee on Rules and Administration, and

S. Res. 26. An original resolution authorizing the printing of extra copies of a document for use of the Committee on Finance; referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. TOWER, from the Committee on Armed Services:

Casper W. Weinberger, designee to be the Secretary of Defense (Ex. Rept. 97-1).

By Mr. WARNER, from the Committee on Armed Services:

Frank C. Carlucci, designee to be Deputy Secretary of Defense (Ex. Rept. 97-2).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN (for himself and Mr. BAUCUS):

S. 141. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Finance, and

By Mr. BENTSEN:

S. 142. A bill to increase the amount of the exemption of certain interest and dividend income from taxation, and to make permanent the exemption of interest from taxation; to the Committee on Finance.

By Mr. ABDNOR:

S. 143. A bill for the relief of Bharat Persaud; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. DANFORTH, Mr. BENTSEN, Mr. TSONGAS, Mr. RANDOLPH, Mr. CHAFEE, Mr. GLENN, Mr. EAST, Mr. BUMPERS, Mr. BOREN, Mr. HEFLIN, Mr. LUGAR, Mr. GOLDWATER, Mr. ABDNOR, Mr. BRADLEY, Mr. HATFIELD, Mr. BAUCUS, Mr. STAFFORD, Mr. GORTON, Mr. RUDMAN, Mr. JOHNSTON, Mr. SCHMITT, Mr. MELCHER, Mr. JEPSEN, Mr. SIMPSON, Mr. MATHIAS, Mr. DURENBERGER, Mr. DIXON, Mr. WALLOP, Mr. ARMSTRONG, Mr. SYMMS, Mr. DOLE, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. LONG, Mr. ROTH, Mr. WEICKER, Mr. EAGLETON, Mr. KASTEN, Mr. HUDDLESTON, Mr. SPECTER, Mr. LEVIN, Mr. PRESSLER, and Mr. COHEN):

S. 144. A bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MOYNIHAN:

S. 145. A bill to amend the Internal Revenue Code of 1954 to provide a 67 percent maximum tax rate for individual income taxes and to reduce the capital gains tax rates for corporations and individuals; to the Committee on Finance.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 146. A bill to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HARRY F. BYRD, JR.

S. 147. A bill to amend the Congressional Budget Act of 1974 to provide for a continuing study of entitlement authority; jointly, to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977;

S. 148. A bill to amend the Congressional Budget Act of 1974 to require a two-thirds vote in the Senate and House of Representatives for any modification of the Second Concurrent Budget Resolution; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977; and

S. 149. A bill to amend the Congressional Budget Act of 1974 to mandate pilot testing of major new federal programs; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 150. A bill to amend title 5 of the United States Code to provide payments under Government health plans for services of qualified mental health specialists; to the Committee on Governmental Affairs;

S. 151. A bill to allow an additional income exemption for a taxpayer or his spouse who is deaf or blind; to the Committee on Finance;

S. 152. A bill to amend titles XVIII and XIX of the Social Security Act to provide that clinical social worker services shall be covered under part B of medicare and shall be a required services under medicaid; to the Committee on Finance; and

S. 153. A bill to amend the Internal Revenue Code of 1954 to expand the category of targeted groups for whom the new employee credit is available to include displaced homemakers; to the Committee on Finance.

By Mr. PRYOR:

S. 154. A bill to amend title 37, United States Code, to authorize special pay to a member of a uniformed service who performs duties that are unusually hazardous or performed under unusually severe working conditions; to the Committee on Armed Services.

By Mr. SCHMITT:

S. 155. A bill to amend the Internal Revenue Code of 1954 to make additional interest from savings eligible for exclusion; to the Committee on Finance.

By Mr. CRANSTON:

S. 156. A bill for the relief of Maria Lourdes Bicasan; to the Committee on the Judiciary; and

S. 157. A bill for the relief of Zenaida Porte Rebultan; to the Committee on the Judiciary.

By Mr. HELMS:

S. 158. A bill to provide that human life shall be deemed to exist from conception; to the Committee on the Judiciary.

By Mr. SCHMITT:

S. 159. A bill to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes; to the Select Commitee on Indian Affairs; and

S. 160. A bill to authorize the Secretary of Agriculture to convey certain National Forest System lands, under specified conditions, to direct the Secretary of Interior to certify survey monuments within 180 days, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MATTINGLY:

S.J. Res. 13. Joint resolution proposing an amendment to the Constitution of the United States with respect to Senators and Representatives and the number of terms either may serve; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself and Mr. BAUCUS):

S. 141. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Finance.

DIVIDEND REINVESTMENT

● Mr. BENTSEN. Mr. President, today I am introducing a proposal to defer current taxes on dividends reinvested in original issue stock—with an annual limit of $1,500 for a single taxpayer and $3,000 for a joint return. The stock received on such reinvestment would be regarded, for tax purposes, and essentially the equivalent of a conventional stock dividend with similar tax consequences.

This proposal is identical to S. 1543, a bill I sponsored during the 96th Congress.

My proposal is the most direct, most closely targeted and the most cost-effective proposal for encouraging new capital formation where it is most urgently needed. It is the most direct because the reinvestment in new issue stock represents instantaneous formation of new capital. It is the most closely targeted because it represents a rifle shot which is 100-percent effective in producing new capital to capital intensive companies having an urgent need for such common stock capital to finance new facilities. It is most cost effective since it will provide a substantial input in new capital formation and new capital investment while involving a modest or nonexistent revenue loss.

Mr. President, while my proposal in general aids businesses badly in need of capital, it represents a tax cut for the individual taxpayer. It is the shareholder and not the corporation which receives the tax benefit under my proposal. Further, the benefits are to the small shareholder. For example, analysis of the participants in the General Telephone plan indicate that over 84 percent of the stockholders participating in that plan own less than 100 shares and that some 94 percent of the participants hold less than 200 shares.

In addition to providing direct substantial and immediate support for the formation of new equity, adoption of my proposal will: Reduce the double taxation on dividend income by eliminating the tax at the shareholder level when dividends are reinvested pursuant to a qualified plan and to encourage individual savings and thereby provide needed supplemental retirement income.

My proposal represents not only tax savings to the individual and needed capital to capital intensive industries, it also is a direct hit on the stagflation facing our Nation's economy today. A study by the firm of Robert R. Nathan Associates states that my proposal will increase national output by approximately $2.7 billion annually, increase business investment by about $1 billion annually and add about 50,000 jobs per year.●

By Mr. BENTSEN:

S. 142. A bill to increase the amount of the exemption of certain interest and dividend income from taxation, and to make permanent the exemption of interest from taxation; to the Committee on Finance.

SMALL SAVERS

● Mr. BENTSEN. Mr. President, I am today introducing legislation to increase the amount of the exemption of certain interest on dividend income from $200—$400 in the case of a joint return—to $1,000 and $2,000 respectfully and to make this exemption a permanent part of the Internal Revenue Code.

The 96th Congress adopted the Bentsen small saver provision. That provision for the first time excluded a limited amount of interest income from tax. My proposal today will increase the amount of interest excluded from income and make that provision permanent.

Mr. President, for more than 3 years now I have maintained that tax cuts, properly structured and targeted, need not be inflationary. One of the most effective ways to combat inflation in our America, rejuvenate productivity, increase capital available for investment, and stimulate the supply side of our economy is to eliminate the bias against savings and investment that has contributed so significantly to our current economic difficulties.

Due to inflation, individuals actually receive a negative rate of return on savings accounts. A tax on the interest received further penalizes the consumer who has already been hurt by inflation. The money deposited in a savings account has already been taxed at the time the individual earned the income. A second tax can be harsh.

My proposal will replace the stick of double taxation with a carrot for incentives for savings and investment. It will encourage millions of small savers to invest in the future of America. It will permit millions of senior citizens living on fixed incomes to cope more efficiently in an era of double-digit inflation.

The need for this proposal is clear. The United States has one of the poorest records of savings and investment when compared to other industrialized nations. Americans currently save only 4.1 percent of disposable income, the lowest figure in 28 years. The British, by comparison, save at a rate of 6.6 percent, the French at 13.1 percent, the West Germans at 13.2 percent and the Japanese at 25.3 percent. A study prepared by the Department of the Treasury indicates the total U.S. fixed investment as a share of national output between 1950 through 1973 was 17.5 percent. The U.S. figure ranks last among a group of major industrial nations. Our investment rate was 7.2 percentage points below the average commitment of the entire group. Even below that of Great Britain. Greater savings and investment will help boost productivity and reduce inflation.

This proposal would also increase the flow of capital to savings and loan associations and provide a more stable source of funds for homebuilding. Efforts must be taken to reduce the severe fluctuations in the housing industry.

Mr. President, I urge Congress to enact this important incentive for greater savings.●

By Mr. HEINZ (for himself, Mr. DANFORTH, Mr. BENTSEN, Mr. TSONGAS, Mr. RANDOLPH, Mr. CHAFEE, Mr. GLENN, Mr. EAST, Mr. BUMPERS, Mr. BOREN, Mr. HEFLIN, Mr. LUGAR, Mr. GOLDWATER, Mr. ABDNOR, Mr. BRADLEY, Mr. HATFIELD, Mr. BAUCUS, Mr. STAFFORD, Mr. GORTON, Mr. RUDMAN, Mr. JOHNSTON, Mr. SCHMITT, Mr. MELCHER, Mr. JEPSEN, Mr. SIMPSON, Mr. MATHIAS, Mr. DURENBERGER, Mr. DIXON, Mr. WALLOP, Mr. ARMSTRONG, Mr. SYMMS, Mr. DOLE, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. LONG, Mr. ROTH, Mr. WEICKER, Mr. EAGLETON, Mr. KASTEN, Mr. HUDDLESTON, Mr. SPECTER, Mr. LEVIN, Mr. PRESSLER, and Mr. COHEN):

S. 144. A bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally; to the Committee on Banking, Housing, and Urban Affairs.

EXPORT TRADING COMPANIES

Mr. HEINZ. Mr. President, this bill we are introducing today to promote the formation of export trading companies is the same, with only minor changes, as S. 2718 which passed the Senate last September 3 by a vote of 77 to 0. Unfortunately, the House did not take up S. 2718 last year, but we hope that prompt action by the Senate again this year will give the House ample time to fully consider the legislation and to act favorably on it.

Mr. President, this bill is the first serious attempt by Congress to remedy the dramatic competitive decline in the United States vis-a-vis our trading partners and our trading competitors.

It is the product of nearly 3 years of concerted effort by former Senator Stevenson and the International Finance Subcommittee, which I now chair, which has held hearings including witnesses from virtually every segment of our economy, from academics, from business people, from labor, from consumers, from exporters, from importers.

It represents, perhaps, the most carefully researched response to a national problem that I have seen in my nearly 10 years in legislative service.

And that problem is that we are faced with a situation in which our trade deficit is getting progressively worse. That is a serious problem, Mr. President, because it is through our earnings in exports that we pay our ever-increasing import bills, particularly the $90 billion a year for our oil imports.

We should be mightily concerned because, notwithstanding a burgeoning Federal budget deficit, estimated in this year of the balanced budget at some place between $50 and $60 billion, the sad fact is that our trade deficit, which is not between the American Government and our people, but between the American people and other foreign trading partners, could be nearly as large.

This fact—is a sign of the deep economic trouble this country is in.

I would be the first to admit that this legislation will not solve everyone of our trading problems. But it will at least bring us into the 20th century as far as international trade is concerned, and put us on a par with our trade competitors who have long been better organized and better structured for global competition.

With respect to trade opportunities, we approved the implementing legislation on the MTN more than a year ago and that was a major step toward breaking down the barriers to free and fair international trade.

However, it seems our trading competitors have taken far more advantage of those lessened barriers than we have, and the fault, if it lies anyplace, lies with the Government here in Washington, D.C.

While it is a fault, perhaps, not of commission but of omission, it is nonetheless a problem that we believe must be remedied, and remedied promptly through the passage of the strongest possible bill

that we can get from this Congress and the incoming administration.

I believe that this legislation in its present form is such a bill. By opening the door to the establishment of export trading companies, it will break down the barriers that we have erected over the years to the creation of meaningful institutions to help us and our firms, our employees, and our employers, export.

There is something of an irony to the fact that the sixth largest exporter in the United States is a Japanese trading company. Where, we may ask, are all the American trading companies?

The answer is that while a few may exist on paper, in terms of structure and the ability to perform, the ability to get financing, or the ability to offer services, the answer is that American trading companies do not exist. With rare exceptions, they are here only in name.

That is why our trading companies legislation, which addresses many of the disincentives to the effective formation and operation of trading companies, is so important.

So perhaps in the future we will be able to displace as the No. 6 U.S. exporter the Mitsui Trading Co., and maybe we will have some American trading companies right up there in the top 5 and relegate the Mitsuis and the others to the bottom 100.

Mr. President, one particular area of debate about this bill; which I would like to touch on briefly, concerns the provision regarding bank participation in export trading companies.

Very simply, if we are to mobilize our small- and medium-sized manufacturers into exporting, we have to have what I can best describe as strong and full service trading companies. That means financing, that means the participation of some kind of financial institutions, that means the participation, therefore, in our society of both banks and bank holding companies.

Without them, we cannot have successful, financially strong, trading companies unless we want to continue to operate with one or both arms tied behind us.

The Commerce Department has estimated that there are about 20,000 small- and medium-sized firms that could be exporting but are not. Export trading companies will facilitate the entry of these firms into world trade. The United States neglects billions of dollars in potential export business each year because small- and medium-sized producers cannot afford the cost and risks involved in fully developing opportunities to market their products and services abroad.

It is all too easy to explain away the nonparticipation of these 20,000 small- and medium-sized firms identified by the Commerce Department, who could export profitably but do not. The conventional wisdom is that these firms have compared the large, rich domestic market with the risky international environment and decided not to take chances, or that they have simply refused to make the effort necessary to find the right export management firm to handle the international segment of their business. These explanations may well be valid. But they do not justify inaction on the part of the administration or Congress. I believe that, in this case, we must go beyond the conventional wisdom and create an environment in which the export market actually becomes an attractive alternative to the expansion of domestic market opportunities. Export trading companies can do just that.

Obviously, we are not going to solve this problem overnight. But every successful program of trade promotion is a step in the right direction. Small- and medium-sized businesses have too long been excluded from the role in our Nation's export picture which similar sized firms play for our trade competitors. Where our competitors have incentives and official credit and promotion programs, we have antitrust barriers and structural impediments to surmount before our firms can even begin to compete.

This bill will help to overcome some of those barriers by encouraging the development of intermediaries to provide the marketing and financial tools necessary to help smaller business, while at the same time helping them to benefit from economies of scale and diffusion of risk.

The Japanese Shoshoga, or trading company, has strong financial ties with financial institutions, and this lesson has not been lost on many other countries. The same is true for the Europeans and Brazilians, and all the other countries that have strong trading companies.

Without question, if we want to get into the 20th century where exporting is concerned, we must have trading companies with financial muscle.

Second, there is, to me, some irony in the fact that if we do not permit American banks and bank holding companies to have necessary financial participation in American trading companies, they would be in the unique position of being able to own outright foreign trading companies in other countries, as they do now, but not here. We would be putting our American banks in the strange position of undercutting and weakening our trade surplus by the successful operation of trading companies in Brazil, Europe, and other places, owned or substantially owned by them, while prohibiting them from strengthening our trading position by permitting them to do the same thing here that they are permitted to do overseas.

Allowing the participation of the banking organizations in export trading companies does involve some risk but the provisions of this bill limit their financial exposure to such a degree that the risk is quite minimal if not as close to nonexistent as can be obtained in an uncertain world. At this point, is it not more important to ask, what do we risk if we do not act to increase our exports? That risk is known. Our trade deficit will continue to grow.

In evaluating the relative risks involved in an enterprise, we should consider all the possibilities. In this case, we must weight the risk to the banks of their involvement against the benefits to our economy which will be accrued by increased exports. The sponsors of this legislation believe that ETC's will significantly increase U.S. exports—particularly those of small- and medium-sized businesses—if they are adequately capitalized. At this point, the most effective way for ETC's to raise capital is to encourage banks to get into the business. If we enact legislation that will discourage the participation of banks in ETC's, we will have significantly decreased the probability that this legislation will be an effective vehicle with which to obtain the goal of increased exports, a goal upon which we all agree.

This bill can substantially and permanently expand U.S. exports, particularly by small- and medium-sized firms that do not export at present. It would revise Government policies which have tended to discourage formation of U.S. export trading companies in the past. It aims at long-term improvement in America's trade posture through improved export intermediation by private American export traders.

Title I would: First, increase the financial leverage of all exporters by directing the Export-Import Bank to develop an improved guarantee program to support commercial loans to U.S. exporters; Second, direct the Secretary of Commerce to promote export trading companies by providing information on such companies to U.S. producers; Third, permit banks to make limited investment in export trading companies (such investments could not exceed 5 percent of the banking capital and all controlling investments and all investments over $10 million would be subject to prior approval and conditions imposed by Federal bank regulatory agencies to insure the safety and soundness of banks and fair competition); Fourth, authorize additional appropriations to the Economic Development Administration and Small Business Administration to support increased loans and guarantees to enable expansion of U.S. exports, including exports through U.S. export trading companies.

Title II would revise the Webb-Pomerene Act of 1918 to clarify the anti-trust provisions applicable to export trade associations and export trading companies and provide a certification procedure which would enable such associations and companies to obtain anti-trust preclearance for specified export trade operations. The clearance procedure would facilitate exports by permitting firms to determine in advance exactly which export trade activities would be immune from anti-trust suit and which ones would not.

Earlier versions of this bill contained a third title which would extend the tax deferral available under the DISC (Domestic International Sales Corporation) provisions of the tax code to exports of export trading companies, including exports of services. It would also allow in same cases the use of subpart S of the tax code (which permits certain passthroughs to shareholders to closely held corporations). For jurisdictional reasons we have decided not to include title III in this year's bill and instead will soon be introducing a revised version of it separately. We remain committed to its enactment.

Mr. President, I urge my colleagues to

study this bill carefully, to weigh its enormous benefits against the risks of inaction, and then to join with me in supporting prompt committee action in reporting it and an overwhelming vote in the Senate in favor of it. I ask that the text of the bill be printed at this point in the RECORD, along with a brief summary of its provisions and congressional action on it last year.

There being no objection, the bill and the summary were ordered to be printed in the RECORD, as follows:

S. 144

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—EXPORT TRADING COMPANIES

SHORT TITLE

SEC. 101. This title may be cited as the "Export Trading Company Act of 1981".

FINDINGS

SEC. 102. (a) The Congress finds and declares that—

(1) tens of thousands of American companies produce exportable goods or services but do not engage in exporting;

(2) although the United States is the world's leading agricultural exporting nation, many farm products are not marketed as widely and effectively abroad as they could be through producer-owned export trading companies;

(3) exporting requires extensive specialized knowledge and skills and entails additional, unfamiliar risks which present costs for which smaller producers cannot realize economies of scale;

(4) export trade intermediaries, such as trading companies, can achieve economies of scale and acquire expertise enabling them to export goods and services profitably, at low per unit cost to producers;

(5) the United States lacks well-developed export trade intermediaries to package export trade services at reasonable prices (exporting services are fragmented into a multitude of separate functions; companies attempting to offer comprehensive export trade services lack financial leverage to reach a significant portion of potential United States exporters);

(6) State and local government activities which initiate, facilitate, expand export of products and services are an important and irreplaceable source for expansion of total United States exports, as well as for experimentation in the development of innovative export programs keyed to local, State, and regional economic needs;

(7) the development of export trading companies in the United States has been hampered by insular business attitudes and by Government regulations; and

(8) if United States export trading companies are to be successful in promoting United States exports and in competing with foreign trading companies, they must be able to draw on the resources, expertise, and knowledge of the United States banking system, both in the United States and abroad.

(b) The purpose of this Act is to increase United States exports of products and services, particularly by small, medium-size and minority concerns, by encouraging more efficient provision of export trade services to American producers and suppliers.

DEFINITIONS

SEC. 103. (a) As used in this Act—

(1) the term "export trade" means trade or commerce in goods in the United States or services produced in the United States, produced, and exported, or in the course of being exported, from the United States to any foreign nation;

(2) the term "goods produced in the United States" means tangible property manufactured, produced, grown, or extracted in the United States, the cost of the imported raw materials and components thereof shall not exceed 50 per centum of the sales price;

(3) the term "services produced in the United States" includes, but is not limited to accounting, amusement, architectural, automatic data processing, business, communications, construction franchising and licensing, consulting, engineering, financial, insurance, legal, management, repair, tourism, training, and transportation services, not less than 50 per centum of the sales or billings of which is provided by United States citizens or is otherwise attributable to the United States;

(4) the term "export trade services" includes, but is not limited to, consulting, international market research, advertising, marketing, insurance, product research and design, legal assistance, transportation, including trade documentation and freight forwarding, communication and processing of foreign orders to and for exporters and foreign purchasers, warehousing, foreign exchange, and financing, when provided in order to facilitate the export of goods or services produced in the United States;

(5) the term "export trading company" means a company, whether operated for profit or as a nonprofit organization, which does business under the laws of the United States or any State and which is organized and operated principally for the purposes of—

(A) exporting goods and services produced in the United States; and

(B) facilitating the exportation of goods and services produced in the United States by unaffiliated persons by providing one or more export trade services;

(6) the term "United States" means the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;

(7) the term "Secretary" means the Secretary of Commerce; and

(8) the term "company" means any corporation, partnership, association, or similar organization, whether operated for profit or as a nonprofit organization.

(b) The Secretary is authorized, by regulation, to further define such terms consistent with this section.

FUNCTIONS OF THE SECRETARY OF COMMERCE

SEC. 104. The Secretary shall promote and encourage the formation and operation of export trading companies by providing information and advice to interested persons and by facilitating contact between producers of exportable goods and services and firms offering export trade services.

OWNERSHIP OF EXPORT TRADING COMPANIES BY BANKS, BANK HOLDING COMPANIES, AND INTERNATIONAL BANKING CORPORATIONS

SEC. 105. (a) For the purpose of this section—

(1) the term "banking organization" means any State bank, national bank, Federal savings bank, bankers' bank, bank holding company, Edge Act Corporation, or Agreement Corporation;

(2) the term "State bank" means any bank which is incorporated under the laws of any State, any territory of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Virgin Islands, or any bank (except a national bank) which is operating under the Code of Law for the District of Columbia (hereinafter referred to as a "District bank");

(3) the term "State member bank" means any State bank, including a bankers' bank, which is a member of the Federal Reserve System;

(4) the term "State nonmember insured bank" means any State bank, including a bankers' bank, which is not a member of the Federal Reserve System, but the deposits of which are insured by the Federal Deposit Insurance Corporation;

(5) the term "bankers bank" means any bank insured by the Federal Deposit Insurance Corporation if the stock of such bank is owned exclusively by other banks (except to the extent State law requires directors' qualifying shares) and if such bank is engaged exclusively in providing banking services for other banks and their officers, directors, or employees;

(6) the term "bank holding company" has the same meaning as in the Bank Holding Company Act of 1956;

(7) the term "Edge Act Corporation" means a corporation organized under section 25(a) of the Federal Reserve Act;

(8) the term "Agreement Corporation" means a corporation operating subject to section 25 of the Federal Reserve Act;

(9) the term "appropriate Federal banking agency" means—

(A) the Comptroller of the Currency with respect to a national bank or any District bank;

(B) the Board of Governors of the Federal Reserve System with respect to a State member bank, bank holding company, Edge Act Corporation, or Agreement Corporation;

(C) the Federal Deposit Insurance Corporation with respect to a State nonmember insured bank except a District bank; and

(D) the Federal Home Loan Bank Board with respect to a Federal savings bank.

In any situation where the banking organization holding or making an investment in an export trading company is a subsidiary of another banking organization which is subject to the jurisdiction of another agency, and some form of agency approval or notification is required, such approval or notification need only be obtained from or made to, as the case may be, the appropriate Federal banking agency for the banking organization making or holding the investment in the export trading company.

(10) the term "capital and surplus" means paid in and unimpaired capital and surplus, and includes undivided profits;

(11) an "affiliate" of a banking organization or export trading company is a person who controls, is controlled by, or is under common control with such banking organization or export trading company;

(12) the terms "control" and "subsidiary" shall have the same meaning assigned to those terms in section 2 of the Bank Holding Company Act of 1956, and the terms "controlled" and "controlling" shall be construed consistently with the term "control" as defined in section 2 of the Bank Holding Company Act of 1956; and

(13) for the purposes of this section, the term "export trading company" means a company which does business under the laws of the United States or any State and which is exclusively engaged in activities related to international trade, whether operated for profit or as a nonprofit organization: *Provided, however*, That any such company must also either meet the definition of export trading company in section 103(a)(5) of this Act, or be organized and operated principally for the purpose of providing export trade services, as defined in section 103(a)(4) of this Act: *Provided, further*, That any such company, for purposes of this section, (A) may engage in or hold shares of a company engaged in the business of underwriting, selling, or distributing securities in the United States only to the extent that its banking organization investor may do so under ap-

plicable Federal and State banking law and regulations, and (B) may not engage in manufacturing or agricultural production activities.

(b)(1) Notwithstanding any prohibition, restriction, limitation, condition, or requirement of any law applicable only to banking organizations, a banking organization, subject to the limitations of subsection (c) and the procedures of this subsection, may invest directly and indirectly in the aggregate, up to 5 per centum of its consolidated capital and surplus (25 per centum in the case of an Edge Act Corporation or Agreement Corporation not engaged in banking) in the voting stock or other evidences of ownership of one or more export trading companies. A banking organization may—

(A) invest up to an aggregate amount of $10,000,000 in one or more export trading companies without the prior approval of the appropriate Federal banking agency, if such investment does not cause an export trading company to become a subsidiary of the investing banking organization; and

(B) make investments in excess of an aggregate amount of $10,000,000 in one or more export trading companies, or make any investment or take any other action which causes an export trading company to become a subsidiary of the investing banking organization of which will cause more than 50 per centum of the voting stock of an export trading company to be owned or controlled by banking organizations, only with the prior approval of the appropriate Federal banking agency.

Any banking organization which makes an investment under authority of clause (A) of the preceding sentence shall promptly notify the appropriate Federal banking agency of such investment and shall file such reports on such investment as such agency may require. If, after receipt of any such notification, the appropriate Federal banking agency determines, after notice and opportunity for hearing, that the export trading company is a subsidiary of the investing banking organization, it shall have authority to disapprove the investment or impose conditions on such investment under authority of subsection (d). In furtherance of such authority, the appropriate Federal banking agency may require divestiture of any voting stock or other evidences of ownership previously acquired, and may impose conditions necessary for the termination of any controlling relationship.

(2) If a banking organization proposes to make any investment or engage in any activity included within the following two subparagraphs, it must give the appropriate Federal banking agency ninety days prior written notice before it makes such investment or engages in such activity:

(A) any additional investment in an export trading company subsidiary; or

(B) the engagement by any export trading company subsidiary in any line of activity, including specifically the taking of title to goods, wares, merchandise, or commodities, if such activity was not disclosed in any prior application for approval.

During the notification period provided under this paragraph, the appropriate Federal banking agency may, by written notice, disapprove the proposed investment or activity or impose conditions on such investment or activity under authority of subsection (d). An additional investment or activity covered by this paragraph may be made or engaged in, as the case may be, prior to the expiration of the notification period if the appropriate Federal banking agency issues written notice of its intent not to disapprove.

(3) In the event of the failure of the appropriate Federal banking agency to act on any application for approval under paragraph (1)(B) of this subsection within a period of one hundred and twenty days, which period begins on the date the application has been accepted for processing by the appropriate Federal banking agency, the application shall be deemed to have been granted. In the event of the failure of the appropriate Federal banking agency either to disapprove or to impose conditions on any investment or activity subject to the prior notification requirements of paragraph (2) of this subsection within the sixty-day period provided therein, such period beginning on the date the notification has been received by the appropriate Federal banking agency, such investment or activity may be made or engaged in, as the case may be, any time after the expiration of such period.

(c) The following limitations apply to export trading companies and the investments in such companies by banking organizations:

(1) The name of any export trading company shall not be similar in any respect to that of a banking organization that owns any of its voting stock or other evidences of ownership.

(2) The total historical cost of the direct and indirect investments by a banking organization in an export trading company combined with extensions of credit by the banking organization and its direct and indirect subsidiaries to such export trading company shall not exceed 10 per centum of the banking organization's capital and surplus.

(3) A banking organization that owns any voting stock or other evidences of ownership of an export trading company shall terminate its ownership of such stock if the export trading company takes positions in commodities or commodities contracts, in securities, or in foreign exchange, other than as may be necessary in the course of its business operations.

(4) No banking organization holding voting stock or other evidences of ownership of any export trading company may extend credit or cause any affiliate to extend credit to any export trading company or to customers of such company on terms more favorable than those afforded similar borrowers in similar circumstances, and such extension of credit shall not involve more than the normal risk of repayment or present other unfavorable features.

(d)(1) In the case of every application under subsection (b)(1)(B) of this section, the appropriate Federal banking agency shall take into consideration the financial and managerial resources, competitive situation, and future prospects of the banking organization and export trading company concerned, and the benefits of the proposal to United States business, industrial, and agricultural concerns (with special emphasis on small, medium-size and minority concerns), and to improving United States competitiveness in world markets. The appropriate Federal banking agency may not approve any investment for which an application has been filed under subsection (b)(1)(B) if it finds that the export benefits of such proposal are outweighed in the public interest by any adverse financial, managerial, competitive, or other banking factors associated with the particular investment. Any disapproval order issued under this section must contain a statement of the reasons for disapproval.

(2) In approving any application submitted under subsection (b)(1)(B), the appropriate Federal banking agency may impose such conditions which, under the circumstances of such case, it may deem necessary (A) to limit a banking organization's financial exposure to an export trading company, or (B) to prevent possible conflicts of interest or unsafe or unsound banking practices. With respect to the taking of title to goods, wares, merchandise, or commodities by any export trading company subsidiary of a banking organization, the appropriate Federal banking agencies may, by order, regulation, or guidelines, establish standards designed to ensure against any unsafe or unsound practices that could adversely affect a controlling banking organization investor. In particular, the appropriate Federal banking agencies may establish inventory-to-capital ratios, based on the capital of the export trading company subsidiary, for those circumstances in which the export trading company subsidiary may bear a market risk on inventory held.

(3) In determining whether to impose any condition under the preceding paragraph (2), or in imposing such condition, the appropriate Federal banking agency must give due consideration to the size of the banking organization and export trading company involved, the degree of investment and other support to be provided by the banking organization to the export trading company, and the identity, character, and financial strength of any other investors in the export trading company. The appropriate Federal banking agency shall not impose any conditions or set standards for the taking of title which unnecessarily disadvantage, restrict or limit export trading companies in competing in world markets or in achieving the purposes of section 102 of this Act. In particular, in setting standards for the taking of title under the preceding paragraph (2), the appropriate Federal banking agencies shall give special weight to the need to take title in certain kinds of trade transactions, such as international barter transactions.

(4) Notwithstanding any other provision of this Act, the appropriate Federal banking agency may, whenever it has reasonable cause to believe that the ownership or control of any investment in an export trading company constitutes a serious risk to the financial safety, soundness, or stability of the banking organization and is inconsistent with sound banking principles or with the purposes of this Act or with the Financial Institutions Supervisory Act of 1966, order the banking organization, after due notice and opportunity for hearing, to terminate (within one hundred and twenty days or such longer period as the Board may direct in unusual circumstances) its investment in the export trading company.

(5) On or before two years after enactment of this Act, the appropriate Federal banking agencies shall jointly report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives their recommendations with respect to the implementation of this section, their recommendations on any changes in United States law to facilitate the financing of United States exports, especially by small, medium-sized and minority business concerns, and their recommendations on the effects of ownership of United States banks by foreign banking organizations affiliated with trading companies doing business in the United States.

(e)(1) Any party aggrieved by an order of an appropriate Federal banking agency under this section may obtain a review of such order in the United States court of appeals within any circuit wherein such organization has its principal place of business, or in the court of appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within thirty days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the appropriate Federal banking agency. The appropriate Federal banking agency shall promptly certify and file in such court the record upon which the order was based. The court shall set aside any order found to be (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; (B) contrary to constitutional right, power, privilege or immunity; or, (C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right; or (D) without observance of procedure required by law. Except for violations of subsection (b)(3) of this section, the court shall remand for further consideration by the appropriate Federal banking agency any order set aside solely for procedural errors and may remand for further consideration by the appropriate Federal banking agency any order set aside for substantive errors. Upon remand, the appropriate Federal banking agency shall have no more than sixty days from date of issuance of the court's order to cure any procedural error or reconsider its prior order. If the agency fails to act within this period, the application or other matter subject to review shall be deemed to have been granted as a matter of law.

(f)(1) The appropriate Federal banking agencies are authorized and empowered to issue such rules, regulations, and orders, to require such reports, to delegate such functions, and to conduct such examinations of subsidiary export trading companies, as each of them may deem necessary in order to perform their respective duties and functions under this section and to administer and carry out the provisions and purposes of this section and prevent evasions thereof.

(2) In addition to any powers, remedies, or sanctions otherwise provided by law, compliance with the requirements imposed under this section may be enforced under section 8 of the Federal Deposit Insurance Act by any appropriate Federal banking agency defined in that Act.

(g) Nothing in this section shall at any time prevent any State from adopting a law prohibiting banks chartered under the laws of such State from investing in export trading companies or applying conditions, limitations, or restrictions on investments by banks chartered under the laws of such State in export trading companies in addition to any conditions, limitations, or restrictions provided under this section.

INITIAL INVESTMENTS AND OPERATING EXPENSES

SEC. 106. (a) The Economic Development Administration and the Small Business Administration are directed, in their consideration of applications by export trading companies for loans and guarantees, and operating grants to nonprofit organizations, including applications to make new investments related to the export of goods or services produced in the United States and to meet operating expenses, to give special weight to export-related benefits, including opening new markets for United States goods and services abroad and encouraging the involvement of small, medium-size and minority businesses or agricultural concerns in the export market.

(b) There are authorized to be appropriated as necessary to meet the purposes of this section, $20,000,000 for each fiscal year, 1981, 1982, 1983, 1984, and 1985. Amounts appropriated pursuant to the authority of this subsection shall be in addition to amounts appropriated under the authority of other Acts.

GUARANTEES FOR EXPORT ACCOUNTS RECEIVABLE AND INVENTORY

SEC. 107. The Export-Import Bank of the United States is authorized and directed to establish a program to provide guarantees for loans extended by financial institutions or other private creditors to export trading companies as defined in section 103(5) of this Act, or to other exporters, when such loans are secured by export accounts receivable or inventories of exportable goods, and when in the judgment of the Board of Directors—

(1) the private credit market is not providing adequate financing to enable otherwise creditworthy export trading companies or exporters to consummate export transactions; and

(2) such guarantees would facilitate expansion of exports which would not otherwise occur.

The Board of Directors shall attempt to insure that a major share of any loan guarantees ultimately serves to promote exports from small, medium-size and minority businesses of agricultural concerns. Guarantees provided under the authority of this section shall be subject to limitations contained in annual appropriations Acts.

TITLE II—EXPORT TRADE ASSOCIATIONS

SHORT TITLE

SEC. 201. This title may be cited as the "Export Trade Association Act of 1981".

FINDINGS; DECLARATION OF PURPOSE

SEC. 202. (a) FINDINGS.—The Congress finds and declares that—

(1) the exports of the American economy are responsible for creating and maintaining one out of every nine manufacturing jobs in the United States and for generating one out of every $7 of total United States goods produced;

(2) exports will play an even larger role in the United States economy in the future in the face of severe competition from foreign government-owned and subsidized commercial entities;

(3) between 1966 and 1977 the United States share of total world exports fell from 19 per centum to 13 per centum;

(4) trade deficits contribute to the decline of the dollar on international currency markets, fueling inflation at home;

(5) service-related industries are vital to the well-being of the American economy inasmuch as they create jobs for seven out of every ten Americans, provide 65 percentum of the Nation's gross national product, and represent a small but rapidly rising percentage of United States international trade;

(6) small and medium-sized firms are prime beneficiaries of joint exporting, through pooling of technical expertise, help in achieving economies of scale, and assistance in competing effectively in foreign markets; and

(7) the Department of Commerce has as one of its responsibilities the development and promotion of United States exports.

(b) PURPOSE.—It is the purpose of this Act to encourage American exports by establishing an office within the Department of Commerce to encourage and promote the formation of export trade associations through the Webb-Pomerene Act, by making the provisions of that Act explicitly applicable to the exportation of services, and by transferring the responsibility for administering that Act from the Federal Trade Commission to the Secretary of Commerce.

DEFINITIONS

SEC. 203. The Webb-Pomerene Act (15 U.S.C. 61–66) is amended by striking out the first section (15 U.S.C. 61) and inserting in lieu thereof the following:

"SECTION 1. DEFINITIONS.

"As used in this Act—

"(1) EXPORT TRADE.—The term 'export trade' means trade or commerce in goods, wares, merchandise, or services exported, or in the course of being exported from the United States or any territory thereof to any foreign nation.

"(2) SERVICE.—The term 'service' means intangible economic output, including, but not limited to—

"(A) business, repair, and amusement services;

"(B) management, legal, engineering, architectural, and other professional services; and

"(C) financial, insurance, transportation, and communication services.

"(3) EXPORT TRADE ACTIVITIES.—The term 'export trade activities' means activities or agreements in the course of export trade.

"(4) METHODS OF OPERATION.—The term 'methods of operation' means the methods by which an association or export trading company conducts or proposes to conduct export trade.

"(5) TRADE WITHIN THE UNITED STATES.—The term 'trade within the United States' whenever used in this Act means trade or commerce among the several States or in any territory of the United States, or in the District of Columbia, or between any such territory and another, or between any such territory or territories and any State or States or the District of Columbia, or between the District of Columbia and any State or States.

"(6) ASSOCIATION.—The term 'association' means any combination, by contract or other arrangement, of persons who are citizens of the United States, partnerships which are created under and exist pursuant to the laws of any State or of the United States, or corporations whether operated for profit or organized as nonprofit corporations, which are created under and exist pursuant to the laws of any State or of the United States.

"(7) EXPORT TRADING COMPANY.—The term 'export trading company' means an export trading company as defined in section 103(5) of the Export Trading Company Act of 1980.

"(8) ANTITRUST LAWS.—The term 'antitrust laws' means the antitrust laws defined in the first section of the Clayton Act (15 U.S.C. 12), sections 5 and 6 of the Federal Trade Commission Act (15 U.S.C. 45, 46), and any State antitrust or unfair competition law.

"(9) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

"(10) ATTORNEY GENERAL.—The term 'Attorney General' means the Attorney General of the United States.

"(11) COMMISSION.—The term 'Commission' means the Federal Trade Commission.".

ANTITRUST EXEMPTION

SEC. 204. The Webb-Pomerene Act (15 U.S.C. 61–66) is amended by striking out section 2 (15 U.S.C. 62) and inserting in lieu thereof the following:

"SEC. 2. EXEMPTION FROM ANTITRUST LAWS

"(a) ELIGIBILITY.—The export trade, export trade activities, and methods of operation of any association, entered in to the sole purpose of engaging in export trade, and engaged in or proposed to be engaged in such export trade, and the export trade, export trade activities and methods of operation of any export trading company, that—

"(1) serve to preserve to promote export trade;

"(2) result in neither a substantial lessening of competition or restraint of trade within the United States nor a substantial restraint of the export trade of any competitor of such association or export trading company;

"(3) do not unreasonably enhance, stabilize, or depress prices within the United States of the goods, wares, merchandise, or services of the class exported by such association or export trading company;

"(4) do not constitute unfair methods of competition against competitors engaged in the export trade of goods, wares, merchandise, or services of the class exported by such association or export trading company;

"(5) do not include any act which results, or may reasonably be expected to result, in the sale for consumption or resale within the United States of the goods, wares, merchandise, or services exported by the association or export trading company or its members; and

"(6) do not constitute trade or commerce

in the licensing of patents, technology, trademarks, or knowhow, except as incidental to the sale of the goods, wares, merchandise, or services exported by the association or export trading company or its members shall, when certified according to the procedures set forth in this Act, be eligible for the exemption provided in subsection (b).

"(b) EXEMPTION.—An association or an export trading company and its members are exempt from the operation of the antitrust laws with respect to their export trade, export trade activities and methods of operation that are specified in a certificate issued according to the procedures set forth in this Act, carried out in conformity with the provisions, terms, and conditions prescribed in such certificate and engaged in during the period in which such certificate is in effect. The subsequent revocation or invalidation in whole or in part of such certificate shall not render an association or its members or an export trading company or its members, liable under the antitrust laws for such export trade, export trade activities, or methods of operation engaged in during such period.

"(c) DISAGREEMENT OF ATTORNEY GENERAL OR COMMISSION.—Whenever, pursuant to section 4(b)(1) of this Act, the Attorney General or Commission has formally advised the Secretary of disagreement with the determination to issue a proposed certificate, and the Secretary has nonetheless issued such proposed certificate or an amended certificate, the exemption provided by this section shall not be effective until thirty days after the issuance of such certificate.".

AMENDMENT OF SECTION 3

SEC. 205. (a) CONFORMING CHANGES IN STYLE.—The Webb-Pomerene Act (15 U.S.C. 61–66) is amended—

(1) by inserting immediately before section 3 (15 U.S.C. 63) the following:

"SEC. 3. OWNERSHIP INTEREST IN OTHER TRADE ASSOCIATIONS PERMITTED.",

(2) by striking out "SEC. 3. That nothing" in section 3 and inserting in lieu thereof "Nothing".

ADMINISTRATION; ENFORCEMENT; REPORTS

SEC. 206. (a) IN GENERAL.—The Webb-Pomerene Act (15 U.S.C. 61–66) is amended by striking out sections 4 and 5 (15 U.S.C. 64 and 65) and inserting in lieu thereof the following sections:

"SEC. 4. CERTIFICATION.

"(a) PROCEDURE FOR APPLICATION.—Any association or export trading company seeking certification under this Act shall file with the Secretary a written application for certification setting forth the following:

"(1) The name of the association or export trading company.

"(2) The location of all of the offices or places of business of the association or export trading company in the United States and abroad.

"(3) The names and addresses of all of the officers, stockholders, and members of the association or export trading company.

"(4) A copy of the certificate or articles of incorporation and bylaws, if the association or export trading company is a corporation; or a copy of the articles, partnership, joint venture, or other agreement or contract under which the association or export trading company conducts or proposes to conduct its export trade activities or contract of association, if the association or export trading company is unincorporated.

"(5) A description of the goods, wares, merchandise, or services which the association or export trading company or their members export or propose to export.

"(6) A description of the domestic and international conditions, circumstances, and factors which show that the association or export trading company and its activities will serve a specified need in promoting the export trade of the described goods, wares, merchandise, or services.

"(7) The export trade activities in which the association or export trading company intends to engage and the methods by which the association or export trading company conducts or proposes to conduct export trade in the described goods, wares, merchandise, or services, including, but not limited to, any agreements to sell exclusively to or through the association or export trading company, any agreements with foreign persons who may act as joint selling agents, any agreements to acquire a foreign selling agent, any agreements for pooling tangible or intangible property or resources, or any territorial, price-maintenance, membership, or other restrictions to be imposed upon members of the association or export trading company.

"(8) The names of all countries where export trade in the described goods, wares, merchandise, or services is conducted or proposed to be conducted by or through the association or export trading company.

"(9) Any other information which the Secretary may request concerning the organization, operation, management, or finances of the association or export trading company; the relation of the association or export trading company to other associations, corporations, partnerships, and individuals; and competition or potential competition, and effects of the association or export trading company thereon. The Secretary may request such information as part of an initial application or as a necessary supplement thereto. The Secretary may not request information under this paragraph which is not reasonably available to the person making application or which is not necessary for certification of the prospective association or export trading company.

"(b) ISSUANCE OF CERTIFICATE.—

"(1) NINETY-DAY PERIOD. The Secretary shall issue a certificate to an association or export trading company within ninety days after receiving the application for certification or necessary supplement thereto if the Secretary, after consultation with the Attorney General and Commission, determines that the association and, its export trade, export trade activities and methods of operation, or export trading company, and its export trade, export trade activities and methods of operation meet the requirements of section 2 of this Act and will serve a specified need in promoting the export trade of the goods, wares, merchandise, or services described in the application for certification. The certificate shall specify the permissible export trade, export trade activities and methods of operation of the association or export trading company and shall include any terms and conditions the Secretary deems necessary to comply with the requirements of section 2 of this Act. The Secretary shall deliver to the Attorney General and the Commission a copy of any certificate that he proposes to issue. The Attorney General or Commission may, within fifteen days thereafter, give written notice to the Secretary of an intent to offer advice on the determination. The Attorney General or Commission may, after giving such written notice and within forty-five days of the time the Secretary has delivered a copy of a proposed certificate, formally advise the Secretary and the petitioning association or export trading company of disagreement with the Secretary's determination. The Secretary shall not issue any certificate prior to the expiration of such forty-five day period unless he has (A) received no notice of intent to offer advice by the Attorney General or the Commission within fifteen days after delivering a copy of a proposed certificate, or (B) received any noticed formal advice of disagreement or written confirmation that no formal disagreement will be transmitted from the Attorney General and the Commission. After the forty-five day period or, if no notice of intent to offer advice has been given, after the fifteen-day period, the Secretary shall either issue the proposed certificate, issue an amended certificate, or deny the application. Upon agreement of the applicant, the Secretary may delay taking action for not more than thirty additional days after the forty-five day period. Before offering advice on a proposed certification, the Attorney General and Commission shall consult in an effort to avoid, wherever possible, having both agencies offer advice on any application.

"(2) EXPEDITED CERTIFICATION.—In those instances where the temporary nature of the export trade activities, deadlines for bidding on contracts or filling orders, or any other circumstances beyond the control of the association or export trading company which have a significant impact on its export trade, make the 90-day period for application approval described in paragraph (1) of this subsection, or an amended application approval as provided in subsection (c) of this section, impractical for the association or export trading company seeking certification, such association or export trading company may request and may receive expedited action on its application for certification.

"(3) AUTOMATIC CERTIFICATION FOR EXISTING ASSOCIATIONS.—Any association registered with the Federal Trade Commission under this Act as of April 3, 1980, may file with the Secretary an application for automatic certification of any export trade, export trade activities, and methods of operation in which it was engaged prior to enactment of the Export Trade Association Act of 1980. Any such application must be filed within 180 days after the date of enactment of such Act and shall be acted upon by the Secretary in accordance with the procedures provided by this section. The Secretary shall issue to the association a certificate specifying the permissible export trade, export trade activities, and methods of operation that he determines are shown by the application (including any necessary supplement thereto), on its face, to be eligible for certification under this Act, and including any terms and conditions the Secretary deems necessary to comply with the requirements of section 2(a) of this Act, unless the Secretary possesses information clearly indicating that the requirements of section 2(a) are not met.

"(4) APPEAL OF DETERMINATION.—If the Secretary determines not to issue a certificate to an association or export trading company which has submitted an application or an amended application for certification, then he shall—

"(A) notify the association or export trading company of his determination and the reasons for his determination, and

"(B) upon request made by the association or export trading company afford it an opportunity for a hearing with respect to that determination in accordance with section 557 of title 5, United States Code.

"(c) MATERIAL CHANGES IN CIRCUMSTANCES; AMENDMENT OF CERTIFICATE.—Whenever there is a material change in the membership, export trade, export trade activities, or methods of operation, of an association or export trading comoany then it shall report such change to the Secretary and may apply to the Secretary for an amendment of its certificate. Any application for an amendment to a certificate shall set forth the requested amendment of the certificate and the reasons for the requested amendment. Any request for the amendment of a certificate shall be treated in the same manner as an original application for a certificate. If the request is filed within thirty days after a material

change which requires the amendment, and if the requested amendment is approved, then there shall be no interruption in the period for which the certificate is in effect.

"(d) AMENDMENT OR REVOCATION OF CERTIFICATE BY SECRETARY.—After notifying the association or export trading company involved and after an opportunity for hearing pursuant to section 554 of title 5, United States Code, the Secretary, on his own initiative—

"(1) may require that the organization or operation of the association or export trading company be modified to correspond with its certification, or

"(2) shall, upon a determination that the export trade, export trade activities or methods of operation of the association or export trading company no longer meet the requirements of section 2 of this Act, revoke the certificate or make such amendments as may be necessary to satisfy the requirements of such section.

"(e) ACTION FOR INVALIDATION OF CERTIFICATE BY ATTORNEY GENERAL OR COMMISSION.—

"(1) The Attorney General or the Commission may bring an action against an association or export trading company or its members to invalidate, in whole or in part, its certificate on the grounds that the export trade, export trade activities or methods of operation of the association or export trading company fail or have failed to meet the requirements of section 2 of this Act. Except in the case of an action brought during the period before an antitrust exemption becomes effective, as provided for in section 2(c), Attorney General or Commission shall notify any association or export trading company or member thereof, against which it intends to bring an action for invalidation thirty days in advance, as to its intent to file an action under this subsection. The district court shall consider any issues presented in any such action de novo and if it finds that the requirements of section 2 are not met, it shall issue an order declaring the certificate invalid or any other order necessary to effectuate the purposes of this Act and the requirements of section 2.

"(2) Any action brought under this subsection shall be considered an action described in section 1337 of title 28, United States Code. Pending any such action which was brought during the period any exemption is held in abeyance pursuant to section 2(c) of this Act, the court may make such temporary restraining order or prohibition as shall be deemed just in the premises.

"(3) No person other than the Attorney General or Commission shall have standing to bring an action against an association or export trading company or their respective members for failure of the association or export trading company or their respective export trade, export trade activities or methods of operation to meet the eligibility requirements of section 2 of this Act.

"(f) COMPLIANCE WITH OTHER LAWS.—Each association and each export trading company and any subsidiary thereof shall comply with United States export control laws pertaining to the export or transshipment of any good on the Commodity Control List to controlled countries. Such laws shall be complied with before actual shipment.

"SEC. 5. GUIDELINES.

"(a) INITIAL PROPOSED GUIDELINES.—Within ninety days after the enactment of the Export Trade Association Act of 1980, the Secretary, after consultation with the Attorney General, and the Commission shall publish proposed guidelines for purposes of determining whether export trade, export trade activities and methods of operation of an association or export trading company will meet the requirements of section 2 of this Act.

"(b) PUBLIC COMMENT PERIOD.—Following publication of the proposed guidelines, and any proposed revision of guidelines, interested parties shall have thirty days to comment on the proposed guidelines. The Secretary shall review the comments and, after consultation with the Attorney General, and Commission, publish final guidelines within thirty days after the last day on which comments may be made under the preceding sentence.

"(c) PERIODIC REVISION.—After publication of the final guidelines, the Secretary shall periodically review the guidelines and, after consultation with the Attorney General, and the Commission, propose revisions as needed.

"(d) APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.—The promulgation of guidelines under this section shall not be considered rulemaking for purposes of subchapter II of chapter 5 of title 5, United States Code, and section 553 of such title shall not apply to their promulgation.

"SEC. 6. ANNUAL REPORTS.

"Every certified association or export trading company shall submit to the Secretary an annual report, in such form and at such time as he may require, which report updates where necessary the information described by section 4(a) of this Act.

"SEC. 7. OFFICE OF EXPORT TRADE IN DEPARTMENT OF COMMERCE.

"The Secretary shall establish within the Department of Commerce an office to promote and encourage to the greatest extent feasible the formation of export trade associations and export trading companies through the use of provisions of this Act in a manner consistent with this Act. The Office of Export Trade in the Department of Commerce shall report to the congressional committees of appropriate jurisdiction on an annual basis, all East-West trade transactions requiring validated licenses, and any other relevant information on the role of U.S. export trading companies or subsidiaries thereof in the East-West trade.

"SEC. 8. TEMPORARY ANTITRUST EXEMPTION FOR EXISTING ASSOCIATIONS.

"(a) ELIGIBILITY.—To be eligible for the antitrust exemption provided by this section, an association must have been registered with the Federal Trade Commission under this Act on April 3, 1980.

"(b) DURATION.—The antitrust exemption provided by this section shall extend only to the existence of an eligible association, and to agreements made and acts done by such association, prior to one hundred and eighty days after the date of enactment of the Export Trade Association Act of 1980, or, in the event that an eligible association files an application for certification pursuant to section 4 of this Act during such one hundred and eighty days, prior to the Secretary's determination on such application becoming final.

"(c) EXEMPTION.—Subject to the limitations in subsections (a) and (b), nothing contained in sections 1 to 7 of the Sherman Act shall be construed as declaring to be illegal an association entered into for the sole purpose of engaging in export trade and actually engaged solely in such export trade, or an agreement made or act done in the course of export trade by such association, provided such association, agreement, or act is not in restraint of trade within the United States, and is not in restraint of the export trade of any domestic competitor of such association: *Provided*, That such association does not, either in the United States or elsewhere, enter into any agreement, understanding, or conspiracy, or do any act which artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein.

"SEC. 9. CONFIDENTIALITY OF APPLICATION AND ANNUAL REPORT INFORMATION.

"(a) GENERAL RULE.—Portions of applications made under section 4, including amendments to such applications, and annual reports made under section 6 that contain trade secrets or confidential business or financial information, the disclosure of which would harm the competitive position of the person submitting such information shall be confidential, and, except as authorized by this section, no officer or employee, or former officer or employee, of the United States shall disclose any such confidential information, obtained by him in any manner in connection with his service as such an officer or employee.

"(b) DISCLOSURE TO ATTORNEY GENERAL OR COMMISSION.—Whenever the Secretary believes that an applicant may be eligible for a certificate, or has issued a certificate to an association or export trading company, he shall promptly make available all materials filed by the applicant, association or export trading company, including applications and supplements thereto, reports of material changes, applications for amendments and annual reports, and information derived therefrom, to the Attorney General or Commission, or any employee or officer thereof, for official use in connection with an investigation or judicial or administrative proceeding under this Act or the antitrust laws to which the United States or the Commission is or may be a party. Such information may only be disclosed by the Secretary upon a prior certification that the information will be maintained in confidence and will only be used for such official law enforcement purposes.

"SEC. 10. MODIFICATION OF ASSOCIATION TO COMPLY WITH UNITED STATES OBLIGATIONS.

"At such time as the United States undertakes binding international obligations by treaty or statute, to the extent that the operations of any export trade association or export trading company, certified under this Act, are inconsistent with such international obligations, the Secretary may require the association or export trading company to modify its respective operations, and in so doing afford the association or export trading company a reasonable opportunity to comply therewith, so as to be consistent with such international obligations.

"SEC. 11. REGULATIONS.

"The Secretary, after consultation with the Attorney General and the Commission, shall promulgate such rules and regulations as may be necessary to carry out the purposes of this Act.

"SEC. 12. TASK FORCE STUDY.

"Seven years after the date of enactment of the Export Trade Association Act of 1980, the President shall appoint, by and with the advice and consent of the Senate, a task force to examine the effect of the operation of this Act on domestic competition and on United States international trade and to recommend either continuation, revision, or termination of the Webb-Pomerene Act. The task force shall have one year to conduct its study and to make its recommendations to the President.".

(b) REDESIGNATION OF SECTION 6.—The Act is amended—

(1) by striking out "SEC. 6." in section 6 (15 U.S.C. 66), and

(2) by inserting immediately before such section the following:

"SEC. 13. SHORT TITLE.".

SUMMARY OF THE EXPORT TRADING COMPANY ACT

Title I of S. 2718 would: (1) increase the financial leverage of all exporters by directing the Export-Import Bank to develop an improved guarantee program to support commercial loans to United States exporters; (2) direct the Secretary of Commerce to promote export trading companies by providing information on such companies to U.S. producers; (3) permit banks to make limited in-

vestments in export trading companies (such investments could not exceed 5 percent of the banking capital and all controlling investments and all investments over $10,000,000 would be subject to prior approval and conditions imposed by Federal bank regulatory agencies to ensure the safety and soundness of banks and fair competition); (4) authorize additional appropriations to the Economic Development Administration and Small Business Administration to support increased loans and guarantees to enable expansion of U.S. exports, including exports through United States export trading companies.

Title II would revise the Webb-Pomerene Act of 1918 to clarify antitrust provisions applicable to export trade associations and export trading companies and provide a certification procedure which would enable such associations and companies to obtain antitrust preclearance for specified export trade operations. The clearance procedure would facilitate exports by permitting firms to determine in advance exactly which export trade activities would be immune from antitrust suit and which ones would not.

Organizations which have supported the Export Trading Company Act: President's Export Council, the National Governors' Association, the U.S. Chamber of Commerce, the American Bankers Association, the Bankers Association for Foreign Trade, the National Forest Products Association, the National Association of Manufacturers, the American Association of Port Authorities, the Mining and Reclamation Council of America, the Emergency Committee for American Trade, the National Small Business Association, the American Textile Manufacturers Association, the Man-Made Fiber Producers Association, the American Apparel Manufacturers Association, the Scientific Apparatus Makers Association, the National Machine Tool Builders Association, the American Soybean Association, the Electronic Industries Association, the National Customs Brokers and Forwarders Association of America, the American League for Exports and Security Assistance, the American Electronics Association, the Business Roundtable, and many others.

Previous hearings on this legislation:

International Finance Subcommittee: September 17 and 18, 1979, March 17 and 18 and April 3, 1980.

Full Banking Committee: July 25, 1980.

Senate Floor debate: August 26, September 3, 1980.

Last year's bill (S. 2718) passed the Senate 77–0.

EXPORT TRADING COMPANY ACT OF 1981

Mr. DANFORTH. Mr. President, the United States needs to become an aggressive exporter of its goods and services. One need only look at our growing trade deficit to appreciate that our industries are losing the competitive battle within world markets.

For the first 70 years of the century our Nation had a positive trade balance with its trading partners. For the better part of this century U.S. industry was efficient, had innovative capacity, and was unexcelled in technological leadership. Today, the statistics and the outlook is not that encouraging. In 1977 the United States ran a $26.5 billion deficit, a $28.5 billion deficit the next year and a $25 billion deficit in 1979. Last year the projected trade deficit was to approach $30 billion. The economic stability of our Nation is being swiftly eroded.

In the last two decades the U.S. share of free world exports declined from 15 to 11 percent. Within the last 5 years our major competitors have managed to increase real exports by 4 percent a year, while the value of U.S. exports, adjusted for inflation, has shown little if no growth. Looking at the relative importance of exports as a percentage of GNP, U.S. exports account for approximately 7 percent of GNP in contrast to Japan where exports account for 14 percent of GNP and for 22 percent of GNP in Germany. Something has to be done to spur U.S. exports.

Mr. President, the "Export Trading Company Act of 1981" is a step in that direction. The bill encourages and provides a framework within which export trading companies may be formed. The bill enables banking institutions to invest in export trading companies under specified and carefully regulated conditions. Further, the legislation would significantly amend the Webb-Pomerence Act of 1918 to clarify the antitrust provisions applicable to export trade associations and provide a certification procedure whereunder export trading companies and trade associations may receive antitrust clearance for specified export trade activities.

Mr. President, as its author, I would like to address my remarks to the antitrust provisions of the "Export Trading Company Act of 1981", specifically title II. Title II finds its origin S. 864, the "Export Trade Association Act of 1979" introduced by myself and Senators BENTSEN, CHAFEE, Javits, and MATHIAS on April 4, 1979 and later joined by Senator HEINZ. Hearings were held on S. 864, and other bills, on September 17 and 18, 1979 before the Subcommittee on International Finance of the Senate Committee on Banking, Housing and Urban Affairs. A revised version of S. 864 was introduced on February 26, 1980 as amendment No. 1674. Hearings on the revision were held on March 17 and 18, and April 3, 1980. On September 3 the Senate by a vote of 77 to 0 passed S. 2718, the predecessor to the legislation introduced today.

Before I address myself to the particulars of title II, I believe a brief historical background of the current law—the Webb-Pomerence Act of 1918 (15 United States Code, sections 61–66)—which title II amends will prove beneficial.

In 1914 Congress directed the Federal Trade Commission to study and report to the Congress on the conditions affecting U.S. export trade. In 1916 the Federal Trade Commission published a report that found American manufacturers and producers when attempting individually to enter foreign markets to be at a disadvantage because of strong combinations of foreign competitors and organized buyers. The report also noted that the threat of antitrust prosecutions under the Sherman Act deterred exporters from carrying out collective efforts to challenge foreign cartels.

In response to the findings of the FTC report, Congress passed in 1918 what has come to be known as the Webb-Pomerene Act. The purpose behind passage of the Webb-Pomerene Act was to provide U.S. exporters with the ability to compete in international markets on an equal basis with their foreign competitors. The Webb-Pomerene Act provides a limited exemption from both the Sherman and Clayton Antitrust Acts to qualified joint ventures in export trade known as Webb-Pomerene associations. The Webb-Pomerene law exempts from U.S. antitrust laws any association established "for the sole purpose of engaging in export trade," (15 United States Code, Section 62) as long as the association, its acts, or any agreements into which the association enters, do not: First, restrain trade within the United States; second, restrain the export trade of any domestic competitor of the association; or third, artificially or intentionally enhance or depress prices within the United States of commodities of the class exported by such association or substantially lessen competition within the United States or otherwise restrict trade therein (15 United States Code, Sec. 62).

The Webb Act defines "export trade" to include only "trade or commerce in goods, wares, or merchandise exported, or in the course of being exported from the United States" (15 United States Code, Section 61). As is obvious, the Webb Act does not extend to exports of services.

Mr. President, both the legislative history of the Webb Act and the administrative and judicial interpretation of the act shed light on its scope and intended effect.

The debate on passage of the Webb Act was centered on the resolve of two points mentioned in the FTC report. These were: First, that American firms and U.S. exports might be benefited if cooperative arrangements reduced the costs of foreign marketing or enhanced the bargaining power of American firms when dealing with foreign buyers; and second, that domestic trade might be affected adversely if cooperative arrangements enabled American firms either to exploit consumers in the home markets or exclude nonmember firms from the export market.

The legislative history of the Webb Act, including both House and Senate Reports and the debates in the CONGRESSIONAL RECORD, evidences that Congress presumed that formation of export trade associations would enable smaller American firms to compete more effectively with large and powerful firms abroad by permitting American sellers to combine and bargain collectively. It was believed that the combined power of American firms would provide the means for entry into foreign markets which previously were blocked by the power and tactics of sellers and buyers abroad.

Early in the history of the Webb Act the FTC issued a letter setting forth its enforcement intentions. In that letter, known as the 1924 "silver letter," the FTC announced that an association could qualify under the Webb Act if it existed for no other purpose than to fix prices and allocate sales in foreign markets—as long as the substantive criteria set forth in the act were met—and while foreign corporations were excluded from membership in Webb associations, these associations might enter into any cooperative arrangements with

nonnationals which might enhance their trade position in foreign markets.

A second determination of the "silver letter"—permitting restrictive agreements between Webb associations and foreign nationals—was rescinded in 1955. Under the new criteria outlined by the FTC, if export associations enter into restrictive agreements with foreign competitors, those agreements will not be within the antitrust protections of the Webb Act and the lawfulness of the associations' activities will be judged under the Sherman Act, as would similar conduct by an individual exporter.

After issuance of the "silver letter" it was not until the 1940's that further clarification was afforded the scope of the Webb-Pomerence antitrust exemption through a series of investigations conducted by the commission known as the "202 series of recommendations." These investigations concluded that a Webb-Pomerene association may not:

Enter into agreements of any kind with domestic producers who are not members of the association which fix prices, terms of sale, or otherwise restrain the free export of goods of nonmember firms. Pipe Fittings and Valve Export Association. (1948)

Enter into agreements of any kind whereby exports of domestic nonmember producers are deducted from the export quota of the association. Florida Hard Rock Phosphate Export Association. (1945)

Enter into agreements of any kind which prohibit association members from selling to domestic exporters in competition with the association, or which deduct sales by a member within the United States from the member's export quotas through the association. Phosphate Export Association. (1946)

Falsely represent that it is the sole export representative of the United States in a given industry. Pacific Forest Industries. (1940)

Enter into agreements of any kind with owners or operators of shipping terminals, thereby restricting use of such terminals to only association members. Phosphate Export Association (1946).

Be involved in acquiring control of any patent or process useful in the production of the goods it markets. Sulphur Export Corporation (1947).

Enter into an agreement of any kind which precludes or restricts the right of the association or its members from using a trademark or label in the United States. General Milk Co., Inc., Ltd. (1947).

Enter an agreement of any kind whereby it controls or attempts to control any of the terms or conditions of sales by its members within the United States. Phosphate Export Association. (1949).

Enter an agreement of any kind with any foreign producer or cartel whereby the United States is designated as an exclusive trade area, or imports into the United States are otherwise curtailed or restricted. Export Screw Association of the United States. (1947).

Own stock, either directly or indirectly through subsidiaries, in corporations or other producers outside the United States. Export Screw Association of the United States. (1947).

Enter an agreement of any kind whereby foreign producers are guaranteed the right to sell within a given area a specified tonnage over and above sales in that area by the association. Sulphur Export Corp. (1947).

Enter an agreement of any kind which discriminates among its members as to the right of withdrawal, resignation or restricting the right of former members to compete with the association after withdrawal. Phosphate Export Association. (1946).

Conduct office operations jointly with a domestic trade association. Carbon Black Export, Inc. (1949).

Enter an agreement of any kind to "maintain the status quo" in the world market of the industry and to do nothing which would encourage or increase competition in the industry. Sulphur Export Corp. (1947).

Take into membership anyone who is not a citizen of the United States, nor any foreign purchaser, customer, representative, or agent of a foreign company. Phosphate Export Association (1946).

In 1966 the Commission in advisory opinion No. 91 determined that membership by a firm owning foreign entities is permissible in a Webb-Pomerene association.

Further clarification as to the parameter of the antitrust exemption provided under the Webb Act has been gained through adjudication of a number of cases brought by the Department of Justice. Of these cases there are two major decisions which interpret the scope of the Webb Act.

In the first case, United States against Alkali Export Association (southern district, New York, 1944) the court found that a Webb association had violated the Sherman Act by participating in foreign cartels that engaged in practices resulting in the use of monopoly power to extinguish the competition of independent domestic competitors engaged in export trade and, which carried out practices that stabilized domestic prices by removing surplus products from the domestic market.

In the second case, United States against Minnesota Mining Mfg. (district court, Massachusetts, 1950) the court held that an export association could not establish or operate jointly owned facilities abroad and then went on to give illustrations of conduct that a Webb association may lawfully carry out: First, an association could be created by a majority of the firms in an industry; second, the association could be used as the members' exclusive foreign outlet; third, members of the association could agree that goods would be purchased only from member producers; fourth, resale prices could be fixed for the associations' foreign distributors; fifth, prices could be fixed and quotas established for members; and sixth, foreign distributors could be required to handle only the members' products.

The Minnesota Mining case provides the most authoritative interpretation of the scope and rationale of the antitrust exemption under the Webb-Pomerene Act. As stated by the court:

> Now it may very well be that every successful export company does inevitably affect adversely the foreign commerce of those not in the joint enterprise and does bring the members of the enterprise so closely together as to affect adversely the members' competition in domestic commerce. Thus every export company may be a restraint. But if there are only these inevitable consequences, an export association is not an unlawful restraint. The Webb-Pomerene Act is an expression of Congressional will that such a restraint shall be permitted.

In enacting the Webb-Pomerene Act, Congress envisioned an eager American business community availing itself of the opportunity to pool its facilities, resources, and expertise in such a fashion as to implement an ambitious joint exporting program. That vision never materialized.

At their high water mark between 1930 and 1935, Webb-Pomerene associations numbered 57 and accounted for approximately 19 percent of total U.S. exports. Today the number of associations has dwindled to around 30 and their share of total U.S. exports has dipped to less than 2 percent.

The reasons for this poor showing are many. To list but a few:

The business community traditionally has placed top priority on tapping the vast domestic market and has been much slower to focus on the prospects overseas.

The ever-expanding U.S. service industries have been excluded from qualifying for the act's antitrust exemption.

The Department of Justice, and to a lesser extent the Federal Trade Commission, have been perceived by the business community as exhibiting a thinly veiled hostility toward Webb-Pomerene associations. Therefore, the threat of antitrust litigation has served as a deterrent to broader utilization of the Webb-Pomerene Act.

All in all, there remains the strong impression among most parties that the Webb-Pomerene Act is a quaint relic of the past—a cracked plate that is not good enough to be brought out for company and yet not so useless as to be thrown away. This is regrettable, particularly at a time when we are suffering year in and year out $30 billion deficits.

Title II to the Export Trading Company Act of 1981 modifies the Webb-Pomerene Act in a way that will permit many more American firms to make use of its updated provisions to promote exports.

Title II does the following:

It makes the provisions of the Webb-Pomerene Act explicitly applicable to the exportation of services. (The National Commission for the Review of Antitrust Laws and Procedures made this same recommendation in its report to the President.)

It expands and clarifies the Act's antitrust exemption for export trade associations, and provides an antitrust exemption for export companies formed under

title I to the Export Trading Company Act of 1981.

It requires that the antitrust immunity be made contingent upon a preclearance procedure.

It transfers the administration of the act from the FTC to the Department of Commerce.

It creates within the Department of Commerce an office to promote the formation of export trade associations and trading companies.

It provides for the establishment of a task force whose purpose will be to evaluate the effectiveness of the Webb-Pomerene Act in increasing U.S. exports and to make recommendations regarding its future to the President.

Mr. President, with respect to amendments made to the Webb-Pomerene Act by title II, section 201 states the short title of the act while section 202 sets forth findings by the Congress regarding exports and joint exporting activities and the need for amending the 1918 Webb-Pomerene Act (15 United States Code, sections 61 to 66).

Section 203 amends section 1 of the Webb-Pomerene Act (15 United States Code, section 61) and defines the pertinent terms to be used in the amended Webb-Pomerene Act. "Export trade" is amended to include trade in services as well as that in goods, wares or merchandise. "Service" is defined as meaning intangible economic output and is intended to be an all-encompassing definition, a term not limited by usage relevant to any particular point in time. The term "trade within the United States" retains the definition under section 1 of the Webb-Pomerene Act. The definition of "antitrust laws" is intended to be all inclusive of both Federal and State statutes prescribing the competitive norms within the marketplace. Within the Federal jurisdiction this includes the Sherman Act, the Clayton Act, the Wilson Tariff Act and the Federal Trade Commission Act. The remaining definitions in section 203 are self-explanatory. It should be noted that the amendments to the Webb Act contained in title II are expanded to include qualified "export trading companies" as well as Webb associations.

Section 204 of title II amends sections 2 and 4 of the Webb-Pomerene Act (15 United States Code, sections 62 and 64) and establishes the scope of the antitrust exemption. Section 2 of the Webb-Pomerene Act exempts from the application of the Sherman and Clayton Antitrust Acts—specifically sections 1 to 7 of title 15 of the United States Code—any Webb association that is established for the sole purpose of engaging in export trade; does not restrain trade in the United States; does not restrain the export trade of any domestic competitor of the association; that does not artificially or intentionally enhance or depress prices within the United States of commodities of the class exported by the association; or does not substantially lessen competition within the United States.

Section 4 of the Webb-Pomerene Act extends the jurisdiction of the Federal Trade Commission Act to include unfair methods of competition used in export trade even though the acts were engaged in outside the United States.

Section 204 of title II establishes a new section 2 to the Webb-Pomerene Act. Section 2(a) sets out the eligibility criteria for the antitrust exemption afforded under the act for export trade associations and trading companies. Section 2(a) establishes six eligibility criteria. They are that the association or trading company and their export trade activities:

First: Serve to preserve or promote export trade;

Second: Result in neither a substantial lessening of competition or restraint of trade within the United States nor a substantial restraint of the export trade of any competitor of such association;

Third: Do not unreasonably enhance, stabilize, or depress prices within the United States of the goods, wares, mrechandise, or services of the class exported by such association;

Fourth: Do not constitute unfair methods of competition against competitors engaged in the export trade of goods, wares, merchandise, or services of the class exported by such association;

Fifth: Do not include any act which results, or may reasonably be expected to result, in the sale for consumption or resale within the United States of the goods, wares, merchandise, or services exported by the association or export trading company or its members; and

Sixth: Do not constitute trade or commerce in the licensing of patents, technology, trademarks, or knowledge, except as incidental to the sale of the goods, wares, merchandise, or services exported by the association or export trading company or its members.

With the exception of the requirements in paragraphs (1), (4), and (6) of section 2(a) of the act—provisions that impose additional criteria for eligibility in addition to those found in the standards of the current Webb-Pomerene Act—the substantive law of antitrust as modified by the amended Webb-Pomerene Act has not been altered. The amendment of the Webb-Pomerene Act by section 204(a) of title II of S. 2718, with the exceptions as noted, in a codification of court interpretations of the Webb-Pomerene exemption to the domestic antitrust laws. In this regard I make specific reference to the decision in United States against Minnesota Mining and Manufacturing Co. which I alluded to earlier in my remarks. Also, the amendment is consistent with the present enforcement policy of both the Department of Justice and the Federal Trade Commission.

As stated by Ky Ewing, Deputy Assistant Attorney General, Antitrust Division, Justice Department, during hearings on S. 864—(now title II to the Export Trading Company Act of 1981—before the International Finance Subcommittee of the Senate Banking Committee on September 18, 1979:

> We note (that S. 864) would require that a restraint of U.S. domestic trade be substantial before the exemption would disappear. The purpose of this proposal . . . is to bring the Act into what we conceive to be the current state of antitrust law interpreted by the court. (September 17, 18 hearing record on Export Trading and Trade Associations, p. 138).

Similarly, Daniel Schwartz, Deputy Director, Bureau of Competition, Federal Trade Commission, testified that the antitrust standards specified in S. 864 "are essentially equivalent to the standards of the Webb-Pomerene Act." (September 17, 18 hearing record on Export Trading and Trade Associations, p. 194.)

In his prepared statement, Mr. Ewing further explained that—

> The judicially accepted legal threshold test for applicability of the Sherman Act to activity abroad places a heavier burden on government and private plaintiffs than that applicable domestically. The presence of a substantial and foreseeable effect on U.S. domestic or commerce is required, not merely some minimal effect. (September 17, 18 hearing record on Export Trading and Trade Associations, p. 144.)

Mr. Ewing also noted in his testimony before the subcommittee that—

> The Department of Justice has long predicated its enforcement efforts in export related matters upon the ability to prove a substantial and foreseeable effect on U.S. commerce. (September 17, 18 hearing record on Export Trading and Trade Associations, pp. 154–155.)

Mr. President, during debate on S. 2718 last year, a question was raised that if section 204(a) is nothing more than a codification of not only current judicial understanding of section 2 of the Webb Act but also the enforcement intent of both the Department of Justice and the Federal Trade Commission, why was it necessary to amend this section of the Webb Act with the exception of paragraphs (1), (4), and (6) as I previously noted? The record evidences that the amendment is necessary in order to provide certainty to the business community in their international trade activities assuring them that their activities do not run afoul of domestic antitrust laws.

This is accomplished by establishing a certification procedure and by codifying not only present applicable case law but also the enforcement intentions of the antitrust oversight branches of our Government. Two examples will suffice. Under the present Webb-Pomerene Act, if an activity of a Webb association is "in restraint of trade within the United States"—section 2 of the Webb-Pomerene Act—then the international trading activity of that association is not exempt from prosecution under the antitrust laws. When is a "restraint" actionable? When it is de-minimus, insignificant, something more than inconsequential, substantial, or just what kind of measurement is to be employed? The Court in Minnesota Mining held that the restraint has to be something more than the inevitable consequences of the joint activity of competitors. The Department of Justice stated its enforcement intent under the Webb Act to be against joint exporting activities that have a substantial and foreseeable restraint on domestic trade. It would seem to this Senator that for the business community to be sure as to the circumstances under which its international trade conduct is to be held accountable, that the test judging the conduct be written in law. It is for this reason that "substantial" modifies the phrase "restraint of trade" and "substantially" modifies "lessening of competition" in section 2(a) of the act.

A second example relates to section 2 of the Webb-Pomerene Act which states that a joint exporting activity which "artificially or intentionally enhances or depresses prices within the United States" is outside the scope of the antitrust exemption provided by the act. The point I wish to make here is that for a business venture to rely on such a test—"artificially or intentionally"—is to place reliance on a standard which gives a false sense of security to joint exporting activities. The courts in the area of antitrust jurisprudence have developed a test that looks not to the mind—intent of the actors—but to the foreseeable consequences of their actions—the effect. It is for this reason that under paragraph 3 of section 2(a) of the act, the eligibility criteria is that the joint exporting activity does not "unreasonably enhance, stabilize or depress prices within the United States * * *," a test that looks to the effect of the actions not at the intent of the actors.

It should be noted that the eligibility criteria found in paragraph (6) of section 2(a) of the act requires nothing more than a determination by the Secretary that the international trading activity of the trade association or export trading company not be solely trade in the "licensing of patents, technology, trademarks, or know-how" with the exception that such trade may be present if it is incidental to the sale of goods or services. It is the purpose of the Export Trading Company Act of 1981 to further U.S. export trade in goods and services and not to promote trade in processes or ideas that could well result in the opposite effect occurring.

Mr. President, under section 2(b) of the act an export trade association, export trading company and their respective members that have their trade, trade activities and methods of operation certified according to the procedures set forth under section 4 of the act and carried out in conformity therewith are exempt from the operation of the antitrust laws be it private or sovereign—State or Federal—enforcement of those laws. The immunity from prosecution under the antitrust laws is complete from the day the certification goes into effect until it is either revoked or rendered invalid pursuant to actions taken under section 4 (d) or (e) of the act. If a revocation or invalidation occurs under the act, the loss of immunity is prospective only.

Mr. President, I believe it important to explain for the benefit of my colleagues how the antitrust immunity provided under title II, which attaches after certification, differs from the antitrust immunity afforded under the current Webb-Pomerene Act.

Under current law, a Webb-Pomerene association that complies with the filing requirements of section 5 of the Webb Act and which is not in violation of the substantive law standards of section 2 of the Webb-Pomerene Act is exempt from the operation of the antitrust laws but only as to those sections of the Sherman and Clayton statutes set out in the Webb-Pomerene statute. Further, neither the fact of immunity nor the extent thereof is known until an association is sued and obtains a judicial determination that section 2 of the Webb-Pomerene Act has not been violated. What the Webb association has is only a hope. A case in point is United States against United States Alkali Export Association (Southern District of New York, 1944). In that case a Webb association was charged with entering into agreements with foreign cartels for the purpose of dividing world alkali markets, assigning international quotas, and fixing prices in certain territories other than the United States.

The Webb association admitted the agreements but asserted in defense that it had complied with the filing requirements of section 5 of the statute, that its activities were not in violation of section 2 of the statute and therefore the association was immune from prosecution under the antitrust laws. Notwithstanding the association's belief that it was in compliance with the law, the court found to the contrary. The court's holding placed the arrangements employed by the alkali association outside the protective provisions of the Webb Act and exposed the association to liability under the antitrust laws. The Webb association which was organized in 1919 found out, after appeals, that the antitrust immunity which it believed it had for 40 years did in fact not exist.

Under the procedures established under title II, a Webb association—or for that matter an export trading company—whose export trade activities have been certified and which association or company acts within that certification knows for certain that those activities are exempt from both private and sovereign enforcement of either State or Federal antitrust laws. The latter, besides encompassing the Sherman and Clayton antitrust laws and the Wilson Tariff Act includes the antitrust provisions of the Federal Trade Commission Act, sections 5 and 6 thereof. The certainty provided through the certification process is not lost until action is taken pursuant to the provisions of title II either to revoke or invalidate the certification. If the latter occurs, the loss of the antitrust exemption is prospective—for future conduct only.

Under section 2(c) of the act, when a certificate is issued by the Commerce Department, and the Department of Justice or Federal Trade Commission has previously advised the Department of Commerce of its disagreement with a determination to issue a certificate granting immunity under the act, the immunity from the operation of the antitrust laws is held in abeyance for 30 days. This provision is applicable to the issuance of a certificate under section 4(b).

Section 205, Mr. President, provides conforming changes in style to section 3 of the Webb-Pomerene Act (15 United States Code, section 63).

Section 206 amends sections 4 and 5 of the Webb-Pomerene Act (15 United States Code, sections 64 and 65) and adds an additional seven sections to the act. Section 4 of the Webb-Pomerene Act extended the jurisdiction of the Federal Trade Commission Act to include acts committed outside the United States. Under title II both the Department of Justice and the Federal Trade Commission have authority to seek invalidation of a certificate when the export trade, export trade activities, or methods of operation of the association or trading company no longer meet the requirements of section 2 of the act. One of the eligibility criteria under the act, specifically paragraph (4) of section 2(a), is that of "unfair methods of competition," an antitrust standard uniquely within the expertise of the Federal Trade Commission and a standard which establishes a norm of competitive behavior prescribed by section 5 of the Federal Trade Commission Act. While under the current Webb Act there exists no exemption for joint exporting activity that may be found to violate section 5 of the Federal Trade Commission Act, such an exemption is provided under the Export Trading Company Act of 1981.

Section 5 of the Webb-Pomerene Act establishes administrative requirements for associations operating under the act. Each association, within 30 days after its formation, has to submit a statement to the Federal Trade Commission giving details concerning its certificate of incorporation and bylaws. The association must also furnish to the Commission such information as the Commission requests.

The Commission may also investigate associations if it believes that the law may have been violated. Recommendations for readjustment can be made by the Commission and if the association does not comply with the recommendations the Commission may refer its findings to the Department of Justice for any appropriate action. Under the present Webb-Pomerene law a Webb association that complies with the filing requirements of section 5 would not know if it had an immunity from the operation of the antitrust laws until a judicial determination was rendered that section 2 of the Webb-Pomerene Act had not been violated.

Mr. President, section 206 of title II provides a new section 4 to the Webb-Pomerene Act. Section 4(a) establishes the procedure to apply for certification as either an export trade association or export trading company. The section, specifically paragraphs (1) through (9), describes the information to be included in the application for certification which paragraphs I believe are self-explanatory.

Most notable of the informational filing requirements are a description of the circumstances showing that the association or export trading company will serve a need in promoting the export trade in the goods or services involved, a description of the methods by which the association or company intends to conduct its export trade and any other information which is reasonably available to the applying parties and which is necessary for the grant of certification.

Under section 4(b)(1) the Secretary

of Commerce is required to certify an association or company within 90 days after receiving the application. During this 90-day period the Secretary will have the opportunity to consult with both the Department of Justice and the Federal Trade Commission. The purpose for the consultation is to provide an opportunity for the two antitrust enforcement agencies of our Government to share with the Secretary of Commerce their respective analysis of and any concerns they may have relative to the eligibility criteria of the act, section 2(a).

Under section 4(b)(1) an association or company will be granted a certificate upon a determination by the Secretary that: First, the association or trading company and their respective export trade, trade activities and methods of operation meet the requirements of section 2 of the act and second, that the association or company and their respective activities will serve a specified need in the promotion of the applicable export trade.

Mr. President, during the hearings in 1979 and 1980 on S. 864 and amendment 1674 to S. 864, concern was raised as to the application of a "needs test" in the proposed legislation. In its report to the President and the Attorney General on January 22, 1979, the National Commission for the Review of Antitrust laws and Procedures concluded that if the Congress determines that it is necessary to continue the Webb-Pomerene exemption it should seriously consider that before any immunity from the operation of the antitrust laws is afforded an association of joint exporters, the latter "be required to make a showing of need".

Under section 2(a) of the act, specifically paragraph (1), one of the eligibility criteria for ascertaining whether a certification is to be issued is whether the joint exporting activities "serve to preserve or promote export trade." The question was asked as to how the eligibility criteria of section 2(a)(1) is related, if at all, first to the needs showing under section 4(a)(6) and second to the needs determination required of the Secretary under section 4(b)(1).

During the debate on S. 2718 last year, in a colloquy with Senator HEINZ, I stated there was no relationship. I went on to state that the reason for providing an exemption from the operation of the antitrust laws for the joint exporting activities of either a Webb association or Export Trading Company is that without such an exemption, and an exemption which is certain, it would not be reasonable to conclude that such joint exporting activities would be undertaken except on an infrequent basis.

Therefore, to encourage such activity, an exemption is available. However, the exemption should only be utilized to preserve—that is to say maintain the status quo—or promote—that is to say add to—export trade. To be eligible for the exemption, such a finding—that the association or trading company will preserve or promote export trade—should be made by the Secretary of Commerce. Further, since the existence of that fact is 1 of 6 eligibility criteria, the finding would be subject to judicial consideration under a section 4(e) action.

On the other hand, the determination by the Secretary under section 4(b)(1) utilizing information tendered pursuant to section 4(a)(6) is not subject to judicial consideration under a section 4(e) action. The reason behind requiring the Secretary to not only determine that the six eligibility criteria of section 2(a) will be met but that the activities of the Webb association or Export Trading Company will serve a specified need in promoting the export trade covered by the certification is simple.

It was believed that those seeking to avail themselves of the benefit of the Webb-Pomerene exemption should come forward and share with the oversight agency, the Department of Commerce, the reasons they believe their activities will be in furtherance of the export trade of our Nation. The needs demonstration required by section 4 of the act is nothing more than a subjective explanation by the association or trading company as to how its activities will further U.S. trade. The Secretary in his determination will either agree or disagree with that evaluation. Section 4 contemplates nothing more than a subjective explanation by the Webb association or trading company that the activities of the association or company will further U.S. export trade.

Mr. President, the Secretary, under section 4(b)(1) must specify in the certificate the permissible export trade, trade activities, and methods of operation of the association or company. The immunity from the operation of the antitrust laws provided by section 2(b) of the act applies to those enumerated activities.

Under section 4(b)(1) the Secretary must issue the certificate or deny the application 90 calendar days after an application is filed but may extend that process by an additional 30 days with the agreement of the applicant. After an application is filed, by the 45th day, the Secretary is to deliver to the Attorney General and the Federal Trade Commission a copy of any certificate the Secretary proposes to issue. No later than 15 days thereafter—in the case of a certificate delivered on the 45th day, by the 60th day—the Attorney General or Commission may given written notice of an intent to offer advice on the determination. If the Commission or Attorney General does not respond within the 15-day period or formally advises the Secretary of no disagreement with his intent to issue a certificate then the Secretary may issue a certificate at any time.

If the Attorney General or Commission advises the Secretary of an intent to offer advice on the application, then such advice must be provided the Secretary within 45 days of the date the Attorney General or Commission received from the Secretary a copy of the proposed certification. In the case of the Attorney General or Commission notifying the Secretary of Commerce of his intention to offer formal advice on the 60th day after the certificate has been filed the formal advice must be given by the 90th day, since the proposed certificate was tendered to each agency on the 45th day. The extension of time afforded under section 4(b) applies only to the granting of the certificate and not to the time during which the Attorney General or Commission is obligated to act.

Section 4(b)(2) of the act provides that an association may request expedited consideration on its application. The time constraints in section 4(b)(1) must still be honored but it is expected that if a need is demonstrated justifying expedition than all affected agencies will act in due speed.

Section 4(b)(3) provides automatic certification for existing Webb-Pomerene associations which request such certification within 180 days after enactment of the act. Under the amendment, the certification process for existing Webb-Pomerene associations is to comport with the process applicable to other associations seeking certification under the act, with two exceptions:

First, under paragraph (3) of section 4(b) the Secretary's review of the application for certification is to be summary in nature. Specifically, the Secretary is required to determine whether the application shows "on its face" whether a certificate should issue. It is further stated that unless the Secretary "possesses information clearly indicating that the requirements of section 2(a) are not met"—again, by looking at the application "on its face" and having available the advice of the Department of Justice or Federal Trade Commission—the Secretary must issue the certificate for the export trade, export trade activities and methods of operation that meet the requirements of section 2(a) of the act.

Second, when issuing a certificate pursuant to paragraph (3) of section 4(b) the Secretary need not determine that the association and its activities "will serve a specified need in promoting the export trade of the goods, wares, merchandise or services described in the application." An existing Webb-Pomerene association need not have to demonstrate that its existence is in furtherance of U.S. export trade. Such will be presumed.

Section 4(b)(4) provides a mechanism whereby an association whose application for certification or amendment thereto is denied is to be afforded a hearing with respect to that determination pursuant to section 557 of title 5 of the United States Code.

Section 4(c) of the act requires that after certification, if there occurs a material change—meaning something more than inconsequential—related to the association or trading company's membership, trade, trade activities or methods of operation, then an affirmative duty on the part of the association or company exists to report the change to the Department of Commerce. At the time the report is made the association or company may request that its certification be amended. Under section 4(c) if the request for an amendment to the certification is reported by the association or company within 30 days of the fact of

the change the antitrust immunity provided by the act continues uninterrupted if the material change subsequently becomes incorporated into the certification through approval by the Secretary of Commerce. The decision as to whether the 30-day test has been met is within the discretion of the Secretary who shall state such when acting upon the request for an amendment to the certification.

It should be noted that any interruption in the period of the antitrust immunity occasioned by the failure to notify the Secretary of a material change within the 30-day period does not affect the scope of the underlying certification except as to that part relevant to the material change. One final comment concerning section 4(c) is necessary. The request to obtain certification for a material change must be made within the 30-day period after the change occurs. The decision by the Secretary to accept the request and approve the change is not required to be made within the 30-day period.

Under section 4(d) the Secretary, after notification to an association or trading company and after affording it a hearing, may require that the association or company amend its organization or methods of operation to correspond to its grant of certification. Further, if the Secretary determines that the eligibility criteria of section 2(a) of the act are no longer met, the Secretary must either revoke the certification or himself make such amendments to the certification to satisfy the eligibility criteria of the act.

Mr. President, section 4(e)(1) authorizes either the Department of Justice or the Federal Trade Commission to bring an action to invalidate, in whole or in part, the certification granted to an association or trading company on the grounds that the eligibility criteria of section 2 of the act are no longer being met. Once an association or trading company's export trading activity has been certified under the act, the only action provided by law against the association, trading company or their respective members would be either a self-initiated action by the Secretary under section 4(d) of the act or an action by the Department of Justice or Federal Trade Commission under section 4(e) of the act. Under section 4(e) a private party does not have a cause of action against a Webb association, trading company or their respective members under the Federal, or for that matter, State antitrust laws for injury to it.

Section 4(e)(3) of the act provides that only the Department of Justice or the Federal Trade Commission has standing to bring a cause of action in court against a trading company or Webb association for violation of section 2 of the act. Therefore, apart from the complained against activity being ultra-vires to the certification, a private party has no standing to bring suit. However, after a certificate has been revoked or invalidated, a private party could have standing to bring an action under the antitrust laws based on activities subsequent to the revocation or invalidation. I would also point out that a private party who may be "aggrieved by an order of an appropriate banking agency" pursuant to section 105(e)(1) of title I of the Export Trading Company Act of 1981 may not employ the broad standing provision of section 105(e)(1) in order to obtain standing against an export trading company or association with respect to its export trade, trade activities and methods of operation.

Mr. President, under section 4(e)(1), before the Department of Justice or Federal Trade Commission may sue to invalidate a certification, it is required to notify the affected parties 30 calendar days in advance. It is anticipated that this 30-day period will allow sufficient time for the parties to resolve their differences, if at all possible. The 30-day notification period is not applicable to an action seeking a restraining order under section 4(e)(2).

The authority of the district court under an action for invalidation is to consider the issues de nova. The only issues that are before the court are whether the requirements of section 2(a) of the act, the eligibility criteria, are being complied with by the association or trading company. While the Secretary of Commerce must consider the requirements of section 2(a) and determine that the activities of the association or trading company will serve a specified need in promoting the applicable export trade in order to issue a certificate, the specified need determination of the Secretary is not an issue which is subject to consideration by the district court in a section 4(e)(1) action.

The district court in a section 4(e)(1) action may either issue an order invalidating the certificate, after which the association or company may continue to exist but does so without the protection of the antitrust immunity of section 2(b) of the act, or require the association or company to modify its organization or methods of operation in order to comply with the requirements of section 2(a) of the act.

Under section 4(e)(2), during the 30-day period, the effective date of the grant of certification is held in abeyance, the Department of Justice or Federal Trade Commission may seek an applicable order prohibiting the certificate from taking effect. It is anticipated this right of action granted by section 4(e)(2) will be used sparingly. This provision for a temporary restraining order or prohibition is applicable to the issuance of a certificate pursuant to section 4 of the act.

Further, the common law requirements applicable to the granting of either a temporary restraining order or preliminary injunction must be met by the moving party before the court can issue such an order. Congress means for this not to be an easy burden to overcome.

The provision for the restraining order or prohibition was added at the request of the Department of Justice. It exists as a safety valve where, in the opinion of the antitrust enforcement agencies of our Government, the Secretary of Commerce intends to issue a certification to either a Webb association or a trading company and there exists, on the face of the certification, obvious violations of section 2 of the act. The sole issue before the court is whether on the face of the certification there exists such obvious violations of section 2 of the act that a restraining order or prohibition must be issued.

Mr. President, section 5 of the act mandates that within 90 days after enactment, the Secretary of Commerce, after consulting with both the Department of Justice and the Federal Trade Commission, publish proposed guidelines. The guidelines are to relate to the process by which the Secretary of Commerce will reach his determinations under section 4 relative to whether the requirements of section 2 of the act are being met. The guidelines shall be periodically reviewed and revised where warranted.

Sections 6 and 7 of the act are self explanatory.

Under section 8 of the act, an existing Webb-Pomerene association which requests certification within the applicable time would not lose the immunity from the operation of the anti-trust laws provided under section 2 of the present Webb-Pomerene law until a final determination is made pursuant to the provisions of the Export Trading Company Act of 1981.

An existing Webb-Pomerene association which seeks certification under the act within 180 days after such act's enactment retains the immunity from the operation of the antitrust laws it had under section 2 of the present Webb-Pomerene law. This is accomplished by reenacting section 2 of such law, as provided under subsection (c) of section 8, but making the immunity provided by subsection (c) applicable only to existing Webb-Pomerene associations that meet the requisites of subsections (a) and (b) of section 8. The immunity which is carried over by section 8 from the current Webb-Pomerene law is not lost by a Webb-Pomerene association to which it attaches until a final determination is made as to the association's request for certification.

For instance, if the Secretary under paragraph (3) of section 4(b) determines not to issue a certificate to an existing Webb-Pomerene association or determines not to certify a method of operation requested in the application, and the association appeals that determination under the provisions of paragraph (4) to section 4(b), the immunity provided by section 8 continues to attach until a final decision is reached on the Webb-Pomerene association's request for certification.

Section 9 of the act requires that portions of applications, amendments, and annual reports that contain trade secrets or confidential business or financial information, which if disclosed could competitively harm the party submitting the information, be held confidential and not disclosed except as provided under section 9(b). The latter section, under specific circumstances, allows disclosure to the Attorney General or Federal Trade Commission. Sections 10, 11, and 12 of the act, I believe, are also self-explanatory.

Mr. President, in September 1978, then-President Carter announced steps that would be taken toward the formulation of a coordinated national export

policy. At that time, the President called for a reduction of domestic barriers to exports. He urged that the laws and policies affecting the international business community, including the antitrust laws, be administered firmly and fairly but with "a greater sensitivity to the importance of exports than has been the case in the past." The Export Trading Company Act of 1981 seeks to give some teeth to that proclamation.

Particularly, the changes in the Webb-Pomerene Act that we advocate will assure a more hospitable attitude toward those whose important task it is to push American goods and services abroad. Yet, at the same time the provisions which we offer for consideration today are tough enough to allow the appropriate authorities to uncover and terminate any domestic anticompetitive spillover from the operations of export trade associations or trading companies.

Mr. President, this bill alone is not going to solve the problem of our trade deficit. It is only a step, but it is a significant step in the right.

EXPORT TRADING COMPANY BILL

Mr. BENTSEN. Mr. President, there is broad agreement, in the Senate and throughout this country, that the state of our economy is the most urgent, important, and complex problem facing the Reagan administration.

In surveying our economic difficulties, I think any objective observer would conclude that the United States must remain competitive in rapidly expanding world markets. We must make every effort to increase our exports and narrow the trade deficit that has been running at about $30 billion a year, causing a hemmorhage of dollars abroad, fanning the fires of inflation, and placing additional pressure on the value of our currency.

The Export Trading Company legislation we are submitting today will not solve America's problems in world trade, but it will certainly help us remain competitive in the international marketplace and encourage many smaller, dynamic American firms to engage in export activities.

During the last Congress I was privileged to work closely with Senators STEVENSON, HEINZ, and DANFORTH in the effort to shape this legislation and bring it before the Senate. I believe the inherent logic behind the Export Trading Company bill and the urgent requirement for such legislation is evident from the fact that it was approved by a vote of 77 to 0 last September. Given the magnitude and urgency of the economic problems facing America today, I sincerely hope that we can get prompt and favorable Senate action on the Export Trading Company bill during this session.

Mr. President, many of our difficulties in international trade are a function of persistent, deep-seated domestic economic problems like inflation, declining productivity, and woefully low rates of savings and investment.

Before we can hope to compete successfully over the long term with nations like Japan and West Germany, we must demonstrate that we can put our own house in order. And it will take time, sacrifice, and discipline to achieve the fundamental reforms that will restore stability and real growth to the American economy.

The long-term nature of our economic problems should not, however, discourage us from taking steps that can have an immediate, positive impact on our ability to export. The time has long since passed when we can ask American business to sit back and accept unique, self-imposed restraints on their ability to market American products abroad.

The Export Trading Companies Act is designed to redress some of the inequities of the past; its sole purpose is to permit the formation of more efficient and effective U.S. export trading companies able to provide a wide variety of services to thousands of American businesses not traditionally oriented toward exports.

Last year, Mr. President, I traveled to East Asia with the Joint Economic Committee to meet with the American business community and assess our competitiveness in the region. We held 9 days of hearings, and I can tell you that the American business community abroad—those who are in the front lines in the battle for world markets—stressed the point, time and again, that our export performance would be well served by the sort of trading companies envisioned in this legislation.

We are not trying to make a line for line copy of the enormous—and enormously successful—Japanese trading companies. But we are looking at trading companies that will be able to spread out the risks, handle the paperwork, and absorb some of the currency fluctuations that currently deter many American firms from entering the export market. We are talking about trading companies that can help identify emerging market opportunities and match them with American producers; that can assist in organizing joint construction projects abroad, and deal effectively with the complex logistics of foreign trade.

This legislation also helps clarify many of the long-standing antitrust ambiguities that currently hinder the formation of American corsortia to bid on significant export projects. By updating the Webb-Pomerene Act and making it applicable to the export of services as well as goods, this legislation accomplishes an objective Senator DANFORTH and I have been pursuing for the past 2 years.

It also expands and clarifies the antitrust exemption for export trade associations and transfers administration of the act to the Department of Commerce. It creates an office within Commerce to promote joint export activities and establishes a specific certification procedure that will eliminate the element of uncertainty in current law.

I am also enthusiastic, Mr. President, about the banking aspects of this legislation which would permit the American banking community to participate in export trading companies, thereby providing the financial resources and expertise that have become such an essential ingredient in the success of our competitors.

We have seen time and again that the ability to offer attractive credit terms to potential foreign buyers often means the difference between winning and losing sales. By permitting U.S. banks to acquire ownership in export trading companies under specified conditions, and with appropriate safeguards, we can provide an important asset in our drive to restore export competitiveness to the American economy.

In considering this legislation, Mr. President, I think it is important to understand that American exporters are currently competing against the combined resources of some of the most efficient and aggressive trading nations in the world. We remain one of the few nations where government and business cling to an outmoded adversary relationship in the quest for vital world markets.

I can see no good reason to continue to deny our exporters the support and assistance of full-fledged American export trading companies, and I hope we can move promptly to pass this legislation.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 146. A bill to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes; to the Committee on Energy and Natural Resources.

ASSISTANCE TO HISTORIC CAMDEN

Mr. THURMOND. Mr. President, I am pleased today to introduce, along with my distinguished colleague from South Carolina, Mr. HOLLINGS, legislation to authorize the Secretary of the Interior to assist in the preservation of historic Camden, S.C.

Senator HOLLINGS and I introduced this measure in the 96th Congress; however, because it was attached to other more controversial legislation, it did not achieve final passage. I understand that the legislation we introduced in the last Congress, which was verbatim the measure we introduce today, met with no opposition in and of itself. In fact, both the House and the Senate passed separate measures containing the identical provision pertaining to historic Camden, but there was insufficient time for a conference to resolve differences in other parts of the legislation.

This bill authorizes the Secretary of the Interior to enter into cooperative agreements with the Camden Historical Commission, the Camden District Heritage Foundation, or other appropriate organizations to aid in the protection and restoration of historic areas. Thus, this bill will insure the continued preservation of Camden's historical assets without the greater expenditures which would have been necessary had Federal acquisition been required.

Mr. President, let me say a few words concerning the importance of preserving the historic nature of Camden. The town has played a significant role in the history of the United States. During the Revolutionary War, Camden was occupied by the British where they remained

from 1780 to 1781. In May 1781, the British were forced to retreat, setting fire to much of the town as they withdrew. The fall of Camden was a significant defeat for the British, and was a pivotal event in the American effort to regain control in the South. Among the military leaders associated with historic Camden are Horatio Gates and Nathaniel Greene of the Colonial Army, and Lord Cornwallis of Great Britain.

Contemporary America reflects a pride and a heritage which is the result of our forefathers' noble struggle for freedom in the American Revolution. Historic sites relevant to that struggle must be preserved so that present and future generations of Americans will be able to observe these areas and reflect on the accomplishments and sacrifies of our ancestors. Historic Camden is such an area.

Mr. President, the need for quick passage of this legislation is manifest, as aid to the various Camden historical societies must be provided soon to prevent destruction of many historical areas and artifacts. I would hope that committee action on this bill will proceed with all deliberate speed, in order that Senate action can be expedited. I hope that my colleagues will support this legislation.

Mr. President, I ask unanimous consent that a copy of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to assist in the preservation of the nationally significant historic resources associated with the town of Camden, South Carolina, a key location in the development of South Carolina and in military operations in the South during the American Revolution, the Secretary of the Interior is authorized, in accordance with subsection 2(e) of the Act of August 21, 1935 (49 Stat. 666), to enter into a cooperative agreement or agreements with the Camden Historical Commission, the Camden District Heritage Foundation, or other appropriate public, governmental, or private nonprofit entities pursuant to which the Secretary may assist in the protection, restoration, and interpretation of such resources for the benefit of the public.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. HOLLINGS. Mr. President, I am pleased to join Senator THURMOND in introducing this bill to authorize the Secretary of Interior to take the necessary steps to assist in the preservation of the nationally significant resources associated with the town of Camden, S.C.

The 18th century town of Camden occupies an important place in the development of South Carolina and the military operations in the South during the American Revolution. Historic Camden's location along major transportation routes and its relation to other settlements made it a trade center of considerable economic and commercial importance in 18th century Southern colonial development. The townsite was laid out by 1774 on a rectangular grid pattern by Joseph Kershaw, the major contributor to the founding and growth of Camden. The settlement consisted of small frame structures, with the notable exception of Kershaw's house, which was apparently patterned after a large Charleston house.

The British occupied Camden in 1780–81 during the Revolution. They constructed five redoubts, fortified the powder magazine and jail, and palisaded the community and the Kershaw house. The most intense military activity included the nearby battles of Camden and Hobkirk's Hill and the related battles at Ninety Six, Cowpens, and Kings Mountain. The colonial Generals: Horatio Gates, Nathaniel Greene, Baron Johann DeKalb, and the British Charles Lord Cornwallis are among the primary military leaders associated with the town. The British retreated in May 1781, burning the palisaded town in an effort to minimize the site's strategic value. The fall of Camden as a British stronghold was pivotal to the eventual defeat of the British.

Few vestiges of the once active town remained after the British departure, and the town was rebuilt to the north after the Revolution. Today, the main features of the Historic Camden area include the site of the 1780–81 Revolutionary War community and several reconstructions—two redoubts (small earthen forts), a powder magazine, wooden palisades, and the Kershaw house (Cornwallis house). The combination of palisades and redoubts is notable as a unique defense system surrounding the frontier community during the Revolution.

I hope that my colleagues will support this legislation and that it will be enacted at an early date.

By Mr. HARRY F. BYRD, JR.

S. 147. A bill to amend the Congressional Budget Act of 1974 to provide for a continuing study of entitlement autority; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

S. 148. A bill to amend the Congressional Budget Act of 1974 to require a two-thirds vote in the Senate and House of Representatives for any modification of the second concurrent budget resolution; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

S. 149. A bill to amend the Congressional Budget Act of 1974 to mandate pilot testing of major new Federal programs; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

THE FUTURE OF THE BUDGET ACT

Mr. HARRY F. BYRD, JR. Mr. President, I am today introducing three measures to amend the Congressional Budget Act of 1974.

I understand that the Budget Committee soon will begin a thorough review of the act, in accordance with the recommendation included in the second concurrent budget resolution for 1981. It is my hope that the proposals advanced in the bills I am introducing today, along with suggestions of other Senators, will be given careful consideration during the Budget Committee's deliberations.

The measures I am recommending are intended to strengthen the budget process and make possible a realization of the goals set forth when the Budget Act was approved, nearly 7 years ago.

Let us look for a moment at the stated objectives of the act. I shall read the five purposes listed in the statute itself:

(1) to assure effective congressional control over the budgetary process;

(2) to provide for the congressional determination each year of the appropriate level of Federal revenues and expenditures;

(3) to provide a system of impoundment control;

(4) to establish national budget priorities; and

(5) to provide for the furnishing of information by the executive branch in a manner that will assist the Congress in discharging its duties.

I wish to address myself today to purposes Nos. 1, 2, and 4. The other two—Nos. 3 and 5—concerning impoundment control and information from the executive branch, are outside the scope of my discussion.

As I see it, purposes Nos. 1, 2, and 4 are intertwined. They can be summarized by stating that in enacting the 1974 legislation, Congress sought to create a mechanism for rational determination of budget priorities, under congressional control, resulting in a determination of appropriate levels of revenues and spending.

At this point, let me interject one observation. Nowhere in the purposes of the Budget Act do we find an intent to reduce the growth of Federal spending. I have previously noted, as have others, that the rate of increase in Federal spending has accelerated since implementation of the Budget Act. But the act was never intended to slow budget growth. Indeed, my own effort to make the act an instrument of spending control, by amending it to require balanced budgets, was specifically rejected by recorded vote of the Senate.

My observations about mushrooming spending since 1976 have not been criticisms of the Budget Act, or of the congressional budget process, but rather of the lack of fiscal discipline which pervades both the administration and the Congress.

Let us return to the real purposes of the Congressional Budget Act. How well have these purposes been fulfilled? Are we developing systematic priorities, exercising budgetary control and reasoning our way toward truly "appropriate"—and not merely expedient—levels of taxation and outlays?

Let me begin by stating that in all probability, the budgetary process of 1976 through 1979 represented an improvement over what would have prevailed in the absence of the Congressional Budget Act. I say this because all of us have witnessed and partaken in debates wherein categories of Federal spending have vied for support: Defense, education, jobs programs, veterans benefits, and many others. Nothing of

this kind occurred before passage of the act, nor could it have occurred in the absence of the act.

However, in my view, these debates have not come frequently enough, nor have they often resulted in rational and realistic priorities. All too often, budget resolutions have become after-the-fact ratifications of earlier spending decisions made with little regard for limitations on national resources.

I stated a moment ago that the budget process of 1976 through 1979 represented some improvement over the piecemeal procedures of earlier years. I am not at all sure this can be said of 1980. Last year, I believe the cracks in the foundation of the Budget Act began to show.

If there was a rational determination of budget levels and priorities last year, it escaped the attention of the Senator from Virginia.

We had three budgets for 1981 from President Carter—the first in deficit, the second in seeming but artificial balance, the third with a deficit larger than the first. And of course the President a few days ago, in submitting the 1982 budget, again raised the spending and deficit totals for 1981, making a fourth budget for 1981.

MAKING A FOURTH BUDGET FOR 1981

We enacted a first and second concurrent budget resolution, both well after their statutory deadlines. The first resolution established a phony balance which the second resolution demolished—but even the second resolution grossly understated spending and the deficit.

If there be those who regard this as rational coordination, they are entitled to their view.

In my opinion, what we had in 1980 was budgetary chaos.

What is needed at this point is a frank admission that the budget process is in trouble—indeed, is in danger of becoming a laughing stock—coupled with a renewed determination to make it work.

Today I shall make specific recommendations for three changes in the Congressional Budget Act. In a fourth area, that of the budget timetable, I am not prepared to submit a specific proposal, but rather call upon the Budget Committee, the Rules Committee and all other appropriate committees to study the present inadequacies, conduct hearings, and frame constructive amendments.

Among the objectives I believe the committee should seek are more realistic time allowances for action on authorizations, appropriations, the budget resolutions and reconciliation.

The Rules Committee may find it necessary, in pursuit of these goals, to consider a shift in the August recess in oddnumbered years required by law at present (Public Law 91-510, section 132).

In addition, the Rules and Budget Committees and others may wish to give thought to the proposal of former majority leader Mansfield to make the fiscal year coincide with the calendar year. This might further ease some scheduling problems, although admittedly there are complications. The transition from a July 1 starting date for the fiscal year to an October 1 date was engineered without notable difficulty, and I think the further change to January 1 could likewise be accomplished if found helpful.

Now as to my specific proposals: I believe we must recognize that our annual expenditure totals are being driven by the so-called uncontrollable elements of the budget.

In my view, the only truly uncontrollable item in the budget is interest on the debt, and even that can be controlled in the long run by elimination of deficit financing.

But of course I recognize that enormous difficulties stand in the way of modifying any of the entitlement programs which make up the vast bulk of the "uncontrollable" items in the budget. I recognize, too, that many of these programs are meritorious, and that many are financed in part by the ultimate beneficiaries and their employers.

So let me make it clear at the outset that I am not standing here today to call for a radical revamping of social security, Federal retirement, or medical care for our senior citizens.

What I am suggesting, however, is that we examine, impartially and thoroughly, all items in the budget which are labeled "uncontrollable". Let us look, for example, at the appropriateness of the time factors and triggers in unemployment compensation; at the income eligibility levels and other criteria for food stamps; at the billions being committed for section 8 housing; at the continuing appropriateness of the present revenue-sharing formulas; at the method of indexing Federal benefits for inflation—and the accuracy of the Consumer Price Index as a guide for such indexing—and at the widespread allegations of fraud, waste, and abuse in many entitlement programs.

These are legitimate objects of scrutiny.

I am not certain that changes will be found necessary in all of them; nor, on the other hand, do I pretend that my list exhausts the possibilities of areas ripe for examination.

What I am proposing today is a continuing study by the Budget Committees, assisted by the Congressional Budget Office, of all entitlement authority in the budget. Needless to say, this would not preclude any similar inquiries by the Appropriations Committee or the authorizing committees; indeed, these should be encouraged. But the perspective of the Budget Committees and the CBO, covering the whole spectrum of Federal outlays, is most valuable.

I will be frank to say that in my view, we are going to have to bring some so-called uncontrollables under a reasonable degree of control. The alternative is surrender to endless doubling and redoubling of outlays for entitlement programs. Our resources are not infinite; our IOU's must not be infinite, either.

I would note that during the framing of the Congressional Budget Act, a continuing review of permanent budget authority was proposed in the Committee on Governmental Affairs but not included in the final bill. In retrospect, I think we can see the wisdom of what the Governmental Affairs Committee had in mind, and what I am now proposing is a variant of that original idea.

I am also proposing today an amendment which would revive another 1974 suggestion of the Committee on Governmental Affairs, namely a provision for mandatory pilot testing of new programs. I think the prudence of walking before we run in major Federal spending initiatives is self-evident. Omission of this section from the final Congressional Budget Act was a grievous error which clearly should be remedied.

The third and final amendment to the Congressional Budget Act which I am proposing today would require a two-thirds vote of each House for any revision of the second concurrent budget resolution.

The framers of the Budget Act clearly intended the second budget resolution to be "binding"—the word occurs again and again in the debates—yet revision of this so-called "binding" resolution has become the rule rather than the exception. In 3 of the 5 years under the act, the second resolution has been set aside to increase spending, and this undoubtedly will occur again in the current fiscal year.

Each year that we exceed the second resolution, there are pious declarations that it will not happen again. This is somewhat reminiscent of the football coach who after each losing season says: "Wait till next year."

We have been waiting too long for "next year." Now it is time to tighten up the Budget Act.

The changes I am proposing today in the Congressional Budget Act are offered by a supporter of the act, who wishes to make of it an effective instrument. To cling to its present fictions, instead of adjusting it to the real world, is to insure its eventual relegation to the scrap heap of legislative history.

I am not wedded to the exact provisions which I am submitting to the Senate. I welcome the thoughts and proposals of my colleagues. But let us not simply pretend that all is well. Let us set ourselves to the task of fulfilling the real objectives of the act we launched with such high hopes 6 years ago.

Mr. President, I ask unanimous consent that the text of the three bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 147

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 703(a) of the Congressional Budget Act of 1974 is amended by striking the period at the end of Subsection (4), inserting in lieu thereof "; and", and adding thereafter the following:

"(5) analyzing all programs which authorize entitlements to the receipt of funds from the Government of the United States."

S. 148

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 304 of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following:

"No resolution on the budget for any fiscal year, or conference report on such resolution, subsequent to adoption of the second required budget resolution described in Section 310(a), shall take effect unless approved by affirmative recorded vote of two-thirds of all Members of each House of the Congress."

S. 149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Title VI of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following:

"PILOT TESTING OF PROGRAMS

"SEC. 608. Notwithstanding any other provision of law, beginning with Fiscal Year 1982, no new program authorizing expenditure of ten million dollars or more in any fiscal year, or estimated by the Congressional Budget Office to result in budget outlays of ten million dollars or more in any fiscal year, shall be implemented until it shall have been tested on a pilot basis for a period of not less than one year with expenditure of not more than ten percent of the highest annual budget outlay for such program authorized by the Congress or estimated by the Congressional Budget Office for any fiscal year. Within 60 days of the completion of the pilot testing, the Secretary of the department, or chief official of such other agency as may be responsible for the conduct of the testing, shall submit to the Congress a report on the testing with appropriate recommendations."

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 150. A bill to amend title 5 of the United States Code to provide payments under Government health plans for services of qualified mental health specialists; to the Committee on Governmental Affairs.

PAYMENTS FOR MENTAL HEALTH SPECIALISTS

● Mr. INOUYE. Mr. President, today I am introducing legislation that would amend the Federal employee health benefit program in order to insure that if mental health services are to be made available, that those delivered by a qualified "mental health specialist" would be directly reimbursable.

Under the present provisions of our Federal Employee Health Benefit program, mental health services provided by physicians and clinical psychologists are already reimbursable as well as those provided by psychiatric nurses in certain medically underserved areas on a special experimental basis. In my judgment, the time has come to more appropriately delineate the qualifications of mental health care providers and to allow our Federal employees ready access to choose the practitioner of their choice.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 150

Be it enacted by the Senate and House of Representatives of the United State of America in Congress assembled, That subsection (k) of section 8902 of title 5, United States Code, is amended by striking out "or optometrist" each place it appears and inserting in lieu thereof ", optometrist, or qualified mental health specialist".

"MENTAL HEALTH SPECIALIST

"(1) The term 'mental health specialist' means an individual who is a clinical psychologist (as defined in paragraph (2)), a clinical social worker (as defined in paragraph (3)), a psychiatric nurse specialist (as defined in paragraph (4)), or a psychiatrist (as defined in paragraph (5)).

"(2) The term 'clinical psychologist' means an individual who (A) is licensed or certified at the independent practice level of psychology by the State in which he so practices, (B) possesses a doctorate degree in psychology from a regionally accredited educational institution, or for those individuals who were licensed or certified prior to January 1, 1978, possess a master's degree in psychology and are listed in a national register of Mental Health Service Providers in psychology which the Secretary of the Department of Health and Human Services deems appropriate, and (C) possesses two years of supervised experience in health service, at least one year of which is post degree.

"(3) The term, 'clinical social worker' means an individual who (A) possesses a master's or doctor's degree in social work, (B) after obtaining such degree has performed at least two years of supervised clinical social work, and (C) is licensed or certified as such in the State in which he practices, or if such State does not license or certify clinical social workers, is listed in a national register of social workers who, by education and experience, qualify as health care providers in clinical social work.

"(4) The term 'psychiatric nurse specialist' means an individual who (A) is licensed to practice nursing by the State in which the individual practices nursing, (B) possesses a master's degree or higher degree in psychiatric nursing or a related field from an accredited educational institution, and (C) is certified as a psychiatric nurse by and duly recognized national professional nurse organization.

"(5) The term 'psychiatrist' means a physician who (A) is described in clause (1) of section 1861 (r), and (B) is board certified by the American Board of Psychiatry and Neurology or has successfuly completed a minimum of three years of approved graduate medical training in psychiatry.".

SEC. 2. The amendment made by the first section of this Act shall apply to contracts entered into or after the date of the enactment of this Act.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 151. A bill to allow an additional income exemption for a taxpayer or his spouse who is deaf or blind; to the Committee on Finance.

INCOME EXEMPTION FOR THE BLIND AND DEAF

● Mr. INOUYE. Mr. President, today I am reintroducing legislation which will provide an additional tax exemption for a taxpayer or a taxpayer's spouse, who is deaf or blind. I originally introduced this bill in November 1973, and believe that the implementation of this legislation is long overdue.

In my judgment, the provisions proposed herein are more than just in helping to alleviate the present discrimination faced by deaf individuals. Let us consider the financial burden that many of these people must face in their efforts to lead normal lives. The purchasing of hearing aids, extra costs of automobile insurance, and higher educational expenses are only the most obvious examples. In addition, the fact of the matter is that most deaf people are underemployed with respect to their abilities and education.

Despite the support that members of the deaf community have shown in favor of this legislation, it has never been acted upon by the Senate Committee on Finance. While the Internal Revenue Service provides additional exemptions for blind taxpayers, the sad truth is that Hawaii is the only place in which the same exemptions are made for the deaf.

Further, there is little cause for fear that this will result in a great amount of lost revenue for the U.S. Treasury. There are approxmiately 450,000 profoundly deaf persons in this country. This number is slightly less than the 500,000 legally blind persons. Of the legally bund, only 190,631 persons claimed the additional exemption in 1978. It is reasonable to assume that approximately the same proportion of the deaf would claim the deduction.

Mr. President, I hope that my colleagues will give early and favorable consideration to this humanitarian measure. I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 151

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 151(d) of the Internal Revenue Code of 1954 (relating to additional exemption for blindness of taxpayer or spouse) is amended—

(1) by inserting "or deafness" after "blindness" in the heading;

(2) by striking out "blind" each place it appears in paragraphs (1) and (2) and inserting in lieu thereof "blind, or deaf"; and

(3) by adding at the end thereof the following new paragraph:

"(4) DEAFNESS DEFINED.—For purposes of this subsection, an individual is deaf only if his average loss in the speech frequencies (500 to 2,000 Hertz) in the better ear is 96 decibels, I.S.O. or worse."

(b) The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 152. A bill to amend titles XVIII and XIX of the Social Security Act to provide that clinical social worker services shall be covered under part B of medicare and shall be a required services under medicaid; to the Committee on Finance.

CLINICAL SOCIAL WORKER SERVICES

● Mr. INOUYE. Mr. President, slightly more than 4 years ago, in May 1976, during the 94th Congress, I introduced my original proposal on behalf of the National Association of Social Workers and the Federation of Clinical Social Workers. I am personally pleased by the extent to which the Congress is aware of the contribution that 85,000 social workers provide in the delivery of health care in our Nation.

Social workers are the dominant providers of care today in the mental health facilities around the Nation, and they provide more than 42 percent of the mental health treatment in community mental health centers. They also make up nearly one-third of the executive directors of community mental health centers.

In the 96th Congress, significant prog-

ress was made. In the Department of Defense appropriations bill for fiscal year 1981, we included a provision for a pilot demonstration project for direct reimbursement to clinical social workers for their mental health services under the civilian health and medical program of the uniformed services, otherwise known as CHAMPUS. Also, in the Omnibus Reconciliation Act of 1980, a provision was included to carry out demonstration projects to determine the administrative, financial, and other aspects of making the services of clinical social workers more generally available as part of the benefits included under title 18 of the Social Security Act.

Other legislation that I am introducing in this Congress provides for reimbursement of the services that social workers provide in mental health treatment, but in all candor, mental health is only one area of the vast amount of services that social workers of this Nation provide. The ability of people to live effectively in society often is hampered by the lack of resources, and problems that range from personal all the way to social unrest. The growing complexity of our society has greatly increased the need for social workers to assist individuals, families, groups and communities to solve their problems.

There are three basic areas in which social workers are utilized and by which they approach their work—casework, group work, and community organization. During their training, social workers can now also specialize in social institutions, a field which emcompasses health and education, or in social problems such as poverty.

Caseworkers deal with individuals and families in order to understand their personal problems and assist them in obtaining the appropriate resources, services, education, or job training that they require. In group settings, social workers help people to better understand themselves and others in order to achieve some productive goal. Social workers organize and implement activities for children, teenagers, adults, older persons, and other groups in community centers, hospitals, nursing homes and correctional facilities.

Finally, in community work, social workers coordinate the efforts of various political, civic, religious, business and union organizations in an effort to solve social problems such as crime, housing, poverty, and so forth, through community action. Social workers often coordinate existing services, organize fundraisers for community welfare activities and aid in developing new community services.

While most social workers do deal directly with individuals, groups, or families, a substantial number are directors and administrators who hire and train personnel, make budget decisions, evaluate agency problems, supervise staff, and serve as spokespersons for the agencies' clients. Others are employed as university professors, research workers, or consultants. Others are employed by community agencies and planning bodies of government, voluntary agencies, and other private organizations. In essence, social workers apply their training and expertise in a variety of settings. Although many work for agencies or institutions, many are in private practice and provide valuable counseling.

I am especially pleased to report that a growing number of social workers now specialize in the field of aging. They plan and evaluate services for the elderly, and help them deal with financial and other changes brought on by retirement. In nursing homes, they help patients and their families adjust to illness and the need for institutionalization and health care service.

With our ever-changing society, we need today, even more than ever before, to make use of the diverse qualifications of our Nation's social workers. The type of diverse services that the social workers provide is invaluable and I submit, should be made more available to the recipients of our social security program. The restrictions that exist today on the delivery of social worker services make it difficult, if not impossible, for our Nation's aged, poor, and disabled to receive not only quality mental health care, but also other services for which they are eligible. Finally, I am firmly convinced that with the rising cost of health care, it will be only by taking into account the psychosocial components involved that we can ever hope to remedy this situation.

Mr. President, in our Nation's social workers we have an invaluable resource that, in my judgment, we have just begun to tap. It is with this thought in mind today that I am genuinely excited about the opportunities before us. Formal independent Federal recognition is long overdue for our Nation's social workers and, accordingly, I am both proud and pleased to be introducing this legislation today.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 152

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(s)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding at the end thereof the following new subparagraph:

"(H) clinical social worker services;".

(b) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"CLINICAL SOCIAL WORKER SERVICES

"(dd)(1) The term 'clinical social worker services' means services performed by a clinical social worker (as defined in paragraph (2)) which he is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) of the State in which such services are performed, whether or not he is under the supervision of, or associated with, a physician or other health care provider.

"(2) The term 'clinical social worker' means an individual who—

"(A) (i) possesses a master's or doctor's degree in social work,

"(ii) after obtaining such degree has performed at least two years of supervised clinical social work, and

"(iii) is licensed or certified as a clinical social worker in the State in which the clinical social worker services are performed, or in those States which do not provide for licensure or certification, is listed in a national register of social workers who, by education and experience, qualify as health care providers in clinical social work.".

SEC. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (17);

(2) by redesignating paragraph (18) as paragraph (19); and

(3) by inserting after paragraph (17) the following new paragraph:

"(18) clinical social worker services (as defined in section 1861 (dd)); and".

(b) Section 1902(a) of such Act is amended—

(1) by striking out "paragraphs (1) through (5) and (17)" in paragraph (13)(B) and inserting in lieu thereof "paragraphs (1) through (5), (17), and (18)";

(2) by striking out "paragraphs (1) through (5) and (17)" in paragraph (13)(C)(i) and inserting in lieu thereof "paragraphs (1) through (5), (17), and (18)";

(3) by striking out "paragraphs numbered (1) through (17)" in paragraph (13)(C)(ii) and inserting in lieu thereof "paragraphs numbered (1) through (18)"; and

(4) by striking out "paragraphs (1) through (5), (7), and (17)" in paragraph (14)(A)(i) and inserting in lieu thereof "paragraphs (1) through (5), (7), (17), and (18)".

SEC. 3. (a) The amendments made by the first section of this Act shall be effective with respect to services performed on or after the first day of the first month which begins more than 60 days after the date of the enactment of this Act.

(b)(1) Except as provided under paragraph (2), the amendments made by section 2 shall be effective with respect to payments under title XIX of the Social Security Act for calendar quarters beginning more than 60 days after the date of the enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by section 2, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 153. A bill to amend the Internal Revenue Code of 1954 to expand the category of targeted groups for whom the new employee credit is available to include displaced homemakers; to the Committee on Finance.

EMPLOYEE CREDIT FOR DISPLACED HOMEMAKERS

● Mr. INOUYE. Mr. President, today I am reintroducing legislation to aid a group of people whose contribution to the Nation's economic stability has been overlooked for far too long. I refer to the American homemaker, who traditionally has provided the foundation on which our economy is built.

Although she receives no monetary reward for her services, the woman who stays to care for her husband and their children is invaluable to our national labor force. Yet, when she becomes displaced because of the death of a spouse or because of divorce or separation, her past service to her family and her country go unrecognized. Because of her prolonged absence from the labor force, she is at a disadvantage when circumstances force her to compete in the job market with younger, more experienced men and women.

Mr. President, an increasing number of homemakers are displaced in the middle years from their family role and left without any source of financial security. These displaced homemakers are often subject to discrimination in employment because of age, sex, and lack of recent paid work experience. To make matters worse, many of these women are ineligible for social security benefits or welfare assistance and desperately need to find work. I believe we owe a tremendous debt to this Nation's displaced homemakers and this bill would be one step toward repaying that debt.

This bill would give displaced homemakers a boost in their efforts to reenter the work force or to enter it for the first time by offering a tax credit to employers who hire them. It would amend the Internal Revenue Code of 1954 to add displaced homemakers to the list of people already targeted to benefit from this program, such as economically disadvantaged youth, welfare recipients, Vietnam-era veterans from economically disadvantaged families and economically disadvantaged ex-convicts. The current law provides employers with $3,000 credit per trainee for the first year and $1,500 for the second.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 153

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of section 51(d) of the Internal Revenue Code of 1954 (relating to members of targeted groups) is amended—

(1) by striking out "or" at the end of subparagraphs (E) and (F),

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma and "or", and

(3) by adding at the end thereof the following new subparagraph:

"(H) a displaced homemaker (as defined in paragraph (7) of section 3 of the Comprehensive Employment and Training Act Amendments of 1978 (29 U.S.C. 802)).".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to amounts paid or incurred after December 31, 1980, in taxable years ending after such date.●

By Mr. PRYOR:

S. 154. A bill to amend title 37, United States Code, to authorize special pay to a member of a uniformed service who performs duties that are unusually hazardous or performed under unusually severe working conditions; to the Committee on Armed Services.

SPECIAL PAY FOR CERTAIN HAZARDOUS DUTIES OR CONDITIONS

● Mr. PRYOR. Mr. President, this afternoon I am introducing legislation authorizing the Secretaries of the various armed services to specially compensate members who perform duties that are unusually hazardous. While this legislation is general in nature, to cover all branches of the armed services, it is specifically intended to include those individuals in the propellant transfer system (PTS) career field of the Air Force who work on the Titan II missiles. Identical legislation is being introduced today in the House of Representatives by Representative DAN GLICKMAN of KANSAS.

This legislation is following the recommendations that have been included in two reports on the safety of the Titan II missile system. The most recent of these reports, dated December 1980, followed the tragic explosion near Damascus, Ark., which killed one person and injured several others.

While the December 1980 safety report points out a low 17-percent reenlistment systemwide figure for the Titan PTS career field, statistics from Little Rock Air Force Base show a much more critical situation. Today of the 51 authorized PTS positions in the maintenance squadron at Little Rock Air Force Base, only 38 people are assigned. Of these 38, 7 people are presently decertified and ineligible for duty, leaving only 31 of the 51 positions active.

In addition, only 4 of the 38 have had 4 or more years of on-the-job experience, while 32 of the 38 are serving their initial tours of duty in the Air Force. Experience is certainly lacking.

Since January 1979 of the 27 people who were in the career field at Little Rock Air Force Base and whose terms were up, only 1 was reenlisted. Others left the service entirely or transferred to other career fields. Retention in this critical area is, thus, a serious problem.

In light of the present situation, it seems we must recognize the hazards associated with the Titan missiles and provide incentives and encouragements for those individuals who work on them to remain on the job.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 154

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 5, title 37, United States Code, is amended as follows:

(a) by adding at the end thereof the following new section:

§ 314. Special pay: unusually hazardous duty or duty performed under unusually severe working conditions

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is entitled to basic pay may be paid special pay, in the amount set forth in subsection (b), for any month during which the member performs duties which have been determined by the Secretary concerned to be—

(1) unusually hazardous; or,

(2) performed under unusually severe working conditions.

(b) An officer who satisfies the requirements of subsection (a) is entitled to $110 a month, and an enlisted member who satisfies the requirements of subsection (a) is entitled to $55 a month.

(c) In time of war, the President may suspend the payment of the special pay described in this section.

(d) A member may not be paid more than one payment of special pay under this section for any period of service.

(e) A member may not be paid special pay under this section for any period of service for which that member receives special or incentive pay under sections 301, 301a, or 304 of this title."

(b) The analysis of chapter 5 is amended by inserting the following new item immediately below item 313:

"314. Special pay: unusually hazardous duty or duty performed under unusually severe working condition."

SEC. 2. This act takes effect on the first day of the third month following its enactment.

By Mr. SCHMITT:

S. 155. A bill to amend the Internal Revenue Code of 1954 to make additional interest from savings eligible for exclusion; to the Committee on Finance.

SAVINGS AND INVESTMENT INCENTIVES ACT OF 1981

● Mr. SCHMITT. Mr. President, it has become widely recognized that America must increase its rates of savings and investment if we are to have economic growth in the decade ahead.

A significant factor in the declining performance of the U.S. economy in the past decade has been falling rates of saving by the American public. Personal savings as a percentage of disposable personal income has undergone a steady decline from 7.7 percent in 1975 to 4.7 percent in the third quarter of this year. In every year since 1975, the amount of personal savings has fallen lower than the previous year. The overall reduction is approximately 38 percent.

It is generally recognized that savings is the source for investment and that investment is the generator of increased productivity and employment. Investment means new plants and equipment and new jobs to build new production facilities and operate new machinery. If the critical element of personal savings is absent from this equation, then production and employment suffer. To achieve the economic goals of full employment and price stability that are the express goals of our national economic policy, it is crucial that our economy generate increased investment through increased savings.

The legislation I am introducing today would permit taxpayers to exclude from taxation 25 percent of combined interest and dividend income. The 25-percent exemption would be phased in at 5 percent a year over a period of 5 years beginning in fiscal year 1982. A cap of $12,500 would be placed on the amount of combined interest and dividend interest that could be excluded. According to the Joint Committee on Taxation, the saving to the taxpayer would be about $1

billion in the first fiscal year and $5 to $7 billion when fully operative. Because the 25-percent exemption becomes effective gradually at 5 percent per year, it will minimize revenue loss in the early years while maximizing the increase in savings and investment.

Dr. Martin Feldstein, professor of economics at Harvard University, recently wrote an op-ed piece for the Wall Street Journal which recommends an approach similar to the one I am proposing today. Dr. Feldstein points out that the phased-in exemption of interest and dividend income would create a strong incentive for households to start saving now in order to take advantage of the lower tax rate when it becomes fully effective.

Dr. Feldstein's article is entitled: "Tax Incentives Without Deficits." I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The 25-percent exclusion of additional interest and dividends has the effect of reducing the tax rates on additional savings income by one-quarter. For example, an individual in the 28 percent tax bracket would see the effective marginal tax rate on savings income fall to 21 percent. The 40-percent bracket would effectively fall to 30 percent, and the 70-percent bracket to 53 percent. This would result in substantial increases in saving, a switch out of tax shelters, reduced interest rates and less pressure on the Federal Reserve to create money. It is a progrowth, anti-inflationary step of great effectiveness.

A larger exemption for income derived from interest and dividends is essential if the economy of the 1980's is to be one strong, real growth. Full employment and low inflation can only be achieved if there is sufficient capital to finance the investments required to make new discoveries, technologies, and build new plants.

A comprehensive view of the economy reveals an interdependency of all its' components; components which interact with each other. It would be short-sighted to assume that one part of this system could be altered without impacting on the system as a whole. According to estimates made by the Joint Committee on Taxation and the Department of Treasury, Federal taxes paid by Americans will increase by at least $1.5 trillion over the next 10 years as a result of upcoming social security, decontrol, windfall oil profits and inflation induced tax increases. Other estimates exceed $2 trillion. These will be the greatest tax increases in American history, as much as $200 billion per year. Those who contend that the economy can absorb these increases without creating dislocations are advocating a dangerous course. It is a course that may lead the United States down the road of indefinite, slow growth—or no growth at all.

This massive transfer of resources to the Government is of crucial importance to the economy, particularly since it comes at a time when we are already experiencing declining productivity and negative growth in the economy. It is, therefore, essential that the Congress take action to offset the effect of these taxes; and more importantly to create new incentives for savings and investment.

Recent studies have shown a close correlation between rates of growth and the rates of savings and investment. It is, therefore, no coincidence that the United States, with the lowest rate of savings among major industrialized nations, is also affected with stagnating economic growth. The U.S. rate of savings as a percentage of national income in 1976 was only 4.9 percent compared to rates of 7.1 percent in England; 12.4 percent in France; 13.0 percent in Germany; and 20.9 percent in Japan. The anemic level of U.S. savings as compared to the leading industrial nations of the world accounts, in part, for the declining GNP growth rate and high inflation rate of the United States as measured against these same nations. It is interesting to note that each of these countries offer considerably greater incentives to savings and investment than does the United States.

COMPARISON OF SAVINGS RATES, INFLATION RATES, FEDERAL DEFICIT, AND GNP GROWTH AMONG MAJOR INDUSTRIALIZED NATIONS

Year	United States	Japan	France	Germany	United Kingdom
Rate of consumer price inflation:					
1976	5.8	9.3	9.6	4.3	16.5
1977	6.5	8.1	9.4	3.6	15.9
1978	7.5	3.8	9.1	2.8	8.3
1979	11.3	3.6	10.7	4.1	13.4
Federal Government deficit as percentage of GNP:					
1976	3.3	2.0	.8	2.7	5.5
1977	2.7	6.1	.8	1.9	3.2
1978	2.1	6.5	.8	2.0	5.2
1979	1.2	5.3	NA	1.9	NA

Year	United States	Japan	France	Germany	United Kingdom
Savings as percentage of national income:					
1976	4.9	20.9	12.4	13.0	7.1
1977	5.7	20.3	12.8	12.9	8.4
1978	6.5	20.0	13.5	14.0	8.3
1979	NA	NA	NA	NA	NA
GNP growth rate:					
1976	5.9	5.5	4.6	5.1	3.6
1977	5.3	5.4	3.0	2.6	1.4
1978	4.4	5.6	3.3	3.4	3.3
1979	2.3	5.0	NA	4.8	NA

Source: IMF; OECD; U.S. Department of Commerce, International Economic Indicators, March 1980.

The table shows the relationship between savings rates and the rates of inflation and GNP growth among several major industralized nations. In 1978, for example, the rate of personal savings in Japan was 20 percent, more than three times that of the United States. At the same time, Japan's inflation rate was 3.8 percent, almost exactly half the U.S. inflation rate of 7.5 percent. In addition, the rate of economic growth in Japan, as measured by GNP, was 26 percent higher than the U.S. rate.

In other words, even while maintaining a deficit more than three times greater than the United States on a percentage basis, Japan was still able to hold inflation down and to enjoy high rates of growth. One explanation for this phenomenon is that the high rate of personal savings fueled by savings incentives provided by the Japanese Government, insures that there are adecuate funds available for investment purposes even when the central government may need to borrow significant amounts to finance a deficit.

In the United States, where personal savings has been lower than any other major industralized country for several years, when the Treasury taps the capital markets to finance a deficit, the pressure generated on the market drives up interest rates—making it difficult for corporate borrowers to afford to borrow—and forces the Federal Reserve to inject funds into the system to maintain stable interest rates. The result is more inflation and a shortfall in investment which inevitably impacts on overall economic growth. The alternative is to develop appropriate incentives for savings and investment to produce fresh inflows of funds into our financial institutions and capital markets that will act as a stabilizing force with regard to inflation, while spurring greater investment in the plant and equipment needed for future economic growth.

NEW YORK STOCK EXCHANGE ON INVESTMENT

The Office of Economic Research at the New York Stock Exchange (NYSE) recently published a study entitled "Building a Better Future—Economic Choices for the 1980's." This study, conducted with the assistance of Prof. Lawrence Klein of Wharton Econometrics and Prof. John W. Kendrick of George Washington University and drawing upon the expertise of a number of other economists, demonstrates in detail the need to stimulate investment in the economy in order to generate economic growth. I ask unanimous consent that the text of this study be printed in full at the conclusion of my remarks. The NYSE study analyzes the impacts of three possible economic scenarios. The first of these alternatives assumes that the ratio of nonresidential fixed investment to GNP remains constant at its current level of 10.2 percent. Nonresidential fixed investment includes both personal and business investment for

nonresidential purposes. The effects of these "base case" assumptions on the economy of the 1980's is as follows:

Base case scenario, 1980–90

	Percent
Ratio of non-residental fixed investment/GNP	10.2
Real growth in GNP (average per year)	2.4
Inflation rate (GNP deflator, average per year)	7.7
Productivity growth (average per year)	1.1
Unemployment rate (average per year)	6.7

Under the second set of assumptions, the "pessimistic" scenario, the level of investment is assumed to fall to 9.6 percent. The effects of such a decline are significant. Unemployment would rise from 6.7 to 8.9 percent. Productivity growth would fall from 1.1 percent growth per year to 0.9 percent. The inflation rate, as measured by the GNP deflator, would rise from 7.7 to 8.9 percent. As the NYSE study states:

> The pessimistic model underscores the direct relationship between low investment in plant and equipment the one-two punch of fewer new employment opportunities and high rates of inflation.

Low growth scenario, 1980–90

	Percent
Non-residential fixed investment/GNP	9.6
Real growth in GNP (average per pear)	2.0
Inflation rate (GNP deflator, average per year)	8.9
Productivity growth (average per year)	0.9
Unemployment rate (average per year)	8.9

The third scenario analyzed by the NYSE study contains the same assumptions as the "base case" and the "pessimistic" simulations with regard to oil prices, Federal Government defense expenditures, and monetary policy.

However, this scenario assumes that tax policies are implemented that would increase the investment/GNP ratio to 12.1 percent. In addition, it was assumed that Government regulation was eased somewhat such that productivity growth would increase by one-half of 1 percent over the period 1980–90. The impact of these policy changes is powerful. The following table shows the effect of an improvement in the investment/GNP ratio on inflation, productivity, unemployment, and economic growth:

High growth scenario, 1980–90

	Percent
Non-residential fixed investment/GNP	12.1
Real growth in GNP (average per year)	3.4
Inflation rate (GNP deflator, average per year)	6.7
Productivity growth (average per year)	2.0
Unemployment rate (average per year)	5.8

The result is a full percentage point increase in GNP growth over the base case scenario, accompanied by improvements in productivity, reduced inflation and an unemployment level of 5.8 percent, a level considered to be very near "full employment" by many economists. The following table compares the economic impact of three different levels of investment over the coming decade:

3 SCENARIOS, 1980-90

[In percent]

	Pessimistic	Base case	Optimistic
Investment to GNP	9.6	10.3	12.1
Real growth in GNP	2.0	2.4	3.4
Inflation (GNP deflator)	8.5	7.7	6.4
Unemployment rate	8.9	6.7	5.8

Clearly, the levels of economic growth, unemployment, productivity, and price stability achieved through the higher ratio of investment to GNP represent the most desirable outcome for the future.

Mr. President, the key variable in achieving the economic goals of full employment and low inflation is the rate of investment. Low investment leads to poor productivity growth, which results in high inflation and reduced GNP growth. These effects combined with increased unemployed produce lower personal savings. A shortfall in personal savings means fewer funds for investment, and the cycle repeats itself. This vicious circle must be broken and the most effective means of breaking it is to create new economic incentives that will encourage individuals to shift economic activity from consumption to savings and investment. The bill I am introducing today will help accomplish this goal. This legislation will affect every American with a savings account or investments.

Over 44 million Americans will benefit from reduced taxes on interest and dividends. Low- and moderate-income people will benefit in two ways. First, from lower taxes; and second, from the job production, real income growth, and overall increase in economic prosperity that will result. Older Americans on fixed incomes, facing high inflation, will benefit through an improved rate of return on their savings. In short, all aspects of the economy and all segments of our population will benefit from this proposal.

I urge my colleagues to join me in this effort to improve the rate of return our people receive on their savings and investment, for this is the key to economic growth in the decade ahead.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 155

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Savings and Investment Incentive Act of 1981".

SEC. 2. (a) Paragraph (1) of subsection (b) of section 116 of the Internal Revenue Code of 1954 (relating to partial exclusions of interest and dividends received by individuals) is amended to read as follows:

"(1) MAXIMUM AMOUNT.—

"(A) IN GENERAL.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed the sum of—

"(i) $200 ($400 in the case of a joint return under section 6013), plus

"(ii) 25 percent of so much of the amount of interest and dividends received during the taxable year which are not taken into account under clause (i) as does not exceed $50,000.

"(B) TRANSITIONAL RULE.—For purposes of applying subparagraph (A)(ii) for taxable years beginning before January 1, 1986, the following percentages shall be substituted for '25 percent' in the case of taxable years beginning in the calendar year to which each such percentage applies:

"Calendar year	Percentage
1982	5
1983	10
1984	15
1985	20.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1981.

TAX INCENTIVES WITHOUT DEFICITS

(By Martin Feldstein)

Despite the best efforts of the Carter administration, the tax cut debate has fortunately moved from "whether" to "what kind." There is of course the danger of a quick-fix election year tax cut aimed at stimulating employment and camouflaging next year's Social Security tax rise. But what is really needed is a multi-year program of tax cuts that will reduce some of the existing strong disincentives to capital formation and production. And if it is done in the right way, a multi-year tax cut could bring immediate increases in investment, saving and individual effort without any increases in the government deficit now or in the future.

The most important thing to consider in a tax-cut strategy is that all important economic decisions are based on expectations. What matters for current actions—investment, saving, the choice of jobs—is not the current tax rates but the rates that are expected.

Congress can therefore improve current incentives without any increase in the current deficit by enacting now a schedule of future tax cuts. These precommitted tax cuts can be financed as they occur out of the automatic revenue increases produced by inflation and out of the savings that could result from a slowdown in the growth of government spending. The commitment to a schedule of future tax cuts would give Congress and the government agencies time to shape their spending plans to the lower level of available revenue. Thus, while an immediate tax cut generally means an increased deficit, precommitted future tax cuts can change incentives without any deficits.

STIMULATING SAVING

Consider the problem of stimulating individuals to save more. Today the combination of inflation and high tax rates makes the real after-tax return negative for many individuals. To stimulate saving, the key requirement is to raise the real after-tax return that savers can expect to receive in the future on additions to their assets. One simple and direct way to achieve this would be to treat interest and dividends like capital gains—i.e., exclude 60 percent of all interest and dividends from taxable income. Of course, if this 60 percent exclusion were allowed all at once in 1981, the revenue loss would probably exceed the increased saving. The government's borrowing to finance this revenue loss would then absorb more than all of the increased saving—and the amount available for investment in plant and equipment would actually be reduced.

But what if the 60 percent exclusion were

enacted now with its effective date postponed until 1985? The government would clearly lose no revenue in the next four years. But households would have a strong incentive to start saving more immediately in order to have more assets on which to take fuller advantage of the lower tax rate when it becomes effective. Starting with a small exclusion in 1981 and allowing it to rise to 60 percent by 1985 would make the prospect of the full future exclusion more credible without changing the fundamental point that the immediate increase in saving can be substantially greater than the concurrent increase in the deficit.

The same idea of a precommitted tax cut can work to stimulate investment. Consider the effect of a major cut in the corporate tax rate—say from 46 percent to 36 percent—that is enacted now with an effective date in 1985. Although there would be no change in tax rates from 1981 through 1984, firms would have a substantial incentive to increase their investment spending immediately. Investments made during the next four years would benefit from depreciation at high tax rates while the subsequent profits would be subject to lower tax rates. Again, a gradual phase-in of the tax rate reduction would increase the credibility and visibility of the future rate reductions.

There are other ways to stimulate investment with little or no decrease in tax revenue. Replacing the existing historic cost depreciation method with an indexed depreciation system for all future investment would immediately raise the after-tax yield on all prospective projects. Indeed, at the current high rate of inflation, indexed depreciation would offer a greater stimulus to investment than the Conable-Jones 10-5-3 plan for accelerated depreciation. Indexed depreciation would involve no immediate revenue loss, and the future revenue losses would rise only slowly as the eligible capital stock grew.

For personal rate cuts, a slow but certain phasing in would also achieve most of the benefits of a large immediate rate cut without the large revenue loss. An individual who is deciding whether to change jobs, to relocate, to "invest" in more schooling or training, or just to work harder in the hope of better promotions will look at these future tax rates. Because a gradual phase-in could be financed by the automatic inflation tax windfalls and by a gradual reduction in the growth of government spending, tax rates could be reduced by 30 percent over a few years without any deficits.

Because of the progressivity of the tax schedule, a 10 percent rise in total personal income raises individual income tax collections by about 16 percent—and thus permits a 6 percent "tax cut" without any reduction in the ratio of taxes to personal income. Over four years, the cumulative tax "reduction" would be nearly 25 percent. Pruning the share of personal income that goes in federal personal taxes back to the ratio of 20 years ago would permit an additional real tax cut of 13 percent. The total real tax cut—combining inflation givebacks and real reductions—can be between 30 percent and 40 percent over the next four years. This provides a unique opportunity for a series of tax changes that combine across-the-board reductions in personal rates with specific incentives for saving and investment.

The supply side tax-cut goal of increasing incentives without budget deficits can be achieved in this way without depending on a miraculous response of labor supply or productivity. And to the extent that increases in individual effort and in capital accumulation raise national income over time, there will be greater tax revenues with which to finance either government spending or further tax reductions.

OLD-FASHIONED TAX CUT

Although this is a uniquely good time to begin a series of precommitted tax cuts focused on strengthening incentives, much of the talk in Washington is about an old-fashioned countercyclical tax cut. The advocates of such a policy seem to have forgotten that economists and forecasters just don't know enough to use tax cuts to attenuate the business cycle.

For a tax cut to reduce the current rise in unemployment, it would have to have been passed last year, long before the beginning of the recession was clearly in sight. A tax cut now would probably have its impact in 1981 and 1982 when the recession is past and the economy is expanding. Of course, the recession may potentially be worse than it now looks and output may continue to fall well into 1981. We know too little about just where the economy is going—and about the magnitude and timing of the impact of a tax cut—to recommend a countercyclical reduction in taxes.

The experience of the past 30 years shows that attempts at countercyclical fiscal policy have actually worsened the business cycle—expansionary policies overstimulating the economy and fiscal contractions deepening the recessions. The lesson of this experience is that attempts at fiscal stabilization should be avoided in the short swings of the business cycle and saved as the ultimate economic weapon to be unleashed only if the economy falls into a deep and protracted depression. That is not a reason to avoid a tax cut now but it does imply that the current tax cut should be aimed at long-run goals rather than at the current recession.

Our nation's economic survival and success in the 1980's will depend on the type of tax system we have. Now is the time to begin a serious restructuring that will restore incentives for saving, investment and individual effort. A firm legislative commitment to a gradual phasing-in of these tax changes can provide a major stimulus to current capital formation and individual productivity without any unwanted increase in the government deficit.

[From the New York Stock Exchange, Office of Economic Research, December 1979]

BUILDING A BETTER FUTURE—ECONOMIC CHOICES FOR THE 1980'S

PREFACE

Poised on the threshold of a new decade, it is only natural to wonder what the future may hold for the American economy. Will the 1980s mirror the slow growth and persistent inflation of the 1970s or will we be able to wind down inflation and resume healthy growth? The answer is up to us. We can build a better future if we make the right economic policy choices.

This study addresses the central economic policy issue of the 1980s—how to move the American economy onto a path of faster growth and less inflation. It carries forward the analysis of productivity and growth presented in a New York Stock Exchange study published earlier this year*. That study concluded that low growth rates reflected, chiefly, inadequate capital investment and research and development outlays: the negative impact of government regulation; and the cyclical instability of over-all economic activity. It showed how declining productivity growth multiplies inflation over the longer run, how it weakens the dollar internationally, and how it freezes living standards at home. The analysis underscored the importance of improving the relationship between risks and rewards as a means of improving the environment for capital formation and economic growth.

This study was conducted with the active cooperation of the University of Pennsylvania's Wharton Econometric Forecasting Associates. Their economic simulations of the U.S. economy provided the basis for analyzing various scenarios and developing policy options to achieve better economic performance in the 1980s.

Reduced economic growth combined with runaway inflation has left family incomes at the end of the decade not far above those at the beginning. As the decade ends, the dollar is under attack and interest rates are at record levels. Productivity levels are actually falling.

This is a far cry from the decade of the 1960s when price rises were more moderate (2.3 percent per year in the 1960s versus 7.1 percent in the 1970s), growth in output was faster (4.1 percent per year versus 2.8 percent), productivity gains were higher (2.9 percent per year versus 1.4 percent), interest rates were lower (5.3 percent on average versus 8.1 percent) and unemployment less (4.8 percent versus 6.2 percent). These decade averages conceal even worse statistics on growth and inflation today.

Despite this bleak economic picture, our analysis offers ample cause for optimism. A better life for all Americans is achievable. Faster productivity gains, higher real growth, less inflation, higher levels of employment, and improved living standards can be attained.

There is one catch, however. To achieve the brighter economic future that all Americans desire, it will be essential to shift the emphasis in national economic policy from consumption to investment. If our rate of investment does not raise, the prospect is for continued stagflation and fewer new job opportunities—a particularly dismal prospect for families on the lower half of the income scale and young people entering the labor force.

But while economic policy must focus on shifting resources from consumption to investment, a rising investment rate, in itself, will not assure economic vibrancy. The problem is that the rate at which investment is converted into growth has been in a long-term decline. To dramatize the problem, NYSE economists have developed a new measure—the Investment Efficiency Ratio (IER). The IER measures how much real growth the economy has achieved for each dollar of new investment.

To raise the IER will require a resurgence of entrepreneurship. We will have to create an environment that can stimulate all-out efforts to develop new technologies, new processes, and new products and services, not only by new enterprises, but by established businesses as well. Our best projections for the 1980s show that we can raise the IER through policies designed to enable and encourage business to marshal and utilize our vast physical and human resources more effectively, and to reorganize work patterns in ways that will motivate workers to realize their full creative potential.

Of course, unpredictable and uncontrollable events can, at least in part, contravene even the most carefully designed economic policy prescriptions. The price and supply of energy, to cite an obvious major example, may fluctuate in response to political decisions by OPEC. Agricultural supplies are always at the mercy of the forces of nature. International economic and political developments can have major repercussions on our economy. But to the extent that we can control our own economic destiny, the decade ahead can bring higher real growth and less inflation than the one now ending. As this study demonstrates, greater investment, efficiently implemented, is the key to building a better future.

The study was conceived and directed by Dr. William C. Freund, Senior Vice-President and Chief Economist of the New York Stock Exchange, with the able collaboration of NYSE staff economists Mel Colchamiro, Eugene Epstein and Ira Gelb.

We deeply appreciate the major contributions of the Wharton Econometric Forecasting Associates, Inc.—particularly Professor Lawrence Klein and his colleagues, Dr. Gene Guill and Dr. George Schink. Our special thanks, also, to Professor John W. Kendrick, of George Washington University, for his valuable comments along the way, and for his specific policy suggestions for encouraging investment and improving the Investment Efficiency Ratio. To a number of other economists who were kind enough to review the manuscript, we have already expressed our appreciation privately.

The Exchange, of course, accepts full responsibility for the analysis and study conclusions and for any errors or omissions.—William M. Batten, Chairman, New York Stock Exchange, Inc.

SUMMARY AND CONCLUSIONS

[Charts mentioned in text not reproducible in RECORD]

With the aid of Wharton's econometric model, we analyzed three possible economic paths for the 1980s. The results clearly show that raising the level and efficiency of capital investment can both reduce inflation and raise growth. What is needed is a national consensus to redirect a small portion of output from consumption to additional investment and to make investment more productive.

It may seem ironic that we must limit the proportion of output consumed now to be able to expand our consumption over the longer term. But that emerges as the clearest prescription for marshalling the resources needed to increase output and create conditions more favorable to satisfying consumer needs and wishes, and to lowering personal taxes.

Three specific economic scenarios were simulated and studied.

The base case illustrates what would happen if current policies remained largely unchanged.

The pessimistic simulation shows the economic impact of diminished investment relative to GNP and further declines in productivity growth

The optimistic case assumes the adoption of economic policies that will spark an increase in investment as a percentage of GNP, and some relaxation of government regulation of the economy.

The results of the three economic simulations are presented in summary form below, with each measure expressed as an average for the decade 1980–1990. The results indicate that policies designed to stimulate investment can in fact increase the investment/GNP ratio.

For the economy to perform at even minimally acceptable levels in the 1980s, U.S. capital requirements will be enormous—$1.8 trillion (in 1972 dollars). Both debt and equity financing needs in the 1980s will be significantly higher than in the 1970s, as shown.

This study introduces a new measure, the Investment Efficiency Ratio (IER). It measures the amount of real output created by a dollar of investment. A primary determinant of the IER is the level of entrepreneurship—the activity required in any market economy to develop new technologies, new processes and new products and services. The entrepreneur has the primary burden of converting investment into growth. If the entrepreneur's activities are stifled, the IER is likely to fall. And, in fact, the IER declined from 30.2 cents for real growth for each new investment dollar in the 1950s to only 12.8 cents in the 1970s.

One possible—but unlikely—reason for the decline might be that, as a nation, we have become less entrepreneurial. But the evidence does not really support that conclusion. The real problem seems to be that tax and regulatory policies have discouraged and hampered entrepreneurship and have been a drag on the IER in other ways as well. Inflation has also played a role by discouraging longer-term and riskier, but potentially high-reward, investments and by lowering real rates of return on all investments.

The capital gains tax increases enacted in 1969 and 1976 lowered the after-tax returns on investments in high-growth companies and made it more difficult for them to attract investment funds. The shift of resources away from high-growth companies helped lower the IER.

Regulation of the economy has helped pull down the IER by diverting resources away from directly productive uses. There is no doubt that regulation can improve health, safety and consumer protection. But regulatory overkill impedes entrepreneurial initiative in two ways. First, since government agencies frequently have the power to approve or disapprove a new venture, the entrepreneur runs the risk that a proposed venture will encounter costly delays—or that it may even be forbidden. Second, regulatory compliance raises costs, may unintentionally mandate operational inefficiencies, and can discourage entrepreneurs from entering new markets.

The study presents a variety of policy alternatives for raising the IER and realizing the optimistic growth scenario. Since specific proposals for bolstering economic growth are numerous and complex, they require careful examination and analysis. Our final chapter presents the high-growth policy options offered by Professor John W. Kendrick, a widely respected authority on the close relationship between productivity and economic growth. His recommendations include:

Ways to stimulate capital investment.

Techniques for promoting innovative research and development.

Proposals for improving labor force quality and efficiency.

Measures to offset the declining quality of our natural resources.

Ideas for increasing the mobility of capital and labor.

Suggestions for reducing swings in economic activity.

Recommendations for easing the burden of regulation.

We believe this study can contribute to the national discussion on appropriate economic policies for the decade of the 1980s. The right policies can enable consumers to enjoy both greater consumption and lower taxes without an inflation penalty.

THREE VIEWS OF THE U.S. ECONOMY IN THE 1980'S

We all tend to project our most recent experiences into the future. In terms of the economy, we usually expect good times to continue indefinitely; and we are generally pessimistic about the prospects for climbing out of a slump. If inflation has been rising, we assume the upward spiral will continue. When productivity and family income growth do poorly and the rate of unemployment is high, the nationwide mood projects more of the same.

Today, there is a widespread, but mistaken, belief that the basic forces that have generated inflation and slow growth in the 1970s cannot be reversed in the 1980s. But while there is no magic formula for instantly reversing a long inflationary trend or the forces that have limited national economic growth, neither is there any reason to be trapped by past policies. Trend is not destiny.

If we are willing to learn from experience, the future can be better than the recent past. America's economic future is very much in its own hands. Our ability to grow and prosper will depend largely on our ability to recognize the forces at work—and our will to reshape national policies.

The Exchange's analysis of the economy in the 1980s is based on a sophisticated mathematical model of the economy developed by the Wharton Econometric Forecasting Associates, Inc., under the direction of Professor Lawrence Klein. Three different simulations were developed from each of three fundamentally different sets of assumptions about the thrust of national economic policy in the 1980s. These simulations are not predictions; they are projections of the likely over-all consequences of three alternative courses national economic policy could take in decade ahead.

Modeling the future

The study's point of departure was a series of questions about what the American economy would be like in the 1980s if we:

Maintain the status quo with respect to national economic policies.

Pursue policies which discourage saving, capital investment and productivity growth, and further inhibit entrepreneurship.

Implement new policies to encourage saving, capital investment, productivity and entrepreneurship.

Based on these alternative assumptions, three simulations of the economy in the 1980s were developed. The results show that one of the most—perhaps the most—important variable in determining national economic prospects is the proportion of national output devoted to non-residential fixed investment; i.e., investment in new plant and equipment. That type of investment accounted for 10.5 percent of real GNP in 1979.

In our model representing the status quo, the rate of capital investment averages 10.2 percent for the decade 1980–1990. In the "pessimistic" scenario, it averages 9.6 percent for the decade, falling to 8.5 percent in 1990; in the "optimistic" scenario it averages 12.1 percent.

TABLE 1.—*Base case scenario, 1980–90*

	Percent
Real growth in GNP (average per year)	2.4
Inflation Rate (GNP deflator, average per year)	7.7
Productivity Growth (average per year)	1.1
Unemployment Rate (average per year)	6.7
Ratio of Non-Residential Fixed Investment/GNP	10.2

Key assumptions are discussed below. A separate paper detailing the underlying assumptions of all three economic simulations is available on request.[1]

Maintaining the status quo

What happens if we simply adhere to existing policies and allow present trends to continue? If, for example:

No new policies are adopted to stimulate investment beyond a $20 billion countercyclical reduction in personal and corporate taxes assumed by Wharton Econometrics for 1980.

Foreign oil prices rise an average of 10 percent annually.

Wage rates continue to increase an average of 9½ percent annually.

Government defense expenditures rise 3 percent annually in real terms through 1985 and 2 percent annually thereafter.

Monetary policy accommodates the rise in

Footnotes at end of article.

output and is neither particularly restrictive or expansive.

The result is a lackluster economy that continues the current trend of poor productivity growth, slow economic growth, and high inflation. Because the economy fails to absorb the increase in the labor force, both the number of unemployed and the unemployment rate rise. Gains in real incomes are very limited, keeping a tight lid on living standards.

More specifically, real growth hobbles along at a 2.4 percent annual rate.

Inflation, as measured by the consumer price index, rises at 8.1 percent a year over the decade, and by 7.7 percent in terms of the GNP price deflator. Productivity for all industries increases by a meager 1.1 percent annually. The unemployment rate averages 6.7 percent of the labor force.[3]

Sluggish economic growth, accompanied by high inflation and high unemployment, does little to improve the purchasing power of American families. Disposable household income would rise by only 0.9 percent per year in real dollars. At that rate it would take a generation to raise real family incomes by barely one-quarter. More precisely, in 1979 purchasing power, disposable household income would rise from an average of $20,800 in 1979 to $23,150 in 1990.

What if things turned worse?

It would not take much economic mismanagement to worsen the situation in the 1980s. The "pessimistic" scenario assumes much the same set of national economic policies as in the base case with respect to:

Oil prices;

Federal government defense expenditures;

Monetary policy;

Federal tax cuts.

However, wage rates are assumed to rise a bit faster, at an annual rate of 10.5 percent. The rate of investment drifts downward, averaging only 9.6 percent per year over the decade, dropping to 8.5 percent by 1990.

This set of assumptions produces a more dismal economic outlook. Real GNP growth averages a mere 2.0 percent per annum. Productivity growth drops to 0.9 percent per year. Inflation runs close to 9.5 percent annually, measured by the consumer price index, and 8.9 percent annually, measured by the GNP price deflator.

Unemployment would average an unacceptable 8.9 percent annually, with real economic growth too low to absorb an expanding labor force. Inevitably, younger, unskilled and less well educated workers would be hardest hit.

The steep rise in consumer prices would almost completely wipe out the assumed 10.5 percent increase in nominal wages, leaving purchasing power virtually unchanged. Real disposable household income in 1979 dollars would rise from $20,800 per family in 1979 to $21,500 by the end of the decade—a negligible 0.3 percent annually.

The pessimistic model underscores the direct relationship between low investment in plant and equipment and the one-two punch of fewer new employment opportunities and high rates of inflation.

TABLE 2.—*Low growth scenario, 1980–90*

	Percent
Real Growth in GNP (average per year)	2.0
Inflation Rate (GNP deflator average per year)	8.9
Productivity growth (average per year)	0.9
Unemployment Rate (average per year)	8.9
Non-Residential Fixed Investment/GNP	9.6

Footnotes at end of article.

TABLE 3.—*High growth scenario, 1980–90*

	Percent
Real Growth in GNP (average per year)	3.4
Inflation Rate (GNP deflator average per year)	6.7
Productivity Growth (average per year)	2.0
Unemployment Rate (average per year)	5.8
Non-Residential Fixed Investment/GNP	12.1

A more favorable alternative

In our "optimistic" scenario, assumptions were the same as in the "base case" and "pessimistic" simulations regarding:

Oil prices;

Federal government defense expenditures;

Monetary policy.

Further, we assumed wage increases averaging 9½ percent per year, as we did in the base case. However, the optimistic simulation does reflect two major policy assumptions that were not inputs in the first two simulations:

Tax policies were implemented in the expectation of raising the investment/GNP ratio. In fact, these tax changes did raise the ratio—from 10.5 percent in 1979 to 11.9 per cent in the period 1980–1985 and to 12.4 percent between 1985 and 1990—or an average of 12.1 percent for the entire decade.[3]

An easing of government regulation was assumed and imposed upon the model such that the national productivity growth would increase by one-half of one percentage point over the period 1980–1990.

Energy supply is, of course, a major factor in our economy. Underlying the high-growth alternative is the conclusion that energy needs can be met with strenuous efforts to conserve and to stimulate new energy supplies, particularly by heavier reliance on abundant coal. Appendix 1 of this study examines the energy demand supply situation.

The results of the third simulation again indicate that the rate of business investment is critical. The policies implemented lead to a satisfactory rate of real growth, less inflation, faster productivity growth and higher levels of employment.

The Summary table below provides destination signs on three divergent paths through the eighties. The policies we implement at the beginning of the decade will help determine where we end up.

The table tells us one striking thing: Higher investment rates are essential for creating a larger economic pie for all to share. But are these higher rates realistic and achievable? The answer is yes—if. They are achievable if we adopt policies explicitly designed to encourage them. That does not mean turning on the Federal spending tap. It does mean new policies to raise aftertax returns on investment and to encourage entrepreneurship.

If, on the other hand, the rate of investment is allowed to stagnate or drift downward, it will lower the efficiency of U.S. output. This, in turn, would restrain real growth and raise unemployment, with the added problem of accelerating inflation, making it particularly difficult for lower-to-middle-income families to make ends meet. Clearly, the key to avoiding this downward spiral is to develop effective ways to spur investment and encourage entrepreneurship as the first steps toward curing our national economic ills.

TABLE 4

[In percent]

	3 scenarios, 1980–90		
	Pessimistic	Base case	Optimistic
Real growth in GNP	2.0	2.4	3.4
Productivity growth	.9	1.1	2.1
Inflation (GNP deflator)	9.5	7.7	6.4
Unemployment rate	8.9	6.7	5.8
Investment to GNP	9.6	10.3	12.1

ENTREPRENEURSHIP AND THE INVESTMENT-EFFICIENCY RATIO

Introduction

The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together. Subjugation of nature's forces to man, machinery, application of chemistry to industry and agriculture, steam-navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground—what earlier century had even a presentiment that such productive forces slumbered in the lap of social labor?—Karl Marx and Friederich Engles, The Communist Manifesto, 1848.

That statement by two of the staunchest enemies of the market system remains an eloquent tribute to the entrepreneurial spirit that the market system uniquely nurtures.

Yet at the time they wrote these words the revolution in man's productive forces had barely begun. What seemed "massive" and "colossal" in 1848 would appear puny by the standards of the next 130 years. If Marx and Engels could be so impressed by the achievements of capitalism in 1848, then how much more impressed would they be if they were alive today? Who knows—they might even have written a Capitalist Manifesto.

That is what we want this report to be. Some say that we have entered an era of environmental "limits" in which economic growth must cease—that it is time for the elements of dynamism so characteristic of capitalism to retire from the stage of history. Others say that even though a static economy is not desirable, the problems of "stagflation" make it unavoidable. But, in fact, a very different future is possible. The productive forces that have brought the achievements of the past two centuries can scale new heights. By unleashing entrepreneurial drive we can provide society with expanded output and an improved environment. Someday it should be possible to write, echoing Marx and Engels, that the advocates and prophets of no growth lacked "even a presentiment that such productive forces slumbered in the lap of social labor."

Investment-efficiency ratio defined

It is axiomatic that investment fuels growth—and that higher levels of investment bring higher levels of growth. But efforts to understand and explain what has been happening to the American economy in recent years—and to prescribe effective policies for improving the national economic performance—have been hampered by the lack of a simple, yet effective, measure of the relationship between capital investment and real growth.

The new measure introduced in the following pages, the Investment-Efficiency Ratio (IER), remains that deficiency. In effect, the IER shows how much real growth the economy has produced for each new dollar investment. The higher the real growth produced by each investment dollar, the higher the IER; the lower the real growth for each investment dollar, the lower the IER.

The IER enables us to measure the rate at which investment is converted into growth, with particular attention to whether that rate has been increasing or decreasing over the long term. In a sense, the IER is a "rate of return" for the economy as a whole. Just as the businessperson seeks profit returns on investment, so the economy, over all, seeks growth return on investment. The IER measures the aggregate growth returns. The IER concept is similar, though distinctly different from the concept of labor productivity, the subject of the Exchange's last economic report. The difference between the concepts are explained in Appendix 2.

Role of entrepreneurship

Since entrepreneurs play the key role in converting investment into growth, the degree of entrepreneurship is a prime determinant of the level of the IER.

Prof. Nathaniel H. Leff has defined entrepreneurship as the "capacity for innovation, investment and activist expansion in new markets, products and techniques."[4] While entrepreneurs are often regarded simply as people who start new businesses, entrepreneurship is, in fact, far more widely practiced—among established firms as well as new ones; among large firms as well as small. Whenever capital is put at risk to produce something new, or to develop a new way of producing something that is already in production, or to expand the marketable amount of an existing product, an entrepreneur is at work.

Entrepreneurship is not the same thing as management. The manager takes given inputs and directs the process by which these inputs produce predetermined outputs. The entrepreneur, on the other hand, alters the structure of inputs and outputs.

As Irving Kristol has suggested:

More and more chief executive officers of corporations refer to themselves as "managers," sometimes even "professional managers." Well, if that indeed is what they are—and some presumably fit the description—then they are wildly overpaid. A good CEO, even of a very large corporation, is above all an energetic and shrewd entrepreneur, seeking out—no, better; creating—new opportunities for profitable economic transactions. It is only the possession of this talent—and, like all talents, it is relatively uncommon—that justifies the high salaries they receive.[5]

The role of the entrepreneur is also different from the role of the inventor. Invention is often a vital prerequisite to entrepreneurship; but it becomes entrepreneurship only when it is extended to become part of the production process. For example, while the Americans invented the transistor, it was the Japanese who reaped many of the benefits from manufacturing, selling, and adapting it to new products. In that case, while the Americans were the inventors, the Japanese were, to a large extent, the entrepreneurs.

The higher the degree of entrepreneurship, the higher the IER. Entrepreneurs who do their job well will net a higher rate of return—i.e., growth—from a given level of investment than entrepreneurs who do their job poorly. This can be illustrated by imagining how the American economy would have grown without the development of the electric, petroleum and automobile industries. Without a high level of entrepreneurship, the same level of investment would have produced a far slower rate of growth.[6]

Professor Leff has written that "entrepreneurship is so important for economic development that it has sometimes been conceptualized as a 'fourth factor of production'."[7] Accordingly, public policies that stifle entrepreneurship are likely to cause a decline in the IER.

The disturbing fact is that the IER has been declining over the long term—and the decline has accelerated sharply in the 1970s. Each investment dollar is simply yielding less real growth than it used to.

Chart 8 summarizes the story. For every dollar invested, the economy has produced:

30.2 cents of real growth from 1950–59;

27.1 cents of real growth from 1960–69; 12.8 cents of real growth from 1970–78.

In other words, between 1970 and 1978, the IER declined to less than half of what it was in the 1960s and even farther below the levels of the 1950s.

Calculating the IER

The investment component used in determining the IER for each decade is nonresidential fixed investment—i.e., all private sector investment that adds to the stock of productive capital. Nonresidential fixed investment not only includes investment in manufacturing and agricultural plant and equipment but also in such things as retail and service industries.[8]

The growth component used in calculating the IER is the increase in real GNP—that is, GNP adjusted for inflation. This figure was reduced by the GNP growth attributable to manhours worked. The two primary contributors to GNP growth are labor input and capital input. Reducing the growth of GNP by the growth in manhours worked eliminates the contribution of the labor input, leaving GNP growth primarily attributable to capital input. It is this growth that we need in order to have an accurate measure of the investment-efficiency ratio. Chart 9 shows what this "adjusted" growth of real GNP was in the 1950s, '60s, and '70s. The "labor-adjusted" growth figure is then divided by the investment figure to calculate the IER for each decade.

Change in GNP/Capital Investment=IER

A variety of statistical definitions of investment and growth were tested (see Appendix 3). The important point is that no matter what investment and growth figures are used, the long-term trend looks the same: The IER of 1970s is significantly below the IER of prior decades.

Reasons for the decline in the IER

Two significant developments—both of which have substantially stifled entrepreneurship—have accompanied the IER decline.[9]

1. Regulation of the economy has increased. A regulated economy raises entrepreneurs' costs of pursuing opportunities. Inevitably, some of the opportunities will not be seized. Excessive regulation also diverts capital to nonproductive uses.

2. Tax impediments to risk investment have increased. Specifically, higher capital-gains tax rates lowered the after-tax return on growth-oriented investments as compared with the return on income-oriented investments. Therefore, some growth-oriented investments are unable to compete for funds. Since growth-oriented investments tend to be more innovative than income-oriented investments, the IER necessarily declines. In addition, high capital-gains taxes reduce capital mobility.

High rates of inflation have exacerbated the decline in the IER in the 1970s by discouraging longer-term and riskier, but potentially high-reward investments and by lowering real rates of return on all investments. Conversely, a higher IER in the 1980s can contribute to lessening inflation which in turn, will itself encourage more investment and real growth.

Increasing the rate of economic growth

There are two primary ways to increase the economy's rate of growth.

Increase the level of investment. To the extent we can raise the share of GNP that goes for capital investment, the rate of growth will increase without an increase in the IER.

Increase the IER. To the extent we can raise the IER, the rate of growth will increase without an increase in the level of investment.

Both factors are vitally important. If, for example, the level of investment rises substantially in the 1980's and the IER remains unchanged, the resulting growth rate will not match that of the 1960s, simply because the current level of the IER is so low. Similarly, if an increase in the IER is not accompanied by an increase in the level of investment, the overall growth rate will lag behind the 1960s' growth rate. Significant improvement in the growth rate will require both higher investment levels and an increase in the Investment Efficiency ratio.

The econometric projections cited in Chapter 1 indicate that the level of investment and the IER can both be increased. The "high growth" alternative suggests that a 3.4 percent GNP growth rate is a meaningful target. This can be achieved through an increase in the percentage of GNP devoted to investment as well as through an increase in the IER in the 1980s.

The three simulations of the economy permit us to calculate the IER in the 1980s in each of the three cases. As one would expect in the "optimistic" case the IER jumps significantly from its 1970–1978 level of .128. In fact, it jumps almost 50 percent—to .199. Under the assumptions generating the "pessimistic" and "base" simulations, predictably, the IER fares less well—.096 and .143, respectively.

Scenario	*IER*
Pessimistic	.096
Base	.143
Optimistic	.199

Thus we can adopt policies which will net us 19.9 cents worth of growth for each of our investment dollars in the 1980s or policies which will net us 14.3 cents or even only 9.9 cents. The choice is ours.

FEDERAL TAX POLICY AND ECONOMIC GROWTH IN THE 1980'S

Both theory and practice show that lower tax rates can spur saving and investment and help raise the Investment-Efficiency Ratio. Furthermore, there is little controversy that capital investment must be encouraged if we are to raise long-term productivity and economic growth. Since the goals of enhanced productivity and economic growth are not in dispute, why is there so much debate over the direction of tax policy? Why is there resistance to tax policies to increase investment?

Conflicting tenets of tax policy: A policy dilemma

It is almost universally agreed that tax policy is a legitimate and useful means of promoting economic growth and stability. The problem is, unfortunately, that tax measures which would directly promote saving, investment, and economic growth often run headon into the principle of tax equity; that is, what is perceived as a fair and equitable distribution of tax burdens.

This conflict is often expressed in two major theoretical principles, or desirable characteristics, of a tax system:

Economic Neutrality. Taxation should not alter economic decision-making by individual members of society.

Equity. People in like circumstances should be taxed equally. People in unlike circumstances should be taxed unequally; that is, progressivity should be built into the tax structure.

Economic Neutrality—While the concept may be attractive, the fact is that no tax policy is completely neutral. Every tax impinges upon economic decisions in one of three ways:

By affecting consumer choices among competing goods;

By readjusting the perceived relative desirability of work and leisure;

By altering the distribution of production between consumption and investment.

It is the third way that concerns us here. If a given rate of capital formation is needed by society to achieve its economic goals, taxes should be structured accordingly. If a higher rate of capital formation is regarded as desirable, tax policies should be altered to encourage capital formation. Tax neutrality should not stand in the way of achieving broad societal goals.

Footnotes at end of article.

Equity.—Economics textbooks reflect a general consensus about progressivity in the tax structure—that people with greater income should be taxed at a higher rate than people with lower income. This consensus has little to do with the logic of economics; it stems, rather, from an underlying philosophical belief that progressivity is "fair."

This is the root of the conflict over tax policy. If we are, in fact, to lower taxes on investment, then what happens to the principle of fairness? Since, in the short run, investment tax incentives almost always provide direct or indirect tax relief mainly for middle and upper-income persons, is it "fair" to lower taxes in ways that lessen the progressivity of the tax structure? Unfortunately, the question avoids the real issue: whether, over the longer run, higher productivity gains, more jobs and less inflation outweigh the societal "cost" of reducing the progressivity of our tax structure.

We do not purport to be able to demonstrate with numerical precision the extent to which the societal benefits of greater investment outweigh the societal costs. We do know, however, that the burden of a slow-growth high-inflation economy falls most heavily on lower-income people. Those with the least education, training, experience and seniority are usually the first to be let go when the economy slows, and the last to be hired when the economy rebounds.

The fact is that as a result of a relatively slow rate of economic growth and virulent inflation in the 1970s, real weekly earnings were actually lower at the end of the decade than at the beginning. The income-inflation treadmill is frustrating enough for most Americans, but it is worst for low-income groups. Simply put, those who are trying to "make up ground" lose the most when real income stagnates or advances very slowly.

Clearly, the best way to improve the economy's performance and to raise living standards for all is to adopt policies that will spur economic growth over the long term; and the evidence indicates that lower investment taxes can, in fact, provide the needed long-run stimulus to capital investment growth that other fiscal-policy measures have failed to develop.

Fiscal policy and economic growth

Higher rates of capital investment are necessary for high rates of output growth in the long run. The Federal government can contribute to increasing the investment rate through fiscal policy in three ways:[31]

It can adopt a policy of budget surpluses when the economy is operating at full employment.

It can increase the rate of investment in physical and human capital directly through its own expenditures.

It can adopt tax measures that provide stimulus for private saving and investment.

When the Federal government runs a budget surplus, it adds its own saving to that generated by the private sector, and puts downward pressure on interest rates.

However, budget surpluses have been few and far between and it would be unrealistic to assume that the Federal government will be generating surpluses in the coming decade. In the post-war period, Federal government surpluses occurred in only 8 out of 33 years, 6 of them before 1960. Moreover, the two Federal surpluses in the last 20 years—in 1960 and in 1969—totaled a slim $3.5 billion. Over the same period, 18 deficits totaled $373 billion.[32]

As for the second possibility—government investment in physical and human capital—public investment generally takes the form of investment in human capital rather than in factories and equipment.[33] Unlike foreign governments, the U.S. government only rarely invests directly in the bricks and mortar of factories and offices.

The third method—tax incentive for private saving and investment—may well be the most effective means by which public policy can influence long-term economic growth.

In the early 1960s, a host of business tax reforms were instituted in an attempt to spur our national rate of investment and economic growth. In 1962, the investment-tax credit was introduced and more liberal depreciation practices permitted. In 1964, the top corporate-income tax rate was lowered from 52 percent to 50 percent (and to 48 percent in 1965). These initiatives spurred additional investment in the private sector, as indicated by a significant increase in the percentage of national income devoted to capital investment in the years immediately following.

The ratio of non-residential fixed investment to GNP had averaged 9.2 percent during 1947–1963 and only 8.3 percent during 1958–1963. Directly after the new investment incentives took effect the rate jumped—from 8.8 percent in 1963 to 9.3 percent in 1964, 10.3 percent in 1965 and 10.8 percent in 1966 (see chart above). Since then, the rate of investment has generally moved lower.[34]

With the Investment-Efficiency Ratio down sharply, the need for increased levels of investment has become more urgent.

Further evidence of the responsiveness of saving and investment to favorable tax changes and increased rates of return comes from the findings of an important study by Professor Michael J. Boskin[35] of Stanford University and the National Bureau of Economic Research. Unlike most other studies in this area, which do not adjust for inflation and taxes, Professor Boskin used real after-tax rates of return. He estimated that the elasticity of savings to be positive, about 0.4. This means that a 10 percent increase in real after-tax returns on investment will induce a 4 percent increase in saving. Professor Boskin therefore concludes that high taxes on investment returns reduce the dollars available for investment in plant and equipment, lower the rate of economic growth and slow gains in national income below what could have been achieved.

Federal tax policy and the investment-efficiency ratio

Lower investment taxes can not only spur savings and investment, they can also influence the IER in two ways:

By encouraging capital mobility, especially by reducing the "lock-in" effect.

By encouraging investment in high-growth companies.

Encouraging capital mobility.—High taxes on capital gains prompt investors to lock themselves into long-term investments. The propect of paying high taxes discourages investors from selling appreciated capital assets. Since capital is limited and its constant redeployment is crucial to satisfying changing needs, high capital-gains taxes hinder economic efficiency. And, in fact, the two increases in capital-gains tax rates during 1969–1976 helped accelerate the decline in the Investment-Efficiency Ratio.

Internal Revenue Service data on capital-gains realizations by income groups indicate that those in the highest tax-rate brackets were increasingly reluctant to sell appreciated capital assets after the 1969 and 1976 tax-rate increases. Their unwillingness to realize gains, of course, withheld substantial amounts of capital from reinvestment opportunities elsewhere. These rate increases affected individuals in the 50 percent and over brackets; that is, those with adjusted gross income of $50,000 or more. Thus, if there were to be any evidence of an increase in the lock-in effect, it would show up as a lessening of realizations in the upper-income classes. Table 5 indicates that they did, in fact, cut back their realizations relative to those groups that were unaffected by the rate increases.

As the table shows, the percentage of realizations of the top income group fell from 43.8 percent to 39.9 percent after the increase in rates, indicating a worsening of the lock-in effect. When IRS data become available for 1978 and 1979, it will be possible to begin to judge the effects of the 1978 reduction in capital-gains tax rates.

TABLE 5.—THE EFFECT OF INCREASES IN CAPITAL GAINS TAX RATES ON REALIZATIONS OF LONG-TERM CAPITAL GAINS, 1964–76

[In percent]

	1964–69 average	1970–76 average[1]	Change
Income class:			
0 to $49,999	56.2	60.1	+3.9
$50,000 or more	43.8	39.9	−3.9
Total	100.0	100.0	

[1] Latest available data.

Source: U.S. Department of the Treasury, Internal Revenue Service.

Further evidence of the lock-in effect comes from the results of a recent study by Professor Martin Feldstein.[36] Based on 1973 IRS data, Professor Feldstein concludes that the selling of corporate stock is, in fact, very sensitive to capital-gains tax rates. The study indicates that limiting the top rate on capital gains to 25 percent, for example, would have nearly doubled the realization of gains from corporate stock sales—from $29.2 billion to $49.5 billion.

As we will see in the next section, when rates were lowered in 1978, money flowed to companies with potential for high growth, indicating that the selling of appreciated assets in 1978 and 1979 may well have accelerated.

Encouraging Investments in High-Growth Companies.—Investments in corporations are usually motivated by the hope of earning profits from either dividend income or capital appreciation or both. Investments whose earnings potential depends mostly on capital appreciation are more sensitive to changes in capital-gains tax rates than investments whose profit potential is more directly related to dividend distributions. This is because dividend income is taxed at regular rates and is unaffected by changes in the capital-gains rate.

Thus, when the 1978 Tax Reform Act lowered the top rate on capital gains from 49 percent to 28 percent, it eased the tax bite on earnings from growth-based investments relative to dividend and interest-income investments. Theoretically, therefore, this reform should have encouraged additional savings to flow into prospective high-growth investments. And it did!

One measure of this flow is the extent of capital raised by so-called venture capital firms for investment in promising new companies with high-growth potential. Chart 11 shows the striking effect of the lower capital-gains tax rates. Capital raised by professionally managed venture-capital firms soared to $215 million in 1978 ($165 million of it in the fourth quarter) from $40 million in 1976 and $19 million in 1977. A further increase, to $275 million, is estimated for 1979. As expected, money flowed to high-risk, high-growth investments because the lower capital-gains tax rates raised the after-tax rate of return and lowered the risk premium associated with such investments.

The decline of the IER

Before passage of the Tax Reform Act of 1976, tax policy in the 1970s had blunted the beneficial effects of the investment tax reforms of the early 1960s. The 1969 Tax Reform Act had increased the top rate on capital gains and instituted the so-called

Footnotes at end of article.

"minimum" tax. Together, these measures raised the effective top rate on capital gains from 25 percent to 42½ percent. The 1976 tax rate of return and lowered the risk rate to just over 49 percent.

The two increases lowered after tax returns on appreciated capital assets and diverted funds away from potentially high-growth ventures. Thus, despite the fact that the economy's rate of investment had increased a full percentage point, the extra investment was generating less economic growth than in the past. In other words, Federal tax policy unintentionally contributed to lowering the Investment-Efficiency Ratio.

Thus, there is much evidence to support the thesis that saving and investment, as well as the critical Investment-Efficiency Radio, are responsive to changes in tax rates. Lower investment taxes do, in fact, help increase rates of real-output growth. If after-tax rates of return on savings and investment are raised, we can expect the American economy to:

Increase its rate of saving and investment.

Increase the IER.

Increase its rate of growth.

Decrease its rate of price rises.

Lasting economic benefits can only be achieved through capital investment. Consumer and government spending do little to provide a foundation for future production and jobs. We must devote a sufficient proportion of our resources to build for the future. Our goal should be a more bountiful economy in which all can share. The view that our resources are too limited to achieve this goal is a myth. Realistic, long-term tax policies can contribute both to expanding the base of resources and to utilizing them more efficiently.

ECONOMIC REGULATION AND ECONOMIC GROWTH

Government regulation of the economy acts as a drag on economic growth. It does this in two principal ways: first, by diverting resources away from directly productive uses, and second, more intangibly, by stifing entrepreneurial initiative. This chapter will elaborate on both.

But, first, a disclaimer is in order. By looking solely at the costs of government regulation, we do not mean to imply that regulation does not bring with it many benefits. On the contrary, a good society is inconceivable without a large measure of government regulation. Where we mention particular regulatory programs, we are in no way making a judgment about the wisdom of these programs. Any such judgment of a regulatory program must take into account its benefits as well as its costs.

As we will shortly document, a movement toward deregulation is taking hold in Washington. This brief discussion is meant as general background to the complex problems that this movement must cope with.

Extent of regulation

One way of estimating the extent of regulation is to calculate the cost to the public sector of administering regulation and to the private sector of complying with it. The most comprehensive cost estimates available are those of the Center for the Study of American Business in St. Louis, which has calculated the cost of regulation at more than $100 billion a year.[37] The Center separates its cost estimates into two categories: administrative and compliance.

Compliance costs—which account for about 95 percent of the total—are those the private sector incurs in meeting regulatory requirements. Paperwork accounts for approximately 40 percent of estimated compliance costs: Businesses spend tens of thousands of man-years completing literally millions of copies of some 4400 different forms associated with government regulation. The remaining 60 percent of compliance costs is accounted for by a whole range of mandatory and voluntary responses to government regulation that serve to boost prices. For instance, price regulation of the dairy industry keeps fresh milk more expensive than it otherwise would be. The artificial price imposes a cost on consumers that is estimated at $1 billion a year. To take another example, import quotas prevent goods from coming into the country that could be produced more cheaply than domestic goods; consumers are thereby forced to pay the higher price for the domestic goods. There are just two examples among many.

Administrative costs—which account for about 5 percent of the total—are the direct costs to the taxpayer of running the federal regulatory agencies: the Environmental Protection Administration, Federal Energy Administration, Federal Trade Commission, Interstate Commerce Commission, Securities and Exchange Commission, Civil Aeronautics Board, and so on.

Critics have recently challenged the $100 billion figure as being too high.[38] But even if the true figure were half the $100 billion estimate, the costs of regulation would still be substantial. In other words, a fact beyond dispute is the enormous presence of government regulation in the economy.

No estimates exist for regulatory costs in earlier decades. However, there is little question that the costs were smaller, both in real dollars and as a percentage of GNP. The reason is simply that a whole range of regulatory agencies and laws did not exist in the 1950s and through most of the 1960s. These agencies and laws are mostly the result of the "new wave" of federal regulation in the area of consumer product safety, job safety, personnel practices, and environmental protection.[39]

Estimating the "growth drag"

The figure cited above were estimates of the financial cost of government regulation. The effect of this regulation on retarding economic growth is a somewhat different matter. Unfortunately, there are no comprehensive estimates as to the full "drag" that regulation has imposed on the growth of GNP. However, given the sheer magnitude of the expense, the growth drag must be substantial.

As stated earlier, one way government regulation retards economic growth is by diverting resources from directly productive uses. In this regard, productivity expert Edward Denison estimated the cost to business productivity attributable to meeting governmental pollution and job safety requirements—just two aspects of regulation among many. He found that in 1975 the level of productivity was 1.4 percent lower than it otherwise would have been—the equivalent of approximately $20 billion in GNP.[40] Professor John W. Kendrick, of George Washington University, came up with similar estimates.[41]

The other way in which government regulation retards economic growth is by stifling entrepreneurial initiative. Suppose someone (either an established business or an investor backing a new business) decides to introduce a new product or a new production process:

One problem he might face is the risk that the government will not approve the innovation—or that it may simply delay approval for so long that the venture becomes prohibitively costly. For instance, the President's Energy Resources Council pointed out that this problem plagued the infant synthetic fuel industry. Regulatory activity generally, the Council concluded, "could easily hold up or permanently postpone any attempt to build and operate a synthetic fuels plant."[42]

Another problem the enterpreneur might face is all the additional expense of complying with government regulation once the venture is operating. That additional expense could mean the difference between launching or abandoning a particular project.

There is yet another way in which government regulation stifles entrepreneurial initiative. This has to do with the influence on pension fund investment of the Employment Retirement Income Security Act of 1974 (ERISA). In his book on regulation, Murray Weidenbaum writes that the Act "shifted much of the concern of the management of pension funds from maximizing the return on contributions to following a more cautious approach of minimizing the likelihood that the fund managers will be criticized or even sued for their investment decisions." One result is that the pension fund manager develops a strong bias against potentially profitable, innovative investments. As Weidenbaum points out, the rules "thereby deprive smaller, newer, and riskier enterprises of an important source of venture capital."[43]

Move toward deregulation

A recently published Congressional study, of regulation concludes that alternative kinds of regulation, or no regulation at all, might be better in some cases:

"Simply because a problem exists and, in theory is remediable, does not mean that regulation or other government intervention is desirable. Controls should only be undertaken where there is a clearly identified problem that cannot otherwise be solved, and where the anticipated achievements are significant and not vitiated by projected adverse consequences."[44]

Even in the area of environmental improvement—where there is little question that regulation is vital—it might be possible to bring about cutbacks. It may well be that, for a particular industry, an environmental clean-up that is 95 percent effective will add to that industry's cost by 40 percent, but that an environmental clean-up that is 85 percent effective will add to that industry's costs by only 15 percent. The question then arises whether that extra 10 percent in environmental improvement is worth the steeply higher costs. The Environmental Protection Agency must have had this kind of consideration in mind when in 1978 it adopted new "cost reasonableness" standards for water clean-up.[45] The EPA predicts that these new standards will save companies substantial amounts in the purchase of clean-up equipment.

The action of the EPA is only one event among many in the general move toward deregulation.[46] For instance:

The Airline Deregulation Act of 1978 opened up competition for airline routes.

The Interstate Commerce Commission recently stopped requiring railroads to charge fixed rates for hauling fresh fruits and vegetables.

The Transportation Department's Federal Railroad Administration recently decided to revise freight-car safety standards with a view toward eliminating, "unnecessary and burdensome maintenance and inspection requirements."

The Federal Communications Commission has proposed to abolish rules that limit the activities of cable-television operators, radio broadcasters, and telephone companies.

President Carter has created the Regulatory Analysis Review Group, headed by Charles Schultze, Chairman of the Council of Economic Advisers, and Alfred Kahn, Chairman of the Council on Price and Wage Stabilization. Its purpose is to prevent the imposition of excessive regulation, with particular emphasis on monitoring the effect of regulation on inflation.

In response to a requirement of the Carter Administration, regulatory agencies now file economic impact statements when they propose rule changes. The economic impact

Footnotes at end of article.

statement is filed when the estimated costs of the rule change to private industry will be $100 million or more; the statement tries to weigh the benefits against the costs.

Thus, the move toward deregulation has clearly begun. So long as it takes a balanced view of both the benefits and costs of government regulation, society as a whole will be the better for it. The move toward deregulation can raise the IER, bring significant increases in economic growth, and can help to unwind inflation over time.

FINANCING NEEDS AND ECONOMIC GROWTH IN THE 1980'S

Most corporate external financing needs are met through debt rather than equity financing. One reason is that the after tax cost of debt financing is generally lower than that of equity financing. Interest payments on debt are tax-deductible while dividends—the equity equivalent of interest—are not. A dollar raised through debt, therefore, costs a corporation less on an after-tax basis, than a dollar raised through equity. A second reason is that bond financing avoids dilution of earnings and ownership control.

In recent years, stagnant equity prices and high interest rates on bonds have made debt financing seem more attractive to investors. But heavy reliance on debt financing has created some unpleasant balance-sheet problems as the 1980s approach.

Rising debt levels have made corporations more vulnerable to swings in earnings. This is especially true of newer corporations, which typically rely heavily on debt. In periods of weak profitability, corporations with high debt/equity ratios may experience a cash squeeze that can reduce managerial flexibility and endanger their ability to innovate and even to survive.

Trends in debt versus equity financing

Just as the economy must maintain a proper balance between saving and consumption to insure growth and create jobs, so must corporations maintain a proper balance between debt and equity financing to insure their own financial health.

Chart 12 shows how debt has consistently dwarfed equity financing. Over the years, debt has accounted for over 90 percent of new funds raised in the capital markets, and equity for less than 10 percent. In 1977, 1978 and early 1979, equity accounted for less than 3 percent of all funds raised externally.

Another important measure of corporate financial health, the relationship between liquid assets and short-term debt, also has deteriorated. As shown in Table 6, the ability of corporations to pay short-term debt has diminished significantly.

Debt financing has accelerated throughout the post-year period. As Chart 13 shows, corporate debt outstanding rose at an annual rate of 8.1 percent in the 1950s, 9.3 percent in the 1960s and 10.7 in the 1970s. Corporate reliance on debt has created a huge debt service obligation.

LIQUIDITY RATIO OF NONFINANCIAL CORPORATIONS

[Dollar amounts in billions]

	Liquid assets [1]	Short-term debt	Liquid assets as a percentage of short-term debt
1957	$57.8	$62.0	103.0
1958	57.0	58.6	97.4
1959	57.8	61.4	93.1
1970	68.7	87.9	78.2
1971	75.6	90.4	84.5
1972	84.0	103.2	81.4
1973	94.4	126.7	74.5
1974	99.1	157.3	63.0
1975	116.6	150.4	77.5
1976	132.1	159.9	82.6
1977	152.9	196.2	78.3
1978	142.0	217.4	65.3
1979 1st quarter	[2] 150.2	[2] 263.1	[2] 57.1

[1] Demand deposits, time deposits, U.S. Government securities, State and local obligations, and commercial paper.
[2] Preliminary.

Source: Board of Governors of the Federal Reserve System, Flow of funds.

The ability of corporations to pay fixed interest charges out of current profits (interest coverage) deteriorated sharply during 1955–1973. Annual corporate profits were only five times yearly interest charges in the 1970s, compared with much safer margins in previous periods (Chart 14).

The broadest measure of the corporate debt burden is the debt-to-equity ratio. This ratio was significantly higher in the 1970s (42.6 percent) than in the 1960s (29.5 percent). Thus, during the 1960s, U.S. manufacturing corporations averaged $2.35 worth of debt for each dollar of equity, compared with $3.39 in the 1970s.

These trends signal a significant warning. The current mix of debt/equity financing could severely limit future economic expansion. High debt/equity ratios may have contributed already to the slowdown in capital spending by raising risk premiums. The effect of increased risk due to large debt positions is difficult to quantify. However, non-residential fixed investment (in 1972 dollars) increased by 5.3 percent per year during 1958–1968, but only by 2.8 percent per year during 1968–1978. Undoubtedly, some investment projects were abandoned because the overhang of debt made further borrowing to finance new projects imprudent. With taxes stacked against equity financing, and with equity prices stagnant and price-earnings ratios low, capital spending suffered.

Continuing restraints on equity financing could force American corporation to continue to keep a tight rein on expansion, restricting America's ability to accommodate the growth needs of the 1980s.

Debt and equity financing needs of the 1980s

Based on the Wharton projections, U.S. capital requirements in the 1980s will be enormous, even for the economy to perform at minimally acceptable levels. The "base case" projects non-residential fixed investment at a staggering $1.8 trillion (in 1972 dollars), in the decade of the 1980s. This is what corporations will have to spend on replacement, modernization, and expansion of the productive capital stock.

Together, debt and equity financing have historically accounted for roughly 52 percent of all plant and equipment spending, while 48 percent has been financed out of retained earnings. If the 52 percent figure holds in the 1980s, corporations will have to incur $846 billion of additional debt and raise $97 billion (in 1972 dollars) worth of new equity, if the historical 90 percent/10 percent ratio of debt/equity financing remains constant.[27] If however, the proportion of externally funded plant and equipment spending rises for whatever reason—a slippage in corporate profitability, for example—U.S. corporations will face a still heavier external financing burden.

The projected $97 billion equity financing requirement for the 1980s represents an annual average of nearly $9 billion, significantly higher than what has been raised in the past. During 1970–1979, for example, net new equity financing averaged only $6 billion per year (in 1972 dollars). Thus, the task of achieving even mediocre economic results in the 1980s will require 50 percent more real net new equity financing than in the 1970s.

Debt needs in 1972 dollars will average $77 billion a year in the 1980s, compared with $50 billion per year in the 1970s. On top of the problem arising from servicing current debt levels, these additional debt requirements may well restrict the ability of corporations to finance new investment projects. This constraint may cause a retrenchment of capital expansion and economic growth if equity financing cannot be made more attractive. Thus, the equity financing needs projected here, high as they may seem, may not be high enough.

Footnotes at end of article.

POLICY CHOICES FOR THE 1980'S—AN OVERVIEW

Introduction

Our analysis has shown that two broad policy reforms would provide a major impetus to economic growth in the 1980's: an easing of the tax burden on investment and an easing of government regulation. They would speed growth by inducing a higher rate of investment and by encouraging entrepreneurial initiatives. In addition, the better control we can get over inflation, the more effective these measures will be in lifting investment.

The Exchange asked Professor John W. Kendrick[28] to consider specific tax, regulatory and other types of reforms that could boost economic growth. Highlights of his report follow.[29]

Tax policies

In his analysis, Professor Kendrick notes that capital investment is undertaken only when the net return on new investment is expected to exceed the cost of capital. The cost of capital includes the level of risk as well as the actual cost of money. The net return depends on before-tax profits and the effective rate of taxes on business profits. He points out that the 1979 Annual Report of the Council of Economic Advisers stresses the importance of tax policy in stimulating investment (pp. 130–131):

"If the investment needed to reach our economic goals . . . is to be realized, policy actions are required that will strengthen investment incentives and reduce investment costs and risks. Tax policy is one instrument that can encourage investment by lowering the rental cost of capital, or raising its after-tax return. . . . Over the longer term . . . opportunities for further general tax reduction emerge."

This viewpoint is reinforced by the Joint Economic Committee in its 1979 Report (pp. 21 and 61):

"From a longer run perspective, we need improved incentives to foster savings and investment and job creation."

". . . We agree with the Council of Economic Advisers that further steps to strengthen investment are needed. We favor policies that will raise real business fixed investment to 12 percent of real GNP."

Professor Kendrick summarizes the major alternatives for stimulating capital investment as follows:

Reduce taxes on business by:
Increasing depreciation allowances;
Increasing the investment-tax credit;
Reducing the corporate tax rate;
Reducing the double taxation of corporate income.

Reduce taxes on personal income by:
Reducing the steep graduation of tax rates;
Reducing personal income tax rates;
Reducing the top rate on unearned income.

Reducing the top rate on "unearned income" to 50 percent to bring it in line with rates on "earned" income.

Pursue policies that would tend to raise equity prices and reduce the cost of equity financing by:

Lowering taxes on personal income;

Providing "roll-over" treatment of capital gains that would defer the tax on gains when proceeds from sales of appreciated assets are reinvested;

Reducing capital-gains tax rates;

Taxing only inflation-adjusted capital gains;

Reducing double taxation of corporate income;

Increasing capital loss offsets against ordinary income.

Reduce the real (inflation-adjusted) rate of interest by encouraging saving (apart from the above measures) by:

Eliminating the Federal Reserve System's Regulation Q and permitting interest rates on savings accounts to be determined competitively;

Exempting some portion of investment income from taxation;

Encouraging personal saving by broadening the scope of Keogh and IRA-type tax-deferral plans on savings;

Encouraging Federal, state and local governments to build budget surpluses when private investment demand is strong and unemployment is low.

Professor Kendrick believes that the various options for reducing the cost of equity financing are particularly attractive in view of the high debt-equity ratios discussed earlier in this report. Higher real after-tax returns on capital assets would increase the demand for equities and reduce the cost of equity financing. Though the capital-gains tax cuts incorporated in the 1978 Tax Reform Act were a step in the right direction, additional tax incentives are needed if the enormous equity needs of the 1980s are to be met. The fact is that the 1978 capital-gains tax rate cuts left the top rates higher than they were in 1969.

The issue of the double taxation of corporate income is deserving of increased attention. Kendrick and others[30] point out that given the urgent need for equity capital, it is absurd to single out corporate income for especially burdensome tax treatment. It is taxed once, as it is earned by a company, and, a second time, when dividends are paid to the company's shareholders. The problem could be solved through either a credit against personal taxes for corporate taxes paid on dividends received, or by deducting dividends from the corporate-income tax base. Increasing the dividend exclusion would help ease the problem.

Easing government regulation

The effort to ease regulation of the economy should include the following:

Reduce the regulatory paperwork burden as recommended by the President's Commission on Paperwork.

Eliminate or modify economic regulation to promote efficiency and innovation in transportation, communications, public utilities and other heavily regulated industries.

Where rate regulation is deemed essential, companies that can demonstrate above-average productivity gains should be permitted a higher rate of return on invested capital.

Subject noneconomic regulations to cost-benefit analyses.

Work toward the reduction of tariffs, quotas and other forms of price supports and controls.

Curb practices which serve to restrict output, price competition, innovation and investment.

Promoting advances in technological knowledge and innovation

Research and development outlays are the fountainhead of technological progress. New processes and producers' goods are the chief elements in reducing costs and, thus, increasing productivity. Historically, advances in technological knowledge have contributed most importantly by productivity advances. Almost half of R&D is Federally financed, and privately financed R&D is influenced by government tax and other policies. Consequently, government policy with respect to R&D support is of major importance. Among steps that might be taken are:

The investment-tax credit could be expanded to cover business expenditures for R&D.

The present investment-tax credit for laboratory equipment could be increased and expanded to include construction.

A Federal organization could be established to promote and support cooperative business-university R&D projects.

Patent laws could be revised to strengthen protection of "intellectual-property rights." (Great Britain recently increased patent protection from 16 to 20 years.)

Dissemination of foreign and domestic technical information to U.S. businesses could be expanded and strengthened.

Antitrust laws and regulations could be modified to permit cooperative R&D programs by U.S. firms.

Governmental procurement programs could be used more extensively and vigorously to stimulate product and process innovations.

Increasing the quality of labor

More effective use of investment in education is necessary to improve training of scientists, engineers and other skilled technicians, as well as public and business managers, who make the decisions to innovate and are responsible for improving the ability of the work force to use increasingly complex technology.

Not only can more effective education and training enable many individuals to qualify for more highly-skilled jobs, but it can enable people to perform more efficiently with less supervision. Better education stimulates receptivity to new ideas for performing work. It is essential to keep labor skills abreast of shifts in the needs of the job market. A bad fit between skills and occupational needs is an impediment to growth.

Improving the health of individuals also increases production and productivity by increasing working life, reducing time lost due to illness or accident, and increasing vitality. Continued progress in this area would be beneficial.

Among many steps that could help improve labor force quality:

Create a strong Federal focal point for coordinating Federal programs to promote productivity in the private sector and in government itself at all levels.

The Department of Labor could take the lead in assisting firms to establish joint labor-management productivity teams or other types of productivity-improvement programs.

Private productivity and quality-of-work-life centers could receive the broadest possible support in their efforts to improve productivity in industry.

Provide funds to enable the Bureau of Labor Statistics to expand its monitoring and analysis of productivity.

Efforts to promote economic education in the schools and in adult education programs could be expanded.

Greater use of technology in teaching, through computer-assisted instruction, closed-circuit TV, and the like could be promoted.

School systems could place greater emphasis on career counseling, including interest and aptitude-testing, to help students choose careers that they will find the most rewarding.

Vocational educational curricula could be more frequently reviewed and revised to reflect labor and market needs.

Congress could consider legislation to remove incentives to early retirement.

Workers' expectations and attitudes have changed considerably over the years. Complaints today are just as apt to focus on "depersonalization" and "lack of challenge" as on money and economic security, and these dissatisfactions quickly translate into lower morale and weaker performance. It is important to find ways to build job interest and to use workers' individual talents and abilities more effectively. New organizational approaches to work should focus more on drawing on workers' knowledge in formulating decisions. The principles underlying the "quality-of-work-life" approach—encouraging greater worker involvement in determining job organization and working conditions—merit fuller exploration and implementation.[31]

Increasing the mobility of labor and capital

The ability to redeploy capital and human resources as needed, is an important element in assuring economic efficiency and growth. As noted earlier, tax policy modifications are crucial to improving the mobility of capital. But additional steps can be taken to further encourage the mobility of resources.

While the Department of Justice should vigorously enforce the antitrust laws, it should give greater weight to the prospects for technological innovation in evaluating proposed mergers.

Joint R&D ventures should be permitted when there is no reason to assume any intent to restrict markets or to fix prices.

Improving the general economic climate

A relatively stable rate of growth increases growth more than otherwise by avoiding the dislocations and reduced capital formation that accompany recessions. It also improves opportunities for economies of scale which, in turn, fosters faster growth.

In the past, economic policy has been largely concerned with short-term stabilization problems, with primary emphasis on aggregate demand. Much more attention must be paid to policies for attaining longer-term economic objectives, with particular regard to supply-side capabilities and incentives.

More generally, business confidence and, therefore, business capital spending, and stable economic growth would be improved by government actions aimed at reducing inflation. The 1979 Economic Report of the President stated (p. 117):

"Perhaps the most important single contribution to this objective [increasing capital investment] would be lower inflation. . . . Indirectly, reduced inflation would have even larger effects on financial markets. With declining inflation, we could look forward confidently to a marked fall in short- and long-term interest rates, to strongly rising stock prices, and hence to a reduction in the cost of both debt and equity capital."

For too long, our nation has down-played those economic policies which promise to build a sounder economy. The need to strengthen America's productivity is made all the more pressing by unsettled political and economic conditions abroad.

If we are to build a better economic future—and this study obviously, contradicts the pessimists who say we cannot—the public and private sectors, as a first prerequisite, will have to agree to conduct a frank and searching dialogue.

This study points to alternative courses of economic policy action for the 1980s. A better future can be achieved by raising capital formation to 12 percent of GNP, by easing regulatory burdens where costs exceed benefits, and by stimulating in a variety of ways entrepreneurship and innovation. Such policies will not produce overnight miracles. But they will, in time, lead to a gradual unwinding of inflation, restore greater confidence in the future of the American economy and bring a fair share of new prosperity into every American home.

Clearly, we can achieve a better economic future—IF we have the will and the discipline to work together to lift our national economy out of its current lethargy.

FOOTNOTES

[1] Reaching a Higher Standard of Living. NYSE, Office of Economic Research, January, 1979.

[2] Available for Dr. William C. Freund, Office of Economic Research, The New York Stock Exchange, Inc., 11 Wall Street, New York, New York 10005.

[3] The unemployment rates derived in this

study are based on labor force participation rates lower than those assumed in the Wharton model. The participation rates used fall within the moderate and low parameters of the latest Bureau of Labor Statistics' three-scenario-high-moderate-low participation rate projections for the 1980s. Higher participation rate assumptions will lead to higher rates of unemployment. The actual rates used are available on request.

[5] A wide variety of tax policy combinations could yield a 12 percent investment/GNP ratio—for example, larger investment tax credits, liberalized depreciation, capital-gains or other personal rate cuts, and dividend exclusions and tax credits, among others.

We assumed 1981 increases in the investment tax credit, a shortening of depreciation tax lives, and a decrease in personal income tax rates. Also assumed were personal income tax rebates in 1986–1990 so as to effectively index individual income tax bracket rates. These assumptions were selected not because of any preference but because the Wharton model could best accommodate them as a means of raising the investment/GNP ratio. The sole objective of this combination of tax changes, therefore, was to boost the investment/GNP ratio to 12 percent. Many other tax changes and combination of tax changes could also accomplish this goal. We do not mean to imply that the NYSE or Wharton Econometric Forecasting Associates, Inc., endorses or expects this or any particular tax package to be implemented.

[6] "Entrepreneurship and Economic Development: The Problem Revisited," Nathaniel H. Leff, Journal of Economic Literature, Vol. XVII (March 1979), p. 47.

[6] "Business vs. the Economy?" Irving Kristol, Wall Street Journal, June 26, 1979.

[6] "For an excellent history of the importance of entrepreneurship in fueling growth, see The Enterprising Americans: A Business History of the United States, by John Chamberlain, New York, 1963.

[7] Leff, op. cit., p. 47.

[8] This figure excludes inventory accumulation.

[9] One possible reason for the decline in the IER might be that the skill level of the labor force had declined. When the GNP growth rate was adjusted for the growth in the number of man-hours worked, we did not take into account the possibility of a decline in labor force skill levels. However, analysis shows that the labor force of the 1970s is, in fact, more skilled than the labor force of prior decades. See Reaching a Higher Standard of Living, Office of Economic Research, New York Stock Exchange, January, 1979, p. 30.

[10] This section draws in part from John F. Due, Government Finance, An Economic Analysis, 1963, especially Chapter 6. "The Principles of Taxation" (pp. 102–121).

[11] Joseph A. Pechman, Federal Tax Policy, The Brookings Institution, 1977, p. 24.

[12] There has been a steady increase in Federal spending as a share of GNP in the post-war period, much of it accounted for by transfer payments. As noted by Michael E. Levy in a September 1979 Business Economics article ("Shedding the 'Free Lunch' Syndrome: A New Federal Budget Policy"): "The sharp escalation in the share of GNP accounted for by direct and indirect transfers to individuals—largely transfers from producers to non-producers—dates from the mid 1960s. These transfers, which had amounted to 3.5% of GNP in the late 1940s, rose to about 6% of GNP by 1965. After sharp increases during the next decade, they have ranged from about 9.5 percent to almost 10.5 percent in recent years."

[13] Physical investment by government normally is restricted to public works such as roads, sanitation systems and the like.

[14] Part of the reason for the downtrend has been the adverse effect of inflation on investment. A recent study by the National Bureau of Economic Research shows that taxes now take two-thirds of the total real income on corporate capital (Martin Feldstein and Lawrence Summers, "Inflation and the Taxation of Capital Income in the Corporate Sector," NBER Working Paper No. 312, January 1979). The distorting effects of inflation have returned corporate taxes to the level of the mid-1950s before accelerated depreciation and the investment tax credit began to reduce the tax burden. As the author of the NBER study recently stated ("Inflation and Saving: The Role of Taxes," Address by Martin Feldstein, President, NBER, and Professor of Economics, Harvard University, before the National Association of Manufacturers, March 29, 1979, p. 5): "The implication of a 66 percent effective rate of tax on corporate income is clear. Since the real rate of return on corporate capital before federal taxes is approximately 12%, the net rate of return after tax is only one-third of this or four percent. A net return of four percent is just not enough of an incentive to sustain the desirable level of saving and risk taking."

[15] Michael J. Boskin, "Taxation, Savings, and the Rate of Interest," Journal of Political Economy, April, 1978, pp. 3–27.

[16] Martin Feldstein, Joel Slemrod and Shlomo Yitzhaki, The Effects of Taxation on the Selling of Corporate Stock and the Realization of Capital Gains, National Bureau of Economic Research, Working Paper No. 250, June 1978.

On the "lock-in effect', see also "Inflation and the Excess Taxation of Capital Gains," by Martin Feldstein and Joel Slemrod, NBER Working Paper No. 234, 1978, and the summary of that study in "How Inflation Distorts the Taxation of Capital Gains," Harvard Business Review, Sept.-Oct., 1978.

[17] See The Cost of Federal Regulation of Economic Activity, by Murray L. Weidenbaum and Robert DeFina (American Enterprise Institute, Report No. 88, May 1978), and The Future of Business Regulation, by Murray Weidenbaum (American Management Association, New York, N.Y., 1979).

[18] See "A Challenge to Murray Weidenbaum," by Mark Green and Norman Waitzman, N.Y. Times, October 28, 1979.

[19] The Occupational Safety and Health Administration (OSHA) was created in 1973, the Environmental Protection Agency (EPA) in 1970, and the Equal Employment Opportunity Commission (EEOC) in 1972. In addition, according to Edward Denison, "Legislation relating to pollution passed prior to the mid 1960's . . . did not importantly affect business costs. Subsequent legislation did." ("Effects of Selected Changes in the Institutional and Human Environment upon Output per Unit of Input," Survey of Current Business, January 1978, p. 23.)

[20] Denison, Ibid., p. 21. 1975 is the last year for which Denison provides estimates.

[21] Cited in NYSE Study, January 1978, op. cit., p. 16.

[22] Synfuels Interagency Task Force. Recommendations for a Synthetic Fuels Commercialization Program, report submitted to the President's Energy Resources Council, Vol. 1 (Washington, D.C.; GPO, 1975), pp. C–22, 134 cited in Weidenbaum op cit., 24.

[23] Weidenbaum, op cit., p. 28.

[24] Study of Federal Regulation, Committee on Governmental Affairs, U.S. Government Printing Office, 1978. Vol. VI, p. xi.

[25] See "Federal Agencies East, Lift Some Regulations that Burden Business," Wall Street Journal, Sept. 4, 1979, pp. 1.

[26] Ibid.

[27] This allows only for the "base case" level of capital investment and economic growth. The "optimistic" scenario points to even higher needs—$120 billion of net new equity financing and $1.1 trillion of new debt financing.

[28] Dr. Kendrick is Professor of Economics at George Washington University. He is one of the country's leading authorities on productivity and its link to economic growth.

[29] A copy of Dr. Kendrick's full report can be obtained from Dr. William C. Freund, Office of Economic Research, New York Stock Exchange, Inc., 11 Wall Street, New York, New York 10005.

[30] See Morgan Guaranty Trust Company of New York: Monthly Survey, September 1979.

[31] For a further discussion of this subject, the reader is referred to The Dean's Lecture by William M. Batten, Chairman and CEO, NYSE, Commitment to Productivity: An Economic Act of Faith, Wharton School, Nov. 16, 1979. Copies are available on request from the NYSE.

APPENDIX 1: ENERGY SUPPLIES, 1980–1990

The economic slowdown of 1979–1980 will dampen the demand for energy and may diminish the gap between supply and demand for a time.[1] It would be wrong to draw long-term interferences from such a period. We must not allow ourselves to be lulled into a sense of security by this short-term improvement in market conditions.

It is anticipated that over the long run—through the next decade, for example—we will require increased supplies of energy, even with all-out conservation.

One recent analysis of the growing longer-run demand for energy concludes: "The average of the most reliable estimates that we've been able to review would indicate that our country's total consumption of energy is going to grow from about 80 quads today to approximately 100 quads by 1990, and perhaps 125 quads by the year 2000."[2]

After thus projecting an increase of 31 percent in energy consumption between 1980 and 1990, the analysis continues:

"This growth in energy consumption assumes no deep economic depression, a population growth to approximately 245 million people by 1990, and continued annual growth in real GNP on the order of 3.5 percent. . . . It also assumes a continued and dedicated effort to conserve and use energy more efficiently."[3]

Perhaps an increase of somewhat less than 31 percent over the decade would suffice if a herculean effort to conserve energy is launched. But the need for increasing supplies by some 25 percent is apparent.

Will our country be able to raise the supply of energy from 80 quads to, say, 100 quads in the next ten years?

It may be noted that there is less reason to be concerned about the adequacy of supply by the year 2000 than during 1980–1990, since new sources of energy and new technology, are likely to be developed by the year 2000. But it takes from five to ten years to bring major new production on stream, whether through new sources of supply or new technology. Delays also result from the long process of regulatory and judicial review.

The prospects for additional energy supplies in the coming decade can be clarified by identifying, first, the current sources of energy supply:

[1] Of course, supply always equates to demand either through price or through allocations. But the demand at a given level of price can exceed the supply.

[2] Remarks by W. J. Bowen, Chairman, Transco Companies, before the New York Society of Security Analysts, April 11, 1979. A quad of energy is a quadrillion BTUs, or British Thermal Units, a measure of heat. A quadrillion is a thousand trillion.

[3] Ibid.

Table 7 shows that, of a total current supply of 70 quads, oil presently contributes 37, gas 20, coal 14, and uranium and hydroenergy 4 quads each.

TABLE 7.—*Sources of energy supply, 1979*

(Quadrillion BTUs)

Oil	
Domestic	18
Other	19
	37
Gas	
Domestic	18
Other	2
	20
Uranium	4
Hydro	4
Coal	14
Total	79

What can we expect by 1990, assuming that the total supply needed to fuel the American economy increases to approximately 100 quads of energy?

One scenario assumes that the oil supply will remain at the present level—that OPEC and other sources will be constrained not to exceed present production levels, because of their general reluctance to pump more of their limited resources.

President Carter announced publicly that our country would try to do better than merely hold oil imports steady. In his July, 1979, energy message, he pledged a goal "of cutting our dependence on foreign oil by one-half by the end of the decade—a saving of over four and a half million barrels of imported oil per day." Whether this goal is achievable remains to be seen. In our projections, we assume that oil imports will fall slightly or remain level rather than decline sharply by 1990.

Gas is assumed to increase to 25 guads, largely from foreign sources of supply. The assumption that uranium will rise from 4 to only 5 quads is probably realistic in light of the Three Mile Island incident. Hydropower is a small source and will remain so in the future.

That scenario leaves primarily coal to balance the supply-demand equation over the decade of the eighties. Fortunately, the U.S. has enormous reserves of coal. It is possible to double the supply of energy from coal, but that would require some modification of environmental standards and/or huge expenditures for anti-pollution investments. In any case, under the assumptions made here, the supply of energy from coal would have to rise from 14 to roughly 30 quads by 1990.

Above all, we must realize that our country will require increased energy supplies in the 1980s to achieve the economic growth projected by the optimistic scenario described in this study. That means, inevitably, that the U.S. must embark on a determined effort to break through existing barriers to increasing domestic supplies, especially from coal and shale. The optimistic scenario is achievable only through greater conservation and increased energy supplies.

TABLE 8.—*Projected sources of energy supply, 1990*

(Quadrillion BTUs)

Oil	
Domestic	18
Other	19
	37
Gas	
Domestic	16
Other	9
	25
Uranium	5
Hydro	5
Coal	30
Total	102

APPENDIX 2: THE IER CONCEPT VERSUS THE LABOR PRODUCTIVITY CONCEPT

How is the concept of the Investment-Efficiency Ratio (IER) different from the concept of labor productivity (the conventional way in which the productivity concept is used)? Labor productivity is a ratio between an economy's total output and total manhours; thus it is a measure of output per manhour. The IER is a ratio between an economy's growth of output and level of capital investment; thus it is a measure of growth returns per investment dollar. The following two equations summarize the matter:

Labor productivity equals Total Output/Manhours

Investment-Efficiency Ratio equals Output Growth/Capital Investment

Labor productivity can rise while the IER falls. Say that the level of investment increases faster than the increase in the number of manhours worked. Almost inevitably, the result will be an increase in labor productivity; since labor will have more capital to work with, total output should increase faster than manhours worked. On the other hand, there will not necessarily be an increase in the IER. The higher level of investment will almost certainly bring a higher level of growth—but the question is how much higher. If the increase in investment is greater than the increase in growth, then the result will be a decline in the IER; the growth returns per investment dollar will be lower.

The above example highlights a major difference between the two measures. Capital formation significantly influences the level of labor productivity. By contrast, the IER is more sensitive than labor productivity to the level of entrepreneurship. A high degree of entrepreneurship is what brings a high-growth return per investment dollar.

APPENDIX 3: CALCULATION OF THE INVESTMENT EFFICIENCY RATIO (IER)

The accompanying tables show different approaches to calculating the IER.

Part A of Table 9 shows the calculation of a "simple" IER—the ratio between dollars of growth and dollars of investment. Note that the IER for the 1970s is substantially below the IER for prior decades.

Part B shows how GNP growth is adjusted for growth in manhours worked. When the percentage growth in manhours is subtracted from the percentage growth in GNP, the result yields a percentage growth of GNP not attributable to manhour growth.

Part C shows how dollar figures are derived that correspond to the "labor-adjusted" percentage rates of growth derived in Part B. The percentage rates of growth in the second column (taken from the last column in Part B) are multiplied by the constant dollar GNP figure for the base year immediately preceding each decade (column 1). This yields a "labor-adjusted" growth of GNP for each decade in constant dollars.

Part D shows how the IER that appears in the text (p. 11) is calculated. (The figures in the second column are taken from the last column in Part C.) Note that the IER in this case shows a constant downtrend from the 1950s.

Part E introduces the factor of capital stock "discards"—capital that is retired from productive use. Column two lists the dollar worth of the capital stock retired from production in each decade. Subtracting these figures from the investment figures in column one yields nonresidential fixed investment net of discards (column three). This provides a fairly accurate measure of net new additions to the capital stock.

Part F calculates an IER with the use of the figures for additions to the capital stock derived in Part E. Here again, the IER shows a continuous downward trend from the 1950s.

TABLE 9.—CALCULATION OF THE IER

	(1) Real nonresidential fixed investment, 1972 dollars (billions)	(2) Growth of real GNP, 1972 dollars (billions)	(3)[(2÷1]×100) "Simple" investment-efficiency ratio
Part A:			
1950–59	$580.9	$278.7	30.5
1960–69	884.5	254.4	40.5
1970–78	1,691.8	305.3	27.9

	(1) Growth of real GNP (percent)	(2) Growth of man-hours worked (percent)	(3)[(1)−(2)] GNP growth not attributable to man-hour growth (percent)
Part B:			
1950–59	46.8	11.0	35.8
1960–69	49.8	16.5	33.3
1970–78	28.4	15.4	13.0

	(1) "Base year" GNP, 1972 dollars (billions)	(2) GNP growth not attributable to man-hour growth (percent)	(3)[(1)×(2)]) "Labor adjusted" growth of real GNP, 1972 dollars (billions)
Part C:			
1949	$496.7	35.8	$175.7
1959	720.4	33.3	239.9
1969	1,078.8	13.0	140.2

	(1) Real nonresidential investment, 1972 dollars (billions)	(2) "Labor adjusted" growth of real GNP, 1972 dollars (billions)	(3)[(2÷1]×100) "Labor adjusted" investment-efficiency ratio
Part D:			
1950–59	$580.9	$175.7	30.2
1960–69	884.5	239.9	27.1
1970–78	1,691.6	140.2	12.8

	(1) Real nonresidential fixed investment, 1972 dollars (billions)	(2) Capital stock discards, 1972 dollars (billions)	(3)[1−2]) Nonresidential fixed investment net of discards, 1972 dollars (billions)
Part E:			
1950–59	$580.9	$308.9	$272.0
1960–69	884.5	436.5	448.0
1970–78	1,698.6	853.7	844.9

	(1) Nonresidential fixed investment net of discards, 1972 dollars (billions)	(2) "Labor adjusted" growth of real GNP, 1972 dollars (billions)	(3)[(2÷1]×100) Investment-efficiency ratio
Part F:			
1950–59	$272.0	$175.7	64.6
1960–69	448.0	239.9	53.5
1970–78	844.9	140.2	25.7

SOURCES: GNP and Investment Statistics: "The National Income and Product Accounts of the United States, 1929–74," Statistical tables and updates from various issues of Survey of Current Business, Bureau of Economic Analysis.

Growth of man-hours: Constructed from data on total civilian employment and average weekly hours worked in the private nonagricultural sector, "Handbook of Labor Statistics" 1978, Bureau of Labor Statistics.

Capital stock discards: Bureau of Economic Analysis, "Fixed Nonresidential Business and Residential Capital in the United States, 1925–75," and update through 1978 courtesy of John Musgrave of the BEA.

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By Mr. HELMS:

S. 158. A bill to provide that human life shall be deemed to exist from conception; to the Committee on the Judiciary.

HUMAN LIFE STATUTE

● Mr. HELMS. Mr. President, since the 1973 Supreme Court decisions in Roe against Wade and Doe against Bolton I have repeatedly stated on the floor of the Senate that I would withdraw from the debate on abortion if I could be convinced that abortion was not the deliberate taking of an innocent human life. Year after year, my challenge has been met with a resounding silence. To date, no one has dared to assert during the Senate debate that abortion is not the taking of a human life.

The medical evidence on when human life begins is very clear. Prof. Jerome LeJeune, for example, observes in Ethical Issues in Human Genetics that—

> If a fertilized egg is not by itself a full man being, it could never become a man, because something would have to be added to it, and we know that does not happen.

Human life is a continuum, unbroken at any point by radical change. William James Hamilton states in his textbook "Human Embryology," that—

> There are no essential differences between prenatal and postnatal development; the former is more rapid and results in more striking changes in shape and proportions; but in both, the basic mechanisms are very similar if not identical.

Dr. Bernard Nathanson, one of the founders of the National Abortion Rights Action League, impressively summed up the fundamental error of the Supreme Court decisions on the beginning of life when he wrote on page 207 of his book, "Aborting America":

> Speaking for the "discipline of medicine," we know that there is an independent, self-initiating biological entity from the point when the sperm unites with the egg, and we are able to discern its presence and activity beginning with implantation. If this is not "life," what is? What Justice Harry Blackmun, the author of the decisions by the majority, ought to have said is that medicine cannot tell us whether or when (the fetus) is a protectable life, which medicine cannot say. That is a legal and philosophical matter, one the court evaded by deciding it could not tell "when life begins." This is the crucial flaw in the decision. From there, the court quickly determined (the fetus) is not a "person" shielded by the language of the Fourteenth Amendment . . .

Mr. President, I believe that it is appropriate for the Congress to determine when human life begins for the purpose of legal protection. Section 5 of the 14th amendment provides that the Congress shall have power to enforce its provisions and the Congress may act to clarify the intent of the amendment.

Today, I am introducing legislation to establish a congressional finding and declaration that human life begins at conception and is entitled to the protection of the law. I urge my colleagues in the Senate, and especially the members of the Senate Judiciary Committee, to give serious and careful consideration of this proposal.

Mr. President, I ask unanimous consent that a copy of my legislation be printed in the RECORD.

Mr. President, an excellent article by Stephen H. Galebach, Esq. in the winter 1981 issue of The Human Life Review, establishes clearly and impressively that the Congress has the power to enact such a proposal and I ask unanimous consent that it also be printed in the RECORD.

There being no objection, the bill and the article were ordered to be printed in the RECORD, as follows:

S. 158

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 42 of the United States Code shall be amended at the end thereof by adding the following new chapter:

"CHAPTER 101.

SECTION 1. The Congress finds that present day scientific evidence indicates a significant likelihood that actual human life exists from conception.

The Congress further finds that the 14th Amendment to the Constitution of the United States was intended to protect all human beings.

Upon the basis of these findings, and in the exercise of the powers of the Congress, including its power under Section 5 of the Fourteenth Amendment to the Constitution of the United States, the Congress hereby declares that for the purpose of enforcing the obligation of the States under the 14th Amendment not to deprive persons of life without due process of law, human life shall be deemed to exist from conception, without regard to race, sex, age, health, defect, or condition of dependency; and for this purpose "person" shall include all human life as defined herein.

SEC. 2. Notwithstanding any other provision of law, no inferior federal court ordained and established by Congress under article III of the Constitution of the United States shall have jurisdiction to issue any restraining order, temporary or permanent injunction, or declaratory judgment in any case involving or arising from any State law or municipal ordinance that (1) protects the rights of human persons between conception and birth or (2) prohibits, limits, or regulates (a) the performance of abortions or (b) the provision at public expense of funds, facilities, personnel, or other assistance for the performance of abortions.

SEC. 3. If any provision of this Act or the application thereof to any person or circumstance is judicially determined to be invalid, the validity of the remainder of the Act and

the application of such provision to other persons and circumstances shall not be affected by such determination."

A HUMAN LIFE STATUTE

(By Stephen H. Galebach)

(NOTE.—Stephen H. Galebach (B.A. Yale '74) received his law degree from Harvard in 1979, where he was Note Editor of the Harvard Law Review; he clerked at the U.S. Circuit Court of Appeals in the District of Columbia, and has recently joined the Washington law firm of Covington & Burling.)

Does Congress have constitutional power to enact such a statute? If Congress were to enact a statute of this sort, should the Supreme Court uphold it?

The Supreme Court's 1973 abortion decision in *Roe* v. *Wade* has received trenchant criticism for its defective legal reasoning as well as its consequences. For the growing number of citizens unwilling to tolerate the consequences of *Roe* v. *Wade*, the answer has appeared to lie in a constitutional amendment to protect unborn life. While such an amendment may well afford the surest protection for unborn children, it will require an extraordinary consensus and a protracted ratification effort.

Until the time when an amendment could be ratified, are there any interim answers that a simple majority of Congress could provide, consistent with the Constitution and with Supreme Court precedent? In fact there are. The Constitution was not designed to leave any form of human life unprotected. Nor do Supreme Court precedents, as we shall see, prevent or discourage Congress from acting in this area.

Both the Fifth Amendment and the Fourteenth Amendment protect human life. The Fifth Amendment protects life against acts of the federal government: "No person shall be . . . deprived of life, liberty, or property, without due process of law." In similar language the Fourteenth Amendment limits the action of states: "nor shall any State deprive any person of life, liberty, or property, without due process of law."

These provisions reflect the belief, expressed in our Declaration of Independence, that the right of life is sacred and inalienable.[2] Whether unborn children enjoy those rights to life already contained in the Constitution depends on how life is defined. If life begins at conception, these rights logically extend to unborn children. If life begins only at birth, unborn children enjoy no protection from the Constitution as it now stands. The beginnings of life thus pose a crucial question for those branches of the federal government that enforce the Fifth and the Fourteenth Amendments.

I. DETERMINING WHEN LIFE BEGINS

A. An inappropriate task for the courts

The judicial branch confronted the issue of when life begins in Roe v. Wade, when the state of Texas invoked the Fourteenth Amendment's protection of life as a justification for the state's anti-abortion statute. In rejecting this justification, the Supreme Court did not define unborn children as non-life or non-humans. Instead it refused to decide when human life begins and whether unborn children are human life. With this issue unresolved, the Court found nothing to indicate that unborn children are persons protected by the Fourteenth Amendment. Justice Blackmun concluded for the Court that "the word 'person,' as used in the Fourteenth Amendment, does not include the unborn."[3]

The Court's refusal to decide when life begins was central to the outcome of Roe v. Wade. Without a decision on this question, there was no way to show that Fourteenth Amendment protection logically extends to unborn children. Although the state of Texas asserted its own definition of when life begins, the Supreme Court held that the state had no authority to adopt "one theory of life."[4] With the Supreme Court and the state legislatures both unable to define when life begins, the state had no way to demonstrate that unborn children are human persons deserving protection. As a result, the state had no compelling interest sufficient to justify its anti-abortion statute. The Supreme Court therefore struck down the statute as an unjustified infringement of the mother's right of privacy to decide whether to "terminate her pregnancy," a right newly discovered in this case.[5]

The result of *Roe* v. *Wade* would have been entirely different, however, if any branch of government had been able constitutionally to examine when life begins and to resolve the question in favor of unborn children. If in enforcing the Fourteenth Amendment, a branch of the federal government had been able to declare that the unborn are human persons, then any state could invoke that declaration as a compelling state interest for prohibiting abortions. The Supreme Court acknowledged this in *Roe* v. *Wade*: "If the suggestion of personhood is established, the appellant's case, of course, collapses, for the fetus' right to life would then be guaranteed specifically by the Amendment."[6]

It may seem odd that the Supreme Court refused to address the issue of the beginning of life, when that issue is so fundamental to the scope of the Fourteenth Amendment and to the state's power to prohibit abortions. But the Court explained its refusal, and its explanation is very important. On the beginnings of life, the Court observed, there is a "wide divergence of thinking." The question is "sensitive and difficult."[7] For such questions the judiciary has no suitable evidentiary standards to determine an answer. A judge could only "speculate" on this difficult question. In short, the question stands outside the scope of judicial competence: "When those trained in the respective disciplines of medicine, philosophy, and theology are unable to arrive at any consensus, the judiciary, at this point in the development of man's knowledge, is not in a position to speculate as to the answer."[8]

Thus the failure of the Fourteenth Amendment to afford protection for the unborn, under *Roe* v. *Wade*, results from the institutional limitations of the judicial branch. Without a decision that the unborn are human life, it is not clear that the Fourteenth Amendment protects unborn children. And the Supreme Court gave strong reasons for abstaining from this question. But this does not end the matter. The Constitution gives Congress, as well as the courts, a role in the enforcement of the Fourteenth Amendment. If the question of when life begins can be addressed by Congress, and if Congress has a legitimate role in enforcing the Fourteenth Amendment's protection of life, then Congress can resolve the fundamental issue from which the Supreme Court abstained in *Roe* v. *Wade*.

B. An appropriate task for Congress

The Fourteenth Amendment provides: "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article."[9] In enforcing the Amendment's protection of life, as in many other matters, Congress does not suffer from the same institutional limitations as the judiciary. Resolving sensitive and difficult policy questions, deciding between conflicting interests, making speculative judgments where no judicial standards can offer guidance—these are functions inherent in Congress's role and appropriate for Congress to perform.

To decide when human life begins involves the sort of considerations that are appropriate for Congress but not the courts. Any attempt to resolve the issue, as the Court observed, involves the examination of inconclusive evidence and the weighing of divergent views. By the nature of their position, congressmen are often called up to reflect the views of divergent constituencies on matters that cannot be resolved by conclusive evidence. Congress routinely weighs divergent views on questions that admit of no "correct" answer from a court's perspective: whether to tax one person to support another, whether to protect various species endangered by governmental or private activities, whether to require the use of safety precautions that protect people while causing them inconvenience. Legal standards provide no answers to these questions; in such matters, decisions "are and should be undertaken only by those directly responsible to the people whose welfare they advance or imperil."[10]

One can best appreciate the legislative nature of deciding when life begings by considering the issue as it confronts the decisionmaker. He must first examine the divergent views and conflicting evidence, mentioned by the *Roe* v. *Wade* opinion, to see if they provide an answer. If this step leaves him uncertain whether the unborn are human life, then he faces an especially delicate and complex issue of legislative policy: Should one extend protection if human life is probably at stake? Or only possibly at stake? What degree of possibility does one require before deciding to extend constitutional protection by deeming the unborn to be human life for purposes of the Fourteenth Amendment?

The legislative nature of this issue is further confirmed by the "political question" doctrine. The Supreme Court has developed this doctrine as a means to identify those issues that are appropriately resolved not by the courts, but rather by Congress, the President or the states. Although the Court did not invoke the political question doctrine in refusing to decide when life begins, the Court's reasoning could easily be explained by that doctrine. Political questions, according to Supreme Court precedent, are questions that are "delicate" and "complex," questions "of a kind for which the judiciary has neither aptitude, facilities nor responsibility."[11] Two of the major criteria for identifying a political question could be applied directly to the question of when life begins: "a lack of judicially discoverable and manageable standards for resolving it; or the impossibility of deciding without an initial policy determination of a kind clearly for nonjudicial discretion."[12] Questions of this sort, the Court has said are "wholly confided by our Constitution to the political departments of the government, Executive and Legislative."[13]

The political department most appropriate to decide when life begins is Congress. The enforcement clause of the Fourteenth Amendment expressly grants power to Congress. When a term of the Fourteenth Amendment cannot be defined by the judiciary in concrete application to a category of beings—here the unborn—then the definition of that term by Congress is appropriate legislation to enforce the Amendment.

If it appears strange that Congress should be able to play such a major role in formulating a national policy on the issue of abortions, that is only because the federal courts have gone to such great lengths to take control of this issue into their own hands. But when the courts have declared themselves incapable of resolving the beginnings of human life, it should be very hard for them to insist on taking this particular part of the abortion controversy out of Congress's hands and into their own. Before the Supreme Court stepped into this arena with its *Roe* opinion, former Justice Clark had recognized the legislative nature of the controversy:

Footnotes at end of article.

It is for the legislature to determine the proper balance, i.e., that point between prevention of conception and viability of the fetus which would give the State the compelling subordinating interest so that it may regulate or prohibit abortion without violating the individual's constitutionally protected rights.[14]

The Supreme Court, moreover, has recently acknowledged that Congress has a proper role in protecting human life. In its 1980 decision on the public funding of abortions, the Court recognized the "legitimate congressional interest in protecting potential life."[15] If Congress had an interest in protecting potential human life, it certainly has a legitimate interest in protecting what it considers likely to be actual human life. If Congress is to make fully-informed decisions to protect life, it must also have power to examine and answer such questions as what is actual life, what is potential life, what is likely to be actual life, and what protection should be extended to something that appears likely to be actual life.

If Congress decides that unborn children are human life for the purpose of the Fourteenth Amendment's protection of life, it follows logically that for this purpose they are "persons" as well. By common usage of language, any human being must be recognized as a person. The Supreme Court has interpreted "person" in the Fourteenth Amendment more broadly than common usage, to include corporations.[16]

Statements of the framers of the Fourteenth Amendment make it clear that "person" cannot include less than every human being. Congressman Bingham, author and sponsor of Section 1 of the Amendment, spoke of the right to equal protection and the right to life, liberty, and property for "every human being."[17] Senator Howard, who sponsored the amendment on the floor of the Senate, also viewed it as protecting all human beings.[18] The framers had good reason to contemplate unborn children as part of the human race, since in the decade leading up to the Fourteenth Amendment, physicians responded to new evidence about conception by calling for protection of human life from that point.[19]

A determination that unborn children are human life, therefore, fully justifies the correlative determination that they are persons. The latter determination, however, collides with the Supreme Court's holding in *Roe* v. *Wade* that the unborn are not persons. But that holding makes sense only in light of the Court's inability to decide whether the unborn are human life. Informed by a congressional determination that life begins at conception, the Court might well reach a different conclusion. Still, the potential conflict raises serious constitutional questions. Does the *Roe* v. *Wade* holding as to "person" deprive Congress of power to pass contrary legislation? If Congress does pass legislation declaring unborn children to be human life and persons, should the Court defer to Congress's determination?

II. CONGRESS AS CO-ENFORCER OF THE FOURTEENTH AMENDMENT

Supreme Court decisions have recognized that the Court does not have the only say in applying the Fourteenth Amendment. Under its Section 5 enforcement power Congress can apply, and has applied Fourteenth Amendment terms in ways that differ from and even contradict Supreme Court interpretations. The Court has consistently upheld such legislation in the past two decades, often giving sweeping approval to Congress's expansive role. The precise extent of Congress's power to apply the Fourteenth Amendment independent of the Court, and the degree of deference the Court gives to such congressional actions, have been central issues in a number of Supreme Court decisions.

Interplay between the Supreme Court and Congress on issues of interpretation and application of constitutional rights has arisen most prominently in the area of state tests for voter qualification. Of the leading cases on Congress's power to enforce the Fourteenth and Fifteenth Amendments, three cases have involved literacy tests for voting. Literacy tests have been challenged under the Fifteenth Amendment[20] as well as the Fourteenth; the enforcement power of Congress is the same under both amendments.[21]

Just as in the abortion area, the Supreme Court pronounced its constitutional interpretation concerning literacy tests before Congress took up the issue. In 1959 the Court held, in *Lassiter* v. *Northampton County Board of Elections*,[22] that literacy tests did not violate the Equal Protection Clause of the Fourteenth Amendment or abridge the right to vote on account of race contrary to the Fifteenth Amendment.[23] The *Lassiter* opinion expresses a clear judgment that literacy tests, considered in general, have no inherently discriminatory character: "Literacy and illiteracy are neutral on race, creed, color, and sex, as reports around the world show."[24] Only with evidence that a particular literacy test was actually employed to promote discrimination would the *Lassiter* Court find it to be a violation of the Fourteenth or Fifteenth Amendment.[25]

In the Voting Rights Act of 1965, however, Congress used its enforcement power to apply the Fourteenth and Fifteenth Amendments to state literacy tests in ways different from the Supreme Court in *Lassiter*. Section 4(a)-(d) of the Act suspended all voter qualification tests in those states or counties in which fewer than fifty percent of the voting-age residents registered or voted in the 1964 presidential election. For such states Congress found that literacy tests and similar voting qualifications abridged the right to vote on account of race.[26]

The Supreme Court upheld this part of the Act as an appropriate exercise of Congress's power to enforce the Fifteenth Amendment. In *South Carolina* v. *Katzenbach*[27] the Court held that Congress had complied with the Lassiter holding by making extensive, detailed legislative findings that literacy tests have been used to promote discrimination in most of the areas covered by the Act.[28] For those areas in which Congress had not found direct evidence of discriminatory use of the tests, the Court was satisfied that Congress had inferred or could infer a "significant danger" of discrimination.[29] By striking down those literacy tests that had actually been employed to promote discrimination, Congress did not depart from the Lassiter interpretation of the Fifteenth Amendment.[30] The further application of Section 4(a)-(d) to the other areas, in which there was a "significant danger" that tests would be applied discriminatorily, represented a slight modification of the Lassiter standard; this application was appropriate as a preventive measure to combat discrimination.[31]

Another provision of the Act, however, represented a sharp departure from Lassiter's interpretation of the Fourteenth Amendment. Section 4(e) struck down the use of English literacy tests in New York to exclude voters who had completed the sixth grade in Puerto Rican schools.[32] For this section Congress did not provide legislative fact-finding to show discriminatory application of New York's literacy test.[33] Without such evidence the Lassiter holding would of course indicate that New York's use of a literacy test was constitutionally valid. Congress could only strike down New York's use of the test by applying a standard different from Lassiter.

Nevertheless, in *Katzenbach* v. *Morgan*[34] the Supreme Court upheld Section 4(e). The Court held that Congress enjoys broad authority to interpret the provisions of the Fourteenth Amendment independent of the judicial branch. As the Court framed the issue: "Without regard to whether the judiciary would find that the Equal Protection Clause itself nullifies New York's English literacy requirement as so applied, could Congress prohibit the enforcement of the state law by legislating under § 5 of the Fourteenth Amendment?"[35]

The *Morgan* opinion answered this question in the affirmative. The Court gave two equal and alternative reasons for holding that Congress could prohibit enforcement of the literacy test. First, Congress could have struck down the literacy requirement in order to help the Puerto Rican community gain sufficient political power to secure nondiscriminatory treatment in the provision of public services. This rationale rests on the principle that Congress enjoys the same broad powers under Section 5 that it exercises under the Necessary and Proper Clause.[36] Congress may take any action that is "plainly adapted" to the objective of securing the guarantees of the Fourteenth Amendment.[37] Under this rationale, Congress may strike down an act of a state that does not in itself violate the Fourteenth Amendment, so long as Congress's action tends to protect some Fourteenth Amendment right against infringement by the state.[38]

As a second rationale, the Court held that Congress could rationally conclude that New York's use of a literacy test was invidious discrimination not justified by any compelling interest of the state—and was therefore a violation of equal protection.[39] Unlike *South Carolina* v. *Katzenbach*, the *Morgan* opinion did not require any legislative findings of fact to show discriminatory use of the literacy test. Instead, the Court was willing to let Congress conclude that a literacy test by its nature, with no evidence of its actual effects, violates the Fourteenth Amendment. The Court did not even require Congress to express its reasons for reaching a conclusion opposite to the *Lassiter* holding: "It is enough that we perceive a basis upon which Congress might predicate a judgment that the application of New York's English literacy requirement . . . constituted an invidious discrimination in violation of the Equal Protection Clause."[40] The broadly deferential attitude of the majority in *Morgan* toward Congress evoked a dissent from Justices Harlan and Stewart, which will figure prominently in our later discussion.

Both rationales of the *Morgan* opinion appeared to give Congress authority virtually to overrule the *Lassiter* holding. The Court emphasized the broad discretion of Congress to determine what legislation is appropriate to carry out the ends of the Civil War amendments.[41] Citing historical evidence of the framers' intent, the Court observed that the Fourteenth Amendment primarily enlarges the power of Congress rather than the Judiciary.[42] Commentators recognized *Morgan* as a broad endorsement of congressional power to interpret the substantive guarantees of the Fourteenth Amendment in ways that differ from or contradict prior interpretations of the Supreme Court.[43]

Four years after *Morgan*, Congress completed the process of undoing *Lassiter*. Title II of the Voting Rights Act Amendments of 1970 struck down all remaining state literacy tests.[44] The Supreme Court unanimously upheld Title II in *Oregon* v. *Mitchell*,[45] despite the lack of specific evidence of discriminatory application of these tests by states that still used them.[46] The Court relied on evidence available to Congress, showing that literacy tests are likely to have racially discriminatory effects wherever in the nation they may be used.[47] To say that literacy tests are likely to be discriminatory anywhere in the country is essentially the same as to say they are discriminatory by nature—a direct contradiction of the *Lassiter* holding.

Footnotes at end of article.

Although *Oregon* v. *Mitchell* endorsed a congressional interpretation of the Fourteenth Amendment at variance with the *Lassiter* holding, it left some uncertainty over the scope of Congress's power to apply the amendment independent of the courts. The 1970 Voting Rights Act Amendments had also invoked Section 5 of the Amendment as a justification for Congress to lower the voting age in federal and state elections. A divided Supreme Court in *Oregon* v. *Mitchell* allowed Congress to lower the voting age for federal elections but not for state elections. Four justices opted for a very broad view of congressional power under Section 5 to strike down the states' 21-year-old voting age requirements; four justices espoused a narrower view; and Justice Black cast the deciding vote on grounds divorced from the Section 5 power. Justice Brennan, joined by Justices White and Marshall, endorsed a broad scope of congressional power, emphasizing "proper regard for the special function of Congress in making determinations of legislative fact."[48] Justice Stewart took the narrower view in an opinion which we shall discuss later.

The ambiguity left by the divided Court in *Oregon* v. *Mitchell* has been largely resolved quite recently. Last Term two Supreme Court decisions expressly followed the *Morgan* view of Congress's power to enforce the Fourteenth and Fifteenth Amendments. *Fullilove* v. *Klutznick* followed the *Morgan* view that Congress's enforcement power is as broad as the Necessary and Proper Clause.[49] *Fullilove* specifically endorsed the broad power of Congress "in determining whether and what legislation is needed to secure the guarantees of the Fourteenth Amendment."[50]

The other case last Term, *City of Rome* v. *United States*,[51] approved the *Morgan* holding in the context of Congress's equivalent power to enforce the Fifteenth Amendment. *City of Rome* especially illuminates the first rationale of *Morgan*. The case arose from the application of the Voting Rights Act of 1965 to prohibit electoral changes made by the city of Rome, Georgia.[52] There was evidence that Rome's voting practices had racially discriminatory effects, but no evidence of any discriminatory intent.[53] For purposes of deciding the case, the Supreme Court assumed that the Fifteenth Amendment prohibits only purposeful discrimination and not actions with only discriminatory effects.[54]

Nevertheless, *City of Rome* held that Congress could prohibit Rome's changes in electoral practices. The Court acknowledged that Congress may enforce the Fifteenth Amendment by prohibiting practices that in themselves do not violate the Fifteenth Amendment. The Court required only that the prohibition of actions discriminatory in their effect be an "appropriate" and "proper" means to prevent the "risk of purposeful discrimination."[55] This reasoning builds on the first rationale of the *Morgan* opinion: Congress may strike at a constitutionally proper state action, in order to protect against a risk or like'lihood of state infringement of a Fourteenth or Fifteenth Amendment right.

Supreme Court precedents, then, support a prominent role for Congress to enforce the Fourteenth Amendment in ways differing from the courts. Under the first rationale of *Morgan*, Congress was able in the *City of Rome* case to strike down electoral practices that a court could not have struck down without evidence of discriminatory intent. By following the second rationale of *Morgan*, Congress can also interpret the Fourteenth Amendment in ways that a court might not adopt.

Both rationales permit Congress to include unborn children within the protections of the Fourteenth Amendment, without regard to whether the judiciary would find them to be persons. The second rationale allows Congress to liberalize the scope of the term "person" if it has reason to do so. If Congress determines that life begins at conception, or that life possibly begin at conception, this presents a good reason—indeed, a compelling reason—to deem unborn Children to be persons. For Congress to examine evidence and draw conclusions on a matter unresolved and unresolvable by the Supreme Court is among the strongest bases imaginable for acting under the second rationale of *Morgan*. If the Fourteenth Amendment primarily enlarges the power of Congress and not the judiciary, then it surely gives Congress power to interpret a matter as to which Congress is competent and the courts are not.

Congress could also take action to extend the Fourteenth Amendment's protection to unborn children under the first rationale of Morgan. Even if Congress leaves undisturbed the Roe v. Wade holding that the Fourteenth Amendment protects only post-natal "persons," Congress can still protect the unborn under this rationale. First, Congress can examine the unanswered question of when life begins. Next, it can reasonably determine that at conception a life has come into being—a specific, individual life in terms of chromosomal structure and many consequential identifying characteristics. This individual life would probably proceed to enjoy the status of "person" with life protected by the Fourteenth Amendment but for the act of abortion. Therefore, in order to protect the unborn child against the risk that state action will prevent him or her from enjoying the right to post-natal life guaranteed by the Fourteenth Amendment, Congress may appropriately protect the unborn child's life between conception and birth. State-supported deprivation of unborn life may not be (for purposes or argument) a violation of the Fourteenth Amendment; but Congress can prohibit it in order to prevent the risk that individuals may be deprived by the state of an opportunity to enjoy a right to post-natal life guaranteed by the Fourteenth Amendment.

This line of reasoning from the first rationale of Morgan may appear at first glance too much like a debater's trick. But a concrete example helps to show the merit in this reasoning. Suppose that a state undertakes a program, in cooperation with expectant mothers, to eliminate a genetically identifiable group that is unwanted—for instance, children with Down's Syndrome (mongolism), to take an example not far removed from the realm of possibility. Under the holding of Roe v. Wade, the Fourteenth Amendment by its own force does not protect unborn mongoloid children. Thus the state might be able to identify all unborn mongoloid children through the use of amniocentesis techniques, and eliminate them by abortion. Could not Congress, then, declare unborn mongoloid children to be human life and persons under the Fourteenth Amendment, in order to protect them against the risk that their right to a life after birth may be deprived by state action?

It is difficult to deny that Congress has power to include unborn children within the scope of the Fourteenth Amendment's protection of life. For Congress to use this power would represent only a narrow and restrained exercise of Congress's authority to enforce the Fourteenth Amendment. To define "life" and "person" is only the first and smallest step that must be taken if any branch of the federal government is rationally to determine what scope of human life falls within the protection of the Fourteenth Amendment. Indeed, in Morgan the Court expressed dissatisfaction with the idea of limiting Congress' enforcement power to the "insignificant role" of "merely informing the judgment of the judiciary by particularizing the 'majestic generalities' of § 1 of the Amendment."[56] It is an even narrower role for Congress to inform the judiciary of the precise meaning of less general terms such as "life" and "person" in light of contemporary evidence on these matters.

Professor William Cohen has discussed whether Congress has power in "marginal cases" to enlarge the meaning of due process and equal protection, so long as it does not adopt interpretations or applications not reasonably within the scope of the constitutional terms.[57] He observes that Congress has especially solid justification to act on marginal questions of constitutional interpretation when they "involve drawing difficult lines that could best be drawn by legislatures."[58] Congress's power to adopt "arguable" interpretations expanding Fourteenth Amendment rights should not vary, he reasons, simply because the Supreme Court has expressed an opinion on the meaning of the constitutional term at issue: "Obviously, congressional power should neither depend upon whether Congress or the Court was first in the race to cope with the issue, nor vary with the voting breakdown when the Court finishes first."[59] Cohen concludes that theories which limit Congress to interpreting only in marginal cases are "not viable"—that Congress's enforcement power, in other words, should extend well beyond this narrow realm.[60]

The definition of "life" and "person" involves this sort of interpretation on the "margin." An interpretation of "life" and "person" that includes the unborn could not be held unwarranted by the language of the Fourteenth Amendment; the Constitution does not define either term. The framers of the Fourteenth Amendment did not try to specify concrete definitions of terms that are susceptible to varying interpretations. Instead, they chose "language capable of growth."[61] "Life" and "person" are among the most concrete and particular terms in the Fourteenth Amendment. Yet even these terms permit some degree of interpretation on the margin. Both terms are "capable of growing" to reflect a more liberal view of the scope of human existence.

The task of adjusting the meaning of "life" and "person" to accord with changing evidence and views of life is properly a task for Congress. Not only is the line between life and non-life a difficult one, more appropriately drawn by the legislature than by the courts; it is also a line that the Roe v. Wade opinion itself explicitly declared the courts unable to draw. If Congress draws the line at conception, the courts have no independent basis on which to draw a line different from that drawn by Congress. Under the approach of Katzenbach v. Morgan, followed as recently as last Term by the Supreme Court, the Court's prior definition of "person" in Roe v. Wade poses no greater barrier to congressional enforment action than the Lassiter holding posed to Congress's nationwide prohibition of literacy tests.

Our review of these Supreme Court precedents has mentioned dissents to the majority view. There is indeed a consistent minority view, first expressed by Justice Harlan's dissent in Katzenbach v. Morgan, next developed by Justice Stewart's opinion in Oregon v. Mitchell, and most recently espoused last Term by Justice Rehnquist. To arrive at a balanced assessment of the wisdom of congressional action to protect unborn life, we must pay close attention to these dissents as well as to the majority opinions.

The dissenting view emphasizes the distinction between the legislative and the judicial role. Justice Harlan maintained in Katzenbach v. Morgan that it was ultimately for the judicial branch to determine the substantive scope of the Fourteenth Amendments.[62] Justice Stewart objected in his Oregon v. Mitchell opinion that Congress

Footnotes at end of article.

does not have power to determine the substantive scope and application of the Equal Protection Clause.[68] And in City of Rome last Term, Justice Rehnquist argued that Congress cannot "effectively amend the Constitution" by interpreting the Fifteenth Amendment independently and escaping judicial review.[69]

At some points these dissents might be read as saying that Congress has no role whatever in interpreting the Fourteenth Amendment, that Congress is limited to providing remedies after the courts interpret the Amendment and identify violations of it. But the dissents do not go quite that far. Justice Harlan left open a legitimate though limited role for Congress to interpret the substantive scope of the Fourteenth Amendment: "To the extent 'legislative facts' are relevant to a judicial determination, Congress is well equipped to investigate them, and such determinations are of course entitled to due respect."[70]

Justice Harlan's view, repeated in essence by Justices Stewart and Rehnquist, is that the judiciary must make the final determination of the constitutional issue in light of the congressional findings of fact. These findings may of course influence the Court, and may change its mind. But Justice Harlan's view requires facts sufficient to justify a new constitutional interpretation, not just sufficient to afford some slight rational basis to Congress's interpretation of Fourteenth Amendment terms.

In Oregon v. Mitchell it is safe to say that Congress could not provide facts sufficient to convince Justice Harlan or Justice Stewart that the 21-year-old voting age requirement violated the Equal Protection Clause.[70] Similarly in City of Rome, Congress came forth with no evidence to persuade Justice Rehnquist that the city had done anything in violation of the Fifteenth Amendment.[71] But in South Carolina v. Katzenbach Congress had set forth voluminous findings of fact that persuaded Justices Harlan and Stewart—among others—that literacy tests in some areas did violate the Fifteenth Amendment.[72] Similar evidence convinced both justices again in Oregon v. Mitchell that Congress could strike down all literacy tests because they were thought to be discriminatory, despite the Lassiter holding.

Justice Harlan's recognition of a congressional role in this area is based on his observation that "questions of equal protection and due process are based not on abstract logic, but on empirical foundations."[73] How strongly Congress will influence the Court by legislative fact-finding depends on the relative competence of Congress and the courts to decide the particular empirical question. Both Justice Harlan and Justice Stewart recognized some matters on which Congress was at least as competent as the courts to express an opinion. For such matters these justices not only held that Congress has power to declare its views, but also held that the courts should give great deference to Congress.

Justice Harlan, writing for the Court in Glidden Co. v. Zdanok,[74] allowed a congressional declaration to overturn two earlier Supreme Court decisions on a matter of constitutional interpretation. The earlier decisions had held that the United States Court of Claims and the United States Court of Customs and Patent Appeals were courts created under Article I rather than Article III of the Constitution.[75] Subsequent to those decisions, Congress examined the historical evidence surrounding the creation of the two courts, and declared that they were created under Article III.

Justice Harlan's opinion in the *Glidden* case acknowledged Congress's competence to declare its views on this matter, even though the issue was one of "constitutional dimension" rather than statutory construction.[76] Deferring to Congress's declaration, Justice Harlan refused to follow the two earlier decisions because at the time they were decided, "the Court did not have the benefit of this congressional understanding."[77] To allow Congress to change the Court's mind did not violate Justice Harlan's theory of the judicial and legislative roles: "To give due weight to these congressional declarations is not of course to compromise the authority or responsibility of this Court as the ultimate expositor of the Constitution."[78]

Justice Stewart has endorsed the power of Congress to declare its interpretation of terms in the Thirteenth Amendment. This Amendment, which prohibits slavery and involuntary servitude, confers on Congress an enforcement power parallel to that conferred by the Fourteenth and Fifteenth Amendments.[79] Justice Stewart's opinion for the Court in *Jones* v. *Alfred H. Mayer Co.*[80] allowed Congress to enforce the Thirteenth Amendment by broadening the scope of its prohibitions to include particular acts of racial discrimination, on grounds that they are "badges and incidents" of slavery.[81] So long as its determinations are rational, Congress has authority to "determine what are the badges and the incidents of slavery" and to "translate that determination into effective legislation."[82]

The *Jones* decision had been accepted as binding precedent by all the justices, whether they take the broad or the narrow view of Congress's power to enforce the Civil War Amendments. In *Runyon* v. *McCrary*,[83] the justices disagreed over how far to extend *Jones*, but all the opinions in that case accepted *Jones* as binding precedent.[84] Last Term in a concurring opinion to *Fullilove* v. *Klutznick*, Justice Powell relied on *Jones* to show that Congress is competent to decide what types of racial discrimination come within the scope of the prohibitions of the Civil War Amendments.[85]

Jones establishes that Congress has some role in interpreting terms of the Thirteenth, Fourteenth and Fifteenth Amendments. Terms such as "slavery," "involuntary servitude," "life," and "person," are more concrete and particular than open-ended phrases such as "due process" and "equal protection." Yet even the more concrete terms admit of some ambiguities. In areas of ambiguity Congress may give these terms a broader scope than the Supreme Court has given them. Thus *Jones* supports Congress's authority to interpret "on the margin," as the *least* that Congress is empowered to do in enforcing the Civil War amendments.

Our discussion has already shown that the scope of "life" and "person" is an appropriate matter for Congress to interpret on the margin, in light of a determination of when life begins. For Congress to inform the courts of its determination of when life begins is appropriate under Justice Harlan's view of proper judicial and legislative roles. Indeed, a matter on which Congress is competent to decide and the courts are not is the most appropriate of all circumstances for Congress to express its judgment and for the courts to defer to Congress. Concerning such matters Justice Harlan has said: "I fully agree that judgments of the sort involved here are beyond the constitutional competence and constitutional authority of the judiciary . . . They are pre-eminently matters for legislative discretion, with judicial review, if it exists at all, reasonably limited."[86]

Because the question of when life begins is a matter for legislative discretion, and because the courts are not competent to resolve this matter, the courts should exercise great deference in reviewing any congressional declaration that the Fourteenth Amendment shall include unborn human persons in its protection of life against state action. Such deference would not compromise the Supreme Court's role as ultimate arbiter of the Constitution; it would simply comport with judicial limitations already recognized in Roe v. Wade. Thus, whether the Court follows the standard of the Morgan majority, or the stricter review standard of the minority, the result in this case is the same: the Supreme Court's interpretation of "person" in Roe v. Wade does not bar Congress from taking a different view based on its determination that human life begins or is likely to begin at conception.

When Congress has greater competence than the courts, Congress should take the lead in defining the content of Fourteenth Amendment rights.[87] Had Congress done so more frequently in the past, it could have alleviated some of the most troubling institutional problems in constitutional interpretation. For example, the Supreme Court's decision in Brown v. Board of Education[88] produced a result widely applauded today, but doubts still remain about the propriety of the Supreme Court's making the sociological judgments involved in that decision. What if Congress had taken the lead to enforce the Fourteenth Amendment by declaring its judgment, based on legislative fact-finding, that separate schooling is inherently unequal and contrary to the Equal Protection Clause? Such action could have placed the issue in the branch of government best suited to resolve it. And would we really want to argue that the Supreme Court's endorsement of "separate but equal" in Plessy v. Ferguson[89] would have barred such action by Congress?

III. POSSIBLE OBJECTIONS TO A HUMAN LIFE STATUTE

Our examination of Supreme Court opinions, both majority and dissenting suggests that Congress does have power to enforce the Fourteenth Amendment by enacting a statute similar to that set forth at the beginning of his article. There are additional arguments, however, that might be raised against such a statute. Several of them deserve close attention, though none is persuasive.

First, it might be argued that the same divergence of views that persuaded the Court in Roe v. Wade not to decide when life begins, also makes it impossible for Congress rationally to arrive at an answer. The crucial point, however, is that Congress does not need to be certain of an answer before it declares a national policy on when human life begins.

Throughout the cases on Congress enforcement power, the Supreme Court has held that Congress need only predicate its action on a danger to Fourteenth or Fifteenth Amendment rights, on a likelihood that particular circumstances might constitute a violation of protected rights. South Carolina v. Katzenbach allowed Congress to strike down South Carolina's literacy test even though the record contained no evidence that South Carolina had applied its voter qualification tests in any discriminatory way.[90] Sufficient for the Court was Congress inference from various facts that South Carolina might use its literacy test to discriminate.[91] In Katzenbach v. Morgan as well, there was no certainty that disenfranchisement of Puerto Ricans would deprive them of equal provision of government services; the mere likelihood of deprivation of rights was enough.[92] Last Term the City of Rome decision allowed Congress to prevent electoral changes that created only "the risk of purposeful discrimination."[93] In order to define the unborn as persons, therefore, Congress need only find a likelihood that life begins at conception.

This standard makes perfectly good sense.

Footnotes at end of article.

If Congress discerns a likelihood or possibility that human life may be endangered by state action, it should certainly be able to take immediate action, rather than wait until the state of knowledge advances to the point that we can say for certain that it really is human life that we have been eliminating. Congress has often taken action to protect life when the uncertainties were at least as great as in the matter of abortions. Regulating the use of new, relatively untested drugs, regulating or refusing to regulate the use of tobacco, requiring passive restraint devices in cars—all such actions involve a calculation of the risk that human life will be lost without federal action, combined with a rough weighing of how much we value the possible risk of loss of human life. In all these decisions the protection of life conflicts with the convenience of many people. Sometimes, as for instance with drugs, the protection of persons from possible harmful effects conflicts directly with the grave medical needs of other persons. Decisions related to possible risks to human life are not only appropriate for Congress, they are far more appropriate for Congress than for the courts.

Second, it might be argued that Congress may not decide anything about the beginnings of life because the issue is inherently religious. To enact a statute for purely religious reasons, the argument goes, is to violate the Establishment Clause of the First Amendment. Professor Tribe advanced this argument in 1973 in an attempt to provide a rationale for Roe v. Wade.[94] Even if the argument were good constitutional law, it is by no means clear that it would properly apply to the issue of abortion. Certainly one does not have to hold any religious beliefs in order to be able to examine biological evidence on the development of unborn children—or to look at an aborted child—and conclude that the unborn are likely to be human life.

The argument fails even more decisively as a general rule of constitutional law. Professor Tribe himself subsequently retracted it as a rationale for the abortion cases, recognizing that it would impede the free expression of religious beliefs in the political arena.[95] Finally, the Supreme Court settled the issue last Term when it ruled that legislation related to abortions does not violate the Establishment Clause just because it "happens to coincide or harmonize with the tenets of some or all religions."[96]

Third, one might argue that no branch of government should decide when life begins or decide whether abortions are acceptable; these decisions should instead be left to private individuals. For a court to espouse this view, however, would represent a decision as to when life begins. No society that values human life could permit private individuals to have the final say on the taking of innocent life. A court that rules out any role for Congress, the executive and the judiciary in protecting the unborn cannot pretend to be taking a neutral stand. If no branch of the government decides that the unborn are worth protecting, then the government implicitly decides that they are not human life. Since a decision must inevitably be made, the real question is which branch of government should make the decision. The answer to this question, as we have already seen, is the Congress.

A fourth argument against congressional action on this issue might proceed from the so-called "ratchet theory." Justice Brennan's opinion for the Court in Katzenbach v. Morgan set up a ratchet-like standard: Congress may expand Fourteenth Amendment rights but not restrict them. The enforcement clause of each Civil War amendment, under this theory, "does not grant Congress power to exercise discretion in the other direction and to enact 'statutes so as in effect to dilute equal protection and due process decisions of this Court.' "[97] The Court did not explain why Congress is so limited, except to assert: "We emphasize that Congress's power under § 5 grant Congress no power to restrict, abrogate, or dilute these guarantees."[98]

Some congressional actions to enforce Fourteenth Amendment protection for unborn children might be thought to run afoul of the ratchet theory by abrogating the right to privacy.[99] The most simple and straightforward action Congress could take in this area, however, would not present this difficulty. Congress could simply declare that "life" is deemed to commence at conception and that "person" includes all human life, for purposes of the Fourteenth Amendment's protection of life. In effect the Fourteenth Amendment would then read: no state shall deprive any person (including unborn children) of life (which begins at conception) . . . without due process of law.

By its terms this type of legislation would bring about an expansion of Fourteenth Amendment rights. Such legislation would exert a collateral effect on the right to privacy, but it would not abrogate or infringe that right as the Supreme Court has interpreted it. Congress's action would impose limits only on what states may do—it would limit the ability of states to perform abortions in institutions owned or operated by states and their subdivisions and it would restrict funding of abortions by states. The Supreme Court has already held, however, that statutory limitations on government funding of abortion do not infringe the right to privacy.[100] The privacy right to "terminate a pregnacy" does not require the government to fund or provide any abortions.[101] Thus a statute such as the one proposed here, preventing states from continuing to fund abortions, does not abrogate or infringe the right to privacy. Such legislation would not prevent women from obtaining abortions, since privately performed abortions are not state action. While it can be debated whether Congress may reach private action as well as state action when it enforces the Fourteenth Amendment,[102] it is clear that both the Fourteenth Amendment and the statute suggested here, by their direct terms, apply only to state action and not to private acts of abortion.

It is true, of course, that the suggested statute would create a situation in which states have a compelling state interest in the protection of unborn life, sufficient to justify anti-abortion statutes should states choose to enact them. Once the unborn child's status as human life and as a person is established by a branch of the government exercising power to enforce the Fourteenth Amendment, the states then have a constitutional standard of "life" and "person" to which they can refer. As the Supreme Court acknowledged in Roe v. Wade, the state then has a valid interest in protecting unborn life, and any challenge to a state's anti-abortion statute collapses.[103]

To create a situation in which states have a compelling interest in protecting human life, however, would not constitute an abrogation of the right to privacy by Congress. Any state might then choose to protect the unborn child's life at the expense of the right to privacy, but no state would be compelled by Congress action to do so. In effect, the proposed statute would make it clear that the privacy right to "terminate a pregnancy" conflicts with the life of the unborn child. This is not in itself a contraction of rights, but merely a recognition of reality. The fact is that the decision to abort an unborn child does conflict with the life of the unborn child. If the Supreme Court chooses to recognize a right to privacy in deciding whether to "terminate a pregnancy," and Congress decides that human life begins at conception, then of course the right to privacy will conflict with the right to life.

Some supporters of Roe v. Wade have acknowledged the underlying conflict between the two rights, and have recognized that the real constitutional issue comes down to a choice between them. Justice Douglas observed: "The interests of the mother and the fetus are opposed. On which side should the State throw its weight?"[104] In Roe v. Wade, however, the Court did not face the choice between these rights, because it refused to decide when life begins. Once Congress decides that life begins at conception, or is likely to begin at conception, the basic choice is squarely presented. The choice, whichever branch of government makes it, should not depend on the fortuity of which branch was first in the race to express its opinion.[105] Instead, the choice should turn on whether the life of the unborn child is more important than the right of the mother to decide whether or not to terminate her pregnancy. The proposed statute leaves this choice to the states, informed by Congress's judgment that unborn children are human life and human persons.

Whether the choice between these rights is eventually made by state legislatures, by Congress, or by courts, the fact remains that the statute suggested here does nothing more than expand the Fourteenth Amendment's protection of life to make it clear that indeed we do face a conflict of rights. A contraction of the scope of life under the Amendment—by congressional or judicial action—would of course be grounds for the utmost concern. But an expansion threatens only to err on the side of compassion and justice, as Senator Hatfield has well remarked: "It is difficult to bring to mind an advocate of justice whom history has condemned for a too 'liberal' view of the range of human life and personhood."[106]

A fifth possible objection to this statute is the argument that Congress may not delegate its power to the states. Congress does have unquestionable authority, however, to take many actions within its delegated powers, which indirectly result in giving the states powers they would not otherwise possess. Cases arising from the Commerce Clause provide an example. Such cases arise typically after the Supreme Court has declared a state unable to regulate a particular type of commerce because of the need for national uniformity. Congress then passes a statute declaring the particular subject matter to be of the type that states may regulate. As a result of the statute, the state can exert a power from which it otherwise would be foreclosed. The Supreme Court interprets this not as Congress delegating its power, but rather as Congress removing an obstacle to the state's exercise of its constitutional powers.[107]

In the area of abortions, the state's exercise of its police power to protect health and safety is blocked by an obstacle consisting of the lack of any compelling state interest for outlawing abortions. This obstacle exists only because neither the state nor the courts in *Roe* v. *Wade* were competent to define when human life begins. Once Congress performs this task under its Fourteenth Amendment power, no obstacle any longer exists to prevent the state from exerting its police power. Congress has not delegated any of its power—the police power was not its to delegate in the first place—but it has removed an obstacle to state exercise of a state power, just as in the Commerce Clause cases. This Congress and the states "were not forbidden to cooperate or by doing so to achieve legislative consequences, particularly in the great fields of regulating commerce and taxation,

Footnotes at end of article.

which, to some extent at least, neither could accomplish in isolated exertion."[106]

As a sixth objection, it might be argued that a mere declaration is not appropriate action to enforce the Fourteenth Amendment. But Congress may indeed choose to achieve its ends by declaration. It need not exert the full scope of its available power to enforce declared rights directly; it can leave implementation instead to the courts through the institution of legal action by other parties. For example, Section 10 of the Voting Rights Act of 1965 merely declared Congress's belief that poll taxes violate the Constitution. Congress did not require states to discontinue the use of poll taxes, but instead left implementation to the courts and authorized the Attorney General to file suits as appropriate.[107]

Congress has good reason to act by declaration without further enforcement in the matter of protecting unborn life under the Fourteenth Amendment. The only reason that many states are today depriving unborn children of life—by funding or providing abortions on demand—is that no branch of government has successfully defined when life begins. Once Congress declares that life is deemed to commence at conception, one can reasonably expect many states not only to halt state action that deprives the unborn of life, but also to invoke the compelling state interest in the protection of unborn persons, in order to prohibit private abortions.

It is appropriate therefore, for Congress initially to trust the good faith of the states to implement a congressional declaration that "person" and "life" include the unborn. Congress could well choose to delay any further enforcement action until it sees the extent of state compliance. Such a restrained action by Congress is well within Congress's discretion to decide "whether and what legislation is needed to secure the guarantees of the Fourteenth Amendment."[108]

The reasonableness of such action can perhaps best be seen by leaving the issue of abortion for a moment to consider a hypothetical. Suppose a federal court were to repeat the holding of Dred Scott today and decide that members of the black race do not have rights enforceable in court. Would it be unreasonable for Congress simply to declare that blacks are persons under the Fourteenth Amendment? Congress would not have to take specific measures to insure state compliance; it could simply assume that the states will act in good faith once the judicially-created obstacle to justice is removed.

That Congress chooses not to use the full scope of its powers against a perceived constitutional violation does not in any way undermine the validity of a declaratory statute. It might be argued that the proposed statute is irrational because it defines life and person for purposes of protection of life by the Fourteenth Amendment's Due Process Clause, but not for purposes of the Equal Protection Clause or the protection of liberty and property in the Due Process Clause. Congress does have power, though, to act in piecemeal fashion. On the issue of abortion it may be especially appropriate to do so.

Imagine this problem from the perspective of a Congressman who believes there is a likelihood that life begins at conception but who is not certain. He might not see any urgent need to protect property and liberty rights which the unborn child cannot yet enjoy and which do not have the same paramount importance as the right to life. Further, the Congressman might not wish to extend unborn children a guarantee of equal protection, which has no concrete meaning and will turn out to mean whatever the courts say it means. On the other hand, his perception that unborn children are likely to be human life becomes a much more compelling and urgent guide for public policy when the issue is the protection of life itself. Any legislator might rationally decide to protect against the risk that a human being may be deprived of life, even while refusing to protect immediately against an equal risk that a human being may be deprived of other rights. Further, he might choose to protect unborn children from state action under the Fourteenth Amendment, before addressing the issue of protection under the Fifth Amendment against federal governmental action.[109] In choosing this approach, the legislator would find firm support in statements by the Supreme Court that "a statute is not invalid under the Constitution because it might have gone farther than it did,"[110] that a legislature need not "strike at all evils at the same time,"[111] and that "reform may take one step at a time, addressing itself to the phase of the problem which seems most acute to the legislative mind."[112]

IV. CONCLUSION

All the constitutional considerations suggest that Congress would be well within the bounds of its authority were it to pass a Fourteenth Amendment enforcement statute defining "person" and "life" to include the unborn. The relative competence of the courts and Congress to decide when life begins suggests that Congress not only can do this, but should. It is because of the courts' limitations as fact-finders and policy-makers that they have left the nation without any answer to the question of when life begins. Since Congress does not share these limitations, it is positioned to fill this gap by serving as the proper institution to reflect and express society's answer to this question. By taking this initiative Congress could put an end to the great anomaly of our country's abortion policy since Roe v. Wade, a national policy founded on a non-answer to the most fundamental question underlying any abortion policy.

We should not delude ourselves, however, that the constitutional merit of such legislation assures its survival in the courts. For the past decade federal judges have not been noted for their reluctance to stretch the law in favor of abortions. Better than a statute would be an amendment to insure that our Constitution recognizes the unborn as human life.

Even an ironclad guarantee of status for the unborn as human persons, however, would not be foolproof protection against judges who are not committed to the idea that the worth of innocent human life is inviolable. One court, for instance, was willing to accept a legislative definition of unborn children as human beings, but nevertheless concluded that the state does not have a strong interest in protecting unborn human life. The court argued quite openly that "population growth must be restricted, not enhanced and thus the state interest in pronatalist statutes such as these is limited."[113] The same judge was willing to belittle the worth of human life in "a fetus likely to be born a mental or physical cripple."[114]

For a judge who employs such reasoning and refuses to acknowledge the equal worth of all human life, it is just as easy to circumvent a constitutional amendment as a statute declaring the unborn to be human. That is one good reason to insure that federal judges are men and women who either respect the value of human life or respect the limitations of the judicial role enough to refrain from imposing their views of population control or eugenics on the rest of us. At the same time we should not delay in enacting whatever legislation is within Congress's constitutional powers, to protect the lives of the unborn. Although we cannot hope to cure at once all the mischief caused by courts in the area of abortions, we must at least take those actions that currently lie within our power.

FOOTNOTES

[1] 410 U.S. 113 (1973). For a critique of the Court's reasoning by a commentator not opposed to abortions, see Ely, "The Wages of Crying Wolf: A Comment on Roe v. Wade," 82 Yale L.J. 920 (1973) (Reprinted in *The Human Life Review*, Vol. I, no. 1, Winter 1975). A stinging attack on the widespread taking of unborn life since *Roe* v. *Wade* has been delivered by the co-founder of the National Association for Repeal of Abortion Laws (now the National Abortion Rights Action League), see B. Nathanson, *Aborting America* (1979).

[2] "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness." The Declaration of Independence.

[3] See *Roe* v. *Wade*, 410 U.S. at 157–58.

[4] *Id.* at 162.

[5] *Id.* at 152–54.

[6] *Id.* at 156–57.

[7] *Id.* at 160.

[8] *Id.* at 159.

[9] U.S. Const., amend. XIV, § 5.

[10] *Chicago & Southern Air Lines, Inc.* v. *Waterman S. S. Corp.*, 333 U.S. 103, 111 (1948).

[11] *Id.* The "dominant considerations" in the political question doctrine are "the appropriateness under our system of government of attributing finality to the action of the political departments and also the lack of satisfactory criteria for a judicial determination." *Coleman* v. *Miller*, 307 U.S. 433, 454–55 (1939).

[12] *Baker* v. *Carr*, 369 U.S. 186, 217 (1962).

[13] *Chicago & Southern Air Lines, Inc.* v. *Waterman S. S. Corp.*, 333 U.S. 103, 111 (1948).

[14] Clark, "Religion, Morality, and Abortion: A Constitutional Appraisal," 2 Loyola U. of L. A. L. Rev. 1, 9 (1969).

[15] *Harris* v. *McRae*, 100 S. Ct. 2671, 2692 (1980).

[16] See, e.g., *Gulf, C. & S. F. Ry.* v. *Ellis*, 165 U.S. 150, 154 (1897)

[17] Cong. Globe, 39th Cong., 1st Sess. 1089 (1866) (statement of Cong. Bingham).

[18] Cong. Globe, 39th Cong., 1st Sess. 2766 (1866) (statement of Sen. Howard). See also Cincinnati Commercial, Aug. 27, 1866, at 1, col. 3 (address of Cong. Bingham at Bowerstown, Ohio, Aug. 24, 1866).

[19] See, e.g., 12 Transactions of A. M. A. 73–77 (1859). See J. Mohr, *Abortion in America: The Origins and Evolution of National Policy, 1800–1900*, at 165 (1978); J. Noonan, *A Private Choice: Abortion in America in the Seventies*, 52 (1979) (quoting minutes of A. M. A. annual meeting of 1859).

[20] The Fifteenth Amendment provides:

"Section 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

"Section 2. The Congress shall have power to enforce this article by appropriate legislation."

[21] See *Fullilove* v. *Klutznick*, 100 S. Ct. 2758, 2774 (1980); *City of Rome* v. *United States*, 100 S. Ct. 1548, 1578 n.1. (1980) (Rehnquist, J. dissenting); *United States* v. *Guest*, 383 U. S. 745, 784 (1966) (opinion of Brennan, J.).

[22] 360 U. S. 45 (1959).

[23] See *id.* at 50–53. Appellant also raised a Seventeenth Amendment argument against the literacy test, with equal lack of success. See *id.* at 46, 50.

[24] *Id.* at 51.

[25] See *id.* at 50, 53.

[26] See 42 U.S.C. § 1973b(a)–(d) (1976). Most of the areas covered by this formula turned out to be in the South. The *Lassiter* case also involved a southern state, North Carolina.

[27] 383 U. S. 301 (1966).

[28] See *id.* at 310–15, 333–34.

[29] See *id.* at 329.

[30] See *id.* at 333–34.

[31] See *City of Rome* v. *United States*, 100 S. Ct. 1548, 1561 (1980). See also *id.* at 1575 (Powell, J., dissenting).

[32] See 42 U.S.C. § 1973b(e) (1976). Although the section speaks generally of American flag schools teaching in languages other than English, it refers in effect to Puerto Rican schools. The state that used a literacy test to exclude graduates of such schools was New York.

[33] Because Section 4(e) was introduced as an amendment to the Voting Rights Act on the floor of the Senate, it was debated only briefly and was not considered in congressional hearings. See 111 Cong. Rec. 11027–28, 11068–74 (1965).

[34] 384 U.S. 641 (1966).

[35] *Id.* at 649 (emphasis added).

[36] U.S. Const., art. 1, § 8.

[37] See *Katzenbach* v. *Morgan*, 384 U.S. at 650–53.

[38] See *id.* at 652–53.

[39] See *id.* at 653–56.

[40] *Id.* at 656 (emphasis added).

[41] See *id.* at 650–51.

[42] See *id.* at 648 & n. 7. "It is the power of Congress which has been enlarged." *Id.* at 648 (quoting *Ex parte Virginia*, 100 U.S. 339, 345, 1880).

[43] See, e. g., Cox, "The Supreme Court 1965 Term, Foreword: Constitutional Adjudication and the Promotion of Human Rights," 80 Harv. L. Rev. 91, 106–07 (1966); Burt, "Miranda and Title II: A Morganatic Marriage," 1969 Sup. Ct. Rev. 81, 81.

[44] Pub. L. No. 91–285, 84 Stat. 314, 318 (1970).

[45] 400 U. S. 112 (1970).

[46] See *Oregon* v. *Mitchell*, 400 U. S. 112, 216 (1970) (opinion of Harlan, J.).

[47] See *id.* at 131–34 (opinion of Black, J.); *id.* at 147 (opinion of Douglas, J.); *id.* at 233–36 (opinion of Brennan, White & Marshall, J. J.); *id.* at 282–84 (opinion of Stewart & Blackmun, J. J., and Burger, C. J.). See also *Gaston County* v. *United States*, 395 U. S. 285 (1969).

[48] *Oregon* v. *Mitchell*, 400 U. S. at 240 (opinion of Brennan, White, & Marshall, J. J.).

[49] 100 S. Ct. 2758, 2774 (1980).

[50] *Id.* (quoting *Katzenbach* v. *Morgan*, 384 U. S. at 651).

[51] 100 S. Ct. 1548 (1980).

[52] See *id.* at 1553–54.

[53] See *id.* at 1559.

[54] See *id.* at 1560.

[55] *Id.* at 1562.

[56] *Katzenbach* v. *Morgan*, 384 U.S. at 649.

[57] Cohen, "Congressional Power to Interpret Due Process and Equal Protection," 27 Stan. L. Rev. 603, 618–19 (1975). Another commentator describes this congressional role as "interoretive filling-out of the underlying constitutional guarantee." Monaghan, "The Supreme Court 1974 Term, Foreword: Constitutional Common Law," 89 Harv. L. Rev. 1, 23 (1975).

[58] *Id.* at 619.

[59] *Id.*

[60] See *id.* at 620.

[61] See Bickel, "The Original Understanding and the Segregation Decision," 69 Harv. L. Rev. 1, 63 (1955).

[62] See *Katzenbach* v. *Morgan*, 384 U.S. at 657–58 (Harlan, J., dissenting).

[63] See *Oregon* v. *Mitchell*, 400 U.S. at 295–96 (opinion of Stewart, J. & Burger, C. J.).

[64] See *City of Rome* v. *United States*, 100 S. Ct. at 1577–79, 1584–85 (Rehnquist, J., dissenting).

[65] *Katzenbach* v. *Morgan*, 384 U.S. at 668 (Harlan, J., dissenting).

[66] See *Oregon* v. *Mitchell*, 500 U.S. at 205–07 (opinion of Harlan, J.); *id.* at 294 (opinion of Stewart, J.).

[67] See *City of Rome* v. *United States*, 100 S. Ct. at 1581 (Rehnquist, J., dissenting).

[68] Justice Harlan discussed the relevance of this evidence to the constitutional determination in his later *Morgan* dissent. See 384 U.S. at 667–68 (Harlan, J., dissenting).

[69] *Katzenbach* v. *Morgan*, 384 U.S. at 668 (Harlan, J., dissenting).

[70] 370 U.S. 530 (1962).

[71] See *Ex parte Bakelite Corp.*, 279 U.S. 438 (1929); *Williams* v. *United States*, 289 U.S. 553 (1933).

[72] See *Glidden Co.* v. *Zdanok*, 370 U.S. at 536–37, 541–43.

[73] *Id.* at 542.

[74] *Id.* at 542–3.

[75] The Thirteenth Amendment reads as follows:

"Section 1. Neither slavery nor involuntary servitude, except as punishment for a crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

"Section 2. Congress shall have power to enforce this article by appropriate legislation."

[76] 392 U.S. 409 (1968).

[77] See *id.* at 440–41.

[78] *Id.* at 440.

[79] 427 U.S. 160 (1976).

[80] See *id.* at 170 (opinion of the Court); *id.* at 186–87 (Powell, J., concurring); *id.* at 189–91 (Stevens, J., concurring); *id.* at 208 n. 13 (White, J., joined by Rehnquist, J., dissenting).

[81] See *Fullilove* v. *Klutznick*, 100 S. Ct. at 2786 (Powell, J., concurring).

[82] *Oregon* v. *Mitchell*, 400 U.S. at 206–07 (opinion of Harlan, J.).

[83] There are, of course, areas of constitutional interpretation apart from the Civil War amendments in which Congress has taken the lead and the courts have followed. One recurring example is found when Congress differs from the Supreme Court in interpreting the extent to which the Commerce Clause prohibits certain kinds of state regulation or taxation. See, e. g., *Prudential Ins. Co.* v. *Benjamin*, 328 U.S. 408, 423 (1946). Compare *Leisy* v. *Hardin*, 135 U.S. 100 (1890) with *In re Rahrer*, 140 U.S. 545 (1891).

[84] 347 U.S. 483 (1954).

[85] 163 U.S. 537 (1896).

[86] See Cox, "The Role of Congress in Constitutional Determinations," 40 U. Cin. L. Rev. 199, 227n. 100 (1971).

[87] See *South Carolina* v. *Katzenbach* 383 at 326.

[88] See 384 U.S. at 652–53.

[89] 100 S. Ct. at 1562 (emphasis added).

[90] See L. Tribe, "The Supreme Court, 1972 Term, Foreword: Toward a Model of Roles in the Due Process of Life and Law," 87 Harv. L. Rev., 1, 18–25 (1973).

[91] See L. Tribe, *American Constitutional Law* 928 (1978).

[92] *Harris* v. *McRae*, 100 S. Ct. 2671, 2689 (1980) (quoting *McGowan* v. *Maryland*, 366 U.S. 420, 442 (1961)).

[93] *Katzenbach* v. *Morgan*, 384 U. S. at 651 n. 10.

[94] *Id.*

[95] For example, if Congress enacted a federal criminal statute to prohibit abortion, its action would collide with the right to privacy. On one occasion Congress has taken action arguably contrary to the ratchet theory. In the Omnibus Crime Control and Prevention Act of 1967, Congress differed from the Supreme Court's view that police interrogation of a person in their custody is inherently coercive. See S. Rep. No. 1097, 90th Cong. 2d Sess. 60–61 (1968). The Supreme Court has not reviewed this provision.

[96] See *Harris* v. *McRae*, 100 S. Ct. 2671, 2685–89 (1980).

[97] See *id.* at 2688–89.

[98] See *United States* v. *Guest*, 383 U.S. 745 (1966); Frantz, "Congressional Power to Enforce the Fourteenth Amendment Against Private Acts," 73 Yale L.J. 1353 (1964).

[99] See *Roe* v. *Wade*, 410 U.S. at 156–57.

[100] *United States* v. *Vuitch*, 402 U.S. 62, 80 (1971) (Douglas, J., dissenting in part).

[101] See Cohen, *supra* note 59 and accompanying text.

[102] *Proposed Amendments to the U.S. Constitution to Protect Unborn Children: Hearings on S.J. Res. 119 & S.J. Res. 130 Before the Subcomm. on Constitutional Amendments of the Senate Judiciary Comm.*, 93d Cong., 2d Sess., pt. I, at 6 (1974) (statement of Sen. Hatfield).

[103] See *Prudential Ins. Co.* v. *Benjamin*, 328 U.S. 408 (1946).

[104] *Id.* at 439. See generally Koenig, "Federal and State Cooperation Under the Constitution," 36 Mich. L. Rev. 752 (1938).

[105] See 42 U.S.C. § 1973b (1976).

[106] *Katzenbach* v. *Morgan*, 348 U.S. at 651.

[107] The Fifth Amendment does not confer power on Congress to enforce its terms, but Congress may well have power to influence judicial interpretations of the Fifth Amendment's protection of life by informing the judiciary of its view on the beginnings of life.

[108] *Roschen* v. *Ward*, 279 U.S. 337, 339 (1929), quoted in *Katzenbach* v. *Morgan*, 384 U.S. at 657.

[109] *Semler* v. *Oregon State Board of Dental Examiners*, 294 U.S. 608, 610 (1935), quoted in *Katzenbach* v. *Morgan*, 384 U.S. at 657.

[110] *Williamson* v. *Lee Optical Co.*, 348 U.S. 483, 489 (1955), quoted in *Katzenbach* v. *Morgan*, 384 U.S. at 657.

[111] *Abele* v. *Markle*, 342 F. Supp. 800, 803–04 (D. Conn. 1972) (three-judge-court).

[112] *Id.* at 804.

By Mr. SCHMITT:

S. 159. A bill to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes; to the Select Committee on Indian Affairs.

NAVAJO LAND EXCHANGE

● Mr. SCHMITT. Mr. President, the State of New Mexico, particularly the northwestern region, is an area with a history of very complex land ownership patterns. The ownership of land in this area is held by private individuals, the State and Federal Governments, in addition to various tribal governments. This intermingled or "checkerboard" pattern has often resulted in conflicting land claims and serious delays in various forms of development and has handicapped the ability of the Bureau of Land Management (BLM) to properly manage public lands within its jurisdiction.

Unauthorized Indian occupancy on public lands forms a major part of this pattern. It is quite widespread in northwest New Mexico; and the status of land had become so confused that it has been a matter of serious concern to tribal, local, and State governments, in addition to private landowners. Unauthorized occupancy has existed on these lands in ever-increasing numbers, and in 1974 the Secretary of the Interior ordered the resolution of so-called "unauthorized occupancy" by Navajo people on public lands.

In response to this secretarial directive, the Navajo Tribe, the Bureau of Indian Affairs and the BLM agreed to coordinate their efforts to accomplish a land exchange between the Navajo Tribe for its fee title lands and BLM for its public lands.

The Navajo Tribe has acquired and made available for exchange certain private lands, identified by BLM as lands which will enhance BLM multiple-use management programs. Under the agreement reached between the tribe and BLM last year, the BLM will acquire all of the 79,800 acres owned by the Navajo Tribe in the Malpais area in exchange for public lands of equivalent market value upon which Navajo tribal members have located their homes and other improvements.

The genesis of this problem can be found in action taken by the U.S. Government in the early part of this century. Portions of public lands in what are now San Juan and McKinley Counties were temporarily withdrawn for use by the Navajo Tribe by Executive Order 709 in 1907. This authorized use was terminated in two stages by Executive Order 1000 (1908) and Executive Order 1284 (1911). These orders restored all unpatented lands to the public domain. However, the use of these lands by individual Navajo citizens did not cease with the issuance of the Executive orders of 1908 and 1911.

Navajos are said to have lived in the Four Corners area of New Mexico for approximately 475 years. This occupancy on public lands in the off-reservation use areas has not developed because of any mass migrations from the reservation, but rather because of the confusing land patterns. Navajo people have been grazing their livestock in off-reservation areas under BLM grazing permits for many, many years. Some of these people built homes where it was most convenient for their grazing.

The checkerboard land ownership and the lack of adequate survey markers made it difficult, and at times impossible, to determine if the land was public, private, Indian allotment or tribal trust land. Not until 1974, when BLM identified the problem, was the unauthorized occupancy verified. BLM and BIA survey teams located each home or other improvement, interviewed the occupants and attempted to check the survey corners. Because of the confusing land ownership and missing survey markers, the teams used a grid system of high altitude photos to finally determine proper boundary lines.

After many months of study and several years of meetings, the interested parties determined the only acceptable solution was the exchange of lands between BLM and the Navajo Tribe so that those individuals now living on BLM lands would not have to be relocated. It was the judgment of those involved that the land acquired by the tribe from the BLM should be held in trust by the United States as part of the Navajo tribal lands.

The Navajo Tribal Council appropriated funds to purchase the necessary private lands to offer in exchange for the Indian-occupied BLM lands. The BLM inventoried the area and determined the extent of the unauthorized occupancy and identified the lands that could be exchanged. As a result, approval of this agreement would result in the transfer of 57,000 acres of public land to the tribe and 79,800 acres of private land to BLM, lands which the BLM desires to acquire for the development of the El Malpais outstanding national area.

Mr. President, I am introducing today legislation to accomplish the goals of this collective effort by BIA, BLM, and the Navajo Tribe to eliminate unauthorized occupancy on public lands and to make some progress on the effort to consolidate or otherwise simplify the multiplicity of ownership patterns of the lands near or in the Navajo Reservation. This bill, in my opinion, represents the best interests of all the citizens of my State, and I urge its early consideration.●

By Mr. SCHMITT:

S. 160. A bill to authorize the Secretary of Agriculture to convey certain National Forest System lands, under specified conditions, to direct the Secretary of Interior to certify survey monuments within 180 days, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE BOUNDARY LINE FAIRNESS ACT OF 1981

●Mr. SCHMITT. Mr. President, I am introducing today legislation aimed at providing the Secretary of Agriculture with the administrative means of dealing with an estimated 50,000 title claim and trespass situations that currently exist on National Forest System lands.

This situation recently was brought to my attention by many New Mexicans who are losing property based upon the results of improved Federal land surveys being taken by the Bureau of Land Management (BLM) under contract from the U.S. Forest Service.

In 1967 the Forest Service contracted the BLM to resurvey the boundaries of the Lincoln National Forest. In 1969 the project ran out of funds and the surveys were never completed, nor were the updated boundaries and corners certified. However, in conducting the survey a difficulty developed in that the original brass monuments marking corners were not found, so survey crews placed new brass monuments—uncertified—supposedly as temporary markers. Ten years later, when Congress provided the funds to continue the resurvey of the boundaries of the Lincoln National Forest, the survey crews found the original certified corner monuments; and consequently, have been pulling up the more recent—1967–69—uncertified monuments.

This has, however, created yet another problem in that surveyors of the area have been using the forest's uncertified markers for the past 10 years to make "certified surveys" which title companies have been accepting for clear title descriptions.

Admittedly, the title companies should have never accepted the surveys; however, the cost of conducting a complete survey on a 2-acre parcel of land, for example, could exceed the cost of the property itself and apparently no one suspected that established public land boundaries would be altered.

Now 10 years later, the Forest Service and BLM survey teams using the new and more accurate laser techniques to mark lines have found many of the boundary lines between forest lands and private lands are inaccurate.

It is easy to understand the concern of the private land owners who have in good faith put up property fences and made other improvements based on an understandable assumption of clear titles. Now these titles cannot be considered clear until all resurveying is completed and certified. In addition, no one can sell or exchange property with an insured title until this matter is cleared up, not to mention the fact that the land owner has paid taxes for years on property that is now determined not to be his property.

If this situation developed between parties, property lines could be resolved under long-established legal precedents of law. However, since the other land owner is the Federal Government, laws that normally regulate boundary line disputes do not apply. Under "adverse possession" a well established legal principle, if the two parties had accepted the boundaries for 10 years and had paid taxes on the land, the courts would honor the established line regardless of what the new survey found. However, the adverse possession does not apply when your neighbor is the Federal Government and as a result property owners are finding their property lines being moved 30, 40, or 60 feet and are being asked to move their boundary fences and other improvements at a cost of thousands of dollars.

The Forest Service recognizes the majority of these people as being innocent trespassers on Federal land, but under existing law have no means of dealing with the situation other than granting a long-term lease. Last year the administration supported legislation to give the Secretary authority to sell these lands to the individual who suddenly finds he does not own the land he thought he did. He has purchased the property in good faith, conducted title search in good faith and did everything else that is necessary for a perfect title, only to be told later that the Federal survey, upon which his title search was based, has been found to be erroneous.

The legislation which I am sponsoring recognizes that in some cases the Federal Government is at fault by creating erroneous surveys. In such cases, it grants the Secretary of Agriculture administrative authority to deal with this situation where the land involved is less than 5 acres.

Second, my bill would direct that survey monuments placed on public lands must be certified by the Secretary of Interior within 180 days, thereby eliminating or reducing the possibility that subsequent private surveys will be based on uncertified markers.

In recent years, Mr. President, numerous private relief bills have been introduced to correct such land title disputes. This legislation would eliminate the need for private bills on the vast majority of these boundary disputes. Not only would this legislation reduce the need for private bills, even more important, it would provide for the fair treatment of the private land owner who now has little or no recourse because his neighbor is the Federal Government.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 160

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Agriculture is authorized, when the Secretary determines it to be in the public interest, to convey by quitclaim deed, all right, title and interest of the United States in and to National Forest System lands described in subsection (b). The Secretary of Agriculture shall insert in any such quitclaim deed such terms, covenants, conditions, and reservations as the Secretary deems necessary to insure protection of the public interest, including protection of the scenic wildlife and wilderness values of the National Forest System and provision for appropriate public access to and use of lands within the system.

(b) The National Forest System lands which may be conveyed under this Act are those which are parcels of five acres or less which are encroached upon by improvements occupied or used under claim or color of title by persons to whom no advance notice was given that the improvements encroached or would enroach upon such parcels, and who in good faith relied upon an erroneous Federal land survey indicating that there was not such encroachment, or who in good faith relied upon an uncertified Federal survey marker or monument which failed to meet the requirements imposed in Section 2 of this Act.

SEC. 2. All monuments established by the Secretary of the Interior or such agency as the Secretary may designate in the survey of public lands after the date of enactment of this Act shall be certified by filing in the proper land office and by meeting all other requirements and conditions as to approval within one hundred eighty days after monumentation occurs.●

ADDITIONAL COSPONSORS

S. 1

At the request of Mr. DOLE, the Senator from Arizona (Mr. GOLDWATER), the Senator from Iowa (Mr. GRASSLEY), and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of S. 1, a bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions.

S. 2

At the request of Mr. MATHIAS, the Senator from West Virginia (Mr. RANDOLPH), the Senator from North Dakota (Mr. BURDICK), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Texas (Mr. TOWER), the Senator from Illinois (Mr. PERCY), the Senator from Alaska (Mr. STEVENS), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from New Mexico (Mr. DOMENICI), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Michigan (Mr. RIEGLE), the Senator from California (Mr. HAYAKAWA), the Senator from Arizona (Mr. DECONCINI), the Senator from Maryland (Mr. SARBANES), the Senator from Montana (Mr. BAUCUS), the Senator from Virginia (Mr. WARNER), the Senator from Alabama (Mr. HEFLIN), the Senator from Iowa (Mr. JEPSEN); the Senator from Washington (Mr. GORTON), the Senator from Indiana (Mr. QUAYLE), the Senator from New Hampshire (Mr. RUDMAN), and the Senator from Washington (Mr. JACKSON) were added as cosponsors of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 24

At the request of Mr. DOLE, the Senator from Arizona (Mr. DECONCINI), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 24, a bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and the deduction of contributions to, education savings accounts and housing savings accounts.

SENATE JOINT RESOLUTION 3

At the request of Mr. PRYOR, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of Senate Joint Resolution 3, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

The following additional cosponsors were submitted on January 15, 1981, under the authority of the order of January 6, 1981, and inadvertently omitted from the RECORD of that date:

S. 27

At the request of Mr. COHEN, his name was added as a cosponsor of S. 27, a bill to amend the Internal Revenue Code of 1954 to make permanent the allowance of a deduction for eliminating architectural and transportation barriers for the handicapped and to increase the amount of such deduction from $25,000 to $100,000.

S. 93

At the request of Mr. MATHIAS, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 93, a bill to designate the birthday of Martin Luther King, Jr., a legal public holiday.

At the request of Mr. MOYNIHAN, his name was added as a cosponsor of S. 93, supra.

SENATE JOINT RESOLUTION 3

At the request of Mr. PRYOR, the Senator from Tennessee (Mr. BAKER), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Rhode Island (Mr. PELL), the Senator from Oklahoma (Mr. BOREN), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of Senate Joint Resolution 3, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

SENATE RESOLUTION 25

At the request of Mr. BAKER, the Senator from Utah (Mr. GARN) was added as a cosponsor of Senate Resolution 20, a resolution providing for television and radio coverage of proceedings of the Senate.

SENATE RESOLUTION 25—ORIGINAL RESOLUTION AUTHORIZING EXPENDITURES BY THE COMMITTEE ON FINANCE

Mr. DOLE, from the Committee on Finance, reported the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 25

Resolved, That, in carrying out its powers, duties and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Finance is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,103,200, of which amount not to exceed $50,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 26—ORIGINAL RESOLUTION AUTHORIZING THE PRINTING OF A DOCUMENT FOR USE OF THE COMMITTEE ON FINANCE

Mr. DOLE, from the Committee on Finance, reported the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 26

Resolved, That a compilation of materials relating to the history of the Committee on Finance be printed, with illustrations, as a Senate document, and that there be printed such additional copies not to exceed $1,200 in cost of such document for the use of the Committee.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INDUSTRIAL GROWTH AND PRODUCTIVITY

Mr. DOMENICI. Mr. President, the Industrial Growth and Productivity Subcommittee of the Senate Budget Committee will hold hearings on January 26, 27, and 28 in room 6202 of the Dirksen Senate Office Building at 10 a.m. each morning.

On Monday, January 26, the subcommittee will examine U.S. science and technology policy and the electronics industry and will receive testimony from Dr. Lewis Branscomb, Chairman of the

National Science Board, and vice president and chief scientist for IBM; Mr. Floyd Kvamme, president of National Advanced Systems; and Mr. Wolfgang Demisch, senior analyst for the Morgan-Stanley Co.

On Tuesday, January 27, the Honorable Henry Wallich, member of the Board of Governors for the Federal Reserve System, and Mr. William J. Abernathy, professor of business administration at the Harvard School of Business, will discuss the impact of Federal policies to improve the capacity of problem industries.

On Wednesday, January 28, the focus of the subcommittee will be the international context for U.S. industrial growth. Appearing before the members will be Gov. Reuben Askew, former U.S. Special Trade Representative, Mr. O. M. Roetman, vice president for international sales for the Boeing Co. and Mr. Franklin J. Vargo, Deputy Assistant Secretary for Policy, Planning and Analysis in International Economic Policy at the U.S. Department of Commerce.

For further information, contact Mr. Rick Brandon of the Budget Committee staff at 224-0836.

ADDITIONAL STATEMENTS

FINANCE COMMITTEE RULES

● Mr. DOLE. Mr. President the Legislative Reorganization Act requires each standing committee of the Senate to publish its rules in the Congressional Record at the beginning of each session of Congress. I ask that the rules of the Committee on Finance be printed in the Record.

The rules of the Committee on Finance are as follows:

COMMITTEE ON FINANCE

I. RULES OF PROCEDURE

(Adopted January 30, 1979)

Rule 1. *Regular Meeting Days.*—The regular meeting day of the committee shall be the second and fourth Tuesday of each month, except that if there be no business before the committee the regular meeting shall be omitted.

Rule 2. *Committe Meetings.*—(a) Except as provided by section 133(a) of the Legislative Reorganization Act of 1946 as amended by section 102(a) of the Legislative Reorganization Act of 1970 (relating to special meetings called by a majority of the committee) and subsection (b) of this rule, committee meetings, for the conduct of business, for the purpose of holding hearings, or for any other purpose, shall be called by the chairman. Members will be notified of committee meetings at least 48 hours in advance, unless the chairman determines that an emergency situation requires a meeting on shorter notice. The notification will include a written agenda together with materials prepared by the staff relating to that agenda. After the agenda for a committee meeting is published and distributed, no nongermane items may be brought up during that meeting unless at least two-thirds of the members present agree to consider those items.

(b) In the absence of the chairman, meetings of the committee may be called by the ranking majority member of the committee who is present, provided authority to call meetings has been delegated to such member by the chairman.

Rule. 3. *Presiding Officer.*—(a) The chairman shall preside at all meetings and hearings of the committee except that in his absence the ranking majority member who is present at the meeting shall preside.

(b) Notwithstanding the rule prescribed by subsection (a) any member of the committee may preside over the conduct of a hearing.

Rule 4. *Quorums.*—(a) Except as provided in subsections (b) and (c) seven members, including not less than one member of the majority party and one member of the minority party, shall constitute a quorum for the conduct of business.

(b) Notwithstanding the rule prescribed by subsection (a), one member shall constitute a quorum for the purpose of conducting a hearing.

(c) Once a quorum as prescribed by subsection (a) has been established for the conduct of business in executive session, the committee may continue to conduct business so long as five or more members are present, including not less than one member of the majority party and one member of the minority party.

Rule 5. *Reporting of Measures or Recommendations.*—No measure or recommendation shall be reported from the committee unless a majority of the committee is actually present and a majority of those present concur.

Rule 6. *Proxy Voting; Polling.*—(a) Except as provided by section 133(d) of the Legislative Reorganization Act of 1946 as amended by section 106(a) of the Legislative Reorganization Act of 1970 (relating to limitation on use of proxy voting to report a measure or matter), members who are unable to be present may have their vote recorded by proxy.

(b) At the discretion of the committee, members who are unable to be present and whose vote has not been cast by proxy may be polled for the purpose of recording their vote on any rollcall taken by the committee.

Rule 7. *Order of Motions.*—When several motions are before the committee dealing with related or overlapping matters, the chairman may specify the order in which the motions shall be voted upon.

Rule 8. *Bringing a Matter to a Vote.*—If the chairman determines that a motion or amendment has been adequately debated, he may call for a vote on such motion or amendment, and the vote shall then be taken, unless the committee votes to continue debate on such motion or amendment, as the case may be. The vote on a motion to continue debate on any motion or amendment shall be taken without debate.

Rule 9. *Public Announcement of Committee Votes.*—Pursuant to section 133(b) of the Legislative Reorganization Act of 1946 as amended by section 104(a) of the Legislative Reorganization Act of 1970 (relating to public announcement of votes), the results of rollcall votes taken by the committee on any measure (or amendment thereto) or matter shall be announced publicly not later than the day on which such measure or matter is ordered reported from the committee.

Rule 10. *Subpoenas.*—Subpoenas for attendance of witnesses and the production of memoranda, documents, and records shall be issued by the chairman, or by any other member of the committee designated by him.

Rule 11. *Open Committee Hearings.*—To the extent required by section 133A of the Legislative Reorganization Act of 1946 as amended by section 112(a) of the Legislative Reorganization Act of 1970 (relating to limitations on open hearings), each hearing conducted by the committee shall be open to the public.

Rule 12. *Announcement of Hearings.*—The committee shall undertake consistent with the provisions of section 133A of the Legislative Reorganization Act of 1946 as added by section 111(a) of the Legislative Reorganization Act of 1970 (relating to public notice of committee hearings) to issue public announcements of hearings it intends to hold at least one week prior to the commencement of such hearings.

Rule 13. *Witnesses at Hearings.*—(a) Each witness who is scheduled to testify at any hearing must submit his written testimony to the staff director not later than noon of the last business day preceding the day on which he is scheduled to appear. Such written testimony shall be accompanied by a brief summary of the principal points covered in the written testimony. Having submitted his written testimony, the witness shall be allowed not more than ten minutes for oral presentation of his statement.

(b) Witnesses may not read their entire written testimony, but must confine their oral presentation to a summarization of their arguments.

(c) Witnesses shall observe proper standards of dignity, decorum and propriety while presenting their views to the committee. Any witness who violates this rule shall be dismissed, and his testimony (both oral and written) shall not appear in the record of the hearing.

(d) In scheduling witnesses for hearings, the staff shall attempt to schedule witnesses so as to attain a balance of views early in the hearings. Every member of the committee may designate witnesses who will appear before the committee to testify. To the extent that a witness designated by a member cannot be scheduled to testify during the time set aside for the hearing, a special time will be set aside for that witness to testify if the member designating that witness is available at that time to chair the hearing.

Rule 14. *Audiences.*—Persons admitted into the audience for open hearings of the committee shall conduct themselves with the dignity, decorum, courtesy and propriety traditionally observed by the Senate. Demonstrations of approval or disapproval of any statement or act by any member or witness are not allowed. Persons creating confusion or distractions or otherwise disrupting the orderly proceeding of the hearing shall be expelled from the hearing.

Rule 15. *Broadcasting of Hearings.*—(a) Broadcasting of open hearings by television or radio coverage shall be allowed upon approval by the chairman of a request filed with the staff director not later than noon of the day before the day on which such coverage is desired.

(b) If such approval is granted, broadcasting coverage of the hearing shall be conducted unobtrusively and in accordance with the standards of dignity, propriety, courtesy and decorum traditionally observed by the Senate.

(c) Equipment necessary for coverage by television and radio media shall not be installed in, or removed from, the hearing room while the committee is in session.

(d) Additional lighting may be installed in the hearing room by the media in order to raise the ambient lighting level to the lowest level necessary to provide adequate television coverage of the hearing at the then current state of the art of television coverage.

(e) The additional lighting authorized by subsection (d) of this rule shall not be directed into the eyes of any members of the committee or of any witness, and at the request of any such member or witness, offending lighting shall be extinguished.

(f) No witness shall be required to be photographed at any hearing or to give testimony while the broadcasting (or coverage) of that hearing is being conducted. At the request of any such witness who does not wish to be subjected to radio or television coverage, all equipment used for coverage shall be turned off.

Rule 16. *Subcommittees.*—(a) The chairman, subject to the approval of the committee, shall appoint legislative subcommittees. All legislation shall be kept on the full committee calendar unless a majority of the members present and voting agree to refer specific legislation to an appropriate subcommittee.

(b) The chairman may limit the period during which House-passed legislation referred to a subcommittee under paragraph (a) will remain in that subcommittee. At the end of that period, the legislation will be restored to the full committee calendar. The period referred to in the preceding sentences should be 6 weeks, but may be extended in the event that adjournment or a long recess is imminent.

(c) All decisions of the chairman are subject to approval or modification by a majority vote of the committee.

(d) The full committee may at any time by majority vote of those members present discharge a subcommittee from further consideration of a specific piece of legislation.

(e) Because the Senate is constitutionally prohibited from passing revenue legislation originating in the Senate, subcommittees may mark up legislation originating in the Senate and referred to them under Rule 16 (a) to develop specific proposals for full committee consideration but may not report such legislation to the full committee. The preceding sentence does not apply to nonrevenue legislation originating in the Senate.

(f) The chairman and ranking minority member shall serve as nonvoting *ex officio* members of the subcommittees on which they do not serve as voting members.

(g) Any member of the committee may attend hearings held by any subcommittee and question witnesses testifying before that subcommittee.

(h) Subcommittee meeting times shall be coordinated by the staff director to insure that—

(1) no subcommittee meeting will be held when the committee is in executive session, except by unanimous consent;

(2) no more than one subcommittee will meet when the full committee is holding hearings; and

(3) not more than two subcommittees will meet at the same time.

Notwithstanding paragraphs (2) and (3), a subcommittee may meet when the full committee is holding hearings and two subcommittees may meet at the same time only upon the approval of the chairman and the ranking minority member of the committee and subcommittees involved.

(i) All nominations shall be considered by the full committee.

(j) The chairman will attempt to schedule reasonably frequent meetings of the full committee to permit consideration of legislation reported favorably to the committee by the subcommittees.

Rule 17. *Amendment of Rules.*—The foregoing rules may be added to, modified, amended or suspended at any time. ●

A NEW BEGINNING

● Mr. DOLE. Mr. President, I ask that the following statement which I made at the first hearing of the Senate Committee on Finance of the 97th Congress be printed in the RECORD. The statement shares the sense of history with which I approach the chairmanship of this committee and gives just praise to the work of the distinguished Senator from Louisiana, the longtime chairman of the Senate Finance Committee.

The statement is as follows:

A NEW BEGINNING

This month, Americans begin a new course, along lines already broadly charted by her President-elect and demanded by her people. The Senate of the United States renews and refreshes its own mandate to lead. Each one of us is present at the creation of a new administration and more—a new attitude toward government itself, its possibilities and its limitations. An idea is struggling to be born, and to us falls the privilege and the challenge of shaping and nurturing it to fruition. Millions of Americans look to us to give life to their expression of popular will, to appeal to the best in their nation, and to write responsibly into law a new freedom and a reiteration of incentive as the key to economic prosperity and social justice for all.

Many of us find ourselves in a new and unaccustomed position. We have become the majority, entrusted with legislating. It is a change for those of us who have been in this city as long as I have, and who at times over the last 20 years nearly accepted the likelihood of permanent minority status. Now, we have been given a mandate for change—and history, not to mention the voters, will judge us harshly if we behave with timidity or shirk in any way from the test before us. That does not mean we will behave irrationally. We will reform, not raze.

As chairman of the Finance Committee, I expect to stand at the forefront of those who seek to redress the relationship between government and an economy it has unfortunately come to dominate in recent years. For 165 years the Finance Committee has overseen the domestic economy and standard of living. Three presidents—and a number of would-be presidents, have served on the Finance Committee. To serve in that position is to join the company of distinguished ghosts. 150 years ago, the committee first gained and then lost control of the entire appropriation process. In our own century, it has surrendered jurisdiction over banking and currency and veterans' benefits to other committees formed expressly for these functions. Even so, Finance continues to hold a powerful hand in the policy game. Legislation under its jurisdiction in 1981 includes all federal tax and tariffs, social security and public assistance programs, unemployment insurance, medicare and medicaid, general revenue sharing and—regrettably—a national debt fast approaching a trillion dollars.

All told, these areas account for nearly half the entire federal budget and in the months ahead, Finance will find itself dealing with reform proposals ranging from welfare changes to capital gains. There will always be room for compromising over details—but no room at all for retreat from basic principles. In 1981 we must be willing to stand up and cast the difficult vote that will insure a viable social security system for future generations of recipients. We must fashion a package of tax reductions that will stimulate productivity, attack inflation at its roots, and create badly needed jobs in the hardest-hit communities of America. We must restore our traditional position on cutting edge of the world market place and begin the process of long-term recovery for the auto and other recession-hit industries. Finally, we must find ways to eliminate waste from the federal budget without abandoning our historic commitment to aiding individuals truly in need.

This is an ambitious agenda. But then, none of us were elected to ruminate about change or ponder progress. We were sent here to make them happen. America has problems in 1981, serious ones. But she has potential that more than matches any or all of them. Insofar as the Finance Committee can help to realize that potential, I am determined that we will do so. In the tradition of chairmen from Henry Clay to Harry Byrd, Sr., to Russell Long. It is an activist legacy that Finance inherits, most recently from my distinguished colleague, the senior Senator from Louisiana, who for 14 years has been virtually synonymous with the committee and its work. I often think that headline makers in this and other cities' newsrooms have a stamp that they use periodically, reading, "Russell Long, powerful Chairman of the Senate Finance Committee, said today . . .".

Senator Long's power derived not from his position with the majority, nor even from his mastery of the legislative process alone—although no one among us has a greater mastery. Over the years he has used his knowledge and his power to shepherd numerous pieces of important legislation through this committee and the Senate itself: major tax bills in 1969, 1971, 1975, 1976, and 1978, trade legislation, social security solvency, and revenue sharing—the legacy of the Long years is an impressive one. This list is the product of a capacious mind, an instinct for compromise, a home-spun humor that casts our work in perspective, and an appealing alliance of fiscal hardheadedness and social compassion. Senator Long has been a leader because of his absolute command of the field of financing, and his absolute professionalism in guiding others less versed than he.

To fill such shoes is yet another challenge—a personal one, a political one. But each of us will confront many such challenges in 1981 and how we meet them will, to use Lincoln's phrase, "Light us down, in honor or dishonor, to the latest generation."

I know my colleagues. I respect you for your ability, your ideas, and your commitment. I know that none of us has a monopoly on wisdom, and I know that all of us have been asked by the American people to put aside politics as usual in this time of economic peril. We will cut taxes in 1981. We will put incentive back into the domestic economy. We will tackle the tough problems of social security and chronically sick industries. We will begin the process of making free enterprise truly free again. Most of all, knowing each of us in this room, I have no doubt that we will meet the challenge of leadership. Our consciences as well as our constituents will accept nothing less. ●

BALTIMORE HOLOCAUST MEMORIAL

● Mr. MATHIAS. Mr. President, on November 2, 1980, the people of Baltimore dedicated the city's holocaust memorial. This memorial, built on an acre of land donated by the Baltimore City Council with funds raised by the Baltimore Jewish Council, was designed by architects Donald Kann and Arthur Valk. Rabbi Herbert A. Friedman, President of the American Friends of the Jerusalem Academy, was the keynote speaker at the dedication ceremony.

Two giant concrete monoliths, representing the brutal force inflicted by the Nazis, lead to the stone memorial which is inscribed as follows:

This memorial represents one city's effort to remember the six million Jews who perished during the Holocaust, to remember a dark period in the history of mankind when the world stood silent as innocent men, women and children were murdered because of their religion.

I hope that the message of this memorial—that we must not forbet the horror of the holocaust lest history repeat itself—will be heard throughout the world.

I ask that Rabbi Friedman's moving evocation of the holocaust be placed in the RECORD.

The material follows:

WHY BUILD THIS WALL?

We have come to this place, filled with the darkness of destruction, seeking to find the light of courage. We have come because of the commandment of accompanying the dead. We accompany these dead to their grave because they went to it alone. And we must forever, for all time, follow them.

Those who are memorialized here were (we) Jews burned in the heat of a thousand ovens—and the world was cold. They gagged in the gas of a thousand chambers—and the world was silent. A million bullets thudded into inert flesh until it was no novelty—and a thousand bulldozers heaved the frozen, starved and mangled bodies into gaping holes in the exhausted earth. The soil could not shriek in protest. It could only accept and swallow the awful refuse. The smoke dissolved in the sky. The ashes were scattered on the winds. The bones disappeared—and when the whole hideous mess was over—mankind was indicted forever. The mark of Cain was burned into the brow, not only of jack-booted Nazis who were the active criminals, but of every single human being on earth who had failed to protest.

Nothing like this has ever happened before in the entire recorded history of the human race. The human animal is a fighting animal—worse than absolutely any other—and the rivers of blood spilt during millenia in wars over land or gold or religion or trade, spilt through torture, and inquisition and gladiatorial combat, spilt through hatred and greed and fear and pride, have been far greater than all the rivers of water on all the continents. But, never in all the fantastic episodes which have marked man's incredible eagerness to harm his brother, has there been one to match the murder of the Jews in the mid-20th century.

Deliberate, calculating, announced long in advance, described in detail, broadcast widely for all to know, and performed in an age when the technical means of communication were such that today's news reached the farthest point on earth by tomorrow, this mass murder was possible not because the victim was willing, but because his neighbor was. The criminal shot in the dead of night—there was no policeman to prevent him—and the neighbors closed their doors and windows in order not to become involved. The victims died—6 million of them—at the hands of two kinds of murderers, active and passive.

There are some who say that the victims themselves must share in the guilt of the crime, for they did not fight back. Especially the young, those born since the holocaust, and the free, those living in Israel and America, have made some savage and biting comments. Asking the question—why did the victims allow themselves to be led like sheep to the ovens?—they imply that there was cowardice or paralysis or some innate weakness. They suggest there was an alternative or a way to escape which the weak-livered Jews of Central Europe were not strong enough or clever enough to employ.

The victims need no defense on this point. It is well known that they fought back in many ghettos—that they joined partisan and resistance groups—that they utilized all sorts of ingenious methods to avoid the enemy. And furthermore, it is historically clear that the long preparatory years of Nazi propaganda, the ceaseless transports from one area to another, the masquerading of death camps as work camps, the morale-cracking effect of hunger, the separation of families, the herding into ghettos and a hundred other devices all designed to confuse, harass and weaken—resulted in the unarmed civilian Jews being an unequal match for the greedy sadism of the Gestapo and the SS.

This place is erected to the memory of those victims. What purpose does it serve? Why build it?

First of all, to cause us to remember the crime. Human memory seeks to erase that which is painful. There cannot be an Eichmann trial to remind every new generation. So there must be symbols, employing poetry, imagery and illusion, to remind us of the harsh reality. This wall is such a symbol. We place it here, right in front of our noses, so that we shall see it as often as possible. It is not put off in some remote park or plaza which might be visited, at best, infrequently. It stands in this sanctuary where multitudes will be confronted by it constantly. We must never allow ourselves to forget the pain and horror it signifies.

Secondly, to cause us to understand the meaning of our existence. We were not accidental victims—but deliberately chosen for the slaughter. Our collective, existential presence in the world is an obstacle to the force of barbarism. So long as we exist, with our moral code and our set of values and our capacity to give birth to additional religions and our beliefs in justice and righteousness, we are a bone in the throat of all those who seek to organize the world differently. The world could not be dominated by Hitlerian philosophy so long as we existed in it. He understood this and kept on trying to destroy us up to his dying day. If he understood it, we certainly should. The wall will remind us of the ideals which must survive if civilization is to endure.

Third, to cause us to know that our fate is largely in our own hands. Almost no one—with some remarkable exceptions—lifted a finger to help us. We can protect ourselves mainly by ourselves. This is the metaphysical interpretation of the creation of the State of Israel within three short years after the destruction of European Jewry. It is almost as though history were saying that a sovereign independent Jewish political and military power was necessary in order to ensure that never again would any portion of world Jewry be defenseless. Should some future attack ever again be launched—and should the rest of the world again stand idly by—a free and independent Jewish commonwealth would rise as a powerful ally to aid the stricken. The wall reminds us that we must do all possible to keep our destiny in our own hands.

Fourth, to cause us to think always of those who stood silently by, and not to bear anger in our hearts against them, but to realize how weak and fragile most men are. Anger is a wasted emotion. The Christian world did not act with Christian love or charity. The Christian veneer proved to be awfully thin. There are some who say that the Christian religion displayed a terrible bankruptcy and impotence in the years of fearful testing. It was found wanting. But what is the sense of our going forward into the centuries ahead merely hating? Rather must we understand that people are morally weak and thus it is all the more imperative for us to maintain our strength and faith in Judaism's eternal role of civilizing mankind.

Fifth, to cause us to know that there is still a great mystery about God—but that, like Job, we must not be discouraged in the search to understand His relationship to man. Many people will look at this wall and it will turn them into atheists for they will not understand why He was silent at Auschwitz and all the other places named here. Others will recall that the religious faith of the victims themselves was not disturbed for they went to the flames singing Ani Ma'amin—I believe with perfect faith. The fact is that God is most often hidden from man—and never more so than during this frightful time of murder. Does He exist? Yes? No? Where was He? Was He powerless? The wall will not provide answers—but at least it will remind us to keep asking the questions. Without that, all is certain to be lost.

So, these are some of the purposes to be served by the building of this wall—to remember the crime; to understand our role as the victim; to develop our independent strength; to be understanding of human weakness; to keep searching for a God to make human life more meaningful.

May the men who built this wall accept our gratitude for their wisdom in doing so; may those of us in this generation who actually experienced the searing agony seek most forcefully to record it and interpret it so that its meaning shall never be lost; and may the anonymous millions of the past memorialized here, inspire the unborn millions of the future to live as Jews should, so that the whole human race can progress to the messianic time when such insane explosions as this will appear to be part of the frenzied infancy of man still not yet in control of himself. When the time finally comes that all men will be truly ashamed of what happened in this century—then we will be able to take down this wall for it will have served its purpose.●

CONTINUING RESOLUTION FOR FISCAL YEAR 1981

● Mr. INOUYE. Mr. President, during our deliberations at the close of the 96th Congress on the continuing resolution for fiscal year 1981 there were three particular Senate amendments that were unfortunately deleted when we accepted the final House proposal, even though the conferees had unanimously approved it during our prior deliberations. Accordingly, I wish today to alert my colleagues to these amendments and urge their timely consideration. In my judgment, none of these is in any way controversial.

The first proposal would have provided $1.54 million under our State and local governments revenue sharing program for the State of Hawaii as a noncontiguous State. The second would have permitted the Department of State to allocate no more than $200,000 to the General Services Administration for expenses incurred for the consultative group on United States-Japan economic relations. Finally the third proposal would have appropriated an additional $2 million for the fiscal year 1981 budget of the National Institute of Handicapped Research with specific report language emphasizing the many unique problems of the Pacific basin region. More specifically, the conferees agreed to language that—

In developing new Research and Training Centers the Department is urged to carefully consider the many unique health and rehabilitation needs of the Pacific Basin. For example, the conferees were distressed to learn that although there is a federal responsibility to provide care, that in the Marshall Islands nearly half of those 50 or over have diabetes; the incidence of childhood leukemia in Ponape and Kosrae is ten times the expected rate; and the incidence of high blood pressure in Guam and the Northern Marianas is 35 percent of those over 30. Further, major drug and alcoholism and adolescent suicide problems exist. Leprosy, yaws, filariasis and other tropical scourges are prevalent. There is also an extreme lack of qualified health/rehabilitation personnel as evidenced that in all of the Trust Territories there is only one registered physical therapist, 14 'expatriate physicians' and 36 Fiji-trained medical officers.

I fully realize that appropriations bills are initiated in the U.S. House of Representatives; however, given the noncontroversial nature of these three provisions, I did want to bring it to my colleagues' attention.●

REPORTING STATE TAX LIABILITY

● Mr. MATHIAS. Mr. President, I shall submit the newly released statement of the tax section of the New York State Bar Association in support of my bill, S. 1688 in the 96th Congress. This legislation is designed to limit the use of the so-called worldwide combined reporting system in assessing State tax liability. My bill brings the States into accord both with the practices of the Federal Government in taxing foreign source corporate income and with internationally accepted taxing procedures.

The statement of the New York Bar Association was not prepared in time to be included in the record of the hearings held on the bill before the Finance Committee last summer on June 24. Since I intend to reintroduce an amended version of S. 1688 at the earliest opportunity in the 97th Congress, I commend this paper to my colleagues for its lucid explanation of the problems addressed by my bill, and the need to enact it quickly.

I submit for the RECORD the statement of the New York Bar Association.

The statement follows:

STATEMENT IN SUPPORT OF S. 1688

(Before the Committee on Finance Subcommittee on Taxation and Debt Management)

The Tax Section of the New York State Bar Association submits the following statement in support of S. 1688.

On two prior occasions, the Tax Section has submitted reports on interstate taxation Bills to this Committee and other committees of the Congress.[1] These reports address comprehensive Bills and state the views of the Tax Section on a variety of subjects. The Tax Section continues to believe that the enactment of comprehensive Federal legislation is desirable to alleviate major problems concerning matters of jurisdiction, division of income and related corporations. Although S. 1688 is limited in scope and, therefore, does not contain solutions to some of these problems, the Tax Section supports the Bill as an important first step which proposes a sensible solution to the major problems in a sensitive and troublesome area of state taxation—the taxation of foreign commerce. For the reasons set out in the following paragraphs, the Tax Section believes that prompt action by the Congress on S. 1688 is justified and should not be delayed by reason of further attempts to gain a consensus with respect to a more comprehensive proposal.

The decision of the Supreme Court in the *Michelin*[2] case in 1976 overturned the "original package" doctrine and extended the power of the states and their political subdivisions to tax imported goods in their original packages while stored in warehouses waiting further shipment. This decision caused renewed interest in the taxation of foreign commerce by the states and their political subdivisions, culminating in an effort by the State of California to tax foreign owned and operated aircraft. The potential disruptive effects of this action and the possibility of retaliation by foreign governments caused the Solicitor General to file a brief for the United States as Amicus Curiae in *Japan Line, Ltd.*[3] At issue in this case was a property tax imposed by the County of Los Angeles on cargo containers belonging to Japanese shipping corporations and used exclusively in foreign commerce.

The Supreme Court's decision in favor of Japan Line is in large part attributable to its concern over the implications of the case for harming international relations as demonstrated by California's threatened action with respect to foreign owned aircraft.

The negotiation and ratification of a new tax convention between the United States and the United Kingdom brought to the attention of foreign governments the practice of some states of imposing a worldwide unitary system on foreign businesses with United States subsidiaries. A provision contained in the convention, later reserved by the Senate, provided that a state of the United States may not take into account, for income tax purposes, the income of a foreign corporation not doing business in the state if it is part of an affiliated group controlled by a United Kingdom corporation. The opposition of the states successfully defeated this attempt to restrict state taxation of foreign commerce, but it was agreed by both sides to the controversy that the matter was one for the Congress to address.[4] Accordingly, the problem was left unresolved and is today a very serious one for the trading partners of United States corporations.

On March 19, 1980, the Supreme Court handed down its decision in *Mobil Oil Corporation* v. *Commissioner of Taxes of Vermont*, a case in which state taxation of dividends received by a United States corporation from subsidiaries and affiliates organized and doing business in foreign countries was at issue. The Court held that Vermont was not precluded from taxing its proportionate share of these dividends, but declined to pass on the propriety of the apportionment scheme used by Vermont to determine its taxable share of the income. This and other questions were left unanswered by the decision.

Certainly the states will attempt to extend their taxing powers over foreign source dividends as far as permitted by the Court. This will result in numerous law suits in which courts will be asked to fashion apportionment schemes for corporations which receive large amounts of dividend income from foreign corporations. The judicial process, however, is designed to decide issues on a case-by-case basis and is poorly suited to the task of designing a scheme of interstate taxation. In the past, the Court has demonstrated a reluctance to involve itself in technical apportionment questions and has declined to review cases in which disparate treatment by states has resulted in duplicative taxation.[5] The Tax Section believes that there will be many instances of overreaching and unfair apportionment by the states if these matters are left to the judiciary. At the very least, there will be a long period of uncertainty and uneven treatment of United States corporations doing business overseas.

In 1973, the Subcommittee on State Taxation of Interstate Commerce of the Senate Committee on Finance held hearings on comprehensive proposals regarding state taxation of interstate and foreign commerce.[1] The stated purpose of these hearings was to focus upon realistic solutions to the thorny issues involved in state taxation of interstate commerce and, in so doing, to bring about a consensus among the states and business interests as to the contents of any Federal legislation. Since that time, no consensus has evolved that would support comprehensive legislation and no proposal has been enacted by the Congress.

S. 1688 focuses exclusively on the taxation of multinational businesses by the states and their political subdivisions. The first part of the Bill (proposed § 7518(a)) would, for purposes of imposing an income tax on a corporation, prohibit the states or their political subdivisions from taking into account, through worldwide combination or any other method, the income of foreign affiliates, unless that income is includable in the corporation's taxable income for Federal tax purposes. The second part of the Bill (proposed § 7518(c)) prescribes a partial or complete exemption for dividends received by United States corporations from foreign subsidiaries. The amount of the exemption is determined by a formula which is intended to limit state taxation of foreign dividends to the part which is effectively subject to Federal income tax. Since the Federal system of taxing intercorporate dividends is designed to avoid double taxation, the effect of the Bill would be to similarly limit state taxation. Both parts of the Bill would treat a domestic corporation as a foreign corporation where the income of the domestic corporation is predominately foreign source income.

S. 1688 deals with matters of extreme importance to foreign governments, to investments by foreign businesses in the United States, to investments in foreign countries by United States businesses and to the ability of United States businesses to compete in world markets. S. 1688 simplifies the tax laws applicable to foreign commerce and significantly reduces the risk of duplicative taxation. Traditionally, the Tax Section has stood for conformity of state and Federal tax laws as essential to simplification and for measures that prevent duplicative taxation. Accordingly, the Tax Section supports S. 1688. An analysis of the two major provisions of the Bill and a more detailed statement of the reasons for the Tax Section's support are set out in the following section of this statement.

PROHIBITION OF WORLDWIDE COMBINED REPORTING

In order to understand the prohibition of worldwide combination contained in S. 1688, it is necessary to describe the present system of state taxation of interstate corporations. States impose their income taxes on corporations doing business within and outside their borders by using an apportionment formula. The formula is applied to the corporation's taxable income base in order to arrive at the portion of the base against which the state's tax rate will be applied in order to determine the amount of tax due the state. The formula used in all but two states is composed of three factors: property, payroll and receipts. Most apportionment formulas represent the average of the fractions developed by dividing property located in the state by property everywhere, wages paid to employees located in the state by local wages and receipts from sales delivered to or services performed for customers in the state by total receipts. The factors are intented to reflect the income producing activities of the corporate taxpayer, and thus represent a fair measure of the portion of the corporation's entire income which is earned in the state and subject to tax by the state.

The so-called unitary theory as applied by a number of states ignores the separate corporate entity and treats an affiliated group of corporations engaged in phases of a single business as a unit for purposes of determining the taxable income base and the factors of the apportionment formula. In this manner, the income of affiliated corporations and their factors are taken into account in determining the income tax liability of the corporation (or corporations) subject to tax in the state. The process by which this is accomplished is called a combined report. In this report the taxable income of all of the affiliated corporations is combined and income from intercorporate transactions is eliminated. The factors (property, payroll and receipts) of the entire group are combined and the resulting fraction is ap-

Footnotes at end of article.

plied to the combined base. This computation determines the amount of income subject to tax by the state. If more than one member of the affiliated group is subject to tax in the state, the tax liability determined by the above method is divided between them in relation to their factors (property, payroll and receipts) located in the state. "Worldwide combination" refers to the procedure of taking the income and factors of foreign affiliates into account in constructing a combined report.

In the tax law there are two major theories of tax base division of a multinational business. They are the separate entity theory and the unitary theory. The separate entity approach treats each corporate member of the affiliated group which comprises the multinational enterprise as a separate taxpayer. The members are treated as if they were unrelated separate entities for the purpose of determining income from intercompany transactions. This approach requires the determination of arm's-length prices for goods and services sold or provided by one member to another. On the other hand, it avoids in most instances the need for allocating a tax base to a particular taxing jurisdiction because, as a general rule, each corporate entity conducts its business in only one country. There are many compelling non-tax reasons for a business to confine its activities to its home jurisdiction and to operate in foreign countries through foreign subsidiaries.

The unitary approach treats each member of an affiliated group as a part of a single enterprise. Accordingly, no income is realized until there is a sale to or other transaction with an unrelated party. Losses suffered by an affiliate are set off against the profits of other affiliates. The unitary approach recognizes the fact that there are economies of scale and reduced transaction costs in an affiliated organization. Even where no direct transfers are made, centralized managerial control over a group of affiliates may produce efficiencies in management, in raising capital, in obtaining quantity discounts and in advertising. In addition, diversification of risk creates potential savings even where there are few similarities between affiliates. Political and economic power may stem from large size alone regardless of the degree of compatibility between the affiliates. In short, there is a synergistic effect with respect to an affiliated group of corporations.

Since the tax base under the unitary theory is comprised of the combined incomes of the affiliated group of corporations, a means must be devised for dividing this base among national (or state) taxing jurisdictions. As stated above, the most common method used by the states is a three-factor formula composed of property, payroll and receipt factors. The efficacy of this apportionment scheme rests on the assumption that each element of the individual factors of the formula produces essentially the same profit. This is seldom the situation with respect to multinational groups of corporations doing business in widely separated parts of the world where wages, productivity, property values and cost of money differ greatly.

Neither the separate entity approach nor the unitary approach reflects the structure of multinational businesses or the way in which they produce income in all cases. Some multinational corporate groups are highly interrelated and interdependent while others are not.

The separate entity approach is not appropriate when a multinational corporate group is highly integrated and interdependent. On the other hand, the unitary approach is not appropriate where separate units are separately run and there is little interdependence and few intercompany transactions, but wide divergencies in profitability.

Each theory falls short of satisfying all of the tests of sound tax policy; i.e., ease of administration, certainty, neutrality and the avoidance of duplicative taxation. Proponents and opponents of S. 1688 have catalogued the arguments for and against each theory, but the practical force of any depends largely upon the particular case in which it is to be applied. The fact remains that there is insufficient data and analysis to determine conclusively which approach is more reflective of economic realities as a general rule.

The Tax Section believes that in supporting or opposing S. 1688 it is pointless to argue the relative merits of the separate entity or unitary approach to the taxation of multinational corporations. Under S. 1688, the states may tax all income, under either system, to the extent that the income is includable in the corporation's gross income for Federal tax purposes. Accordingly, under S. 1688 the states would be limited, in taxing foreign income, to the income taxable under the Internal Revenue Code and the practices of the Internal Revenue Service. If the Code should be amended or the Service change its practices, an entirely different result would occur under the provisions of the first part of S. 1688. The point at issue with respect to S. 1688 is the need for state tax laws to be in conformity with Federal tax laws with respect to the taxation of foreign commerce.

The Tax Section believes that there are compelling arguments in support of a Bill which retains flexibility in the choice between a unitary or separate entity approach but leaves that choice to the Federal Government. The Federal 46 percent tax is the larger tax, and it is reasonable to assume that the structure of this tax will reflect the tax policy considerations of the principal taxing body and the business interests involved. The resources available to the Federal Government for study and research greatly exceed those of the states. More importantly, the Federal Government is more sensitive to and concerned about the meshing of United States' tax policy and the tax policies of other governments. The Federal Government is the proper governmental body to deal with the governments of foreign countries in resolving the problem of duplicative taxation.

Most countries trading with the United States follow the separate entity theory in assigning income for tax purposes. Until this situation changes, the states would greatly enhance the risk of duplicative taxation by pursuing the unitary theory.[7] Pressures on the Federal Government to minimize the risk of duplicative taxation by following the separate entity theory will indirectly prevent the states from double taxing income of multinational businesses.

On the other hand, there is no basis for permitting the states to pursue a different approach than that used by the Federal Government. For the states to follow a different approach on the ground that it is better than the Federal approach would be highly questionable and would add an additional element of complexity as well as enhance the risk of duplicative taxation. In addition, the departure from the Federal approach by the states would, to some degree, counteract the anticipated effects of Federal tax policies with respect to the taxation of income from foreign operations.

EXEMPTION FOR FOREIGN SOURCE DIVIDENDS

The second part of S. 1688 permits the states to tax dividends received by a United States corporation from foreign subsidiaries only to the extent they are taxed by the Federal Government. The objective of the provision is the same as that discussed above in regard to the unitary approach—the prevention of double taxation.

Footnotes at end of article.

The taxation of intercorporate dividends creates a troublesome duplicative taxation problem which is exacerbated when the corporations involved are under common ownership. The taxation of dividends paid by a subsidiary to a parent corporation subjects a single economic gain to duplicative taxation and discriminates against those business enterprises that find it impracticable to operate in other than a multicorporate form by requiring them to bear a disproportionate share of the tax burden.

Therefore, there is no economically sound reason for subjecting earnings of affiliated corporations to more than one tax prior to their distribution to noncorporate shareholders.

S. 1688 would correct the single most serious problem of duplicative taxation created by state corporate income tax laws; that is, the taxation of intercorporate dividends paid by foreign subsidiaries to United States corporations. In order to understand how this state tax problem came about, it is necessary to describe the Federal method of taxing intercorporate dividends.

The Federal tax law provides for a deduction of 85% of dividends received from a domestic corporation and of 100% of dividends received from a domestic subsidiary (with certain minor exceptions). No deduction is provided for dividends received from a foreign corporation not engaged in trade or business in the United States. The multiple tax burden is mitigated with respect to dividends from foreign subsidiaries by means of the allowance of a foreign tax credit for income taxes paid by the foreign subsidiary. In computing this credit, the amount of earnings and profits actually distributed in the form of dividends by a foreign subsidiary must be increased (or "grossed-up" under Section 78 of the Internal Revenue Code) by the amount of foreign income tax paid by the foreign subsidiary with respect to those earnings and profits. This entire amount is subject to Federal tax, but credit is allowed the United States corporation for the foreign taxes paid by the foreign subsidiary. In effect, the foreign tax is deemed to have been paid by the United States corporation and the distributed earnings of the subsidiary are treated as if they had been earned directly through a branch.

Of the 44 states which impose a corporate net income tax, 17 follow the Federal rule with respect to the deduction for dividends received from a domestic subsidiary and 7 exempt all such dividends from tax. Three states allow a deduction based on different ownership percentages than required by the Federal tax law. In each instance, the deduction does not depend on whether the earnings being distributed have been subjected to tax by the state taxing the dividends or any other state. The remaining states tax dividends from domestic corporations to a greater degree than the Federal Government, but only 5 states provide no deduction of any kind.[8]

On the other hand, 27 states tax intercorporate dividends received from foreign subsidiaries and 17 states tax the Section 78 grossed-up dividends reflecting foreign income taxes already paid. The tax on the Section 78 "grossed up" amount is particularly troublesome because this amount is not an actual distribution to the taxpayer corporation, but merely a mechanism for claiming the credit for foreign taxes.

The reason for this widespread incidence of duplicative taxation is that most states have adopted the Federal tax law definition of taxable income as a starting point for determining state taxable income and parallel the Federal rule of including foreign source dividends in the income base, but then do not follow the second part of the Federal rule (allowance of some type of credit for foreign taxes) which is the basis for foreign source dividends being included in the Federal income base in the first place. In addition, it would be impractical for the states to grant corporations a foreign tax credit because tax rates of many foreign countries which are major trading partners of the United States are higher than state tax rates.

The less favorable treatment accorded dividends received from foreign subsidiaries in state income tax laws is particularly troublesome for United States multinational business enterprises. Generally, business enterprises can operate in a single corporate form within the United States without serious adverse affects. Accordingly, the taxation of intercorporate dividends from domestic subsidiaries can be avoided by businesses operating in the United States. On the other hand, doing business in a foreign country through a branch organization may give rise to serious non-tax problems, and foreign operations are therefore generally conducted through separate subsidiaries.

S. 1688 recognizes the need for different treatment of dividends received from foreign subsidiaries under Federal and State tax laws, and for State income tax purposes equates the Federal tax credit to an exemption. The exemption is limited to dividends paid out of earnings that have been taxed by a foreign government. Accordingly, the States are permitted to tax the same portion of income which the Federal Government effectively taxes.

Example

1. Amount of dividend actually received	$115
2. Grossed-up dividend to reflect a 23 percent foreign tax rate	$150
3. Foreign taxes paid (23% × $150)	$35
4. Grossed-up dividend × 46 percent	$70
5. Item 3 dividend by Item 4 (percent)	$50
6. Excluded portion of dividend ($150 × .50	$75

There may be some technical difficulties with the formula in the bill, but the theory is logical and sound. The Tax Section supports the principle that dividends from foreign subsidiaries should not be subject to tax by the States to the extent that the earnings out of which they are paid have been taxed by foreign governments.[9]

If Congress is to fulfill its role of protecting and encouraging interstate and foreign commerce, corporations organized under the laws of a state of the United States should be protected from duplicative taxation by the States at least to the same degree that they are protected from duplicative taxation at the Federal level.

In opposing Federal legislation, representatives of State interests have attempted to justify a State tax on dividends received by a non-domiciled corporation doing business in the State from a non-domiciled corporation doing business entirely outside the State by drawing an analogy to the Federal tax law. Their analogy is faulty on two counts. It ignores the credit allowed by the Federal statute for income taxes paid to foreign governments on the earnings out of which the dividends are paid. Moreover, except in rare and unusual cases, the Federal Government does not require a corporation organized under the laws of a foreign country which engages in business within the United States (a) to pay any tax on dividends received from other foreign corporations or (b) to pay tax at the regular corporate rate on dividends from United States corporations.

If the states were to adopt the Federal scheme of intercorporate dividend taxation, they would provide for a deduction from income of 85% or 100% of dividends received from corporations subject to tax in the state. With respect to dividends received by domiciled corporations from non-domiciled subsidiaries, they would provide for a tax credit for taxes paid to other states by the subsidiaries. Only in rare situations would they tax dividends received by a non-domiciled corporation doing business in the state from other non-domiciled corporations. Unquestionably, this is not the present scheme of state taxation of intercorporate dividends and is not what the states want in the way of Federal legislation.

Some argue that S. 1688 favors foreign investment over domestic investment by limiting state taxation of dividends received from foreign corporations. Although this is an argument for limiting state taxation of all intercorporate dividends, at the present time most states follow the Federal rule with respect to the taxation of dividends received from United States corporations.[10] If a preference exists, therefore, it has been created by the Federal tax law and that is where corrective action should be taken. Tax policy in this area should be the same at all levels of government, whether perceived to be good, bad or indifferent. In this instance, the Tax Section believes that the policy underlying the Federal treatment of intercorporate dividends is a sound one.

The larger part of the dividends exempted by S. 1688 is from foreign subsidiary corporations. If worldwide combination were used to determine and assign income of United States corporations, these dividends would be eliminated in the construction of the combined report. From the standpoint of many United States corporations with foreign subsidiaries, the burdensome tax consequences of worldwide combination are not as great as those which would result from taxing dividends received from their foreign subsidiaries. Accordingly, a Bill which prohibits worldwide combined reporting but does not protect dividends received from foreign subsidiaries from duplicative taxation is unacceptable. In resolving one problem, it would create a more serious one.

Intercorporate dividends present unique tax problems because they are not paid to the ultimate owners of the business enterprise and the payor is not allowed an offsetting deduction. The Federal tax law recognizes these unique problems and, for the most part, deals with them. There is no reason to believe that the Federal Government is unable or unwilling to adopt sound tax policies in resolving these problems. If the states are permitted to ignore the problems or seek their own solutions, the tax law will be less equitable, or more complex, or both. In the case of foreign source dividend taxation, therefore, conformity of state and Federal tax laws is not only a meritorious goal in its own right, but accords with sound tax policy.

TECHNICAL COMMENTS

1. Section 7518(c) contains a narrow definition of "affiliated group" which would exclude a number of multinational corporate groups. There is no apparent reason to confine the definition to chains of corporations connected through stock ownership with a common parent corporation. It is suggested that the definition of "affiliated group" contained in Section 1563(a) of the Internal Revenue Code be used except that 50 percent ownership instead of 80 percent ownership be required.

2. The denominator of the exclusion fraction in Section 7518(c)(2)(A)(b) is 46 percent, which is the nominal federal corporate income tax rate. It may be appropriate to include an additional percentage to reflect an average state corporate income tax rate in order to better maintain neutrality between the treatment of domestic and foreign dividends.

3. Section 7518(d) treats certain domestic corporations as foreign corporations. The staff of the Joint Committee on Taxation has prepared a description of H.R. 5076 (a companion Bill to S. 1688) for the use of the Committee on Ways and Means in which it states that Domestic International Sale Corporations (DISCs) would be treated as foreign corporations by virtue of subsection 7518(d) and thus not includable in a combined report. (p. 19) While the Tax Section agrees with the staff of the Joint Committee that there is no justifiable reason for prohibiting the states from including the income of DISCs in combined returns, the Tax Section submits that subsection 7518(d) does not have the effect attributed to it by the staff of the Joint Committee. Subsection 7518(d) treats domestic corporations as foreign corporations if under section 861(a)(2)(A) dividends received from such corporations would not be treated as income from sources within the United States. Section 861(a)(2)(A) does not include DISCs. DISCs are included in section 861(a)(2)(D). Therefore, S. 1688 does not treat DISCs as foreign corporations and they can be included in a domestic combined report.

4. Section 7518(e) provides for the deduction allowed by section 243 with respect to dividends received from a domestic corporation described in section 7518(d). In many instances, a 100 percent deduction of the dividends received from such a domestic corporation will be allowed and will act to insulate from state taxation all foreign source income generated by assets placed in the domestic subsidiary. The Tax Section suggests that section 7518(e) be revised to exempt dividends of a domestic corporation described in section 7518(d) to the same extent that they would be exempt if they were received from a foreign corporation.

FOOTNOTES

[1] "Proposals For Improvement of Interstate Taxation Bills (H.R. 1538 & S. 217)", reproduced in 25 *The Tax Lawyer* 433 (1972) and "Supplemental Proposals for Improvement of Interstate Taxation Bills", reproduced in 27 *The Tax Lawyer* 213 (1974).

[2] *Michelin Tire Corp.* v. *Wages*, 423 U.S. 276 (1976).

[3] *Japan Line, Ltd.* v. *County of Los Angeles*, 441 U.S. 434 (1979).

[4] *See* "Dear Colleague" letter of Senators Mathias, Talmadge, Huddleston and Morgan dated October 26, 1979.

[5] For example, see *Kennecott Copper Corp.* v. *State Tax Commission*, 27 Utah 2d 119, *cert denied*, 93 S. Ct. 323 (1972); and *Commonwealth* v. *Emhart Corp.*, 443 Pa. 397, 278 A. 2d 916, *cert denied*, 92 S. Ct. 451 (1971).

[6] State Taxation of Interstate Commerce, Comm. Print, 93d Cong., 1st Session (1973).

[7] Substantially the same arguments were used in support of the Tax Section's appraisal of provisions regarding foreign source income in interstate taxation Bills before Congress in 1971 and 1973. (27 Tax Lawyer at 228–9).

[8] "A Study of the Income Tax Treatment Afforded Dividend Income by the Individual States". Report dated January 1980 of The Committee on State Taxation, Council of State Chambers of Commerce, 400 S. Capital St., S.W. Washington, D.C. 20003.

[9] This position is reflected in the earlier report of the Tax Section on interstate taxation Bills. (27 Tax Lawyer at 228–230).

[10] See above at page 16.

COUNTING OF THE ELECTORAL VOTE

● Senator MATHIAS. Mr. President, on behalf of the tellers on the part of the Senate, I wish to report on the counting of the vote for President and Vice President.

The state of the vote for President of the United States, as delivered to the President of the Senate, is as follows:

The whole number of electors appointed to vote for President of the

United States is 538, of which a majority is 270.

Ronald Reagan, of the State of California, has received for President of the United States 489 votes.

Jimmy Carter, of the State of Georgia, has received 49 votes.

The state of the vote for Vice President of the United States, as delivered to the President of the Senate, is as follows:

The whole number of electors appointed to vote for Vice President of the United States is 538, of which a majority is 270.

George Bush, of the State of Texas, has received for Vice President of the United States 489 votes.

WALTER F. MONDALE, of the State of Minnesota, has received 49 votes.●

CZECHOSLOVAK SOCIETY OF ARTS AND SCIENCES

● Mr. MATHIAS. Mr. President, the Czechoslovak Society of Arts and Sciences held its 10th World Congress in Washington at Georgetown University in October 1980. The 1,600 members of this Society are dedicated to the principles of free search for truth and knowledge and free dissemination of ideas. Their 10th Congress brought together scholars from all over the world who are interested in the promotion of Czechoslovak culture.

The Society was founded by Czechoslovak intellectuals who fled an oppressive society that had violated their human rights and cultural and scholarly freedom. They were joined by artists, scientists and scholars of many nationalities who share their interest in preserving Czechoslovak culture and traditions.

Since its founding in 1958, the Society has remained nonpartisan. Their belief that culture and freedom are inseparable transcends political differences. Senators will be interested in the Society's efforts to protect the inviolable right of cultural freedom, and so I ask that a statement on the activities and history of the Society be printed in the RECORD.

The statement follows:

CZECHOSLOVAK SOCIETY OF ARTS AND SCIENCES TENTH WORLD CONGRESS MEETS IN WASHINGTON, D.C.

The Czechoslovak Society of Arts and Sciences will hold its Tenth World Congress at Georgetown University in Washington, D.C. from October 17–20, 1980. The Congress is another important milestone in the Society's history. The first Congress of the Society, in 1962, was also held in the capitol city. 1980 marks twenty years from the meeting of the Society's first General Assembly in 1960 and the third decade of the Society's existence.

The members of the Society, who are mostly college professors, researchers, artists, musicians and writers, come from the ranks of political refugees who escaped from Czechoslovakia after the Nazi occupation of 1939, after the Communist coup of 1948, or after the invasion of the Warsaw pact powers in 1968. Many of them came to the United States and other countries of the Western world to regain their basic human rights. They joined together in the Society for the purpose of advancing Czechoslovak culture, research and scholarship in an atmosphere of freedom which is conducive to such pursuits. They were joined in their efforts by American-born artists and scientists and scholars of other nationalities who share a genuine interest in Czechoslovak culture and traditions.

THE CZECHOSLOVAK SOCIETY OF ARTS AND SCIENCES: ITS HISTORY AND AIMS

The first Czech refugees from religious persecution by the Hapsburg counter-reformation during the Thirty Years' War of 1618–48 arrived in New York, then New Amsterdam. The most prominent among them was Augustin Herman, later known as Lord of Bohemia Manor. During the 18th century many Moravian Brethren immigrated to this country and established the Moravian Brethren Church of America, with centers in Bethlehem, Pennsylvania and in Winston-Salem, North Carolina. Starting from the 1860's, many Czech and Slovak immigrants came to settle in America, looking for a better life in the New World. Before 1930, however, it was rare for a university professor, writer or artist to leave Czechoslovakia for permanent settlement abroad.

Then came World War II. The Nazi onslaught precipitated the emigration or escape of 20,000 persons. Among these exiles at least one fourth were intellectuals. At the end of the war, some returned to Czechoslovakia. Many, however, remained in the United States, Canada, England, France and other Western countries. A still greater exodus began in 1948 after the February Communist coup in Czechoslavakia. In the decade following that coup, over 60,000 people escaped to the West. It is estimated that about one tenth of these emigres, some 6,000 were intellectuals, scholars and professional people. Most of them found their way to the United States, Canada and Australia, while a few hundred established themselves in Western Europe and various countries in Central and South America, Asia and Africa. In the 1950's it became increasingly difficult for Czechs and Slovaks to emigrate from Czechoslovakia, either legally or by illegal crossing of the border, and the influx of Czech and Slovak refugees into the United States was reduced to a trickle. The situation changed in August 1968, after the liberalized Dubcek regime was crushed by the invasion of the powers of the Warsaw Pact. Another large exodus followed, largely consisting of intellectuals, some of whom were admitted to the United States or Canada. Only this time a majority of the refugees stayed in Western Europe.

During the fifties, intellectuals who had managed to leave Czechoslovakia and gain permanent residence in the United States, increasingly felt the need to maintain and further develop Czechoslovak culture. In Czechoslovakia, history was being rewritten as if Orwell's "1984" had been advanced by thirty years, and the writings of past and present Czech and Slovak authors were on the proscribed lists. In 1958, a group of scholars, led by the late Prof. Vaclav Hlavaty, a mathematician at the University of Indiana and Dr. Jaroslav Němec of the National Library of Medicine, began to organize these intellectuals throughout the world into the Czechoslovak Society of Arts and Sciences in America.

The Society is known among Czechs and Slovaks as SVU, an abbreviation of its name in the Czech and Slovak languages. Those living in the Western world welcomed its establishment enthusiastically and have supported it loyally for the past twenty two years. Comments in the controlled press of Czechoslovakia range from outright condemnation to reluctant acknowledgment of the Society's significance. From its inception the Society has maintained its nonpolitical character and refused to become an instrument of the so-called cold war. The membership, of course, is opposed to any totalitarian ideology of either the left or of the right, being fully aware that culture and freedom are inseparable.

SOCIETY ACTIVITIES

The organization from the beginning embarked upon an ambitious publishing program. Also, the Society held its first nationwide congress in April 1962 in Washington, D.C. Since that time, the Society's congresses have been held biannually at Columbia University, New York University, Cleveland State University, Georgia Washington University, and now again at Georgetown University where already two previous congresses were held. Interim congresses have been held in Switzerland, Ottawa, Canada and Los Angeles, California.

OFFICERS AND MEMBERSHIP

The present membership of the Society is close to 1600. Dr. Jan F. Triska of Stanford University is president. He is assisted by four vice presidents: Dr. William E. Harkins of Columbia University; Mr. Stanley J. Marsik of NASA-Lewis Research Center; Dr. Ladislav Matejka of the University of Michigan; and Dr. Milan Trpis of Johns Hopkins University. Secretary General of the Society is Dr. Vera Borkovec of The American University. Mr. Herbert Naylor, formerly with the U.S. National Library of Medicine, is treasurer of the Society. Dr. Jaroslav Pechacek, formerly with Radio Free Europe, is the chief editor of the society's newsletter Zpravy SVU.

The Society has local chapters in Washington, D.C.; New York City; Albany, New York; Cleveland, Ohio; Chicago, Illinois; Los Angeles and San Francisco-Bay area in California; Montreal, Ottawa, Toronto and Vancouver in Canada; Vienna, Austria; London, England; Geneva, Switzerland; Sydney and Melbourne, Australia; Wellington, New Zealand; and Pretoria, South Africa. Apart from its biannual congresses in the United States, the Society held its first European Conference at Horgen near Zurich in June 1970; a second European conference was held at Interlaken, Switzerland, September 17–19, 1976; an interim conference was held in October 7–9, 1977 in Ottawa, Canada; and a symposium in Los Angeles, California was held October 26–27, 1979.

Members of the Society are teaching at about 100 colleges and universities in the United States and Canada, as well as in Western Europe. Inquiries about the Society should be directed to the Secretary General, Dr. Vera Borkovec, 12013 Kemp Mill Road, Silver Spring, Maryland 20902, USA.●

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 4:28 p.m., recessed, subject to the call of the Chair.

The Senate reassembled at 4:52 p.m., when called to order by the President pro tempore.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, the distinguished minority leader has very generously suggested that we might recess the Senate subject to the call of the Chair in order to accommodate the possibility that the Democratic Caucus might be in a position to make certain representations to us in respect of the business of the Senate on tomorrow.

The commitments that have to be kept on this side of the aisle in particular make it impractical for us to wait much longer before the recess of the Senate.

I have notified the minority leader of what I am about to do, and it is agreeable with him.

RECORD OPEN UNTIL 5:30 P.M. TODAY

Mr. BAKER. Mr. President, before I ask consent to recess the Senate, I ask unanimous consent that the RECORD of today be held open until 5:30 p.m. for insertion of statements and the introduction of bills and resolutions.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I inquire of the Chair, was there a statement the Chair wished to make as a Senator from the State of South Carolina at this point?

The PRESIDENT pro tempore. Not at this time.

Mr. BAKER. I thank the Chair.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, and pursuant to the order previously entered, I move that the Senate stand in recess until the hour of 10:30 a.m. tomorrow.

The motion was agreed to; and at 4:54 p.m., the Senate recessed until Tuesday, January 20, 1981, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate January 15, 1981, during the recess of the Senate, under authority of the order of the Senate of January 6, 1981:

MISSISSIPPI RIVER COMMISSION

Maj. Gen. William Edgar Read, 240-28-5658, United States Army, to be a member and President of the Mississippi River Commission, under the provisions of section 2 of an act of Congress, approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642).

IN THE ARMY

The following officer for appointment as a Reserve commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Van Hinson, 529-34-0771.

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 110, United States Code, sections 3442 and 3447:

To be brigadier general

Col. Bernardo Loeffke, 054-32-9568, Army of the United States (lieutenant colonel, U.S. Army).

Col. John H. Moellering, 308-38-5095, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert F. Molinelli, 518-28-4074, U.S. Army.

Col. Albin G. Wheeler, 236-50-2073, Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Potts, 415-42-9888, Army of the United States (lieutenant colonel, U.S. Army).

Col. Bruce R. Harris, 310-34-2711, U.S. Army.

Col. Orren R. Whiddon, 464-52-8938, Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald J. Delandro, 433-48-7552, U.S. Army.

Col. Gerald H. Bethke, 394-28-0626, Army of the United States (lieutenant colonel, U.S. Army).

Col. John J. Yeosock, 206-30-1111, Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald S. Pihl, 547-50-0453, Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Sweet, 271-36-6865, U.S. Army.

Col. James W. van Loben Sels, 551-42-6602, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert E. Wagner, 226-42-3959, Army of the United States (lieutenant colonel, U.S. Army).

Col. Houston P. Houser, III, 570-46-0568, Army of the United States (lieutenant colonel, U.S. Army).

Col. Peter M. Dawkins, 385-32-5002, Army of the United States (lieutenant colonel, U.S. Army).

Col. Jerome B. Hilmes, 330-26-3043, Army of the United States (lieutenant colonel, U.S. Army).

Col. William H. Gourley, 152-36-6155, U.S. Army.

Col. Ronald W. Zeltman, 114-28-2047, Army of the United States (lieutenant colonel, U.S. Army).

Col. Burton D. Patrick, 253-52-6854, Army of the United States (lieutenant colonel, U.S. Army).

Col. Isaac D. Smith, 438-46-0213, U.S. Army.

Col. Ronald M. Holdaway, 520-32-2954, U.S. Army.

Col. Henry G. Skeen, 252-44-4379, U.S. Army.

Col. Fred Hissong, Jr., 284-28-4894, U.S. Army.

Col. Thurman D. Rodgers, 408-48-2175, Army of the United States (lieutenant colonel, U.S. Army).

Col. Sidney T. Weinstein, 153-30-0633, U.S. Army.

Col. James R. Taylor, 453-58-8810, Army of the United States (lieutenant colonel, U.S. Army).

Col. Rocco Negris, 035-20-2592, U.S. Army.

Col. Stephen R. Woods, 415-53-0442, U.S. Army.

Col. Forrest T. Gay III, 263-44-4145, U.S. Army.

Col. Jackson E. Rosier, Jr., 237-44-5741, Army of the United States (major, U.S. Army).

Col. Lee D. Brown, 318-26-5179, U.S. Army.

Col. James E. Shelton, 139-26-0026, Army of the United States (lieutenant colonel, U.S. Army).

Col. Lynn H. Stevens, 528-42-3069, Army of the United States (lieutenant colonel, U.S. Army).

Col. Harry D. Penzler, 487-28-0680, U.S. Army.

Col. Robert W. Pointer, Jr., 543-34-8064, Army of the United States (lieutenant colonel, U.S. Army).

Col. Walter W. Kastenmayer, 113-30-8987, Army of the United States (lieutenant colonel, U.S. Army).

Col. George R. Robertson, 256-50-8463, Army of the United States (lieutenant colonel, U.S. Army).

Col. Jack D. Woodall, 265-50-0929, Army of the United States (lieutenant colonel, U.S. Army).

Col. Curtis F. Hoglan, 432-44-3754, U.S. Army.

Col. Mildred E. P. Hedberg, 171-34-8390, U.S. Army.

Col. Edwin M. Aguanno, 122-40-5324, U.S. Army.

Col. James Piner, Jr., 532-32-6066, Army of the United States (lieutenant colonel, U.S. Army).

Col. Eugene R. Cromartie, 266-44-1206, Army of the United States (lieutenant colonel, U.S. Army).

Col. William S. Carpenter, 196-28-4948, Army of the United States (major, U.S. Army).

Col. Jere L. Hickman, 413-38-9035, U.S. Army.

Col. Carlton P. Weidenthal, 280-28-4795, U.S. Army.

Col. Donald C. Hilbert, 099-34-3355, U.S. Army.

Col. James C. Cercy, 143-28-8159, Army of the United States (lieutenant colonel, U.S. Army).

Col. Harry E. Soyster, 178-28-9857, Army of the United States (lieutenant colonel, U.S. Army).

Col. Joe J. Breedlove, 256-52-5304, Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald E. Eckelbarger, 161-34-4977, Army of the United States (lieutenant colonel, U.S. Army).

Col. Johnnie H. Corns, 234-56-4012, Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas A. Sands, 410-64-1086, Army of the United States (lieutenant colonel, U.S. Army).

Col. Ray H. Lee, 516-26-6773, U.S. Army.

Col. Cecil N. Neely, 453-46-5556, Army of the United States (lieutenant colonel, U.S Army).

Col. Robert G. Lynn, 195-24-4473, U.S. Army.

Col. Fred E. Elam, 431-56-1959, Army of the United States (major, U.S. Army).

Col. Robert D. Morgan, 063-28-0863, U.S. Army.

Col. Anthony A. Smith, 224-52-4563, Army of the United States (lieutenant colonel, U.S. Army).

Col. Ellis D. Parker, 409-46-5615, Army of the United States (lieutenant colonel, U.S. Army).

Col. Roy M. Strom, 356-30-8564, U.S. Army.

Col. William F. Burns, 161-28-1517, U.S. Army.

EXTENSIONS OF REMARKS

YOUTH UNEMPLOYMENT

HON. TED WEISS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, I am reintroducing two pieces of legislation which would effectively eliminate one of the most disturbing and ominous social concerns facing our Nation—an enormously high rate of youth unemployment.

The first of these bills, the Youth Employment Act of 1981, would create an effective program of full employment, vocational training, and job placement for all young Americans in need of work.

Although both the Carter administration and the Congress have made important and commendable commitments to job initiatives for young persons, the extent of the problem is such that further and more comprehensive efforts are urgently required. Indeed, only a very small proportion of all jobless youngsters are currently being assisted by any Federal work or training project. The persistence of unemployment rates for all youngsters in the 17-percent range and for black youth at a level twice as high should be sufficient proof that we must do more and that we must do it quickly.

The Youth Employment Act of 1981 seeks to insure, through a variety of mechanisms, full utilization of all public and private employment and training programs.

The bill will move the Nation toward full employment for all persons in the 16 to 24 age bracket by creating within the Department of Labor a national Youth Full Employment Board. This body will work with the Secretary of Labor and prime sponsor planning councils to achieve a significant reduction in the employment differential among various population groups and to place larger numbers of currently jobless young people in productive work positions.

The legislation stipulates that within 1 year of its enactment the overall joblessness rate for all American youngsters must not exceed 10 percent. Likewise, the bill requires a further reduction to an unemployment rate of 3 percent within 2 years of its passage and to genuine full employment by the third year. Jobs must, at the end of this period, be supplied within a reasonable period to all young people who are able and willing to work, the legislation states.

These objectives will be accomplished through the provision of financial assistance to the States, localities, private and nonprofit organizations, and the Youth Job Guarantee Office which is also established under the legislation. The funds will be used for job training and job placement in public service and private employment projects.

The Youth Job Guarantee Office, to be situated within the Department of Labor and in every participating locality, will direct the placement and eligible individuals in job slots. Any youngster facing "special handicaps"—for example, discrimination based on race, sex, physical handicap, or other factor—shall be given special consideration for placement in training or work.

A carefully delineated process for actual placement is also proposed under the legislation. Eligible individuals will be referred first to private and public employment placement units, then to jobs in public service or private employment projects, and finally, if a job is unavailable in either of these sectors, to a position that will be created under the legislation.

I believe, Mr. Speaker, that this legislation will move our Nation toward the eradication of unemployment among young people. The bill devises an effective and cost-efficient strategy for securing our economic future. There are few goals of greater importance to our Nation, and I hope that this Congress will begin to lead the country toward that reality.

The second piece of legislation would expand the targeted tax credit for job hiring. As currently constituted, the tax credit provides $3,000 in first-year savings to employers who hire an individual who fits into one of seven categories. My legislation expands one of these categories to include economically disadvantaged young persons, age 16 to 18, who are attending school. According to the most recently available Department of Labor statistics, some 1.7 million youngsters may potentially qualify for tax-credited hiring.

The legislation also amends the Comprehensive Employment and Training Act to allow certification and referral of youngsters to jobs under this program. The bill would encourage hundreds of thousands of young people to remain in school by enabling them simultaneously to complete their educations and to enhance family income.

Taken together, these two bills will successfully address the awesome and debilitating problem of youth unemployment. I strongly urge all my colleagues to join me in sponsoring this legislation and in working toward a full employment future for our Nation.

The following is a section-by-section analysis of the Youth Employment Act of 1981:

The first section is a statement of the purpose of the act: to establish a program of full employment, vocational training and employment placement for all young Americans willing and able to work. The second section states that although the rate of youth unemployment is excessively high, the efforts in this area have been insufficient. Members of a newly established National Youth Full Employment Board in the Department of Labor will work with the Secretary of Labor and prime sponsor planning councils towards two major objectives. These objectives are to reduce the differentials in employment rates among various population segments, and the rate of unemployment for all youths. Within one year of enactment, the unemployment rate must be at 10%, at 3% within two years, and within three years, jobs must be supplied for all youths who want to work within a reasonable period.

These objectives will be accomplished by the provision of financial assistance to states, localities, private and non-private organizations and the youth job guarantee office, which is established in the following section. The funds will be used for training, and placement in public service and private employment projects. The youth job guarantee office established in the Department of Labor, and every locality under section four, will ensure that eligible individuals will be placed in a job. Section five provides that any person who may face "special obstacles", for example discrimination based on sex or race, physical handicap and so on, will be given special consideration. This section establishes certain financial and auditing procedures. Under this section, eligible individuals will be referred first to private and public employment placement facilities, then to jobs on public service and private employment projects, and finally, if no job is found then placement will be made under this act.

Section 6 is a Davis-Bacon provision. Section 7 provides that none can be excluded because of discrimination; section 8 is the enforcement clause. Section 9 is an authorization of such sums as needed for fiscal years, 1982, 1983, 1984. Section 10 states that the CETA prime sponsor planning council shall place projects for assistance which provide public service and private employment. Section 11 defines the terms used in this Act.

H.R. 931

A bill to amend the Internal Revenue Code of 1954 and the Comprehensive Employment and Training Act to provide for the eligibility of certain in-school youth for, and for the certification and referral of such youth to, jobs under the targeted jobs tax credit program

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Section 51(d)(3) of the Internal Revenue Code of 1954 (relating to the amount of credit for employment of certain new employees) is amended to read as follows:

"(3) ECONOMICALLY DISADVANTAGED YOUTH.—

"(A) IN GENERAL.—The term 'economically disadvantaged youth' means any individual—

"(i) who is certified by the designated local agency as—

"(I) meeting the age requirements of subparagraph (B), and

"(II) being a member of an economically disadvantaged family (as determined under paragraph (9)); or

"(ii) who is certified by a prime sponsor under section 113 of the Comprehensive Employment and Training Act as—

"(I) meeting the age requirements of subparagraph (C),

"(II) being in regular attendance at a public or private elementary or secondary school, and

"(III) being a member of an economically disadvantaged family (as determined under paragraph (9)).

"(B) GENERAL AGE REQUIREMENTS.—An individual meets the requirements of this subparagraph if such individual has attained age 18 but not age 25 on the hiring date.

"(C) IN-SCHOOL YOUTH AGE REQUIREMENTS.—An individual meets the requirements of this subparagraph if such individual has attained age 16 but not age 19 on the hiring date.".

(b) The amendment made by subsection (a) of this section shall apply to amounts paid or incurred after September 30, 1981, in taxable years ending after such date with respect to individuals who are first hired after such date.

SEC. 2. (a) Section 103(a) of the Comprehensive Employment and Training Act is amended—

(1) by redesignating paragraphs (20) and (21) as paragraphs (21) and (22), respectively; and

(2) by inserting after paragraph (19) the following new paragraph:

"(20) include a description of the arrangements entered into under section 113 for the certification of in-school youth for jobs under the targeted jobs tax credit provisions of section 51 of the Internal Revenue Code of 1954;".

(b)(1) Part A of title I of the Comprehensive Employment and Training Act is amended by adding after section 112 the following new section:

"CERTIFICATION OF IN-SCHOOL YOUTH

"SEC. 113. (a) Each prime sponsor, upon the application of any individual who meets the requirement of section 51(b)(3)(A)(ii) of the Internal Revenue Code of 1954, shall provide to such individual certification of such eligibility and shall refer such individual to employers who have notified the prime sponsor of their willingness to participate in programs of employment which would qualify such employer for tax credits pursuant to the provisions of section 44B of such Code. Any such certification shall be withdrawn, and the employer so notified, upon receipt by the prime sponsor of notice under subsection (b) that such individual has failed to continue to be enrolled in and to regularly attend the classes conducted by a public or private elementary or secondary school.

"(b) Each prime sponsor shall enter into arrangements with public and private elementary and secondary schools in the area served by that prime sponsor (or with the local educational agencies administering such schools) under which the prime sponsor will be notified of the failure of any youth who has been certified under subsection (a) to continue to be enrolled in and to regularly attend the classes conducted by such school.".

(2) The table of contents of the Comprehensive Employment and Training Act is amended by inserting immediately after the item pertaining to section 112 the following new item:

"Sec. 113. Certification of in-school youth.".

(c) The amendments made by this section shall be effective October 1, 1981.

H.R. 924

A bill to establish a program of full employment, vocational training, and employment placement for all young Americans willing and able to work, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Employment Act of 1981".

SEC. 2. The Congress finds that—

(1) the national rate of unemployment among youths is excessively high;

(2) the number of youths who have ceased to seek employment because of insufficient job opportunities is unprecedented; and

(3) employment problems faced by youth have not been adequately addressed by the Federal Government.

SEC. 3. (a) The Secretary shall establish a program to (1) provide financial assistance to States, political subdivisions of the States, and private for profit or nonprofit organizations established under section 109 of the Comprehensive Employment and Training Act, through the Youth Job Guarantee Office established under section 4 of this Act, in each labor market area of the country, for programs of training and employment in jobs on public service and private employment projects, for eligible individuals, and (2) provide special assistance to those eligible individuals who apply for such assistance, in accordance with the provisions of this Act.

(b) There is hereby established in the Department of Labor a National Youth Full Employment Board, to be composed of members appointed by the Secretary who shall include a majority of representatives from labor, civil rights, youth, and women's organizations, chosen from among nominees submitted by these organizations, which shall advise the Secretary with respect to the program under subsection (a).

(c) In carrying out the program under subsection (a) in any labor market area, the Secretary shall consult with the Board, and with the prime sponsor's planning councils established under section 109 of the Comprehensive Employment and Training Act which are located located in that labor market area.

(d)(1) The Secretary, in carrying out his functions under this Act shall seek to reduce differentials in employment rates among various population segments.

(2) The Secretary shall carry out his functions under this Act in such a way that, within one year of the date of enactment of this Act, the rate of unemployment among youths aged sixteen to twenty-four, inclusive, in any political subdivision of any State shall not exceed 10 per centum of the total labor force in such subdivision; within two years of the date of enactment of this Act, the rate of unemployment among youths aged sixteen to twenty-four, inclusive, in any political subdivision of any State shall not exceed 3 per centum of the total labor force in such subdivision; and within three years of the date of enactment of this Act, jobs should be supplied for all youths aged sixteen to twenty-four, inclusive, within a reasonable period.

SEC. 4. There is hereby established in the Department of Labor a Youth Job Guarantee Office, to be headed by a Director to be appointed by the Board, through which the Secretary shall carry out the program under section 3(a), in order to ensure that any eligible individual who applies for assistance under this Act shall be placed in useful and rewarding employment in a job on a project assisted under this Act or in other private or public employment. The Secretary shall establish a local office of the Youth Job Guarantee Office in each State.

SEC. 5. (a) In carrying out the program under section 3(a) through the Youth Job Guarantee Office, the Secretary shall, under regulations established by the Secretary—

(1) insure that among projects planned adequate consideration is given to such individuals and groups as may face special obstacles (as defined in section 11(6) of this Act) in finding and holding useful and rewarding employment and shall provide or have provided through the coordination of existing programs special assistance, including counseling, training, and, where necessary, transportation and migration assistance;

(2) enter into agreements with any agency or organization described in section 3(a) for public service and private employment projects to be administered by such agency or organization, and such agreements shall provide for assurances that (A) an annual independent audit of the project will be submitted to the Secretary, through the Youth Job Guarantee Office, (B) books and records of such agency or organization relating to the project shall be available for reasonable review by the Secretary through such Office, (C) no eligible individual employed or applying for employment on the project shall be discriminated against because of that individual's sex, race, color, religion, national origin, political affiliation, or belief, (D) applicable provisions of chapter 15 (relating to political activity of certain State and local employees) of title 5, United States Code, will be met, (E) an annual report describing and evaluating in detail the project will be submitted to the Secretary through such Office, and (F) the provisions of section 6 will be complied with;

(3) in the case of any application from any State or any political subdivision of a State to enter into an agreement under paragraph (2), require that the application contain—

(A) assurances that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, funds received under this Act,

(B) assurances that any woman employee on such a project shall be entitled to a maternity benefit of not less than six-months' leave without loss of pay or other employment benefits, and

(C) such other information as the Secretary deems necessary,

and approve any such applications which meets the requirements of subparagraphs (A) through (C);

(4) refer any eligible individual who applies in person for assistance under this Act, as appropriate (A) to private and public employment placement facilities, (B) for placement in jobs on public service and private employment projects conducted under any other Act and assisted under section 3 of this Act, or (C) in the event that, after attempting placement under clauses (A) and (B) for a period of five days after the date of the individual's application for assistance, there is not a high probability that successful placement for the individual will occur, then placement will be made in a program under section 3; and

(5) in cases where the Secretary, through the Youth Job Guarantee Office, determines on the basis of evidence obtained with respect to any otherwise eligible individual, that the individual is not in fact able or willing to work (and no such determination shall be based upon an individual's failure to work under any circumstances where such failure results from an unlawful employment practice prohibited by section 703 of the Civil Rights Act of 1964), declare that individual to be ineligible for assistance under this Act, and provide for appropriate administrative appeal procedures to review such determination if any appeal is sought within thirty days thereafter, which shall include procedures for the enrollment of that individual in the Job Corps, as provided in paragraph (3)(B), while such appeal or any judicial review of such determination is pending.

(b)(1) Any agreement entered into under subsection (a)(2) shall provide for reimbursement by the Secretary of the additional cost to the agency or organization described in section 3(a) of the public service or private employment project administered by such agency or organization.

(2) Any individual referred to a program under this Act shall be deemed to meet the eligibility requirements for such program.

Sec. 6. (a) All laborers and mechanics employed by contractors or subcontractors in any construction, alteration, or repair (including painting and decorating) on projects which are assisted under this Act, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary in accordance with the Davis-Bacon Act (40 U.S.C. 276–276a–5), or those of trade union standards, whichever is higher. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934 (40 U.S.C. 276(c); 48 Stat. 948).

(b) The Secretary, through the Youth Job Guarantee Office, shall not enter into an agreement under section 5 unless the Secretary, through such Office, determines that—

(1) prevailing or trade union standards, whichever is higher, for the health, safety, and other conditions applicable to the performance of work and training on the project to be assisted are established and will be maintained;

(2) appropriate workmen's compensation protection will be provided for employees on this project;

(3) the project will not result in the displacement of employed workers or impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed;

(4) no employee shall be paid less than the prevailing or union wage, whichever is higher, in effect in the area; and

(5) all employees shall receive compensation (A) that bears a positive relationship to their qualifications, experience, and training, and (B) that will effectively encourage them (from an economic standpoint) to advance to other employment.

Sec. 7. No person shall, on the ground of race, color, religion, age, sex, national origin, political affiliation or belief, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving financial assistance under this Act.

Sec. 8. The district courts of the United States shall have jurisdiction over any action brought seeking relief, including injunctive, declaratory, and other appropriate forms of relief as well as damages, by any person or by any class of persons deprived of rights created by or under this Act, which rights shall include, but not be limited to the right to useful paid employment at the rate of compensation provided by this Act, and any person or class of persons who has been so deprived by the United States shall be entitled in an action brought against the United States to recover damages, together with costs and reasonable attorney's fees.

Sec. 9. There are authorized to be appropriated for each of fiscal years 1982, 1983, and 1984, such sums as may be necessary to carry out the provisions of this Act.

Sec. 10. Section 109 of the Comprehensive Employment and Training Act is amended by adding at the end thereof the following new subsection:

"(g) In addition to its functions and responsibilities under subsection (a), each planning council shall—

"(1) identify local needs for additional youth employment opportunities, and, under guidelines established by the Secretary under the provisions of the Youth Employment Act of 1981, shall select and plan projects for assistance under such Act which shall provide public service and private employment (as such term is defined in section 11(2) of such Act) for young Americans; and

"(2) under standards, criteria, and guidelines established by the Secretary under the Youth Employment Act of 1981, monitor and evaluate projects assisted under such Act.".

Sec. 11. For purposes of this Act—

(1) the term "Secretary" means the Secretary of Labor;

(2) the term "public service and private employment", when used with respect to a project, means any project providing new or expanded goods or services to the public, which reflects the needs and desires of the local community served by the project, and may include any project providing social services, community health services, day care facilities, legal aid, public transportation, housing, recreation, cultural activities, sanitation, and environmental improvements;

(3) the term "Board" means the National Youth Full Employment Board established under section 3(b);

(4) the term "eligible individual" means any individual aged sixteen to twenty-four, inclusive, who is able and willing to work but who is not employed and who is unable to obtain employment other than by assistance under this Act;

(5) the term "able and willing to work", when used with respect to an individual, means any individual who, by application in person at a Youth Job Guarantee Office established under section 4, or at any regional office thereof, seeks assistance under this Act in obtaining a job, regardless of any visual, motor, or hearing impairment, mental retardation, or other handicap;

(6) the term "special obstacle", when used with respect to an eligible individual's efforts to find or hold useful and rewarding employment, includes past or present discrimination of bias on the basis of sex, color, religion, or national origin, physical or mental handicap, past or present receipt of public assistance, residence in a depressed urban or rural geographical area, past or present status as a member of the Armed Forces of the United States, unemployment resulting from relocation, closing, or reduced operations of industrial or military facilities, and such other special obstacles as the President or the Congress may from time to time designate for such purpose;

(7) the term "political subdivision" means any city, county, town, parish, village, or other general purpose political subdivision of a State; and

(8) the term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and Trust Territory of the Pacific Islands.●

AGE DISCRIMINATION IN EMPLOYMENT ACT AMENDMENTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, I am reintroducing with my colleague from California, Mr. WAXMAN, two amendments today to the Age Discrimination in Employment Act. I believe that this legislation is necessary to clarify ambiguities left by the 1978 amendments—Public Law 95–256—and a Supreme Court interpretation that runs contrary to congressional intent.

The first amendment, to section 15 would insure that Federal employees who are covered by the act have the same right to a jury trial as nonfederal employees. While it was never our intent to exclude Government workers in the 1978 amendments. Federal defendants have argued that Congress withheld this right. Although no Federal employee has, as of now, been denied a jury trial, I believe that the intent of the act must be clarified to preclude such a possibility.

The second amendment permits individual complainants to bypass State remedies and file directly in Federal court. The Supreme Court ruled 2 years ago in Oscar Mayer & Co. against Evans that in States where such remedies are available, resort to them is mandatory and not optional. Now after an individual files charges with a State agency, a 60-day waiting period must be observed before Federal action can be commenced.

At the very least, complainants will be delayed 60 days. And there is of course the possibility that plaintiffs who are unfamiliar with this requirement could jeopardize their entire suit. I believe that complainants should not have to defer their Federal action in favor of State procedures unless they voluntarily choose to do so. Such a process is contrary to the purpose of the act which provides that disputes be rapidly adjudicated. By restating our intent more clearly we can insure that older workers will at least have their complaints heard on the merits quickly and not sidetracked or dismissed on procedural technicality.

Mr. Speaker, I believe that these amendments will successfully address any ambiguities in the 1978 amendments which are a result of drafting language, rather than congressional intent, I hope that our colleagues will join Mr. WAXMAN and me in support of this legislation.

A copy of the bill is printed below:

H.R. 935

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 14(b) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 633(b)) is amended by striking out "no suit may be" and all that follows through "*Provided,* That such" and inserting in lieu thereof the following: "any person who desires to bring a suit under section 7 of this Act may bring such suit without regard to whether any proceedings have been commenced by or on behalf of such person under the State law. If such person commences any proceeding under the State law before bringing a suit under section 7 of this Act, then such person may not bring any such suit under section 7 of this Act before the end of the period of sixty days following the commencement of proceedings under the State law, unless such proceedings have been earlier terminated. Such".

Sec. 2. Section 15(c) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 633a(c)) is amended by adding at the end thereof the following new sentence: "The provisions of section 7(c)(2) of this Act shall apply in the case of any action brought under this subsection.".●

WORKING TOWARD A BALANCED BUDGET

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. BEARD. Mr. Speaker, today I am reintroducing a joint resolution calling for a constitutional amendment that would require a two-thirds vote of each House of the Congress to pass a budget resolution which calls for deficit spending.

In the last 51 years, the Federal budget has been in deficit 42 times. The total amount of this deficit is a staggering $684.1 billion. This half-century of fiscal irresponsibility by the Federal Government is directly responsible for the serious trouble our economy is now experiencing. For the last decade we have suffered chronic inflation which is now running at double-digit rates. Attempts to cure this inflation by forcing recession have succeeded only in spreading the misery of unemployment along with the persistent inflation.

Currently, the Federal Reserve is allowing the prime interest rate to skyrocket by holding down the money supply. The interest rates leap upward because the Federal Government invades the credit markets to borrow to pay for its deficit. Whatever credit is left to private sector borrowers is priced high through the rise in interest rates.

Calls for the Federal Reserve to simply roll back interest rates are simplistic and miss the mark of finding a real and permanent solution. The only real and permanent solution to chronic inflation and wildly fluctuating interest rates is for the Federal Government to end its half-century record of constant overspending. A balanced budget must become a reality, not an ideal which is invoked only at election time.

There have been various proposals to effect an end to perpetual deficit spending. It should be clear by now that merely depending on Congress to show voluntary restraint—regardless of which party controls—is useless. The new budgetary process which was hailed only a few years ago as the solution has yet to achieve a single balanced budget.

I do not wish to drop this budgetary process. I do want to require—through the Constitution—that if this budget process is not going to result in a balanced budget, then two-thirds of both Houses must agree.

I believe that this approach is more workable than an amendment simply mandating a balanced budget or holding spending to a certain percentage of the gross national product. My amendment allows for deficit spending whenever there is a clear consensus that it is needed, such as during wartime. Nor does it require the difficult and controversial process of determining just what the GNP was and for what time period. My amendment would simply require that whenever the Congress takes the economically dangerous step of spending in deficit, it does so only as the result of broad consensus, not a mere 50 percent plus one majority. This approach admittedly will not guarantee a balanced budget, but it will create the constitutional framework within which a balanced budget will be far more likely to be achieved, not just this year, but every year. Yet, it also leaves the Congress the flexibility to meet emergency situations as they occur.●

KREMLIN STEPS UP ITS 4-YEAR ASSAULT ON BALTIC DISSIDENTS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. DERWINSKI. Mr. Speaker, 40 years ago on June 14, 1940, the Soviet Union began to execute its policy of expansionism in the Baltic States of Estonia, Latvia, and Lithuania; and today, these small nations remain under the iron-fisted control of Soviet totalitarianism. Continued political repression shown in the arrest, trial, jailing, and often forced exile or emigration for those dissidents advocating freedom of human rights, religion, and speech remains a reminder of the true attitude of the Soviet Union toward Baltic nationalism.

An article which appeared in the January 5, Christian Science Monitor, by David K. Willis, provides a first-hand look at the treatment of those dissidents who are advocating their basic human rights. This article follows:

NEWEST TRIAL OPENS TODAY; ONE CHARGE: "PREFABRICATED LIES"

Moscow.—Moving faster than expected, the Kremlin has intensified its drive against sensitive Baltic nationalism by putting on trial two well-known dissidents in the Republic of Estonia.

The trials, set to open Jan. 5 in the Estonian capital of Tallinn, continue a four-year assault by Soviet authorities on all kinds of dissent in this country—an assault that has resulted in the arrest, trial, jailing, internal exile, or forced emigration of more than 450 dissidents of all kinds, whether advocating human rights or nationalism or religion.

The crackdown represents the Kremlin's answer to the hopes raised by the Helsinki Final Act of August 1975. The act provided a platform for dissident activity. Today, dissidence continues, but both individual dissidents and their spokesmen have been dealt heavy blows.

On trial now are biologist and language teacher Mart Niklus, who capped two decades of dissident protest by signing a "Baltic appeal" for independence from Moscow in August 1979, and scientist Juri Kukk, who was a member of the Communist Party for 12 years but resigned after comparing Soviet life with conditions in France, where he spent a year in the mid-1970s.

Mr. Niklus' parents (he is unmarried), Mr. Kukk's wife, and others in Tallinn and the university city of Tartu, where both men live, had expected trials to come in about a month from now.

They are surprised at the speed with which they are being held. The two men are being tried together, this newspaper has been told, but on different charges. Both are weak from prolonged hunger strikes.

Mr. Niklus faces up to 10 years in camps under Article 68 of the Estonian penal code,

which prohibits spreading anti-Soviet propaganda. He was arrested March 19, 1980, in Tartu, after being fired from a job teaching English, French, and German at the Evening School of Foreign Languages here.

Mr. Kukk, arrested last March 13 in Tartu under Article 194, Section 1, of the code, faces three years in camps for spreading "prefabricated lies." He and his wife, Silvi, have a son aged 12 and a daughter aged 8.

Sources say verdicts of guilty are inevitable.

Niklus has been fighting the authorities since he graduated from the university of Tartu in 1957. The following year he sent abroad 15 photographs of Estonian slums, and was sentenced to 10 years in camps. He was released after eight.

In 1976 he tore up his Soviet passport after more harassment and was arrested again. He started a hunger strike and was mysteriously released after 56 days.

Harassment began again after he and 44 other Baltic dissidents signed the "Baltic appeal" in August 1979, the 40th anniversary of the Molotov-Ribbentrop pact that opened the way for Soviet troops to march into Estonia, Lithuania, and Latvia.

Baltic independence from Moscow is simply not possible in the foreseeable future, but yearning for it smolders on, especially in Estonia and Lithuania. Signers of the "appeal" have been systematically harassed: Mr. Niklus lost his job, two others were also fired, and others questioned.

The authorities were also angry at Niklus and Kukk for releasing to this newspaper in January 1980 an open letter to Soviet leader Leonid Brezhnev and UN Secretary-General Kurt Waldheim condemning the Soviet invasion of Afghanistan. The two men also asked the International Olympic Committee to move the 1980 Moscow Olympics to another country.

Several hundred students staged a public demonstration on Christmas Eve 1979 in Tartu, singing patriotic songs. In October 1980 encouraged by strikes in neighboring Gdansk in Poland in August, about 1,000 Estonian workers in a tractor factory in Tartu struck for two days.

Also in October, 2,000 students demonstrated in Tallinn, waving the Estonian national flag (now banned) and calling for Soviet troops to leave Estonia. The students were upset, in part, at official refusal to allow a local pop group, Propeller, to sing at half time at a soccer match because of a dispute over some of the lyrics.

After several more demonstrations, Estonian parents were lectured in schools to discipline their children properly.

Mr. Kukk was first arrested in late January 1980 after talking to this correspondent in a car on Moscow's main ring road. He was held for three days and escorted by police back to Tartu.

A mild-mannered, gentle chemist, he told me he was astonished at the official campaign against him after he resigned from the Communist Party in 1978.

"I thought I could just concentrate on my work at Tartu university," he said before his arrest. "Instead, my wife was told I would have to undergo psychiatric treatment. I lost my job. I was detained in Moscow—and I really began to see how the KGB operates. I really hadn't known anything about the KGB before. Now I do."

Since his arrest, Kukk has been in psychiatric institutions in Tallinn and Moscow, but sources say doctors were unable to prove he was mentally disturbed.

Meanwhile, the Kremlin campaign against other dissidents in the Soviet Union has continued recently, with several trials and jail sentences.●

STATEMENT ON PRIVACY OF TELEPHONE RECORDS LEGISLATION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1980

● Mr. WEISS. Mr. Speaker, in recent months there have been a number of reports that the Department of Justice has subpenaed the telephone toll records of newspaper reporters without the knowledge or consent of the reporters. In no case did it appear that the reporters or the newspapers were suspected of any crime. Even Justice Department officials involved in the subpenas called the Department's actions a misjudgment, in violation of the spirit of Department regulations, and something that the Department absolutely ought not to do.

After revelation of this activity, the Department changed its regulations to provide some protection for the news media from compulsory process for its telephone toll records. While these regulations represent a first step in the protection of telephone toll records, they do not and cannot go far enough to protect the privacy of this increasingly sensitive category of records. The regulations offer only a modicum of protection for the privacy of reporters and offer no protection for the privacy of others. The necessary protection can only come through Federal legislation.

Americans believe that they have a right to conduct their private affairs by telephone without fear of Government surveillance, and we have long recognized the need for protection of the content of telephone conversations. Telephone toll records can provide information about a citizen's social, business, and political contacts that can be just as sensitive in many cases as the content of the conversations. This is more true today than ever before, principally because of the extension of usage-sensitive pricing of telephone services to local as well as long distance service. This requires the recording by the telephone company of the number called along with the date, time, place, and duration of call.

In order to protect telephone toll records from unwarranted intrusion, I am today introducing the Federal Privacy of Telephone Records Act.

The bill restricts disclosure of an individual's telephone toll records by the telephone company. It permits access by Government agents only through use of a subpena or through an ex parte court order. If a subpena is employed to gain access to the records, the Government must notify an individual that it is seeking his records. After he is notified, the individual may go to court and challenge the request for his records.

Where the Government believes that notice to the individuals will harm its investigation, it may apply for a court order similar to the order required to tap a phone. The procedures in the bill for access to toll records, however, are less restrictive than those of the current wiretap statutes. In particular, the showing that the Government must make to obtain an order is one of reasonable cause—a standard less than the probable cause required for a search warrant but more than an allegation, suspicion, or mere belief. At the same time, the bill's requirements for obtaining an order for telephone records are substantially higher than the showing which is required to sustain a subpena or similar form of legal process.

Besides giving an individual the right to challenge a subpena for his records, the bill establishes civil liabilities of its provisions.

Finally, the bill provides strict limitations on the subsequent use and redisclosure of telephone toll records obtained by a Government agency, insuring that the records will not simply become information available for general Government use.

I urge my colleagues to join me in supporting this legislation to protect reporters and other citizens from unnecessary Government encroachments on their privacy.

The bill follows:

H.R. 933

A bill to amend the Privacy Act of 1974 and the Communications Act of 1934 to provide for the protection of telephone records, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Privacy of Telephone Records Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the right to privacy is a personal and fundamental right protected by the Constitution of the United States;

(2) the records of telecommunications provide independent documentation of communications which, before the advent of the telephone, were considered uniquely private in character;

(3) our current legal system severely restricts access to the contents of telecommunications;

(4) the mere fact of a communication is often as revealing as the content;

(5) increasingly sophisticated telecommunications technologies permit and encourage telecommunications common carriers to keep records of the existence, date, location, time, and even parties to telecommunications; and

(6) the unprotected nature of records of the fact of a telecommunication endangers the privacy of American citizens and chills the exercise of individual rights.

(b) The purposes of this Act are—

(1) to protect the privacy of telecommunications records from unwarranted disclosure; and

(2) to limit intrusion into personal privacy even where disclosure to government is deemed appropriate.

AMENDMENT TO TITLE 5, UNITED STATES CODE

SEC. 3. Section 552a of title 5, United States Code, is amended by inserting after subsection (q) the following new subsections:

"(r)(1) TELEPHONE RECORDS.—The head of each agency which maintains telephone record information (as defined by section 225(a)(6) of the Communications Act of 1934) shall designate an officer of supervisory rank in the agency to serve as telephone record custodian and shall promulgate regulations as necessary to carry out the provisions of this paragraph and paragraph (2). The telephone record custodian shall—

"(A) take possession of all telephone record information possessed or acquired by the agency;

"(B) be responsible for the use and disclosure of all such information;

"(C) cause the preparation of any copies of the information to the extent required for official use pursuant to the provisions of this paragraph or paragraph (2) and regulations adopted pursuant thereto;

"(D) not disclose any telephone record information except in accordance with paragraph (2);

"(E) upon the completion of—

"(i) the investigation for which telephone record information was acquired by the agency, or

"(ii) a case or proceeding arising from the investigation,

return to the person who produced the record all material which has not passed into the control of a court or grand jury through introduction into the record of a case or proceeding.

When any telephone record information has been produced by a person under this section for use in an investigation, and no case or proceeding arising therefrom has been instituted within a reasonable time after completion of the examination and analysis of all evidence assembled in the course of the investigation, such person shall be entitled, upon written demand made upon the head of the agency, to the return of all telephone record information produced by the person.

"(2) An agency, or any officer or employee thereof, shall not disclose any telephone record information (as defined by section 225(a)(6) of the Communications Act of 1934) to any person or make a copy of any telephone record information except—

"(A) with the written consent of the customer (as defined by section 225(a)(1) of such Act) to whom the telephone record information pertains;

"(B) to an attorney for the United States for the presentation of a case or proceeding before a court or grand jury on behalf of the United States which arose out of the investigation for which the telephone record information was acquired, when the attorney designated to appear on behalf of the United States in the proceeding or case determines that disclosure is required, but upon the conclusion of any such case or proceeding, the attorney shall return to the custodian any telephone record information which has not passed into the record of the case or proceeding; or

"(C) at the written direction of the head of the agency, to a Government authority of the United States authorized by statute or Executive order to conduct foreign intelligence or counterintelligence activities solely for the purpose of conducting such activities.".

AMENDMENT TO COMMUNICATIONS ACT OF 1934

SEC. 4. The Communications Act of 1934 is amended by inserting after section 224 the following new section:

"TELEPHONE RECORDS

"SEC. 225. (a) For purposes of this section:

"(1) The term 'customer' means any person or authorized representative of such person who is subscribing or has subscribed to the services of a service provider.

"(2) The term 'Government authority' means any agency, department, bureau, or other authority of the Federal Government, or of any State, commonwealth, territory, or possession, or any political subdivision thereof, or any officer, employee, or agent of any of the foregoing.

"(3) The term 'intercept' means to acquire telephone record information at any time from initiation to completion of a telephone call, telegram, or similar message, through the use of any electronic, mechanical, or other device.

"(4) The term 'service provider' means any common carrier or other person who provides telecommunications transmission services within the territory of the United States, including any operator of a cable television or cable radio system. Such term does not include any person engaging in television or radio broadcasting.

"(5) The term 'telecommunication' means any telephone call or other transmission, emission, or reception of signs, signals, writings, images, and sound or intelligence of any nature by wire, radio, optical, or other electromagnetic systems.

"(6) The term 'telephone record information' means any information, other than the contents of a communication, which makes it possible to determine the existence, date, time, location, or parties involved in any telephone call or in any other telecommunication, including information recorded by means of a pen register or similar device.

"(b)(1) No service provider or its officers, employees, or agents shall disclose telephone record information or grant permission for an intercept of such information, except—

"(A) to a Government authority as provided by subsection (c); or

"(B) pursuant to the specific authorization of the customer identified by the telephone record.

"(2) Nothing in this section prohibits a service provider from disclosing telephone record information to its employees or agents to the extent necessary as a part of its provision of services.

"(3) Nothing in this section prohibits the disclosure of any telephone record information which is not identified with, or identifiable as being derived from, the telephone records of a particular customer.

"(c) A service provider may disclose telephone record information or may permit an intercept of a telecommunication for the purpose of obtaining telephone record information—

"(1) pursuant to the provisions of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.);

"(2) pursuant to a court ordered response to a summons or subpena which was issued under the requirements of subsection (d);

"(3) pursuant to a court order obtained under the provisions of subsection (e) and subsection (f); or

"(4) pursuant to the emergency provisions of subsection (g).

"(d)(1) A supervisory officer of a Government authority designated by regulation by the head of such authority may authorize or seek the issuance of an administrative summons or subpena or a judicial summons or subpena in order to obtain telephone record information from a service provider.

"(2) A customer, to the extent that telephone record information sought under this subsection relates to his subscribed services, shall—

"(A) be served with a copy of any summons or subpena issued pursuant to paragraph (1), or have a copy mailed to his last known address on or before the date on which the summons or subpena is served on the service provider, together with a notice of the customer's right to challenge the summons or subpena, in accordance with subparagraph (C) and subparagraph (D);

"(B) be permitted ten days from the date of service or fourteen days from the date of the mailing to reply to the summons or subpena;

"(C) be permitted to file (without filing fee) a motion to quash or otherwise limit the summons or subpena—

"(i) in the case of a judicial subpena, in the court which issued it;

"(ii) in the case of any other subpena or summons issued by a government authority of State, in a court of competent jurisdiction; or

"(iii) in the case of any other summons or subpena issued by a government authority of the United States, in the United States district court in the district where the customer resides, in the district in which the summons or subpena was issued, or in any other court of competent jurisdiction; and

"(D) be permitted to oppose, or seek to limit, the summons or subpena on any grounds which would otherwise be available if the customer were in possession of the information.

"(3) A court may order disclosure of telephone record information pursuant to a summons or subpena issued under paragraph (1) if—

"(A) a customer fails to initiate a challenge to the summons or subpena within the time limits established by paragraph (2)(B); or

"(B) the court determines, after the customer is afforded an opportunity to challenge the summons or subpena pursuant to paragraph (2), that—

"(i) there are reasonable grounds to believe that the information will be relevant to an investigation of a crime enumerated in subsection (e) or to a case or proceeding arising out of such investigation; and

"(ii) the Government authority has established that it possesses the authority to obtain the information from the custody of the customer.

A court may limit the scope of, or otherwise modify, any summons or subpena it orders to be enforced under subparagraph (B) as it determines would be in the interest of justice. In any order issued under this subsection the court shall cite this subsection as authority for the order.

"(e)(1) The Attorney General, an Assistant Attorney General, or a designated attorney who is an officer of the Department of Justice specifically authorized by regulation, may authorize an application to a

United States district court of competent jurisdiction for an order to acquire telephone record information from a service provider or to intercept telephone record information when such acquisition or interception may provide evidence of a criminal offense under a Federal law which constitutes a felony.

"(2) The Attorney General or chief criminal prosecutor of a State may authorize an application to a State court of competent jurisdiction for an order to acquire telephone record information from a service provider or to intercept telephone record information when the acquisition or interception may provide evidence of a criminal offense which involves murder, kidnaping, robbery, extortion, forgery, bribery, embezzlement, fraud, racketeering, a violation of this subsection, or any other crime which threatens serious physical injury to an individual or will result in serious damage to property and is punishable by imprisonment for more than one year.

"(3) Each application pursuant to paragraph (1) and paragraph (2) shall be made in writing upon oath or affirmation to a court of competent jurisdiction. Each application shall include the following information—

"(A) the identity of the investigative or law enforcement officer making, and the officer authorizing, the application;

"(B) a full statement of the facts and circumstances relied upon by the applicant to justify his belief that an order should be issued, including—

"(i) a reasonable description of the nature and location of the facilities from which, or the place where, the telephone record information is to be intercepted or of the service provider from whom the information will be obtained; and

"(ii) the identity of the person, if known, committing the offense with respect to which telephone record information is to be intercepted or records are to be acquired;

"(C) a reasonable description of what other investigative procedures have been tried and failed, or why other investigative procedures reasonably appear to be unlikely to succeed if tried;

"(D) a statement of the period of time for which an interception is likely to be required to be maintained and, if the nature of the investigation is such that the authorization for interception should not automatically terminate when the described telephone record information has been first obtained, a particular description of facts establishing reasonable cause to believe that additional telephone record information of the same type will occur thereafter;

"(E) to the extent known, a full statement concerning all previous applications for authorization to intercept, or for approval of interceptions begun under the emergency provisions of subsection (g), telephone record information involving any of the same persons specified in the application; and

"(F) where the application is for the extension of an order authorizing or approving interception, a statement setting forth the results thus far obtained from the interception, or a reasonable explanation of the failure to obtain such results

The court hearing the application involved may require the applicant to furnish additional evidence in support of an application.

"(f)(1) Upon application pursuant to subsection (e), the court may enter an ex parte order, as requested or as modified, authorizing or approving interception or acquisition of telephone record information within the jurisdiction of the court, if it determines on the basis of the facts submitted by the applicant that—

"(A) there is reasonable cause to believe that an individual is committing, has committed, or is about to commit an offense enumerated in subsection (e)(1) or subsection (e)(2);

"(B) there is reasonable cause to believe that information or evidence obtained through interception or acquisition of telephone record information identified with the individual will be relevant to the offense identified pursuant to subsection (e)(3)(B); and

"(C) alternative investigative procedures to obtain the same information or evidence have been tried and failed or reasonably appear to be unlikely to succeed if tried and the information sought is not reasonably available elsewhere.

"(2) Each order authorizing or approving the interception of any telephone record information or the acquisition of any telephone record information from a service provider shall specify—

"(A) the identity of the customer, if known, whose telephone record information is to be intercepted, or the identity of the customer whose telephone record information is to be acquired from a service provider;

"(B) the nature and location of the facilities as to which, or the place where, authority to intercept or to acquire records is granted;

"(C) a statement of the offense to which they relate;

"(D) the identity of the agency authorized to intercept or to acquire the telephone record information from the service provider; and

"(E) the period of time during which interception is authorized, including a statement as to whether or not the interception shall automatically terminate when the described telephone record information has been first obtained.

"(3) No order may authorize or approve the interception of any telephone record information for any period longer than is necessary to achieve the objective of the authorization, nor in any event longer than thirty days.

"(4) Extensions of an order authorizing interceptions may be granted, but only upon application for an extension made in accordance with subsection (e)(3) and with the court making the findings required by this subsection. The period of extension shall be no longer than the authorizing judge deems necessary to achieve the purposes for which it was granted and in no event for longer than thirty days.

"(5) Every order authorizing interception and extension shall contain a provision that the authorization to intercept shall be executed as soon as practicable, shall be conducted in such a way as to minimize the interception of telephone record information not subject to interception under the order or extension, and shall terminate upon attainment of the authorized objective, or in any event in thirty days.

"(6) Whenever an order authorizing interception for a period in excess of forty-eight hours is entered, the order may require reports to be made to the court which issued the order showing what progress has been made toward achievement of the authorized objective and the need for continued interception. Such reports shall be made at such reasonable intervals as the court may require.

"(7) Applications made and orders granted under this section shall be sealed by the court. Custody of the applications and orders shall be wherever the court directs. The applications and orders shall be disclosed only upon a showing of good cause before a court of competent jurisdiction and shall not be destroyed except on order of the issuing or denying court, and in any event shall be kept for ten years.

"(g)(1) Notwithstanding any other provision of this section, any investigative or law enforcement officer, specially designated in regulation by the Attorney General or by the principal prosecuting attorney of any State and acting pursuant to a statute of such State, who reasonably determines that—

"(A) an emergency situation exists with respect to criminal activities threatening to life which requires that telephone record information be intercepted or acquired before an order authorizing such interception or acquisition can with due diligence be obtained; and

"(B) there are grounds upon which an order could be entered to authorize the interception or acquisition; may intercept or acquire the telephone record information.

"(2) An application for an order approving an interception or acquisition pursuant to paragraph (1) shall be made in accordance with this subsection within forty-eight hours after the acquisition or after the interception occurs, or begins to occur. In the absence of an order, an interception shall immediately terminate when the information sought is obtained or when the application for the order is denied, whichever is earlier. In the event the application for the order is not approved, an inventory shall be served on the person named in the application as provided for in subsection (h).

"(3) Notwithstanding any other provision of this section, a special agent of the Secret Service may, for the purpose of carrying out the protective functions of the Secret Service under section 3056 of title 18, United States Code (relating to Secret Service functions), under section 202 of title 3 of such Code (relating to the Executive Protective Service), or under the Act of June 6, 1968 (18 U.S.C. 3056, note; 82 Stat. 170; relating to Secret Service protection of Presidential candidates), acquire or intercept telephone record information, except that—

"(A) the Director of the Secret Service shall authorize the acquisition or interception after determining that there is reason to believe that acquisition or interception is necessary in order to carry out the protective functions of the Secret Service;

"(B) an interception shall immediately terminate when the needed information is obtained;

"(C) the officer authorizing the acquisition or interception shall certify in writing within forty-eight hours to a United States district court of competent jurisdiction that—

"(i) acquisition or interception of the telephone record information of a designated customer occurred or is occurring; and

"(ii) there was reason to believe that acquisition or interception was necessary in order to carry out the protective functions of the Secret Service; and

"(D) if, after receiving the certification required by subparagraph (C), the court finds that the requirements of subparagraph (A) and subparagraph (B) were not met, the court shall order termination of the acquisition or interception, if not yet terminated, and an inventory shall be served on the customer whose telephone record information was acquired or intercepted as provided for in subsection (h).

"(h)(1) Within a reasonable time, but not later than one hundred and twenty days, after the denial of an application for an order under subsection (f) or the termination of the period of an order or an extension thereof, the issuing or denying court shall cause to be served on the persons named in the order or the application, and such other parties to intercepted or acquired telephone record information as the court may determine in its discretion are in the interest of justice, an inventory which shall include notice of—

"(A) the fact of the entry of the order or the application;

"(B) the date of the entry, or the denial, of the application;

"(C) the period of authorized, approved, or disapproved interception, if telephone record information was intercepted; and

"(D) the fact that during such period telephone record information was or was not intercepted.

"(2) The court may in its discretion make available to the customer whose telephone record information was intercepted or acquired or his counsel for inspection portions of the telephone record information, the application, and the order.

"(3) Upon request by the applicant for an order, the court may grant a delay in service of the inventory or an other notification pursuant to paragraph (1), which delay shall not exceed one hundred and eighty days following the conclusion of the interception, if the court finds, upon the showing of the applicant, that there is reasonable cause to believe that service of the inventory would—

"(A) endanger the life or physical safety of any person;

"(B) result in flight from persecution;

"(C) result in destruction of, or tampering with, evidence; or

"(D) result in intimidation of potential witnesses.

If the court so finds, it shall enter an ex parte order granting the requested delay. Additional delays of not more than ninety days may be granted by the court upon application, but only in accordance with this paragraph. Upon expiration of the period of delay, the inventory shall be served immediately.

"(i) Any violation of the provisions of subsection (d), (e), (f), (g), or (h) may be punished as contempt of the court issuing or denying an order.

"(j) Whoever, other than a party to the telecommunication identified by telephone record information, in violation of this subsection intentionally discloses telephone record information or intercepts telephone record information shall be fined not more than $100,000 or imprisoned not more than five years, or both.

"(k)(1) A person aggrieved by a violation of this section in respect to telephone record information which identifies a telecommunication to which he was a party may maintain a civil action for actual damages and for equitable relief against—

"(A) the United States, an authority of a State which has waived its sovereign immunity under the Constitution to a claim for damages resulting from a violation of this section, or any other governmental unit, each of which shall be liable for violations of this section by their officers or employees while the officers or employees are acting within the scope of their office or employment; and

"(B) an officer or employee of a State who has violated this section, if the State has not waived its sovereign immunity as provided in subparagraph (A), or an officer or employee of the United States, a State, or any other governmental unit who has violated this section while acting outside the scope of his office or employment; and

"(C) any other violator.

The district courts of the United States shall have jurisdiction in the matters under the provisions of this subsection.

"(2) Any person entitled to recovery under this subsection shall receive not less than $10,000.

"(3) In any suit brought under this subsection in which the complainant has substantially prevailed, the court may, in addition to any actual damages or equitable relief, award such punitive damages as may be warranted and may assess against the defendant reasonable attorney fees and other costs of litigation reasonably incurred.

"(l) Whenever telephone record information has been disclosed, intercepted, or acquired in violation of this section, no part of such information and no evidence derived therefrom may be received in evidence in any trial, hearing, or other proceeding in or before any court, grand jury, department, officer, agency, regulatory body, legislative committee, or other authority of the United States, a State, or a political subdivision thereof, except to the extent that the telephone record information is used in the prosecution of a violation of this section or as evidence to impeach perjured testimony.

"(m) A good faith reliance on a court order issued pursuant to subsection (d) or subsection (f), or on the provisions of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.), where applicable, or on the provisions of subsection (g), shall constitute a complete defense to any civil action for damages brought under this section.".●

BUDGET AMENDMENTS OF 1981

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, I am today reintroducing legislation to require distinctions in the Federal budget between capital outlays and financing on one hand and current operational expenditures and revenues on the other.

When a business, a city, a State, or practically any other enterprise computes its profit or loss or its surplus or deficit for a given year, it does so by deducting expenses from revenues. Separate and distinct consideration is given to any long-term expenditure for capital needs it may have as compared with current operating expenses. Such a two-part budget is a much more accurate, rational, and useful portrayal of actual financial status than is the combined budget currently employed by the Federal Government. By balancing current operating income with expenses and by comparing long-term capital outlays with long-term financing, a much clearer and concise budgetary picture emerges.

It is, for example, most instructive to note that more than one-fifth of the fiscal 1982 Federal budget—$161.5 billion—represents capital investments. The remaining $576 billion in the fiscal 1982 budget represents operating expenditures and should, under standard and universally accepted accounting methods, be measured against the $711.8 billion in revenues for fiscal 1982. A $135 billion operating budget surplus results when this computation is used.

Were the Federal Government to employ the budget methodology used by almost every other financial entity, it would be clear to the public that there is, in fact, no operational budget deficit whatsoever.

The $27.5 billion deficit shown in the fiscal 1982 Federal budget is in reality the difference between capital outlays and the operational surplus. The Federal budget deficit, which we have all heard so much about, actually finances capital items exclusively. And these capital commitments in turn represent sound investments in America's future—investments that will yield benefits in the years to come.

Borrowing to finance capital outlays—which is what, in effect, the deficit represents—is universally considered sound business practice. Borrowing to meet operational needs is not.

In proposing a capital-operational breakdown in the Federal budget, I am not suggesting that the Government need not exercise sound fiscal planning, nor am I arguing that this kind of budgeting be used as an excuse to ignore waste and cost overruns. Indeed, I believe that the type of budgeting I am urging would facilitate identification of poor fiscal management and increase accountability.

As it exists today, the Federal budget is grossly misleading. The legislation I am offering would bring needed and helpful clarity to the budgetmaking process and would also encourage more informed participation by both Congress and the public in this process.

I urge my colleagues to support this effort to regularize and simplify the Federal budget.

A copy of the bill is printed below:

H.R. 5298

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Budget Amendments Act of 1981.".

SEC. 2. Section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), is amended—

(1) by striking out "estimated expenditures" in paragraph (5) before "and proposed appropriations necessary" and inserting in lieu thereof "estimated capital expenditures and estimated operational expenditures";

(2) by striking out "expenditures" in paragraph (7) and inserting in lieu thereof "capi-

tal expenditures, operational expenditures"; and

(3) by striking out "estimated expenditures and receipts" in paragraph (8) and inserting in lieu thereof "estimated capital expenditures, estimated operational expenditures, estimated receipts".

SEC. 3. Section 301(a)(2) of the Congressional Budget Act of 1974 (31 U.S.C. 1322(a)(2)) is amended by inserting "for capital expenses and for operational expenses" after "an estimate of budget outlays".

SEC. 4. (a) Section 2 shall take effect with respect to all budgets transmitted pursuant to section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), more than 30 days after the date of the enactment of this Act.

(b) Section 3 shall take effect with respect to all first concurrent resolutions on the budget reported to both the House of Representatives and the Senate pursuant to section 301(d) of the Congressional Budget Act of 1974 (31 U.S.C. 1322(d)) more than 30 days after the date of the enactment of this Act.●

MILITARY MANPOWER INVESTIGATION

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. BEARD. Mr. Speaker, today, I am reintroducing a concurrent resolution to establish a joint select committee to study the critical situation which now exists in regard to our military manpower and mobilization capability.

Recent multiarticle series in the Washington Star and the New York Times have recognized a problem about which I have been deeply concerned for years: the problem is twofold; both quantity and quality of manpower are cause for deep concentration.

We have a reserve force which, frankly, is incapable of meeting its wartime mission because it is so undermanned. We have study after study done by the Department of Defense which reveals that the quality of the personnel in the military today is so low that basic missions cannot be accomplished. It was recently revealed by former Assistant Secretary of Defense Robert Pirie that more than half of the Army's recruits over the past 2 years tested in the lowest mental category of the four possible. Army skills qualifications tests, which test whether a soldier can do the minimum of what he is supposed to be able to do in a war, reveal failure rates of staggering proportions, such as 80 percent. We have recently witnessed a major scandal among recruiters, who were having such difficulty filling minimum quotas, and were under such pressure to do so by superiors, that they engaged in falsifying recruits' mental tests to assure the recruits were not disqualified.

I am not offering any particular solution to this appalling problem; I am not advocating a return to the draft, a draft for the reserves only, or no draft, just more pay. What I am offering is the vehicle for an objective, bipartisan and thorough investigation of this entire critical area, so that rational and effective solutions may be proposed, solutions which will have the support of both House and both parties.

Mr. Speaker, there is no more important facet of our Nation's defenses than the personnel of the Armed Forces. We must find out what has to be done to assure that our Armed Forces consist of adequate personnel both in terms of quality and quantity. That is the goal of the joint select committee I am proposing.●

NO FIRST USE RESOLUTION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, both the United States and the Soviet Union are moving away from nuclear weapons programs designed to deter use of such weapons and toward the dangerous notion of limited nuclear use as an acceptable policy option. It is vital that this Congress act quickly to reverse this policy slide.

The superpowers' strategies for the 1980's place ominous renewed emphasis on a first-strike capability that threatens human existence. This major revision of deterrence policy is certain to move the world closer to nuclear war.

Starting a nuclear attack must remain an unthinkable and categorically unacceptable option if we are to continue to live in a world free from the constant threat of mutual assured destruction. For this reason, I am introducing today a joint resolution renouncing first use of all nuclear weapons and urging conclusion of treaties with all nations which renounce first use. Both global security and the prospects for world peace will be undermined by continued pursuit of a preemptive first-strike capability.

In both tactical and strategic realms, a first use scenario is becoming increasingly feasible. The neutron bomb, for example, is a nuclear warhead expressly designed to repel conventional attacks. Use of neutron weaponry against tanks will invite nuclear retaliation, opening the door to full-scale atomic warfare.

The United States is moving toward a strategic nuclear first use posture. The Defense Department has clearly stated that U.S. nuclear missiles should be prepared to cover "hard" targets—such as Soviet missile silos—with at least one warhead which has the capacity to destroy that target.

Continued U.S. refinement and expansion of its first-use capability can be expected to lead the Soviet Union to determine that only a first strike of its own can nullify a perceived U.S. advantage. The development of overkill U.S. nuclear weaponry such as the expensive MX missile system and the neutron bomb place nuclear warfare on the level of conventional warfare, heightening anxieties on both sides.

This erosion of deterrence and the accelerating movement toward acceptance of potentially devastating nuclear weaponry must be checked immediately. The joint resolution I am offering today provides a means for doing this by formally adopting a "no first-use" policy.

I urge my colleagues to join me in supporting this legislation.

A copy of the resolution follows:

H.J. RES. —

Joint resolution to renounce the first use of all nuclear weapons and to conclude treaties with all nations renouncing the first use of all nuclear weapons

Whereas the United States and the Soviet Union both have developed nuclear weaponry to retaliate to a nuclear attack with equal or even greater force; and

Whereas this capability for retaliation has created a condition of mutual deterrence; and

Whereas the delicate balance of mutual deterrence has provided a disincentive to actual nuclear warfare; and

Whereas the United States and the Soviet Union both are moving toward development in both the strategic and tactical nuclear realms of first use capabilities; and

Whereas the increasing feasibility of the first use option heightens tensions on both sides and undermines mutual deterrence; and

Whereas continued pursuit and refinement of the first-use option will encourage preemptive nuclear attack; and

Whereas exercise of the first use option will result in a full-scale nuclear exchange and the subsequent destruction of much of civilization; and

Whereas the United States and all nations face no more solemn duty than preventing an atomic cataclysm; and

Whereas this duty can best be fulfilled by maintaining mutual deterrence and by working toward the elimination of all nuclear weapons; and

Whereas renouncing the first use of all atomic weapons is consonant with these obligations and aims: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be the policy of the United States to renounce the first use of all nuclear weapons and to conclude treaties with all nations renouncing the first use of all nuclear weapons.●

ABOLISH THE OUTSIDE EARNINGS LIMIT FOR SOCIAL SECURITY RECIPIENTS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. LEHMAN. Mr. Speaker, today, I am reintroducing legislation to remove the limitation on the amount of outside income which an individual may earn while receiving social security benefits.

We are all aware of the serious financial problems which our elderly are facing. By limiting the amount of money a senior citizen can earn without losing social security benefits, we are discouraging senior citizens from continuing to work. However, most of our elderly cannot live on their social security benefits alone.

The earnings limit is unfair. It places the heaviest burden on low-income individuals, and only takes earned income into account. A nonworking social security beneficiary can continue to receive both social security payments and income from securities or rental property. It is important to remember that social security is an earned pension not related to need, and therefore there should be no limit on social security income.

Longer lifespans and better health are enabling our senior citizens to work longer, and this should be encouraged. Our economy can utilize their special skills, and it can little afford to lose their output and valuable contributions. Their employment will also increase general and social security tax revenues.

Limiting the amount of income a social security recipient can earn lowers the dignity and self-sufficiency of our elderly who are both willing and able to work. I therefore urge that every consideration be given to this important legislation to abolish the outside earnings limit during the 97th Congress.●

NORMALIZATION OF RELATIONS WITH CUBA

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday January 19, 1981

● Mr. WEISS. Mr. Speaker, I am introducing legislation today to end the U.S. trade embargo against Cuba and to establish full diplomatic relations between our two nations.

It is quite clear that the U.S. policy of ignoring Cuba's existence and of prohibiting any commerce between our countries has long since outlived whatever usefulness it may once have had. For nearly two decades the United States has tried, without discernible success, to use trade as a weapon against the Castro government. The embargo has not destabilized the Castro regime. It has not caused any slackening of the ties between Moscow and Havana. And it has not produced any apparent modifications in Cuban foreign policy.

The embargo has, however, inflicted severe economic hardships on the Cuban people, hardening resentment against the United States. It has also encouraged a heavy dependence by Cuba on a nation thousands of miles from its shores while precluding mutually beneficial commerce between Cuba and one of its closest neighbors.

Maintaining the embargo is now clearly contrary to the best interests of the United States. We have far more to gain—economically and politically—by restoring trade and diplomatic relations with Cuba than by clinging to an anachronistic, discredited, and counterproductive policy.

To its credit, the Carter administration has initiated efforts to lessen the hostility between the United States and Cuba. This process has, however, lost some of its momentum in recent months, and I am hopeful that my legislation will renew productive discussions and that its provisions will soon be adopted.

The recent influx of Cuban refugees to the United States clouded the issue surrounding the action I am proposing today. Still, these refugees will be assimilated into our society as refugees historically have been received by our Nation.

For its part, Cuba has in recent years repeatedly and consistently demonstrated its desire to enter into a normal relationship with the United States.

In 1973 the United States and Cuba signed an antihijacking agreement that has been respected by both parties and which has discouraged acts of air piracy.

A pact on maritime boundaries and fishing rights was concluded between our two nations in April 1977.

In August 1977, President Castro agreed to permit all single-source Americans to return to the United States and to bring with them family members, whether or not they are Cuban citizens.

In December of that same year, the Cuban Government agreed to release some 500 dual nationals and permit their emigration to the United States.

Most encouraging of all, Castro announced on November 21, 1978, that he would release 3,600 political prisoners in Cuba and permit their emigration to the United States. Now largely accomplished this release accounts for about 90 percent of all persons held in Cuban prisons on political charges.

And as a result of a dialog between Cuban-Americans residing in the United States and the Cuban Government, it was announced in December 1978 that families separated in the United States and on the island would be reunited. Permission for visits to the island by Cubans living abroad was also granted in the course of that historic dialog. Some 50,000 Cubans living in this country have visited their homeland since that agreement was reached.

Most recently, the Cubans released from imprisonment 27 U.S. citizens being held on assorted charges. This humane expression of goodwill further exhibits the possibility of revitalized relations between Cuba and our Nation.

It would seem, Mr. Speaker, that through these actions Cuba has fulfilled many of the human rights requirements which have been raised as prerequisites to normalization. More progress can and should be made in this area, but I believe that Cuba has now amply demonstrated its willingness to make concessions in its domestic policies in return for full ties with the United States.

We should not now turn our backs on this display of good faith and this commitment to compromise. Instead, we should move ahead expeditiously toward a normal relationship with Cuba which will facilitate further improvements in the human rights situation.

Continuing the embargo will lead increasingly to political isolation for the United States and will cause damage to our prestige throughout the Third World. Eleven nations in the Western Hemisphere now have full ties with Cuba. In addition, Canada, Japan, and many Western European nations enjoy a steady trade with the island. Japanese exports alone now total more than $500 million a year.

American companies would have a distinct competitive advantage in Cuban trade were the embargo lifted. Cuba is very anxious to purchase agricultural machinery and other types of technology from the United States. Exports would greatly outstrip imports of Cuban sugar and other products, thereby helping to lessen our balance-of-payments deficit.

The process of normalization between the United States and China also offers good reason to believe that the issue of expropriations and restitutions can be readily resolved between our governments. A formula for settling claims resulting from the seizure of American property in China was devised after Washington and Peking restored full relations. A similar agreement can, I am sure, be reached with Cuba following normalization.

Cuba and the United States will continue to have serious and far-reaching political differences for the foreseeable future. But differing economic

systems and world views have not prevented the United States from exchanging envoys and establishing trade links with the Soviet Union, China, and many Eastern European nations. Indeed, it has been shown that normal relations are almost always more conducive to U.S. interests throughout the world than is the policy of hostile noncommunication.

Ultimately, the United States and Cuba will normalize their relationship and develop trade links. This is certainly the direction in which U.S. foreign policy has been moving over the past 5 years. I urge my colleagues to hasten the day when political realism is formally substituted for an outmoded policy of animosity. I urge them to join me in cosponsoring this legislation and in working for an end to the embargo against Cuba.

A copy of the bill is printed below:

H.R. 927

A bill to remove certain trade restrictions with respect to Cuba

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 301(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 221(b)) is amended by striking out the second sentence.

(b) Section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)) is hereby repealed.

(c) Public Law 87-733 (76 Stat. 697), approved October 3, 1962, is hereby repealed.

(d) Presidential proclamation 3447 of February 3, 1962, shall cease to be effective on the date of enactment of this Act.

SEC. 2. Any regulations issued by the President or any Federal department or agency to carry out those provisions of law stricken or repealed by the first section of this Act, or to carry out the Presidential proclamation made ineffective by such section, shall cease to be effective on the date of the enactment of this Act.●

WIRETAP WARRANT LEGISLATION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, the right to privacy in one's own home is one of the most fundamental human rights. Until 1979 this right was generally protected under the fourth amendment. In an unprecedented decision, the Supreme Court ruled in Dalia against United States that the Government no longer must justify every invasion of privacy. Specifically, the Court held that the Government did not have to obtain express permission to break and enter a premise in order to implant eavesdropping equipment if the wiretap was previously authorized. Their rationale was that the right to enter a premise is implicit in the original wiretap order.

This ruling runs directly counter to the original intent of the fourth amendment. As Justice Brennan said in his dissent in Dalia:

> Breaking and entering into private premises for the purpose of planting a bug cannot be characterized as a mere mode of warrant execution to be left to the discretion of the executing officer. The practice entails an invasion of privacy of constitutional significance distinct from that which attends nontrespassory surveillance; indeed it is tantamount to an independent search and seizure. First, rooms may be bugged without the need for surreptitious entry and physical invasion of private premises. Second, covert entry, a practice condemned long before we condemned unwarranted eavesdropping, breaches physical as well as conversational privacy. . . . Third, the practice is particularly intrusive and susceptible to abuse since it leaves naked to the hands and eyes of government agents items beyond the reach of simple eavesdropping.

It is vital to the survival of freedom in this country that each encroachment on a citizen's privacy be carefully scrutinized to insure that it constitutes the least intrusion possible under the circumstances. It should not be sufficient for the Government to prove that it needs to eavesdrop; it should also be required to prove that the only way in which it can do so is by entering the home. Without the need for this further justification, entering a private home without permission will soon appear to be an insignificant act.

In response to the need to protect our citizenry from unwarranted Government surveillance, I am today reintroducing legislation to amend the Omnibus Crime Control Act of 1968 to specifically require a separate warrant for breaking and entering a premise in order to implant electronic eavesdropping equipment. We must protect the fundamental rights upon which this country was built, and if this cannot be done through the courts, then it will have to be done through the Congress.

The text of the bill follows:

H.R. 929

A bill to amend title 18, United States Code, to require a specific judicial order for entry of premises to intercept a wire or oral communication under chapter 119 of such title

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2518 of title 18, United States Code, is amended by adding at the end thereof the following new matter:

"(11) Any entry of premises for the purpose of intercepting a wire or oral communication under this chapter shall be authorized by a separate order entered in the manner prescribed in this section if a search warrant would be required for such an entry made for a purpose other than such an interception. In addition to any information otherwise required for an application for an order under this section, an application under this subsection shall contain a description of the premises to be entered and a statement of the reasons for the entry.".●

PUBLIC HOLIDAY ACT

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. BEARD. Mr. Speaker, today I am reintroducing a bill I first introduced in the previous Congress to require that all future legal public holidays be celebrated on a Saturday or Sunday, without additional pay or leave for Federal employees. This proposal will not affect the celebration of existing national holidays.

According to the Office of Personnel Management, the personnel cost alone to the Federal Government of a holiday is estimated to be $194.5 million. While the Federal Government has no jurisdiction to propose national holidays for other than the District of Columbia and Federal employees, individual States usually follow its lead. The added personnel costs of such actions by the States could result in 10 to 20 times the $194.5 million estimated cost to the Federal Government. The overall cost can therefore be seen to be staggering for each Federal holiday.

In addition to the cost to the taxpayers, there is the extremely deleterious effect additional paid holidays would have on our national productivity, which is already lagging. When the Federal Government adopts a holiday, not only do many States and localities follow suit but private employers come under pressure to grant the same day off to their employees. The highly negative effect on national productivity is obvious.

In previous Congresses, bills have been introduced to honor such figures in American history as Andrew Jackson, Thomas Jefferson, Martin Luther King, Franklin D. Roosevelt, and Susan B. Anthony with paid Federal holidays. No doubt there are many other figures from American history whose contribution to this Nation would also merit being honored. My bill would in no way detract from the attempt to honor the individual; it would only avoid the staggering cost and serious effect on national productivity of yet another fully paid day off for Federal employees.●

CAPITAL FORMATION ACT OF 1981

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. BEARD. Mr. Speaker, we have heard the term "reindustrialization" with increasing frequency of late. And well we might, because the industrial

base of the United States needs to be revitalized if dividends are to increase our productivity in order to curb inflation and prepare our Nation to effectively compete in world markets.

In order to reindustrialize, to use that term, we must drastically increase the rate of investment in plant, equipment, and research and development. I am reintroducing a bill which will greatly increase the rate of private sector investing in the United States by ending the taxation of benefits received by individuals and exempting from taxation interest received on savings accounts up to $500 for individual returns, $1,000 for joint returns.

The purpose of ending the taxation of dividends is to attract vast new amounts of capital to American business corporations; it is just this type of new capital formation which is desperately needed by American businesses to revitalize themselves and increase productivity. New capital investment means new jobs and more goods produced, lessening inflation.

Ending taxation of dividends is actually ending a system of double taxation. Dividends are paid by corporations out of after-tax income. Thus the same dollars are taxed first to the corporation, then taxed again to the individual when distributed as dividends.

Ending the taxation of interest income from savings accounts up to the amount in the bill would accomplish two things: First, it gives a badly needed break to small savers, second, it will attract new capital to savings institutions, thus making available new amounts of money for such things as auto, home, and business loans.

Both of the major provisions of this bill are designed to encourage new capital investment in the private sector, investment which must occur if we are to prepare the American economy to compete in the world economy of the future.●

DEINSTITUTIONALIZATION BILLS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, I am today reintroducing three bills which are intended, as a package, to improve living conditions for persons released from mental institutions and for the communities in which they reside.

Former mental patients, thousands of whom have been "deinstitutionalized" in recent years under changing Federal and State policies, are often the most vulnerable members of our society. Frequently these individuals are forgotten once they leave institutions and are left to their own inadequate resources. Government at all levels has not provided the comprehensive followup services which are indispensable for insuring that these former patients can function as independent, productive citizens.

In my own district in New York City, several thousand former patients have been quite literally "dumped" into shoddy single room occupancy (SRO) hotels where they become prey for violent crime and where they are left, alone, to somehow become accepted members of the community.

There is a great deal the Federal Government can do to remedy this shameful situation. The three bills I am reintroducing address the problem from various perspectives and seek to make better social services available to former mental patients.

One bill would amend title XIX of the Social Security Act to provide medicaid assistance to patients in mental institutions regardless of their age. At present, medicaid eligibility is limited to those patients younger than 22 and older than 65. My legislation would enable patients of all ages to receive comprehensive treatment in institutions under the medicaid program.

A second bill I am reintroducing would amend title XX of the Social Security Act to increase Federal payments to States for services that would assist former patients in their communities. Among the assistance to be provided them would be sheltered employment, alternative housing, counseling, and therapeutic treatment.

The third bill in the package would amend title XVI of the Social Security Act to eliminate the benefit reduction under the supplemental security income (SSI) program that now occurs when an SSI recipient receives some financial support from other persons with whom he or she is residing. The legislation would also continue SSI payments for 3 months after a person is institutionalized so that the individual's home or apartment could be maintained while they are residing in a public facility. The bill also mandates close monitoring of SSI trial work provisions and clarifies the stipulation that SSI benefits may be paid on the basis of presumptive mental disability as well as presumptive physical disability.

Taken as a package, this legislation will do much to improve living conditions for mental patients in institutions and in the communities to which they are released.

We should be moved, not only by compassion for some of the least fortunate of our fellow Americans, but also by fiscal prudence to encourage former mental patients to become productive, independent members of our society. These bills will bring us closer to this aim.

I am very pleased that my colleagues Mr. CORRADA, Mr. VENTO, Mr. LOWRY of Washington, and Mr. SOLARZ are joining me in this effort. I invite other Members to join us in cosponsoring this legislation. Copy of the bills follows:

H.R. 941

A bill to amend title XX of the Social Security Act to increase Federal payments to States for services which will assist in removing people from institutions, including the provision of alternative housing, sheltered employment, and similar services

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2001(4) of the Social Security Act is amended by inserting after "less intensive care," the following: "and by providing for alternative housing, sheltered employment, and related items,".

SEC. 2. (a) Section 2002(a)(1) of the Social Security Act is amended by inserting after "planning services" in the matter preceding subparagraph (A) the following: ", 90 per centum of the total expenditures during that quarter for the provision of services directed at the goal of preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care and by providing for alternative housing, sheltered employment, and related items,".

(b) Section 2001(a)(1) of such Act is further amended—

(1) by adding "or" after the comma at the end of subparagraph (C);

(2) by striking out subparagraph (D); and

(3) by redesignating subparagraph (E) as subparagraph (D).

SEC. 3. The amendments made by the Act shall apply with respect to quarters beginning after September 30, 1978.

H.R. 940

A bill to amend title XVI of the Social Security Act to eliminate the benefit reduction presently applicable to individuals receiving support and maintenance from families with whom they are living, to continue supplemental security income payments for three months when a beneficiary is institutionalized, to provide for the monitoring of the supplemental security income trial work period provisions, and to make it clear that supplemental security income benefits (for up to three months) may be paid on the basis of presumptive mental (as well as physical) disability

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SUPPORT AND MAINTENANCE IN ANOTHER PERSON'S HOUSEHOLD

SECTION 1. (a) Clause (i) of section 1612(a)(2)(A) of the Social Security Act is amended to read as follows: "(i) in the case of any individual (and his eligible spouse, if any) living in another person's household, support and maintenance received in kind from such person shall not be included,".

(b) Clause (iii) of section 1612(a)(2)(A) of such Act is amended by striking out "and the provisions of clause (i) shall not be applicable".

ELIGIBILITY OF INDIVIDUALS IN CERTAIN MEDICAL INSTITUTIONS

SEC. 2. (a) Section 1611(e)(1)(A) of the Social Security Act is amended by striking out "subparagraph (B) and (C)" and inserting in lieu thereof "subparagraphs (B), (C), and (D)".

(b) Section 1611(a)(1) of such Act is further amended by redesignating subparagraph (C) as subparagraph (D), and by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

"(B) Except as provided in subparagraph (C), in any case where an eligible individual or eligible spouse is in a hospital, extended care facility, nursing home, or intermediate care facility, such individual's benefit for the period ending with the third consecutive month throughout which he is in such hospital, home, or facility shall be determined as though he were continuing to reside outside the institution under the same conditions as before he entered the institution.

"(C) In any case where an eligible individual or eligible spouse, throughout any month, is in a hospital, extended care facility, nursing home, or intermediate care facility, receiving payments (with respect to such individual or spouse) under a State plan approved under title XIX, and such month is either—

"(i) the first month in any period of eligibility under this title based on an application filed in or before such month, or a month in a continuous period of months beginning with such first month, throughout which such individual or spouse is in a hospital, extended care facility, nursing home, or intermediate care facility (whether or not receiving payments with respect to such individual or spouse for each month in such period), or

"(ii) the fourth consecutive month throughout which, or a month in a continuous period beginning with such fourth consecutive month throughout which, such individual or spouse is in a hospital, extended care facility, nursing home, or intermediate care facility (whether or not receiving payments with respect to such individual or spouse for each month in such period), the benefit for such individual for such month shall be payable—

"(iii) in the case of an individual who does not have an eligible spouse, at a rate not in excess of $300 per year (reduced by the amount of any income of such individual which is not excluded pursuant to section 1612(b));

"(iv) in the case of an individual who has an eligible spouse, if only one of them is in such a hospital, home, or facility throughout such month, at a rate not in excess of the sum of—

"(I) the rate of $300 per year (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the one who is in such hospital, home, or facility), and

"(II) the applicable rate specified in subsection (b)(1) (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the other); and

"(v) in the case of an individual who has an eligible spouse, if both of them are in such a hospital, home, or facility throughout such month, at a rate not in excess of $600 per year (reduced by the amount of any income of either spouse which is not excluded pursuant to section 1612(b)); except that for purposes of any provision of law other than this subparagraph, any benefit determined under clause (iv) shall be deemed to be payable at a rate equal to the sum of the rate of $300 per year and the applicable rate specified in subsection (b)(1), reduced by any income of either spouse which is not excluded pursuant to section 1612(b).".

TRIAL WORK PERIODS

SEC. 3. Section 1614(a)(4) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(E) The Secretary shall monitor the operation of this paragraph on a continuing basis with particular emphasis upon the extent to which it is giving disabled individuals an effective opportunity to overcome their disabilities and return to active participation in the labor force, and shall take such actions as may be appropriate to make it clear to such individuals that, under the provisions of this paragraph, they can return to work and earn substantial amounts without losing their benefits if their earnings are related to the achievement of self-support.".

PAYMENT OF BENEFITS ON BASIS OF PRESUMPTIVE MENTAL DISABILITY

SEC. 4. Section 1631(a)(4)(B) of the Social Security Act is amended by inserting after "presumptively disabled" the following "(whether by reason of a physical impairment or a mental impairment)".

EFFECTIVE DATE

SEC. 5. The amendments made by this Act shall apply with respect to benefits payable for months after the month in which this Act is enacted.

H.R. 935

A bill to amend title XIX of the Social Security Act to make assistance available under the medicaid program for patients in mental institutions without regard to their age (instead of only for those patients in such institutions who are under 22 or over 65 as at present)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1905(a) of the Social Security Act is amended—

(1) by striking out "for individuals 65 years of age or over in an institution for tuberculosis or mental diseases" in paragraph (14) and inserting in lieu thereof "for individuals in an institution for mental diseases (including but not limited to inpatient psychiatric hospital services as defined in subsection (h)) and for individuals 65 years of age or over in an institution for tuberculosis";

(2) by adding "and" after the semicolon at the end of paragraph (15);

(3) by striking out paragraph (16);

(4) by redesignating paragraph (17) as paragraph (16);

(5) by striking out "except as otherwise provided in paragraph (16)" (in the matter following the numbered paragraphs) and inserting in lieu thereof "except as otherwise provided in paragraph (14)"; and

(6) by striking out "or mental diseases" in subdivision (B) (in the matter following the numbered paragraphs).

SEC. 2. (a) Section 1902(a)(10) of the Social Security Act is amended (in the matter which follows subparagraph (C)) by striking out "(4), (14), or (16)" and inserting in lieu thereof "(4) or (14)".

(b) Section 1902(a)(13)(C)(ii)(I) of such Act is amended by striking out "(16)" and inserting in lieu thereof "(15)".

(c) Section 1902(a)(20) of such Act is amended by striking out "65 years of age or older" in the matter preceding subparagraph (A), and in subparagraph (C).

(d) Section 1902(a)(21) of such Act is amended by striking out "65 years of age or older".

(e)(1) Section 1905(c) of such Act is amended by striking out the last sentence.

(2) Section 1905(d) of such Act is repealed.

(f) Section 1905(h)(1) of such Act is amended—

(1) by striking out "paragraph (16) of subsection (a)" in the matter preceding subparagraph (A) and inserting in lieu thereof "paragraph (15) of subsection (a)";

(2) by striking out "for individuals under age 21" in the matter preceding subparagraph (A);

(3) by adding "and" after the semicolon at the end of subparagraph (A);

(4) by striking out "; and" at the end of subparagraph (B) and inserting in lieu thereof a period; and

(5) by striking out subparagraph (C).

SEC. 3. The amendments made by this Act shall apply with respect to care and services furnished in months after the month in which this Act is enacted.●

RADIOACTIVE MATERIALS TRANSPORT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, the hazards posed by radioactive materials have been amply documented. An additional threat is added when such substances are transported.

For this reason, I am today introducing two pieces of legislation which address this problem. Both of these pieces require our immediate attention, since the Department of Transportation today is promulgating new regulations regarding transport of radioactive cargo.

The first piece of legislation disapproves the new Department of Transportation regulations. These new rules preempt approximately 100 existing State and local regulations on transportation of radioactive substances in areas ranging from Missoula, Mont., to New York City. In place of stringent municipal regulations, the Department of Transportation establishes weak guidelines for routing and virtually no significant safety provisions.

The second piece of legislation I am introducing today specifically addresses the dangerous practice of routing radioactive cargo through densely populated urban areas. My legislation would prohibit the Department of Transportation from approving shipments of radioactive materials through geographic areas with population densities of more than 12,000 people per square mile. Exceptions to this ban would be made for radioactive elements used in medical diagnosis or treatment within the area or in cases of national emergency.

In New York City, for example, the municipal health code limits shipments of radioactive materials except for medical purposes or in the event of a national emergency. But DOT's new regulations will attempt to preempt this regulation, which is designed to protect the health and safety of New York City residents.

The New York City Bureau for Radiation Control strongly opposes any erosion of the health code's restrictions. Its director, Dr. Leonard Solon, points out that an accident or sabotage involving nuclear materials could result in as many as 10,000 immediate deaths and some 1 million latent cancer fatalities.

A section of the Hazardous Materials Transportation Act of 1974, section 105, gives the Secretary of Transportation authority to preempt local and State ordinances such as New York City's. My legislation would amend this provision.

Any slight inconvenience this legislation might impose on shippers will be more than offset by the safeguards we will be establishing for public health and safety. Studies done by the Energy Research & Development Association, the Nuclear Regulatory Commission, and the General Accounting Office—as well as by private industry—have expressed the gravity of the potential danger posed by nuclear materials. We can significantly reduce the risks of cataclysmic radiation hazards by keeping radioactive materials out of our more densely populated communities.

I urge my colleagues to join me in supporting both of these pieces of legislation.

Copies of both pieces of legislation follow:

H.R. 942

A bill to amend the Hazardous Materials Transportation Act of 1974 to prohibit the transportation of radioactive materials in densely populated areas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Hazardous Materials Transportation Act of 1975 is amended by adding the following new subsection at the end thereof:

"(d) The Secretary shall not issue any regulation, exemption, exception, or inconsistency ruling thereto, the effect of which is to permit the transportation of any radioactive material through or into a geographic area containing a population density greater than twelve thousand persons per square mile, except when the radioactive material involved is to be used for medical diagnosis or treatment in such area, or during a national emergency.".

H.J. RES. 94

Joint resolution to provide that certain regulations issued by the Secretary of Transportation relating to highway routing of radioactive materials shall not be effective

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the final rule relating to highway routing of radioactive materials issued by the Secretary of Transportation on January 19, 1981, and any other rule containing substantially the same provisions as such final rule, shall have no effect after the date of enactment of this joint resolution.●

THE AMERICAN HOSTAGES NEARING FREEDOM—CARTER MERITS HIGHEST COMMENDATION FOR WORK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. BIAGGI. Mr. Speaker, as we await the last step in the securing of the freedom for our 52 American hostages from Iran, let us pay high praise to President Jimmy Carter for his extraordinary leadership over the entire length of this national ordeal but most especially during these last pivotal 48 hours.

The developments thus far are the most encouraging to date. As of this writing, the hostages are at the airport and some reports indicate they are in fact boarding the Algerian jets which will carry them to freedom. It will be that takeoff which will bring a collective sigh of relief to a beleaguered nation which has been agonizing over the hostage crisis from its inception on November 4, 1979.

We are approaching the end of a national nightmare. It is a special triumph for President Carter, a man of peace, and his policies of restraint. The President has resisted the exhortations of many Americans to resort to military action to free the hostages, at considerable risk to their safety. Instead, our hostages will be returning alive and hopefully well from Iran thus bearing testimonial to the wisdom and strength of President Carter's judgment and wisdom.

The families of the hostages and the American people owe a lasting debt of gratitude to President Carter and to Deputy Secretary of State Warren Christopher. The Nation's prayers are at the Tehran airport and are directed at speeding the departure of our citizens from Iran back home.●

PAYMENT IN LIEU OF TAXES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, recent efforts to reduce local property taxes are severely hampered by exclusion of Federal property from local tax bases. I am introducing legislation today which addresses this major problem facing local governments.

Approximately three-fifths of the revenues generated by local governments is derived from property taxes. Undoubtedly, the need to provide adequate services without making property taxes prohibitive is one of the largest challenges facing communities across the Nation. This problem is exacerbated for localities by the fact that one-third of all the land in the United States is tax exempt, because it is owned by the Federal Government.

In an effort to help local jurisdictions, the 94th Congress passed the Payment in Lieu of Taxes Act—Public Law 94-565. Under this law the Federal Government makes payments to local governments in place of property taxes for national park system lands, national forest lands, wilderness areas under the jurisdiction of the Forest Service, Bureau of Land Management lands, and other lands within the boundaries of eligible localities.

Although Public Law 94-565 covers approximately one-half of all Federal properties, it does not cover property involved in general administration of the Federal Government—facilities designed to assist and promote commerce and other types of properties. For example, Federal office buildings, lighthouses, and Army installations are exempted from paying taxes and are not covered under any Federal program which compensates localities for lost revenues.

The legislation I am introducing will include these kinds of properties under a payment formula based on the appraised value of property and the local property tax rate. The Administrator of the General Services Administration would be responsible for administering this formula and making payments to local governments.

This bill would go a long way toward alleviating local property tax burdens and allow localities to continue to develop vital public services. I urge my colleagues to join me in supporting this legislation.

A copy of the bill follows:

H.R. 928

A bill to provide for payments in lieu of taxes to local governments by the Administrator of General Services based upon the amount of certain tax exempt property owned by the United States and foreign governments within such locality

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator is authorized and directed to make payments under section 3 of this Act for each fiscal year beginning on and after October 1, 1979, to each unit of local government in which entitlement properties are located.

SEC. 2. (a) To be eligible for payments under this Act for any fiscal year, a unit of local government shall submit an application, at such time, in such form, and con-

taining such information as the Administrator prescribes by regulation.

(b) Such applicant shall include a statement by the unit of local government, and an independent verification, of each of the following:

(1) the entitlement properties within its jurisdiction;

(2) the appraised value for each such property for purposes of the local property tax;

(3) the tax rate applicable to each such property;

(4) any other factors used by the unit of local government in computing tax liability; and

(5) the total tax revenues that would be available from the entitlement properties, determined by multiplying the value stated under paragraph (2) by the rate stated under paragraph (3) and applying any other factors stated under paragraph (4), for each such property, and adding the resulting figures for all such properties within the jurisdiction.

(c) The Administrator shall disapprove any application in which he determines that there exists a significant discrepancy between the figures provided by the unit of local government and by the independent verification under subsection (b), or otherwise determines that the figures provided by such unit are not reliable.

(d) Before disapproving any application the Administrator shall give notice thereof to the unit of local government. Such unit may then request a hearing before the Administrator within ninety days of such notice. It shall be within the discretion of the Administrator after such hearing to approve the original application or an amended application, or require a new application to be filed.

Sec. 3. The amount of any payment made under the first section of this Act for any fiscal year to a unit of local government whose application has been approved by the Administrator shall be the amount stated by the unit of local government under paragraph (5) of section 2(b).

Sec. 4. (a) There are authorized to be appropriated such sums as may be necessary for carrying out the provisions of this Act.

(b) If sums appropriated in any fiscal year are not sufficient to carry out the provisions of this Act, the Administrator shall ratably reduce the amounts paid to all units of local government whose applications are approved for such year. If additional funds are made available for such year, they shall be used to ratably increase the amount paid to each such unit of local government.

Sec. 5. As used in this Act, the term—

(1) "Administrator" means the Administrator of General Services;

(2) "entitlement property" means any of the following types of property which are exempt from the property taxation of the applicable unit of local government—

(A) buildings, structures, and other facilities, and land, owned by a foreign government or by an international organization as defined in section 1 of the International Organizations Immunities Act (22 U.S.C. 288);

(B) buildings, structures, and other facilities, and land upon which such improvements have been built, owned by the United States, excluding "entitlement lands" as defined in section 6(a) of the Act entitled "An Act to provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality" (31 U.S.C. 1606(a); 90 Stat. 2565); and

(C) military installations.

(3) "unit of local government" means a county, municipality, parish, township, or other unit of government below the State which is a unit of general government and has taxing authority with respect to real property, as determined by the Administrator.●

POSITIVE RESULTS OF CETA EMPLOYMENT PROGRAMS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. HAWKINS. Mr. Speaker, the much maligned and misunderstood CETA program has come under increasing attack by observers who seek cuts in domestic programs in order to reduce Federal spending and the size of the budget deficit. Unfortunately, these CETA programs are rarely subjected to the same scrutiny to determine whether they are paying off for the participants and taxpayers alike.

It would be tragic indeed if the very programs which offer a route to self-sufficiency for hundreds of thousands of economically disadvantaged persons were terminated in a cost-cutting zeal resulting in further dependency and increased expenditures for nonproductive Federal income assistance payments.

Two recent articles on the CETA program provide evidence that the CETA programs are accomplishing their intended purpose. One describes an analysis by the National Association of Counties of successful placement of CETA participants in unsubsidized jobs, school, or military service. The second reports on the success of the public service employment program in New York City in providing a bridge from welfare to work.

The articles follow:

JOBS RISE FOR NATION'S POOR

Despite the sluggish economy, nearly 320,000 disadvantaged people turned their CETA experiences into "real" jobs in the first three quarters of fiscal 1980, according to a NACo analysis of recently released Labor Department reports.

A whopping 94 percent of those who entered unsubsidized employment met the tough government definition of "economically disadvantaged," when they joined CETA and 3.6 percent of those getting jobs were minorities.

According to NACoR's analysis, the 319,636 new workers represent 41.3 percent of those who left CETA from Title II, VI or VII programs from October 1979 through June 1980, the height of the recent recession. The success ratio, obviously, increases with the length of time a participant stays in CETA, especially for those who complete this training. These measures are preferred by program operators and are typically used in reporting Job Corps success. But county, city and state CETA programs count every enrollee, even those who sign up but never return. Nevertheless, in light of the characteristics of CETA enrollees, employment and training specialists consider 41 percent placement in a mass program like CETA a solid achievement.

Another 99,500 people left CETA during the same period to return to school, enter the military or take some other positive step toward self-sufficiency. Thus, a little more than 54 percent of those leaving CETA from the three key locally administered titles can be considered successes. (Long term studies are beginning to suggest that even those who dropped out or failed to find a job immediately may ultimately benefit economically from the experience, though it is too soon to draw specific conclusions.)

The NACoR analysis also points up CETA's success in upgrading its enrollees' income. While nearly 60 percent of CETA enrollees had never held a job or were making less than $3.10 an hour when they entered, CETA "graduates" earned a median wage of roughly $3.75 immediately after the program. In other words, a good 45 percent of those who got unsubsidized jobs after CETA were paid $4 or more per hour right away.

Central to any analysis of CETA's success is a description of who benefits from the program. Overwhelmingly, the most economically disadvantaged people were disproportionately likely to get unsubsidized work through CETA.

"Remember," said NACo Executive Director Bernard F. Hillenbrand, "that 94 percent of these people who got work were dirt poor."

Hillenbrand also noted that "nearly 40,000 veterans are among those who got jobs. The handicapped got 6.5 percent, and over 23,000 ex-offenders used CETA as a stepping stone to an honest job.

"This is exactly what CETA is supposed to do. It is the only program we've got that is so ambitious. CETA tries to change people's lives and it's working."

A BRIDGE FROM WELFARE TO WORK

To the Editor: The Times editorial (Dec. 30) pointing up the CETA public employment program's enormous potential as a bridge from welfare to work was heartening. Here in New York City we have, in fact, been using CETA intensely for that purpose over the last year, with good results.

Between January and November 1980, more than 5,000 employable general assistance recipients were moved off the rolls and into CETA training and jobs; since April, some 60 percent of all CETA Public Service Employment (PSE) positions in the city have been given to welfare clients. And in November, owing in large measure to these efforts, we saw the first decline in the general assistance caseload in years—representing an annualized savings of about $3.4 million in city tax-levy funds.

The national programs of the Manpower Demonstration Research Corporation, which you cited, and our own recent efforts offer good evidence that CETA is one major, sensible solution to the problem of employing those whom the private economy has left behind. It provides a vital "middle step" of subsidized training and work to individuals who often start out with crippling employment handicaps: few or no skills, little work experience, a history of dependence. Their chances of finding and keeping a decent unsubsidized job without such preparation are remote indeed.

The tragedy is that just as we are beginning to make CETA pay off for the welfare poor—and the taxpayers—Congress appears to be heading toward total elimination of the program. It has already slashed $500 million from the CETA component and has firm plans for even deeper cuts in it over the next year or two. CETA's training and work experience components are in imminent danger of the same fate.

We will be lobbying hard to preserve what is left of the CETA program. At the same time, we are also placing new emphasis on other employment strategies—developing direct private-sector placements for our clients, for example, and requiring the Human Resources Administration's contractors (more than 3,000 companies and nonprofit agencies) to give them first preference for entry-level job openings.

Without resources for on-job training at least, however, we will be unable to improve upon, or even sustain, what has been achieved so far. Washington must pay more than lip service to the notion of giving welfare recipients the opportunity to work.

STANLEY BREZENOFF,
RONALD GAULT,
New York, Dec. 31, 1980.●

LEGISLATION REQUIRING NEW LABELING FOR CONTRACEPTIVE PRODUCTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, I am today reintroducing legislation requiring the manufacturers of contraceptive drugs and devices to label their products and to include in their advertising an indication of the effectiveness of these products in preventing pregnancy.

Research into the relative merits and the validity of various claims of effectiveness is incomplete at present, and there is an urgent need for studies of this sort to move forward expeditiously. My legislation in fact stipulates that the Secretary of Health and Human Services shall develop a reliable standard for determining the effectiveness of contraceptive drugs and devices.

In addition to the effectiveness notice, the bill would mandate that contraceptive labeling include directions for use and a recommendation that professional advice be sought to determine the most appropriate form of contraception.

While available data are not yet fully conclusive, there are strong indications that many forms of contraception fail to fulfill the claims of their manufacturers. The consequences are often tragic for many families and couples.

One finding in this area comes from a preliminary panel report of the Food and Drug Administration dealing with contraceptives. In this 1978 study, the panel notes it has reviewed the claims made by the manufacturers of the various products under their purview. The panel tentatively concludes that "certain claims for effectiveness have been made in the past without adequate, valid supporting data." The FDA is also aware that there is a strong consumer interest in knowing the actual percentage effectiveness of each contraceptive product and is now in the process of reviewing public comments on labeling practices.

I believe that consumers of these drugs and devices have the right to be informed adequately as to the reliability of their chosen method of contraception. Failure rates should be truthfully presented to prospective purchasers so that they can make a crucial decision of this sort based on the most informed judgment possible. The results of unanticipated failure of one of these drugs or devices is frequently irreversible and always undesired.

A fully informed consumer's proper usage of contraceptives can significantly reduce the incidence of unwanted pregnancy and thereby decrease the need to make a choice about abortion. Unplanned pregnancies are not only a burden for many women and couples, they can also become a social and governmental burden as well. Reliable and safe contraception is an essential component of a high-quality health care system in our Nation. My bill would do much to meet the glaring need for consumer information and contraceptive research. I am very pleased that my colleagues Mr. MITCHELL of Maryland, Ms. CHISHOLM, Mr. ROSENTHAL, and Ms. COLLINS are joining me in this effort. I invite other Members to join us in cosponsoring this bill.

A copy of the bill follows:

H.R. 936

A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the label and advertising for contraceptive drugs and devices state the effectiveness of the drugs and devices in preventing conception in humans, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Contraceptive Labeling and Advertising Act".

Sec. 2. (a) Section 502 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352) is amended by adding at the end the following new paragraph:

"(u)(1) If it is a drug or device to prevent conception in humans, unless—

"(A) its label states (i) in accordance with subparagraph (2), the effectiveness of the drug or device in preventing conception in humans, (ii) directions for use, and (iii) that professional advice should be sought to determine the most appropriate form of contraception; and

"(B) unless the manufacturer, packer, or distributor thereof includes in advertisements and other printed descriptive matter issued or caused to be issued by the manufacturer, packer, or distributor with respect to the drug or device such information respecting the effectiveness of the drug or device in preventing conception in humans as may be required under subparagraph (2).

"(2) The Secretary shall by regulation establish for drugs and devices subject to subparagraph (1) standards for determining the effectiveness of such drugs and devices in preventing conception in humans and the form and manner in which such effectiveness shall be stated in the labels of such drugs and devices and in advertisements and other printed descriptive matter for such drugs and devices.".

(b) The Secretary of Health, Education, and Welfare shall first promulgate the regulation referred to in section 502(u)(2) of the Federal Food, Drug, and Cosmetic Act (as added by subsection (a) of this section) not later than one hundred and eighty days after the date of the enactment of this Act. Such regulation shall take effect upon its promulgation.●

IRS FLIP-FLOP DESTROYS SMALL RETIREMENT ACCOUNTS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. ROTH. Mr. Speaker, 9,000 people in the State of Wisconsin having been informed by the IRS that it was all right to purchase certain tax deferred annuities were shocked to learn that the IRS did a flip-flop and revoked their approval by issuing revenue ruling 80-274.

On January 5, 1981, I introduced H.R. 567, providing for the revocation of Internal Revenue Service revenue ruling 80-274. This IRS ruling prohibits the tax deferral for an individual who purchases an insurance annuity from an insurance company, with the insurance company's proceeds being held at a financial institution.

In late September 1980, several insurance companies and savings and loan associations in the Eighth District of Wisconsin advised me that the Internal Revenue Service, relying on revenue ruling 77-85, had suddenly and without notice issued revenue ruling 80-274. This appears to be another instance where the IRS has legislated through administrative procedure. This most cavalier revenue ruling and the actions relating thereto constitute shabby and highhanded treatment of our citizens by the IRS.

Allow me now to get to the heart of the matter before us. Our country is experiencing a severe and growing shortage of capital, which is contributing to high interest rates and slowing our economic growth. Congress acknowledges the problem and speaks repeatedly of the reindustrialization of America. Although we have been mostly concerned about our manufacturing plants, the same concept is true for one of this Nation's major industries—the housing industry. The housing industry is undergoing very difficult times, and many thousands of people directly associated with real estate and home construction find themselves without work. What is

even more distressing is that forecasts for the future show that our stock of housing will not be sufficient to accommodate upcoming generations. With the need for capital to build our Nation's housing stock, the savings and loan industry needs ways to attract people to save.

Savings associations finance about two-thirds of America's housing and their ability to lend depends directly on people saving at their neighborhood savings and loan. In recent years the percent of disposable income a typical American family saves has been declining steadily—a dangerous trend which must be reversed if housing is to rebound.

Further, compared with other industrialized nations, the American wage earner saves far less than his Japanese and European counterparts. It is estimated that Americans now save less than 3 percent of their earned income, whereas the average Japanese worker saves 25 percent of his income and the West German worker saves about 11 percent. Clearly, we in Congress must fulfill our obligation to help people save, so that they may one day fulfill their dream of owning a home. The tax deferred annuity—TDA—is a model vehicle for this purpose. The TDA is not, as some have suggested, another loophole for the rich, but it is in most cases used by a wage or salary earner, middle aged or older, who has most of his home paid for and is now concerned about retirement and his ability to build a nest-egg for that important day. He or she knows about traditional savings accounts and money market certificates and is not anxious to use these because much of the return goes for Federal and State income taxes and often pushes total family income into higher tax brackets.

The American people are crying out for tax relief and the TDA is like an answer to their prayers because the tax deferral nature of the interest buildup. The TDA appeals to the serious saver, one who saves regularly, with meaningful amounts—the way experts say people should save.

Very briefly let me summarize some of the benefits to be derived from this program. The program:

First, allows people who wish to participate the opportunity to accumulate funds for their own retirement. The need for this is based on a recent survey, which indicates that 83 percent of the population is scared to death of running out of money before they run out of breath.

Second, by issuing TDA's through financial institutions, we reverse the flow of dollars that are fleeing from the banks and savings and loans and thus compounding the inflation rate, the problems of the housing industry and unemployment.

Third, the program was designed to keep the funds in the local bank and local savings and loan. This point is very important and should not be forgotten. These funds do not go out of State for some project no one cares about. To the contrary, these funds stay within the localities to work for a better quality of life for the participants and their fellow citizens.

Mr. Speaker, let me close by saying that this capricious and arbitrary revenue ruling should be revoked forthwith or at the very least suspended for 1 year to allow Congress time to study the matter.

The social security fund is in danger and our older citizens are looking for financial security. I believe tax deferred annuities are a good method by which an individual can determine his or her own future and the dignity that comes from living in a manner he or she determines, rather than a way of life dictated by some Federal bureaucrat at a Federal agency.

Mr. Speaker, Hon. Jay Janis, former Chairman of the Federal Home Loan Bank Board, wrote to former Treasury Secretary Miller explaining his opposition. I would urge my colleagues to read his letter and cosponsor H.R. 567. The responsibility for writing laws rests with Congress, not the Internal Revenue Service.

The letter follows:

FEDERAL HOME LOAN BANK BOARD,
Washington, D.C., October 10, 1980.

Hon. G. WILLIAM MILLER,
Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: I am writing to express my concern over the recent issuance of Revenue Ruling 80-274. The practical effect of the ruling is to preclude the use of group single premium retirement annuity contracts under which Federally insured savings and loan associations are designated as group contract holders. I believe the Internal Revenue Service should withdraw this recent ruling, and that the Treasury Department and the Internal Revenue Service should reconsider carefully the legal and policy implications of the ruling.

I am concerned about the adverse impact of the ruling on savings account funded annuity plans because these plans can be a significant incentive for increased savings by a major segment of the American public, and because these annuity plans have the potential to become a significant source of stable funds for Federally insured savings and loan associations.

Although Revenue Ruling 80-274 is limited ostensibly to the facts of a specific type of annuity contract involving savings and loan associations, as a practical matter, it raises major policy questions concerning the tax treatment of other types of annuities as well. The ruling fails to provide any reasoned legal analysis for its conclusion. In fact, strong legal arguments and precedent exist for concluding that the ruling is incorrect as a matter of law.

In view of the important policy considerations and the complex legal questions raised by the ruling, I believe it is more appropriate for a decision on the tax treatment of these annuity contracts to be the subject of a proceeding that would provide interested individuals and governmental agencies, including the Bank Board, an opportunity to participate. Therefore, I recommend immediate withdrawal of Revenue Ruling 80-274 and commencement of a rulemaking proceeding to consider the important and difficult issues raised by this ruling.

Sincerely,

JAY JANIS,
Chairman.●

STATEMENT FOR ECONOMIC STABILIZATION ACT OF 1981

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, I am today reintroducing legislation to provide the President with standby authority to institute wage and price controls, including restraints on interest rates, dividends, profits, and similar transfers.

The ravages of inflation must be halted now. Every sector of the economy is being damaged by an overall inflation rate that now exceeds 12 percent. Food and health costs are soaring, with prices for other goods and services continuing to spiral as well. As the purchasing power of the dollar declines, people with low, moderate, and fixed incomes suffer most.

The American people are demanding relief from runaway inflation. President Carter did implement a voluntary wage and price standard program. I applaud the step, but it was clearly not sufficient to prevent a new surge of double-digit inflation.

For any voluntary program to be effective, there must be a strong option available for enforcing the guidelines. If Congress grants the President this standby authorization, his ability to encourage voluntary economic restraints will be measurably enhanced. Hopefully the President will never need to impose the controls created by this legislation, but it is essential that they be at his disposal should the need arise.

I urge my colleagues to join me in supporting this legislation which will signal our willingness to attack inflation head on.

A copy of the bill follows:

H.R. 934

A bill, to provide authority for the President to stabilize prices, wages, profits, interest rates, and corporate dividends

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Economic Stabilization Act of 1981".

PRESIDENTIAL AUTHORITY

SEC. 2. The President is authorized to issue such orders and regulations as he may deem appropriate to stabilize prices, rents, wages, salaries, and profits at levels not less than those prevailing on January 1, 1981, except that prices may be stabilized at levels below those prevailing on such data if it is necessary to eliminate windfall profits or if it is otherwise necessary to carry out the purpose of this title, and to stabilize interest rates and corporate dividends and similar transfers at levels consistent with orderly economic growth. Such orders and regulations may provide for the making of such adjustments as may be necessary to prevent gross inequities.

DELEGATION

SEC. 3. The President may delegate the performance of any function under this Act to such officers, departments, and agencies of the United States as he may deem appropriate.

PENALTY

SEC. 4. Whoever willfully violates any order or regulation under this Act shall be fined not more than $25,000.

INJUNCTIONS

SEC. 5. Whenever it appears to any agency of the United States, authorized by the President to exercise the authority contained in this section to enforce orders and regulations issued under this Act, that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation or order under this Act, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the agency, any such court may also issue mandatory injunctions commanding any person to comply with any regulation or order under this Act.

EXPIRATION

SEC. 6. The authority to issue and enforce orders and regulations under this Act expires at midnight September 30, 1985, but such expiration shall not affect any proceeding under section 4 for violation of any such order or regulation, or for the punishment for contempt committed in the violation of any injunction issued under section 5, committed prior to October 1, 1985.●

HUMAN LIFE BILL

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. HYDE. Mr. Speaker, few issues have divided this Nation and the Congress like that of abortion, as we here are painfully aware. The fundamental reason this issue has proven so controversial—whether in regard to Federal financing of abortions, a constitutional amendment to reverse the 1973 Supreme Court decisions on abortion, or the numerous calls for an antiabortion constitutional convention by the State legislatures—is the question; Does abortion destroy innocent human life? For this reason, I am today, along with my good friend and Democratic colleague, Representative MAZZOLI, introducing a bill to create by Federal statute a finding of fact and declaration that human life begins at conception and is accordingly entitled to protection of Federal law. A companion bill is also being introduced in the U.S. Senate by Senator HELMS, who is well known as a leading defender of the sanctity of innocent human life.

This statutory solution for the dilemma of abortion on demand in America is not the only method for reversing the horrendous constitutional errors of *Roe* v. *Wade* and *Roe* v. *Bolton*. I hope that, before long, a constitutional amendment will be proposed by the Congress for eventual ratification by the States. But in the meantime we here in Congress can exercise our powers under the 14th amendment, and by statute establish the right to life of the unborn child. I am convinced we have a duty to do so.

A superb and detailed legal analysis of the authority and precedents for the Congress to undertake such a statute, is outlined in an article in the current Human Life Review—winter 1981—by Stephen Galeback, Esq. to be included in the RECORD today by Senator HELMS. I urge my colleagues to study carefully this proposal, and to consider cosponsoring this bill as well. I also urge the Judiciary Committee to give quick and careful review to this fair, reasonable, and legitimate effort to resolve what has obviously become the most difficult social issue of our time.

Dr. Bernard Nathanson was one of the founders of the National Association for Repeal of Abortion Laws, now known as the National Abortion Rights Action League—NARAL; it is one of the most vociferous proabortion lobbying groups here on Capitol Hill; Dr. Nathanson is also the author of "Aborting America," and he wrote in the New England Journal of Medicine as early as November 28, 1974, that "There is no longer serious doubt in my mind that human life exists within the womb from the very onset of pregnancy, despite the fact that the intrauterine life has been the subject of considerable dispute in the past" and "We must courageously face the fact—finally—that human life of a special order is being taken."

When both sides in this dilemma reach the same conclusion we in the Congress have no alternative but to act, and act quickly to restore protection to America's unborn children.

Dr. Nathanson's important article is printed below. I commend it to your study:

[From the New England Journal of Medicine, Nov. 28, 1974]

SOUNDING BOARD

DEEPER INTO ABORTION

(By Bernard N. Nathanson, M.D.)

In early 1969 I and a group of equally concerned and indignant citizens who had been outspoken on the subject of legalized abortion, organized a political action unit known as NARAL—then standing for National Association for Repeal of Abortion Laws, now known as the National Abortion Rights Action League. We were outspokenly militant on this matter and enlisted the women's movement and the Protestant clergy into our ranks. We used every device available to political-action groups such as pamphleteering, public demonstrations, exploitation of the media and lobbying in the appropriate legislative chambers. In late 1969 we mounted a demonstration outside one of the major university hospitals in New York City that had refused to perform even therapeutic abortions. My wife was on that picket line, and my three-year old son proudly carried a placard urging legalized abortion for all. Largely as a result of the efforts of this and a few similar groups, the monumental New York State Abortion Statute of 1970 was passed and signed into law by Governor Nelson Rockefeller. Our next goal was to assure ourselves that low cost, safe and humane abortions were available to all, and to that end we established the Center for Reproductive and Sexual Health, which was the first—and largest—abortion clinic in the Western world. Its record was detailed in these pages in February 1972.[1]

Some time ago—after a tenure of a year and a half—I resigned as director of the Center for Reproductive and Sexual Health. The Center had performed 60,000 abortions with no maternal deaths—an outstanding record of which we are proud. However, I am deeply troubled by my own increasing certainty that I had in fact presided over 60,000 deaths.

There is no longer serious doubt in my mind that human life exists within the womb from the very onset of pregnancy, despite the fact that the nature of the intrauterine life has been the subject of considerable dispute in the past. Electrocardiographic evidence of heart function has been established in embryos as early as six weeks. Electroencephalographic recordings of human brain activity have been noted in embryos at eight weeks. Our capacity to measure signs of life is daily becoming more sophisticated, and as time goes by, we will doubtless be able to isolate life signs at earlier and earlier stages in fetal development.

The Harvard Criteria for the pronouncement of death assert that if the subject is unresponsive to external stimuli, (e.g., pain), if the deep reflexes are absent, if there are no spontaneous movements or respiratory efforts, if the electroencephalogram reveals no activity of the brain, one may conclude that the patient is dead. If any or all of these criteria are absent—and the fetus does respond to pain, makes respiratory efforts, moves spontaneously, and has electroencephalographic activity—life must be present.

To those who cry that nothing can be human life that cannot exist independently, I ask if the patient totally dependent for his life on treatments by the artificial kidney twice weekly is alive? Is the person with chronic cardiac disease, soley dependent for his life on the tiny batteries on his pacemaker, alive? Would my life be safe in this city without my eyeglasses?

Life is an interdependent phenomenon for us all. It is a continuous spectrum that

[1] Nathanson, B. N.: Ambulatory abortion: experience with 26,000 cases (July 1, 1970, to August 1, 1971). N Engl J Med 286: 403-407, 1972.

begins in utero and ends at death—the bands of the spectrum are designated by words such as fetus, infant, child, adolescent, and adult.

We must courageously face the fact—finally—that human life of a special order is being taken. And since the vast majority of pregnancies are carried successfully to term, abortion must be seen as the interruption of a process that would otherwise have produced a citizen of the world. Denial of this reality is the crassest kind of moral evasiveness.

The fierce militants of the Woman's Liberation evade this issue and assert that the woman's right to bear or not to bear children is her absolute right. On the other hand the ferocious Right-to-Life legions proclaim no rights for the woman and absolute rights for the fetus.

But these "rights" that are held to be so obvious and so undeniable are highly suspect. None of us have "rights" that go beyond the inter-related life that is our common heritage on this planet. Our "rights" exist only because others around us care enough about us to see to it that we have them. They have no other source. They result from no other cause.

Somewhere in the vast philosophic plateau between the two implacably opposed camps—past the slogans, past the pamphlets, past even the demonstrations and the legislative threats—lies the infinitely agonizing truth. We are taking life, and the deliberate taking of life, even of a special order and under special circumstances, is an inexpressibly serious matter.

Somehow, we must not deny the pervasive sense of loss that should accompany abortion and its most unfortunate interruption of life. We must not coarsen our sensitivities through common practice and brute denial.

I offer no panacea. Certainly, the medical profession itself cannot shoulder the burden of this matter. The phrase "between a woman and her physician" is an empty one since the physician is only the instrument of her decision, and has no special knowledge of the moral dilemma or the ethical agony involved in the decision. Furthermore, there are seldom any purely medical indications for abortion. The decision is the most serious responsibility a woman can experience in her lifetime, and at present it is hers alone.

Can there be no help for the pregnant woman bearing the incalculable weight of this moral tension? Perhaps we could make available to her—though it should by no means be mandatory—a consultative body of unique design, much like Saint-Simon's Council of Newton. To meet the new moral challenges of the abortion decision, we may very well need specialists, some of new kinds, to serve on such a body—a psychohistorian, a human ecologist, a medical philosopher, an urbanologist-clergyman. The counseling that such a body could offer a pregnant woman would be designed to bring the whole sweep of human experience to bear on the decision—not just the narrow partisanship of committed young women who have had abortions and who typically staff the counselor ranks of hospitals and clinics now.

My concern is increased by the fact that the sloganeers, with their righteous pontifications and their undisguised desires to assert power over others, have polarized American reactions into dimly understood but tenaciously held positions. The din that has arisen in our land has already created an atmosphere in which it is difficult, if not impossible, for the individual to see the issues clearly and to reach an understanding free from the taint of the last shibboleth that was screamed in her ear.

Our sense of values has always placed the greatest importance upon the value of life itself. With a completely permissive legal climate for abortion (and I believe that we must have such a climate—that abortion must be unregulated by law) there is a danger that society will lose a certain moral tension that has been a vital part of its fabric. In pursuing a course of unlimited and uncontrolled abortion over future years, we must not permit ourselves to sink to a debased level of utilitarian semiconsciousness.

I plead for an honest, clear-eyed consideration of the abortion dilemma—an end to blind polarity. We have had enough screaming placards and mindless marches. The issue is human life, and it deserves the reverent stillness and ineffably grave thought appropriate to it.

We must work together to create a moral climate rich enough to provide for abortion, but sensitive enough to life to accommodate a profound sense of loss.

PERMITTING CITIZEN SUITS TO RECOVER WRONGFULLY REMOVED GOVERNMENT DOCUMENTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, the right of citizen access to unclassified Government records is a fundamental principle of a free society, as Watergate reminded us. Yet we still face major obstacles to real openness.

Henry Kissinger's removal of telephone transcripts from his office shortly before he stepped down as Secretary of State 4 years ago illustrates one such obstacle. Mr. Kissinger removed these documents without the official review required by the Records Disposal Act (44 U.S.C. 3301) et seq. The Solicitor General has conceded that at least some of the transcripts qualify as official records. Nonetheless, the Supreme Court has ruled that private citizens have no right under existing law to recover the papers for the public's view. Although Mr. Kissinger did finally reach a compromise agreement with the State Department for the return of most of the documents, recovery of unlawfully removed records should not be made dependent upon the vagaries of private agreements.

I am today reintroducing legislation to create a private right of recovery and to deter Government officials from such improper removal of documents.

Mr. Kissinger deeded the transcripts, which recorded his notes of telephone conversations while Secretary of State, to the Library of Congress after having them removed from the State Department. Neither the State Department's records official nor the Administrator of General Services reviewed them.

But in the court case that followed, *Kissinger* v. *Reporters Committee for Freedom of the Press*, 445 U.S. 136 (1980), the Supreme Court ruled that the State Department cannot be required to recover documents no longer in its possession to satisfy a Freedom of Information Act (FOIA) request for them—even if they were unlawfully removed.

According to the Court, both the Records Disposal Act and the Federal Records Act of 1950, 44 U.S.C. 2901 et seq., allow only an agency head, with the assistance of the Administrator of General Services, to initiate an action through the Attorney General to recover records in such cases. The Court could find no evidence in the two applicable statutes that Congress had contemplated a private right of action. Therefore, any individual's request, including that of the Reporters Committee, could be refused. The telephone transcripts were thus shielded from public scrutiny for at least 25 years, under the terms of Kissinger's bequest.

The former Secretary had clearly circumvented the Freedom of Information Act. The New York Times declared that the decision created "a loophole in the Freedom of Information Act big enough for high officials to walk through." And Justice Stevens, in a dissenting opinion, viewed the outcome in ominous terms, saying that—

> It thus creates an incentive for outgoing agency officials to remove potentially embarrassing documents from their files in order to frustrate future FOIA requests.

Citizens must be granted the power to compel return of public records. This flaw in the Federal Records Management Acts must be corrected. Unless a private right of action is established, guarantees of open government are meaningless. To insure that the FOIA, in the words of Justice Brennan, "is to be more than a dead letter, we must necessarily incorporate some restraint upon the agency's powers to move documents beyond the reach of the FOIA requester."

Under my proposed legislation, an individual would have the right to bring suit in Federal district court to recover records unlawfully removed from any person or agency with custody of them. Prior to initiating any action, notice of the alleged violation must be given to the Administrator of GSA, the appropriate agency head, the Attorney General, and the person or agency which has custody of the documents. This notice provision permits the Government to comply with the procedures established in title 44 on its own initiative. If no action is

taken within 60 days, the individual can commence proceedings. In the event the Attorney General starts an action to recover the records, the interested party can intervene in the Attorney General's suit, as a matter of right, to guarantee diligent prosecution of the litigation. The legislation also permits the awarding of court costs, plus reasonable attorney's fees, to any party in an action.

My proposal is consistent with the Federal Government's interest in record control. It would enable the agency executive to have the information available when he needs it, in accordance with the statutes' legislative intent. Citizen suits will supplement the Federal records management system by further insuring retention of important documents.

I believe this legislation offers the strongest useful deterrent to the unlawful removal of records at all levels of government. I might note that last session I cosponsored legislation which would give the Archivist of the United States authority to begin proceedings to recover documents. I feel this additional measure introduced today is necessary, however, to avoid undue restraint that may be placed upon a Government official, such as the Archivist, in this type of situation.

In Kissinger, Justice Brennan noted that—

> It is Congress which has the resources and responsibility to fashion a rule about document retention that comports with the objectives of the Freedom of Information Act.

I urge my colleagues to accept this charge and join me in supporting this legislation.

The text of the bill follows:

H.R. 939

A bill to amend title 44, United States Code, to permit citizen suits to recover records wrongfully removed from agency files

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 2905 of title 44, United States Code, is amended by designating the existing paragraph as subsection (a) and by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraphs (2) and (3), any person may commence a civil action on his own behalf against any person (including the United States and any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in possession of any records removed from an agency in violation of the provisions of this chapter or of standards, procedures, or guidelines promulgated pursuant to such provisions. The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order the return of any such records or to issue any other orders necessary to obtain compliance with such provisions, standards, procedures or guidelines.

"(2) No action may be commenced under paragraph (1) prior to sixty days after the plaintiff has given notice of the alleged violation (A) to the Administrator of General Services, (B) to the head of the agency from which such records are alleged to have been removed, (C) to the Attorney General, and (D) to the person who is alleged to have custody of such records.

"(3) No action may be commenced under paragraph (1) if, within sixty days after receipt of the notice required by paragraph (2), the Attorney General commences and is diligently prosecuting an action for the recovery of the records to which such notice pertains, but if such an action is instituted the person giving such notice may intervene as a matter of right in such action.

"(4) In any action under this subsection, the Administrator, if not a party, may intervene as a matter of right.

"(5) The court, in issuing any final order in any action brought pursuant to paragraph (1) of this subsection, may award costs of litigation (including reasonable attorney fees) to any part, whenever the court determines such award is appropriate.".

SEC. 2. Section 3106 of title 44, United States Code, is amended by designating the existing paragraph as subsection (a) and by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraphs (2) and (3), any person may commence a civil action on his own behalf against any person (including the United States and any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution) who is alleged to be in possession of any records removed from an agency in violation of the provisions of this chapter or of standards, procedures, or guidelines promulgated pursuant to such provisions. The district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order the return of any such records or to issue any other orders necessary to obtain compliance with such provisions, standards, procedures, or guidelines.

"(2) No action may be commenced under paragraph (1) prior to sixty days after the plaintiff has given notice of the alleged violation (A) to the Administrator of General Services, (B) to the head of the agency from which such records are alleged to have been removed, (C) to the Attorney General, and (D) to the person who is alleged to have custody of such records.

"(3) No action may be commenced under paragraph (1) if, within sixty days after receipt of the notice required by paragraph (2), the Attorney General commences and is diligently prosecuting an action for the recovery of the records to which such notice pertains, but if such an action is instituted the person giving such notice may intervene as a matter of right in such action.

"(4) In any action under this subsection, the Administrator, if not a party, may intervene as a matter of right.

"(5) The court, in issuing any final order in any action brought pursuant to paragraph (1) of this subsection, may award costs of litigation (including reasonable attorney fees) to any party, whenever the court determines such award is appropriate.".●

REGULATION OF SMOKE DETECTORS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, a number of highly respected scientists and radiologists have pointed out that a radioactive isotope commonly used in smoke detectors represents a serious threat to human health and to the environment. Americium-241, a waste product from the nuclear fuel cycle, is 53 times more radioactive by weight than plutonium-239, for example. Its half-life is 458 years, meaning that it retains its potentially lethal properties for several centuries. Ingestion of even a minute amount of americium-241 can cause cancer.

For this reason, I am introducing two bills today. The first would help alert the millions of consumers who purchase smoke detectors to the potentially hazardous threat smoke detectors containing radioactive materials present. This bill would require manufactureres of ionization smoke detectors to affix to their product and its packaging a notice which states: "This device contains radioactive material which might be hazardous to your health if ingested or improperly disposed." A recognized symbol for radioactivity would also be required to appear on the product.

The second bill I am introducing would regulate the sale of smoke detectors containing radioactive isotopes. This bill would prohibit the interstate sale of the ionization smoke detector, which accounts for approximately 75 percent of all currently marketed smoke detectors.

A safe and reliable alternative to the ionization type detector is currently available. This is the photoelectric variety, which does not contain any radioactive material and has been shown to be effective in providing early alerts.

These bills will help insure that prospective purchasers of smoke detectors be given essential information on the possible risks associated with these products. Forewarned by this notification, a consumer could then choose between the ionization device or a comparably effective model which contains no radioactive material.

There is no justification for continuing to sanction the sale and distribution of an unlabeled device which significantly increases radiological health hazards. These bills are important consumer product safety initiatives that will help safeguard public health and environmental quality. I hope that my colleagues will recognize the danger posed by the ionization smoke

detector, and join me in sponsoring these bills.

Copies of both bills follow:

H.R. 937

A bill to provide that ionization smoke detectors containing any radioactive isotope shall be considerd banned hazardous substances subject to the prohibitions of the Federal Hazardous Substances Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any ionization device which—

(1) is designed to detect the presence of smoke in the atmosphere; and

(2) contains any radioactive isotope; shall be considered to be a banned hazardous substance for purposes of the Federal Hazardous Substances Act (15 U.S.C. 1261 et seq.), and shall be subject to the prohibitions established in section 4 such Act (15 U.S.C. 1263) and to the other provisions of such Act.

SEC. 2. Any person who violates the provisions of section 4 of the Federal Hazardous Substances Act (15 U.S.C. 1263), in connection with the manufacture of the device specified in the first section of this Act, or in connection with the introduction or delivery for introduction of such device into interstate commerce, shall be subject to the penalties established in section 5 such Act (15 U.S.C. 1264).

SEC. 3. The device specified in the first section of this Act shall be liable to seizure in accordance with the provisions of section 6 of the Federal Hazardous Substances Act (15 U.S.C. 1265).

H.R. 926

A bill to provide that ionization smoke detectors shall bear a label specifying that they contain radioactive materials

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be unlawful for any person engaged in the packaging or labeling of any ionization smoke detection device for distribution in commerce, or for any person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution in commerce of any packaged or labeled ionization smoke detection device, to distribute or to cause to be distributed in commerce any such device if such device is not labeled in a manner which complies with the requirements of section 2.

SEC. 2. (a) Any ionization smoke detection device distributed in commerce shall bear a label which—

(1) includes a recognized symbol indicating the presence of radioactive material; and

(2) bears the following statement: "This device contains radioactive material which may be hazardous to your health if ingested or improperly disposed.".

(b) The label required in subsection (a) shall be affixed to the outside back panel or portion of any ionization smoke detection device, and to any package containing such a device.

SEC. 3. Any violation of the first section of this Act shall constitute an unfair or deceptive act or practice in commerce in violation of section 5(a) of the Federal Trade Commission Act and shall be subject to enforcement under section 5(b) of the Federal Trade Commission Act.

SEC. 4. For purposes of this Act—

(1) the term "commerce" means—

(A) commerce between any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States, and any place outside thereof; and

(B) commerce within the District of Columbia or within any territory or possession of the United States not organized with a legislative body;

but such term does not include exports to foreign countries; and

(2) the term "ionization smoke detection device" means any device which—

(A) is designed to detect the presence of smoke in the atmosphere; and

(B) contains any radioactive isotope.

SEC. 5. The provisions of this Act shall apply to any ionization smoke detection device which is available for retail sale in commerce after the date of the enactment of this Act.●

CIVIL LIBERTIES AND CIVIL RIGHTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. WEISS. Mr. Speaker, today I am submitting for the RECORD my legislative summary of civil liberties and civil rights issues during the 96th Congress.

Civil liberties and civil rights came under heavy attack in the 96th Congress. While some gains were made, the list of accomplishments must focus on the defeat or postponement of dangerous legislation rather than progressive bills which were passed.

Two important legislative initiatives affecting civil liberties did pass during this Congress. The Civil Rights of Institutionalized Persons Act permits action by the Federal Government to protect the constitutional rights of individuals confined in prisons, mental hospitals, juvenile homes, and other institutions operated or owned by the State. This law should provide a significant new tool for Federal civil rights enforcement.

The other major civil liberties victory was the passage of the Privacy Protection Act of 1980. This legislation was designed to overturn the Supreme Court decision in Zurcher against Stanford Daily, which held that a surprise search of a newsroom did not violate the fourth amendment if a search warrant was used. Under the new statute, police searches for documentary materials held by journalists and others engaged in activities protected by the first amendment not suspected of a crime are expressly prohibited. Third parties, such as doctors and lawyers, are also protected, albeit less strictly, against surprise searches.

Among the many defensive battles that were waged in the past 2 years, one of the most successful prevented enactment of an omnibus criminal code bill. Although the efforts to codify all Federal criminal laws and revise those which require overhauling are commendable, I continue to believe that the omnibus approach is unsuited to this task. With so many provisions involved, legislative horsetrading becomes inevitable. Thus, the so-called criminal code reform act included unwise and potentially dangerous new provisions, while retaining existing laws that infringe upon civil liberties. The omnibus approach also results in a bill of great complexity, controversy, and size requiring extensive debate. With the bipartisan support of 34 House Members, I led the drive for open and unlimited debate on the bill and the number of amendments that could be offered to it. I strongly advocated full consideration of each of the bill's provisions. Recognition of the length of debate required for this important legislation was one of the major factors in the House leadership's decision not to bring the bill before the full House this Congress.

Another dangerous piece of legislation that never reached the full House was a bill to punish the disclosure of the identities of covert intelligence agents. The Intelligence Identities Protection Act would have made it a crime for anyone to reveal the identity of covert CIA and FBI agents, even if the information was already part of the public record. I, along with constitutional law professors and civil liberties groups, believed this legislation to be prone to potential abuse and an unconstitutional violation of first amendment rights. I was actively involved in the successful fight against this bill in the 96th Congress, and I will continue to oppose similar legislation that might be introduced in the 97th Congress.

The failure of the Senate to act on the Fair Housing Act Amendments forces the postponement of what has been called the most significant civil rights legislation in the last decade. Passed by the House in June 1980, this bill would have established administrative procedures through which the Fair Housing Act could have been inexpensively and expeditiously enforced. Pressure by special interest groups affected by the legislation stalled the bill in the Senate, where it died during the last days of the 96th Congress. Although the new Senate leadership promises to make it a priority in the new Congress, civil rights advocates were keenly disappointed that these amendments to truly end housing discrimination are still not law.

A constitutional amendment to prohibit court-ordered busing was defeated by a narrow vote of 216 to 209, after Representative RON MOTTL, Democrat from Ohio, managed to force the bill out of committee and onto the floor of the House by obtaining the requisite number of Members' signatures for such a maneuver. However, antibusing forces did achieve a temporary victory by successfully attaching a rider to the Justice Department's fiscal year 1981 appropriations bill which would prohibit them from participating in or initiating school desegregation cases. President Carter's veto of the bill prevented this restriction from becoming law this year, but it is likely that similar legislation will be introduced next year.

Reversing its original opposition to draft registration, the House voted to resume registration at the request of the administration. The Soviet intervention in Afghanistan and concern over tensions in Middle East provided the impetus needed to pass the registration bill over vehement objections of civil rights, religious, women's, and student organizations. I strongly oppose resumption of the draft and repeatedly spoke out against it in the House and at meetings and rallies both on Capitol Hill and in the district. Although draft registration is now compulsory for all 18- and 19-year-old men, the draft debate will undoubtedly continue during the 97th Congress.

My bill to prohibit discrimination on the basis of sexual orientation received hearings by the Subcommittee on Employment Opportunities. These amendments to the Civil Rights Act ban discrimination against homosexuals in housing, employment, education, and public accommodations. Over 50 Congressmen and Congresswomen have joined with me in sponsoring legislation to end second-class citizen status for gay men and lesbian women.

The 96th Congress again failed to take final action on recognizing the birthday of Rev. Martin Luther King, Jr. On November 13, 1979, a bill declaring January 15 of each year as a national holiday fell only a few votes short of passage. This regrettable failure to honor the contributions of our Nation's foremost civil rights leader will hopefully be reversed in the 97th Congress, when this legislation will be introduced again.

In what may be another harbinger of difficult times ahead, the Privacy of Medical Information Act was defeated by the full House during the last weeks of the 96th Congress. The legislation, which would have prevented unauthorized disclosures of a patient's medical records while permitting greater patient access to those records, was shaped and reported favorably by the Subcommittee on Government Information and Individual Rights, of which I am a member.

The 96th Congress moved again toward even more restrictive provisions for medicaid funding of abortions. Debate continued in the House and Senate on this sensitive issue in connection with the passage of several major pieces of legislation. The Departments of Labor and Health and Human Services are currently funded under a continuing appropriations resolution which provides medicaid funding only when the life of the woman is endangered and in cases of promptly reported incidents of rape and incest. This language has grown more regressive in recent years and no longer provides abortion funding even for women who would suffer severe and long lasting physical health damage if the pregnancy were carried to term. The targets for the Hyde amendments have expanded and abortion riders were passed on appropriation bills funding the Departments of Defense and Justice, the Peace Corps, and the District of Columbia, among others. I believe the denial of medicaid funding to be economic discrimination and an infringement on a woman's right to privacy in this personal decision. I will continue to work actively in the 97th Congress to assure all women access to safe, legal abortion services.

The Senate passed legislation to require, in most cases, advance notice to courts if a break-in or a ruse is needed in order to install electronic eavesdropping equipment. This legislation became necessary after the Supreme Court ruled that the Government no longer needed to obtain a search warrant if the wiretap was previously authorized. Unfortunately the House took no action on the Senate-passed bill or on similar legislation that I introduced to specifically require a separate warrant for breaking and entering in order to implant a wiretap.

I plan to reintroduce this legislation in the new Congress.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, January 20, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 21

10:00 a.m.

Budget

To hold hearings to examine the current economic situation and its impact on the Federal budget.

6202 Dirksen Building

Rules and Administration

To hold an organizational business meeting, to consider committee budget for 1981 and other legislative and administrative matters.

301 Russell Building

2:00 p.m.

Budget

To continue hearings to examine the current economic situation and its impact on the Federal budget.

6202 Dirksen Building

JANUARY 22

10:00 a.m.

Budget

To continue hearings to examine the current economic situation and its impact on the Federal budget.

6202 Dirksen Building

Energy and Natural Resources

To hold hearings on the world petroleum outlook for 1981.

3110 Dirksen Building

2:00 p.m.

Budget

To continue hearings to examine the current economic situation and its impact on the Federal budget.

6202 Dirksen Building

Energy and Natural Resources

To hold closed hearings on the world petroleum outlook for 1981.

Room S-407, Capitol

Select on Ethics

To hold an open and closed business meeting.

Room to be announced.

3:00 p.m.

Appropriations

Business meeting, to consider committee rules of procedure for the 97th Congress, committee budget for 1981, and announce subcommittee assignments.

Room S-128, Capitol

JANUARY 23

10:00 a.m.

Appropriations

Labor, Health, and Human Services, and Education Subcommittee

To meet on general subcommittee business.

1114 Dirksen Building

Select on Small Business

To hold oversight hearings on the 8A pilot program of the Small Business Administration.

424 Russell Building

JANUARY 26

10:00 a.m.

Budget

Industrial Growth Subcommittee

To hold hearings on U.S. science and technology policy, and its impact on the electronics industry.

6202 Dirksen Building

Labor and Human Resources

To hold an organizational business meeting, to consider the committee's budget for 1981, rules of procedure for

the 97th Congress, and announce subcommittee assignments.
4232 Dirksen Building

JANUARY 27

10:00 a.m.
Appropriations
To hold hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
318 Russell Building

Budget
Industrial Growth Subcommittee
To hold hearings on the impact of Federal policy to improve the capacity of certain industries.
6202 Dirksen Building

Select on Small Business
To hold an organizational business meeting.
424 Russell Building

JANUARY 28

9:30 a.m.
Labor and Human Resources
To hold hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
Room to be announced

Budget
Industrial Growth Subcommittee
To hold hearings on the international context of U.S. industrial growth.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on Federal and State regulations affecting the automobile industry.
235 Russell Building

JANUARY 29

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
Room to be announced

JANUARY 30

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
Room to be announced

FEBRUARY 24

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from the Disabled American Veterans.
318 Russell Building

HOUSE OF REPRESENTATIVES—*January 20, 1981*

The House met at 10:30 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, our help in ages past, our hope for years to come, may Your blessing be upon those to whom the responsibility of leading our Nation has been given. To those who in days past have given of themselves in the pursuit of justice, we offer our gratitude. To those who this day assume the burden of office we offer our prayers that they may lead the people in the ways of righteousness and reconciliation. Teach us all, O God, to acknowledge our dependence on You, recognizing that by ourselves we are weak and given to false pride. Help us to use our power and resources in ways that bring health and happiness to people and peace and concord to our world. O God, look with favor upon our land that through trust in You, we may be faithful in our tasks and so serve the common good. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to make an announcement on behalf of the Inaugural Committee.

Members must display their official tickets in order to get a seat on the platform.

The seats to be occupied by Members of the House have no cover and the area is unheated. Members are urged to dress appropriately for the weather.

No children will be allowed upon the platform, and there will be no seats except for Members actually holding tickets for their own seats.

The procession will be headed by the Sergeant at Arms bearing the mace. He will be followed by the Speaker pro tempore, the House leadership, committee chairmen, ranking minority members, and the other Members in order of seniority.

The Chair would encourage Members, as they gather in order of seniority, to congregate by classes in the well.

Pursuant to House Resolution 27, the Members of the House will now proceed to the West Front to attend the inaugural ceremonies for the President and Vice President of the United States.

Thereupon at 10 o'clock and 36 minutes a.m., the Members of the House, preceded by the Sergeant at Arms and the Speaker pro tempore, proceeded to the West Front of the Capitol.

ADJOURNMENT

At the conclusion of the inaugural ceremonies (at 12 o'clock and 23 minutes p.m.) the House, without returning to its Chamber, pursuant to House Resolution 27, stood in adjournment until Thursday, January 22, 1981, at 11 a.m.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DASCHLE:

H.R. 953. A bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loan between related parties and on deferred payments in the case of certain sales of property; to the Committee on Ways and Means.

By Mr. GUYER:

H.R. 954. A bill to prohibit the use of master meters for gas and electricity supplied to new buildings having more than one unit, and for other purposes; to the Committee on Energy and Commerce.

H.R. 955. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 956. A bill to repeal the provisions of the Postal Reorganization Act and to reenact the former provisions of title 39, United States Code; to the Committee on Post Office and Civil Service.

H.R. 957. A bill to amend the Internal Revenue Code of 1954 to allow individuals to designate $10 or less of their income tax liability to be used for purposes of reducing the public debt of the United States; to the Committee on Ways and Means.

H.R. 958. A bill to amend the Internal Revenue Code of 1954 to provide for individuals a refundable tax credit for amounts paid or incurred for television subtitle equipment for use by the hearing-impaired individuals; to the Committee on Ways and Means.

H.R. 959. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 960. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by speech-impaired or hearing-impaired individuals for use of toll telephone service by means of teletypewriters; to the Committee on Ways and Means.

H.R. 961. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes to provide that $500,000 of property shall be exempt from such taxes, and to provide an inflation adjustment of such amount; to the Committee on Ways and Means.

H.R. 962. A bill to amend title II of the Social Security Act to reaffirm the fact that benefits payable thereunder are exempt from all taxation; to the Committee on Ways and Means.

H.R. 963. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for the purchase and installation of certain teletypewriters for use by individuals whose sight, hearing, or speech is impaired; to the Committee on Ways and Means.

H.R. 964. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from the gross estate of a decedent of a portion of the value of certain interests in a farm or ranch or trade or business if the spouse or children of the decedent materially participate in such farm or ranch or trade or business; to the Committee on Ways and Means.

H.R. 965. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest and dividends on deposits in saving institutions; to the Committee on Ways and Means.

H.R. 966. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

H.R. 967. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

H.R. 968. A bill to amend section 44A of the Internal Revenue Code of 1954 to allow all qualifying individuals to take into account employment-related expenses incurred for services outside the taxpayer's household in determining the credit for expenses for certain household and dependent care services under such section; to the Committee on Ways and Means.

H.R. 969. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 970. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims, professional design liability claims, and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

H.R. 971. A bill to provide that each State must establish a workfare program, and require participation therein by all residents of the State who are receiving benefits or assistance under the aid to families with dependent children, food stamp, and public housing programs, as a condition of the State's eligibility for Federal assistance in connection with those programs; jointly, to the Committees on Education and Labor, Ways and Means, Agriculture, and Banking, Finance and Urban Affairs.

H.R. 972. A bill to terminate the Department of Energy; jointly, to the Committees on Government Operations and Rules.

H.R. 973. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; jointly, to the Committees on the Judiciary and Education and Labor.

H.R. 974. A bill to amend titles 5 and 37 of the United States Code to provide authority to continue the pay of Federal employees and military personnel during periods in which the enactment of appropriations is delayed; jointly, to the Committees on Post Office and Civil Service and Armed Services.

By Mr. McDONALD:

H.R. 975. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 976. A bill to limit eligibility for appointment and admission to any U.S. service academy to male individuals; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

H.R. 977. A bill to require the Comptroller General of the United States to audit annually the gold held by the United States on the first day of each fiscal year and to report his findings to the Congress; to the Committee on Banking, Finance and Urban Affairs.

H.R. 978. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

H.R. 979. A bill to repeal titles XV and XVI of the Public Health Service Act; to the Committee on Energy and Commerce.

H.R. 980. A bill to permit the introduction or delivery for introduction of laetrile into interstate commerce without the approval of a new drug application under the Federal Food, Drug, and Cosmetic Act; to the Committee on Energy and Commerce.

H.R. 981. A bill to restrict the authority of the Secretary of Health and Human Services with respect to the regulation of vitamin and mineral products for over-the-counter use; to the Committee on Energy and Commerce.

H.R. 982. A bill to exempt certain blood fractions from the Federal Food, Drug, and Cosmetic Act for 5 years, and for other purposes; to the Committee on Energy and Commerce.

H.R. 983. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Energy and Commerce.

H.R. 984. A bill to reduce expenditures by the Federal Government, except expenditures for national defense and national security, for the fiscal year 1981; to the Committee on Government Operations.

H.R. 985. A bill to terminate Federal involvement in education; to the Committee on Government Operations.

H.R. 986. A bill to abolish the Federal Election Commission; to the Committee on House Administration.

H.R. 987. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 988. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any Federal felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 989. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgement, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

By Mr. CONABLE:

H.R. 990. A bill to amend and revise provisions of the Internal Revenue Code of 1954 relating to nonprofit organizations, and for other purposes; to the Committee on Ways and Means.

By Mr. McDONALD:

H.R. 991. A bill to provide for a 10 percent reduction in congressional salaries whenever the budget is not balanced; to the Committee on Post Office and Civil Service.

H.R. 992. A bill to amend title 23, United States Code, for the purpose of deleting the provisions relating to a national maximum speed limit of 55 miles per hour; to the Committee on Public Works and Transportation.

H.R. 993. A bill to provide that the Internal Revenue Service may not implement certain rules relating to the determination of whether private schools have discriminatory policies until Congress provides specific guidelines for such determination; to the Committee on Ways and Means.

H.R. 994. A bill to amend the Internal Revenue Code of 1954 to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns, and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 995. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 996. A bill to amend the Internal Revenue Code of 1954 to provide an inflation adjustment for the amount exempted from gift tax; to the Committee on Ways and Means.

By Mr. McDONALD (for himself, Mr. PHILIP M. CRANE, Mr. DANIEL B. CRANE, Mr. GUYER, and Mr. LAGOMARSINO):

H.R. 997. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. GUYER:

H.J. Res. 97. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority; to the Committee on the Judiciary.

H.J. Res. 98. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. LUKEN:

H.J. Res. 99. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. ROUSSELOT (for himself, Mr. COLLINS of Texas, Mrs. HOLT, Mr. LAGOMARSINO, Mr. EDWARDS of Oklahoma, Mr. ASHBROOK, Mr. GOLDWATER, Mr. MOORHEAD, Mr. LUJAN, Mr. WHITEHURST, Mr. GUYER, Mr. GINGRICH, Mr. BAFALIS, Mr. STANGELAND, Mr. PAUL, Mr. KINDNESS, Mr. BADHAM, Mr. FORSYTHE, Mr. BURGENER, Mr. DANNEMEYER, Mr. WINN, Mr. JEFFRIES, Mr. YOUNG of Florida, Mr. LUNGREN, Mr. DUNCAN, Mr. TRIBLE, Mr. LIVINGSTON, Mr. DREIER, Mr. SENSENBRENNER, Mr. WILSON, and Mr. DANIEL B. CRANE):

H.J. Res. 100. Joint resolution proposing an amendment to the Constitution of the United States to require (except during fiscal years during which the United States is at war or during which a suspension is approved) that the annual deficit of the United States be eliminated, to require tax rates to be reduced to offset the effects of inflation, and to establish a procedure for the approval of bills or joint resolutions affecting taxes; to the Committee on the Judiciary.

By Mr. LUKEN:

H.J. Res. 101. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. LUKEN (for himself, Mr. PRICE, and Mr. BOWEN):

H.J. Res. 102. Joint resolution designating the week beginning June 1, 1981, as "National Garden Week"; to the Committee on Post Office and Civil Service.

By Mr. McDONALD:

H. Con. Res. 29. Concurrent resolution expressing the sense of the Congress that homosexual acts and the class of individuals who advocate such conduct shall never receive special consideration or a protected status under law; to the Committee on the Judiciary.

H. Con. Res. 30. Concurrent resolution expressing the sense of the Congress with respect to balancing the Federal budget; jointly, to the Committees on Government Operations, Foreign Affairs, Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. GUYER:

H. Con. Res. 31. Concurrent resolution urging the President to attempt to bring about the establishment of an international food cartel involving the major food exporting countries which would use export prices for food commodities as a bargaining of in negotiations with the Organization .. Petroleum Exporting Countries for reasonable oil prices; to the Committee on Foreign Affairs.

By Mr. ST GERMAIN:

H. Con. Res. 32. Concurrent resolution declaring the sense of Congress regarding periods of silence in the public schools; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. McDONALD:

H. Res. 29. Resolution to establish a select committee to investigate illegal or unethical practices of the Internal Revenue Service; to the Committee on Rules.

By Mr. PEYSER (for himself, Mr. ADDABBO, Mr. BINGHAM, Mr. MCHUGH, and Mr. YATES):

H. Res. 30. Resolution urging the President to continue the embargo on exports of agricultural commodities to the Soviet Union as a result of its invasion and continued occupation of Afghanistan; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ST GERMAIN:

H.R. 998. A bill for the relief of Mrs. Samuel (Edys) Markovitz; to the Committee on the Judiciary.

H.R. 999. A bill for the relief of John and Margaret Diehl, Julie Eastridge, and Jerome and Betty Davis; to the Committee on the Judiciary.

SENATE—*Tuesday, January 20, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 10:30 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Almighty God, in whom our fathers trusted, we thank Thee for the precious memories and bright hopes which stir within us this day.

We pray for Thy servant, Ronald Reagan, summoned by the people to guide the destiny of the Republic. Bestow upon him a wisdom higher than his own, a power greater than his own, and an unfailing spirituality derived from an enduring faith in Thee. Surround him with wise counselors and competent colleagues. Be with him in moments of loneliness and anguish. And be with Thy servant, GEORGE BUSH, that he may be ready at all times for the exigencies of history. Be with the Members of this body. Hold us to all that is right and good and true.

Renew in all the people a strong sense of civic responsibility. Rekindle the fire of high patriotism, of self-reliance, and personal industry. Give us a part in the recovery of national purpose and the revival of pure religion. Quicken our love of America that, beyond the glittering lights of today, we may see the shining glory of the Republic—"one nation under God, indivisible with liberty and justice for all." Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Alaska is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings to date be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 10:49 A.M. TODAY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess until 10:49 a.m.

The PRESIDENT pro tempore. Without objection, it is so ordered. Recess until 10:49 a.m.

There being no objection, the Senate, at 10:32 a.m., recessed until 10:49 a.m.; whereupon, the Senate reassembled when called to order by the President pro tempore.

RECESS UNTIL 3 P.M.

The PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the inaugural platform for the inauguration of our new President, Ronald Reagan. The Senate will then stand in recess until 3 o'clock today.

(Thereupon, at 10:49:25 a.m., the Senate recessed until 3 p.m.)

INAUGURATION OF THE PRESIDENT OF THE UNITED STATES AND THE VICE PRESIDENT

PROCESSION TO THE INAUGURAL PLATFORM

The Members of the House of Representatives, headed by Representative JAMIE L. WHITTEN, Speaker pro tempore, W. Raymond Colley, Deputy Clerk of the House, and the Reverend James David Ford, Chaplain, proceeded to the inaugural platform. House leadership, committee chairmen, and ranking minority members were seated in the inner ring of the platform. Mr. James T. Molloy, Mr. Walter Kennedy, and Mr. Robert V. Rota assisted in the seating of all other Members in the outer ring of the platform.

The Members of the U.S. Senate, headed by Senator STROM THURMOND, President pro tempore, William F. Hildenbrand, Secretary of the Senate, and the Reverend Edward L. R. Elson, D.D., Chaplain of the Senate, proceeded to the inaugural platform. Senate leadership, committee chairmen, and ranking minority members were seated in the inner ring of the platform. Mr. Walter J. Stewart and Mr. Howard O. Greene, Jr., assisted in seating all other Members in the outer ring of the platform.

The Governors of the States and the Mayor of the District of Columbia, were escorted by Mr. Joseph deGenova, assisted by two Capitol Police, to their seats in south boxes 1 and 2. The Governors' spouses, and the spouse of the Mayor of the District of Columbia, were escorted to their places in section A.

The members of the diplomatic corps were escorted from the Rayburn Room by Ms. Linda Melconian and Mr. Hyde Murray and were seated in the north boxes. Spouses of the diplomats were escorted by Mr. Tommy Winebrenner and Mr. Ronald Lasch to their seats in section A.

The members of the diplomatic corps spouses were escorted by Mr. Gerald Frank from the rotunda to their seats on the President's platform.

All the Justices of the Supreme Court were escorted to their seats on the President's platform by Mr. Martin B. Gold. The spouses of the Justices, except for the spouses of the Chief Justice and Associate Justice Stewart were escorted by Capitol Police to their seats in section A. Mrs. Burger and Mrs. Stewart were escorted by the coordinator to their seats on the President's platform.

MRS. BUSH AND MRS. MONDALE

Mrs. Baker, Mrs. Michel, Mrs. Pell, Mrs. Wright, and Mrs. Robert C. Byrd escorted Mrs. Bush and Mrs. Mondale, with assistance from the coordinator, to the President's platform.

MRS. REAGAN AND MRS. CARTER

Mrs. Hatfield, Mrs. Rhodes, and Mrs. O'Neill escorted Mrs. Reagan and Mrs. Carter, with assistance from the coordinator, to the platform.

PRESIDENT CARTER AND VICE PRESIDENT MONDALE

Mr. Mello G. Fish and Mr. Charles Mallon, accompanied by Mr. William McWhorter Cochrane, escorted President Carter and Vice President MONDALE, followed by Senator PELL, Senator ROBERT C. BYRD, Speaker O'NEILL, and Representative WRIGHT to the President's platform.

THE VICE PRESIDENT-ELECT

Mr. Howard S. Liebengood and Mr. Benjamin J. Guthrie escorted the Vice President-elect, Senator BAKER, and Representative MICHEL to the President's platform.

THE PRESIDENT-ELECT

Senator HATFIELD and Representative RHODES, accompanied by Mr. Thomas K. Decker, the Executive Director, escorted the President-elect to the President's platform.

This party joined the Sergeants at Arms, Speaker O'NEILL, Senator BAKER, Senator PELL, Representative MICHEL, Senator ROBERT C. BYRD, and Representative WRIGHT and proceeded to the platform.

The ANNOUNCER. Ladies and gentlemen, Senator MARK O. HATFIELD, chairman of the Joint Congressional Committee on Inaugural Ceremonies, will present the program.

[Applause.]

THE INAUGURAL CEREMONY

Mr. HATFIELD. Welcome to the historic first inauguration under the panoply of the west front of our Nation's Capitol. The 40th President of the United States takes his oath of office in a day when a tide of new hope is rising throughout our land. As an affirmation of this new hope, let us all join Michael Ryan of the U.S. Marines in singing a verse of "America the Beautiful."

All join and reach out and grasp the hand of your neighbor, and let this be a symbol of our unity.

(The U.S. Marine Corps Band, under the direction of Lt. Col. John Bourgeois, played "America the Beautiful," which was sung by Michael Ryan.)

[Applause.]

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

INVOCATION

Mr. HATFIELD. Please be seated.

This new hope is not promoted in lyricism but is a tough and realistic hope which is the instinct of the soul, the energizer of the mind.

For our invocation today, I present President-elect and Mrs. Reagan's pastor, the Reverend Donn Moomaw of the Bel Aire Presbyterian Church of Los Angeles.

Will you please stand?

Reverend MOOMAW. Wherever you might be, here in the United States and around the world, please bow with me in this moment of solemn dedication and prayer.

Gracious God, Our Father, we need you today, maybe as never before. We have not lived up to our personal or national potential. We have seen our world from our own selfish, parochial point of view. We have lived as though everything depended upon us. We confess our sin and seek Your forgiveness.

In this historic moment, we would pray for our President-elect Ronald Reagan. May he see himself as one who has been called by You to lead this country. May he take very seriously his accountability to You and do all he can to walk in Your truth, run with patience the race that is set before him, and stand mature and wholly devoted to doing Your will.

Grant him a steady peace, a brave and compassionate heart, a single desire to always be quick to give You all the praise and the honor and the glory.

Help and encourage Mrs. Reagan and the children in these days. Teach them, O God, to understand that with responsibility comes sacrifice, and with leadership comes loneliness. May they all find their companionship in You, O God.

We also pray for Vice President-elect GEORGE BUSH, the Cabinet, and all others who are in positions of leadership in this new administration. May they measure well the shortness of time and the length of eternity. May they see all people and things and nations from Your point of view.

We thank You, O God, for this moment of commitment. Give to all of us as a nation enough hard times to keep us humble and humane, enough tasks beyond our own abilities to keep us ever dependent upon You, enough joys and accomplishments to keep us pressing on and gloriously happy as we serve You together.

We thank You, O God, for the release of the hostages, and for all of those who have made this moment possible.

And so in this moment of new beginnings, our hearts beat with a cadence of pride in our country and hope in its future. Help us to stand proudly as American citizens and face every challenge with a confidence born of Your spirit and humbly touched by Your love and grace.

So to this end we commit ourselves and to this end we pray, in the name of the Lord of lords and King of kings, even Jesus Christ. Amen.

Mr. HATFIELD. Please be seated.

My fellow citizens, will you join me at this time in wishing good health and happiness to President and Mrs. Carter and the Vice President and Mrs. MONDALE?

[Applause.]

ADMINISTRATION OF OATH TO THE VICE PRESIDENT-ELECT

Mr. HATFIELD. I now present the Associate Justice of the U.S. Supreme Court, the Honorable Potter Stewart, who will administer the oath of office to the Vice President-elect.

[Applause.]

Associate Justice Potter Stewart administered to the Vice President-elect the oath of office prescribed by the Constitution, which he repeated, as follows:

I, GEORGE HERBERT WALKER BUSH, do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

Mr. JUSTICE STEWART. God bless you.

[Applause.]

ADMINISTRATION OF OATH TO THE PRESIDENT-ELECT

Mr. HATFIELD. The U.S. Marine Band will now play our national hymn, "God of Our Fathers."

(The U.S. Marine Corps Band played "God of Our Fathers.")

[Applause.]

Mr. HATFIELD. My fellow citizens, I now present the Chief Justice of the United States, the Honorable Warren Burger, who will administer the oath of office to the President-elect.

Mr. CHIEF JUSTICE BURGER. Put your hand on the Bible and raise your right hand and repeat after me.

The Chief Justice of the United States, Warren Earl Burger, administered to the President-elect the oath of office prescribed by the Constitution, which he repeated, as follows:

I, Ronald Reagan, do solemnly swear that I will faithfully execute the office of President of the United States, and will, to the best of my ability, preserve, protect, and defend the Constitution of the United States. So help me God.

Mr. CHIEF JUSTICE BURGER. I congratulate you.

[Applause.]

(Four ruffles and flourishes, "Hail To The Chief," and 21-gun salute.)

Mr. HATFIELD. My fellow countrymen, the President of the United States.

President REAGAN. Thank you.

[Applause.]

THE INAUGURAL ADDRESS

President REAGAN. Senator HATFIELD, Mr. Chief Justice, Mr. President, Vice President BUSH, Vice President MONDALE, Senator BAKER, Speaker O'NEILL, Reverend Moomaw, and my fellow citizens: To a few of us here today, this is a solemn and most momentous occasion. And, yet, in the history of our Nation, it is a commonplace occurrence.

The orderly transfer of authority as called for in the Constitution routinely takes place as it has for almost two centuries and few of us stop to think how unique we really are. In the eyes of many in the world, this every-4-year ceremony we accept as normal is nothing less than a miracle.

Mr. President, I want our fellow citizens to know how much you did to carry on this tradition. By your gracious cooperation in the transition process, you have shown a watching world that we are a united people pledged to maintaining a political system which guarantees individual liberty to a greater degree than any other, and I thank you and your people for all your help in maintaining the continuity which is the bulwark of our Republic.

[Applause.]

The business of our Nation goes forward. These United States are confronted with an economic affliction of great proportions. We suffer from the longest and one of the worst sustained inflations in our national history. It distorts our economic decisions, penalizes thrift, and crushes the struggling young and the fixed-income elderly alike. It threatens to shatter the lives of millions of our people.

Idle industries have cast workers into unemployment, causing human misery and personal indignity. Those who do work are denied a fair return for their labor by a tax system which penalizes successful achievement and keeps us from maintaining full productivity.

But great as our tax burden is, it has not kept pace with public spending. For decades, we have piled deficit upon deficit, mortgaging our future and our children's future for the temporary convenience of the present. To continue this long trend is to guarantee tremendous social, cultural, political, and economic upheavals.

You and I, as individuals, can, by borrowing, live beyond our means, but for only a limited period of time. Why, then, should we think that collectively, as a nation, we are not bound by that same limitation?

We must act today in order to preserve tomorrow. And let there be no misunderstanding—we are going to begin to act, beginning today.

The economic ills we suffer have come upon us over several decades. They will not go away in days, weeks, or months. But they will go away. They will go away because we, as Americans, have the capacity now, as we have had in the past, to do whatever needs to be done to preserve this last and greatest bastion of freedom.

In this present crisis, Government is not the solution to our problem. Government is the problem.

From time to time, we have been tempted to believe that society has become too complex to be managed by self-rule, that government by an elite group is superior to government for, by, and of the people. But if no one among us is capable of governing himself, then who among us has the capacity to govern someone else?

All of us together, in and out of Government, must bear the burden. The solutions we seek must be equitable, with no one group singled out to pay a higher price.

We hear much of special interest groups. Our concern must be for a special interest group that has been too long neglected. It knows no sectional boundaries or ethnic and racial divisions, and it crosses political party lines. It is made up of men and women who raise our food, patrol our streets, man our mines and

our factories, teach our children, keep our homes, and heal us when we are sick—professionals, industrialists, shopkeepers, clerks, cabbies, and truckdrivers. They are, in short, "We the people," this breed called Americans.

This administration's objective will be a healthy, vigorous, growing economy that provides equal opportunity for all Americans, with no barriers born of bigotry or discrimination. Putting America back to work means putting all Americans back to work. Ending inflation means freeing all Americans from the terror of runaway living costs. All must share in the productive work of this "new beginning" and all must share in the bounty of a revived economy. With the idealism and fairplay which are the core of our system and our strength, we can have a strong and prosperous America at peace with itself and the world.

So, as we begin, let us take inventory. We are a Nation that has a Government—not the other way around. And this makes us special among the nations of the Earth. Our Government has no power except that granted it by the people. It is time to check and reverse the growth of Government which shows signs of having grown beyond the consent of the governed.

It is my intention to curb the size and influence of the Federal Establishment and to demand recognition of the distinction between the powers granted to the Federal Government and those reserved to the States or to the people.

[Applause.]

All of us need to be reminded that the Federal Government did not create the States; the States created the Federal Government.

[Applause.]

So there will be no misunderstanding, it is not my intention to do away with government. It is, rather, to make it work—work with us, not over us; to stand by our side, not ride on our back. Government can and must provide opportunity, not smother it; foster productivity, not stifle it.

If we look to the answer as to why, for so many years, we achieved so much, prospered as no other people on earth, it was because here, in this land, we unleashed the energy and individual genius of man to a greater extent than has ever been done before. Freedom and the dignity of the individual have been more available and assured here than in any other place on earth. The price for this freedom at times has been high. But we have never been unwilling to pay that price.

It is no coincidence that our present troubles parallel and are proportionate to the intervention and intrusion in our lives that result from unnecessary and excessive growth of government.

It is time for us to realize that we are too great a nation to limit ourselves to small dreams. We are not, as some would have us believe, doomed to an inevitable decline. I do not believe in a fate that will fall on us no matter what we do. I do believe in a fate that will fall on us if we do nothing.

So, with all the creative energy at our command, let us begin an era of national renewal. Let us renew our determination, our courage, and our strength. And let us renew our faith and our hope. We have every right to dream heroic dreams.

Those who say that we are in a time when there are no heroes just don't know where to look. You can see heroes every day going in and out of factory gates. Others, a handful in number, produce enough food to feed all of us and then the world beyond.

You meet heroes across a counter—and they are on both sides of that counter. There are entrepreneurs with faith in themselves and faith in an idea who create new jobs, new wealth and opportunity. They are individuals and families whose taxes support the Government and whose voluntary gifts support church, charity, culture, art, and education. Their patriotism is quiet but deep. Their values sustain our national life.

I have used the words "they" and "their" in speaking of these heroes. I could say "you" and "your" because I am addressing the heroes of whom I speak—you, the citizens of this blessed land. Your dreams, your hopes, your goals, are going to be the dreams, the hopes and the goals of this administration, so help me God.

[Applause.]

We shall reflect the compassion that is so much a part of your makeup. How can we love our country and not love our countrymen? And loving them reach out a hand when they fall, heal them when they are sick, and provide opportunities to make them self-sufficient so they will be equal in fact and not just in theory?

Can we solve the problems confronting us? Well, the answer is an unequivocal and emphatic yes. To paraphrase Winston Churchill, I did not take the oath I have just taken with the intention of presiding over the dissolution of the world's strongest economy.

In the days ahead, I will propose removing the roadblocks that have slowed our economy and reduced productivity. Steps will be taken aimed at restoring the balance between the various levels of government. Progress may be slow—measured in inches and feet, not miles—but we will progress. It is time to reawaken this industrial giant, to get Government back within its means, and to lighten our punitive tax burden. And these will be our first priorities, and on these principles, there will be no compromise.

[Applause.]

On the eve of our struggle for independence a man who might have been one of the greatest among the Founding Fathers, Dr. Joseph Warren, President of the Massachusetts Congress, said to his fellow Americans, "Our country is in danger, but not to be despaired of . . . On you depend the fortunes of America. You are to decide the important question upon which rests the happiness and the liberty of millions yet unborn. Act worthy of yourselves."

Well, I believe we, the Americans of today, are ready to act worthy of ourselves, ready to do what must be done to ensure happiness and liberty for ourselves, our children and our children's children.

And as we renew ourselves here in our own land, we will be seen as having greater strength throughout the world. We will again be the exemplar of freedom and a beacon of hope for those who do not now have freedom.

To those neighbors and allies who share our freedom, we will strengthen our historic ties and assure them of our support and firm commitment. We will match loyalty with loyalty. We will strive for mutually beneficial relations. We will not use our friendship to impose on their sovereignty, for our own sovereignty is not for sale.

As for the enemies of freedom, those who are potential adversaries, they will be reminded that peace is the highest aspiration of the American people. We will negotiate for it, sacrifice for it; we will not surrender for it—now or ever.

[Applause.]

Our forebearance should never be misunderstood. Our reluctance for conflict should not be misjudged as a failure of will. When action is required to preserve our national security, we will act. We will maintain sufficient strength to prevail if need be, knowing that if we do so we have the best chance of never having to use that strength.

Above all we must realize that no arsenal, or no weapon in the arsenals of the world, is so formidable as the will and moral courage of free men and women. It is a weapon our adversaries in today's world do not have. It is a weapon that we as Americans do have. Let that be understood by those who practice terrorism and prey upon their neighbors.

[Applause.]

I am told that tens of thousands of prayer meetings are being held on this day, and for that I am deeply grateful. We are a Nation under God, and I believe God intended for us to be free. It would be fitting and good, I think, if on each Inaugural Day in future years it should be declared a day of prayer.

This is the first time in our history that this ceremony has been held, as you have been told, on this West Front of the Capitol. Standing here, one faces a magnificent vista, opening up on this city's special beauty and history. At the end of this open Mall are those shrines to the giants on whose shoulders we stand.

Directly in front of me, the monument to a monumental man: George Washington, Father of our country. A man of humility who came to greatness reluctantly. He led America out of revolutionary victory into infant nationhood.

Off to one side, the stately memorial to Thomas Jefferson. The Declaration of Independence flames with his eloquence.

And then beyond the reflecting pool the dignified columns of the Lincoln Memorial. Whoever would understand in his heart the meaning of America will find it in the life of Abraham Lincoln.

Beyond those monuments to heroism is the Potomac River, and on the far shore the sloping hills of Arlington National Cemetery with its row on row of simple white markers bearing crosses or Stars of David. They add up to only a tiny fraction of the price that has been paid for our freedom.

Each one of those markers is a monument to the kinds of hero I spoke of earlier. Their lives ended in places called Belleau Wood, The Argonne, Omaha Beach, Salerno and halfway around the world on Guadalcanal, Tarawa, Pork Chop Hill, The Chosin Reservior, and in a hundred rice paddies and jungles of a place called Vietnam.

Under one such marker lies a young man—Martin Treptow—who left his job in a small town barber shop in 1917 to go to France with the famed Rainbow Division. There, on the Western iront, he was killed trying to carry a message between battalions under heavy artillery fire.

We are told that on his body was found a diary. On the flyleaf under the heading, "My Pledge," he had written these words: "America must win this war. Therefore, I will work, I will save, I will sacrifice, I will endure, I will fight cheerfully and do my utmost, as if the issue of the whole struggle depended on me alone."

The crisis we are facing today does not require of us the kind of sacrifice that Martin Treptow and so many thousands of others were called upon to make. It does require, however, our best effort, and our willingness to believe in ourselves and to believe in our capacity to perform great deeds; to believe that together, with God's help, we can and will resolve the problems which now confront us.

And, after all, why shouldn't we believe that? We are Americans. God bless you and thank you.

[Applause.]

Mr. HATFIELD. Will you remain standing, please?

The Joint Congressional Committee on the Inauguration and all the Members of U.S. Congress are honored that you have come here for this great occasion today.

We close now with the benediction offered by Reverend Moomaw, which will be followed by the singing of the Star Spangled Banner by Mrs. Juanita Booker.

BENEDICTION

Reverend MOOMAW. May the Lord bless you and keep you; may the Lord make His face to shine upon you and be gracious unto you; may the Lord lift up the light of His countenance upon you and give you peace, both now and forever more. Amen.

PRESENTATION OF THE NATIONAL ANTHEM

(The National Anthem was sung by Mrs. Juanita Booker, accompanied by the U.S. Marine Corps Band, audience standing.)

[Applause.]

Mr. HATFIELD. Will you greet once more our President and Mrs. Reagan?

[Applause.]

(The inaugural ceremonies were concluded at 12:23 p.m.)

(Following the conclusion of the inaugural ceremonies, the Senate reassembled at 3 p.m., when called to order by the President pro tempore (Mr. THURMOND).

MESSAGES FROM THE PRESIDENT

The PRESIDENT pro tempore. The Senate will now receive a message from the President of the United States.

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES OF THE PRESIDENT WITH RESPECT TO NOMINATIONS OF CABINET OFFICERS HELD AT THE DESK

Mr. BAKER. Mr. President, I ask unanimous consent that the messages from the President, which are in respect to his nominations for Cabinet officers, be held at the desk pending further disposition of the Senate.

The PRESIDENT pro tempore. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, there will be no objection from this side. We on the Democratic side want to expedite the process of confirming the nominees. Some of the nominees will be confirmed quickly and without much debate. Others will require a little more time, but we stand ready to cooperate in expediting the nominees.

I feel the new President, as have his predecessors, should have those whom he has chosen insofar as the Senate is willing to confirm them in place as soon as possible so he can begin to govern. That will be the spirit on this side of the aisle as we approach this matter.

We are ready to enter into a time agreement which I have discussed with the distinguished majority leader, if he so wishes to propound it.

Mr. BAKER. Mr. President, I thank the minority leader, and I am most grateful for his graciousness and his expression of cooperation which he has stated previously privately, as well as on the floor of the Senate. It is characteristic of him and of his leadership and, I may say, augurs well for the beginnings of a good bipartisan relationship in matters of national importance that we are off to a start of this type.

I might say to the minority leader it is my intention to ask unanimous consent in a moment to proceed to the consideration, first, of the nomination of Caspar Weinberger to be Secretary of Defense. I would advise the distinguished minority leader, as I have done previously, that I had hoped to go first to the Secretary of State, who is the senior Cabinet officer, but at the specific request of the President I will alter that request and, in a moment, I will make such a request, such a unanimous-consent request.

I hope, Mr. President, in respect to the remainder of this day that we can dispose of the Secretary of Defense nomination on which, I assume, there will be a rollcall vote, based on the colloquy with the Senator from Wisconsin on yesterday, and then begin on the nomination of General Haig to be Secretary of State. If the minority leader is prepared to do so, I would like to propound, if he is prepared to respond, now a unanimous-consent request with respect to those two nominations.

Mr. ROBERT C. BYRD. Mr. President, first of all, I have no objection, as I represent the Members on this side of the aisle, to holding the nominations at the desk prior to their being sent to committee, and I also have no objection to proceeding with any nomination the distinguished majority leader wishes to proceed with or nominations today without their being held for a day.

The PRESIDENT pro tempore. Without objection, the Senator's request is agreed to.

Mr. BAKER. I thank the Chair.

TIME-LIMITATION AGREEMENT ON VARIOUS CABINET NOMINATIONS

Mr. BAKER. Mr. President, I now request that when the Senate goes into executive session to consider nominations, those held at the desk, that we first proceed to the consideration of the nomination of Caspar Weinberger to be Seretary of Defense, and on that nomination there be a total time of 100 minutes to be divided as follows: 45 minutes under the control of the ranking member of the Committee on Armed Services, the distinguished Senator from Mississippi (Mr. STENNIS); 15 minutes under the control of the distinguished chairman of the committee, Mr. TOWER; and 40 minutes under the control of the distinguished Senator from North Carolina (Mr. HELMS). That is the request.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I will not object—I wonder if the distinguished majority leader would care to put all of the requests at one time, certainly those on which this side of the aisle requests 45 minutes, without singling out any one in particular?

Mr. BAKER. All right.

Mr. President, responding to the minority leader, let me go through the list, if the Chair will withhold granting the request.

Mr. President, I further ask unanimous consent that when we proceed to the consideration of the nomination of Alexander Haig to be Secretary of State that there be a time limitation of 4 hours to be divided as follows: 3 hours to be controlled by the ranking minority member, Senator PELL, the distinguished Senator from Rhode Island; the remaining hour to be controlled by the chairman of the committee, the distinguished Senator from Illinois (Mr. PERCY); and 30 minutes of that hour to be allocated to the distinguished Senator from Connecticut (Mr. WEICKER).

Mr. President, in addition, I ask unanimous consent that on the nomination of James Watt to be Secretary of the Interior that there be a 4½-hour time limitation to be divided as follows: 3 hours to be controlled by the ranking minority member, Senator JACKSON; and 1½ hours to be controlled by the distinguished chairman of the committee, Senator MCCLURE.

I further ask unanimous consent, Mr. President, that on the nomination of David Stockman, to be Director of the Office of Management and Budget, there be a 3-hour time limitation to be divided

as follows: 2 hours under the control of the ranking minority member, Mr. EAGLETON, and 1 hour under the control of the chairman of the committee, Senator BOTH.

Further, Mr. President, I ask unanimous consent that when the Senate reaches the nomination of James Edwards to be Secretary of Energy that there be a time limitation of 75 minutes to be divided as follows: 45 minutes under the control of the ranking minority member, Senator JACKSON; and 30 minutes under the control of the chairman of the committee, Senator MCCLURE.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I shall not object to the requests en bloc—the Democratic side of the aisle is prepared to enter into agreements on all the remaining nominees with the exception of Mr. Stockman, and to the extent that 45 minutes be allotted to this side of the aisle under the control of the ranking minority member, if the distinguished majority leader—I am sorry, I misstated myself by a slip of the tongue. I did not mean to make reference to Mr. Stockman. My reference to the lack of any intention to enter into any time agreement on this side with respect to a nominee was with respect to the nomination of the Secretary of Labor.

Mr. BAKER. Mr. President, I thank the distinguished minority leader.

On the basis of that then I make this final addition to my unanimous-consent request. I ask unanimous consent that on all the remaining nominations which are now at the desk, having been transmitted by the President of the United States on this day, there be a time limitation of 45 minutes allocated to the minority, and 15 minutes allocated to the majority under the control of the ranking member of the jurisdictional committee in each instance, and the chairman of the jurisdictional committee on this side in each instance.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished majority leader were to add this proviso, that 30 minutes of the time allotted to the Democratic side of the aisle be under the control of Mr. PROXMIRE on each nominee, I have no objection.

Mr. BAKER. Mr. President, I thank the distinguished minority leader, and I add that to my request.

The PRESIDENT pro tempore. Without objection, all requests are agreed to.

(Later the following occurred:)

Mr. BAKER. Mr. President, it has been called to my attention that, by inadvertence, it might be thought that I asked unanimous consent to limit the time on the nomination of Mr. Donovan to be Secretary of Labor. Just so there is no misunderstanding about that, Mr. President, I ask unanimous consent that the Donovan nomination not be included in the overall catchall request that I made just previously.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader.

(End of later proceedings.)

Mr. BAKER. Mr. President, while we have a number of Senators in the Chamber, I would say once again that it is my intention in a few moments to ask unanimous consent to proceed first to the nomination of Caspar Weinberger to be Secretary of Defense. While there are a number of Senators here, I ask unanimous consent that it be in order to ask for the yeas and nays on that nomination.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, is it the intention of the majority leader to allow Senators to have a few minutes for routine morning business? I have a couple of statements I would like to make at this time.

Mr. BAKER. Mr. President, I am prepared to do that now, if the minority leader would wish, or we could do it later, as he might prefer.

Mr. President, if there is any remaining leader time, let me make one remark and then I will yield to the minority leader for such remarks as he may wish and then we will have a provision for the transaction of routine morning business.

Mr. TOWER. Mr. President, may we have order?

EXPRESSIONS OF APPRECIATION

Mr. BAKER. Mr. President, I would like to pay a special tribute to the distinguished minority leader for something that may not be widely known even in this body, and that is his perseverance, his initiative, and his request that the inauguration of the 40th President of the United States be held on the west front of the Capitol, a historic first.

We have just concluded that ceremony, and it was no less than majestic. I wish to pay my special respects to the distinguished minority leader for taking the initiative in making that possible and making that event so memorable.

At the same time, Mr. President, I wish to express my deep appreciation to the distinguished Senator from Oregon, Mr. HATFIELD, who was chairman of the Joint Congressional Committee on the Inauguration. I think the entire inauguration was conducted with style and grace, with a type of class that becomes the Congress of the United States, and the rapport that I hope will continue to exist between the three departments.

Mr. President, I wish to express my appreciation to all of those on the staff of the Senate and the Congress who have served so faithfully in making this truly a memorable day.

I yield to the minority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I thank him for his remarks with respect to the bit of a part that I played in having the inaugural ceremony conducted on the west side of the Capitol.

I must confess that at that time I clearly had in mind the inauguration of a Democratic President. But, nevertheless, I think we did the right thing in having it on the west side.

Mr. President, let me also add my commendations to those of the majority leader with respect to the work that Mr. HATFIELD has done and the class, poise, and dignity with which he carried out his responsibility today. I think that all Members of the Senate can be justly proud of Mr. HATFIELD.

PRESIDENT REAGAN

Mr. ROBERT C. BYRD. Mr. President, today is a day of hope in our country. Back in November we had our day of partisan contest. The winner of that election becomes much more than a victor of his party. He becomes the President of the United States. I congratulate President Ronald Wilson Reagan. I join with my fellow Democrats and with all Americans in wishing him an auspicious beginning, and a successful term of office.

More than anyone, the President represent our country. When the President succeeds, so do all of us. Every American has a stake in the strength and the wisdom of our President. That is why today is a day of national hope. The United States has a new leader, and all Americans wish him Godspeed.

Back in November and during the campaign there were negative comments about the state of our Nation—both sides criticized our policies and pointed to problems. Now it is time to leave behind the rhetoric of economic disaster and military weakness. Now is the time to look to our strengths, which are ample and enduring. Now is the time to focus on our problems as challenges, with a sense of perspective, and with a sense of purpose. The spirit of this land is proud and resilient. We know that we as a people have an inner strength, and we want to use it for the good of the country. We know that we are prepared to work, to sacrifice, and to better this Nation. We welcome a fresh chapter in our history.

The transition from President Carter to President Reagan is one of which we can be proud. There are few nations in the world capable of transferring power by the ballot. In many countries an event such as the one we have celebrated today would be accomplished not by respect for the rule of law and with dignity for both winner and loser—but rather by force of arms and tanks in the streets. We do live in a special country. We have a duty to preserve our system of representative democracy.

President Carter had a contract with the American people until today. History will record that he was a President tenacious for peace. He honored our country by working for the release of the American hostages in Iran right up to the last moment. We are proud of Jimmy Carter for this.

Mr. President, President Reagan stands before a nation of Republicans and Democrats, a nation strong by its ethnic, cultural, economic, and religious

diversity. We owe him our support and our cooperation to strengthen America. Today is indeed a day of hope for all Americans.

RELEASE OF AMERICAN HOSTAGES

Mr. ROBERT C. BYRD. Mr. President, in the early days of the Roman Empire, the ancient Latin poet Horace offered this advice and counsel: "The man who is tenacious of purpose in a rightful cause," he observed, "is not shaken from his firm resolve by the frenzy of his fellow citizens clamoring for what is wrong, or by the tyrant's threatening countenance." I do not know whether President Carter, Secretary of State Muskie, Deputy Secretary Christopher and others in the Carter administration were aware of the Latin poet's sage observation in their approach to gaining the release of the American hostages in Iran. But, at this juncture, it really does not matter.

What does matter is that the hostages are free and they are free because President Carter was, in fact, "tenacious of purpose" and "not shaken from his firm resolve" to win their release—and to win it in a dignified and honorable manner.

The Nation owes President Carter and his advisers a debt of gratitude for their determined and unfailing efforts to bring the hostage ordeal to a successful conclusion. A lesser man, a lesser President could easily have decided to turn his back and slowly walk away, leaving it as a problem for his successor. To his credit, President Carter refused to do so and for that, we can all be thankful. History will so record.

And history will also record that this was an issue on which all Americans were united, whether rich or poor, black or white, Democrat or Republican. It was a bipartisan issue and it was approached in just that fashion. Indeed, I would be remiss if I did not acknowledge the efforts of the incoming President, Mr. Reagan, and his advisers as well. Their efforts were supportive, constructive and forthright.

Clearly, then, a lot of people deserve a lot of credit in writing the final act of the hostage drama. Congratulations to all of them. The drama is over and well it should be.

With great fondness and affection we look forward to welcoming our fellow citizens home and we rejoice in the happiness of their families and friends.

Mr. President, I thank the distinguished majority leader for his courtesy.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. President, may I take this brief opportunity to join with the distinguished minority leader in paying my respects to President Carter. I have known him now for 4 years as President and before that as Governor of Georgia. I have known him as a friend and as President of the United States.

There is one point, however, that I would like to record at this moment. As the minority leader has correctly pointed out, a lesser man could easily have turned his back on the continuation of the diligence of effort that he has shown to gain the release of the American hostages in Iran.

I commend President Carter, I commend former Secretary of State Muskie, I commend former Under Secretary of State Warren Christopher, and so many others, for working right up to the last moment, not only to gain the release of our hostages, but also to liquidate a problem that would have been a very difficult one for our new President to face.

The country, this administration, all of us, owe to President Carter and his colleagues a debt of gratitude for that service, and I wish to express that at this time.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that at this time there be a period for the transaction of routine morning business, not to exceed 20 minutes, and that Senators may speak therein for not to exceed 5 minutes each.

The PRESIDENT pro tempore. Without objection——

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, I wonder if the distinguished majority leader will include in his request once he does proceed into executive session, that the first 15 minutes of executive session be allotted to Senator PROXMIRE without the time being charged against any nominee.

Mr. BAKER. Mr. President, I certainly have no objection to that. It is my understanding that the Senator from Wisconsin wishes to make a general statement about the nominations rather than about a particular nominee.

Mr. PROXMIRE. That is correct.

Mr. BAKER. I modify my previous unanimous-consent request so that the Senator from Wisconsin may have 15 minutes when we go into executive session for the purpose of considering Presidential nominees for Cabinet positions, and that such 15 minutes not be charged against any of the several nominations.

The PRESIDENT pro tempore. Without objection, the request, as modified, is agreed to.

RELEASE OF AMERICAN HOSTAGES BY IRAN

Mr. FORD. Mr. President, like all other Americans, I am thankful that the safe release of the hostages has finally been arranged and that they are now on their way home. My prayers remain with them and their families for the trying personal times ahead.

The resolution of this situation should be a sign to other nations that the value our country places on human life will not be compromised. The respect and importance that we assign to human life is a source of inner strength to this country. This is what made the situation in Iran so fragile, but the United States, through patience and perseverance, was able to drive a hard bargain without backing away from that principle.

This has been a very frustrating and trying experience for the Nation in general and the Carter administration in particular. As he leaves office, President Carter will do so knowing that he did his best and gave his all to win the release of the hostages and that despite the many obstacles involved he and his administration succeeded.

REPORT OF THE INTERAGENCY COAL EXPORT TASK FORCE

Mr. FORD. Mr. President, last September, the Senate Committee on Energy and Natural Resources, held 3 days of hearings on U.S. coal exports. I found chairing much of these hearings to have been both educational and somewhat disturbing.

The United States, always a major exporter of metallurgical coal, now can serve an increasingly important role as a major exporter of steam coal, both in the short term and over the longer run. The international market for steam coal will increase rapidly during the remainder of the century as an economic alternative to OPEC oil. The capability of the United States to satisfy this market will, in large part, be determined by national policies such as our policy regarding the expansion and dredging of ports.

One day of the September hearings was devoted to reports by, and questioning of, members of those agencies represented on the Interagency Coal Export Task Force. Today, I received my copy of the interim report of the task force, and I commend its study to all Members and all committees of jurisdiction.

Mr. President, I ask unanimous consent that the major findings and recommendations of the Interagency Coal Export Task Force be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTERAGENCY COAL EXPORT TASK FORCE

INTRODUCTION: MAJOR FINDINGS AND RECOMMENDATIONS

Background

Coal was the dominant energy source and feedstock used by industrialized nations at the turn of the century. Within twenty years, however, coal's dominance began to erode with the discovery of large petroleum and natural gas reserves. As explorations, production and refining technology advanced, oil and gas became cheaper and more convenient to use, store and ship than coal. Coal's contribution toward the world's primary energy requirements fell from 49 percent in 1940 to only 29 percent in 1973. In 1973, OPEC initiated what has now grown to be a ten-fold increase in world oil prices. By comparison, coal prices have moved up modestly, and steam coal is now significantly cheaper than oil for use in large stationary facilities that generate electricity and industrial process heat, even including costs of new construction or conversion and emission-cleaning equipment. This together with concerns about stability of supply of oil, has accelerated a worldwide re-evaluation of the role of coal in meeting the world's energy needs. By 1979 coal's share of primary energy requirements had climbed to 33 percent. The United States, with vast recoverable coal reserves and an underutilized capacity to mine coal, has the potential to become a leading exporter of steam coal.

Growing international awareness of the need to rely on coal in order to fuel the economic growth of the industrialized world was reflected in commitments made at the Tokyo Economic Summit in June 1979. There, the United States joined with its industrialized allies to encourage coal use, facilitate its transport and avoid governmental interference with long-term contracts for coal, except in a national emergency.

In June 1980, the seven heads of State at the Economic Summit Meeting at Venice again turned their attention to coal. As part of the fundamental undertaking to "break the existing link between economic growth and consumption of oil . . . in this decade," the participants adopted the goal of doubling coal production and use by the early 1990's. They agreed to a number of implementing actions, including:

Encouragement of long-term commitments by coal producers and consumers;

Improvement of infrastructure in both exporting and importing countries, as far as is economically justified, to insure the required supply and use of coal;

Use of full authority to insure that increased use of coal does not damage the environment; and

A number of steps to bar the construction of new oil-fired generating capacity and to encourage the conversion of current capacity to other fuels.

In order to evidence the United States' commitment to a major role as a coal exporter, the President called a White House Coal Export Conference in December 1980. There, over 300 persons representing nearly all aspects of world coal trade heard panelists and audience participants review the promise and problems underlying United States coal export potential. Given a common and current understanding of the progress made and plans for additional actions, along with the commitment of the United States government, the attendees would, it was believed, be in a better position to move trade forward. A summary of the proceedings of the conference is contained in Appendix A. Participants in the Task Force are listed in Appendix B.

The Task Force

In connection with the international efforts of the United States supporting the use of coal, the Interagency Coal Export Task Force was formed in the summer of 1980 at the direction of the President. Its purpose was to report on possible courses of action to increase United States steam coal exports in a manner consistent with other national policies, including our commitment to environmental protection.

In its roughly six months of existence, the Task Force undertook a number of related activities. It assembled existing, and developed significant new information regarding the international coal market. It undertook analyses of apparent problems underlying coal exports. It served as a clearinghouse for ideas and information among those who had interests in coal exports; in many cases, it helped to bring parties together for possible mutual and national benefit. It served as a point of contact for foreign representatives both to obtain current information on developments in the United States and to register concerns. It made a contribution to public awareness that increased coal exports will serve both the domestic and international interests of the United States.

Just as the work of the Task Force naturally entails related activities, this interim Report embraced matters other than narrow proposals for Federal action. Any such proposals should be based on an adequate foundation and viewed in perspective. Thus, for example while it is not the purpose of this Report to describe comprehensively the geology or utilization of coal, it is necessary to refer to such material selectively, since it may be helpful in understanding the dynamics of the coal export market. Moreover, it is just as important to point out areas where Federal action is unnecessary. By cataloging the plans and achievements of private industry or of State and local governments, we can paint a more accurate picture and satisfy concerns that attention is being given to potential problem areas. We do not see the Task Force as an invitation for recommendations which necessitate federal intrusion into the free market, and, with a few significant exceptions, we view federal action as generally inappropriate here.

The report will, therefore, set forth a variety of information useful in understanding the process by which United States steam coal exports can increase, including current problems; ideas pursued but, for reason, rejected or deferred for others to consider; and conclusions reached by the Task Force on major situational factors—such as estimates of foreign demand for steam coal.

It must be emphasized that this is solely an interim Report. Much more needs to be done to evaluate the data and studies received by the Task Force. Given its relatively brief existence, the breadth of issues covered (from foreign energy policies to the condition of domestic waterways), and the large volume of materials recently received, it was not possible to integrate fully the work product or to reach interagency consensus on problems and solutions. Moreover, this Report does not constitute the entirety of the Task Force's written work. Listed in Appendix C are the extensive reports of the working subgroups of the Task Force and of its consultants. These will be made available for public review at the Department of Energy and for copying according to a procedure described herein (Appendix C). Those with particular interests in matters touched upon in this initial Report will have the opportunity to obtain more detail. Additional publication of this material may be undertaken when the final Report of the Task Force is completed.

Appendix D to this report provides a summary of existing Federal programs that are designed to support coal export activities.

Set forth in the following text are the current conclusions and recommendations of the Task Force on issues which are of primary importance to the United States' role as a supplier of the international market for steam coal. Other findings lie within the body of the report and may form the basis for future recommendations.

Conclusions and recommendations

1. World Coal Demand:

Based upon extensive, independent field studies in Europe and the Far East, the Task Force believes that there will be significant growth in world demand for steam coal. Such growth has already begun, has contributed to the almost seven-fold increase in U.S. overseas steam coal exports for 1980 over 1979, and is expected to continue beyond the end of this century. Import demand for the "primary overseas market" is projected in the table below:

TABLE I-1.—PRIMARY OVERSEAS MARKET DEMAND

[Million short tons per year][1]

	Actual 1979	1985	1990	2000
Europe	62.6	97–123	146–190	273–343
Pacific rim	13.9	43	90	202–222
Total	76.5	140–166	236–280	475–565

[1] Our underlying projections of coal demand were computed in MTCE (million metric tons of coal equivalent). An MTCE measures both volume and heating value such that one MTCE equals 1,000,000 metric tons of coal with a heating value of 12,600 Btu per pound. Conversion to "short tons," which is the usual unit for shipments within the United States, requires first, multiplying MTCE by a factor of 1.1 to convert from metric to short tons, and then multiplying by a factor of 1.045 to reflect heating value of the low-sulfur bituminous coal likely to be exported by the United States. The combined conversion multiple is 1.15.

The projections for individual countries which comprise the foregoing projections are set forth in detail in Table I-2, which follows. For the period 1985–1990, these projections are roughly 20 percent higher than earlier projections by the World Coal Study; and for the year 2000, they lie within the high range of such projections.

The primary reason for this high projected growth is the escalating price of petroleum, the apparent undependability of its supply and the resulting need to convert to other fuels for reliable electric power generation and industrial process heat. The expected increase in imported coal demand is rendered more significant in light of the fact that the Task Force utilized more conservative assumptions for growth in the gross national product (GNP) of consuming countries and for the associated rates of growth in electricity demand. The increase in coal demand expectations over those of prior studies reflects certain curtailments or deferrals in consuming countries' plans for construction of nuclear facilities; additional conversion to coal use in the industrial sector (for example, cement manufacture), and a closer analysis of certain countries' likely consumption, not individually analyzed in previous studies.

It should be noted that almost all steam coal in world trade today is low-sulfur (generally below 1.5 percent and preferably below 1 percent), bituminous coal. Some industrial uses such as cement manufacture can accept somewhat higher sulfur levels, about 1.5 to 2 percent. The Task Force believes that the predominant steam coal demand will continue to be for low-sulfur, bituminous coal. The market for higher sulfur coal will be small, such coals being used primarily to blend with very low sulfur coal.[1]

TABLE I-2.—PRELIMINARY PROJECTIONS OF STEAM COAL IMPORTS BY COUNTRY AND REGION

[Short tons][1]

	Year			
	1979	1985	1990	2000
Europe:				
Austria	3	5	6	17
Belgium/Luxembourg	6	13	17	23–33
Denmark	8	13	16	22
Finland	5	5–8	6–8	8–18
France	21	15–22	14–24	25–36
Greece	(2)	2	4	5
Italy	2	17	37–41	46–54
Ireland	1	2	4	7
Netherlands	3	7	15	33–37
Norway	(2)	1	1	3
Spain	4	7	9	24
Sweden	2	4	11	27
United Kingdom	2	0–8	0–8	0–10
West Germany	7	8–15	6–25	28–50
Subtotal	63	97–123	146–190	273–343
Pacific rim:				
Japan	3	25	48	99–118
Korea	6	9	16	51
Taiwan	5	4	16	41
Hong Kong	———	5	9	12
Subtotal	14	43	90	202–222
Total	77	140–166	236–280	475–565

[1] 1 short ton is assumed to contain 24,000,000 Btu. Totals may not add due to rounding.
[2] Unknown.

[1] Most of the coal in world trade today is metallurgical coal—used for production of metallurgical coke for steel manufacture. The United States is a major exporter of metallurgical coal, primarily to the Pacific Rim countries from Eastern and Gulf ports, shipping about 51 million tons in 1979, valued at about $2.8 billion. The demand for metallurgical coal is thus tied to worldwide steel production. The Task Force expects the growth of metallurgical coal trade to be slow.

2. The U.S. Share of the International Steam Coal Market:

The growth in the world steam coal trade reflected in the preceding section does not guarantee United States coal exporters a large or expanding share of the market. The United States' role depends on the buying strategies of the consuming countries, the policies and prices of competing exporters, and the actions taken by the United States to maintain reasonable prices, prompt delivery and dependable quality. Projections of United States coal exports, therefore, rest upon a number of highly uncertain factors.

The principal issues raised are:

Whether buyers will simply maximize purchases from the lowest cost suppliers;

Whether, instead, they will seek to diversify supply sources for security, with price operating as a secondary factor which might constrain the desire for diversification; or

Whether, regardless of buyers' strategies, world steam coal demand will grow until it enters a range where, given political and resource constraints on other sellers, only the United States can deliver the desired additional volumes.

Based on our interviews here and abroad and on other factors, we do not believe the United States' market share will turn entirely on a lowest-delivered-cost criterion. Rather, the lessons learned from the unstable energy markets of the last decade have shaped basic purchasing strategies for importing countries so as to emphasize security of supply and diversification of supply sources. The buying strategies also reflect the fact that coal is inexpensive relative to oil and natural gas. A certain range of differences in prices among coal suppliers is viewed as insubstantial in respect to both the savings to be gained by conversion to coal and the hidden costs inherent in the risks of nondiversification of supply.

As long as competing delivered-coal prices lie within an acceptable tolerance, which may be of the order of 10 percent, the Task Force believes the purchasing strategies will be determined by the foregoing considerations. If the United States maintains prices within this range, it would obtain a relatively stable share of the market, following initial growth as export facilities are developed.

Should the tolerance be exceeded, however, then buyers might follow one of two courses: they might direct their purchases to cheaper suppliers to the limit of the latters' ability to supply, leaving only residual purchases for the high-priced source. It is not possible to project the precise relationship between price and market share, where diversification is the primary goal. There seemed to be, agreement, however, among those who believe that buyers will follow the latter course, agreement on the exemplary case, that, if United States' coal were generally priced at $6–$8 per ton above others' prices, the result would be to reduce the United States' share of the European market from 30 percent to 25 percent.

Given the distance from mine to port in the United States, the costs of transportation, and the production costs (all relatively uncompressible factors), it is not likely that the United States will, in this decade, become the low-cost supplier in either Europe or the Pacific Rim. The United States will, however, generally be able to maintain reasonable delivered prices for its coal.

Our projections of the United States' market share, based on the analysis in Chapter 6, are summarized as follows:

TABLE I-3.—PROJECTED U.S. SHARE OF THE WORLD STEAM COAL MARKET[1]

	Percent			Millions of short tons		
	1985	1990	2000	1985	1990	2000
Worldwide	18	25	38	28	64	197
Europe	28	29	47	28	40	145
Pacific rim	(2)	17	25	(2)	15	52

[1] Assumptions underlying the projections are as follows:
a. The overall worldwide data are the task force projections. The assumptions regarding South Africa, Australia, and Canadian distribution of exports between Europe and the Pacific rim below are considered reasonable extensions of current market factors, but are provided as working hypotheses only.
b. Poland will continue steam-coal exports to Europe at the 1979 level.
c. South Africa will ship 50 percent of its coal to Europe, 50 percent to the Pacific rim.
d. Australia will ship 80 percent of its steam coal to the Pacific rim; 20 percent to Europe.
e. Canada will ship almost all of its coal to European buyers.
[2] Minimal.

3. Backlog at United States Coal Ports:

The immediate hindrance to expanding the United States' role in international steam coal trade is our limited capacity to store and load coal at the ports. During 1980, the output of port exporting facilities increased about 60 percent over 1979 levels; some terminals increased output by as much as 80 percent; and utilization of the principal loading piers was about 90 percent of available service hours. The Task Force believes that the practical limit of our coal export facilities was reached in 1980, when the United States was called upon to make up for export curtailment by two competitors (Poland and Australia).

As a consequence, long queues of ships, as many as 130, lay waiting to load at the East Coast coal port of Hampton Roads, Virginia in early January 1981, with an overall average waiting time of 40 days. Associated demurrage costs were reported to be as high as $10,000 per day per ship, which added an average of about $6.00 to $6.50 per ton to the cost of shipping United States coal. Even more serious than demurrage costs are the problems posed by untimely or undependable delivery to power plants dependent on coal. Although such delay could, in certain cases, be protected against by buyers' maintaining higher inventories at yet additional costs, the threat of uncertainty of delivery arouses special fears among potential customers.

The principal problem underlying the port backlogs of 1980 was that existing facilities and methods for moving coal to the ports, designed for metallurgical coal, were overtaxed by the surge of demand directed toward the United States and were unable to deal separately with steam coal. Metallurgical coal is a highly specialized product with as many as 500 blended sales grades, whose components are stored in the same hoppers used to transport it. Given an absence of ground storage at the ports, shippers were simply unable to maintain or move the volumes of steam coal necessary to fill orders and load ships. Waiting ships were not accepted for loading until all the coal ordered was on hand. Even if the necessary coal had been available at the port loading areas, then another bottleneck would have developed, because the capacity of piers and loading equipment was also inadequate.

Channel depth at the ports did not in itself play a primary role in the problem. The fragmentation of the coal market—reflected in the inability of one broker or transshipper of coal quickly to purchase coal from another in order to complete an order—did contribute to the problem. The Task Force studied whether a more rigorous ship reservation system would have ameliorated the problem at the coal ports, and concluded that it was not a cure for the current difficulties, although an improved system merits consideration for future use by port operators.

The development of new piers and associated coal loading equipment is not the responsibility of the federal government, but rather that of private industry, the States and local governments. Their response now appears to be entirely adequate, and, given reasonable governmental diligence in the processing of applications for permits, the principal problem at United States ports should begin to lessen by mid-1983. Approximately 18 million tons per year of new capacity is now under construction, and roughly an additional 81 million tons per year of new capacity is planned for the East Coast. For the Gulf Coast, 5 million tons per year additional capacity is under construction and another 33 million tons per year planned. Plans for the West Coast ports would add about 47 million tons per year of new capacity. In aggregate, 23 million tons per year of new capacity is under construction and there are plans for 160 million tons per year of additional new capacity.

The new port facility proposals are detailed in Table I-4, which was based on a survey of American ports conducted in August and September of 1980. It includes only those expansions which were firmly committed, as evidenced by commencement of actual site preparations or by early commitments of financial support or contracts. Some announced expansion plans were not included as they had not sufficiently matured at the time of the survey to be considerd reliable for planning purposes. This does not mean that they are unlikely to go forward. Some expansion plans have been firmed up since last September—e.g., acceleration of the Massey facility in Newport News, Virginia, and development of export capacity at Morehead City, North Carolina. Other new proposals, such as the 15–35 million tons per year facility at Marley Neck in Baltimore, were not included because development was at too early a stage at the time of the survey.

TABLE I-4.—EXISTING AND POTENTIAL EFFECTIVE CAPACITY FOR HANDLING EXPORT COAL AT U.S. PORTS

[Millions of short tons]

Port/terminal	Vessel size (DWT)		Existing capacity (10⁶ tons)		Capacity expansion (10⁶ tons)		Total mid- to long-term[1] effective capacity, 1985 (10⁶ tons)
	Existing	Proposed	Designed	Effective	Planned	Underway	
East coast:							
New York, New York (P)	80,000	———	———	———	5.0	———	5.0
Philadelphia—Pier 124 (E)	60,000	———	3.0	2.5	———	6.5	3.0
Camden, New Jersey (P)	35,000	———	———	———	2.0	———	2.0
Wilmington, Delaware (P)	30,000	———	———	———	7.5	———	7.5
Lower Delaware Bay (P)	100,000+	———	———	———	10.0	———	10.0

Port/terminal	Vessel size (DWT)		Existing capacity (10^6 tons)		Capacity expansion (10^6 tons)		Total mid- to long-term* effective capacity, 1985 (10^6 tons)
	Existing	Proposed	Designed	Effective	Planned	Underway	
Baltimore (E)	70,000	100,000+	27.2	16.6	11.0	6.5	34.1
Norfolk:							
Pier 6 North (E)	80,000	100,000+	58.0	25.0	7.3		36.3
Pier 5 South (E)			8.0	4.0	1.0		5.0
Newport News:							
Pier 14 (E)	80,000	100,000+	33.0	16.5			16.5
Pier 15 (E)			14.6	5.3		5.0	10.3
Pier 9 (P)					5.0		5.0
Portsmouth (P)	50,000	100,000+			10.0		10.0
Morehead City (P)	50,000	100,000+			5.0		5.0
Charleston (P)	40,000	50,000			5.0		5.0
Savannah (P)	50,000	70,000			7.5		7.5
Brunswick (P)	30,000	43,000			5.0		5.0
Total east coast			145.8	73.9	81.3	18.0	173.2
Gulf coast:							
Mobile (E)	60,000	100,000+	11.0	5.5		5.0	10.5
New Orleans—Davant (E)	60,000	100,000+	14.0	7.0	3.0		10.0
Myrtle Grove (E)	60,000	100,000+	6.0	3.0	9.0		12.0
Mile 116 (P)	60,000	100,000+			4.0		4.0
Baton Rouge (Carnelle) (E)	60,000	100,000+	5.0	2.0	4.0		6.0
Port Arthur (P)	60,000	100,000+			2.0		2.0
Galveston (P)	55,000	100,000+			10.0		10.0
Corpus Christi (P)	75,000	100,000+			0.5		0.5
Total gulf coast			36.0	17.5	32.5	5.0	55.0
West coast:							
Los Angeles (E)	100,000+		4.0	1.5	7.5		9.0
Long Beach (E)	100,000+		4.0	1.5	5.0		6.5
Sacramento (P)	30,000	40,000			1.2		1.2
Stockton (P)	35,000	40,000			1.2		1.2
Astoria (P)	50,000				5.0		5.0
Portland (P)	55,000				3.0		3.0
Coos Bay (P)	35,000				3.0		3.0
Kalama (P)	50,000				7.5		7.5
Bellingham (Cherry Point) (P)	100,000+				1.2		1.2
Dupont, Washington (P)	100,000+				3.0		3.0
Grays Harbor (P)	40,000	60,000			3.0		3.0
Anacortes (P)	100,000+				3.0		3.0
Trading Bay (P)	100,000+				3.0		3.0
Total west coast			8.0	3.0	46.6		49.6
Total United States			129.8	94.4	160.4	23.0	277.8

(E) Existing facility.
(P) Potential facility.
*Based on survey of U.S. ports, using 1985 as nominal date for mid- to long-term coal port development plans.

Source: Maritime Administration.

There is no apparent need for special federal assistance in the construction of coal handling facilities at the ports. There had existed what has been characterized as the "chicken-before-the-egg problem"—that is, foreign consumers were hesitant to consider long-term coal contracts absent investments in new port handling facilities, while potential investors in such facilities seemed reluctant to act until long-term contracts had been signed. In these circumstances, the Task Force explored the possibility of some Federal action to lessen or share the risk associated with new investments so as to eliminate the economic friction which inhibited development. By the fall of 1980, however, it appeared that, through the process of continued meetings and negotiations, the parties had become sufficiently assured as to the seriousness of each others' intentions. Venture capital began to flow toward the construction of facilities, and at the same time new long-term supply contracts were given for significant amounts of coal.

Some concerns are now being voiced about the construction of over-capacity at the ports. We expect, however, that individual construction plans will be adjusted with that prospect in mind. Also, new facilities are not constructed so that their full volume will be reached immediately, but rather so that they may accommodate larger volumes over time.

Although the proposed facilities will largely resolve foreign concerns over prompt delivery of American coal and associated demurrage charges, there have been concerns expressed because a number of these facilities on the East Coast will be owned by large coal producers. The smaller producers, it is feared, may be excluded from access to the port market. Since the conditions of access to these or other facilities have not been established, consideration of remedial action is inappropriate, although continued attention is warranted.

4. Deepening the Coal Ports:

By 1990, a large percent of world steam coal will be moving in vessels of 120,000 deadweight tons and larger. Most coal exporting nations and many coal importing nations, including Japan and most of Europe, have deepwater port facilities in operation, under construction or planned that are capable of accommodating large bulk carriers. Presently, East and Gulf Coast coal ports have depths ranging from 40 to 45 feet and, absent special tidal conditions, are limited to fully-loaded ships in a range of 40,000 to 80,000 deadweight tons.

The consequences of United States port limitations will be increased delivered cost of United States coal to foreign buyers. At current prices for bunker fuel, a 150,000 dwt ship can deliver coal to Europe from the East Coast for roughly $6.00 less per ton than one of 60,000 dwt capacity. This transportation cost difference alone amounts to just less than 10 percent of the delivered price of United States coal in Europe. The effect that this cost difference will have on the volume of United States coal export sales depends upon both the weight given to price in customers' buying strategies and the level of the other components of the delivered cost of coal. In terms of the savings to be achieved and correspondence to the trend of the shipping fleet, such ports are less than optimum for future coal trade.

Port depth issues connected with trade to the Far East involve different considerations. For coal shipments from the East or Gulf Coast to the Pacific Rim, the economies of scale for vessels larger than the 50,000–70,000 dwt range (the "Panamax" class) are offset by the much shorter voyage of a Panamax vessel through the canal. Moreover, there is harbor depth of 52 feet or greater in southern portions of the West Coast, and any dredging projects there, or in the Northwest, are likely to be on a scale more limited than on the East and Gulf Coasts; in any event, such projects will be ripe for consideration only at a later time.

Prior to the worldwide expansion in steam coal demand, and on the basis of needs as then perceived, the Congress directed the Corps of Engineers to undertake feasibility studies for various channel improvements on the East, Gulf and West Coasts. As a result of one of these studies, a project to deepen Baltimore Harbor to 50 feet was authorized by Congress in 1970, although it has not been funded. Currently, Congressionally authorized studies for channel improvements at Hampton Roads, Virginia; Mobile, Alabama, and New Orleans, Louisiana, have been completed or are in the process of completion. It appears that all of these reports will likely demonstrate favorable cost-benefit ratios in each case for a 55 foot channel. The current growth in coal exports and the projections made by the Task Force will likely require revision of the cost-benefit ratios more favorably to the proposed projects. Many other active channel deepening studies are underway, including, but not limited to, such locales as Portsmouth, Boston, New York, Charleston, Savannah, Galveston, Los Angeles-Long Beach, Columbia River at the mouth, and Grays Harbor.

The Task Force is not constituted to decide which, or whether any, ports should be

dredged, because the analysis of cost and benefits depends upon commerce in products other than coal. Such analysis involves two-way commerce: just as shipping economies would be available to buyers of United States coal and other products, they would be available to United States buyers who import goods from abroad. The analyses performed by the Corps of Engineers embrace these overall benefits, and there is an established process for determining whether ports should be improved—that is, the statutory process by which a study is authorized by the Congress, undertaken by the Corps of Engineers, reviewed by the Secretary of the Army and others in the Executive Branch and then considered by the Congress in order to determine which projects, if any, shall go forward.

The role of the Task Force is to project the coal flows likely to move to United States ports for export—the results of which are noted above—and to attempt to assess the effect that dredging decisions may have on future coal trade. Lowering the delivered cost of coal by use of larger ships would bring the United States closer to the possibility of selling in a price competitive range, should additional efficiencies be realized in other parts of the coal chain (production, loading, inland transportation, and port handling). As indicated in Chapter 6, such savings would likely put the United States in a position where it could compete in Europe on the basis of price with Australia, even if Australia were to employ lower cost coal-fired ships for transport. On the other hand, failure to take any action to improve coal ports could generate adverse reactions abroad which, apart from purely economic considerations, might affect our export levels. Finally, enhancing coal trade, as part of the international effort to increase coal production and use in order to reduce dependency on foreign oil by our industrialized allies, involves security considerations which go beyond the trade-related benefits noted above.

Although legislative proposals have been made for accelerated consideration of dredging projects, there are significant practical and political barriers to action. There are four apparently meritorious applications for port dredging currently authorized or in advanced stages of study entailing aggregate project costs of about $1.5 billion (as estimated in mid-1980) and will involve about $80 million per year in increased annual maintenance costs. While the federal share of this cost is somewhat smaller than the figure shown, budgeting constraints make it unlikely that all such ports can be dredged to the 55 foot depth addressed in current studies. Moreover, port dredging decisions have significant additional commercial consequences. The flow not only of traffic, but of investment, in a geographic area may well be rerouted by dredging decisions. Such decisions may have consequential effects for the coal mining industry, transmitted backwards along the rail and barge lines to affect the relative competitiveness of producers. It is likely that the political battle to be fought on behalf of these ports will be significant; it could impede the dredging of any port.

As a useful basis for cutting through the potentially serious problem of funding any of these projects, the Task Force believes that consideration should be given to the possibility of dredging these major coal ports to 50 feet in order to reach a stage where operations can be improved significantly and a decision on deeper channels reserved for decision at a future time. The cost of each project would be lessened significantly. At 50 feet, ships in excess of 100,000 dwt would be able to load (see pages 5–34 and 5–35 Infra). This capability will accommodate the preponderance of traffic likely within the time frame projected for the growth of the shipping fleet, and much of the expected economies could be captured while a move to a greater depth is being considered. Variations of this staging concept are possible for specific ports. In the continuing Task Force effort, the Ports and Ocean Transportation working group will examine this possible approach in more detail, with specific attention to any construction inefficiencies resulting from a phased approach, the costs of the projects at the staged depths, and the associated benefits.

5. A Better Process for Administrative Environmental Review:

The need to simplify, coordinate, and remove unnecessary delays from, governmental administrative and environmental reviews cannot be overstated. The current delays and entanglements involved in these processes were among the most cited problems in the comments received by the Task Force.

There are two general types of activities connected with coal exports in which such reviews are involved. First are the substantive, financial and environmental reviews, conducted sequentially by the Executive and Legislative branches, pursuant to the Rivers and Harbors Act of 1962, of proposed harbor improvements undertaken by the federal government—specifically the deepening of shipping channnels. Second are the reviews of non-federal construction activities, primarily for compliance with environmental laws, conducted by federal, state and local governments. These include the building of port facilities, piers, coal storage areas, coal handling facilities, and railroad lines. Each type of review presents somewhat different problems.

In the case of federal harbor improvements, the implementation process has frequently taken more than 20 years. From the time of issuance of a Congressional Resolution directing the Corps of Engineers to conduct a study until the time such report clears the several levels of administrative review has averaged nine to ten years. Awaiting Congressional authorization and funding has averaged another six to seven years. The execution of a project, including advanced planning, design and construction has averaged another eight years.

Task Force participants have already achieved some administrative expedition of the review process. Responding to a Presidential request in August 1980, the Secretary of the Army, acting through the Corps of Engineers and in consultation with the Task Force, implemented steps to shave several months from the "preauthorization" review process, and for approved projects, to compress the advanced engineering and construction activities so as to accelerate the benefits of dredging by making a deepened outbound channel operational at the earliest possible time.

In order to speed legislative action, the President in October 1980 announced his support of legislation that would provide blanket Congressional authorization for those harbor improvement projects approved in the administrative review process, thereby allowing the projects to qualify for Congressional appropriation of funds and the immediate commencement of projects for which funds were otherwise available. Similar legislation has recently been introduced with bipartisan support in the Congress. The legislation also provides that Congressional review of the environmental impact statement accompanying the project and subsequent approval of the project will constitute compliance with federal environmental projects and, therefore, will preempt litigation in the courts.

The Task Force recommends support of legislation of this type, with the proviso that through Congressional hearings or otherwise, a fair opportunity be provided for the presentation of objections to any such project on environmental grounds because of particular concerns over dredge disposal. It is our view however, that the more important issues facing harbor improvement in the Congress are those involving competition for funding between ports. The currently proposed legislation is not a substitute for the need for a serious effort by Congress and the incoming Administration to work out the substantive problems underlying the funding of specific port projects.

In the case of non-federal construction projects, the principal need is for a process which brings both the law and agencies of the several jurisdictions involved into a sensible and coordinated management plan so that unnecessary delays, costs, and contradictions are deleted from environmental review.

Several forms of an Energy Mobilization Board (EMB) had been proposed last year, to "fast track" critical energy projects. Without taking a position on the portions of the proposal that were viewed as controversial (Primarily those involving questions of substantive and procedural "override"), the Task Force endorses the principle of consolidated review and recommends enactment of legislation which would provide a mechanism for it. The Task Force notes, however, that previous proposals for an EMB would have to be revised in order to embrace the types of projects customarily involved in the construction of coal export facilities: specifically, the limit on the number of projects to be "fast tracked" by the EMB might well have precluded widespread inclusion of the projects needed for the expansion of coal exports. Moreover, the then proposed legislation would have had application only to projects enhancing domestic energy production; although coal exports benefit the United States financially and ultimately improve its energy posture, their broader purpose may have fallen outside this statutory criterion.

The Task Force recommends aggressive federal support for a number of initiatives at the federal and state level to establish management systems which will reduce duplication and conflict in administrative review. Among these efforts are:

The Environmental Protection Agency's "Priority Energy Projects Tracking System."

The Western Interstate Energy Board's project with the Department of Interior on Transportation rights of way and facility siting.

A new model program developed by the State of Colorado with funds provided by the Department of Energy—the Colorado "Joint Review Process for Major Energy and Mineral Resource Development Projects"—merits particular attention, because of its advanced state of development and its utility as a model for other states. It is a voluntary management plan which coordinates federal, state and local review in order to eliminate snarls and delays. By including all interests at an early stage, it provides a basis for avoiding the lengthy "end-games" often fought out by project proponents and environmentalists in the courts. The fact that the principal coordinating agency in the state tends to alleviate local fears of long-distance imposition of unwanted projects.

Although participation by the federal government in such a Joint Review Process is technically on a "voluntary" basis, the Task Force recommends that the President adopt a policy which directs federal agencies fully to cooperate and to participate constructively where such a joint review program is established by a state.

In recent weeks, the Joint Review Process has been presented to over 30 states in "workshops" and briefings sponsored by the federal government. The reception has generally been favorable. The Task Force recommends that

these briefings be extended to all states and that consideration be given to providing additional financial assistance to states which act affirmatively to establish such joint review programs to expedite consideration of important projects.

6. Noninterruption of Foreign Supply and Encouragement of Foreign Investment:

The United States must remain sensitive to the concern, registered repeatedly with the Task Force by foreign representatives, that coal exports might be restricted for political reasons or to stabilize domestic coal price or supply during certain periods. This concern rests on foreign perceptions of a willingness by the United States, at least where other products such as grain have been involved, to resort to embargoes as an instrument of national policy. Moreover, because one of the principal reasons for the industrialized countries' commitment to convert to coal is the actual and threatened petroleum supply interruptions during the 1970's, it is natural that they would insist that a new reliance on coal not be undermined by new uncertainties.

Continuity of supply should be a national commitment. Our strength as an exporter lies largely in the high degree of stability in our political and commercial system. The promise we offer of dependable supply goes a long way to offset the somewhat higher delivered price of United States coal. Moreover, our own experiences with petroleum supply interruptions should make us sensitive to the need for the reassurances requested by our customers. This reassurance also has domestic value: the new investments required for the construction of port handling capacity, railroad tracks and similar infrastructure are substantial, and the cost of, and access to, funds should not be made less favorable because coal export trade is viewed as interruptible for policy reasons.

At the same time, our customers should appreciate that they have little realistic basis for concern. At the June 1979 Economic Summit in Tokyo, the United States pledged not to interrupt coal trade pursuant to long-term contracts, except as required by national emergency. We have never previously interrupted coal exports. For example, during the 1978 strike which reduced national coal production by approximately 50 percent, the Department of Commerce exercised its statutory authority to monitor coal exports, but no interruptions or restrictions of supply occurred. Moreover, our supplies of coal are abundant, and our principal customers are our industrial and political allies. Even in the event of a national energy emergency, it would not be possible for domestic users to convert so rapidly to coal as to make restrictions on exports a likely occurrence. Finally, as noted by the President at the White House Coal Export Conference, American laws and courts protect foreign coal buyers in respect of their contracts.

Although our coal reserves and production capacity appear more than adequate to meet both domestic and export demand, concern has been expressed that short-term surges could affect the adequacy of supplies. In general, the Task Force believes this to be unlikely given the fact that coal is purchased primarily through long-term contracts. Should threatening circumstances nevertheless materialize, the Department of Commerce already has statutory authority under the Export Administration Act of 1979 to monitor and require reporting of contracts for coal export.

Turning to the subject of foreign investments in United States coal production facilities, the Task Force believes that the incoming Administration should reaffirm the assurance given by the President at the White House Coal Export Conference, that the United States welcomes investment by foreign buyers in coal mining and in improving transport loading and handling facilities. In addition to providing capital, such investment enhances exports by giving foreigners a stake in the success of the operation and encourages long-term commitments by giving additional security of supply.

Although there are some legal restrictions on alien ownership of mineral rights on public lands, these are not significant bars to foreign participation in investments. It would not be beneficial if foreign interests were to acquire control of the transportation or handling facilities at, or giving access to, the ports where alternative facilities at a port are not readily available—since foreign interests could then constrain trade in the same way that the United States had abjured or give preferences which would disadvantage other customers. There appears to be little threat or prospect of this occurring, and American planners of such facilities seem keenly aware of the need for American control. A related concern regarding patterns of domestic ownership of facilities is noted at page I-18. Comments received by the Task Force generally favored foreign investment in mines and production facilities but some raised questions about the need for such investments at the ports, at least on the East Coast.

7. Inland Transportation:

We do not believe that there is need for special federal action specifically directed toward improvement of facilities for inland transportation of export coal beyond actions currently under study.* The following points place the role of inland transportation in perspective:

In spite of the very sizeable increases projected for coal exports, this traffic will still be but a small percentage of the total demand placed on the rail and barge systems, as well as a small percentage of rail and barge coal traffic.

The lead times for making improvements to the land transportation system are usually shorter than lead times for mine and port development; therefore, road and railroad improvements generally can be completed in time to serve new mines or port facilities.

Barge transportation constraints on inland waterways occur principally at locks and dams; those constraints which already exist or are developing are either in the process of improvement or being studied by the Corps of Engineers. Expected future waterborne movements may cause other constraint points to appear. However, movement of export coal, by itself, will probably have only a marginal effect.

Although inland transportation rates account for a significant percentage of the price of export coal at the U.S. port, the rates appear to be related primarily to the distance from each port and the nature of the service provided, rather than to excesses or inefficiencies in the way carriers service the present export facilities. For western coal the level of rates primarily reflects the long distances from the mines to ports. For eastern coal, the level of rates primarily reflects the relatively high cost of single-car service that is typically purchased instead of unit train service.

In the West, where the movement of coal to port will create entirely new flow patterns, construction and upgrading of rail lines to particular mines or pier facilities will probably be necessary to accommodate large volumes of export coal. These improvements will depend upon the sources of coal selected by foreign buyers, their commitments through investment or long-term contract, and the coordinative skills of enterpreneurs, in packaging mine, rail and port "systems" to sell to foreign buyers.

Steam coal purchased on a spot basis for export will not trigger major investment responses by the rail, barge and mining industries. These industries will view spot purchases as noncommittal opportunity purchases and will service such coal movements accordingly. The federal government should not take action to encourage the premature emplacement of new facilities, but should encourage trade meetings and delegations where foreign and domestic representatives have the opportunity to appraise each other's intentions and move toward long-term mutual commitments.

On the other hand, federal action can influence the question of who participates in coal export. Absent a major expenditure to rehabilitate the coal haul roads in Appalachia, it will be difficult for small producers who depend upon truck transport to benefit from the export market. The smaller Eastern coal mines are inadequately served by rail spur or rail gathering lines, and generally have their coal trucked to a rail tipple, primarily over state maintained highways. A study recently completed by the Department of Transportation reported significant deferred maintenance costs on these roads estimated to be at least $4 billion. Funding for this purpose was defeated in the last Congress.

Those inland waterways systems that most likely will be used to transport steam coal for export were reviewed by the Task Force with the following observations:

The Missouri River is free of constraints.

The Lower Mississippi River between St. Louis and New Orleans is essentially unconstrained and can accept many times its current level of commerce.

The Upper Mississippi River is constrained. Some improvements to Lock and Dam 26 at Alton, Illinois, are underway. The Upper Mississippi River Commission is in the process of producing a Master Plan and recommendations for further improvements.

Locks and dams on the Ohio, Kanawha, and Monongahela Rivers have limited reserve capacities and are expected to impede steam coal flows. It is too early to state specifically which locks and dams will require expansion to handle steam coal exports. Because of long lead times, four to seven years (for high priority studies) from onset of planning to completion, the Task Force recommends that coal traffic on these waterways be carefully monitored to provide early warning to the Corps of Engineers to start the process to improve the locks and dams as required.

Coal slurry pipelines are economical alternatives to rail or waterborne inland coal transport. The major constraints to moving steam coal to ocean ports for export is the requirement that coal slurry pipelines obtain water rights and be granted the right of eminent domain to traverse other rights of way. A coal slurry pipeline bill to grant the latter was supported by the Administration in the 96th Congress, but was not passed. The Task Force believes that it should be.

The Task Force reviewed proposals for offshore coal slurry loading of large bulk carriers as a complement to port channel dredging. Although technologically feasible, they have not been commercialized. Engineering feasibility studies are needed for commercialization which should be supported by the Federal government. In addition, feasibility studies should also be supported by the Federal government to evaluate the use fluids other than water, such as liquid carbon dioxide or methanol, as the hydraulic media.

Virtually all ships now carrying U.S. coal in the export trade are foreign owned, built, and manned—a situation which has raised concerns because of economic and security considerations. This situation is likely to continue, because United States vessels are more costly than their foreign counterparts. The Task Force is considering proposals to enable United States flag coal ships to participate in coming coal export trade, consistent with our basic objective of enhancing our exports and promoting the use of coal.

8. Selected Market Problems:

The Task Force evaluated a number of critical analyses of the United States coal export markets but has not reached definitive conclusions. Selected matters are treated below:

Communications: There is need for a central point in the United States government for foreign representatives to discuss coal export matters in order to continue functions now being performed by the Task Force and others. Important functions are now being exercised by, or have been consigned to, the Under Secretary of State for Economic Affairs, the Deputy Secretary of Energy, the Under Secretary of Commerce for International Trade and the White House Economic Policy Office. There is also need for better exchange of commercial information on opportunities for coal sales abroad and coal availability here. As part of its Task Force efforts, the Department of Commerce took steps to make its commercial information network knowledgeable and responsive regarding coal trade. In Appendix D is set forth a list of the facilities currently available.

A steam coal exchange: Given criticisms regarding "fragmentation" of the coal market in the United States and the contribution of this characteristic to the problems at the ports in 1980, the Task Force gave consideration to the possibility of a "coal exchange"—a transaction center where brokers would stand ready to buy and sell coal. The formation of such an exchange would be entirely a private sector function. There is at least one effort to create such an exchange to serve small producers primarily, and we also believe that the idea is being considered by large producers for the export market. Greater standardization of product than currently exists would be a prerequisite, and this appears practical with respect to steam coal.

The advantages to such an exchange are, in brief:

It allows sellers of all sizes access to the market without having to subcontract sales to larger suppliers and without being dependent upon the skill of a particular broker in locating willing buyers.

It would provide information about product availability and price in a market where communications are very poor, such that only limited samplings of spot sales are reported.

It would enhance potential for United States coal exports by providing easy access by foreign buyers to available coal.

Preferences for domestic coastal trade. A number of foreign representatives have expressed concern over legislation enacted in October 1980 giving preference to domestic coastal shipping of coal. The Task Force received one suggestion that would limit the preference to shallow loading areas, but this proved impractical. The Task Force does not believe that the preference will place a significant burden on coal export trade and believes that it should be viewed in this perspective. The amount of coastal trade currently protected by the preference is small. There are a number of separate loading facilities for domestic trade, particularly on the East Coast, and this configuration has been encouraged. As new port loading capacity comes on line, the preference will become increasingly academic, even considering increases in domestic trade. Moreover, the legislation permits the Secretary of Commerce to suspend the preference, and we recommend that special attention be given to this area to insure that our international commitments are not frustrated.

9. Effect of Increased Coal Exports on Domestic Coal Prices:

The Energy Information Agency of the Department of Energy regularly forecasts domestic coal supply, demand, and minemouth cost as part of its Administrator's Annual Report to Congress. Using these projections, the Task Force added the coal demand resulting from fuel conversions and implementation of the Administrations goal for coal-derived synthetic fuels. The Task Force then evaluated the effect of steam coal exports on the availability and price of coal for domestic consumers.

For 1955, the Task Force estimated that the United States' share of the export steam coal market could be about 15.0 million short tons per year, composed of a mix of 45 percent low sulfur (less than 1 percent sulfur) bituminous coal, 27 percent low sulfur subbituminous coal, and 28 percent bituminous coal with greater than one percent sulfur. Steam coal exports of this order of magnitude are not likely to exceed 10 percent of domestic consumption, and the potential increase in domestic prices is unlikely to exceed $1/short ton at the minemouth. Comments received by the Task Force generally estimated that exports would have little effect on domestic price.

*The interim report contains preliminary estimates of the capabilities of the inland waterways system. These estimates are subject to revision based upon the findings of the Congressional-directed National Waterways Study and detailed review within the Executive Branch.

SUPPORT THE U.N. BY RATIFYING THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, in 1945, the United States participated in developing the machinery for the boldest experiment in international organization yet adopted by man—the United Nations. In the wake of a terrible conflict, the U.N. held the promise of eliminating future wars and establishing world peace. For 36 years, the U.N. and its affiliated organizations have served as the international diplomatic arena to air disagreements and resolve issues.

Four years later, the General Assembly adopted its very first human rights treaty—the Genocide Convention. The U.N. resolved that genocide was a matter of international concern and a grave threat to world peace, and declared it a crime under international law. Its unanimous passage affirmed to the world that the lessons of the holocaust would never be forgotten.

The United States played an active role in the formation and goals of the U.N. Thus it must no longer overlook a resolution such as the Genocide Convention. As Thomas Jefferson so often insisted, we must have "a decent respect for the opinions of mankind." Therefore, the United States must support the credibility of the United Nations, and the 83 nations which have ratified the Convention. It is time for the United States to finally join the contracting parties of the genocide treaty.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering Presidential nominations, and that the order of consideration when we go into executive session, if the request is granted, be, first, the Secretary of Defense Caspar Weinberger, and, second, the Secretary of State, General Haig.

THE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, there will be no objection on this side. May I ask the distinguished majority leader a question?

I think this should be the point in time when we should have from him his feeling as to the program with respect to today and tomorrow as we take up nominations.

Mr. BAKER. Mr. President, I thank the distinguished minority leader, and I agree it is a good time before Members scatter to observe the inaugural parade and to prepare for festivities this evening.

As I indicated earlier, it is my hope and expectation that we will have a rollcall vote on the Secretary of Defense this afternoon. That can occur at any time, of course, depending upon the nature of the debate, but it should occur sometime around 4:30.

My expectation is that would be the final vote today, and that we would go out about 6 o'clock this evening, convening again at 11 o'clock tomorrow morning.

Mr. President, I may say before we go out, I intend to confer with the minority leader before I propound a request in respect to the Vice President of the United States having permission to address the Senate on his first day to preside.

Other than that, I anticipate no business today or tomorrow, except routine business on which we may agree by unanimous consent, other than the confirmation of the nominees as we have previously discussed.

For the balance of the week, Mr. President, I expect that it will take all day today, tomorrow, and possibly the next day to complete all these nominations. At this moment, I do not know if other legislative items or Executive Calendar items might be considered.

Mr. BUMPERS. Mr. President, reserving the right to object, and I shall not object, has there been anything said about backing up the votes?

Mr. BAKER. Mr. President, there has not been anything said about that. I might say to my friend from Arkansas that I do not wish to back up the vote on the Secretary of Defense. I would like to proceed with that vote as soon as possible after debate is concluded. After that, I am willing to explore that possibility.

Mr. BUMPERS. Mr. President, I would

have no objection to backing up the votes except in the cases of Defense, Interior, and State. I think most Members would feel pretty much the same.

Mr. BAKER. I thank the Senator from Arkansas. I assure him that I will work with Members of that side, and particularly with the minority leader, to try to accommodate the convenience of as many Senators as possible in that respect. But I would say that I wish to proceed with the vote on the Secretary of Defense this afternoon as soon as reasonably possible.

The PRESIDING OFFICER (Mr. GRASSLEY). Without objection, it is so ordered.

The clerk will report the first nomination.

DEPARTMENT OF DEFENSE

NOMINATION OF CASPAR WEINBERGER, OF CALIFORNIA, TO BE SECRETARY OF DEFENSE

The legislative clerk read the nomination of Caspar Weinberger, of California, to be Secretary of Defense.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum? Would the Senator wish to proceed first?

Mr. PROXMIRE. Mr. President, I will be happy to proceed first. I was not speaking to this particular nomination at the moment.

Mr. ROBERT C. BYRD. Very well, if the Senator wishes to proceed. I will withhold the suggestion of the absence of a quorum.

The PRESIDING OFFICER. The Senator from Wisconsin.

WHY CABINET NOMINEES REQUIRE AT LEAST A MODERATE FLOOR DEBATE

Mr. PROXMIRE. Mr. President, on this Inauguration Day 1981 with the heartwarming reminder of the 200-year history of this country, the inauguration of a new President, the rare chance for a new beginning, let us consider why we meet here and what responsibilities, we as Senators have under the Constitution. How seriously should we take this "Advise and Consent" responsibility?

THE SENATE'S DUTY

Article II, Section 2: The Founding Fathers gave us the duty to advise and consent to these nominations. They painstakingly wrote that duty into this remarkably brief charter for our country. Should we give it bare ceremonial obeisance by having the clerk mumble the name of the cabinet official and then shout it through? Oh—yes we did that in the past and we were wrong in doing so—These officials whose appointments we act on will have immense power and discretion.

Nearly 200 years ago when Alexander Hamilton wrote Federal Paper 76 contending for the Senate's "Advise and Consent" power he argued how salutory action by the U.S. Senate would be in preventing favoritism on the part of the Executive. How significant that Hamilton should be the prime advocate of this Senatorial duty—Hamilton—the consistent advocate of a strong, Central Government and a strong Executive. Were the conditions of this country and its Government in the 1780's when Hamilton defended the advise and consent requirement of the Constitution more conducive to a Senate that takes the advise and consent power seriously or less?

A BIGGER COUNTRY

When Hamilton pleaded for our advice and consent power, Americans counted about 3½ million citizens, the Federal budget was less than one-ten thousandth of its present size. All the Federal employees probably constituted fewer people than the Senate employs on our personal and committee staffs. The President then could and did have direct, day-to-day, hour-by-hour personal consultation with each member of his Cabinet. No vast White House staff insulated the President from his Cabinet. The President could easily oversee, affirm, or contradict orders of his Cabinet affecting the expenditure of $100 of public money or less. And yet, Hamilton contended in Federalist 76 that this body, this U.S. Senate, should advise and consent to these officials at that time so closely allied to the President.

If the U.S. Senate should have scrutinized and debated Cabinet officers in our little Republic with our pint-sized Federal Government in the 1780's, how much more essential that we scrutinize the nominations with care today when these nominees will command offices with multibillion dollar budgets with the power to issue mandatory regulations that can impose vast burdens of time and money on American consumers, businesses, workers.

The officials we confirm in the next few days will, in many cases, have more power over the lives of our citizens than the entire Cabinet had in Washington or Jefferson's day.

You might ask, why do we not believe that the President will exercise the necessary discipline and scrutiny? The answer to that Mr. President, is: No way. The most diligent, intelligent President this country has ever had could not possibly involve himself in the thousands of critical, far-reaching decisions that each of these Cabinet officers will have to make.

EACH CABINET OFFICE AN INDEPENDENT DUKEDOM

As John Erlichman, President Nixon's Chief of Staff, points out—

> A Cabinet officer is like a medieval duke out there in this dukedom and all his vassals and all his apparatus very quickly convince him that he's the head of the whole operation. Yes, there is a President down there in the White House, but that's a remote problem. The Duke is, by God, the head man of his dukedom and all the perks and trappings—the huge offices, the gymnasiums, the private dining rooms, the limousines—reinforce all that. So it's very hard to find a cabinet officer who has recently reminded himself that he's subservient to anybody.

The head of a typical agency, such as the Department of Housing and Urban Development, is not only a duke but a veritable emperor in terms of his budget. Using HUD as a middle-sized agency budget, with outlays of $13.2 billion, we find that this budget is bigger than the central government expenditure of 113 countries, including such countries as Israel, Mexico, Norway, South Africa, Switzerland, Greece, or Austria.

Mr. President, you do not have to be an Erlichman fan to recognize the solid realism of that assessment. These men we confirm have massive, independent power. And if you think the President will have day-to-day control consider what Carter's White House counsel, Lloyd Cutler, recently said about the frequency and closeness of Presidential contacts with Cabinet officers in the real world. Cutler said:

> If you're Stu Eisenstadt's 2nd or 3rd assistant, you'll see the President more than the cabinet officer whose programs you're dealing with. Cabinet members are outer moons.

WHY WE NEED CAREFUL CONSIDERATION

Here is exactly why we must rely on the character, the intelligence, the judgment, the experience of each of these officials to act in the public interest. And how do we determine those critical qualities? How? By the very advise and consent responsibilities we are going through now. When? Right now. Oh yes, sure—most probably all of these nominees will win confirmation. But now and only now do we have the chance to chisel their commitments, if any, into the record.

THE CHANGE

Mr. President, there is a new and most vital reason why this year—1980—especially, we should take special care in acting on these Cabinet nominees.

The 1980 election brought a shocking change when the country's minority party, a party with a membership less than half the Democratic Party's membership, won a decisive victory—in my judgment, a clear mandate. What did the people mandate this Government to do? Can anyone doubt? We have a mandate to fight inflation by reducing the size, the burden, the reach of Government.

President Reagan said exactly that a few moments ago, really, in his inaugural address.

Mr. ROBERT C. BYRD. Mr. President, the Senator is entitled to be heard. Those here who do not wish to listen to him should retire to the cloakroom.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senate will be in order.

Mr. PROXMIRE. Mr. President, I thank the minority leader.

The Cabinet we act on in the next few days will have the big voice in determining whether we can arrest and turn around 50 years of momentum toward ever bigger government. Maybe this Government can achieve that objective, maybe we cannot. Whatever chance we have will depend greatly on the determination and commitment as well as the ability of the officials we confirm for the Cabinet now.

Mr. President, we—the Congress and the new administration—have a golden opportunity to begin to turn this situation around, to begin to make progress against inflation, to reduce the size of Government, and, in the process, to make a more effective Government. In a

thoughtful article analyzing what has happened to the power of the President, the current Newsweek suggests why Government has failed this country in the past few years. I suggest that Senators ponder the last two sentences of that article. Here they are:

> The President's real enemy is not the indolence or the intransigence of the permanent government, but its size. It is the mirror of a central paradox of the Presidency: its power to make things happen has diminished as its appetite and its reach have grown.

Mr. President, as we consider these nominees, let me repeat that last sentence. This Government's "power to make things happen has diminished as its appetite and reach have grown."

CONGRESS AND CABINET WORK TOGETHER

One final point: this Government can only have a chance to meet this challenge to reduce the burden of Government if the Congress and the Cabinet work together. The record of the hearings on these nominees suggests that this may be difficult. Here is why:

Mr. President, as a group, these nominees have been remarkably unresponsive. Some have been more forthcoming than others. In replies to questions submitted by this Senator for instance, Mr. Schweiker and Mr. Haig made an obvious effort to provide what information they could in response to most questions. Others gave no useful answers to most questions. Others stonewalled throughout. Why should there be a contest between the Senate and the Cabinet on these matters?

In the years I have been in the Senate, I have observed no significant partisanship in the willingness of Cabinet officials to respond to senatorial inquiry. Democratic officials, by-and-large, have been no more and no less responsive than Republican officials. So partisanship can hardly be considered the reason.

Certainly, relationship with the Congress provides only one part of a Cabinet officer's responsibility. Even with poor congressional relations, a Cabinet officer may administer his department efficiently. He may promote vigorously the national interest and the interest of that part of our citizenry for which he has the principal responsibility. He may work zealously to carry out the program of the President.

But in all these areas, he will succeed far better if he wins congressional confidence and support than if he engenders a spirit of mutual antagonism, suspicion, and distrust.

How can a Cabinet officer achieve congressional cooperation? What does he have to do to win it? Mr. President, the first thing is to be as open and forthcoming as possible. Can anyone argue that we foster good relations between human beings who work together toward a common end when we fail to communicate?

Certainly, Congress and the administration should and do work toward a common end. We all want this country to succeed. We want these departments to function efficiently. We want to provide appropriations to the departments that are necessary. We want to limit regulations and paperwork. We want the departments to achieve their purposes. Can they do this if the laws we pass provide too much or too little resources, if they require regulations and paperwork that drown both businessmen and regulators.

What constitutes the most serious deficiency in the success of this Nation's great executive departments? How about the failure of the Congress to understand the needs and requirements of these departments? How about the failure of the Cabinet officials who run the departments to understand the intention of the Congress in enacting the laws? Does anyone really believe that this Government can function well and especially can achieve the immensely difficult mandate that faces the Reagan administration to reverse 50 years of Government growth and reduce the size and reach of Government and do it without tragic consequences for millions of Americans, unless we somehow find a cooperative spirit between the Congress and the administration?

START OF COOPERATION

What is the first step in this cooperative spirit? It should start right here with the advice and consent responsibility that the Constitution imposes on us. Here Congress and the nominees for the Cabinet have the chance to begin considering how we can move this gigantic Government into a lower gear. Many thoughtful people say we cannot and will not do it. The momentum toward ever bigger Government, they say, has become irreversible, the interest groups just too powerful. Congress and the administration—they say—with the best will in the world cannot turn it around.

Mr. President, I do not believe that for a minute. But I do believe that unless we get a cooperative spirit in both the Congress and the administration, there is no way we can succeed. That cooperation should have begun with nominees for these offices answering the questions we ask, directly and without evasion. Unfortunately this has not been the case.

Answers to questions put by Senators have been ducked, dodged, evaded, as if the nominees were prisoners of war, doing their best to keep vital secrets from the enemy. Mr. President, this body under article II, section 2 of the Constitution has a direct duty to review, discuss, debate, and pass on these nominations. We have failed miserably in the past to do this and we have failed while the Government became ever more massive and the power of these nominees has become bigger, more costly, more arbitrary and more imposing on the lives of our citizens.

We have made a generally feeble attempt in the inquiries of nominees during the committee hearings to turn this around. Perhaps we can begin in some measure today to live up to our responsibility by at least developing a clear record on each of these very important nominees.

LAST CHANCE

Their train is pulling out of the station. Here we have our last chance to find out where the committees with jurisdiction over these nominees expect these officials to take this country. Here we have a chance to establish the expectations against which we can measure the performance of these departments. Today is Inaugural Day. This is Inaugural Week—a happy, party week, celebrating our democracy. That is great. But, Mr. President, with all the ceremonial fireworks and parades and balls—not to mention cocktail parties—only two matters of solid substance will occur.

One, of course, is the inaugural address of the President of the United States. The other is the action by the U.S. Senate in advising and consenting to the appointments of this Nation's principle policymaking officials. Let us not permit ourselves to be bulldosed or intimidated into betraying our constitutional responsibility. Let us take full advantage of this opoprtunity. Let us have no unnecessary, irrelevant delay, but a thorough, careful, responsible examination of each and every nominee for every one of these important offices, and then let us have a rollcall vote in which each of us stands up and makes his or her position public on the record as to each nominee.

Mr. ROBERT C. BYRD. Mr. President, the decisions by the Senate today and tomorrow and, if necessary, the next day on the nominees will have an impact upon the next 4 years of the administration and an impact on the country.

It is the constitutional role of the Senate to advise and consent to nominations. I therefore feel that it would be appropriate to suggest the absence of a quorum and make it a live quorum.

Mr. TOWER. Mr. President, will the Senator withhold before he makes that request?

Mr. ROBERT C. BYRD. Yes.

Mr. TOWER. Mr. President, I ask unanimous consent that the time consumed by the distinguished minority leader not be charged to either side.

Mr. STENNIS. Mr. President, may we have order? I think we have to insist that we have conditions under which the discussions can be heard. The men on whose nominations we will be passing are going to spend hundreds of billions of dollars.

We cannot hear back here unless there is order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Is there objection to the request of the Senator from Texas?

Mr. TOWER. Mr. President, it is my understanding that in the case of a live quorum, the time will not be charged.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 2 Ex.]

Baker	Garn	Pell
Baucus	Gorton	Proxmire
Byrd, Robert C.	Grassley	Pryor
Cannon	Hollings	Quayle
Cohen	Jackson	Randolph
Cranston	Kassebaum	Rudman
Denton	Long	Simpson
Dixon	Mattingly	Stennis
Dodd	McGee	Stevens
Domenici	Murkowski	Symms
East	Nickles	Tower
Ford	Packwood	Warner

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk resumed the call of the roll and the following Senators entered the Chamber and answered to their names:

Abdnor	Exon	Mathias
Andrews	Glenn	Matsunaga
Armstrong	Goldwater	McClure
Bentsen	Hart	Metzenbaum
Biden	Hatch	Mitchell
Boren	Hatfield	Moynihan
Boschwitz	Hawkins	Percy
Bradley	Hayakawa	Pressler
Bumpers	Heflin	Riegle
Burdick	Heinz	Roth
Byrd, Harry F., Jr.	Huddleston	Sarbanes
Chafee	Humphrey	Sasser
Chiles	Inouye	Schmitt
Cochran	Jepsen	Specter
D'Amato	Johnston	Stafford
Danforth	Kasten	Thurmond
DeConcini	Kennedy	Tsongas
Dole	Laxalt	Wallop
Durenberger	Leahy	Weicker
Eagleton	Levin	Williams
	Lugar	Zorinsky

The PRESIDING OFFICER. A quorum is present.

The Chair recognizes the Senator from Texas.

Mr. TOWER. Mr. President, the results of the November 4 election have signaled, among other things, that the American public is deeply concerned and disturbed about the existing capabilities of our Armed Forces. President Reagan has indicated on numerous occasions that finding solutions to the many problems involving our national defense will be one of the top priorities of his new administration. To assist him in this formidable effort, President Reagan has selected Mr. Caspar Weinberger.

On January 6, 1981, the Committee on Armed Services met in open session to conduct a hearing on the anticipated nomination of Mr. Weinberger to be Secretary of Defense. At such hearing, Mr. Weinberger was asked to respond to numerous questions on a variety of issues involving national defense. It was evident from his testimony that Mr. Weinberger already has a sense of the complexity of the many problems which he must address and the need to deal with many of these problems in a reasoned and yet expeditious fashion.

Mr. President, I am pleased to say that the committee was favorably impressed with the content of Mr. Weinberger's testimony and his impressive record of performance in both the public and private sectors. Yesterday, in executive session, the Committee on Armed Services voted unanimously in favor of Mr. Weinberger's nomination as Secretary of Defense.

I urge my colleagues to speedily confirm the nomination of Caspar Weinberger to be Secretary of Defense.

Mr. President, I yield on his own time to the distinguished ranking minority member of the Armed Services Committee, the Senator from Mississippi.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. STENNIS. Mr. President, am I recognized?

The PRESIDING OFFICER. Yes.

Mr. STENNIS. I thank the Chair.

Mr. President, there was a real down-to-earth, rather rigid, hearing and examination of Mr. Weinberger. The unanimous vote indicates that we were well impressed—Mr. President, may we have conditions here where those who wish to hear may hear?

Mr. TOWER. Mr. President, may we order?

The PRESIDING OFFICER. Let us have order.

Mr. STENNIS. Their unanimous vote, with the rather rugged group of Senators following the examination that he had, proves that this man has capabilities, and he has a record that commends itself. He is a former Secretary of HEW; he is a former Director of the Bureau of the Budget, and he has had other experience in Government to the extent of my telling him that he would have no excuse if he did not do well because he knew what he was getting into.

I was exceptionally well-impressed with him. He has not been directly connected with the Department of Defense or other military activities, but it is very obvious that he is a fast learner with his capabilities and this experience, and I am expecting him to be an outstanding man.

I questioned him particularly on the question of procurement, the expenditure of this massive amount of money that some think, if it is for the military, to just throw it in.

He was concerned and he was interested, and I believe he will give attention, as he promised, special attention, to making these military dollars go as far as they possibly can, particularly in view of the high cost of our modern weaponry.

I mentioned to him the manpower problem—not the number but the capability, the talent, the personal knowhow, and the ability to get things done of great numbers of people whom we are taking into the services. He indicated that he had a concern, very much of a concern, along that line, and would give it his personal attention. So I am very much impressed with him.

Mr. HELMS. Mr. President, may we have order. The Senator deserves to be heard.

The PRESIDING OFFICER (Mr. RUDMAN). I call the Senate to order.

Mr. STENNIS. I thank the Senator.

I feel we are entrusting this power, the President is, to capable hands, good hands. He has a sense of accountability to those of us who have to help pass on the policy and help pass on the money.

So with satisfaction I support without any reservation this nomination and predict that Mr. Weinberger will be an outstanding gentleman in this field.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, it is with regret that the Senator from North Carolina has come to the conclusion that he must vote against the confirmation of Caspar W. Weinberger as Secretary of Defense. I think the Chair can recognize that this is a painful decision for me because Mr. Weinberger is regarded as a distinguished public servant whose conduct and capabilities are above reproach. Moreover, his public stands are the very symbol of those qualities of Government, efficiency, frugality, and sound management, which I myself have long espoused.

Mr. President, many of my colleagues whose judgment I respect and whose friendship I revere have pronounced themselves delighted with the choice of Mr. Weinberger. Yet I feel obliged to vote against the confirmation, as I will also vote against the confirmation of his hand-picked deputy, Mr. Carlucci.

Those nominations have proved particularly troublesome not only to me, who will vote against them, but also to a great number of my colleagues who plan to vote for confirmation.

Mr. President, the contending issues involved are so complex and so subtle that at first blush it appears so easy to come down on one side of the question or on the other side of the question. So considered, I, perhaps, could have supported the nomination of Mr. Weinberger and of Mr. Carlucci. But I cannot in good conscience for reasons that I shall state, in no small measure out of respect for the large number of my colleagues who came to me and asked me to make my views known, including many who are publicly taking the opposite stand, and they are doing so sincerely.

Because of the great issues that here hang in the balance, they apparently feel that both the pros and cons of these nominations should become a matter of record, just as a patient who is ill often seeks a second opinion from a doctor.

Mr. President, I do hope that my stand here this afternoon will not be interpreted as opposition to Mr. Weinberger as a person. Quite to the contrary. He is a gentleman, and I hope we will have the opportunity to develop a warm relationship as between friends who have a different point of view.

But be that as it may, I intend here to draw the line, a benchmark, as it were, to measure the progress of the reconstruction of our national strength.

The PRESIDING OFFICER. I call the Senate to order.

Mr. HELMS. I thank the Chair.

So I come here, as I think, not only representing the second opinions of the colleagues, who in a very real way deputized me to speak out, but also seeking to articulate the concerns and the hopes of millions of Americans who saw in the past election the national defense issue, along with inflation, as the most compelling problems of our Nation.

The President has chosen Mr. Weinberger as Secretary of Defense, and he knows Mr. Weinberger far better than I, and I feel I would be derelict in my constitutional duty to advise and consent were I not to do so with such charity and candor as I possess.

Moreover, the constitutional duty of the Congress to raise and support arms makes this nomination especially important.

Now, the national crisis which America faces is a crisis of sheer survival, and we should make no mistake about that, and for survival Mr. Weinberger's dedication to efficiency, frugality and sound management, all of which I admire, simply are not enough. Those qualities are only the minimum which ought to be assumed of all officeholders in every branch of Government at every level. But we will be lucky indeed if the minimum effort of good Government will pull this Nation through the next 4 years. We must have more than that.

For the past 35 years, Mr. President, the Pentagon has been ruled by Secretaries of Defense who have been intelligent, well intentioned, and honorable. They have brought us to a situation where the Soviet Union is today verging on decisive strategic nuclear superiority—decisive in the sense that the outcome of any potential war will increasingly favor the Soviet Union. The strategic nuclear threat provided by the United States is no longer sufficient to deter Russia in Europe or elsewhere. NATO is disintegrating. A single major breakthrough in weapons technology by the Soviet Union could leave this country effectively defenseless. Even without such a breakthrough the Soviets will find an open window sometime next year when Soviet nuclear forces will enjoy undoubted nuclear superiority.

If we start now, Mr. President, we can begin to close that window by the year 1985.

It is going to take all of the courage and determination of a bold new President and all of the skills and diplomacy of an extraordinary Secretary of State to discourage the Soviets from taking advantage of that window.

But only resolute and visionary action by the Secretary of Defense can provide the means to close that window in time for survival of this Nation. Mr. Weinberger has yet to demonstrate, at least to this Senator, that he has either that resolution or that vision.

The Central Intelligence Agency now estimates that the Soviets are spending more than 50 percent more in military accounts than the United States, 80 percent more in military procurement, 2½ times as much on ground forces, and 2.6 times as much on strategic forces. Defense Intelligence Agency estimates are even higher and are probably more accurate than the CIA's estimates.

The Soviets have made enormous strides in closing the gaps in technology, frequently with American assistance. Thanks largely to American equipment and technology exports to the Soviet Union, the Soviets will very soon be ahead of the United States in missile accuracy—the advantage that was supposed to guarantee our security in SALT I.

Do you remember, Mr. President? That was our hope. They have been ahead of us in tanks and armored vehicles since 1970. Many of their ground force weapons are clearly better than ours. They have the only long-range, that is to say 100 miles or more, cruise missile operational in the world today.

Indeed, the Soviet Union already has moved ahead of the United States in perhaps 75 percent of all measures of strategic power and will close much of the remaining gap by the end of next year. The U.S. ICBM force is vulnerable to near-complete destruction. The U.S. bomber force is potentially vulnerable to both ICBM attack and SLBM attack. The bomber force is incapable of penetrating advanced Soviet air defenses or of surviving electromagnetic pulses from nuclear weapons detonated in space. There exists no survivable command and control system for U.S. missile submarines.

During the Carter Presidency, the Soviet missile threat, in terms of high accuracy, advanced by about 5 years in state of technology. The Soviet Union has continued development of five new fifth generation ICBMs and several new SLBMs, one of them recently tested. Through the dialectical manpulation of the SALT process, the Soviets convinced President Carter to sign a one-sided strategic arms limitation treaty that locked in and legalized Soviet expansion of its strategic systems.

Mr. President, what was the reaction of the United States to all of this, the mightiest expansionary burst of military power that the world has ever seen? The litany is now familiar from its repetition in the 1980 Presidential campaign. Do you remember Mr. President?

President Carter killed the B-1 bomber. He delayed the MX 3 years. He delayed cruise missile, and Trident I development by 2 years. He refused timely production of Trident II. He terminated Minuteman production. He destroyed the Minuteman assembly line. He ended Minuteman II modernization. He canceled the neutron warhead. He delayed Pershing II. He terminated Lance I missile production. He stymied Lance II. He vetoed a nuclear carrier, stalling its construction, cut naval shipbuilding in half. He cut the size of the Army, Navy, and Air Force. He withdrew troops from Korea, and he relinquished the Panama Canal.

MANAGING OUR DECLINE

How have we managed this decline? I already have said that our defense advisers over the past 35 years have been intelligent, well-intentioned, and honorable. But in every case the intent was, literally, to manage the decline of U.S. power. Some have been known popularly as soft-liners; others as hard-liners. Yet in the end both have brought us to the same place. And we have to ask the question why, Mr. President? Why? Let me take a crack at it.

The so-called soft-liners have been men who have been truly uncomfortable at the leadership of a nation wielding so much power. The use of power requires a claim to authority which these men appear to have been anxious to relinquish. Authority, and its corollary, leadership, conflict with the assertion of the sovereign equality of all nations. Thus, such individuals look forward to a world order based upon reason, rather than upon power. They see their job as one of manipulating international affairs so as to phase out the capability of any nation and all nations to disturb a shared responsibility for the world. They are seeking, on a long-term schedule, a planned decline of all independent power, a decline so well-managed that at no point in the process will any of the superpowers be able to derail the orderly scenario. They have regarded it as the duty of the United States to "set an example" by reducing our power first.

Now, we get down to the meat of the coconut, Mr. President. This view is so distant from my own, and so contradictory to the feelings of the vast majority of the American people, that it is hard to give credit to its sincerity. Yet, do so we must. We must assume that those who advocate this view sincerely believe that the steps they have been taking are prudent and proper, leading to a new definition of peace and security. In my view, those steps have been demonstrably harmful to America's security, and even if I agreed with their goal, I would submit that withdrawal of U.S. power and influence from the world would clearly result in the triumph of Soviet imperialism. No other face could be put upon it.

The other view, the view of the so-called hard-liners, is, upon analysis, not much different from the first. This view holds that the decline of the United States is inevitable, the result of the rise of powers beyond our control, the result of the growing political and economic interdependence of all nations, and the result of the disintegrating social structure of our own country. The task of our leaders, in this view, is to manage our decline so as to squeeze from it all the leverage we can get to prevent us from being overwhelmed now. They call for strength, but only for what they vaguely define as "sufficient" strength, so as to stave off the inevitable until alternative arrangements can be made. And then act as referees in bankruptcy; or, to change the image, as a physician keeping a terminal patient comfortable while his affairs are being put in order.

Rather than an affirmative action program, this is a negative action program; but both result in managing our decline. Moreover, it has been a bipartisan program, and both of our great parties must share responsibility. We began with an enormous capital of power and strength. When we first began to fritter away, the consequences were not all that obvious. Now, however, the results are painfully obvious to every American. And I think that on November 4 one of the messages sent to us by the American people was that they wanted a change.

Mr. President, may I ask how much time I have remaining of my 40 minutes?

The PRESIDING OFFICER. The Senator from North Carolina has 20 minutes remaining.

Mr. HELMS. I thank the Chair.

THE MISSION OF THE UNITED STATES

Mr. President, the primary mission of the Government of the United States is to maintain freedom for the people of the United States and, in furtherance of that purpose, to establish freedom as the dominant political principle in the affairs of men and nations. The continuing independence of the United States is, in large measure, a function of her military strength in relation to the power of potential adversaries, principally—and we must be frank about it—the Soviet Union.

Independent American military power, separate from alliances of doubtful or reduced value, is the underlying and only safe foundation of American political independence and of individual freedom. Only such strength can provide the international stability and confidence necessary for the moral and economic progress of all peoples.

Mr. President, all of us consider ourselves students of history to one degree or another. I think it is essential that we bear in mind that the processes of history are not inevitable.

The processes of history are not inevitable. The decline of American power is the product of the actions of men, and the ill-conceived ideas of three generations. Only a clear break with the past, only a determination to take practical steps immediately to restore our depleted military strength, and to devise new programs and new strategies can preserve American independence and freedom.

Against the backdrop of the U.S. doctrine of containment, what happened? The record is clear.

The Soviets aggressively pursued a successful policy of territorial expansion. Against a backdrop of the doctrine of "sufficiency," the Soviets built strategic and nuclear forces that were more than enough. Indeed, under the doctrine of the SALT process, the Soviets achieved strategic superiority. That is their definition of sufficiency. The reason for this is that "superiority" is not a measure of numbers, nor a measure of dollars, but a measure of our national will. "Superiority" represents not a static goal, but a moral commitment to victory.

Let us look further at history. Our past Secretaries of Defense have erected a vast civilian, corporate-like structure at the Department of Defense. This structure has tended to cause even the Armed Forces to lose sight of their real function—let us be candid about it—war, during peace.

We should not kid ourselves. That is what the Department of Defense is for.

The corporate mind at the Department of Defense has discouraged nonconforming judgment and has stifled initiative in the military. Management by objective has replaced leadership by example. Commodity and cost-effectiveness as principles of defense have replaced security, surprise, maneuver, fire-power, and shock action as principles of war.

Purporting to seek efficiency and economy as a first and often single goal, the corporate managers of the Department of Defense, from the Secretary on down, have failed to understand that war and the preparation for war are inherently wasteful, but that the alternative is defeat or dependence. A Secretary of Defense who is principally preoccupied with removing waste would be driven by the logic of his position to eliminating his whole department. But a defense apparatus that is never used has already fulfilled its purpose.

Following a "management" philosophy, we have spent billions of dollars seeking to manage efficiently and cheaply and have, in the process, obtained less for more. We have managed the decline of what was once the strongest armed force of history.

MR. WEINBERGER'S QUALIFICATIONS

Placed against this context, Mr. Weinberger's special expertise and his notable record of Government service become not an asset, but a handicap. He must become not a prosecutor, but an advocate. There will never be a time when efficiency and economy are not necessary in Government affairs. I want the record to be clear on that. But if this Nation is to survive, Mr. Weinberger will have to break with his own past, and become an advocate within his own bureaucracy, demonstrating through leadership, openness, and aggressive initiative the need to substitute thinking for fulfillment of objectives, and action for process. And, he must become an advocate for a strong defense within the top circle of the Reagan administration.

When Mr. Weinberger's nomination was first proposed, many knowledgeable defense experts expressed their belief that the proposed nominee knew little about the decline of U.S. military power, nor the rise of Soviet strength. Contrary to my expectations, the nominee's testimony before the Armed Services Committee did nothing to disarm these critics. Although I am a former member of that committee, I was unable to attend the hearing because, as chairman of the Agriculture Committee, I was chairing a hearing on the nomination of the Secretary of Agriculture at the same time. When I consulted the transcript, what I found deeply distressing was not only what he said, but the way he said it.

Mr. President, allow me to cite a few examples:

First. On several occasions, Mr. Weinberger constantly talked of the massive Soviet drive for nuclear superiority as an "imbalance". He acknowledged that the Soviets have—

> An intention, a desire, a plan to achieve major imbalance as represented by a tremendous growth on their side, and that is one of the things that I think has to be of concern.

Later on, he again used the same language in describing the Soviet drive for military superiority:

> It does seem clear that their intention is to proceed with an attempt to secure an imbalance that would make it very difficult if not impossible for us to assert our interests or the interests of our allies in any portion of the world. And I think that obviously has to be totally unacceptable.

While I am delighted that he finds the so-called imbalance unacceptable, the fact remains that we are not talking about an imbalance at all, except in the sense that an avalanche could be considered an imbalance. The notion that there ought to be a balance of forces is part and parcel of the same doctrines that have brought about our military decline. Unless we get away from talking about Soviet superiority as an imbalance, and our very survival as our interests, we will never be able to convince the Soviets, much less ourselves, that these developments are unacceptable. (Once we begin using terminology that sounds acceptable, then the unacceptable becomes acceptable.)

Second. Over and over again, Mr. Weinberger embraced the obsolete and discredited principles of mutual assured destruction (MAD) as his basic strategic doctrine. There is no evidence that the Soviets have ever adopted that doctrine, and indeed, their theoretical literature is all to the contrary. Thus, the feeling of mutuality so essential to the MAD theory becomes merely an illusion. Yet, at the hearing, Mr. Weinberger said:

> As far as improving that strategic balance . . . I think that involves starting and continuing various weapons systems that will give us sufficient strength, so that anyone who plans any sort of attack will correctly perceive that we retain a full ability to respond to deliver a return blow of such strength that they will be deterred from launching that kind of attack.

Mr. President, has not history demonstrated over and over again that "sufficient strength" is not enough for victory? If we do not know that, then we had better wise up. Victory requires a moral truth over and beyond calculations of force. Yet, in speaking of SALT III, Mr. Weinberger said:

> I would think that the only kind that would be useful would be something that genuinely advanced the cause of peace by a limitation that made it clear that each side had sufficient strength so that they would be equally deterred from launching any sort of attack.

And again, he said:

> There has to be in my opinion the condition under which we are correctly perceived as sufficiently strong and resolute, and possessed of sufficient resources so that there will not be any inducement, in fact, there will be a major and effective deterrence for anybody launching an attack upon us. And if we reach that stage, then I think that whatever it happens to be called, it is a satisfactory state of balance.

The problem with this neat formulation is that balance is never static, particularly when one side is dedicating inordinate means to finding ways to get around the deterrent of the other side. It is not simply a question of adding quantitatively to one's forces, but of thinking up new ways to make the old forces irrelevant. Thus it happens that what is "sufficient" one day is far too little the next.

Third. Mr. Weinberger evidently

thinks of the SALT negotiations not as a calculated strategy by the Soviets to relieve us of our remaining advantages, but rather as a "process" that is inherently necessary, even if it fails. Thus he said:

> My personal view is that negotiations should continue, and that we should make every effort to get a vastly better agreement than SALT II.

And again:

> Well, I have to believe that both sides would certainly want to have such discussions continue. I don't think that we should enter into such negotiations from a position of weakness or a position which contemplates maintenance of the kind of gap that now exists.

Yet despite the plain weaknesses of the United States in its strategic posture—weaknesses which Mr. Weinberger calls a "gap"—he unbelievably is prepared to begin negotiations within 6 months. He told the committee:

> I would think that it would take a good 6 months for some formulations of policies to be made. I don't think we should enter the negotiations lightly or unadvisedly, and I think that we should have a very clear idea of the agenda that we would want to pursue, and the goals, the way in which we would like to have it come out. And I think that will take a few months.
>
> But aside from in a sense getting our own side in order, getting our own agenda made up, then I don't think there is any particular problem about timing, and I think it is important that the process continue.

It is inherently incredible that a new administration could effect any real change in our strategic posture within 6 months, or even reexamine our nuclear strategies within that time. If we are going to have a fundamental break with the past of the sort that is necessary if we are to survive, an allowance of 6 months is scarcely time to turn around—unless we are going to continue the policy of managed decline. Yet despite Mr. Weinberger's stated objective of negotiating from strength, he later explained that all that was necessary to start negotiations was to signal to the Soviets that we had an intention to restore our strength:

> Well, Senator, I have left you with a misimpression. It is not until that gap is closed, but until we have very firmly signalled and indicated a beginning of a major effort to close that gap. I don't think that we have to sit on the sidelines and not allow the negotiating process to proceed, but I do think that there had to be a very clear indication that we are aware of the gap and we are aware of the importance of improving the balance markedly and materially, and I think during that period of time, if that signal is clearly and unequivocally given, as I assume it will be, that it then would be possible to enter into negotiations.

The steps outlined by Mr. Weinberger would result in the United States entering the negotiations with only an intention as a bargaining chip, whereas the Soviets would be entering further negotiations at the same time they are entering the "window" of superiority when the United States is particularly vulnerable.

Fourth. Mr. Weinberger is equally simplistic when he speaks of the motivations of the Soviet Union in entering SALT negotiations. For example he said:

> So I think that negotiations, to be useful to both sides, have to be viewed from a different kind of basis, that is, the basis that we both want peace, we would assume that, and that we both believe, or certainly I would believe that we have the best chance of obtaining peace if there is not such a destabilizing factor as a gross imbalance in the forces of the two countries.

The objectives of the United States and of the Soviet Union in entering SALT negotiations are fundamentally different. The Soviet literature makes it clear that the word "peace" has a completely opposite meaning than we ascribe to it. There is no reason whatsoever for assuming that we both want peace in the same sense, nor that peace is best achieved—in the Soviet sense—by the Soviets giving up the gross imbalance which now exists. Mr. Weinberger continued to imagine a mutuality of intention when he said:

> I think it may well be that there are elements within the Soviet Union now that would recognize that an arms limitation of a meaningful character is something that would be of interest to both sides and to the best interests of both sides, as I think it would be, but I think it has to be a meaningful limitation, and not a highly technical series of calculations of weight and excluding this and including only launchers and not missiles or vice versa, and not including certain kinds of planes and things of that kind.

Setting aside the informality of the discourse in this passage, Mr. Weinberger reveals anastonishing naivete to imagine that any SALT agreement could set aside "technicalities" and be meaningful. It is the very essence of SALT negotiations to be technical, as well as to be a dialetical process trapping the unwary. The Soviets are skilled dialecticians who are on the lookout for innocent participants who imagine that the deal is to the best interest of both sides, just as the city slicker looks for the rube. It is precisely the technicalities which make the SALT talks so dangerous; yet if we expect to have no technicalities, we are setting ourselves up for the subtlest technicalities of all. Yet this theme was no accidental slip of the tongue, for Mr. Weinberger also turned to it at another point:

> I think an effort to negotiate a true strategic arms limitation that is effective and is not bogged down in technical detail about whether or not launchers are involved and whether or not an intercontinental plane such as the BACKFIRE is excluded, I think the need to negotiate an effective strategic arms limitation treaty is always going to be there.

In short Mr. Weinberger turned in what I view as a dismaying performance for a person who is expected to take a leading role not only in determining our SALT posture, but in preparing and executing our overall force structures.

Fifth. Mr. Weinberger dismissed one of the major issues in our relationship with the Soviet Union—the issue of technology transfer—with an offhand comment. The continuing ramifications of Soviet industrial and military espionage, of commercial purchase of technology, and of the role which the Department of Defense plays in such transfer were summed up as follows:

> Some years ago there were one or two what we might call involuntary transfers of technology, and there have been, I think, some instances and certainly some possibilities where in an apparently unrelated field, civilian computers or things of that kind, requests have been made and perhaps granted that have advanced their capabilities in a way that it was not necessary for us to do.

Mr. Weinberger obviously was not sufficiently briefed on this issue, and apparently did not understand the role which technology transfer has played in the Soviet drive for awesome military superiority.

Indeed, it is one of the handicaps of Mr. Weinberger that he enters upon the job without ever having been obliged to give serious thought to Soviet power, Soviet intentions, or Soviet doctrine. With regard to his assessment of these issues, he candidly tetified:

> As far as my own assessment at the moment is concerned, it is obviously imprecise and not formed on any sort of adequate briefings or knowledge of the situation in the last 5, 6 years.

Mr. President, the point the Senator from North Carolina is trying to make is that these are precisely the issues upon which this man or any man entering into the post of Secretary of Defense should not even have to be briefed. He should already be formed by training, experience, and philosophical reflection, and he should accept the job with the understanding that he is going to put a specific doctrine into practice. Yet when he was cross-examined skillfully by the distinguished Senator from Colorado, and the distinguished Senator from Alabama, who has had perhaps greater opportunity to think upon the doctrines of warfare than any man who has sat in the Senate, he did not seem to have a theoretical grasp of what they were talking about.

I invite Senators to examine the report which is before us and to read the questions posed by the Senator from Alabama and the Senator from Colorado and the answers.

I realize, Mr. President, that the events of the transition have happened very quickly, and it is perhaps too much to expect a nominee to have absorbed every detail of his new position so rapidly. In this examination of his testimony, I have deliberately chosen only those issues of the broadest import, and which are most fundamental to the situation this Nation faces today.

Mr. President, I hope that Senators will realize and agree that the Senator from North Carolina would never insist that Mr. Weinberger's conclusions agree precisely with mine or be expressed in the same rhetoric. Yet I do think it is fair to conclude that Mr. Weinberger is not at this moment prepared to make the clean break with the very policies of the past which have managed our military and international decline. Nothing less than a clean break will do.

Let me say again that Mr. Weinberger is an exceedingly intelligent man, and we must hope for the possibility of growth and a deepening of understanding. Yet the chances of that do not appear auspicious. It has been reported to

me that one of his first actions was to dismiss the term of defense experts that had prepared detailed transition reports outlining the absolute necessity for a clean break with the policies of the past. His second action was to consign the reports of these defense experts to oblivion.

His third action was to demand, as his principal deputy, Mr. Frank Carlucci, a man who is also regarded by many as a distinguished public servant, but whose talents reinforce Mr. Weinberger's weaknesses and obviate his strengths. Had these actions not been taken, had Mr. Weinberger sought briefings and assistance from the transition team, he might have been better prepared to respond to the task ahead.

I apologize to the Senate for having been so long in making my feelings a matter of record, but I wanted to be clear why I must take the regretful action of voting against the confirmation of the nomination of Mr. Weinberger, knowing full well that only a few, if any, of my colleagues will vote with me. The nomination of Mr. Weinberger will be confirmed—there is no question about that—but not without the issues at least having been spread on the record in this forum. My duty as a Senator and my conscience as a concerned American require no less that that.

I say this in conclusion, Mr. President: Nobody is more prayerful than I am that I will be proved wrong in the conclusions that I have reached and that I have stated to the best of my ability. In that event, I assure my fellow Senators and Mr. Weinberger that I will hasten to acknowledge my error in judgment. But inasmuch as I hold these concerns, it is a matter of conscience that I felt obligated to state them.

I yield the floor.

Mr. TOWER. Mr. President, I yield 2 minutes to the distinguished senior Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I am grateful to the able Senator from Texas (Mr. TOWER), the chairman of the Committee on Armed Services, for giving me the opportunity to make brief remarks in reference to the pending nomination.

It was my privilege to work very closely with and to have knowledge of Caspar Weinberger during the some 5 years that he held responsible positions in our national Government. My confidence in this proven public servant is reflected by the members of the committee who reported his nomination unanimously and who said he was "fully qualified in all respects"—I have read the report—to be our Secretary of Defense.

As the result of the contacts I had with him, especially in the Department of Health, Education, and Welfare, as well as in the Federal Trade Commission and the Office of Management and Budget, I determined that he was an intelligent administrator; yes, he was tough-minded; he could make decisions; he was affirmative, not negative.

Mr. President, I say to my colleagues that when a Member of the Senate rises, as does the Senator from West Virginia on this occasion, he does not expect his words to have an influence on the vote result. However, I believe the record should reflect that when we have known men who are now asked by President Reagan to be a part of his Cabinet, and when we have worked with these men who are now being given these responsible posts—"with the advice and consent of the Senate"—that we should speak.

I will support—gladly support—the nomination of this capable man.

Mr. TOWER. Mr. President, I yield 2 minutes to the distinguished Senator from California (Mr. CRANSTON).

Mr. CRANSTON. I thank the distinguished chairman.

Mr. President, I rise to speak in behalf of a fellow Californian whom I have known for many, many years, whose nomination to be Secretary of Defense is now before us.

Caspar Weinberger is a man of very high intelligence and very high integrity. I believe that he will perform two very useful functions as Secretary of Defense.

First, he is a man who understands money, who knows how to economize in government. He did that as Director of Finance in the Reagan administration in California. He did that later as a Director of the Office of Management and Budget in the national Government in Washington.

We need economy in the spending of the larger sums that we will spend in national defense, and I believe Caspar Weinberger is very well qualified to fulfill that responsibility.

Second, it has been suggested that he lacks adequate background in military matters. I point out, first, that as Director of OMB, he had become very familiar with the national defense budget, because that is one of the largest items of expenditure in the Federal budget, and thus he has developed considerable expertise from that vantage point. Third, while he may lack a strategic sense at the present time, I am confident that, due to his very high intelligence and his ability to learn subjects very swiftly, he will have, before too long, all the knowledge and more than one would wish of a Secretary of Defense about all the vital matters that relate to grand strategy and lesser strategies that fall within the responsibility of the Secretary of Defense.

For these reasons, I strongly support this nomination.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, it is my understanding that under the unanimous-consent agreement, I have 30 minutes, which I will not use. I will use only a little of that time.

The PRESIDING OFFICER. The Chair understands that under the unanimous-consent agreement, the time is controlled by the Senator from Mississippi. Is the Chair correct?

Mr. PROXMIRE. It is my understanding that the minority leader made it clear at the time that 30 minutes of that time would be allocated to me.

The PRESIDING OFFICER. If there is no objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask my friend from Texas, the chairman of the Armed Services Committee, about what specific qualifications Mr. Weinberger has to be Secretary of Defense.

I realize that he served in the Army for 4 years, as did 12 million of the rest of us, in World War II. He was discharged as a captain. He served in OMB and had a responsibility for the Defense Department as well as all other departments. That was diffused and obviously had to be rather limited and superficial.

I share the view of Senator CRANSTON and the view others have expressed that this is an extraordinarily intelligent man. But I should like my friend from Texas to indicate what specific experience and what specific demonstration of ability would persuade him that Mr. Weinberger will be an effective Secretary of Defense.

Mr. TOWER. I say in response to the distinguished Senator from Wisconsin that although Mr. Weinberger does not have a professional background in defense, he has a broad understanding of defense policy. His views on defense matters are compatible with those of the President, who appointed him to the job.

He has had some considerable experience in defense budgeting by virtue of his position as Director of the Office of Management and Budget.

It is very often the case, perhaps more often than not, that people who are appointed as Cabinet Secretaries might be considered laymen in jurisdictions over which they preside. They are appointed for their policy concepts. They are appointed because of their ability as administrators. They are appointed because of their compatibility with Presidential views.

I believe that Mr. Weinberger is highly qualified because he has the right instincts.

I believe that he understands the role of a strong military, not just in terms of national security but also in terms of supporting the foreign policy objectives of the United States. In addition, he is a very quick study. He is a man who has intimate grasp. I believe, too, that his experience in the Office of Management and Budget commends him to the highly complex matters in which the Secretary of Defense is involved.

Mr. PROXMIRE. Would the Senator feel as strongly about this in view of the fact that the Under Secretary of Defense, Mr. Carlucci, as I understand it, also lacks the kind of technical background and experience in defense matters that previously we have associated with the Department of Defense?

Mr. TOWER. Mr. Carlucci's nomination is not at issue at this time.

Mr. PROXMIRE. Except as it relates to the fact that the top man of the administration is.

Mr. TOWER. Mr. Carlucci has served as Deputy Director of the Central Intelligence Agency and as such has a very, very clear perception of the threat, and I can think of nothing that is more important for a Deputy Secretary of Defense to be armed with than that kind of understanding. He also has broad experience as an administrator and as a diplomat.

It may be that the Senator from Wisconsin thinks that the Secretary of Defense or the Deputy Secretary should be

a professional bean counter or systems analyst. I think it is high time that we had in these positions people who thought in terms of roles and missions, who thought in terms of global objectives and clear perceptions of national interest.

We have been too long in the business of bean counting and systems analysis. It is time that we get away from that.

I think that Caspar Weinberger is ideally suited for the job that I expect the Senate to commend him to today.

Mr. PROXMIRE. May I ask my friend from Texas to inform the Senate about the problem that has disturbed many Americans, I am sure, and that is the lack of readiness of our Armed Forces. There has been reports that most of our Army divisions are not ready, that half, at least, of our carrier task forces are not in a stage of readiness. Did the Secretary-designate indicate what plans he had, if any, to remedy that situation?

Mr. TOWER. The first thing the Secretary-designate recognizes is the problem and I understand that manpower and personnel problems are the area of primary impact on readiness. In fact, there is the problem of our retention rate of senior noncommissioned officers and many junior officers in the captain and major areas or lieutenant and lieutenant commander areas, that are the middle management team of the armed services. He fully recognizes that we have to resolve these manpower and personnel problems and further that we must address ourselves to other aspects of readiness such as adequate funds for operation and maintenance, spare parts, and adequate training, which includes steaming time, flying hours, field exercises. I think he has a very good grasp of the readiness problem.

Obviously, he is not prepared to submit to us at this moment a detailed plan for resolving our readiness problems. I think it should not be expected that he should.

Mr. PROXMIRE. I certainly would not expect a detailed plan. A man who has the experience and knowledge that Mr. Weinberger has, according to the Senator from Texas, it seems to me, should have some outside notion of what it would cost to provide this kind of readiness for our Army and our Navy. I am not talking about a precise number.

Mr. TOWER. He is currently engaged in working with people in the Defense Department and others who would provide expertise from the outside at what the ballpark figures might be. I know he has been in consultation with me and with other Senators on the Armed Services Committee and with members of the staff of the Armed Services Committee. I think that he has some idea about what the cost might be for perhaps inclusion in the supplemental appropriations bills for fiscal 1981 and for projection into the fiscal 1982 budget. But I think it is difficult at this point to project what the cost might be over an extended period of time because for the first thing we do not know what the inflationary factor is going to be.

Mr. PROXMIRE. May I ask the Senator if the nominee gave any indication of the rate at which we could provide an improvement in our deficiency in force numbers? For example, I understand that the Soviet Union has one-and-one-half times the number of planes, that they have three times the ships, that they have four times the tanks, and in some respects it is not necessary for us to have more if we have better and more firepower, and so forth. But I think just the gross difference concerns many Americans.

I wonder if the Senator can tell us what plans if any Mr. Weinberger has to correct that with cost?

Mr. TOWER. Now we are getting into specifics. As to his understanding of specific numbers imbalance I think it is sufficient to say that he recognizes there is a very serious imbalance in virtually every area of military endeavor, at an impending loss of strategic equivalence. I think he will proceed early to devise a defense policy that will deal with these deficiencies. Again that cannot be spelled out at this time.

Mr. PROXMIRE. The Secretary of Defense-designate says that he cannot be certain about the requirement——

Mr. TOWER. If I may say one more word, we do not deal strictly with numbers in the defense business. The Soviets, for example, have superior numbers of ships. We still have superior tonnage.

Mr. PROXMIRE. I realize that.

Mr. TOWER. I must say that we have a tenuous maritime edge that we are likely to lose if we do not enhance our shipbuilding program. There is no question about that. I do not think we can deal on a strict numbers basis. The Soviets obviously have a bigger land army. The United States would not want a land army that size. We would not know what to do with it if we had it.

Mr. PROXMIRE. It is my understanding that Secretary of Defense-designate Weinberger says that he cannot be certain about the required number of civilians in the Defense Department until he studies the situation more closely. Would the chairman agree that a million civilians in the Defense Department indicates a prominent area where savings might be made without enfeebling our defense?

Mr. TOWER. I think we have to examine very carefully the business of any reductions in civilian personnel. I believe that we probably have reduced civilian personnel as low as we should at this point. We have gotten to the point now where we have shortages of civilian help in certain areas and where we are having to use actually combat troops to perform support functions, and again that impacts on readiness. But again I would not think that the Senator would want to try to require some kind of specific answer to that question at this point.

The Armed Services Committee has been very diligent in trying to enhance the detailed ratio. Senator NUNN of Georgia has, of course, taken quite a leadership role in that, and we have done a great deal. We have annually over the past few years reduced civilian end strength. We have reduced them now to the point that any further reduction would impact adversely on our readiness.

Mr. PROXMIRE. I wonder. Senator GOLDWATER and I joined in an amendment last year, I believe it was, to cut the civilians by 17,000. It passed. It seems to me that the reports of the Armed Services Committee have consistently criticized the excessive number of civilians. We have, as I understand it, very close to the same number we had at the height of the Vietnam war when we had military personnel nearly twice as large as at the present time. That ratio between civilian and military does seem to be excessive.

Mr. TOWER. I would not characterize it at this point as excessive. The Armed Services Committee will be going into this whole matter. We have a subcommittee that is specifically charged with that responsibility.

I would be very hesitant to suggest at this point that our civilian strength is too high. As a matter of fact, in some areas we have a shortage of civilian industrial personnel that has impacted on our readiness and maintenance capability.

I think the civilian end strengths are probably as low as they should be. They have even been too low in some areas. We had to contract out a lot of work and some resulted in unsatisfactory results.

Mr. PROXMIRE. Mr. Weinberger says he will study the present requirements.

Mr. TOWER. I may say that responsibilities for the responses I am giving to the Senator from Wisconsin are my own and should not be interpreted as those of Secretary Weinberger. I am not in position to answer for him on every question.

Mr. PROXMIRE. I understand that. I simply want to get the chairman's reaction because I value that, and I think that judgment is very helpful to us.

Mr. Weinberger says that he will study the present requirements for the number of generals and admirals of the Defense Department. In fiscal 1980, if I understand it, the committee called for a cutback. Will the chairman agree that cutting back on the number of generals and admirals is a priority for the new Secretary of Defense?

Mr. TOWER. I would not call that a priority. I think we have so many priorities. There are so many other areas in which we could accomplish economies that I would not regard that as a priority. It would not really be much of an economy. But we have to understand that when we shrink dramatically the numbers of flag officers we shrink the opportunities for junior officers to rise to the top of their profession and provide a disincentive to the extent that sometimes when someone reaches the rank of major or lieutenant commander and starts looking over the prospects of getting to the top of his profession he realizes there may be too few slots at the top and he opts out.

Mr. PROXMIRE. As I understand it, Mr. Weinberger——

Mr. TOWER. I might also note that we have a number of command structures that require flag officers, and these command structures exist really to perform contingency tasks based on our

having to function in some particular kind of military endeavor. It might be considered redundant otherwise.

Mr. PROXMIRE. Mr. Weinberger said he will submit amendments to the fiscal year 1981 budget, the one we have, the one we are operating under now, and we will until September 30, based on unanticipated changes in inflation rates and operating tempo.

Does the chairman have any indication of the budget amendments for fiscal 1981? Does he agree that they should be limited to unanticipated changes in inflation rates and operating tempo or should they take into consideration these other matters we have been discussing?

Mr. TOWER. The chairman's view—and I cannot express the Secretary-designate's view, but the chairman's view—is that we probably should have a supplemental in the neighborhood of $12 to $14 billion to accommodate certain facts-of-life increases, as the Senator from Wisconsin has already pointed out, miscalculation on the inflationary factor, miscalculation on increased fuel costs, the need for additional spare parts, war reserves that impact on readiness, probably a very small increase in military pay and benefits to keep abreast of the inflationary factor; in addition, the cost of maintaining of virtually a permanent force in the Indian Ocean.

At this point the expenses of maintaining that force there are coming out of the services' hides, primarily out of the Navy's hide, which also means what the Navy should be doing is suffering. I think we need to make special provision for the costs of maintaining the permanent deployment in the Indian Ocean.

Mr. PROXMIRE. That is a very, very helpful response. It is the kind of response I wish we could get from the nominees.

Mr. TOWER. I do not believe we should go extensively into new programs in a supplemental.

Mr. PROXMIRE. But by giving us and pointing out—not a precise figure but an estimate—that in his judgment we need a supplemental in 1981 of $12 to $14 billion we have some notion of the job we have in front of us in cutting of programs, because we have to fight inflation.

Mr. TOWER. That is where we would be delighted to enlist the help of the distinguished Senator from Wisconsin.

Mr. PROXMIRE. He will get it.

Mr. TOWER. Who can nitpick a budget better than anybody else in this body. We will need his assistance and help in supporting us in making the needed reduction in nondefense spending so that we can properly fund that which is our No. 1 national priority, the defense of the United States of America and its vital interests abroad.

Mr. PROXMIRE. The Secretary agrees that the purchasing power of military personnel should be improved and maintained in order to keep a viable All-Volunteer Force, something I enthusiastically agree with.

Does the committee have any idea as to how much it would cost to compensate all military members for the ravages of inflation since 1970, that is to make the military pay retroactively constant with inflation?

Mr. TOWER. Ideally what we should seek over a period of time—it would not be accomplished over 1 fiscal year—is to ultimately get them up to roughly the purchasing power that the military enjoyed in 1972, which is the last time in which military compensation was comparable with that in the private sector.

Mr. PROXMIRE. But, as I understand it, since 1972 there has been a 14- to 17-percent decline in the purchasing power of the pay of our military forces; is that correct?

Mr. TOWER. I am not certain of the figure, but the figure cited by the Senator sounds correct.

Mr. PROXMIRE. So the increase would cost several billions of dollars; is that right?

Mr. TOWER. I think we can expect that it will. I can tell the Senator from Wisconsin that we are not going to get defense on the cheap.

Mr. PROXMIRE. Secretary-designate Weinberger said that the Reagan administration would be inclined to pursue development of a strategic bomber after a thorough but rapid engineering effort. That was his answer to a question asked at the hearing.

Does the chairman have any indication of the type of bomber currently favored by the Secretary-designate, the FBI-111H or the B-1 derivative or an advance technology bomber?

Mr. TOWER. I do not believe the Secretary-designate has a favorite at this point.

Mr. PROXMIRE. Should they not make a decision? I know the Armed Services Committee has been pushing for a decision for 2 years.

Mr. TOWER. The Armed Services Committee expects to make a decision on March 15 as to the option they should select. The military has informed us that they cannot have the cost figures for us by that time, but we expect to have those before us in May.

Mr. PROXMIRE. Did not Mr. Weinberger say the date might slip and might have to come along later?

Mr. TOWER. Well, the point is the Air Force can come up with a technical assessment and with a selected option but cannot present us with the cost figures at that time because they will not be ready then.

Mr. PROXMIRE. What would a new bomber mean in defense budget costs? Can we have any idea of that?

Mr. TOWER. I cannot give you a cost right now. If I could I would. I wish we had the cost figures in hand but we do not. Obviously the Senate is going to have the opportunity to make a judgment on this.

Mr. PROXMIRE. Do we have any idea when we can have it?

Mr. TOWER. The Senate does not have to make a judgment on it right now.

Mr. PROXMIRE. Mr. Weinberger, as I understand it, declined to answer the question of at what point it will be necessary to consider amending the ABM treaty to permit a mobile ABM defense system.

Does the committee have any indication as to the intention of the administration to amend the conditions of the ABM treaty to allow a mobile preferential ABM defense system?

Mr. TOWER. I do not believe the administration has formulated a defense position at this time. There are so many new things in this area the new administration is going to have to review. I would not be prepared to give even my own judgment at this point.

Mr. PROXMIRE. Is it not essential that we have that in order to defend the MX?

Mr. TOWER. I would not even respond to that question at this point.

Mr. PROXMIRE. Mr. Weinberger declined to answer the question as to his recommendation about the need for additional large nuclear aircraft carriers. Does the committee have any independent knowledge of the disposition of the new administration as to the large aircraft carrier issue?

Mr. TOWER. There is no monolithic viewpoint that I can articulate in behalf of the committee on the matter of the carrier.

Mr. PROXMIRE. What is the chairman's view?

Mr. TOWER. My own view is we are going to need a couple of additional task forces if we are going to protect our vital interests abroad.

If we do not want to pay the price of protecting our sea lines of communications, our sources of energy, our sources of strategic metals then, of course, we can spend much less on defense, and it would be much cheaper.

Mr. PROXMIRE. Has the new Secretary provided the committee with any indication of his priority for the neglect of the Reserves and the Guard? That is a concern in our State, and it is one that many of us feel very strongly about. It is such a vital part of our defense and it has been seriously neglected in my view.

Mr. TOWER. The Secretary has indicated his concern for it, but I might go beyond that and say that the President, our new President—I have to get over calling him the President-elect because he is now, thank Heaven the new President—has expressed a strong interest in developing a good, sound Reserve package to enhance and improve both the numbers and capabilities of our Reserves because our new President believes in the All-Volunteer Force and wants to make it work, and recognizes if we are going to have that kind of force you also have to have a good Reserve to back it up.

I might note a lot of our combat-support effort is lodged in our Reserves and, therefore, it is essential that we get our Reserves up to speed.

I might, too, reassure the Senator from Wisconsin on the views of members of the committee. Traditionally we in the committee have taken most of the worthwhile initiatives on the Reserves.

Mr. PROXMIRE. I am glad the committee has done that. As the Senator knows, I have put in some amendments which have passed to do that, and I think it is essential.

One final question: As with many other nominees, the Secretary-designate, Mr. Weinberger, says he is looking at the issues of overregulation and excessive paperwork. With all the others, the constancy of the theme is that while we campaign on it we really do not know exactly what we are going to do about it.

Here is a man who served in OMB; he served in the Department of Health, Education, and Welfare as the top man, he is well aware from his service in private industry of the colossal burden of regulations and paperwork.

It seems to me if anybody should be able to give us some notion of how we can cut these regulations and cut this paperwork it ought to be Mr. Weinberger.

What accounts for this response that he cannot tell us where? It is all vague generality, that they are going to look for it and they will knock out any unnecessary regulation or unnecessary paperwork but cannot tell us precisely how to go about it now.

Mr. TOWER. I do not know that as Director of the Office of Management and Budget he was charged with that specific responsibility in the previous administration. I certainly am not prepared to comment on what his views are on regulations.

Obviously, what the Senator is talking about is something that we think of as being a part of agencies that are not defense agencies. I do not think that overregulation is really a part of the Defense Department's problem.

Mr. PROXMIRE. Certainly in contracting it is.

Mr. TOWER. Sometimes we have confusion of command structure. I think probably some reorganization is required in several areas so that we have a clear line of control, authority, responsibility and accountability. In the military, there is no question but there is work that has to be done in that regard.

Mr. PROXMIRE. But, certainly in contracting, especially small business contracting in the Defense Department, there has been overregulation and the paperwork seems unnecessary.

Mr. TOWER. That is really a can of worms that has to be opened and gone into. We have a lot of complications. In some instances, we are required to try to establish competitive bidding where, really, sole source might even be more efficient.

In some instances, we have small business setasides that require us to do things in a less efficient way. In some instances, the Occupational Safety and Health Agency imposes additional costs on us.

We have all sorts of things that impact on defense costs and on contracting procedures.

So that is a matter that does have to be gone into in great detail. I expect that Mr. Weinberger will seize upon the opportunity to get into that early on in his administration.

(Mr. GORTON assumed the chair.)

Mr. PROXMIRE. Mr. President, let me ask if the chairman believes in multiyear funding for these defense operations? Would that be more efficient? Would it save us money, in his judgment?

Mr. TOWER. Mr. President, I think there is a great deal to be said for multiyear funding, in terms of its efficiency and economy. I think the major problem is it might be more political. I think the Senator well knows what I am talking about. He knows a lot of his colleagues would rather scrub it once a year than to authorize something over a long period of time.

Mr. PROXMIRE. Mr. President, I thank the distinguished chairman of the Armed Services Committee. I want to say that I will vote for Mr. Weinberger. I agree that he is an extraordinarily able and intelligent man with strong experience in Government. I regret the fact that he has not had the kind of technical military experience that would serve him well. I also regret very much the lack of direct responses, where I think that, with his background, he could have been far more responsive and cooperative with the Congress.

But, on balance, I will certainly vote for his confirmation.

Mr. TOWER. Mr. President, if there is no one else who wishes to be heard on the nomination of Mr. Weinberger, I am prepared to yield back my time if my distinguished colleague from Mississippi, Senator STENNIS, is present and is prepared to yield back his time.

Mr. President, I reserve the remainder of my time. I suggest the absence of a quorum and ask unanimous consent that the time be charged to both sides.

Mr. WARNER. Mr. President, will the Senator withhold on that request?

Mr. TOWER. Mr. President, I withdraw that request. I yield 3 minutes to the Senator from Virginia.

Mr. WARNER. Mr. President, I wish to commend the distinguished chairman of the Armed Services Committee for conducting a colloquy that I feel has answered all of the pertinent questions. I certainly hope the Senate can proceed before sundown to confirm the President's choice for the Secretary of Defense.

I yield the floor to my distinguished colleague from Illinois.

Mr. TOWER. Mr. President, I yield 3 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, I thank my distinguished colleague. I take the floor at this time, first, to address my comments as the chairman of the Foreign Relations Committee to the ranking minority member and all the members of the committee.

I simply say, at this particular time in our history, with the critical situations that we face around the world, whether it be in the Middle East, whether it be in oil security, whatever the challenge may be, that this is the time when the foreign relations policy of this country must be backed by a very strong national defense.

I think, for that reason, members of the Foreign Relations Committee would want to work, as we never have in history before, closely with the members of the Armed Services Committee. Whenever we have issues and hearings that bear upon a foreign policy where the credibility of foreign policy is involved, I, as chairman, would certainly like to invite members of the Armed Services Committee to participate.

Whenever we have testimony, whenever we have chiefs of state, whenever we have foreign ministers, whenever we have premiers, whoever it may be, as guests of the committee, members of the Armed Services Committee would always be welcome to meet with us. Where there are items of particular military importance to that committee, they may well want a separate meeting with these people because the intertwining of Armed Services and Foreign Relations concerns is always present.

I have already discussed with the chairman of the Armed Services Committee, Senator TOWER, the possibility of having the Armed Services Committee take a look at our foreign assistance and grant programs to other countries. Many times those programs have a direct bearing and a direct effect upon our own ability to spend money on our programs here and they are closely intertwined. Certainly with our allies we have joint programs, and these must be carefully reviewed.

I welcome this opportunity to address my colleagues in the Armed Services Committee for whom we have such great respect and tell them we would like to work very closely with them.

Mr. TOWER. Mr. President, I yield 15 seconds to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of the nomination by President Ronald Reagan of Caspar W. Weinberger as Secretary of Defense.

Mr. President, the nominee has already demonstrated his great management abilities in Washington during his previous service in the early 1970's as Director of the Office of Management and Budget and head of the former Department of Health, Education, and Welfare.

As I have often stated, national security is the most important issue facing our Nation. The Reagan administration has been placed in office partly because the people see the need to rebuild our Nation's defense forces.

During his confirmation hearings Mr. Weinberger made it clear that he favored increased defense spending and a rebuilding of all segments of our military forces. I am sure he will find in the Congress ample support for recommendations along these lines.

Mr. President, I believe the nominee is an exceptionally capable man and will render an outstanding service as Secretary of Defense. Therefore, I urge that the Senate give expeditious and favorable approval to his nomination.

● Mr. QUAYLE. Mr. President, I am delighted to have had the opportunity this afternoon to join with the majority of my colleagues in confirming the nomination of Caspar Weinberger for Secretary of Defense.

In Caspar Weinberger, the country's defense will be looked after by a man of rare qualities, for he is a man who understands the potential conflict between defense expenditures and economic well-being that this country must face throughout the remainder of this century. On the one hand, he understands the lack of commitment we have shown to our own defense over the last 10 to 15 years. He also understands the development of a dangerous imbalance between the United States and the Soviet Union that will require a new attitude and new direction to correct. And yet Mr. Weinberger has shown us that he also possesses sufficient perspective to understand that a strong economy is a crucial element of our national defense, and that if we are to revitalize our economy and retain the long-term support of the American people for the necessary, but expensive resurrection of America's defenses, we will have to spend our defense dollars with more prudence and deliberateness than has ever before been necessary.

I look forward to working with Mr. Weinberger and the rest of their defense team in the months and years ahead; for although the problems that face us may at times appear staggering, I am confident that with their commitment and the support of the Congress, our difficulties will ultimately find resolution.●

Mr. TOWER. Mr. President, I yield 1 minute to the distinguished Senator from Tennessee, the majority leader.

Mr. BAKER. Mr. President, I thank the distinguished manager of the bill and the chairman of the committee.

The purpose of my request that he yield is to say that there will be no further votes tonight after the vote that is about to occur. The Senate will convene in the morning at 11 a.m. We will proceed with the debate on the Haig nomination, which I anticipate will be laid down and made the pending business yet this evening.

Mr. PERCY. Mr. President, may I have 30 seconds?

Mr. TOWER. Mr. President, I yield 30 seconds to the Senator from Illinois.

Mr. PERCY. Mr. President, I will simply add that I enthusiastically support Cap Weinberger's nomination. He will find a way to make an improvement in the way we spend our money, but he will also see that we have a strong defense. I have great confidence in him.

Mr. TOWER. Mr. President, I am prepared to yield back the remainder of my time.

Mr. STENNIS. Mr. President, I yield back the remainder of my time.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Caspar Weinberger to be Secretary of Defense? On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 97, nays 2, as follows:

[Rollcall Vote No. 1 Ex.]

YEAS—97

Abdnor	Garn	Mitchell
Andrews	Glenn	Moynihan
Armstrong	Goldwater	Murkowski
Baker	Gorton	Nickles
Bautcus	Grassley	Packwood
Bentsen	Hart	Pell
Biden	Hatch	Percy
Boren	Hatfield	Pressler
Boschwitz	Hawkins	Proxmire
Bradley	Hayakawa	Pryor
Bumpers	Heflin	Quayle
Burdick	Heinz	Randolph
Byrd, Harry F., Jr.	Hollings	Riegle
Byrd, Robert C.	Huddleston	Roth
Cannon	Humphrey	Rudman
Chafee	Inouye	Sarbanes
Chiles	Jackson	Sasser
Cochran	Jepsen	Schmitt
Cohen	Johnston	Simpson
Cranston	Kassebaum	Specter
D'Amato	Kasten	Stafford
Danforth	Kennedy	Stennis
DeConcini	Laxalt	Stevens
Denton	Leahy	Symms
Dixon	Levin	Thurmond
Dodd	Long	Tower
Dole	Lugar	Tsongas
Domenici	Mathias	Wallop
Durenberger	Matsunaga	Warner
Eagleton	Mattingly	Weicker
Exon	McClure	Williams
Ford	Melcher	Zorinsky
	Metzenbaum	

NAYS—2

East Helms

NOT VOTING—1

Nunn

So the nomination was confirmed.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I ask unanimous consent that the President be notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, this afternoon the Senate, in its first vote since the inauguration of the new President, voted to confirm an excellent man for Secretary of Defense.

I rise not only to salute my colleagues for the overwhelming vote we have given the new Secretary but also to direct the attention of my colleagues in the Senate to a most excellent article that appeared in the Omaha World-Herald of Sunday, January 18, from another outstanding expert on defense.

The article in the Omaha World-Herald to which I have made reference is about and giving the views of General Richard Ellis, the Commander of SAC in Omaha, Nebr., on the MX Missile and its possible sites of deployment.

I ask unanimous consent that the text of the article in the Omaha World-Herald of the date I have mentioned be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ELLIS CALLS THE MX ABSOLUTE PRIORITY

(By Howard Silber)

The increasing vulnerability of U.S. intercontinental ballistic missiles is of such overriding concern that the mobile MX missile "must be absolutely the nation's highest military priority," said Gen. Richard H. Ellis, commander in chief of the Strategic Air Command.

"We need that missile today," Ellis said. "It won't be there (in its bases) until 1986. But the need is there today."

The increased firepower and accuracy of Soviet missiles "have put our Minuteman at risk to the point where, if we had to ride out an attack, the time is fast approaching where we could not respond effectively in a coherent manner," Ellis said.

The 1,000 Minuteman missiles deployed by SAC make up the bulk of the U.S. land-based missile force. The other ICBMs, 52 Titan IIs, are equally vulnerable to Soviet rockets, he said.

The Minuteman and Titan II missiles are in fixed underground silos.

FAVORS DESERT BASE

"The situation will get worse until the MX comes in," Ellis said.

Ellis said he strongly favors the plan to base the MX in desert areas, using horizontal shelters interconnected by extensive road networks for rapid mobility of the missiles.

That deployment concept has come under fire in Nevada and Utah, where the Air Force wants to put the MX, and is being fought by some environmentalists.

President-elect Ronald Reagan and Defense Secretary-designate Caspar Weinberger also have questioned the need to base the MX in the Great Basin desert area.

Ellis said a plan to establish two MX fields, one in the Nevada-Utah region and the other in the high plains of west Texas and eastern New Mexico, would be acceptable, but splitting the vast bases between the two regions would add to the problems of command and control.

SURVIVAL SYSTEM

"We've looked at the MX for 10 years in several different forms, missiles and basing modes," said the general.

"SAC has several different criteria for an effective replacement for the Minuteman. One of the most critical is to have a survivable system, and by survivable I mean something that can last on the order of 20 years in a period in which you cannot begin to anticipate what the threat will be.

"That makes the deployment mode one of the more critical aspects of such a missile system.

"SAC believes that mobility is the key. Ideally, if we are able to ensure that a missile is not going to be in the same place when the other side's missile arrives as it was when the missile fired, then we've got a chance of having a sufficient force survive for an indefinite period.

"We have that kind of ability in the MX—the horizontal MX."

The deployment plan calls for shelters, from which missiles could be elevated to a near-vertical position for launching, to be spaced at intervals of about 5,500 feet.

Missiles would be moved from shelter to shelter at random in enclosed transporters which would resemble huge tanker trucks.

There would be 4,600 shelters for 200 missiles and, with the plan for rapid mobility, the Soviets would have to target all 4,600 locations to be sure of neutralizing the MX and prevent the United States from effectively retaliating to a missile attack on this country.

SAC anticipates the shelters would look like livestock feedlot pens. Each 2½-acre plot would be surrounded by a wire stock fence. The shelters within the fenced area would be concrete and steel tubes 170 feet long and about 15 feet in diameter. They would be covered by native topsoil.

Each missile and accompanying launcher would be moved and deposited secretly in a shelter. Then the transporter would move to other shelters and simulate the process of leaving the missile and launcher.

SUFFICIENT TIME

In crisis periods, the transporters and their cargoes of missiles and launchers could either be parked on roads between shelters or moved constantly among shelters.

Upon receipts of warning of the launching of Soviet missiles, there would be a 25-minute period before the hostile warheads would reach the MX field. That would be sufficient time to move the missile safely, Ellis said.

Ellis said he recognizes that the Reagan administration has been reviewing and will continue to review the MX basing modes.

"My hope is that, during the course of this review, they won't slow down work that is currently being done on the MX," he said.

Ellis said the Air Force has reviewed the possibility of using expanded Minuteman bases for the MX and moving missiles on highways or by rail to confound Soviet targeters. The possibility of putting more missiles at sea also has been examined.

UNACCEPTABLE RISK

"All of these modes, with the possible exception of submarines, would create more difficult environmental problems than the current MX basing plan," he said. "As for submarines, one of the great successes we've had for the last 30 years has been the triad of strategic forces"—land-based and sea-based missiles and manned bombers.

"The fact that each operates in a different environment causes (the Soviet Union) a different defensive problem," the general said. "If we locate a major portion in any one environment, then we're making his job easier; he can concentrate in that area. We don't think that is an acceptable strategic risk."

Discussing proposals to put the MX in existing Minuteman III silos in the Nebraska Panhandle, Colorado, Wyoming, North Dakota and Montana, Ellis said a great number of additional silos would have to be built, "and we would have environmental problems of a grander scale than we have now."

There also would be a loss of at least two years due to the need to embark on exhaustive environmental studies, he said.

"We've looked and we know how long the environmental studies take," Ellis said.

DEPARTMENT OF STATE

NOMINATION OF ALEXANDER MEIGS HAIG, JR., OF CONNECTICUT, TO BE SECRETARY OF STATE

The PRESIDING OFFICER. Under the previous order, the clerk will state the nomination of Alexander Haig to be Secretary of State.

The legislative clerk read the nomination of Alexander M. Haig, Jr., of Connecticut, to be Secretary of State.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. PERCY. Mr. President, on behalf of the Committee on Foreign Relations, I am pleased and honored to report to the Senate the nomination of Alexander M. Haig with the recommendation that he receive the advice and consent of this body to be Secretary of State. The committee conducted 5 days of hearings on this nomination, including 28 hours in public session and 4 hours in executive session. We heard testimony from Senators WEICKER and GOLDWATER and from former Senator John Sherman Cooper. We invited Senators not on the committee to ask questions directly of the nominee and Senators GARY HART of Colorado and ROBERT KASTEN of Wisconsin participated. A number of other Senators submitted questions in writing and have received written responses. We heard also from the Archivist of the United States, Dr. Robert Warner, and his staff on the issue of the accessibility of certain materials held by the Archives.

Finally, the committee received communications from a number of organizations and individuals. We have included all the written testimony submitted by such organizations in the appendix to the hearings, and have also included a number of the individual letters received. Among them are strong endorsements from former President Ford, former Secretary of State Dean Rusk, eminent diplomats Joseph Sisco, Ellsworth Bunker, and Robert Ingersoll, and others who have worked closely with Alexander Haig at various stages in his career.

Joseph Sisco served as Under Secretary of State. Ellsworth Bunker is one of the most accomplished ambassadors and diplomats, along with David Bruce, that this Nation has ever had. Robert Ingersoll served as Ambassador and Deputy Secretary of the Department of State.

We also had letters from others who have worked closely with Alexander Haig at various stages in his career.

Mr. President, I ask unanimous consent that the letter of President Ford be printed in the RECORD at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 9.

DEAR MR. CHAIRMAN: I am writing to you in support of the nomination of General Alexander Haig for the position of Secretary of State. As you and the members of the committee know, General Haig has had an outstanding military career. A graduate of West Point, his personal and professional career have reflected the precepts of duty, honor, country. He has served this Nation as a combat leader in two wars, in both of which he was wounded and decorated for valor.

But he is not simply an able and valiant soldier. His more than 30 years of distinguished military service portray a dimension of leadership I would describe as that of the soldier-statesman.

I first observed General Haig's many talents when I served as minority leader of the House of Representatives. And he held a key post on the staff of the National Security Council during my tenure as Vice President and later as President. I saw firsthand his performance of the demanding duties associated with the office of Chief of White House Staff. Dedicated and hardworking, he was a skillful administrator with an indepth knowledge of the Executive Branch of Government.

Throughout this period, in all of my personal relationships with him he reflected great strength of character and integrity.

In 1974 I nominated him Supreme Allied Commander of the North Atlantic Treaty Organization Forces in Europe. The leadership he brought to that command won him respect at home and abroad. Perhaps more than any other assignment, it indicated his unusual qualifications for the post for which you are now considering him.

Because I am convinced he is eminently qualified, I strongly support his nomination and hope your committee and the Senate will confirm him as Secretary of State.

With kindest personal regards, I am,

GERALD R. FORD.

Mr. PERCY. Through the extraordinary efforts of the Government Printing Office and the staffs of both General Haig and the Foreign Relations Committee, we were able to make available to the Senate on Monday the complete record of our public sessions—a full 5 days of hearings. All Senators have the two-part record of the hearings before them today.

Mr. President, I wish to pay great tribute to the staffs of both the majority and minority, of the Foreign Relations Committee, particularly to our Staff Director for the majority, Mr. Ed Sanders. Until a week ago, he served with the Office of Management and Budget for a decade, under three Presidents. He was brought in during the administration of President Nixon, served with President Ford, and stayed on with President Carter.

In his most recent position as an Associate Director of OMB, he had responsibility for the State Department for Intelligence, and for the Department of Defense authorizations and appropriations. It was a remarkable time for him to join the other branch, the Senate, in the beginning of the Haig hearings. He performed in a very commendable fashion, and I am deeply grateful to him for the long hours he and the rest of the staff put in to make these hearings a complete success.

Mr. President, the committee's review of this nomination has been the most extensive and thorough in its history. We had available an enormous record of the principal stages and events of Alexander Haig's career, including the work of numerous congressional committees. We retained the services of a number of special counsel and consultants, including our former distinguished colleague, Senator Jacob Javits, and special counsel for the majority, Fred Thompson, and for the minority, Henry Schuelke. Along with our existing staff, they devoted virtually all their time over the past month to the assembly and review of the available record.

In addition, we have made every reasonable effort to obtain additional materials and information regarding this nomination, including the issuance of a subpena for the archival log of all taped conversations between former President Richard M. Nixon and Alexander Haig during the initial period of Mr. Haig's tenure as White House Chief of Staff. Additional material has been made available from the executive branch pursuant to the requests of Senator PELL, the ranking minority member of the committee.

Finally, Mr. President, we had before us for 5 days the best possible witness to these events, General Haig himself. At his own request, General Haig testified under oath and responded to a wide range of questions on all aspects of his career. His written statement, the ap-

pendix, and his answers to our questions added to the already extensive testimony that he has given on these matters on previous occasions.

On the basis of all of this information, the committee voted last Thursday, by 15 to 2, to report this nomination favorably to the Senate, and all members cooperated in the effort to expedite its early consideration on the Senate floor. Committee members voting in the affirmative were myself and Senators BAKER, HELMS, HAYAKAWA, LUGAR, MATHIAS, KASSEBAUM, BOSCHWITZ, PRESSLER, PELL, BIDEN, GLENN, ZORINSKY, CRANSTON, and DODD, with Senators SARBANES and TSONGAS voting in the negative.

At this time, Mr. President, I commend the distinguished ranking minority member of the committee, Senator PELL, for his tremendous cooperation, for his thoroughness, and for his candor at every stage of these proceedings. I have had the pleasure of working with Senator PELL on many occasions in the past. I look forward with tremendous anticipation to working with him in the Foreign Relations Committee in the future. My admiration for him as a former Foreign Service officer, as a man of tremendous integrity, great thoroughness and conviction, has been strengthened in the past several weeks, even though it had no bounds before.

I also pay particular tribute to the way in which Geryld Christianson has handled his work as staff director for the minority. We do have a working relationship that I believe is enviable. On occasion, we will have differences of opinion. Many times in hearings we will have differences within the Republican Party. There will be differences between members and between staff members.

I believe that this extraordinary hearing was really a marvelous opportunity for us; it brought out—it tested—the best in us. In the end, collectively, working together, it brought out the best in us.

Despite various press accounts alluding to divisions between or among Republicans and Democrats, the committee emerged from these proceedings as a united and effective body, dispatching its duties with great care and full discussion, but always preserving mutual respect among its members. This continued cooperation and comity is a credit to Senator PELL and the other minority members of the committee, including a new member of the committee, the distinguished assistant minority leader, Senator ALAN CRANSTON. This also applies to new Members on both sides of the aisle. On behalf of Senator PELL and myself, we extend to them our appreciation for so quickly jumping into this work. This is their major committee and they gave unstintingly of their time, energy, thought, and effort, as their first experience in working with the committee.

It is also, Mr. President, a credit to the active and constructive role played by the majority leader, Senator HOWARD BAKER, and to the other members of the Republican majority of the committee, especially Senator HELMS, who acted as ranking majority member of the committee during the necessary absence of Senator BAKER.

Mr. President, I believe that the record presently before the Senate is fully adequate to inform the Members of this body as to the background and views of this nominee for Secretary of State. Members may wish to supplement the hearing record itself with the records of earlier Senate investigations into such matters as wiretapping, the Indochina war, Watergate, and U.S. actions in Chile, and I would be glad to make available members of the committee staff to discuss these issues with my colleagues or to supply additional materials. Members need only contact Mr. Ed Sanders to have whatever information and material they wish made available to them promptly through members of his staff. Mr. Christianson may be contacted for the same thing.

Nevertheless, in the interest of making clear the committee's ongoing responsibilities for this nomination, and for other nominations which may raise questions regarding committee access to relevant materials, I agreed to join with the full committee in passing a resolution declaring our continuing interest in obtaining whatever information may be relevant and reasonably available to us. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolved, That in anticipation of its vote on reporting to the Senate the nomination of Alexander M. Haig to be Secretary of State, and other nominations which may come before it for consideration, the Committee on Foreign Relations:

(1) adopts this resolution for the purpose of continuing the jurisdiction of the Committee over matters relating to such nominations and its general oversight responsibilities, and

(2) will continue all reasonable efforts, including those actions taken by the Committee to date, to obtain materials relating to such nominations and such general oversight responsibilities.

Mr. PERCY. Mr. President, this resolution was adopted on Wednesday, January 14, by a vote of 14 to 3, with myself and Senators BAKER, HAYAKAWA, MATHIAS, KASSEBAUM, PRESSLER, PELL, BIDEN, GLENN, SARBANES, ZORINSKY, TSONGAS, CRANSTON, and DODD voting in the affirmative, and Senators, HELMS, LUGAR, and BOSCHWITZ voting in the negative.

Further steps in the committee's deliberations have not yet been formally considered. We did receive word late yesterday that the Archivist, Dr. Warner, has accepted all of the objections raised by attorneys for former President Nixon to the committee's access to materials covered by the 1974 Presidential Materials and Recordings Act. The committee will now have to decide whether it would be necessary or productive to take this matter to court.

For my own part, I want to emphasize that my principal concerns from the beginning have been to conduct a thorough and impartial inquiry, but that we always have to be guided by our best judgments as to what is both reasonable and relevant to the committee's responsibilities. Differences may have existed and may continue to exist as to the relevance of certain materials to our task, and as to the reasonableness of certain efforts to obtain them. In this connection, I ask that a recent article by journalist Bob Woodward, currently an editor at the Washington Post, who has written extensively on the Watergate period, who has done so in the Washington Post and in book form, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, January 1981]

DON'T SUBPOENA THE TAPES

(By Bob Woodward)

The U.S. Senate should probably forget about obtaining any of the notorious Nixon tapes as part of the confirmation hearings of Alexander M. Haig, the secretary of state-designate. The subpoena for the logs of the 1973 Haig meetings with President Nixon should also be abandoned. It is a senseless chase. The subpoena is quite possibly illegal and, if challenged in court, is an almost sure loser for the Senate; the search is itself unfair and has no precedent in any other confirmation hearing.

Legally, the Senate and its Foreign Relations Committee have little to stand on. The Nixon tapes generated their very own Supreme Court decision, the 1974 ruling that directed Nixon to produce some tapes. Nixon lost on the particular taped conversations, but it is not well remembered that he won big on the overall principle. The unanimous court opinion stated emphatically, for the first time in a high court ruling, that the confidentiality of presidential communications is protected by the Constitution. The court said that the presidential confidentiality has "constitutional underpinnings . . . the privilege is fundamental to the operation of government."

The tone and language of the opinion make it clear that the tapes are presumed to be confidential and unobtainable unless there is a presentation of sworn testimony that the discussion might be criminal. John Dean, former Nixon counsel, had testified precisely about specific meetings that were taped.

The Haig-Nixon conversations of 1973 do not come close to meeting such a standard. The senators in fact have said exactly the opposite and have fallen all over themselves praising Haig, saying that there is no evidence to suggest improper conduct on his part. Sen. Charles Percy, the committee chairman, who signed the subpoena for the 1973 logs said: "I have never seen a shred of evidence that would lead me not to believe that he [Haig] will be fit."

The law has for years been clear on at least one point: evidence is never obtainable to prove a charge that is not made. There has to be some reason, clue or hint of relevance or criminal activity before it generally can be subpoenaed. In the tapes opinion, the court applied the standard in the federal rules of criminal procedure about "relevance and admissibility"—the need to show that the subpoenaed tapes had something to do with the case and could be used in a trial. And the opinion goes on explicitly to note that a "fishing expedition" will not be permitted.

Granted, the Supreme Court opinion deals with a criminal trial only and not with the issue of a subpoena by a Senate committee. But the spirit of the 1973 rulings is clear—there has to be some established basis for seeking the material, not just a feeling that it might be useful.

Whether the Senate likes it or not, the Supreme Court might view its pursuit of the tapes as substantially less pressing than that of a prosecutor investigating a crime, especially if there is no specific charge. Carry this thought several steps further. Suppose Haig wrote some letters to his son during the same 1973 Watergate period and talked about the scandal in the White House. Should the Senate subpoena those letters also? No one has suggested that yet, but the Senate would have a better case to get such letters, because they are not constitutionally protected as confidential, as the tapes are.

Four years ago when Cyrus Vance and Harold Brown were up for confirmation as secretary of state and secretary of defense, respectively, no one seriously suggested that the Senate subpoena documents from the Defense Department concerning their service during the Vietnam War era. But the Vietnam questions were able to be fully explored at their confirmation hearings.

It is little known that, because of the obstructionist actions of the White House in 1974, the Watergate prosecutors took a look at the actions of Haig, who was then serving as White House chief of staff, and at the actions of the White House lawyers. Though the Watergate prosecutors were not pleased with the delaying tactics and other stunts pulled by Nixon and his aides, Haig and the lawyers handling Nixon's case were unofficially cleared.

But, there is much more than a principle of law involved in this resurfacing of Watergate and the tapes. The larger point has to do with the function of the Senate in reviewing someone's fitness for a Cabinet position. What are the limits? There must be some.

To turn to the practical questions posed by the tapes: the audio quality is terrible. The transcribing would be a nightmare task; the unintelligibles, the ambiguities, the vagueness and indirection of Nixon conversations are as maddening as the man himself. If the senators ever got the tapes, they might never be able to agree what actually was on them.

Haig was the chief aide to a criminal president trying to cover up an illegal eavesdropping operation. What would it mean if Haig, in an effort to console Nixon or get out of Nixon's office (Nixon was legend for keeping aides for hours rambling on), said something encouraging that would look bad now?

It is hard to agree with former special Watergate prosecutor Leon Jaworski's characterization of Haig's White House service during Watergate as "heroic." Haig was in a tough spot and played out many contradictory strategies on Watergate, saying and doing many often contradictory things. He is probably a shameless self-promoter, and carried situation ethics to the point of making it a personal character flaw.

Haig, nonetheless, did keep a rickety and criminal ship of state afloat and helped ease Nixon out of office. To my mind, he should be neither hailed nor strangled for that role, only held accountable. That has happened and is happening. But let it happen without the tapes.

Mr. PERCY. Mr. President, this was advice, I might say, by probably the most knowledgeable, at least one of the most knowledgeable people in the world on the Watergate epic.

The Senate does not always take the advice of outside columnists, but in this case the heading of his article was "Don't Subpena the Tapes."

The committee decided in its wisdom to issue such subpenas and on the request of the minority the majority decided and authorized the chairman to issue such subpenas.

We now have a situation where we must face up realistically to the fact that we have been told that we could not have them. The litigation that the committee would go through to get them is a factor that would have to be taken into account. We also would have to consider what we would actually gain. I really do urge that every committee member read the words of Bob Woodward before we meet to discuss what we do. He has lived with this problem. He has analyzed in an extraordinarily perceptive manner what the end objective might be, what would be gained, and he has offered again some opinions on it.

Obviously we are going to be guided by our own judgment, but we must also take into account the huge agenda that the Foreign Relations Committee has. We must also take into account the critical conditions facing a Secretary of State standing side by side with the President after he has been sworn in and taken on his awesome responsibilities.

We must have a Secretary of State to cope with and deal with those problems. We should also have a committee working with the Secretary of State in a bipartisan sense, not always agreeing, and reserving the right to present our views as a committee or as individual Members. We also recognize that the kind of problems we face are perplexing problems that will require time, energy, and attention. When we take into account the hours, days, and weeks that went into the exhaustive investigation of the fitness, character, and qualifications of General Haig to be Secretary of State and the overwhelming conclusion reached by the committee, then we must ask ourselves whether it is appropriate for us to take the time, whether it is worth the taxpayers' money, and whether it is worth our effort to continue to seek access to these materials.

I make no judgment until we have talked this out in the committee. I ask only that we give careful consideration to this and assess what we would really accomplish by it.

Whatever the committee's final judgments on these matters may be, I am confident that we will discharge our responsibilities in a manner which will maintain the broad support of our members and of the other Members of the Senate as a whole.

Mr. President, to my mind, such issues are important, but subsidiary to the larger task of the committee and of the Senate to assure itself that Alexander M. Haig is qualified by his substantive experience and views on foreign relations to undertake the enormous responsibilities of the Secretary of State. On the basis of an exhaustive review of his performance over the last decade, a considerable body of his writings, and nearly 5 days of hearings before the Committee on Foreign Relations, I am deeply impressed by General Haig's command of the issues. Not only did he demonstrate a breadth and depth of understanding on the major issues of foreign policy, he also demonstrated a series of other qualities which will be especially valuable to the Secretary of State:

First, his understanding of military strategy, and of the need to combine wise and skillful diplomacy with a credible capability for military maneuver and deterrence. His skill in such matters is undoubtedly what made him a widely praised commander of our NATO forces in Europe during a difficult period for the alliance;

Second, his genuine stature as an articulator of U.S. foreign policy. General Haig is not only a leader of demonstrated competence, but a persuasive spokesman and advocate of the new administration's views, both to our own people and to the peoples of the world at large;

Third, his repeated commitment to an effective partnership with the Congress. General Haig seems to understand the importance of a sound relationship with us, including not only an observance of the letter and spirit of laws already enacted, but a genuine desire to expand the opportunities for consultation and cooperation on all major policies.

Finally, Mr. President, Alexander Haig is a man of firm convictions, who is deeply committed to the task of preserving Western, democratic values in a world of challenge and crisis. The strength of those convictions, I think, was evident to anyone who listened to his description of the dangers we face, and his defense of the positions he and the President-elect have already put forward. I have no doubt that in the years ahead, we will not only know who speaks for the Reagan administration on matters of foreign policy, but also what his strongly held views are.

Mr. President, we are all aware of the critical importance of having a strong Secretary of State at a time when the world sometimes seems adrift with aimlessness, and when even the basic precepts of civilized diplomacy are threatened by anarchism and cynicism. The prospects for a stable and productive world continue to depend, as they have for a century, upon the diplomatic skills of the United States, backed by the military, economic and moral influence of this great Nation. I urge my colleagues to consider this nomination with the care it deserves, but to do so with the sense of urgency which the times demand.

I commend Alexander M. Haig to the Senate for its advice and consent.

Mr. PELL. Mr. President, the Foreign Relations Committee has held 5 days of hearings on the nomination of Gen. Alexander M. Haig, Jr., to serve as Secretary of State. These have been the most extensive and thorough hearings on a Secretary of State since at least World War II. During the course of the committee's hearings, every major aspect of General Haig's views on foreign policy was examined. Of particular importance, in this regard, was the effort on the minority side to elicit General Haig's views on the use of military force, especially the use of nuclear weapons, in support of American foreign policy objectives. As a result, I believe that the committee has built an excellent record on the kind of foreign policy that General Haig would conduct—although all of us may not agree on every aspect of that policy.

In addition to the extensive examination of General Haig's foreign policy views, the committee's hearings were prolonged because of the controversy that has surrounded this nomination growing out of the political baggage carried by General Haig as a result of his presence at the White House during some of the most distasteful episodes in our Nation's history.

In this connection, members of both parties represented on the Foreign Relations Committee agreed that General Haig's past activties could be relevant in deciding how he might perform his duties as Secretary of State. Accordingly, the full committee tried to obtain certain records, including some of former President Nixon's tapes, in order to consider what in General Haig's past record might be relevant to our deliberations.

The committee has been unsuccessful in obtaining all of the records requested, but agreed that, while the vote on the nominations should not be held up, we should continue our efforts to gain access to those records, and we passed a resolution to this effect.

When the committee began its hearings on January 9, I had some very real concerns about General Haig, but I also had an open mind and was determined to give him a full and fair hearing in the hope that I could, in the end, confidently vote for his confirmation.

As I questioned and listened to General Haig during the 5 days of the committee's hearings, I got to know General Haig better and to have a clearer understanding of his foreign policy views. I found General Haig to be remarkably able, intelligent, and dedicated, with very definite views concerning the future shape of American foreign policy.

While General Haig is more hawk-like than I am and does not place the same stress on the danger of war that I do, I do believe that he is no more hawkish than anyone else that President Reagan would have chosen for this job. Personally, I believe the Secretary of State should have a profound aversion to war, a particular abhorrence of nuclear war and a complete dedication to peace and to peaceful solutions to international disputes. Although all of my concerns about General Haig were not allayed, the bulk of them were. I also concluded that although General Haig and I did not agree on every point of foreign policy, we were in agreement on the broad outlines of that policy.

Accordingly, I have decided to support General Haig's confirmation. I hope very much that at the end of his 4 years of stewardship, as well as having led us in a strong, consistent foreign policy, he and President Reagan will be able to say, as President Carter is, that not a single American has been killed in combat. I believe that our Secretary of State must be our Secretary of Peace.

General Haig, if confirmed, will take the helm of the State Department at a very perilous time in our history. Cool nerves, clear vision, and a dedication to peace will be vital if our country is to survive. But no Secretary of State can succeed on his own. He will need support and counsel from the Congress, the American people, and the career Foreign Service.

For my own part, I wish General Haig well and pledge him all the help I can provide as he carries out his awesome responsibilities.

ORDER PLACING NOMINATIONS ON EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, I ask unanimous consent that the remaining nominations at the desk be placed on the Executive Calendar with the exception of the nomination of Raymond Donovan to be Secretary of Labor and that that nomination be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING THE PRESIDENT OF THE SENATE TO ADDRESS THE SENATE

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow following the time allocated to the two leaders under the standing order the President of the Senate, the Vice President of the United States, be permitted to address the Senate for a period of not to exceed 5 minutes, and that upon the conclusion of his remarks, the Senate stand in recess for 10 minutes so that Members may greet and congratulate our new Presiding Officer.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

ORDER FOR THE RECOGNITION OF SENATORS ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow following the recess just ordered Mr. DURENBERGER and Mr. JEPSEN be recognized for not to exceed 15 minutes each and in that order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I reserve the right to object, but I shall not. I just want to make sure that the time that is being utilized by the orders propounded by the distinguished majority leader not come out of time that has been allotted to any nomination and the orders aforementioned be as in legislative session. Would that be helpful?

Mr. BAKER. Mr. President, I thank the minority leader. Indeed, we should not charge that time and I now amend my request so that the special orders and the other procedures that I have requested not be charged against the time previously provided for on the nominations and, Mr. President, I ask that these unanimous-consent requests be considered as in legislative session.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR LIVE QUORUM

Mr. BAKER. Mr. President, I might also say that I understand from previous conversations with the minority leader that he wishes, as I would wish, for a quorum call on tomorrow at some point and I would also suggest that we do that early and that it not be charged against the time otherwise allocated to the nominations.

So at this point, Mr. President, I ask unanimous consent that a quorum which will be a live quorum in all likelihood may be in order and not charged against the time otherwise allocated.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I thank the majority leader. I feel that there should be a live quorum before the Senate proceeds on tomorrow to discuss nominations, this being a most important role of the Senate under the Constitution to advise and consent to nominations, and so, therefore, I thank the majority leader.

I suggest that the cloakrooms alert Senators that there could very possibly be a rollcall vote in connection with having the Sergeant at Arms instructed to request the attendance of Senators. I am not saying that there will be, but certainly there is always that possibility when a live quorum ensues.

Mr. BAKER. I thank the minority leader.

I might also say that it is my intention at the moment, unless there is strong disagreement from the minority leader, to suggest the absence of a quorum immediately after we convene and in advance of the time that the Vice President is permitted to speak pursuant to the request that has just been granted.

Mr. PERCY. Mr. President, reserving the right to object, and I shall not, this is just a question. For the advice of the members of the Foreign Relations Committee who may wish to be on the floor, is there any estimate as to about what time we may then take up the Haig nomination and about how long has been reserved for that?

Mr. BAKER. Mr. President. I thank the Senator for the inquiry. Under the orders that have just been entered we will have 5 minutes for the Vice President to speak, 10 minutes in which the Senate will be in recess to greet our new Presiding Officer. That is 15 minutes, plus 30 minutes of the special order time. That will be 45 minutes plus the time for a live quorum, plus the time for the two leaders. So it will be something over an hour before we would reach that.

Mr. PERCY. Has the duration of the discussion and debate on General Haig been established?

Mr. BAKER. There is a time order on the Haig nomination of 4 hours if my memory serves me.

Mr. PERCY. Part of which we will have used tonight.

Mr. BAKER. Part of which we will have used tonight. Twenty-two minutes, I am advised, have been consumed on this evening.

There is 1 hour, as I recall, on this side on the Haig nomination and 3 hours on the minority side.

Mr. PERCY. I do wish to reiterate again my appreciation, which I have privately given the minority leader, for the discussions he had with the distinguished majority leader about reserving the rights of Senators to question witnesses, particularly in important nominations. That right was preserved. An opportunity was offered to all Members, when it became apparent we were able to accomplish this within the desired time frame and not in any way cut off other Senators, but that right I think is an important right and I thank both of the leadership for bringing it to the attention of the new chairman.

Mr. ROBERT C. BYRD. Mr. President, I appreciate the fact that that right was accorded to Senators as I think it should be.

Mr. BAKER. Mr. President, I thank all Senators, and I am prepared to yield the floor at this point. I understand that the distinguished ranking minority member of the Foreign Relations Committee wishes to be recognized.

Mr. PELL. Mr. President, I would very much like to thank the chairman of the Foreign Relations Committee, like me new on the job, for his courtesy, his fairness, and his preciseness, and it is a pleasure to work with him, and I look forward to working with Senator PERCY.

I thank the staff for all the work they did, particularly in the preparation of that great compendium of material which was useful to majority and minority alike. It was a grand job, and I thank them and I thank my own staff, Jerry Christianson, Hank Schuelke, and Bob Bennett, and Ed Sanders who helped us so much.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I now ask unanimous consent that there be a period for the transaction of routine morning business for not to extend beyond 10 minutes, and in which Senators may speak.

THE GARRISON DIVERSION UNIT

Mr. BURDICK. Mr. President, since the turn of the century, North Dakotans have dreamed of an irrigation project that would divert water from the Missouri River to the semiarid farmlands of North Dakota. The Dust Bowl of the 1930's and a generally unreliable supply of water over the years has stimulated overwhelming statewide support for such an irrigation plan.

As many of my colleagues are aware, the Congress authorized construction of the Garrison Diversion Unit in 1965. The authorization called for the irrigation of 250,000 acres, municipal and industrial water supply for communities, full development of the fish and wildlife and recreation potential in the project area, and minor flood control benefits. Since the plan was authorized, the Congress has consistently demonstrated its support for the authorized project and has appropriated nearly $158 million for its construction which is about 20 percent complete.

In the past several years the Canadians have expressed concern about the project and last year the Congress addressed potential problems by stating that funds should not be used to construct features affecting waters flowing into Canada. Moreover, the North Dakota State legislature is now supporting a phased construction plan which calls for proceeding initially with parts of the project not affecting Canada, while problems with other features are being negotiated and, hopefully, resolved.

The fiscal year 1982 budget request released earlier this week calls for $4 million for the Garrison diversion project. This amount is woefully inadequate to meet the full construction capability of the project for the coming year. I want to make my Senate colleagues aware that as a long-time supporter of the project and as a member of the Senate Appropriations Committee, I will be working to see that adequate funding is made available.

I would like to share with my colleagues a resolution which was passed earlier this week by the North Dakota State Legislature which endorses the phased construction plan and urges the Department of the Interior to seek consultations with Canada about the features of the project affecting Canada. As we prepare to begin work on the fiscal year 1982 budget, I urge my colleagues to keep in mind this strong endorsement of the Garrison diversion project from the North Dakota State Legislature. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

A concurrent resolution urging the Secretary of Interior to proceed with phased construction and to seek consultations on the authorized Garrison Diversion Unit

Whereas, the Garrison Diversion Unit is authorized and funded as a multi-purpose water resource development project, and

Whereas, the Garrison Diversion Conservancy District has adopted a program for phased development of the project as authorized, with the initial construction of 5,000 acres of irrigation features within the James River Basin, and

Whereas, this program of phased development includes a cooperative research and monitoring program consistent with the International Joint Commission's recommendations for conditions to proceed with project construction, and

Whereas, consultations are proposed between the United States and Canada concerning features of the project,

Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

That the Forty-Seventh Legislative Assembly supports phased development of the authorized and funded Garrison Diversion Unit and urges the Secretary of Interior to proceed with its construction, and

Be it further resolved that the Secretary of Interior is urged to recommend that any consultations with Canada concern features of the authorized 250,000 acre unit, and

Be it further resolved that copies of this resolution be forwarded by the Secretary of State to the North Dakota Congressional Delegation, the Secretary of Interior, and the Governor.

REPORT ON ACTIONS TAKEN WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT—PM 27

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying documents; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Pursuant to Section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703, I hereby report to the Congress that I have today exercised the authority granted by this Act to take certain measures with respect to property of the Government of Iran and its controlled entities and instrumentalities.

1. On November 14, 1979, I took the step of blocking certain property and interests in property of the Government of Iran and its controlled entities and instrumentalities. This action was taken in response to a series of aggressive actions by Iran, including the attack on the United States Embassy in Tehran, the holding of U.S. citizens and diplomats as hostages, and threats to withdraw assets from United States banks, and otherwise seek to harm the economic and political interests of the United States. Subsequently, on April 7, 1980, and April 17, 1980, I took further action restricting various kinds of transactions with Iran by persons subject to the jurisdiction of the United States.

2. Agreement has now been reached with Iran concerning the release of the hostages and the settlement of claims of U.S. nationals against Iran. Among other things this agreement involves the payment by Iran of approximately $3.67 billion to pay off principal and interest outstanding on syndicated loan agreements in which a U.S. bank is a party. This includes making all necessary payments to the foreign members of these syndicates. An additional $1.418 billion shall remain available to pay all other loans as soon as any disputes as to the amounts involved are settled and to pay additional interest to banks upon agreement or arbitration with Iran. In addition, there will be established an international tribunal to adjudicate various disputed claims by U.S. nationals against Iran; and the deposit of $1 billion by Iran from previously blocked assets as released, which will be available for payments of awards against Iran. Iran has committed itself to replenish this fund as necessary. This tribunal, among other things, will also hear certain disputes between Iranian nationals and the United States Govern-

ment and contractual disputes between Iran and the United States.

In connection with this agreement, and to begin the process of normalization of relations between the two countries, I have issued and will issue, a series of Orders.

3. First, I have signed an Executive Order authorizing the Secretary of the Treasury to enter into or to direct the Federal Reserve Bank of New York to enter into escrow and depositary agreements with the Bank of England.

Under these agreements, assets in the escrow account will be returned to the control of Iran upon the safe departure of the United States hostages from Iran. I have also by this Order instructed the Federal Reserve Bank of New York, as fiscal agent of the United States, to receive other blocked Iranian assets, and, as further directed by the Secretary of the Treasury, to transfer these assets to the escrow account.

4. Second, I have signed an Executive Order directing the Federal Reserve Bank of New York to transfer to its account at the Bank of England and then to the escrow account referred to in the preceding paragraph, the assets of the Government of Iran, both transfers to take place as and when directed by the Secretary of the Treasury.

In order to assure that this transaction can be executed, and having considered the claims settlement agreement described above, I have exercised my authority to nullify, and barred the exercise of, all rights, powers or privileges acquired by anyone; I have revoked all licenses and authorizations for acquiring any rights, powers, or privileges; and I have prohibited anyone from acquiring or exercising any right, power, or privileges, all with respect to these properties of Iran. These prohibitions and nullifications apply to rights, powers, or privileges whether acquired by court order, attachment, or otherwise. I have also prohibited any attachment, or other-like proceeding or process affecting these properties.

5. Third, I have signed an Executive Order which directs branches and offices of United States banks located outside the United States to transfer all Iranian government funds, deposits and securities held by them on their books on or after November 14, 1979 at 8:10 a.m. EST to the account of the Federal Reserve Bank of New York at the Bank of England in London. These assets will be transferred to the account of the Central Bank of Algeria, as escrow agent. The transfer is to include interest from the date of the blocking order at commercially reasonable rates. In addition, any banking institution that has executed a set-off subsequent to the date of the blocking order against Iranian deposits covered by this order is directed to cancel the set-off and to transfer the funds that had been subject to the set-off in the same manner as the other overseas deposits.

This Order also provides for the revocation of licenses and the nullifications and bars described in paragraph 4 of this report.

6. Fourth, I will have signed an Executive Order directing American banks located within the United States which hold Iranian deposits to transfer those deposits, including interest from the date of entry of the blocking order at commercially reasonable rates, to the Federal Reserve Bank of New York, to be held or transferred as directed by the Secretary of the Treasury. Half of these funds will be transferred to Iran and the other half (up to a maximum of $1 billion) will be placed in a security account as provided in the Declaration and the Claims Settlement Agreement that are part of the agreement we have reached with Iran. This fund will be maintained at a $500 million level until the claims program is concluded. While these transfers should take place as soon as possible, I have been advised that court actions may delay it. This Order also provides for the revocation of licenses and the nullifications and bars described in paragraph 4 of this report.

7. Fifth, I have signed an Executive Order directing the transfer to the Federal Reserve Bank of New York by nonbanking institutions of funds and securities held by them for the Government of Iran, to be held or transferred as directed by the Secretary of the Treasury. This transfer will be accomplished at approximately the same time as that described in paragraph 6.

This Order also provides for the revocation of licenses and the nullifications and bars described in paragraph 4 of this report.

8. Sixth, I will sign, upon release of the hostages, an Executive Order directing any person subject to the jurisdiction of the United States who is in possession or control of properties owned by Iran, not including funds and securities, to transfer the property as directed by the Government of Iran acting through its authorized agent. The Order recites that it does not relieve persons subject to it from existing legal requirements other than those based on the International Emergency Economic Powers Act. This Order does not apply to contingent liabilities. This Order also provides for the revocation of licenses and the nullifications and bars described in paragraph 4 of this report.

9. Seventh, I will sign, upon release of the hostages, an Executive Order revoking prohibitions previously imposed against transactions involving Iran. The Executive Order revokes prohibitions contained in Executive Order No. 12205 of April 7, 1980; and Executive Order No. 12211 of April 17, 1980; and the amendments contained in Proclamation No. 4702 of November 12, 1979. The two Executive Orders limited trade and financial transactions involving Iran and travel to Iran. The proclamation restricted oil imports. In revoking these sanctions I have no intention of superseding other existing controls relating to exports including the Arms Export Control Act and the Export Administration Act.

10. Eighth, I will sign, upon release of the hostages, an Executive Order providing for the waiver of certain claims against Iran. The Order directs that the Secretary of the Treasury shall promulgate regulations: (a) prohibiting any person subject to U.S. jurisdiction from prosecuting in any court within the United States or elsewhere any claim against the Government of Iran arising out of events occurring before the date of this Order arising out: (1) the seizure of the hostages on November 4, 1979; (2) their subsequent detention; (3) injury to the United States property or property of United States nationals within the United States Embassy compound in Tehran after November 1979; (4) or injury to United States nationals or their property as a result of popular movements in the course of the Islamic Revolution in Iran which were not an act of the Government of Iran; (b) prohibiting any person not a U.S. national from prosecuting any such claim in any court within the United States; (c) ordering the termination of any previously instituted judicial proceedings based upon such claims; and (d) prohibiting the enforcement of any judicial order issued in the course of such proceedings.

The Order also authorizes and directs the Attorney General of the United States immediately upon the issuance of such a Treasury regulation to notify all appropriate courts of the existence of the Executive Order and implementing regulations and the resulting termination of relevant litigation. At the same time, I will create a commission to make recommendations on the issue of compensation for those who have been held as hostages.

11. Finally, I will sign, upon release of the hostages, an Executive Order invoking the blocking powers of the International Emergency Economic Powers Act to prevent the transfer of property located in the United States and controlled by the estate of Mohammed Reza Pahlavi, the former Shah of Iran, or by any close relative of the former Shah served as a defendant in litigation in United States courts brought by Iran seeking the return of property alleged to belong to Iran. This Order will remain effective as to each person until litigation concerning such person or estate is terminated. The Order also requires reports from private citizens and Federal agencies concerning this property so that information can be made available to the Government of Iran about this property.

The Order would further direct the Attorney General to assert in appropriate courts that claims of Iran for recovery of this property are not barred by principles of sovereign immunity or the act of state doctrine.

12. In addition to these actions taken pursuant to the International Economic Emergency Powers Act, other relevant statutes, and my powers under the Constitution. I will take the steps necessary to withdraw all claims now pending against Iran before the International Court of Justice. Copies of the Executive Orders are attached.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1981.*

(The foregoing message was received by the Secretary of the Senate at 11:38 a.m. on January 20, 1981, and embargoed for release until 6 p.m. on that day.)

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorable the following nominations: In the U.S. Air Force, there are 60 temporary appointments to the grade of brigadier general (list beginning with Richard F. Abel); Brigadier General John B. Conaway, Air National Guard, to be major general in the Reserve of the Air Force, and, in the Reserve of the Air Force, there are 14 appointments to the grade of major general and brigadier general (5–MGEN) (9–BGEN) (list beginning with S. T. Ayers). I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. In addition, in the Regular Army of the United States; there are 96 promotions to the grade of colonel and below (list beginning with George P. Brandel); in the Reserve of the Army, there are 1,165 appointments/promotions to the grades of colonel and lieutenant colonel (list beginning with Robert E. Bilbrey); in the U.S. Navy and Reserve of the Navy, there are 765 temporary/permanent appointments to the grade of captain and below (list beginning with Diana T. Cangelosi); in the Marine Corps, there are 776 temporary/permanent appointments to the grade of captain (list beginning with Linda C. Arms) and 34 permanent appointments/reappointments to the grade of captain and below (list beginning with Robert A. Alvick); in the Reserve of the Air Force, there are 236 promotions to the grade of colonel (list begining with James G. Abbee) and 35 promotions to the grade of lieutenant colonel (list beginning with Larry K. Arnold). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of January 5, 1981, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. INOUYE:

S. 161. A bill to amend title XVIII of the Social Security Act to provide for coverage under medicare of services performed by a nurse-midwife; to the Committee on Finance.

S. 162. A bill to amend title 5 of the United States Code to provide payments under Government health plans for services of nurse-midwives not performed in connection with a physician; to the Committee on Governmental Affairs.

S. 163. A bill to direct the Secretary of the Army to determine the validity of the claims of certain Filipinos who assert that they performed military service on behalf of the United States during World War II, and for other purposes; to the Committee on Armed Services.

By Mr. MELCHER (for himself, Mr. BAUCUS, Mr. HEFLIN, Mr. JEPSEN, Mr. LUGAR, Mr. PRYOR, Mr. SYMMS, and Mr. PRESSLER):

S. 164. A bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property; to the Committee on Finance.

By Mr. MELCHER:

S. 165. A bill to protect the take-home pay of the American taxpayer by adjusting personal income tax rates to reflect inflation; to the Committee on Finance.

S. 166. A bill to enhance the production of domestic crude oil by exempting qualified stripper well production and certain oil produced by independent producers from the windfall profit tax, and to provide permanent relief from the windfall profit tax for small royalty owners; to the Committee on Finance.

By Mr. BURDICK (for himself and Mr. ANDREWS):

S. 167. A bill for the relief of Juan Esteban Ramirez; to the Committee on the Judiciary.

By Mr. ANDREWS:

S. 168. A bill for the relief of Dr. Jaime D. Tuazon and his wife, Ma. Veronica Tuazon, and their daughters, Eliza Victoria and Jaime; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. RANDOLPH, and Mr. GLENN):

S. 169. A bill to amend Sections 169 and 103 of the Internal Revenue Code with respect to tax treatment of pollution control facilities; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. PACKWOOD):

S. 170. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Finance.

By Mr. SASSER:

S. 171. A bill to amend the Internal Revenue Code of 1954 to reduce the tax effect known as the marriage penalty by permitting the deduction, without regard to whether deductions are itemized, of 20 percent of the earned income of the spouse whose earned income is lower than that of the other spouse; to the Committee on Finance.

S. 172. A bill to amend the Internal Revenue Code of 1954 to allow a deduction as an expense for certain amounts of depreciable business assets; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INOUYE:

S. 161. A bill to amend title XVIII of the Social Security Act to provide for coverage under medicare of services performed by a nurse-midwife; to the Committee on Finance.

S. 162. A bill to amend title 5 of the United States Code to provide payments under Government health plans for services of nurse-midwives not performed in connection with a physician; to the Committee on Governmental Affairs.

COVERAGE OF SERVICES OF NURSE-MIDWIVES

● Mr. INOUYE. Mr. President, today I am introducing two bills that would provide for increased access to the services of certified nurse-midwives by our Nation s disabled under the medicare program and also our Nation's Federal employees under the Federal Employees Health Benefit Act.

To date, there are approximately 2,200 nurse-midwives in the United States and I understand that every year this number increases by nearly 220. Most nurse-midwives practice in association with institutions such as hospitals, clinics and birthing centers. A small number, however, offer home birth services. Mr. President, since October 1978, the Department of Defense, under its civilian health and medical program of the uniformed services (CHAMPUS) has authorized the direct payment to certified nurse-midwives. Some 8.6 million military dependents and retirees are eligible for health benefits under CHAMPUS.

Further, as a provision of Public Law 96–179, on a special experimental basis extending from January 1980 to December 1984, if a health insurance contract under provisions of the Federal Employees Health Benefit program provides for payment for a particular service only when rendered by a physician, the plan must also provide reimbursement if the service is provided by any other category of health practitioner—including certified nurse-midwives—who are licensed under applicable State statute when 25 percent or more of the State's population is located in a formally designated primary medical care manpower shortage area. It is my understanding that as a result of this provision, Federal employees in 10 designated States presently have direct access to certified nurse-widwife services.

Finally, as a provision of the Omnibus Reconciliation Act of 1980, Public Law 96–499, enacted late last Congress, certified nurse-midwives have received direct recognition under our Nation's medicaid program. Specifically, the law now states that services furnished by a nurse-midwife which he or she is legally authorized to perform under State law, whether or not he or she is under the supervision of, associated with, a physician or other health care provider, shall be directly reimbursed. My proposal would amend our Nation's medicare program with language identical to that of our medicaid program and also extend the coverage of nurse-midwife services to all Government employees. In this effort, I am most pleased to have the active support of the National March of Dimes.

The first step toward becoming a professional nurse-midwife in the United States is to study nursing and then practice nursing in the field of maternal and infant health for at least 1 year. The future nurse-midwife then applies to a nurse-midwife reeducational program. Although all of these programs are associated with major universities, some are part of a master's degree program and others grant a certificate rather than a degree. Both kinds of programs offer nurse-midwifery education which prepares the student nurse-midwife for clinical practice. Students in the master's program also receive further education in public health or nursing. Stu-

dents who successfully complete their educational programs are then eligible to take the American college of nurse-midwives' certification exam. Those who pass the examination are certified as nurse-midwives-CNMs. All nurse-midwife programs are credited by the division of accreditation of the American College of Nurse-Midwives.

Mr. President, in my judgment, there is no question that our Nation's certified nurse-midwives are extraordinarily competent professionals who have demonstrated both educational proficiency and clinical excellence. In fact, the recent report released by the Graduate Medical Education National Advisory Committee indicated that nurse-midwives may very well be doing 5 percent of all normal deliveries in the United States by the year 1990. Further, we should, during this era of cost-consciousness, consider the influence that nurse-midwives have had on the cost of health care, to both the consumer and the Nation. Although I have been unable to obtain extensive data, that which I have reviewed suggests that nurse-midwifery is considerably less expensive than traditional obstetrical care.

For example, in Washington, D.C., the current cost of prenatal, delivery, and post partum care with the nurse-midwife service is $800 for clients planning to deliver in the hospital. This includes prenatal care, labor management and delivery, post partum care, a 2-week, 6-week, 6-month, and 1-year checkup, and three post partum classes. Physician's fees vary from $800 to $1,200 and include prenatal care, labor and delivery management, post partum care, and a 6-week checkup. Hospital costs for nurse-midwifery clients who spend 6 hours or less in a hospital after delivering are around $600. Clients who stay the traditional 3 days will pay close to $1,000 in hospital costs. I might note that the average salary of a nurse-midwife in clinical practice in 1976 was $16,200. By contrast, the most recent figures available regarding the median income of obstetrician/gynecologists in 1979 was $89,310. In essence, Mr. President, the bill that I am proposing today would provide our Nation's disabled and Federal employees with the option of selecting the services of a certified nurse-midwife if they so desire. In no way would my proposal prevent such a program beneficiary from utilizing the services of a physician if she so desired.

Mr. President, I request unanimous consent that the texts of these two bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 161

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(s)(2) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (F);

(2) by adding "and" at the end of subparagraph (G); and

(3) by adding at the end thereof the following new subparagraph:

"(H) nurse-midwife services;".

(b) Section 1861 of such Act is amended by adding at the end thereof the following new subsection:

"NURSE-MIDWIFE SERVICES

"(dd)(1) The term 'nurse-midwife services' means services furnished by a nurse-midwife (as defined in paragraph (2)) which he is legally authorized to perform under State law (or the State regulatory mechanism provided by State law), whether or not he is under the supervision of, or associated with, a physican or other health care provider.

"(2) The term 'nurse-midwife' means a registered nurse who has successfully completed a program of study and clinical experience meeting guidelines prescribed by the Secretary, or has been certified by an organization recognized by the Secretary, and performs services in the area of management of the care of mothers and babies (throughout the maternity cycle) which he is legally authorized to perform in the State in which he performs such services.".

(c)(1) Section 1905(a)(17) of such Act is amended by striking out "as defined in subsection (m)" and inserting in lieu thereof "as defined in section 1861(dd)(2)".

(2) Section 1905 of such Act is amended by striking out subsection (m).

SEC. 2. The amendments made by this Act shall be effective with respect to services performed on or after the first day of the first month which begins more than 60 days after the date of the enactment of this Act.

S. 162

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (k) of section 8902 of title 5, United States Code, is amended by striking out "or optometrist" each place it appears and inserting in lieu thereof ", optometrist, or nurse-midwife".

(b) Section 8901 of such title is amended—

(1) by striking out "and" at the end of paragraph (8),

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph:

"(10) 'nurse-midwife' has the same meaning given to such term by section 1905(m) of the Social Security Act.".

SEC. 2. The amendments made by the first section of this Act shall apply to contracts entered into on or after the date of the enactment of this Act.●

By Mr. INOUYE:

S. 163. A bill to direct the Secretary of the Army to determine the validity of the claims of certain Filipinos who assert that they performed military service on behalf of the United States during World War II, and for other purposes; to the Committee on Armed Services.

MILITARY SERVICE OF CERTAIN FILIPINOS

● Mr. INOUYE. Mr. President, today I am introducing a bill to direct the Secretary of the Army to determine the validity of the claims of certain Filipinos who assert that they performed military service on behalf of the United States during World War II, and for other purposes.

During the course of World War II, many Filipinos, guerrillas, and active servicemen, fought on behalf of U.S. interests. In 1948 the U.S. Government struck from official U.S. Army records the names of thousands of Filipinos who served during this time, denying these individuals the rights, benefits, and privileges they so richly deserve.

The legislation I am proposing today would permit these "excluded veterans" to submit their claims to the proper authorities for reevaluation—resolution—on a case-by-case basis. Upon submission of sufficient documentation of service with the U.S. Army or organized guerrilla forces, these individuals should be duly recognized as veterans and entitled to benefits and assistance from the U.S. Government.

The removal of their names from official Army records was an injustice to these individuals who helped the United States during World War II. For some, this bill is too late since death has taken its toll. However, the enactment of this legislation would confirm our commitment to these Filipinos who fought so hard to maintain U.S. freedom.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 163

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) any person who claims to have performed military service with or for the United States Army in the Philippine Islands during World War II and is not recognized, for any purpose, as having performed active service in or on behalf of the Armed Forces of the United States may file an application, in such form as the Secretary of the Army (hereinafter in this Act referred to as the "Secretary") shall prescribe, to have the Secretary determine, on the basis of all information and evidence presented to him by such person and on the basis of all other information and evidence available to the Secretary, whether such person should be considered as having performed active service in or for the Armed Forces of the United States.

(b) If the Secretary determines, in the case of any person who files an application under this Act, that such person—

(1) served in the organized military forces of the Government of the Commonwealth of the Philippines while such forces were in the service of the Armed Forces of the United States, including among such military forces organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the Commander in Chief, Southwest Pacific Area, or other competent authority in the Army of the United States;

(2) was awarded the Purple Heart or other medal or decoration of the Armed Forces of the United States in connection with the performance of military service on behalf of the Armed Forces of the United States; or

(3) was inducted into the United States Armed Forces in the Far East (USAFFE) before the outbreak of World War II, performed military service for or on behalf of the United States in the Philippine Islands during World War II, reported to United States military control during the liberation of the Philippine Islands, and subsequently, without his consent, had his name and records erroneously deleted or otherwise erroneously removed from the official records of the Armed Forces of the United States;

the Secretary shall issue to such person an appropriate certificate of service which shall entitle such person to the same rights and benefits under the laws of the United States as other persons who performed substantially the same type of military service in the Philippine Islands during World War II and who, on the day before the date of enactment of this Act, were entitled to such rights and benefits by virtue of such service.

SEC. 2. No person shall be eligible for a certificate of service under this Act if the Secretary determines that such person was discharged from military service described in subsection (b) of the first section under conditions other than honorable.

SEC. 3. As used in this Act the term "World War II" means the period beginning on December 7, 1941, and ending on December 31, 1946.

SEC. 4. The Secretary may not consider any application received more than two years after the date of enactment of this Act.

SEC. 5. The Secretary shall issue such regulations as he deems necessary and appropriate to carry out effectively and equitably the provisions of this Act.

SEC. 6. No benefits shall accrue to any person for any period prior to the date of enactment of this Act as a result of the enactment of this Act.●

By Mr. MELCHER (for himself, Mr. BAUCUS, Mr. HEFLIN, Mr. JEPSEN, Mr. LUGAR, Mr. PRYOR, Mr. SYMMS, and Mr. PRESSLER):

S. 164. A bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property; to the Committee on Finance.

PROHIBITION ON PROPOSED INCREASES IN CERTAIN INTEREST RATES

● Mr. MELCHER. Mr. President, the bill I am introducing today will prohibit the Internal Revenue Service from issuing new regulations increasing the imputed interest rates on loans between related entities under section 482 of the Internal Revenue Code of 1954, and on deferred payments in the case of certain sales of property under section 483 of the code. It also requires the IRS to administer sections 482 and 483 of the code in accordance with the rules and regulations in effect on January 1, 1980.

On August 29, 1980, the IRS issued proposed regulations that will set imputed interest rates on loans between financially related entities at 12 percent, if the stated interest rate is at least 11 percent; and they will set imputed interest rates at 10 percent on deferred payments in the case of certain sales of property, if the stated interest rate is below 9 percent. The proposed IRS modifications to these sections of the law will increase imputed interest rates in the sale of property 50 percent over existing levels.

These regulations affect all deeds for contract and sales of property where the seller takes back any part of the mortgage, and will have a litany of negative effects:

They will make it more difficult for young people to purchase homes;

They will lead to a further decline in family farming and businesses;

They discriminate against family transactions by requiring higher interest rates on loans for the sale of property to members of their families than rates for perfect strangers;

They are also highly inflationary; and

They will further depress the housing and real estate industry.

These proposed changes do not reflect historic and regional market interest rates for the kinds of deferred payment sales they regulate, but are set on the basis of current artificially inflated national prime interest rates that are being manipulated by the Federal Reserve Board as part of their policy on inflation.

Inflation and high interest rates have already combined over the past few years to push the cost of housing beyond the means of most young couples looking to purchase their first home. Now the IRS arbitrarily proposes to push up the interest on yet another type of purchase contract—that where the seller takes back all or part of the mortgage on the property and permits the buyer to pay it off over time. These regulations will mean, in more than just a few cases, that young couples will be unable to purchase their first home.

These regulations also hit hard at small businesses, farms, and ranches. The continued existence of the small business—whether commercial or agricultural—during this period of record-high inflation is already threatened. The cost/price squeeze faced by most businessmen today, coupled with skyrocketing interest rates on operating loans, is leading to the virtual disappearance of the family-owned business. The higher interest rates proposed by IRS on the deed for contract sale of small businesses, farms, and ranches will further increase the cost of operation and result in a decline of the small family-owned business in favor of the large corporation. This policy is a near-perfect example of how the "rich get richer and the poor get poorer." I do not think that is good Government policy.

These regulations are particularly unfair to the son or daughter who wants to purchase the family business. Because these regulations do not differentiate between the transactions of a national or multinational corporation and one of its subsidiaries on the one hand, and between a parent and child on the other hand, a son or daughter is forced by the IRS to pay higher interest on the purchase of the family business than some perfect stranger who comes down the road. Congress failure to realistically adjust inheritance and gift taxes for inflation has already made it more difficult than ever for parents to pass the family business to a son or daughter, thus further insuring the disappearance of such enterprise.

These regulations will bring about a further decline in the housing and real estate industry, which is already suffering perhaps more than any other segment of our economy through restrictive monetary policies.

Finally, by artificially raising the minimum interest rate to 9 percent or 11 percent between financially related parties, the IRS will have, in effect, guaranteed that yet another segment of our economy is victim of high inflation. This proposal will insure that our economy will not return to more reasonable interest rates. Even when we are successful in controlling the other elements of inflation, anyone who purchases property under these regulations will be locked into a contract or deed at these proposed high interest rates for perhaps the next 20 or 30 years.

During consideration of the continuing resolution last December we won a delay of the implementation of the regulations until July 1, 1981, in order to give Congress a chance to take permanent action. It is important now that there be quick action to make this prohibition permanent—at least until such time as the underlying law is changed to insure that future regulations in this area do not harm family farms and businesses or further depress the housing industry.

I think these regulations are ill advised and that it is foolish policy, at a time when we are all trying to fight inflation, for the Federal Government to propose another increase in interest costs and to make it more difficult for young families to purchase their first home or business. I hope that my colleagues will agree with me and support this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSE

SECTION 1. To prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property.

FINDINGS

SEC. 2. Congress finds that proposed internal Revenue Service regulations to modify title 26 Code of Federal Regulations, part 1, paragraph 1, sections 1.482 and 1.483 increasing imputed interest rates on loans between related entities and on deferred payments in the case of certain sales of property unnecessarily add to the current unacceptably high inflation rate, are not based on historic regional interest rates for such transactions but on artificially inflated prime interest rates, go beyond the original intent of the underlying law, and will inhibit the ability of young people to purchase homes, family farms and businesses.

LIMITATIONS

SEC. 3. No regulations shall be issued in final form under section 482 or 483 of the Code after the date of the enactment of this Act modifying the imputed interest rates under section 482 or 483 of the Internal Revenue Code of 1954 which has the effect of increasing the rate of imputed interest under such section. Sections 482 and 483 of such Code shall be administered in accordance with the rules and regulations in effect on January 1, 1980.●

By Mr. MELCHER:

S. 165. A bill to protect the take-home pay of the American taxpayer by adjusting personal income tax rates to reflect inflation; to the Committee on Finance.

ADJUSTMENT OF PERSONAL INCOME TAX RATE TO REFLECT INFLATION

● Mr. MELCHER. Mr. President, today I am introducing a Federal income tax indexing bill to give Federal income taxpayers the same kind of protection

against inflation-created tax increases as the citizens of Montana adopted in last fall's initiative to index State income taxes.

We need guards against having our Federal income tax burden go up just because of inflation. It should be clear to everyone that we must redefine our tax impact on individuals at all levels to keep taxation from becoming an all-consuming monster in our country.

We should protect the take-home pay of those paying Federal income taxes by adjusting individual tax brackets, personal exemptions and tax-withholding provisions for the inflation rate. The individual's pay check should not be reduced by higher taxes just because a worker otherwise may be fortunate enough just to keep up with inflation.

The bill I am introducing today will index personal taxes and exemptions based on changes in the gross national product price deflator, the U.S. Commerce Department measure to correct the GNP for inflation.

It is clear that we are going to have a tax bill in the Senate this session. I believe that any such bill should index personal taxes as part of our tax reduction program. The time to act is now, before inflation eats up yet more of the American working person's pay check. For example, a family with a taxable income of $20,000 in 1980, which manages to increase its income to keep up with a 10 percent inflation rate during 1981, would pay an additional $504 in 1981 income taxes without having gained any additional buying power. If this bill were enacted, that family would not have to pay any extra 1981 taxes.

If the current estimates of a 10-percent inflation rate for 1981 prove accurate, as much as we hope otherwise, this alone would boost the Federal tax take by $20 billion. Add to this the higher social security tax that went into effect on January 1, 1981, and American taxpayers will be facing the highest ever peacetime tax burden. We need to act, and act quickly to reduce this burden. Indexing personal taxes and cutting back on the social security withholding increases would be a good start. I hope that my colleagues agree.

I ask unanimous consent that my bill be printed in full following these remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. THIS ACT SHALL BE KNOWN AS THE TAKE-HOME PAY PROTECTION ACT.

SEC. 2. INDIVIDUAL TAX RATE ADJUSTMENTS TO AVOID TAX INCREASES RESULTING FROM INFLATION.

(a) GENERAL RULE.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—

"(1) IN GENERAL.—Immediately following September 30 and prior to December 1 of each year, the Secretary of Commerce shall report to the Secretary of the Treasury the ratio which the price index for the 4 consecutive calendar quarters ending September 30 of that year bears to the price index for the base period. Each dollar amount in the tables under subsection (a), (b), (c), and (d) under the heading 'if taxable income is' shall be increased by an amount equal to such dollar amount multiplied by such ratio and, as so increased shall be the amount in effect for taxable years beginning in the calendar year following the calendar year in which such report is made.

"(2) AMOUNT OF TAX.—The Secretary shall adjust each dollar amount in the tables under subsections (a), (b), (c), and (d) under the heading 'The tax is' to reflect the changes made under paragraph (1).

"(3) DEFINITIONS.—For purposes of paragraph (1)—

"(A) the term 'price index' means the average of the relevant 4 consecutive calendar quarters of the Gross National Product Implicit Price Deflator published quarterly by the Bureau of Economic Statistics in the Department of Commerce; and

"(B) the term 'base period' means the 4 consecutive calendar quarters ending September 30 of the calendar year preceding the Secretary of Labor's report."

(b)(1) Section 63 of such Code (relating to the definition of taxable income) is amended by adding at the end thereof the following new subsection:

"(i) ADJUSTMENT FOR CHANGES IN BRACKET AMOUNTS.—Prior to the beginnings of each calendar year, the Secretary shall, after adjusting each dollar amount listed in the tables under subsections (a), (b), (c), and (d) of section 1, as provided in section 1(f), adjust each dollar amount in subsection (d) to reflect the adjustments made under section 1(f) which are to be in effect for taxable years beginning in such calendar year."

(2) Subparagraph (B) of section 3402(m)(1) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(A) by striking out "$3,400" and inserting in lieu thereof "the dollar amount in effect under section 63(d)(1)"; and

(B) by striking out "$2,300" and inserting in lieu thereof "the dollar amount in effect under section 63(d)(2)".

(3) Subparagraph (C) of rection 402(e)(1) of such Code (relating to imposition of a separate tax on lump-sum distributions) is amended by striking out "$2,300" and inserting in lieu thereof "the dollar amount in effect under section 63(d)(2)".

(4) Section 6012(a)(1) of such Code (relating to persons required to make returns of income) is amended by adding at the end thereof the following new subparagraph:

"(D) Each time an adjustment is made under section 63(i) with respect to any dollar amount under section 63(d), the Secretary shall adjust each dollar amount under subparagraph (A) to correspond to such adjustments and such amount, as adjusted and rounded to the nearest $1, shall be the amount in effect under such subparagraph for taxable years beginning in any calendar year with respect to which such adjustment is in effect under section 63."

SEC. 3. ADJUSTMENTS IN AMOUNT OF PERSONAL EXEMPTIONS.

(a) GENERAL RULE.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(b) EXEMPTION AMOUNT.—Section 151 of such Code is amended by adding at the end thereof the following new subsection:

"(f) EXEMPTION AMOUNT.—For purposes of this section, the term 'exemption amount' means, with respect to taxable year 1981, $1,000 increased by an amount equal to $1,000 multiplied by the price index (as defined in section 1(f)(3)). For subsequent tax years, this 'exemption amount' shall be adjusted to reflect changes in the price index (as defined in section 1(f)(3))."

SEC. 4. ADJUSTMENTS IN WITHHOLDING.

Section 3402(a) of the Internal Revenue Code of 1954 (relating to tax withheld) is amended by adding before the last sentence thereof the following new sentence: "The tables prescribed under this section shall be adjusted in accordance with section 1(f) with respect to the wages paid in the year following the Secretary of Labor's report under such section."

SEC. 5. EFFECTIVE DATE.

The amendments made by this act shall apply with respect to taxable years beginning December 31, 1980.●

By Mr. MELCHER:

S. 166. A bill to enhance the production of domestic crude oil by exempting qualified stripper well production and certain oil produced by independent producers from the windfall profit tax, and to provide permanent relief from the windfall profit tax for small royalty owners; to the Committee on Finance.

RELIEF FROM WINDFALL PROFIT TAX

● Mr. MELCHER. Mr. President, today I am introducing a bill to modify the windfall profit bill so as to provide additionally needed incentives for the production of domestic crude oil.

If we as a nation are serious about curbing inflation, we must reduce our dependence on imported oil. Our conservation efforts are paying off. Our current oil imports are the lowest in several years. However, we continue to be at the mercy of OPEC prices which have recently hit the $40 per barrel mark and gone beyond. We need to couple increased domestic production of crude oil with our conservation efforts to ever really break OPEC's hold on our economy.

When the Senate originally passed the windfall profit bill, we were careful to include exemptions for the first 1,000 barrels of oil produced each day by independent producers as well as stripper oil. These exemptions were meant to insure that we did not discourage new exploration, more than 80 percent of which comes from our independents, and to insure that we encouraged as much production as possible from our older, smaller fields.

However, when the Senate version of the bill went to conference with the House of Representatives, these exemptions were lost, and replaced with lower tax rates for independent producer oil and stripper oil. We have had a year to look at the results, and the facts are that in Montana, at least, we have not gotten the increased production that the decontrol of crude oil prices was meant to bring.

I reluctantly supported the conference report on the windfall profit tax bill, but its now clear to me that we should modify the bill to restore the exemptions for independent producer oil and stripper wells.

I think that the need for this modification can best be shown by ineserting in the record part of a letter I recently received from an independent oil producer in Montana. I include the following excerpt in the RECORD:

More than 25 years ago, I purchased the minerals under 160 acres of land located approximately 25 miles west of Conrad. When the price of oil was low I could not afford to develop this small acreage. When the ceiling was taken off the price of oil the first announcement that we had here was that the windfall profits tax would not apply to independent producers who had new oil and produced less than 1,000 barrels of oil per day. At that time the price of oil was $40.00 per barrel. On the basis of this, I proceeded to drill a well and got gas but had no way to market it.

On the basis of what appeared to be a rather substantial gas well, I drilled a second hole which was dry and expensive. By this time, I had borrowed money from the bank, but decided to proceed to drill a third well, even though I was getting way out on the financial limb. The third well was a good gas and oil well, but I could not market the oil without being able to market the gas and it was capped.

By now, I owed the bank a substantial amount of money but Jim Connelly, then president of First Bank West, gave me the go ahead to drill another well, which I did. This well was also an oil and gas producer, but I could not market the oil without marketing the gas. In an attempt to obtain oil production without too high a gas-to-oil ratio, I moved down dip and got another dry hole.

These are not deep wells, averaging about 3500' to the Madison Limestone, but because of the considerable testing of each well that I did as they were being drilled, my costs had gotten out of my personal ability to carry. Jim Conelly went to the First Bank in Minneapolis and arranged a loan of $500,000.00. I drilled another dry hole and then drilled a well which obviously would be a producer from the Madison Limestone, but I was in an area where I thought we might obtain Devonian production and I decided to go down and test the Devonian. This well became the first Devonian oil producing well on the Montana side of the Sweetgrass Arch and spurred a great deal more drilling activity which is continuing as I am dictating this letter.

Finally, I was able to market the gas and therefore produce the oil from three wells. There was a great deal of expense involved in putting together a gathering system, separators, a heater treater, tank battery, electrifying the wells, etc. The two banks loaned me $1,250,000.00. I now have three wells on production. The maximum production I get is 120 barrels of oil per day and 750,000 mcf, for which I receive only $1.25 per mcf gross.

The irony of all of this is that when I commenced marketing oil I still did not know that the windfall profits tax applied to me. Obviously, I have no profits and for a single little guy on 160 acres, I could be in big trouble. As long as my production stays at this present level I will ultimately be able to pay the banks back from the production, but that is somewhat self-defeating from our energy point of view because I have some other acreage in other areas that I would drill if I had the money. Obviously, I cannot borrow more money from the banks, at least in the foreseeable future, nor do I want to.

In Pondera County there is a 15 percent net proceeds tax. The windfall profits tax amounts to 15 percent of this new oil. There are four other taxes amounting to approximately 5 percent totally. This is all before income tax. All but the net proceeds tax apply prior to my overhead and operating costs. The price of oil is down to $34.00 per barrel and my net before income tax is down to $20.00 per barrel. From this I must make repayment to the banks on 1.25 million dollars bearing interest which is now 22½ percent. It will be a matter of years before I make one penny in profits if I do then.

I have lived in the area of the Kevin-Sunburst-Cut Bank-Pondera fields all of my life and know most of the operators personally and can say, with perhaps only a couple of exceptions, that none of the Montana residents in this area who have oil producing properties have more than 250 barrels of production a day; yet these same operators have historically made 90 percent of the new oil discoveries in this part of Montana. These are the people who do not need the added burden of all of this taxation on the one hand and who have provided such a valuable service in the energy area on the other. Furthermore, I doubt that Congress or anyone else ever intended that these small operators should pay such a disproportionate share of taxes. We all know that the income tax is the great leveler for these kind of independent people, anyway.

Mr. President, this story is not unique. I heard variations of it from independent producers all over Montana during my travels there in recent weeks. The evidence is clear. The windfall profit tax is not accomplishing one of the major goals of decontrol—to encourage more domestic crude oil production. With the modifications I am introducing today—the worst of the disincentives for increased domestic production will be removed.

Finally, my bill also exempts royalty owners from the windfall profit tax. As part of the budget reconciliation process last fall, we exempted royalty owners from the first $1,000 of windfall profit taxes. That was a stopgap measure. We should take action now to exempt royalty owners from the windfall profit tax once and for all. It was never the intent of the Senate to treat royalty owners as though they were giant oil companies—that was clear from our action in the Budget Reconciliation Act—and we should correct that oversight as soon as possible.

I ask unanimous consent that my bill and a section-by-section analysis be printed in full following this statement.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 166

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAX EXEMPTION FOR STRIPPER WELL PRODUCTION.

Amend Sec. 4991(b) of the Crude Oil Windfall Profit Tax Act of 1980 (Public Law 96-223) by adding a new subsection as follows:

"(5) Any oil which is from a stripper well property within the meaning of the June 1979 energy regulations."

Amend Sec. 4991(d) by repealing subsection (1)(A) and renumbering as approoriate.

SEC. 2. TAX EXEMPTION FOR INDEPENDENT PRODUCER OIL.

Amend Sec. 4987(b) of the Crude Oil Windfall Profit Tax Act of 1980 by repealing subsection (2).

Amend Sec. 4991(b) by adding a new subsection as follows:

"(6) Independent producer oil."

Amend Sec. 4992 (c) (1) by adding a new subsection as follows:

"(C) Minus the number of barrels of exempt stripper oil produced each quarter (the resulting 'producer amount' cannot be less than zero)."

SEC. 3. TAX RELIEF FOR SMALL ROYALTY OWNERS.

Amend Sec. 4992 (d) of the Crude Oil Windfall Profit Tax Act of 1980 by repealing subsections (1) (D) and (2) and renumbering as appropriate.

SEC. 4. EFFECTIVE DATE.

The effective date of this act is to be January 1, 1981.

SECTION BY SECTION ANALYSIS

Section. 1. The first section of the bill *includes* "any oil which is from a stripper well property within the meaning of the June 1979 energy regulations" within the exempt oil category. It also *repeals* the section of the law that includes stripper well oil within the Tier 2 Oil tax bracket.

Section. 2. The second section of the bill *includes* "independent producer oil" within the exempt oil category. It also *defines* the amount of independent producer oil to be exempted as being equal to 1,000 barrels each day—reduced by the amount of exempt stripper oil produced each day. This limits the total exemption for combined stripper & independent producer oil to 1,000/each day. I discussed this with Bud Scoggins at the IPAA and he says it is fine to do it this way. It would make no difference to 99 percent of the independents. I think it also makes the proposal sound reasonable and answers any argument that both the stripper exemption and independent exemption goes too far.

Section 3. The third section of the bill extends the exemption to royalty owners. All that I have done is remove the section of the law that limits the independent exemption to those with a "working interest" in the property. This extends the exemption to royalty owners. Also because of the definition of an independent—does not refine more than 50,000 barrels a day or sell more than $5,000,000 annually of oil or natural gas through retail outlets—all royalty owners, not only those who receive royalties from independent producer wells, would be eligible for the exemption. IPAA agrees this is the simplest way to handle the royalty owners.

Section. 4. Sets effective date at January 1, 1981.●

By Mr. HEINZ (for himself, Mr. RANDOLPH, and Mr. GLENN):

S. 169. A bill to amend sections 169 and 103 of the Internal Revenue Code with respect to tax treatment of pollution control facilities; to the Committee on Finance.

TAX TREATMENT OF POLLUTION CONTROL FACILITIES

Mr. HEINZ. Mr. President, the legislation I am introducing today is designed to insure that expenditures for compliance with Federal and State pollution control laws do not jeopardize the ability of American industry to make job-creating investments.

Before explaining the specifics of this legislation, which amends sections 103 and 169 of the Internal Revenue Code, let me state in general terms the compelling economic and political arguments in favor of providing expanded tax incentives for pollution abatement.

I, for one, reject the argument that the recent election returns signal a desire on the part of the American electorate to retreat from the progress that has been made in recent years toward a cleaner, safer, and healthier environment.

What is the basis, then, for the mount-

ing criticism of the Clean Air Act, the Federal Water Pollution Control Act, the Resource Conservation and Recovery Act, and other environmental laws, and the activities of the Environmental Protection Agency in enforcing these laws?

A great deal of this criticism results from the transformation of these laws and the good intentions they represent into a regulatory morass that has proven to be a dream come true for the army of technocrats and lawyers whose services are needed to write, interpret, and litigate them—and, all too often, a nightmare for the State and local governments, the business managers, and the employees of firms subject to them.

I am confident that the new administration—working in conjunction with the Congress—will make great progress toward simplifying these laws and regulations; allowing greater flexibility for cost-effective attainment of regulatory goals; providing rational criteria for standard setting; and incorporating cost-benefit considerations into the regulatory process.

But even with long-overdue statutory and regulatory changes, expanded tax incentives are needed to ease the substantial financial burden of environmental compliance requirements. These expanded incentives are necessary to insure that expenditures for pollution abatement do not jeopardize the ability of American industry to make the productive capital investments necessary to modernize facilities, create jobs, expand production, maintain, and enhance international competitiveness, improve productivity, and reduce inflation.

As an example of the potential for pollution abatement expenditures to cause a capital "crunch," consider the following statistics relating to basic U.S. industries. In 1978, pollution abatement expenditures accounted for 16.6 percent of all investment in the steel industry. For chemicals the comparable figure was 7.1 percent; for petroleum, 8.3 percent; and, for utilities, 10 percent.

During the coming decade pollution abatement expenditures will remain high. In the case of the steel industry, for example, the American Iron and Steel Institute has estimated, based upon a report by Arthur D. Little, Inc., that total environmental control expenditures for the next decade may reach $7 billion. The chemical industry faces the "double whammy" of complying with the 600 plus pages of hazardous waste control regulations promulgated by EPA under RCRA and paying a billion plus dollars in additional taxes over the next 5 years into the superfund. Other industries are faced with similar cost burdens.

As desirable as such expenditures may be, these investments are generally not productive investments in the sense that they do not result in increased output or efficiency of operations. They are particularly burdensome for small businesses. In most cases such investments do not earn a monetary return to the investor. To the contrary—and in addition to the cost of capital—pollution control equipment can cost a considerable amount to operate and maintain. And it goes without saying that the billions of dollars invested in pollution abatement are not available for other job-creating investments.

To ease the burden on industry imposed by environmental laws, Congress has already provided limited tax incentives for installing pollution control equipment under sections 103 and 169 of the Internal Revenue Code. Both of these provisions—section 103, dealing with tax-exempt industrial development bonds, and section 169, dealing with 5-year amortization—reflect a recognition that investment in pollution control and solid waste disposal facilities is necessary to attain desirable social goals and to fulfill the mandates of environmental laws. These tax code provisions also reflect a recognition that such investments are not productive in the sense that they do not result in increased output or efficiency of operations.

My legislation would expand the tax advantages available for pollution abatement expenditures under sections 103 and 169 of the Code. Let me briefly explain the provisions of title I of my bill, dealing with tax-exempt IDB's, and title II, dealing with expensing of pollution control expenditures.

TITLE I—TAX TREATMENT OF INDUSTRIAL DEVELOPMENT BOND ISSUES TO FINANCE POLLUTION CONTROL OR WASTE DISPOSAL FACILITIES

As I mentioned previously, tax-exempt section 103 financing is already available for air or water pollution control facilities and solid waste disposal facilities. However, through regulation—and over the objections of the Environmental Protection Agency—the IRS has so narrowly interpreted section 103 of the Code as to thwart the will of Congress.

Specifically, the IRS has:

First, ignored the fact that Congress has amended the Solid Waste Disposal Act to regulate hazardous waste as well; instead, the IRS has held the definition of solid waste constant to that contained in the original act; and

Second, limited eligible financing to end-of-the-pipe, "back box" technologies—ignoring the fact that current environmental law recognizes and indeed encourages the role of process changes in abating pollution.

Title I of my bill would change current law as interpreted by the IRS under its proposed section 103 regulations by:

First, making clear that process changes that prevent the creation of pollution are eligible for tax-exempt financing;

Second, providing for certification of eligible pollution control facilities by the Environmental Protection Agency and State environmental control agencies;

Third, containing safeguards to insure that only that portion of any facility that actually represents a pollution control expenditure qualifies for tax-exempt financing—including a limitation on expenditures at new plants; and

Fourth, making expressly clear that in amending the Solid Waste Disposal Act with the Resource Conservation and Recovery Act, Congress intended that nonnuclear hazardous waste management facilities should also qualify for section 103 financing.

Let me briefly explain each of these provisions.

PROCESS CHANGES ELIGIBLE FOR SECTION 103 FINANCING

Proposed IRS regulations limit section 103 financing to "black box," end-of-the-pipe technologies that represent discrete units, ignoring the demonstrated potential for process changes to prevent the creation or discharge of pollutants. Current environmental law recognizes and indeed encourages the role of process changes in abating pollution. In fact, such process changes could even be required under best available technology requirements.

From a public policy standpoint, it makes no sense to provide tax-exempt financing, for example, to a utility installing a scrubber to reduce emissions, while denying such financing to fuel pretreatment such as coal washing that also reduces emissions, at less cost and with less of an adverse impact on efficiency of operations.

My legislation would make clear that such process changes can qualify for tax-exempt financing. So that this provision cannot be interpreted as a blank check to qualify all plant modernizations, I submit the following list of process changes and facilities that might be expected to qualify for section 103 financing, and ask unanimous consent that it appear in the RECORD at the conclusion of my remarks (see exhibit 1).

This list is by no means exhaustive: We must avoid locking in potentially obsolete technologies by statute. At the same time, it is intended to provide the IRS with some guidance in determining what sorts of pollution control facilities Congress intends to qualify.

I might add that this approach has already been the subject of discussion between EPA and IRS, as evidenced by an October 20, 1980, memorandum, I ask unanimous consent that this memorandum appear in the RECORD at the conclusion of my remarks (see exhibit 2).

CERTIFICATION BY ENVIRONMENTAL CONTROL AGENCIES

As is already the case under section 169 of the Internal Revenue Code, the certification that a facility was installed to meet or further Federal or State requirements for abatement of control of water or atmospheric pollution or contamination would be made by the Environmental Protection Agency or the corresponding State environmental control agency. The certifying agency would also have to certify that the portion of the expenditure eligible for tax-exempt financing would not be made but for the purpose of abating, controlling, or preventing pollution.

SAFEGUARDS LIMITING TAX-EXEMPT FINANCING

I am sensitive to the concern that in qualifying process changes for this type of financing, we run the risk of also qualifying plant modernizations that have as an incidental effect the reduction of pollution.

My legislation contains several safeguards for insuring that tax-exempt financing is limited to facilities or portions of facilities the expenditures for which are clearly for pollution control. Two of these safeguards I have already referenced: The list of eligible facilities and process changes, and the requirement for certification by environmental control agencies that the expenditure would not have been made but for Federal or State environmental control requirements.

An added safeguard is a formula for reducing the amount of financing eligible for tax-exempt financing to the extent that portions of the cost of a certified pollution control facility are recoverable in the form of economic benefit. The tax exemption would not apply to the portion of the proceeds of the bond issue that exceeds the amount by which the cost of acquiring, constructing, reconstructing, or erecting the facility exceeds the net profit which may reasonably be expected to be derived through the recovery of wastes or otherwise in the operation of the facility over its actual useful life. A formula for calculating this net profit is also set forth in the statute.

Finally, my legislation contains an added safeguard for limiting the amount of tax-exempt financing attributable to pollution abatement expenditures in the case of construction of new plants or major expansion of existing facilities—defined as a 35-percent increase in capacity or output. The amount of tax-exempt financing for certified pollution control expenditures, reduced to the extent that a net economic benefit results, would be further limited to: 30 percent of the first $100 million of capital expenditures for the entire plant or site; 25 percent of the second $100 million; 20 percent of the third $100 million; and 15 percent thereafter. Capital expenditures subject to the limitation would include those made 3 years before and 3 years after the date on which the bonds were issued.

Although a final revenue loss estimate has yet to be prepared, EPA has informally calculated that the first year revenue loss due to qualifying process changes for air and water pollution abatement would be $94 million. I ask unanimous consent that a recent letter from EPA regarding the revenue impact of this change be inserted in the RECORD at the conclusion of my remarks.

(See exhibit 3.)

I have asked EPA, the Treasury Department, and the Joint Committee on Taxation to prepare revenue loss estimates for these proposed changes and to suggest options for reducing the revenue loss in advance of Finance Committee consideration.

TITLE II—EXPENSING OF CERTIFIED POLLUTION CONTROL EXPENDITURES

As I mentioned previously, section 169 of the Internal Revenue Code provides for the amortization over 5 years of certified pollution control facilities.

Title II of my legislation would reduce the 5-year period to 1 year. Expensing of pollution control expenditures would be allowed at new plants as well as existing ones. In addition, as is the case under current law, section 169 amortization would be allowed in conjunction with either the investment tax credit or one-half the ITC if tax-exempt IDB's are also used.

Finally, the current requirement that a certified pollution control facility "* * * includes only tangible property (not including a building and its structural components, other than a building which is exclusively a treatment facility) which is of a character subject to the allowance for depreciation provided in section 167, which is identifiable as a treatment facility, and which is property * * *" has the disadvantage of biasing investment in pollution abatement away from process changes which are often more efficient. It is my expectation that once the Finance Committee has settled upon a definition of certified pollution control facility eligible for section 103 financing, it will consider a similar amendment to section 169 as well.

In closing, Mr. President, it is my hope that the Finance Committee will review this proposal at the earliest possible date. As you may recall, the distinguished chairman and ranking minority members of the Finance Committee; Senators DOLE and LONG, agreed on the need for early hearings on this proposal when I raised the issue during the debate on superfund.

I look forward to working with my distinguished colleagues on the Finance Committee and in the full Senate toward passage of this measure so that pollution abatement expenditures do not continue to jeopardize the ability of American industry to make job-creating investments.

I ask unanimous consent that the text of this legislation and certain exhibits be printed in full in the RECORD.

There being no objection, the bill and exhibits were ordered to be printed in the RECORD, as follows:

S. 169

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TAX TREATMENT OF INDUSTRIAL DEVELOPMENT BONDS ISSUED TO FINANCE POLLUTION CONTROL OR WASTE DISPOSAL FACILITIES

SECTION 101. TAX-EXEMPT FINANCING REQUIREMENTS.

(a) IN GENERAL.—Section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (h) as subsection (j), and by inserting after subsection (g) the following new subsections:

"(h) AIR OR WATER POLLUTION CONTROL FACILITIES.—For purposes of this section—

"(1) IN GENERAL.—The term 'air or water pollution control facility' means land or property of a character subject to depreciation under section 167—

"(A) which is acquired, constructed, reconstructed, or erected to abate or control water or atmospheric pollution or contamination by removing, altering, disposing, storing, or preventing the creation or emission of pollutants, contaminants, wastes, or heat,

"(B) which is certified by the Federal certifying authority (as defined in section 169 (d)(2)) or the State certifying authority (as defined in section 169(d)(3)) as meeting or furthering Federal or State requirements for abatement or control of water or atmospheric pollution or contamination, and

"(C) all or a portion of the expenditures for the acquisition, construction, reconstruction, or erection of which would not be made except for the purpose of abating, controlling, or preventing pollution.

"(2) EXEMPT FINANCING TO BE UNAVAILABLE FOR EXPENDITURES FOR PURPOSES OTHER THAN POLLUTION CONTROL.—

"(A) IN GENERAL.—Subsection (b)(4)(F) of this section shall not apply with respect to any issue of obligations (otherwise qualifying under subsection (b)(4)(F)) if the portion of the proceeds of such issue which is used to provide air or water pollution control facilities exceeds (by more than an insubstantial amount) the amount by which—

"(i) the cost of acquiring, constructing, reconstructing, or erecting the facility, exceeds

"(ii) the net profit which may reasonably be expected to be derived through the recovery of wastes or otherwise in the operation of the facility over its actual useful life.

"(B) NET PROFIT.—For purposes of this paragraph, the term 'net profit' means the present value of benefits (using a discount rate of 12½ percent) to be derived from that portion of such cost properly attributable to the purpose of increasing the output or capacity, or extending the useful life, or reducing the total operating costs of the plant or other property (or any unit thereof) in connection with which such facility is to be operated, reduced by the sum of—

"(i) the total cost incurred to acquire, construct, reconstruct, or erect the property (reduced by its estimated salvage value), and

"(ii) the present value (using a discount rate of 12½ percent of) all expenses reasonably expected to be incurred in the operation and maintenance of the property, including utility and labor costs, Federal, State, and local income taxes, the cost of insurance, and interest expense.

(C) LIMITATION ON EXPENDITURES UNDER SUBSECTION (b)(4)(F).—

"(i) IN GENERAL.—For purposes of subsection (b)(4)(F), the face amount of obligations issued for such facilities to be installed at any new manufacturing or processing plant shall not exceed the amounts described in clause (ii) of this subparagraph after application of subparagraphs (A) and (B) of this paragraph.

"(ii) INSTALLATIONS AT NEW PLANTS, ETC.—In the case of facilities described in subsection (b)(4)(F) to be installed at new plants (as defined in clause (iii) of this subparagraph), the aggregate authorized face amount of obligations to be issued therefor shall not exceed the sum of 30 percent of the first $100,000,000 of capital expenditures paid or incurred in connection with such plants, 25 percent of the second $100,000,000 of such capital expenditures, 20 percent of the third $100,000,000 of such capital expenditures and 15 percent of such capital expenditures in excess of $300,000,000 plus the costs and expenses incurred in issuing such obligations.

"(iii) NEW PLANT.—For purposes of this subparagraph the term "New Plant" means any plant or identifiable part thereof, or other location that is or would be a source of pollution, placed in service within the six-year period beginning 3 years before the date of any issue for the facility and ending 3 years after such date of issuance of the obligations described in clause (i). For purposes of clause (ii), all the capital expenditures during the six (6) year period shall be aggregated. A major expansion of the capacity of any plant or identifiable part thereof or a major conversion in the use to which any plant (or identifiable part thereof) is devoted, shall be treated as a New Plant. For purposes of this paragraph a major expan-

sion of capacity shall mean an increase in capacity of 35 percent, and a major conversion in use shall mean a change affecting 35 percent of the output of the plant. Any plant or identifiable part thereof not described in the preceding three sentences shall be deemed an existing plant.

(iv) CAPITAL EXPENDITURES TAKEN INTO ACCOUNT.—The capital expenditures taken into account with respect to any new plant or other source of pollution for purposes of this subparagraph are the expenditures which are properly chargeable to capital account and which are either made within 3 years before the date of the issuance of the issue or can reasonably be expected (at the time of the issuance of the issue) to be made within 3 years after the date of such issuance.

"(i) SOLID WASTE DISPOSAL FACILITIES.—For purposes of this section, the term 'hazardous waste or solid waste disposal facilities' includes land and property of a character subject to depreciation under section 167 which is acquired, constructed, reconstructed, or erected for no significant purpose other than to comply with hazardous or solid waste management requirements imposed by the Solid Waste Disposal Act.".

(b) CONFORMING AMENDMENT.—Subparagraph (E) of section 103 (b) (4) of such Code is amended by inserting ", hazardous waste," after "sewage".

(c) CLARIFICATION OF REFERENCE.—For purposes of section 103 (1) of the Internal Revenue Code of 1954, any reference to the Solid Waste Disposal Act means the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act of 1976 and as it is, or may be, amended from time to time by other Acts. No inference shall be drawn from the preceding sentence with respect to the presence or absence of the words "as amended", by themselves or in combination with a reference to another Act, whenever reference is made in any other provision of law to an Act by its short title.

SEC. 102. EFFECTIVE DATE.

The amendments made by subsections (a) and (b) of section 101 shall apply with respect to obligations issued after the date of enactment of this Act and with respect to taxable years ending after that date.

TITLE II—CURRENT EXPENSING OF AMOUNTS PAID OR INCURRED IN CONNECTION WITH THE CONSTRUCTION OR ERECTION OF POLLUTION CONTROL FACILITIES

SEC. 201. DEDUCTION ALLOWED FOR TAXABLE YEAR IN WHICH EXPENSES ARE PAID OR INCURRED.

(a) IN GENERAL.—So much of section 169 of the Internal Revenue Code of 1954 (relating to amortization of pollution control facilities) as precedes subsection (d) is amended to read as follows:

"SEC. 169. POLLUTION CONTROL FACILITY EXPENSES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of a taxpayer who elects the deduction allowed by this subsection, there shall be allowed as a deduction for the taxable year the sum of the amounts paid or incurred by the taxpayer in connection with the acquisition, construction, or erection of a certified pollution control facility (as defined in subsection (d)), and such amounts shall be treated as items not chargeable to capital account.

"(b) ELECTION.—The election provided by subsection (a) shall be made at such time, in such form, and in such manner as the Secretary may prescribe.

"(c) TERMINATION OF ELECTION.—A taxpayer who has elected under subsection (b) to take the deduction provided by subsection (a) may, at any time after making such election, discontinue the deduction with respect to the remainder of the amounts paid or incurred with respect to the facility. Any such discontinuance shall begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary before the beginning of such month. The depreciation deduction provided by section 167 shall be allowed, beginning with the first month as to which the election under subsection (b) does not apply, and the taxpayer shall not be entitled to any further deduction under this section with respect to such facility.".

(b) DEDUCTION TO APPLY TO NEW CONSTRUCTION AS WELL AS EXISTING PLANTS AND PROPERTIES.—Paragraph (1) of subsection (d) of such section (relating to definition of certified pollution control facility) is amended by striking out "in operation before January 1, 1976".

(c) CONFORMING AMENDMENTS TO SECTION 169.—

(1) Paragraph (3) of subsection (d) of such is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(2) Section 169 of such Code is amended—

(A) by striking out subsections (f) and (j),

(B) by redesignating subsections (g) and (i) as subsections (f) and (g), respectively, and

(C) by striking out "which is not the amortizable basis" in subsection (f) (as so redesignated) and inserting in lieu thereof "for which a deduction is not claimed under subsection (a)".

(d) TECHNICAL AND CONFORMING AMENDMENTS TO OTHER CODE PROVISIONS.—

(1) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 169 and inserting in lieu thereof the following:

"Sec. 169. Pollution control facility expenses.".

(2) Paragraph (5) of section 46 (c) of such Code (relating to applicable percentage in case of certain pollution control facilities) is amended by striking out "constitutes the amortizable basis for purposes of section 169" and inserting in lieu thereof the following: "constitutes the adjusted basis".

(3) Paragraph (1) of section 48 (a) of such Code (defining section 38 property) is amended by adding at the end thereof the following new sentence: "In the case of any property with respect to which an election has been made under section 169, such property shall, for purposes of the preceding sentence, be treated as property with respect to which depreciation is allowable.".

(4) Paragraph (4) of section 57(a) of such Code (relating to items of tax preference) is repealed.

(5) Subsection (f) of section 642 of such Code (relating to amortization deductions) is amended—

(A) by striking out "Amortization" in the caption and inserting in lieu thereof "Certain Other", and

(B) by striking out "for amortization" in the text.

(6) Subparagraph (B) of section 1082(a)(2) of such Code (relating to exchanges subject to the provisions of section 1081(b)) is amended by striking out "for amortization".

(7) Subsection (a) of section 1245 of such Code (relating to general rule for determination gain from dispositions of certain depreciable property) is amended—

(A) by striking out "169," in subparagraph (D) of paragraph (2) thereof,

(B) by striking out "169," each place it appears thereafter in paragraph (2), and

(C) by striking out "169," in subparagraph (D) of paragraph (3) thereof.

(8) Paragraph (3) of section 1250(b) of such Code (relating to depreciation adjustments) is amended by striking out "169,".

SEC. 202. EFFECTIVE DATE.

The amendments made by section 201 shall apply with respect to amounts paid or incurred after December 31, 1980.

EXHIBIT 1

FACILITIES AND PROCESS CHANGES TO BE INCLUDED AS REPORT LANGUAGE TO ACCOMPANY LEGISLATION PROPOSED BY SENATOR JOHN HEINZ DEALING WITH IRS DEFINITIONS OF POLLUTION CONTROL FACILITIES ELIGIBLE FOR TAX-EXEMPT INDUSTRIAL DEVELOPMENT BOND FINANCING PURSUANT TO SECTION 103(b) OF THE INTERNAL REVENUE CODE

In addition to those specified on the accompanying fact sheet, eligible facilities and process changes shall include, but not be limited to, the following:

Coal mining and combustion

Coal washing and preparation to reduce sulphur emissions;

Fluidized bed boilers;

In mining operations, water diversion ditches that prevent natural water run-off from mingling with mining operations, becoming contaminated, and exiting as run-off pollution.

Metals

In metal "pickling" processes, equipment to convert sulphuric acid to hydrochloride acid, permitting acid regeneration and avoidance of waste treatment and sludge disposal expense.

Industrial printing

Equipment to convert water-based paints, thereby avoiding aid pollution that occurs from dried solvents dispersing through stacks.

Paper industry

Recovery boilers and their associated precipitators, black liquor oxidation systems, and black liquor evaporation systems.

Brewing industry

Dust control equipment;

Spent grain liquor evaporators.

Solid waste management

Landfills;

Landfarms;

Transfer stations;

Incinerators without heat or energy recovery facilities;

Incinerators with heat or energy recovery facilities;

Compaction equipment (shredders, balers, and compaction equipment);

Transportation vehicles used to implement the collection and disposal functions.

Hazardous waste management

Same list as solid waste management but also:

Deep injecion wells;

Storage facilities;

Treatment facilities.

Petroleum industry

Facilities to strip sulphur from gas streams to be combusted at the refinery;

Facilities to transport waste water to regional waste control facilities;

Floating roof storage tanks.

EXHIBIT 2

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., October 20, 1980.

Subject Expanding the Definition of Pollution Control Facilities Eligible for Industrial Development Bond Financing.

From Jack F. Fitzgerald, Acting Director, Economic Analysis Division.

To John Samuels, Tax Legislative Counsel, Department of Treasury.

As you know, we seek to extend Section 103 financing to: (1) process changes that control or prevent pollution, and (2) discrete equipment that removes a potential pollutant before its creation in a manufacturing process. From our recent meeting with Ed Roche and John McMaster on this subject, I understand that the Department may be willing to extend the subsidy to discrete pollution prevention equipment, but continues to find our proposals unacceptable as applied to process changes. One objection raised was that EPA's administrative scheme for making process changes eligible was insufficiently precise and hence would be subject to abuse.

Upon reflection, we have developed a different approach to financing process changes that would give bond counselors and private firms little leeway to expand IDB use beyond what was intended by IRS.

Under our new approach, IRS and EPA would jointly establish an official list of generic process changes that are judged to significantly control pollution. For each process change on the list, the percentage of capital cost attributable to pollution control would also be specified. The list would be quite detailed and probably industry specific. It could be developed in the following manner.

IRS would ask industry to nominate types of process changes for IDB financing and to justify their choice, and to suggest what proportion of the capital cost should be eligible for financing. The justification would include engineering and economic data that:

Described the various pollution control options—including the process change—available to the sponsoring industry;

Demonstrated that the process change is the best of the options;

Indicated the economic (as opposed to pollution control) costs or benefits of the process change; and

Allocated the capital cost of the process change between pollution control purposes and other purposes.

IRS and EPA jointly would evaluate the industry nominations. IRS would promulgate with EPA's concurrence, a list specifying each eligible process change and, for each process change, the percentage of capital costs eligible for financing. The list could be revised periodically, and a procedure could be established for variances in special cases.

The most difficult step in this process probably would be determining the proportion of capital expenditures that should be eligible for IDB financing. Some arbitrary decisions might be unavoidable. IRS and EPA either would have to make a judgment that one sort of process change is more or less "for the purpose of" pollution control than another sort of process change, or would have to establish a method of computing this proportion based on financial information concerning the current process and the proposed new process. In the next section of this paper we discuss how the cost allocation percentages might be derived.

This entire process is similar to the current practice in setting depreciation lives to be used by firms for tax purposes. Under the ADR system, rather detailed engineering and economic judgments have been made, usually particular to specific industries, in order to establish the various (and numerous) classes and lives of capital assets. A procedure also exists for variances in special cases from the ADR guidelines.

ALLOCATION OF COSTS OF A PROCESS CHANGE

We would suggest using an allocation procedure that is similar to the one IRS now uses for end-of-pipe controls. Under this approach, the capital cost of a process change eligible for IDB financing would be adjusted downward to account for any economic benefits realized from the investment. More specifically, the difference between the capital cost of the process change and the discounted value of the net economic benefits would be the portion of the investment made "for the purpose of" pollution control. Thus,

$$K_p = K_T - B$$

where

K_p is the portion of the capital cost allocated to pollution control,

K_T is the total capital cost of the process change, and

B is the net economic benefits from the process change.

Also,

$$B = CP_{pc} - CP_o$$

where

CP_{pc} is the anticipated discounted present value of the cash flow of the firm after adopting the process change, and

CP_o is the discounted present value of the cash flow of the firm using the existing process.

We are under no illusions that this formula can be calculated precisely. The economic benefits may be exceedingly difficult to compute, as the process change may affect many aspects of the firms's operating performance. However, we do believe that this formula provides a sufficient guide for IRS and EPA to roughly allocate the costs of the process change. If the pollution abating process change produces insignificant or even negative economic benefits, the percentage of costs allocated to pollution control should approach 100. If, on the other hand, the process change appears justified solely on economic grounds, none of the costs should be eligible for Section 103 financing.

We should mention another aspect of the formula. It can be re-expressed as:

$$K_p/K_T = 1 - B/K_T$$

We would prefer to establish a single percentage of cost to be allocated to pollution control for each process change. But, if B/K_T varies significantly among plants that might adopt the process change, then the ratio K_p/K_T will also vary considerably.

In general, we expect that B/K_T will be reasonably constant for the same process change across different firms, since it depends mostly on the productive efficiency of the new process relative to the old process, and this comparison should not shift drastically from firm to firm. However, we can think of instances when B/K_T should not be relatively constant—where an old unit is replaced by a new, less polluting unit, for example. Consider replacing a conventional boiler with a fluidized bed boiler. In this case the net economic benefits of the process change will depend substantially on the age of the equipment which is replaced. The older the replaced equipment (the closer it is to retirement), the greater the economic benefits of replacing it with the new equipment. Instead of specifying one percentage for the cost of a fluidized bed boiler that should be eligible for Section 103 financing, we might need to specify a percentage that varied with the age of the boiler to be replaced. Thus, for example, when replacing a conventional boiler with a fluidized bed boiler, the rule might be specified something like: "The following percentages of fluidized bed boiler costs shall be eligible for Section 103 financing:

0 percent if the boiler to be replaced exceeds 20 years in age

20 percent if the boiler to be replaced is of 10–20 years in age

40 percent if the boiler to be replaced is of 5–10 years in age

60 percent if the boiler to be replaced is of less than 5 years in age."

NEW PLANTS

In existing plants, pollution control requirements may necessitate investment in a retrofit process change that generates economic benefits insufficient to earn a normal return. For a firm to invest in a new plant however, projected economic benefits must exceed capital costs. Thus our formula is not applicable for new plants, since it would never allow any capital costs to be attributed to pollution control. Alternative methods of making this attribution at new plants are as follows:

(1) Regard the pollution control costs as equal to the costs of the end-of-pipe facilities which are thereby avoided. For example, assume that fluidized-bed boilers are an eligible pollution-controlling new process for electric utilities. If a generating station using conventional boilers normally incurs an end-of-pipe pollution control cost of 20 percent of the total capital cost, while a fluidized bed station needs end-of-pipe equipment costing only 12 percent of the total capital cost, 8 percent of the capital cost of the fluidized bed station might be regarded as for pollution control.

(2) A limited number of novel, low-polluting processes, when installed at new plants, could be designated by IRS/EPA as worthy of subsidy. The proportion of capital cost to be eligible in each case for IDB financing would have to be set rather arbitrarily. This procedure would be similar to the proportional tax credits now given for investment in designated sorts of alternate energy property.

(3) Allow tax-exempt financing of only that pollution control equipment at new plants which contributes insignificantly to the production process. Under this approach, IRS/EPA would ask whether the production process could continue relatively unimpaired if the equipment in question were removed. If the answer was no, the equipment would be ineligible for the subsidy. This approach would tend to minimize the subsidy. One might justify this harsher treatment of new plants than of retrofits on the basis that retrofits present a better case for subsidy—old plants have environmental requirements imposed on them subsequent to construction, whereas new plants can be planned and built with full knowledge of environmental standards. This approach would, though, leave the bias toward end-of-pipe control techniques largely undiminished at new plants.

EXAMPLES

1. Pollution prevention:

The principle here is that IDB financing should be applicable to any discrete equipment that treats a material in such a way as to remove a potential pollutant before its creation in a manufacturing process. The proportion of the capital cost eligible for IDB financing should be determined through use of the formula currently used by IRS for discrete end-of-pipe equipment—the financable cost is essentially the total cost less any projected economic benefits.

Coal washing.—A common example of prevention equipment is a coal washing facility which removes sulfur from coal prior to combustion, thereby reducing or eliminating the need for desulfurization of coal-fired power plant emissions. The coal washing facility should be eligible for IDB financing whether it is at the power plant or at the coal mine.

Finishing agents.—Finishing agents are commonly applied to knitted and felted textiles to give them desired surface characteristics. One such agent frequently used is acrylic latex, which contains a few hundred parts per million (ppm) of unreacted ethyl acrylate monomer. In the oven when the finished textile is cured, this ethyl acrylate impurity is volatilized into the off-gases, and it creates a severe odor problem in the vicinity of the plant. The cost of stripping the ethyl acrylate from hot curing oven gases, the most obvious form of end-of-pipe treatment, is very high. This is because the

concentration of ethyl acrylate would have to be reduced below .002 ppm to reduce it below the odor threshold. However, an investigation of the latex manufacturing process showed that the ethyl acrylate monomer can be vacuum stripped to a few parts per million during manufacture of the latex, and the residual monomer totally destroyed by the addition of a suitable catalyst before the latex is applied. This prevention approach totally eliminates the odor problem from the textile finishing operation at a low cost. The cost of the vacuum stripper and the catalyst feed equipment should be eligible for Section 103 financing.

2. Process changes:

Conversion from direct heat to steam heat for product drying.—In the fish meal industry, fish are cooked and ground, and the oil is separated from the residue. The residue becomes saleable fish meal when it is dried normally in plate-shaped driers which are heated directly by a flame from below. Warm air is passed over the driers to carry away moisture. However, the direct heated driers are subject to local overheating, and the result is that a very small portion of the fish meal is scorched. Malodorous decomposition products from the burnt protein are discharged with the moist gasses from the driers. Stripping the large volume of gases from the drier is prohibitively expensive. The solution is to replace the direct fired driers with driers heated by steam. This produces a much more even heat and avoids scorching the meal, thereby avoiding the odor problem. A portion of the cost of the replacement driers should be eligible for Section 103 financing. The eligible cost should be given by the cost of the new driers less the economic benefits associated with the new driers that accrue because the new driers have a longer useful life than the partially depreciated old driers had.

Recirculation of exhaust gases for NO_x control.—Formation of NO_x from combustion in air can be reduced considerably by combustion modifications which reduce flame temperatures. In some boilers a portion of the flue gas can be cooled and returned to the boiler and mixed with the combustion air prior to combustion. The inert flue gas absorbs some of the energy released during the combustion process and thus reduces peak flame temperatures. This recirculation has little effect on the boiler's efficiency. Thus, the complete cost of the added-on recirculation equipment—the cooling equipment, pipes, and pumps—should be eligible for Section 103 financing.

Mechanical food peeling.—One step in commercial processing of potatoes and tree fruit such as apricots, peaches and pears may be peeling. Traditionally, the peeling is accomplished by soaking the product in large volumes of a caustic soda solution. The result is a large volume of wastewater, with heavy COD and suspended solid loadings. A new process has been developed which accomplishes the peeling by a wiping action of flexible rubber disks on fruit wetted with a limited amount of hot caustic soda. The new process reduces wastewater volume by 93 percent, reduces COD and suspended solid loadings by 97 percent, and reduces product loss by 13 percent. The new process equipment should in theory be eligible for Section 103 funding. However, the economic benefits attributable to the new process are substantial. The benefits probably exceed the costs of the new process in most cases except where the old process equipment is of recent vintage and is relatively undepreciated. The proportion of the new process cost that is eligible for Section 103 financing should be above zero only when the old process equipment to be replaced is relatively undepreciated.

EXHIBIT 3

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., August 22, 1980.

Hon. JAMES R. JONES,
Cannon House Office Building,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. JONES: This is in response to your letter of July 11, 1980 to the Administrator requesting EPA's opinion on the desirability of making industrial development bonds (IDBs) available for financing pollution prevention activities. While EPA cannot speak for the Administration on the change you suggest, we are interested in it from an environmental standpoint because we believe it would help eliminate the current bias in our tax policy toward "end-of-pipe" pollution control.

By prohibiting the use of IDBs to finance facilities that prevent pollution, the IRS regulations provide a significant economic incentive to control pollution through "end-of-pipe" technologies. If we subsidize these technologies, then we also should afford similar financing alternatives for prevention activities. Our concern is that the IRS regulations may prompt a firm to invest in a less efficient approach (e.g., end-of-pipe control) simply because the after-tax cost is less than that for a more efficient approach (e.g., prevention technology).

The current IRS regulations also prohibit the use of IDBs to finance investments in process changes that may reduce or eliminate pollution. Again, we are concerned that this may cause private firms to select less efficient technologies for reducing pollution.

Expanding IDBs to cover process changes, however, may present administrative difficulties to IRS. Since IDBs should not be used to finance an entire investment in new process technology, the problem is how to estimate the amount of the investment that goes toward pollution control. We have developed a rather straight forward approach for addressing this problem, but it may require that IRS agents collect more data than is now available to them. We propose that the difference in cost between the old and new facilities (on a current dollar basis) be considered as pollution control costs. Differences in rated capacities and economic benefits of the facilities complicate the calculation, but we think it is possible to make adjustments to the calculation to take such differences into consideration.

We are working very closely with IRS and Treasury to examine the feasibility and desirability of expanding coverage of IDBs to include prevention and process change technologies. We believe Treasury could handle this matter within their statutory authority.

We have made some very preliminary estimates of the likely losses to Treasury caused by extending the coverage of IDBs to both prevention and process change technologies. IDBs currently are used to finance about $3 billion of an estimated $7 billion of annual expenditures by industry on new plant and equipment for pollution abatement. Using $4 billion as an upper limit for additional IDB financing in combination with reasonable assumptions regarding interest rates and marginal tax rates, yields an estimated annual tax loss of $94 million. However, in the second year of expanded IDB financing, the tax loss would be doubled (i.e. $188 million), in the third year it would triple, etc. In present value terms, the annual tax loss would amount to about $860 million.

We are working with Treasury on this matter and will ask them to provide us with more accurate estimates of the likely revenue loss as we develop specific detailed proposals.

Sincerely,

WILLIAM DRAYTON, Jr.,
Assistant Administrator
for Planning and Development.

By Mr. MOYNIHAN (for himself and Mr. PACKWOOD):

S. 170. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Finance.

CHARITABLE DEDUCTIONS

● Mr. MOYNIHAN. Mr. President, today I am introducing for Senator PACKWOOD and myself a bill to permit all taxpayers to deduct their charitable contributions, whether or not they itemize their other deductions.

This is identical to H.R. 501, as introduced on January 6 by Congressmen GEPHARDT and CONABLE.

This is the third consecutive Congress in which we have made this proposal. Last year our bill had 42 Senate cosponsors, and was approved by the Finance Committee as part of the tax cut package that was reported out and would have been considered by the full Senate had time and circumstances permitted. We anticipated widespread support by the full Senate for that proposal in the 96th Congress, and hope for even wider support in the 97th Congress that is now beginning. We also expect this year to have the support of the administration.

The 1980 Republican platform stated that "We support permitting taxpayers to deduct charitable contributions from their Federal income tax whether they itemize or not." This was reiterated in a telegram that Governor Reagan sent to the National Conference of Catholic Charities on September 18, 1980 in which he stated that "We support permitting taxpayers to deduct charitable contributions from their Federal income tax whether they itemize or not." I am submitting the full text of the President-elect's eloquent telegram, and ask unanimous consent that it be printed in the RECORD.

The telegram follows:

Rev. Msgr. LAWRENCE J. CORCORAN,
Executive Director, National Conference of Catholic Charities, Washington, D.C.

I deeply regret that prior campaign commitments preclude me from addressing your annual meeting in Rochester. I came to know by firsthand experience as Governor of California the excellence, efficiency, and true sense of human care of Catholic charities.

Particularly do I respect and commend the National Conference of Catholic Charities as the largest voluntary and private sector provider of social services designed to help with both effective low cost and warm compassion. You are living and heartening proof that person helping person, group helping group can do this needed work without Government interference.

I am strongly committed to this provision of our 1980 Republican platform: "The American ethic of neighbor helping neighbor has been an essential factor in the building of our Nation. Republicans are committed to the preservation of this great tradition.

To help nongovernmental community programs aid in serving the needs of poor, disabled, or other disadvantaged, we support permitting taxpayers to deduct charitable contributions from their Federal income tax whether they itemize or not.

Government must never elbow aside private institutions—schools, churches, volunteer groups, labor and professional associations—in meeting the social needs in our neighborhoods and communities."

Through long association with government programs, the world "welfare" has come to be perceived almost exclusively as tax supported aid to the needy. But in its most inclusive sense—and as Americans understood it from the beginning of the Republic—such aid also encompasses those charitable works performed by private citizens, families, and social, ethnic and religious organizations such as yours. Policies of the Federal Government leading to high taxes, rising inflation, and bureaucratic empire building have made it difficult and often impossible for such individuals and groups to exercise their charitable instincts.

Private sector organizations such as yours need this kind of indirect, substantial encouragement from the Federal Government—they do not need its further regulation and usurpation.

Most fundamentally, I share with you your respect for life, in its inception and in its quality. Be assured of my gratitude for your invitation and for your magnificent work.

RONALD REAGAN.

Mr. President, the essential change is not political or governmental. It is the widening appreciation by the American people of the unique and vital role played by private, nonprofit organizations and the importance of devising public policies that succor and sustain them and the charitable impulse that undergirds them. It is also a mounting wariness toward government monopoly and toward the enrichment of the public sector as the private is diminished.

Return for a moment to a period of extraordinary intellectual ferment, just before the great crises of our century: The World Wars, the Depression, the rise of totalitarianism. Social and political thought was deadlocked in a conflict between two powerful schools. On one hand stood the classical liberals, who asserted the sovereignty of the individual, and looked with skepticism upon most forms of collective human enterprise.

On the other hand, emerging from continental traditions both of socialism and conservative absolutism, stood the statists. They feared that such individualism would lead to the disintegration of society—reducing humanity, in Durkheim's powerful phrase, to "a dust of individuals."

In response to this dichotomy, a third tendency began to develop, a tendency that owed much of its strength to the Anglo-American experience. It was called pluralism. While it is not properly regarded as a school of political thought, its exponents stood more to the democratic left than to the right. Among them were English figures such as R. H. Tawney, C. D. H. Cole, and the young Harold Laski.

The pluralists challenged both the absolute sovereignty of the individual and the sovereignty of the corporate state. They argued that between the individual and the state were to be found a great array of social and economic entities. They believed in the strength of these voluntary, private associations—church, family, club, trade union, commercial association—lay much of the strength of democratic society. Such ideas had considerable resonance here. For as deTocqueville observed a century and a half ago:

In no country in the world has the principle of association been more successfully used, or more unsparingly applied to a multitude of different objects, than in America.

One ought not be smug about this, for voluntarism as it developed on this continent traces its roots to the other side of the Atlantic. In Britain especially, private charity had assumed vast proportions by the mid-19th century. As Prof. Calvin Woodard of the University of Virginia notes, in 1871 appropriations for the entire Royal Navy totaled £9 million, while the collections and disbursements of the London charities came to £8 million.

On these shores, the pluralist temper influenced the thoughts of Theodore Roosevelt and the progressive movement. And it can be heard distinctly in this passage from a speech that Woodrow Wilson delivered a few weeks before his election in 1912:

If I did not believe that monopoly could be restrained and destroyed, I would not believe that liberty could be recovered in the United States, and I know that the processes of liberty are the processes of life.

Wilson was indulging in a bit of uncharacteristic hyperbole, for liberty did not need to be "recovered" in the United States. It had never vanished. It is important to recall, however, that the monopoly of which he spoke was private sector monopoly, business monopoly. As I said at Skidmore College in May 1978:

The public life of Wilson's time was much absorbed with fear and detestation of private monopoly, and great chunks of political and social energy were consumed in devising strategies for controlling it. While this was not an easy undertaking at the time, the means were at least conceptually at hand. For the public sector itself—along with public regulation—offered a clear alternative to the private sector and one obviously responsive to public policy. Whereas it is impossible to enact a statute to create a private institution, it is a relatively simple matter to establish public ones and to restrain the activities of private counterparts. In the process, the public sector became powerfully associated with social progress and with liberalism generally perceived.

Then came the cataclysms of our century—wars and economic crises which appeared to require a centralization of public authority and an expansion of public services far beyond anything previously envisioned. In that context, the pluralists' ideas seemed cautious, deliberate, almost effete. Those seeking to meet social needs that individualism could not provide for turned more and more to the public sector, to the state, and away from the realm of private, voluntary associations.

To be certain, the results were salutary for the society. The result is an irreplaceable set of common provisions for the needy, the aged, and the sick. But we are reaching a point at which it begins to be necessary to consider policies which will maintain a sound balance between our private and public spheres. As I further remarked at Skidmore, recalling Wilson's injunction against monopoly:

With its continuing expansion, the public sector commences to displace the private, and to display some of the qualities of an enterprise that desires monopoly control.

Today, we begin to glimpse some questionable side effects of our mounting reliance upon Government. We see it, I believe, in such diverse phenomena as the unsteady condition of the family and the erosion of private education. We also see it in the faltering pace of our economic productivity and the cool impersonality that touches so many Government agencies. And if some in political life still do not see it, or will not see it, it appears that the public sees it, and is beginning to act upon that perception.

Is this a movement of selfishness, miserliness, or public lapse into what has been described as "degraded hedonism"? I think not. More likely, we are witnessing a generalized discontent with the vastness, waste, and unaccountability that now characterize much of the Government. Here, then, is the larger argument for the incentives to private giving that our proposal would provide.

But let it not be thought that our proposal embodies a simplistic reaction against Government or the political process. On the contrary, I believe that our politics and Government would be strengthened by renewed vigor in the voluntary sector. The relative decline of that sector has been accompanied, not by a rise in the prestige and competency of Government, but by the reverse. I am prepared to believe that the two can prosper alongside one another. Indeed, neither can serve us well without the other.

DeTocqueville understood this, as he did so many things:

A government can no more be competent to keep alive and to renew the circulation of opinions and feelings amongst a great people than to manage all the speculations of productive industry. No sooner does a government attempt to go beyond its political sphere and to enter upon this new track, than it exercises, even unintentionally, an insupportable tyranny; for a government can only dictate strict rules, the opinions which it favors are rigidly enforced, and it is never easy to discriminate between its advice and its commands . . . governments therefore should not be the only active powers: associations ought in democratic nations, to stand in lieu of those private individuals whom the equality of conditions has swept away.

We seek in this legislation to reestablish the fundamental principle that underlay the charitable deduction when it was written into the Internal Revenue Code in 1917. This is the principle that money given by an individual to charitable purposes is money that should not be taxed.

The principle is clear enough. What has been less well understood is its gradual erosion as the "zero bracket amount" has been increased and as taxpayers have found it advantageous not to itemize.

The effects have been felt by individuals, whose economic incentive to give to charity has been eroding. And the effects have been felt by charitable organizations whose donated income has been eroding.

Charitable giving, as a percentage of personal income, declined from 1.99 percent in 1970 to 1.90 percent in 1979. As each one-hundredth of 1 percent of personal income is equal to approximately $200 million, this decline means that total charitable giving in 1979 was some $1.8 billion less than it would have been if the levels of giving of just 9 years earlier had been maintained.

Our legislation would restore the charitable deduction's original character, and again make that deduction available to all taxpayers.

This could result in a tax reduction for millions of low- and middle-income families, and in increased charitable giving that would significantly exceed the attendant revenue loss to the Federal Treasury. Prof. Martin Feldstein, one of this Nation's most distinguished economists, estimates that if this deduction had been available in 1975, charitable contributions would have been $3.8 billion greater than they in fact were, at a cost to the Federal Treasury of about $3.2 billion.

The widening congressional support for this proposition is largely the result of the splendid work that local charitable organizations throughout the Nation have done in conveying to their elected representatives a sense of their current condition and of the importance of this legislation to their future condition. I commend them and the exemplary job of information gathering and disseminating done by the national umbrella organization we know as independent sector.

This has not been easy, particularly in view of the opposition to our proposal.

This we expected, knowing that it is difficult for government voluntarily to accept a diminution of its own role and an enhancement of the role of the nongovernmental sector.

Yet the fundamental rationale for our legislation is familiar to every American as a basic principle of federalism: That the National Government should assume only those responsibilities that cannot satisfactorily be carried out by the States, by the localities, and by the myriad private structures and organizations, both formal and informal, that comprise this society. Structures that include the family itself, the neighborhood, the church, and the many private nonprofit agencies to be found in every community in this land.

This issue is familiar to Americans as an aspect of federalism.

Consider the interpretation offered by Jacques Maritain, this century's foremost Thomist, in "Man and the State," published in 1951. Maritain refers to a "Process of Perversion" which occurs:

> When the State mistakes itself for a whole, for the whole, of the political society, and consequently takes upon itself the exercise of the functions and the performance of the tasks which normally pertain to the body politic and its various organs. Then we have what has been labelled the paternalist State: the State not only supervising from the political point of view of the common good (which is normal), but directly organizing, controlling, or managing, to the extent which it judges the interests of public welfare to demand, all forms—economic, commercial, industrial, cultural, or dealing with scientific research as well as with relief and security—of the body politic's life.

The "Paternalist State" has obvious manifestations, as when government commences to engage in activities previously handled by nongovernmental organizations and begins to provide services formerly provided by the private sector.

Many of these activities and services are not only proper but essential to the satisfactory functioning of a just social order. One cannot, for example, readily imagine cash assistance to the poor, the unemployed, the elderly and the disabled being provided as a matter of right other than by the state.

There is a more subtle manifestation of the absorption of the private sector by the public that is all the more worrisome because it is less noted. I refer to the gradual submersion of private organizations that occurs as they become dependent on the state.

Consider the consequences. Independence is eroded. Autonomy is undermined. Sovereignty diminished. The actions of the state become more important. The decisions of the state become more determinative. The ability to pursue objectives that the state does not share—in ways cannot share, perhaps should not share—is curbed.

The purpose of the "above the line deduction" is to redress the balance a little. It may not reverse the powerful historic trends but it will slow them. It will restore a little more independence to the voluntary sector. It will add a bit to the ability of the ordinary working man or woman to determine how, and on what, some of his or her money is spent.

It will in some small measure retard the process that has been described as the slow but steady conquest of the private sector by the public. It will enhance the ability of voluntary organizations to fill some of the void created by the constraints on government activity that contemporary economic conditions dictate, and that contemporary political trends increasingly demand.

It will enhance the abilities of religious charities, of the ASPCA, of the Audubon Society, of universities, museums and thousands of private nonprofit institutions and organizations to enhance the lives of millions of individuals. I believe this is worth doing.

I am submitting two illuminating recent discussions of the issues embodied in our proposal, and ask unanimous consent that these be printed in the RECORD at the end of my remarks. The first of these is a fine analysis of the economic considerations relevant to the Moynihan-Packwood and Gephardt-Conable bills by Hayden W. Smith, senior vice president of the Council for Financial Aid to Education, that was published in the September 1980 issue of Philanthropy Monthly. The second consists of almost the entirety of a splendid new Heritage Foundation study by Dr. Stuart M. Butler entitled "Philanthropy in America: The Need for Action."

I also ask unanimous consent that the full text of our bill be printed in the RECORD at this time.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 170

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 62 of the Internal Revenue Code of 1954 (defining adjusted gross income) is amended by inserting after paragraph (16) the following new paragraph:

"(17) CHARITABLE CONTRIBUTIONS.—The deduction allowed by section 170.".

(b) Subparagraph (E) of section 170(b)(1) of such Code (defining contribution base) is amended by inserting "and without regard to this section" after "section 172".

(c) Paragraph (1) of section 213(a) of such Code (relating to allowance of deduction for medical, dental, etc. expenses) is amended by inserting after "adjusted gross income" the following: "(determined without regard to paragraph (17) of section 62).".

(d) Section 213(b) of such Code (relating to limitation with respect to medicine and drugs) is amended by inserting "(determined without regard to paragraph (17) of section 62)" after "adjusted gross income".

(e) Subparagraph (A) of section 3402 (m)(2) of such Code (defining estimated itemized deductions) is amended by striking out "paragraph (13)" and inserting in lieu thereof "paragraphs (13) and (17)".

SEC. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1980.

[From the Philanthropy Monthly, Sept. 25, 1980]

ABOVE-THE-LINE TAX TREATMENT FOR CHARITABLE CONTRIBUTIONS

(By Hayden W. Smith, Senior Vice President, Council for Financial Aid to Education)

The tax treatment of charitable contributions has been a matter of social and political concern since 1917 when the contributions deduction was first made a part of the income tax structure. The provisions of the tax law that now provide incentives for philanthropic giving are rooted in one of the deep philosophical convictions that are so uniquely American: that voluntary association and voluntary action should be encouraged in order to enhance the pluralism and diversity so essential to the strength of a free, democratic society. When structural changes in the tax law inadvertently weaken the incentives for giving, the proper case for a corrective change in the tax structure is essentially a derivative of this tenet of social philosophy.

THE STANDARD DEDUCTION

Of particular concern today is the adverse effect on charitable giving of the rapid expansion of the standard deduction since 1969. In this past decade, the standard deduction has been increased six times, with the result that the proportion of taxpayers itemizing their deductions for income tax purposes declined steadily from 47 percent in 1969 to 26 percent in 1977, and is estimated to have been about 30 percent in 1979. This means that for roughly three-fourths of the taxpayer population, there are now no specific tax considerations involved in the determination of the amounts of their charitable contributions.

SHORTFALL

In the absence of the tax incentives that are available to those who itemize, total giving by those who utilize the standard deduction has increased more slowly than personal income, and the annual total of charitable contributions from living individuals is believed now to be more than $1 billion less than it would have been had the standard deduction remained at its 1969 level.

Legislation to offset this adverse effect has been introduced and is now pending in the Congress. The Moynihan-Packwood bill (S. 219) and the Fisher-Conable bill (H.R. 1785) propose to alter the tax structure by extending the deduction for charitable contributions to all taxpayers whether or not they itemize their other deductions. This legislation is desirable as an expression of social and political philosophy. It is also desirable because it would be effective in "democratizing" the charitable contribution deduction and in raising the level of philanthropic giving.

The following analysis of the relevant data is offered in support of this assertion:

1. Since 1969, there has been a progressive decline in charitable giving as a percentage of personal income. That is, the growth of giving has not kept pace with the growth of income.

According to the best estimates currently available,* total giving by individuals rose from $14.71 billion in 1969 to $36.54 billion in 1979, an increase of 148 percent. During this same ten-year period, personal income rose from $746 billion to $1,924 billion, a gain of 158 percent. In relation to personal income, therefore, individual giving fell from 1.97 percent in 1969 to 1.90 percent in 1979.

While it may appear that this decline in the percentage of individual giving to personal income was not very significant, it should be noted that at current levels of personal income (over $2 trillion), each 0.01 percent change in this percentage amounts to more than $200 million in charitable contributions. If, for example, the percentage of giving to income in 1979 had been at its 1969 level, total giving would have been about $37.94 billion, some $1.40 billion higher than it actually was.

Most of the decline in charitable contributions as a percentage of personal income is believed to reflect reduced giving by persons in the lower and middle income groups, those for which the utilization rates for the standard deduction are relatively high. Estimates from the Joint Committee on Taxation for 1979, for example, show that for all income groups under $20,000 the proportion of nonitemizers was greater than 50 percent, and for those under $10,000 it was greater than 90 percent; by contrast, the proportion of nonitemizers was well below 50 percent for all income groups above $20,000. Fragmentary data from leading charitable organizations indicate that, while their contributions revenues have increased since 1969, the number of contributors has decreased. More importantly, the decrease in the number of contributors is primarily among those who give less than $25, essentially those in the lowest income groups.

The inference from these facts is that the progressive expansion of the standard deduction has caused a significant decrease in charitable giving in relation to income, especially among those in the lowest income groups. Since for the nonitemizer the net cost after taxes of a charitable gift is equal to the amount of the gift, there is no tax incentive to make a larger number of gifts or to give larger amounts than are induced by non-tax incentives. Taxpayers using the standard deduction, therefore, tend not to be fully participative in the voluntary sector.

2. The standard deduction (now called the "zero bracket amount") has been increased six times since 1969, and those changes have been closely associated with the decline in charitable giving as a percentage of personal income.

The relationship between the changes in the standard deduction and the changes in charitable giving as a percentage of personal income is shown in the following table:

*Giving USA, (New York, American Association of Fund-Raising Counsel, 1980).

	Billions of dollars		Giving as a percent of P.I.	Standard deduction[3]		
	Individual giving[1]	Personal income[2]		Percent of AGI	Maximum[4] (dollars)	Utilization rate, percent
1969	14.71	745.6	1.97	10	1,000	53
1970	15.92	801.3	1.99	10	1,000	52
1971[5]	17.02	859.1	1.98	13	1,500	56
1972[5]	18.19	942.5	1.93	15	2,000	65
1973	20.43	1,052.4	1.94	15	2,000	65
1974	22.33	1,154.7	1.93	15	2,000	64
1975[6]	24.24	1,255.5	1.93	16	2,800	68
1976[6]	26.69	1,381.6	1.93	16	2,800	69
1977[6]	29.52	1,531.6	1.91	ZBA	3,200	74
1978	32.80	1,717.4	1.91	ZBA	3,200	71
1979[6]	[7] 36.54	[8] 1,924.2	1.90	ZBA	3,400	[8] 69

[1] "Giving USA," AAFRC, 1980, p. 11.
[2] U.S. Department of Commerce.
[3] Percentages and maxima from Congressional Research Service; utilization rates from Internal Revenue Service.
[4] Maximums relate to married couples filing joint returns.
[5] Income years affected by change in standard deduction.
[6] Preliminary.
Note: ZBA—Zero Bracket Amount (flat rate).

As indicated, the decline in charitable giving as a percentage of personal income is closely associated with a rise in the utilization rate (i.e., the percentage of taxpayers utilizing the standard deduction). The closeness of this association is shown graphically on the adjacent chart in which charitable giving as a percentage of personal income is plotted against the percentage of itemizers among taxpayers filing taxable returns (for obvious reasons, the percentage of itemizers among those filing taxable returns is greater than the percentage of itemizers in the total taxpayer population).

It is widely believed that the progressive expansion of the standard deduction since 1969 has been an important factor in the progressive decline of charitable giving as a percentage of personal income. Had charitable contributions remained at the 1969 percentage of personal income throughout this period, the cumulative amount of giving for the decade of the 1970s would have been $5.48 billion more than it actually has been (see Appendix I).

3. Those who itemize their deductions give more to charity than those who utilize the standard deduction. This is true even for individuals within any given income group.

The available evidence indicates clearly that the level of charitable giving is positively associated with income. That is, individuals give more at high levels of income than at low levels of income. This relationship accords with everyday experience and simple logic; as incomes rise, people tend to give more in part because they have more to give. Levels of giving are also affected by factors other than income, one of which is the cost of giving, and the cost of giving, after taxes, is affected by the tax treatment of charitable contributions.

Because income tax rates are highly progressive with income, the after-tax cost per dollar of giving decreases as one goes up the income scale, provided that the taxpayer itemizes contributions and other personal deductions. For those who use the standard deduction, the after-tax cost of charitable gifts is equal to the amounts given, and this is true regardless of income. It is, therefore, hardly surprising that for individuals within any given income group those who itemize give more, on the average, than those who use the standard deduction.

A recent survey by the Gallup organization provides clear evidence of the magnitudes of these differences. Further, the data indicate that the ratio of average contributions for itemizers to the average for nonitemizers increases with income, as follows:

AVERAGE CHARITABLE CONTRIBUTIONS, 1978, BY LEVELS OF HOUSEHOLD INCOME

Household income	Average contributions		Ratio
	Itemizers	Nonitemizers	
Under $5,000	$203	$112	1.8
$5,000 to $9,999	300	165	1.8
$10,000 to $14,999	324	249	1.3
$15,000 to $19,999	652	222	2.9
$20,000 to $49,999	658	281	2.3
$50,000 and over	1,253	227	5.5
Total	652	210	3.1

Source: Survey of the Public's Recollection of 1978 Charitable Donations (Princeton, The Gallup Organization, July 1979).

It is true, as a spokesman for the U.S. Treasury Department contended in testimony to the Senate Finance Committee, that factors other than the after-tax cost of giving may account for some of these differences. Indeed, it is even true that many individuals are itemizers precisely because they make relatively large charitable gifts independently of tax considerations. However, the giving behavior of individual taxpayers and their decision to itemize or not to itemize is sensitive to the after-tax cost of giving at all income levels even though other factors such as home ownership, total assets, and the character of income may influence the results.

Econometric studies by Professor Martin Feldstein of Harvard University and others, based on data from widely differing sources, show beyond any reasonable doubt that levels of giving are sensitive to the after-tax cost of giving. The statistical method used in these studies separates the tax effect (the after-tax cost, or "price", of giving) from the effect of income and other factors that influence charitable giving. There is a remarkable degree of consistency and relative precision in these studies, even though they are based on different years and different types of data. While the numerical results also differ slightly from one study to another, they all show that the tax effect is positive: that is, the level of giving tends to increase as the after-tax cost of giving decreases.

For those who do itemize, the after-tax cost of a given level of contributions is reduced by the amount of their tax saving. Consequently, they can and do, increase their levels of giving without incurring any

increase in the after-tax cost as compared to what they would be willing to bear if no deduction could be taken.* For those who do not itemize, the after-tax cost of giving is equal to the amount of their contributions. Consequently, they have no tax incentive to increase their levels of giving beyond the amounts determined by income and other factors.

4. Under the Moynihan-Packwood bill (S. 219) and the Fisher-Conable bill (H.R. 1785), the deduction for charitable contributions would be allowed as a deduction from gross income in arriving at adjusted gross income. This change would give recognition to the fact that a charitable contribution is a transfer of income rather than a personal consumption expenditure. The distinction between these two concepts is important.

Personal consumption expenditures reflect payments in exchange for goods and services received. The present tax law allows deductions for certain expenditures of this type, including medical expenses, certain state and local taxes paid, interest payments on personal debts, and the costs of making good various casualty losses. In all these cases, the expenditure involves a reverse flow of goods or services which are of direct benefit to the individual.

An income transfer, by contrast, reflects a payment not for goods and services received. Such a payment is a unilateral outlay for which there is no reverse flow of direct benefit to the individual. It involves a reduction in the level of income available for the individual's enjoyment, not an expenditure for which he or she receives something in return.

Under present tax law, charitable contributions are treated as though they constitute items of personal consumption, while they are in essence transfers of income from the individual to charitable organizations. The proposed changes in the tax law would correct this situation by treating charitable gifts as reductions in taxpayers' incomes. The effect of these changes would be to tax only the income remaining to taxpayers after they have made such transfers to charity as they may elect.

5. The proposed change in the tax treatment of charitable contributions would result in a reduction of tax revenue for the Treasury, but many believe that it would also result in an increase of charitable giving that is larger than the loss of tax revenue.

It is clear that the adoption of above-the-line treatment of charitable contributions would result in a decrease in tax revenue from individual taxpayers, primarily those now using the standard deduction. The change would result in a decrease in their adjusted gross incomes and a decrease in their taxable incomes, and, therefore, a decrease in taxes paid. Whatever the amount of decrease in tax payments, the after-tax incomes of nonitemizers would increase by an equivalent amount unless the change in the law also induced an increase in charitable giving.

It is widely believed that the extension of the charitable contributions deduction to nonitemizers will induce a positive change in charitable giving. As a theoretical matter, giving will rise both as a result of the rise in after-tax income and as a result of the fall in the after-tax cost of additional giving. As a practical matter, there is some uncertainty about the dollar magnitudes of these changes, but the available estimates do not differ significantly.

According to Treasury, the revenue loss, or cost, of this legislation would be $3.0 billion annually without considering any of the incentive effects. This estimate includes $2.5 billion in "deadweight" revenue loss from the deductions to be claimed by nonitemizers for their current levels of giving, and $0.5 billion in revenue loss due to itemizers who would reduce their tax liability by switching to the standard deduction without making any additional gifts to charity.

According to the staff of the Joint Committee on Taxation, the revenue loss would be $2.4 billion in 1981, rising to $3.5 billion in 1985.

According to Professor Feldstein, tax revenues in 1975 would have been from $3.1 to $3.2 billion lower than they actually were had the proposed change been in effect in that year. These estimates reflect alternative assumptions about the "price elasticity" (i.e. the sensitivity of giving to the price) of charitable giving, and include allowances for taxpayers who would have switched to the standard deduction.

More important than the loss of tax revenue is the impact of the change on levels of charitable giving. There is some dispute as to the amount by which charitable contributions will increase and how fast the increased giving will proceed.

According to Professor Feldstein, total contributions in 1975 would have been from $2.9 to $4.6 billion higher than actual if the proposed legislation had been in effect in that year. His best estimate is a $3.8 billion increase in giving as against a $3.2 billion revenue loss. The ranges around these numbers merely reflect alternative assumptions about the sensitivity of giving to the after-tax cost.

According to the Treasury Department, there is a great deal of uncertainty about the sensitivity of giving in relation to cost as to the low and middle income taxpayers who constitute the bulk of nonitemizers. Treasury concedes that individuals with high marginal tax rates are highly sensitive to the cost of giving, but argues that those with low and moderate incomes are so insensitive to the cost of giving that any increased giving that the proposed legislation induces them to make would be less than the amount of their tax savings.

Treasury also argues that any increase in giving as a result of above-the-line treatment of contributions would not occur immediately but would be spread out over time, possibly not reaching its full value for six or more years. This lagged effect implies that the revenue loss would be immediate and would greatly exceed the gain in charitable contributions throughout the period of adjustment.

Both the Treasury arguments and the Feldstein statistical studies fail to take full account of the efficiency of charitable fund raising. Whatever the statistical studies may show as to price sensitivity and giving lags in the past, the enactment of above-the-line treatment for contributions will undoubtedly trigger an immediate awareness of the tax savings to be associated with increased giving across a very broad spectrum of the population. Taxpayers themselves, their tax accountants, lawyers and other professional tax advisors, and, above all, the recipients of charitable gifts, will all recognize and act upon the change in the tax law with a minimum of delay. Information to the effect that potential gifts would be tax deductible is already included in charitable solicitations despite the fact that a majority of taxpayers now utilize the standard deduction. Once the deduction is available to all taxpayers, the use of the tax calculus in solicitation is certain to be increased in both depth and breadth by the donee organizations and their professional fund raisers. Just how effective will be this new emphasis on the tax savings associated with philanthropic giving is a matter for speculation, but it is certain to be substantial and immediate.

6. A detailed examination of the income characteristics of nonitemizing taxpayers provides support for the view that S. 219 would have its most important impact on taxpayers whose giving behavior is sensitive to the tax incentives, and that the additional giving induced by the change in the law would exceed the loss of revenue to the Treasury.

Treasury has contended that nonitemizers are primarily low and middle income taxpayers whose giving may well not be sensitive to tax incentives. It is argued that the empirical studies on this subject have yielded results that are at best inconclusive, and that it is possible, even probable, that S. 219 would result in a large "windfall" reduction in this group's taxes with relatively small effect in terms of induced giving.

This argument fails adequately to recognize the characteristics of those who do not itemize. New data on this subject were obtained from the staff of the Joint Committee on Taxation and are summarized in the following table:

*A numerical example may be useful here. Assume a taxpayer filing a joint return with four exemptions and $20,000 of adjusted gross income. If he does not itemize, his tax will be $2,271 and his after-tax income will be $17,729. He is willing to give $400 to charity and thus to reduce his "disposable" income to $17,329, even though he cannot take a deduction for his gifts. That is, he is willing to bear an after-tax cost of $400 for his $400 in contributions. Now assume that he can take a deduction for his gifts in addition to the "zero bracket amount." His tax will be $2,186 and his after-tax, "disposable" income will be $17,414 ($20,000 less $2,186 in tax and $400 in gifts). Since he is willing to reduce his after-tax, disposable income to $17,329, he can increase his charitable giving by an amount that will cause his income to decrease an additional $85. The arithmetic in this case works out to an additional $116 in charitable contributions. That is, the taxpayer now makes $516 in charitable contributions, pays $2,186 in taxes and has $17,329 of "disposable" income left after taxes. The deductibility of his gifts has enabled the taxpayer to increase the amount of his gifts by 29 percent without any decrease in his income after taxes and gifts. In this example, the increase in contributions is exactly equal to the decrease in taxes. This need not be the case. Since this taxpayer is in the 21 percent tax bracket and the after-tax cost of an additional $1.00 in giving is only 79 cents, he might well increase his giving by more than $116 despite the fact that it would decrease his "disposable" income. If he does, then the increase in his giving would be greater than the decrease in his taxes. (See Appendix II).

NONITEMIZERS BY INCOME CLASS AND TAXABILITY, 1979

[Estimates, in thousands]

Expanded income[1]	Total returns		Taxable returns		Nontaxable returns	
	Amount	Percent	Amount	Percent	Amount	Percent
Below $5,000	21,444		4,501		16,943	
$5,000 to $10,000	16,937		13,119		3,818	
$10,000 to $15,000	11,092		10,974		118	
$15,000 to $20,000	6,747		6,737		10	
$20,000 to $30,000	6,210		6,196		14	
$30,000 to $50,000	1,496		1,496			
$50,000 to $100,000	178		178			
$100,000 to $200,000	20		20			
$200,000 and over	3		3			
Total	64,127	100.0	43,224	67.4	20,903	32.6
Below $15,000	49,473	100.0	28,584	57.8	20,879	42.2
$15,000 and over	14,654	100.0	14,630	99.8	24	.2

[1] AGI plus tax preferences (largely excluded capital gains) less investment interest expense to the extent of investment income.

There are several observations to be made about these data:

a. Some 49.5 million nonitemizers, or 77.1 percent of all nonitemizers, have incomes below $15,000. This is the group that Treasury had in mind as low income taxpayers whose giving behavior is not sensitive to tax incentives.

b. However, nearly 21 million of these low income taxpayers, or 42.2 percent of all low income nonitemizers, filed nontaxable returns. Presumably, they had to file tax returns either to obtain refunds of taxes withheld from wages and salaries, or to claim the earned income credit, or both. Those nonitemizers filing nontaxable returns were virtually all in the under-$10,000 income classes.

c. The Moynihan-Packwood bill would have virtually no effect on the giving behavior of those who file nontaxable returns. Above-the-line treatment of charitable contributions would not result in any tax saving, and would not reduce the after-tax cost of giving, for any of those whose incomes are otherwise nontaxable. Likewise the Moynihan-Packwood bill would have virtually no effect on the tax revenue from those who file nontaxable returns. It would not have any effect on the earned income credit which can be claimed by those with incomes less than $6,000, and this group constitutes more than 80 percent of those who file nontaxable returns. In a few instances, those with incomes between $6,000 and $10,000 may be able to claim a slightly larger earned income credit, but the amounts are small and the total cost to the Treasury is not likely to be larger than $75 million.

d. Roughly 28.6 million nonitemizers with incomes under $15,000 filed taxable returns. This group constitutes 44.6 percent of all nonitemizers and 57.8 percent of nonitemizers with incomes under $15,000. These taxpayers face marginal tax rates from 14 percent to 32 percent, depending on filing status, number of exemptions and exact AGI. According to the Gallup survey, average giving by nonitemizers at these income levels ranged from $112 to $240, which implies that average tax savings from above-the-line treatment of gifts varies from $15 to $80. In the absence of any induced giving, the "windfall tax cuts" for this group would amount to about $1.1 billion. There would be some increase in giving by these taxpayers as a result of S. 219, but it is uncertain as to whether it would be as large as or larger than these cuts in their taxes.

e. The nonitemizers with incomes of $15,000 and over constitute an important group in terms of the impact of S. 219. There are 14,654,000 such taxpayers. While this group constitutes only 22.9 percent of all nonitemizers, it makes up 38.5 percent of all taxpayers (itemizers plus nonitemizers) reporting incomes of $15,000 and over. Virtually all of these nonitemizers filed taxable returns in 1979. While they constitute 33.8 percent of all nonitemizers filing taxable returns, they make up 38.6 percent of all taxable returns for $15,000 or more of income. Clearly this group of nonitemizers is numerically significant.

f. Nonitemizers with incomes of $15,000 and over who file taxable returns are of special interest. All but 1.4 percent of them have incomes between $15,000 and $50,000. For this group, the marginal tax rates range from 18 percent to 55 percent, depending on filing status and number of exemptions. Such rates are significant in terms of the after-tax cost of charitable contributions, as is also true for the 201,000 nonitemizers with incomes of $50,000 and over.

g. According to the Gallup survey, average giving by nonitemizers with incomes between $15,000 and $50,000 ranged from $222 to $281, which implies that average tax savings from above-the-line treatment of gifts would vary from $40 to $155. In the absence of any induced giving, the "windfall tax cuts" for this group would amount to about $1.2 billion.

h. The tax incentives for increased giving are peculiarly applicable to those whose incomes are above the $15,000 average, and this implies that S. 219 would induce a significant increase in charitable giving by nonitemizers with $15,000 or more of income. The theoretical elasticity of giving with respect to "price" (one minus the tax rate) equals −1.22 at the 18 percent tax bracket and reaches −2.22 at the 55 percent tax bracket.* Charitable giving for nonitemizers with $15,000 or more of income is estimated to have been more than $4.6 billion in 1979; assuming an average elasticity of −1.5 for this group, the induced increase in charitable giving would amount to $2.3 billion or more as a result of S. 219.

i. This $2.3 billion of induced giving for those with incomes over $15,000, plus perhaps $0.6 billion for those with incomes under $15,000, yields a rough estimate of $2.9 billion of additional contributions as a result of S. 219. This compares with an estimated "tax cut" of $2.2 billion.

These figures, like those published by Treasury, Professor Feldstein, and others, are essentially "ballpark" variety. They differ from the other estimates in that they are based on a theoretical elasticity of giving with respect to price that is income-specific and limited in application to taxpayers filing taxable returns. Clearly, any evaluation of the effects of above-the-line treatment of charitable giving should exclude taxpayers filing nontaxable returns.

*See Appendix II.

APPENDIX I

REDUCTION IN CHARITABLE GIVING DUE TO DECREASES IN GIVING AS A PERCENTAGE OF INCOME, 1969–79

	Total individual giving (1)	Personal income (2)	Giving as a percentage of income (3)	Giving at 1969 percentage of income (4)	Giving at 1969 percentage of income less actual giving (5)
1969	$14.71	$745.8	1.972	14.71	0
1970	15.92	801.3	1.987	15.80	0.12
1971	17.02	858.1	1.981	15.94	−.08
1972	18.19	942.5	1.930	18.59	+.40
1973	20.43	1,052.4	1.941	20.75	+.32
1974	22.33	1,154.7	1.934	22.77	+.44
1975	24.24	1,255.5	1.931	24.76	+.52
1976	26.58	1,381.6	1.924	27.24	+.66
1977	29.32	1,531.6	1.914	30.29	+.98
1978	32.80	1,717.4	1.910	33.87	+1.07
1979	36.56	1,924.2	1.899	37.94	+1.40
Total					+5.48

Note:
(1) Giving USA, AAFRC.
(2) U.S. Department of Commerce.
(3) Col. 1 as a percentage of col. 2.
(4) Col. 2 times 1969 percentage.
(5) Col. 4 minus col. 1.

This analysis has been limited to considerations of an economic character as to the impact of the proposed change in the tax law embodied in the Moynihan-Packwood and Fisher-Conable bills. It is quite clear that this legislation, if enacted, would cause a decrease in tax revenue to the Treasury and an increase in charitable giving. While the numbers derived above, like those derived by Professor Feldstein, indicate that the gain to charity would exceed the loss to Treasury, such an outcome, even if known with certainty, is not a necessary or sufficient condition for the adoption of the proposed legislation.

What is a necessary and sufficient condition is a question of political and social philosophy. Passage of the charitable contribu-

tions legislation would reaffirm the country's commitment to voluntary association and voluntary action as opposed to reliance on government for the solution of contemporary problems. If this is a matter of sufficient importance, then the numbers are really of minor significance.

APPENDIX II

(For those interested in mathematics)

The elasticity of giving with respect to "price" is a theoretical concept. It is defined as the percentage increase in the amount given to charity per percentage point decrease in the price of giving. Since the price of giving is a function of the tax rate and the tax rate is a function of income, the theoretical elasticity of giving with respect to price is income-specific; that is, the elasticity will vary with income.

For an individual taxpayer, let r = the (marginal) tax rate, G = the amount of charitable giving, and C = the after-tax cost of charitable giving; then

$$C = G(1-r)$$

and

$$G = \frac{C}{1-r}$$

If the tax rate changes, then $1-r$ (the price of giving) also changes and the amount of charitable giving will change for a given C, as follows:

the change in giving,

$$\Delta G = G_2 - G_1 = \frac{C}{1-r_2} - \frac{C}{1-r_1}$$

and the percentage change in giving is

$$\frac{\Delta G}{G_1} = \frac{\frac{C}{1-r_2} - \frac{C}{1-r_1}}{\frac{C}{1-r_1}} = \frac{1-r_1}{1-r_2} - 1 = \frac{r_2 - r_1}{1-r_2}$$

For all nonitemizers, $P_1 = 1$ because $r_1 = 0$ with respect to their charitable giving. The adoption of above-the-line treatment for contributions is in effect a change in the tax rate, and the price of charitable giving is now income specific. For the lowest tax bracket,

$$r_2 = .14, \text{ and } E = -1/.86 = -1.16,$$

for the highest tax bracket,

$$r_2 = .70, \text{ and } E = -1/.30 = -3.33$$

In the case of the taxpayer in the 21 percent bracket, $E = -1.27$, and since G_1 was \$400, $G_2 = 1.27 \times \$400 = \$506.33$. This differs from the result shown in the footnote on page 582 only because of the discrete steps in the Treasury's tax tables.

Now the elasticity of giving with respect to price is equal to the percentage change in giving divided by the percentage change in price:

$$E = \frac{\frac{\Delta G}{G_1}}{\frac{(1-r_2)-(1-r_1)}{1-r_1}} = \frac{\frac{r_2 - r_1}{1-r_2}}{\frac{r_1 - r_2}{1-r_1}} = \frac{1-r_1}{1-r_2} = \frac{P_1}{P_2}$$

that is, the elasticity of giving with respect to price is simply the ratio of the price before a change in tax rate to the price after a change in tax rate, and is opposite in sign.

PHILANTHROPY IN AMERICA: THE NEED FOR ACTION

(By Stuart M. Butler)

INTRODUCTION

"Americans of all ages, all stations of life, and all types of dispositions are forever forming associations. . . . Americans combine to give fetes, found seminaries, build churches, distribute books, and send missionaries to the antipodes. Hospitals, prisons and schools take shape in that way. Finally, if they want to proclaim a truth or propagate some feeling by the encouragement of a great example, they form an association. In every case, at the head of any new undertaking, where in France you find the government or in England some territorial magnate, in the United States you are sure to find an association." Alexis de Tocqueville, Democracy in America (1835)

As de Tocqueville observed during his travels through America, the private support of social activities and services is a deeply rooted element of the American way of life. In the colonial and early national period, it was quite common for leading citizens to promote the private funding of civil projects. Benjamin Franklin, for example, was instrumental in the creation of numerous philanthropic associations. He assisted in the foundation of a volunteer fire company, developed plans for lighting and paving the streets of Philadelphia, and was responsible for raising funds to found both the Pennsylvania Hospital and the academy which ultimately became the University of Pennsylvania. Although Franklin might have displayed more enthusiasm than most, he was typical of the age in his sense of duty. As one social historian has noted, during the Revolutionary era:

"Groups were formed for every imaginable purpose—to assist widows and orphans, immigrants and Negroes, debtors and prisoners, aged females and young prostitutes; to supply the poor with food, fuel, medicine, and employment; to promote morality, temperance, thrift, and industrious habits; to educate poor children in free schools; to reform gamblers, drunkards, and juvenile delinquents." [1]

The use of non-profit voluntary associations to promote public ends has remained a basic feature of American society. It was almost uniquely an American development of the eighteenth-century concepts of self-advancement and improvement; a realization that it is in the interests of a society founded on individual initiative for it to seek voluntary, private means of acquiring the social services needed by the communities within it. This understanding that social responsibility is not merely a moral duty, but that it is also the long-term interest of each individual to encourage the betterment of his community, lies at the heart of the American tradition of philanthropy, and has helped preserve the decentralized, pluralist society that is the United States.

This belief in private philanthropy is as strong today as it was in the early days of the Republic. A Gallup poll conducted in 1972 showed that over 70 percent of the population believe that private giving to health agencies, education, and welfare organizations is at least as important today as in the past, and a majority felt that it was even more important.[2] A poll commissioned by the Heritage Foundation in February-March 1980 gave similar results. Approximately 70 percent of the population oppose the trend towards the use of taxpayer's money to finance activities previously funded by the voluntary sector. The same proportion feels that private organizations have a better track record than government in providing charitable services (see appendix).

Private philanthropy is widely seen as a vital alternative to government provision of services based on compulsory "donations" (i.e., taxation). The private charity is noncoercive, and so reflects accurately the cumulative choices of individuals regarding social needs in a manner that congressional bargaining cannot hope to do. In a democracy, the tendency will always be for public support to be given only to those groups with whom the majority sympathizes, and to those institutions which further the existing attitudes of society. The voluntary sector, on the other hand, allows support to be channeled to social groups and institutions which do not necessarily enjoy the favor of the majority. This encouragement is essential for the preservation of a free and pluralist society, where alternative attitudes and approaches are tolerated and can be assessed for their value. A strong voluntary sector acts as a bridge between those with creative ideas and dedication, and those with the means and desire to assist them.

The notion of pluralism is deeply rooted in the American tradition, and it has been responsible in great measure for the remarkable evolution of American society. A pluralist society is by its very nature more efficient than uniform systems in overcoming the problems of a community and responding to its changing needs and desires. When the state maintains monopoly in the support of social experiments and services, the society will be less free and will advance more slowly. As John Stuart Mill observed in his essay *On Liberty* (1859):

"Government operations tend to be everywhere alike. With individuals and voluntary associations, on the contrary, there are varied experiments, and endless diversity of experience. What the state can usefully do is to make itself a central depository, and active circulator and diffuser of the experience resulting from many trials. Its business is to enable each experimentalist to benefit by the experiments of others; instead of tolerating no experiment but its own."

The appreciation in America of the relationship between pluralism, freedom and progress lies behind the principle of tax exemption for charitable organizations and that of tax deductibility for gifts made to such institutions. As the House Ways and Means Committee stated in its report on the 1938 Revenue Act:

"The exemption from taxation of money or property devoted to charitable and other purposes is based upon the theory that the government is compensated for the loss of revenue by its relief from financial burden which would otherwise have to be met by appropriations from public funds, and by the benefits resulting from the promotion of the general welfare." [3]

The basis of tax exemption, in other words, is that charitable organizations fulfill functions which would otherwise fall on the shoulders of government. They are an alternative to government provision, and thus it would be inefficient and damaging to tax them. Similarly, making donations to charities or charitable foundations can be seen as an alternative to having to fund government services through taxation. It is therefore reasonable to exempt such donations from taxation because they reduce the need for taxation. An additional argument comes from the point made earlier that the voluntary sector provides support for valuable organizations and groups in society which would be passed over by a purely democratic allocation of funds: the charitable deduction provides a means whereby such organizations can be fostered.

Tax exemption for philanthropic activities can also be justified from an efficiency standpoint. As several studies to be mentioned later have shown, the charitable tax deduction generates more support for charitable ventures than it costs the Treasury in taxes lost. It is more cost effective to allow a deduction on money donated to, say, a school than to tax the donation and spend it on the same school. The inhibiting effect of the tax on the donor, and the administrative cost involved, would lead to a reduction in total support.

Furthermore, a strong voluntary sector brings with it the efficiency of the market system. Charities depend for their support on showing that they provide the services which the donor wishes to support in a more effective way than competing alternative institutions (including government). If the

Footnotes at end of article.

organization does not do this, and does not innovate, it will gradually lose support to other bodies. This filtering out process is at the root of the private enterprise system, and provides the spur to efficiency and responsiveness in the voluntary sector. By encouraging the sector through a tax exemption, the government is promoting the efficient provision of research and services.

Although the value of private philanthropy is well understood in America, the voluntary sector is currently under threat as never before. As a result of the 1969 Tax Reform Act—legislation aimed ostensibly at improving the charitable process—the principle of tax exemption has been undermined, leading to fundamental changes in the level and pattern of giving. This erosion of the principle is a serious precedent and poses great dangers for philanthropy. As Chief Justice John Marshall explained in the early days of the Republic, the power to tax is the power to destroy. The 1969 legislation has shown the truth of Marshall's observation. Changes in the tax code, which will be examined later in this study, have seriously inhibited charitable giving and jeopardised the continued existence of many foundations. Indeed, it was one of the expressed intentions of the 1969 act to encourage a high turnover rate among private foundations by forcing them to increase the dispersal rate of their assets.

Philanthropy is also threatened by other legislation passed in recent years. Expanding state and federal regulation of charitable organizations is slowly strangling the sector in red tape. This has resulted in an increase in accounting and legal costs for organizations and has inhibited the creation of new bodies to replace those winding up their activities as a consequence of the 1969 act.

These changes in the tax code and the growth of regulation have produced a crisis in private philanthropy. Because of inflation, the underlying trends are not always obvious when one examines the current figures for the sector. But, as this study will demonstrate, the trend in giving in real terms underwent a dramatic change after 1969. Private foundations—the clearing houses of philanthropy—have been especially damaged: real giving to and by them has fallen significantly and constantly. There is no reason to believe that there will be any turnaround in this pattern until major reforms in the tax law are enacted. If these changes are not made, and made soon, we will see the decline of private, voluntary philanthropy and its replacement by government services financed by taxation.

This study will first examine the scale and importance of private philanthropy in America, showing how funds are distributed among various types of charity and how the pattern has changed over the years. The law regarding charitable giving will then be considered in detail. It will be shown that legislation since 1969 has seriously inhibited private philanthropy in a number of ways. Finally, the broad implications of the present law will be reviewed, together with the reforms needed to restore philanthropy to its proper place in society.

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I—PRIVATE PHILANTHROPY IN AMERICA—AN OVERVIEW

Scale and distribution

Contributions to charity appear to have grown dramatically since World War II; and measured in current dollars, total giving more than doubled between 1970 and 1978, to a level of nearly \$40 billion. Tables 1 and 2 indicate this growth and the pattern of allocation. As is the case with time series presented without an adjustment for inflation, however, the data in these tables disguise the real trend in giving. If one takes inflation into account, quite a different picture emerges, and one which gives cause for concern. Before the mid-1960s, inflation was not a significant factor in comparing financial statistics over time. But between 1960 and 1970 the price level rose by 31 percent, and between 1960 and 1978 prices more than doubled.

Tables 3 and 4 show the level and pattern of giving when adjustments are made for inflation since 1960. Between 1960 and 1970 total real giving increased by 64 percent. In the 8 years between 1970 and 1978, however, real giving increased by only 20 percent, despite the 106 percent rise when measured in current dollars.

Contributions from foundations and charitable bequests have actually fallen during the 1970s, in real terms, and this change has been reflected in the receipts of certain forms of charity. The income of religious organizations, for example (which comes predominantly from small individual donors), has kept pace with economic growth, but giving to education and health, where foundations and bequests are important, has stagnated in real terms, despite a 20 percent rise in population from 1970 to 1977.

Evidence to the Commission on Private Philanthropy and Public Needs (known as the Filer Commission)[4] published in 1977, suggests that the impact of inflation and tax law changes on philanthropy may have been even more adverse than the above statistics indicate. The cost of services tends to rise faster than the general rate of inflation, and so charitable associations providing welfare and other services tend to suffer higher rates of cost increases than the average, since they are labor intensive.[5] Thus, in a period of inflation, these organizations need a correspondingly greater increase in income than that necessary to cover average price rises, merely to maintain a constant level of services. One research paper presented to the Commission attempted to incorporate this factor into the calculations, and concluded that even the apparently buoyant religious sector has experienced a downturn in its share of GNP in the 1970s.[6]

Categories of donors

Individuals

By far the largest segment of donated funds is contributed by individual citizens. This may take various forms. It may be a gift of cash, which can be deducted from taxable income (if the contributor itemises deductions). It may, on the other hand, be a gift in the form of stock or other property which may be deducted on the basis of saleable value. It could also be a bequest, which would result in a reduction of estate tax.

Foundations

Contributions may also be channeled through an independent private foundation, often set up by a single family or small group. There are approximately 24,000 such foundations in the United States: For the most part they are small, although some, such as the Ford and Rockefeller Foundations, have assets of hundreds of millions of dollars.

Footnotes at end of article.

TABLE 1.—ESTIMATED CONTRIBUTIONS TO PHILANTHROPY IN THE UNITED STATES, 1930–78 (SELECTED YEARS)

[In billions of dollars]

Source	1930	1940	1950	1960	1965	1970	1972	1974	1976	1978
Individuals	0.9	1.1	3.7	7.2	9.3	14.4	16.9	19.8	23.5	32.8
Foundations	.03	.06	.1	.7	1.1	1.9	2.2	2.1	2.1	2.2
Business corporations	.01	.04	.3	.5	.8	.8	.8	1.3	1.4	2.0
Charitable bequests	.2	.1	.2	.6	1.0	2.1	2.7	2.1	2.4	2.6
Total	1.14	1.3	4.3	8.9	12.2	19.2	22.7	25.3	29.4	39.6

Note: Due to rounding, individual entries do not necessarily add up to the totals.

Source: American Association of Fund-Raising Counsel, Inc., "Giving USA" (New York). Department of the Treasury, "Research Papers Sponsored by the Commission on Private Philanthropy and Public Needs" (Washington, D.C., 1977), vol. III, p. 1612.

TABLE 2.—ALLOCATION OF PHILANTHROPIC FUNDS, 1960–78 (SELECTED YEARS)

[In billions of dollars]

Recipient	1960	1965	1970	1972	1974	1976	1978
Religion	4.5	6.0	8.3	9.8	10.9	12.8	18.4
Education	1.4	2.1	3.1	3.6	3.7	4.1	5.5
Welfare [1]	1.3	.9	1.4	1.6	2.3	2.7	4.0
Health [1]	1.1	2.1	3.1	3.7	3.9	4.4	5.5
Civic/cultural		.5	1.2	1.5	2.0	3.1	3.6
Foundations, international, etc	.5	.7	2.2	2.5	2.4	2.4	2.6
Total	8.9	12.2	19.2	22.7	25.3	29.4	39.6

[1] For 1960, contributions for health to welfare agencies are included with welfare, thereafter with health.

Note: Due to rounding, individual entries do not necessarily add up to the totals.

Source: "Giving USA."

TABLE 3.—CONTRIBUTIONS TO PHILANTHROPY, 1960–78 (SELECTED YEARS), IN CONSTANT 1960 DOLLARS

[In billions of dollars]

Source	1960	1970	1974	1978
Individuals	7.2	11.0	11.9	15.1
Foundations	.7	1.5	1.3	1.0
Business corporations	.5	.6	.8	.9
Charitable bequests	.6	1.6	1.3	1.2
Total	8.9	14.6	15.2	18.2

Note: Due to rounding, individual entries do not necessarily add up to the totals.

Source: Table 1, adjusted using price index published by U.S. Bureau of Labor Statistics, as used in the "Statistical Abstract of the United States."

TABLE 4.—ALLOCATION OF PHILANTHROPIC FUNDS, 1960–78 (SELECTED YEARS), IN CONSTANT 1960 DOLLARS

[In billions of dollars]

Recipient	1960	1970	1974	1978
Religion	4.5	6.3	6.5	8.5
Education	1.4	2.4	2.2	2.5
Welfare	1.3	1.2	1.4	1.8
Health	1.1	2.4	2.3	2.5
Civic/cultural		.9	1.2	1.7
Foundations, international, etc	.5	1.7	1.4	1.2
Total	8.9	14.6	15.2	18.2

Note: Due to rounding, individual entries do not necessarily add up to the totals.

Source: Table 2, adjusted using price index published by U.S. Bureau of Labor Statistics.

Corporations and corporate foundations

Corporations are an important source of funds for philanthropy. American business, on average, contributes approximately 1 percent of its net income to charitable institutions.[7] As a survey commissioned by the Filer Commission showed, the most commonly expressed reason for corporate giving to such sectors as welfare and the arts is the belief that good citizenship requires business to provide funds. While this motive also influenced gifts to higher education, a more important factor in that case was the desire to improve the supply of trained manpower to industry.[8]

As one might expect, the level of corporate giving tends to reflect the prevailing economic situation, and during depressed periods, business contributions have generally fallen as a percentage of income as well as in total real amount. This tendency means, of course, that for some charitable sectors, such as welfare, direct contributions from business fall at precisely the time there is an increase in the demand for services. For this, among other, reasons, many companies maintain their own private foundation—about 1,500 of these exist. The use of such a foundation means that the company can make contributions to the foundation when it is economically most attractive. The foundation, on the other hand, can make payments to individuals and other charities on the basis of need: it is thus possible for a corporation to ensure a steady or flexible contributions policy without regard to temporary fluctuations in corporate income.[9] By establishing its own foundation a company can centralize its decision-making regarding the allocation of charitable gifts, and keep these decisions outside the day-to-day management considerations of the company. On the other hand, the close links between the company and its foundation enables grant-making decisions to be made with an intimate knowledge of the profit strategy and likely future performance of the donor, and hence a more accurate picture of future gifts is available than would be so in the case of a totally independent foundation. A study carried out in 1972 estimated that approximately half of all companies contributing to charity did so through their own foundation, and that about 60 percent of total corporate giving was made in that way.[10]

3—CHARITABLE GIVING AND THE LAW

The growth of government controls

Until the 1950s, charitable organizations were exempt from virtually all taxes and controls. Yet criticisms were being voiced against certain aspects of the sector's activities well before that time. The business holdings of foundations, in particular, attracted many complaints. The Senate Industrial Relations Committee, for example, began to investigate allegedly high stockholding by foundations as early as 1913. In the following years, increasing attention was paid to the tax-exempt status of so-called feeder corporations (i.e. bodies engaged in business activities for the sole benefit of an affiliated charitable organization). Before changes in the law in 1950, the courts took the view that if business activities were to be tax-exempt when carried out directly by a charity, it would be absurd to tax those same activities if the organization chose to segregate them in the form of a business enterprise. The key test, according to the Supreme Court, was the "destination of income." If the profits of an affiliated business went solely to a charitable organization, then the business should be exempt from tax.

In 1950, however, Congress took a much closer interest in the "unrelated business income" of charitable organizations. This development was occasioned by a number of widely publicized acquisitions of major businesses by tax-exempt organizations, after which the businesses claimed exemption for their previously taxable profits. The principal objection to this type of activity was that it gave the untaxed business an unfair edge in the market, allowing it to undercut its taxable competitors and even possibly become a monopolist. As a result of this line of argument, Congress was persuaded in 1950 to enact legislation imposing a tax on unrelated business income.

From a theoretical point of view, there was at least some truth in the allegations behind the 1950 measure. A business which enjoys tax exemption faces a lower cost structure, all other things being equal, than its competitors. Its payroll is reduced because its employees are exempt from FICA, and its profits are exempt from income tax. It could use this advantage to lower prices and increase its market share. In practice, however, it is very likely that such fears were greatly exaggerated. It is probable that a business operated by a church or school would be more cautious and conservative in its approach than most other enterprises, and so would not become a serious threat to the operation of an efficient market. Little evidence, in fact, was put forward to support the claim that charity-owned businesses would result in serious distortions of the market. As studies by two leading Yale law professors have shown:

"These predictions of unfair competition were rarely subjected to close analysis, and we know of no empirical examination of the results of such acquisitions."[11]

The 1950 legislation did not silence criticism of the charitable sector; instead the emphasis shifted to other activities. It was argued, for example, that some major donors to foundations engaged in various forms of self-dealing, using their connections with the foundations for personal gain. It was not claimed, except in very rare cases, that this was illegal, but it was suggested that many of the practices were unethical. Activities cited included the receipt of substantial compensation for services performed by the donor, the use of foundation facilities free of charge and access to foundation funds on favorable borrowing terms. This question was taken up by the Peterson Commission, a private research group set up at the suggestion of several major foundations to examine the state of the voluntary sector. The Commission reported to the Senate Finance Committee in 1969 that self-dealing activities of an objectionable kind were very rare. In a confidential survey of accountants dealing with foundations, for example, the Commission found that only 9 percent of the accountants felt that such practices were either fairly common or very common.[12]

The Peterson Commission recommended to the Senate a strict prohibition on self-dealing, on the grounds that it was wrong for a donor to be able to enjoy a personal gain by virtue of his association with a charity. The Commission also pressed for increased financial disclosure by foundations, both to enable the IRS to monitor the financial practices of foundations, and to discourage questionable practices by exposing them to public scrutiny. The criticism of self-dealing was well taken by most charitable organizations, and there was wide support for the restrictions on such activities which were incorporated into the 1969 Tax Reform Act.

As the Peterson Commission pointed out, self-dealing was in all probability only a minor flaw in the operation of the voluntary sector, despite the criticism it generated, but there was broad acceptance that something needed to be done. Other practices also attracted the close scrutiny of Congress in the 1950s and 1960s, however, but in these cases the argument was far less clear-cut and accepted. There was great concern, for example, over the ability of a donor to make a gift of stock or other appreciated property, and then to take a tax deduction based on the current market value rather than his original cost. It was said that this was unjust and that there were many possibilities for fraud. Property could be overvalued, for example, since it was not actually sold when made over to a charity. Furthermore, in the case of a gift of inventory by a manufacturer, it was possible for the company to actually make a profit from donating, even if the current valuation was accurate. If the input cost of the product was a smaller percentage of its final valuation than the company's marginal rate of taxation, the saving in the tax bill would exceed the production cost of the gift, since the tax write-off would be based on final market value. Notwithstanding this rather special case, there was some feeling that it was wrong in general for a donor to be given a tax deduction greater than a gift "cost" him.

The last criticism is easily disposed of. If a donor gives a charity stock or other property which has appreciated in value, he is denying himself the use of the full market value of the gift, not its original cost, and so a deduction based on the original cost would be unjust and would inhibit giving. The possibility of overvaluation was a legitimate concern in cases where there was no clear market price (for works of art, collections of personal papers etc.). But the problem called only for a revision in the procedures for assessing value, not for radical changes in the whole basis for deducting appreciated gifts. Similarly, small adjustments in the tax code, to ensure that the tax gain could not exceed the current production cost for gifts of inventory, would have dealt with the problem of a real gain resulting from a charitable gift. But as we shall see later in this study, the measures enacted to solve these minor issues were drastic and had the effect of severely inhibiting gifts of appreciated property.

Another claim made by critics of charitable foundations during the 1950s and 1960s was that their officials were unduly cautious in both their investment and disbursement decisions, preferring to see the foundation's assets grow, rather than ensuring the maximum flow of funds to charitable activities. Part of the reason for this, it was said, was that foundations frequently held too great a proportion of their assets in the form of a single company's stock, resulting in relationships which were not in the best interests of philanthropy. This gave rise to pressure for some form of payout requirement for foundations, i.e. for a legal stipulation that private foundations would distribute at least a specified percentage of their assets every year. This, it was claimed, would increase the flow of support for charitable activities, and encourage a more businesslike investment attitude among foundation managers. If the manager remained unduly cautious the organization's assets would simply decline and the foundation would eventually cease to exist. This would be no bad thing, it was suggested, because it would filter out dead weight in the tax-exemot sector. The issues surrounding the argument were complex, and will be discussed in detail in the context of the 1969 legislation. Like the arguments surrounding appreciated property, they gave rise to significant changes in the law regarding tax-exemot organizations, changes which have had sweeping and damaging effects on philanthropy in America.

The debate on the alleged deficiencies of the voluntary sector resulted in major sections being incorporated into the 1969 Tax Reform Act. It was this act which brought about fundamental changes in the law concerning tax-exemot organizations, and the results of the measure are the principal concern of this study.

The 1969 act was of particular importance in its effects on foundations—especially private foundations. Its provisions influenced these charities in four broad ways. Firstly,

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it imposed a 4 percent tax on investment income obtained by private foundations. The aim of this tax was to raise sufficient funds to cover the cost of IRS scrutiny of the foundations. Foundations were also required to make available to the public annual reports showing assets, earnings, grants, and administrative costs.

The second provision of the 1969 act having an effect on foundations required nonoperating foundations (i.e., those that exist to donate money to charitable activities and not to carry out their own programs) to pay out for charitable purposes each year either their total net income or a percentage of their asset value specified by the Treasury, whichever might be the greater. As an additional discouragement to the excessive holding of assets within a single corporation, the act put a limit of 50 percent on the voting stock of a company held by a foundation.

Thirdly, the act began the continuing process of limiting the so-called lobbying activities of organizations, both at governmental and at "grass roots" levels. And finally, the act made key changes in the law regarding the tax deductibility of gifts of appreciated property.

The 1969 act altered the entire legal and tax framework affecting philanthropy. It has been followed by a number of federal measures and a host of state regulations and restrictions.

Donations to charity

Appreciated Property—Individual Donors

Prior to the Tax Reform Act of 1969, the general rule was that an income tax deduction would be allowed for the full fair market value of property donated to a charity. Some restrictions did apply in certain cases, but these had only a minimal effect on giving.

The 1969 act, however, made substantial changes to the exemption basis for gifts of appreciated property (including stocks, etc.). The total market value write-off was retained only when the gift would result in long-term capital gain were it to be sold on the date of contribution. If, however, the property was to be used for a purpose unrelated to the donee's exempt activities, or if the donee were a private foundation,[13] only 50 percent of the gain could be deducted from taxable income under the act. This meant, of course, that the tax advantage of donating such a gift was drastically reduced.

The 1969 legislation further complicated the practice of giving by altering the proportions of income that could be given each year while claiming the deduction. On the one hand, the act raised the ceiling on total deductible charitable contributions from 30 percent to 50 percent of adjusted gross income. On the other hand, in cases when this involved property which would realize a long-term capital gain if sold, the 30 percent ceiling remained. Furthermore, if the donee were a private fundation, or if the property was for the use of the charity, a 20 percent limit was imposed.

The 1978 Revenue Act made certain adjustments to the clauses dealing with appreciated property in the 1969 act. If an individual now gives to a private foundation property on which a long-term gain could be realized, only 40 percent may be deducted from income tax (if the asset is sold for personal gain, 40 percent of the gain is subject to income tax—the remainder to capital gains tax).[14] Previously 50 percent could be deducted from income tax, the remaining 50 percent being deductible from capital gains tax.

A taxpayer can avoid the 30 percent rule, however, if he elects to use a provision whereby a contribution of appreciated property is reduced by a proportion of the appreciation. In this case the 50 percent ceiling applies. Prior to November 1978, the proportion was 50 percent. For gifts made after November 1, 1978, the reduction is only 40 percent, in line with changes in the capital gains tax.

An example will illustrate the operation of the election. Say, after October 31, 1978, a donor contributed securities which cost him $20,000, but which had a present market value of $40,000. In addition, let his income base be $50,000. If he did not use the election, he would be able to deduct only the equivalent of 30 percent of his base income, i.e. $15,000, and he would have to carry the remainder, i.e. $25,000, into the following taxable years. If, however, he chooses to make the election, he must reduce his total deduction by 40 percent of the appreciation, or $8,000. In the year of contribution, therefore, he may deduct $25,000 (50 percent of his base income), and carry over the remaining $7,000 ($40,000 less $8,000 less $25,000). This election is only sensible when a contribution is so large that it cannot be spread over five years, taking into account possible future donations, or when future income is thought likely to decline to a level such that there would be a net tax saving.

These complex changes in the law have had important effects on the donation of property to charity by individuals—especially when the recipient is to be a private foundation. In the first place, the denial of a tax write-off at the full market price of property gifts to private foundations discourages gifts to that segment of philanthropy. This is particularly so in a period of high inflation, when the so-called capital "gain" is, in fact, largely a paper gain arising out of the fall in the value of money. As the rate of inflation accelerates, so this paper gain becomes an even larger proportion of the capital gain. Since tax rates are not indexed in the United States, the effect of the 1969 act was thus to apply an extra tax on those who choose to donate property rather than income (in general, the more affluent donor). The higher the rate of inflation, the more pronounced is this effect. In contrast, the donor who gives out of current funds finds giving relatively more attractive during a long period of inflation, since money incomes tend to rise with inflation, pushing people into higher tax brackets and thereby reducing the "cost" of a charitable contribution.

A second effect, resulting from the 1978 changes, adds to the decline in attractiveness of giving property. As mentioned earlier, the act altered the proportion of a capital gain subject to income tax from 50 percent to 40 percent. Given the exclusions and *relatively* low rates of tax applying to gains (a maximum marginal rate of 28 percent), almost every tax payer will now find it slightly more advantageous to realise a gain, rather than make a donation, than he did before. The higher the individual's tax bracket, the greater is this effect. Thus, while an easing in the tax situation regarding capital gains may be welcomed, a compensatory tax change is needed to prevent the reform inhibiting gifts to charity.

Appreciated Property—Corporate Donors

The federal income tax deduction for charitable gifts by corporations is limited to 5 percent of taxable income. Contributions in excess of this level can be carried over for up to 5 years. Unlike the law covering individual donors, there is no distinction in the tax treatment of contributions to private foundations rather than public organizations.

In addition to its effect on individual gifts of property, the 1969 act had significant implications for corporate donations, and has been a major factor in the stagnation of real support for charity by business. Before 1969, business corporations making contributions of property they had created (known as inventory donations), or which would realise a short-term gain if sold, were allowed a tax deduction equal to the fair market value of the asset. As a result of the act, however, a corporation making such a gift could only take a deduction on the basis of original cost. This was clearly a major disincentive to give—especially in a period of inflation—and so there was strong pressure to alter this aspect of the 1969 act. The 1976 Tax Reform Act amended the law so that an inventory gift could be deducted at cost plus one-half of the unrealized gain up to twice the original cost. In the case of property giving rise to a long-term capital gain which is not related to a charity's tax-exempt activities, the deduction which can be taken amounts to the fair market price less 62.5 percent of the net appreciation.

Although the law does not distinguish between private and public foundations or charities when dealing with corporate gifts of property, the net effect of the legislation is to discourage contributions made through company foundations and hence to the charitable sectors traditionally favored by business.

Bequests

The influence of recent tax law and of inflation on charitable bequests is less easy to determine. Decisions in this case are not only affected by existing economic and tax considerations, but also by the donor's view of the likely situation at the time of his death. And, of course, alterations in wills are not reflected in the pattern of giving for some time.

The attractiveness of alternative forms of bequest will be influenced by the relative cost (in tax terms) of giving to descendants rather than to charity. Gifts to descendants would be subject to estate tax. Charitable bequests, on the other hand, may be deducted from the taxable estate without limit. Since the estate tax is progressive, the larger the estate the greater is the tax advantage in bequeathing to charity; and as one might expect, charitable donations as a percentage of total bequests tend to rise with the size of the estate.[15] Periods of inflation will also have the effect of encouraging charitable bequests, since a paper gain in the value of an asset may incur tax if given to a descendant.

As can be seen from tables 1 and 3, there has been a decline in the level of bequests since 1970, in real terms, and in relation to total giving. Given the many factors influencing the decision to bequeath to charity, and the effect of the lag between the decision to give and the distribution of the estate, it is difficult to discern precisely how much the law has reduced contributions to charity and to what degree donors have used other forms of donation, such as gifts from income or deferred gifts.

Foundation payout requirements

If foundations had only needed to contend with recent revisions in the tax code regarding contributions, their long-term prospects would have been bleak enough, since any measure which acts as a disincentive to potential donors poses a serious threat. But the 1969 act went on to jeopardize the existence of foundations from a quite different direction by forcing them to make distributions at a prescribed rate. Thus, not only do foundations now find their income in doubt, but in many cases they must also distribute their asset at such a rate that they are forced to slow down their growth or even reduce their total assets.

The payout requirement contained in the 1969 Tax Reform Act resulted from criticisms leveled against the investment and distribution policies of private foundations. It was argued that the foundations were far too conservative in their approach, favoring preservation of capital to strong asset growth, and that they were slow to alter their portfolios of stocks. An article in the November 1968 Institutional Investor gives an idea of the feelings of many at the time:

"Is there a place as yet untouched by the revolution in money management? Where the winds of performance are not felt, where the importuning cries of ambitious brokers

Footnotes at end of article.

are not heard, a last redoubt so quiet the clocks can be heard ticking?

"There is such a place, and it is called foundationland. There, tax-exempt, is twenty billion dollars, one of the biggest pools of capital in capitalism, and it is still run the way money used to be. The way it used to be, that is for Widows and Orphans, before currency began to depreciate. In foundationland the verities are Preservation of Capital and Yield, verities the current generation shies from. In foundationland the managers do not often buy their stocks, because they already have them—they were given them many years ago, and now they sit, quietly watching."

During the legislative progress of the 1969 Tax Reform Act, specific criticisms were made. It was claimed, in the first place, that the rates of return on foundation assets were extremely low when compared with those of mutual funds. The Peterson Commission, for example, reported to the Senate Finance Committee that the median rates of return for groups of foundation assets were "substantially lower."[19] An important reason for this state of affairs, it was suggested, was the tendency for foundations to hold their assets in a single class of stocks within a single company—in many cases, it was said, to allow continuing family control over the company. As a result of these investment policies, the argument went, the rate of disbursement of funds to charitable activities was correspondingly lower than should be expected. The best way to reform investment practices would be to require foundations to maintain a minimum rate of asset distribution each year. This would impel them to seek better investments, with higher yields, which in turn would force them to avoid concentrating their assets within a single company. The result would be a more efficient charitable sector with an increased turnover of funds.

Considered uncritically, this line of argument has a plausible ring to it, and it carried the day during the congressional debate on the 1969 act. But the assumptions behind the reasoning have been challenged, and as we shall see, the results of the payout that was eventually passed give support to the skeptics. A 1973 study by Norman Ture, for instance, cast grave doubt on the analysis of the Peterson Commission, which had been an influential factor in the discussion regarding the payout requirement.[20] Ture pointed out that the Commission had compared the *median* returns for foundations grouped by asset size with the *mean* rate of return for a group of unidentified mutual funds. By using two different statistical methods, the Commission rendered its findings highly suspect. Ture's own examination, using mean figures for a number of major foundations over several years (Peterson considered only a single year), showed a rate of return which compared far more favorably with mutuals.

Ture also noted that the Peterson Commission did not provide data to show what proportion of foundations held asset portfolios concentrated within a single corporation, nor did the Commission produce evidence to show that there was a significant correlation between asset concentration and poor rates of return. Similarly, the relationship between improved investment practices and a minimum payout rule was left obscure: the claim that increasing the payout rate by law would produce a dramatic change in foundation investments was by no means obvious. The reasoning assumed both that existing investments were not in the interests of charity, and that foundation managers were, simultaneously, so myopic and overcautious that they accepted low returns, yet that they had the will and ability to take very adventurous investment decisions. In fact the whole argument that a high payout rate would produce better yields on foundation assets was rather like suggesting that a legal requirement forcing corporations to maintain a minimum payout to shareholders would improve efficiency and reduce costs in the business world.

The 1969 act required private non-operating foundations to make minimum annual contributions to charitable operations equal to the foundation's actual investment income or, if greater, a specified percentage of the market value of its assets in the previous year. The applicable percentage, to be calculated each year by the Secretary of the Treasury, was to bear the same relation to 6 percent as money rates and investment yields bore to their respective levels in 1969.[21] To prevent the payout provision from unduly disrupting existing foundations, a transition period was included in the legislation: No payout requirements were to be applied until 1972, and until 1975 these foundations faced a lower payout rate than new foundations created after 1969.

Table 5 shows the payout rates applying to both new and existing foundations between 1970 and the present time. For taxable years since 1969, each private foundation affected by the act has been required to distribute its entire investment income by the end of the following year in order to avoid tax on any undistributed income. If the minimum payout rate exceeds the foundation's income, then total distributions must reach that figure—even if there is no net investment income. The payout is calculated by assessing the fair market value of the foundation's assets and then multiplying this by the applicable annual distribution rate set by the Secretary of the Treasury (prior to 1977, when the rate was fixed at 5 percent for all years). For the purposes of calculating investment income, net long-term capital gains are not included, but net short-term gains are.

The payout provision has posed very serious problems for private foundations. In the first place, the method of computing income has a tendency to overstate a foundation's investment income. Actual income is based on an accounting concept of realization which ignores non-realized capital gains and losses, and so will be greater than economic income when the market value of the foundation's assets declines. In this case, the rule may force the organization to distribute more than the payout rate, which is based only on asset value, and more than its economic income.

Because the rate is calculated on the market, rather than the book, value of the foundation's assets, it has the effect of requiring these organizations to pay out unrealized capital gains. This has put pressure on foundations to hold more liquid assets, and to pay closer attention to cash flow than to capital appreciation. This, in turn, has introduced distortions into the market for capital.

TABLE 5.—MINIMUM PAYOUT RATES FOR PRIVATE FOUNDATIONS, 1970–79

[In percent]

Year	Foundations created: Before May 26, 1969	Foundations created: After May 27, 1969
1970	(1)	6.0
1971	(1)	6.0
1972	4.125	5.5
1973	4.375	5.25
1974	5.5	6.0
1975	6.0	6.0
1976	6.75	6.75
1977 to present [2]	5.0	5.0

[1] Not applicable.
[2] The Tax Reform Act of 1976 made the payout rate a permanent 5 percent.

Source: Filer Commission, Research Papers, vol. III, pp. 1664–1665.

Note: Foundations must distribute this percentage of net worth or actual income, whichever is higher.

A more common situation, however, involves cases where a foundation's income is lower than the payout rate. The reason why this is so common is that the holdings of some private foundations tend to consist of limited market stocks, and stocks with a lower, but safer, return than those used by the Treasury as the benchmark for comparison. This is hardly surprising since their purpose is, after all, to make charitable donations and to protect their assets, not to engage in high-risk financial dealings. It might be possible for very large foundations to spread their holdings to allow the inclusion of some high-risk, highyield stocks, but it would not be prudent for small foundations to do so, given the hazards involved.

The effect of the payout rule has been to pressure foundations into either adopting a more risky investment strategy, or reducing their rate of growth. In some cases, it has even forced foundations to reduce their size, and hence capacity for future charitable contributions. The law discourages investment in low dividend, high growth corporations, and encourages foundations to pay out larger amounts in the short-term, at the expense of long-term support for charity. The greater the payout requirement exceeds actual income, the more slowly the foundation grows (assuming it has sufficient contributions to cover the gap, and so avoid shrinking in asset size).[22]

The long-term danger to philanthropy implicit in the concept of a minimum payout has been aggravated by many of the other provisions of the 1969 act and later measures discussed above, which have had the effect of discouraging donations to private foundations. Hence, at the same time that the payout rule has forced foundations to distribute an unduly high proportion of the value of their assets, their ability to maintain a healthy pattern of growth by increasing their non-investment income has been severely inhibited.

It is clear from available empirical evidence that the 1969 act contributed to a dramatic increase in the "death rate" of private foundations (as have state regulations and other factors to be discussed later). The Council on Foundations, for example, examined the rate at which private foundations would up their activities, during the sample month of May, for the years preceding and following the 1969 legislation. As table 6 shows, there was a startling increase in the rate. Similar evidence was presented to the Filer Commission from several other sources. The New York State Attorney General's Office, for instance, reported that while 28 private foundations had dissolved in 1969, the figure for 1971 had risen to 91.[23] A survey of 12 states carried out by the Foundation Center showed that the New York figures were by no means atypical; in the states examined, the aggregate dissolution rate climbed from just under 100 per year in 1968 to about 750 per year in 1971.[24]

TABLE 6.—PRIVATE FOUNDATIONS TERMINATING THEIR ACTIVITIES DURING SAMPLE MONTHS, 1968–1973

May 1968	11
May 1969	23
May 1970	29
May 1971	31
May 1972	55
May 1973	74

Source: (Internal Revenue Bulletins) Filer Commission, Research Papers, vol. III, p. 1623.

The proponents of the payout requirement, did, of course, foresee an increase in the death rate of foundations, and felt that it would be part of a healthy process which would have the effect of "weeding out" so-called inefficient foundations and replacing them with new organizations. It is difficult, however, to determine exactly what constitutes "efficiency" in the foundation sector; the criteria can hardly be the same as those which would be applied to profit-making businesses. But even if one were to accept this argument, and even if the post-1969 death rate was considered reasonable, the statistics on the "birth rate" of foundations shows the theory to be unsound. The replacement rate of foundations not only plummeted after the act, but it also fell to a level well below the death rate among foundations, resulting in a disturbing decline in the number of foundations.

Footnotes at end of article.

Evidence to the Filer Commission shows this clearly. The Council on Foundations, for example, compared the number of new private foundations created in January–February 1969 with that of formations in January–February 1973. The Council found that the rate had fallen from 433 to just 181: even then some of the foundations listed in 1973 would have been set up under wills drawn up before the act.[25] Evidence from the Foundation Center showed the trend even more clearly. In the Center's study of 12 states, 1250 foundations were formed in 1968. Yet by 1970 the rate of formation had fallen below 200.[26]

The threat to the existence of private foundations arising from the payout provisions of the 1969 act was not confined to the level of payout required. As table 5 indicates, there has been a wide fluctuation in the distribution levels prescribed by the act. This has led to two major problems for foundations. Firstly, it has resulted in suboptimal planning. Since many projects need considerable time to develop, an accurate picture of future needs and funds available is essential if foundation support is to match the requirements of the recipients. But if a foundation is forced to distribute more funds in a particular year than it had planned, it must allocate them to what it feels to be less worthwhile causes. On the other hand, in a year with a relatively low payout requirement, the foundation may feel it necessary to reduce support to the legal minimum, to compensate for high distributions in previous years. In this case, worthy projects which the foundation intended to support will be denied funds.

A second effect of a variable payout based on the previous year's asset value is that the required distribution is both mechanical and volatile. Stock and bond prices depend to a great degree on general confidence in the political and economic climate, and are more often an appropriate reaction by the private sector to inadequate government policies than a measure of the health of the business world. Thus foundations may be forced to disburse their funds at a rate which is far in excess of a sensible level, due to the combination of a mechanical rule and a valuation of their stock based primarily on public confidence in the government.

The deficiencies of the changing payout rate became obvious even to supporters of the measure very soon after the implementation of the act. By November 1974, the Subcommittee on Foundations of the Senate Finance Committee had concluded that the basic 6 percent rule was unrealistic when compared with existing market conditions.[24] Similarly, in December 1975, the Filer Commission was arguing that the basic payout requirement was too high and recommended a flat payout of 5 percent. The concept of a flat payout of 5 percent was also supported by the Treasury, on the grounds that it was simpler, a predictable element in foundation budgeting, and more in line with the long-term rate of return on foundation assets. As a result of this change of attitude, the 1976 Tax Reform Act included a provision to this effect, laying down a permanent rate of 5 percent. But although a flat rate may avoid some problems, by making the rate at least predictable, the basic flaws remain because the payout is still based on a fluctuating assessment of asset value. So the required disbursement of funds is still mechanical and largely unpredictable, and bears no relation to the needs of charity.

Footnotes at end of article.

The continuing saga of the payout rule must serve as a classic example of how well-meaning government intervention can bring about exactly the opposite effect of that intended. The rule was designed to improve the efficiency of private foundations and to encourage them to increase both their earnings on assets and their disbursements to charitable projects. In practice, however, it has resulted in the decline in real giving by private foundations and discouraged the creation of new organizations. It has, in short, managed in a few years to threaten the very existence of a key sector of philanthropy in America.

The tax on investment earnings

The 1969 Tax Reform Act imposed a 4 percent tax on the net investment income of private foundations. The tax was not, in the main, intended to regulate investment decisions, but rather was to be an excise tax to finance IRS monitoring of foundations. Gross investment income includes interest, dividends, rents and royalties, and net capital gains from the sale of property held from the production of such income or held to produce unrelated business income. The net investment income of a foundation would be this figure less deductions stemming from the production of collection of the income.

Many see this tax as objectionable in principle, and a dangerous precedent which could lead to the complete erosion of the principle of tax exemption for charities. In addition, of course, it reduces the amount of money available for charitable purposes by diverting funds to pay the salaries of tax officials.

In keeping with the grossly inaccurate forecasting on which the 1969 act was based, the revenue arising from the 4 percent tax greatly exceeded IRS costs. As table 7 shows, by 1973 the tax was yielding over six times the cost of monitoring the foundations and more than four times the cost of overseeing all tax-exempt organizations.

TABLE 7.—REVENUE FROM THE 4 PERCENT TAX AND IRS MONITORING COSTS (1968–74)

[Dollar amounts in millions]

Government fiscal year ending	Revenue from 4 percent tax	IRS costs: Foundations	IRS costs: All exempt organizations
1968		$1.6	$7.1
1969		2.1	7.5
1970		3.5	11.0
1971	[1] $24.6	8.6	15.4
1972	56.0	12.9	19.3
1973	76.6	12.3	18.6
1974	69.8	13.3	23.0
Total	227.0	45.3	101.9

[1] Due to the relationship between tax filing dates and the fiscal year end, this figure represents approximately 6-mo. yield of tax.

Source: Filer Commission, Research Papers, vol. III, p. 1566.

Prior to the passage of the 1969 act, most foundation spokesmen took the view that a tax was far less desirable as a means of covering IRS costs than a filing fee, based on asset size. This idea was rejected by Congress, with the result that by 1974 the foundations have been forced to pay to the Treasury $181.7 million more than the cost of scrutinizing their accounts. This money was, of course, thereby denied to the charitable operations funded by the foundations.

Despite the clear inequity of the 4 percent tax, it was not until the Revenue Act of 1978 that it was altered. The 1978 measure reduced the levy to 2 percent, applicable to tax years after September 1977. Although this is a small step in the right direction, the effects of the change are mixed. It does reduce the proportion of foundation income which flows to the Treasury by an estimated $40 million per year.[28] On the other hand the act, by avoiding the option of a filing fee, continued the disturbing exception to the general principle of tax exemption for charitable organizations.

The standard deduction

One of the ironies surrounding the campaign for tax reduction and simplification is that certain charities have been adversely affected. Moves which have sought to reduce revenue to government have also had the result of making charitable donations less attractive. This has also been the case with regard to tax simplification—in particular the wider use of the standard deduction. The 1976 Tax Reform Act alone shifted about 5 percent of the taxpaying public into the ranks of the non-itemizers. At present about 70 percent of taxpayers opt for the standard deduction, and their charitable contributions do not reduce their tax liability. This compares with about 50 percent using the standard deduction in 1970.

Since they do not itemize, these donors must pay the full cost of any contribution. The impact of this trend on charity has been considerable. Various estimates put the loss at about $5 billion between 1970 and 1977, with a current annual loss of around $1½ billion.[29] Since non-itemizers tend to be those with middle or low incomes, the effect of this loss is concentrated among charities drawing their income from these groups, such as the United Way and other welfare organizations.

The effects of tax reduction and simplification on charitable giving do, of course, pose a dilemma for those wishing both to advance private philanthropy while cutting taxation. The higher the marginal tax rate on income, the less "expensive" is a tax-deductible gift to charity relative to other uses of income. So any change which reduces marginal tax rates raises the cost of philanthropy to the donor, compared with nondeductible expenditures. Hence, while a reduction in tax rates does have an immediate income effect, in that the donor has a greater disposable income from which gifts can be made, the increase in "price" of the gifts diminishes the attractiveness of giving. As studies carried out by Martin Feldstein and others have shown, the price effect exceeds the income effect at all levels of income—even at the lowest incomes.[30] It should be noted, however, that if a tax cut results in a significant stimulus to economic growth and incomes, the long-term income effect may totally offset the price effect and result in an increase in charitable donations. Thus a reduction in tax rates may well be in the long-term interests of philanthropy.

Restrictions on lobbying

An aspect of law which is of increasing importance to charitable organizations is that covering so-called lobbying activities. These provisions tend to be vague, and so make it very difficult for organizations to be sure whether or not certain of their practices are legal.

The IRS code specifies under section 501 (c)(3) that to remain tax-exempt, an organization must ensure that it is a body:

"No substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office."

Precisely what constitutes a "substantial part" of an organization's activities is not clear, and numerous legal cases have failed to clarify the position. In order to avoid doubt, some section 501(c)(3) bodies now elect to substitute specific percentages of exempt expenditures toward lobbying activities (effective since 1977).[31] This option is only open to certain categories of institutions, however, and the very indefinite "no substantial part" rule applies to all others, including private foundations and private operating foundations.

The lack of exact definitions of "lobbying" and "influencing legislation" presents further problems. It has been established that these terms would not include nonpartisan analysis, study, research, technical advice or assistance provided for a governmental body at its request. When it comes to communication with a legislative body or representative regarding legislation the matter is far less clear.

Fundraising Limitations

The future of many public and private foundations has been jeopardized to an alarming degree by recent changes in the law dealing with fundraising. These laws have been enacted both by Congress and the states. Federal legislation passed in 1969 specifies the proportion of total funds raised by foundations which must come from individual donors. There is also a plethora of state laws, varying from state to state, regulating mail fundraising within each state's borders.

Federal Laws

Under section 170 of the IRS code, an organization may only retain its status as a public foundation if it obeys certain requirements regarding the composition of its contributions. If it fails to do so it will lose its "public" designation and its donors will be more limited in their ability to contribute property, etc. Furthermore, if an organization ceases to be a public organization, any private foundation making a grant to it is required to exercise "expenditure responsibility" under section 4945(d)(4) of the IRS code. This means that the granting foundation must use all reasonable means to ensure that the grant is used for the purposes for which is made, and must obtain from the grantee full reports on the use of the money. These reports must be filed with the IRS. If the granting foundation fails to comply adequately with this provision, the grant would be considered as a prohibited expenditure, forbidden by law. Needless to say, private foundations are reticent about making grants which would involve them in complicated monitoring of any organization's activities.

Under section 170, at least 10 percent of a public foundation's donated income must come from five or more unrelated individuals. In addition, the foundation must receive not more than one-third of its total income each year from interest, dividends, rents and royalties, and must obtain at least one-third of its support from grants, contributions, membership fees and other gifts. New organizations are given up to four years to comply with these requirements.

Section 170 has had two important effects on foundations. Firstly, it forces those seeking public status to carry out fundraising campaigns to ensure wide support. This does not, of itself, present serious difficulties for the average foundation, since the regulations and compliance period are both reasonable. But it does induce foundations to mount mail fundraising drives in several states, and this has resulted in the need to comply with an array of state regulations.

A second difficulty involves the attitude of private foundations towards new foundations seeking public status (i.e., those operating within the grace period). When it receives a grant request from such a new foundation, the private foundation knows that it is always possible that public status may ultimately be denied, and the new foundation may have to terminate its programs. Given this risk, there has been a marked tendency recently for private foundations to be more conservative in their support, favoring established public organizations at the expense of new ones.

A survey conducted by the Council on Foundations during 1974 indicates the degree to which section 170 has influenced the distribution of grants by private foundations. The survey showed that whereas 39 percent of respondents made grants to publicly supported organization before 1970, only 16 percent were doing so in 1974. As the survey concluded:

"Half of the foundations that were making such grants before 1969 have drawn back from them. In other words, the new requirements appear to have been a real deterrent to some foundations that were formerly prepared to bet on new and often inexperienced grantees. Furthermore, there can be little doubt that foundations that previously had only given to traditional and safe agencies have been confirmed in the tendency by the expenditure responsibility requirements of the 1969 act; thus, the majority of the respondents continue to avoid such grants as a matter of course.[30]

State Laws

Thirty-seven states now have laws regulating charitable solicitations. The nature of these laws differs from state to state, as do the deadlines for compliance. Any foundation seeking funds must abide by the regulations in each state where it intends to raise funds; failure to do so can result in the withdrawal of its right to solicit funds in that state.

State laws fall into two broad categories—disclosure requirements and regulations concerning the activities of fundraisers. Normally, the charity is required to register, pay a fee, and file financial reports with the state attorney general each year. If it does not do so, the charity's license can be withdrawn, which prevents it from raising money in the state. 14 states use the same form for the annual financial disclosure, based on the New York state form, and so charities operating within these states can use the same method to complete each financial statement. The other states, however, have different forms and require different information. This is, of course, in addition to the disclosure necessary to comply with IRS regulations.[31]

Not only does the charity need to register in certain states in which it raises funds, but also it is necessary for professional fundraisers to register and obtain a license in these states. Unlike the financial disclosure form, there are no standard regulations applicable to a large number of states, although there are often similarities. The New York regulations, however, give an indication of the type of laws operating in most states.

In New York, a fundraiser must register with the Secretary of State each year before he commences any activities. Contracts for professional services between the consultant fundraiser and each charity he assists must be lodged with the Board within 10 days and the receipts and expenditures involved in the contract must be properly documented. In addition, an annual fee of $100 and a bond of $5,000 is required.

The complexity and cost of compliance in each state is a major burden for many charities, particularly new or smaller organizations. If the charity uses its own staff to seek support, the registration costs alone could run into several thousand dollars, on top of which would be accounting fees for completion of the disclosure forms. All these costs must be incurred before a single piece of mail has been sent out or a single donation received.

Organizations have generally responded in one of two ways to this profusion of state laws. Often through ignorance, many simply do not comply—and this has led to charities being prosecuted. It is usual for one state to inform the others when a charity has broken its rules, and so, though a misunderstanding of the law, a charitable organization may suddenly find itself faced with dozens of expensive lawsuits and the termination of its right to raise funds throughout most of the United States. As an alternative means of dealing with the problem, many organizations have sought the use, often at high cost, of large mail fundraising companies who are already registered in each state and fully understand the complexities of each state's laws. This trend does raise some questions. If the purpose of insisting on a minimum proportion of small contributions is to prevent charities being controlled by small groups of people, but in order to meet this requirement and the state laws the charities are forced to rely on large fundraising companies, is not the effect of the law merely to replace the control of one small group by another? In addition, the cost implications of requiring foundations to seek support by mail from small donors must be considered, and balanced against the value of encouraging broader participation in philanthropy. The cost of fundraising by direct mail can be significantly higher than that of obtaining support from other sources, and thus, it is possible that a smaller proportion of each dollar contributed will be used for charitable purposes.

Disclosure requirements

Nearly every tax-exempt organization described under section 501(c) of the IRS code must file an annual return stating its income, receipts and disbursements. In addition to this, private foundations with assets over $5,000 must also file an annual report with the IRS. The report must give very detailed information regarding the foundation's financial holdings and activities, together with a list of all the organization's managers who are also substantial contributors to its funds, or who own 10 percent or more of the stock of any corporation in which the foundation has more than a 10 percent interest. A copy of this annual report must be made available to any citizen for inspection at the foundation's principal office for at least 180 days.

While the disclosure of such information to the IRS, and its availability to the public, may be a reasonable requirement for a tax-exempt organization, recent proposals by the IRS indicate an interpretation of the law that is so loose as to raise serious questions. Section 6056(d)(3) of the code specifies that the annual reports of private foundations must be furnished to "such State officials and other persons . . . as the Secretary or his delegate may by regulations prescribe." These regulations have the force of law, and have been used by every federal agency to extend and interpret Acts of Congress to imply restrictions beyond those intended by the legislature. In this case the IRS has indicated recently that it proposes to interpret "other persons" as including non-governmental organizations.

The proposed regulation would require all private foundations with assets of over $1 million, or who make grants of more than $100,000, to send copies of their reports to the Foundation Center, a non-profit, non-governmental body which provides information on foundations to fundraisers and the general public. Although many private foundations voluntarily furnish the Center with their reports, even among these organizations there is great concern over the proposal. In the first place, the proposal has the effect of requiring a private body to transmit its annual report to another non-governmental body which has no relationship with it. And secondly, it establishes a precedent whereby private foundations may in the future be required to send reports to any number of pressure groups, or self-appointed "consumerist" organizations, who seek to obtain control over private philanthropy under the guise of making it more "responsible."

The use of agency regulations to interpret and broaden legislation is by no means confined to cases involving philanthropy. But the use of the IRS code in this way is a disturbing example of back-door government regulation of private foundations.

Footnotes at end of article.

3—THE IMPLICATIONS OF THE LAW FOR THE CHARITABLE SECTOR

The laws discussed above have brought about very profound changes within the charitable sector in America. Since most of the legislation dates only from 1969, and there have been many recent amendments, it is still too early to identify all the implications. But those that can be seen give rise to grave concern.

The distribution of donations

Individual Contributors

Legislation since 1969 has strongly inhibited contributions from more affluent donors, who give a much higher proportion of their gifts in the form of appreciated property and generally support longer-term capital projects—especially in the health and education sectors. This means that the law is likely to have a delayed but serious effect on the quality of educational and health facilities in America. Thus, measures which are aimed at removing tax "benefits" for the affluent by discouraging certain forms of charity will ultimately have their most damaging effect on the young and the sick.

Table 8 shows the distribution of contributions between different types of charity, according to donor income level. It will be seen that the higher the income, the stronger is the tendency to support education, health and cultural projects. Most charitable support by lower income donors, on the other hand, goes to religious organizations. The figures in the table are taken from a 1973 study presented to the Filer Commission, but similar trends are apparent in other surveys such as the thorough analysis by Martin Feldstein, using 1962 IRS returns.[32]

The many legislative changes that have affected the flow of money to and from foundations thus have serious implications for major areas of charity. In the case of higher education, for instance, foundation support has slipped during the last six years from 23.4 percent of total giving to only 20.5 percent.[33]

TABLE 8.—SHARES OF AGGREGATE DOLLARS GIVEN TO DIFFERENT DONEE TYPES, BY INCOME LEVEL OF DONOR (1973)

[In percent]

Type of donee	Annual income of donor				
	Less than $10,000	$10,000 to $19,999	$20,000 to $49,999	$50,000 or more	All incomes
Religion	59	67	52	13	46
Education	1	1	6	17	7
Combined appeals	2	3	6	10	6
Health	3	3	4	10	5
Cultural	0	0	1	4	2
Others [1]	35	26	31	46	34
Total	100	100	100	100	100

[1] Includes all gifts after the 4 largest.

Source: James Morgan, Richard Dye, Judith Hybels, "Results from Two National Surveys of Philanthropic Activity," Filer Commission, Research Papers, vol. III, p. 231.

When one examines the receipts of various types of charity, the impact of donations by high income contributors becomes very clear. In the Feldstein study, for instance, taxpayers earning over $100,000 (in 1962) contributed 33.1 percent of total deductible gifts to education, and 27.6 percent of those to hospitals.[34] In a survey of giving to higher education, carried out by the American Council on Education, a similar picture emerged. Of gifts made by individuals in 1973–1974, over 70 percent of total support came in gifts of over $5,000.[35]

Corporations

Legislation in 1969 and more recently has also produced important changes in the pattern of giving by corporations and their subsidiary foundations. The alterations in the tax deductibility of gifts of appreciated property and inventory have been a particular burden—as has the tax on investment income and the mounting costs of complying with IRS regulations.

Corporations are more sensitive than individuals to the cost of giving, given alternative tax advantages. A 1973 study by the Conference Board, for example, indicated that 29 percent of executives felt that the (then) 4 percent tax on foundation investment income was a major issue in considering donations, 21 percent considered the restrictions on gifts in kind to be a serious inhibition to giving, and 20 percent mentioned the tax situation regarding appreciated property as a problem. The survey found that over half of the corporations responding would increase their charitable contributions if the tax incentives were to be improved.[36] In addition, corporate donations to their own foundations fell after 1969, and this has reduced the flexibility of the businesses still giving to charity.[37]

The 1969 act, in particular, had an immediate and dramatic effect on corporate giving. After a steady and substantial rise in donations during the 1960s, from under $500 million in 1960 to more than $1 billion in 1968–1969, corporate contributions tumbled in 1969–1970 to less than $800 million.[38] Although there has been some recovery during the 1970s, the rising trend of the 1960s has been stifled.

Any change in the policies of corporations regarding charitable donations is of particular importance to certain fields of charity. As table 9 shows, corporations give most of their support to education (especially higher education) and to welfare organizations. These gifts are of great importance to the recipients—higher education, for example, receives about 15 percent of all its contributions from business. Thus, the constriction of the corporate sector results in a significant denial of funds to vital areas of philanthropy.

Foundations

Like corporations, foundations are major supporters of education: over 20 percent of all contributions to higher education come from foundations, and almost 30 percent of support for major private universities.[37] Table 10 shows the broad pattern of assistance from the foundation sector.

TABLE 9.—THE PERCENTAGE OF TOTAL CORPORATE GIFTS TO EACH MAJOR FIELD (1977)

Area	Percentage of total
Health	5.7
Welfare	37.6
Education	35.7
Culture and arts	9.0
Civic activities	11.5
Other	5.5
Total	100.0

Source: Conference Board, "Annual Survey of Corporate Contributions," Giving USA 1979, p. 16.

TABLE 10.—THE PERCENTAGE OF FOUNDATION GRANTS TO EACH MAJOR FIELD (CUMULATIVE, 1961–73)

Area	Percentage of total
Education	32
Health	15
International activities	14
Welfare	13
Science	13
Humanities (including the arts)	9
Religion	4
Total	100

Source: (The Foundation Center), Filer Commission Research Papers, vol. III, p. 1562.

The implications of a substantial decline in the level of philanthropy directed through private foundations could be serious and far-reaching, particularly in areas such as education, health and the arts. Foundations act as clearing house for charitable funds. If they are prevented from carrying out this important work, pressure will grow for a larger role for government bodies using tax money. This process has already begun in the arts and non-commercial television, with bodies such as the National Endowment for the Arts, and the Corporation for Public Broadcasting allotting public money at their own discretion. The Heritage poll shows clearly that the public does not approve of government intervention in such areas. Two thirds of the population have observed this trend taking place, and 70 percent are opposed to it (see appendix).

We have the situation in America where the foundation sector is being constricted by government controls and tax changes, and where the vacuum so created is being occupied by government itself. Combined with inhibiting effects of legislation on other branches of the voluntary sector, the end result is the gradual, backdoor nationalization of philanthropy. As is so often the case when government acts in this way, some charities have welcomed the entry of government into areas previously funded by the voluntary sector. This is short-sighted, because government involvement brings with it the bureaucratic and monolithic approach, rather than the pluralistic, innovative attitude of private support. It is important that charities realise this before welcoming so much government support that they become dependent on it.

4—RESTORING THE HEALTH OF PRIVATE PHILANTHROPY

As this study has attempted to show, private philanthropy in America is now sub-

Footnotes at end of article.

ject to laws which may lead to a permanent decline in its importance and a reduction in the level of assistance it provides for many worthy causes. If this trend is to be reversed, it will be necessary to make major changes in the law dealing with the charitable sector. The following reforms are suggested as a basis for restructuring the law.

Appreciated property

In order to restore the incentive for taxpayers to donate appreciated property to charities—in particular to private foundations—the full tax write-offs at market value should be reinstated. This is essential during a period of rapid inflation, when the paper gain element in the appreciation is unusually large. An alternative might be to index the assessment of the gain, i.e., to adjust it for inflation. This would improve the position, although it would still leave private foundations at a disadvantage compared with other institutions. Indexing, however, is probably not politically possible at the present time, since there would be enormous Treasury opposition to any correction for inflation in one aspect of taxation for fear that it would inevitably spread to others—and so deny the government the windfall tax gain it enjoys from inflation. So a full value tax write-off of charitable contributions of appreciated property would almost certainly involve a smaller loss to the Treasury than the indexing of capital gains for tax purposes.

Payout requirements

The results of the payout requirement have been entirely negative and it should be abolished. There is now more than sufficient federal scrutiny of foundations to ensure that they are operated in the interests of charity and not their contributors. All the payout law does, therefore, is distort the pattern of giving and cause foundations to reduce their potential for growth, and hence future support for charitable operations.

It is difficult to see how anything short of the total removal of the requirement would remove its defects. Calculating the rate on the basis of a moving average (over several years) of the market value of a foundation's assets might reduce the tendency for it to be countercyclical in terms of need, but it would still force foundations to reduce their rate of growth.

Taxes on investments

The tax on investment earnings is a significant departure from the principle of tax exemption for charities. If the purpose of the tax is truly to finance IRS examination, a filing fee (possibly based on asset size) which bears a direct relation with actual IRS costs would be more appropriate. The Treasury has already managed to deny many millions of dollars to charity by miscalculating the yield of the tax. The investment earnings tax should therefore be abolished.

Contributions

The tax on investment earnings, and the tax discrimination against gifts of appreciated property to private foundations, is typical of the way in which private foundations receive second-class treatment under the law. Legislation has just been introduced to deal with another aspect of this, namely the difference in permitted contribution levels. Under existing law, individuals may contribute no more than 20 percent of their gross annual income to a private, nonoperating foundation. On the other hand, a 50 percent limitation applies for tax purposes when a gift is made to a public charity. A bill announced recently by Rep. Bill Frenzel (H.R. 6402) would remove this distinction. It would also allow private foundations to exclude capital gains income when calculating the net investment tax, and it would enable foundations to count investment expenses as part of the minimum distribution requirement.

Standard deduction

In principle, moves to allow non-itemisers to deduct contributions to charity should be welcomed. But there are certain issues connected with such a policy which should be given consideration. It could be argued, for instance, that a specific charitable deduction for taxpayers who do not itemise would be unfair to other recipients of deductible expenses and contributions who have also lost funds due to the tendency of people to take the standard deduction. But it could be said in response to this that if groups feel they have been seriously injured by the trend, it is up to them to press for similar amendments to the tax code.

A second problem could be the Treasury. In his criticism of the bill introduced to Congress last year by Reps. Fisher and Conable, which would have provided a special charitable deduction for non-itemizers, Treasury Secretary Blumenthal took pains to stress the "loss" to the government's tax revenue that would result from the deduction. A new version of the bill (H.R. 1785) has been introduced in the House, together with a Senate version (S. 219) sponsored by Daniel Moynihan and Robert Packwood, and these bills have wide support in Congress. The Heritage poll indicates that over 70 percent of the population support the bill; only 10 percent oppose it (see appendix). Once again the Treasury and the Administration oppose the measure, based primarily on their assessment of the probable revenue loss. If the Administration were to accept the proposal in return for a reduction in tax breaks for larger contributors, to compensate for the loss due to a special deduction, it could be very damaging for education and for some other forms of charity. If the present Treasury position does alter in this way, support for the deduction should be more circumspect.

Lobbying

Clear and precise guidelines must be established on this issue as soon as possible. It is reasonable that individuals should not be able to band together as a foundation and then obtain a tax exemption for funds aimed at manipulating the legislative process. On the other hand, the lack of precision in the law is inhibiting the activities of many well-respected institutions. Until the question of definition is resolved, foundations will continue to operate under an IRS sword of Damocles.

Fundraising

States are free to pass laws regulating fundraising, but the complexity of these restrictions has become a serious handicap for many institutions. At the very least, the philanthropic sector should press the states to adopt broadly similar regulations to reduce the confusion. Ideally, an attempt should be made to encourage the states to simplify their regulations to avoid the obstacle they present to small and new organizations.

A Supreme Court decision in February 1980 has had the effect of reducing the restrictive power of the states, however. The court struck down a city law which required charities raising funds in the area to spend at least 75 percent of the money for charitable purposes. Many states currently have laws very similar to this. Citing the First Amendment, the court ruled that limitations must be narrowly drawn and reasonably related to some specific abuse.

The decision could have important results for many charities. Organizations which are expanding their activities and seeking wider support usually find costs become a high proportion of income until they have established a group of regular contributors. Because of these high costs involved in "prospecting," many charities have found it impossible to comply with state laws. The decision should enable these organizations to raise money more freely.

Regulation

The principal reason for the introduction of much of the recent legislation dealing with tax-exempt foundations was the desire to improve their performance and to weed out questionable institutions. Undoubtedly, federal regulation has removed much of the bad in private philanthropy, but it has done so by destroying a great deal of the good and damaging that which remains. Furthermore, the accounting and legal costs incurred as a result of government regulation can be significant, especially for smaller foundations. Heavy expenses merely reduce the money available for charitable activities.

The growth of federal regulations has also gained its own momentum. As the regulations become more complex, it becomes more difficult for foundations to comply with them. Then groups hostile to private philanthropy can point to those who have not kept to the letter of the agency-made laws and press for even tighter restrictions and more extensive disclosure of information. And so the process continues, aiding the case of those who would replace genuinely private charity with a system controlled by bodies representing group interests.

Conclusion

As this study has explained, legislation passed within the last 10 years has posed major threats to American philanthropy from two separate directions. Changes in the tax code have made donating more complicated and less attractive in many instances; and new federal and state regulations have served to constrict the charitable activities of foundations.

The new laws are often highly technical in nature, and almost incomprehensible to many foundation officers. But the pattern of the legislation is clear, and if the charitable sector does not respond strongly and quickly, private philanthropy could cease to play a significant role in American society.

APPENDIX

The following results are from a public opinion poll commissioned by The Heritage Foundation and carried out by Sindlinger & Company, Inc., of Philadelphia. The survey was conducted between February 21 and March 5, 1980, and involved a nationwide sample of 1,358 persons aged 18 years and older. Due to rounding, the percentages do not necessarily add up to 100.

Question 1

Congress is currently considering a proposal to allow a special tax deduction for charitable contributions for those people who take the standard deduction and do not itemise their income tax return.

Do you agree or disagree on this proposal for a special tax deduction for charitable contributions for those who take standard deductions?

[In percent]

	Total sample	Males	Females
Agree	72.3	71.9	72.7
Disagree	10.5	11.1	10.0
Don't know/refused	17.2	17.0	17.3

Analysis

Although a substantial percentage of the sample had no opinion or refused to answer, of those expressing a view supporters of the measure outnumbered those opposed to it by nearly seven to one. Nearly three-quarters of the entire sample favored the proposal.

Question 2

Some years ago, most public services—such as welfare and the arts—were financed by private charitable organizations through public contributions. In recent years, the trend has been for the government to take

over to finance welfare, education and the arts—rather than by charitable organizations.

Have you observed this trend?

[In percent]

	Total sample	Males	Females
Yes	67.7	66.0	69.2
No	29.8	31.0	28.6
Don't know/refused	2.5	3.0	2.0

Analysis

Two out of three people are aware of the trend towards taxpayer finance of welfare, education and the arts.

Question 3

When the government takes over as the provider of charitable welfare, education and the arts—this is with taxpayers' money. Do you agree or disagree with this trend?

[In percent]

	Total sample	Males	Females
Agree	19.7	18.4	21.0
Disagree	70.7	72.7	68.8
Don't know/refused	9.6	9.0	10.2

Analysis

The trend toward taxpayer financing of activities previously financed by private philanthropy meets with widespread public disapproval. Seven out of ten people were opposed to the trend, and only one in nine favored it.

Question 4

In your opinion, which is the better way to provide these charitable services—by private charitable organizations or by the government?

[In percent]

	Total sample	Male	Female
By private charitable organizations	71.6	71.6	71.5
By the Government	12.9	12.3	13.4
Both	8.8	8.9	7.7
Don't know/refused	6.8	6.2	7.3

Analysis

In line with the public's disapproval of taxpayer financing of charitable services, the vast majority of people believe these services can be better provided by private charitable organizations. More than seven out of ten people thought private bodies provide better services, and only one in eight felt government provision is superior. About one in eleven thought participation by both government and private sectors would be best.

Question 5

In appraising past provisions for charitable services in this country—who do you think has done the better job—private charitable organizations or the government?

[In percent]

	Total sample	Males	Females
By private organizations	68.9	70.1	67.7
By the Government	18.0	17.6	18.5
Don't know/refused	13.1	12.2	13.9

Analysis

More than two-thirds of the sample felt that private bodies have historically done a better job in providing charitable services than the government. Fewer than one in five felt that government has provided the better service.

Question 6

Looking into the future, who do you think can do the better job in providing these public services—the government or private charitable organizations?

[In percent]

	Total sample	Males	Females
The Government	25.4	24.4	26.3
Private charitable organizations	64.1	66.0	62.4
Both	6.8	6.5	7.2
Don't know/refused	3.6	3.0	4.1

Analysis

Nearly two-thirds of the sample felt that private organizations would be best suited to providing charitable services in the future, while only one in five believed the government would be more effective. Nearly one in fourteen thought participation by both would be preferable. The results indicate that the public has only a slight tendency to feel that government action would be more efficient in the future than it was in the past.

FOOTNOTES

[1] Walter Trattner, *From Poor Law to Welfare State: A History of Social Welfare in America* (New York, 1974), p. 37.

[2] The Gallup Organization Inc., *Public Awareness Toward Philanthropic Foundations* (Princeton, 1972).

[3] House Report No. 1860, 75th Congress, 3rd session (1939), at 19.

[4] *Department of the Treasury, Research Papers Sponsored by the Commission on Private Philanthropy and Public Needs* (5 volumes, Washington, D.C., 1977).

[5] See Joseph Goldberg and Wallace Oates, "The Costs of Foundation-Supported Activities," *Foundation News*, July/August 1973.

[6] Ralph Nelson, "Private Giving in the American Economy, 1960–1973," in Filer Commission, *Research Papers*, vol. I, p. 123.

[7] The federal tax deduction for corporate charitable donations is limited to 5 percent of taxable income. Contributions in excess of the annual limit may be carried forward and treated as a deduction during one of the following 5 years. Since it is rare for a company to wish to donate more than 5 percent of its income this is not a serious handicap to philanthropy.

[8] James Harris and Anne Klepper, "Corporate Philanthropic Public Service Activities," Filer Commission, *Research Papers*, vol. III, p. 1753.

[9] In the tables contained in this study grants by corporate foundations are itemised as donations by corporations, not foundations. If a corporation were to give, say, $1 million to its own foundation during one year, and that foundation disbursed $½ million to various charities during the year, these transactions would be tabulated as a contribution of $½ million by the corporation to charity. Corporate donations through their own foundations only appear in the tables, therefore, when the money is actually disbursed to an operating charity.

[10] R. P. Baker and J. E. Shillingburg, "Corporate Charitable Contributions," in Filer Commission, *Research Papers*, vol. III, p. 1859.

[11] Boris Bittker and George Rahdert, "The Exemption of Nonprofit Organizations from Federal Income Taxation," *The Yale Law Journal*, vol. 85, No. 3, January 1976, p. 319.

[12] Senate Report No. 91–522, 91st Congress, 1st. session (1969), 6157.

[13] I.e. a foundation without wide public financial support, as defined by section 509 of the Internal Revenue Code.

[14] The new 40 percent rule also applies when the 50 percent ceiling discussed in note 12 is used.

[15] For empirical support for this conclusion, see Martih Feldstein, "Charitable Bequests, Estate Taxation and Intergenerational Wealth Transfers," in Filer Commission, *Research Papers*, vol. III, p. 1498.

[16] Senate Report No. 91–522, 6179.

[17] Norman B. Ture, *The Impact of the Minimum Distribution Rule on Foundations*, Report Prepared for the Ad Hoc Committee on Section 4942, Public Hearings on General Tax Reform House Committee on Ways and Means, April 9th, and 10th, 1973, Part 14, commencing page 5838.

[18] The Treasury Department has tended to use the yield on five-year Treasury securities as a measure of money rates; but this formula has not always been used rigidly. In 1975, for instance, nominal yields rose. This would have suggested an increase in the payout requirement, but the volatility of asset values that year led the Treasury to avoid a large change in the payout rate.

[19] When the payout rate nears the foundation's total income, including contributions, the effect on growth is very severe. Thus, it is quite common for the payout requirement to produce only a modest increase in immediate gifts by the foundation, but bring about a major reduction in future giving.

[20] Filer Commission, *Research Papers*, vol. III, p. 1623.

[21] *Ibid.*, vol. III, p. 1638.

[22] *Ibid.*, vol. III, p. 1624.

[23] *Ibid.*, vol. III, p. 1638.

[24] *Ibid.*, vol. III, p. 1665.

[25] Senate Finance Committee Report on HR 13511, Report No. 95–1263, 95th Congress, 2nd Session, pp. 217–219.

[26] For estimates see House remarks by Rep. Barber Conable, Jr., 31 January 1979; also *Fund Raising Management*, July/August 1978.

[27] See, for example, Martin Feldstein and Charles Clotfelter, "Tax Incentives in the United States"; Martin Feldstein and Amy Taylor, "The Income Tax and Charitable Contributions"; Michael Boskin and Martin Feldstein, "Effects of the Charitable Deduction on Contributions by Low-Income and Middle-Income Households"; all in Filer Commission, *Research Papers*, vol. III.

[28] The permissible annual expenditure for lobbying for eligible organizations making the election is the *lesser* of $1,000,000 or the following percentages of exempt purpose expenditures: 20 percent of the first $500,000; 15 percent of the next $500,000; 10 percent of the next $500,000; 5 percent of the balance.

Further limits are applied to "grass roots" lobbying: such expenditures may not exceed 25 percent of permitted lobbying expenditures.

[29] Filer Commission, *Research Papers*, vol. III, pp. 1571–1572.

[30] It is intended to introduce a new IRS form for financial disclosure modeled on the New York form.

[31] Martin Feldstein, "The Income Tax and Charitable Contributions," *National Tax Journal*, March 1975 (part I) and June 1975 (part II).

[32] *Ibid.*, part II, p. 214.

[33] American Council on Education, *Patterns of Giving to Higher Education III (1973–1974)*.

[34] Filer Commission, *Research Papers*, vol. III, pp. 1770, 1773.

[35] *Ibid.*, vol. III, pp. 1859, 1863.

[36] Figures from the Department of Commerce, Internal Revenue Service and the Conference Board. The fall between 1969 and 1970 also represented a decline in the percentage of net income given to charity from 1.26 percent to 1.11 percent, so it cannot be explained merely by the drop in business profitability during the period.

[37] American Council on Education, *Patterns of Giving*, p. 4.

[28] American Association of Fund-Raising Counsel, *Giving USA (1979)* (New York, 1979), p. 27.

Mr. MOYNIHAN. Mr. President, in closing, let me note that we held extensive hearings last winter before the Finance Committee's Subcommittee on Taxation and Debt Management on this proposal. Fifty-nine public witnesses appeared, and dozens more submitted their views for the hearing record, a document that runs 672 pages. Thus we begin the 97th Congress with the proposition already a familiar one, already thoroughly aired, discussed and analyzed. The only thing that has changed is that this time I am confident that the Congress is going to enact the bill, and that the President of the United States is going to sign it into law.

Mr. PACKWOOD. Mr. President, today Senator MOYNIHAN and I are reintroducing a bill to permit taxpayers to take a tax deduction for charitable contributions whether or not they itemize their other deductions. If enacted, this bill would help stem the decline of popular support for nonprofit organizations. It would give nonitemizers the same incentive to support nonprofit organizations available to itemizers.

The Taxation Subcommittee of the Senate Finance Committee hearings on this bill on January 30–31, 1980. On September 16, 1980, the Finance Committee adopted it to be added as a floor amendment to the Tax Reduction Act of 1980 (H.R. 5829).

ROLE OF NONPROFIT ORGANIZATIONS

One of America's traditional strengths is the willingness of its people to give time and money to help each other. Organizations devoted to charitable religious, and educational purposes are exempt from Federal income taxation. Importantly, contributions to these organizations are tax deductible if a taxpayer chooses to itemise his or her deductions.

These organizations—and the countless number which have preceded them throughout America's history—have engineered a vast number of our most impressive accomplishments, and advances. This has included the fields of education, science, disease control, health and welfare services, adoption services, environment and conservation, the arts, amateur athletics, mental illness, human rights, civil rights, libraries, museums, civic organizations, consumer protection, symphony orchestras, tax reform, public policy research and improvement of relations among peoples of different nations.

Frequently, the goals of nonprofit organizations are identical to the goals of Government agencies. However, an important difference is the fact that nonprofit organizations are highly participatory.

Most Americans have donated time or money or both to nonprofit organizations. Just as many have participated in programs of nonprofit organizations, or utilized their facilities.

In many cases, the private sector has recognized a problem before the Government sector. For example, most education in the United States was in the hands of private organizations—with taxpayer support—prior to the middle of the 19th century.

Sometimes private action preceded Government action because the Government did not yet recognize the problem. For example, nonprofit organizations took the lead—prior to Government—in the areas of civil rights, elimination of the spoils system, prison reform, reform of mental hospitals, and environmental quality.

Unfortunately, in recent years, there has been a shift away from the nonprofit sector toward the Government sector.

The biggest decline in giving is among middle-income groups. This can have unexpected consequences. Upper income persons traditionally support a somewhat different range of nonprofit organizations than middle-income persons. For example, wealthy donors often emphasize higher education and cultural activities. In contrast, middle-income givers have more traditionally supported community-based charities such as the United Way, the Red Cross, the Salvation Army, Meals-on-Wheels, as well as the varied activities of churches.

One reason contributions are not keeping pace with the economy is that, as the Government offers more and more services, a citizen can say, "Let Uncle Sam do it."

But there is also a more concrete cause: The charitable deduction is vanishing. This is occurring because the dramatic increases in the standard deduction in recent years have led fewer and fewer persons to itemize. In 1970, 48 percent of taxpayers itemized. By 1977, only 23 percent itemized. These tend to be in upper-income groups. This is shown by the fact that, in 1978, the average income of tax returns with itemized deductions is $25,782. The average income of tax returns with the standard deduction is only $8,969.

Itemizers contribute twice as much to charitable organizations as nonitemizers. This is true for every income level. And, just as importantly, they also contribute more time to nonprofit organizations than nonitemizers—by about the same proportion.

A national survey by the Michigan Survey Research Center in 1973 compares the average contribution to those who itemize with those who take the standard deduction:

Adjusted gross income	Itemized	Did not itemize
Less than $4,000	$119	$69
$4,000 to $7,999	215	89
$8,000 to $9,999	314	117
$10,000 to $14,999	407	201
$15,000 to $19,999	600	329
$20,000 to $29,999	900	354
$30,000 to $49,999	1,564	[1] 171
$50,000 to $99,999	5,679	3,190
$100,000 to $199,999	17,106	816
$200,000 to $499,999	39,763	8,992
$500,000 or more	7,316	5,000

[1] Based on fewer than 25 observations.

Source: Sample survey for the Commission on Private Philanthropy and Public Needs by the Survey Research Center of the Institute for Social Research at the University of Michigan and the U.S. Census Bureau.

Prof. Martin Feldstein of Harvard University estimated that, if this proposal is enacted, charitable giving would increase by $4.1 billion. This would mean an increase from the estimated 1978 level of giving of $34.5 billion to a level of $38.6 billion.

This proposal targets the incentive to make charitable contributions to low- and middle-income groups. For example, 57.5 percent of the revenue effect of this bill will be reflected on the tax returns of those earning less than $20,000. More dramatically, 77.3 percent of the tax returns affected have income below $20,000. This is shown by the following table:

DISTRIBUTION OF TAX REDUCTION OF MOYNIHAN-PACKWOOD PROPOSAL

Expanded income class	Cumulative percentage of tax returns affected	Cumulative percentage of revenue loss
$0 to $5,000	7.9	3.0
$5,000 to $10,000	36.7	10.5
$10,000 to $15,000	59.5	35.0
$15,000 to $20,000	77.2	57.5
$20,000 to $30,000	93.8	82.0
$30,000 to $50,000	98.5	93.4
$50,000 to $100,000	99.7	96.0
$100,000 to $200,000	99.9	97.8
$200,000 and up	100.0	100.0

Source: Joint Committee on Taxation, May 6, 1978.

PRESERVING CHOICE

Individuals taking the standard deduction should not continue to be taxed on private dollars contributed to nonprofit organizations for public purposes; 77 percent of our taxpayers currently pay tax on their voluntary contributions. This bill corrects that inequity.

The bill offers a philosophical choice. The choice is, should we cure the obstacles to continued strength in the nonprofit sector, or should we put this part of our national character behind us under the theory that "Uncle Sam can do it."

Executive branch bureaucracies, and their apologists in the private sector, will no doubt claim that this proposal to stem the decline of self-help organizations threatens continued support of Government programs. I doubt that this is true. Instead, the proposal simply recognizes that the nonprofit sector is a vital link in the chain of concern for our fellow man. The Government addresses many of the same problems as the nonprofit sector, but it cannot accomplish the goals alone.

The choice of determining the role of the nonprofit sector is in the hands of the individual. Assume that a taxpayer decides to give $10 to a school for the blind. If this taxpayer is at a typical income level electing the standard deduction, his last dollar of income is taxed at about the 20-percent rate. This means that the school for the blind receives $10, and the aftertax cost to the individual is $8.

Our tax law has encouraged this choice—through a tax deduction for contributions—since the Second Revenue Act of 1917. To tax that $10—just as if it were used for private consumption—is self-defeating and inequitable.

This proposal is contrary to the theory that the tax code ought not be used to reward desirable conduct. This theory holds that the Government should encourage desirable behavior through Government-run direct subsidies instead of tax incentives to individuals. In my opinion, this view ignores the ability of citizens to recognize and act effectively to solve human needs.

Mr. President, I hope that Congress can approve this vital tax reform proposal this year.●

By Mr. SASSER:

S. 171. A bill to amend the Internal Revenue Code of 1954 to reduce the tax effect known as the marriage penalty by permitting the deduction, without regard to whether deductions are itemized, of 20 percent of the earned income of the spouse whose earned income is lower than that of the other spouse; to the Committee on Finance.

ELIMINATION OF MARRIAGE TAX PENALTY

● Mr. SASSER. Mr. President, since I first came to the Congress, I have heard many arguments for Federal legislation made on behalf of many groups. I have found few of these arguments to be as compelling as the one made by married couples—who are required to pay the "marriage tax penalty."

Mr. President, I would like to review the history of the tax policy, with regard to married and unmarried persons, that led to the creation of this penalty.

As originally written the Internal Revenue Code recognized the individual as the sole taxable unit. Under some State community property laws, however, married couples were permitted to file income tax returns splitting their income. When one spouse earned most or all of the couple's income, a substantial tax savings was realized.

Residents of non-community-property States were at such a disadvantage that many States began adopting community property laws. To avoid the transitional problems likely to result from this growing State movement and for other reasons, Congress in 1948 changed the tax law to allow all married couples to take advantage of income splitting.

By the 1960's many of the growing population of single people felt that the advantage that income splitting gave to one-earner married couples was unfair to them. At some income levels the difference in tax levels between single persons and married couples was as much as 42 percent.

Consequently, Congress revised tax rates in the Tax Reform Act of 1969. Under these rates the tax liability of single persons could be no more than 20 percent in excess of that paid by a married couple on their joint return for the same amount of income. This change, of course, helped single persons but at the same time aggravated another problem.

Under present tax law a married couple making $10,000 each would pay $2,745 in taxes on their combined income of $20,000. If the same were not married, they would pay $2,354 in taxes. This difference of $391 in tax liability is the married penalty. Indeed, it is not uncommon for married couples to pay taxes in excess of the salary earned by one spouse. This is unjust and unfair.

Mr. President, today I am introducing a bill to deal with the marriage tax penalty. This measure is identical to legislation I introduced last year. This legislation alleviates the adverse effects of this penalty on the productivity of the American family. The legislation does this without increasing the tax burden of either one-earner families or single persons. It insures a tax structure that is fair to all taxpayers.

My bill would allow a 20-percent deduction on the gross income of the spouse earning the lower salary. The maximum deduction allowed would be $4,000. This would result in a substantial savings because in many instances a couple would fall into a lower tax bracket.

A couple would not have to itemize their deductions to take advantage of this provision. The deduction also would not affect eligibility for other deductions or credits.

The United States is one of the few nations of the world that does not recognize a difference, for tax purposes, between a one- and two-earner family. This legislation would change the present income tax law to acknowledge this difference.

Mr. President, I am encouraged by the widespread interest shown in this matter by many of my Democratic and Republican colleagues. President Carter and now President Reagan have indicated their desire to alleviate the marriage penalty. Marriage penalty tax revisions were part of the Senate Finance Committee tax bill reported out in the fall of 1980, and I am confident that my marriage tax penalty bill along with others presently pending in the Senate provide us with a concrete and long-awaited opportunity to remove this inequity from the tax code.

My legislation S. 171 is fair to all taxpayers and would ease the discrimination against married couples. I urge the Committee on Finance to carefully consider this proposal in the preparation of future tax legislation.

Mr. President, I ask unanimous consent that the full text of S. 171 be printed immediately following these remarks in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 171

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALLOWANCE OF DEDUCTION.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"SEC. 221. DEDUCTION TO REDUCE THE MARRIAGE PENALTY.

"(a) DEDUCTION ALLOWED.—In the case of a married individual who files a joint return for the taxable year with his spouse, there is allowed as a deduction in computing taxable income an amount equal to 20 percent of—

"(1) the earned income of the spouse whose earned income for the taxable year is less than the earned income of the other spouse for the taxable year, or

"(2) if the earned income of each spouse for the taxable year is the same, the earned income of one spouse for the taxable year.

"(b) LIMITATION.—The amount of the deduction allowed by subsection (a) for the taxable year shall not exceed $4,000.

"(c) DETERMINATION OF MARITAL STATUS.—For purposes of this section, the determination of whether an individual is married shall be made in accordance with the provisions of section 143(a).

"(d) EARNED INCOME.—For purposes of subsection (a), the term 'earned income' means—

"(1) earned income (as defined in section 911(b)), plus

"(2) the amount of net earnings from self-employment for the taxable year (within the meaning of section 1402(a)).".

(b) DEDUCTION WITHOUT REGARD TO ITEMIZED DEDUCTIONS.—Section 63 of such Code (relating to definition of taxable income) is amended—

(1) by striking out "and" at the end of subparagraph (A) of subsection (b)(1),

(2) by inserting after subparagraph (B) of subsection (b)(1) the following new subparagraph:

"(C) the deduction to reduce the marriage penalty provided by section 221,",

(3) by striking out "and" at the end of paragraph (1) of subsection (f),

(4) by striking out the period at the end of paragraph (2) of subsection (f), and inserting in lieu thereof a comma and the word "and", and

(5) by adding at the end of subsection (f) the following new paragraph:

"(3) the deduction to reduce the marriage penalty provided by section 221.".

(c) CONFORMING AMENDMENT RELATING TO WITHHOLDING.—Subsection (m) of section 3402 of such Code (relating to withholding allowances based on itemized deductions) is amended—

(1) by striking out subparagraph (A) of paragraph (1) and inserting in lieu thereof the following:

"(A) the sum of—

"(i) his estimated itemized deductions, and

"(ii) the deduction allowed by section 221, over", and

(2) by striking out "section 151" in paragraph (2)(A) and inserting in lieu thereof "sections 151 and 221".

(d) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the last item and inserting in lieu thereof the following new items:

"Sec. 211. Deduction to reduce the marriage penalty.

"Sec. 222. Cross references.".

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1980. ●

By Mr. SASSER:

S. 172. A bill to amend the Internal Revenue Code of 1954 to allow a deduction as an expense for certain amounts of depreciable business assets; to the Committee on Finance.

SMALL BUSINESS DIRECT EXPENSING ACT

● Mr. SASSER. Mr. President, I rise today to introduce legislation to deal with the capital formation problems of small business. This bill is identical to the measure I introduced in the last Congress, S. 2689, the Small Business Direct Expensing Act of 1980. The need for this legislation is now greater than ever. The volatile economy we now face exacerbates the already distressing trends which make it difficult for business, especially small businesses, to raise much needed equity capital.

Due to the greater risks involved with the new or small business, the lack of adequate collateral, and the higher cost of making smaller loans, the small business is often shunned by banks and other credit suppliers. In times of tight money

small businesses frequently pay higher interest rates than their larger competitors. Stresses in the economy, such as the very high interest rates and inflation we are now experiencing, hit the small business especially hard because of its relatively limited resources.

In addition to borrowing, growing businesses also sell issues of securities to raise equity capital. This method, once a prime source of funds for small business, has all but disappeared. Between 1974 and 1977, only 61 small companies, worth $5 million or less, were able to sell stock to the public. In 1969, 698 such companies were able to sell stock.

Business Week reported that—

> For some years now . . . capital markets have been pretty much open only to the Nation's big companies . . . the top 1,000 or so corporations.

According to a survey conducted by the American Electronics Association, companies founded in the 1970's were able to raise an average of only $522,000 in current dollars. The average for companies established in the 1960's was almost twice that amount. In real dollar terms, this disparity is even greater.

These problems are especially alarming when the critical role of small business in the Nation's economy is realized. Small business accounts for almost 57 percent of all business receipts and 39 percent of the gross national product. It provides 58 percent of total U.S. business employment.

Its tremendous impact on the Nation's employment is further illustrated by a study conducted by the MIT Development Foundation. Five small, new companies were compared with six large, mature corporations. It was found that the small companies, despite having combined annual sales of less than one-fortieth of the giants, created 10,900 more jobs over a 5-year period than did the larger corporations. Over this period the small companies experienced an average growth in jobs of 41 percent, while the larger corporations created jobs at an annual rate of less than 1 percent.

Small business is also a crucial innovative force in the economy. Since World War II, firms with fewer than 1,000 employees were responsible for one-half of the most significant new industrial products and processes. Firms with less than 100 employees produced 24 percent of such innovations.

Mr. President, we must work toward creating the kind of government that will allow these businesses to survive and to flourish. Government tax, credit, and regulatory policies must not be allowed to stifle this vitality that we find in the small business sector. We need its productivity, its jobs, and its innovation too badly to allow this to happen.

My bill is a step toward that end. It will allow the small entrepreneur to deduct, or "direct expense," up to $10,000 in depreciable assets in 1 year. Existing law requires that this deduction be spread over a period of several years.

This 1 year feature gives the small entrepreneur the chance to recover $10,000 in capital expenses very quickly. He or she is then able to purchase new or replacement equipment earlier than would otherwise be possible. This allows more flexibility for small businesses to modernize and make their operations more efficient.

Another important aspect of the bill is the simplification it brings to this very complicated area of the tax law. Depreciation is responsible for a tremendous number of errors on tax returns every year. These errors are often made by taxpayers who have great need of the tax benefit provided by depreciation but who cannot afford to retain an accountant to maintain accurate depreciation records. A tax advantage does little good if it is so complicated that the taxpayer to whom its benefits are directed is unable to comply with its terms.

Mr. President, the real strength and relevance of this proposal is derived from the fact that it comes directly from the small business community. The Tennessee delegates to the White House Conference on Small Business first brought the concept to my attention. They felt strongly about it because they know better than anyone what the problems and the needs of small business are. They canvassed their small business colleagues to refine the idea and to insure its broad acceptance and workability. Then they began to push their idea.

So successful were their efforts in gaging the potential support for direct expensing that when the idea came to a vote among small business people from all over the country at the White House Conference on Small Business, the idea was approved overwhelmingly. When the delegates assembled on the last day of the conference to select as top priorities 15 of the 60 recommendations they would make to the Congress and the President, the direct expensing concept received the second highest number of votes on this priority list.

We cannot ignore this resounding vote of confidence any more than we can ignore the importance of small business to the Nation.

Therefore, Mr. President, I commend this piece of legislation to my colleagues in the Senate and urge the Committee on Finance to carefully consider this proposal when the next omnibus tax bill is brought before the committee.

Mr. President, I ask unanimous consent that the full text of the Small Business Direct Expensing Act, S. 172 be printed immediately after these remarks in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 172

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Direct Expensing Act of 1981".

SEC. 2. ELECTION TO EXPENSE CERTAIN DEPRECIABLE BUSINESS ASSETS.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to deductions for individuals and corporations) is amended—

(1) by redesignating the first section 194 (relating to contributions to employer liability trusts) as section 195 and inserting such section after the second section 194, and

(2) by adding at the end thereof the following new section:

"SEC. 196. EXPENDITURES FOR BUSINESS ASSETS.

"(a) TREATMENT AS EXPENSES.—A taxpayer may elect to treat expenditures which are paid or incurred by him during the taxable year for section 196 property as expenses which are not chargeable to capital account. The expenditures so treated shall be allowed as a deduction.

"(b) DOLLAR LIMITATION.—

"(1) IN GENERAL.—The aggregate amount of expenditures which may be taken into account under subsection (a) for any taxable year shall not exceed $10,000 ($5,000 in the case of a married individual filing a separate return).

"(2) ALLOCATION.—If the aggregate amount of expenditures for section 196 property exceeds the limitation under paragraph (1), the taxpayer shall allocate to the section 196 property the expenditures with respect to which a deduction is allowable under subsection (a).

"(c) ELECTION.—

"(1) IN GENERAL.—The election under this section for any taxable year shall be made within the time prescribed by law (including extensions thereof) for filing the return for such taxable year. The election shall be made in such a manner as the Secretary may by regulations prescribe.

"(2) ELECTION IRREVOCABLE.—Any election made under this section may not be revoked except with the consent of the Secretary.

"(d) DEFINITIONS AND SPECIAL RULES.—

"(1) SECTION 196 PROPERTY.—For purposes of this section, the term 'section 196 property' means tangible personal property—

"(A) of a character subject to the allowance for depreciation under section 167, and

"(B) acquired by purchase after December 31, 1980, for use in a trade or business.

"(2) PURCHASE DEFINED.—For purposes of paragraph (1), the term 'purchase' means any acquisition of property, but only if—

"(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267 (b) and (c) for purposes of this section, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descendants),

"(B) the property is not acquired by one component member of a controlled group from another component member of the same controlled group, and

"(C) the basis of the property in the hands of the person acquiring it is not determined—

"(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

"(ii) under section 1014(a) (relating to property acquired from a decedent).

"(3) COST.—For purposes of this section, the cost of property does not include so much of the basis of such property as is determined by reference to the basis of other property held at any time by the person acquiring such property.

"(4) SECTION NOT TO APPLY TO ESTATES AND TRUSTS.—This section shall not apply to estates and trusts.

"(5) DOLLAR LIMITATON OF CONTROLLED GROUP.—For purposes of subsection (b) of this section—

"(A) all component members of a controlled group shall be treated as one taxpayer, and

"(B) the Secretary shall apportion the dollar limitation contained in subsection (b)(1) among the component members of such controlled group in such manner as he shall by regulations prescribe.

"(6) CONTROLLED GROUP DEFINED.—For purposes of paragraphs (2) and (5), the term 'controlled group' has the meaning assigned to it by section 1563(a), except that, for such purposes, the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' each place it appears in section 1563(a)(1).

"(7) DOLLAR LIMITATION IN CASE OF PARTNERSHIPS.—In the case of a partnership, the dollar limitation contained in subsection (b)(1) shall apply with respect to the partnership and with respect to each partner.

"(8) COORDINATION WITH SECTION 38.—For purposes of section 38, the useful life of any property with respect to which an election under subsection (a) applies shall be determined without regard to this section.".

(b) TECHNICAL AMENDMENT.—Paragraph (1) of section 263(a) of such Code (relating to capital expenditures) is amended—

(1) by striking "or" at the end of subparagraph (F);

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a semicolon and "or", and

(3) by adding at the end thereof the following new subparagraph:

"(H) expenditures for property used in a trade or business deductible under section 196.".

(c) CONFORMING AMENDMENT.—The table of sections of part VI of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following new item: "Sec. 196. Expenditures for business assets.".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years ending after December 31, 1980.●

ADDITIONAL COSPONSORS

S. 20

At the request of Mr. SASSER, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 20, a bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy.

S. 30

At the request of Mr. SASSER, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 30, a bill to provide for the payment of interest by the Federal Government on any amount due for more than 30 days to any person under the terms of a contract entered into by the Federal Government and such person.

S. 43

At the request of Mr. SASSER, the Senator from Washington (Mr. GORTON), the Senator from Indiana (Mr. LUGAR), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 43, a bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

S. 45

At the request of Mr. SASSER, the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 45, a bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance.

S. 158

At the request of Mr. HELMS, the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 158, a bill to provide that human life shall be deemed to exist from conception.

SENATE RESOLUTION 17

At the request of Mr. SASSER, the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Oklahoma (Mr. BOREN) were added as cosponsors of Senate Resolution 17, a resolution concerning revision of the monetary policies of the Board of Governors of the Federal Reserve System.

ADDITIONAL STATEMENTS

THE NAMING OF THE PRESIDENT

● Mr. HATCH. Mr. President, this past Sunday the Mormon Tabernacle Choir originated its weekly broadcast from here in Washington, D.C. They were here to help celebrate the inauguration of President Ronald Reagan, the 40th American President. They gave a concert at the steps of the Lincoln Memorial last Saturday night and also participated in the inaugural parade today. Those who had the opportunity to hear their rendition of the "Battle Hymn of the Republic" surely understand why I continue to thrill to hear their voices.

As is customary on their program, "Music and the Spoken Word," a brief thought was offered by J. Spencer Kinard. Mr. Kinard has been giving the spoken word on the program for the last few years and anyone familiar with the history of th's program, a program, I might add, that continues to be the longest running radio broadcast in the country, will know that he had a monumental act to follow. The speaker at the origin of the broadcasts was Richard Evans. His deep and resonant voice became synonymous with the choir's broadcast. At his death many felt that it would be impossible to replace him. J. Spencer Kinard was given the task and has filled it admirably.

The thoughts offered by Mr. Kinard last Sunday were very appropriate at this time in history. Entitled "The Naming of the President," he spoke of the dignity of the office and its continual fulfillment of the principles outlined in the Constitution.

As I listened to Mr. Kinard speak I could not help but recall a story that emphasized a very important point. It seems that a newspaperman had the occasion to be visting with a farmer in Iowa and noticed that the man had a picture of then-President Nixon on his wall. The newspaperman asked him if this meant that he was a supporter of Richard Nixon, in spite of his troubles at the time. The reply the farmer gave is indicative of the attitude of the American people toward the Presidency. He looked the newspaperman in the eye and informed him that what he saw was a picture of the President of the United States and he supported the President.

Mr. President, the remarks offered by Mr. Kinard are along the same lines. He points out that our Government, and particularly the inauguration of a new President, is "the culmination of a rare experiment in the history of human government. An experiment which makes those who are governed equal to those who govern."

I ask that the remarks of Mr. Kinard be reprinted in the RECORD and commend them to all of my colleagues.

The remarks follow:

THE SPOKEN WORD: "THE NAMING OF THE PRESIDENT"

The clamor and confusion of the 1980 presidential campaign are now over. And this week, the 40th President of the United States will be installed in the highest elective office in this country.

In so doing, Ronald Reagan fulfills the divinely inspired requirements of the Constitution, that the executive power of these United States shall be vested in an elected President; in an individual selected from among the people, and by the people.

The inauguration of an American President is a momentous occasion, an event filled with symbolism and hidden meanings; for it is the culmination of a rare experiment in the history of human government, an experiment which makes those who are governed equal to those who govern.

Thus, it is not so much the man nor his politics that we honor during the inauguration ceremonies. Rather, it is the office itself. The office of the President of the United States. That office is evidence that the powers to rule in a republic are derived from the common consent of those who are ruled; it is tangible proof that the value of one citizen's voice is as great as the value of any, that the voice of the cattleman in Wyoming, the steelworker in Pennsylvania, or the homemaker in California is one and the same with the voice of the judge, the lawyer, the politician.

In this country, then, when politics function in its rightful arena, the office of the President is placed above the claims of royal blood, the influence of wealth, or the dominion of ecclesiastical authority.

Those who have given their consent and support to this newly elected President also give him a charge, an edict to remember the sacred trust which he has accepted. Let him recognize the common good in every decision, in every act, in every appointment. Let him establish his administration upon the principle that it is the government who should fear the people and not the people who should fear the government.

And may the President keep sacred his oath to preserve, protect and defend the Constitution of the United States, regardless of the risk, political pressures, or cost.

And finally, may this Chief of State, and all who may follow, heed the words spoken during the inaugural address of the first President and Father of our country, that: "Heaven can never smile on a nation that disregards the eternal rules of order and right."[1]

For in truth, God is not a respecter of nationalities nor politics. And the blessings of heaven, for individuals as well as for nations, can only be bestowed upon the condition of righteousness.●

GOVERNMENT TRAVEL

● Mr. SASSER. Mr. President, since becoming a Member of the Senate, I have closely monitored the travel expenditures of Government employees. Each year I

[1] George Bancroft "The Inauguration of Washington," *The Ridpath Library*, Fifth Ave. Library Soc. 1907, Vol II, Page 362.

take a close look at the travel requests of each Federal department and agency.

I am pleased to report that some progress has been made. Many Federal managers have recognized that the Congress is concerned that travel be kept to an absolute minimum. However, some Government agencies have failed to pay close enough attention to these expenditures, allowing costs to mount.

Since the budget was submitted last week, I have paid close attention to the projected travel plans of the executive branch. In many instances, travel cost increases are within a moderate range. Some agencies are even planning reductions in travel expenditures. I would like to share my findings with my colleagues.

First the good news. Projected travel costs in the Office of the Secretary of Agriculture are projected to decrease by 38 percent. Departmental management in Agriculture is projected to be reduced by 60 percent. The only other Government agency which I found to have a projected reduction in travel costs was in the general administration of the Department of Commerce where a 5-percent reduction is budgeted.

Now, I realize that the latest budget submission was prepared by the outgoing administration. But it is my hope that the new Secretaries of Agriculture and Commerce will stick by the travel plans of their predecessors and reduce travel as proposed in the budget.

Now let us turn to more distressing news. Some agencies are planning large travel increases. For instance, a relatively new agency, the National Consumer Cooperative Bank is planning to increase travel by 138 percent from $700,000 in the current year to $1,671,000. While I have not yet seen the detailed budget justification of the Bank, I find it difficult to believe that such an increase is justified. Since this new agency was first authorized I have raised questions about its travel costs. Agency officials have told the Congress that the large travel budget was due to the fact that the Bank had not yet opened regional offices. According to testimony received last year, the Bank will have its regional offices opened by the beginning of fiscal year 1982. This should moderate the travel costs of this agency. A 138-percent increase seems out of line with the travel plans of the rest of the executive branch.

Travel in the program administration account of the Department of Labor is projected to increase 70 percent to $3.3 million. Travel in the Department of Justice departmental administration will reach over $1 million for the first time in history—a 58-percent increase.

Mr. President, some Government agencies spend enormous sums on travel per employee. In fiscal year 1980, the Nuclear Regulatory Commission will spend $3,900 per employee, including clerical employees, for travel. The National Science Foundation which is projecting a 51-percent overall increase in travel to $4.7 million will spend $3,600 per employee. The Water Resources Council, while projecting an overall moderate increase will spend $3,200 per employee. The Appalachian Regional Commission, with only 88 employees will spend almost $2,500 per employee.

Mr. President, I hope the new managers of these agencies and departments will take a close look at these projected travel expenditures and make the proper adjustments aimed at reducing what may be excessive travel budgets.

Mr. President, I would also like to take this opportunity to point out that the Interagency Travel Management Improvement project is releasing its findings and recommendations aimed at reducing waste and abuse in Government travel. This project was an important initiative of President Carter's administration and the fruits of its work will be felt for many years to come.

One effort of the interagency group has been to break down Government travel into various categories. One category—travel to conferences—seems to be an area in need of more efficient management in some agencies.

The interagency group projected that in fiscal year 1979 conference travel totaled 625,000 trips Government-wide or a little more than 6 percent of all travel. Some departments and agencies, however, are sending a much larger percentage of their employees to conferences. For instance, almost 25 percent of the total travel undertaken by Department of Education personnel is to attend conferences; Bureau of Prisons, 20 percent; Veterans' Administration, 21 percent; Tennessee Valley Authority, 19 percent; Food and Drug Administration, 15 percent.

The following agencies exceeded 10 percent of total travel for conferences: the Soil and Conservation Service, National Oceanic and Atmospheric Administration, the National Park Service, Bureau of Indian Affairs, the National Institutes of Health and the Department of Labor. One agency, however, the Department of Housing and Urban Development dedicated only one-half of 1 percent of agency trips to conferences—an impressive record.

Only 1¼ percent of Government-financed trips are for the purpose of giving speeches or making presentations. But some agencies seem to spend substantial amounts sending employees around the Nation and the world for this purpose. Almost 9 percent of all trips of the Environmental Protection Agency were for speeches or presentations; almost 7 percent of travel by the Department of State and almost 3 percent for the Department of Education.

Certainly it is my feeling that we should reduce Government travel costs. In the process I would hope we would not impair program activity. Therefore, we should make a special effort to assure that nonessential travel, such as to conferences or speeches, be kept to an absolute minimum.

Mr. President, Government travel is one of the most visible of Federal expenditures. The American people feel that the Federal Government is not effectively and efficiently managing its resources. Certainly in the area of travel costs, reductions must be made. I will continue to monitor the travel costs of Government agencies. In fiscal year 1980, the Congress approved my legislation which reduced travel by $500 million. Last month the Senate approved a similar reduction in the fiscal year 1981 continuing resolution. I have reintroduced legislation designed to further reduce travel in the current year and I hope it will be approved by the Congress and signed into law by the President.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of the order previously entered, that the Senate stand in recess until the hour of 11 a.m. on tomorrow.

The motion was agreed to; and the Senate, at 6:07 p.m., in executive session, recessed until Wednesday, January 21, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate January 20, 1981:

DEPARTMENT OF STATE

Alexander Meigs Haig, Jr., of Connecticut, to be Secretary of State.

DEPARTMENT OF THE TREASURY

Donald T. Regan, of New Jersey, to be Secretary of the Treasury.

DEPARTMENT OF DEFENSE

Caspar Willard Weinberger, of California, to be Secretary of Defense.

DEPARTMENT OF JUSTICE

William French Smith, of California, to be Attorney General.

DEPARTMENT OF THE INTERIOR

James Gaius Watt, of Colorado, to be Secretary of the Interior.

DEPARTMENT OF AGRICULTURE

John R. Block, of Illinois, to be Secretary of Agriculture.

DEPARTMENT OF COMMERCE

Malcolm Baldrige, of Connecticut, to be Secretary of Commerce.

DEPARTMENT OF LABOR

Raymond J. Donovan, of New Jersey, to be Secretary of Labor.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Richard S. Schweiker, of Pennsylvania, to be Secretary of Health and Human Services.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Samuel R. Pierce, Jr., of New York, to be Secretary of Housing and Urban Development.

DEPARTMENT OF TRANSPORTATION

Andrew L. Lewis, Jr., of Pennsylvania, to be Secretary of Transportation.

DEPARTMENT OF ENERGY

James B. Edwards, of South Carolina, to be Secretary of Energy.

DEPARTMENT OF EDUCATION

T. H. Bell, of Utah, to be Secretary of Education.

UNITED NATIONS

Jeane J. Kirkpatrick, of Maryland, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

OFFICE OF MANAGEMENT AND BUDGET

David A. Stockman, of Michigan, to be Director of the Office of Management and Budget.

CENTRAL INTELLIGENCE

William J. Casey, of New York, to be Director of Central Intelligence, vice Stansfield Turner.

DEPARTMENT OF TRANSPORTATION

Darrell M. Trent, of California, to be Deputy Secretary of Transportation, vice William J. Beckham, Jr.

OFFICE OF THE U.S. TRADE REPRESENTATIVE

William Emerson Brock III, of Tennessee, to be U.S. Trade Representative, with the rank of Ambassador Extraordinary and Plenipotentiary, vice Reubin O'D. Askew.

CONFIRMATION

Executive nomination confirmed by the Senate January 20, 1981:

DEPARTMENT OF DEFENSE

Caspar Willard Weinberger, of California, to be Secretary of Defense.

EXTENSIONS OF REMARKS

LEGISLATION TO PROHIBIT THE INSTITUTIONALIZATION OF INFLATIONARY INTEREST RATES

HON. THOMAS A. DASCHLE
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 20, 1981

● Mr. DASCHLE. Mr. Speaker, today I am introducing legislation to prohibit the institutionalization of inflationary interest rates proposed last August by the Internal Revenue Service. The Nation and our economic well-being are being battered and threatened by usurious interest rates and the IRS proposed increase in imputed interest rates adds insult and misery to the already serious economic injury inflicted by high interest rates.

The measure I am introducing today will prohibit the Internal Revenue Service from adopting new regulations which increase the imputed interest rate on a loan between related parties under section 482 of the Internal Revenue Code of 1954 and on transactions involving deferred payments under section 483 of the code. Additionally, this measure requires the Internal Revenue Service to administer sections 482 and 483 of the code in accordance with the rules and regulations in effect on January 1, 1980.

In response to massive public protest, the IRS has temporarily delayed the adoption of the proposed increase in imputed interest rates. This delay, however welcome, is only a temporary respite. The legislation I introduce today and the companion measure being introduced in the Senate by the senior Senator from Montana, Mr. MELCHER, prohibits on a permanent basis the increase in imputed interest rates sought by the IRS.

In an attempt to justify the increases it proposed in imputed interest rates, the Internal Revenue Service has said:

> These proposed amendments are necessary so interest rates imputed under the two sections will more accurately reflect the market interest rates in effect when transactions affected by those two sections are entered into.

The plain English translation is the IRS has capitulated to record high interest rates and is gladly willing to accept inflationary interest rates.

Mr. Speaker, the American people have not and will not.

The regulations proposed on August 29, 1980, by the IRS under sections 482 and 483 would increase the imputed interest rate on a loan between related parties to 12 percent per annum simple interest and increase the imputed interest rate on transactions involving deferred payment to 10 percent compounded semiannually. This is a 50-percent increase in the imputed interest rate on transactions involving deferred payment and would abridge the right of a buyer and seller to agree on terms incorporating a less inflationary interest rate. The proposed imputed interest rate increases would seriously damage many sectors of our economy, including agriculture, small business, and real estate.

The particularly devastating consequences of the proposed increase in imputed interest rates on agriculture was the subject of a recent editorial in the Dakota Farmer and I insert a portion of this editorial examination in the RECORD at the conclusion of my remarks.

In conclusion, Mr. Speaker, inflationary interest rates are a serious threat to our Nation's economy and economic well-being. Both inflation and high interest rates must be reduced. I urge my colleagues to join me in this effort and to support the legislation I am introducing to prohibit the proposed increase in imputed interest rates.

The text of the measure I am introducing is as follows:

H.R. 953

A bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related parties and on deferred payments in the case of certain sales of property

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PURPOSE

SECTION 1. To prohibit regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property.

FINDINGS

SEC. 2. Congress finds that proposed Internal Revenue Service regulations to modify title 26, Code of Federal Regulations, part 1, paragraph 1, sections 1.482 and 1.483 increasing imputed interest rates on loans between related entities and on deferred payments in the case of certain sales of property unnecessarily add to the current unacceptably high inflation rate, are not based on historic regional interest rates for such transactions but on artificially inflated prime interest rates, go beyond the original intent of the underlying law, and will inhibit the ability of young people to purchase homes, family farms, and businesses.

LIMITATIONS

SEC. 3. No regulations shall be issued in final form under Section 482 or 483 of the Code after the date of the enactment of this Act modifying the imputed interest rates under section 482 or 483 of the Internal Revenue Code of 1954 which has the effect of increasing the rate of imputed interest under such section. Sections 482 and 483 of such Code shall be administered in accordance with the rules and regulations in effect on January 1, 1980.

[From the Dakota Farmer, December 1980]

VIEWPOINT AND COMMENT

INTEREST TO INCREASE

That IRS increase in interest rates on contract sales can be stopped—maybe. But doing so will take effort and support.

IRS announced, in the Aug. 29 Federal Register, that sales by contract—such as contract-for-deed land sales—which show interest rates of less than 9% will be taxed at a 10% rate. Also, that contracts between related parties must be handled as regular "arms length" transactions. Unless they show rates between 11% and 13%, they will be taxed at a 12% rate. The 9% rate applies on contracts signed after Sept. 28. The 12% rate is retroactive to Aug. 28.

Reason for the changes is to prevent excess amount of sales income being reported as principal, which usually qualifies for a lower tax treatment than does interest. Impact, however, will add millions in extra interest charges to farm families and will require sellers of farmland to pay higher federal and state income taxes.

"Increasing interest rates by 3% would render the contract-for-deed provision of the North Dakota Beginning Farmer Assistance Act useless," predicts Myron Just, North Dakota commissioner of agriculture. "A 2% increase in interest will knock $200/a off a $2,000/a transaction price on a 20-year contract-for-deed," calculates Paul Hasbargen, Minnesota extension economist. "Each 1% change in interest will change the purchase price about 4% in the opposite direction on a 10-year loan, 5% on a 20-year loan and 6% on a 30-year loan."●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

SENATE—*Wednesday, January 21, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met in executive session at 11 a.m., on the expiration of the recess, and was called to order by the Vice President (Mr. BUSH).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Almighty God, we thank Thee for this good land, born in suffering, nourished in freedom, and built upon faith in Thee. Thanks be to Thee this day for the deliverance of our countrymen from captivity to the clear light of freedom. May our hearts and our minds be fused with theirs in joy and thanksgiving.

Must it ever be, O Lord, that only by suffering is man's perverseness and diabolical fiendishness atoned? Even so, move us to see Thy love which never fails and the truth that whoever gives his life in service to others finds life in a higher order.

Now come to us anew in this place. Let Thy Spirit descend upon us that our work may be our worship. We thank Thee for the high hopes which stir within us at every turn in history. May Thy Spirit indwell Thy servant, GEORGE BUSH, to give him clarity of vision, soundness of judgment, and vigor of soul. Bind us together, heart to heart, mind to mind, soul to soul, that we may concert our best efforts for the well-being of America and for peace and justice in the world.

We pray in Thy holy name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The VICE PRESIDENT. Under the previous order, the majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair. It is a special privilege for me to rise in seeking recognition on this morning and I will have more to say about that in a moment. But, so that we may have a maximum opportunity for our colleagues to appear on the floor and to greet our Presiding Officer at this time, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

WELCOME TO THE VICE PRESIDENT

Mr. BAKER. Mr. President, it is a signal honor for me to have this opportunity to stand at this place and to welcome you to the U.S. Senate.

As I said on yesterday during the luncheon for the President and Vice President following the inauguration, the Vice Presidency of the United States is the only office in the Government which has a foot in both camps, both the executive and the legislative, because the Vice President is not only Vice President of the United States, but he is also the President of the Senate. And those of us in the Senate like to think of that latter job as the more important of the two. You belong to us and we are glad you are here.

Mr. President, it is a special pleasure for me to speak to you and greet you on behalf of the Republican majority of the Senate of the United States and to tell you, our new Presiding Officer, that it is our intention and purpose to cooperate with you and support this administration, and to cooperate, as well, with the distinguished minority leader and all the Members on the Democratic side of the aisle, to preserve and continue a tradition which is, I believe, a growing tradition of bipartisan cooperation in those matters of great national importance which so clearly require that sort of cooperation.

We stand ready, Mr. President, to work with you, to lighten your tasks and burdens. We stand ready to discharge our constitutional responsibilities with you and under your leadership.

Mr. President, it is my special pleasure to yield to my friend, the minority leader, who may wish to speak at this time.

Mr. ROBERT C. BYRD. Mr. President, I join with the distinguished majority leader in welcoming the Vice President as he assumes his duties under the Constitution as President of the Senate of the United States.

The Senate is a unique institution. Gladstone referred to it as "that remarkable body, the most remarkable of all the inventions of modern politics." Others have referred to it as a citadel of commonsense. Webster referred to it as a "Senate of equals, of men of individual honor and personal character, and absolute independence."

In 1805, when Vice President Aaron Burr bade a formal farewell to the Senate over which he had presided for 4 years, we are told by at least one writer that Burr's statement cast such a spell over the Senate that, following his address, Senators were so in tears that it required a half hour before order could be restored and they could elect a President pro tempore and adjourn.

In his closing remarks, Burr referred to the Senate in this way:

> This House is a sanctuary, a citadel of law, of order, and of liberty. It is here in this exalted refuge, here if anywhere, will resistance be made to the storms of political frenzy and the silent arts of corruption. And if the Constitution be destined ever to perish by the sacrilegious hands of the demagog or the usurper, which God avert, its expiring agonies will be witnessed on this floor.

Burr had spoken the day after the Senate had reached one of its most critical decisions in American history. Through 3 months, Samuel Chase, an Associate Justice of the U.S. Supreme Court, had been on trial upon impeachment charges brought by a House of Representatives controlled by President Jefferson and his followers. Even though the Senate had within it a majority of Jefferson supporters, the President of the United States was unable—with all of the pressures that he sought to bear, and with all of the pressure of the passionate appeals of the House managers and counsel, Nicholson and Randolph—to secure a two-thirds majority in the Senate to even sustain one single article of impeachment.

Tensions had been great and excitement had been high because it was felt that if Chase could be ousted, then the Jefferson administration would move quickly to launch impeachment proceedings against Chief Justice Marshall.

So the Senate exercised in that fine moment of drama the kind of independence, impartiality, fairness, and courage that from time to time over the years the Senate has brought to bear upon the history of our country.

I, in my own time, have seen this kind of courage and independence. I saw it in the enactment of the Civil Rights Act in 1964, which I voted against and which I have come later to regret. But I voted as I did by my own lights as I saw them. I saw it in the context of the Constitution, and I supported that great constitutional scholar Sam Ervin and that great patrician, Richard B. Russell, in the constitutional case they made against that legislation.

I saw this kind of courage and independence in the approval of the Panama Canal treaties, where it would have been politically popular back home in every State to vote against the treaties but the Senate by a vote of two-thirds plus one, rose to the needs of that moment and approved the treaties in the best interests of our country.

So, Mr. President, you have come to a unique institution—in my judgment the greatest institution of all under our constitutional system, and you are the link between these two equal and coordinate branches created by the Constitution, the legislative and the executive.

You bring to this task some very special talents. You were a Member of the other body for two terms. I believe

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

you had a distinguished military record during World War II. Your services to your country as we began to normalize our relations with the People's Republic of China were eminent and worthy of our admiration and respect.

Your father was a distinguished U.S. Senator, and we all respected him and held him in the highest regard on both sides of the aisle. So, in a way, you are a child of the Senate.

I think that through you, one who has served in the legislative branch, we can hope to see the kind of cooperation and understanding between these two branches of Government, the executive and the legislative, that will be in the best interests of our country.

Those of us on my side of the aisle welcome you, and we wish you well.

May I say in closing that if you ever have any problems from a parliamentary standpoint, just call on the minority leader. [Laughter.]

We look forward to serving with you.

The VICE PRESIDENT. I thank the minority leader. The Chair recognizes the majority leader.

Mr. BAKER. I thank the Chair. I may only say in passing that I join in the recommendation that you consult with the distinguished minority leader on parliamentary matters. He is virtually without peer in the entire Senate concerning his knowledge of the rules of the Senate.

I also urge that you check with me afterward. [Laughter.]

Mr. STEVENS. Mr. President, it gives me great pleasure to join the majority leader and others in welcoming you to the U.S. Senate. We are all pleased and proud to have one with your experience and background as President of the Senate and look forward to working closely with you over the upcoming months and years.

Many of us know from working with you for the past years in your various positions that your talents and capabilities are vast. I have personally grown to respect and admire your abilities through working with you in the House of Representatives, the Republican National Committee, and the Central Intelligence Agency.

Having just returned from Beijing, I can tell you that your duties as head of the U.S. liaison office there did not go unnoticed or unappreciated. You represented the United States ably at a most crucial juncture in our relations with Beijing. I am confident that as you take over your new responsibilities as Vice President of the United States and President of the Senate you will handle those responsibilities with the same integrity, intelligence, and diplomacy which we have come to know and respect. And we shall welcome your vote should this body ever be equally divided on any issue.

Our Nation has some difficult issues and some tough decisions ahead. Many Members of Congress are particularly pleased to have a new administration which has indicated its intention and desire to work closely with the Congress to resolve the difficulties we face. As President of the Senate you will play an integral part in this partnership. Your presence today and in the future will be of great assistance to us and to the American people. Welcome aboard.

Mr. BENTSEN. I say to the majority leader that I have been a GEORGE BUSH watcher for years. In fact, I might be called a resident expert on GEORGE BUSH. He is really a most remarkable man who, with his lovely wife Barbara and their children, form one of the most gracious and talented families in American politics.

It has been said that the true test of bravery in the Senate is to be a part of the minority while the true test of tolerance is to be a member of the majority. With GEORGE BUSH as the Presiding Officer of the Senate, I am confident that we will have not only tolerance but also fair play.

GEORGE BUSH has been in a number of political races; yet, I do not know of a single one of his opponents in any of those races who has not liked and admired him. He is a tough competitor, be it tennis or baseball or a political race. In tennis, he is a fellow who does not foot fault. In baseball, there are no rhubarbs; in politics, no acrimony.

With the affection and admiration he has achieved across the breadth of this land, I believe GEORGE BUSH has a unique opportunity to help transform the word "bipartisanship" from a political slogan into reality. I wish him well in his tenure.

Mr. TOWER. Mr. President, I wish to express my great pride in having the opportunity to see the distinguished citizen of my State presiding over the Senate this morning in his capacity both as Vice President of the United States and President of the Senate.

There are few people in public life who have so distinguished a record of public service as a Member of the House of Representatives, as the national chairman of the party, as our Ambassador to the United Nations, and as our Special Representative to Beijing in the formative days of our relationships with the People's Republic of China. He has always acquitted himself in a manner that reflects credit on himself, his State, and his country.

He has contributed a great deal already to the people of this country in terms of his service. I suggest that his period of greater service is yet ahead of him.

I take this opportunity to wish him well and to express my confidence that he will perform in this capacity in which he now serves in the same way that he has performed all past public service tasks that have fallen on his shoulders.

He is an unusual man, an outstanding man, and the Senate, I believe, is fortunate to have him as its President.

The VICE PRESIDENT. The Chair recognizes the Senator from South Carolina.

Mr. THURMOND. Mr. President, I feel we are very fortunate to have had such an able Vice President.

It is a distinct pleasure to welcome you to the Senate as our President. We in this body look forward to our association with you in both that capacity and as Vice President of the United States.

The next few years—indeed, the next few weeks—will be crucial to the future well-being and stability of our Nation. The actions of the new administration and of the 97th Congress, both of which you represent, will rise or fall on the vision and dedication of those entrusted with the power of office. Your record of public service, Mr. President—whether as Congressman, diplomat, political party chieftain, or CIA Director—has prepared you well for the momentous days ahead.

Furthermore, the arduous election campaign of 1980, which reflected the choice of Americans throughout the land and which culminated in the oaths taken yesterday by you and President Reagan, has clearly set the stage for the meaningful work that lies ahead for all of us. I look forward to serving with you as we face the pressing issues of inflation, defense, the scope of Government itself, and so many more.

Mr. President, I feel sure that I express the sentiments of all in this Chamber when I wish you welcome and Godspeed in the performance of your new duties.

Mr. BAKER. Mr. President, I inquire of the Chair, is there an order entered for the special recognition of the Vice President?

The VICE PRESIDENT. There has been an order entered. I thank the Senator for the 5 minutes of time granted to me to speak as in legislative session.

ADDRESS BY THE PRESIDENT OF THE SENATE TO THE SENATE

The VICE PRESIDENT. Mr. Majority Leader and Mr. Minority Leader, Senators, at the outset of these brief remarks, let me express my deep appreciation to the man who, over the past 4 years, has brought great distinction both to the Presidency of the Senate and the Vice Presidency of the United States, Fritz Mondale.

You will note that I first mentioned the Senate Presidency, then the Vice Presidency, having been duly advised, if not lectured, by the majority leader and the minority leader regarding the importance of the two offices that I hold. I also note with great sincerity the advice publicly given here by the minority leader, and the eloquent appeal to fair play and appeal for cooperation, and the advice that he has given to me privately The majority leader and I have talked about it a great deal.

The cooperation and many courtesies shown me and members of my staff by Vice President Mondale and his staff, I should tell you, as they relate to the Presidency of the Senate and the Vice Presidency, have made for a very, very smooth transition in what could have been an awkward and difficult time. As President Reagan said yesterday, the strength of the American system is best demonstrated by an orderly transfer of power from one administration to the next and, by their words and deeds in recent weeks, both President Carter and Vice President Mondale reflected that strength. For this we all, regardless of party affiliation, owe them a debt of thanks.

I am here today a stranger to my new duties and responsibilities. Yet, for several reasons, I do not feel like a stranger. For one thing, I am privileged to count many Members of this distinguished body as personal friends, having served with them in the other body, the House. Second, I learned respect for the Senate and its traditions from a father who revered this institution and all that it stands for in maintaining our free society.

As we know, these past few days have been among the most hectic, yet hopeful, in recent times. Whether Republican, Democrat or Independent, we can all take inspiration from the new beginning outlined by President Reagan in his inaugural address. As Americans, we can all join in the celebration and happiness of the hostages' families on the return of their loved ones.

Now, as the tumult of transition and inaugural passes, as the ordeal of the hostages comes to an end, we face the challenge of providing new leadership to a troubled and yet hopeful Nation. From Capitol Hill to the White House, we all have our assigned roles in the effort to meet and to master this challenge.

So, for my part, with a strength drawn not only from the confidence expressed in us by the American people but from knowing this great institution some and knowing and respecting its traditions, I look forward to working with you and carrying out my constitutional responsibilities in the months and years ahead.

I thank you all.

[Applause, Senators rising.]

RECESS FOR 10 MINUTES

The VICE PRESIDENT. Under the previous order, the Senate will stand in recess for 10 minutes.

Thereupon, at 11:24 a.m., the Senate recessed for 10 minutes; whereupon, at 11:34 a.m., the Senate reassembled when called to order by the Vice President.

MODIFICATION OF ORDER OF BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the order of business entered on yesterday be modified in this respect: That the two special orders provided for before the close of business yesterday—that is to say, 15 minutes each for Senator DURENBERGER and Senator JEPSEN—follow immediately after a 15-minute period for the transaction of routine morning business.

I ask unanimous consent, further, that there now be a period for the transaction of routine morning business, not to extend beyond 15 minutes, in which Senators may speak for not more than 3 minutes each, and that this request be in legislative session.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I hope the Chair will see fit to recognize, first, the junior Senator from Texas, who I believe is seeking recognition.

The VICE PRESIDENT. The Chair recognizes the Senator from Texas.

Mr. BENTSEN. I thank the majority leader.

(Mr. BENTSEN's remarks are printed earlier in today's RECORD.)

The PRESIDING OFFICER (Mr. MATTINGLY). Is there further morning business?

A REVIEW OF THE SENATE'S TREATY RATIFICATION RECORD

Mr. PROXMIRE. Mr. President, the 97th Congress has begun. Thirty-two years have passed, and the Genocide Treaty still remains unsigned by the United States. That treaty has been sent to us by the executive branch. No further action is required by the President. It remains a matter of pending business; and the Senate, of course, has refused either to give its assent or to deny its ratification.

Mr. President, from 1785 to 1934, a span covering most of our history, only 15 of the 528 treaties presented to the Senate were rejected. Most treaties run the Senate gauntlet without undue delay. The longest amount of time for a treaty to be ratified, except for the Genocide Treaty, was 21 years. That was the Caribbean Isle of Pines Treaty.

As I say, that makes the Genocide Treaty the longest pending treaty in the history of the Senate—and with no real justification, especially since major opposition to the Genocide Treaty has now voiced its opinion in favor of it.

I might say that the Genocide Treaty is a treaty which would outlaw the planned, premeditated eradication of an entire racial group or religious group or ethnic group. A classic example, of course, was the action by Hitler against the Jews in Germany before and during World War II.

After that, of course, the world reaction was swift and strong, and 85 countries have ratified the Genocide Treaty. This country, which originated the Genocide Treaty, alone among the major countries in the world, has failed to ratify it.

The treaty was opposed by the American Bar Association. That delayed it for a few years. But for years now the American Bar Association supports it and now enthusiastically supports the treaty.

The last day of the 96th Congress I expressed my hope that the Foreign Relations Committee would report on the Genocide Convention during the new year.

Finally, Mr. President, it is time to set aside our provincial interests and unify for the betterment of mankind.

Remember, this is a treaty supported not only by all religious groups, Protestant, Catholic, Jewish; it is supported by virtually every organized and respected group in this country. It is supported by labor unions. It is supported by civil organizations. It is supported by women's organizations. And I know of few organizations—the John Birch Society opposes it; the Liberty Lobby I believe opposes it—but even those organizations have not been vigorous in their opposition.

So I urge my colleagues to vote in favor of ratifying the Genocide Treaty, thereby maintaining a positive treaty record in voicing our opinion against violence toward all ethnic and racial groups.

Mr. President, I yield the floor.

The VICE PRESIDENT. The Chair recognizes the majority leader.

Mr. BAKER. Mr. President, in no way should the Chair conclude or infer from the remark I am about to make that he is not always welcome and constantly so in this Chamber. But I know he has another commitment to keep, and I see that the distinguished President pro tempore is in the Chamber and if the Vice President wishes to withdraw for the purpose of keeping his further commitments I am sure the President pro tempore would supply someone to preside in his absence.

APPOINTMENT OF MEMBER TO SELECT COMMITTEE ON ETHICS

Mr. BAKER. Mr. President, I send to the desk a resolution in respect of appointments to the Select Committee on Ethics and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 27) appointing a member of the Select Committee on Ethics.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The resolution (S. Res. 27) was agreed to as follows:

S. RES. 27

Resolved, That the following Senator is appointed to the Select Committee on Ethics: the Senator from North Carolina (Mr. HELMS), vice the Senator from Mississippi (Mr. COCHRAN).

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. Is there further morning business?

Mr. BAKER. Mr. President, I might say before morning business is concluded that it is my expectation there may be another matter or two to be dealt with in morning business later in the day and that we will have, after consulting with the minority leader, to make further provisions for other morning business on this day.

CONCLUSION OF MORNING BUSINESS

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

RECOGNITION OF SENATOR DURENBERGER

The VICE PRESIDENT. Under the previous order, as in legislative session, the Senator from Minnesota (Mr. DURENBERGER) is recognized for not to exceed 15 minutes.

S. 178—SEVERANCE TAX

Mr. DURENBERGER. Mr. President, today I will be joined by several colleagues as sponsors of a bill to limit the rate of severance taxes that States may impose on the production of coal from Federal or Indian lands or coal produced from mineral deposits reserved to the Federal Government. I rise to speak briefly in the hope that the debate can begin with a fair appraisal of the issues that are raised by this bill.

Joining me as cosponsors of this legislation will be Senators BUMPERS, DANFORTH, BENTSEN, PROXMIRE, METZENBAUM, JEPSEN, LEVIN, RIEGLE, and DODD. The bill is similar to S. 2695 which was introduced in the 96th Congress and which was the subject of hearings before the Committee on Energy and Natural Resources on August 6, 1980. I recommend the record of those hearings to my colleagues. The bill imposes a flat limit on State severance taxes of 12½ percent, but only on the taxes applied to coal taken from Federal lands.

At the hearings in August, Senator Gaylord Nelson of Wisconsin summarized the debate on this legislation with three questions. I would like to borrow Senator Nelson's questions for my comments today, but absolve him from any responsibility for the answers which occur to this Senator after reading the record.

He asked:

Does the Congress have the authority under the Constitution to impose a limitation on State severance taxes? If the Congress has that authority, should it be exercised in this instance? And if it is wise public policy to impose a limit, what percentage should the Congress set as the limitation by this legislation?

The hearings last year provided some insight, at least for this Senator, on those questions and it seems to me that the following answers are appropriate.

Congress most certainly does have the power to limit the rate at which severance taxes may be imposed by the States. This power is derived from the commerce clause of the Constitution and in the case of this bill from the fact that the coal is owned by the Federal Government.

In a court case bearing on these issues and brought by several Midwestern utility companies with the State of Montana as a defendant, the attorney general of Montana, Mike Greely, argued that Montana had the power to impose a severance tax of any rate whether it be the current 30 percent or 100 percent or 1,000 percent. Montana believes it has this power despite the commerce clause. Mr. Greely again asserted this power in the hearings before the Energy Committee. The legal theory stated by the Montana attorney general is that mining is a purely local activity and as such State action to tax or regulate mining is beyond the reach of the U.S. Constitution. In my opinion, Mr. Greely's view is contrary to fact and in disagreement with the law of the land.

Forty percent of the coal reserves located in the United States are found within the borders of Wyoming and Montana. Seventy-five percent of this coal is either under land owned by the Federal Government or an Indian tribe or is a mineral right reserved to the Federal Government by the Mineral Leasing Act of 1920. This coal came into the possession of the United States at the time of the Louisiana Purchase. It is not the birthright of any State, nor may its disposition be determined by any State. It is the property of the people of this country with title held by the U.S. Government to be disposed of as Congress shall determine.

Congress has decided that this coal shall be produced and used to provide energy resources for the Nation. It has instructed the Department of the Interior to lease the land. More than that Congress has instructed the Secretary of the Interior to obtain a fair value for the coal produced as a result of leases.

Let us suppose as Mr. Greely did in his argument that Montana imposed a tax of 1,000 percent. That would put the price of Montana coal somewhere near $100 per ton. The Secretary of the Interior would not be able to sell any leases. Congress would be frustrated in its attempt to make this resource, owned by all of the people of this country, available to meet our energy needs. Just as my State of Minnesota cannot pass a law forbidding the harvest of timber on Federal forest land, just as California cannot pass a law preventing fishing in U.S. territorial waters, Montana cannot by its tax policy deny the Federal Government the right to lease its land and mineral reserves for the production of coal. Whether the 30-percent tax rate which Montana now imposes denies Congress the opportunity to dispose of this coal according to national policies is a question of fact, but there is without doubt a point at which State taxation may interfere with the power of Congress to use and dispose of Federal property and mineral rights.

Even if this were not Federal coal, the commerce clause of the Constitution would authorize the Congress and the Federal courts to examine and, if necessary, limit the rate of State taxation. To deny this authority the State of Montana relies upon a mechanical definition of interstate commerce which has not been applied by the Supreme Court to these issues since 1937. Montana argues that mining is a purely local activity which has no impact on interstate commerce. This argument is made despite the facts. Ninety-eight percent of the coal mined in Montana is mined pursuant to contracts with utility companies in other States and is shipped directly from the mines to plants owned by those utilities.

For purposes of taxation Montana assesses the value of the coal after it has been lifted, crushed, and washed to the specifications of the utility and loaded for shipment in interstate commerce. Mr. President, the interstate nature of these transactions is now an issue before the U.S. Supreme Court. I am confident that the Court will find that this is a question of interstate commerce, that the burden of the Montana tax can be decided under the commerce clause and that the Congress does have the power to regulate and limit State taxation in these areas.

Finding that Congress does have the authority, would it be wise public policy to impose a limitation on State taxation in this instance? I am sincerely sensitive to the implications of this bill. It would break new ground in the area of Federal interference and regulation of matters best left to the States. But, Mr. President, this is the very issue that gave us the Constitution we cherish. It was State taxation and regulation of interstate commerce that forced the original 13 States to abandon the Articles of Confederation and send delegates to a constitutional convention. The Constitution provides us with power to protect interstate commerce from burdens that would be imposed by the States. For 200 years we have recognized that commerce, unfettered by parochial interests, benefits all Americans. We not only have the power, but the responsibility to examine these issues carefully and continually.

Our responsibility is not only to the Constitution, but to consumers and citizens in other States who now share in the ownership of this coal and would use it for their energy needs. Opponents of

this legislation will point out that it has only a small impact on the utility bill of a single consumer in a single year. And they will also argue that there are other costs of coal production and transportation that place burdens on the consumer. We concede those facts, Mr. President. But there are millions of Americans who now depend on this coal for their electricity supply. They ought to pay the entire cost of producing and transporting coal. But they ought not to be charged billions of dollars over a period of years to support general governmental programs for citizens in other States. Their right to freedom from an unconstitutional tax imposed by a State in which they have no vote is every bit as important as the right of the producing States to be compensated for the impacts of coal mining and energy production.

To determine whether the severance taxes imposed by Montana, Wyoming, or any other State are an unnecessary burden on interstate commerce we should examine the expenditures which these taxes support. The States have the right to recover from the producers and consumers of coal, oil, gas, other energy resources, and other mined or harvested commodities, the costs which the States and their local governments experience as a result of production. One would expect a close correlation between the tax and expenditures made to mitigate impacts.

But how are the severance taxes used? Are they spent to mitigate the impacts of mining and energy production? No, Mr. President, they are not. Fifty percent of the revenues from the Montana coal tax goes into a permanent trust fund suggesting that there is no current need for these revenues. The interest from this fund and 19 percent of the remaining tax revenues are devoted to the general fund of the State and used for general government programs. Only a small portion of the funds are used directly to mitigate impacts.

The evidence from Montana shows that property taxes are lowest in counties where coal development is occurring. The State has been able to reduce income taxes in the past few years. Testimony before the Energy Committee demonstrated that other revenues associated with the production of coal, including Federal royalties which are shared with the State, are more than enough to mitigate the impacts of mine development. Finally, projections indicate that Montana will accumulate billions of dollars by the turn of the century—taken from consumers in other States who have no say in the rate of taxation. These revenues will be placed in a trust fund to pay the future costs of Montana State government.

These developments could be easily imagined in the United States had we continued with the Articles of Confederation. They cannot be imagined nor should they be tolerated under our Constitution. I would say to my colleagues that if we ignore our responsibilities—the responsibilities of the Congress—to protect the unburdened flow of interstate commerce—if we fail to limit the excesses of State taxation when they occur—then we could very well be returning to a balkanized nation.

Mr. President, other States in the Union have the capacity to exact the same kind of tribute that is demanded by Montana and Wyoming for coal. Minnesota, for all of this century, has been the source of two-thirds of this Nation's iron ore. In fact, Minnesota is the No. 1 nonfuel mineral State in the Nation. In addition to taconite, which is the source of iron ore, there are also substantial deposits of copper, nickel, and cobalt within our borders.

As I say Minnesota has a long history of mineral production. We do have a severance tax. But we have never sought to use that tax to pay for the general costs of State government or to salt away a trust fund to shift the future costs of government to the current consumers of American iron and steel. Our tax is now about 4.6 percent.

Montana and Wyoming are close neighbors. Minnesota pays $16 million a year in severance taxes to Montana, more than any other State. Their example is not well hidden from Minnesotans. And now Minnesotans look to the Congress to see how we shall resolve this question. Would you have them believe that a 30 percent tax is perfectly acceptable? Would you have them shift the cost of Minnesota government through the steel mills of Ohio and the auto industry of Michigan to consumers all across the Nation?

Mr. President, I have examined the taxes of the several States, our responsibilities to effectuate the commerce clause, and do believe that this legislation is necessary to preserve the flow of commerce between the States unburdened by parochial interests.

Finally, Mr. President, is the question of appropriate limits. This bill imposes a limit of 12½ percent. There is no magic to that number and it is chosen for entirely historical reasons. It may be that the appropriate limit is somewhat higher. However, if an appropriate limit is higher than 12½ percent, the burden to prove the necessity for a higher rate falls upon the States that would impose the tax.

The evidence clearly shows that many of the impacts of mining and energy production which might fall upon a State severance tax are now funded by other mechanisms. The Federal Government receives a royalty of 12½ percent from those who produce on Federal land. Fifty percent of this amount goes directly to the States to be spent as they determine. Another 40 percent is returned to the States through various categorical programs to mitigate impacts. In addition, Federal and State law requires that mining companies set aside funds from their revenues for land reclamation and improvements, the Federal Government has an energy impact assistance program under the Powerplant and Industrial Fuel Use Act to aid local governments to meet the costs of new development. And, in addition to severance taxes, most States and many localities impose other taxes on the mining and energy companies.

States which have excessive energy taxes in most instances put much of the money in permanent trust funds or use it to pay for the ongoing costs of Government while eliminating taxes that other Americans in consuming States regularly pay to support the cost of public services. The use of the revenues from these severance taxes is perhaps the best test of their necessity and the justifiable rate.

Throughout the course of the debate on this legislation representatives of the States affected will be able to make a case for their particular tax structure. That case should be based on the costs that mining imposes on State and local government. However, the most surprising aspect of the hearings held last August was the lack of any evidence of this type. We did hear much about the impacts, about the need for schools and sewers and hospitals, about the rising rates of alcoholism, child abuse, and crime. But no witness attempted to build a solid factual case to demonstrate that $1 per ton or $2 per ton was necessary to meet the impacts. There were many invitations to come and visit the towns and view the development, but no one invited us to look at the books, to examine the actual cost of development and to match those costs against the revenues available.

The evidence that was presented was all on the other side. It suggested that the impacts cost at most a few cents per ton. That revenues from existing taxes, from the Federal royalty-sharing program, and from the mined land reclamation law were more than enough to compensate the States for the impact of production.

Mr. President, the evidence shows that the costs of energy development impacts are much less than the 12½-percent limitation of this legislation, that revenues sufficient to cover the costs are acquired many times over from other taxes and royalties associated with production, and that the severance taxes of these States are little more than an attempt to shift the current and future costs of State and local government from the citizens who vote in that State to consumers across the Nation. My reading of the evidence tells me that 12½ percent is a very generous limitation designed to avoid conflict between the States and the Federal Government over the precise costs of impacts and leaves wide latitude for the States to impose a tax which is not a burden on interstate commerce.

The questions posed by Senator Nelson in the hearings last year were thoughtful and to the point. I was at that time an uneasy sponsor of this legislation. But I have examined the record, I have thought through the ques-

tions, and now come to the conclusion that this bill is a necessary step to preserve the powers of the Constitution, the rights of millions of Americans who live under it, and the free flow of commerce between the States unburdened by parochial interests.

Mr. President, this is the opening round in what will be a contentious debate in the 97th Congress. It is an important question to both sides. It is my hope that it can be decided on the facts and on the law. I hope that we will be preventing rather than beginning a period of economic warfare among the States.

Thank you, Mr. President.

● Mr. BENTSEN. Mr. President, in the immediate post-World War II period, coal provided almost one-half of our energy needs. Today, despite the fact that coal accounts for 90 percent of our fossil fuel reserves, we use it to meet less than one-fifth of our national energy requirements.

The United States, Mr. President, is the Saudi Arabia of coal. We have enough coal to power our economy for centuries, but we have been strangely reluctant to make use of this vast and significant energy asset.

Contrary to what some would have us believe, America is not energy poor; our coal is a vast and significant energy asset, but is not currently being developed to the maximum possible extent.

In recent years we have accepted a national commitment to replace imported oil with the American coal we possess in such abundance. We have seen that reliance on imported energy is expensive, costing us some $90 billion in 1980. The war between Iraq and Iran also underscores the vulnerability of that energy lifeline.

So I think we can all agree, Mr. President, that the process of conversion to coal makes eminent good sense for America. It is a vital ingredient of any sound energy or security policy for the future.

The conversion of coal, however, is not without its problems. Coal is bulky and expensive to transport from mine to market. Its increased use raises important environmental problems, and most of the low sulfur coal is located far from its final markets.

In fact, 40 percent of our total coal reserves and almost 70 percent of our low sulfur coal so much in demand is located in the States of Montana and Wyoming, most of it on lands and mineral leases owned by the Federal Government. This coal, Mr. President, is the common heritage of all Americans.

One of the factors inhibiting our conversion to coal is the high tribute demanded by Montana and Wyoming for access to this important national resource. The severance tax in Montana is currently 30 percent while the rate in Wyoming is 17 percent and there were reports last year that it would be raised to 21 percent. These exorbitant rates of taxation are in addition to the income from the leases on Federal lands and generate revenue for the States involved that far exceeds any reasonable cost incurred in production.

The bill I am cosponsoring today would limit the State severance tax to 12.5 percent but would apply only to federally owned coal, to resources that rightfully belong to all Americans, to the people of Detroit, San Antonio, and Minneapolis, as well as to the people of Butte and Laramie.

As a general proposition I believe any State has a right to levy a severance at any rate on any resource extracted from its land. I understand the important social, environmental, and local government costs involved when you remove vast quantities of coal. I know what it means for a State to draw down a valuable, finite resource, because my State has been a leading producer of American energy for more than a century.

I want to emphasize, Mr. President, that this legislation does not impinge on the sovereign rights of the States to impose a tax on resources located on private or State-owned lands. It refers solely to Federal and Indian lands.

Why do we need legislation to limit State severance taxes to 12.5 percent on coal from Federal and Indian lands?

First, the current high rates of taxation produce surplus capacity in many western mines at a time when we should be stepping up our coal production. With high severance taxes, Montana and Wyoming have more revenue than they need. According to the Congressional Budget Office, Montana should have a budget surplus of about $84 million by 1990, while Wyoming's surplus could exceed $328 million by that date. So two States have more revenue than they can use, but America certainly does not have all the low-sulfur Western coal it can use, and one reason for the shortfall is a severance tax that bears no relation to reality.

These high rates of State taxation on a resource that is the property of all Americans also drives up the cost of energy. Let me give you an example from the State I represent, the State of Texas. It is estimated that by 1985 Texas will burn almost 24 million tons of low sulfur Wyoming and Montana coal. Enactment of this legislation will save the consumers of my State tens of millions of dollars on their utility bills.

We are dealing with a basic inequity here, Mr. President. Why should the people of San Antonio pay sky high severance taxes to Montana and Wyoming for coal extracted from Federal lands? Coal that is simply not the property of Wyoming or Montana?

The imposition of punishing severance taxes by these two States, together with sharply higher transportation costs for coal, have led to the ridiculous situation in which American cities like Austin are looking into the possibility of purchasing coal from abroad. Last year the city of Austin could have purchased coal from Poland, South Africa, and Australia more cheaply than from Montana.

This legislation will save the American consumer hundreds of millions of dollars in unnecessary and unwarranted energy costs. It will be an important incentive to increased production of low sulfur western coal. It will restore an element of fairness to the manner in which Federal energy resources are developed, priced, and marketed.

I hope my colleagues will move rapidly to approve this important legislation.●

I yield at this point to one of the cosponsors of the bill, the Senator from Arkansas (Mr. BUMPERS).

The PRESIDING OFFICER (Mr. SPECTER). The Senator from Arkansas is recognized.

Mr. BUMPERS. I thank the Senator very much.

Mr. President, I would like to make an observation before I discuss the bill Senator DURENBERGER, Senator JEPSEN, and I are introducing this morning. Something is wrong with the sound system. I noticed when the Vice President was making his statement there was some kind of reverberation, and it sounded like we were in a barrel. It is something new, so I would suggest—I want everybody to hear my mellifluous voice at its very best—that if we cannot use this sound system until we rectify it——

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BUMPERS. I would be happy to.

Mr. ROBERT C. BYRD. Perhaps when you are in the minority it is like living in a barrel. [Laughter.]

Mr. BUMPERS. Mr. President, I introduced this bill last year with my distinguished colleague in the Senate, Mr. DURENBERGER. But I want my colleagues to understand what is at stake here.

This bill will establish a limit of 12.5 percent on the sum of State and local taxes which a State may levy on coal owned by the Federal Government and Indian tribes which is shipped in interstate commerce for utility and industrial use.

I have absolutely no quarrel with any State imposing a severance tax to take care of the legitimate costs they incur as a result of the environmental and economic damage because of energy development. I believe energy consumers should pay their share of those costs. But I do object to the use of production taxes to create windfall revenues, particularly at a time of national economic distress.

We are all committed to becoming energy-independent in this country, and everybody in the U.S. Senate knows that the only way you can do that is to produce coal and burn it.

You have heard the story about the good news and the bad news. The good news is we have more coal than anybody in the world, with the exception of China. The bad news is that we are going to have to burn it. We might as well get the show on the road.

The States of Montana and Wyoming hold 40 percent of all the coal in the United States and 68 percent of the low-sulphur coal in this country. The combination of huge coal deposits and Federal energy and environmental policies has allowed these two States to tax their coal at exorbitant rates of 30 percent in Montana and 17.5 percent in Wyoming (including a county ad valorem tax).

My State of Arkansas produces practically nothing compared to those States, but we have a severance tax of 2 cents a ton. Compare that with Montana's 30 percent, roughly $3 a ton; and Wyoming's 17 percent, and based on $10 coal, $1.70.

I have more than a passing interest in this because I represent the great State of Arkansas which is going to be dependent on Wyoming coal very shortly. We are going to import 12 million tons a year from Wyoming by 1985. The commitments are already made. That is going to cost the people of Arkansas, one of the poorest States in the Nation, over $20 million a year.

These are inflationary times, Mr. President. How are we going to improve our coal production to put these kinds of impediments in the way of producing it?

The other day Jim Edwards, the former Governor of South Carolina, and President Reagan's designee to be Secretary of the Department of Energy, appeared before the Senate Energy Committee. I said, "Governor, you are committed to getting the Government off people's backs." He said, "That is right."

I said, "That is a very laudable goal. I am going to assist you every way I can in doing just that, especially in those areas where Government really is unnecessarily intruding into private affairs of citizens." I said, "If you believe that, do you also believe in getting the State governments off people's backs, too?" He said, "Yes, sir." He was hot for that.

I said, "Well, then, of course, you could not possibly support a severance tax of 30 percent that the State of Montana has levied on coal that belongs to the U.S. Government, not their own coal or privately-owned coal."

Now, there is a constitutional question as to whether Montana can levy this exorbitant tax, and there is a case on this issue pending in the U.S. Supreme Court. Frankly, I think the Supreme Court will declare that tax unconstitutional. But if they do not, we are in one big, fat pickle if we do not get hot and do something about it.

Governor Edwards said, "No, I'm for States rights." Well, now, let me tell you, I am for States rights, too.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired. The Senator from Iowa has 17 minutes remaining.

Mr. BUMPERS. Will the Senator yield me just 2 or 3 minutes?

Mr. JEPSEN. Mr. President, I am pleased to yield 5 minutes to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I thank the Senator very much.

But I can tell you what is developing in this country, and nobody here should hide his head in the sand or be deluded about where we are headed.

We have about 6 States that are the big energy producers and we have 44 other States that produce very little but consume a lot. And I might just stop here and say, what do you hear economists say? You hear them saying that there is no way to gain control over inflation in this country until we curb our energy appetite and quit sending $100 billion a year to the OPEC cartel.

Well, let me tell you the sequel to that. You are going to destroy the economies of 44 States and particularly States like mine, if you subject us to whatever kind of a tax any State that produces coal, oil, or gas may choose to impose on the other States.

I believe in this Republic and I believe in States' rights. I also believe there are limits to everything.

Seventy-five percent of that coal out there is Federal coal. The Federal Government shares the benefits of this ownership with the producing States through generous royalty rebates—50 percent of Federal royalty collections returned directly to the States—and impact aid grants. The States of Montana and Wyoming have imposed their 30-percent and 17-percent taxes in addition to the substantial payments from the Federal Government, and in disregard of the fact that much of the coal they tax is designated for the common benefit of all Americans.

I see my good friend from Nevada, Senator LAXALT, in the Chamber. He tells me constantly about the Sagebrush Rebellion and about how the people out West feel put upon. And I think they have a legitimate complaint. I think it is probably the way some of these regulations are implemented by highhanded bureaucrats rather than the regulation itself.

When he tells me the people out there simply want to be consulted and they want some input into their affairs in the use of Federal land, I say they are entitled to it and I will support it.

But I say this: If you allow coal prices, through a severance tax or any other mechanism, to track whatever the OPEC cartel decides to set on oil, you are going to destroy this Republic. "United we stand; divided we fall." And that applies more than anything else to energy right now. And you "ain't" seen anything yet.

Let me give you a few statistics here which I think you will find interesting. There are 20 States that are almost totally dependent on coal from these Western States. Who are the customers? The utilities. And what do the utilities do? Frankly, they would like to see this bill passed. But, if it does not, they are just going to pass it on to their consumers. The fine people in my State of Arkansas, who just happen to rank 48th in per capita income, are going to have to pay that $3 a ton in their electric bills and yours are, too, and do not forget it.

In 1979, Montana and Wyoming collected $120 million in coal severance taxes. It is estimated that by the mid-eighties that figure will be $360 million. The State of Montana has been reducing its property and income taxes.

I do not want to lose Alaska's support, if I have any, on this bill, but did you know that Alaska has a $1.3 billion annual budget? They can increase that budget 12 percent a year, give everybody in the State a nice, fat rebate and abolish all taxes and, by the year 2000, still have somewhere between $20 billion and $100 billion surplus. And where did it come from? The other 49 States.

What difference does it make if you have a massive outflow of capital from this country to the OPEC cartel or to a very few States in this country? We can be bankrupt either way.

Will the Senator yield 1 more minute?

Mr. JEPSEN. Yes.

Mr. BUMPERS. Mr. President, I want to be certain that everybody understands that this is not a punitive measure. I hope it will be a sobering measure on all energy-producing States.

I do not know whether we can pass this or not. We could not pass it last year, because people claimed, "States' rights? Well, can we?"

Before the Civil War, every thoughtful person knew that if we went to war, it was going to wreck this country. Jefferson Davis, who used to sit at that desk, which is occupied by the distinguished Senator from Mississippi, was a sitting U.S. Senator before the war.

He went home to his great State of Mississippi to a convention to decide whether they were going to secede from the Union or not. One of the eight votes against secession was cast by Jefferson Davis, who was later the President of the Confederacy. He loved the South too much to refuse to serve, but he knew it was folly and voted against it.

All I ask everybody to do is to look at the bill. Look at the statistics. See where you think this country is going in energy production and the effect it is going to have. It is going to create something closely akin to an energy war if we do not understand. The President said in his Inaugural Address yesterday, that we cannot solve this problem with one group paying a much higher price than anybody else. Congress simply cannot sanction a taxing practice which threatens national energy production goals, adds to already crippling inflation, burdens interstate commerce, and defies the spirit of national cooperation which this country so desperately needs to combat the severe problems of the coming decades.

I thank the Senator very much for yielding.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, I rise in support of this legislation which places a cap on the amount of coal severance taxes that individual States can levy on coal mined from Federal lands or lands held by Native America Indians.

Excessive State coal severance taxes are unfair, inflationary, and contrary to the urgent national policy of developing America's coal production as expeditiously and efficiently as possible. It is time for Congress to limit these taxes so they fairly reflect the actual cost of services that States provide in connection with coal mining.

As part of a plan to reduce our dependence on foreign sources of energy and encourage our domestic energy production, Congress has passed measures to stimulate production of the massive coal reserves in this country. Because coal is one of the most promising domestic energy sources of the future, Congress has worked to remove excessive burdens on coal production used in power plants and major fuel-burning installations.

As has been suggested earlier this morning, the Western States in this country have a monopoly on the clean, low-cost, low-sulfur coal that we have in such abundance. Unfortunately, some States, well aware that they are sitting on "black gold," have been quick to exercise their powers to exploit it by imposing the severance tax.

Severance taxes—also known as licenses, gross receipts, occupation, and ad valorem taxes—are levied on raw materials that are removed, or "severed" from the ground. The tax is usually based on a percentage of the value of the coal at the time it is extracted from the ground. While liability for the tax falls on the owners of an energy-producing facility, ultimately the energy consumer—those of us who have homes or businesses to heat—picks up a bigger bill.

Certainly, there are good reasons to place severance taxes on certain goods. Coal severance taxes help defray the cost of services that States must bear to support coal production.

I might add that in researching this problem of severance taxes on coal and finding there are severance taxes on oil and many other things, the thought occurred to me, as a resident of the State of Iowa, a major food producing State in the Nation, that maybe we ought to have severance taxes on food to deal with the very serious national problem of soil erosion.

But that is not the issue here. The issue here is coal severance taxes that help defray the cost of services that the State must bear to support coal production. At least two States in the West have hiked the coal severance tax up so high that this tax is used to reduce other forms of taxes, including sales and income. In one case, for example, the tax imposed is 30 percent of the initial mining cost. Severance taxes are making such profits that the States involved have actually been able to place portions of the revenues in trust funds that will earn high interest rates.

It is significant that the majority of these taxes are levied on coals mined on Federal or tribal lands; in other words, lands not owned by the State or by private citizens. Because the coal lays on Federal or tribal lands, the States already receive millions of dollars in royalties and impact aid from the Federal Government without needing to impose a severance tax to cover necessary coal production costs.

In addition, the cost of these severance taxes to other States is overwhelming. For instance, in 1978 my own State of Iowa purchased $28.8 million of coal from Wyoming and Montana, the two States with the highest coal severance taxes. On top of that price, Iowa had to pay an additional $5 million in severance taxes to these States.

In 1978, Montana collected approximately $40 million on coal produced in 1978, and Wyoming has collected more than $66 million from its severence tax levy. However, if the tax on coal mined on Federal or tribal lands instead had been levied at 12.5 percent, as proposed in the bill we are introducing today, the revenue would have amounted to $16.6 million for Montana and $48.5 million for Wyoming. Both amounts are more than fair, and at the same time would have saved taxpayers and consumers in other States more than $41 million.

Financial experts agree that if Montana continues the coal severance tax at its present rate, by the year 2010 the State will have collected over $20 billion in severance taxes. If, however, the tax is limited to 12.5 percent, Montana's revenues would be reduced to $8.3 billion. That is certainly a fair sum, and a more reasonable one for out-of-State consumers to pay.

Such a limitation, though by no means restrictive, will help to restore equity among the citizens of all States by removing this major economic threat to our goal of developing national energy independence.

DEPARTMENT OF STATE

NOMINATION OF ALEXANDER MEIGS HAIG, OF CONNECTICUT, TO BE SECRETARY OF STATE

The PRESIDING OFFICER. Under the previous order, the Senate will resume the consideration of the nomination of Alexander Haig to be Secretary of State, which the clerk will state.

The assistant legislative clerk read the nomination of Alexander M. Haig, Jr., of Connecticut, to be Secretary of State.

CALL OF THE ROLL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. May I say, this will be a live quorum call. The Senate's role to advise and consent is very important, and the Senate's action will have an important impact on the history of this country. I believe the RECORD should show that this is a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 3 Ex.]

Abdnor	Garn	Packwood
Baker	Hollings	Pell
Baucus	Jackson	Percy
Bumpers	Jepsen	Proxmire
Burdick	Johnston	Pryor
Byrd, Harry F., Jr.	Kasten	Rudman
	Kennedy	Schmitt
Byrd, Robert C.	Laxalt	Specter
Cohen	Lugar	Stennis
Cranston	Mathias	Stevens
Dodd	Mattingly	Tower
Durenberger	McClure	Tsongas
Ford	Nickles	Weicker

Mr. BAKER. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators. I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. SYMMS) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. INOUYE), the Senator from Georgia (Mr. NUNN), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

The PRESIDING OFFICER. Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 94, nays 2, as follows:

[Rollcall Vote No. 2 Ex.]

YEAS—94

Abdnor	Exon	Metzenbaum
Andrews	Ford	Mitchell
Armstrong	Garn	Moynihan
Baker	Glenn	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Bumpers	Hayakawa	Pryor
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Riegle
	Helms	Roth
Byrd, Robert C.	Hollings	Rudman
Cannon	Huddleston	Sarbanes
Chafee	Humphrey	Sasser
Chiles	Jackson	Schmitt
Cochran	Jepsen	Simpson
Cohen	Johnston	Specter
Cranston	Kassebaum	Stafford
D'Amato	Kasten	Stennis
Danforth	Kennedy	Stevens
DeConcini	Laxalt	Thurmond
Denton	Leahy	Tower
Dixon	Levin	Tsongas
Dodd	Lugar	Wallop
Dole	Mathias	Warner
Domenici	Matsunaga	Weicker
Durenberger	Mattingly	Williams
Eagleton	McClure	Zorinsky
East	Melcher	

NAYS—2

Goldwater	Long

NOT VOTING—4

Inouye	Randolph	Symms
Nunn		

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

THE JOURNAL

Mr. BAKER. Mr. President, as in legislative session, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF STATE

NOMINATION OF ALEXANDER MEIGS HAIG, OF CONNECTICUT, TO BE SECRETARY OF STATE

The Senate continued with the consideration of the nomination.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, the Senator from Illinois certainly wishes to put on notice every Senator now, and Senator PELL wishes to do the same, that anyone who desires to speak on the nomination before us for Secretary of State should prepare to do so and give us some idea when he wishes to do it.

We had very few requests. We hope we can move forward expeditiously.

The Senator from Illinois is happy to yield to our distinguished colleague, a member of the Foreign Relations Committee, Senator HAYAKAWA from California, for his brief remarks.

Mr. HAYAKAWA. Mr. President, I am grateful to the distinguished Senator from Illinois for yielding me this time.

Mr. President, I am proud to support the nomination of Alexander M. Haig as Secretary of State. I believe he will be outstanding.

He brings considerable knowledge and experience to the job. His tenure as NATO Commander in Europe has been universally praised.

It was in Brussels, by the way, that I first met him when he was giving us a briefing on the military situation in Europe.

History has many examples of people who have been great soldier-statesmen—George Washington and George Marshall in our own history, General de Gaulle in French history and Tokugawa Iyeyasu in Japanese history. Along with his NATO experience, Mr. Haig showed attributes similar to these great soldier-statesmen during the 5 days of intensive questioning by my colleagues on the Foreign Relations Committee. He showed patience, understanding, a sense of purpose and firmness, all necessary qualities for dealing with both our adversaries and our allies.

During the many hours of hearings he answered dozens and dozens of questions about the U.S. policy for dealing with virtually all the major nations of the world. His forthright answers gave me as well as the other members of the committee, the press, and the American public, a very clear view of where he stands and what he stands for.

His opening statement illustrated his deep understanding of the actions needed to restore strength and honor to this country's foreign policy and its image abroad. We need consistency. We need reliability. We need balance.

And Mr. Haig understands the American people. He spoke about our willingness to bear the burdens of international leadership and his belief that the American people have not lost their will but that we have been confused—and I quote him, "confused with respect to the nature of dangers facing us and perhaps confused with respect to the priorities we should establish to deal with those dangers." We need no longer be confused.

Mr. President, I am thoroughly convinced that Mr. Haig, working with President Reagan, will dispel that confusion and forge a new consensus so that we may establish our priorities in an orderly, systematic and unified manner.

At this particular time in our history, we need Mr. Haig and I urge my colleagues to act expeditiously so that we may begin to master the problems we face in the global environment.

Thank you, Mr. President.

Mr. PELL. Mr. President, I would like to yield to the Senator from West Virginia (Mr. ROBERT C. BYRD).

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, within the executive branch of government, I believe the office of Secretary of State to be of an importance second only, in many respects, to that of the Presidency itself.

As a result, the decision I have reached on the nomination of Gen. Alexander Haig was not easily reached, and the factors that influenced me are subtle and difficult to convey.

In setting forth the basic rationale for our constitutional system, James Madison observed in the Federalist Paper No. 51, "If men were angels, no government would be necessary."

Quickly recognizing this as little more than wishful thinking, Madison turned his attention to the central problem that confronted him and his colleagues in the drafting of the U.S. Constitution.

"In framing a government which is to be administered by men over men," Madison wrote, "the great difficulty lies in this: You must first enable the government to control the governed and in the next place oblige it to control itself."

And while recognizing that in such a government, the people themselves would exercise "the primary control over the government," Madison went on to observe, "but experience has taught mankind the necessity of auxiliary precautions."

It was with these thoughts in mind that the Founding Fathers devised our system of checks and balances. The purpose of this system must command the unfailing allegiance and loyalty of all who serve our Nation and our people.

For those who hold public office or positions of trust in our Government, there must be a natural or spontaneous inclination and desire to respond positively to this purpose and to all that it requires.

From this perspective, I shall vote against the nomination of Alexander Haig to be Secretary of State.

In this regard, I have not attempted to persuade any of my colleagues as to the correctness of my decision. Quite the contrary. Moreover, I have attempted to expedite all of President Reagan's nominations, because it is important for the President to have his cabinet confirmed and in place as soon as possible. The confirmation of Secretary of State is no exception.

Some time ago, in responding to a question at my weekly news conference, I said that General Haig, if nominated, would come under "intense, thorough and appropriate scrutiny" during the confirmation process. I believe—given the information available at this time—that the Committee on Foreign Relations has fulfilled this responsibility as well as it could under the circumstances that it had to deal with.

I commend the members of that committee for their dedication to duty.

My vote today is a personal decision. But I do not mean it to carry the slightest animosity or convey the least ill will toward General Haig personally.

I realize that General Haig's nomination will be confirmed today by a substantial majority of this Senate. As he begins his duties in this important post, I wish him well, and I assure him of my cooperation. I firmly believe that foreign policy has to be conducted in a bipartisan manner for the good interests of our country.

I do feel, however, that, if only to be fair to the nominee, it is imperative for me to state the reasons for my opposition to this nomination.

I cast my vote today not because of a single issue, or because of a regrettable event that occurred while General Haig served on the White House staff.

I have attempted to examine the tapestry before us and to make my decision based on the totality of General Haig's record, which, in some areas, is exemplary. On certain issues, I find that General Haig's views and my own are similar—particularly in regard to his concerns about the actions, policies, and intentions of the Soviet Union and the need to strengthen the North Atlantic Treaty Organization.

However, in my mind, despite more than 30 hours of testimony, the case for General Haig's confirmation remains clouded. In part, this is due not so much to unanswered questions on Watergate per se, but rather to unanswered questions—some of which were perhaps never asked—regarding the abuse of power—and that, in the final analysis was what Watergate and wiretaps were all about.

While I believe General Haig has respect for the Constitution of the United States, I am afraid that he lacks a fundamental understanding of, and sensitivity to, the designated and distinct roles and responsibilities of the executive and legislative branches of our Government.

If he does have this comprehension, it was not, in my opinion, communicated clearly and to the fullest during his confirmation hearings.

Senators were seeking assurances in the hearings that the constitutional limits on executive power would be respected, and that there would be an appropriate sensitivity on the part of the nominee to the importance and propriety of the Congress role in foreign policy.

Members of the Foreign Relations Committee attempted to obtain certain evidence that might have confirmed or dispelled questions that have arisen concerning General Haig's White House duty. They were unable to get that evidence.

Since this information was unavailable, the past had to be explored in generalities. The committee members had to discern the nominee's attitude about potential abuses of power by means of questions geared to reveal the way in which General Haig would apply his talents and experience.

The questions were keyed to discovering how General Haig would interpret

and utilize his own power; how he perceived the sometimes thin distinctions between what is right, and what is merely expedient; how he would interpret violations of the public trust; and how strongly he believes in the tenet that—under our form of government—the ultimate wisdom and authority lie with the people.

The Senators on the committee were trying to perform their Constitutional duty. "Advise and consent" is not—and never was intended to be—a pro forma exercise. Congress is the people's branch of government. And the advise-and-consent mechanism is the people's only way of participating through their duly chosen representatives—in the examination of the qualifications of nonelected, but vitally important officers of their government.

The President, supported by the mandate of the electorate, should, of course, have the right to choose his own cabinet members and other aides. But simply put, the Senate bears the sober and heavy responsibility of judging whether Presidential nominees merit public trust. In my judgment, General Haig's testimony before the Foreign Relations Committee left me with a deep concern—a concern that leaves me no choice but to cast one vote against the nominee.

I hope that my concerns will give way to reassurance as Mr. Haig's experience in dealing with the affairs of State unfolds.

It is also my hope that General Haig will come to appreciate and use the wealth of talent and expertise that reside within the Senate, on both sides of the aisle.

Working together, with mutual respect, is the only way to approach the future. General Haig has my assurance of cooperation and support in the field of foreign policy, and I hope that the Congress will benefit from his most candid, full, and forthright advice and trust as we work together in a bipartisan way to develop and implement a foreign policy that will best serve the United States of America.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, while the minority leader is still in the Chamber, we have worked together on many, many common projects through the years that we have been in the Senate. We have always been accommodating on those projects, particularly when it related to coal in West Virginia or Illinois.

In this case, we do differ. I hold a deep respect for the judgments rendered by the distinguished minority leader. He did not come about those judgments lightly, but after a tremendous amount of thought. He is conveying a message of his concerns and he has expressed those very forthrightly on the floor today.

I would simply say that some of the same questions, obviously, came to members of the committee. In the probing and digging that we did with General Haig, we did explore, in depth, his attitude toward his understanding of the respective constitutional authority of the legislative branch—the Senate particularly in foreign affairs—and the executive branch and the interrelationship between the two branches that is essential.

He not only has indicated his desire to be responsive, to consult frequently prior to the making of major decisions, which in this past administration was not always done—most obviously in the recognition of the People's Republic of China and the new relationship with Taiwan. Senator JOHN GLENN made the strongest representaion that on an action of that kind the Senate should have been advised more than just an hour ahead of the broadcast to the Nation that the announcement was already in preparation.

We have the strongest assurances from General Haig that as Secretary of State, he would consult frequently with the Foreign Relations Committee and, through that committee, to the Senate. He phrased it one time, as I recall, in a way that I felt was a little surprising, but it certainly got the point across. He said, "I recognize I am back at the beck and call of the Senate."

Now, I have assured him that we think his primary job is to run the State Department and develop with the President the foreign policy of this country. I said also that I was shocked, in conducting hearings on the reorganization of the intelligence community, that we found that the head of the CIA, Mr. Colby, had spent 60 percent of his 3 years preparing for, giving testimony, or cleaning up after testimony before a proliferation of eight committees of the Congress.

I assured General Haig that, as Secretary of State, we would not make unreasonable demands, provided the people he picked were so competent as deputy secretaries, under secretaries, and assistant secretaries that we could then call upon those people, knowing that you cannot always have the Secretary down here. But he reached out to say that he would always be available at the time of our choosing, providing we can put our respective schedules together.

With respect to advise and consent, he has already indicated his willingness to consult on a matter that Senator Baker has talked in depth with President Reagan about during the past several months: that is, arms control. He said that ahead of time he would want to consult with us at every step of that process.

In fact, one particular area where we do not have any advise and consent authority, the casting of the U.S. vote for the next Secretary General of the United Nations—a prerogative entirely of the executive branch of the Government—he went out of his way to say that no decision would be made until he had consulted with us and talked with us.

I respectfully ask the minority leader, at this time or some time in the future, to advise the chairman and the ranking member of the Senate Foreign Relations Committee in those areas where, if I recall his words, he said he was left with deep concern with respect to General Haig's attitude toward comprehension or understanding of the constitutional separation of powers.

I would lean over backward in those areas, having such respect for the distinguished minority leader, to see that, as a committee, we did everything possible to reassure him.

The PRESIDING OFFICER. All of the time of the Senator has expired.

Mr. PELL. Mr. President, I am glad to yield such time as the Senator from Illinois may need.

Mr. PERCY. Mr. President, I thank my distinguished colleague. I will be very brief.

If, at any time, on any particular issue of deep and abiding concern that the distinguished minority leader has, such as arms control and the Panama Canal in the past, where his working relationship with the now majority leader was crucial in the Senate acting in a positive way, in cooperation with the executive branch, we would cordially invite the distinguished Senator to join the committee and question General Haig as the Secretary of State at any time he wishes.

But I do hope any particular areas where we can clarify in the record that has been made, we would be happy to do so before the vote is taken this afternoon.

Mr. PELL. Mr. President, I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the distinguished chairman of the Foreign Relations Committee could not be more gracious. I deeply appreciate what he has said.

I have no doubt but that the Foreign Relations Committee, under the leadership of Mr. PERCY and Mr. PELL, will carefully and thoroughly go into all matters and will be very protective of the prerogatives of the third branch which, in fact, is the first branch, the people's branch, as it appears first in the Constitution.

But I have said what I have said. I have indicated that, regardless of my personal feelings on the nomination, I have no doubt but that it will be overwhelmingly confirmed this afternoon and that I will extend to the utmost my own understanding and cooperation to Mr. Haig as he proceeds in his onerous duties as Secretary of State. That cooperation I owe not only to him but to my country. He shall have it; the President of the United States shall have it.

That does not mean we will always agree, but it does mean that I will attempt to, the best I can, serve the best interests of the United States and to work with the Secretary and the President and the majority party in developing and implementing the foreign policy in such a way as to be most beneficial to the United States.

I have merely for the record stated my own personal concerns. I have been found wrong before in my judgment. As I indicated this morning, I was found wrong in my perceptions of what the Constitution requires in connection with the Civil Rights Act of 1964. I fervently hope I am wrong again. I think that is about all I can say.

Mr. PERCY. Mr. President, of the 30 minutes allocated to Senator WEICKER, he has indicated to the floor manager of the nomination that he will only take 10 minutes. I ask unanimous consent that I be yielded 2 minutes of that time now.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. While the distinguished minority leader is on the floor, on his particular concern I would like to read what General Haig said when he was questioned on this very point. I do not know how we can express it any differently or better than he has. We must remember that before he testified, at his insistence he placed himself under oath, a most unusual step for him to take. I said it was not necessary. He said:

> I want to be under oath in everything I say and everything I submit to the Committee on Foreign Relations.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. PERCY. Yes, of course.

Mr. ROBERT C. BYRD. I applaud General Haig for asking to be put under oath. I think he should have been put under oath. If I were there at the hearing in his stead, if the committee had not asked me to be put under oath, I would likewise have asked to be under oath. I think it was appropriate that he did it, and I think the committee should have done it. I think General Haig is to be commended for his recognition of that fact.

Mr. PERCY. The committee did not insist upon it or did not resist it, I might say, but we have not done that as a practice. Always, as a matter of committee practice on the Permanent Subcommittee on Investigations, no witness can be heard without being sworn. In this case, we certainly appreciated his volunteering to do so. He said:

> Second, an effective partnership must be restored with the Congress. By "partnership," I do not mean occasional retrospective reporting. I mean active consultation, exchange of ideas and proposals in a timely manner, in an atmosphere of mutual respect, trust, and confidence, recognizing the special role of the Senate itself.
>
> The Congress can hardly be expected to allow the President the discretion he requires unless it is comfortable with the purposes toward which, and the limits within which, that discretion will be exercised. The Constitution demands it, and good sense urges it. In turn, Congress must do its part. In a partnership, both sides must behave responsibly.

So I do feel that on record the statement could hardly be improved upon as to his commitment he has made to the Senate of the United States.

Mr. ROBERT C. BYRD. I think it was an excellent statement.

Mr. BAKER. Does the Senator from Illinois now have 20 minutes, Mr. President, according to the previous unanimous-consent request just granted? It is my understanding that the Senator from Illinois, as a representation of the Senator from Connecticut, asked that 20 minutes of the 30 minutes allocated to the Senator from Connecticut be yielded to the Senator from Illinois. It was my impression that was done previously. Will the Chair so advise me?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I may overcomplicate this, but could the distinguished majority manager of the bill yield me 1 minute?

Mr. PELL. With pleasure.

Mr. BAKER. Mr. President, I regret that the distinguished minority leader did not deem it possible for him to support the nomination of General Haig, but I am reassured by his representations of future cooperation; indeed, his expressed hope that his judgment at this point may be proven wrong in the future. That is characteristic of the Senator from West Virginia, of his sincerity and dedication to his responsibilities in the Senate. I am sure that he will find in General Haig a man of skill, competence, ability, dedication, courage, and honor will be occupying the office of the Secretary of State. Mr. President, I support the nomination of General Haig to be Secretary of State.

Mr. President. As the festival of the inauguration ends, as we turn with the new administration to the many challenges that confront us, I am reminded that there is no period of grace to be granted simply because we have celebrated the peaceful transfer of power from one administration to the next. The challenges we face are of an immediate and continuing nature, particularly those that confront us abroad, and so I am doubly gratified that the Senate is moving expeditiously to the confirmation of Alexander Haig to be Secretary of State.

In the opening days of the hearings of the Senate Foreign Relations Committee on this nomination, I stated that it was my judgment that Alexander Haig would become a historic Secretary of State. In the many hours of Mr. Haig's testimony that followed that statement, I heard nothing that would cause me to reflect further on that judgment or qualify it in any way. In fact, as the hearings progressed, and as the character of the man emerged that I had begun to know in the several weeks prior to those hearings, my initial judgment and confidence in Alexander Haig was strengthened and reinforced.

I would add one further note Mr. President and that is an observation I have made many times before with respect to my belief that the Soviet leadership, intentionally and by design, attempts to test early the mettle of each succeeding administration. That test occurred early in the Carter administration in the form of a massive arms buildup in northern Africa, specifically Ethiopia, and without indulging too much in recrimination on things passed, it is my judgment that they tested the Carter administration, were satisfied with the results and 4 years later we find them firmly entrenched in Afghanistan and poised militarily to intervene against the people of Poland.

Mr. Haig has demonstrated that he can see the broad sweep of history and knows full well that each Soviet adventure or intervention is neither episodic nor to be viewed in isolation. If there is any hope to avoid the prospect of slipping by degrees toward conflict, it is in the manner in which we meet that first test of this new administration. I am convinced that Secretary of State Haig, and the Reagan administration as a whole, will met that test firmly and meet it in a way that does not lead to a succession of events similar to that witnessed over the past 4 years.

I support strongly this nomination. Both as the Republican leader of the Senate and as a member of the Foreign Relations Committee, I look forward to a prosperous and successful relationship between the Senate and the administration in the formulation of the foreign policies of the United States. I would urge my colleagues to confirm this nomination with a demonstration of strong bipartisan support.

Mr. PELL. Mr. President, I yield to the distinguished Senator from Massachusetts such time as he desires.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. TSONGAS. I thank the Chair.

Let me say at the outset that the hearings on General Haig were extensive. I think it is proper to acknowledge the leadership of Senator PERCY and Senator PELL in having a hearing process that was not marked by acrimony as it could have been had the principals been less gracious in their approach. I would like to publicly thank them for their consideration.

Mr. President, I spoke on this issue almost a week ago and have had time to reflect on my thoughts. As time has gone on, I feel more strongly about why I voted the way I did. I would like at this point to read from the statement I made last Thursday:

> Mr. Chairman, I would like to state the reasons for my vote on the confirmation of General Alexander Haig as Secretary of State.
>
> I have sat through five days of extensive and at times exhaustive questioning of General Haig. I have listened to his answers on the broad range of issues discussed, and I have observed Alexander Haig, the man, as he endured the hours of inquiry.
>
> What we had before us was an extraordinary man. The talents given to him are not to be taken lightly. Capable. Intelligent. Tough. Pragmatic. A sense of history and a knack for retaining his options.
>
> In terms of raw talent, General Haig is the most impressive man I have encountered in a confirmation hearing. He will use this talent to dominate this Administration—I have absolutely no doubt about that.
>
> There are within this man all the ingredients necessary for an historic tenure as Secretary of State. Not average. Not sufficient. But historic. A man who has the potential to be honored by both Republicans and Democrats, by both conservatives and liberals.
>
> We are dealing with a high risk, high gain opportunity.
>
> What risks are involved here? The risks inherent in having all those enormous skills not properly focused by a dominant sense of moral purpose. The risk of expediency, despoiling the otherwise solid performance.
>
> How real is this risk?
>
> I do not know. I am not convinced either way. Only time and history will tell.
>
> So what then is my function? My function is to let General Haig know that there is a Foreign Relations Committee dedicated to its oversight function; that there are some of us who believe strongly that America stands for a certain set of principles that are not to be disregarded; that we are a nation of laws, not men.
>
> If this coincides with General Haig's own view, then my caution and role will have

been unnecessary. If it does not, then I will have served my function as I see it, no matter how lonely the task.

I admire talent and capacity and strength. General Haig has them all. Combine that with a sense of moral limits, and you have the stuff of legends. Absent that sense of limits, and you have the potential for tragedy.

Given my feelings of doubt, my function then is one of vigilance. And I feel that I can best express the seriousness of my commitment to that vigilance with a nay vote.

I wish General Haig well because above all I am an American whose life and whose family's lives are to a real degree in his hands. God gave him much. It is up to him to write this upcoming chapter of American history in a way that will honor us all. I truly hope for his success.

Those were my feelings last Thursday, and those are my feelings today. Having had a chance to reflect on the hearings and what has happened since then, I think that if there is one conclusion that remains in my mind it is simply this: I believe that General Haig is well served by having a Foreign Relations Committee that he respects if he takes into account that committee in the recesses of his mind. I think the danger is that if these issues were not raised, we would not be taken seriously, and I think that that would not only be harmful to the Senate and the country, but in a very real sense to General Haig as well. I wish him well, and I look forward to working with him.

I thank the Senator from Rhode Island for having yielded me time.

Mr. PELL. Mr. President, I yield to the Senator from Maryland such time as he may desire.

Mr. SARBANES. Mr. President, I thank the ranking minority member.

Mr. President, I want at the outset to thank and commend the chairman of the committee, the Senator from Illinois, and the ranking minority member, the Senator from Rhode Island, for the fairness and skill with which they cooperated in conducting the hearings on this nomination. The hearings took 5 days and were the most extended and intensive hearings with respect to a Secretary of State in recent memory. The committee fully discharged its responsibility—a responsibility not to be taken lightly. The end result of the committee's action was a full, fair, and thorough hearing which enabled committee members to inquire into General Haig's views on a broad range of subjects, in terms of specific policy, in terms of an appreciation of the institutions of our Government, and in terms of his views on the uses of and limitations upon the exercise of power under our Constitution.

Mr. President, my own concerns in the course of the hearings centered primarily upon the question of sensitivity to the use of power under our constitutional system and the judgments which General Haig would make in this regard. He was a major figure in the White House, including 15 months as Chief of Staff, during the years when such serious abuses of power occurred that, in the end, they resulted in the resignation of President Nixon in the face of certain impeachment by the Congress of the United States.

As Secretary of State, General Haig will be in the leading policymaking position in the Cabinet. This is the preeminent Cabinet post—a post in which the person occupying it does not merely execute the policy set by the President, but, in a very real and significant sense, makes policy. Given the role of the office, given the discretion lodged therein, it was pertinent to try to ascertain the kinds of value judgments General Haig would bring to his responsibilities and the limits on constitutional power which he would draw.

A number of questions were asked by various members of the committee with respect to this issue. The questioning was directed at obtaining from General Haig value judgments with respect to the various events which are embraced under the term Watergate. It was not an effort to implicate him, in terms of his own actions, in those events or to rid from him a "mea culpa." Rather it was all effort to ascertain how, with the benefit of being able to look back, he viewed the events which took place and the various abuses of power which occurred and which finally led to the resignation of the President. It proved very difficult to obtain a response to that line of questioning.

After a long break over the lunch hour, General Haig did return and ask the committee if he could make a statement. He then proceeded to read a written statement drawing some important conclusions with respect to events and activities which had occurred at that earlier time, and about which he had been questioned. While that prepared response provided some reassurance, my concerns on these fundamental questions of the limits on constitutional power which General Haig would draw and his perceptions with respect to the use of power under our unique form of constitutional government remain too strong for me to be able, in good conscience, to support the nomination.

Mr. President, I said during the course of the hearings that General Haig is a man of considerable abilities. That view, in many respects, was strengthened during the course of the 5 days of hearings. I sincerely hope that his performance in office will prove the continuing concerns which I have expressed to be unwarranted. As a member of the Senate Committee on Foreign Relations, which has constant contact with the Secretary of State, I anticipate working closely with our new Secretary to strengthen our Nation's foreign policy and to insure the vitality of our democracy.

I thank the Senator from Rhode Island for yielding me time.

Mr. PELL. Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I understand that under the order, I have 30 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. Mr. President, I have a series of questions for the distinguished chairman of the Committee on Foreign Relations, the Senator from Illinois. The first series of questions I wish to address to him deals with the Genocide Convention. He may be surprised at that. I am interested in the Genocide Convention; I am sure he is, too.

Mr. President, every President and every Secretary of State since the Truman administration, Republican and Democratic, has supported Senate approval of the Genocide Convention. The American Bar Association and all the major religious and ethnic organizations in the United States also have indicated their support. President Nixon renewed the appeal to the Senate in 1970 even though the issue is permanently before this body.

I am pleased to note that during the course of the hearings, Secretary-designate Haig has given his support to the Genocide Convention and has stated that his—

> Ratification would unquestionably be helpful in various international forms where the United States has been criticized for its failure to ratify the Genocide Convention.

He goes on to say that this failure "is ironic because the United States was a leader in the post-World War II effort to conclude this Convention as an expression of revulsion to the holocaust and as a deterrent to recurrence of such crimes against humanity."

I ask this of my friend from Illinois: Given this support by Secretary-designate Haig, does the committee chairman believe that the Genocide Convention can be brought before the Senate early this year and finally passed?

Mr. PELL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. PELL. Prior to the reply by the chairman, I should like to support strongly the question of the Senator from Wisconsin.

I raised the same question with Mr. Haig at the hearings and received a somewhat vague answer. He gave a somewhat more specific answer, in writing, to Senator PROXMIRE's question.

This is of great importance, and I hope very much, indeed, that the chairman might give very real thought to the idea of holding hearings and finally ratifying that convention.

Mr. PERCY. I assure my distinguished colleagues that in view of the strong feeling of the ranking minority member of the committee—something that the chairman values very highly, as he values the judgment of the distinguished Senator from Wisconsin, and other Senators who feel that way—we will give this convention careful consideration, but there are certain other matters which are more important or at least more pressing. For example, there is the matter of our relationships with Canada, the treaties on boundaries and fisheries, which is rupturing our relationship with our next-door neighbor. That is an important treaty deserving early consideration.

The chairman can assure the Senator from Wisconsin that he will present this to the committee and hope to arrive at an early date for consideration of a vote on this matter, which has been held over for so long.

Mr. PROXMIRE. I appreciate that.

The Foreign Relations Committee reported this matter to the Senate four times. I hope that in view of the fact that it has had bipartisan support—it is not a partisan matter—and is a matter of deep concern to millions of Americans, the chairman of the committee will see to this personally. I believe he personally supports the treaty. Is that correct?

Mr. PERCY. That is correct.

Mr. PROXMIRE. I hope he will do his best to bring it before the committee.

I do understand that this is regarded as less important than some other treaties. I understand that it may be a matter of time and not substance. I hope the Senator will do this, so that I can sit here without getting up on the floor of the Senate, as I have done for almost 12 years, and pleading for action on this convention.

In the second place, the Secretary indicates that subject to the approval of the President, the administration will submit formal recommendations at the earliest possible date.

Does the chairman see any procedural problems associated with a renewed request for ratification of the convention—that is, a renewed request from the Reagan administration?

Mr. PERCY. The chairman sees no procedural problems.

Mr. PROXMIRE. It is my understanding that, subject to the approval of the President, the administration will submit formal recommendations at the earliest possible date. I ask this of the chairman: Does he see any procedural problems associated with a renewed request for ratification of the convention? In other words, is there any procedural reason that would forestall this in the committee?

Mr. PERCY. The chairman does not foresee that at the present time, though he has not polled all the members on this particular issue.

Obviously, the Senator from Wisconsin is aware of the fact that we can talk an issue out at some considerable length. We have a very full agenda, including the nomination process for more than 100 nominations that will come before us.

We have a very high priority with respect to the Canadian Boundaries and Fisheries Treaty, against which the distinguished ranking Republican member has taken a vociferous position. He has said that he would talk at considerable length—I think forever—on the present treaty, on the present terms. But he has indicated a willingness to work out a compromise that would be acceptable to both sides and try to move forward with that.

The chairman would have to put a priority on an item such as that, particularly if we consider that we might have some delays on the Genocide Treaty, which has failed in four Senates. I cannot imagine that it is going to whiz through all of a sudden without considerable debate particularly in view of the new administration and the new Senate.

Mr. PROXMIRE. The Senator may be surprised. Frankly, last year I talked to a number of Senators, and of those Senators I thought would be opposed, I was amazed that very few were opposed.

Some would vote "no," but none would speak at any length against the treaty; and some I thought were deeply opposed were for it. I think there probably are 70 votes in the Senate for the treaty right now, and I believe there is a clear majority in the committee.

Mr. PERCY. The chairman assures the Senator from Wisconsin that if there will be no undue delay in the committee, the committee will take up this matter, because there will be some delay on the Canadian Fisheries Treaty. If there is no delay, the committee will take it up immediately, report it, and then let it take its chance on the floor of the Senate. But if there is a possibility of a procedural delay in the committee, the situation may be different. With a heavy agenda of urgent nominations of ambassadors to every country in the world, the committee cannot withhold the representation of the United States in very important posts for a treaty that has been languishing for years.

Mr. PROXMIRE. That is the trouble. There is always some alibi, some excuse. SALT II was in the way for a while and then the Panama Canal treaties.

Mr. PERCY. The answer is that if there is no delay and it can go through the committee, it will be put through. If there is the possibility of delay that would hold this up, there is no way the chairman of the Foreign Relations Committee can schedule this particular treaty and give it precedence over matters on which the Government depends to function.

Mr. PROXMIRE. Of course, I do not expect that.

General Haig has said that he does not believe additional understandings or reservations beyond those recommended by the Foreign Relations Committee will be necessary.

It is difficult for me to understand why additional hearings will be necessary. It has been before the committee for 32 years—32 years—50 percent longer than any other treaty in history. We have had hearings over and over and over again. The understandings are very clear. We have done just about everything that can be done on this treaty to make it acceptable.

So I hope the Senator will consider it. I know the Senator is being very responsible and careful, and I appreciate that. I hope he will appreciate that this is a matter of urgency to people who have been waiting for a long time.

Mr. PERCY. The Senator from Wisconsin is talking to someone who supports the treaty. He is also talking to the chairman of the committee, and the chairman must take into account the feelings of the members of the committee.

The member in this case who may have some concern about this treaty and whose enthusiasm may not be all the Senator from Wisconsin would like, happens to be Senator HELMS, who is the ranking Republican member of the committee behind Senator BAKER. I am having my staff phone Senator HELMS to ask him what the situation would be, what his feelings are, how long it might take him to express those feelings if it were put to a vote, and if he would see fit to find some way to put it to a vote.

The Senator from Wisconsin knows that the Senator from North Carolina is a man of deep conviction. I would not try to change his convictions. The Senator from North Carolina knows full well the procedures by any Senator that can, shall we say, delay a conclusion, if not kill it.

Mr. PROXMIRE. I have talked to the Senator about that.

Mr. PERCY. The Senator from Illinois can only say that he will work with his distinguished colleague to see what his wishes may be and transmit that information to the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator.

With respect to foreign aid, in response to a question as to whether or not General Haig, as Secretary, would provide economic or military aid to certain countries, he stated that each country must be looked at on a case-by-case basis, but he would not respond on any countries.

Let me go over the list and see if the new Republican administration wants to take this position, if the administration wants to examine the need for aid to Cuba. For example, on Cuba, is it understanding of the chairman of the committee that the administration may be in favor of foreign aid to Cuba?

Mr. PERCY. The chairman cannot quote the exact words on this particular subject. My general impression of his statements to us was that, under present conditions, Cuba having sent forces to disrupt various parts of the world, all contrary, to the interests of the United States of America, he would have some considerable difficulty thinking in terms of even a normalization of relationship with Cuba.

I could not imagine he would favor foreign aid to Cuba.

Mr. PROXMIRE. Mr. President, if I may interrupt the Senator, my problem is General Haig did not say that. If he said it, it would be fine. That is aid to Cuba.

Mr. PERCY. He said it.

Mr. PROXMIRE. How about aid to Vietnam?

Mr. PERCY. If the Senator will yield for a further comment, I do not know how he could have made himself clearer on the subject of Cuba with respect to normalization of relationships. The Senator asks a hypothetical question, would he support foreign aid to Cuba. Under the present conditions, I could not conceive of it, if the Senator is familiar with what he said about the prior question.

Mr. PROXMIRE. I just do not want to jump to any conclusions. I am not saying General Haig is ready to get into bed with Fidel Castro. I am asking whether or not he would go on record on saying under present conditions he opposes aid to Cuba. He has not been willing to do that. I do not understand why he will not come clean.

Mr. PERCY. The general was never

asked that question. The question that precedes it simply——

Mr. PROXMIRE. I asked him the question.

Mr. PERCY. The Senator was perfectly free. He was invited to come before the committee and ask General Haig any question.

Mr. PROXMIRE. I asked the question. He did not answer it.

Mr. PERCY. No one on the committee in 32 hours of hearings ever thought to ask the question would he give foreign aid when the question previously asked was "Would you even consider normalization of relationships?" Unequivocally the answer was "No," under present conditions.

Mr. PROXMIRE. I asked him. He did not answer.

How about aid to Vietnam?

Mr. PERCY. I cannot answer for General Haig on this particular question. I cannot conceive he would consider it under present conditions. With respect to Vietnam, again, the question to the best of my recollection was not asked. I could not imagine a man who fought, was wounded in Vietnam, and who went through that war as he did, and was also a part of the process to bring peace, would under these conditions give foreign aid to Vietnam.

Mr. PROXMIRE. I asked him these questions in writing and he would not answer in writing. He came back and said, "We will do it on a case-by-case basis."

How about aid to Nicaragua?

Mr. PERCY. If the question were asked by the Senator and the reply came back on a case-by-case basis did the Senator then go back and say, "Here is the case. What would you do with respect to Cuba and Vietnam?" And what was General Haig's answer?

Mr. PROXMIRE. I did that. We asked each country by name. I asked him on Vietnam. I asked him on Cuba. I asked him on Nicaragua. I asked him on Syria. And in each case he said case by case. He would not answer. There is no answer at all. That is not responsive.

Mr. PERCY. I cannot answer for the next Secretary of State, but based on the judgment that I have reached as to his responses on other questions the answer to the first two countries, Cuba and Vietnam, would be an unequivocal "No."

Mr. PROXMIRE. Will the committee ask him when it gets an opportunity? I realize we are going to confirm Mr. Haig shortly. Will the chairman ask Mr. Haig to give us the specific answer here?

Mr. PERCY. Yes; if the distinguished Senator will permit the chairman to precede that by saying "under present conditions."

Mr. PROXMIRE. Exactly.

Mr. PERCY. "If the situation is unchanged, under those conditions, if today, January 21, 1981, would you, General Haig, if confirmed by the Senate of the United States today recommend tonight or tomorrow that we provide foreign aid to this list of countries?" I can assure the distinguished Senator, the Senator from Illinois will attempt to find an answer to that within the next 24 hours.

Mr. PROXMIRE. I thank the Senator.

On the arms control issue, the Senate and House of Representatives are on record seeking stronger action from the executive department in forcing the Russians to provide information about a biological warfare accident in the city of Sverdlovsk in 1979. A resolution unanimously passed the Foreign Relations Committee—it happened to be my resolution—and the Senate on this issue. Yet no action has been forthcoming.

My question is this: Is there any indication that Secretary-designate Haig will take tougher action to get the facts in this case and press the Soviet Union to determine if there has been a violation of biological warfare connection?

Mr. PERCY. Yes; there is, because the senior Senator from Illinois has been totally frustrated on this particular question. If I could just take a moment to indicate the steps that I have personally taken. I went to Geneva, discussed this directly in the presence of our ambassador with two delegations, including the chairman of the atomic energy commission of the Soviet Union, and I had a negative answer, that this would have to be answered in Moscow, not in Vienna.

I went to Moscow, put the same questions to the leadership in the Kremlin, and was given no more satisfaction than the Carter administration had received.

Therefore, the Senator from Illinois had asked that a first demarche be issued by the Carter administration to the Soviet Union on this issue in accordance with the terms of the treaty we have on biological warfare and the production of biological weapons. Such a demarche was issued, and I was assured by the Ambassador to the Soviet Union from the United States, Tom Watson, that such a demarche was delivered. The question is, then, do we take the next step, having had no adequate consultation in accordance with the terms of that treaty? Do we take the next step and take it to the Security Council?

I put that question to General Haig either in informal conversation or in hearings—I do not remember which—and the answer was that we will pursue this and move forward on the record. I also put the question to Dr. Kirkpatrick, our next United Nations Representative, who was unanimously confirmed by the Foreign Relations Committee. She said she would make it a matter of high priority within the Reagan administration.

Mr. PROXMIRE. I thank the Senator. That was an excellent answer.

Mr. President, I have other questions. I do wish to thank the Senator from Illinois for an excellent answer to the arms question. The answers I received with respect to biological warfare were helpful.

Mr. President, yesterday the President of the United States in his inaugural address started off and hit very hard at the issue of cutting spending, balancing the budget, and eliminating the deficit.

On the other hand, General Haig responded to a question as to whether or not he intended to reduce staffing at the State Department by strongly suggesting he is of the opposite mind. He would increase it. He says that no such reduction decisions have been made and care must be taken to perhaps reverse the reduction of our vital diplomatic presence around the world.

That sounds like another of President Reagan's concerns may have hit a bureaucratic dead end. Every President talks about reducing Federal employment and we get partial freezes and full freezes. But sooner or later if the agency Secretaries have their way, staffing goes up.

My question to Chairman PERCY is: Does the chairman think the State Department should be made to carry its proper share of staffing reductions in the Federal Government or should an exception be made here as hinted by Secretary-designate Haig?

Mr. PERCY. I am sorry. Both the ranking minority member and I were on another issue.

Could the Senator repeat the question, please? What was the issue on?

Mr. PROXMIRE. My question is reducing staffing in the State Department, and, as I say, yesterday Mr. Reagan indicated we should cut the size of Government. We are not going to cut the Defense Department. That is obvious, and we should not. But with respect to the State Department, Mr. Haig goes the other way and indicates that it may have to be increased.

My question is, does the chairman think the State Department should be made to carry its proper share of staffing reductions in the Federal Government, or should an exemption be made here as Secretary Haig implies?

Mr. PELL. Mr. President, if the Senator will yield prior to the response of our chairman, I wish to inject into his thinking, also, the question of these consulates that were closed with great loss to American businesses, in Tehran, for example, where it costs $200,000 a year and produces a quarter of a billion dollars a year that comes out of that area, and that was pennywise and pound foolish.

I think one of the questions Mr. Haig responded to was in that regard, and he thought, I got the impression, that those consulates are very cheap ways of keeping the American presence and helping American exports and trade abroad should be increased. I hope the chairman will bear that in mind.

Mr. PERCY. Mr. President, taking into account that increasing foreign exports is one of the highest matters that we have before us, and taking into account also that when I questioned General Haig on the strengthening of the economic activities of the State Department, he concurred completely that that aspect should be strengthened. That does not necessarily mean adding people, but it certainly means being more aggressive about protecting the right of American business to engage in trade overseas.

But taking all of that into account I see no reason why the State Department should not participate, along with all other executive branches of Government, in cutting back personnel.

The personal impression the Senator from Illinois has is that in some respects the State Department may have an excess of personnel. I feel they must take a good hard look at how they can prune down.

Just this morning the majority members of the Committee on Foreign Relations reaffirmed and directed their staff director to attend the meeting of staff directors for all committees and to reaffirm to them that the Committee on Foreign Relations will abide by that 10 percent and urge all other committees to do so. If we can do it ourselves in the Senate, I think the State Department can do the same thing.

I would also like to point out to my distinguished colleagues, if I might have the attention of the Senator from Wisconsin on this particularly important point, and also the Senator from Virginia (Mr. HARRY F. BYRD, JR.) because he has been the watchdog of the taxpayers' pocketbook in this regard, I think it would be unconscionable for this Nation under the Reagan administration if we did not cut expenses as we cut taxes, and that we not work ourselves into an even more horrendous debt situation than we now face.

I cannot perceive that we are going to cut deeply into social programs domestically and then leave intact all of our foreign oil programs.

Fortunately, once again, in the staff director majority, we have been singularly blessed in having Ed Sanders who, for 10 years, has been in the Office of Management and Budget, most recently as associate director with the responsibility for State, Defense, and Intelligence. His first instruction from the chairman of the committee was to take a look, if we are going to cut in other programs, and find ways where we can, if necessary, even reduce the foreign aid program.

So the answer to the distinguished Senator's question is, "Yes," I think they should take pro rata proportionate cuts, and I think they can find ways to do it.

Mr. PROXMIRE. Mr. President, I very much appreciate that answer. But I want to point out that it is in direct contradiction to what the Secretary of State-designate seems to be saying. I am glad the chairman of the Committee on Foreign Relations has recognized that there are excessive personnel in the State Department and that they are going to carry their share of reducing their budget, and they should do it.

Mr. PERCY. Did I understand the Senator from Wisconsin to say, however, that if it is necessary to cut budgets, including personnel, that the Defense Department will be totally excluded from such an exercise?

Mr. PROXMIRE. No. What I said was that the budget of the Defense Department is obviously going up. There is no question about that. We recognize it has to go up. Pay has to go up and the force levels have to go up. There is no way you can do it, I do not care what kind of magician you are. But, of course, we have to apply the most rigorous test we can if we can find any way of eliminating unnecessary personnel, and yesterday I tried to press Senator TOWER as to reducing the civilians in the Pentagon, for instance. I think there are other areas where we can cut, and I will not exempt them all. But, as a matter of realism, we know the defense budget is going to go up. The Congress knows it, the President knows it, and the people know it.

Mr. PERCY. Taking account of the fact that there is waste, overlapping and duplication on projects, which do not contribute to the national defense but detract from it, I should think they should not be excluded from pruning, from becoming lean and hard and getting more bang for our buck rather than just saying that we are going to exclude them because they are defense.

It weakens the country when they spend money foolishly. I have great faith in Secretary Weinberger's ability to separate the essential from the nonessential.

Mr. PROXMIRE. Let me ask the Senator: With the nomination of General Haig we have a second instance where a nominee cannot specify where paperwork reductions and curtailed regulations can be specified. The first one, of course, was Mr. Weinberger who was considered by the Senate and confirmed yesterday. We are going to see a pattern here on the basis of the responses I have gotten from all the nominees, where it is going to be a pattern that is very consistent, a lot of talk about paperwork and regulatory reform but no specific proposals. They have been campaigning against something which is either a phantom or they have no ideas as to what to do about it.

May I ask the chairman of the committee does he have any ideas about what paperwork and unnecessary regulations of the State Department can be curtailed or eliminated which would result in more Government efficiency? Mr. Haig, in response to questions I asked him, could not find any. He did not know of any.

Mr. PERCY. I may shock the distinguished Senator, who has demonstrated throughout his Senate career unusual tenacity—and a remarkable tenacity to be admired—for finding ways to eliminate waste, including this huge mountain of paperwork we are involved in.

Much of the paperwork obviously is created by laws of Congress, by reports that we require, references that we require, and I have stated many, many times that the executive branch of Government has enough of its own work to do without constantly requiring the executive branch to touch base with us on every single thing they do. We are trying to become an executive branch. We have just now tried and fought hard to get rid of all of the reporting requirements from the Secretary of State on just matters involving the expenditure of funds for and on behalf of our allies, our NATO allies. We must get prior approval of the Congress before we can place contracts for certain types of equipment when they involve our allies. We fought and fought and finally got that reporting ended. But we must recognize that the buck has to stop someplace, and it has to stop with us. We have got to stop requiring all of these reports, all of this paperwork.

Mr. PROXMIRE. I agree with the distinguished Senator, but I think we have to get to the Cabinet officers who, if they feel the burden comes from us, they ought to tell us what law we ought to repeal. It works both ways.

Mr. PERCY. They may later. We may get good, forthright answers, from all of the outgoing officers of the Carter administration who are leaving. They might tell us what they really think of what we do to them. I would not ask General Haig to do it today, but knowing General Haig as I do, I do not have any doubt in my mind that he will tell you tomorrow and he will lay it right on the line. He is going to lay a lot of things right on the line, and we will encourage him to do it.

Mr. PROXMIRE. Finally, after 5 days and tens of thousands of words of testimony by the Secretary of State designate, the foreign relations committee developed a substantial record on the foreign policy views of the new Secretary of State. After this detailed 5-day inquiry, will the chairman (Mr. PERCY) indicate specific differences with respect to our relations with NATO, Cuba, the Middle East, Taiwan, the People's Republic of China, where the Reagan administration and particularly the new Secretary of State would follow a different policy than the Carter policy?

Frankly, I went through the hearings as carefully as I could, and I find two or three or four relatively limited areas where there is a difference of opinion, but overwhelmingly again and again and again Mr. Haig comes down on the side of the Carter foreign policy. You would not think we have had a change or you would think that Carter had won the election.

If the Senator wishes me to do so, if I had time, I would be delighted to point that out.

Over and over again Cy Vance or Ed Muskie might have given the same answer. So I would like the Senator from Illinois to tell me some specific areas where we might have some differences. How is the new foreign policy going to be different?

Mr. PERCY. Mr. President, let us take it on a case-by-case basis, as the Senator likes to say, not be general but be specific.

The Senator from Illinois has sat through the 5 days of hearings. The Senator from Wisconsin was not there. We would have welcomed his penetrating mind and his penetrating questions.

However, the Senator from Illinois, who did sit through those 5 days, came to a conclusion diametrically opposite to the conclusion of the Senator from Wisconsin.

The policy of this administration will be different from the Carter administration. First of all, it is going to be precise and not mushy. You are going to know where it stands.

As a matter of fact, it might shock the Senator from Wisconsin to know that the people in the Kremlin would welcome this. They just do not know where they stand with us. They do not know what

to expect from the United States of America anymore. I have a feeling that is how they stumbled into Afghanistan. There just was not any clearcut line, just as we stumbled into Korea because a former Secretary of State made a mistake and said that it was outside our perimeter of responsibility.

Let us just take Korea, which the Senator from Wisconsin mentioned, if I could have his attention. Is there going to be a different policy on Korea? Let us take that as an example. The question was put by me as the chairman of the committee. The Carter policy right from day 1 of his campaign speeches and the day he took office was to withdraw all ground troops out of South Korea. The Carter administration sought to implement what I consider to be a stupid, foolish, dangerous policy that would have gotten this Nation into a war. I went first, in a spirit of comity to the President of the United States, to the Secretary of Defense, Harold Brown, for whom I have tremendous respect, to Cy Vance, whom I have loved for many years as an outstanding man, and I urged Harold Brown to cancel his trip to the Pacific areas, to all of the countries out there, to explain this policy and tell them why it was important that we not take all of our ground troops out of Korea.

Harold Brown was under instructions from the President of the United States to go out there and tell Australia and New Zealand and all of these others concerned that we intend to take those ground forces out. I have talked to those men. I know they did not want to get into an argument with the President of the United States early in his career. But I know that they felt it would be a foolish policy not based on intelligence.

Mr. PROXMIRE. Mr. President, I hate to interrupt. I asked the Senator about six specific areas and I got one. I asked about NATO, Cuba, the Middle East, Taiwan, the People's Republic of China, and he gives me Korea. In all these other areas I take it there is no difference.

Mr. PERCY. No, that is not true.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. Will the Senator yield 1 minute?

Mr. PELL. I yield.

Mr. PERCY. On Korea, the position was unequivocally no, we should not draw them out. As a matter of fact, the Senator from Wisconsin voted for the resolution of the Senator from Illinois saying they could not be taken out. We had a vote of 81 to 7.

General Haig was unequivocal that it would be dangerous to take them out. He was opposed to it.

In China, I see no real difference. President Carter fought against the resolution of the Senator from Illinois, an amendment to the Taiwan Relations Act saying that it would be contrary to the national security interest of the United States if the People's Republic of China used force against Taiwan. The Carter administration fought that language and defeated it, but only by a handful of votes. The minority of the Senate, but a large number of Senators, voted with the Senator from Illinois that we should have stronger language, including the Senator from Wisconsin.

General Haig was unequivocal. He preferred and would have preferred the language that the minority and the Senator from Wisconsin tried to put through, which would have been a clear signal, not a confusing signal.

I flatly talked with the People's Republic of China and said that the dialog on the floor of the Senate should be interpreted not just as meaning "grave concern," as it appears in the law. We made our record here on the floor of the Senate on that issue, and I thank the distinguished Senator from Wisconsin for joining with the Senator from Illinois on that issue.

There will be a big difference in the foreign policy of this administration and the preceding administration. That difference is the mandate that the people of this country gave to Governor Reagan as a candidate, and as President he will have a mandate to strengthen our resolve and to give us a credible foreign policy with a strong national defense behind it. No longer will we say we draw this line in the Persian Gulf but have nothing to back it up.

It has taken us months to get the capability of asserting that, and I do not know whether we yet truly have that capability, but we will have it under the Reagan administration.

Mr. PELL. Mr. President, I yield 10 minutes to the Senator from Virginia, Mr. HARRY F. BYRD.

Mr. HARRY F. BYRD, JR. Mr. President, I rise to support the nomination of Gen. Alexander Haig as the Nation's 60th Secretary of State.

The list of those who have represented America's interests abroad has been impressive. I am proud to note that some prominent Virginians—including Thomas Jefferson, John Marshall, James Madison, and James Monroe—are foremost among those who have distinguished themselves as Secretary of State.

These great men did not shy away from difficult decisions and they consistently came down on the side of what was good for the United States.

In the 1980's, we again face hard decisions. In times of unprecedented peril, we need a Secretary of State who recognizes the paramount importance of the national interest. For too long now, we have confused our interests with the aims of others who, in some instances, bear us ill-will.

Secretary-designate Haig is the kind of person we need to occupy this vital position. I believe he will be a strong Secretary.

He has spent almost all of his adult life in the service of his country. He fought in two wars, never refused a tough assignment and rose through the military ranks to the four-star level. He served as Chief of Staff of the Army; and, more recently, as Supreme Allied Commander, Europe. This latter post was not only a military one but a diplomatic one as well. General Haig distinguished himself in this role.

Perhaps the toughest of his assignments, however, took place not on a battlefield but in the White House. It was here during the closing days of President Nixon's tenure that General Haig, as the President's Chief of Staff, provided a steadying influence. Under the most difficult conditions, he exhibited integrity, courage, determination—and good judgment. This is the kind of leadership we need in the Department of State.

General Haig handled himself admirably during his 5-day appearance before the Senate Foreign Relations Committee. I liked what he said and the forthright way he said it.

I believe that he, along with President Reagan, will formulate a consistent and firm foreign policy. Undoubtedly, he has the goodwill of our European allies who know first-hand of his effective work as the military leader of the North Atlantic Treaty Organization.

General Haig's appointment as Secretary of State is, I think, a good one. I support his confirmation with enthusiasm.

Several Senators addressed the Chair.

The VICE PRESIDENT. Who yields time?

Mr. PERCY. Mr. President, I ask unanimous consent that of the 28 minutes remaining for the Senator from Connecticut that the Senator from Illinois, who is managing the bill, be yielded 5 of those minutes.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. PERCY. Mr. President, the Senator from Illinois yields first to the Senator from North Carolina and second to the Senator from Virginia.

Mr. HELMS. Mr. President, I learned long ago that it is a risky business to proclaim any event as the longest or oldest or shortest. Still, it is a fairly safe conclusion that the hearings by the Foreign Relations Committee, in connection with the nomination of Gen. Alexander M. Haig, probably broke all records in terms of time consumed.

But it was a worthwhile process, one that educated the committee, and one that was, I hope, helpful to the nominee. I wish to compliment the distinguished chairman of the committee for the able and graceful manner in which he presided over those hearings, as well as the distinguished members of the minority for their cooperation and intensive questioning. When I was a member of the minority, I always considered it my constitutional duty to scrutinize all nominees carefully and fully. It is a process which I believe benefits the Nation. Now that I am in the majority, I still believe that our duty remains the same, and I congratulate the minority for the decorum and sincerity with which they fulfilled their duties.

It has been the privilege of the Senator from North Carolina to know Alexander Haig since I arrived in Washington in January 1973. He impressed me from the outset as an able man. In my discussions with General Haig, both in private and before the committee, I was totally satisfied that he will be his own man as Secretary of State, and that he will not permit the Department to be taken over by any second-level advisers, or anyone on the outside.

I am convinced that, as Secretary of State, Al Haig will immediately seek to strengthen U.S. alliance with non-Communist nations around the world. In recent years, the tendency has been for the United States to ignore our potential friends. In fact, we have too often disavowed our friends in an attempt to pacify Communist nations.

In my judgment, the United States should move to regain our position as a beacon of hope for the millions of people around the world who are today oppressed by communism. That does not mean that we should pick fights with anyone, but surely we should be standing up for freedom.

Our foreign policy for the past two decades has been largely a bipartisan folly. I believe that Secretary of State Haig will be attentive to people like Alexander Solzhenitsyn who have repeatedly sounded warnings about the takeover of the world by communism.

America must once again become a strong nation—morally and spiritually; we must have a superior defense capability to deter the threat of war; we must have an economy strong enough to encourage full productivity by our people.

We have been cutting corners for too long. We have compromised our principles and our priorities. It would not be easy to regain our position of world leadership, but we have no alternative to making the sacrifices to do it.

Alexander Haig has convinced me that this will be his goal. That is why I supported his nomination vigorously. The hearings failed to produce anything other than an assessment that General Haig is an honorable, dedicated American. Not everyone will agree with him as he goes about his duties as Secretary of State. But if he lives up to the principles he and I discussed—and I am convinced he will—America will be a stronger and more highly respected nation. And that is what is at stake.

Mr. President, the office of Secretary of State is the most important position in the executive branch, next to the office of the President himself. This office is made doubly important in the present case because of the historic decline in the prestige and leadership of the United States in the world today. The President is responsible for the foreign policy decisions that ultimately create our role in the world; but the Secretary of State is the President's chief adviser on foreign policy, and the person responsible for executing that policy in detail.

For the past 35 years, the United States has concentrated upon managing its own decline. Our Secretaries of State have no doubt been conscientious men; but they failed to have a vision of the Nation's role in the world as a positive exponent of power. They sought containment of the enemy, or they sought to direct battle on terms that traded heroism for technological management. The fundamental issues of life are not susceptible to solution by technology—whether the technology of war, the technology of diplomacy, the technology of agrarian reform, or the technology of democracy. All of these technologies are sterile, unless they are filled with love of country and a conviction of the moral certitude of ones principles.

All life is a form of struggle. It is only by persevering in that struggle that we preserve our own identity. When we stop, we die, and the body returns to the earth. So too with nations. The national identity is based upon the struggle to survive, and to assert that identity. When nations cease to struggle, they fade away in the rubbish heaps of history, if they are lucky. If they are not lucky, they are taken over by stronger nations, despoiled and enslaved.

These elemental truths, as true of the Persians and the Greeks as of the Romans and the barbarians, still retain their verity today. Our power was created by moral strength, not by craftily reasoned technology. Men, and nations, follow leaders when those leaders are full of the struggle of vitality. When the struggle ceases, no one is urged on to follow. The sophists of our day proclaim that the day of the nation-state is gone, that international relations are regulated by law, that the equality of nations, and of peoples, is guaranteed by the reasonableness of the concept of national sovereignty.

But national sovereignty is just a convention that rests upon the underlying moral premise of the dignity of nations—a premise that in turn depends upon power. Our foreign policy establishment has forgotten that power and strength is the foundation of a moral foreign policy, and indeed of national integrity. Power can be misused, but if power is not used at all it disappears. There is no battery that can be charged with national power.

Our foreign policy has become elitist and manipulative, conducted by a relatively small population of participants that is completely out of touch with the feelings of the American people. The guiding concept of that policy has been to subdue the nationalist sentiments of the American people by subjecting them to self-imposed international agreements and arrangements, both political and economic. The new world order, in which we are to become mere co-sharers of resources and political control, is one which depends upon depriving ourselves of our liberty. Even if this master plan were to be successful, it would be a degradation of humanity and freedom as we know it. But there are others with a masterplan that does not include self-effacement and surrender. It too is a plan for a world order, but an order imposed by force.

We saw what happened in Korea; and what can still happen there. We saw what happened in Vietnam, and Cambodia. We see what continues to happen in China where the continuing deprivation of basic human rights is applauded in the name of realism. In all of these, the moral authority of the West withdrew from the battle, and surrendered. Who follows a retreating army who does not wish to retreat himself?

It is no coincidence that when we withdrew our moral presence from the Panama Canal, leaving behind only a technical presence, the United States lost part of its soul, part of its national life. The American people understood that, despite all the clever arguments by those who said it would enhance our power. But no sooner was the Panama withdrawal agreed upon, when the forces of revolution were unleashed in the Caribbean, and great terror and bloodshed. The infection spread from the islands to the continent, where it threatens Central America, and the southern part of Mexico. So it comes at last to our door.

Alexander Haig therefore offers himself to the Nation at a critical moment when basic issues of national survival are at stake. He has an opportunity to cast aside the failed mechanisms of our past policy. He has an opportunity to remold the State Department so that it once more becomes the architect of our policies, and so that it represents the sentiments of the American people.

He will need to bring new life, and a new way of thinking to that Department. But he must also provide the leadership within that Department—indeed, leadership for the Nation—so that America can be restored, as a new and vibrant nation, among the nations of the West. Until our country once more asserts the correctness of its vision, the generosity of its motives, and the moral splendor of its existence, it will never regain its own internal strength or its international leadership. Alexander Haig has that opportunity.

Mr. WARNER. Mr. President, I wish to associate myself with the remarks of my distinguished senior colleague, Senator BYRD of Virginia.

It has been my privilege while in the executive branch to have served with General Haig on a number of assignments. I unqualifiedly support his nomination. I have seen him exhibit leadership with exceptional firmness and calmness, under the greatest of tensions, and in the midst of conflicting pressures from within the executive branch.

I recall vividly one day at Key Biscayne, Fla., when I was meeting with President Nixon with General Haig present—just the three of us in the room. It was not a period of greatness in the history of our country, but I saw him rise above the tragedy of the hour to give me guidance on a most difficult decision. I shall remember that day always.

On an earlier occasion, President Nixon sent me to the Soviet Union as head of the U.S. delegation to negotiate the "Incidents at Sea Agreement" between the U.S. Navy and the Soviet Navy. General Haig, at that time assigned to the National Security Council, provided me with the basic framework of a strategy which led to the successful conclusion of an executive agreement still operative today.

These are but two references to my long and valued personal and professional association with this outstanding American. I urge my colleagues to vote favorably on this nomination.

Mr. PELL addressed the Chair.

The VICE PRESIDENT. The Senator from Rhode Island.

Mr. PELL. Mr. President, I yield such

time as he may need to the Senator from California.

Mr. CRANSTON. Mr. President, at the outset of the hearings on General Haig's nomination conducted by the Senate Foreign Relations Committee, I had considerable doubts as to whether I could support his confirmation.

The thorough and educational hearings conducted by the Foreign Relations Committee succeeded in resolving most of my doubts, and I voted for him. I questioned him at great length, particularly on arms control.

I agree with General Haig on a number of policy matters—not, of course, on all. As a witness before our committee he demonstrated the ability and tenacity which have qualified him for promotion throughout his many years of Government service. It is my hope and expectation that he will use these considerable talents as Secretary of State to promote the cause of peace and to advance our national interests.

In these efforts, he will have my full support.

Mr. President, I made several statements in the course of the hearings as I moved from negative to positive regarding General Haig's nomination—specifically on January 9, 14, and 15. These statements, reflecting my changing views regarding the Haig nomination were, in sequence, as follows:

Senator CRANSTON. I welcome you before this committee, General. As I told you yesterday, it is my hope that these hearings will establish a basis for the Senate and the American people to achieve full confidence in you if, as of course is most likely, you are confirmed as our Secretary of State. This full sense of confidence would be in the national interest and in your own interest if you are to be the effective Secretary of State that we all hope you can be.

You are, as several Senators have noted preceding me today, a man of demonstrated abilities and achievements. I have a keen interest in learning how you would use these remarkable abilities and the unique background that you have acquired to address what I believe is the most important task confronting the incoming Reagan administration: the need to prevent United States-Soviet competition from escalating into a nuclear confrontation * * *

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Senator CRANSTON. General, it is obvious that before we vote on your confirmation, we will not obtain the logs much less hear the tapes or review transcripts of the time period May 4, 1973, to July 12, 1973. I think this is most unfortunate and I am hopeful that the log and relevant tapes will be produced during the limited post-hearing investigation to be conducted by the committee.

We do have a partial transcript of one tape, and only one. It covers a meeting between you, President Nixon and Ron Ziegler on June 4, 1973. That partial transcript was part of the Watergate Special Prosecutors Judiciary Committee's impeachment inquiry and is a matter of public record.

That partial transcript has led some to charge that you counseled President Nixon to commit perjury, to lie, or, at the least, to have a convenient and selective memory.

You have dealt specifically with those charges in the appendix to your statement. I am now dealing with this matter because of the obvious relevance of such accusations to this hearing and because this is a subject that I agreed to take responsibility for looking into when minority members of the committee informally discussed who wanted to, intended, or perhaps should cover certain issues.

Since this particular partial transcript was available to us, it was obviously important to analyze the validity of any of the accusations made based upon it.

First, let me state that the tape, as you know, is called "partial" because significant portions of it are simply unintelligible. My investigation has demonstrated to my complete satisfaction that the transcript that we have is as accurate and complete as is possible to obtain from the tape. It is my understanding that the House Committee on the Judiciary had the aid of the most sophisticated equipment and well-qualified personnel available in its efforts to extract all that it could from that tape.

There appears to be nothing that could have been done, or could now be done, or that could be done in the foreseeable future to obtain a more accurate or complete transcript of that particular conversation. Accordingly, it appears that it would serve no purpose now to have access to the original tape of that particular conversation, nor would listening to it enlighten this committee in any manner whatsoever.

Second, I and others have reviewed the transcript carefully and, we hope, objectively. I have considered every opinion, charge, explanation, comment, innuendo and interpretation of that transcript of which I am aware. I have considered carefully your testimony set forth in the appendix as well as all of your relevant testimony these past days in both open and closed sessions.

General, both you and Senator Sarbanes observed yesterday that no one has either a monopoly on morality nor is infallible in judgment. I concur. But I must say to you in all candor that, based upon the most objective and thorough review and judgment that I could make of the transcript of the June 4, 1973, conversation between you, Nixon, and Ziegler, I am satisfied that that transcript in no way suggests that you intended to counsel the President to commit perjury, to lie, to have a convenient or a selective memory, or in any manner to suggest or to imply anything of the sort.

Moreover, I would add that this appears to be substantiated by the President's statement on the top of page 1 of the transcript:

"Now, this is through February. Well, I've got one other half hour. I don't know what the hell is on it."

Then, a few sentences later, on page 2 of the transcript, the following exchange takes place between you and the President:

"PRESIDENT. So we'll see what else is in the goddamned——

"HAIG. Unintelligible. That's the thing for you to do for your own, really, your own peace of mind right now.

"PRESIDENT. Yeah.

"HAIG. You just can recall. It was in a meeting."

General, I know that reasonable people can differ, but I do not believe that the June 4 tape can provide any reasonable basis for this particular accusation against you.

If my exploration of this matter had led me to a different conclusion, I would, of course, had said so. That being the obvious case, I have no proper alternative, except to set forth, as I have done now, the conclusion that I indeed reached. * * *

Senator CRANSTON. I would like at this point to make sort of a summary statement of how I see where we stand now from my vantage point as a result of these hearings. Tomorrow we vote on your confirmation as Secretary of State. It is apparent that you will be confirmed by this committee and by this Senate.

But that does not change my duty to make my own independent judgment and to fulfill my constitutional duty of advice and consent. I would like to list some of the factors that seem to me to be involved in that decision for me and I think for all Members of the Senate.

Generally, a newly elected President should be entitled to choose his Cabinet and particularly to have his first choice for that most important post for which you have been designated, Secretary of State. Yet, I have a constitutional duty to render an independent judgment and not be a rubber stamp, regardless of whether I am of the same political party as the President or his nominee.

The people of California in 1980 gave me a greater vote of confidence for a third term in the Senate than they did to my fellow Californian, Ronald Reagan, in his races for Governor in the past and his victory on the Presidential election last November. And I say that not in a boastful sense, but simply to lay the foundation for my next point.

My constituents expect me to perform my constitutional duty, to exercise my independent judgment, but with the realization that Ronald Reagan will be the President for all of us.

You are obviously an able, dedicated, loyal, touch, hard-working public servant. Your military background brings important experience and understanding to the problems of managing Soviet power, the problems of our national security, and to the real and awesome consequences of the use of military force. And I think you as a military man know more about what commitment of force would mean than a man who does not have that background and who would have the responsibilities of the Secretary of State.

You have the unique understanding of, acceptance by, and trust from our allies, particularly in Europe.

In your long career, however, there does not appear to be a position you have held that has been a real test of your policymaking capability, your capacity for original and innovative solutions, and your ability to distinguish between shades of gray.

Your statement that decisions are "either right or wrong," and that you expect to make right decisions that will necessarily get bipartisan support, creates a concern that you see the world and problems too much in terms of "right or wrong", "black and white", "good or bad."

In all civilian government, as in the daily lives of all of us, we often are forced to make decisions where there is no clear right or wrong, where frequently we not only do not know what is right or wrong, but we are faced with a series of options—and you will be getting those from your aides—where we will never know which option is right or wrong. And I think that is particularly true in the area of foreign policy.

Your experience at the White House, particularly with respect to the National Security Council, should be invaluable in helping you operate as the policymaking Secretary of State you clearly intend to be. And you should be well able to handle any attempt to resurrect the dominant role that the President's National Security Adviser played in past administrations, both Republican and Democratic.

Considerable concern, however, has been raised by your testimony in both open and closed sessions as to your appreciation of our constitutional separation of powers, and in particular, in the respective roles of Congress and the Executive in the formulation of foreign policy, as compared to its execution, and in the exercise of the war power, taking into account both the responsibilities of Congress and the powers of the President as Commander in Chief.

These concerns are coupled with a concern as to your basic respect for and appreciation of Congress as an institution. There is a concern also that your experience in the Nixon

White House exposed you to abuses of power upon which you refused to pass moral judgments until pressed by this committee.

Although these concerns may have been alleviated for some by your testimony, for others in the Senate they may be a decisive factor against confirmation. I hope you will understand why a reasonable and conscientious Senator could come to such a conclusion.

Nothing in this hearing has been produced that would establish that you were disqualified in any way for the office of Secretary of State. Indeed, you have been given an endorsement by Leon Jaworski, a Watergate Special Prosecutor, and he has declared your performance honorable.

The fact of your presence in the Nixon White House raises the concern in some that, notwithstanding the known evidence and your testimony, it simply was not possible that your mantle of duty, integrity, and service did not incur the slightest blemish from all that was going on around and through you. Indeed, one Republican Senator yesterday based his opposition to you essentially on that premise.

On policy matters, General, you have declared that you are dedicated to a bispartisan foreign policy insofar as possible, and that you will consult and work with Congress. On the major issues of national security, nuclear arms, the SALT process, the special needs and circumstances of developing nations and the Third World, as well as numerous other issues, you have ably expressed your positions. And although differences may exist between you and some Members of this body, the reasons for those differences do not appear to relate to your qualifications to serve as our Nation's Secretary of State.

Ultimately, of course, even if a Senator is satisfied with your questions, under our system of representative government, each Senator is responsible to his or her electoral constituents and must reserve the right to vote for or against your confirmation on that basis. That is the final decision that each of us must make.

I have tried to be very candid in listing these factors, General. By listing any factor I do not mean to indicate that I am giving it any particular weight or have reached a conclusion on its merits. And I do not mean to indicate that you or any other Senator would agree with the list that I have run through.

General, before the hearing started I was leaning toward a "'no" vote on your confirmation. I will now tell you that I am leaning toward a "yes" vote. But I want a period of calm reflection before I make a final decision, which I have to make by tomorrow.

Senator CRANSTON. Mr. Chairman, I will vote to confirm Alexander Haig. At the outset I anticipated that I would vote no. One by one, most, but not all of my questions about General Haig began to be resolved. I was tempted at one stage to tear a leaf from the general's book. When he testified on SALT last year, he said he would refuse to vote either "yes" or "no" on the treaty if he was a Senator until all the facts were in. I considered following that same course as it became clear that—courtesy of Richard Nixon—all the facts would not be in when the roll was called on Alexander Haig.

As more of my doubts were resolved, however, I decided that General Haig's choice of a word to describe what America's objective should be in nuclear capability offered an appropriate standard for assessing his own qualifications to be Secretary of State and that word is "sufficiency." I believe there is a sufficiency of evidence on the basis of the hearing record to indicate that General Haig can be an able and effective Secretary of State. Indeed, despite some lingering uncertainties, I believe that Alexander Haig could be a truly great Secretary of State.

I found his closing statement reassuring, particularly on the issues of the abuse of power, the role of Congress in foreign affairs, and the supremacy of our Constitution and our laws.

I will vote for Alexander Haig for an additional reason. A unanimous vote for him is neither possible nor, I think, desirable in view of all the circumstances. However, since the fact that he will be our Secretary of State, and that this hearing in its entirety justifies that fact, it is important in my view that he take office with a showing of strong and bipartisan support.

This will help General Haig to be the strong and effective Secretary of State we all want him to be. And at the outset, it will help him meet a goal he expressed in his final words to us, that the clashes that occurred in the course of the hearings should not obscure the fact, either among our own peoples or the nations of the world, whether friends or adversaries, that the members of this committee and General Haig share the same objectives: a strong America working with honor and with grace to fulfill its global responsibilities.

I wish Secretary of State Alexander Haig well. He has my support.

The VICE PRESIDENT. Who yields time?

Mr. PERCY. Mr. President, the Senator from Illinois yields such time as he may require to the Senator from Kansas.

Mr. DOLE. Mr. President, I would like to support the confirmation of President Reagan's choice of Alexander Haig to be Secretary of State. Because of his service to the Nation as President Nixon's Chief of Staff in the White House, there has been some controversy over this appointment, much more than would otherwise have been the case. As a former chairman of the Republican National Committee and as a ranking minority Senator in those days, I was there, and know how difficult it was not only to be in the administration, but anywhere in the National Government as a Republican. Questions were asked and doubts raised, not only of General Haig, but of others as well. In the years since then, however, there has been a great deal of information about the events in the Nixon White House, many books have been written, and it is my belief that all the leads have been pursued. By all accounts, General Haig's integrity and devotion to his duty—which was to the service of his country—have been exemplary.

General Haig volunteered to testify under oath before the Foreign Relations Committee confirmation hearings. He was both candid and cooperative in his answers to committee members. I believe the extensive and intensive hearings, which cast hard scrutiny upon General Haig's involvement in previous administration, showed conclusively that his actions were conscientious and honorable. Few can deny that General Haig was a stalwart force that helped to hold the Nation together at a time of chaos. He was and is a man whose strength, pragmatism, and capacity to view individual events—while retaining perspective of the whole—have qualified him to lead in uncertain times.

IMPRESSIVE RECORD; COMPELLING CHOICE

The record of General Haig's past experience and accomplishments is an impressive one. During this delicate and tense period with the foreign policy crises facing the United States and our allies in Eastern Europe, the Middle East, and Afghanistan, the job of Secretary of State requires someone with the background and strong leadership exemplified in General Haig. His selection by President Reagan is based on compelling logic: There is much work that needs to be done; General Haig is someone with the devotion to his country, willingness to strive to the utmost, and pragmatic ability to solve problems—who can get the job done.

General Haig is a man who can face the hard facts and make the tough choices, something I believe America needs to put back into its foreign policy. The American people understand that, and I think that is part of the message they sent to Washington on election day. The United States can only hope to meet peacefully Soviet challenges and aggression by acting in unison with our allies, coordinating our actions and policies and enforcing them jointly. General Haig is quintessentially the man to do that.

Alexander Haig obviously possesses the qualifications to be Secretary of State. I trust he will be judged on that basis. He knows the NATO leaders personally. They give him high marks for his service under Presidents Ford and Carter as Supreme Allied Commander in Europe for NATO. His relationship with West German Chancellor Helmut Schmidt, in many ways our most important ally in Europe, is particularly close. General Haig has the confidence of the leaders of our allies and the respect of our potential adversaries. He is articulate, intelligent, and has the broad strategic sense that ought to be the primary criteria for this position. By designating General Haig as this Nation's next Secretary of State, President Reagan has sent a clear message to the Soviet Union and to the rest of the world about America's new foreign policy.

General Haig's abilities and unexcelled competence are recognized across the board, by people of both the Republican and Democratic Parties who hope for a positive change in the foreign policy of the new administration. An outstanding Democrat of my own State of Kansas, John D. Montgomery, the editor of the Junction City Daily Union, reflects this view in a recent editorial on the nomination. I ask unanimous consent that the editorial be printed in the RECORD following my statement.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOLE. Mr. President, I would only say as many others have said on this floor that I believe Alexander Haig is eminently qualified to become Secretary of State. I am not on the Foreign Relations Committee. I made every effort to watch some of the television coverage on PBS because it was an interesting hearing. I can understand the reasons for many of the questions. But having had some experience in that same period that General Haig served, between 1973 and after, as far as this Senator knows I can find nothing in my recollection of the

time, or apparently nothing yet in the record, to indicate anything but honest service by this outstanding American.

It seems to me that he will be confirmed. It is important that he be confirmed. It is, I think, the hope of President Reagan that all the nominees can be sworn in tomorrow morning, all those that have been reported by the committees. I am certain that is a hope he would like to see fulfilled.

In any event, Mr. President, I think General Haig is highly qualified and I certainly support his nomination.

I urge my colleagues to confirm Alexander Haig as the Secretary of State, without delay.

EXHIBIT 1

EDITOR'S VIEW

Opponents to the nomination of Gen. Alexander Haig as secretary of state can say whatever they want to about his prior service as a security adviser and White House chief of staff in the Nixon era.

They can use his memoirs or anything else they desire to probe for some of the dark doings they say he was responsible for while holding the presidency together under the onslaught of Watergate. Their argument that he will provoke disharmony and controversy in the Senate sounds like an attempt to rehash old memories of both Watergate and Vietnam.

The alternative is to come up with a constructive search for an answer to the main question raised by Gen. Haig's nomination. That question is whether a career military officer is the right choice to be secretary of state. But the problem facing the opposition is that the only precedent in modern times provides a persuasive argument in Gen. Haig's favor. That was President Harry Truman's selection of Gen. George C. Marshall to that position. And still another successful career military man who comes to mind is Gen. Dwight Eisenhower, a Kansan who served his nation superbly in military, diplomatic and political positions.

Gen. Haig retired a year ago as supreme allied commander in Europe after four successful years of reviving morale and mending weaknesses on the military side of the North Atlantic alliance. He is respected in Europe as a tough, articulate leader with a realistic grasp of strategy and diplomacy. Haig, incidentally, is a 1st Infantry Division combat veteran, having served as a battalion commander with the Big Red One in Vietnam.

President-elect Reagan obviously is satisfied with Gen. Haig's approach to foreign policy. He also apparently has satisfied himself that the Haig record in the Nixon White House is basically the one the public already knows—that of an honorable man trying to steer the presidency through a crisis.

We are seeing a new beginning in negotiating arms limitations with the Russians. And there is a new urgency in meeting the challenges to security in the Middle East and elsewhere.

All of this gives a sense of logic to the choice of Gen. Haig as secretary of state. It is a logic that even those who are raking over the past will find difficult to deny.

The VICE PRESIDENT. Who yields time?

Mr. PELL. Mr. President, I yield such time as he may need to the Senator from Mississippi.

The VICE PRESIDENT. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator for yielding time to me. I shall not detain the Senate for more than a few minutes.

Mr. President, first, I commend the Foreign Relations Committee for holding hearings on this nomination. I think the process of the Senate holding hearings; with Members making a recommendation and a written report; and all with the assistance of capable staff members, as a prelude to debate, is one of the major functions unique to the Senate as an institution. As a whole, it is a very valuable service to our Government, especially in this day of growing and complicated problems.

Mr. President, when I came to the Senate, General Marshall was Secretary of State. I thought that was an odd situation, to have a soldier, no matter how great, as Secretary of State. But, I did not know the man. I rapidly learned what my colleagues thought about him and decided to make further inquiry. I commenced having a favorable impression of the outstanding job he did.

Just a few years later, after he had retired, there was a war in Korea, and President Truman asked him to return to public service as Secretary of Defense. We had to change the law to make him eligible, since the Security Act had been passed making a career military man ineligible for the position of Secretary of Defense. When it came to General Marshall, it was different. He was the man needed, so we changed the law to make him eligible. During his service as Secretary of Defense, he proved to be outstanding.

This matter has arisen again with the nomination for Secretary of State (spent so much of his mature years in the military), I personally, would not turn first to a man who has. That is no reflection on anyone. General Haig, even though he is not a friend of mine, is an extraordinary man. I knew something about what he was doing at the White House during the Watergate period. I thought then that he was rendering a very fine service. Later he was appointed Commander of NATO. Our Armed Services Committee did not hold hearings but we inquired into his record and his association with Watergate, studying the matter informally at length. I am not sure it appeared in the record, but I gave the Foreign Relations Committee a letter I had from Mr. Jaworski about General Haig.

Our committee approved of the idea of General Haig as our NATO Commander, even though the nomination was properly the business of the Foreign Relations Committee.

While serving in NATO, General Haig had what I consider to be a highly outstanding record, dealing with many of our colleagues in the Western World, and with problems from our adversaries.

I think this experience uniquely qualifies General Haig for this position. I would be greatly surprised and disappointed if he failed to give outstanding service, although I have been around long enough to know that there is no such thing as having an answer to all problems.

I feel we must make a great effort to have a bipartisan foreign policy. That movement took great steps forward here on the floor of the Senate, although I contributed very litle as a new Member, back in the days of the late Senator Vandenberg, the late Senator Robert Taft, although he was on the other side of that idea, and the late Senators Barkley, Connally, George, and others on that committee, who were giants in that day. My first vote in the Senate was along the general lines of whether we were going to be internationalists or isolationists. I was in favor of the internationalist picture but not with great enthusiasm because I had been warned of the dangers of such a policy.

Anyway, there existed then a growing sentiment for a nonpolitical, nonpartisan foreign policy. Today, I believe we believe we have little choice other than to continue as leaders of the free world and to do this we are going to have to develop a new start in restoring this nonpolitical, nonpartisan foreign policy.

At the time we started this policy, we were expecting great things out of the United Nations—maybe too much. It fell far short of expectations and possibilities as we interpreted them then. Now, we must return to this concept and really make a sustained effort, over a period of years, to redevelop a nonpolitical and nonpartisan foreign policy to cope with our pressing problems.

Mr. Reagan has said that he is going to work to restore and maintain this idea of a bipartisan foreign policy. I want to indicate my interest and my slight insight into this need.

If we are going to make a serious effort to redevelop this policy—not my policy or your policy, but our policy—I think that Mr. Haig will be a good choice for the job of Secretary of State.

For those combined reasons, Mr. President, I am going to support him and I have only spoken on this because of my experience during these years.

Mr. President, I plan to vote in favor of the nomination of Alexander Haig to be our next Secretary of State. I would urge my Senate colleagues also to support his nomination.

Initially, I commend my colleagues on the Committee on Foreign Relations for the thorough and diligent manner in which they exercised their responsibilities. The position of Secretary of State is an extremely important one and their in-depth review of General Haig's nomination—including 5 full days of hearings and extensive questioning—is warranted by the importance of this office.

My support for this nomination is grounded on two main points:

First, our country today faces problems and challenges around the world that demand a unified American foreign policy. The energy situation, upon which we are all so dependent, is closely related to our foreign policy. The turmoil in the Third World—Africa, South and Central America, and parts of Asia—requires continued U.S. attention and concerted policy action. The maintenance of our key alliances—NATO, Japan, and others—also requires a single voice from the United States. We cannot afford to enter the next decade divided on where the United States stands and should go on these issues. Thus, we must try to

develop a bipartisan foreign policy, and I understand Mr. Haig is committed to this goal. To get this effort off to a good start, we should send the new Secretary of State into office with the support of the Senate as a whole.

Second, although I do not believe we should turn to the military first for people to fill key civilian jobs, General Haig is the best qualified military man of experience of any that I know to be Secretary of State. He has had experience which is highly unusual for any man, including assignments at the very highest level of the U.S. Government, at the very highest level in the international organization called NATO, and at the very highest level in business. His international experience dealing with the top leaders of many countries on subjects of the highest importance to the United States is rare.

Mr. President, I cannot put any fault at Mr. Haig's door. When he was nominated for the top military job in NATO in 1974, as I said, questions were raised about his conduct in connection with the White House and Watergate. At that time, our Senate Armed Services Committee went into it and gathered the facts, and we found no fault with the man then. More recently, the Foreign Relations Committee has considered many of these same questions, as well as others, and I understand nothing has been found that would preclude Senate confirmation of Mr. Haig's nomination.

Based on these two main points, I hope the Senate will act favorably on the nomination of Alexander Haig to be Secretary of State.

Mr. PERCY. Mr. President, I thank my distinguished colleague for his very thoughtful comments. Let me say to Senator STENNIS that the first stated objective, when the Senator from Illinois assumed his position as chairman of the Committee on Foreign Relations, was to take as a model another midwesterner, Senator Vandenberg, who did develop a bipartisan foreign policy, and to have that as our guiding principle. I know that I am joined in that objective, because I know in this case it does take two parties, by my ranking colleague (Mr. PELL).

If it does develop that we have a bipartisan foreign policy, it is the plan of the chairman to work as closely as we can with the executive department of the Government, because more and more, we speak as one voice on foreign policy. We do have differences, but I hope we can have most of those differences behind closed doors and come out with the policy we have carved out. That is going to be difficult, because we are separate branches of Government, but in these confusing times, we need to have less confusion in the United States about what our foreign policy is. We have a pledge from Secretary Haig—when he is Secretary of State—and from the President of the United States to work closely with us on foreign policy. They will work intimately with us and we shall with them.

Mr. President, the Senator from Illinois yields 3 minutes to the distinguished Senator from Arizona, whose testimony before the committee was extraordinarily helpful and extraordinarily penetrating.

Mr. GOLDWATER. Mr. President, I thank the chairman of the committee.

I rise to express my strong support for General Haig, based probably on different reasons than others might have, primarily based on strength—strength of character, strength of will.

Mr. President, if there has been one hallmark of our failure in this world in the last 16 years, it has been the lack of a national strategy and lack of a foreign policy. We have not had men of sufficient courage and permanence to be, in my estimation, Secretary of State. We are against a world that, contrary to those positions, has established strategy and policy.

I do not claim, Mr. President, that General Haig is a strong man just because he wore the uniform of the United States, because he rose to be a 4-star general, or because he was a very successful field commander in Korea and Vietnam; but I will remind my colleagues that it takes great strength of character to command and it takes great strength of character to be able to sustain command when losses are confronting you every day.

All of these have had a bearing, of course, on my long and strong friendship with Alex Haig, a man that I admire tremendously. But I think the real payoff came when my colleagues on the Republican side of the aisle, after we were informed one day that another tape had been discovered that Mr. Nixon had been false about and said that it did not exist, asked me to go to the White House and, in a nice, polite way, inform Mr. Nixon that he would not have the support of a sufficient number of Republicans to survive impeachment.

Alexander Haig was in the White House then and, for nearly 2 weeks, I think I can safely say that he had a large hand in directing the course of this Government because Richard Nixon was not capable at that time of doing so.

I watched General Haig as he very carefully, expertly, and intelligently more or less kept President Nixon on the point of a needle. Because if that man had wavered and fallen on the side of "I am going to stand for impeachment," this Government of ours, this Senate, this body, would have spent 6 to 8 months doing nothing but arguing about whether or not the President of the United States was guilty or not guilty of the charges made. I suggest that this Government, as often as we are ridiculed in this body, could not be sustained that length of time without the guidance of the Senate in many important matters.

It was Alexander Haig who successfully convinced President Nixon that he should not stand for impeachment. I watched that man stand up to the people who wanted to go the other way. I watched him make up his mind. I lived with him through those decisions, spent hour after hour, almost nights, with him. I have nothing but the highest respect for him.

Mr. President, those who want to associate Alexander Haig with Watergate, in my mind, are talking through a rather empty hat, and I might even go lower at times.

Alexander Haig, in my opinion, will make the finest Secretary of State this country has had, probably, since John Foster Dulles, and he will be able to implement a foreign strategy that will be built around the Reagan concepts and a foreign policy that will flow naturally from a strategy that the world will respect.

Mr. President, I close by begging my colleagues to think of the respect this country has lost in the last 20 years. I never dreamed that I could live to see the day when I would quite feel a little ashamed of being an American. I have to say I have spent a few nights wondering about it. But I do not wonder about it any more, because we have strong men in our midst who are going to rise and take over, and this world is going to recognize it. The countries of this world, whether they like it or not, are going to start treating the United States as the power it should be.

I thank my friend.

[Applause in the galleries.]

The VICE PRESIDENT. The galleries will be in order.

The Senator from Illinois.

Mr. PERCY. I thank my distinguished colleague for his eloquent remarks, which come right from the heart, from a world of experience.

We are proud of our distinguished colleague, a former candidate for President of the United States, a man of great military distinction. He is a man of distinction in everything he turns his hand to—for example, operating a ham radio, flying a jet aircraft, or just walking through the beautiful State in which he lives. He does it with eloquence and grace. We value his friendship and love him as a colleague.

Mr. President, I yield such time as he may need to the distinguished Senator from Connecticut, who appeared before the Foreign Relations Committee and gave testimony.

The VICE PRESIDENT. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise to oppose the nomination of Alexander M. Haig, Jr., to be Secretary of State of the United States. My reasons for doing so are enumerated in the statement I made before the Committee on Foreign Relations, and I ask unanimous consent to have those remarks printed at this point in the RECORD.

There being no objection the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LOWELL WEICKER, JR.
SENATE FOREIGN RELATIONS COMMITTEE,
JANUARY 13, 1981

Mr. Chairman and colleagues of the Senate Foreign Relations Committee, I appear before you today in firm opposition to the nomination of Alexander M. Haig, Jr. to be Secretary of State of the United States.

Though senior Senator from Mr. Haig's home state and chairman of the Appropriations Subcommittee which handles State's budget, I do not presume to speak for either of these entities—rather I come among equals to give expression to certain long held beliefs.

I do this not as a matter of opportunistic style or being convinced of a superiority of morals but to underline that what was stated and acted upon several years ago was neither politics, entertainment nor passing fancy. Rather it was a defense of the essence of what American's greatness is all about. And to let this nomination parade by in the full view already accorded it without demurrer would mean the acceptance in 1981 of the very standards that a nation rejected in 1974.

Watergate circa 1973 and weariness of same is only a busy word excuse for not performing the tough part of our job as U.S. Senators. If seeing to it that the Constitution is upheld de facto as well as de jure, that excellence be the standard of man and institution alike, that integrity be undiluted all result in cries of "I'm tired of Watergate" then the real problem is not a historical perspective but the unwillingness, incapacity or timidity to create a future.

The purpose of the Watergate exercise was not to prove we were the world's most honest people but to allow us to continue to think of ourselves in such light in order to strive for such a goal.

The alternative was acceptance of "everybody does it"; "break the law to enforce the law;" "place the President above the law". We didn't accept.

There is no more reason today than yesterday to have the American people believe that good government requires a choice between Constitution and satisfactory results. Governments of laws survive the differences and divisions of any moment forever. It is governments of men that disintegrate.

Even now I hear that unless the confirmation of General Haig takes place immediately or takes place without negatives it will be impossible for the United States to conduct credible foreign policy around the world. That's nonsense and not what the Constitution calls for. It's the President, other public ministers and the Senate who have the responsibility for foreign affairs. I have yet to see the words Haig, Kissinger, Brzezinski et al. in any version of the Constitution I've read. And yet we act (have acted) that way. I applaud your Committee's decision to vote tomorrow but believe me I am not going to endorse setting aside our Constitutional obligations in order to accommodate the political desires of any administration. Chairman Percy's decision on the tapes does honor to the Constitutional process and deserves the fullest support of Committee members and nominees alike if accuracy rather than expediency is the desired result.

Why specifically oppose General Haig? The reasons are the record as I know it. The man as I know him. The job sought. I am not here with any new bombshells. The record is quite enough in assessing the man's character and suitability for high office. Such an evaluation is something altogether different from assessing guilt or innocence.

At the time he became Chief Executive Assistant to the President of the United States on May 4, 1973, he took upon himself the same standards of performance imposed upon the President by the Constitution of the United States. One of those standards is articulated in Article II, Section 3: "He shall take Care that the laws be faithfully executed, ..." That admonition not Richard Nixon's definition of justice is what I would expect to be insisted upon by those serving the President. In the absence of their superior's adherence to the law honorable men either speak up or get out. General Haig's reaction was to further the definition not the admonition. I, therefore, assume him to have either lacked integrity, disdained the Constitution or unquestionably followed orders. None of the above particularly commend him to occupy the fifth highest Constitutional office in the land. Indeed I assume he will have to take an oath of office upon becoming Secretary of State. That oath will no doubt include some words about upholding the Constitution of the United States. That cannot be a sometime thing.

That aspect of Watergate which is the White House tapes, the very matter troubling you now, is what troubles me most about General Haig. Those tapes are (were) the best evidence whether for your purposes, Congressional Committee purposes or individual purposes. And yet with General Haig's knowledge the best evidence was (is) held back, selectively used for exoneration, selectively used to discredit. That is not conduct which defines the faithful execution of the laws.

General Haig's role in coaching witnesses appearing before the Select Committee in regards to the existence of the White House taping system is another area where the General is seen more in shadow than in bold relief of proper conduct. There is no doubt that many of today's unanswered questions could be resolved by the tapes and/or logs you've subpoenaed. That is why in fairness to all I hope for their early release. But in the absence of their voluntary release I know your chances of getting them are far better under your Constitutional advise and consent powers than after confirmation when the request is merely for general investigatory purposes. So hang tough or you'll be left hanging.

There are those who praise General Haig's popularity among our European allies as a result of his NATO tenure. I can only assume those are the same allies who at the time of Watergate denigrated that whole episode as being much ado about that which is considered commonplace in their own countries. In such an atmosphere of accommodation to corruption of principle and practice I have no doubt a man like General Haig is admired. But what's up to the usual standard in Europe should not become good enough for this country.

Two last observations. One for my Republican colleagues. On December 11, 1973, General Haig appeared before the Republican Policy Committee and assured those present no further shocks were expected. He did his best to rally Republicans around a President whose conduct was all Nixon but hardly Republican. This was part of Operation Candor. Those who climbed aboard were shortly to be blown out of the water with further tape revelations. So much for the basis of any gratitude my Party has toward General Haig. And so much for any assurances received by those of you on this Committee.

Lastly for those who express a special debt of gratitude to General Haig for helping to edge Richard Nixon toward the exits; if such did indeed take place I would be far more grateful had such action been motivated by principle rather than politics or the proximity of impeachment. The ability to bail out adroitly is only second best to avoiding the necessity of bailing out at all. That should apply internationally as well as domestically.

The Secretary of State of the United States presents the heart and character of all Americans to the world. As typical he should be the best, for that is our Nation. The job cannot become a reward for evasiveness, partisanship or subservience. It is an honor to be bestowed upon the courageous, the forthright, the idealistic. No such nominee is before your Committee.

Mr. WEICKER. Mr. President, in brief, when confronted with difficult choices relating to proper courses of conduct for himself and others. General Haig consistently has chosen the lowest road. That is not a choosing which is representative of most Americans.

General Haig has shown—shows—a contempt for both Congress and the individual rights and liberties of all Americans as enunciated in the Constitution of the United States. That, also, is not an attribute one seeks in a Secretary of State.

I will not delay these proceedings by extended debate. I hope the cause of justice and peace throughout the world will not be delayed by this man, who has failed so many tests of character in the past.

Finally, it is not the past that bothers me as much as a past, in Haig's case, being rewarded by present action.

The VICE PRESIDENT. Who yields time?

Mr. PERCY. Mr. President, we are on notice now that unless other Senators indicate otherwise within the next minute or so, we will yield back the remainder of our time and call this matter to a vote.

Mr. President, the Senate Foreign Relations Committee held the most extensive hearings that ever have been held for a Secretary of State in the history of the Nation. At the conclusion of those hearings, the vote was overwhelming, 15 to 2. Even those Senators who voted in the negative had extraordinary things to say. In fact, today, Senator TSONGAS, on the floor of the Senate, said that we have before us an extraordinary man. General Haig is just that.

I believe that our problem today and the mandate given to the Reagan administration by the American people in such an overwhelming vote can be put very simply.

We must develop and build a credible foreign policy that will be credible to our allies and credible to our adversaries. We cannot have such a policy unless it is backed by a strong national defense. We as a Nation, by our vote, are saying that, given the mandate to the Reagan administration to rebuild the defenses of this country, we must provide the capability of a credible foreign policy.

Mr. President, I have just been notified that Senator TOWER will ask for 5 minutes, so we will withhold a vote on the nomination until such time as Senator TOWER arrives in the Chamber.

Third, General Haig demonstrated an amazing understanding—for a military man who has been steeped in diplomacy much of his life—of the economy of this country. He has demonstrated extraordinary knowledge of how this economy operates and the power and the potential power of American industry. Yesterday, President Reagan, in his first address to the Nation, said that we must unleash the industrial power of this country.

Mr. President, Senator PELL, the ranking minority member of the committee, has just advised me that Senator HART wishes to speak on this nomination and will require about 5 minutes.

Mr. PELL addressed the Chair.

The VICE PRESIDENT. The Chair admonishes the galleries that there will be no displays and asks full cooperation.

The Senator from Rhode Island.

Mr. PELL. Mr. President, I yield 5 minutes, or such time as he may desire, to the Senator from Colorado.

Mr. HART. Mr. President, I thank the Senator from Rhode Island and the Senator from Illinois for yielding. I appreciate their indulgence.

Mr. President, after considerable deliberation I intend to vote in favor of the confirmation of Alexander Haig as Secretary of State.

I believe all of us understand that this is perhaps the most important Cabinet office of all. I believe very strongly, as do all my colleagues, that the President of the United States should be permitted the fullest latitude in choosing the members of his Cabinet. The Senate's constitutional mandate, in the judgment of the Senator from Colorado, is to advise and consent in the selection of the Cabinet, but not by each Senator reserving a right to impose on the President that individual Senator's personal judgment about the policy positions which a nominee must adopt to qualify to serve in each Cabinet post.

Instead, Senate ratification of a Cabinet nomination should serve as a guarantee that the nominee meets the threshold requirements for service in the Cabinet: personal integrity, a freedom from conflicts between public duties, and personal interests, and an ability to occupy a Cabinet office in a competent and responsible fashion. Because the presumption is strong—and properly so—that the President should be able to rely on the people of his choice, a strong burden of proof remains with those who would seek to demonstrate that the nominee does not satisfy these three threshold requirements.

By these criteria, General Haig is sufficiently qualified to merit support for his confirmation as Secretary of State.

There has been serious concern about this nomination, regarding both General Haig's policy views and his past record. Although not a member of the Senate Foreign Relations Committee, I spent a great deal of time reviewing the nomination, because I agree with those who say that the advice and consent process is one of the most important duties of any Member of this body.

General Haig's confirmation hearings demonstrated he is qualified in a substantive sense for the tasks before him. He exhibited a grasp of the major foreign policy issues facing our Nation and showed sensitivity to many of the subtleties of these times. He demonstrated an understanding of the need to continue efforts to achieve strategic arms limitation agreements with the Soviet Union and others. He repeatedly assured the Senate that he will abide by the letter and spirit of the laws regarding the commitment of the U.S. Armed Forces and the conduct of covert activities abroad. He made it clear that he intends to consult with Congress on all these critical issues.

Many questions have been raised about General Haig. Some remain to be answered. Although it is impossible to prejudge how he will conduct our foreign policy, once the nomination of General Haig is confirmed, we have a right to expect him to meet certain specific responsibilities, which he assumed voluntarily or which are laid down by constitutional fiat or historic precedent.

We must expect General Haig to live up to his commitment to consult Congress in a meaningful and timely manner on all significant foreign policy decisions. We must count on his pledges at his confirmation hearings that he would obey the law as regards covert actions and the War Powers Act. In his sworn statement, given under oath at his own behest, he said that:

> An effective partnership must be restored with the Congress. By "partnership," I do not mean occasional retrospective reporting. I mean active consultation, exchange of ideas and proposals in a timely manner, in an atmosphere of mutual respect, trust, and confidence, recognizing the special role of the Senate itself.

We must expect General Haig to exercise his national security powers in a way that demonstrates respect for our constiutional rights and liberties.

We must expect General Haig to hold himself accountable for those accountable to him.

Finally, we in the Senate and we in this country must expect General Haig to honor his pledge to continue a long-standing bipartisan and nonpartisan policy to negotiate meaningful, enforceable, and verifiable limits on nuclear arms. He stated at his confirmation hearings that he did not intend to recommend a national policy of nuclear superiority. At various times in the same hearings, he repeatedly committed himself to resuming efforts to find ways to reduce the risk of nuclear war through negotiation. In discussing such negotiations, he promised that "the whole issue (of renewing SALT negotiations) is a matter of utmost priority for us and we are going to have to address it in the earliest days of the administration." This is one of his most fundamental responsibilities that I think a Secretary of State has. With such controls we will help secure the peace for future generations; without them the risk of nuclear war in our time is dangerously enhanced.

General Haig's demonstrated competence and ability, combined with the right of any President to select his own Cabinet, persuade me that he should be confirmed. General Haig's challenge now will be to fulfill the pledges he has made to the Senate and the American people. Our challenge in the Senate will be to see that he does and to use whatever resources we have to help him.

I thank the Senator from Illinois.

Mr. PERCY. Mr. President, in view of the fact that Senator TOWER is unable to come to the Chamber, it is the intention of the majority side in just a moment or two, if the minority is prepared to do so, to yield back the remainder of our time.

Mr. President, in answer to Senator PROXMIRE that questions submitted to General Haig on foreign aid matters have not to his satisfaction adequately been answered, my staff has been in contact with the staff of General Haig. I have the assurance of General Haig's staff that very forthrightly Senator PROXMIRE and the committee will receive more exacting answers, taking into account that one cannot always be certain what one will do because some of these countries may not have requested aid. We certainly do not want to provide aid to a country that has not so requested it. But Senator PROXMIRE will have his answers.

Therefore, in conclusion on the Haig nomination, we have not only a man who in a military career has distinguished himself and proven his creativity and his brilliance, but has recognized that the purpose of power and military force is to preserve the peace and that the best way to preserve the peace is to deter war through strength. He has demonstrated an art of diplomacy, probably absolutely unique in a military commander, and his efforts and work as Supreme Allied Commander of NATO forces caused him to be admired and respected by all of our allies, and, yes, even highly respected by our adversaries as well.

He served in the President's office. In fact, it has been said that because of the turmoil of that time he acted as the President of the United States in many respects, making many of those major decisions that can only be made in the Oval Office.

General Haig also recognizes that a credible foreign policy must be backed by a strong national defense and that a strong national defense is not possible unless it is underpinned by a dynamic, strong economy. As President Reagan said yesterday we must unleash the industrial giant that we have. That is what is essential and necessary. Once again uniquely we have a man who was called upon by one of our greatest corporations to be its president at a time of their need.

Here we have a rare combination not seen by many Senators in this Chamber, in fact seldom seen by the Senate in any confirmation process: a creative, dynamic man of a sense of purpose, who fully understands and respects his relationship with this legislative body—in fact, in the past few days has learned a great deal more about our interpretation of our relationship with the Secretary of State.

Without qualification, therefore, and with tremendous enthusiasm and with a great sense of honor, I support the name of Alexander Haig as Secretary of State and yield back the remainder of our time.

Mr. PELL. Mr. President, there is no question about the very real competence, loyalty, ability, and intelligence of General Haig.

He conducted himself exceedingly well in these 5 days of hearings. I think he will make a very strong and inspiring Secretary.

Nevertheless, there still remains within me a certain queasiness about this nomination, for the reasons I have stated in the hearings and in my opening statement. I fervently hope and trust that time and performance in this job will completely dissipate, blow away the reasons for my queasiness and I intend to vote for the confirmation of General Haig just as I did in the committee.

At this time, no other Senators on the minority side wishing to speak, I yield back the remainder of my time.

Mr. DeCONCINI. Mr. President, I rise in support of the nomination of General Alexander Haig for the position of Secretary of State. It appears to me that General Haig is admirably well-suited by background and temperament to hold that critical office.

The next few years will, I hope, be years of change in both America's foreign policy and her military capabilities—change that I believe is supported by and consistent with the traditions of both parties. It appears evident from the record of General Haig's career as well as his testimony before the Senate Foreign Relations Committee that he is an excellent choice to preside over the transition. In his statements before the Senate Committee, General Haig demonstrated his commitment to peace and order in the world. However, he understands that peace and order are goals that can only be achieved by maintaining strength and demonstrating the will to use that strength in the pursuit of those twin goals.

Anyone who believes that peace will be achieved through constant retreat has not read the lessons of history, nor does he understand the dynamics of human behavior. We live, unfortunately, in a world of competing ideas about the ultimate social and political organization of the globe. Those who aggressively attempt to press their worldview on the rest of us will not voluntarily limit their means of aggression. They will seize any and all opportunities because the nature of their system—and more importantly—its legitimizing philosophical underpinnings demand it.

Naturally, the Soviets and their allies would prefer to accomplish their goals in a nonviolent manner. But we must not fool ourselves into believing either that they have eschewed the use of force—certainly Afghanistan demonstrates that—or that essentially tactical decisions like détente change their ultimate goals.

I am not impressed by the arguments of some that General Haig's military background disqualifies him from the position of Secretary of State. General Marshall proved to be one of the ablest men ever to hold that office. In a curious way, the appointment of a civilian essentially unconnected with the military establishment to the Department of Defense and a man with a military background to the Department of State makes sense.

Particularly in the contemporary world of nuclear balances between the superpowers, military policy is an instrument of foreign policy. However, in recent years, those two organizations which are primarily responsible for the formulation of our foreign and military policy have increasingly been at loggerheads, not just over details, but in very fundamental ways. The result has been a bifurcation of policy that is actually dangerous to the national security. Military policy must be designed to meet foreign policy objectives.

The State Department has drifted away from the understanding of that fundamental interrelationship. It has treated military affairs as irrelevant to or inimical to the interests of diplomacy. That attitude has been the result of an imperfect understanding of the world of international politics. It has been the result more of wishful than realistic thinking. I believe General Haig will return to the Department of State a proper understanding of the nature of diplomacy and force.

He brings yet another attitude that I find refreshing. I am heartened by General Haig's statements that there are certain actions, such as a cutoff of Middle East oil, that would precipitate American military action. Largely a product of the Vietnam war, Americans have fooled themselves into believing that force might never be necessary or appropriate again. But America cannot afford to take the attitude that there is no reason to again bear arms short of an attack. Clearly, there are very real scenarios that would demand American military action. This is a fact, regardless of the philosophy at the State Department, or even the White House. However, by loudly proclaiming that nothing would make us fight, we encourage our enemies to take steps that will bring about precisely what we wish to avoid.

From what is presently known, it appears to me that General Haig acted with honor and intelligence during his various White House stints. Yet, the Foreign Relations Committee has formally requested certain tapes that could conceivably shed a different light on the matter. Should that be the case, and I feel reasonably confident that it will not, then I do believe that it would be appropriate for the President and the Secretary of State to reconsider the appointment.

However, I do not believe that it serves the best interests of the country to hold up this nomination while what promises to be a significant legal battle takes place. We have every reason to believe that General Haig served his nation well during the waning days of the Nixon administration, and it is not in the nature of our system to deny a man our support because circumstances make it impossible for him to prove that he never acted inappropriately. If we began to apply that standard generally, its absurdity would become immediately evident.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD a speech I delivered a day or two before the election. In those remarks, I outline what I believe to be some of the problems within the American foreign policymaking establishment. It is my hope that members of the new administration will review those remarks. If the points made are valid, as I believe most of them are, I would hope that every effort would be made to make the appropriate and necessary changes.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

FOREIGN POLICY IN THE 1980'S

George Kennan, one of America's most profound thinkers and successful practitioners of diplomacy, commented that foreign policy was too important to be left to the politicians. We are, he thought, a short-sighted lot who would invariably choose parochial over national interests and who would sacrifice long-range benefits for short term gains.

I disagree with Ambassador Kennan. And not just because I am a politician. Frankly, the Kennan view is widespread in Washington. It drips from the corridors and conference rooms of the State Department. In that hallowed sanctuary, the people's representatives are held in almost universal contempt.

But as I survey the condition of America in the world, I see failure. Perhaps, the time has come for Congress to assert for both the President and the bureaucracy what the broad goals of our foreign policy should be.

There is precious little evidence that the foreign policy elite who inhabit our State Department have successfully guided the ship of state through the treacherous shoals of international politics. Quite the contrary. America's influence in the world today is less than at any time since the First World War. Indeed, our very survival as a world power is dependent upon the vagaries of small, primitive oil-producing nations whose policies we cannot predict and whose survival we cannot protect.

The "experts" at the Department of State have repeatedly proved themselves out-of-step with the tempo of world events. As our major adversary is in the midst of the greatest peacetime arms build-up in history, they would have us beat our own swords into plowshares. And while our adversaries engage in coordinated military diplomatic initiatives to expand their influence and reduce ours, these same experts counsel us to passively withdraw. Counter-measures might be dangerous, they tell us. Do these experts believe that the Kremlin leaders are aggressive children who will soon mature? Should we simply be patient and understanding while these rambunctious youngsters establish their supremacy in Asia, Africa and Europe?

What our State Department experts have lost sight of is any real sense of American national interest. They tend to confuse the ideals of a world community working together harmoniously with the reality of a world divided. Hostile and aggressive. The rhetoric of our adversaries is couched in terms of international brotherhood and harmony. This beguiling message masks the unrelenting Soviet goal of world domination.

Western liberal democracies have always been uniquely incapable of dealing with determined and opportunistic aggressors. Because we are rational, we listen to words and often close our eyes to the meaning of events. We have accepted the words by which the Soviets rationalize Afghanistan and Cuba, and their actions in Africa and the Middle East. Our traditions make us also uniquely susceptible to collective guilt. When the Soviets claim today—As Hitler did a half century ago—that their burgeoning arsenal is defensive, to protect Mother Russia from the West, we are inclined to concede the point and chastise ourselves for past sins. Of course, it is difficult to decide just what those sins might be. Does Russia require military superiority because the United States did absolutely nothing to threaten Soviet interests while it had nuclear monopoly? Or, is it because John Kennedy stood firm when Russia tried to transform Cuba into a nuclear missile base? Regardless of the obvious absurdity, it is nonetheless an article of faith within much of the arms control bureaucracy that the Soviet arms build-up is justified by past American actions.

Since the presidency of John Kennedy, American foreign policy has been vacillating, insecure, incoherent and ineffective. No doubt, the Vietnam War had a wrenching effect on our society, and undermined the

bipartisan nature of our foreign policy. Vietnam shook our confidence in ourselves and in our government. Many Americans—inside and out of our government—longed for our noninvolvement in world affairs that abruptly ended on December 7, 1941. There was the feeling that we could step back in time—a time before intercontinental missiles; a time before dwindling domestic petroleum supplies; and a time before the quality of American life hinged so crucially on the rest of the world.

The defeat—more accurately, the failure to win—in Vietnam colored America's self-concept and this manifested itself in our foreign policy. Secretary of State Kissinger epitomized the change. By his own admission, he believed that American power was on the wane, and Soviet power on the rise. Kissinger acted accordingly. Rather than work to reverse the trend he practiced the diplomacy of survival characteristic of nineteenth century Europe. Kissinger was trapped by his own obsession with European diplomacy, a diplomacy with no moral imperatives except survival and position. He failed to appreciate the fundamental difference between that era and ours.

The world powers of the nineteenth century all accepted the same set of values; none viewed itself as the vanguard of radical revolution. But the Soviet Union and the United States represent unalterably different concepts of man and human freedom. Soviet Russia has set for itself the goal of destroying Western democracy. It stands in direct and absolute conflict with the fundamental values of our own Revolution, of our Declaration of Independence, of our Constitution, and of two thousand years of Western civilization.

Jimmy Carter correctly perceived that Americans were uncomfortable with the amoral foreign policy of Kissinger. He tried to rekindle American idealism by making "human rights" the centerpiece of his own foreign policy. Unfortunately, human rights has proved to be too amorphous a concept, and one incapable of unifying and directing American foreign policy. Rather than infuse America with a new sense of purpose and mission, it has caused us to punish our friends without hurting our enemies. In foreign eyes, it has contributed to the image of American policy adrift and purposeless.

Congress and the President must nontranscend the murky vision of experts who have failed so miserably in identifying the nation's real interests and needs. The idealism of the American people must be transformed into meaningful policy.

America must clearly show its willingness to once again become the standard bearer for democracy and human freedom in the world. In the short-run, it is obviously riskier to actively pursue goals rather than passively respond to the initiative of others. But history has repeatedly demonstrated that, in the long-run, passivity and isolationism are far more dangerous.

We must take as our starting point the simple proposition that Soviet communism has as its objective the destruction of Western democracy. Their form of government subordinates the individual to the state, and thus is inherently antagonistic towards the values of the Judeo-Christian tradition. Therefore, the expansion of Soviet-style communism is inimical to American interests. American policy must counter Soviet expansion directly while also providing Third World nations with viable alternatives.

A concept remarkedly absent in recent American foreign policy formulations is "reversibility." As a matter of principle, the United States should oppose tyranny, regardless of how it manifests itself. However, that must be tempered by a little common sense. We know as a matter of historical fact that no communist nation has thus far evolved into a democracy.

On the other hand, other undesirable forms of government have proven to be amenable to pressures and inducements to move towards democracy. Our foreign policy must make the necessary distinction. Though certain nations may have political systems repugnant to democratic values, our foreign policy should work with them towards the goal of liberalizing their regimes; we should not aid revolutionary forces of the left that, once in power, will transform them into an irreversibly communistic government.

It is impossible to separate foreign and military policy. In the final analysis, a nation's ability to pursue its foreign policy objectives hinges on its capacity to mobilize resources, especially military resources. It is not surprising, therefore, that our ineffectual foreign policy is matched by an increasingly ineffectual military establishment. During the last decade neither the President or Congress has been willing to exercise the leadership necessary to insure an adequate defense posture.

The activist foreign policy that will be critical to American survival in the 1980's must be underpinned by adequate military resources. At present, the United States could not support an activist foreign policy. We are no longer credible—our allies do not trust us, and our enemies do not fear us. We have become a paper tiger.

It may be a bitter pill for us to swallow, but during the 1980's we will necessarily have to devote more of our scarce resources to defense needs. At this very moment, we are faced with a crisis in the Middle East of staggering proportions. The potential implications of Soviet domination of the Persian Gulf are cataclysmic. Yet, the United States does not possess military forces adequate to protect the vital link in the Free World economy.

The Senate still has before it the SALT II agreement. As that treaty was signed by President Carter, I would necessarily be forced to oppose it. In my judgment, it commits the United States to practical strategic inferiority and opens the very real possibility of nuclear blackmail. It was negotiated by a foreign and military policy establishment in Washington that clings to out-moded strategic doctrines.

Like many Senate colleagues who also oppose SALT II, I am committed to arms control. I believe that arms control is a real possibility in the near future. However, arms control that gives a clear advantage to the aggressive, expansionist side is nothing more than a blueprint for disaster. At a minimum, real arms control must provide for true reductions and true equality, otherwise it is meaningless. It is my fervent hope that SALT II will be scrapped and renegotiated. In the meantime, the United States must do all in its power to upgrade both its strategic and conventional military forces.

I hope my words today do not sound too grim. They reflect my best judgment after four years in the Senate. The American people have it easily within their capacity to reverse the present situation. It will take dedication and some willingness to sacrifice. We must become more realistic about the dangers we face. Throughout our history we have repeatedly demonstrated resilience of will and of commitment. We have overcome adversity and gone on towards ever-greater achievements. The 1980s can become an American decade; they can represent a victory for democracy and human freedom.

Thank you.

Mr. BRADLEY. Mr. President, the nomination before us poses one of the most difficult deliberations in which the Senate will engage during the process of giving its advice and consent on the proposed Cabinet of President Reagan. This would be the case even if Gen. Alexander Haig were not such a controversial figure. The deliberation on the next Secretary of State would be difficult under any circumstances because we are at crossroads in American foreign policy. That we are being asked to take as our guide a man who, though unquestionably able, excites strong emotions for and against him makes the responsibility of the Senate weigh doubly heavy.

I believe we finally are pulling out of a post-Vietnam disorientation concerning the proper balancing of the responsibilities and the limits of American power. The ruthless Soviet invasion of Afghanistan helped wrench us out of that numbing condition. It started us thinking again in terms of how to apply U.S. power to protect our vital interests, not whether it could or should be applied in their defense. But no one will doubt we still have a long way to go in defining a prudent framework for realizing our national interests, which must always be at the base of our foreign policy. We also need some urgent work on developing a range of effective instruments that can be used, as appropriate, in varying circumstances.

The world is changing rapidly, and there are dangerous possibilities ahead. Relations between the two superpowers are at their most tense moment since the Cuban missile crisis, there are nascent signs of potential shifts in alliances, there is an ever growing diffusion of economic power and perhaps the most potentially volatile reality is the recurring threat to the economic base of the Western countries—the threat of a catastrophic interruption of our oil supplies from the Middle East.

The days ahead will be challenging to an American Secretary of State indeed. We will require many things of him, but none more important than that he bolster American power, crystallize a unifying vision of our national interest, and reinforce American credibility. Anyone who has seen or met General Haig knows that he is an imposing man with a keen sense of the use of power. Anyone who has heard him has little doubt that he puts a premium on coherence in U.S. policy and on the protection of American credibility concerning our commitments. The lines of his testimony before the Foreign Relations Committee that gives me greatest encouragement are as follows:

> I firmly believe that American foreign policy should have some permanent bedrock. The United States has been most effective in the world arena when the solid foundations of its foreign policy has been recognized and understood—by our people and by the nations with which we must deal.

He has stated three qualities that above all must guide the conduct of American foreign policy: First, consistent action; second, reliable behavior; and third, the balancing of pressures that must be weighed and reconciled in our responses regarding the complex issues of foreign affairs.

These are good pillars for U.S. foreign policy. General Haig's intention of relying on the first two offers additional evidence that he has a strength of purpose. His listing of the third suggests

that he also understands the importance of a flexible, even subtle approach in achieving that purpose.

But while I have no doubt of his strength of purpose, I do have qualms concerning his receptivity to the need for a flexible approach in particular situations. An effective foreign policy requires a Secretary of State who has both strategic vision and nuanced judgment about tactics in each case. The record on General Haig confirms that he is anything but an ad hoc thinker. It is not so comforting in confirming that he is a multidimensional thinker, or better put, that he can be motivated by more than one, albeit important, dimension of international politics—the competition between the United States and the Soviet Union.

Anxiety over the nomination of General Haig has been traced to concern that he has a military mind or is insensitive to moral considerations. While I respect the inquiries of those who express these concerns, they do not accurately describe my own concerns. Our country has been served brilliantly in diplomacy by military men such as Gen. George Marshall. Nor do I find compelling evidence that General Haig is a man of few moral compunctions. It seems to me that absent evidence to the contrary, we are bound to give the benefit of doubt to a man who has served his country ably, in times of crisis, tirelessly and with patriotism.

My questions are different. General Haig is a man with a strong sense of what is right for our country. Is he also righteous to the point that he is easily blinded to the complexity of international realities?

General Haig is a man of action. Is he so intent on deliberate action that he will fail to see that there are also times that warrant inaction?

General Haig is a crisp decisionmaker who expects a crisp response. Can he also show patience when patience is required?

General Haig is a man of strong purpose, and I praise him for it. But is he also headstrong? Can he accept the need for circuitous, sometimes discouraging, routes to achieve our country's purpose?

General Haig is a man who is dedicated to demonstrating American power before all the world's judgment. Will he also consider how American actions will affect our own judgment of ourselves as a people—how we live with our own legacy as a world power?

What factors will he weigh, and which will he weigh more heavily than others, in formulating an American initiative or an American response?

What considerations will be paramount in deciding for him whether we provide arms to a repressive regime or rush to the protection of a beleaguered ally?

Is the overriding dimension for him always United States-Soviet competition? Will he ask only how far a nation leans toward one or the other of the superpowers, or how the outcome of an event will affect the superpower balance?

There is more to the lives of nations than alinement along a continuum with the United States and Soviet Union at the polar extremes. And there is more to the task of decisionmaking in foreign affairs than the measurement of potential results of action along that same continuum.

An American Secretary of State must be sensitive to a range of continuums, a panoply of dimensions, many of which describe not just considerations of global stability, but considerations of domestic harmony as well. An American Secretary of State must have an instinct for weighing diverse and even obscure considerations. This is what lends policy effectiveness, integrity and public support to a foreign policy. An American Secretary of State must also exercise flexibility in his choice of foreign policy instruments. Not all problems of foreign relations are treatable by the threat, or exercise, of military power, or the making of military commitments. Indeed, the germ of security problems is often economic insufficiency or instability.

U.S. policies that come to terms with foreign aspirations for economic development and with the dangers of instability in the global economic order are as fundamental to peace and political stability, as our defense policies. They are also far less costly to our Nation. We can win more friends, and stabilize more societies, by opening economic borders than by preparing to open fire.

I have qualms about General Haig. Not about his abilities, only about his frame of reference. I have decided on balance to be optimistic about this distinguished general. I am swayed by his keen intelligence, his certain grasp of the need for a coherent strategic view on the global order, his commitment to enhancing America's image abroad and his deep loyalty to our country. I think General Haig is a man who will find that the judgment of history will shadow his decisions. Indeed his own words about the Office of the Presidency state most eloquently the basis for my optimism about General Haig as Secretary of State.

He has told us that he believes in the "awesome ability" of the Office of the Presidency "to inspire its occupant to consider constantly the judgment of history and to work for the broad public interest. The influence of that office on its occupant provides a critically important institutional safeguard for our democracy." The same, I submit, is true of the Office of the Secretary of State. It is with this in mind that I look forward to working with General Haig. I expect to work with him sometimes as a supporter, sometimes as a critic, but always as someone who joins him in setting a high standard for the position of public trusts we will both occupy.

Finally, Mr. President, let me reiterate that the Senate does not have all the information available about General Haig's conduct in the question of Watergate. I regret that. We will never know if further facts might have changed this outcome. One can only say based on the evidence available General Haig should be confirmed.

● Mr. BIDEN. Mr. President, as a member of the Senate Foreign Relations Committee, I had an opportunity to review Gen. Alexander Haig's record in careful detail and to question him at length during his confirmation hearings. As I told the committee, this nomination confronts me with a choice between my hopes and my fears.

No one disputes that General Haig is intelligent, experienced, forceful, and loyal. No one doubts that President Reagan considers General Haig the most able man to help fashion and implement his plans for foreign policy.

He responded to the committee with intelligence, sometimes with candor, occasionally with his special brand of cool passion. I believe I can speak for most of my colleagues on the committee when I congratulate him for unflagging stamina, consistency of effort and a prodigious memory.

We recognized—even before the hearings began—that he had experience in foreign policy. We were aware that he possessed a great sense of loyalty to his superiors and that he exhibited qualities of leadership to those in his command. Most of us sensed that he might be an excellent manager in times of crisis. And nothing he said nor the manner in which he conducted himself during those 5 long days of hearings has dispelled any of those initial impressions.

Unfortunately, even though he has demonstrated these qualities, there remains, I believe, an element of doubt. The question the Senate still must answer is whether this man merits our trust and our support as Secretary of State.

I still have unallayed and significant fears about how he would conduct himself as Secretary of State, in an office which wields enormous power and influence over our Nation's security and consequently over our Nation's survival.

Coming into the hearings, I feared that, whether by personal inclination or because of his military background, General Haig might display a predisposition to choose obedience over independent judgment. At the end of these long sessions, I noted that he still has not entirely relieved me of that anxiety.

General Haig served in important positions during the most wrenching and traumatic political crises of recent American history—the Vietnam war and Watergate. On many occasions when decisions were made with regard to these crises, he appears to have displayed a troubling insensitivity to many of the moral, legal, and constitutional issues involved. His repeated refusals to assess his own past performance with an appropriate degree of self-criticism leads me to fear that he does not sufficiently appreciate the broader requirements of public service and the ever-present dangers of abuses of political power.

General Haig's demeanor, no doubt useful and effective in his past positions, is one of unusual self-confidence and certitude. I fear these same qualities, however, may make it difficult for him

to conduct what he himself told us should be an "active consultation" with the Congress "in an atmosphere of mutual respect, trust and confidence, recognizing the special role of the Senate." The cooperative spirit we need to build a unified and bipartisan foreign policy can disappear in an instant if there is a lack of mutual respect.

These are some of my fears—nagging doubts that the shadows of General Haig's past actions and views may foretell behavior as Secretary of State which I believe could be inappropriate and objectionable. My fears are not proofs of disqualification, nor are they confident predictions of how he may perform in office. But they are concerns I feel obligated to offer to explain why this nomination presents me with the most difficult decision on a confirmation I have faced during my 8 years as a Senator.

But the same body of evidence which makes me fearful also offers grounds for hope.

General Haig sought by his answers to our questions to demonstrate his intention to comply with existing legislative provisions governing the conduct of national security policy, his acknowledgment of the importance of the moral aspects of public policy, and his commitment to work with rather than against the Congress. Also on the positive side of the ledger are the specific assurances he has provided us—sometimes at our prompting—particularly regarding his intent to adhere strictly to the war powers resolution and to manifest—as our Constitution envisions—a spirit of cooperation with the Congress in information sharing and consultation, including uninhibited consultation with all those in his department who share in formulating policy.

General Haig has committed himself to the Foreign Relations Committee, indeed to the American people, on these important issues. I am confident—after having observed him carefully throughout the course of the hearings—that he is a man of h's word who, once committed, adheres strictly to the fulfillment of his commitments. It is this character trait, which was at times most troubling to me about General Haig's past, which gives me the most hope for his future.

His pledges, coupled with his wealth of experience and his eminent stature abroad, give him an extraordinary opportunity to be successful as Secretary of State. And I am sure those who may vote against him will wish him well.

I am deeply concerned about the future of our country, about whether we have the capacity to act together to solve our many problems, about whether we will find the w'sdom to practice statesmanship rather than partisanship. In the 1980's, the preservation of our peace and security is no certainty. The character and performance of the Secretary of State in the next few years will make a difference.

I am reluctant to side with my fears about General Haig because I recognize that he has the potential to fulfill my hopes for his stewardsh'p. Therefore, I shall give him my support, and my prayers.●

● Mr. KENNEDY. Mr. President, important issues have been raised about the nomination of Alexander Haig to be Secretary of State—issues of future policy and about his role in the past. Those issues have not been fully resolved. But I also believe that in general, within a wide latitude, presidents are entitled to their Cabinet choices. I will vote against some of President Reagan's nominees, because their record clearly outweighs the presumption in favor of their confirmation. But the latitude to which a President is entitled seems to be broad enough to support a vote to confirm Alexander Haig.

I hope that, as Secretary of State, General Haig will dedicate himself, in deeds as well as words, to furthering both our national security and international peace. I hope he will be committed, in fact as well as in promise, to the cause of human rights for which we have always stood as a nation. When he and the Reagan administration move toward these objectives, I will give them my strong support. When they do not, I will voice my strong opposition.

There will be many areas of agreement between the administration and Congress—policy toward our allies; the need for a strong national defense; the importance of Israel's security and peace process in the Middle East. There may be differences as well. But we all know how vital it is to establish an effective, reliable and principled foreign policy—capable of meeting not only the challenge of Soviet power and East-West relations, but also the separate needs and aspirations of developing nations in the Third World.

By way of background and training, General Haig has an appreciation for the military dimension of our power. I hope that he also comprehends the essential role of political, social, and economic power.

Our country has a vital interest in reducing the risk of nuclear war. I believe General Haig shares that objective. I hope that he will seek effective agreements to restrain the nuclear arms race and to reduce the mounting stockpiles of nuclear weapons.

The Secretary of State must be accountable to the legislative branch. I share the concerns raised in the Foreign Relations Committee about General Haig's sensitivity to this requirement. In the months and years ahead, it will be his obligation to discharge faithfully his commitment to what he called, during the confirmation hearings, an "effective partnership" and "active consultation" with the Congress, "in an atmosphere of mutual respect, trust and confidence, recognizing the special role of the Senate," and in meeting his obligation, he will find us in the Senate more than ready to meet our obligation to cooperate and to participate constructively in the making of American foreign policy.

Finally, I share the widespread concern about General Haig's role in earlier years, including the Vietnam war and Watergate. I believe the committee has made the right decision to continue its investigation.

In the meantime, General Haig is qualified to serve as Secretary of State, and I will vote to confirm him.●

● Mr. DODD. Mr. President, I rise in support of the nomination of Alexander M. Haig, Jr., to be Secretary of State. As a member of the Foreign Relations Committee, I participated in the 5 full days of hearings on General Haig's nomination. These hearings were the most extensive in modern history for a President's nominee to be Secretary of State. I believe they were informative, exhaustive, and fair.

I am conscious that my vote on this nomination will be one of my first votes as a Member of the U.S. Senate. Accordingly, I have taken special care in determining my vote today.

Yesterday Ronald Reagan took the oath of office of the President of the United States. President Reagan, I believe, should have the opportunity to choose the men and women he wants to serve with him in high office. President Reagan has chosen Alexander M. Haig to serve as his Secretary of State. Our constitutional duty is to determine whether Alexander Haig is fit to serve.

I considered three broad areas in deciding whether to support this nomination.

First, I considered General Haig's views on a broad range of foreign policy issues and objectives. I questioned General Haig closely on the issues of nuclear nonproliferation, human rights, our relations with Latin America and Africa, United States-Soviet relations, and international energy policy, among others. While General Haig and I differed on a number of points, I do not feel that those differences warrant a vote against his nomination.

Second, I reviewed General Haig's past experience. He has served in powerful positions and has held these positions during periods of controversy; events such as Watergate, the secret bombing of Cambodia, and covert operations in Chile. I have examined General Haig's involvement in these events to the extent possible. And I have taken note of General Haig's voluntary sworn testimony where he assured us that he has never taken any action which would make him unfit to assume the duties of Secretary of State. The Foreign Relations Committee sought other documentation, including the Watergate tapes, but unfortunately we have been unsuccessful to date. I regret that we did not have access to these materials at the time of our deliberation; and I remain convinced that the committee should have the opportunity to review the materials that might shed light on his past conduct in office. However, we have no choice but to vote on this nomination without the benefit of reviewing those materials. We do, however, have General Haig's assurance of his proper conduct, and I accept that assurance.

Third, I considered General Haig's understanding of the constitutional role of Congress in foreign affairs. Congress must be assured it will be given the critical information on executive decisions and other matters which it will need to fulfill its responsibilities in the conduct of our foreign relations. To be frank, I wish General Haig had been

more forthright in answering the concerns many members of the committee had on this point. General Haig, however, has assured the Senate that he will comply fully with both the spirit and the letter of our laws and that he will consult with Congress on foreign policy matters.

Some of my concerns about General Haig's past experience and his understanding of the role of Congress remain. General Haig is a man of remarkable ability, intelligence, and experience. There is no doubt in my mind that he will assume a very powerful, and perhaps predominant, position in the Reagan administration. There are therefore risks in confirming a man with such a dominant personality in light of the concerns I have noted. However, there is also hope that General Haig's forcefulness will add depth and weight to a new spirit and a new optimism in the conduct of our foreign relations. He is apt to be strong and forceful in representing the interests of the United States in world affairs. I am hopeful that General Haig's strength and forcefulness will be used in the best interests and in the best traditions of the United States.

It is with that hope that I will vote to confirm General Haig's nomination to be Secretary of State.●

Mr. THURMOND. Mr. President, I rise today in support of the nomination of Gen. Alexander M. Haig, Jr., to be Secretary of State.

Mr. President, I applaud President Reagan's choice of General Haig to fill the post of Secretary of State. General Haig is a man of extraordinary capabilities. He is a West Point graduate with 37 years of military service. His proven ability to comprehend geopolitics and work with world leaders especially qualifies him for the position of Secretary of State.

Mr. President, I believe General Haig to be a well-qualified, knowledgeable, and extremely talented nominee. He has the potential to be one of the greatest Secretaries of State in the history of our Nation. I sincerely hope that my colleagues will join me in confirming General Haig for this position, in order that he and our new President can get on with the important business of overseeing our Nation's foreign policy.

● Mr. LEVIN. Mr. President, President Reagan's decision to nominate Alexander Haig to serve as Secretary of State was a controversial one. And like most controversial decisions, it presents us with a complex set of issues.

I have looked at those issues. I have studied the hearing record compiled by the Foreign Relations Committee and I have examined ancillary documents which bear on some of the issues raised there, including General Haig's top secret testimony before the Senate's Select Intelligence Committee in 1975 about his role in our Government's plots against Chile. There is evidence to support a vote in favor of the nominee and there is evidence to support a vote against him.

What there is not is a smoking gun. What there is is a trail of spent bullets.

The evidence available does not require a vote one way or another. It allows a vote one way or another.

With the documents painting such an unclear picture, it seems appropriate to try and place the decision in a broader context. Ultimately, I think that context must be found in our individual interpretations of our role in the process of giving advice and consent.

Yesterday, Senator PROXMIRE spoke eloquently on the need for the Senate to take that role seriously. He indicated that this power was, ironically enough, given to the Senate at the urging of the leading advocate for a strong central government and a strong executive, Alexander Hamilton. Hamilton, despite the hope and faith he placed in the Office of the Presidency, wanted each President and his appointees to operate under some semblance of balance. And that is why he urged that the Senate be given the power of advice and consent. And that is why we must take it seriously.

There is, of course, a tension generated by that power. We are not, it seems to me, to use that power as a means to thwart the legitimate need that each President has to surround himself with public servants who share his views and values.

It would not, then, be proper for a Senator to oppose a nominee primarily because he did not agree with his or her philosophy. If that were, in fact, a proper role, then I suspect I would vote against most of President Reagan's nominees.

If general philosophy does not constitute a responsible basis for opposing a nominee, I believe that the only factor which can compel one to refuse to give consent is a belief that the nominee may not discharge the obligations of office or may not do so in a way which is consistent with the basic character of the American people.

It is the last point that gives me pause. As I have reviewed the evidence available to me, I have discerned a pattern of activity in Mr. Haig's statements and service which indicate that he has too often failed to exercise the kind of independent judgment which the American people have a right to expect.

I have found a man whose view of public policy seems to suggest that the exercise of national power is neither moral nor immoral; rather it is an amoral tool which should be applied in response to the pragmatic dictates of the moment.

I do not believe that is an appropriate view for the chief spokesperson for American foreign policy to have. Consequently, I cannot give my advice and consent to his service as Secretary of State.

In general, my view is based not on any single act but rather on a series of acts or "non-acts," if you will, in certain instances. None of them in isolation are sufficient to establish a case against him. All of them together are sufficient for me to conclude that I should not vote to confirm.

First, it has been clear for some time that questions related to Watergate would play a critical role in allowing Members to draw a conclusion about Mr. Haig's fitness to serve as Secretary of State. I believe it is unfortunate that that committee and the Senate have been denied access to material which could have helped us resolve this issue. But I think it is more than unfortunate—I think it is clearly a matter of real concern—that Mr. Haig was unwilling to assist the Senate in an effort to secure that information.

Mr. Haig was asked, specifically, by Senator DODD if he would be willing to either join with the committee in requesting that the former President waive his legal right to seek to block the issuance of the material in question or make such a request on his own. Mr. Haig declined to do so. And, as a result, the Senate was unable to explore one avenue which might have led us out of the problems we confront as a result of not having that material before us, as well as removing a possible impediment to Mr. Haig's future effectiveness as Secretary of State.

I do not know if an appeal by Mr. Haig to Mr. Nixon would have resulted in the tapes being made available to us. But I do know that his failure to make such an appeal made it more likely that we would be denied the information we requested and needed. Mr. Haig may have had legitimate reasons for refusing to join in such a request—but the record is not helpful in explaining them.

I am bothered by his refusal to initiate or join in such a request. On one level, it seems to cast into doubt a good many of the comforting comments Mr. Haig made about his willingness to cooperate with the Congress and his commitment to share information with them.

By itself, this act would be insufficient. But this act does not stand by itself. It is surrounded by other acts and other statements.

There have been serious questions raised about Mr. Haig's role in developing and implementing the American policy which led to the overthrow of the Allende government in Chile.

There is no clear evidence on this point. Mr. Haig denies that he was intimately involved in either the decision or the execution of that policy. Some of those who were involved, on the other hand, suggest that he was well informed of the Central Intelligence Agency's activities. That he is not reported to have opposed such activities implies that he either gave his tacit consent to their implementation or that he could have been perceived by the CIA to have given that approval. Both the perception or the reality could have permitted these activities to proceed.

I do not know where the truth lies. But I do know that General Haig's role in the 1970 events in Chile was more than an observer or message-taker. At the very least, we was intimately knowledgeable of the Nixon effort to undermine a democratically elected regime—albeit one not favorably disposed to us—and the open-ended mandate to the CIA to accomplish that end.

Neither the object of the mandate nor the broad scope of it has particularly troubled him—it was, after all, not his decision. He was merely assisting in the monitoring of it for Henry Kissinger.

But the object and the apparently unlimited scope of the mandate to the CIA to come up with some effective way to achieve it, even before the disputed meeting of October 15, are troubling and, at a minimum, worthy of analytical judgment, if only to help in reaching sound future decisions. Mr. Haig's resistance to judge events in which he was a part, on the ground that he did not set those events in motion, does not represent the kind of penetrating, sensitive analytical review we should ideally have in a Secretary of State.

I am bothered as well by other acts; by our uncertain knowledge of Mr. Haig's role in the post-Cambodian bombing wiretaps. I know that Mr. Haig is quoted as saying he was neither an advocate nor nonadvocate of such a policy. And I find that stance to be disturbing.

The House Nixon impeachment resolution was based in part upon those taps. Haig himself knew that the tapping instructions he was carrying were to tap telephones of people whom he knew and knew about and he should have been troubled by it because of the stark unlikelihood of their connection with violations of national security.

And even though Haig has not been held legally accountable for these taps because his participation was that of helping to implement wiretap orders instead of drafting those orders, he shows little signs of concern other than saying that times have changed and that standards have changed, forgetting that Nixon and Kissinger were held legally accountable for the taps under standards existing at that time. In other words, even if the allegations that he had more than a "messenger boy" role cannot be verified—and I do believe they can be—even a messenger can contemplate the significance of the message that is being carried and learn from it if he himself is someday in a position to send significant messages.

I find in his record evidence to suggest that his use of power is insufficiently tempered by a recognition of the limits of power. I find in his record evidence to suggest that power tends to exist for him in a moral vacuum, with each use of power guided by the demands of the moment rather than the dictates of a more general set of values. And I find in his record a tendency to disregard the constitutional checks and balances which, in a process sense, can help make any use of power responsible.

Finally, I am troubled by the temperament that Haig displayed, particularly in executive session which I cannot but mention because the transcript is classified.

I would like to have been able to vote "aye." But I cannot find the kind of support in the record that I need to dispel the lingering and substantial doubts I have about him as the leading spokesperson for the United States in foreign affairs.

I hope time proves my judgment wrong. I will do my utmost to work with General Haig to help him succeed.

I shall insert in the RECORD the answers General Haig provided to some 36 questions I asked him for the record as part of his confirmation hearings before the Senate Foreign Relations Committee.

Briefly, here are some of General Haig's key responses:

On the military balance between the United States and the Soviet Union, he stated—

> I would not swap our Armed Forces for theirs, in part because our people are better man for man, woman for woman, and we have the inherent capability to out-perform them.

On our commitment to defend the Persian Gulf, General Haig went further than his colleague-to-be in the Cabinet, Defense Secretary Caspar W. Weinberger, was willing to go and he reaffirmed the "Carter doctrine." He also directly contradicted Secretary Weinberger by declaring that even now, the United States has the military muscle to carry out that commitment, although he, too, wants to strengthen that power.

Contrary to Secretary Weinberger, General Haig said:

> The U.S. is determined to protect its vital interests in the Persian Gulf area. Further, we have the military means to respond to aggression in the region. No one should make the mistake of ignoring our present capabilities . . . our present power is not to be trifled with—

And—

> It would be foolish for any aggressor to test our will or current capabilities . . .

Perhaps he was also referring to Secretary Weinberger's overly pessimistic assessment?

I hope President Reagan follows the lead of his nominee to be Secretary of State and, as one of his first acts in the White House, renews our commitment to the Carter doctrine to defend the Persian Gulf. Such a priority action by the new President would remove any doubt which might have been raised by his Secretary of Defense, who also told our Armed Services Committee "I don't know what he (President Reagan) would do in that connection," when I asked him whether he expected Mr. Reagan to renew our commitment to defend the Persian Gulf.

Mr. President, I ask that the full text of my questions to General Haig, and his responses, be printed in the RECORD.

The material is as follows:

Q1. General Haig, last January in his State of the Union address, President Carter declared that it was in the vital interests of the United States to maintain the security of the Persian Gulf. Do you agree with his statement?

A. There can be no doubt that the security of the Persian Gulf region is vital to the interests of the United States, as well as to the interests of our allies and friends.

The importance of the region obviously includes its oil resources. Beyond oil, however, the region has geopolitical significance and we have longstanding and close relations with a number of states in the area.

The world is heavily dependent on oil exports from the Persian Gulf. The U.S. has recently imported 50 percent of its oil. While that percentage has diminished, we are still substantially dependent on oil imports.

The political cohesion of our alliances, upon which our national security ultimately depends, would be severely strained by threats to halt or reduce oil supplies from the Persian Gulf. Control of oil by hostile powers would have grave consequences for the global balance.

Other potential threats which we must counter are the further spread of Soviet power and influence, which could lead to greater political influence in the region and increased pressure on the region's stability.

Our interests in Persian Gulf security extend beyond the region's oil. Soviet success in extending their control beyond Afghanistan would encourage additional aggressive moves and weaken us politically elsewhere in the world.

Moreover, we have an important stake in defending moderate regimes, in the region and elsewhere, from threats of aggression.

Q2. President Carter continued in his address that the US would take whatever means necessary, including force if required, to protect the Persian Gulf from threat by the Soviet Union or its surrogates.

Do you agree with this pronouncement as to how far the US should be willing to go to maintain the security of the Persian Gulf region?

A. Obviously, the US government would have to consider any decision to use force in light of the particular scenario involved and it would not be taken lightly. However, the US must be prepared militarily to defend its vital interests if necessary.

To rule out the use of force in the Persian Gulf—an area of vital interest to the US—would be to invite the possibility of further adventurism in the area.

Q3. Considering the importance of the security of the Persian Gulf to our vital interests and those of our allies in NATO Europe and Japan, would you expect President-elect Reagan, as one of his first priorities upon taking office, to re-new this "Carter Doctrine" commitment to defend the Persian Gulf?

A. President Reagan will speak for himself about our security priorities.

However, I regard it as self evident that any attempt by an outside power to gain control of the Persian Gulf region will be regarded as an assault on our vital interests. I believe that, in such circumstances, we must be prepared to use any means necessary, including force, to repel such assaults.

During his campaign, President Reagan made clear his position on the importance of the Persian Gulf region.

Q4. For the year following President Carter's declaration of our will to defend the Persian Gulf, by force if necessary, critics undercut this commitment by declaring that the US did not have the military capabilities to accomplish successfully this mission.

Do you think we presently have the military capabilities to defend the Persian Gulf to carry out the Carter Doctrine?

A. We face a wide spectrum of threats to our interests in the Persian Gulf, both direct and indirect. While the Soviets are the source of the most serious of these threats, there are many others which derive from regional rivalries and tensions resulting from rapid change.

We cannot hope to protect US interests with a strategy that is exclusively military, nor do we expect to have to rely solely on our forces in responding to external aggression.

At the same time, our security strategy cannot succeed without a solid military foundation, without credible capabilities to respond to the threats we face.

There is no question that our overall military capabilities for responding to Persian Gulf contingencies need strengthening, and we will do so. It is also true that our present power is not to be trifled with. Our force deployments are backed up by access to important military and naval facilities in the general region. In addition, any potential aggressor would have to reckon not only with US forces in the region, but also with the full panoply of US military power and the unmistakable risk of escalation.

Q5. If not, what good is a military commit-

ment which cannot be carried out? Why should the Soviets and their surrogates be deterred from threatening that region if they know by listening to our nation's top civilian defense officials that we do not have the muscle to make good on our word?

A. I can assure you that we are going to take the steps necessary to be sure we can defend our interests in the area.

I confidently expect that the Reagan administration will make significant improvements in our ability to respond to regional contingencies.

Q6. Why should any of the nations in the the Persian Gulf region—or our Allies in NATO Europe and Japan who rely so heavily on the unimpeded flow of oil from this region for their energy and economic lifeblood—have any confidence in our abilities to carry out our commitment if our nation's top defense officials say we lack the military might to do so?

Why shouldn't these nations, upon hearing such pronouncements by our top civilian defense officials, move closer toward accommodation with the Soviet Union in an effort to lessen the threats they might feel from the USSR and its surrogates to their oil supplies?

A. Our commitment to take whatever steps are necessary to insure unimpeded access to Persian Gulf oil is by-and-large accepted both by our Allies who depend on the flow of oil and our friends in the Persian Gulf Region.

We and our friends realize that our vital interests are involved in the region and that accommodation with the Soviets will not guarantee the protection of those interests.

We have a substantial presence in the area and a capability to bring in more forces. Although we still need to improve our ability to respond militarily to Soviet threats to the region, no one should make the mistake of ignoring our present capabilities.

Most importantly, although our ability to respond needs strengthening, our determination and ability to carry out the needed improvements rapidly is not in question.

Q7. Last November, the incoming Chairman of the Senate Foreign Relations Committee was in Moscow on a special trip. He bluntly told top Soviet leaders that the United States has, and I quote, "the military capactiy and the will" to use force if necessary if vital Persian Gulf oil supplies are threatened by outside intervention." Do you agree with this declaration?

A. The US is determined to protect its vital interests in the Persian Gulf area. Further, we have the military means to respond to aggression in the region.

However, we need to improve current capabilities so that no one can mistake our determination or ability to protect our vital interests in the region.

Q8. Do you think that the incoming Chairman of the Senate Foreign Relations Committee would have made such a statement to the Soviet Union's top leaders—especially its military high command—if he did not believe strongly we possessed the military capabilities to carry out our commitment in the Persian Gulf at the present time?

A. I will leave it to the Chairman to speak for himself. But I agree that we have the military means to respond to aggression in the Persian Gulf, and our capabilities are increasing.

I nevertheless believe we must increase our margin of strength in order to better deter attack and leave no doubt about our intentions or our capabilities.

Q9. Senator Percy, at a press conference following the meeting at which he delivered this message to the Soviet leadership, declared the following: "They (the Soviets) should never doubt we have the capacity and the will to respond."

Gen. Haig, don't you think that statements that we lack the military muscle to carry out the Carter Doctrine by civilian leaders such as Secretary of Defense Designate Caspar Weinberger raise these type of doubts? Can't these doubts undercut our commitment to defend the area and encourage Soviet adventurism and accommodation by the nations there and by our allies?

A. As I have previously emphasized, there should be no doubt about our will to act in defense of our interests in the Persian Gulf or the deterrent value which flows from that determination.

I do believe that we must move forward with an active military program for responding to threats in Southwest Asia in order to raise our confidence of prevailing in a conflict and to raise the confidence which regional states place in us.

This said, it would be foolish for any aggressor to test our will or current capabilities while we are engaged in bolstering our defenses for the region.

Q10. Don't you think it would be wise for President-elect Reagan to re-new our commitment to defend the Persian Gulf as soon as he takes office for the purposes of removing these doubts, reassuring our friends and deterring our adversaries?

A. Our commitment to the security of the Persian Gulf and the larger Southwest Asian region is longstanding. American Presidents from Truman through Carter have forthrightly stated our determination to defend our interests in the area.

This administration will develop its policy with a view to longstanding and ongoing U.S. interests in the region.

Q11. Saudi Arabia has requested additional offensive equipment for the F-15 aircraft such as conformal fuel pods, multiple ejection bomb racks, KC-135 jet tankers, AIM-9-L super-Sidewinder missiles and AWACS. President-elect Reagan pledged his Administration "will not continue to ship massive quantities of sophisticated armaments to so-called "moderate" Arab states who, in fact, might directly threaten Israel's existence." In light of the fact that Israel has said this offensive enhancement for the Saudi F-15 poses a direct threat to its security, and in light of the President-elect's statements, would you support sale of the equipment the Saudis are seeking?

A. This is a serious issue which this Administration must examine carefully in the light of our overall interests in the region: It would be permature for me to say what my recommendation to the President would be at this time. But I will assure you that my recommendation will take into consideration our concerns for Saudi Arabia's security, our commitment to Israel's security, and the regional arms balance.

Q12. Since the end of World War II, the cornerstone of our defense and foreign policy has been the judgment that Western Europe is the area of the world which is most important to our own national security—politically, economically, culturally, and militarily—has it not? Do you agree that this remains true in 1981?

A. Next to North America, Western Europe has been, and continues to be, the most important region of the world for U.S. national security. Economically, its resources are enormous, with some $2 trillion in GNP produced by over 260 million people. We share a proud political heritage, and bonds forged in two World Wars. It is the central region of post-war superpower confrontation. There is no doubt that the special ties between the U.S. and Western Europe, formalized more than three decades ago in the North Atlantic Treaty, will endure.

At the same time, other areas of the globe have grown in importance over the past decade. For example, our Allies in the Far East have become enormous economic powers in their own right, and have actively engaged U.S. economic and strategic interests. Japan in particular has become one of the world's leading economic powers, with a GNP totaling almost half our own, and a total trade with the U.S. of nearly $40 billion—second only to Canada.

The Persian Gulf-Southwest Asia region has become an area of vital interest in the past decade, stemming from the critical flow of oil from this region to all the industrialized nations of the world. Challenges to stability in this region are a challenge to the viability of Western economies.

In short, while our ties to Western Europe remain the cornerstone of U.S. foreign and defense policy, other areas of the world also demand our close attention and concern.

Q13. Do you agree that there should be "linkage" between all the activities, treaties, agreements, etc. we carry on with the Soviets and their "good behavior" in other matters throughout the world—even if maintenance of whatever particular activity, agreement, etc. is in the U.S.'s best interests regardless of what else the Soviets are doing elsewhere?

A. As I made clear in my testimony before the Committee, I believe that linkage between various issues and activities should be a major ingredient in our relationships with the Soviet Union. But precisely how linkage should be applied so as to best serve U.S. interests is a function of particular events and issues. I do not intend to make any generalization at this time.

Q14. During his recent discussions in the Soviet Union, Senator Charles Percy, incoming Chairman of the Senate Foreign Relations Committee, reportedly told Soviet leaders that, as an effort to continue the dialogue between our two nations on arms control matters, he would consider early Committee action on Senate ratification of two arms limitation treaties signed by both nations in 1976—the Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty.

Would you recommend that the Senate *not* consider ratification of these two treaties, as long as Soviet troops remain in Afghanistan and threaten intervention in Poland?

A. The Reagan Administration will be reviewing our national security programs and policies on a priority basis, including the question of these two treaties. My recommendation would need to await the completion of that review.

Q15. If we negotiate an arms limitation treaty which you conclude is clearly in the U.S.'s national interest and included real reductions in nuclear weapons, and if there is real strategic parity, and if the treaty truly is adequately verifiable, would you recommend its execution and its ratification even if Soviet troops remain in Afghanistan?

A. As I have noted in the course of my testimony before this Committee, I believe that equitable and verifiable arms control agreements can contribute to the nation's security. But I have also stressed that such agreements cannot be successfully negotiated until progress is made in enhancing U.S. military strength. Additionally, I believe that negotiation and ratification of arms control agreements cannot take place in disregard of Soviet conduct and activities in other areas. However, pending the review of our overall national security policies I cannot be more specific about how these general principles would be applied in specific cases.

Q16. Under what circumstances would you favor ratification of a SALT agreement if the Soviets still were in Afghanistan when it was concluded? If they were still threatening intervention in Poland? If they remained in Eastern Europe and the Baltic states?

A. Again, I cannot specify for you now how the general principle of linkage in U.S.-Soviet relations would be applied in each and every particular case.

Q17. You have stated that you believe strongly there should be "linkage". Do you intend to link Soviet improvements in human rights in their own nation and in Eastern Europe with progress in strategic arms control negotiations and in other arms control forums?

A. Once again I would like to stress that the particular applications of our policy of linkage will have to await the outcome of reviews of specific policies.

Q18. Do you intend to link such progress in human rights with trade concessions to the Soviets?

A. The answer to Question 17 applies.

Q19. You have stated that the US and its allies did not respond strongly enough against the Soviet invasion of Afghanistan. What specifically would you have recommended—what specific action—as a stronger response to this invasion?

A. The basic inadequacy of the allied response to the Soviet invasions of Afghanistan was not necessarily the specific measures which were finally taken but more the lack of a timely and cohesive response. This was partly due to a different perception in some European capitals of impact of this action on their security.

While allied measures agreed to most recently in the defense field are encouraging I would have liked to have seen a commitment by us all to increased defense efforts and a more unified political and economic response at the time of the Soviet invasion.

Q20. What other activities, agreements, treaties, relationships that we have with the Soviet Union would you have linked with removal of Soviet troops in Afghanistan? Would you recommend that these relationships be suspended or severed until the Soviets withdraw from Afghanistan? From Eastern Europe?

A. As you will appreciate, the Administration intends to review on a priority basis the situation in Afghanistan. Pending completion of this review, I cannot specify how the principle of linkage might be applied here.

Q21. If, in the period between the Reagan's Administration's taking office and whenever it decides to renew strategic arms limitation negotiations with the USSR—a period which could be lengthy according to statements by various incoming officials—the Soviets decide to no longer abide by the limitations contained in the SALT I and SALT II agreements on their strategic force deployments and testing practices, do you think their "non-compliance" by deploying more missiles or concealing deployments, etc. would increase the threat they pose to the United States?

A. We do intend to take whatever time is necessary to develop our defense and arms control policies. At the same time we would expect the Soviets to act in a manner which would not intensify the strategic arms race. Obviously we will monitor Soviet actions closely during this period and take into account their actions in formulating our own policies and programs.

Q22. Would you recommend to President Reagan when he takes office that the United States continue to abide by the limits embodied in the SALT I and SALT II agreements as long as the Soviets comply with these limits and until they are succeeded by whatever SALT agreement is negotiated by the Reagan Administration?

A. This question, along with a number of others relating to our strategic weapons programs and arms control policies, will be a matter for priority consideration early in the new Administration.

Q23. Do you think this nation should achieve military superiority over the Soviet Union?

A. We should not be caught in semantics over terms such at military superiority. What we must do is maintain a military posture that is strong enough to back up our commitments, protect our vital interests throughout the world, and deter Soviet aggression or coercion. We will do what is necessary to achieve this posture.

Q24. Do you think that the Soviets would object to our efforts to achieve superiority and take actions to counter our efforts to obtain it?

A. Yes, I think the Soviets would object to any U.S. efforts to achieve clear military superiority and they claim they would undertake military programs of their own designed to offset our efforts. But in the light of growth trends over the past two decades, we face the danger of the Soviets striving to achieve military superiority over us. This is unacceptable, and, as I have said, we need to ensure that we have the necessary margin of safety.

Q25. During the SALT II Hearings before the Senate Armed Services Committee, you stated that the Soviet Union and their Warsaw Pact Allies "are definitely superior" in conventional forces to the US and its NATO allies—including both qualitative and quantitative measures.

At his confirmation hearing just six months ago, the Chairman of the Joint Chiefs of Staff, the nation's highest military officer, General David C. Jones, USAF, stated he would not substitute our conventional military forces for those of the Soviets. I asked General Jones the following: "Putting together the whole bag, the Soviet bag for the US bag, would you swap our present military capability for that of the Soviet Union?"

General Jones answered: "No, I don't believe so, because I would have to swap our (military) people and that is one of our big advantages. Even though people question the quality of our military people, I don't think there is any comparison, when compared with the Soviets, in the innovativeness of our people. I would not swap. . . ."

I pressed General Jones on this point by asking: "Is it fair to say, given all the elements of military capability, quality of equipment, research and development, all the factors that go into a military position, you would still stick with your statement about not wanting to swap our military capability for the Soviet military capability?"

Again, General Jones responded: "I would not swap."

Why do you think that you and General Jones have reached contradictory judgments regarding the conventional military balance, since both US and Soviet forces comprise the most powerful military components of the Warsaw Pact and NATO Alliances, respectively, and since our Allies are superior to the Soviets' allies in terms of military capabilities and reliability?

A. Taking everything together—military and non-military capabilities and potential, allies, security threats, other problems—I would not want to trade places with the Soviets. At the same time, I insist that we must do better in meeting the Soviet military challenge, particularly at the conventional level, or eventually run unacceptable security risks.

We traditionally have offset Soviet quantitative advantages with capabilities that were qualitatively superior. That strategy is becoming less satisfactory, however, both because the Soviets are closing the technological gap in many important areas and because we have been less successful than we should be in exploiting our qualitative advantages.

We can achieve qualitative superiority on a weapon-for-weapon basis. Unfortunately, however, we have not always deployed the qualitatively superior weapons that we were capable of developing. Meanwhile the Soviets have deployed modern weapons in large numbers during the last decade.

Moreover, weapons do not engage each other one-on-one. Armies engage each other, and the Soviets have more of most kinds of major conventional equipment than we do or than NATO does when the two alliances are compared.

I would not swap our armed forces for theirs, in part, because our people are better man for man, woman for woman, and we have the inherent capability to outperform them. What I would do would be to exercise that capability by actually deploying modernized capabilities and doing so, in conjunction with our Allies, in greater numbers than we have done in the past.

We have significant deficiencies yet to fill, but it is within our capacity to do so if we make the effort.

Q26. Do you think that General Jones would have answered as he did—that he would not trade our conventional forces for the Soviets' forces, considering both qualitative and quantitative measurements—if the Soviets were superior to the US in conventional military capabilities?

A. See response to question 25 above.

Q27. Emigration of Jews from the Soviet Union has dropped drastically in the past year and a half. Earlier in your testimony before the Senate Foreign Relations Committee, you linked the drop to the Soviet invasion of Afghanistan. Other observers have dismissed this as a cause and have pointed to figures showing that the trend was well established before the Soviet military action even began. They believe that American lack of reaction to the Soviets' sharply increasing emigration after the implementation of the Jackson-Vanik Amendment caused the Soviets to abandon their efforts to work within the framework of this Congressional action. Could you elaborate on your reasons for stating that the drop in emigration stemmed from the Soviet invasion of Afghanistan?

A. It is true that a decline in Jewish emigration had begun in the autumn of 1979, before the invasion of Afghanistan. This decline intensified, however, following the Soviet invasion, producing a 1980 Jewish emigration total of just over 20,000 persons compared to a 1979 total of over 50,000 persons. We are in no position to know the motivations behind Politburo decision-making, but we can see both the drastic cut in Jewish emigration and the invasion of Afghanistan as reflections, in their different ways, of the same hardened Soviet stance toward US interests. To link the sudden decline in Jewish emigration to a Soviet perception of lack of movement on MFN alone would be to ignore other significant factors operating in US-Soviet relations at the time.

Q28. What actions do you intend to take to maintain the traditional American support for those who desire to emigrate from the Soviet Union? Would you be willing to continue to work within the parameters of the Jackson-Vanik provisions? If so, how would you measure Soviet compliance with such general guidelines and at what point would you recommend the Most Favorable Nation (MFN) trade status be granted? If after MFN was granted, emigration noticeably declined, would you recommend revocation of MFN status?

A. I will, of course, do everything which is appropriate and within my power to promote free emigration from the Soviet Union. The Jackson-Vanik provisions represent the law of the land and I certainly will operate within its parameters. Should the Soviet record on emigration improve substantially at some future point, any recommendations I might make to the President as to whether the requirements of Jackson-Vanik have been met would be made in full consultation with the Congress.

On the matter of possible revocation of MFN once granted, the law requires the President to report annually to the Congress on the state of compliance with the law. I would thus provide the President the most up-to-date data on Soviet performance in the

area of emigration so that he might make his report and his recommendation as to the continuation or revocation of MFN status for the Soviet Union.

Q29. If you had been Secretary of State in 1978, would you have proposed that the United States sell 60 high performance, F-15 jet fighters to Saudi Arabia?

A. I support the 1978 decision to sell 60 F-15 fighters to Saudi Arabia. As you know, we have had a long and cordial relationship with Saudi Arabia, and the F-15 sale was an important component in helping to maintain it. More basically, the U.S. has had a longstanding interest in Saudi security and territorial integrity and it has long been U.S. policy to assist Saudi Arabia to develop an adequate defense capability. This sale was supportive of this longstanding U.S. interest and I do not believe that it adversely affected the balance of power in the Persian Gulf region.

Q30. If you had been Secretary of State then, would you have agreed with the commitment the Carter Administration made to the Congress at that time that these F-15s would not later be "enhanced" with offensive capabilities such as multiple ejector bomb racks, conformal fuel tanks and advanced air-to-air missiles?

A. I fully understand the sensibilities of the F-15 enhancement issues and the background to the Carter Administration's decision at that time. I am not prepared to second guess the people who made this decision.

Q31. Would you recommend to President Reagan, if you are confirmed as Secretary of State, that he also disapprove any Saudi request for sale of this offensive equipment to enhance the capabilities of their F-15s?

A. It would be premature for me to say what I would recommend to the President regarding the sale of F-15 enhancement items to Saudi Arabia. This is a serious issue which we will have to study closely.

Q32. Do you think that the United States should recognize a unified Jerusalem as the capital of Israel and under Israeli jurisdiction?

A. It has been the United States position for three decades that the final status of Jerusalem must be resolved through the process of negotiations, and that the outcome of such negotiations should not be prejudged by unilateral action by any party. I associate myself fully with this view. The United States must continue its efforts to help bring about a settlement of the issue of Jerusalem satisfactory to all those directly concerned. Any move to extend formal recognition before an agreed settlement of the status of Jerusalem has been reached would undercut both our efforts and those of the parties to bring about such a settlement and to achieve a comprehensive Middle East peace. At the same time, I firmly believe that Jerusalem should never be divided again by barbed wire and artificial boundaries.

Q33. Do you think that the United States should negotiate with the Palestine Liberation Organization before it renounces terrorism and the destruction of Israel?

A. In the context of the search for a just and lasting peace in the Middle East, I do not believe we would have anything to negotiate with the PLO, unless and until it accepts the right of Israel to exist and live at peace within secure and recognized boundaries. Such an acceptance of Israel would, of course, be inconsistent with terrorist activities.

Q34. If you had been Secretary of State during the past year, how would you have recommended the U.S. Delegation vote on the two UN votes dealing with Israeli treatment of territories it captured in the June 1967 war? The first dealt with Israeli settlement of the West Bank and the general disposition of that area; the second UN resolution condemned Israel's move affirming Jerusalem as its eternal capital.

A. If I understand correctly, the resolutions to which the question refers are UN Security Council Resolution 465 of March 1, 1980 and Resolution 478 of August 20, 1980. Although both resolutions contained elements that are in accord with American policy that has remained constant through Administrations Republican and Democratic, I consider both to have been deeply flawed and unbalanced. I believe it would be very difficult to say now just what I would have recommended, not being fully aware of all relevant circumstances, including the climate in the Middle East, the status of the peace process, and the environment at the UN at the time the resolutions were presented. It is fair to say in retrospect, however, that the many unbalanced efforts to condemn Israel for various of its actions this year turned out to be counterproductive and contributed nothing to the search for peace. These efforts were sterile in the main. It will be my objective to encourage the UN to find constructive ways to stimulate progress toward a just and comprehensive peace in the Middle East.

Q35. Do you think that the United States should insist that President Sadat of Egypt sign a formal facilities access agreement with the United States before we make improvements to the Egyptian airfield/port at Ras Banas in Egypt for contingency use by our forces in the event it is necessary to deploy them to defend the Persian Gulf?

A. President Sadat has been very forthcoming in offering the United States the contingency use of Egyptian facilities, exclusive of those in the Sinai, during periods of crisis in the Middle East and for the training of our forces in the region. His offer goes back several years, has been reiterated often in public, and we have recently conducted some mutual exercises with Egyptian forces. President Sadat and other Egyptian officials have, however, repeatedly stated that the Government of Egypt can not permit a permanent U.S. base on Egyptian soil, nor can they sign any kind of formal agreement concerning even limited access to Egyptian facilities. I am personally not familiar with all of the policy and legal reasons why an agreement might be necessary, but I can assure you that this is a subject which we will be addressing in detail soon.

Q36. In its Fiscal 1981 Defense Authorization Act, the Congress, in authorizing billions of dollars to improve our Rapid Deployment Force capabilities, reiterated that the War Powers Resolution "be strictly adhered to and that the congressional consultation process specified by such Resolution be utilized strictly according to the terms of the War Powers Resolution," in connection with the potential use of an American Rapid Deployment Force.

Do you intend to comply strictly with this provision of the FY 81 Defense Authorization Act? Under what circumstances do you foresee that you would not consult with Congress in advance of commitment of our Rapid Deployment Force to a conflict overseas, and why?

A. I fully intend, as Secretary of State, to comply with the War Powers Resolution. I think it is vital that Congress be fully consulted regarding such commitments of US forces.

I can foresee no specific scenarios involving the use of the Rapid Deployment Force that would preclude such consultation. However, as you know, the Resolution itself, in requiring advance consultations "in every possible instance," takes account of the fact that very urgent contingencies could render prior consultations infeasible. If there were such a case, the resolution provides that the introduction of US forces must be promptly reported.●

● Mr. RIEGLE. Mr. President, a nominee officer, as the principal U.S. contact point with the world on matters of than any other Cabinet office. The Secretary of State serves as the senior Cabinee for the position of Secretary of State must meet a higher standard foreign policy, and stands fourth in line of succession to the Presidency itself.

General Haig has given many years of service to our Nation. Part of that service has earned high praise; other portions have been troubling and have left serious questions that remain unanswered.

In reviewing the record, and evaluating the committee testimony, I cannot vote to ratify his nomination. I would very much prefer to support the nominee to such a crucial position; so the vote I cast to the contrary is a joyless act.

Several periods in General Haig's past cause me profound concern. Among them are known situations of illegal wiretapping; illegal bombing, illegal interference in toppling foreign governments, illegal conduct in the willing obstruction of justice by the Nixon White House finally culminating in formal impeachment proceedings and Presidential resignation, and the improper discussions of a possible Nixon pardon with President-to-be Gerald Ford. In these matters and others, we now know that the rule of law was ignored, innocent persons were harmed, and basic constitutional safeguards were violated. While General Haig had direct and important operational responsibilities bearing on each of these episodes, the committee has not been able to clearly resolve General Haig's exact role and responsibility in these matters.

Were these incidents fewer in number, or of lesser consequence, they would raise a different level of concern for me.

Since they go directly to the worst abuses of executive power in our 200-year national history, and as they illustrate a pervasive pattern of illegal conduct, they take on enormous significance.

Unfortunately the committee was prevented from securing existing direct documentary evidence that could more fully answer the question of General Haig's precise role in several of these matters. Former President Nixon has blocked access to this factual information, and General Haig, for his part, has been unwilling to ask Mr. Nixon to withdraw his objection so that this factual record could be brought fully into the open. The Senate cannot properly fulfill its duty in this case without access to these materials. Unfortunately, events are such that shortly that issue will be moot, and the factual information will have been successfully withheld. That is deeply troubling to me.

We live in a world of clear and present dangers, with every expectation that the road into the future will be dangerous and difficult. We will need great national strength—and great allied strength to deal effectively with any and all eventualities. It takes strength to maintain peace in a hostile world. I believe we must have sufficient strength to fully protect our strategic interests now and in the future. When our strategic interests require appropriate intervention, we must be ready and willing to act accordingly.

A lack of vigilance and advance preparation can make our Nation vulnerable. We can also weaken ourselves by squandering our strength and national will in international quagmires like Vietnam; a case where a miscalculation of our strategic interests cost us 55,000 American lives, over 200,000 American wounded, and something approaching $200 billion.

We can not afford another Vietnam, or the strategic misjudgments that produced it. Festering situations today in Africa and South America could become future Vietnams unless wiser judgment is brought to bear. It requires no mea culpas from anyone to frankly acknowledge, in 1981, that Vietnam was a strategic and operational disaster that must not be repeated. It is said that unless we learn the lessons of history we are destined to repeat them. That wise counsel applies here.

General Haig will be confirmed today and I wish him a most successful term of office. My vote today discharges my constitutional obligation. I am prepared to work constructively with General Haig. I also want to repeat today my previously indicated intention to offer the Reagan administration the maximum degree of bipartisan support on foreign policy issues in the model of the late Senator Vandenberg, a Michigander who held the Senate seat I now occupy.●

Mr. MATSUNAGA. Mr. President, the conduct of our foreign policy has always been of paramount importance to the maintenance of our national interest and the continued security of our allies. In the coming decade, our diplomatic relations with others—both our friends and potential adversaries alike—will increasingly play an ever growing role in protecting and preserving our rightful standing in the world.

That is why this nomination for Secretary of State is so crucial. It is essential that we have someone at the helm of our foreign policy who adequately understands the nuances of diplomatic protocol and appreciates the finesse required to peacefully negotiate from a position of sufficiency.

Just yesterday, a national nightmare ended. After 444 days in captivity, 52 American citizens regained their freedom. During their long and horrifying ordeal, this distasteful situation was prevented from deteriorating further—into open warfare or senseless bloodshed—by the skillful approach of President Carter and the two competent gentlemen who served him so well as Secretary of State, Cy Vance, and Ed Muskie, and of course their deputy, Warren Christopher.

Had lesser men been in charge during this period, or had less prudent decision makers miscalculated, the safe and healthy release of our fellow countrymen might not have been achieved, and the delightfully joyous scenes that we witnessed on television—of families rejoicing at the sight of their loved ones returning to freedom—might very well have been all too different. In fact, too different and too unpleasant to even imagine in light of the euphoric evening that the former hostages experienced last night.

President Carter, and for that matter, the State Department, deserve to be commended for achieving a peaceful ending to this horror. Throughout this ordeal, he steadily guided our policy toward a successful conclusion by capably employing a number of diplomatic options, skillfully negotiating from a difficult position without allowing himself to fall prey to overreaction, untamed passion, or military haste. I am confident that history will applaud his conduct in this crisis and that Americans will come to realize, if they do not already appreciate, that Jimmy Carter showed the world how a great nation should properly behave when faced with a distressful and totally unappealing predicament.

It is essential that our new Secretary of State appreciate this fact, also. As a military man who has had a distinguished career, Mr. Haig is, I am sure, fully aware of the awful consequences of modern warfare and the gravity of any situation that lends itself to posturing and saber rattling. His statement that we must let our potential enemies know that we will use the nuclear bomb if necessary, must be made clear that such use will never be made unless our enemies use it first.

I was deeply concerned over some of the statements on these subjects that have been attributed to Mr. Haig, and somewhat apprehensive over what appeared to be an attitude and belief on his part that there are easy solutions—military ones—to what are in fact difficult and complicated matters of policy. In questioning members of the Foreign Relations Committee and reading the record of the hearings, my concern and apprehension have been dissipated.

On the night before his inauguration, President Reagan noted that the fact that he is now our Nation's Chief Executive had finally "sunk in." I trust that Mr. Haig, too, realizes that he is no longer in uniform, no longer a military commander, no longer a general.

I trust that it will "sink in" that he has been chosen to preside over the diplomatic and foreign policy apparatus of our Government and that the task before him is to maintain our Nation's position in the world through negotiation, and not confrontation. I can give him no better advice than that spoken by a Republican President, William Howard Taft, who said "War is not the continuation of foreign policy by other means. War signifies the failure of a foreign policy."

It is paramount for the future of our Nation that our foreign policy be conducted and maintained professionally, credibly, and wholeheartedly. The stakes are just too important to do otherwise.

Mr. Haig has amassed a considerable degree of experience and respect during his illustrious career. He has served our Nation admirably, and often during very trying times. His conduct abroad as commander of our NATO forces gained him many accolades from our allies, and his training certainly prepares him for specific aspects of the task ahead.

In the conviction that Mr. Haig truly appreciates the delicate duties that await him and is fully cognizant of his first and foremost responsibility as our Nation's chief diplomat, I am voting to confirm his nomination.

Mr. WEICKER. Mr. President, I ask unanimous consent that an article by Dick Polman, published in the Hartford Advocate of December 24, 1980, entitled "Watergate's Water Boy," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WATERGATE'S WATER BOY

(By Dick Polman)

When General Alexander Haig was the deputy commander of West Point, he insisted that the cadets march with their fingers locked at the second knuckle, their thumbs pointed straight at the ground, their elbows locked. And Haig would say, "If they can get that hand straight, that elbow stiff, then all the rest of it falls into place. Every directive becomes second nature."

Every directive becomes second nature . . . Haig has built his career around that principle, and it has served him well. During his meteoric rise through the Army bureaucracy, Haig developed the ability to please the boss, no matter who it was, no matter what the order required him to do. He was, in Army parlance, a "horseholder." And today the president of United Technologies is destined to become the next Secretary of State, despite the fact that many of those orders involved illegal wiretapping of innocent people suspected of questioning an illegal and barbaric military strategy imposed on the nation by Haig's superiors.

It is a sordid history, but you don't hear much about it in these days of star-gazing. Haig is lauded by reporters like The New Republic's Richard Strout, who is impressed with the general's "high cheekbones," his "square shoulders" and his "nostrils that flare slightly." A Hartford Courant reporter courageously probes Haig's motivations for seeking the State Department post, and concludes that it must be (gasp) patriotism. Senators like Republican Roger Jepsen of Iowa declare, "Haig hasn't just read the history books, he's been part of making history." Jepsen is apparently too awe-struck to recognize the irony of his remarks.

Even among most skeptics in the press, Haig's questionable past has not been examined in any detail. Most mention his role in "Watergate," that simplistic buzz word which fails to convey the living reality of crimes committed in our name, without our consent. To praise Haig, as many have done, for rescuing the country from Nixon and Watergate is worse than deplorable; it is simply inaccurate. The record clearly shows that, as a horse-holder eager to please the boss, Haig played a central role in fueling the high-level paranoia which developed three years before somebody left tape on the Watergate basement door.

A Haig supporter can always complain that it's ridiculous—ex-Nixon aide Pat Buchanan says it's "McCarthyism"—to bring up Watergate as a way to question Haig's qualifications for the State Department. But the best response comes from Steve Daggart, a foreign policy analyst with the Institute for Policy Studies in Washington. "With Haig," he told me, "you've got a bias toward the violation of fundamental civil liberties. That's one of the costs of building a national security state. Haig is a prime mover for the national security state—to see dissent just as a threat to national security, and that involves a bias against civil liberties. And it seems that one of the lessons of the Nixon era is that fighting an international crusade (like Vietnam and Cambodia) is disastrous for the domestic political situation. Haig is part of all that. The choice of Haig is just another indication that these people (Reagan's team) don't see civil liberties to be as important as what they view as the national interest."

"HE MADE NO WAVES"

Alexander Haig once said, "Politics and soldiering are very, very close. (They're both) fields where a man lays everything on the line to win or lose. They're tested by the vote or they're tested by battle. When one doesn't win, the results are fatal . . . So I have a great respect for politicians."

Nixonian thinking runs rampant in that statement—the simplistic notion, for example, that war and democratic politics can be equated, or the notion that losing a political fight is "fatal." But even in the earliest days of the Nixon administration, this attitude prevailed. Despite Nixon's public declaration that he would end the Vietnam war, respect the neutrality of neighboring Cambodia, and respect Lyndon Johnson's moratorium on bombing North Vietnam, the White House proceeded to bomb Cambodia (thus widening the war), and to bomb North Vietnam. These decisions were made and carried out secretly, without informing Congress or the public; when the news leaked out suspected leakers were wiretapped in their homes and offices. Haig was a key participant in the program.

As Nixon's national security chief, Henry Kissinger brought Haig over from the Pentagon to be his military advisor on the White House's National Security Council. Kissinger was obsessed with leaks, but not all leaks, of course; at his first council meeting, Kissinger told staffers, "If anybody leaks anything, I will do the leaking." This became standard operating procedure; dissent would not be part of public debate. Haig fit well into Kissinger's plans, because, as one former Haig colleague told a reporter, "Haig never argued with Henry, in contrast to the academic types who did, and being a military man, he never questioned authority. He respectfully did what he was told to do and he made no waves."

And so when Nixon and Kissinger had dirty work to do, Haig was their man. In March 1969, the White House decided to bomb eastern Cambodia, on the mistaken theory that North Vietnamese troops had set up a headquarters there. The plan was code-named MENU (individual target areas were named Breakfast, Lunch, Snack, Dinner and Dessert), but Congress and the public were kept in the dark. Publicly, Nixon was telling everybody that Cambodia was off-limits to American bombs, that Prince Sihanouk's neutralist government would be protected.

The secrecy was short-lived. On May 8, 1969, *New York Times* reporter William Beecher reported that American B-52s were bombing Cambodia despite Nixon's claims to the contrary. Interestingly, though, the rest of the media ignored the story; at the time, people still believed what government officials told them. But the White House panicked. Kissinger privately called the story a serious security breach, although the bombing was certainly no secret to the Cambodia civilians who were being bombed, nor to the North Vietnamese. Who had tattled to Beecher?

Two days later, Haig went to FBI headquarters to request that wiretaps be installed on the phones of four officials, including Morton Halperin, a Kissinger aide on the National Security Council, and Col. Robert Pursley, the top military assistant to Defense Secretary Melvin Laird. FBI Director J. Edgar Hoover suspected that Halperin was the leaker, because, as Hoover put it, Halperin was one of the "so-called arrogant Harvard-type Kennedy men" who were still serving in government.

Haig's FBI contact, Hoover aide William Sullivan, wrote in a memo that Haig requested the wiretaps "on the highest authority," that the taps "involve a matter of most grave and serious consequences to our national security," and that such leaks were "going to destroy Mr. Kissinger's foreign policy." Haig also requested that "no record" of the wiretap logs should be kept in FBI files.

We could debate whether disclosure of a secret, illegal bombing campaign—a campaign already known to the opposition—constituted a grave national security threat or merely a domestic political embarrassment. The point here is that Haig served as an unquestioning factotum to advance a program which would spin rapidly out of control.

In early May 1969, Haig told Sullivan that the taps on all home phones would "only be necessary for a few days to resolve the issue." The tap program lasted 21 months. It also became a convenient way for various White House factions to spy on each other for narrow partisan purposes:

H. R. Haldeman used it to check up on Henry Kissinger. A tap was installed on newsman Marvin Kalb, a Kissinger favorite, to see whether Kissinger was leaking anything of his own.

John Mitchell used it to tap an ex-law partner, John Sears (who would later become a Reagan strategist), because he suspected that Sears was talking too much to reporters.

An FBI intelligence man named Bernard Wells was assigned to handle all wiretap paperwork, but the verbal pickings were so slim that he decided to monitor the phone conversations in typical Hoover fashion: by keeping an eye out for signs of homosexuality, heavy drinking and other forms of behavior which might come in handy for blackmail.

The tap on Dan Davidson of the National Security Council stayed on his home phone for three and a half months after he left the government to join a Washington law firm.

The FBI got nothing about leaks from the Halperin phone tap, although they did hear the family make a series of anxious calls to New York to inquire about a relative's surgery. The FBI reports also complained that Mrs. Halperin talked about her husband's work "unnecessarily" to her friends.

Haig played the national security game to the hilt. On May 20, 1969 he served up the names of two more tapping targets, both members of the National Security Council. On June 4, he added the name of New York Time reporter Hedrick Smith, who had committed the crime of disclosing that Nixon and South Vietnam president Thieu were expected to announce plans for an American troop reduction. One of the tapped council members was Richard Moose, who was preparing to go to work for Senate Foreign Relations Committee Chairman J. William Fulbright. In that capacity, Moose would travel to Cambodia several times and produce pessimistic reports which conflicted with Haig's official enthusiasm. Moose saw what was actually happening—that American bombs were destabilizing the delicate political situation and paving the way for the kind of chaos and resentment which has since resulted in the victory of the Khmer Rouge. But Haig told Moose that Fulbright was a "traitor."

(It is interesting to note that in 1973, when the Nixon people finally confirmed the secret Cambodian bombing, the White House claimed that only North Vietnamese military strongholds were being bombed, that no Cambodian civilians were involved. This too was a lie. A Joint Chiefs of Staff memo in April 1969 said that Breakfast contained 1640 civilians, Lunch had 198 civilians, Snack had 393, Dinner had 770 and Dessert had 120. The Joint Chiefs argued that a sixth area, known as Base 704, should be exempted from MENU because of the presence of "sizeable concentrations of Cambodian civilian population." But Nixon and Kissinger dubbed the area Supper, and ordered 247 bombing runs. Haig, meanwhile, was known to complain privately that Kissinger was often "too soft" on the enemy.)

INVASIONS OF PRIVACY

Haig submitted a new round of taps in May 1970, a few days after Nixon announced his invasion of Cambodia (insisting again in his April 30 speech that we had never bombed the neutral country). On May 13, for example, Haig asked for taps on Anthony Lake and Winston Lord, two more National Security Council staffers. Lake's tap was instituted one week after he announced his resignation over the Cambodian invasion; the tap stayed on his phone for seven months after he left the council. Lake joined Sen. Edmund Muskie's Democratic campaign staff as a foreign affairs advisor, and FBI logs note that Lake's tap yielded data on "the activities of certain potential Democratic candidates for national office."

Halperin, too, had gone to work as an unpaid advisor to Muskie. His tap and Lake's tap, both of which were operative until early 1971, produced political information having nothing to do with national security matters.

There are a number of unanswered questions that could be put to Haig during his nomination hearings next month. What is his concept of national security, and how does it differ from the open-ended abuses which he aided and abetted during the Nixon-Kissinger years? What is Haig's view of the proper balance between the public's right to know about foreign affairs, and the legitimate need for security? What should be the proper relationship between Cabinet officers with foreign policy jurisdiction, and the president's National Security Council?

Consider this last question again, because it is relevant to Haig's conduct during the wiretapping scandal. As Kissinger's top assistant, Haig aided Kissinger's attempts to concentrate all foreign policy responsibility in the National Security Council—making it the sole channel by which policy studies could be sent up to the President, and the sole channel by which decisions could filter down. The Secretary of State and Secretary of Defense were cut out of the action.

And this brings us, again, to the wiretaps, because the evidence strongly suggests that Haig requested wiretaps on people who Kissinger regarded as political rivals, not national security leaks. Col. Pursley, Laird's military aide, was tapped twice, and office taps were placed on the phones of a deputy assistant secretary of state and on a State Department counselor. But why office taps? A security leaker would never disclose sensitive foreign information sitting at his desk. The evidence indicates—and government investigators acknowledge this—that Kissinger wanted political intelligence about his rivals in State and Defense.

Two federal courts, noting the absence of national security imperatives, have already denounced the White House wiretapping scheme. Morton Halperin filed suit against Nixon, Haldeman and Mitchell (at one point Haig was considered as a defendant), and in 1976 a U.S. District Court judge ruled, "At no time were there any reviews or evaluation of the the material obtained through the electronic surveillance. No attempt was made to minimize the interception of (Halperin's) conversations, either as regards individuals intercepted or information gathered. . . . The wiretap thus appears to have developed into a dragnet which lacked temporal and spatial limitation. . . . The surveillance constituted an invasion of (Halperin's) privacy and freedom of expression." The Supreme Court is expected to rule shortly on the Halperin case.

Under the terms of a 1968 wiretap law, judicial warrants are required for taps which do not involve national security. And despite the reasoning advanced by Kissinger and Haig, most, if not all, of the 1969–71 wiretaps had nothing to do with national security. As Halperin himself has written, "the real reason for (the Cambodian) deception was simply to prevent Congress and the public from performing their constitutional roles in declaring war, appropriating funds, raising and supporting armies, debating policy guidelines, and evaluating the performance of elected officials."

So in support of illegal wiretapping, in support of the secret bombing of a neutral nation, in support of the most corrupt president in American history, Gen. Alexander Haig has built a career—with Nixon jumping him from two stars to four stars, over the heads of 240 senior officers. So the question remains: at what point does an official's past actions disqualify him for high public office? Have the lessons of Vietnam and Watergate already been forgotten?

Bill Wipfler, who runs the human rights office of the National Council of Churches in New York, says: "Haig's attitude places security high above our basic rights. But this way, a nation can begin to lose its own values. I'm not saying 'scuttle security,' but we should give human rights a chance."

John Lennon would have excused the paraphrasing.

● Mr. QUAYLE. Mr. President, I am delighted today to have the opportunity to express my support for the nomination of Alexander Haig, Jr., to be Secretary of State. General Haig promises to be a dynamic and effective Secretary who will serve in the highest and noblest tradition. He brings to the office a unique blend of experience and talent. His performance as Supreme Commander of NATO, in particular, combined both diplomatic skills and military leadership. General Haig revealed the capability to both inspire confidence among our allies and to garner respect from our adversaries. I have every confidence that, under General Haig's aegis, the United States will develop a wise, firm and prudent foreign policy that will reflect our determination to once again assert effective leadership in the free world.

After a decade of introspection and vacillation we need once more to project American power in the world in order to protect American interests. We are a great Nation. But as Winston Churchill once said, "the price of greatness is responsibility." The issues that bedevil global peace and stability can only be resolved if the United States plays an important role. Only if we accept the responsibility of power can we expect the support of those who would be our friends in the world.

What is at stake is not an overblown crusade to reshape the world, but, simply, an understanding of our essential interests and values, and the confidence to do what is necessary to protect them when they are threatened. As President Reagan noted in his inaugural address yesterday, will and moral courage are our special weapons in the continuing struggle—the struggle to exert American influence toward constructed change and political freedom in an imperfect world.

Mr. President, General Haig has dedicated his life to the service of his Nation. I can think of no more appropriate way that we can repay our debt of gratitude than by bestowing upon him the privilege and responsibility of serving as his Nation's Secretary of State. I join with my colleagues in confirming General Haig's nomination.●

Mr. BAKER. Mr. President, I ask for the yeas and nays on the nomination.

The VICE PRESIDENT. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of Alexander M. Haig, of Connecticut, to be Secretary of State? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The VICE PRESIDENT. Is there any other Senator in the Chamber wishing to vote?

The Chair would like to state that the guests in the galleries are guests of the Senate and that any show of approval or disapproval is forbidden, even to the extent of the Chair having the galleries cleared.

The result was announced—yeas 93, nays 6, as follows:

[Rollcall Vote No. 3 Ex.]

YEAS—93

Abdnor	Ford	Meicher
Andrews	Garn	Metzenbaum
Armstrong	Glenn	Mitchell
Baker	Goldwater	Moynihan
Baucus	Gorton	Murkowski
Bentsen	Grassley	Nickles
Biden	Hart	Parkwood
Boren	Hatch	Pell
Boschwitz	Hatfield	Percy
Bradley	Hawkins	Pressler
Bumpers	Hayakawa	Proxmire
Burdick	Hefin	Pryor
Byrd,	Heinz	Quayle
Harry F., Jr.	Helms	Randolph
Cannon	Hollings	Roth
Chafee	Huddleston	Rudman
Chiles	Humphrey	Sasser
Cochran	Inouye	Schmitt
Cohen	Jackson	Simpson
Cranston	Jepsen	Specter
D'Amato	Johnston	Stafford
Danforth	Kassebaum	Stennis
DeConcini	Kasten	Stevens
Denton	Kennedy	Symms
Dixon	Laxalt	Thurmond
Dodd	Leahy	Tower
Dole	Long	Wallop
Domenici	Lugar	Warner
Durenberger	Mathias	Williams
Eagleton	Matsunaga	Zorinsky
East	Mattingly	
Exon	McClure	

NAYS—6

Byrd, Robert C.	Riegle	Tsongas
Levin	Sarbanes	Weicker

NOT VOTING—1

Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I had previously indicated to a number of Senators that I would, with the cosponsorship of the minority leader, call up a resolution in respect to the American hostages in Iran. I announce now, to accommodate a number of Senators, that resolution will not be called up at this moment but will be called up probably after the next vote.

I also advise Members that it is my intention now to ask unanimous consent, which I do now ask, that we proceed next to the consideration of the nomination of Richard Schweiker and that following after that nomination we consider the nomination of William Brock.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. PELL. Mr. President, yesterday a suggestion was made that some of the votes could be en bloc. Is that going to be the case?

Mr. BAKER. Mr. President, I would be very pleased to do that. On these two nominations, I would be glad to stack them. I really very much hope that we can use as little time as possible.

Based upon the suggestion by the distinguished ranking member of the Foreign Relations Committee, I ask unanimous consent that the votes on the Schweiker and Brock nominations be stacked and that the first vote be a 15-minute vote, to be followed immediately, without intervening debate, by a 10-minute vote.

I ask that it be in order at this point to ask for the yeas and nays on both nominations.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NOMINATION OF RICHARD S. SCHWEIKER, OF PENNSYLVANIA, TO BE SECRETARY OF HEALTH AND HUMAN SERVICES

The VICE PRESIDENT. The clerk will state the nomination of Richard S. Schweiker to be Secretary of Health and Human Services.

The legislative clerk read the nomination of Richard S. Schweiker, of Pennsylvania, to be Secretary of Health and Human Services.

Mr. DOLE addressed the Chair.

The VICE PRESIDENT. The Senator from Kansas.

Mr. DOLE. Mr. President, a parliamentary inquiry, is the pending business the nomination of Richard Schweiker?

The PRESIDING OFFICER (Mr. MURKOWSKI). The Senator is correct.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Mr. President, it is the opinion of the Senator from Kansas that we can proceed very quickly with this nomination. I will make a brief statement and others, of course, who would like to make statements certainly have that right.

Mr. President, I would request that the Senate be in order. That might help us expedite the proceedings.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Mr. President, on January 6, the Committee on Finance held a hearing on the nomination of Richard S.

Schweiker to be Secretary of Health and Human Services. At that time, members of the committee had the opportunity to discuss with him one of the most important positions in the executive branch of Government. On January 19, the committee voted unanimously to recommend to the Senate that Senator Schweiker's nomination be confirmed without referral to the committee.

As chairman of the Committee on Finance, it gives me great pleasure to report the committee's decision to this distinguished body.

Senator Schweiker certainly needs no introduction to anyone in the Senate, not even to the new Members. I think most people are aware of Dick Schweiker's contributions over the years and his efforts in the Senate.

He has had a distinguished career in office, serving both in the Senate and in the House of Representatives.

He will bring a great depth of knowledge and experience to the executive branch of Government as well as a new and much needed spirit of cooperation with the Congress.

We face some difficult problems in our social programs. Foremost is assuring the financial stability of the social security system. I was particularly pleased to hear that Senator Schweiker will give this problem top priority and is pledged to maintaining the integrity of the system. High also among his priorities is the refocusing of our welfare programs on their original goals of helping those truly in need as well as eliminating fraud, abuse, and waste in programs administered by the Department of Health and Human Services.

I look forward to Senator Schweiker's confirmation and to working with him on the problems before us.

I would also say that having started my congressional career at the same time Dick Schweiker started his, I know Dick Schweiker very well. I served with Senator Schweiker in the House for 8 years and in the Senate for 12 years. I know, as I indicated in my statement, he is a man of decency, honesty, and integrity. In addition to that, I think we are all aware of his close, personal relationship with President Reagan. I think this is a very important factor to consider. He will have access to the President of the United States. He will be heard and will be an active member of the Reagan Cabinet.

I believe that, on the basis of his experience, on the basis of his knowledge, his association with the President of the United States and with many Members of this body and the House of Representatives, his long and distinguished career in Government, his nomination should be confirmed by unanimous vote.

Mr. HARRY F. BYRD, JR. Mr. President, I associate myself with the remarks of the distinguished Senator from Kansas. I think the former Senator from Pennsylvania, Mr. Schweiker, will make an excellent Secretary of the Department of Health and Human Services. I am happy to support his confirmation.

Mr. THURMOND. Mr. President, I rise today for the purpose of expressing my support for the nomination of my good friend, Richard Schweiker, to be Secretary of Health and Human Services.

Dick Schweiker was a Member of this body from 1969 to 1981, where he represented with great effectiveness the State of Pennsylvania. Now, Senator Schweiker has been called on once again to work on behalf of the people of this great country, and I support him fully for this new position. I feel sure that he will bring to the Department of Health and Human Services the same fine qualities he possessed as a Member of the U.S. Senate. He has always displayed courage, conscientiousness, and a firm commitment to work for sound policies that serve the best interests of the American people.

Mr. President, I would hope that the Senate will act expeditiously on Senator Schweiker's nomination, and that he will be confirmed by an overwhelming vote.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

Mr. President, we all know that Dick Schweiker was an excellent Senator—responsible, careful, thoughtful, and very effective. I served with him on the Appropriations Committee, as did many other Members of this body, and also on the Subcommittee on Health, Education, and Welfare, now HHS.

During that time, I grew to have great respect for Senator Schweiker's judgment, interest, and concern on a wide range of social issues.

I submitted a whole series of questions for him to answer. I must say that although I have asked these questions of every single nominee, I think Senator Schweiker's answers were without a doubt the most detailed and the most helpful, although they still leave a great amount of detail yet to be to filled in.

Senator Schweiker's responses indicate what a colossal problem we have before us if the Congress and the administration are to make any really significant reductions in the budget.

I think all of us know that this is the biggest department of Government, bigger even than the Defense Department. Of course it includes the social security program, which is a massive program. I think we all recognize that if we are going to have any of the reductions which President Reagan called for yesterday and we are going to go anywhere at all toward balancing the enormous increase in spending that we are going to have to have in the military and thereby reduce the size and tax burden of Government, then we are going to have to do something very decisive and probably very painful with respect to this Department.

I asked Senator Schweiker, as I asked other nominees, to indicate the first place where he would make reductions if he had to cut 20 percent or 30 percent, and so on, from his budget, including entitlement programs.

He pointed out, rightly so, of course, that only between 5 and 6 percent of the 1981 budget under the jurisdiction of his agency is not entitlement. Of course I said to include entitlement programs, to make recommendations as to reductions duced by Senators LONG, DOLE, and other members of the committee, and he chairman of the committee, of course—that he cosponsored S. 1382, a bill intro- I would like the attention of my good friend from Kansas on this, because he is ularly about making reductions in medicaid, medicare, and aid for dependent children programs. He pointed out—and

I asked Senator Schweiker particwe could make in entitlement programs, because everything is within our control. He also pointed out that social security expenditures alone account for 70 percent of the budget.

hoped that this would save between $1 billion and $7 billion. A lot would depend, he said, on the initiatives we were able to implement and how quickly.

Could the distinguished Senator from Kansas, who is one of the authors of this amendment, inform the Senate as to how much saving, if any, we could expect in the first place in 1981?

I raise that question because yesterday the Senator from Texas informed the Senate that in his judgment we should increase the defense budget in 1981, the current year, ending September 30, by between $12 billion and $14 billion. I wonder if we can expect any corresponding reduction that would help us balance that big increase in expenditures.

Mr. DOLE. In response to the question of the Senator from Wisconsin, because the way the welfare reform bill was drafted I am not certain I gave any candid answer about savings in fiscal 1981. We are in the process of redrafting that bill. What we did do initially was to put on a cap so that we could stop the increase or the growth in welfare costs. We are now looking at it in a different light to see if we can find some way to bring about some immediate spending reductions. It would not be enough to offset the defense spending increases the Senator has referred to, obviously.

Mr. PROXMIRE. Is the committee thinking of reducing the burden by changing the eligibility standards, for example?

Mr. DOLE. That is one of the considerations, yes. But, again, we are hoping that we can work with soon-to-be-Secretary Schweiker and with members of our committee, both Republicans and Democrats, and try to reach some consensus on how we approach that particular problem. Eligibility requirements are certainly being looked at.

Mr. PROXMIRE. Can the Senator indicate when these savings might be realized? Would he expect savings of as much as a half billion dollars, perhaps, or more, in 1982? I realize it is hard to pin down, but I think it would be very helpful if we could have some notion of what the possibilities are.

Mr. DOLE. I say to the Senator that that could be in the ball park. I do not want to suggest that we shall do that much. It is possible we might even go beyond that amount. If I could draft it myself and it only took one vote, I could guarantee the Senator that the savings would reach that figure. But as the Senator knows, there are 20 of us on the Finance Committee. I have not found one who is not a free spirit.

I think we can reach some agreement. Most of us know the difficulties we face unless we are willing to make substantial reductions in many programs.

Mr. PROXMIRE. Will the Senator agree that if we cannot make reductions here, it is unlikely we shall be able to make the kind of progress President Reagan called for yesterday?

Mr. DOLE. No doubt about it. I say to the Senator from Wisconsin that of the very early drafts of some of the potential spending reductions that I have seen, the first two pages of the four-page document, came to the Finance Committee. So we understand our responsibility.

Now the days of rhetoric are gone and the day of reality has come as of noon yesterday for the new administration. It is going to be difficult.

The answer is, "Yes," the Senator is exactly correct.

Mr. PROXMIRE. Let me ask the Senator further: Senator Schweiker pointed out that one of the real problems is the effect of inflation and that that has enormously increased the budget. If we do not allow for inflation, of course, the effect is cruel on very poor people.

President Carter indicated that a change in the indexing and mortgage credit with respect to social security recipients would save quite a bit, at least on the up side, as interest rates increase. You can take mortgage credit out of the Consumer Price Index in calculating the cost-of-living increase for social security recipients.

Has the Senator had any opportunity to determine whether or not that might be a practical way to reduce the budget?

Mr. DOLE. I can recall that 4 to 5 months ago that idea being discussed. I remember being in a meeting and having discussed it with the former Secretary of the Treasury, William Miller. After some discussion, I think the judgment was made that it was not politically acceptable to make this change.

Again, as I recall Senator Schweiker's testimony, looking at the social security system as a matter of top priority, if this recommendation is made, I cannot suggest what the committee might do with it. President Carter made six recommendations to save monev in the social security system, and we acted on only one of the six.

That may not be the only thing we can do to reduce the cost of the social security system in the outyears to protect the rights and the benefits of some 33 million—the so-called core group—who paid into the system all their working years and are now concerned about solvency.

Mr. PROXMIRE. How about slowing down the eligibility for social security? People have proposed that instead of retiring at 65, the age be gradually increased. It would not affect anybody who is receiving benefits now. Those who are working may have to work 6 months longer at the beginning, then a year, and so on.

Mr. DOLE. Again, that is under discussion. Maybe that could be phased in 1 month at a time. At this point, we are not certain. We have asked for information on what the cost savings would be if we increased the retirement age, say, from 65 to 68, phased in over a period of time. Those estimates are not yet available.

There are a number of other ways to reduce the cost of the program that are also being addressed. This Senator is not certain just what the Reagan administration will finally recommend.

Mr. PROXMIRE. It sound like the consideration by the Committee on Finance and by Senator Schweiker suggests that if we can make savings, they are going to occur gradually and we cannot look forward, at least in the next few months, or even in the next year or so, to any substantial reductions in expenditures by this department. Is that right?

Mr. DOLE. I hope we can find some areas with a rather immediate impact.

Mr. PROXMIRE. So do I. I am looking for that. I do not mean to be unfair, because I realize this is one of the toughest problems we have ever faced.

Mr. DOLE. This Senator feels that unless we do it very quickly, the American people are going to lose confidence in us and in the President and the whole ball game could be over befort it starts.

Mr. PROXMIRE. I could not agree more. It is so important. I think we should start looking here at what we can do. I think right now, the President of the United States is at the peak of his power. He has the great support of the Congress and of the country. Everybody is looking to him for answers here. I think if he calls for decisive action, he might very well deliver on them and surprise a lot of people.

Mr. DOLE. I share that view. One of the first acts this new President must pursue is increasing the debt ceiling. Here is a new President talking about reducing spending, and I think probably the first official action we shall take in our committee after the confirmation will be the raising of the debt ceiling. I think that would be a good opportunity for the President to speak out with reference to spending cuts and restraining spending. Certainly the American people understand that we are nearing that magic trillion-dollar figure of public debt.

Mr. PROXMIRE. Does the nominee have any views on funding the medicare program from the general fund? The complaints that I run into, and I am sure the Senator from Kansas has in his State, too, from many people who are working now and paying social security taxes, and many employers, is that this has just become a terrific burden. It is a regressive burden where lower income people actually pay a higher percentage of their income for the tax.

Mr. DOLE. Is the Senator talking about the social security trust fund?

Mr. PROXMIRE. I am talking about instead of relying on the social security trust fund to fund medicare and medicaid—particularly medicaid—it could be shifted to the general fund.

Mr. DOLE. I am not sure medicaid is paid for out of the trust fund, but I will say I am not sure we have any money in the general fund. I do not know which fund is in worse condition—probably the general fund. There are few things we can do in the overall system by transferring funds from one area to another. That also should be under consideration.

Mr. PROXMIRE. Mr. President, President Carter sent up a $334 million rescission in fiscal year 1981 for the Public Health Service. Does the nominee support that rescission?

Mr. DOLE. The Senator from Kansas just cannot answer that question. I do not know what his view is on that issue.

Was that one of the specific questions asked?

Mr. PROXMIRE. It was not asked. I would appreciate it if the committee could ascertain that.

Mr. DOLE. Fine.

Mr. PROXMIRE. I should like to ask the Senator two other things. I apologize for detaining the Senate, but I feel this is important.

I am concerned, also, as we all are, about government regulations. If we have heard one theme over and over again—we heard it in the campaign, and it was a good issue; I heard it from my constituents and I am sure the Senator from Kansas heard from his. That is that regulation is just choking business. Murray Weidenbaum, who will be chairman of the President's Council of Economic Advisers, estimates that it costs business $100 billion a year to comply with these regulations. It is a great burden on the Federal Government as well as the State and local governments. One of those departments will be headed by Senator Schweiker. Did Senator Schweiker indicate any specific regulations that could be cut back or reduced substantially?

He answered rather generally in response to my specific question. He indicated sympathy for the problem with respect to food and drugs and hospitals, and so forth, but did not tell me specifically where he would cut.

Mr. DOLE. I do not recall any specific regulations on which he may have focused.

Again, I would be happy to ask him to furnish a more specific list.

I believe the Senator from Wisconsin knows that Senator Schweiker's case is a bit different, because he had friends around who could help him. Most of the Cabinet nominees come in and play the role of the "lone ranger" during the confirmation process. They are without staffs, without anyone to help them in research. For that reason—and perhaps it is not a good reason—many of the answers are not as specific as we would like.

On that basis, I would be pleased to ask for more specific information in response to that question.

Mr. PROXMIRE. I asked Senator Schweiker what plans he had to cut the burden of paperwork. He said that the new administration will be working to curb duplication of information collecting and also a great many reports which are prepared but never read and are not useful to anyone. In the last Congress, legislation was introduced to cut paperwork. He agrees that unnecessary paperwork drives up costs and contributes to inflation.

Does the committee or does the chairman have any notion of how we can reduce the paperwork requirements, which, as the Senator realizes, is one of the great complaints of the American public today?

Mr. DOLE. There is a suggestion that we get bigger wastebaskets, but I do not know whether that would be an appropriate response to the Senator's question.

Again, the Senator from Kansas understands the problem and understands the frustration because of it. I am not in a position to respond for the nominee, and I agree that his response was very general. I would be happy to ask him to be more specific.

Mr. PROXMIRE. I thank my good friend from Kansas. I do not have any further questions.

Senator Schweiker certainly is well-qualified, in my view, and he will have my enthusiastic vote. I hope he is able to make progress with the enormous agency he will head. I have his answers, and they were as sincere and as able as he could make them.

Although the issue has been made in this campaign over and over that we have to cut spending, have to cut regulations, have to cut paperwork, when you come to the specifics we do not now have any idea what we are going to do about it; and I believe the time is getting late.

We have to realize, as the Senator from Kansas ably stated, that even if we do cut spending authority in this massive department now, which is the biggest department of Government, the reduction is the effects of that cut is likely to occur in 1982 and 1983, and on in the distant future, rather than this year. Therefore, it will be extraordinarily difficult for us to increase defense spending, reduce taxes by 30 percent, as the administration has called on us to do, and at the same time balance the budget and run a surplus and reduce the national debt.

I believe this colloquy has been most helpful in demonstrating that. As one Senator, I assure the Senator from Kansas that I will do all I can to cooperate with him and the new Secretary to try to achieve these reductions.

Mr. DOLE. I thank my distinguished colleague from Wisconsin. His record indicates that he has been helpful in reducing spending over the years, and I certainly share that view.

We are looking at areas involving reductions—I do not know how we can accomplish it, but we are talking about fiscal 1981, which ends at the end of September—of $12 or $13 billion. That will not be easy.

It is my hope that the American people will recognize those who support appropriate spending cuts. I do not suggest that we go after any particular segment of the economy. The spending cuts must be fair and balanced. But it is my belief that the American people, if they feel strongly about this, as I believe they do, will measure those of us in the future not based on how much spending is voted for but how much we voted against.

Mr. STAFFORD. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. STAFFORD. I thank the Senator for yielding.

Mr. President, I believe President Reagan has made a very wise choice in nominating Richard Schweiker to be Secretary of HHS.

I had the privilege, as did the Senator from Kansas, of being sworn in with Dick Schweiker in January of 1961, in the House of Representatives, and I served in the House with Dick Schweiker on the Committee on Armed Services for several years. He distinguished himself there.

Then we came to the Senate; and for the last 10 years, Senator Schweiker and I have served on the Committee on Labor and Human Resources, where, again, in the view of the Senator from Vermont, he showed unusual understanding of the details of the Subcommittees on Labor, on Health, on Education, and others.

In the last Congress, I had the privilege of serving with him on the Committee on Labor and Human Resources, of which he was the ranking minority member. He has had the experience, through those years, of being fully exposed to and gaining an understanding of the problems which the Department of HHS is going to face during the Reagan years. I believe Dick Schweiker is exceptionally well-qualified to undertake this responsibility.

To borrow a phrase from the distinguished Senator from Wisconsin, I will say that former Senator Schweiker, my personal, longstanding, and good friend, will have my very enthusiastic vote for the confirmation of his nomination when we reach that point.

I thank the distinguished Senator from Kansas for yielding.

Mr. HEINZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I yield.

Mr. HEINZ. I thank my distinguished colleague, Senator DOLE, the chairman of our committee, for yielding.

Mr. President, I will be very brief, because I have had the fortunate opportunity on two other occasions to speak in favor of Dick Schweiker as President Reagan's nominee for the position of Secretary of the Department of Health and Human Services.

Indeed, I consider it a privilege and a particular honor to have, in effect, three opportunities to support the nomination of Dick Schweiker for this position of great responsibility. I was able to have the privilege of supporting him and introducing him to my own Finance Committee. I had the privilege of being able to vote in support of reporting his nomination favorably to this body. Now I have the opportunity, as befits my former colleague from Pennsylvania, to second, if you will, the nomination before my colleagues in this body.

I believe we all know Dick Schweiker very well, and we all are proud of the fact that President Reagan has chosen him for a very demanding and difficult task, to which we know Dick Schweiker is fully equal. His qualities of integrity and his ability to handle the responsibilities he has handled so well in the Committee on Health and Human Resources suggest to us that he is amply qualified for this position.

Those of us from the Commonwealth of Pennsylvania have been extremely well served in his capacity of representing our State since 1968 in this great body. I believe that the American people will be equally well served and that their highest aspirations will be met by his service in their behalf, in the position of Secretary of the Department of Health and Human Resources.

Mr. HARRY F. BYRD, JR. Mr. President, I yield to the Senator from California.

Mr. CRANSTON. I thank the Senator.

Mr. President, I support the nomination of our friend and colleague—my friend and colleague—Richard Schweiker to be Secretary of HHS.

Dick Schweiker and I entered the Senate together in 1969, after the elections of 1968.

Over the years, we worked together on many matters relating to the internal functioning of the Senate and on many, many issues. And we served together on the Labor and Human Resources Committee.

Dick is a man who understands very, very well from first-hand experience in the House of Representatives and in the Senate what issues he will be contending with as Secretary of HHS.

He is a man who will be, I think, very effective at accomplishing responsible economizing in the administration of this agency. But at the same time he will fight very hard and very knowledgeably and with real compassion and concern for those programs that should not be gutted, for those programs upon which people in our country depend for dignity and survival.

It is his understanding of what is at stake in all of this that makes his nomination such a very fine one, and I am delighted to speak in behalf of it.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, I yield time to the distinguished Senator from West Virginia. (Mr. RANDOLPH).

Mr. RANDOLPH. Mr. President, I am grateful to the able Senator from Virginia (Mr. BYRD) for providing me an opportunity to speak in support of my esteemed former colleague from Pennsylvania.

It has been my privilege to be a member of the Labor and Human Resources Committee, serving with Richard Schweiker since the 91st Congress; commencing in 1969.

He and I have not always been in agreement and, as a matter of record, have sat on opposite sides of the aisle. On the committee, however, he, and other members have continually worked in earnest to achieve for the common good. That process often involved compromise but that process is inherent and critical to the orderly functioning of Government. Over these years, the Labor and Human Resources Committee has benefited from his strong concern for, and knowledge of, a variety of problems and programs. Whether the subject be health services, hospital costs, health research, elementary, secondary, higher, or vocational education—Dick Schweiker was always in the forefront. He never became insolated, as some in this body are accused, from the realities of the world beyond Washington. He understands the needs of our Nation and has ardently sought to formulate viable approaches to fulfilling them.

During all of his years in the Senate

he has been equal to the many challenging decisions with which we have been faced at both subcommittee and committee level. He has been attentive to the numerous and varied matters which are encompassed within the jurisdiction of that committee, he always attempted to learn and succeeded in knowing the facts surrounding the issues considered for action before the committee. The important problems addressed by the committee provide a strong background for the wider scope of activity which he will soon assume.

It is important for us to realize that when we have worked closely with people, as we have worked with Dick Schweiker, that we not only support him with our vote, but that we speak in the Senate in favor of his nomination.

Dick Schweiker is a sincere and compassionate citizen and a friend. Yet, I do not speak in support of him just because he has been nominated or the fact that he is a close friend. I stress the fact—that knowing him and knowing his record in this body—that he will seize and be equal to, the greater opportunity and challenge that he, following the constitutionally provided "advice and consent of the Senate," will assume.

Members are present, who naturally and perhaps often, have disagreed on voting either for or against not only authorizations but appropriations. I have believed during my service, now in the 23d year in the Senate, that it is important to vote for appropriations which follow from the authorizations of this body.

It is also important to be very, very selective in cutting funding for important programs and to closely scrutinize any increase in funding for such programs. Dick Schweiker understood and participated actively in these legislative processes as both a member of the Labor and Human Resources Committee and the Appropriations Committee and its Subcommittee on Labor-HEW on which he ably served as ranking minority member.

Mr. President, we must remember, as Dick Schweiker did that an authorization or an appropriation, in which we spend money is more than an investment of money. It is an investment on which a dividend is paid, not coming back in 100 cents on the invested dollar but paying a dividend in a better America for all of its citizens.

I believe that Dick Schweiker understands this process, which, in conjunction with his other attributes, qualifies him for this important post and the concomitant duty which accompanies it.

Mr. DOLE. Mr. President, the junior Senator from Pennsylvania is here in the Chamber. We are considering the nomination of Richard Schweiker. Does he wish to be recognized?

Mr. SPECTER. I thank the Senator very much.

Mr. DOLE. Mr. President, I yield such time as the Senator from Pennsylvania desires.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, I am delighted to have this opportunity to add my voice of support for Senator Schweiker's nomination as Secretary of Health and Human Services.

I have had intimate contact with Senator Dick Schweiker for many years and have known him for a period of some 20 years and have observed his extraordinary work in the House of Representatives and then in the Senate, as a neighbor from Montgomery County, Pa., and I know of his very keen interest in the field of health and human services and that with his tremendous ability I think makes him admirably suited to that position. So I am pleased to lend my voice in support of his nomination and will be delighted to vote to confirm him for that very important position.

I thank the Senator.

Mr. DOLE. I thank my colleague from Pennsylvania.

● Mr. KENNEDY. Mr. President, I join with my colleagues in expressing strong support and shared respect and confidence in the nomination of Richard Schweiker to be Secretary of Health and Human Services.

I have had the pleasure of serving with him on the Senate Labor and Human Resources Committee for the past 12 years. He was the ranking member of the Health Subcommittee for many years and also ranking minority member of the full committee during the previous Congress.

Throughout his career in public service, Dick Schweiker has been sensitive to the health needs of this Nation. He has been concerned to find ways to make Government work in effective partnership to expand health services.

At the same time, he has worked to insure that the handicapped and the elderly and the very young are not forgotten.

Dick Schweiker will bring compassion, vision, and determination to the role of Secretary of Health and Human Services. The Nation can have confidence that he will advance the work of the Department and carry on its fine tradition of service to all of the people of this country.

I am proud to cast my vote for his confirmation as Secretary. I pledge to work closely with him to enhance the quality of life for all our citizens.●

Mr. PELL. I am particularly pleased to support the nomination of Dick Schweiker for this job. For many years he and I have served together on the same committee and became friends.

I have always found his views thoughtful and his judgment excellent. Moreover, it always gave me a sense of comfort to find ourselves thinking along similar lines—and this happened surprisingly often.

By the same token, I look forward to working with him for our common national good in the future.

I wish him the best of luck and know what a very fine job he will do as Secretary of Health and Human Services.

Mr. WILLIAMS. Mr. President, I am confident that all of my colleagues will support the motion to confirm Dick Schweiker as Secretary of Health and Human Services.

My confidence is borne not only of the affection I have for him personally, but also of the admiration and esteem that he has so gracefully acquired during his years as a Member of the Senate.

When he was sworn in as a Senator in 1969, he was assigned to membership on the Committee on Labor and Public Welfare. I too was a member of that committee and chairman of the Subcommittee on Labor. I marked him immediately as a person of exceptional energy, ranging curiosity, eloquence, compassion, and determination to find the best solution to the problems of people.

Over these past 12 years, my initial impression has been confirmed many times. Dick Schweiker has been an important part of the foundation for all of the committee's work during the past decade. During the 96th Congress, he was the committee's ranking minority member, a helpful and constructive partner to me as chairman of the committee.

The breadth of his interest and the range of his work encompassed virtually every aspect of the 1,600 programs under the committee's jurisdiction—programs in health, education, employment, social services for the elderly and the very young; programs that are designed to provide the personal and family security for working Americans so that their chances of finding and keeping a job are greatly enhanced; programs that enrich the lives of those too young or too ill to work and those who have worked all their lives and earned a wholesome retirement.

In recent years, his rich experience in human problems and human services to ameliorate them has been brought to bear as a member of the Senate Appropriations Committee, where he served as ranking minority member of the Subcommittee on Labor, Health and Human Services, Education and Related Agencies.

By experience, by personal interest and commitment, and I know by preference, Dick Schweiker is uniquely qualified for the responsibilities that he soon will undertake as Secretary of Health and Human Services.

I look forward to his confirmation by the Senate and to continuing our friendship and working relationship in the months and years ahead.

Mr. DOLE. If there be no further request for time, I yield back the remainder of the time on this side.

Mr. HARRY F. BYRD, JR. Mr. President, I yield back the remainder of the time on this side.

The PRESIDING OFFICER. All time is yielded back.

OFFICE OF THE U.S. TRADE REPRESENTATIVE

NOMINATION OF WILLIAM EMERSON BROCK III, OF TENNESSEE, TO BE U.S. TRADE REPRESENTATIVE

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the nomination of Mr. William E. Brock, of Tennessee, to be the U.S. Trade Representative, which the clerk will state.

The legislative clerk read the nomina-

tion of William Emerson Brock III, of Tennessee, to be U.S. Trade Representative with the rank of ambassador.

Mr. DOLE. Mr. President, it is my understanding, and I have checked with the Parliamentarian, that after the debate on the nomination of William E. Brock and all time has been yielded back, we will vote on the Schweiker nomination first with a rollcall vote and then vote on the Brock nomination with a rollcall vote.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Mr. President, on January 19, which was Monday of this week, the Committee on Finance held a hearing on the nomination of William E. Brock, to be U.S. Trade Representative.

Again, as I have indicated with reference to Senator Schweiker, Bill Brock served in this body with distinction. He is another outstanding example of someone who has been involved in public service and a man that I know will do an outstanding job as U.S. Trade Representative.

Some people may feel that if a nominee is a former colleague, on either side of the aisle, the remainder of us do not scrutinize their qualifications or their background or their potential. But I can assure those outside this body that that is not the case.

In this case and in the case of Senator Schweiker and many others who served in the Senate from both parties, who have gone on to other Government service, they have been equally and carefully scrutinized by the appropriate committees.

As for Bill Brock—it was said as a compliment—by two or three of my colleagues on the other side of the aisle during the confirmation hearings—if he could do as well in the trade field as he has done in politics they enthusiastically support his nomination. In fact, they are also very pleased to see him moving out of politics because he has had such great success in the political arena. I am not suggesting that Bill Brock or any other one person does it by himself. But in this case he has had a very big impact on the fortunes of the Republican Party, and for that many of us are grateful.

The U.S. Trade Representative is a very important position. This was demonstrated time after time in the committee hearings. We have had a number of outstanding Trade Representatives, including outgoing Trade Representative, Gov. Reuben Askew of the State of Florida, and his predecessor Robert Strauss, an outstanding public servant who served in many capacities with distinction in the Carter administration and who, I might add, served as chairman of the Democratic Party at the same time I was chairman of the Republican Party.

We have had other distinguished men in this position who have been our Special Trade Representatives, Bill Eberle, and Bill Walker, and others.

So I suggest that Bill Brock has a difficult job. In fact this job is perhaps as difficult as any job in the Cabinet.

I would also suggest to those who may fail to fully understand the importance of this position, that this is a position of Cabinet rank. It is a position which those of us in the Senate, particularly on the Finance Committee, and in the House, feel very strongly about. We need to make certain that there is no effort made by this administration or any future administration to weaken the power of the Special Trade Representative.

The nomination of William E. Brock, underscores what I believe to be the intention of the Reagan administration to place great emphasis on trade policy.

As chairman of the Finance Committee, it is a privilege and a pleasure to report the committee's decision, by a vote of 20 yeas and no nays, to report favorably the recommendation of Senator Brock's nomination.

On January 19, the Committee on Finance held a hearing on the nomination of William E. Brock to be U.S. Trade Representative. In the course of that hearing the committee members had the opportunity to discuss with Senator Brock a number of the important trade issues to which the U.S. Trade Representative must immediately address himself. The committee members also raised a number of concerns which they had with respect to maintenance of the stature of the position of U.S. Trade Representative and its central and strategic role as the focal point for coordination and implementation of U.S. trade policy. Following that hearing the committee voted 20 to 0 to recommend to the Senate that Senator Brock's nomination be approved without referral to the committee.

As chairman of the Committee on Finance, it is a privilege and a pleasure to report the committee's decision to the Senate.

Senator Brock has had a distinguished career in both public and private life. Following his graduation from Washington and Lee University in 1953 he served 3 years in the U.S. Navy. He then worked for 6 years in private industry before being elected to the House of Representatives in 1963. During his tenure in the House, Bill served on the Commerce Committee's Subcommittee on International Development Institutions and the Subcommittee on International Trade, Investment and Monetary Policy. In November 1970, he was elected to serve in the Senate and served with distinction on both the Committee on Finance and the Committee on Government Operations, among others.

In 1977, Bill became chairman of the Republican National Committee. The success of the Republican Party in the recent election is a tribute to his abilities and dedication. He is the acknowledged architect of one of the most successful political organizations ever assembled.

This background will provide Senator Brock with the knowledge and experience which is necessary to be successful in the position for which he has been nominated. There are many critical trade issues facing the United States. Our export policy is subject to severe and frequent criticism. Our balance-of-payments deficit undermines the strength of the dollar. Many of our industries are suffering from both the current recession and the adjustment to increased import competition.

In finding solutions to these and the other trade problems it will be necessary for the Trade Representative to maintain a strong and independent role. He must report to the President as well as be responsible to the Congress to assure that its intent is being carried out. Even Senator Brock's broad experience and enormous abilities will be severely taxed, but I can think of few individuals better suited for the position.

I look forward to Senator Brock's confirmation and to working with him on these most important problems.

There were a number of questions submitted to Mr. Brock on the day of his confirmation. I am not certain that he has fully answered those questions, but I know he is in the process of answering them. If there are questions to which I can respond or at least areas where Senator PROXMIRE or others may desire more specific information, I would be very pleased to try to obtain that at the earliest possible time.

Mr. President, I urge the confirmation of this outstanding nominee.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I rise in support of the nomination of William E. Brock III to be the U.S. Trade Representative. I am pleased that the President has chosen a distinguished former Senator to fill this important position. During the time he was in the Senate, Mr. Brock served with distinction on the Committee on Finance and became familiar with some of the problems he will experience as Trade Representative.

The Trade Representative, I might emphasize, has a Cabinet-level position. He speaks for the United States as a Cabinet officer, rather than as an Ambassador serving under a Cabinet officer. We wrote this into the law in order to reflect the importance of the position and to assure that the Trade Representative, who would be dealing with ambassadors from other nations, would be equivalent in rank with them. We also wanted to be able to attract the highest caliber person to fill this job, and we wanted to assure that he will maintain independence from other executive branch agencies.

Mr. Brock understands the importance of the congressional point of view based on his own experience in the Congress. I urge that the Senate approve his nomination.

I yield time to the distinguished Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I have a brief statement and a few questions.

The New York Times commented on

the nomination of Mr. Brock. It said that the nomination of Bill Brock to be a Special Trade Representative made about as much sense as nominating Robert Strauss as the Special Trade Representative, which they said made a lot of sense; and in fact it did make a lot of sense. Robert Strauss was a superlative Special Trade Representative not for the usual reasons but for exactly the same reason why Senator Brock is going to be a good Trade Representative.

Neither of them has a technical background; neither of them has spent his life in trade but has worked on it. However, they are extraordinarily intelligent, and what they spent their lives on was politics, and what Mr. Strauss could do is to come down here and put out these fires when some group would come in and ask for special protection. They would ask for some kind of tariff or quota or some limitation on trade so they could be protected and, of course, the public interest suffered.

But Mr. Strauss would very skillfully organize opposition to the protectionists. Those who would be adversely affected by this kind of increase are usually poorly organized, but tariff increases raise the cost of living for all of us. I am sure Bill Brock will do exactly the some thing as Bob Strauss did to fight costly tariff increases.

So I think this is an excellent appointment by President Reagan for this unusual reason that is not always noticed. But I think it is by far the most important reason why Mr. Brock is well qualified for the position.

Now, Mr. President, I would also point out that probably the most neglected way—neglected at least in terms of attention, concern, and understanding—we fight inflation is through free trade. I dread to think what the price of automobiles would be today in this country if we were not receiving those imports from Japan and from Europe. Nobody likes it, and least of all the automobile industry does not like it. Nobody likes competition. But, of course, what the auto imports have done are, first, they have slowed up the price increases in our cars, and second, they stimulated changes in the quality, the size, and the fuel efficiency, of our domestically product cars and I think any honest person would have to agree that we would not have done that without import competition.

Another industry that affects many States and many Senators are deeply sensitive to and concerned about is the steel industry. Here again is an industry which has not been competitive. One big firm will announce its price increases and within 24 hours every other firm will match it to the fourth decimal point.

Well, foreign steel has come in and competed effectively and helped to hold down the price of steel.

So I agree with Senator DOLE that the job Bill Brock will have is a vital job not only from the standpoint of encouraging free trade and helping us in exports, but by helping our economy to be more competitive, by holding down the cost of living in a way which is vital and, as I say, widely neglected.

Now, Mr. President, I would like to ask the Senator from Kansas a question with respect to Mr. Brock's response—incidentally, I understand Mr. Brock did not have an opportunity to come before the committee until, what was it, Monday?

Mr. DOLE. Monday.

Mr. PROXMIRE. And he promptly answered all my questions, answered them about as well as anybody did, and had them answered in considerable detail, and I have the answers here and we were happy to get them.

I am especially happy with his response to my question on dairy imports.

Mr. President, I ask unanimous consent to have printed in the RECORD the question I posed to Mr. Brock and his answer thereto.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTION FOR SPECIAL TRADE REPRESENTATIVE DESIGNATE WILLIAM BROCK

6. What is your position with regard to dairy imports including the use of countervailing duties?

Answer: It is my understanding that certain dairy products were the subject of a complex set of agreements in the course of the Multilateral Trade Negotiations, and that certain of those agreements, implemented by sections 701–702 of the Trade Agreements Act of 1979, provide for administrative action by the President and the Secretary of Agriculture under defined circumstances in lieu of a countervailing duty investigation by the Department of Commerce. While I would not wish to prejudge any specific case, I am certain that I would not want to see American dairy farmers deprived of any of the protection to which they are entitled under the law.

Mr. PROXMIRE. However, Mr. Brock's response with respect to reducing the cost and size of his staff did not make me as happy. I understand he has something like 115 which, when you consider the importance of the Trade Representative, might be considered pretty small. But we have been able to cut our committee staffs in the Senate, as the Senator knows, this is a time for austerity.

I wonder whether or not the distinguished Senator from Kansas has any notion of how even this small agency might be able to reduce its burden on the taxpayer by reducing the size of its staff?

Mr. DOLE. As I understand, in checking with my staff, his staff totals slightly over 100, I will doublecheck it.

During his confirmation hearings we discussed with Senator Brock a matter of interest to this Senator and the Senator from Wisconsin, I reminded Mr. Brock of the importance of agriculture and how agriculture is sometimes overlooked in trade negotiations and in trade generally. In some case there is no interest on the part of many who serve in positions where trade policy is made, the State Department and other departments, they do not have much interest in agriculture and sometimes fail to grasp the importance of agriculture to the American consumers.

And I say that to indicate that we were asking if it would not be possible to somehow change or restructure the staff so that one of his Deputy STR's could be for agriculture. He responded that might be possible; that it would take a change in the law, but if it would be done it would be without any additional cost; he would take what he has and elevate agriculture in that way.

I am not certain he was asked specifically about further reductions. Again, it is a matter that we will examine, because the Senator is correct, if there are going to be reductions in Government they should be, where feasible, pretty much across the board, with one caveat, and that is that, as the Senator from Wisconsin knows, some of the committees have grown fat in the Senate and others have stayed relatively lean. And so it would not be fair to say that everybody must take a 10-percent cut, because the fat will still be fat and those who have been rather conservative in their staff approach might suffer from that reduction. I am hoping that in overall Government we can achieve the 10 percent. Maybe the STR's office can make a contribution to that effort, but I am not certain just what Mr. Brock has in mind.

Mr. PROXMIRE. Mr. President, I appreciate that. I hope that the committee would follow up on it, because the response Mr. Brock gave me was as follows. It is brief and I will read it. It is two sentences.

One of my first actions as trade representative would be to examine carefully the level of staff and budget to see if any economies could be made. Obviously, reductions would be made in consultation with the appropriate committees of the Congress to which I will communicate my staffing and budgetary plans as soon as they are ready.

So I would appreciate if the Senator would make available to the Senate the response that Mr. Brock gives us so that we can have some understanding of what he intends to do about the size and cost of his operation.

Mr. DOLE. Mr. President, I pledge to the Senator from Wisconsin that we will follow through on that request.

Mr. HARRY F. BYRD, JR. Mr. President, I yield to the Senator from New Jersey.

Mr. BRADLEY. Mr. President, I thank the Senator from Virginia.

Mr. President, I am pleased to support the President's candidate for the important position of U.S. Trade Representative, Bill Brock. As a Democrat recently returned from campaigning for many of my party colleagues, I am only all too aware of the effectiveness of Bill Brock. Let me advise our trade competitors that with Bill Brock as USTR, they may end up as joint stockholders in the Brooklyn Bridge.

As Mr. Brock already knows, his kind of entrepreneurship is precisely the quality that the Finance Committee is looking for in an USTR, and he can be sure that committee members on both sides of the aisle will give him all the support he needs—and more—in his efforts to develop a strong, independent office of the U.S. Trade Representative. The Finance Committee and the Congress have made sure to place trade policy-making and coordinating in his corner

because we have learned the importance of an independent, vital center to animate trade policy and to protect trade policy from the habit of automatically subordinating it to other objectives.

Indeed, Mr. President, I would go further. I would like to see the President create a single, strong agency in his office to set the directions necessary to foster U.S. competitiveness in global markets and to secure U.S. objectives in the international economic order. What I have in mind is an Economic Security Council with responsibilities for: First, promoting U.S. competitiveness and productivity; second, assuring for the United States an adequate supply of strategic raw materials; and third, recommending courses of foreign economic policy and conducting bilateral and international negotiations to advance U.S. interests in a sound, equitable and stable world economic order. It goes without saying that the Council must have the power to direct the implementation of U.S. foreign economic policies throughout the bureaucracy.

USTR now has a kernel of these responsibilities. But it is ideally suited to grow into an economic security agency. I will encourage Mr. Brock to move it further in this direction.

It has become apparent, painfully apparent, that the United States needs a trade strategy to meet the economic challenges of the 1980's and beyond. The auto crisis is only the most recent manifestation of the new economic reality: Our competitors are strong, they are energetic, they are attuned to rhythm of economic change and they are well-organized.

We are also strong and energetic, but because of our history of economic self-reliance, we have heard only faintly the rumblings of change in a new, interdependent world economic order. And for reasons of tradition and philosophy, we have balked at the need to become more organized, to consciously prepare our economy for the future. As a result, increasingly, we find our economic policies caught in a web of ad hoc responses that too often resist, rather than adapt to, change.

We must stop locking ourselves into crisis-born solutions. Crisis management is inadequate to the task of creating enduring economic stability in our country and in the world. We must have a trade strategy that grows out of a more competitive economy and a better capacity to integrate American domestic and foreign economic policies.

I think Mr. Brock understands this, and I encourage him now, and will urge him again and again in the future, to develop in the office of the Trade Representative a capacity for creating and carrying out such a trade strategy. USTR must be aware of ongoing changes in the structure of the U.S. economy and able to identify those structural changes that the United States must make in the future in order to adjust to new realities in the world. Trade negotiations must be informed by this sort of analysis.

Trade negotiations should be part of a larger strategy for improving competitiveness, assuring a vital economy with enduring jobs for all Americans and preserving our cherished standards of living.

USTR must be sensitive to developments in different economic sectors in the United States, sensitive to the economic objectives and achievements of our trading partners and competitors, and sensitive to the economic imperatives of U.S. national security. Only then will our trade opportunities truly complement our economic ambitions and our security requirements.

A world power such as the United States can make do with no less.

Expanding trade opportunities for the United States with countries of the Third World must be a critical element of that strategy. I was extremely pleased to learn that Mr. Brock shares this view and that in his testimony before the Finance Committee he specifically called for continued efforts to improve trading relations with developing countries. The term "Third World," of course, is deceiving in that it implies a homogenous group of nations with identical goals. Quite the contrary. The Third World is diversified, comprising countries on the one hand such as Brazil, Taiwan, South Korea and Mexico, whose average annual per capita GNP growth rates have exceeded that of the United States in the last two decades, and on the other hand, countries like Bangladesh, Somalia, Chad and Niger whose average annual growth rate per capita has been negative.

The range of countries in the so-called Third World offer for the United States a range of trade opportunities and taking advantage of them requires a range of responses. Realistically, U.S. relations with countries at the bottom of the economic scale will be dominated by security and humanitarian concerns. Aid, not trade, will take priority, but success in our efforts to help them develop today will create trade potential for tomorrow.

U.S. relations with the advanced developing countries are quite another story. These are the growth areas of the world economy, and unless we consciously step up our activity in these areas, we will be left outside the circle of dynamic growth. In addition to having higher per capita GNP growth rates than the United States—despite having twice the population growth rates—most of them have a higher ratio of industrial production to total gross domestic product than does the United States. Most have industrial productivity growth rates that are twice as high as ours, and in the last decade their exports have grown at an average rate of 24 percent yearly. In contrast exports from all industrialized countries have averaged only 18 percent growth and the U.S. rate was a pale 14 percent.

Clearly these countries are becoming formidable trade competitors, as well as promising trade partners. But the more advanced developing countries are not alone in offering opportunities to the United States.

Last year, the Third World as a whole took nearly 38 percent of total U.S. exports, more than U.S. exports to the European community, the Soviet bloc and the PRC combined. And our exports to these countries have grown at the rate of 18 percent a year in the last decade, compared with only 15-percent growth in our exports to other countries of the developed world.

The message is clear. Doing something about it will require more than recognizing it. We must rethink our trade, aid and foreign policies with these developments in mind. We must make sure our business people are ready and able to serve Third World markets and that our public officials are ready and able to assist these countries in meeting their development and financing needs—a precondition to large-scale importing by them of goods and services from the developed world.

Debt, petrodollar recycling, balance-of-payment deficits, trade barriers, and unstable monetary activity are components of the broader economic problem we share as an interdependent world. Destabilizing foreign debts are not somebody else's problems, or the big banks' problem. They are our problem too because it is demonstrably in our economic and national security interest to help solve them.

The challenges to the United States are enormous. We need someone of vision, courage, and most importantly, with unfailing "can-do" as the USTR. Everything I know about Bill Brock assures me that he is the man. I look forward to working closely with him to evolve a trade and competitive strategy that befits this powerful Nation.

Mr. DOLE. Mr. President, I yield to the Senator from California.

Mr. HAYAKAWA. Mr. President, I am delighted with the nomination of Mr. William Brock as Special Trade Representative. It was my good fortune to have a 10- or 15-minute conversation with him the day after his appointment was announced.

As a member of the Foreign Relations Committee, as well as a member of the Agriculture Committee, I was especially interested in our trade, especially trade in agriculture products, along with the distinguished Senator from Kansas.

The degree to which we export our products from agriculture, the beef industry, cotton, tobacco, wheat, corn, and everything else, and especially the products we grow in California, to what degree we would deal with the problems we confront, especially as regards the trade restrictions placed against us by many countries of the European economic countries and by the countries in the Orient.

Within that conversation of a very few minutes, it was very clear that Mr. Brock had already thought about these things and had some policy answers to give and delineated the special areas which he was going to study. I found that his quick grasp of what the problems are for California agriculture, as well as the agriculture in other States, Illinois, Kansas, and so on, was very assuring to me.

I was especially interested in the remarks of the distinguished Senator from Wisconsin about how Robert Strauss and William Brock had been very skillful and experienced politicians. Perhaps for this position of U.S. Trade Representative we do not want an experienced exporter or importer. We need people with political skills to arrange these agreements with other countries and to increase our trade and our good relations with them.

So I am very, very happy to urge my colleagues that they cast a favorable vote in favor of Mr. William Brock as Special Trade Representative.

Mr. HARRY F. BYRD, JR. Mr. President, I yield 5 minutes to the distinguished Senator from Tennessee (Mr. SASSER).

Mr. SASSER. Mr. President, I rise today to congratulate my fellow Tennessean, William E. Brock III, on his nomination and soon to be confirmation as Special Trade Representative.

This is an office that is increasingly important to our Nation; it is an office of enormous challenge and responsibility. During the past 4 years, the Office of the Special Trade Representative has negotiated and implemented a highly technical yet equitable trade agreement with most of our partners in world commerce. Proper execution of that agreement will be essential to equitable and progressive trading relations in the years ahead.

Equally important will be the challenges of incomplete agreements. During the coming months, the United States will be forced to deal with vital questions concerning our trade position with Japan. The well-being of many domestic industries will in a large part depend on the work of the Special Trade Representative. It is important that he help develop new markets for American exports and at the same time protect the inegrity of basic principles of fair international trade.

Mr. President, I am personally familiar with Bill Brock's intellectual ability and with his organizational skill. I believe his appointment to this important office is substantial recognition of Mr. Brock's many and varied talents.

Mr. President, I wish Bill Brock well in his new challenge.

I thank the Senator from Virginia for yielding to me.

(Mr. ABDNOR assumed the chair.)

Mr. BAKER. Mr. President, will the Senator yield?

Mr. DOLE. Mr. President, I yield to the distinguished majority leader.

Mr. BAKER. Mr. President, I appreciate this opportunity to say a few words in support of my good friend and colleague, Bill Brock, the nominee for U.S. Trade Representative. Senator Brock has enjoyed a distinguished political career, both here and in the House of Representatives and as chairman of the Republican National Committee. I hasten to add that he will no doubt prove to be one of the most effective trade ambassadors this country has ever had.

Mr. President, I have known Bill Brock a long time. I know him and respect him as a friend, as a fellow Tennessean, and dedicated public servant.

Bill Brock grew up in a family dedicated to the free enterprise system, and the family business thrived under the guidance of the commercially astute Brocks. He began his Government career in 1962, when elected to the House from Tennessee's Third District. In 1970, he was elected Tennessee's U.S. Senator. During his congressional tenure, Bill Brock served on the House Banking and Currency Committee and the Senate Finance, Government Operations, and the Joint Economic Committees; he was also chosen as a representative to the Asian Development Bank Conference.

Senator Brock became chairman of the Republican National Committee in 1977, and has rebuilt the GOP to a strength that only a person of Bill's organizational talents and political ideals could envision.

I believe this brief analysis of Chairman Brock's career highlights both his leadership abilities and his talents as an excellent businessman, legislator, and executive. Chairman Brock will tackle the job as U.S. Trade Representative with the same enthusiasm and expertise he has shown in the past. Bill Brock has a keen understanding of the importance of economic growth to America's future. The improvement of this Nation's trade balance is key to such growth. I can think of no man better qualified to restore strength to the American share of the world market nor better deserving of this Cabinet position than Bill Brock. I urge all my colleagues to vote in favor of the confirmation of this nominee.

Mr. DOLE. Mr. President, I yield to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I am happy to support the nomination of Bill Brock as the trade representative. I would observe that if he can do for the American automobile industry what he has already done for the Republican Party there are going to be a lot of very happy people in this country in the very near future.

Mr. PROXMIRE. Mr. President, will the Senator permit a short quorum call on my time? Senator MCCLURE left the floor and he asked me how long I would take.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield, the Senator from California would like to speak. I yield to the Senator from California (Mr. CRANSTON).

Mr. CRANSTON. Mr. President, I am delighted to support the nomination of our former colleague and friend, Bill Brock, to the post of Special Trade Representative.

Bill and I served together in the Senate. For 6 years we worked together across the aisle on a number of issues, including Senate organization. Now and then, on a major issue, we found ourselves working together and I developed great respect for his intellect, his capacity and his understanding.

I am confident that, in the role he has now been called to fill, he will serve very effectively. He will be tough, he will be strong, he will be knowledgeable, and I think he can contribute significantly to the reduction of our serious trade problems. His work on further improvement of our trade balance can aid our economy and increase American employment.

In his capacity as chairman of the Republican National Committee, Bill Brock displayed truly great talent in terms of organizational skills and administrative ability. I think he has been one of the most effective chairmen that either party has ever had. I pay tribute to him for his accomplishments, even though I was not delighted with many of the results he had a large hand in achieving. Taking those same skills to this important administrative responsibility will, I think, be for the benefit of our country.

Frankly, as I told him when I saw him on the Senate floor a few days back, I will be delighted to see him in a position other than as chairman of the Republican National Committee. I hope he will be so busy with his responsibilities as Special Trade Representative that he will not have time to be active in any way or even to offer advice on political matters. For these reasons, I am very proud to support his nomination.

Mr. THURMOND. Mr. President, I am pleased to support William E. Brock, President Reagan's nominee to be U.S. Trade Representative with the rank of Ambassador.

This is a most important post for the new administration because of the growing complexity and difficulty of trade issues. Bill Brock has the requisite experience, ability, and savvy to perform admirably in this position. He is a man of sound business judgment, having amassed considerable wealth as an entrepreneur before devoting his life to public service. He served ably in the U.S. Senate representing the State of Tennessee, and has most recently done an outstanding job as head of the Republican National Committee.

Mr. President, I have recently urged the administration to maintain the Office of Trade Representative as a Cabinet-level office in the White House, separate and distinct from the Department of Commerce. The matters of formulating trade policy and conducting trade negotiations are so crucial for our economy and cut across the jurisdiction of many Government agencies, such that a White House-level special agency is necessary to properly do that job. I have talked with President Reagan and his advisers, including Mr. Brock, about this and have been assured that the trade representative's office will not be merged into the Commerce Department.

Mr. President, I have been privileged to work closely with Bill Brock on a number of matters over the years. He is an outstanding American who has served with honor and distinction in the House of Representatives, in the Senate, and at the Republican National Committee. I am confident he will pursue the best interests of the United States diligently and with great determination as Trade Ambassador. He understands American business, he understands politics, and most importantly, he understands and works well with people.

I hope the Senate will confirm him for this post, and I look forward to working with him on matters of mutual concern in the future.

Mr. ROTH. Mr. President, I am pleased

Bill Brock has been nominated as U.S. Trade Representative for two reasons.

As we all know, Bill Brock served for 14 years in Congress. His knowledge of the Hill will certainly be invaluable both to the administration and to us in the Congress. That knowledge should lead to an excellent working relationship. I applaud President-elect Reagan for having the foresight to select one of our former colleagues for this Cabinet position.

Having worked closely with Bill Brock on many issues while we served together in the House and Senate, I have found him to be a man of depth, conviction and possessing an intrinsic ability to communicate his ideas and views. Bill has been described in the media as one of the truly effective negotiators within Congress, and I think that proven ability will be crucial in his work as U.S. Trade Representative.

Second, Bill Brock is a proven administrator. In the past years since leaving the Senate, he has shown he is up to the task of performing a very difficult job, probably much to the consternation of my colleagues on the other side.

Turning for a moment from the man to the tasks, the U.S. Trade Representative's responsibilities and functions are key in the global trade and domestic policy arenas. His tasks cover a wide range, including developing and coordinating overall trade policy; representing the United States in international negotiations and consultations involving import and export practices, commodities, and certain forms of investment; and reporting to the President and Congress on the success of our international trade agreements and other trade endeavors.

The USTR must champion our trade rights internationally, insuring that tariff and nontariff agreements concluded in the Multilateral Trade Negotiations are honored by our trading partners. He must mobilize other executive branch agencies to work with U.S. firms in discovering new market opportunities. He must be a strong supporter of U.S. trade expansion, especially at a time when our merchandise trade balance persists in the red.

Issues related to trade have become increasingly complex, spanning such diverse subjects as services, foreign investment practices, unfair trade practices, export policy and import preferences for developing countries. The trade representative must be able to juggle these issues and arrive at policies that place America back in the winner's circle in trade.

I believe Bill's proven abilities lend themselves very effectively as a strong voice for essential trade policymaking and negotiations that lay before us.

● Mr. DANFORTH. Mr. President, by naming William E. Brock III to the post of U.S. Trade Representative, President Reagan has sent a clear signal to the world of the importance he attaches to the U.S. role in international trade. Bill Brock will bring to this job experience in both Houses of Congress and the private sector in addition to the leadership he displayed in managing the rebuilding of the Republican Party.

This Nation faces many critical issues and decisions in the field of international trade including the impact of imports on our domestic auto industry, foreign constraints on our agricultural products, and oversight of the various codes resulting from the recent round of multilateral trade negotiations. The United States remains the world's largest and most open market. We must assure the same access for our companies in other countries. It must be made clear that the United States will do what is necessary to assure that all nations play by the same rules. I know that Bill Brock shares these same concerns.

As chairman of the Subcommittee on International Trade, I expect to work very closely with the new Trade Representative in dealing with the trade problems before this Nation. I cannot think of anyone with whom I would rather work with on these vital issues than Bill Brock.●

Mr. DOLE. Mr. President, I yield back the remainder of my time.

Mr. BAKER. Mr. President, have the yeas and nays been ordered on this nomination?

The PRESIDING OFFICER. Yes.

Mr. BAKER. I thank the Chair.

VOTE

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on the nomination of Richard S. Schweiker. The question is, Will the Senate advise and consent to the nomination of Richard S. Schweiker, of Pennsylvania, to be Secretary of Health and Human Services? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN), is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 4 Ex.]

YEAS—99

Abdnor	Garn	Mitchell
Andrews	Glenn	Moynihan
Armstrong	Goldwater	Murkowski
Baker	Gorton	Nickles
Baucus	Grassley	Packwood
Bentsen	Hart	Pell
Biden	Hatch	Percy
Boren	Hatfield	Pressler
Boschwitz	Hawkins	Proxmire
Bradley	Hayakawa	Pryor
Bumpers	Heflin	Quayle
Burdick	Heinz	Randolph
Byrd, Harry F., Jr.	Helms	Riegle
	Hollings	Roth
Byrd, Robert C.	Huddleston	Rudman
Cannon	Humphrey	Sarbanes
Chafee	Inouye	Sasser
Chiles	Jackson	Schmitt
Cochran	Jepsen	Simpson
Cohen	Johnston	Specter
Cranston	Kassebaum	Stafford
D'Amato	Kasten	Stennis
Danforth	Kennedy	Stevens
DeConcini	Laxalt	Symms
Denton	Leahy	Thurmond
Dixon	Levin	Tower
Dodd	Long	Tsongas
Dole	Lugar	Wallop
Domenici	Mathias	Warner
Durenberger	Matsunaga	Weicker
Eagleton	Mattingly	Williams
East	McClure	Zorinsky
Exon	Melcher	
Ford	Metzenbaum	

NOT VOTING—1

Nunn

So the nomination was confirmed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NOT VOTING—1

Nunn

So the nomination was confirmed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. HARRY F. BYRD, JR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I ask that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

OFFICE OF THE U.S. TRADE REPRESENTATIVE

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on the nomination of William E. Brock to be the U.S. Trade Representative.

The question is, Will the Senate advise and consent on the nomination of William Emerson Brock III, of Tennessee, to be U.S. Trade Representative? On this question the yeas and nays have been ordered, and the clerk will call the roll. This is a 10-minute rollcall.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 5 Ex.]

YEAS—99

Abdnor	Garn	Mitchell
Andrews	Glenn	Moynihan
Armstrong	Goldwater	Murkowski
Baker	Gorton	Nickles
Baucus	Grassley	Packwood
Bentsen	Hart	Pell
Biden	Hatch	Percy
Boren	Hatfield	Pressler
Boschwitz	Hawkins	Proxmire
Bradley	Hayakawa	Pryor
Bumpers	Heflin	Quayle
Burdick	Heinz	Randolph
Byrd, Harry F., Jr.	Helms	Riegle
	Hollings	Roth
Byrd, Robert C.	Huddleston	Rudman
Cannon	Humphrey	Sarbanes
Chafee	Inouye	Sasser
Chiles	Jackson	Schmitt
Cochran	Jepsen	Simpson
Cohen	Johnston	Specter
Cranston	Kassebaum	Stafford
D'Amato	Kasten	Stennis
Danforth	Kennedy	Stevens
DeConcini	Laxalt	Symms
Denton	Leahy	Thurmond
Dixon	Levin	Tower
Dodd	Long	Tsongas
Dole	Lugar	Wallop
Domenici	Mathias	Warner
Durenberger	Matsunaga	Weicker
Eagleton	Mattingly	Williams
East	McClure	Zorinsky
Exon	Melcher	
Ford	Metzenbaum	

NOT VOTING—1

Nunn

So the nomination was confirmed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

RELEASE OF THE AMERICAN HOSTAGES HELD CAPTIVE IN IRAN

Mr. BAKER. Mr. President, as in legislative session, I ask unanimous consent that we now proceed to the consideration of the resolution which is at the desk, which I ask the clerk to state.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 28) submitted by Mr. BAKER (for himself and Mr. ROBERT C. BYRD, and Senators ABDNOR, ANDREWS, ARMSTRONG, BAUCUS, BENTSEN, BIDEN, BOREN, BOSCHWITZ, BRADLEY, BUMPERS, BURDICK, BYRD, HARRY F., JR.

CANNON, CHAFEE, CHILES, COCHRAN, COHEN, CRANSTON, D'AMATO, DANFORTH, DECONCINI, DENTON, DIXON, DODD.

DOLE, DOMENICI, DURENBERGER, EAGLETON, EAST, EXON, FORD, GARN, GLENN, GRASSLEY.

HART, HATCH, HATFIELD, HAWKINS, HAYAKAWA, HEFLIN, HEINZ, HOLLINGS, HUDDLESTON.

HUMPHREY, INOUYE, JACKSON, JEPSEN, JOHNSTON, KASSEBAUM, KASTEN, KENNEDY, LAXALT, LEAHY, LEVIN, LONG, LUGAR.

MATHIAS, MATSUNAGA, MATTINGLY, MCCLURE, MELCHER, METZENBAUM, MITCHELL, MOYNIHAN, MURKOWSKI.

NICKLES, NUNN, PACKWOOD, PELL, PERCY, PRESSLER, PROXMIRE, PRYOR, QUAYLE.

RANDOLPH, RIEGLE, ROTH, RUDMAN, SARBANES, SASSER, SCHMITT, SIMPSON, SPECTER, STAFFORD, STENNIS, STEVENS, SYMMS.

THURMOND, TOWER, TSONGAS, WALLOP, WARNER, WEICKER, WILLIAMS, and ZORINSKY), relating to the release of the American hostages held captive in Iran.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, this is a resolution commending the Algerian Government, former Under Secretary of State Warren Christopher, former Secretary of State Edmund Muskie, and former President of the United States Jimmy Carter for their diligence in gaining the release of the American hostages and to recite our regret at the loss of American lives in the previous attempt to rescue the hostages.

Mr. President, I have no further need for time to debate this.

I ask unanimous consent that the resolution may remain open for cosponsors for the remainder of the business day today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, with unreserved relief and exhilaration, we watched on yesterday afternoon 52 American hostages step proudly from an airplane to freedom in Algiers. Almost literally to the moment when President Reagan was speaking in his inaugural address of the heroes of America, these brave men and women, who serve us so well even under the best of circumstances, were leaving behind over 14 months of captivity. It was a period of history that left their captors demeaned and degraded in the eyes of the world, the captives undiminished and unbowed—heroes in every sense of the word. We owe them our gratitude, our praise, and our profound and unremitting admiration.

Mr. President, we not yet know what scars they will bear from this ordeal. We can only offer them and their families our hopes, encouragement, and assistance that their wounds will heal rapidly and well. Most of all, they will be helped by their wives, parents, children, and families who have endured the uncertainties of the past 14 months with a dignity and strength that surpasses all understanding. We owe them as well our admiration, respect and gratitude.

Mr. President, this experience leaves us with many unanswered questions that will be explored to exhaustion in the weeks, months, and even years ahead. Among those unanswered questions certainly are the events that lead to the taking of the embassy and the efforts of the Carter administration to deal with the crisis—a crisis, as The Washington Post noted this morning that endured as a crisis for over 14 months. I have no wish to pass judgment on those questions at this time, but I do want to recognize the efforts of former President Carter and former Secretaries of State Muskie and Vance to bring this crisis to an honorable and happy conclusion. I would also certainly recognize the quiet, persistent and unassuming dignity of Warren Christopher whose tireless efforts finally ended it.

The resolution includes and I would also mention the service performed on our behalf by the Government of Algeria. By all accounts, it was service performed with unflagging precision and ability. It would certainly be my hope that their assistance in securing the release of our diplomats marks a new chapter in the history of the relationship between Algeria and the United States. I would also remember that many nations have been of immense assistance throughout this long ordeal—those who supported us at the U.N., those who joined with us in the economic boycott of Iran, those who repeatedly urged the Government of Iran to end the crisis, those such as the Swiss who ably represented us in Tehran and the Canadians who acted courageously in the freeing of six of the hostages in February—all these and more stood by us and we should not forget that.

Finally, Mr. President, in our joy and relief on their safe return, let us remember that eight brave Americans died in the April attempt to rescue them. It occurs to me that those eight symbolize the truth of the response made to me last week by then Secretary-designate Haig when he said, "There are things that we Americans must be willing to fight for." The freedom of each and every American is, Mr. President, worth fighting for; the courage and sacrifice of the eight who died and all those who went on that rescue mission will continually remind us of that truth.

Mr. President there will be much said about this period of our history. For the time being, let us rejoice in the safe return of these 52 brave Americans and let us commit that we will do everything in our power to prevent this ever occurring again.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, in view of my remarks yesterday heralding the release of the American hostages, I welcome the resolution now before the Senate, and I am grateful for the opportunity to join in cosponsoring it.

To say that the release of the hostages is a joyous event is to say the obvious. But that is just what it is, and I am very pleased that the Senate speaks forcefully, unequivocally, and officially.

Similarly, I am also pleased that the Senate is prepared, by formal resolution, to recognize the tenacity, the determination, and the resoluteness displayed day after day by the U.S. negotiators. Being fully aware of our heightened frustration over the agony of the hostage issue, it is extremely difficult to imagine the sense of frustration that the negotiators themselves confronted on a daily basis. But they overcame their frustration, and they overcame it effectively. And their extraordinary efforts must not go unnoticed.

And finally, I am pleased that this resolution recognizes the assistance of the Government of Algeria in helping to secure the release of our hostages. Our relations with Algeria are certainly strengthened by this shared effort. As an Islamic nation, Algeria was in a favorable position to help facilitate productive negotiations. The American people are grateful that Algeria chose to do so.

I hope, Mr. President, that this resolution will receive the unanimous support of the Senate.

A DAY OF THANKSGIVING: WELCOME HOME, OUR HOSTAGES

● Mr. QUAYLE. Mr. President, another long national nightmare is finally over. After 14½ months in captivity, our fellow Americans are coming home. This Nation owes them a debt of gratitude that can never be fully repaid. These men and women are true heroes and they richly deserve a hero's welcome. They suffered for one reason and one reason alone—because they were Americans. Their ordeal released a wave of patriotic fervor and national unity. Their courage, endurance, and unbroken spirit have made us all proud to be Americans.

We also owe a debt of gratitude to the families of the hostages. They were the keepers of the national vigil, always watching the shadows for the gleam of hope. Their refusal to give in to despair made it impossible for the Nation to despair. They, too, were held hostage—hostage to the roller coaster of emotions that would have led any ordinary person long ago to cynicism and anger.

We owe a debt of gratitude, too, to former President Carter and all the men and women in his administration who worked tirelessly to insure the safe release of the hostages. Whatever history's ultimate judgment on the handling of

the Iranian crisis, none worked harder to win the release of our fellow citizens.

Finally, Mr. President, let us never forget the debt of gratitude we owe to the men who risked and those who sacrificed their lives for their fellow Americans. The rescue mission was a failure, but the fact of failure does not detract one iota from the bravery and devotion of those soldiers who lost their lives in Desert One. I am sure that they are on the minds of the hostages today, and they should be on our minds as well.

Mr. President, today is a day of celebration. All Americans are overjoyed that the hostage crisis is finally resolved. There will be time to reflect on the settlement we have negotiated with Iran. There will, and should, be investigations from many quarters, including this body, of this tragic episode in our history. I will do my best to insure that these investigations are focused on the essential question—how do we prevent this from ever being repeated? For I know that after the reunions and celebrations have taken place, after the hostages have begun the difficult task of readjustment, there will be two words on the lips of every American: "Never again." Today, however, there are two other words on everyone's lips. They are simply, "Welcome home."●

● Mr. BOREN. Mr. President, I would like to take a few minutes today to express my joy at the return of the 52 Americans held hostage for 444 days by the Government of Iran.

No one could fail to be profoundly moved by the sight of the American captives being returned to freedom. While all of us share the elation felt by the families of the hostages at seeing them alive and apparently well, none of us can know the deep emotional release that must have been theirs at the knowledge that their loved ones were once again free and on their way home.

While all of us join in the elation of the moment, there are two aspects of this drama which must also be recalled. First and foremost, we pause and give a silent prayer as well as public recognition for those Americans who lost their lives in the unsuccessful attempt to rescue the hostages. Whatever the miscalculations or mistakes that led to the tragedy at Desert One, the courage displayed by these men serves as a bright beacon in our continuing struggle to remain a free nation and an example to the rest of the world.

In addition, the time has now come for us to reflect upon the conditions which led to the seizure of our Embassy and our citizens and to recall the lesson that this incident has taught us.

I am sure that in the months to come, after the stories of the individual hostages have been publicly analyzed, there will be a number of attempts to analyze why any government felt that they could initiate such an illegal and provocative act and get away with it. I am confident that one common element in the findings of all such analyses will be the general perception that the United States has lost both the will and the capacity to defend its own vital interests.

It is this very perception that has led most governments around the world, and in particular in the Persian Gulf region, to dismiss the Carter doctrine as rhetoric, impossible of implementation.

One of our immediate objectives should be to make clear to all governments and to all potential terrorist organizations that the patience of the United States in such matters has grown very short and there is very little to be gained through an attempted repetition of the Iranian Government's action. The hallmark of such a declaration will be our ability to project at the same time the conviction that we will follow up with action, if called to do so.

I am hopeful that the Reagan administration, with the assistance of this Congress, will make this point quickly.

Finally, I want to say that while I do not agree with all aspects of the settlement as it has been explained thus far, I believe it is significant that the only transfer of funds involved were Iranian assets frozen at the inception of this crisis.

I am pleased that not all of the assets have been returned and that some legal machinery has been set in place to satisfy the claims of individuals and companies against the revolutionary government of Iran.

We must undertake now a thorough review of our future relationship with Iran and what place that relationship will have in our overall policy toward the Middle East.

I want to make it absolutely clear that I abhor the actions of the Iranian Government and will view with great suspicion any future involvement between our two countries.●

RELEASE OF AMERICAN HOSTAGES FROM IRAN

● Mr. KENNEDY. Mr. President, I join the families of the hostages and all Americans in welcoming the safe release of our fellow citizens from their imprisonment in Iran.

All of us pray that the hostages are in good health and that they will be able to come home as quickly as possible.

I congratulate President Carter and his administration on their success in obtaining the freedom of the hostages.

America will never forget the courage the hostages displayed and the extraordinary sacrifices they suffered throughout their long ordeal in Iran.

Now, in welcoming their return to freedom, let each of us renew our own commitment to the cause of liberty and justice for which they endured so much and for which America at its best has always stood.

I am pleased to cosponsor the resolution before us.●

COMMENDING DEPUTY SECRETARY CHRISTOPHER AND THE U.S. NEGOTIATING TEAM AND THE RETURNED HOSTAGES

● Mr. DOLE. Mr. President, yesterday our new President, Ronald Reagan, spoke of American heroes. He said they were found in all walks of life, among the common people of this great land. Some of our public servants, having dedicated their lives to the service of the Nation, have shown most notably that they are heroes too, and this resolution is meant to honor a very special, and very brave group of people.

Deputy Secretary of State Warren M. Christopher and a negotiating team composed of many people in the Departments of State, Justice, Treasury, Defense, and Commerce yesterday finally achieved something for which the whole country has devoutly prayed for 444 days. The release of the 52 American hostages illegally and brutally held captive by the Government of Iran since November 4, 1979. This country owes a debt of gratitude to Mr. Christopher and the U.S. negotiating team in Washington and Algiers for their dedication, their skill, and their perseverance over adversity, frustration, and highly complex problems in the legal, diplomatic, and financial spheres.

All the while they negotiated, they were under the heavy pressure of the clock and their all-too justified fears for the safety of the American hostages. More and more details of how our citizens were treated by their barbaric captors are beginning to be revealed: How they were beaten, tortured, isolated, and reviled. These conditions, known in part by the U.S. negotiating team, overshadowed their efforts to reach an agreement that would lead to the release of the hostages while preserving long-term U.S. strategic interests.

BRAVERY MOST WILL NEVER KNOW

Meanwhile, with what fortitude and bravery most of us will never know, our diplomats and citizens endured in the heinous imprisonment imposed by Iran. One day in such circumstances were too much for a lifetime. Yet, 444 days became a long lifetime of horror and terror. We humbly thank the Lord for preserving and sustaining them. Now all Americans pray for their recovery and rejoice in their return to their loved ones.

For their incredible endurance of this ordeal in the service of their Nation, I join in the commendation of their fortitude. Furthermore, it is with the highest degree of admiration for their professional and exemplary performance of duty that I urge the Senate and the Congress to commend Deputy Secretary Christopher and the negotiating team. The feat they accomplished for the American people and the hostages in particular was in the highest tradition of patriotic duty in the service of the United States and reflects great honor on themselves and their countrymen.●

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 28) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 28

Whereas 52 Americans were held hostage in Iran for 444 days in gross violation of international law;

Whereas during the period of the hostages' captivity the American people kept the plight of the hostages foremost among their concerns while the President, the Secretary of State, and numerous other United States Government officials expended considerable efforts to secure their release;

Whereas on January 20, 1981, the Government of Iran released the 52 Americans after having negotiated an agreement with the United States; and

Whereas the American hostages have arrived safely at a United States base in Wiesbaden, West Germany: Now, therefore, be it

Resolved, That (a) the Senate hereby expresses its jubilation at the release of the 52 American hostages held captive for more than 14 months in Iran and its profound sense of relief at their safe arrival at a United States base in Wiesbaden, West Germany.

(b) The Senate further expresses its deep appreciation for—

(1) the strenuous efforts of former President Carter, former Secretary of State Edmund Muskie, and for the around-the-clock personal negotiating efforts in Algeria of former Deputy Secretary of State Warren Christopher in breaking the impasse with the Government of Iran and bringing about a release of the 52 American hostages; and

(2) the dedication and efforts of the entire team of United States Government officials who monitored the crisis, kept the hostage families informed, assisted in the conduct of the negotiations, and made the preparations which now assure the comfort and care of the 52 Americans in West Germany as they adjust to their release from captivity.

Resolved further, That the Senate recognizes the patriotism of the American military personnel who attempted to rescue the hostages; the Senate pays special homage to those who gave their lives in that effort.

Resolved further, That the Senate acknowledges the assistance in these negotiations rendered by the Government of Algeria, and offers thanks to the Government and people of that nation for helping to secure the safe release of the hostages.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SINGING PRAISE TO AN UNSUNG HERO, WARREN CHRISTOPHER

Mr. HEFLIN. Mr. President, a short while before our 40th President of the United States was being sworn in yesterday, an unsung American hero was completing his official mission in Algiers—the consummation of an official agreement to free our 52 American hostages in Iran. The unsung hero to whom I refer is none other than our immediate past Deputy Secretary of State, Warren Christopher.

Mr. President, I have known Warren Christopher, who is an outstanding attorney, for many, many years, mainly through work with the American Bar Association. During this period of time he has always demonstrated his unusual skill and ability to be a persuasive, articulate advocate for a stated cause. Since I have known him, he has always worked long and hard to finish the task at hand.

I saw him last before coming to Washington at an American assembly seminar at Stanford University in Palo Alto, Calif., the last full week of June 1975. The American Bar Association and Columbia University were jointly sponsoring a seminar called "Law and a Changing Society." One hundred distinguished leaders from many walks of life were invited to participate. Warren Christopher was one of them. The work of these outstanding participants was subsequently published in the Federal Reporter.

Some 18 months thereafter, Warren Christopher was named Deputy Secretary of State.

Mr. President, from a short time after September 12, 1980, when Deputy Secretary of State Christopher and top aides secretly met a still undisclosed Iranian figure in Bonn, West Germany—after the announcement by Ayatollah Ruhollah Khomeini's four conditions for the release of the American hostages—until January 20, 1981, the United States was involved in intensive negotiations to free our hostages in Iran. Since that week in September, 1980, former Deputy Secretary Warren Christopher made three separate trips to Algeria to join Algerian intermediaries to negotiate the release of the American hostages in Iran.

Mr. President, I think that it would be appropriate at this time to acknowledge the three Algerian diplomats who played indispensable roles in successfully negotiating the release of the 52 American hostages: The Ambassador to Washington (U.S.A.), Redha Malek, the Ambassador to Tehran, Abdel Karim Gheraieb; and the Director of the Central Bank, Mohammed Seghier Mostefai. The United States will always be grateful to these three politically astute and talented functionaries of the Algerian Government for their help in securing the release of our hostages in Iran.

Mr. President, it was former Deputy Secretary of State Warren Christopher's third trip to Algeria on January 7, 1981, that kept him there for approximately 13 consecutive days and ultimately led to the consummation of an official agreement to release the 52 American hostages in Iran. I believe that it was a midday telephone call to Washington on January 15, 1981, from then Deputy Secretary Christopher that signaled a breakthrough in the negotiations.

I believe that Mr. Christopher had just received through the Algerian Foreign Ministry a new Iranian proposal to repay in full its outstanding loans with American banks. The Iranians preferred this method to renewing its previous commercial relationships with our American banks.

It was this January 15 Iranian proposal that led our chief negotiator and the Carter administration to believe that the United States could now prepare to close the history chapter on the ordeal of the American hostages in Iran. It was this January 15 Iranian proposal that served as the linchpin to keeping 3 months of intensive negotiations intact. It must be pointed out, Mr. President, that at all times, former Deputy Secretary of State Warren Christopher was operating under a mandated U.S. policy to protect "the honor and vital interests of the United States" and to work "to insure the earliest possible safe release of the hostages."

Mr. President, history has taught us that just any 'ol American diplomat cannot negotiate successfully with Third World countries. It takes a special kind of diplomat, with a great sensitivity to the problems of a particular developing country, a diplomat with a reservoir of patience, a diplomat steeped in firmness but at the same time evenhandedness to accomplish the task at hand. These traits and other admirable ones are all embodied in former Deputy Secretary of State Warren Christopher.

It is for these and other reasons, Mr. President that I urge all my colleagues and the American public to join with me today in singing high praises to an unsung hero—our immediate past Deputy Secretary of State, Warren Christopher.

SPECIAL TRIBUTE TO FLAG

Mr. HEFLIN. Mr. President, now that all 52 American hostages have been released safely, I think that it is only fitting and proper that a very special tribute be paid to the hostage family organization that kept them together as a unit and channeled their effort toward their common goal—the safe release of their loved ones. The organization to which I refer is FLAG—family liaison action group.

Mr. President, it is my understanding that this group was organized in November 1979, shortly after our American citizens were kidnaped and held as hostages in our American Embassy in Tehran. The spokesperson for the group last year, Mrs. Katherine Keough, and the present spokesperson, Mrs. Louisa Kennedy, each have done a yeoman job in preventing the group from becoming fractious and keeling over when times got rough.

Two members of my staff and certain members of Senator DOLE's staff met with Mrs. Keough in her official capacity with FLAG on August 28, 1980, in the Dirksen Senate Office Building. At that time, Mrs. Keough made an indelible impression on them with her firm, but persuasive argument that the safety and well-being of the hostages were their paramount concern.

On September 5, 1980, Mrs. Katherine Keough and Mrs. Louisa Kennedy met with the same two members of my staff and me in my office. It did not take them long to convince me that they were genuinely sincere when they said that FLAG, above all else, preferred to have their family members returned home safely. They were convinced that the diplomatic route being pursued by the State Department was preferable to any other. They told me that they had been in constant communication with the State Department and believed that diplomatic persistence would prevail.

Mr. President, I am delighted that I had the opportunity to meet these two distinguished spokespersons of FLAG. In my judgment, they epitomized the height of cool-headedness and unwavering belief in diplomatic channels. I believe that these two official representatives of FLAG were able to convey unequivocally a 100 percent concern for the safe return of all the American hostages each time they talked to a Member of Congress

and/or members of their staff. They never compromised this principle. They never softened their stand on diplomatic means to obtain their goal.

It is for these primary reasons, Mr. President, that I wish to pay special tribute to FLAG and their two official spokespersons, Mrs. Katherine Keough and Mrs. Louisa Kennedy.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, what is the next item on the Executive Calendar?

DEPARTMENT OF THE TREASURY

NOMINATION OF DONALD T. REGAN, OF NEW JERSEY, TO BE SECRETARY OF THE TREASURY

The PRESIDING OFFICER. The clerk will state the next nomination.

The legislative clerk read the nomination of Donald T. Regan, of New Jersey, to be Secretary of the Treasury.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I wish to ask the majority leader for the information of the Senate, if I may have order in the Senate, what the program will be for the remainder of the day, how many rollcall votes he expects for the remainder of the day, and what the program is for tomorrow and for Friday if he can so state at this time.

Mr. BAKER. I thank the minority leader for his inquiry.

Mr. STENNIS. Mr. President, will the Chair have quiet in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, to respond to the inquiry by the minority leader, it is now 10 minutes before 5 in the afternoon, and it is my hope and expectation that the Senate will recess around 6 p.m.

The Regan nomination, of course, is now pending. I hope, and I am by no means sure, but I hope that we can dispose of the Regan nomination this afternoon.

Following on after that, there will be no further nominations to be considered until tomorrow nor other votes to be taken on this evening.

It is my intention to ask permission to convene at 11 a.m. in the morning and then to continue during the day and into the evening if necessary to try to complete the remainder of the nominations for Cabinet level positions before we conclude the business of the Senate on Thursday and recess over.

I hope that it might be possible by doing that to avoid a session of the Senate on Friday since there is no legislative business of consequence to deal with and that will give committees additional time to prepare for the inevitable and very substantial workload that is still before them.

So in response to the distinguished minority leader, I hope that we can proceed as far as possible with Regan today before 6 p.m., or thereabouts, even to complete it, if possible, to go out until 11 a.m. on tomorrow, to recommence Regan, if necessary, if we have not completed that nomination, or to proceed then next to the next nomination on the Executive Calendar, to stay in session, to entertain the possibility that we will be in session late on Thursday and that if it is possible to complete the Cabinet-level nominations that are on the Executive Calendar to go out then until the following Monday.

Mr. ROBERT C. BYRD. So the minority leader is saying there will likely be one more rollcall vote today?

Mr. BAKER. Mr. President, I would hope there would be one more rollcall vote today and that would be on the Regan nomination.

Mr. ROBERT C. BYRD. I thank the majority leader.

Mr. DOLE. Mr. President, it is the understanding of the Senator from Kansas that there is a 1-hour time agreement on this nomination, 15 minutes to the majority, 45 minutes as I understand, under the control of the distinguished Senator from Louisiana (Mr. LONG); with 30 minutes of that time allocated to the Senator from Wisconsin (Mr. PROXMIRE). Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Which means we can complete this nomination no later than 10 minutes of 6 and, hopefully, before that time.

The Senator from Kansas rises to urge confirmation of Donald T. Regan as Secretary of the Department of the Treasury.

FAVORABLE COMMITTEE ACTION

On January 6, the Committee on Finance held hearings on Mr. Regan and found him to be eminently qualified by reason of his experience and character to perform the functions of the Secretary of the Treasury.

On January 19, our committee voted 20 to 0 to recommend Senate confirmation of Mr. Regan's nomination without referral to committee.

MR. REGAN'S IMPRESSIVE CAREER

This Senator is pleased that the committee has given Mr. Regan such wholehearted support. He has had a most distinguished career to this point which should provide him with the experience necessary to perform the varied, important tasks required in the Reagan administration's efforts to improve this Nation's economy.

The Secretary of the Treasury will be the administration's chief economic spokesman and the man responsible for implementation of the administration's economic program. Mr. Regan's career has prepared him for these roles. He has distinguished himself both as a leader and as a manager.

During World War II, Mr. Regan admirably served his country, rising to the rank of major in the Marine Corps.

After the war, Mr. Regan turned his attention to the business world, joining the brokerage firm of Merrill Lynch, Pierce, Fenner & Smith. Mr. Regan began to assume greater responsibilities and eventually became president and chairman of the board of Merrill Lynch & Co.

Mr. Regan has also held several positions with industrywide responsibilities and performed these duties with distinction, gaining the admiration and respect of other leaders in the business community.

COMMITMENT TO ECONOMIC RECOVERY

Mr. President, our most urgent priority in the tax area must be to restore incentives: Incentive to work, to save, to invest, to build and expand a business, and to take risks. The uncertainties caused by persistent double-digit inflation have undermined the confidence in the future which Americans traditionally have felt. That confidence must be restored. Donald Regan's priorities are similar to my own. They include reducing marginal tax rates, revising depreciation schedules to favor new investment, and reducing spending dramatically but in a fair manner consistent with our most vital national goals.

We cannot forget that inflation remains the No. 1 domestic problem. Turning that problem around will be a major goal of the Reagan administration, and we in Congress have an obligation to cooperate on a bipartisan basis in achieving that goal. With so able a spokesman as Donald Regan to set forth its economic policies, the new administration has an excellent chance of success. It will not come easily, or in one dramatic sweep, but over a period of time during which tough choices will have to be made. We must reduce the size of government and minimize intervention in the day-to-day economic affairs of our citizens, and reduce the tax burden so that we make full use of our most valuable resource: the American people. By doing so we can convince the Nation and the world that we are committed to eradicating the inflationary bias from our economy, and that we are willing to take informed risks founded on an understanding of the underlying strengths of the American economic system.

THE RIGHT MAN FOR TREASURY

I believe that Donald Regan is the man to communicate a new economic strategy to the Nation, and I am glad that others agree, as demonstrated by the strong bipartisan support in the Finance Committee for his nomination. The Treasury Department will need a strong leader and an effective manager, and Donald Regan admirably fills those requirements. I hope that the Senate will give him a similar vote of confidence so that he may get on with the job. I am confident that he will succeed, and I look forward to working with him in getting the economy back on track.

Let me state very quickly that Mr. Regan appeared before our committee on January 6 and on January 19 our committee voted 20 to 0 to recommend Senate confirmation of Mr. Regan's nomination. Therefore, this Senator is certainly pleased to come before the Senate recommending confirmation, I hope by unanimous vote, of this nomination.

The Secretary of the Treasury will be the chief economic spokesman for the Reagan administration. If you listened to President Reagan's inaugural address—and even without listening to President Reagan's inaugural address—I

think everyone in this Chamber understands the importance of addressing economic problems at the earliest possible time, and that is why it is important that we move as quickly as we can, and we have, on this nomination.

It is not a secret that Mr. Regan comes to Government and, as I understand, his income would have been more than $900,000 this year, and starting tomorrow, if he is confirmed and sworn in, it will be slightly more than $60,000.

It is well for the record to indicate this man feels so strongly about service to his country and to his Government that he is willing to make that sacrifice. I understand that some may not agree that taking this position is a sacrifice. It is a very powerful position he will hold, and he understands that.

I think Mr. Regan was asked in the committee why he would make this sacrifice. He indicated very quickly that he felt his country had been good to him, and if he was able to serve the country and the President asked him to serve in some capacity, his answer would have to be in the affirmative. And it was in the affirmative.

As far as we have been able to determine there is no reason why Mr. Regan should not be quickly confirmed. He has had a distinguished service record in World War II as a marine; he has distinguished himself in business and in financial circles all around the country.

I ask, as I have indicated before, that we support the nomination.

I reserve the remainder of my time.

Mr. LONG. Mr. President, Mr. Regan made a very fine impression in his appearance before the Senate Committee on Finance. The Senators, having interrogated him each in turn, voted unanimously to recommend Mr. Regan for confirmation as Secretary of the Treasury.

Mr. Regan comes to that job with a lifetime of experience with the economy of the United States. He will need every bit of that experience in dealing with the problems he will face as Secretary of the Treasury and economic spokesman for the administration.

I look forward to working with Mr. Regan as the Finance Committee considers the legislation the administration will be submitting to stimulate the economy and to bring the budget under a greater measure of control.

I am pleased to support his confirmation, Mr. President.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, here we have a man who has devoted his life to building what was the biggest brokerage firm in the world when he took it over, Merrill Lynch, and he built it into a far larger size.

Of course, we are fortunate to have a man who was a success, and he was a smashing success. But how have we measured that success? He has increased the sales, the profits, the number of offices, the number of employees in his firm, and now he has to reverse that. He must cut the size, he must cut the budget, the number of employees. All the pressures on him, as on these other nominees, will be to grow bigger, to spend more, because that is what the constituent groups that the Treasury serves, as well as every other Department serves, are always asking for. They want more. Nobody ever comes down and talks to a Cabinet officer or a Senator, for that matter, and says, "Don't spend more on us," but more, they always want more.

He is going to have to reverse the habits of a lifetime. He is going to have to reverse the pressures that are on him and, of course, every other Secretary of the Treasury for the last 50 years, in the direction of more and more spending.

So I would like to ask the distinguished Senator from Kansas, if he is present, what evidence do we have that Mr. Regan will dedicate himself to reducing the size, the influence, and the domination of Government?

Mr. DOLE. I have not studied in detail Mr. Regan's management of Merrill Lynch. I know he made it a success, whether he has added or subtracted.

Mr. PROXMIRE. May I say to my good friend that he has enormously increased it, which is good. That is the way you measure success in private business. I say that is his habit, more people——

Mr. DOLE. There may be a reason for that. I do not know of any reason to increase Government. I might say in statements before the committee in response to some of the questions, and also in private sessions I have had with him, there is no doubt in my mind that he is dedicated to supporting this administration, and the President. That support clearly involves reducing the size of the Federal Government.

As far as any specific numbers I could not give them.

Mr. PROXMIRE. I will get to those specifics in just a minute.

Mr. LONG. Mr. President, will the Senator yield to me? The way a man makes his brokerage firm the biggest brokerage firm in America is by being more efficient, more effective, and by making the best use of his resources—just like in any business. You do not become big by hiring more people, but by being more efficient and more effective than the other fellow.

(Mr. KASTEN assumed the chair.)

Mr. PROXMIRE. As I pointed out, Merrill Lynch, he made it the biggest brokerage firm. What he did was to get into other fields and to extend even further.

Mr. LONG. Is not that what we want? We want free enterprise.

Mr. PROXMIRE. Sure we do.

Mr. LONG. What he did is just exactly what we want business to do.

Mr. PROXMIRE. Sure we do.

Mr. LONG. He expanded to grow into other fields, and to create new employment opportunities.

Mr. PROXMIRE. Mr. President, if the Senator will yield, I am not criticizing him on that. I am praising him for it. I am pointing out that we would like some evidence that he was able to do the other job which is to change the habit of a lifetime and shrink the organization he is going to head, make reductions, make cuts, and not get bigger.

Mr. LONG. Mr. President, every businessman I know spends his time saying that if he was just in charge of this fool place down here in Washington he would fire half the employees and get a better job done with what is left. I assume that Mr. Regan has the same ambition as the others.

Mr. PROXMIRE. Mr. President, let me ask the Senator from Kansas a question. Here is a man who, according to his testimony, would be the country's chief economic spokesman and adviser to the President. What, in Mr. Regan's education, training, and experience qualifies him to be the chief economic spokesman for the administration? Does he have any economic training?

Mr. DOLE. Mr. President, I think his training has been in the financial market. As everybody knows, Mr. Regan demonstrated his effectiveness in building a company which he has headed until the time he has taken this assignment at the request of President Reagan.

He was educated at Harvard University, I think, in the School of Business, and the University of Pennsylvania with an honorary degree in 1972.

Now, attending Harvard is not, in itself, an indication of perfection.

Mr. PROXMIRE. Mr. President, I spent 5 wasted years in a graduate school there.

Mr. DOLE. In Harvard?

Mr. PROXMIRE. Yes.

Mr. DOLE. Mr. President, my wife attended Harvard University, so I have no comment.

Mr. PROXMIRE. Let me ask a further question. He will serve as our chief tax official, responsible for revenue that will exceed $700 billion.

Mr. DOLE. Yes.

Mr. PROXMIRE. What background or experience does he have in taxation?

Mr DOLE. Well, he has been on the other side—paying taxes. He has run a business which, I think, is an excellent qualification. One thing that I have tried to stress—I am not certain what Senator LONG may have indicated to Mr. Regan in his private discussions—is that we are concerned about the size of government. We are concerned about the IRS. They watch all of us, but we are not certain anybody is watching them. They are not afraid to issue regulations from time to time that interfere with the normal conduct of business. Maybe they are justified; maybe not.

So he comes to us on the other side, having dealt with government agencies from a standpoint of a rather successful, large business enterprise.

I am not certain beyond that. In fact, I think that, in itself, was a good qualification.

Mr. PROXMIRE. Mr. President, he will also, of course, manage a debt which, as Senator LONG has pointed out to us, is close to a trillion dollars, $930 billion, and will soon exceed a trillion dollars. Has he had any experience in debt management?

Mr. DOLE. Mr. President, I did not review all of his testimony. He has been a witness before numerous committees of Congress. He is going to have a chance to do a little work on debt management because the first bill that may come out of our Finance Committee is an increase in the debt ceiling. He will have an opportunity to review that problem firsthand in the next 10 days.

But, without reviewing his different appearances Mr. Regan has been before our committee, and before House committees numerous times. But to say he has or has not had specific experience in debt management, I do not know.

Mr. PROXMIRE. Mr. President, along with the Attorney General, he will be one of the chief law enforcement officials of our Government, as the Senator knows, enforcing the customs, the Secret Service, the currency laws, and so forth. Has he had any experience in law enforcement of any kind?

Mr. DOLE. Not that this Senator is aware of. He was in the Marine Corps.

Mr. PROXMIRE. One of the statements by the nominee that troubles this Senator the most is when he was asked about balancing the budget. As the Senator knows, the President of the United States made a ringing inaugural speech in which he said that we faced deficit after deficit. We get a response from Mr. Regan, the new Secretary of Treasury, as follows, when he was asked about balancing the budget. He said:

> If everything works well and if nothing else changes, we could see a balanced budget in the fourth year of the Reagan administration. However, I have to again qualify that (by domestic and international situations) . . . that could get the whole thing out of whack.

Now, that seems to me to be a pretty defeatist attitude. After all, the President said we are piling one deficit upon another and have been for years. Apparently in the Reagan administration we would pile another deficit for 1981, another deficit for 1982, another deficit for 1983, and perhaps another deficit in 1984.

This seems like a defeatist attitude. How does the Senator explain that?

Mr. DOLE. Mr. President, I would not try to explain that. I think I heard President-elect Reagan the very next day talking about a balanced budget by fiscal year 1983.

He was questioned rather directly by the distinguished Senator from Virginia, Senator BYRD. He did indicate in the process of the hearings that our biggest problem was inflation. It is the opinion of this Senator—and I cannot speak for the nominee—that he may have hedged a bit on when we may be able to do this. I hope that he was being realistic and not a defeatist.

There is a sincere effort being made to balance the budget, I can assure the Senator from Wisconsin.

Again, we have had a number of breakfast meetings on this subject and tomorrow there is a luncheon meeting with some of the Reagan people. There will be a meeting with Republican Senators this week and maybe Democratic Senators next week with the Secretary designate to discuss tax policy and ways to reduce spending.

So I would suggest that the statement may have misled the Senator from Wisconsin, but the actions taken by the nominee since his confirmation hearing indicate to me just the opposite. Mr. Reagan is determined to whip inflation, to reduce spending, and to make his contribution as the chief economic spokesman and try to do the very things the Senator from Wisconsin has been dedicated to over the years.

Mr. PROXMIRE. Mr. President, as I understand it, the administration assumes an inflation rate of 7 or 8 percent in 1983 and real growth of better than 3 percent. Under those circumstances, I think almost any economist would say we ought to balance the budget. I can understand if we have stagnation or if we have a recession or if we have deflation instead of inflation it is more difficult.

But, under these circumstances, it is just incredible, especially from a man who comes in representing the Treasury Department as the appointee of President-elect Reagan, that he does not tell us that we are going to balance the budget and insist that we are going to balance the budget, at least by 1983.

Mr. DOLE. Mr. President, within an hour after he indicated that it might take 2 or 3 years to balance the budget, he was questioned by Senator GRASSLEY. Senator GRASSLEY was disturbed by that statement, just as the Senator from Wisconsin is.

In response to a question by Senator GRASSLEY, I quote Mr. Regan's statement on page 27 of the committee report.

> Senator, I did not mean to make an impression on this committee and leave it there that this is to be business as usual. It is far from it. We can balance the budget sooner than that if there are more serious cuts made in the budget.
>
> Now, this is going to mean that this committee, working with us, will have a laundry list of programs to cut. It is going to take a lot of courage; a lot of tough political decisions will have to be made to cut these programs.
>
> If the Congress will cut these programs, cut this budget back, we can balance that budget sooner. But it is going to be a very hard political decision.

So I think he very properly indicated that he cannot balance the budget alone. We have to help. And I certainly do not see any reason to believe that Mr. Regan is not very competent and qualified to recommend to Congress areas where he believes we can fairly make cuts without in any way impairing the economy. In fact, I believe the opposite—he can do the job.

Mr. PROXMIRE. Mr. President, my problem with Mr. Regan is that it seems to me the answer to a question like this would have been: "We can balance the budget provided the Congress will cooperate and make the kind of reductions we have to make, and these are the kind of reductions that I am going to recommend."

But instead of that, he says, "maybe," "possibly," "if things work out properly by 1984." I point out to my good friend from Kansas——

Mr. DOLE. I may just add to that thought. I do not say this in criticism of former President Carter, but he was going to balance the budget and said so very clearly. Then it did not happen because of circumstances, some beyond his control. I just feel that maybe Mr. Regan somehow recalled those statements or promises and did not want to fall into that trap by making some flat predictions. He is not the person who designs the Federal budget. Certainly, he will have some role in it. Maybe he should have been more specific, though I do not know how he can be. It is hard to answer some of the Senator's questions.

Mr. PROXMIRE. Certainly, it is always true, as with President Carter and others, that there may be intervening events. I think President Carter should have balanced the budget. I think that was a failure of his administration. He did not balance the budget. Certainly, if you have a situation where you move into a war or something, no one expects you to balance the budget. But if you have growth of better than 3 percent, and an inflation rate of 7 percent or more, we should balance the budget. We probably would run a $30 billion, $40 billion, or $50 billion surplus under that circumstance.

Mr. LONG. Will the Senator yield?

Mr. PROXMIRE. Yes.

Mr. LONG. May I point out to my good friend from Wisconsin that, as Mr. Regan pointed out to us with regard to the first question the Senator had prepared, he said, "After all, Mr. Senator, you must keep in mind that I am not Secretary of the Treasury. I am just a fellow who has been nominated to be Secretary of the Treasury."

He pointed out that he had not been here in this bureaucracy. He had not been part of the budget decisions that had already been made by the President's nominee for the Office of Management and Budget. Here is a talented man who comes down from New York in the prospect of undergoing a very heavy loss of income to serve his Government. He is willing to do that. Mr. Regan will be in charge of the spending part of the budget that is in Treasury, and Treasury, as the Senator knows, is one of the least spending departments of the whole Government. Treasury is like the Committee on Finance. We have to try to raise the money for all of the spending programs.

Mr. Regan has come down here and recommended a tax cut to us. He is hoping that in the areas of spending, the spending can be brought within the revenues available, but that spending is done in the other departments. Where is the money being spent? It is being spent in HHS, in the Department of Defense, and in other departments. The savings will have to be done in the other departments. This is a man like every other Secretary of the Treasury, who hopes that the other fellows will cut their spending. It is as I have said as chairman of the Committee on Finance to the Appropriations Committee, "We would not have deficits if you people would not spend so much money. And we would have tax cuts, too."

Mr. Regan does not have the power to cut spending in Defense.

(Mrs. HAWKINS assumed the chair.)

Mr. PROXMIRE. Of course not. But I am not talking about the fact that this man is the economic spokesman of the Reagan administration. In that capacity, I asked when they would balance the budget. He said, "Maybe, possibly, if things work out right, if everything is OK, maybe we will balance it in 1984."

I will point out to the Senator that 6 months ago a group of very distinguished former economists and officials of our Federal Government, including Arthur Burns, Henry Fowler, Michael Blumenthal, John Byrnes, Frederick Deming, Paul McCracken, Douglas Dillon, McChesney Martin, George Mahon, Wilbur Mills, George Shultz, William Simon, and John Williams, agreed wholeheartedly that if you are going to fight inflation this is No. 1. You have to do it.

Here are seven Democrats and six Republicans. They issued a statement saying, "We recommend a revision of the budget process to make it impossible to run deficits unless you get a two-thirds vote."

These are not the starry-eyed reactionaries, but people who have served in the Government, who are realists, who understand what you have to do.

Mr. LONG. At this point Mr. Regan does not speak for any man but himself. He is not the Secretary of the Treasury. He does not have all that bureaucracy at his disposal. He is just a man who has been nominated for the job. He is up there all by himself doing the best he can against some people who have had more experience in this area than he has. But I would submit that in all probability he may be the most talented of any we are looking at here today. Based on what he can earn for his service out in the free enterprise, competitive economy he is the most talented man we are considering and that we have considered or will consider yesterday, today, or tomorrow.

Mr. PROXMIRE. He may be talented but as has been brought out in the interrogation here he does not have a specific background in economics. He does not have any experience in the tax area, except as a taxpayer, as everybody else in America has. He does not have experience in managing the debt or in law enforcement.

I am going to vote for him.

Mr. LONG. I am glad to hear that.

Mr. PROXMIRE. I am not going to vote against him but I am going to vote for him. I think we ought to make a record here as to what his intention is. This man does not have technical qualifications. We vote for a lot of Cabinet officers who do not have technical qualifications. If he does not have the zeal to do everything in his capacity as spokesman to cut the budget, then I think we ought to reveal that.

Mr. LONG. This man——

Mr. DOLE. If I could complete the record, I think in fiscal year 1980, the increase in Federal spending because of what Congress did in that year and years before was 17.5 percent. The point he was making in his statement before our committee was if Congress is willing to make the cuts that he recommends, he is willing to recommend some very tough decisions and back them up as much as he can as Treasury Secretary and as economic spokesman for this administration.

Mr. PROXMIRE. The point is that all of this has to be turned around. It is the toughest job that the Congress has had to confront in the domestic area in the last 50 years. We have to change the momentum that started in 1932, reverse it, and it will be extremely difficult. We need Cabinet officials as well as a President who will demand and insist that we do everything we possibly can to change the situation, to change habits, pressures, and so forth, which are very difficult to change. I just do not see that zeal in the new Secretary of the Treasury.

Mr. DOLE. If the Senator will yield, it is all right for them to demand it. But if we do not pursue change, cooperate, and vote for what is demanded, nothing will change. I do not include the Senator from Wisconsin in that group.

I do not know all the names on the list just read, but the Senator may find some of those same names on all kinds of groups springing up trying to stop us from cutting certain programs.

Mr. Regan will do a good job. I agree with the Senator from Louisiana.

Mr. LONG. Might I point out that this man we are talking about did not start out as the head of Merrill Lynch. His name is not Mr. Merrill or Mr. Lynch. His name is Regan. He went to work in 1946 just after World War II for this fine old firm. In 6 years he became a general partner and he proceeded to move on up to be the head of this big organization. This man is one of the most respected and admired businessmen in the world.

Mr. PROXMIRE. Let me say to my good friend that I have agreed to begin with that he is very successful, that he has moved up very fast, that he has built a tremendous business, and I think that is great. That is important criteria. But I say that is a matter of building a bigger and bigger business, hiring more and more people, extending into more and more fields.

As I pointed out, the problem is to reverse it.

I asked him:

> What is your goal for full-time permanent civilian employment in the Treasury Department comparing the number on board on September 30, 1980 with September 30, 1981? Will you provide each quarter beginning June 30, 1981, a report of the number of personnel on board?

He answered:

> I intend to adhere to policies enunciated by the incoming administration with respect to a freeze on hiring with the Executive Branch. My goal for full-time civilian employment in the Treasury Department will be such as to permit the lawful and effective performance of the agency's functions. I will be pleased to provide each quarter beginning June 30, 1981, a report of the number of personnel on board.

So he is going to give us what data I asked for, but there is no indication in his response that he recognizes that he is going to have to make some very painful reductions. Does the Senate cut our committee staffs 10 percent? He is going to have to make cuts that are that severe.

Mr. DOLE. If the Senator will yield there, I think there are about 110,000 Treasury employees, 75,000 of which are IRS employees. We are told from time to time that these employees actually make money for the United States Government by collecting taxes which would be otherwise unpaid. Not everyone would agree with that.

Again, I make the point made by Senator LONG that when Mr. Regan came before our committee, he had the benefit of visits with the so-called transition team. But I am not certain he was able at that point to be any more specific. He did indicate that he would offer the information on a quarterly basis. He did indicate that he will follow President Reagan's order on a hiring freeze. There may be other areas where he can make a reduction. I hope there are.

The Senator has indicated he intends to support this nomination. If there is more specific information we can provide on that question, we shall be happy to provide it.

Mr. PROXMIRE. Madam President, I apologize to the Senator for delaying this vote. I realize Senators want to move as rapidly as they can. What I am trying to do here is see if we can get any notion of how we go about this very, very difficult problem of making reductions. We have had five important agencies so far—Defense. We cannot cut Defense. I agree with that. We can make economies, of course. We are going to do that. As far as cutting is concerned, we are going to have to increase appropriations in that area.

State Department—we were told it would be counterproductive to cut the State Department to much of an extent.

HEW—as I say, we got the response, the very intelligent response, that maybe we could cut it by $1 to $7 billion, which would be a modest cut in percentage. Maybe we could cut it over a period of 3 or 4 years, but this year, it is very difficult.

The Trade Representative, which is a very small agency, Mr. Brock's agency. Again no specific answer.

On Treasury, we get a response that we do not really know.

So it looks as if there just is not any plan, any notion, any idea, any really very deep conviction that we have to make some important reductions here if we are going to have any real prospect of meeting this severe economic crisis we face, with inflation getting way out of hand.

Mr. DOLE. The Senator from Kansas certainly does not quarrel with that position. If we can help, I can give our commitment that we shall back up those who send up proposals to reduce spending.

Mr. STENNIS. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. STENNIS. First, Madam President, the Senator from Wisconsin knows how I admire him and the fight he makes here and how consistent he is on the committee and on the floor. But on this question of balancing the budget and the time required, I have been concerned

about this for years and have done what little I could toward helping keep the situation from developing. I am willing to take any stand now; that is, to cut the expenditures to an appreciable degree. But if the nominee had said he is going to try to balance the budget within 1 year, it would be so unrealistic to me that I would not favor putting him in the position because it cannot be done with any kind of reasonable approach.

Mr. PROXMIRE. Madam President, I disagree with that. The Senator may well be right. I think you can do anything if you want to do it.

Mr. STENNIS. I know, but not without disastrous results, probably, if you try to condense it into 12 months. I am talking about time, now.

Mr. PROXMIRE. Would the Senator agree that 1984 is a little remote?

Mr. STENNIS. I think that is remote, but I think a minimum of 2 years is the only thing we can safely shoot at to keep from tearing our economy up like a runaway car if we put the brakes on all at once.

I thank the Senator for yielding to me. I wanted to make that point. I believe it will take 2 years. I shall go at it hard to try to help.

Mr. PROXMIRE. Madam President, I appreciate the responses by Senators DOLE and LONG. I am going to take just a few more minutes to indicate for the RECORD the problems that I think we have with the nominee for Secretary of the Treasury.

As I say, I agree he is a brilliant man, a successful businessman. I hope and pray he will make a good Secretary of the Treasury. I intend to vote for him.

Let me point out his answers with respect to particular questions I asked him affecting the banking industry, because the Treasury has great jurisdiction in this area and I have been chairman of the committee for the last 6 years. Senator GARN is now chairman. Some of his answers were all right, but some of them were, in my judgment, very deficient.

For example, Mr. Regan was not prepared to comment on consolidation of the bank regulatory agencies. This is the only industry regulated by three separate regulators. It does not make any sense. It is duplicative, it is expensive, it is costly. Here is a man who understands the financial industry quite well. It is his principal qualification. He has no comment on this question.

He was fuzzy on the question of future government support of Chrysler, which is an area on which I think any well-informed financier of Mr. Regan's stature would have definite ideas. He had no specific standard.

No specific recommendations on reducing Treasury Department regulations. Of course, we know how difficult those have been, especially the IRS. There is no agency in Government which has caused more difficulty than the IRS.

He had no paperwork reduction plans. I understand that about 50 percent of all the paperwork required by the Federal Government is engendered, one way or another, by the IRS.

He had no specific plans to eliminate programs other than to eliminate those which no longer serve any useful purpose, which is a generality anybody can subscribe to.

He thought the matter of bank underwriting of revenue bonds should be further studied. Madam President, that is an issue which has been studied and studied, over and over again.

Mr. Regan said his former association with Merrill Lynch would not present difficulties on legislation affecting the securities industry. Yet he has agreed in writing to recuse himself of any conflict of interest problem with Merrill. Madam President, virtually no matter affecting the securities industry could help affecting Merrill Lynch. It seems to me he would have to recuse himself on all matters affecting the securities industry.

He has said he is not yet in a position to address the ways in which efficiency at Treasury might be improved. Madam President, these people are supposed to hit the ground running. In many instances, it seems they will hit the ground and fall in a heap. This is discouraging, coming from an administration which has emphasized over and over how important it is to get moving and has been so critical of the previous administration.

As I say, in spite of all these shortcomings, I think Mr. Regan, all in all, has some fine qualifications and I do hope he will be able to find a way of balancing the budget within the next year or two and not have to wait until 1984.

Mr. LONG. Madam President, I yield to the Senator from California.

Mr. CRANSTON. Madam President, I am delighted that the new President of the United States saw fit to nominate Donald Regan to be the Secretary of the Treasury. I have come to know him over recent months, our friendship developing substantially prior to the time that there was any consideration of him for Secretary of the Treasury. He is a neighbor of all of us, having a beautiful estate down the Potomac, near Washington, in addition to his New York residence. He is a very thoughtful man. He is very creative and innovative. With his leadership, he has invigorated the entire financial community of our country.

He has proven his administrative skills in carrying Merrill Lynch to the very fine and strong position it now occupies in the financial world. If he brings these same talents to bear, as I know that he will, on the financial problems and economic problems that confront each and all of us and our country, he will have available to him the tools that are needed to help us resolve the problems that have plagued us so very, very severely.

I look forward to seeing some very remarkable work by Donald Regan as Secretary of the Treasury. We are at a time when we need new directions, when we have to find some new approaches to problems that have resisted solution for all too long.

Madam President, I am confident that the leadership of Donald Regan can help our country immensely in that respect. He is a man of high probity and high intelligence, and we also need that in this vitally important office in the Government of the United States.

For these reasons, I am delighted to have an opportunity to speak in his behalf for this post.

Mr. DOLE. Madam President, I yield to the Senator from South Dakota.

Mr. ABDNOR. I thank the Senator from Kansas for yielding.

Madam President, I support the nomination of the distinguished gentleman, Mr. Regan, for the position of Secretary of the Treasury.

It is with great care that the President has selected Mr. Regan for this position, and I commend him for his sound judgment.

Mr. Regan has many difficult tasks awaiting him in the days ahead. Not since the days of the Great Depression has an administration assumed the reins of Government with the economy in such deplorable shape. Even then, President Roosevelt had to deal only with massive unemployment and not the additional burden of runaway inflation at the same time.

I am confident that the new President and his Secretary of the Treasury adhere to the principles which can, and will, stimulate economic recovery. Yet, as we all know, the needed remedies will not be achieved easily or without objection.

To successfully resurrect the economy will require a courageous effort on the part of everyone present in this Chamber today and of all the American people. I certainly pledge to do what I can to assist the President and his Treasury Secretary in the implementation of these new policies.

Finally, if I might offer one suggestion to Mr. Regan, it would be that he immediately take the measures necessary to redirect the efforts of the Internal Revenue Service.

Anyone who has served in Congress in the past 4 years has witnessed the IRS constantly usurping the powers of the legislative branch of Government. It behooves Mr. Regan to make clear to his employees that Congress, not the IRS, should determine what our national tax policies will be. I am confident that the Secretary shares my concerns regarding this matter and will alleviate such practices.

Again, it is with great pleasure that I vote to confirm Mr. Regan's nomination as the new Secretary for the Department of the Treasury.

Mr. THURMOND. Mr. President, I rise to support the nomination of Donald T. Regan for Secretary of the Treasury.

Mr. Regan, the former chairman of Merrill Lynch, Pierce, Fenner & Smith, Inc., has broad experience in the national financial arena, and will bring a strong management background to the position of Secretary of the Treasury. He has announced support for President Reagan's plans to implement a much-needed individual tax-cut plan, and has promised to move quickly to present the

administration's economic package to the Congress.

Mr. Regan is a fine American who has shown himself to be a man of character, integrity and intelligence. The Nation's economy will be in capable hands with Donald Regan at the Treasury Department.

Mr. President, I hope the Senate will overwhelmingly confirm the nomination of Donald T. Regan to be Secretary of the Treasury.

Mr. DOLE. Madam President, there are no other requests for time of which I am aware, and I yield back the remainder of my time.

Mr. LONG. I have no further requests for time, Madam President, and I yield back the remainder of my time.

Mr. DOLE. Madam President, I ask for the yeas and nays.

Mr. LONG. Have they not been ordered already?

The PRESIDING OFFICER. They have not.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Donald T. Regan, of New Jersey, to be Secretary of the Treasury? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Michigan (Mr. LEVIN) and the Senator from Georgia (Mr. NUNN) are necessarily absent.

I further announce that, if present and voting, the Senator from Michigan (Mr. LEVIN) would vote "yea."

The PRESIDING OFFICER (Mr. ABDNOR). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 6 Ex.]

YEAS—98

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Gramley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Bumpers	Hayakawa	Pryor
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Randolph
Byrd, Robert C.	Helms	Riegle
Cannon	Hollings	Roth
Chafee	Huddleston	Rudman
Chiles	Humphrey	Sarbanes
Cochran	Inouye	Sasser
Cohen	Jackson	Schmitt
Cranston	Jepsen	Simpson
D'Amato	Johnston	Specter
Danforth	Kassebaum	Stafford
DeConcini	Kasten	Stennis
Denton	Kennedy	Stevens
Dixon	Laxalt	Symms
Dodd	Leahy	Thurmond
Dole	Long	Tower
Domenici	Lugar	Tsongas
Durenberger	Mathias	Wallop
Eastland	Matsunaga	Warner
East	Mattingly	Weicker
Exon	McClure	Williams
	Melcher	Zorinsky

NOT VOTING—2

Levin Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent when the Senate completes its business today it stand in recess until the hour of 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. ABDNOR). The Chair on behalf of the Vice President and in accordance with Senate Resolution 4, 95th Congress, and Senate Resolution 443, 96th Congress, as amended, appoints to the Select Committee on Indian Affairs for the 97th Congress: The Senator from Montana (Mr. MELCHER), the Senator from Hawaii (Mr. INOUYE), and the Senator from Arizona (Mr. DECONCINI).

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. As in legislative session, the Chair, on behalf of the Vice President, pursuant to Public Law 94-304, appoints the following Senators to the Commission on Security and Cooperation in Europe: The Senator from Utah (Mr. HATCH), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from New York (Mr. D'AMATO).

DEPARTMENT OF JUSTICE

NOMINATION OF WILLIAM FRENCH SMITH, OF CALIFORNIA, TO BE ATTORNEY GENERAL

Mr. BAKER. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The clerk will report the next nomination.

The legislative clerk read the nomination of William French Smith, of California, to be Attorney General.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, as in legislative session, and that Senators may be permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I ask unanimous consent that following on after a statement by the distinguished minority leader in his continuing sequence on the history of the Senate, that the Chair recess the Senate over until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that no time that may be utilized during the period for the transaction of routine morning business just provided for be charged against the time otherwise allocated for the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR A STAR PRINT FOR S. 123

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. INOUYE I ask unanimous consent that a star print be made for S. 123.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

IN HONOR OF DAVID LILIENTHAL

Mr. HEFLIN. Mr. President, I wish to speak today in honor of David Eli Lilienthal who, at the age of 81 years, died of a heart attack on January 16, 1981.

David Lilienthal is a legend to all of us who knew him and his work during the 19 years he devoted as a public servant in the Federal Government, first as a member of the Tennessee Valley Authority Board of Directors and later as the first Chairman of the Atomic Energy Commission.

It could be said of David Lilienthal that he was one of the "founding fathers" of the Tennessee Valley Authority, inasmuch as he was appointed by President Roosevelt to the three-member TVA Board of Directors when the agency was established in 1933. Incidentally, the coauthors of the TVA Act were Senator George W. Norris of Nebraska and then Congressman, later to be Senator, Lister Hill of Alabama. David Lilienthal was in charge of TVA's power and flood control programs; and as TVA grew and expanded, he was credited with many of TVA's achievements.

After serving 8 years as a member of the TVA Board, in 1941 President Roosevelt promoted Mr. Lilienthal to be Chairman of the TVA Board of Directors.

In his capacity as TVA Board Chairman, David Lilienthal worked tirelessly to expand the role of TVA's power program in connection with our country's need for energy and power in the development and production of munitions and war materials needed during World War II. David Lilienthal was in the forefront of the role played by TVA in the development of the atomic bomb project at Oak Ridge, Tenn., as TVA supplied the vast amounts of electricity and water for the Army's Manhattan Project.

On May 2, 1945, President Truman reappointed David Lilienthal to a 9-year term as TVA Board Chairman, but Mr. Lilienthal left that post in January of 1946 when he was named by President Truman to be chairman of the board

of consultants called on to assist the Secretary of the Department of State in developing a plan for controlling atomic energy production and the use of atomic energy for peace time use. David Lilienthal was one of the principal authors of the Acheson-Lilienthal Report, the report produced by the board of consultants which was used as the basis for international planning on atomic energy control.

On October 28, 1946, President Truman called on David Lilienthal to serve in yet another post when he named him as the first Chairman of the Atomic Energy Commission.

David E. Lilienthal's 19 years of service in the Federal Government brought him international acclaim and many, many honors, including the 1951 Public Service Medal of the National Academy of Sciences.

David Lilienthal is a man to be remembered for his dedication and service to his country. His life and his work touched the lives of many people. He left with us a legacy of ideals and ideas that will pave the way for future generations to follow in the application of our modern technologies in the development of our Nation's great energy and natural resources.

I extend my deepest sympathies to Mrs. Helen Marian Lamb Lilienthal, their daughter Nancy Alice Bromberger and their son David Eli Lilienthal, Jr., and their many close friends.

Mr. President, I ask unanimous consent that the following tribute issued by the Tennessee Valley Authority also be inserted in the RECORD:

STATEMENT BY TVA BOARD ON DEATH OF DAVID LILIENTHAL

David Lilienthal's death is a very personal loss to all of us at TVA. His dedication to the principle that technology can help to make men free without despoiling the natural environment, was a source of lasting inspiration to everyone involved in government.

Lilienthal's faith in democracy was a special source of inspiration to TVA, both during his 14 years on the TVA Board and in subsequent years. He stated his own belief so well in TVA: Democracy on the March:

"The physical job is going to be done; of that I think we can be sure. But . . . if the people are denied an active part in this great task, then they may be poor or they may be prosperous but they will not be free."

Under his leadership as a founding Director from 1933 until 1941, TVA became known as one of the most exciting experiments in government in our history. Under his leadership as Chairman from 1941 until 1946, TVA was recognized as one of the most successful.

Even after he retired from government, Lilienthal never lost his intense interest in the future of the Nation and especially of TVA. On a return visit to the Tennessee Valley in 1979, he declined to look backward, instead exhorting TVA employees not to give up their commitment to the original dream of TVA—a better life for the people of the Tennessee Valley.

It is for his steadfast devotion to the principle of the greater good of mankind and for the way he carried it to fruition at TVA, as Chairman of the Atomic Energy Commission, and later as a vocal advocate of sensible development of the world's resources that David Lilienthal will be best remembered.

David Lilienthal stood out as a giant. We extend our deepest sympathy to his family and his many close friends.

TIMES THAT TRY MEN'S SOULS

Mr. HEFLIN. Mr. President, I ask unanimous consent that a letter from Brig. Gen. Edward M. Friend, Jr., retired, addressed to me, which is a New Year's letter, in which he expressed his thoughts about our present situation be printed in the RECORD. It is a letter that I feel I should share with the Senate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. HOWELL HEFLIN,
Senate Office Building,
Washington, D.C.

DEAR HOWELL: Thomas Paine found that the 1770's were "times that try men's souls." If he were alive today, he might well have the same attitude about our own decade of the 80's. 1980 has seen continued frustration and humiliation over the treatment of our hostages in Iran; unbridled inflation at home; war in the Middle East; rising tension between Russia and America; and starvation in many places throughout the world, especially in Africa. Some among us say that 1980 is but a harbinger of what is expected to be nine dismal years.

In 1950, too, there was no lack of problems, not the least of which was the severely strained relationship with Russia, exemplified by the Cold War. Then, as now, there were dire predictions of what might happen during the 50's. The great author, William Faulkner, answered these pessimists when he accepted the Nobel Prize for literature in Stockholm, by saying "I refuse to accept this. I believe that man will not merely endure; he will prevail. He is immortal, not because he alone among creatures has an inexhaustible voice, but because he has a soul, a spirit capable of compassion and sacrifice and endurance."

When I think of the future, I know that, come what may, our bonds of friendship will offer hope and confidence. Friends do make possible a pervading spirit which is "capable of compassion."

For your friendship, I am most grateful. I wish for you and yours the best of everything for the New Year.

Sincerely,

E. M. FRIEND, Jr.

ADDITIONAL MINORITY PARTY APPOINTMENT TO SPECIAL COMMITTEE ON AGING FOR THE 97TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution which I have cleared with the majority leader and I ask that it be immediately considered.

The PRESIDING OFFICER. The clerk will read the resolution by title.

The assistant legislative clerk read as follows:

A resolution making additional minority party appointment to the Special Committee on Aging for the 97th Congress.

The Senate proceeded to consider the resolution.

The resolution (S. Res. 30) was agreed to as follows:

S. RES. 30

Resolved, That Christopher J. Dodd be, and he is hereby, appointed to fill an existing minority party vacancy on the Special Committee on Aging for the Ninety-seventh Congress.

REMOVAL OF CERTAIN INSPECTORS GENERAL AND DEPUTY INSPECTORS GENERAL

Mr. THURMOND. Mr. President, yesterday, January 20, 1981, I received notification that President Reagan had removed the Inspectors General and Deputy Inspectors General from certain Federal agencies. This notification was addressed to me as President pro tempore of this body, and I would like to share the correspondence with my colleagues.

Mr. President, I ask unanimous consent that the attached correspondence be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., January 20, 1981.

Re: Notification Pursuant to Public Law 95–452 as Amended by Public Law 96–88 ("The Inspector General Act of 1978").

Hon. STROM THURMOND,
President Pro Tempore of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: This is to advise the Senate that I have today exercised my power as President to remove from office the current appointees to the position of Inspector General in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of Education.
4. Department of Housing and Urban Development.
5. Department of the Interior.
6. Department of Transportation.
7. Community Services Administration.
8. Environmental Protection Agency.
9. General Services Administration.
10. National Aeronautics and Space Administration.
11. Small Business Administration.
12. Veterans Administration.

Some of these individuals may be involved in investigations which would be aided by some continued association with their offices. We will want to review these situations to consider asking such individuals to continue their participation on an appropriate basis.

Uncovering fraud, waste and mismanagement of federal funds as well as the promotion of economy, efficiency and effectiveness in the administration of federal programs and operations will be an important priority in my Administration. The Inspectors General will have critical roles in the achievement of this objective. As is the case with all positions where I, as President, have the power of appointment by and with the advice and consent of the Senate, it is vital that I have the fullest confidence in the ability, integrity and commitment of each appointee to the position of Inspector General.

I will be submitting to the Senate in the near future my nomination of an individual for each of these positions who has my confidence and who meets the appropriate qualifications. If any of these individuals wishes to be considered for reappointment, they may indicate their interest and they will be judged in competition with other applicants.

Sincerely,

RONALD REAGAN.

THE WHITE HOUSE,
Washington, D.C., January 20, 1981.

Re: Notification Pursuant to Public Law 95–91.

Hon. STROM THURMOND,
President Pro Tempore of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: This is to advise the Senate that I have today exercised my power as President to remove from office the current appointees to the position of Inspector General and Deputy Inspector General for the Department of Energy. The removed appointees may be involved in investigations which would be aided by some continued association with their offices. We will want to review these situations to consider asking them to continue their participation on an appropriate basis.

Uncovering fraud, waste and mismanagement of federal funds as well as the promotion of economy, efficiency and effectiveness in the administration of federal programs and operations will be an important priority in my Administration. The Inspector General and Deputy Inspector General of the Department of Energy will have critical roles in the achievement of this objective. As is the case with regard to all positions where I, as President, have the power of appointment by and with the advice and consent of the Senate, it is vital that I have the fullest confidence in the ability, integrity and commitment of the appointees to the position of Inspector General and Deputy Inspector General of the Department of Energy.

I will be submitting to the Senate in the near future my nomination of an individual for each of these positions who has my confidence and who meets the appropriate qualifications. If these individuals wish to be considered for reappointment, they may indicate their interest and they will be judged in competition with other applicants.

Sincerely,

RONALD REAGAN.

THE WHITE HOUSE,
Washington, D.C., January 20, 1981.

Re: Notification Pursuant to Public Law 94–505.

Hon. STROM THURMOND,
President Pro Tempore of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: This is to advise the Senate that I have today exercised my power as President to remove from office the current appointee to the position of Deputy Inspector General (Acting Inspector General) for the Department of Health and Human Services. The removed appointee may be involved in investigations which would be aided by some continued association with his office. We will want to review these situations to consider asking him to continue his participation on an appropriate basis.

Uncovering fraud, waste and mismanagement of federal funds as well as the promotion of economy, efficiency and effectiveness in the administration of federal programs and operations will be an important priority in my Administration. The Deputy Inspector General for the Department of Health and Human Services will have a critical role in the achievement of this objective. As is the case with regard to all positions where I, as President, have the power of appointment by and with the advice and consent of the Senate, it is vital that I have the fullest confidence in the ability, integrity and commitment of the appointee to the position of Deputy Inspector General for the Department of Health and Human Services.

I will be submitting to the Senate in the near future my nomination of an individual for this position who has my confidence and who meets the appropriate qualifications. If this individual wishes to be considered for reappointment, he may indicate his interest and will be judged in competition with other applicants.

Sincerely,

RONALD REAGAN.

DR. ELI NOBLEMAN

Mr. THURMOND. Mr. President, at the conclusion of the 96th Congress, Dr. Eli Nobleman will be ending a distinguished career as counsel to the Senate Committee on Governmental Affairs.

I first became acquainted with Dr. Nobleman in World War II when he and I served together in the 1st U.S. Army. Since that time he has continued to serve his country in uniform as a member of the Army Reserve. He is a hard-working, patriotic man who has rendered outstanding service to our country, and he has contributed much to this body.

As a member of the Governmental Affairs Committee, I was able to observe first hand Dr. Nobleman's work. The long hours and tireless energy he put into his job gained him the respect of all who knew him, and his thorough knowledge of the issues made him a valuable staff member.

I was pleased that the Senate passed a resolution commending him for his exemplary work, and I want to take this opportunity to extend my best wishes for a bright future to Dr. Nobleman and his family.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES HELD AT DESK

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States withdrawing certain nominations, which were ordered to be held at the desk.

(The withdrawals received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–201. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, notice of intent to obligate certain funds in the Army stock fund for war reserve stocks; to the Committee on Appropriations.

EC–202. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Supply Support Costs of Combat Ships Can Be Reduced By Millions and Readiness Enhanced"; to the Committee on Armed Services.

EC–203. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting pursuant to law, notice of a study with respect to converting the family housing maintenance function at F. E. Warren Air Force Base, Wyo., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–204. A communication from the Assistant Secretary of the Army (Research, Development, and Acquisition), transmitting, pursuant to law, a report on Army research and development contracts of $50,000 or more awarded during fiscal year 1980; to the Committee on Armed Services.

EC–205. A communication from the Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting, pursuant to law, notice of a study with respect to converting the food services activity at Fort Knox, Ky., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–206. A communication from the Secretary of the Army, transmitting, pursuant to law, the annual report of the United States Soldiers' and Airmen's Home for fiscal year 1979, and the annual report on the inspection of the Home for fiscal year 1980; to the Committee on Armed Services.

EC–207. A communication from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to increase the authorization for fiscal year 1981 for operating subsidies for public housing projects, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC–208. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Budget Totals Are Understated Because of Current Budget Practices"; to the Committee on the Budget.

EC–209. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and Development, construction of facilities, and research and program management, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–210. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law a proposed waiver of section 11 (b) of the Stevenson-Wydler Technology Innovation Act of 1980; to the Committee on Commerce, Science, and Transportation.

EC–211. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on Federal radionavigation systems; to the Committee on Commerce, Science, and Transportation.

EC–212. A communication from the Secretary of Transportation, transmitting, pursuant to law, the first annual report on collision avoidance systems; to the Committee on Commerce, Science, and Transportation.

EC–213. A communication from the Secretary of Transportation, transmitting, pursuant to law, the fifth annual report of the automotive fuel economy program for fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC–214. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the cost of making urban rail transit systems available to the handicapped; to the Committee on Commerce, Science, and Transportation.

EC–215. A communication from the Acting Assistant Secretary of the Interior, transmitting, pursuant to law, the biennial report on continuing studies of the quality of water of

the Colorado River Basin dated January 1981; to the Committee on Energy and Natural Resources.

EC-216. A communication from the Federal Cochairman of the Ozarks Regional Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year 1980; to the Committee on Environment and Public Works.

EC-217. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on progress in the study of the effects of changes in the ozone upon animals, crops, and other plant life; to the Committee on Environment and Public Works.

EC-218. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to strengthen and improve Medicaid services to low-income children and pregnant women, and for other purposes; to the Committee on Finance.

EC-219. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Security Act to increase the effectiveness and improve the administration of certain programs under this act, and for other purposes; to the Committee on Finance.

EC-220. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend title II of the Social Security Act, and related provisions of the Internal Revenue Code of 1954, for miscellaneous purposes; to the Committee on Finance.

EC-221. A communication from the Secretary of State, transmitting, pursuant to law, a report on biological and chemical control of opium poppy and marihuana; to the Committee on Foreign Relations.

EC-222. A communication from the Director of the U.S. Arms Control and Disarmament Agency, transmitting, pursuant to law, the fiscal year 1982 arms control impact statements; to the Committee on Foreign Relations.

EC-223. A communication from the Deputy Director of the U.S. Office of Personnel Management, transmitting a draft of proposed legislation to amend chapter 83 of title 5, United States Code, to provide for annual cost-of-living adjustments to civil service annuities, and for other purposes; to the Committee on Governmental Affairs.

EC-224. A communication from the Director of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes; to the Committee on Governmental Affairs.

EC-225. A communication from the Deputy Director of the U.S. Office of Personnel Management, transmitting a draft of proposed legislation to amend titles 5 and 37, United States Code, to extend the pay comparability concept to a total compensation comparability concept encompassing both pay and benefits, and for other purposes; to the Committee on Governmental Affairs.

EC-226. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC-227. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on October 14, 1980; to the Committee on Governmental Affairs.

EC-228. A communication from the Assistant Secretary of Housing and Urban Development (Administration), transmitting, pursuant to law, a report on a new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-229. A communication from the Deputy Director of the U.S. Office of Personnel Management, transmitting, pursuant to law, a report on the Senior Executive Service; to the Committee on Governmental Affairs.

EC-230. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend authorizations of appropriations for the developmental disabilities programs under the Developmental Disabilities Assistance and Bill of Rights Act, and for other purposes; to the Committee on Labor and Human Resources.

EC-231. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Economic Opportunity Act of 1964 to extend authorizations of appropriations for the Head Start and Native American programs, and for other purposes; to the Committee on Labor and Human Resources.

EC-232. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend authorizations of appropriations for programs under the Child Abuse Prevention and Treatment Act and the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and for other purposes; to the Committee on Labor and Human Resources.

EC-233. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to extend authorizations of appropriations for programs under the Older Americans Act of 1965; to the Committee on Labor and Human Resources.

EC-234. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on poverty-related research and demonstration projects delegated to the Department of Health and Human Services; to the Committee on Labor and Human Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND:

S. 173. A bill to amend the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Finance.

By Mr. PROXMIRE:

S. 174. A bill for the relief of Walter Prey; to the Committee on the Judiciary.

By Mr. FORD:

S. 175. A bill for the relief of Puangpaka Vertrees and Puangtip Vertrees; to the Committee on the Judiciary.

S. 176. A bill for the relief of Dr. Kok Liong Tan and his wife, Gloria Siao Tan; to the Committee on the Judiciary.

S. 177. A bill for the relief of Dr. Jaime Tiong Bon Tan Tiu, and his wife, Eva Bon Tiu; to the Committee on the Judiciary.

By Mr. DURENBERGER (for himself, Mr. BUMPERS, Mr. BENTSEN, Mr. DANFORTH, Mr. JEPSEN, Mr. LEVIN, Mr. METZENBAUM, Mr. PROXMIRE, Mr. RIEGLE, and Mr. DODD):

S. 178. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to further the objectives of national energy policy of conserving oil and natural gas through removing excessive burdens on production of coal; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS (for himself, Mr. HARRY F. BYRD, JR., and Mr. MOYNIHAN):

S. 179. A bill to amend title II of the Social Security Act to provide penalties for the misuse of social security numbers; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself and Mr. BAUCUS):

S. 180. A bill to establish within the National Aeronautics and Space Administration a comprehensive program of automotive research and technology development, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CRANSTON:

S. 181. A bill to provide for the extension of the authorization of appropriations for the Headstart program; to the Committee on Labor and Human Resources.

S. 182. A bill for the relief of Frank Fabian; to the Committee on the Judiciary.

S. 183. A bill for the relief of Elga Bouilliant-Linet; to the Committee on the Judiciary.

S. 184. A bill for the relief of Antonio Zamora-Mendoza, his wife Josefina Padilla Zamora, and their sons Alberto Antonio Zamora-Padilla, Victor Zamora, Leopoldo Zamora, Jaime Zamora, and Jose Zamora; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 185. A bill for the relief of Mrs. Evelyn R. Millare; to the Committee on the Judiciary.

By Mr. DOLE:

S. 186. A bill to provide financial assistance to the States to undertake comprehensive criminal justice construction programs to improve the criminal justice system of the States, to provide that the Secretary of the Treasury is authorized to make interest subsidy payments on criminal justice facility construction bonds, and for other purposes; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 187. A bill to authorize the Secretary of the Interior to convey certain lands near Miles City, Mont., and to remove certain reservations from prior conveyances; to the Committee on Energy and Natural Resources.

S. 188. A bill to authorize the Secretary of Agriculture to convey certain lands in the Gallatin National Forest, and for other purposes; to the Committee on Energy and National Resources.

By Mr. BIDEN:

S.J. Res. 14. Joint resolution to designate the first day of May of each year as "Freedom Day"; to the Committee on the Judiciary.

By Mr. CHAFEE:

S.J. Res. 15. Joint resolution to authorize and request the President to call a White House Conference on Education not later than June 30, 1981, and for other purposes; to the Committee on Labor and Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND:

S. 173. A bill to amend the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Finance.

AMENDMENT OF ADJUSTMENT ASSISTANCE PROGRAMS

Mr. THURMOND. Mr. President, I rise today to introduce legislation to amend the adjustment assistance programs for workers and firms under the Trade Act of 1974. Passage of this bill will greatly improve the present trade adjustment assistance program by eliminating inequities and strengthening eligibility requirements.

Mr. President, the current trade adjustment assistance program differs greatly from the first assistance program for workers and firms as contained in title III of the Trade Expansion Act of 1962. Under the provisions of that act, eligibility for assistance was conditional upon the adverse impact of increased imports being the result of trade concessions made by the U.S. Government. Benefits were paid only to those workers and firms who were injured by conscious policy decisions on the part of the Federal Government regarding international trade. In order to receive benefits, imports of the commodity in question had to be increasing, the increase had to be caused in major part by a trade concession, and the increase had to be the major cause of injury.

The Trade Act of 1974 eliminated the requirement for a causal relationship between increased imports and prior trade concessions. Furthermore, it liberalized the requirements for eligibility in that increased imports no longer had to be the major cause of injury.

The results of these changes are illustrated in a January 15, 1980, General Accounting Office report on the worker trade adjustment assistance program. GAO found that—

Weekly cash payments helped few workers adjust to their changed economic conditions during their layoffs. Seventy-one percent of the workers had returned to work by the time their first check arrived in a lump sum payment. Only 23 percent were permanently separated from their employer;

Sixty-nine percent had returned to work before they applied for assistance, and 90 percent were back by the time they received their first check, suggesting that most workers achieved the adjustment envisioned under the Trade Act without the cash assistance provided by it;

The majority of workers (77 percent) did not have substantial financial problems while they were laid off;

Forty-two percent of the workers sampled received company funded supplemental unemployment benefits (SUB). Many import affected workers received nearly 95 percent of their prelayoff take-home pay from TAA, unemployment insurance benefits, and supplemental benefits under union contracts;

Many State officials believe the needs of import-affected workers can be met through the unemployment insurance program and other existing programs. These officials believe that providing Trade Act weekly cash payments in addition to other benefits creates a work disincentive, and

Seventy-three percent of import-affected workers used none of the employment services and relocation allowances because they were not aware of the services available to them, had little need for them because they had returned to work or expected to return to work for thir former employer, or were not willing to move to take advantage of a job in another community.

Mr. President, my bill would rectify the problems associated with the changes made in the program by the Trade Act of 1974. Under the provisions of my bill, workers would be required to exhaust their regular unemployment insurance benefits before receiving trade adjustment benefits. These benefits would then be limited to a weekly amount no greater than that received from unemployment insurance benefits. Furthermore, it would restore the eligibility requirement that increased imports be the primary cause of injury to workers and firms. These changes would result in only those workers or firms truly impacted by increased imports receiving trade adjustment assistance. In addition, requiring that regular unemployment benefits be exhausted first would significantly lengthen the period of income protection for those unable to secure alternative employment.

My President, my bill would also extend trade adjustment benefits to firms and their employees who provide essential goods and services to import-impacted firms. Present eligibility requirements preclude these groups from receiving adjustment assistance. At least 25 percent of total sales must be to one or more import-impacted firms before the supplier or its employees are eligible.

Finally, my bill would reduce the duplication of investigatory efforts by the Department of Commerce and the Department of Labor. Under present law, the Department of Commerce is responsible for certifying firms as eligible to receive assistance and the Department of Labor is responsible for worker certification. In many instances, both a firm and its employees petition for certification. Requiring that the Departments share data and information acquired under such circumstances will expedite the certification process and make more efficient use of their respective resources.

Mr. President, the trade adjustment assistance program is in dire need of reform. My bill addresses many of the problems currently existing in the program and should result in substantial savings to the taxpayer. I sincerely hope that my colleagues in the Senate will join me in pressing for early enactment of this legislation.

Mr. President. I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—IMPROVEMENTS IN ADJUSTMENT ASSISTANCE FOR WORKERS

SEC. 101. ELIGIBILITY REQUIREMENTS OF WORKERS FOR ADJUSTMENT ASSISTANCE

(a) Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—

(1) by striking out "and" at the end of paragraph (2); and

(2) by striking out all that follows paragraph (2) and inserting in lieu thereof the following:

"(3) that increases of imports of articles like or directly competitive with articles—

"(A) which are produced by such workers' firm or appropriate subdivision thereof, or

"(B) for which such workers' firm or appropriate subdivision thereof provides essential parts or essential services,

were the primary cause of such total or partial separation, or threat thereof, and of such decline in sales or production, and

"(4) that such workers' firm or appropriate subdivision thereof meets the requirements specified in section 251.".

(b) The amendments made by subsection (a) shall apply with respect to petitions filed under section 221(a) of the Trade Act of 1974 on or after the date of the enactment of this Act.

SEC. 102. SHARING OF INFORMATION BY SECRETARY OF LABOR

Section 223 of the Trade Act of 1974 (19 U.S.C. 2273) is amended by adding at the end thereof the following new subsection:

"(e) In any case in which the Secretary of Commerce notifies the Secretary that a petition has been filed under section 251 by any firm or its representative, if a petition has been filed under section 221 regarding any group of workers of such firm, the Secretary, notwithstanding any other provision of law, shall promptly provide to the Secretary of Commerce any data and other information obtained by the Secretary in taking action on the petition which would be useful to the Secretary of Commerce in making a determination under section 251 with respect to the firm.".

SEC. 103. EXHAUSTION OF UNEMPLOYMENT INSURANCE; AMOUNT OF ALLOWANCE

(a) Section 231 of the Trade Act of 1974 (19 U.S.C. 2291) is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(3) Such worker has exhausted all unemployment insurance benefits for which he was eligible.".

(b) Section 232 (a) (1) of such Act (19 U.S.C. 2292 (a) (1)) is amended to read as follows:

"(1) an amount equal to the amount of unemployment insurance for which such worker was eligible for the most recent full week—

"(A) which began after his most recent total or partial separation, and

"(B) for which he was eligible (for the full week) for unemployment insurance,

(c) (1) Section 232 (c) of such Act (19 U.S.C. 2292 (c)) is repealed.

(2) Section 232 (d) of such Act (19 U.S.C. 2292 (d)) is amended—

(A) by striking out "unemployment insurance, or a training allowance";

(B) by striking out the comma after "Federal law";

(C) by striking out "subsection (c) or"; and

(D) by striking out "the employment insurance or".

(3) Section 232 (e) of such Act (19 U.S.C. 2292 (e)) is amended by striking out "as unemployment insurance,".

(d) Section 233 (b) (4) (A) of such Act (19 U.S.C. 2292 (b) (4) (A)) is amended to read as follows:

"(A) for a totally separated worker is the first week for which he is eligible to receive a trade readjustment allowance following his most recent total separation, and".

(e) (1) Section 234 (1) of such Act (19 U.S.C. 2294 (1)) is amended by inserting before the comma at the end thereof the following: ", or under which he was entitled to unemployment insurance for any week after the week of his most recent total or partial separation".

(2) Section 234 (2) of such Act (19 U.S.C. 2294 (2)) is amended by inserting "or was not" after "is not".

(f) Section 237(b)(3) of such Act (19 U.S.C. 2297(b)(3)) is amended by striking out "no later than 1 year after the date of his last total separation" and inserting in lieu thereof "no later than 1 year after the first week for which he is eligible to receive a trade readjustment allowance following his most recent total separation".

(g) Section 238(c)(1) of such Act (19 U.S.C. 2298(c)(1)) is amended—

(1) by striking out "section 232(c) and" and inserting in lieu thereof "section 232"; and

(2) by inserting before the comma at the end thereof the following: ", or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has not exhausted his unemployment insurance benefits".

(h) The amendments made by this section shall apply only with respect to trade readjustment allowances payable on or after the date of the enactment of this Act.

TITLE II—IMPROVEMENTS IN ADJUSTMENT ASSISTANCE TO FIRMS

SEC. 201. ELIGIBILITY REQUIREMENTS OF FIRMS FOR ADJUSTMENT ASSISTANCE

(a) Section 251 of the Trade Act of 1974 (19 U.S.C. 2341) is amended—

(1) by striking out all that follows paragraph (2) in subsection (c) and inserting in lieu thereof the following:

"(3) that increases of imports of articles like or directly competitive with articles produced by such firm or an appropriate subdivision thereof were the primary cause of such total or partial separation, or threat thereof, and of such decline in sales or production."; and

(2) by striking out subsection (d) and inserting in lieu thereof the following:

"(d)(1) The Secretary shall certify a firm as eligible to apply for adjustment assistance under this chapter if the Secretary determines—

"(A) that not less than 25 percent of the total sales of such firm is accounted for by the provision to import-impacted firms of—

"(i) any article (including, but not limited to, any component part) which is essential to the production of any import-impacted article,

"(ii) any service which is essential to the production, storage, or transportation of any import-impacted article, or

"(iii) any article and any service described in clauses (i) and (ii);

"(B) that a significant number or proportion of the workers in such firm have become totally or partially separated;

"(C) that the sale or production, or both, of such firm have decreased absolutely; and

"(D) that the absolute decrease in the sales or production, or both, by import-impacted firms of import-impacted articles, with respect to which such firm provides articles or services referred to in subparagraph (A), were the primary cause of such total or partial separation, or threat thereof, referred to in subparagraph (B), and to the decline in sales and production referred to in subparagraph (C).

"(2) For purposes of this subsection—

"(A) The term 'import-impacted article' means any article produced by an import-impacted firm, if such article is one with respect to which a determination under section 222(3) or subsection (c)(3) was made incident to the certification of the group of workers of firm concerned.

"(B) The term 'import-impacted firm' means—

"(i) any firm or appropriate subdivision thereof the workers of which have been certified pursuant to section 223(a), or

"(ii) any firm which has been certified pursuant to subsection (c).

"(e) A determination shall be made by the Secretary as soon as possible after the date on which any petition is filed under this section, but in any event not later than 60 days after that date.

"(f) In any case in which the Secretary of Labor notifies the Secretary that a petition has been filed under section 221 by the Secretary of Labor, any group of workers, their certified or recognized union, or other duly authorized representative, if a petition has been filed under subsection (a) regarding any firm in which such group of workers is, or was, unemployed, the Secretary, notwithstanding any other provision of law, shall promptly provide to the Secretary of Labor any data and other information obtained by the Secretary in taking action on the petition or which would be useful to the Secretary of Labor in making a determination under section 223 with respect to the workers.".

(b) The amendments made by subsection (a) shall apply with respect to petitions filed under section 251(a) of the Trade Act of 1974 on or after the date of the enactment of this Act.

By Mr. DURENBERGER (for himself, Mr. BUMPERS, Mr. BENTSEN, Mr. DANFORTH, Mr. JEPSEN, Mr. LEVIN, Mr. METZENBAUM, Mr. PROXMIRE, Mr. RIEGLE, and Mr. DODD):

S. 178. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to further the objectives of national energy policy of conserving oil and natural gas through removing excessive burdens on production of coal; to the Committee on Energy and Natural Resources.

REMOVAL OF EXCESSIVE BURDENS ON THE PRODUCTION OF COAL

Mr. DURENBERGER. Mr. President, earlier today I and several of my colleagues made statements about the following legislation. Those comments can be found earlier in today's proceedings. I request that this bill, which would limit the coal severance taxes imposed by States, be printed in its entirety at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 178

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that, in order to alleviate the national energy emergency, reduce natural dependence on petroleum imports, encourage the highest and best use of domestic petroleum and natural gas, and enhance interstate commerce by promoting increased reliance on our national reserves of coal for the generation of electricity and power, it is necessary to remove excessive burdens on production of coal used in powerplants and major fuel-burning installations.

"SEC. 808. COAL FOR POWERPLANT AND INDUSTRIAL CONVERSION.

"(a) Notwithstanding any other provision of State or Federal law, with respect to any coal mined or produced from Indian lands or lands owned by the Federal Government which is destined for shipment in interstate commerce for use in any powerplant or major fuel-burning installation, the sum of all severance taxes, or fees, in respect of any fiscal year, imposed by a State or any political subdivision thereof on such coal or on any improvements or other rights, property, or assets produced, owned, or utilized in connection with the production of such coal shall not exceed a total of 12½ percent of the value of such coal produced during such fiscal year determined at the time it has been extracted and prepared for transportation free on board the production site but exclusive of all State and local taxes and fees.

"(b) For purposes of subsection (a), 'severance taxes or fees' include any tax or fee, by whatever name called, imposed upon coal or upon any improvements or other rights, property, or assets produced, owned, or utilized in connection with the production of coal except for income, sales, or other similar taxes or fees or general application which are not disproportionately imposed thereon."

By Mr. BAUCUS (for himself, Mr. HARRY F. BYRD, JR., and Mr. MOYNIHAN):

S. 179. A bill to amend title II of the Social Security Act to provide penalties for the misuse of social security numbers; to the Committee on the Judiciary.

PENALTIES FOR MISUSE OF SOCIAL SECURITY NUMBERS

● Mr. BAUCUS. Mr. President, today I am pleased to introduce legislation making it a felony to misuse or counterfeit the social security number. I am delighted that Senators BYRD of Virginia and MOYNIHAN are joining me in introducing this bill. This legislation is long overdue and will enhance the integrity of the social security system by reducing the misuse of social security numbers.

We all know that a social security number is as common as a driver's license. You need one to get a job, to pay taxes, to open a bank or savings account and for many other things. However, increasingly social security numbers are being used illegally to obtain jobs or benefits. No one knows exactly how much this costs us each year. But crimes based on false identification, which often include social security cards, cost American taxpayers more than $15 billion every year.

At my request, the GAO investigated the misuse of social security cards and numbers. The GAO's findings reveal that the fraudulent use of social security cards to gain benefits or jobs is growing immensely.

Several case histories reveal the magnitude of this problem. In one case reported by the GAO, an individual in Washington State obtained three social security numbers. The individual used two of the numbers to obtain various Federal benefits, while working under the third number. In another case, an individual received unemployment compensation benefits using his own while

working under another person's name and number.

The GAO found three basic abuses associated with the social security card. One abuse is using a social security number along with false identification to obtain benefits someone is not entitled to receive. I have already cited examples of this common abuse.

Another common misuse is using someone else's number to get a job. Finally, borrowing, stealing, counterfeiting, buying or selling social security cards is a widespread occurrence.

The Social Security Administration in 1974 tightened its procedures in an effort to prevent these misuses. Under the new rules, anyone applying for a social security number and card must first produce some evidence of age, identity, and citizenship.

But social security cards and numbers continue to be obtained and used fraudulently. Phoney birth certificates or drivers licenses, which are easy to obtain, often are used to get cards. Making matters worse, all too often social security office workers are not trained to spot false documents.

There is no easy way to prevent this abuse and fraud according to GAO. However, one proposal of the Social Security Administration to issue so-called tamper-proof cards, is an example of what not to do. Issuing these new cards would cost between $850 million and $2 billion and be a bureaucratic nightmare. Such a proposal simply is a waste of taxes.

Instead, a series of commonsense steps could help halt these abuses. First, the Secretary of Health and Human Services should provide training for field office staffs so that they will be able to detect false identification documents. Second, the Secretary should place tighter controls on social security number application forms.

Third, Congress should promptly enact my legislation to make counterfeiting social security cards a felony. Incredibly, that is not now the case. My bill will establish stiff penalties for the misuse of social security numbers. The legislation will make it a felony to furnish false information to obtain a social security number. Engaging in this act would be punishable by imprisonment of not more than 5 years or a fine of not more than $5,000. Second, the bill makes it a felony to counterfeit, alter, or otherwise misuse a social security card. The penalty for committing this crime would similarly be a fine of not more than $5,000 or imprisonment for not more than 5 years.

Fraudulent use of social security cards costs us hundreds of millions of dollars each year. The commonsense actions I have outlined can go a long way toward ending this waste of our taxes as well as strengthen the integrity of the social security numbering system.

Mr. President, I ask unanimous consent that the text of the bill and the summary of the GAO's report be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 179

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 208(g) of the Social Security Act is amended—

(1) in the matter preceding paragraph (1), by inserting "or for the purpose of obtaining anything of value from any person," before "or any other purpose"; and

(2) by adding after paragraph (2) the following new paragraph:

"(3) knowingly, alters a social security card issued by the Secretary, buys or sells a card that is, or purport to be, a card so issued, counterfeits a social security card, or possesses a social security card or counterfeit social security card with intent to sell or alter it; or".

(b)(1) Section 208 of such Act is amended in the matter following subsection (h) by striking out "shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than one year, or both" and inserting in lieu thereof shall be guilty of a felony and upon conviction thereof shall be fined not more than $5,000 or imprisoned for not more than five years, or both".

(2) Section 208(e) of such Act is amended by striking out ", shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than one year, or both, or" and inserting in lieu thereof "; or".

(c) The amendments made by subsections (a) and (b) shall be effective with respect to violations committed after the date of the enactment of this Act.

REISSUING TAMPER-RESISTANT CARDS WILL NOT ELIMINATE MISUSE OF SOCIAL SECURITY NUMBERS

(Report by the Comptroller General of the United States)

[Page numbers in parentheses refer to original text]

DIGEST

Use of the social security numbering system as a means of identification has expanded far beyond its original purpose. For instance, the Federal Government—often due to congressional mandate—has used the number as an identifier or authenticator in many tax and welfare programs. Many other public and private entities use the number for similar purposes, as well, leading to increased opportunities to misuse the social security number and card, primarily to obtain unauthorized benefits and employment.

As an identifier, the number must be provided not only to get a job, but to pay taxes, to open a bank or savings account, or to invest money. Also, it must be furnished to apply for welfare or to join the armed services. It may be required when applying for a drivers license, registering to vote, applying for a library card, enrolling in college, presenting a case before the U.S. Supreme Court, or attending a meeting or social function at the White House. (See pp. 7 to 9 and app. III.)

EXTENT OF THE PROBLEM

These non-social-security uses of the number are not generally considered misuses. The three basic misuses associated with the social security number and card are: (1) obtaining numbers by submitting false information on personal identification or genuine and/or counterfeit documents of other persons in order to obtain unauthorized benefits, (2) using fabricated numbers that may or may not belong to other people, primarily for employment, and (3) altering and counterfeiting social security cards.

No reliable statistics are available on the extent of misuse or abuse of social security numbers and cards; however, crimes based on false identification, which frequently include false and legitimate social security numbers, are estimated to cost the American taxpayers more than $15 billion annually. (See pp. 10 and 11.)

In the past few years, several large-scale criminal operations involving false identification and social security number misuse have been identified. These misuses generally involve filing fraudulent income tax returns and obtaining unauthorized benefits from welfare programs and unemployment insurance programs. (See pp. 13 and 14.)

COMBATING THE PROBLEM

Over the past 8 years, the Social Security Administration (SSA) has taken a number of steps to strengthen the integrity of the social security numbering system. Currently, all applicants requesting original social security numbers must submit documentary evidence of age, identity, and citizenship or alien status along with the application. However, many social security numbers are still being obtained illicitly because applicants are submitting fraudulent documents. Furthermore, because the application forms are readily available, they have been obtained in large quantities or printed illicitly to help obtain fraudulent numbers. In addition, the blank social security cards are not tightly controlled. (See pp. 14 to 18.)

SSA has identified many fraudulently obtained numbers in its system, but has not flagged them for SSA and other agency uses. (See pp. 10 and 11.)

Most identification documents, such as birth certificates and driver's and marriage licenses, are issued and regulated by each State. A birth certificate can be obtained fraudulently with relative ease from many States, and once obtained it can be used to get other identification documents. Without tighter State controls of vital statistics records, the validity of social security numbers issued on the basis of such documents is questionable.

Some of the problems contributing to social security number and card misuses are beyond SSA's control or authority. Curtailing these contributory problems will require interagency cooperation, again outside the Federal sector, and tighter issuance controls. (See pp. 10 to 13.)

THE "TAMPER-RESISTANT" CARD

To help prevent misuse of the card, the President and a Member of Congress proposed that SSA issue redesigned cards. In response to the President's proposal, the Secretary of Health and Human Services directed SSA to develop a "tamper-resistant" card.

SSA planned to begin issuing redesigned cards in 1980 to new applicants and to persons requesting replacement and name-change cards. However, issuance of the redesigned cards was postponed because legislation was introduced to reissue cards not only to new applicants, but to all current social security number cardholders.

SSA recognized that issuing redesigned cards to current cardholders would raise not only administrative and logistical concerns, but also questions related to privacy, funding, enforcement, and public acceptance and cooperation. Consequently, in October 1979, during GAO's review, the Commissioner of Social Security proposed that use of the redesigned cards be delayed until the questions affecting reissuance could be discussed further within the executive branch. Such

discussions were not held, however, and in January 1980, the Secretary of Health and Human Services decided that, in view of the SSA's "financing problems," a "tamper-resistant" social security card should not be issued at this time.

WHAT IS THE SOLUTION?

Reissuing the cards will not correct the underlying conditions contributing to social security number and card misuse. For instance, it will not prevent individuals from obtaining social security numbers using false identity documents, or from using someone else's number and card. Furthermore, neither SSA nor other public or private entities would benefit appreciably from such reissuance. Therefore, GAO questions whether the cost of reissuing the cards, which would be at least $850 million and could be as much as $2 billion, is justifiable. Additionally, from a logistical standpoint reissuance may not be practicable and may cause adverse public reaction. (See ch. 3.)

Any further studies of reissuing social security cards should include evaluations to make sure that all principal problems and alternatives have been adequately considered and that the proposed actions are in the best interest of the Government and the public.

RECOMMENDATION TO THE CONGRESS

It is a misdemeanor to obtain and use social security numbers fraudulently and a felony to counterfeit the Department of Health and Human Services' seal in reproducing social security cards. However, it is not a crime to print, photograph, or make any impression in the likeness of social security cards, or to buy, to sell, transfer, or otherwise deliver such falsified, forged, or counterfeited social security cards.

GAO believes that, to improve the integrity of the social security number and abate social security number and card misuse, legislation is needed making such acts felonies. Bills that would do so have been presented to the Congress.

The Congress should enact such legislation.

RECOMMENDATIONS TO THE SECRETARY OF HEALTH AND HUMAN SERVICES

The Secretary should direct the Commissioner of Social Security to further strengthen the integrity of the social security number system by—

Providing training to SSA field office personnel to enable them to more readily detect fraudulent evidentiary documents submitted with social security number applications,

Placing the social security number application forms and cards under tighter control, and

Flagging identified fraudulently obtained social security numbers for SSA and other agency uses.

Additionally, SSA should encourage the States to tighten controls over vital statistics records since State programs can be adversely affected by social security number misuse.

The Department of Health and Human Services tentatively agreed with GAO's recommendations and said that corrective action was underway. (See p. 28.)

Mr. HARRY F. BYRD, JR. Mr. President, today, the social security number is a common means of identification. Its uses are widespread and varied.

While no detailed information is readily available on the use of social security numbers, it is almost impossible to apply for a job, open a bank account or obtain a drivers' license without providing a social security number.

Federal programs which provide billions of dollars of benefits to millions of Americans rely upon social security numbers. Veterans benefits, welfare benefits, medicare benefits, SSI benefits are all geared to the social security number as a means of identification.

In the budget for fiscal year 1982 which President Carter submitted to the Congress, 48 cents out of every dollar spent goes to direct benefit payments for individuals. In total, these payments amount to $355 billion.

If we are to protect the integrity of these programs, we must be sure that only those entitled to benefits receive these benefits.

Yet, just as the use of social security numbers for legitimate purposes is widespread, so also is the misuse of social security numbers.

The General Accounting Office, in a recent report to the Congress, provided documented cases on the ways in which social security numbers can be used to defraud the Federal Government.

For example, the GAO reported on an individual who reported 170 different social security numbers and filed 50 false income tax returns for funds before being detected.

In another case, a recipient of AFDC payments and food stamp payments used social security numbers and other false identification papers to assume the identity of eight separate persons having a combined total of 47 children, thereby receiving almost $300,000 in benefits from these programs.

While the potential for misuse of social security numbers is great, the penalty for such misuse is small.

Under current Federal laws, it is a crime to furnish false information to obtain a social security number. However, it is not a crime to counterfeit a social security card, alter a valid card, or lend or sell a card to another person. Furthermore, the penalty for furnishing false information is only a misdemeanor subject to a $1,000 fine or imprisonment for a year or less.

The bill which I join with Senator BAUCUS in sponsoring would stiffen the penalty for misuse of social security numbers.

It would make it a felony, punishable by imprisonment of 5 years or less and a fine of $5,000 or less, to furnish false information to obtain a social security number. Furthermore, it would establish that a Federal crime has been committed when a social security card is counterfeited, altered, or sold to another person. The punishment for such activity would be similar to the punishment for furnishing false information.

I recognize that the individual determined to defraud the Government and misuse social security numbers will do so regardless of the penalty. However, those who are caught should face stiffer penalties than the law now provides and these stiff penalties may deter those who are casually thinking about defrauding the Federal Government.

Furthermore, the GAO report points out that a massive program to redesign and reissue social security cards and numbers would be extremely costly and would probably not prevent misuse of social security numbers and cards

I am hopeful that the bill which is being introduced today will provide the beginning step in deterring fraud and misuse in Federal programs.

I urge its speedy consideration in this Congress.

Mr. MOYNIHAN. Mr. President, I am delighted to join my distinguished colleague, Senator BAUCUS, in submitting legislation designed to correct a curious omission in current law. The purpose of our bill is simple and straightforward. It would make it a crime—as presently it is not—to counterfeit or forge a social security card.

This legislation is similar to a bill, S. 267, that I introduced at the beginning of the 96th Congress, and closely resembles a measure proposed by the Carter administration in April 1979. The administration proposal, which was not acted on, sought to extend the existing penalty for misuse of a social security number to include "the counterfeiting, altering, buying or selling of a social security card, or possession of a social security card with intent to sell or alter it." The General Accounting Office has also studied this issue and recommends the adoption of legislation making it a felony to misuse social security cards. This bill is aimed at that goal.

Let me emphasize what this measure would not do. It makes no change whatsoever in the nature, status or uses of, the social security card. It simply makes it a crime to counterfeit one. This does not mean that the card is to be used for purposes of identification. I would oppose any such suggestion. But we all know that social security cards and numbers are increasingly—if improperly—being used for purposes of identification.

Witness its use by the military and indeed, by the Senate itself on employee identification cards issued by the Sergeant at Arms. It is also used by many States on drivers' licenses and in applications for public assistance.

These may not be proper uses, but they are widespread uses. Even more important—and the fundamental purpose of this legislation—is the increasing use of social security cards and numbers as "proof" that a prospective employee is a citizen or legal immigrant. It is the fact that many private employers accept the social security card as evidence that the prospective employee is "legal." It is the fact that many illegal aliens are aware of this, and obtain forged or counterfeited social security cards—said to be available for about $50 "on the street"—in order to obtain employment. We all know that many of the jobs they take are jobs that might otherwise have been filled by American citizens and legal alien grants.

Let me repeat. I do not condone this use of the social security card. But in view of its widening use for this and other purposes, the Government that issues it has a responsibility to discourage its counterfeiting and forgery. That is what this bill would do: make it a Federal crime, punishable by up to 5 years imprisonment, to counterfeit or alter a social security card.

I do not contend that this proposal is anything more than a small part of the large effort that is needed to solve the

problem of illegal immigration, and of illegal aliens competing for jobs with citizens and legal residents. As my colleagues know, many of these issues will be addressed when the Select Commission on Immigration and Refugee Policy submits its findings and recommendations to Congress. Until then, however, adoption of this legislation would correct a serious omission in the law and indicate the seriousness with which the Federal Government regards one of its most frequently issued and widely used documents: that little blue and white social security card that most people carry around with them.

I urge my colleagues to support this legislation.●

By Mr. MATHIAS (for himself and Mr. BAUCUS):

S. 180. A bill to establish within the National Aeronautics and Space Administration a comprehensive program of automotive research and technology development, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL AUTOMOTIVE RESEARCH ACT OF 1981

● Mr. MATHIAS. Mr. President, I am pleased to introduce S. 180, the National Automotive Research Act of 1981.

This bill addresses one of the most important and severe problems facing our country today. As we all know, the United States currently imports almost half the oil it uses. Time and time again we have been told that the quickest and most effective way to end our reliance on unstable foreign sources of oil is by conserving the supplies that we have. Since 90 percent of our imported oil is consumed by the transportation sector of our economy, it is clear that oil conservation efforts in our country must begin with the most popular means of transportation, the automobile.

Today, 90 percent of personal travel is by automobile, and more than 80 percent of U.S. households own one or more cars. Moreover, motor vehicles account for about 35 percent of the total U.S. consumption of oil.

Despite these facts, the Federal Government has not yet taken the necessary steps to encourage the dramatic breakthrough in automotive fuel efficiency that we desperately need to spur an effective conservation program. On their own, private automakers have not been able to fill this gap. As a matter of fact, they are currently spending 90 percent of their research and development funds to meet federally-mandated 1985 mileage guidelines. Their attention is devoted to meeting various short-term standards in the areas of increased fuel efficiency, decreased emissions, and better safety and reliability.

Faced with these deadlines, American automakers not unnaturally have adopted a low-risk approach to the development and application of new technology. Potentially better ideas are put off because of the high risk involved. My bill would help solve this problem.

"Technology pull," as opposed to "regulatory push," should be the chief Government strategy in achieving technological advances in automotive fuel efficiency. Regulation should be used sparingly and only when socially desired goals are not being met by free market forces.

The National Automotive Research Act would launch this much needed conservation effort by establishing a major cooperative program through which the three distinct areas of automotive fuel expertise—in the Government, in the universities, and in the auto industry—could work together to create a much more fuel efficient car in the 1980's than will otherwise be possible.

This cooperative program has two major aspects:

It gives NASA the responsibility for basic research and technology development on automotive fuel efficiency; and

It assigns to NASA the lead-agency responsibility for coordinating all Federal automotive research and development activities.

This shift in authority for federal automotive fuel research includes the transfer of all funds and personnel currently involved in automotive research from their present agencies to NASA. The result would be a crash program under which NASA would undertake basic research and development which could be used by the auto companies on a voluntary basis.

NASA is the logical Federal agency to handle automotive research and development. It has a proven track record of successfully managing high technology research and development programs. Even the Department of Energy has recognized NASA's expertise in this area, and at present subcontracts 60 percent of its automotive fuel research to NASA.

An even more important persuasive argument for this proposal is NASA's record of working in close cooperation with American industry. The auto companies are reluctant to work with the Federal agencies currently involved in automotive research for obvious reasons. Those agencies, including the Department of Energy, the Department of Transportation, and the National Highway Traffic Safety Administration, are primarily regulatory bodies, and the industry is apprehensive about the regulations which might result from their research.

For the Federal automotive research and development program to be a success, we must assign it to an agency with both the technical competence to work as an equal with the auto companies and the ability to work cooperatively with private industry unencumbered by a history of discord. Based on the record, the one agency that fits this description is NASA.

The relationship between NASA and the auto industry is free of the conflicts which characterize most Government agency-auto industry relationships. NASA has not had any regulatory responsibilities in the past and this bill would not change that. Auto fuel research which supports rulemaking activities would remain with the regulatory agencies along with the funds and personnel committed to those functions. Thus, NASA would be free to work closely with the auto companies in a cooperative, voluntary effort to improve our present automotive fuel technology.

I can assure my colleagues that assigning the responsibility for automotive fuel research to NASA will not interfere with the successful completion of NASA's primary mission, the Space Shuttle. The money for the automotive research and development program will not come out of NASA's budget nor will the project be assigned to the same scientists who are working on the Shuttle.

My bill would make money available partly through a transfer of funds from the agencies that have been working on automotive fuel research whose efforts would be taken over by NASA and partly from the windfall profit tax fund or general tax revenues. Some of the staff assigned to this project would also come from the agencies which have been working on fuel research, but the majority would be NASA scientists who are not working on the Shuttle. Many NASA scientists, including experts who specialize in the basic research needed in the energy field, have completed their work on the Space Shuttle and have the necessary time and talents to devote to the automotive fuel research program. In addition, it is anticipated that 1,000 to 2,000 new positions will eventually be needed to properly manage this new program. The total cost of this program will run about $475 million during the first 3 years of its existence.

I realize that this seems to be a very large sum of money to commit to a new program in these difficult economic times. But considering the alternatives, this money will be a wise and crucial investment in both our economic and energy future.

Let me give you an example. In the 4 years 1977 through 1980, our refiners experienced a 21.6 percent annual rate of increase in their acquisition costs of imported oil. In 1980 alone it is estimated that the United States will lay out $85.7 billion for foreign oil. Hypothetically, if this same rate continues through 1990, we will spend $603.4 billion in 1990 for oil from other countries. That would be a 600-percent increase. Now the chances of that happening are slim. A realistic projection calls for a 170-percent increase in the refiners acquisition costs of imported oil, bringing our expenditures to $230 billion in 1990. Although that certainly is an improvement over a 600-percent increase, it seems to me that sending that much money out of this country is totally unacceptable.

So you see, spending $474 million on a program to reduce the economic hardship our dependence on oil has brought is far preferable to sending billions of dollars out of this country every year. This program would more than pay for itself, and will serve us in good stead in the future. It is indeed a sound investment.

Many of the Federal Government's energy research efforts have been characterized by confusion and conflict with the private industries involved. The passage of this legislation would be a big

step towards eliminating these problems in the area of automotive fuel research.

Two summers ago when the American people were sitting in lines at gas stations across the country, West German Chancellor, Helmut Schmidt, speaking in the Bundestag, appealed to Germany's auto industry to introduce cars with lower fuel consumption. The automakers could accomplish the job in less than 18 months, he said, and would "take a leading international position in the area."

That is the kind of talk that makes sense in an industrial society. The shift to energy-efficient cars is absolutely inevitable. What is not inevitable, and what we should avoid at all cost, is the shift to energy-efficient foreign cars, because that means American jobs. But if we do not help Detroit come up with viable alternatives, that shift will be inevitable. This Act would help revitalize the American auto industry, which accounts for almost 5 percent of the total work force of the United States.

The automaker who comes up first with a car that gets 50 to 75 miles a gallon will corner the world market. I want that automaker to be American. That is why I want to get NASA into the act.

Once the decision was made to send a man to the moon, it only took 9 years to accomplish that "giant step for mankind."

Once we make up our minds to kick energy dependence, the future will be ours to command. Passage of this bill will take us a long way toward that goal.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 180

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "National Automotive Research Act of 1981".

DECLARATION OF PURPOSE

SEC. 2. The purpose of this Act is to establish, within the National Aeronautics and Space Administration, the lead agency responsibility for a comprehensive program to advance the state of automotive technology. Such program shall involve the capabilities of other Government laboratories, private industry, and institutions of higher learning.

AMENDMENTS TO THE NATIONAL AERONAUTICS AND SPACE ACT

SEC. 3. (a) Section 102 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451) is amended—

(1) by striking out "subsections (a), (b), (c), (d), (e), and (f)" in subsection (g) and inserting in lieu thereof "this section";

(2) by redesignating subsection (g) as subsection (h); and

(3) by inserting after subsection (f) the following new subsection:

"(g) The Congress declares that the general welfare of the United States requires that the unique competence of the National Aeronautics and Space Administration be directed to automotive research and technology development activities. Such activities shall be conducted so as to contribute to the objectives of increased fuel efficiency, safety, and reliability; decreased dependence on foreign petroleum; reductions in adverse environmental effects; conservation of scarce resources; enhanced personal mobility, at reasonable cost; and improvements in the international competitive position of American automotive products.".

(b) Section 103 of such Act (42 U.S.C. 2452) is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(3) the term 'automotive research and technology development' means efforts to expand fundamental knowledge related to motor vehicles, devise new component and system concepts, and develop experimental components, subsystems, and vehicles when necessary to verify such concepts.".

(c) Section 203(b) of such Act (42 U.S.C. 2473) is amended by adding at the end thereof the following new paragraph:

"(3) The Administration shall plan, direct, and conduct automotive research and technology development activities using, to the maximum extent possible consistent with good management practice and the responsibility to achieve program objectives, the capabilities of other Government laboratories, private industry, and institutions of higher learning."

TRANSFER OF FUNCTIONS

SEC. 4. There shall be transferred to and vested in the National Aeronautics and Space Administration, within two years after the date of the enactment of this Act, in accordance with regulations prescribed by the Director of the Office of Management and Budget, all automotive research and technology development activities currently being conducted by other Federal departments and agencies, along with so much of the positions, personnel, property, and funds of such other Federal departments and agencies as the Administrator of the National Aeronautics and Space Administration, in consultation with the heads of such other Federal departments and agencies, shall recommend to the Director of the Office of Management and Budget, except such research and development activities as are authorized to be carried out by any other Federal officer which are necessary for the support of the rule-making responsibility of such officer.

COMPREHENSIVE PROGRAM MANAGEMENT PLAN

SEC. 5. (a) The Administrator is authorized and directed to prepare a comprehensive program management plan for the conduct under this Act of research and technology development activities. Such plan shall include a report of progress and further plans for carrying out the provisions of section 4 of this Act.

(b) The Administrator shall transmit the comprehensive program management plan to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate within one hundred and twenty days after the date of enactment of this Act.

(c) Concurrently with the submission of the Presidents annual budget to the Congress for each year after the year in which the comprehensive plan is initially transmitted under subsection (b), the Administrator shall transmit to the Congress a detailed description of the comprehensive plan as then in effect, setting forth the modifications which may be necessary to appropriately revise such plan and any changes in circumstances which may have occurred since the plan or the last previous modification thereof was transmitted in accordance with this section. The detailed description of the comprehensive plan under this subsection shall include (but need not be limited to) a statement setting forth any changes in—

(1) the anticipated research and technology development objectives to be achieved by the program including detailed milestone goals to be achieved during the next fiscal year;

(2) the management structure, arrangements for interagency, industry, and university coordination and cooperation, and plans for participation of outside advisory groups; and

(3) the content, total estimated cost, and schedule of individual program items.

MISCELLANEOUS PROVISIONS

SEC. 6. (a) Sections 206(a), 305(c), and 306(a) of the National Aeronautics and Space Act of 1958 are each amended by inserting "or automative activities" after "space activities"; and section 203(c)(3) of such Act is amended by inserting "automotive vehicles," after "space vehicles,".

(b) Paragraph 15 of section 5316 of title 5, United States Code, is amended by striking out "(7)" and inserting in lieu thereof "(8)".

(c) There are authorized to be appropriated to the Administrator of the National Aeronautics and Space Administration, to carry out the amendments made by this Act, the sum of $28,000,000 for the fiscal year 1982, the sum of $112,000,000 for the fiscal year 1983, the sum of $336,000,000 for the fiscal year 1984, and such sums as may hereafter be provided for in annual authorization Acts for the fiscal year 1985 and subsequent fiscal years.●

By Mr. CRANSTON:

S. 181. A bill to provide for the extension of the authorization of appropriations for the Head Start program; to the Committee on Labor and Human Resources.

HEAD START EXTENSION ACT OF 1981

Mr. CRANSTON. Mr. President, I am pleased to introduce S. 181, a bill to extend until 1986, the authorization of appropriations for the Head Start program at such sums as may be necessary. As the chairman during the 95th and 96th Congresses of the Child and Human Development Subcommittee of the Labor and Human Resources Committee and as the author of the provisions of the 1978 legislation extending the authorization of appropriations for the Head Start program, I am deeply committed to seeing this program continued and strengthened.

Mr. President, I can say without the slightest hesitation that Head Start is one of the most effective and most vital social programs supported by the Federal Government. The numerous evaluations of the Head Start have demonstrated beyond any reasoned doubt that Head Start has been a resounding success; this is truly a program that works and makes a real difference in the lives of low-income children and their families. Last year we celebrated the 15th anniversary of this remarkable program which has served over 7.5 million children since its inception in 1965. I am proud to have been involved in legislation affecting this program since I began my service in the U.S. Senate. The Head Start program has consistently enjoyed the broad bipartisan support it merits, and I look forward to working with Members on both sides of the aisle in moving forward with legislation to extend the authorization of appropriations, which expires in October of this year.

HISTORY OF THE HEAD START PROGRAM

Mr. President, the Head Start program was envisioned in the early 1960's as an effort to overcome early childhood handicaps faced by children from families living in poverty. In a report which became the basis for the Head Start program, Dr. Robert Cooke, then pediatrician-in-chief of Johns Hopkins Hospital and chairman of a panel of experts brought together to develop a blueprint for an early childhood development program, stated:

> There is considerable evidence that the early years of childhood are the most critical point in the poverty cycle. During these years, the creation of learning patterns, emotional development and formation of individual expectations and aspirations take place at a very rapid pace. For the child of poverty, there are clearly observable deficiencies in these processes, which lay the foundation for a pattern of failure, and thus a pattern of poverty throughout the child's entire life.

The Head Start program was thus designed as an effort to help break the cycle of poverty for young children at a critical time in their lives and provide them with the support and opportunities they need to overcome an impoverished environment. Today, the Head Start program has become synonymous with the concept of innovative preschool child development efforts. It is a program which has had a profound and long-term effect upon the lives and futures of millions of impoverished children and their families.

THE HEAD START PROGRAM AND CHILDREN

Mr. President, I would like to describe briefly what the Head Start program does and the children who are served in Head Start programs.

Head Start is a comprehensive preschool program for low-income children primarily between the ages of 3 and 5 years. I want to emphasize the term "comprehensive" because the tremendous success of Head Start lies in the fact that it is not simply a preschool program.

It is a comprehensive program that focuses upon the entire development of a child. It is not focused solely upon educational development of the children enrolled, but their health and social needs as well. Head Start recognizes that healthy physical, cognitive, and social aspects of the development of a child are interdependent and that efforts to improve any aspect of a child's development must be broadly focused upon these interrelated areas. Head Start provides access to health care, adequate nutrition, and social services as well as preschool educational experiences which would not otherwise be available to these children.

Equally important to the success of the Head Start program is the emphasis which is placed upon the participation of parents in Head Start programs. A fundamental principle which underlies the Head Start program is the recognition of the importance of the role of parents in a child's development. Hence, Head Start programs stress parent participation and involvement in both the development and operation of the programs. Finally, the success of Head Start has, to a major extent, been a result of its flexibility and responsiveness to local needs. Although supported almost entirely by Federal funds, Head Start programs are operated and controlled by local grantees and reflect the diverse populations and communities served by the individual programs.

Mr. President, since 1965, Head Start has provided education, social, medical, dental, nutritional, and mental health services to some 7.5 million low-income children and their families throughout the Nation. Currently, 387,500 children participate in 9,200 Head Start centers located in every region of the United States. At least 90 percent of these children come from families below the poverty line, and nearly 12 percent of these children are handicapped. Head Start has grown from a 6- to 8-week summer program to a predominately year-round program; 65 percent of the programs are urban and 35 percent are in rural localities. The average cost per child in fiscal year 1980 was approximately $1,900.

Mr. President, I would like to highlight for my colleagues some of the recent findings on the results of Head Start programs.

EDUCATIONAL IMPACT OF HEAD START

Mr. President, some of the early evaluations of the 6- to 8-week summer Head Start programs which operated in the midsixties suggested that Head Start's educational benefits faded out after children entered elementary school. As I indicated earlier, today virtually all of the Head Start programs operating are full-year programs, operating between 9 to 12 months a year for 6 hours a day. Moreover, in recent years, there has been dramatic evidence compiled from longitudinal studies which has demonstrated the lasting effect that participation in Head Start programs has on children's educational achievement. In a study entitled "Lasting Effects After Preschool," the Consortium for Longitudinal Studies, composed of 12 independent investigators, compared graduates of Head Start and similar programs with a scientifically matched group of low-income children who did not attend Head Start programs. At the time of the follow-up study, the Head Start graduates were between the ages of 9 and 19.

Children who attended Head Start or a similar program were found to be less likely to have been assigned to a special education class and less likely to fail a grade; they scored significantly higher on mathematics achievement tests and tended to score higher on reading tests as well.

Graduates of Head Start and similar programs showed stronger achievement orientation and rated themselves better students than did the control children, even 5 to 15 years after the preschool experience. Mr. President, the results of these longitudinal studies are reinforced by a review of Head Start research since 1969 prepared by the Social Research Group at George Washington University. This comprehensive review of the findings of hundreds of studies and research projects involving Head Start children confirmed the positive impact Head Start has on the cognitive development of low-income children who participated. This review found that the majority of studies showed improved performance on standardized tests of intelligence or general ability, fewer grade retentions and special class placements for Head Start graduates, and improved reading and academic achievement.

The General Accounting Office, in its 1979 report, "Early Childhood and Family Development Programs Improve the Quality of Life for Low-Income Families," reached similar conclusions about the positive results of these programs.

Mr. President, the cost effectiveness of the Head Start program can be demonstrated solely on the basis of the reduced need for special education classes for Head Start graduates. A report prepared as part of the 15th anniversary of the program suggests that when the benefits of Head Start are weighed against such things as the reduced cost of special education, Head Start's benefits outweigh its costs by 236 percent. The GAO report also concluded that effective early childhood education programs can reduce problems contributing to educational and health deficiencies in young children that are expensive and difficult to overcome in later years, can reduce long-term dependency on public assistance, and can promote self-sufficiency.

IMPACT OF HEAD START PROGRAMS ON HEALTH

Mr. President, as I indicated earlier, the physical development of a young child has a profound and close relationship to the child's overall development. One of Head Start's tremendous strengths is the recognition of this interrelationship; hence, Head Start programs have placed a major emphasis on the health of the children enrolled. The programs have stressed preventive health care, including vaccinations, teaching of good nutritional habits, and medical and dental screening.

Recent data confirm that participation in Head Start programs has a significant impact on the health of the children enrolled; 82 percent of the children enrolled nationwide in Head Start had been medically screened in 1979, and 90 percent of those children in Head Start identified as needing treatment had received treatment. Head Start children received immunization at a rate 20 percent higher than the national average among low-income children; 67 percent of Head Start children received dental examination in 1979, and 88 percent of those identified as needing treatment received it through Head Start.

Mr. President, the statistics I have just recited can be contrasted dramatically with the health services generally available to low-income children. Nationally, one in seven children get virtually no health care. One in three American children has never been to a dentist. Almost 40 percent of children aged 1 to 4 have not been fully immunized against polio, measles, or rubella; almost 50 percent have not been immunized against mumps; and almost two-thirds have not been immunized against diphtheria, pertussis, and tetanus. Head Start's record in the area of health care services has

been one of its most important contributions.

Mr. President, the cost-savings resulting from the preventive health measures available to Head Start children have been well documented. The medical screening, immunization, and improved nutritional practices that have been an integral part of the Head Start program pay off in the prevention of long-term and debilitating health problems. It is unfortunate that these services are available to so few low-income children.

PARENTAL PARTICIPATION

Mr. President, there are many individuals who feel that the key to success of the Head Start program has been the emphasis placed upon parental participation. Head Start programs are aimed at reinforcing the ability and responsibility of parents to foster children's development. Parents participate in Head Start activities as paid employees, volunteers, and observers, and they play a central role in decisionmaking about the program. The participation of parents in Head Start programs has been extraordinary by every index—national data indicate that for every 15 children enrolled in the program, 10 Head Start parents provide volunteer services in the program.

This extraordinary level of parental participation has had two important consequences: First, parental participation in the Head Start program appears to have long-term impact upon parental attitudes and interest in a child's educational development beyond the preschool years. Many studies have found that Head Start parents allow their children to help more with household tasks, that Head Start parents read to their preschool children more, and that they show more interest in the development of their children's reading and writing skills. Participation in Head Start increases parents' verbal communication and praise of their children, and 82 percent of Head Start graduates' parents surveyed report going to their child's elementary school to meet and talk with their child's teacher.

Second, participation in Head Start programs provides important benefits for the parents themselves. Not only do the vast majority of Head Start parents become directly involved in Head Start programs, but research has also shown that nearly half continued to serve on other community organizations years after their Head Start experience. Head Start also increases parents' confidence in their own childrearing abilities and enhances their own career development achievements: 12,000 Head Start parents have received college training for credit through the Head Start program, and well over 1,000 have received A.A. or B.A. degree. Some even have achieved advanced degrees.

In sum, participation in Head Start clearly has a most positive impact on the families of the children enrolled in the program—an impact that lasts long past the preschool years for all concerned.

IMPACT OF INFLATION UPON HEAD START PROGRAMS

Mr. President, before concluding my remarks, I want to raise one caution. Despite the overwhelming success of the Head Start program during its 15 years, it remains highly vulnerable because of both the impact of inflation and the limited resources available to it. Although appropriations for Head Start have increased steadily over the past 15 years, they have never allowed the program to serve more than 20 percent of the eligible children. In 1978, the Head Start program received its first substantial increase in appropriations in a number of years. This increase went primarily into a long overdue expansion in States—such as California—which had previously been underfunded; 62,000 children were added to the program in these 23 States. The other States received only 6-percent cost-of-living increases—well below the inflation rate. Last year, the average increase received by individual Head Start programs was 8.1 percent—while the official CPI rate was 12.1 percent.

As a result, programs in some States have been forced to cut back the hours of the programs, the staffing and other services. Nationally, the child-to-staff ratio—a critical factor in the effectiveness of the program—has been growing. For each teacher or parent aide in the Head Start program, there are now twice as many children as there were at Head Start's inception 15 years ago. Given the 12-percent Head Start enrollment of handicapped children, Head Start programs are now functioning not only with less staff for more children, but also with more children with special needs with less staff.

The average Head Start teacher's salary is $6,865, a figure that contributes to an increasing staff turnover problem. In 1972, Head Start staff turnover was 15-percent annually; today, it is estimated to be in excess of 20 percent. Excessive staff turnover disrupts a child's continuity of care and increases staff training costs at a time when every dollar is needed for program operation.

Inflation has also increased the transportation costs for Head Start programs. Some grantees have been forced to narrow the geographic areas which they serve with the result that some of the rural and isolated families who most need Head Start are likely to be denied services.

I hope, Mr. President, that in the next few years the gains made by Head Start for the lives of low-income children are not eroded because of our failure to provide adequate funding for this program. This would be a tragic loss—for our Nation and for hundreds of thousands of young children who can benefit from this program.

CALIFORNIA HEAD START PROGRAMS

Mr. President, I would like to touch briefly upon the Head Start programs in my own State. There are presently approximately 26,000 California children enrolled in some 479 Head Start centers throughout the State.

As I have noted, prior to 1978, California was one of the States that had been seriously underfunded in relation to its number of low-income children. In 1977, there were only 13,000 children enrolled in Head Start programs in California. This represented less than 11 percent of the eligible children statewide.

Today, with approximately 20 percent of the eligible children in California enrolled in Head Start programs, California's share is far more equitable than before the 1978 amendments which targeted expansion funds toward those States which had been previously underfunded in proportion to their number of eligible children. I was deeply involved in the development in 1978 of a more equitable formula for distribution of these funds, and I am pleased that we have been able to make so much progress in the past several years in achieving a more equitable allocation of Head Start funds throughout the Nation.

Despite the expansion of Head Start programs in my own State and throughout the country, I believe it is tragic that four out of five low-income children who are eligible for Head Start services both in California and nationwide do not have access to these programs. We can and should do better.

CONCLUSION

Mr. President, there has been a great deal of discussion in recent months about the need to eliminate ineffective social programs and programs that have outlived their usefulness. There is much validity to some of the concerns that have been raised in this context. However, Head Start is not one of these programs; it stands out as a "successful" social program. It has withstood the test of time, and its success has been documented and measured repeatedly.

Mr. President, Head Start works. It makes a real difference in the lives of poor children. It is a program that deserves and has earned the full and vigorous support of every Member of this body.

Mr. President, I ask unanimous consent that the text of the bill and a recent editorial from the New York Times expressing this view be printed in the RECORD.

There being no objection, the bill and the editorial were ordered to be printed in the RECORD, as follows:

S. 181

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Head Start Extension Act of 1981".

SEC. 2. Section 512 of the Economic Opportunity Act of 1964 (42 U.S.C. 2928a) is amended by striking out "1981" and inserting in lieu thereof "1986".

ABSORBING THE HEAD START LESSON

As the nation plans the necessary assault on inflation, conservatives are no longer alone in their willingness to cut some social spending. But that is no reason to pretend that some of the medicine will not be bitter. What a society should do and what it can afford to do are not always in harmony. It is reckless, however, to accept the sweeping claims that government is not competent to address social ills.

The inspiration for this caution comes from Ypsilanti, Mich., where a respected study of a preschool program resembling Head Start has shown again that this kind of social program, at least, can be a sound investment. The evaluation, financed by the Carnegie Corporation, found that children who had once taken part in preschool programs turned out to be superior students, better motivated and more law-abiding than comparable children who had not participated in such programs. And the effects lasted well into junior high school.

The Ypsilanti preschool program, begun in 1962, was one of several pioneering attempts to measure the effects of early intervention in the academic lives of poor children. Those chosen were considered to be barely educable, even mildly retarded. All came from backgrounds that might have destined them to become disruptive students, dropouts, delinquents.

The gains were dramatic and durable. At age 15, the youngsters scored a grade or more above nonparticipating peers in English and math. Only half as many needed to be placed in special classes for slow learners. They were more willing to work after school, more interested in going to college and less likely to be troublemakers, in school or out. These Carnegie findings are not an aberration; a Cornell University study last year reported similar results.

Plainly, such programs mean a great deal to the children. In that sense, they "work." But they may also be a sound investment in the larger economy. Preschool education, by reducing the need for special catch-up classes later, appears to cut schooling costs in half. The participants' greater success in life can yield other social benefits: higher productivity and tax collections, and lower state costs for support and law enforcement.

Whatever the fiscal imperatives now, these studies make clear that all social programs do not deserve their current reputations. Thoughtful budget cutters will thus always look beyond the next fiscal year. And a close look at the benefits of preschool education should remind them of the very high cost of neglect.

By Mr. DOLE:

S. 186. A bill to provide financial assistance to the States to undertake comprehensive criminal justice construction programs to improve the criminal justice system of the States, to provide that the Secretary of the Treasury is authorized to make interest subsidy payments on criminal justice facility construction bonds, and for other purposes; to the Committee on the Judiciary.

CRIMINAL JUSTICE CONSTRUCTION REFORM ACT

● Mr. DOLE. Mr. President, on November 18, 1980, I introduced legislation. S. 3209, that would establish a Federal program of assistance to State and local criminal justice agencies for planning and construction of police headquarters, courts, and other criminal justice facilities.

The Judiciary Committee held hearings on the need for congressional action pertaining to criminal justice. My proposal was the subject of extensive testimony at these hearings. During those hearings the American Correctional Association, the International Association of Chiefs of Police, and the U.S. Conference of Mayors offered their endorsement of S. 3209.

The former Director of the National Clearinghouse for Criminal Justice Planning and Architecture, Frederic Moyer, has stated:

S. 3209 is exactly the kind of initiative which is required. Lacking the provisions for funding and standards compliance which (S. 3209) proposes, the conditions of criminal justice facilities can only be expected to deteriorate further and the proper and efficient administration of justice denied throughout the United States.

FUNDAMENTAL CHANGE

Mr. President, as the inmate population of this country continues to swell, the availability of cells to hold these prisoners remains scarce. Increasingly, two or three inmates are squeezed into small cells designed for one. Last February the New Mexico Penitentiary was the scene of an unprecedented rampage of killing. It was built to house 800 inmates, it now houses 1,136. Chief Justice Warren Burger recently stated that the riots at the New Mexico State Penitentiary reaffirm the fact that—

Our criminal justice system is in need of fundamental change; specifically, we must focus more attention on the conditions of incarcerated persons.

The New Mexico Penitentiary is typical of American prisons, which generally are underfunded, understaffed, and filled far beyond capacity. In some prisons two or more inmates are housed in single-man cells, bunks are lined up side-by-side in the dormitories and some men sleep on the floor because of the crowded conditions. Stabbings and rapes occur with garish frequency. Guards are ill paid. Medical treatment is inadequate. There are not enough prison jobs or classes so most of the prisoners are idle for hours on end.

This kind of overcrowding aggravates the long-time problem of ex-convicts committing new crimes. Dehumanizing, unsafe, unsanitary conditions can only serve to deter inmates from having any respect for the justice system.

Mr. President, I send to the desk a bill that I am introducing that addresses the problems that exist in our Nation's jails and prisons. Additionally, this legislation is designed to improve rural courthouses, detention centers, halfway houses, reformatories, workfarms, and community-based facilities as well as police facilities.

The primary purpose of this bill is to provide technical and financial assistance to the State and local governments to undertake comprehensive criminal justice construction programs to improve the criminal justice system of the States.

Under S. 186 a Criminal Justice Facilities Administration would be established within the Department of Justice to make grants to the State and local governments for the construction and modernization of criminal justice facilities. In making grants to a State, the Administrator will take into account the population of the State and the volume of criminal justice activity. To insure that this Agency operates smoothly, the administration will prepare and submit an annual report to the President, for transmittal to Congress on the activities and programs of the administration.

STATE PLANS

A State will be required to submit a State plan for a 7-year period. The plan will set forth a comprehensive statewide program for the construction and modernization of criminal justice facilities within the State. The State plan will include innovations and advanced techniques in the design of such facilities.

This legislation requires States to submit plans to modernize prison industries and work release programs. Additionally, to the extent that it is permissible under State law, convict labor could be used in projects that are funded by S. 186.

HISTORIC PRESERVATION

Many criminal justice facilities have historic significance although some have been allowed to deteriorate and are in various States of disrepair. Since these buildings are important landmarks that are vital to the identity of the State and our Nation's sense of history, S. 186 will encourage State plans to include the renovation and remodeling of these kinds of facilities, particularly county courthouses.

DUAL PURPOSE

Today many school buildings are not being used because they were built for an era when Americans had larger families. With today's trend toward smaller families, there is a lack of students to fill these schools. To prevent this kind of wasted resource, S. 186 provides that to the extent practical criminal justice facilities be designed so that they could be used for other criminal justice purposes if they are no longer used for the specific purpose for which they were built. The dual purpose concept has particular relevance in the design of neighborhood justice centers and station houses for law enforcement personnel.

Mr. President, it is important to note that the Federal funds that are made available under this bill are not designed to supplant State or local funds, but are intended to be used to increase the amounts of funds that generally are available for the construction and renovation of criminal justice facilities in the State.

Whenever more than $500,000 is spent on the construction or modernization of a criminal justice facility under criminal justice statutes that are presently in existence, the construction shall be consistent with the State master plan. The Senator from Kansas believes that this provision will prevent government waste by requiring a unified Federal effort in a particular State.

DEMONSTRATION GRANTS

The Administrator of the criminal justice facilities shall have the authority to make demonstration grants to the States. The demonstration grants would be designed to test the applicability of advanced practices to the design, construction, and modernization of criminal justice facilities. These demonstration grants can also be used to test the need for the construction and modernization of criminal justice facilities.

CLEARINGHOUSE

Mr. President, a clearinghouse on the construction and modernization of criminal justice facilities will be established under this legislation. The clearinghouse will collect information pertaining to the construction and modernization of criminal justice facilities together with explanations of how the construction pro-

gram can be used to improve the administration of the criminal justice system within each State. This information would be disseminated to architects, planners, and public officials interested in construction and modernization of criminal justice facilities.

CRIMINAL JUSTICE DEVELOPMENT BONDS

In an effort to generate additional funds for the construction and modernization of prison facilities, State and local agencies will be able to make bonds available. The Senator from Kansas has studied the various tax advantages that these development bonds will present to investors and it is hoped that these bonds will result in increased funding for construction and modernization projects.

REALITY

Mr. President, the Senator from Kansas has suggested two funding sources for this legislation, revenue bonds and a direct Federal appropriation of $6.5 billion over 7 years. It is my intention to offer these funding proposals in an effort to get Congress moving in this area.

In light of the top priority given by the incoming administration to cutting taxes and balancing the Federal budget, it is not the Senator from Kansas' belief that funds will be made available in the budget for the immediate, full-scale implementation of this proposal. However, S. 186 is designed to serve as a catalyst for discussing between Members of Congress and representatives from criminal justice agencies and interested groups. It is imperative that this dialog begin as soon as possible since there is an urgent need for concerted action in this area. This need is underscored by the fact that courts have already mandated the construction of an estimated $3 billion for prison facilities to replace or upgrade facilities that fail to meet constitutional standards. This figure will increase sharply with the implementation of legislation passed by Congress that grants the Department of Justice broad new authority to institute lawsuits against State and local agencies over alleged deprivation of rights of inmates residing in State owned, operated, or controlled facilities. Presently, in too many jurisdictions, funds are not available for construction, even if mandated by the courts.

What I do suggest is that this bill could serve as a vehicle for drawing attention to the critical shortfall in funding for criminal justice construction, a shortfall that grows worse with each passing day. Reformers who call for determinate sentencing legislation must also face hard reality that the net effect is to fill the corrections system to the overflowing mark.

Hopefully Congress will face the hard choice this year and seek to reorder national priorities to deal with these pressing needs.

Mr. President, I ask unanimous consent that S. 186 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 186

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Criminal Justice Construction Reform Act".

TITLE I—FINDINGS AND DEFINITIONS

DECLARATION OF POLICY

SEC. 101. The Congress finds that—

(1) the amount of criminal justice activity within the States continues to increase;

(2) the physical plants and institutions serving State and local criminal justice are becoming increasingly overloaded and obsolete;

(3) a relatively small amount of State and local resources are available to modernize, assist, replace, upgrade, and expand criminal justice facilities;

(4) in the case of correctional facilities many inmates are being housed in conditions which fail to meet the constitutional tests for humane treatment;

(5) court facilities particularly at the county level are well over 100 years old and are in desperate need of restoration, preservation, or replacement;

(6) police training and operational facilities are often obsolete or inadequate;

(7) a relatively small amount of Federal financial assistance has been made available for the construction or improvement of criminal justice facilities in contrast to a large amount of Federal financial assistance for other public institutions such as hospitals, sewage treatment systems, highways, airports, institutions of higher education, parks, and public works of all kinds, such as dams and oil conservation projects;

(8) some of the construction for criminal justice facilities is obsolete before the construction is completed, and other construction of criminal justice facilities does not follow advanced practices for the design and suitability of such facilities;

(9) State and local resources applied to the construction and improvement of criminal justice facilities are grossly inadequate and in some instances are just not available;

(10) Federal financial assistance from a variety of sources available for the construction improvement of criminal justice facilities have been made available without comprehensive planning designed to determine the relevance of the facilities to criminal justice needs to future crime trends or population projections; and

(11) the quality, efficiency, effectiveness, and dignity of justice has been severely affected by the lack of adequate resources for the construction and improvement of criminal justice facilities.

DEFINITIONS

SEC. 102. As used in this Act—

(1) The term "Administration" means the Criminal Justice Facilities Administration.

(2) The term "Administrator" means the Administrator of the Criminal Justice Facilities Administration.

(3) The term "correctional facility" means any prison, jail, reformatory, workfarm, detention center, pretrial detention facility, community-based correctional facility, halfway house, or other institution designed for the confinement or rehabilitation of individuals charged with or convicted of any criminal offense, including juvenile offenders.

(4) The term "construction" includes the preparation of drawings and specifications for criminal justice facilities; erecting, building, acquiring, altering, remodeling, improving, or extending such facilities; and the inspection and supervision of the construction of such facilities. The term does not include interest in land or off-site improvements.

(5) The term "criminal justice" means activities pertaining to crime prevention, control, or reduction, or the enforcement of the criminal law, including, but not limited to, (A) police efforts to prevent, control, or reduce crime or to apprehend criminals, including juveniles, (B) activities of courts having criminal jurisdiction, and related agencies (including but not limited to prosecutorial and defender services, juvenile delinquency agencies and pretrial service or release agencies), (C) activities of corrections, probation, or parole authorities and related agencies assisting in the rehabilitation, supervision, and care of criminal offenders, and (D) programs relating to the prevention, control, or reduction of narcotic addiction and juvenile delinquency.

(6) The term "criminal justice facilities" includes—

(A) court facilities;

(B) law enforcement facilities including facilities used for police training;

(C) facilities used for the prosecution of criminal offenses and for public legal defender activities;

(D) facilities used for probation or parole authorities or for preadjudication and postadjudication of offenders or for the supervision of parolees;

(E) facilities used for juveniles who have been adjudged delinquent or who are neglected juveniles awaiting trial or for juveniles receiving care or treatment;

(F) facilities used for the treatment, prevention, control or reduction of narcotic addiction;

(G) correctional facilities; and

(H) any other facility used for any criminal justice purpose in the State.

(7) The term "facilities" includes any buildings and related facilities, initial equipment, machinery, and utilities necessary or appropriate for the criminal justice purpose for which the particular facility was constructed.

(8) The term "modernization" means any program or project designed to improve the operation of criminal justice facilities in any State including but not limited to projects designed to improve the care of and the rehabilitation of individuals subject to the criminal justice system.

(9) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

(10) The term "unit of general local government" means any city, county, township, town, borough parish, village, or other general purpose political subdivision of a State, an Indian tribe which performs law enforcement functions as determined by the Secretary of the Interior, or, for the purpose of assistance eligibility, any agency of the District of Columbia government or the United States Government performing law enforcement functions in and for the District of Columbia.

TITLE II—GRANTS FOR THE CONSTRUCTION AND MODERNIZATION OF CRIMINAL JUSTICE FACILITES

PROGRAM AUTHORIZED

SEC. 201. The Administrator of the Criminal Justice Facilities Administration is authorized to make grants to States in accordance with the provisions of this title for the construction and modernization of criminal justice facilities beginning October 1, 1982, and ending September 30, 1988.

ALLOTMENT

SEC. 202. (a)(1) From the sums appropriated pursuant to section 314 for each fiscal year, the Administrator shall allot not more than 3 per centum thereof among the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands and the Northern Mariana Islands according to their respective needs.

(2) From 85 per centum of the remainder of such sums, the Administrator—

(A) shall allot to each State an amount which bears the same ratio to 50 per centum of such 85 per centum as the number of individuals in such State bears to the number of individuals in all States, and

(B) shall allot to each State an amount which bears the same ratio to 50 per centum of such 85 per centum as the volume of activity of the criminal justice system and the total expenditures on the criminal justice system for that State for the year preceding the year for which the determination is made, determined in accordance with criteria established by the Administrator, bears to the volume of activity of the criminal justice systems and the expenditures on the criminal justice systems for all States.

For the purpose of this paragraph, the term "State" does not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

(3) The remainder of the sums appropriated pursuant to section 314 shall be used by the Administrator to carry out the provisions of section 206, relating to demonstration grants.

(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Administrator determines will not be required, for the period such allotment is available, for carrying out the purposes of this title shall be available for reallotment from time to time, on such dates during such period as the Administrator may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Administrator estimates such State needs and will be able to use for such period for carrying out such portion of its State application approved under this Act, and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(c)(1) The population of a State and of all States shall be determined by the Administrator on the basis of the most satisfactory data available to the Administrator.

(2) The volume and activity of a criminal justice system of a State and the total expenditures of a State and for all States shall be determined by the Administrator after establishing criteria for measuring such volume, activity, and expenditures.

STATE PLANS

SEC. 203. (a) Any State desiring to receive its allotment of Federal funds under this title shall submit a plan for a 7-year period, with such annual revisions as are necessary, which is consistent with such basic criteria as the Administrator may prescribe under section 204. Each such plan shall—

(1) provide for the administration of the plan by a State agency which is generally representative of State agencies and agencies of units of general local government concerned with the criminal justice system in that State;

(2) sets forth a comprehensive statewide program for the construction and modernization of criminal justice facilities within the State;

(3) provide satisfactory assurance that the control of funds granted under this title and title to property derived therefrom shall be in a public agency for the uses and purposes provided in this title and that a public agency will administer such funds and property;

(4) provide assurances that the State agency will pay from non-Federal sources the remaining costs of the program for which application is made;

(5) provide a comprehensive statewide plan for criminal justice programs to be carried out in the facilities for which assistance is sought under this title;

(6) provide assurances that, in order to improve the operation of the criminal justice system within that State, projects assisted under this title will incorporate innovations and advanced techniques in the design of such facilities;

(7) provide assurances that the personnel standards and programs of the institutions and facilities which will be assisted under this title will reflect advanced practices;

(8) provide assurances, in the case of criminal justice facilities that are correctional institutions, that the State will encourage the modernization of prison industry and work release programs to be conducted in facilities assisted under this title;

(9) provide assurances, in the case of any criminal justice facility that is a landmark or has historic significance, that the State will encourage renovation and remodeling of such a facility;

(10) provide assurances that, to the extent practical, criminal justice facilities will be used for other criminal justice purposes if they are no longer used for the specific purpose for which they were built, with particular emphasis upon neighborhood justice centers and substation houses for law enforcement personnel;

(11) provide assurances that the State will, to the extent permitted by State law, encourage the use of convict labor in projects assisted under this title;

(12) provide assurances that the State will take into account the needs and requests of units of general local government in the State and encourage local initiatives in the development of projects for the construction and renovation of criminal justice facilities not assisted under this title;

(13) provide for appropriately balanced allocation of funds between the State and units of general local government within the State and among such units for projects for the construction and modernization of criminal justice facilities;

(14) provide for appropriate review of procedures of actions taken by the State agency disapproving an application for which funds are available or terminating or refusing to continue financial assistance to units of general local government or any combination of such units for assistance under this title;

(15) demonstrate the willingness of the State and any units of general local government to assume the costs of improvements assisted under this title after a reasonable period of Federal assistance;

(16) demonstrate the willingness of the State to contribute technical assistance or services for projects described in the plan and for projects contemplated by units of general local government or combinations of such units contemplated by the plan;

(17) set forth policies and procedures designed to assure that Federal funds made available under this title will be so used as not to supplant State or local funds, but to increase the amounts of such funds that would in the absence of such Federal funds be made available for the construction and renovation of criminal justice facilities in the State;

(18) provide for such fund accounting, auditing, monitoring, and evaluation procedures as may be necessary to assure fiscal control, proper management, and disbursement of funds received under this title; and

(19) provide for the maintenance of such data and information, and for the submission of such reports, in such form and at such time and containing or accompanied by such information as the Administrator may reasonably require.

(b) The Administrator shall approve any State plan and any modification thereof only if—

(1) the State plan, or modification, complies with the requirements set forth in subsection (a); and

(2) the Administrator determines that the program set forth in the State plan contributes to encouraging advanced practices in the administration of criminal justice within the State; and

(3) the State plan or modification contains assurances that all State and local criminal justice officials within the State will cooperate in carrying out the provisions of the plan or modification.

BASIC CRITERIA

SEC. 204. As soon as practicable after enactment of this Act, the Administrator shall, after consultation with the heads of other appropriate Federal agencies, by regulation prescribe basic criteria to be applied by the State agency under section 203. In addition to other matters, such basic criteria shall provide—

(1) the general manner in which the State agency will determine priority of projects based upon (A) the relative needs of the area within such State for criminal justice facilities, (B) the relative ability of the particular public agency in the area to support a program of construction or modernization, and (C) the extent to which the project contributes to an equitable distribution of assistance under this Act within the State; and

(2) general standards of construction and modernization for criminal justice facilities of different classes and in different types of location.

LIMITATION ON OTHER PROGRAMS INVOLVING THE CONSTRUCTION OR MODERNIZATION OF CRIMINAL JUSTICE FACILITIES

SEC. 205. (a) Whenever any project constructed with assistance under an Act set forth in subsection (b) of this section involves the construction or modernization of a criminal justice facility in excess of $500,000 then, notwithstanding any other provision of law, the construction or modernization of such facility shall be—

(1) consistent with the master plan submitted under section 203 of this Act; and

(2) comply with the advanced practices required under clause (7) of such section 203.

(b) The provisions of subsection (a) of this section apply to—

(1) the Public Works and Economic Development Act of 1965,

(2) the Consolidated Farm and Rural Development Act,

(3) title I of the Housing and Community Development Act of 1974,

(4) the National Historic Preservation Act of 1966,

(5) the Omnibus Safe Streets and Crime Control Act of 1968,

(6) the Juvenile Justice and Delinquency Prevention Act of 1974, and

(7) chapter 319 of title 18, United States Code, relating to the National Institute of Corrections.

DEMONSTRATION GRANTS

SEC. 206. (a) From sums reserved pursuant to section 202(a)(3), the Administrator is authorized to make grants and to enter into contracts with States for the conduct of demonstration projects designed to test—

(1) the applicability of advanced practices to the design, construction, and modernization of criminal justice facilities, and

(2) the need for the construction and modernization of criminal justice facilities in order to improve the administration of criminal justice in the States.

(b) No grant may be made and no contract may be entered into under this section unless an application is made to the Administrator at such time, in such manner, and

containing or accompanied by such information as the Administrator may reasonably require.

CLEARINGHOUSE ON THE CONSTRUCTION AND MODERNIZATION OF CRIMINAL JUSTICE FACILITIES

SEC. 207. The Administrator shall establish and operate a clearinghouse on the construction and modernization of criminal justice facilities, which shall collect and disseminate to the public information pertaining to the construction and modernization of criminal justice facilities, together with ways of using the construction program to improve the administration of the criminal justice system within each State. The Administrator is authorized to enter into contracts with public agencies or private organizations to operate the clearinghouse established or designated under this section.

INTEREST SUBSIDY FOR CRIMINAL JUSTICE FACILITY CONSTRUCTION BONDS

SEC. 208. (a) The Secretary of the Treasury is authorized to pay to any State or political subdivision thereof which issues obligations described in section 103(a) of the Internal Revenue Code of 1954 which are issued as part of an issue substantially all of the proceeds of which are to be used to provide criminal justice facilities such amounts as may be necessary to reduce the cost to the issuer of such bonds to a rate of interest not in excess of 5 per centum per annum. Such payments shall be made only upon application of the issuer made in such form, in such manner, and at such time as the Secretary may require.

(b) Payments under subsection (a) may be made in advance, by installment, or in any other manner determined by the Secretary to be appropriate under the circumstances, and may be made on the basis of estimates, if necessary, with corrections in later payments to the extent necessary to compensate for overpayments or underpayments arising out of errors of estimate or otherwise.

(c) There are authorized to be appropriated to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of subsection (a).

(d) The payment, by the Secretary of any amount under subsection (a) to a State or a political subdivision thereof, shall not affect the status of any such obligation under section 103 of such Code, nor shall it cause the interest thereon to be excludable only in part under such section.

TITLE III—ADMINISTRATION PROVISIONS

ESTABLISHMENT OF ADMINISTRATION

SEC. 301. (a) There is established an agency within the Department of Justice to be known as the Criminal Justice Facilities Administration.

(b)(1) The Administration shall be headed by the Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. Under the supervision and direction of the Attorney General the Administrator shall be responsible for the exercise of all of the functions of the Administration and shall have authority and control over all activities and personnel of the Administration.

(2) There shall be in the Administration a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions as the Administrator may prescribe and shall be acting Administrator during the absence or disability of the Administrator or in the event of a vacancy in the Office of the Administrator.

FUNCTIONS OF THE ADMINISTRATION

SEC. 302. In order to carry out the purposes of this Act, the Administration shall—

(1) make grants to States for the construction and modernization of criminal justice facilities in accordance with title II;

(2) provide for the widest practical and appropriate dissemination of information obtained from the programs and projects assisted under this Act; and

(3) prepare and submit a report to the President, for transmittal to the Congress, at least once each year on the activities and programs of the Administration, together with such recommendations, including legislative recommendations, as the Administrator deems appropriate.

ADMINISTRATIVE PROVISIONS

SEC. 303. (a) The Administrator is authorized, in carrying out his functions under this Act, to—

(1) appoint and fix the compensation of personnel of the Administration;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code;

(3) appoint one or more advisory committees composed of such private citizens and officials of Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act;

(4) promulgate such rules, regulations, and procedures as may be necessary to carry out the functions vested in the Administrator or in the Administration, including the establishment of priorities to be applied by each applicant State in implementing its State plan, and delegate authority for the performance of any function to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, local, and private agencies and instrumentalities with or without reimbursement therefor;

(6) without regard to section 529 of title 31, United States Code, to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of his functions, with any public agency, or with any person, firm, association, corporation, or educational institution, and make grants to any public agency or private nonprofit organizations;

(7) accept voluntary and uncompensated services, notwithstanding the provisions of section 665(b) of title 31, United States Code;

(8) request such information, data, and reports from any Federal agency as the Director may from time to time require and as may be produced consistent with other law; and

(9) arrange with the heads of other Federal agencies for the performance of any of his functions under this title without reimbursement and, with the approval of the President delegate and authorize the re- as may be produced consistent with other this Act.

(b) Upon request made by the Administrator each Federal agency is authorized and directed to make its services, equipment, personnel, facilities, and information (including suggestions, estimates and statistics) available to the greatest practicable extent to the Administration in the performance of its functions.

(c) Each member of a committee appointed pursuant to paragraph (3) of subsection (a) of this section shall receive $125 a day, including traveltime, for each day he is engaged in the actual performance of his duties as a member of a committee. Each such member shall also be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties.

STATISTICS AND SURVEYS

SEC. 304. The Administrator is authorized to make grants to or enter into contracts with public agencies, including the Bureau of Justice Statistics of the Department of Justice and the Bureau of the Census of the Department of Commerce, to collect and analyze statistical information concerning the construction and modernization of criminal justice facilities assisted under this Act.

PAYMENTS

SEC. 305. (a) The Administrator shall pay each fiscal year to a State which has a plan approved pursuant to this Act for that fiscal year the Federal share of the cost of carrying out the plan.

(b) The Federal share for each fiscal year shall be 75 per centum of the cost of the State plan.

(c) The Administrator shall pay to each State which has an application approved pursuant to section 206, 75 per centum of the cost of such application.

(d) Payments under this section may be made in installments, in advance, or by way of reimbursement with necessary adjustments on account of overpayments or underpayments.

NONDISCRIMINATION PROVISION

SEC. 306. (a) No person in any State shall on the ground of race, color, religion, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or denied employment in connection with any programs or activity funded in whole or in part with funds made available under this Act.

(b) The provisions of paragraphs (2) through (4) of section 815(c) of the Omnibus Crime Control and Safe Streets Act of 1968 (as amended by the Justice System Improvement Act of 1979) shall apply to the administration of subsection (a) except that all references to the Office of Justice Assistance, Research, and Statistics shall be construed to be the Administration.

WITHHOLDING

SEC. 307. Whenever the Administrator, after reasonable notice and opportunity for a hearing to any State, finds—

(1) that there has been a failure to comply substantially with any requirement set forth in the plan of that State approved under section 203;

(2) that there has been a failure to comply substantially with any requirement set forth in the application of a locality approved purusant to the State plan; or

(3) that in the operation of any program or project assisted under this Act there is a failure to comply substantially with any applicable provision of this Act;

the Administrator shall notify such State of his findings and that no further payments may be made to such State under this Act (or in his discretion that the State shall not make further payments under this Act to specified localities affected by the failure) until the Administrator is satisfied that there is no longer any such failure to comply, or the noncompliance will be promptly corrected. The Administrator may authorize the continuance of payments with respect to any program or project assisted under this Act which is being carried out pursuant to such State plan and which is not involved in the noncompliance.

RECOVERY OF PAYMENTS

SEC. 308. If within twenty years after completion of any construction for which Federal funds have been paid under this Act—

(1) the owner of the facility shall cease to be a State or local public agency; or

(2) the facility shall cease to be used for the purposes (including any designated alternative purpose specified in the State plan) for which it was constructed, unless

the Administrator determines in accordance with regulations that there is good cause for releasing the applicant or other owner from the obligation to do so;

the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project or projects) the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which the facility is situated.

REVIEW AND AUDIT

SEC. 309. The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination, to any books, documents, papers, and records of a grant recipient that are pertinent to the grant received.

NONAPPLICATION OF PRISON INDUSTRY PROVISIONS

SEC. 310. (a) The provisions of section 1761 of title 18, United States Code, shall not apply to goods, wares, or merchandise manufactured, produced, or mined by convicts or prisoners participating in a program or project assisted under this Act if the convicts or prisoners—

(1) have, in connection with such work, received wages at a rate which is not less than that paid for work of a similar nature in the locality in which the work was performed, except that such wages may be subject to deductions which shall not, in the aggregate, exceed 80 per centum of gross wages, and shall be limited as follows:

(A) taxes (Federal, State, local);

(B) reasonable charges for room and board as determined by regulations which shall be issued by the Chief State correctional officer;

(C) allocations for support of family pursuant to State statute, court order, or agreement by the offender; and

(D) contributions to any fund established by law to compensate the victims of crime of not more than 20 per centum but not less than 5 per centum of gross wages;

(2) have not solely by their status as offenders, been deprived of the right to participate in benefits made available by the Federal or State government to other individuals on the basis of their employment, such as workmen's compensation, but such convicts or prisoners shall not be qualified to receive any payments for unemployment compensation while incarcerated, notwithstanding any other provision of the law to the contrary; and

(3) have participated in such employment voluntarily and have agreed in advance to the specific deductions made from gross wages pursuant to this section, and all other financial arrangements as a result of participation in such employment.

(b) The first section of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (49 Stat. 2036; 41 U.S.C. 35), commonly known as the Walsh-Healey Act, is amended by adding after "section 1761(c) of title 18, United States Code" a comma and the following: "or the provisions of section 309(a) of the Criminal Justice Construction Reform Act".

DONATION OF SURPLUS PROPERTY

SEC. 311. Section 203 of the Federal Property and Administrative Services Act of 1949 is amended by adding at the end thereof the following new subsection:

"(o)(1) The Administrator is authorized, upon the recommendation of the Administrator of the Criminal Justice Construction Administration, to donate surplus property to any State for the construction and modernization of criminal justice facilities assisted under the Criminal Justice Construction Reform Act. Such donation shall be without cost to the State except for the costs of care and handling such property.

"(2) For the purpose of this subsection, the term 'State' has the same meaning as specified in section 3 (9) of the Criminal Justice Construction Reform Act.".

COMPENSATION OF THE ADMINISTRATOR AND THE DEPUTY ADMINISTRATOR

SEC. 312. (a) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Administrator, Criminal Law Reform Administration.".

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"Deputy Administrator, Criminal Law Reform Administration.".

PROHIBITION

SEC. 313. Nothing contained in this Act shall be construed to authorize the making of any payment under this Act for the construction of facilities as a place of worship or religious instruction.

AUTHORIZATION OF APPROPRIATIONS

SEC. 314. (a) There are authorized to be appropriated $500,000,000 for the fiscal year 1982, and $1,000,000,000 for the fiscal year 1983 and for each of the succeeding fiscal years ending prior to October 1, 1988.

(b) Funds appropriated pursuant to subsection (a) of this section shall remain available until expended.●

By Mr. BIDEN:

S.J. Res. 14. Joint resolution to designate the first day of May of each year as "Freedom Day;" to the Committee on the Judiciary.

FREEDOM DAY

Mr. BIDEN. Mr. President, throughout this country we recognize the first day of May each year as "Law Day."

On May 1 of last year Delaware Supreme Court Justice William T. Quillen addressed the Wilmington Rotary Club on "The Seven Perceptions of Freedom." The American Bar Association recently awarded Judge Quillen the first prize in the "Judge Edward R. Finch Law Day U.S.A. Speech Award" for the talk which was called "thought-provoking, challenging and abreast of the times."

Judge Quillen's address was not the typical Law Day speech, which too often is merely a summary of the power and responsibilities of the law and the respect due the legal profession. Nor did Judge Quillen choose to take what I believe is the easiest of all approaches to discussing the law—reading a litany of criticisms of the legal profession.

Judge Quillen took a step back from his day-to-day involvement with legal issues and viewed the law as an American citizen. He found that the law is nothing more than a tool of individual liberty and freedom.

As Legislators, Judge Quillen reminded us that—

Law is not freedom just as the Church is not God. Law is a means of serving freedom. We lawyers speak too much of the rule of law and not enough of the role of law.

Judge Quillen concluded that we should not recognize the law on "Law Day." Instead, we should examine the importance and meaning of freedom in this country and how the law serves that freedom. He identified "Seven Perceptions of Freedom" which bring perspective into our sometimes narrow view of our privileges and duties as American citizens.

First. Freedom lives. Judge Quillen reminded us that we must never forget the importance of individual liberty in this country and that for much of the world liberty does not exist. He cited President Kennedy's simple and eloquent view that "Freedom has many difficulties and democracy is not perfect. But we have never had to put a wall up to keep our people in, to prevent them from leaving us."

Second. Freedom limits the intrusions of government. Freedom also means being free from unnecessary government intrusion in individual liberty.

Third. Freedom requires citizen control of the mechanism of government. Judge Quillen believes the three branches should perform their traditional constitutional roles unhindered and citizen participation at all levels is essential to insure that those roles are carried out without the burden of unnecessary procedure and bureaucracy.

Fourth. Freedom requires that constitutional rights and powers be exercised with restraint and decency.

Fifth. Freedom, if it is to survive, ironically requires inclination toward considered concensus and personal sacrifice to achieve societal direction.

Sixth. Freedom requires a future. America must act now with an eye to the future to protect our freedoms and assist others who seek freedom.

Seventh. Freedom demands leaders who are articulate spokesmen. All of us in public service must articulate for the American people our common goals and provide a basis for pride in those goals.

Judge Quillen has provided us with important reasons why we should reflect on the meaning of freedom rather than merely the law. I would like to take his suggestion one step further. Today I am introducing legislation to change the designation of May 1 from "Law Day" to "Freedom Day." The issues raised by Judge Quillen are a good basis for discussions which will continue each year on Freedom Day when we reexamine our rights and responsibilities as free Americans. I believe my colleagues will agree with me and work with me on this legislation in the 97th Congress.

Mr. President, I ask unanimous consent that Judge Quillen's speech be printed in the CONGRESSIONAL RECORD.

JUDGE EDWARD R. FINCH LAW DAY U.S.A. SPEECH AWARD: "SEVEN PERCEPTIONS OF FREEDOM"

(Adopted from remarks of William T. Quillen at Wilmington Rotary Club on Law Day, May 1, 1980)

Scene: Lunch, Wilmington Rotary Club, Law Day 1980.

Speaker: A State Supreme Court Justice.

Impression: A distinguished group of reasonably well-to-do Delawareans gathered to pay tribute to a shibboleth of American government. Speaker is expected to say something profound. Not too long.

Result: Rotary members to return to work having made amole sacrifice at the altar of The Law, feeling better.

Sorry. Assuming my ability to ever say something profound, I am not of the disposition either to undertake to educate an audience already sufficiently learned or to artificially plastic coat the incredible troubles abounding in our era. I promise, however, to subject you to a sufficiently long sacrifice so, like Christians doing their bit for God by tolerating the minister on Easter morning, you can return from whence you came with the feeling that you have paid enough Tribute To Law for another year.

As a judge, a lawyer and member of the Executive Committee of the State Bar Association, I confess a dislike for law day. I think it is the regimental title, too authoritarian for my taste and, I think, for America's. It has been said that "law day is a time for the American people to reflect on their rich heritage of law and liberty." Anybody with any sense would know that we ought to emphasize liberty, not law. Or at least we should limit our legal reference to the Bill of Rights which legally guarantees our liberty. So let us move quickly from law to liberty. And since liberty itself is a lawyer word, let us put the proper label on it. Let us call it "Freedom Day," freedom in a Bill of Rights sense. Now, I like Freedom Day. It helps one write a speech or, perhaps more accurately, share some conversation.

That is what I want to do. I want to share with you some vague perceptions, not keen specific insights of a legal professional, but rather general viewings of an American citizen. Since gimmicks help, at the risk of pomposity, let me label these remarks "Seven Perceptions of Freedom".

First, it is appropriate this year, after years of mushy meaninglessness, to remember the origin of Freedom Day. Freedom Day began during the Eisenhower Presidency as a reaction to the Soviet Union's May Day and, along with Captive Nations Week, was designed to compare two governmental systems, the Soviet system and our system. Let us never put that origin on the back burner again. It is a fortunate by-product of great tragedy that the Soviets pointedly remind us at twelve year intervals that there is a difference. How well and indelibly they make their mark. Czechoslovakia, Poland, Afghanistan! Budapest, Prague, Kabul! 1956, 1968, 1980! One is tempted to condemn Satan with superlatives. But in this instance, the names of the countries, the names of the cities, and the dates are enough. Satan condemns himself.

I remember as a first-year law student the feeling of exhilaration I had when the Hungarian Revolution of 1956 was attempted. Freedom fighters, we called them, and, for a moment, it appeared as though a people might possibly regain control of their own destiny. That was I am sure a juvenile and simplistic view but, on a warm fall morning in Cambridge, Massachusetts, a quarter of a century ago, Wilsonian puritanism and Wilsonian innocence and Wilsonian optimism shined bright. We are all sobered by time and experience. But I hope that spirit of exhilaration will be kindled again. We should never forget that in this world of push-button warfare, one man can still make a difference. Witness: Marshal Tito. And, if Freedom Day is to have any meaning, we must never again be encouraged to forget its origin. As John Kennedy said: "Freedom has many difficulties and democracy is not perfect. But we have never had to put a wall up to keep our people in, to prevent them from leaving us."

Perception number one: Freedom lives.

Second, it is "to secure [unalienable] rights, that governments are instituted among men". Law is not freedom just as the church is not God. Law is a means of serving freedom. We lawyers speak too much of the rule of law and not enough of the role of law. Alexis de Tocqueville almost one hundred and fifty years ago foresaw the despotic threat in a democracy. Bear with me:

"For [the people's] happiness, government willingly labors, but it chooses to be the sole agent and the only arbiter of that happiness; it provides for their security, foresees and supplies their necessities, facilitates their pleasures, manages their principal concerns, directs their industry, regulates the descent of property, and subdivides their inheritances: what remains, but to spare them all the care of thinking and all the trouble of living?

"Thus it every day renders the exercise of the free agency of man less useful and less frequent; it circumscribes the will within a narrower range and gradually robs a man of all the uses of himself. The principle of equality has prepared men for these things; it has predisposed men to endure them and often to look on them as benefits."

The truth of these remarks is so biting that it is hard to believe that Tocqueville is not sharing our lunch. One does not have to illustrate the pervasive force of statutory and regulatory law with a current list. He did it. But let me add one illustration that I love. I hope you can relate it to Tocqueville. During the legislative debate on the funding of the establishment of Bellevue State Park, Senator Herman Holloway rose to participate. "I was certainly glad to learn", he said, "that Bellevue will have stables because now all the kids in my neighborhood will have a place to keep their ponies." Those of you who sometimes lament the welfare state should bear in mind that the Bellevue State Parks of this world are basically middle class welfare. Tocqueville was talking about us. We are involved in a matter of balance.

Perception number two: Freedom limits the intrusions of government.

Third, in addition to the oppression from a massive influx of substantive law, our attention must be directed to a threat to freedom due to political procedure and governmental mechanism. Frankly, we have listened to the reformers too much and perhaps joined with them too often. The Madisonian design, two governments (federal and and state) each with three departments (legislative, executive, and judicial) was created so "a double security arises to the rights of the people." It was not designed for the benefit of the officers and the employees of the government. Nor was it designed to paralyze the government from acting in its legitimate sphere of influence.

It is no compliment that we have created a scheme, and I use that word intentionally, to choose a President of the United States that guarantees government paralysis for twenty-five percent of each presidential term. We cannot afford that. Nor can we afford the luxury of governmental paralysis caused by permitting those on the governmental payroll, fast becoming at least a working majority, to set their own numbers, their own pay and their own fringe benefits without external control.

We need true citizen participation. And by that, I include participation at every legislative level, national, state, local, district. We should consider not listening any more to governmental reform proposals which constantly multiply the number of full time legislative positions. We should consider retreating from the professional legislator. I have suggested, perhaps half in jest, to my friends in the General Assembly whether we should ask if the Delaware legislature could operate as well if its numbers were halved, its sessions cut to ninety days, and perhaps its regular meetings limited to every other year. We might even ask if the General Assembly should not limit itself to public evening meetings.

We should question any intrusion of the traditional roles played by the three departments of government. We should preserve to the Executive the power of appointment, to the Legislature the power of the purse, and to the Judiciary the power to determine cases and controversies. Laws are no substitute for citizen control. If we let the reformers continue to impose mushrooming conflict of interest standards as qualifiactions for public service we will wake up and find we have no one who earns a living or receives a dividend qualified to run for office or to accept appointment, and no one in office qualified to vote as a legislator. I am reminded of the sharp tongue of my own Senator, Calvin McCullough, in debate some years ago about an insurance code. He said with all the talk about conflict of interest, perhaps he should not vote because he had a couple of insurance policies himself.

Perception number three: Freedom requires citizen control of the mechanism of government.

Fourth, whenever one speaks of freedom in relation to law, it is necessary to consider the fourth estate, the press. I know of no subject that can generate more heat and less wisdom because there is tendency for both immature public figures and an immature institution to defensively overkill and emphasize only one side of disputes in which they are involved.

I want to make some observations only. I have been struck by two events. The height of President Carter's success was the Camp David accords between Israel and Egypt. You will recall that accomplishment was achieved during a press blackout rather strictly and successfully enforced over a period of many days. The depth of President Carter's term has been the failure to resolve the hostage crisis in Iran. I submit to you that restraint on the part of the press must be self-imposed and that no one should suggest otherwise. But I also submit to you that, without the unprecedented greedy reporting and without the unexcusable reporting extension to anticipate by commentary and characterization prospective positions of the opposing sides in current crisis, the chances are good that the crisis would have been resolved. It is plain that for the Iran government the crisis does not center on fifty Americans. It does not even center on the Shah. It centers on propaganda manipulation and preservation of a shaky regime that could not survive the year without the manufactured straw man of a foreign enemy.

Reporting by nature thrives on conflict, not resolution of conflict. It is not a matter of intention. It is the nature of the beast. TV reporting by nature depends on instantaneous speed at the expense of accuracy and verification. We are obviously going to have to accept by necessity more negotiations of the Camp David style if progress is to be achieved in a volatile world. Progress in delicate matters simply cannot be made when the participants face extemporaneous live TV bombardment by a press that too often has less sophistication than high school journalists covering their high school sports.

But the international crisis in Iran is perhaps bigger than the press and perhaps there is no option for the press. It is obviously not typical. What is more frightening is the typical. It is the ever increasing press tendency to generate conflict when none exists, to substitute for thorough reporting the printing of innuendo to compel a denial, and to have as a leading goal without any public good the destruction of men in positions of prominence. Editorial writers as well as reporters are guilty.

You may have been struck as I was by a Newsweek article suggesting that a Wisconsin Judge's heart attack may have been caused by an unremitting five month attack by a local Wisconsin editor. There is a professionalism that can make judgments concerning the public interest and not profit on the private hardship of individuals, a professionalism that finds it unnecessary to gossip about divorce, alcoholism, and sex for gossip sake alone. A quality life in a free society rests in part on the press that is sophisticated enough to recognize that there is room for decency in the media. In speaking of abuse, I do not mean to single out the press. I am becoming increasingly distressed by the tendency of prosecutors, with broad constitutional power, to try to win their cases, not on the merits, but by multiplying the number of charges warranted by the facts if not the law. Constitutional freedoms, above all, require self-imposed restraint.

Perception number four: Freedom requires that constitutional rights and powers be exercised with restraint and decency.

Fifth, restraint in our society is demanded from all of us. Restraint is difficult to verbalize. Each of us holds dear the right to personal opinion and we certainly claim the right to hold views contrary to those of our government. But a democratic country has to make decisions. Two things occur to me as needed, public restraint and private restraint.

The Congress of the United States is the most important institution we have. It is the source of our national law. It is the direct voice of the people. And it is frequently impotent. The Congress concerns itself with Congressional prerogatives. It should also concern itself with Congressional competence. Congress moans that it was not consulted and yet Congress exhibits no ability to shape the direction of this country. On paper, we have more qualified people in Congress than we have ever had and we have less capacity in Congress for decision than ever in our history. I think we in Delaware can take some specific pride that our United States Senators have been pragmatic innovators in tax policy and foreign affairs. But, in general, Congress is weak because it is filled by people whose egoism outranks their perspective and whose sense of national purpose is subservient to their personal political situation. With regard to Congress, we need a rebirth of the consensus politician, the man who understands that it is important to have a decision for national good and who does not insist in every instance on asserting his personal point of view, the man who understands the craft of power. The Congressional Lyndon Johnsons, Everett Dirksens, Sam Rayburns and Jerry Fords of this world are missed. They have not been replaced and the country's ability to make decisions has suffered. So too are the Adlai Stevensons, who can accept personal humiliation in silence and who understand that protest resignations for personal reasons in time of national need give rise only to short-lived heroism. National purpose should impose restraint.

But how about private restraint, you and I in our citizen capacity. The law is helpful to me here. Under normal standards of appellate review, the trial court is not reversed on a factual determination unless it was clearly wrong and the trial court is not reversed on a discretionary decision unless it abused its discretion. In other words, the trial court is given leeway to operate in the range of reasonable options. I find the standard of appellate review helpful when I view the pardon of Richard Nixon or the rescue operation in Iran. My father taught me to support the minister, that it was unfair to hire a man and then undercut him directly or indirectly. I think we should be understanding of Mrs. Barbara Timm whose natural concern for the welfare of her son is a paramount, all-consuming personal concern. After all, remember Joe Kennedy, the father of four sons, who hated the thought of war so much that he failed to appreciate the Nazi menace. We can be less sympathetic, it seems to me, to the vocal complaints of Olympic athletes. I am not saying they are necessarily wrong on the merits. It is of course tragic to lose the opportunity to be the best in the world. In the wake of Randy Gardner and Tai Babilonia, the American people understand the hurt. But it doesn't compare to the sacrifice that eight other Americans, like so many before them, recently paid. And, on a less popular tack, we can remind Bill Rodgers that Mohammad Ali gave up perhaps the best three years of his career for his religious convictions.

Perception number five: Freedom, if it is to survive, ironically requires inclination toward considered consensus and personal sacrifice to achieve societal direction.

Sixth, this is the world and the time in which we live. It is not another world and it is not another time in the history of this world. Listen for a minute to Jesse Jackson:

"The highest expression of love is not the insulation from responsibility and the real world. Here's what the real world is like: Most of the people on earth are black, brown, yellow and poor. They don't speak English and they are non-Christian. We can't be leaders in the real world if we don't know how to speak more than one language or we judge people by the color of their skin rather than their character."

I remember very well being taught in my history major that the most dangerous time for an ancient regime is when it starts to reform itself. I am mindful also of the ignorance and self-deception of the young who urge us to refrain from alliances with nondemocratic governments. Obviously, the choice is not between democratic governments in the Western tradition and nondemocratic governments. And for those of you who are embarrassed by the Shah and by Ky and Thieu, I give you the religious humanity of the Ayatollah Khomeini and the benevolent imperialism of the Vietnamese in Cambodia. Thank God for Joan Baez, a truly selfless partisan for peace, who still pleads for humanity in a battlefield now deserted by the senseless destructive hawks and by the self-righteous, self-interested deserting doves.

The real world is not for the short-winded. It is the future. We must understand its trends and anticipate how we can maximize our role in the long run. We must be optimistic about our role in the future. Let me just suggest very generally a few directions. Let us cool the rhetoric. It has proved of little meaning. Let us develop our strength in the full spectrum so people will respect it for both its power and the true restraint in its use. It is not restraint not to use power you do not have. Let us also remember that we still have the power of the idea of freedom. Let us concentrate on what we can influence and let us pay special attention to our immediate environment, Cuba, Mexico and Canada.

In this last regard, let us recognize that our future as a nation depends on our historic mission as being the haven for the "tired", the "poor", the "huddled masses yearning to breathe free", and, get these words, the "wretched refuse" from foreign shores. And, if your stomach turns at old cliches, try this quote from a customs agent more wise than his government in this week's news. "I want to see the guy who arrests a Cuban for picking up his parents. People forget this is America."

The future is now. It is multi-national and multi-racial. The Hispanic population in cities and in the Southwest are here. It is our Quebec and our challenge. If the dream of America cannot survive this reality, it will not survive at all. I suggest to you that we should become a bilingual society across the board and I suggest we do it by compulsory teaching of both English and Spanish in every school in this State from the first grade forward. If we do not, we are denying our children an opportunity to reach their potential in today's world and today's America. And we are denying ourselves the fulfillment of the American mission.

Perception number six: Freedom requires a future.

Seventh, there is a need for spiritual leadership based on total truth, historic perspective, reasoned courage and eloquent expression. I am reminded of Buddy Hackett who has a habit of jokingly calling certain WASPs and Catholics Jewish. How can you tell, he is asked, when someone is Jewish. Buddy replies that whenever he sees somebody who is able, strong, good and honest, he automatically makes him Jewish. By that standard we have two great Americans, Winston Churchill and Anwar Sadat. They epitomize the qualities that I am trying to identify. This is a big country and it has to be held together. Words, spoken in a context of strength and confidence, are important. Nonsense, you say. Just listen to some modest, and unemotional, examples.

"A house divided against itself cannot stand."

"Speak softly and carry a big stick."

"Sometimes people call me an idealist. Well, that is the way I know I am an American. America is the only idealistic nation in the world."

"In the field of world policy, I would dedicate this nation to the policy of the good neighbour."

In this era of television, the demand for a national spokesman to express accurately the meaning of our beliefs is greater than ever.

Perception number seven: Freedom demands leaders who are articulate spokesmen.

Freedom lives.

Freedom limits the intrusions of government.

Freedom requires citizen control over the mechanism of government.

Freedom requires press restraint and press decency.

Freedom requires consensus.

Freedom requires a future.

Freedom requires eloquence.

A final word, this Freedom Day. Freedom is best expressed in personal terms. If it is hard to move people about the Nazi murder of six million Jews, one need only mention Anne Frank. And to those of you who question whether it matters, a simple incident. On January 22, 1980, physicist Andrei Sakharov was arrested in Moscow for publicly condemning the Soviet invasion of Afghanistan. He was exiled to Gorki for exercising his natural right to free speech. His dissident comrade, Alexander Solzhenitsyn, now living in this country, helped put it in perspective. He reminded us that using the word "Russian" and the word "Soviet" interchangeably is like "confusing a man with his illness."

So, on this Freedom Day 1980, let us thank God for this country, let us rededicate ourselves to "secure the blessings of liberty to ourselves and our posterity" and let us, like Sakharov, say to those who oppose freedom that the spirit of freedom will not be stilled. Freedom lives.

By Mr. CHAFEE:

S.J. Res. 15. Joint resolution to authorize and request the President to call a White House Conference on Education not later than June 30, 1981, and for other purposes; to the Committee on Labor and Human Resources.

WHITE HOUSE CONFERENCE ON EDUCATION

● Mr. CHAFEE. Mr. President, as we begin this new decade, the American educational system, once such a source of pride in this country, is increasingly

being viewed as in the midst of a crisis situation. There persists a growing belief in our country that our schools are in deep trouble. The Nation's educators, elected officials, and millions of parents have come to the conclusion that our system is not working as well as it once did. Continuing declines in test scores, increasing financial pressures, growing public disenchantment, teacher frustrations, and school violence and vandalism have all led to a reexamination of our previous assumptions about the classroom.

In spite of increased spending, the perception of the public is that quality of education has declined. In 1962, the average per pupil cost of elementary and secondary school was $419. That same year, the average scores for verbal and math aptitude tests of high school seniors was 478 and 502 respectively.

Today, the per pupil cost has increased 500 percent to $2,150, while the aptitude test scores have declined to 424 for verbal skills and 465 for math.

Inflation is certainly a factor. But more important is the fact that during the past two decades, schools have been asked to respond to almost everything that ails the country, from racial discrimination to tooth decay.

The pressures to limit spending which we have observed lately are bound to become even more important during the 1980's. This will create a new conflict.

On one hand, the public is demanding better, more effective programs, stronger basic skill instruction, complex technical and vocational training, work/study programs, and more.

But, on the other hand, educators' hands may be tied, school budgets slashed, teachers laid off, and workloads and classloads increased—many times to the breaking point.

In addition, changing demographics will have a crucial effect upon our elementary, secondary, and higher education institutions.

Declining enrollments at every level of education are causing more emphasis to be placed on retraining veteran teachers, instead of training new ones. This change in emphasis is affecting not only teachers, but the institutions preparing them, the children in their classrooms, and the way we think about teacher education.

With the number of bachelor's degrees from teachers' colleges shrinking from 194,210 to 129,130 in the past 7 years, it is reasonable to assume that the teachers in today's classrooms will be the same teachers we rely on to educate our young people in 10, 20, or even 30 years from now.

No one disputes the fact that America's best schools are producing better educated graduates than ever before. But there are too few of them. Far too many students receive mediocre educations.

We are all aware of the magnitude of the problem. Educators have studied it. State and Federal Government have appropriated more money to solve it, and the press has publicized and dissected it—1957 was the last year that American education was given a thorough public reappraisal across the Nation as a result of the sputnik satellite launch.

Mr. President, today I am introducing a modest piece of legislation which I believe would be helpful to American education.

I propose to the Congress that a White House Conference on Education be established this year to develop recommendations for the improvement of our Nation's school system.

Such national conferences have been sponsored before by several past administrations on such issues as small business, libraries, the aged, the family, and the handicapped. They have often led to significant changes and legislative reforms in these areas.

We need a lively discussion of our educational goals, covering a variety of important questions.

How do we identify successful school programs—and how can these programs be used by other schools?

What do we want our schools to teach?

How can we improve existing Federal programs, not by expanding them necessarily but by making them more responsive to local needs?

What are the prospects for the future? What kinds of skills and knowledge will our children need in the year 1990 or 2000?

The emerging demography of our school population raises questions about how to update teacher skills, infuse new ideas into the classroom, keep teachers from "burning out" as a result of the mounting pressures with which they must deal daily.

In addition, our institutions designed for teacher training face important questions and challenges caused by demographic changes.

In what form will teachers' colleges survive in the future, and how can they be most useful to veteran teachers?

By conducting a national conference on education, we can attempt to build a coalition among teachers, parents, school administrators, and Government officials.

Knowledge of which techniques work and which ones do not should be shared between public schools and private schools, between postsecondary institutions, and elementary and high schools.

By bringing together experts and lay persons, educators and taxpayers, we can assist in the improvement of the American school system.

If we fail to emphasize quality in the schools, our Nation will become less and less productive—not just economically and industrially, but intellectually and aesthetically as well.

We have a good foundation on which to build. In many ways, our school system is still ahead of other nations; but we have taken on an ambitious task: To give all of our young people equally for 12 years an access to an excellent education.

Given the fact that in 1930, only 30 percent of American 17-year-olds were graduated from high school, this is an outstanding social vision.

We desperately need an emphasis on excellence and purpose. It is not enough to get into the system. All children must be well served when they are there.

A White House Conference on Education will help achieve this goal.●

ADDITIONAL COSPONSORS

S. 4

At the request of Mr. CHAFEE, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 4, a bill to provide a cap on Federal unemployment tax rates in certain States.

S. 46

At the request of Mr. THURMOND, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 99

At the request of Mr. JEPSEN, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 99, a bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child.

S. 164

At the request of Mr. MELCHER, the Senator from South Dakota (Mr. ABDNOR), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 164, a bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property.

SENATE JOINT RESOLUTION 5

At the request of Mr. RIEGLE, the Senator from Kentucky, (Mr. FORD) was added as a cosponsor of Senate Joint Resolution 5, a joint resolution authorizing the President to enter into negotiations with foreign governments to limit the importation of automobiles and trucks into the United States.

SENATE RESOLUTION 29—RESOLUTION TO ESTABLISH A SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. DECONCINI (for himself and Mr. HATCH) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 29

Resolved, That (a)(1) there hereby is established in the Senate of the United States a select committee to be known as the Select Committee on Narcotics Abuse and Control (hereinafter in this resolution referred to as the "select committee"). The select committee shall be composed of nine Members of the Senate.

(2) Members of the select committee shall be appointed by the President pro tempore of the Senate. One member of the select committee shall be designated by the President pro tempore to serve as chairman of the select committee.

(3) At least one member of the select committee shall be chosen from each of the following committees of the Senate: The Committee on Armed Services, the Committee on Government Operations, the Committee on Foreign Relations, the Committee on Commerce, the Committee on Human Resources, and the Committee on the Judiciary.

(4) Any vacancy occurring in the membership of the select committee shall be filled in the same manner as the original appointment.

(b) The chairman of the select committee may establish such subcommittees of the select committee as he considers appropriate. Any such subcommittee shall be composed of not less than four members of the select committee.

SEC. 2. The select committee shall not have legislative jurisdiction. The select committee shall have authority—

(1) to conduct a continuing comprehensive study and review of the problems of narcotics abuse and control, including, but not limited to, international trafficking, enforcement, prevention, narcotics-related violations of the Internal Revenue Code of 1954, international treaties, organized crime, drug abuse in the Armed Forces of the United States, treatment and rehabilitation, and the approach of the criminal justice system with respect to narcotics law violations and crimes related to drug abuse; and

(2) to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies affecting narcotics abuse or control.

SEC. 3. (a) For the purposes of this resolution, the select committee, or any subcommittee thereof authorized by the select committee, may sit and act at such times and places as it considers appropriate whether the Senate is sitting, has recessed, or has adjourned.

(b) For the purposes of this resolution, the select committee, or any subcommittee thereof authorized by the select committee to hold hearings, may hold such hearings, and may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, documents, and other exhibits and materials, as it considers necessary. Subpenas may be issued under the signature of the chairman of the select committee or any member of the select committee designated by him, and may be served by any person designated by such chairman or member.

(c) A majority of the members of the select committee shall constitute a quorum for the transaction of business, except that the select committee may designate a lesser number as a quorum for the purpose of taking testimony. The chairman of the select committee, or any member of the select committee designated by him, may administer oaths or affirmations to any witness.

(d) The select committee and any subcommittee thereof and its staff may conduct field investigations or inspections. Members and staff of the select committee may engage in such travel as may be necessary to conduct investigations relating to the purpose of this resolution.

SEC. 4. The select committee may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators, and clerical and stenographic assistants as it considers necessary to carry out the purpose of this resolution. The select committee may reimburse the members of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the select committee, other than expenses in connection with meetings of the select committee or any subcommittee thereof held in the District of Columbia.

SEC. 5. (a) The select committee shall report to the Senate with respect to the results of any investigation conducted by the select committee, or any subcommittee thereof, under section 3(d).

(b) The select committee shall submit an annual report to the Senate which shall include a summary of the activities of the select committee during the calendar year to which such report applies.

(c) Any report of the select committee under this section which is submitted during a period in which the Senate is not in session shall be filed with the clerk of the Senate.

Mr. DECONCINI. Mr. President, I rise to introduce a Senate resolution that I believe to be of the highest national urgency. I am joined in the effort by my distinguished colleague, Senator HATCH.

We believe that the American Government, and in particular the Congress, has been generally ineffective in dealing with many believe to be the major social problem facing our Nation—illicit narcotics. Because jurisdiction over the narcotics problem has been splintered, and splintered badly, no single congressional committee has developed the perspective to enable it to assist in designing a proper strategy for an effective national effort to attack this growing cancer.

There can be little doubt that illicit narcotics are one of the key elements affecting the entire range of societal problems that currently plague us. I view narcotics as the nexus or connect-point between organized crime and American society. Narcotics create unbelievable wealth that enables organized crime to infiltrate all segments of our society. In the process of creating that wealth, American citizens are reduced to psychological slavery—automatons who will rob, steal, and kill to support their habit. A vast proportion of the street crime that today makes American cities intolerable to decent citizens results from the slavery of heroin and associated drugs.

Illicit narcotics is big business. It employs more people than Exxon, the largest corporation in the world. No one knows for sure, but the most conservative estimates place the street value of illicit narcotics at $50 billion annually. For the most part, that money comes from other crime—robbings, burglaries, muggings, and so on. If we were reasonably successful in eliminating illicit narcotics, we would simultaneously have eliminated a large portion of what we generally refer to as "street crime."

During 1976, the FBI reports that there were 609,000 drug-related arrests. About 60,000 of those were heroin or cocaine related; 441,000 were marihuana related; 18,200 were connected with synthetic or manufactured narcotics; and 90,000 were associated with other dangerous drugs. But the cost to society exceeds both the cost of the narcotics and the number of arrests. We spend at least $1 billion for law enforcement and rehabilitation.

But why create a separate Senate committee to deal with this problem? As most of my colleagues are aware, the House of Representatives has already recognized the need for such an approach and it currently has a Select Committee on Narcotics Abuse and Control. Going through a process similar to our own, our House colleagues concluded that this was the only practical method for effectively dealing with the whole range of issues raised by illict narcotics.

At present, jurisdiction over narcotics abuse and control is scattered among at least five standing committees. The Judiciary Committee oversees the enforement aspect through its oversight of DEA and the FBI, as well as its control over criminal laws and penalties. The problems associated with drug rehabilitation and education are dealt with in the Human Resources Committee. The international aspects of narcotics control, especially the eradication program, is handled by the Foreign Relations Committee. The interplay between the different levels of government resides with the Governmental Affairs Committee. And finally, the Armed Services Committee handles narcotics problems as they relate to the Armed Forces.

Each of these jurisdictional designations is legitimate, and it is not our purpose to undermine them. The committee we are proposing would be nonlegislative, following the model of the Aging Committee rather than the Small Business Committee. However, the Select Committee on Narcotics Abuse and Control would be ideally situated to investigate the problems of illicit narcotics as an integral whole, a multifaceted problem requiring a coordinated approach. Thus, while it would not be legislative in a technical sense, it would be in a position to develop a coherent national strategy and then present its findings in the way of legislative proposals to the relevant standing committees.

The select committee would "conduct a continuing comprehensive study and review of the problems of narcotics abuse and control" and produce a record from which the standing committees can better perform their legislative responsibilities. More specifically, the select committee's activities would include—but not be limited to—international trafficking, enforcement, prevention, narcotic related violations of the Internal Revenue Code, international treaties, organized crime, drug abuse in the Armed Forces, treatment and rehabilitation, and the criminal justice system as it related to narcotics laws violations and crimes related to drug abuse.

The time has come for the Senate to create within itself the machinery to deal effectively with narcotics related issues. Our present decentralized jurisdictional approach has not been particularly successful. Because each of the standing committees has only a small portion of the narcotics problem within its jurisdiction, none has a sufficiently strong base from which to develop a comprehnsive and cohesive approach to the problem. The creation of a Senate Select Committee on Narcotics Control and Abuse may not be the ultimate answer, but it will advance our struggle to deal with this malignancy within our society.

If I may, Mr. President, I should like unanimous consent to include in the RECORD, at this point, the testimony I gave last Congress before the Senate Rules Committee. I believe that it provides a comprehensive inventory of arguments in favor of the adoption of the resolution that we introduce today.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT BY SENATOR DENNIS DECONCINI

(Hearings before the Committee on Rules and Administration, Senate Select Committee on Narcotics Abuse and Control, April 23, 1980)

Good morning, Mr. Chairman. I appreciate the opportunity to appear before you this morning on behalf of S. Res. 207, a resolution that I am sponsoring together with Senators Ford, Leahy, Hatfield, Schweiker, and Boren. Our resolution proposes the establishment of a Senate Select Committee on Narcotics Abuse and Control.

I recognize, Mr. Chairman, that in making this proposal I appear to be running counter to the thrust of S. Res. 104, which reorganized the Senate's committee structure by eliminating and consolidating committees. I am equally cognizant of the fact that I incur the displeasure of a number of distinguished colleagues whose various committees and subcommittees already have formal jurisdiction over various aspects of the drug problem.

Before examining the substantive reasons why such a new committee is imperative, I should like to address the internal political and policy issues. Certainly, I would be the last member of this Senate to oppose the fundamental thrust of S. Res. 104. The work done by Senator Stevenson and the other members of the special committee that proposed the resolution was excellent. The resolution—even though modified on the Senate floor—went a long way toward streamlining the Senate committee structure and making it conform better to the needs of our Nation, enabling us to do our jobs more effectively.

To argue, however, that this resolution should be made the basis for objections to any changes or modifications in the present structure is to set in concrete a document that reflected the needs of the Senate and the country at a given time. As a supporter of Senate Resolution 104, I believe that our resolution to establish a Select Committee is consistent with that spirit.

The ultimate purpose of the recent reorganization, as I understand it, was to eliminate, as much as possible, the sort of fractured jurisdiction that limits the ability of the Senate to act effectively. One of the major accomplishments of the reorganization was to centralize most jurisdiction over energy in the newly renamed Energy and Natural Resources Committee. Previously, the jurisdiction was shared in some measure by so many committees that effective policy was virtually impossible.

An analogous situation exists today with regard to the problem of drugs and drug control. Jurisdiction over this fundamental societal problem is also fractured; it is scattered among a number of legislative and investigative committees. For example, oversight over the Drug Enforcement Administration is shared by the Appropriations and Judiciary Committees. However, the U.S. Customs Service which is primarily responsible for interdiction is covered by the Finance Committee and a different Appropriations subcommittee. The heretofore very effective eradication programs are administered by the State Department, which reports to the Foreign Relations Committee, the Governmental Affairs Committee has jurisdiction over the main issue of organization and reorganization. Moreover, its Permanent Subcommittee on Investigations has a general mandate to oversee crime. Many issues relating to demand reduction, integral both to an understanding of the drug problem and to the design of effective solutions, lie within the purview of the Labor and Human Resources Committee. Active and former military personnel represent a substantial share of the Nation's addict population; solutions to their difficulties which have a bearing on the universal problem are being devised within the Armed Services and Veterans Affairs Committees. Beyond these more obvious examples, a host of other governmental agencies, including among these, the Internal Revenue Service, the Bureau of Alcohol, Tobacco and Firearms, the F.A.A., the C.I.A., the Agriculture Department and the FBI are involved to one degree or another in the drug problem and report to a variety of different Senate Committees and subcommittees.

The net result, Mr. Chairman, is that in the area of illicit narcotics we are like the ancient parable of the blind men and the elephant. No one committee or subcommittee in the Senate is able to view the problem in its totality and thus to work towards developing a comprehensive strategy. But let me clarify one point in this context. The resolution that we have offered neither contemplates supplanting these many fine committees nor negates the superb work that they have done. General oversight of different agencies quite properly should remain within the domain of both the relevant standing Committee and the relevant Appropriations subcommittee. Likewise, we are in no way suggesting that the select committee usurp the proper legislative function of these committees. The select committee would be endowed with no legislative mandate. Neither are we suggesting, Mr. Chairman, that the select committee pre-empt the general investigative mandate of the Permanent Subcommittee on Investigations.

More importantly, we are simply saying this. The drug problem in the United States has reached crisis proportions and shows every indication of increasing in severity. It is a problem of extreme complexity because of its many dimensions and because of the numerous different government agencies involved. Let me note parenthetically that it is an effort which is as much a state and local problem as it is a federal problem. Furthermore, we would argue that to date the Federal Government in particular has not been able to develop an effective national strategy for attacking and ameliorating this societal cancer. I say this notwithstanding the many gains and, indeed, individual heroics that have characterized the effort.

The most comprehensive analysis of the drug problem is a report prepared over a period of years by the General Accounting Office and released to me in the context of oversight hearings conducted under the aegis of the State, Justice, Commerce and the Judiciary Subcommittee of the Appropriations Committee. The title of that two hundred page study captures the essence of the situation—"Gains Made in Controlling Illegal Drugs, Yet the Drug Trade Flourishes." Among the report's conclusions is—and I quote—"Inconsistent and sometimes conflicting drug policies [which result] in no clear overall direction."

After having read this report and after having conducted approximately twenty hours of hearings on its conclusions, I do not think there is any doubt but that the GAO view is correct. Furthermore, all this information is consistent with my own experience as a prosecutor in an area that for many years was a primary route of heroin trafficking into the United States. Indeed, during my tenure as prosecutor we were forced out of necessity to develop innovative cooperative efforts among differing enforcement agencies to compensate for the very lack of direction and coordination that should have been emanating from the Congress and from the Executive Branch.

It is our belief that a comprehensive policy must be fashioned unless we as a nation are willing to continue to allow a $50 billion a year illicit traffic to continue. It is, gentlemen, more of a contagion than a traffic. One-half million Americans are daily users of heroin, and another million and one-half are less frequent users; thirteen million Americans are users of stimulants like amphetamines; 6.9 million Americans have used PCP; over ten million Americans have used cocaine; and at least forty-three million Americans have used marijuana! If those few statistics do not send shivers down the collective spine of this Committee and the United States Senate, then we have become insensitive to what may well be the most fundamental and challenging social problem we have faced.

And, unfortunately, this is not a problem that can be solved merely by appropriating more monies. Over the last decade, we have increased our overall expenditure on narcotics-related activity by more than 17 times—from $46.5 million to $814.2 million. Enforcement expenditures have also increased—by over 13 times. Yet, as the GAO study hammers home, *"The Drug Trade Flourishes."* If there is an answer to this problem it is surely no simple one, no magical formula that we have simply overlooked. Rather, the solution lies in a creative integration of the many disparate elements of Federal, state and local law enforcement efforts. We have the resources. But they are scattered and disorganized. It would be the primary function of the select committee to understand the nature of the problem and to arrange the pieces of the solution into a relatively coherent, manageable whole.

But there is a symbolic dimension of the creation of the select committee which almost equals in importance its formal task. To establish this committee would reflect a level of commitment to the burgeoning drug problem that this Senate has not yet seen fit to make. Not only would it put the criminal and would-be criminal on notice, but it would give heart to the thousands of men and women throughout this country who toil—many at the risk of their personal safety—at what is one of the most thankless and most necessary jobs we have, drug enforcement and control. It would put the executive agencies on notice that the Senate of the United States would no longer tolerate a status quo that steadily deteriorates, but will demand excellence and cooperation.

In his message accompanying the reorganization plan of 1968, President Johnson stated in words of simple eloquence the goal of the Federal Government: ". . . America will serve notice to the pusher and peddler that their criminal acts must stop. No matter how well organized they are, we will be better organized. No matter how well they have concealed their activity, we will root them out. The response of the Federal Government must be unified. And it must be total."

In truth, I do not believe that such sentiments have been accompanied by comparable action since the days when Robert Kennedy was Attorney General. Certainly, in recent years, no such commitment has been even slightly evident. Unfortunately, the vacuum of Executive leadership has not been filled in the Congress either. Institutionally, the Senate, at least, has not had a mechanism whereby it could effectively develop and coordinate policy. And with the many time demands on each Senator, the drug problem has occupied only a small portion of the attention and concern of only a few. By establishing the select committee that we are here proposing, it may be possible for the Senate to reverse the unfavorable trends; it may be possible for us to begin to clear away some of the darkness of a drug problem whose dimensions seem overwhelming; it may be possible to clean up some of our society and to reduce the crime consequent upon drug use. Whether or not the select committee is totally successful—and no human endeavor is ever totally successful—it cannot but help move us in a positive direction.

In fact, Mr. Chairman, I believe that if this Committee seriously considers S. Res. 207, it should authorize its existence for a limited period of time—perhaps, for one Congress—and then re-examine whether it should continue on the basis of : (a) whether the need still exists; and (b) on whether the Committee's performance justifies its continuance.

Furthermore, I would suggest if such an approach is adopted that the Rules Committee require the select committee to justify what it has done not on the basis of numbers of reports published or days of hearings held, as often happens, but upon hard results. The question the Rules Committee should ask is whether the select committee has really and significantly contributed to the war on illicit narcotics.

On the basis of my conversations with colleagues who would be anxious to serve on such a select committee, I am positive, Mr. Chairman, that the President Pro Tem of the Senate will find no dearth of individuals who are truly committed to devoting the time and the resources necessary to make the select committee a success. Each one of these individuals recognizes the gravity of the problem and would be enthusiastic about contributing to its solution.

I am perfectly aware, Mr. Chairman, that there is opposition to the creation of a select committee. As in all such discussions, there is a mixture of both policy and politics. I recognize the legitimate concern that you and others have over the danger of proliferating committees and the fear that some of the excellent work done by the reorganization at the beginning of the 95th Congress might get undone. These objections can, I believe, be overcome on the ground that a temporary select committee to investigate and propose solutions to a massive, multi-faceted problem is completely consistent with the purposes of the reorganization. Unquestionably the need is there.

But beyond policy, there is politics. No committee or subcommittee looks with favor upon a perceived encroachment of its traditional domain. I vividly recall some of the rather heated discussions that took place both in this room and on the Senate floor when S. Res. 104 was being discussed. Yet, I do not view the establishment of this select committee as interfering in any meaningful fashion with the jurisdiction or function of any other committee or subcommittee of the Senate. Nor do I accept as persuasive the argument of any other committee or subcommittee that because it has performed effective oversight over this or that agency that the task outlined for the select committee is already being accomplished. The facts speak for themselves. The fractured jurisdiction over the drug effort means, quite simply, that without the select committee, it will be business as usual, and that means business without a comprehensive national policy towards drugs.

This committee will no doubt hear testimony from a number of my distinguished colleagues that their committees are doing important and proper oversight. I would like to concur with those remarks in advance. Indeed, I would like to augment them by noting that in the various Appropriations Subcommittees on which I serve—most notably that chaired by Senator Hollings—we have done exceptional oversight. Nonetheless, it is that very experience that underscores and reinforces the absolute need for a select committee which is invested with a mandate by the Senate to explore all the dimensions of the drug problem. Oversight over individual agencies does not yield a comprehensive portrait of the federal drug effort. And certainly, it does not provide the basis for designing a true national drug strategy.

Mr. Chairman, the resolution I have introduced proposes the establishment of a Senate Select Committee on Narcotics Abuse and Control. As the drug problem continues to grow more serious, we in the Senate must improve upon our past sporadic efforts toward controlling the problem. The Select Committee, which would dedicate all its energies toward bringing this problem under control, is, in my mind and those of many others, absolutely essential. As the recent history of our fight against drug abuse demonstrates, coordination and consistency have often been lacking, and the successes we have achieved have been, at best, transitory.

The Federal Goverment began to accelerate its response to the drug abuse problem in the mid-1960s. Prior to 1966, dangerous drug control was centered in the Treasury Department. In 1966, as the abuse of non-narcotic drugs—barbitusates and stimulants—became more popular, Congress created the Bureau of Drug Abuse Control (BDAC) under the aegis of the Food and Drug Administration in the Department of Health, Education, and Welfare. Its purpose was to enforce laws against the manufacture and distribution of illicit drugs. The Bureau of Customs continued to exercise its traditional jurisdiction over cases involving smuggling across national boundaries.

In 1968 President Johnson submitted the Congress Reorganization Plan No. 1. The Plan called for the merger of the Bureau of Drug Abuse Control and the Bureau of Narcotics, a branch of the Treasury Department. The new agency, the Bureau of Narcotics and Dangerous Drugs (BNDD) assumed jurisdiction over most aspects of drug enforcement, and was located within the Department of Justice. Congress adopted President Johnson's proposal, which had as its goal coordination of the government's drug abuse control effort.

In 1970, Congress passed landmark legislation which consolidated and extensively revised federal drug laws. The Comprehensive Drug Abuse, Prevention and Control Act of 1970 provided for increased research into, and prevention of, drug abuse and drug dependence. It further provided for treatment and rehabilitation of drug abusers and drug dependent persons and strengthened existing law enforcement authority in the field of drug abuse. The emphasis of the previous justification for federal enforcement in the drug abuse field—that is, the Constitutional authority to levy taxes—was shifted in favor of the interstate commerce principle.

In 1972, President Nixon established the Office of Drug Abuse Law Enforcement (ODALE). Its function was to focus on eliminating drug abuse at the street level by establishing task forces to coordinate the Federal, State, and local drug enforcement efforts.

In 1973, President Nixon sent to Congress Reorganization Plan No. 2. The Plan recommended abolition of most agencies, including the newly organized Office of Drug Abuse Law Enforcement. The Plan, when enacted, created a new agency, the Drug Enforcement Administration (DEA). Located within the Justice Department, DEA appears to be the Federal Government's major weapon in the war on drug abuse.

DEA is not the only federal agency now involved with the drug abuse problem. In addition to the agencies I referred to earlier, the Immigration and Naturalization Service, the Law Enforcement Assistance Administration, the Coast Guard, the Federal Highway Administration, the Food and Drug Administration and the Defense Intelligence Agency all have jurisdiction over some aspects of drug abuse enforcement. Unfortunately, the result of all these overlapping Federal agencies has been indecision by Committee and inaction by mutual agreement. Agencies treat each other like princely kingdoms, and interagency task forces have the air of diplomatic negotiations. Such an atmosphere of rivalry, competition and complete independence does little to foster the basic goal of law enforcement.

This historical absence of commitment to a single organizational scheme is not the only example of the Federal Government's lack of focus in fighting drug abuse. We have never decided whether to focus our efforts on reducing supply or demand. In reducing supply, several approaches have been taken. We have focused on interdicting drugs where they are produced, where they enter the U.S., where they are distributed, and on street sales involving small-time pushers and their addicted customers. Arguments can be made in support of each of these approaches; unfortunately, our policymakers have been trying the various approaches without giving any one approach a chance to succeed. With regard to shrinking the demand for illicit drugs, a variety of educational and treatment programs, including the establishment of federally-funded methadone clinics for treatment of heroin addicts, have been tried. Some have worked better than others; none has resulted in bringing about a long-term, significant decrease in the demand for illicit drugs. Undoubtedly, the drug problem would be much worse without the intervention of the governments of the United States and other countries.

Mr. Chairman, Senate Resolution 207 creates a Senate Select Committee patterned after the Select Committee on Narcotics Abuse and Control of the House of Representatives. The Senate Select Committee would have at least one representative from six Committees of the Senate, five of which already have some jurisdiction over narcotics. These include Armed Services, Governmental Affairs, Foreign Relations, Commerce, Labor and Human Resources, and Judiciary. Each of these Committees is concerned with some aspect of drug abuse, but not one of them has the jurisdictional grant to coordinate an all-out, well-directed comprehensive examination of drug abuse and its control. The Select Committee would have both the mandate and necessary interest and support to do what must be done.

Several aspects of the problem demand our immediate attention. I would recommend that the following areas of concern—involvement of organized crime in the drug business, the foreign production of dangerous drugs, and corruption within our own drug enforcement agencies—be given special attention by the Select Committee.

No one doubts that organized crime controls much of the drug trade in the United States. Since dealing in illicit drugs requires large expenditures and tight coordination, the involvement of organized crime is almost essential to any large-scale narcotics enterprise.

Defining organized crime is not as simple as it once was. While the Mafia is still a force in the drug trade, after an apparent withdrawal from direct involvement during the 1960s, many new organizations, making most of their profit from trade in illicit drugs, have sprung up in major metropolitan areas. While on occasion these organizations have challenged the Mafia for control, in most cases, profitable alliances have developed between the more established and the newer organizations.

Organized crime, and its involvement in the narcotics business, is not a new problem. Several Executive Branch agencies have been actively working to put organized crime out of business. The problem now is more difficult and complex than it once was. Given the increased complexity of the problem, the Select Committee can provide important assistance. An independent, in-depth investigation of this aspect of the drug abuse problem could provide additional information and support for the agencies most directly involved in fighting drug abuse and

organized crime. Additionally, our investigation will undoubtedly help us in dealing with corruption in the drug enforcement agencies, a problem I will discuss in a moment.

Since the early 1970s the Federal Government has attempted to bring the drug abuse problem under control by sponsoring eradication programs in source countries. The programs are designed to destroy illicit drugs at their source, before processing and entry into the United States. The United States had used foreign aid money to encourage growth of legitimate crops. Other programs have involved direct grants to foreign countries for use in eradicating narcotics. These programs were successful in Turkey in the early 1970s; this success is demonstrated by the fact that the French Connection, which supplied heroin to the U.S. from Turkey, is not nearly as productive as it once was. The effort to control the flow of heroin from Mexico has also been successful. According to the 1978 report of the National Narcotics Intelligence Consumers Committee, the reduction in heroin supply in the U.S. since 1975 is due in large part to successful efforts in Mexico.

These programs are very important. Once a foreign government's assistance is obtained, our task becomes less difficult. Unfortunately, gaining the assistance of foreign governments is more difficult than in the past. Currently, a large percentage of the heroin is imported from the Golden Triangle—where Burma, Laos, and Thailand meet—and other areas of Southeast Asia. Another area which is quickly becoming a major source of heroin includes such nations as Iran and Afghanistan. I need not speak at length on our difficulties in this part of the world. We cannot, however, throw up our hands and wait for a change in government.

The Select Committee, with its focus on narcotics abuse, can view the problems of eradication with a particular goal in mind. A representative of the Committee on Foreign Relations, as a member of the Select Committee, will be able to offer an appreciation of the broader ramifications of any eradication program. The Select Committee will also be able to view eradication programs in light of their impact on other aspects of the drug abuse control effort.

Corruption within our own drug enforcement agencies is a third area where I believe the Select Committee's role will be important. At this time it is unclear to what extent corruption exists. Few, however, refuse to believe that there is at least some corruption.

The Permanent Subcommittee on Investigations, in its 1975–76 hearings, concluded "throughout the history of the Federal drug enforcement insufficient attention has been paid to integrity and corruption problems." With due respect for my colleagues on the Permanent Subcommittee, and for their hard working staffs, this problem should be considered by a group which can devote all its energy to solving this problem. Further, these problems can best be explored together with other aspects of the drug problem. To fight drug abuse, we need honest government employees. The Select Committee can and will find out which officials are corrupt and see to it that they are prosecuted to the fullest extent possible.

In all these areas, there is a need for review, coordination, and action. The Select Committee will have the mandate, interest and resources to perform these tasks. By including members of the several committees which have jurisdiction over some aspects of the problem, we will gather the necessary expertise and information while streamlining the effort. The issues involved here are of most serious concern to all. Mismanagement and squabbling have given drug traffickers a giant head start. Now is the time for us to close ranks behind a single committee. Thank you.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, the Senate Select Committee on Small Business will conduct a hearing on the Small Business Administration's 8(a) pilot procurement program.

The hearing will begin at 10 a.m., on January 23, 1981, in room 424 of the Russell Senate Office Building.

ADDITIONAL STATEMENTS

THE IMPENDING MINERAL CRISIS

● Mr. BAUCUS. Mr. President, the handwriting is on the wall and it seems to be easier to read every day. The United States is facing a new threat to its national security of the magnitude of OPEC. Increasing demand for minerals coupled with decreasing domestic capacity spells a dangerous reliance on imported minerals for this Nation.

A recent study by the Joint Economic Committee entitled "Energy and Materials: A Shortage of Resources or Commitment?" outlines the seriousness of this problem. The United States must rely on imports for 80 to 100 percent of its supply of seven critical minerals, the JEC says. These minerals, including chromium, cobalt, platinum, and bauxite, are essential to American business and industry.

The imminence of this crisis was underscored for me and the people of Montana on September 29, 1980, when the Anaconda Co., a subsidiary of Atlantic Richfield, announced the immediate closure of its copper smelter in Anaconda, Mont., and its refinery in Great Falls, Mont. The resulting impact on Montana's economy and the 1,500 workers who lost their jobs was tremendous.

Beyond that, the closures reflect a disturbing pattern in our domestic copper industry. No increased domestic copper production capacity is projected before 1985 despite anticipated growth in demand, according to a 1979 report by the General Accounting Office. Indeed, in the decade preceding this report, imports of refined copper rose from 6 percent to over 19 percent of U.S. consumption.

The accuracy of forecasts for increased dependence on foreign suppliers was confirmed on December 17, 1980, when the Anaconda Co. formally announced that copper concentrates previously smelted and refined in Montana would be shipped more than 5,000 miles to Japan for processing.

This situation deserves the immediate attention of Congress if we are to avoid further weakening of our national security. With particular regard to the copper industry, I shall submit an article appearing in the December 1980 volume of the Journal of the American Mining Congress as part of my statement. The authors of the article, A. Dan Rovig and Richard K. Doran, conclude that, without action, copper may well become the 25th of 32 minerals vital to our national well-being for which the United States is import dependent.

I am hopeful that the 97th Congress will proceed diligently in formulating a minerals policy which will foreclose this possibility.

The article follows:

COPPER: A DECADE OF CHANGE AND ITS MEANING FOR THE FUTURE

(By Dan Rovig and Richard K. Doran)

The beginning of the new decade seems an appropriate starting point for discussing the state of the U.S. domestic copper industry. The last decade represents a period during which more external changes affected the U.S. copper industry than at any other time in its history. Earlier periods of change were more concerned with factors that seemed to have originated from within the industry. Some examples would be changing ore grade, development of open pit mining, new technologies, and new production methods.

In contrast to these so-called internal factors, the 1970s saw the rise of a whole new set of influences that were basically from external sources. We saw the rise of the environmental movement and the passage of national legislation that have had major impacts on the industry. The dramatic increase in energy prices and the growing importance of land use controls represented additional factors. We might also choose to include the growing role of the states and their determination to affect the direction of industrial development as an external factor. More items could be listed but these should be easily identifiable and help support the point regarding the contrast between the pre-1970 period and the 1970 decade as far as change factors are concerned.

WESTERN WORLD OUTPUT UP 27 PERCENT IN 1970'S

With this as an introduction, let's review briefly some of the major changes that have taken place in the past decade within the various sectors of the U.S. copper industry. To place the U.S. industry in perspective, we'll compare its performance with that of other western nations that are either major producers or consumers of copper. This comparison is being made at the international level even though the U.S. is basically self-sufficient in copper.

The United States in 1969 produced 29 percent of the western world's copper mine output. By 1979 this figure had slipped to 23 percent. Also, during that same time period, U.S. production rose only 3 percent while the total western world's output increased 27 percent. As an indication of the change in production pattern during this period, it is interesting to note that in 1969 there were 38 western countries listed in World Metal Statistics as copper producers. By 1979, that number had increased to 52. Table 1 shows the production summaries during the 1969–1979 period. The near static rate of U.S. mine output was made up by significant increases in output from Chile, Peru, the Philippines and others. In spite of the actual increase in the number of producing countries, the degree of concentration of production has remained essentially unchanged. In 1969, the ten leading producers provided 90 percent of the western world's output. By 1979, that same figure had fallen to only 89 percent.

TABLE 1.—WESTERN WORLD COPPER MINE PRODUCTION—10 LARGEST PRODUCING COUNTRIES: 1969 AND 1979

[Copper content, thousand metric tons]

Country	1969 Amount	1969 Percent composition	1979 Amount	1979 Percent composition
United States	1,401.2	29.1	1,441.3	23.5
Zambia	719.5	14.9	588.3	9.6
Chile	698.1	14.3	1,060.6	17.3
Canada	500.2	10.4	643.8	10.5
Zaire	364.0	7.6	399.8	6.5
Peru	199.0	4.1	397.0	6.5
Philippines	131.4	2.7	297.0	4.8
Australia	131.1	2.7	232.8	3.8
South Africa Republic	127.1	2.6	203.2	3.3
Japan	120.3	2.5		
Papua New Guinea			170.8	2.8
Subtotal	4,381.9	90.9	5,434.6	88.6
Western world total	4,820.9	100.0	6,134.9	100.0

TABLE 2.—WESTERN WORLD COPPER SMELTER PRODUCTION.—10 LARGEST SMELTING COUNTRIES: 1969 AND 1979

[Copper content, thousand metric tons]

Country	1969 Amount	1969 Percent composition	1979 Amount	1979 Percent composition
United States	1,508.5	29.0	1,395.8	22.1
Zambia	703.7	13.5	595.1	9.4
Chile	646.7	12.4	946.9	15.0
Japan	501.1	9.6	921.4	14.6
Canada	388.3	7.5	389.0	6.2
Zaire	363.8	7.0	370.2	5.9
Germany, Federal Republic	184.5	3.6	260.0	4.1
Peru	170.3	3.3	341.0	5.4
South Africa Republic	127.3	2.4	182.3	2.9
Australia	124.4	2.4	174.1	2.8
Subtotal	4,718.6	90.7	5,575.8	88.4
Western world total	5,200.9	100.0	6,307.0	100.0

Beyond the mine production stage the western world's ten leading copper smelting countries generally show shares of smelter output that correspond to their respective shares of mine production. Table 2 indicates the smelter share information as well as the changes that have taken place in the ten-year period.

Countries showing major variation between mine and smelter production are Chile, Japan, Peru and West Germany. Japan, in particular, significantly increased its share of smelter production. This apparently was done at the expense of the U.S. position which fell to less than a quarter of the smelter production total. In terms of the degree of concentration between mine and smelter production for the ten leading producers, there is a very similar pattern. At each stage, the ten leading countries controlled slightly over 88 percent of the western world's respective capacity.

The refining is dominated by countries that are much further along industrially. In fact, several of these countries do not even have any mine production. As in the case of mine and smelter production, the U.S. refining position dropped during the ten-year period while Japan and Chile showed significant increases. Japan, with only 1 percent of the western world's mine production in 1979, refined nearly 14 percent of the western world's total copper (see table 3).

TABLE 3.—WESTERN WORLD COPPER REFINED PRODUCTION—10 LARGEST REFINING COUNTRIES: 1979

[Copper content, thousand metric tons]

Country	1969 Amount	1969 Percent composition	1979 Amount	1979 Percent composition
United States	2,033.9	34.5	2,060.3	28.9
Japan	629.2	10.7	983.7	13.8
Zambia	603.2	10.2	570.6	8.0
Chile	452.9	7.7	779.5	10.9
Canada	408.8	7.0	397.3	5.6
Germany, Federal Republic	402.1	6.8	382.5	5.4
Belgium	286.7	4.9	268.8	5.2
United Kingdom	198.2	3.4		
Zaire	182.3	3.1		
Australia	138.6	2.4	173.8	2.4
Peru			229.0	3.2
South Africa Republic			152.4	2.1
Subtotal	5,335.9	90.7	6,097.9	85.5
Western world total	5,884.1	100.0	7,131.2	100.0

U.S. POSITION AS COPPER CONSUMER HAS SLIPPED

Finally, the last performance indicator of the U.S. copper industry is refined consumption. While the average annual growth in U.S. consumption over the ten year period equalled 1.4 percent, the U.S. position slipped to under 30 percent of the western world consumption figure. It should be noted, too, that during this same period total western world consumption of refined copper was growing at an annual rate of 2.9 percent and Japan's copper consumption growth rate was 5.1 percent. At the same time Japan and Belgium increased their respective positions and both Brazil and Yugoslavia were added to the list of leading consumers (table 4).

TABLE 4.—WESTERN WORLD REFINED COPPER CONSUMPTION—10 LARGEST CONSUMING COUNTRIES: 1969 AND 1979

[Copper content, thousand metric tons]

Country	1969 Amount	1969 Percent composition	1979 Amount	1979 Percent composition
United States	1,943.4	34.1	2,229.0	29.4
Japan	806.9	14.1	1,330.1	17.6
Germany, Federal Republic	655.7	11.5	800.0	10.6
United Kingdom	546.8	9.6	498.8	6.6
France	334.8	5.9	342.8	4.5
Italy	238.0	4.2	352.0	4.7
Canada	234.5	4.1	243.2	3.2
Belgium	112.2	2.0	303.1	4.0
Australia	99.2	1.7		
Spain	96.2	1.7		
Brazil			228.7	3.0
Yugoslavia			155.0	2.1
Subtotal	5,067.7	88.9	6,482.7	85.7
Western World total	5,705.4	100.0	7,572.4	100.0

To anyone who has even a casual acquaintance with the U.S. copper industry, these ten-year indicators should not come as a surprise. We have all watched the gradual erosion of the domestic industry's relative position during this decade and the corresponding rise of other nations' copper industries. We have been exposed, too, to the list of causes that are frequently cited to explain these trends.

At the very base of the explanation lies the fundamental fact that the U.S. industry's costs have risen significantly, more so than in other parts of the world, and now, lower cost capacity in smelting and refining has not been added in this country. For example, it is no coincidence that during this decade of decline, an estimated 10 cents per pound was added to the domestic production costs of the U.S. primary copper industry through added pollution controls. In a summary of the impact of pollution control costs on the U.S. industry during the 1970s the Mining Journal reported that an estimated $3 billion had been spent to achieve and maintain designated air quality standards and other pollution controls. Some of these expenditures were broken down in the following manner by individual producer:

Inspiration Consolidated Copper Co. spent $120 million to construct new copper smelter facilities.

Asarco spent $239 million on pollution control.

Kennecott Copper Corp. expended $411 million on anti-pollution equipment.

Phelps Dodge spent $330 million during this period to upgrade its pollution and processing facilities.

Anaconda Copper Co. has spent over $260 million on a variety of pollution controls since 1970.

NON-PRODUCTIVE COSTS WEAKEN INDUSTRY

If the added costs of the non-productive pollution control equipment were not sufficient to further weaken the position of the domestic industry, the resulting cash shortages invited other industries to acquire interests in the U.S. copper industry. The Bendix Corp., acquired a 20 percent interest in Asarco through acquisition of stock issued partly to cover its pollution control costs. Kennecott during this period was the subject of various acquisition attempts and certainly its nearly half billion dollar anti-pollution cost total did not strengthen its position. The change-in-ownership list should also include Standard Oil of Indiana's acquisition of Cyprus Mines Corp., Atlantic Richfield Corp.'s purchase of Anaconda, and Copper Range's takeover by Louisiana Land and Exploration. These actions cannot be traced exclusively to the costs of added pollution control measures. Nevertheless, the expenditures on this anti-pollution equipment weakened these companies to the point that they were candidates for such actions.

Another argument might also be offered that through these structural changes and the resulting infusion of new capital and new management controls, a revitalized industry will emerge in the 1980s, one that will be in a stronger position to reverse some of the observed trends of the 1970 decade.

INDUSTRY PRODUCTIVITY HAS GENERALLY IMPROVED

In spite of the added costs of pollution controls in the industry, it is interesting to note that the industry's productivity over the decade has generally improved. The productivity trend is somewhat surprising when one reviews the decade and realizes the restricted investments made in new technology and new production facilities.

Generally speaking, approximately two-thirds of the employee hours required to produce a metric ton of refined copper are attributed to the mine-mill category. The remaining one-third are from the smelter-refinery category. In 1971, it took 67.5 employee hours in this country to produce a metric ton of refined copper. By 1979, that figure had dropped 12 percent to 59.5 em-

ployee hours. Table 5 summarizes the productivity totals for the decade and breaks out the two production categories. As far as changes are concerned, more productivity improvements appear to have taken place at the mine-mill level. Probably the applications of larger, more efficient equipment at the mining stage and the absence of new investment and technology in the smelting-refining stage during the decade explains this fact.

TABLE 5.—PRODUCTIVITY: EMPLOYEE HOURS PER METRIC TON OF U.S. COPPER PRODUCTION

Year	Mine/mill	Smelter/refinery	Total
1971	45.2	22.3	67.5
1972	42.8	21.1	63.9
1973	46.1	21.1	67.2
1974	46.8	23.2	70.0
1975	48.3	23.8	72.1
1976	39.9	20.4	60.3
1977	40.2	20.0	60.2
1978	37.2	21.9	59.1
1979	38.3	21.2	59.5

Source: Bureau of Labor Statistics.

DIFFERENT COPPER INDUSTRY WILL EMERGE FROM 1980'S

Let's turn now to some issues that will significantly shape the industry's future. I personally feel that the industry that emerges from the 1980's will be quite different than today's industry. These changes are likely to be reflected in the nature of the copper industry's ownership pattern, control and location of its processing facilities, the types of markets it will supply, and a variety of other factors.

Since we have been looking at the state of the U.S. industry and will be attempting a look at its future, we may ask whether domestic and world copper reserves suggest any future problems. In an analysis prepared by the U.S. Bureau of Mines in 1979, the world copper reserve base in ore was estimated at 495 million metric tons.[2] The Bureau estimated that there are an additional 1,133 million metric tons contained in other land-based resources and an estimated 689 million metric tons of copper contained in oceanic manganese nodules. Table 6 summarizes these estimates of world copper resources.

TABLE 6.—WORLD COPPER RESOURCES

[Million metric tons of copper]

	Reserve base[1]	Other[2]	Total
North America:			
United States	92	290	382
Canada	32	109	141
Other	30	27	57
Subtotal	154	426	580
South America:			
Chile	97	172	269
Peru	32	36	68
Other	19	64	74
Subtotal	128	272	411
Europe and Near East (Subtotal)	22	36	58
Africa:			
Zaire	24	27	51
Zambia	34	64	98
Other	12	18	30
Subtotal	70	109	179
Asian (subtotal)	27	64	91
Oceania (Subtotal)	23	54	77
Centrally planned economies (Subtotal)	60	172	232
World total (land-based)	495	1,133	1,628
World total (seabed nodules)		689	689

[1] Reserve base that part of the identified in-place resource delineated by physical and chemical measurements related to current mining and production practices. Mineral reserve includes submarginal reserves.

[2] Includes undiscovered (hypothetical and speculative) deposits (derived in collaboration with U.S. Geological Survey).

Footnotes at end of article.

For purposes of comparing the U.S. resource position, the reserve base in the U.S. is estimated at 92 million metric tons with an additional 290 million metric tons of other copper resources, including undiscovered deposits. Most of these reserves are concentrated in five states, with Arizona, Utah, New Mexico, Montana and Michigan accounting for more than 90 percent of them.

Returning to the world resource picture, it is interesting to note the inclusion of seabed nodules in this resource estimate and other similar type estimates. Though at the present time the seabed estimates are considered highly speculative, the best available information based upon such measures as sampling, photography, and underwater television camera suggests a total world resource of 69 billion metric tons of nodules. Numerous analyses of nodules from the Pacific Ocean have been made and the results for the four major metals suggest the following mean values: 24 percent manganese, 1.0 percent nickel, 1.0 percent copper, and 0.35 percent cobalt. The Bureau of Mines has speculated that a hypothetical underwater mining operation producing 1 million dry metric tons of annual product of nodules could produce the following percentages of 1978 U.S. primary demand: manganese, 17; nickel, 5; copper, 0.5; and cobalt, 33.

RESERVES APPEAR ADEQUATE FOR BALANCE OF CENTURY

The reason for this discussion on resources is to estimate whether there may be a resource constraint on the horizon for the industry. The Bureau of Mines has estimated that by the year 2000 the cumulative total world demand for primary copper would amount to nearly 281 million metric tons. Assuming that the world reserve estimates are reasonably correct, then at least for the balance of this century production from these reserves should be adequate to meet the requirements for primary copper. Therefore, the availability of world reserves, in my opinion, does not seem to be a major factor shaping the future character of the U.S. copper industry.

Concern is periodically voiced about the displacement of copper in certain markets and the problem the metal faces from substitute materials. In considering factors shaping the industry's direction, I want to highlight some of the current trends in the marketplace and the likely future developments by end-use. I am going to utilize some recent work done by a United Nations study group in 1979 and reported in Copper: The Next Fifteen Years, A United Nations Study.[3]

The quality of the data on copper end-use is quite poor outside the U.S., so we'll use the U.S. statistics as the basis of the following discussion. Table 7 summarizes the changes and trends that have occurred since 1969 in the major consuming sectors for copper in the U.S. The one market component that is distorted is the ordnance sector which was abnormally high in 1969 because of the Viet Nam involvement. During the period 1969–1978, total consumption growth averaged only 1.0 percent per year. Two sectors, electrical and construction, exceeded this rate and increased, respectively, 2.1 and 3.2 percent per year.

TABLE 7.—U.S. COPPER CONSUMPTION PATTERN: 1969–78

[Thousand metric tons]

	1969	Percent of total	1978	Percent of total	Average annual growth rate
U.S. consumption pattern:					
Electrical	1,082	53	1,396	58	2.1
Construction	399	15	411	18	3.2
Machinery	239	11	201	9	−1.5
Transportation	180	9	194	9	.9
Ordnance	156	7	73	1	−19.2
Other	103	5	112	5	1.0
Total consumption	2,060	100	2,247	100	1.0

Copper has increasingly faced competition from aluminum, plastics, steel and other materials. The most significant inroad made in a traditional copper market has been my aluminum in the overhead transmission of electricity. It is now estimated that approximately 40 percent of insulated power cable and more than 90 percent of bare conductor applications have been taken over by aluminum. Aluminum is rapidly replacing copper in underground power cables, particularly in the lower voltage ranges. However, high-tension power cables are still dominated by copper and are expected to remain that way. Other materials threatening the cable market include sodium, lead, cadmium and niobium as superconductors at cryogenic temperatures.

Several new systems are presently in the development stages that promise major competition to copper's role in the telecommunications field. One system involves fiber optics (spun glass) in which an electronic impulse is used to transmit a much greater volume of messages per cross-sectional area of wire than with copper. Also, work is progressing on using a laser impulse for transmission purposes. The best estimate at the present is that these new applications will develop slowly at first but over the long run, probably after the mid-1980s, use of copper in this sector will trend downward.

SUBSTITUTION A SERIOUS PROBLEM IN CONSTRUCTION

The second largest market for copper and its alloys is in construction applications. In spite of the trend shown in table 7, where this market has increased its share of total in the U.S., substitution is a serious problem. Where copper was once mandatory as a material for plumbing tubes in cold water systems, PVC has been a major substitute in this application. Copper is expected to hold its own in other applications such as fastenings, locks, and architectural uses.

The recent U.N. survey concludes that substitution in the construction industry will proceed faster in the U.S. than in Western Europe. In the U.S., building code restrictions are more tolerant, thus allowing more substitution.

The automobile industry uses copper primarily in two forms: wiring and radiators. The greatest substitution opportunity both presently and in the future lies with radiator construction. However, at a time when the industry is seriously squeezed by rising costs, the investment in capital equipment necessary to work with a new material, i.e., aluminum, may inhibit this trend for a few years.

There has also been some recent discussion linking copper with the new applications in the solar energy field. It is somewhat difficult at the present time to quantify this market with any degree of accuracy, so it is appropriate to postpone any specific forecast until we know more about the general applications of solar energy and specifically the role that copper will play in its development.

This brief review of copper's major markets suggests that material substitution will continue to exert major influences in the various copper markets. In our own internal assessment of the various markets for copper, we have factored this consideration into our consumption forecast. Additionally, we have attempted to anticipate various national economic trends and in so doing have prepared consumption forecasts for major copper consuming countries. We are presently updating those forecasts. Last summer we prepared consumption forecasts and they are shown in table 8.

This leaves us with the problem of sorting these factors out and coming up with a credible outlook for the industry. In spite of some limited optimism on markets, reserves and productivities, I still see no major factors on the horizon that will alter the

1970 trends that we reviewed earlier. In fact, if the domestic copper industry continues in the pattern of the past decade, it will have trouble supplying the basic demand for copper. Additionally, it will be most difficult to meet the more aggressive and lower cost foreign competition. Too many constraints on domestic productive capacity and inadequate internal financial reserves almost guarantee such a scenario.

TABLE 8.—HISTORIC AND PROJECTED CONSUMPTION

	Percent growth rate	
	1950–77	1978–93
United States	1.7	1.6
Canada	3.3	2.2
Belgium	5.5	2.5
France	4.5	2.4
Germany	5.3	3.0
Italy	5.7	5.4
Japan	11.2	4.4
Brazil[1]	8.9	11.1
Other	3.3	2.4
Western world[2]	3.8	3.1

[1] Growth from 1960 to 1977 averaged 12.3 percent.

[2] Growth averaged 4.4 percent from 1950 to 1973.

MORE LIMITS FORESEEN ON DOMESTIC CAPACITY

A recent U.S. Department of Commerce study[4] on the potential impacts of regulations on the U.S. copper industry concluded that while capital expenditures by most U.S. copper companies have increased sharply, a significant portion (25 percent) has been allocated for nonproduction pollution abatement.

Most of that was associated with sulfur dioxide control at smelters. A major financial concern is that capital expenditures for the industry are increasing faster than internal cash generation, causing a deterioration of the companies' cash flow position. The result has been a marked departure from historical behavior: i.e. dramatic increases in external financing by the industry. In fact, during the past five years, the collective industry has doubled its overall debt while equity has increased by less than 35 percent.

As I personally review the domestic industry, I find it very difficult to show where any new productive capacity will be coming from. If anything, I see more limitation on domestic capacity in the future! Mine production will likely increase since the restrictions on it are not merely as severe as they are on the processing stages of copper. This may mean an industry in the future mining more ore, exporting more concentrate and importing more refined copper. But in a nation that has a de facto mineral policy that tolerates import dependence for 24 of the 32 minerals essential to national survival, perhaps the addition of a 25th isn't so unreasonable.

FOOTNOTES

[1] *Mining Journal*, Jan. 20, 1979.

[2] *Copper: Mineral Commodity Profiles*, prepared by the U.S. Bureau of Mines, September 1979.

[3] A United Nations study by Gluschke, Shaw and Varon. D. Reidel Publishing Co., 1979.

[4] "The Potential Economic Impact of U.S. Regulations on the U.S. Copper Industry," Industry and Trade Administration, Department of Commerce, April 1979.

[5] *The Denver Post*, Sept. 10, 1980.

[6] *World Metal Statistics*. (World Bureau of Metal Statistics. London, England).●

GRANT REFORM

● Mr. COHEN. Mr. President, I am pleased to be a cosponsor of S. 45, the Federal Assistance Reform Act of 1981. This legislation would help reduce the huge administrative burden that now characterizes our grant system and could save billions of dollars in administrative costs for Federal, State, and local governments.

There are more than 500 categorical grant programs in place at the present time, each with its own set of administrative and regulatory requirements. At least 55 Federal agencies have grant-making authority, and they, in turn, disperse funds to 50 States, 3,000 counties, 500 regional councils of governments, and nearly 90,000 cities, towns, and special districts.

Overhead and paperwork costs of categorical grants are enormous, sometimes running as high as 28 percent of available program funds. Paperwork costs alone associated with grant programs for all State and local governments exceed $9 billion per year.

Small towns in my own State of Maine, which cannot afford to hire grant-writing experts, have been discouraged from even applying for Federal grant money because of the complexity of the application process. Very recently, one of my constituents was unable to complete the necessary paperwork in time to be considered for one program even though he had filed similar applications in the past. The amount of time necessary just to compile the information prohibited him from filing an application before the deadline.

Many of the provisions of this legislation are designed with small communities in mind. To reduce administrative costs, the bill proposes to consolidate separate programs with similar goals into one grant program, combining reporting, auditing and other administrative requirements. To understand the need for this provision, one need only examine a list provided by the Advisory Commission on Intergovernmental Relations of current grant programs. In 1977, there were 7 highway safety grants, 12 for forest-related programs, 23 for pollution control and abatement, 36 for social services, and 78 for education. Indeed, there is even a separate grant program for highway beautification and for the control of junkyards. And the trend has been to compound the problem by creating more categorical grants. For example, in response to the 1973 oil embargo, 29 new energy assistance programs were created and administered by nine different Federal agencies.

Another important provision of S. 45 is designed to reduce the audit requirements for grant recipients by replacing the current practice of having each Federal agency do its own auditing.

Mr. President, I believe that this legislation is in keeping with the goals of the new administration. We need to simplify the operation of Federal programs to insure that they are run in the most efficient manner possible and to guarantee that tax dollars are not wasted in unnecessary overhead. By streamlining federal grant programs, we can remove many of the obstacles faced by small communities seeking Federal funds.

I am pleased to pledge my support to this legislation which could save up to 10 percent of the costs of grant programs. I look forward to working within the Governmental Affairs Committee to promote passage of the bill during this session.●

AIR FORCE, NAVY RECRUITING SUCCESS

● Mr. COHEN. Mr. President, two recent news articles indicate that recent congressional action to improve military compensation may be helping the services meet their manpower needs.

The headlines tell the story. "Air Force Recruiting Sets Record" is the message of a December 21 Christian Science Monitor article. "More Pay Brings Hike in Navy Reenlistments" speaks directly of the impact of improved compensation.

These two articles should not cause anyone at the Pentagon or in Congress to get overly optimistic about the services' ability to meet manpower needs. They do, however, reflect a positive trend.

More important, they show what can happen when Congress and the Defense Department work together to provide positive incentives for enlistment and reenlistment in the Armed Forces. What is critical now is that we not be complacent.

The pay and benefit packages approved in the 96th Congress will be a big help to military recruiters and reenlistment counselors. But we must not forget that those improvements were long overdue and that they still did not bring military pay into comparability with civilian sector wage scales.

GI bill educational benefits are still needed. A careful look at military compensation is still in order. And attention to "quality of life" items for military personnel and their families is still essential. So, too, is greater attention to the kinds of steps aimed at strengthening training and "esprit de corps" which Army Chief of Staff Meyer is in the process of implementing.

Still, the two news reports are very encouraging. It is pleasing to note that "Air Force recruiters were so successful that they reached their recruiting goal before the fiscal year was even 10 months old." And it is good to read that "Navy reenlistments have risen sharply because of pay raises that become effective in October."

These two articles should be of interest to all who are concerned about the Nation's military manpower situation. I commend them to my colleagues.

The articles follow:

[From the Christian Science Monitor, Dec. 31, 1980]

AIR FORCE RECRUITING SETS RECORD

(By Jim Sanders)

Air Force recruiting efforts in the Colorado Springs area are now more successful than ever before and record numbers of young men and women from this area are signing up to wear Air Force blue.

Southern Colorado sent 567 recruits to Air Force basic training during the fiscal year that ended Sept. 30, 1980. Eighty percent of those recruits were men.

The Air Force's top recruiter in the six-state area that includes Colorado was Tech. Sgt. Mike Clare, who works out of an office in Widefield.

Clare who this year enlisted 118 new recruits, said Friday that the soft job market

for recent high school graduates and the chance to get the skills training necessary to compete in future job markets are the main reasons enlistments have hit an all-time high.

"A lot of young people are having difficulty finding jobs," Clare said. "Industry just doesn't have the time to train them if they don't already have the skills needed.

"We can take them, train them and give them the skills they need. Then if they like the Air Force, they can stay in. If they don't like it, they can get out and have a better chance of getting a job."

The Air Force recruits persons between the ages of 18 and 28. Clare said the majority of those signing up from this area are at the lower end of that age spectrum. He called the older recruit "a rarity" and said most of them enlist in professional and speciality slots.

The Colorado Springs area has always been fertile ground for recruiters, according to Clare. He attributed that to an "overall sense of military awareness" in this area.

"With three military installations in the area, you can't help but have an awareness," Clare said. "Even if a young person isn't a military dependent he's been around those who are. That gets rid of some of the suspicions and myths you find in other areas."

Clare said recent jumps in military pay also play a role in attracting recruits. He said that currently recruits make $500 a month during basic training.

"That's a lot of money for a young kid who's 18 or 19 years old. Plus they don't have a lot to spend it on during their training time. They live in dormitories and eat in dining halls."

The uncertainty that followed the announcement of draft registration also helped push enlistment levels up, Clare said. Young men and women unsure about their draft status followed the age-old tradition of signing up in the Air Force instead of waiting to be drafted. He said once it became clear there was not going to be a draft, that rush leveled off.

Recruiters in the six-state Rocky Mountain area were not the only ones who were successful this last fiscal year. Nationwide, more than 84,000 new recruits signed up. Air Force recruiters were so successful that they reached their recruiting goal before the fiscal year was even 10 months old.

[From the Virginian-Pilot, Jan. 7, 1981]

MORE PAY BRINGS HIKE IN NAVY REENLISTMENTS

(By John Stevenson)

NORFOLK.—Navy reenlistments have risen sharply because of pay raises that became effective in October, Adm. Harry D. Train II, the Atlantic Fleet commander, said in an interview Tuesday.

Reenlistments of sailors in the Atlantic Fleet finishing their first terms jumped by 25 percent in November from such reenlistments in September, Train said.

"Pay is clearly the cause of it," he added. "The reaction is resounding. Everybody you talk to is content and happy with it. They think the country has done right by them."

He predicted that the favorable trend will continue and that a shortage of about 20,000 senior petty officers will be alleviated within four years. The shortage has threatened to cripple ship and aircraft readiness, and has sometimes led to disruptive juggling of personnel from one ship to another.

Train said that December figures aren't yet available. September was the last month before an 11.7 percent pay raise and other new pay benefits, including a bigger housing allowance in high-cost areas, went into effect.

According to Train's statistics, the number of those reenlisting after their first hitch was 25 percent higher; the number reenlisting after a second hitch rose 21 percent; and reenlistments among more senior people—those in the career category—was up 14 percent.

When both October and November figures are compared with those for the same two months in 1979, reenlistment figures are still up, although not as much. For first-hitchers they rose 11 percent; for second-hitchers, 6 percent; and for career people, 7 percent.

The hard numbers look like this: 622 first-termers reenlisted in November 1980 as compared to 307 in September of the same year; 303 second-termers signed up anew in November as compared to 101 in September; and 264 career people signed in November, compared to 150 in September.

When the year-to-year comparison is made, these are the numbers: In October and November 1980, 1,609 first-termers reenlisted, 623 second-termers re-enlisted, and 795 career people signed on again. That compares to 973, 472, and 526, respectively, for October and November a year earlier.

The figures supplied by Train are for the Atlantic Fleet only, roughly half the Navy. Pacific Fleet figures could not be obtained late Tuesday, although officials said increases could also be expected there.

Train credited Adm. Thomas B. Hayward, chief of naval operations, for much of the success. Hayward was a frequent and outspoken lobbyist for improved military pay.

Major provisions of the October pay boost were an across-the-board 11.7 percent hike and an increased housing allowance in high cost-of-living areas. In Tidewater, housing allowances rose 15 to 45 percent as a result of the measure.

Other pay hikes did not become effective until this month, including sea pay that will quadruple for some Navy people and greatly expanded bonuses for those with nuclear and submarine expertise. Also, officers have just begun to receive sea pay for the first time in more than 30 years.

"Everything is positive," said Train, calling the new pay structure "an astounding package."

Train predicted that with the alleviation of the Navy's 20,000-man petty officer shortage, the service "will be fairly comfortable again. Being fairly comfortable is where the nation ought to be."

The personnel deficit last spring caused the Norfolk-based oiler Canisteo to be declared temporarily unsafe for extended operations, while the Norfolk-based carrier John F. Kennedy had to borrow about 50 people from other commands before it could begin a Mediterranean trip during 1980.

Late in the year, officials began talking about selective manning experiments under which personnel might be traded off among three frigates. One of the ships under that plan would have had enough people for operations anywhere necessary, another would have had enough for operations only close to home, and the third would have been virtually pier-bound.

However, a well-placed officer said Tuesday that this plan is now on the "back burner" and may never be fully implemented, especially if Train's prediction for continued favorable re-enlistment rates is realized.●

THE BUDGET FOR FISCAL YEAR 1982

● Mr. BOREN. Mr. President, in a few weeks, we will begin the process of analyzing the budgetary needs of this country for fiscal year 1982.

I would like to make a few brief comments for the record relating to the final budget submitted by the Carter administration. While I recognize that this last Carter budget will be superseded by initiatives by the Reagan administration and by the feelings of many newly elected Members of this Congress, I believe that many of the issues dealt with in the Carter budget will be of concern in our deliberations.

The Carter budget as submitted calls for outlays of $739.3 billion in revenues of $711.8 billion, resulting in a deficit of $27½ billion. It also would, for the first time in history, push the public debt over $1 trillion.

My major disappointment with the Carter proposal is the fact of the deficit. It was just 1 year ago that the Halls of the Congress resounded with the determination that fiscal year 1981 would finally be the year in which the long-sought goal of a balanced budget would be achieved. Indeed, with the passage of the first concurrent budget resolution last year, the budget was balanced on paper. Unfortunately, all of us knew at the time that it was only a paper balance and was not going to be sustained as the year progressed.

There were many reasons given for our failure last year, the most persistent being the inflationary spiral that pushed costs far above our original estimate.

The fact is, Mr. President, that once it was established that there was going to be a deficit in fiscal year 1981, all incentive to cut spending seemed to vanish and, in my opinion, the projected deficit now set at $55.2 billion is not just the result of economic conditions, but also the result of our own inability to control ourselves.

We are now told, by not only the Carter budget, but also the Reagan administration's own estimates, that a balanced budget is not achievable until fiscal year 1984. It is little wonder that the American people have become cynical about their own Government's resolve to discipline itself and to fight inflation through the most effective method possible—balancing the budget and getting the Federal Government out of the credit market.

Last year I supported a constitutional amendment requiring a balanced budget. I also supported proposals to tie Government spending to a percentage of the gross national product. The argument against it last year was that it was more appropriate for Congress to handle the matter itself—we have proven our unwillingness to do that.

I was also told that to tie spending to a percentage of the GNP was unrealistic and would call for far deeper cuts than we could stand. The result is that Government spending as a percentage of the gross national product is going up again.

Another disturbing element of the Carter administration's request is that the percentage of totals which are relatively uncontrollable rise from 75.9 percent in fiscal year 1981 to 76.6 percent in fiscal year 1982. In one category alone, the indexing of benefits required by law for the social security, railroad and Federal worker retirement program, and veterans' pensions, will cause the budget to grow by $25 billion.

There are those who believe that the maintaining of a $27½ billion deficit, as proposed in this Carter budget, will be difficult in light of the economic assumptions used at estimating revenues and

expenditures and in light of the dependence on increased revenues in the form of new taxes—such as the Carter proposed imposition of a 10-cent-per-gallon motor fuel tax. The Carter budget also contains a recommendation for changing the cost-of-living adjustment for Government workers retirement benefits to an annual rather than semiannual basis—a proposal defeated in the last Congress. In addition, it proposes a 15-percent withholding rate on interest and dividends. I hardly need to recall for you, Mr. President, that this proposal, submitted last year, generated more mail in opposition than nearly any other proposal and was soundly defeated in the Senate.

I will say little about the economic assumptions used except to note my dismay that the Carter budget projects inflation at over 10 percent in 1981 and continuing near 10 percent in 1982. I might add parenthetically that according to a staff report from the Democratic side of the Budget Committee, those assumptions are comparable to the Congressional Budget Office estimates and the latest forecasts of 42 private forecasters. This is certainly discouraging news, though hardly unexpected, for all Americans.

One encouraging note in the Carter budget is that real growth in defense programs is estimated at 5.3 percent, and that major programs increases are concentrated in two long-neglected areas, operation and maintenance and research and development.

Personally, I believe that an even higher real increase in defense spending is needed, in particular I support increases for personnel and for the development of a new strategic bomber aircraft. I will speak more on this subject later in this Congress.

Another aspect of the Carter recommendations with which I agree is that the formula used to compute the Consumer Price Index, particularly as it relates to owner-occupied housing, should be changed. I am not sure that the change which he recommends, using the rent component to measure the price change for owner-occupied housing, is the correct one. But there is no question that when the CPI is used to determine retirement adjustment, a change in the formula to more realistically reflect what is actually happening in the marketplace is needed.

Mr. President, I have touched very broadly on areas of concern to me in the Carter proposal. I will have more to say when the Reagan administration reveals their ideas and the budgetary process in the Senate gets underway.●

RETIREMENT OF WILLIAM J. McGILL

● Mr. RIEGLE. Mr. President, William J. McGill of Davison, Mich., recently retired as postmaster after serving from 1950 until 1980. This man has spent over 30 years working for the United States Postal Service. His dedication to his job and selfless contributions to the Davison community will be greatly missed. As a lifelong citizen of Davison, Mr. McGill has been a great asset as postmaster while also actively participating in every aspect of the community including membership in the American Legion, VFW, and the Davison City Council. It is my pleasure to congratulate Mr. McGill on his retirement and thank him for his service to the Davison community. It is citizens like Mr. McGill who make Michigan and our country strong.●

HOWARD LIEBENGOOD, SENATE SERGEANT AT ARMS

● Mr. DOLE. Mr. President, it is with great Kansas pride that I take a few moments to honor Mr. Howard Liebengood, our new Sergeant at Arms and Doorkeeper.

Mr. Liebengood hails from the great State of Indiana, and received his law degree from Vanderbilt University. Prior to his selection as Sergeant at Arms, Mr. Liebengood was a counsel to the distinguished majority leader, Mr. BAKER of Tennessee.

These are impressive credentials of a truly notable career. It is, however, his undergraduate days that I would like to take special note of. Mr. Liebengood graduated from Kansas State University in 1964, yet another distinguished alumnus of that fine university located in Manhattan, Kans.

My home state is, of course, represented in this body by two Senators. My colleague, NANCY KASSEBAUM, has proved to be an unusually able legislator. Her sensible approach to the proposals and problems we face each day is a fine example for all of us, and as a Kansan I can honestly say that it is an honor to be represented by her.

But, Mr. President, as a citizen of Russell, Kans., it is also an honor to be represented by Senator ARLEN SPECTER of Pennsylvania, who grew up in my hometown. With the selection of Howard Liebengood it can be said that Kansas is the most well represented State in the Union.

This Senator would like to offer sincere congratulations and best wishes to Mr. Liebengood as he takes over his new duties. It is a big job, and the majority leader has certainly found a man who will carry out its duties in a dignified and effective manner.●

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, if no Senator seeks recognition I will proceed with my statement on the United States Senate, after which, under the order, the Chair will recess the Senate over until tomorrow.

Mr. BAKER. Mr. President, will the minority leader permit me to make one request before he begins with his presentation?

Mr. ROBERT C. BYRD. Yes.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO TRANSMIT A COPY OF SENATE RESOLUTION 28

Mr. BAKER. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to transmit a copy of the resolution with respect to the American hostages held in Iran to former President of the United States Jimmy Carter, to former Secretary of State Ed Muskie, and to the former Deputy Secretary of State Warren Christopher, and to the Algerian representative to the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the minority leader.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

Mr. President, I take it that no other Senator seeks recognition. If a Senator does seek recognition for the purpose of wishing to make a statement during morning business while I have the floor, I will yield to him for that purpose only.

THE UNITED STATES SENATE

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

ESTABLISHMENT

Mr. ROBERT C. BYRD. Mr. President, the offices of Legislative Counsel of the Senate and of the House of Representatives, originally referred to collectively as the Legislative Drafting Service, were created by an Act of Congress approved February 24, 1919, "to assist in drafting public bills and resolutions or amendments thereto on the request of any committee of either House of the Congress" (40 Stat. 1141).

The establishment of the service as an agency of the Congress followed a two-year demonstration, to committees of the Congress, of the value of specially trained legislative draftsmen in formulating technically effective legislative measures. The demonstration was conducted through the services of a skilled draftsman, Middleton Beaman, furnished by the Legislative Drafting Research Fund of Columbia University (29 Col. L. Rev. 379, 385–386).

The Act of February 24, 1919, provided for the appointment of two draftsmen "without reference to political affiliations and solely on the ground of fitness to perform the duties of the office" (40 Stat. 1141). One was to be appointed by the President of the Senate, and one by the Speaker of the House.

The men first appointed to those positions were Thomas I. Parkinson, in the Senate, and Mr. Beaman in the House. Both previously had been engaged with Professor Joseph P. Chamberlain of Columbia University in research to develop improved techniques in the drafting of statutes (29 Col. L. Rev. 381).

PRIORITIES IN SERVICE

Although the office is required by the statute which created it to render service only to committees, it has long been the practice of the office to furnish drafting service also to individual Members of the Senate, on their request, to the extent permitted by its personnel strength. In addition, the office provides other technical legal assistance, such as advice and counsel with respect to constitutional and legal problems involved in proposed legislation, to committees and Members of the Senate.

The Committee on Rules and Administration of the Senate is authorized to determine the preference to be given by the office to requests for service. The order of preference in effect for many years is the following: (1) measures in conference; (2) measures pending on the floor of the Senate; (3) measures pending before a standing committee; and (4) preparation of original measures for individual Members of the Senate.

Within each of those categories, each attorney in the office gives preference to requests in the order of the time of their receipt, except that a request for a measure or amendment which can be prepared quickly may be given priority over one of earlier receipt which will require an extended period of time for preparation.

LIMITATION OF FUNCTIONS

The office has no part in the formulation of legislative policy. Its only concern with policy is to ascertain the desired policy in adequate detail and with sufficient precision to enable it to formulate a measure which is technically effective to carry out legislative intent.

It serves committees and members of the Senate without regard to political considerations.

All service is rendered upon a confidential basis, and care is taken to prevent any violation of confidence.

CHARACTER OF SERVICES RENDERED

Service rendered to a standing committee with respect to a single measure may include assistance to subcommittee staff members in the preparation of amendments required to carry into effect policy decisions made from time to time by the subcommittee during its consideration of the measure, and in the preparation of the amended measure for reporting to the full committee. It may include similar assistance to members of the staff of the full committee before the measure is reported for floor action. Assistance also may be given in the preparation of any floor amendments requested on behalf of the Member in charge of the measure on the floor. In the case of a measure as to which a conference is requested to resolve differences between the Senate and the House of Representatives, assistance may be furnished in the preparation of the conference report.

During each session of the Senate, virtually all Senators request the preparation of original measures and amendments. The measures so prepared range from relatively simple private relief bills to omnibus measures of considerable technical complexity. When a major measure is called up for consideration on the floor of the Senate, the office usually receives requests from many Senators for the preparation of a wide variety of floor amendments.

Frequently, the office is called upon to review drafts of bills prepared in executive agencies and elsewhere, and to make such revisions as may be required for technical sufficiency, before their introduction in the Senate.

Apart from the preparation and review of proposed legislation, members of the office are consulted often by members of the staffs of committees and subcommittees, and by members of the staffs of individual Senators. Such consultation occurs with respect to possible approaches to the legislative solution of particular problems, technical questions of substantive and procedural law, and such matters as the mechanics of preparation and the technical and legal accuracy of committee reports.

The range of subjects with which the office deals is very extensive. It is expected to render service with respect to all matters within the purview of proposed Federal legislation in a period in which the role of the Federal Government is ever expanding. As stated by two qualified observers, "the scope of each attorney is formidably broad" (Lawyers for the Lawmakers, Krasnow and Kurzman, 51 Am B.A.J. 1191).

The volume of the business of the office has steadily increased over the years. For example, during the 81st Congress 4,444 drafting jobs were performed. Almost twice that many drafting jobs, viz., 8,804 were performed during the 95th Congress, and during the 96th Congress the office performed 9,199 drafting jobs. In addition to drafting jobs, the office also performs consulting services, with 733 consulting jobs being performed during the 95th Congress and 488 during the 96th Congress. (Prior to the 91st Congress these jobs were not tabulated.)

Perhaps of even greater significance in the work of the office is the number of new subjects of Federal legislation which has occupied the attention of the Congress during the past 30 years, and the increasing technical complexity of many of those subjects. The increase in the number of subcommittees of the Senate which occurred in that period has contributed materially to the increasing volume of business of the office.

RESPONSIBILITIES OF THE DRAFTSMAN

Legislative drafting in the Congress is an exacting occupation. Effective drafting requires careful analysis of the legal problems involved, arrangement of matter in a logical sequence, and accurate and unambiguous expression of the concepts set forth. Constitutional limitations must always be observed. Most legislative proposals deal with matters which have been the subject of one or more previous enactments. A new measure must be carefully related to earlier enactments to produce, as far as possible, a consistent body of law which will carry the congressional purpose into into effect without producing unintended consequences.

This is why no major bill today is written by a Member of the Senate. I would never undertake it to write a bill. It requires relating that bill to other laws that have already been passed. That is why the Senate needs a legislative counsel.

A simply stated policy objective may require the identification and alteration of numerous provisions of existing law. Examples may be noted particularly in such highly structured bodies of law as the Internal Revenue Code and the many titles of the Social Security Act.

So it may come as a surprise to the readers of this statement that, as I say again, Members of the Senate do not actually write the bills that we introduce, not personally. We have the advice of the legislative counsel, we have the advice of the parliamentarians, and, of course, what goes into the bill are the concepts and thoughts and wishes of the Member who directs the drafting of that bill, but the bill itself is not drafted by a Member of the Senate.

Whether or not any living Member of the Senate has ever drafted a bill, I cannot say. It may very well be that some of the Members who have been here longest could have, in past times, been forced to draft their own legislation, but I doubt it, because the legislative counsel was created, as I have already stated, many years ago and the writing of bills has become such a complex matter that it requires the art and skills of experienced legislative draftsmen. A failure to make necessary conforming changes in existing law may lead to difficulties in administration and to judicial interpretations at variance with congressional intent. Often the draftsman must work under severe time limitations.

Former Chief Justice Stone once observed that "The drawing of a legislative Act requires exceptional training, experience, and skill. No legislation can be enacted which does not have its effect, and oftentimes a serious effect, upon the existing law, written or unwritten, or both. (Harlan Fiske Stone: Pillar of the Law, Mason, Alpheus Thomas, page 119).

PERSONNEL OF THE OFFICE

Since its creation in 1919, two years after I discovered America, the Office of the Legislative Counsel of the Senate has been headed by eleven men. Mr. Parkinson, John E. Walker, Frederic P. Lee, Charles F. Boots, Henry G. Wood, Stephen E. Rice, John H. Simms, Dwight J. Pinion, John C. Herberg, Harry B. Littell, and Douglas B. Hester, who succeeded Mr. Littell upon his recent retirement on February 29, 1980.

Under the Act of 1919, each draftsman was authorized, with the approval of the President of the Senate and Speaker of the House, respectively, to appoint and fix the compensation of necessary assistants. Later, in 1941, appointment of the Legislative Counsel of the Senate, and approval of the appointment of assistants, was made the responsibility of the President pro tempore of the Senate (55 Stat. 726).

By subsequent legislation it has been provided that five members of the staff may be designated as Senior Counsels (sec. 101, Act of July 1, 1957, 71 Stat. 251; sec. 101. Act of December 30, 1963, 77 Stat. 804; sec 102, Act of September 30, 1978 (Public Law 95–391)). All appointments are made without regard to political affiliation.

In 1919, the office had a staff of three attorneys and one clerk. By 1945, the number of attorneys in the office had increased to six. Under the authority given by the Legislative Reorganization Act of 1946, the office reached its authorized strength of eleven attorneys in 1949. That increase was accomplished gradually because of the time required to select, train, and develop to special competence a new member of the office. In 1970, two new attorney positions were established; in 1973, one new attorney position was established; and in 1975, one more attorney position was authorized, bringing the authorized number of attorneys (including the Legislative Counsel) to 15. Since 1975, no further increase has been made in the authorized number of attorneys.

A fine spirit of cooperation among the members of the entire staff, professional and non-professional, has contributed to the effectiveness of the office.

The ability of the office to deal with the increase in the volume and complexity of work while maintaining a relatively small staff is largely the result of two practices. The first is the care taken in the selection of new attorneys. The second factor is the development of a corps of career attorneys whose growing experience and skill within the areas of their individual special competence has produced a progressively higher individual accomplishment.

SELECTION OF PERSONNEL

Attorneys skilled in the specialty of congressional legislative drafting cannot be recruited from outside sources. They must be developed within the office over a span of years. And so we have on-the-job training.

New attorneys are chosen from recent law school graduates of special promise who are interested in serving as legislative draftsmen on a career basis.

In selecting new attorneys for appointment, consideration is given to both academic and personal qualifications of applicants.

In evaluating the professional qualifications of applicants, the office looks particularly for evidence of capacity or potential for discriminating analysis of legal problems and capacity for clear and precise oral and written expression.

Law school academic standing is considered an important index of capacity for legal analysis. Law review or other experience in careful legal research and legal writing is regarded as a favorable indication of capacity for legislative drafting.

As to personal qualities, the office is interested in the following: maturity; objectivity; tact; capacity for responsible work without close supervision; a disposition to give careful attention to details—he must have that—and a professional attitude which enables the individual to render competent technical legal service without regard—and this is important—to his personal views with respect to political or policy questions.

Because the office renders exclusively technical legal service on a non-political confidential basis, and must be impartial in appearance as well as in fact, active public participation in political matters which would give rise to question as to such impartiality is regarded as a disqualification for appointment or retention. Attorneys in the office must also possess a "passion for anonymity."

What a quality. What a quality to be admired, and what a quality needed, even here in this Senate of the United States, a passion for anonymity. Well, I suppose that would be expecting too much of Senators, but it is not expecting too much of the personnel in the Office of Legislative Counsel. Moreover, that is a quality that is not common among competent attorneys.

No change in personnel in the office has resulted from any change in political control of the Senate. So it is not a politicized office. It could not be and still serve as it does the needs of the Members of the Senate, all of the Members of the Senate, and the Senate itself.

Several years of training and experience are required to develop a legislative draftsman who is competent to contribute substantially to the performance of the work of the office. An initial appointment of an attorney is provisional, and is made with the title of Law Assistant. After an attorney has demonstrated the ability to meet the office standards of its legal staff, his title is changed to Assistant Counsel. Upon the basis of seniority in service, five members of the office may be designated as Senior Counsel. A vacany in the position of Legislative Counsel invariably has been filled by the appointment of the senior attorney then serving.

During the service of a new attorney as a Law Assistant all of his work is reviewed by a more experienced member of the staff. Thereafter, he is expected to assume full responsibility for his work without routine review, but to seek such consultation with other members of the staff as he may consider advisable for the solution of particular problems. As a new attorney gains experience and skill, he is given primary responsibility for service with respect to an increasing number of areas of Federal law.

PROMOTION POLICIES

New attorneys are appointed at a salary comparable to that afforded highly promising attorneys entering Government service in the executive branch. At present this is approximately $26,000 a year. Promotions are effected by means of annual increases in salary, subject to the salary limitations applicable to Senate employees. Promotion of an attorney is, of course, conditioned upon his continued performance of service which meets office standards.

New members of the clerical staff are normally appointed at a salary equal to the minimum salary payable to members of committee clerical staffs. The promotion policy of the office also calls for annual salary promotions for clerical staff members.

The policy of annual salary increases is an important aspect of the office's endeavor to secure and retain staff members, particularly attorneys, who will make a career of service in the office. The present policy is designed to promote an attorney annually so that he will reach the top salary within the Senate ceiling in approximately 12 years. As a result of this policy there has been relatively little turnover in the attorney staff over the years except for retirement.

The salaries of the Legislative Counsel and the Senior Counsels are fixed pursuant to law and may not be increased administratively.

CURRENT LEGAL STAFF

As of January 14, 1981, the legal staff of the office of the Legislative Counsel consists of the following personnel with the approximate length of service specified:

Name and title	Years	Months
1. Douglas B. Hester, legislative counsel	28	11
2. Hugh C. Evans, senior counsel	28	10
3. A. Blair Crownover, senior counsel	18	9
4. Francis L. Burk, Jr., assistant counsel	10	7
5. Daniel H. Murray, assistant counsel	10	5
6. James W. Franson, assistant counsel	5	7
7. Bruce M. Kelly, assistant counsel	4	5
8. Arthur J. Rynearson, assistant counsel	4	5
9. Susan V. McNally, assistant counsel	3	4
10. April Lewis Burke, assistant counsel	2	5
11. Janis A. Wilson, assistant counsel	1	8
12. William F. Jensen, III, law assistant		5
13. Michael P. Geary, law assistant		8
14. Gregory F. Scott, law assistant (began work Jan. 14, 1981)		

Mr. President, all of us appreciate the very professional service that is performed for the Senate by the Office of Legislative Counsel. I particularly wish to express my commendation and appreciation for Mr. Hester, with whom I have had many conversations over a long period of years on the many occasions when he has assisted me in the drafting of legislation.

These are very able men, skillful in legislative drafting, dedicated to the service of Senators and the Senate. To them we owe a great debt of gratitude because without them there would not be many bills introduced, and then only those which would require the most simple and elementary experience.

Mr. President, this ends my 32d statement on the United States Senate, a series which began last March and which will continue for some time into the future. I thank the distinguished Senator who now presides over the Senate for his patience in listening to this discourse.

Under the order, he will complete the work of the day and I shall go quietly to my office.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 11 A.M. THURSDAY, JANUARY 22, 1981

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 11 a.m. tomorrow.

Whereupon, at 6:20 p.m., the Senate in executive session recessed until tomorrow, Thursday, January 22, 1981, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 21, 1981.

DEPARTMENT OF STATE

Alexander Meigs Haig, Jr., of Connecticut, to be Secretary of State.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Richard S. Schweiker, of Pennsylvania, to be Secretary of Health and Human Services.

OFFICE OF THE U.S. TRADE REPRESENTATIVE

William Emerson Brock III, of Tennessee, to be U.S. Trade Representative, with the rank of Ambassador Extraordinary and Plenipotentiary, vice Reubin O'D. Askew.

DEPARTMENT OF THE TREASURY

Donald T. Regan, of New Jersey, to be Secretary of the Treasury.

WITHDRAWALS

Executive nominations withdrawn from the Senate January 21, 1981:

The following-named persons to the positions indicated, which were sent to the Senate on January 8, 1981:

Dorothy Sellers, of the District of Columbia, to be an associate judge for the Superior Court of the District of Columbia for a term of 15 years, vice Edmond T. Daly, deceased.

Ricardo M. Urbina, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years, vice Normalie Holloway Johnson, elevated.

John A. Cronouski of Texas, to be a member of the Board for International Broadcasting for a term expiring April 26, 1983 (reappointment).

Thomas R. Donahue, of the District of Columbia, to be a member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1981, vice George Meany.

Lynn R. Coleman, of the District of Columbia, to be Deputy Secretary of Energy, vice John C. Sawhill, resigned, to which office he was appointed during the last recess of the Senate.

Walter Meheula Heen, of Hawaii, to be U.S. district judge for the district of Hawaii, vice Dick Yin Wong, deceased, to which office he was appointed during the last recess of the Senate.

Ralph W. Emerson, of the District of Columbia, to be a member of the Foreign Claims Settlement Commission of the United States for the term expiring September 30, 1981 (new position) Public Law 96-209, to which office he was appointed during the last recess of the Senate.

Thomas W. Fredericks, of Colorado, to be an Assistant Secretary of the Interior, vice Forrest J. Gerard, resigned, to which office he was appointed during the last recess of the Senate.

Alex P. Mercure, of New Mexico, to be Under Secretary of Agriculture for Small Community and Rural Development (new position), to which office he was appointed during the last recess of the Senate.

Joseph S. Bracewell, of Texas, to be President of the Solar Energy and Energy Conservation Bank (new position), to which office he was appointed during the last recess of the Senate.

The following-named persons to be Assistant Directors of the Community Services Administration, to which offices they were appointed during the last recess of the Senate:

Laird F. Harris, of Michigan, vice Frank Jones, resigned.

Harold Lafayette Thomas, of the District of Columbia, vice John B. Gabusi, resigned.

The following-named persons to be members of the Board of Directors of the Corporation for Public Broadcasting for terms expiring March 26, 1986, to which offices they were appointed during the last recess of the Senate:

Reuben W. Askanase, of Texas, vice Donald E. Santarelli, term expired.

Melba Pattillo Beals, of California, vice Lucius Perry Gregg, Jr., term expired.

Vernon W. Thomson, of Virginia, to be a member of the Federal Election Commission for the remainder of the term expiring April 30, 1983, vice Max L. Friedersdorf, resigned, to which office he was appointed during the last recess of the Senate.

Alice Coig McDonald, of Kentucky, to be a member of the National Council on Educational Research for a term expiring September 30, 1982, vice John Corbally, term expired, to which office she was appointed during the last recess of the Senate.

John C. Truesdale, of Maryland, to be a member of the National Labor Relations Board for the term of five years expiring August 27, 1985 (reappointment), to which office he was appointed during the last recess of the Senate.

The following-named persons to be members of the National Museum Services Board for terms expiring December 6, 1985, to which offices they were appointed during the last recess of the Senate.

John Connell, of California, vice Gary K. Clarke, term expired.

Dorothy Graham-Wheeler, of North Carolina, vice George Horse Capture, term expired.

Albert T. Klyberg, of Rhode Island, vice Charlotte Ferst, term expired.

Wallace Nathaniel Hyde, of North Carolina, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1989, vice M. A. Wright, term expired, to which office he was appointed during the last recess of the Senate.

John C. Sawhill, of the District of Columbia, to be Chairman of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 7 years (new position), to which office he was appointed during the last recess of the Senate.

The following-named persons to be members of the Board of Directors of the U.S. Synthetic Fuels Corporation for the terms indicated, to which offices they were appointed during the last recess of the Senate:

John D. DeButts, of Virginia, for a term of 1 year (new position).

Catherine Blanchard Cleary, of Wisconsin, for a term of 2 years (new position).

Frank Savage, of New York, for a term of 3 years (new position).

Joseph Lane Kirkland, of the District of Columbia, for a term of 5 years (new position).

The following-named person, which was sent to the Senate on January 15, 1981:

Maj. Gen. William Edgar Read, 240-28-5658, U.S. Army, to be a member and President of the Mississippi River Commission, under the provisions of section 2 of an act of Congress, approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642).

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, January 22, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 23

10:00 a.m.
Appropriations
Labor, Health, and Human Services, and Education Subcommittee
To meet on general subcommittee business.
1114 Dirksen Building

Select on Small Business
To hold oversight hearings on the 8A pilot program of the Small Business Administration.
424 Russell Building

Joint Economic
To continue hearings to review the economic outlook for 1981 in preparation of its forthcoming annual report.
2167 Rayburn Building

JANUARY 26

10:00 a.m.
Budget
Industrial Growth and Productivity Subcommittee
To hold hearings on U.S. science and technology policy, and its impact on the electronics industry.
6202 Dirksen Building

Labor and Human Resources
To hold an organizational business meeting, to consider the committee's budget for 1981, rules of procedure for the 97th Congress, and announce subcommittee assignments.
4232 Dirksen Building

JANUARY 27

10:00 a.m.
Appropriations
To hold hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
318 Russell Building

Budget
Industrial Growth and Productivity Subcommittee
To hold hearings on the impact of Federal policies to improve the capacity of certain industries.
6202 Dirksen Building

Judiciary
To hold an organizational business meeting.
2228 Dirksen Building

Select on Small Business
To hold an organizational business meeting.
424 Russell Building

JANUARY 28

9:30 a.m.
Labor and Human Resources
To hold hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
318 Russell Building

Budget
Industrial Growth and Productivity Subcommittee
To hold hearings on the international context of U.S. industrial growth.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on Federal and State regulations affecting the automobile industry.
235 Russell Building

JANUARY 29

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
1114 Dirksen Building

JANUARY 30

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
1114 Dirksen Building

FEBRUARY 24

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from the Disabled American Veterans.
318 Russell Building

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

HOUSE OF REPRESENTATIVES—*Thursday, January 22, 1981*

The House met at 11 a.m. and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 21, 1981.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Thursday, January 22, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

Rev. Herman M. Mitschke, pastor, Our Redeemer Lutheran Church, San Diego, Calif., offered the following prayer:

Almighty God, our heavenly Father, we humbly seek Thy blessing as today we open this congressional session surrounded by a national atmosphere of a new beginning. Grant us a sensitive vision to see in each deliberation and decision a resulting impact on personal lives.

Together we pray for our new President and his administration, that Government may be a blessing.

Beginning with us, renew within America a humble gratefulness when peace and prosperity are enjoyed; a respect for one another as each of us seek our own destinies; and a readiness to sacrifice without complaint when sacrifice is required. Bless us and each of us to Thy glory, through Jesus Christ, through whom each day is a new beginning.

Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

A MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Vice President and upon the recommendation of the majority leader, pursuant to section 276, title 22 of the United States Code, as amended, appointed Mr. STAFFORD to attend the Interparliamentary Union meetings during the 97th Congress and act as chairman of the Senate delegations to such Interparliamentary Union meetings during that time.

The message also announced that the Vice President, pursuant to Public Law 94-304, appointed Mr. HATCH, Mr. HEINZ, and Mr. D'AMATO to the Commission on Security and Cooperation in Europe.

REV. H. W. MIKE MITSCHKE

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, Rev. H. W. Mike Mitschke is the pastor of Our Redeemer Lutheran Church in San Diego, Calif. He is native of Houston, Tex. He graduated from the Academy of Concordia, Austin, Tex, St. John's College in Winfield, Kans, and Concordia Seminary in St. Louis, Mo. Upon graduation in 1950, his first assignment was to be a flying parson throughout the southern California desert area along the Colorado River. He flew his own plane starting new congregations in what was then the largest geographical parish within the Lutheran Church. In 1956, he became pastor of a new mission congregation in the Metropolitan San Diego area. Today, the congregation is the second largest in the region with 1,000 souls. This church is a leader in racial integration in the metropolitan city. The parish also provides full services for the deaf in all church activities. Sign language classes are offered by the congregation so that today 15 percent of the congregation can communicate by sign language. The church has a deaf choir and interpreters for all church activities. For the past 20 years, Reverend Mitschke has been the chaplain for the San Diego Police Department. Mike is an avid fisherman, tennis player, and handball player. He is married to Erma. They have three children, Lynn, Tawn, and Mike, Jr.

Mr. SIMON. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Speaker, I think the chaplain has one distinction the gentleman from California did not mention. I believe he is the brother-in-law of the gentleman from California; is that correct?

Mr. DANNEMEYER. It is funny the gentleman would mention that, my distinguished friend from Illinois (Mr. SIMON), but that is true.

Mr. SIMON. I happen to have known the gentleman's brother-in-law since I was in high school. It is a pleasure to have him here.

Mr. DANNEMEYER. He watched the gentleman in the newspaper business in southern Illinois, I understand.

HOSTAGE GOLD MEDAL BILL INTRODUCED

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, I am very proud today to introduce a bill to present congressional gold medals to the 52 Americans released from Iran on January 20, 1981, and to Richard Queen, who was released last July.

These brave men and women are heroes. Taken prisoner by radicals in the midst of a hostile revolution, they were threatened with death. They were abused and isolated from contact with the outside world. They were blindfolded and led in front of vast crowds who denounced them and their country. Yet not one of them ever acted with anything but dignity and bravery. None betrayed their country or their fellow hostages in order to obtain special treatment or release. None collaborated with their captors, even under the most crushing physical and mental pressure. Only now is the vast extent of the horrors of their treatment being revealed. Their courage stands as a shining example to all Americans.

The bill provides for the striking of bronze duplicates as a means to enable all Americans to obtain a tangible reminder of the great heroism and sacrifice that these Americans made while serving their country. The proceeds from the sale of the duplicates will help defray the cost of the gold medals. This cost, approximately $400,000, will come from money already appropriated for the operation of the Treasury Department.

Yesterday, over 223 of my colleagues in this House joined with me as cosponsors for this bill. This may be the first time in history that a bill has been introduced with 223 cosponsors. I invite all my colleagues to become cosponsors of this legislation. This would be a fitting tribute for all 435 House Members to attach their names to this bill. In this small way we can show our returning countrymen and women that we deeply appreciate the sacrifices they made on our behalf and that we are very proud of them as Americans.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

CLEAR POLICY SHOULD BE ESTABLISHED FOR DEALING WITH ACTS OF TERRORISM

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr Speaker, in our joy that the 52 Americans held so long in Iran are today free and safe, let us not gloss over the ugly facts of this sordid episode in our Nation's history.

We abandoned 52 of our diplomats in a foreign land. We were embarrassed by a belated, botched, and half-hearted rescue attempt. We made a deal with international outlaws, who could say with some justification that they had rubbed the nose of a superpower in the dirt.

Today, we must vow to never again crawl before international terrorists. I have written today to President Reagan to ask that the highest priority be given to establishment of a clear policy for dealing with such acts in the future. And the heart of that policy should be swift and harsh military retaliation.

VIOLATORS OF INTERNATIONAL LAW SHOULD PAY A PRICE

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, this is a time for rejoicing and prayerful thanksgiving at the safe return of the 52 American hostages who had been held captive in Iran.

It is also a time to commend President Carter, Secretary Muskie, and Under Secretary of State Warren Christopher for their patience and effective work in securing the safe release of the Americans; but the matter cannot end there.

The time has now come to make those persons who were guilty of flagrantly violating international law and common decency pay a price. That price must be paid and the people who are the criminals and the persons who perpetrated these barbaric acts must be brought to justice.

In addition, the United States should not implement the terms of a so-called agreement extracted under duress by outlaws.

I will be introducing legislation which will require President Reagan and the new administration to take all necessary steps, in accordance with the law, to require the Government of Iran to identify, apprehend and to provide for the trial of those criminals—in and outside the Iranian Government—who violated international law and to secure reparations for the American citizens who suffered so much from this outrage, to receive damages for the losses suffered by our Government and taxpayers, and to permit persons to pursue their claims in the courts against Iran.

The American people are grateful for the safe return of the hostages, but they want more. International criminals cannot get off scot-free. They must pay a price and the world needs to know that the United States is prepared to make them pay that price.

President Reagan has said he wants America to be strong and not dishonored. Here is his first chance to back up those words with action.

THE DIFFERENCE BETWEEN NATIONAL PRIDE AND NATIONAL HONOR: HUMILITY AND HUMILIATION

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORE. Mr. Speaker, so long as civilization exists, the nation of Iran will be associated with the disgrace and shame of its actions against 52 innocent Americans.

History's judgment of our actions during this time of trial may be more complex. Future historians may conclude there is a fundamental difference between national pride and national honor and that while America's pride was severely damaged, our honor was left intact because our position and cause were just. They may also recognize a crucial distinction between humility and humiliation. We can learn from humility to be strong and righteous as a nation. Humiliation, however, is a brother to fear and hatred—something great nations must avoid.

HOSTAGE AGREEMENT

(Mr. SHANNON asked and was given permission to address the house for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, we congratulate those who negotiated the release of our diplomats held hostage in Iran. But in light of what we have heard about their treatment, there cannot be a presumption that this administration comply with the agreement made for the hostages' release before reviewing the agreement fully and considering the circumstances under which it was made.

Now that the hostages are back, a debate is developing over whether the United States should comply with the terms of the agreement. Members of Congress are not privy to the terms—but the new administration should keep some principles in mind while reviewing the agreement and determining what action to take.

First, there are those who argue that, no matter how the agreement was negotiated, the United States should keep its word. The United States loses nothing in world opinion if it renounces an agreement that amounts to extortion—an agreement which was made while guns were held to the heads of innocent diplomats.

Second, parts of this agreement could, conceivably, shown to be in the best long-term interest of the United States and the Reagan administration have the leeway to decide which portions to accept, and which to reject.

Third, the United States needs to set out for the world a clear policy stating how we will deal with a situation like this, should it ever arise again. We must prevent terrorists from using our citizens for their own political purposes.

This is not a time for recrimination nor is it a time to second guess either the Carter or the Reagan administration. it is a time to work together to see this will never happen again.

IRAN IRREDENTA—CONGRESS HAS RESPONSIBILITY TO DEFINE CRIMES AGAINST LAW OF NATIONS

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, first, I wish to thank President Carter and all the persons that have handled this question of Iran, mostly because the President did what we had criticized two prior Presidents for not doing, President Johnson and President Nixon, because they did not go through the United Nations and all that.

President Carter did. He went through the United Nations. He went through the World Tribunal on International Justice. He solidified world opinion on our side, defining Iran's act as an act of international outlawry; but the Congress has not done its part. We have a clear duty under article I, section 8, clause 10; the second half of that clause which has been completely overlooked through our history because nothing like Iran has happened since before the Middle Ages.

I have introduced what is known as House Concurrent Resolution 25. I hope you will join me, because it calls on Congress to define the situation so that the Presidents then can be fully legally empowered to do something about punishing Iran. Iran has committed a crime against the United States, against the law of nations. It should pay for it. I ask your consideration of this resolution.

Now this was a crime against the law of nations. It was deliberate, it was flagrant, it was sustained. Iran must be

79-050 O — 84 — 44 (Vol. 127 Pt. 1)

made to pay for this crime. We have been warned that it could happen again. In fact, we have had two cases where it has almost happened.

Congress has a responsibility here. I believe that we have no choice but to invoke our power to define situations like this as violations of the law of nations. Only the Congress has that power, under article I, section 8, clause 10 of the Constitution. If we fail to define what the American policy and attitude is, we abandon our responsibility. It is precisely that kind of abandonment that has caused our involvement in two undeclared wars, both of which were the cause of immense national bitterness.

The Constitution was clearly intended to make it the duty of Congress to establish law and policy in precisely those situations of international brigandage as we have seen in Iran. The days of piracy and impressment at sea have passed, but the duty of Congress has not. The times have changed, but not the threat to national decency and dignity, and not the threat to international order.

Now, more than ever, we have the duty to examine what the law of nations is, and how Congress can carry out its plain responsibility, its prime duty. I urge that it be given attention, because while the hostages may be free, the issue with Iran is far from settled and the threat to international order is greater than ever. We cannot allow the threat to go without addressing; we must not allow, by default, another such incident to possibly drag us into conflict, or lead to yet another undeclared war.

FULL REVIEW OF HOSTAGE ORDEAL SHOULD BE UNDERTAKEN

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, I join my colleagues and all Americans in thanking God that our hostages are now home and free. I join in thanking former President Carter, Secretary Christopher, and all the others who aided in their return. I also feel as all Americans do the shock and revulsion at the treatment of our people and our desire to punish the perpetrators.

Whatever is done should not be, however, simply an angry reflex. The criteria should be what is the national interest that must come first.

I want to advise my colleagues that the Foreign Affairs Committee has addressed the issue of protection of our diplomats and Embassy security. We will continue to address these issues in this Congress and will schedule hearings for that purpose.

This will include training our people, improvement of procedures and facilities; providing additional funds and personnel, hearing from the personnel who were held prisoners and considering the recommendations of the administration task force regarding any amendments to the Hostage Relief Act which was adopted in the last Congress.

I also will urge the State Department to make a full and complete record of this whole matter, not only for historical purposes, but also for operational study purposes to be made available to the entire Foreign Service so that all personnel may benefit from the experience and suffering of their colleagues.

We shall continue our efforts to improve all aspects and operations of the State Department which is the smallest in the Government both as to personnel and funds. The State Department's operational capability to carry out the complex and awesome duties of day-to-day diplomacy must be understood and supported by the Congress and the American people.

STOP AID TO EL SALVADOR

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWRY of Washington. Mr. Speaker, I take this time to speak against resuming aid to El Salvador until that Government again returns to a systematic plan toward land reform.

As I watched the inaugural parade Tuesday, the call for "A New Beginning" stood out significantly. I hope part of that new beginning is a commitment toward democratic principles. A policy of not entering into the internal conflicts within other nations. A policy that rejects military and economic aid to governments that are militarily suppressing the popular will of their own people.

CALL FOR FOREIGN AFFAIRS COMMITTEE TO CONDUCT INVESTIGATION OF HOSTAGE SITUATION

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, in view of the preliminary reports already coming back about the barbaric treatment of our hostages in the hands of Iranian terrorists, I commend President Reagan's decision to carefully review the terms of our agreement with the Iranian Government.

The American people deserve a full airing of what occurred during the past 14 months before we make any further concessions to that outlaw nation. Certainly, we should not consider resuming diplomatic relations, resuming arms sales, or even the shipment of arms already in the pipeline until we have all of the facts.

Mr. Speaker, for those reasons I am requesting the House Foreign Affairs Committee to convene as quickly as possible for a full and complete investigation of this tragic episode in our history which will include testimony from the hostages themselves.

INTERNATIONAL COURT OF JUSTICE SHOULD BE CONVENED

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, today I am calling on the State Department to register a formal complaint with the International Court of Justice so that the terrorists who seized our Embassy personnel in Iran are brought to trial for their barbarous actions of the past 444 days.

I am convinced that the world court must bring those terrorists to trial in order to demonstrate to other would-be terrorists that such violations of international law and common human decency will just not be tolerated.

Furthermore, Mr. Speaker, I believe that the United States should not carry out the terms of our agreement with Iran until we are assured that the Iranian Government is going to cooperate with the world court in the effort to bring those terrorists to justice.

Mr. Speaker, we are just beginning to learn of the unspeakable horrors our hostages were put through during their long captivity.

For the sake of peaceful, law-abiding citizens throughout the world, the international community must bring those responsible for this behavior to justice—and if that includes the Ayatollah Khomeini himself—so be it.

OUR AMERICAN HOSTAGES

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, words are wholly inadequate to express the sentiments which are being experienced by the American people and others around the world as our hostages are returned from captivity in Iran.

The rejoicing, the heart throbs, the tears, the prayers, and the deep gratitude which occupy the thoughts of all of us are beyond the capability of human expression.

As I stood Tuesday evening with my wife Doris and a group of friends in the living room of our home on Capitol Hill preparing to participate in a joyous inaugural ball, we were glued to the television screen waiting, watching, and finally viewing the first appearance of our American hostages as they reached a sanctuary of freedom. Some of us shed tears, and all applauded as though those long-suffering and beloved hostages could hear and see and know how deeply and emotionally we felt.

For many months now a yellow ribbon has been tied to the briefcase which I have carried each day from my congressional office to my home and return—as a symbol of remembrance, of prayer, of hope, and of expectation that the safe release of these beloved fellow citizens would surely be realized. What a sense of renewed faith and confidence in the great spiritual power which controls our destiny has been realized, both here and throughout our land, and in other parts of the world. I plan to retain this worn and wrinkled yellow ribbon as a reminder that after 444 days we have seen this agonizing and unprecedented experience of human suffering, this ordeal of man's inhumanity to man, come to its final and happy end as our 52 hostages continue on their way to our shores and to their homes and loved ones.

As my colleagues in this Chamber have also done, my American flag has been posted outside my office door each day for many months—again to denote our anxiety and our faith that our hostages would be returned safely to their homes. How gratifying to realize that our hopes and prayers have been fulfilled.

As one Representative of one congressional district, and in behalf of my wife Doris, my family, my entire congressional staff, and in behalf of each and every one of my more than 500,000 constitutents, I breathe with gratitude these holy words, "Thy will be done."

COMMENDATION OF ANDREW TOMKO

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, this morning, we were given a very fine distinction between pride and honor. Pride can be a mortal sin and honor is the glory of a country. In a different way, these are part of the story of Andrew Tomko, citizen of Manville. He is the pride of his town and an honor to all of us. He served in World War II, was decorated many times, but he had not yet received his Oak Leaf Cluster when he spoke to me about it. Now finally he has received it—the Oak Leaf Cluster to his Purple Heart. The town of Manville, recognized this in a resolution signed by the mayor, Mayor Dudash and seven councilmen.

Why? Not just because he was good and honorable and faithful soldier serving his country and sacrificing for it repeatedly, wounded and decorated many times, but also because he is a fine citizen serving now in the small community that is Manville in the Fifth Congressional District of New Jersey.

DO NOT WAIT FOR A CLEAN SLATE

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, no matter what one's inclinations, the Carter fiscal 1982 budget should be taken seriously, since the first Reagan budget will not take effect until October 1, 1982. The Carter budget is a disturbing document, showing the ultimate folly of depending on increased taxes for fiscal balance. In it, the burden of Federal taxes rises to 22.1 percent of GNP, and tax revenues soar by $104.3 billion over those of the current fiscal year. These figures are net after some cuts which, in my view, are timid and inappropriate to signal a change of tax direction. The bulk of the increase comes from income tax bracket creep—$47.7 billion—and previously scheduled social security and other payroll tax increases—$29.9 billion—although some totally unrealistic legislated increases are advocated in the gasoline tax, withholding at source on dividends, et cetera.

And despite this monumental grab of additional tax dollars from individual Americans—the corporate tax revenues are actually down $1.4 billion in the Carter budget—the strictly defined on budget deficit remains $27.5 billion.

Mr. Speaker, careful analysis of this remarkable document awaits the experts on our Budget Committee. The tax statistics alone, however, suggest how imperative it is that the new administration and the Congress make major changes in this budget plan, even setting the stage for those changes by support of rescissions during fiscal 1981, rather than relying on the first Reagan budget for the careful planning which the normal course of events permits. As Lady Bird Johnson once said:

> You can't write on a clean slate. You have to start with what's already there, and do things to it.

□ 1130

H.R. 920—TO EXEMPT 1,000 BARRELS PER DAY FOR ROYALTY OWNERS AND INDEPENDENT PRODUCERS FROM THE WINDFALL PROFIT TAX

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, I rise today to introduce legislation that will unleash the productive capability of independent producers and lift an inequitable tax from the shoulders of America's 2.5 million crude oil royalty owners.

This bill will exempt independent oil producers and royalty owners from the windfall profit tax on the first 1,000 barrels of daily production. The exemption will be effective for 1981.

I feel one point should be made clear to the Congress and to the American people: The windfall profit tax is not a tax on the excess profits of the major oil companies but an excise tax on crude oil production.

We are living in a time when we should encourage domestic crude oil production more than even before. With the Middle East in constant turmoil, and the Soviet Union expected to become an energy importer in this decade, we cannot afford continued reliance on foreign sources of oil.

Independent producers have played a very important part in this Nation's energy picture. They drill 90 percent of the wildcat wells. They account for 75 percent of the new oil and gas fields and 54 percent of new oil and gas reserves. These statistics speak for themselves.

When we think of the windfall profit tax, there is a tendency to think only in terms of the major oil companies. The general public, which may be unfamiliar with our domestic oil production industry, does not realize that this tax also puts a large burden on our more than 2 million royalty owners.

On a barrel of stripper oil selling for $38, a royalty owner would typically receive a $4.75 royalty payment. After imposition of the windfall profit tax, the royalty owners will pay $1.71 tax on this income—a 36-percent drop in income.

The vast majority of royalty owners in my district receive average incomes or are retired persons living on fixed incomes. They were unaware of what this "windfall profit tax" was all about. They were led to believe that this was going to take some of those huge profits away from the giant oil companies—so-called Seven Sisters. They did not know it was going to take away from their family incomes and add to the cost of petroleum products.

One effect of this tax that is rarely mentioned is the huge regulatory burden put on our oil industry. The costs of complying with the complicated formula for taxing the various types of oil are enormous.

I am thankful that a $1,000 tax credit for royalty owners was included in the Reconciliation Act of last year. This credit is effective for 1980 only;

so it will be up to this Congress to legislate a more permanent policy toward royalty owners and an exemption for independent producers.

Mr. Speaker, the mood of the country seems clear to me. They have made their feelings known about overregulation, overtaxation, the growth of government, and the stifling of private incentive. The windfall profit tax is a prime example of all these things, and it would be well for this new Congress to act now and fulfill the will of the people in correcting these problems.

RESOLUTION TO ESTABLISH SELECT COMMITTEE TO STUDY AND REPORT ON EMBASSY CRISIS IN IRAN

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. HYDE. Mr. Speaker, I am today introducing a resolution establishing a select committee comprised of members of the House Foreign Affairs and Judiciary Committees to study and report on the Embassy crisis in Iran.

The reasons for a formal, thorough congressional inquiry into this shameful episode are obvious. One step toward preventing another such occurrence is to fully understand what happened, and what steps must be taken legislatively—and in terms of official policy—to insure that such an experience must never happen again.

This has been one of the most humiliating experiences in our national history. Congress is uniquely qualified to hold hearings so that this entire shameful experience is fully explored, understood, and acted upon.

I urge prompt consideration and adoption of this resolution.●

PERSONAL EXPLANATION

Mr. HARTNETT. Mr. Speaker, on rollcall No. 3, ordering the previous question on House Resolution 5, the rules for the 97th Congress, I was unavoidably absent.

Had I been present, I would have voted "no."

I ask unanimous consent that this statement appear in the permanent RECORD.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

SUPPORT FOR GOLD MEDALS FOR THE 52 AMERICANS

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, after being in captivity for 444 days, the 52 American hostages in Iran were finally freed on January 20, 1981. This long-awaited day brought widespread joy not only to our country but to the entire world as well.

There have been few situations in our history that have caused more pain than this crisis. These 52 Americans have endured tremendous emotional and physical anguish. Their strength and dedication have been a great inspiration to all of us and have created a renewed sense of patriotism. It is only appropriate that they be honored by the American people.

I wholeheartedly support the gentleman from Illinois in his effort to honor each one of these brave men and women with a gold medal. I urge my colleagues to take immediate and favorable action on this legislation.

GOLD MEDALS FOR THE HOSTAGES

(Mr. CARMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARMAN. Mr. Speaker, as a new member of the House Banking Committee, I rise in support of legislation that would award a congressional gold medal to our foreign hostages.

I campaigned against excessive, wasteful Federal spending and these medals are not cheap. But, the 52, who will soon be coming home, deserve nothing less that a congressional gold medal for the suffering they endured so bravely.

Not only would a gold medal show each of the former captives how grateful their Government and people are, but, years from now, when children and grandchildren ask about the ordeal in Iran, the former hostages will be able to proudly display the highest civilian award which Congress can bestow as proof of their valor.

PERSONAL EXPLANATION

(Mr. MOLINARI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLINARI. Mr. Speaker, on rollcall No. 2, which was the election of the Speaker, I was inadvertently recorded as voting for the gentleman from Illinois (Mr. MICHEL).

Mr. Speaker, I was not present at that time and in fact was in a local hospital. I would like the RECORD to reflect, however, that had I been present, I would have cast my vote for the gentleman from Illinois (Mr. MICHEL).

I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE RELEASE OF THE HOSTAGES: WE MUST NOT FORGET CYNTHIA DWYER

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California, Mr. Speaker, 1 year ago I sent to every Member of this distinguished body, the President, all the Cabinet officers, and all the Senators a hostage bracelet with the name of Lt. Col. David Roeder, our assistant air attaché on it. This year I sent all of the incoming freshmen class bracelets.

Colonel Roeder was the one on television last night who said it was hell. He said:

> Please, we must not forget Cynthia Dwyer.

I hope every Member of this distinguished body remembers that name—Cynthia Dwyer, a lady journalist taken prisoner after the abortive raid last May. She is left there all alone and frightened.

At another secret briefing now being released we have high-ranking flag officers admitting that we left live Americans behind in Vietnam 8 years ago. Please, let us exert every effort and join our brothers and sisters in these returned hostages so that the world does not forget Cynthia Dwyer, left alone now in a dungeon while we listen to the stories of torture, indignities, and solitary confinement. She is in solitary now because there is no one else with her. Cynthia Dwyer let us not forget.

THE TORTURE OF THE HOSTAGES

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, on December 1, 1979, I stated publicly that under the current definition of torture adopted by the United Nations in its U.N. Resolution 3452, our American hostages in Iran were being tortured. I repeated this on the floor of the House on March 20, 1980.

It was my belief at that time that if the United States officially adopted the position that our prisoners were being tortured, there would be no doubt left around the world about the character and the goals of the Iranian terrorists. I believed then—and believe now—that the nations of the world should combine in actions that would damage the terrorist regime in Iran.

The Carter administration, however, never told the American people about the torture of our hostages.

Now, of course, we are finding out the horrifying details from the former captives, themselves.

I do not see how we can forget what happened. I think what is needed is an official declaration by the President that Iran, under its current regime, is an outlaw nation so far as the United States is concerned. This public condemnation could and should be accompanied by any means the President thinks is necessary to impress upon the minds of these savages that no one harms our citizens with impunity.

COMMITTEE ASSIGNMENTS—DISTURBING NEWS

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, I realize that the question of committee assignments is yet to be determined, but I just received some disturbing news.

Mr. Speaker, over the past 2 years I have served on the Committee on the Judiciary. We have been outnumbered by a very, very large number. We have had 11 members on the Republican side. I now understand that the preliminary decision is that the Democrats will have 15 members and the Republicans will have 12, giving us one additional member, reaching the ratio by taking members off the Democratic side. I understand that one of the reasons for this is because they do not want to put some of the membership on the Democratic side because of the possibility that some constitutional amendments might come out of the Committee on the Judiciary.

□ 1140

Well, today is January 22. I know—I think most of the people here know—what the argument is that is being presented to us by the March for Life. I think it is rather ironic that, on the very day we have hundreds of thousands of people around the country concerned about that point, we are making committee ratios on the Judiciary Committee with seemingly the express purpose of making sure that that issue was never brought to this floor.

Well, maybe politically it is good for some

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 22, 1981.

HON. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House received in the Clerk's Office at 11:35 a.m. on Tuesday, January 20, 1981 and said to contain a message from the President wherein he reports to the Congress on his actions under the authority of the International Emergency Economic Powers Act, relative to the Government of Iran. Also attached are copies of five (5) Executive orders.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REPORT ON ACTIONS OF PRESIDENT RELATIVE TO GOVERNMENT OF IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-15)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of January 20, 1981, page 567.)

CALL OF THE HOUSE

Mr. FOLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 5]

Akaka
Albosta
Alexander
Anderson
Annunzio
Anthony
Applegate
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Beard
Bedell
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Billey
Boland
Boiling
Boner
Bonior
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown (CA)
Brown (CO)
Brown (OH)
Broyhill
Burgener
Burton, John
Burton, Phillip
Butler
Byron
Carman
Carney
Cheney
Chisholm
Clinger
Coats
Coleman
Collins (TX)
Conable
Conte
Corcoran
Coughlin
Courter
Coyne, James
Coyne, William
Craig
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Daub
Davis
de la Garza
DeNardis
Derrick
Dicks
Dixon
Dorgan
Dornan
Dougherty
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Eckart
Edwards (AL)
Edwards (OK)
Emerson
Emery
Erdahl
Erlenborn
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley
Forsythe
Fountain
Fowler
Frank
Frenzel
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzales
Gore
Gramm
Gray
Green
Gregg
Grisham
Guarini
Gunderson
Guyer
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Harkin
Hartnett
Hatcher
Hawkins
Hefner
Hendon
Hertel
Hightower
Hiler
Hinson
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffries
Jenkins
Johnston
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kramer
Lagomarsino
Leach
Leath
Lee
Lehman
Leland
Lent
Levitas
Lewis
Loeffler
Long (LA)
Long (MD)
Lott
Lowery
Lowry
Lujan
Luken
Lundine
Lungren
Madigan
Marks
Marlenee
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mattox
Mavroules
McClory
McCollum
McCurdy
McEwen
McGrath
McHugh
Mica
Michel
Miller (OH)
Mineta
Mitchell (MD)
Moakley
Molinari
Mollohan
Montgomery
Moore
Morrison
Motti
Murphy
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nowak
O'Brien
Oakar
Obey
Ottinger
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Perkins
Petri
Porter
Price
Pritchard
Purnell
Quillen
Rahall
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roe
Roemer
Rogers
Rose
Roth
Roukema
Rousselot
Roybal
Rudd
Savage
Sawyer
Schneider
Schroeder
Schulze
Schumer
Sensenbrenner
Shumansky
Shannon
Sharp
Shaw
Shelby
Shumway
Simon
Skaggs
Skelton
Smith (AL)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
St Germain
Stangeland
Stanton
Staton
Stenholm
Stokes
Stratton
Studds
Synar
Tauke
Tauzin
Thomas
Trible
Udall
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Weber (MN)
Weiss
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Zablocki

□ 1150

The SPEAKER pro tempore. On this rollcall 330 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

□ 1200

RECESS UNTIL 3 P.M. TODAY

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the House now stand in recess until 3 p.m. this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. LOTT. Mr. Speaker, reserving the right to object, would the gentleman state that again? I think the Members are very much interested in what the time schedule is going to be here today.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. Further reserving the right to object, I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I make this unanimous-consent request in order to provide adequate notice to provide an opportunity for Members who are not present to be present on the floor this afternoon during the consideration of what we understand will be a motion to be made concerning the appointment of a committee to consider committee ratios.

This is an important vote, and not all Members, including some of the principal Members of the House, have had an opportunity to be aware that the motion may be offered this afternoon; and in the interest of comity, I think it is an important vote for all Members to be able to consider and be present to act upon.

Mr. LOTT. What is the gentleman's request?

Mr. FOLEY. If the gentleman will yield further, my request is that the House stand in recess until 3 p.m. this afternoon.

Mr. LOTT. That is 3 p.m.

Could the gentleman give us any idea of what the schedule would call for this afternoon as to when we might get through?

Mr. FOLEY. If the gentleman will continue to yield, it is the intention of the leadership on this side to offer a resolution by the gentleman from Louisiana (Mr. LONG) on behalf of the Democratic Caucus, electing the Democratic members of the various committees of the House, and it was then understood that the gentleman from New York (Mr. KEMP), would act on behalf of the Republican Conference in presenting a resolution electing Republican members to the various committees of the House.

We have been advised that there may be a motion to refer the appointment of Members to a committee with instructions to alter the ratios from what we on this side understood they would be. And because that vote or that issue would be an important matter for Members of the House on both sides of the aisle to be aware of and participate in, we are just suggesting this opportunity for all Members to be present.

Mr. LOTT. The gentleman then is saying the Members could anticipate being in session probably until at least 4:30 or 5 o'clock this afternoon.

Mr. FOLEY. If the gentleman will yield further, all Members ought to assume we will be in session until perhaps 6 o'clock this evening. I do not anticipate a later session than that, but it might take that long, depending on the extension of the debate.

As the gentleman knows, under the rules, the person offering these resolutions controls the time for an hour, and the voting that might take place might well take the House that long. I would not anticipate it would be longer than that.

Mr. LOTT. Further reserving the right to object, I would like to yield to the gentleman again on the question on the schedule for tomorrow.

Earlier in the week, I understood we were to have a pro forma session tomorrow with no anticipated votes. Is that correct?

Mr. FOLEY. That is correct.

Mr. LOTT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. WALKER. Mr. Speaker, reserving the right to object, I am a little confused as to the reason for the recess and the explanation. As I understand it, we are taking up the resolution with regard to committees. It was my understanding, as a Member, that that was the scheduled business for the day.

If I read the board correctly here 1 minute ago, we do have a quorum present to work the will of the House. Now I am a little confused as to why we have to go into recess if, in fact, the scheduled business is about to take place, and there is a quorum present to conduct the business of the House.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Washington.

Mr. FOLEY. Well, I think the gentleman will understand that this is not a typical procedure, though a legal one, to offer any other proposal for the election of committee members than that which was understood by both sides traditionally to be the subject of elections. The elections, as the gentleman knows, are usually pro forma matters as reported by the Democratic Caucus on our side and the Republican Conference on the gentleman's side.

We were advised only this morning that there might be an alternative proposed from the minority to establish a vehicle committee for the purpose of considering alternative ratios of membership with instructions. This is not unprecedented, but it is an unusual procedure, and one that Members did not have prior notice of, and for that reason, as a matter of comity so that all Members may have an opportunity to participate in that debate and decision, we are suggesting this brief recess.

Mr. WALKER. Further reserving the right to object, I would say to the gentleman, would it not be a normal procedure to simply debate that issue on the House floor, to have the quorum which is present be able to hear both sides of the debate and then have a vote.

I do not understand the need for a recess in order to accomplish the objective that the gentleman has just outlined.

Mr. FOLEY. If the gentleman will continue to yield, as I said to the gentleman, and I repeat, it is not the customary procedure to do more than a pro forma action of the two party caucuses, the Democratic Caucus and the Republican Conference. There now is an unusual situation where there will be some debate and perhaps vote on an alternative proposal.

It is, I think, sufficiently unusual and sufficiently important to justify more advance notice than was available to the Members when the schedule was announced for the day.

Mr. WALKER. Further reserving the right to object, if the gentleman from Pennsylvania would decide to object, would that mean we would simply go forward with the House business as scheduled?

Mr. FOLEY. If the gentleman from Pennsylvania wishes to object, then it may be necessary for us to offer a motion, an appropriate motion. I hope he would not object.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding.

Let me make this further elucidation. It becomes a matter of personal representation on the House floor. In some previous Congresses, when the ratios of committees have been negotiated, I, as the majority leader, have been present at those negotiations, with the gentleman from Arizona (Mr. RHODES) and others.

On this occasion, I was not privy to those discussions. I was not present at the meeting, which took place, as I understand it, between the Speaker, the gentleman from Massachusetts (Mr. O'NEILL), on behalf of the Democratic side, and the new Republican leader, the gentleman from Illinois (Mr. MICHEL).

Not having been present at the time these negotiations occcurred, I do not feel that I adequately can represent the Speaker in this matter, and I think the Speaker would like to be present this afternoon on the occasion when we decide this issue. He had not anticipated this kind of development and was not in town. He is on an airplane now, I am advised, on his way back in.

It is for the further reason it will accommodate the Speaker, who, as the constitutional officer presiding over the House and acting on behalf of us all in the negotiation of these ratios, should be present on the floor.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I would say to the distinguished gentleman from Texas I think that provides a more adequate explanation.

Is in fact the purpose of the recess to allow the Speaker to get here so that the Speaker is included in whatever decision the House comes to later on this afternoon? Do I understand the gentleman that that is the prime purpose behind the recess?

Mr. WRIGHT. If the gentleman would yield further, I think that is one valid purpose. In addition to that, the purpose is as stated by the gentleman from Washington.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER pro tempore. The Chair declares a recess until 3 p.m.

Accordingly (at 12 o'clock and 10 minutes p.m.), the House stood in recess until 3 p.m.

□ 1500

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 p.m.

SWEARING IN OF MEMBER-ELECT

The SPEAKER. Will the gentleman from New York (Mr. SOLARZ) kindly come to the well of the House and take the oath of office?

Mr. SOLARZ appeared at the bar of the House and took the oath of office.

CALL OF THE HOUSE

Mr. FOLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 6]

Akaka
Alexander
Anderson
Annunzio
Anthony
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Beard
Bedell
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Bliley
Boland
Boling
Bonker
Bonior
Bouquard
Breaux
Brinkley
Broomfield
Brown (CA)
Brown (CO)
Brown (OH)
Broyhill
Burgener
Burton, John
Butler
Byron
Carney
Chappie
Cheney
Clausen
Clinger
Coats
Coelho
Coleman
Collins (TX)
Conable
Conte
Conyers
Corcoran
Coughlin
Courter
Coyne, James
Coyne, William
Craig
Crane, Philip
Crockett
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
Dickinson
Dicks
Dingell
Dixon
Dorgan
Dornan
Downey
Dreier
Duncan
Dunn
Dwyer
Dymally
Dyson
Eckart
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Foley
Forsythe
Fountain
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gramm
Gray
Green
Gregg
Grisham
Gunderson
Guyer
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Harkin
Hatcher
Hawkins
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hinson
Holt
Howard
Huckaby
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffries
Jenkins
Johnston
Jones (NC)
Jones (TN)
Kastenmeier
Kazen
Kildee
Kogovsek
Kramer
Lagomarsino
Leach
Leath
LeBoutillier
Lee
Lehman
Lent
Levitas
Lewis
Loeffler
Long (LA)
Long (MD)
Lott
Lowery
Lowry
Lujan
Luken
Lundine
Lungren
Madigan
Markey
Marks
Marlenee
Martin (NC)
Martin (NY)
Matsui
Mattox
Mavroules
McClory
McCloskey
McCollum
McCurdy
McEwen
McGrath
McHugh
Mica
Michel
Miller (OH)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moore
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Neligan
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Perkins
Petri
Pickle
Porter
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roe
Roemer
Rogers
Rose
Roth
Rousselot
Roybal
Rudd
Sabo
Savage
Sawyer
Schneider
Schroeder
Schulze
Schumer
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Simon
Skeen
Skelton
Smith (AL)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stanton
Staton
Stenholm
Stokes
Stratton
Studds
Synar
Tauke
Tauzin
Thomas
Trible
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Washington
Watkins
Weaver
Weber (MN)
Weiss
Whitehurst
Whittaker
Whitten
Williams (MT)
Wilson
Winn
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Young (AK)
Young (MO)
Zablocki

□ 1520

SWEARING IN OF MEMBER-ELECT

The SPEAKER (during the call of the House). Will the gentleman from Pennsylvania (Mr. ERTEL) present himself in the well of the House for the purpose of taking the oath of office?

Mr. ERTEL appeared at the bar of the House and took the oath of office.

The SPEAKER. On this rollcall, 327 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

HONORING THE 52 FORMER HOSTAGES

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, may I join with all Americans in expressing the happiness I feel concerning the release of our captive citizens. It is my fervent hope that they are in good health and that the process of reuniting with their families and of reassimilation into their normal daily activities is a pleasant and painless one.

It is with great pride that I join my colleagues in cosponsoring Mr. ANNUNZIO's resolution to strike commemorative medals as a tribute to the fortitude and bravery of our Nation's most recent heroes.

Today I have sent a letter to President Reagan urging him to proclaim a national day of observance honoring the 52 former hostages for their courage and to dedicate the day to renew our pledge of this Nation's devotion to freedom and justice and emphasize that nothing like this will happen again.

VETERANS' ADMINISTRATION ASSISTANT ADMINISTRATOR FOR INFORMATION SERVICES, FRANK R. HOOD, RETIRES

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAMMERSCHMIDT. Mr. Speaker, the Veterans' Administration is losing a superb employee with the retirement of its Assistant Administrator for Information Services, Frank R. Hood. He is without peer as a practitioner of the art of public relations. But more than that Frank Hood is a thinker, a philosopher, a man of outstanding gifts who believes the proper use of his great talents is in the service of others.

An Iowa farm boy, Frank attended his State's university where his remarkable physical abilities, combined with an unconquerable will to excellence, made him an All-American athlete in football, basketball, and track. Later, as coach at Rockhurst College in Kansas City, he was named NCAA coach of the year and subsequently he distinguished himself as a reporter and editor for the Kansas City Star and Associated Press.

After serving as a Navy gunnery officer in World War II, Frank began his VA career in 1946, then took over as

Director of the agency's Information Service in 1958, a position he has held for 23 years. The same qualities that brought him success in other fields of endeavor made him a success in one of the most demanding positions in the Washington bureaucracy.

Mr. Speaker, I do not know whether Frank Hood is a Democrat or a Republican and I doubt very much if anyone else does. He has served eight administrators of both parties with equal dedication and loyalty. Each in his turn discovered quickly that he could turn to Frank as a trusted and strong right arm. Then each in turn discovered after they were out of office without regard to the waxing and waning of political fortunes, in Frank Hood they had a friend on whom they could always count.

This man's accomplishments are many, Mr. Speaker. He has been honored by the highest awards that can be given by the Government and by the news media. As he enters retirement years he leaves behind the universal respect of those who worked with him and those who worked for him. It may be that most of America's veterans never heard his name but, nevertheless, it is a fact that he devoted most of his life to their best interests.

Although he kept a great stream of information about the Veterans' Administration pouring into the national press, Frank did not like to see his own name in the paper. A few days ago, though, I spotted an item about him in the Washington Post. It called him a card-carrying gentleman. I hope he did not object to that. All his colleagues believe he fits that description to a "T."

THE FACE OF IRAN

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COUGHLIN. Mr. Speaker, in the dark days of the Iranian revolution, a group of Americans and Britons living and working in a small Iranian town on the coast of the Caspian Sea was made the target of every anti-Shah, anti-American demonstration and action which took place there. Eventually, a guerrilla organization delivered a death threat to the small group of men and women: "Leave Iran immediately or die!" After months of enduring the tensions and the terror of being the focus of so much hate, so much venom, one of the Americans confronted a group of Iranian demonstrators and, in a burst of unimaginable fury and pent-up frustration, said to them, "You have no honor!"

The response was staggering. The Iranians reacted as if they had been physically struck. They were literally speechless at this accusation by the hated American "spy." The American, in his rage, had inadvertently touched a nerve lying very close to the surface of the basic insecurity, paranoia, and cowardice which is the fabric of the current brand of Iranian militants.

Once again, the Iranians have displayed the fact, this time to the entire world, that they have no honor. They have no face. As accounts of deprivation, indignities, abuse, and torture filter from the hospital in Wiesbaden; as the small heroic acts of defiance, quiet courage, and uncompromising assertion of the self on the part of our countrymen who were held captive become known; a fact comes through very loud and very clear. The world now knows: The Iranians have no honor. Our people, 63 of our brothers and sisters, behaved with honor and spirit in the face of obscenity. The Iranians betrayed their own revolution in this despicable act of savage spite. We have the honor.

The Iranian people must know that it is they who have paid the price for their act of terroristic hate, their national temper tantrum. They have been exposed to all people on our planet as dishonorable. And we, in the persons of the 63 men and women who endured and prevailed, and the 8 young men who gave their lives on a mission of mercy, have emerged as a just and compassionate and honorable Nation.

SANDIA MOUNTAIN WILDERNESS WITHIN CIBOLA NATIONAL FOREST

(Mr. LUJAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUJAN. Mr. Speaker, I am introducing a bill today to provide for the addition of about 25 acres to the Sandia Mountain Wilderness within Cibola National Forest, N. Mex.

The purpose of this bill is to include Sunset Canyon, which lies literally in the backyard of many residents of Albuquerque, within the wilderness, thus preventing, on a fairly permanent basis, the building of a large dam in the canyon.

At the present time a structure called a diversion dam exists in the canyon. It was built in 1964 for flood control and has been maintained only once since then. Maintenance is mainly silt removal in order to keep the channel open. The flood control requirement was a result of the Glenwood Corp.'s desire to build a subdivision in the area, and it is the homes built by the corporation that back up to the area I am proposing for wilderness.

In 1974 a bond issue was passed for flood control, but none of the money was specifically allocated to enlarging this dam. Then in 1976 the Glenwood Hills Homeowners Association was informed by the Forest Service that the city planned to build a new dam in Sunset Canyon. It was to have been about 30 feet high at grade level and 50 feet from the basin floor. The catch basin was to be riprapped and a road built high on the hillside to go over the top of the dam structure.

This planned action was protested and the Forest Service requested the city to reconsider its plans. In March 1980 the city council passed a resolution whereby the city's policy is to upgrade the existing structure and line the North Glenwood Hills Arroyo channel with concrete.

My bill will insure that no greater action is taken by the city. It will preserve the existing character of the area and prevent destruction of the canyon. I will work for early passage of this bill and I will be requesting hearings shortly.

APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN OF DELEGATION TO ATTEND CONFERENCE OF INTERPARLIAMENTARY UNION IN MANILA

The SPEAKER. Pursuant to the provisions of title 22, United States Code, section 276a-1, as amended by Public Law 95-45, the Chair appoints the gentleman from Florida, Mr. PEPPER, as Chairman, and the gentleman from Illinois, Mr. DERWINSKI, as Vice Chairman of the delegation to attend the Conference of the Interparliamentary Union held in Manila on April 20 through 25, 1981.

COMMUNICATIONS IN THE CASE OF DUPUY AGAINST RIPLEY, ET AL.

The SPEAKER laid before the House the following communications, which were read:

WASHINGTON, D.C.,
January 2, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Room H-204, U.S. Capitol,
Washington, D.C.
(Attention of L. Kirk O'Donnell).

DEAR MR. SPEAKER: Please find attached a copy of a Civil Subpoena for the United States District Court for the Central District of California, commanding me to appear in court on the west coast on January 13, 1981. The plaintiff in this civil action desires my testimony concerning my recollection of what transpired during a deposition of two Drug Enforcement Agency agents taken by myself and other members of the staff of the House Select Committee on Intelligence (the Pike Committee) approximately five years ago. Pursuant to H. Res. 722, this is notification and a request for permission to testify under the subpoena.

Under H.R. 722, however, it may well be impossible for me to so testify. Under the rules of the House Select Committee on Intelligence Staff depositions such as the one in question here were deemed to have been taken in executive session. In this particular case the information disclosed in the course of the deposition was not classified, or in any way based on classified materials. However that may be, if my memory serves, the executive session designation of the transcript of the deposition was never removed by a vote of the full select committee, which under the committee's rules is required for public disclosure. That committee, of course, is no longer in existence.

Finally, even if allowed to testify (perhaps by special resolution of the House) my testimony would be of little value without an opportunity to refresh my recollection by reviewing the transcript of the deposition. I presume (without knowing) that such material is now in the custody and control of the new Permanent Select Committee on Intelligence. By copy of this letter I am notifying that committee of my desire to review the transcript of the depostion taken of Special Agent Stevenson of the DEA in the latter part of 1975.

Your attention to this matter is sincerely appreciated.

Sincerely,

JOHN MCE. ATKISSON.

[U.S. District Court for the Central District of California]

PIERRE ROLAND DUPUY, PLAINTIFF, *v.* CHARLES RIPLEY, ET AL., DEFENDANTS

(CV-76-2956 WPG, CV-77-1534 WPG, CV-76-2657 WPG, CV-76-2658 WPG)

To: John McElroy Atkisson.

You are hereby commanded to appear in the United States District Court for the Central District of California at the United States Courthouse, 312 North Spring Street, in Courtroom No. 6 before the Honorable William P. Gray in the city of Los Angeles on the 13th day of January 1981 at 9:30 o'clock a.m., to testify in the above-entitled action.

WASHINGTON, D.C.,
January 19, 1981.

JOHN MCE. ATKISSON,
White, Fine & Verville, Attorneys at Law,
Washington, D.C.

DEAR MR. ATKISSON: I received your letter notifying me of a civil subpoena demanding your appearance to give testimony in the United States District Court for the Central District of California in *Pierre Roland Dupuy v. Charles Ripley, et al.*

The provisions of House Resolution 722 have now been incorporated into the Rules of the House as Rule L. The rule clearly states:

"[t]hat under *no circumstances* shall any minutes or transcripts of executive sessions *or any evidence of witnesses in respect thereto* be disclosed or copied."

Consequently, the Rule prohibits compliance with the subpoena. Permission to do so could only be granted by a resolution of the House.

Sincerely,

THOMAS P. O'NEILL, Jr.,
The Speaker.

□ 1530

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. It is the understanding of the Chair that there are some chairmen of the various committees who are at the present time paying courtesy calls or business calls to the President of the United States at his request. Consequently, after the special orders, there will be no further business today. Tomorrow there will be a pro forma session. Upon adjournment tomorrow, the House will adjourn until Tuesday next, and the committee elections will come up on Tuesday next. There will be a pro forma session tomorrow, and the House will then adjourn until Tuesday.

PARLIAMENTARY INQUIRY

Mr. ROUSSELOT. Mr. Speaker, I have a parliamentary inquiry.

Mr. Speaker, what time do we come back?

The SPEAKER. At 11 o'clock tomorrow the House will meet for pro forma session.

Mr. ROUSSELOT. What time on Tuesday, Mr. Speaker?

The SPEAKER. Twelve o'clock on Tuesday.

Mr. ROUSSELOT. I thank the Chair. It is nice to have the Speaker back.

□ 1210

EXPANDED VA BENEFITS FOR EX-POW'S AND MILITARY HOSTAGES

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I am pleased to announce that today I am introducing legislation to provide expanded VA medical and compensation benefits for former prisoners of war. The bill will also extend VA education benefits to all U.S. military personnel among the Americans released by Iran earlier this week.

The legislation is the result of a 2-year study of the present status of an estimated 100,000 living ex-POW's. The study found a much higher mortality rate among former POW's than other veterans and a higher rate of physical and psychological disability.

Last June, my Subcommittee on Compensation, Pension, Insurance and Memorial Affairs conducted hearings on the comprehensive study filed by the Veterans' Administration under mandate of Public Law 95-479 on the needs of former prisoners of war.

Several new recommendations, not included in the study, were also presented for our consideration at that time. Though it was agreed that further hearings should be conducted, it was also clear to all of us that the time has come for a definitive POW bill.

To this end, I am today introducing legislation which would substantially liberalize benefits for former prisoners of war.

The bill would:

First, reduce to 60 days the present 6-month duration of prisoner of war status for presumption of dietary deficiencies;

Second, authorize both in-patient and out-patient treatment on a priority basis;

Third, service-connected psychoneurosis and psychosis for former prisoners of war regardless of when such a disability is first shown;

Fourth, establish the Administrator's Advisory Committee on Former Prisoners of War; and

Fifth, extend chapter 34 educational benefits to military personnel held hostage in Iran, who I am most pleased to hear, will be back on American soil shortly.

Again, I wish to reiterate the committee has a major concern as to whether our former prisoners of war are receiving the level of benefits and services to which they should be entitled as a result of their internment.

At the request of organizations who support an expansion of benefits and services for former prisoners of war, our committee will hold one more day of hearings. I would expect the bill to be favorably reported by the full committee early in the session as my intention is to treat this matter on a very high-priority basis. I urge my colleagues to cosponsor the measure. Those who may wish to do so, should contact me or the House Veterans' Affairs Committee.

LEGISLATION TO CURB WASTE AND FRAUD IN THE FEDERAL WORKERS' COMPENSATION PROGRAM

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, if ever there was a time when the American people want more fiscal responsibility and less unproductive bureaucratic bungling, now is the time. I urge my colleagues to focus on a program desperately in need of legislative and administrative improvements.

The Federal employees' compensation program is out of control in several respects:

The number of lost-time injury claims is skyrocketing.

Federal workers legitimately injured are experiencing long delays in receiving the payments they are due.

Program costs are soaring.

Millions of tax dollars are being squandered.

This sorry state of affairs is not new. Poor administration and the absence of program controls have long been hallmarks of this program. Worse yet, the Congress virtually invited abuse of the program with 1974 amendments to the Federal Employees' Compensation Act (FECA). I am especially concerned about the impact of the program by

which injured Federal workers are compensated.

In 1974 at a time when Americans were far less concerned about Government spending and budget deficits, the Congress was under pressure to address the hardship problems which workers faced as a result of delays in claims processing. In an effort to eliminate the delays, the Congress adopted a continuation-of-pay (COP) provision allowing a Federal worker to continue on the agency's payroll for up to 45 days following a traumatic injury. At the same time, injured Federal workers were given the option of choosing their own doctors for care and treatment. Most importantly, the former 3-day waiting period was moved to the end of the 45-day period, making it ineffective as a deterrent to frivolous claims.

Some of these changes in the law were counterproductive and they have produced disastrous results. I believe the Congress erred in enacting them.

Throughout much of the 95th Congress and the 96th Congress, I struggled to persuade the Congress to take action to correct its errors. In 1978, I conducted a wide-ranging survey of COP practices throughout the Federal bureaucracy, and I introduced legislation to: First, reestablish a 3-day waiting period prior to the start of COP payments; and second, authorize agency supervisors to request an injured Federal employee to be examined by a doctor employed by the U.S. Government or a private physician approved by the supervisor. I testified in April 1978 before the Compensation Subcommittee of the House Education and Labor Committee on my legislation and presented my preliminary findings pointing toward a tremendous rise in lost-time injury claims and Federal compensation costs in the wake of the 1974 amendments. I was told that my findings were interesting, but inconclusive.

My tentative findings coincided with reports of the House Government Operations Committee and the House Appropriations Committee. Both have concluded that the quick-fix approach adopted in 1974 has backfired. The time it takes to process claims has remained almost unchanged—it still takes an average of 61 days for a claim to be approved. More troubling are charges by Federal agencies that some workers are treating the 45-day COP period as a type of excess leave.

In June 1978, I turned to the General Accounting Office—GAO—for help in conclusively determining what has happened since enactment of the FECA amendments of 1974. In the summer of 1979, I released the results of this 1-year investigation in the report entitled, "Multiple Problems With the 1974 Amendments to the Federal Employees' Compensation Act."

This GAO report confirms my worst suspicions. Ever-increasing sums of tax dollars are being spent in a program which is open to widespread abuse and which is drowning in a sea of claim forms.

The highlights of the GAO report include the following:

The number of lost-time injury claims filed by Federal workers after the 1974 amendments has escalated sharply. In fiscal year 1974 about 12,000 claims were filed for job-related traumatic injuries. Claims in fiscal year 1980 hit the alltime record high of $117,159;

Program costs have skyrocketed from $217.7 million in fiscal year 1973 to $818.6 million in fiscal year 1980;

As many as 46 percent of all COP claims on which the Federal Government has made payment might have been eliminated by a 3-day waiting period;

About 37 percent of a statistically valid sample of COP claims examined by the GAO were found to be frivolous or minor;

Review of the free-choice-of-physician provision showed that about 20 percent of the COP claims did not clearly show that the claimants were actually injured, were hurt on the job, or were off the job a reasonable length of time given their injury;

The same review disclosed that, for all the claims for which GAO believed light duty was appropriate, light duty was actually used in less than half the claims. To cite one specific example, perhaps the most flagrant of dozens cited in the GAO report:

A 28-year-old letter carrier, hurrying to complete her route after taking an unscheduled break with her fiance, tripped over a coat hanger on the steps of an apartment house. Her injuries included contusions of the knee and shoulder and a back strain, which kept her off work for 19 workdays covered by COP. Although she returned to work on light duty for approximately one month, she again claimed COP after her physician stated that her condition had worsened since the last examination and that she must be at rest for two weeks.

Five days after her physician returned her to a disability status, the local newspaper reported that she had married and was on an out-of-town honeymoon. She did return to work for a few days after the honeymoon, but then again claimed total disability for five months. The employee returned to work only after being required to report for a fitness-for-duty examination, which disclosed no disabling condition. Her own physician concurred with the findings of the fitness-for-duty examination.

In accordance with the findings and legislative recommendations of this disturbing GAO report, I am reintroducing legislation to amend the FECA to reinstate a 3-day waiting period prior to the beginning of COP payments and to provide agency supervisors with discretionary authority to request an injured employee to be examined by a doctor employed by the U.S. Government or a private physician approved by the supervisor.

I hope the 97th Congress will act expeditiously and favorably on this bill, just as I hope the Department of Labor will go much further to implement the administrative remedies recommended by the GAO. My bill is a responsible step to take toward restoring integrity and sound management controls to a program lacking in both. Internal Labor Department studies at one time or another have supported one or both of the changes that are provided for in my bill.

Let me say that I strongly agree with the purposes of the Federal employees' compensation program. Federal workers have a right to expect prompt compensation for injuries suffered in public service. That will not happen as long as the whole system is flooded with the paperwork of frivolous claims.

Furthermore, there are other important rights to consider.

The Federal agencies have a right to expect maximum work performance from their employees and a right to protect themselves from financial exploitation.

Most important, the American people have a right to be certain that their tax dollars are being spent wisely.

In closing, I would like to emphasize that last year the Comptroller General told the Congress that there is widespread fraud, abuse, and waste throughout the Federal Government from bribery to theft and that not nearly enough is being done about it. In particular he testified before the House Budget Committee to the fact that this legislation could save the U.S. taxpayers at least $20 million a year.

The Justice Department has estimated that fraud alone is costing taxpayers a minimum of $2.5 billion a year and maybe as much as $25 billion a year. I am hopeful that this new Congress will enact this badly needed legislation. In so doing, we can begin to restore public confidence in Government and really strike a blow against inflation by making some responsible changes in the FECA along the lines I have suggested.

THE BIENNIAL BUDGET ACT

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, today I am reintroducing the Biennial Budgeting Act, a bill I sponsored in the 96th Congress which would put the Congress on a 2-year budget cycle. I believe the change to a 2-year cycle would give us the time we need to conduct tough oversight on existing programs and to get the budget under control.

My experience as a member of the House Budget Committee has convinced me that no one really feels we have enough time to review the budget and oversee existing programs and policies, let alone enough time to thoroughly go over new program proposals to see whether they are really needed. The very fact that there are some 15,000 bills introduced during each Congress, coupled with committee's oversight responsibilities and with extension of ongoing programs, makes meaningful oversight and review almost impossible. The result is that outdated and ineffective programs keep slipping through, while new programs are not given the time and attention they deserve. Moreover, members of the Budget and Appropriations Committees are pushed to the very limit of their abilities in coping with the situation, while other members, given about 2 weeks to look over the first budget resolution before floor consideration, fall to drawing sharp and bitter partisan lines instead of fully debating the budget.

The congressional budget process, in my opinion, has been successful in forcing Congress to accept more responsibility for its spending decisions and it is clear that spending has been reduced as a result of the process. Just last year we reduced the Federal deficit for fiscal year 1981 by almost $10 billion through the use of reconciliation. That landmark effort showed that Congress can reduce Federal spending in the so-called uncontrollable part of the budget. Also, last year's first concurrent resolution called for a balanced fiscal year 1981 budget. Obviously, today, we are a long way from a balanced budget for the current fiscal year, but with different economic circumstances a balanced budget could have been a reality.

Despite these successes, through the course of last year none of the crucial Budget Act deadlines were met. The act calls for the passage of the first resolution by May 15; last year it was passed on June 12. Action on all appropriation bills must be completed the seventh day after Labor Day according to the act. This past year none were enacted by that date. The act calls for passage of the second concurrent resolution by September 15. This past year it took Congress until November 20 to complete action on the second resolution. These delays are symptoms of the tremendous time pressures Congress is subjected to as it attempts to create an entire budget every year. If Congress were to conduct the sort of oversight activities it must conduct to control Federal spending, it would be impossible to meet any of the deadlines set by the 1974 act.

Under my proposal, substantial time would be allotted for oversight activities and the time pressures on legislative and appropriation committees would be greatly alleviated. The Biennial Budgeting Act proposes that the first year of each 2-year congressional term be devoted to formal oversight of programs and agencies, to the reporting by the Budget Committees of the first budget resolution and the reporting by the legislative committees of all authorizing legislation. The second year would be used for the passage of any new authorizing bills and later, only after authorizing legislation is adopted, the Congress would adopt appropriations bills and the second budget resolution.

This new approach would yield three basic benefits: More time for oversight of present programs, more time for thoughtful planning of a new budget, and less pressure and distraction from the constant flow of new program proposals. It would take us away from the stop-and-go funding we now engage in, where too many decisions result from last minute panic instead of proper planning.

This bill in its current form has been before the House for the past two sessions of Congress. The House Budget Committee has held hearings on the bill and during the last session of Congress, after hearings before the House Subcommittee on the Legislative Process, certain concepts in the 2-year budget measure were incorporated into the Sunset Review Act of 1979, a bill sponsored by Representative GILLIS LONG, chairman of the Legislative Process Subcommittee. This bill, which had 198 cosponsors, called for a specific oversight and review schedule for each of the House and Senate committees responsible for authorizing Federal spending programs or tax expenditures. Under the act each committee would have had 2 years to conduct oversight hearings on the programs it selected for review and to report legislation improving or eliminating those programs. The thrust of the 2-year budget bill and the Sunset Review Act are similar—to force Congress to conduct a detailed and careful review of programs in all areas of Government as a means of reforming Federal spending patterns.

Specifically, the bill would provide for the following schedule: First year: The committees of each House would spend the first 6 months of the first session conducting oversight hearings on existing programs and policies. Following these hearings, the legislative authorizing committees have another 6 months to conduct hearings and report out new legislation. The Budget Committees would follow essentially the same schedule, reporting out the first concurrent budget resolution by November 30, allowing legislative committees time to incorporate guidelines within the resolution into their own work.

Second year: Each House would devote itself to working on new authorizing legislation, with a deadline of March 10 for such action. March 31 would be the deadline for consideration of the first concurrent budget resolution. It is only after this point that appropriations bills come into consideration. By May 15, the Appropriations Committees are to report out their bills and resolutions, with the seventh day after Labor Day the final day for action. After that, the present timetable for the second concurrent budget resolution is retained.

As I stated, this approach would yield several basic and important benefits. It would allow more time for oversight of present programs so that ineffective or outdated ones can be eliminated. It would permit more careful and thoughtful planning of the budget, with full consideration given to the effect of the budget on inflation and to innovative fiscal initiatives. It would allow all Members of Congress, not just those serving in the previous Congress, full input into the new budget. It would enable us to take time to determine whether new programs and policies are really warranted or necessary, rather than relying on special interests or party lines. It would completely eliminate the incongruous situation that we see now of appropriating money for unauthorized programs.

In past CBO reports the 2-year budgeting concept has been commented upon favorably. Specifically CBO has recommended that the Appropriations Committees begin immediately to examine the budget for programs that could be most easily switched to a 2-year cycle.

One of the most interesting possible benefits of biennial budgeting that the Congressional Budget Office has noted is the increased financial security that approach would give to State and local governments which are so dependent on Federal support. CBO has concluded, based on the results of a study conducted for the Office by Peat, Marwick, and Mitchell & Co., that biennial budgeting would relieve State and local governments of the continual pressure they face to second-guess future appropriations levels. The effect of that pressure, according to CBO, is that State and local officials tend to underspend their Federal funds, often then losing the funds at the end of the fiscal year. As a result, programs that are underfunded to begin with suffer still more from underspending. Two-year appropriations would greatly ease that situation.

I would like to quote one other observation CBO has made with regard to biennial budgeting. A study of theirs noted:

The arguments against two-year appropriations revolve mainly around possible diminution of Appropriations Committee oversight and difficulty of forecasting a program's warranted level of resources for 24 compared to only 12 months ahead. But if the Committees did not have to spend so much time each year on routine "budgetry" they would in fact have more time for their oversight work, leading to more rather than less oversight. Unexpected demands can always be accommodated by supplemental appropriations.

I think there is a widespread recognition within the House that the budget process is basically sound and can only be improved by more time for oversight. But despite this fact, the budget grows and taxpayers resent this as they fork over their hard-earned money with no perceptible improvement in Government services. We feel their pressure daily on our actions. But in objecting to high taxes and runaway spending, Americans are not asking that their Government be dismantled. They are saying that they have every right to expect that the dollars we appropriate on their behalf will be handled efficiently and effectively.

We reflect the frustrations of our constituents every day on the floor of the House. Everyone here has made a real effort to analyze current spending at the same time he or she is considering new spending measures. Some Members have used knee-jerk voting against all new spending measures as a way of calling for budget control and oversight. But neither approach can really work in the long run.

We must adopt a system that allows Congress enough time to give the budget the serious attention it deserves or we will never get it under control. There will most likely be proposals before the House to create a zero-based budgeting system and to establish sunset laws that would give all Federal programs a limited life cycle. I support these measures as one way of coping with the present situation, but I believe they will be ultimately useless unless we provide time for Congress to exercise its oversight responsibilities fully. By moving to a 2-year budget we can gain that time and make significant progress in getting the budget under control.

H.R. ——

A bill to amend the Congressional Budget Act of 1974 to provide for a two-year budgeting cycle, to provide for separate and timely consideration each of authorizing legislation, budget resolutions, and appropriations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Biennial Budgeting Act of 1981."

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that the present annual budgeting process of the Congress—

(1) allows too little time for the fulfillment by the Congress of its legislative oversight responsibilities;

(2) allows too little time for the review and consideration by the Congress of authorizing legislation, of budget resolutions, and of appropriation bills; and

(3) allows too little time for the evaluation of costly and complicated Federal programs and consequently contributes to the unrestrained growth of the Federal budget.

(b) It is the purpose and intent of the Congress in this Act to establish a more thorough and timely process for the enactment of the Federal budget by—

(1) establishing a two-year cycle for the adoption of the budget;

(2) providing clearly allocated time for the holding of oversight hearings by the several committees of each House in order to review the various programs and agencies of the Federal Government; and

(3) requiring that consideration of authorizing legislation, of the budget, and of appropriation bills and resolutions be separate and distinct, thus allowing full evaluation of the need for and the merits and costs of the various programs and agencies of the Federal Government.

ESTABLISHMENT OF TWO-YEAR CYCLE FOR CONGRESSIONAL BUDGET PROCESS

SEC. 3. Section 300 of the Congressional Budget Act of 1974 is amended to read as follows:

"TIMETABLE

"SEC. 300. The timetable with respect to the congressional budget process for any Congress (beginning with the 98th Congress) is as follows:

"First Session

"On or before:	Action to be completed:
January 3	President submits current services budget.
15th day after Congress meets.	President submits his budget for 2-fiscal-year period beginning in succeeding calendar year (the '2-fiscal-year budget period').
	All committees begin oversight hearings with respect to 2-fiscal-year budget period.
June 30	Committees complete oversight hearings and submit their reports thereon.
July 1	All committees begin legislative work for 2-fiscal-year budget period.
October 31	Committees and joint committees submit reports to Budget Committees with respect to 2-fiscal-year budget period.
November 10	Congressional Budget Office submits report to Budget Committees with respect to 2-fiscal-year budget period.
November 30	Budget Committees in both Houses report first concurrent resolution on budget for 2-fiscal-year budget period.

"First Session—Continued

"On or before:	Action to be completed:
December 31	Committees report bills and resolutions authorizing new budget authority and providing new spending authority for 2-fiscal-year budget period.

"Second Session

"On or before:	Action to be completed:
January 3	President submits current services budget.
15th day after Congress meets.	President submits revised budget for 2-fiscal-year budget period.
March 10	Congress completes action on bills and resolutions authorizing new budget authority and providing new spending authority for 2-fiscal-year budget period.
March 31	Congress completes action on first concurrent resolution on budget for 2-fiscal-year budget period.
May 15	Appropriations Committees report bills and resolutions providing new budget authority for 2-fiscal-year budget period.
7th day after Labor Day.	Congress completes action on bills and resolutions providing new budget authority and new entitlement authority for 2-fiscal-year budget period.
September 15	Congress completes action on second required concurrent resolution on budget for 2-fiscal-year budget period.
September 25	Congress completes action on reconciliation bill or resolution, or both, implementing second required concurrent resolution.
October 1	2-fiscal-year budget period begins.".

OVERSIGHT ACTIVITIES

SEC. 4. (a) Title III of the Congressional Budget Act of 1974 (as amended by the other provisions of this Act) is further amended by adding at the end thereof the following new section:

"OVERSIGHT ACTIVITIES OF COMMITTEES

"SEC. 312. During the period beginning on the 15th day after the Congress meets in each odd-numbered year and ending June 30 of such year, each standing committee of the House of Representatives and the Senate shall review and study the application, administration, execution, and effectiveness of those laws (or parts of laws) the subject matter of which is within the jurisdiction of that committee and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such committee (during such period) shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that committee (whether or not any bill or resolution has been introduced with respect thereto). The findings and determinations made by each such committee as a result of its oversight activities under the preceding provisions of this section in any year shall be reported to the House of Representatives or the Senate no later than June 30 of such year, and shall constitute the basis for such committee's legislative work with respect to the 2-fiscal-year budget period beginning on October 1 in the succeeding year.".

(b) The table of contents in section 1(b) of such Act is amended by adding after the item relating to section 311 the following new item:

"Sec. 312. Oversight activities of committees.".

CONFORMING AMENDMENTS TO CONGRESSIONAL BUDGET ACT

SEC. 5. (a) Section 2(2) of the Congressional Budget Act of 1974 is amended by striking out "each year" and inserting in lieu thereof "biennially".

(b) Section 3(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) The term '2-fiscal-year budget period' means the period of 2 complete fiscal years beginning on October 1 in any even-numbered year.".

(c) Section 202(f)(1) of such Act is amended—

(1) by striking out "April 1 of each year" and inserting in lieu thereof "November 10 of each odd-numbered year"; and

(2) by striking out "October 1 of that year" and inserting in lieu thereof "October 1 of the succeeding year".

(d)(1) Section 301(a) of such Act is amended—

(A) by striking out "May 15" in the heading and inserting in lieu thereof "March 31 of Each Even-Numbered Year"; and

(B) by striking out "May 15 of each year" in the first sentence and inserting in lieu thereof "March 31 of each even-numbered year".

(2) Section 301(c) of such Act is amended—

(A) by striking out "March 15 of each year" in the matter preceding paragraph (1) and inserting in lieu thereof "October 31 of each odd-numbered year"; and

(B) by striking out "October 1 of such year" in paragraph (2) and inserting in lieu thereof "October 1 of the succeeding year".

(3) Section 301(d) of such Act is amended—

(A) by striking out "April 15 of each year" and "October 1 of such year" in the second sentence and inserting in lieu thereof "November 30 of each odd-numbered year" and "October 1 of the succeeding year", respectively; and

(B) by striking out "such fiscal year" and "such period" in paragraph (6) and inserting in lieu thereof "the first fiscal year of such 2-fiscal-year budget period" and "such 5-year period", respectively.

(e)(1) Section 307 of such Act is amended—

(A) by striking out "All Appropriation Bills To Be Completed Before First Appropriation Bill Is Reported" in the heading and inserting in lieu thereof "Appropriation Bills";

(B) by inserting "(a)" after "307.";

(C) by striking out "that year" each place it appears and inserting in lieu thereof "that period"; and

(D) by adding at the end thereof the following new subsection:

"(b)(1) Except as provided in paragraph (2), all bills and resolutions containing appropriations or otherwise providing budget authority for any 2-fiscal-year budget period shall be reported in the House of Representatives and Senate no later than May 15 of the year in which such period begins.

"(2) If the Committee on Appropriations of the House of Representatives or the Senate determines that changes in circumstances with the passage of time require a waiver of paragraph (1) with respect to any bill or resolution providing supplemental appropriations or otherwise providing budget authority for any period, such committee may report, and the House or Senate may consider and adopt, a resolution waiving the application of such paragraph in the case of such bill or resolution.".

(2) The table of contents in section 1(b) of such Act is amended by striking out "all appropriation bills to be completed before first appropriation bill is reported" in the item relating to section 307 and inserting in lieu thereof "appropriation bills".

(f) Section 308 of such Act is amended—

(1) by striking out "such fiscal year" and "such period" in paragraphs (1)(B) and (2)(B) of subsection (a) and inserting in lieu thereof in each instance "the first fiscal year of such 2-fiscal-year budget period" and "such 5-year period", respectively; and

(2) by striking out "such fiscal year" and "such period" (each place it appears) in subsection (c) and inserting in lieu thereof "the first fiscal year of such 2-fiscal-year budget period" and "such 5-year period", respectively.

(g) Section 309 of such Act is amended by striking out "each year" in the matter preceding paragraph (1) and inserting in lieu thereof "each even-numbered year".

(h) Section 310 of such Act is amended—

(1) by inserting "in each even-numbered year" after "report to its House" in the first sentence of subsection (a);

(2) by inserting "or prior 2-fiscal-year budget periods" after "prior fiscal years" in subsection (a)(1)(B);

(3) by striking out "each year" in subsections (b) and (d) and inserting in lieu thereof "each even-numbered year"; and

(4) by inserting "in any even-numbered year" after "adjournment sine die of either House".

(i) Section 401(b)(1) of such Act is amended by striking out "the fiscal year which begins during the calendar year in which" and inserting in lieu thereof "the first 2-fiscal-year budget period which begins after".

(j)(1) Section 402 of such Act is amended—

(A) by striking out "REPORTING OF" in the heading and inserting in lieu thereof "ACTION ON";

(B) by striking out the heading of subsection (a) and inserting in lieu thereof "DATES FOR REPORTING AND FINAL ACTION.—(1)";

(C) by striking out "May 15" in subsection (a) and inserting in lieu thereof "December 31";

(D) by adding at the end of subsection (a) the following new paragraph:

"(2) The Congress shall complete action on all bills and resolutions directly or indirectly authorizing the enactment of new budget authority for a 2-fiscal-year budget period no later than March 10 preceding the beginning of such period."; and

(E) by striking out "such committee" in subsection (b) and inserting in lieu thereof "the committee involved".

(2) The table of contents in section 1(b) of such Act is amended by striking out "reporting of" in the item relating to section 402 and inserting in lieu thereof "action on".

(k) Section 605(a) of such Act is amended—

(1) by striking out "each year (beginning with 1975)" and inserting in lieu thereof "each odd-numbered year (beginning with 1983)";

(2) by striking out "the ensuing fiscal year" and inserting in lieu thereof "the 2-fiscal-year budget period beginning in the following calendar year"; and

(3) by striking out "such ensuing fiscal year" and inserting in lieu therof "such period".

(l) Section 607 of such Act is amended—

(1) by striking out "for a fiscal year (beginning with the fiscal year commencing October 1, 1976)" and inserting in lieu thereof "for a fiscal year or a 2-fiscal-year budget period (beginning on or after October 1, 1983)"; and

(2) by striking out "May 15 of the year preceding the year in which such fiscal year begins" and inserting in lieu thereof "March 31 of the year in which such fiscal year or budget period begins".

(m) Section 904(a) of such Act is amended by inserting "(as enacted or as amended by the Biennial Budgeting Act of 1981)" after "and IV" in the matter preceding paragraph (1).

(n) The following sections of such Act are amended by striking out "fiscal year" each place it appears and inserting in lieu thereof "2-fiscal-year budget period":

3(a)(1), (a)(4)(A), (a)(4)(B), and (a)(4)(C).
202(f)(1).
301(a)(1), (b)(1), (c)(2), and (d) (first sentence).
303(a)(1), (a)(2), (a)(3), (a)(4), (b)(1), and (b)(2).
304.
307.
308(a) (before paragraph (1)), (a)(1)(A), (a)(2)(A), (a) (last sentence), (b) (first sentence), (b)(1), (b)(2), (b)(3), (b)(4), and (c).
309 (1) and (2).
310(a) (first sentence), (a)(1)(A), (a)(1)(C), and (f).
311 (a) and (b).
401 (a) and (b)(2).
402(a).

(o) The following sections of such Act are amended by striking out "such year" each place it appears and inserting in lieu thereof "such period":

3(a)(1).
303(a) (after paragraph (4)).
308(a)(2)(A) and (b)(3).

AMENDMENTS TO BUDGET AND ACCOUNTING ACT

SEC. 6. (a) So much of section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), as precedes paragraph (1) thereof is amended to read as follows:

"(a) The President shall transmit to the Congress, during the first 15 days of the first session of each Congress beginning with the Ninety-eighth Congress, the Budget for the 2-fiscal-year budget period (as defined in section 3(a)(6) of the Congressional Budget Act) beginning on October 1 of the succeeding calendar year. The Budget so transmitted shall include a tentative budget for each of the two fiscal years in such period, shall contain the President's

Budget message together with summary data and text and supporting detail, and shall set forth in such form and detail as the President may determine (with respect to each such fiscal year)—".

(b) Section 201(a)(5) of such Act is amended by striking out "the ensuing fiscal year, and projections for the four fiscal years immediately following the ensuing fiscal year" and inserting in lieu thereof "each such fiscal year, and projections for the three fiscal years immediately following the second such year".

(c) Section 201(a)(6) of such Act is amended by striking out "the ensuing fiscal year and projections for the four fiscal years immediately following the ensuing fiscal year" and inserting in lieu thereof "each such fiscal year and projections for the three fiscal years immediately following the second such year".

(d) Section 201(a)(9) of such Act is amended by striking out "ensuing fiscal year" and inserting in lieu thereof "2-fiscal-year budget period involved".

(e) Section 201(a)(12) of such Act is amended—

(1) by striking out "ensuing fiscal year" in subparagraph (A) and inserting in lieu thereof "2-fiscal-year budget period involved"; and

(2) by striking out "each of the four fiscal years, immediately following that ensuing fiscal year" and inserting in lieu thereof "each of the three fiscal years, immediately following such period".

(f) Section 201(a)(13) of such Act is amended by striking out "ensuing fiscal year" each place it appears and inserting in lieu thereof "2-fiscal-year budget period".

(g) Section 201(a) of such Act is further amended by adding at the end thereof (after and below paragraph (13)) the following new sentences:

"During the first 15 days of the second session of each such Congress the President shall transmit to the Congress any revisions he may desire to make in the Budget transmitted in the first session of that Congress. In applying the succeeding provisions of this section with respect to any budget transmitted to the Congress for a 2-fiscal-year budget period, the term 'ensuing fiscal year' shall be deemed to read 'first year of the 2-fiscal-year budget period involved', and other references to fiscal years shall be deemed to be references to the 2-fiscal-year budget periods in which the years involved respectively fall.".

EFFECTIVE DATE

SEC. 7. Except as specifically otherwise indicated, the amendments made by this Act shall become effective on the first day of the first session of the Ninety-eighth Congress.

ON IRAN, A COOL HEAD, MR. PRESIDENT

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, the stories of barbaric and cruel treatment of the 52 hostages are infuriating to all of us. Some Americans already are crying for vengeance.

It is a moment of grave crisis for President Reagan. What is best for the United States and for the world must be the criteria, not an emotionally satisfying initiative with grave and lasting consequences.

Mr. Speaker, I commend to my colleagues today's lead editorial of the New York Times.

[From the New York Times, Jan. 22, 1981]

FROM RAGE TO REASON ON IRAN

The blood will boil as the returned hostages tell of beatings, robbery, isolation and other barbarities. Their tales will reinforce an obvious yearning for revenge. Let there be rage and revulsion in these first hours of release—and a realization that though it was right to promise kidnappers anything, there is no moral duty to honor such extortion. But when the time comes for action, let it be from cold calculation. The right question, as it has been for 14 months, is not what we owe the Iranians but what we owe ourselves.

The right answer has to serve two main objectives:

One is deterrence. No government or terrorist group, whatever its domestic or diplomatic purpose, should be left to think it can profit from seizing and abusing American citizens. The final deal with Teheran, unless fully examined and properly explained, might well create the wrong impression.

The second objective concerns strategic interest. No retribution, however satisfying emotionally, should subvert the broader American aims in Iran and the Middle East. Glib renunciation of the deal, or new punishments, might well injure American interests more that Iran's. It is not respect for Iran but a maddening need for it that has kept us from bombing Teheran flat.

President Reagan now has the gift of time to reflect. No one charges him with mismanaging the crisis or coddling terrorists. Even without the hostage affair he would have had to design a new policy toward Iran.

He has already altered the hostage problem in some semantic but useful ways. He referred to the Iranians as barbarians, thus perhaps speeding the release. And now he says he prefers to call the former hostages "prisoners of war."

These are valuable reminders that Iran's Government, and not just some street mob, was guilty of aggression against the United States. The reference to war will advertise the already evident determination of Americans not to endure such assaults again without a more forceful response. And it also gives notice to other nations that their common stake in the safety of diplomats requires them to do more than cast a ritual United Nations vote of protest. If a nation gets no relief from the unanimous outrage of world opinion, it is free in international law to use force, and to take prisoners as well as assets, in self-defense.

But a war waged wisely has strategic and political purpose, a due concern for the costs of violence and for its relevance to a desired result. And it can end in self-interested accommodations.

There were, and there remain, sound reasons not to cripple Iran with economic or military retaliations. As Jimmy Carter seemed incapable of explaining, the American hand was stayed by much more than concern for the lives of the hostages (15 of them, after all, were expected to die if the military rescue had *succeeded*). Even larger American interests argued, and argue still, against excessive force or humbling sanctions.

Any crippling assault on Iran would, at this point, jeopardize its survival as a nation. Its large Arab, Kurdish and Baluchi populations have been itching to break away; Moscow encourages them, as do the Soviet-supplied invaders from Iraq. For the West, there is one thing worse than hostile anarchy in Iran: an Iran dismembered—with the Russians moving into Azerbaijan, Communists bearing Soviet aid in Teheran and the Baluchis creating a Soviet satellite astride the oil lanes on the Persian Gulf.

The vaunted stability of the Shah's Iran is gone forever. But there remains at least a possibility of a cohesive, non-Communist Iran selling its oil to the West. To turn Iran from chaos toward such a result was the reason for keeping the American diplomats in Teheran in the first place, dangers notwithstanding. Achieving their goal, even now, would be a ringing vindication of their ordeal.

RIGHT TO LIFE

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ZABLOCKI. Mr. Speaker, I am introducing today a resolution which I have introduced for several Congresses to protect the life of the unborn. It is with a deep sense of responsibility and conviction that I once again propose an amendment to the Constitution of the United States to insure that due process and equal protection are afforded to an individual with respect to the right to life.

Mr. Speaker, more than 1,300,000 babies are aborted every year. Those abortions contradict an integral tenet of our society—the principle that each and every individual has the most basic of all rights, the right to life. It is the responsibility of the State to protect that right.

Our responsibility has been recognized by many of my distinguished colleagues in recent Congresses. I am pleased to say that liberals and conservatives alike as well as individuals on both sides of the aisle have repeatedly shown support for the God-given right for each individual to life. Hopefully in the coming years more of our colleagues will join our ranks so that we will soon see that right guaranteed in the form of a constitutional amendment.

It is appalling that we find ourselves in a society where abortion is commonplace and where physicians and intellectuals condone the taking of certain lives. It is time that we confront this issue head on and move to protect those lives which could conceivably contribute to the betterment of our world.

Mr. Speaker, as you know, on January 22, 1973, the Supreme Court in the Wade and Bolton decisions made a mockery of the right to life. I, along with millions of other Americans, was greatly distressed when the Court ruled that abortions in certain stages of fetal development were legal.

It is already clear that the Supreme Court decision of January 22 has led to excesses and abuses never intended or envisioned by proponents and supporters of the decision. Supreme Court Justice White astutely foresaw this development in his disagreement with the Supreme Court arbitrary decision on the value of life which makes the worth of a potential human being dependent upon being wanted by his or her mother. In his dissenting opinion, Justice White argued:

At the heart of this controversy are those recurring pregnancies that pose no danger whatsoever to the life or health of the mother but are nevertheless unwanted for any one or more of a variety of reasons—convenience, family planning, economic, dislike of children, the embarrassment of illegitimacy, etc.

The fact is, human life irrespective of age, health, function or condition of dependency, guaranteed under our Constitution, must be preserved and protected. The unborn have long been held to have legal rights under the law. They have property rights. They may inherit property, family names, and in some societies, family titles. The rights to property have long been affirmed by the courts of this country. As such, they deserve to be safeguarded just as an adult is protected under existing laws governing homicide.

There is, of course, the difficult moral question which arises when the mother's life is seriously endangered by the continuation of pregnancy. In this case, it is clear that abortion may be permissible. This adheres to self-defense principles long established within our body of laws. We must remember, however, that abortion statutes are written to protect the unborn child—not to serve the whims of one or both parents, social planners, or popular faddists. Furthermore, the responsibility of saving the child should be equal to the responsibility of saving the mother in those cases where abortion is necessary.

Mr. Speaker, the right to life, especially for the unborn, must be reaffirmed and protected. In that spirit, Mr. Speaker, I offer the following resolution to restore this most basic human right and to insure that this right is recognized and safeguarded under the Constitution of the United States:

RESOLUTION

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

SECTION 1. With respect to the right of life, the word "person", as used in this article and in the fifth and fourteenth articles of amendment to the Constitution of the United States, applies to all human beings, including their unborn offspring, at every stage of their biological development, irrespective of age, health, function, or condition of dependency.

SEC. 2. No unborn person shall be deprived of life by any person: *Provided, however,* That nothing in this article shall prohibit a law permitting those medical procedures required to save the life of the mother when a reasonable medical certainty exists that continuation of pregnancy will cause the death of the mother, and requiring that person to make every reasonable effort, in keeping with good medical practice, to preserve the life of her unborn offspring.

SEC. 3. Congress and the several States shall have power to enforce this article by appropriate legislation within their respective jurisdictions.

KILPATRICK—LESS STAFF

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, President Reagan highlighted the need of the country when he said big Government provides no solutions to problems—big Government is the problem.

We need right here in Congress to set the pace for America. As we are starting in to reduce the size of all of these overgrown Washington bureaucracies, we must first reduce the size of our overloaded committee staffs. In order to perpetuate themselves in office, it is their responsibility as a committee staff member to prepare more and more new bills to be introduced, to find more and more regulations which should be imposed, and to find more and more ways to create new agencies for the Government. The most effective way to have less Government is to have less committee staff.

James J. Kilpatrick wrote a concise and stimulating analysis of this essential need to cut the committee staffs. He highlighted the Agriculture Committee which has grown from 18 to 68. He looked at Foreign Affairs which is up from 32 to 85 and Ways and Means which has grown from 23 to 98.

But his most interesting comment was on the Rules Committee. James Kilpatrick remembered when he came to Washington 30 years ago that the House Rules Committee was under Judge Smith of Virginia. Let me quote his statement just as it appeared in his column:

Let me reminisce. Thirty years ago, when I first began covering the Hill with some frequency, the House Rules Committee benefited from the benevolent tyranny of Howard Worth Smith of the Eighth District of Virginia. He was a tall, stooped man, born prematurely gray, with the melancholy aspects of an elderly basset hound. Tyrants are supposed to build empires, but the thought never appealed to Judge Smith. No empire builder, he. For years he ran House Rules with a staff of three. There weren't but two rooms. A gentle ex-congressman from Alabama, Laurie Battle, was in the outer office. Two competent clerk-secretaries had desks in the committee room itself. The whole arrangement breathed a kind of quill-pen, high-collared gentility. The bookcases all had curtains on them.

By 1972, the staff of Rules had grown to six. Can you imagine the number today? Forty. It is fantastic. Forty! The committee's investigating budget has swollen from $5,000 in 1972 to $1,134,000 last year. For investigations? Incredible!

We start working next week to draw up the budgets for our committee staffs. Rules committee does have a larger assignment than they had in 1972 when they had six members. Possibly they have twice as much work, although they are doing exactly the same work procedures. Since the Rules Committee sets the pace for Congress, what an inspiration it would be if they would reduce their budget request from 40 to where they would request 12. In that way, perhaps we would have fewer rules granted. We would have less debate on the floor and spend more time back in our district. The first thing that could happen to America would be for Congress to meet half as much as we now meet here in Washington, and to spend twice as much time back home in our districts learning about the problems, the challenges, and the needs of America.

PRESIDENT JIMMY CARTER

(Mr. RAHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RAHALL. Mr. Speaker, Wednesday evening 1 week ago, the 39th President of the United States said farewell to the Nation he has served for the past 4 years. His speech was not one listing his accomplishments, which there are many, nor did it detract in any way from the new President who took office on January 20.

Jimmy Carter made us all proud, and I believe the Christian Science Monitor said it best in their editorial of January 16. I insert that editorial now so that my colleagues may reflect, as I have, on the Carter administration and the man who headed it.

I am pleased and proud to have served with President Carter. He is a good man and a decent man, and I hope he will continue to share his insights and views with us in the coming years.

The editorial follows:

THANK YOU, MR. PRESIDENT

Jimmy Carter delivered a farewell to the nation reminiscent of the qualities that helped put him in office four years ago. The President has always been at his best enunciating, in quiet, low-key style, his deepest ideals and vision for the world. So it was that his call Wednesday night for a continuing national effort to prevent nuclear war,

to protect the earth's environment and resources, and to enhance human rights was effective and moving. Perhaps in singling out "single-issue groups" and "special interests" as an obstacle for presidential leadership, Mr. Carter was absolving himself of some of the blame for defeat in office. But the point is well taken and deserves thoughtful attention. The global problems cited and the earnest of their solution—a willingness of Americans to unite and work for the common good—indeed sum up the challenge before the new administration.

As Mr. Carter thanked the American people for the opportunity to govern, the American people, too, might pause to appreciate the accomplishments of his presidency. True, these did not loom large enough in the public mind to reelect him. But this should not obscure some solid progress made at home and abroad. We believe the Carter years will be assessed more positively through the lens of history than they have been in the heated political climate of the moment.

Learning from lessons of the nation's recent past, the President sought to place the tools of diplomacy above the use of military force. The peace obtained between Israel and Egypt after thirty years of conflict alone stands as an extraordinary personal achievement. But there were other controversial steps forward: the Panama Canal treaties, the normalization of relations with China, the multilateral trade agreement, an effective new policy in Africa, and—for all the drawbacks in its implementation—a human rights policy that lifted America's image and gave new hope to peoples throughout the world. On the domestic front Mr. Carter often floundered. But even so his legacy includes an energy program (at long last), the beginnings of civil service reform, deregulation of key industries, and greater sensitivity in government to women and minorities.

Doubtless the record could have been better. It would have been better, perhaps, if Mr. Carter did not have to deal with a fractious Congress, if he had better understood the workings of Washington, if he had surrounded himself early on with wise advisers, if certain traits of character had not prevented him from adapting and growing. All this will some day be the subject of serious historical study and judgment. But the President need not leave the Oval Office with a heavy heart or without the satisfaction of knowing that he gave much to his country.

The American people, perceiving only slightly the burdens of presidential office and reflecting on the gains as well as failures of the past four years, can surely say a word of thanks before they turn their attention to the next chapter.

LAND THE FEDERAL GOVERNMENT PLANS TO ACQUIRE

(Mr. LUJAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. LUJAN. Mr. Speaker, today I am introducing legislation to permit the State of New Mexico to acquire Federal lands within the State's borders in exchange for the land the Federal Government plans to acquire within the boundaries of the White Sands Missile Range.

The State currently holds title to approximately 350,000 acres of land within the White Sands Missile Range, which it is leasing to the Department of the Army under a lease that will expire in 1990. The Department of the Army has also advised the State that it plans to acquire fee simple title to the land during the 84th fiscal year.

Rather than receiving cash payment for the land, the State would prefer to select Federal lands within its borders in exchange. The Federal Government has been leasing the land from the State since World War II, and while the State has been willing to enter into such a lease arrangement, it does not want to lose title to the land without obtaining other land in its place.

I agree with the State on this issue and I support the concept of permitting the State to acquire new lands.

If we are to balance the budget and effect the new partnership between the Federal Government and the States as envisioned by the new administration, this type of legislation is needed. It removes the need for payment to the State and it keeps the quantity of federally owned land in it at about the same level as currently exists. It gives the State more equality in dealing with the Government.

Under the terms of my bill, New Mexico would have 90 days after the taking of the White Sands land to notify the Secretary of the Interior, the acquiring agency, and the U.S. attorney for that judicial district of its interest in selecting land. Within 1 year after that, it must submit its list of selected lands and within 180 days after that the Secretary of the Interior will examine these lands. At this point either the exchange is consummated or if there is a dispute that cannot be settled through arbitration, it goes to the U.S. court with jurisdiction which renders a final opinion.

The text of the bill follows:

H.R. ——

A bill to authorize the State of New Mexico to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, the State of New Mexico, acting through its duly authorized agency, may in exchange for any land or interest in land, either mineral or nonmineral, which is owned by the State and located within the boundaries of White Sands Missile Range, an existing military reservation, elect, in lieu of receiving monetary payment therefor, to select any other surveyed, unreserved, and unappropriated public lands or interest in such lands, mineral or nonmineral, belonging to the United States and located within the boundaries of the State, which are of equal value and which have not heretofore been withdrawn from entry.

(b) In making such selection, the State shall give written notice of such election to the Secretary of the Interior, to the acquiring agency, and to the United States attorney for the judicial district wherein the land taken lies.

SEC. 2. (a) Notwithstanding any other provision of law, the State of New Mexico, acting through its duly authorized agent, may in exchange for any land or interest in land, either mineral or nonmineral, within the boundaries of White Sands Missile Range, which is owned by the State and is taken by the United States in condemnation proceedings after the date of enactment of this Act for military or other public use, elect, in lieu of receiving monetary payment therefor, to select and receive any other surveyed, unreserved, and unappropriated public lands, or interest in such lands, either mineral or nonmineral, belonging to the United States and located within the boundaries of the State, which are of equal value, and which have not heretofore been withdrawn from entry.

(b) In making such election, the State shall give written notice of such election to the Secretary of the Interior, to the acquiring agency, and to the United States attorney for the judicial district wherein the land taken lies within ninety days of the taking by the United States.

SEC. 3. (a) The value of the offered and selected lands, in any exchange under section 1 of this Act, shall be determined by the Secretary of the Interior as of the date of the filing of exchange proposal specified in section 4 of this Act.

(b) In exchanges under section 2 of this Act, the value of the offered land shall be determined by the Secretary of the Interior as of the date the United States acquires title to the offered lands, or takes possession of the offered lands, whichever occurs first. The value of the selected lands shall be determined by the Secretary of the Interior as of the date of the exchange proposal specified in section 4 of this Act.

SEC. 4. Within one year after the State gives written notice of its election to proceed under the provisions of this Act, it shall submit to the Secretary of the Interior and the United States attorney for the judicial district wherein the land taken lies, a list or lists of the public lands selected by the State and the Secretary of the Interior shall within 180 days provide for the examination of such lands. The Secretary of the Interior shall notify the State in writing, as to whether the Department of the Interior considers the taken and selected lands to be of equal value. In case of a dispute between the Department of the Interior and the State as to the relative value of the lands, the State and the Department of the Interior shall attempt to settle such dispute by agreement or arbitration. In the event such dispute cannot be settled within six months from the date of the State's exchange proposal, either the State or the Secretary of the Interior may, after written notice to the other, refer the dispute to the United States District Court for the judicial district wherein the land taken lies for settlement. In such a case the court shall hear evidence and ascertain the fair market values of the taken and selected lands in the same manner as land values are ascertained in ordinary condemnation proceedings and shall make the necessary adjustments by additions or deletions to the exchange proposal.

SEC. 5. The Secretary of Defense or the head of any other acquiring agency of the United States Government, out of any appropriations made available to them for acquisition of land, shall reimburse the State and the Secretary of the Interior for all necessary expense incurred by them in negotiating and consummating of exchanges pursuant to the provisions of this Act.●

LEGISLATION IN KEEPING WITH THE NEW SPIRIT IN OUR LAND

(Mr. LUJAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. LUJAN. Mr. Speaker, today I am introducing legislation that I believe is in keeping with the new spirit in our land.

For years the Federal Government has had the power to obtain State land through eminent domain and simply provide payment for it. I would like to see this change, and under the new partnership this administration envisions, and the new efforts being made to balance the budget, my bill can exemplify such a difference.

It provides that if the Federal Government takes land through eminent domain from a State, then the State can acquire certain Federal lands in exchange. Under its terms the State would have 1 year in which to notify the Government that it wants to acquire land rather than receive payment, and another year in which to make its selection. Selections would be limited as follows:

First. The land must be within the State boundaries;

Second. The value should be approximately equal to the value of the land taken; and

Third. The land is surveyed, unappropriated, and unreserved.

If the time is here to reduce Federal power and the Federal empire, this is the one way to do it. The added incentive of saving Federal dollars is also important and can provide the type of reduction in spending which hurts no one and helps everyone. Serious consideration of my proposal is warranted, and I am looking forward to working on it in this Congress.

The text of the bill follows:

H.R. ——

A bill to provide that if any land or interest in land is taken from a State by the Federal Government by eminent domain, such State may, instead of accepting monetary compensation therefor, acquire certain Federal lands or interests in land of approximately equal value

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) if any land or interest in land owned by a State is taken from such State by the Federal Government by eminent domain, such State may, instead of accepting monetary compensation therefor, acquire, in accordance with this Act, public lands—

(1) which are situated within such State,

(2) the value of which is, as of the date of such taking, approximately equal to the value of the land or interest in land so taken, and

(3) which are surveyed, unappropriated, and unreserved.

(b)(1) If the value of the public lands chosen for acquisition by a State under this Act is less than the value of the land or interest in land taken from such State by the Federal Government by eminent domain, the Secretary of the Treasury shall, out of amounts in the Treasury not otherwise appropriated, pay to such State an amount equal to the difference between such values.

(2)(A) If the value of the public lands chosen for acquisition by a State under this Act is greater than the value of the land or interest in land taken from such State by the Federal Government by eminent domain, the conveyance of such public lands shall be made subject to such State paying to the United States, within a reasonable period of time after the date of such conveyance, an amount equal to the difference between such values.

(B) Any amount paid by a State under subparagraph (A) shall be paid to the Secretary of the Treasury and covered into the general fund of the Treasury as miscellaneous receipts.

(c) The value of any land or interest in land taken from a State by the Federal Government by eminent domain and the value of any public lands which a State seeks to acquire under this Act shall, for purposes of this Act, be appraised by the Secretary of the Interior in accordance with such policies, methods, and procedures as the Secretary of the Interior shall by regulation prescribe. Such appraisal policies, methods, and procedures, insofar as they relate to any land or interest in land taken from a State by the Federal Government by eminent domain, shall, to the maximum extent practicable, conform to the policies, methods, and procedures for making appraisals of real property set forth in sections 301 and 302 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4651 and 4652).

SEC. 2. (a) A conveyance of public lands may be made to a State under this Act only if the State seeking such conveyance submits—

(1) to the Secretary of the Interior, the acquiring Federal agency, and the Attorney General of the United States, not later than 1 year after the date of the taking with respect to which such conveyance of public lands is sought, written notice of its decision to proceed under this Act, and

(2) to the Secretary of the Interior and the Attorney General, not later than 1 year after the date on which the State submits its written notice under paragraph (1), a description of the public lands selected by the State as compensation for the land or interest in land taken from such State by the Federal Government by eminent domain.

Such written notice and description shall be in such form and contain such information as the Secretary of the Interior shall by regulation prescribe.

(b) If the public lands selected by a State satisfy the criteria set forth in subsection (a) of the first section of this Act, the Secretary of the Interior shall convey all right, title, and interest of the United States in and to such public lands to such State.

(c) If a State which has properly given notice of its intention to seek a conveyance of public lands under this Act fails to submit the description referred to in paragraph (2) of subsection (a) within the time limit set forth in that paragraph, such State shall be deemed to have waived all rights to acquire public lands under this Act and shall be awarded monetary compensation in the pending condemnation proceeding instead.

SEC. 3. For purposes of this Act—

(1) the term "public lands" shall have the meaning given that term in section 103(e) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(e));

(2) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam; and

(3) the term "value" means fair market value.

SEC. 4. This Act shall apply with respect to any land or interest in land taken from a State by the Federal Government by eminent domain after the date of the enactment of this Act.●

RESOLUTION ON IRAN

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FINDLEY. Mr. Speaker, when President Carter negotiated the agreement with Iran which led to freeing the 52 American hostages, he did not know how cruelly some had been treated. Now, citing beatings, death threats, and a host of other deprivations, President Carter characterizes their treatment by Iran as barbarism.

That fact alone should put in question the integrity and sanctity of the agreement between our Government and Iran.

Beyond that, international law also puts it in question. Article 52 of the Vienna Convention on the Law of Treaties states that a treaty is void "if its conclusions are procured by the threat or use of force in violation of the principles of international law embodied in the United Nations Charter." And article 53 nullifies treaties that conflict with accepted international norms or practices.

Obviously, President Reagan has ample justification for setting aside any part of the agreement which he deems to be inimical to U.S. interests.

I believe that Congress should support any such decision on his part. To that end, I am today introducing a resolution which cites Iran's violations of international law, its barbaric treatment of our citizens, and concludes:

It is the sense of Congress that the President would be justified in renouncing all or part of the agreement if he finds it is in the interests of the United States to do so.

This resolution simply urges the President to put American interests first. If he finds it necessary to set aside some of the provisions of the recently signed agreement, the resolution lets him know that there is support in Congress for such a decision.

The only aspect which troubles me is that renunciation of the treaty could embarrass Algeria, which did so much to make possible the hostage release. Americans owe the Algerian

Government and people an enormous debt of gratitude for all they did.

Yet I cannot believe that Algeria would fail, at least privately, to understand a decision by President Reagan to set aside any portion of the agreement. This agreement was entered into under duress. It was the product of deceit and naked force. The Algerians know that. Indeed, it was their task to tame the uncontrollable Iranian Government long enough so that the hostages could be brought to safety. They accomplished their mission, and Americans will be deeply indebted to them.

But the United States cannot be expected to adhere to such a biased agreement, arrived at not through evenhanded negotiations but through threats of force and violence.

As the Wall Street Journal aptly puts it:

The agreement * * * has the same moral standing as an agreement made with a kidnapper, that is to say none at all.

If President Reagan decides to ignore all or part of the agreement, the Congress and the American people will, I feel, support him fully.

Text of resolution follows:

H. CON. RES. —

Concurrent resolution expressing the sense of Congress with respect to the agreement between the United States and Iran signed in Algiers on January 20, 1981

Whereas Iran violated norms of international conduct and law, including the commission of acts of barbarism, the nature of which were not fully known at the time United States officials signed the agreement with Iran in Algiers on January 20, 1981; Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the President would be justified in renouncing all or part of the agreement if he finds it is in the interests of the United States to do so.

Text of Wall Street Journal editorial follows:

RENOUNCE THE DEAL

The agreement the United States made with Iran for return of the hostages has the same moral standing as an agreement made with a kidnapper, that is to say none at all. This is not said in criticism of the Carter administration, which made the deal to save the hostages' lives. But now that the hostages are free, President Reagan should examine the agreement carefully and if its unfulfilled parts do not, on balance, benefit American interests, there should be no hesitation in renouncing it.

There will be arguments against such a course, no doubt. It will be said that no great nation, having made a commitment, should renege if it wants to be trusted in the future. It will be argued that such a move would cut the ground out from under those Iranian leaders who favored the deal and faced up to the wild men who would have held the hostages forever. It will be argued that we are only giving back to the Iranians what is lawfully theirs. It will be asked whether we would be able to do business with terrorists in the future if the need arose.

Those are all persuasive arguments, but they miss the core point: This was not an agreement, it was extortion. And it is important for the world to know that extortionists are not entitled to the same legal and moral consideration as governments operating in accordance with international law.

There would be another implicit message: We are not worrying about how much future terrorists trust our word because future terrorists will not be dealt with in this manner. Having learned our lesson from this experience we will see to it that the next ones who try it are dealt with swiftly and with force. Whether they trust our word will be immaterial.

As to the Iranians who argued for negotiations, do we really feel we owe anything to anyone in Iran's power elite? They are all, after all, the creatures of the Ayatollah Khomeini. Anyone who was not is either now dead or in exile. Our initial mistake in Iran was in the idea that we could do business with such people.

There is finally the question of our giving back to the Iranians "their own property." If we are dealing here with legalisms, any Iranian assets that are free of liens might be considered their property, but everything else falls into a different category. The U.S. negotiators took a very long leap when they agreed to submit to an international claims commission the claims of American nationals against Iranian assets held in the U.S. They were, in effect, pledging to take these cases out of U.S. courts, a pledge that has dubious constitutionality. As to the damages that can be claimed by the hostages themselves, the agreement seems to leave them with no recourse in the courts. As to delivering up any discoverable assets of the Shah's family, do we really want to finally capitulate to the Ayatollah's lust for vengeance against the Shah?

We do not want to treat the American negotiators harshly. They worked arduously for long hours under horrendous pressure and achieved their primary goal, getting the hostages released. But the other side, bargaining with human lives against money and contracts, had an unfair advantage. We should not hesitate to make it clear that an agreement negotiated under such conditions is worthless and equally clear that anyone who attempts the same thing in the future will not be treated so gently.

DEFENSE DEPARTMENT'S PORTION OF NEW BUDGET

The SPEAKER. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 30 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, the fiscal year 1982 Federal budget was presented to the Congress last week. In the days and weeks ahead, we will be hearing a great deal about it. I would like to speak for a moment on the Defense Department's portion of the new budget.

FINANCIAL OVERVIEW

The Department of Defense budget request for fiscal year 1982 totals $196.4 billion in obligational authority. If approved in full and if a proposed supplemental for fiscal year 1981 and a planned fiscal year 1982 supplemental were also approved, the new budget would exceed last year's appropriations by $25.2 billion or 14.7 percent in current dollars.

According to Defense Department estimates, the bulk of the proposed increase would be consumed by inflation, yielding real program growth in constant dollars of only 5.3 percent, the same level of growth requested last year. Thus, of the proposed increase, $15.3 billion would be absorbed by inflation and the remainder—$9.9 billion would constitute real program growth.

The new 5-year defense plan projects 5 percent real growth annually through fiscal year 1986.

Defense expenditures, by comparison, are expected to rise by $22.4 billion or by 14.2 percent from an estimated $157.6 billion in the current year to $180 billion in the coming fiscal year. Once again, if allowances are made for inflation, the Department estimates expenditures would increase by only $7.5 billion or 4.3 percent. At the projected fiscal year 1982 level, defense expenditures would represent 24.3 percent of the Federal budget and 5.6 percent of the gross national product—up slightly as compared to last year.

DEFENSE APPROPRIATION BILL

The Defense Appropriations Subcommittee will be reviewing the largest portion of the proposed fiscal year 1982 defense budget—$185.2 billion. The amount requested is $25.5 billion over the $159.7 billion appropriated for fiscal year 1981.

Within the defense bill, the requested funds, excluding supplementals, are distributed among the major accounts as follows—all current dollars:

First. Military personnel: $38.4 billion, up $5.3 billion;

Second. Retired pay: $16.1 billion, up $2.2 billion;

Third. Operation and maintenance: (O. & M.): $61.8 billion, up $10 billion;

Fourth. Procurement: $49.1 billion, up $4.2 billion; and

Fifth. Research and development (R. & D.): $19.8 billion, up $3.8 billion.

Although increases are proposed across the board in every account, the vast majority—70 percent or $18 billion, of the overall increase is concentrated in three accounts—O. & M., procurement, and R. & D.

On the surface, the new budget would appear to strike a good balance between modernization and readiness, but closer scrutiny suggests that this may not be the case.

This budget clearly places heavy emphasis on combat readiness, which is a significant departure from budgets we have seen in the past, and that is clearly a step in the right direction. But I feel that it may also favor readiness at the expense of near-term modernization, and this is not a prudent course of action. We must proceed with both readiness and modernization simultaneously in a more balanced program.

If proposed budget increases are measured in terms of constant dollars, the two largest increases are in O. & M.—$3.8 billion or 6 percent—for additional training, fuel, flying, and steaming hours, maintenance, and repair parts and in R. & D., $2.5 billion or 14 percent, principally for the MX missile. Procurement, by comparison, is projected to increase by only $600 million or 1.2 percent. The military personnel account is expected to increase by about $500 million or 1 percent to cover planned increases in active duty and reserve strength.

Within the procurement account, two important programs show major decreases in current dollars—shipbuilding—down $816.1 million and the procurement of aircraft for the Air Force will decrease by an estimated $204.2 million.

The new shipbuilding program provides funds for only 14 new ships, including only 4 combatants—2 CG-47 cruisers, 1 FFG-7 frigate, and 1 SSN-688 submarine. This program is inadequate as at least 20 new ships must be funded annually just to maintain the existing 540-ship Navy.

A comparable problem persists in the naval aircraft procurement program.

Some corrective action will be required in these areas.

Based on my own investigations, I have concluded that our conventional forces are unable to sustain high intensity combat except for very limited periods of time. Therefore, I believe that we must give near-term readiness the highest priority in the allocation of funds within the budget. This means heavy investment in O. & M. and procurement.

While O. & M. and R. & D. appear to be in relatively good shape, at least based on a superficial review of the budget, the procurement account is underfunded. By how much, I do not know, but this will certainly be a major issue during the coming debate over the fiscal year 1982 defense budget.

MAJOR ACQUISITION PROGRAMS

Requests for major acquisition programs—including R. & D.—are as follows: 8 AH-64 attack helicopters, $495.5 million; 78 UH-60A helicopters, $472.9 million; $230.7 million in R. & D. only for AV-8B V/STOL aircraft; 24 F-14's, $915.8 million; 58 F/A-18's, $2.5 billion; 8 SH-60B LAMPS helicopters, $726.4 million; 30 F-15's, $930.5 million; 96 F-16's, $1.7 billion; 130 Patriot air defense missiles, $650.2 million; 72 Trident I missiles, $981.6 million; 440 air-launched cruise missiles, $784 million; Navy shipbuilding programs, $6.6 billion; 464 infantry fighting vehicles, $814.8 million; 569 XM-1 tanks, $1.2 billion; and $2.9 billion for MX R. & D. only.

SUPPLEMENTAL BUDGET REQUEST

The proposed fiscal year 1981 supplemental budget request totals $6.3 billion, including $4.4 billion for the October 1980 military and civilian pay raise and an additional $1.9 billion to cover other cost increases, including $830 million for fuel and $210 million for the rapid deployment force and other readiness-related cost increases.

MAJOR ISSUES

The capability of the Soviet Union to challenge the United States militarily around the world continues to improve. This problem is particularly serious in the Middle East and Persian Gulf. Because of our dependence and the dependence of our allies on the supply of oil in that region, a threat to that oil supply would place in jeopardy our own economic well-being and the economic well-being of our allies.

I believe this country has a responsibility to guarantee access to the oil supplies in the Middle East. We must be prepared to use military force, if necessary, to protect our vital interest in that region. I do not know how this should be done, but it must be done. In my opinion, this may be the single most important national security issue under consideration today.

Thus, the stakes in the Middle East are high, and the potential danger of conflict there is great. We must be ready.

Herein lies a major policy issue that must be addressed by the new administration. It is a key issue, central to national security policy. Its resolution will determine the future direction and shape of our Armed Forces for many years to come.

The important questions to be answered are as follows: What are our objectives in the region? What kinds of forces do we need to protect our interests in the region? How should these forces be based? How do we meet these new responsibilities? Do we draw down forces assigned to protecting existing commitments in Europe or the Pacific, or do we create new forces and expand overall capabilities? Exactly how do we cope with the Soviet threat in the region?

There is wide agreement that a new military strategy is needed, but none has been forthcoming, and this situation has created chaos during the annual review of the defense budget in Congress.

If the coming defense buildup is to be fully supported in Congress and sustained in future years, then some new sense of direction, a new set of defense policies, new priorities, and a new strategy must be developed.

The new administration must give the Congress some broad policy guidance, which has been totally absent in recent years. Otherwise, the Congress will be unable to resolve the major procurement issues that have been so hotly debated in recent years and that are so clearly evident once again in the fiscal year 1982 budget before us. These concern the future of the manned penetrating bomber, the MX missile, the size and composition of the Navy, and the question of how to command and rapidly deploy forces overseas.

The time has come for a major debate over national military strategy. Once a new strategy is developed, I believe that many of these issues can be resolved by the Congress in a much more rational manner.

SUMMARY

Most would have to agree that the $196.4 billion requested in the new budget is a very substantial sum of money, and more may be requested in the near future. There is a distinct possibility that the new administration may be requesting additional funds for fiscal years 1981 and 1982.

We on the Defense Subcommittee have our work cut out for us this year.

We will need to see to it that all this additional money is really needed, that it is spent wisely, and most importantly, with a sense of purpose. We must be sure that it is used to purchase some real military power and not a lot of junk.

This means that the new Secretary of Defense, Caspar Weinberger, has his work cut out for him. I look forward to working with him over the years to come.

CONGRESSIONAL PAY REFORM

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, the final days of the 86th Congress saw the congressional pay adjustment issue raise its ugly head once again. Not only did it serve to tie a House-Senate Conference Committee on Continuing Appropriations for 1981 in knots and prevent Congress from closing its doors on 1980 in an orderly fashion, it also conjured up in the eyes of the American public an impression that Congress is unable to deal with salary adjustments in other than a chaotic and complicated manner.

To help simplify and clarify the whole question of congressional wage adjustments, I reintroduced today the Congressional Pay Reform Act, legislation originally offered in the fall of 1979. The bill includes the same three major elements:

First. It mandates that congressional pay questions be considered independently of—and not as riders to—other appropriations bills and, additionally, that they not be linked to the salaries of other Federal employees.

Second. It defers congressional pay adjustments until the beginning of the next Congress.

Third. It requires a recorded vote in each House for annual congressional pay adjustments.

Under the current law, congressional pay and that of senior executive and judicial personnel may be adjusted in one of three ways: By congressional approval of a proposal made by the President every 4 years, based on recommendations made by the Commission on Legislative, Executive, and Judicial Salaries; through approval of annual recommendations made by the President under the Federal Pay Comparability Act Amendments of 1975; or by Members adjusting their own pay levels by statute.

Due to amendments passed in 1977 for quadrennial adjustments, Congress will be required this spring and in future quadrennial years to follow two of the three items mentioned above. It must consider the salaries of designated personnel in the legislative, executive, and judicial categories independently of one another and do so by means of a recorded vote.

My bill would simply add the third requirement—deferring congressional pay adjustments until the next Congress—to the quadrennial adjustment process. In addition, and equally as important, it would insure that statutory pay adjustments or those that occur as the result of the President's annual recommendations would be handled in a way that meets the three requirements in the bill.

The Congressional Pay Reform Act of 1981 would free the question of salary adjustments from the entanglement of other appropriations bills and would prevent Federal agency appropriations from being held hostage to congressional pay increases. Moreover, automatic cost of living increases would not accrue to Members, and future increases for Federal judges and top level executive branch Government officials would not be tied to congressional wage increases. The linkage of executive and judicial salaries to those of Members has created enormous problems for the Federal agencies. Top level salaries have been compressed to the point that subordinates often earn as much as their supervisors, a condition that has caused retention and recruitment problems.

Furthermore, the legislation would not only prevent Members from voting for a pay increase for themselves while they are still on the public payroll, it would also require each Member to take a public stand on salary issues. At the very least, we owe this to our constituents.

The issue of congressional pay reform has been a source of debate and controversy for many years. The time has now come for Congress to end this institutional embarrassment. The Congressional Pay Reform Act of 1981 would not only provide us with a simple, yet effective, way to accomplish that objective, it would also assist us in preventing the interruption of the normal operation of the Federal Government.●

THE 63D ANNIVERSARY OF PROCLAMATION OF INDEPENDENCE OF UKRAINIAN NATIONAL REPUBLIC

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

● Mr. DERWINSKI. Mr. Speaker, with the return of our American hostages from Iran, we celebrate not only the restoration of their freedom, but also their return to a land where their freedoms can be enjoyed without oppressive political policies. Today, however, it is important for us to look at the plight of the people of the largest non-Russian country in Eastern Europe being held captive by the Soviets. In the Ukraine, where the denial of human rights has been a fact of life for generations, the date of January 22, remains a symbol of a period when human dignity, national freedom, and self-determination were gained.

For it was on this day, 63 years ago, that the Ukraine was able to break away from the czarist regime of Russia and declare its freedom and the formation of an independent nation. On January 22, 1918, the proclamation of independence of the Ukrainian National Republic was issued in the city of Kiev, which became the capital city of the Ukraine.

However, after 2 years of this nation's existence, Russian control was one again restored by the forced incorporation of the Ukraine into the Soviet Socialist Republic, and it remains today under the black hand of Soviet oppression.

This domination has not dampened the spirits of the Ukrainian people as they continue their ongoing struggle to preserve their cultural and traditional beliefs that have been so vital to their existence. The country's people have a strong culture, a distinct language and literature, and deep religious convictions of their own.

Since the time of the Russian Communist takeover, the Ukrainian people have not given up hope of once more regaining the freedom which they knew so briefly. Their constant efforts are proof of the inability of the Kremlin rulers to break the noble Ukrainian nationalistic spirit. The tenacity of their dissident nationalistic movement has never died. Despite the extreme pressure tactics employed by the Soviet Union on the Ukrainian people, dissenters continue to speak out against the cruel Soviet tyranny, and the determination of its people to retain their culture and intellectual freedom still grows.

One of the most dramatic and encouraging factors in the ongoing struggle between freedom and tyranny is the continuing growth of this nationalistic spirit among the non-Russian peoples within the U.S.S.R. This is especially significant when we keep in mind that the Communist dictatorship in the Kremlin has failed in their efforts to eradicate the nationalism of the Ukrainian people.

Not only is the Ukraine the largest nation territorially in Eastern Europe and the U.S.S.R., it has the largest nationality group within the Soviet bloc. It is also the richest in resources of the captive nations, possessing tremendous agricultural lands, which once earned for it the title of the "Breadbasket of Europe," as well as possessing an abundance of industrial assets.

Today, as we commemorate this 63d anniversary of the strong and determined peoples of the Ukraine, we must not forget the struggle of the oppressed nations held captive by Soviet rule, and continue to offer hope and support in their aspirations for freedom and self-determination and make their shattered dreams reality once again.

We must champion the rights of national, individual, cultural, and religious freedoms for all peoples held captive. The people of the Ukraine are among the millions of others who are looking to America to live up to that commitment.●

THE FUTURE AGENDA FOR OUR SHIPYARDS AND OUR MERCHANT MARINE

The SPEAKER. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS) is recognized for 10 minutes.

● Mrs. BOGGS. Mr. Speaker, as a new President and a new administration take office, I think this is an appropriate time for us to pause and to examine the needs of our domestic shipbuilding capacity and our American-flag merchant marine. Last fall, during the campaign, President Reagan deplored the projected drop of shipyard employment of 75,000 workers by 1983 and he said:

> Should our shipbuilding capability continue to decline, America's mobilization potential will be seriously undermined because a large reduction in a skilled shipbuilding workforce today makes any increase tomorrow very difficult. This is a dangerous threat to our national security, jobs and a key U.S. industry.

President Reagan's recognition of the need to strengthen our shipbuilding industrial base is very commendable. It is, however, ironic to note that he made this statement to a campaign gathering at Sun Ship, Inc. at Chester, Pa., because on January 9 officials of Sun Ship announced that the company was shutting down its shipbuilding

operations. As a result of this action some 3,100 workers, fully three-quarters of Sun's labor force will be laid off in the next 18 months.

This action I believe is a severe blow to this Nation's economy. Not only are we losing a shipyard that has the capacity to contribute to the efforts to improve our naval and maritime forces, but in addition several thousand workers are going to be thrown on the unemployment rolls resulting in additional millions in costs to the Federal Government and the loss of significant revenue to the Government from these workers who have been productive, taxpaying citizens.

Mr. Speaker, I would like to share with my colleagues President Reagan's statement of August 19, 1980, in which he outlined his program to revitalize and reinvigorate our Nation's shipbuilding and maritime industry. Here is an excerpt from his speech at Chester, Pa.:

> GOVERNOR REAGAN OUTLINES HIS SHIPBUILDING POSITION
>
> First, early next year I would convene a conference of top maritime and shipbuilding leaders with the appropriate members of my administration to explore ways and means of addressing the deficiency. The goal is to build a merchant marine consistent with our economic, trade and national security needs.
>
> Second, I would target my administration to be the mandate of the Republican platform calling for a 600-ship Navy composed of U.S. built ships as quickly as the budget would permit. I would anticipate a sympathetic Senate and House of Representatives and would work closely with the appropriate Committees of Congress to see these goals are met.
>
> Third, in concert with Congress, I would develop a multi-year Naval Investment Program to produce a modern and versatile U.S. Navy capable of meeting the global uncertainties of the future. This plan would end the vagaries of the past on-again-off-again Carter plans and provide stability in planning, production and workforce in our shipyards.
>
> Fourth, my comprehensive national maritime policy will be targeted toward a greater market share of exports and imports for U.S.-flag shipping. As more cargoes are carried on our own ships, the demand for U.S.-flag shipping services will increase, and more new ships will be ordered from U.S. shipbuilders.
>
> Fifth, these programs will be monitored from the top level of government and our national security aspects from the National Security Council. Understandably, the American people are beginning to wonder if the U.S. has the necessary thrust to counter the Soviet buildup on the high seas, to support pledges of supply when U.S. national interests are threatened. To feel safe, we have to have the sealift capability to dispatch military material and manpower to areas of crisis.
>
> Sixth, I will appoint only men and women to Federal posts which impact directly on shipbuilding who are people of experience, vision and dynamism. All too often the right people have not been placed in the right slots.
>
> Seventh, in concert with industry and labor, I will develop a phased-in effort to restore international competitiveness of U.S. shipbuilding through tax incentives such as 10-5-3, technology advances and improved productivity.
>
> Eighth, I will direct a review of regulatory requirements imposed on U.S. shipbuilding (as well as other industries) consistent with health and safety. It is estimated 14 percent of the cost, on a value-added basis, in U.S. shipyards can be traced to U.S. Government regulations.

Mr. Speaker, in addition to citing President Reagan's maritime proposals I would like to call attention to an editorial which appeared in the December 21, 1980, issue of the Journal of Commerce which sets forth many of the important issues facing our Nation's merchant marine:

> [From the Journal of Commerce and Commercial, Dec. 12, 1980]
>
> NEW MARITIME PRIORITIES
>
> When the new Congress convenes next month, it will confront a wide range of long-neglected problems of urgent concern to this country's maritime industry and our ocean commerce. None of them, from the critical need for deeper channels to the plight of the American-flag merchant marine and shipbuilding, from the continued failure to draft effective regulations for intermodal traffic to the wildly irresponsible 1972 amendments to the Longshoremen's and Harbor Workers Compensation Act, will lend themselves to easy or off-the-cuff solutions. They are the accumulated legacy of years in which Congress found it convenient to put one maritime issue after another on the back burner. There have been hearings, bills have been drafted, but there has been little or no effective action.
>
> Over the years, too, there have been occasional rumblings in Congress to the effect that maybe it would be just as well to abolish the House Merchant Marine and Fisheries Committee entirely, and assign its functions elsewhere. The committee's effort in the 96th Congress to produce a new maritime policy bill ended in dismal collapse. A new chairman for the committee, and perhaps a new minority leader as well, will have to be found as the new Congress organizes. Appointment to the committee has not been one of the most sought-after of congressional plums, despite its relationship to a crucial and unique segment of the economy.
>
> To abolish the committee because of congressional impatience with its performance would, in our view, be a colossal blunder. What is needed, it seems to us, is a restructuring of both the House committee and its counterpart subcommittee in the Senate, to enable both to deal more effectively with the burgeoning, many-faceted problems facing the maritime industry and the shippers who depend upon it.
>
> In the Senate, maritime affairs have until now been relegated to a Commerce Committee Subcommittee on Merchant Marine and Tourism—a throwback to the days when passenger liners were the queens of the sea and several of them flew the American flag. This has been changed to create a subcommittee for the merchant marine alone, with tourism transferred to a new Business, Trade and Tourism Subcommittee, which would seem to be a step in the right direction. The House linkage of merchant marine and fisheries may seem plausible in view of their common aquatic bond, but the fact is that they are otherwise unrelated industries. Of course, it isn't the name of the committee that matters nor do we mean to quibble over appended jurisdictions here and there.
>
> What Congress owes the country is the creation and recognition in House and Senate alike of strong committees, with newly delineated jurisdictions that will enable them to deal effectively and intelligently with the whole chain of interlocking issues which today loom so large—and sometimes ominously—as influences in our ocean commerce. Only then, it seems to us, will Congress bring into being the broad perspective, the scope, the expertise that it must have if it is to legislate successfully in this challenging and often baffling area.
>
> If the hope of bringing two such broadly equipped committees into existence seems utopian, then let Congress think seriously about the cost of the fragmented approach it has tolerated for so long, with different but interrelated problems of ocean commerce shunted off to any number of different and uncoordinated committees and subcommittees. Our impression is that the intangible price has been delay, conflicting purpose, and a tendency to view the movement of goods in our import and export trades—in fact, a land-and-sea intermodal movement these days—as one of Washington's lesser concerns.
>
> There is never any lack of politicians to give rhetorical endorsement to a strong merchant marine, flourishing overseas trade, and a healthy balance of payments. But this is mere campaign oratory unless it is backed up by a clear understanding that none of it can happen without adequate ports, adequate channels and harbors, ships and shipyards—a transportation system that can do the job at competitive costs.
>
> Unquestionably, the maritime industry must be thankful for the sudden, dramatic increase in demand for steam coal. The presence of 100 or more ships waiting for weeks on end in Hampton Roads to fill their holds with coal has, at long last, produced legislation to put channel deepening on a "fast track"—comparatively speaking—where a demonstrable need exists, whether for coal or other cargoes. One of the first ports able to take advantage of the new procedure if the bill is enacted, we might point out, would be New Orleans, because of its present importance and large potential as a coal outlet. However, there is a certain irony here, in that New Orleans for several years has had an application pending for channel deepening, and it has just been estimated that the ratio of benefits to costs would be an extraordinary 8.5-to-1. This ratio is based on present traffic alone, in which grain is the biggest single cargo. Coal got action, where grain apparently could not. A firm committee voice on maritime affairs in Congress might save us from such illogic.
>
> It is when some facet of a maritime problem is turned over to a congressional committee that must also deal with a host of non-maritime issues as well, from all parts of the country—public works, the environment or labor standards, for example—that matters of great urgency for our ocean commerce may languish in an office file. A strengthened and restructured committee setup for ocean and intermodal shipping would surely help improve the congressional performance in this important area.

Mr. Speaker, last week President Carter submitted his fiscal year 1982 budget proposals. These recommendations included a record sum of more

than $417 million for operating subsidies for American-flag shipping companies. However, despite this strong commitment to our merchant marine, only $107 million—down from $135 million in fiscal year 1981—was recommended for help in building new American-flag vessels. Notwithstanding President Reagan's strong commitment to shipbuilding, there have been reports of discussions by individuals within his circle of advisers that the construction differential subsidy (CDS) program administered by the Maritime Administration is a prime candidate of budget cutting. I would hope that those individuals in charge of evaluating budget revisions for the new administration will do so in light of this publicly stated commitment to shipbuilding.

Mr. Speaker, as many will recall, a strong effort was made during the 96th Congress to draft a new and comprehensive maritime policy. Despite the efforts of many Members of Congress and representatives of industry and labor, there was no final resolution of this herculean effort. We will still have the same issues and the same policy decisions before us in the coming months. I, for one, stand ready to work with President Reagan and officials of the new administration to seek viable solutions to the type of maritime priorities outlined by the Journal of Commerce in its December editorial.

Finally, because of the concern I share with many of my colleagues for the future of American shipbuilding, I would like to draw attention to a statement issued on December 24 by Mr. Edwin Hood, president of the Shipbuilders Council of America, in which he presents his evaluation of the past year on the posture of our shipyards and our merchant marine:

SHIPBUILDERS COUNCIL PRESIDENT HOOD RELEASES YEAREND STATEMENT

For the U.S. shipbuilding industry, the psychology of hope went full circle in 1980. Starting with the optimism of Congressional enactment of comprehensive "omnibus" maritime legislation in conjunction with an accelerated naval shipbuilding program and ending with the optimism of a more assertive direction on the part of a newly-elected President, the period in between was marked by a mixture of intense activity, confusing commotion and much talk but little positive effect.

This gyration needs to be viewed against the background of recent events. The U.S. commercial and naval fleets have decreased. The U.S. Navy is stretched paperthin and at its lowest level since before World War II. The volume of cargoes carried by U.S.-flag ships has declined. The number of merchant shipbuilding contracts has dropped. The naval shipbuilding program has been generally down. The industrial support base for ship construction has diminished. There has been no consistent policy to assure the uninterrupted movement of critical imports without which the U.S. military and industrial structure could not endure.

Alarms have been sounded repeatedly. The dismal statistics have been recited endlessly. But, there has been no high level recognition of the Nation's endangered national security. Assurance of an adequacy of ships, shipping and shipyard resources under U.S. sovereignty to serve essential national interests has been bogged down by unresponsive leadership and economic conditions. Compared to 1972 and 1973 when new contracts for 48 and 43 merchant ships of 1,000 gross tons and over were placed with U.S. shipbuilders, orders for only nine vessels—four tankers, three tuna purseiners, one hopper dredge and one coal carrying vessel—were awarded in 1980. There were no construction-differential subsidy (CDS) contracts, though several vessel conversion projects were eligible for CDS funds. Provisional contracts for six LNG carriers were awarded, but commencement of construction must await decision by Federal regulatory agencies on import licenses and regassification site location.

The present orderbook for merchant shipbuilding totals 53 ships, with an approximate value of $2.3 billion, and involves 13 U.S. shipbuilders. Only 17 of this total will remain to be delivered after the end of 1981.

With regard to naval shipbuilding, commitments were made for the construction of six guided missile frigates (FFG), one guided missile cruiser (CG), one nuclear-powered aircraft carrier (CVN), and three ocean surveillance ships (T-AGOS) in 1980. Contracts for several submarines are still under negotiation.

The value of the current backlog of 91 Navy vessels is estimated at $9.0 billion and deliveries will extend through 1987. Eleven shipyards hold these contracts, one of which is also building seven U.S. Coast Guard cutters (WMEC).

New orders at an annual rate of nine merchant ships and eleven naval vessels will obviously not utilize the full capabilities of the shipbuilding industry of the United States. As a consequence, some 30,000 skilled shipyard workers face the uneasy prospect of unemployment with another 90,000 in supplier activities similarly affected. Conversion of existing vessels in addition to nonship work could moderate this forecast, but not substantially.

This downward trend has been compounded by expedient actions of the Defense Department in planning to acquire 11 commercial-type, foreign-built vessels to fill ship voids in the Nation's sealift forces which should have been ordered from domestic shipbuilders three or more years ago. It should be noted that these 11 vessels are greater than the number of ships (nine) ordered from U.S. builders in 1980: an incredible situation, more so because of the role of government.

A loss of 80 million man-hours of employment for the U.S. shipyard labor force takes place while the public treasury is paying millions of dollars in adjustment assistance to U.S. workers displaced by reason of low-cost foreign imports. With one hand, the government purchases foreign-built ships, while with the other hand, it doles out unemployment benefits to U.S. shipyard workers who should have built the ships in the first place.

The orderbook for offshore drilling rigs presents a much brighter picture. With 76 rigs now on order with ten U.S. builders, contracts for 57 were placed in 1980. Valued at about $2.4 billion, deliveries extend into 1983. Worldwide, competition for jackup and semisubmersible rigs has intensified during the year as offshore oil and gas fields have expanded. In like manner, the demand for new offshore petroleum service vessels has expanded: more than 200 of these supply boats have reportedly been delivered in 1980.

Also on the plus side of the shipyard ledger, the demand for inland waterway barges as well as for commercial shiprepairing services has been strong throughout the year. The dollar value of ship repair work for 1980, both naval and commercial, is estimated at nearly $2.5 billion. The number of naval ships available for overhaul in private yards dipped toward the end of the year, and recovery is not expected until the latter part of 1981.

The prospects for merchant shipbuilding remain clouded and will only improve as world shipping conditions improve. In the opinion of many analysts, a return to normalcy before 1985 appears unlikely. With respect to naval shipbuilding, the prevailing view, in and out of government, is that the U.S. Navy must be strengthened. An increased building program is generally predicted, but the real impact on the industry will not be felt for at least three years.

For the short-term, market opportunities for U.S. shipbuilders not principally involved in naval programs would seem to consist mainly of construction of specialized ships and vessels for domestic and Great Lakes trades in limited numbers; construction of barges and shallow draft vessels for the inland waterways; conversions of existing vessels; repowering of existing vessels with more fuel and cost efficient propulsion systems; retrofitting of existing tankers to comply with environmental requirements; and certain types of non-ship work.

For the long-term, a modest acceleration in naval shipbuilding to meet the objective of a 600-ship U.S. naval fleet by the mid-1990's seems probable. A gradual, not a sharp, increase in merchant ship construction, starting in three or four years, to accommodate incremental increases in world trade and a rise in the volume of cargoes carried by U.S.-flag shipping which is essential to U.S. national interests seems likely. Opportunities to build dry bulk carriers, ocean mining ships, ocean thermal energy conversion plantships, and other specialized vessels should also develop.

President-elect Ronald Reagan has indicated that his Administration will assure that the United States Navy is second to none and that the American merchant marine is reestablished as an effective instrument of national policy. These pronouncements have stirred a new spirit of optimism that an effective shipbuilding industrial strategy leading to the construction of merchant and naval vessels in American shipyards by American workers with American components will emerge in the early phases of the incoming Reagan Administration.

The much-discussed "omnibus" legislation vividly illustrated the disarray of maritime affairs in this country and the urgent need for corrective action. This ill-fated legislation also served a useful purpose in dramatizing the extent to which U.S. shipbuilding prices are influenced by regulatory requirements and standards more severe than those abroad. The assurances that the Reagan Administration will likewise address the adverse effects of Federal regulation have stirred a new sense of hope for the economics of U.S. shipbuilding.●

PITTSBURGH CITY COUNCIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WILLIAM J. COYNE) is recognized for 5 minutes.

● Mr. WILLIAM J. COYNE. Mr. Speaker, on January 17, 1981, the Pittsburgh City Council adopted resolution No. 34, which calls upon the Congress of the United States to designate the birthdate of the Reverend Martin Luther King, Jr., as a national holiday.

This resolution was introduced by the Honorable William Russell Robinson, a member of the city council.

Mr. Speaker, as a member of the city council I supported this resolution and I want to include the resolution at this point in the RECORD:

RESOLUTION No. 34

Whereas, the Reverend Martin Luther King, Jr. dedicated his life and endeavors to the achievement of a just and healthy society and the enhancement of respect and trust in our institutions and the insurance that all citizens are treated equally before the law; and

Whereas, his outstanding contributions included the Nobel Peace Prize and other forms of international recognition; and

Whereas, January 15 is the birthdate of this great American and is celebrated throughout the United States of America; and

Whereas, celebrations are held in schools, churches and community centers; and

Whereas, the Commonwealth of Pennsylvania has designated January 15 as a State holiday; and

Whereas, the United States Congress has been petitioned to designate January 15 as a National legal holiday;

Now, therefore, be it resolved, that the Mayor and the Members of Council of the City of Pittsburgh on behalf of the residents of the City of Pittsburgh do honor and recognize the birthdate of the Reverend Martin Luther King, Jr. and encourage the Congress of the United States to designate January 15 as a National legal holiday.●

UKRAINIAN INDEPENDENCE DAY

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. MCHUGH) is recognized for 5 minutes.

● Mr. MCHUGH. Mr. Speaker, it is my privilege today to join in celebration of the 63d anniversary of the Ukraine's Declaration of Independence.

This is a day on which Ukrainians through the world commemorate the innumerable sacrifices of their countrymen on behalf of the Ukraine's right to a free and independent existence. There are over 2 million Ukrainian Americans in this country, and I am immensely glad that many of them reside in New York's 27th Congressional District, which I am privileged to represent. At the same time that they preserve their homeland's precious cultural, historical and spiritual heritage, they continue to make invaluable contributions to the flourishing of democracy in the communities of their adopted country.

I salute them for their perseverance, I rejoice with them in the vitality of their spiritual values and their dedication to freedom, and I urge all my fellow citizens to observe carefully their example—for those who take freedom for granted cannot be motivated to preserve its blessings.

In particular on this occasion, I commend the great energy and contributions of the members of the Ukrainian Congress Committee of America. This organization, with branches throughout America, is a national representative body of American citizens of Ukrainian descent. It embraces over 1,200 Ukrainian American organizations, clubs, fraternal lodges, veteran and youth societies, women's and sports groups, as well as cultural, social, church, and political organizations. It is a dedicated and eloquent advocate of freedom and independence for the Ukraine, which has been under the forcible domination of the Soviet Union since 1922. During that period of time, the Soviet record has been an infamous saga of genocide, ethnocide, cultural suppression, religious persecution, economic exploitation, and wanton violation of human and national rights.

As we join this year in commemorating the day on which the people of the Ukraine achieved a freedom that lasted all too short a time, we are reminded of the anguish that engulfed our own country over the past 14 months as several dozen of our fellow citizens were imprisoned by international criminals in Iran, who do not respect principles of international law and cooperation. During this past year, Mr. Speaker, we have also been able to observe the chilling reality of Soviet expansionist intentions in the brutal Soviet invasion of Afghanistan. Yet, given the sordid example of Soviet tyranny over the Ukraine and so many other captive nations, we should not be surprised. What is now important is that we take to heart the lessons which current history teaches us about international treachery—which we have recently experienced in our dealings with Iran and which the people of the Ukraine have for so long suffered at the hands of the Soviets. It is now our vigilance and firmness which must put those lessons into practice, both for our own security and the survival of liberty in a volatile world.●

UKRAINIAN INDEPENDENCE DAY

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, January 22 marks the 63d anniversary of the declaration of independence from Russia by the Ukrainian nation, whose people through terrible years of oppression have kept alive their belief in the ideals of liberty and self-determination.

Chicagoans of Ukrainian descent will commemorate this important day with the annual Ukrainian Independence Day Banquet, Sunday, January 25, at the Pick-Congress Hotel, 520 South Michigan Avenue, in Chicago, sponsored by the Ukrainian Congress Committee of America, Chicago Division, Myroslaw Charkewycz, president.

My good friend, Hon. HENRY J. HYDE, the Congressman from the Sixth Congressional District of Illinois, will be honored at that time as "Man of the Year" for his efforts in the field of human rights. I know of no one more deserving than he of this recognition, for he has compiled a splendid record of excellence and achievement in his dedication to the cause of liberty on behalf of those who are suffering at the hands of the Communist oppressor.

On January 22, 1918, the Ukrainian people proclaimed the Ukrainian National Republic and had high hopes for a new era of national renewal dedicated to the principles of freedom, justice, and self-determination. These high hopes were dashed, however, by the Bolsheviks who in 1920 reestablished Russian control over the new republic.

Thus began the long and desolate period of spiritual darkness which endures to this day. Ukrainian writers, literary critics, journalists, professors, students, artists, scientific workers, and representatives of all other strata of society were periodically arrested for their efforts to assert their Ukrainian consciousness and to resist the decades-old campaign to destroy Ukrainian self-identity and Ukrainian culture. Human rights in the Ukraine today exist only on paper and these leaders in Ukrainian society are courageously continuing the struggle to turn these precious ideals into a living, working everyday reality.

Mr. Speaker, a statement by the World Congress of Free Ukrainians follows on the history of Ukraine's struggle for freedom, as does an excerpt of a statement of current conditions in Ukraine by the Women's Association for the Defense of Four Freedoms for Ukraine, Inc.:

THE BACKGROUND OF UKRAINIAN DISSENT

During the Revolution of 1917-20, the Ukrainian people formed a national state, the Ukrainian National Republic (UNR), which declared its independence in January 1918. One year later, the UNR and the Western Ukrainian National Republic united to form a single state. The armed forces of the Ukrainian Republic were overwhelmed by the invading Soviet Red Army, and the larger part of its territory was forcibly absorbed by the USSR, while Western

Ukraine came under Polish rule. After Stalin's rise to power the nationally conscious Ukrainian intelligentsia was virtually wiped out, while Ukrainian peasant resistance to collectivization was crushed by a government-induced famine that claimed millions of victims.

During the Second World War the Ukrainian Insurgent Army fought against both the Nazi and Soviet occupying forces. With the defeat of Germany and the postwar Soviet domination of Eastern Europe, the Western Ukrainian territories were annexed to the Ukrainian SSR. This was a long and violent process, for the Ukrainian Insurgent Army continued its resistence in Western Ukraine until the early 1950s, when a joint Soviet-Polish military operation succeeded in destroying the insurgent forces.

With the short-lived post-1956 liberalization in the Soviet Union came a resurgence of Ukrainian cultural life spearheaded by a new generation of talented writers ("the men of the sixties").

The government's suppression of the cultural revival led to the politicization of cultural dissent in Ukraine and gave rise to a number of political opposition groups. In 1961 Lev Lukyanenko and six others were sentenced to death or long terms of imprisonment for attempting to form a Ukrainian Workers' and Peasants' Union, and for encouraging public discussion of Ukraine's constitutional right to secede from the USSR. Lukyanenko's death sentence was later commuted to fifteen years' imprisonment.

In August and September 1965, a number of Ukrainian writers, artists and intellectuals were arrested, among them Bohdan Horyn, Mykhaylo Horyn, Svyatoslav Karavansky, Mykhaylo Masyutko, Valentyn Moroz, Mykhaylo Osadchy, and Panas Zalyvakha. After lengthy investigations, trials of some twenty dissidents began the following year. Hence the remaining cases were heard in camera in a clear violation of Soviet law. The standard charge was "anti-Soviet agitation and propaganda" with sentences up to six years in labor camps.

The arrests and trials provoked considerable public protest in Ukraine. Several prominent members of the cultural establishment—Mykhaylo Stelmakh, Andriy Malyshko, Yuriy and Platon Mayboroda—sent enquiries about the arrests to the Central Committee of the Communist Party of Ukraine. Disturbed by the accusation of nationalism brought against the detainees, Ivan Dzyuba, a literary critic, argued that Lenin's nationality policy, abandoned under Stalin and Khrushchev, ought to be reinstated. His manuscript, Internationalism or Russification?, was circulated among members of the Central Committee of Ukraine's Communist Party and government.

Vyacheslav Chornovil, a young journalist who reported on some of the trials, protested to the Council of Ministers of Ukraine but received no response. To inform the public of the courts' flagrant violation of the law he compiled the biographies of twenty dissidents who were tried in 1966 and circulated them in samvydav (clandestine literature). For this he was sentenced in 1967 to three years at hard labor.

The trial of the Horyn brothers in Lviv provoked a mass demonstration. In 1967 the annual ceremony commemorating the burial of the national poet, Taras Shevchenko, ended in KGB-provoked violence. The following day, 64 Kiev residents signed a letter of protest to the authorities. In April 1968, 139 residents of Kiev signed a protest against illegal arrest and restrictions placed on Ukrainian language and culture. The same year, some 300 signatures appeared on the "Letter of the Creative Youth of Dnipropetrovsk", which criticized the policy of Russification. The fifty-first anniversary of the October Revolution was marked by a protest suicide: V. Makukh immolated himself in Kiev. In 1980 the funeral of Alla Horska, an artist who died under suspicious circumstances, turned into a massive protest rally. November of that year widespread protest was aroused by the second trial of Valentyn Moroz, one of the most outspoken Ukrainian dissidents. He was sentenced to nine years' imprisonment and five years' internal exile.

The dissident movement in Ukraine reached a new stage of development at the beginning of 1970 with the appearance of the underground journal Ukrainian Herald. It compiled samvydav documents dealing with arbitrary abuses of power, arrests, appeals and protests. Eight issues of the Herald were published before it was suppressed in 1974.

As victims of the 1965 arrests were returning from the labor camps, a second wave of arrests swept Ukraine. In January-April 1972 more than one hundred young intellectuals were imprisoned, some of them for the second time. Again, closed trials were held following prolonged investigation. The charges were mostly "anti-Soviet propaganda and agitation," as in 1966, but often the maximum sentences were imposed: seven to ten years of hard labor in prison or labor camps, with three to five years' exile outside Ukraine.

Those who dared protest against these illegal arrests soon found themselves among the victims they had defended. Many more Ukrainians were dismissed from work or expelled from universities. Well-known scholars at the Institutes of Archeology, History and Philosophy of the Academy of Sciences of the Ukrainian SSR lost their positions. With the loss of so many of its activists, the human-rights movement in Ukraine suffered a severe setback. But it was not crushed: there were demonstrations and hunger strikes in labor camps, and the families and friends of the political prisoners petitioned on their behalf. Their efforts were strongly supported by human-rights activists in Moscow, who in turn informed the Western press.

Ukrainian activists are determined to maintain the Helsinki Group's existence. In spite of strong KGB pressure for public recantations, few of the Ukrainians arrested have renounced their convictions. This testifies to the moral strength of the human-rights struggle in Ukraine.

In the words of the Group's Memorandum of autumn 1979: "The Group has become a force in the national-liberation struggle of the Ukrainian people for its national and political liberation, for the right of the individual to a free life in his own land."

[EXCERPT]

We believe that you are well informed about the insufferable living conditions in Ukraine, which deteriorated considerably after the invasion of Afghanistan and the western boycott of Moscow Olympics, so we will not expound them herein. Ukraine is considered by the Soviet government as being pro-American and generally western-oriented, which is absolutely factual. Ukrainian people, before and after the signing of the Helsinki Accords were and are subject to police state administration and constant KGB terror, intensified Russification of the Ukrainian educational system and culture, exploitation of Ukrainian economy and industry, persecution of religion, sentencing of Ukrainian dissidents to long terms of internment in prisons, concentration camps and psychiatric institutions. Since 1972, the KGB sent to concentration camps and psychiatric institutions over seven hundred Ukrainian intellectuals, encompassing the entire strata of Ukrainian population. Although the children and wives of the imprisoned Ukrainian intellectuals are the prime victims of KGB persecutions, other children and students in Ukraine also suffer, due to their being forced to, in connection with official policy of russification, be educated in the Russian language. In this year 1980, eight and one-half million of Ukrainian children and students (of the fifty million population of Ukraine) are forced to attend Russian language schools in Ukraine.

Mr. Speaker, today, although the Ukrainians are still under the yoke of foreign domination, I am still confident that one day their love of liberty will triumph, and Ukraine will once again take her rightful place in the community of free nations.

It is an honor for me to be part of this commemoration today and to join Americans of Ukrainian descent across the Nation, in my own city of Chicago, and in the 11th District I am honored to represent, as they support these valiant efforts on the part of the Ukrainians to strengthern their cultural heritage and to regain national self-determination.●

ESTABLISHMENT OF A SMALL BUSINESS LOAN PROGRAM FOR VIETNAM AND DISABLED VETERANS

The SPEAKER. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, today I am introducing legislation to amend title 38, United States Code, to establish a business loan program for Vietnam and disabled veterans.

During the 96th Congress, the Subcommittee on Special Investigations of the Committee on Veterans' Affairs conducted two oversight hearings on the Small Business Administration's implementation of a provision of Public Law 93-237, which granted special consideration to veterans in obtaining direct and guaranteed small business loans. These hearings illustrated quite clearly that SBA had done little, if anything, to fully implement this important provision of law. It was clearly established that the agency placed a very low priority on this provision of law. Although agency spokesmen provided much rhetoric on what they proposed to do, 6 years after the passage of this law, little progress has been made to implement a viable small business loan program for veterans. It became obvious to the subcommittee that if the veteran is to receive the consideration for small business loans that he or she so richly deserves, and which Congress has directed, new authority must be given to the Administrator of Veterans' Affairs to establish and implement such a program. My bill is designed to do just that.

My bill would establish a revolving fund for these loans. The fund shall be available to the Administrator without fiscal year limitation for all loan activity except for administrative expenses. In the next fiscal year, should the bill be enacted, an appropriation of $25 million would be deposited into the revolving fund. This, of course, would be subject to the Appropriations Committee making such appropriation.

I would expect a certain amount of this could be offset by the amount appropriated to the Small Business Administration for veterans' loans.

I hope our Subcommittee on Education, Training, and Employment will hold early hearings on this measure.

H.R. —

A bill to amend title 38, United States Code, to establish a business loan program for disabled veterans and veterans of the Vietnam era, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Veterans' Business Loan Act of 1981".

DISABLED VETERANS' AND VIETNAM-ERA VETERANS' BUSINESS LOAN PROGRAM

SEC. 2. (a) Chapter 37 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter IV—Business Loans

"§ 1841. Definitions

"For the purposes of this subchapter—

"(1) The term 'disabled veteran' means (A) a veteran suffering from a disability which has been rated or which is ratable at 30 per centum or more by the Veterans' Administration and which was not the result of the veteran's willful misconduct, or (B) a veteran whose discharge or release from active duty was for a disability incurred or aggravated in line of duty.

"(2) The term 'veteran of the Vietnam era' means a person (A) who served on active duty for a period of more than 180 days, any part of which occurred during the Vietnam era and who was discharged or released therefrom with other than a dishonorable discharge, or (B) who was discharged or released from active duty for a service-connected disability if any part of such active duty was performed during the Vietnam era.

"(3) The term 'small business concern' means a small business, as defined under regulations prescribed by the Administrator—

"(A) at least 51 percent of which is owned by individuals who are veterans of the Vietnam era or disabled veterans, or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by such individuals; and

"(B) whose management and daily business operations are controlled by such individuals.

"§ 1842. Business loan program

"(a) The Administrator may provide financial assistance to a small business concern for the purpose of (1) financing plant construction, conversion, or expansion (including the acquisition of land), (2) financing the acquisition of equipment, facilities, machinery, supplies, or materials, or (3) supplying such concern with working capital. Such financial assistance may be provided in the form of loan guaranties, agreements to participate in loans in cooperations with certain financial institutions, or direct loans.

"(b) The authority of the Administrator under subsection (a) of this section is subject to the following restrictions:

"(1) A direct loan may not be made under this section unless the small business concern to which the loan is to be made shows to the satisfaction of the Administrator that the concern is unable to obtain from a private lender a Veterans' Administration guaranteed business loan or a Veterans' Administration participation loan.

"(2) A Veterans' Administration participation loan may not be approved under this section unless the small business concern to which the loan is to be made shows to the satisfaction of the Administrator that the concern is unable to obtain from a private lender a Veterans' Administration guaranteed business loan.

"(3) The Administrator may not guarantee a business loan under this section if the loan bears a rate of interest in excess of such rate as the Administrator may from time to time find the loan market demands.

"(4) The Administrator may not guarantee a business loan under this section if the original principal amount of the loan exceeds $200,000.

"(5) The liability of the Administrator on any business loan guaranteed under this subchapter may not exceed 90 percent of the amount of the loan, and such liability shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation, but such liability may not exceed $180,000.

"(6) The financial assistance available under this subchapter shall be limited to one loan with respect to any single small business concern.

"§ 1843. Applications for business loans

"(a) As used in this section, the term 'applicant veteran' means a disabled veteran or a veteran of the Vietnam era who has been identified to the Administrator as having a significant ownership interest in a small business concern.

"(b) Each applicant veteran shall execute a note or other document evidencing the direct, guaranteed, or participation business loan and shall be jointly and severally liable to the Administrator for any amount paid by the Administrator on account of such business loan.

"(c) Each applicant veteran with respect to a loan obtained under this subchapter shall be precluded from becoming an applicant veteran for a loan with respect to any other small business concern until any obligation with respect to the business loan for which such veteran was an applicant veteran has been paid in full and the veteran has disposed of any interest in such original small business concern.

"§ 1844. Approval of loans by the Administrator

"Loans authorized under this subchapter shall be submitted to the Administrator for approval before the closing of the loan, except that certain classes of lenders may be exempt from this section under regulations prescribed by the Administrator.

"§ 1845. Eligible financial institutions

"Financial institutions eligible to participate as lenders under this subchapter shall be limited to any Federal land bank, national bank, State bank, private bank, mutual saving bank, savings and loan association, building and loan association, insurance company or credit union that is subject to examination and supervision by an agency of the United States or of any State.

"§ 1846. Terms of loans

"(a) The maturity of a loan used in whole or in part for constructing facilities may not exceed 20 years plus such additional reasonable time as is required to complete construction. The maturity of any other business loan may not exceed 10 years.

"(b) Each loan made under this section shall be of such sound value or so secured as reasonably to assure payment.

"§ 1847. Special consideration for veterans with service-connected disabilities

"In the extension of financial assistance under this subchapter, special consideration shall be given to veterans with service-connected disabilities.

"§ 1848. Termination of program

"No commitment for any financial assistance authorized under this subchapter may be extended by the Administrator after September 30, 1991.

"§ 1849. Business loan revolving fund

"(a) There is established in the Treasury a revolving fund to be known as the Veterans' Administration Business Loan Revolving Fund. The revolving fund shall be available to the administrator without fiscal year limitation for all loan activity under this subchapter except administrative expenses.

"(b) There shall be deposited into the revolving fund (1) an appropriation of $25,000,000, and (2) all amounts received by the Administrator incident to business loan operations under this subchapter, including all collection of principal and interest and the proceeds from the use of property held or of property sold.

"(c) The Administrator shall determine annually whether there has developed in the business fund a surplus which, in the Administrator's judgment, is more than necessary to meet the needs of the business fund. Any such surplus shall immediately be transferred into the general fund of the Treasury.

"(d) Not later than September 30, 1993, the Administrator shall deposit into the Treasury of the United States, to the credit of general receipts, all amounts in the business fund. All amounts received thereafter incident to business loan operations, except so much thereof as the Administrator may determine to be necessary for liquidating outstanding obligations under this subchapter, shall also be so deposited.

"§ 1850. Additional powers of the Administrator

"In the performance of the functions, powers, and duties vested by this subchapter, the Administrator shall have such powers and responsibilities in respect to matters arising under this subchapter as the Administrator has in respect to loans made or guaranteed under other provisions of this chapter. The Administrator may specify

which provisions of other sections of this chapter the Administrator determines should be applicable to loans guaranteed or made under the provisions of this subchapter and may take any action (including the procurement of the services of attorneys by contract in any office where an attorney or attorneys are not or cannot be economically employed full time to render such services) in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans made or guaranteed under this subchapter. With respect to participation loans, the Administrator may authorize participating lending institutions, at the Administrator's discretion and pursuant to regulations, to take such actions on the Administrator's behalf, including the determination of eligibility and creditworthiness and loan monitoring, collection, and liquidation.".

(b)(1) The title of such chapter is amended to read as follows:

"Chapter 37—HOUSING AND BUSINESS LOANS".

(2) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title, are each amended by striking out the item relating to chapter 37 and inserting in lieu thereof the following:

"37. Housing and Business Loans ... 1801".

(3) The table of sections at the beginning of chapter 37 is amended by adding at the end thereof the following:

"Subchapter IV—Business Loans

"Sec.
"1841. Definitions.
"1842. Business loan program.
"1843. Applications for business loans.
"1844. Approval of loans by the Administrator.
"1845. Eligible financial institutions.
"1846. Terms of loans.
"1847. Special consideration for veterans with service-connected disabilities.
"1848. Termination of program.
"1849. Business loan revolving fund.
"1850. Additional powers of the Administrator.".

CONFORMING AMENDMENTS TO TITLE 38, UNITED STATES CODE

SEC. 3. (a) Section 1801 of title 38, United States Code, is amended—

(1) by redesignating subsections (a) and (b) as subsections (b) and (c), respectively;

(2) by inserting before subsection (b) (as redesignated by clause (1)) the following new subsection:

"(a) For the purpose of this chapter—

"(1) The term 'business loan' means a loan guaranteed, participated in, or made by the Administrator under subchapter IV of this chapter.

"(2) The term 'housing loan' means a loan for any of the purposes specified by sections 1810(a) and 1819(a)(1) of this title."; and

(3) by striking out "this chapter—" in subsection (b) (as redesignated by clause (1)) and inserting in lieu thereof "housing loans under this chapter—".

(b) Section 1802 of such title is amended—

(1) by inserting "housing loan" in subsection (a) before "benefits" both places it appears;

(2) by inserting "housing" in subsection (a) after "insured";

(3) by inserting "housing loan" in subsection (b) after "insurance" both places it appears;

(4) by striking out "Loans" in the first sentence of subsection (d) and inserting in lieu thereof "Housing loans"; and

(5) by inserting "housing" in the second sentence of subsection (d) after "Any".

(c) Section 1803(d) of such title is amended—

(1) by inserting "housing" in clause (1) after "any"; and

(2) by inserting "housing" in the first sentence of clause (3) after "real estate".

(d) Section 1804(d) of such title is amended—

(1) by striking out "guaranteed or insured" both places it appears in the first sentence and inserting in lieu thereof "guaranteed, insured, or participation";

(2) by striking out "guarantee or insure" both places it appears and inserting in lieu thereof "guarantee, insure, or participate in"; and

(3) by striking out "guaranty or insurance" in the first sentence and inserting in lieu thereof "guaranty, insurance, or participation".

(e) Section 1807 of such title is amended by inserting "housing loan" after "eligible for".

(f) Section 1815(a) of such title is amended by inserting "housing" after "Any".

(g) Section 1817 of such title is amended—

(1) by inserting "housing" in subsection (a) after "direct" the first place it appears; and

(2) by inserting "housing" in the first sentence of subsection (b) after "direct".

(h) Section 1818(a) of such title is amended by inserting "housing loan" after "eligible for the".

(i) Section 1819(a)(1) of such title is amended by inserting "housing loan" after "eligible for the".

(j) Section 1819(b)(2) of such title is amended by striking out "loan guaranty" and inserting in lieu thereof "housing loan".

(k) Section 1820 of such title is amended—

(1) by striking out "made or" in subsection (a)(2) and inserting in lieu thereof "made, participated in, or";

(2) by striking out "guaranty or insurance" in subsection (a)(3) and inserting in lieu thereof "guaranty, insurance, or participation"; and

(3) by striking out "guaranty or insurance" in subsection (c) and inserting in lieu thereof "guaranty, insurance, or participation".

(l) Section 1821 of such title is amended by striking out "guaranty or insurance" each place it appears and inserting in lieu thereof "guaranty, insurance, or participation".

(m) Section 1824 of such title is amended—

(1) by inserting "housing" in subsection (b) after "for all"; and

(2) by inserting "housing" in subsection (c) after "incident to".

AMENDMENTS TO THE SMALL BUSINESS ACT

SEC. 4. Section 8(d) of the Small Business Act (15 U.S.C. 637(d)) is amended—

(1) by inserting "and veteran-owned small businesses," in paragraph (1) after "individuals,";

(2) in the contract clause set out in paragraph (3)—

(A) by inserting "and veteran-owned small businesses" in subparagraph (A) after "individuals";

(B) by inserting "or veteran-owned small business" in subparagraph (D) after "individuals"; and

(C) by striking out the quotation marks at the end of subparagraph (D) and adding at the end the following new subparagraph:

"'(E) As used in this contract, the term "veteran-owned small business" shall mean any small business concern—

"'(i) at least 51 percent of which is owned by individuals who are veterans of the Vietnam era or disabled veterans, or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by such individuals; and

"'(ii) whose management and daily business operations are controlled by one or more of such individuals.

The terms "veteran of the Vietnam era" and "disabled veteran" shall have the meanings given such terms in section 1841 of title 38, United States Code.'";

(3) by inserting "and veteran-owned small businesses" in clauses (D) and (E) of paragraph (4) after "individuals";

(4) in paragraph (6)—

(A) by inserting "and percentage goals for the utilization as subcontractors of veteran-owned small businesses" in subparagraph (A) after "individuals"; and

(B) by inserting "and veteran-owned small business" in subparagraphs (C) and (F) after "individuals";

(5) in paragraph (11)—

(A) by striking out "Business and" and inserting in lieu thereof "Business,";

(B) by striking out "Representatives" and inserting in lieu thereof "Representatives, and to the Committees on Veterans' Affairs of the Senate and House of Representatives,"; and

(C) by inserting "and veteran-owned small businesses" after "individuals"; and

(6) by adding at the end the following new paragraphs:

"(13) In carrying out the functions under this subsection with respect to veteran-owned small businesses, the Administrator shall consult with the Administrator of Veterans' Affairs.

"(14) For purposes of this section:

"(A) The term 'veteran-owned small business' means any small business concern—

"(i) at least 51 percent of which is owned by individuals who are veterans of the Vietnam era or disabled veterans, or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by such individuals; and

"(ii) whose management and daily business operations are controlled by one or more of such individuals.

"(B) The terms 'veteran of the Vietnam era' and 'disabled veteran' have the meanings given such terms in section 1841 of title 38, United States Code.".

AUTHORIZATION OF APPROPRIATIONS FOR ESTABLISHMENT OF PROGRAM

SEC. 5. There is hereby authorized to be appropriated $750,000 for fiscal year 1981 for use by the Administrator of Veterans' Affairs in retaining appropriate consulting services, otherwise authorized by law, to advise the Administrator with respect to the establishment of the business loan program prescribed by subchapter IV of chapter 37 of title 38, United States Code (as added by section 2 of this Act), and for other expenses incidental to the establishment of such business loan program.

EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall take effect at the end of the 180-day period beginning on the date of the enactment of this Act, except that the authority of the Administrator of Veterans' Affairs to promulgate regulations pursuant to the amendments made by section 2 of this Act, and the authority of the Administrator of the Small Business Administration to promulgate regulations pursuant to the amendments made by section 4 of this Act, shall take effect on such date of enactment.●

POLITICIZING THE OFFICE OF INSPECTOR GENERAL

The SPEAKER. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

Mr. LEVITAS. Mr. Speaker, I was disappointed to read in the press that President Reagan has asked for the resignation of all of the Inspectors General of the various agencies and departments of Government. I am disappointed to see this, because, without any selectivity as to the competence or the ability of these individuals, the message that goes out is that we are going to see a politicizing of this important and special office.

The Offices of Inspector General in the various departments and agencies were established with overwhelming bipartisan support, and they were given special and unique powers of independence with direct reporting to the Congress in order to ferret out waste, fraud, and abuse of programs to improve the management of agencies and gain repayment to the taxpayers of this country those funds which had been wasted, defrauded, or otherwise gone down the drain.

□ 1540

The members of this group of Inspectors General were selected with great care. I am told that approximately half of them were people who claim to be members of the Republican Party. These are the people who have spent the last several years investigating corruption and fraud and abuse of programs on behalf of the American people, and it was hoped by those of us who participated in the creation of the Office of the Inspector General that it would be a nonpolitical, an independent arm of Government which would take on the tough assignments even if they were embarrassing to an administration in order to identify those persons within and without Government who were not doing their jobs properly and taking advantage of the taxpayers without regard to political considerations.

It was the expressed hope of those people who participated in creating these Inspectors General that they would not be political hacks, to come and go and be subservient to the will of any particular administration, but rather be in a position of continuity, of independence, and responsibility.

President Reagan's unfortunate action in a meat-ax approach to the elimination of the incumbent Inspectors General in all of these agencies is a very bad sign for what lies ahead in so far as the independence or these individuals and offices are concerned. I hope this does not mean that we are seeing a return to the politicized days of the Nixon years in which, instead of having independent Inspectors General who are seeking out corruption and fraud and waste, we are going to have political hacks who are simply going to blow in the political winds of the time. If that is the case, President Reagan and his new administration have done a grave disservice to the American people and those who are concerned about the waste and abuse of programs in the Federal Government.

This action by President Reagan, so early in his administration, is directly contrary to his repeated statement, that he will not make decisions based on politics. The meat-ax firing of the Inspectors General is the worst sort of political partisanship in offices where, above all should be avoided. It did not take long—just 1 day—for this sort of political decision making to start.

I would hope that the actions of the administration from this time forth will be an indication that they will not operate in this fashion; I hope we will not see a politicized inspector generalship, but that there will be people who have the independence and courage to seek out and ferret out fraud and abuse of programs without regard to political parties. The actions taken thus far by President Reagan do not portend well for that hope.

Mr. FOUNTAIN. Mr. Speaker, will the gentleman yield?

Mr. LEVITAS. I will be happy to yield to my colleague, the gentleman from North Carolina, one of the Members of this body who was the first to sponsor this legislation for the inspector generalship.

Mr. FOUNTAIN. Mr. Speaker, I thank my colleague for yielding. I want to say that I just walked in as the gentleman was speaking on the subject, and I have not yet had an occasion to make comment on this action.

I do think it is unfortunate, and I hope that it was due to bad advice received by the President, because, as the gentleman knows and all the Members know, this legislation passed the House, the last bill did, by a vote of 384 to 6. The bill was an institution established by the Congress, for the Congress. The main reason we required Presidential appointment and Senate confirmation was to give the kind of image and prestige and integrity and independence to the Inspectors General that would enable him to do a good job of weeding out fraud and waste and extravagance and thieves or whatever ilk might be in that category.

This elimination of men and women who have been sought out everywhere to get qualified people, auditors, investigators, with the proper qualifications, integrity, and a nonpartisan appointment, has been an ordeal; and to just simply eliminate them altogether with the suggestion that if they are interested in applying they would be considered—I think that latter part is rather demeaning—but I am hopeful that after we have had a chance to discuss with the administration this action, that there may be some way that they can take another look at it.

I want to thank the gentleman for his comments.

Mr. LEVITAS. I thank my colleague from North Carolina, who has been in the leadership of this entire effort. What I have seen so far is a very disturbing sign. It is disturbing to me. I hope it was, as the gentleman from North Carolina suggested, simply bad advice that will soon be rectified.

The Office of Inspector General holds the best hope for eliminating fraud and abuse in Government, and the waste of taxpayers' dollars. Politicizing this office and putting this back into the Nixon-type era, where the bureaucracy is politicized, particularly in an area as important and sensitive as Inspectors General, is a very bad first step for the new President to take. If this is a new beginning, it is a bad beginning.

CONGRESSIONAL TRAVEL ALSO REINFORCES TIES OF FRIENDSHIP BETWEEN COUNTRIES

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 5 minutes.

● Mr. HAMILTON. Mr. Speaker, periodically there are those who attack congressional travel as a waste of time and money and a disservice to the American people.

Like everyone else, I applaud the release of the hostages.

What is not generally known is that congressional travel may have played a small part in making possible that release.

It is no secret that relations between the United States and Algeria have not been close. In part because of that, there have been few Members of the House and Senate who have visited Algeria.

Just about a year ago at this time, our colleague from Illinois (Mr. SIMON) visited Algeria and had meetings with a number of the top officials of that country, including a thorough discussion with Foreign Minister Benyahia who turned out to be the person who played the key role in the mediation between the United States and Iran.

In his visit to Algeria, our colleague from Illinois stressed to the officials of that country—including the religious leaders—that nothing could do more to create a friendlier climate between our two countries than for Algeria to play a lead role in getting the hostage crisis resolved.

I do not suggest that the role of PAUL SIMON brought about the final result. I do suggest that it may have been a factor in the consideration of the Algerian officials as they provided this key leadership. The most modest appraisal has to be that it may have helped.

All of us in Congress are grateful to the Government of Algeria, and particularly to their Foreign Minister, for their helpfulness.

But let us also learn a lesson, that ties of friendship that are extended by Members of the House and Senate in travels abroad not only improve our base of knowledge, they may bring about practical immediate results that are in the best interests of our Nation.●

THE FAMILY RENTAL TAX

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, in the closing days of the 96th Congress many of my colleagues became aware of a cruel hardship about to befall American families who rent a home or apartment to a family member. I am speaking of the so-called family rental tax, a provision of the Tax Code which, in effect, disallows some of the normal deductions for rental property where the tenant is a relative. If left in the code unchanged, this provision will result in a higher tax burden—hundreds, and even thousands of dollars higher, for taxpayers who rent to family members instead of strangers. Today I am reintroducing a bill which will put an end to the family rental tax.

In the August 7, 1980, Federal Register, the Internal Revenue Service proposed new regulations pertaining to the deductibility of expenses in connection with the rental of dwelling units. The rules would result in what amounts to a sizable new tax on rentals to members of the taxpayer's family, even when that rental is at the full fair market value. A taxpayer would be considered to have made personal use of a residence if he/she rents it to parents, siblings, spouse, or children, no matter how much rent they are charged. It is further specified that as little as 14 days of such personal use shall constitute use as a residence by the taxpayer, even though he or she never actually lived there.

Because a taxpayer would be considered to have used a residence rented to a family member as a personal residence, they would no longer be allowed to deduct the expenses, maintenance costs, or depreciation normally associated with rental properties to the extent that total deductions exceed actual income from that property. The taxpayer would still be allowed the personal deductions for mortgage interest, and taxes which benefit all homeowners, regardless of the amount, but these personal deductions must be taken first. The other deductions for rental property are allowed only to the extent that rental income exceeds those personal deductions. For any property purchased in recent years, particularly in metropolitan areas, mortgage interest and property taxes alone would probably equal or exceed the fair market value of the rental.

The potential harm of this new tax burden is depicted in the following example:

A taxpayer (T) rents a small apartment she owns to her mother for one full year at the fair market value of $400 per month ($4,800/year). T is allowed to deduct all of her $4,100 in mortgage interest, and all of her $900 in property taxes, even though their total exceeds the fair market value of the rental. However, under the proposed rules, T would no longer be able to deduct any of the insurance, utility, or maintenance costs of $1,200, nor any of the depreciation loss of $3,000 for the unit, unless she moves her mother out and rents the apartment to a stranger. If T is at a marginal tax rate of 30 percent, the extra tax burden for renting to her mother would be $1,260.

Like many of my colleagues, I have received numerous letters expressing disbelief, and asking why?

The Internal Revenue Service points out that their proposed regulations are consistent with section 280A of the Internal Revenue Code of 1954, added by Congress as part of the Tax Reform Act of 1976. There is consensus that it never was the intent of Congress to punish those renting a principal residence to relatives, but rather to limit abusive deductions for family use of vacation homes. IRS claims that the code does not make that narrow intent clear, and that only Congress can correct the language.

In the last session, Congress approved Senator ARMSTRONG's amendment to the appropriations continuing resolution (Public Law 96-369) which temporarily barred IRS implementation of the proposed regulations. To avoid similar restrictions in the second continuing resolution, the IRS agreed to voluntarily withhold final regulations until July 1981, to give Congress an opportunity to change the code.

Because I believe that the family rental tax is a step backward in our efforts to recognize the family as the primary source of support for its members, and in particular its older members, I have developed a bill which would correct the language of the code to more clearly show that Congress desires to limit deductions on vacation rentals, not on principal residences. This bill would amend the code as follows:

Part (a) would change the language of section 280A(d)(2)(A) of the code to allow the deductions normally associated with rental property when the taxpayer rents to a family member, provided the dwelling unit is the principal place of residence of the renter. It would not change the disallowance of such deductions for vacation homes.

Part (b) would change the language of section 280A(d)(3)(B) of the code to remove the restriction on rentals to family members as related to the special consideration for a qualified rental period. Since these qualifying periods are normally 12 months in duration, the principal residence requirement is not necessary in this section to prevent vacation home abuse. Fair market value is already required.

Part (c) makes the above changes applicable to all years to which section 280A applies.

We are fortunate that the IRS has agreed to temporarily withhold final regulations. However, the law still stands. It is unclear whether the IRS is aggressively extracting the higher family rental tax on the basis of the law. I urge my colleagues to consider this matter without waiting for comprehensive tax reform. Without swift action on our parts, the Government is showing taxpayers a clear incentive to ask their family members to move out.●

FASCELL COMMENDS PRESIDENT FOR INVITING JAMAICA'S PRIME MINISTER TO WASHINGTON

● The SPEAKER. Under a previous order of the House, the gentleman from Florida, (Mr. FASCELL) is recognized for 5 minutes.

Mr. FASCELL. Mr. Speaker, I am heartened and encouraged that President Reagan has invited Jamaica's Prime Minister Seaga to be one of his first official foreign visitors at the White House next week.

Clearly the new President recognizes the vital importance to the United States of close cooperation with our neighbors in the Caribbean and Latin America. Jamaica's recent elections were one in a series throughout the Caribbean which demonstrate the strength of the democratic process in the region and the appeal of the idea of liberty.

For 20 years Castro has waged a campaign in behalf of the Soviets to supplant U.S. influence in the hemisphere. The visit of Prime Minister Seaga underscores the determination of the United States to stand by its friends and neighbors. President Reagan is to be commended for moving with dispatch to demonstrate in a meaningful way the importance we attach to our Caribbean and hemispheric neighbors.●

THE 15TH ANNIVERSARY OF THE SIGNING OF THE CUBAN EXILES' DECLARATION OF FREEDOM

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. FASCELL. MR. Speaker, January 23, 1981, marks the 15th anniversary of the signing of the Declaration of Freedom by the Cuban exiles in Key West, Fla. Inspired and driven by the very same principles of democracy, liberty, and human dignity to which we ourselves subscribe, these brave and patriotic people reaffirmed their dedication to a Cuba free from the tyranny of Communist totalitarianism.

Rather than submit themselves to the oppressive rule of he Soviet-backed Castro regime, these people left their homeland to begin life anew in the United States. Many have become successful and prominent members of our communities. In doing so, they have clearly demonstrated their sincere belief in the values of a free and democratic society.

The recent influx of Cuban refugees reminds us once again of the intolerance and inhumanity of the Castro government. In light of this, I ask our distinguished colleagues to use this poignant occasion to reflect upon those principles which we hold dear as the basis of our democratic society, and of the devotion to these principles expressed by these Cuban exiles in this Declaration of Freedom:

DECLARATION OF FREEDOM

In the City of Key West, Monroe County, State of Florida, United States of America, we the Cuban exiles in the United States, in the name of God Almighty, and speaking both for ourselves and the oppressed people in Cuba, the Martyr Island, do say:

That on January 1st, 1959, the slavery yoke that came from Europe and was extinguished in Cuba at the end of the 19th century was resumed.

That those responsible for this high treason to our Fatherland and to our People are just a score of traitors who, usurpating the Government of the Country have been acting as mercenary agents for the Sino/Soviet imperialism, and have surrendered to that imperialism our Freedom and our Dignity, also betraying the American Hemisphere.

That as a consequence of this high treason, those who are usurpating the Power in Cuba (as they were never elected by the People), are imposing a regime of bloodshed, terror and hate without any respect or consideration to the dignity of the human being or the most elementary human rights.

That in their hunger for power, these traitors, following the pattern of totalitarian regimes, are trying, within Cuba, to separate the Family, which is the cornerstone of actual society, and at the same time, are poisoning the minds of the Cuban children and youth, in their hopes of extending the length of time for this abominable system.

That the rule of the Law has been wiped out in Cuba, and it has been replaced by the evil will of this score of traitors, who are acting under orders from their master, the Sino-Soviet imperialists.

In view of the aforegoing, we declare.

First: That the actual Cuban regime is guilty of high treason to our Fatherland and to the ideas of the Freedom Revolution which was started on October 10th, 1868.

Second: That this score of traitors who have committed treason against our Fatherland, in case they survive the downfall of their regime, will have to respond, even with their lives before the Ordinary Courts of Justice of Cuba.

Third: That as the Noble Cuban People will not ever surrender, because that Nation was not born to be slaves, we, the Cuban People, hereby make the present declaration of freedom.

We hereby swear before God Almighty to fight constantly, until death comes to us to free Cuba from Communism.

The fundamentals of this Revolution for Freedom are.

First: God Almighty, above all things, in Whom we believe as the essence of Life.

Second: The Fatherland, with all of its laws, traditions, customs and history as a spiritual value, only surpassed by the concept of God.

Third: The Family, as the cornerstone of the Human Society.

Fourth: Human Rights, for each and every citizen, regardless of race or creed.

Fifth: The Law, as the foundation for the proper development of the Human Society.

Sixth: Democratic Government, with its three independent branches: Legislative, Executive and Judicial.

Seventh: Representative Democracy, through the exercise of Universal Suffrage, Periodically, Free and Secretive, as the expression of Popular Sovereignty.

Eighth: Freedom of Worship, Freedom of Teaching, Freedom of the Press and Free Enterprise.

Ninth: Private Property and Ownership, as the basic expression of Liberty.

Tenth: The improvement of living conditions for both rural and city working masses, with the just and necessary measures, keeping in mind the legitimate interests of both Labor and Capital.

Eleventh: The derogation and eradication of anything which is opposed to the political and religious fundamentals aforementioned and specifically, the abolition of Communism and any other form of totalitarian manifestation.

Signed and sealed in Key West Florida, on the 23d day of January, 1966.●

SAKHAROV IS STILL IN EXILE 1 YEAR LATER

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. FASCELL. Mr. Speaker, today I wish to commemorate the first anniversary of the illegal banishment of Nobel Peace Prize laureate, Andrei Sakharov, from Moscow to Gorky. Despite continuing international protests, the Soviet Government persists in its cruel and unusual punishment of Sakharov, a man whom many consider to be the leading Soviet citizen.

My colleagues may wonder why I say that the Soviet treatment of Professor Sakharov is unusual, after all, the Soviet state is not known for its respect for individual rights. I use the word "unusual" since the action taken against Andrei Sakharov is unprecedented and illegal even according to Soviet law. Indeed, Sakharov's deportation from his native city of Moscow and his exile and virtual house arrest in the closed city of Gorky are reminiscent of Stalinist tactics when no one was safe from the arbitrary hand of the state.

Andrei Sakharov is well aware of the dangerous precedent which his case has set for other citizens in the U.S.S.R. Therefore, he has repeatedly called for the Soviet authorities to put him on trial. The Soviets are afraid to put a Nobel Peace Prize laureate in the dock since they know the international storm of protest such a step would provoke. And so the Soviet Government continues to keep Andrei Sakharov virtually incommunicado in Gorky and continues to subject members of his family to unremitting pressure by threatening them with criminal prosecution for maintaining ties with him.

The arbitrary treatment of Andrei Sakharov was the subject of protest by many delegations, including that of the United States of which I was vice chairman along with Senator PELL, at the Madrid Review Meeting. Despite the many protests, the Soviet Government persists in its efforts to isolate Professor Sakharov from the rest of the world by holding him in illegal exile in Gorky.

On a day when Americans are celebrating the safe return of our 52 hostages from Iran, I wish to pay tribute to the great free spirit of Andrei Sakharov. Although the Soviet Government attempts to hold him hostage in Gorky—hostage to Soviet fear of the free word—Andrei Sakharov remains near to the hearts of Americans and free people everywhere.●

PRESIDENT REAGAN'S INAUGURAL ADDRESS

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MICHEL. Mr. Speaker, on January 20, 1981, President Ronald Wilson Reagan delivered a memorable and moving inaugural address. I insert President Reagan's inaugural address in the RECORD at this point:

PRESIDENT REAGAN'S INAUGURAL ADDRESS

Thank you. Senator Hatfield, Mr. Chief Justice, Mr. President, Vice President Bush, Vice President Mondale, Senator Baker, Speaker O'Neill, Reverend Moomaw, and my fellow citizens:

To a few of us here today this is a solemn and most momentous occasion. And, yet, in the history of our nation it is a commonplace occurrence.

The orderly transfer of authority as called for in the Constitution routinely takes place

as it has for almost two centuries and few of us stop to think how unique we really are.

In the eyes of many in the world, this every-four-year ceremony we accept as normal is nothing less than a miracle.

Mr. President, I want our fellow citizens to know how much you did to carry on this tradition.

By your gracious cooperation in the transition process you have shown a watching world that we are a united people pledged to maintaining a political system which guarantees individual liberty to a greater degree than any other. And I thank you and your people for all your help in maintaining the continuity which is the bulwark of our republic.

SEVERE ECONOMIC PROBLEM

The business of our nation goes forward.

These United States are confronted with an economic affliction of great proportions.

We suffer from the longest and one of the worst sustained inflations in our national history. It distorts our economic decisions, penalizes thrift and crushes the struggling young and the fixed-income elderly alike. It threatens to shatter the lives of millions of our people.

Idle industries have cast workers into unemployment, human misery and personal indignity.

Those who do work are denied a fair return for their labor by a tax system which penalizes successful achievement and keeps us from maintaining full productivity.

But great as our tax burden is, it has not kept pace with public spending. For decades we have piled deficit upon deficit, mortgaging our future and our children's future for the temporary convenience of the present.

To continue this long trend is to guarantee tremendous social, cultural, political and economic upheavals.

You and I, as individuals, can, by borrowing, live beyond our means, but for only a limited period of time. Why then should we think that collectively, as a nation, we are not bound by that same limitation?

ACTION "BEGINNING TODAY"

We must act today in order to preserve tomorrow. And let there be no misunderstanding—we're going to begin to act beginning today.

The economic ills we suffer have come upon us over several decades.

They will not go away in days, weeks or months, but they will go away. They will go away because we as Americans have the capacity now, as we have had in the past, to do whatever needs to be done to preserve this last and greatest bastion of freedom.

In this present crisis, government is not the solution to our problem; government is the problem.

From time to time we've been tempted to believe that society has become too complex to be managed by self-rule, that government by an elite group is superior to government for, by and of the people.

But if no one among us is capable of governing himself, then who among us has the capacity to govern someone else?

All of us together—in and out of government—must bear the burden. The solutions we seek must be equitable with no one group singled out to pay a higher price.

We hear much of special interest groups. Well our concern must be for a special interest group that has been too long neglected.

It knows no sectional boundaries, or ethnic and racial divisions and it crosses political party lines. It is made up of men and women who raise our food, patrol our streets, man our mines and factories, teach our children, keep our homes and heal us when we're sick.

Professionals, industrialists, shopkeepers, clerks, cabbies and truck drivers. They are, in short, "We the people." This breed called Americans.

Well, this Administration's objective will be a healthy, vigorous, growing economy that provides equal opportunities for all Americans with no barriers born of bigotry or discrimination.

Putting America back to work means putting all Americans back to work. Ending inflation means freeing all Americans from the terror of runaway living costs.

All must share in the productive work of this "new beginning," and all must share in the bounty of a revived economy.

With the idealism and fair play which are the core of our system and our strength, we can have a strong, prosperous America at peace with itself and the world.

So as we begin, let us take inventory.

We are a nation that has a government—not the other way around. And this makes us special among the nations of the earth.

Our Government has no power except that granted it by the people. It is time to check and reverse the growth of government which shows signs of having grown beyond the consent of the governed.

It is my intention to curb the size and influence of the Federal establishment and to demand recognition of the distinction between the powers granted to the Federal Government and those reserved to the states or to the people.

All of us—all of us need to be reminded that the Federal Government did not create the states; the states created the Federal Government.

Now, so there will be no misunderstanding, it's not my intention to do away with government.

It is rather to make it work—work with us, not over us; to stand by our side, not ride on our back. Government can and must provide opportunity, not smother it; foster productivity, not stifle it.

UNLEASHING ENERGY AND GENIUS

If we look to the answer as to why for so many years we achieved so much, prospered as no other people on earth, it was because here in this land we unleashed the energy and individual genius of man to a greater extent than has ever been done before.

Freedom and the dignity of the individual have been more available and assured here than in any other place on earth. The price for this freedom at times has been high, but we have never been unwilling to pay that price.

It is no coincidence that our present troubles parallel and are proportionate to the intervention and intrusion in our lives that result from unnecessary and excessive growth of Government.

It is time for us to realize that we are too great a nation to limit ourselves to small dreams. We're not, as some would have us believe, doomed to an inevitable decline. I do not believe in a fate that will fall on us no matter what we do. I do believe in a fate that will fall on us if we do nothing.

So, with all the creative energy at our command let us begin an era of national renewal. Let us renew our determination, our courage and our strength. And let us renew our faith and our hope. We have every right to dream heroic dreams.

HEROES AT FACTORY GATES

Those who say that we're in a time when there are no heroes—they just don't know where to look. You can see heroes every day going in and out of factory gates. Others, a handful in number, produce enough food to feed all of us and then the world beyond.

You meet heroes across a counter—and they're on both sides of that counter. There are entrepreneurs with faith in themselves and faith in an idea who create new jobs, new wealth and opportunity.

There are individuals and families whose taxes support the Government and whose voluntary gifts support church, charity, culture, art and education. Their patriotism is quiet but deep. Their values sustain our national life.

Now, I have used the words "they" and "their" in speaking of these heroes. I could say "you" and "your" because I'm addressing the heroes of whom I speak—you, the citizens of this blessed land.

Your dreams, your hopes, your goals are going to be the dreams, the hopes and the goals of this Administration, so help me God.

We shall reflect the compassion that is so much a part of your makeup.

How can we love our country and not love our countrymen? And loving them reach out a hand when they fall, heal them when they're sick and provide opportunity to make them self-sufficient so they will be equal in fact and not just in theory?

Can we solve the problems confronting us? Well, the answer is an unequivocal and emphatic yes.

To paraphrase Winston Churchill, I did not take the oath I've just taken with the intention of presiding over the dissolution of the world's strongest economy.

In the days ahead I will propose removing the roadblocks that have slowed our economy and reduced productivity.

Steps will be taken aimed at restoring the balance between the various levels of government. Progress may be slow—measured in inches and feet, not miles—but we will progress.

It is time to reawaken this industrial giant, to get government back within its means and to lighten our punitive tax burden.

And these will be our first priorities, and on these principles there will be no compromise.

THE FIGHT FOR INDEPENDENCE

On the eve of our struggle for independence a man who might've been one of the greatest among the Founding Fathers, Dr. Joseph Warren, president of the Massachusetts Congress, said to his fellow Americans, "Our country is in danger, but not to be despaired of. On you depend the fortunes of America. You are to decide the important question upon which rest the happiness and the liberty of millions yet unborn. Act worthy of yourselves."

Well I believe we the Americans of today are ready to act worthy of ourselves, ready to do what must be done to insure happiness and liberty for ourselves, our children and our children's children.

And as we renew ourselves here in our own land we will be seen as having greater strength throughout the world. We will again be the exemplar of freedom and a beacon of hope for those who do not now have freedom.

To those neighbors and allies who share our freedom, we will strengthen our historic ties and assure them of our support and firm commitment.

We will match loyalty with loyalty. We will strive for mutually beneficial relations.

We will not use our friendship to impose on their sovereignty, for our own sovereignty is not for sale.

As for the enemies of freedom, those who are potential adversaries, they will be reminded that peace is the highest aspiration of the American people. We will negotiate for it, sacrifice for it; we will not surrender for it—now or ever.

Our forbearance should never be misunderstood. Our reluctance for conflict should not be misjudged as a failure of will.

When action is required to preserve our national security, we will act. We will maintain sufficient strength to prevail if need be, knowing that if we do so we have the best chance of never having to use that strength.

Above all we must realize that no arsenal or no weapon in the arsenals of the world is so formidable as the will and moral courage of free men and women.

It is a weapon our adversaries in today's world do not have.

It is a weapon that we as Americans do have.

Let that be understood by those who practice terrorism and prey upon their neighbors.

I am told that tens of thousands of prayer meetings are being held on this day; for that I am deeply grateful. We are a nation under God, and I believe God intended for us to be free. It would be fitting and good, I think, if on each inaugural day in future years it should be declared a day of prayer.

This is the first time in our history that this ceremony has been held, as you've been told, on this West Front of the Capitol.

Standing here, one faces a magnificent vista, opening up on this city's special beauty and history.

At the end of this open mall are those shrines to the giants on whose shoulders we stand.

Directly in front of me, the monument to a monumental man. George Washington, father of our country. A man of humility who came to greatness reluctantly. He led America out of revolutionary victory into infant nationhood.

Off to one side, the stately memorial to Thomas Jefferson. The Declaration of Independence flames with his eloquence.

And then beyond the Reflecting Pool, the dignified columns of the Lincoln Memorial. Whoever would understand in his heart the meaning of America will find it in the life of Abraham Lincoln.

MONUMENTS TO HEROES

Beyond those monuments to heroism is the Potomac River, and on the far shore the sloping hills of Arlington National Cemetery with its row upon row of simple white markers bearing crosses or Stars of David. They add up to only a tiny fraction of the price that has been paid for our freedom.

Each one of those markers is a monument to the kind of hero I spoke of earlier.

Their lives ended in places called Belleau Wood, the Argonne, Omaha Beach, Salerno and halfway around the world on Guadalcanal, Tarawa, Pork Chop Hill, the Chosin Reservoir, and in a hundred rice paddies and jungles of a place called Vietnam.

Under such a marker lies a young man, Martin Treptow, who left his job in a small town barber shop in 1917 to go to France with the famed Rainbow Division.

There, on the Western front, he was killed trying to carry a message between battalions under heavy artillery fire.

We are told that on his body was found a diary.

On the flyleaf under the heading, "My Pledge," he had written these words:

"America must win this war. Therefore I will work, I will save, I will sacrifice, I will endure, I will fight cheerfully and do my utmost, as if the issue of the whole struggle depended on me alone."

The crisis we are facing today does not require of us the kind of sacrifice that Martin Treptow and so many thousands of others were called upon to make.

It does require, however, our best effort, and our willingness to believe in ourselves and to believe in our capacity to perform great deeds; to believe that together with God's help we can and will resolve the problems which now confront us.

And after all, why shouldn't we believe that? We are Americans.

God bless you and thank you. Thank you very much.●

EMANUEL CELLER OF NEW YORK: ONE OF THE ALL-TIME GREATS OF THE U.S. HOUSE OF REPRESENTATIVES

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. STRATTON. Mr. Speaker, last week there passed away, at the age of 92 in New York City, one of the real giants of all time of this House of Representatives, Hon. Emanuel Celler of New York City.

"Manny" Celler not only served as a Member of the House for a half-century, just short of the all-time record set by Carl Vinson of Georgia, but he also presided as chairman of the House Judiciary Committee at a time when some of the most progressive legislation in our history, especially in the field of civil rights, was enacted into law. Chairman Celler was in fact the author of much of that legislation, and successfully steered all of it through the legislative mazes of Congress.

Most of this legislation is taken for granted today, the Public Facilities Act, the voting rights legislation, the Civil Rights Act of 1964. But it was bitterly controversial at the time it was before Congress. And it was Manny Celler, with his ever-present wit, his warm, friendly personality, and his knowledge of the rules of the House and his acquaintanceship with his fellow Members that enabled him to bring these historic measures into enactment.

It has often been said that we in New York State have failed to exercise the clout to which the great Empire State—until a few years ago, the most populous State in the Nation—was justly entitled, because our Members of Congress tended not to remain too long in this House.

They ran for the other body, or they went home and ran for Governor or mayor, or they got themselves elected to State judgeships. But Manny Celler, single handedly, made up for some of the seniority which other members of the delegation had not managed to achieve. And as a result he became not only a power in this House, but also a shining political figure in New York State.

When I came to this House following the 1958 election, Manny Celler was the first colleague I met. He was the dean of our delegation, and soon to be the dean of the House. He ran the delegation with skill and humor, and what was especially remarkable, he worked closely and in a very friendly way with the newly elected Governor of our State, Nelson Rockefeller. Together, Manny and Rocky got the delegation working closely in Washington to push the legislation most needed by New York. We have tried to keep that approach going ever since.

Actually, it was his health more than anything else that brought an unexpected end to Congressman Celler's congressional career. As he moved into his 80's his legs slowed down a bit, and he began to use a wheelchair to move from the Rayburn Building to the House floor. His mind and his wit were as sharp as ever. But the limitations on mobility proved, as we all recognize these days, a definite political liability. He could not get around as much and as often as he used to, and as a result he found himself in 1972 defeated in a Democratic primary—by a young, brilliant Harvard Law School graduate, 30 years of age—our former colleague Liz Holtzman. Actually, when it came to basic political ideas and objectives there really was not much difference between Manny and Liz. It was just a matter of approach. But a major change had come to the House when that great giant was toppled.

Chairman Celler never lost his interest in the House, however, in spite of his defeat. He lived here in Washington and also back in New York City. He practiced law in both places. And although he rarely came back to the Capitol to greet his former colleagues, he followed our actions closely. I was surprised, and of course pleased, that every election year Manny was listed among my contributors.

And as a result, I have tried to carry on, as Manny and Rocky did, the fight for increased attention to the special needs of New York State. But those are very big shoes indeed to try to fill.

In any event we will indeed miss Manny Celler. But as New Yorkers we will always be proud that his career as a Member of this House is one of the real landmarks in American constitutional history.

On behalf of all the members of the New York delegation I extend our sympathy to the members of the family of Emanuel Celler.

Under leave to extend my remarks I enclose an article from the New York Times on Mr. Celler's remarkable career:

[From the New York Times]

EX-REPRESENTATIVE EMANUEL CELLER DEAD AT 92

NEW YORK.—Emanuel Celler, 92, who served a half-century in the House of Representatives, died Thursday at his home in Brooklyn. Celler, one of the most influential New Yorkers who ever served in the House, was defeated in the 1972 Democratic primary in a stunning upset by a political unknown, Elizabeth Holtzman. Only days before his defeat, Celler had described his opponent as "irritating as a hangnail, which nail I am going to cut off."

The defeat ended one of the longest political careers in the state's history. Celler continued to practice law until shortly before his death from pneumonia.

When Celler, then 34, brash and bouncy, was first elected to the House, Warren G. Harding was president. The year was 1922.

Seven presidents and 42 years later, Celler, still bouncy but his brashness mellowed by the years, became the dean of the House. The distinction, he said, had "crept up on me unawares."

Seniority brings power in Congress, and as Celler's service lengthened, his political sway grew. He became chairman of the Judiciary Committee in 1949 and, except for the years when Republicans controlled the House, held the post from then on.

His committee handled civil-rights legislation in the years of the nation's major advances in that area. In 1957, he wrote and shepherded into law the first comprehensive rights legislation enacted by Congress in 82 years.

He was the author of the more comprehensive 1960 Civil Rights Act, and in February 1964, he guided to passage for the Johnson administration a law retaining virtually all the elements of a draft that President Kennedy had submitted the year before.

"I feel like I've climbed Mount Everest," Celler said wearily after the 1964 bill passed, 290 to 130, and the House gave him a standing ovation.

Emanuel Celler was born May 6, 1888, in a frame house at Summer Avenue and Floyd Street in the Williamsburg section of Brooklyn. His father, Henry, owned a Whisky business. There was a 25,000 gallon tank in the basement. Young Manny helped paste "Echo Springs" labels on his father's products.

His introduction to politics came young, as it did for many in that era, when the clubhouse was a neighborhood social center, the party-sponsored picnic and boatride were major social events and Tammany Hall—in most years—ran the city. In 1896, Henry Celler, a Democratic district leader, hoisted his son to his shoulders to watch William Jennings Bryan speak in Arion Hall. Or so the congressman remembered, more than half a century later.

The father's business failed at about the time that Manny was graduated from Boys High in 1906. Then, soon after he entered Columbia College, his father died. Five months later, his mother died.

"I became head of the household," Celler wrote in his 1953 autobiography, "You Never Leave Brooklyn." He went on: "Following his failure, my father had given up his business and become a wine salesman. I took up his route. I went to college in the mornings and sold wine all afternoon until 7 o'clock in the evening."

The schedule did not halt his education. He was graduated from Columbia in 1910 and Columbia Law School in 1912. Two years later, he married Stella B. Baar. By then, he had settled down to law practice in Brooklyn.

In 1922, a Democratic leader asked if Celler would like to be the party's nominee for Congress from the 10th District, an honor but hardly a prize. The district had never sent a Democrat to Congress.

His 51-year marriage ended in March 1966 with the death of his wife, and he began spending more time in Washington, where he had one of the biggest and most comfortable offices in the huge Rayburn Building and where he lived in the Mayflower Hotel.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BARNES (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. ROSENTHAL (at the request of Mr. WRIGHT), through January 30, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, were granted to:

(The following Members (at the request of Mr. LOTT) to revise and extend their remarks and include extraneous material:)

Mr. EDWARDS of Alabama, for 30 minutes, today.

Mr. TAUKE, for 5 minutes, today.

Mr. FINDLEY, for 10 minutes, today.

Mr. DERWINSKI, for 5 minutes, today.

Mr. CORCORAN, for 5 minutes, today.

Mr. COLLINS of Texas, for 60 minutes, on January 26.

Mr. GILMAN, for 60 minutes, on January 27.

(The following Members (at the request of Mr. MCCURDY) to revise and extend their remarks and include extraneous material:)

Mrs. BOGGS, for 10 minutes, today.

Mr. COYNE, for 5 minutes, today.

Mr. O'NEILL, for 15 minutes, today.

Mr. MCHUGH, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

Mr. HAMILTON, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. FASCELL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LOTT) and to include extraneous matter:)

Mr. MCEWEN.

Mr. DORNAN of California.

Mr. VANDER JAGT.

Mr. BLILEY.

Mr. KRAMER.

Mr. ASHBROOK in four instances.

Mr. DERWINSKI in two instances.

Mr. PARRIS.

Mr. FIELDS in three instances.

Mr. CONABLE in two instances.

Mr. WAMPLER in two instances.

Mr. HYDE.

Mr. HOLLENBECK.

Mr. BURGENER.

Mr. LAGOMARSINO in three instances.

Mr. SOLOMON.

Mr. ROTH.

Mr. WHITEHURST.

Mr. DOUGHERTY.

Mr. JAMES K. COYNE.

Mr. BROOMFIELD.

Mr. KEMP.

Mr. GREEN.

Mr. COUGHLIN in two instances.

Mr. PURSELL.

(The following Members (at the request of Mr. MCCURDY) and to include extraneous matter:)

Mr. MCHUGH.

Mr. GUARINI in six instances.

Mr. HAMILTON in five instances.

Mr. ROSENTHAL in five instances.

Mr. MCDONALD in five instances.

Mr. MONTGOMERY in three instances.

Mr. MURTHA in two instances.

Mr. DWYER.

Mr. LEHMAN.

Mr. RANGEL.

Mr. OBERSTAR.

Mr. MAZZOLI.

Mr. YATRON in three instances.

Mr. APPLEGATE.

Mr. STUDDS in five instances.

Mrs. SCHROEDER in two instances.

Mr. RAHALL.

Mr. BRODHEAD.

Mr. RICHMOND.

Mr. ZABLOCKI in two instances.

Mr. FORD of Michigan.

Mr. BOLAND.

Mr. CLAY in 15 instances.

Mr. EDWARDS of California.

Mr. FUQUA in five instances.

ADJOURNMENT

Mr. MCCURDY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 46 minutes p.m.) the House adjourned until tomorrow, Friday, January 23, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

295. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to increase the interest rates for loans made or insured under the Consolidated Farm and Rural Development Act for

water and waste disposal, and essential community facilities; to the Committee on Agriculture.

296. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually; to the Committee on Agriculture.

297. A letter from the Deputy Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Food Stamp Act of 1977 to control food stamp program spending, to improve food stamp administrative procedures, and to extend appropriations authority without specific dollar limitations while continuing to limit expenditures to available funds; to amend the Agriculture and Consumer Protection Act of 1973, to extend and improve the commodity distribution programs; and for other purposes; to the Committee on Agriculture.

298. A letter from the Deputy Secretary of Agriculture, transmitting a draft of proposed legislation to recover costs associated with cotton classing and standards, tobacco inspection and standards, and warehouse examination, inspection and licensing, and for other purposes; to the Committee on Agriculture.

299. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the International Communication Agency for "Salaries and expenses" for fiscal year 1981 has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

300. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the Department of State for "Salaries and expenses" and for "Payment to the American Institute in Taiwan" for fiscal year 1981 have been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

301. A letter from the Deputy Secretary of Defense, transmitting the seventh annual report on rationalization/standardization within NATO, pursuant to section 302(c) of Public Law 93-365, as amended, and section 814(b) of Public Law 94-106, as amended; to the Committee on Armed Services.

302. A letter from the Deputy Secretary of Defense, transmitting the annual report of the Reserve Forces Policy Board, pursuant to 10 U.S.C. 133(c)(3); to the Committee on Armed Services.

303. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for adjustment of retired and retainer pay to reflect changes in the Consumer Price Index; to the Committee on Armed Services.

304. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at Peterson Air Force Base, Colo., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

305. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the military family housing maintenance function at the Hurlburt Field, Fla., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

306. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contract performance of the commissary shelf-stocking and custodial services activity at the Barksdale Air Force Base, La., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

307. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment to Saudi Arabia (Transmittal No. 81-09), pursuant to section 813 of Public Law 96-106; to the Committee on Armed Services.

308. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment and services to Egypt (Transmittal No. 81-12), pursuant to section 813 of Public Law 96-106; to the Committee on Armed Services.

309. A letter from the Acting Administrator of General Services, transmitting a draft of proposed legislation to authorize certain transactions involving the disposal and acquisition of strategic and critical materials for the national defense stockpile; to the Committee on Armed Services.

310. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide for continuing U.S. participation in the International Development Association, to provide for U.S. participation in the African Development Bank, and for other purposes, and a draft of proposed legislation to provide for continuing participation by the United States in the International Bank for Reconstruction and Development, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

311. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to obtain certain services and facilities and incur certain administrative expenditures and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

312. A letter from the Secretary of Transportation, transmitting a report on the long-term viability of the Chrysler Corp.'s involvement in the automotive industry, pursuant to section 12(a) of Public Law 96-185; to the Committee on Banking, Finance and Urban Affairs.

313. A letter from the Chairman, Council of the District of Columbia, transmitting initiative measure No. 3, "To conduct an election for the purpose of presenting the proposition of the calling of a statehood constitutional convention, the election of delegates to the convention and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

314. A letter from the Chairman, Council of the District of Columbia, transmitting initiative measure No. 6, "To legalize lotteries, daily numbers games, and bingo and raffles for charitable purposes in the District of Columbia, to establish the Lottery and Charitable Games Control Board to control all authorized forms of gambling, and for other purposes," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

315. A letter from the Deputy Secretary of Agriculture, transmitting a draft of proposed legislation to amend certain provisions of the child nutrition programs authorized by the National School Lunch Act and the Child Nutrition Act of 1966; to the Committee on Education and Labor.

316. A letter from the Secretary of Labor, transmitting the annual report on the administration of the Black Lung Benefits Act, pursuant to section 426(b) of the Federal Coal Mine Safety and Health Act of 1969, as amended; to the Committee on Education and Labor.

317. A letter from the Attorney General, transmitting notice of the Justice Department's decision not to defend the constitutionality of the legislative veto provision of section 202 of the Natural Gas Policy Act of 1978, pursuant to section 21 of Public Law 96-132; to the Committee on Energy and Commerce.

318. A letter from the Secretary of Health and Human Services, transmitting the fourth special report on the health consequences of using alcoholic beverages, pursuant to section 102(2) of the Comprehensive Alcohol and Alcoholism Prevention, Treatment, and Rehabilitation Act; to the Committee on Energy and Commerce.

319. A letter from the Secretary of Health and Human Services, transmitting the seventh annual report on the emergency medical services program, pursuant to section 1210 of the Public Health Service Act; to the Committee on Energy and Commerce.

320. A letter from the Assistant Secretary of Energy for Policy and Evaluation, transmitting the final report on the state of competition in gasoline marketing, pursuant to section 301(d)(1) of Public Law 95-297; to the Committee on Energy and Commerce.

321. A letter from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 to provide that the amount authorized to be appropriated to the railroad retirement account each fiscal year to subsidize the costs of windfall benefits shall not exceed $350 million; to the Committee on Energy and Commerce.

322. A letter from the Secretary of State, transmitting the 28th annual report on U.S. contributions to international organizations, pursuant to section 2 of Public Law 806, 81st Congress; to the Committee on Foreign Affairs.

323. A letter from the Secretary of State, transmitting a report on efforts to comply with the provisions of law regarding the use of herbicides in the Mexican marihuana eradication program, pursuant to section 481(d)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

324. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the President's third annual report on the activities of Government departments and agencies to prevent nuclear proliferation, pursuant to section 601(a) of Public Law 95-242; to the Committee on Foreign Affairs.

325. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the texts of agreements between the American Institute in Taiwan and the Coordination Council for North American Affairs, pursuant to section 12(a) of Public

Law 96-8; to the Committee on Foreign Affairs.

326. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 81-1, finding that the sale of defense articles and services to the Government of Bangladesh will strengthen the security of the United States and promote world peace, pursuant to section 3(a)(1) of the Arms Export Control Act; to the Committee on Foreign Affairs.

327. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Saudi Arabia (Transmittal No. 81-09), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

328. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Italy (Transmittal No. 81-10), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

329. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense services to Saudi Arabia (Transmittal No. 81-11), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

330. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Egypt (Transmittal No. 81-12), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

331. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Saudi Arabia (Transmittal No. 81-13), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

332. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting his determination and certification that downward fluctuations in foreign currency exchange rates have made it necessary to provide additional funds to maintain the budgeted level operation for Radio Free Europe/Radio Liberty, Inc., during the last quarter of fiscal year 1980, pursuant to section 3 of Public Law 94-350, as amended; to the Committee on Foreign Affairs.

333. Communication from the President of the United States, transmitting notice of his removal from office of the current appointee to the position of Deputy Inspector General (Acting Inspector General) for the Department of Health and Human Services, and his reasons therefor, pursuant to section 202(c) of Public Law 94-505; to the Committee on Government Operations.

334. Communication from the President of the United States transmitting notice of his removal from office of the current appointees to the positions of Inspector General and Deputy Inspector General for the Department of Energy, and his reasons therefor, pursuant to section 208(a)(3) of Public Law 95-91; to the Committee on Government Operations.

335. Communication from the President of the United States, transmitting notice of his removal from office of the current appointees to the positions of Inspector General in the Departments of Agriculture, Commerce, Education, Housing and Urban Development, the Interior, and Transportation; the Community Services Administration, Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, Small Business Administration, and Veterans' Administration, and his reasons therefor, pursuant to section 3(b) of Public Law 95-452, as amended; to the Committee on Government Operations.

336. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on Federal Information Collection, volume I, to monitor and report on executive branch agency responses to the Commission on Federal Paperwork, pursuant to Public Law 93-556; to the Committee on Government Operations.

337. A letter from the Administrator, Health Care Financing Administration, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to section 5 U.S.C. 552a(o); to the Committee on Government Operations.

338. A letter from the Administrator, Health Care Financing Administration, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to section 5 U.S.C. 552(o); to the Committee on Government Operations.

339. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to establish a revolving fund in the Department of the Interior, and for other purposes; to the Committee on Interior and Insular Affairs.

340. A letter from the Clerk, U.S. Court of Claims, transmitting the court's judgment order in Docket No. 363, *Lower Sioux Indian Community in Minnesota, et al.* v. *The United States;* to the Committee on Interior and Insular Affairs.

341. A letter from the Attorney General, transmitting a report on the U.S. Trustee System, covering the period October 1, 1979, to September 30, 1980, pursuant to section 408 of Public Law 95-598; to the Committee on the Judiciary.

342. A letter from the Secretary, Foundation of the Federal Bar Association, transmitting the foundation's audit report for the year ended September 30, 1980, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

343. A letter from the Deputy Director, Office of Personnel Management, transmitting the second annual report on implementation of the Federal equal opportunity recruitment program, pursuant to 5 U.S.C. 7201(e); to the Committee on Post Office and Civil Service.

344. A letter from the Secretary of Labor, transmitting the Department's proposed final regulations for the implementation of the airline employee protection program, pursuant to section 43(f)(3) of Public Law 95-504; to the Committee on Public Works and Transportation.

345. A letter from the Secretary of Transportation, transmitting a revised estimate of the cost of completing the National System of Interstate and Defense Highways, pursuant to 23 U.S.C. 104(b)(5); to the Committee on Public Works and Transportation.

346. A letter from the Secretary of Transportation, transmitting the sixth biennial report on the Nation's future highway needs, pursuant to section 3 of Public Law 89-139; to the Committee on Public Works and Transportation.

347. A letter from the Secretary of Transportation, transmitting the second report on the progress of the highway cost allocation study, pursuant to section 506(c)(2) of Public Law 95-599; to the Committee on Public Works and Transportation.

348. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966 to authorize appropriations, and for other purposes; to the Committee on Public Works and Transportation.

349. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Urban Mass Transportation Act of 1964 to provide authorizations for appropriations and for other purposes; to the Committee on Public Works and Transportation.

350. A letter from the Secretary of Commerce, transmitting notice of his identification of the aerospace industry as a specific materials needs case related to the national security, economic well-being, and industrial production, to be studied by the Department of Commerce, pursuant to section 5(c)(1) of Public Law 96-479; to the Committee on Science and Technology.

351. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the waiver of the requirements of section 11(b)(1) and (2) of Public Law 96-480; to the Committee on Science and Technology.

352. A letter from the Director, Office of Private Sector Liaison, Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report on developing countries in the multilateral trade negotiations, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

353. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the U.S. Customs Service for fiscal years 1982 and 1983; to the Committee on Ways and Means.

354. A letter from the Director, Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes; jointly, to the Committees on Armed Services and Government Operations.

355. A letter from the Chairman of the Board of Directors and the Executive Director, Pension Benefit Guaranty Corporation, transmitting the fifth annual report of the Corporation, covering fiscal year 1979, pursuant to section 4008 of Public Law 93-406; jointly, to the Committees on Education and Labor and Ways and Means.

356. A letter from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 and the Railroad Retirement Tax Act to assure increased revenues, reduced costs, and simplified administration; jointly, to the Committees on Energy and Commerce and Ways and Means.

357. A letter from the Comptroller General of the United States, transmitting a report on new means of analysis required for policy decisions affecting the private forestry sector (EMD-81-18, January 21, 1981); jointly, to the Committees on Government Operations, Agriculture, and Ways and Means.

358. A letter from the Comptroller General of the United States, transmitting a report on the Army's retail inventory management (LCD-81-16, K January 19, 1981); jointly, to the Committees on Government Operations and Armed Services.

359. A letter from the Comptroller General of the United States, transmitting a report on the domestic steel industry (EMD-81-29, January 8, 1981); jointly, to the Committees on Government Operations, Banking, Finance and Urban Affairs, Education and Labor, Merchant Marine and Fisheries, and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DORNAN:

H.R. 1000. A bill to amend the Internal Revenue Code of 1954 to provide for tax reductions and reforms; jointly, to the Committees on Ways and Means, Government Operations, and Rules.

By Mr. AKAKA:

H.R. 1001. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H.R. 1002. A bill to regulate the trapping of mammals and birds on Federal lands, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Energy and Commerce.

By Mr. ANNUNZIO (for himself, Mr. WRIGHT, Mr. ST GERMAIN, Mr. AKAKA, Mr. ALBOSTA, Mr. ALEXANDER, Mr. AUCOIN, Mr. BAILEY of Pennsylvania, Mr. BAILEY of Missouri, Mr. BARNES, Mr. BENNETT, Mr. BIAGGI, Mr. BLANCHARD, Mr. BARNARD, Mr. BENJAMIN, Mr. BEREUTER, Mrs. BOGGS, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mr. BROWN of California, Mr. CHAPPELL, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. WILLIAM J. COYNE, Mr. DE LA GARZA, Mr. DICKS, Mr. DINGELL, Mr. DONNELLY, Mr. DOWNEY, Mr. EVANS of Indiana, Mr. FARY, Mr. FAUNTROY, Mr. FITHIAN, Mr. FLIPPO, Mr. FOLEY, Mr. FOWLER, Mr. GARCIA, Mr. GEJDENSON, Mr. GEPHARDT, Mr. GIBBONS, Mr. GLICKMAN, Mr. RALPH M. HALL, Mr. SAM B. HALL, JR., Mr. HALL of Ohio, Mr. HANCE, Mr. HAWKINS, Mr. HERTEL, Mr. HORTON, Mr. HUCKABY, Mr. HUGHES, Mr. JENKINS, Mr. JONES of Tennessee, Mr. JONES of Oklahoma, Mr. JONES of North Carolina, Mr. KAZEN, Mr. KILDEE, Mr. KOGOVSEK, Mr. LAFALCE, Mr. LELAND, Mr. LEVITAS, Mr. LONG of Louisiana, Mr. MCCURDY, Mr. MARKEY, Mr. MATTOX, Mr. MAZZOLI, Mr. MINETA, Mr. MOAKLEY, Mr. MOFFETT, Mr. MONTGOMERY, Mr. NATCHER, Mr. NEAL, Mr. NELSON, Mr. FASCELL, Mr. OTTINGER, Mr. PERKINS, Mr. PEYSER, Mr. PRICE, Mr. RATCHFORD, Mr. REUSS, Mr. RUSSO, Mr. SABO, Mr. SAVAGE, Mr. SCHEUER, Mr. SCHUMER, Mr. SHAMANSKY, Mr. SHELBY, Mr. SOLARZ, Mr. STARK, Mr. STENHOLM, Mr. TAUZIN, Mr. TRAXLER, Mr. UDALL, Mr. VOLKMER, Mr. WALGREN, Mr. WEISS, Mr. WHITTEN, Mr. WILSON, Mr. WOLPE, Mr. YATRON, Mr. ZABLOCKI, Mr. HARTNETT, Mr. HANSEN of Idaho, Mr. FOGLIETTA, Mr. CORRADA, Mr. MURPHY, Mr. JOHN L. BURTON, Mr. HIGHTOWER, Mr. VENTO, Mr. LAGOMARSINO, Mr. BOWEN, Mr. BOLLING, Mr. WINN, Mr. HATCHER, Mr. BAFALIS, Mr. BRINKLEY, Mr. BROOMFIELD, Mr. BONKER, Mr. KEMP, Mr. LUJAN, Mr. PARRIS, Mr. GRAY, Mr. DIXON, Mr. ATKINSON, Mr. GAYDOS, Mr. SIMON, Mr. GRAMM, Mr. ECKART, Mr. FUQUA, Mr. STRATTON, Mr. PANETTA, Mr. MURTHA, Mr. YOUNG of Missouri, Mr. BROOKS, Mr. MCCLOSKEY, Mr. HYDE, Mr. LOWERY of California, Mr. CONYERS, Mr. RAHALL, Mr. RODINO, Mr. GRISHAM, Mr. GREEN, Mr. HAMILTON, Mr. LEE, Mr. MCCOLLUM, Mr. O'BRIEN, Mr. LOTT, Mr. ROBERT W. DANIEL, JR., Mr. DAVIS, Mr. DASCHLE, Mr. CLAUSEN, Mr. BRODHEAD, Mr. LEDERER, Mr. DENARDIS, Mr. MCHUGH, Mr. MCGRATH, Mr. PATTERSON, Mr. RICHMOND, Mr. CHAPPIE, Mr. GONZALEZ, Mr. DE LUGO, Mr. COUGHLIN, Mr. GINN, Mr. HEFNER, Mr. ADDABBO, Mr. HUTTO, Mr. DWYER, Mr. HANSEN of Utah, Mr. ANTHONY, Mr. NELLIGAN, Mr. ANDERSON, Mr. OBERSTAR, Mr. LEWIS, Mr. SOLOMON, Mr. MCKINNEY, Mr. SMITH of New Jersey, Mr. MARTIN of North Carolina, Mr. MAVROULES, Ms. MIKULSKI, Mr. STATON of West Virginia, Mr. DUNCAN, Mr. SYNAR, Mr. BONER of Tennessee, Mr. CONABLE, Mr. KRAMER, Mr. WHITE, Mr. CARMAN, Mr. WILLIAMS of Ohio, Mr. ROEMER, Mr. WORTLEY, Mr. WON PAT, Mr. FAZIO, Mr. WASHINGTON, Mr. COELHO, Mr. LUKEN, Mr. WYDEN, Mr. WAMPLER, Mr. DOUGHERTY, Mr. ZEFERETTI, Ms. FERRARO, Mr. DYSON, Mr. SUNIA, Mr. MATSUI, Mr. SMITH of Alabama, Mr. CONTE, Mr. DYMALLY, Mr. MARKS, Mr. WILLIAMS of Montana, Mr. LUNDINE, Mr. WYLIE, Mr. ERLENBORN, Mr. ERDAHL, Mr. THOMAS, Mr. CORCORAN, Mr. BOLAND, Mr. MINISH, Mr. GOLDWATER, Mr. FORSYTHE, Mr. FROST, Mr. WALKER, Mr. MOTTL, Mr. EVANS of Delaware, and Mr. MCCLORY):

H.R. 1003. A bill to authorize the President of the United States to present on behalf of Congress specially struck gold medals to the 53 Americans held captive in Iran; to the Committee on Banking, Finance and Urban Affairs.

By Mr. APPLEGATE (for himself and Mr. REGULA):

H.R. 1004. A bill relating to the operation of the Bolivar Dam and Reservoir, Ohio; to the Committee on Public Works and Transportation.

By Mr. ARCHER:

H.R. 1005. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from taxation of interest earned on deposits which are used for residential mortgage lending purposes; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 1006. A bill to amend section 8 of the United States Housing Act of 1937 for the purpose of providing more housing alternatives for lower income persons; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1007. A bill to provide for Federal support and encouragement of State, local, and community activities to prevent domestic violence and assist victims of domestic violence, to provide for coordination of Federal programs and activities relating to domestic violence, and for other purposes; to the Committee on Education and Labor.

By Mrs. BOUQUARD (for herself and Mr. WATKINS):

H.R. 1008. A bill to amend the Federal Water Pollution Control Act concerning local pretreatment programs for introduction of pollutants into publicly owned treatment works; to the Committee on Public Works and Transportation.

By Mr. BRINKLEY:

H.R. 1009. A bill to amend the Internal Revenue Code of 1954 to provide a trade or business deduction to firemen for meals which they eat while at their post of duty overnight; to the Committee on Ways and Means.

By Mr. PANETTA:

H.R. 1010. A bill to amend the Congressional Budget Act of 1974 to provide for a 2-year budgeting cycle, to provide for separate and timely consideration each of authorizing legislation, budget resolutions, and appropriations, and for other purposes; jointly, to the Committees on Rules and Government Operations.

By Mr. BRODHEAD:

H.R. 1011. A bill to amend title XVI of the Social Security Act to increase from $25 to $50 a month the amount of the personal allowance which is presently provided for eligible individuals and eligible spouses who are in medical institutions, with subsequent annual increases in the amount of such allowance to reflect changes in the cost of living; to the Committee on Ways and Means.

By Mr. BROWN of Colorado:

H.R. 1012. A bill to authorize the Secretary of the Interior to convey certain lands in Mesa County, Colo., to Ute Water Conservancy District, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. COLLINS of Texas:

H.R. 1013. A bill to amend the Communications Act of 1934 to require the Federal Communications Commission to establish rules relating to the depreciation of certain property owned by common carriers subject to such act; to the Committee on Energy and Commerce.

H.R. 1014. A bill to provide that Federal taxes may not be increased during a 4-year period; to the Committee on Ways and Means.

By Mr. CONABLE:

H.R. 1015. A bill to prohibit the implementation of Revenue Procedure 80-55; to the Committee on Ways and Means.

H.R. 1016. A bill to provide that Revenue Ruling 80-60 shall not require a change in the taxpayer's method of accounting for taxable years beginning before 1980; to the Committee on Ways and Means.

H.R. 1017. A bill to provide that Revenue Ruling 80-60 shall not require a change in the taxpayer's method of accounting for taxable years beginning before 1980; to the Committee on Ways and Means.

H.R. 1018. A bill to amend titles II and XVIII of the Social Security Act and chapters 2 and 21 of the Internal Revenue Code of 1954 to restore the long-range soundness of the old-age, survivors, and disability insurance system, to eliminate increases in the earnings base for 1981-82 (leaving such base subject to annual adjustment after 1982 as under prior law, to provide mandatory social security coverage for Federal employees, to establish a working spouse's benefit, to make appropriate adjustments in social security tax rates (generally lowering the OASDI-HI rate through this century)

and in disability insurance trust fund allocations, and to provide for partial financing of the hospital insurance program from general revenues; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. CORCORAN (for himself and Mr. GARCIA):

H.R. 1019. A bill to amend title 13, United States Code, to provide for congressional disapproval of questions proposed to be included in censuses conducted by the Secretary of Commerce; to the Committee on Post Office and Civil Service.

By Mr. DANIELSON:

H.R. 1020. A bill to provide for expeditious payment of claims against the United States, relating to advertising published in behalf of the United States, and for other purposes; to the Committee on Government Operations.

H.R. 1021. A bill to amend subsection (a) of section 2737 of title 10, United States Code, and for other purposes; to the Committee on the Judiciary.

H.R. 1022. A bill to provide for the payment by the United States for certain medical services and treatment provided to U.S. citizens and permanent residents suffering from physical injuries attributable to the atomic bomb explosions on Hiroshima and Nagasaki, Japan, in August 1945; to the Committee on the Judiciary.

H.R. 1023. A bill to amend title 28, United States Code, to increase to $50,000 the amount of an award which an agency may determine, without the approval of the Attorney General; to the Committee on the Judiciary.

H.R. 1024. A bill to amend chapter 171 of title 28, United States Code, to alter procedures with respect to certain malpractice suits against Federal medical personnel and for other purposes; to the Committee on the Judiciary.

H.R. 1025. A bill to provide for equitable waiver in the compromise and collection of Federal claims; to the Committee on the Judiciary.

H.R. 1026. A bill to transfer responsibility for furnishing certified copies of Miller Act payment bonds from the Comptroller General to the officer that awarded the contract for which the bond was given; to the Committee on the Judiciary.

H.R. 1027. A bill to amend title 28 of the United States Code to establish a Federal cause of action for and Federal court procedures with respect to aviation activity, and for other purposes; to the Committee on the Judiciary.

H.R. 1028. A bill to amend the act of August 24, 1935 (commonly referred to as the Miller Act), to provide for additional protection to persons supplying labor and material in the prosecution of work provided for in contracts for the construction, alteration, or repair of any public building or public work of the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 1029. A bill to amend section 1 of the act of June 5, 1920, as amended, to authorize the Secretary of Commerce to settle claims for damages of less than $2,500 arising by reason of acts for which the National Oceanic and Atmospheric Administration shall be found to be responsible; to the Committee on the Judiciary.

H.R. 1030. A bill to repeal sections 3478 and 3479 of the Revised Statutes (31 U.S.C. 204 and 206), which impose a requirement upon persons prosecuting claims, either as attorney or on their own account, to take the oath of allegiance and to support the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 1031. A bill to provide grants to expedite the conversion by certain existing electric powerplants from the use of oil to coal or another alternate fuel and assist the ratepayers of the electric utilities involved in reducing the costs of conversion, and to otherwise reduce oil and other fuel consumption by electric utilities and their residential customers through conservation and other means; to the Committee on Energy and Commerce.

By Mr. DINGELL:

H.R. 1032. A bill to amend the Energy Security Act to restrict the use of foreign-produced articles, materials, and supplies in the construction of synthetic fuel projects financed or constructed by the Synthetic Fuels Corporation; jointly, to the Committees on Banking, Finance and Urban Affairs, and Energy and Commerce.

By Mr. EDWARDS of Alabama:

H.R 1033. A bill to amend the Clean Air Act to require certain areas to be designated as class III for purposes of the provisions of that act relating to nondegradation of air quality, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ERLENBORN:

H.R. 1034. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. GAYDOS:

H.R. 1035. A. bill to amend the Clean Air Act to prohibit the Environmental Protection Agency from requiring motor vehicle inspection and maintenance until such time as each new motor vehicle is required to be separately tested for compliance with emission standards before its sale by the manufacturer, and for other purposes; to the Committee on Energy and Commerce.

H.R. 1036. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 1037. A bill to amend the Fair Labor Standards Act of 1938, to require prenotification to affected employees and communities of dislocation of business concerns, to provide assistance (including retraining) to employees who suffer employment loss through the dislocation of business concerns, to business concerns threatened with dislocation, and to affected communities, to prevent Federal support for unjustified dislocation, and for other purposes; jointly to the Committees on Education and Labor and Banking, Finance and Urban Affairs.

By Mr. GINN:

H.R. 1038. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

H.R. 1039. A bill to provide compensation for certain facilities on Cumberland Island National Seashore; to the Committee on Interior and Insular Affairs.

H.R. 1040. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 1041. A bill to establish a program to develop marine artificial reefs in waters of U.S. jurisdiction; to the Committee on Merchant Marine and Fisheries.

By Mr. RICHMOND:

H.R. 1042. A bill to provide an opportunity for taxpayers to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. GINN:

H.R. 1043. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. GINN (for himself and Mr. FAUNTROY):

H.R. 1044. A bill for the relief of the prior owners of the Harris Neck Wildlife Refuge, or their heirs; to the Committee on the Judiciary.

Mr. GOLDWATER:

H.R. 1045. A bill to amend the Fair Credit Reporting Act dealing with consumer credit and privacy; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1046. A bill to amend the Fair Credit Reporting Act dealing with depository institutions and privacy, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1047. A bill to amend the Fair Credit Reporting Act dealing with insurance institutions and privacy; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1048. A bill to amend the Family Educational Rights and Privacy Act (20 U.S.C. 1232) to provide for the protection of the privacy of personal information, and for other purposes; to the Committee on Education and Labor.

H.R. 1049. A bill to amend the Privacy Act of 1974; to the Committee on Government Operations.

H.R. 1050. A bill to establish a Federal Information Practices Board to review and report on fair information and privacy practices of governmental and nongovernmental entities; to the Committee on Government Operations.

H.R. 1051. A bill to provide that receipts and disbursements of the Airport and Airway Trust Fund shall not be included in the budget of the U.S. Government; to the Committee on Government Operations.

H.R. 1052. A bill to establish an independent Federal Aviation Agency, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JONES of Oklahoma (for himself and Mr. CONABLE):

H.R. 1053. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

By Mr. GOLDWATER:

H.R. 1054. A bill to amend title 38, United States Code, to increase from 60 percent to 90 percent the percentage of the tuition and fees for an approved program of flight training which is paid by the Veterans' Administration under the GI bill educational assistance program; to the Committee on Veterans' Affairs.

H.R. 1055. A bill to amend title 38 of the United States Code in order to waive the payment of premiums for National Service Life Insurance by certain persons who have attained age 70; to the Committee on Veterans' Affairs.

H.R. 1056. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to waive payment of premiums on term life insurance during the continuance of certain disabilities beginning after the insured's 65th birthday; to the Committee on Veterans' Affairs.

H.R. 1057. A bill to amend the Internal Revenue Code of 1954 dealing with privacy; to the Committee on Ways and Means.

H.R. 1058. A bill to restrict the use of Social Security Act account numbers as governmental or universal personal identifiers; to the Committee on Ways and Means.

H.R. 1059. A bill to amend title XI of the Social Security Act to provide for the confidentiality of personal medical information created or maintained by medical care institutions providing services under the medicare or medicaid programs, and for other purposes; jointly, to the Committees on Energy and Commerce, and Ways and Means.

H.R. 1060. A bill to amend the Social Security Act to provide for the protection of the privacy of personal medical information maintained by certain medical care institutions; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 1061. A bill to provide for the privacy of certain public assistance and social service records used or maintained by State and private agencies under programs receiving Federal financial assistance; jointly, to the Committees on Agriculture, Energy and Commerce, and Ways and Means.

By Mr. SAM B. HALL, JR.:

H.R. 1062. A bill to amend title 10, United States Code, to provide that members of the uniformed services on active duty and their dependents are entitled to free preventive dental care; to the Committee on Armed Services.

H.R. 1063. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of individuals who have attained the age of 62 interest received during any taxable year; to the Committee on Ways and Means.

By Mr. SAM B. HALL, JR. (for himself, Mr. HIGHTOWER, Mr. LUJAN, Mr. LUNGREN, Mr. ROUSSELOT, Mr. LAGOMARSINO, Mr. FORSYTHE, Mrs. BOGGS, Mr. BEARD, Mr. DAN DANIEL, Mr. RHODES, Mr. KINDNESS, Mr. THOMAS, Mr. EVANS of Georgia, Mr. STENHOLM, Mrs. SCHROEDER, Mr. FROST, Mr. STUMP, Mr. COLLINS of Texas, Mr. STANTON, Mr. LOTT, Mr. GUYER, Mr. DORNAN of California, Mr. HARTNETT, Mr. ROBERT W. DANIEL, JR., Mr. SYNAR, and Mr. DUNCAN:

H.R. 1064. A bill to amend the Internal Revenue Code of 1954 to provide that oil from any royalty interest shall be exempt from the windfall profit tax; to the Committee on Ways and Means.

By Mr. HINSON:

H.R. 1065. A bill entitled, "The Financial Regulation Simplification Act"; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1066. A bill to sunset the Credit Control Act; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1067. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes; to the Committee on Education and Labor.

H.R. 1068. A bill to amend the Fair Labor Standards Act of 1938 to provide a special minimum wage for the employment for limited periods of time of youth under the age of 19, to broaden the authority for the employment of full-time students at a special minimum wage, to establish standards for the application of the child labor provisions to employment in retail and service establishments, to delay for 2 years the increases in the minimum wage under the act scheduled to take effect in 1980 and 1981, to provide for a maximum tip credit of 50 percent, and for other purposes; to the Committee on Education and Labor.

H.R. 1069. A bill to amend the Occupational Safety and Health Act of 1970 to prohibit the issuance of a citation by the Secretary of Labor after the initial inspection of any workplace of an employer, and for other purposes; to the Committee on Education and Labor.

H.R. 1070. A bill to repeal Davis-Bacon; to the Committee on Education and Labor.

H.R. 1071. A bill to provide production for certain categories of crude oil by exempting such crude oil from price and allocation regulations under the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Commerce.

H.R. 1072. A bill to direct the Secretary of Health and Human Services to institute a program of voluntary certification for health insurance policies sold in supplementation of medicare; to the Committee on Energy and Commerce.

H.R. 1073. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, and for other purposes; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 1074. A bill to amend title 18 of the United States Code to make it a Federal crime to vandalize a house of worship or any religious articles therein; to the Committee on the Judiciary.

By Mr. HINSON:

H.R. 1075. A bill to amend certain provisions of title 28, United States Code, relating to venue in the district courts and the courts of appeals; to the Committee on the Judiciary.

H.R. 1076. A bill to amend title 18, United States Code, to increase the term of imprisonment for certain offenses relating to carrying or using firearms, to eliminate eligibility for parole with respect to such term, and to require that such term be served before and consecutively to any related sentence of imprisonment; to the Committee on the Judiciary.

H.R. 1077. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

H.R. 1078. A bill to amend the Lanham Act to provide that the Federal Trade Commission shall not have any authority to apply for the cancellation of a registered trademark under such act solely on the ground that the trademark has become the common descriptive name of an article or substance; to the Committee on the Judiciary.

H.R. 1079. A bill to extinguish Federal court jurisdiction to require attendance at a particular school of any student because of race, color, creed, or sex; to the Committee on the Judiciary.

H.R. 1080. A bill to amend title 38, United States Code, to provide that veterans' benefits under such title for which entitlement is based on length of service in the Armed Forces, in the case of persons enlisting in the Armed Forces on or after the end of the 90-day period beginning on the date of the enactment of this act, shall be available only to persons who complete their initial period of obligated service on active duty; to the Committee on Veterans' Affairs.

H.R. 1081. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for amounts paid or incurred by the taxpayer for alterations to his principal residence in order to make such residence more suitable for handicapped family members; to the Committee on Ways and Means.

H.R. 1082. A bill to amend the Internal Revenue Code of 1954 to encourage individuals to invest in domestic securities by allowing a 10-percent income tax credit for such investments; to the Committee on Ways and Means.

H.R. 1083. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from the gross estate of a decedent of a portion of the value of certain interests in a farm or ranch or trade or business if the spouse or children of the decedent materially participate in such farm or ranch or trade or business; to the Committee on Ways and Means.

H.R. 1084. A bill to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale or exchange of certain farmland and other rural land located in the United States; to the Committee on Ways and Means.

H.R. 1085. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the annual gift tax exclusion from $3,000 to $6,000; to the Committee on Ways and Means.

H.R. 1086. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee on Ways and Means.

H.R. 1087. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Ways and Means.

H.R. 1088. A bill to amend the Internal Revenue Code of 1954 to allow rapid amortization for buildings and equipment, and to take into account 100 percent of the cost of property for purposes of determining qualified investment under the investment tax credit; to the Committee on Ways and Means.

H.R. 1089. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates in the amount of personal exemptions; to the Committee on Ways and Means.

H.R. 1090. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Ways and Means.

H.R. 1091. A bill to amend the Internal Revenue Code of 1954 to allow an individual to establish a tax-exempt trust fund for the support of a handicapped dependent; to the Committee on Ways and Means.

H.R. 1092. A bill to amend the Internal Revenue Code of 1954 to provide that property may be levied upon for the collection of tax (other than where such collection is in jeopardy) only pursuant to a court order; to the Committee on Ways and Means.

H.R. 1093. A bill to exempt limited amounts of oil production by independent producers from the windfall profit tax and for other purposes; to the Committee on Ways and Means.

H.R. 1094. A bill to amend title II of the Social Security Act to provide that the waiting period for disability benefits shall not be applicable in the case of a disabled individual suffering from a terminal illness; to the Committee on Ways and Means.

H.R. 1095. A bill to amend the Internal Revenue Code of 1954 to provide for payment by the Government of all reasonable litigation expenses to prevailing taxpayers in legal action; to the Committee on Ways and Means.

H.R. 1096. A bill to amend the Internal Revenue Code of 1954 to prohibit the Internal Revenue Service from terminating for reasons of racial discrimination the tax exempt status of any organization established for the purposes of educational instruction without proper adjudication by a court of the United States or of any State; to the Committee on Ways and Means.

H.R. 1097. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes so that estates under $500,000 will not be subject to estate tax and to increase the gift tax exclusion from $3,000 to $6,000; to the Committee on Ways and Means.

H.R. 1098. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $10,000 of interest in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 1099. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion for income earned abroad attributable to certain charitable services; to the Committee on Ways and Means.

By Mr. MONTGOMERY (for himself, Mr. HAMMERSCHMIDT, Mr. BOWEN, Mr. DORNAN of California, Mr. PRICE, Mr. MOTTL, Mr. SAWYER, and Mr. FLIPPO):

H.R. 1100. A bill to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain health-care benefits provided by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HINSON:

H.R. 1101. A bill to provide for permanent tax rate reductions for individuals; to the Committee on Ways and Means.

H.R. 1102. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

H.R. 1103. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit for a portion of the rent which they pay on their principal residences and which is attributable to real property taxes; to the Committee on Ways and Means.

H.R. 1104. A bill to amend the Internal Revenue Code of 1954 to provide certain tax incentives for individuals and businesses in depressed area; to the Committee on Ways and Means.

H.R. 1105. A bill to amend the Small Business Act and an Act to amend the Small Business Act (Public Law 94-305, 90 Stat. 669) to provide regulatory flexibility for small businesses and small organizations to minimize unnecessary burdens in complying with Federal rules and reporting requirements; jointly, to the Committees on the Judiciary and Small Business.

H.R. 1106. A bill to require that the Secretary of Energy notify any State of any investigation of any site in such State for the construction of any radioactive waste storage facility and allow such State to prevent the construction of such facility on such site by an action of the State legislature or a statewide referendum; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

H.R. 1107. A bill to improve the administration of Federal firearms laws, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 1108. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 1109. A bill to amend the Internal Revenue Code of 1954 to prevent tax deductions for the salary of aliens illegally employed in the United States and to amend the Social Security Act to limit benefits under the aid to families with dependent children program and under the medicaid program to citizens and lawfully admitted aliens; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. HOLLENBECK:

H.R. 1110. A bill to amend title 18 of the United States Code to provide extended coverage for the minimum mandatory penalties for certain illegal uses of firearms, and for other purposes; to the Committee on the Judiciary.

By Mr. HOLLENBECK (for himself and Mrs. ROUKEMA):

H.R. 1111. A bill to provide that the U.S. District Court for the Judicial District of New Jersey shall be held at Hackensack, N.J., in addition to those places currently provided by law; to the Committee on the Judiciary.

By Mr. HOLLENBECK (for himself and Mr. GILMAN):

H.R. 1112. A bill to amend the Internal Revenue Code of 1954 to provide that the requirement that unemployment compensation be reduced by certain retirement benefits will not apply to social security and railroad retirement benefits; to the Committee on Ways and Means.

By Mr. JENKINS (for himself, Mr. JONES of Tennessee, Mr. SAM B. HALL, JR., Mr. LUNDINE, Mr. WHITLEY, Mr. MURPHY, Mr. HORTON, Mr. LEVITAS, Mr. DUNCAN, Mr. OBERSTAR, Mr. WINN, Mr. ERDAHL, Mr. BEVILL, Mr. JONES of North Carolina, Mr. MCDADE, Mr. LOTT, Mr. FORSYTHE, Mr. EVANS of Georgia, Mr. FINDLEY, Mr. SHELBY, Mr. GINN, Mr. HEFNER, Mr. STUMP, Mr. DICKENSON, Mr. HAMMERSCHMIDT, Mr. HOLLAND, Mr. ALEXANDER, and Mr. SYNAR):

H.R. 1113. A bill to provide for a resource conservation and development in the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. LAGOMARSINO:

H.R. 1114. A bill to provide for the establishment of a National Voluntary Health Insurance Act; to the Committee on Energy and Commerce.

H.R. 1115. A bill to require the U.S. Government and persons carrying on federally assisted programs, projects, and activities to pay interest to business concerns for overdue sales and lease agreement payments; to the Committee on Government Operations.

H.R. 1116. A bill to designate the Dick Smith Wilderness in the Los Padres National Forest in the State of California; to the Committee on Interior and Insular Affairs.

H.R. 1117. A bill to amend chapter 44 of title 18 of the United States Code to extend the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies, and for other purposes; to the Committee on the Judiciary.

H.R. 1118. A bill to prohibit vessels transporting Alaskan oil from using routes through the territorial and international waters northward of the Santa Barbara Channel Islands; to the Committee on Merchant Marine and Fisheries.

H.R. 1119. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 1120. A bill to amend the Small Business Act to require Federal agencies to reimburse small business for certain paperwork costs; to the Committee on Small Business.

H.R. 1121. A bill to reduce social security payroll taxes by amending the Social Security Act and the Internal Revenue Code of 1954; to the Committee on Ways and Means.

H.R. 1122. A bill to amend the Internal Revenue Code to provide for individual housing accounts; to the Committee on Ways and Means.

H.R. 1123. A bill to amend the Internal Revenue Code of 1954 to provide a limited additional tax credit for political contributions to candidates for Congress; to the Committee on Ways and Means.

H.R. 1124. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

H.R. 1125. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 1126. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 1127. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts received from certain sales of land to the United States, any State, or certain tax-exempt organizations, if the primary use of such land after the sale is for purposes of fish and wildlife conservation or preservation as a natural area; to the Committee on Ways and Means.

H.R. 1128. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly, to the Committees on the Judiciary and Rules.

H.R. 1129. A bill to provide that no increase in pay for Members of Congress shall take effect without a recorded vote in each House; jointly, to the Committees on Post Office and Civil Service and Rules.

H.R. 1130. A bill to require authorization of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Rules and Government Operations.

H.R. 1131. A bill to amend title XVIII of the Social Security Act for the purpose of improving certain provisions of the medicare program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. LEHMAN:

H.R. 1132. A bill to allow a credit against Federal income taxes or a payment from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. LEVITAS:

H.R. 1133. A bill directing the President to exercise the authorities he has to require the Government of Iran to punish those persons responsible for seizing the U.S. Embassy in Tehran and holding the American hostages, to make reparations to those hostages and to the United States for damages resulting from such seizure, and to fully satisfy other claims of U.S. citizens against Iran; to the Committee on Forign Affairs.

H.R. 1134. A bill to amend title 28 of the United States Code to require the Attorney General to transmit reports to the Congress summarizing any position of the Attorney General that any provision of law is unconstitutional and is not to be enforced or defended by the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 1135. A bill to provide for the addition of about 25 acres to the Sandia Mountain Wilderness; to the Committee on Interior and Insular Affairs.

By Mr. LUJAN (for himself and Mr. SKEEN):

H.R. 1136. A bill to provide that if any land or interest in land is taken from a State by the Federal Government by eminent domain, such State may, instead of accepting monetary compensation therefor, acquire certain Federal lands or interests in land of approximately equal value; to the Committee on Interior and Insular Affairs.

H.R. 1137. A bill to authorize the State of New Mexico to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes; jointly, to the Committees on Armed Services and Interior and Insular Affairs.

By Mr. MONTGOMERY:

H.R. 1138. A bill to amend title 38, United States Code, to extend for 2 years the period of eligibility for veterans readjustment appointments in the civil service for veterans of the Vietnam era; to the Committee on Veterans' Affairs.

H.R. 1139. A bill to amend title 38, United States Code, to establish a business loan program for disabled veterans and veterans of the Vietnam era, and for other purposes; jointly, to the Committees on Veterans' Affairs and Small Business.

By Mr. MONTGOMERY (by request):

H.R. 1140. A bill to amend title 10, United States Code, to authorize former members of the armed forces who are totally disabled as the result of a service-connected disability to travel on military aircraft in the same manner and to the same extent as retired members of the armed forces are permitted to travel on such aircraft; to the Committee on Armed Services.

H.R. 1141. A bill to amend the civil service retirement provisions of title 5, United States Code, to provide individuals double credit for periods of military service during which such individuals were held as prisoners of war; to the Committee on Post Office and Civil Service.

H.R. 1142. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the Canadian Armed Forces; to the Committee on Veterans' Affairs.

H.R. 1143. A bill to amend title 38, United States Code, to increase the travel allowance paid by the Veterans' Administration for travel by a veteran in connection with a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 1144. A bill to amend section 110 of title 38, United States Code, to liberalize the standard for preservation of disability evaluations for compensation purposes; to the Committee on Veterans' Affairs.

H.R. 1145. A bill to amend 38 U.S.C. 301(3) so as to include lupus erythematosis among the chronic diseases; to the Committee on Veterans' Affairs.

H.R. 1146. A bill to amend section 312 of title 38, United States Code, by providing a 2-year presumptive period of service connection for the psychoses which develop within two years from the date of separation from active service; to the Committee on Veterans' Affairs.

H.R. 1147. A bill to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain veterans' benefits; to the Committee on Veterans' Affairs.

H.R. 1148. A bill to amend title 38, United States Code, to increase the rate of compensation payable to veterans who have lost or lost the use of both upper extremities as the result of service-connected disability; to the Committee on Veterans' Affairs.

H.R. 1149. A bill to amend 38 U.S.C. 312(a) so as to provide a 7-year presumptive period for syringomyelia; to the Committee on Veterans' Affairs.

H.R. 1150. A bill to amend title 38, United States Code, to provide for additional compensation for any veteran who has suffered loss or loss of use of one lung or one kidney; to the Committee on Veterans' Affairs.

H.R. 1151. A bill to amend title 38, United States Code, to extend eligibility for the Veterans' Administration clothing allowance to certain veterans with skin disorders resulting from service-connected diseases or injuries; to the Committee on Veterans' Affairs.

H.R. 1152. A bill to amend title 38, United States Code, to provide for the determination of certain unemployable veterans with service-connected disabilities as being totally disabled and to direct the Administrator of Veterans' Affairs to consider age in rating the degree of disability of veterans with service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 1153. A bill to amend title 38, United States Code, so as to provide a special pension program for veterans of World War I; to the Committee on Veterans' Affairs.

H.R. 1154. A bill to amend title 38, United States Code, chapters 15 and 51, to improve the death and disability pension program for veterans and their dependents; to the Committee on Veterans' Affairs.

H.R. 1155. A bill to amend title 38, United States Code, to extend eligibility for medical care benefits for survivors and dependents of veterans under the Veterans' Administration CHAMPVA program to survivors and dependents who are eligible for hospital insurance benefits under part A of title XVIII of the Social Security Act; to the Committee on Veterans' Affairs.

H.R. 1156. A bill to amend title 38, United States Code, to extend community nursing home care at Veterans' Administration expense to 9 months; to the Committee on Veterans' Affairs.

H.R. 1157. A bill to amend title 38, United States Code, to extend beyond September 30, 1981, the grants-in-aid program to the Veterans' Memorial Medical Center, Philippine Islands; to the Committee on Veterans' Affairs.

H.R. 1158. A bill to amend 38 U.S.C. 641 so as to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

H.R. 1159. A bill to amend title 38, United States Code, to extend from 1 year to 2 years the period during which veterans with service-connected disabilities may apply for national service life insurance; to the Committee on Veterans' Affairs.

H.R. 1160. A bill to amend title 38, United States Code, to permit certain eligible veterans to purchase up to $20,000 of national service life insurance; to the Committee on Veterans' Affairs.

H.R. 1161. A bill to amend title 38 of the United States Code in order to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 1162. A bill to amend section 802 of title 38, United States Code, to increase specially adapted housing benefits for certain seriously service-connected disabled veterans; to the Committee on Veterans' Affairs.

H.R. 1163. A bill to amend sections 902 and 903 of title 38, United States Code, to increase the burial allowance for veterans to $400; to the Committee on Veterans' Affairs.

H.R. 1164. A bill to amend chapter 23, title 38, United States Code, so as to provide that where death occurs in a State home, the Administrator shall pay the actual cost (not to exceed $300) of the burial and funeral, and transport the body to the place of burial in the same or any other State; to the Committee on Veterans' Affairs.

H.R. 1165. A bill to amend title 38, United States Code, to provide that any person who marries a veteran who has a permanent and total service-connected disability, and who has not been married previously, after such disability is determined to exist shall be afforded educational assistance comparable to that which would have been afforded had the marriage preceded the determination of such disability; to the Committee on Veterans' Affairs.

H.R. 1166. A bill to amend section 1902 of title 38, United States Code, to extend eligibility for automobile adaptive equipment to certain additional veterans; to the Committee on Veterans' Affairs.

H.R. 1167. A bill to amend section 1902 of title 38, United States Code, to extend eligibility for automobile adaptive equipment to

certain additional veterans; to the Committee on Veterans' Affairs.

H.R. 1168. A bill to amend title 38, United States Code, to transfer the functions of the Secretary of Labor under chapters 41, 42, and 43 of such title (relating to job counseling, training, placement, and reemployment of veterans) to the Administrator of Veterans' Affairs, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1169. A bill to amend title 38 of the United States Code in order to liberalize the eligibility for benefits under chapter 42 of such title (relating to employment and training of disabled and Vietnam-era veterans); to the Committee on Veterans' Affairs.

H.R. 1170. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the Armed Forces to receive compensation concurrently with retired pay, without deduction from either; to the Committee on Veterans' Affairs.

H.R. 1171. A bill to amend title 38, United States Code, to provide that payment made to a hospitalized incompetent veteran will not be terminated unless such veteran's estate exceeds $3,000, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1172. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

H.R. 1173. A bill to amend section 307 of Public Law 96-151, by assigning the responsibility of designating a protocol for, and conducting an epidemiological study of, veterans who were exposed to agent orange, to an independent scientific agency; to the Committee on Veterans' Affairs.

By Mr. MOORHEAD:

H.R. 1174. A bill to incorporate the U.S. Submarine Veterans of World War II; to the Committee on Veterans' Affairs.

H.R. 1175. A bill to amend title 18, United States Code, to revise the scope and applicability of the postemployment conflict of interest provisions with respect to officers and employees of the executive branch; to the Committee on the Judiciary.

By Mr. PEASE:

H.R. 1176. A bill to amend section 8118 of title 5, United States Code, to provide for physical examinations with respect to claims for compensation for work injuries, and to provide that continuation of pay under such section shall not begin until the fourth day of disability; to the Committee on Education and Labor.

By Mr. PEPPER (for himself, Mr. PASHAYAN, Mr. ROUSSELOT, Mr. LUNGREN, Mr. LAFALCE, Ms. OAKAR, Mr. MATTOX, Mr. OTTINGER, Mr. KOGOVSEK, Mr. LAGOMARSINO, Mr. DICKINSON, Mr. CHAPPELL, Mr. ROTH, Mr. D'AMOURS, Mr. MURPHY, Mr. BOWEN, Mr. BIAGGI, Mr. MCDONALD, Mr. FORSYTHE, Mr. PANETTA, Mr. ANTHONY, Mr. HUGHES, Mr. GUYER, Mr. TRAXLER, Mr. FLIPPO, Mr. BARNES, and Mr. DANIEL B. CRANE):

H.R. 1177. A bill to amend the Internal Revenue Code of 1954 to repeal the family rental tax; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 1178. A bill to amend title 23, United States Code, to provide assistance for energy impacted highway transportation; to the Committee on Public Works and Transportation.

By Mr. ST GERMAIN:

H.R. 1179. A bill to establish a Federal nonprofit corporation as the importing agent for the crude oil and petroleum products imported into the United States; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. ASHBROOK:

H.R. 1180. A bill to extinguish Federal court jurisdiction to require attendance at a particular school of any student because of race, color, creed, or sex; to the Committee on the Judiciary.

By Mr. PICKLE:

H.R. 1181. A bill to amend the Internal Revenue Code of 1954 to exempt incremental tertiary oil from the windfall profit tax; to the Committee on Ways and Means.

H.R. 1182. A bill to enhance tertiary oil recovery by amending the Internal Revenue Code relating to prepaid expenses in a tertiary oil project; to the Committee on Ways and Means.

By Mr. SHANNON:

H.R. 1183. A bill to amend the Internal Revenue Code of 1954 to allow a tax credit for certain research and development expenditures; to the Committee on Ways and Means.

H.R. 1184. A bill to amend the Tariff Schedules of the United States regarding the rate of duty that may be proclaimed by the President with respect to sugar imports; to the Committee on Ways and Means.

H.R. 1185. A bill to amend the Internal Revenue Code of 1954 to provide that certain research or experimental expenditures will not be taken into account for purposes of the small issue exemption from the industrial development bond rules; to the Committee on Ways and Means.

H.R. 1186. A bill to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to provide a credit against income tax for social security taxes, to provide a credit against income tax for research and experimental expenditures, and for other purposes; to the Committee on Ways and Means.

By Mr. SOLARZ:

H.R. 1187. A bill to amend the U.S. Housing Act of 1937 to enable local public housing agencies to enter into security arrangements designed to prevent crimes and otherwise insure the safety and well-being of public housing tenants; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1188. A bill to amend title 39, United States Code, relating to adjustment of work schedules for religious observances; to the Committee on Post Office and Civil Service.

H.R. 1189. A bill to amend the Urban Mass Transportation Act of 1964 relating to the formulas under which entitlements of urbanized areas for construction and operating assistance under such act are determined; to the Committee on Public Works and Transportation.

H.R. 1190. A bill to amend title 39 of the United States Code to reduce postal rates for small magazines, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1191. A bill to amend title 38, United States Code, to repeal the 10-year citizenship requirement for eligibility for veterans' health care benefits for lawful permanent residents of the United States who were members of the Armed Forces of Czechoslovakia or Poland during World War I or World War II and to extend such benefits to lawful permanent residents of the United States who were members of the Armed Forces of Russia, the Union of Soviet Socialist Republics, Estonia, Latvia, or Lithuania during either such war; to the Committee on Veterans' Affairs.

H.R. 1192. A bill to amend title II of the Social Security Act to eliminate the duration-of-marriage requirements (and other special requirements) which are presently applicable in determining whether a person is the widow or widower of an insured individual for benefit purposes; to the Committee on Ways and Means.

H.R. 1193. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit against income tax for expenditures made for the purchase and installation of locks and other security devices in principal residences; to the Committee on Ways and Means.

H.R. 1194. A bill to amend title XVI of the Social Security Act to provide that parents' income and resources shall not be attributed to a child under age 21 for purposes determining such child's eligibility for SSI benefits, if such child is under a disability which is permanent and total; to the Committee on Ways and Means.

H.R. 1195. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits; to the Committee on Ways and Means.

H.R. 1196. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, dentures, eyeglasses, and hearing aids among the benefits provided by the insurance program established by part B of such title, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 1197. A bill to provide for the delegation of duties by Professional Standards Review Organizations under title XI of the Social Security Act; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. SOLOMON (for himself, Mr. MITCHELL of New York, and Mr. JOHNSTON):

H.R. 1198. A bill to amend the Federal Water Pollution Control Act to delete the limitation on the use of public treatment works grants for treating, storing, or conveying the flow of industrial users into treatment works; to the Committee on Public Works and Transportation.

By Mr. STENHOLM:

H.R. 1199. A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. TAUKE (for himself and Mr. LUNGREN, Mr. BAILEY of Missouri, Mr. BEARD, Mr. KINDNESS, Mr. ROBINSON, Mr. LAGOMARSINO, Mr. BONKER, Mr. BEDELL, Mr. PARRIS, Mr. COLLINS of Texas, Mr. FROST, Mr. MOFFETT, Mr. DANNEMEYER, Mr. KOGOVSEK, Mr. GRADISON, Mr. KILDEE, Mr. SYNAR, and Mr. WHITEHURST):

H.R. 1200. A bill to defer congressional pay adjustments until the beginning of the next following Congress, to require a recorded vote in each House for annual congressional pay adjustments, to provide that appropriations of funds for congressional pay be considered separately, and for other purposes; jointly, to the Committees on Post Office and Civil Service and Rules.

By Mr. WHITEHURST:

H.R. 1201. A bill to give the Food and Drug Administration greater discretion in the control of food additives; to the Committee on Energy and Commerce.

H.R. 1202. A bill to reorganize the executive branch of the Federal Government to eliminate excessive, duplicative, inflationary, and anticompetitive regulation; jointly, to the Committees on Government Operations and Rules.

H.R. 1203. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

H.R. 1204. A bill to include in the definition of law enforcement officer contained in title 5, United States Code, employees whose duties include both the investigation, apprehension, or detention of criminals and the protection of human lives and property; to the Committee on Post Office and Civil Service.

H.R. 1205. A bill to amend the Congressional Budget Act of 1974 to require the Congressional Budget Office to prepare economic impact statements in connection with legislation reported by congressional committees and in connection with rules and regulations proposed by Federal agencies; to the Committee on Rules.

H.R. 1206. A bill to amend title 38, United States Code, to provide a new program of educational assistance for persons who serve in the Armed Forces; to the Committee on Veterans' Affairs.

H.R. 1207. A bill to amend chapter 34 of title 38, United States Code, to modify the termination date for veterans eligible for educational assistance provided under such chapter; to the Committee on Veterans' Affairs.

H.R. 1208. A bill to amend the Internal Revenue Code; to the Committee on Ways and Means.

H.R. 1209. A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes; to the Committee on Ways and Means.

By Mr. WILSON:

H.R. 1210. A bill to provide for the induction of individuals, during the period beginning July 1, 1981, and ending June 30, 1983, for training and service in the Armed Forces; to the Committee on Armed Services.

H.R. 1211. A bill to provide that aliens employed in the United States shall not be entitled to vote in certain elections conducted among members of labor organizations; to the Committee on Education and Labor.

H.R. 1212. A bill to provide price incentives for production of crude oil from tertiary recovery projects; to the Committee on Energy and Commerce.

H.R. 1213. A bill to eliminate revenue sharing payments to State governments; to the Committee on Government Operations.

H.R. 1214. A bill to designate certain national forest system lands in the State of Texas as components of the National Wilderness Preservation System; to the Committee on Interior and Insular Affairs.

H.R. 1215. A bill to provide for the deportation from the United States of certain aliens who engage in demonstrations in support of acts of anti-American terrorism; to the Committee on the Judiciary.

H.R. 1216. A bill to provide for the cancellation of nonimmigrant visas of Iranian students and for the prompt departure of such students from the United States; to the Committee on the Judiciary.

H.R. 1217. A bill to authorize the Corps of Engineers to establish and develop separate campgrounds for senior citizens at lakes and reservoirs under the jurisdiction of the corps and to require that such a campground be established and developed at the Sam Rayburn Dam and Reservoir; to the Committee on Public Works and Transportation.

H.R. 1218. A bill to protect the confidentiality of the identities of certain employees of the Central Intelligence Agency; to the Permanent Select Committee on Intelligence.

H.R. 1219. A bill to designate management of certain lands in the Sam Houston National Forest, Tex., for uses other than wilderness; jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

H.R. 1220. A bill to eliminate the exemption for Congress or for the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security, and for other purposes; jointly, to the Committees on Education and Labor, Government Operations, and Ways and Means.

H.R. 1221. A bill to amend titles II and XVIII of the Social Security Act to eliminate the waiting period for disabled individuals to become entitled to coverage under the medicare program; jointly, to the Committees on Ways and Means, and Energy and Commerce.

Mr. WILSON (for himself, and Mr. CHAPPELL):

H.R. 1222. A bill to provide that revenues derived from the crude oil windfall profit tax shall be used to reduce the national debt; to the Committee on Ways and Means.

By Mr. WILSON (for himself, and Mr. SAM B. HALL, JR.):

H.R. 1223. A bill to provide for the tax treatment of interest on obligations issued by the Sabine River Authority of Texas; to the Committee on Ways and Means.

By Mr. BURGENER (for himself, Mr. BADHAM, Mr. HUNTER, and Mr. LOWERY of California):

H.J. Res. 103. Joint resolution authorizing the President to proclaim March 13, 1981 as "Spirit of Goodwill Day"; to the Committee on Post Office and Civil Service.

By Mr. DORNAN (for himself, Mr. SMITH of New Jersey, Mr. ST GERMAIN, and Mr. ZEFERETTI):

H.J. Res. 104. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life; to the Committee on the Judiciary.

By Mr. ERDAHL:

H.J. Res. 105. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. GAYDOS:

H.J. Res. 106. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life; to the Committee on the Judiciary.

By Mr. GINN:

H.J. Res. 107. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war and economic emergency declared by the Congress, expenditures of the Government may not exceed revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.J. Res. 108. Joint resolution to provide for the convening of an International Conference on Communication and Information, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HEFNER:

H.J. Res. 109. Joint resolution designating April 1981 as "Gospel Music Month"; to the Committee on Post Office and Civil Service.

By Mr. HINSON:

H.J. Res. 110. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the Congress shall not exceed the revenues of the United States, except in time of war or national emergency, and to provide for the systematic repayment of the debt of the United States; to the Committee on the Judiciary.

H.J. Res. 111. Joint resolution designating the week of October 4 through October 10, 1981, as "National Diabetes Week"; to the Committee on Post Office and Civil Service.

H.J. Res. 112. Joint resolution authorizing the President to proclaim May 13 of each year "American Indian Day"; to the Committee on Post Office and Civil Service.

By Mr. KRAMER:

H.J. Res. 113. Joint resolution proposing an amendment to the Constitution of the United States which prohibits any deficit in the budget of the United States except in any fiscal year during which the United States is at war or during which a state of emergency has been declared by the Congress; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H.J. Res. 114. Joint resolution requiring studies of certain grants; to the Committee on Government Operations.

H.J. Res. 115. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

H.J. Res. 116. Joint resolution proposing an amendment to the Constitution of the United States to require a two-thirds vote of each House to increase taxes; to the Committee on the Judiciary.

H.J. Res. 117. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority; to the Committee on the Judiciary.

H.J. Res. 118. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 119. Joint resolution proposing an amendment to the Constitution of the United States to limit the number of consecutive Congresses in which Senators and Representatives may serve; to the Committee on the Judiciary.

H.J. Res. 120. Joint resolution proposing an amendment to the Constitution of the United States to prohibit any Member of Congress sentenced for conviction of a felony during a session of Congress from continuing to serve as a Member of such Congress after the date of such sentencing; to the Committee on the Judiciary.

H.J. Res. 121. Joint resolution proposing an amendment to the Constitution of the United States relating to the compensation of Senators and Representatives, providing that no increase in compensation shall take

effect earlier than the following Congress; to the Committee on the Judiciary.

Mr. MAZZOLI:

H.J. Res. 122. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

Mr. MOLLOHAN:

H.J. Res. 123. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MONTGOMERY:

H.J. Res. 124. Joint resolution designating August 13, 1981, as "National Blinded Veterans Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. OBERSTAR (for himself, and Mr. ALBOSTA, Mr. ATKINSON, Mr. BUTLER, Mr. COATS, Mr. DOUGHERTY, Mr. ERLENBORN, Mr. GUYER, Mr. HINSON, Mr. HYDE, Mr. KILDEE, Mr. LEBOUTILLIER, Mr. LAGOMARSINO, Mr. LUNGREN, Mr. MAZZOLI, Mr. MOLLOHAN, Mr. MURPHY, Mr. PETRI, Mr. PRICE, Mr. SENSENBRENNER, Mr. STANGELAND, Mr. TRAXLER, Mr. YOUNG of Alaska, Mr. YOUNG of Missouri, Mr. DAUB, Mr. D'AMOURS, Mr. MCEWEN, Mrs. SMITH of Nebraska, Mr. EMERY, Mr. HAGEDORN, Mr. SMITH of New Jersey, Mr. MITCHELL of New York, and Mr. ZABLOCKI):

H.J. Res. 125. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. WAMPLER:

H.J. Res. 126. Joint resolution proposing an amendment to the Constitution of the United States with respect to public prayer; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H.J. Res. 127. Joint resolution proposing an amendment to the Constitution of the United States to insure that due process and equal protection are afforded to an individual with respect to the right to life; to the Committee on the Judiciary.

By Mr. COLLINS of Texas:

H. Con. Res. 33. Concurrent resolution to provide, subject to certain exceptions, that the House of Representatives may meet only on certain days during a year; to the Committee on Rules.

By Mr. FINDLEY:

H. Con. Res. 34. Concurrent resolution expressing the sense of Congress with respect to the agreement between the United States and Iran signed in Algiers on January 20, 1981; to the Committee on Foreign Affairs.

By Mr. MARKS:

H. Con. Res. 35. Concurrent resolution expressing the sense of Congress that legislation providing for withholding of Federal income tax from dividends and interest should not be enacted; to the Committee on Ways and Means.

By Mr. STRATTON:

H. Con. Res. 36. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on Foreign Affairs.

By Mr. TRAXLER (for himself, Mr. BROOMFIELD, Mr. ROSENTHAL, Mr. ROEMER, Mr. WILLIAMS of Ohio, Mr. WILLIAMS of Montana, Mr. KOGOVSEK, Mr. JONES of Tennessee, Mr. MATSUI, Mr. BARNES, Mr. BLANCHARD, Mr. JOHNSTON, Mr. OBERSTAR, Mr. ROBERT W. DANIEL, Jr., Mr. ALBOSTA, Mr. MOLLOHAN, Mr. MURPHY, Mr. MOAKLEY, Mr. CONTE, Mr. LOWERY of California, Mr. DUNCAN, Mr. WEISS, Mr. AKAKA, Mr. LAGOMARSINO, Mr. COELHO, Mr. FISH, Mr. HANSEN of Idaho, Mr. MCGRATH, and Mr. WOLPE):

H. Con. Res. 37. Concurrent resolution expressing the appreciation of the American people for the efforts of the Algerian Government in securing the release of 52 U.S. citizens held hostage by Iran since November 4, 1979; to the Committee on Foreign Affairs.

By Mr. WHITEHURST:

H. Con. Res. 38. Concurrent resolution pertaining to the methods used on animals in research; jointly, to the Committees on Energy and Commerce and Science and Technology.

By Mr. WILSON:

H. Con. Res. 39. Concurrent resolution requiring payment of reasonable fees for use of congressional parking spaces; to the Committee on House Administration.

By Mr. EDWARDS of California (for himself Mr. FOLEY, Mr. GLICKMAN, Mr. HAMILTON, Mr. ROSE, Mrs. SCHROEDER, and Mr. STOKES):

H. Res. 31. Resolution to separate functions within the Committee on Standards of Official Conduct, and for other purposes; to the Committee on Rules.

By Mr. HINSON:

H. Res. 32. Resolution to express the sense of the House of Representatives that for the purpose of apportionment of Representatives in Congress among the several States, aliens not lawfully admitted into the United States should be excluded in the decennial census from the tabulation of total population by States; and that the Representatives in Congress should be apportioned among the several States on the basis of the number of persons in each State excluding such aliens; jointly to the Committees on Post Office and Civil Service and the Judiciary.

By Mr. HYDE:

H. Res 33. Resolution establishing a select committee to study and report on the embassy crisis in Iran; to the Committee on Rules.

By Mr. LAGOMARSINO:

H. Res 34. Resolution urging the President to convene a meeting of grain exporting nations to coordinate grain exporting policies and prices; to the Committee on Foreign Affairs.

By Mr. LEVITAS:

H. Res. 35. Resolution disapproving the issuance of certain regulations by the Secretary of Labor; to the Committee on Public Works and Transportation.

By Mr. MOTTL:

H. Res. 36. Resolution expressing the sense of the House of Representatives that the Secretary of Health and Human Services should not approve certain portions of the proposed model State adoption legislation prepared under the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978; to the Committee on Education and Labor.

By Mr. REUSS:

H. Res. 37. Resolution relating to public access to House of Representatives records at the National Archives; to the Committee on Rules.

By Mr. WHITEHURST:

H. Res. 38. Resolution establishing an Ad Hoc Committee on Water Resources; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENJAMIN:

H.R. 1224. A bill for the relief of Steve Tandaric; to the Committee on the Judiciary.

By Mr. BOWEN:

H.R. 1225. A bill for the relief of Kwan Do Sun; to the Committee on the Judiciary.

By Mr. BRINKLEY:

H.R. 1226. A bill for the relief of Jahanshah Forkhtakin; to the Committee on the Judiciary.

By Mr. CHAPPIE:

H.R. 1227. A bill for the relief of Bruce Roughton, Magdalen Roughton, Alastair Isiwyn Roughton, Angharad Gret Roughton, and Alexander Iestyn Roughton; to the Committee on the Judiciary.

By Mr. COELHO:

H.R. 1228. A bill for the relief of Frank Fabian; to the Committee on the Judiciary.

H.R. 1229. A bill for the relief of Francois Noghli and Nelie Noghli; to the Committee on the Judiciary.

By Mr. DAN DANIEL:

H.R. 1230. A bill for the relief of Mrs. Frances M. Butler; to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 1231. A bill for the relief of the Washington Post, the Washington Star, the Dispatch (Lexington, N.C.), the Brooklyn Times, Equity Advertising Agency, Inc., the Seattle Post-Intelligencer, and the News Tribune; to the Committee on the Judiciary.

By Mr. DOWNEY:

H.R. 1232. A bill for the relief of Marilyn Ina Williams; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 1233. A bill for the relief of Allen H. Platnick; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 1234. A bill for the relief of Ken Schultz Buick/GMC, Inc.; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 1235. A bill for the relief of Sheng Tchou and Ming Tchou Watt; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 1236. A bill for the relief of Nekhama Shevelev; to the Committee on the Judiciary.

H.R. 1237. A bill for the relief of Simon Stroh; to the Committee on the Judiciary.

By Mr. WAMPLER:

H.R. 1238. A bill for the relief of Granwel Aquino Esteban, his spouse, and family; to the Committee on the Judiciary.

By Mr. WILSON:

H.R. 1239. A bill for the relief of Oscar Raul Espinoza-Madariaga, Ines Grov Espinoza, Claudia Paola Espinoza Grov, and Felipe Andres Espinoza Grov; to the Committee on the Judiciary.

H.R. 1240. A bill for the relief of Maria Millaray Ruiz; to the Committee on the Judiciary.

By Mr. WOLPE:

H.R. 1241. A bill for the relief of Alvin Glenn White; to the Committee on the Judicairy.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 18: Mr. DERRICK and Mr. RICHMOND.

H.R. 45: Mr. ROUSSELOT.

H.R. 84: Mr. LUNDINE, Mrs. FENWICK, Mr. HUGHES, Mr. COELHO, Mr. MURPHY, Mr. BEILENSON, Mr. FASCELL, Mr. D'AMOURS, Mr. ADDABBO, Mr. WEISS, Mr. MOFFETT, Mr. DANIELSON, Mr. BONIOR of Michigan, Mr. KOGOVSEK, Mr. TRAXLER, and Mr. JONES of North Carolina.

H.R. 654: Mr. ARCHER, Mr. BADHAM, Mr. BOWEN, Mr. BUTLER, Mr. CHAPPELL, Mr. COLLINS of Texas, Mr. DAN DANIEL, Mr. DORNAN of California, Mr. ERTEL, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. GINN, Mr. GLICKMAN, Mr. HORTON, Mr. HOWARD, Mr. JACOBS, Mr. KEMP, Mr. KINDNESS, Mr. KRAMER, Mr. LOTT, Mr. PEPPER, Mr. PRICE, Mr. ROUSSELOT, Mr. SAWYER, Mr. SHUMWAY, Mr. SOLOMON, Mr. STENHOLM, Mr. WILSON, Mr. SAM B. HALL, Jr., Mr. DUNCAN, Mr. HANCE, Mr. WHITEHURST, Mr. HIGHTOWER, Mr. MCDADE, and Mr. LEHMAN.

H.R. 821: Mr. VANDER JAGT and Mr. MCCLOSKEY.

H.J. Res. 9: Mr. EDWARDS of Oklahoma, Mr. BEVILL, Mr. COLLINS of Texas, Mr. DAN DANIEL, Mr. LAGOMARSINO, Mr. DUNCAN, Mr. ROBINSON, Mr. MCEWEN, Mr. GUYER, Mr. EVANS of Georgia, Mr. DANIEL B. CRANE, Mr. SIMON, Mr. ROTH, Mr. GINGRICH, Mr. BROWN of Ohio, Mr. COATS, Mr. BADHAM, Mr. CLAUSEN, and Mr. STUMP.

H.J. Res. 56: Mr. GRISHAM, Mr. COLLINS of Texas, Mr. SHELBY, Mr. ARCHER, Mr. WINN, Mr. APPLEGATE, Mr. HANSEN of Idaho, Mr. BEVILL, Mr. BEARD, Mr. GUYER, Mr. DAN DANIEL, Mr. LAGOMARSINO, Mr. DERWINSKI, Mr. LUNGREN, Mr. KRAMER, Mr. SNYDER, Mr. GINGRICH, Mr. SHUMWAY, Mr. BADHAM, Mr. DORNAN of California, Mr. DICKINSON, Mr. YOUNG of Missouri, Mr. MONTGOMERY, Mr. HARTNETT, Mr. SAM B. HALL, Jr., Mr. STUMP, Mr. ROBERT W. DANIEL, Jr., and Mr. WHITEHURST.

H.J. Res. 92: Mr. YOUNG of Missouri.

SENATE—*Thursday, January 22, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met in executive session at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, we thank Thee for the rare high moments of prayer when to us there come flashes of pure beauty, pure goodness, and pure love revealing Thy nature and man's possibilities. Spare us from cozy acquiescence with things as they are. Guard us from any easy confirmation of an unexamined course of action. Give us grace and wisdom to live by the moral imperatives delivered to us by the Founding Fathers—those spiritual verities which lift and help and heal. Help us to empty ourselves of everything that obstructs the rule of our spirit within us. Make us obedient to the still small voice commanding, "This is the way, walk in it." So may goodness and mercy follow us all our days that we may abide with Thee forever. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The Senator from Tennessee.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. BAKER. Mr. President, I note that the distinguished minority leader is temporarily detained; and I suggest the absence of a quorum, so that we may check on his availability.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PROPOSED ORDER OF PROCEDURE ON NOMINATIONS

Mr. BAKER. Mr. President, I wish to advise the Senate and most especially the minority leader of my preference for the consideration of the matters remaining on the Executive Calendar today.

The Smith nomination to be Attorney General of the United States, I believe, will be the pending business at the resumption of the consideration of the Executive Calendar. Is that correct?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. I thank the Chair.

Mr. President, it is my hope, then, that we will proceed on the nominations for Cabinet-level positions as they occur on the Executive Calendar with one exception, and that one exception is the nomination of Mr. Bell to be Secretary of Education. I wish to postpone that until not earlier than 4:30 p.m. this afternoon and, otherwise, to proceed as we can with the nominations sequentially. Also I would like to stack votes on those nominations that we consider this morning until, say, 4 p.m. this afternoon, and provide for votes in sequence without any intervening debate, motion, appeal, or point of order at that time, with the proviso that the first vote will be 15 minutes and succeeding votes will be 10 minutes each; that when we conclude with the disposition of those votes we resume consideration of the calendar in sequence with the exception of Bell, as I have heretofore described, and resume the regular sequence of voting following on after the consideration and debate on the several nominees rather than stacking the votes.

It would be my intention, then, to continue with that sequence until about 10 p.m. this evening, with the hope that this procedure would lead us to a final disposition of the Cabinet-level appointees, with the exception of the one which has been referred to committee. If we can conclude at or about 10 p.m. this evening it would be my intention, then, to recess the Senate until 11 a.m. tomorrow when we would have a pro forma session and then go over until Tuesday. If we cannot finish tonight at 10 p.m. it would be my intention, to recess the Senate until 10 a.m. on Friday and resume consideration of such nominations for Cabinet-level positions which may remain on the Executive Calendar.

I wonder if the minority leader wishes to comment.

Mr. PROXMIRE. Mr. President, will the Senator yield briefly?

Mr. BAKER. I yield first to the distinguished minority leader.

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader has very lucidly laid out the program with respect to the nominations.

I should be happy to contact my colleagues on this side of the aisle through the Cloak Room and see if there are any objections to the schedule as proposed by the majority leader and will be getting back to him as soon as I can.

Mr. BAKER. Mr. President, I thank the minority leader, and I will withhold making the request until after the minority leader has had the opportunity to consult and confer.

I might make one modification. I suggested that we begin voting on stacked votes at 4 p.m. I am told we would prefer to begin stacked votes at 4:30 p.m. That would be the only other change.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. PROXMIRE. Mr. President, I understood the Senator indicated that after the votes occur we would not take up the Bell nomination. I thought earlier that I understood the majority leader to say in a private conversation that we could proceed with Bell some time after 4:30 p.m. or so.

Mr. BAKER. Yes, that is true. What would happen as a practical matter, I believe, is that we would begin at 4:30 p.m. on a series of stacked votes and when that is completed proceed to the Bell nomination, assuming that we had by that time reached Bell on the Executive Calendar.

But it is my intention to dispose of Bell today if we possibly can, as I hope we can dispose of all of the Cabinet-level nominations on the Executive Calendar today.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield further?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, following the debate on the nomination of Mr. William French Smith to be Attorney General and between that time and the 4:30 p.m. beginning of votes in the event the schedule is agreed to as proposed by the majority leader, what other nominees, then, would we expect to be debated on and which we would then be prepared to vote on at 4:30 p.m. in sequence?

Mr. BAKER. Mr. President, I suspect that after we finish with Mr. Smith we would proceed to the consideration of Mr. Watt to be Secretary of the Interior, following on after that to Mr. Block to be Secretary of Agriculture, following on after that to Mr. Baldrige to be Secretary of Commerce, Mr. Pierce to be Secretary of the Department of Housing and Urban Development, Mr. Lewis, of Pennsylvania, to be Secretary of the Department of Transportation, Mr. Edwards to be Secretary of Energy, and then to postpone Mr. Bell if the hour of 4:30 p.m. has not yet arrived until we have finished the stacked votes.

I would hope, incidentally, that the minority leader will inquire of the possibility of reducing the time that we have already provided for some of these nominations, if we are going to finish at 10 p.m. or 11 p.m., because if they still remain by 10 p.m. tonight the Senate would be hard put if we used all the time we have already provided for.

Mr. ROBERT C. BYRD. Very well, I will have my colleagues on this side of the aisle contacted, and once I can feel that I have an adequate response I will be back in touch with the majority leader.

Mr. BAKER. Mr. President, I thank the minority leader, and I am now prepared to yield my remaining time I have under the standing order to the distinguished minority leader if he wishes.

Mr. ROBERT C. BYRD. I thank the majority leader.

Madam President, how much time do I have?

The PRESIDING OFFICER (Mrs. HAWKINS). The minority leader has 10 minutes.

Mr. ROBERT C. BYRD. I thank the Chair.

MAINTAIN THE GRAIN EMBARGO

Mr. ROBERT C. BYRD. Madam President, this Senator has consistently supported the grain embargo imposed on the Soviet Union just over 1 year ago. I believe it is imperative that the United States clearly demonstrate that aggressive behavior by the Soviets will be costly to them. To continue unrestricted sales of agricultural commodities to the Soviet Union, while that nation invaded and subjugated previously independent Afghanistan, would have been construed by other countries as apathy toward aggression. Our response to the Soviet move shows our allies and our potential adversaries that aggression carries a cost.

I have been encouraged in recent weeks by the statements of President Reagan and his senior advisers with regard to the grain embargo. It is understandable that certain positions stated during the intense pressures of the Presidential campaign battle may have been subsequently reexamined. I am encouraged that the grain embargo will be analyzed and that it will not be instantly scrapped by the new administration. The embargo has had both substantive and symbolic effects on the Soviet Union. These effects, though sometimes subtle, will I am sure be apparent to the new administration.

First, it is important to recognize the conditions that prompted President Carter to impose the restrictions on farm exports to the Soviet Union. The invasion of Afghanistan was the first time since the end of World War II that the Soviet Union had directly invaded a previously independent and unoccupied nation. The Soviet action poses a threat to Pakistan, Iran, and the other countries of South Asia and the Near East. That region is fragile enough without the prospect of increased tensions caused by Soviet military adventures.

By entering and occupying Afghanistan, the Soviet Union has put its aircraft within striking range of the oil facilities and resources of the Persian Gulf. This is a serious development not only for the United States, which depends on the movement of oil from the gulf for about one-fourth of its total supplies, but for our European and Japanese allies as well. Those nations are far more dependent on oil from the gulf.

These are critical considerations for those responsible for carrying out our foreign policy and defending our national security. These factors have not changed since the Soviets moved into Afghanistan in December 1979.

The Reagan administration will face the facts of Soviet military subjugation of Afghanistan as it considers whether to lift the embargo. The repression of the people of Afghanistan has not been lifted; the embargo remains an appropriate American policy.

The effect of the embargo on the Soviet Union has been the subject of some dispute. Evidence from the Department of Agriculture, the Defense Intelligence Agency, international grain trading companies, and our allies shows an unmistakable trend. It became clear by mid-November 1980, that the Soviet grain harvest for this crop year was disastrous. A total of less than 200 million tons of grain was harvested by the Soviets in 1980, despite a planned level of 235 million tons. Anticipating the bad harvest, President Brezhnev gave an uncharacteristically pessimistic speech to the Central Committee of the Communist Party in October 1980. He reviewed the shaky state of Soviet agriculture, and suggested that the situation was getting worse. The bad harvest in 1980 nearly matched the debacle of 1979, and the two consecutive poor years put pressure on the Soviet standard of living. In his speech, the Soviet leader evidently made an exceptionally rare effort to soften the blow to his people. Such admissions are almost unheard of in the Soviet Union, and often signal major policy shakeups.

True to form, a new member, an agricultural specialist, was installed in the Politburo shortly after the poor harvest. The Soviets have had to adjust their supreme governing body in light of their food problems.

More evidence on the reduction in Soviet meat supplies and basic food stuffs has been forthcoming over the past several months. A reduction in the Soviet standard of living is a serious setback when the Soviet leaders are attempting to increase the supply of red meat and other food.

The Soviets have had to draw down their reserve stocks of grain. They have had to slaughter substantial portions of their livestock herds, which are fed grain. The typical lines for even basic food items that are found in Communist countries are longer in the Soviet Union, particularly in the regions which are seldom in contact with the West.

While the Soviet Union had pinned its hopes on a gala celebration at the 1980 Moscow Olympics to make the world forget about its cruel invasion of Afghanistan, day-to-day shortages, high prices, and reduced amounts of food have been the Soviets' reward for their aggression. The world watched a sadly diminished Olympics, but the Soviets themselves have had to live with the embargo.

I hope that the new administration will closely and carefully study the costs of our embargo to the Soviet Union. I believe it is an appropriate and necessary part of our policy toward the Soviet Union.

I hope that the grain embargo will be retained.

ORDER OF PROCEDURE

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Executive Calendar No. 3, Mr. William French Smith to be Attorney General.

ROUTINE MORNING BUSINESS

Mr. BAKER. Madam President, I ask unanimous consent, as in legislative session, that there now be a brief period for the transaction of routine morning business not to exceed 20 minutes, and that Senators may speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIOLOGICAL STUDIES ON GENOCIDE

Mr. PROXMIRE. Madam President, many fields of study and many scholars have made an attempt to study the causes of the holocaust that occurred in Germany in World War II, before World War II, in which 6 million Jews were exterminated, and many other examples of genocide and, I think, too few people realize that there have been many, and they continue, having gone on throughout the centuries, and even today, in parts of Asia and Africa, genocidal actions are taking place.

One of the most thoughtful scholarly studies was made by Irving Horowitz in a book called "Genocide: State Power and Mass Murder."

Madam President, one of the conclusions that Mr. Horowitz comes to is that genocide is not something that occurs automatically, sporadically, and occasionally. It is something that is usually planned, premeditated. It is a course of mass destruction that can only be conducted with state approval, with the government consciously doing it.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

It is hard to think of a more heinous human action than the whole apparatus of a state being pulled together to destroy what is usually a helpless minority within the country. But that is the conclusion of this thoughtful scholar.

He points out that, of course, one of the purposes is to bring national solidarity about, to pull the local people together, to create a greater degree of homogeneity, to liquidate national groups in order to perhaps increase the money available to the state.

It is the kind of terrible crime which, as I say, is not something that is in our distant past or even in our recent past but something of which all of us who are thoughtful, concerned, are aware can and undoubtedly will occur again, particularly if we do not take the kind of action which the Senate should take under the Genocide Treaty.

For that reason, Madam President, I do hope Senators will do their best to support the Genocide Treaty. I hope the Committee on Foreign Relations, which has in the past reported this treaty to the Senate four times, will do so again.

Yesterday we were made aware of the fact that the Secretary of State-designate favors the treaty. He said the failure of this country to ratify it has been a source of embarrassment and, of course, he supports the position taken by every President since Truman in 1949.

I think one fundamental goal to achieve human rights that I would think all Senators can support, since all religious groups support it, all ethnic groups support it, as I say the present administration appears to support it, would be to ratify the Genocide Treaty, and I call on my colleagues to do so.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE PRESIDENT AND THE HOUSE OF REPRESENTATIVES

Mr. BAKER. Madam President, and, by the way, these two requests have been cleared with the distinguished minority leader, I ask unanimous consent that from now until February 6, 1981, on weekdays, Monday through Friday, the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives and that they be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, AND ACTING PRESIDENT PRO TEMPORE TO SIGN DULY ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. BAKER. Madam President, I ask unanimous consent that from now until February 6, 1981, on weekdays, Monday through Firday, the Vice President, the President pro tempore, and the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENT OF JUSTICE

NOMINATION OF WILLIAM FRENCH SMITH, OF CALIFORNIA, TO BE ATTORNEY GENERAL

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Executive Calendar Order No. 3, Mr. William French Smith to be Attorney General.

The Senate resumed consideration of the nomination.

Mr. ROBERT C. BYRD. Madam President, I suggest the absence of a quorum, and I ask unanimous consent that the time for the quorum not be charged against either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 4 Ex.]

Baker	Dixon	Proxmire
Bentsen	Hawkins	Rudman
Biden	Huddleston	Thurmond
Byrd, Robert C.	Mattingly	

The PRESIDING OFFICER. A quorum is not present.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Madam President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee. The yeas and nays were ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), the Senator from North Carolina (Mr. HELMS), the Senator from Nevada (Mr. LAXALT), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. HATCH), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Hawaii (Mr. INOUYE), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Georgia (Mr. NUNN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced, yeas 89, nays 3, as follows:

[Rollcall Vote No. 7 Ex.]

YEAS—89

Abdnor	East	Mitchell
Andrews	Exon	Moynihan
Armstrong	Ford	Murkowski
Baker	Garn	Nickles
Baucus	Glenn	Packwood
Bentsen	Gorton	Pell
Biden	Grassley	Percy
Boschwitz	Hart	Pressler
Bradley	Hatfield	Proxmire
Bumpers	Hawkins	Pryor
Burdick	Hayakawa	Quayle
Byrd, Harry F., Jr.	Heflin	Randolph
	Heinz	Riegle
Byrd, Robert C.	Hollings	Roth
Cannon	Huddleston	Rudman
Chafee	Humphrey	Sarbanes
Chiles	Jackson	Sasser
Cochran	Jepsen	Schmitt
Cohen	Johnston	Simpson
Cranston	Kassebaum	Specter
D'Amato	Karten	Stafford
Danforth	Kennedy	Stennis
DeConcini	Leahy	Stevens
Denton	Levin	Symms
Dixon	Long	Thurmond
Dodd	Lugar	Tower
Dole	Mattingly	Tsongas
Domenici	McClure	Wallop
Durenberger	Meicher	Warner
Eagleton	Metzenbaum	Williams

NAYS—3

Goldwater	Weicker	Zorinsky

NOT VOTING—8

Boren	Inouye	Matsunaga
Hatch	Laxalt	Nunn
Helms	Mathias	

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is present.

MODIFIED ORDER OF PROCEDURE

Mr. BAKER. Madam President, I ask unanimous consent that, after we conclude consideration of the Smith nomination, instead of proceeding to the next item on the Executive Calendar, Mr. Watt, we proceed to the nomination following that, of Mr. Block, and that the Watt nomination be scheduled for later in the afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

DAY OF THANKSGIVING FOR RETURN OF HOSTAGES

Mr. HATFIELD. Madam President——

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Madam President, I yield to the distinguished Senator from Oregon 2 minutes.

Mr. HATFIELD. I thank the distinguished Senator.

Madam President, as in legislative session, I send to the desk a resolution.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

Mr. HATFIELD (for himself, Mr. BAKER, Mr. ROBERT C. BYRD, Mr. THURMOND, Mr. HUMPHREY, Mr. ANDREWS, Mr. BENTSEN, Mr. BIDEN, Mr. BOREN, Mr. BOSCHWITZ, Mr. BUMPERS, Mr. BURDICK, Mr. CANNON, Mr. CHAFEE, Mr. COCHRAN, Mr. COHEN, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. DIXON, and Mr. GORTON) proposes a joint resolution (S.J Res. 16) designating January 29, 1981, as "A Day of Thanksgiving to Honor our Safely Returned Hostages."

The text of the joint resolution follows:

Whereas we the people of the United States are one people under God;

Whereas in recognition of the hope, honor, faith, and courage of those men and women who have been forcibly held prisoner in Iran;

Whereas eight brave men laid down their lives in the pursuit and defense of freedom;

Whereas in order for the people of the United States of America to express their appreciation, hope, and care for these men and women; and

Whereas in order for the nation to express its thanks to God for the safekeeping of these people and this country: Now therefore, be it

Resolved, by the Senate and House of Representatives of the United States of America in Congress assembled,

That the 29th day of January, 1981, is declared a day of thanksgiving to honor our safely returned hostages, and that Americans participate in services in places of their own choosing on that date, as already called for by churches, synagogues, and mosques across the country.

Mr. HATFIELD. Madam President, our entire Nation has experienced overwhelming emotion and a corporate prayer of Thanksgiving over the past several days in witnessing the courage and good health of our American diplomats. In my judgment, there has not been the unity we have experienced in our celebration since V–E Day in 1945. Led by the gracious solidarity of President Carter and President Reagan, our hearts are filled with gratitude to Almighty God for answering our prayers.

Over the past several months, there has been a movement growing across our land and transcending all religious lines. Mrs. Louisa Kennedy and Mrs. Katherine Keough, the distinguished spokespersons for the hostage families, have enthusiastically endorsed this groundswell desire for a day of thanksgiving in our houses of worship.

Organizations as disparate as the National Council of Churches and the National Association of Evangelicals, and the Synagogue Council of America, and the American Muslim Mission have called for a service to honor our "returnees" in our churches, synagogues and mosques.

Madam President, the joint resolution I have at the desk resolves that the day for this national service be next Thursday, January 29, 1981.

I ask unanimous consent that the attached list of sponsoring organizations be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICANS ASKED TO HONOR HOSTAGES

American religious leaders on January 8, 1981, asked that all churches, synagogues, and other places of worship, hold services in the traditions of their own faiths, in honor of the hostages in Iran on January 29, 1981 at 7:30 p.m.

"During the winter holidays, our hostages in Iran sent all of us calls for faith and hope. We would like to return a strong message, with all Americans, of hope, care, faith and unity. We therefore ask every church, synagogue, and place of worship in the nation to hold a service at the designated time to honor the courage of our Americans in Iran an to pray for finding a solution for their safe and speedy return.

"This is an opportunity for all Americans to express in a concrete way, their concern, their frustration, and their hope for a peaceful solution to the Iranian situation and to join the families in praying for these men and women.

"We ask that everyone join together and encourage each other to send this message to our hostages in Iran."

AMERICANS ASKED TO HONOR HOSTAGES

The National Council of the Churches of Christ in the U.S.A.:

The Reverend M. William Howard, President.

Dr. Claire Randall, General Secretary, 475 Riverside Drive, New York, N.Y.

National Conference of Christians and Jews:

Dr. David Hyatt, President, 43 West 42nd Street, New York, N.Y.

Synagogue Council of America:

Rabbi Bernard J. Mandelbaum, Executive Vice President, 10 East 40th Street, New York, N.Y.

Rabbi Daniel F. Polish, Associate Vice President, Washington, D.C.

U.S. Catholic Conference:

Bishop Thomas C. Kelly, O.P., General Secretary, 1312 Massachusetts Avenue, N.W., Washington, D.C.

Reverend J. Bryan Hehir, Associate Secretary, International Justice and Peace, U.S. Catholic Conference.

National Association of Evangelicals:

Bishop J. Floyd Williams, President, P.O. Box 12609, Oklahoma City, Okla.

Dr. Billy A. Melvin, Executive Director, P.O. Box 28, Wheaton, Ill.

Robert P. Dugan, Jr., Director, Office of Public Affairs.

Interfaith Conference of Metropolitan Washington:

Reverend Clark Lobenstine, 1419 V Street, N.W., Washington, D.C.

Washington Cathedral:

Right Reverend John T. Walker, Bishop of the Episcopal Diocese of Washington, D.C.

Reverend Canon Charles A. Perry, Provost of Washington Cathedral.

Canon Michael Hamilton, Washington Cathedral.

Organized by a committee of people concerned about the hostages. Also including, Susan Wagner, Arthur S. Flemming, Burnette Thompson, Canon Lloyd Casson, Reverend James Adams, Reverend John Loving, Lou Lowe, Lee Cross, St. Mark's Episcopal Church, Washington, D.C.

AMERICAN MUSLIM MISSION JOINS IN CALL FOR AMERICANS TO HONOR THE HOSTAGES

Imam Khalil Abdel Olim, Convenor of the Council of Imams for the American Muslim Mission, January 21, 1981, joined religious leaders of every faith who have asked that Americans participate in services to honor the hostages on January 29, at 7:30 P.M.

Interfaith services are to be held in mosques, churches, and synagogues, in the tradition of each faith, across the country to continue to show the nation's support for the men and women who have been in Iran, and to pray for their safety.

Organizations sponsoring the services include the National Council of Churches, the National Conference of Christians and Jews, Synagogue Council of America, U.S. Catholic Conference/Council of Bishops, National Association of Evangelicals, the American Muslim Mission, Interfaith Conference of Metropolitan Washington, and the Washington Cathedral which holds an hourly vigil for the hostages.

APPROPRIATE WAY FOR AMERICANS TO PARTICIPATE

Mrs. Louisa Kennedy, spokesperson for the hostage families in Washington, pointed out that these services are a very appropriate way for Americans to participate in the care of the hostages and in their homecoming.

Mr. HATFIELD. Just briefly, Madam President, I should like to say this is a resolution calling for a day of thanksgiving next Thursday, that all the mosques, synagogues and churches be opened for people to express their thanksgiving for the safe return of the hostages. This has been done at the request of some of the families of the hostages as well as friends and other concerned citizens. When we have proper clearance for this from committee chairmen, I expect that there will be immediate consideration of this and a vote on it. In the meantime, it will be at the desk for other Senators to affix their signatures if they wish to cosponsor.

Madam President, I ask that the resolution be held at the desk until disposed of.

Mr. ROBERT C. BYRD. Madam President, reserving the right to object, as I understand it, the distinguished Senator from Oregon is asking unanimous consent that the resolution be held at the desk pending further disposition today?

Mr. HATFIELD. That is correct.

Mr. ROBERT C. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

DEPARTMENT OF JUSTICE

NOMINATION OF WILLIAM FRENCH SMITH, OF CALIFORNIA, TO BE ATTORNEY GENERAL

The Senate continued with consideration of the nomination.

Mr. THURMOND. Madam President, I yield myself such time as I may need.

As Chairman of the Senate Judiciary Committee, it gives me great pleasure to recommend to the full Senate the President's choice to be Attorney General of the United States, William French Smith.

Mr. Smith, a graduate of the University of California and the Harvard Law School, has proven to be a capable, competent and distinguished attorney in the Los Angeles law firm of Gibson, Dunn & Crutcher. He has been both a member and senior partner in that firm for 35 years. Mr. Smith specialized in labor-management relations and corporate

litigation and representation. In addition, he has served as a leader in a number of community activities, as well as serving on the boards of numerous institutions, corporations and associations.

Madam President, William French Smith has also served as personal attorney to President Reagan, an experience which should serve him well in his duties as Attorney General. The President is going to need wise and trusted counsel during the coming weeks and years, and I am fully confident that Mr. Smith will be capable of meeting that challenge.

During the past few weeks, Mr. Smith has been meeting with members of the Judiciary Committee and last week the committee had an opportunity to meet and discuss with Mr. Smith a number of issues that were of concern to individual members. This session was most helpful, Mr. President, because it provided a basis, I believe, for members of the committee to sound out Mr. Smith and be able to judge his abilities and fitness to be Attorney General of the United States.

Madam President, let me assure the Senate that the members of the Judiciary Committee feel unanimously that Mr. Smith is qualified to be the next Attorney General of the United States. Granted, there have been issues surrounding Mr. Smith's nomination that have appeared in the press and which were explored by committee members with the nominee himself. Mr. President, not a single member of the committee felt these matters to be of such a nature as to disqualify Mr. Smith for the position to which the President nominated him. Therefore, I do not feel it necessary to discuss them further here on the Senate floor.

President Reagan has made a wise choice for his Attorney General. Mr. Smith is a man who clearly has the confidence of the President. Mr. Smith has demonstrated his abilities as a competent and capable practicing lawyer over a distinguished 35-year career in the law. He has demonstrated his willingness to make the Department of Justice an organization that will once again have the respect of all Americans. I urge the Senate to act immediately on his nomination.

Mr. KENNEDY. Madam President, I believe new Presidents are entitled to a presumption in favor of the Cabinet members whom they select. Unlike appointees to the judicial branch, who enjoy life tenure and constitutional independence from the executive, Cabinet members serve at the pleasure of the President and are unlikely to pursue policies significantly different from the course which their administration takes. Presidents should be given wide latitude in the choice of men and women to assist them.

There are, of course, limits to this latitude. But despite real and important reservations, I will vote to confirm the nomination of William French Smith as Attorney General of the United States.

Mr. Smith surely is qualified. He has been a prominent attorney in private practice in Los Angeles for many years. He served for a number of years on the board of regents of the University of California and has taken an active interest in public affairs. Our assistant minority leader, Senator CRANSTON, who knows the nominee and whose judgment I greatly respect, assured the Judiciary Committee that Mr. Smith was a man of competence, integrity, and dedication to the law. Mr. Smith's record supports that judgment.

Therefore, I will vote to confirm him, despite the fact that the hearing on his nomination left open a number of important questions about how Mr. Smith views his role and about how he will execute his responsibilities.

As Attorney General of the United States, Mr. Smith will hold a position of the highest public trust.

He will exercise the great responsibility of enforcing the Nation's laws and investigating their violation. He will bear a special responsibility to protect the individual liberties of our people. He will also be the chief lawyer for all Government agencies and, in a very real sense, counsel to the President. Above all, he, like all Attorney Generals, must be a symbol of equal justice and the rule of law. His words and actions must inspire the trust of all Americans in our legal system and their confidence in the Government's commitment to justice.

I believe that there are important benefit to having a strong Attorney General who enjoys a close relationship with the President and has the President's full confidence. I do not believe the Attorney General can or should create a complete wall of separation from the President, who bears the ultimate responsibility under the constitution for the faithful execution of our laws.

But it is also true that, should a conflict develop between service to the President and responsibility to the American people, the Attorney General must remember that the ultimate clients of the Justice Department are the public interest and the constitution. I hope that Mr. Smith will develop safeguards to preserve the integrity and independence of the Department of Justice in politically sensitive matters.

In response to a number of questions which I and my colleagues put to Mr. Smith at the hearing on his nomination, and to supplemental written questions, he deferred all but the most general comments and declined to give his specific views on most major issues before the Department of Justice. For example, in response to my questions, Mr. Smith agreed that the problems of inequality and racial separation were still a pressing national priority, and he pledged vigorous enforcement of all civil rights laws.

But he declined specific responses to particular civil rights issues. As Mr. Smith reviews the details of present Department policies and positions in particular cases, we in Congress look forward to working closely with him to carry on the Nation's historic and bipartisan commitment to civil rights.

Millions of Americans are looking for an Attorney General who will continue the Department's record of strong, creative efforts to make meaningful our great constitutional guarantees. They are seeking more than a passive willingness to enforce the law when clearly necessary. They are seeking an Attorney General who is personally committed to eliminating the subtle and systematic, as well as the blatant, incidents of discrimination in America against minorities and women.

Many Americans are troubled by Mr. Smith's failure to resign from private clubs which explicitly exclude women as members. To argue that there may still be a place for some kinds of social organizations separated by gender misses the point. Clubs which serve as meeting places where business contacts are made and where professional or business interests are informally discussed and advanced should be open to everyone, regardless of race, creed, ethnic background or sex.

Of course an individual private citizen may not agree with that view. But the position of Attorney General is a high public honor and responsibility which makes membership in such exclusionary clubs a very different matter. The Attorney General must enforce all of the civil rights laws, including those which protect equal rights for women.

Former Attorney General Griffin Bell recognized this fact during his confirmation and resigned from several clubs with exclusionary practices. Judge Bell said:

> I think that, to restore the trust and faith of the people of the country, certainly the first place would be the Office of the Attorney General. . . . I do not think that I would be able to be trusted as much if I were a member of clubs which have discriminatory policies or practices—not policies, maybe, but practices. . . . That is why I came to the conclusion that I did.

Madam President, I sincerely hope that Mr. Smith, upon further reflection, will come to the same conclusion and resign from the exclusionary clubs to which he belongs. At his hearing, I urged him to do so. Mr. Smith believes that he personally has no biases, and that he is sensitive to the pervasive problem of illegal sex discrimination. But the women of America deserve a clear expression of his sensitivity and commitment to vigorous enforcement of the antidiscrimination laws. The most persuasive way for Mr. Smith to demonstrate that sensitivity and commitment is to relinquish his membership in clubs which discriminate against women.

There are other important areas in which Mr. Smith's plans are not clear. I hope that he will be sensitive to the widespread public perception that there are two standards of justice in America, one for the rich and powerful, and another for ordinary citizens.

I hope that he will seek to preserve competition in our economy by strictly enforcing the antitrust laws and white-collar crime laws against large companies.

I hope that, when he seeks to strengthen law enforcement, he will equally seek to protect the privacy and civil liberties of innocent citizens who have been subject to abuses of official power in the recent past.

The Committee on the Judiciary, and the many public groups concerned about these questions, look forward to Mr. Smith's appointments of the other key department officials and to our oversight role with respect to the Department's activity in the coming months. I strongly hope that the spirit of close cooperation and mutual goals which marked the committee's relationship with the Department of Justice in recent years will continue. Our last Republican Attorney General, Edward Levi, maintained a constructive working relationship with the Senate, and our mutual efforts were fruitful in a number of areas.

It is in that same spirit that I look forward to working with our new Attorney General in the coming Congress. And despite my reservations, it is in that same spirit that I vote to confirm him as Attorney General.

Mr. PROXMIRE. Madam President, I yield myself such time as I may require.

I realize that the distinguished chairman of the Judiciary Committee has a cold and may have difficulty responding to some of my questions, but I hope he can be in the Chamber to respond to some extent.

One of the great difficulties I have with this nomination is that Mr. Smith is a close personal friend and a close personal attorney of the President of the United States.

We have had that happen in the past.

In fact, we had the brother of a President of the United States serve as Attorney General. We have had John Mitchell, who was a close personal friend of President Nixon, serve as Attorney General. We had Griffin Bell, who was a close personal friend of President Carter, serve as Attorney General.

I voted against Griffin Bell. I should have voted against the others. In the case of the other two, there were voice votes.

I believe that, by and large, this, at the very least, is a dangerous situation, because the Attorney General should be independent and objective in enforcing our laws. He should be the attorney for the people of this country.

There are many occasions when the President and the administration take actions which should be criticized, which may be illegal. That has happened often in the past and could happen again.

I believe it makes it very difficult, under these circumstances, for the Attorney General to take the kind of action he should take with respect to the President. Furthermore, at the very least, it provides a perception on the part of the public that the President, if not above the law, is in a position in which the chief law enforcement official of the country is primarily serving the President and not primarily serving the people.

I asked Mr. Smith about this in the questions I submitted to him, and he concluded, after a brief response:

> While the Attorney General is of course a member of the Cabinet and must function as a member of the Executive Branch, he must insist that the prosecutorial and investigative functions of the Department remain independent from inappropriate influences.

He does not say how. What safeguards would he set up? How will he see that his actions are independent?

I ask my friend from South Carolina, the chairman of the Committee on the Judiciary, if he can help us perceive how Mr. Smith would be able to insulate his department from the kind of domination by the President which would not protect the public's interest in the event the President should take some kind of action which might be illegal or might contradict the public interest.

Mr. THURMOND. Madam President, I believe Mr. Smith has answered this in his own words, in response to a question by the able Senator from Wisconsin. This was his answer:

> As I indicated in my testimony before the Committee, I believe that my relationship with the President-Elect will enable me to perform the duties of the Attorney General with appropriate independence. We have worked closely together over many years, and our closeness permits me to provide advice and counsel candidly. Indeed, as I also indicated in my testimony, our relationship is such that I would not have the slightest hesitation to tell the President-Elect that I thought a decision or course of action was wrong. In my view, examples from the past do not suggest that closeness per se is a problem. They seem to have arisen, rather, when the Attorney General has not had the kind of relationship with the President that would ensure the Department's independence in its prosecutorial and investigative functions. While the Attorney General is of course a member of the Cabinet and must function as a member of the Executive Branch, he must insist that the prosecutorial and investigative functions of the Department remain independent from inappropriate influences.

Madam President, I believe that Mr. Smith's own statement answers the question of the distinguished Senator from Wisconsin.

Mr. PROXMIRE. Madam President, I appreciate the response of the chairman, but I strongly feel that it is asking too much of the American people simply to say, "We are both people of integrity. We have a close relationship. That should not hurt anyone; that should help them. I can be more critical of the President, rather than less, because we are friends."

After all, we did have the very serious and tragic situation of Watergate that developed in part—and in no small part—out of the fact that the Attorney General, John Mitchell, and the President of the United States, Richard Nixon, were intimately connected as personal lawyer and close friend. I believe that Mr. Smith should have had a more sensitive reaction to that drastic experience.

I should like to ask another question of my friend from South Carolina. This relates to the experience and background of the nominee. This is a question I asked the nominee:

> You have spent your entire legal career of 34 years with the same Los Angeles law firm. All of your experience has been in corporate law, particularly labor law. What gives you the breadth of experience needed to deal with the wide range of issues that come before the Attorney General, such as antitrust cases, civil rights, and criminal cases?

Here is a man who, as I say, has been a good lawyer, a competent lawyer, but has no experience at all in this area. He has not been an assistant DA or a DA or a prosecuting attorney. He has never dealt with any of the principal issues that come before the Attorney General. Under these circumstances, it is very difficult for me to understand how he could handle the Attorney General's office without a considerable learning period.

I point out that a great deal of lack of experience can be made up for by zeal, by somebody who is interested in the job, who loves the job, who wants to get into it and become involved deeply and has a record of showing that kind of enthusiasm.

The New York Times had a fascinating editorial on Mr. Smith, and I shall read part of it:

> At his confirmation hearing last week William French Smith showed why Ronald Reagan values him as a friend, political confidant and personal attorney, but disclosed little about the kind of Attorney General he will make. Mr. Smith was courteous, cordial and careful. But he was so reticent about his own values and so unprepared to discuss issues that few Senators could say they knew the man they voted to confirm.
>
> Caution is admirable in a lawyer, and what a nominee doesn't say usually doesn't hurt. But Mr. Smith's blandness far exceeded lawyerly and even political prudence. He properly deferred some questions until he gets his Justice Department organized. As to most matters, however, Mr. Smith professed nearly total ignorance. Is it constitutional to give Federal money to segregated state institutions? The issue has been on the public agenda since at least 1955; Mr. Smith said he'd look into it. What about price fixing, the crime condemned even by opponents of most Federal antitrust laws? Mr. Smith is the senior partner in a huge Los Angeles firm; he said he'd have to study that.

Madam President, I have had a chance to go over the responses of Mr. Smith; and I believe that the principal deficiency here is that Mr. Smith does not seem to care about what is happening in public life. If he does, he certainly does not have a record to indicate that he does.

I asked him to comment on the problems that would confront his agency, and he was silent about issues such as antitrust, illegal aliens, drug enforcement, prison reform, Criminal Code reform. We have no idea what he thinks about the law enforcement situation.

It seems to me that if we are going to have an Attorney General who is going to be vigorous and effective and if he totally lacks any experience and record on which we can go, we at least should have some indication, on the basis of his testimony, that he has enthusiasm for the job, that he is deeply concerned about some of the problems that confront our country, and that he is ready to move into action.

So I ask my friend from South Carolina if he can help us here, if he can indicate how Mr. Smith, with his very limited background, is qualified to be the Attorney General of the United States.

Mr. THURMOND. Madam President, I think that the Attorney General in response to a question by the distinguished Senator from Wisconsin has answered

this in an ample manner. His statement reads this way:

If it were a pre-condition to taking the job that one be fully experienced in the wide diversity of subjects comprehended by the Department, it might be concluded that no one is truly qualified for the post. I do not pretend to be a master of many fields of law, but if Members of Congress from diverse backgrounds can acquire knowledge and in time pass judgment on hundreds of subjects with which they were not previously familiar, so, I suspect, can Attorneys General. During the period that you mention, I have been involved in many areas other than my private law practice. I believe that the full range of activities in which I have engaged should be considered in coming to a judgment on the matter.

Madam President, I might say in addition it shows that Mr. Smith has an open mind. He wants to be fair. He wants to be just and he is not going to just answer questions the answers to which later may not be sound just in order to be confirmed.

Mr. BIDEN. Madam President, will the Senator yield on my time for a response to the question not asked of me?

Mr. PROXMIRE. I have the time.

Mr. BIDEN. On my time.

Mr. PROXMIRE. All right. I yield.

Mr. BIDEN. Madam President, I wish to share the Senator's concern. I raised that very question with Mr. Smith, and I must say I did not get a satisfactory answer.

I was characterized by some as being too harsh or critical of the nominee when I pointed out that at the end of the day after the long hours of grilling that he had, with the exception of stating his position on capital punishment and one or two other issues which do not directly relate to his ability to perform the function of the job, he did not even give us much insight into his point of view on general matters.

I must acknowledge I voted to confirm him in spite of that in large part because of his promise and commitment to the committee that he would, in fact, provide people in the major positions under him that had a proven expertise in the areas and further that his background, academic and legal, indicated that he has the mental capacity and intellectul credentials to handle it.

But I must say to the Senator that of every nominee in the last 8 years that I have been here, and I used to serve under the former chairman of the Banking Committee, the Senator from Wisconsin, I have never, including Jim Lynn or Carla Hills, ever, ever found anyone who had fewer answers to more questions than this nominee.

He was devoid, almost totally devoid of an opinion on anything at all. And I must tell the Senator that as I vote for him today and as I voted for him in the committee, I do it with very little enthusiasm not because of his lack of character, not because of his lack of intelligence, but because I find it incredible that a man could be moving into this job with so few opinions about so many important issues. But it is because of his commitment to put experts in the positions that relate to departments under his control and because of his personal credibility and character and his intelligence that I am going to take a chance on him, but I do not think the question the Senator from Wisconsin has asked is an idle question. I think it is the question about this nominee.

Mr. PROXMIRE. Madam President, I thank the Senator from Delaware very much and very much appreciate his response.

Unfortunately, I feel I cannot—I voted for all the other five people who came before us, but I simply cannot vote for this man because he is not qualified.

If the Redskins should hire a football coach that had a total lack of record and background in football that this man has insofar as the Attorney General's office is concerned, they would be ridden out of town on a rail. No one would go there. Jack Kent Cooke would have to just let his investment collapse.

But when we hire the Attorney General, the No. 1 law enforcement official of our Government, he has no record, no experience, no background, and when we ask him public questions he has no position, and as the Senator from Delaware indicated, the ranking member of the Judiciary Committee, he has told us that in all of his career he has never found a less responsive witness under the circumstances.

Madam President, I think that one of the most vital elements that we should look for in a Cabinet officer—we have a duty to ourselves to do this—is cooperation with Congress. One cannot do a good job as a Cabinet officer unless he has a Congress which will work with him. We determine the laws they work under, and they know that.

I think most Cabinet officers are extraordinarily cooperative with us. But here is one who either has no answers at all or does not want to cooperate.

In either event, it seems to me that this is unfortunate that we have an Attorney General with this bare, empty background, with this kind of lack of real interest.

I frankly think that Mr. Smith would be a lot happier and I think the country would be a lot better if he would continue to practice law in California and do as many very fine people have done in the past, that Colonel House, I guess did with Woodrow Wilson—advised the President. I think he would serve the country well as an adviser but would not become the Attorney General, a job which he does not seem to have the kind of drive to succeed in.

Does the Senator from Montana wish me to yield?

Mr. BAUCUS. Yes.

Madam President, I ask the Senator from Wisconsin to yield and thank the Senator.

Mr. PROXMIRE. I yield.

Mr. BAUCUS. Madam President. I, also, am very troubled by the points that the Senator from Wisconsin and the Senator from Delaware have raised.

I met with Mr. Smith privately and found him to be a very gracious man, one who I thought would do quite well. But at the hearing when Senators were trying to perform their duties responsibly and asked questions of him he did give extremely vague responses. I find his performance in those hearings quite troubling.

On the other hand, certainly one does not know all the answers to all the questions when one begins any job.

So I intend to vote for Mr. Smith. I intend to give him the benefit of the doubt. I hope that Mr. Smith jumps into his job with vigor. I hope he begins to frame some sound reasonable answers to some of the questions that were posed of him during the confirmation hearings. I hope he does become a very good Attorney General, one that all of us in the Senate and the country will be proud of.

As I stated I intend to vote in favor of the nomination of William French Smith. However, I do so with a second reservation which I wish to explain to the Senate.

I believe the Senate should honor the new President's wishes and give him the kind of team he thinks will help him tackle the tough problems he faces. However, the Senate also must uphold its responsibility under the Constitution to advise and consent to the President's nominations. The "advise and consent" process is in the Constitution to insure that the President's appointments are people of integrity and competence. It is not designed to be merely a rubber stamp.

When considering a President's nomination for Attorney General there seems to me to be a special test of competence and integrity that should be applied. Certainly, we would all agree that a nominee must possess a high degree of legal competence and a general reputation for the highest integrity. Mr. Reagan's nominee, William French Smith does have a reputation for competence and integrity.

However, an Attorney General must be competent not only at the mechanics of the legal profession, but able to bring to the Justice Department and to the office of the Nation's chief law enforcement official a special degree of sensitivity and a special commitment to equal justice. To many Americans, our justice system is the forum of last resort. Therefore, it is essential that Americans have faith in their Attorney General and in the Department over which he presides.

It is therefore particularly crucial that an Attorney General always be fair and just and, furthermore, that he give the appearance of fairness and justness. It is in this context that Attorney General-designate Smith's membership in clubs that discriminate against women is particularly troubling to me.

There are now many statutes which attempt to preserve for women their rights to a job, to equal pay, equal credit, and other opportunities. These statutes are not simply equal rights rhetoric, but have meant to many women the guarantee of a salary by which they can support their families. These rights are essential to those women.

How are these women going to feel about whether the law is adequately enforced on their behalf when the Attorney General insists on retaining his membership in a club that discriminates against women? His membership may in fact not affect his ability to enforce the laws rigorously, but it raises a shadow of doubt. And, it is that shadow of a doubt that, in my view, should not be cast on the office of Attorney General.

I wish Mr. Smith had resigned from the California Club. I believe his resignation would not have been an indication of hypocrisy or weakness, but one of strength and sensitivity. It would have been sending out the right signals to millions of Americans.

I still intend to vote for him, but my vote should not be read as an approval of his club membership. It is my strong view that neither the Attorney General nor Federal judges can afford the luxury of retaining membership in the clubs of their choice, if that membership raises questions about their commitment to principles that they will be called upon to uphold.

I hope that Mr. Smith thinks this issue through more clearly than he has thus far.

Nevertheless, I still intend to vote for him, but I point this out to raise consciousness to this issue.

I thank the Senators from Wisconsin and Delaware for yielding.

Mr. PROXMIRE. Madam President, I thank the Senator from Montana. I wholeheartedly agree on this last point.

I also asked the Attorney General-designate about his membership in the Bohemian Club of San Francisco and the California Club of Los Angeles, both of which are exclusively male clubs that refused to accept women as members. We have to recognize that this is not a matter just of someone joining any club he wishes. The fact is that business is transacted at these clubs and if women want to get ahead in the world they have to have access to these kinds of clubs.

Frankly, one of the great losses economically to this country is the fact that women have not been active enough in our economy. Fortune magazine had a study recently in which of the 6,000 top paid people in big business in America, 11 were women, and 10 of those 11 women were in positions of responsibility and were well paid because they were the wife or the daughter of the chairman of the board. As to the remainder of them, the fact is that we have just closed women out entirely.

I went to Harvard Graduate School of Business Administration, probably the best business school in the country. Back in 1940 there were no women at all in our class. We had 750 in the class. How many women? None.

This is ridiculous because, of course, women are every bit as intelligent as men and should have the same opportunity as men have.

We not only should enable them to have an equal chance to get ahead by giving them access to our top business schools, which we have done, and top law schools, which we have done, and they are beginning to move and make great progress in the coming generation, but we certainly should do our best to discourage exclusive membership in clubs like the California Club and the Bohemian Club, because men get together and discuss business and advance their careers. If women are excluded, it means a serious economic discrimination. These are not just social clubs. So I feel the Attorney General, of all people—of course, private citizens can do anything they want to in our country, and they should—but the Attorney General should set an example. He should set an example, I repeat, because I think it is very serious that the Attorney General does not do as Griffin Bell, the Attorney General under President Carter, did. He resigned from an all-male club, and I am very sorry that the Attorney General-designate has decided that he would not do that.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point for a question?

Mr. PROXMIRE. I am happy to yield.

Mr. GOLDWATER. I wonder if the Senator believes in the right of association?

Mr. PROXMIRE. This Senator certainly does believe in the right of association.

Mr. GOLDWATER. Well, I believe very firmly, and I think, if a man wants to join a man's club or a woman a woman's club, I see nothing wrong in that.

I wonder if the Senator would suggest that we pass a law requiring the Catholic organization, the Knights of Columbus, to take in non-Catholics?

Mr. PROXMIRE. No. I say to my friend from Arizona that private citizens should be free to join any club they want to, and the Attorney General, I just say I am voting against him in part because he has joined a club which is not just a social club; it is a club of businessmen who get together and discuss business situations; and if we exclude women, it means women suffer discrimination in our economy because they cannot belong to a club where business transactions are decided. I think it is a mistake, and I think it is a bad example for the Attorney General to do that.

Mr. GOLDWATER. I know all about the Bohemian Club, I was there once. So far as women are concerned, they spend 83 percent of the money spent in this country, and I am going to start raising hell because I would like to start spending some of that myself.

I ask the Senator, would he help to sponsor a bill telling my wife to lay off?

[Laughter.]

Mr. PROXMIRE. I will agree with that if the Senator will make it mutual and tell my wife to lay off.

Mr. GOLDWATER. I am perfectly honest. I think this right of association is a very special right of Americans. I belong to the American Legion. I do not think we should take in people who have never been in the armed services. I do not think the Disabled American Veterans should take in veterans who have not been disabled.

There are women's organizations throughout this country that will not take men in, and I do not blame them. I think I have the right, and the Attorney General, whether he is the Attorney General or the President, has the right to belong to any club he wants to.

Mr. PROXMIRE. I understand the Senator's position. He and I strongly disagree on this, but we disagree not on the freedom of association but whether there are some clubs in which important business is transacted, and in which the Attorney General—I am not talking about private citizens, I am talking about the Attorney General—should not continue his membership because I think it sets a bad example.

But the Senator from Arizona, as usual, has very ably stated his position, and we disagree.

Let me move ahead because I have limited time. I asked the Attorney General-designate again how he would reduce the budget in his Department and how he would cut the personnel in his Department and how he would cut unnecessary regulations required by his Department and how he would cut the paperwork required by his Department. Again the answers I got were generalities and alibis. He said, he indicated, that the Justice Department was a department which, because they had such important responsibilities, probably could not be reduced very much.

Madam President, we have gotten one alibi after another. The Defense Department, of course, cannot be cut for many reasons; the State Department says that is counterproductive; Human Services, the biggest spending Department we have, the indications were that that cannot be cut because of entitlement programs. Every place we look there is an alibi.

Madam President, where there is a will there is a way, and it would seem to me we should expect the appointees of Ronald Reagan to be zealous in their desire to make reductions and not to find alibis for not making reductions, and not to make general responses that they just cut wasteful spending which, of course, everybody is against.

When I asked Mr. Smith how he would change or improve the Department of Justice, his answer in general was he thought the Justice Department was pretty efficient now, it ran pretty well, and he is satisfied with the way President Carter's Justice Department operated. Well, that is at least refreshingly frank, but I think most people during the campaign would have gotten a different idea about the efficiency of the Carter administration if they had listened to the campaign oratory on the other side.

Madam President, although——

Mr. THURMOND. Before the Senator passes to another subject—is he ready to pass to another subject?

Mr. PROXMIRE. I am sorry, I did not hear the Senator.

Mr. THURMOND. Is the Senator ready to pass to another point? And, if so, I would like to mention something on this point.

Mr. PROXMIRE. Yes, indeed.

Mr. THURMOND. Madam President, Senator Hubert Humphrey was the chief author of the 1964 Civil Rights Act. He made it abundantly clear in debate on the Senate floor that discrimination laws should not cover private membership clubs or the way they conduct their activities. He made a statement on that,

and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This bill [which ultimately became the 1964 Act] would not eliminate that kind of discrimination. It is a private club. I wish to make it clear that *I do not believe there should be a Federal law which provides that a private club should be managed this way, or managed that way.* A private club is a fraternal, civic body. It has a purpose for existing. It has a charter, it has bylaws, and its members agree to live up to those bylaws (emphasis added) (110 Con. Rec. (March 23, 1964) 6008).

Senator Humphrey further emphasized that the Federal private club exception was designed to protect "the genuine privacy of private clubs or other establishments whose membership is genuinely selective on some reasonable basis" (110 Cong. Rec. (June 13, 1964) 13697).

The legal authorities concerning the Federal Act further confirm that Federal law preempts any attempt by state government to intrude into the private club employer-employee relationship. See, for example, *Fesel v. Masonic Home of Delaware, Inc.* (D.Del. 1977) 428 F. Supp. 573, where the court stated with reference to the private club exclusion, the following:

"By including a similar exemption in Title VII, Congress made it possible, in this limited setting, for those who wish to restrict the universe of their personal associates to also determine with whom they would associate in their employer-employee relationships" (428 F. Supp. 573, 577).

Mr. PROXMIRE. Madam President, I asked all nominees if they would report quarterly to us on the progress they are making in how they would cut the budget, and I must say most of the nominees said they would do that; in fact, virtually in all cases they said they would do that. In some cases they said they could not make that report by March 1 and they would have to slip that date because it would take them a little longer.

In this case, this nominee said he would not make a report, it was wasted time.

This body needs to know and has to know what progress this administration is making in holding down spending and what it is doing for that. This is the biggest job this Congress has had, in my judgment, in 50 years, to turn back the tide of increased spending. Unless we stay on top of it, stay informed, there is no way to do it. This nominee has indicated he does not think it is important, and although I anticipate that I may be the only one who will vote "No," I intend to vote "No" for all of the reasons I have implied in my questions and in this discussion.

I want to thank the distinguished chairman of the committee for his graciousness, and I certainly would want to thank the ranking minority member, Senator BIDEN, for his participation in the debate.

I yield back the remainder of my time.

Mr. BIDEN. Madam President, last Thursday the Committee on the Judiciary conducted a very lengthy hearing, a hearing on the nomination of Mr. Smith, and we spent approximately 5 hours questioning Mr. Smith.

On Friday Mr. Smith's nomination before our committee was unanimously approved. I believe that my colleagues today should consider while they are voting on Mr. Smith and making their decision, several important considerations that came to the minds of the members of the Judiciary Committee.

One of them was the point already raised by the Senator from Wisconsin, which was whether or not Mr. Smith was either being evasive or lacked the knowledge to actually conduct the job as Attorney General.

I think, as I pointed out in the discussion with the Senator from Wisconsin, that that is a very serious question, one which I labored over for some time, as I think the Senator from Montana (Mr. BAUCUS) indicated he also labored over, but the reason why I ultimately came down, and I would urge my colleagues to come down, on the side of suggesting that Mr. Smith should be given the opportunity is that not only is he an exceptionally bright man but I think that Mr. Smith really comes out of a milieu, out of a background, that has conditioned him to be cautious.

He is the ultimate corporate lawyer. He hardly says anything, other than his rank, name, and serial number. I think that comes from 34 years of wearing those pinstripe suits and being a corporate lawyer. I say that as a lawyer myself, although I never practiced very long, coming to the Senate at age 29.

Mr. PROXMIRE. Will the Senator yield on that point?

Mr. BIDEN. Yes.

Mr. PROXMIRE. Can the Senator think of any less cooperative attitude a witness can take than to feel that he is a prisoner of war; that he is captured by the enemy, that is the Congress, and that he should give just his name, rank, and serial number?

I agree with the Senator, that is the kind of witness we had here. After all, these are not prisoners of war. We are not the enemy. We have to work together.

Mr. BIDEN. Madam President, I would go on to say that, although he responded that way, I think it was more reflex than feeling that he was in the arms of the enemy. I think, as he went on to explain his position on some of the issues, what did come clear to me was that he was not a man on an ideological bent, as others we have seen up here, who had come forward with the expressed purpose of taking over a department to, essentially, dismantle it; taking over a department to see to it that it did not enforce the law; taking over a department to see to it that the civil rights and civil liberties of Americans were not taken care of.

I was convinced by the sincerity of Mr. Smith and his caution was more one of background and training than it was of a lack of a willingness to tackle the problems.

He is obviously very new to the legislative process. He is very new to the Congress. I think that he did what most corporate type lawyers do when they are presented with a new situation, they say as little as they possibly can. I do not think it was said out of a lack of a willingness to cooperate or even out of a lack of ability to understand the issues before him.

Some of the issues were truly new to him. I could understand his reluctance to respond to some of the more difficult social issues that we face today, although I might point out parenthetically that he did say he would vigorously enforce the civil rights laws of this country.

He did say in response to a direct question from I believe it was the Senator from North Carolina, Senator EAST, that he had a mild disagreement on the point of whether or not the courts had so viciously overstepped their bounds. He went on to defend the court system. He went on to point out, in an area where he does have some background and understanding, I thought a very lucid explanation of the role of the courts and the role of the Justice Department relative to the courts. To me, he evidenced a clear understanding of the broad constitutional principles that prevail and one that any Attorney General would have to have. What he lacked was an understanding of the more detailed aspects of his job.

As I said, the reason that flaw, as I viewed it, was corrected in my mind was that he came forward and committed that he would put in the criminal division and the antitrust divisions that require expertise—women and men of expertise in that area. And on the point of whether or not he was willing to ultimately take a stand on these very issues, I concluded from his response to several thorny questions that had an ideological bent to them, the fact that he responded that he would be willing to take the position, quite frankly, I was surprised. And the one thing that convinced me that his caution was more born out of 34 years of experience in the job he had than it was out of an unwillingness to take a position was when he took on some of the more difficult issues with members of the committee.

For example, I fully expected when Senator EAST, who is a very bright man and has very firm views about the courts overstepping their bounds, he, Senator EAST, was very articulate in stating his point that he thought the courts had——

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. BIDEN. I do not have any more to say, then, Madam President.

Mr. THURMOND. Madam President, I will yield the distinguished Senator 3 minutes.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Madam President, since I have a 3-minute reprieve, let me close out very rapidly. I would fully have expected, based on the way he had conducted himself up to that point, that the Attorney General designee would have been solicitous and said, "Yes, sir; no, sir; three bags full; that is the point of view taken by the Reagan campaign; that is the point of view that is popular out there, and I know it is popular with the majority of this committee. Therefore, I agree." But he did not. He did not take that position. He defended the courts.

That, to me, said a great deal, not

merely because I tended to agree with his answers, but because it took him out of the mold that he had been into up that point—the clear picture of a man who did not have either the knowledge or the guts to take on any position.

I would like to say that I was troubled and still am troubled and will be angry if he does not meet his commitment to put people with proven expertise that are required in that department. I was satisfied that the man was one of intelligence, competence, probably of extreme caution, but maybe that is why he is a Republican. And so I am not sure that it goes to anything more than the manner in which he has been used to dealing and talking the last 34 years and not his inability to handle the job.

Mr. President, last Thursday the Committee on the Judiciary conducted a lengthy hearing on the nomination of Mr. William French Smith to be Attorney General of the United States. We questioned Mr. Smith for approximately 5 hours and submitted scores of written questions after the hearing. On Friday, Mr. Smith's nomination was approved unanimously. I believe my colleagues should carefully consider two important issues which I believe will be important considerations in the mind of every member of the Judiciary Committee in the coming months.

First, members of the committee asked many important questions concerning issues before the Justice Department—in areas of antitrust, civil rights, committee access to information in exercise of its oversight and investigative functions, Justice Department priorities, and the like. Unfortunately, I was disappointed in a number of Mr. Smith's responses.

He did not appear to be evading the answers. He had simply not formulated positions on these vital matters which will come before him as Attorney General. Congress authorizes the expenditure of millions of dollars to prepare for the so-called transition between administrations. In the case of the Justice Department, a sizable staff was assembled to prepare briefing materials for Mr. Smith. Apparently, Mr. Smith had not concluded his briefings prior to his nomination hearing. I once again urge him to formulate positions on matters of Justice Department policy.

In many of these areas he agreed to provide the committee with answers to their questions as soon as he has had the opportunity to familiarize himself with the current policy, the issues involved, and the position of the incoming administration. The members on the Judiciary Committee are eager for those responses.

While the committee may have accepted for the time being Mr. Smith's inability to answer some important questions, I want to put all Assistant Attorney General nominees on notice that we will require more detailed policy positions on all of their respective areas as they come before us in the coming months.

Mr. Smith has stated that he will rely on the Assistant Attorneys General and, in particular, that he will "rely heavily" on the Assistant Attorney General for Antitrust to make important policy decisions and to decide whether to pursue particular cases presently underway in the Department. The members of the committee therefore, have a responsibility to require specific answers sometimes in technical areas from individuals who will have the responsibility for formulating Department policy.

Second, the question of Mr. Smith's membership in private clubs which exclude women from their general membership and, in one case may discriminate against women in their hiring practices is a difficult one for me. I and several other members of the committee asked Mr. Smith to resign but he refused. I respect his reasons but disagree with his decision. I feel this matter was adequately covered in the hearing and encourage my colleagues to review the record.

Despite these concerns I support Mr. Smith's nomination. I was encouraged by the fact that Mr. Smith did answer questions in a dispassionate manner. He seems prepared to keep an open mind on many of the vital policy questions posed by the committee. I find that encouraging because it means that through a dialog with this committee, on both sides of the aisle he might be willing to develop consensus positions on the sensitive issues he will face as Attorney General.

Mr. Smith also made a number of general commitments to the committee which I found very encouraging: To vigorously enforce the civil rights statutes; to support the Federal Government's effort to remove discrimination in housing; to continue the present administration's practice of actively seeking both minorities and women for judicial positions; to make organized crime one of his top priorities; to be a vigorous enforcer of the antitrust laws; to consult with the Judiciary Committee on all important policy areas; to provide the Judiciary Committee access to all necessary investigative information; and most important, to respect individuals' rights in the formulation of Department policy.

I would end by saying that it is the commitments that he made to us and what I perceive to be his dispassionate and evenhanded approach to policy formulation that give me hope that Mr. Smith's tenure at the Justice Department will be productive and that is the primary reason why I can vote in favor of his nomination despite my concerns.

I would like to thank my chairman and thank you Madam President for your indulgence.

Mr. THURMOND. I yield 3 minutes to the distinguished senior Senator from California.

Mr. CRANSTON. Madam President, I thank the Senator very, very much.

William French Smith is one of the best known and most highly respected attorneys in California. I have known him for a number of years and have the greatest regard for his competence, his abilities as a lawyer and his intellect. It is easy to understand why President-elect Reagan chose him. People who know Bill Smith invariably have confidence in his dedication, his commitment to the public good, and his integrity. I think he will make an excellent Attorney General. I would like to comment on two questions which Bill Smith's nomination have raised.

First, he is a member of two well-known California clubs—the Bohemian Club and the California Club of Los Angeles—both of which have a history of discrimination in membership against women and minorities.

Despite this history, both clubs include as members many Californians who support progressive policies in the area of civil rights and equal employment opportunities. Moreover, I understand that both clubs are gradually ending their discriminatory traditions—and that Bill Smith has been a leader in tearing down these vestiges of historical intolerance. I do not believe his membership in these two clubs in any way disqualifies him from being an effective Attorney General.

Nevertheless, I think Bill Smith should resign his membership in both clubs, and I have told him so several times.

I believe membership in organizations like these suggests to many an insensitivity to the consequences of discrimination on women and various minorities. As our Nation's top law enforcement officer, our Attorney General has a unique responsibility to demonstrate the fairest and most impartial attitudes and to symbolize justice and equality in all his actions.

I wish also to speak briefly to a central issue which has arisen in the confirmation of many of our recent Attorneys General. That issue is the nature of the personal relationship between the Attorney General and the President who makes the appointment.

There has been a common practice by recent Presidents—and as a Democrat I want to note that it started with President Truman—to appoint their close personal or political adviser to the position of Attorney General of the United States. Often, the Attorney General has been appointed as a reward for service in the most partisan of roles, that of campaign manager. This was the case in the Truman administration when, very unwisely I think, the chief political post in the Cabinet was switched from the Postmaster General to the Attorney General with the nomination of Howard McGrath. It was true in the Kennedy administration with Robert Kennedy, and in the Eisenhower and Nixon administrations with Herb Brownell and John Mitchell. President Carter continued the tradition of appointing a very close friend and adviser with his naming of Griffin Bell.

Even our best Attorneys General have never been free from suspicion, simply because they are political appointees of the President, to whom it is expected that they will be loyal. This potential for abuse ultimately resulted in the prosecution, conviction and incarceration of John Mitchell and one of his deputies. Fortunately, the subsequent creation of a special prosecutor reduces the likelihood

of such gross criminal action in the future, but it does not resolve the fundamental problem involved in such appointments.

I think also that Attorneys General who have accepted such an appointment have found upon occasion that the extra constraints placed upon them in order to avoid any appearance of impropriety have gravely impeded their ability to carry out their duties to the fullest of their capabilities.

Nevertheless, despite these well-worn caveats about appointing personal advisers as Attorney General, I am confident that Mr. Smith and President-elect Reagan will be successful in their decision. I think it is a good decision because of my high regard for Bill Smith's integrity.

I have in the past seriously considered proposals to make the Department of Justice politically independent. This and similar solutions, however, lack the political accountability which I believe is essential to the functioning of our free democratic form of government.

The Founding Fathers addressed this concern. Hamilton wrote in Federalist Paper No. 77 as follows:

> The supposition of universal venality in human nature is little less in error in political reasoning than the supposition of universal rectitude. The institution of delegated power implies that there is a portion of virtue and honor among mankind, which may be a reasonable foundation of confidence. And experience justifies the theory.

James Madison, writing to the point of suspicions about officeholders, said in Federalist Paper No. 55:

> The sincere friends of liberty who give themselves up to the extravagancies of this passion are not aware of the injury they do their own cause. As there is a degree of depravity in mankind which requires a certain degree of circumspection and distrust, so there are other qualities in human nature which justify a certain portion of esteem and confidence. Republican government presupposes the existence of these qualities in a higher degree than any other form. Were the pictures which have been drawn by the political jealousies of some among us faithful likenesses of the human character, the inference would be that there is not sufficient virtue among men for self-government; and that nothing less than the chains of despotism can restrain them from destroying and devouring one another.

None can accuse Hamilton and Madison of being pollyannas.

They asked Americans, after careful scrutiny of the facts and issues, to trust each other to do their best.

Let the example of Hamilton and Madison be commended to us as we enter upon a new administration.

I sincerely recommend Mr. Smith's confirmation.

Mr. THURMOND. Madam President, I wish to thank the distinguished Senator from California. I wish to also express my appreciation to the able ranking minority member for his cooperation in holding the hearing. I might say that we finished this hearing in 1 day due to his fine cooperation.

If there is anyone else who would like to speak at this time either for or against, I would be glad to yield them time.

Madam President, there appears to be no others. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Madam President, William French Smith is a very successful attorney and businessman with impeccable academic credentials. He enjoys a solid reputation as an intelligent, competent, conscientious lawyer. I am sure these characteristics will serve him well as Attorney General.

I voted in favor of Mr. Smith when the Judiciary Committee considered his nomination last week. However, I feel compelled to say that I am disturbed at the lack of specificity in Mr. Smith's answers to the questions my colleagues and I posed during his confirmation hearing.

We asked Mr. Smith a broad range of questions on regulatory reform, civil rights, his close personal relationship with President Reagan, his professional and business associations, antitrust, the enforcement of our drug laws, white collar crime, the FBI, intelligence matters and access to Department of Justice files. No one expected Mr. Smith to detail the Reagan administration's policies on such complex and diverse areas of the law. However, I did expect the Attorney General-designate to have and to specify his own personal views on such issues and to indicate the direction he thought the Department under his stewardship would take in those areas. He also should have been able to tell the committee what priorities he would set for the Department he is about to take over.

During that hearing, Mr. Smith indicated he is not an expert in constitutional, criminal, or antitrust law. Given the important responsibilities with which the Department of Justice is charged in these areas, I trust Mr. Smith will choose his key assistants with great care. They must be men and women of integrity, with experience in the substantive areas of the law for which they will bear primary enforcement responsibility.

I expect that when these other top Department of Justice appointees come before the Judiciary Committee prior to their confirmation, they will be prepared to discuss fully their priorities and to provide specific answers to our policy questions.

While I had hoped that Mr. Smith would resign his membership in clubs which openly discriminate against women, I do appreciate his stated commitment to civil rights. I also commend his support for the merit selection of Judicial nominees, and to an even-handed and vigorous enforcement of constitutional and statutory law. I wish him well as he takes office as Attorney General of the United States.

ORDER FOR THE VOTE ON THE NOMINATION OF MR. SMITH TO OCCUR AT 4:30 P.M. TODAY

Mr. BAKER. Madam President, I am advised by the distinguished chairman of the Judiciary Committee and the ranking manager on the minority side that we have now apparently reached the end of requests for time for debate on this nomination.

I ask unanimous consent—and I may say, parenthetically, that I have conferred with the minority leader on this request—that when the debate on the Smith nomination concludes, that the vote thereon be postponed until 4:30 p.m. today.

I further ask that it be in order at this time to ask for the yeas and nays.

I withhold that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Madam President, I now ask unanimous consent that the Senate proceed next to the nomination of Mr. Block to be Secretary of Agriculture, following on after the conclusion of the Smith nomination.

The PRESIDING OFFICER. That order has already been entered.

Mr. BAKER. I thank the Chair.

Mr. THURMOND. Madam President, I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Madam President, on behalf of Mr. BIDEN, I suggest the absence of a quorum. It will, of course, be charged against the time of Mr. BIDEN.

I am sorry, Madam President. I am informed that Senator BIDEN has no more time. I am trying to get him to the floor.

Mr. BAKER. Madam President, I ask unanimous consent that the time yielded back by the distinguished chairman of the committee be retrieved so he may yield to the majority leader for the purpose of suggesting the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I so yield.

Mr. ROBERT C. BYRD. Madam President, I thank the distinguished majority leader and I thank the distinguished chairman. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I am informed by Mr. BIDEN that he has no objection to the request that has been made and that he seeks no more time. Therefore, I again thank the distinguished majority leader and the distinguished chairman of the committee. I yield back any remaining time.

Mr. BAKER. Madam President, might I ask the distinguished chairman of the Judiciary Committee if he will once again yield back the time remaining to him under the order?

Mr. THURMOND. Madam President, I yield back any remaining time.

The PRESIDING OFFICER. All time has been yielded back.

DEPARTMENT OF AGRICULTURE

NOMINATION OF JOHN R. BLOCK, OF ILLINOIS, TO BE SECRETARY OF AGRICULTURE

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Executive Calendar Order No. 5, which the clerk will state.

The assistant legislative clerk read the nomination of John R. Block, of Illinois, to be Secretary of Agriculture.

Mr. BAKER. Madam President, I ask unanimous consent that I may suggest the absence of a quorum without the time consumed thereon being charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR VOTE ON BLOCK NOMINATION TO OCCUR AFTER VOTE ON SMITH NOMINATION

Mr. BAKER. Madam President, I ask unanimous consent that after we conclude the consideration of the nomination now before the Senate—may I inquire, is the Block nomination now pending?

The PRESIDING OFFICER. Yes, it is.

Mr. BAKER. I ask unanimous consent that, as soon as we complete the consideration of the Block nomination, the vote thereon be postponed until immediately after the vote on the Smith nomination, as previously provided for.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Madam President, the pending business is the Block nomination?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair.

Madam President, I am delighted that my first official act on the floor of the Senate as chairman of the Committee on Agriculture, Nutrition, and Forestry is the privilege of informing the Senate that the committee has unanimously approved the selection of the Honorable John R. Block of Illinois to be Secretary of Agriculture. This occurred on January 19, 1981, and I have been authorized by the committee to report to the Senate the favorable recommendation by the Committee on Agriculture and to urge the Senate to advise and consent to his nomination.

The committee conducted a public hearing on January 6, 1981 and received testimony from Members of the Senate and House of Representatives, as well as representatives of national agricultural organizations and concerned citizens. In addition, the committee has received over 20 communications from various groups and individuals all strongly supporting the nomination of John Block. The committee is extremely proud, Madam President, to have received an enthusiastic and entirely supportive record on Mr. Block, who we consider to be totally qualified for what I consider to be one of the most important positions in the Cabinet.

Let me also share with my colleagues that our committee considered this nomination very carefully and sincerely. Mr. Block submitted to exacting interrogation by the committee members and provided very timely answers to dozens of written questions asked of him subsequent to the hearing. He answered our challenges honestly and openly, and provided us with a good look at his character, which I consider exemplary. I am completely satisfied that John Block is capable of taking firm hold of the reins of U.S. agriculture and that he will become one of this Nation's premiere Secretaries of Agriculture.

John Block believes in a strong and vibrant agriculture. He will be a dynamic advocate for production agriculture and has indicated his desire to promote an aggressive farm export policy for this country. He has also stated that he will give careful attention to the costly food stamp and feeding programs of the Department of Agriculture and will act to insure their responsiveness to the most truly needy and hungry. As the incoming Secretary of Agriculture, he will be called upon to formulate USDA proposals for the reauthorization of the Food and Agriculture Act of 1977; an arduous task, but one in which I know he will succeed.

In short, Madam President, John Block is the man for American agriculture. He will add strength and vision to the President's Cabinet, and will be a government administrator with whom the Congress can work well and effectively.

I urge my colleagues to support his nomination.

Mr. ABDNOR. Will the Senator yield?

Mr. HELMS. I am delighted to yield.

Mr. ABDNOR. Madam President, I rise in strong support of the Agriculture Secretary-designate, John Block.

Mr. Block's experience as the Secretary of Agriculture in Illinois and as a practicing farmer will make him a valuable asset to the Reagan administration in policy formulation. His performance to date indicates that he will be the strong spokesman farmers need at USDA.

Especially of interest to the farmers in my State is Mr. Block's active support for increased agricultural exports. Those of us involved in agriculture appreciate a Secretary who recognizes the need and America's potential for an even stronger position in international agricultural markets.

I ask unanimous consent to have printed in the RECORD an editorial from the South Dakota Farmers Union newspaper and an article from the Farm Bureau News. These articles provide some insight into Secretary-designate Block's accomplishments and his vision of the future.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the South Dakota Farmers Union]

JOHN BLOCK

The designation of Illinois Director of Agriculture John Block as the new U.S. Secretary of Agriculture has won the applause of almost all American farmers and farm organizations.

That is especially true since the appointment followed a long guessing game in which the names of several representatives of the Chicago Grain Trade and large agri-businesses were also said to be in the running. While Block, who is an active Illinois farmer, may not have been everyone's first choice for Ag Secretary, he was easily the most pro-farmer of the leading contenders.

Block's background as a family farmer provides him with a first-hand knowledge of the monumental problems facing family agriculture in the United States. That's a crucial knowledge that none of the other contenders for the job could claim. On the other hand, Block goes to Washington with little experience in dealing with the kind of bureaucracy he will face at USDA.

What kind of philosophy will Block bring to his new job?

Well, the new secretary has indicated his opposition to the kind of grain sales agreements negotiated by the Carter administration with the People's Republic of China and other countries. Block feels that grain deals should be left almost entirely to the private grain trade and has specifically opposed grain agreements that would establish prices. Whether that means that he would be opposed to a cartel-like arrangement between the United States, Canada and other wheat-exporting nations remains to be seen.

Block has also been quoted as supporting continuation of the 1977 Farm Act.

Block's record as Illinois Director of Agriculture has not been the focus of much discussion. However, it includes a number of achievements which should be noted.

Mr. Block was responsible for establishing a Division of Natural Resources within the Illinois Ag Department. He also began a program of statewide erosion control guidelines and obtained an executive order from Governor Jim Thompson giving the department more responsibility for preserving prime farmland. He also developed a nutritional information program for Illinois schools and instituted a variety of activities in the area of consumer information.

One of the main handicaps that confronted Secretary of Agriculture Bob Bergland was the refusal of the Carter White House to let him choose his own undersecretaries and other top aides. Block may have better luck in that area, but press accounts seems to indicate that a number of top USDA officials are being selected by Reagan's transition team.

The first important decision facing the new administration will be the fate of President Carter's grain embargo. Mr. Block may have some input, but that's a decision that will be made at the White House.

[From the Farm Bureau News]

BLOCK SPEAKS—ADVOCATES 4-YEAR PROGRAM FOR '81

Secretary of Agriculture-designate John Block told farmers and ranchers attending the American Farm Bureau Federation's 62nd annual meeting in New Orleans, Jan. 12, that he personally favors a new four-year farm program rather than an extension of the present one.

He added that he would work to cut Federal Government regulations, which are "tying us in knots."

Block said that the Nation needs expanded agricultural production research. Without such research, he predicted, the country cannot meet the many challenges of producing adequate food in the future.

The agriculture secretary-designate also said he planned to work with other Federal departments and agencies so they would understand the potential impact of their actions on food production.

Block went on to say that an earlier statement on using "food as a weapon" was a bad choice of words.

He explained that food can be an effective economic tool in promoting world peace and stability.

He cautioned that this economic tool can only be effective "if we are a reliable supplier of products; if we are consistent in our supply; if we don't give it out and pull it back like a carrot—because then no one will count on us."

Block said we need to use this "great asset" to bring nations closer together and create an interdependency even across ideological lines.

"Let's not sell this agricultural industry short," Block said. "Let's be positive and move forward. Let's take advantage of the strength that agriculture has."

Block also pledged to help return profitability to agriculture. He said that without a healthy and prosperous agriculture the economic problems confronting this Nation cannot be turned around.

Mr. ABDNOR. Madam President, in closing, let me extend my good wishes to Bob Bergland, a good friend, who worked hard for the interests of agriculture in the Carter administration. A South Dakota Farmers Union editorial stands as a fitting tribute to Bob as he vacates the office of the Secretary of Agriculture.

I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BOB BERGLAND

(By Kenneth Scheibel)

WASHINGTON.—Outgoing Secretary of Agriculture Bob Bergland will be remembered for many things.

One of them will be a sense of humor.

Telling of the Democratic disaster at the polls November 4 Bergland commented, "The truth is, we got belted. We got Sunbelted, Frostbelted, Cactusbelted . . . and Farmbelted."

Bergland, however, is proud of the Carter administration's record for farmers. And in the days remaining in office, he understandably will point with pride—while critics will probably have their day later.

Bergland claims numerous gains and advances for farmers and ranchers while he was Secretary of Agriculture.

He cites the farmer-owned grain reserve, the farm export program, credit programs, cooperative development, Federal Crop Insurance, the Soil and Water Resources Conservation Act.

"And I'm proud of the bottom line after years of our stewardship of American agriculture."

"The bottom line is this: those four years set an all-time record for gross farm income, net farm income, farm production, farm product consumption and farm product export."

Not everything is peachy down on the farm, by any means, in spite of the Bergland optimism.

Farms have become bigger, true. They're also fewer in number. The trend toward bigness continues and the little fellow is being squeezed out.

Farm debt is rising. Costs have seemingly gone wild. The middle-sized operator is getting less off-farm income, less net family income, fewer federal benefits.

It is going to take sustained effort, drive and imagination for the new Republican administration to come to grips with these and other problems left unsolved by Bergland & Co

Bergland will also be remembered for his candor.

He came into office telling anyone who listened that weather plays a big role in farm prices. He was absolutely right. Current high farm prices obviously are a factor of drought—which possibly was just as important as the government farm program in lofting prices.

Bergland understood farmers and was a highly competent spokesman on their behalf. He was and is respected by friend and foe alike. He never personally became an issue in a post which traditionally is highly controversial.

Unlike some previous Secretaries of Agriculture, Bergland cared little for the trappings of office, or power for power's sake. He worked for farmers. He was their friend. He deserves to be remembered kindly.

Mr. HELMS. I thank the Senator for his comments. I know the incoming Secretary Block will also be appreciative of them.

Mr. ANDREWS. Will the Senator yield?

Mr. HELMS. I am delighted to yield.

Mr. ANDREWS. I should likewise like to express my strong support for Secretary-designate Block. He is a producer-farmer. He knows the background of agriculture as only a farmer can best. He also knows the importance of export markets and maintaining a strong and healthy agriculture to benefit the rest of our economy. He made a great impression on members on both sides of the political aisle in our committee during confirmation. I certainly recommend him highly to this body. I hope that the powers that be in this town of Washington will let him use his own good judgment in running the Department of Agriculture. I am sure the farmers and the entire economy will benefit from it.

I thank my colleague for yielding.

Mr. HELMS. I thank the distinguished Senator from North Dakota. I say to him that his experience as a Member of the House of Representatives, as is the case with the distinguished Senator from South Dakota, will be immensely helpful in formulating farm policy.

I know that Secretary Block will be calling on them for assistance, and he is fortunate to be able to call on Senator ANDREWS and Senator ABDNOR.

Madam President, I am delighted to yield now to the distinguished Senator from Kentucky, who is the able ranking Democrat on the Agriculture Committee. Were it not for the events of November 4, he would today be chairman of the Agriculture Committee.

Senator HUDDLESTON has made an immense contribution to the farm legislation in prior years, and I know that he and I will continue the same bipartisan relationship we have had, which I have enjoyed greatly, and which I appreciate immensely.

Mr. HUDDLESTON. I thank the distinguished Senator from North Carolina, the chairman of the Agriculture Committee, for his kind remarks. He is very generous, as he always is, and very gracious.

The Agriculture Committee does have a history of bipartisanship, at least during the period of time I have served in the Senate. The Senator from North Carolina and I came to the Senate at the same time, and we both became members of the Agriculture Committee immediately and have served there ever since.

I am sure that the Senator from North Carolina believes, as I do, that agriculture is the greatest asset this country has; and it is incumbent upon us to continue to provide the kind of mechanism that allows us to maintain this great production capacity we have. It does provide for the American people the biggest variety and the highest quality and the lowest price of food of nearly any country in the world. Certainly, it is the lowest price when considered in relationship to the total cost of people's expenditure for food as it relates to other purchases they may make. It plays a great part in trying to eliminate the great deficit this country has been experiencing. It has been virtually the lone bright spot in our foreign trade and has contributed substantially to the plus side of the ledger in our foreign trade.

So it is important that we have as Secretary of Agriculture a person who understands the position agriculture plays in his country, who understands the need for maintaining this capability we have, and who is a strong and forceful spokesman.

In every administration there are many discussions, many debates, many important decisions that have to be made which weigh one segment of the economy against another. Many of us have felt that, in times past, agriculture has not always been given its fair shake, that it has been treated as something of a stepchild, both in our domestic policy and in our foreign trade policies. We saw some improvement in the foreign trade policies relating to agriculture in the most recent trade agreements that have been signed.

It is my judgment that the designee we are considering here today has demonstrated, in the brief span of time we have had to scrutinize his activity and to hear his philosophy and his plans, that he has the capacity to be the kind of spokesman and the kind of representative for the agriculture and rural segments of our economy that is needed at the present time.

The distinguished chairman of the Agriculture Committee held hearings. I believe that every member participated one way or the other. The nominee made himself available for a complete line of questioning by each member. We have reviewed his personal submissions, his papers relating to his personal assets and liabilities. We have had submitted to us his FBI report, and nothing has been turned up in any regard that would reflect either on his character or his integrity or his ability to perform the duties of this office.

In addition to the public questioning that occurs for each nominee, a number of members of the committee, including myself, submitted to the designee a list of questions for written responses. I feel that he did respond in a proper fashion, and I was reassured by the answers he provided.

So I am happy to join the majority side and the chairman of the Agriculture Committee in support of this nominee. I wish him well and pledge to work with him, as I am sure all the democratic members of the Agriculture Committee will and, indeed, the entire Senate and House will, in helping to solve some of the problems we have.

At this time, I yield to the distinguished Senator from Illinois, from which State comes the nominee, for any remarks he may care to make at this time.

(Mr. D'AMATO assumed the chair.)

Mr. DIXON. Mr. President, I express to the distinguished chairman of the Committee on Agriculture, the Senator from North Carolina, my appreciation and the appreciation of others in my State for the kind and considerate way he treated the nominee when he appeared before the Agriculture Committee.

I thank the distinguished Senator from Kentucky, the ranking minority member of the committee, for yielding a brief moment to me to express my warm support for the nominee, John R. Block, who is presently the Director of Agriculture in our State and who, in my judgment, will make an outstanding Secretary of Agriculture for this country.

I see the distinguished Senator from Kansas in the Chamber. I express to him my appreciation and that of others in my State for the warm support he extended to John R. Block when Mr. Block was under consideration by the President.

I say to my colleagues in the Senate that I have known Jack Block for more than 3 years during the time I served in the elective position of Secretary of State in the State of Illinois, a position which many people consider the second most important position in our State, next to that of Governor.

On many occasions, I visited with Jack Block pertaining to State affairs, and I can report to the Members of the Senate on both sides of the aisle that he is a very fine, decent, warm, forthright person who has served with great distinction as the director of Agriculture in my State. He is a corn, bean, and and hog farmer—a "hands-on farmer," as we call them in our State—of excellent reputation, warmly supported by the Farmer's Union, the Illinois Farm Bureau, and all the other organizations in our State.

I believe he is an excellent choice. With John R. Block as Secretary of Agriculture, this administration has made a fine start with the American farmer. I predict a bright future for agriculture in this country under the stewardship of Jack Block.

I thank the ranking minority member of the committee for yielding me this time to express my support and the support of my State for Jack Block to be Secretary of Agriculture.

Mr. COCHRAN. Mr. President, will the Senator from Kentucky yield me 1 minute?

Mr. HUDDLESTON. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. Six minutes and forty seconds.

Mr. HUDDLESTON. I yield the Senator 1 minute, and I will get it back later from Senator Helms.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. I thank the Senator.

Mr. President, I recommend enthusiastically to the other Members of this body that a vote for confirmation certainly is justified in the circumstances.

I can think of no other person who could be nominated who has the background, experience in State government, experience in working with agricultural programs as a farmer, and who has the promise of serving with more distinction, that John Block has.

At the time the President was considering who he would recommend, I was suggesting a very distinguished Mississippi citizen, Seymour Johnson, for his consideration. I have a very high regard for Mr. Johnson, who is a former president of the American Soybean Association, is a leader in our State in agriculture, and is recognized nationally. I know that he, too, has the background and experience to serve capably in this position.

During the hearings, Mr. President, I was impressed with John Block's candor, his knowledge of farm programs, his dedication, his obvious commitment to serving with distinction as the Secretary of Agriculture.

He comes to this position at a most critical time. We see farm income this year, in real terms, the lowest it has been since the Great Depression. Farmers really are in trouble in this country. Our Government must recognize that. I believe that John Block, as Secretary, will be sensitive to the needs of our farmers.

At the same time, he recognizes that the Department of Agriculture has other responsibilities. We have to be sensitive to the needs of poor people who cannot provide adequately for their own nutritional needs. He recognizes this as a very real obligation on the part of our Government.

I believe he is eager to try to do something about the serious debt-to-income ratio that we see among our farm community. Farmers are in debt up to their necks. We need to work hard to bring our minds and energy to bear, to help our farmers and the economy get back on a good, firm footing.

I enthusiastically support his confirmation, and I thank the distinguished Senator for yielding me this time.

The PRESIDING OFFICER. The distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, I yield such time as my friend from Kansas may require.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I am pleased to lend my strong and unqualified support to the confirmation of John R. Block as Secretary of Agriculture. A longtime hog and soybean farmer, he is a man eminently qualified for the position.

John Block is energetic, resourceful, and brings the knowledge of a working farmer to the job. His roots are firmly in the soil of Illinois. Born and raised on his family farm, he took over the operation in 1961, and continues to farm more than 3,000 acres of land—that farm was only 300 acres when he started 20 years ago.

As "hands-on" farmer he is aware of the pressures on American agriculture. John Block has had to deal with high interest rates. He knows what it means for fertilizer, equipment, and fuel costs to escalate while farm prices drop. He has had hail storms wipe out a promising crop in a matter of minutes, and have his replanted crop destroyed by drought. In other words, he knows the problems facing farmers because he has faced them himself.

In the recent Agriculture Committee confirmation hearings, John Block made it very clear that he not only fully understands the problems crippling the agricultural community, but that he intends to seek ways to improve the agricultural economy through such means as expanding agricultural exports.

During his years as director of the Illinois Department of Agriculture John Block was involved in numerous efforts to expand farm exports from the Midwest. He also gained administrative experience that will serve him well as he begins his new job.

John Block's confirmation will send an immediate signal to the American farmer that Congress and the administration are dedicated to restoring profitability to agriculture. But most importantly, it will give farm families in Kansas and elsewhere something they have had precious little of in the past 4 years—hope.

Mr. President, I simply say that I feel very good about the nomination of John Block and obviously it will be confirmed, it seems to me, for many of the reasons that have already been stated by the chairman of this committee and the ranking Democrat on the committee. The junior member of the Agriculture Committee, Senator DIXON, probably knows him better than the rest of us. Further support is indicated by the words Senator COCHRAN just spoke.

It seems to this Senator that if there is a clear signal to the American farmer, it is that President Reagan understands his problems. In the case of John Block, he was wise enough to select a Secretary of Agriculture who has experienced firsthand those problems that a farmer encounters from year to year. It is this ability of John Block to identify with the American farmer that ultimately gave him the edge over other candidates in the nomination process.

Other outstanding men in this case were considered, and it was a close call. But I really believe that John Block will

work hard at it, and I hope that next year and the year after that we can still stand here and continue to praise him. The job ahead is a very difficult one.

When prices are high and the crops are good, Secretaries of Agriculture are very popular. But when prices decline, and the weather is not so good, all this and more is often blamed on the Secretary of Agriculture.

But I know Chairman HELMS and I think this Senator and others have indicated to Mr. Block that he should be a spokesman for the farmer—not a spokesman for OMB, not a spokesman for the State Department, not a spokesman for anyone else, but a spokesman for the farmer. If he does that, even if he has some tough times, he will be able to weather the storm, because farmers, I think, will appreciate it, coming from someone who has had to endure some of the hardships they have.

Some have indicated that he is a big farmer. He started out as a very small farmer. Through his effective use of what he had and a lot of energy and a lot of tireless effort, he has achieved a more successful and larger operation.

What I have seen of John Block and his lovely wife Sue has convinced me that the right choice was made, and I am very pleased to support his nomination.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The distinguished Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I have some mixed feelings on this. I agree with most of what has been said here. Mr. Block certainly is remarkably well qualified. As has been pointed out, he is a farmer and a very successful farmer: From 300 acres to 3,000 acres, and from 300 hogs to 3,000 hogs. That is not easy. Being a successful farmer is one of the toughest challenges anyone can face.

It is great to have a Secretary of Agriculture who has been a farmer and has succeeded at it.

He also brings to this job solid experience, as Senator DIXON has pointed out so well, as the head of the Department of Agriculture, a State department of agriculture in a great State and I guess one of the preeminent farm States in the Union. He has done very well.

All those reports I get from the farm groups are very favorable about him.

Furthermore, he has been criticized for being too much for the farmer which I think is hard for me to understand in view of the fact that there is no group in our society that has suffered greater economic injustice in my judgment than the American farmer when one considers the farmer works longer hours. The dairy farmer in my State works an average of 11 to 12 hours a day, 7 days a week, 365 days a year. Thousands of cows have to be milked twice a day and a farmer usually has to milk an awful lot of them. Furthermore, the farmer has a big investment. He takes a big risk. Yet his income is less than two-thirds of the income of people off the farm. If one puts it on an hourly basis, there are very few farmers in the country who make the minimum wage when we consider the fact they work, their wives work, their children work, and they get very little.

So I think it is a good thing that the new Secretary set as high priority improving the income of our farmers. It will improve our economy and serve economic justice.

Furthermore, I must say the new Secretary certainly endears himself to me. He is a marathon runner, not just an ordinary runner. I run to work every day 5 miles. Five miles is nothing to Mr. Block. He runs in the marathon. He ran in the Boston Marathon. His time was 3 hours and 4 minutes. For a man 45 years old that is about as good as one can get.

So he has a great deal of appeal to me.

But one of the things that I am most concerned about, Mr. President, is the testimony before the Agriculture Committee, because I have gone over those hearings. I have gone over the answers he gave to my questions, and in view of the fact the man is a farmer, in view of the fact he headed a department of agriculture, his answers were most unsatisfactory. They were very limited. They were about as close as one could get to the so-called name, rank and serial number which we were told to give if we were ever captured as prisoners of war in World War II. But it is not the kind of responses, not the kind of cooperation that Congress should expect and desire.

After all, if we have a new Secretary of Agriculture who has served, as I said, as a head of a great department in Illinois, who has no ideas, cannot give us any suggestion as to how to cut spending in this vast Department with a $21-billion budget, who has no ideas on how to cut unnecessary regulations, who has no ideas on how to cut paperwork, and says he would like to do it, who gives the most general kind of answers and says that maybe he will try to provide us with information in the future, maybe not, I am very disappointed that under these circumstances we do not get better and more substantive cooperation from this nominee.

I wish to ask my good friend from North Carolina who is as forceful a man we have in the Senate. I told him many times that if we could call last year any year it would be the JESSE HELMS year because no one was more successful especially as a minority Member of the Senate in having his will prevail than JESSE HELMS. He knows the great admiration I have for him and one of the reasons why he is so effective is because he does not stand for witnesses who come in before him, I am sure, and not give full answers.

How does the chairman of the Agriculture Committee explain the fact that, when I asked and when the committee asked this man where he would make reductions in spending, he could not give us any answers?

Mr. HELMS. First of all, let me thank my friend for his kind comments about me. He is always most gracious, and there is no more diligent Member of this body than he.

As to his question, I guess it is a matter of a mix between the preliminary conversations that I had with Mr. Block, I am sure Senator HUDDLESTON and others had similar discussions with Mr. Block.

Perhaps we already knew the answers to questions that were posed at the hearing.

Now, with that caveat, let me say to the Senator it would have been a bit presumptuous for Mr. Block to come before the committee and say, "Now, this is precisely what I am going to do about cutting this, that, and the other," because he has not been there, he does not know the inner workings of the Department. He did not even have one staff member to assist.

But if it is any comfort to my friend from Wisconsin, whom I so greatly admire, and with whom I have stood on many occasions, I can assure you that I believe Mr. Block will prove to be entirely satisfactory in trying to cut down on the things you mentioned. I will be surprised if he is not.

I admire him for admitting he does not know everything. He does not know precisely how the Department of Agriculture runs, but I think you will find he will do his best to learn, and learn in short order.

Mr. PROXMIRE. May I say to my friend, in the first place, the Senator touches on one of the greatest weaknesses of the advise and consent process when he talks about the preliminary conversations. Those bother me a great deal.

I refused to see those nominees who wanted to come to my office in advance. They come in, usually led by the hand by a friend of yours. If they come to my office, and a friend of mine—if they come to your office and, frankly, it is a softening-up process, and I am very suspicious of that.

We are on a one-on-one basis, we are in private. We get information which they tell us which may be satisfactory to the dairy farmers in Wisconsin, but maybe less so to the people elsewhere, and we do not get the kind of public record which I think is essential here, and I know all the others Senators do this, and it might be very useful, and I can understand why a private conversation might be a good thing. But I think it is one of the reasons why usually when these nominees come up all we hear are accolades about what great people they are and how much we like them and how they will succeed, and that is fine. But we rarely get any criticism. Why? Because, as I say, they come in and it is a kind of buddy-buddy situation, and often they come in with somebody whom you greatly admire.

I remember how Arthur Burns would bring in people from the Federal Reserve Board. I greatly admired Arthur Burns and thought the world of him. But I stopped that when I found myself trying to be friendly with Authur Burns and trying to support his nominees.

So I just wonder if that is not a weakness rather than a strength that these people do come around and do confer under the circumstances? They make the record privately, there is no public record on it, and it is the public record we should insist on so that we make sure that it is consistent.

Mr. HELMS. The Senator makes a good point. He always does.

I guess, Senator, it depends on whether you allow yourself to be stroked. I do not think BILL PROXMIRE ever did, and JESSE HELMS does not. But the advantages I see to these preliminary visits are that you can engage, when necessary, in what amounts to a debate under somewhat relaxed circumstances. But the Senator's point is well taken.

Mr. PROXMIRE. Especially in these circumstances.

The second part of the Senator's answer was he did not say precisely what he would do because it would be presumptuous, because he has not served in the Department of Agriculture, he has not been in the Senate, he has not been in the House and does not have the same kind of perspective many of us would have or somebody working in the Department of Agriculture would have.

I understand that. But, at the same time, he has been a farmer, and I can tell you, and I know the Senator knows, there are no people who are more outspoken and more vigorous in their criticism of the Department of Agriculture than the farmers.

Mr. HELMS. That is right.

Mr. PROXMIRE. Maybe they have a limited education, but they are very tenacious in their views, and they can cite chapter and verse even though they have only had an eighth-grade education.

This is a successful farmer who has not only had occasion to deal with the Department of Agriculture as a farmer but as the head of one of the great departments of agriculture in one of the great farms States of the country, and yet he had no idea how they could cut their regulations. Most farmers can tell you. He had no idea of where they can save money in other areas.

Mr. HELMS. Well, the criticism of the Department by the farmers themselves is certainly there. Perhaps a part of it is instinctive, but a great deal of it is based on personal experience as well. Again the Senator's point is well taken.

Mr. PROXMIRE. There was one glaring contradiction that has bothered me a great deal, and I am sure it must have bothered many Americans.

Here is a man who has said that he feels we should use food as a weapon against our great adversary in the world, the Soviet Union. I agree with that wholeheartedly. I think he is dead right on that.

Yet he is a man who opposes the embargo which has been put on sending food to the Soviet Union at a time when they engaged in this outrageous action against Afghanistan, and under circumstances where the testimony before our committee—I am not sure about the testimony before the Committee on Agriculture—but the testimony before our committee by the Department of Agriculture and others is that this is hurting the Soviet Union; it has cut down on the availability of meat and it has meant they have not been able to export as much to their satellite countries—one of the reasons they have had difficulties in Poland where they have had strikes in their plants because they have not had enough meat available, both in Russia and in Poland—and yet here is a new Secretary of Agriculture who says we should use food as a weapon but when it comes to the test, the acid test, with Afghanistan he says, "Well, no we should not use it under those circumstances."

How does the Senator justify that?

Mr. HELMS. Well, I think what he said, Senator, was he objected to the American farmers being pushed out on that limb all by themselves. I do not want to rehash the story of the embargo, but I strongly objected to the way the farmers were singled out to bear the burden. They were made pawns in an international confrontation.

On the day the embargo was announced, President Carter instructed that I be called in Raleigh—the Senate was in recess—and I agreed to go along if the embargo was going to be across the board, and I was assured it would be. But in the final analysis it was principally the farmer who was left out there losing his shirt.

Mr. PROXMIRE. If the Senator will yield on that, Mr. President, you see my problem on this is that computers were knocked out, high technology was knocked out, and our trade with the Soviet Union, as the Senator knows, is very, very limited. In fact, food is by far the biggest element in grain particularly, and if we do not—it is true the Senator is absolutely dead right the farmer had to take the brunt of that, although the way things worked out the price of wheat and corn did not seem to suffer from that embargo. But, nevertheless——

Mr. HUDDLESTON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUDDLESTON. Mr. President, just on the point of the embargo and food as a weapon, inasmuch as I broached this subject with the nominee during the hearings and cautioned him about his previous statement that we ought to use food as a weapon, he later modified that to use it as a tool, a foreign policy tool, which is somewhat softer than a weapon while, at the same time, deploring embargoes.

I brought up the same question, how are you going to use it as a foreign policy tool, certainly as a weapon, if the threat is not implicit that it will be withdrawn if you do not accomplish the foreign policy objectives?

I think, on further reflection on that whole question Mr. Block indicated that what he really meant was we ought to use it to improve our relations with countries around the world, and the embargo should not be used, to use his words, except in very extreme circumstances.

Mr. PROXMIRE. Would the Senator not consider the Afghanistan invasion an extreme circumstance?

Mr. HUDDLESTON. That was the precise question I asked Mr. Block, and he responded he was not certain because he did not have all the details at his fingertips.

At any rate, just to respond to your concern, it is a concern of mine particularly because I happen to be one who favors the embargo. I think it is damaging to the Soviet Union. I think it would be a great mistake for us to call it off, and I do not think that the administration will once they get into the problem and see what the situation is.

Mr. PROXMIRE. I notice the new Secretary of State does not favor calling it off.

Mr. HUDDLESTON. I think when you look at the total problem that he will not.

We have not referred to the American athletes who were denied the opportunity to participate in the Olympics, and we have not referred to the fact that the Government spent over $2 billion to relieve the burden that was placed upon the American farmer by denying him the opportunity of selling that 17 million tons.

We continue to sell 8 million tons of grain that were already under contract. So I do not know that this argument is particularly pertinent to the question of the confirmation of a Secretary of Agriculture.

But I did get the feeling in our hearings with him that he understands this problem is a little bit deeper than just giving snap responses to particular questions on it, as in the case of the cost cut. I think he realized that when you start talking about cutting costs in the Department of Agriculture you are talking about the Congress of the United States, you are talking about the Senate, talking about the Agriculture Committee, and the various things, priorities that each member of that committee may have, and I think he felt, and probably properly so, it would be a little premature for him to begin talking about very specific things that he was going to cut out until he saw the total picture and saw where the interests, perhaps, of the various members of the committee lay.

Mr. PROXMIRE. I thank the Senator very much.

Just one final question of the Senator from North Carolina. The most striking fact about the agriculture budget is that practically none of it goes to the farmer. It is a $21 billion budget, as the committee knows, and before our committee it was $21 billion, and the proportion that the farmer got was about 9 percent, that was for agriculture. Everything else was for a great variety of feeding programs and other programs, consumer programs, and so forth.

Did the new Secretary of Agriculture indicate any notion of how this vast program of the billions of dollars, almost $20 billion, can be cut back and restrained? I know the Senator from North Carolina has been a leading fighter in favor of reducing that enormous burden.

Mr. HELMS. He has indicated in a general sort of way. Again he very wisely, in my judgment, avoided any precise line-by-line recommendations, but he talked in terms of the enormous waste

in the food stamp program, the need to adjust the eligibility requirements, that sort of thing.

But I have to say to the Senator again that the Secretary talked in the broad general sense and not in any precise way.

Mr. PROXMIRE. I recognize that the Senator has a legitimate point. I disagree with it, but the Senator may well be correct. My point is he should have been much more forthcoming. If the Senator feels it would have been presumptuous doing that, the Senator might agree with us at least that in the future, as time passes, when he has more time in the Department of Agriculture, within a few months, he should come forth and provide detailed responses as to the number of people, the size of the programs, the size of the budget, and so forth, and how he can make reductions.

Mr. HELMS. I can assure the Senator those questions will be put to him as soon as he has had time to learn a bit about the Agriculture Department.

Furthermore, I know that the Senator from Wisconsin is constantly busy, but I want to extend to him right now an invitation to sit with us in the Agriculture Committee and discuss this with the Secretary when the time comes.

Mr. PROXMIRE. I thank my good friend.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I just want to take 1 minute to add to what Senator HUDDLESTON may have commented on in reference to the embargo. I think one point that John Block has made is that we should not single out farmers. I think the Senator from Wisconsin would agree with that. If we are going to have an embargo, it should be across the board without exception. That was not the policy early on.

The fact that we now have the Soviet threat to Poland calls upon the administration to review the grain embargo and see whether there should be a change.

I was somewhat concerned when I heard the statement of food as a weapon. But that statement was clarified very quickly to food as an instrument of peace. We all say things from time to time that need to be clarified.

Mr. PROXMIRE. Mr. President, I agree that it ought to be a weapon. I see no reason in the world why it should not. I think it is more humane to fight with food than it is to fight with bullets. In some circumstances, as the new Secretary of State has indicated, you have to fight.

It would seem to me this is our greatest weapon, in many ways. We are the great exporter. We provide a great majority of the wheat that is exported and is available for other countries to sell.

Mr. DOLE. That would make it an instrument of peace.

Mr. PROXMIRE. Perhaps. But I had in mind that it should be used against the Soviet Union when they get out of line. It is a lot better than nuclear war; a lot better.

Mr. THURMOND. Mr. President, I rise in support of the nomination of John R. Block to be Secretary of Agriculture.

Mr. President, I am well pleased by President Reagan's nomination of Mr. Block to be Secretary of Agriculture. Mr. Block has voiced his belief that the Secretary of Agriculture should be a strong advocate for the farmer. As Mr. Block is himself a farmer, I believe that he will be understanding of the problems facing the American farmer today and work with determination to resolve those problems. Furthermore, I believe that Mr. Block will make every effort to restore the Department of Agriculture to a more producer-oriented viewpoint.

Mr. President, Mr. Block is a well qualified and knowledgeable nominee. I sincerely hope that my colleagues will join me in confirming him for this key post.

Mr. LEAHY. Mr. President, in the near future the Senate will give its consent to the nomination of John R. Block to be Secretary of the U.S. Department of Agriculture. I have little doubt that the former director of the Illinois Department of Agriculture will work hard for America's farmers. He is a farmer himself and is determined to make the USDA a strong and ardent advocate for American agriculture.

I hope that he will be an equally unequivocal spokesman and advocate for the other important constituencies he will serve as Secretary of Agriculture. These are the 60 million people living in rural America and the millions of undernourished citizens of this country and the hungry people of the world.

Mr. President, Mr. Block will soon realize that he alone will not set the President's farm policy, especially with regard to its reflection in the budget. Unfortunately, not many people realize that it will be the Office of Management and Budget which will determine the actual depth of America's commitment to its farmers and ranchers. As we know, the Department of Agriculture's farm policy goals ring hollow if there is no commitment of Federal funds to carry them through.

Mr. President, Senator JOHN MELCHER knows this reality. As a valuable member of the Committee on Agriculture, Nutrition and Forestry, he has tirelessly fought for Montana's and the Nation's ranchers and farmers, carrying their concerns to both USDA and OMB. He knows that Montana's agricultural economy and its rural people are better off without grandiose promises from USDA that OMB has emasculated. Montanans demand straight talk from Government and JOHN MELCHER is working to see that they get it.

The senior Senator from the Big Sky State made sure that Secretary-designate John Block was committed to the needs of farmers, ranchers and rural people in Montana and across the Nation. More importantly, he went the extra mile to investigate what farmers and ranchers can expect from the new Director of OMB, David Stockman.

From his years of work on behalf of Montana's agricultural community, Senator MELCHER knows that OMB will have a lot to say about Federal farm policy. With this in mind, Senator MELCHER did some digging and uncovered disturbing information on how David Stockman feels about the needs of America's farmers and ranchers.

The Senate will confirm David Stockman to be the Director of OMB, for after all, the President should be able to select his own Cabinet. But considering Mr. Stockman's views on Federal farm policy which Senator MELCHER uncovered, it will be done with some foreboding by Senators from agricultural States. Thanks to Senator MELCHER, we are now wise to Mr. Stockman's views on Federal farm policy. We know what we will be up against as we work on the 1981 farm bill.

Mr. President, I ask unanimous consent that a speech recently delivered by Senator MELCHER in Billings, Mont., be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

TEXT OF SPEECH DELIVERED BY SENATOR JOHN MELCHER AT CENEX 50TH ANNIVERSARY IN BILLINGS, MONTANA ON JANUARY 13, 1981

Happy Birthday!

I know I'm a little early. Your 50th Anniversary Convention isn't until February 10th. But I wanted to be among the first to offer you my warmest best wishes and congratuations.

What a sensational success story CENEX has been. Your organization started out in the depths of the Great Depression with seed capital of only 500 dollars, and as I understand it, your sales for last year were in the neighborhood of one-and-a-quarter billion.

The best part of that is you own it.

You know, there are a lot of fancy pants lawyers in Washington who, from time to time, set out to break up the cooperative movement. But I swear that when I look out at the hard-working people who make that movement work, it makes me more determined than ever that any slick Harvard lawyer at the Justice Department is going to have to go through John Melcher if he wants to break it up.

These are hard economic times, and from all of the signs, they may not get better for a while. But I'll tell you, I feel humble when I think of the Farmers Union people who had the courage and foresight to start this great supply cooperative, as well as the Farmers Union Terminal Association.

As a matter of fact, I'd be fascinated to learn where the first 500 bucks came from, because those were the days when nothing from nothing left nothing.

As you know, this is a time of new beginnings in Washington, and that usually means a six-month Presidential honeymoon. But because of the awful shape of the economy, I'm not so sure it's going to last that long.

Last week, the Senate Agriculture Committee held confirmation hearings on John Block, the Agriculture Secretary-designate from Illinois, and the Energy Committee held hearings on James Watt, who will probably be the next Interior Secretary.

Both of them seem to be decent men, who have their hands screwed on right. Their decisions in the next four years will have an enormous effect on the farmers and ranchers of Montana.

The thing that worries me is that increasingly over the past ten years, policy decisions affecting our producers have not been

made in the Agriculture and Interior Departments.

That's why I asked Secretary-designate Block whether he was going to set agricultural policy, or whether it would be set by the State Department, or the Council of Economic Advisors or the Office of Management and Budget.

Let me give you an example.

The man that President-elect Reagan has chosen to hold the purse strings of the Government at the Office of Management and Budget is a young Congressman from Michigan named David A. Stockman. Stockman has been pleasing a lot of people these days with press releases about how he's going to cut this program and that program, and eventually balance the budget.

But cutting the Federal budget is fine as long as your own ox doesn't get gored. In 1978, Stockman wrote to Agriculture Secretary Bob Bergland, and this is what he had to say about Federal farm programs:

"It is about time that the Department stop playing nursemaid to the proliferating array of cry-baby commodity groups in this country. It is bad enough when we indemnify producers for the short-term losses associated with capricious—but nevertheless predictable—unfriendly acts of nature, such as wet planting seasons, dry summers or minor floods. But the principle implicit in your potato rescue is that producers must be indemnified for nature's acts of benificence and bounty as well."

Stockman went on to say:

"Mr. Secretary, in my view we are long overdue in burying the four decade old, Depression-bred myths about dirt poor yeomen ill-equipped to cope with the uncertainties of the domestic and international marketplace."

Now, John Block has told me, in no uncertain terms, that he wants a good, strong farm bill this year. And that's fine. John Block has told me that he believes farmers ought to be able to get ample credit at reasonable interest rates. That's good, too.

I believe that Mr. Block will be committed to making the new crop insurance program work, just as he should.

But when Mr. Block goes over to the White House to pick up the check to pay the bills, the guy with the green eye shade, who has to make out the check is going to be David Stockman, the fellow who wrote this in 1978:

"I'm beginning to wonder just what your concept of agricultural markets and policy really is. It is understandable, if not excusable, when Members of Congress from commodity-growing regions come trotting in with dog-eared claims and lame justifications for special dispensations that will force the taxpayer to absorb the predictable risks inherent in any line of business activity, including farming. But I would certainly hope that the USDA could exercise some semblance of leadership by occasionally resisting these self-serving, parochial claims, and asserting at least a minimum regard for the general public interest, and for the fact that temporary supply, demand, price, cost and profit fluctuations are a normal part of the market system, and are by no means unique to agricultural commodities."

You see, Mr. Stockman is the kind of guy who would call the Dust Bowl or last year's drought a part of the normal functioning of the market. Your crazily spiraling cost of production is just a normal market function. The fact that an awful lot of our farmers and ranchers are just hanging on by their fingernails? That's just the market at work.

He talks about the production of food and fiber as if it were a General Motors assembly line instead of two-and-a-half million farm families working like mad to provide America and the world with cheap food. And lately, if these farm families are able to pay their bills when the crop comes in, it's a big year.

I would imagine that two out of three farmers in this country voted for Ronald Reagan. The trouble with that is that those farmers didn't know they would be getting someone like Stockman in the bargain.

Don't misunderstand me. I am not going to vote against the confirmation of Mr. Stockman. I think a President ought to be able to pick the people he wants to run the government. But I think you should know that when John Block sends his strong farm bill to the Office of Management and Budget for the approval it must have in order for it to be sent to Congress, it will have to be signed off on by a man who can hardly be called the farmers' pal.

That's why I think that those members from Congress who care about our producers are going to have to come up with what Stockman calls the "self-serving and dog-eared claims and lame justifications for special dispensations."

Those special dispensations he talks about amount to a farm bill.

I questioned John Block about farm credit, and he told me that as a large producer in Illinois, he owes between three and five million dollars. In other words, he understands the need for credit at reasonable rates. And when I asked him what he thought of the current interest rates that have been manufactured by the Federal Reserve Board, he said, "I don't know of anything you can do to pay off 20 percent interest—at least nothing legal."

Nevertheless, the signs all point to the probability that the new Administration will keep the same monetary policies of the Carter Administration—keep interest rates high and money supply low.

I think that's a phoney way to try to combat inflation. It's pretty good policy if you want to create a recession—and that's what it did. But thus far it has not limited inflation—not one iota.

But from your standpoint, this monetary policy is a rifle shot in the heart of American agriculture. For those who depend on borrowed money—those who buy and sell houses and automobiles on credit or those who operate farms and businesses on borrowed money—this monetary policy decreases the productivity of America.

High interest rates discourage investments; that is their purpose. And when operations are below capacity, new investment is discouraged.

That means we don't encourage our people to buy more fuel-efficient new cars. That means that we suppress the tremendous demand that exists now for new housing. That means that we squeeze some farmers and ranchers out of business, and delay investments on the farm for increased productivity.

As a national policy, I think that's nuts.

What we need is a more productive America. What we need is a reindustrialization of America. What we need is a climate that will permit bold and imaginative businessmen and farmers to reinvest in this country's future.

The government can't make that happen. But the current policies of the Federal Reserve Board can sure keep it from happening.

The American consumer thinks he's paying sharply higher prices for food, but that's just not true. He's really paying for the higher price of foreign oil and high-priced farm credit.

Even though farm prices have increased, they have not gone up as fast as the cost of farm inputs, even for those farmers and ranchers not devastated by the drought, real farm income is down.

I got a letter from someone the other day asking when the United States was going to be a great nation once again. That really got me to thinking. What are we doing differently now than what we did when our economy was vibrant and on the move?

It seems to me that you start at the beginning. The first thing we have to do is stop acting like losers.

Our businessmen have got to start thinking about what's good for America instead of what's good for their short term profits. And as far as I'm concerned that starts with a decision not to deliberately send American jobs to Japan.

Secondly, the government has to get off the backs of businessmen and farmers and let them produce. Notwithstanding the enormous gains of countries like Japan and Germany, there is no nation on earth with the productive capacity of the United States.

And that production improvement must begin with agriculture. But we can't expect farmers to produce if they can't get a fair price, just as we can't expect our farmers to pay all of the costs of the government's foreign policy decisions.

Therefore, it seems to me that we're going to need a fresh approach to farm legislation that will return to our farmers and ranchers their cost of production plus a fair and reasonable profit.

There are going to be a lot of people and organizations competing for dollars in a sharply restricted Federal budget this year, and because of that we're going to need a new coalition of farm organizations who will work together—not against one another—so that we can get the job done.

If the various organizations representing farmers and ranchers come to Washington divided and at war with one another, I don't think it will be possible to get a farm bill at all.

Therefore, I urge you to begin work right now to develop lines of communication with me and the other members of the Congress, because it will take time to resell the needs of American agriculture to an urban Congress.

The hard work of people like you is what is needed more than anything else to make this country great again. American agriculture can lead us out of this recession we're in.

We need to sell America's food abroad to buy the oil which is creating our balance of payments problem. We can turn that trade balance in our favor if we can sell 45 or 50 billion dollars per year of our farm products overseas.

But we want a price. We want a good price. And we are going to get a good price.

We have been selling abroad too cheap. Those who do not understand American agriculture are selling you out. They are selling the United States out.

We simply can't continue to be the patsies for the world with cheap food sales that break the backs of the very producers who make it all possible. Producers either control the price of their own product, or that price will be controlled by the international meddlers.

That means producers have to fight for their own destiny. The rest of the country won't do it for you.

If you'll let me, I'm ready to get into that fight with you, and I will need the support of all of you.

Mr. LEAHY. The text of this speech clearly reveals Mr. Stockman's bias against America's farm programs. Senators from agricultural States, farmers, and ranchers owe a debt of gratitude to Senator MELCHER for his thorough work to discern what OMB has in store for them. We now know what we are dealing with and are better prepared to fight for America's farmers and ranchers, thanks to JOHN MELCHER.

Mr. MELCHER. Mr. President, I am pleased to endorse the nomination of

John Block to be Secretary of Agriculture.

He is clearly a decent and sincere man, who truly cares about fair prices for American farmers and ranchers. He has made a sincere commitment to the enactment of a good farm bill this year.

There was not time during the confirmation hearing to ask Mr. Block all of the questions that I might have liked, and, therefore, I submitted to him 19 questions for him to respond to in writing. I was impressed that his answers seemed to be personal statements of his belief. Clearly they had not been sanitized by budget analysts and economists so that they made no commitment at all.

I hope Mr. Block can continue to speak out forthrightly for American agriculture. I hope that he can set farm policy, rather than the Secretary of State, the Council of Economic Advisers, and the Director of the Office of Management and Budget. I have my doubts that this will happen, but I will keep hoping anyway.

Mr. President, I ask unanimous consent that the questions that I submitted in writing to Mr. Block be inserted in the RECORD at this point, along with his replies.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS AND REPLIES

1. Isn't it true that the best way to cut the cost of the food stamp program is to improve the economy in general, since the cost of the program responds to changes in the economy? Why do you want to go after the messenger that brings the bad news instead of attacking the causes of the bad news?

Reply. It is true that an improvement in the economy and reduction in unemployment insurance would result in a substantial drop in the food stamp program. However, other modifications need to be made that would reduce the cost while still provide service to those who need it.

2. Insofar as general farm legislation is concerned, what do you think it will take to get a viable bill that will respond to changes in the economy—so that we don't have to bring up emergency legislation every year?

Reply. I hope that by working closely with the Congress we can provide a farm bill that will respond to changes in the economy and will not need constant revision.

3. Notwithstanding currently short world supplies of grain, it appears that there is a record wheat crop in the ground. At what level do you think the farmer held reserve ought to be to insure that the bottom doesn't fall out of wheat prices?

Reply. I think the farmer held reserve should be at a level that encourages the orderly movement of wheat into the world market. It thereby avoids severely depressed prices but permits producers to benefit from what we anticipate to be an excellent long-term world demand.

4. At what level should loan rates be for the various crops to make for a viable program across the board?

Reply. Loan rates for various crops should be made at a level that permits it to function without moving into government hands.

5. The Carter Administration failed to make deficiency payments for barley this year because the price of barley for brewing wasn't factored into the price situation. Would you agree that the price of barley sold for brewing should be factored into the equation for the purpose of deficiency payments?

Reply. This situation underlines the problem with establishing target prices. I am aware that there appears to be an inequity in this particular program. This would be a good time to examine this situation to see if a remedy can be found.

6. All we hear lately is how the Federal budget needs to be cut. But I wonder how you feel about cutting programs for agricultural research, or soil conservation—the kinds of programs that add to the productivity of the country?

Reply. We have indeed seen a real dollar decline in recent years. If we are going to keep pace and meet the challenges that are facing us in the future, we are going to have to provide for greater amounts of research to meet these challenges in our production, in our mechanization, and in all of our techniques in agriculture.

I put a very high priority on soil and water conservation in Illinois. As the Director of Agriculture in Illinois, we started a Division of Natural Resources. One responsibility was to work toward the preservation of farmland for agricultural use. Another one was to work toward soil and water conservation, and work with the agricultural industry. We provided for some cost-sharing money; not a lot of money, but we had projects all over the state so that it could be demonstrated that we can farm land intensively if we do it properly, and still save the soil. We must save this rich natural resource if we are going to be around to meet the needs of our grandchildren.

7. A number of large investment companies that manage pension funds are buying up U.S. farm land as a long-term investment, and are leasing it back to farmers. How do you feel about that sort of thing?

Reply. I have gone on the record in the past as opposing investment plans of this nature. As the tax regulations allow for special advantages to be experienced by pension funds which an individual farmer cannot take advantage of, I feel the situation would be unfair to the farmer who had to compete with an outside group for ownership of the land. If farmers lose control of the land, it will destroy the family farm system as we know it and I feel will hurt productivity in the long run.

8. While farmers and ranchers will be the most important constituents you will have, you will also be responsible for the $2 billion programs of the Forest Service. Do you have any fundamental notions about how that agency should be operated? Do you think the agency belongs in the Agriculture Department? Do you think the Chief of the Forest Service should be a political appointee? What about the Chief of the Soil Conservation Service, should he be a career person or a political appointee?

Reply. I feel that both of these services should be part of the Department of Agriculture, and I think that whether the administrators of each program is a career person or a political person, their expertise and leadership abilities in this area should be foremost. They both need to be responsive to the policy needs of the Secretary as well as the stewardship functions they are vested with by law.

9. How do you feel about farmer-owned cooperatives? You're not going to be one of those people who thinks they are a target for the Justice Department trust busters, are you?

Reply. I am a member of farmer owned cooperatives. I support their continued operation and I think the enforcement of the Capper-Volstead Act should be in the USDA.

10. Do you think there is still a place in the Department of Agriculture for low interest loans to rural electric cooperatives? How do you feel about the importance of the REA guaranteed loan program? Do you think that the REA rural telephone program ought to be kept in USDA or transferred to the Commerce Department? Do you favor the reauthorization of the Rural Telephone Bank?

Reply. I believe rural electric telephone cooperatives provide essential benefits to farmers and the rural Americans they are designed to serve. I will have to take a closer look at these matters before I can make specific recommendations.

11. Do you think the ASCS disaster program ought to be extended and held in reserve until it is determined whether the new crop insurance program is going to work?

Reply. I hope that the new crop insurance program works so we don't need disaster programs. I am optimistic that the insurance program will succeed.

12. I notice that you have been active in promoting agricultural sales overseas. Do you have any specific ideas for improving the operations of the Foreign Agricultural Service?

Reply. In general I feel the role of the Foreign Agricultural Service is a very important one and I am open to all suggestions for improving its ability to meet its vital goals.

13. I notice in the press that you intend to de-emphasize the consumer programs of the Department, and I think the media may have overdrawn what you said. You aren't going to be indifferent toward whether meat supplies are safe, or whether farmers are protected from unsafe chemicals, are you?

Reply. No, of course not.

14. Transportation and agriculture are vitally linked in Montana. What do you plan to do with the Office of Transportation in the Department?

Reply. I intend to keep the Office of Transportation as a strong and vigorous part of the Department of Agriculture.

15. The recently enacted National Rural Development Policy Act establishes you as a sort of czar for rural economic development in the government. Obviously rural development begins with good and stable farm prices. But do you think rural development is a proper function of the Department?

Reply. I concur with the Republican Platform on rural America. Attention to the quality of life in our rural areas is a vital necessity because rural Americans impart a special strength to the national character. It is our goal to assure that all rural citizens—whether they are farmers or not—have the same consideration in matters of economic development, in energy, credit and transportation availability, and in employment opportunities which is given to those who live in towns and cities. The opportunity for non-farm jobs enhances the ability of people to live and work in rural America is part and parcel of our commitment to make America great again.

16. Have you given any thought to using the housing programs of the Farmers Home Administration to put new life back into the housing industry, and get construction workers on the job again?

Reply. It would be overly ambitious to think the Farmers Home Administration could solve all of the problems in the housing industry. However, to every extent possible, we will work with the Farmers Home Administration to revitalize this industry however we can.

17. You have spoken out strongly against bilateral trade agreements, and I'm no great believer in them myself. But the one with China would provide a large and continuing agricultural market, particularly with regard to wheat, even if Mr. Reagan decided to cool relations with that country. We all know the chaos the Russians could cause in our markets, as they did in the 1970's. Do you favor ending the present bilateral agreement with China? Will you attempt to establish a new agreement with Russia when it expires September 30 this year?

Reply. In general, I do not favor bilateral agreements. However, in this case, I think we must have an agreement with the Soviets to help stabilize our trade relationship. A long-term agreement will help producers in this country to receive advance information on how much grain the Soviets intend to buy. It also helps to prevent "in and out" buying which, as we have seen, can prove detrimental to our ability to develop sound marketing strategies.

The People's Republic of China is a similar situation to the one with the USSR. The values of an agreement would be roughly comparable. However, I do not think such agreements are panaceas and we should be aware that it is not feasible to expect to draw up such agreements with a large number of countries.

18. Have you given consideration to extending additional CCC credits to Poland beyond the $670 million approved by the Carter Administration? What will be USDA's input in coming to a decision on this?

Reply. This has not been considered at this time. USDA will be a party to the decision making matters of this kind.

19. Many commodity groups have been supporting a revolving credit fund to promote increased exports. With the tight budget we know we are facing and the statements of OMB Director designate Stockman, can we expect that such a fund would receive the approval of the new Administration, or the appropriations of funds?

Reply. I hope so.

● Mr. PRESSLER. Mr. President, today the Senate will vote on the nomination of John R. Block for Secretary of Agriculture. Not since the Great Depression have the problems of agriculture been so severe, nor the future so uncertain. Family farms are disappearing at an alarming rate, with fewer and fewer young people able to get started farming. It is this agricultural climate that Mr. Block must face as Secretary of Agriculture.

But, Mr. Block is no stranger to the risks and problems of farming—he has dealt with them as a real, live farmer. For the past 20 years he has operated his farm with success and distinction. He also brings with him administrative experience as director of the Illinois Department of Agriculture. His farming and administrative experience have served him well in the past, and I sincerely hope they will serve him as well in the future.

Still, the world of Washington is different from government and farm life in Illinois. What is supposed to be a team effort in Government too often becomes a conflict among different Federal agencies. American agriculture cannot afford to have the Secretary of Agriculture caught up in the Washington bureaucracy—he must watch out for OMB, CEA, FRB, FEMA and the rest of the alphabet soup of the bureaucracy. The conflicts between the Department of Agriculture and the other agencies will arise in Government spending, economic, credit allocation, foreign trade and other policy decisions. Too often, agriculture has borne the burden of the effects of Government policies. It is time to beat the bureaucracy and return the Department of Agriculture to the producer-oriented agency it must be. To do so, the Secretary must be a strong spokesman for farmers and work closely with Congress to be an effective voice in Washington.

Mr. Block is about to assume some of the most difficult duties in Government. He will be responsible for preserving and strengthening the element which is the very backbone of our entire national economy. I know that my colleagues in the Senate join in wishing John Block well in these tasks and willingly support his efforts to serve and assist the American farmer.●

Mr. PERCY. Mr. President, I know I speak not only for myself, but for all the 11 million plus citizens of Illinois, in saying how proud and honored we were of the nomination by President Ronald Reagan of John R. Block to be Secretary of Agriculture and a valued member of his Cabinet.

Mr. President, it was only 2 months ago, on November 17, that eight members of the Senate Agriculture Committee had an opportunity to meet John Block in my office for the very first time. That meeting was only the beginning of the process that led to this great day. Recently the distinguished chairman of the Agriculture Committee, my esteemed colleague Senator HELMS had Secretary-designate Block in North Carolina for a first-hand introduction to the agricultural community of that great State. I know that visit went well. In addition, I would like to express particular appreciation to Senator DOLE who from the outset has enthusiastically supported John Block.

For the 2.3 million farmers of this country, the first direct impression of President-elect Reagan's election as President comes with this appointment of a new Secretary of Agriculture. In my opinion the President-elect has made a sound and lasting impression on the agricultural community by the appointment of John R. Block.

On November 17, in a letter I wrote to Governor Reagan strongly recommending John Block, the Illinois Director of Agriculture, I stated that the next Secretary of Agriculture would have a great responsibility. It will be his job to help maintain our strong and bountiful agricultural production system; to expand and strengthen our important export markets; and to oversee our vast agriculture and rural development programs.

I believe John Block has combined in his background many of the very qualifications required for this important Cabinet position. He is a working farmer with a complete understanding of what is required to operate our complex food production system. He will bring to this administration experience in administering a large governmental department.

John Block was named Illinois director of Agriculture in February 1977, by Illinois Governor Jim Thompson. In that capacity, he has worked hard to maintain Illinois' leading position as our No. 1 agricultural exporting State. Director Block has played an active role in developing overseas markets and has international experience. John currently serves as vice-president of the National Association of State Department's of Agriculture. I was pleased that John always had time to consult regularly with my Illinois Farm Advisory Board, a group that advises me on national agricultural policy.

I can personally attest to the wide support and confidence Director Block enjoys among the Illinois agricultural community. He has been able to maintain good and open channels of communication with all the various groups involved in food production today.

Mr. President, this Congress has a great deal of work ahead of it. One important item of great importance to this committee will be the new farm bill to replace the Food and Agricultural Act of 1977 that expires with the end of the 1981 planting season.

Our present farm law has multiple provisions dealing with all phases of agriculture. Work will have to begin immediately on the new legislation and the new Secretary of Agriculture will have a great deal of influence on the shape and direction of this important bill.

Mr. President, the agricultural community is ready for the new beginning that President-elect Reagan called for on the night of his election victory. There can be no better way to begin, in my opinion, than with the confirmation now of John Block as the next Secretary of Agriculture. I urge my colleagues to give this nomination its unanimous approval.

Mr. HELMS. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HUDDLESTON. Mr. President, I do not believe any other Member on this side is prepared to make any remarks. I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the vote on this nomination will occur immediately after the conclusion of the vote on the nomination of William French Smith for Attorney General.

Mr. HUDDLESTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF COMMERCE

NOMINATION OF MALCOLM BALDRIGE, OF CONNECTICUT, TO BE SECRETARY OF COMMERCE

The PRESIDING OFFICER. Under the previous order, the clerk will state the nomination of Malcolm Baldrige to be Secretary of Commerce.

The legislative clerk read the nomination of Malcolm Baldrige, of Connecticut, to be Secretary of Commerce.

Mr. PACKWOOD. Mr. President, as chairman of the Senate Commerce, Science, and Transportation Committee, I would like to call up the nomination of Malcolm Baldrige as Secretary of Commerce.

Although President Reagan did not assume the Office of President until his oath on Tuesday, and afterward officially named his Cabinet choices, the Senate Commerce Committee has cooperated fully in the Presidential transition by acting early on Mr. Baldrige's nomination.

The FBI has completed its background investigation of the nominee and given their findings to the committee for our review. We have also studied Mr. Baldrige's financial disclosure statements and his ethics reports, which are on file with the committee. During the course of our hearing on January 6, the members of the committee had an early and full opportunity to question Mr. Baldrige on his experience, qualifications, and policy views. Needless to say, he impressed each of us with his candor, his ability, and his integrity.

The Senate Commerce Committee subsequently met on January 19 and voted unanimously to recommend confirmation of Malcolm Baldrige as Secretary of Commerce and I heartily endorse their approval.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

Will the distinguished chairman yield for a question?

Mr. PACKWOOD. I yield.

Mr. PROXMIRE. Mr. President, I would like to point out to my good friend from Oregon that one of the biggest scandals in recent years was the bribery of foreign government officials by American companies to gain business. I am sure the Senator can recall the situation with Japan where it caused a Japanese Government to fall, complications of our relations with Italy and the degradation of the monarchy in The Netherlands.

We had a study by the SEC which showed that 300 American corporations conceded that they had engaged in bribery. They came forth and disclosed the fact that they had done that. In the wake of that, the Congress passed the Foreign Corrupt Practices Act, of which I was the author, which outlawed foreign bribery and required strict accounting controls to stop slush-fund bookkeeping.

I specifically asked Mr. Baldrige about his support of this act and moves to gut the legislation. His response was lukewarm. He used code words about the act which lead me to believe that he will lend his support to the forces that do business by bribery and wants to gut the bill.

I do not say he will do that intentionally, but his answer was so naive that I am afraid he will be out front of such an effort.

Can the Senator assure me that Mr. Baldrige and the Reagan administration will oppose foreign bribery and slush-fund bookkeeping by American companies abroad?

Mr. PACKWOOD. Mr. President, I think if the President were here, he would say, "I am opposed to foreign bribery and slush-fund bookkeeping."

Mr. PROXMIRE. Mr. President, let me follow up for a moment.

Mr. Baldrige answered my question in part with this question. He said, "Do we want the act interpreted broadly to export America's outlook to the rest of the world?"

With all due respect to Mr. Baldrige, I think that shows a complete lack of understanding of the situation. The fact is that bribery of government officials is outlawed in every civilized country in the world. There is no question at all about exporting our outlook.

It is true that the bribery law allows meaningful enforcement of bribery codes because a company can no longer hide bribery of Japanese officials, for example, in its California files. That is especially true of African developing nations who need our help in stopping bribery within their countries.

Does the Senator agree that if a little developing country finds that its officials are being bribed, or hears rumors that they are, that it is in a very difficult position to prevent that kind of action? Would the Senator agree that it is greatly to the interest of this country to stop the bribery?

Mr. PACKWOOD. I think the answer is yes, but I am not quite sure I understand the Senator's question. Will the Senator ask it again?

Mr. PROXMIRE. I am saying that we help, we assist, these countries because there is no way that a bribe can do anything but damage to the country where the official is bribed. A bribe is paid for one purpose, so that either an inferior product which would not otherwise be bought is purchased, or one that is a higher priced item is bought. If you eliminate bribery, procurement would be done on the basis of the marketplace. Bribery is an interference with the marketplace. Therefore, my question: Do we not help these countries, especially these underdeveloped countries? Mr. President, maybe it will help the Senator if I call to his attention the fact that the attorney general of one of the smallest African countries wrote us and said that he hoped this country would adopt this kind of a statute.

Mr. President, we lead the world in trade, with a dominant free economy in trade. It would seem to me this is a way, without costing the taxpayer anything, that we can serve the interest of these countries by having this kind of statute.

Mr. STEVENS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. PROXMIRE. I am happy to yield.

Mr. STEVENS. Mr. President, I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I ask unanimous consent that, when the present time agreement expires or time is yielded back, that we proceed to the consideration of the nomination of Samuel R. Pierce, Jr., of New York, to be Secretary of Housing and Urban Development, and that the vote on Mr. Pierce, if one is requested, occur following the vote on the Baldrige nomination.

The vote on the Baldrige nomination will occur in sequence following the expiration of the present time agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, if the Senator will yield further, I ask unanimous consent that it be in order to ask for the yeas and nays on the nomination of Mr. Smith to be Attorney General of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays on the Baldrige nomination at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. I thank the Senator for yielding.

Mr. PACKWOOD. Mr. President, let me respond, if I might, to the Senator's question. In his testimony before the committee, Mr. Baldrige very clearly indicated he is opposed to foreign bribery and foreign corruption. He thinks the act should be clarified so that indeed you know whether or not, when you pay an agent overseas, it is or is not corruption or bribery. But he is very clearly on the record as supporting the act as clarified.

Mr. PROXMIRE. I appreciate that. But let me point further to his responses, which indicate that he really failed to understand it. He testified:

> The act as now constituted is so difficult for a small- and medium-sized manufacturer to wade his way through that literally, unless he hires a $100,000 Wall Street lawyer, he is just going to just give up.

He further stated that the act is complex and there is uncertainty as to its application, characterizing the FCPA as a legal maze.

That shows a complete lack of familiarity with the bill. The law simply outlaws the bribery of a foreign official by an American company to gain business. Both the Justice Department and the SEC have instituted a bsuiness review procedure so a company can get an advance clearance on a particular transaction. All they have to do is ask and they will give them the answer.

Moreover, if that is not enough, enforcement guidance can be issued by the Justice Department. In fact, the SEC just issued an extensive guideline statement on the accounting control provisions of FCPA. It seems to me Mr. Baldrige is badly informed on the subject.

Mr. PACKWOOD. The Senator from Wisconsin mentioned the Attorney General's office, the Federal Corrupt Practices Act, and mentioned advisory opinions. All Mr. Baldrige has said is that for a small company it is a hurdle to understand what the act is.

The Senator says to ask for an advisory opinion. You go to your lawyer and say, "Give me an advisory opinion."

Mr. PROXMIRE. He can go to the Justice Department and they will tell him.

Mr. PACKWOOD. I have seen those advisory opinions. Then you get the lawyer to understand the advisory opinions.

Mr. Baldrige is opposed to foreign bribery and foreign corruption.

When the Senator says that every civilized country in the world has laws against bribery and corruption, I do not quarrel with the laws part, but he and I well know that many of the countries in this world countenance bribery as a common occurrence in their governments. They may or may not have laws against it—in most cases they do—but they countenance it. It is a way of doing business in those countries.

Mr. President, I am not saying that we should succumb to those tactics, but I am saying that every civilized country in the world has laws opposing bribery when indeed they do practice bribery in those countries among their own businesses.

Mr. PROXMIRE. May I say that the whole argument here is that we are losing export business because we have a special standard. The evidence shows that we are not losing it at all. Since that act was put into effect in 1977, we have substantially increased our exports. We have increased them in every area. There is a good reason for that. I think this act has something to do with that. That is that when a foreign government buys from the United States, they know that here is one country that has a law making it a crime to engage in bribery. If I were a procurement official in a foreign country I would prefer buying from this country because I would know it is clean.

Instead of supporting this legislation, it surprises me very much that this nominee should indicate that he would like to gut it.

Mr. PACKWOOD. He did not say he wanted to gut it. He supports it. He would like to have it clarified so that the small businessman can read it and understand it himself. He does not want to gut it, abrogate it, or terminate it.

Mr. PROXMIRE. As I said in my initial question, he indicated that the act was a legal maze and complicated. We have had this act on the books now for 3 years. We have had no specific complaints. I was chairman of the Banking Committee until a few days ago, and that is where the complaints would come.

They always make these code arguments about how the act is complicated, but they do not say what they would like to change or how. It concerns me that the Secretary of Commerce has this attitude toward what to me is a very important improvement in the quality of our business, which I think is quite serious.

Mr. PACKWOOD. Let me read that into the Record. This is the question Senator Cannon asked on behalf of the Senator from Wisconsin:

> Congress recently passed the Foreign Corrupt Practices Act making it a crime to bribe foreign government officials to obtain business and requiring accounting controls by corporations to prohibit slush fund bookkeeping. The premise of FCPA is that a world free market trading system should be based upon price, quality and service and business not obtained by bribery. Do you support the FCPA and oppose moves to gut this legislation?
>
> Answer. I support the intent of the act.

Mr. PROXMIRE. I do not want to belabor the Senator further on this. I have made my position clear. I am concerned about supporting the intent of the act, but I am interested in the so-called clarification. All of us are interested in clarification, but we should be very sensitive to any action which would weaken the fact that we not only have an effective act that outlaws bribery but also one which traces, which leaves a paper trail, which is essential if we are going to do this job.

Mr. PACKWOOD. Let us agree that it is not necessarily a weakening of the act if it can be written in language that the average person can understand without a lawyer.

Mr. PROXMIRE. I think that is fine, but we have been waiting 3 years for that clarification and we do not have it. They think the act is too complicated, and I am concerned that they might try to bulldoze something through that would knock it out.

There is something else; I asked the Secretary-designate of Commerce, through the committee, about the budget cuts in the Commerce Department. This man, as the Secretary of Commerce, would represent the business community. To his great credit, he has been a great businessman.

When I asked him where he would make reductions, he was not able to tell me of plans to cut the Commerce Department budget in any area.

Can the chairman give me any indication of when we could expect the Department of Commerce, under Mr. Baldrige, to tell us how we could make reductions in their budget?

Mr. PACKWOOD. I talked to him privately, and he was very fair about that answer. He did not know. He correctly thought that the cuts that might be made, in his judgment, would be part of an overall series of cuts that would come from the Reagan administration. Those cuts have not been decided upon.

Mr. PROXMIRE. Did he have any options, any possibilities? Here is a man who has been in business for a number of years. He must have dealt with the Commerce Department and must have some opinions of where cuts might be made.

Mr. PACKWOOD. He said he was going to wait, was going to take his lead from the President. Many involved policy decisions, not management decisions.

When I talked with him in the office, he had received the nod for the nomination only a few days earlier. I believe he was wise in saying that the President is to make major policy decisions and, "I will help carry them out."

Yesterday, Budget Director Stockman indicated that in about 3 weeks, he hoped to have the major outlines of the budget cuts here, and I am sure the same will apply to the Department of Commerce.

Mr. PROXMIRE. Is the Senator saying that, in his judgment, within 3 weeks or a month we should have information as to the cuts we might make in personnel and in the budget?

Mr. PACKWOOD. The President already has frozen hiring.

Mr. PROXMIRE. I understand that.

Mr. PACKWOOD. Director Stockman indicated yesterday that he hoped that in about 3 weeks, the major outlines of the budget cuts would be ready. I cannot guarantee that we will see anything very specific, but I believe we will see the general policy outline in that time, with a number of specifics.

Mr. PROXMIRE. With respect to regulations, Mr. Baldrige said he thought regulations would be reduced or eliminated. When I asked him to be specific, he said it is premature to specify regulations which would be eliminated or reduced at this time. He said he would review the Carter administration's inventory and timetable for review of regulations. Can we get any idea of when the review of the Carter review will be available?

Mr. PACKWOOD. We did not get it, nor did we ask. I do not know when it will be available.

Mr. PROXMIRE. Would it seem reasonable to expect them April 1 or May 1? We would like to get them as soon as possible. As the Senator knows, the administration is in its strongest position to act promptly.

Mr. PACKWOOD. When the Senator says "as soon as possible," I am not sure that is a statement I agree with, based upon my 12 years in the Senate. I have found that we have made more mistakes in haste than lost opportunities by delay.

Mr. PROXMIRE. Regulation was one of the biggest complaints of American business. As Secretary of Commerce, he is dedicated to reducing regulations, and now the Senator tells me that we do not know when we are likely to get recommendations, and whether we will get them in the future, we do not know.

Mr. PACKWOOD. I would feel more comfortable if the Reagan administration looked at all the regulations very carefully before they make recommendations. If that means that there is a week or two or three longer delay than some people might want, I would prefer the delay.

Mr. PROXMIRE. I would agree with that if it were 2, 3, or 4 weeks.

I am asking when we can expect reasonably, in the good judgment of the chairman of the committee, a response on regulation.

Mr. PACKWOOD. I have no idea.

Mr. PROXMIRE That is about as unsatisfactory to this Senator as the responses of Mr. Baldrige.

Mr. PACKWOOD. My hunch would be that if that question were put to Jim Baker or Ed Meese, "When can we specifically expect your recommendations on those regulations governed by the Department of Commerce——"

Mr. PROXMIRE. The Senator inserted his own words. I did not ask for a

date. I said a month, 2 months, 3 months, roughly.

Mr. PACKWOOD. I do not know whether it will be a month or 2 months or 3 months. I do not know whether they are going to turn their attention first to environmental regulations, many of which do not fall within the Department of Commerce, or regulations that fall within the Department of Commerce. All I am saying is that I would rather they act wisely than rashly.

Mr. PROXMIRE. Mr. Baldrige did say that the Commerce Department will do its best to achieve the 25-percent paperwork reduction goal specified in the Paperwork Reduction Act of 1980. He said that some reduction may require changes in legislation and in regulations. Can the chairman tell me when those changes in regulations will be announced and when the legislation changes will be proposed to Congress? We cannot tell when they will act on them, but can we have some idea of when we will begin to study them?

Mr. PACKWOOD. I do not know.

Mr. PROXMIRE. I am disappointed.

Mr. Baldrige said it was too early for him to know what changes will need to be made in the general operation of the department. Can the chairman suggest when it would be reasonable for us to expect the new Secretary to make the changes?

Mr. PACKWOOD. I can tell the Senator what I think would be reasonable for a new Secretary in a 4-year administration. I would be happy if he would have his first recommendations, major ones, to us within 2 or 3 months. I would be satisfied. I am not saying that would meet the deadline. They might beat it.

Mr. PROXMIRE. I asked this nominee, as well as others, whether or not he would be able to transfer some of the costs of some services from the general taxpayer to the user of the services. As the Senator knows, in many cases we do it. He pointed out the wide range of user charges for a number of services provided by the Commerce Department, and he said that he intends to make the greatest possible use of these fees.

I wonder whether the chairman was able to get any notion of when we will have the plans as to expansion of the use of user fees.

Mr. PACKWOOD. I do not recall that that question was ever asked of Secretary-designate Baldrige.

Mr. PROXMIRE. I asked him in writing.

Mr. PACKWOOD. If the Senator asked him in writing, apparently the Senator has the only answer that exists.

Mr. PROXMIRE. That was a very limited answer.

I thank the chairman very much.

I realize that this may seem unfair. The difficulty is that the Secretary of Commerce, as the other Secretaries, has an enormous Department. They have great discretion, as they should have and must have. We cannot operate this Government by the President or Congress making every decision. They have enormous budgets and large numbers of people working for them. This is the only time we have an opportunity to pass on their qualifications and their willingness to cooperate, and so forth.

Frankly, as we have gone down the list—this is the seventh or eighth we have considered—in virtually every case they do not know when they can be able to give us the answers on their budget recommendations, personnel, or paperwork. It means that we have to work in the dark, and I think that is very unsatisfactory, particularly in view of the fact that there is no way, as the Senator knows, that a Secretary can be successful in running his Department without cooperating with this body. We do not seem to be getting that cooperation.

Mr. PACKWOOD. When a new Secretary comes in, I do not believe it evidences lack of cooperation if he says, "I don't have my plans. I'm not sure where I'm going to make the cuts. I received word 10 days ago that I might get placed here. I'm coming from a different sector."

If you were to take somebody out of the banking business and move him over to be chairman of a manufacturing company, if he is wise, he would not come forth with a rash of suggestions within a week or two or three.

Mr. PROXMIRE. I believe the Senator is right, and that is one of the problems here.

We talk about hitting the ground running. We hire people for most jobs who have experience in the field and a record in the field. I am not criticizing the Reagan administration. It was true of the Carter administration and the Kennedy administration. In most cases, the people they appoint to Cabinet posts have no experience at all in that field and none in Government, and some people say that is great. It means that far from hitting the ground running, they will hit the ground in a heap, for days, weeks, or months, before they can move into action. Instead of running, they will collapse.

Mr. PACKWOOD. The Senator and I have served on the Banking Committee for 8 years, and the Senator and I have had a disagreement about this.

As between the two, I would rather have a bright novice than an expert. I have had my fill of experts who come to departments and know all the changes that should be made on the first day. They normally come from a background of experience in the department of 10, 20, or 30 years. That is the total of their experience. I find them out of touch with America more than a novice brought to the Government.

I would rather have Cabinet officers—not all their underlings but officers—with relatively limited experience in the Cabinet they are going to administer, who come to it with an open mind, than an expert.

Mr. PROXMIRE. I think that is a kind of a pretty barren choice.

After all, if one is a complete novice, bright as he is, he is likely to be the victim of the experts that he hires. He should know something about the field and have some standards, basis, background, training, and education that permits him to evaluate the experts. Otherwise, he is simply a tool of the experts.

Mr. PACKWOOD. Look at the Senator's committee, the Banking Committee. Senator GARN is chairman now. Look at the housing industry. The experts 30 years ago told us that the answer to downtown slums was high rise housing, and they were perfectly intelligent experts, nice people. They said if we put up 25- or 30-story buildings people would have a decent roof over their heads and we would solve education problems and crime problems. It did not work out that way. That was the answer of the experts. We followed their advice and we got ourselves into a passel of trouble.

Now the experts 5 years ago or 10 years ago said no, the answer is scatter housing, put 30 units here, 40 units up in the suburbs, and 50 units here.

Now, interestingly I find it coming full cycle again and we come back to saying they should be put downtown.

I do not know if they were right 30 years ago, 10 years ago, or now. But it is experts who give us that advice and frankly they do not know any more about it or where they should go than a novice who comes into it absolutely tabula rasa and says, "I will consider all the options and try to come to a honest, decent, and honorable conclusion."

Mr. PROXMIRE. The Senator knows I respect him, but I disagree with where we place the blame with the trouble on the cities and housing. I agree it has been an absolute disaster. We increased spending in the cities from $2 billion a year to $85 billion a year and they are worse off now than they were, again according to a study by the Brookings Institute.

Mr. PACKWOOD. Why?

Mr. PROXMIRE. Why? Not because of the experts but because Congress insisted on going ahead, feebly collapsing in front of the pressure groups, the unions, the builders, and the mayors who want to build up the downtown area. Forget about the neighborhoods. We have had a program that just has not worked. We bring in the experts. We like to have experts we agree with. We make the decision. We cannot shift that blame to the other guy. We, Congress, make the votes, and we have been very mistaken.

Mr. President, I thank my good friend from Oregon. As I say, I am very disappointed in these responses. The administration was going to hit the ground running and make real cuts in spending, cut regulations, and cut paperwork. Again, again, and again we come up with the same answer: maybe, possibly, sometime, somewhere, we have to see, we do not know when. And I think this is a disappointment.

I thank my good friend.

Mr. PACKWOOD. Mr. President, I am willing to save some time. I shall be handling the nomination of the Secretary of Transportation later. I am willing to save some time and put the same colloquy in the RECORD and not have to go through the same questions.

Mr. PROXMIRE. I will have a few different questions as to the Secretary of Transportation.

I thank my good friend.

Mr. President, I understand that the ranking minority member wishes a quorum call. I ask unanimous consent that I may put in a quorum call briefly so he may come to the Chamber, and I ask unanimous consent that it not be taken out of his side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I rise to join my colleague and chairman of the committee in support of this nominee.

I was impressed by his appearance before the committee and as the committee chairman has stated there were no opposing votes against him in the committee.

I was a little concerned about some of the same answers that Senator PROXMIRE referred to, but I asked him some of those questions for Senator PROXMIRE. I do think that if there are real serious problems with that particular law or any others that can be clarified, that would make it easier for businessmen in this country to compete both here and abroad, we should take a real serious look at them.

I gained the impression from the Secretary-designate at that time that that is what he intends to do.

I support him in that concept and I urge my colleagues to support the nomination.

Mr. THURMOND. Mr. President, I rise today in support of the nomination of Malcolm Baldrige to be Secretary of Commerce.

Mr. President, Malcolm Baldrige is a man of exceptional abilities. His reputation and accomplishments in the business community are no less than outstanding. Mr. Baldrige is regarded as a rugged individualist who runs a tight ship. He has exhibited a willingness to make difficult decisions and a strong determination to solve tough problems. His experience in the business community and his understanding of the need for Government, labor, and management to all work together to solve the current economic ills of our country are traits becoming of anyone nominated to serve as Secretary of Commerce.

Mr. President, Malcolm Baldrige is also noted for his athletic abilities. He has proven himself to be one of the best calf ropers in the Nation, and I believe that he will be equally successful in "lassoing" the many problems confronting the Department of Commerce.

Mr. President, I sincerely hope that my colleagues will join me in confirming the nomination of this most capable and qualified individual to be Secretary of Commerce.

Mr. PACKWOOD. Mr. President, if Senator PROXMIRE and Senator CANNON are prepared, I am prepared to yield back my time also, and we can get on to the next nominee.

Mr. CANNON. Mr. President, I yield back the remainder of the time on behalf of the minority.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. PACKWOOD. Mr. President, I yield back the remainder of my time.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

NOMINATION OF SAMUEL R. PIERCE, OF NEW YORK, TO BE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

The PRESIDING OFFICER. The clerk will state the next nomination.

The assistant legislative clerk read the nomination of Samuel R. Pierce, Jr., of New York, to be Secretary of Housing and Urban Development.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the nomination of Samuel R. Pierce, Jr., to be Secretary of Housing and Urban Development.

Mr. GARN. I thank the chair.

Mr. President, I am pleased the nomination of Samuel R. Pierce, Jr. to be the Secretary of Housing and Urban Development is now before the Senate. He has been admirably successful in all his endeavors including as a senior partner in a leading New York law firm, General Counsel of the Treasury Department, a New York State judge, and mediator in labor negotiations for the New York City Transit Authority. I support this nomination by President Reagan and urge my colleagues to vote for his confirmation.

The Banking, Housing, and Urban Affairs Committee has completed a thorough review of Mr. Pierce's background and suitability to be the Secretary of HUD. The members of the committee also conclude that his nomination should be confirmed. Then President-elect Reagan announced his intention to nominate Mr. Pierce on December 22, 1980. Based on that announcement, the Banking Committee questioned Mr. Pierce about his plans for HUD in a hearing on January 13, 1981. The Committee unanimously recommends his confirmation.

I want to bring one particular point made forcefully by Mr. Pierce during the committee hearing:

> Inflation is public enemy No. 1. Unless action is taken to curb it, the Nation will suffer irreparable damage. * * * A successful fiscal policy will require this administration to reduce Federal Government expenditures and to balance the budget as soon as it is humanly possible to do so. Therefore, * * * I intend to quickly but carefully review the programs at HUD with a view toward cutting unnecessary costs. That does not mean that I intend for HUD to turn its back on the poor, old and needy.

I wholeheartedly agree that such action is necessary and look forward to working with Mr. Pierce to make those cuts while maintaining help for the truly needy.

Meeting the problems of the economy, a runaway Federal budget, a deeply ailing housing industry and the continuing need to improve housing conditions and our cities will demand all of this administration's and Mr. Pierce's talents. I ask my colleagues, therefore to promptly confirm his nomination so he can begin these difficult tasks.

Mr. WILLIAMS. Mr. President, I welcome this opportunity to shortly cast an enthusiastic vote for Samuel Pierce to be the new Secretary of the Department of Housing and Urban Development. In reviewing his record, and his responses to questions during his nomination hearing before the Senate Banking Committee, I was impressed that he is a man of achievement, intelligence, integrity, and principle. He would bring to his office many years of valuable experience in the legal profession, in business, and in government.

At his nomination hearing, he displayed a welcome willingness to keep an open mind about difficult issues he would face during his tenure. I was heartened by his straightforward commitments to advance the cause of open, fair housing practices, and to encourage local decisionmaking in the development and implementation of national urban policies, and I am particularly pleased that he recognizes that our distressed, older urban areas must not be abandoned.

Judge Pierce is accustomed to making tough decisions. Of course, anyone willing to take on the task of managing such an agency as HUD deserves the admiration of us all.

While I support this nomination, and have every confidence that Judge Pierce will become an effective, skillful Secretary, I feel compelled to comment upon a couple of areas to which Judge Pierce addressed himself during the nomination hearings. His statements gave me some degree of concern, and bear examination.

In response to questions about specific administration support for the housing industry during a sharp downturn, Judge Pierce stated that the best stimulus for the housing industry was lower inflation. No one could argue with that. At the same time, no one believes that we can expect to see any dramatic improvement in the inflation rate at any time soon. Unless interest rates come down appreciably, activity in the housing industry will remain flat.

Builders and buyers alike will continue to suffer. For calendar year 1980, housing starts totaled only 1,291,000 and for 1981, the National Association of Homebuilders predict that there will be only modest improvement, dependent of course on the state of the economy. The consequences of depressed housing in-

dustry conditions are lost jobs; reduced population mobility; reduced Federal, State, and tax revenues; and less opportunity for Americans to obtain decent shelter—whether they own or rent their homes. And in the long run, the contribution of the production dropoff to wider cyclical swings in the homebuilding industry can only breed more inflation. During Judge Pierce's nomination hearings it was pointed out that the current economic conditions, especially the high interest rates, were forcing not only marginal homebuilders out of business, but those considered established businesses as well.

The Carter administration in its fiscal year 1982 proposed budget has recommended no additional funding for the section 235 homeownership assistance program, a program that during the past year has served as the sole salvation for the housing industry in a number of areas. At the end of last year's lame-duck session, Congress enacted additional appropriations to provide approximately 17,000 more units of section 235 housing.

This money cannot be expected to last more than a couple of months. In the absence of any meaningful improvement in the inflation picture, the question that the Reagan administration must answer is simple: How long a delay must there be before the Federal Government recognizes the plight of the homebuilding industry, and families seeking homes, and take concrete steps to do something about it? Vague promises of a better day for us all, sometime in the future, to result from an unspecified Reagan administration economic program are inadequate. In my view, the Nation cannot afford a laissez faire attitude toward housing, and if starts figures continue to show a depressed industry, some form of direct stimulus will be in order.

I was also disturbed by Judge Pierce's expectations of cutbacks by as much as 10 percent in such programs as community development block grants, urban development block grants, and assisted housing. I am, of course, not unmindful of his pledge not to turn his back on the needy, but my experience tells me that this group is often precisely the one to feel the burden of budget cutbacks. With the largest share of HUD's budget involving programs for the poor, any cutbacks proposed for HUD naturally fall on these programs.

The Secretary expressed the hope of all that more housing could be squeezed out of less dollars. Certainly, this has been one of my goals, but I believe that the Secretary will find that the limits within which he must work are much more narrow than he thinks they are. Only so much "inefficiency" can be wrung out of section 8 and other assisted housing programs before major consequences develop—such as less production for the future, or lower quality housing, or higher rent burdens for tenants, or fewer needy people permitted eligibility.

I should also point out that the complexities of the Federal budget, indeed, of our society, make it difficult to achieve cost savings in certain Federal programs without simply shifting the cost burdens to other Federal programs, or, worse, to States and localities already hard put to come up with the resources to provide an adequate level of services.

For example, the new jobs that are not created due to slashes in UDAG funds would only mean in many cases continued expenditures from Federal unemployment assistance programs, which though a humane and very necessary response to the trauma of unemployment, return nothing to the Treasury, and gain us nothing in terms of productivity. The community improvement projects that are denied because of reductions in the community development block grant programs must lead to reductions in other local services, higher local taxes—usually regressive property or sales taxes, or the deferral of these projects.

Our urban centers are littered with deteriorated, blighted areas the improvement of which demands resources that are still unavailable, in the meantime crime continues to breed, private investment continues to shun these areas, and in each of these communities rich and poor alike suffer the consequences. Yes, we must have budget priorities, and the Federal Government owes it to the taxpayers to see that its expenditures are prudent, but to believe that budget cuts in programs having such meaning for the social and economic structure of our communities will not have serious repercussions is to deny the obvious.

Mr. President, as I indicated, when Judge Pierce appeared before the Senate Banking Committee, HUD's mission is a special one that requires close attention to some of the most needy segments of our society. The ability of the HUD Secretary to understand the nature of their problems, and to seek a fair and meaningful commitment of resources to meet their needs will be one of the truest measurements of the Secretary's tenure.

With these observations, stated perhaps as reservations, I still feel a great promise that the background of Samuel Pierce indicates that he will be able to grasp the complexity and move with incisive decision on answers to our urban needs that will move us forward in great harmony with the message and the promise of the inaugural address.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

Mr. President, I am glad I had the chance to hear the statement by my good friend from New Jersey, whom I greatly admire and respect. But I disagree with him very vigorously on this issue.

I think we have had too much spending in the housing area, not too little. I hope we can cut it and cut it sharply. My only argument with Mr. Pierce is that I am afraid he would not cut it enough.

If we are really going to get the housing industry going, we are going to have to cut down the Federal spending, balance the budget, and reduce interest rates. You do not reduce interest rates by having a bigger Federal program. You get more Federal housing that way, but you get an equivalent reduction in private housing.

Mr. President, I have spoken to homebuilders over and over again. They agree that what they want to do is have the Government smaller; not bigger, smaller. That is what we have to emphasize. I am glad that Mr. Pierce takes a somewhat similar position.

I will vote in favor of his nomination, but I do have severe misgivings for a different reason.

While Mr. Pierce's testimony before the Banking Committee was reasonably favorable in general to a better managed housing policy, and Mr. Pierce showed reasonable qualifications for the position, his testimony concerning HUD showed such a lack of detailed knowledge about HUD and where he expects to take the agency in the future, as to warrant a good deal of caution.

Mr. Pierce has a fine background. He has been a judge, a high Federal Government official, an occupier of numerous posts in the business, educational, and public service worlds. Let me name just a few: Adjunct professor at New York University, counsel to the House Antitrust Subcommittee of the Judiciary Committee, Assistant to the Undersecretary of Labor, General Counsel of the Treasury Department, labor and transit strike mediator in New York City—and this is HUD, Housing and Urban Development Agency which he would head——director and transit strike mediator in New York City, director of the Securities Investors Protection Corp., consultant to the Federal Reserve, and member of the NYC Board of Education.

Mr. Pierce has had some experience in the housing field. He testified that he was a member of the New York Battery Park City Authority, planning the development of a city within a city, containing housing, commercial buildings, schools, fire house and police stations. He worked in obtaining mortgage insurance on the housing units in particular amounting to some $68.5 million.

Mr. Pierce is a director of the Prudential Insurance Co. As a member of the finance committee of Prudential, Mr. Pierce deals with housing, real estate, and construction problems. He also represents a number of construction companies. So here is a man who has had some very valuable experience in the private sector in housing.

In his testimony, Mr. Pierce exhibited a desire to take the tough actions at HUD that need to be taken in light of current and foreseeable general economic conditions. He said that inflation is our No. 1 economic problem, and with that I agree. I would also stress once again, Mr. President, that inflation is our No. 1 housing problem.

If anybody wonders why we have a prime interest rate which is about 20 percent, all he has to recognize is that we have a national debt of almost a trillion dollars which has a maturity of less than a year, so it has to turn over every year. The credit markets are hit very hard by the Federal Government going in constantly with enormous borrowing. Of course, that drives up interest rates. The way to get that down is to run surpluses,

to reduce the national debt. That is the fundamental way we have to do it. If we try to do it by spending more money, there is no way we are going to get things under control.

Mr. President, Mr. Pierce recognizes that the budget needs to be cut. I agree. He said:

> Unless action is taken to curb it, the nation will suffer irreparable damage, and the neglect and failure to resolve this problem will have disastrous impacts upon the future generations of this country.

His desire was to have HUD fulfill its mission with less money, reviewing all of HUD's programs in the first 6 months with the intention of cutting costs. Mr. Pierce thought that HUD may have to make a cut in actual dollar expenditures of 10 percent. His thought was that every Department of the Government except Defense would have to absorb a substantial cut.

Mr. President, Mr. Pierce's commitment to have HUD cooperate fully with the General Accounting Office in its audits of HUD was also favorable. Frankly, I was disappointed with Mr. Pierce several years ago when as General Counsel of the Treasury Department he refused to turn over relevant documents to the General Accounting Office auditing the Lockheed loan. Mr. Pierce promises emphatically that will not happen during his tenure at HUD.

Unfortunately, Mr. Pierce's testimony was not sufficiently detailed on how he would go about streamlining HUD, reducing its personnel and providing a more efficient HUD operation. Mr. Pierce was very tentative on specific cuts that he would make at HUD, not appearing to know where or how such cuts would be made and their impact on housing policy.

Perhaps one can say that to be specific on these matters would be to require too much of a nominee for Secretary of HUD. I disagree.

The Reagan administration has come to power after an extensive campaign to the American people promising deep budget cuts in expenditure by Government agencies, reduction in personnel, abolition of burdensome regulations, an end to superfluous paperwork, and the delivery of a better product more efficiently. Millions of dollars and hundreds of people have been involved for months in the transition, producing studies for the incoming administration's own management purposes.

Measured against what was promised and the time and expenditure involved, Mr. Pierce, on behalf of the incoming administration, has labored like an elephant and produced like a mouse.

Deregulation has been discussed and extensive deregulation legislation involving other industries was enacted in the last Congress. Mr. Pierce came forward with no programs of deregulation for HUD aside from some generalizations.

Reams have been written about excessive paperwork, yet Mr. Pierce had no specific plans for reducing HUD paperwork.

Government bloated bureaucracy has been attacked consistently, yet Mr. Pierce has no program for reducing HUD personnel.

Next is fair housing. If there is any area where we need action to provide a quality for people regardless of race, it is in housing. That certainly needs to be addressed.

Fair housing is perhaps one of the most crucial matters that needs to be addressed in the field of housing. The Senate debated the matter of fair housing last year. Yet Mr. Pierce has no specific recommendations for strengthening the fair housing laws. I am gratified by Mr. Pierce's commitment on behalf of the Reagan administration to fair housing. But measured against the magnitude of the problem, Mr. Pierce's response is meager. What fair housing needs is leadership. Leadership we did not get from Mr. Pierce.

Mr. Pierce's commitment to find ways to have the private sector meet our housing needs was also not specific. What we need is more imaginative thinking, less of the notion that the Government can solve the problems with more money. Indirect Government programs designed to foster viable private sector housing production, pay greater dividends any day than direct Government spending. One would have expected this administration to have the capacity to hit the ground running in their management of HUD particularly in respect to private sector initiatives on housing. Mr. Pierce failed.

Next is rent control.

Mr. President, if there is any policy on the part of communities that has stifled the construction of rental units, it is rent control. It is very appealing, politically, especially, because there are far more tenants than landlords, but also devastating if we expect to have a constructive rental housing market.

On the question of rent control, Mr. Pierce was vague, yet, it is crystal clear that rent control laws are counter-productive because they discourage the formation of rental units we need so badly. Mr. Pierce would not preempt local rent control laws but would reserve to HUD the right to deny funds to such a community on the grounds that rent control laws prevent a viable housing program. We were left unclear as to how far Mr. Pierce would go to discourage rent control.

Mr. President, I think that is the number one enemy. It would cost the Federal Government nothing to take a far more vigorous posture in opposition to rent control.

He pledged to review the UDAG program but could offer no specific suggestions for cuts. Mr. Pierce also committed himself to review the highway construction program and its impact on housing. Construction of highways along with other Federal projects may destroy more housing than is built with Federal aid. Mr. Pierce did not appear to have a working familiarity with the problem.

Another disappointment was Mr. Pierce's failure to take a firm stand on cutting specific programs such as community development block grants while favoring overall cuts. Mr. Pierce is going to have to get specific and quick if he is to streamline HUD and reduce costs while fulfilling HUD's mission.

I was also disappointed that Mr. Pierce only agreed to "move in the direction" of policies which housing experts believe are long overdue if the Federal Government is to assist more low-income families with fewer tax dollars.

I am talking here, Mr. President, about housing allowances, a move in the direction of housing allowances. It seems to me that we have had a detailed experiment at a considerable cost to the Federal Government. We had it in Green Bay, Wis.; Saginaw, Mich.; and other areas. It was an experiment that was quite fruitful, according to the reports I have received. It would mean that we can target our assistance to those families that are truly poor.

One of the terrible ironies of our housing program is that families with incomes of $30,000 and $40,000 a year get a subsidy in one form or another, and rental units for families with incomes of $17,000 are available, whereas the vast majority of truly poor families, families with incomes of $5,000 and $6,000 a year, get no assistance at all, none.

Housing allowances would enable us to target assistance to those who need it, limit the amount we could afford, and not provide assistance to the few who do not need it, and assistance which, incidentally, discredits housing programs generally.

For example, experience has demonstrated that greater reliance on existing housing results in more families housed for fewer dollars. While local officials should be able to apply for new construction of subsidized housing where vacancy rates are so low as to make leasing existing units impossible, others should also be free to use primarily existing housing. Even in New York City, subsidizing families in place or moving into other existing units yielded twice as many assisted households as new construction from 1975–79.

There is also no reason why HUD should not immediately implement the provision of law which allows an increase in the ratio of tenant income-to-rent from 25 percent to 30 percent. This minor increase in tenant contributions would permit us to stretch our subsidies further to cover more of the needy.

The Senate voted to do that at the urging of the Housing Committee last year, but HUD has dragged its feet and has not done it.

I have taken the time to point out to my colleagues the lack of detailed plan that Mr. Pierce has for HUD. I expected more from the Reagan administration.

I shall give a cautious yes vote for Mr. Pierce. His commitment to budget cuts are ones that I agree with. Obviously we will have to hold Mr. Pierce's feet to the fire on translating Reagan administration rhetoric into reality at HUD.

In conclusion, Mr. President, I am concerned because the nominee did not

specify in adequate detail, in my judgment, the cuts that he would make in the budget. Frankly, he did much better than most of the other nominees have done, not only in this administration but in the past, but far less than I thought a man of his ability and knowledge should have been able to do, particularly with the time the administration has devoted to its transition.

He made no specific recommendations for cutting personnel, although he said 16,000 people in HUD seems to be top-heavy. I can tell him it is topheavy.

He indicated no specific areas where paperwork could be reduced. Again, a disappointment.

I said, on balance, I shall vote for Mr. Pierce, although not with as much enthusiasm as I would like to bring to this nomination.

Mr. GARN. Mr. President, I would like to respond to my distinguished colleague from Wisconsin and the former chairman of the Banking Committee that I agree with about 95 percent of what he has just said, and my colleague knows that. Many of the things he talked about were things we worked on together. No one has spoken more vocally over the last 6 years over and over again, and I am sure both Senator PROXMIRE and Senator WILLIAMS have my speech memorized. They know as well as I know what needs to be done with HUD.

We are in complete agreement there.

Although Mr. Pierce was not my first choice for Secretary, I think he is an excellent choice and will do an extremely good job. My disagreement comes with the expression by the distinguished Senator from Wisconsin as to his disappointment in the lack of specific responses from Mr. Pierce to these areas that both Senator PROXMIRE and I agree about.

Just for the record, I should like the Senate to know that Judge Pierce had been the nominee for less than 2 weeks when he came to those hearings, and I would not expect him, in that period of time, with a department with more than 16,000 employees, with all the various housing programs we deal with in 235, 236, 232, and section 312—I could go on with all these programs it has taken me 13 years to learn as a city commissioner, a mayor, a Senator, and the ranking minority member of the Housing Subcommittee.

So it needs to be said that it is unfair to expect Judge Pierce to come in 2 weeks after he was nominated by President Reagan and give specific comments on all this.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GARN. I will yield in a moment.

If, in a few months, he does not know all these terms that the Senator from Wisconsin and I and Senator WILLIAMS know, and if he does not have any specific suggestions in a matter of weeks, then I will join in the Senator's disappointment.

I point out that I would not expect Judge Pierce to know as much as we do about it. The Senator from Wisconsin has been in it for more than 20 years. I have been in it for 13 years. Senator WILLIAMS has been involved in housing. I am not sure that we all understand what HUD is doing after all those years.

Let us give Judge Pierce an opportunity to learn something of the silliness we know.

I yield to the Senator.

Mr. PROXMIRE. The reason I made that point is that we have had a transition team working here, spending more money than any other transition team in history, a couple of million dollars, and I think that can be very constructive.

I know that Mr. Pierce is a quick study, has a Phi Beta Kappa, is a distinguished scholar and a capable man, and is familiar with housing. He has been working in it in New York. I would think that in 2 weeks he would be able to become thoroughly familiar with HUD.

I understand that they even had a mock hearing so that he would have an opportunity to respond to questions which would be put to him.

Under those circumstances, I am surprised that he was not able to come up with somewhat more specificity with respect to the HUD programs.

I understand the Senator's position. General and unspecific as Judge Pierce's responses were, they were far better than those of most of the nominees who have come before the Senate so far.

Mr. GARN. Mr. President, I believe that Sam Pierce will be an excellent Secretary of Housing and Urban Development.

If no other Senators wish to speak at this time, I ask for the yeas and nays on the nomination. I realize that the vote will be delayed until later in the day.

The PRESIDING OFFICER (Mr. DENTON). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I rise today to voice my support for the nomination of Samuel R. Pierce of New York to be our next Secretary of Housing and Urban Development.

Mr. Pierce will bring with him to this high office excellent credentials as a lawyer and administrator. A graduate of Cornell University and its law school, Mr. Pierce has been a practicing attorney a State judge, and general counsel to the Treasury Department from 1970–73. In each of these positions, he has performed with diligence and unquestioned integrity.

Mr. Pierce has pledged that, as HUD Secretary, he will do all that he can to work with President Reagan so that the administration can successfully cut Government spending and reduce regulation. At the same time, he has pledged to maintain our country's historic concern for the needs of the poor and disadvantaged. I believe Samuel Pierce is the man ideally suited to undertake these important responsibilities.

Mr. President, I hope that the Senate today will overwhelmingly confirm the nomination of Mr. Pierce for the position of Secretary of Housing and Urban Development.

Mr. CRANSTON. Mr. President, I commend President Reagan on his selection of the Honorable Samuel R. Pierce, Jr., as his nominee for the position of Secretary of Housing and Urban Development. Judge Pierce's past accomplishments suggest that he will be a capable Secretary of HUD. His testimony before the Senate Banking Committee indicated a sensitivity to the need to protect and preserve our scarce resources, both economic and natural, as well as being a strong advocate for housing. He will lend HUD his expertise in finance and pledges to work in concert with other department heads in order to develop a stronger economic policy.

As the new Secretary of HUD, Judge Pierce will be the caretaker of this Nation's housing and community development policy at a time when the housing construction industry is in the throes of a year-long depression and when fiscal austerity forces the Federal Government to cut back on its funds to local governments for economic development. I am sure that Judge Pierce will have ample opportunity to change those housing policies that are outdated, unproductive and unpopular with local communities. I will support him in these changes if they are indeed progressive and create increased housing opportunities for low- and moderate-income people.

I am interested in the direction that the Secretary-designate plans to guide HUD. Surely HUD's primary responsibility is to provide decent, safe, and affordable housing for low and moderate income people. I suggest that since the Department is the Federal Government's housing "think tank" it also has a role to play with the private sector.

The housing construction industry is subject to boom and bust cycles and the extent to which we can smooth out those cycles means that housing production will grow steadily. The increase in the production of housing is vital to our economic growth. As the housing market becomes tight in an area, business and industry in that area find it harder to entice capable managers and technicians. We are experiencing this problem in many areas in California and I plan to work closely with Judge Pierce to keep the lack of affordable housing from stunting the economic growth of a community.

While Judge Pierce assists in the struggle to bring a greater degree of economic stability to America I hope that he keeps in mind the plight of those that are involved with the housing construction industry. He is correct when he says that curtailing inflation will be beneficial to that industry; however, most plans to curb inflation are long-term plans. The needs of this industry and other related industries are immediate as outrageously high mortgage rates are choking housing sales, and putting a halt to new construction.

More than 757,000 construction workers are unemployed, according to the National Association of Home Builders. That association's president, Merrill Butler, recently told the Senate Banking Committee that the overwhelming majority of this year's housing starts will be Government-subsidized starts. Clearly something must be done, in the short term, to assist the industry and to provide housing for those who so desperately need it. If assistance is only to be afforded through the decline of interest rates, due to the time it will take to bring these rates down the industry may lose a lot of expertise as the technicians turn to more profitable ventures.

Over the past few years, we have developed various alternative mortgage instruments to try to expand housing opportunity. This is one area which could be of immediate assistance to the industry. With Judge Pierce's interest in finance, I expect that he will encourage the development of other alternative mortgage instruments to be used in conjunction with HUD programs.

The Department has accomplished much in the area of energy conservation and community development. We must preserve our cities and reinvest in our blighted or depressed areas. I was pleased to note Judge Pierce's interest in emphasizing the conservation and rehabilitation of existing units; however, in areas where housing markets are tight, an adequate new construction program is imperative.

At the confirmation hearings, in his statements and responses to questions Judge Pierce came across as a man who could control the bureaucracy at HUD as well as administer a housing policy that will be congruous with economic policy. I wish him well in his new position. The Nation should be well served by him.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. PROXMIRE. I yield back the remainder of my time.

Mr. GARN. I yield back the remainder of my time.

Mr. WILLIAMS. I yield back any time I may have.

DEPARTMENT OF TRANSPORTATION

NOMINATION OF ANDREW L. LEWIS, JR., OF PENNSYLVANIA, TO BE SECRETARY OF TRANSPORTATION

The PRESIDING OFFICER. The clerk will state the next nomination.

The legislative clerk read the nomination of Andrew L. Lewis, Jr., of Pennsylvania, to be Secretary of Transportation.

Mr. GARN. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DEFERRING VOTE ON NOMINATION

Mr. BAKER. Mr. President, I ask unanimous consent that when the debate is concluded on the pending nomination the vote thereon be deferred until after the Pierce nomination this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, on the same basis as previously requested, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PACKWOOD. I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I call up the nomination of Drew Lewis to be Secretary of Transportation.

The PRESIDING OFFICER. That nomination is pending.

Mr. PACKWOOD. All right.

Mr. President, although Mr. Lewis was not formally nominated by President Reagan until Tuesday, the Senate Commerce Committee has been fully cooperative in the Presidential transition by reviewing Mr. Lewis' qualifications earlier this month.

The FBI has made a complete background investigation of the nominee and given their report to the committee for our study. We have also looked at Mr. Lewis' financial disclosure statements and his ethics reports, which we maintain in the committee's files. On January 7, the full Commerce Committee held a hearing in which Mr. Lewis was invited to appear and answer questions asked by the committee members on his background, his policy views and his qualifications. He could not have been more helpful, more capable or more open, and the committee was clearly satisfied with his testimony.

On January 19, the Senate Commerce Committee voted unanimously to recommend the confirmation of Drew Lewis as Secretary of Transportation, and I urge the full Senate to act favorably on the nomination also.

Mr. President, I yield 5 minutes to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I am pleased to be able to lend my voice in support of the nomination of Andrew L. Lewis, Jr., for the position of Secretary of Transportation.

Senator HEINZ, my senior colleague from Pennsylvania, and I, had the pleasure to introduce him to the Commerce Committee chaired by Senator PACKWOOD, and at that time I expressed my high regard for Mr. Lewis' capabilities.

I have known him for more than 15 years. He is a neighbor from adjacent Montgomery County in Pennsylvania. He has established a unique record as a business executive, as an activist in philanthropic and public affairs, as a person who is schooled and learned in the political process both as a science and as a matter of compromise for achievement. He has served as the executive for the Reading Railroad Co., which gives him unique experience in a major reorganization qualifying him to be Secretary of Transportation.

He was a distinguished candidate for the governorship of Pennsylvania in 1974. He has been a leader for President Reagan's campaign efforts. He is a man of high intellect, of unimpeachable integrity, and I think will bring a rare combination of experience, intelligence, and practical sense to the position of Secretary of Transportation, which is a position urgently in need of all the qualifications and capabilities which can be brought to that troubled Department. I think Mr. Lewis will serve admirably in that position, and I urge the Senate to confirm his nomination today.

I thank the Senator.

Mr. PACKWOOD. I withhold the remainder of my time.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

I agree with what the distinguished junior Senator from Pennsylvania has just said, and the distinguished chairman of the Commerce Committee, that this man is qualified, particularly his experience as trustee of the Reading Co., of which, I understand, he has been a trustee, served as a trustee, for some 10 years. It is a diversified company, a diversified transportation company, runs a railroad and a trucking subsidiary, a commuter system and, in general, gives him an excellent experience in the private sector.

For that reason, Mr. President, I am very concerned with his lack of responsiveness on the problems of the Department of Transportation and what they are doing right, what they are doing wrong, and what we can do about it.

For example, the first question was with respect to budget cuts. I would not be surprised if he could not tell me precisely what he wants to do about the budget. But he could not tell whether he wanted to go up or wanted to go down, no notion of whether we need more or fewer resources here.

I would like to ask my good friend from Oregon if it did not strike him as rather unusual that the nominee had no idea of whether he would need more or less in a department which he must be familiar with because he has dealt with it undoubtedly in his capacity as a trustee of the Reading Co.

Mr. PACKWOOD. When I conferred with Mr. Lewis in my office I posed that question to him in two different forms: one, what about long-haul passenger rail traffic which, at the moment, we subsidize, and it does not appear likely that it is going to pay its own way, and should we continue that, continue to subsidize it, drop it or what, and I posed roughly the same question as to Conrail, although that is more principally a freight hauler, but bankrupt, and we subsidize it in the form of a Government corporation.

He said while he had some personal views on each, he thought both of those were policy decisions that President Reagan would have to make. They are bigger decisions than just shall we cut this rail-

way line or not, and until the President had given him some direction as to what policies he wanted to follow he would withhold making any recommendations.

Mr. PROXMIRE. Well, I understand that position. But it still is a matter of concern as to whether he would feel that he could not at least indicate whether or not this Department, which does employ many people and has a large budget and, as the Senator has pointed out, has a great responsibility in the area of transportation in this country, which is critical for our economy, he did not seem to have even a notion of whether he would recommend more or less.

Mr. PACKWOOD. He has a notion as opposed to the previous nominee you and I discussed. Secretary Lewis has a notion. He simply does not think it is his place to publicly state his idea—his idea—of what should be done when indeed the policies he is going to be carrying out are President Reagan's, and President Reagan has not decided yet what he is going to do.

Mr. PROXMIRE. I understand that, but it would still seem to me it would be very constructive if these nominees would be as cooperative with the Congress as possible. I realize that any statements he would make would have to be subject, of course, to Presidential determination, and he could say that. But he should at least lay out the options and be somewhat more constructive.

Let me ask another question, however. I asked, in the first place, if he could indicate what personnel cuts he could make or personnel increases he would feel necessary. He did not answer that, and I can understand that. But then I asked him in writing whether he would supply quarterly reports so that we could keep some measure of how the Department was progressing and holding down the size and burden, and he did not answer that question at all.

Why should he not at least indicate that he would make an attempt to give us regular reports?

Mr. PACKWOOD. You mean you asked if he would make personal quarterly reports to you?

Mr. PROXMIRE. Well, the reports not necessarily made to me. I think the proper place would be to make it to the two committees of the House and Senate.

At any rate I think the way I framed the question—I am not sure—was whether he would make quarterly reports to the Congress.

Mr. PACKWOOD. I think I can assure the Senator from Wisconsin, speaking for myself and Senator CANNON, as we have in the past we intend to keep rather close oversight on both Amtrak and Conrail. Whether that is in the form of quarterly reports that he gives us or oversight hearings I think we can reach the same conclusion.

But I think Congress faces the same decision that President Reagan faces. Many of the issues we are going to have to decide are policy issues, and those policies are as much determined by us or more so than the President.

You know the problems we have gone through when we tried to cut rail service, when we tried to eliminate spur lines, uneconomical, that by any rational basis ought to be eliminated. We did not do it in many cases, and I do not think the decision or the fault can be laid solely to the President and the Secretary of Transportation.

Mr. PROXMIRE. If the Senator will yield, I am not asking for any prospective estimate. I am asking for a quarterly report about how many employees he has as of a certain time so that, say, on April 1 he can say "We have aboard so many bodies," and then on July 1, and so forth, so we can have some notion of whether or not we are making any progress toward reducing the size of the Department.

Mr. PACKWOOD. I can assure the Senator I will get from the Secretary of Transportation, within reason, the reports that you ask, within reason.

Mr. PROXMIRE. Then I asked him about cutting regulations. He said, "I have not identified any specific regulations that need to be revised or revoked." That seems to me to be a pretty good reflection on the previous administration, the Carter administration, and on Secretary Goldschmidt that here is a man who is an expert in the field, we all agree he is qualified, he has had solid experience in the private sector, and yet he cannot identify any regulations that need to be revised or revoked.

If the Senator has no comment I will proceed further.

Mr. PACKWOOD. I have a comment. I was just talking to Senator STAFFORD.

Responding to the Senator's question about regulations, as I indicated before with Mr. Baldrige, this administration has not yet made the decision as to which regulations will remain in place, and which ones will be cut. Some will be frozen temporarily in a moratorium, but they have not made the decision yet, and for me to say when it will come or for Secretary Lewis to say what they will be would be misleading us, would be premature, because the decision has not been made.

Mr. PROXMIRE. I call to the attention of the Senator an article that appeared a couple of weeks ago in the Washington Post by Mr. Stockman, the new head of the Office of Management and Budget who, I think, is an excellent appointment, incidentally, and I am enthusiastic about his appointment. He listed a whole series of regulations, many of them in the transportation field, that could be reduced, and the amount they would save in the process.

I do not think that was wrong of Mr. Stockman. I think it was correct. It may be that President Reagan, after consulting with those people, may disagree with Stockman and may overrule him, but at least he gave us some picture, some notion, of what regulations could be reduced, and I am disappointed that the nominee at this hearing did not come forward and indicate what regulations that, at least, he would discuss and consider and which might be repealed.

Let me ask the Senator about another question. I asked him about the paperwork situation, and he said he understands that already that is, the Carter administration, under Secretary Goldschmidt, has already begun efforts to reduce the paperwork burden, and that he will look at it, look at the situation, but he had no further observation.

That seems to indicate that the past administration was doing a reasonably good job, at least a good start on paperwork, and he would look at it, but he had no further ideas; is that correct?

Mr. PACKWOOD. I will read the answer that he gave, which is fully in the record.

I understand that the Department of Transportation has already begun to reduce the paperwork burden it imposes by, for example, trying to more accurately coordinate the information requests of the various operating administrations. At this time I have not identified any specific requirements which should be changed, but, as with regulations, I intend to closely review this area as soon as possible.

Mr. PROXMIRE. And then he also said further that he believes that the Department of Transportation has generally done a good job. That is his quote, "generally done a good job." He has no specific agenda for changing anything. Is that correct?

Mr. PACKWOOD. Mr. President, I will take the Senator's word for that. I do not have the transcript in front of me.

Mr. PROXMIRE. Mr. President, then he said he would generally prefer fostering a regulatory climate that will enable railroads to compete instead of using Federal subsidy. That is the kind of objective that all of us would applaud.

But did the Secretary-designate have any specific ideas of how he would enable railroads to compete?

Mr. PACKWOOD. Mr. President, I broached that subject with him in my office. As the Senator is aware, we passed the Railroad Deregulation Act last year. My advice to the Secretary was that, while he may have some further ideas, I think he might be wise to see what happens with the bill that we have passed before we start changing things that we have not even got used to working with, especially if they are new.

Mr. PROXMIRE. Mr. President, I want to commend the Secretary-designate in one area. He said he would like to gradually eliminate the operating subsidy for mass transit. I applaud that. I think that was a mistake. It is enormously expensive and it is a burden that the Federal taxpayers should not be asked to assume.

I can see why we should make capital contributions, but the operating subsidies would just become too heavy. He indicated he would like to gradually eliminate that and I think he deserves great credit for it.

I just wonder if there is any indication of how gradual that elimination might be. Did the Senator get a sense that might be done in a period of 3 or 4 years, or would it take longer?

Mr. PACKWOOD. No, the Secretary-designate did not give any indication.

Mr. PROXMIRE. Mr. President, I thank my friend from Oregon. As I have indicated. I think this man is qualified and I will be glad to support him. I wish he had been somewhat more responsive in these areas I have indicated.

I think it is interesting that, in spite

of the campaign rhetoric, we do not seem to have the kind of specific ideas in mind as to where to make budget cuts, how big the cuts can be, whether there can be cuts at all, how we can reduce the regulation burden, and how we can cut the paperwork. All of these, of course, were critical issues in the campaign. While I think that Mr. Lewis is qualified, I am disappointed that there were no specific proposals for making those realities.

I thank my friend.

Mr. President, I yield back my time.

Mr. WILLIAMS. Mr. President, I rise in support of the nomination of Drew Lewis to be Secretary of Transportation.

Mr. Lewis' background and experience shows him to be well qualified for a position that demands such sensitivity and management capability as does the post of Secretary of Transportation. His background demonstrates that he has the skills necessary to assure the smooth and efficient operation of his Department. His appearance before the Commerce Committee convinced me that he will maintain an open mind about how we can best solve the transportation problems that this country faces, especially the difficult and controversial problem of improving our vital public transportation network.

I was heartened by the forthright answers Mr. Lewis gave to my questions about the need to continue the legislative efforts started in the last Congress, so that we can develop an equitable and efficient system for the distribution of Federal transit assistance which will maximize the value of our investment by targeting assistance where it is most needed and will be best utilized.

Mr. Lewis' statement that reduction of Federal operating assistance to our transit systems could result in financial disaster for many systems also showed his understanding of the reality of the skyrocketing costs faced by transit operations all over the country; a reality that is not changed by doctrinaire policies regarding Federal assistance to States and localities. The Federal program of operating assistance to transit authorities—started, I should underscore, during the last Republican administration—represents a continuing congressional commitment to a program of broad national interest. This is especially true in an era of energy scarcity and soaring fuel prices, when it is in this country's vital interest to get people out of their cars and onto public transit.

Mr. Lewis' sensitivity to the needs of our transit systems is welcome. We will be watching closely to see that the Department reflects his views. One positive first step that I hope Mr. Lewis will take is to nominate as UMTA Administrator a person of both proven managerial skills and broad knowledge of the transit field. This will be important if we in Congress are going to work closely with the administration to improve and streamline the delivery of transit assistance.

I look forward to working with Mr. Lewis in the months and years ahead, and I urge his confirmation by my colleagues.

Mr. THURMOND. Mr. President, I am pleased to support President Reagan's nomination of Drew Lewis to serve in his Cabinet as Secretary of Transportation.

Mr. Lewis brings to this position a keen political acumen and a sound business mind. He has shown a knack for tackling struggling businesses and restoring them to economic health. With his proven business management skills, his good judgment, and his knowledge of transportation gained as a trustee of the holding company used to operate the Reading Railroad, I believe he has the background and ability to serve ably as Transportation Secretary. I certainly look forward to cooperating with him, and it is my hope that he will be quickly confirmed by the Senate.

● Mr. ABDNOR. Mr. President, President Reagan should be commended for offering to us for confirmation as Secretary of Transportation a man of such managerial capabilities and experience as Drew Lewis.

In particular, Mr. Lewis' experience in the railroad industry as trustee of the Reading Railroad makes him especially appealing to the people of South Dakota, a State whose railroad transportation system is in a state of crisis.

In the last 5 years South Dakota, which is serviced totally by branch lines, has lost 50 percent of its rail service, and is now facing the possible loss of the key Miles City line of the Milwaukee.

The State is pursuing an aggressive reorganization program to save a vital State core system. The endangered Miles City line is critical to the State rail plan, however, and we will be looking to the very capable Secretary-designate for leadership and direction in this matter of vital importance to the future of South Dakota.●

Mr. RANDOLPH. Mr. President, I gladly support the nomination of Drew Lewis to be Secretary of Transportation. Mr. Lewis is a leader who will assist in shaping transportation policy for many years to come.

The background which the nominee brings to this important post is replete with transportation and management prospectives. Mr. Lewis has been involved in both railroads and trucking and thus has valuable knowledge with respect to the problems facing those two transportation modes.

I am convinced that Drew Lewis carries qualifications which suit the problems he faces and the ideas which he has are generally compatible with mine. I met with the nominee to discuss transportation views in depth.

The Committee on Environment and Public Works, on which I have served for 23 years, conducted a hearing with Mr. Lewis to inform members on his views about the highway problems facing this country. I was pleased with our meeting and with the results of the hearing. I look forward to working with Drew Lewis as Secretary of Transportation.

Mr. CANNON. Mr. President, I rise to support the nomination of Mr. Lewis to the Department of Transportation. Senator PACKWOOD has correctly stated our committee action on the matter. I think we have the opportunity to have a very fine Secretary in that Department.

I must say that I was pleased by some of the views he expressed, particularly with respect to defederalization of some of the largest airports in the country. We will look forward to working with him.

Mr. President, I yield back the remainder of my time.

Mr. PACKWOOD. Mr. President, I yield back the remainder of my time.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, is there an order now for the stacking of the vote on this nomination?

The PRESIDING OFFICER. There is.

Mr. BAKER. I thank the Chair.

Mr. President, before the clerk reports the next nomination, there is some possibility that, to accommodate the needs of Senators on both sides, that order may be changed. So at this time I ask unanimous consent that I may suggest the absence of a quorum without the time being charged to any nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask for the yeas and nays on the Lewis nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I might say that in just a moment, as soon as the managers on both sides are in position, and I may say, by the way, that this has been cleared on the other side of the aisle—I will ask unanimous consent to deviate from the schedule and proceed now to the consideration of Executive Calendar Order No. 4, the nomination of James Watt, of Colorado, to be Secretary of the Department of Interior.

Mr. President, while we are waiting for the managers to take their places, on the same basis as previously requested, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, am I not correct in saying that a number of votes have been stacked to begin at 4:30 this afternoon?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, I now ask unanimous consent that at 4:30, when we begin that sequence of votes, that on the first rollcall vote there be the regular 15 minutes, with the five bells to be sounded

at the regular and usual time; that following on after that, each succeeding stacked vote will be 7½ minutes, with the five bells to sound 5 minutes before the end of the rollcall.

Mr. PROXMIRE. Mr. President, will the Senator yield on that?

Mr. BAKER. Yes.

Mr. PROXMIRE. Mr. President, reserving the right to object, and I will not object, I think we should call attention to the fact that this is not what was done before. I do not object at all to it. We should make it clear that this is a 7½-minute vote and not a 10-minute vote.

Mr. BAKER. Mr. President, I think the Senator is right.

So that everybody in their offices might be able to hear, this is indeed not a 10-minute vote. It is a suggestion from the minority side, which I embrace and endorse, for a 7½-minute vote and for a proviso that the warning bell will not be at 7½ minutes, obviously, but will be at 5 minutes before the end of the rollcall.

Mr. President, has the request been granted?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, on the same basis, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, what is the pending business?

DEPARTMENT OF THE INTERIOR

NOMINATION OF JAMES GAIUS WATT, OF COLORADO, TO BE SECRETARY OF THE INTERIOR

The PRESIDING OFFICER. Under the previous order, the clerk will state the nomination of James Gaius Watt, to be Secretary of the Interior.

The assistant legislative clerk read the nomination of James Gaius Watt, of Colorado, to be Secretary of the Interior.

Mr. BUMPERS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. McCLURE. I yield.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Tom Walsh, Tom Williams, and Ark Monroe, of my staff, be granted the privileges of the floor during the debate and vote on this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, the Senate Energy and Natural Resources Committee conducted 2 very full days of hearings on January 7 and 8. Eight Senators, a Governor, and a Congressman in addition to the members of the committee either gave a statement or questioned the proposed nominee. Thirty-three witnesses from various groups, societies, associations, and committees in the public and private sector provided testimony on the proposed nomination.

I firmly believe the Watt hearings provided a complete and satisfactory record of his capabilities, work record, financial and legal status, and personal background. Everyone who wished to testify at the hearings was accommodated.

Of the issues raised, the hearings and the subsequent actions by Mr. Watt in his recusal statement and in the severance pay matter solved any remaining major questions concerning this proposed nomination as evidenced by the committee's vote of 16 ayes and no nays to report the nomination to the full Senate.

Mr. Watt, strengthened and tempered by his past experience in both the legislative branch and the executive branch, supplemented with his legal work, will bring a balance to the Department of the Interior. I believe him to be well qualified to serve as Secretary of the Interior. I urge the unanimous support of his nomination.

Mr. President, I ask unanimous consent that at this point there be printed in the RECORD the following statements and document submitted for the record in the committee hearings on this nomination. They are as follows:

First. Mr. Watt's biographical data;

Second. Mr. Watt's statement for the Committee on Energy and Natural Resources and his financial disclosure statement;

Third. Mr. Watt's recusal statement as amended January 8, 1981;

Fourth. A letter dated January 13, 1981 to me from Mr. Watt detailing the conditions of the possible receipt of severance pay from his previous employer and a copy of my response to that letter; and

Fifth. A letter with accompanying telegram dated January 22, 1981, to me from the Office of Government Ethics on the severance payment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JAMES G. WATT

PERSONAL DATA

9950 E. Grand Avenue, Englewood, Colorado 80111, Telephone—(303) 770-5197.

Married—two children.

Excellent health, 6'2" ht., 185 lbs.

Born: January 31, 1938.

PERTINENT EXPERIENCES

July 1977 to Present—President and Chief Legal Officer, Mountain States Legal Foundation. A public interest law center dedicated to bringing a balance to the courts in the defense of individual liberty and the private enterprise system. The Foundation is a nonprofit organization with a volunteer Board of Directors made up of Chief Executive Officers.

January 1977 to July 1977—Vice Chairman, Federal Power Commission.

November 1975 to July 1977—Commissioner, Federal Power Commission. An independent agency which regulated the interstate aspects of the electric power and natural gas industries. Appointed by the President with the advise and consent of the United States Senate.

July 1972 to November 1975—Director, Bureau of Outdoor Recreation. Chief Executive of a major bureau of the Interior Department, U.S. Government (Washington and seven regional offices). The Bureau assists Federal, State and local agencies in land-use planning, and manages a $300 million a year fund for Federal agencies and State governments (on a matching basis) to acquire and develop recreation lands and facilities. Produced the first Nationwide Outdoor Recreation Plan; developed the first Management-By-Objectives/Financial Management System Program in the Department. A principal Administration spokesman on recreation and conservation matters before Congress and interest groups.

May 1969 to June 1972—Deputy Assistant Secretary. Responsible for water and power resource activities of the Interior Department, U.S. Government. Line officer over seven agencies of the Department which designed, constructed, and operated reservoirs, water distribution systems and electric power transmission systems; marketed electric power and water; and conducted desalting research and development. Shared in the decision-making aspects of program and policy formulation, budget review and personnel management. An Administration spokesman for water resource matters before Congress and interest groups. Contracting Officer for the construction of a power-desalting plant in Saudi Arabia. U.S. Delegate, Economic Commission for Europe, Committee on Power, Geneva, 1971. U.S. Delegate, Israeli Desalting Conference, Dead Sea, 1971.

January 1969 to May 1969—Special Assistant to Secretary and Under Secretary of the Department of the Interior. Assisted in the change of Administrations; coordinated the activities relating to the Secretary's Senate confirmation. Counseled on legislative matters and wrote speeches.

September 1966 to January 1969—Secretary to the Natural Resources Committee and the Environmental Pollution Advisory Panel, Chamber of Commerce of the United States. Responsible for coordinating the activities and interests of the National Chamber in the fields of mining, public lands, energy, water and environmental pollution. Principal spokesman for the National Chamber on these issues. Developed policies and programs.

November 1962 to September 1966—Legislative Assistant and Counsel to former U.S. Senator Simpson (R-Wyo.). Advised on legal, legislative and political matters. Responsible for all legislative activities in his Senate Committees and on the Senate Floor. Wrote most of his speeches. Answered all correspondence dealing with legislation, politics and the legal problems of the constituents. Conferred with and screened all those who sought to see the Senator.

July 1962 to November 1962—Personal Assistant to Milward L. Simpson. Assisted in establishing a successful political organization for the Senator's election.

September 1960 to June 1962—Instructor (part time). University of Wyoming, College of Commerce & Industry. Taught Business Law and Real Estate to upper-classmen and graduate students.

Summer 1961—Research Assistant. Wyoming Legislative Statute Revisions Committee. Recommended revisions, clarifications, and corrections of Wyoming Public school laws.

Summer 1960—Death Interviewer. SBA and University of Wyoming. Interviewed Wyoming businessmen to determine what their real business problems were.

School Year of 1958–59—Student Body Business and Finance Manager. University of Wyoming. Budgeted and controlled the expenditures of all student government money.

EDUCATION

J.D., University of Wyoming, College of Law—1962.

B.S., with Honors, University of Wyoming, College of Commerce & Industry—1960.

HONORS

Who's Who in America—1976–77, 1978–79, 1980–81.

Who's Who in American Politics—1971–72, 1972–73, 1974–75, 1976–77.

Member of the Wyoming State Bar.

Member of the Bar of the U.S. Supreme Court.

Wyoming Law Journal Editor (2 years).

Phi Kappa Phi—National Scholastic Honorary Society.

Who's Who among students in American Universities & Colleges (2 years).

Thomas Arkle Clarke Award (Outstanding ATO in Rocky Mountain Region).

President of University Honorary Societies—Phi Epsilon Phi (Sophomore) Iron Skull (Junior), and Omicron Delta Kappa (Senior).

UNITED STATES SENATE

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Statement for completion by presidential nominees

Name: Watt, James G.

Position to which nominated: Secretary of the Interior.

Date of nomination: December 22, 1980.

Date of birth: January 31, 1938.

Place of birth: Lusk, Wyoming.

Marital status: Married.

Full name of spouse: Leilani Bomgartner Watt.

Name and ages of children: Eric, February 14, 1962 (18); Erin, August 14, 1960 (20).

Education: University of Wyoming, 1956–60, BS, 1960; University of Wyoming, 1960–62, J.D., 1962.

Employment record: See attached résumé.

Honors and awards: See attached résumé.

Memberships: Rotary Club of Denver, 1978-present; Member of Wyoming State Bar, 1962-present; Member of the Bar of the U.S. Supreme Court, 1965-present; 5th Circuit Court of Appeals, 1980-present; 9th Circuit Court of Appeals, 1977-present; 10th Circuit Court of Appeals, 1977-present.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate. I will sever all connections.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization. I have no plans or commitment to return to my present position or any other position of employment.

3. Has anybody made you a commitment to a job after you leave government? No.

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

(b) If you have been appointed for an indefinite term, do you have any known limitation on your willingness or ability to serve for the foreseeable future? No.

Potential conflicts of interest:

(1) Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated. All relationships will be severed upon confirmation. I will retain my relationship with Cal-Western Life Insurance Company which is the independent third party to which Mountain State Legal Foundation has paid retirement payments on my behalf. I have had transferred tax sheltered income to my personal account with the insurance company. (See attached letter).

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated. All relationships which might involve potential conflicts of interests will be severed upon confirmation.

3. Describe any business relationship, dealing or financial transaction (other than taxpaying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated. Other than employment with the Federal Government as noted above, I have had no business relationship, dealing or financial transaction with the Federal Government during the last 10 years.

4. List and describe and lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy. Other than my several roles as a government member, I have sought to influence no legislation other than Senator Laxalt's S. 739 and Senator DeConcini's S. 1472 concerning venue. (See attached statement). I testified in support of their legislation.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. I am not aware of any potential conflicts of interest.

6. Explain how you will comply with conflict of interest laws and regulations applicable to the position for which you have been nominated. Attach a statement from the appropriate agency official indicating what those laws and regulations are and how you will comply with them. The Office of Government Ethics has supplied the Committee with a list of laws and applicable regulations. I will comply with the applicable conflict of interest laws and regulations. At the present time, there appears to be no circumstances that call for action.

Reporting Individual's Name: Watt, James G.

Position for Which Filing: Secretary, Department of Interior.

Location of Present Office: Washington, D.C., January 20, 1981.

Name of Congressional Committee Considering Nomination: Senate Committee on Energy and Natural Resources.

Do You Intend to Create a Qualified Diversified Trust? No.

Title of Position(s) and Date(s) Held: None.

Signature of Reporting Individual: James G. Watt, January 2, 1981.

INCOME AND INTERESTS IN PROPERTY

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust? (The only trust that exists is a life insurance trust that is unfunded.)		X
Are there any interests in property or liabilities of a spouse or dependent child which you have not reported but which would be reportable, if held by you?		X

Income: Cash flow income—annual amounts

Identification	Type of income: Dividends	Rent	Interest	Other (specify)	Category of amount or value: None (or less than $101)	$101–$1,000	$1,001–$2,500	$2,501–$5,000	Actual amount [1]	Valuation of assets [2]: Valuation method	$1,001–$5,000	$5,001–$15,000	$15,001–$50,000
Savings account			X			X				FMV		X	
Checking account			X		X					FMV	X		
Hedged investments, mutual fund	X							X		FMV		X	
L S investments, a ltd. partnership (5 percent interest.[3]		X					X			FMV		X	
Real Estate Partnerships of America, a ltd. partnership.		X			X					FMV	X		
Dependent child: AG—Energy Resources, Inc. (stock).				Not paying dividends.			X			C	X		
Cal-Western Life Insurance, 501(c)(3) tax sheltered annuity.			X				X			FMV			X
Dependent child: Custodial accounts for children's education (cash).			X					X		FMV			X
Cal-Western Life Insurance, Mountain States Legal Foundation, vested portion retirement plan.			X				X			FMV			X
Note receivable, deed of trust on Ocean Pines property.			X			X				FMV	X		
Dependent child: AG—Energy Resources, Inc.				Not paying dividends.			X			C	X		
Mountain States Legal Foundation				Salary/gross income.					$73,500	H			

[1] Only if "Other" specified.

[2] H=honoria; FMV=fair market value interests in property; C=cost.

[3] Property located at 415 East Marie Ave., West St. Paul, Minn. 55118.

Liabilities:

Name and address of creditor: None except for personal home mortgage and small loan from relative which are not reportable per instructions.

Positions held:

Name and address of organization, type of organization, position held, from, to:

Mountain States Legal Foundation, 1200 Lincoln Street, Denver, Colorado 80203, Public interest law firm, President and Chief Legal Officer, July 1977, Present.

AG-Energy Resources, Inc., P.O. Box 3511, Englewood, Colorado 80111, Venture Capital Company Gasohol production, Board of Directors, January 1980, Present.

Compensation in excess of $5,000 paid by one source: Mountain States Legal Foundation, 1200 Lincoln Street, Denver, Colorado 80203, President and Chief Legal Officer.

Relations with other employers: None—All relations will be severed upon Senate confirmation including termination of participation in retirement plans.

LS Investments.—In October, 1980 I purchased a $12,500 share in LS Investment which is a limited partner in a mini-storage facility in St. Paul, Minnesota. My investment gives me a 5 percent interest in LS Investments which gives me a 1 percent interest in the facility. I have no management responsibility. There is no known conflict with the Department of the Interior.

Real Estate Partnership of America.—Five to seven years ago we bought a $2,500 share in a real estate Investment Trust. The properties are general apartment houses and shopping centers in New York and New Jersey. I have no input on any issues. There is no known conflict with the Department of the Interior.

Hedged Investments, Inc.—My parents gave to my wife and me as Christmas gifts in 1978 and 1980 an undivided one quarter interest in their limited partnership shares. The two gifts, plus appreciation, equal almost $13,000. The limited partnership is engaged in the active trading of New York Stock Exchange common stocks. Neither I nor my parents have any responsibility or input on the stocks to be purchased or sold. There is no known conflict of interest.

Ag-Energy Resources Inc.—I am a member of the Board of Directors of this venture capital company. The purpose of the company is to build a gasohol plant in Eastern Colorado. There have been no contracts yet issued for the construction of a plant. Feasibility studies are underway. Because of my service on the Board, restricted stock has been issued to my two children. There is today no market for the stock. If there were a market, the stock could not be sold for several years because it is restricted by the securities law of Colorado. The speculative nature of this company is great. If it is successful there is no preceived relationship with the company's activities and the Department of the Interior—thus I do not understand that any potential conflict of interest exists.

2. Are any assets pledged? (Add schedule.) None.

3. Are you currently a party to any legal action? I am an officer of the Mountain States Legal Foundation. MSLF, on behalf of its members, has filed suit in several cases involving agencies of the Federal Government including the Department of the Interior. All relationships between myself and MSLF will be severed prior to confirmation. I am not personally involved in any legal action other than that described above.

4. Have you ever declared bankruptcy? No.

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain. Yes.

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit? No.

OFFICE OF GOVERNMENT ETHICS,
OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., January 6, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by James G. Watt. President-elect Reagan has announced his intent to nominate Mr. Watt for the position of Secretary of the Department of the Interior.

We have received the report and have also obtained advice from the Department of the Interior concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. We are aware of the possibility that Mountain States Legal Foundation may make a severance payment to Mr. Watt. Because this situation remains unresolved, we take no position with respect to it. We understand that Mr. Watt has agreed to recuse himself from having any direct involvement in, or giving any advice or counsel on, any particular case or legal matter in which both Mountain States Legal Foundation and the Department of the Interior are parties and in which he participated while President and Chief Legal Officer of Mountain States. Subject to such disqualification, we believe that Mr. Watt will be in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely yours,

J. JACKSON WALTER,
Director.

JANUARY 6, 1981.

Mr. JACK WALTER,
Director, Office of Government Ethics, Washington, D.C.

DEAR MR. WALTER: In preparation for my confirmation hearings as Secretary of the Interior before the Senate Committee on Energy and Natural Resources I have developed the attached statement on recusal.

This statement has been discussed with the Chairman of the Senate Energy and Natural Resources Committee. This statement will be presented at the confirmation hearings.

Sincerely,

JAMES G. WATT.

RECUSAL STATEMENT OF JAMES G. WATT

I have been a salaried employee of the Mountain States Legal Foundation for the last 3½ years. In that capacity I have been attorney of record in almost all, if not all, its cases. No financial remuneration has been paid to me specifically because of a particular case, nor is any money due me.

If confirmed as Secretary of the Interior. I would recuse myself from having any direct involvement in, or giving any advice or counsel on, the specifics of any particular case brought while I have been employed by the Mountain States Legal Foundation in which both Mountain States Legal Foundation and the Department of Interior are parties.

This policy will eliminate any possible appearance of any potential conflict, while enabling me to fully participate in all policy decisions as Secretary of the Interior.

JANUARY 8, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Senate Committee on Energy and Natural Resources, Washington, D.C.

DEAR MR. CHAIRMAN: I am transmitting to you for introduction in the hearing record on my confirmation an amendment to the recusal statement I made on January 6, 1981.

As you will note the amendment broadens the scope of my recusal statement, which I feel is appropriate.

Sincerely,

JAMES G. WATT.

AMENDMENT TO RECUSAL STATEMENT

In addition to the matters described in my original recusal statement presented to the Senate Committee on Energy and Natural Resources on January 6, 1981, if confirmed as Secretary of Interior. I would recuse myself from participation in any aspect of litigation in Federal or State Court and any Administrative proceedings, other than the formulation or promulgation of a rule of general application, involving the adjudication or decision of a specific matter such as an application or appeal within the Department of Interior or any other Department or Agency of the Federal Government, when the Mountain States Legal Foundation is a party or represents a party.

JAMES G. WATT.

OFFICE OF THE PRESIDENT-ELECT,
Washington, D.C., January 13, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Senate Energy and Natural Resources Committee. Washington. D.C.

DEAR MR. CHAIRMAN: I wish to clarify, for the record, my position on severance pay forthcoming as a result of my service with the Mt. States Legal Foundation.

Recently the Foundation adopted a severance pay policy. Under that policy, I will be awarded severance pay in view of my three and one half years of employment with the Foundation. Any such payment will be for past services. I will conduct no further activities on behalf of the Foundation after my confirmation and I know that the Board of Directors understands that as well.

It is my intention, when the Foundation determines the amount of that payment, to have the Office of Government Ethics review the matter for compliance with the appropriate conflict of interest laws, particularly section 209 of Title 18, U.S. Code. Only after their review and approval, would I accept any severance pay from the Foundation.

I hope my position on this issue resolves any possible questions which remain.

Sincerely,

JAMES G. WATT.

U.S. SENATE,
COMMITTEE ON ENERGY
AND NATURAL RESOURCES,
Washington, D.C., January 13, 1981.

JAMES G. WATT,
Office of the President-Elect, Washington, D.C.

DEAR MR. WATT: I was pleased to receive your letter of January 13, 1981 clarifying your position on the question of severance pay from the Mountain States Legal Foundation.

As you indicated the Foundation has adopted a severance pay policy which will be applicable to you "for past services". I also understood from your letter that prior to accepting any severance pay, you will have the Office of Government Ethics review and approve the matter for compliance with all conflict of interest laws.

I believe your position on this matter should resolve any further questions.

Sincerely,

JAMES A. MCCLURE,
Chairman.

OFFICE OF GOVERNMENT ETHICS,
OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C. January 22, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is to supplement our opinion letter of January 6, 1981, to you in regard to the nomination of James G. Watt as Secretary of the Department of the Interior. We have today been furnished a copy of a telegram from Ted Hermann, Chairman of the Mountain States Legal Foundation, to Mr. James G. Watt stating

that the Executive Committee of the Mountain States Legal Foundation has granted him a $12,000 severance payment for past services rendered.

We cannot render a final opinion as to the acceptability of the severance payment without further review of the basic documentation creating this arrangement. We have requested that we be furnished appropriate sections of the Minutes of the Board of Director's meeting wherein the Executive Committee's action described in the telegram will be ratified by the full Board of Directors. Assuming that these Minutes support the representations made by Chairman Hermann in his telegram to Mr. Watt, we would conclude that Mr. Watt's severance payment arrangements are in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

J. JACKSON WALTER,
Director.

[Telegram]

JANUARY 22, 1981.

DEAR JIM: Two weeks ago I told you that the Executive Search Committee of Mountain States Legal Foundation had recommended to the executive committee of the board of directors that you be granted a severance allowance of $12,000 for your past services upon your leaving us. I am pleased to tell you that the board's executive committee has approved this grant and I have today arranged for this payment to be sent to you in grateful appreciation of what you have done for us.

TED HERMANN,
Chairman, Board of Directors, Mountain States Legal Foundation.

Mr. MCCLURE. Mr. President, let me now turn in detail to Mr. Watt's qualifications. I have known Jim Watt personally since I was a freshman Congressman. He has shown me attributes most desirable for public servants: honesty, fairness, and loyalty. His professional approach to public policy and his years of service at the Department of the Interior brings an uncommon expertise to this Cabinet post.

Born and reared in the State of Wyoming, and now a legal resident of Colorado, Mr. Watt is truly a regional candidate, a region somewhat more than benignly neglected these last 4 years.

Mr. Watt's record of public service demonstrates that he understands the tenuous resource balance in the West, founded on the two God-given natural resources which form the basis for life in the Western States: Water and land.

I would hope that Mr. Watt would be instrumental in assisting this new Congress to end the "War on the West." The yellow light of excessive regulation, unresponsive Federal bureaucracies and obstructionist special interests has irked westerners into a sagebrush rebellion.

I know Mr. Watt to be sympathetic to their concerns, as many of us are. But the way to end the uncertainty of that yellow light does not mean the decision should always be a green light.

In many cases, to preserve our land in its natural state or to maintain or enhance our air and water resources. the red light may be the proper direction.

The point here is the value of time. Needless delay through Government indecision can cost us dearly, in higher materials prices and in pressures toward crisis management of our public lands.

Mr. President, the Secretary of the Interior carries very special management responsibilities, responsibilities which make the Interior Department unique among Federal agencies. At once charged with preserving our Nation's scenic beauty and fostering the development of publicly owned mineral resources, the Department's mission requires a manager cognizant and capable of a balanced perspective.

He will now assume a national post. I agree with Senator JACKSON, ranking member of the Senate Energy and Natural Resources Committee, when he stated:

The Secretary's role has changed dramatically . . . Now, under the laws enacted by Congress, he is the steward, for all Americans, of much of our national land heritage. . . . He is manager of nationwide programs in recreation, land restoration, historic preservation, mineral and water resources.

I believe that under close scrutiny and examination that Mr. Watt's record in private and public life does not have an exclusive western tilt but, is and was national in many instances. His work in the Department of the Interior in the Bureau of Outdoor Recreation resulted in the first nationwide outdoor recreation plan.

His efforts personally to raise the authorization level of the Land and Water Conservation Fund at a crucial time shows that commitment—nationally.

Mr. President, this man has spent his adult life in preparation for this job. He is ready. I recommend him to my colleagues on the Senate. I urge Senators to support this nomination.

Mr. President, before yielding the floor, I think it would be wise to add, in candor, that prior to our hearing there was a series of press articles, editorials, and political cartoons raising questions about Mr. Watt's qualifications. I was particularly pleased that, after our hearings, the reporting shifted dramatically to a tone of moderation and even strong support for Mr. Watt.

I ask unanimous consent to have printed in the RECORD a number of the posthearing reporting articles about Mr. Watt to document his success in our hearings.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 8, 1981]

A PROMISE TO SUPPORT ENVIRONMENTAL LAWS

(By Joanne Omang)

Interior Secretary-designate James G. Watt said yesterday he would seek no major change in the basic federal environmental and land-use laws, but would work within them to increase production of energy and strategic minerals from public lands.

Seeking in part to assuage environmentalists sharply critical of his nomination, he referred to his forthcoming term as the man in charge of much of the West as a "period of consolidation" in which he would pay "massive attention to good management."

"I do not come to this committee criticizing the basic acts that have been passed in these last few years." Watt said. "I want to focus my attention [on] managing programs already on the books."

The positions Watt said he would advocate as secretary will be based on four goals that he and President-elect Ronald Reagan agreed upon during a 20-minute meeting, the only time he has talked to Reagan, Watt said. They are: to make more public lands available for multiple uses rather than limiting them to recreation or wilderness or other single uses; to develop a policy for production of strategic minerals; to maintain public access to and upgrade the management of parks and recreational lands, and to work toward national self-sufficiency in energy.

The opening day of hearings on Watt's nomination was marked by generally amiable questions, most focusing on positions taken by the Mountain States Legal Foundation in Denver where Watt is president and chief legal officer.

Watt said he would sever ties with the 3½-year-old foundation. But he said also he would reserve the option of acting on cases that the organization might bring against the Interior Department in the future. The foundation's position on an issue could conceivably be the correct one, he said.

In answer to questions on his views, Watt said the emphasis on reclamation in the laws governing strip mining must be continued, although regulations hindering state primacy in administering the laws should be changed. In contrast to views that Reagan has voiced, Watt said the Clean Air Act and Clean Water Act need no major changes, only better administration.

The Sagebrush Rebellion, the effort by a number of western states to assert more control over federally owned lands, must be "defused" by an end to "arrogant land management" at Interior, Watt said. "If we don't shape up management processes," he continued, "pressures will grow" for formal land ownership transfer to the states.

Both he and Reagan have previously endorsed the goals of the so-called rebellion.

The environmentalists' attack on Watt has centered on the 47 lawsuits Mountain States has filed, of which 13 involve the Interior Department. Four were directed at the department and nine were interventions in others' suits, three of which supported the department position.

Brock Evans, head of the Sierra Club, charged the foundation had possible conflicts of interest in that some of the cases it entered financially benefited foundation donors. "Former clients will now be asking Watt to continue to advance their interests," he said.

A coalition of 176 Indian tribes asked Reagan to reconsider Watt's nomination because of one of the suits involving Mountain States. The suit opposed an Apache tribe's effort to impose a tax on minerals taken from its land.

Watt acknowledged that the foundation's position seemed counter to Reagan's support for tribal sovereignty, but added, "It's clear who my new boss will be and I will enthusiastically endorse the positions he has taken."

Later, committee Chairman Sen. James A. McClure (R-Idaho) noted that several Indian groups had sent telegrams supporting Watt's nomination.

Several senators questioned Watt about a recent statement that he would be able to work with environmental groups "who do not damage my hearing." That did not refer, he said, to his confirmation hearing but to groups that "become so shrill that they lose credibility and you can't hear them. If someone is just continuously screaming for their position—you become immune to that."

He added he had held a private breakfast with 16 representatives of western environmental groups and emerged "friends as we left. We built a bridge that we can walk on."

Sen. Gary Hart (D-Colo.) questioned Watt about an alleged remark to the effect that he would not trust a black surgeon to operate on him because the man might have gone to medical school under an affirmative action

program. Watt responded that the remark was taken out of context but referred to his belief that discrimination of any sort, whether to provide or deny a job, was a bad idea.

Sen. Paul E. Tsongas (D-Mass). known for his environmentalist views, predicted that Watt would be confirmed and said "it is not impossible" that he would vote for confirmation.

"If you do we'll write a chapter of Profiles in Courage' on you," Watt said.

[From the Washington Evening Star, Jan. 8, 1981]

WATT SAYS HE FAVORS "BALANCED" USE OF PUBLIC LANDS

(By Lance Gay)

James G. Watt, under withering fire from environmental organizations for his advocacy of development of public lands, yesterday vowed to try to build coalitions with environmental organizations and work for a "balanced" use of the nation's 400 million acres of publicly owned land.

Testifying for eight hours at his confirmation hearing before the Senate Energy and Natural Resources Committee, President-elect Ronald Reagan's nominee to be secretary of the interior described himself as a man who is committed to preserving the beauty and environmental values of the public lands while at the same time opening them up to public use and exploration for mineral resources.

The 42-year-old Denver attorney said he saw no need for sweeping new laws, maintaining instead that the basic problem was in the bureaucracy's "inept, arrogant management" of the lands.

"We need a period of consolidation and good management by the Interior Department under the laws that are now on the books. We do not need a massive overhaul of those laws," Watt said.

Watt said he talked to Reagan for "15 to 20 minutes" about his approach to the agency and that they outlined four basic areas Reagan wanted his administration to focus on:

The need to open public lands for multiple uses benefiting a number of people, uses ranging from public access to recreation to exploration of mineral resources.

The "vital urgency of a strategic minerals policy" to develop mineral deposits "to prepare us for contingencies."

Identifying and preserving "the jewels and gems" in the nation's park system and using new technologies to allow more public use of the system.

Improving the management of the Interior Department bureaucracy through "massive attention to good management of the land."

Watt came under fire from some committee members and environmentalists for his advocacy of the so-called "sagebrush rebellion" in the West, which has sought to end what some Westerners believe is excessive government regulation of federal lands.

But Watt warned that unless some management policies are changed to allow multiple use of the Western lands, Westerners will rise up and demand state control of them—something he said he opposes.

Watt's nomination, which has been bitterly attacked by environmentalists, was praised yesterday by Western senators and conservative Republicans. Even one Democratic liberal predicted that he would win confirmation.

"You are going to be confirmed—and that will not be of my doing," said Sen. Paul Tsongas, D-Mass. "I'm speaking mathematically. You have the votes."

Environmental organizations testifying yesterday were unanimous in their opposition to Watt's nomination, citing in particular his service as president of the Denver-based Mountain States Legal Foundation for the last four years. The conservative foundation has fought the Interior Department and environmental organizations in a battery of law suits.

"Mr. Watt's background makes him eminently unsuited for this position of guardian of our nation's natural resources," said Russell W. Peterson, president of the National Audubon Society. "His actions and statements identify him as an aggressive, shortsighted exploiter, rather than a farsighted protector of the nation's air, land and water—those biological systems on which all life—plant, animal and human life—depend."

As president of MSLF, Peterson said, Watt has "distinguished himself as one of the most dedicated anti-environmentalists of the past decade."

Former Sen. Gaylord Nelson, who is to become chairman of the Wilderness Society this month, said his organization is "gravely concerned for the future of America's wilderness and environmental integrity" if Watt is confirmed. And Brock Evans, association executive director of the Sierra Club, charged that Watt will bring a "deep and serious conflict of interest to the department. He is not an advocate of conservation but an opponent of it."

Watt turned aside most specific policy or budget questions from committee members, saying he had not been sufficiently briefed on the issues to respond.

But in response to other questions, Watt said he:

Supports the use of motorboats on the Colorado River through the Grand Canyon to allow more people to see the canyon from the river.

Would resume the use of lotteries to distribute oil, mining or natural gas leases on federal lands instead of turning to a competitive bidding system. Cecil Andrus, as interior secretary, suspended the lotteries after instances of fraud were uncovered in the system, but Watts said the government is "as good off with the lottery system as it is with competitive bidding.

Would consult with state and local governments before adopting policies affecting lands in their jurisdictions.

Watt said yesterday that if he is made interior secretary he would not have any direct involvement in any case brought by the MSLF.

[From the Wall Street Journal, Jan. 8, 1981]

WATT TELLS SENATE HE WOULD BALANCE USE, PROTECTION OF RESOURCES AS INTERIOR CHIEF

(By Andy Pasztor)

WASHINGTON.—James Watt, trying to fend off sharp criticism of his nomination as Interior Secretary, painted himself as a dedicated conservationist with "deep roots" in the West and a strong record of working with environmental groups to achieve "balanced" development of federal lands.

In forceful, measured tones, the 42-year-old Colorado attorney and former Interior Department official told the Senate Energy Committee: "I have the balanced perspective necessary to manage" America's natural resources. If confirmed by the Senate, Mr. Watt repeatedly asserted, he will work closely with state governments and environmentalists "to strike a balance between the development and protection" of land, water and energy resources.

Mr. Watt also said he doesn't plan to push for major changes "in the basic laws" the department must enforce, and he doesn't foresee a "massive transfer of federal land" to state governments.

The thrust of Mr. Watt's comments clearly was intended to counter some of the bitter attacks by environmental organizations and American Indian leaders on his background as an advocate of business interests and a proponent of increased access to federal lands.

EXPLAINING HIS PART

He spent a large part of his testimony playing down his pro-growth positions as president of the Mountain States Legal Foundation. He also went out of his way to explain his work as head of the Interior Department's Bureau of Outdoor Recreation in the early 1970s, when he helped assemble and purchase vast public recreation areas.

"We were aggressive in reaching out and involving" in those deliberations "as many conservation, environmental and recreation groups" and state officials as possible, Mr. Watt recalled.

Despite the strong opposition of most environmental groups and some Democratic Senators, Mr. Watt's confirmation is a near certainty. Opponents say they chiefly hope to score some political points against the nominee and perhaps make him more defensive on environmental issues when he takes over the Interior Department.

The environmentalists clearly weren't buying the moderate line Mr. Watt offered yesterday. "He's putting on quite a show, but it's contrary to his record," said Russell Peterson, president of the Audubon Society. "He has one of the most antienvironmental records of anyone I've ever met. To put him in charge of the Interior Department is a crime." But Mr. Peterson, a former Republican governor of Delaware and head of the Council on Environmental Quality under Presidents Nixon and Ford, acknowledged there's "no chance" that the Watt nomination would be defeated by the Senate.

Former Wisconsin Sen. Gaylord Nelson, representing the Wilderness Society, submitted a prepared statement to the panel in which he said he couldn't support Mr. Watt because of his association with "those interests which have been consistent and persistent in their attacks on almost every aspect of the environmental movement."

DEVELOPMENT OVER TIME

In response to generally friendly questions from committee members, Mr. Watt went to great pains to try to tone down his previous positions advocating loosening of federal environmental controls and massive overhaul of the department's rules and regulations. Rather than changing the legislation currently on the books, Mr. Watt said: "What we need is massive attention to management of (public) lands. We want the right kind of development to come over time."

During his testimony, Mr. Watt said he had "a 15 or 20-minute" meeting with President-elect Ronald Reagan to discuss the major issues facing the department after he was offered the post. Mr. Watt said that's the only time recently that he has discussed environmental matters with the President-elect.

Some of the sharpest questions came from Sen. Henry Jackson (D., Wash.), the ranking minority member of the panel, who criticized Mr. Watt for refusing to pledge that he won't participate in any matter in which the foundation he worked for filed suit against the department. Sen. Jackson said that refusal could present "a serious problem" for Mr. Watt in gaining the support of some environmentalists. "It's important that I have the ability to function in all dimensions," including issues in which his former employer is involved, Mr. Watt argued.

The foundation, among other things, has filed suits against the federal government challenging its land-use planning principles, attacking some of the basic precepts of sovereignty for American Indian tribes, and opposing current federal water management policies.

Despite his previous outspoken approach on these and other issues, Mr. Watt yesterday took a more conciliatory stance by urging environmentalists and Western businessmen "to tone down the rhetoric" and "quit being extremists."

Concerning the controversial question of loosening federal controls on strip mining, Mr. Watt said he sees "some need to change the management of the program" but doesn't intend to propose substantial changes to the existing legislation.

Mr. Watt also indicated he supports state-imposed severance taxes on coal, wants to increase the amount of federal land available for coal mining and intends to work with Congress to develop a comprehensive mineral management policy.

In response to a question by Sen. Gary Hart (D., Colo.), Mr. Watt refused to disavow an earlier statement attributed to him concerning the need for affirmative action.

The statement Mr. Hart was interested in quoted Mr. Watt as saying: "I'm going to be very hesitant to allow a black doctor to operate on me because I'll always have the feeling he may have been carried by the quota system."

Mr. Watt told the committee he is opposed to discrimination but didn't wish to discuss his earlier statement in detail.

[From the New York Times, Jan. 8, 1981]

CHOICE FOR INTERIOR JOB VOWS BOTH TO PRESERVE AND TO DEVELOP LANDS

(By Seth S. King)

WASHINGTON, January 7.—James G. Watt, whose designation as the next Secretary of the Interior is bitterly opposed by most environmental groups, declared today that he was a man who loved this nation's lands and was committed to preserving their beauty and environmental values.

He told members of the Senate Energy and Natural Resources Committee, which began a two-day hearing on his confirmation, that he could fulfill this commitment while speeding up the orderly development of energy and water resources on more than 442 million acres of Federal land, most of which are managed by the Interior Department.

"To accomplish this, we need a period of consolidation and good management by the Interior Department under the laws now on the books," said Mr. Watt, a 42-year-old native of Wyoming. "We do not need a massive overhaul of those laws."

Mr. Watt, who served in earlier Republican administrations as a Deputy Assistant Secretary of the Interior and as a member of the now defunct Federal Power Commission, told the committee:

"It has been my argument that this country must commit itself to a reasoned, environmentally conscious program for developing and utilizing the tremendous energy resources our nation possesses. Unless we have such a program, economic, social and political pressures will grow to such an extent that the Federal Government will be forced, in a crisis situation, to mount a crash program to develop coal, uranium, oil shale, tar sands and oil and gas."

"We want the right kind of development to come over time, not the wrong kind of development to come in a crisis," he said. "I want the Federal and State Governments to strike a balance between the development and protection of our natural resources. We can have reasonable development of our energy resources, and preserve our natural environment, if we are given an opportunity to phase in, with proper safeguards, the expansion being demanded by the nation."

President-elect Ronald Reagan's choice of Mr. Watt to be Secretary of the Interior has been one of the most controversial of his Cabinet nominations.

It was apparent, however, from committee members' comments that a majority would vote to confirm him despite some sharp questions from committee Democrats about Mr. Watt's attitudes toward development of Federal lands and his role as president and chief counsel of the Mountain States Legal Foundation, a conservative public-interest law group that has fought many of the department's environmental regulations on the grounds that they were excessive and restricted economic growth.

"It would be as easy for an environmentalist such as I to vote against you as it would be for a developer to vote for you," said Senator Paul E. Tsongas, Democrat of Massachusetts. "You are going to be confirmed, and I'm speaking mathematically. You have the votes. If I decide to vote for you, it will be on the basis of the praise you have received today from Western Senators and from what you said to me earlier about your commitment to development with protection."

OPPOSITION FROM SIERRA CLUB

Environmental and conservation organizations, whose representatives inundated the committee's hearing room this morning, contend that Mr. Watt is a determined developer who would allow the despoiling of many sections of Federal lands in the West.

"His selection would bring a deep and serious conflict of interest to the department," declared Brock Evans, associate executive director of the Sierra Club. "He is not an advocate of conservation but an opponent of it."

In answer to questions about his activities with the Mountain States Legal Foundation, Mr. Watt read a statement he had made yesterday to the Office of Government Ethics. In it he promised not to have "any direct involvement in, or give any advice or counsel on, the specifics of any particular case brought while I have been employed by the Mountain States Legal Foundation in which the foundation and the Department of Interior are parties."

This policy, he said, would eliminate any possible conflict of interest or appearance of a conflict.

[From the Washington Post, Jan. 15, 1981]

THE ROBESPIERRE OF WESTERN RESISTANCE

(By George F. Will)

Sneak up behind an environmentalist and shout "James Watt!" and you will induce an interesting tautness of nerves, like that which afflicted Macbeth when he saw the ghost of Banquo. Although I share many of their anxieties and most of their values, I think environmentalists are exaggerating, as is their wont, when they describe the menace posed by the next Interior secretary.

Whatever you think of his fervent "developmentalist" ideology, there is no reason to impugn his honor. His duties as secretary will be different from those he had in the job he is leaving. He has been director of a hyperactive legal foundation supported by corporations and specializing in court challenges to federal environmental regulations. At Interior, his duty will be to perform more complicated balancing functions, and he deserves the ordinary assumption that he will do his duty as defined, often strictly, by law.

When his critics, practicing preemptive indignation, say he is a "fox sent to guard the chicken coop," their rhetoric suggests that Interior's sole function is to "guard," meaning preserve or conserve, the nation's natural assets. Actually, preservation is only part of Interior's mission.

The laws that substantially dictate what a secretary shall do, do leave important matters to his discretion, which will be used. Watt's views mirror those of the man who just carried 44 states. Ronald Reagan ran strongest in the region where Watt—a Wyomingite who has been living in booming Denver—has been a leader in the fight for less restrictive environmental regulations.

When Watt says he sees the West "not simply through the eyes of a summer traveler but as a native," he is the authentic voice of the "sagebrush rebellion." Indeed, he is the Robespierre of western resistance to Washington's intrusiveness. The principal cause of western seething is federal ownership of so much western land.

How much? Some percentages of federally owned land are: Nevada 87, Idaho 67, Utah 65, Alaska 60 (it was 96 before last year's legislation), Oregon 52, Wyoming 48, California 45, Arizona 44, Colorado 36, New Mexico, 34, Montana 30, Washington 29. (East of the Mississippi, the highest percentage of federal ownership is 12 in New Hampshire.) This huge federal presence is one reason why in 1980 in 14 western states an incumbent Democratic president won an even smaller percentage of the popular vote than McGovern did in 1972.

Reagan's goal is to return to the states "primary responsibility" for environmental regulation so as to "increase responsiveness to local conditions." But one can understand the West's (more precisely, many but by no means all westerners') desire for that without considering it sound policy. The doctrine of "states' rights" seems especially strained when used to dilute the component of national interest in obviously national needs such as water, timber, minerals and wilderness and recreation areas.

Environmentalists must consider Watt's warning that if development of the West's vast energy reserves is impeded until a crisis comes, development then may be especially ravaging. For Watt, development by "free enterprise" is a fighting faith. And if presidents are to ease their burdens by practicing "Cabinet government," Watt may be the model of what presidents need: Cabinet officers who share the president's beliefs, passionately, and who relish conflict.

Reagan can reasonably claim a mandate to review environmental policies, but environmentalists need not fold like accordians. The real mandate is murky. The electorate is at it again: willing ends but not willing the means to those ends. Much environmental regulation preceded, or proceeded without sufficient understanding of, the "oil shocks" and regulatory excesses and other factors that have now focused attention on America's declining productivity. Because the economy no longer generates wealth as easily as it did, and because the world is more competitive, Americans are now more sensitive about the costs of things, including environmental improvement.

But they still strongly support environmental goals. If that support conflicts with Reagan's mandate for lightening the weight of government, that only means that Americans are, as usual, conflicted, and not unreasonably.

Furthermore, nature is impervious to election returns. God sendeth rain on the just and on the unjust, but not equally on all regions. Many things—from making shale oil to washing the tennis togs of those anticipated immigrants from the declining East—require more water than much of the West has handy or can organize without rearranging those things—water rights—that have occasioned the West's fiercest conflicts.

It is, therefore, good that when Watt says he anticipates "tremendous conflicts," he seems like a man to whom conflict, the more tremendous the better, is the syrup on the flapjack of life.

[From the Christian Science Monitor, Jan. 16, 1981]

WATT: PERSONABLE, APPROACHABLE

(By Julia Malone)

WASHINGTON.—James G. Watt has been portrayed by some as a single-minded enemy of bureaucrats and environmentalists. But the secretary-designate of the U.S. Department of the Interior does not fit neatly into the mold of a narrow-minded ideologue.

Despite his strong feelings against government regulation, Mr. Watt has earned a rep-

utation from both friend and foe for being approachable.

His secretary at the Denver-based Mountain States Legal Foundation says that although she's a liberal Democrat who rarely agrees with her conservative Republican boss, she finds that Watt "respects my views" and will listen to those who disagree with his opinions.

When one of the other lawyers at the foundation puts up a good argument against a position Watt has taken, she says, "he'll fume and fuss" at first, but afterwards says how glad he is to have that person on the staff.

Even his constant adversary for the past three years, Tony Buckel of the Sierra Club's Legal Defense Fund in Denver, gives Watt credit for being personable and open.

Still, there's little doubt that the Wyoming-born Watt has firmly planted himself in the conservative camp. After graduating from the University of Wisconsin with a degree in commerce and industry, he spent several months interviewing businessmen about their problems, for a study. Later, as a lawyer, he took a post with the U.S. Chamber of Commerce developing policy in the areas of mining, public lands, and pollution.

He was a senatorial aide for a time, then served in the Nixon-Ford administration from 1969 to 1975 as director of the Bureau of Outdoor Recreation of the Department of the Interior.

Responding to the spirit of the "Sagebrush Rebellion" in Western states, teetotaler Watt teamed up with beer company executive William K. Coors 3½ years ago to form the Mountain States Legal Foundation and wage war in the courtroom on "restrictive" federal regulation. The foundation supports oil and gas developers and ranchers who are seeking use of public lands, and in 10 lawsuits it has opposed the department that Watt is now asked to run.

In order to avoid conflict-of-interest problems, Watt says he will sever ties with the Mountain States Legal Foundation and excuse himself, as Secretary of the Interior, from dealing with lawsuits that he helped bring against the department he now will head.

Major environmentalist groups, including the Sierra Club, charge that Watt, as interior secretary, will be the proverbial fox guarding the chicken coop when it comes to protecting wilderness areas, forests, and the U.S. continental shelf from developers.

But Watt promises a "balanced" policy of protection and development.

[From the Denver Post, Jan. 12, 1981]

DENVER BLACK RAPS HART FOR RACISM CHALLENGE OF JAMES WATT

(By Clarke R. Watson)

Interior Secretary-designate James G. Watt has passed muster with the Senate Energy and Natural Resources Committee. It is now up to the full Senate to affirm the committee's positive recommendation.

Deliberations before that august body should not be tainted by vicious, unwarranted attempts of the environmental community to portray Jim Watt as a racist.

As a black, I am sufficiently pessimistic to suspect all whites of having at least some racism; so what else is new? My experience tells me a lot of blacks share these sentiments.

Many blacks must have been astonished at the attempt during the committee hearing to cloak Watt in the proverbial sheet.

Even more astonishing was the involvement of Colorado's senior senator, Gary Hart, in the sordid affair.

He, as a so-called liberal Democrat, should have known better. But, alas, he went for the game and thereby added another nail in the coffin of liberals' credibility in the black community.

What Hart should have known was that Watt had been endorsed in December by a national black publication, Energy Scene, which is received by every member of the House and Senate, as well as the staff director of the Energy and Natural Resources Committee.

That endorsement might have stemmed from the fact that in the Denver-based Energy Scene's pre-election issue, the contrast between what the Carter administration and Reagan representatives had to say regarding black involvement with energy and natural resources was such that anything short of an endorsement would have been a disservice.

While the Carterites droned on endlessly with non-specific and noncommittal responses to a questionnaire sent by Energy Scene, Watt, speaking for Reagan, was right on target.

Recognizing that Energy Scene is published for the American Association of Blacks in Energy, Watt had this to say.

"I am familiar with AABE and have reviewed your goals and fully support them. I think it is imperative that we bring more minorities into the business community. Minority persons must be involved in the private sector as entrepreneurs, managers and members of the work force.

"I am particularly pleased that AABE has come forth as as the strong group that it has. I respect tremendously the impact you have had in the energy community, as well as with the NAACP when it considered energy issues at a past convention. I am aware of the role AABE played in developing and advocating the NAACP position on the need for deregulation energy if we were to meet America's energy needs."

Positive, definitive and showing a knowledge of AABE that could only be born of genuine interest, the Watt/Reagan interview earned high marks.

Carter said: "As president, I have been the leader in successful efforts to get legislation through Congress which provides assistance for low-income families which are especially hit hard by energy price increases. My administration fought successfully for passage of the windfall profits tax, which includes assistance for low-income families and financial boosts for mass transit systems—of particular interest to minority groups."

What the president did in his remarks was reconfirm that still far too many whites cannot deal with blacks other than in the usual welfare mentality context.

Unlike Watt/Reagan, the response never mentioned having minorities involved as equals in the private sector or as partners in the determination of energy policy. Typically, the Carter emphasis was on "low-income families" and "financial boosts for mass transit"—good stuff maybe in the '60s but clearly out of step with the challenges of the '80s.

It is doubtful Gary Hart consulted anyone in the black community about their perceptions of Watt.

Perhaps it did not suit the purposes of his environmental friends. He may have felt more comfortable consulting two early '60s vintage white radicals on black issues.

One is Tim Lange, who heads a campus-oriented newspaper in Boulder which has never employed a black reporter and by all indications doesn't plan to.

The senator's other source, Ron Wolfe, was part of the management of the now-defunct Denver weekly Straight Creek Journal—which, too, never employed blacks during its seven-year tenure.

These tactics suggest Hart should more closely examine his own attitudes about race before accusing others of insensitivity.

He also should know that the neo-environmentalists, whose lily-white organizations are hardly champions of civil rights and equality, often "use" minorities to shore up shaky arguments.

For example, the environmentalists, after months of unsuccessful wrangling about the proposed location of a liquid natural gas plant at Point Conception, a lonely site on the coast of California, because it was "geologically unsafe," introduced a new argument: The intended location of the gas terminal was precisely the spot (holy ground, as it were) where Indians departed for heaven.

Finally, Senator Hart, if he were sincerely interested might have learned that many blacks (including two prominent journalists) also would have "reservations about using a black doctor" who came through the quota system. Does that mean they, too, are racist?

Since I don't believe any system is perfect, including quota systems, perhaps I might hesitate under such circumstances. Does the title "racist"—or worse, Uncle Tom—therefore apply to me?

Where—if all else is equal—the scales are tipped toward a minority applicant in medical school, there's nothing to fear.

But recognizing that is not always the case is sufficient reason to give one pause.

It seems to me that in such circumstances physical survival, rather than social niceties is the motivating factor.

I know the temptation many whites have to do our thinking. We're surrounded by it every day—at work, at home, at play.

But to have some whites deciding other whites are racists or to make a big issue over a matter which blacks seemed to feel was of no consequence, all without soliciting the opinion of black people, is an extraordinary exercise of antebellum paternalism.

[From the Washington Evening Star, Jan. 9, 1981]

INDIANS SWITCH SIDES, GIVE BACKING TO WATT

(By Lance Gay)

Some American Indian tribal leaders yesterday endorsed the nomination of James G. Watt to be secretary of the interior after they said they were satisfied that Watt will carry out President-elect Ronald Reagan's Indian policies.

Watt won the Indians' support by testifying at his confirmation hearing that whatever his statements or stands on Indian issues in the past, he will follow Reagan's policies towards tribal self-government and protect the federal relationship with Indian tribes under treaty rights.

"By doing this, Mr. Watt has removed many of our fears and doubts," said Kenneth Black, executive director of the National Tribal Chairmen's Association.

Nelson Angapak, chairman of the Alaska Federation of Natives, said he was pleased by Watt's pledge, but said his group's board has not yet taken a position on the Watt nomination.

But LaDorna Harris of Americans for Indian Opportunity said that she was still concerned with Watt's lack of support of tribal rights and still opposes him. "The record of Mr. Watt is contrary to statements Mr. Reagan made," she said.

In an effort to mute charges of potential conflict of interest, Watt yesterday signed an agreement promising not to handle personally any department activity in which the Denver-based Mountain States Legal Foundation is a party or represents a party. Watt now heads the foundation, which advocates the development of Western lands.

Environmentalists yesterday attacked the nomination of the 42-year-old Wyoming native, contending that Watt has shown a strong and consistent anti-environmental bias.

"I've never seen any leopard change his spots. Perhaps its possible," said William A. Butler, general counsel of the Environmental Defense Fund. Butler said Watt has "without exception come down on the side of developers as opposed to those who would protect the environment."

The committee yesterday concluded two days of hearings on Watt, who is one of the most controversial of Reagan's Cabinet choices.

Committee Chairman Sen. James McClure, R-Idaho, predicted that the Senate would confirm Watt, but acknowledged there will be a floor fight.

"Not a great deal has been raised in these hearings other than a difference of opinion," McClure said. "I don't think that there has been anything raised here that indicates that he is not fit for the job."

But Sen. Dale Bumpers, D-Ark., said Watt's amended conflict of interest statement still leaves room for possible problems with cases and issues brought by contributors of MSLF before the Interior Department.

Bumpers said that there are 47 cases being considered by Interior involving large contributors to the MSLF and he said, "Any action he is going to take on those cases is going to cause him a lot of grief.

But McClure said there are "practical limits" in what the committee could seek to have put into writing. "I don't know how far we can pursue that," he said.

Louise Dunlap of the Environmental Policy Center urged the committee to require formal commitments from Watt on conflict-of-interest questions.

"The public has a right to know under what circumstances Mr. Watt would recuse himself from specific actions of the department," she said.

In the hearings, Watts was opposed by almost all of the environmental organizations, including the Sierra Club, National Audubon Society and Friends of the Earth. Thomas L. Kimball, executive vice president of the National Wildlife Federation said his group took no stand on the nomination.

Watt yesterday also picked up the endorsements of groups representing hunters and sportsmen as well as mining and forestry interests.

The American Indian organizations, which had been wary of Watt because of court challenges filed by MSLF against their interests, yesterday said they were pleased by Watt's endorsement Tuesday of Reagan's stands on Indian issues made during the presidential campaign."He will be my boss now," Watt said of Reagan. The secretary of the interior is the Cabinet official directly responsible for Indian affairs.

McClure said that the committee will vote on the Watt nomination later next week. Yesterday Sen. Alan Cranston, D-Calif., said he was joining those who would oppose Watt when the nomination comes to the floor.

[From the Wall Street Journal, Jan. 9, 1981]

THE POWER OF ONE WATT

Audubon Society President Russell Peterson gave some clue to the fervor of environmentalist opposition to James Watt's appointment as Interior Secretary by describing it at Senate hearings this week as a "crime."

Now, so far as we know, Mr. Watt has never been discovered personally spraying weed killer on a furbish lousewort or murdering a snail darter. Indeed, he presided over a substantial improvement in outdoor recreational areas during his seven years as a junior officer at Interior. So it would appear that his "crime," in the eyes of the environmentalists, was to turn one of their own weapons against them, using a "public interest" law firm to defend Western farmers and ranchers against all those Easterners who think they are the only ones to be trusted to act in the public interest out West.

This rather narrow view is no doubt further inflamed by the knowledge, gradually sinking in, that the government is, in fact, changing hands. Self-professed environmentalists were part of the crowd who came storming into government in 1977 when Jimmy Carter threw open the gates to several dozen Naderites and other anti-establishment activists from the 1960s, giving some of them positions of sweeping power. Mr. Reagan is certain to herd most of them out again, replacing them with folks like Mr. Watt who don't mind letting ordinary people pursue ordinary pursuits without a watchbird shaped like Gus Speth perched on their shoulders. Worse, the new people will certainly shut off all the taxpayer money the inside activists have been funneling to like-minded activists on the outside to finance lawsuits, PSC testimony, propaganda campaigns and the like.

Mr. Carter's experiment no doubt helped make him a one-term President. The economic damage—wreckage of the auto and nuclear industries, for example—was substantial. But it was not a dead loss. A sizable political force was introduced into the mainstream and can never again complain of being excluded from the political process. And there was even their belated discovery that they could both badger the corporations and improve the economy by dismantling anti-competitive regulation in such industries as airlines and trucking.

What has never been entirely clear in all of this, however, is how much it has to do with environmentalism or environmentalism with it. We suspect that there are very few of us who would not proclaim ourselves to be environmentalists. Both Mr. Watt and Mr. Peterson, tearing at each other at the Senate hearing, make that claim and we don't doubt either one. Mr. Watt's claim may seem less valid at first, but it is true that a sincere environmentalist can legitimately challenge policies that result in uncontrolled herds of wild horses destroying Western range grasses, bark beetles chewing up vast forests and huge coal mining pits dug because someone thinks nuclear power is an environmental threat.

As a political struggle, we have always felt that the issues ran much deeper than merely a scientific argument over optimum ways to protect the environment and at the same time allow life-supporting economic activity to proceed. And we're sorry to say we have developed deep suspicions of some of the environmentalist protestations.

We are not always sure of what really motivates them. Sometimes the people who voice them don't seem quite sure either. We see certain resemblances to the romantic movement in 19th Century Europe that followed the Enlightenment, a reaction to the stress of rapid social and economic change. There are traces of the true believer ethic that runs so deep in American culture and motivates some of our number to always be seeking ways to reform their fellow citizens—insisting that they give up smoking, or take up jogging, or eat little else but unhomogenized peanut butter and wild honey.

There are others in our midst who simply detest commercial enterprises and, since private interests conduct most of those kinds of activities, their dislike focuses heavily on business corporations. And then there are out-right socialists who think that somehow, contrary to all experience, commercial and industrial activity becomes nicer to live with if it is conducted by the state.

Some of these values are deeply felt and personal, and in our type of open society they are a legitimate part of the political and social debate. However, we would admire the people who hold them much more if they were more candid about them and more respectful of the opinions of others. And we would trust them more if they demonstrated more willingness to accept the judgment made by the voters last November.

[From the New York Times, Jan. 8, 1981]

EXCERPTS FROM WATT'S STATEMENT

WASHINGTON, January 7.—Following are excerpts from the opening statement of James G. Watt today before the Senate Energy and Natural Resources Committee considering his designation as Secretary of the Interior:

The tremendous complexities and statutory requirements vested in the Secretary's office fill that job with conflict and controversy. The Secretary must have the ability, and the judicial perspective and temperament, to evaluate conflicts. Acting under the law, he must choose actions that will insure common-sense, balanced perspectives in managing lands and waters subject to the multiple-use concepts which have been hammered out by Congress.

My record will demonstrate my adherence to principle and my commitment to the fundamental values of America. My record will demonstrate that I have the balanced perspective necessary to manage America's natural resources.

I was born, raised and educated on the plains of Wyoming at the foot of the Rocky Mountains. I have seen the West not simply through the eyes of the summer traveler but as a native. I have learned the values of water and land. I know the grandeur and beauty of open space and mountains.

During my seven years with the Department of the Interior, I had the privilege of serving in two totally different capacities. For the first three and one-half years, I was Deputy Assistant Secretary for Water and Power Resources. I was involved in the management of Western water resources, in building water resource projects, in marketing the power generated at Federal hydroelectric projects and in resource planning. It was during that period that the environmental movement emerged as a strong force. I was on the management team that learned to integrate environmental concerns and considerations into every dimension of natural resources management.

In 1972, Secretary Morton appointed me Director of the Bureau of Outdoor Recreation. The Bureau managed the Land and Water Conservation Fund which was, and is, one of the most effective preservation and conservation programs in America.

OUTDOOR RECREATION PLAN

The primary charge given to me by Secretary Morton was to develop and deliver to the Congress the first Nationwide Outdoor Recreation plan.

It continues to represent my philosophy and my commitment to recreation, to preservation and to multiple use of the resources of America. The plan outlines what needed to be done to save, protect, and utilize our shorelines, beaches and estuaries, flood plains, recreation trails, wild and scenic rivers, wilderness areas, islands, reservoirs, natural lakes, rivers and streams.

After accomplishing my management objectives at the B.O.R., I was appointed by the President to the Federal Power Commission.

One of the most challenging areas of F.P.C. responsibility dealt with designating the Alaska natural gas route to consumer markets in the lower 48 states.

I voted to designate the route which resulted from the NEPA process. One of the primary reasons for voting for that route was the environmental sensitiveness that I, and later President Carter and the Congress, recognized.

WORK WITH LEGAL FOUNDATION

With the creation of the Department of Energy, the Federal Power Commission was terminated and I was given the opportunity to return to my native West. I moved back to Colorado and helped to create the Mountain States Legal Foundation.

The foundation's very purpose is to assist the courts in making good public policy. It recognizes that the courts in recent years have become extremely active in making political, social and economic policy. Yet judges are allowed to make decisions only on the record before them.

The foundation is to counterbalance those who use our judicial system to restrict economic growth and to defend individuals and the private sector from illegal and excessive bureaucratic regulation. The foundation is dedicated to the values and concepts of individual freedom, our right to private property and the private enterprise system.

Allow me to conclude by expressing my deepest concern that the environment of the West will be damaged by crisis-oriented, unreasonable programs to develop the energy potential of the West.

It has been my argument that this country must commit itself to a reasoned, environmentally conscious program for developing and utilizing the tremendous energy resources our nation possesses. Unless we have such a program, economic, social and political pressures will grow to such an extent that the Federal Government will be forced, in a crisis situation, to mount a crash program to develop coal, uranium, oil shale, tar sands and oil and gas.

All too often, the Federal Government moves in a crisis, not with the precision of a surgeon's scalpel, but with the force of a meat ax. Those of us who love and are committed to preserving the beauty and values of our environment, fear this possibility. We want the right kind of development to come over time, not the wrong kind of development to come in a crisis.

[From the Washington Star, Jan. 9, 1981]

MR. WATT AND INTERIOR

Despite fierce environmentalist complaints that James G. Watt's stewardship of the nation's public lands would position a fox in fatal proximity to the hen house, his nomination as the Reagan administration's secretary of the Interior appears likely to be approved by the Senate.

Mr. Watt asserted at confirmation hearings that he is "committed to preserving the beauty and environmental values of the public lands." But he also said he will open lands under national trusteeship to "public use and exploration for mineral purposes."

That, charge his opponents, is the purest periphrasis: What he means is that the public lands are in danger of being thrown up to blatant exploitation by private interests.

One can discount a portion of the supercharged rhetoric. There is so basic an opposition between Mr. Watt's expressed philosophy and that of some environmentalists that the most skilled conciliator couldn't keep them in the same room long enough for introductions.

It is not easy, however to dismiss the opinion of someone like Russell Peterson, president of the National Audubon Society, who said Mr. Watt's "actions and statements identify him as an aggressive, shortsighted exploiter, rather than a farsighted protector of the nation's air, land and water."

What constitutes reasonable "multiple uses" of the public lands? What are the constituents of a "balanced" environmental policy? Those definitions, of course, involve many layers of perspective and interest that invariably become tangled in the formulation and administration of policy.

If one starts with the proposition that a president deserves to be served by his choices in important posts, a nominee's philosophy should not of itself be a disqualification. Mr. Reagan's overwhelming electoral victory presupposes some public support for the general policies he articulated, and his Cabinet selections, not surprisingly, will represent those policies.

And in this context, Mr. Watt's role as director of the Mountain States Legal Foundation and its aggressive challenge of federal policies does not seem to us to be so unequivocally "anti-environmental" as his opponents suggests. The argument can be made that the institute came into being as a countervailing force to the recent dominance of policy environmentalists for whom almost any development of public lands amounts to pillage.

We do not doubt that support for greater care and protection of the environment is strong. But there remain those difficult matters of defining how to get from here to there. Mr. Watt's confirmation theme was that "We need a period of consolidation and good management . . . under the laws that are now on the books. We do not need a massive overhaul of those laws."

The future of the 400 million acres of public lands in the continental United States is obviously of profound significance—for vital inventories of strategic metals and minerals, for recreation, for the wilderness expanses that become the more essential as we become the more urbanized. But there is no single philosophy that can or should unerringly dictate how these often conflicting values are to be accommodated.

In nominating Mr. Watt, the president-elect offered an irresistible target to environmentalists committed to a particular point of view. Perhaps that is why he chose Mr. Watt, politically risky as the choice may be.

[From the New York Times, Jan. 9, 1981]

WATT VOWS TO SHUN CONFLICT CASES

(By Seth S. King)

WASHINGTON, January 8.—Another group of environmental and conservation organizations today opposed the confirmation of James G. Watts as Secretary of the Interior.

But, in the second day of hearings before the Senate Committee on Energy and Natural Resources, their spokesmen indicated they had little chance of blocking the appointment of the Wyoming lawyer.

Near the close of the day's hearing, the committee chairman, Senator James A. McClure, Republican of Idaho, and Senator Henry M. Jackson, Democrat of Washington, the ranking minority member, said they were confident that Mr. Watt would receive "full bipartisan support" for confirmation in both the Committee and the full Senate.

PROMISE OF DISQUALIFICATION

Senator McClure said that Mr. Watt had amended an earlier statement on potential conflict of interest to promise that he would disqualify himself from making any administrative adjudication that involved the Mountain States Legal Foundation, which he formerly headed.

"I believe this will assure that there is no possibility of any appearance of any conflict of interest," Senator McClure said.

The harshest attack on Mr. Watt came from Gaylord Nelson, a former Senator from Wisconsin who represents the Wilderness Society. He said he was concerned that Mr. Watt's performance as Secretary would be influenced by a demonstrated anti-environmental bias.

He was referring to Mr. Watt's association for the past three years with the Mountain States organization, a public interest law group supported by Western mining, timber and industrial companies.

As president and chief counsel of the foundation, Mr. Watts filed more than a dozen lawsuits attacking the Government's environmental and resource regulations. Most of the lawsuits were against the Department of the Interior.

WANTS RULES IN WRITING

Louise C. Dunlap, executive vice president of the Environmental Policy Center, urged the committee to clarify in writing the rules that would apply to Mr. Watt as Secretary with respect to the conflict of interest problems that could arise.

JANUARY 9, 1981.

WASHINGTON.—James Watt appears certain of confirmation as Interior Secretary now that he has disqualified himself from court fights brought against the Interior Department by the foundation he has headed.

The Wyoming attorney made the pledge yesterday at the conclusion of a 2-day Senate confirmation hearing, much of which focused on the Mountain States Legal Foundation—a bitter foe of some environmental groups.

Watt's agreement to disqualify himself from court battles between Interior and the Denver-based foundation was announced by Sen. JAMES MCCLURE, R-Idaho, chairman of the Senate Energy and Natural Resources Committee.

Sen. HENRY JACKSON, D-Wash., who negotiated the accord, had expressed concern about possible conflicts of interests because of Watt's participation in 47 suits filed by the foundation against interior and environmental groups.

"I am confident now that Mr. Watt will receive strong bipartisan support in the committee and in the full Senate for his confirmation," MCCLURE said.

Mr. MCCLURE. Mr. President, I yield to the distinguished Senator from Washington.

Mr. JACKSON. Mr. President, on January 7 and 8, the Energy and Natural Resources Committee received testimony from approximately 40 witnesses regarding the nomination of James G. Watt to be Secretary of the Interior. During these 2 days of hearings, the committee compiled a lengthy and detailed record from a wide variety of individuals and interests concerning Mr. Watt's qualifications to serve in this important office. This record has been made available to all the Members of the Senate and I urge my colleagues to examine it carefully in the context of this debate.

Mr. President, I ask unanimous consent that a statement I made before the Senate Energy and Natural Resources Committee regarding the changing role of the Secretary of the Interior and the need for a balanced approach to public lands management be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HENRY M. JACKSON AT CONFIRMATION HEARINGS OF JAMES WATT, SECRETARY OF THE INTERIOR-DESIGNATE

In the past two decades the role of the Secretary of the Interior has changed dramatically. The Secretary is no longer the guardian of narrow Western regional interests. Now, under laws enacted by Congress, he is the steward, for all Americans, of much of our national land heritage—including our national parks, wildlife refuges, and public lands. He is manager of nationwide programs for outdoor recreation, restoration of lands affected by coal mining, historic preservation, and mineral and water resources. His decisions on energy and environmental matters affect the interests of every American.

Today, with the growing need to develop the energy and mineral resources of the public lands and the Outer Continental Shelf, the Secretary of the Interior and the entire Department are challenged to provide for wise use without sacrificing vital environmental interests. This effort will require a high degree of competence, careful planning, constant effort to achieve a balance between development and preservation, and complete integrity in the decisionmaking process.

Just as importantly, the Secretary and the entire Department must recognize the fact that the "good old days" of few users and little or no constraints are gone forever. This is particularly true with respect to use of the public lands.

I am not saying that current programs should go on unchanged. Changes and innovations are certainly in order where there are weaknesses. I am saying that there are certain principles established by Congress which must be followed—(1) decisions based on land use planning, with ample public participation, (2) maximum protection of the environment, (3) receipt of fair market value for private use of public resources, and (4) close cooperation with State and local governments, and local citizens.

Much of the recent complaints from traditional users about public land management stem not so much from new rules of the management game but from the fact that there are many new players.

Increasing scarcity of basic commodities, a rapid shift of the urbanized population center of the Nation to the West and South, and a growing appreciation for environmental values have increased pressures for such competing purposes as energy production, urban growth, recreation, and wilderness preservation. As a result, there are new definitions of public interest, new constituencies to be served, and new claims on the resources of the public lands.

In enacting the Federal Land Policy and Management Act of 1976, Congress recognized this evolution of demands, values, and attitudes. That Act established the national policy that the public lands would be managed under the principles of multiple use and sustained yield.

The Act tells the Secretary to recognize "the Nation's need for domestic sources of minerals, food, timber, and fiber from the public lands. . . ." It also tells him to "preserve and protect certain public lands in their natural condition. . .".

The Secretary of the Interior has broad authority to achieve the multiple, and sometimes conflicting, goals set out in the Act, including authority to sell public lands to State and local governments and private individuals. I find many of the recent complaints about "oppressive" Federal control particularly ironic in view of the express requirements for Federal land managers to work closely with State and local governments, and, in fact, comply with State and local land use plans.

I look forward to hearing from Mr. Watt how he intends to carry out his statutory responsibilities, particularly for (1) management of the National Park and Wildlife Refuge Systems, the National Wilderness Preservation Systems, and the public lands; (2) regulation of surface mining; and (3) development of water resources.

Mr. JACKSON. Mr. President, finally let me say that, having listened to all the testimony, I made the motion to report favorably the designation by the President-elect of Mr. Watt to be Secretary of the Interior. At that time, there were no votes cast against Mr. Watt.

I thank the Senator from Idaho.

Mr. PROXMIRE. I yield myself such time as I may require.

Mr. President, all of us know my former colleague in the Senate, Gaylord Nelson, who served in this body for 18 years. I believe he was a wonderful Senator. He was the Governor of the State of Wisconsin before that, and he was recognized throughout the country as one of the foremost environmental experts and enthusiasts in this country. Along with former Senator Ed Muskie, I think he had more to do with providing the kind of environmental laws we have than any other Member of the U.S. Senate.

Senator Nelson was defeated in the last election, a very close election. When he left the Senate, he became the head of the Wilderness Society, one of the foremost conservation organizations in America. In that capacity, he appeared before the Interior Committee and made what I believe was a statement which every Senator should have called to his or her attention. I am not going to read the entire statement, of course, but I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, I should like to read from that message, because it comes from a man who is a real expert in the environmental area and a man who was very practical and who recognized that we have to be careful about how we proceed in conservation, that we have an economic obligation in this country, that we should not take conservation positions that would interfere significantly with economic progress. This is what he said with respect to the nomination, speaking for the Wilderness Society:

> We are strongly opposed to this nomination, and we are very gravely concerned for the future of America's wilderness and environmental integrity if Mr. Watt is confirmed.
>
> We do not question Mr. Watt's ability, commitment, or dedication to the causes which have been the objective of his advocacy. We are satisfied he believes in what he says and does and that he would faithfully pursue the same objectives in his public responsibility as he has in his private responsibility.
>
> Though no one would quarrel with his right to his private views, we do vigorously object to the translation of these narrow private interest views into the decisionmaking process of the Interior Department. No doubt Mr. Watt would argue that the positions he has taken are, in fact, in the public interest. That is the crux of our difference with Mr. Watt.

Senator Nelson went on to say:

> The Secretary of Interior is the chief conservation officer of the United States. It is his role to be the educator, the philosopher, the vigorous advocate of sound resource management and the caring custodian of wilderness areas, fisheries, wildlife habitat, public lands, parks, wetlands, and endangered species.
>
> Advocates for uncontrolled private exploitation of public resources are legion. Thus it is the Secretary of Interior who must be the public advocate for a conservation ethic.

I believe that point is one we should dwell on, because, as we know, there are many people who would exploit to a great extent our natural resources. But Senator Nelson says that the Secretary of the Interior should be one who would champion the conservation ethic and one who would stand above and aside and apart from the narrow interests of those who would exploit and develop it.

He goes on to say:

> The jurisdiction of the Interior Department is vast and the decisions made there are consequential to all of us, with ramifications that cannot be predicted or measured with any degree of certainty.

He said:

> The selection of a vigorous, committed resource-environmental-oriented Secretary is crucial because the issue is overriding in importance and the time is short. In the long pull, no other issue facing the human species on the planet is as important as the status of his resources and the quality of his environment. This is so because they determine and limit the standard of living and the physical quality of life on the planet.

Senator Nelson said, further:

> A word should be said about the semantics of the antienvironmental movement. Certain code words are used indiscriminately to describe any individual or group of individuals who advocate higher air and water quality standards or any resource management approach they happen to oppose. Mr. Watt freely uses these code words to describe anyone who does not agree with his position. They are scare words and they are meaningless but they help him confuse the issue and degrade the quality of public dialog.

Then he said this, and with this point, Senator Nelson really comes to the crux of his argument:

> You see, my concern is this. If, in fact, the President of the United States and this committee with jurisdiction sent down the name of the leader of the AFL–CIO to be Secretary of Commerce everybody in the whole business community would be outraged. He might make a very good Secretary of Commerce. The outrage is because of his background and association and what he has said and done in the past.
>
> Or if you sent down the president of a national manufacturer's association as Secretary of Labor—I have been in this environmental field for 32 years, from the time I was elected to the State Senate in my State and have actively participated in practically every single major—in one way or the other, every single major environmental law adopted in the last 18 years, here in the Congress, and that accounts for almost all of them and others in my own State.
>
> I have watched the battle, I have watched the fights, I have participated in them. I have listened to the arguments, I have listened to the debate. And from what I see those are perfectly legal, established, responsible people by their own lives—the mining interest, the forest interest, the oil interest, the power companies, they are private companies. They don't have a responsibility to set social standards. They can't do it alone.

Senator Nelson is not condemning these interests. He says they have a legitimate, vital part to play in our economic prosperity, but they do not set social standards; they are not objective. As he points out:

> One power company can't clean up the air while none of the rest of them do because the power would cost too much. They know that, you know that, I know that. So, we have had to establish something.

Then he goes on in response to a question from Senator EAST, a very thoughtful question. Senator EAST pointed out that people—not simply oil people or mining people but blue collar people and many others—come up and complain about how the conservation movement might challenge and erode

their jobs. That question is one that has come to people in my State and people all over the country. I believe Senator Nelson had a very powerful answer to that—whether or not these environmental groups had some kind of no-growth philosophy. Senator Nelson said:

I guess the first thing I would ask, sir, is: These attacks that are made, they are always general. I have appeared and spoken on this issue of resources to I think it is now 37 States. And it isn't infrequent that somebody raises that question, particularly if it is before a Chamber of Commerce rather than, say, a university group.

I have asked the question at least 100 times in the past 15 years to the people who raised that question. I said, "Well, clarify for me. Will you name a wilderness area that you know about that somehow or another significantly deprived the country of a vital resource of greater value than preserving some of God's work in perpetuity?"

I have asked them at least 100 times and they all draw a blank. And then I have asked some of them, "Will you think about it and write me a letter?"

The first time I asked that I think was when I was traveling when I organized Birth Day in 1970 in Berkeley, Calif. I asked a gentleman, he happened to be a university professor, I said, "Will you write me a letter?"

I wrote him back, he never wrote me. So, I guess first we would have to define where is this bogeyman that is used in the code-word argument, that's the point of the matter.

I believe that the argument by Senator Nelson is a logical one. It makes sense that if we are going to criticize the environmental movement as having impeded economic progress—and perhaps there have been decisions that have been made thoughtlessly—we should be specific about it and cite examples; and we should be careful about elevating a man to be Secretary of the Interior, the No. 1 conservation job in this country, who has devoted his life, and devoted it very honorably, to an organization which has challenged our conservation policies repeatedly.

Mr. President, I wish to ask my friend from Idaho, the distinguished chairman of the Interior Committee, did Mr. Watt make any attempt to disqualify himself from taking part in decisions affecting the big mountain State contributors or board members?

Mr. McCLURE. I say to the Senator that Mr. Watt in his recusal statement indicated that he would disqualify himself from any actions that are now pending and that he would disqualify himself from any action in which the Mountain States Legal Foundation is a participant in the future. That recusal statement is a matter of record.

Mr. PROXMIRE. Let me give a statement.

The Coors Co. owns over 1,000 oil gas leases on over 100,000 acres of public lands in Colorado. In addition, the company is planning to build a large plant about one-half mile from Sandow National Park. Joseph Coors is one of the major backers of the Mountain States Legal Foundation. Would the Secretary recuse himself in that decision there?

Mr. McCLURE. The answer is no.

Mr. PROXMIRE. Why not? Would there be a conflict of interest?

Mr. McCLURE. There is not a conflict of interest with respect to any present action, and he is not retained by the Coors Co. to do any work for them at the present time with relation to the matters to which the Senator has referred.

Mr. PROXMIRE. Would that not trouble the distinguished chairman of the committee in view of the fact, as I say, Mr. Coors has been a principal contributor, a major backer of the Mountain States Legal Foundation which employed the Secretary-designate? Under those circumstances would not most people feel that Mr. Watt would be prejudiced?

Mr. McCLURE. Let me say to the Senator that we have had no access to the files of the Mountain States Legal Foundation with respect to the identity of the contributors or the amount of money which they may have contributed. But it is our understanding that there are dozens, if not hundreds and perhaps thousands of people who have contributed to that foundation. I do not have that personal knowledge.

Mr. PROXMIRE. Is it not well known, however, that the Senator certainly would not deny the fact that the reports that the Coors Co. has been a major contributor is probably accurate?

Mr. McCLURE. The Senator may have information that indicates that is accurate. I have no information upon which I could either confirm the accuracy or refute the accuracy of the statement.

Mr. PROXMIRE. Let me ask the Senator a further question. I am concerned about the appearance of conflict of interest when Mr. Watt must make decisions which affect Mountain States contributors. For example, based on the best data I have been able to obtain, contributors to Mountain States hold 232 of the approximately 550 Federal coal leases, that is almost half, 71 of the 176 pending preference right lease applications, that is about a third, and 8 of the 10 outstanding leases of Indian coal all within his Department's decisions.

Has the Senator asked Mr. Watt any questions concerning those leases?

Mr. McCLURE. We have not asked Mr. Watt any questions concerning the activities of possible contributors to the Mountain States Legal Foundation because we do not have information concerning the identity of such contributors.

Mr. PROXMIRE. Would it not be sensible for the committee to secure that information for the information of the Senate?

Mr. McCLURE. Let me say to the Senator that it is a tax-exempt legal foundation, a public interest law firm, and under the rules that the Senator has helped formulate, the statutes and the regulations issued under the statutes, it would be a criminal violation for the IRS to reveal that. When the IRS was asked at one time concerning whether or not that list of contributors was available, they very quickly responded that the law forbade them from making it available to us.

Mr. PROXMIRE. So that we are in a trap that we ourselves designed here.

Mr. McCLURE. If indeed it is a trap.

The Senator may know that in various times in the past the questions have been asked of the Sierra Club, the list of their contributors, Ralph Nader's organization, the list of their contributors, with respect to people that came out of these public interest law firms and directly into Government, and that list was not made available at that time for the same reason.

Mr. PROXMIRE. That is very troublesome. It seems that they can create an organization that can qualify legally and technically as a public interest organization and then they can conceal or at least not reveal, not make available the contributors in that organization and that organization may, as in this case, be in fact an organization that has a very special concern and interest.

Mr. McCLURE. I say to the Senator it has been troublesome to me in the past as people moved out of the Sierra Club into the Department of the Interior, into the Department of Justice, into the White House Domestic Council, and people moved out of the Natural Resource Defense Council. People that were involved in litigation then became in charge of the political body, the administrative body that was responsible for defending that litigation. All of that is a matter of longstanding record, something that occurred some years ago and has not been resolved, but it is a matter of concern certainly.

Mr. PROXMIRE. Does the Senator not see a tremendous difference there? Is there not a difference in that? The difference is that the latter does not have an economic interest.

Mr. McCLURE. The interest depends on whose ox is being gored, which side one is on.

Mr. PROXMIRE. I think there is a difference between a so-called consumer public interest group where no one is in it for profit.

Mr. McCLURE. Of course they are in it for profit. Their salaries are paid by it. The entire livelihood of employees of those organizations is tied up in it and for some time in the future.

Mr. PROXMIRE. The Senator is absolutely right about that. There is a difference. Mr. Watt's salary was paid also.

I am talking about the fact that the people who fund it, who support it, provide the financial foundation for the Mountain States organization, had a clear interest that was an economic interest, a monied interest, that could conflict with the public interest.

Mr. McCLURE. Surely the Senator does not believe that the Sierra Club or a number of other conservation organizations have in it no members who have financial interest in the management of public lands, the formulation of public policy?

Mr. PROXMIRE. I am sorry. I missed the latter part of that. Say that again.

Mr. McCLURE. Certainly these other public interest law firms also have contributors that support them or public interest groups have contributors that support them that have some economic interest in the formulation of public

policy or the management of public resources.

Mr. PROXMIRE. Of course, these organizations are perhaps often not completely pure as we would like to view them, but I still maintain that there is a distinct and clear difference that most people would be able to perceive between an organization that represents the lumber interests, mining interests, oil interests, on the one hand, and one that represents the conservation interests on the other.

Mr. McCLURE. The Senator may find himself in falling into the trap that a number of other people have in the past and in criticizing the Senator from Idaho for supporting the silver mining interests.

Mr. PROXMIRE. I certainly do not criticize him for that.

I support the dairy interest. They have an economic interest and we are proud of it.

Mr. McCLURE. Does that disqualify a person from the dairy interest of occupying any position within the Department of Agriculture?

Mr. PROXMIRE. No, indeed. It qualifies him.

Mr. McCLURE. I hope it qualifies him. I hope we can get some people into positions that do have some interests that do know something about it.

Mr. PROXMIRE. But, of course, in my view, and I am sure in the view of most people, the people from the dairy industry have been fighting hard to sustain the Department of Agriculture in its policies. They have not been attempting to prevent the policy which is fundamentally to see that our farm income is improved, that we have an agriculture on which we can rely.

Mr. McCLURE. As a matter of fact, I have known a number of farm organizations that a number of times had a bitter opposition to the positions taken by the Department of Agriculture. They came in here doing their very best to get the Department of Agriculture to change their ways or get some personnel reassigned or removed. I am sure the Senator has seen that happen.

Mr. PROXMIRE. They did not set up a legal tax exempt legal foundation in the process.

Mr. McCLURE. Occasionally they made contracts that apparently are illegal in the political process. That did not seem to inhibit them much.

Mr. PROXMIRE. No one is perfect.

In the Mountain Fuel Supply, et al., versus Udall, Mountain States filed a brief in the U.S. Supreme Court on behalf of Mountain Fuel Supply, even though Mountain Fuel Supply is a major contributor, its president and chairman of the board sit on the board of directors, and a member of the board of litigation is counsel to Mountain Fuel Supply. Is that not correct?

Mr. McCLURE. I say to the Sentor I do not know whether that is correct or not. I cannot answer. I cannot affirm the accuracy of the statement.

Mr. PROXMIRE. That is the best answer I can get. It is interesting. It is interesting it cannot be denied.

Mr. HATFIELD. Mr. President, will the Senator yield for a unanimous-consent agreement?

Mr. PROXMIRE. I am delighted to yield at that point because it is very helpful.

DAY OF THANKSGIVING FOR RETURN OF HOSTAGES

Mr. HATFIELD. Mr. President, as in legislative session, I call up my joint resolution I introduced this morning on the hostages.

The PRESIDING OFFICER. Is there objection?

Mr. HATFIELD. It has been cleared by both sides.

Mr. BUMPERS. The Senator is correct.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

Joint resolution (S.J. Res. 16) designating January 29, 1981, as "A Day of Thanksgiving to Honor Our Safely Returned Hostages."

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration, and, without objection, the joint resolution will be considered to have been read the second time at length.

Mr. HATFIELD. Mr. President, the resolution was described this morning at the time of introduction. It has the clearance of both sides. It sets next Thursday as a day of thanksgiving for the release of the hostages and for the mosques, synagogues, and the churches to be open to the American public for that purpose.

Mr. President, this morning I introduced Senate Joint Resolution 16, to designate January 29, 1981, as "a day of thanksgiving to honor our safely returned hostages." Spokespersons, Mrs. Louisa Kennedy and Mrs. Katherine Keough, wives of hostages Morehead Kennedy and William Keough, have asked that this day be the official celebration for the "returnees".

Therefore, I am pleased to ask unanimous consent that additional Senators be added as cosponsors, on the resolution held at the desk.

The PRESIDING OFFICER. Without objection it is so ordered.

LIST OF ADDITIONAL SPONSORS

Mr. Abdnor, Mr. Bradley, Mr. Harry F. Byrd, Jr., Mr. Chiles, Mr. D'Amato, Mr. Dole, Mr. Durenberger, Mr. Ford, Mr. Garn, Mr. Glenn, Mr. Grassley, Mrs. Hawkins, Mr. Heflin, Mr. Heinz, Mr. Huddleston, Mr. Johnston, Mrs. Kassebaum, Mr. Kasten, Mr. Kennedy.

Mr. Leahy, Mr. Matsunaga, Mr. Mattingly, Mr. McClure, Mr. Metzenbaum, Mr. Mitchell, Mr. Moynihan, Mr. Nickles, Mr. Nunn, Mr. Packwood, Mr. Pell, Mr. Percy, Mr. Proxmire, Mr. Pryor, Mr. Randolph, Mr. Rudman, Mr. Sarbanes, Mr. Stafford, Mr. Sasser, Mr. Stennis, Mr. Schmitt, Mr. Stevens, Mr. Symms, Mr. Tsongas, Mr. Williams, and Mr. Zorinsky.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. Res. 16

Whereas we the people of the United States are one people under God;

Whereas in recognition of the hope, honor, faith, and courage of those men and women who have been forcibly held prisoner in Iran;

Whereas eight brave men laid down their lives in the pursuit and defense of freedom;

Whereas in order for the people of the United States of America to express their appreciation, hope, and care for these men and women; and

Whereas in order for the Nation to express its thanks to God for the safekeeping of these people and this country:

Now therefore, be it *resolved* by the Senate and House of Representatives of the United States of America in Congress assembled, that the 29th day of January, 1981, is declared a day of thanksgiving to honor our safely returned hostages, and that Americans participate in services in places of their own choosing on that date, as already called for by churches, synagogues, and mosques across this country.

Mr. HATFIELD. Mr. President, I thank the Senator from Wisconsin for yielding for this purpose.

DEPARTMENT OF THE INTERIOR

NOMINATION OF JAMES GAIUS WATT, OF COLORADO, TO BE SECRETARY OF THE INTERIOR

The Senate continued with the consideration of the nomination.

Mr. PROXMIRE. May I ask my friend from Idaho, Mr. Watt has had considerable experience in the areas which he will administer as the Secretary of Interior, yet positions which he has taken, especially as Director of Mountain States Legal Foundation, raise questions as to whether he can be a fair and impartial Secretary. His foundation has consistently taken stands in favor of development and on behalf of interests who have business before his agency.

For example: As Secretary, Watt will have to enforce the Surface Mining and Reclamation Act. He challenged the constitutionality of the act in an amicus curiae brief filed on December 19, 1980, just 3 days before his nomination was officially announced and over a week after press reports that he would get this position.

Does the Senator view that as an indication he will make a fair and dispassionate and objective Secretary?

Mr. McCLURE. I would say to the Senator that his recusal statement indicates that on any matter which is pending and any matter in which in the future the Mountain States Legal Foundation is a party he will disqualify himself from the determination of that matter.

Mr. PROXMIRE. Watt's arguments in the case Andrus against Virginia Surface Mining and Reclamation Association go directly to the issue of whether or not Congress has usurped States' government functions and exceeded the commerce power of the Constitution.

The position he attacks seems, in view of this Senator, to be an undermining of most Federal environmental laws, cooperative federalism. Does the Senator have a reaction to that?

Mr. McCLURE. Well, the Senator is entitled to his opinion. Certainly that is

my reaction. I can also say in these and several cases to which reference was made during the hearings it was pointed out by Mr. Watt, in response to questions, that he had sought in some of these cases to determine whether or not the Federal Government in its actions had gone beyond the law or had attempted to do things which were, as a matter of fact, illegal.

In some cases the courts agreed with him. I am not certain that the fact he was proven to be right is a matter of disqualification.

Mr. PROXMIRE. Let me ask, finally, and my time is almost up, let me ask about the responsiveness of Mr. Watt with respect to the budget of the Interior Department with respect to its manning, with respect to its regulations, with respect to the paperwork that is required.

As the Senator may know, I have asked the managers of the various nominations about the position of the respective nominees.

Here is a man who served in the Department of the Interior, has been working in the private sector in opposition to the Department of the Interior, and should have some very vigorous and strong ideas on it, and yet he did not seem to be able to answer these questions.

Why was he not able to give us some notion of whether he felt this Department could reduce its size and its burden on the taxpayers or not or if it had to increase, how much? If he could cut it how much he could cut it?

Mr. McCLURE. He was asked some questions, as I recall, on specific cuts and the judgment he might have on those matters. In each instance I think he reserved judgment on specific areas, and he reserved his judgment concerning overall budget cuts.

Mr. PROXMIRE. I might tell the Senator I did not ask him about specific cuts. I realize that would be unfair. I asked him in general. I asked could he reduce the overall budget and could he reduce it by 10 percent and, if so, how. He would not have to be specific in that response. He did not give me any answer as to whether the budget would go up or down.

Mr. McCLURE. I do not know whether it was in response to your question, I do not recall, but he did at one time commit himself to take every step necessary to work toward the anti-inflation goal needed for our economy. That is reflected in the hearings.

Mr. PROXMIRE. That does not mean anything, does it?

Mr. McCLURE. It might mean something or nothing, depending on whether or not it is matched by action after he takes office.

Mr. PROXMIRE. As I say, this is not a man who, like some of the other nominees, had no experience at all in the Federal Government. He is a man, as you know, who has served in the Department of Interior. He is a man who dealt with the Department of Interior for years, and I think it was generally conceded that he was an intelligent and effective man, with a strong personality. I am shocked and astonished that in response he had not said, "Yes, Senator, we can reduce it, and here are some areas, and we will try to cut it maybe by 10 percent."

Mr. Pierce, the new Secretary for HUD, was able to say that he would expect that he could reduce the Department by 10 percent. Stockman has indicated other very specific reductions.

Mr. McCLURE. If, as a matter of fact, somebody is willing to make such a statement that will be a valuable addition to the record, if, as a matter of fact, he is able to do later what he said he would do now.

I think Mr. Watt, throughout the entire hearings, tried to indicate what I think is an appropriate position. He will review all of the activities of the activities of the Department of the Interior, and after careful review and scrutiny of those activities, and in consultation with the Office of Management and Budget, come forward with specific recommendations later.

I think the Senator from Wisconsin ought to be very pleased with what are apparently the past positions of this man. When he was Director of the Bureau of Outdoor Recreation, he fought to increase the amount of money that went into the land and water conservation fund, and if I understood the remarks of the Senator earlier, that is a direction which he would applaud.

Mr. PROXMIRE. I am sure he has done some things which I would applaud. But, by and large, I will assure the Senator from Idaho that I cannot support the nomination.

Mr. President, it is 4:30 now. We have an agreement to vote at 4:30, so I will reserve whatever time I have remaining.

EXHIBIT 1

STATEMENT OF HON. GAYLORD NELSON, REPRESENTING THE WILDERNESS SOCIETY

Senator NELSON. Thank you, Mr. Chairman. I am appearing on behalf of the Wilderness Society. I have accepted the chairmanship of the society effective in mid-January, and am accompanied today by Mr. Charles Clusen, the Wilderness Society's conservation director.

The Wilderness Society is a nonprofit conservation group founded in 1935 and dedicated to the objective of proper management of public lands and the preservation of wild areas.

Let me state our position at the outset: We are strongly opposed to this nomination and we are very gravely concerned for the future of America's wilderness and environmental integrity if Mr. Watt is confirmed.

We do not question Mr. Watt's ability, commitment, or dedication to the causes which have been the objective of his advocacy. We are satisfied he believes in what he says and does and that he would faithfully pursue the same objectives in his public responsibility as he has in his private responsibility.

Though no one would quarrel with his right to his private views, we do vigorously object to the translation of these narrow private interest views into the decisionmaking process of the Interior Department. No doubt Mr. Watt would argue that the positions he has taken are, in fact, in the public interest. That is the crux of our difference with Mr. Watt.

The Secretary of Interior is the chief conservation officer of the United States. It is his role to be the educator, the philosopher, the vigorous advocate of sound resource management and the caring custodian of wilderness areas, fisheries, wildlife habitat, public lands, parks, wetlands, and endangered species.

Advocates for uncontrolled private exploitation of public resources are legion. Thus it is the Secretary of Interior who must be the public advocate for a conservation ethic.

The jurisdiction of the Interior Department is vast and the decisions made there are consequential to all of us, with ramifications that cannot be predicted or measured with any degree of certainty.

The Department oversees roughly 300 million acres through the Bureau of Land Management; 174 million acres are in the lower 48 States and 24 million of these are designated for wilderness study; there are 77 million acres in the National Park System managed as national parks, national recreation areas and Historic Sites; it has jurisdiction over the Fish and Wildlife Service, enforces the Endangered Species Act, enforces the law on strip mining, controls offshore oil leasing, controls subsurface mining on Federal lands, including Forest Service lands, and directs the Bureau of Indian Affairs.

The committee is quite aware of these facts, of course. We recite them only for the purpose of calling attention to the enormous importance and dimension and jurisdiction of the Interior Department.

The selection of a vigorous, committed resource-environmental-oriented Secretary is crucial because the issue is overriding in importance and the time is short. In the long pull, no other issue facing the human species on the planet is as important as the status of his resources and the quality of his environment. This is so because they determine and limit the standard of living and the physical quality of life on the planet.

Thus, how well we manage and protect our air, water, soil, forests, minerals, wilderness, and scenic beauty is of vital concern to everyone.

From our review of Mr. Watt's involvement in environmental issues we think it is clear he does not share the same sense of urgency, concern or understanding of these issues as expressed by the people of this country through succeeding Congresses and Presidents over the past two decades.

Mr. Watts is president and chief legal officer of a nonprofit organization called the Mountain States Legal Foundation, established in 1977. According to one of its publications called The Litigator—summer 1980—its organization was founded by a group of concerned businessmen to combat the presence and success of special interest groups such as environmentalists, nogrowth advocates and those who seek more Government control.

The fact that it refers derogatorily to environmentalists as a special interest group identifies its bias quite clearly enough for anyone to understand.

What, one may ask, was the special interest of those millions of Americans who peacefully demonstrated on the streets from coast to coast on Earth Day?

Who is the special interest group? Those who want to preserve a quality environment for everyone or those who want to exploit our resources for profit without any controls or standards whatsoever?

The board of directors of the Mountain States Legal Foundation is dominated by all of those interests which have been consistent and persistent in their attacks on almost every asuect of the environmental movement including opposition to clean air and water standards, strip mining controls, protection of wilderness, grazing controls on public lands, limitations on mining exploration, or controls over the management of public forest lands.

Mr. Watt has made it clear by his action and words as well as by his official association with the Mountain States Legal Foundation as president and chief legal officer that he shares the viewpoint of his board of directors and endorses the objectives of the foundation.

Of the 25 members of the board of directors of Mr. Watt's foundation, one third are from mining and oil interests and most of the rest represent banking, ranching, timber, power or development companies, including one brewery represented by Joseph Coors, of the Adolph Coors Co.

These are all reputable business concerns, some with national reputations such as the Boise Cascade Corp., the Idaho Power Co. and Kennecott Copper Co.

No one is concerned about Mr. Watt's pursuit of his private objectives in the private sector, but we are concerned, indeed alarmed, by the prospect of a Secretary who brings to his office what we believe to be a strong antienvironmental bias and who is strongly supported and closely identified with those interests which have been in the forefront of the fight against environmental standards for the past two decades.

On December 23, 1980, the Washington Post commented on this point, making it clear it shared with us precisely the same reservations about Mr. Watt. The editorial stated in part:

"The President-elect has said that he is looking for someone to balance 'environmental extremists,' but in naming James G. Watt he appears to have gone to an opposite extreme and chosen someone who has demonstrated little understanding of the Interior Secretary's role as trustee, on behalf of the public, of the bulk of the Nation's natural resources.

"In remarks at yesterday's press conference Mr. Watt professed to be keenly concerned with balancing the claims on the Department in a judicious way. But his background proclaims him to be an undiscriminating advocate of private development interests and a man with an overriding bias in favor of immediate exploitation of resources rather than long-range management.

"Sound policy grows in part from the tension between competing views. In any administration, regardless of its philosophical bent, Interior should be speaking on behalf of concerns different from, for example, those of the Departments of Energy, Commerce, and Agriculture. Judging from the available record, it does not seem likely that it will do so under Mr. Watt's guidance."

A word should be said about the semantics of the antienvironmental movement. Certain code words are used indiscriminately to describe any individual or group of individuals who advocate higher air and water quality standards of any resource management approach they happen to oppose. Mr. Watt freely uses these code words to describe anyone who does not agree with his position. They are scarce words and they are meaningless but they help him confuse the issue and degrade the quality of public dialog.

Those who are targets of this attack are called no growth advocates who would collapse the country by depriving it of adequate energy and leaving millions unemployed. This charge is calculated to stir up the editorial writers and induce the public industry and labor to oppose wise resource management proposals which will, in fact, serve our country best.

The word extremist is regularly used to describe any position different from his own or any environmental standard he opposes.

Frequently the phrase environmental extremist is used or the word environmentalist is used as a synonym for extremist. Mr. Watt, publications of the Mountain States Legal Foundation, and their supporters use these phrases as part of their normal dialog on environmental issues.

Those of us who have been involved in these issues for many years are familiar with the code words, we understand them, we known their political and propaganda objectives and we have become accustomed to their indiscriminate use.

However, we do not expect, indeed we are dismayed, that anyone nominated to be the chief environmental officer for the United States would attack the environmental movement with the same techniques and same code words used by our most uncompromising critics.

The problem we face is not environmental extremism if, indeed, anyone can explain what that is. The real question we must ask is whether we have the foresight, the determination, the understanding, the political courage to make those major decisions that might, just might, significantly slow down the wasteful dissipation of our resources and arrest the deterioration of our air and water before the productivity of the oceans and rivers is destroyed. It is a monumental task. In most respects we are losing ground both here and all over the planet.

We cannot afford to gamble on the remote hope that Mr. Watt might significantly modify his views. They are firmly set and ideologically grounded. Nor is there any reason to believe he might in the future show greater insight and perspective about the vastness of these issues. America and the American earth deserve better, it seems to me.

Thank you.

The CHAIRMAN. Thank you.

Senator BUMPERS.

Senator BUMPERS. I have no questions.

The CHAIRMAN. Senator Domenici.

Senator DOMENICI. No questions.

The CHAIRMAN. Senator Melcher.

Senator MELCHER. Well, I only wanted to comment that I appreciate Senator Gaylord Nelson, a very strong and forceful statement. I think that the presentation of The Wilderness Society's position by Senator Nelson is excellent. I think that the terms that are used and identified, the people and their positions on conservation issues is very aptly put.

When you used the word environmentalist as something bad, I think we ought to return to what Gaylord used to know 25 years ago when he pioneered the conservation movement and we ought to be concerned with the word conservation.

It says it all anyway, doesn't it, Gaylord?

Senator NELSON. Just about.

Senator MELCHER. Thank you very much.

The CHAIRMAN. Senator Wallop?

Senator WALLOP. I have no questions.

The CHAIRMAN. Senator Tsongas.

Senator TSONGAS. Senator Nelson, Mr. Watt yesterday made a point about being open to environmental groups and he spoke proudly of his meeting I guess a couple of weeks ago with environmental groups in Denver, I believe, and said that a bridge had been constructed and that he would make use of that bridge in contacting and in working with environmentalists or conservationists, however they may be defined. Have you had contact with Mr. Watt? Do you expect that you will have a task to cross the bridge?

Senator NELSON. I would certainly hope so. I have had no contact with Mr. Watt and I would assume there is now no reason to have contact. I would hope he would construct a bridge.

You see, my concern is this. If, in fact, the President of the United States and this committee with jurisdiction sent down the name of the leader of the AFL–CIO to be Secretary of Commerce everybody in the whole business community would be outraged. He might make a very good Secretary of Commerce. The outrage is because of his background and association and what he has said and done in the past.

Or if you sent down the president of a national manufacturer's association as Secretary of Labor—I have been in this environmental field for 22 years, from the time I was elected to the State Senate in my State and have actively participated in practically every single major—in one way or the other, every single major environmental law adopted in the last 18 years, here in the Congress, and that accounts for almost all of them and others in my own State.

I have watched the battle, I have watched the fights, I have participated in them. I have listened to the arguments, I have listened to the debate. And from what I see those are perfectly legal, established, responsible people by their own lives—the mining interest, the forest interest, the oil interest, the power companies, they are private companies. They don't have a responsibility to set social standards. They can't do it alone.

One power company can't clean up the air while none of the rest of them do because the power would cost too much. They know that, you know that, I know that. So, we have had to establish something.

I have watched the files. I can't think of a single, major environmental issue before the Senate in the 18 years here that involved any single one of these interests in the Mountain States Legal Foundation.

Power companies oppose area standards. They will fight, they will fight to the death against setting standards that will keep the sulfur oxide out of the air, because they say it will cost too much.

The cost to this country will be immeasurable if we don't do it because there won't be a fresh water lake left in America that isn't sterile. Three hundred have gone in the Adirondacks. They are starting to destroy the lakes in Wisconsin and in Minnesota and in Canada. The cost of not saving these lakes will be thousands of times greater than the cost of doing it. They will fight those standards just as they fought air quality standards on every issue. They fought them all. I introduced the first legislation in the Congress on strip mining. They attacked it then. They were environmental extremists, nogrowth advocates, every single job and every single fight opposing it.

Wouldn't that cause anybody to be concerned about a person who comes from that group, who has been their spokesman, been their president and their chief counsel, and now to become the chief environmentalist and the chief conservation officer of the United States?

Obviously, every single leading environmentalist in this country that I know of and every organization in this country that I know of is opposed to it. Are they opposed to it because there is some thing perverse about them?

Who led the fight for every single law that now everybody defends? Even then, oh, yes, they will say we need clean air, we need a balance. What's the balance? The balance always goes their way. That is one of the code words.

What is a no-growth person? Well, a person who might worry about where you put the nuclear waste and how it might proliferate into the atmosphere and into the water systems. So, I think one must worry about that. And the people who led these fights for all these years in behalf of accepted statutes on the books, defended and praised all over, are the ones that have been called extremists, the ones that Mr. Wallop—has used the word in an article to the Denver Post, quote, "Today the extremist—the environmentalists—are opposed to and fighting." end quote.

I have been around long enough to understand that code word and to them it is interchangeable, extremist with environmentalist. That is a concern.

Senator TSONGAS. How do you call to those commitments Mr. Watt made yesterday?

Senator NELSON. I don't know what those commitments were; of course private or-

ganizations, private interests utilized the hand and persuasion by education and otherwise to get presidents or secretaries or anybody else to share more closely the viewpoint that whatever organization has—once shared with them.

Senator THURMOND. I, for one, would be curious if you could simply report back to the committee as an individual what the record is and will be as to the use of that bridge that was spoken about yesterday.

Senator NELSON. Well, with all due respect to Mr. Watt, I didn't hear the testimony and I did read the paper this morning and noticed that comment. But I didn't hear the testimony.

Senator THURMOND. I would finally say I assume that is not your style, Senator Gaylord Nelson.

The CHAIRMAN. Senator East.

Senator EAST. Senator Nelson, I would just like to propose to you a perspective that I agree would differ a bit from your own. But maybe you can help me and try to rationalize this thing.

Being a newly elected Senator myself, I found in campaigning in North Carolina last year I was noting that this is not only confined to the West. I found that people not only in business but among blue collar working people in North Carolina, the feeling that there were certain groups and interests that were actually antigrowth.

Now, you may say they misconceived what you are doing. But you know in the real world of democratic politics what people perceive becomes very important. And they perceive, certain groups, and I will admit I heard frequently this description, and I am not saying it is fair, and you might, I'm sure, disagree with me.

But the Wilderness Society is one of these groups. Indeed, the word they think is ill chosen. Wilderness suggests nothing, no growth, no development, no activity.

Now, in an economy, and we get to this matter of balance and emphasis, but we get into the problem of democratic politics and what people are feeling and what the mass of people are feeling. They are feeling that there is a certain group or entity, various groups in this country, the Wilderness Society, perhaps one, even the Sierra Club. I am simply revealing to you what I heard. Groups who seem to be—they seem to quite, they don't seem to understand that in order for people to live and to make a living, and to buy clothing and food and homes, and to send their children to colleges and universities they have to make a living and that means economic development.

It means, as I heard so many times, it's not a new remark, I know you have heard it, man is part of the environment, too. Now, in North Carolina we try to have the best of both worlds.

We've got a beautiful State, as I noted yesterday. The western part of our State, the mountains, we've got to develop timber there. We do it. We do it in an orderly way. It is a renewable resource. We've got to have the timber so people can work.

Tourism is big in eastern North Carolina. Now, in some wilderness proposals, you simply could not develop an effective tourism industry over there. You couldn't go in and have multiple use management. You couldn't go in and do the things that are necessary to maintain a creative and productive growing and expanding economy in North Carolina.

I find, as a person running for public office, you are in a very awkward position when you have to go in and try to explain to people that these things can't be done. The refrain I kept getting from them was that a lot of these groups, like the wilderness Society, are simply play things for the wealthy, the rich who can go in and buy their wilderness home, who can go in and backpack or do whatever they are wanting to do. The average person doesn't benefit from it.

Now, I didn't mean to give you a speech and I know you have heard too much of this sort of thing. But the burden I think is upon you and the groups you represent and it is to try and persuade me and others like me, and others out there who see it otherwise, that we don't have a problem, that we misunderstand what you are doing.

That is why I think Mr. Watt is here for these confirmation hearings. He represents a changed feeling in this country that we need to try to get that balance, we need to get back to economic growth and development. If this Congress cannot do it, I submit the American people will find a Congress eventually that will do it.

They want jobs, and they want a creative and productive economy, and at the same time, of course, it goes without saying, they want to preserve within reason the natural heritage of this country.

So, let me rest there, and I would appreciate your response to that. How would I answer them?

Senator NELSON. I guess the first thing I would ask, sir, is: These attacks that are made, they are always general. I have appeared and spoken on this issue of resources to I think it is now 37 States. And it isn't infrequent that somebody raises that question, particularly if it is before a Chamber of Commerce rather than, say, a university group.

I have asked the question at least 100 times in the past 15 years to the people who raised that question. I said, "Well, clarify for me. Will you name a wilderness area that you know about that somehow or another significantly deprived the country of a vital resource of greater value than preserving some of God's work in perpetuity?"

I have asked them at least 100 times and they all draw a blank. And then I have asked some of them, "Will you think about it and write me a letter?"

The first time I asked that I think was when I was traveling, when I organized Birth Day in 1970 in Berkeley, Calif. I asked a gentleman, he happened to be a university professor, I said, "Will you write me a letter?"

I wrote him back, he never wrote me. So, I guess first we would have to define where is this bogeyman that is used in the codeword argument, that's the point of the matter. I don't know what it is. You know some wilderness that will deprive this country, that has been set aside, deprived this country of resources that are vital to the jobs of this country? The next question you have to look at, supposing there is a wilderness and it is unique, there is nothing like it any place else on the face of the globe, it serves as wildlife habitat, it serves as a watershed, air shed, a jean pole, it serves as a recreation area and it serves as a very, very important area of scientific study, because it is only a wilderness area on the planet where the scientists can't go in and study what nature is doing without any interference from mankind at all, and even learn a whole lot more from nature than nature is liable to learn from us.

So, where is that area? Nobody ever has an answer to that. When we talk—and I discuss these all the time, and, Senator, you raised this. I discussed these issues all the time and have for a few years.

When people raise these issues, well, you've got to have balance. I said, "Whose balance?" Balance is a subjective term. If I want to exploit a resource and it is profitable to my shareholders, my stockholders, and it destroys a wilderness area and might provide enough coal to fuel a powerplant for a few days and, as an exchange for that, you have destroyed a unique area on nature's planet, should it be done?

These are the things that we have to weigh on this question of balance, on the question of extremism. As I said in my remarks, that kind of dialog is destructive, counterproductive in terms of useful, constructive discussion issues. But if you have to use it, if you have to use the terms, they apply overwhelmingly to the interests who have fought the environmental mood.

Why do I say this? Who are the people where balance is done their way, and balance has been against the environmental side. All you have to do is ask yourself this question.

Despite all we have done, we see a disastrous deterioration of the air worldwide. We see the disastrous acid rain which is just one of a dozen of pollution problems that arrive.

The acid rain question, it destroys lakes if it goes on and destroys the estuaries where the rivers come in and where it empties into the oceans for all practical purposes.

What are you destroying? If you destroy the productivity of those estuaries, you destroy one of the great protein sources on the planet.

If you don't do something about preserving the soil of this country which is eroding at disastrous rates now—who is the extremist? Those who fight for zones, standards, and controls to stop the exploitation of that soil which really is the heritage of all human species on the planet, not the landowner who bought it, and if you allow an inch, a half inch, of that topsoil to go away we've dissipated hundreds of years of the work of nature. Who is winning this battle? We are going to have lists. There won't be enough wood on the planet even to heat people's houses who have to survive. We aren't keeping up on that issue in this country. So, the battle for a good management and protecting the quality of the air and water is still being lost.

We were making some dent in it but we weren't making gains. But those who fought the standards are not those who said: Good heavens, if you are going to survive on the planet in a physical condition in an environment that is decent and pleasant, and if you are going to have the resources to maintain a standard of living then it is management of resources, protection of the environment that comes as a first order of business of mankind, of mankind on the Earth. That is what the environmental movement is all about.

Yes, I suppose I could find some people I even thought were extremist, although when you look at the dimension of the problem you've got a plausible depth in the individual in terms of saying to yourself, well I am so wise that the position that I take on this is absolutely correct and anybody to my left and to my right is an extremist. That is a dangerous assumption to make because none of us know enough to know whether or not that is correct. But I think the extremist is on the side of excessive exploitation and dissipation. Resources—you've got to recycle. Who in the whole community of consumptive money interests has supported any proposals around here really for recycling? Not many, not much.

So that is where the extremists are. Yet, after you think about it, if you can give me an example of a wilderness area that is more manageable after we have exploited it than it is to preserve it in its pristine nature, I wish you would point it out and let me point out the amount of wilderness area set aside in this country is so—it is small. It couldn't make much consequence to anybody any time, any place, except the scientists and the people who will follow us on this planet who are entitled to see what some properties are like, the varieties around this country and around the world that have not been touched by the hand of man.

The CHAIRMAN. Senator Nickles?

Senator NICKLES. Pass.

The CHAIRMAN. Might I remind the committee and the witness that we have 28 witnesses to be heard today and you are the second. Remaining are 26.

Senator NELSON. I have been in your position many times, Mr. Chairman. I will take my leave.

The CHAIRMAN. Senator Nickles, do you have a question?

Senator NICKLES. No.

Senator MELCHER. Mr. Chairman, before Senator Nelson takes his leave, I want to respond a little bit to that clarion call that he made on behalf of environmental protection throughout the United States, and now as an incoming chairman of the Wilderness Society I might add that I think it is obvious that wilderness preservation systems is an act of Congress. Each new addition to that system is an act of Congress.

So from just the position of wilderness, what is going to be wilderness or not going to be wilderness, the incoming Secretary of Interior does not play the biggest role by far.

It plays sometimes a rather medium-size role, as he will only make some recommendation to the President that comes up from his area directors of BLM land and from Park Service, Park Service managers or from the Fish and Wildlife Service on some fish and wildlife refuges.

But on the broader aspect of what we are doing to protect the environment, particularly in the West, Gaylord, I welcome your leadership in the Wilderness Society because I think there are much broad interests, environmental protection or conservation, conservation protections and conservation decisions that should be made that the Wilderness Society could become a great deal more active upon—and I am speaking about the problems we have directly in the West regarding strip mine legislation, the surface owners consent, by the way, which I don't know how you viewed that. It seems to me you were on the wrong side on that at the time, Gaylord.

I hope you are going to be on the right side of that as chairman of the Wilderness Society. On the question of the alluvial valley floor protection regarding strip mining, it is a very potent question of whether or not a State has a right to have its own sting on energy facilities before a Federal Government decides it is going to ram one down the State's throat when the State doesn't have that prerogative and also whether the State doesn't have the prerogative to set its severance tax along with all other severance taxes.

All of the studies where I come from about what the environmental improvement and conservation movement is about—because without these kinds of protections we don't think we've got a real type of support we need from environmental organizations to maintain our right to run our States in the most wise and approved ways.

I accept your remark as being one that is in pretty much full agreement with all these points. Am I misled on that in any way?

Senator NELSON. Having visited on numerous occasions with the distinguished Senator from Montana, I can agree on these matters about 97 percent of the time. The other 3 percent he is wrong. But that is a whale of a batting average.

Senator MELCHER. Thank you, Gaylord.

The CHAIRMAN. Thank you.

Senator NELSON. Thank you, Mr. Chairman, and gentlemen of the committee.

The CHAIRMAN. We next have a panel of four witnesses.

Let me indicate at the outset, it is not the Chair's desire to limit anybody in their presentation nor the members of the committee in the questioning, but I hope that each member of the panel will recognize the full effects of their remarks is in the record. I hope you will summarize rather than try to read all of your statements.

I hope we can get through all the witnesses today. I know Mr. Thomas Kimball who is No. 26 or 28 on the list doesn't wish to be here at 9 tonight.

I do hope the members of the committee will be brief in their statements and the member of the panel will be direct in their answers.

Mr. Shepard, I believe you do not have a prepared statement.

Mr. SHEPARD. That is correct, Mr. Chairman. I may save you a bit of time that you badly need.

The CHAIRMAN. Well, every once in a while I find out that people who have prepared statements depart from that longer than they would if they read the whole statement. Some who don't have prepared statements take longer than if they had one.

And with that, you are certainly welcome to state your views.

● Mr. DODD. Mr. President, I oppose the confirmation of James G. Watt to be Secretary of the Department of the Interior.

Mr. President, I have considered each of the Cabinet nominees, including Mr. Watt, from the perspective that he or she should be confirmed. I feel very strongly that the President of the United States should be free to appoint the people he wants to carry out the policies he will advocate. Therefore, I am not voting against Mr. Watt's confirmation for political or partisan reasons but instead because I believe it would be impossible for him to discharge his responsibilities as Secretary in a manner consistent with the goals and duties of the Department.

What are the responsibilities of the Secretary of the Interior? Under existing law, the Secretary has a great deal of responsibility for implementing policies to protect Federal lands from certain types of development and depletion of natural resources. In addition, the Secretary has a great deal of discretionary authority to establish regulations governing the access of developers and extractive industries to Federal lands. Therefore, the Secretary's chief responsibility is to oversee the management and protection of Federal lands and their natural resources.

There are 400 million acres of public lands under the authority of the Secretary of the Interior. Much of this land is rich in natural resources: lumber, coal, oil, gas, uranium, oil shale, tar sands and grasslands. These lands, however, are also rich in scenic and recreational value as well as natural wonders and oftentimes unique ecosystems.

While I agree with the view that public lands may be used for more than one purpose—that controlled resource development, under certain circumstances, can take place without causing severe environmental damage or destroying the lands' scenic or recreational value—I doubt Mr. Watt's objectivity in balancing economic and energy demands and delicate environmental questions.

In his recent confirmation hearings before the Committee on Energy and Natural Resources, Mr. Watt spoke of his strong commitment to both resource development and preservation of the unique environmental quality of these lands. But, if you look at his actions, as both president of the Mountain States Legal Fund and member of the Federal Power Commission, there is little if any evidence that he ever took a position or even expressed an opinion other than a prodevelopment, proindustry stance.

His role as president of the Mountain States Legal Fund has been fully discussed. As an advocate for major development interests, he has consistently opposed Interior Department regulations and policies designed to limit resource development and access to public lands. Virtually every single major Interior policy involving controlled access or limited development during the last 3 years has been opposed by Mountain States and Mr. Watt.

As a member of the Federal Power Commission, Mr. Watt has consistently supported the positions advocated by utilities and natural gas companies. In 71 of 74 cases in which Mr. Watt expressed an opinion as a member of the Commission he took the position of the utility or natural gas company.

Mr. President, I myself, am not what Mr. Watt so frequently refers to as "an environmental extremist" nor do I demand that such a person head the Department of the Interior. My personal feeling is that an extremist of any type is not well-suited for a position such as Secretary of the Interior where it is essential that competing interests be weighed objectively and sound judgments be made on public interest grounds.

It is precisely for this reason that I consider Mr. Watt to be an unacceptable nominee for Secretary of the Interior. Despite his recent statements to the contrary, every bit of evidence indicates that as Secretary, Mr. Watt would not give the same weight to environmental considerations as he would to economic and energy interests. The unavoidable fact is that all his professional life Mr. Watt has been an advocate for development interests and in that role he has consistently and actively opposed environmental and preservation efforts.

He has given us no reason whatsoever to believe that he is now going to put aside his advocacy of development interests and take up the advocacy of preservation. During his confirmation hearing, he did, however, give us clear interest of his lack of sensitivity for conflict of interest problems that will inevitably arise if he is confirmed. Only after lengthy and extensive questioning from the committee did he agree not to participate in decisions that will come before the Department involving the Mountain States Legal Fund. If he does not readily recognize the conflict of interest problem created by his deciding cases as Secretary that he has initiated as president of the Mountain States Fund, then how can we expect him to give proper weight and to consider objectively those environmental and nondevelopment interests that he has made his career fighting?

I believe the answer is obvious—we cannot, and for this reason, I will vote against Mr. Watt's confirmation.

Before I conclude, however, Mr. President, I would like to make one additional comment. At the hearings, Mr. Watt emphasized that he is a man of the West, familiar with its environmental

and development problems, implying that somehow the Department's focus was going to be directed to points west of the Mississippi. While I fully expect policy changes to occur as a result of the recent election, I would like to state for the record that the West is not the only region of the country with development problems. In my region of New England and the Northeast, we face the prospects of significant oil and gas drilling in coming years on federally owned tracts off our coast.

As a member of the House Ad Hoc Select Committee on the Outer Continental Shelf, I worked 4 years on legislation that gives to the Department of the Interior a great deal of responsibility for planning the orderly and environmentally safe extraction of these much-needed oil and gas resources. I have seen the horrible environmental damage that has occurred in other areas when development was not properly regulated. I do not intend for this tragedy to be repeated in my region or anywhere else in this Nation. So, I would like to take this opportunity to ask that whoever is the next Secretary of the Interior not ignore the development problems of areas outside the West.

Mr. President, I urge my colleagues to vote against confirmation of the nominee.●

Mr. BAKER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator LAXALT relating to the nomination of James Watt.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR LAXALT

It is my pleasure to support the confirmation of James Watt as the next Secretary of Interior. Rarely have I had the opportunity to speak in support of an individual I felt was as outstanding a nominee for a position as I feel Jim Watt is for this position.

In the West we have a saying—"Give me men to match my mountains". In Jim Watt we truly have such a man; a man with all the strength, character, and vision of the beautiful Wyoming mountains from which he comes.

Jim Watt brings many attributes to this tough job. However, the two I feel are the most important are his experience and his outlook.

Let us make the record clear. Jim Watt is no stranger to the ways of the Department which he will head. For seven years Jim worked at Interior, first as Deputy Assistant Secretary for Water and Power and later as the Director of the Bureau of Outdoor Recreation where he managed the Land the Conservation Fund which was, and is, one of the most effective preservation and conservation programs in America. In 1975 President Ford appointed Jim to the Federal Power Commission eventually becoming Vice Chairman of that body. This past experience will serve him well when he takes the reins of the Department of Interior.

Even more important than the experience which Jim Watt will bring to his new post is the fresh outlook which he will also bring. A man of the West, Jim indeed loves the land that nurtured him as my respected colleague Alan Simpson so eloquently pointed out at Jim's confirmation hearing. At a very young age my father, a man of the land himself, instilled in me a belief that the best conservationists are the people who actually live on the land and depend on it for their livelihoods. Jim Watt understands that better than most men.

The tremendous complexities and statutory requirements vested in the Secretary of Interior's office fill the job with conflict and controversy. Jim believes that acting under the law, the Secretary must choose a course that will ensure commonsense, balanced perspectives in managing lands and waters subject to the multiple use concepts which we in Congress have established. I say "amen."

As the Wall Street Journal said recently, the policy orientation that Jim Watt will try to change assumes that huge tracts of land should be off limits to the people who live in the West to give aesthetic satisfaction to others. Jim will be a strong friend of the multiple-use concept of public land management which recognizes many uses, including recreation and wilderness.

God has blessed Jim Watt with rare skills for a tough job. I believe that God has also blessed America by giving us Jim Watt at this point in our history. I urge his confirmation. Thank you.

PAUL LAXALT.

Mr. THURMOND. Mr. President, I rise today to support the nomination of James Watt for the position of Secretary of the Interior.

Mr. Watt will bring with him to this office a desire and an ability to better implement existing laws governing the development of coal, oil, gas and minerals located on Federal lands. I fully support him in this regard. Mr. Watt, as Secretary of the Interior, will make decisions based on what he feels to be the best interests of the country, and will be an able and conscientious member of the President's Cabinet.

Mr. Watt is known to be a man willing to fight vigorously to progress the ideals he believes in, and has shown the courage to speak out on controversial issues. I believe these are characteristics which will enable him to serve with distinction in this office, and to effectively implement the policies of the administration.

Mr. President, I want to express my hope that the full Senate will today overwhelmingly confirm Mr. Watt's nomination.

● Mr. PELL. Mr. President, I have voted to confirm President Reagan's nomination of James G. Watt to be Secretary of the Department of the Interior. It was not an easy decision and I voted for confirmation despite some troubling reservations that I still have about Mr. Watt's commitment to environmental values.

It is clear that Mr. Watt is a competent and able individual, however, I have not seen him demonstrate the sensitivity and interest in environmental values that I would like to see clearly demonstrated by any nominee for this Cabinet-level post.

I was deeply troubled by his lack of knowledge of the Alaska lands bill, which set aside more than 100 million acres of Alaska and placed extensive management and enforcement responsibilities on the Secretary of the Interior. This measure passed last November only after extensive debate during the past two Congresses.

As one who voted for the final Alaska lands bill—which has been called the conservation bill of the century—and as one who cosponsored and supported even stricter conservation measures, I was concerned by Mr. Watt's statement that he had not formed opinions about the bill and was not familiar with its contents.

Likewise, I was concerned by his failure to offer strong support for the Endangered Species Act—one of the most important pieces of conservation legislation that the Secretary of the Interior is directed to enforce.

Experts have testified that the Fish and Wildlife Service will have to acquire almost 2 million additional acres, for example, to maintain waterfowl populations near the present levels. Mr. Watt, however, said he has "reservations" about an aggressive acquisition program.

In response to questioning by my colleague, Senator CHAFEE, Mr. Watt indicated he would favor making inventories of all public lands under his jurisdiction for potential multiple uses, such as mineral and energy development. He did exempt public land where such an inventory was prohibited by law.

This tendency toward multiple use troubles me, because I do not think this type of blanket inventory augers well for the delicate balance between preservation and development. I do not want to see that balance tipped from protection for sound, long-term benefits to the dangerous practice of development for immediate gain.

Although I have these reservations about Mr. Watt, I also found some measure of encouragement in his testimony that he is "deeply committed" to Federal support for the creation and development of relatively small urban and State parks.

Mr. Watt apparently places more emphasis on private use of public land—property acquired at the expense of the taxpayers—than I do and he seems less sympathetic to environmental values.

However, with responsibility comes a sobering of views and usually a greater effort to be in the mainstream of thought. That is what I hope and expect to see reflected by Mr. Watt as he assumes the burden of his Cabinet-level office.

Accordingly, after careful consideration, I have voted for his confirmation with the hope that he will hold fast to the environmental values that this Nation has grown to treasure.●

Mr. BAUCUS. Mr. President, I will vote to confirm the appointment of James G. Watt as Secretary of the Interior. I take this action despite my personal misgivings about the policies which the Department of the Interior might pursue under Mr. Watt's direction. Both Mr. Watt and President Reagan have made public statements which seem to me to display some degree of insensitivity toward the values of environmental conservation. During his hearing, Mr. Watt was sometimes overly vague concerning his plans for changes in policy direction. Finally, Mr. Watt's nearly exclusive association with business interests questions whether he will perform effectively as a mediator and an impartial judge of resource disputes. Nevertheless, I believe that the President should have his nominee confirmed, unless a compelling

case can be made against either Mr. Watt's integrity or his ability to present a range of differing viewpoints to the President when critical decisions must be made.

In a memorandum to several members of the Energy and Natural Resources Committee prior to Mr. Watt's confirmation hearing, I expressed concern about possible conflicts of interest arising from Mr. Watt's association with the Montana States Legal Foundation and I also questioned the nominee's basic philosophy with respect to the role of the States and the Federal Government in establishing natural resource policy. Mr. Watt's financial statements demonstrate that he will gain no direct economic benefit from assuming his new position. Mr. Watt has responded to concerns about his role with Mountain States by further distancing himself from that organization. He has agreed not to personally decide or be involved in any disputes with the Government in which the Mountain States Legal Foundation is the main party or represents someone else.

In addition to an examination of the nominee's personal and professional credentials for his appointment, I have closely examined the philosophy which he brings to the job. Although I disagree with some of the specific positions which Mr. Watt and the Mountain States Legal Foundation have taken, I find myself surprisingly comfortable with Mr. Watt's general philosophy with respect to the role of the States in Federal land and resource use decisions. Throughout his hearing, Mr. Watt emphasized the need for the Federal Government to be a "good neighbor" toward State and local officials and toward the people in local communities who are most directly affected by the Department of the Interior's actions.

Major decisions on development and conservation must be made in the near future. These decisions ought to consider the views of the people who must live with their results. Mr. Watt's suggestions to defuse the Sagebrush Rebellion, his support for the concept of State primacy in surface mining reclamation and his support of State resource severance taxes shows that he understands the need to consider the views of local citizens and, whenever possible, to allow critical conservation decisions to be made at the State level.

Mr. Watt's strong identification with a point of view in environmental disputes should not alone disqualify him as an adviser to the President. He has firmly stated his intention to effectively enforce the laws of the United States. I see nothing in his personal record which indicates a lack of integrity or honesty. He has moved to disassociate himself from both the fact and the appearance of conflict of interest. Finally, he has expressed the intent to work closely with the governments and people affected by Department of the Interior decisions.

I hope that when Mr. Watt assumes the duties of the Secretary of the Interior, he will realize that he also assumes a very important and sacred trust from the American people. They expect him to manage their natural resources with caution and judgment. I wish him well during his stewardship of our Nation's natural resources.

Mr. BIDEN. Mr. President, I have serious reservations about the nomination of Mr. James Watt to be the Secretary of the Interior. In the next few years, more so than at any other time in America's history, the Department of the Interior, and specifically the Secretary of the Interior, will be under immense pressures to grant developmental interests widespread access to the public trust of lands, waters, and coastlines—for energy production, for minerals exploration and for development. The person who holds the position as Secretary of the Interior will have to moderate between the extremes of allowing exploitative development and keeping strict preservation.

Mr. President, the Secretary of the Interior acts as the chief environmental officer of the United States. He is the conservator, trustee and steward of our vast public lands and natural resources, while at the same time he is expected to promote reasonable and efficient use of the same lands. His decisions, once implemented, could irreparably alter or destroy the environment of America's open spaces and wilderness areas.

Given this awesome responsibility over our natural heritage, I have grave doubts about the decision to be made on this nomination. At face value, Mr. Watt possesses several attributes suited for Cabinet service; he knows his field, he speaks out on his views, and he performs his work with avid zeal and dedication.

What I worry about, Mr. President, is whether this record of zeal and unyielding dedication to promoting greater exploitation of public lands will be adequately tempered with a dedication to moderation in the use of those lands; whether Mr. Watt will find an adequate middle ground between the developmental interests which he has so forcefully advocated and the equally valid goals of environmentalists whom he has labeled "extremists."

I believe the function of the Secretary of the interior by historical precedent and legislative mandate is to balance these legitimate interests. Mr. Watt's one-sided advocacy gives me sufficient doubt as to his willingness to construct the required balance among all groups who seek his attention and to realize all that a Secretary of the Interior is obliged by law to uphold and defend. I do not believe Mr. Watt will uphold the intent of the law. I believe that Mr. Watt's record of performance, especially while president of the Mountain States Legal Foundation, shows him to be seriously mismatched with the very duties, tasks and abilities required of the Secretary of the Interior. His one-sided and single-minded advocacy for developmental interests go to the very heart of the job he will assume. He has not only vigorously attacked the environmentalists and conservationists whose interests he must preserve, but he has also made a career of challenging many of the same laws he will be sworn to uphold.

There is no doubt, Mr. President, that Mr. Watt is an able man—but his history and his testimony raise substantial doubts that he possesses the judicious temperament and the balanced point of view required of a Secretary of the Interior. Those doubts are so strong, Mr. President, and so little contradicted by the hearing record, that I must vote "no" on the confirmation of James G. Watt.

Mr. HATCH. Mr. President, no one could be happier than I upon the selection of James G. Watt as Secretary of the Interior. He is a person of great integrity, personal courage and strong convictions. He is a knowledgeable concerning this position as anyone in this country. He has a broad and wide-ranging experience in Federal land policy matters. He is forthright and blunt in his opinions.

In short, I expect him to stand up, when others knees are quavering, and do what is right and best for America.

We simply must reverse the downward trends of our economy and resolve our energy problems. I fully expect Mr. Watt to have a positive dramatic impact on both of these monumental problems.

In the West, we have many people who feel that the Federal Government has been oppressive concerning the large blocks of Federal lands under its control. Many of us feel the Federal Government has been unresponsive to our Western needs and some of us even feel, in some instances, that the Federal Government has harmed the land. I feel confident that Mr. Watt will fight to resolve these difficulties.

Mr. Watt will indeed be a great Secretary of the Interior and I can hardly wait for him to begin.

Mr. RIEGLE. Mr. President, after considerable study of his past record and the committee proceedings during his confirmation hearings, I have concluded that this is a seriously flawed nominee that ought to be rejected.

The record shows Mr. Watt expressing a single extreme view concerning varied and complex public land management and environmental questions. This vital position requires a balanced perspective, and ought never to be given to an ideological zealot.

I do not have the necessary degree of confidence that Mr. Watt will be an evenhanded, fairminded steward of this enormously important public trust.

I believe his nomination was unfortunate and poses significant risks for the future.

I ask that an excellent editorial from the Detroit Free Press be printed in the RECORD.

The editorial follows:

WATT: HE HAS NEITHER THE BREADTH NOR THE BALANCE FOR THE JOB AT INTERIOR

Of all the cabinet nominees, James G. Watt, Ronald Reagan's choice for secretary of the interior, is the least suited for the post to which he has been named. Questions have been raised about the character and Watergate involvement of Alexander Haig. Heads are shaking over the amiable ignorance of James Edwards, the nominee for Energy. But for sheer unsuitability in terms of experience, philosophy and potential conflict of interest, Mr. Watt stands out.

As head of Interior, Mr. Watt would be

the chief administrator for millions of acres of public lands. He would preside over a department that has been given two conflicting mandates from Congress: to develop resources on the public lands and to protect them. The Interior secretary has to be a person of extraordinary skill and sensitivity if he is satisfy the reasonable economic demands of the present—overseeing the leasing of public lands for mining, grazing, logging and for oil, coal and synfuels development—and still pass something of America's great land and water heritage on to the future.

For the past three years, however, Mr. Watt has been head of the Mountain States Legal Foundation, an anti-environmental, right-wing group dedicated to demolishing some of the very principles the Interior secretary is normally expected to uphold. Mountain States' backers include oil, mining, timber, railroad, utility and construction companies with substantial financial interest in exploiting the federal lands.

Under Mr. Watt, the foundation challenged Interior's power to restrict overgrazing on the public lands. Its lawyers argued that the department has virtually no right to restrict access to federal lands, to administer them as wilderness, for instance, without specific authorization from Congress. Should we have as Interior secretary a man who believes he is powerless to do anything more than approve the claims of miners, drillers and loggers to the mountains and forests of America?

Mountain States has brought suit to stop utilities from offering special rates to the handicapped, the elderly and the poor; to challenge Indian sovereignty on reservations (a question critical to the tribes' ability to control their energy resources); to hamstring the Occupational Safety and Health Administration by requiring a warrant for every inspection, and to block affirmative action programs for minority contractors in Colorado.

The foundation also sued to halt a program for school dropouts in Phoenix on the grounds that education money should only be spent inside schools, a position that has devastating implications for Hispanics and other minorities who are disproportionately represented in the ranks of dropouts. Those issues have no direct bearing on the work of Interior, but Mr. Watt's advocacy of them adds small luster to his career.

Even Mr Watt's previous experience as a middle-level administrator in Interior in the 1970s does not come as a wholehearted recommendation. He spent four years in charge of water resource development, in that wing of Interior that promotes multimillion-dollar projects to provide cheap, subsidized water to big ranchers and farmers at the expense of smaller operators and the environment. He also headed the old Bureau of Outdoor Recreation, which Mr. Watt describes somewhat inaccurately as being in the "preservation" arm of the department; critics often saw the BOR as an agency dedicated to plunking down parking lots and picnic areas in front of every scenic view entrusted to its care.

It would be a signal victory for the financial backers of Mountain States to see Mr. Watt installed at Interior, but we fear it would be a great loss to almost everyone else. The Senate is traditionally reluctant to turn down a cabinet nominee, but this time the questions about Mr. Watt's lack of breadth and balance are more than serious enough to overcome that reluctance. James G. Watt is not the man for Interior.

ORDER OF PROCEDURE

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to vote on the following nominations: William French Smith to be Attorney General; John R. Block to be Secretary of Agriculture; Malcolm Baldrige to be Secretary of Commerce; Samuel R. Pierce, Jr. to be Secretary of Housing and Urban Development; Andrew L. Lewis, Jr. to be Secretary of Transportation.

The first rollcall will last for 15 minutes, and each of the remaining votes will last 7½ minutes.

VOTE

NOMINATION OF WILLIAM FRENCH SMITH, OF CALIFORNIA, TO BE ATTORNEY GENERAL

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of William French Smith, of California, to be Attorney General. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. RIEGLE (when his name was called). Present.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 96, nays 1, as follows:

[Rollcall Vote No. 8 Ex.]

YEAS—96

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Pryor
Bumpers	Hayakawa	Quayle
Burdick	Heflin	Randolph
Byrd, Harry F., Jr.	Helms	Roth
	Heinz	Rudman
Byrd, Robert C.	Hollings	Sarbanes
Cannon	Huddleston	Sasser
Chafee	Humphrey	Schmitt
Chiles	Inouye	Simpson
Cochran	Jackson	Specter
Cohen	Jepsen	Stafford
Cranston	Johnston	Stennis
D'Amato	Kassebaum	Stevens
Danforth	Kasten	Symms
DeConcini	Kennedy	Thurmond
Denton	Leahy	Tower
Dixon	Levin	Tsongas
Dodd	Long	Wallop
Dole	Lugar	Warner
Domenici	Mathias	Weicker
Durenberger	Matsunaga	Williams
Eagleton	Mattingly	Zorinsky
East	McClure	
Exon	Melcher	

NAYS—1

Proxmire

ANSWERED "PRESENT"—1

Riegle

NOT VOTING—2

Laxalt Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, I have a unanimous-consent request. I ask unanimous consent that in connection with the Edwards nomination, Jim Bruce and Ben Cooper of the minority staff on energy be granted the privileges of the floor.

Mr. KENNEDY. And Mr. Cubie, of my staff, as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE

NOMINATION OF JOHN R. BLOCK, OF ILLINOIS, TO BE SECRETARY OF AGRICULTURE

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of John R. Block, of Illinois, to be Secretary of Agriculture? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The PRESIDING OFFICER (Mr. KASTEN). Does any Senator in the Chamber desire to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 9 Ex.]

YEAS—98

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Bumpers	Hayakawa	Pryor
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Randolph
	Helms	Riegle
Byrd, Robert C.	Hollings	Roth
Cannon	Huddleston	Rudman
Chafee	Humphrey	Sarbanes
Chiles	Inouye	Sasser
Cochran	Jackson	Schmitt
Cohen	Jepsen	Simpson
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Kennedy	Stevens
Denton	Leahy	Symms
Dixon	Levin	Thurmond
Dodd	Long	Tower
Dole	Lugar	Tsongas
Domenici	Mathias	Wallop
Durenberger	Matsunaga	Warner
Eagleton	Mattingly	Weicker
East	McClure	Williams
Exon	Melcher	Zorinsky

NOT VOTING—2

Laxalt Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, may we have order in the Senate? I could not hear the majority leader.

The PRESIDING OFFICER. The Senate will be in order.

Mr. FORD. May we have the well cleared and get the Senate back to order?

The PRESIDING OFFICER. The Senate will be in order.

VOTE

NOMINATION OF MALCOLM BALDRIGE, OF CONNECTICUT, TO BE SECRETARY OF COMMERCE

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Malcolm Baldrige, of Connecticut, to be Secretary of Commerce? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The VICE PRESIDENT. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 10 Ex.]

YEAS—97

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Pryor
Bumpers	Hayakawa	Quayle
Burdick	Heflin	Randolph
Byrd, Harry F., Jr.	Heinz	Riegle
	Helms	Roth
Byrd, Robert C.	Hollings	Rudman
Cannon	Huddleston	Sarbanes
Chafee	Humphrey	Sasser
Chiles	Inouye	Schmitt
Cochran	Jackson	Simpson
Cohen	Jepsen	Specter
Cranston	Johnston	Stafford
D'Amato	Kassebaum	Stennis
Danforth	Kasten	Stevens
DeConcini	Kennedy	Symms
Denton	Leahy	Thurmond
Dixon	Levin	Tower
Dodd	Long	Tsongas
Dole	Lugar	Wallop
Domenici	Mathias	Warner
Durenberger	Matsunaga	Weicker
Eagleton	Mattingly	Williams
East	McClure	Zorinsky
Exon	Melcher	

NAYS—1

Proxmire

NOT VOTING—2

Laxalt Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The VICE PRESIDENT. Without objection, it is so ordered.

VOTE

NOMINATION OF SAMUEL R. PIERCE, JR., OF NEW YORK, TO BE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

The VICE PRESIDENT. The question is, Will the Senate advise and consent the nomination of Samuel R. Pierce, Jr., of New York, to be Secretary of Housing and Urban Development? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The VICE PRESIDENT. Have all Senators voted?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 11 Ex.]

YEAS—98

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Bumpers	Hayakawa	Pryor
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Randolph
	Helms	Riegle
Byrd, Robert C.	Hollings	Roth
Cannon	Huddleston	Rudman
Chafee	Humphrey	Sarbanes
Chiles	Inouye	Sasser
Cochran	Jackson	Schmitt
Cohen	Jepsen	Simpson
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Kennedy	Stevens
Denton	Leahy	Symms
Dixon	Levin	Thurmond
Dodd	Long	Tower
Dole	Lugar	Tsongas
Domenici	Mathias	Wallop
Durenberger	Matsunaga	Warner
Eagleton	Mattingly	Weicker
East	McClure	Williams
Exon	Melcher	Zorinsky

NOT VOTING—2

Laxalt Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I now ask unanimous consent that the President be immediately notified of the confirmation of this nominee.

The VICE PRESIDENT. Without objection, it is so ordered.

VOTE

NOMINATION OF ANDREW L. LEWIS, JR., TO BE SECRETARY OF TRANSPORTATION

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of Andrew L. Lewis, Jr., of Pennsylvania, to be Secretary of Transportation? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) is necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

The PRESIDING OFFICER (Mr. KASTEN). Are there any other Senators wishing to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 12 Ex.]

YEAS—98

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hawkins	Proxmire
Bumpers	Hayakawa	Pryor
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Randolph
	Helms	Riegle
Byrd, Robert C.	Hollings	Roth
Cannon	Huddleston	Rudman
Chafee	Humphrey	Sarbanes
Chiles	Inouye	Sasser
Cochran	Jackson	Schmitt
Cohen	Jepsen	Simpson
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Kennedy	Stevens
Denton	Leahy	Symms
Dixon	Levin	Thurmond
Dodd	Long	Tower
Dole	Lugar	Tsongas
Domenici	Mathias	Wallop
Durenberger	Matsunaga	Warner
Eagleton	Mattingly	Weicker
East	McClure	Williams
Exon	Melcher	Zorinsky

NOT VOTING—2

Laxalt Nunn

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

DEPARTMENT OF THE INTERIOR

NOMINATION OF JAMES GAIUS WATT, OF COLORADO, TO BE SECRETARY OF THE INTERIOR

Mr. McCLURE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read the nomination of James Gaius Watt, of Colorado, to be Secretary of the Interior.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

The Senate will be in order. Will Senators please take their seats?

Mr. McCLURE. Mr. President, I yield 1 minute to the Senator from Maine.

Mr. COHEN. Mr. President, it has been said that "Earth does not belong to man, Man belongs to the Earth."

Today as the Senate begins consideration of the nomination of James G. Watt to be Secretary of the Interior, we confront an enormous responsibility. That responsibility involves nothing less than placing the stewardship of our public lands and national resource wealth in the hands of a single individual.

The individual charged with this awesome responsibility will set the direction for our national policies for our natural resources. He will have within his power the ability to decide whether to nurture and conserve, or to develop and destroy our Nation's great resources.

He will also have the power to make decisions that will reflect whether or not we really believe we are an integral part of our environment, or merely its unruly taskmaster.

As the Secretary of the Interior, Mr. Watt will be charged with unique and historic responsibilities, which will be as important as they are far-reaching. In varying ways, all Americans will be affected by his decisions. As the Nation's principal conservation agency, the Department of the Interior has responsibility for most of our nationally owned public lands and natural resources. This includes fostering the wisest use of our land and water resources, protecting our fish and wildlife, preserving the environment and cultural values of our national parks and historic places, and providing for the enjoyment of life through outdoor recreation. The Department assesses our mineral resources and works to assure that their development is in the best interests of all our people. The Department also has a major responsibility for American Indian reservation communities and for people who live in Island Territories under U.S. administration.

Over the 131 years of its existence, other functions have been added and removed, so that the role of the Department of the Interior has changed from that of general housekeeper for the Federal Government to that of custodian of the Nation's natural resources.

During the nomination hearings for Mr. Watt, I was disturbed to learn of the fears that he would not live up to this responsibility for stewardship for all of our natural resources. I was concerned that Mr. Watt's background with the Mountain States Legal Foundation would cloud his judgment and objectivity on a number of important issues, and place him at odds with members of the conservation community.

For that reason, I submitted a number of questions to the committee to ascertain his reaction to this criticism, and also to inquire about the policies he would advocate for managing issues of particular concern to my State of Maine: Development of our offshore coastal resources, policies for inland coal production which results in acid rain, as well as development of hydropower and management of our wildlife refuges. I shall submit for the RECORD Mr. Watt's response to my questions at the conclusion of my remarks. While I am concerned with his professed ignorance of many of the laws which I regard as critical for the promotion of a balanced conservation policy, I am somewhat heartened by Mr. Watt's responses to questions by members of the Energy and Natural Resources Committee with regard to the role of the legislative branch in the preservation of our environmental laws.

I would like to quote from Mr. Watt's testimony: "I feel that the laws that this Committee and the Congress have passed in recent years are good. I do not see the need for massive change in the laws at all."

I am encouraged by this statement for two reasons: First, it is an acknowledgment that he will work hard to enforce the letter of the law; second, it is an admission that there is indeed an interest on the part of all Americans in preserving our environmental heritage.

I take Mr. Watt at his word—that he will devote his time and energy to the proper enforcement of the Interior Department policies, rather than attempting to circumvent or repeal laws which preserve our dwindling resources, attempt to reverse the pollution that makes our air unfit to breathe, and protect our land and water resources. For this reason, I will vote for him today.

I do not believe that the American people are ready to ignore the lessons so recently learned, or turn a deaf ear and blind eye to the voices of the environmentalists who remind us, indeed show us, how fragile and vulnerable our resources are to the iron hand of modern man. That is not the message of November 4.

Now as we rocket our way through time toward the 21st century, as we confront a dazzling array of choices that rush at us like a storm of meteors, as we seek to reconcile the need for energy with the need to protect the delicate envelope of resources that sustains human life—the voice of environmentalists will become more important and not less.

I am confident that these voices will be heard by Mr. Watt. I am also placing my trust in him that he will indeed formulate policies that take into account the future and foreseeable consequences of our actions.

Mr. President, I ask unanimous consent that the questions I submitted to the committee and Mr. Watt's responses be printed in the RECORD.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

ADDITIONAL QUESTIONS SUBMITTED FOR THE RECORD CONCERNING THE NOMINATION OF JAMES G. WATT

Q.29. We have recently begun to witness the environmental effects of increased coal production in the mid-west: nitrous oxide emissions that combine with sulphur oxides which travel across the east and are transformed into "acid rain." What role do you envision for the Department of the Interior in helping to curtail this pattern?

A.29. Although I am familiar neither with the specifics of this sensitive issue nor the statutory role to be played by the Department of the Interior, it is my understanding that a number of studies are underway which I will carefully review.

Q.30. What sort of policies do you think are appropriate for the Department of the Interior with regard to drilling in marine sanctuaries? I am particularly interested in the lease sales off the Georges Bank, and the enforcement of the Interior Department of safeguards for lease sales.

A.30. I believe that the Department of the Interior must fully comply with the language and intent of the Outer Continental Shelf Lands Act of 1978.

Q.31. Your association with the "sagebrush rebellion" movement is well-known. As Secretary of the Interior, you will be responsible for the management of all public lands, including substantial Federal lands in the east. In your view, should these eastern Federal lands be managed any differently than public lands in the west? Do you believe the Secretary of the Interior has a special responsibility to preserve natural areas in the east?

A.31. a. My belief of the importance of a new "good neighbor" policy applies to all Federal lands managed by the Department of the Interior regardless of their relationship to the 100th meridian.

b. I believe that the Secretary of the Interior must fully comply with the intent of Congress regarding the preservation of natural areas regardless of their location. As I responded to Senator Heinz, however, natural areas in the east "probably deserve greater attention because of the pressures they are exposed to."

Q.198. The Fish and Wildlife Service provides comments and recommendations concerning the impacts to wildlife resources of federally sponsored development projects as set forth under laws such as the Fish and Wildlife Coordination Act, and the Endangered Species Act. Will you support adequate resources for this function so the Service can review these projects and discharge these responsibilities expeditiously?

A.198. This Administration has not been able to analyze the current Carter budget. I will study this area carefully and give consideration to the funding problems within the overall priorities of my budget presentation.

Q.199. To what extent is it your impression that oil and gas leasing in the OCS and on public lands is now curtailed? What steps if any, would you take to increase oil and gas leasing in the OCS and onshore public lands?

A.199. a. To the extent that a very large proportion of federal lands have been either withdrawn or so significantly restricted as to prevent mineral development and to the extent that OCS leasing has fallen behind schedule accompanied by a failure to offer the most attractive tracts, oil and gas leasing has been curtailed.

b. The public lands must be opened up for multiple use, a concept which includes oil and gas development.

Q.200. With 95 per cent of Alaska's onshore oil and gas lands available for exploration, what approach would you take to the leasing of Alaska's OCS areas?

A.200. I have not examined nor am I familiar with the Alaska lands bill and its specific provisions regarding oil and gas leasing. In addition, I have not yet been briefed regarding the necessary mix of different resources to ensure execution of a balanced and effective national energy policy.

Q.201. In responding to a question by Senator Chafee during the nomination hearings, you commented that you believed it unwise to dedicate public land to a primary use before it is inventoried to assess all of the values in the parcel and identify its greatest use. What then, should be done with these lands until they are inventoried? Should development be allowed before and during inventories?

A.201. Such inventories are in most cases statutorily mandated prior to the undertaking of certain actions. The development of America's natural resources under the multiple use concepts should be permitted before and during such inventories. Statutory protection for other values already exist.

Q.202. Do you consider wilderness designation an appropriate tool for sound management of sensitive habitat areas?

A.202. As I responded to an earlier question, wilderness presents many good values.

Q.203. In the Legacy for America Plan, you emphasized the need to complete Congressionally authorized river studies on time and to identify and recommend additional rivers that should be added to the study category. A GAO study on the subject in 1978 observes that the studies are moving too slowly and as a result cost more than necessary. Will you as Secretary continue to push for timely completion of studies and identification of new study segments to help expand the wild and scenic river system as you recommended in the past?

A.203. Same as Answer 198.

Q.204. You also recognize in your Nationwide Plan that a more aggressive effort is needed to assist states in the development of their scenic river programs. Can we expect that you will step up efforts to work with states in helping them develop their river programs. Have you any ideas on how we can get more aggressive action at the state level?

A.204. a. As part of a Departmental-wide "good neighbor" policy, such a program will play an important role.

b. Not at this time.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, the business before us now is the nomination of James Watt to be Secretary of the Interior. Ever since noon on Tuesday this U.S. Senate has been embarked on one of the most serious endeavors it is charged with under the Constitution, and that is to advise and consent to the nomination of President Reagan's team.

There is really no historical guide or precedent as to what that role ought to be, and everybody in the Senate is free to choose his own definition, his own criteria to determine whether to consent to these nominations.

I have heard many, many different interpretations. One is whether he is competent as an administrator and whether or not his integrity is in question. Another is that it is only fair to give the President his team to do it, because he will be accountable. If they don't perform, then the same people that elected the President will take him out.

I am speaking only for myself on this nomination. Everybody likes to think he is very persuasive and everybody else will follow him. I know Mr. Watt is going to be confirmed, and so it is with some reservation that I speak opposing his nomination.

Nonetheless, in my opinion, Mr. President, if Members of the U.S. Senate are aware of a problem, whether it be with a nominee or whether it be something else, and we have an opportunity to redress, but do not, then we are not exercising our duties in a responsible way.

Mr. Watt appeared before our committee and he, from all appearances, is a very engaging personality. He was, in my opinion, evasive on a number of answers, but certainly he did not give me the appearance of trying to be wily or crafty. My opposition to him is not aimed at him as a person. It goes much deeper than that.

This nomination should be considered in light of what the President said in his inaugural address. He said,

> For decades, we have piled deficit upon deficit, mortgaging our future and our children's future for the temporary convenience of the present. To continue this long trend is to guarantee tremendous social, cultural, political, and economic upheavals.

The President was referring to deficit spending. I have said the same thing many times, both about deficit spending and also about the very precious, fragile lands of this Nation, especially those fragile lands in the West, a majority of which are owned by the people of the United States and entrusted to the Secretary of the Interior to make certain they are preserved and conserved for all future generations.

Every man and every woman in this body and every person in America owes a deep debt of gratitude to our predecessors who had the good sense and the vision to set that land aside.

The people of the West do indeed have rights and those rights ought to be addressed by allowing them to be consulted on matters concerning that land.

This is what the Sagebrush Rebellion is supposedly all about. Yet there is a still higher concern, and that is to preserve the resources, both the surface and the subsurface, for my children and yours.

Concerning our role to advise and consent, I personally feel differently about the Secretary of State, the Secretary of the Interior, and the Secretary of Defense than I do about any of the other nominees, because those are three positions where the holder of the position can do irreparable harm and subject this country to more trouble than it can recover from. You have heard the old English adage, there is nothing more impossible than undoing something that has already been done. I think after hearing Mr. Watt before our committee that he is capable, as a matter of policy, as a matter of his own philosophy, of doing irreparable damage to these very fragile lands.

He has one of the most sacred of all trusts. He has to administer 548 million acres of surface land which belongs to the United States. The State of Arkansas has 33 million acres. My State is very precious to me, but think about that, 33 million acres. The Secretary of the Interior has the responsibility for administering lands between 12 and 16 times as big as my State.

In addition to that, he has about 370 million acres of subsurface rights to administer, and 1.1 billion acres offshore. That is a total of almost 2 billion acres of land under the direct control of the Secretary of the Interior.

Clearly, he has a great responsibility.

The law requires that these lands be administered in keeping with the "multiple use, sustained yield concept," which means that a very high degree of sensitivity is necessary. It means that the interests of people who are concerned about recreation have to be considered, the interests of wildlife people who enjoy have to be considered. The timber interests who want to cut timber off these lands have a right to have their interests considered also.

But the sustained yield concept means that you will not remove more than you replace. It is just that simple.

The National Forest Service is under the same mandate. It limits logging to cutting the timber that can be replaced over a 10-year period. We put that into the law in 1975 to make certain that our national forests would be preserved forever.

Despite that law, which only applies to the national forests, the best estimates are that between now and the year 2000, if we continue cutting trees on private and public lands at the present rate, we will have 10 to 20 percent fewer trees in the United States in the year 2000 than we have right now.

So unless the Secretary of the Interior is sensitive enough to understand how precious this is to our future and our children's future, he should not be confirmed.

We are all agreed.

Mr. Watt said before our committee, "I believe in complying with the law." He said, "I believe in a balance" in the management of these lands.

Do you know what the law is so far as the management of the public lands is concerned? Most of the time it is whatever the Secretary of the Interior says it is. He has very wide latitude under the law as to who gets the land or how the land will be handled. He has the right to say, "We will lease this land for oil and gas" or "We will lease this land for coal exploration" or "We will not lease it." He has the right to say, "We will lease this tract of land for oil and gas exploration on a competitive bid" or "We will lease it on the lottery system."

He has that right, and I will shortly explain how big that right is.

He has the right to determine priority to lease a tract of land. That is another system of leasing: first come, first served. You do not even have to put your name in the squirrel cage, which is how the lottery works. You just say, "I found

this tract first and it has not been leased. I want it." The Secretary has the right to say, "Okay, you can have it for $1 an acre for 10 years."

Given the Secretary's enormous discretion, we must ask, "What is Mr. Watt's definition of balance? What does balance mean to him?" What does it mean to you? If you were going to be the Secretary of the Interior and you came before the committee and said, "I believe in managing these lands in a balanced way," what would that mean to you?

Does it mean that he would treat all parties fairly who came before him? Does it mean that the developers will not have the opportunity to develop fragile lands where irreparable damage will be done?

The answer lies in Mr. Watt's record. He has been the president of the Mountain States Legal Foundation since it was founded. In the colloquy between the distinguished Senator from Idaho, the chairman of the Energy Committee, and the Senator from Wisconsin (Mr. PROXMIRE), Mr. PROXMIRE inquired about Joseph Coors, head of the Coors Brewery: Is he a contributor? The Senator from Idaho said he did not know.

Well, I know. He is the man who set the foundation up. Mountain States Legal Foundation was his idea. He certainly is a contributor.

Will he be treated differently than somebody else? Some of the water that he uses to make beer with presumably comes from Federal lands. If a question ever arises about whether that water should flow to Mr. Coors or not, will there be any question? If it comes before the Secretary of the Interior, would Mr. Watt handle that fairly? Well, of course, you and I both hope so.

Furthermore, even though his list of contributors has not been made public and the IRS cannot, by law, release it, I can tell you about 60 to 80 percent of the people who contributed to the Mountain States Legal Foundation are either in the oil business, the mining business, or the timber business.

Do you know the three greatest responsibilities the Secretary of the Interior has? It is to decide how much mining there will be, how much oil and gas exploration there will be, and how much timber will be cut. Those are his responsibilities.

Mr. Watt was not just a member of the Mountain States Legal Foundation; he was the dominant figure. He was the president, not a passive member. He was the chief legal officer, not a mere hired advocate. He was a fundraiser, not a mere contributor. We asked him repeatedly about two casinos on Lake Tahoe where the Mountain States Legal Foundation had brought an action against the EPA because it had said there would be no more hookups. All I wanted to know was, whether that litigation helped those two casinos to hook up to that sewer system, and were those two casinos contributors to the Mountain States Legal Foundation.

That question was pursued rather vigorously in the hearings. I still do not know the answer to it and I assume I never will.

As chief legal officer, Mr. Watt helped to pick the foundation's cases. Consider the nature of those cases. I asked him whether the Mountain States Legal Foundation ever brought a lawsuit in the interest of conservation or preservation. He said that he thought I would never ask that question, that there was such a case, just one.

Is that a balance? Is that somebody who is really concerned about preserving the people's common treasure? His total identification with the oil, timber, and coal interests literally invites a potential for conflicts of interests, or, at least, a very grave appearance of conflicts of interest.

He finally reluctantly agreed that he would excuse himself in those cases that the Mountain States Legal Foundation had brought against the Department of the Interior. When Senator JACKSON first asked him, however, to recuse himself in those cases which he initiated against the U.S. Government, he refused.

I think most of you will agree with me that that original answer demonstrated a certain insensitivity. Obviously, someone counseled him against upsetting Senator JACKSON, so the next day we got a letter from Mr. Watt saying he would recuse himself in those cases where Mountain States Legal Foundation is a party.

Mr. McCLURE. Will the Senator yield for a point of clarification?

Mr. BUMPERS. Yes; I am sorry, my staff says it was not the same afternoon. It that correct?

Mr. McCLURE. My understanding is that the first request, on which there was a delay, was not about those cases which the legal foundation had brought, or, as the Senator said, which he brought himself, in which he agreed immediately he would recuse himself, but it was on all future litigation in which the Rocky Mountain Legal Foundation might be a party even though not yet commenced.

Mr. BUMPERS. The Senator is correct. I did not make that clear. I thought I said all cases. I want to clarify that. He said he would recuse himself in all cases now pending or those hereafter brought by the Mountain States Legal Foundation.

The important point is that he still steadfastly refuses to recuse himself further, for example, in 58 cases in which the Department of the Interior is the defendant and the case was brought by contributors to Mountain States Legal Foundation.

Considering the casinos, I asked whether these casinos—Harrah's and Harvey's Wagon Wheel—were contributors.

Mr. Watt said that he hoped they were.

I explained that was not my question. My question was whether they contributed.

He said he hoped everybody contributes.

I agreed that might be nice, but I wanted to know, did these two people contribute?

There was absolutely no way to get that answer, and it seemed like a fairly simple thing, because it would have absolutely ended the matter. All he had to do was say, "Yes."

Despite this, he refused to recuse himself of any actions with regard to the 58 cases now pending this minute against the Department of the Interior and brought by contributors to the Mountain States Legal Foundation. These are people that he solicited for contributions. These are the cases over which he will exercise considerable control. That pales compared to the literally thousands of administrative decisions he will have to make in which contributors and board members of the Mountain States Legal Foundation are appellants.

Mr. WALLOP. Mr. President, will the Senator yield for a clarification?

Mr. BUMPERS. I yield.

Mr WALLOP. I always hesitate to take on the legal minds of this body; but is it not the case here that the Secretary of the Interior does not do the legal actions, nor does the Solicitor of the Department of the Interior, but that those are carried on by the Justice Department and there is no recusal necessary?

Mr. BUMPERS. Let me discuss that point, since the Senator has raised it.

Whether lawyers for the Interior Department are handling this case or the Justice Department is handling it, the Secretary of the Interior is going to be consulted, just as any client is consulted by any lawyer about appeals: Should we appeal this? Should we settle this? Is this offer satisfactory? There are a whole host of other questions that I am sure the distinguished Senator from Wyoming, who I think is a lawyer, would know.

I see by the look on his face that he is not a lawyer.

[Laughter.]

Mr. WALLOP. I say to the Senator that I frequently have been accused of it, but I have escaped it.

Mr. BUMPERS. I have never apologized for being a lawyer. I insist that all three of my children become lawyers, even if they do not practice law 1 day. I think it is a fine profession, and I do not apologize for it.

The Department of the Interior has 550 coal leases right now, and 232 of those are held by contributors to the Mountain States Legal Foundation.

There will be other applications for coal leases. There will be applications by contributors and board members of the Mountain States Legal Foundation. Let us assume they get them on a competitive basis, which I hope they do. Can the Secretary of the Interior fairly make decisions regarding those leases?

Does the Senator know that the Mountain States Legal Foundation brought an action to test the constitutionality of the strip mining bill? There were people who were opposed to a strip mining bill because they thought it was too stringent, but most people felt that we should do something dramatic because we were tearing up the crust of the Earth, and it would never grow another thing. We had to do it.

I am scared on that issue, because, as a child, I can recall seeing those giant shovels scrape tons of earth. I would like the Senator to see my home county

now, and the damage that was done in the 1930's. It is still there. Some of that land would be under fine cultivation now if a reclamation bill had been in effect when I was a child. The environmental considerations of strip mining are devastating.

Can any man so intimately related and identified with daily petitioners to the Secretary of Interior avoid the actual or apparent conflict of interest?

Let me tell the Senator about some cases brought by the Mountain States Legal Foundation.

For example, the foundation has filed an amicus curiae brief in Merrion against Jicarilla Apache Tribe, challenging a severance tax currently imposed upon some of the foundation's contributors.

I asked Mr. Watt if he believes that Montana and Wyoming should have a right to levy what I consider to be exorbitant severance taxes. He said, "Yes. That is a matter of States' rights."

I said, "How high would the severance tax have to go before you would object?"

He did not answer that question. I suppose it could go to $100 or $200 a ton.

I asked him this: If it is right for the States to levy any kind of severance tax they wished on coal, why is it wrong for the Jicarilla Indian Tribe to levy a severance tax on natural gas that comes from under their lands?

I invite the Senator to look at the record and see if he can reconcile that answer, because I cannot.

In United States against Douglas Sewer Improvement District No. 1, the foundation was attacking an EPA ruling which directly threatened at least one firm's plans to build a casino near Lake Tahoe.

Then there was the case of Mountain States Telegraph and Telephone Co. against Public Service Commission, to protect the particular trade secrets of another contributor.

Then the foundation entered the cases of Burlington Northern, Inc. against United States and Montana Wilderness Association against United States, to challenge restrictions on access to public lands which it said were threatening a contributor's access to its own lands.

I cite those cases simply because a foundation is not supposed to bring actions simply to benefit its own contributors. Yet, there are a whole host of cases.

There, again, I was unable to get Mr. Watt to concede that in all actions they brought, and particularly those in which they were successful, there was a beneficial effect on their contributors.

If you want to believe that Mr. Watt was simply a hired gun working for $73,000 a year and that perhaps this was not a philosophical thing with him. If you also believe that he did what most lawyers do, take money to represent people they are not with which they are not particularly proud to be associated, let me tell you this:

Mr. Watt was a member of the Federal Power Commission for 1½ years. During that 1½ years he either wrote a concurring, a dissenting, or a majority opinion in 76 cases. In only 3 out of 76 cases did he take exception to the applicant, which was invariably natural gas company or a public utility. He was a free agent. He could vote any way he wished, and surely the gas companies and the public utility companies were wrong in more than 3 out of 76 cases. The majority of the Federal Power Commission said on numerous occasions that the applicants were wrong, but Mr. Watt rarely did.

I asked him, "How do you feel about the lottery leasing system?"

He said, "I favor it. It is the only way the independents could be protected."

Well, is it? Of the 112 million acres of public lands now under lease for oil and gas, 97 percent has been leased by lottery, on a noncompetitive basis, for $1 an acre. Three percent has been leased on a competitive basis.

Senators will be happy to know that 80 percent of that 3 percent were independents. So the independents are doing very well under the competitive leasing system as it exists.

Will Mr. Watt look after the public trust if he still believes that the lottery system is a fine thing? That means he not only can lease 97 percent of public lands for a dollar an acre on a noncompetitive basis, by picking a name out of the squirrel cage, but he also can lease 100 percent of it. What does that mean? Let me tell you what it means.

Two summers ago, I got a call in my home in Charleston, Ark., saying that the Bureau of Land Management had leased 33,000 acres of land within Fort Chaffee, Ark., for a dollar an acre. I said, "That can't possibly be."

When I was practicing law, before I became Governor, I tried to obtain leases in Fort Chaffee for some coal companies. Everybody wanted that land. Texas Oil and Gas had sneaked down there—I will not say "sneaked"; they went in; they did not have to sneak. They went in and leased it for $33,000.

I asked Cecil Andrus, the Secretary of the Interior, about the leases. He got to checking on it and administratively cancelled the lease because of violations of the Department's regulations. His decision was later upheld by a Federal district court.

I said at the time, "Mr. Secretary, I believe that that lease would bring a hundred dollars an acre."

The Senator from Kentucky (Mr. FORD), who was chairman of the appropriate subcommittee, held hearings at my request to find out what happened.

The witnesses from the Department of the Interior testified:

> Well, that's the way we lease all our land that has never been leased before. We could not lease land for oil and gas exploration on military reservations until the Coal Leasing Amendments of 1976 were passed by Congress.

The President of Arkansas and Louisiana Gas Co. came in and said, "We would have given $500 and more for it." He made a real piker out of me. They leased it on a first-come, first-served basis for a dollar an acre—land that would have brought $500 an acre.

But we have not heard anything yet. There is another 26,000-acre tract at Fort Chaffee that is not nearly as desirable for oil and gas exploration as was this 33,000-acre tract. It was recently put up for bids and the bids are in the process of being opened. Early estimates indicate that the bids are going to bring a minimum of $1,500 an acre.

That translates into $40 million for leases on a tract adjoining the land that the Federal Government leased for $33,000.

Is the public trust being served well by the lottery system of leasing public lands?

The Arkansas Gazette, the leading newspaper in Arkansas, has an ad in it every morning that says:

> Would you like to compete with Shell and Exxon? You can do it. Send us $30 and we will bid on Wyoming lands for you.

Go to Fort Lauderdale where all the retirees live fighting inflation and are willing to gamble a little. Ads are run in the newspaper down there by these so-called filing services which have grown like Topsy all over the world. These ads not only say, "Send us $30." They list people who have gotten wealthy on the lottery system. "We got John Doe of Milwaukee, Wis., a 1,000-acre tract for $1,000 and he sold it to Shell for $200,000."

If Senators think I am pipe dreaming, just check into this.

A bill passed through the Senate Energy Committee last year, 9 to 8, that would force the competitive leasing of all public lands for oil and gas explorations. Of course it died. It never came up for consideration on the floor because there are a lot of people who like that system.

I always thought when I was Governor of my State if I had done something like that I would wind up in the slammer. We did everything competitively because it was the only safe way. It was the only fair way. It was the only honest way. And it was the only way to give the people what they are entitled to, and that is the best price.

I believe that if the American people knew how their public lands were being leased they would be up in arms and outraged as I was.

Think about that.

Mr. Watt says, "I favor the lottery system."

Five years ago the average number of names in the squirrel cage was 200. Now it is up to 1,000 because corporations have sprung up all over the United States saying, "Send us $30; we will bid for you."

They send in your name and $10 and pocket $20.

Mr. Watt is a defender of that system.

After the Fort Chaffee incident, the Secretary of the Interior began an investigation of the noncompetitive leasing system. Cecil Andrus started investigating how these leases were being executed out there and sure enough, you guessed it. He found so much fraud that they could not find seats for all the plea bargainers out there. Three companies have pleaded guilty to fraud. The Secretary stopped all noncompetitive leasing.

Now they have started leasing again, but some people who are contributors to Mountain States Legal Foundation are under preliminary investigation by the Department of Interior for fraud in

those cases. I asked Mr. Watt, "If you find that some of your contributors are under investigation by the Interior Department, will you aggressively pursue those investigations?" He said he would.

It is a terrible dilemma. It is a terrible question to ask. If I were Mr. Watt, I would want to say I would not touch those leases with a 10-foot pole because like Caesar's wife I do not want anyone to even think that I have done a favor for someone in a job with as high a trust as this has.

I know that we have to develop energy out West. I have heard about the overthrust belt now for 5 years. We are now producing 30,000 barrels of oil a day from the overthrust belt. The overthrust belt is roughly 10 million acres that extends from Canada down through Colorado.

Sixty percent of the overthrust belt is already under lease for oil and gas and about 85 percent of that 60 percent was leased for $1 an acre. This is by far the hottest property in the United States, and the Federal Government has leased it for $1 an acre.

Mr. Watt says, "I want to get this country energy independent." Find someone in the Senate that disagrees with that and I will get him a saliva test. We all want this country to be energy independent.

But I do not agree that we are going to produce our way out of energy dependence in the next 10 years. We may do it in 20 years if we get a lot of alternative energy fuels and really get serious about conservation.

Why are we so red hot to lease more land for oil and gas exploration when only 1.3 percent of the lands that are leased for oil and gas now are being drilled?

Why are we so red hot to produce more coal out there when the biggest problem in West Virginia and Kentucky are closed coal mines and idle mines with almost 100 million tons of surplus coal on the market?

Some Senators say that it is EPA's fault. They will not let them burn it. I know that is partly true.

I hate to always be placed in the position of being a defender of all that is perceived as evil like EPA.

But the other morning I woke up in the Camelot Inn in Little Rock, Ark., and I looked and could see forever. I remember when my father was in the legislature in Little Rock. We walked out on the balcony of that hotel and the coal smoke would have choked your nostrils.

I looked down at the Arkansas River. One can swim in much of it now. In 1970, hundreds of millions of gallons of raw sewage were dumped in the Arkansas River every day.

Sometimes I just resent equating environmentalism and extremism which Mr. Watt has done.

I said, "Mr. Watt, you know the environmentalists look at you as an extremist." He said, "I know that."

"And you look at them as an extremist. So beauty is in the eye of the beholder; is it not?"

He said he guessed it was.

I am proud of the progress we have made in clean air and clean water in this country. It has come at a price. But I can tell the Senator the price is peanuts compared to what it would be if we had done nothing.

I really do not think Mr. Watt is very sensitive to that. I think he is a developer at any price.

The people out West in the sagebrush rebellion have some legitimate complaints. They are entitled to be consulted. I will vote for any kind of legislation that requires them to be consulted because they have to live on these lands and most are dependent on these Federal lands for their livelihood.

But we have some long-range problems in this country. Our fragile top soils, hundreds of billions of tons, are running off annually and semiannually. We are converting 1 million to 3 million acres of our most precious farmlands to urban sprawl, condominiums, highways, and airports every year. No one disputes those statistics on the approaching problems.

Yet we ignore the legislative proposals to do something real serious about how we are going to produce food for ourselves in the future. Did the Senate know that, at the rate we are currently converting our arable lands to all of these purposes, by the year 2000 the United States, which exports three times more food than the remainder of the world put together, will not export 1 ton of anything?

The Senator from Florida (Mr. CHILES) informs me there are other lands down there that can be devoted to citrus crops, but, without such new lands, Florida, which produces 50 percent of all the grapefruits in the world and 25 percent of all the oranges in the world, will not produce one orange or one grapefruit by the year 2000.

So I am telling the Senate that our future looks more ominous all the time because we have not been heeding President Reagan's advice about sacrificing the future for our temporary convenience.

I do not believe Mr. Watt is sensitive to that. I do not think Mr. Watt can avoid terrible conflicts or appearances of conflicts of interest. He will be confirmed, and I will do my very best to work with him. I will wish him well. I hope that we will have regular oversight hearings on all of these issues which I have raised to make certain that the public trust and the futures of my children, your children, and our grandchildren are not being hopelessly exploited and wasted.

I yield to the Senator from Kentucky for whatever time he may wish to take.

Mr. FORD. Mr. President, I thank the distinguished Senator from Arkansas for allowing me this time, and I will only take 1 minute to expedite the others so they can schedule and so we might get on with this debate.

Mr. President, I am going to vote for the nomination of James Watt as Secretary of the Interior. But I am doing it with some grave reservations.

I did not agree with many of the actions of Cecil Andrus over the last 4 years. However, I do not feel that we need 180 degrees reversal of all policies of the Department of Interior. Mr. Watt has to prove to me that this is not his intention.

I tried to probe my concerns with questions at his hearing. I am less than satisfied with the vagueness and evasion in some of his responses. In particular I feel that his written responses to questions lack indication of a firm commitment for full communication with the Senate.

I hope that Mr. Watt comes to realize that his jurisdiction extends east of the Mississippi. He emphasizes his desire to reach out and to build bridges. We already have many bridges across the Mississippi. He has yet to prove he intends to build his own.

I realize that Mr. Watt is familiar with the workings of the Department of Interior. However, as Secretary he is going to have to grow beyond knowledge of mere workings and realize that he is custodian of a great bulk of the lands of the United States, lands which belong to all of the people of the United States.

I came away from the hearing with the feeling that perhaps Mr. Watt has a lot of growing to do. I intend to follow and evaluate this growth as the Senate proceeds with the legislative processes affecting the Department of Interior.

Mr. President, I ask unanimous consent to have printed in the RECORD the written questions submitted by Senators to Mr. Watt and his responses.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS SUBMITTED TO THE RECORD CONCERNING THE NOMINATION OF JAMES G. WATT IN THE HEARINGS BEFORE THE COMMITTEE ON ENERGY AND NATURAL RESOURCES JANUARY 7 AND 8, 1981

Q.1. What is the Reagan position on "government-to-government" relations between the Federal government and Indian tribal governments—in other words, treating tribal governments on an equal basis with state and local governments.

A.1. Because I believe deeply in the rule of law, I support respect for and adherence to treaties, court decisions, and laws passed by Congress which clearly recognize Indian tribes' rights to self-government.

Tribes have not given uo their powers of self-government in their local communities. I want to see tribal powers of local self-government continue to improve and develop. I want to see tribes effectively address the issues of poverty, education, poor health conditions, and community development, particularly more effective judicial systems.

I can think of no better example of the problem flowing from paternalistic big government than the events that have happened to American Indian communities. I would support Indian government through the fulfillment of treaty obligations and financial assistance, and not supplant Indian government by Federal government bureaucrats.

Q.2. What is the Reagan position on "government-to-government" relations between the Federal government and Indian tribal governments—in other words, treating tribal governments on an equal basis with state and local governments?

A.2. The traditional relationship between the United States and Indian government is a "government-to-government relationship." History tells us that the only effective way for Indian reservations, and Indian communities, to develop is with local Indian leadership. Bearing in mind the legal and historical background, tribal governments must play the primary role in Indian affairs.

State and non-Indian local governments can at best play only a secondary role.

Q.3. Will the Reagan Administration establish a White House coordinator on Indian tribal affairs to prevent the current situation of uncoordinated programs which overlap in numerous federal agencies?

A.3. As Secretary, I cannot promise that an office of Special Coordinator on Indian Tribal Affairs will be established in the Reagan White House, although the matter will be looked into. However, I can assure the Indian tribes that their leadership will have strong advocacy and an open channel of communication in the White House. The failure or refusal of the various Federal agencies to cooperate with each other and to coordinate their efforts on behalf of the Indian tribes results in gross inefficiency, loss of costly time, and greatly reduced cost-benefit to the Indian people. This will not be tolerated in the Reagan Administration.

Q.4. What will the Reagan policy be on dealing with urban Indians and non-federally recognized Indian groups, including state-recognized Indian tribes, as opposed to Federally-recognized tribes?

A.4. At the outset, let me say that I fully respect the unique trust relationship between the United States government and the federally-recognized Indian tribes. I am aware of the unique nature of the urban Indian situation and of the fact that their problems have been largely ignored in the past. The situation of the urban Indians, the off-reservation rural Indian communities, and the tribes not recognized by the Federal government must be looked into with the goal of establishing ways and means of securing better opportunities for them. However, this must be done in a way that will not threaten or compromise the treasured trust relationship of the federally-recognized tribes, nor diminish the financial commitment of the Federal government to them.

Q.5. Will the Reagan Administration retain the position of Assistant Secretary of the Interior for Indian Affairs and the Commissioner of Indian Affairs?

A.5. As Secretary of Interior, I will consider various alternative arrangements for assuring the development of Indian policy and the effective execution of that policy. The present Assistant Secretary and Commissioner structure is one alternative. There may be others worthy of consideration, suggested by organizational experts or by tribal leadership. Whatever the final choice, it will be taken only after full consultation with Indian leadership.

Q.6. Will Indian tribes continue to be eligible to receive General Revenue Sharing Funds?

A.6. I see no circumstances under which I would request any legislative changes that would alter current conditions and prohibit tribal eligibility to receive General Revenue Sharing Funds. In the long run, however, I would hope to decentralize program responsibilities from the Federal government to the State and local governments, including tribal governments, along with the tax resources to pay for them.

Q.7. What is the Reagan policy on tribal governments determining their own membership and government policies without interference by the Bureau of Indian Affairs or Secretary of Interior, notwithstanding certain trust responsibility legal restrictions?

A.7. Indian people should determine tribal membership for themselves, since they are ultimately going to participate in the responsibilities and benefits of the tribal relationship.

I believe state and local governments should have maximum freedom to develop their governmental policies without interference by Federal agencies. Since tribal governments have the same responsibilities to tribal members that state and local governments have to their citizens, my philosophical view is that Federal bureaucrats should not interfere with Indian government policy development. Where the trust responsibility brings the administration into conflict with tribal policies, I will be willing in consultation with Indian governments to consider recommending that the President request the Congress to repeal the laws that are causing difficulties.

Q.8. What will the Reagan policy be on encouraging tribes to take over BIA Indian Health Service programs as they are capable, thus reducing the role of government agencies but not terminating Federal funding?

A.8 The President endorses "Indian self-determination" as national policy. The Indian Self-Determination Act (PL93-638) was proposed by a Republican Administration and enacted by Congress to provide the legal and administrative vehicle for the tribal governments to secure control and management of Federal programs designed to serve their constituencies. I believe that the tribal governments, as they decide they are able to administer it, should have that control.

Although I am informed that there have been problems in implementing PL93-638, I believe that the concept of Indian self-determination remains valid. A priority in the Reagan Administration's Indian affairs agenda will be a thorough review of PL93-638 with the Congress and the Indian leadership for the purpose of improving the legislation and the Federal administration of it, and of removing those aspects which cause anxiety and reluctance on the part of the tribes to participate.

Q.9. Will the Reagan Administration guarantee tribal governments that it will not terminate tribes or the Federal responsibility to tribes or abrogate treaties between tribes and the U.S. Government?

A.9. The Reagan Administration will be opposed to the abrogation of Indian treaties and the termination of the unique relationship between the Federal government and the Indian tribes.

The policy of "termination" has been greatly discredited as morally and legally unacceptable and, in practical, social and economic terms, devastating.

I stated earlier that because I believe in the rule of law, I support respect for the adherence to existing Indian treaties. The provisions of many Indian treaties are still valid law and impose duties and responsibilities on both Indian governments and the United States Government today. The support and fulfillment of Indian treaties is bound up with the honor and integrity of the United States.

The policy of termination of the Federal trust responsibility to Indian tribes proved to be an economic and social disaster in the 1950's and 1960's. I will not recommend that termination be revitalized or resurrected.

Q.10. Will the Reagan Administration guarantee against states or local governments taking over or having jurisdiction over any tribal reservation or historical Indian lands?

A.10. The Reagan Administration will not advance Executive action or support legislation that would provide for the seizure of tribal jurisdiction by state authority.

The President and I will be committed to upholding the law. If the tribal justice systems are deficient in their abilities to protect rights and property and to administer justice, government should assist them in carrying out their responsibilities fairly and responsibly.

I am informed that, at the initiative of Indian leaders themselves, a Commission on State/Tribal Relations has been sanctioned by the National Tribal Chairmen's Association, the National Congress of American Indians, and the National Conference of State Legislatures. I am encouraged by this action and look upon this type of negotiation as a promising step in resolving the age-old struggle between the tribes and the states.

Q.11. What will the Reagan policy be on guaranteeing water rights for tribal governments in the Western part of the U.S.?

A.11. I believe that the inherent water rights of the Indian tribes is a vital key to true and lasting economic development for Indian reservations. I agree that quantification of water rights must be achieved in the future, but quantification must not be to the detriment of the Indian tribes.

The best protection of Indian water rights is the perfection of those rights through beneficial usage of the water by the Indian people. This can be done through assistance to the tribes and their people so they can develop their energy, agricultural, and other tribal natural resources.

Q.12. What is the Reagan policy on upholding fishing rights on tribal lands?

A.12. The President and I support the fulfillment of Indian treaty rights. Where the tribes by the terms of a treaty have reserved their fishing rights, I feel those rights should be protected. This is consistent with current Federal Indian law as the U.S. Supreme Court has interpreted it.

Q.13. What is the Reagan policy on tribal court systems? Jurisdiction over non-Indians on Indian lands? Taxation of persons living on Indian lands?

A.13. The President and I will encourage and support the development of the tribal court system. Because of the geographical isolation of Indian reservations, tribal courts are sometimes the only judicial forums available for hundreds of miles. It is my understanding that at the present tribal court systems have no difficulties about their jurisdiction over civil cases involving both Indians and non-Indians. It is also my understanding that the U.S. Supreme Court concluded in 1978 that tribal courts did not have jurisdiction over non-Indians in a case on the Suquamish reservation. I know that the issue of criminal justice jurisdiction over non-Indians by tribal courts is a source of high emotion on both sides and deep frustration for tribal court and government officials because of the irresponsible action of some non-Indians in Indian communities. Indian communities must be protected against lawless action, and I will welcome advice on the matter from Indian governments.

Q.14. Will the Reagan Administration support Indian education through the Bureau of Indian Affairs rather than through the Department of Education?

A.14. I have been informed that Indian tribal leaders and education professionals have opposed the transfer of Indian education from the BIA to the new Department of Education, for fear that the resulting reduction of the BIA budget would diminish that agency's trust protection as well; and that the tribes feared absorption and loss of Indian education programs in the burgeoning bureaucracy of the new Department.

The President has strongly opposed the Department of Education, and will propose its abolition. If that measure is adopted, the Indian education program would presumably be transferred back to BIA, or reorganized in such a way as to increase tribal responsibilities for the education of Indian children.

Q.15. Will Federal agencies be directed to deal with tribes directly rather than through states or counties on welfare, nutrition programs, law enforcement assistance, etc.?

A.15. The Reagan Administration will honor the government-to-government relationship that exists according to law. Certainly, the Administration will be open to discussion on the best possible delivery system for Federal services to Indian people.

However, I am aware of the magnitude of the problem of changing legislation that directs Federal funding through state channels, and can make no promises until I have had the opportunity to review the situation thoroughly.

Q.16. Since tribal governments own a large share of natural resources (including energy), what is the Reagan policy on permitting tribes autonomy in decisions on development, lease management, etc.?

A.16. Tribal governments should have the right to determine the extent and the methods of developing the tribe's natural resources. Although the Federal government has a trust responsibility for Indian natural resources, that responsibility should be directed to the protection of the resources from alienation and exploitation from the outside. It should not be used to hinder tribes from taking advantage of economic development opportunities.

Tribes are making great strides in planning and controlling development—particularly those members of the Council of Energy Resource Tribes. The American private sector possesses unlimited technology and management expertise which the tribes can call upon. The Reagan administration will encourage fair and just partnerships among the tribal governments, the private sector, and the Federal government in meeting the tribes' identified development needs.

Q.17. What is the plan to assist tribes in developing their own economic self-sufficiency?

A.17. Economic self-sufficiency will be a goal of the Reagan Administration, both in Indian affairs and in the nation at large. It would work to make available financial, technological and management assistance which will enable tribal enterprises to develop their own projects for self-sufficiency. This will result in the reduction of income dependency and an increase in productive employment—which are the desires of Indian people.

Q.18. What is the plan to encourage economic development of individual Indian small business enterprise?

A.18. Although the systematic development of tribal enterprise is extremely important, the development of individual or small business enterprise is crucial to sound economic development on the reservations.

Ample opportunities now exist in the areas of agriculture, services, and light industry development throughout the rural Indian communities. As is the case throughout America, however, many Indian businesses fail for lack of adequate management and available financing capital.

The Reagan Administration will work to assist Indian or tribal small businesses in obtaining capital, managerial assistance, government procurement contracts, and export opportunities.

Q.19. In selecting a Secretary of the Interior, will Reagan consider an individual who is knowledgeable in the area of Indian affairs, since the Bureau of Indian Affairs is under the Department of the Interior and the Department could be most effective with this knowledge in handling Indian issues?

A.19. The question is moot.

Q.20. Will Reagan ensure that his administration consults with tribes on issues and appointments to positions affecting Indians and tribal governments?

A.20. Yes. I have indicated in my previous responses that the traditional "government-to-government" relationship between the Federal government and Indian governments should be continued. In my view that will include consulting with tribes and their leaders in the development of Federal Indian policy, and about appointments to Federal government positions affecting Indians and tribal governments. I feel that the problem of an insensitive, unresponsive, paternalistic Federal government has been most acute in the area of Indian policy. I believe that the people whose interests are intended to be served and whose lives are most affected should play a larger role in influencing Federal policy and personnel, so that the Federal government can become more sensitive and responsive.

Q.21. One of the final actions of the last Congress was the adoption of the D-2 legislation—the Alaska lands bill. This measure contains many amendments and provisions designed to make the Alaska Native Land Claims Act work as Congress intended, and to deal with the many unique problems and situations faced by Alaska's native people and their corporations.

Do you view implementation of these amendments which are so important to the native people of Alaska as one of the Department's Priority tasks?

Will you commit your Department to keep this Committee and the native community fully informed on the Act's implementation?

A.21. a. Yes, I assure you that these amendments will receive high priority by the Department.

b. I will certainly keep the Committee informed as well as the native communities during implementation.

Q.22. Section 1007 of the D-2 Lands Act directs the Secretaries of the Interior, Defense and Energy Departments to conduct a one year study of the future use of the Naval Arctic Research Laboratory (NARL) at Point Barrow, Alaska. This facility is the nation's only, I repeat only, Arctic research mission and facility. Russia, Canada and other Arctic rim nations, by way of contrast, have extensive facilities and programs for applied and basic Arctic research. These nations recognize the increasingly important role of the Arctic region in supply energy, in national defense and in wildlife management. Under the Carter Administration, NARL—our only Arctic research mission—is in the process of being phased out and shut down. Meanwhile, the level of oil and gas exploration and production activity in the Arctic—onshore and offshore—is accelerating at a rapid pace. I believe this oil and gas activity is in the national interest; it can be done safely. But, we need to learn more about the problems and opportunities of Arctic and gas development.

In your view, do you see a role for the Department in improving our ability to deal in practical ways with the impacts of Arctic energy and resource development on the environment, the wildlife and the culture?

Will you consult with the Congress on the study to develop a national Arctic policy?

Section 1007(f) requires the President to fund the NARL facilities at the level of fiscal year 1979 pending submission of the study to Congress. Will you do all in your power to carry out this directive?

A.22. a. The recently enacted Alaska lands measure, among other Federal statutes, gives the Department specific responsibilities for managing the public lands and resources of Arctic Alaska. Balanced management will require improved knowledge and understanding of the local environment and culture. I hope that during implementation of the complex lands bill the Department will improve its ability to assess the effects of various management approaches on the area.

b. Where appropriate, I will consult with Congress regarding the Arctic study as well as clearly and closely conform to the statutory requirements.

c. Although I am unfamiliar with the specific requirements of Section 1007(f), I will conform with its statutory requirements.

Q.23. The Interior and Related Agencies Appropriation bill adopted last month provides for an expedited program of private oil and gas leasing in the 23 million acre National Petroleum Reserve in Alaska.

Do you support competitive oil and gas leasing in the NPRA? Do you view this as a Departmental priority?

Will you consult with local government in determining areas to lease and condition of leases?

Will you provide this Committee with periodic reports on the development of the leasing program?

A.23. a. I have not yet familiarized myself with the specific requirements of the NPRA provision attached to the Interior Appropriations bill. It is my preliminary understanding, however, that the measure does require competitive leasing and also requires a lease sale within a fixed period of time. This apparently requires that the matter be given somewhat immediate attention.

b. The method of determining which areas are to be leased has not been established. When I review this matter, I expect to assure that appropriate consultation with local governments occurs as part of my overall "good neighbor" policy.

c. It is my intent to comply fully with all reporting requirements specified in the measure. In addition, I will always be available to discuss policy developments with members of Congress executing their oversight responsibilities.

Q.24. There is now and there will be for the next thirty years more exploration, leasing and production of oil and gas within the North Slope Borough of Alaska than any other unit of local government in the United States. Congress has on numerous occasions recognized the extraordinary burden that this activity places upon the Borough and its 4500 residents. In particular, this activity strains the ability of the Borough to provide adequate municipal services, including the construction and maintenance of public roads and the provision of public health, utility and other public services.

Will you as Secretary of the Interior and the major landholder within the Borough maintain within the Department the cooperative, open-door policy to the Borough's representatives that has marked most previous Administrations?

This question is especially important because I believe that the pressures of accelerated oil and gas development will require substantial cooperation and great sensitivity by all parties if we are to establish and maintain a sound policy of exploration and development in the Arctic that will benefit all of us.

A.24. As I noted during my appearance before the Committee, I believe in a "good neighbor" policy under which the Department seeks to cooperate with local governments and citizens affected by Department actions. Accordingly, I expect to engage in appropriate cooperation with the North Slope Borough.

Q.25. There are many persons in Alaska who believe that Alaska's vast onshore oil and gas reserves should be developed before the Federal government undertakes active exploration and development of offshore reserves. In addition to the difficult technological problems presented by offshore activity in the Arctic, there are serious environmental issues including protection of the bowhead whale. While I support eventual offshore development, I think it should proceed only with prudent concern for and imposition of measures to protect the environment.

Will this Administration make decisions on offshore development with full consideration and proper recognition of implementation of necessary protections to preserve this unique environment?

Will this Administration emphasize development before there is any major expansion of offshore activity?

A.25. a. I believe that the Department must fully comply with the language and intent of the Outer Continental Shelf Lands Act of 1978.

b. I have not yet been briefed regarding the necessary mix of different resources to ensure execution of a balanced and effective national energy policy.

Q.26. There is now and there will be for the next thirty years more exploration, leasing and production of oil and gas within the North Slope Borough of Alaska than any other unit of local government in the United States. Congress has on numerous occasions recognized the extraordinary burdens that this activity places upon the Borough and its 4500 residents. In particular, this activity strains the ability of the Borough to provide adequate municipal services, including the construction and maintenance of public roads and the provision of public health, utility and other public services.

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This question is especially important because I believe that the pressure of accelerated oil and gas development will require substantial cooperation and great sensitivity by all parties if we are to establish and maintain a sound policy of exploration and development in the Arctic that will benefit all of us.

A.26. As I noted during my appearance before the Committee, I believe in a "good neighbor" policy under which the Department seeks to cooperate with local governments and citizens affected by Department actions. Accordingly, I expect to engage in appropriate cooperation with the North Slope Borough.

Q.27. During my campaign, Alaska voters made clear their displeasure of the Secretary of the Interior's policies and actions in a number of areas. One area of concern involved local employment and local business opportunity, especially local minority business opportunity. Despite "world scale" Alaska petroleum developments, this State still has incredibly high rates of unemployment and few local firms have had the opportunity to participate to the full extent of their available resources.

What policies or actions will you propose to assure local hire and to encourage local business opportunity, especially for Native Alaskans (the Indians, Aleuts and Eskimos) to whom you have a trust responsibility?

Also, a number of offices of the Department of Interior that oversee activities in Alaska are located outside Alaska. Will you look closely at the propriety of relocating those offices to Alaska when it would appear in the best interest of both your Department and the State?

A.27. Although I have not examined the Alaska Lands bill, the bill does contain a local hire provision. I will be examining this issue when the Department implements the lands bill. Moreover, I will follow the statutory directives of the Act regarding local hire.

Q.28. The Department of the Interior has been one of the few Federal agencies to maintain any semblance of balance and common sense with respect to the Alaska Eskimo's taking of a limited number of Bowhead whales annually for subsistence purposes. The balance of the current Administration, including the Justice Department, is running a kangaroo court in Federal grand jury proceedings to harass and intimidate the villagers who depend on the whale for food and for maintaining an ageless cultural tradition.

Will you take a careful look at the history of this matter and pledge to correct the excesses and injustices I am confident you will discover?

A.28. I have not fully acquainted myself with this matter, but I will closely examine this apparently contentious issue at the appropriate time. Be assured that I will prudently carry out my responsibilities towards Alaska's Natives under applicable treaties and laws.

Q.29. We have recently begun to witness the environmental effects of increased coal production in the mid-west: nitrous oxide emissions that combine with sulphur oxides which travel across the east and are transformed into "acid rain." What role do you envision for the Department of the Interior in helping to curtail this pattern?

A.29. Although I am familiar neither with the specifics of this sensitive issue nor the statutory role to be played by the Department of the Interior, it is my understanding that a number of studies are underway which I will carefully review.

Q.30. What sort of policies do you think are appropriate for the Department of the Interior with regard to drilling in marine sanctuaries? I am particularly interested in the lease sales off the Georges Bank, and the enforcement of the Interior Department of safeguards for lease sales.

A.30. I believe that the Department of the Interior must fully comply with the language and intent of the Outer Continental Shelf Lands Act of 1978.

Q.31. Your association with the "sagebrush rebellion" movement is well-known. As Secretary of the Interior, you will be responsible for the management of all public lands, including substantial Federal lands in the east. In your view, should these eastern Federal lands be managed any differently than public lands in the west? Do you believe the Secretary of the Interior has a special responsibility to preserve natural areas in the east?

A.31. a. My belief of the importance of a new "good neighbor" policy applies to all Federal lands managed by the Department of the Interior regardless of their relationship to the 100th meridian.

b. I believe that the Secretary of the Interior must fully comply with the intent of Congress regarding the preservation of natural areas regardless of their location. As I responded to Senator Heinz, however, natural areas in the east "probably deserve greater attention because of the pressures they are exposed to."

Q.32. What do you see as the role of the Interior Department with regard to the economic review of water projects?

A.32. The Department of the Interior has a responsibility to provide technical advice and recommendations to the Congress regarding proposed water projects. Deauthorization of existing projects is a Congressional prerogative.

Q.33. Some members of the environmental community have labelled your activities as "absolutely, ideologically and fundamentally against" everything they have worked for in the last 25 years. Can you indicate in any way that these fears are unfounded?

A.33. My record as Director of the Bureau of Outdoor Recreation, as placed at length before the Committee, demonstrates an awareness of and sensitivity to environmental concerns. The National Recreation Plan and Reclamation for Recreation are two examples of my work in the conservation, environmental field.

Q.34. What should be the scale and pace of oil shale development? Should any changes be made in current oil shale leasing policies?

Specifically:

Are you familiar with Exxon's projection that eight million barrels of oil per day could be produced from shale? Do you think this projection is realistic? Should the Federal government either encourage or hinder this level of production?

Should the Department of the Interior lease additional Federal lands for oil shale development? If so, how many additional leases should there be, and what criteria should be used in determining what lands should be leased? What type of planning would be necessary to lay the foundation for any additional leasing? Should any new leases be geographically dispersed, or should they be concentrated in areas of especially rich resources?

Should Congress authorize the Department to lease additional lands adjacent to oil shale leaseholds for the disposal of spent shale and other non-mining functions associated with oil shale production? If so, how much land should be leased for this purpose, and what conditions should be placed on the leases? Should additional lands be made available for only existing leases under the prototype oil shale leasing program, or should off-tract lands also be made available for new leases?

Should Congress remove existing restrictions which limit each company to one oil shale lease?

If the Clean Air Act or other environmental policies limit the scale of the oil shale industry, should Congress change the law to allow greater oil shale production?

A.34. a. I have not reviewed nor been officially briefed on oil shale development and am thus unable specifically to respond regarding my policy on the scale, pace or specifics of such development.

b. Same as "a".

c. I have seen only press reports on the Exxon projection and I am thus unfamiliar with the specifics of that proposal.

A.34. d. I have no way of judging whether the report is realistic or not.

e. The Federal Government has announced as national policy the increase of domestic sources of energy. Oil shale, as our important energy resource, will play a role in this national policy. What level of production takes place on Federal oil shale land is a matter yet to be determined.

f. Same as "a".

g. Same as "a".

h. The Federal Land Policy and Management Act specifies the planning requirements for such activity. I will comply with the law.

i. Same as "a".

j. Same as "a".

k. Same as "a".

l. Same as "a".

m. Same as "a".

n. It is important to achieve a balance between energy development and environmental protection. However, some of the limitations in energy development contained within and resulting from statutory language may be unnecessary to the achievement of environmental objectives. In such cases the law might well be modified to reflect such realities without retreating from the objectives.

Q.35. Should any new programs or policies be adopted to protect communities from social and economic disruption caused by rapid energy development?

A.35. As I indicated in my testimony, I believe the "people problem" regarding energy development to be one of the major concerns facing the Federal Government. I am not sufficiently familiar with present programs and policies to be able to respond as to whether or not new programs and policies are necessary.

Q.36. How should we make sure that new water consumption by energy projects does not squeeze out agricultural, municipal, and other water users?

A.36. I believe the States of the West are in the best position to determine the use of their water. Therefore, I believe Federal support of the traditional power of the states over their waters is the proper manner of assuring the protection of other water users.

Q.37. How should water be supplied for energy development—through private projects built by the energy companies, or through broader-based public projects which also meet other regional water needs?

A.37. I have adopted no position on this issue.

Q.38. Should the Federal government build water projects? Should any changes be made in traditional Federal water policies?

A.38. a. Yes.

b. We will need to review the entire water program.

Q.39. Should a new Energy Mobilization Board be created, with powers to overturn Federal, state, and local laws, or should other policies be adopted to cut through red tape delaying important energy projects?

A.39. This is a broad base policy question which must be addressed by the new Administration.

Q.40. Should the Federal standards for the reclamation of land strip mined for coal be carried out as approved by Congress in 1977, or should they be changed?

A.40. I have not been fully briefed regarding, nor am I familiar with, the specifics of the Surface Mining Control and Reclamation Act of 1977 and the regulations under that Act and am thus unable to respond in detail. These are important issues which I will address early on however.

Q.41. Should new Federal standards be established to restore land strip mined for oil shale? Should any other new standards or controls be adopted to protect public health and the natural environment from the adverse effects of oil shale development?

A.41. a. Same as Answer 34a.

b. Same as Answer 34a.

Q.42. Should Federal lands be turned over to state governments or private owners?

A.42. In several responses during the hearing, I believe that the pressures of the "Sagebrush Rebellion" for massive land transfers from the Federal government to the States can be eased by a "good neighbor" policy which I intend to carry out.

Q.43. Should any changes be made in current policies and practices of managing Federal lands?

A.43. Yes. I fully intend to embark upon a "good neighbor policy" regarding the management of Federal lands.

Q.44. What changes, if any, should be made in Federal policies toward Indians?

A.44. I have no specific recommendations at this time, however, my policy regarding American Indians is reflected in my responses to questions one through twenty.

Q.45. We have been informed of several problems—cost overruns, poor management, substandard construction—with the $250 million capital infrastructure program in the Trust Territory of the Pacific Islands. Do you have any immediate plans for examining and resolving these potential problems?

A.45. In the course of the new Administration's budgetary process, I will conduct a review of the status of the programs in this area.

Q.46. Each of the insular areas as well as the Trust Territories are faced with severe funding constraints attributable to rising fuel costs. Do you have plans to assist these areas in fulfilling their energy needs?

A.46. As Deputy Assistant Secretary for Water and Power, I had the opportunity to visit some of the terrorities and I am aware of energy problems of insular areas. I will review the energy needs in each area and work in close coordination with the Department of Energy in their solution.

Q.47. As you may know, there are two youth employment programs associated with the Department of the Interior—the Youth Conservation Corps and the Young Adult Conservation Corps—which contribute substantially to the improvement and management of Interior and other public lands and which held to eliminate a serious backlog of necessary conservation and basic maintenance work on Federal and state lands that otherwise could not be accomplished.

Congress and the bureaus of the Interior Department and the states have long recognized the value and cost effectiveness of YCC and YACC and depend on them to help maintain and preserve our public lands and natural heritage.

With these facts in mind, I would like to know if you will enhance and further these two youth employment programs which have proven to serve American youth so effectively, and whether you will continue to utilize YCC and YACC to improve and maintain our public lands and ensure a return on the taxpayers' investment?

A.47. Having not dealt with the YCC and YACC programs in a number of years, I am not familiar with their present status but will carefully review them as soon as possible to evaluate their future role in the Department.

Q.48. On January 7, you characterized the Department's Bureau of Land Management as an "unprofessional" organization, insensitive to the values and needs of the West. The Bureau is one of the most fully decentralized organizations in the Department with local offices throughout the West, manned by Westerners like yourself, people who almost without exception have degrees from the best land grant colleges in the West, and who are recognized for their professional expertise in a wide range of renewable and nonrenewable resource management fields and for decades of experience and professionalism. What did you mean by "unprofessional"?

You also expressed the hope that you could raise BLM up to the level of the Forest Service. You know that BLM manages twice as much land as does the Forest Service and for a much wider array of purposes in addition to the outer continental shelf and reserved minerals with only a fraction of the money and manpower of the Forest Service. What action do you have in mind to raise the level of management for BLM to that of the Forest Service?

A.48. a. My reference to the Bureau of Land Management (BLM) was not a reflection upon the professional credentials or skills of its employees, but was a reference to some of the organization's insensitive policies toward the values and needs of the West.

b. The intention of this statement was merely that managerially I have been impressed with the U.S. Forest Service and I would hope that such a management program must be developed and studied to see if such management practices would be applicable for BLM.

Q.49. The Department of the Interior is fortunate to have among its employees a cadre of skilled professionals in a wide variety of scientific and other disciplines. As you undoubtedly recall from your service, the Committee for many years has requested testimony and/or assistance from a number of these people.

Will you pledge to continue to make these career professionals available to the Committee as witnesses and/or advisors upon request?

In the past, the Committee has often called upon these people to express their professional opinions on a number of resource issues.

Will you pledge to allow these people to express their professional opinion on resources if so requested?

I believe that the development of policy requires free expression of ideas by responsible professionals. Even though I may disagree with one or more of my colleagues, I certainly am interested in hearing their point of view and respect their right to express it. An analogous situation exists in the Department of the Interior. I believe that the Department's professionals must be encouraged to express their own opinions—without fear of reprisal—in policy development.

Will you pledge to encourage the free expression of ideas—even though they may be different than your own—in the development of Administration natural resource policy?

Will you pledge not to take personnel actions against those who express ideas contrary to your own?

A.49. Let me assure not only the Senate but the other esteemed body that I and the members of the Department will be always willing to do everything in our power to cooperate and assist the legislative branch.

Q.50. You have repeatedly asserted that the Bureau of Land Management does not consult with Western State and local governments. In fact, in the last two years, BLM has completed what can only be described as an historic series of formal agreements on consultation throughout the West. To mention just a few:

helping fund the National Governor's Association's Rangeland Subcommittee

a cooperative consultation project with the National Association of Counties

a formal working agreement on land transfers with Western States Land Commissioners

creation of joint Federal/State regional coal leasing and oil shale leasing teams

an expanded Outer Continental Shelf advisory board with new regional planning committees

a series of special consultation agreements between the agency's State Directors and their respective Governors

a cooperative project with the Western Interstate Energy Board on energy facility siting

Indeed, I understand that many State and local officials and organizations are in the process of communicating with the President-elect to retain these programs of consultation.

In light of the recent actions, what is the basis for your assertion?

A.50. The lawsuit in which the Foundation was involved is the basis for my assertion. The Governor of New Mexico, as well as all subdivisions of State government were ignored in the land planning process being carried out by BLM for federal, state and private lands.

Q.51. On January 7, in connection with the Rio Puerco grazing case, you said that "not once had the State or the permittees of the grazing association been consulted" before BLM rendered its decisions. You indicated that this was a violation of the Public Rangelands Improvement Act (Transcript p. 67). BLM records indicate that it kept various State agencies advised continually from 1975 through the Summer of 1978, and worked with the permittees in an effort to reach agreement on decisions. Moreover, there was no Public Rangelands Improvement Act at that time, the Act having been passed in the Fall of 1978. On the basis of what information did you make your statement?

A.51. I made those representations because those were the facts which were brought to my attention and which were presented to the Court. It is apparent that the Congress accepted those facts given the relevant amendment adopted in the appropriation bill, as indicated by Senator Domenici.

Q.52. This confirmation hearing has focused on public lands issues of the West. As Secretary of the Interior you will also have responsibility for policymaking on land and water resources in the Eastern and Southern U.S., particularly for many park and wildlife areas. What are your policy goals for management of the public lands in these portions of the U.S.?

A.52. As we all know, Federal ownership of lands in the East and South is but a small fraction of the total land in those areas. Also, as compared with the West, population density in the East and South is generally much greater than in the West. I can assure you that I will not be blind to my responsibilities East of the Mississippi.

Q.53. Can we expect recommendations for expansion of the National Trails System during the time you are Secretary of Interior?

A.53. We will be looking at all recreation potentials.

Q.54. What changes can we expect in the operation of the Water Resources Council during the Reagan Administration?

A.54. I expect to review the role of the Council early in my tenure as Secretary, to determine what changes may be indicated.

Q.55. Extraction of the vast reserve of coal, uranium, oil shale, tar sands and other minerals will cause potentially serious problems of people relocations and public facility shortages. What recommendations will you make for Federal assistance in solving these problems?

A.55. I have adopted no position on this issue.

Q.56. Water conservation has not been emphasized in Federal water programs to date. In many cases the Federal government has created disincentives for water conservation by charging relatively low rates for water supplies. What do you intend to do as Secretary of Interior to promote water conservation?

A.56. Water, of course, is key to development of many areas of the country, particularly in the Western states where water "consciousness" is a way of life. I will review Federal policies which affect water usage and will try to ensure that they do not promote waste.

Q.57. How well do you think the Federal Land Policy Management Act has performed since passage in 1976? Do you believe changes are required? If so, what recommendations do you have for this Committee?

A.57. That law itself represents a balance of competing interests regarding Federal lands, hammered out over several years. Unfortunately, implementation of the law through the regulatory process has in many instances been out of step with the intent of Congress. After a complete review of problems encountered as a result of this situation, I may present a number of proposals for change, some regulatory, others statutory.

Q.58. If it is possible, would you please summarize your attitudes and opinions in regard to Western reclamation projects and the Central Arizona Project in particular. If possible, could you outline the steps you might take in assuring the present construction schedule and planned water delivery dates for the CAP.

A.58. Without reclamation projects, many Western states could not approach their present agricultural or industrial productivity. On specific projects such as the Central Arizona Project, I want to reserve judgment on steps I might take. A number of significant events regarding CAP have occurred in the recent past with which I do not have a detailed familiarity I plan to review the entire record on this project at an early date before making specific commitments.

Q.59. There has been some controversy and speculation surrounding possible policies and programs you might implement affecting American Indians. Could you provide some indication of how you see your role as Secretary in regard to the Federal Government's trust responsibilities and what the Department's policies and funding priorities might be.

A.59. On trust responsibility, see Answers 1, 2, 4, 7, & 16. On funding and priorities, see Answers 15, 17, 18.

Q.60. What role do you see for the States in water resoures planning and the planning of water resources development programs?

A.60. The states should have the key role in water resource planning. However, since many states, especially in the West, rely on the same resource for much of their supply (for example, the Colorado River), regional and Federal cooperation is essential to effective planning by individual states.

Q.61. Would you be prepared to support funding for the WPRS Safety of Dams Programs?

A.61. Yes.

Q.62. In the same vein, do you support funding for the Land and Water Conservation fund and full funding for payments-in-lieu of taxes as administered by the Department?

A.62. As you know, during my tenure at DOI, I supported funding for the Land and Water Conservation Fund and will continue to do so. With regard to payments-in-lieu of taxes, this is mandated by statute, which I will adhere to completely.

Q.63. What is your current position on a possible transfer of ownership of Federal lands to State ownership?

A.63. Same as Answer 42.

Q.64. Do you believe that the performance standards contained in the Surface Mining Act are sufficiently detailed, so as to provide adequate guidance to state regulatory bodies which seek to assume primacy over the surface mining programs within each state?

A.64. Same as Answer 40.

Q.65. As Secretary, would you act to expedite the approval of a reclamation plan which has been agreed to by a state government's regulatory authority and the Office of Surface Mining?

A.65. Yes.

Q.66. As Secretary, would you support changes in Office of Surface Mining requirements with regard to permitting procedures in general, for any state which has not yet achieved primacy? What specific changes would you favor?

A.66. Same as Answer 40.

Q.67. Do you advocate specific changes in the Surface Mining Control and Reclamation Act itself? Please describe these changes.

A.67. Same as Answer 40.

Q.68. As public officials we have a greater duty to make sure that we not only avoid actual conflicts of interest, but that we also avoid apparent conflicts of interest.

You come to this job both having represented and having solicited support from corporate individuals who have substantial financial interests directly affected by ongoing decisions of the Department of the Interior.

Do you believe there are any actual or seemingly actual conflicts of interests which might arise? Specifically, what might those situations be?

If you are confirmed as Secretary, what steps will you take to avoid both actual and appearance of actual conflicts of interests? Are there any matters on which you will avoid any personal involvement?

A.68. Any such conflicts are fully and completely resolved by my recusal statement which has been submitted to the Committee and which has been deemed by the Office of Legal Counsel of the President-elect, the Inspector-General of the DOI and the Office of Government Ethics of the Department of Justice to comply fully with the law.

Q.69. You have said that you do not oppose environmentalists; you oppose environmental extremists. You have also indicated that the Department of Interior is a haven for special interests. We all tend to speak in shorthand when we're talking with people who share our views. So the Committee will be better able to understand your comments, could you please amplify for us, giving some examples, who or what are environmental extremists and who or what are the special interests in the Department of the Interior whom you would eliminate?

A.69. As I responded to Senator Ford, "An extremist is one who is intolerant and unwilling to consider another point of view, or recognize the need to balance the viewpoints in making a decision."

Q.70. You have indicated that a major goal of yours will be to increase exploration for energy resources on public lands. Would you please comment on the Department's present efforts to establish environmental safeguards for currently developed off-shore and onshore drilling and mining? Do you think those standards are too restrictive? If so, in what way?

A.70. Same as Answer 30. I have not been briefed, nor am I familiar with the specific regulations adopted by the Department and am thus unable to respond.

Q.71. One of the major complaints this Committee received regarding the present leasing program was that companies fail to develop existing leases. What do you propose to prevent the "banking" of leases? Would you support a requirement that leases be developed in a shorter period of time? Do you support a switch to competitive leasing?

A.71. a. It is my understanding that diligence requirements are included in such leases to regulate the timing of development.

b. I believe such leases should be developed as soon as economically possible in accordance with the term of the lease.

c. No.

Q.72. The adequacy of water supplies is of concern in both the older cities of the East and the agricultural lands of the West. What role should the Department play in rehabilitating the inadequate water supply systems in our older cities, such as many in New Jersey, New York and Pennsylvania? Could you please comment specifically on the role of the Department of the Interior in A) upgrading the reservoir and conduct capacity and B) prevention of loss due to defective system. Could you discuss the role of the Department in addressing the current problems of the Delaware River Basin which supplies both drinking and industrial water to a large area of New Jersey and Pennsylvania?

A.72. I have not been briefed on nor am I familiar with the role to be played by the Department regarding these important matters. Nevertheless, as former Deputy Assistant Secretary for Water and Power Resources, I understand the seriousness of this subject and will carefully review it.

Q.73. What is your position on the advisability of pursuing the proposed MX missile system and the synfuels projects both of which will require significant amounts of water?

A.73. I have not been briefed on, nor am I familiar with, the specific water requirements of these two proposals although I understand they are significant. It is my belief that the matter of the acquisition of water permits must continue to be completed in accordance with state law.

Q.74. President-elect Reagan has stated that tribal self-determination should be wholeheartedly supported by the Interior Department. In what manner and to what extent would your views regarding tribal government and self-determination conflict with Mr. Reagan's position?

A.74. I am in complete agreement with the President.

Q.75. Do you believe that tribal governments have the authority to levy taxes within their jurisdictional boundaries?

A.75. I am unfamiliar with the body of opinion of this subject and am thus unable to respond.

Q.76. Do you believe that tribal governments have the authority to arrest and to try violators of tribal legal codes regardless of the residence of the violator?

A.76. Same as Answer 13.

Q.77. President Reagan has endorsed the concept of P.L. 93-638, the Indian Self-Determination Act. Federal agencies including the Bureau of Indian Affairs have been

unresponsive or even resistant to the implementation. What do you plan to do to correct the situation in order to comply with the law?

A.77. Same as Answer 3.

Q.78. President Reagan has stated that he opposes attempts of state or local governments to take over or have jurisdiction over tribal reservations. Do you support such a policy?

A.78. Same as Answer 10.

Q.79. Do you regard the Winters rights of Indian tribes as a private property right, vested by Federal law, not subject to state jurisdiction, and compensable if taken under the Fifth Amendment?

A.79. Same as Answer 11.

Q.80. On December 23, 1980, you were quoted by the Rocky Mountain News, Denver, Colorado, as saying "the state water law will control the use and allocation of water rights." Can you clarify now your position with respect to the apparent conflict between that statement and the Secretary of Interior's trust responsibility to protect the states and private parties?

A.80. I am committed to the policies of the President-elect in all matters related to the Department of the Interior.

Q.81. Do you as the Secretary of the Interior nominee fully support the right of Tribal governments to determine the extent and methods of developing a tribe's natural resources?

A.81. Same as Answer 15.

Q.82. In your amicus curiae brief on the Pyramid Lake case before the Ninth Circuit, you reply somewhat on language from that Court's 1956 Ahtanum Irrigation District decision where that court says, in effect, that the Secretary's "abuse of power," may turn out to be bad for a tribe but such abuse would not necessarily negate his decision in a particular matter. As Secretary of the Interior, would a tribe waken one morning only to find that you had made a discretionary decision on its behalf that would literally wipe it out economically? Such as—reallocating its water to another entity? In other words, to what extent would you consult with a tribe (that has a vital interest in a matter) before you made a decision and would you make it a part of the record even if the tribe disagreed?

A.82. Same as Answer 20.

Q.83. In view of the high rate of unemployment and under employment on reservations—do you support manpower training programs to provide employment opportunities and encourage individual Indian small business development?

A.83. Same as Answer 18.

Q.84. President Reagan has said that an "insensitive, unresponsive" government serving Indians can be improved by increasing consultation with the tribes. How will you implement the policy, if you agree with it?

A.84. Same as Answer 20.

Q.85. First as a lobbyist for the Chamber of Commerce and most recently as President of the Mountain States Legal Foundation you've fought the Department of the Interior over a number of regulations. As Secretary of Interior, you will be charged with enforcing some of the same regulations you've fought against. How will you be able to make that switch?

A.85. During my testimony before the Senate Committee on Energy and Natural Resources. I expressed my personal commitment to impartially and equitably enforce the law. My dedication and commitment to my oath and to President Reagan assures these goals.

Q.86. A specific example of what I'm talking about is the fact that when you were the head of the Mountain States Legal Foundation you challenged the Bureau of Land Management's plan to deal with overgrazing. How will you be able to be impartial regarding this program as Secretary of the Interior?

A.86. The 10th Circuit Court of Appeals ruled in favor of the Mountain States Legal Foundation.

Q.87. The Mountain States Legal Foundation, under your direction, has also sued to speed up oil and gas leasing in the Western overthrust belt. Can you be impartial regarding this program as Secretary of the Interior?

A.87. The Federal District Court for the State of Wyoming ruled in favor of the Mountain States Legal Foundation.

Q.88. The Mountain States Legal Foundation brought several cases directly against the Department of the Interior on the subject of Federal water rights. In these cases the position of the Mountain States Legal Foundation was to provide more Federal water to private interests and less to the Federal government and Indian tribes. How can you be a good steward for all citizens with regard to water rights in light of your past position?

A.88. The Federal District Court for the District of Columbia ruled in favor of the Mountain States Legal Foundation.

Q.89. In 1969, because of your work with the Chamber of Commerce, I urged then-Secretary of the Interior Walter Hickel not to choose you as his assistant. My argument at that time was that "the appointment of a man who is so identified with the private interests can only create a credibility gap." Because of your work with Mountain States Legal Foundation you have even more of a credibility problem today.

A. 89. Not a question.

Q.90. A number of large companies contributed to Mountain States Legal Foundation and paid your salary. It's likely these companies will have a great deal of future business before the Department of Interior. One prime example is the Coors Brewing Co., which plans to build a brewery near Shenandoah National Park and will be subject to monitoring by the Department. Can you be impartial in cases such as these?

A.90. Yes.

Q.91. In 1975, during hearings before the Senate Commerce Committee on your nomination to the Federal Power Commission, you admitted that you had acted improperly while Director of the Bureau of Outdoor Recreation by giving a sole-source contract to a close friend. What assurance do we have that you won't be guilty of similar improprietes as Secretary of the Interior?

A.91. I urge a careful review of the Commerce Committee record of my 1975 confirmation hearings which reveal that I did not act improperly regarding the awarding of a sole-source contract. Furthermore, a thorough investigation by the Department reveals that I violated no regulation or law of the Department or the United States.

Q.92. What would you cut if ordered to reduce the Department's budget by 10 percent? What would be your priorities if ordered to cut the budget by 20 percent, by 30 percent and by 50 percent?

A.92. I have not been briefed on the programs or policies of DOI. I am not familiar with its budget and I am not able to state my priorities, but be assured that I will carefully review all programs of the Department before taking any actions in this area.

Q.93. How would you expect to reduce the Department's budget (in 1981 dollars) by February 1, 1982 and by February 1, 1985? How much do you plan to have reduced the personnel in the Department by each of those dates? Will you provide the committee with reports for each quarter beginning with the end of the fiscal 3rd quarter (June 30, 1981) which will record the number of personnel and the agency's expenditures (i.e., outlays and commitments) for that quarter? What other plans, commitments, reports if any will you make to assure that the agency will progress towards the anti-inflation goal so essential to our economy?

A.93. Same as Answer 92. At this time I am unable to comment on my intentions for personnel. I assure the Committee that I will provide reports to the Committee as provided in the laws enacted by Congress. I will take every step necessary to work toward the anti-inflation goals needed for our economy.

Q.94. The Reagan Administration has taken dead aim at the inflationary and stultifying effect of government regulations. What specific regulations would you end? What regulations would you curtail? How would you curtail them? How would you determine whether the cost of the regulations exceeded the public interest benefit?

A.94. I will review the Department's regulations to determine what changes or additions are to be made. I will make public those recommended changes.

Q.95. The Reagan Administration has said that it wants to reduce the colossal burden of paperwork imposed by laws and department regulations on business, consumers, local and state governments and the Federal government itself. What do you expect to do in this agency to reduce the colossal burden of paperwork? Do you have any specific paperwork requirements in mind that the department could eliminate? Reduce? In any event, will you report to the Senate by March 1 the plan and the deadline you will use to reduce paperwork in your department?

A.95. I am unable to indicate my intention of plans in this area.

Q.96. Could you indicate any plans you have for shifting the costs incurred by your agency to the users of the services the agency provides? If not, why not? Why should the general taxpayer continue to subsidize the interests that derive service from this department?

A.96. Congress may want to address this issue.

Q.97. What changes will you make in the Department of the Interior? How will it operate differently than it did under the Carter Administration? By what date will you try to achieve these changes?

A.97. The answer to this question is encompanied in the responses to all other questions.

Q.98. How do you view the historic preservation program, and how do you see it fitting into your responsibilities as Secretary?

A.98. I view historic preservation programs as important to America and will plan to administer them conscientiously as mandated by Congress.

Q.99. What are your organizational plans for the preservation program, which is currently located within the Heritage Conservation and Recreation Service?

A.99. I want to study the current situation in detail before making my judgments or recommendations.

Q.100. What will you do to ensure that the Administration's urban and community development programs take into account the preservation policies for which you are responsible?

A.100. I will make every effort to coordinate interagency efforts in urban and community development programs.

Q.101 What do you consider to be an adequate level of appropriations for the preservation program?

A.101 This Administration has not been able to analyze the current Carter budget. I will study this area carefully and give consideration to the funding problems within the overall priorities of my budget presentation.

Q.102. What kind of support are you prepared to give within the Administration to adequate funding of the preservation program?

A.102. Same as Answer 101.

Q.103. How do you plan to proceed toward the establishment of the separate program of matching grant-in-aid for the National Trust for Historic Preservation contemplated by the National Historic Preservation Act as recently amended?

A.103. In view of my questions regarding the budget, I will study the issues in greater detail and develop a definitive plan regarding the recent amendments, and make my recommendation after that study.

Q.104. How will you implement the essential regulations and guidelines called for by the new Amendments?

A.104. I am, of course, concerned with the proper and balanced role of state and local government and private citizens' involvement, as well as private sector investment and will study the amendment to ensure that workable regulations and guidelines are implemented.

Q.105. What is your intention with respect to prompt institution of the loan insurance program?

A.105. I would like to study my options before making any judgment on the loan insurance program.

Q.106. What is your reaction to the view that supports the National Register of Historic Places as an important program, integral to the planning process as older cities work to stimulate investment in new and old buildings?

A.106. I feel that this may be a worthwhile proposal and will give it proper consideration.

Q.107. The Georges Bank fishery off the coast of New England is among the most productive in the world. In 1978 approximately 126,000 tons of fish were landed with a market value of $168 million. These landings supported a $1 billion per year fishing industry. The mineral resources from lease sale No. 42 are estimated at 123 million barrels or six days of U.S. consumption over the 20-year life of the field.

A.107. Same as Answer 30.

Q.108. The extraordinary productivity of the area is due to its circular currents and natural upwellings of nutrients. This also makes the Bank particularly susceptible to pollutants. The development of the oil resource threatens the fishery resource through the risk of oil spills and blowouts and the chronic release of drilling effluents which may be toxic to fish especially in larval forms. The Coast Guard and private witnesses said that equipment to clean-up an oil spill in Georges Bank, either does not exist or is not available. NOAA and EPA say that the baseline data is inadequate to predict the effects of an oil spill or chronic long term effects of oil and gas activity on Georges Bank. There is also disagreement about the effects of drilling effluents on marine biota.

When there is a lack of information, there is uncertainty, controversy, and delay. The toxicity of drilling effluents is still a matter of dispute. How would you make a decision about drilling if the environmental risk is uncertain? We could exploit the oil with no safeguards and find out in 10 years that the drill muds have made the fish unfit to eat. What do we do then?

A.108. With regard to toxic substances, there are laws which regulate these substances. These laws will be complied with.

Q.109. In order to accelerate resource development would you support efforts to accelerate and expand efforts to study environmental concerns in order to resolve them before full scale oil production begins? In doing these scientific studies, would you be inclined to work closely and rely on the scientific expertise in NOAA?

A.109. I believe that the National Environmental Policy Act has well-known procedures and dictates the review of those issues.

Q.110. If scientific studies found that drilling effluent discharges into the marine environment caused foreseeable significant adverse impacts on the fishery, would you support efforts to limit such discharges?

A.110. The response to those questions will be addressed on a case by case basis in full compliance with Federal law.

Q.111. The prudent compromise seems to be to go ahead with exploration and development but take every reasonable precaution to reduce risks. Obviously such precautions cost money. Given the value of the fishery to New England's economy, how would you decide what precautions to take?

A.111. The Outer Continental Shelf Lands Act of 1978 mandates the statutory requirements regarding such leasing procedures. In addition, the NEPA process provides the means to make such decisions.

Q.112. It is true that environmentalist lawsuits have delayed offshore leasing but the courts have supported many of these actions and ordered Interior to correct deficiencies in their leasing programs, schedule of leases and management of existing ones. Accommodation of groups at an early stage seems like the most effective means of avoiding delaying court suits. Do you have any plans for developing such a consultation and accommodation mechanism to achieve cooperation among competing interests?

A.112. My record has demonstrated my willingness to reach out, to consult interest groups in order to make balanced decisions. It is always better to engage in thorough consultation in order to accommodate parties of interest. Litigation is expensive and time consuming and should be avoided, whenever possible.

Q.113. Section 717 of Title VII of the Civil Rights Law as amended requires that each agency submit a plan for affirmative action and an end of fiscal year accomplishment report. Last year DOI's plan was not initially accepted by the Equal Employment Opportunity Commission (EEOC) and several parts of DOI have not submitted end of year reports.

In light of your opposition to quotas, will you cooperate with the efforts of the EEOC to review, update and enforce the comprehensive affirmative action plans which are required by law for all Federal agencies?

A.113. Yes.

Q.114.a. Public Law 95-507 requires that all Federal agencies awarding procurement contracts in excess of $500,000 and construction contracts over $1,000,000 include a subcontracting plan for the use of small and disadvantaged businesses. Compliance has not been consistently enforced throughout the agencies. The Law also requires that each agency maintain an Office of Small and Disadvantaged Business Utilization.

To what extent will you work to ensure that the Department of the Interior meets the requirements of the law?

A.114.a. I will see that the Department meets the requirements of the law.

Q.114.b. How will you utilize the Office of Small and Disadvantaged Business Utilization?

A.114.b. I will utilize the Office of Small and Disadvantaged Business Utilization in accordance with law.

Q.114.c. Who will the Director of the Office of Small and Disadvantaged Business Utilization report to? How much authority and support will you give its Director to ensure that the requirements of the law are met and how will you convey your sentiments to mid-level personnel who are responsible for compliance?

A.114.c. I have not as yet made any organizational decisions, but I will attempt to assure that the Office has the proper authority and reporting level.

Q.115. In October, 1980, the GAO issued a report, "Facilities in Many National Parks and Forests Do Not Meet Health and Safety Standards," which concluded that many NPS facilities have been so poorly maintained that they are unsafe for use or present health hazards to visitors.

As Secretary, what would you propose to do about this situation?

If the parks are to be available for use by visitors, shouldn't the facilities be made safe?

A similar GAO report issued several months earlier, "Better Management of National Park Concessions Can Improve Services Provided to the Public," dealt with the health and safety condition of concession facilities, many of which were also found to be unsafe. Since the concessioners are under contract to the NPS, and since these contracts require adequate maintenance, don't you feel the concessioners ought to fulfill the terms of their contracts?

If a concessioner refuses to fulfill the terms of a contract, would you recommend termination of that contract?

A.115. After a thorough evaluation and review of this situation, all steps should be taken to ensure that NPS facilities are maintained safely and properly.

Q.116. A report issued by NPS last year, the "State of the Parks" report, documents, by surveying all of the professional park superintendents, a large number of "threats" to park resources, both internal and external.

NPS has hopes of updating this report annually, in order to document recurring problems and their mitigation efforts. Would you support this?

One of the principal findings of the report was the lack of both natural and cultural resource managers assigned to work full-time on resource management in the parks. There are currently less than 150 systemwide. Would you support even a modest increase in the NPS personnel ceiling in order to rectify this problem?

Recently, a follow-up Prevention/Mitigation report on these resource problems has been prepared by NPS. In this report, NPS proposes to develop an overall servicewide priority list of important resource problems. Will you support this ongoing effort?

A. 116. I am currently unfamiliar with this report and will review it before determining if it should be continued or its recommendations implemented.

Q.117.a. In recent years, the authorized level of the Land and Water Conservation Fund has been increased to $900 million. Actual appropriations have generally been considerably below this level. At the same time, numerous new areas have been added to the various federal land systems and the boundaries of many areas have been expanded. The backlog on the Federal side of the LWCF is approximately $3 billion and each year the states indicate a need for sizeable funding for their projects.

How would you propose to reduce the backlog on the Federal side of the LWCF?

What do you believe would be an appropriate level of funding for the LWCF?

A.117.a. I am not familiar with the specifics of this program and its backlog problem. I cannot determine what position should be utilized. I will review this problem.

Q.117.b. What are your views on the state matching grant program and how can it best be administered? Do you believe there should be any change in the matching formula?

A.117.b. This program will be reviewed to determine appropriate action dealing with these problems.

Q.117.c. It has been suggested by some, including the General Accounting Office, that easements and zoning can be used to protect lands managed by Federal agencies. What are your views on the use of these approaches?

A.117.c. The suggestions and recommendations of GAO will be reviewed for possible implementation.

Q.117.d. Do you believe that the Park Service should work with local governments to achieve compatible zoning around the boundaries of the units administered by these agencies thus lessening the need for boundary expansions and more fee acquisition? Are there other approaches which could be used to reduce the existing and potential conflicts on lands adjacent to Federal park lands?

A.117.d. The Department of Interior should

cooperate with local governments in such problems.

Q.117.a. Virtually every year, there are lands within authorized boundaries of units of the National Park system which are lost to development because of a lack of available funding for the LWCF. These are lands which Congress directed the Park Service to pay just compensation for and to make available for the public. What steps can be taken to stop the loss of additional lands?

A.117.a. This is a complex issue that must be carefully reviewed and investigated, and be assured I will address this problem as soon as possible.

Q.118.a. During the 1970's, several units were added to the National Park System in or near major urban areas. These areas include Gateway, Cuyahoga Valley, Golden Gate, and Santa Monica Mountains National Recreation Areas.

Do you believe these areas are nationally significant? Should they be part of the National Park System?

A.118.a. The question is moot. They are part of the National Park System.

Q.118.b. Should any of these units or other units of the National Park System be turned over to state or local governments?

A.118.b. This proposal should be considered as a possible alternative.

Q.118.c. Since overall personnel ceilings have not increased, ranges and other staff at older units have been decreased to provide personnel for these units. What effect has this had on the System? Will this continue if visitors levels continue to increase at the urban areas as they have been?

A.118.c. Since I have not been briefed by DOI, I cannot address this specific issue.

Q.119. Although the historic and cultural units of the NPS are theoretically co-equal with natural and recreational areas, they have not always had the necessary attention within the Service which this status should warrant.

As Secretary, would you support an effort by NPS to upgrade the quality of cultural resource management and protection?

Do you have any thoughts as to how this might be done?

What are your views on making "adaptive use" of historic structures versus preserving all such structures as "museums" of history?

A.119. Same as Answer 118.

Q.120. The Secretary of the Interior is frequently described as being the chief conservation officer of the federal government. Given your outspoken criticism of environmental organizations and the Interior Department and its conservation mission, how will you be able to effectively carry out the Secretary's dual responsibility to permit resource development on the public lands while preserving natural values?

A.120. As Secretary of the Interior, I will fully and faithfully execute the public land policy adopted by Congress requiring such a balanced approach.

Q.121. The 1979–80 annual report of the Mountain States Legal Foundation states that "it is not infrequent that we face a dual threat as the 'special interest' groups and Federal bureaucrats join in 'sweetheart' lawsuits aimed at achievement of common goals." Is this your view of the legal role of conservationists and the Solicitor's officer in the Department of the Interior? What do you propose to do to deal with this situation?

A.121. The Solicitor of the Department of the Interior must approach all litigations in full compliance with the law and the Canons of Professional Responsibility. It is my belief that such a policy will prevent such "sweetheart" lawsuits.

Q.122. Mountain States now has both administrative appeals and litigation pending involving the Interior Department in an adversarial role. How would it be possible for you to become Interior Secretary and not have a conflict of interest regarding these pending legal matters?

A.122. Same as Answer 68.

Q.123. Joseph Coors was one of the founders of Mountain States, he is past Chairman of the Board of Directors, and is the largest single contributor to Mountain States. Coors Brewery is in the process of receiving the permits necessary to construct its first eastern brewery within one-half mile of Shenandoah National Park. The Park Service has expressed serious concern about the potenial air quality impacts of this massive facility on the Park. As Secretary of the Interior, would you recuse yourself in this case?

A.123. I have never discussed with Mr. Coors any matter relating to his business.

Q.124. The 1976 Federal Lands Policy Management Act (FLPMA) sets forth a detailed land use planning process for multiple uses, including wilderness, on BLM lands. Do you agree with the multiple use mandate in FLPMA? As Secretary of the Interior, would you permit BLM to carry out its full responsibilities under this Act?

A.124. a. Yes.

b. Yes.

Q.125. BLM is in the midst of an extensive new review of potential wilderness on the lands it manages. About 23 million out of the 187 million acres under its jurisdiction, or about 12 percent of its lands, have been selected for intensive wilderness study. Do you agree that this wilderness review process should continue? Would you exect to send BLM wilderness recommendations to Congress? Would you attempt to curtail funding for the BLM wilderness review program?

A.125. a. Yes. The law so requires.

b. Yes. The law so requires.

c. I am unable to state a position regarding budgetary matters.

Q.126. Do you believe there are parts of the American landscape or specific ecosystem type which are now not represented in the national park system and should be included?

A.126. I do not know.

Q.127. As Secretary of the Interior, what would your attitude towards Park concessioners be? Do you believe the concessions should play a major role in determining park management policy?

A.127. a. As I understand it, there is an entire body of laws, with which I am unfamiliar, which regulates concessions policy, and I would be bound by those laws.

b. All affected interest groups should have a voice in policy implementation in accordance with applicable law.

Q.128. The national park system has grown enormously during the past decade. The Alaska lands bill alone more than doubled the amount of acreage in the national parks. Yet in real dollars (adjusted for inflation) the amount of money in the Federal budget for management of the park system has declined in recent years. As Secretary of the Interior, would you be an advocate for sufficient funds for the Park Service to operate the national parks at today's standards?

A.128. I am unable to state a position regarding budgetary matters but I would carefully evaluate and review the present funding and budgetary levels for this program

Q.129. What consideration or criteria do you feel should be incorporated in an analysis of whether or not it is in the national interest to open a particular wildlife refuge to oil and gas activity?

A.129. The criteria enumerated in statute are the relevant subjects to be considered in making such a decision.

Q.130. Do you believe that Fish and Wildlife Service policy and regulations which withdraw wildlife refuges from mineral entry through executive orders establishing units should be modified in any way? If so, what consideration should be taken into account in making such changes?

A.130. a. I am not sufficiently familiar with this subject.

b. Same as a.

Q. 131. How do you delineate the distinction between multiple use, dominant use, or single use public lands? Do you believe that within wildlife refuges there are priorities which countermand the traditional multiple use concept thereby making the Fish and Wildlife Service a dominant use agency?

A.131. a. Such a delineation is made by Congress in the adoption of legislation, a determination with which I will fully comply.

b. It is my understanding that statute so provides.

Q.132. Do you concur with the view of many wildlife biologists that wilderness designation is an important management tool for many wildlife resources? Do you consider wilderness designation an appropriate tool for sound management of sensitive habitat areas?

A.132. a. Wilderness presents many good values.

b. Yes.

Q.133. The Secretary of the Interior has responsibility for managing all of America's public lands, including substantial Federal lands in the East. For example, many of the national wildlife refuges and some of this country's greatest national parks are East of the Mississippi River.

A.133. Not a question.

Q.134. In your opinion, should these Eastern federal lands be managed any differently than public lands in the West?

A. 134. Same as Answer 31.

Q.135. Generally speaking, there are far less wild lands in the East than there are in the West. Do you believe the Secretary of the Interior has a special responsibility to preserve natural areas in the East?

A.135. Same as Answer 31b.

Q.136. Do you support multiple use of these Eastern national parks and refuges?

A.136. The law outlines the use of parks and refuges.

Q.137. Do you believe there are significant oil and gas, timber or mineral resources in the Eastern parks and forests which should be utilized?

A.137. I do not know.

Q.138. What environmental problems do you foresee may be encountered in developing synthetic fuels?

A.138. There are many studies now underway to determine what ramifications will flow from synthetic fuel development.

Q.139. Do you believe any of BLM's lands should be retained in Federal ownership, or would you favor transferring much of them to the states?

A.139. Same as Answer 42.

Q.140. National Wildlife Refuges are set aside to protect nationally significant habitat for wildlife. What is your attitude toward these refuges?

A.140. Not a question.

Q.141. Do you support any changes in the mining act of 1872 on public lands?

A.141. I am not now proposing any.

Q.142. Do you agree with the Heritage Foundation recommendation that not another acre should be closed to mineral development until one is released, or another acre acquired for parks until an offsetting amount of acreage is sold to private parties?

A.142. I have not read the Heritage Report, but I look forward to doing so.

Q.143. Do you believe that access to courts and regulatory bodies by public interest groups ought to be restricted?

A.143. Public interest rgoups, like all parties, should be subject to strict "standing" and the laws should be amended to prohibit forum shopping.

Q.144. With pressure to reduce the Federal budget, do you anticipate reduced outlays for the Interior Department? If so, where would you look in the Department to make required reductions? Would you favor continuing payments in lieu of taxes to states? How about new programs to aid communities impacted by accelerated Federal energy development?

A.144. a. Yes.

b. As I responded to Senator Murkowski, I have not yet begun to focus on budgetary matters.

c. It is my understanding that such payments are required by law.

d. Same as Answer 35.

Q.145. You have alleged that "sweetheart" lawsuits have been brought by environmentalists against sympathetic officials in the Interior Department to establish easy precedents. How would you handle this problem if the Mountain States Legal Foundation or similar groups bring such cases while you are in office?

A.145. I am opposed to "sweetheart" law suits.

Q.146. What is your attitude toward filling directorships of classic conservation agencies (e.g., National Park Service, Fish and Wildlife Service) with career professionals?

A.146. As I stated in response to questioning during my testimony, I favor the placing of professionals in key positions with the Department.

Q.147. You wrote Secretary of Interior Cecil Andrus on April 12, 1978 that in considering the nation's need for both wilderness and expanded oil and gas development that 'The nation does not have one at the expense of the other." Would you elaborate on this?

A.147. I am a firm believer in the multiple use concepts adopted by Congress.

Q.148. You have been quoted recently in the Denver Post saying you want "to work out programs to improve facilities within national parks." Does that mean you will seek additional funding for that purpose? What kinds of facilities do you have in mind?

A.148. I want to work out programs to improve facilities within the national parks.

Q.149. Do you contemplate changes in BLM regulations pursuant to the Federal Land Policy and Management Act? If so, what nature of changes do you contemplate?

A.149. a. Yes

b. It is my intent to comply fully with the Federal Land Policy and Management Act of 1977 in accordance with a new "good neighbor" policy.

Q.150. What is your policy or view of Interior Department regulations as they relate to energy exploration or development on public lands?

A.150. It is my belief that in general such regulations have been overly restrictive.

Q.151. What is your view of the pricing of Federal water to agricultural areas?

A.151. Same as Answer 38. With regard to existing projects, however, I believe that certain representations have been made and policies followed which require the continued delivery of water at less than fair market value.

Q.152. Will you refrain from personal involvement in any proceeding before the Department of Interior involving MSLF's contributors, their affiliates, or members of its Board of Directors?

Will you provide a list of MSLF's contributors?

A.152. a. Same as Answer 68.

b. The Board of Directors of the Mountain States Legal Foundation has laid down a policy that employees are not to list the contributions to the Foundation. The Board has adopted that policy in light of the fact that other public interest law firms are not required to, nor do they disclose, their contributors.

Q.153. In the litigation in which MSLF was and is, involved, what companies or individuals had a direct economic interest in the position advanced by MSLF? In that litigation, what companies or individuals realized, or would have realized a direct economic benefit if MSLF's position prevailed or substantially prevailed?

Were these companies, their affiliates or these individuals contributors to MSLF?

A.153. MSLF lawsuits deal with public policy, as represented in the strict enforcement of the law, not with the economic interests of companies or individuals.

Q.154. In what states has the MSLF challenged "life-line" rates? Are some of MSLF's contributors utilities operating in those states in which MSLF has challenged life-line rates?

A.154. This question may spring from the successful challenge to the Colorado Public Utility Commission's efforts to establish discriminatory rates. A similar suit was filed in Utah.

Q.155. Would any of MSLF's contributors, their affiliates, or members of its Board of Directors have benefitted directly from MSLF's success in *United States* v. *Douglas Sewer Improvement District No. 1?*

Did any of MSLF's contributors, affiliates or members of the Board of Directors plan to undertake construction projects in the Lake Tahoe area at the time that MSLF became involved in *United States* v. *Douglas Sewer Improvement District No. 1?*

Which ones?

A.155. As a result of the magnitude of the numbers belonging to the Mountain States Legal Foundation, it may well be that some individuals would have benefited as a result of improved public policy due to a Court order. The Foundation, as required by law, has maintained a strict separation between the receipt of contributions and the choice of litigation. The utilization of the Foundation's Board of Litigation for the selection of cases preserves that separation.

Q.156. Would any of MSLF's contributors, their affiliates or members of its Board of Directors have been subject to the proceedings which were the subject of the lawsuit in *Common Cause of Utah* v. *Public Service Commission?*

Which ones?

A.156. Same as answer 155.

Q.157. Were any of MSLF's contributors, their affiliates or members of its Board of Directors required to pay the severance tax which was the subject of *Merrion* v. *Jicarilla Apache Tribe?*

Which ones?

A.157. Same as Answer 155.

Q.158. Would any of MSLF's contributors, their affiliates or members of its Board of Directors have been subject to the disclosure requirements which MSLF challenged in *Mountain States Telegraph & Telephone Co.* v. *Public Service Commission?*

Which ones?

A.158. Same as Answer 155.

Q.159. Would any of MSLF's contributors, their affiliates or any member of its Board of Directors have received a direct economic benefit if MSLF's position prevailed in *Mountain Fuel Supply Co.* v. *Utah Committee of Consumer Services?*

Which ones?

A.159. Same as Answer 155.

Q.160. Who requested MSLF to intervene in the administrative proceeding before the Colorado Public Utilities Commission which led to *MSLF* v. *Public Utilities Commission of the State of Colorado?*

A.160. Homeowners.

Q.161. Would you refrain from personal involvement concerning existing litigation (including settlement proposals) in which MSLF, its contributors, their affiliates or members of its Board of Directors is a party?

A.161. Same as Answer 68.

Q.162. In 1977, the Oversight Subcommittee of the House Commerce Committee held hearings concerning certain personnel actions at the Federal Power Commission during your tenure there, and it characterized them as "illogical" and "unjustified." Do you agree with that characterization? If not, why not? Were you involved in those actions? In what matter?

Did you recommend the removal, transfer or any other action concerning Mr. Russell Mamone or Mr. George Lewnes? If so, why?

Were you familiar with the work of these men?

Did you have any conversations or communications from pipeline companies or natural gas producers concerning the cases in which Mr. Mamone or Mr. Lewnes were involved? What were they?

Do you agree with the Subcommittee's conclusion that the personnel actions hindered the Commission in administering the Natural Gas Act during an emergency?

A.162. This matter was fully investigated, debated, and resolved by a Congressional Committee. Please consult that record.

Q.163. Did you act as a fundraiser for MSLF? What sort of activity did that involve?

A.163. Yes. I traveled throughout the country speaking about the activities of the Foundation.

Q.164. Were any contributions expressly or implicitly conditioned upon the MSLF taking future action? Were they in direct or indirect response to actions taken prior to the contribution?

A.164. No. The receipt of any contribution contingent upon the taking of action by the Foundation would have been a violation of law. The MSLF received no contributions contingent upon the undertaking of our legal action.

Q.165. Eason Oil Co.;
Chorney Oil Co.;
Koch Industries, Inc. (of Wichita, Kansas);
Richard Rich (president of Koch);
Robert Walter (vice president of Koch);
Jim Whisnund (vice president of Koch);
Gilbert Serier;
George Dolezal.

Did you solicit contributions from any of the above parties?

Did any of these parties or their affiliates contribute to MSLF?

A.165. a. MSLF and its friends solicit funds from numerous individuals and corporations by means of mass mailings. I do not know whether solicitations were made of these companies and individuals.

b. Same as Answer 155.b.

Q.166. Concerning *MSLF* v. *Andrus* (the Wild Horse Case), did any of MSLF's contributors, their affiliates or members of its board have grazing rights on public lands, or did they own lands, upon which the wild horses were foraging?

Which ones?

A.166. Same as Answer 155.

Q.167. Concerning *Ward* v. *Colemen* and *United States* v. *Ward*, were any of MSLF's contributors, their affiliates or members of its Board producers of oil who would be compelled by the challenged law to report their own oil spills if any occurred?

A.167. Same as Answer 155.

Q.168. Would any of MSLF's contributors, their affiliates, or members of its Board incur greater operating expenses if MSLF's challenge to EPA regulations in *Montana Power Co.* v. *EPA* is unsuccessful?

A.168. Same as Answer 155. It should be noted that MSLF represented two International Brotherhood of Electrical Workers local unions. The Foundation lost.

Q.169. Would any of MSLF's contributors, their affiliates or members of its Board have had to curtail their operations as a result of the EPA regulation involved in *MSLF* v. *Costle* (Integral Vistas Case)? Which ones?

Would any of them realize a direct economic or financial benefit as a result of MSLF prevailing in that case? Which ones?

A.169. Same as Answer 155.

Q.170. Did the MSLF become involved in *Hillsdale College* v. *Department of Education*

and *Grove City College* v. *Harris* because of a contributor's request? Would the activities or practice of any contributor, its affiliates, or constituent members of a contributor or members of MSLF's Board be directly altered if the Hillsdale and Grove City position, supported by MSLF, is not to prevail or substantially prevail?

A.170. No. Same as Answer 155.

Q.171. As President and chief legal officer of the Mountain States Legal Fund, did you directly solicit funds for the organization? Did you have overall responsibility for the fund raising activities? Are you aware of the persons or organizations that contributed funds?

A.171. a. Same as Answer 163.

b. Yes.

c. Some of them.

Q.172. Are there instances in which MSLF participated in legal proceedings of any kind which also involved contributors to MSLF? If so, please list the legal action and the contributor.

A.172. a. Same as Answer 156.

b. Same as Answer 155.

Q.173. In those cases where a private litigant retained private legal counsel and MSLF interviewed or appeared as an amicus, does MSLF's appearance violate the IRS rule requiring tax exempt public interest law firms to refrain from entering cases in which legal counsel would ordinarily be retained? If not, why not?

A.173. a. No.

b. MSLF was representing public interest issues.

Q.174. In 1978, Congress passed the Outer Continental Shelf Leasing Act Amendments which mandate the use of new, alternative methods of leasing. As Secretary, will you continue to expand the use of these new systems or will you rely on the low, fixed royalty cash bonus system?

A.174. I will comply fully and faithfully with the Outer Continental Shelf Lands Act of 1978.

Q.175. Other nations, notably Great Britain, Norway, and Indonesia, receive from 65 percent to 85 percent of the revenues generated from offshore leases, but the U.S. collects only half that amount. What steps will you take to increase the revenues to the Federal government from federal leases of off-shore properties?

A.175. The Congress has already adopted policy regarding reserves generated from offshore leases, and as Secretary I will continue to enforce that policy.

Q.176. What steps will be taken to insure that small producers will be able to compete with large producers in acquiring leases of both on-shore and off-shore Federal lands?

A.176. The procedures to be followed regarding onshore and offshore lands have already been adopted into law by Congress. I will fully comply with Federal law.

Q.177. Your predecessor has observed that oil companies have drilled tracts they have leased from the government as rapidly as possible. What steps will you take to prevent oil companies from sitting on leased tracts once they have been leased?

A.177. Same as Answer 71.

Q.178. Since the commitment of the Interior Department to proceed with the analysis of DWB projects was part of the quid pro quo for settlement of the lawsuit, will you make sure that this commitment is fully implemented?

A.178. If such a commitment is contained within the stipulations for the settlement agreement, the Department has no alternative but to comply with such agreement.

Q.179. In order to instill confidence that the Project's past opponents will be treated fairly, will you invite their participation both in the scoping phase of the analysis and also in reviewing preliminary findings?

A.179. It is my intention to reach out and seek the assistance of concerned individuals.

Q.180. Section 6 of the BLM's right-of-way grant is likely to be triggered in the near future by Foothills phase II. I understand that many residents in the DWB service area are of the opinion that DWB has not yet implemented any water conservation program which is "effective" within the meaning of Section 6. Will you assure that such a showing be requested and made? Will you invite participation of the public, including past opponents, to assure that the question of whether or not the DWB's conservation program is "effective" is fully and fairly explored?

A.180. If section 6 is indeed triggered, I will ensure compliance with the terms of such grant.

Q.181. The Carter Administration has been criticised for failure to consult meaningfully with Indian tribes regarding appointments and development of policies affecting Indian people. What specific steps would you take to improve consultation with tribes?

A.181. Same as Answer 20.

Q.182. The Secretary of Interior has an enormous amount of discretionary power over tribes, including the authority to review, approve or disapprove varied tribal actions such as ordinances, criteria for tribal membership, grazing leases, and hunting and fishing licenses. President-elect Reagan has stated that "tribal governments must play the primary role in Indian affairs" and that "federal bureaucrats should not interfere with Indian government policy development." How would you use your powers as Secretary of Interior to implement President-elect Reagan's policies?

A.182. Same as Answer 3.

Q.183. President-elect Reagan has stated that "I can assure the Indian tribes that their leadership will have strong advocacy and an open channel of communication in the White House." Would you favor-reestablishing the liaison for Indian Affairs in the White House?

A.183. Same as Answer 3.

Q.184. Do you support the continuation of the positions of Assistant Secretary for Indian Affairs and the Commissioner of Indian Affairs?

(If yes, skip next question)

If not, what alternative structure for highlighting the importance of the trust relationship within the Department of Interior would you propose, taking into account President-elect Reagan's statement that any such reorganization "will be taken only after full consultation with Indian leadership?"

A.184. Same as answer 5.

Q.185. Your brief in Pyramid Lake states that however badly the Secretary of Interior protects the tribes' rights and interests in court, the tribes are bound by subsequent decisions. It is the Secretary's responsibility under the trust relationship to fully protect the tribes' rights and interests in court. How will you as Secretary carry out this responsibility and ensure that the tribes' rights are fully represented and protected in court?

A.185. As I indicated during my appearance before the Committee, to the degree that there is any conflict between briefs filed at the Foundation and my statutory responsibilities, my loyalties are to my commitment to President-elect Reagan.

Q.186. Your brief in Jicarilla Apache stated that "precise delineation of tribal sovereignty is of utmost importance to the nation." As Secretary, it will be your responsibility to enter into cases to protect the tribes' rights and reaffirm sovereignty. President-elect Reagan has stated his support of tribal sovereignty. As Secretary, would you try to impose or recommend limits on the extent that tribes can exert sovereignty?

A.186. I fully support President-elect Reagan's statement and his policies.

Q.187. In your Jicarilla amicus brief, you stated that the Supreme Court must decide whether tribal energy development taxation is compatible with the Congressionally mandated national energy policy. President-elect Reagan has stated that "tribal governments should have the right to determine the extent and the methods of developing the tribe's natural resources." Taxation is used by states and tribes to govern the pace and manner of energy development as well as to generate revenue. If the Supreme Court upholds tribal taxation authority, will you support such taxation?

A.187. I will of course abide by the decisions of the Supreme Court.

Q.188. On June 12, 1980, the Interior Department put into effect a new "Policy Regarding Relationship with Tribal Governments." This policy has been universally condemned by Indian tribes because of its development without tribal consultation, including failure to announce it in the Federal Register, as required by law, and the drastic sanctions against tribes which it sets forth to be invoked whenever the Department unilaterally decides that a tribe has violated the government-to-government relationship with the United States. In light of President-elect Reagan's stated support for tribal sovereignty and self-determination and respect for the trust relationship, would you favor withdrawal of this policy?

A.188. I fully support the position of the President-Elect.

Q.189. What is your understanding of the nature and extent of Indian water rights?

A.189. Same as Answer 11.

Q.190. Do you support the Supreme Court's definition of Indian water rights in the Winters case?

A.190. Same as Answer 11.

Q.191. President-elect Reagan has stated his belief that the "inherent water rights of the Indian tribes is a vital key to true and lasting economic development." What specific steps will you take to protect such water rights?

A.191. Same as Answer 11.

Q.192. Do you favor continuation of the present Federal government policy to support Indian tribes' attempts to insure that their water rights are adjudicated in federal rather than in state courts?

If so, would you support modification of the McCarran Amendment to provide specifically for exclusive adjudication of Indian water rights in Federal court?

If not, what steps would you propose to insure that Indian water rights are fully protected?

A.192. a. I am not familiar with the details of this particular issue.

b. Same as Answer a.

c. Same as Answer 11.

Q.193. You have indicated support for the "Sagebrush Rebellion's" policies of turning Federal land over to states. Would you also be in favor of transferring Federal land to tribal ownership?

A.193. Same as Answers 42 and 44.

Mr. FORD. Mr. President. I think if all Senators will have an opportunity to read the answers to these questions they will understand the debate of the distinguished Senator from Arkansas.

Mr. BUMPERS. I thank the Senator from Kentucky.

I yield such time as the Senator from California may choose to use.

Mr. CRANSTON. I thank the Senator very much. I will be very brief.

Mr. President, the Secretary of the Interior is the chief conservation officer of the Federal Government. During the past several decades Interior Secretaries of

both parties have consistently supported land preservation and conservation. The nomination of James Watt to be the Secretary of the Interior demonstrates a significant departure from this pattern.

In his 3 years as president of the Mountain States Legal Foundation, Mr. Watt has been an outspoken opponent of environmental protection efforts by the Federal Government. He has denounced environmentalists and called them the "greatest threat to the ecology of the West."

As Secretary of the Interior, Mr. Watt would have very broad discretion over the management of our public lands. He will have to make choices involving the preservation of our Nation's scenic treasures and the development of publicly owned mineral resources.

I could find nothing in the Senate Energy and Natural Resources Committee hearing record to reassure Americans who support land preservation and conservation that Mr. Watt would protect the public lands not only for them but for future generations. He gave no indication how he would find the balance between resource conservation and resource development. There is, of course, nothing wrong per se with supporting development interests. It is often very appropriate to support them wholeheartedly. But I question whether a man with this kind of background and commitment to business interests is the best choice for the particular post of Secretary of the Interior.

For these reasons, I have decided to vote against the nomination of James Watt for Secretary of the Interior.

Our only reasonable guide to a nominee's future comportment is his past activities. But history is replete with instances of Cabinet officers who have shaken off their past parochial or partisan biases and conducted their offices according to the highest standards of the public good.

In casting my vote in opposition to James Watt, I hope only to encourage such a transformation. I bear him no ill-will. Quite the contrary, I wish him the very best in his new responsibilities and I stand ready to work with him whenever possible to preserve and protect the components of our environment which are the lifeblood of our planet.

Mr. BUMPERS. Mr. President, I yield to the Senator from Nebraska 5 minutes.

Mr. EXON. Mr. President, I thank my friend from Arkansas for yielding.

Mr. President, I rise to address the nomination of Mr. James Watt as Secretary of the Interior. I seek neither to praise nor to bury this nomination, but only to express my concerns and to outline the long-term goals which this Senator from the State of Nebraska believes should be the appropriate quest of the Department of the Interior.

I may support the nomination of Mr. Watt, but if I do it will not be without reservations. I am inclined to support his confirmation because the President wants Mr. Watt for this important Cabinet position. Since the role of a Cabinet officer is to implement the policy of his President, the President is entitled to a great deal of deference with regard to his preferred choice. As a former Governor, I can appreciate the need for executive officers who can reflect the policy wishes of the Chief Executive. The responsibility for the actions of the Cabinet then rests squarely upon the shoulders of the Chief Executive, where such a burden properly belongs.

Nevertheless, Mr. Watt has aroused the concerns of some who fear that he may not be committed to those environmental values which the Congress has traditionally sought to protect.

The Secretary of the Interior has the primary responsibility for America's natural resources and the environment. As the pressures for accelerated energy and economic development proceed through this Nation, those resources which all citizens of this country share in common—the air, the water, and our public lands—must be conserved and enhanced by and for every generation of Americans today and tomorrow. An intelligent chief steward of "Spaceship Earth" must strive to achieve a balance between our immediate needs and our conservation goals. This will require that the Secretary of Interior be a forward-thinking person who will serve the interests of all Americans today and, where the environment is considered more important, the future.

Mr. President, it is true that many Federal policies and regulations exist which unnecessarily burden our economic progress and the development of our energy resources. I believe the executive branch and the Congress must aggressively identify and eliminate these unnecessarily burdensome controls. On the other hand, I hope that the new Secretary and the Congress will review in detail the policies and programs of the Department in order to assure a proper compensation to the Treasury, and therefore, the taxpayer, for the removal and depletion of the people-owned resources. The protection and evenhanded management of this Nation's resources is not guaranteed without vigilance, especially on the part of the Secretary of the Interior.

The American people have come to realize that a blind neglect of the environment, in the name of progress, carries with it economic, social, and health costs which are unacceptable. The air we breathe is indeed the breath of life itself. The water we drink and employ is a depleting resource. Our rivers, parks, recreational areas, and reserves are a sacred trust for mankind and the other God-created living things. The land which nourishes us with food is the substance of life for which there is no substitute. The world we live in can be destroyed by its inhabitants.

In this light, Mr. President, I am proud to say that my own State of Nebraska is the home of the National Arbor Day Foundation which seeks to preserve our appreciation of the environment. Nebraskans are dependent upon the State's natural resources, being an agricultural State. We have recognized the need for a balanced environmental policy and, I believe have demonstrated that environmental protection and economic progress need not be mutually exclusive, but can be equal objectives within the same overall goal.

This Senator anticipates that Secretary Watt may demonstrate by actions, and not just his words of record, that he will seek and implement a truly balanced policy, giving proper weight to both our fragile environment and our need for economic and energy development. The Senate and the Nation cannot expect, accept, or afford anything less.

I yield back the remainder of my time to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I yield such time as the Senator from Ohio may choose to use.

The PRESIDING OFFICER (Mr. QUAYLE). The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I think that every Member of the minority came to Washington this term committed to the concept that we wanted to vote for the new President's Cabinet appointees. I know that that was the point of view that I took, that I have, and I have attempted to follow that position and, as of this moment, I have voted for every Cabinet nominee.

But I believe that sometimes you just have to recognize the reality of the situation. In a situation of this kind I think it just goes beyond the point of expecting to go along, be a person to go along, with the nomination of James Watt.

Mr. Watt's nomination deeply disturbs me. It is interesting to me that two of the previous speakers indicated that they had reservations and they had concerns, but they will go along and vote for him.

I do not expect there to be many votes against Mr. Watt because it is difficult to vote against a Presidential nominee. There are some reservations about doing it, but Mr. Watt, the designee for Secretary of the Interior, has in his previous Government positions and, most recently, as president and chief legal officer of the Mountain States Legal Foundation, challenged too many of the laws and programs which he will now be asked to enforce as Secretary of the Interior.

It is one thing to say that we should be concerned about some of the issues about which we would expect nothing less from the new President's appointees. But this is an appointee who has alined himself with the special interests, oil companies, gas companies, coal companies, utilities, every group which seeks to develop Federal lands for their private gain.

He has repeatedly stated his antagonism to environmental and conservation organizations which are actively involved in policies administered by the Department of Interior.

For all of these reasons I have decided to oppose the nomination of Mr. Watt as Secretary of the Interior. I believe that his nomination sends exactly the wrong signal to the country. It is not merely a modification of existing policies; Mr. Watt's nomination represents a massive shift away from conserving our natural resources and toward turning public lands over to private interests. I believe that signal is bad for the Interior Department but, far more importantly, it is bad for the country as a whole.

As Secretary of the Interior, Mr. Watt will be the trustee of our public lands.

His decisions affecting our national forests, our scenic rivers, our precious resources will have a major impact on our children and grandchildren.

There are many Cabinet appointees whose appointments cannot and will not have a long-range impact. But the decisions that Mr. Watt makes may affect all of our descendants for years into the future.

The Washington Post had an editorial on December 23 which very aptly states the issue. Said the Washington Post:

In short, there are few if any appointments Mr. Reagan will make where the official's ability to make sound and balanced judgments will be felt for so long after he is gone.

Mr. Reagan's appointee will also have a long and honorable tradition to answer to: Republicans from all ideological corners of the party have been shapers of farsighted Interior policy for more than 100 years. Yellowstone National Park, the country's first, was created by Republican President Ulysses S. Grant. Theodore Roosevelt's proudest achievement was the vast acreage he added to the system. Gifford Pinchot, the father of modern forestry, was the first to recognize that development and preservation could and should coexist on public lands. More recently, Republicans like Russell Train, Walter Hickel, William Ruckelshaus, and Rogers C. B. Morton have added to the record of prudent management.

The president-elect has said that he is looking for someone to balance "environmental extremists," but in naming James G Watt he appears to have gone to an opposite extreme and chosen someone who has demonstrated little understanding of the Interior Secretary's role as trustee, on behalf of the public, of the bulk of the Nation's natural resources.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Dec. 23, 1980]

THE JOB AT INTERIOR

The job of the secretary of interior boils down to a balancing of fiercely conflicting claims on publicly owned resources. The secretary has to reconcile his duty to preserve the country's remaining wilderness with the needs for recreation and land of a growing population. As protector of wildlife and endangered species, he also oversees an invaluable genetic reserve, but one whose preservation often conflicts with immediate human needs. He is in charge of biological resources—from the grazing lands of the West to the valuable fisheries of the coasts—where immediate production and long-range productivity dictate different handling. Above all, he must manage the vast federally owned lands, trading off the country's pressing interest in energy and mineral resource development with all of these, and more.

Never have the resources in Interior's jurisdiction been under greater pressure than they are now. Western coal mining is beginning a period of explosive growth. Oil shale and other synthetic fuel projects are leaving the drawing boards. Everywhere in the West the water supply is dwindling, threatening agriculture, ranching, energy development and even everyday living. More and more Americans are flocking to overburdened national parks and wilderness areas. More and more plant and animal species are threatened with extinction. In short, there are few if any appointments Mr. Reagan will make where the official's ability to make sound and balanced judgments will be felt for so long after he is gone.

Mr. Reagan's appointee will also have a long and honorable tradition to answer to: Republicans from all ideological corners of the party have been shapers of farsighted interior policy for more than 100 years. Yellowstone National Park, the country's first, was created by Republican President Ulysses S. Grant. Theodore Roosevelt's proudest achievement was the vast acreage he added to the system. Gifford Pinchot, the father of modern forestry, was the first to recognize that development and preservation could and should coexist on public lands. More recently, Republicans like Russell Train, Walter Hickel, William Ruckelshaus and Rogers C. B. Morton have added to the record of prudent management.

The president-elect has said that he is looking for someone to balance "environmental extremists," but in naming James G Watt he appears to have gone to an opposite extreme and chosen someone who has demonstrated little understanding of the Interior Secretary's role as trustee, on behalf of the public, of the bulk of the nation's natural resources. In remarks at yesterday's press conference, Mr. Watt professed to be keenly concerned with balancing the claims on the department in a judicious way. But his background proclaims him to be an undiscriminating advocate of private development interests and a man with an overriding bias in favor of immediate exploitation of resources rather than long-range management.

Sound policy grows in part from the tension between competing views. In any administration, regardless of its philosophical bent, Interior should be speaking on behalf of concerns different from, for example, those of the departments of energy, commerce and agriculture. Judging from the available record, it does not seem likely that it will do so under Mr. Watt's guidance.

Mr. Watt will oversee policies involving the preservation in development of land owned by the Federal Government. He will be involved in such highly controversial matters as offshore oil and gas leasing, an area where we are supposed to have competitive bidding by reason of an enactment of the Congress.

I am concerned that if Mr. Watt follows the policies that he has followed to date in taking competitive bidding procedures in the Department of the Interior, I doubt that he will follow the law in that respect.

He will be involved in coal development, national parks, and recreation, scenic rivers, national historic preservation, and numerous other issues.

In dealing with these issues, Mr. Watt has stated that he will attempt to strike a balance between competing values and interests. Unfortunately, Mr. Watt's past record does not demonstrate a concern for balance. Instead, he has placed himself forthrightly in the position of advocating the development of public lands by private firms, often large oil, gas, and coal firms, and large utilities.

Mr. Watt has shown little interest in the value of preservation for our future generations. He has shown little evidence of a need to manage public lands in a way to insure that leases will be granted through a competitive framework open to small and large firms alike. Mr. Watt has given us his verbal assurance he will seek a balance, but that assurance has not been supported by his past actions. As an editorial in the New York Times stated on January 6:

Mr. Reagan clearly intends to push the pendulum back toward development. But in Mr. Watt he may have chosen an extremist interested in pushing it right off the clock. Mr. Watt speaks of the need for balance, yet in his recent work at the Mountain States Legal Foundation in Denver, he and his lawyers have almost all supported developers against regulators and protectors of the environment.

The New York Times editorial continues:

If that is an indication of Mr. Watts enduring beliefs, the Senate should be wary of confirming him. The job at the Interior requires judicial balancing of competing interests, not single-minded extremism on behalf of economic development.

And that question of extremism brings me to the point of this entire nomination, because I think nobody could have expected the President-elect or the President to have appointed someone to this position who would have been an all-out environmentalist. That would not have been what could have been anticipated in view of the election results.

But when the New York Times talks about Mr. Watt as being an extremist, I think that they are picking the pick of the crop. I think that he is the total, total representation of exactly what you do not need in Government, and that is somebody to the farthest right, the farthest left, the farthest extreme on any issue. And when you get that, you very seldom get the best of Government.

This is the same man who, since 1977, has served as president and chief legal officer of the Mountain States Legal Foundation. In that role, he has thrown off any pretense of attempting to "balance" competing interests. He has become an open advocate for those interests who seek to develop public lands.

While acting in that capacity until just the past few weeks, Mr. Watt was involved in a great number of legal cases filed against Federal agencies, including 13 that directly involved Interior Department policy.

In addition, Mr. Watt's organization is funded by contributions from private corporations, including many major energy corporations that will benefit from policies that Mr. Watt will administer at Interior.

Both of these areas—legal activities and private contributions—raise very serious questions about the conflicts of interest that Mr. Watt will be facing every day while he is in that office.

As Interior Secretary, will he be able to disassociate himself from his role as the leader of an active advice group? Can he change overnight from the role of an advocate to that of a balancer? As a matter of fact, has the purpose or objective been served when he recuses himself from a case or any particular group of cases? Because the fact is that the decisions that he will be making every day of the week are the decisions that will be having a direct impact upon those very persons and groups that he was representing as legal counsel, that he was speaking for in connection with the Mountain States Legal Foundation.

I have serious doubts that this man, who has taken such a strong advocacy position, can be expected to switch hats

so easily and suddenly be the representative of the people of this country.

Let us look briefly at those concerns. With regard to legal activities pursued by the Mountain States Legal Foundation, it is evident Mr. Watt was not merely an attorney hired to argue a client's case—I am an attorney and I understand that concept—but Mr. Watt is the man who decided which cases to file and how those cases should be argued. He was the client as well as the attorney. He was the decisionmaker. He was the president and the chief legal officer.

Mr. Watt told the Energy Committee during nomination hearings that specific cases were pursued in "the public interest," but clearly many of those cases pursued by MSLF—and Mr. Watt argued many of those cases himself—directly benefited special interests, not public interest.

Within its short existence, the legal fund has found itself to be the darling of a number of special interests who wish to and who do develop Federal lands for their own profit.

As an article in Western Oil Reporter stated:

Petroleum industry interest and participation in the Foundation is evident.

During the nomination hearings, Mr. Watt consistently refused to reveal the private interests who contributed to the MSLF and who benefit from MSLF actions. What is so secret about it that he is unwilling to advise the committee or the Members of this Senate or the American people who those contributors were?

But a recent article in the Scramento Bee confirmed that the foundation does indeed receive financial support from oil companies, mining firms, utilities, and other companies with a stake in the development of Federal public land.

The Bee reporter confirmed this list by talking directly to the contributors themselves. These are some of the contributors that Mr. Watt was not willing to identify to the members of the Energy Committee. To list just a few of those who contributed to MSLF according to the Sacramento Bee: They included the Coors Foundation, which gave $25,000 in 1980, owned by the Coors family. The Coors family is developing a major brewery in the Shenandoah National Park in Virginia and is also involved in energy development on Federal lands.

Will Mr. Watt not have difficulty in looking at issues concerning the Coors family and their interest as the Secretary of Interior?

Western power companies such as Chaco Energy Co., which is seeking Interior Department permits to mine 320 million tons of coal was another contributor.

Other power companies that have contributed to MSLF include the Texas Utilities Co. of Dallas and the Nevada Power Co., which needs Interior Department approval to develop coal mines in Utah.

Another contributor, according to the Sacramento Bee, Chevron USA, the domestic subsidiary of Standard Oil Co. of California; Boise Cascade Corp., a major timber, paper, and building materials firm, another contributor; Day Mines of Wallace, Idaho, one of the Nation's largest precious metals mining company; the Rocky Mountain Oil and Gas Association, a Denver-based trade group; Hawthorn Oil Co., of Casper, Wyo.

Mr. President, I do not think there is anything venal, evil about any of those groups contributing to the MSLF. But I think it is significant that this man at his confirmation hearing was unwilling to share the names of those contributors with the members of the committee, with the Members of the U.S. Senate, who had asked him to do so, and with the American people. We have learned about these contributions, but not from Mr. Watt himself.

We are asked here today to confirm Mr. Watt. We in fact do not know what possible conflicts of interest may arise from such contributions. I am concerned that Mr. Watt's refusal to reveal that list means that we do not have the full and complete information we should have in making this decision. If there were no other reason to vote against Mr. Watt's confirmation, that alone, would be sufficient cause to do so. And again I want to point out it is not just the question of Mr. Watt having been the attorney for this group, he was the president and chief executive officer as well.

I am also concerned with the potential conflicts of interests that may develop when Mr. Watt, as Interior Secretary, becomes involved in cases and policies in which he has been involved as the head of MSLF.

I understand he is going to recuse himself from those cases and from future MSLF cases. But the fact is, as I previously mentioned, he will be taking part in the policy issues which surround those cases, and some decisions that he will be making on Monday will have a total impact upon his former clients. He is not stupid. He can understand full well that Monday's decisions, Tuesday's decisions, Wednesday's decisions may have a much greater impact than merely the particular issue before him on that day.

In one case, Mr. Watt and the MSLF attempted to hold officials of the Bureau of Land Management and the Department and the Department of Interior personally liable for damage to private as well as public lands from the numbers of wild horses which are loose. This legal challenge was obviously designed to have a "chilling effect" on Interior Department employees.

A question that I believe can appropriately be asked is, Does Mr. Watt still believe that Interior Department employees should be held personally responsible for Government decisions? Does that also apply to the Secretary himself? Does it mean that he thinks they ought to make different kinds of decisions because they may be held personally responsible? What kind of effect will this have upon Mr. Watt as Secretary of the Interior when he has filed suit claiming that employees of the Bureau of Land Management and the Department of the Interior are to be held personally liable for their actions?

I suspect Mr. Watt may change his ideas on that case, but I do not know that and you do not know that.

In another legal case, Mr. Watt and the MSLF attempted to open up the Palisades Roadless Area on the Wyoming-Idaho border and the Deep Creek Roadless Area next to the Bob Marshall Wilderness in Montana for oil and gas leasing. This action was taken even though the Forest Service has rated both areas as "highly environmentally sensitive" because of the presence of endangered species, steep slopes, unstable soils, and the difficulty of reclamation. But that did not bother Mr. Watt.

In another case, Mr. Watt and the MSLF attacked the legality of a plan to phase out motor boats in the Grand Canyon National Park. The case attempted to negate the plan which resulted from an earlier case brought by the Sierra Club. The MSLF action would benefit who? Park concessionaires; not the public, not the people who want to use the park.

There are other such cases, too many to mention, in which Mr. Watt has been involved in his role as chief legal officer of the Mountain States Legal Fund. Each of these cases benefits specific private interests, whether they be concessionaires, landowners, or oil and gas interests. Mr. Watt will take part in these same general policy issues in his new duties as Interior Secretary, even if he is not involved with MSLF cases. I am concerned that this will lead to conflicts of interest as these issues are decided at Interior.

The decision just last month by Mr. Watt and the Mountain States Legal Foundation to intervene in a case challenging the Federal strip mining law demonstrates the types of conflict of interest that are likely to develop if Mr. Watt is confirmed as Secretary of Interior. The MSLF Amicus brief, which lists Mr. Watt as attorney, was filed with the Supreme Court on December 19, 1980—after his name had already been mentioned as a possible nominee for the Interior Department position. I ask that you take note of the date.

What is the basis for that Amicus brief? The following is a quote from the summary of the argument:

In various provisions of the Surface Mining Act, Congress has usurped State government functions and exceeded the commerce power. This overreaching by the national government is only one instance of a continuing trend towards centralized decision making that threatens to destroy the Federal structure of government in America.

Mr. President, this is the man who will have the responsibility for enforcing the provisions of that same Strip Mining Act. Can we look to that man who filed a brief on December 19, 1980, questioning the propriety of the Federal Government's involvement, to enforce a Federal enactment that this Congress passed not too long ago?

Mr. President, I believe this is a good example, the strip mining case, of the kinds of conflicts that are likely to develop if Mr. Watts is confirmed. The case purports to be filed in the public interest—that is a good joke—but in fact it would benefit major coal companies who

have contributed to MSLF. Based on the July 15, 1978 MSLF contributors list, 25 major contributors—defined as those who have contributed $500 or more—owned 232 of the approximately 550 Federal coal leases, 71 of the 176 pending preference right lease applications and 8 of the 10 outstanding leases of Indian coal.

But that is not all. The MSLF contribution list also includes major coal mine operators, the suppliers of component parts for mining and associated ventures, as well as utilities that consume coal.

The MSLF is not a public interest group; it is a special interest organization and Mr. Watt was their spokesman, their president, their chief legal counsel.

I believe this case just mentioned raises a number of major questions concerning Mr. Watt's ability to conduct his duties as Interior Secretary fairly and impartially.

How will Mr. Watt deal with policies affecting those companies and individuals who have contributed to his foundation in the past few years? The answer is that we do not even know who those contributors are, except as we have been able to piecemeal and put together some of the names.

How will Mr. Watt deal with the gamut of issues surrounding enforcement of the Federal Strip Mining Act? Is it possible for the public to believe that he will enforce the law aggressively now that he has filed a court suit to challenge the basis of that law?

Or will he be back here in the Congress within weeks, telling us how to change the law?

In administering the Surface Mining Act, Mr. Watt will be involved in renegotiating royalty rates. He will decide whether preference right lease applications should be granted. He will grant rights-of-way across Federal land so tracts can be developed. He will set the ground rules for leasing of Indian lands.

So I believe it is fair to ask how Mr. Watt will deal with these issues. We already know that he is opposed to the Strip Mining Act. Under his agreement, he will recuse himself from involvement in the specific MSLF legal case. But will he also remove himself from policy deliberations on these same issues that arise within the Interior Department?

Of course he will not.

As a matter of fact, if he decided to do that in every instance in which it might have some impact upon the former contributors and the people with whom he was associated at the MSLF, he would not have to go to work on any Monday of any week because he would not have anything to do. Almost every decision he makes will have some impact upon the MSLF crowd.

I am concerned about the specific cases I have cited and about the potential that exists for numerous conflicts of interest. But I am equally concerned about the public perception that will persist when Mr. Watt is confirmed. Mr. Watt is a man who had strongly advocated an extreme conservative ideology. He has opposed many of the laws he will be asked to administer. He has taken legal actions that benefit specific private developers and special interests.

As far as I know, everything he has done has been entirely legal and proper, and I have no questions about that. But the real issue is, even putting aside the question of whether he should or should not have been appointed, what will the public perception be of this man who has fought environmental protection throughout his entire private career?

What will the public perception be? Inevitably, the public will see the Interior Department now as the haven for special interests and private developers.

Mr. President, I am opposed to this nomination. I think it should not have been made in the first instance. I believe it is an extreme shift of our policies toward conserving and managing our natural resources.

I wish that I could stand here and say that I believe that the Senate might not confirm him. I present my remarks knowing full well that the Senate is going to confirm him, but I have the very strong feeling that it is imperative that those of us who have these concerns send a message to Mr. Watt that we will be watching, that we in our oversight responsibilities will try to bring to the public's attention any instance in which there is an obvious conflict of interest.

I hope that Mr. Watt serves and serves well. I believe the American people will want him to do that.

I hope he finds the balance he talked about when he appeared before the Energy Committee. But there is very little in his past history that is reassuring in that respect.

For that reason, I will be one of the very few who expect to vote against the confirmation of this nomination.

Mr. KENNEDY. Mr. President, who has control of the time for the opposition?

Mr. CRANSTON. Mr. BUMPERS has, and on his behalf, I yield time to the Senator from Massachusetts.

The PRESIDING OFFICER. Does the Senator from Arkansas yield time?

Mr. BUMPERS. I yield the Senator from Massachusetts such time as he may need.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I join several of my colleagues in opposition to this nomination.

I believe that the President should have wide discretion about choosing members of his Cabinet, because the President must rely upon those individuals for policies of the administration. I believe, as a general matter, that presidential nominations should be approved by the Senate.

Yet, there are occasions when the nominee, as an individual, is so completely identified with policies contrary to the public interest that policy questions overcome the presumption in favor of Cabinet nominations.

That is the case with Secretary of the Interior-designate James Watt. Mr. Watt has a long history of advocacy for special interests against the public interest. I have very serious doubts that he can carry out the duties of Secretary of the Interior in a fair and equitable manner that is sensitive to environmental concerns.

During his tenure at the Mountain States Legal Foundation, Mr. Watt was far more than a mere lawyer representing clients. Rather, he was the representative of a small group of interests seeking dominance over the Nation's public lands and public resources. While Mr. Watt and his backers in the energy and banking industries call the MSLF a "public interest" organization, the facts refute that claim. The Mountain States Legal Foundation could more accurately be called a private interest organization.

There is little indication on the record that Mr. Watt followed the normal criteria of public interest law firms in accepting clients.

Mr. Watt's clients were not poor.

They were not without representation or the resources to afford it.

Rather, the tax exempt foundation headed by Mr. Watt represented the interests of clients such as Exxon, Arizona Public Service, and American Metal Climax. The obvious test Mr. Watt used in accepting such clients was whether they agreed with his philosophy of shifting control and ownership of public lands into private hands as quickly as possible, and at the lowest possible cost to the private interests.

As a private advocate, Mr. Watt has continuously criticized Government. But the record shows that his real concern was to shape a Government that was very active indeed—for the powerful and against the powerless.

He fought against Federal aid for high school dropouts, but he supports Federal aid for giant industries.

He fought against lower utility rates for the elderly and the handicapped, but he sought a higher valuation for utility property and higher utility rates. Those matters have been gone over by many Senators who come from that part of the country, where his decisions will be of enormous significance and importance.

During the next 4 years, the Secretary of the Interior will be confronted with decisions that may reshape the face of half the United States for countless years to come.

Will our abundant coal be mined responsibly, or will it be ripped from the ground in a heedless manner that litters the land with a new generation of ghost towns?

Will we develop the technology to tap offshore oil reserves safely, so that the oil ends up as gasoline in our cars, rather than as oil spills poisoning our coastal waters and destroying our most important fishing grounds?

Mr. President, this is an area of enormous concern to those of us in the New England area—the role and power of the Secretary of the Interior in the development of resources and the protection of our resources, not only our mineral resources but also our fishing resources. Twenty-five percent of the world's fishing resources exist off the coast of the United States. The greatest percentage of that is off Georges Bank. Over the period of the past years, there has been a

long and continuing dialog about how the oil resources can be developed, but developed in such a way as will be sensitive to an industry which is valued at approximately $1 billion a year.

The best estimate of the amount of oil or natural gas that would come from the development of Georges Bank is 9 days of use by the United States. Yet, we are talking about a fishing industry that is valued at approximately $1 billion a year. So we have an enormous interest in the decisions that will be made by the Secretary of the Interior, as well as decisions in other parts of the country where they have a strong interest in public lands.

Will Alaska's North Slope survive as an irreplaceable national treasure, or will it be sacrificed to reckless energy speculation?

Will Amercia's great national park remain oasis of beauty and natural wonder, or will they become congested, overdeveloped remnants of a once proud national heritage?

This is of great importance, not only to those who represent Western States but also to those who represent industrial areas, where the limited open spaces are of greater value, such as in our Eastern areas.

Will all of us continue to be involved in national land policy, or will a few private interests be permitted to overexploit the public lands?

These are among the questions the new Interior Secretary will have to face. Any Secretary should understand that there are no easy answers.

The Secretary of the Interior is more than a landlord and a business manager for the United States. The Secretary of the Interior must be a guardian of our national heritage and a caretaker of our national spirit.

On the record before us, I believe that Mr. Watt has not demonstrated that type of commitment, that type of concern, that type of deep understanding of those needs.

I know that he made representations before the committee that considered his nomination. I take not only his public record and his statements, which I will take in good faith, which he made before the committee, but also I take his service on the Federal Power Commission, where he served for a year and a half and where, with only three exceptions, he sided with the major special interests, the oil companies and other special interests.

I believe it is appropriate for us to consider the Mountain States Legal Foundation and its record in considerable detail for an indication of the attitude of Mr. Watt, and it is appropriate for us to consider his record on the Federal Power Commission.

Mr. President, I believe that this nominee fails to meet the basic presumptions which should be available to a President when he appoints a member of his Cabinet. So, when the time comes to vote, I shall exercise my constitutional responsibility to "advise" as well as "consent" by voting not to confirm the nomination of Mr. Watt to be Secretary of the Interior.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. I yield 5 minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. I thank the distinguished floor manager.

Mr. President, I wish to state the considerations involved in my decision to support the confirmation of Mr. James G. Watt as Secretary of the Interior.

The position of Interior Secretary is uniquely important to Colorado. The person who occupies that position will have a major influence on the future of my State. In the next few years, the Secretary of the Interior will play a crucial role in many decisions critical to Colorado, including:

Whether to issue additional leases for the development of oil shale on Federal land, and, if so, under what terms and conditions those leases should be issued; these decisions will have a great influence on the pace and scale of oil shale development, and therefore on the future quality of life in Colorado;

How to manage the vast tracts of Colorado land under the administration of the Bureau of Land Management, the National Park Service, and the Fish and Wildlife Service; these management decisions will determine, among other things, whether we increase the rate of development of our Federal reserves of oil, natural gas, coal, uranium, and geothermal energy resources;

Whether to recommend to Congress new wilderness designations for lands administered by the Bureau of Land Management;

What new water projects should be constructed to enable Colorado to use its full interstate compact water allocations;

How to resolve possible conflicts between water development for new energy requirements and protection of historic agricultural demands and uses; and

How to protect air quality, particularly as it is related to national parks and wilderness areas.

Because these and similar decisions are so important to Colorado, I have carefully reviewed Mr. Watt's qualifications for this job. I have gathered and studied the information in the public record about Mr. Watt. I have met personally with him, discussing the issues facing the Department of the Interior. Through the courtesy of Senator McCLURE, the chairman of the Committee on Energy and Natural Resources, I participated in the committee's hearing on Mr. Watt's nomination, even though I myself do not serve on the committee. I also submitted to Mr. Watt a series of specify policy questions.

Although the position of Secretary of the Interior is in many ways more critical to Colorado than other Cabinet positions, the same criteria for confirmation apply as to other nominees. A President must have considerable leeway in the selection of the people who will serve him. The Senate's constitutional mandate to advise and consent in the selection of the Cabinet does not give each Senator a right to try to impose on the President the Senator's personal judgment about specific policy positions which Cabinet nominees must adopt to be confirmed. Instead, Senate confirmation of a Cabinet nomination should serve as a guarantee that the nominee meets the threshold requirements for service in the Cabinet: Personal integrity, a freedom from major conflicts between public duties and personal interests, and an ability to perform the job of Secretary in a competent and responsible fashion. Because the presumption is strong—and properly so—that the President should be able to rely on the people of his choice, a Senator must meet a strong burden of proof that a nominee does not satisfy these three threshold requirements to justify a vote of no confidence.

By these standards, Mr. Watt is sufficiently qualified to merit support for his confirmation as Secretary of the Interior.

First, by reputation the nominee is of high moral character and personal integrity. No question has been raised concerning his character or personal standards as a public servant.

The second major requirement for a Cabinet Secretary is a freedom from potential conflicts between public duties and private interests. This is an especially important requirement in the case of Mr. Watt, who as Secretary of the Interior could be called upon to make decisions on issues which might involve the Mountain States Legal Foundation, which he founded and now heads. I am pleased that Mr. Watt, with the assistance of Senators McCLURE and JACKSON, the chairman and ranking minority member of the Committee on Energy and Natural Resources, broadened the original guidelines under which he will excuse himself from Interior decisions involving the Mountain States Legal Foundation. This agreement now covers the most obvious cases in which Mr. Watt would have conflicts between the exercise of his authority as Secretary and his previously relationship with the foundation. We have a right to expect that Mr. Watt will be careful to avoid even the appearance of any conflict of interest in all of his activities as Secretary, including any matters not clearly covered by the general terms of the agreement he worked out with Senators McCLURE and JACKSON.

Third, the record supports the conclusion that Mr. Watt will be able to perform the job of Secretary of the Interior in a competent and responsible manner. This determination involves two different matters: First, whether Mr. Watt's professional experience gives him the knowledge and skills necessary to be Secretary of the Interior; and, second, whether Mr. Watt's has demonstrated that he will competently, fairly, and responsibly carry out his duties.

Mr. Watt has the professional background to be Secretary of the Interior. He has served previously in major positions of responsibility within the Department of the Interior, the Federal Power Commission, and the staff of the U.S. Senate. In his private capacities with the chamber of commerce and the Mountain States Legal Foundation, he has been involved in resource issues.

However, Mr. Watt's record of previous statements and positions on resource issues—especially during his tenure as president and chief legal officer of the Mountain States Legal Foundation—has raised serious questions about his ability to balance fairly and responsibly the Department of the Interior's various mandates, especially the often conflicting mandates of protecting the environment and developing our natural resources. At the Mountain States Legal Foundation, Mr. Watt has served as an advocate of resource development and an opponent of environmental protection in a way that would be completely inappropriate for a Secretary of the Interior.

Mr. Watt and I discussed this matter at some length during our private meeting. Mr. Watt strongly stated he will not operate in the same fashion as Interior Secretary. He indicated his clear recognition that he served as an advocate, as head of the Mountain States Legal Foundation, and that as Secretary of the Interior he will serve in the completely different role of a steward of the public trust who must balance all aspects of the public interest.

Mr. Watt's statements on several policy matters raised during his confirmation process demonstrate his change of roles.

In our personal meeting and in my questioning of him for the public record, I asked Mr. Watt about his views of the Clean Air Act, especially in light of a Mountain States Legal Foundation suit which attempted to hold unconstitutional the Environmental Protection Agency's imposition of the sanctions required by the Clean Air Act when the Colorado State government failed to adopt a required automobile inspection and maintenance program.

Mr. Watt explained his opposition to the EPA action was limited to the constitutional principle of federalism involved in the case, and that as Secretary of the Interior, he will not second guess the constitutionality of congressional actions. He also made it clear that he is not opposed to the substantive mandate of the Clean Air Act. While leaving room for some fine tuning of that act, Mr. Watt indicated that he supports the fundamental structure of our Nation's air pollution control program, and as Secretary of the Interior he will discharge fully his responsibilities under the Clean Air Act to protect the quality of air over national parks and other lands within his jurisdiction.

The record of Mr. Watt's confirmation includes similar assurances on many issues within the jurisdiction of the Department of the Interior. Mr. Watt repeatedly and explicitly committed himself to following the spirit and the letter of the various laws which Congress has enacted to guarantee a proper balance between environmental protection and resource development, and to follow that same principle of balance in making decisions when he exercises the broad discretion often vested in the Secretary.

He made repeated assurances that he will be bound to uphold the laws as passed by Congress, that he supports those laws, and that his efforts both in the past and in the future will be to make sure that those laws operate properly.

Mr. President, he also claimed that he would pursue a policy of balance.

Balance is a very difficult and complicated concept and it is a vague one.

Mr. President, I shall ask unanimous consent to have printed in the RECORD at this point excerpts from the record in response to questions of various Senators on the confirmation committee about his attitudes as to the way that balance would work with regard to the number of specific resource issues.

Because many of the policy statements made by Mr. Watt during his confirmation hearing are important to a determination that he will be able to follow a balanced approach to his duties as Secretary, I ask unanimous consent to have printed in the RECORD at this point excerpts from the hearing transcript which include the most important of those policy statements.

There being no objection, the excerpts from the transcript were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM HEARING TRANSCRIPT

Senator FORD. But do you have views now concerning the impact of the Clean Air Act on the air quality of public lands?

Mr. WATT. We have statutorily labeled certain areas as class I areas and that must be maintained. I will pursue that as I am sure this committee would want it pursued.

Senator FORD. What do you intend to do about this current status of implementation of Public Law 95-87, the Surface Mining Act, by the Office of Surface Mining in the Office of the Department of Interior?

Mr. WATT. At this time, I see no need to change this act in any substantial way from the way it is.

Senator MELCHER. Are you or are you not in favor of surface owner's consent over federally owned coal in the Western States such as Wyoming, North Dakota, and Montana?

Mr. WATT. I am aware of the struggle this committee has had on that issue. It seems to me that issue has been resolved. It is the law, and as Secretary of Interior—that is the way it will be.

I think it is time that we move on to the other issues facing us, and I would not be proposing that this administration come back to this issue again.

Senator MELCHER. Are you in favor of maintaining the law as it is, that is my question.

Mr. WATT. I think I would be, yes.

Senator MELCHER. I take it, Mr. Watt, you are also in favor of a State, under the Strip Mining Act, to have the right of selective denial for mining the Federal coal within that State on the basis that it would be difficult or impossible to achieve reclamation and the other requirements of the act?

Mr. WATT. If that is the way the law is now, that is the way it should be continued.

A week ago Tuesday I had a breakfast group, a breakfast meeting with a group of environmentalists from the Western States in Denver.

I asked to have that breakfast meeting, and I called my friend and opponent, Tony Ruckel, of the Sierra Club, and asked him if he would call his friends together. I think we had about 16 people there together at that breakfast meeting, and we shut the doors. . . .

I felt that we built a bridge that we can walk on, that as I am confronted with problems I feel that I can pick up the phone and call people for advice and counsel.

I feel that they know that they can yell and scream and that they can criticize me for doing what I might do, but the next time there will be enough rapport that I can again pick up that phone and communicate with them.

We need to reach out, and I think that our ability—to reach out to the developer, to the conservation community—is a possibility.

That is my management style, and that is what I desire.

Senator FORD. Let me ask you, are you in favor of additional acres of coal leasing on Federal lands?

Mr. WATT. Yes.

Senator FORD. Would you remove all restrictions on leasing Federal lands for coal mining?

Mr. WATT. No.

Senator FORD. Why not? What would you object to if you are increasing Federal lands for coal leasing, what would be your breaking point, or your break, where you would not go any further?

Mr. WATT. Environmental concerns.

Senator FORD. What environmental concerns?

Mr. WATT. There are many. We need to be concerned about the impact on the local communities, the State's ability to handle it, the infrastructure, the water supplies, the air quality.

Senator MELCHER. What assurances can you provide to American Indian tribes that you will aggressively represent their interests in matters that arise during your tenure?

I repeat again, this is a trust responsibility of the Secretary of Interior.

Mr. WATT. Senator, we have gone through this a couple of times earlier today and I assure the committee again, to the degree there is any conflict, my new boss will be the President of the United States. I wholeheartedly and enthusiastically commit myself to the goals and objectives he has outlined in his statement, and I am satisfied that a working relationship can be established with the elected representatives of the American Indian tribes. The trust and treaty responsibilities will be lived up to fully, in our efforts to enhance their self-determination, as we deal with them on a government-to-government basis.

Senator MELCHER. I think the first signals in that regard, Mr. Watt, will come on what your position as Secretary of Interior will be on reflection on the trust responsibility and the pursuit in the courts of the cases already mentioned in the foundation that you headed, and for which you filed briefs.

Now, just withdrawing yourself from any interest in what the foundation is doing in those particular cases would not have any bearing at all, or would not nearly satisfy the responsibility you will have as Secretary of Interior in the statutory trust responsibility for which you will be entrusted. How will you handle that? Would you reverse your position? That is the question.

Mr. WATT. Senator, the foundation is involved in one case.

Senator MELCHER. Whice one is that?

Mr. WATT. The Jicarilla case.

Senator MELCHER. What happened to the other one?

Mr. WATT. The Supreme Court did not allow the foundation to get involved.

Senator MELCHER. Will it be important, as Secretary of Interior, that as a trust responsibility, to indicate that you disagree with that?

Mr. WATT. I have intended to repeatedly make my commitment to this committee, on the record, that to the degree to which there is any conflict, my loyalties are totally shifted, because of the statutory responsibilities, as you are pointing out, and my commitment to the position President-elect Reagan has outlined.

Senator MELCHER. In other words, you will reverse your position?

Mr. WATT. I don't know what you mean by that, but I guess the answer is yes. There is nothing more to be done.

Senator MELCHER. There may be nothing more to be done, but if there is something more to be done, or if the question is posed to you, what is your position on it now?

Mr. WATT. My position would be, at the confirmation, that I have a responsibility to the American Indian tribes to fulfill the obligations of the trust and treaty responsibilities.

Senator MELCHER. Which would be a reversal of your position.

Mr. WATT. Which may be a reversal of my position, to whatever degree it is a reversal.

Senator CHAFEE. Now, the wildlife refugees are managed primarily for wildlife and wildlife habitat protection. Sometimes there are multiple uses allowed on them for historic reasons, if those multiple uses are compatible with wildlife.

Do you feel that the dominant use of a wildlife refuge for the management and protection of wildlife should continue or in that thrust for more minerals, which is of deep concern to you and the rest of the nation, that the so-called dominant use should be replaced by a multiple use which is common on BLM lands?

Mr. WATT. I do understand your question. In the wildlife areas Congress has spoken and created a dedication and commitment of that tract of land for fish and wildlife purposes. That is the dominant use as defined by Congress and should be continued with that dominant use as Congress has defined. . . .

I am deeply committed to the dedication of the lands for primary purposes, for fish and wildlife purposes. I have no problems at all with dedicating those for a dominant role for fish and wildlife purposes. . . .

Never should we surrender the dominant use.

Senator HART. If called upon to testify as Secretary of the Interior on the legislation which would provide for the systematic transfer of ownership of federally owned lands to States or private entities, what would be your present inclination?

Mr. WATT. My present inclination would be that that would be a premature piece of legislation that would be a divisive force in Congress, unlikely of being passed at this stage and not advancing the good neighbor policies that we need to advance at this time.

Senator HART. Thank you, Mr. Watt. I think you mentioned the principal problem presented by large-scale development of oil shale and mineral resources were sociological problems. Are you familiar with what has been called energy impact assistance legislation to provide help for those communities that would be hardest hit by this development?

Mr. WATT. I am really not familiar at all with the legislative package, but repeatedly today I have talked about the responsibilities of ownership particularly given the dominant Federal-State ownership of surface and mineral estates. I feel the Federal Government has a role in helping those communities at the front end.

Senator BUMPERS. Do you favor the Wilderness Act?

Mr. WATT. Absolutely.

Question submitted by Senator Mathias: The Secretary of the Interior is frequently described as being the chief conservation officer of the federal government. Given your outspoken criticism of environmental organizations and the Interior Department and its conservation mission, how will you be able to effectively carry out the Secretary's dual responsibility to permit resource development on the public lands while preserving natural values?

Mr. WATT. As Secretary of the Interior I will fully and faithfully execute the public land laws adopted by Congress requiring such a balanced approach.

Mr. HART. Mr. President, of course, the principle of balance which Mr. Watt has endorsed is a nebulous one, and Mr. Watt did not make many specific commitments indicating how he will translate the general principle into specific policies.

In particular, Mr. Watt avoided any commitments—even general ones—on oil shale development, the issue within his jurisdiction which is probably most important to Colorado.

Mr. Watt refused, on the grounds he has not been briefed carefully enough, to take a particular stand on any of the several oil shale issues he will face in the next few years. I asked Mr. Watt about these and other Interior issues in questions which I submitted to him during his confirmation hearing.

Mr. President, finally, as I have indicated where the State of Colorado is concerned perhaps the most important specific area is the area of oil shale development where a vast preponderance of that resource is located on public lands.

It is with regret that I note that Mr. Watt was less than specific about his positions with regard to oil shale development. One of the justifications for support and a justification which I think is a sound one is the nominee's experience and background in resource management and his exposure to resource questions both in the public position as well as in the private position.

Yet, as a resident of the State of Colorado he did not indicate in response to specific questions propounded to him a thorough knowledge or even a rudimentary knowledge of the problems involved in the development or conservation of that resource.

Mr. President, I ask unanimous consent to have printed in the RECORD questions which were submitted to the nominee in writing and his responses.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

QUESTIONS AND RESPONSES

Question. What should be the scale and pace of oil shale development? Should any changes be made in current oil shale leasing policies?

Specifically:

Are you familiar with EXXON's projection that eight million barrels of oil per day could be produced from shale? Do you think this projection is realistic? Should the Federal government either encourage or hinder this level of production?

Should the Department of the Interior lease additional Federal lands for oil shale development? If so, how many additional leases should there be, and what criteria should be used in determining what lands should be leased? What type of planning would be necessary to lay the foundation for any additional leasing? Should any new leases be geographically dispersed, or should they be concentrated in areas of especially rich resources?

Should Congress authorize the Department to lease additional lands adjacent to oil shale leaseholds for the disposal of spent shale and other non-mining functions associated with oil shale production? If so, how much land should be leased for this purpose, and what conditions should be placed on the leases? Should additional lands be made available for only existing leases under the prototype oil shale leasing program, or should off-tract lands also be made available for new leases?

Should Congress remove existing restrictions which limit each company to one oil shale lease?

If the Clean Air Act or other environmental policies limit the scale of the oil shale industry, should Congress change the law to allow greater oil shale production?

Answer. a. I have not reviewed nor been officially briefed on oil shale development and am thus unable specifically to respond regarding my policy on the scale, pace or specifics of such development.

b. Same as "a".

c. I have seen only press reports on the EXXON projection and I am thus unfamiliar with the specifics of that proposal.

d. I have no way of judging whether the report is realistic or not.

e. The Federal Government has announced as national policy the increase of domestic sources of energy. Oil shale, as our important energy resource, will play a role in this national policy. What level of production takes place on Federal oil shale land is a matter yet to be determined.

f. Same as "a".

g. Same as "a".

h. The Federal Land Policy and Management Act specifies the planning requirements for such activity. I will comply with the law.

i. Same as "a".

j. Same as "a".

k. Same as "a".

l. Same as "a".

m. Same as "a".

n. It is important to achieve a balance between energy development and environmental protection. However, some of the limitations in energy development contained within and resulting from statutory language may be unnecessary to the achievement of environmental objectives. In such cases the law might well be modified to reflect such realities without retreating from the objectives.

Question. Should any new programs or policies be adopted to protect communities from social and economic disruption caused by rapid energy development?

Answer. As I indicated in my testimony, I believe the "people problem" regarding energy development to be one of the major concerns facing the Federal Government. I am not sufficiently familiar with present programs and policies to be able to respond as to whether or not new programs and policies are necessary.

Question. How should we make sure that new water consumption by energy projects does not squeeze out agricultural, municipal, and other water users?

Answer. I believe the States of the West are in the best position to determine the use of their water. Therefore, I believe Federal support of the traditional power of the states over their waters is the proper manner of assuring the protection of other water users.

Question. How should water be supplied for energy development—through private projects built by the energy companies, or through broader-based public projects which also meet other regional water needs?

Answer. I have adopted no position on this issue.

Question. Should the Federal government build water projects? Should any changes be made in traditional Federal water policies?

Answer a. Yes.

b. We will need to review the entire water program.

Question. Should a new Energy Mobilization Board be created, with powers to override Federal, state, and local laws, or should

other policies be adopted to cut through red tape delaying important energy projects?

Answer. This is a broad base policy question which must be addressed by the new Administration.

Question. Should the Federal standards for the reclamation of land strip mined for coal be carried out as approved by Congress in 1977, or should they be changed?

Answer. I have not been fully briefed regarding, nor am I familiar with, the specifics of the Surface Mining Control and Reclamation Act of 1977 and the regulations under that Act and am thus unable to respond in detail. These are important issues which I will address early on however.

Question. Should new Federal standards be established to restore land strip mined for oil shale? Should any other new standards or controls be adopted to protect public health and the natural environment from the adverse effects of oil shale development?

Answer. a. Same as Answer 34a.

b. Same as Answer 34a.

Question. Should Federal lands be turned over to state governments or private owners?

Answer. In several responses during the hearing, I believe that the pressures of the "Sagebush Rebellion" for massive land transfers from the Federal government to the States can be eased by a "good neighbor" policy which I intend to carry out.

Question. Should any changes be made in current policies and practices of managing Federal lands?

Answer. Yes. I fully intend to embark upon a "good neighbor policy" regarding the management of Federal lands.

Question. What changes, if any, should be made in Federal policies toward Indians?

Answer. I have no specific recommendations at this time, however, my policy regarding American Indians is reflected in my responses to questions one through twenty.

Mr. HART. Mr. President, although Mr. Watt's repeated refusal to take positions on particular oil shale issues is of concern, some relief is provided by some general statements Mr. Watt has made which indicate a recognition of the potential adverse effects of oil shale development and the Federal responsibility to avoid these effects. I intend to work with the Department during Mr. Watt's tenure as Secretary to help Mr. Watt translate these general views into special policies.

Mr. Watt's failure to take specific stands on oil shale and other important issues leaves unanswered some of the most important questions about how he will balance the many mandates he inherits as Secretary of the Interior. There are not—nor, unfortunately, can there ever be—absolute guarantees for Colorado and the West concerning the conduct of our principal landlord in Washington. Still, Mr. Watt understands the importance of the general pledges of balance which he made to the Senate and the American people, and I expect he will act in the spirit of those pledges. I look forward to working with him—as will other Members of the Senate and the public—to help him carry out the principle of balance to which he is committed.

Mr. President, I think it is of great concern to this Senator and to, I think, many people in my State that the nominee did not evidence in those responses a clear understanding and appreciation of the problems which the development of that resource represents for our State and for our region.

It is because of that, Mr. President, that I think there are those of us who will feel an extra responsibility to work with this Cabinet officer and to try to clarify in his own mind the problems related to the scope, pace, and direction of the development of that and other energy resources in our State.

I am convinced that Mr. Watt understands the importance of the general pledge that he has made for balance, a pledge which he has made to the Senate and to the American people, and I expect that he will act in the spirit of those pledges.

I look forward to working with him as will other Members of the Senate and the public to help him carry out the principle of balance to which he has publicly committed himself.

The PRESIDING OFFICER. The 5 minutes yielded to the Senator have expired.

Mr. McCLURE. Mr. President, I yield 3 minutes to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator from Idaho yielding to me. I am not one who thinks that the weight of an argument depends upon its length, and I can sum this up quite briefly.

The distinguished minority whip, the Senator from California, has described the Secretary of Interior as the Nation's chief environmental officer. In this he is correct.

But what is missing from the discussion of the Senator from California and much of the remainder of the discussion of this nomination here today is the fact that the Secretary of Interior is much more than chief protector of the Nation's environment. He is also the Nation's chief energy, mineral, forest products, grazing, recreational, wildlife, and environmental officer, and it is, therefore, the duty of the Secretary of the Interior to perform a very broad range of duties and responsibilities which sometimes conflict.

His primary duty, therefore, is to strike a reasonable balance as between these goals.

I am confident that Jim Watt will be well able to strike such a balance.

I am honored to support a long-time personal friend, James G. Watt, as President Reagan's nominee for Secretary of the Interior.

I admire Jim Watt. He is an extremely bright, thoughtful and imaginative person whose broad experience has given him familiarity with a wide variety of issues.

Jim Watt is a University of Wyoming law school graduate, who served as an aid to former Wyoming Senator Milward Simpson. He was a natural resources lobbyist with the U.S. Chamber of Commerce; Deputy Assistant Secretary of Interior for Water and Power Resources; Director of the Bureau of Outdoor Recreation; and vice chairman of the Federal Power Commission (now the Federal Energy Regulatory Commission). He is currently the director of the Mountain States Legal Foundation, a public interest organization dedicated to bringing "a balance to the courts in defense of individual liberties and the private enterprise system."

He is a lifelong westerner who is deeply concerned about protecting the environment of the Western States, even as we develop the energy and other resources we so desperately need. He recognizes the most basic principle of ecology—that everything is related to everything else—and knows that this principle applies with equal force to the relationship between energy, mineral, economic, employment, import, and environmental issues. Jim Watt understands that America has vast energy and mineral resources, primarily in Alaska and in the Western United States, as well as offshore, and that it has been our continuing failure to develop these resources that has created much of the social and economic crisis that we face today.

He knows intuitively and from experience that the simplistic answers of the past—the idea that lands must be either preserved as wilderness or opened to rampant, uncontrolled development—will not work in the 1980's. In numerous speeches, legal arguments, and papers, he has articulated his major concept: That failure to develop our western energy and mineral resources in an orderly manner now will result in the ravaging of our western environment and the destruction of the free enterprise system, when the need for these resources reaches a critical level.

Jim Watt is also a strong advocate of sound multiple use management of our public lands. The extreme environmentalists have tended in recent years to define multiple use as large-scale, uncontrolled development. Its proper definition, and that followed by Jim Watt, is orderly, timely development with full and adequate environmental protection. It means a balance between development and protection of natural resources.

Jim Watt is an environmentalist. But he is also a realist who recognizes that America needs the energy and minerals that underlie our public lands; that the international situation and America's national security demand that these domestic fuel and nonfuel minerals be found and developed; that development can take place only where these minerals actually occur; and that exploration and development can be accomplished without significant adverse impacts on the environment—but only if the activities proceed in a timely, orderly fashion, before a major socioeconomic crisis overtakes us.

As president of the Mountain States Legal Foundation, Jim Watt has been an effective advocate. As Secretary of the Interior, he will be a thoughtful arbiter who will assess all the facts and interrelationships and listen to the arguments of all parties, before rendering a decision that best represents the overall public interest.

I trust that the Senate will quickly confirm his nomination.

Mr. President, I ask unanimous consent to have printed in the RECORD editorials from the Wall Street Journal, from the Denver Post and the Rocky Mountain News.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Dec. 26, 1980]

WATT'S UP?

The selection of Colorado attorney James Watt as the next Secretary of the Interior has opened an environmentalist hornets' nest. He has been called "a joke"; "a caricature of an anticonservationist"; a man who wants "to undo the careful system of wilderness protection so long in the making." The New York Times editorialized, "Mr. Watt is determined to gut regulation and boost exploitation of the public lands."

Why are environmentalists so piqued by the notion that the caretaker of federal lands may actually want to open them to exploration and development of much-needed minerals and fuels? What's wrong with selecting a "public interest" lawyer who has battled *against* government regulations? Even if all the criticism were true, for that matter, why can't Mr. Reagan have his own version of a Joan Claybrook?

As head of the Mountain States Legal Foundation in Denver, Mr. Watt has launched court challenges to the Carter administration's land-management and environmental policies. For instance, the foundation has fought to open Wyoming's Overthrust Belt to oil exploration and challenged the Environmental Protection Agency's handling of auto-pollution-control standards in Colorado. The law firm was founded by Colorado brewer Joseph Coors and other Western businessmen, who wanted a "public interest" gadfly of their own to take on Washington bureaucrats and environmentalist zealots. In that role, Mr. Watt has been a tough fighter and a partisan advocate of less restriction on the use of Western lands.

Now, no one knows how Mr. Watt will fare in office, but his promise of an Interior Department that tries to balance conflicting interests in the West and the nation strikes us as reasonable. If the federal government insists on owning vast tracts of land in the West and Alaska it seems only logical that all the people of the country should have a stake in how those lands are used.

Should they be used to raise cattle? A lot of Americans eat hamburgers. Should oil and gas drilling be permitted? Fuel is a rather basic need. Should sheep grazing be permitted and should ranchers have more freedom to protect their livestock from predators? Wool and mutton are useful. Should trees be harvested? Wood is useful too, and beetles and forest fires will eventually harvest the trees anyway.

Can all these things be done without destroying the land and its beauty, its wildlife, its water resources, its ecology? Certainly. That's what the Department of Interior is there for, to manage federal lands and federally owned resources so that they are used intelligently in the interest of all the people. The policy orientation that Mr. Watt will try to change assumes that the so-called environmental lobby has all the best arguments and that huge new tracts of land should be off limits to the people who live in the West to give aesthetic satisfaction to Sierra Club members in Manhattan and Boston.

Environmentalism is a worthwhile cause, but the voters have grown tired of environmentalist excesses. That's why Mr. Watt is where he is. We wish him well.

[From the Denver Post, Dec. 21, 1980]

JIM WATT FOR INTERIOR

Contrary to Washington rumors, James G. Watt, Denver attorney being considered for the Interior post in the Reagan Cabinet, has excellent qualifications. His record is that of an extremely bright young man who, through twin careers in law and public administration, focused on exactly the kind of issues he will deal with if named interior secretary.

A native of Wyoming, Watt went to Washington in 1962 as an aide to Sen. Milward Simpson, R-Wyo. He became a deputy assistant interior secretary, then head of the Bureau of Outdoor Recreation and, in 1975, still in his 30s, vice chairman of the Federal Power Commission. He did well in each of these responsibilities.

A check of Interior Department offices in Denver shows that people who worked with him rate him highly and picture him as a careful custodian of land and environmental resources.

Leaving Washington with the outgoing Ford administration, Watt became president and chief legal officer of the Mountain States Legal Foundation in Denver—a job that has earned him much attention. As a public-interest lawyer countering the "lock-up-everything" theories of Carterites, Watt inevitably made enemies.

But he won cases in federal court, which is scarcely the hallmark of inadequacy his critics would like to tag him with. In a way, Watt simply faces the unthinking criticism applied to successful courtroom lawyers. He's identified with his advocacy.

Actually, that's not all bad. The West needs more resource development than the Carter administrators were willing to deliver. The job needs to be done with care and balance. As Ronald Reagan said in Grand Junction in September, Westerners—not administrators "thousands of miles away"—can do it best. He might have had Jim Watt, 42, in mind when he said that. We hope he did.

[From the Rocky Mountain News, Dec. 20, 1980]

NAMING JAMES WATT

Environmentalists, who are practised at stopping projects they don't like, appear to be having some luck blocking a project of President-elect Ronald Reagan's, namely, his intention to nominate James Watt as interior secretary.

Watt, 42, is from Denver. He is president and chief legal officer of the Mountain States Legal Foundation, a conservative, non-profit group that has given all manner of liberals fits in the courtroom.

But just because Watt is the kind of person who would probably rather be diseased than join the Sierra Club, it doesn't follow that he should be denied a job in the Cabinet.

When the American people elected him, they knew Reagan was a conservative, and there's something a touch absurd about some people insisting that he keep conservatives out of his administration. Can the opponents of Watt believe that if he doesn't get the job, Reagan will name a Ralph Nader type instead?

Given his performance as head of the foundation, Watt is a bright, imaginative guy, the organization has achieved results where it seemed none were possible, and has provided a counterbalance to other non-profit groups of leftist persuasion.

But is he an ideologue? We doubt it. His role as president of the foundation has been as an advocate. His role as secretary of interior would be more nearly that of a judge, and we suspect he would recognize the difference.

We've disagreed with a number of stands taken by the Mountain States Legal Foundation, but we also think Americans want to give conservative principles a chance to solve the country's problems during the next four years. That doesn't mean tearing up the environment. But it might well mean taking a second, hard look at some environmental regulations, and Watt seems well-qualified for the task.

Mr. ARMSTRONG. Mr. President, I shall turn briefly to some of the arguments that have been raised in opposition to this nomination because they are truly remarkable.

First, the suggestion that somehow Mr. Watt is qualified because he has been a practicing lawyer, a chief legal officer of the Mountain States Legal Foundation.

The plain fact of the matter is that prior to the emergence of the Mountain States Legal Foundation and some similar public interest law firms in case after case in many jurisdictions only one side of these questions of law were being effectively argued in the courts of this Nation.

I think he has performed a singular and an important service in bringing forth the other side of these legal issues because, after all, in our system of justice it is the adversary relationship, the implication that both sides will be represented and forcefully advocated in which we strike a reasonable balance.

I do not think anyone, surely no Senator, would come before us and suggest because a lawyer had been, say, a legal officer of the American Civil Liberties Union and he might have defended a Communist or a Nazi, that he was tarred or tainted by that association, or that a man who had practiced criminal law was in some way tainted because he might have defended someone who was accused or even convicted of committing a crime.

I really think that is a most unfair accusation. I think it is a most unfair characterization of this nomination.

Indeed, the fact that in many cases Jim Watt, lawyer, has won cases against the Department of the Interior and other Government agencies indicates to me that the Government agencies were not performing their duties, that they were not following the laws and that in a number of cases the courts have so held.

Second, it is suggested that it is a conflict of interest inherently because these lawsuits that he has brought have had to do with the Department of the Interior.

What a remarkable new thought to suggest that someone who has been working in the area of jurisdiction is disqualified. I have never heard it suggested that an educator was somehow disqualified to serve in the Department of Education or someone active in the labor union movement was disqualified to serve as Secretary of Labor, or a businessman could not be a Secretary of Commerce, or someone who was an environmentalist was disqualified from the position of high public trust such as Secretary of the Interior, or a banker might not serve as Secretary of the Treasury, or someone who was a farmer might not be the Secretary of Agriculture.

The PRESIDING OFFICER. The 3 minutes yielded to the Senator have expired.

Mr. ARMSTRONG. Mr. President, I ask the Senator to yield me 1 additional minute.

Mr. McCLURE. Mr. President, I yield to the Senator 1 additional minute.

The PRESIDING OFFICER. The Senator from Colorado is yielded 1 additional minute.

Mr. ARMSTRONG. Mr. President, all in all I do not think the arguments made against this nomination amount to very much, and I think the case in support of Mr. Watt is very, very strong. He is a fine man, a man of fine personal qualities of distinction and in private life. He is a brilliant lawyer, as anyone who sat through the hearings or read the record of the committee will know. He is eminently qualified for this.

There is one matter, however, raised by the distinguished Senator from Arkansas which I wish to comment on just briefly, and that is the question does the Secretary of the Interior have too much discretion. In that I agree with the Senator from Arkansas. I think most Cabinet officers, most officials of Government have too much discretion precisely because Congress has been unwilling to discipline itself to the task of writing law with precision. To that extent I will join the Senator from Arkansas and others in writing these laws more carefully and preserving to the legislative branch more of the policymaking in the future.

But that has nothing to do with the qualifications of this nominee who I hope the Senate will quickly confirm.

Mr. McCLURE. Mr. President, I yield 2 minutes to the senior Senator from Wyoming (Mr. WALLOP).

The PRESIDING OFFICER. The senior Senator from Wyoming (Mr. WALLOP) is recognized for 2 minutes.

Mr. WALLOP. Mr. President, I thank the Senator from Idaho.

I rise to express my amazement at the crowd of "headiwattkillers" that are out here.

There is an underlying assumption in the statements made today which I find offensive. It is that those of us who live in the West do not cherish our environment as much as those who do not live in the West and who view it possessively from afar.

Frankly, one of the things on which I have constantly been at odds with the Senator from Arkansas and others is the issue of our severance taxes and our ability to try to maintain the quality of life.

I think our record continues to speak for itself as we seek to protect our water, lands, and the environment. Under absolutely no set of circumstances would I ever endorse anyone that I thought was going to rape, pillage, and plunder the West or any of the rest of the country. I do not care whether he came from Wyoming or even my hometown of Big Horn. It is a preposterous assumption.

Mr. President, there has been a lot said about Mr. Watt's record with the Legal Foundation, and all these people say the record is what you should lean on. His work with the Foundation represents 3 years in his life, 3½ years of his life he was head of the Bureau of Outdoor Recreation. There he established one of the great conservation records in America, but they ignore that entirely, just simply ignore it.

If we are going to look at a record, for golly sakes, look at it through eyes with glasses on and not from the single perspective from which you are looking.

A number of the cases litigated by the Foundation have been characterized in the most scurrilous and unlegal manner. I am going to add to the characterizations of those cases because believe it or not, Americans of all stripes have rights under the Constitution and Americans of all stripes have a right to expect the equal application of the law. If Mountain States Legal Foundation won cases because the law supported such a determination, then it is the right of Americans to have it lawfully implemented.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the cases engaged in by the Mountain States Legal Foundation and prepared by Mr. Watt to provide some balance.

There being no objection, the cases were ordered to be printed in the RECORD, as follows:

SUMMARY OF MOUNTAIN STATES LEGAL FOUNDATION LEGAL ACTIVITY

Prepared by: James G. Watt.

For: Presentation to Senate Energy & Natural Resources Committee.

Date: January 7, 1981.

Total number of cases and administrative appeals:*, 47.

Cases and Administrative Appeals Categorized by Public Interest Issues, see complete breakdown attached.

Constitutional Rights Cases: 16.

A. Concerning Individuals: 7.

B. Concerning Business: 6.

C. Concerning Educational Institutions: 3.

Constitutional Checks and Balances in Government Cases: 12.

A. Federal v. State Powers: 3.

B. Legislative v. Executive v. Judicial Powers: 9.

Public Access to Federal Lands Cases: 12.

State Water Rights Cases: 5.

Availability of the Courts for Public Interest Litigation Cases: 2.

CASES AND ADMINISTRATIVE APPEALS IN WHICH THE MOUNTAIN STATES LEGAL FOUNDATION HAS PARTICIPATED IN ORDER TO ADVANCE THE PUBLIC INTEREST

(NOTE.—This list does not include any matters, such as those which have been or are being investigated, if the Foundation has not participated formally in a judicial or quasi-judicial proceeding.)

(Classified by Types of Public Interest Issues Addressed)

I. CONSTITUTIONAL RIGHTS AND INDIVIDUAL LIBERTIES

A. Constitutional Rights—Individual

Cases and Public Interest Issues

MSLF v. Denver School District No. 1: MSLF seeks to protect the taxpayers' freedom of speech and right to petition the government for redress of grievances against the unfair use of tax dollars by local school districts to lobby the electorate on ballot issues.

Campbell v. Littleton School District No. 6: MSLF seeks to protect the taxpayers' freedom of speech and right to petition the government for redress of grievances against the unfair use of tax dollars by local school districts to lobby the electorate on ballot issues.

MSLF v. Andrus (Wild Horse Case): MSLF seeks to protect the public lands against federal mismanagement and to protect private land owners against the uncompensated taking of their grazing forage which results when the BLM unlawfully permits wild horses to graze on private lands. MSLF further seeks to hold personally liable those government officials who knowingly permit such unconstitutional takings.

Ward v. Coleman; United States v. Ward (Consolidated Cases): MSLF sought to protect the Fifth Amendment right of an individual not to be forced to incriminate himself by being required, under penalty of fine or imprisonment, to file a report with the federal government which is the sole basis for assessing an automatic fine against him for violating statutory prohibitions.

DiLeo v. Board of Regents of the University of Colorado: MSLF sought to protect the right of non-minority students to be admitted to state universities on the basis of merit and without regard to race, creed or color.

State of Texas v. United States (Alien School Children Case): MSLF seeks to preserve the right of Texas to determine for itself, as a matter of policy, whether to educate persons who are not legally present within the United States.

Merrion v. Jicarilla Apache Tribe: MSLF seeks to protect the traditional rights and liberties of nonmembers of Indian tribes, who have neither input into tribal government nor effective review of tribal government action, by requesting the court to define tribal sovereignty in such a way that those traditional rights and liberties receive protection equal to that afforded by state and federal constitutions.

Mountain States Telegraph & Telephone Co. v. Public Service Commission: MSLF seeks to protect the right of businesses to protect their trade secrets from compelled public disclosure unless adequate compensation is given for the property taken.

Marshall v. Barlow: MSLF sought to protect the right of businesses to be free from unreasonable (warrantless) OSHA searches.

Stoddard Lumber Co. v. Marshall: MSLF sought to protect the right of businesses to be free from OSHA searches of their business premises in the absence of a properly obtained administrative warrant.

MSLF v. City & County of Denver (S & D Case): MSLF sought to protect the interests of the taxpayers of the City and County of Denver in not paying higher costs for city projects because of an arbitrary bidding system which discriminated against non-Denver-based businesses.

Associated General Contractors of Wyoming v. Secretary of Commerce: MSLF sought to protect the right of contractors to compete freely for contract wards on federally-financed projects without regard to the race of the owners of the business.

Mountain Fuel Supply Co. v. Utah Committee of Consumer Services: MSLF sought to protect the cornerstone of the private enterprise system, which is the right of the risk-taker to enjoy the profits which may accrue from taking the risk, against infringement by the public service commission.

Hillsdale College v. Department of Education: MSLF seeks to protect the right of private educational institutions to structure their programs and curricula without federal interference, where the private educational institutions receive no direct federal aid.

Grove City College v. Harris: MSLF seeks to protect the right of private educational institutions to structure their programs and curricula without federal interference, where the private educational institutions receive no direct federal aid.

Cleland v. National College of Business: MSLF sought to preserve the prerogative of veterans to use money received for educational benefits to attend the classes of their choice.

*This does not include any matters, such as those which have been or are being investigated, if the Foundation has not participated formally in a judicial or quasi-judicial proceeding.

II. CONSTITUTIONAL CHECKS AND BALANCES IN GOVERNMENT

A. Federal v. State Powers

Cases and public interest issues

MSLF v. Costle (EPA Case): MSLF challenged the authority of the EPA to withdraw $300 million in federal aid to Colorado in order to coerce the Colorado General Assembly into passing EPA-approved auto emission control legislation. MSLF seeks to protect the right of the citizens of the State of Colorado to a state legislature which represents them and not EPA.

State of Idaho v. Freeman (Article V Case): MSLF seeks clarification of the process by which the Constitution is amended; MSLF seeks to establish the right of a state legislature to rescind its approval of a proposed constitutional amendment before ratification by three-fourths of the states occurs and to establish the constitutional necessity for a three-fourths majority concurrence of Congress in extending any time limit previously set for state consideration of a proposed amendment.

Andrus v. Virginia Surface Mining & Reclamation Assoc.; Andrus v. Indiana; Virginia Surface Mining & Reclamation Assoc. v. Andrus (Consolidated Cases): MSLF seeks to protect the traditional state function of land use planning against federal encroachment.

B. Legislative v. Executive v. Judicial Powers

Kramer v. Department of Education: MSLF seeks to protect the right of legislators to review agency regulations and to disapprove those regulations which are inconsistent with the statutory mandate given the agency.

MSLF v. Colorado Public Utilities Commission; Colorado Assoc. of Commerce and Industry v. Colorado Public Utilities Commission (Discount Rates Case-Consolidated): MSLF sought to protect residential natural gas customers who are not low-income, elderly and disabled from being required, by an appointed commission, to pay more than the cost of the service they received in order to subsidize the provision of below-cost services to low-income, elderly and disabled customers. MSLF's position was that the commission was attempting to exercise legislative authority by providing social benefits to some ratepayers and taxing other ratepayers in order to finance those benefits without any statutory authority to do so.

MSLF v. Utah Public Service Commission: MSLF seeks to protect non-elderly residential and commercial electric customers from being required, by an appointed commission, to pay more than the cost of the service they received in order to subsidize the provision of below-cost services to elderly customers. MSLF's position is that the commission is attempting to exercise legislative authority by providing social benefits to some ratepayers and taxing other ratepayers in order to finance those benefits without any statutory authority to do so.

Beker Industries v. Idaho Public Utilities Commission (Discount Rates Case): MSLF sought to protect non-elderly residential electric customers from being required, by an appointed commission, to pay more than the cost of the service they received in order to subsidize the provision of below-cost services to elderly customers. See further discussion of issue under *MSLF v. Utah Public Service Commission*.

MSLF v. Harris (Arizona School Case): MSLF sought to compel a local school board to adhere to state statutes setting up budget restraints.

Common Cause of Utah v. Public Service Commission: MSLF sought to protect the public's interest in having quasi-judicial decisions made by a collegial body without premature and prejudicial public disclosure of preliminary deliberations.

In Re Utah Public Service Commission Generic Ratemaking Proceedings: MSLF presented the position that the utility rate structure is an inequitable and inefficient mechanism for achieving social welfare goals such as the redistribution of income and that it is the legislature and not the commission which has the duty and authority to make social policy decisions.

Montana Power Co. v. EPA: MSLF challenged EPA as having improperly exercised rulemaking authority without complying with the Administrative Procedure Act.

In Re SO_2 Regulations (Rulemaking Proceeding): MSLF requested the Environmental Improvement Board to review previously unavailable evidence, which MSLF believed needed to be considered, before the Board required the installation of expensive SO_2 scrubbers which would have to be financed by consumers of electricity.

III. PUBLIC ACCESS TO FEDERAL LANDS

Cases and public interest issues

MSLF v. Andrus (RARE II Case): MSLF seeks to protect the public interest in keeping public lands, which are by statute open to oil and gas exploration and development, from being closed to such activity by administrative agencies acting without statutorily-required congressional approval.

Valdez v. Applegate (Rio Puerco Case): MSLF sought to protect small, Spanish-American ranchers against the Bureau of Land Management's hasty cutbacks in their grazing allotments prior to an appeal of those cutbacks.

MSLF v. Dickenson (Grand Canyon Case): MSLF seeks to protect the right of the public to reasonable, environmentally sound access to the Grand Canyon for recreation by challenging the Park Service's decision to ban all motorized raft trips on the Colorado River through the Grand Canyon.

MSLF v. Costle (Integral Vistas Case): MSLF seeks to protect the primary responsibility of local government for regulating land use from interference by overly expansive EPA regulations for visibility protection.

CGG—Forest Service Appeal: MSLF seeks to protect the public interest in having the mineral resources of wilderness areas explored, as Congress intended, prior to the full withdrawal of those lands on December 31, 1983.

Palisades—Forest Service Appeal: MSLF seeks to insure that public lands under wilderness study are not improperly withdrawn from oil and gas leasing.

City & County of Denver v. Bergland (Williams Fork Case): MSLF seeks to protect the interest of Denver's suburban water users in an adequate water supply by challenging the Department of Agriculture's attempt to unlawfully extinguish an existing right-of-way necessary for a water supply project.

Burlington Northern, Inc. v. United States; Montana Wilderness Association v. United States (Consolidated Cases): MSLF sought to protect the right of private land owners whose lands are encircled by federal lands to reasonable access to their lands.

State of Utah v. Andrus; Cotter v. Andrus (Consolidated cases): MSLF sought to protect the rights of unpatented mining claim holders to reasonable access across federal lands to explore and develop their claims.

Park County v. United States: MSLF sought to protect public rights-of-way from unlawful closure by the federal government.

Humboldt County v. United States: MSLF sought to protect public rights-of-way from unlawful closure by the federal government.

Bennett Hills Grazing Association v. United States: MSLF sought to protect grazing permittees from BLM's hasty implementation of grazing allotment reductions prior to effective input from the permittees.

IV. STATE WATER RIGHTS

Cases and public interest issues

Sierra Club v. Andrus (Escalante Case): MSLF seeks to restrict the general expansion of the federal reserved water rights doctrine to include all public lands managed by BLM under FLPMA.

Environmental Defense Fund v. Costle (Colorado River Salinity Case): MSLF sought to protect the interstate compact which governs the allocation of the waters of the Colorado River amongst the states against being rendered meaningless by federal regulation.

Riverside Irrigation District v. Stipo: MSLF seeks to protect the integrity of state water rights systems and interstate compacts.

United States v. Douglas Sewer Improvement District No. 1: MSLF sought to protect the residents of Lake Tahoe from the disruption of their employment, property rights and economic stability by the restriction of sewage treatment facilities.

Colorado River Water Conservation District v. Vidler Tunnel Water Co.: MSLF sought to protect the role of private enterprise in developing water in Colorado by requesting the court to reconsider its decision that conditional water rights could not be obtained unless firm contracts with specific water users were obtained by the party diverting the water.

V. AVAILABILITY OF THE COURT FOR PUBLIC INTEREST LITIGATION

Cases and public interest issues

United Farm Workers National Union v. Babbitt: MSLF sought to protect intervenors in civil rights litigation from being assessed court costs and attorney fees since such assessment could discourage public interest entities from intervening in such cases.

National Wildlife Federation v. Secretary of Interior (Poothills Case): MSLF sought to preserve the jurisdiction of the federal district court in Colorado over issues concerning a local water treatment facility since meaningful local input was more feasible in that forum, by challenging the filing of the second lawsuit on the same issues in Washington, D.C. MSLF was prepared to represent water users on environmental issues if the matter were litigated in the federal district court for the District of Columbia.

Mr. WALLOP. Mr. President, the last thing I wish to say is that I again want to assure my colleagues that under absolutely no set of circumstances would I ever look with favor upon a nomination of my brother, my sister, or any other person close to me, for any political reason, if I thought that damage and harm would come to the quality of life and the environment in which I live and which I grew up in. I do not believe Watt will do that. I challenge anyone to show in the record where he would do that. I do not think it is possible.

I frankly think, that under any other set of circumstances, this nominee would have been viewed in history as being absolutely qualified. Here is a man experienced in the politics of the organization that he is going to deal with, namely, the Senate. He came here as the administrative assistant of the father of my colleague from Wyoming.

The PRESIDING OFFICER. The 2 minutes yielded to the Senator have expired.

Mr. WALLOP. Mr. President, may I have yielded to me 1 additional minute so that I may finish?

Mr. McCLURE. Mr. President, I yield 1 additional minute to the Senator.

The PRESIDING OFFICER. The Senator is yielded 1 additional minute.

Mr. WALLOP. Mr. President, he came to Capitol Hill as the administrative assistant of Senator SIMPSON. He served with distinction in the Department in which he now seeks to head, both on the production side and on the conservation side of it. He is fully aware of the dichotomy of views that are necessary, both to produce and to conserve. He also has something which is rare in this circumstance, a moment of time in the private sector.

I think that outside these irrational surroundings without the emotions that go with this, this nomination would be viewed with distinction, and I suspect that James Watt will fill it with distinction.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. I yield to the junior Senator from Wyoming 6 minutes.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 6 minutes.

Mr. SIMPSON. Mr. President, I have been listening to the debate—rather to the commentary—and considering some of the harshness that has come in. I understand fully the depth of raw fear that is apparently being expressed. But it has no basis in fact, only in emotion. It is a perplexing situation, and I must address it in my brief time. I find this to be literally immersed in irony, or at least dripping a bit with it.

The phrase "extreme environmentalist" seems to defy description. I will not step in where angels fear to tread. But there is such a curious aspect to all of this. Those who have opposed the confirmation of James Watt speak of him as though he were a total stranger or unknown quantity to this body. In fact he is not. Jim's early professional work as Senate aide and professional committee staff member, as well as Director of the Bureau of Outdoor Recreation and member of the Federal Power Commission are testimony to his career as a "public man."

Only his most recent work has seen him as the president and chief legal officer of the Rocky Mountain Legal Foundation.

Review the cases of the Mountain States Legal Foundation, which my colleague, the senior Senator from Wyoming, has placed in the RECORD. Examine them closely. The early course of environmental law was largely written by the environmentalists who failed to get their way in the legislatures and skillfully then began to use the courts.

Many detrimental results occurred. There was a complete crippling of the development of Western coal on public lands in the Fort Union coal deposit in the West, as well as extreme uncertainty interjected in grazing leases and water development.

Then came the public interest law firms on the other side, Mountain States, and Pacific legal foundations, and they won cases. That was a source of great irritation to the litigious environmentalist elite. They are a rather extraordinary group. A rugged and willful cadre of about 10,000 or 11,000 tax-exempt corporations with very small memberships and tremendous material support, often with singular family relationships deftly threaded through the organizations which, in itself, would make a fascinating feature story.

They do not like what the James Watts of the world do, but they are unable to argue with the way they do it because they contrived and invented it. I hope we will keep that in mind. Hoist on their own petard. That is what it says.

Back to those cases for a minute, just one about the public utility. That case was not about the poor or the old or the disenfranchised. It simply said this:

> If you are going to do social justice, do it through a legislature or through a city council, not through a public utility where the ratepayers rather than the taxpayers make up the deficit or fund the particular Government operation.

That is all it says. Look at the rest of them. All the rest of them have a rather pragmatic background to them.

Look at the "talk of conflict." Boy, that dazzles this old cowboy from Wyoming—that he cannot now serve because he will be administering in the areas where once he litigated. What an extraordinary statement. And this from those who watched the Natural Resources Defense Council become a very important part of the decision process in the court's consent decree as to Federal coal leasing.

I often ask why the coal companies could not have been in on the administration of the consent decree, but that received a very jaded response. They think that an unheard of intrusion, and they are the counsel that put it all together, the members who were once the activists on the other side. The fox guarding the chickenhouse theory apparently applies to Watt but not to the chickens and the interchangeable foxes who played musical chairs and who abused and manipulated the legal system in the past.

Conflict? Try this cast of characters: The Chairman of the President's Council on Environmental Quality, Gus Speth, was a former member of the NRDC; the Assistant Secretary of USDA for Conservation, who controls the U.S. Forest Service, was the head of the Wilderness Society, a man named Rupert Cutler. He was known in the West as the mother of RARE II. The father was unknown.

The Assistant Secretary of Parks and Wildlife at Interior was Robert Herbst, of the Izaak Walton League; the Assistant Secretary for Lands and Natural Resources in the Department of Justice, James Moorman, was a key litigator for the Sierra Club—conflict—a man who went to work for the party being sued by his former clients.

How about Joe Browder, the founder of Environmental Policy Center, who went to the Department of the Interior to be Deputy Assistant Secretary; John Leshy, litigator for Natural Resources Defense Council in the Hughes case, who became Deputy Solicitor of the Interior Department; and Kitty Schirmer, Associate Director for Natural Resources of the Domestic Policy Council, who was formerly with the Environmental Defense Fund?

Those are the persons who were the creators and the stage managers of what we know in the trade as the "sweetheart" lawsuit. Talk about conflict? Those days are gone forever.

So we have new beginnings in Interior. You bet that is true.

You will not find Jim Watt gimmicking the system with underlings skilled in the use of the autopen. He will be direct and he will be up front. His predecessor tried to do that, but his underlings often undid it.

So he believes in multiple use; he believes in the balance that people have talked about.

The clamor for the Sagebrush Rebellion will die down under the administration of Jim Watt because he will insist upon a more responsive agency. He will administer where you can get a decision, where you can build a road to an oil rig in the winter without waiting for a year; where you can get an easement across a pile of sagebrush, where you can see a tank battery or a road ahead of you and say that is not wilderness, we are using that land for something.

Jim was questioned repeatedly on his philosophy and approach to legislation such as the Federal Planning Management Act, the Federal Mining Reclamation Control Act, and the Clean Air Act. He consistently responded that he would not propose wholesale changes but would endeavor to properly apply the intent of Congress. This administrative approach is most refreshing to this Senator who was informed by a high official in the past administration that those earlier laws were being interpreted by the Department of the Interior to "strike a balance between the environmentalist position and the intent of Congress." No wonder that an atmosphere of extreme bitterness developed in Western States in the face of such attitudes.

So Jim Watt will be confirmed. He believes in stewardship of national lands as much as he practices Christian stewardship in his own life. I commend him for the sheer class that he displayed in the hearings and in the face of some rather tasteless, baseless, and rather unproved "sensationalese" charges.

The PRESIDING OFFICER (Mr. ARMSTRONG). The Chair regrets to inform the Senator that the time yielded to him has expired.

Mr. SIMPSON. Mr. President, if I may have 1 additional minute?

Mr. McCLURE. I yield 1 additional minute.

Mr. SIMPSON. I thank the Senator from Idaho.

I say again the people of America have nothing to fear from Jim Watt, a remarkable Christian and a civilized gentleman, extraordinarily bright and with an appealing family.

Get to know him. He is an authentic person, and the Lord knows they will need someone with his inner sources of strength in that place over there.

They have been through the fires in their own lives, and it has been nothing more than something which has strengthened them and tempered them, and he will make you all very proud, and you may even—if you allow yourself to do so—like him.

I thank the Senator very much.

Mr. McCLURE. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

Mr. TSONGAS. Mr. President, the nomination of James Watt is for me a very difficult and very vexing decision.

I began the confirmation process strongly inclined to give President Reagan his chosen people. I had strong philosophical disagreements with most of them, but it is a fact that Ronald Reagan won the election and we Democrats did not. The election was a mandate, and it is not appropriate, generally, for that mandate to be frustrated by those who, like myself, may be in disagreement. Therefore, I have voted for nominees with whom I share very little substantively because of that premise.

In the case of General Haig, I voted "nay" because to do so served, in my opinion, a purpose relative to the balance of power between the executive and legislative branches and in other areas.

Now what about James Watt.

I am an environmentalist and I make no apology for that term. James Watt is not.

I met Mr. Watt in my office before the hearings and observed him during the hearings. I came away from that process concerned about his views but willing to have faith in James Watt the person despite those views. I asked for a second meeting with him, which I had last Thursday. The meeting was a chance for him to mollify me as to his positions.

He never took me up on the opportunity. I ended up with a sense of foreboding. James Watt is a frank, sincere, and committed individual.

But committed to what end?

"I am a Reagan Republican," he said. Well that's fine but what does it mean? Does it mean despoiling God's Earth? Does it mean the serving of private interests over the public good? I do not know.

I wanted in my last meeting with James Watt to be placated, to believe in his inherent sense of balance, and to be able to cast an "aye" vote with confidence. It was not to be. While I felt drawn to him as a person, I was not comforted.

So where does that leave me?

I realize now that I and James Watt will probably do battle over many issues in these 4 years.

I know that I will like him as a person but that will not diminish the intensity of my opposition to the exploitation of our natural resources.

I feel in my gut that in his realm will be any of the great tests of this administration.

I have weighed this vote very, very carefully. There is no reason to vote for James Watt in my position. No one in Massachusetts, on my staff or in my family is for him.

I have decided to vote for him anyway.

Why?

First, I want to signal to James Watt that our future battles will be on the issues, and will not reflect upon his basic genuineness.

Second, I want to be able to hold James Watt accountable for his commitments to achieve balance and to build a bridge to the environmental community.

Third, I want to hold his Senate sponsors, specifically my friend ALAN SIMPSON and MALCOLM WALLOP to their deeply held views about James Watt, the human being.

Fourth, I want to isolate my vote on General Haig so that the purpose of that vote will be all the more understood and taken all the more seriously.

Let me finish this chapter with these thoughts James Watt is very religious—and genuinely so. It is clearly a part of him. Does a true man of God allow the rape of God's earth and God's creatures? Can a man of God look upon desecrated land and see God's will?

Can the destruction of animals and naturalness even be arguably part of God's plan for us? I think not.

For James Watt to be remembered as a conduit to ruinous development is, of course, very easy.

For James Watt to be remembered as the gallant soul whose role was to smite the environmentalists is very easy.

For James Watt to be remembered as the congenial fellow who allowed pieces of eight to clink in the coffers of the insensitive to God's earth is also very easy.

What is hard is to be remembered as the steward of our rich natural heritage. What is hard is to grow into one's responsibility; to be worthy of a national role that transcends the narrowness of special interests.

James Watt is dedicated to not being cowed into retreat. Big deal. Sticking to your ideological guns is easy.

The hard part is to reach out beyond the expected.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TSONGAS. If I could have 15 seconds, I will be finished.

Mr. McCLURE. Mr. President, I yield 15 seconds to the Senator.

Mr. TSONGAS. The hard part is to reach out beyond the expected. I am going to do it here. I may well regret it someday. But if I do, it will be James Watt who was unwilling to grow and unwilling to do the unexpected—not me.

I am taking a long-shot risk here. I do not expect to win, frankly. But I do want to have tried.

The rest is up to James Watt.

I thank the Senator from Idaho.

Mr. McCLURE. Mr. President, I yield 5 minutes to the Senator from New Mexico (Mr. DOMENICI).

Mr. DOMENICI. Mr. President, I thank my good friend from Idaho.

It is not often at this hour and at this stage of a confirmation proceeding that the Senator from New Mexico would feel compelled to spend 5 minutes of the Senate's time. But I do on this one, because I truly believe that there are some impressions that have been left with this body that are not only erroneous but truly tend to mislead.

I would take the Senate back 15 years and until about 3½ years ago, the point in time when the foundation that Mr. Watt heads came into existence and I will ask them to look into the courts of America to find out where the litigation against agencies of the Federal Government challenging their policy decisions came from.

I do not like to use words to describe groups, but for that period of time, in a very legal and legitimate way, environmentalist groups, such as the Sierra Club and others, were the ones going to court challenging the policies of EPA, challenging the policies of the Department of Agricultre, which, incidentally, manages the forests not the Department of the Interior, as suggested by one Senator today. They were the ones who sued the Department of the Interior. They were the ones that established in a lawsuit that every acre of grazing land in America before you could change the grazing plan was subject to an environmental impact statement. One hundred and fifty-four such statements will have to be prepared taking 9½ years.

I did not hear anyone saying, "What business is it of an environmentalist group to sue the Department of the Interior or the Bureau of Land Management to establish public policy?" But this man observed that. He said there ought to be another group and it ought to have the same rights that they have and, unequivocally, we should go to court to balance the enormous preponderance of litigation that has been affecting public policy in one direction only. He did that. And for that he is criticized here on the floor of the Senate and in the committee that reported him out.

I urge the Senate to consider that that is precisely what happened in the history of using the courts of America to effect public policy. If a group decides to balance that and Jim Watt decides to head that group and he goes to court and wins some lawsuits, that ought to be more than prima facie evidence that there was a need for what he wanted to do, or else why would he have won?

There are those who make it sound like in every case—and there were only four against the Department of the Interior—he was there representing Exxon or Shell Oil. Well, let me tell you, I am here to thank him, because he represented through that foundation 35 grazing permittees in the State of New Mexico, Hispanic Americans who could not afford a lawyer. They were about to get denied their rights to graze because a bureaucratic America decided not only are we going to change the rules, but you 35 little people, you cannot even challenge our rules. We are going to change them for you right now and good luck.

I thank his foundation and him because he got a distinguished circuit court to say, "That is not American, friends. You have got to give them a right to appeal a decision that denies them 50 percent of their livelihood."

There was not a single one of them that owned anything but a few acres of grazing rights, and all but eight owned them before the United States of America existed, through their Hispanic heritage.

We are led to believe that that foundation and this man taking that kind of lawsuit is going to destroy, in some way, and has preconceived ideas to just do away with fair play and a balanced approach to the policies of the public domain.

That case stands out with me. He was right in his original decision that such a foundation should be created, advocating balance through the courts, and I thank him for it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLURE. I yield 1 minute to the Senator from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. President, today as the Senate prepares for final consideration of the nomination of Mr. James G. Watt as Secretary of the Interior. I would like to express my support for the gentleman from Colorado.

I am convinced that Mr. Watt will bring a balanced and deliberate perspective to his duties which include the oversight of over 500 million acres of Federal land and trust responsibilities for nearly 50 million additional acres.

Jim Watt is especially qualified for this position of trust because of his vast experience in dealing with the complex, and often emotional issues surrounding the stewardship of this Nation's natural resources. He has spent the better part of his adult life working on these issues and no one is better prepared to assume this post than Jim Watt.

During his confirmation hearings, Mr. Watt has proven himself to be an informed, open, candid and knowledgeable nominee as he presented his views on a wide range of vital issues he will deal with as Secretary.

James Watt will be an excellent Secretary of Interior and I am convinced that he will work to see that a responsible balance of environmental, energy and economic factors is maintained.

While standing in support of Secretary-designate James Watt, I would like to comment on two water policy issues relating to the authorities of the Department of the Interior.

First, rules promulgated by the Carter administration reflect their attitude and intent to discourage water resource development. Specifically, in December 1979 the Water Resources Council published rules on principles and standards that do not allow an increase in production of livestock and specialty crops to be counted as a benefit in determining the economic feasibility of an irrigation project. Probably the best commentary on this rule came from an economist within the Carter administration who called it philosophical and arbitrary.

We in South Dakota who have a deep-seated interest in irrigation hope the Secretary and his assistants at Interior will be equally interested in water development and will address the problem these rules have created.

A second water policy issue of concern to people in South Dakota is the prospect that Federal action to grant a right-of-way for the so-called ETSI coal slurry pipeline will adversely affect the water rights of our State. The Bureau of Land Management has not adequately considered the effects on southwestern South Dakota. I have urged that the draft environmental impact statement published in November be corrected to address these effects, and I shall continue to work to see that the water rights of my State are upheld.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Mr. President, I yield 1 minute to the Senator from Tennessee (Mr. SASSER).

Mr. SASSER. I thank the distinguished Senator from Idaho.

Mr. President, today the Senate is considering the nomination of James G. Watt to be Secretary of the Interior. It is with some reservations that I will cast my vote in favor of confirmation.

My reservations, Mr. President, stem from the testimony taken by the Senate Energy and Natural Resources Committee, Mr. Watt's previous record on conservation issues, and the opinions of my constituents. James Watt has been opposed, in some instances, to the policies of environmental protection that have characterized the Department of the Interior for many decades. In other instances, he has demonstrated the balance necessary to be Secretary of the Interior.

It is the duty of the Secretary of the Interior to protect the public interest with regard to the Nation's natural resources. He is the public trustee of America's land and waters. As such, the Secretary of the Interior should be free from potential conflicts-of-interest that might affect the decisions he will be required to make.

The Senate Committee on Energy and Natural Resources heard much testimony on Mr. Watt's involvement with the Mountain States Legal Foundation, whose stated interest is to "protect and defend individual liberties and the private enterprise system in the courtrooms of America," quoting the foundation's 1979-80 annual report.

Mountain States Legal Foundation is funded by some of the best known extractive industries in the Nation: various oil, gas, and coal companies have contributed to the organization, including Shell Oil, Exxon, Western Coal, and Kemmerer Coal. A recent list prepared by the public lands institute in Colorado, however, showed that 37 separate interests which had contributed over $500 annually to the foundation also had substantial oil, gas, and/or coal lease interests. Such leases are, of course, supervised by agencies of the Department of the Interior and the Department of Agriculture.

Mr. Watt's signed recusal statements, however, have satisfied me that he will make every effort to separate himself from potential conflict-of-interest situations. I am certain that no hint of impropriety will emerge from the Secretary of the Interior's office in the coming years.

My reservations about the nominee are also centered around some of Mr. Watt's public statements about the so-called environmental movement and his record on conservation issues. Just this past December 23, Mr. Watt indicated that the Department of the Interior should begin to recognize that there is an energy crisis, and take steps to develop our natural energy resources.

Apparently, Mr. Watt has not had the opportunity to review the Department of the Interior's efforts on energy. The facts indicate the Department is, and hopefully will continue to be, in the forefront of the Government's energy-development efforts.

Figures prepared by the Bureau of Land Management, an agency of the Department of the Interior, and the U.S. Geological Survey, indicate that excluding Alaska, only 20 million acres of Federal land is closed to energy development—20 million acres which are designated as wilderness.

Mr. Watt contends that a balanced approach is necessary in response to the call for blind economic growth and development. I fully agree. We cannot permit the important environmental protection gains made in the last two decades to be lost in the stampede to open development of public lands.

The balance between development and natural resources that Mr. Watt spoke of during his committee testimony is achieveable. And I might note parenthetically that I will be doing all I can to insure that the balance is indeed sought, and not forsaken to imbalances on either side. I hope the nominee will take note of my feelings.

As a person, James Watt is a man of high character and principle. I expect that, given the high degree of oversight he will receive from myself, my colleagues, and other conservation interests, James Watt will seek only meaningful, well-thought policies as Secretary of the Interior.

Finally, Mr. President, it is my feeling that the President of the United States has the right to seek the counsel of those whose wisdom will help him make the tough decisions required of him. The proper function of the Senate in the nominating process is to question and oppose nominees who might prejudice the public interest by their actions. I do not believe James Watt will, as Secretary of the Interior, seek to harm the common good of the American public or our Nation's formidable natural resources.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. Will the Senator yield?

Mr. McCLURE. I yield 1 minute to Senator BRADLEY.

Mr. BRADLEY. Mr. President. I have weighed very carefully the decision on the confirmation of James Watt as the Secretary of Interior. The basic criteria I use to evaluate nominees are competence and integrity. There is nothing in the record to make me doubt either Mr. Watt's ability or honesty.

Yet, the job of any high public official—and certainly that of a Cabinet officer—requires another element: Leadership. Part of that leadership is the ability to bring people of divergent views together. This is a special task at the Department of the Interior where the Secretary is both the guardian of our national heritage and the distributor of valuable public resources. He must do both jobs with sensitivity and total devotion to what is in the public's interest.

I have concerns that Mr. Watt's most recent experience at the Mountain States Legal Fund has given Mr. Watt opportunities to view these problems from only the most narrow perspective. I am also concerned that in his most recent capacity he has tended to take a confrontational approach to many sensitive issues.

Mr. Watt has enunciated, both in private discussions with me, and on the record before the Energy Committee a broader perspective. He has initiated discussions with environmental group representatives, as well as development-oriented groups. That dialog is important to continue and he has indicated his intention to do so.

His testimony before the committee that he will not seek major changes in existing environmental laws is also an important reassurance that he recognizes his responsibilities to preserve public resources. I am also pleased that Mr. Watt has shown an awareness of the potential conflict of interest problems which confront all of us who hold the public trust. Mr. Watt has agreed to recuse himself from any situation involving litigation by his former organization—Mountain States Legal Fund in recognition of that problem.

Of particular importance to my State of New Jersey, Mr. Watt has assured me of his willingness to consult with New Jersey Members of Congress on such paramount issues as the Pinelands preservation plan, the critical water supply emergency in the New Jersey-New York-Pennsylvania area, and efforts to reclaim land such as the Hackensack meadowlands for park facilities close to urban areas.

After weighing my concerns I have decided to support Mr. Watt's nomination—not because I share his views on the issues. His policies remain to be seen. He will ultimately have to lead the Department of the Interior, mediating among competing views of the public interest. I am willing, however, to take Mr. Watt at his word as expressed to me personally and in testimony before the committee. The Energy Committee, all Members of Congress and the public will continue to monitor his progress.

Mr. McCLURE. Mr. President, I yield 1 minute to Senator CHAFEE.

Mr. CHAFEE. Mr. President, when James G. Watt was nominated to be Secretary of the Interior, many members of the Nation's environmental community and Members of the Senate sensitive to environmental concerns expressed reservations about his qualifications to be the chief steward of our natural resources.

As chairman of the Environmental Pollution Subcommittee which has jurisdiction over fish and wildlife programs in the Interior Department, I was one of those concerned about Mr. Watt's nomination. However, I am prepared to vote for him.

During Mr. Watt's confirmation hearings before the Energy and Natural Resources Committee, I listened to Mr. Watt explain his approach to natural resource conservation and asked him several questions about his management philosophy. Although I respected Mr. Watt's frank answers to my questions, I was somewhat concerned by his remarks about the future use of our national wildlife refuges. In response to my questions, Mr. Watt stated that he believes wildlife refuges should be managed with wildlife conservation being the dominant use of the refuge. But he also stated that he would—

> * * * not support a program that would dedicate a parcel of land to any single purpose until we had evaluated and understood the values of that parcel of land and how it might most beneficially serve mankind.

Mr. Watt continued—

> I will be an active manager to make those evaluations. But as we are adding, two things: Adding uses to our resource base, we are also developing technologies that would allow us to do things today that would not bring the damage that it might have done yesteryear. While Congress has defined the dominant use (of refuges), that must continue. But I am also willing to look to see what other prospects there are as we open up other areas for wildlife. As we open up other areas for wildlife, we ought to be willing to look at the wildlife refuges to see if there is another compatible use.

It seems to me, Mr. President, that what Mr. Watt is saying here is that under his management we are going to see a push for more natural resource development on wildlife refuge lands. Indeed, some resource development is permitted and proper on refuges as long as it is "compatible" with the dominant fish and wildlife uses.

But what really comes into play here is how these compatible uses can be "balanced" against the dominant use.

Everyone agrees that we need jobs, homes, factories, highways, mines, and lumber. But what must be sacrificed to meet these demands? The new Interior Secretary-designate's views on balance most probably will differ from those of the Audubon Society, and I am sure in some instances his views will differ from mine. The question is a subjective one.

I have talked with Mr. Watt about his concept of balance both at his confirmation hearing and in a private meeting.

Although we do not see eye to eye on all issues, especially the acquisition of additional lands for the wildlife refuge system, Mr. Watt expressed deep concern for maintaining wetland habitat. He also indicated a strong desire to consult closely with members of the Subcommittee on Environmental Pollution. I welcome the opportunity to work with Mr. Watt in the coming months to protect the environmental gains we have already made and to continue the effort to conserve and manage wisely this Nation's precious and fragile natural resources.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I yield myself 60 seconds.

I want to say again that Mr. Watt may be as purely motivated as anybody in this Chamber for or against him. My question about him has never been his motivation or his belief in what he has stood for in the past. It has been simply a question of judgment.

I think that he is going to have a very difficult time being the kind of Secretary of Interior that I would like to see and avoid the kind of conflicts of interest and avoid the appearance of conflict of interest which seem to loom so large in this case.

I would hope that he would choose to lease more of the Federal lands on a competitive basis, which is the only fair way the public trust can be defended and protected.

I understand that he is a very devout Christian man, as Senator TSONGAS has pointed out. I hope that he shares my belief that God probably expects the highest degree of stewardship over the very fragile trust he gave us in our lands. I think that is one of the highest obligations of any Christian and I hope that James Watt shares that belief with me.

I am prepared to yield back the remainder of my time.

Mr. BAKER. Will the Senator yield 1 minute to me?

Mr. McCLURE. I yield 1 minute to the majority leader.

Mr. BAKER. Mr. President, I thank the Senator.

Mr. President, I would like to state that it would be my hope and intention tonight to try to dispose of the remaining two Cabinet positions; to wit, Mr. Edwards to be Secretary of the Department of Energy and Mr. Bell to be Secretary of the Department of Education, and not to deal tonight with the three remaining nominations of Cabinet rank but who are not members of the Cabinet per se; that is to say, Mr. Stockman, Mr. Casey, and Dr. Kirkpatrick.

I might say once again I have conferred with the distinguished minority leader about this. I ask unanimous consent that following the conclusion of the debate on the next occurring nomination, which I believe will be the Edwards nomination, that the vote on that nomination be deferred until 9:15. I further ask unanimous consent that following the disposition of the debate on the Edwards nomination that the Senate proceed to the consideration of the Bell nomination, and at the completion of that, assuming it is completed by 9:15, that the vote occur in sequence following the Edwards vote and that the second vote also be a 15-minute vote.

Mr. CHAFEE. The first vote will be a 15-minute vote?

Mr. BAKER. Yes.

Mr. BUMPERS. Reserving the right to object, and I will not object, the vote on the Watt nomination will occur now and it will be a 15-minute vote?

Mr. BAKER. That is correct.

Mr. BUMPERS. Does the leader choose to cut that to 10 minutes?

Mr. BAKER. I think not. Senators are scattered now and we prefer not to do that on the first vote.

Mr. BUMPERS. I yield back the remainder of my time.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

The Chair will advise that the yeas and nays have not been ordered as of this moment.

Mr. McCLURE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, I will be very brief. I did not want to close the debate without expressing my thanks to those who have expressed themselves this evening in support of the nomination of James Watt. I do that without attempting at all to subtract one bit from the sincerity of those who have spoken in opposition to this nomination. But I could not help but be troubled as I heard some of the debate that characterized the man as being unbalanced because of his representation of clients in conjunction with the Mountain States Legal Foundation. Clients whose cases the litigation selection board had determined should be brought, and Mr. Watt in his role as chief counsel for that organization performed the function for which he was hired.

I certainly agree with the Senator who said earlier tonight that he was more than just a hired legal counsel. He was, and I do not mean to indicate otherwise by that comment.

But I was more profoundly disturbed both during the hearings and during the debate tonight by the implication that the Secretary of the Interior has only one duty, and that is to be the champion of conservation and protection of the environment, the public lands, or resources.

Certainly, that is a part of his charge. But he has a number of other statutory mandates that this body and the body across the Capitol have passed into law at various times that require him also to be the manager of production from those lands, the manager of the granting of leases for the purpose of production. Multiple purpose management is set forth in a number of statutes.

He has a number of different responsibilities, each one of which has been mandated by a law. To suggest that he is to come into office with a singular responsibility implies that he is to violate the law in every other respect.

All I am suggesting is that those who think he should have only one perspective or only one point of view are themselves limiting their perspective of his responsibilities. The public lands are of great importance to every one of us. I will not attempt to go into the delineation of why.

I do not intend to take much longer, Mr. President, but I am concerned when we suggest that somebody who has tried to see that the laws are enforced and followed somehow violated the responsibilities of a citizen of this country to the extent that they are disqualified from holding high public office in the future. We have done far too much of that already in trying to eliminate conflicts of interest, and we eliminate the services of fine men and women who might have been able to serve had we been able to prevail upon them to come to Government to apply the skills and the knowledge which they have acquired through working with the industries with which they would now be called upon to work as a member of the Government.

Mr. President, I think James Watt is an example of this kind of citizen, and this kind of involvement. It stems from the kind of concern from the days of his involvement in the Bureau of Outdoor Recreation and the development of the recreation plan for the entire Nation. The first one that had ever been developed. A landmark far ahead of when people in Congress and in many organizations now calling for such action were on the scene. I think he is to be commended for his balanced concern over many years. I am sure that he will continue to provide that balanced concern and balanced perspective in the administration of the Nation's laws.

● Mr. LEAHY. Mr. President, today I must vote to oppose the confirmation of James Watt as President Reagan's nominee for Secretary of the Department of Interior. I do so with some reluctance, because I believe that the President enjoys the privilege of selecting the people he wishes to work with in his new administration. However, I am afraid that the views that Mr. Watt and I hold on a number of important environmental issues are not only contrary—but irreconcilable.

I am not convinced that he will bring a balanced and objective approach to the management of our Nation's resources. I am also concerned over the past association of Mr. Watt with the Mountain Defense Legal Foundation. Under his leadership, the foundation fought many of the very laws and regulations that Mr. Watt, as Secretary, will have to defend and enforce. In addition, many of the large corporations that were substantial contributors to the foundation will also be involved in litigation and negotiations with the Department while Mr. Watt is Secretary. I respect Mr. Watt's intention to remain objective, but I am concerned that in reality it will be much more difficult than he admits to fully separate himself from these past associations.

I also believe it would be unfortunate if Mr. Watt were to bring what appears to be a solely western orientation to the Department. It is true that most of our public lands are located in the western half of the United States. But I would like to remind my colleagues that the Department of Interior has many important responsibilities in addition to administering these lands. For example, the Geological Survey, which is under the Department's jurisdiction, oversees the Outer Continental Shelf, and will be called upon to make some very important management decisions in the coming years. The Department also administers hundreds of offshore drilling leases off the east coast and will be confronted with some very difficult decisions on the management of these resources. It goes without saying that the Bureau of Mines, also under Interior's jurisdiction, will play a significant role in our efforts to increase energy production from eastern coal mines. I am concerned that Mr. Watt will not afford these issues that are so vital to the eastern half of the United States the attention they merit.

Mr. President, I have supported a number of President Reagan's nominations despite my reservations on some of the views they hold. However, the views Mr. Watt and I hold on the management and conservation of our Nation's resources are too conflicting to allow me to support his confirmation.●

Mr. MATSUNAGA. Mr. President, I rise in support of the confirmation of Mr. James G. Watt as our Nation's Secretary of Interior. I must confess, however, that as one who has been closely associated with environmentalists, I was initially greatly disturbed when the announcement of his nomination was made. Since then I have had the opportunity to meet privately with Mr. Watt and participated in his confirmation hearing, and came away impressed with his mental acuity and his dedication to the designated role of chief conservation officer of our country.

As a pacific islander, I was pleasantly surprised to learn that he was knowledgeable about the critical energy problem being faced by the peoples of the Pacific, and more so that he had plans to do something about it. In some of these Pacific Territories half of their operating budget is being swallowed up by payments for imported oil. Although it is essential for the imported supply to continue to avoid total chaos, it is tragic that the cost of energy is escalating to the point of draining the vitality of the local economy. From a humanitarian standpoint, one would hope that solutions can be found to the problems of the Pacific Territories, until then we will be forced to continue subsidizing their well-being and energy needs.

To reduce their energy dependency would restore their personal esteem and eliminate a drain on our economy. And in fact there is a solution—literally blowing in the wind and basking in the sun—in the form of renewable and indigenous energy alternatives.

Secretary-designate Watt and I agree that an immediate and comprehensive study should be conducted to determine the lifecycle cost effectiveness of the various energy options. It would not surprise me if some of the locally available sources turn out to be cheaper today. Instead of importing diesel fuel from halfway around the world, and installing hardware to burn this imported fuel, these Pacific islands could this year implement plans to convert to their available renewable alternatives.

Ponape, for example, could restore its hydropower capability, Guam could move ahead on direct solar applications, and ideal sites on and around some of the more than 5,000 islands would support windpower and ocean thermal energy conversion facilities.

The reason why I am so optimistic about the economics of the renewables in the remote Pacific is that an engineering and marketing team from the largest solar photovoltaic manufacturing company in the world visited some of these islands last year and came back with actual sales. They were astonished to find that in certain applications, solar photovoltaics would be cost effective today. If a space-age technology such as photovoltaics can economically compete with oil today, then surely, some of the less esoteric options, such as wind machines, can also be implemented.

Immediate development of this billion dollar renewable energy market across the vast Pacific will serve to improve economy of scale and facilitate the introduction of similar technologies to the continental United States. American business can get the jump on the world and begin exporting expertise and equipment, thus hopefully, over time, reversing our negative balance of trade.

Mr. Watt knows that Hawaii is the crossroads of the Pacific and I am hopeful that as Secretary of the Interior he will be an able and willing partner with the State of Hawaii to bring about the necessary change in the Pacific Territories. I would, of course, be happy to assist him in this endeavor to strengthen our Nation's economy and national security.

Mr. President, I will join the majority of my colleagues in confirming the nomination of James G. Watt as Secretary of the Interior.

● Mr. ROTH. Mr. President, as the recently nominated, and soon to be appointed Cabinet members have come before the Senate, all have received careful review and close scrutiny of their merits, background, and abilities. One of the most closely examined was Mr. James Watt nominated for Secretary of Interior.

Having cosponsored the Alaska Lands and Barrier Islands bills, as well as continually battling ocean dumping, oil spills, and illegal hazardous wastes dump sites, I have particular interest in the Secretary of Interior position. It is my hope that Mr. Watt will, through the position of Secretary, maintain a true balance between the wise use of natural resources, and the preservation of our natural heritage.

With the crucial energy situation our country is facing this position becomes even more significant, due to the responsibilities of the Secretary to manage our natural energy sources. There is no doubt that we need to explore and develop every possible energy source to release ourselves from the dependency of foreign imports. This development must occur orderly, and carefully, so that fragile natural areas are not forever destroyed, and so that the heritage of our parks, refuges, and wildlife preserves are kept intact.

I am voting for James Watt today because I feel it is the President's privilege to nominate those that most closely represent his views. I will be watching Mr. Watt as he carries out his duties and strongly urge him to consider in every decision, the interests of all Americans including future generations to come.●

Mr. McCLURE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is, Will the Senate advise and consent to the nomination of James G. Watt, of Colorado, to be Secretary of the Interior? The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) and the Senator from Vermont. (Mr. STAFFORD) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. WILLIAMS) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 83, nays 12, as follows:

[Rollcall Vote No. 13 Ex.]

YEAS—83

Abdnor	Exon	McClure
Andrews	Ford	Metcher
Armstrong	Garn	Mitchell
Baker	Glenn	Murkowski
Baucus	Goldwater	Nickles
Bentsen	Gorton	Packwood
Boren	Grassley	Pell
Boschwitz	Hart	Percy
Bradley	Hatch	Pressler
Burdick	Hatfield	Pryor
Byrd, Harry F., Jr.	Hawkins	Quayle
	Hayakawa	Randolph
Byrd, Robert C.	Heflin	Roth
Cannon	Heinz	Rudman
Chafee	Helms	Sasser
Chiles	Hollings	Schmitt
Cochran	Huddleston	Simpson
Cohen	Humphrey	Specter
D'Amato	Inouye	Stennis
Danforth	Jackson	Stevens
DeConcini	Jepsen	Symms
Denton	Johnston	Thurmond
Dixon	Kassebaum	Tower
Dole	Kasten	Tsongas
Domenici	Long	Wallop
Durenberger	Lugar	Warner
Eagleton	Matsunaga	Weicker
East	Mattingly	Zorinsky

NAYS—12

Biden	Kennedy	Moynihan
Bumpers	Leahy	Proxmire
Cranston	Levin	Riegle
Dodd	Metzenbaum	Sarbanes

NOT VOTING—5

Laxalt	Nunn	Williams
Mathias	Stafford	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF ENERGY

NOMINATION OF JAMES B. EDWARDS, OF SOUTH CAROLINA, TO BE SECRETARY OF ENERGY

The PRESIDING OFFICER. The clerk will state the next nomination.

The assistant legislative clerk read the nomination of James B. Edwards, of South Carolina, to be Secretary of Energy.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, on behalf of the majority, I yield myself 2 minutes. But first a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. What is the time arrangement on this nomination?

The PRESIDING OFFICER. Under the previous order, the Senator from Idaho (Mr. McCLURE) has been granted 30 minutes; the Senator from Wisconsin (Mr. PROXMIRE), 30 minutes, and the Senator from Washington (Mr. JACKSON) has been granted 10 minutes.

Mr. McCLURE. Mr. President, on January 14 the Committee on Energy and Natural Resources favorably reported, by a vote of 19 to 0, the nomination of the Honorable James B. Edwards for Secretary of Energy. The committee's action followed 1 day of hearings on the nomination on January 12, during which Governor Edwards responded to questions during a period of over 4 hours.

Mr. President, this is a particularly critical time in our country's history when our economic and energy well-being are in jeopardy. As a country we must move expeditiously to improve the health of our economy and deal with serious problems in the area of energy supply. It is essential that we develop new energy policies that foster energy conservation and production to assure our economic recovery and our national security.

In particular, policies are needed which promote increased energy exploration and production of oil and natural gas. Energy conservation is not enough; it must be coupled with production. We must change the philosophy that government by the force of regulation can compel energy production. Instead, we need to remove government management of fuels in what would otherwise be a free-market. We also need to remove the body of counterproductive regulations currently imposed on energy production and use. As Governor Edwards noted:

> I want to know why it is, in fact, in the national interest to take twice as long (or longer) to build new energy facilities than it did a decade ago. What do these long time periods do to the energy cost that consumers pay to amortize these multi-billion dollar facilities? What do we gain by such protracted planning, discussion and permitting procedures? We need to be mindful of both environmental, safety, and economic impacts while we move ahead to make the production decisions which must be made expeditiously.

Yes, we are shackled—with dozens of laws, hundreds of permits, thousands of regulations, and tens of thousands of pieces of paper. Let us find out what part of this is necessary, valuable, appropriate, and cost-effective; let us turn the remainder of this human energy on to solving the energy problem.

Mr. President, only through a strong domestic energy industry and a free market will our country move away from its critical dependence on imported energy supplies.

To that end, the formulation and implementation of national energy policy must reside in a Cabinet Officer who serves as the single spokesman for the executive branch before the Congress, the American people, and in the international community. The Reagan administration recognizes that this responsibility must rest with the Secretary of Energy, as provided for in the Department of Energy Organization Act.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks the colloquy I had with Governor Edwards on this point on January 12 during hearings on his nomination.

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

The CHAIRMAN. Thank you, Governor. . . . I want to explore for a moment what your understanding is with President-Elect Reagan and what your understanding of your role is from the conversations you've had up to this point.

I want to quote from Section 102, paragraph 10, of Public Law 95-91, the Department of Energy Organization Act, that outlines some of the requirements imposed upon the Secretary of Energy. And I quote from that Law. As a part of the duties of the Secretary of Energy "to establish and implement through the Department in coordination with the Secretaries of State, Treasury, and Defense, policies regarding international energy issues that have a direct impact on research, development, utilization, supply, and conservation of energy in the United States and to undertake activities involving the integration of domestic and foreign policy relating to energy, including provision of independent technical advice to the President on international negotiations involving energy resources, energy technologies, or nuclear weapons issues, except that the Secretary of State shall continue to exercise primary authority for the conduct of foreign policy relating to energy and nuclear nonproliferation, pursuant to policy guidelines established by the President."

Are you aware of that provision of the statute?

Governor EDWARDS. Yes, I am aware of that, Mr. Chairman.

The CHAIRMAN. Are you prepared at this time to make any statement regarding your understanding with the Reagan White House concerning your duties and responsibilities as Secretary of Energy, as the energy spokesman for his administration?

Governor EDWARDS. Yes, Mr. Chairman. I am prepared to make such a statement. I will be the spokesman for the President's energy policy and carry out the implementation of these policies on behalf of the President.

The CHAIRMAN. Governor Edwards, will the Secretary of Energy be the primary spokesman for the Administration on domestic and international policy before the Congress and to the American people and to the international energy community?

Governor EDWARDS. Mr. Chairman, I will be the primary spokesman for the President on domestic and international energy policy before the Congress, the American people and the international energy community. I would like to point out that I will, as a matter of courtesy and effectiveness, consult and coordinate closely with the Secretary of State on all international matters consistent with his primary responsibilities for the overall foreign policy.

The CHAIRMAN. Will the Secretary of Energy, as a cabinet member, have the primary responsibility for the formulation and implementation of domestic and international energy policy?

Governor EDWARDS. That's correct, Mr. Chairman, consistent with a Congressional mandate and Public Law 95-91 and the desires of the President-Elect. As I pointed out previously, as a matter of courtesy and effectiveness, I will consult and coordinate with the Secretary of State on all international matters as he is charged, as you know, with the primary responsibility for overall foreign policy.

The CHAIRMAN. Specifically, are you charged with the lead responsibility within the Executive Branch for the International Energy Agency, for the energy aspects of the Economic Summit, for the United States' energy policy as it relates to OPEC and the Persian Gulf?

Governor EDWARDS. Yes, sir. That is correct.

Mr. McCLURE. Thus, Mr. President, in the Reagan administration there will be a single spokesman on domestic and international energy issues.

Within the Department of Energy are certain programs that are essential to our country's energy future. Examples include energy research and development, nuclear weapons development, Federal power marketing agencies, and energy emergency or contingency planning, as well as international energy activities, to name a few programs.

These programs should be centralized in a single Federal agency under the Secretary of Energy. He is empowered to remove certain Federal regulations that have been imposed on industry. An example would be the excessive regulatory requirements under the Fuel Use Act which exceed the intent of Congress and, in some cases, the law itself. The Secretary of Energy also is empowered to reduce excessive Government management of fuels.

The need for such reforms is recognized by the Reagan administration, as noted by Governor Edwards who pledged that—

I will set in motion, early in the year, the study Congress required in Title X of the Department of Energy Organization Act of August 1977. A comprehensive review of each program in the department will be conducted, including an evaluation of its effectiveness and the extent, if any, to which the program should be continued, as required by law.

I believe that this process will provide ample time for a responsible determination of the best form and structure within the Federal Government for our meeting our energy needs. I am committed to bringing sound management to the Department and welcome the opportunity to serve President Reagan and work with the Congress to marshal the strength of our free enterprise system to meet our nation's energy needs.

Mr. President, Governor Edwards is well qualified for the position of Secretary of Energy. He has a proven record as a competent administrator.

Governor Edwards has made a career in public service, most recently as the chief executive officer of the State of South Carolina from 1975 to 1979, and previously as a member of the South Carolina State Senate. As a member of the State senate his participation on the Nuclear Energy Committee led to an energy leadership role in both the national and Southern Governors Conference. He served on the Committee for Natural Resources and Environmental Management of the National Governors Association for 4 years and chaired its newly created nuclear energy subcommittee for 2 years. He also served as chairman of the Southern Governors Conference and directed its energy activities through the Southern States Energy Board.

As Governor he instituted management reforms to strengthen and improve the productivity of his State's government. Under his leadership South Carolina successfully demonstrated the successful achievement of both economic growth and environmental protection. As Secretary of Energy, he will be similarly required to direct national energy policies which reflect national environmental quality goals.

As Governor he established the Office of Energy Resources to direct the formulation of the State's energy policy in pursuit of South Carolina's energy options. The Governor's office also was responsible for providing a comprehensive background of energy information coordination and national liaison. As Secretary of Energy he will have similar responsibilities for the administration of national energy policies, which will require a close cooperation and coordination with State and local government.

And as a former Governor he has a deep understanding of the problems faced by State and local government, particularly because South Carolina does not have any indigenous energy resources.

As Governor he demonstrated that cooperation is most successful when accompanied by State consultations and concurrence. As Secretary of Energy he will be called upon to work closely with the States to obtain their cooperation in the achievement of national energy goals. This would be particularly true should the United States be faced with an interdiction of international oil supplies.

As Secretary of Energy, Governor Edwards will be the administration's spokesman on domestic and international energy issues and programs, with the Congress and the American people, as well as in the international community. For example, the Secretary of Energy is the U.S. Representative to the International Energy Agency. His duties will extend to responsibility for international energy contingencies such as the current Iraq-Iran war. At the present time, the Department of Energy is ill-prepared to deal with a serious interruption of international energy supplies. Priority must be given to correcting this situation.

As noted earlier, a principal function of the Department of Energy and, in turn, the Secretary of Energy is "to carry out the planning, coordination, support, and management of a balanced and comprehensive energy research and development program, including—assessing the requirements for energy research and development; developing priorities necessary to meet those requirements; and undertaking programs for the optimal development of the various forms of energy production and conservation."

As Governor he created, by executive order, the South Carolina Energy Research Institute to serve as the focal point for all energy activities within the State of South Carolina and to fully advance the State's future energy options. The institute is an independent, nonprofit organization chartered under State laws; unlike most State entities, it is privately funded by contributions from industry, foundations, and individuals, as well as by private and government research contracts. Thus, the institute possesses a greater independence, objectivity, and flexibility than State or federally controlled energy agencies.

During the past 4 years, the Carter administration has placed this Nation's nuclear industry in a virtual holding pattern. We must now resume our development of nuclear energy as a major component of our domestic energy supply. On public record Governor Edwards has stated that fission technology is, and must remain, a critical and essential component of the Nation's near-term and midterm energy supply.

However, this can be accomplished only if the new administration takes initiatives in a number of areas. In the area of nuclear waste policy, we must immediately implement a program for spent fuel storage in locations other than powerplant sites, and legislation may well be required. There must also be an early demonstration of geologic disposal of nuclear wastes. In testimony before the Senate Government Affairs Subcommittee on Energy in July 1978, Governor Edwards stated:

I personally believe that the siting of nuclear waste repositories can be resolved in the best interests of all if we accept the inherent responsibilities of our federal system of government and our role as protectors of the general public's health and safety.

Implementation strategies should be as encompassing as feasible. We should allow for the evaluation of progress toward a final solution in sufficient detail to determine further courses of action on the development of nuclear power.

Though I believe a technology is available, it would be irresponsible for me to definitely say a solution is at hand merely because a timetable or definitive plan exists and is finally agreed upon. Further accelerated nuclear development must be responsibly weighed against the positive progress towards the solution of the waste management problem.

We must, however, recognize the nuclear waste will continually be generated by the military and we will continue to have, no matter what our nuclear future, the material from our present system of commercial nuclear facilities.

We cannot throw up our hands and say there is no solution. The resolution of the waste problem is wrought with complex technological and institutional issues and legislation should not foreclose any option. To meet this challenge, we must look beyond present government processes. We must dare to be creative and innovative. We must succeed. Our survival hangs in the balance. The time for doing nothing is past—the waste is with us today! Whether we like it or not, there is a growing inventory of both defense and commercial waste material which must be dealt with positively and expeditiously.

The Department of Energy also must make a new commitment to nuclear research, particularly a breeder reactor demonstration project. I am pleased to note that Governor Edwards recognizes the critical importance of nuclear research as part of our national energy program. As Governor, he chaired the Subcommittee on Nuclear Energy of the National Governor's Conference. And, as a State Senator he served on the Nuclear Energy Committee.

Important steps also need to be taken without delay to remove the current impediments to international nuclear commerce, and to improve the procedures for the siting of nuclear powerplants and nuclear waste facilities.

Some of the initiatives outlined above are not the exclusive responsibility of the Secretary of Energy and others may require legislation. Nevertheless, I fully expect that the new Secretary of Energy will be at the center of these initiatives.

In the performance of its energy research and development duties, the Department of Energy is second only to the Department of Defense as a Government contractor. Administration of such an extensive program requires strong management capabilities. Governor Edwards has demonstrated his management strengths in this regard. Such management capabilities are clearly needed at the Department of Energy.

Mr. President, on behalf of the Committee on Energy and Natural Resources, I am pleased to recommend Senate approval of the Presidential nomination of the Honorable James B. Edwards, of South Carolina, for the position of Secretary of Energy.

Mr. President, I yield to Senator THURMOND.

Mr. THURMOND. Mr. President, I rise today for the purpose of announcing my full support for and admiration of President Reagan's choice for Secretary of Energy, the former Governor of my State of South Carolina, James B. Edwards.

When the Energy and Natural Resources Committee held their hearings on Governor Edwards' nomination, I appeared before them both to introduce Governor Edwards and to express my hope that they would recommend his confirmation. I am pleased to note that they did recommend confirmation, and by a unanimous committee vote.

During my appearance before that distinguished committee, I made several comments with regard to Governor Edwards' impeccable character and his qualifications for this important position. I would like to repeat some of those comments now, for the benefit and information of the full Senate.

I have had the honor of knowing Governor Edwards for a number of years and have enjoyed working with him on numerous occasions. His keen intellect and his thoroughgoing knowledge of the issues made him an effective legislator and Governor, and his work as chief executive of South Carolina gained him the respect of people across the country.

Governor Edwards was raised in Mount Pleasant, S.C., and graduated from the College of Charleston where he received a B.S. degree. In 1955, he was awarded a M.D.M. degree from the University of Louisville School of Dentistry, and he graduated from the University of Pennsylvania Medical School where he served his internship in 1957–58.

During World War II, Governor Edwards served in the U.S. maritime service. He was on active duty in the U.S. Navy from 1955 until 1957 and remained in the Naval Reserve until 1967, holding the rank of lieutenant commander upon discharge.

He served as a member of the South Carolina State Senate from 1972 to 1974 and as Governor from 1975 to 1979. As Governor he served as chairman of the National Governors' Association Subcommittee on Nuclear Energy in 1978, and as chairman of the Southern Governor's Conference in the same year.

He is a member of the American Dental Association and has served as a Diplomate on the American Board of Oral Surgery since 1963. He is a member of Omicron Delta Kappa, a national honorary leadership fraternity and of Phi Delta, the honorary dental fraternity. Dr. Edwards is a member of the board of trustees of Baker Hospital in Charleston and of the Charleston Council of the Navy League of the United States. He is also on the board of trustees of the College of Charleston Foundation.

While Governor, he was active in exploring new avenues of energy research. For example, the South Carolina Energy Research Institute (ERI) was founded by an executive order of Governor Edwards in 1977. The Governor saw the need for a body charged with seeking out solutions to the energy problems facing the State, and the creation of ERI provided the State with an organization which would promote, coordinate, and manage a wide range of energy related research and publish its findings.

Additionally, through Governor Edwards' initiative, the newly created Office of Energy Resources assumed new responsibilities as it strove to provide the State government with a sound basis for prudent planning and responsible decisionmaking in energy related areas.

Mr. President, Governor Edwards is a man with a firm commitment to steering America on the road to greater energy independence, and he is the man who can best help our Nation meet its energy needs.

Governor Edwards is one of the most capable, dedicated, and courageous men in America today. He is intensely interested in our energy needs and is knowl-

edgeable and well informed about them. Mr. President, I hope the Senate today will overwhelmingly confirm the nomination of James B. Edwards to be Secretary of Energy.

Mr. JACKSON. Mr. President, I intend to support the President's nomination of Governor James B. Edwards to be Secretary of Energy. On January 12, Governor Edwards appeared before the Committee on Energy and Natural Resources to answer questions about his qualifications for this job. I think he learned something from those hearings.

The Secretary of Energy is an extremely important person in the U.S. Government. Our management of energy policy is an essential component of our economic policy. It is a fundamental component of our foreign policy.

The functions of the Department of Energy are essential functions. These Federal responsibilities cannot be adequately managed in a piecemeal fashion without firm and informed central direction and coordination. This kind of coherent effort is vital if we are to assert control over our national welfare.

Governor Edwards is taking on a backbreaking job. It is a job which requires technical expertise. It is a job that requires diplomacy and consultation. It is a job which requires forceful and skillful management. It is a job in which your mistakes are immediately visible and painful, whereas your successes only manifest themselves over the longer run.

I wish Governor Edwards good luck, and urge him to take seriously the importance of listening to the advice which will be available from the Congress and others. Energy policy is a very serious, difficult business. He will need the consultation and cooperation we in Congress are offering.

Mr. President, I ask unanimous consent that the text of my remarks at the hearing on Governor Edwards' nomination be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HENRY M. JACKSON

Certain statements made during the 1980 Presidential campaign suggest that the Secretary of Energy may not be regarded by the new administration as an important member of the President's cabinet. I will tell you my view of the matter.

Energy is the lifeblood of our economy.

Without adequate supplies of energy, we cannot provide the goods and services our people deserve. We cannot provide jobs.

Without adequate supplies of reasonably-priced energy, we cannot control the cost spiral which drives our inflation. We cannot create the confidence in the health of the economy which is essential if we are to invest in the future.

So the Secretary of Energy is very important. And the implications of the policies of the Department of Energy are not confined to domestic energy markets.

The cornerstone of any U.S. energy policy is petroleum policy. Because of this, U.S. energy policy is dominated by the characteristics of the world oil market. The availability and price of oil on the world market is determined by a myriad of social, economic, political and other factors which are far more complicated than the relatively simple dynamics of market price, supply and demand. Access to oil on the world market in the 1980's is a matter of international politics and national security. The probability that this access will be restricted by design or by accident is alarmingly high. Any prolonged restriction in access to oil would have the most serious consequences for the United States and its allies.

The Department of Energy organizes the international representation for the United States at the International Energy Agency and provides the leadership role in energy emergency contingency planning.

The Department of Energy directs the national effort in research and development and production of nuclear weapons and serves as the prime contractor for the national laboratories.

The Department operates the strategic petroleum reserve and serves as the focus for energy information and analysis and energy policy development. It is the entity which not only directs efforts at energy research, development and demonstration but relates these efforts to the evolving energy situation.

So I believe that the Department of Energy has a very heavy set of important responsibilities. And I am troubled by the suggestion that the Federal government can somehow divorce itself from these responsibilities or scatter operational management of them over several other uncoordinated Federal entities. I become very concerned when some say that we can abolish the Department of Energy: the only institution available to provide a focus for the Federal government's efforts to play a constructive role in so many essential facets of energy policy.

I am looking forward to hearing Dr. Edwards' views on these and other matters relating to activities carried out by the DOE during the course of these hearings.

Mr. DOMENICI. Mr. President, the distinguished Senator from Mississippi has requested 7 minutes.

Mr. STENNIS. The Senator may go first.

Mr. DOMENICI. I have finished my remarks. I am glad to yield 7 minutes at this time to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator. I shall not detain the Senate but for a few minutes.

I am happy that I can support and approve the nomination of Mr. Edwards. I know him personally in a measure and am familiar with the fact that he is a former Governor of South Carolina and a good administrator.

I firmly believe that if this country is to continue to grow in economic strength, if it is to create jobs and greater prosperity for its citizens, we must as a government apply our technology and our resources to the solution of this Nation's energy problem. Energy is critical to our national security, to our modern industrial economy, and indeed is part and parcel of nearly every aspect of our lives.

In 1973 the continued availability of secure and affordable oil and natural gas and our national security were clearly threatened. The Arab oil embargo highlighted this Nation's vulnerability and the vulnerability of all other industrial nations to a supply of energy from a highly unstable area. The shock waves of the sharp price increases which followed the embargo rippled through our economy and left in its wake a higher rate of inflation, a deep recession, high unemployment, and a lower rate of productivity growth.

In addition, a great transfer of capital began to rush from our industrial economy to the oil-exporting countries and has continued unabated to this day, increasing the pressure on interest rates. Again in 1979 our economy endured another round of sharp price increases, and again the political instability of the Mideast, punctuated by the Iranian Revolution, cut the world's oil supply and set in motion market prices which have triggered another round of inflation and another sharp recession in our country.

Throughout this energy crisis, I have seen Presidents Nixon, Ford, and Carter, and many of my colleagues in the Senate, wrestle with the serious and complex problems associated with bringing this energy crisis under control. The public debate and policy definition which has come forth since 1973 was a monumental effort. Many interests were pulling and tugging but out of this debate I believe that we have developed a policy which is on the right track.

The needed effort to develop our abundant coal and shale resources is under way and should be continued. President Carter's action to decontrol the price of domestic crude oil was well taken. Our citizens have withstood the price increases and I believe that we should continue the phased decontrol of the price. Finally, the highly dispersed Government effort in energy development and policy is now under the responsibility of one Government department.

It is my strong belief that the establishment of the Department of Energy was a positive step in the right direction. Certainly there are reports which indicates that there are refinements and improvements which should be made in the Department. But I would urge that the Department should be retained with a Cabinet Secretary. I believe that keeping energy supply in focus is essential to our Nation's future. I believe the Secretary should work toward building on the progress to date and making our energy policy and programs more effective.

The new Secretary of Energy has a very important and critical job. I believe from the reports that I have that the Secretary-designate James Edwards has the ability to do the job. As former Governor of the State of South Carolina, as a leader and founder of an energy institute in his State, and as a participant in the public policy formulations on nuclear waste he has the experience to qualify him as an executive and leader in the continued development and production of an adequate supply of energy.

I urge the Secretary of Energy-designate, James Edwards, to build on the progress made to date. I strongly urge the Secretary-designate to pursue policies which will increase our domestic production of oil, natural gas, coal and shale. Further, I would urge him to revitalize the nuclear power program and launch a major effort to insure the safe utilization and disposal of nuclear materials. Further, I would urge him to insure an infinite supply of nuclear energy by developing the technology to breed nuclear fuels and to generate electricity

from the enormous power of fusion energy.

Our future is closely tied to managing and solving this energy problem. This effort should be a top priority of the Reagan administration.

Mr. President, what I am concerned about is the talk that we have had here about the possibility of dismantling the Department of Energy, grievously and seriously changing the law and impairing its powers.

A few years ago, right after the 1973 embargo, I held hearings before a Subcommittee of Appropriations for 3 or 4 years there that went into infinite detail of proof about the need for new sources and additional sources of energy and improving the sources we had.

This proof was from highly competent witnesses and lots of other places I heard the same thing discussed.

It covered the technology of the situation that we are up against. It covered the finance, the tremendous cost of providing these additional energy sources, so enormous as to really change our entire economy, and during the attempt then to pass a comprehensive bill that would furnish the legal machinery to really tackle the problem, it was the most difficult and most in depth undertaking I have ever seen here undertaken, except when war was actually on. It reached farther and deeper into the economy, the technology, the competition between present sources of energy. It was a challenge really to our parliamentary system.

For instance, we had, I believe, from this body alone about 40 conferees, and the House of Representatives had a larger number still, and the bill lingered. It did not linger there. It was worked on there for over a year, and at times they almost had to give up in despair.

So I also had on my mind at the time the absolute dependence we are in now even for our military security, dependent on foreign sources of the necessary energy, and I thought the continuing need for independent, energy sources. We cannot continue as a leading Nation if we do not improve the situation where we will be more independent at least and for the benefit not only for ourselves but for our allies.

So I wish to utter the strongest kind of caution to the membership that before we do anything—I am not against change—that would weaken substantially the power of this Department and the programs that have finally been started that we be certain that we have a grasp of the facts.

I am bold enough to predict that the legislative branch would refuse to dismember now and reduce the effectiveness of a bill that has been put together including the Department, and I said from way back that this plan cannot be completed in one bill, that it will have to evolve. It will have to evolve in the light of experience that we have as we go along. But just as certain as night follows day, in my firm opinion, we will finish up the golden era of our great country and descend to a lower level of economy and capability of protecting ourselves unless we have a good, strong, vigorous, forward looking, even demanding in the areas where it is necessary laws on the books that will give us the machinery of government to carry out these plans and purposes and the steps that have to be taken, whatever may be the final decision.

I say I am giving my opinion now, not based on something I read in a book or in the paper, but something gained here as a way of an opinion, a conclusion, as we struggle along here 4, 5, 6 years, even 7 years of effort and struggle.

So I trust this gentleman will be confirmed, that he will put his talent, his capability to work.

I went so far as to mention the importance of this, as I saw it, to our present President of the United States with reference to the problems we were faced with, and the concern I knew he had and would continue to have.

I yield back the remainder of my time and I thank the Senator again for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, it is a very critical time, as indeed it has been for the last several years with respect to energy.

The new Energy Secretary will face some monumental decisions. Among them will be decontrol of oil, possible decontrol of natural gas, nuclear waste policy, breeder reactor policy, the Energy Mobilization Board, a continuation—vel non—of the Synfuels Corporation, dismantling in whole or in part of the Energy Department, research and development, and a whole range of fields from solar nuclear energy to fusion to oil and gas and synthetic fuels, gas rationing, fashioning a plan that will work, which the present plan in my view does not, refinery policy, and many other very difficult and important and critical areas of decision.

Now, the new designee for the Department of Energy brings certain strengths and certain weaknesses to this position at this critical time. His weaknesses are well-known and self-admitted. They are that he does not have a background in energy, that he has training as a dentist and was a successful Governor, but not dealing directly with energy.

On the other hand, Mr. President, we interrogated Governor Edwards at some length in the Committee on Energy and Natural Resources. I think it is safe to say that every member of that committee was impressed with the quickness and the agility of his mind, with his attitude of not only cooperation with our committee and with the Congress but with his full realization of the difficulty and of the monumental nature of these decisions, of his desire to work hard to seek the proper answers both within his own department and the private sector and from the Congress. In general, Mr. President, we found him to be an able individual, very intelligent, with an attitude that is, I think, one that augurs well for his future success, if attitude can do it.

I, for one, voted for his confirmation. No member of the Energy Committee on Energy and Natural Resources opposed him.

We can, therefore, recommend to the Senate that he be confirmed, and that we hope his confirmation will be unanimous. Upon confirmation I think it is very clear that he is going to have full cooperation, indeed support, from the minority side—I am sure from the majority side but certainly from the minority side—in carrying out sensible energy policies, policies involving greater production of energy resources as well as conservation of those that we own.

So from the minority side, Mr. President, we urge his confirmation.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Does the Senator want 2 minutes in favor of the nomination? I yield 2 minutes.

Mr. EXON. Mr. President, I rise to support the nomination of Governor Edwards for the important position of Secretary of Energy.

I had the distinct pleasure and opportunity to serve 4 years with him in the National Governors Association.

I consider him not only an outstanding former Governor but a man of unusual talents. I believe that my friend from Louisiana has stated not only some of the strong points of Governor Edwards but the fact that I have visited with him since he has been nominated by the President, and he, too, recognizes that he might not have had all of the experience and background and qualifications that some people would have liked to have seen in the new Secretary of Energy. However, I know him to be an excellent administrator, and I think above everything else that is what we need in that Department as we try to move ahead on self-sufficiency and energy of the United States of America.

Therefore, I am enthusiastic about the chances and the record I am sure Governor Edwards will write successfully as the Secretary of Energy under the new administration.

I urge my colleagues to give him wholehearted support in the vote we will have at 9:15.

Mr. DOMENICI. Does the Senator from Oklahoma desire time to speak in favor of the nomination? I yield him 2 minutes.

Mr. BOREN. Mr. President, I thank my colleague.

I, too, had the opportunity to serve as a Governor and a member of the Governors Association with James Edwards of South Carolina, and I want to add my support for his nomination.

Governor Edwards is a person of absolute integrity. He is a man of great ability, and he is also a person who is not afraid of hard work.

Not only did I have the opportunity to serve with him as a member of the National Governors Association, but I also served with him in the Southern Governors Conference as a fellow member of the Energy Committee, and on that committee I heard him express positions

about energy issues, his overall grasp of what needs to be done to move this country toward great energy independence.

He is sound, he is knowledgeable in the field, and yet certainly the kind of man who realizes that he still has much to learn but has the ability to learn what he needs to know to lead us in this area.

So, Mr. President, I am certainly proud to join with others who have spoken earlier this evening to express my very strong support for the confirmation of Governor Edwards to be Secretary of Energy, and to also express my commendation to our new President for nominating a man of such ability and integrity for this position.

I thank the Chair.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. DOMENICI. I would be pleased to yield 2 minutes to the Senator from Hawaii.

Mr. MATSUNAGA. I thank the Senator.

Mr. DOMENICI. Mr. President, will the Senator yield while I make a parliamentary inquiry?

The PRESIDING OFFICER (Mr. COHEN). The Senator will state it.

Mr. DOMENICI. If we finish the debate on the Secretary of Energy do we vote immediately?

The PRESIDING OFFICER. We do not. We will go to the nomination of the Secretary of Education.

Mr. DOMENICI. When would we vote on the nomination of the Secretary of Energy?

The PRESIDING OFFICER. At 9:15.

Mr. PROXMIRE. When on the Secretary of Education?

The PRESIDING OFFICER. If the debate has been completed by that time it will be back-to-back votes.

Mr. PROXMIRE. If completed.

Mr. DOMENICI. If it has not then we return to the Secretary of Education after the vote on the Secretary of Energy nomination?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. I apologize to the Senator from Hawaii.

Mr. MATSUNAGA. I thank the Senator for yielding.

Mr. President, I rise in support of the confirmation of the nomination of James B. Edwards for the post of Secretary of Energy.

In both private and public meetings with Secretary-designate Edwards, I discerned his keen sense of the politic and the reasonable, in the complex purgatory of what is soon to be his Department of Energy. He is indeed a fast learner. Although he was once quoted as saying that he wanted to abolish the Department of Energy, he more recently has stated, and I quote:

> It is my view that the Department of Energy serves a number of essential functions that must continue. It is my objective to reduce duplication and ineffectiveness by better organization and management. It is clear that there needs to be a single focal point for formulation of the nation's energy policy and for its implementation.

Also, while the media have portrayed Mr. Edwards as one sidedly pronuclear and production oriented, I was generally pleased with his recognition of the need for a balanced energy program. Energy conservation will be a cornerstone of his energy policy, and rightly so.

The renewable energy options will also play a prominent role in his program, he has said. I am supportive of his expressed view that the research and development of the various energy technologies should be a Government responsibility and should occupy a high priority status.

He has committed himself primarily to back out oil as rapidly as possible in order to attain a good measure of energy independence in an early timeframe. He will encourage the commercialization of our indigenous energy sources and promote the role of the private sector in accomplishing this goal. Again, I tend to agree with him, but would like to point out that while outright monetary subsidies and similar handouts should not be the continued Federal means of assistance, it is important for Government to play a stimulative front-end role beyond R. & D. through available congressionally mandated financial incentives to spur industry into action. For example, through demonstrations and implementation plans, public moneys can serve as the impetus where private financing can be leveraged.

Secretary-designate Edwards expressed particular interest in a project that is being implemented in my home State of Hawaii where the Island of Molokai, which is today importing 100 percent of its energy needs, will, with Federal assistance, attain 100 percent electrical sufficiency by 1984. A combination of biomass, windpower, direct solar and hydropower will convert this once sleepy community of 5,000 into a model of energy independence for the Nation.

Although the private sector will be largely responsible for all phases of the effort, it is nevertheless necessary for Government to be an active partner.

For example, because the financial institutions generally tend to be quite conservative when innovations need financing, a Government guaranteed loan, while most probably not costing the taxpayer a cent, if properly managed, can make the difference between "go" and "no go" on such a project. In addition, Government can help to anticipate and resolve institutional and legal barriers that otherwise would hamper the accelerated development of these first-of-its-kind projects.

All signs point to a serious energy crunch in this decade. Although Government should not overregulate and stand in the way of private enterprise, Government cannot abdicate its role in this most vexing of national and world problems. We need Government as an active partner and stimulator.

The Department of Energy has been given the mandate to lead our country out of our energy mess. It has taken far too many years to bring the various parts into a concerted whole, but the difficult task of creating and implementing a workable infrastructure charged with a meaningful energy policy has been accomplished. Energy is at the root of our economic and national security troubles, and the effectiveness of our energy efforts will directly determine the future course of our country.

Dr. Edwards is today being confirmed as the chief energy officer of our Nation. I pledge my support and wish him every success, for the alternative would be unthinkable. Mr. President, I urge my distinguished colleagues to join me in confirming the nomination of James B. Edwards as Secretary of Energy.

Mr. DOMENICI. Mr. President, how much time does the Senator from New Mexico have remaining?

The PRESIDING OFFICER. The Senator from New Mexico has 14 minutes remaining.

Mr. DOMENICI. I yield 2 minutes to the Senator from New Mexico (Mr. SCHMITT).

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a parliamentary inquiry? I ask that the time not be charged against anybody.

Is the Senator from Wisconsin (Mr. PROXMIRE) protected in the control of 30 minutes, as was agreed to in the beginning?

The PRESIDING OFFICER. Only if he achieves recognition before 8:45.

Mr. ROBERT C. BYRD. I hope the Senator will be protected in that because that was part of the original agreement. Of course, when we entered into the agreement that the vote would occur at 9:15 it was felt there would be a full hour and that Mr. PROXMIRE would be protected in having his 30 minutes.

Mr. DOMENICI. Mr. President, I will do everything I can.

Mr. ROBERT C. BYRD. Mr. President, was the Senator going to yield me 5 minutes?

Mr. DOMENICI. Yes.

Mr. ROBERT C. BYRD. Mr. President, I will ask unanimous consent that I may insert my statement in the record. I would ask that the Senator yield the 5 minutes to Mr. PROXMIRE.

Mr. DOMENICI. Mr. President, I am pleased to do that. I believe the Senator could also speak because I am not going to speak and there are only 2 minutes and then we can yield the Senator some time and then we will still protect Senator PROXMIRE.

Mr. JOHNSTON. Mr. President, I wonder if there are any other Senators on this side of the aisle who wish to be recognized and who desire time?

I am advised that Senator KENNEDY has asked for 7 minutes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 2 minutes.

Mr. SCHMITT. Mr. President, I want to compliment the President for his selection of James Edwards and the Energy Committee for proceeding as they have on his nomination.

I only have one reservation, and that is that Mr. Edwards seems to be backing down from his original feeling that the Department of Energy should be dismantled.

In a phone conversation I had with him a few days ago, I emphasized that there was at least one Senator that felt

the record was clear and that that dismantling could proceed. Dismantling does mean you stop the functions. Clearly, the combination of regulation and enforcement with research and development has not worked in the Department of Energy any more than it worked in the old Atomic Energy Commission, any more than it has worked in the Department of Transportation, or anywhere else in this Government that has tried it.

We clearly need an energy research and development agency. We need an energy research agency, but we do not need them in the same department. It has not worked ever and it will not work.

I will continue to encourage the new Secretary, as well as the new President, to stick to their original plan to abolish this particular agency but maintain the essential functions.

I support his nomination and I will continue that dialog with him in the near future.

I thank the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require. I will do my very best to limit my remarks to substantially less than 30 minutes, if I possibly can.

Mr. President, one of the big reasons why President Reagan was elected and, particularly, why he was elected by such a big margin is that he committed himself to holding down the size of Government. He gave examples. He was going to eliminate the Department of Education. He was going to eliminate the Department of Energy. And frankly, I recognize that in my State this was an extremely popular position. It was a position that I feel he took on principle and it was a position that makes sense.

The Government is too big. There is no question about it. Whether people are liberal or conservative, they recognize that this Government is so big, so awkward, so complicated, so bureaucratic that it simply cannot do the job it should.

I agree with Senator SCHMITT in his remarks that this is an agency that we can dispose of. While the functions are important and they should be preserved, the agency has gotten too big and too awkward and cutting its size and eliminating it from the Cabinet is certainly a step in the right direction.

Now, it has been said that the Governor is a quick learner. He sure is. He made a statement after he was appointed only a very short time ago. The quotation is as follows from an Associated Press story from South Carolina:

> James B. Edwards says that, as Secretary of Energy, he will enjoy presiding over the demise of a 2-year-old Department of Energy.

Some people felt the Governor was not qualified. Other people said he is an oral surgeon. He is an expert at extraction. That is his job. He will go in there and extract the Department of Energy and he is the man to do the job.

He indicated he wanted to do it and could not wait to get his hands on it. However, to show the power of the U.S. Senate and the power of various Senators, he changed his mind. He certainly learned in a hurry.

At the hearing, he was asked by Senator JACKSON:

> We believe it the right of anyone to correct things—the right of redemption. I've made a few of them myself. So we want you to feel at home. And don't feel that if you change your mind that that is a sin. It may be to your advantage.

Well, that had quite an effect on Governor Edwards, because this is what he said:

> Senator, I've made statements on several occasions. I would like to declare the demise of an awful lot of big Government, but in getting down to the particular aspects of this job, I think we have to look at it in an objective sort of way.
>
> I don't plan to do anything except study the situation at this stage.

And then he said:

> Well, I will report back to you in a year, January, 1982.

Meanwhile, the Department would go on without the man who indicated when he was appointed as Secretary of Energy that his principal job was to come to Washington to dismantle the Department.

If anyone wonders why it is hard to cut down the size of this Government, the answer is right here. It seems to me it is the clearest kind of object lesson.

I would like to ask my friend from New Mexico if he could tell us if there are any qualifications whatsoever that the distinguished former Governor has except Governor. I think certainly this is in his favor and did give him some experience in administration, however, is there any qualification with respect to energy that Mr. Edwards brings to this job? This is a complicated Department as it is, and it seems to me it should require some understanding of a great variety of energy matters which are very complicated. In addition, he will have to deal with tremendously able people in the private sector with whom he would have to negotiate.

What qualifications does Governor Edwards have to handle this job if the Department is not dismantled and if the Department is kept as so many Senators wish?

Mr. DOMENICI. Mr. President, I thank my good friend for the question.

I think the Senator knows that, aside from being Governor, he has a rather distinguished educational background, not only in the general sense but also he has received some rather significant degrees and recognition within his profession.

I do not offer that as specific experience, but, obviously, he is a man of some intellectual capacity.

In addition to being the chief executive officer of South Carolina from 1975 to 1979, he was previously a member of their State Senate. As a member of that Senate, he participated in the Nuclear Energy Committee and that led to an energy leadership role in both the National and Southern Governors Conference. He served on the Committee for Natural Resources and Environmental Management of the National Governors Association for 4 years. He chaired its newly created Nuclear Energy Subcommittee for 2 years and he also served as chairman of the Southern Governors Conference and directed its energy activities through the Southern States Energy Board.

I submit to my good friend that those activities, coupled with the kind of acumen that he obviously acquired in political life, certainly qualifies him for this job.

Mr. PROXMIRE. Mr. President, would the Senator disagree with the distinguished Senator from Louisiana who indicated earlier that, while he was going to vote for Governor Edwards, he felt he had virtually no real background in energy?

Mr. DOMENICI. Mr. President, let me say to my friend that we discussed that in the committee from the standpoint of just what kind of energy expertise would be acceptable around this institution.

I can imagine what would have happened if the President would have sent us a superbly experienced man or woman from the oil industry. The hue and cry would have been that he has experience, but in the wrong field, and he is already prejudiced and he represents the wrong kind of interests.

On the other hand, if we had gone out to our State, I say to Senator SCHMITT, and taken one of the superb administrators of one of our labs—and there are a number of those and a few of them are back in the private sector with Bell Telephone or others—then there would have, I am not saying the Senator from Wisconsin would have, but I just make this observation, there would have been the hue and cry, "Well, what about the oil and gas? What about coal? This fellow is too restricted."

So it seems to me that we need a person with an ability to make broad public decisions that are firm, that can carry out the program of the President, and that has the ability to choose strong people to help administer this Department. I think he has that ability.

Mr. PROXMIRE. Well, there is no question he has general experience in administration. He has been the Governor of a great State and he has apparently done an excellent job in that respect. But, as far as energy itself is concerned, he certainly does not have that kind of background.

It seems to me that, with all the thousands of people in this country who do not have a specific conflict of interest and have had great experience in the private sector at one time or another, who have taught at the great universities of this country, who have worked in research in various ways, that we should have been able to find somebody who has a background in energy. It should not be that hard.

There are only a very few people in this country who have a background in coaching football; very few. As far as professional football is concerned you

could probably count those who are available on the fingers of both hands. But if you go outside that and appoint somebody who has never coached football to coach a football team, people would consider it an absolute outrage.

You take some fellow who has been an oral surgeon and had 4 years as a Governor of an important State and you say he is qualified, even though, frankly, his background in energy is certainly invisible.

Mr. SCHMITT. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. Yes.

Mr. SCHMITT. Mr. President, it might be that we can assume that the President is going to stick with his indications during the campaign and insist that the Department be dismantled; that sections of it be extracted as if they were rotten teeth and put it into new agency status or old agency status which we used to have.

I think we had the system well organized until someone came along with a brilliant idea for a Department of Energy. Frankly, the remarks of the senior Senator from New Mexico indicate how it may be impossible to find somebody who can manage the department with that diversity we have stuck in there, particularly the distinction, as I indicated earlier, between research and development and regulation and enforcement.

I would disagree with the Senator from Wisconsin in his previous statement to the extent that there may not be anybody in this country who could ever manage the Department of Energy. We have had some extraordinarily competent people trying to do that and they have failed. There are people in this body who, in the synfuels debate and the Energy Mobilization Board debate, have said that, who were supporters of the Department. They have said that it has failed.

Mr. PROXMIRE. May I say to my friend I have great admiration for President Reagan. He won the election, and won it decisively. I think he was a great Governor of California.

I think in some ways the President has absolute, unlimited power, but he has to deal with this body, and that is not easy. He needs the aid of a convinced and able Cabinet officer to cooperate with him to accomplish something as difficult as abolishing a major department of Government. For that reason, I think it is unfortunate that Governor Edwards, who might have been of great help to the President in that regard, is so easily and so quickly going over to the other side.

Mr. SCHMITT. Let us hope that that was only under the duress and pain of having to testify before the Energy and Natural Resources Committee.

Mr. PROXMIRE. I am sure he is an honest man and spoke his convictions.

Mr. President, I think I will take only a few more minutes.

I would like to ask a question of my good friend from New Mexico, the senior Senator. If this man is not going to dismantle the Department it would seem to me that at the very least he should cooperate in reducing the size of the Department. After all, we recognize that the Government has to be cut sharply, particularly since we are going to have to balance the budget and do so with a big increase in defense and with a tax cut. He should be able to point to some area where he can cut the budget.

I asked him in a written question where he would reduce the budget. The Senator from New Mexico is the outstanding expert in the Senate on the budget. He is chairman of the Budget Committee.

I asked him whether he was not struck by that fact of necessary reductions, and Governor Edwards simply said, "Well, that is premature." He could not give one single area where he would reduce spending by this big Department.

Mr. DOMENICI. I do not think that is the total answer of the Governor. At one point he may have said that, but I want to give a couple of my recollections of what he said.

First of all, I think the Senator will agree that when he mentioned that he was studying the matter and contemplated sending a reorganization up to the Congress in January of 1982, that he used that date with reference to the mandate that exists in the law. Title X, the sunset provisions, of the Department of Energy Organization Act, requires that not later than January 15 the President shall prepare and submit a comprehensive review of each program of the Department. Each such review shall be made available to the committees of the Senate and the House of Representatives with respect to the annual authorization of funds pursuant to certain sections.

I think the Senator will agree that that is what Governor Edwards had reference to on sending up a reorganization plan.

In addition, he clearly indicated the position of this administration with reference to certain fuel products that are presently under price control, indicating that they hoped to decontrol a number of them quickly, including the decontrol of crude oil; and that he was hopeful that as that occurred they would be able to terminate or cut back a number of regulatory positions in that Department.

He indicated some areas which we now call research where they were going to make a very diligent effort to try to separate out commercial technologies from those that are research. He was hopeful that in the very near future we would not have the Department spending money on commercial technologies that are already there, but rather on pure research and development.

I think the Senator knows that it is not only personnel which causes the Department of Energy to have the budget that it has. There also are some huge programs that are tantamount to grants, and there are some very large subsidies, programs, loans, and the like. It is all of those that have to be looked at.

Mr. PROXMIRE. The Senator from New Mexico has given an excellent answer. If Governor Edwards had given that kind of answer, it would have been a different story, but he did not. He ducked it.

Let me follow up by asking the distinguished Senator from New Mexico another question: I asked Mr. Edwards, how do you plan to reduce the Department's budget by February 1, 1982 and February 1985 in 1981 dollars? How much do you plan to have reduced the personnel in the Department by those dates?

Then I asked him, realizing it is a difficult judgment, not to make an estimate but to provide the committee with reports for each quarter beginning with June 30, 1981, showing the number of personnel and the agency's expenditures, outlays, and commitments, for that quarter, and what other plans and commitments, reports, if any, he would make to assure that the agency would progress toward the anti-inflation goal so essential to our economy.

He answered that the agency would comply with the law which requires a report on February 15, 1982, but no other report.

But I submit that if we are going to make progress we have to get those reports in a hurry, we have to know what plans, if any, the Cabinet officers have made. The Senator from New Mexico more than anybody in this body knows the urgency of this as chairman of the Budget Committee.

Mr. DOMENICI. There is no doubt in the mind of this Senator that the size of this Federal Government and its annual outlays have to be changed dramatically. They cannot be changed in the direction that they have been changing in the past decade. They have to come down. I submit the Department of Energy is not immune from that criticism and that there is a similar urgent need on behalf of the general welfare of America.

I have grown to now conclude that this year we have to effectively cut the outlays back substantially and provide for rather drastic diminution in the expected outlays over the next 4 years.

Mr. PROXMIRE. You see, the difficulty is that the Governor would not respond to me. He would not give me an answer. He would not say he would make reports to the committee, not to me but the Energy Committee, at the end of every quarter as to what the situation was. I am not asking for a prediction. He should know how many people are working under him, what his outlays are, and he should tell us.

Mr. DOMENICI. I must say to the Senator that in the short time between his being called on the telephone by the President-elect and the time he came before our committee, that he could not get the answers to those kinds of questions unless he was working in that Department—and I do not think you necessarily would want that kind of person.

Mr. PROXMIRE. I have not made myself clear. I have not asked for answers. I asked him simply to tell us whether he would make a report by June 30, 1981, as to how many people he had on board on that date and how

much the Department had been spending as of that time. That is all I asked for. He would not give me an answer.

Mr. DOMENICI. I understand you, and I understand his answer, too. While I have the greatest esteem and respect for the Senator from Wisconsin, I think if I were advising Governor Edwards, I would have said, "I think you better tell the Senator you will comply with the law." I do not know what other Senator might want a report by July 1. Maybe Senator SCHMITT, who is anxious to see the Department disappear, might want that kind of report by September 15. He would be telling all of us, "Whatever it is you want by way of reports, I will give you."

I do not think the Senator has to be concerned about this administration openly, publicly, and on a regular basis telling the American people how they are going to cut. I believe this man will be a spokesman for the President and for the Department of Energy.

Mr. PROXMIRE. May I say to my friend, I am not asking for him to make a special report to me. I asked him to make a report to the committee. If he felt this might involve other Senators and dates, he could easily have said he would make periodic reports, not necessarily on June 30. But to simply ignore it and say he would comply with the law seems to me to be unfortunate.

I would like to ask the Senator if he would be able to tell us what the effect would be on inflation if Governor Edwards keeps his pledge to lift all remaining controls on gasoline and crude oil as soon as possible? What effect would it have on the cost to the rest of the country that is not oil producing if we have the controls lifted that much before the deadline, which, of course, is early next fiscal year?

Mr. DOMENICI. I will speak first about oil and then try to address the other issues which have been raised.

I do not think anyone can give an answer either, on the effect of the immediate decontrol of crude oil versus the effect of decontrol which is going to occur under the law in October of this year. I will tell the Senator this: The world oil situation probably will not be as conducive to decontrol in October as it is right now. The reason I think that is important is because while we have a present world glut, the immediate impact of decontrol is apt to be very significantly diminished over what it will be if we have a tight world market.

Eventually, in October, it is going to be decontrolled by operation of law.

I do not think those few months will make that much difference in the price of crude oil on the world market. Domestically it is going to rise. It is somewhat out of control in that regard.

I submit that if we would not have controlled it and other substances, such as natural gas, during the years, we would not be in the dilemma we are in.

Yes, with the price of oil going up, it will have an effect on inflation, but the price will go up in any event; and I do not believe that anyone can put into exact dollars the effect of that.

Mr. PROXMIRE. I should like to pursue that further, but time is limited.

One of the great concerns in Wisconsin is nuclear waste, because our State is one which is threatened with being a nuclear burial ground. We have granite deposits in our State which would be quite inviting for that purpose and the people in our State are very much concerned.

Our Governor, who is a Republican, has indicated great concern, and there is a strong feeling that the States should have a veto over the siting of nuclear waste facilities.

We unanimously passed an amendment to legislation in this body which gave the States a limited veto over the disposal of nuclear waste.

Here is a Cabinet officer who seems to say he would oppose giving States any veto including a veto for military wastes which are about 90 percent of all high level wastes.

Can the Senator give us any reassurance or explanation as to why we should vote for a man for an important policy-making position, the principal adviser to the President on energy, who would favor a policy of simply permitting the Federal Government to override the States' rights and bury nuclear radioactive wastes within the States if the Federal Government wished to do so?

Mr. DOMENICI. The Senator must know that he asks about an area of intergovernmental relations that this Senator is very much familiar with and involved in. But I do not believe that the U.S. Senate ever voted to give States veto rights. We did vote last year on S. 2189, if that is the reference the Senator makes, to give to the States and provide them with a process that is called consultation and concurrence.

Mr. PROXMIRE. That is even better than a veto.

Mr. DOMENICI. I advocated that for a long time. But, basically, if one reads the measure that was passed here, the time does arrive when, if a State does not concur and the Secretary of Energy decides to proceed, the only remedy a State has is to ask Congress to help it.

I do not believe he is stating anything inconsistent with that, and I do not know that that should deny a Secretary of Energy confirmation when Governor Edwards says, "I advocate as much as we possibly can give to the States, but we might find ourselves in a position where the Governors do not want to take the heat and where no State wants to say yes," in which event he says it is a national decision which has to be made by someone such as the Secretary of Energy.

Mr. PROXMIRE. As a matter of fact, the Governors are only given consultation. Is that not right? They have no other recourse. If you are the Governor of New Mexico or Wisconsin, under the policy Governor Edwards would favor, if the Federal Government wishes to bury waste in your State, they consult with you. If you say you do not want it, that is too bad. You get it anyway, if the Federal Government insists. Is that not right?

Mr. DOMENICI. I do not recall that this nominee ever said, "I endorse the language found in Senate bill 2189." If he did, I do not recall it. He said he did not think the States should have absolute veto rights.

If he had said that S. 2189 was good in his opinion, in terms of the relationship, that is not a reason to turn him down, either. The Senate voted overwhelmingly in favor of that. So it seems to me that if he favors that, he favors what most of this body favors. So I do not believe we should turn him down on that ground, either.

Mr. PROXMIRE. I am not necessarily talking about turning down the Governor on that ground. It is a matter of great interest to my State and, I am sure, to many other States which feel that they should have some say about what the Federal Government does in disposing of waste which they had no part in creating.

I ask the Senator about the reprocessing of spent nuclear fuel.

Mr. DOMENICI. Before the Senator does that, will he yield?

Mr. PROXMIRE. I yield.

Mr. DOMENICI. I wholly concur that we must develop a process by which the States have significant involvement and an ongoing input.

Mr. PROXMIRE. That is very encouraging. However, I do believe we should go as far as we can and, if possible—I realize it is a very difficult decision—work to give the States at least the kind of authority and power they felt they had in the legislation we enacted.

How about the reprocessing of spent nuclear fuel and breeder reactors? I understand that he strongly favors the Clinch River plant. That plant needs big Federal subsidies. I do not mean that he specified Clinch River, but he favors breeder reactors.

My question is this: Am I interpreting his position correctly with respect to breeder reactors? That has been very controversial in this body, as the Senator knows. I have opposed breeder reactors. As the Senator knows, they do produce a product which can be used for military purposes, and it is very hard to control.

Mr. DOMENICI. The Senator's interpretation of what he said is correct. He supports breeder reactor technology and the development of breeder reactors. I do not believe he made a positive commitment as to Clinch River, the ongoing project.

Mr. PROXMIRE. The Senator is correct. I was mistaken on that.

Mr. DOMENICI. While the Senator from Wisconsin might oppose the development of breeder reactors, this body historically, by rather compelling numbers, has supported the development of breeder technology. The only controversy has been over Clinch River, as I recall, but this body has supported its development.

There, again, I believe that if he supports what a majority of the Senate supports, at least for purposes of confirmation, that would seem to be a pretty good justification for confirmation.

Mr. PROXMIRE. Will the Senator inform the Senate as to what his reaction and the committee's reaction was to the statement by Governor Edwards that the Three Mile Island episode did not dis-

turb him and—I quote him—"It showed that the system worked, and everything in life has risk."

Mr. DOMENICI. I am not aware of any response to that position—and the staff informs me that there was none. The committee, by a majority, has taken the position that we have to proceed with the use of nuclear energy in this country, including the present technology that is in the field, but that, obviously, we have to do everything within our power to provide the maximum safety.

Mr. PROXMIRE. I agree with that. But it seems to me that any reaction that the Three Mile Island incident was not disturbing, any reaction which shows that the system works, indicates an insensitivity to the colossal risks involved. The Three Mile Island incident is a grim reminder that no matter what safeguards we put in, and no matter what the scientists assure us about odds of a million to one or a hundred million to one against an accident, human beings are involved.

The PRESIDING OFFICER. The 30 minutes of the Senator from Wisconsin have expired.

Who yields time?

Mr. DOMENICI. Mr. President, I understand the order is that we vote at 9:15. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Who has the remaining time?

The PRESIDING OFFICER. The Senator from New Mexico and the Senator from Louisiana both have time remaining.

Mr. JOHNSTON. Mr. President, I yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I rise in opposition to this nomination.

Mr. President, I have supported most of President Reagan's Cabinet nominations.

Over the years, I have supported a number of nominations despite very real reservations. And I have opposed some nominees because their records are so contrary to the public interest as I see it that I could not follow the general presumption in favor of Presidential Cabinet nominations.

I cannot support the choice of James Edwards as Secretary of Energy, because as a blind and unquestioning advocate of nuclear power, he cannot bring to the Energy Department any real sense of balance about nuclear development and its dangers.

As Governor of South Carolina, Mr. Edwards spoke unequivocally for the development and even the Federal subsidization of plutonium technologies—which Secretary of Defense Harold Brown regarded as inconsistent with our national security. As chairman of the National Governors' Association Task Force on Nuclear Energy, Mr. Edwards favored any and all forms of nuclear energy.

An insensitivity to the issues of nuclear safety recurs in Mr. Edwards' record and continued all through his confirmation hearings. I am especially disturbed by his views on the accident at Three Mile Island.

Just after the accident, Mr. Edwards commented that nuclear power is an "emotional issue * * * it's like a boogey man."

Since then, two independent commissions—the Kemeny Commission and the Rogovin Commission—have examined Three Mile Island and concluded that the present system of regulation cannot assure that nuclear powerplants are safe.

But Mr. Edwards' views have not been moderated at all, even by these two independent reviews. During his confirmation hearing, he said that what Three Mile Island meant to him was "a company that is in trouble who needs some help." Then he added, "generally" that was all it meant. He explained that the accident showed that "the system worked and no one was harmed."

Despite his professed faith in the free market and his supposed opposition to big government, Mr. Edwards displays a similar excess of enthusiasm for big government subsidies to insulate the nuclear industry from genuine free markets.

Over the past three decades, nuclear energy has reaped $21 billion in subsidies from the Federal Government. Whatever the merits of these enormous subsidies in the past, there is no justification for their continuation at such exorbitant levels in the future. Yet, under Secretary Edwards, the ominous prospect is for an expansion of these subsidies to even higher levels. It is strange indeed that a new administration so committed to ending Government interference in the energy industry should recommend a Secretary of Energy so committed to public subsidies for private companies in the nuclear industry.

A few examples illustrate the problem:

In 1975, the owners of the Barnwell plutonium reprocessing facility in South Carolina informed the Federal Government that their proposal to build a plutonium reprocessing facility could not be privately financed. They seek, and Mr. Edwards favors, a public subsidy. It will cost the taxpayers $2 billion to complete the plant if it is taken over by the Federal Government. I have strongly opposed such public assistance in the past, and I shall continue to oppose it in the future.

It has been proposed that the Federal Government spend $1 billion to build the Clinch River plutonium breeder reactor. The United States has over 400 years of coal with which to generate electricity. As in the case of the Barnwell project, it makes no sense for the Federal Government to spend a billion dollars on nuclear fuel for electricity generation. But Mr. Edwards favors that wasteful expenditure.

Government operation of uranium enrichment plants, which also supply fuel for nuclear reactors, furnishes an additional $700 million annual subsidy to the nuclear industry. It is imposible to justify this subsidy on the basis of a rational energy or economic policy. But Mr. Edwards favors it.

Virtually every other industry is required to bear full financial responsibility for accidents. Yet the nuclear industry has long been relieved by Federal law of the full liability for nuclear accidents. I believe that this cushion of Federal protection is unwarranted and should be removed. But Mr. Edwards supports that program—which could, in the moment of a meltdown, cost the public tens of billions of dollars.

Finally, I am concerned about Mr. Edwards' position on the issue of nuclear waste. He favors States' rights in most areas—but in the critical area of nuclear waste disposal, he favors an all-powerful central Government that can ride roughshod over the interests of the States.

The American people have a realistic concern about nuclear energy. Unless we approach the challenge with balance, caution, and sensitivity, I believe that nuclear power could become a technological Vietnam for the United States in the 1980's. I cannot support a Secretary of Energy who regards it as an unalloyed blessing.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I have 3½ minutes remaining. I yield those 3½ minutes to the distinguished Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from New Mexico.

Mr. President, I intend to cast my vote in favor of the nomination of Gov. James B. Edwards to be the next Secretary of Energy. Governor Edwards has had a distinguished career in public service and I am satisfied that he will serve in this important Cabinet post with integrity and commitment. However, this nomination brings into sharp relief the many divergent views on energy policy which have surfaced within the Congress and points to the urgent necessity to maintain a steady course.

Now that the campaign is over, I am hoping that the incoming administration will take a realistic approach to this Nation's energy security. During the last Congress, fundamental new policies were established that will profoundly change the way America produces and uses energy. Phased decontrol of domestic crude oil has already led to more domestic exploration and to substantial energy conservation.

A record number of oil wells were drilled this past year, while petroleum imports averaged about 23 percent less than in 1979. There has been strong bipartisan support for research and development of diverse energy technologies. Congress also gave its overwhelming endorsement to a partnership between Government and industry to develop a viable synthetic fuels industry.

The incoming Reagan administration has promised to place a greater emphasis on the increased production of domestic oil and natural gas. Governor Edwards' remarks at his confirmation hearings reflected this commitment. There is no question that we must maximize the production and use of our domestic energy resources. But the facts belie the

promise that this adds up to a simple solution to America's energy problems.

Government and industry experts alike agree that the United States is facing a steady inevitable decline in petroleum reserves. The immediate decontrol of domestic oil and gasoline prices, while perhaps a symbolic gesture to encourage production and conservation, will not provide any easy answer. Rather, the solution lies in a broad range of approaches. These must include consistent support for the development of new energy technologies, particularly the production of synthetic fuels from coal and oil shale, effective conservation measures and wise preparation for a predictable energy emergency.

Governor Edwards will find the Department of Energy to be a complex and diverse organization. Undoubtedly, some of the bureaucratic machinery needs to be overhauled or even dismantled. However, much of the work of the Department must be continued if the national interest is to be served. A sound energy policy, based on more than hypothetical discoveries of oil, is essential to our national security and the health of our economy.

The pursuit of energy security and independence includes the increased use of coal, both conventionally and in the manufacture of synthetic fuels. Governor Edwards indicated at his confirmation hearing that he supported this goal. It includes the support of promising new technologies, such as solar or geothermal. It requires the accelerated construction of priority energy projects through curtailment of regulatory delays and obstruction. It demands effective management in the event of a severe supply shortfall. It requires cooperation with our oil consuming allies to avoid perilous fluctuations in the international oil markets.

Given these and countless other critical responsibilities, Governor Edwards should rethink his initial promise to work himself out of a job. On the contrary, he will be expected to find the most able and talented professionals to staff the Department's management positions. It is with this mandate that I congratulate Governor Edwards on his nomination and wish him well in this difficult post.

Mr. BRADLEY. Mr. President, I will vote to confirm James Edwards as Secretary of Energy. But I also want to voice my concerns about his appointment.

Over the past 2 years, we have come to appreciate the extent to which our energy problem is an international problem that gravely threatens our national security. Our foreign and defense policies are at least as integral to its management—and ultimate solution—as our domestic energy programs. The reason is that our economic and political vulnerability, and the vulnerability of our allies and trading partners, to foreign manipulation or disruption of petroleum supplies is a source of strategic vulnerability as well.

This vulnerability will persist as long as the American and international economies are fueled by oil and gas from insecure or hostile suppliers. Unfortunately, neither the United Staes nor our friends in Europe, Japan, and the Third World, will quickly or easily substitute domestic energy for imported petroleum. And for the next decade, at least, the likelihood that oil and gas will be used as political instruments will increase, not decline.

To forestall politically divisive competition for access to petroleum supplies and to limit the economic damage from deliberate or inadvertent disruptions, we must cooperate with other oil importing nations in developing effective measures for enhancing our collective energy security. An essential prerequisite for international cooperation in this area is strong and creative U.S. leadership at home and abroad.

Mr. Edwards, both in conversation and through his answers to written questions, has modestly disclaimed his expertise in the foreign policy and national security dimensions of U.S. energy policy. At the same time, he has testified that he will have primary responsibility for developing America's international energy policy and for representing the United States on energy matters in all international forums.

This is a tall order. In view of the stake America has in his success, his principal advisers on these matters—the Deputy and Under Secretaries and the Assistant Secretaries for International Affairs and Emergency Preparedness—must therefore carry a double burden of demonstrating their qualifications for the job. I would hope that the administration's candidates for these positions can satisfy us that they have the ability and the will to define and promote the national interest in these critical areas.

I am also concerned that Mr. Edward's obvious enthusiasm for nuclear power could cause him to discount conservation's enormous potential for reducing America's energy consumption. This could result in exaggerated energy demand projections which might in turn legitimize a new wave of costly subsidies to highly capital intensive nuclear and synfuels projects at the expense of more cost-effective investments in energy efficiency, municipal urban waste and solar.

In the months ahead, I will carefully monitor DOE's progress in the international, energy security, and conservation areas. And I look forward to working with Mr. Edwards and his deputies on these important and challenging matters.

● Mr. JACKSON. Mr. President, I intend to support the President's nomination of Gov. James B. Edwards to be Secretary of Energy. On January 12, Governor Edwards appeared before the Committee on Energy and Natural Resources to answer questions about his qualifications for this job. I think he learned something from those hearings.

The Secretary of Energy is an extremely important person in the U.S. Government. Our management of energy policy is an essential component of our economic policy. It is a fundamental component of our foreign policy.

The functions of the Department of Energy are essential functions. These Federal responsibilities cannot be adequately managed in a piecemeal fashion without firm and informed central direction and coordination. This kind of coherent effort is vital if we are to assert control over our national welfare.

Governor Edwards is taking on a backbreaking job. It is a job which requires technical expertise. It is a job that requires diplomacy and consultation. It is a job which requires forceful and skillful management. It is a job in which your mistakes are immediately visible and painful, whereas your successes only manifest themselves over the longer run.

I wish Governor Edwards good luck, and urge him to take seriously the importance of listening to the advice which will be available from the Congress and others. Energy policy is a very serious, difficult business. He will need the consultation and cooperation we in Congress are offering.

Mr. President. I ask unanimous consent that the text of my remarks at the hearing on Governor Edwards' nomination be inserted in the RECORD at this point.

The statement follows:

STATEMENT OF SENATOR HENRY M. JACKSON: NOMINATION OF DR. JAMES B. EDWARDS TO BE SECRETARY OF ENERGY, JANUARY 12, 1981

Certain statements made during the 1980 Presidential campaign suggest that the Secretary of Energy may not be regarded by the new administration as an important member of the President's cabinet. I will tell you my view of the matter.

Energy is the lifeblood of our economy.

Without adequate supplies of energy, we cannot provide the goods and services our people deserve. We cannot provide jobs.

Without adequate supplies of reasonably priced energy, we cannot control the cost spiral which drives our inflation. We cannot create the confidence in the health of the economy which is essential if we are to invest in the future.

So the Secretary of Energy is very important. And the implications of the policies of the Department of Energy are not confined to domestic energy markets.

The cornerstone of any U.S. energy policy is petroleum policy. Because of this, U.S. energy policy is dominated by the characteristics of the world oil market. The availability and price of oil on the world market is determined by a myriad of social, economic, political and other factors which are far more complicated than the relatively simple dynamics of market price, supply and demand. Access to oil on the world market in the 1980's is a matter of international politics and national security. The probability that this access will be restricted by design or by accident is alarmingly high. Any prolonged restriction in access to oil would have the most serious consequences for the United States and its allies.

The Department of Energy organizes the international representation for the United States at the International Energy Agency and provides the leadership role in energy emergency contingency planning.

The Department of Energy directs the national effort in research and development and production of nuclear weapons and serves as the prime contractor for the national laboratories.

The Department operates the strategic petroleum reserve and serves as the focus for energy information and analysis and energy policy development. It is the entity which not only directs efforts at energy research,

development and demonstration but relates these efforts to the evolving energy situation.

So I believe that the Department of Energy has a very heavy set of important responsibilities. And I am troubled by the suggestion that the Federal government can somehow divorce itself from these responsibilities or scatter operational management of them over several other uncoordinated Federal entities. I become very concerned when some say that we can abolish the Department of Energy: the only institution available to provide a focus for the Federal government's efforts to play a constructive role in so many essential facets of energy policy.

I am looking forward to hearing Dr. Edwards' views on these and other matters relating to activities carried out by the DOE during the course of these hearings.●

● Mr. DODD. Mr. President, I rise in opposition to the nomination of Gov. James R. Edwards for Secretary of Energy. I do so, not because I believe that Governor Edwards is unqualified for this position, but because many of his views on energy issues run directly counter to the energy needs of my State and the entire Northeast region.

Governor Edwards has stated that he would like immediate decontrol of oil prices. Estimates show that such a decision could add as much as 14 cents to the price of a gallon of home heating oil. Right now, consumers in my State are paying upward of $1.17 per gallon for heating oil. Another 14 cents would add $140 to an average $1,200 annual fuel bill.

For families struggling on fixed incomes, for the unemployed, and for low- and moderate-income families, these kinds of energy price hikes are unbearable. Although I would agree with Governor Edwards that the private sector should be encouraged to produce more energy for the people of America, I do not believe that immediate decontrol is worth the price Americans will have to pay.

Governor Edwards has already admitted that he "neglected" consumers in setting up a private energy research institute foundation in South Carolina, and I am concerned that this failure to recognize consumer interests will continue during his tenure at the Department of Energy.

On the subject of gas rationing, Governor Edwards said that he would like to see the private sector distribute resources during energy shortfall periods. I question the Governor's confidence in market forces to equitably distribute fuel supplies during an energy emergency. I would not like to see an energy shortage occur where these States in New England who are at the end of the energy pipeline for oil, gasoline, natural gas, and coal had no emergency distribution and allocation system to rely upon.

Governor Edwards also suggested during his confirmation hearings that, instead of a regional petroleum reserve, New England might want to look into a fast transportation system from the SPR in Louisiana to our region. However, in the event of a severe shortfall in oil supplies crude oil would have to be pumped out of the SPR and then transported to Caribbean refineries. Petroleum products would then have to be shipped from the Caribbean to New England terminal operators and then to wholesalers. All of this could take weeks, and the suggestion of a special transportation system seems more than a little shortsighted.

In the area of windfall profit taxes on decontrolled oil, Governor Edwards could not give a firm response, but he did say that he was philosophically opposed to an oil profits tax. The windfall profits tax is, in my opinion, the only adequate compensation to consumers for the outsize profits oil companies are reaping from decontrol.

Finally, Governor Edwards gave no real evidence of support for solar and other renewable energy sources as well as conservation efforts funded by the Government, programs that need Federal encouragement and are invaluable to our energy poor region.

For these reasons, both philosophical and practical, I cannot support Governor Edwards' nomination for the position of Secretary of Energy.●

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of James B. Edwards, of South Carolina, to be Secretary of Energy? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) and the Senator from Vermont (Mr. STAFFORD) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN) is necessarily absent.

Mr. GOLDWATER. Mr. President, regular order.

The PRESIDING OFFICER. Is there any Senator in the Chamber who has not yet voted? Regular order has been called for. The clerk will tally the vote.

The result was announced—yeas 93, nays 3, as follows:

[Rollcall Vote No. 14 Ex.]

YEAS—93

Abdnor	DeConcini	Hollings
Andrews	Denton	Huddleston
Armstrong	Dixon	Humphrey
Baker	Dole	Inouye
Baucus	Domenici	Jackson
Bentsen	Durenberger	Jepsen
Biden	Eagleton	Johnston
Boren	East	Kassebaum
Boschwitz	Exon	Kasten
Bradley	Ford	Leahy
Bumpers	Garn	Levin
Burdick	Glenn	Long
Byrd, Harry F., Jr.	Goldwater	Lugar
Byrd, Robert C.	Gorton	Matsunaga
Cannon	Grassley	Mattingly
Chafee	Hart	McClure
Chiles	Hatch	Melcher
Cochran	Hatfield	Metzenbaum
Cohen	Hawkins	Mitchell
Cranston	Hayakawa	Moynihan
D'Amato	Heflin	Murkowski
Danforth	Heinz	Nickles
	Helms	Packwood
Pell	Sarbanes	Tower
Percy	Sasser	Tsongas
Pressler	Schmitt	Wallop
Pryor	Simpson	Warner
Quayle	Specter	Weicker
Randolph	Stennis	Williams
Riegle	Stevens	Zorinsky
Roth	Symms	
Rudman	Thurmond	

NAYS—3

Dodd	Kennedy	Proxmire

NOT VOTING—4

Laxalt	Nunn	Stafford
Mathias		

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has confirmed the nominee.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF EDUCATION

NOMINATION OF T. H. BELL, OF UTAH, TO BE SECRETARY OF EDUCATION

The PRESIDING OFFICER. The clerk will report the next nomination.

The legislative clerk read the nomination of T. H. Bell, of Utah, to be Secretary of Education.

The Senate proceeded to consider the nomination.

The PRESIDING OFFICER. Who yields time?

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield me 1 minute?

Mr. HATCH. Yes.

Mr. ROBERT C. BYRD. Mr. President, I take the floor while we have a good attendance at the moment to ask the majority leader what the program is for the remainder of the evening and tomorrow and Monday and Tuesday.

Mr. BAKER. Mr. President. I thank the minority leader for inquiring, and I am happy to respond, if I may have the attention of the Senators for a moment.

We now have before us the last nomination that I would propose that we deal with today. That leaves three other nominations of Cabinet rank that will be dealt with next week.

After we conclude the consideration and vote on the Bell nomination it would be my intention to recess the Senate over until 11 a.m. tomorrow, at which time we would have a pro forma session and with the proviso that Senators would be permitted until 3 o'clock on Friday afternoon to introduce bills, resolutions, and statements.

At the conclusion of the pro forma session on Friday the Senate then would be in recess until 11 o'clock a.m. on Tuesday, at which time we would resume consideration of the remaining nominations of Cabinet rank, beginning with Calendar Order, Executive Calendar Order No. 13, that of David A. Stockman of Michigan to be Director of the Office

of Management and Budget, and proceeding then to Executive Calendar Order No. 12, the nomination of Jeane J. Kirkpatrick, of Maryland, to be the representative of the United States to the United Nations; and the following on then with such other executive business as would be appropriate for us to consider on Tuesday.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

DEPARTMENT OF EDUCATION

NOMINATION OF T. H. BELL, OF UTAH, TO BE SECRETARY OF EDUCATION

The Senate resumed consideration of the nomination.

Mr. HATCH. Mr. President, in the age of scientific development, technological change—and a continual demand—as it should be—upon education to produce the qualified citizens to productively fill jobs in today, and future job markets, it is mandatory we find the best qualified individuals to provide effective leadership toward more and better education.

Education of the masses is a big business in this great Nation. Involved in today's education processes are 3,280,000 teachers, 58,440,000 students spend $166.2 billion with Federal expenditure of $17.2 billion overall. The leadership demands are continually thrust upon us in our choice—we are asked by our constituents and professional peers to appoint men and women in positions of leadership who have adequate educational backgrounds themselves; outstanding professional experience, and an educational philosophy that will demand innovations—and a new look in education.

On January 15, 1981 the Committee on Human Resources met and approved the appointment of such a person. His name is Terrel Howard Bell—more affectionately known by all of us in Utah as "Ted".

Ted comes from the State of Utah, a State that has for many years exhibited leadership, innovative leadership in its educational achievement. His education goes back many years, starting in Idaho where he was raised and educated in a small school district in Lava Hot Springs. He graduated from a small college of education in Albion, Idaho; received his masters degree from the University of Idaho; did graduate studies at Stanford University in California; and was awarded a doctoral degree of education from the University of Utah where he was a Ford Foundation fellow.

He has exhibited self motivation by continually keeping himself abreast of new movement, new educational endeavors even though terminating the journal approach.

His colleagues have continually honored him for that endeavor. He has been awarded an honorary doctorate from: The University of Redlands, Westminster College, and Southern State University. Elliot Richardson, Casper Weinberger, and David Matthews have awarded him special citations for his excellence of performance. He has received distinguished service awards from: The Council of Chief State School Affairs, the National Association of State Boards of Education, and the Utah School Boards Association. He has the distinguished alumnus awards from Utah State University and the University of Idaho.

He earned these awards for service rendered as a marine sergeant in the Pacific area during World War II—as the athletic coach and science teacher at Eden Rual High School in Eden, Idaho; as superintendent of the Rockland Valley Schools, Idaho; as a result of a Ford Foundation fellowship in school administration at the University of Utah and Stanford University, as superintendent, Star Valley Schools, Afton, Wyo.; as the superintendent of the Weber County School District in Ogden, Utah; as professor and chairman of the department of education, as the administrator of Utah State University; as the Utah State Superintendent of Public Instruction, Salt Lake City, Utah; as the deputy commissioner of school systems at the U.S. Office of Education at which time he also served for 6 months as acting U.S. Commissioner of Education, Washington, D.C.; as the superintendent of the Granite School District in Salt Lake City, Utah (which incidentally is Utah's largest at 63,000); as the U.S. Commissioner of Education, U.S. Office of Education at the Department of Health, Education, and Welfare, Washington, D.C.; and from 1976 to present as the commissioner and chief executive officer, of the Utah System of Higher Education, Salt Lake City, Utah. He received a Presidential appointment in 1972 through 1974 at the National Council of Educational Research, National Institutes of Education.

We have a man with all the education and experience necessary to properly function as our Education Chief. President-elect Reagan recommends him to us, the Senate Committee on Labor and Human Resources recommends him unanimously. He has numerous endorsements from those peers who have worked with him. The bottom line in this appointment is Ted's devotion and commitment to the philosophies of this administration.

In committee hearings he pledged to fulfill our President's commitment to explore, find and implement alternative approaches to replace the newly created Department of Education. His greater commitment is to cutting Government controls, and overregulation, and reducing dominance by the Federal Government in the field of education while returning the control to State and local governments. He is an ardent supporter of the so-called Hatch amendment, which allows parents and students to protect themselves against Government encroachments in improper psychological and psychiatric testing and Government planned course which absorb the teaching and learning of basics.

He is committed to the use of Federal moneys for quality improvement and to magnify local initiative. He will give us leadership and a long hard look at equal educational opportunity—access for all. He has pledged high priority for corrections for oversea schools. He maintains there is a great need to improve teacher education across the Nation and will provide us the needed leadership for its accomplishments.

Inasmuch as he has been in so many positions of leadership in the field of education, he is very aware of the tremendous burdens, both in time and moneys, that are placed upon accountability systems for reporting by the Federal Government and is sympathetic toward not just small improvements but an entire new look.

The challenge of education today is to meet the social, economic, political, and military challenges of "putting America to work again"—and in doing so, its greatness will be assured. My friend and your friend "Ted" Bell will, with his expertise and background, assist us in that cause.

I commend him to the Senate and ask that his nomination be overwhelmingly approved so that the job of effective national leadership in education policy may have a new beginning.

I hope that my colleagues will follow the lead of our committee in supporting Dr. Bell because of the job of effective national leadership and educational policy which he has rendered over the past many years of his life.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require. I will try to be as brief as I can. I realize the hour is late and I will get through as quickly as possible.

Mr. President, this nomination is really hard to believe and hard to understand. This nomination, I think, can best be understood if we put it in the perspective of three comments by three different sources: First, the Wall Street Journal; second, Evans and Novak; and, third, William Buckley. I think none of these three sources could be said to be supercritical of President Reagan, yet all three of them feel that this is an appalling nomination.

Let me just quote briefly from these sources. The Wall Street Journal said:

> Mr. Reagan said he would dismantle the Department of Education; Mr. Bell ardently supported setting it up and he has brought in Allen Cohen, former chairman of the Ad Hoc Committee for a Cabinet Department of Education, to advise him on transition team recommendations.
>
> Mr. Reagan promised to cut Federal taxes and transfer accountability back to State and local governments; Mr. Bell has said the Federal Government should provide a major share of national education expenditures.

The editorial goes on to say:

> Abolition of departmental status for Federal education projects is not the main issue. Far more crucial are specific and substantive questions about the Washington role in education. Will it continue, for example, to obstruct efforts by state and local authorities to apply minimum standards for earning a high school diploma, as it has recently done in Florida? Will it mandate costly programs someone else will have to find the money for?

Will it continue to meddle in school policies in ways that destroy the authority of principals and teachers, without taking responsibility for the resulting breakdown of discipline?

Mr. President, all of us recognize that there has been a deterioration in education in this country. The objective evidence is very clear in the tests. We are puzzled by it because we are pouring far more resources into it.

One reason, in the judgment of this Senator and I thought in the judgment of the administration, was because the Federal Government has gotten too deeply involved. That is also one reason why our budget is so out of whack.

Let me briefly quote from Evans and Novak—

Upon leaving Washington in 1976, Bell endorsed the need for a Cabinet level education department. That fit his revised views as he then described them: "I came here feeling that education was almost exclusively a state responsibility. My view has shifted . . . Congress and the federal statutes can no longer defer to the states and say, 'you take the lead.' The federal government must guarantee certain rights, and in doing so, it should specify the ends of education and provide financial support to meet those ends."

Now, Mr. President, I have one more source I would like to quote from and this is from William Buckley who, I think, is about as close as we can get to a celebrated intellectual who warmly supports Mr. Reagan; has been his champion. Here is what Mr. Buckley had to say about this—

When General Eisenhower announced, shortly after his election, that he would appoint Martin Durkin, a conspicuous labor union opponent of the Taft-Hartley reform, as labor secretary, Senator Taft, the usually self-contained leader of the Republican wing of the Senate, blurted out to the press that it was nothing less than "an incredible appointment." Ronald Reagan has matched the gaffe of Dwight Eisenhower in naming Terrel Bell as secretary of education.

By way of background, the Cabinet office is about a year old. It was from the beginning a transparent exercise in bureaucratic fission: the more bureaucracies, the more bureaucrats. The National Education Association is the principal lobbyist for more and more bureaucratic education, for a larger and larger dominion over it by the federal government—

And here is the principal point made—

and for a general deterioration of standards of progressive excellence which for so many years were the principal allure of public education.

Mr. Buckley goes on to say:

Ronald Reagan entered the campaign pledging to eliminate this latest accretion on the licentious family of the Washington bureaucracy. Instead, he nominated Mr. Terrel Bell.

Mr. President, as I pointed out, the tragedy here is that we have spent more and more on education and there is almost a perfect correlation between the amount of Federal spending on education and the tests score on the SAT tests. There is also almost a perfect correlation between the amount of spending on education and the decline in reading ability.

Of course, I do not think that this is deliberate, by any means. But I think we should recognize when we have a program that is not working we ought to abolish it.

That is what I thought President Reagan pledged in the campaign. Obviously, by appointing Terrel Bell he is not accomplishing that.

Mr. President, I have some questions for my friend, the chairman of the committee and the manager of the nomination.

I asked the nominee, Mr. Bell, recognizing, of course, that with his kind of background he could hardly be expected to enthusiastically support abolishing the department, I asked him——

Mr. GARN. Mr. President, will the Senator from Wisconsin yield for a comment before he gets into the question?

Mr. PROXMIRE. Yes.

Mr. GARN. Mr. President, I think the Senator from Wisconsin recognizes how much I respect him. We have served for 6 years on the Banking Committee together. He has been my chairman.

But I first of all must say how much I enthusiastically support Ted Bell for this position. I am hardly known in this body as a liberal. I do not think anybody could accuse me of being a liberal or a big spender or an advocate of more Government. So I am disturbed by my friend's comments, because, with all due respect to the Senator, he is wrong. He is simply wrong. Evans and Novak are wrong, the Wall Streete Journal is wrong, and Bill Buckley is wrong. They just do not know what they are talking about with this man.

The Senator has not met him, they have not met him, but I have known him for more than 15 years. When he was Commissioner of Education, I lived a couple of blocks from him. I am not supporting him simply because he is from Utah. I do not do my business that way. But I happen to think I know his attitudes a little bit better than people who do not know him.

I voted for the Department of Education for the same reason Ted Bell supported it, not because we thought it was necessarily a good idea to have a separate department, but to anybody who has had anything to do with HEW, the worst place for it to be was in that monstrosity. There is no bureaucracy worse than HEW.

I would suggest that it would be my expectation that the Senator will see changes in the Department of Education which will be satisfactory to us conservatives. We will see it downgraded in importance. If there is anybody who believes in States' rights, it is Ted Bell.

I would suggest, rather than these comments from these sources, these eastern sources, the Senator might check with the educators of Utah and the business people, our rightwing Democrats and Republicans and see what they think of Ted Bell, see what they think his attitudes are about education. The Senator will find that he is as much a States' rights man as JAKE GARN, ORRIN HATCH, JESSE HELMS, or anybody else.

The Senator will live to see the day when he will want to retract the comments he has made today on the basis of these sources when Ted Bell does an excellent job in that particular Department.

So this Senator, not only as a Senator from Utah, but knowing the man for 15 years, believes we could not find a better man who believes in States' rights who will put that Department in its proper place and where it ought to be. I thank my friend from Wisconsin for yielding.

Mr. PROXMIRE. May I say I greatly respect my good friend from Utah, but I have come back to the statement about whether he would challenge this statement made by Mr. Bell, when he said—

I came here to Washington feeling that education was almost exclusively a State responsibility. My view has shifted. . . . Congress and the Federal statutes can no longer defer to the States and say, "You take the lead." The Federal Government must guarantee certain rights and in doing so, it should specify the ends they must provide, the education and provide the financial support to meet those ends.

Mr. GARN. I do not doubt that he made those statements, but out of context. You can pull out of context a lot of statements that I have made over the last several years which would give a quite different attitude from what my overall attitudes might be. I would suggest that I do know his overall attitudes and he is as much a States' rights man as the senior Senator from Utah is.

I am sorry that the Senator did not bother to investigate further. As good friends as we have been, he might have checked out with some of us what his attitudes are. I would hardly think that the Senator from Wisconsin, knowing me as well as he does, would think that I would be supporting someone who did not believe in State and local control of education, as Ted Bell certainly does.

Mr. HATCH. Will the Senator yield for a response?

Mr. PROXMIRE. I yield.

Mr. HATCH. Dr. Bell did, in his comments before our committee, express himself quite eloquently on this matter, I believe, and he does believe at the present time, regardless of any prior statements, that the educational processes should be primarily in the hands of the States. I think in response to one of the Senator's questions, at least, he also indicates that. So at the present time, which I think is the crucial time frame, Dr. Bell certainly would have his interests and feelings coalescing with those of the distinguished Senator from Wisconsin.

Mr. PROXMIRE. May I say to the distinguished Senator along that line, I asked him in a written question, question 10, and I have given the Senator the questions and answers:

Do you favor the elimination of the Department of Education? What programs would you retain and where would they be located within the executive branch?

He answered:

President-elect Reagan has indicated that he proposed to abolish the cabinet level Department of Education. I will be working with the White House on alternatives to the present organization. It is not clear at this point that such recommendations would result in a breakup of the present program groupings and a scattering to other agencies.

It seems to me to be a clear statement that you may abolish it as a Cabinet Department but you pretty much keep it intact. Certainly, his previous record would indicate that is his intention.

Mr. HATCH. It is true that he said he is going to abide by whatever the administration decides to do with regard to the breakup of the Department of Education. He also indicated that there are legitimate functions in education for the Federal Government to pursue and that he will pursue those, but under the direction of this administration.

He indicated at least to me personally, and I should pass it on to the distinguished Senator from Wisconsin, that if the President of the United States wants the Department of Education abolished, that he will preside over the abolishment of it.

He also has indicated that there may be some better form of reducing the Department of Education to a functional form where it can work with those areas where the Federal Government really must be involved in education, that this functional form is still basically undefined by the administration, and he will be guided heavily by what the President of the United States and the administration wants.

I feel that he gave an adequate assurance to the committee. I think the distinguished Senator from Wisconsin would agree with me that he gave an adequate assurance to the committee that he is in favor of streamlining the Department of Education so that it functions effectively and utilizes the taxpayers' dollars in a reasonable and economic way.

Mr. PROXMIRE. They all indicate they would streamline the Departments. Everyone coming into the Departments wants to streamline them, to knock out waste and fraud, and that kind of thing. But when it comes to specifics, here is a man who served in the Department of Education. He does have experience. I recognize that. He served with President Ford and was a champion of the Department.

Mr. HATCH. That is true.

Mr. PROXMIRE. That is, as it existed before.

Mr. HATCH. If the Senator will yield again, I can remember chatting with him about the proposed Department of Education, and he was for it because he wanted to spring the educational function outside of HEW, as the distinguished senior Senator from Utah has indicated, so that everybody could see the processes of education in this country firsthand without the processes being buried in the Department of HEW. So he was for that, but I think for the right reasons, and for the reasons that many of us initially voted for the Department of Education.

Mr. PROXMIRE. I asked the nominee if he would specify where he would cut the budget, and I suggested he tell us where he would cut the budget if he were to cut it by 10 percent, 20 percent, and so forth. He gave no response.

I recognize that it is hard to be specific but it should be forthcoming to the Senate. After all, he is a man with experience. He is a man who has served, as the Senator pointed out, in the equivalent agency under President Ford. But he simply said that he did not know, that he would have to tell us later, that he could not make any recommendations or any suggestions.

The same response was true with respect to personnel. He could not say whether he would cut any personnel at all.

Mr. HATCH. If the Senator will yield, with regard to the first question regarding the budget authority and cuts, I think he is just being very cautious since he realizes that we now have a very strong director of the Office of Management and Budget who has been making recommendations as to where these cuts should be. I believe that he is just being very cautious under the circumstances. But he did indicate before our committee that he feels that the Department of Education must be cut way back, and he did indicate in his response to the Senator's questions, if I have read them correctly, that he feels that I think there are somewhere around 12 or 13 Assistant Secretaries in the Department of Education and they have to be drastically reduced. I think he will do that.

The second part of the Senator's remarks involve personnel. He did indicate that he was going to cut down the Assistant Secretaries because he feels that there is a bureaucracy under each one of those Assistant Secretaries which has to be managed in a better fashion and that there will be distinct cuts in the leadership, the Federal leadership, in education.

Mr. SCHMITT. Will the Senator from Wisconsin yield for a followup matter?

Mr. PROXMIRE. I have limited time, but I will yield.

Mr. HATCH. I will yield.

Mr. SCHMITT. I will only ask, was it clear in Mr. Bell's mind that the majority of the employees in the so-called bureaucracy in the Department of Education are part of the overseas school system of the Department?

Mr. HATCH. I cannot recall that we got into that in much detail.

Mr. SCHMITT. I find it amazing that there are people here who do not know that. That is where most of the employees and most of the budget came from.

Mr. HATCH. Well, I think he is very well aware of the functions in the Department.

Mr. PROXMIRE. The Senator is correct.

For example, I note in fiscal year 1977, Federal spending in elementary, secondary, and vocational education has grown from $4.6 billion to $6.9 billion in Federal assistance in fiscal 1981, and higher education from $3.2 billion to $6.5 billion. That is more than a 100-percent increase in 4 short years.

In addition, the budget loan programs now guarantee more than $8.2 billion in new loans. Will Dr. Bell recommend that the Reagan administration adopt as a goal to cut down the loan programs as proposed in the Carter administration, or cut down the size of these runaway programs?

Mr. HATCH. I believe he indicated in general that he would go along with the programs of the administration which certainly would have been articulated along those lines, and that he would under any circumstances try and redirect as much of the authority and budget to the States to handle on their own.

I think the Senator is doing all of us a great favor in pointing out these budgetary statistics and in particular the off-budget items statistics because we have seen off-budget items grow since 1956 to $9 billion in fiscal year 1981. Something has to be done about it. A number of us are trying to get these off-budget items brought onto the regular budget so they have to be reported as well. The growth in off-budget spending has been really a disastrous growth.

But, certainly, his recommendations and answers to our committee indicated that he is sympathetic toward cutting back on the Federal role in education. He has responded to the Senator's questions to the degree that he believes that the Federal system of education does have to be cut back.

Mr. PROXMIRE. I just have a couple more questions I would like to ask.

Mr. HATCH. He has stated that he is a very strong believer in State control of educational processes, regardless of some of the quotes which may have been made out of context or may have been made at a time when he had another viewpoint or opinion.

Mr. PROXMIRE. That was after he had served here, after he left the Government. He said he came in with the idea that education was primarily a State responsibility, which I think the Constitution makes pretty clear it is; but he left with the idea that the Federal Government has a major responsibility.

Mr. HATCH. I am not criticizing the comments of the distinguished Senator from Wisconsin. I think they are well put into this record, but I think we have to judge this man from the learning experience he has had. I think the Senator from Wisconsin voted for the Department of Education, as I did——

Mr. PROXMIRE. No, I voted against it.

Mr. HATCH. I voted for it in the first instance. In the period of time between the markup and the vote on the floor. I had decided I could not support it and I voted against it. I think the second vote was a correct one rather than the first. It was always a tossup, based on bringing education out of the Department of HEW, where people could not see what was going on and, really, what the Federal Government was doing to our educational process and to our children.

Mr. PROXMIRE. As the Senator knows, the Department of Education has been responsible for an enormous amount of paperwork in our schools. Dr. Bell

said he would launch an immediate attack on excessive regulations and the paperwork burden, but he could not give me any timetable. He said that when he could make progress he would report to the committee any progress that he has made. Can the chairman give us any indication that we can get some kind of timetable, especially when some schools and universities feel so burdened by these regulations and reports?

Mr. HATCH. His answer to the Senator's question No. 6 was:

> I will be launching an immediate attack on excessive regulations and the paperwork burden and will be happy to provide you with a time-table to both areas as soon as it has been developed. It may be difficult to have a complete time-table laid out by March 1, but I will submit it to you as soon as it is completed.

I take from that, although the answer is somewhat ambiguous, that he is shooting for a goal of March 1 to give at least a preliminary timetable, but he acknowledges that this is a very complex agency, that it may take him longer than March 1. In any event, he is going to launch an immediate attack upon excessive regulations and paperwork.

I think that alone ought to console all of us who are concerned with overregulation and excessive paperwork in the educational processes of our country.

Dr. Bell indicated before our committee that he was very sympathetic to reducing the Federal burden on States with regard to unnecessary paperwork and regulation.

Mr. PROXMIRE. I realize his intention, but it seems to me we ought to get it of record and hold him to that.

There is one more question I have to ask. That is the most disturbing part of it. The Senator knows that under the leadership or initiative of the Senator from North Carolina (Mr. HELMS), the Senate has indicated its opposition to mandatory busing. Mandatory busing is something that is of great concern to all of us. A minority of Senators support it but a solid majority is opposed to it. I asked him, "Under what circumstances do you favor the mandatory busing of children?"

His reply was:

> I support the mandatory busing of children only where the educational benefits outweigh the societal and budgetary costs. (The benefits have been disappointing thus far.) As you may know, over half of our children are now bused under school consolidation arrangements. In the area of racial balance, I believe there are better options than busing and will seek to use those in every case possible. The research on student achievement does not lend support to the idea that busing and racial balancing result in improved learning.

I appreciate that response, but the difficulty with it is that he says he does favor mandatory busing where the so-called societal and budgetary costs outweigh——

Mr. HATCH. No, where the educational benefits are outweighed.

Mr. PROXMIRE. Where the educational benefits outweigh the societal and budgetary costs.

If ever there were weasel words, it seems to me that is it. Who does not? Everybody takes that position. Everybody says they support busing only when educational benefits outweigh costs.

They say they do not want busing to save money, or budgetary costs, we want to do it for societal reasons, although in 1964, when we adopted, I recall very clearly, the Civil Rights Act, it was made very clear at that time that busing was not to be used as a way of overcoming racial imbalance. Here is a man who said, under these circumstances, admittedly limited to some extent, he would support mandatory busing.

Mr. HATCH. If the Senator will yield, I think I would give him an A-plus for an eclectic answer.

Mr. PROXMIRE. I would give him an A-plus for the rhetoric; nevertheless, he says "I support mandatory busing under these circumstances."

Mr. HATCH. He has told me he really does not believe that busing has served this country well. I think what he is saying here is if you can show him where busing has really benefited society, he will support it. Otherwise, he does not support it.

Mr. PROXMIRE. That is not what he says. He says:

> I support the mandatory busing of children only where the educational benefits outweigh the societal and budgetary costs.

Mr. HATCH. To me, his replies to the committee have been that he does not think those benefits accrue under busing and he frankly is not very enamored of the busing concept to solve society's problems.

Mr. PROXMIRE. What would have been wrong, if he feels that way, with his saying, "I oppose mandatory busing"?

Mr. HATCH. Because here is a way to express how he feels that says if you can show me where it benefits, I can consider it. I think I would, too. I am opposed to busing children beyond the nearest school.

All I can say is he has expressed himself quite directly on this subject, that he is not very impressed with the busing programs in this country, he does not believe they have really benefited the schoolchildren.

Mr. PROXMIRE. Mr. President, I thank the Senator very much. I apologize for detaining the Senate. I realize it is late, but this record had to be made and, unfortunately, I am going to have to vote against him.

Mr. HATCH. I yield to the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank my friend from Utah, my distinguished friend, who now is chairman. I rise to make a simple inquiry and thereupon, perhaps, a yet more brief response.

Did I not hear the Senator from Utah say of the subject of education and the Department thereof that this is a very complex subject? I think I did.

Mr. HATCH. Yes; the Senator did.

Mr. MOYNIHAN. The Senator says what is so, of course, as he always would do—a very complex subject.

Mr. HATCH. I might add, made unnecessarily so, but nevertheless complex.

Mr. MOYNIHAN. No doubt. These are the first remarks I have made in this debate on the President's Cabinet and with one exception, I shall wholly endorse it. I shall certainly support the nomination of Dr. Bell.

It is pleasing to hear from a maturing majority that something in government is complex. They have heard it from us.

Mr. HATCH. It has been difficult because we have not created these complexities.

Mr. MOYNIHAN. With a heroic simplicity, they have responded, no, it is not. Now the burden of responsibility descends upon them and with it, fragile fractioning elements of ambiguity, indecision, complexity, and the rest. It does not really add up quite to one line in the platform: "We will abolish the Department of Education." Does it?

Mr. HATCH. I think that is a very correct statement. I agree with the distinguished Senator from New York.

Mr. MOYNIHAN. That is a characteristically gracious response from the Senator from Utah.

Mr. HATCH. I thank the Senator. A great number of us who have just become mature understand these complexities that we did not help create.

Let me just say that I am very grateful to the distinguished Senator from New York for his desire to vote for Dr. Bell who, I think, is an incredibly fine man who will distinguish himself in this position and will support the administration in, to some of us, hopefully, abolishing the Department of Education; but, finding it to be quite complex, at least reducing the complexity to the point where the States will not be suffocated by overly burdensome educational processes which do not work.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. Mr. President, I do not find that a typically generous response of the Senator from Wisconsin. I was going to make one statement to the Senator from Utah. Will the Senator from Wisconsin withdraw his request?

Mr. HATCH. I can yield to the Senator at this time.

Mr. MOYNIHAN. I was simply going to say to the Senator from Utah that I hope he will consider that the complexity is not to be found in the designs of the Democratic Party so much as the reality of the life we both share.

Mr. HATCH. I have to admit that these programs are very complex, and we all have to admit that some of those complexities are necessary.

The PRESIDING OFFICER. Do all Senators yield back their time?

Mr. BAKER. Mr. President, before the Senator yields back his time, will he yield 30 seconds to me?

Mr. HATCH. I yield.

Mr. BAKER. Mr. President, this will be the last rollcall vote tonight.

Mr. HATCH. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. I yield back my time.

The PRESIDING OFFICER. The question is, will the Senate advise and consent to the nomination of T. H. Bell, of Utah, to be Secretary of Education? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. KENNEDY. Mr. President, I want to join my colleagues in expressing my respect for Dr. Terrel H. Bell, whose nomination as Secretary of Education we are approving this afternoon.

Dr. Bell has distinguished himself in the field of education during a long and brilliant career. He has taught in the classrooms, served as principal and school superintendent and directed the State of Utah's educational program, as U.S. Commissioner of Education, he demonstrated continuing recognition of the national priority in expanding educational opportunities for those who had been excluded in the past.

His testimony before the Senate Labor and Human Resources Committee contained a strong reaffirmation of that commitment to the principle of civil rights and to the goal of quality education.

Dr. Bell understands that the past 15 years of Federal concern for the future of American education represent a beginning, not an end.

We know that the task of removing the vestiges of discrimination from our schools is not yet complete.

We know that the challenge of opening the window to learning for disadvantaged children in the inner cities and barrios of America is not yet met.

We know that too many children sitting in classrooms across this land still do not find quality education.

And we know that 3½ million children who begin school with limited English-speaking ability still do not have the special help they need to compete on fair terms with their English-speaking peers.

In this decade, the partnership with Government must be maintained if we are to enable America's schools to overcome these challenges.

We must find ways to transfer new skills to the unemployed and the unskilled. We must insure that economic conditions do not force the closing of more schools and the denial of hope to the next generation. We must end the violence that endangers any chance for education to succeed. Teachers and students cannot create an environment of learning when they fear to walk the halls of their own school.

In recent years, we have begun a national effort to offer special responses to those with special needs to permit them to fulfill their potential. That effort must continue.

We have taken steps to see that the diversity of education is retained and strengthened. That effort must continue. At the same time, we must strengthen the historic system of public education, which is the fundamental pillar of our democracy.

We live in a nation where public policy requires difficult choices among competing needs. The past Congress recognized the high priority of education within that range of governmental concerns. That priority has too often been shunted aside in the past. By creating a Department of Education, we sought to guarantee that the chief education officer of this Nation will participate as an equal in decisions of the Cabinet, with the same access to the President as other Cabinet Secretaries.

In the hearings, Dr. Bell reaffirmed the inadequacy of the past structure of Government, which relegated education to the depths of the HEW bureaucracy. He reiterated the importance of being able to carry his views directly to the President. I would urge the administration to examine the consequences carefully before it reaches a final decision on the status of the Department of Education and of the Secretary whose nomination we approve today.

I want to express my full willingness as the ranking minority member of the Senate Labor and Human Resources Committee to work closely with Dr. Bell in attempting to craft legislation and to define national education policies which can best promote quality education for all those who seek it—the young and the old—and wherever they seek it—in the center of our cities in the countless towns and rural communities of this land. I extend to Dr. Bell my congratulations, my encouragement and my promise of cooperation. And I am proud to vote for his confirmation as Secretary of Education.

Mr. THURMOND. Mr. President, it is a pleasure for me to express my support for Dr. Terrel H. Bell, President Reagan's nominee to head the Department of Education.

Dr. Bell is a knowledgeable, experienced professional educator. Like myself, he started his career as a high school teacher and athletic coach and later served as a school superintendent. From 1963 to 1970, he performed ably as Utah's superintendent of public instruction. Following a short stint in the U.S. Office of Education in Washington as Deputy Commissioner and 3 years as head of a school system near Salt Lake City, he was tabbed by then President Nixon to be Commissioner of Education.

While Commissioner Bell and I did not agree on every action which he took during the time that he held the Nation's highest education office, on the whole, I felt he served with wisdom and distinction. I applauded his dedication to the goal of reducing bureaucratic redtape in education. As Secretary of Education, I hope Dr. Bell will continue to pursue this goal with vigor and determination. I also admired Commissioner Bell's personal concern and support for a strong parental role in local school affairs, including such important decisions as textbook selection, and I hope this concern on his part will continue.

Mr. President, whether or not the Reagan administration decides to keep the Department of Education as a Cabinet-level agency, I believe the Department will be ably guided by Dr. Bell as its head. He brings to the job a wealth of knowledge, experience, and respect from his peers. I hold him in the highest esteem and look forward to working with him on various education matters in the future.

Mr. RANDOLPH. Mr. President, it is a privilege for me to support the Senate's confirmation of Dr. Terrel H. Bell to be Secretary of the Department of Education.

I recall in 1974 when Dr. Bell was confirmed by this body to become the 21st Commissioner of Education in 107 years. I appreciate now, as I did then, the broad professional experience he brings to the field of education.

Dr. Bell's constructive contributions to education are well known. Since he first served as Acting Commissioner of the former Office of Education in 1970 and 1971, he has earned respect in Washington and throughout the Nation for his administrative and management skills in education at every level.

I am especially gratified for his past efforts and concern on behalf of educating handicapped children, and his support for the concept of educating young men and women for useable skills at the secondary level. He has proven himself to be truly exceptional in his professional career.

Dr. Bell today is being considered for confirmation to the position of Secretary of the cabinet-level Department of Education—still in its infancy—at a time when many people—educators and taxpayers—are voicing doubt about the true worth—if not the appropriateness—of a Federal role in education at any level—and the fear that the Federal Government will expand its control over local and State decisionmaking with regard to educational needs.

Dr. Bell has a depth of experience at all levels of education, perhaps unique in the history of Federal involvement in education. I am confident that whatever the administration's decision is with regard to the future status of the Department, Dr. Bell will bring his expertise to bear in the interim to establish a working dialog with the State educators. He will work closely with, and consult with them often as he continues to administer the more than 150 legislatively mandated programs under the Department.

I am confident, Mr. President, that whatever decision is made by the administration with regard to the future size, scope and status of the Department of Education, that decision will be made in consultation with Dr. Bell. The decision will not be based purely on political views, but will maintain education's historic position of remaining above partisan politics. In this manner, the Federal Government will be able to set the Federal role in education on a new, more constructive course for the future. A manner conducive to win the support of the people who really count—parents, and educators.

It is hoped that under Dr. Bell's leadership, the administration will not rush to judge a Department that has been in operation for less than a year. In a few years, the Department could be evaluated with the expectation of finding more significant and meaningful bases on which to premise the final decision on whether the Federal Government can administer education programs, or has administered these programs, without

expanding its role beyond the bounds of propriety. Also, whether it has done so while reserving the rights of State and local education officials in setting policy and in the development of curriculum and overall decisionmaking.

Mr. President, Dr. Bell is eminently qualified to do the job that needs to be done. He is committed to the students of this country, and he will leave the responsibility for educating those students where it belongs and in the hands of those who know best—parents, and State and local education officials.

After Dr. Bell was confirmed by the Senate as Commissioner of Education in 1974 one of the first steps he took was to initiate a continuing "Week in Washington" series for State educators.

As Secretary, this type of personal interchange will go far in dispelling the lingering fears of parents, educators, as well as the Members of Congress, that the Federal Government intends to control and dictate to State and local school officials.

Mr. President, I support the confirmation of Dr. Bell to be Secretary of Education—a man who believes that our country's education needs can best be served by strong support of liberal education, of diversity of institutional character—private and public—of equality of access, and providing knowledge that best suits individual students.

Mr. PRESSLER. Mr. President, I am pleased to support the confirmation of Terrel Bell as Secretary of Education. I believe the responsibilities of this Cabinet position will be well met with his integrity, his skill, and his dedication to our Nation's education system.

As a member of the House Education and Labor Committee, I had the privilege of working with Terrel Bell as the U.S. Commissioner of Education. Dr. Bell accompanied me to South Dakota in 1976 where he listened intently to the needs of my constituents. His responsiveness to students, teachers, and the general public as we discussed various education programs, including student financial aid, was most appreciated. As college costs continue to rise, student financial aid programs are essential. Therefore, I supported the passage of the higher education amendments of 1980 to extend student aid to students, especially middle income students, who wish to further their education. This legislation also represented a commitment to a host of programs for libraries, teacher training, research, and international education.

Terrel Bell's support of vocational education was most welcomed in South Dakota which is proud of its nearly 90 percent in-State placement rate for voced graduates. Since coming to Congress in 1975, I have supported vocational education programs. I believe Federal aid to vocational education is a wise investment in the talents and resources of our country's youth.

John Dewey, a pioneer of American philosophy and education, had the following objectives for vocational education:

> To promote equality of opportunity, to teach the real meaning of work, to inculcate a sense of culture related to today's world, to develop a spirit of social cooperation and to help students grow in industrial intelligence.

In these times of youth unemployment, I believe voc-ed has a vital role in meeting these goals. I look forward to working with Dr. Bell during this Congress as we have the opportunity to reauthorize the Vocational Education Act.

On his trip to South Dakota, Dr. Bell's interest in the education needs of rural South Dakota symbolized to me his intention to provide equal educational opportunities for all students and to design programs that are workable in our rural areas. And a national education policy must:

First, recognize the varied needs of students and school systems in rural and metropolitan areas;

Second, reemphasize the State and local responsibility for education;

Third, incorporate all types of education: Public/private, handicapped/gifted, college/vocational education.

And this education policy must then be integrated into other national policies. The result—quality education for individuals and the progress of the Nation.

I fully support the confirmation of Dr. Bell and I look forward to working with him toward these objectives.

● Mr. PELL. Mr. President, when I learned that President Reagan planned to nominate Dr. Terrel Bell to be Secretary of Education, I was caught in a dilemma. I knew Dr. Bell personally, and I believed he would be an excellent Secretary. Yet I did not want to praise him too highly, for praise from the minority party oftentimes can doom a candidate's chances. Yet President Reagan continued his confidence in Dr. Bell, despite what was said by whom in his behalf, and today we vote on his nomination.

I think we are fortunate that Dr. Bell has agreed to serve as Secretary of Education. I have worked with him very closely in the past, when I was chairman of the Senate Subcommittee on Education, Arts, and Humanities, and he was Commissioner of Education for the United States. He was an excellent Commissioner, and I see no reason why he will not be just as good as Secretary.

As the new ranking minority member of the Education Subcommittee, I look forward to working with Dr. Bell, and to helping him undertake our Nation's noblest endeavor, the task of educating our citizens. That task will be a tough one, for across this Nation there are voices being raised questioning the Federal role in education.

Yet I think there is a vital role for the Federal Government to play. It is not one of dominance, for that role is still played, and should be played, by State and local governments. But it is a role of stimulating and helping State and local governments do the things that they cannot do alone. Federal education programs should be devoted to this purpose, and I think they have been in the past. We should all remember that there are areas of education that would go unaided if it were not for the Federal Government. It is our job, and one that I eagerly undertake in cooperation with Dr. Bell, to structure Federal programs so that they truly achieve the goals we set out for them. I look forward to working with Dr. Bell in that effort, and I support his nomination with a great deal of enthusiasm.●

Mr. STAFFORD. Mr. President, as the new chairman of the Subcommittee on Education, Arts and Humanities, I am pleased to lend my support to President Reagan's nomination of Dr. Terrel H. Bell to be the second Secretary of Education in our Nation's history. In Dr. Bell, our new President has indeed made a wise choice to provide leadership and guidance in fostering an appropriate Federal role in education. Dr. Bell's broad experience in education and administration—as a teacher in secondary school, as a university professor, as a school superintendent, as a chief State school officer and State commissioner of higher education, as a U.S. Commissioner of Education—gives him both knowledge and understanding of the relationships among local, State, and Federal education entities, and of the proper role of the Federal Establishment in assisting States, school districts and university systems to perform the education function which is granted them by the Constitution and by education statutes.

Having voiced my high regard for Dr. Bell, I have high hopes that his wisdom will lead him to reconsider his intention to dismantle our new Department of Education. I supported the establishment of a separate Cabinet-level of education because I felt Federal education programs were not receiving the attention they deserved in the mammoth Department of Health, Education and Welfare. Education programs are far too important to submerge once again within a giant bureaucracy. Educational issues are far too important to be denied the increased attention they receive from having a Cabinet-level Federal official discuss them with the President.

I look forward to a long and fruitful relationship with Secretary Bell, and the Department, as I take on my new role as chairman of the Education, Arts and Humanities Subcommittee, and I know that Ted Bell will perform effectively and admirably to bring out the best in our American education system, upon which rests the future of our Nation.

Mr. WILLIAMS. Mr. President, Terrel H. Bell, the President's nominee to be Secretary of Education, has an impressive resume of experience, credentials, and professional distinction. I have worked with him in the past when he served as U.S. Commissioner of Education under President Ford.

Although our views may differ at times on questions of policy, I fully support his confirmation to this important post.

He has impressed me with his willingness to examine carefully the difficult problems confronting our Nation's educational system and his willingness to work with the appropriate committees of the Congress in resolving them.

I am satisfied that he will maintain a balanced perspective with regard to the role of the Federal Government in education policy. His experience as a State administrator as well as U.S. Commissioner will provide the kind of programmatic and budgetary insight that will be critical in the coming months.

I am particularly pleased at his record of interest for the problems of handicapped students seeking a quality education. In 1975, I authored the Education for All Handicapped Children Act, Public Law 94-142. We have seen remarkable changes in the education of handicapped students since the enactment of that law. But, there are many goals yet to be reached.

I am confident that Mr. Bell will advance the goals under current provisions of law and will be an able advocate in these times of difficult budget problems.

Mr. Bell enjoys the support of many of the Nation's educational organizations and associations. It is a broad support that is certainly an asset for the implementation of effective policy.

I look forward to working with Mr. Bell on such issues as the status of the Department itself, vocational education, bilingual education, student loan programs, education of the handicapped, and the civil rights of minorities.

● Mr. QUAYLE. Mr. President, as we move to confirm the nomination of Dr. Terrel Bell to serve as Secretary of Education, it is my hope that this may mark the first step of a new beginning to guarantee that control of education in our Nation will remain with the States and local school boards.

Dr. Bell, who has a distinguished career of 34 years in education, has a record of strong support for local and community control of schools. He is, of course, no stranger to Washington and to the Federal bureaucracy. He has served as Commissioner of Education in previous administrations, and was an advocate of block grants to ease the bureaucratic burden of categorical programs.

Mr. President, on the first day of the Reagan administration, I have high hopes that Dr. Bell will fulfill the pledge made to the American people during the campaign to reduce bureaucracy and dismantle the Department of Education. I remain committed to quality education for our children, at all levels. However, I fail to see what the Federal Government can do better than local school boards.

As first steps toward achieving this objective, I would urge the new Secretary of Education to limit the number of assistant secretaries who are signed on. While the outgoing administration was authorized 7 assistant secretaries, it quickly grew to 11.

In addition, the planned transfer of Department of Defense military dependent schools on October 1, 1981, into the Department of Education should be canceled.

By retaining these schools intended for our military personnel families overseas, we can keep the size of the Department of Education to its present level of 6,000 employees. By taking the Department of Defense education function away from DOD, we place in the hands of the Department of Education an additional budget of $361 million, 267 schools, 135,000 students, and approximately 11,000 more employees.

I support the nomination of Dr. Bell. I look forward to working with him in fulfilling a commitment toward enriched educational opportunities for America's children without Federal controls and without further bloating the Federal bureaucracy.●

Mr. BAKER. I announce that the Senator from Nevada (Mr. LAXALT), the Senator from Maryland (Mr. MATHIAS), the Senator from Illinois (Mr. PERCY), the Senator from Vermont (Mr. STAFFORD), the Senator from Alaska (Mr. STEVENS), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT), the Senator from Illinois (Mr. PERCY), and the Senator from Vermont (Mr. STAFFORD) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Georgia (Mr. NUNN), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 90, nays 2, as follows:

[Rollcall Vote No. 15 Ex.]

YEAS—90

Abdnor	Exon	McClure
Andrews	Ford	Melcher
Armstrong	Garn	Metzenbaum
Baker	Glenn	Mitchell
Baucus	Goldwater	Moynihan
Bentsen	Gorton	Murkowski
Biden	Grassley	Nickles
Boren	Hart	Packwood
Boschwitz	Hatch	Pressler
Bradley	Hatfield	Pryor
Bumpers	Hawkins	Quayle
Burdick	Hayakawa	Randolph
Byrd, Harry F., Jr.	Heflin	Riegle
Byrd, Robert C.	Heinz	Roth
Cannon	Helms	Rudman
Chafee	Hollings	Sarbanes
Chiles	Huddleston	Sasser
Cochran	Humphrey	Schmitt
Cohen	Inouye	Simpson
Cranston	Jackson	Specter
D'Amato	Jepsen	Stennis
Danforth	Johnston	Symms
Denton	Kassebaum	Thurmond
Dixon	Kasten	Tower
Dodd	Kennedy	Tsongas
Dole	Leahy	Warner
Domenici	Levin	Weicker
Durenberger	Long	Williams
Eagleton	Lugar	Zorinsky
East	Matsunaga	
	Mattingly	

NAYS—2

DeConcini	Proxmire

NOT VOTING—8

Laxalt	Pell	Stevens
Mathias	Percy	Wallop
Nunn	Stafford	

So the nomination was confirmed.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, is the Senate still in executive session?

The PRESIDING OFFICER. It is.

U.S. AIR FORCE

Mr. BAKER. Mr. President, I believe I am correct in saying the nominations I am about to refer to have been cleared by the minority.

While we are still in executive session, I ask unanimous consent that we proceed to the consideration of Executive Calendar Order beginning on page 2 under "U.S. Air Force," the three nominations which appear there all numbered as Calendar Order No. 17, and continuing then on page 3 for all of the calendar orders, all of the names appearing under "U.S. Air Force," and continuing then on page 4 to include all of the nominations under "U.S. Air Force" on that page, on page 5 as well, on page 6 as well, and on page 7 down to but not including nominations placed on the Secretary's desk.

I ask unanimous consent that the nominations be considered en bloc but that the RECORD show an individual consideration of the nominations in the RECORD.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object.

Mr. BAKER. Mr. President, before the Chair acts on my request, I wish to amend it by including now all of the nominations placed on the Secretary's desk as they appear at the bottom of page 7.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator's request is agreed to.

The nominations en bloc considered and confirmed are as follows:

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force to the grade indicated, under the provisions of chapter 839, title 10 of the United States Code:

Col. Richard P. Abel, 282-24-9932FR, Regular Air Force, to be brigadier general.

Col. Michael H. Alexander, 481-34-9617FR, Regular Air Force, to be brigadier general.

Col. Melvin G. Alkire, 216-32-1998FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Carl N. Beer, 214-30-1913FR, Regular Air Force, to be brigadier general.

Col. William P. Bowden, 431-58-0401FR, Regular Air Force, to be brigadier general.

Col. Elmer T. Brooks, 579-42-8140FR, Regular Air Force, to be brigadier general.

Col. James T. Callaghan, 359-28-2527FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Duncan W. Campbell, 526-42-2904FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Michael P. C. Carns, 578-48-0103FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Aloysius G. Casey, 169-34-4566FR, ular Air Force, to be brigadier general.

Col. Wilson C. Cooney, 209-34-2306FR, Regular Air Force, to be brigadier general.

Col. Thomas L. Craig, 435-54-8105FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Milford E. Davis, 010-30-4892FR, Regular Air Force, to be brigadier general.

Col. Chris O. Divich, 504-36-0714FR, Regular Air Force, to be brigadier general.

Col. Fredric F. Doppelt, 051-36-4294FR, Regular Air Force, to be brigadier general.

Col. John J. Doran, Jr., 012-24-3203FR, Regular Air Force to be brigadier general.

Col. Christian F. Dreyer 577-46-0193FR, Regular Air Force, to be brigadier general.

Col. Michael J. Dugan, 091-28-2234FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Pinkard M. Dyer III, 439-36-8540FR, Regular Air Force, to be brigadier general.

Col. David W. Forgan, 355-26-6055FR, Regular Air Force, to be brigadier general.

Col. Daniel B. Geran, 291-26-7370FR, Regular Air Force, to be brigadier general.

Col. Gordon A. Ginsburg, 297-26-7043FR, Regular Air Force, to be brigadier general.

Col. John E. Griffith, 512-22-7822FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Alfred G. Hansen, 067-26-5750FR, Regular Air Force, to be brigadier general.

Col. Edward J. Heinz, 471-32-4675FR, Regular Air Force, to be brigadier general.

Col. Thomas J. Hickey, 478-40-1715FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Jesse S. Hocker, 402-36-6773FR, Regular Air Force, to be brigadier general.

Col. Hansford T. Johnson, 251-58-7597FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be bridadier general.

Col. James G. Jones, 278-30-0028FR Regular Air Force, to be brigadier general.

Col. Gordon P. Masterson, 366-32-6969FR, Regular Air Force, to be brigadier general.

Col. Robert I. McCann, 011-28-0707FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Thomas G. McInerney, 336-30-8725FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Merrill A. McPeak, 554-44-2658FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Michael A. Nelson, 560-46-5214FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Robert B. Patterson, 237-42-6595FR, Regular Air Force, to be brigadier general.

Col. Randall D. Peat, 329-28-3055FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Leonard H. Perroots, 236-46-8026FR, Regular Air Force, to be brigadier general.

Col. Robert O. Petty, 459-46-9938FR, Regular Air Force, to be brigadier general.

Col. Jimmy C. Pettyjohn, 526-36-9576FR, Regular Air Force, to be brigadier general.

Col. Robert B. Plowden, Jr., 250-48-6191 FR, Regular Air Force, to be brigadier general.

Col. Philip S. Prince, 547-40-0275FR, Regular Air Force, to be brigadier general.

Col. Donald J. Rans, 316-34-6754FR (lieutenant colonel, Regular Air Force), to be brigadier general.

Col. Craven C. Rogers, Jr., 578-46-3442FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Gerald C. Schwanki, 533-28-3002FR, Regular Air Force, to be brigadier general.

Col. Henry J. Sechler, 477-34-2251FR, Regular Air Force, to be brigadier general.

Col. William M. Shaw, Jr., 242-48-7811FR, Regular Air Force, to be brigadier general.

Col. Jack W. Sheppard, 297-26-0603FR, Regular Air Force, to be brigadier general.

Col. Ellie G. Shuler, Jr., 249-50-1947FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Charles P. Skipton, 287-28-0483FR, Regular Air Force, to be brigadier general.

Col. Monroe T. Smith, 264-34-1200FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Richard E. Steere, 559-40-3819FR, Regular Air Force, to be brigadier general.

Col. John T. Stihl, 559-38-1457FR, Regular Air Force, to be brigadier general.

Col. Donald J. Stukel, 503-46-3291FR (lieutenant colonel, Regular Air Force), U.S. Air Force to be brigadier general.

Col. Thomas G. Tobin, 506-38-7813FR, Regular Air Force, to be brigadier general.

Col. Russell L. Violett, 425-46-5062FR (lieutenant colonel, Regular Air Force), U.S Air Force, to be brigadier general.

Col. Donald B. Wagner, 205-22-4351FR Regular Air Force, Medical, to be brigadier general.

Col. William B. Webb, 263-60-4091FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

Col. Bernard L. Weiss, 146-24-6060FR Regular Air Force, to be brigadier general.

Col. Browning C. Wharton, 224-32-6439FR, Regular Air Force, to be brigadier general.

Col. Gordon E. Williams, 002-22-6525FR (lieutenant colonel, Regular Air Force), U.S. Air Force, to be brigadier general.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 837, title 10, United States Code:

Brig. Gen. S. T. Ayers, 458-24-8932FV, Air Force Reserve, to be major general.

Brig. Gen. James J. Feeney, 134-18-7835FV Air Force Reserve, to be major general.

Brig. Gen. James E. McAdoo, 435-38-1041 FV, Air Force Reserve, to be major general.

Brig. Gen. Donald A. McGann, 101-22-4131 FV, Air Force Reserve, to be major general.

Brig. Gen. Richard A. Wegner, 519-16-1857 FV, Air Force Reserve, to be major general.

Col. Thomas H. Dinwiddie, 274-22-2903FV, Air Force Reserve, to be brigadier general.

Col. George P. A. Forschler, 518-36-0097FV, Air Force Reserve, to be brigadier general.

Col. George D. Leadbetter, 441-28-8473FV, Air Force Reserve, to be brigadier general.

Col. Edward L. McFarland, 498-42-9860FV, Air Force Reserve, to be brigadier general.

Col. James R. Milligan, 176-24-3110FV, Air Force Reserve, to be brigadier general.

Col. John D. Moore, 550-40-9135FV, Air Force Reserve, to be brigadier general.

Col. Billy B. Morgan, 400-32-8491FV, Air Force Reserve, to be brigadier general.

Col. Ronald G. Severs, 490-32-0871FV, Air Force Reserve, to be brigadier general.

Col. Raymond Thompson, 118-18-2908FV, Air Force Reserve, to be brigadier general.

The following officer for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

Brig. Gen. John B. Conaway, 315-30-2700-FG, Air National Guard, to be major general.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY, AND MARINE CORPS

Air Force nominations beginning James G. Abbee, to be colonel, and ending Gerald R. Snyder, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Air Force nominations beginning Larry K. Arnold, to be lieutenant colonel, and ending Philip E. Zongker, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Army nominations beginning George P. Brandel, to be colonel, and ending Stewart R. Ward, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Army nominations beginning Robert E. Bilbrey, to be colonel, and ending Bernice M. Widrow, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Navy nominations beginning Diana T. Cangelosi, to be ensign, and ending John W. Weiss, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Marine Corps nominations beginning Linda C. Arms, to be captain, and ending Timothy W. Foley, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Marine Corps nominations beginning Robert A. Alvick, to be second lieutenant, and ending Walter A. Reeves, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

Mr. BAKER. En bloc, I ask unanimous consent that it be in order that the vote by which the nominations were confirmed be reconsidered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I so move.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has confirmed these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, for the purpose of transacting certain matters of a legislative nature, I ask unanimous consent that there now be a period for the transaction of routine morning business as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered .

RICHARD J. DAVIS

Mr. DECONCINI. Mr. President, we are all aware of the Government's efforts to resolve the Iranian hostage situation; however, I would like to bring to this body's attention the tireless efforts of Richard J. Davis, an outstanding civil servant.

Mr. Davis, who has been the Assistant Secretary of the Treasury for Enforcement and Operations, is responsible for the supervision of the Office of Foreign Assets Control. Mr. Davis was instrumental in blocking the assets of the Iranian Government after they took the American hostages. For many months Mr. Davis has been involved on a daily basis with both the administration and possible release of these assets.

During the last several weeks he has worked around the clock preparing for a release of the assets in conjunction with a release of the hostages. Rich is a brilliant man, who is very wise for his age, and is an extremely tireless and industrious public servant. Prior to his assignment with the Treasury Department he was a senior member of the Watergate Special Prosecutor's Office. I think the American people owe a great debt of gratitude to Richard J. Davis, a great American patriot.

COMMEMORATION OF THE 63D ANNIVERSARY OF UKRAINIAN INDEPENDENCE

Mr. DECONCINI. Mr. President, I rise today to commemorate the 63d anniversary of the declaration of Ukrainian independence. This day continues to symbolize the struggle of proud and courageous people to maintain their independence against the forces of political repression and religious persecution.

Independence for the Ukraine was short but sweet. On January 22, 1918, the free and democratic parliament of the Ukraine, the Rada, declared the nation independent. By 1920, however, the Soviets had broken their pledge to honor Ukrainian independence and in 1924 as a part of the Russian Communist move to crush and consume weaker neighboring states—an effort which continues today with Afghanistan as its most recent victim—the Ukraine was forcibly incorporated into the Union of Soviet Socialist Republics and its independent spirit was brutally suppressed.

Despite the ruthless Soviet cultural and political restrictions, inhumane treatment, and Russification, the Ukrainian quest for liberty is unabated. Let us remember this quest, not just on this anniversary of their declaration of independence, but throughout the year. Furthermore, the history of Ukrainian independence should come to mind whenever we evaluate Soviet actions and statements. The Soviet Union has given us all too many of these examples, and had we learned our lesson in 1924, the world would be a safer, freer, and more joyful place.

THE INNOVATIVE LEADERSHIP OF DANIEL J. BOORSTIN

Mr. WILLIAMS. Mr. President, as a member of the Rules Committee, I have a direct oversight responsibility for the Library of Congress. In addition, I am constantly availing myself of the expansive resources of the Library to serve constituents. In both of these roles, I have become aware of the great surge of innovation and accomplishment which has been brought to the Library under the dedicated and dynamic leadership of its current Librarian, Daniel J. Boorstin.

Mr. President, the January 5 issue of the New Yorker magazine contains a brief portrait of Mr. Boorstin, and of the great effort he has initiated to better open up this great repository of our cultural heritage to all Americans during his first 5 years as Librarian. The article also describes his ambitious plans for improving the Library's function as a learning center. And, I am happy to report that it indicates that Mr. Boorstin still finds his assignment to be a satisfying challenge.

Mr. President, in the words of the late Justice Frankfurter, Daniel J. Boorstin is "a man who knows books, loves books, and makes books." I ask unanimous consent that the sketch of this outstanding, dedicated public servant be inserted in the RECORD for the information and benefit of my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LIBRARIAN OF CONGRESS

Daniel J. Boorstin, the Librarian of Congress, is a compact man with close-cropped hair and a rich, inquisitive voice that quavers with eagerness to express his ideas. If his words came out in Teletype, there would be no spaces between them. The card catalog of the Library of Congress has forty-three entries for its present Librarian, in which he figures as author, editor, or subject, in English, Spanish, or Japanese. He has won the Bancroft Prize, the Parkman Prize, and the Pulitzer Prize for History—each for a different book—and has held the Preston and Sterling Morton Distinguished Service Professorship of American History at the University of Chicago, which he left in 1969, after a quarter century, to direct the Smithsonian Institution's National Museum of History and Technology. A half decade after his induction as the twelfth Librarian of Congress, we visited Boorstin, to find out why he took the job, what it has taken from him, and how both have fared.

"Before I accepted President Ford's nomination, my wife and I needed a month to reflect on the offer," Mr. Boorstin said. "I considered myself a writer. Still do. I want to be a *writer* when I grow up—I consider that my ambition. I had launched on a world history, partly as a project of self-education, and I wondered if I should not devote full time to it. My wife and I wandered anonymously in the Library. In the manuscript room—this seems as if it were scripted, but it's true—we came on an exhibit about the selection of Librarians by Presidents. In it was an exchange of correspondence on the selection of Archibald MacLeish. F.D.R. wrote to Felix Frankfurter asking for help in the matter: 'I have had a bad time picking a Librarian to succeed Putnam. What would you think of Archie MacLeish?' MacLeish, you know, was not a professional librarian. Frankfurter wrote back, 'What is wanted in the directing head of a great library [is] imaginative energy and vision. He should be a man who knows books, loves books, and makes books.' I knew Felix Frankfurter and admired him—found him a stirring man—and I decided to accept the President's nomination.

"I was aware that the Library had great treasures. One of the themes of my books is that culture in a democratic society has a special role to play—especially in the New World—as a catalyst for learning. I wanted to make certain that the Library was more than a warehouse—that it was also a wellspring for the discovery of culture. My first object was not to make things worse. The Library was a sound institution, with good staff. But I wanted to open it up. When I opened the front doors, which had been closed for some time, so the public could come into the Great Hall of this beautiful building instead of coming into the basement, some people objected. 'You'll create a draft,' they said. That's *just* what I wanted to do. I wanted to draw people in!"

Since last spring, the Library's new James Madison Building has drawn people in, as have the Thomas Jefferson Building, a Beaux-Arts palace, where Boorstin works, and which was the only Library of Congress from 1897 until 1938, and the John Adams Building, which has been an annex to the Library since 1938. More than a decade in construction, the Madison, which is just south of the Jefferson, dwarfs most other buildings in Washington. Boorstin admits that the Library must give the Madison Building a more human scale, but he accents the opportunity it provides to draw the three buildings together. In Boorstin's scheme, the Madison Building will eventually contain most of the administrative offices and will hold photographs, prints, manuscripts, maps, movies, music, and recordings, in special conditions of humidity, light, and temperature. The Jefferson and Adams Buildings will gather books, incunabula, and other legible stock near reading rooms ordered by regions of geography and knowledge. In halls that were once cluttered with makeshift quarters for a sprouting staff, the Library now puts on exhibits—the first of which celebrated the return of the Jefferson Building to its Italian Renaissance glory.

The Jefferson Building's Main Reading Room is a grand rotunda, shown from its dome—a hundred and sixty feet up—in the movie "All the President's Men." The room will serve as the index for the Library in its role as a Circle of Knowledge. (In conversation, lectures, and books, Boorstin capitalizes the ideas he wants to stress, and he has done the same in naming the symbols of change at the Library.) The metaphor of the Circle, we learned, holds the origin of the word "encyclopedia" and denotes a system of ordering information into knowledge. Boorstin's other ideas for the Library—the Center for the Book, the Council of Scholars, the Multi-Media Encyclopedia—expand the scope of the Circle.

Boorstin offered us a Montecrus cigar, lit one himself, and when it went out, gestured with the cigar in one hand and a lighter in the other, without lighting up again, throughout our talk. "When I arrived, certain things were obvious, like the role of automation and the machine," he said. "The information industry was flourishing, and the Library of Congress had a lead in diffusion of information. But what would happen to the Book in all this? The Book, after all, is a form of technology, although most people don't recognize the fact. One form of technology is not an enemy of another. A new technology should help us discover new roles for the old. I wanted to find new ways for the Book and the Computer to be compatible, and so we started the Center for the Book.

"How to relate the Library's materials to the world of learning? This, after all, is a learning institution. The Council of Scholars is the answer. In the past, scholars doing research at the Library have often been unaware of what others were doing, within their fields or outside. The Council will have twenty-five members, representing all fields of knowledge, who will deliberate twice a year. They will pursue their own research, and they will counsel the Library. The thing that inspires me—the grand feature of the Council—is that the members will be in a position to inventory the state of mankind's knowledge and ignorance. They will tell us what we do and don't know—about anything.

"The Multi-Media Encyclopedia was a natural concept. There are two problems for a great library: excess and access. It would be hard enough if we had to contend with a flood of material in only one form. But we have material that is multilingual and multiform—all records of civilization. Students of monographs were not enticed to use other materials—even posters. I wanted to organize the Library to entice people from one form to another, to get the benefit—the payoff—of these special collections."

For the Library of Congress, we discovered, the problems of excess and access are huge. The number of items received by the Library in a single day is more than the number of volumes (about sixty-five hundred) that Congress purchased from Thomas Jefferson in 1815 as the core of the collection after the British had used the Library's original books as kindling to burn the Capitol the year before. The Library now has more than seventy-six million items. One of the world's largest gatherings of books, in four hundred and sixty-eight languages at last count, makes up just a quarter of the holdings, and only one-third of the books are in English. Since 1870, the Library has protected the work of American artists, musicians, writers, and, in due course, filmmakers, among others, through registration of copyright deposits, about half of which go into the vast store. To keep foreign collections current, the Library now buys through seven offices and a large number of other representatives around the world.

A staff of fifty-seven hundred, supported by an annual budget of two hundred and ten million dollars, orders the flow of arrivals and reserves so that information won't frustrate

the quest for knowledge. Among the staff's other tasks is answering the calls of various constituencies: first, Congress; second, the nation; finally, the rest of civilization. The Library fields more than a thousand requests for help from Congress each day. Library staff people attend sessions of congressional committees to keep up with the country's business. Experts in a variety of subjects, they also strike out on their own to chart intellectual territory they expect Congress to cover. American or not, anyone may use the Library, although there are limits on who may borrow from the collections. For those who can't come in person, the Library offers loans and a service that copies and mails research materials.

Recalling Boorstin's ambition, we said we wondered if his responsibilities—to provide all knowledge in all forms and the freedom and resources to pursue it—leave the Librarian any time to write.

"You know," he answered, "in my confirmation hearings, before the Rules Committee, Senator Claiborne Pell, who has been chairing the Joint Committee on the Library, said he hoped that I would not write another book while I was Librarian. I told him I saw nothing wrong with the Librarian of Congress being involved with scholarly pursuits, and I got confirmed. Before I accepted President Ford's nomination, I called Archie MacLeish and asked, 'Should I take the job?' He asked me, 'How much sleep do you need?' I need eight hours a night, which is too much if I am to write and do anything else.' It's a piece of luck that I don't need much sleep. I take little naps, and I've always been an early riser. I was at my desk at six o'clock this morning—which is early, but not as early as Jefferson. Anyway, I was determined to write after I came here. I do all my writing before I come in to the Library, and I've managed to finish fifteen of the eighteen parts of the world history—still untitled—that I've been working on for fifteen years. I've tentatively subtitled the history 'The Rise of the Exploring Spirit,' and I hope to have it out in two or three years."

We asked how long Boorstin plans to stay on as Librarian.

"Well, I certainly hope this isn't my last assignment," he said. "And I don't see a ratio between the length of a Librarian's tenure and his contribution. Archie MacLeish was here only five years, and he was one of the great administrators of the Library. I don't know of any institution that has suffered because an able leader stayed too short a time. I will leave when the shine is off."

COMMERCE COMMITTEE RULES

Mr. PACKWOOD. Mr. President, Senate rule 26(2) requires each Senate committee to publish its rules in the CONGRESSIONAL RECORD no later than March 1 of each year. Pursuant to that requirement, I ask unanimous consent to have printed in the RECORD the rules of the Committee on Commerce, Science, and Transportation.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

(Adopted by the Committee on Commerce, Science, and Transportation on January 6, 1981)

I. MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the Committee shall be the first and third Tuesdays of each month. Additional meetings may be called by the Chairman as he may deem necessary or pursuant to the provisions of paragraph 3 of rule XXVI of the Standing rules of the Senate.

2. Meetings of the Committee, or any subcommittee, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the Committee, or any subcommittee, on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in subparagraphs (A) through (F) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the Committee, or any subcommittee, when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(A) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) will relate solely to matters of Committee staff personnel or internal staff management or procedure;

(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(E) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(F) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

3. Each witness who is to appear before the Committee or any subcommittee shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

4. Field hearings of the full Committee, and any subcommittee thereof, shall be scheduled only when authorized by the Chairman and ranking minority member of the full Committee.

II. QUORUMS

1. Nine members shall constitute a quorum for official action of the Committee when reporting a bill or nomination; provided that proxies shall not be counted in making a quorum.

2. Six members shall constitute a quorum for the transaction of all business as may be considered by the Committee, except for the reporting of a bill or nomination; provided that proxies shall not be counted in making a quorum.

3. For the purpose of taking sworn testimony a quorum of the Committee and each subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a majority of the members being present, a member who is unable to attend the meeting may submit his vote by proxy, in writing or by telephone, or through personal instructions.

IV. BROADCASTING OF HEARINGS

Public hearings of the full Committee, or any subcommittee thereof, shall be televised or broadcast only when authorized by the Chairman and the ranking minority member of the full Committee.

V. SUBCOMMITTEES

1. Any member of the Committee may sit with any subcommittee during its hearings or any other meeting but shall not have the authority to vote on any matter before the subcommittee unless he is a Member of such subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the chairmanship, and seniority on the particular subcommittee shall not necessarily apply.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination, which was referred to the Committee on Armed Services.

(The nomination received today is printed at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE:

S. 189. A bill for the relief of Marion Dolon Opelt; to the Committee on the Judiciary.

S. 190. A bill for the relief of David Kermanian; to the Committee on the Judiciary.

S. 191. A bill for the relief of Tessie and Enrique Marfori; to the Committee on the Judiciary.

S. 192. A bill for the relief of Shyn-Fann Tyan-Norem, Bin-Ti Yao Tyan-Norem and Jean Marie Tyan-Norem; to the Committee on the Judiciary.

By Mrs. KASSEBAUM:

S. 193. A bill to amend the Congressional Budget Act of 1974 to establish a ceiling on revenue loss from tax expenditures, to require authorization of new tax expenditures, and for other purposes; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

By Mr. HOLLINGS (for himself and Mr. DOMENICI):

S. 194. A bill to amend the Congressional Budget Act of 1974 to require a two-thirds vote to adopt a concurrent resolution on the budget which is not in balance; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

By Mr. GOLDWATER (for himself, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BAKER, Mr. BENTSEN, Mr. BOREN, Mr. BRADLEY, Mr. COCHRAN, Mr. DECONCINI, Mr. DODD, Mr. EXON, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GORTON, Mr. HART, Mr. HATCH, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HUDDLESTON, Mr. INOUYE, Mr. JOHNSTON, Mr. LEAHY, Mr. LUGAR, Mr. MATHIAS, Mr. PRYOR, Mr. RANDOLPH, Mr. SARBANES, Mr. SASSER, Mr. STAFFORD, and Mr. WILLIAMS):

S. 195. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. EXON:

S. 196. A bill for the relief of Teodoro A. Andro, doctor of medicine; to the Committee on the Judiciary.

S. 197. A bill for the relief of Taishine Wang, M.D., Kuei-Ching Wang and Maria Wang; to the Committee on the Judiciary.

S. 198. A bill for the relief of James G. Reese; to the Committee on the Judiciary.

S. 199. A bill for the relief of Joseph Eddy Nicholas, M.D. and Catherine Mary Nicholas; to the Committee on the Judiciary.

By Mr. QUAYLE:

S. 200. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against income tax for up to $750 of the cost of purchasing a new highway vehicle; to the Committee on Finance.

By Mr. WILLIAMS:

S. 201. A bill to provide a 2-year delay in the application of Section 189 to low-income housing; to the Committee on Finance.

By Mr. HOLLINGS:

S. 202. A bill to declare and recognize the vital importance of ports and harbors to this country's economy and national defense, and the world's economy and energy self-sufficiency, and to authorize expeditious construction of essential river and harbor improvements in order to promote domestic commerce and United States export capabilities for coal and other commodities; to the Committee on Environment and Public Works.

By Mr. PRYOR:

S. 203. A bill to redesignate the Department of Agriculture as the Department for Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 204. A bill to authorize the conveyance of certain lands to the County of Mineral, Nevada; to the Committee on Armed Services.

By Mr. TSONGAS:

S. 205. A bill for the relief of Winston Edmund DuBois; to the Committee on Governmental Affairs.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 206. A bill directing the Secretary of the Interior to convey certain lands to the City of Henderson, Nevada; to the Committee on Energy and Natural Resources.

By Mr. MITCHELL (for himself, Mr. GARN, Mr. WILLIAMS, and Mr. PROXMIRE):

S. 207. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. TSONGAS:

S. 208. A bill for the relief of Mary N. Panagiotakis; to the Committee on the Judiciary.

S. 209. A bill for the relief of Paul Spyropoulos, Barbara Spyropoulos, husband and wife, and Sotirios Spyropoulos their son; to the Committee on the Judiciary.

S. 210. A bill for the relief of Elizabeth Cheng; to the Committee on the Judiciary.

S. 211. A bill for the relief of Moschos Chahlidis; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 212. A bill for the relief of Angela Salvador Coloma; to the Committee on the Judiciary.

S. 213. A bill for the relief of Siegfried Hans Ehrmann; to the Committee on the Judiciary.

S. 214. A bill for the relief of Feliciana Usita Barroga; to the Committee on the Judiciary.

S. 215. A bill for the relief of Inocencio Eder and Lourie Ann Eder; to the Committee on the Judiciary.

S. 216. A bill for the relief of Zosima Batoon; to the Committee on the Judiciary.

S. 217. A bill for the relief of Benjamin Miguel Acob; to the Committee on the Judiciary.

S. 218. A bill for the relief of Jutta Renate Krupara; to the Committee on the Judiciary.

S. 219. A bill for the relief of Kwolk Hung Poon and his wife, Sandra Shau Man Lai Poon; to the Committee on the Judiciary.

S. 220. A bill for the relief of Duk Chan Byun, his wife Yung Ja Byun, and his children Hye Ja Byun, Hye Sun Byun, Hye Ryung Byun, and Yung Eun Byun; to the Committee on the Judiciary.

S. 221. A bill for the relief of Yue Chung Chiu; to the Committee on the Judiciary.

S. 222. A bill for the relief of Lydia Delos Santos Colcol; to the Committee on the Judiciary.

S. 223. A bill for the relief of Amadeo Sembrano Timbol, his wife Hannah Apia Sangkula Timbol, his son Abel Sangkula Timbol, and his daughter Schiralis Sangkula Timbol; to the Committee on the Judiciary.

S. 224. A bill for the relief of Isoo Kojima; to the Committee on the Judiciary.

S. 225. A bill for the relief of Somusa Ratanarak; to the Committee on the Judiciary.

S. 226. A bill for the relief of Goldhorn Cheng, Cheng-Hwa Lee Cheng, Shih-Chuang Cheng, Shih-Huang Cheng, and Shih-Kang Cheng; to the Committee on the Judiciary.

By Mr. HELMS:

S. 227. A bill for the relief of Bertram Tang; to the Committee on the Judiciary.

By Mr. GORTON:

S. 228. A bill for the relief of Neam Vone Sae-Kuan (also known as Paul Kuan); to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 229. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; to the Committee on Finance.

S. 230. A bill to authorize certain withholding of State income tax from seamen's wages on a voluntary basis; to the Committee on Finance.

S. 231. A bill to amend the Tariff Act of 1930 to increase from $250 to $600 amount for formal entry of goods; to the Committee on Finance.

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 232. A bill to amend sections 46(f) and 167(1) of the Internal Revenue Code of 1954 with respect to the treatment of public utility property; to the Committee on Finance.

By Mr. HAYAKAWA:

S. 233. A bill to direct the Army Board for Correction of Military Records to review the application of Herman Miller for the Congressional Medal of Honor; to the Committee on Armed Services.

By Mr. HATCH:

S. 234. A bill to amend the Public Health Service Act to encourage the establishment of home health programs and to amend the Social Security Act to provide expanded coverage of home health services under the medicare and medicaid programs; to the Committee on Labor and Human Resources.

By Mr. LEVIN:

S. 235. A bill for the relief of Hyong Cha Kim Kay; to the Committee on the Judiciary.

S. 236. A bill for the relief of Peter Chi Hung Kwok, doctor of medicine, and Ping Chi Chau Kwok, husband and wife; to the Committee on the Judiciary.

S. 237. A bill for the relief of Joseph Onor; to the Committee on the Judiciary.

S. 238. A bill for the relief of Hira and Manu Manibhai, husband and wife, and their children Kalpesh and Ketah Manibhai; to the Committee on the Judiciary.

By Mr. DURENBERGER (for himself, Mr. PERCY, Mr. BENTSEN, Mr. HAYAKAWA, Mr. PELL, Mr. TSONGAS, Mr. HATFIELD, Mr. HEFLIN, Mr. ANDREWS, Mr. MATHIAS, Mr. SPECTER, and Mr. SASSER):

S. 239. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for the purchases of a commuter highway vehicle, to exclude from gross income certain amounts received in connection with the provisions of alternative commuter transportation, to provide employers a credit against tax for costs incurred in ride-sharing programs and for other purposes; to the Committee on Finance.

By Mr. MATSUNAGA:

S. 240. A bill to extend the treatment conferred upon certain private deferred compensation plans to nonqualified deferred compensation arrangements maintained by tax-exempt organizations; to the Committee on Finance.

S. 241. A bill to amend the Employee Retirement Income Security Act of 1974 for the purpose of facilitating the investment by employee pension benefit plans in qualifying employer real property; to the Committee on Labor and Human Resources.

By Mr. HATFIELD (for himself, Mr. BAKER, Mr. ROBERT C. BYRD, Mr. THURMOND, Mr. HUMPHREY, Mr. ANDREWS, Mr. BENTSEN, Mr. BIDEN, Mr. BOREN, Mr. BOSCHWITZ, Mr. BUMPERS, Mr. BURDICK, Mr. CANNON, Mr. CHAFEE, Mr. COCHRAN, Mr. COHEN, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. DIXON, Mr. GORTON, Mr. ABDNOR, Mr. BRADLEY, Mr. HARRY F. BYRD, JR., Mr. CHILES, Mr. D'AMATO, Mr. DOLE, Mr. DURENBERGER, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GRASSLEY, Mrs. HAWKINS, Mr. HEFLIN, Mr. HEINZ, Mr. HUDDLESTON, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KASTEN, Mr. KENNEDY, Mr. LEAHY, Mr. MATSUNAGA, Mr. MATTINGLY, Mr. MCCLURE, Mr. METZENBAUM, Mr. MITCHELL, Mr. MOYNIHAN, Mr. NICKLES, Mr. NUNN, Mr. PACKWOOD, Mr. PELL, Mr. PERCY, Mr. PROXMIRE, Mr. PRYOR, Mr. RANDOLPH, Mr. RUDMAN, Mr. SARBANES, Mr. STAFFORD, Mr. SASSER, Mr. STENNIS, Mr. SCHMITT, Mr. STEVENS, Mr. SYMMS, Mr. TSONGAS, Mr. ZORINSKY, and Mr. WILLIAMS):

S.J. Res. 16. Joint resolution designating January 29, 1981, as "A day of thanksgiving to honor our safely returned hostages."; considered and agreed to.

By Mr. GARN (for himself, Mr. ABDNOR, Mr. D'AMATO, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. EAGLETON, Mr. EAST, Mr. FORD, Mr. GOLDWATER, Mr. GRASSLEY, Mr. HATCH, Mr. HATFIELD, Mrs. HAWKINS, Mr. HELMS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. JEPSEN, Mr. LUGAR, Mr. MCCLURE, Mr. NICKLES, Mr. PRESSLER, Mr. PROXMIRE, Mr. RANDOLPH, Mr. SYMMS, Mr. ZORINSKY, Mr. ANDREWS, and Mr. KASTEN):

S.J. Res. 17. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S.J. Res. 18. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. HELMS:

S.J. Res. 19. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. KASSEBAUM:

S. 193. A bill to amend the Congressional Budget Act of 1974 to establish a ceiling on revenue loss from tax expenditures, to require authorization of new tax expenditures, and for other purposes; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

TAX EXPENDITURE LIMITATION AND CONTROL ACT OF 1981

● Mrs. KASSEBAUM. Mr. President, the Congressional Budget Act of 1974 was, and is, one of the truly monumental and significant congressional reforms in recent history. Monumental, because an overwhelming majority in both Houses voted to adopt a consensus measure incorporating procedures to restrict the most protected of all congressional prerogatives: Spending public money. Significant, because those procedures have worked, and for the most part, worked well.

Much to their credit, the authors of the act envisioned both the need for, and the desirability of, incorporating language to encourage improvements in their work on a continuing basis. As one who is privileged to serve on the Budget Committee, where business is conducted in accordance with the provisions of the act, I can attest to their wisdom. There is, indeed, latitude for improvement.

Having said that, I would suggest that the most discouraging aspect of our otherwise commendable effort to fulfill the Senate's budgetary responsibility has been our inability to exercise effective control over the revenue-raising side of the budgetary process. While we have made great progress in our ability to monitor and regulate direct spending, our progress in coming to grips with issues relating to taxation has been practically nonexistent.

From a budgetary perspective, our unbalanced growth under the act is embarrassing. From a congressional oversight and fiscal responsibility perspective, it is downright irresponsible.

Our need to develop and implement a coordinated approach to raising revenue and spending Federal funds, whether through direct subsidies or through tax expenditures, has never been greater. For that reason, I am today introducing the Tax Expenditure Limitation and Control Act of 1981. Enactment of this legislation would greatly enhance the ability of Congress to exercise effective judgment and pursue a rational approach to oversight of Federal programs, budgetary planning, and control and fiscal policy.

Those of us charged with responsibility for Federal program oversight have made the point on many occasions that tax spending and direct spending are two sides of the same Federal-subsidy coin. Both mechanisms transfer revenues for purposes that are perceived to be in the national interest. However, there are critical differences in the amount and degree of congressional oversight that accompanies these funding mechanisms.

Direct program funding must be authorized on a continuing basis, money for such funding must be appropriated annually, and program sponsors must justify their use of this money before Congress. Additionally, all of this authorizing, appropriating, and justifying must be accomplished within congressional budgetary parameters. Such activity tends to serve the public interest in that it assures intense review over the distribution of limited funds.

The case with respect to Federal subsidies through tax expenditures is much different. The committees with responsibility for programs supported through tax expenditures neither authorize such funding nor review its effectiveness. Once such subsidies have been enacted, they have a remarkable tendency to remain on the books for years and eventually become institutionalized within the tax code.

The total figure for revenue collected in fiscal year 1981 will be approximately $607.5 billion. The best estimate for the total amount of revenue that will be exempted from collection through tax expenditures is a staggering $208 billion. Over 25 percent of all revenue designated by the general provisions of the tax code as collectable will be exempted or excluded from collection by specific provisions of the code. We forgo $1 in taxes for every $3 we raise, solely because of the revenue-reducing effect of tax expenditures. That, I suggest, is bad policy and worse Government. Enactment of the bill I am introducing would provide a beginning to the effort Congress must undertake to reverse this undesirable practice.

The bill I am introducing today would: First, limit future loss of revenue from tax expenditures; second, discourage the proliferation of such revenue-reducing measures in the future; and third, improve budgetary accounting for tax expenditure-related revenue loss, throough provisions that:

Place a statutory limitation on the total amount of revenue loss from tax expenditures at a figure not to exceed 30 percent of net revenues collected;

Provide for authorization of new tax expenditures by the committees of the House or Senate with legislative jurisdiction over the activity such tax expenditures would affect;

Require legislation authorizing new tax expenditures be sequentially referred to the Budget Committee of the House or Senate, as appropriate;

Require all legislation authorizing new tax expenditures be reported to the House or Senate on, or before, May 15; and

Provide appropriate provisions for waiver of the May 15 reporting date in the Senate.

Enactment of these provisions would constitute a significant improvement in the existing congressional approach to budgeting.

Budgetary planning and control is, as we have all learned since 1974, no easy task. Even with the advantage of precise figures, we would face problems in our attempt to allocate a limited amount of funds. However, our current procedures for estimating revenues are so imprecise that the problem is becoming quite serious. The accounting impact of tax expenditures greatly resembles the accounting impact of entitlements. Just as we are unable to predict the level of annual funding that will be required to support entitlement programs, we are unable to predict with a high degree of accuracy the annual revenue loss resulting from tax expenditures. The more tax expenditures we enact the greater the revenue mystery becomes.

Presently, there are 92 such tax provisions on the books accounting for a revenue loss of—depending on which of many equally valid Government guesses you use—approximately $200 billion. That figure has grown at an annual rate of 14 percent since 1975 when it was approximately $90 billion.

Effectively estimating revenue dollars is critical to the success of the budgetary process. Tax expenditures greatly aggravate revenue estimation. To the extent that their purpose can be achieved through direct expenditures, with improved oversight, they should be curtailed. That is a primary objective of this bill.

One final advantage of this legislative proposal relates to the effect its passage would have on our ability to exercise fiscal policy options in a fashion consistent with promoting a sound economy. The secret to choosing the right fiscal options for national economic purposes lies in being able to gage their impact. The improvements this would provide in our ability to judge the economic effects of tax measures in terms of their impact on the availability of private sector funds for investment and consumption are definitely needed.

In our efforts as Members of the Senate to address national priorities in an effective fashion, our results are many times a reflection of the quality of the legislative tools with which we work. The better the available tools, the better the results. The bill I am introducing provides us with an opportunity to upgrade the legislative process.

To the authors of the Congressional Budget Act, this bill may not seem monumental. But to those of us who must operate under the results of the work, the improvements it mandates would certainly be viewed as significant.●

By Mr. HOLLINGS (for himself and Mr. DOMENICI):

S. 194. A bill to amend the Congressional Budget Act of 1974 to require a two-thirds vote to adopt a concurrent resolution on the budget which is not in balance; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

TWO-THIRDS VOTE ON ADOPTING A BUDGET WHICH IS NOT IN BALANCE

● Mr. HOLLINGS. Mr. President, today I am introducing legislation which will amend the Senate rules to require a two-thirds vote to adopt any budget resolution which is not in balance. I believe this approach to balanced budgeting is

the most effective because it will make a balanced budget policy part of the permanent Senate Rules and Procedures.

Under this bill, beginning with fiscal year 1983, if the Budget Committee reports a budget resolution which contains a deficit, or if by the amendment process on the floor, the resolution becomes unbalanced, a two-thirds vote will be necessary for final passage.

If the resolution fails to gain the necessary two-thirds vote, this bill would require the Budget Committee to report another budget resolution to the Senate within 3 days. This resolution would have to be balanced.

By requiring the Budget Committee to report another balanced budget resolution, the Senate can be assured that the committee which is responsible for producing a consistent, meaningful budget plan each year to the Senate will use its resources to write a logical balanced budget.

It is vital in these strained economic times, with the new President and congressional leaders calling for quick action to deal with inflation and Federal spending which seems to have gotten out of control, that the Senate institute new internal procedures—permanent procedures—to stabilize our approach to the budget process. I am confident that this legislation will do that.●

By Mr. GOLDWATER (for himself, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BAKER, Mr. BENTSEN, Mr. BOREN, Mr. BRADLEY, Mr. COCHRAN, Mr. DECONCINI, Mr. DODD, Mr. EXON, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GORTON, Mr. HART, Mr. HATCH, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HUDDLESTON, Mr. INOUYE, Mr. JOHNSTON, Mr. LEAHY, Mr. LUGAR, Mr. MATHIAS, Mr. PRYOR, Mr. RANDOLPH, Mr. SARBANES, Mr. SASSER, Mr. STAFFORD, and Mr. WILLIAMS):

S. 195. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

SUBMARINE VETERANS OF WORLD WAR II

● Mr. GOLDWATER. Mr. President, it is my pleasure to reintroduce today, at the request of a fine group of Americans, a bill to grant a Federal charter to the United States Submarine Veterans of World War II. I am privileged to be joined in this effort today by 30 of my colleagues.

Mr. President, this bill passed the Senate as S. 2623 on August 18 of last year and I anticipate its early passage and enactment into law in the 97th Congress.

The Submarine Veterans have established chapters in every one of the 50 States and the District of Columbia. The group has more than 5,300 active and associate members and it is growing.

It has been an honor for me to work with the organization in seeking to obtain national recognition for the activities of submariners. They have never failed us in our days of great wartime peril and I ask the Congress to act favorably on this measure at the earliest possible moment.

Mr. President, I ask unanimous consent that the text of the bill may appear in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Wilbur L. Meyer, Indianapolis, Indiana; Henry T. Vande Kerkhoff, Elmhurst, Illinois; Edmond Kay, Garden Grove, California; James A. Woodall, Galveston, Texas; Reverend John F. Marshall, O.F.M., Allegany, New York; John Kreis, San Diego, California; Ernst T. Rosing, La Grange Park, Illinois; Fred A. Judd, Baltimore, Maryland; Arthur F. Rawson, Bethesda, Maryland; E. J. Newbould, Alexandria, Virginia; Richard C. Cooper, Phoenix, Arizona; Charles A. Hennessey, Sacramento, California; Donald L. Smith, Middletown, Ohio; J. Daniel Lopp, New Albany, Indiana; Edward H. Bland, Cincinnati, Ohio; Rex W. Chenoweth, Brighton, Michigan; Cornelius R. Bartholemew, Miles City, Montana; James L. Kornegay, Centerville, Alabama; J. Allen Mactier, Omaha, Nebraska.

Reverend Jerome Kircher, O.F.M., Carville, Louisiana; Grover S. McLeod, Birmingham, Alabama; Harold A. Ballenger, Los Angeles, California; Frank W. Giehart, Cincinnati, Ohio; William O. Herring, Medford, Oregon; James A. Brillowski, San Diego, California; Donald E. Chauvin, Birmingham, Alabama; Joseph M. Ferrell, Sun City, Arizona; George H. McMinn, Marion, Arkansas.

Raymond A. Tiraschi, San Francisco, California; Edwin Klaver, Denver, Colorado; Clarence A. May, Midway, Texas; William F. Hughes, Camp Nelson, California; LaVerne A. Nordenberg, Rockford, Illinois; Charles F. Crothers, Greenfield, Indiana; David B. Wright, Hardy, Arkansas; Harry E. Howell, Louisville, Kentucky; Ovila J. LaPlante, Waterville, Maine; John K. Mayer, Eufaula, Alabama.

Warren Stien, Ionia, Michigan; Ernest E. Van Deventer, Saint Paul, Minnesota; Harvey G. Joeckle, Overland, Missouri; Joseph E. Federle, Omaha, Nebraska; William D. Beal, Junior, Jackson, New Hampshire; Herbert J. Georgius, Junior, Paramus, New Jersey; Gordon E. Lucht, Hobbs, New Mexico; William P. Bosch, Massapequa, New York.

Vern R. Atha, Portland, Oregon; Wayne I. Miller, Houston, Texas; Lewis H. Barkdoll, Mount Vernon, Washington; Stephen N. Petreshock, Manitowoc, Wisconsin; Charlie R. Ray, Birmingham, Alabama; John O. Bolin, Omaha, Nebraska, and any other person who, on the date of enactment of this Act, is a member in good standing of the United States Submarine Veterans of World War II, a corporation organized and existing under the laws of the State of New Jersey, and their successors, are created, in the District of Columbia, a body corporate by the name of United States Submarine Veterans of World War II (hereinafter in this Act referred to as the "corporation") and by such name shall be known and have perpetual succession of the powers, limitations, and restrictions contained in this Act.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this Act may complete the organization of the corporation by the selection of officers and employees, the adoption, amendment, and revision of a constitution and bylaws not inconsistent with the provisions of this charter, and the doing of such other acts as may be necessary for such purpose.

PURPOSES OF THE CORPORATION

SEC. 3. The objects and purposes of the corporation shall be—

(a) to perpetuate and establish memorials to the memory of those shipmates who served aboard United States submarines and gave their lives in submarine warfare during World War II,

(b) to further promote and keep alive the spirit and unity that existed among the United States Navy submarine crewmen during World War II,

(c) to promote sociability, general welfare, and good fellowship among its members,

(d) to pledge loyalty and patriotism to the United States Government,

(e) to sponsor and award annual college scholarships,

(f) to make the general public aware of life aboard submarines during World War II, by obtaining, restoring, and displaying the submarines that were in service at that time,

(g) to perform such acts of charity as provided for by the constitution and bylaws, and

(h) to promote and support the membership in "Wives of United States Submarine Veterans of World War II" and "The Sons and Daughters of United States Submarine Veterans of World War II".

POWERS OF THE CORPORATION

SEC. 4. Subject to all applicable laws of the United States, and of any State in which the corporation operates, the corporation shall have the power—

(a) to sue, be sued, complain, or defend in any court of competent jurisdiction;

(b) to adopt, alter, and use a corporate seal for the sole and exclusive use of the corporation;

(c) to choose such officers, managers, and agents as may be necessary to carry out the purposes of the corporation;

(d) to charge and collect membership dues;

(e) to adopt, amend, apply, and alter a constitution and bylaws not inconsistent with the laws of the United States of America or of any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(f) to contract and be contracted with as may be necessary to carry out the purposes of the corporation;

(g) to take and hold by lease, gift, purchase, grant, devise, bequest, or otherwise any property, real, personal, or mixed, necessary or convenient for attaining the objects of the corporation, subject, however, to applicable provisions of law of any State (1) governing the amount or kind of real and personal property which may be held by, or (2) otherwise limiting or controlling the ownership of real and personal property which may be held by, or (3) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State;

(h) to transfer, lease, or convey real or personal property;

(i) to borrow money for the purposes of the corporation and to issue bonds or other evidences of indebtedness therefor and to secure the same by mortgage or pledge subject to applicable Federal or State laws; and

(j) to do any and all acts necessary and proper to carry out the purposes of the corporation.

PRINCIPAL OFFICE; TERRITORIAL SCOPE OF ACTIVITIES; RESIDENT AGENT

SEC. 5. (a) The principal office of the corporation shall be located in the District of Columbia, or in such other place as may be determined by the board of directors in accordance with the bylaws of the corporation, but the activities of the corporation shall not be confined to that place and may be conducted throughout the United States and in all other locations as may be necessary to carry out the purposes of the corporation.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process

for the corporation, and notice to or service upon such agent or mailed to the business address of such agent shall be deemed as service or notice upon the corporation.

MEMBERSHIP RIGHTS

SEC. 6. (a) Membership shall be restricted to those members of the United States submarine crews and United States submarine relief crews who were on active duty between December 1, 1941, and December 31, 1946.

(b) In addition to the general membership, there shall be special classes of honorary membership, qualification or eligibility for which, and rights and obligations of which, shall be as provided from time to time by the bylaws of the corporation.

(c) All persons who are members of any class of the United States Submarine Veterans of World War II, an association, on the date of enactment of this Act shall retain their membership in such class as members of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 7. (a) Upon the enactment of this Act, the membership of the initial board of directors of the corporation shall consist of the present officers of the United States Submarine Veterans of World War II, including the immediate past president of said organization, or such of them as may then be living and are qualified officers of that association, to wit: James L. O'Conner, Baltimore, Maryland; Joseph McGrievy, La Mesa, California; Elroy F. Wilke, Denver, Colorado; Henry T. Vande Kerkhoff, Elmhurst, Illinois; Andrew M. Gasper, North Huntingdon, Pennsylvania.

(b) Thereafter the board of directors of the corporation shall consist of such number (not less than five) as shall be selected in such manner (including the filling of vacancies), and shall serve for such terms as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation and shall during the intervals between corporation meetings be responsible for the general policies and program of the corporation. The board of directors shall be responsible for all finances of the corporation.

OFFICERS

SEC. 8. (a) The corporation shall have such officers as may be provided for in the bylaws

(b) The officers shall have such powers consistent with this charter as may be determined by the bylaws.

(c) The officers of the corporation shall be elected in such manner and have such terms and duties as may be prescribed in the bylaws of the corporation.

DISTRIBUTION OF INCOME OR ASSETS TO MEMBERS; LOANS

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director as such, or be distributed to any of them during the life of the corporation, or upon its dissolution or final liquidation, nor shall any member or private individual be liable for the obligations of the corporaiton. Nothing in this section, however, shall be construed to prevent—

(1) the payment of bona fide expenses of officers of the corporation in amounts approved by the board of directors; or

(2) the support of scholarships to descendants of submarine veterans or other scholarships and works of charity as may be deemed appropriate by the directors and controlled by the constitution and bylaws of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any officer or director who votes for or assents to the making of a loan to any officer, director, or employee of the corporation and any officer who participates in the making of such loan shall be jointly and severally liable to the corporation for the amount of such loan until the payment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation, and its officers and director as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or declare or pay dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its membership and of the board of directors. It shall also keep at its principal office a record giving the names and addresses of its members, directors, and officers. All books and records of the corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (78 Stat. 635; 36 U.S.C. 1101 et seq.) is amended by adding at the end thereof:

"(50) United States Submarine Veterans of World War II.".

USE OF ASSETS UPON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon final dissolution or liquidation of the corporation, and after discharge or satisfaction of any outstanding obligation or liability the remaining assets of the corporation may be distributed in accordance with the determination of the board of directors of the corporation and in compliance with this Act, the constitution, the bylaws of the corporation, and all other applicable Federal and State laws.

TRANSFER OF ASSETS

SEC. 16. The corporation may acquire the assets of the United States Submarine Veterans of World War II, a corporation, organized under the laws of the State of New Jersey, upon discharging or satisfactorily providing for the payment and discharge of all the liabilities of such corporation and upon complying with any applicable Federal or State law.

EXCLUSIVE RIGHT TO NAME, CORPORATE SEALS, EMBLEMS, AND BADGES

SEC. 17. The corporation and its duly authorized State groups and other local subdivisions shall have the sole and exclusive right to have and use in carrying out its purposes the name "United States Submarine Veterans of World War II", and to have and use such seals, emblems, and badges as the corporation may lawfully adopt.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 18. The right of the Congress to alter, amend, or repeal this Act is expressly reserved.●

By Mr. QUAYLE:

S. 200. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against income tax for up to $750 of the cost of purchasing a new highway vehicle; to the Committee on Finance.

TAX CREDIT FOR PURCHASE OF AMERICAN CARS

● Mr. QUAYLE. Mr. President, today I am introducing legislation to offer a $750 refundable tax credit to purchasers of American made cars and trucks to boost sales, put Americans back to work and overcome the market share lost to foreign imports.

This is one answer to the problem of unemployment in the auto industry, which employs approximately one in five of my fellow Hoosiers.

In 1980, the impact of Japanese imports was hard felt among U.S. automakers and autoworkers as the Japanese captured 78 percent of our import market and outproduced the United States by 3.2 million vehicles. This is particularly threatening since just one-half of the 11 million vehicles made in Japan in 1980 were sold in their home market. A majority of the remaining autos were sold in the United States. Projections are for a 20-percent increase in Japanese auto production in 1981–83.

The UAW and Chrysler Corp. have urged Congress to pass tax incentives to consumers for purchase of American models. They indicated that this teamed with a gentleman's agreement with Japan to reduce exports to the United States could put the U.S. auto industry back on its feet. The latest reports show assistance would come none too soon as third quarter losses for the big three automakers exceeded $1.6 billion.

As part of the financial package devised to gain approval for Federal loan guarantees, Chrysler agreed to freeze all 1981 auto prices and give rebates to purchasers based on the rise in interest rates. The success of the Chrysler plan, which the company anticipates will garner 25,000 unit sales a month and produce $150 million a month in sales, has encouraged other manufacturers to try similar schemes.

Price cuts and rebates have come as an all-out effort to overcome the 20-percent interest rates and the disappointing 19.8-percent drop in domestic car sales in the first 10 days of January. While the news does seem dismal, car sales in January were up by 1 million units over December and indications are that auto sales may have bottomed out last month.

For these reasons, the good faith of the automakers, the new selection of American-made cars, and the need to put 250,000 autoworkers back to work, I urge you to support this bill.

This legislation is expected to cost the Treasury $2.5 billion, but it is expected to increase Government income tax revenues and social security payments by the same amount. It is also expected to reduce transfer payments by approximately $2 billion and restore the vitality of the U.S. auto industry.●

By Mr. WILLIAMS:

S. 201. A bill to provide a 2-year delay in the application of section 189 to low-income housing; to the Committee on Finance.

LOW-INCOME HOUSING EMERGENCY TAX ACT OF 1981

Mr. WILLIAMS. Mr. President, we are all aware that the Nation's current economic sluggishness, combined with continuing high interest rates, have had a devastating impact on housing construction. Unfortunately, the same factors that have put single-family home construction on a sickbed have sent multifamily construction to the intensive care ward. Virtually the only new rental housing being built in the United States, aside from a small number of luxury buildings, are those which Government is assisting through a combination of subsidies and tax breaks.

With vacancy rates already at a two-decade low point, it is imperative that the Congress not take any step, or permit any provision of current law to expire, which would harm rental housing construction. Our failure to act wisely in this regard would result in even more unemployment among construction workers, greater hardship for families seeking decent and affordable shelter, and higher housing costs due to scarcity-induced inflation. Unfortunately, the fast-approaching loss of a most significant tax break for low-income housing, mandated by current law, will have such effects absent congressional action.

It is because I am deeply concerned about this situation that I now propose this bill, which would defer for 2 years the loss of low-income rental housing's exemption from the operation of section 189 of the Internal Revenue Code. Passage of this bill will assure that construction money continues to flow to assisted housing during the period that Congress gives deeper consideration to the issue of how best to finance this type of housing. Failure to enact it will erect perhaps insurmountable barriers to the raising of construction capital, until such time as this issue is resolved.

I must point out to my colleagues that this modest, 2-year extension is complementary to and consistent with several of the provisions of H.R. 6975, the Tax Treatment Extension Act of 1980, which the Senate passed in October, and which was signed by the President on December 17. Among other effects, that bill extended, through December 31, 1983, the provisions providing for the rapid depreciation of rehabilitation expenditures related to low-income housing (section 167(k)); the 60-month amortization for historic preservation expenditures (section 191); accelerated depreciation for substantially rehabilitated historic property (section 167(o)); and restrictions of demolition of historic structures (section 280(b); section 167(n)). Without such action, these provisions would likewise have expired at the end of 1981.

The one additional provision of the Internal Revenue Code relating solely to low-income housing which also expires at the end of 1981, but which was not addressed in H.R. 6975, is the exemption, effective until January 1, 1982, of low-income housing from the requirement imposed by section 189 that construction period interest and taxes be amortized over a number of years.

When Congress amended the Internal Revenue Code in 1976 to add section 189, which requires the amortization, eventually over a 10-year period, of real property construction period interest and taxes, the effect of this provision was deferred until 1982 with respect to "low-income housing"—defined as Government-assisted rental housing constructed or rehabilitated for families and individuals of low and moderate income, utilizing Federal aid such as section 8 rental assistance, as well as various State aid programs.

Congress delayed its effect because it recognized that it would be necessary to retain the "front end," Tax Code deductions for construction period interest and taxes, with respect to low-income housing, in order to maintain the incentive for private investors to participate in the equity syndication of such housing. It was the hope of Congress that this 5-year grace period would witness the development of alternative, nontax incentives for the production of such multifamily rental housing.

This has not occurred, and therefore the effect of section 189 on low-income housing should be further deferred. We are already witnessing a shortfall of the equity capital necessary to finance the construction of low-income housing. This is due to the long "pipeline" involved in the construction of real property; projects being planned for construction in 1982 are already in the preconstruction financial planning stages. In fact, if we fail to extend the grace period, we will adversely affect those projects which are already under construction but will not be completed until 1982 or later.

In view of the urgency and seriousness of this matter, I am proposing this simple amendment which would merely extend for 2 more years, until December 31, 1983, the provisions of section 189 which exempt low-income housing from the obligation to amortize construction period interest and taxes. Next week, I intend to reintroduce legislation to provide for a comprehensive revision of the Tax Code's treatment of all real estate development. Included in that bill will be a proposal to repeal section 189 in its entirety, so as to place construction on an equal footing with other economic activities in regard to the deductibility of interest and taxes.

However, in view of the controversial nature of that proposed repeal, and the likelihood that final action on any tax cut bill is months away, I believe that the 2-year extension I today propose should be passed expeditiously, to preserve the status quo, while Congress debates these larger questions.

I had hoped to offer this bill as an amendment to appropriate tax legislation near the close of the 96th Congress, and then—Chairman LONG had indicated that he had no opposition to such action. Unfortunately, the opportunity for such an amendment did not arise. It is my hope that Chairman DOLE will be as sympathetic to the goal of retaining this incentive for the investment of equity capital in low-income rental housing, as I again hope to add this proposal to appropriate legislation at the earliest opportunity.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 201

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Low-Income Housing Emergency Tax Act of 1981".

SECTION 1. Application of Section 189 to low-income housing.

(a) The table contained in Section 189(b) of the Internal Revenue Code of 1954 (relating to amortization of amount charged to capital account) is amended by striking out all the matter under the heading "Low-income housing" and inserting in lieu thereof the following:

"1984,
1985
1986
1987
1988
1989
After 1989".

(b) Notwithstanding the provisions of Section 201(c) of Public Law 94–455, the amendments made to the Internal Revenue Code of 1954 by the addition of Section 189 thereto shall apply, in the case of Low-income housing, only to taxable years beginning after December 31, 1983.

By Mr. HOLLINGS:

S. 202. A bill to declare and recognize the vital importance of ports and harbors to this country's economy and national defense, and the world's economy and energy self-sufficiency, and to authorize expeditious construction of essential river and harbor improvements in order to promote domestic commerce and U.S. export capabilities for coal and other commodities: to the Committee on Environment and Public Works.

PORTS AND NAVIGATION IMPROVEMENT ACT OF 1981

● Mr. HOLLINGS. Mr. President, through legislation that I am introducing today, I call for the authorization of navigational improvements to the harbor and shipping channel at Charleston, S.C. My bill is similar to the one that I introduced in the last days of the recent Congress. Other efforts are underway, Mr. President, and this topic as it relates to other harbors has been discussed on this floor and in the media so I will not go into a long and detailed restatement of the pertinent facts and need for this legislation. The bill I introduce today is identical to S. 3258 in the most recent Congress and authorizes the deepening of Charleston Harbor to 55 feet.

As in the similar legislation pertaining to other harbors, Mr. President, this bill has several major thrusts. For example it provides for an expedited process for dredging projects; expedited environmental review of such projects; expedited congressional review of such projects; expedited judicial review of claims filed against such projects; and lastly, funds for advanced engineering and design. While this bill specifies attention for Charleston Harbor and Channel, South Carolina, it would not preclude other harbors—as the case has already been made—from coming forward and stating their case for navigational improvement.

In recent months it has become more and more apparent that the United States vast supply of coal can do much to assist not only in our Nation's drive to-

ward energy independence, but also to relieve the energy problems confronting the rest of the free world. The tremendous surge in demand for our coal presents a great opportunity but has caused bottlenecks to apepar in the chain leading from our mines to final use. The most glaring deficiency, and the one that deserves the focus of our attention and therefore the passage of this bill, is the bottleneck that exists at our ports. The experts have made a convincing and compelling case. It has been laid out in the scholarly journals and countless articles.

The lengthening line of coalships stretching out from the mouth of our great harbors is testimony for all to see and witness. The single most important step we can take to alleviate this problem is to improve our harbors to meet the navigational requirements of this rapidly expanding coal trade. Our harbors must be deepened and facilities developed and expanded to meet the requirements of the large ships that will soon be commonplace in the coal trade.

In my own backyard of Charleston, S.C., we are blessed with one of the greatest natural harbors in our Nation. The significant U.S. naval facilities located there is testimony to this fact. This blessing of geography also places Charleston in close proximity to the rich coal fields of Appalachia. It is a natural marriage, Mr. President, to join these two and create facilities in Charleston for the transportation of coal. The deepening of the harbor to 55 feet would also have a significant importance to our naval facilities and national security.

At this time efforts are underway to construct a coal shipment facility in Charleston. But central to this effort, Mr. President, will be expeditious action on this legislation to prepare the harbor and channel when the shipment facility comes on line so it can respond to the economy of scale demanded by the larger and larger coal transport ships that will birth for loading.

For nearly two decades, the U.S. Army Corps of Engineers has worked to overcome the serious silting problems associated with Charleston Harbor. A diversion canal was needed to arrest the cause of the silting. The task at hand is to restore the deep water features of the harbor. The appropriate studies, mandated by law, have been made and efforts are now underway to deepen the harbor and channel to a depth of 38 feet. But the real need, Mr. President, to give recognition to the case at hand, is to continue this effort, build upon it if you will, and take the harbor and channel down to a depth of 55 feet so that it can accommodate the large ships. We have a unique opportunity to build upon work already in progress, and the studies already completed or underway, to expedite the deepening to the required level. Passage of this bill will permit this worthy goal to be achieved.

I am pleased, Mr. President, to add my voice and my efforts to the growing attention and interest this cause is receiving so that we can build the congressional consensus we need for prompt attention to this bill. Charleston Harbor and Channel, South Carolina, is uniquely situated to assume a worthwhile position in this Nation's efforts to revitalize our trade, thereby improving our balance-of-payments and significantly adding to our economic prosperity. The legislation that I introduce today, Mr. President, will play a vital role in accomplishing this national goal.●

By Mr. PRYOR:

S. 203. A bill to redesignate the Department of Agriculture as the Department for Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

DEPARTMENT FOR AGRICULTURE

● Mr. PRYOR. Mr. President, I am today introducing legislation which would change the name of the Department of Agriculture to the Department for Agriculture and designate the Secretary of Agriculture as the Secretary for Agriculture.

For the past 4 years, the U.S. Department of Agriculture has, by its own admission, increasingly become less producer oriented. Secretary Block, in his confirmation hearings, has reiterated his concern for American farmers and has pledged to make the USDA an active and vocal advocate for our farmers. It is my belief that the Department of Agriculture has strayed from its historical and intended position as the farmer's spokesman and strong advocate in Washington.

The American farmer is the backbone of this great Nation. As a result of unprecedented increases in productivity over the last 25 years, America is today the world's largest exporter of agricultural products. Agricultural exports are the primary reason why we experienced a favorable balance of trade for the last quarter. However, it is important that we are aware of the problems which farmers face if we hope to continue this prosperity in the 1980's. We need—no we must demand—a strong, vocal agricultural department which understands the needs and concerns of our farmers and which is committed to the continued prosperity of the American farm sector.

Mr. President, some of my colleagues might think this legislation to be less than earth shattering, but I believe that this is the time to send our Nation's farmers an illustration of our commitment to them. Our farmers are beginning to feel like an endangered species as they are forced to confront increased productivity costs, unpredictable weather patterns, and inflated land prices. We must let our farmers know that they are not forgotten in Washington and that they have a department that works for them.

Over the last several months I have had the privilege to speak with many Arkansas farm organizations regarding farm issues and more specifically the omnibus farm bill which this Congress will be writing. After listening to the concerns of Arkansas farmers I have concluded that we must take this symbolic step. They have let me know that they believe that the USDA has lost touch with their concerns. I believe that it is important that we reassure the American farmer that he can rely upon a Department for Agriculture.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Department of Agriculture is hereby redesignated as the Department for Agriculture, and the Secretary of Agriculture or any other official of the Department of Agriculture is hereby redesignated the Secretary or official, as appropriate, for Agriculture.

SEC. 2. All laws, orders, regulations, and other matter relating to the Department of Agriculture shall be deemed to relate to the Department for Agriculture and all laws, orders, regulations, and other matters relating to the Secretary of Agriculture or any other official of the Department of Agriculture shall be deemed to relate to the Secretary or official, as appropriate, for Agriculture.

SEC. 3. This Act is effective upon the close of the ninetieth day following its date of enactment.●

By Mr. CANNON (for himself and Mr. LAXALT):

S. 204. A bill to authorize the conveyance of certain lands to the County of Mineral, Nev.; to the Committee on Armed Services.

TRANSFER OF CERTAIN LANDS

● Mr. CANNON. Mr. President, on behalf of my distinguished colleague, Senator LAXALT, and myself, I introduce a bill to provide for the transfer of certain lands to the government of Mineral County, Nev., presently being used by the Department of the Army.

The Hawthorne Ammunition Depot presently occupies a large tract of land in Mineral County, and the community of Babbitt, Nev., provides support facilities for this operation. Parts of the residential area of Babbitt will be involved in this transfer. As the depot is scaled down over the next few years, the Army's need for the land will diminish and it will become surplus.

Mineral county is 90 percent federally owned. The major community in the county, Hawthorne, is virtually landlocked and surrounded by Federal land. In order for the town to expand to meet the growth demands, it has been necessary over the years to pass special legislation granting congressional approval of transfers of Federal land. That is what this bill will provide.

The land involved is best suited for urban use, as that has been its purpose with the Department of the Army. I believe the disposition of this land as contemplated by the bill is the best possible, and I urge its early and favorable consideration.●

By Mr. CANNON (for himself and Mr. LAXALT):

S. 206. A bill directing the Secretary of the Interior to convey certain lands to the city of Henderson, Nev.; to the Committee on Energy and Natural Resources.

TRANSFER OF CERTAIN LANDS

● Mr. CANNON. Mr. President, I introduce for myself and my distinguished colleague, Senator LAXALT, a bill to provide for the conveyance of some 5,885 acres of public lands within the city limits of Henderson, Nev., to the city. The land would be sold to the city at the appraised fair market value after appraisal by the Secretary of the Interior. This sale would benefit both the city and the Federal Government.

The land is necessary to accommodate the city's natural expansion. The land involved is all located within the incorporated city boundaries and is in an area checkerboarded with private and public land parcels. The Federal portion is difficult for the Bureau of Land Management to administer because of this intermingling.

The estimated present population of this fast-growing city is about 25,000 but is projected to nearly double by 1985. This undeveloped area represents almost 15 percent of the total city area and must be counted on heavily to help meet the demands of the expected growth of the next few years. The city has already expended great effort in analyzing environmental impacts, cataloging the natural resources and making preliminary plans for expansion.

The logical growth patterns will depend to a great extent on this land being available on a timely basis and I am hopeful the Senate will act expeditiously to provide this benefit to the city.●

By Mr. MITCHELL (for himself, Mr. GARN, Mr. WILLIAMS, and Mr. PROXMIRE):

S. 207. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; to the Committee on Banking, Housing, and Urban Affairs.

AMENDMENT OF BANK HOLDING COMPANY ACT

● Mr. MITCHELL. Mr. President, I am introducing today with Senators GARN, WILLIAMS, and PROXMIRE as cosponsors, legislation dealing with the insurance activities of bank holding companies. This legislation was reported by the Senate Banking Committee during the 96th Congress, but unfortunately was not considered by the Senate before the adjournment.

The bill amends the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries. One of the fundamental purposes of the National Banking Act of 1864 is to prevent an undue concentration of economic power. The nonbanking activities of national banks are, therefore, extremely limited. In addition, most of the States generally prohibit insurance activities by State chartered banks.

As our national economy has grown, many commercial banks have moved to a bank holding company organization in which the banks become subsidiaries of parent holding companies. One result of the restructuring was to allow bank holding companies to engage in nonbanking activities through separate subsidiaries. As a result, Congress limited the permissible activities of bank holding companies in 1956 and again in 1970.

The current Bank Holding Company Act permits bank holding companies to conduct nonbanking activities if certain conditions delineated by the Federal Reserve Board are met. The Independent Insurance Agents of America challenged the Federal Reserve's authorization of certain insurance activities in a Federal court action in 1977. As a result of this litigation and subsequent Federal Reserve actions, bank holding companies have been allowed to move into an insurance market that has traditionally been served by independent insurance agents—credit related property and casualty insurance.

This bill generally prohibits a bank holding company from providing insurance as a principal, agent, or broker. There are six exceptions to this general prohibition, resulting in the prohibition being principally applicable to the underwriting or sale of property and casualty insurance. Among the exemptions are the establishing of a grandfather date for the continuation of previously authorized insurance activities, and permitting bank holding companies to engage in, among other things, credit life, disability, and involuntary unemployment insurance activities.

This legislation will provide a much needed reform in the Bank Holding Company Act and will protect consumers and small businesses by insuring that bank holding companies do not gain an unfair economic advantage in the marketplace.

I welcome my colleagues' support for this legislation.●

By Mr. MATSUNAGA:

S. 229. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; to the Committee on Finance.

SERVICES OF LICENSED PRACTICAL NURSES

● Mr. MATSUNAGA. Mr. President, I am introducing today legislation which would provide for the inclusion of licensed practical nursing services under the medicare and medicaid programs. This measure would recognize on the Federal level the important contributions that licensed practical nurses have made to our Nation's health care delivery system.

Today, there are over 500,000 licensed practical nurses providing their needed and vital services in hospitals, clinics, and nursing homes, in addition to schools, doctors' offices, public health agencies, and private homes. In a sense, the LPN's form the backbone of the nursing profession, administering care to the hospitalized patient in a number of capacities and with a wide array of essential services.

They serve as bedside nurses in the hospital room, the operating room, in intensive care units, coronary care wards, in fact, in virtually every branch of medicine and health. LPN's deserve and have earned the same respect as registered nurses. An LPN can provide direct patient care at a bedside under relatively stable nursing conditions, or perform nursing functions in more complex and semicomplex instances, such as are found in hospital recovery, labor, and emergency rooms.

In the area of health care delivery, LPN's assist other members of the health care delivery team in the promotion of personal and community health by promoting and carrying out preventive measures in community health facilities such as outpatient and baby clinics.

Licensed practical nurses have made and will continue to make valuable contributions to our health and medical care delivery system. By virtue of their training, LPN's are able to provide much needed basic nursing services in a wide variety of patient settings.

Furthermore, it is apparent that licensed practical nurses will have a very important role to play in the delivery of basic health and medical care under the various multitiered, cost controlled, health and medical care delivery systems that have been proposed.

Accordingly, I am introducing this legislation today to assist in the recognition of that fact by providing a mechanism in the medicare and medicaid programs which will demonstrate the importance of licensed practical nursing services along with physician services, registered nursing services, and all the other health and medical care professional services which together comprise the health care system of the United States.

Mr. President, I urge my colleagues to give thoughtful consideration and support to this proposal in connection with medicare reform and our pressing need to enhance our country's health care system. I ask unanimous consent that my bill be printed in the RECORD for the benefit of any interested reader.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 229

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1861(s) of the Social Security Act is amended by inserting immediately before the matter following paragraph (13) the following: "The term 'medical and other health services' also means medical care, or any other type of remedial care recognized under State law, furnished by licensed practical nurses within the scope of their practice as defined by State law.".

SEC. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (16);

(2) by inserting "and" at the end of paragraph (17);

(3) by adding immediately below paragraph (17) the following new paragraph:

"(18) medical care, or any other type of remedial care recognized under State law furnished by licensed practical nurses within the scope of their practice as defined by State law;".

(b)(1) Section 1902(a)(13)(B) of such Act is amended by inserting after "through (5)" the following: "and (18)".

(2) Section 1902(a)(13)(C)(i) of such Act is amended by inserting immediately after "through (5)" the following: "and (18)".

(3) Section 1902(a)(13)(C)(ii)(I) of such Act is amended by inserting immediately after "through (16)" the following: "and (18)".

(4) Section 1902(a)(14)(A)(i) of such Act is amended by striking out "and (17)" and inserting in lieu thereof ", (7), and (18)".

SEC. 3. The amendments made by this Act shall be effective with respect to payments under titles XVIII and XIX of the Social Security Act for calendar quarters commencing with the first calendar quarter beginning after the date of enactment of this Act.●

By Mr. MATSUNAGA:

S. 230. A bill to authorize certain withholding of State income tax from seaman's wages on a voluntary basis; to the Committee on Finance.

WITHHOLDING OF STATE TAXES FROM SEAMAN'S PAY

● Mr. MATSUNAGA. Mr. President, I have today introduced a bill to permit the voluntary withholding of State income tax from seamen's wages.

Section 601 of title 46 of the United States Code, forbids an employer from withholding State income tax from seamen's wages. This provision seeks to prevent seamen from being victimized when several States attempt to tax and have the tax withheld from seamen's wages. The Internal Revenue Code permits the employer to withhold Federal taxes, but the employer cannot withhold State income tax.

This provision makes no sense where the seamen work on ships that ply between ports in the same State and voluntarily request the employer to withhold State tax. In Hawaii, barges transport pineapples from plantations on the outer islands to the canneries in Honolulu. These barge seamen sail only between Hawaiian ports. They are in no danger of being subjected to the taxes of two or more States, since they only enter Hawaiian ports. They have asked their employer to withhold Hawaii State tax, but the barge companies are barred by the statute from doing so.

My bill seeks to permit a seaman employed in trade between ports in the same State to voluntarily and revocably have the employer withhold State income tax.

Several barge companies in Hawaii support this legislation and I am informed that the labor unions involved support the measure also. I believe the legislation will prove of benefit to all concerned and deserves favorable consideration by the Congress.●

By Mr. MATSUNAGA:

S. 231. A bill to amend the Tariff Act of 1930 to increase from $250 to $600 amount for formal entry of goods; to the Committee on Finance.

FORMAL ENTRY OF GOODS

● Mr. MATSUNAGA. Mr. President, I am today introducing a bill to increase the current $250 informal entry limitation for imported items to $600.

Under the Tariff Act of 1930, as amended, the Secretary of the Treasury may prescribe rules and regulations for the declaration and entry of merchandise when the aggregate value of the shipment does not exceed $250 in value. All other merchandise must be formally entered. This provision allows small importers to avoid the time consuming formal declarations that are required and the provision also saves the Treasury Department from the time consuming administrative process in clearing small shipments.

Since the enactment of the $250 informal entry limitation, inflation and the devaluation of the dollar, have greatly reduced the actual value of this provision. Many small importers now find themselves ensnared by the more man-hours to process these small shipments that had previously entered under the informal entry limitation. In addition, the Treasury needs to expend more manhours to process these small entries.

I introduced a similar bill to increase the informal entry limitation to $600 in the 95th Congress. That bill, H.R. 8149, received the support of the Treasury Department.

I urge the Senate to act on my bill to lessen the paperwork burden on small importers and also to save unnecessary administrative cost.●

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 232. A bill to amend sections 46(f) and 167(l) of the Internal Revenue Code of 1954 with respect to the treatment of public utility property; to the Committee on Finance.

TAX TREATMENT OF PUBLIC UTILITY PROPERTY

Mr. HAYAKAWA. Mr. President, I am today introducing a bill, for myself and my colleague from California, Mr. CRANSTON, to provide more consistent and equitable treatment of public utility property, and forgive a potential back-tax liability resulting from an ambiguity in the law.

In order to encourage capital formation by State regulated utilities, Congress provided that the investment tax credit and accelerated depreciation be made available to utilities, only in the case where the benefits derived from the tax incentives are not immediately flowed-through to ratepayers. Instead, these benefits were to be normalized by establishing a reserve, and flowing them through to ratepayers no faster than ratably over the life of the property invested. Should the utilities attempt to flow-through these benefits in the form of reduced rates, they would not be entitled to the tax credit or the accelerated depreciation.

Rather than merely passing these benefits directly on to consumers, creating a short-term adjustment in rates, Congress intended that the benefits derived from these tax incentives be used for plant and equipment modernization. In this way, innovative and lasting improvements may be made in production and service which will increase America's ability to cope with its energy demands.

In direct contrast to the intent of Congress, after several regulated utilities had begun to take advantage of the tax benefits on a ratable flow-through basis compatible with the intent of Congress and the interpretation of the Internal Revenue Service, the California Public Utilities Commission ordered the utilities to pass on the tax benefits to ratepayers in the form of rate reductions. Because of this order, and by a specific ruling from the IRS, the utilities are not only denied access to the investment tax credit and accelerated depreciation, they are forced to pass on nonexistent benefits to ratepayers.

The utilities involved pursued this matter in the courts, but were frustrated when the California State Supreme Court ruled against them, and the U.S. Supreme Court refused to hear the case. Although the State court found no incompatibility between the California Public Utilities Commission order and the Federal legislation, that ruling is not binding on a Federal agency; it is, however, binding on the utilities. Therefore, the court has ruled on a matter over which it has no binding authority, and the utilities are caught in the middle.

It is, I believe, incumbent on the Congress to make clear its intent on this matter. This legislation does exactly that. It clarifies the Internal Revenue Code with respect to accepted methods of normalization for the investment tax credit and accelerated depreciation by prohibiting reassessment of tax position for the purposes of rate adjustment based on these anticipated Federal tax benefits, as a condition of qualification thereto. The bill further excuses prior noncompliance with this provision, thus relieving the utilities involved of a potential back-tax liability.

Last Congress, legislation identical to this was passed by the House of Representatives, received hearings in the Subcommittee on Taxation and Debt Management, was reported out of the Finance Committee without a dissenting vote, and, but for the objection of one Senator—who did not object to the substance of the bill, but wished to add amendments after the House had adjourned sine die—would be law. This legislation clearly corrects an unjust situation, and I urge my colleagues to respond by quickly approving this measure.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 232

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NORMALIZATION METHOD FOR PURPOSES OF DEPRECIATION.

Paragraph (3) of section 167 (1) of the Internal Revenue Code of 1954 (relating to definitions for purposes of depreciation in the case of utilities) is amended by redesignating subparagraphs (H) and (I) as subparagraphs (I) and (J), respectively, and by inserting after subparagraph (G) the following new subparagraph:

"(H) USE OF INCONSISTENT ESTIMATES AND PROJECTIONS, ETC.—

"(i) IN GENERAL.—One way in which the requirements of subparagraph (G) are not met is if the taxpayer, for ratemaking purposes, uses a procedure or adjustment which is inconsistent with the requirements of subparagraph (G).

"(ii) USE OF INCONSISTENT ESTIMATES AND PROJECTIONS.—The procedures and adjustments which are to be treated as inconsistent for purposes of clause (i) shall include any procedure or adjustment for ratemaking purposes which uses an estimate or projection of the taxpayer's tax expense, depreciation expense, or reserve for deferred taxes under subparagraph (G), (ii) unless such estimate or projection is also used, for ratemaking purposes, with respect to the other 2 such items and with respect to the rate base.

"(iii) REGULATORY AUTHORITY.—The Secretary may by regulations prescribe procedures and adjustments (in addition to those specified in clause (ii) which are to be treated as inconsistent for purposes of clause (i)."

SEC. 2. COMPUTATIONS FOR PURPOSES OF INVESTMENT CREDIT.

Subsection (f) of section 46 of such Code (relating to limitation in case of certain regulated companies) is amended by adding at the end thereof the following new paragraph:

"(10) USE OF INCONSISTENT ESTIMATES AND PROJECTIONS, ETC., FOR PURPOSES OF PARAGRAPHS (1) AND (2).—

"(A) IN GENERAL.—One way in which the requirements of paragraph (1) or (2) are not met is if the taxpayer, for ratemaking purposes, uses a procedure or adjustment which is inconsistent with the requirements of paragraph (1) or paragraph (2), as the case may be.

"(B) USE OF INCONSISTENT ESTIMATES AND PROJECTIONS.—The procedures and adjustments which are to be treated as inconsistent for purposes of subparagraph (A) shall include any procedure or adjustment for ratemaking purposes which uses an estimate or projection of the taxpayer's qualified investment for purposes of the credit allowable by section 38 unless such estimate or projection is consistent with the estimates and projections of property which are used, for ratemaking purposes with respect to the taxpayer's depreciation expense and rate base.

"(C) REGULATORY AUTHORITY.—The Secretary may by regulations prescribe procedures and adjustments (in addition to those specified in subparagraph (B)) which are to be treated as inconsistent for purposes of subparagraph (A)."

SEC. 3. EFFECTIVE DATES.

(a) GENERAL RULE.—The amendments made by sections 1 and 2 shall apply to taxable years beginning after December 31, 1979.

(b) SPECIAL RULE FOR PERIODS BEFORE MARCH 1, 1980.—

(1) IN GENERAL.—Notwithstanding the provisions of sections 167(l) and 46(f) of the Internal Revenue Code of 1954 and of any regulations prescribed by the Secretary of the Treasury (or his delegate) under such sections the use for ratemaking purposes or for reflecting operating results in the taxpayer's regulated books of account, for any period before March 1, 1980, of—

(A) any estimates or projections relating to the amounts of the taxpayer's tax expense, depreciation expense, deferred tax reserve, credit allowable under section 38 of such Code, or rate base, or

(B) any adjustments to the taxpayer's rate of return,

shall not be treated as inconsistent with the requirements of subparagraph (G) of such section 167(l)(3) nor inconsistent with the requirements of paragraph (1) or (2) of such section 46(f), where such estimates or projections, or such rate of return adjustments, were included in a qualified order.

(2) QUALIFIED ORDER DEFINED.—For purposes of paragraph (1), the term "qualified order" means an order—

(A) by a public utility commission which was entered before March 13, 1980,

(B) which used the estimates, projections, or rate of return adjustments referred to in paragraph (1) to determine the amount of the rates to be collected by the taxpayer or the amount of a refund with respect to rates previously collected, and

(C) which ordered such rates to be collected or refunds to be made (whether or not such order actually was implemented or enforced).

(c) NO INFERENCE.—The application of subparagraph (G) of section 167 (l)(3) of the Internal Revenue Code of 1954, and the application of paragraphs (1) and (2) of section 46 (f) of such Code, to taxable years beginning before January 1, 1980, shall be determined without any inference drawn from the amendments made by sections 1 and 2 of this Act or from the rules contained in subsection (b) of this section. Nothing in the preceding sentence shall be construed to limit the relief provided by subsection (b).

(d) DELAY IN MAKING REFUNDS OR CREDITS.—No refund or credit of any overpayment of tax attributable to the amendments made by this Act shall be made or allowed before October 1, 1981.

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 233. A bill to direct the Army Board for Correction of Military Records to review the application of Herman Miller for the Congressional Medal of Honor; to the Committee on Armed Services.

REVIEW OF THE RECORDS OF HERMAN MILLER

● Mr. HAYAKAWA. Mr. President, today I am reintroducing a bill on behalf of myself and Mr. CRANSTON, that directs the Army Board for Correction of Military Records to review the application of Mr. Herman Miller of Oceanside, Calif., for consideration of the Congressional Medal of Honor. In determining eligibility, the Board will apply the standards for such an award as were in effect on April 16, 1900. This bill is identical to legislation that we introduced a few months ago. Because of our interest in Mr. Miller's predicament, Mr. CRANSTON and I feel compelled to submit it again.

Mr. Miller is one of the few surviving veterans of the Spanish-American War. At the age of 101 he continues his struggle to receive the Congressional Medal of Honor for which he was recommended in 1900 by his commanding officer after distinguishing himself at the Battle of Batac in the Philippines. Over the past 80 years he has tried unsuccessfully to receive the medal for his heroic action on April 16, 1900, when he and 28 other men found themselves surrounded by some 800 Filipino insurgents. At one point in the battle, Mr. Miller chased the enemy waving an empty rifle.

It is our contention that had Mr. Miller been judged by the criteria that was in effect at the time that he was recommended for the medal, he would have qualified. Therefore, this legislation directs that he be considered under the criteria in effect in 1900.

Mr. President, Herman Miller has had many setbacks in his quest for the Congressional Medal of Honor. And yet, to this day, he maintains a fiery spirit and love of country that should be an inspiration to us all. When Mr. Miller came to Washington last year, I had the honor of meeting him and I was deeply moved by his faith in this country and a pride in having fought for it. Therefore, I ask that my colleagues give serious and timely consideration to this legislation on his behalf. It is an opportunity for you to honor a loyal and brave old soldier.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President shall direct the Army Board for Correction of Military Records to review the application of M. Herman Miller of Oceanside, California for consideration of being awarded the Congressional Medal of Honor. In conducting such review and determining the eligibility of Mr. Miller for such award the Army Board for Correction of Military Records shall apply the standards for such an award as were in effect on April 16, 1900.●

By Mr. HATCH:

S. 234. A bill to amend the Public Health Service Act to encourage the establishment of home health programs and to amend the Social Security Act to provide expanded coverage of home health services under the medicare and medicaid programs; to the Committee on Labor and Human Resources.

COMMUNITY HOME HEALTH SERVICES ACT

● Mr. HATCH. Mr. President, on November 18 of last year, I introduced the Community Home Health Services Act of 1980. This was legislation to encourage and expand community home health care, proposing methods of assisting elderly, home-bound people through the development and implementation of home health care programs for the aged. What I said on this Chamber's floor then is also true now. The number of Americans 65 years and older is progressively increasing. Back in 1910, it was 1 in every 25. Today, the proportion of us over the age of 65 is less than 1 in 10. By the year 2000 we are projected to have an increase in the number of older people in the United States to 1 in 8 individuals. This will mean more than 31 million additional citizens over the age of 65, a 40-percent increase 20 years from now over the latest census tally of American senior citizens.

As the proportion of our Nation's elderly population continues to dramatically increase, so will the need and demands for nursing home expansion and improvement. The medicaid/medicare amendments to the Social Security Act already guarantee nursing home coverage for practically every American in want and need of it.

It is becoming evermore clear, however, that greater attention must be paid to alternative forms of home health care and community home health care services. Too many of the homebound aged who are sent to nursing homes do not have to go there. They would prefer to remain independent, in their own homes yet in reach of health care assistance when it is needed.

The legislation I introduced on November 18, 1980, incorporated suggested changes I and several others in the Congress have sought in quest of this noble cause. I was especially gratified that more than a majority of the items covered in my legislation were included in the budget reconciliation package which passed and was enacted into law during the final hours of the 96th Congress. However, several important sections of my legislative proposal were not consid-

ered. In addition to these, I have in retrospect developed some additional legislative ideas, the sum of which I am today introducing in the form of a new bill, entitled, the Community Home Health Services Act of 1981.

One of the principle elements in this new legislation is the reauthorization of the home health provisions within the Public Health Service Act. The primary focus is to direct the Secretary of Health and Human Services to make grants to public and nonprofit private entities as well as loans to proprietary home health care associations to meet the initial costs of establishing and operating these needed services. Priority will be given to the establishment of home health care services in areas of the country where they do not presently exist. This is especially important in rural and in urban areas with inadequate means of transportation.

I will be speaking on this subject and further outlining the nature and scope of my proposal in the days ahead. In the interim, I would only add that the nature of the home health care idea is immediately in tune with the mandate a majority of Americans expressed at the polls last November 4. It is one which recognizes the important social commitment every citizen has as a member of our American community, a commitment to assure that the elderly and infirm who want and need assistance and are able to get it. It recognizes that the quality of our society is in large part measured by the care and attention we give to those of us who have passed the age threshold all of us must eventually cross. It also recognizes that we must do these things at a reduced cost, and that we can do them relying more on the local community than on the Federal Government. This is why home health care is a principle and a program around which all of us can rally.

Finally, Mr. President, it is clear upon examination of the legislation I am today introducing that its provisions bear heavily on the kind of work carried out in two standing committees of the Senate, one of which I am privileged to chair. Therefore, I respectfully request of our Parliamentarian that he consider jointly referring this bill to both the Committee on Labor and Human Resources and the Finance Committee. I also request that the text of my legislation be printed immediately following the record of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 234

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Community Home Health Services Act of 1981".

PURPOSE

SEC. 2. It is the purpose of this Act to encourage the establishment of home health programs, to expand the coverage of home health services under medicare and medicaid in general, and to expand such coverage of community home health services provided by hospitals.

GRANTS AND LOANS FOR HOME HEALTH PROGRAMS

SEC. 3. (a)(1) Section 339(a)(1) of the Public Health Service Act is amended—

(A) by striking out "purpose of demonstrating" and inserting in lieu thereof "purpose of encouraging";

(B) by striking out "home health agencies (as defined in section 1861(o) of the Social Security Act) and inserting in lieu thereof "home health programs";

(C) by inserting "and loans to proprietary entities" after "private entities"; and

(D) by striking out "operating such agencies and expanding the services available" and all that follows and inserting in lieu thereof the following: "operating such programs. Such grants may include funds to provide training to such programs' professional and paraprofessional personnel to provide home health services (as defined in section 1861(m) of the Social Security Act). Priority in the award of grants and loans shall be given to areas which do not have home health services, and special consideration in the award of grants and loans shall be given to areas with inadequate means of transportation.".

(2) Section 339(a)(2) of such Act is amended by inserting "and loans" after "grants".

(3) Section 339(a)(3) of such Act is amended by inserting "and loans" after "grants".

(4) Section 339(a)(4) of such Act is amended by inserting "and loans" after "grants".

(5) Section 339(a)(5) of such Act is amended by striking out "and" after "1980," and by inserting before the period at the end thereof the following: ", and $5,000,000 for each of the three succeeding fiscal years".

(6) Section 339(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) There are authorized to be appropriated for loans under this subsection $3,000,000 for the fiscal year ending September 30, 1982 and each of the two succeeding fiscal years.".

(b) Section 339(b)(4) of such Act is amended by striking out "and" after "1980," and by inserting before the period at the end thereof the following: ", and $2,000,000 for the fiscal year ending September 30, 1982".

(c) Section 339 of such Act is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall report to the Senate Committee on Labor and Human Resources and the House Committee on Interstate and Foreign Commerce on or before December 31, 1981 with respect to—

"(1) the impact of training grants made under this section prior to September 30, 1981;

"(2) the need to continue training grants under this section;

"(3) the extent to which uniform standards have been applied to the training of home health personnel; and

"(4) the extent to which training costs are, or could be made, reimburseable under titles XVIII and XIX of the Social Security Act.".

MEDICARE AND MEDICAID PROVISIONS

SEC. 4. (a) Section 1861(m) of the Social Security Act is amended—

(1) by striking out "by a home health agency or by others under arrangements made with them by such agency" and inserting in lieu thereof "by a nonprofit hospital or a home health agency, or by others under arrangements made with them by such hospital or agency";

(2) in paragraph (1), by striking out "nursing care" and inserting in lieu thereof "nursing services for chronic or acute care";

(3) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8) and inserting after paragraph (5) the following new paragraph:

"(6) the services of a homemaker when medically required;";

(4) in paragraph (7) as so redesignated, by inserting "a nonprofit hospital or" after "in the case of";

(5) in paragraph (8) as so redesignated—

(A) by inserting "the nonprofit hospital or" after "arrangements made by"; and

(B) in subparagraph (B), by striking out "but not including transportation of the individual in connection with any such item or service" and inserting in lieu thereof "including transportation, whether by ambulance or other means, in connection with any such item or service"; and

(6) by adding at the end thereof the following:

"Notwithstanding any other provisions of this title, the term 'home health services' includes (without regard to any of the preceding provisions of this subsection) any professional health services provided in an individual's home by a nonprofit hospital, or by members of its staff acting as such (including its physicians, nurses, social workers, therapists, technicians, home health aides, homemakers, housekeepers, dieticians, and other personnel) as an alternative to institutional care, if such services do not qualify for payment (as outpatient hospital services or otherwise) under the other provisions of this title; excluding, however, any item or service (other than the service of home health aides, homemakers, or housekeepers) if it would not be included under subsection (b) if furnished to an inpatient of a hospital.".

(b) Section 1902(a)(13)(A) of such Act is amended by striking out "and" at the end of clause (i) and by adding after clause (ii) the following:

"(iii) for the inclusion as a 'home health service' under the plan of any item or service which is included as a 'home health service' under title XVIII of this Act, and".

(c) The amendments made by this section shall become effective 90 days after the date of the enactment of this Act and shall be effective only with respect to items and services furnished on or after such effective date.●

By Mr. DURENBERGER (for himself, Mr. PERCY, Mr. BENTON, Mr. HAYAKAWA, Mr. PELL, Mr. TSONGAS, Mr. HATFIELD, Mr. HEFLIN, Mr. ANDREWS, Mr. MATHIAS, Mr. SPECTER, and Mr. SASSER):

S. 239. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for the purchases of a commuter highway vehicle, to exclude from gross income certain amounts received in connection with the provision of alternative commuter transportation, to provide employers a credit against tax for costs incurred in ride-sharing programs and for other purposes; to the Committee on Finance.

COMMUTER TRANSPORTATION ENERGY EFFICIENCY ACT OF 1981

Mr. DURENBERGER. Mr. President, I am pleased to introduce the Commuter Transportation Energy Efficiency Act of 1981. And I am particularly pleased to be joined by my colleagues, Senator PERCY of Illinois, Senator BENTSEN of Texas, Senator HAYAKAWA of California, Senator PELL of Rhode Island, Senator TSONGAS of Massachusetts, Senator HATFIELD of Oregon, Senator HEFLIN of Alabama, Senator ANDREWS of North Dakota, Senator MATHIAS of Maryland, Senator SPECTER of Pennsylvania, and Senator SASSER of Tennessee.

Mr. President, in the past decade the United States has experienced two crude oil supply interruptions as a result of events in the Middle East. The first interruption occurred in 1973–74 and led to the most severe recession since World War II. The economic impact of the oil shortfall and the resulting price increases cost the American economy billions of dollars. Each year the higher OPEC prices have caused a massive transfer of wealth from American consumers to Middle East nations.

The second disruption in crude oil supply occurred in 1979 at the time of the Iranian revolution. Once again, oil prices increased dramatically and another recession followed. The expected downturn in the economy will rob Americans of additional billions of dollars in goods and services.

In comparison to the potential, the disruptions that have been experienced are minor events. OPEC supplies the world with 30 million barrels of oil per day and most of it is shipped through a narrow strait in the Persian Gulf. A war or terrorist act which blocked the gulf would cost the United States one-third of its daily oil supply. Although the disruptions that we have experienced created chaos in international oil markets, they did not actually reduce the amount of oil available for imports.

Faced with continued dependence on OPEC oil and the threat of supply disruptions and massive price increases, the American public has demanded a national energy policy with energy independence as the primary objective. Three administrations and four Congresses have responded with a variety of proposals.

One-half of our oil supply is used for transportation. One-half of that amount is used in the automobile. It is not surprising, therefore, that many of the policies promised by Presidents or passed by Congress have focused on the automobile and gasoline demand as a primary target to solve the energy crisis.

Mr. President, I have some tables that I would like to include in the RECORD with my comments this morning which demonstrate the relationship between automobile use and our petroleum dependence.

Mr. President, the first table presents petroleum demand by sector in 1976. It shows that the automobile consumed more than three times as much oil as electric utilities and 50 percent more than either space heating in the residential/commercial sector or process uses in industry.

The second table describes passenger car use. It shows that about one-third of all automobile trips are commuter trips to and from work.

The third table I am introducing presents the average miles traveled for each type of automobile trip. The average commuting distance between home, work and home again, is 19.4 miles. Eighty million Americans make this trip every day and 52 million make the commuting trip in a single-occupant automobile. These facts demonstrate the scope of the petroleum problem and the role that daily commuting plays in our dependence on uncertain foreign oil.

Mr. President, the transportation conservation policies that have been suggested can be classified in three groups. Some attempt to reduce traffic demand by increasing the price of fuel or restricting supply. In this group we have crude oil price decontrol which President Carter announced last April and which will cost the American public $1 trillion over the next decade.

A second form of price increase is the gasoline tax or oil import fee. The 50-cent-per-gallon tax most often discussed would transfer $55 billion per year for automobile drivers to the Federal Government.

Finally, there is gasoline rationing which would impose a Government-controlled limit on the amount of oil consumed. The price impact would be seen in the value of the coupons necessary to obtain gas at the pump. The Department of Energy estimates that rationing would lead to payments from businesses to individuals—mostly families with several cars—to purchase coupons. Business would of course recover this cost by charging higher prices to everyone, including those who own no cars and, thus, get no coupons. Additional billions would be added to the cost of rationing for administration.

A second type of transportation conservation policy can be called technological efficiency. These policies include modifications in automobile design and the development of alternative fuels. After the first energy crisis, Congress mandated fuel economy improvements for the American automobile. Congress is currently reexamining this mandate and representatives of the Environmental Protection Agency have suggested a mandatory standard of 85 miles per gallon by 1995. Such a standard would cost the automobile industry billions of dollars in retooling and development costs. It would also greatly alter what we know as the American car. In the area of alternative fuels, the Congress has passed the Energy Security Act with a potential price tag near $100 billion simply to demonstrate a variety of alternative fuels technologies.

Reducing commuter demand for gasoline through higher prices and the technological fix are the policies most often debated and most likely to be imposed by the Federal Government. As can be easily seen, these alternatives are very expensive and require much Government and regulation.

There is another type of policy—modal efficiency—which has the promise of saving as much or more energy and at a far lesser cost. For commuter transportation modal efficiency includes the carpool, the vanpool, the bus and other forms of mass transit. Today, there are more than 80 million commuters in America and the vast majority drive to and from work in single-occupant cars. Less than 10 percent take mass transit. Only 20 percent carpool or share a ride. This pattern of commuter traffic persists despite the fact that vanpools consume one-sixth the energy per passenger-mile consumed by the single-occupant car and despite the fact that ridesharing can dramatically reduce the cost of commuting to work.

Mr. President, I would like to offer two additional tables which show the energy and dollar savings that can be achieved by concentrating our transportation energy policy on ridesharing.

The first of these tables is taken from a study by the Congressional Budget Office. It lists the Btu's consumed for each passenger mile of commuting for each of the principal commuter modes. These figures reflect operating energy only. The table indicates that the vanpool is 700 percent more efficient than the automobile with a single occupant. Each of the ridesharing or mass transportation modes show significant energy savings.

Ridesharing can also save dollars. The evidence I have indicates that the average commuter trip in a single-occupant automobile can cost 50 cents a mile. This includes both operating costs—fuel and maintenance—and ownership costs—insurance, depreciation, and so forth. By comparison commuters traveling to work in vanpools pay an average of only 5 cents per mile. With the average commuter traveling 20 miles a day, 250 days a year, the dollar savings can be truly significant.

Because ridesharing has such promise for energy conservation and for reducing the cost of the work trip, I believe that it will be an important part of the future solution to the energy crisis. It will happen whether Government takes action to encourage it or not. In fact, thousands of vanpools are operating across the Nation today. Many of these vanpools are sponsored by companies who provide administrative and/or financial support so that their employees can save money and energy getting to work. Since about 1973 the number of vanpools has doubled each year. Today, the U.S. total is 7,050.

Mr. President, I have a table listing the number of vanpools operating in each State that will be included in the RECORD with my comments.

At a time when Government is considering a vast array of expensive and complicated new programs like synthetic fuels, rationing, gasoline taxes, and high mpg cars, I think it is important that we look closely at ridesharing and understand the role that it can play. The Commuter Transportation Energy Efficiency Act provides the Nation an opportunity to choose the most energy efficient and least costly solution to our petroleum problem.

Mr. President, title I of the Commuter Transportation Energy Efficiency Act of 1981 provides a tax incentive to the individual who buys a van—commuter highway vehicle—and uses it for ridesharing. Current law only offers ridesharing incentives to the business which purchases a van for employee programs. The measure we are introducing would amend the 1978 Energy Tax Act to provide the same incentive to the individual for ridesharing that is currently available for the purchase of home insulation or storm windows. Under the provisions of

CTEEA, any individual who purchased a van and used it for ridesharing over a 3-year period would be eligible for a 15-percent tax credit based on the cost of the van.

Title II of this legislation is designed to remove some of the ambiguity in current law regarding employer programs to support and encourage ridesharing and mass transit utilization by employees. This bill would exclude from taxable income of the employee, any payment by an employer made as a subsidy for the cost of mass transportation, vanpooling or carpooling. If the employer provides bus fare or transportation to and from work in a vanpool, the cost of that transportation would not be included as income for tax purposes. Any administrative cost borne by the employer for ridesharing programs would also be excluded.

Section 202 of title II provides that a driver in a ridesharing vehicle who collects fees from his or her riders is not required to report the fees as taxable income.

Title III amends the current law to increase the tax incentive for businesses purchasing or leasing vans for use in employee ridesharing programs. It adds vanpool vehicles to the list of energy properties qualifying for the business energy tax credit and sets the energy percentage at 10 percent. This brings the total investment credits for the purchase of vanpool vehicles to 20 percent.

Title III makes two additional changes in the existing business incentives for ridesharing. Current law restricts the investment tax credit to vehicles used by the taxpayer's employees. Under these provisions it is not possible for a third-party ridesharing management firm to receive the credit for vans leased to the employees of a client company. Third-party ridesharing firms offer great promise for small companies with few employees. Ridesharing management allows the employees from several small firms in one location to be pooled for more efficient commuter transportation. Title III provides an incentive for this arrangement by removing the word "taxpayer" from current law.

Current law also restricts the investment credit to vehicles on which 80 percent of the mileage is used for ridesharing purposes. This prevents a business from purchasing a van primarily for business purposes—for example deliveries—using it occasionally for pooling and claiming the credit. This limitation is known as the 80/20 rule.

In many cases, corporations purchase the vans and essentially loan them to the driver. The driver is responsible for maintenance and fuel, for recruiting the riders and collecting the fees. As an incentive to encourage employees to serve as drivers, the company will allow the driver to use the van in nonworking hours for personal and family purposes. The 80/20 rule restricts the attractiveness of "driver incentive mileage" as an inducement to volunteer as a driver. Therefore, the bill we introduce today excludes driver incentive mileage from the 80/20 rule.

Title IV of the Commuter Transportation Energy Efficiency Act provides a business tax credit for a series of costs that businesses might incur as administrative overhead for an organized employee ridesharing program. These costs include assigning personnel to manage the program, adjusting working hours to facilitate ridesharing, computer matching of potential riders and drivers, surveying the commuter transportation habits and needs of the employees, distributing information on ridesharing opportunities, improving parking facilities for ridesharing vehicles, contracting for assistance in managing a ridesharing program, providing liability insurance for ridesharing vehicles, and maintaining emergency vehicles for use of employees who commute in ridesharing vehicles to work.

This credit is limited to the amount actually incurred by the company in providing the service or to an amount based on a sliding scale whichever is less.

Mr. President, the following illustrates the sliding scale.

Upper limit on value of business credit

If the percentage of employees participating in the program is:	The value of the credit is:
0 to 14	$00.00
15 to 19	5.00
20 to 24	7.50
25 to 29	10.00
30 to 34	12.50
35 to 39	15.00
40 to 44	20.00
45 to 49	25.00
50 or more	30.00

Mr. President, if less than 15 percent of a company's employees participate in a qualified ridesharing program, this credit has no value. However, if more than 15 percent participate, the company is eligible for the credit and the value of the credit per employee increases as the percentage participating increases. There is no doubt in my mind that company-managed employee ridesharing programs can make a great contribution to resolving our national energy crisis. Many corporations, including 30 Minnesota-based employers led by 3M, provide administrative assistance to the vanpooling and ridesharing programs operated by their employees. Title IV of the Commuter Transportation Energy Efficiency Act offers powerful incentives for other companies to get involved in these programs.

Finally, title V of this bill restores the gasoline tax deduction against Federal taxable income for taxes paid on gasoline and motor fuels used in ridesharing vehicles. Ridesharing vehicles are defined in this title to include carpools operating at least 176 days per year and carrying an average of three persons. Gasoline taxes eligible for the deduction are State and Federal excise taxes, State sales taxes and any import fees or other administrative or legislative fees designed and imposed to increase the price of gasoline.

Mr. President, the Commuter Transportation Energy Efficiency Act was introduced in the 96th Congress as S. 3030 on August 6, 1980. That bill was widely distributed to individuals knowledgeable in transportation planning, ridesharing and energy conservation for their comments. I am pleased to say that I have received comment from more than 200 individuals across the Nation on the provisions of this legislation. These comments have led to some technical revisions in the bill or laid the foundation for future legislation.

I included many of the letters I have received in the RECORD with a statement on December 9, 1980 which has been circulated among my colleagues in the Senate. I also sent each Senator a copy of all letters received from individuals in his or her State. I want to thank those who have offered their support for this bill and have taken the time to share their thoughts on specific provisions. I look forward to early hearings in the Finance Committee and the contribution that this legislation will make to our national energy policy.

Mr. President, I would ask unanimous consent that the text of the bill and the tables referred to earlier be printed in the RECORD.

There being no objection, the bill and the tables were ordered to be printed in the RECORD, as follows:

U.S. petroleum demand 1976

Sector:	MMBD
Electric utilities	1.6
Residential and commercial	3.5
Industrial	3.2
Rail, air, water transport	2.1
Truck	1.9
Automobile	5.2
U.S. Total	17.5

Source: Automobile Transportation System, Office of Technology Assessment.

Passenger car use, 1969

Passenger:	Percent of trips
Work-trip	36
Family business	31
Education, civic, religious	9
Social and recreational	23

Source: Federal Highway Administration.

Average travel distances (in miles)

Purpose:	
Work-trip	19.4
Shopping	4.4
Education, religious	4.7
Family business	6.5
Medical	8.4
Visiting, social	12.0
Pleasure	20.0

From: U.S. Department of Transportation, Federal Highway Administration Household Travel in the U.S., Nationwide Personal Transportation Study, Report No. 7, Washington, D.C., 1972, p. 4.

PRINCIPAL MEANS OF TRANSPORTATION USED FOR WORK-TRIPS IN THE UNITED STATES, 1975

Means of transportation	Number (thousands)	Percent
All workers	77,540	100
Automobile or truck	67,869	87.5
Single occupant	52,294	67.4
Carpool	15,575	20.1
Public transportation	4,825	6.2
Bus or streetcar	3,100	4.0
Subway	1,179	1.5
Heavy rail	406	.5
Taxicabs	141	.2
Bicycle	471	.6
Motorcycle	297	.4
Walk only	3,778	4.9
Other	299	.4

Source: "Journey to Work in the United States," Bureau of the Census, July 1979.

Price of commuting per person in 1979

Mode:	Cost in cents/mile
Single occupant automobile	48.8
Rail transit	36.1
Two occupant automobile	24.4
Bus	23.1
Four occupant automobile	12.2
Ten occupant vanpool	5.7

Source: Pocket Fact Book, 1980, Highway Users Federation.

Energy required by urban transportation modes

Mode:	BUT's/passenger mile
Single occupant auto	11,000
Average automobile (1.4 persons)	7,860
Carpool	3,670
Vanpool	1,560
Heavy rail	2,540
Commuter rail	2,625
Light rail	3,750
Bus	2,610

Source: Urban Transportation Energy, Congressional Budget Office.

Vanpool State totals

	Number of vans
Alabama	56
Arizona	39
Arkansas	47
California	1,218
Colorado	127
Connecticut	278
District of Columbia	36
Florida	70
Georgia	23
Hawaii	16
Idaho	8
Illinois	224
Indiana	15
Iowa	53
Kansas	8
Kentucky	65
Louisiana	81
Maryland	184
Massachusetts	110
Michigan	404
Minnesota	422
Mississippi	7
Missouri	66
Montana	2
Nebraska	10
New Hampshire	4
New Jersey	864
New Mexico	10
New York	43
North Carolina	51
North Dakota	13
Ohio	42
Oklahoma	47
Oregon	22
Pennsylvania	172
Rhode Island	5
South Carolina	5
South Dakota	1
Tennessee	429
Texas	1,238
Utah	10
Vermont	6
Virginia	348
Washington	112
West Virginia	1
Wisconsin	55
Wyoming	3
United States	7,050

S. 239

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE: TABLE OF CONTENTS

(a) SHORT TITLE.—This Act may be cited as the "Commuter Transportation Energy Efficiency Act of 1981."

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment on repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of 1954 Code; table of contents.

TITLE I. INDIVIDUAL INCOME TAX

Sec. 101. Providing a 15% individual income tax credit.

Sec. 102. Effective date.

TITLE II. EXCLUSION OF QUALIFIED TRANSPORTATION INCOME FROM GROSS INCOME

Sec. 201. Qualified transportation excluded from gross income.

Sec. 202. Income from operation of transportation pools.

Sec. 203. Effective date.

TITLE III. BUSINESS ENERGY INVESTMENT CREDIT

Sec. 301. Providing a 20% business investment credit.

Sec. 302. Investment credit not restricted to employers.

Sec. 303. Driver incentive mileage.

Sec. 304. Effective date.

TITLE IV. EMPLOYERS TAX CREDIT FOR QUALIFIED RIDE-SHARING PROGRAMS

Sec. 401. Providing a tax credit for qualified ride-sharing programs.

Sec. 402. Effective date.

TITLE V. GASOLINE TAX DEDUCTION

Sec. 501. Providing for a deduction for qualified motor fuel taxes.

Sec. 502. Definition of qualified motor fuel taxes.

Sec. 503. Effective date.

TITLE I. INDIVIDUAL INCOME TAX CREDIT

SEC. 101. PROVIDING A 15% INDIVIDUAL INCOME TAX CREDIT.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by (a) inserting before section 45 the following new section:

"SEC. 44F. COMMUTER HIGHWAY VEHICLE

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 15 percent of the cost to the taxpayer to acquire a qualified commuter highway vehicle.

"(b) LIMITATIONS.—

"(1) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the credits allowable under a section of this part having a lower number or letter designation than this section, other than credits allowable by sections 31, 39 and 43.

"(2) JOINT ACQUISITION.—If any qualified commuter highway vehicle is jointly acquired by 2 or more individuals, the amount allowable as a credit for the taxable year shall be apportioned among such individuals on the basis of their respective shares of the cost.

"(c) 3-YEAR USE REQUIREMENT

"(1) IN GENERAL.—If, during the 3-year period beginning on the date of acquisition of any qualified commuter highway vehicle, the taxpayer—

"(A) disposes of such vehicle, or

"(B) otherwise ceases to use such vehicle as a qualified commuter highway vehicle, then the tax under this chapter for the taxable year in which such cessation or disposition occurs shall be increased by an amount equal to the amount of the credit allowed under subsection (a) with respect to such vehicle.

"(2) SUBSECTION NOT TO APPLY.—Paragraph (1) shall not apply to a disposition by reason of death.

"(3) DETERMINATION OF OTHER CREDITS.—Any increase in tax under subsection (a) for any taxable year shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit allowable under this subpart for such year.

"(d) QUALIFIED COMMUTER HIGHWAY VEHICLE DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified commuter highway vehicle' means a highway vehicle—

"(A) the seating capacity of which is at least 8 adults (not including the driver),

"(B) at least 50 percent of the mileage use of which can reasonably be expected to be—

"(i) for purposes of transporting individuals between their residences or gathering points and places of employment, and

"(ii) on trips during which the number of individuals transported for such purposes is at least one-half of the adult seating capacity of such vehicle (not including the driver), and

"(C) which is not used in trade or business.

"(2) TRADE OR BUSINESS.—For purposes of paragraph (1)(C), use of a commuter highway vehicle for the purposes described in paragraph (1)(B) shall not be considered a trade or business if—

"(A) the taxpayer would otherwise travel from his principal residence to his place of employment over such route or a similar route even if other individuals were not transported by him, and

"(B) such vehicle is generally not available to the public."

(b)(1) The table of sections for subpart A is amended by inserting after the item relating to section 44E the following item:

"SEC. 44F. Commuter highway vehicles."

(2) Section 6096(b) (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44E" and "44F."

SEC. 102. EFFECTIVE DATE.—The amendments made by the first title of this Act shall apply to taxable years beginning after December 31, 1980.

TITLE II. EXCLUSION OF QUALIFIED TRANSPORTATION INCOME FROM GROSS INCOME

SEC. 201. QUALIFIED TRANSPORTATION EXCLUDED FROM GROSS INCOME.—

(a) Subsection (b) of section 124 is amended to read as follows:

"(b) QUALIFIED TRANSPORTATION.—For purposes of this section, the term 'qualified transportation' means transportation—

"(1) by a commuter highway vehicle (as defined in section 45(c)(6)(B) but without regard to clause (iii) or (iv) thereof), or

"(2) which is scheduled land or water transportation which is—

"(A) in a vehicle or vessel with seating capacity of 8 or more adults (not including the operator),

"(B) along regular routes, and

"(C) available to the general public."

(b) Paragraph (1) of section 124(d) (defining provided by the employer) is amended to read as follows:

"(1) PROVIDED BY THE EMPLOYER.—Transportation shall be considered to be provided by the employer if—

"(A) the transportation is furnished in a commuter highway vehicle (described in subsection (b)(1)) operated by or for the employer; or

"(B) the employer pays for qualified transportation (described in subsection (b)) or reimburses the employee for the cost to the employee of such qualified transportation."

(c) Section 124 (relating to qualified transportation provided by an employer) is amended by redesignating subsection (e) as

(f) and inserting after subsection (d) the following new subsection:

"(e) SPECIAL RULE FOR RIDE-SHARING PROGRAMS.—

"(1) IN GENERAL.—For purposes of subsection (a), any services provided by an employer in connection with a ride-sharing program shall be treated as qualified transportation provided by the employer.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) RIDE-SHARING PROGRAM.—The term 'ride-sharing program' means any program to assist employees in locating other employees to share transportation between the employees' residence or gathering point and places of employment.

"(B) SERVICES PROVIDED BY EMPLOYER.—The term 'services provided by the employer' includes but is not limited to—

"(i) any amounts contributed by the employer,

"(ii) any compensation paid to any employee operating or assisting in a ride-sharing program,

"(iii) any computer services provided by the employer,

"(iv) any one or all of the services listed in section 44(G)(d)(2) of subpart A of part IV of subchapter A of chapter I.

SEC. 202. INCOME FROM OPERATION OF TRANSPORTATION POOLS.—

(a) Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

SEC. 128. INCOME FROM OPERATION OF TRANSPORTATION POOLS.—

"In the case of an individual who—

"(1) owns a motor vehicle the seating capacity of which is not more than 15 adults;

"(2) transports individuals between their places of residence and places of employment or other places of gathering;

"(3) would otherwise travel to one such place of employment or gathering even if he did not transport any other individuals; and

"(4) does not make such vehicle generally available to the public,

gross income does not include amounts received as compensation for the providing of transportation to such individuals."

(b) The table of sections for such subpart is amended by striking out the item relating to section 128 and by inserting in lieu thereof the following:

"128. Income from operation of transportation pools.

"129. Cross references to other Acts."

SEC. 203. EFFECTIVE DATE.—The amendments made by this title shall apply to taxable years beginning after December 31, 1980.

TITLE III. BUSINESS ENERGY INVESTMENT CREDIT

SEC. 301. PROVIDING A 20 PERCENT BUSINESS INVESTMENT CREDIT.—

(a) subparagraph (A) of section 48(l)(2) (defining energy property) is amended—

(1) by striking out "or" at the end of clause (viii),

(2) by inserting "or" at the end of clause (ix), and

(3) by adding at the end thereof the following new clause:

"(x) commuter highway vehicles (as defined in section 46(c)(6)(B)),".

(b) The table contained in clause (i) of section 48(a)(2)(C) of such Code (relating to energy percentage) is amended by adding at the end thereof the following new subclause:

"VII. Commuter Highway Vehicles. Property described in section 48(l)(2)(A)(x)	10 percent.	Jan. 1, 1981.	Dec. 31, 1985."

SEC. 302. INVESTMENT CREDIT NOT RESTRICTED TO EMPLOYEES.—Paragraph (6) of section 36(c) (relating to special rule for commuter highway vehicle) is amended by striking out "the taxpayer's" in subparagraph (B)(ii)(I) thereof.

SEC. 303. DRIVER INCENTIVE MILEAGE.—Paragraph (6) of section 46(c) (relating to special rule for commuter highway vehicle) is amended by adding at the end thereof the following new subparagraph:

"(C) DRIVER INCENTIVE MILEAGE.—If an individual other than the taxpayer is the regularly scheduled driver of a highway vehicle, the taxpayer shall not take into account, for purposes of determining if such a vehicle meets the requirements of subparagraph (B)(ii), the number of miles which the driver uses such vehicle for personal purposes."

SEC. 304. EFFECTIVE DATE.—The amendments made by this Title shall apply to property acquired after December 31, 1980.

TITLE IV EMPLOYER'S TAX CREDIT FOR QUALIFIED RIDE-SHARING PROGRAMS.

SEC. 401. PROVIDING A TAX CREDIT FOR QUALIFIED RIDE-SHARING PROGRAMS.—

(a) Subpart A of part IV of subchapter A of chapter 1 is amended by inserting before section 45 the following new section:

"SEC. 44G. RIDE-SHARING PROGRAMS OF EMPLOYERS.

"(a) GENERAL RULE.—In the case of an employer operating a qualified ride-sharing program, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the lesser of—

"(1) the amount paid or incurred in connection with such program during such taxable year, or

"(2) the amount determined under subsection (b).

"(b) SUBSECTION (b) AMOUNT.—

"(1) IN GENERAL.—The amount determined under this subsection is equal to the product of—

"(A) the average number of employees of the employer during the taxable year, multiplied by—

"(B) the amount determined under the table under paragraph (2).

"(2) TABLE.—

If the percentage of employees participating in the program is:	The amount is:
0 to 14	$00.00
15 to 19	5.00
20 to 24	7.50
25 to 29	10.00
30 to 34	12.50
35 to 39	15.00
40 to 44	20.00
45 to 49	25.00
50 or more	30.00

"(3) DEFINITION AND SPECIAL RULES.—For the purposes of this subsection—

"(A) PERCENTAGE OF EMPLOYEES PARTICIPATING.—The term 'percentage of employees participating in the program' means a percentage equal to a fraction—

"(i) the numerator of which is the number of employees whose transportation between their principal residence and place of employment at least 176 days during the calendar year in which the taxable year begins is qualified transportation, and

"(ii) the denominator of which is the number of employees determined under paragraph (1)(A);

"(B) EMPLOYEES TAKEN INTO ACCOUNT.—For purposes of paragraphs (1)(A) and (3)(A)(i) only employees at places of employment of the employer where a qualified ride-sharing program is in operation during the taxable year shall be taken into account.

"(C) WHOLE PERCENTAGE.—Any fraction of a percentage determined under subparagraph (A) shall be rounded to the next highest whole percentage.

"(C) LIMITATIONS.—

"(1) LIMITATION BASED ON AMOUNT OF TAX.—The amount of the credit allowed by this section for the taxable year shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowed under a section of this subpart having a lower number designation than this section, other than credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(2) CERTAIN COSTS NOT INCLUDED.—No amount paid or incurred for—

"(A) the acquisition and maintenance of any vehicle (other than a vehicle described in subsection (d)(2)(I)),

"(B) fuel to operate any such vehicle, or

"(C) mass transportation fares or subsidies,

shall be taken into account for purposes of subsection (a)(1).

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED RIDE-SHARING PROGRAM.—The term 'qualified ride-sharing programs' means any program to aid employees in obtaining qualified transportation between their principal residence and place of employment which—

"(A) provides at least one of the services described in paragraph (2);

"(B) is set forth in a separate written plan; and

"(C) does not discriminate in favor of employees who are officers, shareholders, or highly compensated employees.

"(2) SERVICES INCLUDED.—Services described in this paragraph include—

"(A) the surveying of employees to determine current commuting patterns and interest in qualified transportation,

"(B) the distribution of informational material on the advantages and availability of qualified transportation,

"(C) contracting for assistance in establishing, sponsoring, or operating a qualified ride-sharing program,

"(D) providing assistance (including computer costs) for employee matching to establish carpools or vanpools,

"(E) assessing the impact of qualified ride-sharing programs,

"(F) signing or improving parking spaces reserved for qualified transportation vehicles,

"(G) adjusting working hours for employees participating in a qualified ride-sharing program,

"(H) providing liability insurance for qualified transportation vehicles,

"(I) providing emergency or business vehicles for the use of employees (during normal working hours) who commute to work in qualified transportation vehicles, and

"(J) such other services as the Secretary, after consultation with the Secretary of Transportation, determines contributes to the effectiveness of the qualified ride-sharing program.

"(3) QUALIFIED TRANSPORTATION.—The term 'qualified transportation' means transportation—

"(A) by a commuter highway vehicle, as defined in subparagraph (B) of section 46(c)(6) except that such subparagraph shall be applied without regard to clause (iii) or (iv);

"(B) by any highway vehicle—

"(i) the seating capacity of which is less than 8 adults (not including the driver), and

"(ii) which is used for transporting an average of 3 employees between their residences and their place of employment for at least the lesser of—

"(I) 176 days during the calendar year in which the taxable year begins, or

"(II) one-half of the days on which the taxpayer held such highway vehicle during such calendar year; or

"(C) which is scheduled land or water transportation which is—

"(i) in a vehicle or vessel with seating capacity of 8 or more adults (not including the operator),

"(ii) along regular routes, and

"(iii) available to the general public.

"(4) PASS THROUGH IN THE CASE OF SUBCHAPTER S CORPORATIONS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply."

(b)(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44F the following new item:

"Sec. 44G. Ride-sharing program of employers."

SEC. 402. EFFECTIVE DATE.—The amendments made by this Title shall apply to taxable years beginning after December 31, 1980.

TITLE V. GASOLINE TAX DEDUCTION

SEC. 501. PROVIDING FOR A DEDUCTION FOR QUALIFIED MOTOR FUEL TAXES.—Subsection (a) of section 164 (relating to deduction for taxes) is amended by inserting immediately after paragraph (5) the following new paragraph:

"(6) Qualified motor fuel taxes."

SEC. 502. DEFINITION OF QUALIFIED MOTOR FUEL TAXES.—Section 164 (relating to deduction for taxes) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new section:

"(f) QUALIFIED MOTOR FUEL TAXES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified motor fuel taxes' means Federal, State or local taxes on the sale of gasoline, diesel fuel, and other motor fuels used as a fuel in a ride-sharing vehicle.

"(2) IMPORT ADJUSTMENTS TREATED AS TAX.—For purposes of paragraph (1), any increase in the sales price of any fuel as a result of any action taken by the President to adjust imports of petroleum and petroleum products under section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862) (or any other corresponding provision of law) shall be treated as a Federal tax imposed on such fuel.

"(3) RIDE-SHARING VEHICLE.—The term 'ride-sharing vehicle' means—

"(A) a commuter highway vehicle, as defined in subparagraph (B) of section 46(c)(6) except that such paragraph shall be applied without regard to clause (iii) or (iv), and

"(B) any highway vehicle—

"(i) the seating capacity of which is less than 8 adults (not including the driver) and

"(ii) which is used for transporting an average 3 employees between their residences and their place of employment for at least the lesser of—

"(I) 176 days during the calendar year in which the taxable year begins, or

"(II) one-half of the days on which the taxpayer held such highway vehicle during such calendar year.

"(4) PUBLICATION OF TABLE.—The Secretary may publish tables to assist taxpayers in computing the amount of the deduction allowable under subsection (a)(6). Such tables shall take into account—

"(A) the rate of taxes (including the price impact attributable to any import adjustment).

"(B) the number of days a ride-sharing vehicle was used for ride-sharing purposes, and

"(C) the number of miles such vehicle is used for such purposes."

SEC. 503. EFFECTIVE DATE.—The amendments made by this Title shall apply to taxable years beginning after December 31, 1980.

● Mr. HEFLIN. Mr. President, I am delighted to say that I have been added as a cosponsor of the Commuter Transportation Energy Efficiency Act of 1981. I cosponsored a similar bill that was introduced in the 96th Congress on August 6, 1980. It is an excellent, timely piece of legislation, and I support it wholeheartedly.

The facts concerning our addiction to foreign oil are depressing. They also serve as strong reminders that America is becoming more and more vulnerable to imported oil dependency and internal, economic disorder. Unfortunately, Mr. President, these alarming facts are the result of our gluttonous oil appetites.

If war occurred today in the Middle East, the United States could be drawn into armed conflict in order to insure a continuous flow of oil throughout this country. As we well know, the President has firmly committed the United States to protect its vital strategic interests in the Middle East.

It is most regrettable that our American economy bordered on the brink of ruin throughout the seventies partly because of our great dependence on foreign oil. The energy crises during the past decade caused two recessions in this country and double digit inflation. It is no wonder then that strong, but inexpensive solutions to our energy problems are desperately needed. It is undisputed that energy conservation is our cheapest way to reduce our dependence on foreign oil.

The Commuter Transportation Energy Efficiency Act of 1981 contains an excellent proposal for energy conservation. The act would create no costly programs, no counterproductive bureaucracy, and no waste or inefficient squandering of the taxpayers' money. Instead, the legislation proposes a simple, time-proven solution of rewarding the energy thrift.

There are several provisions in the Commuter Transportation Energy Efficiency Act of 1981 that are also so logical and simple that they form a very wise and much needed bill. This legislation encourages the use of car pooling, van pooling, buses, and other forms of mass transportation as energy conservation measures. Our highways are choked with numerous motor vehicles. Millions of Americans waste gas and pollute the environment by using an astronomical number of single passenger cars. In so many of these cases, multi-passenger vehicles could easily substitute for them, but old habits are very tenacious creatures. Without some incentives, massive car and van pooling will never become a reality.

Mr. President, this act creates several different types of incentives. It provides a 15-percent tax credit to individuals purchasing vans for van pooling, increases the investment tax credit for employers who purchase vans for van pooling to 20 percent, excludes employer subsidies for ride-sharing programs from the taxable income of the employee, provides a tax credit to the employer for the administrative costs of ride-sharing programs, and restores the gasoline tax reduction for motor fuels used in ride-sharing vehicles.

Mr. President, imagine the results if all employees were to take advantage of the ride-sharing programs outlined in this magnificent piece of legislation. Imagine the money and gasoline that would be saved, the pollution that would be curtailed, and the highway congestion that would be sizably reduced by participating in these various ride-sharing programs. The results would, indeed, be profound.

Mr. President, such results would do enormous good for this Nation and would put it back on the road to continuing progress for the benefit of all. In my mind, this bill is one of the most important pieces of energy legislation that will come up during the 97th Congress. Its potential is enormous and its contributions are vast.

Mr. President, I urge all of my colleagues to support this bill. We must show our Nation and the world that the U.S. Government is determined to reverse its present decline due to energy inefficiency and neglect. We must demonstrate to the world in general and to our country in particular that energy waste and inefficiency will no longer be tolerated. We must prove that this Nation will do everything possible to free itself from being a hostage to foreign oil. For these reasons, Mr. President, I urge speedy passage of the Commuter Transportation Energy Efficiency Act of 1981.●

● Mr. SASSER. Mr. President, I am pleased to join as a cosponsor of S. 3030, the Commuter Transportation Energy Act.

The State of Tennessee is already involved in ride-sharing programs. The city of Knoxville's program, associated with the University of Tennessee, currently works with over 600 employers and has successfully matched thousands of ride-sharing commuters. The cities of Memphis and Nashville also conduct ride-sharing programs and, although still in the beginning stages, have met with considerable success.

The tax incentive for ride-sharing that would be created by the passage of S. 3030 would provide a valuable boost to ride-sharing programs such as the one in Tennessee. The incentives would make it easier for State and local ride-sharing agencies to market carpooling and vanpooling to employers and employees. With provisions for a business energy investment tax credit for purchase of qualified commuter highway vehicles, and an employer tax credit to defray the cost of an employer sponsored ride-sharing programs, S. 3030 may prove to be a deciding factor in encouraging businesses to test the economic feasibility of ride-sharing arrangements.

Ride-sharing programs are producing significant energy savings while simultaneously reducing air pollution, traffic congestion and parking demand. I urge early consideration of S. 3030, a bill which would provide an added boost for ride-sharing programs in many areas of the country.●

By Mr. MATSUNAGA:

S. 240. A bill to extend the treatment conferred upon certain private deferred

compensation plans to nonqualified deferred compensation arrangements maintained by tax-exempt organizations; to the Committee on Finance.

DEFERRED COMPENSATION PLANS FOR TAX-EXEMPT ORGANIZATIONS

● Mr. MATSUNAGA. Mr. President, in 1960 the Treasury Department sanctioned deferred compensation plans under its administrative interpretation of the constructive receipt and cash equivalency doctrines.

However, the Treasury Department subsequently viewed the growing use of deferred compensation arrangements as undermining effective tax administration. In a letter to then Chairman Russell Long of the Finance Committee, dated May 4, 1977, Treasury Secretary Michael Blumenthal noted the use of such plans where employees apparently were in constructive receipt of compensation.

Secretary Blumenthal also noted that State and local governments and tax-exempt organizations could establish such plans for their workers, without meeting the nondiscrimination rules and the contribution limitation imposed by the Employee Retirement Income Security Act (ERISA) for qualified pension plans.

The Treasury Department sought to change its administrative practices by issuing proposed regulations on February 3, 1978. The regulations would have subjected deferred amounts to current taxation.

The proposed regulations alarmed many employers who utilized these deferred compensation arrangements. The new position reversed the Internal Revenue Service practice of sanctioning such plans. Moreover, the proposed regulations, it was believed, contravened the well established principle of constructive receipt.

In reaching a suitable legislative compromise, the Congress enacted section 457 of the Internal Revenue Code as part of the Revenue Act of 1978; this provision permits continued deferral of compensation for State and local government workers subject to a percentage limitation and set dollar limitation.

The Revenue Act of 1978 also retained the unfunded deferred compensation plan for private, taxable entities. These taxable entities forgo the tax deduction for compensation deferred by the individual worker. Consequently, the taxable corporation extends deferred compensation arrangements only to a relatively few highly compensated workers. These individuals do not need ERISA protection afforded under qualified plans; also, in many situations, there is an element of negotiated risk, since the worker's claim for deferred compensation is that of an unsecured creditor.

The Senate version of the Revenue Act of 1978 covered tax-exempt organizations under that provision for private, taxable entities. This approach found little support in conference with the House Ways and Means Committee. Consequently, the provision for tax-exempt organizations was deleted from the final version of the Revenue Act.

Thus, the Revenue Act provided for State and local government deferred compensation plans as well as for private, taxable corporations' deferred compensation arrangements. However, no provision was made for unfunded deferred compensation arrangements utilized by tax-exempt organizations.

This development in effect foreclosed tax-exempt organizations from establishing deferred compensation arrangements for the highly compensated and these organizations are at a disadvantage in recruiting teaching physicians, research scientists, and other high-paid professionals.

On March 1, 1979, I introduced S. 511 in response to this problem. That bill would have covered tax exempt organizations under the arrangement for State and local governments. The Treasury Department approved this proposal; and this arrangement had been offered to tax exempt organization during the Ways and Means Committee consideration of the Revenue Act of 1978.

Again, however, tax exempt groups argued the proposal was inadequate for their arrangement. The provision for State and local government workers limits tax deferral to no more than $7,500 or one-third of the worker's includible compensation for the year, whichever is less.

In response to my urging, the Treasury Department agreed to a higher maximum deferral amount equal to the maximum contribution limit under section 415(c) of the Code. That section sets the maximum contribution for defined contribution plans at the lesser of 25 percent of compensation or $25,000, as adjusted annually for cost-of-living increases since 1974; in 1980 the adjusted figure was $36,875. However, the Treasury insisted that a tax exempt organization to obtain the higher ceiling should provide pension benefits to rank-and-file workers. The Treasury proposed that tax exempt organizations seeking to use the higher ceiling, meet the nondiscrimination requirement under section 401(k) of the Code; in judging nondiscriminatory participation in the pension programs, all pension and annuity benefits would be weighed.

This subsequent proposal was reviewed by various tax exempt groups and it was rejected as setting too low a ceiling. The deadlock has produced the current situation where tax exempt organizations cannot maintain deferred compensation arrangements under the Code.

In the hope that the new administration might wish to evaluate this issue I have introduced a new bill. This new bill imposes no percentage or dollar limitation on compensation that may be deferred, nor does the new bill impose any nondiscrimination requirement on tax exempt organizations that wish to use this arrangement.●

By Mr. MATSUNAGA:

S. 241. A bill to amend the Employee Retirement Income Security Act of 1974 for the purpose of facilitating the investment by employee pension benefit plans in qualifying employer real property; to the Committee on Labor and Human Resources.

INVESTMENT BY EMPLOYEE PENSION BENEFIT PLANS

● Mr. MATSUNAGA. Mr. President, I am introducing today a bill to amend the prohibited transaction rules of the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA permits a qualified pension plan to invest in employer real property only if the investment is in multiple parcels which are geographically dispersed. This geographical dispersion rule was intended to safeguard plan investments; however, it is unduly restrictive.

In effect, the present rule allows investment in employer real property only for large plans with large employers. A small plan with an employer owning a single plant or office, cannot invest in employer real property.

Our recent experience in recession and inflation has demonstrated the wisdom of investing in real estate. Moreover, workers' ownership of the workplace enhances their sense of participation in the business. Plan ownership of the plant or office tangibly shows the workers' stake in the concern. This identity of interests stimulates productivity and the workers materially share in the growth of the business.

The acquisition and holding limitations for defined benefit plans, as well as the prudent man rule and exclusive benefit standard will still protect the plan's financial integrity. My bill would codify the safeguards now administratively applied.

I urge quick action on my proposal.●

By Mr. GARN (for himself, Mr. ABDNOR, Mr. D'AMATO, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. EAGLETON, Mr. EAST, Mr. FORD, Mr. GOLDWATER, Mr. GRASSLEY, Mr. HATCH, Mr. HATFIELD, Mrs. HAWKINS, Mr. HELMS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. JEPSEN, Mr. LUGAR, Mr. MCCLURE, Mr. NICKLES, Mr. PRESSLER, Mr. PROXMIRE, Mr. RANDOLPH, Mr. SYMMS, Mr. ZORINSKY, Mr. ANDREWS, and Mr. KASTEN):

S.J. Res. 17. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

RIGHT TO LIFE OF THE UNBORN

Mr. GARN. Mr. President, for the third consecutive Congress I rise to introduce a joint resolution proposing an amendment to the U.S. Constitution to protect the lives of unborn children and other human beings "irrespective of age, health, function, or condition of dependency." I am pleased to say that I am joined by many of our colleagues. When I introduced an identical joint resolution in the 96th Congress I was joined by 16 Senators; today, 28 Senators have added their names as original sponsors.

I believe the increase in cosponsorships signals the country's increasing understanding of the tragedy of abortion and the grand error of the Supreme Court. Today is the anniversary of the Supreme Court's abortion decisions of 1973. Today is the day that thousands will march in the Nation's Capital and millions will mourn. The marchers and the mourners remember the day seven Justices of the U.S. Supreme Court threw out abortion statutes from every State in the Union and substituted their own conception of due process of law. The Court's conception of due process of law did not, as we all now know, have anything at all to do with process.

It had everything to do with substance, and the due process clause became, in the hands of those to whom its interpretation had been entrusted, an empty vessel into which the Court poured its own conceptions of law, life, and morality. What the Court did has been properly characterized as an exercise in raw judicial power. One of the more excellent criticisms of the Court's opinions (John Hart Ely's "The Wages of Crying Wolf * * *") has carefully critized the interpretative methods of the Court and concluded:

> What is frightening about *Roe* [v. *Wade*] is that this super-protected right [of abortion] is not inferable from the language of the Constitution, the framers' thinking respecting the specific problem in issue, any general value derivable from the provisions they included, or the nation's governmental structure. Nor is it explainable in terms of the unusual political impotence of the group judicially protected viv-a-vis the interest that legislatively prevailed over it. And that, I believe, . . . is a charge that can responsibly be leveled at no other decision of the past twenty years. . . .

So, we have a Court which takes the phrase "* * * nor shall any State deprive any person of life, liberty, or property, without due process of law" and turns it into an abortion tract. But the Court is not content to create an abortion right that approximates any other right. The abortion right is exalted above all other rights, even those expressly guaranteed by the Constitution. Professor Ely shows that the Court affords the abortion right "a protection more stringent, I think it is fair to say, than that the present Court accords the freedom of the press explicitly guaranteed by the first amendment." First amendment rights after all must be set against other claims, the right to a fair trial for example. But the abortion right, created in whole by the 1973 Court without any reliance on the framers or the constitutional language the people agreed to ratify, is offset against no other claims. The unborn child whose very life is in the balance is disregarded.

The child's father has no rights which may be weighed against the woman's. The child's grandparents—when the pregnant woman is a minor—can have no say in whether their child will be aborted and their grandchild destroyed. The abortion freedom is, as near as I can tell, the supreme right guaranteed by the Constitution of the United States as presently interpreted.

Last term, by the narrowest of margins, the Supreme Court refused to order Congress to pay for abortions. The Court's opinion failed to mention article I, section 9 which prohibits money being "drawn from the Treasury, but in consequence of appropriations made by law." The Court's failure to rely on Congress power to tax and spend was a disappointment to me, but the point is that four members of the Court thought the abortion freedom was such a miraculous freedom that it could compel people opposed to abortion to pay for it—thus demonstrating that only abortionists and their advocates have freedom, opponents have only the freedom to pay up on demand—even when Congress, acting under express and exclusive grants of power in article I, had refused to provide appropriated funds.

When the Court "limited" the abortion freedom to this minimal extent, there was an outcry from the abortion lobby. Somehow the friends of abortion had concluded that the "due process clause" both guaranteed an unlimited abortion freedom and unlimited public funds to pay for the despicable practice. It is ironic that friends of the first amendment, and I count myself among them, would not presume to think that the express guarantees of the first amendment provide public funds for every protected practice.

The abortion freedom the Court read into the Constitution is frequently misunderstood and usually wrongly reported in the Nation's press. The Court rendered two abortion decisions on January 22, 1973, Roe against Wade and Doe against Bolton. In Wade, the Court held that "for the stage prior to approximately the end of the first trimester, the abortion decision and its effectuation must be left to the medical judgment of the pregnant women's attending physician." After the end of the first trimester, the State may regulate the abortion procedure in ways which are "reasonably related to maternal health." After viability, the State "may, if it chooses, regulate, and even proscribe, abortion except where it is necessary, in appropriate medical judgment, for the preservation of the life of the mother." In Bolton, the Court said that the physician's medical judgment "may be exercised in the light of all factors—physical, emotional, psychological, familial, and the woman's age—relevant to the well-being of the patient."

The Court sanctioned abortion on demand throughout the entire pregnancy. Prof. John T. Noonan, Jr., has summed up the abortion freedom this way:

> For the nine months of life within the womb the child was at the [pregnant woman's] disposal—with two restrictions: She must find a licensed clinic after month three [if the state chooses to license such facilities which it may do, but need not do]; and after her child was viable, she must find an abortionist who believed she needed an abortion. When the full dimensions of the liberty were realized, the liberty was little short of unlimited.

I hope our colleagues join today's cosponsors in overturning one of the great constitutional, moral, and factual errors of our time. The thrust of this human life amendment has been finely summarized by Richard Doerflinger:

> The simplest version of the human life amendment would say two things: (1) that all human beings are legal persons, regardless of age, health, or condition; (2) that human beings' offspring are also human beings, both before and after birth. The first statement is a simple reaffirmation of the human rights tradition celebrated by the Declaration of Independence; the second is a simple biological fact.
>
> I've been asking my fellow liberals this for a long time, with no straight answers, but I'll try one more time; which of these two features makes the human life amendment a kooky rightwing peculiarity? Is it the idea of inalienable human rights? or is it the idea of legislating according to the facts?

Mr. President, the Court made a tragic error, and it is past time to reverse it. I am pleased to join my cosponsors and millions of others throughout the country in calling for renewed reverence for human life.

● Mr. HATFIELD. Mr. President, few issues with which I have been involved have centered around questions as difficult as that of abortion. While some consider abortion to be a private and personal matter, I cannot accept such a simple treatment of the issue. A fetus is not simply a mass of protoplasm, it is an early phase of human life. That life, in all its fullness, is apparent from conception. Since the preservation of human life is one of the basic responsibilities of any society, I believe we must protect the sanctity of an unborn child's right to live.

I am pleased that today my colleague, Mr. GARN, is once again introducing Senate Joint Resolution 22, proposing an amendment to the Constitution for the protection of unborn persons. Each human being is vested with life, dignity and value at conception. The denial of that life is no less abhorrent than killing by terrorist violence, the suffering of our elderly and poor, capital punishment, or our mutual threat by nuclear destruction. We, as a society must seek justice for the newly-conceived, as well as freedom from want, fear, indignity, and societal judgment for their mothers. A just society will revere human life and protect the opportunity for every person to enjoy a meaningful and satisfying life.

However, to accomplish this noble goal, we must provide choices and support for those facing unwanted pregnancies. This is a fine time for caring dialog and understanding. We must explore creative solutions for a sharing of responsibility; individually, for our personal actions, and as a society, to work toward viable alternatives to abortion. We must provide encouragement in the form of tax incentives for families adopting unwanted children, child care programs for working parents, caring services for pregnant adolescents and teenage parents, and support for older women, who upon reentering the work force, find themselves pregnant.

Life is sacred, a great joy. A pro-human life stance, such as that embodied by Senate Joint Resolution 22 must begin with a belief in the ultimate worth of every life. Each of us has a responsibility not only for our own life, but for that of others. A way to begin is by protecting, caring for and nurturing the not yet born.●

● Mr. NICKLES. Mr. President and members of the Senate—I rise after giving serious thought and deliberation over the subject of my first statement on the floor of the U.S. Senate.

I am somewhat surprised that my first statement is not on free enterprise, inflation, or national defense—subjects which I am probably most comfortable with—however, I feel compelled to speak out in strong support of the so-called prolife amendment. I believe with the utmost conviction that we need a constitutional amendment to protect the lives of the unborn.

Our forefathers in the Declaration of Independence stated:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness—that to secure these rights, governments are instituted among men.

The very purpose of government creation was to protect our rights—our life, our liberty, our freedom—gifts that were not given by government—but by the grace of God as acknowledged by our forefathers so well only 204 years ago—but today we find our Government not protecting our God-given rights of life or liberty or even the pursuit of happiness—instead of protecting our rights to life our Government has become so misguided—so off-track as to not only legalize the killing of an unborn human being but we now even subsidize and finance the destruction of innocent human beings.

This practice which is commonly called abortion, or now a more acceptable phrase as termination of a problem pregnancy, must be stopped today before more innocent human lives are destroyed. The magnitude of the destruction of lives is almost beyond comprehension—an estimated 1.4 million per year—as estimated 8 million since the fateful 1973 Supreme Court decision.

The number of unborn children purposely destroyed last year alone was greater than the combined number of U.S. casualties incurred in World Wars I and II. The number of abortions last year was 28 times the number of automobile fatalities.

Our Government has passed laws protecting animals—should not we also protect the inalienable right to life for human beings? For only man was created in the image of God.

To become as our forefathers and President Reagan said—"one Nation under God"—I believe it is imperative that this Congress pass this amendment.●

● Mr. EAGLETON. Mr. President, I am pleased to join as an original cosponsor to Senate Joint Resolution 22, an amendment to the United States Constitution to protect human life.

The underlying political and moral philosophy of our country, embodied in the Declaration of Independence and the Bill of Rights of the Constitution, has long embraced the rights of individual human beings, the removal of discrimination, and above all, the protection of those who have no one else to protect them. Similarly, our legal tradition has long recognized the obligation of the civil law and of the courts to protect human life, and the inalienable rights associated with that life.

Against this backdrop of political, moral, and legal history, it is difficult to believe that our Nation's highest Court could have found it unnecessary to consider the humanity of the unborn.

I possess a reverence for the Constitution—one of the most remarkable and enduring products of the genius of man. It is not to be tampered with in whim, caprice, anger, or emotion. But as to life, the Constitution must speak with clarity. The Supreme Court has left us with no alternative but to seek, by established means, a constitutional amendment to protect and enrich the sanctity of life.●

● Mrs. HAWKINS. Mr. President, as a newcomer to this body, I approach the obligations of my office with a sense of solemnity and seriousness. It is appropriate that among my first official actions as a U.S. Senator is the cosponsorship of an amendment to the Constitution of the United States. Surely the proposing of such amendments is among the gravest responsibilities we have as Senators. It is further appropriate that the subject of this amendment touches on an issue basic to the existence of civil society; the nature of the beings making up that society.

I am sure that others today will discuss the court decisions which have imposed the need for this amendment; some will discuss the issues of biology and ethics which are involved here. I would like to address a slightly different subject, that of the popular conception of the state of abortion law in this country. It appears to me that many, many of our constituents have not been correctly informed about the present situation, and that when the situation is clarified much of the dispute about what to do about this issue disappears.

Mr. President, it is very easy to permit the debate over the issue of abortion to degenerate into name-calling. This is not a productive course, it seems to me. My efforts with respect to this issue will be devoted to attempting to find some common grounds on which we can agree and communicate. Certainly both sides feel strongly about the issue, and however it is decided there will be individuals placed in difficult situations, sometimes in crushing situations financially and emotionally. That reality has to be faced.

Nevertheless, the issue of abortion is not one where compromise is easy. I happen to feel that my own position, my own side of this issue is the correct one, and I will not yield on that.

Despite my assurances that my side is in the right, if I can term it so, I will not accuse, I will not impugn motives, I will not judge. My goal in the Senate and my goal here today is to instruct. It is my belief that the vast majority of the American people are simply unaware of the present state of abortion law in this country, and of the effect the issue of abortion is having on our basic institutions, governmental and family. When they are made aware, I believe they will demand a change. If the change demanded requires a constitutional amendment so be it. All of these avenues must be pursued, because of the gravity of the situation, and because it is intolerable. With that said, Mr. President, let me outline the present state of abortion law in the United States.

In 1973, the Supreme Court divided pregnancy into three trimesters. There was no particular reason to make divisions of that kind; they are meaningless medically, but it seemed convenient to the court to make the division, and so there it is. During the first of these trimesters the State can, under the decisions, impose no restrictions whatever on the right of a woman to terminate her pregnancy. Her husband need not be consulted; she cannot be required to go to a hospital; if she is a minor, she need not have the permission of her parents. In fact, her parents need not even be informed.

After the first 3 months the State can require that the abortion be performed in a licensed facility, put no other conditions can be attached. The right of election remains exclusively with the woman herself. No one else need be consulted and no other legal interest satisfied.

After the fetus achieves what the Court is pleased to call "viability," the abortion can be regulated. It cannot be prohibited. The interests of parents of minor children and husbands are still without legal protection, and no requirement can be imposed to assure that the woman—or child—understands the implications of the action she is taking. Some small steps can be taken to eliminate the most frivolous abortions by permitting a requirement that a doctor certify that the abortion is for reasons of "health." However, since "health" is defined in its broadest terms it is always possible for a woman to find a doctor or two to certify that delivery of the child would be harmful to the mother.

The Court's definition of the viability is interesting itself. It occurs, said the Justices, at the end of the second trimester, or perhaps at the end of the seventh month. The Court was not certain. Interestingly, viability itself is not a test of viability. Thus, infants have been born alive after 7 or 8 months and have lived, sometimes for days, without the slightest medical attention or concern. These are not births, says the logic of the Court, but "products of conception," and not to be accorded any rights whatever. Certainly they are not to have the right to protection of their lives. They are at the mercy of doctors whose interest is in promoting abortion. At best they may be left to starve; at worst, they may be disposed of more summarily. "Terminated," it is called.

And there you have it, Mr. President. At any time, from conception until after a live birth the developing child is afforded no weight at all in the scales against which the convenience of the mother is weighed. I am aware, Mr. President, that not all abortions are simply for the "convenience" of the mother. There are so-called "hard cases" of rape, incest, grave threat to the mother's health. But those who defend abortion simply must recognize that many abortions are simply for the convenience of the mother. Attendants in abortion clinics make that plain as they see young women come in for their third and fourth abortions; the newspapers make it equally plain as they talk of abortions because the child is of the wrong sex. If the rights of the unborn are not always to prevail, let us at least make plain that the unborn have rights, and that they must count for something in the scales.

And that is what the human life amendment proposes. It asserts in an unmistakable way the patent truth: That the developing fetus is a human being, and that human beings have rights, rights that cannot be crassly ignored or denied by the State.●

By Mr. GRASSLEY:

S.J. Res. 18. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

RIGHT TO LIFE

● Mr. GRASSLEY. Mr. President, today we mark the eighth anniversary of the Supreme Court's decision that has permitted the abortion of millions of unborn children over the years. It is a time to reflect on the significance of a legal system that permits the deaths of thousands each week. It is also a time to reflect on the hard work and success of those that have fought the battle against abortion thus far.

Today I am joining as a cosponsor to Senator GARN's proposed amendment to the Constitution that would protect the life of the unborn. I introduced virtually identical legislation 2 years ago on this date.

The joint resolution that I am introducing today is a simple reaffirmation of the human rights tradition celebrated by the Declaration of Independence. It affirms that all human beings are legal persons, regardless of age, health, or condition—including offspring, both before and after birth. The second article would allow abortions only to prevent the death of the mother. If passed by two-thirds of each House, the amendment would then be required to be ratified by the legislatures of three-fourths of the States within 7 years of enactment by Congress.

As you know, my commitment to right to life has not been a fleeting or expedient position. I have consistently supported right to life legislation since I first served in the House of Representatives, and have consistently opposed any Federal funding of abortions. In the first 6 years of my service in Congress I have voted repeatedly against Federal funding of abortions, and twice offered right to life amendments to the Constitution.

I have searched my soul and decided that this issue will determine, as several others, what we are as a people. I do not consider it a religious issue. I consider it a human issue, perhaps one of the greatest civil rights issues of all time. The right to life deals with the most defenseless, voiceless, and vulnerable of all humans beings—the unborn. The dimensions and significance of this issue are great. We have tolerated over 1 million abortions every year in this country. This is staggering waste of human life.

Our fight still continues in Congress. Significant support for right to life has emerged in the House. But the key battleground in the struggle has been the Senate. We have witnessed a crucial election this past November in the right-to-life movement. I have high hopes for the battles ahead with new support in the Senate and the administration.

And our fight is still continuing in the courts. Although the Supreme Court handed us a major victory in Harris against McRae upholding the constitutionality of the Hyde amendment, a technicality in the Court's ruling is permitting the funding of 1,000 abortions per week. Despite the Supreme Court overruling the low court, the Supreme Court decision is not effective until the district court reverses its decision and comes to a new decision consistent with the Harris opinion.

On this eighth anniversary, we should reflect on our success and prepare ourselves for the struggles ahead. We must resist a legal system whose procedures allow the destruction of innocent lives while the Harris case is being remanded. We must be vigilant to guard against further inroads contrary to each individual's right to life.

I recognize that some of my colleagues are among those Americans who view this issue from a different perspective. There is disagreement, but it is a difference of opinion between men and women of good will. There is no room in this controversy for those who give way to excesses of emotion and rhetoric, or who question the motives of those with whom they disagree. I look forward to a rational discussion and hope for a chance to turn this issue over to the people.●

By Mr. HELMS:

S.J. Res. 19. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life; to the Committee on the Judiciary.

RIGHT TO LIFE

● Mr. HELMS. Mr. President, the highest level of moral culture is that at which the people of a nation recognize and protect the sanctity of innocent human life. All nations in which freedom and justice have governed the affairs of the people have upheld this principle, giving it the highest priority in their laws and customs. Indeed, this principle is the bedrock of Western civilization—the one principle, above all others, which has distinguished free and democratic systems from the barbaric regimes of the past and the totalitarian systems today.

It is for this reason that abortion—the taking of innocent human life—has, until very recent times, been viewed as violative of this basic principle of the Western tradition. And it is no mere coincidence that the modern practice of abortion first appeared as a policy of government in Nazi and Communist dictatorships, where contempt for the dignity of human life is widely demonstrated.

Two hundred years ago, a great nation was founded on principles of human rights—the right of life, liberty, and the pursuit of happiness. These are the lofty principles which appear in one of the most important documents in history, the Declaration of Independence of the United States of America. Eight years ago, a dark shadow was cast over this document when the highest tribunal in the land, the Supreme Court, ruled that an unborn child in the womb is not a person entitled to the right to life. The decision has thrown America into a moral crisis.

Between 1967 and 1970, a number of States adopted liberalized abortion laws. During 1971, 30 State legislatures considered repealing their respective statutes, and every State rejected such proposals. In 1972, Connecticut adopted a more restrictive law, and the New York Legislature repealed its liberal statute—an act which was subsequently vetoed by Governor Rockefeller. Also in 1972, Michigan and North Dakota rejected liberalized abortion by wide margins in popular referendums. Clearly, the American public had refused to continue to accept liberalized abortion and perhaps had even decided that the earlier acceptance of such laws had been premature. However, in 1973, the Supreme Court removed consideration of the issues involved in this national abortion debate from the States and the public by its rulings in Roe against Wade and Doe against Bolton. Because of the absolute position taken by the Court in the abortion cases and its rigid adherence to, and indeed expansion of, that position in its subsequent opinions, it has become obvious that only a constitutional amendment will restore legal protection to unborn children in the United States. Furthermore, only the amendment process will return the issue of abortion to the people for resolution through the ratification procedure.

THE SUPREME COURT ABORTION CASES

In Roe against Wade, the Supreme Court invalidated a Texas statute which prohibited abortions except those necessary to save the life of the mother. In its companion decision, Doe against Bolton, the Court similarly invalidated as too restrictive a liberal Georgia statute based upon the Model Penal Code of the American Law Institute. The Georgia statute permitted abortion in circumstances where:

> (1) A continuation of the pregnancy would endanger the life of the pregnant woman or would seriously and permanently injure her health; or
>
> (2) The fetus would very likely be born with a grave, permanent, and irremediable mental or physical defect; or
>
> (3) The pregnancy resulted from forcible or statutory rape.

The Court ruled that the ability of the State to regulate abortion depends upon the stage of pregnancy at which such action is taken. During the first 3 months of pregnancy, a State may not interfere

with the abortion decision of the woman and her physician. During the next 3 months the State may adopt regulations regarding the abortion procedure, but only in ways related to maternal health. Only during the final 3 months of pregnancy may the State regulate abortion except when such action would interfere with the health of the mother.

The Court then made such distinctions meaningless, as a practical matter, by defining the health of the mother to include her "psychological as well as physical well-being." And by further instructing that the medical judgment of the woman and her physician be made in light of the physical, emotional, psychological, familial, and age factors relevant to the well-being of the mother. In short, the Court's definition of health resulted in abortion on demand being elevated to a constitutional right.

The Court based its decision on the recently articulated constitutional right of privacy. In the majority opinion, Justice Blackmun wrote:

> This right of privacy, whether it be founded in the Fourteenth Amendment's concept of personal liberty and restrictions upon state action, as we feel it is, or . . . in the Ninth Amendment's reservation of rights to the people, is broad enough to encompass a woman's decision whether or not to terminate her pregnancy.

However, aside from the issue of the woman's right to privacy, the other constitutional issue raised in the abortion cases related to the life of the unborn child and its constitutional protection. In determining the constitutional standing of the unborn child, the Court laid great emphasis upon the fact that "no case could be cited that holds that a fetus is a person within the meaning of the 14th amendment." It was further impressed by the use of the word "person" in the Constitution, finding that "it has application only postnatally" and by its view of prevailing abortion practices during the 19th century. One analysis of the Court's reasoning outlined its holding and commented as follows:

> Since the text of the Constitution itself does not define unborn as persons; and since American anti-abortion laws were once less restrictive than they became in the latter half of the nineteenth century; and since the courts have not before clearly upheld Fourteenth Amendment rights for the unborn—they do not have such rights.
>
> Curious reasoning for the modern Supreme Court. Has it hesitated, in the areas of civil rights, busing, apportionment and any number of others, to find "rights" not explicity mentioned in the Constitution; "rights" consistently abridged by any other court? The modern, activist Supreme Court has not hesitated to do all these things.

In part the Court reached its decision denying constitutional protection to the unborn upon its refusal to deal with the issue of the biological humanity of the unborn child. The Court maintained that—

> We need not resolve the difficult question of when life begins. When those trained in the respective disciplines of medicine, philosophy, and theology are unable to arrive at any consensus . . .

Doctors, philosophers and theologians, however, are generally agreed that "to be willing to kill what for all we know could be a person is to be willing to kill it if it is a person." This is the essential conclusion of the Supreme Court's abortion cases and as such it foreshadows danger for other groups of human beings whose humanity may at a future time be questioned by some advocates.

THE NEW LIBERTY UNDER THE 14TH AMENDMENT

The 14th amendment states that—

> No State shall deprive any person of life, liberty, or property without due process of law.

For the past 50 years, the Supreme Court has been broadly interpreting the word liberty contained in that amendment to include the liberties guaranteed by the Bill of Rights. Through the so-called doctrine of incorporation, the Court has taken it upon itself to incorporate nearly all of the Bill of Rights into the word liberty of the due process clause of the 14th amendment. In this manner, the Court has succeeded in nationalizing the Bill of Rights so as to make its provisions applicable to the States.

What is disturbing about the doctrine of incorporation is that it not only undermines federalism and the grand design of the Bill of Rights, but it also permits the Court, on its own authority, to interpret the word "liberty" in any manner that it chooses. The Court has advanced beyond the stage of interpreting the word "liberty" in light of the liberties guaranteed by the Bill of Rights to the point where it is now fabricating new liberties not contained in the Constitution.

In the abortion cases, seven Justices on the Court argued that the word "liberty" in the due process clause establishes a right of privacy and that this includes the right to have an abortion. The basis for this interpretation of the word "liberty" cannot be inferred from the language of the Constitution. It cannot be inferred from the legislative history of the 14th amendment. It cannot be attributed to the social customs of the American people. The abortion decisions, as a member of the Court itself declares, are simply an exercise in "raw judicial power."

JUDICIAL CITATION NOT INTERPRETATION

The Justices themselves openly admitted that this new right of privacy was a judicial creation. Justice Blackmun wrote:

> The Constitution does not explicitly mention any right of privacy.

Justice Douglas stated that—

> There is no mention of privacy in our Bill of Rights.

Justice Stewart maintained:

> There is no constitutional right of privacy, as such.

In his dissenting opinion, Justice White states:

> The Court simply fashions and announces a new constitutional right for pregnant mothers.

Justice Rehnquist also dissented saying:

> I have difficulty in concluding, as the Court does, that the right of "privacy" is involved in this case . . . Nor is the "privacy" which the Court finds here even a distant relative of the freedom from searches and seizures protected by the Fourth Amendment to the Constitution which the Court has referred to as embodying a right to privacy.

Many who support this type of judicial activism do so by maintaining that the Constitution is a living document and that the Court must be permitted to interpret it with the widest possible flexibility. To this proposition I respond by agreeing with Senator Sam Ervin that—

> When they say the Constitution is a living document, they really mean that the Constitution is dead, and that activist justices as its executors may dispose of its remains as they please. I submit that if the Constitution is, indeed, a living document, its words are binding on those who pledge themselves by oath or affirmation to support it.

One essential problem confronting an activist judiciary is when to stop, once it is admitted that any activity can be viewed as a liberty under the 14th amendment. Did the framers and ratifiers of the 14th amendment intend to deny personhood to the unborn? Such an interpretation flies in the face of the facts. There is not an ounce of evidence to support such an interpretation. Indeed the widespread adoption of State laws regulating and prohibiting abortion and the later judicial interpretations of these statutes as intending to protect the lives of unborn children suggest that the framers of the 14th amendment felt that the provisions of that amendment were consistent with such legislation.

FOURTEENTH AMENDMENT PROTECTS HUMAN BEINGS

The Roe against Wade and Doe against Bolton decisions are not the first time in American legal history that a Supreme Court ruling opposed the social and moral customs of a majority in American society. It was little more than a century ago that the Supreme Court handed down the decision of Dred Scott against Sanford. Arrogating to itself the awesome power of deciding who is a person in our society, the Court ruled that the free descendants of slaves could never be citizens and that slaves were not even persons under the law.

Not every member of the Court accepted this legal fiction; and Justice Benjamin Curtis deeply resented the attempt by the Court to impose an interpretation of the Constitution that was derived from nonlegal considerations. He stated that:

> Political reasons have not the requisite certainty to afford rules of judicial interpretation. They are different in the same men at different times . . . we are under the government of individual men, who for the time being have power to deduce what the Constitution is, according to their own views of what it ought to mean.

After much bloodshed and death, the Dred Scott case was finally reversed by the 14th amendment. No one would have dreamed in 1868 that the life and liberty guaranteed to all persons by the due process clause of the 14th amendment meant the right to have an abortion. Similarly, no one would have imagined that an

amendment designed to protect an oppressed minority in 1868 would be used in 1973 to remove another minority from the protection of the law.

Professor Joseph Witherspoon has observed that the intended reach of the 13th and 14th amendments would include the unborn child:

> The legislative history of these two amendments fully demonstrates that the central purpose of their framers was, indeed, to protect every class of human beings, including unborn children, with respect to their rights to life, liberty, and the pursuit of happiness. They intended to establish a definition or concept of human beings based upon biological reality and common sense or scientific truth. In their view, whoever is a human being in fact is a human being or person in law protected by these two amendments.
>
> The concept of person used in the Due Process and Equal Protection Clauses and the concept of human being embodied implicitly in the Thirteenth Amendment were precisely chosen or focused upon by these framers for the purpose of establishing this definition of the concept of person or human being, the two terms being thereafter wholly interchangeable with each other. It was their purpose by this definition to take away the power that had been exercised by legislatures, courts, chief executives, and administrative agencies in the past of treating or defining as a nonhuman being one who is a human being in fact or reality and by this sophisticated technique of legal devaluation divesting that human being of legislative and constitutional protections designed for human beings.

Clearly the intent of these amendments is to protect those who are human beings in reality against the attempts to define away their personhood through legal abstraction or other techniques. The legislators who adopted these amendments had uncontradicted evidence before them that the fetus was indeed a human being. In 1868, the very year in which the 14th amendment was submitted to the States for ratification, Dr. Horatio Storer wrote in his book, "Criminal Abortion," that—

> Physicians have now arrived at the unanimous opinion, that the foetus in utero is alive from the very moment of conception . . . (T)he willful killing of a human being, at any stage of its existence, is murder . . . (A)bortion is, in reality, a crime against the infant, its mother, the family circle, and society.

Moreover, the abortion cases are not only a subversion of the Constitution, they are also a subversion of our democratic system of government. They represent the Court's disregard for the customs of the American people and its willingness to impose its own view of wise social policy upon the people of this country, the States, and even the Congress. Abortion is not a social custom of the American people, nor has it ever been. The right to an abortion has never been held to be contained within the concept of ordered liberty implicit in the American tradition of justice.

THE RADICALISM OF THE ABORTION DECISIONS AND THEIR AFTERMATH

Justice Byron White, in his dissent against the abortion decisions, described the Court's action as "raw judicial power." An analysis of the firmly established precedents overturned and the method used by the Court in accomplishing this end makes clear the full force of Justice White's statement. The sweeping language of the abortion decisions means that human life has less protection in the United States today than in any country in the Western World.

Western man has opposed abortion as far back as 1728 B.C., when the Code of Hammurabi was promulgated. The Oath of Hippocrates, which we trace to ancient Greece, requires the doctor who is entering the practice of medicine to swear that, "I will not give to a woman a pessary to produce abortion." The Mosaic Law of the Old Testament exacts a severe punishment for someone who injures a pregnant woman and causes her to lose her child. The contemporary writings of the early Christian communities, such as the Teaching of 12 Apostles, states that—

> You shall not slay the child by abortions. You shall not kill what is generated.

Early Christian writers such as Clement of Alexandria, Tertullian, Cyprian, John Chrysostom, Jerome, and Augustine all condemned abortion.

Although historically there has not always been universal agreement regarding the necessity to protect unborn human life from abortion, there has definitely been an emerging moral imperative to do so beginning with the codes of Hammurabi, Moses, and Hippocrates. True, the Greco-Roman world was not unfamiliar with abortion. But neither was it unfamiliar with slavery, infanticide, torture, tyranny, and other similar perversions of human nature. With the emergence of the Judeo-Christian view of the nature, value and equality of each person, society strongly embraced the notion that the unborn person in the womb must be protected. Prof. John Noonan, in his comprehensive analysis of the history of abortion describes this attempt to protect unborn human life as "an almost absolute value in history." It is not an exaggeration to view the historical development of society's treatment of abortion as one toward greater protection of the child as society's understanding of medicine and biology as well as its regard for the value and equality of each individual increased.

Significant contemporary moral theologians continue this tradition of opposition to abortion.

For example, Karl Barth in his "Church Dogmatics" for the Evangelical Church writes:

> The unborn child is from the very first a child. It is still developing and has no independent life. But it is a man and not a thing, not a mere part of the mother's body . . . He who detroys germinating life kills a man.

And Rev. Dietrich Bonhoeffer defended the sanctity of human life amidst the turmoil of Nazi Germany in his book, "Ethics":

> Destruction of the embryo in the mother's womb is a violation of the right to live which God has bestowed upon this nascent life. To raise the question whether we are here concerned already with a human being or not is merely to confuse the issue. The simple fact is that God certainly intended to create a human being and that this nascent human being has been deliberately deprived of his life. And that is nothing but murder.

In his opinion, Justice Blackmun analyzed English common law and statutory law as well as American case law and statutory law. Detailed and comprehensive critiques of Mr. Justice Blackmun's reading of history have been made by many constitutional scholars and I do not intend to repeat them at length here. The underlining thrust of the Court's argument is that abortion was a right in England beginning with the 14th century and in America during the 19th century and as such is so fundamentally established by social and legal custom as to be somehow contained in the Constitution. After a lengthy examination of the Court's reasoning, Robert Destro, writing in the California Law Review, states that abortion "was never a right recognized by the common law, it cannot be considered to be a ninth amendment right retained by the people. The newly created right to procure an abortion is the creature of the substantive due process arguments and erroneous interpretations of history relied upon by the Court in Roe; it is not a right which may be characterized as 'so rooted in the traditions and conscience of our people to be ranked as fundamental.'" Elsewhere, Mr. Destro writes:

> The cases do not support the Court's interpretation. The Court's uncritical acceptance of an advocate's interpretation of the common law only served to confuse the issues and to rest an important constitutional holding on an erroneous historical foundation.

EARLY AMERICAN STATUTES

The first modern statute in Anglo-American law prohibiting abortion was the English Act of 1803. The first American statutes against abortion appeared in the early 19th century: Alabama, 1841; Arkansas, 1838; Connecticut, 1821; Illinois, 1827; Indiana, 1835; Iowa, 1839; the Kingdom of Hawaii, 1850; Maine, 1840; Massachusetts, 1845; New Hampshire, 1848; New York, 1828; Vermont, 1846; Virginia, 1848. By the end of the 19th century, almost every State had adopted statutes regulating abortion. Although it was alleged by Justice Blackmun in his opinion in Wade that the primary reason for such regulation was the protection of the mother, a close examination leads one to agree with Prof. Robert Byrn "that a major purpose—of these statutes—was the protection of unborn children without regard to age." Among these early statutes, the one adopted by Colorado was not untypical. In 1872, the Supreme Court of Colorado held that its abortion statute was "intended specially to protect the mother and her unborn child from operations calculated and directed to the destruction of the one and the inevitable injury of the other."

Many of these early statutes were adopted as a result of the reform activity of medical societies eager to see the law reflect medical knowledge concerning the unborn child. In 1859, the American Medical Association spoke out against abortion as the "unwarrantable destruction of human life." In 1867, the New York Medical Society condemned abor-

tion as "murder" regardless of the stage of gestation when the operation was performed.

On January 22, 1973, the people of all 50 States had statutes in force that regulated abortion. All of them, either in whole or in part, have suddenly become violations of the Constitution. A decision of the Court declaring an end to freedom of the press or the free election of the people's representatives would have as much basis in our legal heritage as the abortion decisions.

Some of the most notable constitutional scholars of the country have expressed shock and dismay regarding the reasoning employed by the Court in the abortion decisions. Prof. John Noonan of the University of California, Berkeley, has stated that—

> Nothing in long-established precedent, nothing in the traditions of our people, nothing in history justified the majority's interpretation of liberty.

John Hart Ely, professor of constitutional law at the Harvard Law School, has declared that Roe against Wade is a "very bad decision. It is bad because it is bad constitutional law, or rather because it is not constitutional law and gives almost no sense of an obligation to try to be." Prof. Harry Wellington, Phelps professor of law at the Yale Law School, rightly insists that the Supreme Court had "no such mandate" from the Constitution to establish this peculiar "concept of liberty in the 14th amendment." Prof. Charles Rice of the Notre Dame Law School has stated that Roe against Wade is "the most outrageous decision ever handed down by the Court in its entire history."

Prof. Robert Byrn of the Fordham University Law School is of the view that the Court's decision was premised on "multiple and profound misapprehensions of law and history." And Prof. Archibald Cox of the Harvard Law School finds that the Court failed "to lift the ruling above the level of a political judgment." Prof. Joseph Witherspoon of the University of Texas Law School has stated that the abortion cases "are unquestionably the most erroneous decisions in the history of constitutional adjudication by the Supreme Court."

DANFORTH CASE A DANGER TO FAMILIES

The abortion cases have also had a profound and radical influence upon decisions of the Federal and State courts in such areas as the marital relationship, parental rights, State and local public welfare programs, and the congressional appropriation power.

In Planned Parenthood of Missouri against Danforth, the Supreme Court recently struck down as unconstitutional a Missouri law which required that the consent of the husband be obtained before his wife could undergo an abortion unless the operation was necessary to save her life and that the consent of an unmarried minor's parents be obtained before she could receive an abortion. The Court made clear that it considered Danforth "a logical and anticipated corollary to Roe against Wade and Doe against Bolton."

In deciding that the State may not constitutionally require the consent of the spouse or a parent as a legal condition for obtaining an abortion, the Court in effect ruled that the right of the mother to abort her child is superior to that of the child's right to life, the right of the father to protect his child and that of the State to protect human life. Indeed, the decision in Danforth would suggest that the right of the woman to take the life of her unborn child through abortion is a constitutionally superior right to any other interest or combination of interests. Prof. Francis Canavan summarized the Court's holding as follows:

> The only admissible object of public policy, in the Court's jurisprudence, is protection of the mother's untrammeled right to decide on the life or death of her child. The law may show no bias in favor of life, even if the male parent wants to preserve it, but must zealously safeguard the female parent's right to kill it. But this legal indifference is a specious neutrality: a legal system that refuses to have, or is not allowed to have, a bias in favor of life winds up with a bias against it.

The Court's decision, however, reached beyond the issue of abortion and signaled a radical departure from traditional notions regarding the nature of the family. It marked the beginning of what could become a grave assault upon existing legal protection of marriage and the family.

The family as an independent institution within society, which in the past the State has sought to protect, simply was ignored by the Court in dealing with an issue which could only have a dramatic effect upon that relationship. In the Court's review, "(n)othing was involved but a conflict between individuals: wife against husband, unmarried minor against parent." Citing Eisenstadt against Baird, the Court stated that:

> The marital couple is not an independent entity with a mind and heart of its own, but an association of two individuals each with a separate intellectual and emotional makeup. If the right of privacy means anything, it is the right of the individual, married or single, to be free from unwarranted governmental intrusion into matters so fundamentally affecting a person as the decision whether to bear or beget a child.

This new constitutional standard leaves great doubt as to the constitutionality of much of the existing State regulation designed for the protection of the family. Indeed it is not unreasonable after Danforth to wonder whether the family does have continued legal existence, at least in those situations where an individual's action is sought to be limited to preserve the family unit. The treatment of marriage by the Court reflects a philosophy on the part of the Justices which views society as fundamentally atomistic. The radical autonomy and individualism of each citizen has displaced every other social institution except the power of the State.

The Court's opinion in Danforth, however, leaves unclear whether the right of the mother to bear her child is of equal superiority to her right of abortion. By substantially weakening the right of those who have traditionally protected the right to life in society, the Court's decision in Danforth when viewed in light of its prior holding on the abortion issue amounts to a questionable victory for individual liberty. In Roe against Wade, Justice Blackmun wrote:

> Appellants and some *amici* argue that the woman's right is absolute and that she is entitled to terminate her pregnancy at whatever time, in whatever way, and for whatever reason she alone chooses. With this we do not agree . . . In fact, it is not clear to us that the claim asserted by some *amici* that one has an unlimited right to do with one's body as one pleases bears a close relationship to the right of privacy previously articulated in the Court's decision. The Court has refused to recognize an unlimited right of this kind in the past . . . *Buck* v. *Bell*, 272 U.S. 200 (1987).

The case relied upon by the Court in maintaining that the individual's freedom to control her own body is not an absolute right involved a young girl named Carrie Buck whom the State required to be sterilized under a law requiring the mandatory sterilization of mentally defective persons. The Supreme Court ruled that the State could require the girl's sterilization while Justice Oliver Wendell Holmes observed that in her family's situation "(t)hree generations of imbeciles are enough." The Court's reliance upon Buck surprised many constitutional scholars who thought that the opinion's viability as constitutional principle had long ago ended. This revival of the constitutionality of a State's use of coercive methods of birth control to implement a eugenics policy and reduce its public welfare expenditures perhaps foreshadows increased attempts by the State to mandate population controls.

The Court's opinion on Danforth results in the contradictory situation where the husband's objection to his wife's intended abortion is of no legal significance due to the current constitutional holding that the husband does not possess an interest in his unborn child and the child does not possess a right to life. Yet, in the situation where the husband does not agree with his wife's refusal to permit a blood transfusion to save the unborn child's life, he may petition the Court to order such a transfusion on the basis of his interest in the child and supposedly also on the child's right to life.

A NEW ABORTION MENTALITY

Recently, the impact of these court decisions was brought sharply into focus by a report by the District of Columbia that abortions among residents during 1975 in that city for the first time exceeded births. And that approximately 85 percent of those abortions were performed at Government expense through either the city's free public hospital or the medicaid program.

Dr. Louis Hellman of the Department of Health, Education, and Welfare has estimated that the Department is currently financing between 250,000 and 300,000 abortions annually at a cost of $45 to $50 million. Elsewhere, it has been estimated that about 275,000 unmarried teenagers obtained abortions during 1974, many of which were financed through the medicaid program. The Center for Disease Control in Atlanta reports that the national abortion ratio increased from 6.3 per 1,000 live births in 1969 to 241.6 in 1974, the latest year for which national figures are available.

One major consequence of the abortion cases is that the practice of abortion has shifted from one used essentially as a last resort, in the so-called hard cases, to a primary means of family planning. In fact, certain studies indicate that abortion on demand will replace other methods of family planning. For example, a study of the abortion trends at Harlem Hospital Center in New York City by members of its own obstetrics and gynecology department found that in the years of 1962 through 1969, the number of abortions declined from 1,581 in 1962 to only 507 in 1969, the year before the implementation of the liberalized New York abortion statute. During the same time period, the number of family planning visits made by residents of the area increased from none in 1962 to 15,982 in 1969. The study itself concluded that "as family planning services expanded in our hospital and area, the number and severity of abortion cases declined significantly."

Another study of abortion in Hawaii, the first State to adopt abortion on demand, found that most of the women obtaining abortions under the new statute "were using it as a primary means of birth control, rather than as a backup to failed birth control." This dramatic upsurge in the number of abortions indicates the emergence of a new abortion mentality. Elsewhere, it has been suggested that this "abortion mentality is a dangerous communicable disease—one that spreads throughout a country once the abortion laws have been liberalized." The symptoms of this social disorder consist of a swift increase in the abortion rate, the acceptance of abortion as a commonplace medical procedure of no more gravity than other means of family planning, and finally the subsequent decline in respect for human life. This new abortion epidemic is nothing less than "a revolution against the judgment of generations."

Prof. John Noonan has outlined the principal consequences of the abortion cases as follows:

> First, the subversion of the structure of the family in that a father now has no protectable legal interest in its unborn offspring; second, the mandated public funding of abortion: so it is unlikely that a national health bill can be enacted, which constitutionally excludes abortion from the surgical services to be federally financed; and third, and worst of all, the unmaking of human beings, the acceptance of the principle that the law can say who is not a human being. All of our constitutional liberties are nothing if we can be defined out of the human species.

A CONSTITUTIONAL AMENDMENT IS NECESSARY

A constitutional amendment must be worded, like the Constitution itself, in terms of general principles. It is not a criminal code and should not be drafted in the detailed language of such a code in anticipation of every possible evasion or situation.

With this consideration in mind, I have proposed a constitutional amendment which provides as follows:

> The paramount right to life is vested in each human being from the moment of fertilization without regard to age, health or condition of dependency.

A number of other proposed constitutional amendments attempting to restore the right to life have been offered to remedy the Supreme Court abortion decisions. I, myself, offered amendments during each Congress since 1973. The Senate Subcommittee on Constitutional Amendments and the House Subcommittee on Civil and Constitutional Rights have held extensive hearings on many aspects of this complicated problem. I testified before the Senate subcommittee and spoke out on several occasions indicating that I was putting forth my amendments to stimulate discussion and criticism, and that they were not necessarily final drafts. After much reflection upon the differing criticisms that were brought out against the wording of my original proposal and against that of other amendments submitted, I am now persuaded that this amendment is a great improvement over every other proposal that has been considered. I firmly believe that it is an amendment which all Americans can unite behind in the common effort to end the destruction of innocent human life in the United States.

Today the central and primary issue threatening the absolute sanctity of human life is abortion. However, one should not expect that by the time the long process of ratification is completed, abortion will remain the central threat to the sanctity of human life. It is very possible that besides abortion, euthanasia, eugenics, human experimentation, and other problems resulting from future scientific developments will equal or surpass abortion as a threat to human life. Therefore, it is necessary that whatever amendment is adopted be one that protects human life in the most complete sense and not one limited exclusively to the problem of abortion.

STATES' RIGHTS AMENDMENT DEFICIENT

It has been suggested that a constitutional amendment which removes Federal court jurisdiction from the issue of abortion and allows the States to be the final arbiter on the subject is the most desirable resolution of the abortion controversy. Such a proposal is deficient in several aspects. Essentially, such an amendment will not answer the central issue of the abortion debate—are we as a nation going to legally protect unborn human life?

The so-called States' rights amendment establishes as a constitutional principle that the intentional destruction of innocent human life is legally proper since it would permit the adoption of State statutes consistent with the Supreme Court decisions. This is not a compromise of the prolife and proabortion positions. It is in fact the adoption of the proabortion position. Second, such an amendment is not broad enough to include other problems concerning the value of human life in American society which may indeed surpass abortion by the time such an amendment is ratified.

On the surface, it would appear to be an attractive and easy solution to turn this problem back to the States. Yet, it is simply wrong in principle to subject the right to life of innocent human beings to the variant determinations of different legislatures. The right of innocent life is inviolable. And it is indivisible. Moreover, the situation today is not the same situation as before the Supreme Court acted. Despite the due process and equal protection clauses of the 14th amendment—which would seem on their face to protect the lives of all persons—the Court attacked the rights of the unborn by narrowly defining "person." The States' rights amendment does not disturb the Supreme Court's decree that the unborn child is a nonperson.

Since the States' rights amendment does not overrule the Supreme Court rationale that the child in the womb is a nonperson, there is nothing in such an amendment to prohibit a State court from adopting the reasoning of the Supreme Court to reach the same conclusion. It is likely that a State court could consider itself at least implicitly bound by that Supreme Court interpretation of what due process means.

The State court, therefore, could conclude that the child in the womb is a nonperson under the due process clause of the State constitution, just as he is now a nonperson under the 14th amendment. Since the unborn child is a nonperson, the State court might very well conclude that a State law restricting abortion would infringe the mother's right of privacy and would therefore be invalid as a violation of the due process clause of the State constitution.

Those who favor abortion would have every reason to support the States' rights amendment. Those who believe that the killing of the unborn is incompatible with our constitutional freedoms would be bitterly disappointed if the amendment became law. By failing to overturn the truncated definition of person set up in Wade, such an amendment would leave the Supreme Court's doctrine permanently engrafted in our constitutional law, with its implications against the lives of the unborn, the aged, and the incapacitated.

No decision of the Supreme Court has so profoundly affected American society as have the abortion cases since the Dred Scott case. And just as American society refused to exist as half slave and half free, it will not accept the position that it exist where the sanctity of human life is protected in some States and threatened in others. The American people will not accept a second Missouri Compromise in regard to the right to life.

PERSONHOOD

The essential purpose of any human life amendment is to insure that all human beings enjoy the protection of the right to life. This can be accomplished by establishing the principle that all human beings are considered "persons" with respect to the right of life under the protective due process clause of the 5th and 14th amendments.

The Supreme Court itself directs us to this point in Roe against Wade where the Court states:

The appellee and certain amici argue that the fetus is a "person" within the language and meaning of the Fourteenth Amendment. In support of this they outline at length and in detail the well-known facts of fetal development. If this suggestion of personhood is established, the appellant's case, of course, collapses, for the fetus' right to life is then guaranteed specifically by the amendment.

If personhood is established by a constitutional amendment, then the Supreme Court itself admits that the right to life of the unborn child will be protected.

It is important that the beginning of life, and therefore the beginning of the constitutional protection of that life, be defined with precision and clarity by any proposed amendments. Our scientific knowledge today is sufficient to provide such a definition. To be consistent with that knowledge, the amendment language must not be so loose or general that the way is opened for arguments that the period of protected life should be shortened for the sake of convenience. On the other hand, it is not necessary to encumber the unborn child with all of the constitutional rights of an adult. The human life amendment's essential intended effect is limited to the right to life.

The substance of my amendment is that it makes the unborn child a person only with respect to the right to life guaranteed in this Constitution. Thus, only the right to life becomes a consitutional right. Other rights could be assigned to the unborn by legislation or judicial interpretation, as seen by the large body of law on inheritance and tort claims. But such laws are not mandated by my amendment. The amendment would allow for the further development of laws consistent with pre-Wade judicial thinking. For example, Dean William Prosser summarized the tort law regarding the unborn child's right to recover for an injury sustained before birth as follows:

So far as duty is concerned, if existence at the time is necessary, medical authority has recognized long since that the child is in existence from the moment of conception and for many purposes its existence is recognized by the law . . . So far as causation is concerned, there will certainly be cases in which there are difficulties of proof, but they are no more frequent, and the difficulties are no greater, than as to many other medical problems. All writers who have discussed the problem have joined in condemning the old rule, in maintaining that the unborn child in the path of an automobile is as much a person in the street as the mother, and in urging that recovery should be allowed upon proper proof.

At the same time, it is clear that an unborn child under my amendment would not be subject to census, registration, passports, taxation, and other such requirements imposed upon residents of the United States. Our laws take notice of the age of citizens and make reasonable distinctions based upon such considerations. For example, broad distinction is made between adults and minors; and even minors are subdivided according to mental responsibility. Yet, all enjoy the fundamental right to life which is just as reasonably accorded to the born and the not yet born.

WHEN HUMAN LIFE BEGINS

My amendment clearly states that life begins at the moment of fertilization.

In seeking to protect human life, the amendment language must relate to our present scientific knowledge. Although the amendment's protection is in part dependent upon the accepted findings of science, the determination of when human life should be constitutionally protected cannot be left to depend totally upon a scientific judgment.

In arriving at the determination of when human life should be legally safeguarded, the word "fertilization" is the most scientific and unambiguous one that can be employed while still maintaining the greatest legal protection. The biological evidence clearly establishes that the fertilization of the egg is the beginning of human development. Gideon Dodds writes in his textbook, "The Essentials of Human Embryology" that the "fertilized egg is the beginning of a new individual." Jan Langman states in his book, "Medical Embryology," that "the development of a human being begins with fertilization."

The fertilized ovum is genetically complete and independent of the mother. Prof. Jerome LeJeune observes in "Ethical Issues in Human Genetics" that "if a fertilized egg is not by itself a full human being, it could never become a man, because something would have to be added to it, and we know that does not happen." The human life that begins at fertilization is a continuum, unbroken at any point by radical change. William James Hamilton states in his textbook, "Human Embryology," that "there are no essential differences between prenatal and postnatal development; the former is more rapid and results in more striking changes in shape and proportions; but in both, the basic mechanisms are very similar if not identical."

The word "moment" in the amendment makes it clear that a given point in time is legally established. If the language of the amendment should allow for a "process of development" standard, then an interpretation of that language could set any point in that process, such as implantation, "viability," or even birth, as the point at which the protection of life begins. Indeed a court implementing that language would be forced to judicially determine at what stage in the process of development legal protection would be granted. It is simply not enough to protect each person at every state of his biological development unless we know with certainty at what stage human development begins.

ABORTION TO SAVE THE LIFE OF THE MOTHER

Once the principle of the primacy of life of every human being has been established, the problem will arise of the so-called hard cases in which pregnancy places the life of the mother in danger. Today, such cases exist as medical rarities. Although convincing evidence indicates that abortion is no longer medically required in these cases, it would be unfortunate to amend the Constitution in such a way that a doctor attempting to care for his patients is placed in legal jeopardy. It would also be unfortunate to amend the Constitution in such a way that an exception clause to provide for these hard cases would allow widespread abuse under the cover of law. The resolution of this problem has been a principal aim of my amendment.

My amendment contains no specific exception clause because such a clause is not necessary. As the amendment is presently drafted, the difficult cases can be handled under traditional concepts of due process and equal protection of the laws.

State criminal laws have long recognized the legal principles of self-defense and necessity or choice of evils without their specific incorporation into the Constitution. Certainly, they form a part of the American legal tradition which predates the Constitution itself. At times these doctrines have been held to be contained within the due process clause of the Constitution; but the silence of the Constitution on these principles has not detracted from their vitality. There is no reason to suppose that a similar resolution of the problem of procedures to save the life of the mother would not be developed by the States.

Although this amendment definitely prohibits abortions in every case where the mother's life is not at stake, it is not intended to invalidate future laws in the States which permit procedures to save the life of the mother.

This amendment leaves the difficult cases to be determined by an even-handed application by the courts and State legislatures of constitutional principles applying to all human beings. It establishes the basic life principle, that the destruction of the child in the womb is a violation of every human being's constitutional right to life. The amendment would, however, insure equal protection. Nor is it intended to prevent State legislatures and courts reviewing State laws from continuing to regard abortions to save the life of the mother as a matter of self-defense and therefore legally justifiable according to the general principles of self-defense that apply to all human beings. The amendment takes cognizance of substantive due process as it has been developed in Anglo-Saxon jurisprudence. Although the amendment does not encourage exceptions, it admits to exceptions in the light of legal precedents, such as "the doctrine of necessity," established in rare and unusual circumstances.

Not every abortion, of course, results in the death of the child; controversies are in the papers daily about the efforts or lack of efforts to insure the survivability of such children outside the womb. For example, a recent survey of major medical centers by the Washington Post discloses that premature babies weighing under 2 pounds at birth now have over a 60-percent chance of survival.

The University of Colorado Medical Center reports that 66 percent of the babies born there at 27 to 28 weeks of age are surviving as compared with 2 years ago when the survival rate was only 10 percent.

Dr. Watson Bowes, chief of obstetrics and gynecology at the Colorado Center attributes this development to a change in attitude on the part of doctors caring for these infants. In the past, he said:

We felt there was so little chance of a baby (so small) surviving that we didn't put any effort into it. These were cases that we felt we were going to (in effect) abort. (Today,) we are being more aggressive. We're doing things for these tiny, little babies that we've always done for the bigger babies.

Reports from other hospitals confirm that this apparent breakthrough in survival rates for premature infants is not the result of new developments in medical technology, but "because obstetricians are beginning to realize that they can survive, and are expending the same effort to save these tiny babies that they expend to save an infant born at full term." Although this study is certainly not conclusive, it does strongly suggest that the medical evidence relied upon by the Supreme Court in its abortion cases is not out of date.

Indeed, this new ability to save such premature babies leads to the further question of whether the abortion procedure must terminate a pregnancy by causing the death of the child. Dr. Andre Hellegers, director of the Kennedy Institute for the Study of Human Reproduction and Bio-Ethics, raises the central question regarding later term abortions:

In the process of abortion do you subsume that the mother has a right to the death of the fetus; or is abortion only to be seen as a process of separating the mother and the fetus in the resolution of a conflict of interest.

My amendment would be consistent with State laws permitting the premature termination of a pregnancy where the life of the unborn child is not threatened by such a procedure.

ABORTION AND MATERNAL DEATH

Opposition to the human life amendment often rests upon the assumption that anything less than abortion on demand will result in an epidemic of abortion-related maternal deaths.

For example, estimates that 5,000 to 10,000 women died each year from illegal abortion before the abortion cases are frequent. However, studies of the problem have reached different conclusions.

Dr. Alex Barno reported in a study of Minnesota cases that if the 10,000 figure were correct, Minnesota's share would be 200 per year. Instead, the average number of deaths in Minnesota due to criminal abortions during the study period was 1.3 per year. If this number were projected to the country as a whole, the average number of illegal abortion deaths would be 65 per year.

This projection is relatively consistent with the finding of the Center for Disease Control in Atlanta which reported that 48 women died of complications of abortion in 1974—the most recent year for which figures are available. Legal abortions accounted for 24 of those 48 maternal deaths, spontaneous abortions, for 18 deaths, and illegal abortions for only 6 deaths. The specter of an epidemic of maternal deaths due to illegal or "backroom" abortions is simply unfounded.

Neither does abortion on demand reduce maternal deaths. The number of maternal deaths from abortion has steadily declined from 1942 when there were 1,231 abortion-related deaths. By 1962, when the American Law Institute's model penal code was proposed with its abortion on request provisions, but before it had been adopted by any State, maternal deaths were reduced to 305 for the year.

In 1967, the year preceding the first major liberalization of State abortion laws, maternal deaths had been reduced to 160. And during the period of 1968 through 1971, that is during the period when liberalized abortion laws adopted by 16 States became effective, the number was reduced from 133 deaths in 1968 to 120 in 1971.

STATES WILL DETERMINE EXCEPTIONS

The question of to what extent the human life amendment would allow medically necessary procedures to save the life of the mother is one of constitutional and criminal law. However, the rise to the exception is one of fact to be determined by State legislatures, courts, and medical communities.

In the past, some in the medical community maintained there were far more medical situations necessitating abortion to protect the mother's health than exist today.

With the recent developments in medical procedures concerning such threatening conditions and the tendency to treat the unborn child as a patient, the necessity for abortion has been greatly reduced. While not being an expert in the field, I would not venture to say that the evidence is conclusive, but the evidence does show that medicel science has all but eliminated the necessity for abortion.

For some time, pregnancy was thought to be a great risk to patients suffering with heart disease; yet recent advances in treatment make "therapeutic abortions due to heart disease now rare compared to 20 or 30 years ago." Today, some experts maintain that "any patient with heart disease seen early enough to be aborted was seen early enough to be carried successfully through the pregnancy if she would abide by certain rules."

Renal—that is, kidney—disease is sometimes listed as a justifiable reason for abortion. Hereto, developments in treatment, namely with antibiotics, have substantially reduced abortion in these circumstances. For patients suffering from severe or progressive kidney deterioration, the effects of pregnancy on the disease may aggrevate that deterioration; and hence, abortion has been recommended by some physicians.

Pulmonary tuberculosis was once considered an indication for abortion: however, "pregnancy does not affect the course of the disease, nor is the course of the disease improved by abortion." Today, tuberculosis is no longer a reason for abortion. The effect of pregnancy upon various forms of cancer or diabetes is still unclear, and further study is needed to determine whether abortion is really medically indicated in these situations. However, some types of cancer mandate the removal of the uterus and hence the fetus. Neurologic diseases, such as multiple sclerosis, epilepsey, and muscular dystrophy are "sometimes made worse by pregnancy." As a general proposition, their effect is still considered unpredictable. There is insufficient evidence to conclude that these diseases increase the woman's risk during pregnancy.

Presently, there is general agreement in the medical community that removal of the fetus is indicated in cases where the fetus is dead or has been reabsorbed, where cancer or a tumor necessitates the removal of the uterus, and where implantation has occurred outside the uterus, as in an ectopic pregnancy. Although some of these cases require procedures to terminate a pregnancy, they are not usually considered as abortions. For example, an ectopic pregnancy is usually treated as an emergency requiring major abdominal surgery.

Psychiatric or emotional disorders have in the past been cited as reasons for abortion. Presently, the weight of scientific authority indicates that such disorders do not require abortion as a solution. For example, Dr. Samuel Nigro, professor of psychiatry at Case Western Reserve University School of Medicine writes that:

(t)here are no clear-cut psychiatric indications for therapeutic abortion.

Dr. Irving Bernstein, professor of psychiatry at the University of Minnesota Hospital, states that:

(f)rom the psychiatric point of view of the psychiatrist, there are no indications for recommending therapeutic abortions.

He summarized his testimony before the Senate Subcommittee on Constitutional Amendments as follows:

In summary, there are no psychiatric indications for therapeutic abortion because (a) therapeutic abortion is not effective treatment for the patient or for the situation; (b) abortion will not solve the "battered child" syndrome problem; (c) suicide is less of a risk in pregnant women than in non-pregnant women; (d) it is impossible to predict who will develop a post-partum psychosis; (e) therapeutic abortion has its own psychiatric morbidity; (f) adequate treatment methods are available to handle psychiatric difficulties occurring during pregnancy.

Many physicians find that there are no medical conditions which require abortion as a treatment. Since none of these conditions can be improved or cured through abortion, they maintain that this procedure results only in the death of the unborn child with no medical benefit to the mother. Dr. Roy Heffernan of Tufts University has stated that "anyone who performs a therapeutic abortion is either ignorant of modern medical methods or unwilling to take the time and effort to apply them." Dr. David Wilson maintains that "proper management will permit a successful termination of pregnancy regardless of the physical and mental diseases of the patient." Even such a steadfast proponent of abortion on demand as Alan Guttmacher states that—

It is possible for almost any patient to be brought through pregnancy alive unless she suffers from a fatal illness such as cancer

or leukemia; and if so, abortion would be unlikely to prolong, much less save life.

ABORTION IS DANGEROUS TO THE MOTHER

Alongside the social and legal consequences of abortion, the individual medical and psychiatric consequences of the procedures are also hazardous. Whatever personal advantages some may claim for abortion, the serious consequences of the procedure very often offset any claimed benefits. One leading gynecologist states that:

(t)here is now ample evidence to show that abortion is neither safe nor simple. The long-term complications alone condemn its use as a contraceptive method.

Another study of the long-term effects finds that:

Especially striking is an increased incidence of ectopic pregnancy. Furthermore, as noticed recently, a high incidence of cervical incompetence results from interruption of pregnancy that raises the number of spontaneous abortions subsequently to 30-40 per cent.

A British study of the effect of abortion on subsequent pregnancies recommended that:

Any patient who has a previous history of an abortion should be regarded as a high risk patient.

The psychological complications resulting from abortion are also significant. The scientific study group of the World Health Organization reports that there is "no doubt that the termination of pregnancy may precipitate a serious psychoneurotic or a psychotic reaction in a susceptible individual." Other studies find that abortion "even if therapeutic, may in itself produce a psychosis" and that abortion "frequently carries with it a degree of emotional trauma far exceeding that which would have been sustained by continuation of pregnancy."

Prof. Alfred Kotasek, chief of the department of gynecology and obstetrics at Charles University, Prague, Czechoslovakia, reported to the Fourth International Congress on Perinatal Medicine in 1975 that the medical complications following first trimester abortions were: First, immediate complications: death, excessive blood loss, injuries to the cervix, perforation of the uterus; second, early complications: fever, bleeding, retained products of conception, infection, "the postabortal pain syndrome"; third, late complications: chronic inflammation, menstrual disorders, psychological complications, sterility; fourth, complications during subsequent pregnancy: extra-uterine pregnancy—that is, ectopic pregnancy—cervical incompetence—spontaneous abortions—perinatal mortality—still birth—premature births, hemorrhage during pregnancy, longer average duration of labor. Professor Kotasek also reports that mid-trimester abortion is "three to four times more risky than early abortion."

PROHIBITS FETAL EUTHANASIA

Although the human life amendment would allow a resolution of the problem of a pregnancy threatening the life of the mother consistent with traditional legal and ethical thinking, it would not allow abortions for purposes of eugenics or euthanasia. "Fetal euthanasia" is sometimes advocated as a solution to Tay-Sachs disease or when the mother has had rubella in early pregnancy.

Dr. Watson Bowes of the University of Colorado Medical Center has observed that such a proposal amounts to "treating a disease by killing the patient with the disease." Some have described abortion in these circumstances as nothing less than euthanasia. But the practice of abortion is in these cases substantially different than the practice of euthanasia. Here the life of the patient is terminated not because he is in great pain or has contracted a fearful, terminal disease, but only because it is probable or even just possible that he may contract the disease.

Often, perfectly normal and healthy children are aborted for no more reason than that they might inherit a disease or condition. For example, one study of "therapeutic" abortions done because the mother had contracted rubella during pregnancy "found no evidence of the disease in 32 percent" of the unborn children, while others who had the disease would have recovered and been born normal.

According to Jerome Lejeune, professor of genetics at the Medical College of Paris, France; Tay-Sachs disease could be prevented entirely by simply discovering which people carry that specific genetic trait and encouraging them not to marry a person with the same trait. That certainly would be a more humanitarian solution to the problem than killing unborn children suspected of having the disease.

An exception clause contained in the human life amendment to provide for the legalization of abortion in the case of rape is both unnecessary and unenforceable. After the proper and normal medical treatment for rape has been obtained, the possibility of pregnancy is nonexistent. And even when the woman has not received treatment a number of medical studies of pregnancy resulting from untreated rape found that such pregnancies are exceedingly rare. Studies of the actual number of pregnancies resulting from rape in several American cities indicate that, as a practical matter, the problem does not exist. A 1969 study of pregnancies resulting from rape in Buffalo, N.Y., found that there were no pregnancies from confirmed rape in over 30 years. A study of 3,500 cases of rape in Minnesota also reported no resulting pregnancies. Dr. Carolyn Gerster observes that there are two irrefutable arguments against making an exception in the case of rape:

(1) Pregnancy from reported, medically treated rape is zero—rendering the exception clause unnecessary. (2) Unreported rape—after all evidence of penetration has disappeared and without corroborating witnesses—cannot be proved rendering the law unenforceable.

Hopefully as a consequence of this prohibition of abortion in cases of rape, victims will be encouraged to seek medical attention and report offenses, thus reducing the great number of estimated cases which go unreported. Hopefully too, this increased attention will lead to improvements in society's treatment of the rape victim. A society which promotes justice as well as compassion, will support more severe penalties for the rapist and more humane treatment for his victim rather than encourage the killing of the innocent child conceived during the criminal act of another.

STATE AND FEDERAL JURISDICTION

Upon adoption of a human life amendment, the Federal Government would not preempt the power of States to prohibit abortion, prescribe penalties, or regulate abortion procedures and facilities. States would continue to act in the fields of State interest. Section 2 of my amendment preserves the concurrent jurisdiction of Congress and the States over abortion and recognizes the fact that the regulation of abortion is primarily a State responsibility.

The Federal Government could act to outlaw interstate commerce in drugs, instruments, and equipment used for abortions, as well as the use of interstate commerce to procure an unlawful abortion. However, any Federal action promoting abortions, including funding of actual abortions, use of Federal facilities or personnel, and research on abortions, particularly research that involves clinical testing, would be clearly a violation of the constitutional rights of the unborn.

The States in turn would have similar powers in regulating abortions under their criminal codes. They would again have the power to delineate spheres of culpability with regard to those who participate in abortions. They would have the authority to prescribe penalties and enforce criminal statutes against abortion.

Although the human life amendment requires that abortion done for reasons other than to save the life of the mother be treated as a serious crime, it does not require that such abortions be considered as first degree murder.

Since abortion is the taking of a human life, it would constitute a homicide. However, just as State criminal codes treat different types of homicides differently, the States would be able to grade the crime of abortion on the basis of the circumstances accompanying the act, such as the intent of the mother, her emotional situation, and other relevent factors. Whether the killing of an unborn child is to be treated as an offense equal to that of killing a child after birth is a legislative judgment. And nothing contained in the human life amendment would prohibit treating these acts as different degrees of homocide. As Prof. Robert Byran has stated:

The purpose of a Human Life Amendment is not to legislate degrees of homicide, nor will that be its effect.

CONCLUSION

An amendment to the Constitution is not something to be undertaken lightly, or to be interposed every time one is dissatisfied with a decision of the U.S. Supreme Court. But we are dealing here with an issue so basic and so essential to our rights that it cannot be sidestepped without drastic impairment to the whole range of our freedom and responsibilities as embodied in the Constitution. As Prof. Archibald Cox observed in his recent work on the Supreme Court, its abortion decision "fails even to consider what I would suppose to be the most important compelling interest of the State in prohibiting abortion: the interest in maintaining that respect for the paramount sanctity of human life which has always been at the center of Western civilization." The right to life is the very precondition of all our other rights. If the right to life is diminished or restricted, every other right is open to attack. If we wish to preserve our fundamental American freedoms, then the right to life must be inviolable.

Mr. President, I ask unanimous consent that the text of my joint resolution be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S.J. RES. 18

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress—

"ARTICLE XXVII

"The paramount right to life is vested in each human being from the moment of fertilization without regard to age, health, or condition of dependency."●

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MATHIAS, the Senator from Indiana (Mr. LUGAR), the Senator from Maine (Mr. COHEN), the Senator from Arkansas (Mr. PRYOR), the Senator from North Dakota (Mr. ANDREWS), the Senator from Illinois (Mr. DIXON), the Senator from Georgia (Mr. MATTINGLY), and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 35

At the request of Mr. BURDICK, the Senator from North Dakota (Mr. ANDREWS) was added as a cosponsor of S. 35, a bill to modify the authorization for the Burlington Dam, Souris River, N. Dak., contained in the Flood Control Act of 1970, and for other purposes.

S. 36

At the request of Mr. BURDICK, the Senator from North Dakota (Mr. ANDREWS) was added as a cosponsor of S. 36, a bill amending the conveyance of property to Mountrail County Park Commission, North Dakota, and for other purposes.

S. 54

At the request of Mr. HAYAKAWA, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 54, a bill to repeal the provisions of title 23, United States Code, requiring a national maximum speed limit of 55 miles per hour.

S. 75

At the request of Mr. WALLOP, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) was added as a cosponsor of S. 75, a bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations.

SENATE CONCURRENT RESOLUTION 3—CONCURRENT RESOLUTION RELATING TO INTERNATIONAL YEAR OF DISABLED PERSONS

Mr. DOLE (for himself, Mr. HATFIELD, Mr. RANDOLPH, Mr. STAFFORD, and Mr. MOYNIHAN) submitted the following concurrent resolution; which was referred to the Committee on Labor and Human Resources:

S. CON. RES. 3

Whereas a new era in recognition of human rights and universal respect for these rights has begun;

Whereas the United Nations General Assembly has declared 1981 as the International Year of Disabled Persons;

Whereas the United States has made great strides during the last decade in improving the lives of 35 million American citizens with physical and mental disabilities;

Whereas there is still much to be done to open doors for disabled persons; and

Whereas the United States recognizes the need for further progress in strengthening public understanding and awareness of the needs and aspirations of disabled persons: Now, therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should take all steps within his authority to implement, within the United States, the objectives of the International Year for Disabled Persons (1981), as proclaimed by the United Nations General Assembly Resolution 31/123 of December 16, 1976.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. DOLE. Mr. President, during the early days of the 97th Congress, I think it would be appropriate to focus attention on the significance of the year 1981, which the United Nations has proclaimed "The International Year of Disabled Persons." For this purpose, I am submitting a concurrent resolution, along with Senators HATFIELD, RANDOLPH, STAFFORD, and MOYNIHAN, that will hopefully serve to reinforce an awareness of the needs of handicapped citizens here in the United States, while urging both Houses of Congress to concentrate their efforts on possible legislative initiatives that will further assist disabled Americans in their movement to join the mainstream of our society. I can think of no more worthy beginning for a new administration than to enter office during a year that has been designated to highlight the potential contributions of 35 million Americans who remain one of our most underutilized natural resources.

As we set the goals we hope to accomplish during the 97th Congress, we should keep in mind any opportunities that present themselves which will lead to further progress in opening doors within our society for the participation of handicapped individuals. The time has come to fully recognize the potential contribution that 35 million Americans can make, once their path to opportunity has been facilitated.

NEED FOR FURTHER PROGRESS IN REMOVAL OF BARRIERS

For all too long, we have concentrated our awareness on the limitations of disabled people, without fully giving them a chance to demonstrate what they are capable of doing. One of the major efforts of the past decade has been to eliminate the obstacles which have prevented the handicapped from circulating freely in the society in which they live and seek to participate. Ambitious accessibility projects allow the disabled increased access to buildings and transportation services which has previously been denied to them.

While physical barriers are steadily being eliminated, there continues to exist a significant attitudinal obstacle which the handicapped must face. A misunderstanding of the diversity of specific handicaps, as well as individual needs has all too often led to prejudice and discrimination. In the work place, this translates into an unwillingness to recognize the abilities of the handicapped, along with an exaggerated idea of the type of accommodation which they require in order to function effectively.

U.S. PARTICIPATION IN IYDP

Mr. President, I realize that it is difficult to legislate against certain attitudes and misconceptions, but herein lies the issue which we must face if we are to protect and promote the rights of our disabled citizens. The intent of this concurrent resolution is to focus attention on the problems which continue to confront the handicapped. The United Nations has proclaimed 1981, as "The International Year of Disabled Persons." In response, the United States has created the "U.S. Council for the International Year of Disabled Persons," which will concentrate our efforts on this area at home. The Senator from Kansas is privileged to serve as an honorary member of this commission. In addition, there is a little-known branch of the Federal Government called the "Federal Interagency Committee on the International Year of Disabled Persons" which has been doing some great work with very limited resources.

Hopefully, by heightening public awareness of the problems which face our Nation's handicapped, we will also begin to foster a truer understanding of their potential contributions to our society. The attitudinal obstacles which impede the progress of America's disabled persons will be overcome when we all recognize what handicapped people can do—not what they can not do.

TIME OF NEW BEGINNING

As Members of Congress, we can accelerate the integration of our Nation's handicapped into the mainstream of community life by promoting legislative initiatives that will enhance active participation for them. We should keep our eyes open to possibilities for creating new opportunities, while building on the foundation of progress that already exists.

Mr. President, we are at an exciting point in time, and before us lie many challenges. It is a new year; it is a new Congress; and we have a new administration. Let us also make it a new oppor-

tunity to reaffirm our resolve to address the needs of all our citizens, especially those 35 million disabled Americans who have so much to offer in terms of previously unleashed talents and energies. For all our people, it is a new beginning. Let us continue to open doors so that all Americans can participate in this new beginning.

SENATE RESOLUTION 31—RESOLUTION RELATING TO AGREEMENTS ENTERED INTO TO SECURE THE RELEASE OF THE AMERICAN HOSTAGES

Mr. DECONCINI submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 31

Whereas 52 Americans were held hostage in Iran in violation of international law for more than 14 months;

Whereas the 52 American hostages during their period of captivity were mistreated, mentally and physically abused, and imprisoned under inhumane conditions;

Whereas the imprisonment and terrorizing of the American hostages was sanctioned by the Government of Iran;

Whereas the Government of the United States and the Government of Iran entered into agreements through the Government of Algeria on January 19, 1981, providing for the release of the American hostages in exchange for the return of assets to Iran and the commitment of the United States Government to arbitrate claims, cancel lawsuits, and lift trade sanctions, and the pledge of the United States not to intervene in the internal affairs of Iran; and

Whereas the obligations the United States assumed with Iran have the same moral authority as agreements with kidnappers, criminals, and terrorists—that is, no moral authority: Now, therefore, be it

Resolved, That the Senate hereby expresses its support for the President in any determination he may make in refusing to carry out any obligation assumed by the United States in the Declaration of the Government of Algeria, signed on January 19, 1981, or in the Claims Settlement Agreement with the Government of Iran, or any agreement relating thereto, inasmuch as such agreements were made in order to secure the release of the 52 Americans held in Iran in violation of international law.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. DECONCINI. Mr. President, I rise to introduce a sense of the Senate resolution. The resolution which I am offering is, I believe, important from the standpoint of defining our national consensus as to the nature of the hostage agreement with Iran.

I do not fault President Carter for entering into this agreement; indeed, he deserves our respect and praise for the efforts of his administration in negotiating the settlement that finally produced the release of our citizens. However, it is an established principle of our criminal and civil law that contracts entered into under duress have no validity—morally or legally.

It is precisely that point which my resolution underscores. I believe that the U.S. Senate should go on record clearly and unambiguously; we should tell the world and our new President that the agreements are not legally and morally binding. Should Mr. Reagan choose to implement any or all of the provisions, he should do so only because he believes that in the cold light of day they advance our national interest, not because we have given our word to a band of terrorists and kidnapers. By their acts, these persons—who apparently constitute the present Government of Iran—have placed themselves outside the reach of civilized intercourse.

If President Reagan chooses to ignore the remaining provisions of the agreements, I believe that the U.S. Senate should be on record supporting that action in advance. Indeed, I commend this resolution to each and every one of my colleagues on both sides of the aisle. This is not a partisan issue; it is not a question of supporting or rejecting the last minute efforts of the Carter administration. It is a policy of defining national policy toward international terrorism. If we act as if our agreement with the Iranian kidnapers is on a legal and moral par with other international agreements, we have made a mockery of international law and civilized behavior.

I ask unanimous consent, Mr. President, to have this resolution considered immediately on the Senate floor. Because Mr. Reagan must make his decisions within the next 24 to 48 hours, it is imperative that we act quickly to let him, the American people and the world know that the U.S. Senate does not and never will recognize agreements forced upon by the threats of terrorists and bandits.

I also ask unanimous consent, Mr. President, to insert in the RECORD at this point a letter I wrote to President Reagan this afternoon as well as a copy of the excellent editorial on the subject which appeared in yesterday's Wall Street Journal.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., January 22, 1981.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: All Americans share in the joy of the return of our fifty-two citizens held hostage for so many months.

However, it is important for you to clearly state that the United States is not legally bound by the agreement negotiated by the previous Administration. It is an established matter of criminal law that agreements made under the duress of blackmail have no legal validity. You should feel entirely free to evaluate that agreement and to implement those portions that you believe serve our national interest, discarding those sections that do not or which are of dubious constitutionality.

I intend, Mr. President, to introduce a Senate Resolution to that effect this afternoon. I am sure that the American people and the Congress will be fully supportive of whatever decision you make.

I personally believe that the trade embargo as it presently stands should be retained; rewarding terrorists and blackmailers is a dangerous precedent.

Sincerely,

DENNIS DECONCINI,
U.S. Senator.

[From the Wall Street Journal, Jan. 21, 1981]

RENOUNCE THE DEAL

The agreement the United States made with Iran for return of the hostages has the same moral standing as an agreement made with a kidnapper, that is to say none at all. This is not said in criticism of the Carter administration, which made the deal to save the hostages' lives. But now that the hostages are free, President Reagan should examine the agreement carefully and if its unfulfilled parts do not, on balance, benefit American interests, there should be no hesitation in renouncing it.

There will be arguments against such a course, no doubt. It will be said that no great nation, having made a commitment, should renege if it wants to be trusted in the future. It will be argued that such a move would cut the ground out from under those Iranian leaders who favored the deal and faced up to the wild men who would have held the hostages forever. It will be argued that we are only giving back to the Iranians what is lawfully theirs. It will be asked whether we would be able to do business with terrorists in the future if the need arose.

These are all persuasive arguments, but they miss the core point: This was not an agreement, it was extortion. And it is important for the world to know that extortionists are not entitled to the same legal and moral consideration as governments operating in accordance with international law.

There would be another implicit message: We are not worrying about how much future terrorists trust our word because future terrorists will not be dealt with in this manner. Having learned our lesson from this experience we will see to it that the next ones who try it are dealt with swiftly and with force. Whether they trust our word will be immaterial.

As to the Iranians who argued for negotiations, do we really feel we owe anything to anyone in Iran's power elite? They are all, after all, the creatures of the Ayatollah Khomeini. Anyone who was not is either now dead or in exile. Our initial mistake in Iran was in the idea that we could do business with such people.

There is finally the question of our giving back to Iranians "their own property." If we are dealing here with legalism, any Iranian assets that are free of liens might be considered their property, but everything else falls into a different category. The U.S. negotiators took a very long leap when they agreed to submit to an international claims commission the claims of American nationals against Iranian assets held in the U.S. They were, in effect, pledging to take these cases out of U.S. courts, a pledge that has dubious constitutionality. As to the damages that can be claimed by the hostages themselves, the agreement seems to leave them with no recourse in the courts. As to delivering up any discoverable assets of the Shah's family, do we really want to finally capitulate to the Ayatollah's lust for vengeance against the Shah?

We do not want to treat the American negotiators harshly. They worked arduously for long hours under horrendous pressure and achieved their primary goal, getting the hostages released. But the other side, bargaining with human lives against money and contracts, had an unfair advantage. We should not hesitate to make it clear that an agreement negotiated under such conditions is worthless and equally clear that anyone who attempts the same thing in the future will not be treated so gently.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Energy and Natural Resources Committee be authorized to meet today at 2 p.m., for a classified briefing on the world petroleum outlook for 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TAX ASSISTANCE FOR THE ELDERLY

● Mr. INOUYE. Mr. President, persons in the State of Hawaii and other areas of the United States are now preparing their annual Federal income tax returns—an essential duty of all citizens.

To assist them in this important but often time-consuming task, the Senate Special Committee on Aging provides a checklist of itemized deductions.

While this checklist was originally compiled to aid elderly citizens, it is also useful for others, because most Internal Revenue Code provisions apply equally to all age groups.

The checklist is not intended to be an all-inclusive guide covering every possible circumstance, but it does help to insure that taxpayers claim every ligitimate deduction, exemption and credit to which they are entitled.

Free tax return preparation assistance is available to elderly, handicapped and low-income taxpayers as a service of the Internal Revenue Service and various community groups, through the volunteer income tax assistance (VITA) program. For the nearest VITA site, Oahu residents can call the Honolulu IRS office and neighbor island residents can call the toll-free IRS telephone number in their island directories.

Mr. President, I ask unanimous consent to have an excerpt from the Senate Special Committee on Aging's publication printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

IRS ASSISTANCE IS AVAILABLE TO HELP YOU

How to find help: If you have questions or need assistance on any Federal tax matter, help is available at the IRS. The toll-free telephone number for your area is listed in your telephone directory under "United States Government, Internal Revenue Service," and in your tax forms instruction booklet. Should you need to visit an IRS office, call this toll-free number to find the location of the office nearest you.

Publications to assist you: The IRS also prepares many free publications which will help answer your tax questions. In addition to the general publication 17, "Your Federal Income Tax," there are publications available on specific topics, such as "Tax Benefits for Older Americans" (publication 554), "Credit for the Elderly" (publication 524), and "Estimated Tax and Withholding" (publication 505). Single copies of publications can be ordered by mail using the order form in your tax package or by calling the forms/tax information number listed in your telephone directory under "United States Government, Internal Revenue Service."

Other special programs offering assistance: In addition, through the volunteer income tax assistance (VITA) program, older Americans can obtain free tax return preparation assistance from IRS trained volunteers at conveniently located sites throughout the country. Your local IRS office will be able to tell you where and when you can find this assistance in your area. A special program to provide assistance to individuals age 60 and over will be available in some areas. The IRS can tell you if trained volunteers working in the tax counseling for the elderly program are located near you.

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (the entire cost, if the main reason for being there is to get medical care).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Medicare A, voluntarily paid, if you are 65 or older and not entitled to social security benefits.
Medicare B, supplementary medical insurance.
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Phychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Surgeon.
Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (actual or 9¢ per mile plus parking and tolls; but not general repair and maintenance expenses, insurance, or depreciation in either case; or actual fares for taxi, buses, etc.).

Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your credit card, the expenses are deducted in the year the charge is made regardless of when the bill is paid.

Taxes

Real estate.
General sales.
State, local, or foreign income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: Automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, untaxed part of unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonoperating foundations, veterans organizations, fraternal societies, or nonprofit cemetery companies, are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct general repair and maintenance expenses, insurance, or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, sta-

tionary, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Personal loan.

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge."

Casualty or theft losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store taxable income-producing property records.

Fees paid to investment counselors (if the fees relate to investments that produce taxable income.)

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer to keep your job or in order to get the job.

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political campaign contributions

You may claim a credit (line 38, Form 1040, or line 12a, Form 1040A) for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, (4) local committee of a national political party, or (5) certain newsletter funds set up and maintained by a person who holds, has been elected to, or is a candidate for nomination or election to a public office. The amount of the tax credit is one-half of the political contribution, with a $50 ceiling ($100 for couples filing a joint return).

Presidential Election Campaign Fund

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

Other tax relief measures

Filing status:	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$3,300
Single (age 65 or older)	4,300
Qualifying widow(er) under 65 with dependent child	4,400
Qualifying widow(er) 65 or older with dependent child	5,400
Married couple (both spouses under 65) filing jointly	5,400
Married couple (1 spouse 65 or older) filing jointly	6,400
Married couple (both spouses 65 or older) filing jointly	7,400
Married filing separately	1,000

Additional Exemption for Age.—Besides the regular $1,000 exemption, you are allowed an additional exemption of $1,000 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $1,000 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1981, you will be entitled to the additional $1,000 exemption because of age for your 1980 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. If you are married filing jointly or a qualifying widow or widower, your zero bracket amount is $3,400. If you are single or a head of household, your zero bracket amount is $2,300. If you are married filing separately, it is $1,700. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because this amount is also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale or exchange of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale or exchange. The exclusion is elective, and you may elect to exclude gain only once for sales or exchanges after July 26, 1978. If you were age 55 or older before the date of sale or exchange, you may elect to exclude up to $100,000 of gain on the sale or exchange if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years if you were 65 or older on the date of the sale or exchange. This applies only to a sale or exchange before July 26, 1981). Form 2119 (Sale or Exchange of Principal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, payment of tax on the gain on the sale or exchange of your personal residence in excess of the excluded amount will be deferred if, within 18 months before or 18 months after the sale or exchange, you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions in Form 2441.

Earned Income Credit.—If you have a dependent child who shares your principal place of abode in the United States, you may be entitled to a special payment or credit of up to $500. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $10,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, strike benefits, other employee compensation, disability pensions, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

Residential energy credit

The law provides certain tax incentives to encourage energy conservation and conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservaiton property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

For years beginning after 1979, the maximum credit for renewable energy source property is $4,000. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, awnings, shades, wood paneling, fire screens, new or replacement walls (except for insulation inside the walls), exterior siding, heat pump, wood- or peat-fueled burning stoves, fluorescent lights, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

END OF HOSTAGE CRISIS IN IRAN

● Mr. INOUYE. Mr. President, after 444 long days, the hostage crisis is finally over. I am sure that every American is deeply grateful to the different people who were involved in securing the release of our compatriots from Iran. However, I think we owe a special debt of gratitude to the Government of Algeria for the role it played in bringing the crisis to an end. For months, Algerian officials have acted as intermediaries between the United States and Iran. The Algerian negotiating team, especially Foreign Minister Mohammed Seddik Benyahia, Mr. Mohammed Mostefai, and Ambassadors Redha Malek and Abdelkarim Ghaireb, have worked tirelessly to hammer out a final agreement. Moreover, President Chadli Benjedid provided the doctors, support staff, planes, and banking facilities that made the actual execution of the agreement possible. The hospitality and hard work of Algerian officials culminated Tuesday night in the release of our hostages, and it is fitting that these Americans first stepped to freedom in Algiers. Without Algerian assistance, the United States and Iran might never have resolved the issues that kept 52 innocent Americans captive in Tehran. I rise to express my deepest appreciation to the Government and the people of Algeria for their invaluable help in bringing our hostages home.●

SHOPLIFTING

● Mr. MATHIAS. Mr. President, when a bank robbery is committed it is big news. The media cover the crime extensively, and all of us are aware of the crime and appalled by it. But how many of us are aware that the monetary losses every year due to shoplifting are over 300 times greater than bank robbery losses?

In 1979 the merchants of this Nation lost over $16 billion and that staggering sum is unfortunately rising year after year. It is this Nation's most expensive crime.

Because shoplifing is a "quiet" crime, committed in secrecy by people who may otherwise be considered ordinary and law-abiding citizens, it does not receive the publicity and the public outrage that it deserves. Certainly the merchants, whose wares and whose livelihood are silently disappearing are well aware when they balance their books and discover how much has been stolen that month.

In my hometown, Frederick, Md., the young people of the Frederick County Vocational-Technical Center are aware—and they are doing something about it. For the past 2 years they have been conducting a campaign against shoplifting. They have worked with the community's merchants, with the police and with the adult and student citizens of the area. Their special "I-C-U" theme this year and the original I-C-U poem written by one of the students, Miss Kathy Shuron, are being used to help stress their message—that shoplifting is a very serious crime—both for the merchants whose property is stolen, and for the shoplifters whose police records will follow them the rest of their lives.

I am proud of these energetic Maryland students and the valuable service that they are performing, and call the attention of my colleagues to the following rather startling statistics so that we may all be more aware of the serious proportions of the shoplifting problem.

Mr. President, I ask unanimous consent that various statistics on shoplifting and a poem by Kathy Shuron be permitted in the RECORD.

There being no objection, the statistics and poem were ordered to be printed in the RECORD, as follows:

*Shoplifting and losses by State, 1979**

(In millions)

Alabama	$247
Alaska	43
Arizona	201
Arkansas	149
California	1,913
Colorado	211
Connecticut	210
Delaware	49
Dist. of Columbia	33
Florida	822
Georgia	378
Hawaii	87
Idaho	64
Illinois	851
Indiana	392
Iowa	208
Kansas	169
Kentucky	251
Louisiana	314
Maine	77
Maryland	349
Massachusetts	421
Michigan	762
Minnesota	297
Missouri	378
Mississippi	164
Montana	58
Nebraska	106
Nevada	70
New Mexico	84
New Hampshire	68
New Jersey	568
New York	1,243
North Carolina	377
North Dakota	41
Ohio	864
Oregon	212
Oklahoma	207
Pennsylvania	839
Rhode Island	57
South Carolina	197
South Dakota	44
Tennessee	311
Texas	1,126
Utah	91
Vermont	30
Virginia	397
Washington	302
West Virginia	135
Wisconsin	339
Wyoming	32

National total exceeds $16 billion.

*Five percent of total retail sales in "Food," "General Merchandise" and "Drug" store categories. Source: "1980 Survey of Buying Power", Sales & Marketing Management magazine.

SHOPLIFTING FACTS

1. Shoplifting is the nation's most expensive crime, accounting for monetary losses in excess of $16 billion per year. By contrast, U.S. bank robbery losses in 1979 were $47.5 million.

2. Consumers pay for shoplifting through higher prices—five to seven per cent higher on the average—more or less, depending on the type of store and where it is located.

3. Additional costs of shoplifting:

a. To merchants—for extraordinary security personnel and equipment.

b. To taxpayers—for law enforcement, trials and probation activities attributable to shoplifting offenses—plus millions in lost tax revenues.

1. The Christmas shopping season is also the season of the greatest shoplifting activity—more than 45 percent. The next "busiest" period is the back-to-school time in late summer.

5. Among student-age shoplifters, girls outnumber boys by 4-1. (Girls go shopping more often and the items in which they are most interested—jewelry, cosmetics, clothing, etc.—are more accessible).

6. From the survey of 3550 retailers in 20 states taken in 1979–80:

a. Over half (56.3 percent) agreed that there has been a definite increase in shoplifting in the past two years.

b. Over a third (36 percent) indicate they do not feel apprehended shoplifters receive "fair and appropriate" treatment by the courts.

c. Almost half (41.9 percent) strongly or somewhat agree that their law enforcement agencies are insensitive to shoplifting and consider it trivial.

d. Almost half (44.8 percent) agree that the cost of shoplifting is directly passed on to consumers. Almost 40 percent feel that prices would decrease if shoplifting losses were cut.

e. More than 30 percent indicated problems with employee theft while more than 70 percent indicated problems with shoplifting. As to which is the more serious problem, 82.4 percent named shoplifting.

f. Whom do retailers think is doing the shoplifting?

More than 55 percent strongly agree that females are more likely to shoplift than males.

Almost two-thirds (63.6 percent) strongly or somewhat agree that teenagers are more prone to shoplift than adults.

Almost half (46.3 percent) strongly or somewhat agree that "racial minorities are more prone to shoplift than others."

7. From the survey of 49,376 students in 20 states taken in 1979–80:

a. Almost three out of four students responding strongly agreed that "Shoplifting is a crime".

b. Two out of three student respondents strongly or somewhat agree that "Most shoplifters are never caught".

c. Over 40 percent of students surveyed either strongly or somewhat agreed that "Stores force people to shoplift by charging prices that are too high."

d. Almost half the respondents (47.59 percent) strongly agree that "retail clerks watch teen-age shoppers more closely than adults".

e. Over half the students responding strongly or somewhat agree that "teenagers are more likely to shoplift than adults".

f. Over 56 percent of student respondents strongly or somewhat agree that stores pass the cost of shoplifting on to consumers".

g. Almost half (49.36 percent) of student respondents admit to having shoplifted.

h. Six out of seven students who shoplifted indicated they were not caught.

i. While 27 percent of students who shoplifted planned to do so in advance, almost 70 percent made this decision in the store.

j. Over 85 percent of student respondents stated "store personnel, police and judges are 'too soft' on shoplifters".

k. Over 3 out of 4 (76.1 percent) of students who had shoplifted indicated they would not continue to do so in the future.

l. Motives for shoplifting:

35.15 percent didn't have the money to pay for the item.

26.61 percent did it for a thrill.

27.33 percent did it on a dare.

24.58 percent just acted on impulse.

9.01 percented wanted to "get even" due to stores high prices.

8. Shoplifting Laws: In most states, shoplifters are prosecuted under the "theft by taking" or similar statutes. Attitudes and practices with respect to prosecution and sentencing vary widely. A new Georgia law "theft by shoplifting", provides for mandatory sentencing on the second and subsequent offenses. Such a law is advocated by the Coalition as a "model" for other states to consider as one part of shoplifting prevention programs.

9. In the past decade, as shoplifting losses have mounted and retailers have become more determined to stop it, new security practices and sophisticated technology have been put into use. For example:

a. Closed circuit television cameras aimed at counters displaying goods which are most attractive to shoplifters. Also, some larger department stores use mirror-like domes which contain a camera rotating as much as 360° to cover an entire area. Some stores even mount "dummy" cameras in order to discourage potential shoplifters.

b. Electronic tags which cause an alarm to ring if someone has not had the cashier or clerk to remove it properly after the item was purchased. There is one drawback to electronic tags, if a clerk has forgotten to remove the tag from a purchased item it might lead to a possible lawsuit against the store from the disgruntled customer.

c. Guards and more guards.

d. Radio-communication systems between security personnel in plain clothes and others watching monitors in a back room.

e. False columns with detectives inside looking through an opening during large sales.

f. Glass panels that look like mirrors.

g. Store warnings such as signs and posters which remind possible shoplifters that, if caught, the store owners will prosecute.

h. A device called "Clark-Alert" which is basically a cable looped through objects on display at retail counters. An electronic current flows through the cable and if someone were to remove, or attempt to remove an item, there would be an audible or inaudible alarm to alert store employees.

10. Miscellaneous:

a. In more than 50 percent of shoplifting apprehensions, violators are 13 to 19 years old.

b. Other shoplifters:

The kleptomaniac, or a person who has an uncontrollable (usually psychotic) impulse to steal, is rare.

Adult amateurs include housewives trying to stretch their budgets or to obtain articles that are especially wanted. Senior Citizens are part of the shoplifting problem as are individuals from all age, social and economic classes.

Professional shoplifters plan their thefts for the purpose of "earning" money. They concentrate on high-value items that can be easily sold. Professionals are skillful in such techniques as disguise, avoiding security traps, diverting attention, and talking their way out of trouble when apprehended—by claiming mistakes, threatening to sue, etc.

Drug addicts and other "desperate" individuals are unpredictable in their shoplifting habits. Their methods are impulsive and opportunistic. Also, such individuals are more apt to be violent if apprehended.

c. The most common items stolen are jewelry, clothes, perfume, tools, appliances, records, 8-track and cassette tapes and beauty aids. The average item stolen was valued at $28 due to a considerable per cent of expensive items.

d. For the most part, items that were stolen could have been purchased by the shoplifter. A Los Angeles psychologist reported that many young people do not regard shoplifting as a crime but as a game in which to "beat the system".

11. The National Coalition to Prevent Shoplifting, headquartered in Atlanta, is the largest citizen-based crime prevention program in the U.S. The principal organizations making up the Coalition are the General Federation of Women's Clubs, the high school and junior collegiate chapters of the Distributive Education Clubs of America, and the American Retail Federation. More than 25 other national organizations, including military commands in charge of post exchange and commissary operations world-wide, comprise an Advisory Council of the Coalition.

The National Coalition was established in 1979 and is patterned after a Georgia program begun in 1976. The Coalition has been awarded a grant (No. 79JSAX0016) by the Law Enforcement Assistance Administration of the U.S. Department of Justice, for the purposes of helping the individual states organize shoplifting prevention programs, for the production of educational materials, and for research and training.

SHOPLIFTING PREVENTION CAMPAIGN

(Sponsored by the Frederick County Vo-Tech Center, Marketing & Distributive Education Students)

Students in the Marketing and Distributive Education Program at the Frederick County Vo-Tech Center are sponsoring a State-Wide Shoplifting Prevention Campaign in conjunction with the Maryland Federation of Women's Clubs, the Maryland Retail Federation and the National Coalition to Prevent Shoplifting. Students in the program are members of the Distributive Education Clubs of America, (DECA) a Vocational Youth Organization designed for students planning careers in the area of Marketing and Distribution. The Shoplifting Prevention Campaign being planned by the students is aimed at developing an awareness in youth and adults as to the seriousness of the crime shoplifting.

In cooperation with the students State-Wide Campaign, the Mayor of Frederick has issued a proclamation declaring December 10–17 "Shoplifting Prevention Week". A variety of activities have been planned to coincide with this week.

This is the second year the students at the Frederick County Vo-Tech Center have undertaken this project. Community involvement has been the major focus of this campaign as the DECA members involved community organizations and individuals not only in Frederick County but throughout the State of Maryland.

Following the completion of Student and Retailer surveys, the DECA students launched activities about the prevention of shoplifting. In an attempt to reach all segments of the population, activities in the past year were conducted in the following ways: an exhibit at The Great Frederick Fair which reached over 50,000 young people and adults; a Shoplifting Prevention Seminar conducted with Marketing Students from the Vo-Tech Center and the local Chamber of Commerce; a Proclamation-Signing Ceremony for Shoplifting Prevention Week was held at City Hall with local, city and county dignitaries attending; DECA assisted the Maryland State Bar Association and the State Department of Education with a Shoplifting Prevention Seminar in Baltimore, Maryland; DECA joined forces with the Metropolitan Washington Board of Trade in their Anti-Shoplifting Campaign; "Hands-Up" materials were supplied by DECA students to the Federation of Women's Clubs; "spot announcements" were purchased from the National Coalition to Prevent Shoplifting and distributed to local radio stations; Shoplifting Prevention Seminars were attended at the North Atlantic Regional Leadership Conference; fact sheets and press releases were compiled and distributed to school and local newspapers continuously; produced and distributed posters to all local schools and businesses; produced videotaped presentations and made them available to all local schools and businesses as well as civic and professional organizations; completed an exhibit on shoplifting prevention for the Vocational Industrial Clubs of America State Career Development Conference which reached over 3,000 young people; gave presentations to various youth organizations including the Future Farmers of America; and assisted Law Enforcement Agencies with Shoplifting Prevention Presentations during their annual "Crime Prevention Month".

As a result of the surveys, DECA developed and presented programs to increase an awareness in elementary, middle and high school students about the seriousness of shoplifting. Further enthusiasm was generated as various contests were sponsored throughout the county and awards were presented. Presentations were given to many civic organizations, PTA groups, and professional organizations as parents were made aware that they must give their children the "right impression" about the seriousness of the crime—Shoplifting!

The Marketing students were invited to the White House to meet with the President's Advisors on Inflation and representatives for the Council on Wage and Price Stability to discuss their program. The students were also invited to the Department of Justice where they met with the Director of the National Institute of Justice to report on the educational program they had developed for youth and adults. A final evaluation and recommendation for the continued expansion of this program was also given to the Law Enforcement Assistance Agency, in Washington, D.C., by the students.

During the State Career Development Conference recently held, the students from the Marketing and Distributive Education Program at the Frederick County Vo-Tech Center received recognition for having the Outstanding Shoplifting Prevention Campaign for the State of Maryland. The students represented the State of Maryland at the National Competitive Events sponsored by the National Association of the Distributive Education Clubs of America held in Miami, Florida, and they received National Recognition for their efforts.

Students from the Frederick County Vo-Tech Center have had the opportunity to meet and consult with representatives from across the United States to share ideas and further expand this project during the 1980–81 campaign. The expanded project will incorporate many new and innovative techniques in an attempt to further involve community organizations and individuals not only in Frederick County but throughout the State of Maryland.

I-C-U

(Original Poem by Kathy Shuron)

I don't know about yourself,
But I believe there's a little elf
That watches every thing you do.
Does your conscience ever bother you?

Do you sometimes get a guilty feeling
That cameras are watching you from the ceiling,
Or that behind each mirror an employee peeks,
And around each corner the manager sneaks?

It's a frightful feeling to turn around
And see the detective and his bloodhound.
Without even thinking what you have just done
You gather your things and begin to run.

But you don't get far before you are caught.
The police feel there's a lesson to be taught.
So they go ahead and take you to jail;
And by then your facial color is pale.

While you're sitting in the room by yourself
You wonder why did you steal from that shelf?

So, please remember in all that you do
That a little elf will be watching you.●

SAKHAROV: 1 YEAR IN EXILE BUT NOT FORGOTTEN

● Mr. DOLE. Mr. President, at a time when all Americans are rejoicing at the safe return from Iran of our 52 American hostages, I wish to remind my colleagues of another brave man who is being held hostage by his own government: Nobel Peace Prize Laureate Andrei Sakharov. A year ago today, on January 22, 1980 Andrei Sakharov was banished by edict from his native city of Moscow and deported to the closed city of Gorky.

The Soviet authorities have tried their best to veneer their arbitrary act against Sakharov with legalisms, yet, even according to Soviet legal precepts their action against him is illegal and unprecedented. Although Professor Sakharov repeatedly has requested a trial, the Soviets have never dared to hold one. Evidently, the Soviet state cannot muster the usual shreds of evidence which have been marshaled against so many other human rights activists in the Soviet Union.

The offensive and illegal banishment of Andrei Sakharov has been the subject of continuing international protests, most recently at the Madrid Review Conference on Security and Cooperation in Europe. And yet the Soviets persist in their cruel and callous attempt to silence the best known champion of human rights in the Soviet Union. On the rare occasions when the Soviets deign to make specific responses to such protests, Soviet spokesmen reply that Andrei Sakharov is quite comfortable in his new surroundings.

To counter such official Soviet claims, I would like to remind my colleagues of the conditions under which Professor Sakharov is forced by his government to live. Here is Sakharov's description of his virtual house arrest:

> I live in an apartment guarded day and night by a policeman at the entrance. He allows no one to enter but family members, with a few exceptions. There is an old friend who lives in Gorky; the price he pays for associating with us is a summons to the KGB for a talk after each visit. There is a Gorky physicist who has been denied an emigration visa; he also has to go the KGB after his visits to us. The only other visitors are people judged suitable by the KGB. There is no telephone in the apartment. I am unable to telephone Moscow or Leningrad even from the public telephone bureau at the post office. The call is immediately disconnected at the orders of the KGB agents who always follow me. I receive very little mail, and that consists mainly of letters 're-educating' me or merely cursing me. Oddly enough, I get the same kind of letters from the West with kind words and I am deeply grateful to the senders.

When I accompanied my mother-in-law to the station on her departure for Moscow, KGB agents, pistols in hand, made a show of preventing me from approaching the coach, making it clear that the order forbidding me from going beyond the city limits was not just empty words. A radio-jamming facility has been set up in the apartment building, just for me. In order to listen to the radio, it is necessary for my wife and me to go for walks at night with a transistor receiver. While we are out walking, the KGB agents are in our apartment damaging the typewriter and tape recorder or searching through our papers.

I trust that this description of the "comfortable conditions" in which Professor Sakharov now lives is sufficient to silence any doubts on that score.

Already we are hearing that the Soviet Government would like to reestablish our bilateral relations on the old "comfortable" footing. In view of the "comfort" which the Soviets are providing for Andrei Sakharov, one of the leading citizens of the world, I have serious misgivings if we should reestablish relations with the Soviets along "comfortable" old lines.●

THE 33D BIRTHDAY OF ANATOLY SHCHARANSKY

● Mr. LEVIN. Mr. President, this week we are marking the 33d birthday of Anatoly Shcharansky the Soviet dissident who is serving a 13-year prison term following a closed trial at which no lawyer of his choice and no witnesses for the defense were allowed. The last year must have been a particularly trying year for him. His father passed away on February 6, he marked his third year in prison on March 15, and was soon sent to a labor camp. Later in the year, we learned that he was seriously ill and that he had fallen and injured himself badly late in September. Visits from his mother and brother were allowed less frequently in the past year, and information about his condition and health was less available. The situation is bleaker than it has ever been.

On the other hand, we can look to a number of events in the West which remind us that Mr. Shcharansky, and other dissidents are not forgoten. I am particularly pleased to note that the Women's Division of the American Jewish Congress has embarked on a campaign to remind Anatoly Shcharansky—and the Soviet leadership in the Kremlin—that his plight has not been forgotten. The members of the Women's Division are sending birthday greetings to Anatoly in the forced labor prison camp near Moscow where he is now confined. They are also sending telegrams to Soviet President Leonid Brezhnev and Anatoly Dobrynin, the Soviet Ambassador to the United States, urging that Anatoly Shcharansky be freed.

Earlier today, Father Robert Drinan, former Member of Congress from Massachusetts, participated in the daily vigil in front of the Soviet Embassy in downtown Washington, and celebrated the birthday of his friend, Anatoly Shcharansky.

Almost a year ago, on March 15, 1980, Congressman Drinan and I went to the Soviet Embassy together to mark the third anniversary of Anatoly's imprisonment. At that time, we tried to present a short letter on behalf of Anatoly Shcharansky to the Soviet Embassy. The First Secretary of the Embassy refused to even read our letter, and he returned it to us.

This is indicative of the attitude of the Soviet Government in this matter. They will not even listen. They will not defend their actions. They will not attend to the urgent health problems which plague Anatoly Shcharansky.

But we will not forget Anatoly Shcharansky. And we will not forget the thousands of other Soviet citizens who remain in the oppressive control of the Soviet Government against their will. We will not forget the Vashchenko and Chmykhalvo families who are now in

their 31st month of refuge in the basement of the American Embassy in Moscow. We will not forget Victor Brailovsky, the Jewish scientist who was arrested in November and imprisoned because of his activities in the refusenik community in Moscow. We will not forget Abe Stolar, the American citizen living in Moscow who has repeatedly been denied permission to leave the Soviet Union despite the fact that he and his son hold valid American passports.

While there are few ways for us to directly influence Soviet policymaking, it is most important that we continue to do whatever we can to focus attention on these flagrant abuses of human rights. The American delegation to the Madrid Review Conference of the Helsinki Accords has strongly presented the American position, and we in the United States must follow the lead of Max Kampleman, the American delegation Cochairman, and continue to call attention to these oppressive policies. In today's ceremonies in front of the Soviet Embassy Father Drinan continued in his strong tradition of speaking out on behalf of those who have had their rights taken away from them. I hope that others will join Father Drinan in the coming days and weeks by speaking out in support of those who desire their freedom around the world.

I ask that the remarks of Father Drinan be printed in the RECORD.

The remarks follow:

INTERNATIONAL COMMITTEE FOR THE RELEASE OF ANATOLY SCHARANSKY,
Chevy Chase, Md., January 22, 1981.

We have assembled across from the Soviet Embassy today to observe the birthday of one of the world's great leaders, not because he holds high political office, but because he wields great influence as a symbol for the cause of justice and human rights. I speak of Anatoly Scharansky, the Soviet prisoner of conscience and leader of the movement of Jews who wish to emigrate.

Since his arrest in 1977, Anatoly Scharansky has been unable to monitor Soviet emigration policies in accordance with the provisions of the Helsinki Final Act. He has been unable to emigrate to Israel as he so strongly desires, and he has been unable to rejoin his wife who was forced to emigrate alone 7 years ago.

Today, we know that his health is not stable. This fall, Anatoly fell to the floor of his labor camp home in pain. His weight has fluctuated substantially since his incarceration and the conditions in the camp remain poor.

The review conference in Madrid is about to reconvene to continue to examine the record of the 35-nation Helsinki Final Act. There could be no greater gesture to the world at a time of tensions between East and West than for the Soviet Union to release Anatoly Scharansky.

The world will not forget the plight of Anatoly Scharansky!

ROBERT F. DRINAN, S.J. ●

UKRAINIAN INDEPENDENCE DAY

● Mr. LEVIN. Mr. President, 63 years ago, on January 22, 1918, the Ukrainian people proclaimed their full and unqualified independence in one of the greatest moments of their history. I would like to take this opportunity to join with my colleagues in commemorating this significant event which is a symbol of the ongoing quest for the freedom of all humanity.

Independence came for the Ukrainians following the collapse of the Russian czarist monarchy in 1917. They organized themselves into committees to obtain self-government and proclaimed their freedom. Those who were under Russian rule received their independence on January 22, 1918, and the later weakening of the Austrian Empire provided an opportunity for the people of the Western Ukraine to achieve their freedom on November 1, 1918. On January 19, 1919, the two Ukrainian republics united and formed the Ukrainian National Republic.

However, the independence of the Ukraine was short-lived. In 1920 the Ukrainian National Republic was partitioned and Western Ukraine was taken by Poland, Czechoslovakia, and Romania, while the Eastern Ukraine was incorporated into the Soviet Union in 1923 as the Ukrainian Soviet Socialist Republic.

The Ukrainian people's unique cultural, historical, and intellectual traditions represent a source of enduring national pride that must never be forgotten. The people of the United States are proud of our Nation's unity, but we are also aware of the individual cultural identities of the people who make up our Nation. It is in this context that I join the Americans of Ukrainian birth and heritage in celebrating January 22 as Ukrainian Independence Day.

Because it is difficult to express our support of the ideals of the Ukrainian people in a concrete manner, I have written the U.S. Representative to the United Nations Human Rights Commission asking him to place the plight of the Ukrainian children and students on the agenda of the Commission.

I shall submit for the RECORD a copy of the letter at the conclusion of my remarks.

The continuing policy of russification of the Ukrainian school system must be stopped, and I would hope that my colleagues and the American people would continue to support me in my attempt to place this important topic on the United Nation's agenda.

As a nation dedicated to the preservation of freedom, America has a responsibility to support the aspirations of the Ukrainian people. It is with pride that I join the Southeastern Michigan branch of the Ukrainian Congress Committee of America, and all Ukrainian Americans, in reaffirming their hopes and aspirations, and thus advancing the cause of freedom everywhere in the world.

The letter follows:

U.S. SENATE,
Washington, D.C., January 19, 1981.

Mr. JERRY SHESTACK,
U.S. Representative to U.N. Human Rights Commission, New York, N.Y.

DEAR MR. SHESTACK: I am concerned about the growing trend towards russification of the individual cultures of the peoples of the Soviet Union. The Soviet policy threatens to further isolate the various component populations of the Soviet Union. Many people in the Soviet Union, in the United States, and around the world, are concerned about this situation and I join them in asking that the United Nations Commission on Human Rights place the Soviet policy of russification on its agenda for the forthcoming session.

In the Ukrainian Soviet Socialist Republic, this practice is of particular concern. It appears that the Soviet Union is attempting to annihilate the native language and traditions of the Ukrainian people in order to remove them as an indication of national identity. The people of the Ukraine have become unwilling victims of an alarming situation. Their plight has aroused great concern around the world.

The strongest example of the Soviet policy is the educational system. According to Article 36 of the Soviet Constitution, the educational system in the Soviet Union is based upon the "cultivation of citizens in the spirit of Soviet patriotism and social internationalism through Russian language and languages of other republics of the U.S.S.R." Thus, Russian language is obligatory in all schools in the Ukraine, while Ukrainian languages is not. This also means that all schools, universities, and youth organizations of "Pioneers" and "Komsomols" are constitutionally mandated to train a Soviet, rather than an Ukrainian Patriot. In addition, the students' studies are focused upon Moscow instead of Kiev, the capital of the Ukrainian Republic.

The policy of russification of the educational system in the Ukraine covers only one facet of the entire process.

However, daycare centers, kindergartens, and schools are the predominant instruments of russification. Ukrainian language schools are on the decline, while Russian language schools are on the rise. In 1980, alone, eight and one half million Ukrainian children, out of a population of fifty million, were forced to attend these Russian language schools.

American citizens of Ukrainian descent joined by millions of other Americans wish to have this policy of russification abolished, and desire to return the Ukrainian mother-language to the children of Ukraine. We cannot abstain from our moral duties by ignoring the potential cultural genocide which is being sponsored by the Soviet government. The United Nations Commission on Human Rights is a proper forum for this subject to be discussed by the international community. I hope that you will work to place the plight of cultural minorities in the U.S.S.R., and specifically the Ukrainian people, on the agenda of the forthcoming session of the Commission on Human Rights in Geneva.

Thank you for your assistance in this matter.

Sincerely,

CARL LEVIN. ●

UKRAINIAN INDEPENDENCE DAY

● Mr. DODD. Mr. President, 60 years have passed since the Soviet Union forcibly annexed the Ukraine in 1920. The Ukrainian people had only 2 years of independence as the Ukrainian National Republic before the Soviet takeover. Today marks the 63d anniversary of Ukrainian independence and still over 50 million Ukrainians are denied their rights as a people to maintain their nation's religious, cultural, and ethnic traditions.

Despite more than half a century of subjugation, Ukrainians throughout the world have cried out for the freedom of their homeland. They have watched as russification efforts in the Ukraine have virtually destroyed their heritage, and in defiance they have kept alive Ukrainian

traditions in the free nations where they now live.

Millions of Ukrainians in the United States have dedicated themselves to preserving the cultural history of the Ukraine. Their ceaseless efforts remind us of not only the persecution of the Ukrainian people but of our own liberty which can only be protected by insuring that other nations and their citizens are accorded their basic human rights.

We have a new administration, and I would ask our new President to join with those of us today in the Senate and the House of Representatives in standing firmly by the Ukraine and all other captive nations struggling to be free. ●

MONTANA VFW AWARD WINNING SPEECH

● Mr. BAUCUS. Mr. President, I am today inserting in the RECORD a speech recently given by one of my constituents, Mike Stoeckig of Glendive, Mont. This speech delivered by young Mr. Stoeckig was selected among 736 entries as the award winner in our State's "Voice of Democracy" contest sponsored by the Veterans' of Foreign Wars. After winning this January 10 contest, Mr. Stoeckig is planning to come to Washington later this year to participate in the national VFW contest.

In the last few days, a lot of things have been said about patriotism. Clearly, there were few of us in America who were not exceedingly proud to be Americans when we saw our 52 fellow citizens disembark from that Algerian jetliner earlier this week in Algiers.

We have much to be proud of to be Americans, and I think that young Mr. Stoeckig's essay does an excellent job of capturing the essence of what it means to be an American.

I ask that Mr. Stoeckig's speech appear in the RECORD.

The letter follows:

VOICE OF DEMOCRACY

America. A word that stands for more than merely a large chunk of earth that some quarter of a billion people occupy. America stands for so much more than only a portion of a continent, a slab of ground, a country if you will. The word does not, cannot stand for only one thing. America stands for something entirely different to each and every citizen of the great bastion of freedom that was labeled America some 204 years ago.

There are some 220 million people that call this country home, 220 million minds that each have a different idea that they call America. To the artist, America means a place where he or she can work without censorship; without fear that the government will intervene and change the meaning of a work of sculpture, a line of poetry, or a stroke of a brush. To the critic it means the ability to point out, perhaps make fun of a flaw in the make-up of our social system. To the immigrant, America may mean not having to look over one's shoulder, not to worry about unfair imprisonment for one's deeds. America means all things to some people, some things to all people, but no matter who is asked, America has some meaning to all. All people who are referred to as Americans have some meaning associated with the word America.

And that leads to the theme of my dissertation the statement, "My commitment to my country." Before a person can be committed to anything, he must first ask himself what meaning it has to him and where it comes on his list of priorities. That is what I have done in finding exactly what my commitment to my country really is. I have asked myself what my country means to me. I have asked what matters most to me, my country, my family, my friends or something entirely different.

And I have come up with some answers. At first, it was hard to find where my country placed on my list of priorities. I worked and reworked the list a dozen times, got a dozen different answers, and got a dozen more questions. But suddenly, I realized that I would have none of the things that matter most dearly to me if I did not live in a place called America. Indeed I may not have even been born, for my ancestors were among those who came to this country under the label "immigrant." Had they not come here at the times they did I would not be speaking here today.

So I saw that America is indeed a lot more than a slab of ground or a portion of a continent. America, is my home.

My home, my country, means a great deal to me; so much so that I cannot put into words the extent of the feelings that it evokes. Something that has so much meaning to me, deserves an extremely large commitment from me. I must be dedicated to upholding the principles and ideals that this great nation has represented throughout history. I must help to make the way clear for forthcoming generations to appreciate the things that I have been privileged enough to come in contact with. And I must do so with pride. A pride that our people have so often shown. A pride in their nation that the whole world recognizes as uniquely American. A pride that our founding fathers would be proud of, for America was their home, too.

I know not what form this dedication will take. Whether it is through public service, political office, military life, or just through the responsibilities that the average citizen possesses, matters not to me. What matters is that I may make this country and this world a better place in some way, no matter how small, no matter how tiny, for some people who are yet to come. That is my commitment to my country, one which I will uphold. ●

UKRAINIAN INDEPENDENCE DAY

● Mr. BURDICK. Mr. President, at this time all of us have our thoughts on hostages, relief over their safe return to home and family, and the importance of solidarity among the people of a nation in support of those from among their midst who suffer in other parts of the world. How fitting therefore that today we should also turn for a moment to reflect on the condition of the Ukrainian people who celebrate on this occasion their hope of independence. Let us also admire the extraordinary way people in this country of Ukrainian descent sustain a lively cultural identity.

We who are here in Washington have the privilege every year of enjoying the Folklife Festival sponsored by the Smithsonian Institution. That festival gives us an opportunity to appreciate the immense value cultural diversity brings to all of us. I am always glad to call to mind the Ukrainian contribution to that diversity since the many Ukrainians in North Dakota continue to offer such fine examples of that heritage while at the same time being such fine American citizens. During this consideration of their Independence Day, we may all be heartened by their perseverance, be grateful for their contribution to America, and finally let us extend to them our most sincere best wishes. ●

DESIGNATION OF MEMBERS TO JOINT COMMITTEE ON TAXATION

● Mr. DOLE. Mr. President, pursuant to section 8002 of the Internal Revenue Code of 1954, the following members of the Committee on Finance for the 97th Congress have been designated as members of the Joint Committee on Taxation:

Senator ROBERT DOLE, Senator BOB PACKWOOD, Senator WILLIAM V. ROTH, JR., Senator RUSSELL B. LONG, and Senator HARRY F. BYRD, JR. ●

HIRING FREEZE

● Mr. PRYOR. Mr. President, I commend President Reagan for making a Federal Government hiring freeze his first official action as President. I share his concern about the size and cost of the Federal Government and believe we must take action to control the Federal bureaucracy.

I would also, however, urge the new President and his administration to be careful not to allow agencies to circumvent the purposes of this freeze by entering into contracts for consultant services and other services which increase the overall cost and size of the Government through indirect employment. During congressional hearings, I have received testimony that consultants are always pleased with personnel ceilings and hiring freezes because those are times when their Government contracts grow. Unless such contracts are controlled, Government size and cost cannot be controlled.

We will continue to monitor Government agencies in the days and weeks ahead to make sure that outside contracting does not grow at the same time Federal employment is frozen. I urge the President to do likewise and to make sure that contracting does not increase the Federal Government size and increase the burden on the American taxpayers. ●

THE LEAGUE OF ARIZONA CITIES AND TOWNS

● Mr. GOLDWATER. Mr. President, in 1937, the municipalities of my State of Arizona formed together in an association that is now known as the League of Arizona Cities and Towns. At the meeting of this group in October of 1980, they formed a municipal policy statement that I think in itself will sum up the major reason why Arizona is the second fastest growing State in the Nation, population wise, and the fastest growing State industrially. Boiled down, it amounts to the cities and towns wanting to be left alone by the Federal Government to do their own thing, to pay their own taxes, make their own decisions without Uncle Sam butting in. Because I know that this statement will be of interest to my colleagues, I ask that it appear at this point in my remarks.

The material follows:

1981 MUNICIPAL POLICY STATEMENT

I. LOCAL GOVERNMENT AND HOME RULE

Federalism, a cornerstone of our United States Constitution, is the principle of government dividing the legitimate powers of the State and national governments. Cities and towns are voluntarily created by the people of a community to provide local self government and services. As political subdivisions of the State, general law cities and towns derive their power and authority from State law. Charter cities obtain their basic power and authority from the Arizona State Constitution and their locally adopted charters. Each municipality acting through its elected governing body is entitled to freedom for purposes of self government and local determination. The right to exercise self-determination is the cornerstone of municipal policy and serves to strengthen and perpetuate our Federal System of government. Therefore, the League of Arizona Cities and Towns:

A. Supports the concept that incorporated city and town governments are the best vehicle for providing the people with responsible local government and services.

B. Favors a course of action which will permit residents of the city or town to select the form of government best suited to their individual needs and desires.

C. Urges the Legislature to recognize the diversity of problems and needs in Arizona communities and to include the necessary flexibility in legislation so that local officials can meet those unique needs and problems in the context of each city or town.

D. Urges Congress and the State Legislature to oppose the mandation of programs and services upon cities and towns.

E. Endorses the concept, implicit in the State Constitution, that municipal utilities are solely a matter of local concern.

F. Declares its intent to work with and through the Legislature to obtain legislation necessary for the proper administration of municipalities. When, however it becomes apparent that specific legislative goals cannot be achieved through normal channels, it becomes the responsibility of the League to propose those items vital to the welfare of the cities and towns of Arizona in an Urban Bill of Rights for presentation to the people of the State via the initiative route.

G. Urges the Legislature to exercise caution in authorizing the creation of special purpose districts which tend to fragment orderly development, result in costly and duplicative administrative overhead and can lead to a loss in the accountability of elected officials.

H. Supports the granting by the Legislature of organizational home rule powers to counties provided that any reorganization under a home rule option not be effective until it has been approved by a vote of the people within the county.

I. Supports the concept that financial disclosure is a matter between locally-elected officials and their constituencies and is not a proper subject for State legislative action.

J. Urges the Legislature to allow for the continuation of a five member council for communities which exceed 1500 in population. The current State law mandating an increase from five to seven members should be permissive.

K. Urges the Legislature to support legislation allowing the mayor of each city and town participating in the Public Safety Personnel Retirement System the flexibility of designating a representative to serve as chairman of the local retirement board in place of the mayor.

II. MUNICIPAL FINANCING

The development, maintenance and retention of revenue sources sufficient to resolve local problems, provide necessary urban services and facilities, improve the urban environment and fulfill expanding obligations imposed by Federal and State government is of critical concern to Arizona cities and towns as is the flexibility necessary to utilize revenues effectively and efficiently. Therefore, the League of Arizona Cities and Towns:

A. Seeks the cooperation of the Legislature in controlling the local tax burden through the referral of a constitutional amendment to the people requiring that State mandated programs be financially supported by the State government.

B. Supports the present program of State collected locally-shared revenues and opposes reduction either directly through the elimination of such revenues, or indirectly through the exemption of certain classes of property or activities from the application of taxes unless other equal revenue sources are made available to local government.

C. Supports legislation that would require that Statewide tax relief or tax exemption programs be funded at the State level in recognition that these programs must be implemented within the context of the Statewide community.

D. Urges that the Legislature, in the event of any reduction or elimination of tax revenues, provide immediate replacement revenues to hold cities and towns harmless now and in the future from any revenue loss.

E. Supports the reenactment of the State and Local Fiscal Assistance Act. We urge the Arizona Congressional Delegation to recognize the importance of Federal revenue sharing as a flexible funding source for Arizona cities and towns and to support its reenactment.

F. Encourages the Legislature to study the current inequity of the county property tax as applied to municipal residents. Taxpayers in the incorporated areas of this State bear an equal share of the burden of such taxation and yet do not receive equal services in return for such taxes. Any proposed solution to this inequity, however, should not endanger the advantageous cooperation existing between county governments and incorporated cities and towns.

G. Urges the Legislature to authorize and fund State agency participation in those Federal programs in which such participation results in an increase in the Federal grant rate, and thus in the amount of Federal funds available to the State and its political subdivisions.

H. Urges the Legislature to recognize the right of all Arizona cities and towns to earn the highest rate of return on their public funds commensurate with necessary safeguards to protect the public funds.

I. Supports legislation requiring all urban unincorporated areas desiring a level of service, above and beyond the amount provided county-wide, to form a special assessment area. Such increased existing services should be provided by county governments and paid for by the residents of the benefited areas.

J. Urges the Legislature to allow cities and towns to exceed the present force account ceiling by local ordinance.

K. Supports legislation which would provide local government officials with assessed valuation figures prior to the beginning of the fiscal year.

L. Supports legislation which will clearly establish the authority of city or town councils to make multi-year commitments with regard to the funding of capital improvement projects or purchases.

M. Urges that the tax exempt status of municipal bonds be maintained.

N. Opposes the Federal mandation of programs and costs upon local government either directly or indirectly. The imposition of such programs as the Fair Labor Standards Act and unemployment compensation by Congress disrupts the employee-employer relationship which is properly a matter of state and local concern.

O. Supports the study by the Legislature of the State Retirement Plan and urges that the plan be adequately and appropriately actuarially funded. The Legislature is also encouraged to study new and innovative alternatives to the present benefit structure of the Public Safety Personnel Retirement System.

P. Opposes any mandatory reduction in the assessed valuation of property unless such reduction does not affect the bonding capacity and property tax revenues of local government.

Q. Urges the United States government to designate that fifty percent of any new motor fuel taxes which may be enacted on the Federal level be allocated for the use of state, county and local governments, in order to assist all levels of state and local governments in meeting the upward spiraling cost of materials and labor needed for maintenance, construction and reconstruction of streets, roads and highway systems and for mass transit.

R. Urges the Legislature to study various options for homeowner property tax credits including a tax deferral type program. Such a program could be made available to homeowners over sixty-five years of age to ease the property tax burden on this one segment of our population. Provided, any such program must be funded at the State level so that local government revenues are not adversely affected.

S. Encourages the Legislature to consider, in its examination of Arizona's taxing structure, the concept of tax base sharing.

T. Urges the Legislature in its study of methods of taxation of centrally assessed property to insure that all areas of the State are treated in an equitable and uniform manner.

U. Opposes any additional constitutional or statutory enactments affecting local revenues or expenditures which will further erode or complicate local decision making on budgetary issues.

V. Urges the Legislature to allocate a portion of State liquor taxes to be earmarked for the support of municipal alcoholism programs and projects.

III. PUBLIC HEALTH, SAFETY AND WELFARE

It is the duty and obligation of cities and towns to promote and protect the health, safety and welfare of their citizens. In addition to the development and implementation of sound administration and municipal operations, city and town officials have a duty to apply laws and regulations in a full, fair and uniform manner, to promote improvements in justice, to undertake positive code enforcement programs and to support the realistic delivery of social programs and economically feasible actions to protect the environment and quality of life. Therefore, in the interest of the public health, safety and welfare, the League of Arizona Cities and Towns:

A. Supports legislative measures providing the necessary authority to local law enforcement agencies for the enforcement of laws in cities and towns. The League encourages citizen cooperation with law enforcement agencies to help reduce crime and develop a respect for law and order.

B. Urges the State Legislature to oppose any preemption of the authority of cities and towns to regulate local businesses.

C. Supports legislation which would require all public buildings to conform to the same building and inspection standards applied to private buildings.

D. Encourages the Legislature to appropriate sufficient State funds to finance the legislatively mandated local alcohol reception center (LARC) law, as well as to appropriate funding for long term treatment facilities for alcoholics.

E. Supports efforts to eliminate the trial de novo procedure and to study and implement changes that would modernize the magistrate courts and assist the judicial system. However, in addressing this problem, care must be exercised that a portion of the revenue from adjudication at a higher court level must be remitted to the municipal level in recognition of the total criminal justice system expenditures involved.

F. Supports legislation ensuring full and fair discovery of all relevant facts in eminent domain actions for all involved parties.

G. Supports the establishment by the State Department of Health Services of a task force composed of elected and appointed officials of State and local government to develop minimum health standards for detention facilities.

H. Encourages the Legislature to provide that all acts of arson be classified as a felony.

I. Recommends State legislation to grant tax incentives for the installation of sprinkler systems for fire suppression.

J. Recommends that health legislation care be expanded to allow hospitals to use vacant beds for long term care where there are no such long term care facilities available.

K. Recommends that hospital district legislation be expanded to allow taxation for operation as well as capital development, especially in rural areas of sparse population.

L. Urges the Legislature to allow for the formation of special districts for natural gas and L.P.G. supply and distribution. Such districts, if formed within incorporated areas, must, prior to formation, receive the permission of the affected city or town.

M. Supports the reassessment of the role of the Arizona State Justice Planning Agency with particular emphasis on the relationship of such agency to local governments and their criminal justice functions. Such agency should not, however, have any authority to establish minimum salaries for police officers or otherwise interfere in local policy decisions or personnel matters.

IV. PLANNING AND URBAN GROWTH

The increasing complexity of urban issues and the imposition of greater roles by the State and Federal government in the solution of such issues have increased the need to plan the use of limited resources, establish systems to coordinate planning among governmental levels and relate specific planning activity to the overall needs of our communities. Therefore, the League of Arizona Cities and Towns:

A. Supports legislation which would implement a comprehensive land use planning program which would extend to cities and towns additional authority to adequately manage the urban environment. Such legislation should include authorization for architectural design review and control, amortization of nonconforming uses, the dedication of land for public uses and taxation of development to provide additional services resulting from development.

B. Supports efforts of the State legislative and executive branches to define and implement a framework for the development of a land use policy. However, we urge the Legislature to recognize the need to base such a land use policy on the premise of public health, safety and welfare, and to provide that land use decisions should be made by local government.

C. Urges the Legislature to grant all necessary authority for cities and towns to annex or exercise necessary control over unincorporated areas within the recognized sphere of influence of the existing community including areas that are county enclaves or islands.

D. Opposes any effort by the Legislature to preempt local zoning rights and urges the members of the Legislature to take due consideration of the needs and desires of the citizens of local communities in any such action.

E. Opposes any effort by the Legislature to remove or diminish the authority of local government to base planning and zoning decisions on the police power.

F. Encourages the Federal government in its leasing of mineral rights to avoid mineral exploration in urbanized areas and to submit proposed leases in such areas to the local governing body for review and comment.

G. Supports legislation which would amend A.R.S. 9-672 to provide for formation of improvement districts for the maintenance and operation of any public improvements which may be taken pursuant to that statute.

H. Supports legislation to provide the necessary tools for community conservation and rehabilitation efforts. Such tools include financial incentives and special tax advantages for rehabilitation of residential, commercial and industrial structures in blighted or designated redevelopment areas; tax increment financing and the creation of a State housing finance agency with funding to stimulate private investment in low and moderate income housing, and mortgage revenue bonds for redevelopment of blighted areas and for low and moderate income housing.

I. Recommends that State legislation be adopted to provide that all applications for the zoning or rezoning of unincorporated areas within a five mile limit of each community must first receive the approval of the governing body of such community prior to receiving approval by the appropriate county board of supervisors.

J. Supports legislation granting counties the authority to plan and zone all land within the unincorporated areas of the county subject to the provisions of subsection I of this section.

K. Encourages the State to assist in Statewide and regional development of flood control projects.

L. Supports legislation to require that the use of State and Federal lands within incorporated cities and towns conforms to local land use plans and local zoning ordinances.

M. Encourages the Governor's Office and the State Land Commissioner to explore ways to exchange State trust land for Federal land. Such exchanges should be used to benefit local governments desiring to obtain such lands within, or on the boundaries of, a community.

N. Supports legislation which would give meaning to A.R.S. 37-609 which provides for exchange of State lands to provide for military airport compatibility and encourages the Governor's Office, State Land Commissioner, Bureau of Land Management and other Federal agencies to make this a priority to protect a national and State resource.

O. Urges the State Land Commissioner to recognize the need for development of State lands. The sale of State lands in some areas is critical for the orderly growth of the State, and the addition of such lands to the tax roll will aid in producing needed revenues. The sale or development of any State lands should be in conformity with existing master plans adopted by the local governments in the area.

P. Endorses changes in the State Constitution and the statutes which would allow public bodies the right to acquire State lands for parks, school sites, public building sites, roads, streets and highways at no cost.

Q. Encourages the State Land Commissioner to consider local government interests in the selection of remaining Federal lands for the State trust.

R. Supports Federal legislation granting preferential treatment to State and local governments to acquire, on a "no cost" or nominal cost basis, U.S. Forest Service lands for public purposes.

V. WATER POLICY

Citizens throughout the State are now wrestling with the problems of determining the extent and nature of present supplies of water, new sources of water and the economic feasibility thereof as well as the extremely complex problem of distribution and allocation of both present and future water supply. The League establishes a policy of cooperation and mutual effort to achieve a lasting and beneficial solution to this major State problem and:

A. Pledges itself to cooperate with the Arizona Department of Water Resources in the development of a long range program of water resource development and management and in the development of administrative procedures to meet the needs of all communities throughout the State and meaningfully involve local officials in the decision making process.

B. Supports proposals for creating new sources of supplemental water for the entire State of Arizona including importation from the Columbia River, the creation of desalinization plants, weather modification and the implementation and construction of the Central Arizona Project.

C. Welcomes the water resource policy study by the Federal government and calls upon the President and Congress to assure a full and open discussion of Federal water policy changes recognizing the important role of municipalities in water resource management.

D. Encourages a united effort throughout the State to reduce wasteful use of water and to promote the conservation of this limited resource. The League urges all local governments to take the initiative by implementing water conservation programs appropriate to their communities.

VI. INTERGOVERNMENTAL RELATIONS

Cooperation, including the sharing of resources, among Federal, State and local governments is necessary for the solution of urban problems and the attainment of mutual objectives. The League dedicates itself to achieving increased cooperation among all levels of government and supports efforts to strengthen existing planning, coordinative and operational systems and partnerships involving Federal, State and local government. Therefore, the League of Arizona Cities and Towns:

A. Supports the integrity both from a geographical and functional standpoint of the State planning districts to provide local input of a regional nature. We request that all Federal, State and other agencies and jurisdictions involved with any program affecting the various planning districts respect and utilize said districts for purposes of coordinating activities and resources. The direction and control of the COGs must remain in the hands of locally-elected officials. COGs are not to act as a substitute nor replace the present structure of local government in Arizona.

B. Strongly endorses the existence of the local councils of governments (COGs) to further coordinate the cooperative efforts among units of local government in solving local and regional problems.

C. Urges Congress to consider re-evaluating the present complex system of Federal assistance programs. It is recommended that, where feasible, programs be combined or consolidated to create a structure involving fewer programs which are broader in scope, more uniform in their application and which provide for maximum local participation in the selection of goals to be accomplished and the means by which such goals shall be pursued.

D. Supports the concept of block grants and subventions to the states for allocation to municipalities for use in broad program areas. The League further supports the continuation of direct grants to cities and towns.

The League urges the creation, at the State level, of a system designed to ensure the effective and equitable allocation of block grants and subventions. The system should include the following elements:

A method for final decision-making by locally-elected officials rather than appointed administrators.

The development of criteria providing for the allocation of funds based on the priority of need.

The creation of mechanisms formalizing the right of locally-elected officials to participate in all aspects of the decision-making process.

E. Urges Congress to appropriate adequate funds for the Title V Regional Commission so that the Commission can address the common interests of Arizona, California, New Mexico and Texas in increasing economic development along our common border with our neighboring country of Mexico.

F. Endorses the concept of consolidated grant programs such as the Housing and Community Development Act of 1974. However, we urge the Federal agencies to exercise caution in the development of implementing guidelines to ensure that the intent of Congress to provide local officials with greater authority and responsibility in determining the use of these funds is maintained.

G. Supports the concept of the Town Affiliation-Sister City Program and pledges our full cooperation toward its efforts. In particular, this program has enormous potential with respect to the cities and towns located in our sister State of Sonora, Mexico. We encourage Arizona cities and towns desiring a sister city to investigate the possibility of affiliating with a city or town in the State of Sonora, Mexico.

H. Opposes congressional action placing provisions in legislation that discriminate against various regions of the country when the legislation is intended to address urban problems on a nationwide basis.

I. Endorses the concept and use of joint exercise of powers agreements in the fostering of intergovernmental cooperation among all levels of government.

J. Urges the Department of Housing and Urban Development to establish an area office within the State of Arizona to facilitate better cooperation and utilization of HUD programs by local governments in this State.

K. Recognizes the importance of a full and accurate decennial census and urges cooperation between all levels of government in the census effort.

L. Commends the Office of the Governor for its continued support of the Joint Funding Proposal concept and encourages efforts to strengthen the concept by using the JFP as the primary tool for management of the joint State and local government planning structure in the State of Arizona.

M. Encourages the State and Federal governments in their attempts to solve environmental problems and preserve archaeological and historical sites to balance such concerns with the needs of today's citizens for public and private facilities at the lowest possible cost.

N. Encourages the Federal government to streamline the grant review and approval process and thereby avoid costly overruns in Federally funded projects.

O. Urges the Legislature to allow joint exercise of powers agreements with Mexico.

VII. PUBLIC EMPLOYEES

The fair and equitable treatment of public employees is vital to the continuation of strong and effective local government. Providing services within financial constraints requires increasing productivity of public employees, continued building and improving of public management practices and sound personnel procedures and administrative mechanisms. Any systems, procedures or processes instituting formal labor relations in a city or town should be determined by the local governing body. Therefore, the League of Arizona Cities and Towns:

A. Supports enabling legislation which would permit general law cities and towns to establish labor relations procedures and processes appropriate to their community. However, the League opposes any State legislation mandating any labor relations systems, procedures or compulsory binding arbitration on local government.

B. Encourages the development, use and extension of merit system principles in personnel administration in cities and towns.

C. Supports the concepts of equal employment opportunity and affirmative action without any quota system and without discrimination in the recruitment, selection, promotion and retention of public employees.

VIII. INDIAN POLICY

In the past, relationships between Arizona's Indian communities and the State and political subdivisions often have been crisis oriented rather than active and positive. Faced with the complex issues of air and water pollution, transportation, and economic and urban development impacting upon both Indian and non-Indian lands and people, it is necessary that cities and towns and the State take steps to develop cooperative relationships with Indian governments. Such cooperation should focus on the orderly and stable development of urban communities on reservation lands especially where such urban growth is adjacent to Arizona cities and towns. Therefore, the League of Arizona Cities and Towns:

A. Supports the efforts of the Governor and the Advisory Council on Intergovernmental Relations toward the development of a comprehensive enabling policy calling for the establishment of ongoing cooperative mechanisms allowing for the betterment of Indian/non-Indian relationships within the State of Arizona.

B. Supports legislation which would provide for equitable taxation of leasehold interests without hampering the orderly development of Indian lands. Such legislation should recognize the special needs and problems which surround the economic development of Indian lands and should take cognizance of the need for an equitable approach to taxation of such lands.

C. Urges Congress and the State Legislature to resolve the dilemma of the present state of the law which allows certain citizens of Arizona to participate in local government, to pass laws and to impose taxes, while these same citizens are not subject to the jurisdiction of such laws and taxes.

D. Opposes any efforts to establish separate taxing authorities on Indian reservations which would be authorized to levy taxes upon non-Indians.

E. Encourages cooperation among Indian communities, cities and towns and urges the Federal and State governments to actively support local government-Indian cooperation.

IX. ENERGY POLICY

One of the most crucial problems facing our nation, State and communities is the decreasing availability of fuel-energy and its increasing cost. The consequences of not resolving this difficult problem are of such magnitude that all segments of our society must be encouraged to conserve existing supplies of fuel. In addition, a high priority must be placed upon the development of additional safe, renewable sources of energy. Therefore, the League of Arizona Cities and Towns:

A. Supports energy conservation efforts and encourages all governments to implement programs and incentives to conserve energy in their respective jurisdictions. The Arizona Office of Energy Programs is encouraged to create an Energy Conscious Community awards program.

B. Calls upon the citizens of Arizona to accept personal responsibility to use energy wisely and efficiently.

C. Urges Congress to approve energy related legislation which will stimulate additional energy research, exploration and development.

D. Urges the State of Arizona to continue its efforts to play a leadership role in the development of solar energy.

E. Supports the development of other sources of energy such as geothermal, hydroelectric, hydrogen, nuclear and wind to the extent that they meet reasonable safety and environmental standards.

F. Urges the Federal government to recognize and acknowledge the differences among regions of the country that affect the level of fuel allocations necessary for the conduct of business and personal affairs.

G. Urges Congress to recognize the unique climatic differences of the country when considering energy incentive programs. The southwest has a need for cooling just as the northeast has a need for heating, and such different needs should be treated equally in any such incentive program.

H. Endorses the Code for Energy Conservation in New Building Construction promulgated jointly by The International Conference of Building Officials (I.C.B.O.), The Southern Building Code Congress International (S.B.C.C.), The Building Officials and Code Administrators International (B.O.C.A.), and The National Conference of States on Building Codes and Standards (N.C.S.B.C.S.), as a voluntary standard for any jurisdiction seeking to establish energy conservation requirements.

X. TRANSPORTATION

Arizona faces a transportation funding crisis. The provision of an adequate transportation system to meet the needs of our rapidly growing populations is of primary importance to all levels of government in Arizona. With the vast majority of Arizona residents living and working in incorporated areas, transportation services rank as a high priority for all cities and towns. Unfortunately, the revenues necessary to sustain an adequate transportation system have not kept pace with the rapidly escalating cost of such services. Therefore, the League of Arizona Cities and Towns:

A. Urges the Governor to call a special session on transportation finance.

B. Urges the Legislature to significantly increase the funding level of the highway user revenue fund. Additional funding is urgently needed to protect the present investment in our street systems and to assist all levels of government in meeting the spiraling cost of materials and labor for maintenance, construction and reconstruction of Arizona streets and highways. The increase should not, however, adversely impact other local government revenues.

C. Supports the distribution formula contained in the 1980 biennial Statewide transportation needs report. The distribution formula should be changed concurrently with the increase in highway user revenues.

D. Supports legislation providing for use of State general funds rather than highway user revenues to fund the Arizona highway patrol fund.

E. Recommends for consideration by the Legislature use of State general funds to supplement street and highway funding.

F. Urges the Legislature to index for inflation highway user revenues to address the detrimental effect of inflation on meeting transportation needs.

G. Recommends that when transfers of streets or highways from one level of government to another are implemented, such transfers include the provision of adequate funds to maintain such streets or highways.

H. Urges Congress to appropriate Federal funding for the much needed development of Arizona's aviation, transit and highway services.

I. Urges the Legislature to initiate State aid for public transit services with recognition of the various types of services and their funding mechanisms. Such aid, however, should not reduce or affect funding for streets and highways.●

STATUS REPORT ON ARMY NATIONAL GUARD AND UNITED STATES RESERVE

● Mr. GOLDWATER. Mr. President, the Association of the U.S. Army has in its continuing efforts to build for the United States an adequate defense prepared a status report on the Army National Guard and the U.S. Reserve. I ask that this factsheet be printed in the RECORD.

The material follows:

A STATUS REPORT ON THE ARMY NATIONAL GUARD AND THE UNITED STATES ARMY RESERVE

OVERVIEW

The Army exists to serve two overriding purposes—to protect American interests worldwide and to defend the nation if the need arises. It seeks, first, to deter war by the very fact of its existence as a capable, ready military force, and second, to fight effectively if deterrence fails.

Deterrence cannot work unless it is credible. It will not be credible unless there is real, useable military power behind it, equal to any task put to it and backed by a nation whose resolve is firm and whose objectives are clear.

Our Army's first leader and our first President told the Congress in his original inaugural address, "to be prepared for war is one of the most effective means of preserving peace." Early in 1980, General Edward C. Meyer, Army Chief of Staff, put the admonition in a modern context when he declared:

"To the extent we do not structure and posture forces in accordance with our declaratory deterrent policy, we invite the very war we seek to deter."

Today, it no longer is enough to maintain a highly-ready Active Army. At least one-half of the Army's warmaking capability, and thus of its deterrent character is maintained in its Reserve components, the Army National Guard and Army Reserve. This has been the central thrust of the Total Force doctrine since it was launched in 1970—to hold down defense spending by eliminating as many Active units as national security permits and by elevating the combat readiness and capability of the Guard and Reserve, enabling them to take up the slack.

The Total Force unquestionably is one of the most important developments of the past several decades in the U.S. military establishment, giving each of the three components—Active Guard and Reserve—vital significance both in the assessments of immediately available combat power and the dynamics of deterrence.

Expounding on his "vision" of challenges that will confront the Army in the 80's in his recent White Paper, the Chief of Staff said that while this nation's commitment to NATO Europe's defense will remain at the core of our military strategy, we can also expect an "extraordinarily diverse" array of new threats to arise outside of Europe. They will come not only from the USSR, he believes, but from "heavily armed Soviet surrogates and independent, militarily sophisticated Third World nations" as well. These threats, he foresees, will "span an increased spectrum of conflict ranging from terrorism to insurgency to highly intense conventional warfare. . . . in a variety of militarily demanding environments, from deserts to mountainous regions to tropical rain forests." He certainly must have had in mind the critical mid-east even though he may not have foreseen events in Iran and Iraq as they now are.

It is not a scenario to be contemplated with pleasure. It will compel the entire U.S. military establishment "to accept risks it would prefer to avoid," and to develop "unprecedented flexibility" in a wide array of modes, in the words of General Meyer.

"The erosion of the strategic force balance, significant growth of Soviet power projection capabilities, and the emergence of regional threats place new demands at a time when all Services face severe and prolonged resource restraints," summarizes the Army Chief of Staff's view of what's ahead. "'In such an environment, our requirements for additional resources must be matched by the demonstrated ability to use more wisely those provided to us."

Every threat, every challenge, every constraint perceived by General Meyer has equal application in all parts of the Total Army. All components—Active, Guard and Reserve—need additional resources: more equipment, more training, more trained men and women, more funds. Likewise, all must place even greater emphasis on using their resources more productively.

Similarly, the Guard and Reserve are confronted by the same need as the Active component for flexibility—in mobilization and deployment procedures, in training practices, and in thinking. The Reserve component cannot, and need not, be fitted precisely into the same mold as the Active forces in every aspect of their military existence. They are not "carbon copies of the Regulars," as many have previously pointed out.

The recently concluded decade of the 1970's has been unique . . . Never before have the National Guard and Reserve:

1. Been required to support such a large authorized strength;

2. Been required to have on hand and to maintain such large amounts of wartime equipment;

3. Figured so vitally in the mobilization plans of the Department of Defense;

4. Been faced with such rigorous training deployment schedules;

5. Represented such a significant percentage of the combat units of the U.S. armed forces.

Unlike all past mobilization periods in our nation's history, when there was a significantly greater time to train, and move when and where needed to a war zone, the National Guard and Reserve of today train forces for virtually immediate deployment in support of the nation's defense." 1980 Policy Statement, Adjutants General Association of the United States.

Guardsmen and Reservists can devote only a fraction of the time to the military side of their lives that Active soldiers devote to their fulltime profession. Consequently, the need for flexibility assumes real significance in such commonplace areas as administrative requirements and training that's not mission-related in the Guard/Reserve environment.

The Guard and Reserve have not been given the same level of support throughout the past decade that has gone to the Active component. It was a course, consciously chosen, to improve the readiness of the first-to-be-deployed Active forces initially, then shift greater emphasis to the next elements in the wartime deployment timetable. It's a point that needs serious consideration as guidance documents are reviewed and resource allocations are updated. Unfortunately, we have not been able to make the shift into the second phase of improvement, focused on the needs of the Guard and Reserve.

FORCE STRUCTURE

"We have reached the point where Reserves must have the same level of emphasis and consideration as the Active component because, under most scenarios, an increasing proportion of the Reserves will mobilize, deploy and be employed along with, not following, the Active Army. . . . The majority of our Total Force lies in the Reserve structure. With this preponderance (goes such missions as) rapid reinforcement of Europe, both in combat and logistical support forces; supporting deployment of the Total Force, sustaining the (deployed) force, expansion of the CONUS base, and providing the capability to expand beyond 24 divisions, should that be necessary." William D. Clark, Deputy Assistant Secretary of the Army for Reserve Affairs, Testifying before a Congressional Committee, March 13, 1980.

Army force planners have been struggling with a problem familiar to them from many past encounters: how to structure the Total Army—Active, Guard and Reserve—to produce optimum capability within tightly constrained resources and countless other limitations.

When the Vietnam War ended, the Active Army was pared back by more than half. Concurrently, the Total Force policy was adopted, expanding the responsibilities of the Guard and Reserve; and the All-Volunteer Force was launched. In that same time frame, the Army was required to produce more combat power in the so-called tooth-to-tail force balance. In response, the Army activated three additional divisions raising the count from 13 to 16 Active divisions, without any increase in overall personnel strength. To free up manning spaces for the new divisions, many Active combat support and service units were inactivated and their high priority missions assigned to comparable units in the Reserve structure. These actions place the Active Army seriously out of balance and can only be justified by the understanding that the National Guard and Reserve forces must be mobilized in almost all foreseeable circumstances of potential conflict.

Consequently, the Guard and Reserve today are expected to provide nearly one-half of the Total Army combat power and two-thirds of its combat support and service structure. Combat elements, with a strong salting of support-type units, predominating in the Guard, while combat support and combat service support units, with a sprinkling of combat forces, make up the bulk of the Army Reserve structure.

A selective breakdown shows the following percentages of Total Army structure being maintained in the Reserve components:

Army National Guard: 33 percent of the combat divisions (8 of 24); 73 percent of the separate brigades (18); 57 percent of armored cavalry requirements (5 regiments); 57 percent of the infantry battalions; 41 percent of the mechanized infantry battalions; 43 percent of the tank battalions; and 50 percent of the field artillery battalions.

Approximately 1,000 separate headquarters, companies, detachments and battalions in support missions.

Army Reserve: 11 percent of the separate brigades (3); 33 percent of the special forces groups; 9 percent of the field artillery battalions; 44 percent of the medical units; 33 percent of the combat support aviation companies; and 30 percent of the combat engineer battalions.

Hundreds of maintenance and other service units.

If the Army went to war, the Guard and Reserve together would provide 77 percent of the non-divisional combat forces in addition to the Guard's eight divisions; 72 percent of the hospital units, the majority of them Army Reserve; 71 percent of the ammunition supply units; 74 percent of the engineer construction capability; 95 percent of the gaso-

line/diesel/oil handling capability; and 71 percent of the non-divisional maintenance. Overall, Guard and Reserve elements encompass some 54 percent of the Army's maneuver battalions, one measure of combat power; and 80 percent of its maintenance capability, a strong factor in how long the Army can sustain itself in combat.

The National Guard portion of the Total Army is even more heavily oriented toward the combat function than the Active Army. Thus, even though it counts hundreds of support units in its own structure, it would need help also from Army Reserve support units to round out some of its operational forces.

In numbers of units and trained people as well as in the importance of their missions, Guard and Reserve elements now comprise a large and indispensable part of the deployable part of the Army as well as of the U.S.-based mobilization and support structure.

The structure of the Army's deployable, war-fighting forces is determined by a process called Total Army Analysis (TAA). TAA matches force requirements against deployment timetables for all elements and weighs the effect of a range of other factors. From this process is decided which units must be maintained in the rapidly deployable Active Army and which can be allotted to less quickly deployable Guard and Reserve. The objective is to produce a force with the right number and type of maneuver, fire support, combat support and combat service support units to win in battle.

Three features have marked force structure developments in the decade since Vietnam. First was the major reduction in the size of the Active Army which, with other developments, tipped the scales in conventional warfare capabilities toward the Soviet Union and Warsaw Pact forces. Second is the effort, mentioned earlier, to shift the so-called tooth-to-tail ratio in the Active Force more strongly to the side of combat teeth and less support tail. There has also been an effort to give the overall force a "heavier" configuration, with tank and mechanized infantry replacing some of the light infantry elements.

The latter initiative increased support needs precisely at the time when support forces were being cut back. This year, therefore, the Army has been authorized to give the Active force a better balance by restoring 2,600 support spaces.

The defense of NATO Europe continues to rank as the Army's most serious challenge and the source of its most serious force structure problems. It remains the centerpiece of U.S. military strategy. However, threats in regions outside Europe, particularly the Middle East, have commenced to assume a more serious aspect than they formerly did, in the view of Army leaders. Therefore, greater emphasis is being placed on maintaining forces that can operate effectively either in Europe or in any one of many combat environments that would prevail in other parts of the world.

This nation's capabilities to project combat power worldwide "must be improved," declares General Meyer in his WHITE PAPER 1980. To satisfy that need, he sees a requirement for force realignment and structure changes "directed toward providing separate force packages for NATO and non-NATO contingencies."

To a great extent, NATO Europe is an area that requires "heavy" forces—heavy on tank, mechanized infantry, self-propelled artillery and the like. The heavy design of Soviet forces makes it essential that U.S. and other NATO armies be able to hold their own in such an environment. The heavy equipment exacts its toll, however. It cannot be moved rapidly by airlift. It is unlikely this nation could even maintain enough global airlift to deploy even a modest force to Europe from U.S. bases, within acceptable time limits, if equipment as well as personnel had to be air-transported.

The Department of Defense's answer has been to pre-position heavy equipment, ready to be picked up by units airlifted from the U.S. upon arrival. But, equipment stashed away in European sites cannot readily be retrieved and rapidly transported to other parts of the world if threats develop elsewhere. Thus, reinforcement is enhanced in one area at the expense of overall capability to respond in another.

Army force planners are considering the extent to which the light infantry forces appropriate for many non-NATO contingencies can also be employed usefully in NATO. As the Chief of Staff's WHITE PAPER explained, the combination of tight limits on resources and an increasingly diverse array of threats "mandates a careful balance between flexibility to conduct operations world-wide with minimum preparation and specific NATO orientation."

Efforts are also under way to develop a new standard division structure meshed with the needs of a 1980's integrated battlefield. Although it focuses primarily on division structure, Division 86 also is reviewing the changing relationship between divisions, corps and higher command levels, and the evolving nature of their interface with logistics and support systems.

One fundamental point quickly emerges from examination of the force structure issues currently under study. It is that the broadest possible utilization of Guard and Reserve capabilities must be achieved if the Army is to meet the challenges that confront it. The Army will be hard-pressed to develop the required mission-performance capability even with maximum Guard/Reserve utilization. Without an optimum Guard/Reserve contribution, the Army's ability to perform its function would be gravely impaired.

The question therefore becomes one of determining how the Guard and Reserve can best be utilized, to contribute most productively.

Unquestionably, first priority must go to elevating the readiness of Guard and Reserve units to perform their NATO reinforcement mission. Not just the so-called "early-deploying" units—all are early-deploying by the standards of only a very few years ago—but all units. NATO is where U.S. strategy places its primary interest, and NATO's reinforcement also is the mission to which the Guard and Reserve structure, training and other preparations long have been pointed. In brief, NATO is where the most serious threat lies but not necessarily the most likely battleground. And yet the emphasis has been placed in preparing the Guard and Reserve to perform a NATO wartime mission.

The Reserve components already contribute importantly to the non-NATO role through a process called "backfill." Under backfill, Active elements earmarked for NATO may be diverted to non-NATO contingencies. If that occurs, mobilized Guard and Reserve units must assume their NATO assignments.

Backfill alone will not be enough under many non-NATO conflict scenarios, however. For some scenarios there simply aren't enough deployable Active forces to accomplish the mission. Guard and Reserve elements will have to be used to flesh out task forces. This is particularly the case in respect to many support-type units.

There is nothing new or revolutionary in such a concept. Guard divisions and brigades often in the past have been tasked both for specialized missions, mostly in hemispheric defense, and NATO roles.

Maintaining readiness for multiple missions is not a matter of choice for many support units. They are available in the required types and numbers only in the Guard and Reserve, mostly the latter. Hospitals, field depots, heavy equipment maintenance organizations, transportation battalions, communications units, specialized ordnance companies, aviation companies, public affairs detachments and a host of other units have long rendered magnificent service in a broad range of on-the-job training environments.

Force Structure Realignment and Change: Force structure changes already are taking place and more are imminent as the Army continues its effort to keep its structure aligned with new tactics, new threats, ever-changing technology and the debilitating effect of resource constraints. The changes unavoidably will impinge on the Guard and Reserve as well as on Active elements. The problem thus becomes one of minimizing the changes imposed on Reserve component forces, thus minimizing the personnel turbulence and loss of readiness that have always accompanied extensive reorganizations.

Steps are under way to increase the capabilities of field artillery battalions, provide electronic surveillance capabilities to divisions, add nuclear/biological/chemical defense companies to divisions, bolster anti-tank capabilities, and restructure such divisional support elements as the Finance, Adjutant General and Military Police elements. These alterations are being made in Guard as well as in Active Divisions.

The Division 86 study almost certainly will also conclude that a larger, heavier more flexible standard division is required.

Such changes as these cannot be made in only one portion of an Army. They must be made Army-wide to insure battlefield cohesion and adequate support for all elements.

A special kind of consideration must be given when such changes are imposed on Reserve component forces. That kind of consideration has not always been given during past force realignments, with the result that readiness losses were severe and recovery periods dangerously extended.

When an Active Army company, battalion or larger element undergoes a major reorganization, retraining is quickly conducted, required personnel transfers made, and in a matter of weeks the unit has regained its former combat readiness level. Conversely, in a Reserve component unit because of its local nature, personnel transfers cannot solve the problem and it has only four drills—16 duty hours per month, plus 14 days annual fulltime training. Its members hold fulltime civilian jobs and have difficulty persuading employers to grant them additional military leave. It can be a year or longer before the unit regains its previous readiness level. And in the meantime many of its members have drifted away disenchanted by all the uncertainty and turmoil.

Affiliation: One of the brightest spots in the Army force alignment picture is the affiliation program and one of its subelements, the round-out system. Guard and Reserve units are affiliated with comparable Active units for training support and assistance. Under round-out, certain elements have been omitted from Active division's structure and are provided by the Guard or Reserve. Thus, the Reserve forces provide companies, battalions, even brigades, that become an assigned, working part of their parent Active Army division upon mobilization. This is called Project CAPSTONE and is described later in this paper.

The system has limitations. Conceivably, the parent division may have to deploy to some overseas contingency without its affiliated Guard/Reserve element. But a flexible organizational structure alleviates the problem thus posed, and the pluses of round-out far exceed its minuses. Its biggest advantage is that it permits the Army to maintain a force structure of the kind required in today's world, which would not be feasible if

compelled to rely solely on Active personnel at the present constraint size of 774,000.

Now, the affiliation program is being expanded again. In fiscal year 1979, a total of 163 companies and battalions were in the program. The Army intends to add another 150 units in fiscal year 1980 and fiscal year 1981.

Moreover, an even greater expansion of round-out is being considered as part of the Division 86 study. Only through wider use of Guard and Reserve round-out elements can the Army maintain its present 16 Active divisions at the increased strengths envisioned by the Division 86 study. Thus, many or most CONUS-based Active divisions (except those assigned to the Rapid Deployment Force) may soon be composed of a mixture of Active and Reserve component elements, with deployment sequence as the deciding factor.

Resource Constraints: A major source of difficulty in Army attempts to maintain a force structure commensurate with the threat are resources constraints. Primarily, that means funding deficiencies. It means buying fewer weapons and vehicles than the task demands, maintaining a smaller force than can legitimately be considered the prudent, low-risk minimum; and repeatedly deferring maintenance on equipment and facilities even though readiness is reduced. It produces what General Meyer called "a hollow Army"—an Army with personnel, structural, equipment, maintenance and training gaps.

Guard and Reserve forces feel the shortfall more than the Active forces because priority for scarce resources necessarily must go to the elements which will deploy first, which in most cases are Active units.

One consequence of the severe shortage of many essential resources is a Department of Defense priority system called Force Packaging Methodology. This technique allocates the lion's share of available resources to units that would have to deploy earliest in a future contingency. Later deploying units are given a bare survival minimum. The system creates a Guard/Reserve structure divided into haves and have nots. Worse, it flies directly in the face of validated requirements for a NATO conflict, to an uncomfortable degree ignoring the follow-on requirement for sustaining forces months into a conflict.

Priority systems are essential, whatever the level of funding and resourcing provided. It currently is being applied so rigorously, however, that some later deploying units had been deprived of recruiting and retention incentives, adequate funding for training, deployable equipment, even of badly-needed armories and training centers. This almost insures that those units will become replacement pools on M-Day, a roll that is not envisioned in Army war plans and suggests that use of later-deploying elements as a replacement pool is no longer regarded as a mere stopgap measure but is becoming the accepted practice. More and more, comments are heard that "we did it in World War II, and it worked—those divisions were rebuilt and performed well." This is true, except that the rebuilding process took a year or more and that luxury will not be available in future confrontations in NATO Europe.

Readiness: One further point needs elucidation; the matter of establishing readiness levels for Guard and Reserve units. It is pointless, even counter-productive, to establish a level of readiness that all concerned know cannot be attained.

Guard and Reserve units are not full-time, Active Forces. Only in emergency circumstances and under intensive pressure can they be expected to attain the same capability for overnight deployment that properly supported Active units can attain. However, most Guard/Reserve units can reach, and maintain, a far greater capability for early deployment and combat than many in the full-time establishment have been willing to accept.

What is needed is establishment of realistically attainable readiness objectives for every unit of the Guard and Reserve with firm plans developed to reach the stated objectives and resources provided that make attainment of the objectives possible.

MANNING THE FORCE

"The most urgent challenge facing the Army today is that of adequately manning the Total Force—our ability to attract and retain qualified men and women in the Active and Reserve components, and in the civilian workforce." General Edward C. Meyer, Army Chief of Staff, February 26, 1980.

"Since the advent of the All-Volunteer Force, the manpower problem simply has not been addressed in a realistic manner . . . Until, and unless, we get serious about the manpower problem, all the other dialogue with respect to readiness is meaningless." Major General James S. Brooks, Chairman, Army Reserve Forces Policy Committee, July 2, 1980.

Manpower deficiencies are widely regarded as the most serious weakness in today's Army. They afflict all three components—Active, National Guard and Reserve. Until they are overcome, optimum combat readiness is not attainable.

Manning shortfalls exist in all three components, with the largest shortages in the Guard and Reserve. At the end of Fiscal Year 1973, the year the draft ceased to operate, the All-Volunteer Force idea was launched. At that point, the Total Force doctrine was well into its second year, and Total Army strength stood at 2,181,000, distributed as follows:

Active	801,000
Guard (ARNG)	386,000
Reserve (USAR)	235,000
Individual Ready Reserve (IRR)	759,000

By the end of Fiscal Year 1979, only six years later and with both the hostage seizure and the Afghanistan invasion only a few weeks away, Total Army strength had fallen to 1,496,203, a drop of 685,000 broken out as follows:

Active	758,400
ARNG	346,000
USAR	190,000
IRR	201,803

The overall Selected Reserve, covering all services not the Army alone, has followed a familiar downward pattern. It peaked in 1970 with 987,000 trained members. By 1978 it had sagged to nearly 788,000. The Selected Reserve is the element that would be called first to augment the fulltime forces in a defense crisis. At this writing, it has crept upward to about 826,000; far short of the M-Day need for a NATO emergency.

It is hard to avoid the conclusion that the All-Volunteer Force has been, if not a serious failure, then at least a severe and dangerous setback for national defense. All-volunteer manning, like Total Force, was adopted contingent on the Congress and the Administration providing the additional resources required to make it work. That did not happen. Successive administrations would not request, and Congresses did not take the initiative to fund such essential programs as enlistment and reenlistment incentives for the Reserve components. Even as Guard and Reserve strength was dwindling, requests for assistance from Reserve component leaders were being rejected by the Department of Defense, the White House Office of Management and Budget and the Congress.

A senior advisor to one of the Congressional Armed Services Committees early in the 1970's opined that Congress would not become concerned over Guard/Reserve strength problems, nor provide additional resources, until ARNG and USAR strength had dipped to 350,000 and 200,000 respectively. That is exactly what occurred. Consequently, even though programs for restoring lost strength now have been initiated and funded, complete recovery will require several years of extensive effort and continued funding support.

For years, the extent of the shortfall was obscured by the manner in which strength authorizations were requested from Congress by the Department of Defense. At least Congress has seized on that as justification for the indifference it displayed. ARNG and USAR authorizations were based on what DoD thought the two components could attain rather than on the actual requirement for mission performance. It failed to show the wide gap between authorization request and actual need.

Thus, the total numbers requested for the ARNG/USAR between 1974 and 1979 gradually dwindled, from 625,000 down to 558,000, even though the peacetime requirements stayed at about 625,000 based on war plans. For the USAR only the authorization request dropped from a 1974 figure of 235,000 to the 195,750 requested in 1979, while in the same period the war requirement was 276,000. For the ARNG alone, the authorization request dropped from 400,000 to 362,000 while the wartime structure strength stayed firm at about 435,000.

Small gains have been noted since 1978 although claims made by some, that a complete turnaround has been achieved, may be unrealistic at best.

Force manning

(As of Aug. 29, 1980)

Army Mobilization Requirements:	
Active Army	825,800
U.S. Army Reserve	428,300
National Guard	259,500
Unmanned Structure	76,800
Current Budgeted Strength:	
Active Army	774,000
U.S. Army Reserve [1]	206,079
National Guard [1]	358,644
Current On-Board Strength:	
Active Army	774,116
U.S. Army Reserve [2]	203,916
National Guard [2]	361,654
Recruiting scoreboards (year to date):	
Objective:	
Active Army	153,006
U.S. Army Reserve	48,437
National Guard	78,317
Accessions:	
Active Army	156,107
U.S. Army Reserve	47,882
National Guard	77,738
Percent objective:	
Active Army	102.2
U.S. Army Reserve	98.8
National Guard	99.3
Reenlistment scoreboard (year to date):	
Objective: [3]	
Active Army	75,222
U.S. Army Reserve	38,591
National Guard	89,470
Achieved:	
Active Army	77,088
U.S. Army Reserve	27,617
National Guard	67,828
Percent objective:	
Active Army	102.3
U.S. Army Reserve	71.6
National Guard	68.2

[1] Includes full time active duty reserves (10,532 on Sept. 30, 1980).

[2] Includes 10,204 full time active duty reserves.

[3] Number of eligibles.

Strength: In FY 1979 both the ARNG and USAR escaped strength losses for the first time since 1974. The ARNG showed a net gain of 4,532 and the USAR climbed by 4,237. The IRR also posted a gain of about 35,000, raising it from 166,607 to 201,803.

Some of this gain came from eliminating previous exemption of women from IRR service. At least half of the IRR "gain," however, came from book-keeping transactions rather than an actual gain to the nation of trained individuals. Individuals are being held in the IRR for their sixth and final year of obligated service rather than being shifted into the Standby Reserve. The move simply distributed the shortages differently!

Guard and Reserve leaders predict additional gains for Fiscal Years 1980 and 1981. ARNG strength gains from October 1979 through May 1980 totalled about 9,000 and a year-end total of about 360,000 was being predicted. USAR leaders believe last year's end strength of 189,990 will have climbed to 201,800 by year's end. A strength of 376,200 is the ARNG target for FY 1981 while for the USAR the goal is 210,400.

In other favorable developments:

First-term attrition was down appreciably in FY 1979 as were overall losses, indicating that retention programs are working better.

Congress has authorized membership incentives for all units of the Army's two Reserve components at a cost of $59.4 million. (Action on funds is still pending).

A variety of other Congressional initiatives to increase the attractiveness of military service will benefit the Guard and Reserve as well as the Active forces.

On the negative side, repeated administration proposals to abolish fully-paid military leave for Federal employees who are members of the Guard and Reserve are again under Congressional consideration. Under the current proposals, they would receive a "differential" covering the difference between their military and Civil Service salaries. If the disenchantment is great enough among the 125,000 or more Guardsmen and Reservists who are Federal employees, there could be a surge of losses.

Falling into the unpredictable category are two other factors. They are registration for Selective Service and the job picture.

The new registration requirement could have a beneficial effect on Reserve component recruiting, but no appreciable impact has been felt. If actual drafting begins, the picture would undoubtedly change abruptly.

The standard pattern has been that high unemployment brings more men into the Reserve forces for the part-time income. When the job pictures improves, military enlistments traditionally sag. At this point, it is not possible to predict either the job trend for the coming year or its effect on enlistment and retention rates.

Starting from where we are today, then, what courses are indicated to fill the ranks of the Guard and Reserve with capable, well-motivated people?

The starting point, in the view of AUSA, must be strong, consistent support from the Administration, the various Federal agencies whose actions impinge on the military, the Department of Defense, the Congress and the American people. Without such support, based on a realistic assessment of the nation's defense needs, no real and lasting improvement can be made.

If the nation is to continue placing its reliance on the Total Force, and we strongly support this course, it must start with the awareness that the Reserve Forces are not merely a part of our military structure—they are an indispensable part.

It is essential that the Reserves be better recognised and appreciated at the national leadership level so that appreciation will more readily percolate down to State and community level. Political, business and civic leaders at local levels must understand the critical need for capable, quickly-available Reserve forces. Only then will service in the Guard and Reserve be highly respected again, and that is a most important prerequisite to manning the force.

Why They Join—And Stay: Four factors appear to have the most influence on decisions to enlist and reenlist in the Guard and Reserve. Those are employers, spouses, the nature and caliber of the training and peer influence.

Employers must truly believe that an employee works better and is more valuable because of the experience he is undergoing in the Guard and Reserve. Wives and husbands of Reservists must be drawn into their spouses' military life to a degree that will make it a shared effort.

Commander after commander has reported that the idea of "service" counts more than pay in most enlistment/reenlistment decisions—service to the nation and service to the community. The Chief of Staff touched on the point in his White Paper 1980 when he said, "The recruiting message must include the profession—as well as the occupation and the positive image of service to the nation, and pride in that service."

Commanders also say that while pay is an important element in attracting men and women to the Guard and Reserve, it is not enough to hold them past the first enlistment. It is at that point that the less tangible factors, such as the quality of the training and the ideal of service come into play.

Fulltime Manning: For many years, Reserve components of the Air Force have been widely recognized as the readiest of the Reserve forces. To a great extent this is a product of their level of fulltime manning. As much as 20 percent of the manpower in operational units is employed in a fulltime status to deal with maintenance, administration, training preparation and other essential tasks. By contrast, Army Guard fulltime staffing has never exceeded nine percent, while the Army Reserve has been even more severely restricted, at six percent or less.

Efforts have been underway for the past two years to increase the number and proportion of Army Guardsmen and Reservists employed on a fulltime basis. The existing force of individuals working as Civil Service technicians is being steadily augmented by individuals in fulltime military status and by Active Army assignees. The employment status is less important than the fact that the fulltime force is being expanded, permitting more attention to be paid to such areas as training and manpower retention. The trend must be encouraged and supported until all valid requirements are met.

Individual Ready Reserve: The weakest link in the Army's mobilization manpower posture unquestionably is the IRR. It has had its ups and downs through the years but was never in danger of extinction until the elimination of the draft and conversion to an All-volunteer force. The size of the IRR, consisting of persons with recent active service, has always been a corrollary of the size of the Army and the number of persons passing through the system.

The Army IRR hit its high-water mark in 1960, with a total strength of 1,417,000. Then, after a slow decline to as low as 437,000 (in 1963), it climbed back to slightly more than one million in 1972, the result of Vietnam era draft calls. By law, men who were drafted served two years on Active duty and the next three in either a Selected Reserve unit or the IRR. The sixth and final year could be spent in Standby Reserve status.

The size of the IRR is a matter of more than academic interest. It's the "pool" of trained individuals who would become one of the Army's scarcest and most critical assets on some future M-Day. Those individuals would be among the first (elements) to be mobilized, to flesh out existing units to war strength—Active, Guard and Reserve—to replace combat casualties incurred in the first weeks of combat, and to commence building an expanded support and training base in CONUS.

While there are wide differences of opinion on how many pretrained individuals will be required in a future M-Day, there is no dispute at all about the need. They can literally be the difference between holding our own or sustaining serious setbacks early in a conflict, in NATO Europe or elsewhere.

For the ARNG and the USAR, the statistics show a shortfall of approximately 160,000 below authorized peacetime levels and a deficiency of approximately 250,000 below recommended wartime manning tables. The shortage in the IRR is anywhere from 200,000 to 600,000 depending on whose estimates you accept and what assumptions are made about how a future conflict might develop. The Secretary of the Army told a Congressional committee the IRR shortfall was "less than 200,000;" and the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) told the same committee it was 270,000. An evaluation conducted by the Army staff in November 1979 suggested a shortfall of 310,000 trained individuals in Europe by M+90 of a NATO conflict. Little more than a year ago, in the immediate aftermath of a Nifty Nugget/Mobex 78, shortage estimates were running as high as 600,000.

It is fair to say that estimates in the higher range are based on "worst case" assumptions of what the first weeks of a NATO conflict would produce. Those in the lower range are based on only the most optimistic assessments of such factors as casualty rates and how many can be found to report when the IRR and Standby Reserve are called. Guard and Reserve leaders fear, probably with ample justification, that the lower range of shortage estimates also is based on wasteful procedure of utilizing many organized and trained units as replacement pools, thus reducing the requirement for pre-trained individuals.

DoD has not yet accepted a proposal long supported by AUSA and other organizations, that consideration be given to drafting men for the IRR. Drafting up to 200,000 men into the IRR also was a provision of bills considered by Congress. It is without question the only means available to restore quickly IRR strength to a prudent level.

How much time do we have? How urgent is the need to restore Army strength to the desired levels, in Active, Guard, Reserve and IRR? Those are fundamental issues underlying the ongoing debate over manning the force.

National leaders continue to warn of threats barely over the horizon. Military leaders understand fully the rapidity with which a placid situation can turn into chaos. Commanders in Europe watch the steadily growing Soviet-Warsaw Pact military power facing them with apprehension. Elsewhere, events in the Middle East threaten world peace.

The Deputy Assistant Secretary of Defense for Reserve Affairs has predicted on several occasions that it will be 1985 before the Army Guard/Army Reserve can be restored to the required peacetime levels. We believe that to be overly optimistic without drastic action.

The Army's Deputy Chief of Staff for Personnel stressed the need for readiness now when he testified before a Congressional committee early in 1980. His statement, paraphrased, was that "we talk much of the possibility of war at some future date, but we must make ourselves ready to fight today."

"Current manpower policies of the Department of Defense invite an early return of conscription. The All-Volunteer Force has serious problems that are not being addressed. The cumulative impact of those problems is a force with deficient military credibility. . . . With immense human effort, and no little human cost, the Services

are barely keeping their heads above water in the recruiting market. . . . Retention of highly-trained and experienced personnel remains the single most critical problem in the military. . . . Serious shortages exist in the Reserve components. . . . The optimistic outlook for the Selected Reserve has been achieved in spite of, not in conjunction with Defense Department efforts. . . . Defense efforts to candidly address the major shortages in the IRR have been dilatory and lacking in focus." Excerpts from Authorization Report, House Armed Services Committee, April 30, 1980.

At its 1980 Annual Meeting, AUSA's delegates addressed the problem as follows:

"Present mobilization plans include heavy dependence on the use of Reserve Forces and Individual Ready Reserves. Without the pressure of a draft, our Reserve Component Forces experience great difficulty in recruiting, which has resulted in understrength units non-responsive to the mobilization needs of the Active Army. An adequate IRR simply cannot exist because there is only a limited source for trained personnel.

A draft would provide our nation with many positive benefits. It would provide a necessary source of trained personnel should they be needed, and would serve as a deterrent to war because it would signify our national determination to react to aggression with all our means.

Presidential induction authority for the military forces and a revitalized hiring and training program for civilian personnel are of utmost importance if we are to meet the Nation's requirement for a strong Total Army Force.

We therefore resolve to

Increase our efforts to make the public, the Congress, and the Administration aware of the critical requirement for manpower in the Total Army Force.

Encourage the Congress and the Administration to take any and all actions necessary to obtain the manpower necessary to fill shortages in the Total Army Force, including an immediate increase in the civilian work force.

Urge that the President be authorized to order induction.

Urge that drafting of personnel be authorized to fill the IRR and to fill shortfalls in the Active Forces.

Support funding for a fully operational Selective Service System.

MODERNIZING THE FORCE

"Next to manning the force, the management of modernizing is the most complex challenge facing the Army in the 1980's." General Edward C. Meyer, Army Chief of Staff, White Paper 1980.

The Army is preparing to launch the largest modernization program in its peacetime history. It hopes to spend some $33 billion over the next five years, subject to Congressional approval of its spending plans.

The program is intended "to achieve at least technological equivalence (with the Soviet Union) in fielded systems by 1985 and superiority by 1990," explains the Chief of Staff. Even with that much to spend, he points out, the Army will not be able to acquire all the necessary systems.

Modern military hardware costs a great deal and the price tag is going up ever year. The ever-increasing cost results partly from inflation, partly from advanced technology and partly from the need to catch up with needs long-deferred. It would have cost the nation less, in absolute as well as comparative terms, had we maintained a steady modernization pace through the years rather than repeatedly deferring necessary procurement.

In its report on the Fiscal Year 1981 Defense Authorization Act, the House Armed Services Committee provided an explanation that was notable for both clarity and frankness. Said the Committee report:

"The problem has not been the lack of planning so much as the obvious inability to follow the plan. The military services plan that one day aircraft and ships and other hardware will wear out, that the enemy will develop effective defenses, that equipment will fall prey to attrition even in peacetime. Assuming only static force levels, there must be plans for attrition, obsolescence, and replacement. The committee, however, finds no evidence that these plans find their way into the annual budget reviews of the Department of Defense and the Office of Management and Budget in any systemic way."

The committee went on to point out:

"Over the years, the political requirements of budgetmaking have overruled the real needs of the military. We now find ourselves with a backlog of requirements that are essential to national defense and security. Each requirement is urgent in a world becoming more dangerous each day. This backlog of requirements is, itself, a product of the claim of 'unaffordability' in past years. . . . The question before the committee and before the 96th Congress is not whether we can afford what we need for defense. The question is whether we can afford not to buy what we need for defense at reasonable rates and thereby avoid the future payment of high sums for inflation alone."

For a number of years, military planners have properly assumed that the Army will have to fight the critical early months of any future NATO conflict with whatever weapons and equipment it has on hand at the time war erupts. There will be no time to place orders, tool up factories and manufacture new equipment for the combat forces. Thus, the "come as you are" war became a standing consideration in contingency planning.

The Army Modernization Program envisions the transfer of a large amount of equipment from the Active force into the Guard and Reserve during the 1980's. These resources will certainly enhance the war fighting capability of the Reserve forces. However, there must be a major increase in early acquisition of current generation equipment right off the production lines for the Guard and Reserve if our early deploying units are to be compatible with the Active force already deployed or concurrently deployable on the battlefield. Equally important is that Reserve forces maintenance personnel train routinely on the equipment they will service on the battlefield as well as the (older) equipment in the hands of the Guard and Reserve.

The prospect of "come as you are" combat has become more appalling with each passing year; however, as the Army has fallen farther and farther behind its potential foes in both the quantity and capability of its equipment. It is a particularly unattractive proposition for large segments of the Guard and Reserve; as later deploying units, they get the least and the worst of what is available.

The low estate to which we have fallen in essential war resources should be cause for serious concern among those charged with providing the Army with its wherewithall, for such deficiencies inevitably will lead to more casualties.

It is generally conceded that the Guard and Reserve today have more equipment on hand than they have had for several decades. Much of it is on a par with that in the hands of the Active Army. Those facts become somewhat irrelevant, however, when measured against the amounts of equipment available to our potential Warsaw Pact opponents and technological modernity of that equipment.

Army Guard: The ARNG's wartime equipment requirements are pegged at about $11 billion in dollar value. There was about $7.6 billion in Guard inventories at the end of FY 1980. That left a shortage of about $3.4 billion. The equipment fill has stood still at 69 percent of wartime requirement and 75 percent of peacetime authorization for more than a year. Further, the fill is uneven and in some categories, i.e. communications, is critically low.

Three percent of the Guard's equipment is obsolete and unuseable in a sophisticated combat environment like NATO. Another portion, much greater percentage-wise, is in the "Standard B" category—deployable and useable in European combat, but older and less modern than top-of-the-line equipment. Much of the ARNG equipment while deployable is not fully compatible with equipment assigned to Active Army units presently deployed and would exacerbate support and coordination problems.

Army Reserve: The equipment requirements for the Army Reserve at wartime levels is approximately $3.2 billion in dollar value. On hand is equipment with a book value of approximately $1.35 billion, or 58 percent of wartime requirement. The "on hand" figure is somewhat misleading, however, because a substantial share of it is unuseable in a NATO environment and thus nondeployable. In modern equipment, useable on a sophisticated battlefield, the USAR possesses only 37 percent of its wartime need.

POMCUS (Pre-positioned Organizational Materiel Configured in Unit Sets): This is the placement of substantial quantities of war equipment in European storage sites, packaged in unit sets, ready for airlifted troops from CONUS bases to fall in on following their deployment. For end FY 82 DoD has directed the Army to plan for POMCUS equipment sufficient to outfit six deploying divisions and OSD is looking toward the possibility of even more sets. This would save weeks in an emergency deployment of additional troops to NATO Europe, since troops alone can be rapidly airlifted while heavy equipment must, in most cases, go by slower sealift. But there is a high price to pay to store these vast quantities of equipment in Europe.

There is far from enough up-to-date equipment in the Army inventory to completely outfit existing units and most assuredly not enough to outfit all units and store enough for six full combat divisions in POMCUS sites. Further, the Congress has not authorized procurement for this purpose. Therefore, the POMCUS equipment is being obtained by equipping all but the earliest deploying units with much less than their wartime requirement. In other words, the Army is taking it out of its hide.

To avert a severe impact on training, Army leaders have prescribed percentage levels that must be left in units—60 percent of TOE (Table of Organization) for the late deploying Guard and Reserve, 70 percent for Active force POMCUS units.

One further factor complicates the POMCUS program. That is how to redistribute the equipment left behind by units which will deploy and fall in on POMCUS stocks. Army officials have been reluctant to earmark it for automatic re-allocation to Guard and Reserve units on grounds that no one knows where the most urgent need will lie under emergency circumstances. In any event, regardless of planned allocations, a shortage of equipment will remain.

The Army is making a concerted effort, in the words of the Chief of Staff, "to attain a required rate of modernization within the limit of constrained dollars."

Equipment shortages affecting readiness

Most Critical:	NG	USAR
Communications	X	X
Artillery	X	X
Engineer/bridging	X	X
Maintenance sets	X	X
NBC equipment	X	X
Data processing	—	X
Medical equipment	X	X
Trucks/trailers	X	X
Personnel carriers	—	X

Incompatible:	NG	USAR
Medical sets	—	X
Communications	X	X
Tactical vehicles (gasoline versus diesel)	X	X
Obsolete:		
Artillery	X	—
Air defense	X	—
Data processing	X	—
Trucks/trailers	X	X

There is still not enough to buy all that is needed. Therefore, modernization inevitably will be accomplished by an endless series of judgments and trade-offs to obtain the systems needed most. There also will be continued application of priorities in allotting new equipment to using units.

Deployment timetables cannot be the sole determinant for distributing new equipment, however. Every unit requires enough equipment to support effective training. Every unit also needs to be maintained at the highest attainable readiness level, regardless of its place in the deployment schedule. For the Guard and Reserve, modern equipment has other implications. For example, how can Guard/Reserve commanders keep members interested, and on the rolls, who train with modern, effective equipment during Initial Active Duty Training then return to units where they must continue their training on items that are obsolescent?

Today, the Guard and Reserve train alongside the Active Army and will be expected to fight alongside Active forces if war comes. Therefore, if the Total Force is to have the significance attributed to it, the modernization of all three components must be given equal emphasis and consideration.

Many Guard and Reserve leaders regard equipment shortages as the most critical readiness inhibitor confronting them, even more serious than manpower shortages. The reason is leadtime to meet national commitments after an emergency is declared.

In an emergency, the Army could overcome its shortage of trained manpower in a matter of months following resumption of the draft. Making up equipment shortages, however, may require years to crank up production lines and get modern radar, trucks, bridging, armored carriers, attack helicopters, and countless other scarce items flowing again. Thus, equipment resources become the driving factor in readiness considerations.

That basic fact should be kept uppermost in mind as Congress and the country debate how many resource requirements and how soon to provide a prudent level of security for the country.

"In sum total, one-half of the nation's combat power and two-thirds of the support capability are maintained in the Reserve Forces. Despite this heavy responsibility, the Guard and Reserve lack much of the modern equipment they need to mobilize and deploy as required. Changing these conditions is not only desirable, it is essential. We must keep these forces strong if our nation's ability to deter aggression is to be maintained." Senator Strom Thurmond, Senate Armed Services Committee, June 1980.

TRAINING THE FORCE

"Everything revolves around good training—strength, retention, attendance, morale, readiness—everything. If you have well-planned, imaginative, realistic, hard training, it challenges people. It makes Reserve service interesting and worth doing."—Major General Henry W. Mestas, Commander, 97th U.S. Army, Reserve Command, July 1980.

Guard and Reserve commanders tend to consider training the most important aspect of their jobs. It is not that they down-grade the significance of good maintenance, administration, personnel management and other facets of military management. It is more that training—

Is directly related to mission performance, in a visible, immediate way.

Is something they themselves can influence directly, for good or bad.

Impinges on so much else, such as morale, retention, attendance, and overall readiness, in either a positive or negative manner.

An Army Reserve leader summarizes the importance of good training in these words:

"Strength is all-important, but is a result rather than a cause . . . The key to strength is retention, and retention comes from satisfied troops. That satisfaction comes not from dollars nor from fringe benefits, but from tough, challenging training that demands hugh amounts of physical and mental exertion, and is related to identifiable missions."

His is a view widely shared by Guard and Reserve commanders at every level.

The Chief of Staff has outlined a number of training imperatives, and describes them as equally applicable for both Active and Reserve forces. They give high priority to such areas as effective NCO development programs, maximum use of concurrent and integrated training, maximum utilization of available training resources, and efforts to reduce diversions from training.

In a direct reference to the Guard and Reserve, he said: "To meet their unique situation, they need clear linkage to their wartime mission, planning and command relationships for those missions; and hands-on skill training with that equipment which they will be assigned on mobilization." Each area cited deserves emphasis.

Concurrent Training: Due at least in part to that old bugaboo "resource constraints," basic training has been gradually shortened. Thus individual skills not learned in basic training must be achieved after the soldier joints his unit. In the Reserve Components, where training time is short, the new training devices which enable the soldier to learn at his own pace become essential. The current concept of multi-echelon training enables commanders to train individual soldiers, NCOs, officers and battalion staffs concurrently while other elements are engaging in platoon or company exercises. Because Guard and Reserve units are expected to perform as units on M-Day, the concurrent training mode supported by the new training devices is essential to unit readiness.

Maximum Use of Resources: Some Guard and Reserve supply rooms contain equipment which, if used more frequently in unit training, would help upgrade unit readiness. At a higher level, there are training resources available that could be more extensively utilized, such as National Guard Officer Candidate Schools and NCO Academies, USAR Schools and Training Divisions.

On the other hand, a great many aids, simulators, tchniques and electronic devices have been developed that greatly enhance the training of Reserve component units. It is essential that unit commanders be fully informed about the availability of these aids through the Readiness Regions and Groups and that they make maximum use of all devices to enhance training.

The Army's new National Training Center at Ft. Irwin, California, can make a substantial contribution to Guard and Reserve readiness, when it goes into operation, if Reserve component battalions can be scheduled to use the facility in more than token numbers. The Center is designed to provide two weeks of realistic combat training for "heavy" battalions in a sophisticated electronic warfare environment. One feature of particular value to Guard and Reserve commanders will be the opportunity for realistic combined arms training. Such training, featuring integration of air and artillery support with ground maneuver, is rarely available in any meaningful degree at most annual training encampments.

Diversion From Training: For as long as armies have existed, commanders have coped with the problem of keeping the maximum number of people in training and reducing non-training activities to a minimum. They also have had to cope with unanticipated changes in plans handed down from "higher headquarters."

The Chief of Staff makes a cogent point when he charges commanders at battalion and higher levels to act as "heatshields" to protect company-sized elements from schedule changes and other diversions from training. In a comment that has application to Guard and Reserve as well as Active Commanders, General Meyer says:

"The cohesion that matters on the battlefield is that which is developed at the company, platoon and squad level. We cannot afford to place the burden of adjusting to 'brush fires' on those fragile organizations. They must be protected by higher echelons fulfilling their coordinating roles so that changes to training schedules become the exception, not the rule."

Training management has vastly improved in recent years, due in major degree to new techniques, aids and literature developed by the Training and Doctrine Command (TRADOC) and its various specialized elements. Not the least of the improvement is the Battalion Training Management System (BTMS). BTMS systematically draws leaders at every level, from the battalion commander down to the squad leader, into the training pattern.

BTMS currently is being introduced into Guard and Reserve Forces. It is expected to be in full use by the close of the current training year. Properly utilized, it can make major new training advances possible in Reserve component units.

New Equipment Training: The introduction of new kinds of equipment into Guard and Reserve inventories has produced a need for specialized Active Army training teams to give training to using units well in advance of the equipment's arrival. Initiative by Reserve Component commanders in collaboration with their supporting Readiness Group can pay big dividends. For example, a brigade of the Florida National Guard, knowing that it would soon receive the TOW weapon, selected a group of TOW gunners in advance and arranged for a mobile training team to assist the unit in training these gunners. When the TOWs were issued, the gunners were already trained, thus materially reducing the period of reduced readiness.

Exercise Training: Realistic exercises offer the ultimate training opportunity. They add the final polish, the close approximation of actual operations that can be attained in no other way. Consequently, opportunities to take part in exercises need to be expanded for Guard and Reserve forces. These can range all the way from the elaborate Army and JCS exercises that feature combined arms operations and all components down to small scale exercises designed by local commanders. By careful scheduling, concentration of resources, and use of mission-oriented scenarios, Active and Reserve component commanders can create local and regional opportunities for such training. Programming and budgeting for Joint Chiefs of Staff exercises should include transportation costs for Guard and Reserve units.

Suggestions and Criticisms from Guard/Reserve Leaders: From Guard and Reserve commanders themselves come the following comments on improving the training environment:

Retain present level of Active augmentation.

Says a two-star commander: "We now have Active component augmenters who are, in every case I know, superb soldiers and administrators. They have helped enormously

in shaping up units and serve as effective liaison with the Active component. Their presence ought to be encouraged, for not only do they do the good things I mentioned, but they return to the Active components matters."

Ease the administrative burden on company commanders.

Training suffers when company commanders must spend a large share of their military time dealing with administration, personnel management tasks, and other chores unrelated to getting the unit ready to perform its mission, say commanders. CONUS Army commanders and others have been cooperative and helpful in holding down administrative and "paperwork" requirements, commanders say, but such matters still consume too much of a commander's time at company level. This seems to be particularly true in separate company-sized units where commanders say they must meet many of the same administrative requirements as battalion and group elements but without the staffs of those higher echelons.

Put more resources and funds into training.

As one senior commander said: "We spend millions on people programs, but need to invest more in good training which will enhance recruiting and retention and reduce people problems."

Another said: "It's difficult to make training interesting for combat support and combat service support units. A heavy equipment unit, for example, needs hands-on training on such things as the suspension system of an M-60 tank, or some new ribbon bridging. They go to Aberdeen Proving Grounds for their Annual Training and get great training for two weeks. But back at home station, they have facilities for nothing but classroom training, so for the rest of the training year, they're bored. They drop out. Why can't we equip some Reserve centers, on a regional basis, to provide hands-on training for many of those specialized support units?"

Provide adequate funding for training travel.

In the final round of budget cuts before Congressional approval, travel funds are a frequent loser. Last year, Congressional appropriations Committees made a massive cut in all government travel, of which the Department of Defense share was $92 million. DoD allotted proportionate shares of the cut to all services, agencies and components. Some elements were merely inconvenienced, albeit rather drastically. But for the Reserve forces it very nearly amounted to a training disaster. Units had funds to pay for special schooling, but no money to get students to the training. Units had to cancel, at the last minute, plans to train at distant installations where specialized facilities were available, and go instead to nearby locations without such facilities. Not only was training adversely affected but personnel retention as well for the change in plans compelled soldiers to make new leave arrangements with employers, alter family vacation plans, etc.

Here's how Major General William R. Berkman, Chief of Army Reserve, explained the problem in testimony to the House Committee on Appropriations last June (1980):

"Travel is essential to Army Reserve Strength, training and readiness. As Army Reserve strength increases, the requirement for travel also increases. The cost of each accession into the Army Reserve includes recruiter travel and may include travel by an applicant to an Armed Forces Examining and Entrance Station. Participation in basic and advanced individual training requires travel, as does additional proficiency and skill progress training for members of the Army Reserve units widely dispersed throughout the country. Travel is required for annual training activities. Travel is required for the CONUS Armies, and Army Readiness and Mobilization Regions, supporting both the National Guard and Reserve. Extensive travel is required for any new or expanded training activities designed to improve Army Reserve mobilization readiness . . . We simply do not have the flexibility to accept travel reductions, (even) be they perceived as administrative travel, without causing training plan revisions that adversely affect readiness."

National Guard Bureau leaders agree that General Berkman's explanation is equally applicable to the Guard.

Expand overseas deployment training.

Most commanders regard actual training deployments to operational areas overseas as the "most rewarding form of training" on all counts. It sets the training in a real-world atmosphere, provides actual deployment experience and acquaints Guard and Reserve units with the area where they are most apt to function in a real emergency. As by-products, it raises morale, improves retention and makes Active Army units aware of the caliber of the units that will reinforce them in some future emergency. It too is influenced by travel funding. The number of units, or unit "cells", participating in overseas training each year has been slowly increasing but still involves only a handful. The Army Guard participation, for example, will climb to 73 units or "cells" in the 1980 training year out of the Guard's total force of more than 3,300 company—or detachment-sized units. Now and indefinitely into the future, overseas training is restricted to units with early-deployment missions, and no less than C-2 readiness status.

Obtain more training sites near home stations.

The longer a combat unit must travel to and from an area where realistic training may be given in a field environment, the longer time it will take to develop tactical proficiency and close tactical teamwork. Past efforts to obtain access to suitable, close-to-home training sites for many types of units have produced results, but not enough.

More training NCOs.

In 1978–79, tests were conducted of the use of training non-commissioned officers at company level. The tests showed that training could be improved appreciably by such a procedure. The training NCOs helped plan training, did much of the laborious preparatory work, and encouraged greater use of correspondence courses. Individual training NCOs who took part in the test have since been folded into the Additive Fulltime Manning (AFTM) program. Meanwhile, Reserve component leaders are conducting an effort that eventually may put a training NCO into every company, battery and troop-size unit. They believe it will pay off in better retention as well as better training.

The Mirror Image Problem: Reserve component leaders praise the Active Army for the emphasis it is putting on elevating Guard/Reserve readiness. There has been a vast change in attitude and a substantial increase in the amount of assistance given since the Total Force idea was begun, they agree. In one aspect, however, they see the full-time defense establishment as rigid and doctrinaire. A synthesis of this problem would run like this:

Guard and Reserve units are not Active units. They have their own dynamics, rooted in their civilian community and based on such factors as the limited time they can spend on military matters. Shortages in training sites, equipment, training aids, personnel and, above all, time, inhibit their operations and make it necessary to use shortcuts and expedients where possible.

Current emphasis on multi-level training supported by an increasing array of sophisticated training aids and Active Army training teams adapts Army training to the unique aspects of Guard/Reserve training.

Solutions to the unique training problems of the Guard and Reserve require the closest collaboration between unit commanders and the Active Army, such as:

Establish realistic training goals at levels which the unit is capable of achieving, recognize the achievement when it is attained, and move to the next achievable goal.

Take stronger action to eliminate administrative requirements which take time away from training. This needs emphasis at all command levels.

Take maximum advantage of the new sophisticated technical training aids and the Active Army mobile training teams.

Invest more to develop and distribute more of these much-needed and highly successful training devices within the Reserve components.

Invest more command and staff training time in the new systems such as CAMMS, a computerized system of providing map maneuver training, and CATTS, a Combined Arms Tactical Training Simulator. These systems more than pay for themselves by offering effective, time-saving tactical training without the costly need to move troops and equipment.

MOBILIZING THE FORCE

"On the screens of the computer terminals that were used to simulate the demands of such mobilization, an Army of some 400,000 of the best-trained soldiers in the United States was sent to the plains of Central Europe. It probably died there. It had been equipped with some of the most lethal, most advanced high-technology weaponry on the planet, but it did not have enough shells, missiles, fuel, food, spare parts or replacements to survive for more than a few weeks at the level of fighting envisioned." Outcome of Nifty Nugget 78, Mobilization Exercise, John Fialka, Army Magazine, April 1980.

Nifty Nugget was one of the most comprehensive tests of mobilization capabilities ever undertaken in peacetime. Conducted in the Fall of 1978, it brought into view what many military people had long known, or feared—that the nation's ability to mobilize rapidly, deploy and sustain a large military force for a short-notice high-intensity, conventional war in NATO was seriously, perhaps fatally, inadequate.

Planning for mobilization was outdated and fragmentary. Many in the defense structure were only vaguely aware of the extensive ramifications of a large-scale mobilization. There were critical shortages of some of the most essential combat requirements—trained manpower, combat equipment, airlift and sealift, computerized information/management systems, spare parts, even that most basic of war requirement, ammunition!

The Chief of Staff has made only indirect reference to the exercises as such, but most of the problem areas he has singled out for emphasis are outgrowths of Nifty Nugget findings. Most of them also highlight the increasingly important role of the Guard and Reserve.

He has stated the Army mobilization objective as assuring that the Army is postured in peacetime so that it can quickly mobilize all its forces for a war emergency "in accordance with established and exercised plans, to include expansion of the training and support base." The essential part that the Guard and Reserve must play is recognized in his declaration that "the Active force is dependent on a responsive Reserve component, which is dependent on a ready mobilization base."

Near-term programs for improving the Army's mobilization capability follow:

Increasing the equipment fill and readiness of early-deploying Active, Guard and Reserve Units.

Conducting mobilization training.

Preparing for mobilization manpower replacements and training.

Limited preparation of the capabilities of mobilization stations.

Manpower: Manpower shortages in the National Guard and Reserve unit structure reduce the Army's ability to mobilize quickly and with full effect. Small gains this year and last suggest that recent efforts to reverse the overflow may be taking effect, but full recovery is at least five years away. Equally serious, because it is so difficult to overcome, is the serious shortage of individuals, already trained and available for early mobilization, in such categories as the Individual Ready Reserve (IRR), Standby Reserve, and among recently retired Army personnel. The seriousness of the shortfall is intensified by the alternative it thrusts upon the Army, that of mobilizing later deploying units of the Guard and Reserve, then stripping them of their trained manpower to satisfy what the Army calls "wholesale manpower requirements." It is a wasteful, stopgap process, as the Army itself concedes. It destroys the readiness achieved by those units through long and arduous effort, and makes it necessary for them to rebuild from scratch. More serious, it delays by many months the availability of those units for their planned employment in a combat role.

Denuding organized and trained units of men to meet filler and replacement needs is a legitimate last-resort technique for meeting emergency manpower requirements when necessity requires. It should never be accepted as the easy solution to difficult manning problems, however, but there are increasing indications that such is the case in the Department of Defense.

Computers Information Storage and Retrieval and Communications: No where does the Army's dependence on sophisticated computerized information storage and transmittal systems become more evident than in mobilizing exercises. Today, the computerized personnel and logistics management systems of the Active Army, Guard and Reserve cannot be meshed because the various systems are not compatible. Improvement programs are under way but progress is slow because the systems carry such high price tags. Meanwhile, it must be recognized that a mobilization will be hamered until the inadequacies of the systems are overcome.

Capstone: This is the Army's program for establishing, between Guard and Reserve units and the Active commands with which they would be affiliated, the linkage intended to produce a working relationship in peacetime that could be readily expanded in wartime. Capstone is an important step to reduce uncertainties and make possible a quicker, more effective assimilation of wartime augmentation forces by Active commands. There is room for improvement in the eyes of the Guard/Reserve commanders, however. They point out that some amount of coordination is required to make the system effective and that no funding had been provided for such coordination.

Better coordination also is essential if mobilization stations are to be placed in a position of greater readiness to accept mobilized Guard and Reserve units. Many of the problems disclosed in Nifty Nugget stemmed from the unpreparedness of mobilization stations to accept, house, feed, outfit and otherwise prepare mobilized units for overseas shipment. The lesson to be learned from Nifty Nugget is that Guard and Reserve commanders must be brought into the mobilization planning at every level, right from the beginning, from the Pentagon right down to battalion and companies. This is a case where the more who have a working knowledge of what is going to take place, the faster and more readily it will be accomplished.

Immediate Issues Identified by the Chief of Staff: The Chief of Staff has identified a number of tasks, the accomplishment of which would "upgrade the immediate capacity of the Army to go to war despite current mobilization shortfalls." In his words:

"These include: resolution of the distribution plans for equipment by units falling in on prepositioned sets; refinement of expansion requirements for civilian and military personnel at mobilization stations; determination of drawdown policies for emergency fill of early deploying units; provisions for continuity of garrison command at mobilization stations; resolution of personnel allocation and cross leveling authority; and advance provisioning for individual clothing and equipment, unit replacement parts, and required packing and movement materials."

He raises still another issue when he declares that:

"Doctrine indicates reliance upon prepositioned war stocks until normal resupply is established. Prepositioning levels must be raised if we are to support our forward deployed units. Stocks in U.S. Army Materiel Development and Readiness Command (DARCOM) depots must be adequate to meet the demand."

Most of the issues thus noted have direct impact on the Guard and Reserve.

On the need to expand civilian and military manning at mobilization stations on M-Day, Reserve leaders note that some uncertain number of individuals currently in the IRR and Standby Reserve have the skills necessary for such assignments and are not easily convertible to combat roles. Today and in the future, individuals who meet those qualifications should be earmarked for specific stations, by name, to lessen the M-Day confusion.

Provide for continuity of garrison command at mobilization stations poses a similar problem with a similar potential for solution in the Reserve. The USAR troop structure already contains a number of garrison units. If it is contemplated that more will be required, activation of such units in the USAR would be logical and should not be further delayed.

Expanded Short Term Call-Up Authority: The credibility of the Guard and Reserve received a major boost in 1976, when Congress gave the President authority to mobilize up to 50,000 Reservists for as long as 90 days without the need to proclaim a national emergency. The move put real muscle into the Total Force policy, clearly establishing that the Guard and Reserve will be the source of immediate augmentation for Active elements. Consequently, reluctance to assign more urgent missions to Guard and Reserve elements, and to give them modern equipment to support the missions, diminished.

However, as Department of Defense General Counsel Togo D. West, Jr., wrote to the leaders of Congress in the spring of 1980, that number turned out to be "an inadequate number to satisfy the purposes for which the authority was originally provided by Congress."

Wrote West: "Planning work based on the 50,000 limit has disclosed that the number is too small to permit allocation of sufficient Selected Reserve forces to keep immediate land, sea and air support requirements in most situations where use of the authority would be appropriate. For example, almost half the authorized force is required merely to augment airlift capabilities, leaving a balance too small for effective land or sea operations."

His comments, representing official DoD views, were made in connection with a request to Congress to increase the number to 100,000. A key factor in the request was the need to provide Guard and Reserve support for the new Rapid Deployment Force (RDF).

Selective mobilization of Guard and Reserve elements, West told Congress can "help contain a crisis while concurrently laying the ground work for higher levels of mobilization should mobilization fail."

No extension of the 90 day provision is required, only an expansion of the numbers from 50,000 to 100,000.

The increase should be of major advantage to the Army by providing far greater flexibility to plan for, and react to, a contingency on the scale of what the RDF might be expected to deal with. It also will increase the credibility of the Guard and Reserve. Congress has approved the 100,000 figure.

What does all of this suggest? Are we actually getting a firm grip on our mobilization problems and are real, workable solutions within reach? Those are the critical questions and the answer to both, unfortunately, cannot be better than "maybe." Few will give them a firm "yes," and there are many who would reply with a strong "no" to both questions.

Two Reserve component general officers with a detailed knowledge of the Pentagon's responses to Nifty Nugget findings provide the following discouraging progress reports:

Officer No. 1: "While some initiatives are under way as a result of Mobex 78, no significant progress has been identified. By and large, Reserve components can mobilize (they do once a year), but the Active component is simply not capable of accepting the Reserve components and supporting their needs at mobilization stations. The dedicated mobilization planning efforts being established within the Army will address the problem but, again, there is little sense of urgency and Mobex 80 will probably reveal the same weaknesses revealed in Mobex 78 and, in some cases, Mobex 76. There has been no identified improvement in the ability of the Army to receive and support training of Reserve component units at mobilization stations, particularly those involving combat elements." . . July 1980.

Officer No. 2: On mobilizing the force: "Our Achilles heel. We know what's wrong but total dedication to improvement is lacking. Mobex 78 has come and gone and mobilization initiatives continue to languish. . . . Perhaps we need to revisit our last great mobilization—1940-45—and learn how."

Two features of our effort to create a capability for rapid mobilization insistently call attention to themselves when the total issue is examined.

First, very little real sense of urgency is being conveyed by Congress or the Executive Branch over the need to overcome quickly our shortcomings. There is more news-making rhetoric and posturing than real improvement. Because that is the tone being set at higher levels, a similar lack of any real urgency is the rule at lower command levels. Progress has been made, but nothing like the depth the problem requires.

Second, many or most of the corrective steps taken of date on Nifty Nugget deficiencies have been peripheral or cosmetic. The number of outstanding deficiencies has been reduced from about 458 to some much lesser number but many were simply eliminated by combining them with other, related deficiencies. Certainly it is essential that we develop systems for distributing all available equipment in the most effective way, but the real problem lies in the shortage of equipment and the repeated failure of responsible agencies and authorities to budget and fund for the amounts needed. Some amount of blame also must be attached to our proclivity for giving equipment, or selling it on highly favorable terms, to "friendly" nations even at the cost of depriving our own forces.

Another seldom-recognized combination of factors may figure heavily in the failure of four successive Administrations and concurrent Congresses to recognize and accept the full cost of maintaining effective Guard and Reserve forces. Those factors are the scarcity and cost of high-technology equipment and the relatively new requirement to keep Reserve forces at an unprecedentedly high level of readiness.

Only in the current budget year, in fact, has Congress and its key committees appeared to grasp the impossibility of maintaining Reserve forces in an early-deployment status unless they receive equipment and resources commensurate with that status. For several decades, extending from the cessation of World War II, there were ample stocks of equipment of reasonable modernity to suffice for Guard and Reserve needs. All it required was a bookkeeping transaction. It already had been paid for.

Since Vietnam, however, that fortuitous circumstance no longer obtains. Equipment not left behind and lost, or handed to other nations at bargain rates, quickly becomes obsolete due to explosive advances in technology. Thus, we now find ourselves in the difficult position of having to buy expensive new equipment at an accelerated rate so that Reserve as well as Active forces can be modernized.

If there is a moral in this, it is to simply point a finger at reality—footing the bill for effective military forces—Active, Guard and Reserve—is far cheaper than fighting wars!

SUMMARY

Total Force has brought the reserve components into the Army mainstream like nothing before it. Guard and Reserve problems receive greater emphasis, and their readiness is the focus of more attention, than at any time in the modern era. At the same time, Guard/Reserve missions have been upgraded, giving them a larger and more significant share of the Total Army's missions.

Consequently, a new sense of partnership has developed, enhanced by a feeling of shared goals and shared missions. The "One Army" first envisioned at the turn of the century by Elihu Root, and revived in more recent times by Wilbur Brucker, Creighton Abrams and others, comes ever nearer to realization.

Nothing can be permitted to alter this trend. The decade of the 80's will be years of peril for the United States, with threats that become ever more diverse and challenging. Where the Total Army approach once was merely desirable, it now has become absolutely essential.

In this paper, we have focused on strengths and weaknesses of the Guard and Reserve, their needs and problems, and related these matters to the Total Army outlook.

Three areas deserve additional comment:

First, shortage of resources continues to be at the root of many of the problems confronting us. It was never conceived that new concepts like Total Force and the All-Volunteer Force could work unless large amounts of additional funding, equipment and other resources were provided. More has been provided but still far less than today's missions require. A knowledgeable Reserve component member gave an apt response when asked by a Congressional committee what defense spending could be given up in order to provide more funding for the Guard and Reserve. His reply—in paraphrase, was that the trade-off already had been made, commencing with the first reduction in the size and funding of the high-cost Active military forces in 1971. Elevating the readiness of the Guard and Reserve forces, he made clear had already permitted very substantial reductions in defense spending by cutbacks in the Active forces. The Administration, Congress and Defense leaders bought the Total Force package, accepted the trade-off, and since then have refused to pay the bill.

Second, all components would benefit from fresh looks at some of their most recalcitrant problems. Total conformity with the norms established for the parent service is not always essential. If ways can be developed of doing things that better satisfy Guard/Reserve needs without seriously impinging on Army tradition and Army practice, it should be given consideration.

Third, the "missing element" that leaders of Active, Guard and Reserve forces alike repeatedly return to while discussing the status of the Army is strong, active public support. Support for a strong, modern Army exists, as polls show, but tends to assume a passive nature. It must be energized and made articulate and its effect felt on Capitol Hill, in the White House and across the country.

Guardsmen and Reservists can be the Army's most effective spokesmen—combining the skills and capabilities of military men with the understanding of civilians who live their lives among people of their communities. A key task, second only to greater combat readiness of the Total Army, is to make its missions, its critical importance and its needs better understood by all Americans. Failure to do so will relegate the nation to a second rate power.●

THE NEED FOR BALANCE IN MILITARY DEFENSE

● Mr. GOLDWATER. Mr. President, retired Gen. Bruce Clark of the U.S. Army, has put together a very thoughtful paper on the need for balance in military defense. Defense and the military being of such interest at this time, I ask that it be printed in the RECORD.

The paper follows:

JANUARY 2, 1981.

MILITARY PARITY REQUIRES A BALANCED MILITARY DEFENSE TEAM

CONCEPT

When the Defense Department Concept was initiated by the then Army Chief of Staff—General Eisenhower—it was based upon a Balanced National Defense organization, with the services working together as a team. The Joint Chiefs of Staff were to be the military coordination and advisory group. He visualized such an organization would be able to efficiently and effectively provide for the National Defense at home and to be able to project our military influence whenever our Government decided it was needed to protect our vital interest.

The key word was Balance.

He approved a National Defense College, an Industrial College of the Armed Forces, and an Armed Forces Staff College to provide the top-level commanders and staff officers with a breadth of understanding and ability. He visualized that the Senior Commanders would, under a Secretary of Defense, be able to create and handle Balanced teams to carry out our country's military policies in accordance with Acts of Congress and the directives of the Commander-in-Chief.

QUOTES FROM GENERAL HAIG, WHO UNTIL RECENTLY WAS SHAPE COMMANDER

1. "Balance is increasingly essential to match the growing Warsaw Pact threat over the entire spectrum of nuclear and conventional capability. Yet . . . . emphasis on weapons and equipment at the expense of the more esoteric requirements of logistics, reserves, and strategic mobility, is all too prevalent."

2. "Timely reinforcement of NATO remains a high priority here at SHAPE. As I have told members of our Congress, there is no other area in our Alliance where by applying such a little additional effort we could so dramatically enhance our deterrent capability."

QUOTE FROM A REPORT BY ME IN 1978

"There are four elements that 'need to be adequate and in balance' in our defense budgeting if we are to be prepared for a Warsaw Pact conventional ground attack:

"1. Adequate weapons and equipment for the combat troops;

"2. Adequate logistical back-up to support combat elements with strategic transportation, supply, resupply, spare parts, maintenance, replacements and medical evacuation;

"3. Adequate and qualified complement of initial personnel in units at the time of the attack, and an adequate personnel replacement base in the United States to promptly support the U.S. combat elements as they take casualties; and

"4. Adequate transportation system to promptly move reinforcement units and replacements, with their heavy equipment, from the U.S. to the combat zone in time and in such quantity as needed for success."

APPLICATION TO A FORCE SENT TO THE MIDDLE EAST

What has been said about the needs of our troops in NATO if attacked, is even more applicable to any sizable force which we might have to send to the Middle East. It is applicable to our troops in Korea also.

THE EMPLOYMENT OF CONVENTIONAL FORCES OVERSEAS

1. We have conventional ground forces stationed overseas in Europe and in Korea and elsewhere. These must be supported by transportation of equipment, supplies, personnel, ammunition and medical evacuation personnel across an ocean. Supporting them promptly in war is vital.

2. The continental United States ground forces, of Army and Marines, must cross an ocean to be employed. This multiplies our logistics problems.

3. The Army and Marines are hitch-hikers. They must depend upon transportation furnished by the Navy and the Air Force to take and support them when employed in areas not accessible by marching. These means of transport are very questionable in both services at this time. In fact, the lack of adequate strategic transport will be keenly felt by our Rapid Deployment Force in the next few years, if it is to be employed in operational strength, with tanks and other heavy equipment, and is to be reinforced with replacements and supplies as needed.

This is borne out by the unsubstantiated media report that it took 1/6th of the MAC airlift capacity to airlift a force of 1,400 men from CONUS to Egypt on 11 November 1980.

QUOTE FROM GENERAL BERNARD W. ROGERS, PRESENT SUPREME ALLIED COMMANDER, EUROPE, IN READER'S DIGEST, DECEMBER 1980:

"Q. How combat-ready are U.S. forces in Germany?

"A. The Army, Air and Naval Forces are ready for action this minute. But I am not so sure that we can reinforce them if the troops have to go into combat. We do not now have the sealift and the airlift to do it. What worries me most is that we don't have enough trained men at home to replace Army casualties."

SPECIFIC LOGISTICAL PROBLEMS

1. Unfortunately, too little thought is given to logistical factors by Americans. This is natural, because logistics are seldom understood or discussed in the press or by our leaders. But these are real concerns of the military. As the technique of wars develops, logistics has probably overcome tactics in importance. Certainly, this is true where we are separated

by an ocean, and thousands of miles from possible areas of our military employment.

2. Let's list the most important logistical factors:

Strategic transportation.
Forward bases.
Weapons.
Ammunition and supplies.
Spare parts.
Fuel and lubricants.
Reserves, replacement personnel and unit back-up in men and material.
Medical support and evacuation.
Maintenance personnel and facilities.
Mobilization base.
Production capability at home.

These must be in Balance at time and place of employment.

ANSWERS TO SPECIFIC LOGISTICS QUESTIONS AS APPLIED TO OUR FORCES IN EUROPE

(From a Pentagon Source)

1. Is the US Army adequately organized and prepared to support a major conflict in Europe?

"Depending upon the severity of the initial onslaught, and the amount of warning available to the allies, 7th Army has somewhere between 5 and 30 days' worth of fight in it. Should the Soviets adopt a strategy optimal from their point of view, and should the war begin in the near future, 5 to 14 days may be more realistic in view of the present force logistical and support imbalance."

2. What needs to be done?

"Many of the shortcomings which constrain our ability rest with the stockage insufficiencies of our allies, and with the vulnerabilities which stem from competing U.S. and allied demands on the depots and ports in northern Germany, the Lowlands, and England, vice a more natural (and desirable) US LOC (Line of Communication) across France. NATO's Long Term Defense Plan (LTDP) could redress some of the difficulties of ports and the shortages of equipment and supplies. Any administration that takes seriously the prospect of war in Europe should address these concerns to the French. It is important to recognize that NATO logistics are still organized basically along national lines, despite extensive efforts at standardization, rationalization, and interoperability. Therefore, 7th Army will have to face its European logistical issues looking primarily for help from home."

3. How long can the forces in Europe hold out?

"One U.S. corps commander recently estimated that, should his corps receive the main attack of the Soviet Army stationed opposite him, and should reinforcements or additional logistic support not arrive from CONUS, his divisions would be exhausted at the end of a week. For example, his peacetime troop list provides for no rear-area security forces, little long haul trucking to open and support forward ASPs, and minimal medevac wherewithal to service division clearing companies. Replacement of combat losses of men or key end items would be problematic. Much then, hinges on the warning time, and on the prompt arrival of early deployment combat, combat support and combat service support units."

THE "TOOTH TO TAIL" RATIO

While this term is relatively new in military terminology, its concept is of long-standing importance.

In an Army force overseas, the "Division Slice" should be about 45,000 men if we are to have an effective and viable force. What does this mean? It means that the division strength of about 15,000 needs some 30,000 in combat, combat support, and service support to support it in corps, army, and theatre troops.

In 1961-62, during the Berlin Wall crisis, as USAREUR commander, I had 272,000 troops, or about 5½ divisions. The USAREUR strength is now reported to be about 210,000. The reduction has been primarily in support (logistic) units, rather than combat units. Logistic forces must be added quickly, if USAREUR is attacked, to bring the force into balance.

WHERE ARE THESE AUXILIARY LOGISTIC UNITS TO COME FROM?

It is intended that they come from the Reserves—but, these units are currently understrength, I am told, and are not capable of performing their intended mission at this time. Every effort should be made to revitalize the Reserve Components and bring them to an accepted state of readiness.

HOW A WAR COULD START

While only Congress can declare war, we have ground combat troops patrolling the Iron Curtain in Germany, and located along the DMZ in Korea; as well as in West Berlin. If an enemy should attack West Germany, South Korea, or West Berlin, our forces would be in combat promptly and would have to be supported. For all practical purposes, we would then be at war.

These ground forces are a great part of our deterrence of a major war. This situation has helped to preserve the peace for over 25 years.

CONCLUSION

While I have had great assistance from many experienced and knowledgeable officers in preparing this paper, it is not intended to be a completed staff study as would be expected at a War College or in the Pentagon. It is more of a "think piece" for our new Commander-in-Chief and his staff, and for the new Secretariat who will take over under him in the Pentagon.

I am surg they can and will be adequately briefed on details by current military experts on active duty.

Let's deter war through strength in being. If we have to fight, let's win next time!

BRUCE C. CLARK,
General, U.S. Army, Ret.●

NOMINATION OF WILLIAM FRENCH SMITH TO BE ATTORNEY GENERAL

● Mr. RIEGLE. Mr. President, 4 years ago, I voted against the nomination of Griffin Bell to Attorney General because of his close personal relationship with President Carter and other concerns relating to his background and personal experience.

I said then that if I were confronted with the nomination of Robert Kennedy to be Attorney General by his brother President Kennedy, I would also have to vote no because of the closeness of the personal relationship.

The Attorney General is the Nation's lawyer, not the President's lawyer. The Attorney General serves the Nation, and not the President per se. I do not think it is good for the country to have an Attorney General who is a close pal of the President or who has served as the President's personal lawyer.

Mr. Smith's nomination troubles me because of his extreme personal closeness to the President and his long service as Mr. Reagan's personal lawyer. An intensely close personal relationship ought to be avoided, in my view, in the selection by a President of an Attorney General. President Ford, to his credit, selected Mr. Levy as his Attorney General, a man with no personal ties to Mr. Ford.

In my view we need both the appearance and fact of absolute impartiality by the U.S. Attorney regarding any and all actions concerning the executive branch of Government.

As no significant negative factors of any other sort have materialized concerning Mr. Smith, I am reluctant to cast an outright no concerning his confirmation. So I have elected to vote present as my means of withholding a ratifying vote in favor of his nomination, and have done so for the reasons outlined above.●

WILLIAM J. McGILL

● Mr. RIEGLE. Mr. President, William J. McGill of Davison, Mich., recently retired as Postmaster after serving from 1950 until 1980. This man has spent over 30 years working for the U.S. Postal Service. His dedication to his job and selfless contributions to the Davison community will be greatly missed. As a lifelong citizen of Davison, Mr. McGill has been a great asset as Postmaster while also actively participating in every aspect of the community including membership in the American Legion, VFW, and the Davison City Council. It is my pleasure to congratulate Mr. McGill on his retirement and thank him for his service to the Davison community. It is citizens like Mr. McGill who make Michigan and our country strong.●

IN SUPPORT OF UKRAINIAN INDEPENDENCE

● Mr. RIEGLE. Mr. President, this week marks the 63d anniversary of the proclamation of independence of Ukraine. After a long struggle the Ukrainian people seized the opportunity to form an independent sovereign state when the Russian Czardom fell. The long-sought independence was shortlived when, in 1923, Ukraine was overrun by Russian troops. The Soviet Union turned the independent Ukrainian state into a satellite nation.

The Ukraine no longer exists as a sovereign nation, but the memory and the spirit of freedom will last forever. The large Ukrainian community in Michigan has helped to foster this spirit. Recently, I received a letter from Mr. Bohdan Fedorak, president of the Ukrainian Congress Committee. In the letter Mr. Fedorak describes the meaning of Ukrainian independence day, which I would like to share with my colleagues.

The letter follows:

The Ukrainian people in the free world have since 1923 commemorated January 22nd as a Ukrainian Independence Day and used this opportunity to keep the flame of hope burning in the hearts of the enslaved Ukrainians who long for their denied but God given rights of national, individual, cultural and religious freedoms.

Mr. President, these words express the hopes that we all share for an independent Ukrainia.●

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW AND UNTIL 10 A.M. ON TUESDAY, JANUARY 27, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate recesses today it stand in recess until the hour of 11 a.m. on Friday, January 23; and when it convenes it immediately stand in recess until the hour of 10 a.m. on Tuesday, January 27.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR SENATORS TO INTRODUCE BILLS, RESOLUTIONS, AND STATEMENTS; AND COMMITTEES TO FILE REPORTS BETWEEN 9 A.M. AND 3 P.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on Friday, January 23, between the hours of 9 a.m. and 3 p.m. Senators be permitted to introduce bills, resolutions, and statements, and that committees be authorized to file reports, as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATORS WALLOP, SIMPSON, BAUCUS, AND SCHMITT ON TUESDAY, JANUARY 27

Mr. BAKER. Mr. President, I ask unanimous consent that on Tuesday next there be special orders of 15 minutes each for the following Senators and in this order: the distinguished Senators from Wyoming (Mr. WALLOP and Mr. SIMPSON), the distinguished Senator from Montana (Mr. BAUCUS), and the distinguished Senator from New Mexico (Mr. SCHMITT).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask as in legislative session that the special orders just referred to be honored immediately after the time allocated to the two leaders under the standing order.

The PRESIDING OFFICER. Without objection, it is so ordered.

FILLING VACANCY ON THE SPECIAL COMMITTEE ON AGING

Mr. BAKER. Mr. President, as in legislative session I have a resolution which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

Resolution to fill a vacancy on the Committee on Aging.

The resolution (S. Res. 32) was agreed to as follows:

Resolved, That David Durenberger be, and he is hereby appointed to fill an existing majority party vacancy on the Special Committee on Aging for the Ninety-seventh Congress.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CORRECTION IN MINORITY PARTY APPOINTMENTS TO THE LABOR AND HUMAN RESOURCES COMMITTEE FOR THE 97TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and I ask unanimous consent that the Senate proceed to its immediate consideration, as in legislative session.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

Resolution (S. Res. 33) making correction in minority party appointments to the Labor and Human Resources Committee for the 97th Congress.

The resolution (S. Res. 33) was agreed to as follows:

Resolved, That S. Res. 15, 97th Congress (agreed to January 5, 1981), is amended by striking out on the 2nd page, lines 11 and 12, the following: Mr. Kennedy, Mr. Williams, Mr. Randolph, and inserting in lieu thereof: Mr. Kennedy, Mr. Randolph, Mr. Williams.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I had previously indicated that on Tuesday next when we reconvened, that the Senate will be in executive session; am I correct in that respect?

The PRESIDING OFFICER. The Senator from Tennessee is correct.

ORDER OF PROCEDURE ON TUESDAY NEXT

Mr. BAKER. Mr. President, I had previously indicated that at that time I would seek or that I would seek unanimous consent to consider the nominations on the Executive Calendar in a certain order.

I now ask unanimous consent that on Tuesday next, when we return to the consideration of the Executive Calendar, that we first consider the nomination of Mr. STOCKMAN, to be the Director of the Office of Management and Budget, Executive Calendar No. 13; that following on after the disposition of that nomination, we turn to the consideration of Dr. Jeane J. Kirkpatrick, to be the representative of the United States to the United Nations, being Executive Calendar No. 12; and following on after the disposition of that nomination we proceed to the consideration of Mr. Casey, to be the Director of Central Intelligence, being Executive Calendar Order No. 14.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, following on after the disposition of these three nominations it is likely that we will proceed to the consideration of other items that appear now or may appear on the Executive Calendar at that time. I am not in a position to state what further executive or legislative business we may be able to deal with at that time, but I will confer with the distinguished minority leader and try to develop a further program and make it known as soon as possible.

Are we still in morning business, Mr. President?

The PRESIDING OFFICER. The Senator is correct.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. COHEN). The Chair, on behalf of the President pro tempore, as in legislative session, pursuant to Senate Resolution 400, 94th Congress, and Senate Resolution 4, 95th Congress, appoints the following Senators to the Select Committee on Intelligence: The Senator from Kentucky (Mr. HUDDLESTON) for a term expiring at the end of the 98th Congress, 1st session; the Senator from Delaware (Mr. BIDEN) for a term expiring at the end of the 98th Congress, 1st session; and the Senator from Texas (Mr. BENTSEN) for a term expiring at the end of the 97th Congress.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the provisions of the order previously entered, that the Senate stand in recess until the hour of 11 a.m. on tomorrow.

The motion was agreed to; and the Senate, in executive session, at 10:37 p.m. recessed until Friday, January 23, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate January 22, 1981:

DEPARTMENT OF DEFENSE

Frank C. Carlucci, of Virginia, to be Deputy Secretary of Defense.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 22, 1981:

DEPARTMENT OF JUSTICE

William French Smith, of California, to be Attorney General.

DEPARTMENT OF AGRICULTURE

John R. Block, of Illinois, to be Secretary of Agriculture.

DEPARTMENT OF COMMERCE

Malcolm Baldrige, of Connecticut, to be Secretary of Commerce.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Samuel R. Pierce, Jr., of New York, to be Secretary of Housing and Urban Development.

DEPARTMENT OF TRANSPORTATION

Andrew L. Lewis, Jr., of Pennsylvania, to be Secretary of Transportation.

DEPARTMENT OF THE INTERIOR

James Gaius Watt, of Colorado, to be Secretary of the Interior.

DEPARTMENT OF ENERGY

James B. Edwards, of South Carolina, to be Secretary of Energy.

DEPARTMENT OF EDUCATION

T. H. Bell, of Utah, to be Secretary of Education.

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force to the grade indicated, under the provisions of chapter 839, title 10 of the United States Code:

To be brigadier general

Col. Richard F. Abel, 282-24-9932FR, Regular Air Force.

Col. Michael H. Alexander, 481-34-9617FR, Regular Air Force.

Col. Melvin G. Alkire, 216-32-1998FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Carl N. Beer, 214-30-1913FR, Regular Air Force.

Col. William P. Bowden, 431-58-0401FR, Regular Air Force.

Col. Elmer T. Brooks, 579-42-8140FR, Regular Air Force.

Col. James T. Callahgan, 359-28-2527FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Duncan W. Campbell, 526-42-2984FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Michael P. C. Carns, 578-48-9103FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Aloysius G. Casey, 160-24-4566FR, Regular Air Force.

Col. Wilson C. Cooney, 209-24-2396FR, Regular Air Force.

Col. Thomas L. Craig, 435-54-8105FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Milford E. Davis, 010-30-4892FR, Regular Air Force.

Col. Chris O. Divich, 504-26-9714FR, Regular Air Force.

Col. Fredric F. Doppleit, 051-26-4294, Regular Air Force, Medical.

Col. John J. Doran, Jr., 013-24-3203FR, Regular Air Force.

Col. Christian F. Dreyer, 577-46-0193FR, Regular Air Force.

Col. Michael J. Dugan, 091-28-2234FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Pinlard M. Dyer III, 439-36-8540FR, Regular Air Force.

Col. David W. Forgan, 355-26-6055FR, Regular Air Force.

Col. Daniel B. Geran, 291-26-7370FR, Regular Air Force.

Col. Gordon A. Ginsburg, 297-26-7043FR, Regular Air Force.

Col. John E. Griffith, 512-22-7822FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Alfred G. Hansen, 067-26-5750FR, Regular Air Force.

Col. Edward J. Heinz, 471-32-4675FR, Regular Air Force.

Col. Thomas J. Hickey, 478-40-1715FR, (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Jesse S. Hocker, 402-36-6773FR, Regular Air Force.

Col. Hansford T. Johnson, 251-59-7597FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. James G. Jones, 278-30-0928FR, Regular Air Force.

Col. Gordon P. Masterson, 366-32-6989FR, Regular Air Force.

Col. Robert I. McCann, 011-28-0707FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Thomas G. McInerney, 336-30-8725FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Merrill A. McPeak, 554-44-2858FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Michael A. Nelson, 560-46-5214FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Robert B. Patterson, 237-42-6895FR, Regular Air Force.

Col. Randall D. Peat, 329-28-3055FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Leonard H. Perroots, 236-46-8026FR, Regular Air Force.

Col. Robert O. Petty, 459-46-0938FR, Regular Air Force.

Col. Jimmy C. Pettyjohn, 526-36-9576FR, Regular Air Force.

Col. Robert B. Plowden, Jr., 250-48-6191FR, Regular Air Force.

Col. Philip S. Prince, 547-40-0275FR, Regular Air Force.

Col. Donald J. Rans, 316-34-6754FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Craven C. Rogers, Jr., 578-46-3442FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Gerald C. Schwankl, 533-28-3002FR, Regular Air Force.

Col. Henry J. Sechler, 477-34-2551FR, Regular Air Force.

Col. William M. Shaw, Jr., 242-48-7811FR, Regular Air Force.

Col. Jack W. Sheppard, 297-26-0603FR, Regular Air Force.

Col. Ellis G. Shuler, Jr., 249-50-1947FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Charles P. Skipton, 287-28-0483FR, Regular Air Force.

Col. Monroe T. Smith, 264-34-1200FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Richard E. Steere, 559-40-3819FR, Regular Air Force.

Col. John T. Stihl, 559-38-1457FR, Regular Air Force.

Col. Donald J. Stuke, 503-46-3291FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Thomas G. Tobin, 508-38-7813FR, Regular Air Force.

Col. Russell L. Violett, 425-46-5026FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Donald B. Wagner, 205-22-4351FR, Regular Air Force Medical.

Col. William B. Webb, 263-60-4091FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

Col. Bernard L. Weiss, 146-24-6060FR, Regular Air Force.

Col. Browning C. Wharton, 224-32-6439FR, Regular Air Force.

Col. Gordon E. Williams, 002-22-6525FR (lieutenant colonel, Regular Air Force), U.S. Air Force.

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 837, title 10, United States Code:

To be major general

Brig. Gen. S. T. Ayers, 458-24-8932FV, Air Force Reserve.

Brig. Gen. James J. Feeney, 134-18-7835FV, Air Force Reserve.

Brig. Gen. James E. McAdoo, 435-38-1041FV, Air Force Reserve.

Brig. Gen. Donald A. McGann, 101-22-4131 FV, Air Force Reserve.

Brig. Gen. Richard A. Wegner, 519-16-1897 FV, Air Force Reserve.

To be brigadier general

Col. Thomas H. Dinwiddie, 274-22-2903FV, Air Force Reserve.

Col. P. A. Forschler, 518-36-0997FV, Air Force Reserve.

Col. George D. Leadbetter, 441-28-8473FV, Air Force Reserve.

Col. Edward L. McFarland, 498-42-9860FV, Air Force Reserve.

Col. James R. Milligan, 176-24-3110FV, Air Force Reserve.

Col. John D. Moore, 550-40-9135FV, Air Force Reserve.

Col. Billy B. Morgan, 400-32-8491FV, Air Force Reserve.

Col. Ronald G. Severs, 490-32-0871FV, Air Force Reserve.

Col. Raymond Thompson, 118-18-2908FV, Air Force Reserve.

The following officer for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. John B. Conaway, 315-30-2700 FG, Air National Guard.

IN THE AIR FORCE

Air Force nominations beginning James G. Abbee, to be colonel, and ending Gerald R. Snyder, to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

Air Force nominations beginning Larry K. Arnold, to be lieutenant colonel, and ending Philip E. Zongker, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

IN THE ARMY

Army nominations beginning George P. Brandel, to be colonel, and ending Stewart R. Ward, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

Army nominations beginning Robert E. Bilbrey, to be colonel, and ending Bernice M. Widrow, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

IN THE NAVY

Navy nominations beginning Diana T. Cangelosi, to be ensign, and ending John W. Weiss, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

IN THE MARINE CORPS

Marine Corps nominations beginning Linda C. Arms, to be caotain, and ending Timothy W. Foley, to be caotain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

Marine Corps nominations beginning Robert A. Alvick, to be second lieutenant, and ending Walter A. Reeves, to be cantain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

EXTENSIONS OF REMARKS

TALKING PROUD IN BUFFALO, N.Y.

HON. HENRY J. NOWAK
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. NOWAK. Mr. Speaker, for several months, the Buffalo Area Chamber of Commerce has been spearheading a "Talking Proud" advertising campaign in my hometown of Buffalo, N.Y., aimed at stimulating community pride and boosting the city's economic prospects.

The campaign has been highly successful and well received.

On January 15, 1981, however, my fellow citizens in the Buffalo area, thanks to a series of events, had the opportunity to show that actions do speak louder than words. For on January 15, I am proud to report, the citizens of Buffalo were not only talking proud but acting proud.

In a broad demonstration of community unity, pride, and tolerance, Buffalo on January 15 was the scene of a memorial service commemorating the memory of Dr. Martin Luther King, Jr., and a neo-Nazi rally that never materialized as counterdemonstrators far outnumbered any identifiable neo-Nazis. This was all accomplished peacefully, without violence, physical confrontations, or arrests.

A great deal of credit goes to the cross section of community leadership that in a unified fashion short circuited strong concerns about the potential for violence by the juxtaposition of rallies supporting the goals and memories of Dr. King and the views of the neo-Nazis.

Those concerns were inflamed by the simmering fears caused by the still unsolved murders of seven local black men.

But enlightened community leadership, a restrained and highly professional police force, and a responsible citizenry demonstrated in Buffalo, N.Y., why America is a great nation and why Buffalo is so aptly dubbed "The City of Good Neighbors."

By defusing a potentially explosive situation, we in Buffalo have demonstrated by action—not only by word—that we understand the meaning of words like free speech, the right to peaceful assembly, tolerance and brotherhood.

As the following articles from the Buffalo Evening News and the Buffalo Courier-Express demonstrate, January 15, 1981, was a "Proud Day for Buffalo—Buffalo at Its Best."

The articles follow:

[From Buffalo Evening News, Jan. 16, 1981]

A PROUD DAY FOR BUFFALO

Buffalo can be proud today.

With the eyes of the nation focused on it, this city lived up to its reputation Thursday as a community of good neighbors who in honoring the memory of Dr. Martin Luther King Jr. affirmed their positive commitment to his principles of human equality and non-violence.

On the same day, the city established that it can preserve the constitutional rights of free speech and peaceful assembly without the explosive clashes that had been feared.

That there were no arrests or physical confrontations in Niagara Square involving a lone neo-Nazi spokesman and counterdemonstrators is a credit to the advance preparations made by city and county officials and to the careful precautions taken by Buffalo police and other law-enforcement agencies in averting any untoward incidents.

What can swell Buffalo's pride in particular is the eloquent testimony to civic unity and responsibility by a citizenry that, while shunning any invitation to disorder and turning its back on preachments of hate and divisiveness, sponsored the Lafayette Square birthday tribute to Dr. King's advocacy of racial harmony.

Together they came, blacks and whites and citizens of different faiths and ethnic origins in a gathering of 5,000, to send forth a message to the nation, as speakers noted, that Buffalo is indeed a city of good neighbors.

The community demonstrated its total opposition to the odious Nazi ideology, but that it did so in a positive way and without giving vent to corrosive tensions or encouragement to political activist groups that descended on Buffalo is a tribute to the Black Leadership Forum, the National Conference of Christians and Jews and other groups and individuals who accented peaceful affirmation of brotherhood.

Buffalo honored Dr. King's legacy in the right way, and in so doing it laid a worthy foundation for going forward in constructive ways to advance inter-racial understanding and to allay public anxieties in a climate marred by the unsolved slayings of Buffalo area black men. In building on that foundation, citizens can give witness to the principles of human rights and non-violence advocated by Dr. King by supporting proposals for the erection of a statue in Buffalo honoring him and by endorsing the designation of a national holiday in his memory.

UNITY SHOWN AT KING RALLY DID CITY PROUD

(By Ed Kelly and Carl Allen)

More than 5,000 Buffalonians walked proud into Lafayette Square Thursday to honor the memory of Dr. Martin Luther King, Jr.

From church and synagogue, legislative chamber, labor hall, court and civic center, from office building and construction site, they gathered to observe the birthday of the slain civil rights leader.

Blacks and whites, members of every minority, ethnic background and neighborhood, they came together for a single purpose:

To commemorate the life and accomplishments of Dr. King who, as an exemplar of strength through non-violence, changed the attitude of American society during a career of courage that won him the 1964 Nobel Prize for Peace.

Pride and good will permeated the 45-minute event near the foot of Soldiers and Sailors Monument, the 96-year-old column honoring Buffalo servicemen who died helping to abolish slavery and maintain the Union in the Civil War.

The city-sanctioned rally was a solemn and prayerful event, as churchmen and others gave thanks for the spirit of brotherhood that was Dr. King's legacy.

They gave thanks, too, that violence had not marred the day of tribute.

It was also a patriotic moment, as participants sang with fervor the country's National Anthem and the Black National Anthem.

And it was an exuberant, happy event, filled with spontaneous cheers, with foot stomping, applause and often laughter, and with chanted pleas that Dr. King's birthday be declared a national holiday.

The noon rally ended on a stirring note, as speakers, honored guests and the throng filling the square joined hands, raised them above their heads and, swaying in unison, sang the moving civil rights song, "We Shall Overcome."

The theme was set by the Rev. Will J. Brown, chairman of the sponsoring Black Leadership Forum, when he told the crowd it was taking part in "an important celebration of one of America's most renowned men."

"Dr. King stood for truth, righteousness and justice," declared the pastor of New Covenant United Church of Christ.

"During his life, he made some mad, some glad, but he touched all. It is up to us to keep his dream alive."

The Black Leadership Forum chairman made a reference to the recent unsolved killings of area blacks and to the possibility of violence that existed earlier Thursday in counter-demonstrations in nearby Niagara Square between neo-Nazi white supremacists and a coalition of anti-Nazi groups.

"It is regrettable," commented Mr. Brown, "that we had to have eight black men killed, and the threat of violence, to bring this group together today.

"We must now remain together," he said, "and we must have Martin Luther King's birthday a national holiday. We will not stop or rest until that is so."

Mr. Brown's declaration touched off an enthusiastic demonstration among many spectators who raised clenched hands and began chanting:

"We want a holiday. We want a holiday."

The Black Leadership Forum chairman also asked, on behalf of all the area's ethnic groups, that "the city fathers open the door to let us get to the table where the decision-making takes place."

He urged the city to help construct a statue of Dr. King in Martin Luther King Jr. Park at Fillmore and Humboldt Avenues.

Mr. Brown galvanized the crowd with his closing declaration:

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

"Dr. Martin Luther King Jr. is dead, but his spirit lives on. Long live the King."

The Rev. Walter L. Bryan, rector of St. Philip's Episcopal Church, noted the "greatness" of Dr. King, and the Rev. Bennett W. Smith, pastor of St. John the Baptist Church, observed in his invocation that the Buffalo community has more than Dr. King to be thankful for.

"May the message go out to all that Buffalo is truly a city of good neighbors," he said.

"Give Buffalo," he prayed, "peace, love, harmony and, most of all, understanding.

"Our city is not only talking proud today, but walking proud and acting proud."

State Supreme Court Justice Joseph S. Mattina introduced Black Leadership Forum officials, other rally supporters and distinguished guests to the crowd which included several hundred members of Local 210 of the Laborers Union (AFL-CIO), many carrying "Local 210 Honors Dr. King" signs.

Justice Mattina, cochairman of the local chapter of the National Conference of Christians and Jews, called the celebration "a great day for Buffalo."

It also was a "sensitive" day, he noted, because of the neo-Nazi demonstration earlier in Niagara Square.

"We all share this sensitivity, not only with the blacks but also with the Jewish people who suffered under Nazi domination," declared the jurist.

In a symbolic show of racial unity, two schoolchildren—one black, the other white—read messages praising the spirit of racial harmony preached by Dr. King.

Derick Houston, 14, a black student at School 80, recalled a host of U.S. and world personages who "symbolized the spirit of Dr. King" and "who reached their full potential" exemplifying the same traits as the civil rights leader slain a dozen years ago.

Lynn Furst, a 17-year-old white student from the City Honors School, lauded Dr. King's contribution to the principles of justice, and declared that "without him, America would not have received the rude awakening it needed."

Buffalo Mayor Griffin and Erie County Executive Rutkowski each read one half of their joint proclamation which ended with a call upon Congress and the State Legislature to make Dr. King's birthday a legal holiday.

The two government heads said they were proclaiming 1981 "as the Year of Understanding in the City of Buffalo and County of Erie."

Before reading the proclamation, Mayor Griffin lauded "what has been done today for the city and the county.

"Buffalo has been proved the City of Good Neighbors not only in name, but also in action," the mayor declared.

"It takes men and women of courage not to act in a violent manner," observed County Executive Rutkowski. "Dr. Martin Luther King Jr. would have been proud of us today."

The benediction closing the celebration was offered by Emam Aleem Hasson of the American Muslim Mission.

He noted that the memorial rally's purpose was not to "harp on racism" but "to dignify the human spirit."

The speakers addressed the rally from a mobile viewing stand erected by the county's Parks and Recreation Department at the north side of the square.

Seated on the stand were scores of federal, state, county and city legislative and executive officials.

They included U.S. Sen. Daniel Patrick Moynihan, D-N.Y.; Reps. Henry J. Nowak, D-Buffalo; Jack F. Kemp, R-Hamburg, and John J. LaFalce, D-Town of Tonawanda, and State Atty. Gen. Robert Abrams.

The rally was initiated as a peaceful tribute to Dr. King by Buffalo's black leadership, and sanctioned by business, labor, civic and other groups, as well as by the city.

Several banners were raised by spectators—the green and black coalition signs denouncing the Nazis and the Ku Klux Klan, and other streamers promoting Marxism—but the spirit was one of solid unity.

As Lafayette Square began filling up shortly before noon, a public address system carried excerpts from addresses and sermons delivered by Dr. King during his civil rights crusade.

[From Courier Express, Jan. 16, 1981]

BUFFALO AT ITS BEST

There may be discussion for some time over the way Martin Luther King Jr. Day was observed in Buffalo Thursday. What has been in past years a relatively quiet, peaceful and modest observance mushroomed into a giant media event after self-styled Nazi leader Karl E. Hand Jr. announced he intended to use the occasion for a "white civil rights" rally at Niagara Square. The concern about the Nazis resulted in a simultaneous counter-demonstration attended by hundreds of primarily out-of-town anti-Nazi protesters, as well as a massive police and media presence.

And after all the sound and fury about the Nazis' intended demonstration, it should be noted that police said they were able to identify only five known Nazi party sympathizers.

We believe that Martin Luther King Jr. Day, 1981, showed Buffalo at its best: Everyone was able to exercise his or her right of free speech. Karl Hand had his say; the counter-demonstrators had their say. And local law-enforcement officials performed admirably while guarding against any sort of disturbance. At Lafayette Square, Dr. King's memory was honored by several thousand citizens in a dignified and appropriate manner. The Black Leadership Forum and the Martin Luther King Jr. Day Celebration Steering Committee, and all those groups and individuals who supported the Lafayette Square celebration, are to be congratulated for their fine work in achieving a most fitting tribute to the slain civil rights leader.

On Thursday, the Rev. Will Brown, chairman of the Black Leadership Forum, made a key point, and we second it: This should not be the end but rather just the beginning of the community's uniting to work for racial harmony and brotherhood.

KING RALLIES PEACEFUL, SPUR BROTHERHOOD

(By Richard Schroeder)

Buffalo survived. Many had predicted disaster and division; instead, many said they found unity and hope.

Despite weeks of local political hassles, despite hundreds of out-of-town demonstrators and journalists, despite the presence of a Nazi hate group, despite portents of disaster, peace prevailed Thursday during three public downtown rallies.

Competing anti-Nazi and Nazi rallies in Niagara Square, and a much larger Lafayette Square memorial for Dr. Martin Luther King Jr., occurred without violence, arrests or reported injuries.

ALL VIEWS HEARD

Everyone, including Nazi leader Karl E. Hand Jr., got the chance to express his opinions publicly and peacefully, largely due to a highly restrained but firm and visible police effort.

There was much speechmaking and rhetoric, some of it inspiring, much of it upbeat, and there were surprisingly few violent words.

It all happened on the 52nd anniversary of the birthday of Dr. King, a man who preached non-violence in the face of violent opposition, who many times had to overcome racism in America's cities.

HOPE FOR FUTURE

But Dr. King would have had no problem here Thursday, something that gave many who were downtown hope for the city's future.

"I'm very encouraged by this start," said the Rev. Will Brown Jr. chairman of the Black Leadership Forum, sponsor of the Lafayette Square memorial. "We can't look at it as the end, but as the beginning. The road in front of us is by no means an easy road to travel, but as long as we are willing to deal with our differences constructively and creatively, we can really make Buffalo a city that we all can be proud of."

Mayor James D. Griffin, often the center of controversy in the days preceding the rallies and traditionally a favorite target of blacks, said, "We've got a great ethnic city. We have people who care for each other, very close-knit. The dividend for today is that now I am closer with the black community than before. I hope they feel that way too."

GOOD NEIGHBORS

The new public proclamations of unity between black and white leaders, which threatened to fall apart Wednesday, were apparently renewed Thursday. No one was willing to predict how long that unity will last.

The only disagreement surfacing centered between Griffin and Ellicott Councilman James Pitts. Griffin criticized Pitts and his fellow black councilman George Arthur for attending the noon rallies at Niagara Square. "I was surprised to see some of the people there," Griffin said, ". . . I thought we had an agreement just to be at the noon rally." Pitts responded: "I hadn't made an agreement with the mayor . . . But it really isn't the mayor's business that I was there. He is not my boss."

But, generally the mood was upbeat, a change in attitude for the area, tense and nervous in recent weeks over both the Nazi and anti-Nazi rallies, as well as the spate of unsolved murders that has left seven local black men dead. Those crimes were a quiet part of Thursday's events with some law enforcement officials moving through the crowd, on the look-out for the man or men responsible for the murders.

"Buffalo is a city of good neighbors and of good will," said Charley Davis, a lawyer for the Black Leadership Forum. "Any differences we had before with city officials about the rally are really moot points now."

"It was an outpouring of love," said State Supreme Court Justice Joseph J. Mattina, who co-hosted the Lafayette Square rally with the Rev. Walter L. Bryan. "The rally was a tremendous success. This is a positive move of keeping the city moving as well as improving race relations."

RESTRAINED CONTROL

Despite the threats of arrest and predictions of violence that preceded Thursday, there was near unanimous praise for the restrained control provided by the Buffalo Police, assisted by Erie County Sheriff's Department and State Police.

"I think this is the greatest thing that has happened for us," said a smiling Police Commissioner James B. Cunningham. "The eyes of the nation were upon us and we performed well."

Many demonstrators, legal observers and public officials were as impressed with the police performance as they were by the non-violent crowds that surrounded the McKinley Monument in Niagara Square for the anti-Nazi rally and filled Lafayette Square for the King memorial.

NO PUBLIC SUPPORT

Buffalo attorney Robert Godlove, who organized a group of attorneys as legal observers in Niagara Square, said he observed no instances of civil rights violations by police and said their presence was well-controlled.

Others, while disgusted by Hand's Nazi salutes and shouts of "white power," were pleased that he stood alone and without public support near City Hall. Police, however, said they identified five known Nazi sympathizers in the Niagara Square crowd.

One of those sympathizers, John Ross Taylor, leader of Canada's right wing Western Guard Party, was present, despite a federal Immigration and Naturalization Service order prohibiting his entry into this country. Federal officials said he was being sought for possible arrest Thursday night, but said he may have already left the country.

ONE-MAN SHOW

Hand's one-man show produced yells from counter-demonstrators and a crush of journalists that forced him to forgo a planned speech. He was limited to a 30-minute appearance standing at the Millard Fillmore monument at City Hall, where he flashed a sign that said "whites have rights" and another that contained a large swastika.

After flashing three Nazi salutes and answering questions, he was hustled away by several plainclothes police officers, who dropped Hand and two supporters off on Broadway near his East Side home.

The anti-Nazi rally, run by the Martin Luther King Memorial Rally Coalition, drew about 500 supporters, with over 200 coming on buses from Northeast cities. About 200 journalists swelled the Niagara Square ranks.

The rally was an opportunity for a number of groups of all political persuasions to air their views.

CAST IS VARIED

Wandering through the crowd like minstrels were members of the Revolutionary Communist Party handing out copies of their newspaper, lesbian feminists pleading their cause, Jews proclaiming that oppression must end, and a host of other political, social and ethnic groups.

Earlier, they had marched down Delaware Avenue to Niagara Square, carrying lime-colored placards and shouting, "We say no, we say no, we say no to racism."

Although a host of left-wing political groups were represented, many were not affiliated with any particular political group.

"We're here pretty much to represent the six million Jews who died," said Sue Chodrow, 21, of Buffalo, who came with her brother, David.

RIOT COPS TUCKED AWAY

They came to a Niagara Square ringed by 150 Buffalo police and 118 sheriff's deputies, including 14 mounted deputies, who separated Hand from the rally participants.

Another 150 Buffalo police, equipped in full riot gear, were held out of sight and in reserve in Police Headquarters and in the Main Library.

There was much talk of oppression and racism, but relatively little talk of Martin Luther King.

The King memorial in Lafayette Square, sponsored by the Black Leadership Forum, drew a crowd variously estimated at ranging from 2,000 to 5,000. The official police estimate of 5,000 was given by Police Traffic Division Capt. Robert J. Mischel, although many observers, including some police, estimated far fewer were in the square at noon.

BROTHERHOOD PROCLAIMED

A host of political, religious and community leaders, including U.S. Sen. Daniel Patrick Moynihan, U.S. Reps. Jack F. Kemp, John J. LaFalce and Henry J. Nowak, State Attorney General Robert Abrams and Erie County Executive Edward J. Rutkowski stood on a mobile stand to proclaim brotherhood during an hour ceremony.

Rally speakers called for a national holiday honoring Dr. King. Several times, they were interrupted by shouts, led by several black leaders, of "We want a holiday."

"Anyone can act out of bigotry and hate," Rutkowski said. "With this type of showing, Martin Luther King would have been proud of us today. We call on the Congress and (state) Legislature to make Jan. 15 a legal holiday."

Kemp, interviewed after the event, said he feels "there should be a day set aside to honor a black leader. The person to be honored should be chosen by the black leadership. I plan to meet with black leaders to determine the time and person to be honored."

Kemp also spoke to area black leaders and pledged to serve as their direct line of communication with incoming President Ronald Reagan.

Rabbi Sholom Stern, president of the Buffalo Board of Rabbis, summed up the day. "It was a demonstration of solidarity in our community. The union and demonstration in honor of Martin Luther King offer a counter-gesture to those forces who seek to divide whites and blacks."

H.R. 171—CONGRESSIONAL REVIEW OF CHANGES IN POSTAL SERVICES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced H.R. 171, a bill to provide for congressional review of proposed changes in postal services.

In recent years, the Postal Service has proposed elimination of 6-day mail delivery which it quietly dropped as an ill-advised idea following an outcry from the public, the Congress, mail users, and postal employees. A few years ago it established a policy that almost no new residential developments would receive door-to-door delivery of mail. More recently, the Postal Service has announced plans to implement a new nine-digit ZIP code system despite broad public opposition to the program.

These and other policies and programs of the Postal Service are proof of the sad reality that the objectives of the Postal Reform Act of 1970—to insulate the Postal Service from politics—has had a negative effect and has not served the public as well as it was intended.

Postal policy is too important to be insulated from the responsibilities of the Congress. The American people expect their elected Representatives to consider and to resolve postal problems as effectively as other national problems. By increasing congressional oversight in postal matters, that legislative responsibility, can be fulfilled.

H.R. 171 addresses these problems by providing that whenever the Postal Service wishes to make changes in postal services that would have a substantial nationwide impact, it must submit the proposed change to the Congress. The proposed changes would then be considered by the appropriate authorizing committees of the Congress in the same manner as executive reorganization plans proposed by the President under title 5 of the United States Code. If, within 60 days, either Chamber approves a resolution of disapproval, that change could not become effective.●

TOWARD THE YEAR 2000

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. McHUGH. Mr. Speaker, I would like to share with my colleagues a recent editorial that appeared in the Binghamton Evening Press. This thoughtful commentary, which ran on New Year's Day, has captured in a few short paragraphs both the promises and the perils that we are likely to face in the next two decades, and thus raises some of those basic and fundamental questions that the new administration and Congress should begin coming to grips with in the next 2 years.

Like the "Global 2000 Report to the President" that was issued last year, this editorial makes it clear that the human race faces immense problems as we approach the 21st century, problems relating to the preservation of our environment, the curtailment of population growth, and the provision of sufficient food to sustain life itself. While noting that the United States cannot ignore these challenges without placing itself at great risk, the editorial makes it clear that these chal-

lenges can be met if we have the courage and the strength to do so.

Mr. Speaker, I hope that my colleagues will take a few moments at the very beginning of this Congress to reflect upon the issues raised by this thoughtful analysis, a copy of which I am inserting into the RECORD at this point.

[From the Binghamton Evening Press, Jan. 1, 1981]

SHARE WORLD'S WEALTH

Today we take our first step into the last twenty years of the 20th Century. It is a step that holds both promise and peril; indeed, it is the beginning of a journey that may well decide our destiny.

Four weeks ago, reports for U.S. News & World Report interviewed several of the world's top futurists in an attempt to put together an intelligent, thoughtful forecast of what is in store during the next 2 years.

As the magazine noted, the futurists' painted a "split-image picture" that is, at once, optimistic and ominous.

The prospect for enormous technological and scientific gains, including the prolongation of human life, is matched by the prospect of enormous social problems, including growing strife between the developed and underdeveloped nations of the world.

As society and its science move forward, the result could be an even wider division between the rich and the poor, creating a world that will be wealthier than ever, yet even more at odds with itself.

In terms of population, forecasters see astronomical growth, from the 4.5 billion people inhabiting earth today to 7 billion people by the year 2000. Providing enough food to feed a world that is already plagued by severe food shortages will be a problem of staggering dimensions.

The population growth will present other problems as well. The grab for the world's mineral and timber resources, spurred on by demands for more and more energy and more and more housing, will present a very real threat to an already-threatened environment.

According to the futurists, growth will be centered around the world's urban areas (Mexico City's population is expected to hit 31 million by 2000) meaning that our very lifestyles will become compressed, causing increased anxieties and a possible return to religious fanaticism.

All of this, of course, is a sampling of the peril the future holds. The futurists also see a promise for fulfillment in the next 20 years.

Predicted gains in agricultural science coupled with advances in the production of synthetic foods and food supplements, could make moot the prospect of food shortages, no matter how large the population.

The development of synthetic fuels and corrosion-proof metals, many of which are now in the testing stage, could give us a limitless supply of energy and building materials, without destroying the world's environment.

Despite crowded conditions, society may well be more mobile than even with aviation experts predicting the development of supersonic aircraft capable of transporting 1,700 passengers and 600,000 pounds of freight. Engineers already are planning bridges and tunnels connecting Europe with Africa, across the Strait of Gibraltar, and England and the Continent, beneath the English Channel.

In the view of Herman Kahn, a futurist with the prestigious Hudson Institute, the planet Earth is capable of supporting a vast increase in population, if its people can devise an economic scheme in which growth is shared between the developed and underdeveloped nations of the world.

The qualifier in Kahn's forecast—the development of an economic scheme that is hinged on an equitable sharing of the world's wealth—is, in our view, the key to a prosperous and successful future.

The United States, as a world power with vast agricultural, industrial and economic resources, must play a leading role in aiding the underdeveloped nations of the world. That cannot happen if we become a belligerent and bellicose giant, concerned more with the parochial issues of home than of those that face a growing and complex world.

As Rashi Mayur, director of the Urban Development Institute in Bombay, said in response to Kahn's optimistic forecast: "That hopeful outlook assumes trade-offs that few developed countries are willing to make yet. When you consider that 12 to 15 percent of the food grown in North America ends up in the garbage, it does not give one hope that attitudes are changing fast."

But change they must. In the next 20 years, even the world's underdeveloped nations are likely to unravel the nuclear mysteries that have thus far eluded them, giving them the military clout to destroy what they cannot have.

It is far better, it seems to use, to share the wealth we have than to risk losing all.

This, then, is the future; a future that, as we said earlier, holds both peril and promise. We are a nation that has historically opted for fulfilled promise. That fulfillment can no longer be a simple national goal. Rather, it must be the goal of a nation that lives in a rapidly shrinking and interdependent world.

And in that spirit, we wish the world luck.●

HOUSING TAX CREDIT FOR THE ELDERLY

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. LEHMAN. Mr. Speaker, today I am reintroducing legislation which would allow a person over 65 a refundable credit against Federal income taxes for the amount of State and local real property taxes they pay. This credit could be taken for taxes paid directly or indirectly through rent.

Elderly homeowners often have their homes paid for, and in most cases they do not have the opportunity to deduct real estate taxes from their incomes. Because of their reduced incomes, a credit will be more beneficial to older taxpayers than a deduction. For many elderly homeowners, real estate taxes are a major expense and often can force them to sell their homes as inflation pushes property values, and therefore property taxes, higher and higher.

Our present tax policies have a definite bias toward homeownership. In an attempt to assist elderly renters, however, my legislation will permit eligible persons to take a credit for the portion of their rents which are used to pay property taxes. As defined in the bill, rent constituting property taxes shall equal 25 percent of the rent paid during a taxable year.

Tax credits are especially helpful to low-income persons who usually do not itemize their deductions. In order to insure that the tax credits allowed by this legislation go to those most in need, there is a limit to the credit based on the adjusted gross incomes of the eligible persons. The credit will be reduced by the amount by which the taxpayers' adjusted gross income exceeds $10,000. In addition, there is an absolute limit of $300 on the credit itself.

Mr. Speaker, I believe this legislation merits the serious attention of the Congress. It will provide some real assistance to our elderly homeowners and renters alike.●

DEPOLITICIZING HEALTH CARE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. McDONALD. Mr. Speaker, today I am reintroducing a bill to repeal titles XV and XVI of the Public Health Service Act, which were created by Public Law 93-641, the National Health Planning and Resources Development Act of 1974.

Public Law 93-641 should be repealed immediately for the following reasons.

First, the law provides both the mechanism and the means for total, centralized control of health care by the Federal Government. Title XV establishes the mechanism by: (1) Directing the Secretary of the Department of Health, Education, and Welfare to issue guidelines concerning national health planning policy, (2) setting national health priorities, and (3) creating a nationwide network of health systems agencies, health service areas, and State health planning and development agencies.

Title XVI provides the means by authorizing Federal aid for developing health resources—essentially building new medical facilities or modernizing old ones—and Federal funding for the Health Systems Agencies established in title XV. Acceptance of these funds brings a medical facility under Federal control, if indeed it is not already taking orders from HEW through prior acceptance of funds from Federal programs such as medicare, medicaid, Hill-Burton, and so forth.

Obviously, this is a major step toward complete nationalization of the health care professions, as was made clear by its proponents:

> The important concept embodied in this legislation, that health financing should be closely related to health planning, has subsequently been reflected in almost all major proposals for national health insurance through a series of devices intended to assure that national health insurance does not pay for costly services which the planning process determines are unneeded. (House Report 93-1382, to accompany H.R. 16804, p. 8).

Aside from the intentions of its sponsors, however, Federal health planning by its very nature will lead to total Federal control of health care. One of the law's alleged purposes is to control the cost of health care, which has been rising at a rate higher than that of inflation for the past several years. But it attempts to do this by treating the effect, the rising prices, not the cause, which is the Government programs that socialize health care. When payments of medical services are collectivized, as under medicare and medicaid, the individual pays the same amount regardless of the cost and frequency of his own treatments. If health care is free on demand, demand soars and prices rise.

The health planners propose to stop this by ordering prices to hold still. They propose maximum allowable cost for drugs, and professional standards review for the elderly and indigent under medicare and medicaid, to make sure the Government pays for no unnecessary services. The professional standards review organizations, already established by another law, have the authority to control doctors' fees, to review confidential medical records in order to standardize allowable medical services, and to review hospital admissions.

This free medicine for the elderly and indigent is leading directly to Government rationing of health care services to these citizens. And now the health planners are talking about a series of devices to insure that the Government does not pay for costly services which the planning process determines are unneeded, thereby extending Government rationing of health care to everyone.

Such controls, however, will not work unless they are total. Prices will continue to rise so long as the Government continues its involvement in health care, leading the planners to lobby for complete nationalization. There are only two ways to deal with the consequences of the insatiable demand induced by Government health care programs. One is to eliminate the Government programs and allow the market to bring supply and demand back into balance. The other is to give the Government total control over supply.

The health planners leave no doubt which option they choose, and are already claiming Public Law 93-641 to be inadequate. For example, Dr. Charles C. Edwards, former Commissioner of the Food and Drug Administration and former Assistant Secretary for Health at HEW, renewed his call for a National Health Authority to regulate medicine as a public utility in a keynote address before a meeting of the American Association for Comprehensive Health Planning last month—American Medical News, July 26, 1979. "I am suggesting," Dr. Edwards said, "that health planning be merged with health cost regulation. Because without such a merger—without effective cost-containment—health planning, even under the best of circumstances, will remain an exercise in frustration and a bitter disappointment." Dr. Edwards continued by endorsing "regional rate-setting agencies operating under Federal guidelines."

In other words, health planning will not work unless the Government has total control over the supply of health services, without which those who wish to determine how much, if any, health care each individual American citizen will be allowed, will be frustrated and disappointed.

Second, Federal health planning is politicizing the entire field of health care. Instead of market demand determining and directing the supply of medical facilities and services, these decisions increasingly are being made be Government and quasi-Government officials. The decision to build a new hospital is not being determined by the demand for medical services by the people in a given area, but by officials of a health systems agency who, in conjunction with officials of the State health planning and development agency and officials of HEW's appropriate regional planning center, attempt to determine if their health plans are in accord with the national health priorities set by Congress and the national guidelines for health planning issued by the Secretary of HEW. Thus decisions affecting the health of millions of people must go through layer after layer of health planners before anything can be done. And since the decision is political, not economic, those with political pull will get the new hospital, if anyone does, not necessarily those who need it most.

Such a system is designed not to provide health services, but to prevent them from being provided.

Third, this law undoubtedly will distort and disrupt the delivery of health services to rural and nonrural areas. Not only do such areas lack the political pull to compete with the more densely populated urban areas, but the national health priorities established by Congress discriminate against less populated regions. These priorities, as mandated by section 1502 of title XV, include:

> (1) The provision of primary care services for medically underserved populations, especially those which are located in rural or economically depressed areas.
>
> (2) The development of multi-institutional systems for coordination or consolidation of institutional health services (including obstetric, pediatric, emergency medical, intensive and coronary care, and radiation therapy services).
>
> (7) The development by health service institutions of the capacity to provide various levels of care (including intensive care, acute general care, and extended care) on a geographically integrated basis.

Apparently, primary care services are to be provided in rural areas, but other levels of care only on a geographically integrated basis. What about a rural hospital which provides intensive care? Must its patients be transferred to urban hospitals? Or what about a rural hospital which wants to add facilities for intensive care? Must it wait until the population in its vicinity reaches some figure arbitrarily determined by a bureaucrat in a regional health planning agency?

Fourth, Public Law 93-641 is unconstitutional, probably on many grounds. At the very least it is a violation of the 10th amendment. In fact, several States have filed suit charging that the law is an illegal intrusion on a State's rights.

If we continue down the road being paved by Federal health planners, the American people will be denied the right to control their own health. Government planners not only will be setting doctor and hospital fees, but rationing medical care as well. Whether or not someone should have an operation no longer will be a medical decision arrived at by the individual and his doctor, but a political decision arrived at by Government health planners. In Great Britain, where health planners have been in control for many years under the National Health Service, patients are waiting in line for up to 1 year for a hospital bed to have a needed operation.

This is what Government health planning will lead to in our country if we do not change our course and begin systematically eliminating Government control of health care.

Repealing Public Law 93-641 would be an excellent first step toward depoliticizing the field of medicine.●

H.R. 173—REMOVAL OF POSTAL RATE COMMISSION BUDGET FROM POSTAL SERVICE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced H.R. 173, a bill to remove the budget of the Postal Rate Commission from the control of the U.S. Postal Service.

Under existing law, the Commission is required to annually present its budget to the Postal Service, whose Board of Governors may, by unanimous vote modify that budget. The Commission's budget is also funded from the Postal Service fund.

The Postal Rate Commission was intended to be an independent regulatory body whose function is to regulate certain aspects of the Postal Service. The contradiction in permitting the regulated body to control the funds of the regulator are self-evident. While I have not received any evidence or complaints of wrongdoing by the Postal Service in this area, the potential for such abuse would be removed by enactment of H.R. 173.

Finally, the regulatory functions of the Postal Rate Commission are a function of the General Government, benefiting all citizens. There is no apparent reason why mail users should pay for such regulation through postal rates.●

BUREAUCRACIES: THEY ARE EVERYWHERE

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. PARRIS. Mr. Speaker, an issue which is raised in almost every congressional election across the United States is the growth and pervasiveness of the bureaucracy.

This huge faceless monster is railed at endlessly with promises of streamlining the delivery of services, sunset provisions, and regulatory reform.

The target of this attack is widely assumed to be the employees of our governmental departments and regulatory agencies. Yet the bureaucracy which strangles the creativeness of our economy and limits our individual freedoms is as often found at our local utility or our neighborhood bank.

While it is perhaps easier and more fashionable for my colleagues to attack the bureaucracy on the Potomac, the real test of our ability to stop the unnecessary intrusions into our lives and to restore the creativity of our economy will be measured not in the number of civil service employees or the volume of regulations they issue. Rather our challenge is to provide the impetus for bold and decisive action at all levels instead of making scapegoats of the many dedicated Government employees who are trying to deliver the services and programs they are mandated to provide.

I insert at this time, an article by Meg Greenfield which appeared in the Washington Post of December 10, 1980, for my colleagues' information and use.

The article follows:

REAGAN VS. THE BUREAUCRACIES

Personalities and political theology dominate the Washington news as the Reagan Cabinet heaves into view—lots of talk about moderates versus conservatives and supply-siders versus traditionalists and the rest. It all matters, but not decisively. What will matter decisively to Ronald Reagan's prospects for success is something else: whether he will be able to take on and, to some extent, defeat that great decadent inertial force that characterizes so much of our governmental (and intellectual) life today.

Do I mean the Washington bureaucracy? Well, yes, in a way—but that is only part of it. I mean as well a collection of impulses—to trivialize, confound, procrastinate, fog over and subvert both thought and action—that are at work in many more bureaucracies than just the one on the Potomac that everyone complains about.

There is a profound and pervasive commitment in this country today to not letting anything happen. It (whatever is the problem at hand) is routinely declared to be much more complex than that ("that" being whatever the proposed solution may be). So, instead, it is duly noted that the situation must be studied and made the subject of conferences and reports and hearings and pilot projects and citizens' lobbies and benefit galas and maybe, with a little luck, it will end up getting a presidential commission or even a Cabinet department of its own. Then everyone can settle back and make the situation, whatever it was, a little worse, and get paid for it.

Now, all this has traditionally been associated with the Democrats in general and the federal government in particular, and there is surely ample justification in both cases. Too many liberal Democrats have come, over the years, to worship (of all things) the state and to see it as the natural agent of the Lord's will, even though you can't reach it by telephone much after 4:30 in the afternoon. And many Democrats too, it seems to me, have lately tended to nest in the little, trivial places of great issues, like starlings in the crevices of a huge building. I think, in fact, that this tendency, so different from their grasp of things a generation ago, accounts for a large part of their current political woe.

Read the foundation and study-group reports, very prettily printed, that they have worked on; read the testimony on the Hill; read the departmental policy statements and press releases and other outgushings. Often as not you will find that the premise is vaguely crazy or just plain wrong or outrageous. But you will also find that this is not noticed in the bogged-down, wrong-end-of-the-telescope prose. And the prose itself seems designed—bureaucratese, foundation-talk—to keep everything slightly out of focus, to keep it ultimately inconclusive, complicated without being useful.

Yes, the poor old Democrats and the awful old Feds have certainly staked a claim to this unattractive intellectual turf. And yes, it is also true that both the Republicans in their customary assaults on "the bureaucracy" and the populace in its increasing assaults on Washington, have given notice that they demand something better, or at least something different. But be careful. For surely in the corporations and the businesses and the trade unions of America the same impulses are at work for all to see. Is it really easier, when you get right down to it, to deal with your downtown bank or your local public utility than it is to deal with the Social Security office?

There is something else. Add to the banks and the businesses the whole U.S. military establishment if you are looking for spectacular examples of the little-mud-hut-building bureaucratic instinct in action. The report on the Iranian rescue mission—its terrible details, not just its relatively neutral conclusions and recommendations—would repay the president-elect's attention in this regard; it is all there.

So I think that in some sense, important as they are, the Cabinet appointees of the new president and the policy inclinations and personal strengths they represent are still secondary to the big question. They will not be nearly so crucial as the new administration's understanding and good faith in confronting the inertial, obfuscating bureaucratic force, both within government and among those private interests and institutions with which government must deal constructively: industries, social-service providers, local governments and so on.

I say "good faith" because there remains a stubborn steak of suspicion around that much of the conservative Republican rhetoric denouncing the handiwork of the Washington bureaucracy is inspired by nothing more than self-serving desires to get the regulators out of places where they really need to be or to make an extra buck at the expense of someone who really needs to be protected.

Actually this kind of privateering, while it would doubtless get its practitioners thrown out of office in good time, would be easier to bring off than a true and general assault on the main enemy. Everyone over the age of 4 in Washington knows that policymaking at the top, all those awesomely burdened choices people talk about, is, relatively speaking, the glamorous, fun part. The ordeal, the setting for failure, is the effort to make any of it happen.

Presidents get lost in the complications, in the webs, in that whole huge, gluey obstacle to sense and clarity and forthright action that the public and private bureaucracies put in their way. It was frequently joked during the campaign that Reagan was given to simplicities. We will see whether he is given to wrongheaded ones. There are others—I insist on it—that are right and are what has been missing in the sophistry that often passes for political thought in this town. It seems as though our government increasingly understands everything in its most tiresome detail about the world we live in except what is obvious, simple and urgent.

If this "simplicity" people talked about is the positive, missing and much-needed kind, and if Reagan not only possesses it but also engages it in the encounter with the vast complex of wheel-spinners and complicators that is waiting for him, then you will have a fight worth watching.●

TRIBUTE TO HELEN KALINA

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. YATRON. Mr. Speaker, on January 24, 1981, a testimonial dinner is being held for an outstanding citizen of my congressional district, Miss Helen Kalina. The dinner is being given by Ms. Rosemary Jackson.

It is a privilege and an honor to bring to the attention of my colleagues in the Congress, Miss Kalina's lifetime of service to her community. Her legacy is one of devotion to helping others and an unyielding dedication to the betterment of her neighbors and community.

For 37½ years, Miss Kalina has worked for the Continental Group, Inc. For over 16 years she has served as a Democratic committeewoman. When she was a young girl, she and her mother, Anna Kalina, were well-known for visiting and helping the ill and the poor. Even at the age of 4, Miss Kalina was praying at the bedside of the sick. Since that time she has devoted the rest of her life to giving and caring.

In adult life she has worked unceasingly against slumlords for the sake of children. Miss Kalina was a member of the former Model Cities Executive Board where she always fought hard to relocate families who resided in unsafe tenement houses. She still lives in the same house where she was born. It is to the children of Reading, Pa., that she has dedicated her efforts.

I know that my colleagues will join me in paying tribute to Miss Helen Kalina for her unselfish devotion to her fellowman. She is truly a great American.●

PAY RAISES AND A POLITICAL BUDGET—CHANGES ARE NECESSARY

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. BLILEY. Mr. Speaker, it is fitting that my first remarks on the House floor are on a subject which was the most important issue in my campaign and which will remain the most vital issue for this Congress for some time to come—the economy and, more specifically, the Federal budget.

It is ironic that our Presidential transition process allows an outgoing President to submit a budget barely a week before the inauguration. Under such circumstances, the budget can hardly avoid being a political document. The fiscal year 1982 budget recently submitted by former President Carter is as political as the fiscal year 1981 budget which he campaigned on. You will remember that the fiscal year 1981 budget was balanced during the primaries in the spring, but is now estimated to be over $78 billion in deficit.

Among the most objectionable political provisions of Mr. Carter's new budget is the 16-percent pay raise for Members of Congress and Federal employees. It is said that the amount involved is not very large in terms of the overall Federal budget. This may be true, but I am reminded in this case of an aphorism which is often stated, but even more often forgotten: "A billion dollars here, a billion dollars there, and pretty soon you're talking about real money."

Still, the cost in dollars is not really what is important. In their economic messages both former President Carter and President Reagan have told the American people that they are going to have to sacrifice, to reduce their standard of living. These sacrifices are supposed to be for the overall good of the country. But then, Mr. Carter turns around and says, Members of Congress deserve a 16-percent pay raise. It is simply outrageous to propose that we, as elected officials, should continue to ask our constituents to sacrifice and to make do with less while we vote ourselves a pay raise. I have heard some of our colleagues say that a pay raise would be a bad signal. They are right. But to vote ourselves a pay raise would be more than just the wrong signal. It would be a demonstration of arrogance—a demonstration which would infuriate the voters and could lead to a loss of the economic self-discipline necessary to bring this country out of chronic stagflation.

The new programs Mr. Carter proposed are another blatantly political aspect of his 1982 budget. Former President Carter proposes refundable investment tax credits which are essentially welfare for money-losing corporations, at a cost of $4 billion. New foreign aid programs costing $2 billion, a youth employment initiative for another $2 billion and a child health program for $50 million are also included in the new budget. The press releases that came with this budget said it was lean, and that new initiatives were to be postponed. Well, former President Carter has just "leaned" his way into an additional $10 billion in deficit spending.

The smallest item I mentioned in that list, the child health assurance program—CHAP—is a textbook example of how and why the Federal budget continues to grow, despite pledges of economy and restraint. In fiscal year 1982 the program is scheduled to cost $50 million. In fiscal year 1983 it will cost $374 million, over seven times, 700 percent more, in just the second year. And it does not stop there. In fiscal year 1984 the program would cost $719 million, in fiscal year 1985, $953 million, and by fiscal year 1986 it would break the billion dollar mark at $1.58 billion. In only 5 years the CHAP program would have grown 23 times—not 23 percent, but 2,300 percent. The health of our Nation's children is certainly important, but this kind of explosive expansion of Federal programs is, I believe everyone will agree, unreasonable. Our children may be healthy but they will certainly be broke if we continue on a course such as this one.

I realize that the budget is inherently political. I have no objection to President Carter's budget being political other than the fact that his political priorities are not mine and not, I may add, those of the vast majority of the American people. What really disturbs me is that Mr. Carter's budget is not simply political, it is misleading. I have already mentioned the fact that the fiscal year 1981 budget, which then-President Carter promised to balance, is now projected to be in deficit by $78 billion, an alltime high. The deficit figure quoted in newspapers for the 1982 budget is $18.3 billion—quite an improvement. However, that figure does not include off-budget Federal spending of nearly $30 billion inflating the total deficit to $45.8 billion.

A $45 plus billion deficit is large enough. But in all of the Carter years the budget deficit has grown significantly during the year. At this early point in the process, the budget is written in sand. Unfortunately, the Carter budget contains several misleading assumptions which, when exposed, will expand the projected deficit even further.

Last year President Carter proposed a withholding tax on dividends and interest of 15 percent. Such a new tax would be a great discouragement to millions of small savers in America. In addition, it would be a huge administrative burden on small banks and savings and loans. Quite properly, Congress never acted on this proposal. In fact, the Senate went so far as to pass a resolution in opposition to it. Reason would demand that Mr. Carter abandon what had been a bad idea in the first place. In the 1982 budget, however, he resubmits the same proposal and assumes that it is going to bring $4 billion to the Federal Government. Once again, the small savers, retirees, and the savings and loans are going to have to go through months of anguish and uncertainty. The chance that the proposal will pass are worse than zero, but it still counts for $4 billion in Carter's budget.

Another failed proposal which Mr. Carter has resubmitted is a 10 cent a gallon gas tax. In the last Congress that proposal went nowhere. With the gas price increase caused by the Iran-Iraq war, it will go nowhere in this Congress either. Yet, Mr. Carter counts the tax for $18 billion in fiscal years 1981 and 1982.

What is even more curious about this tax is the distribution formula. All of the current 4 cent a gallon Federal gas tax goes to the highway trust fund to pay for construction of interstate highways, mass transit facilities, and other transportation needs. Of this new 10 cent a gallon tax, only 2 cents would go in the highway trust fund. We are told that the highway trust fund is running out of money and we may not have enough funds to complete the interstate highway system. Meanwhile, the former President is, in essence, raiding the trust fund to pay for other Federal programs.

When we add together the $22 billion in assumed revenues which will certainly not come from these two taxes, with the $45.8 billion deficit already projected, we find that we are already looking at a $68 billion deficit for fiscal year 1982.

In each of the last 2 fiscal years, the budget deficit has grown $27 billion between the time of the passage of the first resolution in the spring and the second resolution in the fall. Unless Congress can change its ways we will add that amount to the $68 billion Carter deficit. Thus, we may well be staring at a deficit of almost $100 billion.

My point is not that we are likely to have a $100 billion deficit in 1982. That $100 billion figure is no more real than President Carter's $18 billion. Fortunately, President Reagan is going to have the chance to submit his own budget revisions in the near future. I am assured by the Reagan administration that I will be pleasantly surprised by its budget revisions. I can say now that if the revisions are pleasant, I certainly will be surprised.

I hope that President Reagan's budget revisions will be significant. I hope that they will be honest. But the problem President Reagan and his budget advisers face is an enormous one—75 percent of the current Federal budget is listed as uncontrollable. Most of that amount is indexed to the Consumer Price Index which rose last year 13.2 percent. Any successful budget strategy must be two pronged: first, to reduce the inflation which drives up costs so rapidly, and second, to reduce the uncontrollable sector of the Federal budget.

In order to make a significant dent in Federal spending the uncontrollable programs must be addressed. We can never hope to balance the budget or have room for a tax cut if 75 percent of the budget grows by 13 percent every year. It will take political courage to attack these uncontrollable programs. Special interests which support them will certainly consider any changes to be attacks. Already my office is deluged with letters asking me to consider the special interests of this group or that group.

The fact is that we are going to have to reduce spending and we are going to have to reduce it in the so-called uncontrollable programs if we are to afford the tax cut that is so necessary to our economic recovery. The political heat from addressing these uncontrollable or entitlement programs will be severe. But the political heat from failing to address them will be more severe still. The entire Republican economic and budget strategy depends on making significant reductions in Federal spending. But significant reductions are impossible if we say hands off to the 75 percent of the Federal budget that is growing fastest.

I urge President Reagan and his budget advisers to address this issue and to address it quickly. I pledge my support in that effort for the greater good of all Americans.●

H.R. 172—PROHIBITING REDUCTION IN 6-DAY MAIL DELIVERY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 172, to prohibit the Postal Service from limiting regular daily mail delivery to fewer than 6 days each week.

From time to time, postal officials and others have considered reducing delivery of mail less than 6 days a week. The severe hardship that this ill-advised proposal would impose upon residences and small weekly publications was evident during the 96th Congress when such a proposal was quietly dropped in the face of broad public disapproval.

H.R. 172 simply insures that the same postal services which are offered by the Postal Service as of January 1981 remain available to the American people.●

TENANTS LEFT IN THE COLD

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ROSENTHAL. Mr. Speaker, the Commerce, Consumer, and Monetary Affairs Subcommittee, which I chair, has been conducting an investigation into the public policy implications of the dramatic increase across the country in the number of conversions of rental units to condominum and cooperative ownership. We are concerned with how governmental programs and activities impact on the conversion trend.

The trend toward rental conversions—which the Department of Housing and Urban Development's recent study predicts will accelerate—raises vital public policy issues affecting the rights of tenants, the cost of housing, the availability of rental housing units, the distribution of scarce mortgage funds and the role of Government. Investigation discloses that conversions contribute significantly to increased housing costs and housing inflation, often fueled by speculator purchases of units. Conversions also result in severe displacement problems, particularly impacting on the elderly, the poor, and the handicapped.

Condo and co-op conversion is a particularly insidious problem where there are few available rental alternatives for the people forced from their homes. This has been true in Chicago, Boston, New York, Philadelphia, San Francisco, Dallas, Houston, and other places throughout the country. The situation in Philadelphia has become especially acute in the past few months.

One of the byproducts of the conversion phenomenon is the deterioration of existing rental housing while rental owners wait to be bought out by condo developers. In Philadelphia recently this failure to made needed repairs in rental buildings which are in the process of conversion resulted in great hardship to tenants, many elderly, when the heating system in one building failed in 7 degrees temperature. The building in question had recently been sold to a developer which made cosmetic changes but avoided fixing a long malfunctioning heating system. The Philadelphia Inquirer had an editorial on January 6, 1981, attributing this situation to "the evils of unrestricted condominium development." I commend to my colleagues this editorial and another article by Jill Porter from the Philadelphia Daily News of January 5, 1981, as examples of the human trauma caused by condo and coop conversions and speculation. The articles follow:

[From the Philadelphia Inquirer]

TENANTS LEFT IN THE COLD

The frigid plight of tenants, most of them over 65, at the 500-unit apartment house at 2601 Benjamin Franklin Parkway dramatizes the evils of unrestricted condominium conversion. The suffering was—and continues to be—imposed upon innocent victims caught in the web of real estate speculators who are moving like a tidal wave into the Philadelphia area because of inadequate safeguards against profiteers.

Tenants were virtually stripped of protection last year when the state legislature approved and Gov. Thornburgh signed a bill that invalidated local ordinances on condominium control, including Philadelphia's two-year moratorium on conversions, and prohibited municipalities from enacting controls in the future. The condominium converters were given a blank-check to abuse and brutalize.

The apartment house at 2601 Parkway hasn't been slated officially for conversion to condominiums yet, but events there are following a classic pattern. The building was recently sold to a Chicago realty company which promptly made cosmetic improvements such as redecorating the lobby while avoiding basic needs such as replacement of a heating system that has malfunctioned repeatedly in recent months, leaving tenants with little or no heat for long periods.

Last weekend, when the temperature plunged to 7 degrees outdoors, the 2601 building was without heat or hot water. Many fortunate enough to be able to move in with relatives or friends evacuated. Some had no place to go. Although monthly rentals range from $300 to $1,000, many apartments are at the low end of the scale and occupied by elderly persons of relatively modest fixed income.

The legislators who gave condominium converters what they wanted should be forced to spend at least one night in unheated apartments at 2601. They should be required to take a first-hand look at how conversion profiteers operate. The trick is to concentrate on superficial, relatively inexpensive redecoration in preparation for extracting the highest possible price from buyers of condominium units, while deferring basic maintenance and major capital improvements so that buyers can be promised low monthly, operating charges. Later, when large sums must be paid for a new heating system or other necessities, that will be for the new unit owners to worry about—after the converters have taken their profits and run.

The legislature should repeal or substantially revise last year's condominium conversion act. Effective protection should be provided for tenants, and municipalities should have the option to enact stronger protection than provided by state law.

[From the Philadelphia Daily News]

CONDO CHILLS AUTUMN YEARS

(By Jill Porter)

These were to be their tranquil autumn years.

Their children are grown and gone. Their fortunes have been made or lost, their personal dragons slain or victorious. Their struggles are mostly behind them and now was to be their time of peace.

But tonight, they are here, 200 of them in this crowded meeting room in the basement of the River Park apartment house. Their eyes are worried, upset, haunted. They sigh. They shake their heads. They exclaim as they tell each other horrible rumors, woeful facts.

They are the men and women in their 60s and 70s who make up three-quarters of the residents in the high-rise apartment building in Wynnefield Heights. These are the men and women who have been told to put up the money to buy the apartment units they have been renting—or move.

"They're kicking us out of our homes!" exclaims Arnold Goldman, head of the tenants' association, as he stands in front of the crowd at a meeting last week.

Clipped to Goldman's lapel with a large paper clip is a card that says, "We won't buy." It is the slogan of the battle the tenants are mounting to stop the massive eviction the conversion is to them.

I sit in the front of the room, in between a man and a woman.

The woman sits with her pocketbook clutched to her lap, her attention riveted on the speakers in the front. Now and then, she gives out a deep, hopeless sigh.

The man on the left of me sits with arms crossed over his chest, anger and frustration in his posture. His gray hair curls behind his neck.

He is my father. She is my mother. They are in their middle 60s and they don't know where they will be living after next year.

He is a retired salesman. Their income is fixed. Social Security, a disability pension. They are identical to many of their neighbors in this room; they have lived here for many years. They are comfortable here. They cannot afford to buy their apartment, or any other apartment or home. They are afraid if they move to another apartment building, it too will go condominium.

Their future is so suddenly bleak and uncertain that it occupies most of our conversations, much of their thoughts.

Their lives are frozen in crisis because a man from Chicago named Wayne Kubicki bought the building and wants to sell each of the 360 apartment units so he can get rich.

I sit here in this room of fretting and stress, and I marvel at the cold indifference that permits this to happen. I look around me at the worry on the faces of these grandmoms and many lives can be so unconscionably uprooted in the name of profit.

Make no mistake.

The people in this room are not the senior citizens who eat dog food. Their clothes are clean, reasonably new, even fashionable and some expensive. The women wear jewelry on their wrists and necks, makeup on their faces. Some of the tenants are retired professionals—lawyers, doctors, businessmen—who have children who are also professionals.

But mostly, they live on fixed incomes. Their ages are such that the idea of a 30-year mortgage is a morbid joke. And their eyes widen as the talk turns to the cost of these apartments even beyond the tens of thousands of dollars they will need in down payments.

"If you buy, you can expect to pay what you are now paying for rent in maintenance fees and property taxes, on top of your mortgage payment" Allen Beckman explains to them.

Beckman, an attorney who pioneered the battle to stop conversions, estimates that someone who is now paying $500 in rent would pay $1,270 a month after purchase—"and that is a very conservative estimate," he says.

There are shocked gasps, horrified murmurs. A roar of sudden conversation surges through the room followed by the loud hissing of "Shhhh!" and shouts for quiet. Goldman the * * *.

Beckman is succeeded at the microphone by Hal Nachman, head of the Council of Tenants Associations, who delivers the night's only good news by telling how he and other tenants prevented Salem Harbour in Andalusia from going condominium by a unified, relentless, organized resistance.

"Hold hands!" Nachman urges, and the audience obeys.

"Does that feel good, to be united?" Nachman hollars enthusiastically. "That is the only way you're going to win!"

Society Hill Towers, The Dorchester, The Philadelphian, Hopkinson House, River Park.

Unrestrained profit-seekers come in and turn the middle class out.

Where, I wonder, are they supposed to go?

And if we can't blame the profit-seekers for their callousness, what about the government that is supposed to be balancing our rights, protecting us from each other? Why was the state statute which became law last summer so weak in its protection of tenants?

On Wednesday, the tenants at River Park will get their formal notices of the conversion. Then, they have vowed to resist—to plaster signs on their doors and bumper stickers on their cars, to picket, to refuse to let their apartments be shown to potential purchasers, to create an information squad to defuse rumors and discourage purchasers, to put up the money necessary for a possible legal battle.

It's a hell of a way to have to spend your autumn years.

And if they are unsuccessful, it will get much, much worse.●

NECESSITY FOR A BALANCED BUDGET

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. KRAMER. Mr. Speaker, the first piece of legislation I introduced on coming to the 96th Congress was a proposed constitutional amendment to require a balanced Federal budget. This was in keeping with the priorities reflected by the voters in my district during my congressional campaign, and my bill was one of several introduced during the 96th Congress which reflected this sense of national priorities and which, unfortunately, suffered the same fate of congressional inaction.

Now, as we enter the 97th Congress, I sense an even stronger national mandate to limit Federal spending and require fiscal responsibility of our national legislators. Therefore, I am today introducing a proposed constitutional amendment to require a balanced Federal budget and to assure that the budget will be balanced by limiting Federal spending—not by increasing taxes.

The resolution I am proposing would require the elimination of deficit spending within 3 years of ratification and would prohibit Federal expenditures from exceeding revenues in subsequent years. To assure that the budget would not be balanced at the expense of further increasing the tax rate already overburdening Americans to continue financing a spending binge, the resolution limits expenditures to no more than 20 percent of the gross national product.

It also provides, however, that future Congresses could shift to another index than this particular one

by a two-thirds vote of both Houses. This assures that the principle of spending limitation remains intact, but allows some flexibility to adjust to changing economic conditions. The resolution also provides for suspension of the requirements in times of war or national emergency as declared by two-thirds vote of the Congress. Finally, the resolution provides that any surplus be used to repay the national debt or for tax reduction. This again allows future Congresses some flexibility in the handling of budget surpluses, but guards against the buildup of excessive surpluses which could then be used for excessive spending programs.

As critical as the need to reduce excessive Government spending and eliminate Government deficits was 2 years ago, it is even more urgent today, as double-digit inflation continues to erode personal finances and national economic gains, and record high interest rates smother our industrial and entrepreneurial capacity.

Those who have argued that the Congress can exert the necessary fiscal discipline without the binding force of a constitutional amendment need only look at the dismal record of the 96th Congress to see the fallacies of that argument. The majority professed support for a balanced budget, but failed to exercise the necessary discipline to implement it, and then compounded the debacle by refusing to allow consideration of the statutorily required budget resolution so as to avoid admission of its failure to deliver on a promise made to the American public. The electorate saw through that charade and delivered a resounding message to this Capitol that it expects genuine control over Government spending. Thirty States have already passed measures calling for a constitutional convention to draft a constitutional amendment to balance the Federal budget. The electorate has demanded action, and this Congress can act in accordance with the public will by approving a constitutional amendment to require fiscal responsibility of elected officials, which can then be submitted to the States for ratification. There is certainly no lack of expertise, analysis, or alternative proposals for the Congress to consider in putting together such an amendment, and I urge my colleagues to direct their attention first and foremost to this task in the opening days of the 97th Congress.●

STATEMENT ON DRUG ABUSE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. RANGEL. Mr. Speaker, the war against drug abuse must be taken seriously at all levels of our country, from government officials, to educational leaders, and to our churches and families. Cardinal Cooke, archbishop of New York, is a devoted man who understands the devastating effects of drug addiction on our young people. He has moved to mobilize the Catholic Church to join in this fight that we have joined against the drug abuse menace. I would like to share with my colleagues the eloquent words of the esteemed cardinal, describing his thoughts and plans concerning drug addiction:

CARDINAL'S RESIDENCE,
New York, N.Y., November 30, 1980.

DEAR FRIENDS IN CHRIST: Advent is for all followers of the Lord a time of joyful expectation and preparation for the celebration of the Birth of Our Savior. We listen attentively to the words of John the Baptist and pray for the grace to turn to Christ with all our hearts and souls. Each one of us realizes that we live in a world beset by many evils and that we need the salvation of the loving God Who dwells among us.

At this season, I write to you with a sense of great urgency about a problem in our permissive society which in one way or another touches the lives of every one of us—the scourge of drug, alcohol and substance abuse. It is epidemic in our country, state and cities and has far-reaching destructive effects on individuals, families and neighborhoods.

Despite the efforts which have already been made to curtail it, the addictive use of harmful drugs is growing and becomes more serious every day. Its ravages reach to people in all social and economic groups—the rich, middle class and poor, the educated and uneducated, those from urban areas as well as from rural and suburban sections. It has spread to every part of the world—a fact brought home to me at the recent Synod in Rome.

Our primary concern, though, must be the individual person who is trapped by addiction. It is that person whose whole life is affected and whose human freedom is either taken away or vastly diminished. It is that person to whom we must reach out with effective programs of education, prevention and treatment. Only by helping the individual addict, will we begin to solve the numerous family and social problems which result from addiction.

One year ago I asked a group of key leaders in the New York area to serve on a Commission on Youth, Drugs and Alcohol. As a result of their study and research, they have recommended an intensive program in the Archdiocese. It will be a parish and family based effort, and will require that we face the reality of the problems of drug addiction and its vast extent, even among the very young. In a unified way, we will speak to the consciences of people who have romanticized and glamorized the use of drugs and promoted attitudes which try to make them socially acceptable so that their destructive effects have not even been recognized, much less understood.

This call for determined and persevering action is based on a positive attitude that the evil of addiction can be overcome. As people who believe in God's love and in the goodness of the human spirit, we cannot allow these deadly forces to dominate our lives and our society.

As this program is implemented, laity, religious and clergy will be asked to participate in training sessions. Young people will be called on to take part and to exercise the powerful influence of their leadership among peers.

On this first Sunday of Advent, I ask all of you, the people of the Archdiocese of New York, to give of your talent, energies and resources to overcome the problem of drug addiction and to rebuild the individual lives, the families, the communities of people who have suffered from this scourge.

We must emphasize over and over again the essential role of the family, especially when it is founded on the love of Christ and the teaching of the Church. The family unit is the key element in establishing stable, loving relationships and in offering to every person the support needed for a drug free and fulfilling life.

The season of Advent is also an opportunity to practice penance and discipline for our own sake and as a sacrifice for those who are victims of drug and alcohol abuse. It is a time for prayer, and with you, I pray that the Lord will direct and bless our efforts to overcome the evil of addiction and to assist all people to know the power of His love which truly makes us free.

With prayerful good wishes, I am,

Devotedly yours,

TERENCE CARDINAL COOKE,
Archbishop of New York.

P.S.—Please read this letter at all the Masses on Sunday, November 30th, including the anticipated Mass on Saturday, November 29th.●

H.R. 169—CONGRESSIONAL REVIEW OF POSTAL CAPITAL INVESTMENTS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 169, which would amend title 39 of the United States Code to provide for congressional review of capital investments proposed by the Postal Service and for other purposes.

The national bulk mail system of the Postal Service, generally agreed to be a national disaster, was approved by the Postal Board of Governors after only two meetings—at a cost of $1 billion. Recently, the Board gave the go-ahead to the Postal Service to procure and install nine-digit ZIP code equipment at an estimated cost of $887 million. Postal oversight by the Postal Governors has been minimal and insufficient.

In an era of fiscal restraint and dwindling resources, the American people have a justifiable concern that the scarce resources of the Postal Service are expended in a prudent, responsible manner. With the insulation of postal management and minimal oversight by the Postal Governors, the American people hold their elected representatives accountable for postal policy. This bill simply gives the Congress the necessary authority to deal with this issue.

Postal policy is far too important to be left isolated from the Congress. The postal system will undergo still more radical changes in the future and the American people rightfully expect their representatives to deal with these issues.

H.R. 169 takes one modest step toward meeting this responsibility by providing that each capital investment in excess of $5 million undertaken by the Postal Service, shall be submitted to the House and Senate authorizing committees for review. Each committee shall transmit its recommendation with respect to each project within 4 months after receiving the planned undertaking.●

CONSUMER FOOD LABELING ACT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ROSENTHAL. Mr. Speaker, more than 80 million Americans must be careful of what they eat because of allergies, dietary problems, religious considerations, and other reasons. Everyone has an undeniable right and need to know what is in the food he eats, who made it, how much it really costs, and more.

That is why I am introducing the Consumer Food Labeling Act (H.R. 914). This bill would require the labels on foods and food products to disclose all ingredients; nutritional content; accurate weight data; storage information; true identity of the manufacturer, packer, and distributor; uniform products grades; unit prices; ingredient changes, and it would bar the use of misleading brand names.

It is aimed at closing the still widening gap between the ability of Government to protect consumers and the ability of some segments of the business community to abuse them.

The following is a title-by-title description of the provision of this legislation:

CONSUMER FOOD LABELING ACT

TITLE I. TRUTH IN FOOD LABELING

Requires food makers to show on their labels all ingredients by percentage, including all additives and preservatives, and by their common or usual names. As many as 80 million Americans must be aware of the food they are eating because of allergies, dietary problems, religious considerations and other reasons. It is presently impossible, thanks to a maze of regulatory exemptions, to tell from a label what is in a food product. The American consumer has an undeniable right and need to know what is in the food he eats.

TITLE II. NUTRITIONAL LABELING

Requires that any packaged consumer food product be labeled by the producer with the following information; (1) nutritional statements including fat content, vitamin and protein value, fats and fatty acids, calories and other nutritional data; (2) the net weight and drained weight of canned or frozen products packed in a liquid medium; (3) the major ingredients by percentage weight of any combination food item. We have been called "a nation of nutritional illiterates." Food labels currently provide little or no information on the nutritional value of the product although this is vital to the consumer's health. Many of the foods Americans eat do not have the nutritional value expected of them. Moreover, existing food labels fail to show the exact proportion of one ingredient to another. Some brands of combination food items contain more of the major ingredients than others (e.g. some brands of beef stew contain more meat, vegetables, etc. than others).

TITLE III. OPEN DATING PERISHABLE FOOD

Requires that all packaged perishable and semiperishable foods be prominently labeled to show clearly the date beyond which it should not be sold and the optimum storage conditions at home. It also provides that overage products can be sold but only if they are safe, separated from other items and clearly identified as being beyond the expiration date. There is growing evidence that a significant number of perishable food products offered for sale to the American consumer are overage and may be unwholesome. Open dating information gives consumers personal policing powers over the sale of packaged foods and helps in storing these products at home.

TITLE IV. CONSUMER FOOD GRADING

Requires a uniform system of retail quality grade designations for consumer food products based upon quality, condition and nutritional value. There is currently no consistent and uniform system for determining and labeling the grades of food products. For example, one product may be graded A, B, C, and D, while another is AAA, AAA and A, hence the two "A" grades are opposites, not equals, but there is no way for the consumer to know.

TITLE V. MARKETING PRACTICES DISCLOSURE

Requires labels on foods, drugs, and cosmetics to contain the name and place of business of the true manufacturer, packer and distributor. Its value is twofold: Most importantly it would aid government, industry and consumers in event of a recall by permitting quick and easy identification. This is now difficult because hundreds of private labels and private brand products on the market do not bear this information. (Bon Vivant vichyssoise was packed under more than 80 different private labels without Bon Vivant's name ever appearing on one of them—a fact which hindered that extensive recall.) Secondly, it would aid consumers in selecting products because they would know who really made the product under the private label. Private label products often tend to be priced lower than their nationally advertised counterparts, although there is frequently no difference between them.

TITLE VI. UNIT PRICING

Requires disclosure by retailers of the unit price of packaged consumer commodities. Individual retail business with sales below $250,000 a year are exempted. The myriad of package sizes makes it extremely difficult for consumers to compare the price of two or more package sizes of the identical product to determine the real cost and the best buy. Recent studies indicate that unit pricing provides valuable, objective price data which can save consumers around 6% on their food bills. Some stores now have unit price information but uniformity and comprehensiveness are still lacking.

Also requires retailers to mark the actual selling price on the product itself, regardless of the possible presence of computer pricing codes and automated check out facilities.

TITLE VII. NEW INGREDIENT NOTIFICATION

Requires manufacturers to print notices on all food labels that will alert consumers to ingredient changes.

TITLE VIII. MISLEADING BRAND NAMES

Prohibits the use of misleading product brand names. Advertising such names would violate the Federal Trade Commission Act unless the manufacturer can demonstrate that the product lives up to its name.●

JAYCEES CELEBRATE 61 YEARS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ROTH. Mr. Speaker, it gives me great pleasure to call my colleagues' attention to the fact that this week, January 18 to 24 is Jaycee Week all across our country.

For 61 years, this organization has contributed to a better quality of life for all of us, through a fierce dedication to community service that has benefited all segments of society.

My Eighth District of Wisconsin is privileged to have Jaycee chapters in Algoma, Eagle River, Appleton, Green Bay, Marinette, Rhinelander, Coleman, Shawano, Peshtigo, Sturgeon Bay, Gillette, and Oconto Falls, among others.

As important as their good works throughout the community, is the Jaycees' function as a training ground for future leaders of business, politics, and community service. As a former Jaycee, I can attest to the valuable leadership experiences I gained through community projects and self-improvement programs.

The Jaycee creed best explains the lofty values which give this organization its purpose:

We believe:

That faith in God gives meaning and purpose to human life;

That the brotherhood of man transcends the sovereignty of nations;

That economic justice can best be won by free men through free enterprise;

That government should be of laws rather than of men;

That the Earth's great treasure lies in human personality;

And that service to humanity is the best work of life.

Mr. Speaker, I know that my colleagues will join me in expressing thanks to the Jaycees for 61 years of selfless dedication in pursuit of the best in the human spirit, and wish

them godspeed as they begin their 62d year of humanitarian work.●

NATIONAL BLINDED VETERANS RECOGNITION DAY, AUGUST 13, 1981

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. MONTGOMERY. Mr. Speaker, it is a privilege for me to introduce to the House today a resolution designating August 13, 1981, as National Blinded Veterans Recognition Day.

Those of us who serve on the House Committee on Veterans' Affairs are proud of the long record of achievement by the U.S. Congress in caring for those who have served in defense of our Nation. Over the years we have not only been able to enact legislation to care for their physical and medical needs, but we have also helped create a better understanding and appreciation for their service and their sacrifice.

Among the Nation's 30 million veterans, and especially within the ranks of the 2.3 million service-connected disabled veterans, are thousands of blind or visually impaired ex-servicemen. The Congress has authorized and improved extensive programs in compensation, readjustment, and rehabilitation service to assist the blind in overcoming this severe handicap. As the incoming chairman of the House Committee on Veterans' Affairs, I would like to assure my colleagues that our committee will continue to monitor, expand, or adjust these benefits and services to meet the ever-changing needs of the disabled veteran. However, much still needs to be done to assist the disabled and the blinded veterans in particular in helping them to overcome the stigma or the stereotype of this disability. In advancing toward this goal our objective should be to assist the blind to live a more complete and productive life within the mainstream of American society, with both our support and our appreciation.

On August 11, 1981, the Blinded Veterans Association, a highly respected veterans service organization representing thousands of blinded veterans throughout the United States, will be holding its national convention in Washington, D.C. Hundreds of blinded veterans will be gathering in this city from across America to discuss the current status of the blinded veterans and projected proposals for the future. During that week, on August 13, a commemorative envelope will be issued, in braille, honoring the blinded veterans of America. Organization representatives will also place a memorial plaque in the memorial display room at Arlington National Cemetery on that same day honoring our war dead.

At the request of the blinded veterans of America, I am honored to introduce this resolution designating that day, August 13, 1981, as "National Blinded Veterans Recognition Day." While initial approval of this resolution does not fall within the jurisdiction of the House Committee on Veterans' Affairs, I give the measure my full support and urge all my colleagues to do the same.

Here follows the full text of the resolution:

H.J. RES.—

A bill designating August 13, 1981, as "National Blinded Veterans Recognition Day"

Whereas there are thousands of Americans in the United States today who, as a result of service in the military forces of their country, incurred perhaps the most severe disability, blindness;

Whereas there is an even larger number of veterans who have been blinded from non-service-connected causes and whose numbers are growing rapidly every year;

Whereas many blinded veterans incurred a number of other disabilities, such as loss of limbs or hearing impairment, when they were blinded;

Whereas most of these veterans have received rehabilitation and have overcome their substantial handicaps through courage and determination, and have returned to and continue to lead useful and productive lives; and

Whereas the sacrifices that these veterans have made are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 13, 1981 is designated as "National Blinded Veterans Recognition Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups and organizations to set aside this day to honor the sacrifices of blinded veterans in an appropriate manner.●

REMOVING EARNINGS LIMITATION FOR SOCIAL SECURITY RECIPIENTS

● Mr. McDONALD. Mr. Speaker, today I am introducing legislation to remove the outside earnings limitation on social security benefits.

Presently, eligible recipients between the ages of 65 and 72 have their social security benefits reduced if they are earning an income greater than $5,500 per year. The rate of reduction is $1 for every $2 earned.

Thus if an individual becomes eligible for social security benefits at age 65 and continues to work, he or she must pay what amounts to a tax of 50 percent on their income.

Mr. Speaker, this is grossly unjust on a number of grounds to those so penalized.

First, to deny the recipient his full benefits is to imply that social security is a welfare program—that if someone is earning outside income, he or she does not need the income from social security.

But this is not what those who have been paying social security have been told by their Government. The program was and is presented to them as a retirement program. And, although they are forced to pay into it for their own good, the payments are earned income held in trust by their Government to be repaid at age 65.

In other words, social security beneficiaries are not welfare recipients or wards of the state, but self-respecting Americans who have paid for the benefits they thought they would receive at age 65. They are entitled to receive these benefits as a matter of right.

Second, the earnings limitation is discriminatory, hitting hardest those who have limited means and who wish to continue working to supplement their income. Not only are their social security benefits reduced or eliminated, but they are taxed on their outside income to finance the social security benefits which they are not receiving. A person of greater means, on the other hand, may receive his full social security benefits while drawing a large income from his investments.

Third, by punishing those who work, the earnings limitation punishes and discourages productivity. Every individual has an unalienable right to pursue his own goals in life and his own happiness, and thus to continue to be productive after age 65 if he so chooses, for whatever reasons, be they financial or psychological.

Therefore, Mr. Speaker, I sincerely hope that the Committee on Ways and Means will give this bill early and favorable consideration.●

TRIBUTE TO ED FRANCO, THREE-TIME FOOTBALL ALL-AMERICAN

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. GUARINI. Mr. Speaker, I call to the attention of all my colleagues a tribute to the remarkable feat by a Hudson County resident of being a three-time All-American football team member.

In recognition of this notable achievement, on December 9, 1980, he was inducted into the elite National Football Hall of Fame in a ceremony at the Waldorf Astoria. On February 1, 1981, more than 600 friends of Ed Franco will gather at a testimonial dinner in his honor, expressing deep respect and admiration for this man. He is known as one of Fordham University's legendary "seven blocks of granite," so dubbed by Tim Cohane, sportswriter for the World Telegram.

The testimonial dinner in his honor will indeed bring back memories of Franco's greatness 45 years ago when he was a member of Fordham University's football teams, which were recognized as the best in the Nation. These were the years when Fordham University versus University of Pittsburgh games filled Yankee Stadium and the Polo Grounds to capacity.

In the great years at Fordham, between 1934 and 1938, under the tutelage of Coach "Sleepy" Jim Crowley, one of the famous four horsemen of Notre Dame, Franco became the captain of the freshman team and played guard and tackle earning his All-American honors. It was in the years 1936 and 1937, during Franco's heyday, that Fordham lost only one game and tied two, enabling them to share the national title. He was cocaptain of the east squad in the Shrine game played on New Year's Day in 1938.

Franco, in addition to being named three times national All-American, was New Jersey All-State in football for 3 years, and All-Hudson County for 4 years. He also excelled on the diamond where he was named to the All-State baseball squad for 2 years and All-Hudson County for 4 years.

Franco shared the gridiron glory with the most notable member of the seven blocks of granite; namely, the late Vince Lombardi, who earned immortality as coach of the Green Bay Packers. It was in these days when Fordham was at the pinnacle of college football that Franco, in his positions at guard and tackle, stood head and shoulders above his teammates even though he measured only 5 feet 9 inches and weighed about 200 pounds. After his college football career Franco was a line coach for the Fordham football team for 6 years and played professional football in 1945–46 as a member of Kate Smith's famous Boston team. He also served as a scout for the green Bay Packers.

Ed Franco was born in Jersey City and has resided in Hudson County his entire life. Franco was honored recently when the city of Jersey City named Oakley Oval, which stands in the shadow of Dickinson High School, the scene of his great exploits on the football field.

He has always remembered the importance of sports in the development of clean minds and healthy bodies and has served as the first football coach of St. Michael's High School team in Union City.

I am pleased that outstanding community leaders, such as Ed Davin, vice president of the Trust Company of New Jersey, Milt Kerzner, managing editor of the Jersey Journal, Lud Shabazian, sports editor of the Hudson Dispatch, Hudson County AAU Commissioner Al Bundies, sportswriter Jack Thompson, and sports enthusiasts such as Howie Fink and Al Marino, have assembled our community for this tribute to Ed Franco, indicating, "The honors have been a long time in coming. They couldn't happen to a more deserving guy."

Camille, his wife, their children Edmond, Rosemary, and Peggy, and indeed the entire State of New Jersey, have justifiable reason to be proud because of Ed Franco's contribution to his community and his family. I am sure that all my colleagues in the House want to join in this salute to Ed Franco, a giant man of steel who earned football's immortality as one of the seven blocks of granite. Because the area of sports and competition is so important in our Nation, Ed Franco basks in Franklin D. Roosevelt's quotation, "Democracy is a living thing—a human thing—compounded of brains and muscles and heart and soul."●

AMERICAN HOSTAGES

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. YATRON. Mr. Speaker, after 14½ months of captivity in Iran, the American hostages are now free. Words cannot express the joy and elation I feel at this moment. As I watched the news coverage of the 52 Americans leaving the plane in Algiers, I was gripped with emotion.

Very few of us can ever really know the sacrifice and hardship that these courageous Americans endured during their captivity in Iran. Our debt to the hostages and their families can never be repaid. Similarly, we must always remember the brave soldiers who were involved in the rescue attempt, particularly those who gave their lives for the freedom of their fellow citizens. Former President Carter must be commended for his perseverance and tireless efforts to bring our citizens home safely.

With the release of our citizens, every American all across our country has reason to celebrate. While we rejoice, however, we must not forget the lessons of this most tragic incident. Never again can we allow our citizens to be taken hostage. Never again can we be vulnerable to the threat of international blackmail. And, never again must we let our country be used by a ruthless regime for their own political aggrandizement.

The strength of our Nation to protect our citizens is unequivocal.●

NO SAGEBRUSH SYMPATHY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mrs. SCHROEDER. Mr. Speaker, earlier this month the Rocky Mountain Journal, a weekly business newspaper in Denver, Colo., published an editorial, "No Sagebrush Sympathy," which I would like to share with my colleagues.

The editorial follows:

NO SAGEBRUSH SYMPATHY

Over the years this newspaper has had a certain sympathy for the rebellious. In the case of the Sagebrush Rebellion, however, we draw the line.

Rebels merit support when their purpose is to do away with injustices and inequities which the status quo either refuses to acknowledge or insists on perpetuating. The sagebrush rebellion bears about as much resemblance to that sort of movement as does a military coup in a banana republic.

Stripped of its hype, the sagebrush rebellion is a movement to give state governments control of hundreds of thousands of square miles of federal lands in the western states in the expectation and belief that they will in turn hand them over to special interest groups in the private sector for exploitation.

Giving the name "sagebrush rebellion" to what would be the largest giveaway in U.S. history is adroit propaganda, in that it implies the movement is a cause of the underdog, when in reality it is an attempted seizure of the common heritage of the American people by a privileged few. But propaganda is all it is.

Neither the western states nor their people have suffered at the hands of the federal government with regard either to taxation or land management. For most of the 20th century the federal government has spent far more in the western states than they pay in federal taxes.

The west has been the recipient of tens of billions of dollars in reclamation projects, in highways, and in federal installations. In the next decade it is due to receive billions more for the development of a synthetic fuels industry.

The claim that the west has been exploited by absentee federal landlords rings about as hollow as the claim that Saudi Arabia is being exploited by America and Europe.

The sagebrush rebellion could be dismissed out of hand were it not for the fact that President-elect Reagan and James Watt, his designated candidate for Secretary of the Interior, have chose to align themselves with the Raiders of the Purple Sage. This is particularly disturbing in the case of Watt, who will have the responsibility for administering federal lands on behalf of all Americans during the next four years.

State governments in the west have been notoriously remiss with regard to questions of land use, land management, and mineral taxation. The Colorado legislature, to mention the example nearest home, has failed to pass a meaningful state land use law, has consistently underfunded those state agencies charged with administering present state lands, and has failed to enact more than a token mineral severance tax, thereby denying the vast majority of Colorado tax-

payers a key benefit of the coming synfuel boom. Yet it is these lawmakers who will be the recipients of public lands should the sagebrush rebellion succeed.

To be sure, federal management of federal lands in the west has not been beyond reproach. The government's record on mineral leasing in the midst of an energy crisis—it has dithered for nearly a decade—does not reflect well on Washington. However, that is a far different issue than whether or not an area several times larger than Colorado should be turned over to state governments whose previous records with regard to land use have verged on the criminally negligent.

In the months ahead we will probably hear a good deal more about the sagebrush rebellion. Under the circumstances, a vigorous counter-insurgency is overdue.●

CUT TAXES NOW

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. McEWEN. Mr. Speaker, I would like to share with my colleagues an article which appeared on Saturday, January 10, 1981, in the Columbus Citizen-Journal, the fine daily newspaper that serves the capital area of Ohio.

The editorial underlines the courageous and dramatic action the 97th Congress needs to take to get this country back on its feet economically. I am inserting the Citizen-Journal editorial in the CONGRESSIONAL RECORD at this point for the attention of my colleagues:

CUT TAXES NOW

President-elect Ronald Reagan's top economic advisers are urging him to delay until summer his planned 20 percent cut in personal income tax rates instead of making it retroactive to Jan. 1.

That is poor and timid advice; Reagan should reject it, lest his administration get off to a bad start.

As a candidate Reagan promised tax relief for the first of this year. If he does not keep his promise he could lose credibility as voters conclude they elected another Carter-like waffler, with conservative rhetoric.

In addition, there are sound economic reasons for reducing taxes as soon as possible. On Jan. 1, the Social Security tax went up, putting a $15-billion drag on the economy. That must be offset if today's weak business conditions are not to turn into another recession.

If tax rates are lowered promptly, retroactive to Jan. 1, many millions of individuals will make positive work, investment and saving plans. The cumulative result will be higher business activity which, in time, will swell the Treasury's tax receipts.

Also, when Congress commits itself to a tax cut, it will add incentive to slow the growth of federal spending, so the deficit will not soar out of sight.

President Carter is leaving the country a budget $60 billion in the red. Reagan's advisers fear a quick tax cut would cause an even bigger deficit. However, if their caution induces a recession, the budgetary imbalance will be far greater than what they now worry about.

Reagan ought to take his chances on economic growth. That calls for four rolls of the dice right away: the tax cut, sharp reduction in government spending, a loosening of regulations to foster business expansion and an inflation-fighting tight money policy by the Federal Reserve Board.

If the president-elect and his economists think those steps are too chancy, they should consider the alternative: stagflation, made up of little-to-no growth, inflation and low public expectations. In brief, Carter's famous malaise.●

HARRY J. NOZNESKY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. YATRON. Mr. Speaker, it is with a great deal of sadness that I bring to the attention of this body the passing of Mr. Harry J. Noznesky, on January 1, 1981. Mr. Noznesky throughout his life and career won the admiration and respect from all those who were privileged to know him.

Chief executive officer and president of the General Battery Corp. since its inception in 1960, to 1977, when he was succeeded by his son, Peter, Harry Noznesky established himself as a man to remember; a man of warmth, kindness, and dedication. He became honorary chairman of the General Battery Corp. in May 1978.

Mr. Noznesky attended Georgetown University from which he graduated in 1933. He first worked for the First Pennsylvania Corp. until 1935, when he joined the former Fisk Tire & Rubber Co. as a salesman. When the Fisk Tire & Rubber Co. was purchased by the U.S. Rubber Co., he stayed with that firm until 1950, when he became vice president of sales at the former Bowers Battery & Spark Plug Co., which later became General Battery Corp.

He was president of Bowers from 1956 until 1960 when he became the chief executive officer of the new firm.

Harry Noznesky was a baseball pitching star at Kennett Square High School, where he helped his team to the 1925 State championship. He went to the Yankee farm club, but injured his arm in his second year at Georgetown University during the opening game of the season.

This outstanding Berks County executive was vice president of the Reading Phillies, a trustee of Albright College, a former chairman of the Reading Airport Authority, and a vice president of the Chit-Chat Foundation. He was also a trustee of St. John's Military School, in Salina, Kans., and a director of the Hawk Mountain Council, Boy Scouts of America. He was a former president of Battery Council International, a worldwide association for battery manufacturers.

Mr. Speaker, with the passing of Mr. Harry J. Noznesky, not only the community of Berks County, Pa., but our entire Nation, has lost a truly great citizen.

His positive contributions will not be forgotten, and his many achievements will continue to serve as an inspiration to all of us.

I consider it an honor to have known him. I know my colleagues will join me in offering our condolences to his wife, Serena (Graul) Noznesky, his daughter, Serena Morrissey, his sons, Peter H. and Phillip A. Noznesky, and his brother James Noznesky.●

EXTENDING THE VETERANS READJUSTMENT APPOINTING—VRA—AUTHORITY

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. MONTGOMERY. Mr. Speaker, in keeping with national policy to extend every effort to help Vietnam-era and disabled veterans find satisfactory training and employment, the Congress approved in 1974 Public Law 93-508, a veterans readjustment appointing—VRA—authority for Vietnam-era veterans. Under the VRA, noncompetitive, excepted VRA appointments may be made in the Federal Government for veterans of the Vietnam era, with no more than 14 years of education, up to a grade level of GS-7 or its equivalent, until September 30, 1981. In the case of disabled Vietnam-era veterans, there are no educational limitations.

Following the liberalization and extension of the program by Public Law 95-520, the Office of Personnel Management has reported that there has been a 19-percent increase in veterans readjustment appointments during the first one-half of fiscal year 1980. During the previous 6 months, the committee was informed by the Office of Personnel Management that VRA employment had doubled following a Presidential memorandum to all agencies, including special concern that the agencies use the VRA hiring authority.

Unemployment of Vietnam-era and disabled veterans has sharply increased during recent months, because the VRA program has been a successful program in helping veterans obtain Federal employment. I am introducing today a bill which will extend this program for 2 more years to terminate on September 30, 1983.

It is expected that early hearings will be held by the Subcommittee on Education, Training, and Employment on the bill I am introducing, and related bills.

H.R. 1138

A bill to amend title 38, United States Code, to extend for two years the period of eligibility for veterans readjustment appointments in the civil service for veterans of the Vietnam era

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2014(b)(3) of title 38, United States Code, is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1983".●

CHALLENGE IN JAMAICA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. LAGOMARSINO. Mr. Speaker, in the midst of despair about the condition of the international community and the threat of communism, the election of the Edward Seaga government in Jamaica offers the United States a positive force to back, instead of a negative one to overcome. We must not miss the boat on this one, as was allowed to happen so often in the past few years. We should strongly support such an ardent spokesman for democracy as Mr. Seaga. The following article by Cord Meyer describes the reasons why. I submit it for my colleagues' close attention.

MR. SEAGA'S CHALLENGE IN JAMAICA

(By Cord Meyer)

MONTEGO BAY, JAMAICA.—By giving Edward Seaga and his Jamaican Labor Party (JLP) a landslide victory in the election of Oct. 30, the more than 2 million citizens of this green island have won for themselves the chance to build a peaceful democratic future, and they celebrated the new year with a palpable sense of relief and optimism.

Faced with the economic wreckage left behind by Michael Manley's People's National Party (PNP), Seaga is more aware of the formidable obstacles ahead than most of his jubilant supporters. But conversations with the new prime minister and some of his principal aides have convinced this reporter that Jamaica now has the kind of competent and realistic leadership it desperately needs to recover from Manley's nearly fatal courtship of Fidel Castro and his brand of socialism.

After years of steady economic decline, not even Manley's charismatic charm could finally explain away an unemployment rate of 30 percent, bankrupt nationalized industry and empty stomachs. Like one of V.S. Naipaul's flawed heroes, Manley lived in a fantasy world of glittering slogans.

In personality, Seaga is almost the polar opposite of the man he defeated. Cool and reserved, he compels allegiance not by florid eloquence but by the lucid logic of his argument. Inheriting from Manley a total lack of foreign exchange and a huge external debt, Seaga sees his first priority as one of negotiating an emergency loan package large enough to give the country time to start earning its way back to self-sufficiency.

He knows that essential to success is his ability to attract back to the country the Jamaican capital, professional class and skilled labor that Manley's policies forced into exile. Already the increasing influx of returnees is a hopeful sign, real estate values have risen sharply and the tourist trade is recovering. By encouraging productivity, hard work and private initiative, he plans to have the island back on its feet in two or three years.

PROMISES OF SUPPORT

Whether Seaga can achieve his objective of transforming Jamaica into a working model of what democracy and private enterprise can accomplish in contrast to Cuba's dismal performance depends on the amount and timing of external assistance. So far, he is encouraged by promises of support from the Reagan team and U.S. banks and corporations.

The negotiations for a large loan from the International Monetary Fund are far advanced and, together with assistance from Venezuela, other donor countries and the World Bank, Seaga is well on his way to collecting the commitments he needs to finance recovery.

The U.S. has a larger stake in Seaga's success than most Americans realize. His electoral victory over one of Castro's close allies signals a turn in the political tide in the Caribbean and places Seaga in a key role in relation to a large number of smaller islands whose moderate governments look to him for leadership.

Jamaicans are too proud and Seaga too much of a nationalist for the island to become an American satellite but it can become something much more valuable, an independent democratic ally. Seaga leaves no doubt that he intends to speak out forcefully in the OAS and in the U.N. against Castro's efforts to export his revolution. A substantial number of crucial votes are likely to follow Seaga's lead.

The new Jamaican leaders had too close a brush with the threat of a communist police state to underestimate Castro's subversive intentions. They are convinced that, if Manley had been able to win the election or to subvert it with a declaration of national emergency, the country would be swarming with Cuban advisers and political freedoms on their way to extinction.

A CONTINUING PROBLEM

As it is, Winston Spaulding, Seaga's defense minister, has his hands full in cleaning out the communist infrastructure that Manley deliberately encouraged. The more than 2,000 Brigadistas, young Jamaicans trained for a year in Cuba ostensibly in construction work but heavily indoctrinated, present a continuing security problem. Small-arms caches keep being discovered and even a secret airstrip was found. The Jamaican Broadcasting Corporation, with its TV monopoly, was infiltrated from top to bottom.

Looking back, Seaga and his aides believe they were saved by the strength of three essential institutions. The JLP as a popular party with a mass base presented a united democratic alternative to Manley's PNP. The Jamaican Defense Force and Police proved to be an apolitical and professionally-competent bulwark against violent subversion. Finally, a majority of organized labor was aligned with Seaga and determined to close down the country with a general strike if Manley tried to abort the election.

It is the absence of these institutional bulwarks of democracy that makes the murderous morass in Central America so vulnerable to Castro's intervention. Where such institutions do exist, as in Jamaica, the opportunity to support them should be a vital and immediate concern of the incoming Reagan administration.●

H.R. 174—POSTAL SERVICE REORGANIZATION ACT OF 1981

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced H.R. 174, a bill to abolish the Postal Service Board of Governors, to provide for the appointment of the Postmaster General by the President, and to revise the authority of the Postal Rate Commission.

A principal objective of the Postal Reorganization Act of 1970 was to remove partisan political considerations from the Postal Service. This was accomplished by removing top postal management from responsibility to the President, and appointing a part-time Board of Governors of the Postal Service to control the expenditures and to review the policies and practices of the Postal Service.

Quite frankly, this objective of the act has been a dismal failure. Postmasters General selected by the Postal Service Governors have been so isolated from public accountability that Presidential administrations, in turn, have virtually abdicated responsibility for the Postal Service being a part of the U.S. Government.

The Postal Service Governors have done little to meet their responsibilities other than to appoint the Postmaster General and, since public meetings began, the Governors chiefly attend to routine business and listen to selected postal managers narrate filmed presentations on postal operations. With few exceptions, no person has been appointed to the Postal Service Board of Governors with prior knowledge of postal affairs.

The 1976 Commission on Postal Service, pointing up this problem, said:

> In the past, the Governors have failed to exercise initiative on vital matters affecting the Postal Service . . . Their oversight has been minimal and inefficient and they have not been inclined to advise postal management on major policy issues.

Enactment of H.R. 174 will take one step toward correcting the insulation and unresponsiveness of the U.S. Postal Service. If the Postmaster General is appointed by the President, he will be responsible to the President and it will insure fulfillment of a postal policy being a responsibility of the President. Without the Postmaster General appointment responsibility, and in view of its ineffective oversight, there is no need for continuance of the Postal Board of Governors.

With the termination of the Postal Board of Governors, decisions of the Postal Rate Commission may be made final rather than subject to approval of the Postal Service Governors.●

SOME GOOD ECONOMIC NEWS FOR 1981

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, January 14, 1981, into the CONGRESSIONAL RECORD:

SOME GOOD ECONOMIC NEWS FOR 1981

I have recently spoken with hundreds of Hoosiers who share my concern about the economy. Worries about inflation, unemployment, and the uncertainty of the future are more than justified, but at times our pessimism may go too far. These are some basic facts about the economy:

Standard of living: The American standard of living has not slipped behind that of our major competitors. Our closest challengers are France and Germany, which have two-thirds our standard. Japan has only three-fifths. During the 1970's our real income rose 23 per cent per capita.

Jobs: Unemployment has been high in the 1970's, a fact due mainly to the coming of age of the "baby boom" and the influx of women into the work force. Once it has weathered these two "shocks," the labor market of the 1980's should improve.

Productivity: The American worker is still the most productive in the world. Other countries are gaining on us, but the battle to boost productivity in the United States aims to maintain rather than recapture the lead. We are not losing any competitive edge because of rising labor costs. The cost of American labor is increasing at the slowest rate in the industrial world.

Foreign trade: We are not losing any competitive edge in foreign trade, either. The volume of American exports has increased one-third in the past three years, rising at a much faster rate than the overall volume of world trade. Our competitive position in the world has been strengthened in recent years, not lessened.

The dollar: The dollar is not weak. It has risen 10 per cent against the German mark in 1980, and it is very strong against the British pound and the Japanese yen.

Energy: We still waste too much energy, but we have broken the link between consumption of energy and growth of the economy. Energy use now grows only half as fast as the Gross National Product (GNP). We are still too dependent on imported oil, but 80 per cent of our total energy needs are met by domestic sources. A national energy policy is now in place.

Tax burden: The average federal tax burden, measured against the GNP, has risen only 3 per cent in the last quarter-century. During that time the corporate tax burden has diminished. The burden of state and local tax has tripled.

Government spending: Government spending does not claim more of our total output than it does in other countries. Only Australia and Japan spend a percentage of their total wealth smaller than the 34 per cent spent by our federal, state, and local governments. By comparison, Germany spends 42 per cent and Britain 44 per cent. Adjusted for inflation, government spending rose to a peak of $1,605 per capita in 1978 and then dropped to $1,540 in 1980.

Government deficit: The United States is not the only nation that runs a deficit. Our total government deficit has been holding steady at about 1 per cent of the GNP. Comparable figures are 3 per cent for Germany and 6 per cent for Japan. Of the seven leading industrial nations, the United States has the lowest ratio of overall deficit to GNP.

Federal debt: Federal debt today is roughly three times the size it was in 1950, but consumer debt is 14 times greater, mortgage debt 16 times greater, corporate debt 13 times greater, and state and local debt 14 times greater. Even though we have had large increases in federal debt during the 1970's, consumers, homeowners, corporations, and state and local governments have borrowed far more.

Federal employment: The federal civilian work force has not been mushrooming. In fact, it shrank in absolute terms during the 1970's. It is also shrinking in relation to total government employment, the population of the United States, and employment in the private sector.

The economy is in better shape than we may think. We can make it stronger if we take to heart some of the lessons we have learned in the 1970's:

Innovation: American industries must keep new products and processes coming out of their laboratories. More research and development are needed.

Capital formation: To bring more goods and services to the market place, we must have a higher rate of capital formation. Increased investment will almost certainly give productivity a boost.

International markets: American business has got to keep its eye on international markets. Lost opportunities overseas have always been unfortunate, but now they could impose extreme hardship on the economy.

Regulation: We must continue to change our thinking about regulation. We should persistently weigh costs against benefits and constantly seek less intrusive ways to reach worthwhile regulatory goals.

Budgetary restraint: The federal government must redouble its efforts to bring the budget under control. No agency or program should be considered immune to cutbacks.

The new year can begin on a positive note. There is great strength underlying our economy. We have simply to recognize it and build on it. I believe that our problems are most nations' answers.

(Note: Data for this report come from an essay by Walter Heller, former chairman of the Council of Economic Advisers.)●

TRIBUTE TO THE LATE CONGRESSMAN, EMANUEL CELLER

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. MAZZOLI. Mr. Speaker, I wish to join with my colleagues in the House of Representatives in paying tribute to the late Emanuel Celler, the well-respected dean of the House, who died January 15, 1981.

For 50 years, Manny Celler served the people of New York and the Nation with integrity. Mr. Celler will best be remembered for his long and active years as chairman of the House Judiciary Committee.

I began my service on the House Judiciary Committee after Mr. Celler had left, but I entered the House while Manny was still active, alert, and influential.

I will never forget one time when two of the great lions of the House tangled in the well: Manny Celler and Bill Colmer of Mississippi. As we say: "They don't make people like this anymore."

Emanuel Celler's passing is a loss to his family, his State, and the entire Nation.●

REINTRODUCING LEGISLATION

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CONABLE. Mr. Speaker, today I am reintroducing legislation to improve the way our social security system works and to put it on a sound financial basis.

This is an updated version of a bill I first offered 3 years ago as an alternative to the 1977 financing amendments. My plan, then and now, has the dual and desirable effect of cutting payroll taxes and restoring the long-range solvency of the system.

It would attain both goals in large part by shifting half of the taxes now scheduled for the hospital insurance trust fund over to the old age survivors and disability insurance trust funds. This would permit, simultaneously, a substantial reduction in the total payroll tax and adequate financing of the OASDI programs.

The hospital insurance—or medicare part A—fund would be replenished from general revenues. This is consistent with current medicare financing policy, in that part B of medicare already derives about 70 percent of its funding from general revenues.

My bill also would eliminate increases scheduled this year and next in the wage base on which the tax rate is levied.

The cutback in the base, coupled with a drop in the tax rate, would mean a saving of $278 this year for those who pay the maximum. The rate and base under current law are 6.65 percent and $29,700. The rate and base under my plan would be 6.55 percent and $25,900. Savings next year would be greater. The maximum tax under existing law would be $2,150, while the maximum under my bill would remain at $1,696—a difference of $454.

Another important element of the bill is the establishment of a working

spouse's benefit. Many married workers, mostly women, reach retirement age and begin receiving a benefit amount based on their spouses' earnings because it is higher than the benefit amount based on their own earnings. These people can argue, with justification, that they are no better off financially, as a result of working under social security, because they would have received a spouse's benefit even if they had never left the home to take a job. The working spouse's benefit would compromise the higher of the two benefit amounts available under current law plus 25 percent of the smaller benefit amount.

The final major provision of the bill would bring Federal civilian employment under social security coverage. This is a highly controversial, and much misunderstood, element. Federal military personnel already are covered, and in the long run, Federal civilian workers would be better off under social security, which provides protection against disability, plus benefits to dependents and survivors—offerings not generally available through other pension packages.

Federal employees could, and should, be able to continue with their retirement plans, perhaps in modified forms, as supplements to the basic social security protection.

About 115 million American workers are required by law to participate in the Nation's social insurance system. There is no overriding reason why the 2.5 million Federal civilian workers, including Members of Congress and employees of the Social Security Administration, should not also participate.

In summary, Mr. Speaker, this bill would make our Nation's social insurance system more equitable, less burdensome to long-suffering taxpayers, and financially stable on a long-range basis. I do not offer it as the only answer to social security problems, but a reasonable, practical alternative for evaluation.

We have dodged too often in the past the really tough social security problems, and have responded to recurring financial crises with purely temporary adjustments. This has been unfair to beneficiaries and taxpayers alike. They want, and they deserve, a stabilized system. The bill I am reintroducing today embodies one approach to stabilization, and I ask that it be given serious and prompt consideration.●

H.R. 170—POSTAL EMPLOYEES' RIGHT TO SAFETY BILL

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 170, the postal employees' right to safety bill, which establishes the right of a postal employee to choose not to perform his or her assigned task because of a reasonable fear that death or serious injury will result from the performance of a specific task.

In effect, the bill makes applicable to the Postal Service, that provision of the National Labor Relations Act (29 U.S.C. 143) which provides that the quitting of work under such circumstances shall not be considered a strike. In addition, the bill codifies the recent Supreme Court decision, *Whirlpool Corporation* v. *Marshall*, 445 U.S. 1, which held that the Secretary of Labor was authorized to promulgate such a regulation and that the regulation conformed to the fundamental objective of preventing occupational death and serious injuries.

Related legislation, authorizing the Occupational Safety and Health Administration to conduct unannounced inspections of postal facilities and to impose civil penalties for repeated and flagrant violations of Federal safety and health laws, was approved by the House of Representatives during the 96th Congress. That bill was reported favorably by the Senate Committee on Governmental Affairs but was not acted upon by the Senate. I have introduced similar legislation, H.R. 168, during this Congress.

The House Subcommittee on Postal Personnel and Modernization has continued its extensive oversight hearings and investigations into the safety and health program of the Postal Service. The program was found to be deficient in several respects. Indeed, shortly after House approval of H.R. 826 in 1979, an accidental fatality at the New York Bulk and Foreign Mail Center revealed several serious safety defects at that facility. In Miami, Fla., the USPS was sluggish in taking action to examine employees who were exposed to excessive levels of cancerous fibers in the atmosphere. Finally, in December 1980, two postal employees were victims of fatal accidents in Los Angeles, Calif., and Portland, Oreg.

The Postmaster General's response to the earlier fatality was to give safety somewhat higher priority than in the past. However, enactment of this legislation is essential if postal employees are to be afforded the same protections that are already available to employees in the private sector.

Enactment of H.R. 170 would not authorize postal employees to strike with pay over unsafe working conditions; nor would it permit malingering. The bill simply subjects the Postal Service to the same standards as private sector employers by providing that an employee who in good faith believes that performance of a specific task may result in death or serious injury may refuse to perform that specific task and shall not be subject to discharge or discrimination by his employer.●

AMERICA'S FOREIGN POLICY PROBLEMS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I wish to submit to my colleagues a very incisive analysis of America's foreign policy problems. It was written by Irving Kristol and appeared on the January 13, 1981, Wall Street Journal editorial page.

Anyone interested in or concerned about our foreign relations will benefit from the author's effort to refocus our national principles of international behavior. The article follows:

[From the Wall Street Journal, Jan. 13, 1981]

FALSE PRINCIPLES AND INCOHERENT POLICIES

(By Irving Kristol)

It can hardly be doubted that American foreign policy today is such as to make the world perceive us as incompetent, while we increasingly sense ourselves to be impotent. Unfortunately, both the incompetence and the impotence are not accidental, transient features of the policy. They derive from false principles, which lead to problems being badly defined. And seeking solutions to problems that are badly defined is a certain path to frustration.

At the moment, there are three striking instances of such a condition. They involve the following questions:

(1) What should we have been doing about our hostages in Iran?

(2) What should our attitude be toward the threat of a Soviet invasion of Poland?

(3) How should we be weighing the prospects of intervention or nonintervention in such troubled countries as Nicaragua, El Salvador, the Philippines or Saudi Arabia?

Our basic error in Iran has been to define our problem in terms of a primary concern with the safety and ultimate release of the hostages. Having made such a definition, we had no choice but to negotiate the ransom payment demanded.

U.S. PRINCIPLES

Another—and in my opinion more correct—definition of the problem would have taken as its point of departure the following principles: (a) As a general rule, the United States government does not negotiate with, or pay ransom to, terrorists. (b) As an absolute rule, the United States does not ever negotiate with, or pay ransom to, a foreign government that behaves like a gang of terrorists.

With these principles in mind, the problem facing the United States was (and for the Reagan administration, could still be): what kind of military actions might lead to the safe release of the hostages but, failing that, would certainly lead to an exemplary punishment, swift and sure, of the terrorists. This radical shift of emphasis would have given us a freedom to act. Instead, presumably because so many people in the Carter administration experienced acute "liberal guilt" over our previous association with the Shah, we unilaterally disarmed ourselves before our enemies.

I am no military expert and I have no idea what the precise military procedures should have been. Almost certainly they should have been preceded by an immediate, formal declaration of war so as to remove all doubt as to the seriousness of our purpose, and also to provide a clear legal and oral context for our actions. Whether we then engaged in a massive rescue effort, blockade, bombing, invasion or any combination of them, we should have done so resolutely, openly and without qualms.

By failing to enunciate (or even, apparently, perceive) the true nature of the problem, the Carter administration has written one of the most humiliating pages in the history of American foreign policy. And by wasting a full year with lamentations and empty moralistic protestations, it has made it less likely that anyone in Iran—or elsewhere—now takes us seriously. This has been a disservice not only to the hostages but to all American personnel stationed abroad, and is a disaster for our position as a world power.

Our policy with regard to a potential Soviet invasion of Poland has been (a) to warn the Soviets that it would meet with our grave displeasure, and (b) to urge the Polish dissidents not to be too "provocative" in either word or deed. The premise here is that the status quo in Eastern Europe is something we wish to preserve, that any kind of "destabilization" is a threat to us. Instead, we prefer to hope that future Soviet rulers will themselves move toward ever greater "liberalization."

What grounds are there for any such hope? None that I can see. Indeed, liberalization within the Soviet Union can only lead to exactly the same kind of dissenting turmoil that now exists in Poland. If the Soviet rulers feel they cannot afford to permit the Polish people—or even the people of Afghanistan!—to evolve in a "nonsocialist" direction, why should we think it likely that they will ever permit the Russian people to do likewise? Our State Department has somehow come under the presumptuous illusion that it understands the real interests of the Soviet rulers better than they do, and that it is our mission to persuade them of the validity of our understanding. I think the Soviet rulers know their own interests a lot better than our State Department does. In any case, it is their definition of their interests that they act on, not ours.

Eastern Europe is a critical problem for the Soviets, and there is no reason why we should make it easier for them to cope with it. While it would be irresponsible of us to encourage the Poles or the Czechs to take up arms against their oppressors, it is positively nauseating for us to be fearful that they might do so, and to communicate this fear to them. This is something that the peoples of Eastern Europe will have to decide for themselves, since they will be paying the price. Our mission should be to support them, with words at least, with deeds where possible. Is it not remarkable that not a single official American spokesman—not even in the toothless forum of the UN—has expressed support for the demands of the Polish unionists?

Yes, under present circumstances the Soviets have both the will and the military power to enforce their rule over Eastern Europe. But who knows what the longer-term consequences of such Soviet intervention would be? Perhaps the instincts of the Polish dissenters—and of Russian dissenters too, are wiser than our sophisticated analysis.

The status quo in Eastern Europe is not an American interest, it is a Soviet interest. Our posture toward Eastern Europe should be analogous to the Soviet posture toward the current turmoil in Central America, where it is our status quo that is being threatened. The Soviets are very prudent about what they say and do—but they certainly aren't saying or doing anything to make it easier for us. "Destabilization" in Eastern Europe, to the degree that it is rooted in indigenous aspirations, is not a problem for us. On the contrary, it is a prospect we ought to welcome, if not overtly encourage.

The question whether it is proper for any nation to intervene in the internal affairs of another is unanswerable so long as the Wilsonian idea of "self-determination" is given an absoluteness it never should—and, in the real world, never can—possess. Our State Department by now is so imbued with Wilsonian legalism that it cannot make the necessary, indeed crucial, distinctions that are inherent in any sensible foreign policy. All boundaries are sacred to it, and all transgressions—no matter by whom, against whom or under what circumstances—are abhorrent to it. The assumption is that our State Department has the lofty mission of representing "the rule of law in an emerging world community," not the more mundane task of representing American interests in a world that is only marginally interested in international law, and whose nations, for the most part, sadly lack any sense of world community. The State Department will quickly move to denounce a Soviet invasion of Poland—but it will be more concerned with the fact of invasion than with the fact that it is a Soviet invasion.

The issue of intervention vs. non-intervention—and especially as between a great power and a smaller one—has been analyzed by generations of political philosophers and jurists, and the principles adduced, about which there is little disagreement, represent a kind of refined common sense. They are (simplifying somewhat) as follows:

a) In general, it is both wrong and self-defeating for a great power to intervene in the purely domestic affairs of a smaller nation. However, there are some exceptions to this rule which quickly come to mind.

b) A great power has the right to intervene in the affairs of a small nation in order to counter the intervention of another power.

c) A great power has the right to intervene in the affairs of a small nation in those cases—fortunately rare—in which the government of that nation behaves in so barbarous a way that it becomes as a pariah to civilized opinion. The systematic practice of genocide would be an instance of such barbarism.

d) A great power has the right to intervene when a smaller nation insists on pursuing policies that are inimical to the vital interests, economic or strategic, of that great power or its allies.

e) The right to intervene, for whatever good reason, should always be subordinated to prudential considerations. In international affairs, it is circumstances and probable consequences that inhibit or limit the right of intervention. Having a right is one thing; exercising it is another.

THE BREZHNEV DOCTRINE

The Soviet Union operates under a different set of principles. Its Marxist-Leninist heritage gives it the right, sanctioned by history, to interfere in the affairs of any "non-socialist" country. And, under what has come to be called "The Brezhnev doctrine," it further claims the right to intervene in the affairs of any "socialist" nation that seems to be in danger of seceding from the "socialist camp." It is clear that the Soviet rulers also take prudential considerations into account. But when they do so (as in the case of Yugoslavia) they make no bones about it. They may compromise their "right" to intervention, but they never surrender it.

As things are now going in various parts of the world, it seems all too predictable that the United States will in fact find it necessary to practice the politics of intervention, however reluctantly. We cannot, for instance, permit the Philippines to fall under hostile rule without wrecking our relations with Japan and China. And the importance of preserving a friendly Saudi Arabia is too evident to need elaboration. But we shall never be able to mobilize American opinion behind such actions, and shall never be able to convince our allies and our enemies that we are pursuing a coherent foreign policy, unless we are free to act with a clear conscience. And that will not happen until we liberate ourselves from the intellectual tyranny of false principles and the self-defeating policies they give birth to.●

MORRIS VANCE—LOMITA CITY ADMINISTRATOR

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ANDERSON. Mr. Speaker, at the end of this month, a dinner will be held honoring Morris Vance for the fine work he has done as the administrator of the city of Lomita, and the many contributions he has made to that city and its residents.

He is highly deserving of this tribute, having demonstrated time and again during the more than 5 years that he has served in this position his devotion to his job and to the city he serves.

Although born in Utah, Morris was raised in California, and his understanding of the needs and desires of the people in California, and more specifically, those in my 32d District, became synonymous with his own.

His keen sense of service to the public led Morris to pursue a degree in political service at the same time that he served as a missionary in Western Canada for the Mormon Church. After his term of missionary service

had ended, his political service degree attained, earning a master's degree in public administration became his new goal. Again, Morris combined his studies with work, at first with the Los Angeles County Bureau of Public Assistance and later as the administrative assistant of the public works department in the city of Vernon. He received his master's degree in 1969, specializing in local government administration.

Our close association with Morris Vance began in 1969, with his acceptance of the position as executive assistant to the city administrator of Carson. Not only did Morris ably serve the people of Carson for over 6 years in this capacity, but he also found time to contribute to the many social and spiritual needs of the community. His charter membership in the Carson Kiwanis is evidence of this, as well as his election to the post of bishop at the Gardena ward of his church.

And when, in 1975, Morris began his position with the city of Lomita as its city administrator, I for one was especially pleased that his many talents would remain within my congressional district. Lomita was now the object of Morris' devotion to public service, although Carson continued to receive the benefit of his advice, and under his tutelage, both cities have thrived. In Lomita, Morris served on the board of directors of the Torrance-Lomita branch of the American Red Cross, as well as having been vice chairman of that organization. And the young have benefited too, as Morris is extremely active in the Boy Scouts in the South Bay area. His involvement with them as a merit badge counselor is admirable, since it is apparent that as he set and attained high goals for himself, so too has he aided our young in setting and attaining their own goals.

It is for these and many other reasons that Morris Vance will be honored on January 31. It is a way of saying thank you for all the generous hours of combined public and social service that Morris Vance has given to us over the years. As the Vances leave our area for a new and challenging position, my wife, Lee, and I join in wishing Morris, his wife Janice, and their two sons, David and Thomas, all the best in the future, knowing that whatever they do, the goal will be to serve the people, and serve them well.●

SOME OBSERVATIONS ON THE 97TH CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, January 21, 1981, into the CONGRESSIONAL RECORD:

SOME OBSERVATIONS ON THE 97TH CONGRESS

For the first time in 26 years the Republicans and the Democrats share power in Congress. Impressive victories in several states have given the Republicans a six-vote edge in the Senate. The Democrats control the House by a margin of 51 votes.

The question being asked by most political observers is the obvious one: just what kind of record will the politically divided 97th Congress compile? My hunch is that it will be a lively and fascinating but ultimately cautious Congress. I would not expect this Congress, which will focus on economic and military issues, to be innovative or productive of new social programs. Also, I believe that a coalition of Republicans and "Sunbelt" Democrats will strongly influence, if not dominate, the legislative agenda. When the coalition emerges in the House, it will give President Reagan a de facto majority on Capitol Hill. The coalition will probably succeed in increasing military spending as it cuts back on domestic expenditures, but regional rivalries and ideological conflicts are certain to erupt at times.

The characteristics of the 97th Congress are noteworthy. In this Congress the West and the South will gain influence at the expense of the urban areas of the Northeast. Congress will have a record number of women (19 Representatives and two Senators), 17 blacks, and five Hispanics. It will have the lowest average age, 48.9 years, of any Congress since World War II. Lawyers still form the largest single professional group among members of Congress, but Congressmen and Senators with legal training no longer constitute a majority of members.

Quite by accident, the congressional calendar will contain a long list of programs that are up for renewal. It is by no means certain how the 97th Congress will deal with the programs. What, for example, will Congress do about agricultural price supports? How will it take the recommendation of the Reagan task force to slow completion of the interstate highway system? Will it relax clean air laws? Will it reject programs for energy development, job safety, nuclear plant licensing, passenger rail service, refugee aid, and home energy assistance? Answers to these questions are not at all clear.

Although the campaign positions of Mr. Reagan and many members of Congress are fairly well known, it is a long way from the rhetoric of the campaign to the enactment of legislation. Legislation is hammered out in congressional committees, not in presidential speeches and campaign debate. Any experienced legislator knows the value of compromise. He knows as well that the task of developing consensus moderates the extreme views often staked out on the hustings.

The economy will surely occupy much of the attention of the 97th Congress, but there are many other formidable challenges to be faced: the future stability of social security, the ills of the domestic automobile industry, the cost-effectiveness of a wide range of federal regulatory programs, the combat-readiness of the armed forces, and competition in health care services are just a few. In the area of social initiative, Congress will be looking for ways to trim existing programs. A general re-examination of the nation's foreign policy is likely.

It is my impression that Mr. Reagan, buoyed up by his strong showing at the polls, will get much of what he wants from the 97th Congress. A broad reduction in taxes, sharply increased outlays for defense, and a government-wide attack on waste should be among his early targets. Congress, however, will not be his "rubber stamp." In recent years the legislative branch has demonstrated just how independent from the Chief Executive it can be. I anticipate that this Congress will also be a maverick.

Like any Congress in recent memory, the 97th Congress has before it an agenda filled with items, from stagflation to Soviet adventurism, that urgently demand review and deliberation. It also has major chores to perform "in house." In my judgment, no challenge is greater than that of getting a firmer grip on the legislative process so that Congress can fulfill its constitutional responsibilities effectively by helping to govern the nation and acting to solve the problems that concern people most. The people display a large measure of cynicism about the obstructionism, lethargy, and scandal of Congress. The only real antidote to such a feeling is solid performance.

I suspect that most eyes will be on the Republicans. They have newly come to power, and the question is how well they will wield it. Will they hold together, identifying closely with and following the Republican President? Will they splinter apart, unwilling to accept the compromises that Mr. Reagan is bound to suggest? The Democrats have their work cut out for them, too. What kind of opposition will they be? Will they hobble or help the new President?

The biggest task before the country is to get the economy back on its feet. I hope that the 97th Congress will shoulder its obligations and not let itself bog down in peripheral matters. I also hope that the Democrats will not swipe away indiscriminately at the Republican Administration. Neither Democrats nor Republicans can afford to be diverted from the central issue: economic restoration.●

HONORING DR. TIM LEE CARTER

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. WAMPLER. Mr. Speaker, it has been a distinct honor to serve in the House of Representatives with Dr. Tim Lee Carter, and the esteem in which he is held by this House is only equaled by the people of Kentucky's Fifth District who have been so honorably and ably served.

"Doctor Tim", as he is affectionately referred to by his constituents, will be remembered in the Congress not only as an able legislator, but as a fine humanitarian as well. His efforts in the field of health legislation and other issues which promise a higher quality of life are well known, and his tireless championing of these causes has earned him a high degree of respect from his colleagues.

The Fifth District of Kentucky abuts the Ninth District of Virginia, and due to this location it has been my privilege to work with Dr. Carter on a number of measures of particular interest to both congressional districts.

Although we may not have always been in total agreement, it has been with great respect and attention that I pondered his views and his willingness to consider both sides of an issue.

I know the people of Kentucky's Fifth District will be gladdened to have Dr. Carter back among them, but the Congress will certainly miss a fine gentleman and Representative when the 97th Congress convenes without him.●

TRIBUTE TO FRANK HOOD

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. MONTGOMERY. Mr. Speaker, in a period when the Government is losing the services of many of its most experienced and valuable employees to retirement, the departure of Frank R. Hood from the Veterans' Administration stands out as a shining example of dedicated and talented service.

In his own quiet way, Frank R. Hood, Assistant Administrator for Information Services at the Veterans' Administration, has established a truly unique record as a Federal employee and has struck a blow for career civil servants throughout Government.

Frank was in his 23d year as head of public relations at the VA when he officially retired August 29, 1980. But he has stayed on the same job as a reemployed annuitant at the urgent request of Administrator Max Cleland. And, not surprisingly—considering his unprecedented track record—President Reagan's transition team at VA has asked him to continue his duties.

In a sensitive profession generally subject to frequent and often abrupt change, Frank has served far longer as head of public relations for a major agency than anyone in the history of Government. He has served longer in the same top job than any executive in VA history.

Before taking over the top VA public relations job in 1958, Frank served more than 7 years as the Deputy. In those nearly 30 years on the Washington scene, he has been retained and honored by a succession of eight VA Administrators, Republicans and Democrats alike, and yet has never resorted to the game of playing politics for personal gain.

A former reporter and editor for the Kansas City Star and the Associated Press, Frank was a Navy gunnery officer in World War II, and then joined the VA as a GS-11 information specialist in St. Louis in early 1946. Since then he has received seven merit promotions in the career service.

He is a longtime holder of the two highest awards the VA can bestow, and seven times has been the agency nominee for a variety of prestigious Government-wide honors.

The many proteges he has helped to train in the VA include three former public relations directors for the Civil Service Commission, a deputy press secretary at the White House, and the Executive Director of the President's Committee on Employment of the Handicapped.

In contrast to the too prevalent perception of civil servants as lazy drones sponging on the taxpayers, Frank has voluntarily worked many thousands of hours of overtime without compensation, has sacrificed hundreds of hours of annual leave, and has been literally on call 24 hours a day to respond to media inquiries. Yet, for most of the 23 years he has carried his high-level responsibilities, he like other top civil servants have worked under pay ceilings that restricted them to the same salaries paid to employees carrying far less responsibility.

In a congressional tribute to Frank in 1978, when he had completed 20 years on the top VA job, the Honorable Ray Roberts, the former chairman of the House Veterans' Affairs Committee, told his colleagues:

> Frank Hood has earned a high place of honor within government and among members of the press with whom he deals. In addition to his outstanding professional skills, he is known as an individual of integrity and unquestioned honesty. When the name "Frank Hood" comes up, the comment inevitably follows, "He is one of the world's true gentlemen." I know of no higher praise, and I heartily concur in it.

I can heartily endorse the sentiments of Chairman Roberts.●

H.R. 39—POLITICAL FREEDOM FOR POSTAL EMPLOYEES

HON. WILLIAM L. (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 39, the Postal Employees' Political Activities Act of 1981, which reforms the Hatch Act by permitting postal employees to participate voluntarily in political activities so long as those activities do not even appear to compromise the integrity of the Postal Service. At the same time this bill protects the public against improper political activities and solicitations, coercion, and protects postal employees against involuntary political activities.

The Hatch Act was enacted precipitously in 1939. It was an overreaction to coercion of and kickbacks by Federal employees and public assistance recipients. As presently written, the law is vague, overly broad, and consists of a patchwork of over 3,000 administrative rulings, most of which are not understood by either the public or postal employees.

H.R. 39 differentiates between voluntary and involuntary political activities. It protects the public interest while providing postal employees with greater freedom to participate in the political process.

In summary, the bill provides the following:

States that postal employees are encouraged to exercise their right of voluntary political participation.

Prohibits the use of official authority, influence, or coercion with respect to the right to vote, not to vote, or to otherwise engage in political activity.

Prohibits solicitation of political contributions by superior officials and making or soliciting political contributions in Government rooms or buildings.

Prohibits, with certain limited exceptions, political activity while on official duty, in Federal buildings, or in uniform.

Requires that employees who seek elective office do so on their own time, and that employees shall, upon request, be granted accrued annual leave or leave without pay to seek elective office.

Designates the special counsel of the Merit Systems Protection Board—MSPB—as the enforcing authority and the MSPB as the adjudicatory authority.

Subjects violators of law to removal, suspension, or lesser penalties at the discretion of the MSPB; requires a minimum of 30 days' suspension without pay for any employee found guilty of violating the prohibition against use of official authority or influence for political purposes.

Requires the U.S. Postal Service to report annually to the Congress on its implementation of this Act.

The Postal Service system is a quasiautonomous public corporation. Some may have problems with that fact but, be that as it may, postal employees are in a different category from Federal employees. The postal worker's role, as an employee of a semi-independent agency, and the role of a Federal civilian employee, as an employee of the Government, make these two groups separate and distinct. Unfortunately, the issue of full political participation for postal and Federal employees has been confused, notwithstanding their different status, so that they are treated as one and the same.●

TO AUTHORIZE NATIONAL SHUT-IN DAY

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. RAHALL. Mr. Speaker, I am introducing legislation today to designate the first Sunday in June of each year as National Shut-in Day. This measure would recognize and call public attention to a great number of our citizens who constitute an often neglected segment of our society.

These persons have contributed in the past to the happiness and well-being of others by being parents, children, hard workers, and concerned citizens. Although in most instances they are older or physically impaired, they are valuable for the qualities they possess as individuals with a rich past which can be shared with those who have not enjoyed their experiences.

The shut-in people of our country have a great deal of warmth and friendship to offer, and those who observe National Shut-in Day will gain richly by the experience.

Shut-in Day would be observed to remind the general public of these, their fellow citizens, who cannot take any active part in the religious, business, and social affairs of the community.

With the growing concerns for shut-ins, a national organization was formed to bring attention and care to those who are forced to exist indoors, never experiencing the beauties of nature and the association and communication with other people. The object of the association is to encourage remembrance of the sick and disabled civilian and war veteran by the public on Shut-In Day and throughout this year. It is a nonsectarian, nonpolitical, nonracial, and nonprofit organization.

Your sincere consideration and cooperation in the passage of this resolution will be sincerely appreciated and will be gratifying to thousands of those who are less fortunate than we who are able to enjoy the associations with each other.●

CONGRESSMAN KEMP ON THE NEW ADMINISTRATION

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. SOLOMON. Mr. Speaker, I rise today to applaud the comments of Congressman JACK KEMP in the January 20 Washington Post in which he was asked to speculate on the future of President Reagan's administration. Congressman KEMP's remarks distinguish him as a future State and National leader. I would like at this time to submit the Washington Post interview:

TODAY (LET US SUPPOSE) IS JANUARY 20, 1985—HOW WILL THE WINNER HAVE GOT THERE?

A: Well, first of all, I think that President Reagan and Vice President Bush will have been reelected. And I think that because I think the policies they have prescribed for restoring the U.S. economy and stabilizing the budget and bringing down interest rates and inflation and restoring levels of economic growth and job opportunities will have been successful. And this is what the American people want most at this moment: the chance for a widely shared prosperity.

Conversely, if we do not bring about that road to full employment without inflation, I think the very voters who swept us in 1980 will sweep us back out—in 1982 and 1984.

Q: How will we know whether you are getting there? What are the signs of success along the way?

A: The 1982 election will give us a good indicator of how the Republican Party is doing. If we are on the right road given Reagan's agenda for this widely shared prosperity, if the economic indicators in terms of interest rates and inflation are coming down and employment opportunities are rising and it reaches up swiftly to the Northeast and to urban areas and to blacks, it seems to me the same realignment that happened in 1934 could very well lead to Republican dominance for the next decade.

Q: You must be assuming widespread support from those who at least since the 1930's have been Democratic constituents. How does Ronald Reagan, for example, get black support?

A: Well, I think clearly by identifying the Republican Party once again as a party of civil rights. There's no doubt in my mind that our party has to make sure that those doors that have been opened by the law are not closed by the economy in the '80s. So in effect, the civil rights strategy for the Republican Party in the '80s is to protect those legal gains that have been made by minorities, but then shift the emphasis in the civil rights strategy toward an expanding pie. That means reaching out to the cities in terms of establishing high levels of economic growth and opportunity and social justice in the inner cities.

Reagan's line in his acceptance speech to the Republican Party at Detroit, in which he said we must all move ahead, that we can't afford to leave anybody behind, was exactly right. Real leadership is predicated upon a concern for not just the whole, but the least unto that whole—the stray, the indigent, the handicapped, poor and oppressed. I would like to see my party not be a party of just the middle class, but a party of consensus.

I don't want to sound like an economic determinist, but I'm convinced that the needs of all of the American people, if not the needs of the rest of the world, are inextricably linked to economic opportunity and social mobility and what we used to call the American Dream. It is not unique to America; it's something that people want everywhere.

Q: What could get in the way of this success? How committed do you think a Reagan government will be to the particular economic ideas that you speak for and think are crucial in this effort?

A: As soon as you asked me what I thought could get in the way, the word that came to my mind was "timidity." Trepidation. Defeatism. The status quo. President-elect Reagan said many times that status quo was Latin for the mess we're in. And I've always liked that.

Once you take power, the forces that say, "Don't change, don't do anything, don't follow out your agenda," seem to take over. But the one thing I think those of us who want to move quickly and dramatically and boldly have going for us is Ronald Reagan himself. I believe he is committed—intellectually, emotionally, politically and in every other way—to that type of decisiveness that MacArthur talked about when he said that in order to establish authority, precipitate action immediately. I think there's going to be immediate action along the lines that the Republican platform and Ronald Reagan talked about all the way through the campaign.

Q: There's a certain amount of resistance and hesitation now within the Reagan group concerning these ideas, a sense that maybe they'd better wait a while, reconsider, back off.

A: Yes. Exactly what happened to Margaret Thatcher. All the promises were made, the election was won, the stock market in the U.K. had gone up dramatically—almost 25 percent in real terms. And all of a sudden they got in power and they said: "Oh, the problems are so overwhelming maybe we'd better put off a second, third and fourth year of our tax reform and maybe we might not reduce the budget deficit quite as much, and maybe we shouldn't denationalize this industry as quickly as we thought." And all of a sudden their consensus had literally been lost.

In the morning paper, the article by the Carter economic advisers gave the impression that inflation is intractable and endemic to democracy; that these problems are overwhelming. Reagan won his election on the basis that he would say: "No, those problems have been caused by government policies; they can be changed."

Q: What about prospective obstacles from abroad to Reagan's success?

A: Again, I don't want to overstate my economic thesis. And I'm not suggesting that the Iran/Iraq problem would be cured by the United States conducting sound monetary policy. But I think our strengthening our own economy would once again allow the United States to conduct a sounder foreign policy. We would have more credibility. People would have more faith in our word: the more progress we could show for the United States as well as some of our allies and friends and democracies in the West and throughout the Third World, the more illiberal the Soviet model would look.

Incidentally, though, I think the United States has as much control over the price of oil as does Sheik Yamani. Our land-use policies, our domestic price controls, our steady devaluation of the U.S. dollar have done as much to cause and aggravate our energy problem as anything the Saudis have done.

Q: What about the element in the Republican Party or in the Reagan majority that is zealous, very conservative, evangelical? How will they view that broad social appeal you have laid out?

A: Well, I think they too share a desire to see this happen. But I really think the social fabric of the nation is based upon good will, and when the pie is shrinking, when you perceive that your gain must come at my expense or that my gain is

coming at your expense, then this whole special-interest environment builds up. Blacks have to be more separate in order to organize themselves to protect themselves against what they perceive to be a threat to their survival. And labor unions must be more interested in their union membership in order to protect themselves against what they fear to be a shrinking of their piece of the pie. Business speaks only for business. The cities of the Northeast are pitted against the Sun Belt and New York thinks it must advance by mugging another part of the country.

I think much of the good will in our society is based upon the belief that we can all advance together. Ultimately, the debates over busing and abortion and birth control, as important as they are to the country, will take place in an environment in which people don't have this perception that it's white versus black, rich versus poor, labor versus capital, and the Northeast versus the Sun Belt.

Q: Do you think the Democrats will have to move further to the right to challenge you next time? What would they have to do to catch you?

A: If we can't achieve a more widely shared prosperity, if we can't bring living standards among blacks and Hispanics and the poor and women and the Northeast up to acceptable standards in terms of bringing about these hopes, then I think the next move in this country will be toward more government intervention. If there's no growth possible in the private sector, then I think they will vote for growth of the state.

The Democratic Party, God bless them, understand redistribution of wealth. They don't understand expanding the wealth or, you know, they don't understand growth per se. So our party should be a party of growth; let them be the party of redistribution.

But if we don't bring about that growth, if we don't bring about the expansion of the economy in jobs and output and production and productivity and savings rates and investment rates and prosperity, then the people out there will vote in the party that promises to redistribute wealth.

Q: Assuming for purposes of argument that the new president doesn't choose to run again, what kind of succession politics do you see?

A: I really foresee him running in '84.

Q: You do?

A: I really do. I think clearly he will be the candidate in '84. What is the question? Who would it be if not Reagan?

Q: Yes. Would Jack Kemp be available?

A: Jack Kemp smiles. I'm not going to get into that. I'll say one thing: it won't be worth very much in '84 if we haven't done what we said we'd do. That's the first thing. And I think Ronald Reagan will have done those things. So I think he and George Bush are in for eight years.

Q: What about 1988?

A: I'll tell you then.●

UKRAINIAN FREEDOM

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. BRODHEAD. Mr. Speaker, today marks the 63d anniversary of the founding of the Ukrainian National Republic. I join with many of my colleagues in commemorating this day, which is of such great importance to my constituents of Ukrainian descent and to Ukrainians around the world.

The long ordeal of the American hostages in Iran has served to remind Americans how much we cherish liberty and how painful it is for any of our fellow citizens to be deprived of their freedom. In this light, perhaps we can begin to understand the great sorrow and anger felt by Ukrainians when they think of the long oppression suffered by their country after so brief a period of independence.

In the 59 years that Ukraine has labored under domination by the Soviet Union, this valiant nation and those who love it have never given up their hope that the Ukraine will once again be restored to freedom. Those who battled to keep Ukraine free have been set back, but they have not lost their struggle. The outpouring of support for their cause among my own constituents in the Detroit area is heartening evidence that the struggle continues to this day.

The United States remains one of the few nations on Earth which has been strong enough to gain and hold onto its freedom. As the leader of the free world, our Nation has the responsibility to lend support and solace to people who are struggling to achieve the liberty we sometimes take for granted. At a time when we have witnessed the orderly, democratic transfer of power and the liberation of our citizens held captive abroad, it is particularly appropriate that we renew our commitment to the cause of a free Ukraine.●

MILITARY EDUCATION BENEFITS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. WHITEHURST. Mr. Speaker, as our country concludes one of the saddest chapters in foreign diplomacy with the winding down of events in Iran, Americans everywhere are cognizant, perhaps as never before, of how vulnerable even a superpower is in this tenuously balanced world. And as Members of Congress, I hope that the seizure and 14-month detainment of our 52 fellow Americans served as a constant reminder to us all that our first and foremost duty is to provide for the Nation's defense.

In recent years, many of my colleagues and I have grown increasingly concerned with the ability of the All-Volunteer Force to accomplish this end. Recruiting and retaining competent individuals to serve in our Armed Forces represents one of—if not the most important—challenges confronting this Congress. The waning days of the 96th Congress renewed the hopes of those of us who have expressed these concerns with the passage of a number of military manpower initiatives to help turn things around. And there are indications that some of the actions taken in the past Congress have begun reversing some of these unhealthy trends.

The measures I speak of taken by the 96th Congress include raising military pay; improving medical benefits; increasing enlistment and reenlistment bonuses; increasing Navy sea pay and submarine sea pay; increasing flight pay; and approving a number of other pay and nonpay initiatives.

As I have just noted, there are indications that these initiatives have had an immediate and positive effect. With respect to the 11.7-percent-pay raise for military personnel approved in the past Congress, Navy officials are already observing a sharp upswing in reenlistments since the pay increase became effective last October.

Adm. Harry D. Train II, the Atlantic Fleet commander, recently noted that reenlistments of sailors in the Atlantic Fleet finishing their first terms jumped by 25 percent in November from such reenlistments in September.

According to Admiral Train's statistics, the number of those reenlisting after their first hitch was 25 percent higher; the number reenlisting after a second hitch rose 21 percent; and reenlistments among more senior people—those in the career category—was up 14 percent. Admiral Train predicts that these trends will continue and that a shortage of about 20,000 senior petty officers will be alleviated within 4 years.

While raw statistics are not always the best means of putting an issue in perpective, I believe that there are a few numbers that are certainly hard to ignore. With regard to the retention of skilled career officers and noncommissioned officers in all services, reenlistment rates of Navy career enlisted personnel, for example, dropped from 92 percent of those eligible in 1973—the first year of the All-Volunteer Force—to 67 percent in 1980. Marine Corps career enlisted retention dropped from 82 to 50 percent during the same period.

In a recent study on military manpower and the All-Volunteer Force, Robert L. Goldrich, of the Foreign Affairs and National Division of the Library of Congress Congressional Research Division, makes the observation that:

> Navy retention problems appear to be based in large part on dissatisfaction with long family separations resulting from an increased frequency of overseas deployments. This increased operating tempo, according to the Navy, has resulted from a decreased number of ships in the fleet being required to shoulder the same level—or an increased level—of Navy deployments worldwide. It is becoming extraordinarily difficult to find crews for some ships so they can put to sea as scheduled.

This point was dramatically driven home last spring when the U.S.S. *Canisteo* was declared temporarily unsafe for extended operations because of personnel shortages. In the same vein, the carrier *John F. Kennedy* had to borrow about 50 people from other commands before it could begin a Mediterranean trip during 1980.

Even though I am encouraged with the strides taken in the past Congress to address some of the retention problems facing our Armed Forces, I caution my distinguished colleagues that we must not ignore the other part of the problem—recruiting.

As the effects of declining birth rates that began in the 1960's are felt, the number of men reaching prime military age—18—each year will decline from approximately 2.1 million in 1979 to 1.7 million in 1978—a 20-percent drop. According to the Department of Defense, the active Armed Forces will then have to recruit annually 1 out of every 4.6 18-year-old males instead of the current requirement for 1 out of 5.6.

Mr. Goldrich points out in his report that:

> There is a general consensus that given present military manpower procurement and utilization policies, the services will not be able to maintain current military manpower strengths in the 1980's. Available manpower will have to be used more efficiently; more personnel will have to be retained in service after being enlisted; manpower requirements will have to be increased; or the proportion of the manpower pool actually recruited will have to be raised.

I bring this to your attention as a way of suggesting that if we are to continue with the All-Volunteer Force there must be a conscientious effort made to make service life more attractive. I submit that one desperately needed measure is the reinstitution of the GI bill, which would contribute greatly to recruiting and retaining quality military personnel. It was a grievous mistake in my opinion when the single-most visible benefit for junior enlisted personnel, education assistance under the GI bill, was dropped in 1977.

Mr. Speaker, President Reagan has indicated his strong support for a return to the GI bill, and it is my hope that 1981 will be the year it is reinstituted.

For these reasons I am today reintroducing two bills, which will go a long way in correcting the retention and recruiting problems plaguing our Armed Forces.

The first of these bills, the Armed Forces Educational Incentive Act, is designed to provide four basic educational assistance options.

The first option is specifically designed as an incentive for recruitment. To qualify for educational assistance, an enlistee must make a commitment of time and service. After 3 years of active duty and with a 3-year commitment to the Active Reserves, the individual qualifies for 18 months of educational assistance. This should also be an important benefit for those not necessarily interested in formal university level education, but who can take advantage of this option for junior college or technical school training. There is a critical national shortage of technicians, professional machine and tool designers, skilled medical assistants, and such training should help to alleviate that situation.

The second option is analogous to the original GI bill in concept and is designed as an incentive for both recruitment and retention. Thirty-six months of educational assistance would be provided to those who make the time and service commitment of 4 years of active duty, along with a 4-year service in the Active Reserves.

The third option provides 36 months of educational assistance to those individuals who remain on active duty 6 years before taking advantage of the GI bill. The Active Reserve commitment is waived. The 6 years of active duty should help relieve the critical skill shortage at intermediate enlisted personnel levels.

As an additional incentive for retention, a fourth option is provided which allows the individual to pass his or her 36-month educational assistance program on to a spouse or child after 16 years have been devoted to active duty.

The cost of this bill has been estimated to be about $1 billion per year. However, much of this cost would be offset by lowering recruiting and training costs, and by savings accruing from lower attrition rates which would result from a higher proportion of recruits who are high school graduates or are from the higher mental categories.

The second bill I am reintroducing today is the GI Educational Extension Act, which would extend the time available for educational assistance to a veteran beyond December 31, 1989, to a date 5 years after the veteran's last discharge or release from active duty.

As it is now, many of our military personnel elect to leave the service early in order to assure that they have the current GI bill benefits available to them. This premature loss of personnel is costly not only in terms of the lost knowledge and technical competence that have been built up over the period of service, but also in terms of replacing the equivalent man-years lost by their early separation.

In summary, these bills will pay for themselves over the long term, due to the increased tax revenues resulting from the improved earning potential of those who gain a higher education as a result of the GI bill. They represent a sound investment both in terms of improving our military forces and in improving the educational level and earning potential of millions of Americans.

Finally, I would remind my colleagues that the concerns I have expressed here have also been echoed in the Senate by Senator JOHN W. WARNER, of Virginia, who has introduced companion legislation in that body.

Thank you.●

H.R. 175—POSTAL RATE COMMISSION ACT OF 1981

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced H.R. 175, the Postal Rate Commission Act of 1981, which is intended to improve the operating efficiency of the Postal Rate Commission.

Under existing law, section 3601 of title 39, United States Code, members of the Postal Rate Commission are appointed on the basis of their professional qualifications. The intent of that language is to have a Commission consisting of experts in those fields relating to postal and rate matters. Unfortunately, members in the past have been appointed to the Commission with no background in postal and rate affairs. H.R. 175 would correct this situation by providing that member Commissioners shall be chosen on the basis of their qualifications or demonstrated knowledge in postal affairs, communications, law, economics, engineering, accounting, finance, or regulatory affairs—including rate setting.

The bill would also increase the authority of the Chairman of the Postal Rate Commission to assign the work of the Chairman to other Commissioners and employees. Presently, some routine administrative actions must be decided by the Commission as a whole, leading to inefficiency and administrative delays. The provision would in no way affect the power of the Commissioners to vote or make decisions on pending or future cases requiring a majority vote of the Commission such as in rate and classification cases.

Finally, H.R. 175 subjects the Commission to the provisions of the Budget and Accounting Act of 1921—title 31 of the United States Code, sections 1 and following.●

DISTRICT OF COLUMBIA MESS GOING FROM BAD TO WORSE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. FIELDS. Mr. Speaker, I would like to include in today's RECORD an excellent article that recently appeared in the Oklahoman, which is one of the outstanding newspapers in the Midwest. This article was written by Anthony Harrigan who is the executive vice president of the United States Industrial Council.

In this penetrating story, he highlighted the report from my Texas colleague, JIM COLLINS, who spoke on the House floor regarding the wastes of the District of Columbia in its fiscal administration.

I am sure that you will be interested in reading this excellent summary by Anthony Harrigan.

The summary follows:

D.C. MESS GOING FROM BAD TO WORSE

NASHVILLE.—One of the most scandalous examples of waste in government is the District of Columbia. Unfortunately, few taxpayers around the country realize the extent to which the District is subsidized.

U.S. Rep. Jim Collins of Texas recently brought out the relevant facts. He pointed out that the District of Columbia administration "leans on a liberal Congress for the federal government to furnish 43 percent of their budget."

From 1975 to 1980, the Washington, D.C. population dropped from 723,000 to 568,000. During that same period federal appropriations increased by almost $100 million.

"All this aid," Rep. Collins observed, "has encouraged welfare to the point that 23 percent of the District population receives welfare payments of some kind."

This outflow of welfare exists despite a per capita income of $10,911. In Texas, the congressman notes, the per capita income is $8,649. Yet only 9.8 percent—5.4 percent in Dallas County—of the people in the state receive welfare.

That's not the only abuse in the District. Rep. Collins reported that the District of Columbia has "the highest number of full-time equivalent state and local government employees per 10,000 at 748." In Texas, the figure is 498.

The District of Columbia also is a burden in the area of education. Congress gave the District of Columbia $392 million for education in 1981. The expenditure is $100 million above five years ago, despite a drop in enrollment from 127,000 to 98,000. During that period, expenditure per pupil rose from $1,470 to $2,823. In Texas, the average expenditure per pupil is $1,673.

This dependent entity actually has the nerve to demand representation in the United States Senate and House of Representatives. Fortunately, the constitutional amendment to achieve that end is getting nowhere. The people have the good sense to realize that the District doesn't qualify as an independent political entity.

A good argument can be made that Congress erred when it gave the District self-rule. Self-rule is only justified when there is fiscal self-reliance, and the District hasn't reached that point.

In recent years, the District government has gone from bad to worse. As it worsens, more and more of the financial responsibility for sloppy municipal government falls on the shoulders of the taxpayers around the nation. It is an unfair burden.●

HON. EMANUEL CELLER

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. FORD of Michigan. Mr. Speaker, a great man has passed away and he will be missed. Emanuel Celler, my friend and colleague in the House of Representatives, has died but my memories of him are fond.

I was just beginning my service in the House when Manny, as chairman of the Judiciary Committee, skillfully guided the Voting Rights Act of 1965 through the Congress. I will long remember his work as House Member for one-half a century, and chairman of the House Judiciary Committee for a good portion of that time. He is responsible for the passage of landmark legislation in the areas of civil rights and the Constitution while he was at the helm of the Judiciary Committee.

Emanuel Celler has been missed by many of us since the day he left the House of Representatives. He was a fine legislator and a great individual. He had wonderful humor and wit and he was a good friend and teacher. I am happy we were able to serve in the House together for a number of years. In my book, he was one of the best ever.●

AMENDMENT TO 1937 HOUSING ACT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. BIAGGI. Mr. Speaker, today I am reintroducing legislation, which I initially submitted last May during the 96th Congress, to amend section 8 of the U.S. Housing Act of 1937 for the purpose of providing more housing alternatives for lower income single individuals and married couples.

My legislation would broaden the scope of the present section 8 program by establishing a separate set of minimum property standards—MPS—for single room occupancy buildings—SRO's. Section 8 is the major Federal program which provides rental housing assistance for low income families and low income single persons who are elderly or handicapped. The program also makes units available for eligible persons through new construction or substantial rehabilitation.

Individuals who live in large urban centers are most familiar with SRO's, although they exist in many towns scattered throughout the United States. Generally, SRO's are hotels or roominghouses which offer furnished rooms, shared bathrooms and kitchens, and some management services. Current law renders SRO's ineligible to receive section 8 rent and building rehabilitation subsidies. Under existing MPS requirements, eligible housing must consist of self-contained units described as apartments which offer both a private kitchen and bath.

The legislation to amend the section 8 program which I offer today addresses a national problem. Across the United States, there are thousands of individuals who claim an SRO hotel as their home.

The reasons vary from a preference for single room living to the fact that their poverty renders the SRO the only housing alternative within their means. Most tenants are in fact very poor individuals who subsist on some form of public assistance. Many are physically or mentally handicapped. Despite their vulnerable status though, SRO residents tend to be a self-sufficient and independent group. They are also a very large group—the number of SRO's and their tenants is a widespread phenomenon in this country. According to a 1978 information paper published by the Senate Special Committee on Aging:

SRO hotels have been found in communities as varied as: Charleston and Huntington, W.Va., Big Stone Gap, Va.; Louisville and Lebanon, Ky.; Utica, Syracuse, and New York City, N.Y.; Des Moines, Cedar Falls, and Sioux City, Iowa; Portland, Oreg.; St. Louis, Mo.; San Diego, Santa Barbara, San Francisco, and Los Angeles, Calif.; Denver, Colo; Seattle, Wash.; Detroit, Mich.; Minneapolis, Minn.; Chicago, Ill.; and Richmond Va.

Nationwide estimates of SRO population are unavailable, but they have been made for several cities:

In Benton, Ill. (population 6,800), there is one SRO hotel with 30 units, 12 of which are occupied by elderly persons. In addition, there are three SRO roominghouses with a total of 18 units, four of which are occupied by elderly persons.

In Syracuse, N.Y. (population 197,000), there are seven SRO hotels (519 units)—four with absolutely no services and three with a combination of maid and linen services, television, and/or air conditioning. Nearly one-fourth of the rooms are occupied by elderly persons.

In Denver, Colo. (population 500,000), a service agency has identified 42 residential hotels in the downtown area, ranging from 18 units to 194 units. Forty-eight percent of the occupants are over 60.

In San Diego, Calif. (population 697,000), the core downtown area houses 32 residential hotels with upwards of 2,300 rooms. Approximately 59 percent of the rooms are rented on a permanent basis—over six months. The model age of this census tract according to the 1970 census was 65–74 years for men and 75 years and over for females.

In Portland, Oreg. (population 383,000), a sampling of four SRO's reveals that 50 percent of the permanent occupants are over the age of 60.

In New York City, N.Y. (population 7.8 million), 280 SRO's (approximately 50,000 rooms) have been identified by housing and service agencies. Unofficial estimates, however, indicate that as many as 8,000 SRO's may be located in New York City. A sampling of the buildings indicates that 18.3 percent of the population is over age 60.

The need to upgrade SRO's to offer affordable and decent residences for the low income is especially urgent because of the scarcity of available housing. Nationwide, this country is experiencing a housing shortage which is especially acute in urban centers where the existing supply of moderate- and low-income units has not been maintained.

As a Representative from New York City, this issue is of particular concern to me. The housing stock for SRO tenants has been steadily dwindling, most precipitously during the past 5 years. Mounting maintenance and operating costs, management indifference, and the city's J-51 tax exemption and abatement program which provides incentives for landlords to convert SRO's into apartment units have resulted in the loss of homes for many SRO dwellers. Between 1975 and 1979, the number of SRO rooms dropped from 50,454 to 28,232. Just last year, 10 SRO hotels closed down and twice that number raised their rates above the designated lower price hotel level. Moreover, New York State's vigorous pursuit of their policy to deinstitutionalize the mentally ill has resulted in an influx of thousands of ex-patients into the city. Most migrate to SRO's where they must learn to fend for themselves. Others—at least 5,200—are left completely homeless. With a vacancy rate of about 3 percent in New York City, continued SRO conversion and building deterioration can only serve to exacerbate the serious housing shortage.

The rental housing situation on a national level closely parallels the dismal picture in New York. Since 1974 the national rental vacancy rate has declined steadily. In 1978 the rate declined to 4.8 percent, the lowest recorded rate in 22 years. This low vacancy rate has particularly affected lower income families. According to a 1979 report by the General Accounting Office:

Lower income households are finding it increasingly difficult to locate affordable rental units.

Furthermore, the report states:

While the median rents have increased by an average of 9.6 percent annually (1973–1977), renter income has only increased 5.6 percent annually.

As a member of the House Select Committee on Aging, I would be remiss if I did not raise the point that one of the largest segments of the older population is the single dweller. In New York City for instance, there are 270,000 elderly who live by themselves and pay between 25 to 40 percent of their limited incomes on rent. The number of elderly households paying low rent, furthermore, has steadily declined over the years. Whereas in 1970 in New York City, 56 percent were paying less than $100 for rent and utilities, only 25 percent paid below $100 in 1975.

In a land as affluent as the United States, the lack of so basic a necessity such as shelter is a disgrace. Failure to act promptly will permit further deterioration of SRO's. Already widely regarded as filthy, crime-ridden buildings where drug addicts and other undesirables congregate, SRO's will continue to worsen until, through conversion, they will cease to exist, or fall completely beyond repair. This will render homeless greater numbers of the most vulnerable segment of our society—the poor, the elderly, and the disabled.

However, this negative assessment need not be the final prognosis. Remedial steps, such as my legislation, can be taken now to improve the situation. My bill would make the section 8 program a viable one for the SRO community by providing incentives for landlords to maintain their buildings so as to qualify for leasing and assistance costs and improvements. This would allow SRO hotels to maintain solvency and undergo repairs without major tenant displacement.

In this day and age where shortage of housing is a major concern in urban areas, and the number of needy individuals is great, we should not overlook this potential solution.●

TRES CONDADOS GIRL SCOUT COUNCIL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I wish to bring to the attention of my colleagues a meritorious honor which has recently been bestowed upon the Tres Condados Girl Scout Council, a council comprising over 9,000 girls and 2,500 adult volunteers in my district.

Tres Condados is the recipient of the Juliette Low World Friendship Medal—an honor bestowed upon this council for the efforts made by its members to further multicultural and international understanding through girl scouting. It is my privilege to announce that of the 346 Girl Scout councils throughout the United States, the Tres Condados Council was 1 of only 10 councils nationwide to receive this prestigious award.

Girl Scouts of America has long been recognized as a leader among youth service agencies. The reasons are obvious: Scouting offers our young women the opportunity not only to expand their knowledge and appreciation of other cultures, but through service to their community and comradery with youngsters of different social, ethnic, and religious backgrounds, girl scouting lays a foundation for these young women to discover their own potential and to become the leaders of tomorrow.

I wish to commend the president of the Tres Condados Council, Dixie Wilson; the program director, Jill Beckwith; and the members of the program committee for their dedication and hard work in earning the Juliette Low World Friendship Medal.●

LEGISLATION ON IRS ANNUITY RULING

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CONABLE. Mr. Speaker, earlier this month I introduced H.R. 743, which is designed to remedy an injustice in the administration of our tax laws. H.R. 743 reinstates the tax treatment of annuity contracts with reserves based on a segregated asset account as they existed prior to the issuance of revenue ruling 77–85. This bill is identical to H.R 12173 and H.R. 6287 that I introduced in the 95th and 96th Congresses respectively.

From 1963 to 1965, when the IRS issued basic rulings on this matter, all relevant departments of the national office of the Internal Revenue Service insisted that an innovative form of annuity upon which the IRS had been asked to rule was purely and simply a variable annuity pursuant to the separate account laws that had been recently enacted in 1962—for sales identification purposes, this variable annuity became known as the investment annuity.

During the ensuing 12 years after 1965, the IRS reaffirmed its basic position over 70 times, including the issuance of revenue ruling 68–488 pertaining to deferred annuities. On March 9, 1977, the IRS issued revenue ruling 77–85 that completely reversed its longstanding rulings upon which an important segment of the life insurance industry relied. That result was, and continues to be, devastating to this segment of the industry.

Many Representatives and Senators protested this action to the Treasury and the IRS. On April 29, 1977, the Senate passed by a vote of 57 to 26 amendment No. 243 to H.R. 3477, the Tax Reduction and Simplification Act of 1977, that would have deferred the effective date of revenue ruling 77–85 for 1 year in order to permit Congress the opportunity to study the matter

and to legislate, if appropriate. Amendment No. 243 was dropped in subsequent negotiations on H.R. 3477 by the conference committee.

Immediately after the conference committee completed its deliberations, one insurance company, the originator of the investment annuity and whose entire business was destroyed by the IRS reversal, sued the Internal Revenue Service in the U.S. District Court, District of Columbia, for arbitrary, illegal, and capricious acts.

On November 9, 1977, the court declared:

Revenue Ruling 77-85 is an erroneous and unreasonable interpretation of the Internal Revenue Code, and, in view of this fact that substantial deference to the Agency's expertise is not warranted by facts of the case, the Court will declare the Rule to be unlawful and beyond the Service's statutory authority.

Revenue Ruling 77-85 is unlawful and beyond the Service's statutory authority in that its determination that the policyowner, rather than the issuing life insurance company, is the owner of the Investment Annuity custodial account assets is erroneous and unreasonable.

The Service's decision in Revenue Ruling 77-85 was not contemporaneous with the enactment of Section 801(g)(1)(B), does not reflect a longstanding Agency position, and is inconsistent with earlier pronouncements and even one subsequent announcement, of the Agency. Accordingly, substantial deference to the Service's expertise is unwarranted in the instant case.

Substantial deference to the Service's expertise is also unwarranted because the Service was improperly motivated by considerations of tax reform when it issued Revenue Ruling 77-85.

The judge expressed the confident assumption that the IRS would proceed to rectify its error without the need for the issuance of an injunction.

The IRS refused and stated that it would appeal any injunction issued and would retroactively tax any annuities sold during the interim of the appellate process should the IRS win on appeal.

The President's 1978 tax program proposed the taxation of all nonqualified deferred annuities in the same way as that imposed upon the investment annuity by revenue ruling 77-85; it was this same way that had been declared unlawful in district court (see citation above). These proposals for all annuities encompassed investment annuities subject to revenue ruling 77-85.

The President's 1978 tax proposals relating to all annuities was rejected by the Ways and Means Committee while H.R. 12173, to override revenue ruling 77-85, received a favorable committee vote of 22 to 14. However, due to procedural constraints at that time, H.R. 12173 was not included in the tax bill reported by the committee.

In October 1979, the appellate court rendered its decision upon the IRS appeal of its conviction in district court. The appellate court never addressed the merits of the investment annuity matter because that court found that the Anti-Injunction Act barred court empowered relief. The court stated in its conclusions that:

This is not a situation where there are no remedies, however. Congress keeps a watchful eye on developments in the tax field and will listen to citizens with a grievance or plea.

On September 24, 1980, the IRS struck again at the savers annuity segment of the annuity industry. Without giving the interested parties the opportunity to be heard, the IRS issued revenue ruling 80-274 that completely reversed prior IRS rulings upon which this other important segment of the industry had to rely. Ruling 80-274 destroyed the savers annuity segment of the industry also, at great economic loss.

It is appropriate to note that these prior savings annuity rulings—that are now reversed—had been issued contemporaneously with, and subsequent to, revenue ruling 77-85; therefore, the IRS had to have concluded that the annuities subject to the prior rulings were distinguishable from annuities subject to revenue ruling 77-85. And yet, in issuing revenue ruling 80-274, not only did the IRS reject its own prior determinations, the IRS provided no rational legal basis for its reversal and incredibly bottomed revenue ruling 80-274 upon revenue ruling 77-85, the ruling that the court had declared on its merits as being illegal, unreasonable, and ignorant of the law (see citation above).

The advocates of the annuities impacted by revenue rulings 77-85 and 80-274 have a serious grievance which requires a congressional remedy. I believe that the action by the IRS in issuing revenue ruling 77-85 and 80-274 has resulted in severe inequities, and I hope that the Ways and Means Committee will consider this matter promptly in order to restore these annuities to their proper place under the law and to rectify the injustice that continues.●

H.R. 10—POSTAL MINORITY CONTRACTING

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 10, which requires that at least 10 percent of all contracts granted by the U.S. Postal Service shall be awarded to minority business enterprises. H.R. 10 is intended to insure equal economic opportunity within the Postal Service by the limited use of criteria which will accomplish remedial objectives in an area where voluntary compliance has been inadequate.

H.R. 10 is an outgrowth of several years' investigation by my Subcommittee on Postal Operations and Services. For example, in 1978, I found that minority business firms in 12 selected cities received only 3 percent of over $50 million of Postal Service procurement dollars. In six cities—Baltimore, Md.; Cleveland, Ohio; Detroit, Mich.; New York, N.Y.; St. Louis, Mo.; and Washington, D.C.—less than 1 percent of Postal Service contractual dollars were directed to minority businesses.

I was appalled by the dismal record of the Postal Service in support of minority business and learned that minority firms were almost entirely excluded from providing supplies, services, and equipment because ongoing programs within the Postal Service are ineffective in making equal economic opportunity a reality within the Postal Service.

My bill, H.R. 10, addresses these problems by providing that:

First, at least 10 percent of the expenditures made by the Postal Service shall be for minority business firms.

Second, a case-by-case exemption is provided, subject to at least thirty days advance notice to the authorizing committees in the House and the Senate, including the reasons for the exemption.

Third, the requirements of the bill shall not apply to collective bargaining agreements.

Fourth, minority business enterprise is defined to mean a firm which is owned by at least 50 percent designated minority ownership.●

THE LA SALLE COLLEGE WOMEN'S FIELD HOCKEY TEAM, NATIONAL AIAW DIVISION II CHAMPIONS

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. DOUGHERTY. Mr. Speaker, the women's field hockey team from Philadelphia's La Salle College are national champions. The Explorers have captured the AIAW Division II national championship for the 1980 women's field hockey season.

Led by Coach Joan Broderick and Women's Athletic Coordinator Kathy Wear, the women from La Salle finished their 1980 season with a 12-game winning streak, capped by national championship tournament victories over Northeastern, Eastern Illinois, Denver, and Southwest Missouri State to take the championship in November. This national title was achieved in the 6th year of the women's hockey program at La Salle College, and the 10th year of coeducation at this outstanding institution, which has made

an invaluable contribution to the educational life of Philadelphia and the Nation.

The scoring of senior Laura Frieze from Twin Oaks, Pa., and the goaltending of junior Vicki Smith from Philadelphia and sophomore Kelly Walker of Pennsauken, N.J., sparked the team to victory in the championship game. Special recognition also goes to junior Kathy McGahey of Blackwood, N.J., the all-time leading goal scorer at La Salle and a member of the U.S. field hockey team, and sophomore Barbara McGugan of Moorestown, N.J., the team's second leading scorer, who was injured in the championship game against Southwest Missouri. Plagued by the injuries of McGugan and senior Mary Trautwein of Melrose Park, Pa., the team relied on other experienced players to take the title. Each member of this winning women's field hockey team deserves our applause for outstanding teamwork and a remarkable desire to win.

Mr. Speaker, to the La Salle College women's field hockey team, we offer our heartiest congratulations for bringing another championship to Philadelphia—a city of champions—and we extend to the Explorers our gratitude for the example they have given us of what can be accomplished through dedication and hard work. We also offer to this outstanding team our very best wishes for their continuing success.

1980 LA SALLE COLLEGE FINAL FIELD HOCKEY STATS

(19–6)

Name	25 games		
	Goals	Assists	Points
Kathy McGahey	19	9	28
Laura Frieze	15	9	24
Barbara McGugan	16	6	22
Joanne Weber	7	6	13
Mary Trautwein	5	4	9
Nancy Richards	7	1	8
Mary Kaiser	3	1	4
Carol Weber	2	1	3
Cindy Ambrusso	0	1	1
Helen Neary	0	1	1
Liz Crawford	0	1	1
Total	74	40	114

Goalies	Games	Shots-on	Saves	Goals	Efficiency
Vicki Smith	16	223	125	76	1.62
Kelly Walker	9	98	49	10	1.11
Total	25	321	174	86	1.44

Opponent	Score	Record
Temple	2–3	7–6
Lafayette	3–1	8–6
Lehigh	2–1	9–6
Swarthmore	8–0	10–6
Drexel	4–2	11–6
Montclair	5–3	12–6
Pittsburgh [1]	2–1	13–6
Lafayette [1]	3–0	14–6
Drexel [1]	4–2	15–6
Northeastern [2]	3–1	16–6
Eastern Illinois [2]	2–1	17–6
Denver [2]	3–0	18–6
Southwest Missouri [2]	3–2	19–6

[1] EAIAW Championships
[2] National Championships ●

THE FREEING OF OUR HOSTAGES

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. DWYER. Mr. Speaker, it is a great honor and joy for me to begin my first term representing New Jersey's 15th District knowing that the hostage crisis has finally come to a close.

The people of the 15th District have always held a special concern for those 52 Americans imprisoned for so long in Iran. We prayed for their release and now rejoice, as finally, our prayers have been answered.

The American dream and the fundamental freedoms which accompany that dream brought tens of thousands of Europeans to our district, confident that here, those freedoms would be nurtured and protected. To think that our fellow Americans were without those freedoms for 444 days is a tragedy.

However tragic, the hostages' survival and the strength that they all showed during their ordeal is a triumph of the American spirit. On behalf of myself and those I serve, I salute them and pray that such a violation of human rights will never be repeated.

Still, there is a lesson to be learned from this moment in history. The hostages are on their way home, but the slate is by no means clean. Throughout this crisis, we have exhibited our tenacity and restraint. Now it is incumbent upon us to prove our wisdom. The unrest in that corner of the world did not end with the freeing of the hostages. Our role there and elsewhere in the coming decade demands careful study; a rethinking is in order, guided by the courage of those Americans, who, thank God, are nearly home.●

A BILL TO END SCHOOL BUSING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. McDONALD. Mr. Speaker, on January 6, 1981, I reintroduced a bill, H.R. 761 to eliminate Federal court jurisdiction over forced school attendance. Its purpose is to prohibit Federal court orders forcing children to attend a particular school, such as orders to bus children to specified schools because of their race. Its means is to employ the authority granted to Congress by article III of the Constitution to restrict the jurisdiction of the Federal courts to issue such orders.

Frankly, it is suprising there are still proponents of school busing for the purpose of achieving racial balance. It is costly, it is driving down the quality of education, and it is apparently resulting in greater segregation, the very opposite of its alleged purpose.

Even sociology professor James Coleman, the author of the influential 1966 study used as a basis of many busing orders, now says court-ordered school integration is a failure. A further study by Coleman shows that court-ordered integration results in a "general resegregation in all regions of the country." In an interview published in the National Observer, Coleman called the courts "the worst of all possible instruments for carrying out a very sensible activity like integrating schools."

BUSING FOSTERS RACISM

But by far its most pernicious aspect is the effect on the children who are caught up in it. Racism is a crude form of collectivism. It consists of treating people as members of racial groups instead of as individuals based on their own qualities of character. Consider what a young person is taught when he is uprooted from his school and friends and forced to attend some distant school, and told that the reason is his race. Thus are the seeds of racism planted in young and impressionable minds.

And thus it is no wonder that busing increases racial awareness and racial tensions. If we wish to attack racism, we must eliminate race as a standard for determining anything. Which means we must eliminate Government-imposed quotas and "affirmative actions." The first to go should be one of the most insidious: assignment of children to various schools on the basis of their race.

FROM BROWN TO GREEN: THE SWITCH FROM NONRACIAL TO RACIAL SCHOOL ASSIGNMENT

To eliminate this we must curb its chief source: the Federal courts. Some of these courts are now holding that busing is necessary to remedy violations of the constitutional right to the

equal protection of the law under the 14th amendment.

Consider, however, the history of desegregation decisions dating back to *Brown* v. *Board of Education*, 347 U.S. 483 (1954). In that case the Court held that State policies requiring the separation of students in the public schools on the basis of race violated the equal protection clause of the 14th amendment, thus overturning the "separate but equal" doctrine established in *Plessy* v. *Ferguson*, 163 U.S. 537 (1895). The Court, in the words of Chief Justice Earl Warren, stated "the fundamental principle that racial discrimination in public education is unconstitutional," and held that "All provisions of Federal, State, or local law requiring or permitting such discrimination must yield to this principle."

In discussing appropriate remedies, Chief Justice Warren further stated:

> At stake is the personal interest of the plaintiffs in admission to public schools as soon as practicable on a *nondiscriminatory* basis.

And,

> the courts may consider * * * revision of school districts and attendance areas into compact units to achieve a system of determining *admission to the public schools on a nonracial basis* * * * (emphasis added).

I am not sure how the Supreme Court could have been more explicit—racial discrimination in public education is ruled unconstitutional and admission to the public schools must be on a nonracial basis. And yet a series of Federal court decisions over a period of years have resulted in exactly the opposite—the ordering of children to attend certain schools because of their race.

At first the Court declined to interfere with the administration of its Brown mandate, allowing the enactment and administration of "pupil placement laws" assigning each student to a school on the basis of formally nondiscriminatory criteria. Eventually, however, the lower courts began voiding these laws on the grounds of discriminatory application and in the early 1960's various State practices such as school closings, minority transfer plans, and zoning were ruled inadmissible. What followed is well summarized in the "Constitution of the United States of America, Analysis and Interpretation," prepared by the Congressional Research Service, Senate Document 92-82, page 1498:

> About this time, "freedom of choice" plans were promulgated under which each child in the school district could choose each year which school he wished to attend and subject to space limitations he could attend that school. These were first approved by the lower courts as acceptable means to implement desegregation, subject to the reservations that they be fairly administered.

However—

> Enactment of Title VI of the Civil Rights Act of 1964 and HEW enforcement in a manner as to require effective implementation of affirmative actions to desegregate led to a change of attitude in the lower courts and to a three-case decision in the Supreme Court posited on the principle that the only desegregation plan permissible is one which actually results in the abolition of the dual school and charging school officials with an affirmative obligation to achieve it.

The crucial case was *Green* v. *County Board of Education*, 391 U.S. 430 (1968), in which the Court declared that State and local authorities have an "affirmative duty" to abolish the effects of former discriminatory practices.

Notice the switch, the change from eliminating discrimination on the basis of race to requiring it. Traditionally the test of violation of the equal protection clause has been whether segregation is de jure, the result of intentional action of school officials, or de facto, resulting from factors other than the application of the law by State and local officials—neighborhood residential patterns, for example. But as the courts began to rule on the various plans of school districts to eliminate racial discrimination, they increasingly expanded the scope of de jure segregation until it included virtually any schools not containing proper ratio of black and white students. Thus it became virtually impossible for school officials to come up with any plan of student assignment that would not be ruled a case of de jure segregation.

Now the obvious solution is the freedom of choice plan that many school systems attempted to implement. If a student is given the freedom to choose which school to attend, clearly he is not being discriminated against because of his race; however, when the courts began disallowing such plans and requiring affirmative action instead, they made it impossible to implement the Brown mandate to eliminate racial discrimination from our public schools—there is simply no way to pursue an affirmative duty without making race the standard of school assignment.

This was made clear by the subsequent Court ruling in *Swann* v. *Board of Education*, 402 U.S. 1 (1971), in which the Court pointed out that the neighborhood school or any other student assignment plan "is not acceptable simply because it appears to be neutral." Instead, the Court stated:

> Because the present situation may be attributable to past discriminatory actions in site selection and location of school buildings, it is permissible, and may be required, to resort to altering of attendance boundaries and grouping or pairing schools in noncontinuous fashion in order to promote desegregation and undo past official action; in the remedial process, conscious assignment of students and drawing of boundaries on the basis of race is permissible for the moment.

The Swann decision explicitly approved busing of students in this remedial process.

BUSING IS DISCRIMINATORY AND ILLEGAL

Two things must be said about this policy of ordering race-conscious school assignments to remedy past discrimination. First, discriminating against today's schoolchildren in no way corrects past discrimination. No one would advocate that a man's son pay for a crime committed by his father; yet in regard to racial discrimination, many people somehow believe that guilt is collective, is passed on from one generation to the next, and that punishing today's children is an appropriate means of atoning for yesteryear's sin.

Second, such a policy is illegal. Equal protection of the law is surely not afforded to those children forced to attend a particular school because of their race. In fact this is precisely what the Supreme Court held in the Brown case when it outlawed racial discrimination and ordered admission to the public schools on a nonracial basis. Congress agreed when it passed the Civil Rights Act of 1964 defining "Desegregation" as—

> the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin, but "desegregation" shall not mean the assignment of students to public schools in order to overcome racial imbalance. (42 U.S.C. 2000c.)

So what should be done? School busing is illegal and irrational, but the Federal courts continue to order it. One possibility is a constitutional amendment. However, I do not think this is necessary since under any logical interpretation of the law, school busing is already illegal. Besides, such an approach could take many years and thus prolong the injustice.

No. It is clearly the courts that are at fault; it is their illogical and inconsistent interpretation of the law that is the problem, not the actual law.

This is why I chose to introduce legislation to restrict court jurisdiction rather than amend the law. In fact, I believe the possibility of such obvious overstepping of bounds by the courts is precisely why the Founding Fathers gave Congress the power to control the courts. Just as the doctrine of judicial review gives the courts a means of checking the power of Congress, the authority to restrict jurisdiction gives Congress a means to check the power of the courts.

THE CONSTITUTIONALITY OF REGULATING COURT JURISDICTION

The question is raised, however, as to just how far this authority to restrict court jurisdiction extends. Two things are clear: The authority is very broad indeed, but it is not unlimited.

The Constitution, article III, sections 1 and 2, explicitly grants Congress the power to control the courts: With respect to the Supreme Court, by regulating its appellate jurisdiction; with respect to the inferior Federal courts, by establishing them in the first place and thus regulating both their original and appellate jurisdiction.

The Supreme Court has upheld the right of Congress to control its appellate jurisdiction in a number of cases. "By the Constitution of the United States," the Court held in *Barry* v. *Mercein*, 5 How. (46 U.S.) 103, 119 (1847), "the Supreme Court possesses no appellate power in any case, unless conferred upon it by act of Congress." And in *Daniels* v. *Railroad Co.*, 3 Wall. (70 U.S.) 250, 254 (1865), the Court said that in order for a case to come within its appellate jurisdiction—

> two things must occur: the Constitution must give the capacity to take it, and an act of Congress must supply the requisite authority.

In the same case, the Court also stated:

> It is for Congress to determine how far, within the limits of the capacity of this court to take, appellate jurisdiction shall be given, and when conferred, it can be exercised only to the extent and in the manner prescribed by law. In these respects it is wholly the creature of legislation.

Perhaps the most explicit statement in support of Congress authority to restrict appellate jurisdiction came in ex parte McCardle. In this case—

> The Court accepted review on *certiorari* of a denial of a petition for a writ of *habeas corpus* by the circuit court; the petition was by a civilian convicted by a military commission of acts obstructing Reconstruction. Anticipating that the Court might void, or at least undermine, congressional reconstruction of the Confederate States, Congress enacted over the President's veto a provision repealing the act which authorized the appeal *McCardle* had taken. Although the Court had already heard argument on the merits, it then dismissed for want of jurisdiction. "We are not at liberty to inquire into the motives of the legislature. We can only examine into its power under the Constitution; and the power to make exceptions to the appellate jurisdiction of this court is given by express words." (Op. cit., page 752.)

Likewise there are a number of decisions in which the Court has upheld the power of Congress to regulate the jurisdiction of the inferior courts, on the basis that they owe their very existence to Congress in the Judiciary Act of 1789. For example, in Turner against Bank of North America, the issue involved the jurisdiction of the Federal courts when a suit was brought to a Federal court under its diversity jurisdiction, an action prohibited by the Judiciary Act of 1789. The defense counsel argued that the grant of judicial power by the Constitution was a direct grant of jurisdiction, but the court disagreed:

> The notion has frequently been entertained, that the federal courts derive their judicial power immediately from the constitution; but the political truth is, that the disposal of the judicial power (except in a few specified instances) belongs to congress. If congress has given the power to this Court, we possess it, not otherwise: and if congress has not given the power to us, or to any other Court, it still remains at the legislative disposal. Besides, congress is not bound, and it would, perhaps, be inexpedient, to enlarge the jurisdiction of the federal courts, to every subject, in every form, which the constitution might warrant. 4 Dall. (4 U.S.) 8 (1799).

Even the father of judicial review, Chief Justice Marshall, held the same view, observing in ex parte *Bollman*, 4 Cr. (8, 10 (1799)), that "courts which are created by written law, and whose jurisdiction is defined by written law, cannot transcend that jurisdiction."

More recent Court decisions have also supported this principle. For example, in 1932 Congress enacted the Norris-La Guardia Act, prohibiting the issuance of injunctions in labor disputes except by compliance with a lengthy hearing and factfinding process, which was challenged in court on jurisdictional grounds. The law was upheld in *Lauf* v. *Skinner & Co.*, 303 U.S. 323, 330 (1938), however, wherein the Court declared:

> "There can be no question of the power of Congress to thus define and limit the jurisdiction of the inferior courts of the United States."

The Emergency Price Control Act of 1942, in which Congress provided for a special court to handle challenges to the validity of price regulations, was another clear-cut example of congressional restriction of Federal inferior court jurisdiction. The basic constitutionality of this act was upheld in *Lockerty* v. *Phillips*, 319 U.S. 182 (1943), while in *Yakus* v. *United States*, 321 U.S. 414 (1944), the Court held that the act's removal of the district court's jurisdiction to examine the constitutional validity of regulations was not a denial of due process.

THE LIMITS OF CONGRESSIONAL AUTHORITY TO CONTROL THE COURTS

Clearly the power of Congress to control the Federal courts through regulating their jurisdiction is very broad indeed. Nevertheless it is not without limits. For if it were, if Congress could withdraw Federal court jurisdiction over literally any matter it chooses, then obviously basic constitutional foundations such as express prohibitions, separation of powers, and the nature of the judicial function could be overturned by congressional whim.

What these limits are precisely is not so obvious; however, an examination of ex parte McCardle provides some guidance. This case is most significant because the court held that Congress has the authority to legislatively restrict court jurisdiction over writs of habeas corpus, even though habeas corpus is a right expressly granted by article I, section 9 of the Constitution, and thus it marks perhaps the furthest advance by Congress over court jurisdiction. However, even in that case there were limits, as the court observed in concluding its opinion:

> Counsel seem to have supposed, if effect be given to the repealing act in question, that the whole appellate power of the court, in cases of habeas corpus, is denied. But this is an error. The act of 1868 does not except from that jurisdiction any cases but appeals from Circuit Courts under the act of 1867. It does not affect the jurisdiction which was previously exercised. (Op. cit., pages 757-758.)

It is possible, therefore, that the court would not have ruled as it did if the question had been to deny absolutely an appeal from a denial of a writ of habeas corpus.

So what may we deduce regarding the limits of congressional power to control the Federal courts by regulating their jurisdiction? I believe it can be summarized as follows:

First. The power of Congress to control the inferior Federal courts is unlimited. This power is expressly granted by the Constitution when it authorizes Congress to establish inferior courts, which Congress did by the Judiciary Act of 1789, and has been upheld consistently by numerous Court decisions.

Second. The power of Congress to control the appellate jurisdiction of the Supreme Court with respect to statutory questions is likewise unlimited. This power is expressly granted by the Constitution and has been upheld by numerous Court decisions.

Third. The power of Congress to control the appellate jurisdiction of the Supreme Court with respect to constitutional questions is not unlimited. Although the Constitution explicitly grants such power to Congress, it could not validly be used to undermine the very purpose and foundations of the Constitution itself. Thus the Congress does not have the power to regulate the appellate jurisdiction of the Supreme Court if its effect would be to infringe on the separation of power or to prohibit the Court from exercising its judicial function in protecting rights enumerated in the Constitution.

THE CONSTITUTIONALITY OF H.R. 761

So what about H.R. 761? Well, if this bill restricted Federal court jurisdiction with respect to freedom of speech or with respect to the equal protection clause of the 14th amendment, it would be unconstitutional— at least in regard to the appellate jurisdiction of the Supreme Court. But it does not. It restricts Federal court jurisdiction with respect to school attendance; specifically, it prohibits the courts from requiring any individual to attend any particular school.

Now since education is not mentioned in the Constitution and public education has been created by statute,

restricting court jurisdiction with respect to school attendance does not ostensively raise a constitutional question. However, the question of constitutionality might be raised in desegregation cases under the equal protection clause of the 14th amendment. But it is important to keep in mind precisely what jurisdiction H.R. 761 restricts. It does not prohibit the Federal courts from hearing cases dealing with school desegregation. What it does, in effect, is deny to the courts the ability to order what some courts have alleged to be remedies in such cases.

It still allows the Federal courts to hear such cases and to order any remedial action they consider appropriate, except for those remedies which involve forced school attendance—particularly forced school attendance on the basis of an individual's race. The courts would have jurisdiction, for instance, to require school attendance plans based on freedom of choice, which would be consistent with the Brown decision, the equal protection clause, and the Civil Rights Act; they would not have jurisdiction, however, to order school attendance plans requiring school assignment on the basis of one's race—plans which are not consistent with Brown, the equal protection clause or the Civil Rights Act.

It may be argued that offering freedom of choice plans as remedies for segregated schools is inappropriate on legal grounds because of the doctrine of stare decisis—which holds that courts should follow the rules or principles laid down in previous judicial decisions unless they contravene the ordinary principles of justice—since such plans have already been struck down in some court decisions. But it is the principle established by such decisions—that affirmative action must be taken to desegregate schools and thus that children must be assigned to schools on the basis of their race—which is not consistent with the Brown decision. Thus while overturning earlier decisions disallowing freedom of choice plans may appear to be a violation of stare decisis, in fact such action would merely bring remedies in line with the principle of nonracial school assignment established by Brown.

It should also be noted that stare decisis, while serving a valid judicial function, is by no means an ironclad rule, particularly in cases dealing with constitutional issues. Its limitations have been progressively weakened since Pollock against Farmers' Loan and Trust Co. in 1895, since which some 143 decisions have overturned one or more earlier decisions of constitutional questions (op. cit., page 683). Brown, of course, is itself one of the most famous instances of an established doctrine being overturned.

Mr. Speaker, I hope the Judiciary Committee can schedule hearings on this legislation in the near future. In terms of fostering race consciousness, in disrupting the lives of our young people and interfering with their education, forced busing is exacting an enormous price. I believe restricting the jurisdiction of the Federal courts is the fastest way of eliminating this.

The text of the legislation follows:

H.R. 761

To insure the equal protection of the laws and to protect the liberty of citizens as guaranteed by the fourteenth amendment, by eliminating Federal court jurisdiction over forced school attendance

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, pursuant to article III, sections 1 and 2, of the United States Constitution, no court of the United States shall have the jurisdiction to make any decision, or issue any order, which would have the effect of requiring any individual to attend any particular school.●

THE ANNIVERSARY OF UKRAINIAN INDEPENDENCE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. HOLLENBECK. Mr. Speaker, 63 years ago the proud and fiercely independent Ukrainian people attempted to win freedom when a group of patriots proclaimed the independence of their native land from Russia. I would like to take this opportunity to join my colleagues in commemorating this important event, which should remind us that the Ukrainians now, as in the past, are determined to guide their own future in a sovereign state.

The Ukrainians' unique cultural, historical, and intellectual traditions provide a source of continuing national pride that can never be subdued by the forced ideology of a foreign state. We must never be allowed to forget the unceasing efforts of the Ukrainian people in their campaign for renewed independence.

As we express our concern for the citizens of Ukraine, we must also pay tribute to the many Ukrainian Americans who have made significant political, economic, and cultural contributions to the well-being of this country. They have distinguished themselves by constructive citizenship, by their dedication to America, and by their unyielding devotion to the cause of liberty.

In remembering this anniversary of Ukrainian independence, we in the United States are expressing our support for the aspirations of the Ukrainian people and our fervent hope that the Ukraine will again recover its freedom. I only wish for that day in the near future when, instead of marking the anniversary of an independence since lost, we will celebrate a renewed independence of modern times.●

STATEMENT UPON INTRODUCTION OF LEGISLATION TO PROVIDE FEDERAL SUPPORT FOR ACTIVITIES TO PREVENT AND TREAT THE PROBLEM OF DOMESTIC VIOLENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. BIAGGI. Mr. Speaker, today I am introducing legislation which addresses a growing problem in this Nation which begs a solution—the problem of physical abuse and neglect of family members of all ages, better known as domestic violence.

This bill is very similar to legislation approved by this House by a vote of 292 to 106 on December 12, 1979, and the Senate on August 26, 1980. As New York's senior member of the House Education and Labor Committee which considered this legislation, I was also a member of the conference committee which fashioned the final version. Unfortunately, the last days of the 96th Congress did not allow us to complete our business on this vital piece of legislation. At that time, I pledged to reintroduce this bill again so that we may begin to address the issue of domestic violence prevention and treatment.

My involvement with the issue of family violence has been lifelong, beginning with my 23-year career in the New York City Police Department. I was a firsthand witness of the victims as well as the abusers. This involvement stimulated my interest and concern in this area and prompted me to introduce the first child abuse prevention and treatment legislation in this House. The 1974 Child Abuse Prevention and Treatment Act created the Federal response to this problem. Our work in this area has been invaluable for many helpless children. Today, we must seek to expand our efforts in this area in order to assist other family members—spouses, parents, and grandparents—who have also become the tragic victims of domestic violence.

In order to help the nearly 2 million victims of family violence, this bill authorizes a total of $65 million over the next 3 years, in the form of grant assistance to States, localities, and organizations, in order to assist in the prevention and treatment of domestic violence. The emphasis is upon fiscal restraint—it is a realistic authorization in order to provide seed money to encourage effort within the States. The emphasis is also upon State and local control—it has been our experience

that the local groups and shelters within the communities are best equipped to administer these funds, according to their individual needs. It seeks to encourage grant recipients to seek financial self-sufficiency by looking to State, local and private sources of funds. And finally, the bill includes a sunset provision of 3 years after enactment as further encouragement to shelters to establish self-sufficiency.

The need for Federal legislation to address this burgeoning national problem of domestic violence is telling. The issue of intrafamilial violence has been the focus of public concern for many years. Often viewed as a hidden societal problem, its now epidemic proportions make the need for Federal involvement in this area vital in order to supplement what little State and local efforts already exist.

The most recent form of domestic violence to surface has been the discovery of large numbers of crimes being committed against elderly family members. As an original member of the House Select Committee on Aging and chairman of its Subcommittee on Human Services, I held hearings last April on this topic which revealed that as many as 500,000 such acts against seniors 65 and over occurred last year. We have witnesses who told us of being robbed and beaten by their own families and were unable to protect themselves.

In addition to physical abuse, it was revealed that there are other forms of domestic violence against the elderly, such as psychological and material abuse, as well as violations of rights through forceable placement in nursing homes. Included in this legislation in title II is a study of abuse of elderly individuals so that we may more accurately determine the extent of the problem so funds may be distributed accordingly.

A broad coalition of individuals, groups, and organizations have endorsed this kind of legislation in the past. It is my hope that this wide-ranging number of groups, under the umbrella of the National Coalition Against Domestic Violence, will continue in their efforts to help us address this problem. Included in this coalition are religious organizations, such as the National Council of Churches and the National Council of Jewish Women, law enforcement organizations, such as the International Association of Police Chiefs, the American Bar Association, labor organizations, such as the AFL-CIO and AFSCME and women's organizations, such as the American Association of University Women and the Women's Equity Action League.

We can no longer afford to stand idly by and allow spouses, parents, and grandparents to continue to be subjected to this hideous tragedy of domestic violence. I pledge my continued efforts to work for the passage of legislation as a senior member of both the Education and Labor Committee and the House Select Committee on Aging. I urge my colleagues to join me in this most worthy effort.●

RETIREMENT OF VETERAN HILL STAFFER ALISON CERRI

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. WAMPLER. Mr. Speaker, I wish at this time to acknowledge the long and faithful service of one of the individuals who recently retired from her position on the House Committee on Agriculture and who has worked on the Hill with many of our distinguished colleagues on both sides of the aisle.

Mrs. Cerri in her career on Capitol Hill worked for Mr. David Satterfield, Sr., (D-Va.), Mr. Edward J. Gardner (D-Ohio), Mr. Frank Carlyle (D-N.C.), Mr. William K. Van Pelt (R-Wisc.), Mr. DELBERT LATTA (R-Ohio), Mrs. Frances P. Bolton (R-Ohio), and Mr. David Dennis (R-Ind.).

Mrs. Cerri came to the Committee on Agriculture in 1975 and worked with distinction on this committee until her retirement on November 30, 1980. Mrs. Cerri was active in the Capitol Hill Republican Women's Club, the Congressional Staff Club, and the CSC Garden Club. Many of her friends joined to bid her farewell and best wishes for a long and fruitful retirement period.

I am sure that Mrs. Cerri will be able to pursue her interest in art, travel, and other pursuits which in some sense have been denied her during her many years on Capitol Hill while she was raising her family and working long hours on the job. I know that I speak for myself and the other minority members of the Committee on Agriculture, as well as her many friends on both sides of the aisle and on the staff of the committees and the Members' offices, when I wish her the very best for the future.●

H.R. 200—POLITICAL FREEDOM FOR FEDERAL EMPLOYEES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 200, the Federal Employees' Political Activities Act of 1981, modifying the Hatch Act by permitting Federal employees the right to participate voluntarily in political activities so long as those activities do not even appear to compromise the integrity of the merit system or the impartial administration of the functions of our Government.

Previous studies by the Congress had revealed not even the suggestion of any wrongdoing in Federal employees participating in political activity voluntarily and on their own time. The Hatch Act, well intended as it was, was enacted in a period during which the Congress was deeply concerned about the growth in the power and influence wielded by then-President Franklin Roosevelt. Times and conditions have changed since enactment of the Hatch Act in 1939 and my legislation takes notice of these realities.

This bill is similar to H.R. 39, the Postal Employees' Political Activities Act of 1981, which I also introduced recently. I introduced two separate bills because, notwithstanding the different status of Postal and Federal employees, they are ill advisedly treated as one and the same. The introduction of two separate bills recognizes that these two groups are separate and distinct and that the issue of full political participation for each group should not be confused.

H.R. 200 retains the principles of integrity, impartiality, and merit in our Federal personnel system. The principal provisions of the bill are as follows:

Federal employees are encouraged to exercise their right of voluntary political participation.

The prohibitions of existing law employees in foreign intelligence positions, law enforcement, auditing, and contracting positions are retained.

Prohibits the use of official authority, influence, or coercion with respect to the right to vote, not to vote, or to otherwise engage in political activity.

Prohibits solicitation of political contributions by superior officials and making or soliciting of political contributions in Government rooms or buildings.

Prohibits political activity while on official duty, in Federal buildings, or in uniform.

Requires that employees who seek elective office do so on their own time.

Permits State and local employees to seek elective office if they hold federally funded positions.

Designates the special counsel of the Merit Systems Protection Board—MSPB—as the enforcing authority and the MSPB as the adjudicatory authority.

Subjects violators to removal, suspension, or lesser penalties at the discretion of the Merit Systems Protection Board.

Requires the Office of Personnel Management—OPM—to report annually to the Congress.

H.R. 200 adds to and strengthens those meritorious features of the Hatch Act by providing employees and

the public with greater protection against any resurgence of the spoils system. It updates those parts of the Hatch Act which are no longer applicable by permitting those voluntary, off-duty political activities which do not conclusively interfere with the impartial administration of effective public service.●

EMANUEL CELLER OF NEW YORK

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. ZABLOCKI. Mr. Speaker, it is a privilege to join my colleagues in paying tribute to the long, distinguished and indeed honorable service to this body by our late former colleague, the Honorable Emanuel Celler of New York.

I doubt that anyone who knew and served with Manny Celler will ever forget him or the lasting imprint he made on legislation reported by the Committee on the Judiciary during the post-World World II period.

As chairman of that committee for two decades, he embodied those qualities which his position required. He held strong convictions, particularly in the field of civil and human rights, but he was also fair and respectful of the views of others. He fought hard and valiantly for his most cherished causes, while at the same time he adhered strictly to the rules of the House and their spirit. It is, in fact, difficult to find words which will do justice to the man—and his works.

Manny Celler's record of a half century of service to his district and the Nation remains his most impressive legacy. To his family and his many devoted friends throughout the country, I extend my deepest sympathy.●

CURBING THE CENSUS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CORCORAN. Mr. Speaker, I am introducing a bill today with the chairman of the Subcommittee on the Census, Hon. ROBERT GARCIA, that will enable Congress to better exercise its oversight responsibilities vis-a-vis the many censuses performed by the Bureau of the Census. Congress requires the Census Bureau to conduct censuses ranging from the familiar decennial census to various economic, agricultural, and Government censuses. There is even an irrigation and drainage census. These studies reach out to every American, and Congress imposes penalties ranging from $100 to $10,000 to 1 year in jail for failure to cooperate with the Census Bureau.

However, having inflicted this intrusion on people, Congress washes its hands of the matter and leaves the Census Bureau with sole jurisdiction over the nature and content of questions asked. Questions may be offensive, overly personal, even downright rude, but the American people have absolutely no recourse but to answer or pay the price for maintaining their dignity. Congress has created a powerful means of prying into the private lives of our citizens, and we have afforded our citizens no protection from this prying.

Our bill would restore some balance between the Federal Government's need to know and the right of the people of the United States to be protected against undue invasions of their privacy. This bill would require the Census Bureau to submit to Congress the questions it intends to ask on its censuses. The House and Senate would have the authority to exercise a two-house veto of individual questions that are deemed unacceptable by Congress.

It is important that we begin to get a handle on the burdens we have imposed on the private sector. According to the OMB, in 1978 the Federal reporting burden robbed 785 million hours of time from the lives of the American people—785 million—and this increased to 1.276 billion hours in 1980. Former President Gerald Ford's White House estimated the price of regulations at $2,000 per family per year, and I am absolutely certain that this cost has risen. It is time to regain control of the burgeoning paperwork burden and the bureaucracy. As an important first step in this direction, I urge my colleagues to support this bill at the appropriate time. I am including for the RECORD a list of the censuses, their frequency, and the estimated number of respondents, as well as the language of my bill.

CENSUS, FREQUENCY, AND RESPONDENTS

Decennial—population and housing: Every 10 years; 80 million households.

Economic—covering all industries, including mining, construction, manufacturing, wholesale, retail, and service; every 5 years; 6.8 million businesses.

Government—Every 5 years; 80,000 government units.

Agricultural—Every 5 years; 2.5 million farms.

Irrigation and drainage—Every 10 years; 7,500 irrigation units.●

EMANUEL CELLER

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. PEPPER. Mr. Speaker, I am deeply saddened at the passing of one of the great former Members of this House. A great American and a great former chairman of the Judiciary Committee of the House, Manny Celler, has just recently passed away.

Manny Celler was an institution himself in this House, in Washington and in his district and State. He was a great lawyer, a truly learned man in the law, an able advocate, a cultivated gentleman. He possessed the charm of an earlier day. He was a distinguished lawyer. The statute books of this Nation are replete with the legislation he sponsored and often brilliantly fought through to enactment. He was a man of broad intellectual and social interests. He had a deep compassion for humanity, for people who needed help. So, Manny Celler is one of the men who for the course of one-half a century was an eminent Member of this House, an outstanding citizen of this land he so much loved and so nobly served.

America, this House, and countless people owe a great debt to Manny Celler. He left the world immeasurably better than he found it, and his passing through the portals of life ennobled all the edifices and highways and avenues which he traversed. I proudly join in honoring the memory of Manny Celler, and I commend his life to all of those who aspire to walk and to help others walk on higher ground.●

BAYTOWN HAS A BIRTHDAY

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. FIELDS. Mr. Speaker, this Saturday, Baytown, Tex., celebrates its birthday. I am honored to represent the fine people of Baytown and I would like to take this opportunity to congratulate them on the 33d anniversary of the charter election which created present-day Baytown.

Additionally, I want to acknowledge the efforts of two Baytonians who played major roles in preparing Baytown's city charter. The first is the late W. M. Knowles, chairman of the charter commission, whose widow, Armida Knowles, still resides at 2409 Missouri Street in Baytown.

Also, I would like to acknowledge the efforts of J. Bryan Stratton of 303 N. Burnet Drive in Baytown, the only surviving charter commission member still living in the city he helped create. Mr. Stratton continues even today to contribute to his city's civic and economic well being.

In 1947, three towns—Baytown, Pelly, and Goose Creek—existed in what is now Baytown. The citizens of those three towns expressed their desire, in a straw vote, to merge with one another and call their new city Baytown.

Because Texas State law required that towns merging must use the name of the largest of the merging towns, today's Baytown was called Pelly briefly in 1947.

Several months after the original vote for merger, a 12-member charter commission was elected and charged with writing a new charter for a new town. The members of that commission, led by Mr. Knowles and including Mr. Stratton, did their work well, for the Baytown City charter remained intact through 1977, when one amendment was added.

The commission's work finished, voters in the three towns agreed on January 24, 1948, to approve the new charter and, thus, merge into one larger city of Baytown. The charter provided for a city manager-council form of government which has served Baytown well since then.

Baytown has grown from 20,000 persons in 1948 to 56,000 today. They enjoy a high standard of living, quality schools, and an unusual sense of community that contributes to a better life for all Baytonians.

Mr. Speaker, Baytonians are rightly proud of their city's history, as am I. I thank you for permitting me today to do a little bragging about the fine Texas city of Baytown.●

THE WRECK OF THE AUTO INDUSTRY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mrs. SCHROEDER. Mr. Speaker, the November 1980 Harper's contains an excellent article, "The Wreck of the Auto Industry," by William Trucker.

Mr. Trucker details how Government control of oil prices skewed, among other things, U.S. auto markets, and helped bring about the horrible state of affairs that exists today in our auto industry.

"The Wreck of the Auto Industry" is not very pleasant reading, especially for advocates of incessant Government intervention in market pricing, but I commend it to my colleagues' attention nonetheless.●

A TRIBUTE TO EMANUEL CELLER

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. GILMAN. Mr. Speaker, I would like to thank the gentleman from New York (Mr. ADDABBO) for arranging this opportunity to pay tribute to a former colleague, the distinguished gentleman from New York, Emanuel Celler, who served in this body for 50 years as the Representative for the 16th Congressional District of New York State.

All of us who had the privilege of knowing Congressman Celler were saddened by the news of his death on January 15. His 50 years of service to his constituents and to his Nation in this body have left their mark on our country, the Congress, and all of us who serve in it today.

Manny's leadership, so ably demonstrated during his long tenure as chairman of the House Judiciary Committee, is still felt today and will be through many generations. His diligent efforts were invaluable to the enactment of the Civil Rights Act of 1964, a landmark piece of legislation which addressed discrimination in education, employment, and public accommodations and which many consider to be one of the most significant actions in the history of the Congress. Manny also played a significant role in the adoption of constitutional amendments to lower the voting age to 18, to bar poll taxes in Federal elections, to give citizens of the District of Columbia the right to vote, and to govern the succession to the Presidency.

The compassion and vision which Manny brought to his work is reflected in his early and vigorous support of the legislative programs which helped to revitalize a depressed American economy in the 1930's and to restore hope and faith in the American people.

Although I did not have the opportunity to serve with Manny in this body, I did have the privilege of meeting him and working closely with him on occasion. I am certain that the people of New York and of our Nation will long remember Congressman Emanuel Celler with gratitude and deep respect. I join my colleagues in extending to his family condolences for their recent loss, and express to them our thanks for lending this man to their country for a half century of dedicated and inspired leadership.●

THE RAGAN FAMILY'S COURAGEOUS VIGIL

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. MURTHA. Mr. Speaker, the holding of American hostages in Iran was a direct attack on the integrity of the United States. Yet, in the face of this provocation, the Ragan family of Johnstown, Pa., not only upheld this integrity, but their courageous dignity served as an example in which we can all take great pride.

During the terrible 14 months that M. Sgt. Regis J. Ragan was held in Tehran, I spoke regularly with his mother and sister, Pat. I commend them for their courage and fortitude throughout this crisis. It has been a most difficult time for them. In fact, I believe the hostage families are the unsung heroes of this incident. Throughout the many State Department briefings, the rumors, and the ups-and-downs of this time, the Ragan family kept their faith, continued to believe in America and its Government and knew the strength of Regis. All their prayers, and all of ours, have now been answered in his safe return.

This was one of the most difficult international situations short of war that our Nation has ever faced. I again commend the Ragan family on their courage and strength throughout the crisis. I know it has been a difficult time for them, and I know we all send them our best wishes.●

THE MARCH FOR LIFE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ASHBROOK. Mr. Speaker, January 22 is the eighth anniversary of the Supreme Court's ruling that legalized abortion in this country. This law was not made by Congress with the consent of the people, but by the Court and only by the Court.

Many tens of thousands of prolife citizens came to Washington this year to tell us, their Representatives, that as Americans they find this law intolerable and they want it changed.

The number of marchers has steadily risen since the first observance of this date in January 1974, when a much smaller number of prolifers came here to demonstrate their disapproval of the Court's decision. The 1974 march was a spontaneous reaction on the part of a few thousand Americans, members of a nascent prolife movement that had not yet become aware of its own potential. Today, the March for Life is organized with banners, placards, badges, and marshals. Its symbol, the blood-red rose, appears in congressional offices every year on this date. Today, the prolife movement is beginning to recognize its real strength. It is time that all Members of Congress started to recognize its significance and its message: The people are saying "let life live."

The Court has legalized abortion, and Congress has allowed this killing to be paid for with tax dollars. Millions of innocent unborn American lives have been destroyed as a result. It is little wonder that our people keep coming here every year to see us and

to petition their Government to do something to stop the killing and to do something about this national suicide in an America which every year has fewer children.

Abortion is morally indefensible; it is destroying America's future; and it is really the opposite of everything the Congress exists to protect.

Those prolifers we see here each year are only the tip of the iceberg. Prolife sentiment runs deep into the very grassroots of this country. There are millions more prolife Americans who could not leave their duties or who could not afford the trip. On this same day, in most of the major cities all over the country, there are prolife demonstrations in memory of the millions of nameless unborn who have died as a result of the Court's decision.

These tens of thousands of prolife marchers represent incomparably more Americans than do the orchestrated gatherings other groups are always putting on for whatever cause happens to be their fad at the moment. The prolife movement is made up of the very people who justify its name. They are the very Americans who are the life of America. For them, the march for life costs time and money which they need for work and for raising their families. It is not a fun gathering for listening to rock or smoking marihuana. It represents hundreds of thousands of personal sacrifices.

When the Fondas and the Haydens throw one more moving party in the name of the latest leftist cause, it means little. But when hard-working, family-raising Americans appear in vast numbers, it demonstrates that something big and critically important is being said, something to which anyone who claims to represent our people is dutybound to listen.

Unlike some other groups that have demonstrated in this city, prolifers are not wild-eyed fanatics or radicals who hate police and work and who think only of themselves. On the contrary, it is because they are thinking of others that they are here. They have nothing to gain from all this but saving the lives of their fellow human beings, the millions of unborn children who will live when this movement has accomplished its goal.

They are law-abiding people with a deep sense of responsibility and commitment, who work and earn a living and who have families whom they love and who love them. They are, in fact, we—the people.

I want to say for the record that I respect them for what they are doing and saying. I admire their courage and devotion to this cause and, more importantly, I wholeheartedly agree with them and will continue to press the prolife cause.●

UKRANIAN INDEPENDENCE DAY

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. GREEN. Mr. Speaker, January 22 marks the 63d anniversary of the declaration of independence of the Ukraine. Unfortunately, for over 60 years the Ukraine has been dominated and controlled by the Soviet Union.

Only 3 years after Ukrainian independence in 1918, the Soviet Union took control. This intervention was, and continues to be, characterized by intolerable human oppression. In an attempt to reduce the nationalistic feelings in the Ukraine, Stalin purged the intellectual and political elite. In addition, his drive for collectivization of agriculture resulted in 3 to 5 million deaths.

This reign of terror has been successful in that the Soviets continue to dominate the Ukraine, but the nationalistic sentiments in the Ukraine have not been eliminated. The Ukrainian culture, as unique and beautiful as any in the world, continues to live on. Despite all attempts to rid the Ukrainians of those elements which make them unique, their human love of independence and freedom has kept the Ukrainian culture alive.

Ukraine reflects the inability of Soviet interventionism to eliminate the aspirations of a determined people. It has not worked in the Ukraine, where the spirit of nationalism continues. It has not worked in Afghanistan, where nationalistic rebels continue to fight Soviet troops. It has not worked in Poland, where courageous workers refuse to submit to threats from Soviet officials.

I salute the citizens of the Ukraine. It is my hope that on the 64th anniversary of Ukraine's independence we will be celebrating the anniversary of a truly independent nation.●

NATION NEEDS TITLE V COMMISSIONS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. OBERSTAR. Mr. Speaker, the American people expect Congress to reduce inflation and control the growth of Federal spending. They want responsible, effective, and humane initiatives in budget cutting. They want us to examine all sectors of the Federal budget with the goal of eliminating unnecessary and wasteful spending. To fulfill our responsibility to the Nation, we must do more than cut enough to reach a certain target. We must make budget reductions based on the merits of individual programs and their relationships to national priorities.

Not all proposed spending cuts will be in the national interest. We will not serve our constituents if we ignore that fact.

One of the proposed budget cuts is the elimination of funding for the title V multistate regional economic development commissions. To eliminate these programs would be a terrible mistake for every region of the country. The title V commissions have for 15 years been a foundation of Federal support for economic development activities on a regional basis.

The commissions have proven their usefulness. Congress has recognized that effectiveness by reauthorizing and appropriating funds for them.

The fight for title V commissions has always been bipartisan, even during the years in which the Nixon administration sought to gut these programs. I hope that bipartisanship will continue in this Congress.

We do not yet know the position of the new administration on the funding of the title V commissions. I would ask administration officials and my colleagues to consider the statement of former Upper Great Lakes Regional Commission Cochairman Al France in support of the regional commission concept.

It presents the persuasive case for continuation of the title V commissions.

The article follows:

[Duluth News-Tribune, Jan. 4, 1981]

COMMISSION HASN'T OUTLIVED ITS USEFULNESS

To the EDITOR:

As one who formerly cochaired the Upper Great Lakes Regional Commission, I would like to comment on your Dec. 28 editorial which concluded that the commission's usefulness had come to an end inasmuch as President Carter had recommended no further funding in his budget for fiscal 1981-82.

It may well be that the incoming Reagan administration will also choose to discontinue the Title V commissions, but such a decision should be based on an appraisal of more factors than that cited in your editorial.

The Title V commissions have a much broader purpose than that of approving grants. The commissions were charged with the responsibility for developing long-range economic development plans and programs for regions experiencing chronic unemployment, outmigration and other such symptoms of economic distress. Such a plan was formulated in 1970 for the Upper Great Lakes Region and was subsequently approved by the secretary of commerce. That plan, though largely unfulfilled, still has application to this region.

Another important function of the commission, and especially that of the federal co-chair, is to attempt to coordinate the various economic development activities of federal agencies within the region.

Such coordination may be illustrated by the efforts of the commission in 1969 and 1970 to bring together various agencies such as the Coast Guard, Corps of Engineers, Environmental Protection Agency and several others to launch the demonstration project designed to bring about an extension of the shipping season on the Great Lakes.

Also, the commission worked with the Coastal Plains and New England Regional Commissions to achieve designation of the Great Lakes as an official sea coast.

As to the grant program authority of the commissions, the amount of grant money appropriated to the commissions is no measure of their effectiveness in advancing programs in the region. In the case of the Upper Great Lakes commission, grants authorized for projects from 1968 to 1979 amounted to $52,106,000—not very much by federal standards. However, the action of the commission in approving these grants helped to move other federal agencies to act as well. As a result, $317,970,000 in grants were approved by other agencies for use in our region.

While federal spending in itself is no certain measure of the effectiveness of governmental action, the importance of the commission's role for the Upper Great Lakes can be seen by examining federal outlays in this region.

When I became federal co-chair, we found that federal outlays per capita in the Upper Great Lakes region were $567, the largest of which was for Social Security. This compared with $861 per capita for the nation as a whole. I do not know if that distortion has been corrected, but that it existed supports the rationale of the Title V commission program which, simply put, is to discriminate in favor of economically distressed regions by working to equalize federal economic development activities as between the regions and the rest of the nation.

Finally, the structure of the Title V commissions offers one of the few opportunities which state and local units of government have to influence and design federal agency activities within the states. Commission projects and programs are initiated at the local level and approved jointly by the governor members of the commission and the federal co-chairman. This attempt at developing a federal-state partnership has been unique, and notwithstanding some difficulties, is worth encouraging if local and state initiative and control is to be preserved.

There may be good and compelling reasons to end the Title V commission program as a part of an overall effort to control government spending. However, to focus only on the lack of funds for the commission's limited grant program is not sufficient reason. Further, as a mechanism for efficient and cooperative federal-state partnership and coordination, the commissions do offer an opportunity for more balanced economic development in our nation.

ALFRED E. FRANCE.

DULUTH.●

WARREN R. LIKENS

HON. JAMES K. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. JAMES K. COYNE. Mr. Speaker, it is my privilege this morning to rise in commemoration of Mr. Warren R. Likens, a distinguished and admired resident of Bucks County, Pa., who died last year.

It is indeed fitting, Mr. Speaker, that on the same day Mr. Likens is remembered on the floor of the House of Representatives, the Lower Bucks County Chamber of Commerce building in Fairless Hills, Pa., will be dedicated in his honor. For 18 tireless years, Mr. Likens devoted himself to the expansion and enhancement of the Lower Bucks County Chamber of Commerce.

Mr. Likens was a nonpareil executive vice president of the Lower Bucks Chamber. When he assumed office in 1962, the chamber was a fledgling organization of just 300 members. Eighteen years later, Mr Likens had succeeded in quadrupling the membership and turning the chamber into a dynamic and indispensable part of the Lower Bucks County community.

The father of two sons, Mr. Likens was a community leader for many years in the Levittown area. He served as chairman of the Bucks County Technical School Lay Advisory Committee, as well as representative to the Pennsbury PTA scholarship fund.

The Lower Bucks Chamber building will house a plaque commemorating Mr. Likens' many accomplishments and a portrait in his honor will be placed in the building's foyer. I cannot think of a more appropriate tribute to this exemplary citizen, father, and leader.●

WILL A 1-YEAR SENTENCE SCARE A MURDERER?

HON. JOHN. M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ASHBROOK. Mr. Speaker, a curious idea has once again become popular among liberals. They are saying that murders will not be committed with guns if there is a stiff penalty, such as a 1-year sentence, for having a gun. A large number of the people who take this stand are opposed to the death penalty. They are arguing, in short, that potential murderers are not deterred by a death sentence, but they would be afraid to get a gun for the purpose if threatened with a year in jail for having one.

Having a gun could not have helped John Lennon, but it might well have saved Dr. Halberstam, who showed magnificent courage in helping capture his assailant even after he was mortally wounded. But it is people like Dr. Halberstam, not professional criminals like his murderer, who are prevented from having guns by gun laws. Nor would a gun law have prevented the lunatic who shot Mr. Lennon from getting a weapon. Both these atrocities occurred in jurisdictions having the most stringent handgun laws in this country.

Unlike liberals, I have no idea how the tragedy of John Lennon could have been prevented. Charles Manson believed that the Beatles' song, "Helter-Skelter," gave him the instructions which led directly to the hideous murders that were committed. Sharon Tate and her companions were killed by those maniacs with knives, not guns. The same kind of nut seems to have gotten the same sort of fixation on the Beatles, and John Lennon became his target.

Mr. Lennon, though a famous and wealthy man, came right up to this stranger when he spoke to him, and could have been killed by any weapon the man had. The only real defense that would have saved him would have been a suspicion or a snobbery that was completely foreign to his nature. By using his death to preach gun laws, the media are ignoring the personal decency that made him so vulnerable. A man who trusts his fellow man can be killed by any weapon.

John Lennon knew the risk he was taking. He rose from the Liverpool slums to the highest level of success in a highly competitive field, and such a man is not naive. A longtime resident of New York, he knew that the only safety lay in isolating himself from the world in his personal life. Only by isolating himself could he avoid the real dangers of kidnaping and murder which exist. But he preferred the risk to such isolation from his fellows, even in New York. That showed the quality of the man, and I hope it is not forgotten in the fury of demands for gun control laws.●

REV. RAYMOND C. BAUMHART, S.J., LOYOLA UNIVERSITY'S OUTSTANDING LEADER

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. HYDE. Mr. Speaker, Loyola University in Chicago is honoring Rev. Raymond C. Baumhart in recognition of his 10 years of extraordinary leadership as its president.

During the past decade, Father Baumhart's unique talents as a leader have strengthened Loyola's identity as a truly remarkable center of education and medical research, not only in Illinois but across America. Father Baumhart has more than fulfilled his considerable commitments as an administrator while maintaining his personal dedication to the spiritual and educational development of others.

In 1970, when he began his tenure, he continued to emphasize the many fine programs initiated by Rev. James Maguire and was a motivating force behind significant growth and im-

provement of the university. Moreover, he has aggressively pursued the highest standards of excellence while consistently operating within a balanced budget—this during one of the most financially difficult periods in the history of educational institutions in the United States.

Just a few of Father Baumhart's attainments suggest his wide range of interests and accomplishments:

He was the first priest to receive a doctoral degree in business administration from the Harvard University Graduate School of Business. During World War II he served his country with honor as a lieutenant in the U.S. Navy Supply Corps. He has received the Order of Cavalier award from the Republic of Italy, the Rale Medallion from Boston College, and countless other awards. In addition, he pursues an active career as an innovative teacher, professor, lecturer, editor, author, and adviser.

But even more important than Father Baumhart's administrative successes is the fact that his primary motivation is a deep personal concern about the needs of others as well as a profound commitment to the Jesuit philosophy. Father Baumhart's own words capture his personal and pastoral dedication:

> The Jesuit education tradition has always sought to develop the whole person. This includes each student's social, moral and spiritual growth. Loyola's constant aim is to present society with competent men and women who are intellectually aware, whose lives express the values which they embrace, and who spend themselves in service to their fellow man.

Father Baumhart teaches this philosophy and lives by it. Appropriately, Father Baumhart's 10th anniversary as president of Loyola was commemorated on the feast day of St. Ignatius Loyola, founder of the Jesuit order.

Mr. Speaker, an institution was once defined as the lengthened shadow of one man. For Loyola, this surely is the shadow of Father Baumhart,

A man whose gifts have deeply enriched the experience of countless men and women whose lives he has touched;

A man who continues to contribute his intellectual and spiritual leadership to the transcendent task of bringing the bright light of his faith to the Loyola community.

As an alumnus of Loyola, I am particularly honored to commend to my colleagues in Congress, Father Baumhart's achievements and wish him many more years of success. Thank you.●

ALDINE SENIOR HIGH SCHOOL SONG

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. FIELDS. Mr. Speaker, throughout our history, this Nation has served as a sanctuary for those who hunger for freedom from religious persecution. Moreover, the first amendment to our Constitution explicitly states that, "congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof * * *."

Yet, in the last few years, we have seen an increasing and an alarming number of attempts to prohibit free religious expression.

In my own district, for instance, the American Civil Liberties Union has recently filed suit in U.S. district court to prohibit the use of the Aldine Senior High School song.

This song, which was written over 30 years ago, by one of Aldine's own students, has provided hope, inspiration, and sustenance to the many thousands of students, including my own mother, Jessie Faye, who have attended this fine institution.

Mr. Speaker, it is my firm belief that it would be a tragedy and a miscarriage of justice if our Federal court system prohibits the use of this song. For this reason, I pledge my continued support for the Aldine Senior High School in this noble and ongoing battle.

In the words of Abraham Lincoln, which best serve to summarize my own views:

> God rules this world * * * I am a full believer that God knows what He wants a man to do—that which pleases Him. It is never well with a man who heeds it not * * * without the assistance of that Divine Being, I cannot succeed, with that assistance, I cannot fail.

At this time, I include in the RECORD the words to this simple, yet beautiful song which has served as a beacon of hope for the students, faculty, and alumni of Aldine Senior High School.

The words to this song are:

> Dear God, please bless our school and all it stands for. Help keep us free from sin, honest and true, courage and faith to make our school the victor. In Jesus name we pray. Amen.●

H.R. 176—FEDERAL EMPLOYEE OCCUPATIONAL SAFETY AND HEALTH ACT OF 1981

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 176, the Federal Employee Occupational Safety and Health Act of 1981. The bill would amend title 5 of the United States Code to provide for the application of safety and health standards in the Federal workplace.

This bill will make available to Federal employees many of the safety and health protections which are already available to employees in the private sector.

When Congress enacted the Occupational Safety and Health Act of 1970, Federal employees were excluded from coverage. In addition, there has been uneven compliance with Executive Order 11807, which details the health and safety obligations of Federal agencies. At Hill Air Force Base in Utah, Federal civilian employees were exposed to dangerous levels of toxic chemicals. In Mechanicsburg, Pa., it was reported that a dozen workers at the defense supply depot were exposed to a significant level of PCB, a chemical which produces liver damage, birth defects, and various skin diseases.

Mr. Speaker, these and other examples are some of the reasons why injuries and accidents have risen from 1 among every 23 Federal employees in 1974, to 1 among every 16 Federal employees in 1977. Were it possible to bring the Occupational Safety and Health Act of 1970 to the floor without crippling amendments, I would recommend strengthening its provisions covering Federal employees. Instead, my bill affords Federal employees a safe and healthful work environment by amending title 5 of the United States Code. The bill makes the Office of Personnel Management the enforcing authority with responsibility to issue citations for violations of Federal safety and health laws; the Occupational Safety and Health Review Commission is the adjudicatory authority with the right to impose civil sanctions; and judicial review is available to aggrieved parties.

The principal provisions of the Federal Employee Occupational Safety and Health Act of 1981 are as follows:

Covers executive agencies.

Requires that each agency maintain a safe and healthful work environment and that each agency and employee comply with Federal safety and health standards.

Authorizes the Office of Personnel Management (OPM) to conduct unannounced inspections and investigations and requires that agencies maintain and make available adequate safety and health records.

Requires that OPM issue citations for violations of Federal safety and health standards and establishes enforcement procedures.

Authorizes the Occupational and Health Review Commission (OSHRC) to impose civil penalties upon agencies for failure to comply with OPM citations.

Provides for court review of OSHRC orders by agencies and OPM and prohibits discharge or discrimination against employees for complaining, testifying, or otherwise asserting rights afforded by this bill.

Authorizes the OPM to take steps to restrain agency conditions which could cause death or serious harm to employees.

Authorizes the OPM to provide training, education, and consultation with agencies and authorizes agencies to conduct preventive health programs for employees.●

TRIBUTE TO FRANK HOOD

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. EDWARDS of California. Mr. Speaker, I want to take a moment to pay tribute to a most unusual—almost unique—public servant—the Veterans Administration's long-time public information officer, Frank R. Hood.

Public relations people in the Federal Government are not known for their longevity. Most of them come and go like leaves on the trees, but not Frank Hood.

Last year was his 23d as head of public relations at the VA—an unsurpassed record and one that may never be challenged.

As far as I know, Frank Hood has held this position far longer than anyone has held a comparative job anywhere else in Government.

With bipartisan loyalty he has served eight VA Administrations and he numbers among his proteges three former public relations directors of the old Civil Service Commission, a deputy press secretary at the White House and the Executive Director of the President's Committee on Employment of the Handicapped.

Frank Hood resigned last August, but VA Administrator Max Cleland asked him to stay on as a reemployed annuitant. The Reagan transition team asked him to continue in his post.

I know that every Member of the House who has dealt with Frank Hood over the years holds him in deep respect. We owe him an enormous debt of gratitude for his selfless service over so many years.

As the ranking member of the Committee on Veterans' Affairs, having served on the committee for a number of years, I have had the pleasure of working with the information office under the direction of Frank Hood and I can assure you his retirement will be a great loss to the agency.●

NORRISTOWN, PA., COUNCILMAN MARKS 50TH YEAR IN OFFICE

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. COUGHLIN. Mr. Speaker, I am pleased to call to my colleagues' attention the remarkable record of Paul Santangelo, a constituent, who is marking his 50th year as the elected councilman from the fifth ward of Norristown, Pa., a historic borough which is the government seat of Montgomery County.

Born in the fifth ward, Mr. Santangelo has resided in the same house for most of his adult life—a life that has been devoted to serving and helping his community and its citizens. Norristown's East End was the home for many of the immigrants from Sicily and Sciacca. It was Paul who served as the interpreter and unofficial representative for these family-oriented immigrants making their way in a new country.

Mr. Santangelo was elected on the Republican ticket in 1930 as fifth ward councilman. From then on, he has enjoyed the support of his constituency, winning reelection 12 times.

During his tenure, Mr. Santangelo served on the civil service commission. As chairman, he witnessed the installation of five men as chief of borough police force.

Mr. Santangelo, in his half century in office, has been president of council for two terms. He has served on all committees of council. Statewide, he has served as president of the Councilmen of Pennsylvania, members of the Pennsylvania Boroughs Association. Mr. Santangelo is a founder of the Montgomery County Boroughs Association.

A recipient of numerous civic and community awards, Mr. Santangelo received—among them—the President's Award from the Pennsylvania Boroughs Association for 40 years of service in council. He was honored by the Republican Committee of Norristown in 1975 for 44 years of dedicated and faithful service to the borough.

Mr. Santangelo, a devoted family man, is the father of four children. He has 14 grandchildren and 4 great-grandchildren. An avid fisherman, he pilots his own boat on weekends during the season at the New Jersey shore.

I am honored that Mr. Santangelo is a constituent and believe that his record of 13 consecutive 4-year terms as Norristown's fifth ward councilman merits our accolades, and also may be a record in public service.●

JERRY L. VOLZER NAMED "TROOPER OF THE YEAR"

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. APPLEGATE. Mr. Speaker, it is an honor and privilege for me to bring to the attention of my colleagues in the U.S. House of Representatives the recent accomplishment of a constituent and very good friend of mine, Mr. Jerry L. Volzer, a resident of Dover, Ohio.

Mr. Volzer has been named "Trooper of the Year" of the New Philadelphia Post of the Ohio Highway Patrol for 1980. This will now enable him to compete for district and statewide honors as well.

Trooper of the Year is, indeed, much sought after and an honor to receive as it is one that is given by one's peers. The fellow officers of Jerry Volzer selected him as their honoree based on leadership abilities, professional ethics, courteous treatment, work attitude, and cooperation with supervisors, peers, and the general public. The Ohio State Patrol enjoys a fine reputation as a superb law enforcement agency and it is the attributes, dedication, and concern for the safety of the public such as Jerry Volzer demonstrates on a daily basis that makes it so.

On behalf of Ohio's 18th Congressional District, I commend Jerry on his accomplishment and wish him well as he progresses to district and State competition.●

NEVER AGAIN

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. BROOMFIELD. Mr. Speaker, reports by our returning hostages of the physical and mental abuse they endured at the hands of their Iranian terrorist captors give a special urgency to the need to combat terrorism in all its forms.

In this connection, I would like to call to the attention of the Members a column by Evans and Novak on the issue of terrorism that appeared in yesterday's edition of the Washington Post.

NEVER AGAIN

(By Rowland Evans and Robert Novak)

Appalled that President Carter and his men were basking in the perceived success of their hostage-freeing operation, President Ronald Reagan and his men have been

plotting a long-overdue U.S campaign against terrorism in all its forms.

One of the new president's senior advisers put it to us this way: "The preoccupation of the Carter administration with human rights is going to be radically switched to the Reagan administration's preoccupation with international terrorism." The switch connotes a promise of "never again" in responding to the 444 days of Iranian captivity.

Behind this lies a fundamental distinction between the world views of Carter and Reagan. Privately affronted by Carter's handling of the hostage crisis from the start, the Reaganites saw no glory in the 11th-hour hostage release after endless haggling; instead, they saw national infamy in once-feared, once-strong America held at bay for nearly 15 months by a South Asian third-rate military power.

It is partly as a measure of national atonement for that infamy, but principally to prevent its repetition, that Reagan's top national security officials are moving against a global curse. They have quietly sworn to start an immediate international effort to reduce the use of terror as an international political weapon.

The atonement will make itself known soon enough. Reagan and his high command may phrase their words carefully, but what they say about the hostage affair will add up to this: never again will the United States allow itself to be held hostage by seizure of American citizens.

The president's men in effect want the world informed that Carter's payoff to Tehran will not be repeated. International terrorists, whether or not cloaked in the guise of a government, must understand that Reagan is changing the rules of the game as played by Carter—whatever the cost. "We are moving into a very, very tough four-year period. Make no mistake about that," one presidential adviser told us.

Iranian perception of these changed rules may have contributed more than quiet diplomacy to the hostage release. Reagan's men are convinced Tehran finally accepted the deal because of fear of Reagan. "They were petrified, and rightly so," said one Reagan operative who had helped construct Reagan's deliberate escalation of anti-Iranian epithets from criminals to kidnappers to barbarians.

Brought into the firing sights of the new administration's anti-terrorist planning is the Soviet Union. As we reported on Jan. 2, Reagan never doubted that the Kremlin tried to the end to sidetrack Carter's hostage negotiations with Iran. Every piece of evidence presented to Reagan since his election persuaded him that Moscow's real intent was to prevent the release of the hostages and use the issue to enhance its own influence in Iran.

It is far too early to predict the precise shape of Reagan's campaign against terrorism. The president's national security officials are studying a just-published treatise called "Terrorism: Threat, Reality, Response" by two sometime Reagan advisers, Robert H. Kupperman and Darrell Trent. Another soon-to-be published work anticipated in high administration quarters is by one of Europe's best-known experts on terrorism, journalist Claire Sterling.

However the campaign progresses, one emerging theme has been fortified by anti-American Soviet propaganda in Iran: Moscow must cease its support for terrorism, which so helps the Kremlin in the U.S.-Soviet competition, or pay dire consequences.

These consequences, according to preliminary planning, will include the use of American and (if Western Europe agrees) of European sanctions against Moscow. One senior Reagan adviser claims the United States and the West "have the assets to put into play"—food and strategic trade—if the Soviet superpower is caught red-handed aiding international terror, as it was in the agonizing hostage crisis.

But the first-line weapon against terrorism is a beefed-up worldwide intelligence system to anticipate terrorist activities. If that fails, Reagan would treat terrorists, whether posing as governments or not, as criminals, not bargaining partners. Failure of the Carter administration to give the Iranians such treatment or to exact any clear punishment at all has agonized Reagan's men. It also has magnified the challenge of the new administration's anti-terrorist campaign.●

THE REDONDO BEACH 10 KILOMETER RUN

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. DORNAN of California. Mr. Speaker, on Sunday morning, January 25, the Redondo Beach Chamber of Commerce will again sponsor their annual Redondo Beach Super Bowl Sunday 10 kilometer run through some of the most scenic portions of that beautiful coastal city. Although I will be unable to be present this year, I will certainly be thinking back to the excitement this annual event generated last year when I was on hand for the opening ceremonies.

This year marks the third running of what is now becoming one of the premier long-distance runs in the Nation. Last year, over 10,000 people participated on the measured course, which was specially designed to enhance the enjoyment of the runners. The organizers have developed a controlled and uncongested finish area, allowing all runners to cross the finish line at full stride. This will also make it easier for all participants to get their precise times. Finally, a distinctive and unique T-shirt is awarded to all runners.

One might wonder why anyone would decide to hold a mass presentation event on Super Bowl Sunday and expect that anyone would attend. When the organizers for the first run in 1979 sought a suitable date, Super Bowl Sunday was the only one available. And through a little entrepreneurship and a lot of healthy promotion, they have made it into one of the largest annual running events in the Nation in just 3 short years.

Actually, a 10 kilometer run on the morning of the Super Bowl isn't a bad idea. Since it begins long before the game, it gives runners a chance to go out and get some good, healthy exercise. So, on a day when many of us might be content to languish in front of the tube, we are provided with an opportunity to take part in an outstanding athletic event. At the conclusion of the Redondo Beach run, there will still be enough time to get home before the football action begins in New Orleans.

I would just like to take this opportunity to commend the great work of Race Director Hans Albrecht and committee members James D. Graham and Dennis R. McCarbery for their fine efforts in organizing this great event. I am sure this year's Redondo Beach run will prove as successful as last year's run. Perhaps the magic 30-minute mark will be broken. And to the runners—good luck. They are all winners for taking part.●

CERTAIN RIGHTS ARE UNALIENABLE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. ASHBROOK. Mr. Speaker, the right to choose basically is in keeping with the best traditions of American democracy, and as a conservative I strongly support it. But I do not believe it is absolute. That is, one's right to choose is limited by what it is he or she chooses to do. This is especially true when one chooses to take a life.

The effect of the Supreme Court's 1973 abortion decision was that a woman's right to choose was allowed to take precedence over another human being's right to life. This has shocked millions of people, because what it amounts to is the alienation of a right that the Declaration of Independence called unalienable. This is why there is a rising tide not only against the policy of funding abortions, but also against the legality of abortion itself.

A striking parallel exists between the antislavery movement in the decades preceding the Civil War and the present-day prolife movement. During the former period, the general attitude of the American public was to accept the institution of slavery as a necessary part of the social, political, and economic structure of American life.

At that time, relatively few people questioned the right of plantation owners to choose to have slaves. The right to private property took precedence over certain individuals' right to liberty—another unalienable right. Those who did object were the Abolitionists, who were chided for disturbing the peace of the community with their clamor for emancipation. Slaves were thought of not as people, but as property. In its Dred Scott decision, the Supreme Court declared this view of slaves to be the law of the land.

Americans today acknowledge without question that slavery was the denial of a human being's right to liberty and thus was totally inconsistent with the principles of American democracy. Abortion is the denial of a human being's right to life and is also inconsistent with those same principles.

In retrospect today, we can readily see that the abolition of slavery was inevitable, if America was going to be faithful to the principles laid down by the Founding Fathers. The same applies now to the restoration of the right to life for all innocent human beings at all stages of development from conception until natural death.

I strongly urge my colleagues to consider carefully the full implication of the Court's 1973 abortion decision and the responsibilities incumbent upon us as representatives of the people to support legislation that would effectively reverse that decision. I urge them to support the human life amendment.●

SAFETY IN THE U.S. POSTAL SERVICE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced two bills that would go a long way toward improving safety conditions in the U.S. Postal Service. H.R. 168 which would bring the U.S. Postal Service under the authority of the Occupational Safety and Health Administration, and H.R. 170 which would entitle postal employees to refuse to perform a task which they sincerely believe will result in death or serious injury.

On January 7, 1981, the Wall Street Journal, a newpaper which is well-known and respected for its management concerns, published the following article on safety and health in the U.S. Postal Service. I think this article provides ample justification for prompt enactment of H.R. 168 and H.R. 170:

POSTAL WORKER DEATHS AND INJURIES PROMPT DEMANDS FOR GREATER SAFETY

(By Joann S. Lublin)

WASHINGTON.—The U.S. Postal Service prides itself on moving the mail, no matter what.

But this credo leads to unsafe work conditions, outside investigators say, and may have contributed to the deaths of three postal workers using mechanized equipment. Postal executives say the service has a "strong safety program," but they concede it hasn't always been adequately carried out by lower-level supervisors.

The fatalities have led to congressional hearings and heightened the concern of postal unions about the hazards of Postal Service employment. The independent agency's 673,000 employes suffered 57,672 injuries in 1979, giving the Postal Service an occupational injury rate that is one of the federal government's worst and more than twice as bad as private industry's.

A NEW THREAT

About 15 postal workers die annually in job related accidents. Vehicle mishaps have typically been the cause. When a conveyor belt crushed Jersey City, N.J., mail handler Michael McDermott on Dec. 15, 1979, the death was the first due to the recently introduced mechanized mail processing. Last November, two other employes were crushed to death in accidents involving mechanized equipment.

The Postal Service's safety problem is taking its toll in more than lost lives and limbs. Worker compensation payments have more than doubled since 1975, and worker compensation liability totals $800 million. "It's costing them an absolute fortune to be unsafe," says an expert. "And the public is paying for it, either in taxes or in the price of the mail."

Employe morale and labor relations also are suffering. Postal unions intend to make safety a top priority when contract negotiations begin in late April.

BARGAINING GOALS

"We shall not sit idly by while our members are struck down by machinery," says William Burrus, executive vice president of the 250,000-member American Postal Workers Union , the biggest of three main postal unions. The APWU president, Moe Biller, says safety demands will include: better equipment maintenance and a "clearer statement" of employes' right to refuse to work under unsafe conditions.

The three fatalities also may prompt Congress to pass a union-backed bill that would toughen federal supervision of postal working conditions. The bill, which passed the House but died in the Senate last year, would let the Labor Department's Occupational Safety and Health Administration bring criminal charges against postal managers and conduct more surprise inspections than it can currently.

Senior postal officials insist such powers aren't necessary. The Postal Service's injury record has improved in the last three years, "so we're headed in the right direction," says Carl Ulsaker, a senior assistant postmaster general. Since the McDermott death, he goes on, top management has stepped up its commitment to safety with expanded management-labor safety committees and training at all levels, more nurses, doctors and safety engineers and quicker attention to equipment repair.

SECOND TO NONE

Postmaster General William Bolger has said he sets "no budgetary limits" to create a safety program "that is second to none." In the fiscal year ended Oct. 31, 1979, the Postal Service spent $48.4 million on safety and health, nearly half of which went for weekly employe talks on safety. But Mr. Bolger concedes he can't drastically reduce the number of work injuries quickly. "We're dealing with a bunch of human beings in this world, and human beings make mistakes, deliberate and otherwise," he says.

Safety experts disagree, blaming the Postal Service's poor accident record on management's failure to give safety the same priority as moving the mail. According to Occupational Safety and Health Administration investigators, a lax safety attitude seems to have had a role in Mr. McDermott's death at a Bulk Mail Center, one of 21 big parcel-processing facilities nationwide.

An OSHA investigation determined that several safety devices had been deliberately removed or disconnected from the conveyor belt in which he was caught. The devices, a bumper guard and a jam relay, would have switched off the belt, but they weren't being used, to maintain productivity in the mail-glutted center. Employes told a congressional hearing that bulk mail management was aware of the problem, which existed on other belts, but hadn't corrected it. "Is this what a life is worth at the Postal Service? A sack of mail?" asks Christine McDermott, the employe's widow.

HAZARDS GALORE

Besides the Jersey City facility, OSHA inspected bulk mail centers in four other cities last winter. It uncovered thousands of serious and "less than serious" hazards—inadequate machine guards, exposed wiring and a lack of guardrails and protective gear for employes. The safety violations reflected an attitude that "the mail must get through," the Labor Department agency concluded.

Du Pont Co. carried out a broader assessment of the Postal Service's safety program last summer—and reached similar findings. Either because they lack training or accountability, line supervisors don't accept responsibility for safety, Du Pont said in a $174,417 report commissioned by the Postal Service.

Du Pont safety consultants found local safety efforts "are either weak, ineffective or not followed." They suggested numerous remedial steps, including adoption of a philosophy that postal managers "make safety equal to productivity" and that all injuries can be prevented.

SLOW PROGRESS

Despite these investigations and Mr. Bolger's subsequent actions, union leaders say workers who complain about unsafe conditions continue to be ignored or harassed. The slow correction of defects may have been a factor in the Nov. 6 death of Los Angeles mechanic's helper Reymundo Lara. He became entangled in a moving conveyor belt after first failing to turn it off at a switch 85 feet away. But three months earlier, the post office's safety officer had proposed installing automatic cutoff switches on the doors of wire cages entered by employes such as Mr. Lara in order to clean conveyor belts. (Newer cages have such devices; older ones lacked them.)

"It's just clear that the (Bolger) program isn't really being put into effect out in the field," says Michael Hudson, staff director for Democratic Rep., Mickey Leland of Texas, who has held hearings on postal safety. The Postal Service's Mr. Ulsaker differs, saying the switches weren't added before the Lara death because local management didn't view the deficiency "as a hazard of imminent danger; we had had that equipment for 30 years without injuring people."

The Postal Service isn't "callous about safety," the senior assistant postmaster general asserts. However, he says, "We do have a system in which every day 300 million pieces come in and have to be moved. . . . We can't say, 'Hey fellows: just because we've slipped in the safety business, you have to make it higher priority to moving the mail.'"●

LIVERMORE CHAMBER OF COMMERCE 55TH INSTALLATION OF OFFICERS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. STARK. Mr. Speaker, on Saturday, January 24, 1981, I will join with the members of the Livermore Chamber of Commerce, their family, and friends for the 55th annual installation dinner at the Sunol Country Club in Sunol, Calif.

I am especially honored to be a part of this celebration because the chamber will be installing, for the second year in a row, Mr. Jim Coleman as the president of their organization. Mr. Coleman was first elected to the board of directors in 1979 and subsequently elected president in 1980 and again in this year.

Jim Coleman is a retired Army major who spent time in Germany where he met his lovely wife, Erika. He is a tax preparer, and owns Jim's Personalized Tax Service in Livermore, Calif.

In his years with the chamber of commerce, Jim Coleman has been known for his active and conscientious participation in all aspects of the chamber's work. He has been called by some: The champion of the small businessman.

I would like to join with the Livermore Chamber of Commerce, his family, and everyone concerned in honoring Mr. Jim Coleman and all those who will serve with him this year.●

UKRAINIAN INDEPENDENCE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. KEMP. Mr. Speaker, 63 years ago today, the country of the Ukraine declared itself to be an independent nation. The Ukraine proclaimed this act of union, 61 years ago today, uniting all Ukrainian lands under one independent and sovereign state. Yet today the Ukrainian peoples enjoy neither independence nor freedom. Since 1924, the Ukraine has been subjugated to the totalitarian dictatorship of the Soviet Union.

As the second largest socialist republic of the Soviet Union, the 5 million citizens of the Ukraine comprise the strongest, most determined, and most outspoken voice of nationalism in the Soviet Union. Throughout the many decades of Communist domination, Ukrainians have struggled to preserve their proud cultural tradition. The Soviets, however, have persisted with their determined policy of Russification, imposing not only communism but also Russian national supremacy on their captive peoples. Today, Ukrainians are denied the right to emigrate, yet also are denied full citizenship. Even more devastating to their proud and independent heritage, however, is a Soviet policy which makes it illegal to teach either the Ukrainian language or culture in Ukrainian schools. In their attempt to smother any trace of nationalism or nonconformity, the Soviets have allowed only Russian and Russian culture to be legally taught to Ukrainian children.

Those courageous enough to strike out against the Soviet system are ruthlessly crushed by the Soviet authorities. The monitoring groups of the Helsinki accord, in particular, have been singled out for Soviet torment. In fact, all 33 members of the Helsinki watch group have been arrested. These have included the journalist Viacheslav Chornovil, who was unjustly accused of an attempted rape and handed a prison sentence of 5 years; Mykola Horbal, a music professor, also charged with attempted rape, and sentenced to 2 years in prison; and Yaroslav Lesiw, convicted for possession of narcotics. By seeking these false criminal convictions the Soviet authorities have attempted to stave off criticism of their political oppression. At the same time, such criminal accusations serve to discredit the integrity of the human rights movement. A final note: Oksana Meshko, a 75-year-old grandmother and the chairman of the Helsinki group, was interned at one of the infamous Soviet psychiatric hospitals, where drugs are known to be forcibily administered to the "patients" in order to curb indefinitely any dissident views.

According to Andrei Sakharov, the Ukrainian people comprise only 20 percent of the total Soviet population, yet they make up 50 percent of all Soviet political prisoners. Furthermore, prison sentences handed down to Ukrainian political prisoners are on the average twice as long and twice as harsh as those dispensed to Russian political prisoners, or even to the long persecuted Soviet Jews. These figures themselves attest to the valiant and unfaltering character of the Ukrainian people. They have continued to fight for what they truly believe to be right and just, despite physical and mental persecution almost beyond our comprehension.

On this proud anniversary of Ukrainian independence, let us all as Members of the Congress of the United States of America, recommit ourselves to a continued policy of support for those oppressed for their political views in the Ukraine, and throughout the world. Let us also continue to condemn Communist aggression, and oppression, wherever it may be found. And let us continue to hope that one day the Ukrainian people will attain that independence and human freedom to which they have tirelessly aspired.●

EUBIE!

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mrs. CHISHOLM. Mr. Speaker, on February 7 we will celebrate the 98th birthday of one of our Nation's finest musicians and composers. Eubie Blake, born of former slaves in 1883, has entertained and inspired at least four generations of Americans during his long musical career.

Many of his over 1,000 compositions have been nationwide hits, and some of these wonderful songs are featured in the new stage production, "Eubie!"—currently on stage here in Washington.

Eubie Blake first tested his fingers on the keyboard at the age of 5. Nearly 93 years later, he is still performing, touring and composing. Throughout these creative years, he has been involved in producing successful Broadway shows, in entertaining our troops during World War II, in encouraging and advancing the careers of many other black performers, and in winning the Presidency for Harry Truman in 1948 with the famous song, "I'm Just Wild About Harry."

I am honored to include Eubie Blake among those Brooklyn residents I represent here in the Congress, and I join the millions of Eubie Blake fans in sending our best birthday wishes to this superlative artist and great American.●

H.R. 168—POSTAL SAFETY BILL

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. CLAY. Mr. Speaker, recently I introduced a bill, H.R. 168, to bring the U.S. Postal Service under the same safety and health obligations as private employers by permitting the Occupational Safety and Health Administration (OSHA) to conduct unannounced safety surveys and inspections, to enforce Federal safety and health laws, and to impose penalties for violations of the law. This legislation is intended to correct and improve the shockingly poor safety record of the Postal Service and its unacceptably high accident and injury rate.

Under existing law, Public Law 94-82, OSHA representatives may inspect postal facilities only at the invitation of the USPS. There is no enforcement mechanism. Without this necessary enforcement authority, the USPS has given movement of the mail priority over safety and the postal safety program has been a dismal failure.

The USPS has established a well-earned reputation of disregarding, neglecting, and minimizing unsafe working conditions. Only after an employee was unnecessarily crushed to death in the New York bulk and foreign mail facility did the USPS begin to give safety some attention. Only last month, however, two postal employees were killed in accidents in postal facilities in Los Angeles, Calif., and Portland, Oreg.

The Postal Service has the highest accident and injury rate of all Federal agencies. The total number of injuries and illnesses reported by the Postal Service for 1977 was 62,966—34.4 percent out of 182,790 injuries and illnesses reported for the entire Federal work force. During fiscal year 1977, for example, the rate of lost workday injuries and illnesses within the Postal Service exceeded that rate within the Federal Government by almost 150 percent. In addition, 55 percent of all lost workdays due to accidents and injuries in the Federal Government were attributable to the Postal Service.

Legislation similar to H.R. 168 was approved by the House during the 96th Congress but was not acted upon by the Senate, despite approval by the Senate Committee on Governmental Affairs. I understand that companion legislation will be introduced in the other body shortly and look forward to prompt enactment of this long overdue bill by the Congress.●

COLLEGE OF CHAMPIONS: EASTERN MICHIGAN UNIVERSITY

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. PURSELL. Mr. Speaker, I would like to take this opportunity to recognize the achievements of a little known, yet highly successful group of public and interpretive speakers from the forensic team at Eastern Michigan University. Few competitive organizations can tout six national titles in 10 years—including the last 5 consecutive years. They set individual and team records which will undoubtedly remain untouched. I proudly present the following article to the CONGRESSIONAL RECORD as a tribute to the team, the coaches and the university they represent.

The article follows:

COLLEGE OF CHAMPIONS: EASTERN MICHIGAN UNIVERSITY

(By Andrew J. Chapelle)

Consistent winning creates a mystique. Individuals become bigger than life. When John Wooden won 10 national basketball championships at UCLA, opposing players and coaches nicknamed him the "Wizard of Westwood." Lew Alcindor, Bill Walton and Sidney Wicks became legends, disembodied spirits who stutter-stepped, floated and double-pumped their way to the hoop, never missing.

A winning mystique is quietly growing in Ypsilanti, though there is neither basketball's national attention nor its fabulous finances attached to the competition, which takes place not on the shining hardwood court, but at the speaker's lectern. Like the basketball Bruins of UCLA, however, the team in Ypsilanti owes much of its success to a cajoling, motivating, empathetic coach.

The coach's name is Dennis Beagen. His players form Eastern Michigan University's national champion forensics team.

Beagen and his public speakers are to collegiate forensics what John Wooden and the UCLA Bruins were to basketball. In the 10 years that Eastern's team has entered collegiate public speaking competition, it has won the national title six times—including the last five consecutive years.

Eastern owns virtually every national forensics record. Thirty-five individual national titles have been awarded to EMU students in the last 10 years. Of the 54 possible finalists at the 1980 national tournament, 17 were EMU speakers. EMU speakers took first place in all of the five events at this year's Michigan State Forensics Championship.

This year, junior Jon Kapecci, an Ohioan, won two individual national titles and placed first in a combined competition, making him the top collegiate speaker in the land. Theresa McElwee of Battle Creek teamed with Kapecci in the dramatic duo event, winning it for the second year in a row. Other recent EMU champions include Mike Garcia, a Flint junior who has won nine individual national titles; George Denger from Marshall, who won three of the five national events he entered last year; and Dan Bernard from Detroit, a program graduate currently in law school at the University of Virginia, who won the impromptu title in 1979. EMU grad Jerry Bluhm, the first person ever to win two events at a national tournament, currently is director of forensics at Birmingham Brother Rice High School.

More famous graduates of other collegiate forensics programs include Watergate prosecutor Leon Jaworski, former Vice President Hubert Humphrey, Sen. George McGovern, D-S.D., and Vice-President Mondale. NBC's Tom Snyder and Jane Pauley are former forensics competitors. So is Ann Landers.

Humphrey, Mondale and McGovern were each invited in their day to participate in the Interstate Oratory Contest, the oldest speech tournament in the nation, but Eastern is the only school to boast two winners in the 107-year-old competition: Judy Sturgis Hill and Tony Vehar, who now serves as assistant coach of the team.

Forensics stresses speechmaking, not debate. There is no back-and-forth arguing in forensics, where individuals can compete in one or several of nine different speaking categories.

Public address events include informative speaking, persuasion (sometimes called "sales"), after-dinner speaking, rhetorical criticism, impromptu speaking and extemporaneous speaking. Interpretive events, which usually appeal to the dramatically inclined, include poetry, prose and a dramatic duo event that pairs two team members in a presentation of a cutting from a play, novel or short story.

All speeches for public address events are researched and written by the competitors. Time limits vary from five to seven minutes. Interpretive events involve slightly longer speeches and are almost always not original material.

Of the six public address events, the two most challenging are impromptu and extemporaneous speaking.

The extemporaneous event calls for a five-to-seven minute speech given after 30 minutes' preparation. The speech is based on current events; judges offer three topics and contestants can select one on which to base a speech. Judges pay special attention to the competitor's analysis and understanding of the event and the number of facts presented in support of statements.

In preparing for the extemporaneous event, Eastern's speakers use information from a team file organized under current-event headings, such as "Afghanistan" or "oil." EMU senior Jeff Brown, an extemporaneous specialist, has given speeches this year on such topics as; "Is the U.S. steel industry doomed?" "Can Detroit automakers survive the Japanese invasion?" "Is a Marxist takover in El Salvador inevitable?" and "Can trade with China compensate for America's balance of payments trade deficit?"

In the impromptu competition, judges give speakers a popular quote, a single word or sometimes a cartoon on which a speech must be based. Speakers then have seven minutes to divide between preparation and speaking (EMU students generally take two minutes to prepare and then deliver a five-minute speech).

Though props are kept to a minimum, they may be used. Students competing with informative speeches sometimes utilize props to embellish points, and students making persuasive (sales) speeches often use visual aids supplied by corporations.

Judging, in general, is based on a number of criteria, including organization, conversationality and presentation of arguments to support thesis statements.

It's quite clear why someone would want to strive for a national basketball victory. Besides the adulation of millions, there are also million-dollar contracts available in the pro ranks. But why bother with forensics?

Coach Beagen says, simply, that students who compete in forensics get more and better job offers than students who don't. "The skill to respond in a concise, clear, intelligible manner in a business situation is invaluable," say Beagen. "I really believe that if there is a single most important thing for someone to learn while they're at a university, it is how to communicate . . . reading, writing, and public speaking. I'll bet that if you went to executives across the nation and asked them what were the most important skills they were looking for in a new employee, they would say the ability to communicate and the ability to work with people."

Many of Beagen's "forensicators" have parlayed success in forensics into careers in law, medicine, business, drama and education.

Former EMU forensics standouts include: Darryl Dean, one of Eastern's first national forensics champions, who just produced his

first play on Broadway; Rep.-elect Dennis Hertel, D-Mich., of Detroit; Michelle Mueller, a Bendix Corp. director of technical publications; Tim Ehlen, a Royal Oak native, who just finished an around-the-world trip on a Spanish sailing ship and will soon publish a book on his adventures, and Dennis Cockrum, a professional actor at Chicago's Court Theater, who was nominated for the Jeff Award, the Chicago equivalent of the Tony. Mike Garcia, one of the best all-around speakers on the current EMU squad, has been invited to audition by the National Shakespeare Company.

Eastern's consistent success in outshining the 200 or so other colleges and universities that compete at the National Forensics Association tournament each year is no fluke. Beagen works 8 a.m.-11 p.m. every day helping students research and polish speeches and teaching classes in EMU's department of speech and dramatic arts.

Eastern gives five forensics scholarships per year to students from throughout the United States, though seventy-five percent of the EMU squad comes from Michigan. Approximately 50 students participate in the program which began Sept. 14 and will end 20 tournaments and 10,000 traveling miles later May 1. Students who join the team can expect to spend at least one weekend per month on the road and four to five hours a week preparing each speech they give. Beagen estimates that individuals who compete for four years will have written and presented just about 25 speeches.

Because of EMU's success, Beagen has a difficult time psyching his charges to do their best at each tournament. He admits that judges and opposing teams often become frustrated with the Ypsilanti squad, too, because of Eastern's winning record. So he regularly splits up his team, sending members to different tournaments, to keep individuals competitive.

"It serves us for a lot of reasons not to win every weekend," Beagen said. "If our speakers feel they have to win every weekend, they take less risks. Risk-taking is important in forensics because we are constantly experimenting with deliveries and styles when we give our speeches."

Beagen, who played high school basketball and was on the EMU team as a student, says there is little difference between motivating a forensics team or an athletic squad. He quietly says he'd even like to trade places with a basketball coach for a season and compare won-loss records afterwards.

If Beagen's record in forensics is any indication, that might be the time for John Wooden to move over.●

MARCHING FOR LIFE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. MURTHA. Mr. Speaker, almost 1,000 people from the 12th Congressional District "Marching for Life" met in the Capital and two touching poems both composed by students from the 12th District were read to the assembled group:

COLLEGE WINNER

TINY INNOCENCE

(By Kristal Backman, Central City, Pa.)

Tiny innocence,
Tender child of God,
I weep for you.
You, growing miracle, alive at that moment of love,
Yet untimely ripped from the womb,
I fight for you.
Tiny limbs and trusting heart,
Your life is taken in worldly selfishness,
I love you.
Orphan of the world, but victor of heaven,
Into Christ's arms your spirit ascends,
I will pray for you.

JUNIOR HIGH SCHOOL RUNNER-UP

MOST CHERISHED POSSESSION

(By Dan Bearer, Kittanning, Pa.)

One thing we value above all things
It's the cherished life that the Good Lord brings
We all have the right to live our life,
Free from fear and hate and strife
No matter what the conditions be,
Life is a privilege for you and me
That life with you should always stay,
Until God takes that life away.
Live your life as well as you can,
In harmony with your fellow man.
From the moment one is fertilized,
Until that person finally dies.
Life is a gracious gift God gives,
To be kept as long as a person lives.
No matter the color, shape or size,
Life is one's most cherished prize.
No one can judge the length of a life,
Of brother, sister, husband or wife.
We may govern our life alone,
Until God finally brings us home.●

AMERICANS SUPPORTING THE ARTS

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. RICHMOND. Mr. Speaker, today I have the pleasure of introducing a bill into the 97th Congress which when signed into law will give necessary financial assistance to every cultural institution in our Nation.

Theaters, museums, symphonies, botanic gardens, zoos, and arboretums are enjoying unprecedented popularity. Not only are more of these institutions available than ever before, but more and more Americans are attending and participating in all forms of cultural activities.

The latest Louis Harris poll on the arts entitled, "Americans and the Arts"—July 1980—proves, beyond a shadow of a doubt that the arts have come of age in America. Harris completed a similar study in 1975 and comparing the results of these two studies proves the hypothesis that more and more Americans are participating in the arts. Following is that comparison:

	Percent of people involved	
	1980	1975
Participating in art form:		
Photography	44	19
Music	30	18
Creative writing	22	13
Ballet/modern dance	20	9
Sing in choir	21	11
Painting	20	22
Pottery/ceramics	16	8
Theatre	5	3
Attendance:		
Theatre	59	41
Live popular music	48	30
Live classical music	26	18
Museums	60	44
Dance performances	25	16

Significant majorities of Americans desire more cultural opportunities in their communities, according to the latest Harris survey.

In response to this increased interest and participation in the arts, Harris asked the 1,501 people polled if they would be willing to see their taxes increased, if the increase supported the arts. The results from this question are astounding. Since the same question was posed to taxpayers in the 1975 study, I would again like to show the increase in acceptance of increased taxes for the arts.

	Percent of people saying yes	
	1980	1975
Increased taxes for the arts:		
$25	51	41
$15	59	46
$10	65	51
$5	70	58

There are over 84 million individual taxpayers in America. If these figures were applied to all these people we would raise over $1.8 billion annually for the arts. But it is the responsibility of the Congress to determine how best to distribute tax dollars and until the Congress decides to appropriate $1.8 billion for the arts, we must find alternatives to meet this goal.

One alternative is the basis for my bill H.R. 1042. The concept of this bill is quite simple. We can place a box on the IRS 1040 form allowing individual taxpayers to make contributions to the arts over and above their taxes.

Last year, 63 million taxpayers received IRS refunds averaging $500. This is because most employers overwithhold income taxes. If the taxpayer could instruct the IRS to send him/her a check for $475, instead of $500, that $25 could be then spent on the arts in the taxpayer's own community.

Here is how the system would work. If a taxpayer was to receive a refund he/she could donate any part of that refund to the arts; and that donation would be tax deductible in the following year. If the taxpayer owed money to the IRS, he/she could include more than what was due in taxes, as a contribution to the arts.

Once collected by the IRS the money would be sent to the National Endowment for the Arts, a Federal agency. The NEA would then send each State arts agency all the money that came from that State. The State arts agency would then give the money to the local arts agencies representing the county of the taxpayer. Since no money could be used for administrative expenses at the Federal, State, or local levels, every dollar contributed by the taxpayer would end up right back in his/her community.

When this bill was introduced in a similar form in the 94th, 95th, and 96th Congresses, it received broad public support from thousands of arts institutions and artists throughout the country. Now in the 97th Congress, the bill becomes specific in its funding mechanism and explains exactly how

these funds will come back to the local community.

At this time I would like to have H.R. 1042 printed in the RECORD:

H.R. —

A bill to provide an opportunity for taxpayers to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STATEMENT OF CONGRESSIONAL INTENT.

It is the intent of the Congress that the funds provided under this Act should be used in accordance with the following principles:

(1) The funds should be distributed in a manner which benefits the people from whom derived.

(2) In distributing such funds, the following factors should be taken into account—

(A) the significant contributions of the Nation's arts resources (including professional training programs, individuals, and institutions), and

(B) the cultural pluralism represented by the Nation's ethnic diversity.

(3) Recipients of grants made from the funds should demonstrate the maintenance or achievement of quality.

(4) Funding consideration should be extended to all art forms specified in section 3 of the National Foundation on the Arts and Humanities Act of 1965 (20 U.S.C. 952).

SEC. 2. DESIGNATION ON TAX RETURNS.

(a) GENERAL RULE.—With respect to each taxpayer's return for the taxable year of the tax imposed by chapter 1 of the Internal Revenue Code of 1954, such taxpayer may elect to have—

(1) any portion of any overpayment of such tax for such taxable year, or

(2) any contribution in money which the taxpayer forwards with the return for such taxable year,

be available, as the taxpayer may designate on such return, for purposes of supporting the arts.

(b) NOTIFICATION ON RETURN FORMS.—The Secretary of the Treasury or his delegate (hereinafter in this Act referred to as the "Secretary") shall provide that the tax return forms for the tax imposed by chapter 1 of the Internal Revenue Code of 1954 will fully inform each taxpayer of the opportunity the taxpayer has of making a contribution as described in subsection (a) and the purposes for which such contributions will be used. Space shall be made available on the first page of such returns for the designations referred to in subsection (a).

(c) EFFECTIVE DATE.—The provisions of this section shall apply with respect to taxable years beginning after December 31, 1981.

SEC. 3. TRANSFER TO NATIONAL ENDOWMENT FOR THE ARTS AND TO STATE AND LOCAL ARTS AGENCIES

(a) TRANSFER TO NATIONAL ENDOWMENT FOR THE ARTS.—

(1) IN GENERAL.—One hundred percent of the overpayments and contributions designated under section 2(a) for purposes of supporting the arts shall be transferred by the Secretary at least quarterly to the National Endowment for the Arts (hereinafter in this Act referred to as the "Arts Endowment").

(2) USE OF FUNDS.—The amounts transferred to the Arts Endowment under paragraph (1) shall be transferred to the State arts agencies, and the amounts so transferred shall be treated as donations received from private persons and not as Federal assistance. The amount to be transferred to any State arts agency shall be that portion of the total amount required to be transferred under paragraph (1) which is attributable to designations made on returns of taxpayers who are residents of the State of such State arts agency. A State arts agency may not use any amount transferred to pay administrative expenses of the State arts agency.

(3) LIMITATION.—Amounts transferred under paragraph (1) may not be used by the Arts Endowment to meet expenses arising from the administration of this Act or the National Foundation on the Arts and the Humanities Act of 1965.

(b) TRANSFER TO LOCAL ARTS AGENCIES.—

(1) IN GENERAL.—Each State arts agency shall transfer the amounts it receives under subsection (a)(2) to each local arts agency in the State of the State arts agency. The amount transferred to a local arts agency shall be that portion of the amount received by the State arts agency which is attributable to designations made on the returns of taxpayers who are residents of the county in which the local arts agency is located.

(2) LIMITATION ON USE OF FUNDS.—None of the amounts transferred to any local arts agency may be used by it to pay its administrative expenses.

SEC. 4. GENERAL PROVISIONS.

(a) NO MATCHING REQUIREMENTS.—Any local arts agency to which amounts are transferred under this Act may not require (as a condition to the making of any grant with funds provided under this Act) any applicant to raise additional funds or to meet any other matching requirement.

(b) NO GRANTS TO ENDOWMENT FUNDS.—Funds provided under this Act may not be used for purposes of making grants to an endowment fund of any institution or otherwise for purposes of being held for investment.

(c) ADMINISTRATIVE PROVISIONS.—If the Chairman of the Arts Endowment after reasonable notice and opportunity for hearing, determines that any State arts agency is not using funds provided under this Act substantially in accordance with the provisions of this Act, then such Chairman may take such action as may be necessary (including suspension or termination of transfers under this section or requiring repayment) to insure that the requirements of this Act are met.

(d) NO EFFECT ON APPROPRIATIONS.—Any amount transferred under section 3 of this Act shall not affect the amount which would have otherwise been appropriated to the Arts Endowment under any other provision of law.

(e) DESIGNATING UNDERPAYMENTS TREATED AS REFUNDED.—For purposes of the Internal Revenue Code of 1954, any overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the date prescribed for filing of the return of such tax (disregarding any extension) or, if later, the date the return is filed.

(f) DEFINITIONS.—For purposes of this Act—

(1) Fiscal year.—The term "fiscal year" means—

(A) when used in connection with either Endowment, the fiscal year of the Federal Government, or

(B) when used in connection with any other entity, such entity's annual accounting period.

(2) STATE ARTS AGENCY.—The term "State arts agency" means the agency designated under paragraph (2) of section 5(g) of the National Foundation on the Arts and the Humanities Act of 1965.

(3) LOCAL ARTS AGENCY.—The term "local arts agency" means a public, publicly designated, or private nonprofit council, commission, society, or organization which by its charter and operating policies is publicly accountable to provide financial or service support, or both, for the arts needs of the whole community which it serves.

(4) STATE.—The term "State" has the meaning given such term by section 3(g) of the National Foundation on the Arts and the Humanities Act of 1965.

(5) RESIDENCE.—A person shall be treated as a resident of a State with respect to any return if the address shown on the return is within such State.●

FUENTES WRITES ON REAGAN AND CENTRAL AMERICA

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 22, 1981

● Mr. STUDDS. Mr. Speaker, Carlos Fuentes is one of Mexico's greatest novelists and political thinkers. Recently he wrote an article for the Los Angeles Times which I believe provides a brilliant summation of the challenges and opportunities confronting President Reagan with respect to our foreign policy in Central America. I recommend the article highly both to my colleagues in the Congress and to interested officials in the executive branch.

We had hardly settled down to coffee in front of the TV set that wet November night when the President of the United States came into the comfortable living room of William and Mary Bundy, courtesy of ABC. Carter was conceding the election and our warm and brilliant hosts, as well as their guests from the Princetonian realms of literati and academe, were keenly analyzing the whys and wherefores of Ronald Reagan's victory.

The fact of Reagan's success sank in very, very slowly. Many different things raced through our heads at that moment. I told myself that this was, on the face of it, not the best news for Latin America. Even more than that, I silently repeated what I have been murmuring for the past 10 months during my stay at the University of Pennsylvania as a guest lecturer—before my mirror, into my early morning teacup and sauntering next to the imaginary Pancho Villa who, Harvey-like, accompanies me in my forays into the editorial rooms, political parlors and university halls in your country.

The president of Mexico and the president-elect of the United States met Jan. 5 at the border city of Juarez. Now let me recall what old Pancho said to me last Nov. 4: Repeat to yourself what you have been saying all these months. Mexico has no cause for alarm, whatever the outcome of the U.S. election. Mexico can deal with a Carter or a Reagan administration because Mexico has a history and a conscience of its past, a clear set of present-day priorities and a formidable sense of what relations with the United States might mean for the future.

Because it has all this, Mexico has the most far-sighted, morally courageous and pragmatically justifiable foreign policy in Latin America and, perhaps, in the Third World.

I thought, shifting my gaze from the mournings and the celebrations on the television to the flickering fire in the Bundy chimney, of my country's constant struggle for independence since the early 19th Century: against colonial Spain, against President James K. Polk's invasion of 1846, the French invasion of 1860, Maxmilian of

Hapsburg's puppet empire, the successive American interventions in 1914 and 1917.

I recalled the less well-known reserves of national strength that helped Mexicans withstand economic and political pressure from abroad.

Throughout this dramatic past, Mexico has had to fight off foreign interference and affirm its right to govern itself. This is the basis for a foreign policy that has proven itself eminently capable of understanding others in Latin America when they fight for the same things.

Take the red-hot Central American case: Mexico recognizes many legitimate U.S. interests in the area. But the United States must recognize that Mexico also has legitimate interests there. First there is historic precedent. From Guatemala to Panama, Central America was part of the vice-royalty of New Spain governed from Mexico City during three centuries and, for a few years after independence in 1821, the provinces of the isthmus continued to be a part of Mexico.

But above all, Mexicans demand that everyone recognize that the truly interested parties there are the Central American peoples and that it is up to them to decide their political future, without foreign interference.

A certain psychosis has been created recently in your country. According to a resurrected domino theory, Mexico would be endangered by the successive "fall" of right-wing regimes that began in Nicaragua and could follow in Honduras, El Salvador and Guatemala. Danger to Mexico would be perceived as an immediate threat to the United States and the Marines would land (preferably in the proximity of the Gulf oil fields) to protect Mexico from Central American rebels who would be said to be acting in the name of Cuba and the Soviet Union.

This is a view absolutely alien to the actual experience of my country with the region. Mexico always has had problems with the rightist military regimes of Central America, as with the long-lived Jorge Ubico dictatorship sustained by the United States in Guatemala. On the other hand, our relations with the progressive governments of Central America, when they have come to power, have been excellent, as was the case with the Juan Jose Arevalo and Jacobo Arbenz regimes that succeeded Ubico.

These experiences taught Mexico that the best defense we have in Central America is the friendship of popular regimes evolving from revolutionary beginnings toward nationalistic and democratic goals. Such events are analogous to our own. After all, they defend in Central America what we so steadfastly defended at home. As a result, over the years we too have been branded stooges of Russia or the Axis, or denounced, as during the 1920s as creeping Reds at the U.S. doorstep, for the "crimes" (as then-Secretary of State Frank B. Kellogg called them), of creating schools, building roads, redistributing land and recovering natural resources before they were wildly misspent by foreign companies.

Mexico is today a stable, independent and growing nation because it did, in its own moment, against terrible odds, pressured and harassed and invaded, what Nicaragua is doing today, what El Salvador and Guatemala want to do tomorrow.

Will the United States ever learn the Mexican lesson as it historically reproduces itself throughout Latin America?

I raised my eyes from the fire and met the intelligent gaze of William Bundy. The editor of Foreign Affairs echoed my thoughts. The best thing that could happen to Ronald Reagan on his way to the White House would be to meet his two very outspoken, frank and intellectually vigorous neighbors, Jose Lopez Portillo to the the south and Pierre Elliott Trudeau to the north.

So the news of last week's meeting between Reagan and Lopez Portillo at Juarez was good news in this sense. It should have been a real eye-opener for Reagan. Lopez Portillo is ideally suited to explain that the road to wisdom in Central America and the Caribbean goes beyond nonintervention to competition for hearts, and minds and stomachs, too.

Whatever else happened in Juarez on Jan. 5, President-elect Reagan was sure of receiving the most candidly different version of what the world out there is really like and of what the nearly four billion persons who did not vote on Nov. 4 are really saying and thinking.

Insurrection against the petrified and tyrannical systems cannot be smothered: In 1954, then-Secretary of State John Foster Dulles did not heed Mexican Foreign Minister Luis Padilla Nervo, who warned against intervention in Guatemala. He went ahead with the CIA-sponsored invasion led by Col. Carlos Castillo Armas that toppled the left-of-center government and with it the budding democratic experience of that nation. The results are painfully visible today.

If these policies are repeated, both Mexico and the United States will be in trouble, for the war will spread, the people will not give up, the hatred will be blinding and the outrage contagious. Although the mad dictator of El Salvador, Maximiliano Martinez, encircled and massacred almost the total population of Izalco in the 1930s, he did not kill the people of El Salvador. They are still fighting for the same reasons Emiliano Zapata fought in Mexico and George Washington fought in the United States.

Since the early 1960s, Mexico has resisted hysteria and opportunism. The doors to Cuba remained politically and diplomatically open. Its policy in Cuba has stood for 20 years. Its wisdom will one day become evident. The United States must understand that it does not help Cuba or itself by speaking about Cuba only with the Soviets, for that policy only strengthens the Soviets but weakens Cuba and the United States.

In Nicaragua, Mexico's support is of even longer standing. The revolutionary Mexican governments of the '20s gave asylum to Augusto Cesar Sandino, before he went back to Nicaragua to be betrayed by Gen. Anastasio Somoza, the founder of the dynasty, with U.S. assistance. There followed nearly 50 years of brutal dictatorship until the recent inevitable revolution finally toppled the Somozas.

Reagan should hear out Lopez Portillo on this subject because Mexico is the country best equipped to absorb the shock waves of change in Central America, and to persuade the United States that real courage lies not in military posturing, but in nonintervention and respect for Central American autonomy as those nations sort out their own problems.

Certainly, the Soviets and the East Germans are in Nicaragua. Just as the Americans are in the Communist world from Yugoslavia and Hungary to China. But the Mexicans are in Nicaragua, too, with oil and credit and know-how; so are the Cubans, who are telling the Sandinistas not to repeat avoidable mistakes; and so are the West Germans, brilliantly cooperating in Nicaragua as in Zimbabwe, offering the Sandinistas and Robert Mugabe the aid and persuasion the United States seems incapable of proposing as a coherent policy. Cooperation is the road Lopez Portillo will assuredly invite Reagan to follow.

It would be a tragic mistake to think that, in 1981, gunboat diplomacy and spheres of influence are what they were 50, even 20 years ago. The best proof is offered by recent Soviet experience. The Soviet empire is in a deep, perhaps incurable crisis because it plunged into the African quagmire and is now pinned down by rebel guerrillas; it is distrusted and shunned by the Third World it so assiduously courted; weakened and divided by its two wide open fronts on east and west. So much for "gunboat diplomacy," 1980 style.

Will the United States under Reagan mirror in Central America the Soviet Union's errors? Does jingoistic machismo have to be proven in San Salvador as in Kabul? Is Managua seen as a threat comparable to Warsaw—a source of infection, the first domino to fall?

American force in Cuba or Central America will set Washington on a collision course with Mexico City; Mexicans will rightly see in such an action the gravest menace to their own national security. They will say that the dominos are indeed falling, that the United States is pushing them and that it is capitalist America, not socialist Nicaragua, that hungers for dominion over Mexico's oil resources.

I'm afraid the United States has not yet realized that Mexico is one of its best friends precisely because it is an outspoken, fiercely independent, aggressively forthright friend who dares tell the truth: "Wait. You don't understand this problem because you don't understand the people or their cultures. You're frightened of Marxist grumblings. We are not because we know them to be the mask of national and cultural urgings."

True, there are grave day-to-day problems between Mexico and the United States, sometimes festering, sometimes changing, always challenging. Difficult and concrete as they are, the problems of trade, energy and migration cannot be solved unless, first, an over-all political and, even, philosophical understanding is reached.●

SENATE—*Friday, January 23, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 11 a.m., in executive session, and was called to order by the President pro tempore.

RECESS UNTIL 10 A.M., TUESDAY, JANUARY 27, 1981

The PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 10 a.m., Tuesday next.

Thereupon, at 11 a.m. and 42 seconds, the Senate recessed, in executive session, under the order of Thursday, January 22, 1981, until Tuesday, January 27, 1981, at 10 a.m.

CENTENARY OF GEORGE CATLETT MARSHALL

● Mr. HARRY F. BYRD, JR. Mr. President, as many of my distinguished colleagues know, we recently commemorated the 100th anniversary of one of the truly great Americans of our century: General of the Army George Catlett Marshall, who was born on December 31, 1880, in Uniontown, Pa.

A graduate of the Virginia Military Institute in 1901, he served his country for half a century—the only American to be Army Chief of Staff, Secretary of State, and Secretary of Defense.

The early years of his life were characterized by the slow promotions of the then minuscule Army. But his qualities of mind and leadership were displayed during World War I, to such extent that Gen. John J. Pershing, commander of the American troops in Europe, selected the young Marshall as his aide.

The interwar years were marked by the tragic death of his first wife, a crucial period at Fort Benning where he molded leaders of the next war, and the redeeming pleasure of meeting and marrying his second wife, the former Mrs. Katherine Tupper Brown, who shared with him his later heavy burdens of public office.

Named Chief of Staff on September 1, 1939, the day Hitler invaded Poland, he led the Army and Air Force of the United States throughout World War II. Singled out by the President as the man chiefly responsible for bringing this country victory, General Marshall hoped for the well-earned rest of the soldier.

As usual, however, he sacrificed his personal desires for the welfare of his country. After taking on the hopeless task of reconciling warring forces in China, he became Secretary of State in 1947, and shortly thereafter launched the European Recovery Program, which has gone down in history as the Marshall Plan. A short period as head of the American Red Cross followed his retirement from the State Department, and then, when the Korean War caught our forces in disarray, he was called again to serve as Secretary of Defense in 1950–51.

Well-deserved rest was finally his prerogative, as he retired to his much-loved Leesburg, Va., where he and Mrs. Marshall made their home until the year of his death in 1959. Well-deserved honors, however, continued to be accorded him, despite his inherent modesty. Chief among them was the Nobel Peace Prize in 1953, the only time a military officer has been given this unique honor.

Some writers have called General Marshall the least known great man of our century. It is therefore especially fitting that a number of commemorations have been held in his honor as we note the centennial of his birth. The Army noted this occasion on December 5, and his howetown, Leesburg, dedicated a a statue of General Marshall in the courthouse square on December 6. Earlier in the autumn, the George C. Marshall Research Foundation held a commemorative dinner in Washington on November 18, 1980. Not only did one of Marshall's closest colleagues, General of the Army Omar N. Bradley, take part, but many others of us who admired General Marshall in war and peace joined together to pay him homage.

Mr. President, I ask that excerpts from an address by Forrest C. Pogue, General Marshall's biographer, at the Pentagon ceremony, and excerpts from the remarks of panelists at the November 1980, dinner in Washington, be included in the CONGRESSIONAL RECORD.

The material follows:

THE CENTENARY OF GENERAL GEORGE C. MARSHALL

(By Forrest C. Pogue)

On November 26, 1945, some 35 years ago, General of the Army George C. Marshall, having retired from the office of Chief of Staff of the Army, which he held from September 1, 1939, until November 20, 1945, stood in the court of the Pentagon, while President Harry S. Truman read the citation of an Oak Leaf Cluster to the General's Distinguished Service Medal. Part of that citation tells much of the story of why we stand here today, paying tribute to his memory:

"In a war unparalleled in magnitude and horror, millions of Americans gave their country outstanding service. General of the Army George C. Marshall gave it victory.

"Statesman and soldier, he had courage, fortitude, and vision, and best of all a rare self-effacement. He has been a tower of strength as counsellor of two commanders in chief. His standards of character, conduct and efficiency inspired the entire Army, the Nation and the world. To him, as much as any other individual, the United States owes its future. . . ."

He had completed, he thought, a career marked by 45 years as a professional soldier, years of dedicated service crowned by leadership in our greatest world war. In his reply Marshall thanked representatives of the services that had won the battles. He spoke:

"You faced death and swallowed fear, endured the agonies of battle and of hearts torn by loneliness and homesickness and starvation for the normal life you loved. Yet you took it—all there was to take anywhere on the battlefronts of the world. And you had the strength and will to give it back, give back much more than your enemies could take. . . .

"Along with the great problems of maintaining the peace, we must solve the problems of the pittance of food, of clothing and coal and homes.

"It is to you of this great civilian army who carried the country to victory that we must look in the critical years ahead. You are young and vigorous and your services as informed citizens will be necessary to the peace and prosperity of the world."

At 65, he had not included himself in that group. Mrs. Marshall was jubilant as they drove home to Leesburg where she hoped to sit down and plan some future trips together and years of rest and companionship so long denied. As they reached their home, they heard the telephone ringing. The General answered it, spoke briefly and put down the telephone. Mrs. Marshall went up to take a nap. When she awakened and came downstairs, she heard someone on the radio say: "The President has just appointed General Marshall as special ambassador to China. He will leave immediately." He said "that call was from the President. I could not bear to tell you until you had your nap."

Nominated for the position of Chief of Staff of the Army in the spring of 1939, he became acting chief in July of that year, and then was sworn in as fulltime chief on September 1st.

In the more than six years that followed, he saw the Army and the Army Air Force grow from 200,000 to more than 8½ millions. It was a task of procuring men and supplies, of housing and arming troops, of training and picking leaders, and of finding supplies which could go to our beleagured allies. Unlike their counterparts in Europe, who could leave parliamentary activities to politicians, Marshall and his fellow chiefs spent many hours trying to convince congressional committees of their needs. In February before the fall of France, Congress struck out funds for airfields in Alaska and 57 bombers. "In June," said Marshall, "they offered me more money than I could use. "Yesterday we had time and no money; today we have money and no time."

Marshall performed great service in the strategic decisions of the war. The only member of the Combined Chiefs of Staff to hold the same position from the outbreak of war in Europe until the end in 1945, he attended all the great conferences, where he proved to be, as John Ehrman says, first among equals.

It is ironic that the great organizer of victory in the broad perspective of history—par-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ticularly outside the United States, seems destined to be better remembered for the European Recovery Program, better known as the Marshall Plan, than for his years as a soldier.

It was the speech at Harvard on June 5, 1947, uttered quietly and without strong rhetoric, that caught the imagination of a world stunned by the chaos of defeat and the exhaustion of victory—prey to want and fear and disorder that provided conditions which could lead to dictatorships from Left or Right.

He made clear that Europe should determine first what it could contribute to its own recovery and then call on the United States for help. He made clear that U.S. policy "is directed not against any country or doctrine but against hunger, poverty, desperation and chaos."

Marshall worked closely with the Republican leadership, was a powerful witness before congressional committees and stumped the country as if he were running for office. United effort throughout the nation pushed through this great impetus to world recovery.

On June 25th, 1950, the North Koreans crossed the 38th Parallel into the area of South Korea. It was soon clear that the United States was not prepared to deal with these threats and to strengthen NATO forces in Europe.

In this crisis, Truman again called on Marshall. Nearly 70, weakened by his operation, Marshall came back to Washington in September after the Congress had changed the provision in the National Security Act of 1947 that provided that a person who had served as a commissioned officer in a Regular component of the armed services in the past ten years would not be eligible for the post of Secretary of Defense. An amendment provided that this would not apply in the case of General Marshall.

A year later, the task of building the armed reserve and supply well underway, Marshall asked that he at last be allowed to step down from public service.

The last months of his tour were stained by attacks in the Congress by Senator Jenner of Indiana and Senator Joseph McCarthy of Wisconsin. Using the argument that he was soft on communism or, indeed, friendly to communism, they slashed at Marshall's record. At once, moderate members of their party rose to answer the venomous charges. One may wonder if McCarthy's ultimate downfall did not stem from that moment. It must have been clear that if Marshall, a defender of our liberties, a moderate in the great conservative tradition of men like Elihu Root and Henry Stimson, could be called a front man for traitors then no reasonable man was safe from slander. In time the tide would turn. Marshall took it in stride. In fact, he expressed sympathy for McCarthy: "Poor fellow, he let himself be used."

In his retirement years, Marshall was appointed by President Eisenhower to lead the American delegation to the coronation of Elizabeth II. Later in the same year, the Nobel Peace Prize Committee in Oslo notified Marshall that he would receive the Prize for Peace, the first time it would be awarded to a professional soldier.

In his formal address, Marshall noted that there had been surprise that a military man could receive a medal for peace. "I am afraid this does not seem quite so remarkable to me as it quite evidently does to others. . . . The cost of war in human life is constantly spread before me, written neatly in many ledgers whose columns are gravestones. I am deeply moved to find some method of avoiding another calamity of war."

As Secretary of Defense, Marshall had proposed Universal Military Training in preference to a large standing army. An echo of that view came through his statement on military forces.

The rapid disintegration of U.S. armed forces between 1945 and 1950 had destroyed its power to maintain the peace and he believed that the invasion of South Korea had followed as one of the results. "For the moment," he continued, "the maintenance of peace in the present hazardous situation does depend in a very large measure on military power, together with Allied cohesion. But the maintenance of large armies for an indefinite period is not a practical or a promising basis for policy."

It was his last major appearance on the world stage. Various organizations and countries sought to pay him honor. Britain, Norway and other countries set up scholarships in his name. Germany built a fountain to him in the heart of Frankfurt and, at length, set up a large German Marshall Fund to carry on the ideas he had favored. The Charlemagne Prize, the Woodrow Wilson award, and many others came in to him in his last years.

In 1953 his Alma Mater, V.M.I., sought to preserve his memory with a Marshall Research Center and a Marshall Library. In the launching of the campaign which resulted in the establishment of this Library and Museum at Lexington, dedicated in 1964 by President Johnson, General Eisenhower, General Bradley and former Secretary of Defense Robert Lovett, officials were aided by a tribute of Winston Churchill's which I feel sums up Marshall's greatness and serves as an epitaph for the hundred years of this great soldier statesman. Churchill wrote:

"During my long and close association with successive American administrations, there are few men whose qualities of mind and character have impressed me so deeply as those of General Marshall. He was a great American, but he is far more than that. In war, he was as wise and understanding in counsel as he was resolute in action, in peace he was the architect who planned the restoration of our battered European economy and, at the same time, labored tirelessly to establish a system of Western Defense. He has always fought victoriously against defeatism, discouragement, and disillusion. Succeeding generations must not be allowed to forget his achievements and his example."

CEREMONIES COMMEMORATING THE CENTENARY OF GENERAL OF THE ARMY GEORGE CATLETT MARSHALL

The Honorable ROSWELL GILPATRIC (Chairman): It is a pleasure and an honor for me to serve as Chairman of this Centennial Dinner in honor of General of the Army George C. Marshall. On behalf of the Board of Trustees of the Marshall Foundation I bid each and everyone of you a warm welcome to this unique occasion.

There are so many friends and admirers of General Marshall here tonight and so many supporters of the Marshall Foundation that you would not want me to take the time to name them all. But I have to make one exception, because we have here tonight, fortunately for us, one of the great military leaders of our time, General of the Army Omar N. Bradley.

General, at your request, I am going to read a message which you asked me to convey to this gathering here tonight. These are General Bradley's sentiments that he wanted you to hear.

"My warm personal memories of George C. Marshall date back 50 years when we served together as infantry officers at Fort Benning.

"My deep respect for General Marshall grew immeasurably during World War II, when he carried the monumental burdens of the Army's Chief of Staff and I had the honor of serving as Army Group Commander.

"In the critical days of Korea, we were again in service together—he as Secretary of Defense and I as Chairman of the Joint Chiefs of Staff.

"No single man did more to win the war than this military officer; no man did more to serve his nation in peace than this great soldier-statesman; no man ranks higher in my personal admiration as a leader of men in this century.

"As the Chairman Emeritus of the Marshall Foundation, I salute you at this dinner as you in turn pay tribute to the person and personality of General of the Army George C. Marshall."

Without naming them, I do want to mention some of the others who are here tonight. There are, first of all, representatives of the Department of the Army and the Chief of Staff of the Army. We are grateful for their support of this Foundation, both here and in Lexington.

Also present are four grandchildren of Mrs. Marshall. We are happy to have you here.

And then I particularly want to mention the representatives of the Marshall Plan countries, most of whom are here with us tonight. In particular may I express on behalf of the Foundation our gratitude for the contributions to the Marshall Centennial Fund of the governments of Belgium, Federal Republic of Germany and of Norway.

On this occasion which is so close to the hundredth anniversary of General Marshall's birth, you are going to hear from a few of his very close colleagues—some of their reminiscences of their association with him. Those colleagues of his, who will be introduced to you by Dr. Forrest Pogue, General Marshall's biographer, include Anna Rosenberg Hoffman, Assistant Secretary of Defense under General Marshall; Governor Averell Harriman; General Frank McCarthy; and General Marshall Carter. General J. Lawton Collins had hoped to be here tonight but, for reasons beyond his control, he cannot make it. General Carter is going to take his place.

But there is one other very close colleague, who, alas, is no longer with us, Dean Acheson. Mrs. Acheson is here tonight and I want to mention a couple of references that Dean Acheson had in his personal letters which were published last year, to General Marshall, whom he considered, as I am sure all of us do, as our hero.

In one of his letters, Dean wrote that he included General Marshall along with Holmes and Brandeis as the greatest men he had ever known, and he said, "They are superior in transfiguration through duty." I thought that was a wonderful phrase, transfiguration through duty.

One of my experiences with General Marshall also illustrates how seriously he took service to his country. In April 1951 General Marshall, then Secretary of Defense, swore me in as Undersecretary of the Air Force. This being a new experience for me, I had the impression that these swearing-in ceremonies were festive, jovial affairs. So I had a big smile on my face when I stood up before General Marshall to take the oath. He looked at me very gravely and said, "Mr. Secretary, if I were you I would adopt a more sober expression in view of the heavy responsibilities you are about to undertake." Off went the smile.

Now, Dr. Pogue, would you introduce your panelists—Governor Harriman, Anna Rosenberg Hoffman, General McCarthy, and General Marshall Carter?

Dr. POGUE. It was decided tonight that instead of having three or four formal speeches on this hundredth anniversary of

the General's birth, which comes, as you know, on the last day of this year, to have people who could speak about him as Chief of Staff, Secretary of State, as Secretary of Defense, and as a great human being.

I would like to start, first of all, with General Marshall Carter, who was associated with General Marshall in the War Department during the war and then acted as his assistant in many capacities during the China Mission, while General Marshall was Secretary of State, and while he was Secretary of Defense.

General CARTER. I am substituting for "Lightning Joe" Collins, who was one of General Marshall's favorite field commanders and who has talked to me several times about General Marshall's activities when he was in command of training at Fort Benning. At that time General Marshall had under his supervision General Collins, General Bradley, General Huebner, General Decker, General Ridgway, and several other generals who eventually became our combat commanders in World War II.

I have a notation from General Collins that, of all of those generals who served under Marshall at that time, General Bradley, our General Bradley, was by far the most outstanding. This does not in any way denigrate, you understand, the capabilities of the other officers who were there. But General Marshall's regard, respect, and the really high faith that he had in General Bradley shone through at that time and continued on through World War II and thereafter.

Dr. POGUE. It is, of course, useless for me to undertake to introduce Governor Harriman to this audience or to tell you about his long service to this country in many posts. Both in war and in peace he knew and worked closely with General Marshall and he has a wide field from which to choose some incidents to reminisce about.

The Honorable AVERELL HARRIMAN. My friends, it is a great privilege for me to be able to talk about a man whom I admired enormously. I think that if you were to define a statesman, you would pick General Marshall as the definition of a statesman. He always knew the responsibility that he had and knew that fundamentally it was the decisions of the Commander-in-Chief, the President of the United States, that affected the actions that had to be taken.

When he made his famous Marshall Plan speech, he put into that speech an offer not only to Western Europe, but also to Eastern Europe and the Soviet Union. I thought this was the most reckless thing anybody could do, because, of course, Bevin and Bidault had Molotov in Paris, which they had to do, but they managed to get rid of him. General Marshall's judgment was very wise because it has always stood us in great stead that the Marshall Plan was offered, not as against any ideology, but against human want and human misery. This again showed what an extraordinary understanding he had of human nature. He knew it was a chance, a risk that was worth taking, and he took it deliberately and he was vindicated.

Dr. POGUE. There are many things that I could say about Mrs. Hoffman, but I want particularly to note that she was General Marshall's selection as Assistant Secretary of Defense. He stood behind her very steadfastly when opposition rose to that nomination and, of course, they remained great friends until his death.

The Honorable ANNA ROSENBERG HOFFMAN. Thank you. When you spoke about the opposition to my nomination, one incident comes to my mind which may give you a different idea of General Marshall, those of you who are soldiers and knew him.

When Senator Joe McCarthy objected to my appointment, General Marshall was very upset. General Marshall said to me the morning of the confirmation, I want you to come right in and tell me when you hear from the Senate. Never mind who's in there, come in and tell me. So I waited by the telephone and the word came. I rushed in to General Marshall, and there he was standing in his private elevator with the Chiefs of Staff: they were all ready to go to the White House, all very dignified. I rushed up to General Marshall and I said, General, they have confirmed me. He picked me up and hugged me. He said, That's great. But now go and get a facial, you look like hell. I think the Chiefs of Staff were as surprised as I was that General Marshall knew what a facial was.

I can only think of General Marshall as one of the greatest human beings, kind, courteous, wonderful. There wasn't a thing that any of us did that he wasn't aware of, and he always wanted to help.

I was there two days in the Defense Department when General Marshall came into my office. I had inherited a chair from a gentleman who was much larger than I was, and so my feet were not on the ground. General Marshall took one look and said, "Get her another chair. How do you expect her to make good judgments when her feet aren't on the ground?"

I will never forget when he asked me to go see President Truman about a subject and I was to present to him both sides. One was that it was politically dangerous to do it this way, and the other one was that it would be better for the services. But he said, "Don't emphasize the 'better for the services,' just make it straight." So I told the President. He looked at me. He said, "Don't ever tell me what's politically dangerous, don't ever tell me what anybody else said. Tell me what General Marshall wants and that's what's going to happen."

That, I think, is how everybody felt about General Marshall.

General Marshall was a great romantic. He was very much in love with his wife, and once when an industrialist came to see him and he pleaded with him to come to the Defense Department and the industrialist said, I can't do it, General, I promised my wife that when I retire we'll go traveling, the General looked at him and said. "And I promised my wife when we retired that I would retire and we would plant our roses and for once see them grow. We never stayed long enough to see them grow."

What can I tell you about General Marshall? I do not think there was ever any man in this world or in this country who was a greater soldier, a better statesman and a greater human being.

Dr. POGUE. As a young soldier, Frank McCarthy had one of the great opportunities of any soldier in the last 50 or 75 years. From 1941 until almost the end of the war, he served closely under General Marshall, going with him to many of the great conferences and acting in the last years as Secretary of the General Staff.

Brigadier General FRANK MCCARTHY. I have examined many tributes, both past and contemporary, to General Marshall. The dominant themes are: integrity, steadfastness, honesty, patience, selflessness, dignity, devotion to duty, objectivity, loyalty, self-restraint and moral responsibility. These magnificent qualities cover almost everything but not quite.

During the second war, General Marshall had no designated aide. He often referred to such officers as golden coat-holding aides, the most nearly profane language I ever heard him use on any subject. As the Secretary of his General Staff, I was always given legitimate and substantive military functions, but on the side someone had to plan his trips to theaters of operation, to send the messages ahead, to remain in communication with the War Department, to make sure that the baggage did not get lost or to find it, if it did. I was usually assigned these subsidiary duties, and they constituted perhaps the most interesting aspect of my long association with General Marshall, because they gave me an opportunity to observe qualities which were not always visible to others: his sensitivity, his compassion and his consideration of others.

General Marshall often performed little personal acts and services for all ranks, never for any particular effect, never within range of the media, but only with the thoughtfulness and generosity which was so characteristic of him.

Dr. POGUE. There briefly you have a picture of a great American, a great human being.

Now for about 10 minutes I would like the various members of this panel to try to place General Marshall as they see him in the broad perspective of history.

General Carter, would you speak first?

General CARTER. The most impressive thing about General Marshall to those of us who worked so closely with him was his total loyalty both up and down the ranks. His first thought was always for the troops in the field or for his foreign service people overseas when he was Secretary of State. His second thought was always how do I, as Chief of Staff or as Secretary of State or as Secretary of Defense, render total support to the President with all the resources that I command? This was his single uppermost thought. How do I best serve my country? And this thought permeated all of us who were close to him.

His second most critical factor I think that we all should bear in mind is that he was loyal and responsive to the President as the President. He never hesitated to express his opinion. When the decision was made, that was also his decision and he carried it through. I mention this because his loyalty to theater commanders during the war was such that all they had to do was to fight the war. He fought all of their political battles back in Washington. He took a tremendous load off of them.

When it became necessary for him to have MacArthur leave the Philippines and go to Australia, he arranged that the directive would come from President Roosevelt. He arranged that MacArthur would receive a Congressional Medal of Honor, and he arranged that the Australian Prime Minister would ask that MacArthur be returned to Australia. This is the kind of loyalty that General Marshall demonstrated to all of his commanders.

Most important, I think, were his views on civilian control of the military. He accepted as part of this country's dedication, as part of its entire constitution, that there would be civilian control of the military, and he knew this and accepted this at the highest level. At the same time, he never once, as Secretary of Defense or as Secretary of State, imposed his own military judgments on those people who held the responsibility for military decisions. General Bradley, as Chairman of the Joint Chiefs, had total access to the Secretary of Defense any time of day or night and those were standing instructions. At no time, to my knowledge, did he ever impose his judgment on military matters on those people who were responsible.

Governor HARRIMAN. Briefly, I would like to expand on General Marshall's sense of responsibility for everything. He had a sense of responsibility for what President Roosevelt should do, what he did not do, what he might not do. There was no arrogance in it. It was just his way—here was a job to be done and he did it.

But this was the sense of his responsibility for what everybody did, including the President of the United States. There was no arrogance in it. It was only a job to be done. He did it with such utter detachment and complete selflessness that he almost achieved miracles—which was of great service to our country.

Mrs. HOFFMAN. You asked how we think General Marshall will go down in history. I don't see how he can go down as anything but the greatest American, a great soldier, a great human being, who had compassion, who had love for his fellow man. All the things the others spoke about were all parts of the great character of George Marshall.

I'd like to add something to that. He was far ahead of his time. Those who are arguing today whether women should have equal rights should have heard General Marshall. He said, "I want women in the services and I want a committee that's going to go around and see how they are treated in the services and who can talk about it and who will bring more women into the services."

How General Marshall can be regarded in history. My fear is that the young generations do not know enough about George Marshall. He should be the example to every American of a perfect human being and what a great American should be. I hope that our young generations will learn more about George Marshall and get some of their principles and ideas from that great man.

Chairman GILPATRIC. I hope and believe that in history General Marshall will be remembered for his warm human and humanitarian qualities, and I think he will be, largely thanks to the fine four-volume biography by Dr. Pogue.

Dr. POGUE. They have left me a few minutes and in order that I will stay by my own rules I will just read this short statement. Commissioned as a Lieutenant of Infantry in 1902 with rank from 1901, Marshall's public career embraced virtually the first half of this century, one in which the United States went from a parochial power to leadership in the entire world, a leadership he helped bring about and maintain.

A soldier who served more than 6 years as head of the Army and the Army Air Forces, he was called back 3 times to serve at his country's call. Without rest he spent a frustrating year as head of the mission to China. Without rest he became Secretary of State for 2 years more. Leaving that post because of a serious operation, he was soon back in harness as head of the American Red Cross and then, shortly after the Korean War began, he was back again as Secretary of Defense, never questioning the country's call to duty.

When, at the end of 1943, Time Magazine called him "Man of the Year," Douglas Freeman, known for his biographies of great men, said no other choice was possible, no other choice would have been acceptable.

When Marshall's friends ask what were his noblest qualities, they turn almost instinctively to Jefferson's characterization of George Washington. Of Washington, Jefferson wrote, "As far as I see, no judgment was ever sounder. His integrity was most pure, his justice the most inflexible I've ever known, no motives of interest or kinship, of friendship or hatred being able to bias his decisions."

That is George Marshall—this and much more. And I know that you all agree with me that "this and much more" is his legacy, on the hundredth year of his birth, to his beloved country.●

THE VETO OF THE NATIONAL TOURISM POLICY ACT

● Mr. CANNON. Mr. President, one of the regrettable actions of the Carter administration was a pocket veto of S. 1097, the National Tourism Policy Act, which passed the Senate unanimously and the House 218 to 84 in the last Congress. I intend to actively pursue this measure with the new administration and am pleased that my distinguished colleague from South Dakota, Senator PRESSLER, the new chairman of the Senate Subcommittee on Business, Trade and Tourism, has announced plans to reintroduce S. 1097 in the near future.

I will be a cosponsor of this new legislation and an ardent supporter of it before this body and the Reagan administration. S. 1097, which I introduced in May 1979, along with Senator INOUYE, former chairman of the Merchant Marine and Tourism Subcommittee, was the result of the extensive National Tourism Policy Study which was begun in 1974 by the Senate Commerce Committee pursuant to S. Res. 347, 93d Congress. In addition to the Commerce Committee, the House Interstate and Foreign Commerce Committee and all segments of the industry participated in that study and the extensive hearings which ensued.

I believe the 96th Congress correctly felt S. 1097 was necessary in the national interest and the following reasons, in my judgment, illustrate why.

First. According to many experts, tourism will be the world's largest industry by the end of this century.

Second. In recognition of this fact, over 125 nations have government tourist offices located abroad for the specific purpose of attracting visitors to their respective countries.

Third. Currently, tourism contributes over $140 billion annually to the U.S. economy and supports over 6 million jobs. Many of these jobs are held by the least employed in our economy; that is, minorities, females, unskilled, and semiskilled workers. According to testimony the commitee received, women constitute more than half, 53.3 percent of the travel industry work force; blacks constitute about 14 percent, as against a 10-percent participation, in the remainder of the work force; and one-third of all youths aged 16–21 in the work force are employed in the travel industry.

Fourth. Tourism is one of the top three industries in most of our 50 States.

Fifth. Over 50 Federal agencies administer more than 100 programs which significantly impact tourism; and the Federal effort is highly inefficient, wasteful, and sometimes contradictory. Moreover, the Office of Management and Budget has perennially sought to shut down U.S. national tourist offices abroad on the grounds that "a promotional program is not an appropriate part of the Federal role in tourism."

Sixth. Despite the Government's inefficient effort, according to our own Government's statistics, every Federal dollar spent on international tourism promotion returns $18.6.

Seventh. S. 1097 was intended to make sense out of the Government's extensive involvement in tourism, and thus make our efforts cost-efficient and more productive.

What is most perplexing to those of us concerned with the Federal Government's attitude toward tourism is the consistent position of the Office of Management and Budget that the Government should have no role in the promotion of international tourism. OMB's stand is not only directly contrary to that of every industrialized country in the world, it completely ignores the unanimous testimony of a multitude of expert witnesses who have testified before the Senate and House over the past 10 years.

Several reasons which were assigned for pocket vetoing S. 1097 stemmed from a misunderstanding of what the legislation actually did. I believe the following description of the legislation clarifies those misconceptions and misunderstandings.

First. S. 1097 did not create a new Federal agency. On the contrary, it replaced the United States Travel Service (USTS) with an independent agency in the Federal Government which would make the Government's effort to promote tourism more effective and cost-efficient.

Second. USTS would have gone out of business in 6 months, and the agency which would have replaced it would not have cost the Federal Government any money beyond what has been appropriated for the United States Travel Service for fiscal year 1981. And, just as importantly, not one penny was authorized for the new entity beyond fiscal year 1981. Congress would have had to authorize additional funding next year or the new entity would cease to exist.

Third. Nothing contained in S. 1097 permitted the new agency to commit the Federal Government to provide any sums for the payment of any obligation of the agency which exceeds amounts provided in advance in appropriation acts.

Fourth. The legislation absolutely did not circumvent the existing budgetary process. The budget for the new agency would still be submitted by the President, just as he submits the budget of the National Transportation Safety Board. In fact, in this respect the relevant provision in S. 1097 tracked the provision in law which created the National Transportation Safety Board.

Fifth. The 17-member Travel and Tourism Advisory Board, which was created by S. 1097, was to study on a continuing basis the programs and activities of the new agency. Control of the new agency, however, remained exclusively with the legislative and executive branches of the Government.

As I have already stated, resubmission of this measure is imminent. My purpose in raising these points in advance of introduction was to clear the air about several disputed facts so Members can judge the new legislation with the correct information at hand.●

MESSAGE FROM THE HOUSE

Under the authority of the order of the Senate of January 22, 1981, the Secretary of the Senate, on January 23, 1981, received the following message from the House of Representatives which announced that the House has passed the joint resolution (S.J. Res. 16) designating January 29, 1981, as "A Day of Thanksgiving To Honor Our Safely Returned Hostages," without amendment.

The message also announced that pursuant to the provisions of 22 United States Code 276a–1, as amended by Public Law 95–45, the Speaker appointed Representative PEPPER as chairman and Representative DERWINSKI as vice chairman of the delegation to attend the Conference of the Interparliamentary Union held in Manila on April 20 through 25, 1981.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 16. Joint resolution designating January 29, 1981, as "A Day of Thanksgiving To Honor Our Safely Returned Hostages".

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JACKSON:

S. 242. A bill for the relief of Christine Deans and her son Jonathan Deans; to the Committee on the Judiciary.

By Mr. CHAFEE:

S. 243. A bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts; to the Committee on Finance.

By Mr. FORD:

S. 244. A bill for the relief of Dr. Joselito Sison Almario, and his wife, Leticia Almario; to the Committee on the Judiciary.

S. 245. A bill for the relief of Dr. Samuel Blancaflor Gregorio, and his wife, Raquel Luga Gregorio; to the Committee on the Judiciary.

S. 246. A bill for the relief of Dr. Ricardo B. Maddela, and his wife Dr. Zenaida Andaya Maddela; to the Committee on the Judiciary.

S. 247. A bill for the relief of Natvarlal Govindji Patel; to the Committee on the Judiciary.

By Mr. WARNER:

S. 248. A bill to amend chapter 34 of title 38, United States Code, to extend, in the case of certain veterans, the period within which such veterans may use their eligibility under such chapter; to the Committee on Veterans Affairs.

By Mr. HEFLIN:

S. 249. A bill to provide that certain industrial parks shall be classified as class III areas for purposes of part C of title I of the Clean Air Act; to the Committee on Environment and Public Works.

By Mr. LAXALT (for himself and Mr. CANNON):

S. 250. A bill to direct the Secretary of Agriculture to convey certain National Forest lands in the State of Nevada, and for other purposes; to the Committee on Environment and Public Works.

By Mr. ABDNOR:

S. 251. A bill to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain health care benefits, and for other purposes; to the Committee on Veterans Affairs.

By Mr. ARMSTRONG:

S. 252. A bill to increase the pay, allowances, and special and incentive pays of members of the uniformed services; to the Committee on Armed Services.

By Mr. SASSER.

S.J. Res. 20. Joint resolution to designate the month of April, 1981 as "Gospel Music Month"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE:

S. 243. A bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts; to the Committee on Finance.

SAVINGS AND RETIREMENT INCOME INCENTIVE ACT OF 1981

● Mr. CHAFEE. Mr. President, today, I am introducing the Savings and Retirement Income Incentive Act of 1981. This bill expands the Individual Retirement Account in several new and innovative ways that will increase total individual savings in our economy and provide greater retirement income in future years.

I am honored to be joined by Representative HENSON MOORE of Louisiana who is sponsoring this act on the House side.

PROVISIONS OF THE ACT

Our proposal has several features which combine to reduce taxes on individual savings and investment, and to make the IRA a more effective long-term savings vehicle. It contains the following provisions:

Makes permanent the $200/$400 interest and dividend exclusion (under current law this expires after 1982).

Allows a $500/$1,000 interest and dividend tax exclusion for senior citizens (65 years of age and over).

Makes all persons with earned income eligible to establish an IRA (including government and military employees, and workers who are also participants in qualified pension plans).

Increases the maximum tax deductible IRA contribution to $2,000 a year.

Permits a tax deduction up to $2,000 a year to individuals who make voluntary contributions (in excess of any mandatory contributions) to a pension plan in lieu of an IRA.

Allows additional nondeductible contributions up to $2,000 a year, however, interest earned on this amount would be tax-deferred.

Allows account holder the privilege of making 5 withdrawals without penalty up to a total amount of $10,000 if the funds are used for the purchase of a first home or for higher education expenses.

In working out the details of our bill, Representative MOORE and I have given top priority to incentives for increasing total individual savings, rather than simply giving tax benefits to people who are saving anyway. We have done this by making 44 million more people eligible for tax deferral savings plans and by increasing the amounts that can be contributed to such plans every year. In addition, by allowing limited access to the IRA for housing and education purposes—the most important financial demands on younger families—we will encourage younger people to begin long-term savings plans.

THE NEED TO INCREASE SAVING

There are two fundamental reasons for introducing this legislation. One is that our citizens are under more and more pressure from inflation to bolster their retirement incomes. Today, three-fifths of our Nation's elderly derive more than half their income from social security. For many, this cannot be much more than a subsistence level existence. In fact, because of severe budget constraints on the Federal Government, some people are predicting that future social security benefit increases will not be nearly as generous as they have in the past.

The Savings and Retirement Income Incentive Act will help millions of Americans achieve greater financial security in their retirement years. Despite the fact that over half of all taxpayers work in jobs that are covered by pension plans, many of these individuals never vest or qualify for pension benefits. Most private pension plans require a person to participate for 10 years before becoming fully eligible for benefits. Yet, Mr. President, the average American man changes jobs every 4.6 years and the average working woman every 2.8 years. As a result, among those reaching age 65, only 32 percent of the couples and 18 percent of the singles are receiving pensions.

By extending IRA eligibility to those who are currently covered by pension plans but do not expect to vest, we will be serving the needs of millions of people in our constantly mobile work force. And, Mr. President, by permitting others a tax deduction for voluntary contributions to the pension plan, we will encourage additional long-term savings by those who expect to receive pension benefits.

Another fundamental reason Representative MOORE and I are introducing this act is to promote greater capital formation in our economy. Individual saving provides a vast amount of funds for the mortgage market and for investments in new job-producing plant and equipment.

The American people, however, are saving far less than they did just a few years ago, and far less than individuals in other countries. Last year, we saved only about 3.5 percent of our incomes compared to 7.7 percent in 1975. By contrast, the West Germans saved 13.5 percent last year; the Japanese, 22 percent.

This shortage of capital in the United States has helped cause record high interest rates and a sustained level of inflation in the double digits. Although 2 million new housing starts are needed each year to keep pace with demand, mortgage rates as high as 17 percent last year brought starts down to a dismal 1.3 million nationally. Although many sections of U.S. industry are struggling to retool and revitalize to meet increased foreign competition, prime interest rates hovering around 20 percent are making these efforts prohibitively expensive.

The Savings and Retirement Income Incentive Act is certainly not the only answer to these serious problems, but Representative MOORE and I feel it makes a strong contribution to solving them. Our tax code is long on incentives for people to borrow money, to borrow for virtually any purpose; but it is discouragingly short on incentives for the average worker in this country to save and plan for the future.

We have already been in touch with the new Reagan administration to express our strong feelings that savings incentives be part of their forthcoming tax package. As chairman of the Finance Subcommittee on Savings, Pensions and Investment Policy, I intend to hold hearings on ways to create new incentives for individual savings.

Mr. President, I ask that a brief legislative summary, a list of the many organizations which have endorsed or given support in drafting the bill, and the text of the bill itself be printed in the RECORD at this point.

I welcome support and cosponsorship of my Senate colleagues for this legislation.

There being no objection, the bill, summary, and endorsements were ordered to be printed in the RECORD, as follows:

H. 3[illegible]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Savings and Retirement Income Incentive Act of 1981".

SEC. 2. AMENDMENTS TO MAKE PERMANENT CURRENT INTEREST AND DIVIDEND EXCLUSION AND TO INCREASE SUCH EXCLUSIONS FOR PERSONS OVER AGE 55.

(a) Section 404(c) of the Crude Oil Windfall Profit Tax Act of 1980 is amended to read as follows:

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980."

(b) Paragraph (1) of Section 116(b) of the Internal Revenue Code, as amended by Section 404(a) of the Crude Oil Windfall Profit Tax of 1980, is amended to read as follows:

"(1) MAXIMUM DOLLAR AMOUNT.—

"(A) GENERAL EXCLUSION.—Except as provided in subparagraph (B), the aggregate amount excluded under subsection (A) for any taxable year shall not exceed $200 ($400 in the case of a joint return under section 6013).

"(B) In the case of an individual who has attained age 65 before the close of the taxable year or who is married as of the close of the taxable year to an individual who has attained age 65 before the close of the taxable year, the aggregate amount excluded under subsection (a) for any taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013.)"

SEC. 3. INCREASE IN PERMISSIBLE CONTRIBUTIONS TO INDIVIDUAL RETIREMENT ACCOUNTS.

(a) Section 219(b) of the Internal Revenue Code of 1954 (relating to retirement savings) is amended—

(1) by deleting the words "an amount equal to" from paragraph (1), by striking out "15 percent" wherever it appears and inserting in lieu thereof "the amounts", and by striking out "$1,500" wherever it appears and inserting in lieu thereof "$2,000".

(2) by deleting paragraph (2) and redesignating paragraphs (3) through (7) as paragraphs (2) through (6).

(b) Section 4973(b) of such Code is amended to read as follows:

"(b) EXCESS CONTRIBUTIONS.—For purposes of this section, in the case of individual retirement accounts, individual retirement annuities, or bonds, the term 'excess contributions' means the sum of—

"(1) the excess (if any) of—

"(A) the amount contributed for the taxable year to the accounts or for the annuities or bonds (other than a rollover contribution described in section 402(a)(5), 403(a)(4), 403(b)(8), 408(d)(3), or 409(b)(3)(c)), over

"(B) $2,000 plus the amount allowable as a deduction under section 219 for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year, reduced (but not below zero) by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 408(d)(1),

"(B) the distributions out of the account for the taxable year to which section 408(d)(5) applies, and

"(C) the excess (if any) of—

"(i) $2,000 plus the maximum amount allowable as a deduction under section 219 for the taxable year over

"(ii) the amount contributed (determined without regard to section 219(c)(5)) to the accounts or for the annuities or bonds for the taxable year."

The amount determined under the preceding sentence shall be reduced (but not below zero) by the excess (if any) of $8,000 over the aggregate of the amounts contributed for each prior taxable year in excess of the sum of $2,000 and the amount allowable as a deduction under section 219 for such prior taxable year.

(c) Section 408 of such Code is amended—

(1) by striking out "$1,500" wherever it appears and inserting in lieu thereof "$1,000".

(2) by adding to paragraph (1) of subsection (a) the following sentence: "For purposes of the preceding sentence if contributions for any taxable year exceed $4,000 on behalf of any individual, they shall not be taken into account except to the extent that such excess contributions, when aggregated with any similar excess contributions for prior taxable years, exceed $8,000."

(3) by amending paragraphs (1) and (2) of subsection (d) to read as follows:

"(1) IN GENERAL.—Except as otherwise provided in this subsection, any amount or annuity contract paid or distributed out of an individual retirement account or under an individual retirement annuity to any distributee shall be taxable to him in the year in which so distributed under section 72 (relating to annuities).

"(2) COMPUTATION OF EMPLOYEES' CONTRIBUTIONS.—For purposes of this paragraph and section 72, any amounts for which a deduction is allowed under section 219 shall be treated as an employer contribution."

(4) by deleting the words "or 220" from paragraphs (4) and (5) of subsection (d) wherever they appear.

(5) by amending subsection (f)—

(A) by inserting before the period at the end of paragraph (1) thereof "unless such distribution is a qualified withdrawal as defined in paragraph (4)", and

(B) by adding at the end thereof new paragraphs (4) and (5) to read as follows:

"(4) QUALIFIED WITHDRAWAL.—Paragraphs (1) and (2) shall not apply to any withdrawal during a taxable year in which the individual has made no prior qualified withdrawals—

"(A) which is used—

"(i) to pay the qualified educational expenses of a child of the individual for whose benefit the trust is maintained, or

"(ii) in connection with the purchase of the first dwelling purchased by the individual for whose benefit the account is maintained which constitutes his principal residence,

"(B) which is not less than $2,000, but which when aggregated with all qualified withdrawals in prior taxable years does not exceed $10,000, and

"(C) which will not cause the fair market value of the account immediately after the withdrawal to be less than $2,000.

"(5) DEFINITIONS.—

(A) QUALIFIED EDUCATIONAL EXPENSE.—The term 'qualified educational expenses' means—

"(i) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution,

"(ii) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution, and

"(iii) a reasonable allowance for meals and lodging.

"(B) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means—

"(i) an institution of higher education, or

"(ii) a vocational school.

"(C) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means the institutions described in section 1201(a) or 491(b) of the Higher Education Act of 1965.

"(D) VOCATIONAL SCHOOL.—The term 'vocational school' means an area vocational education school as defined in section 195 (2) of the Vocational Education Act of 1963 which is in any State (as defined in section 195(8) of such Act.)"

(d) Section 72 of the Internal Revenue Code of 1954 (relating to annuities; certain proceeds of endowments and life insurance contracts) is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

"(o) TREATMENT OF DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS.—For purposes of subsections (c)(1)(A) and (e)(1)(B), any contribution made by an individual to an individual retirement account which is allowed as a deduction under section 219 shall be treated as an amount contributed by an employer which is not includible in the gross income of such employee."

(e) Section 2039 of the Internal Revenue Code of 1954 (relating to the Estate Tax) is amended by repealing subsection (e) thereof and redesignating subsection (f) as subsection (e).

(f) Section 2517(b) of the Internal Revenue Code of 1954 (relating to the gift tax) is amended by striking the parenthetical phrase "(other than paragraphs (4) and (5))" and substituting "(other than paragraph (4))."

SEC. 4. ALLOWANCE OF RETIREMENT SAVINGS DEDUCTION.

Part VII of subchapter B of chapter 1 of such Code (relating to additional itemized deductions for individual is amended by repealing section 220 and by substituting therefor the following new section:

"SEC. 220. DEDUCTION FOR CERTAIN EMPLOYEE RETIREMENT SAVINGS CONTRIBUTIONS.

"(a) GENERAL RULE.—In the case of an eligible employee, described in subsection (c)(2), there shall be allowed as a deduction the qualified retirement savings contributions of such individual for the taxable year.

"(b) LIMITATIONS AND RESTRICTIONS.—

"(1) MAXIMUM DEDUCTION.—The amount allowable as a deduction under subsection (a) to an eligible employee for any taxable year may not exceed the lesser of—

"(A) the amount of the compensation includible in the eligible employee's gross income for such taxable year, or

"(B) $2,000.

"(2) ALTERNATIVE DEDUCTION.—No deduction shall be allowed under subsection (a) for the taxable year if a deduction is allowed under section 219 for the taxable year.

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) QUALIFIED RETIREMENT SAVINGS CONTRIBUTION.—For purposes of this section, the term 'qualified retirement savings contribution' means any contribution in cash, other than a mandatory contribution, made by an individual as an employee to or under—

"(A) a plan described in section 401(2) which includes a trust exempt from tax under section 501(a).

"(B) an annuity plan described in section 403(a).

"(C) a qualified bond purchase plan described in section 405(a), or

"(D) a plan described in section 805(d)(3)".

"(2) ELIGIBLE EMPLOYEE.—For purposes of this section, the term 'eligible employee' means any individual who is an active participant for any part of the taxable year in a plan described in paragraph (1).

"(3) RECONTRIBUTED AMOUNTS.—No deduction allowed under this section with respect to a rollover contribution described in section 402(a)(5), 403(a)(4), 403(b)(8), 408(d)(3), or 409(b)(3)(C).

"(4) AMOUNTS CONTRIBUTED TO AN INSURANCE CONTRACT.—No deduction shall be allowed under this section for that portion of the amounts paid which are properly allocable, under regulations prescribed by the Secretary, to the cost of life insurance.

"(5) MARRIED INDIVIDUALS.—In the case of an individual who is married (as determined under section 143(a)), the maximum deduction under subsection (b) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(6) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

"(7) COMPENSATION.—For purposes of this section, the term 'compensation' includes earned income as defined in section 401(c)(2).

"(8) MANDATORY CONTRIBUTIONS.—For purposes of this section, the term 'mandatory contributions' means amounts contributed to the plan by the employee which are required as a condition of employment, as a condition of participation in such plan, or as a condition of obtaining benefits under the plan attributable to employer contributions.

"(d) SIMPLIFIED REPORTS.—The Secretary shall issue regulations which prescribe the time and manner in which simplified reports shall be filed by the employer or plan administrator of a plan receiving contributions deductible under this section."

SEC. 5. TREATMENT OF DISTRIBUTIONS FROM PLAN TO WHICH EMPLOYEE MADE DEDUCTIBLE CONTRIBUTIONS.

(a) Subpart A of part I of subchapter D of chapter 1 of such Code (relating to retirement plans) is amended by inserting after subsection (l) of section 414, the following new subsection:

"(m) DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—For purposes of this title, other than for purposes of sections 401(a)(4) and (5), 404, 410(b), 411, and 412, any amount which is allowed as a deduction under section 220 as a qualified retirement savings contribution shall be treated as an employer contribution."

(b) Section 414(h) of such Code (relating to tax treatment of certain contributions) is amended by inserting after "any amount contributed" the following: "(other than an amount described in subsection (m))".

SEC. 6. TECHNICAL AND CONFORMING AMENDMENTS.

(a) ESTATE AND GIFT TAX EXCLUSION.—

(1) ESTATE TAX.—Subsection (c) of section 2039 of such Code (relating to exemption of annuities under certain trusts and plans) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any contribution allowed as a deduction under section 219 or 220 shall be considered as made by a person other than the decedent."

(2) GIFT TAX.—Subsection (b) of section 2517 of such Code (relating to transfers attributable to employee contributions) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any contribution allowed as a deduction under sections 219 or 220 shall be considered as made by a person other than the employee."

(b) OTHER AMENDMENTS.—

(1) Paragraph (10) of section 62 of such Code (defining adjusted gross income) is amended by striking out "(relating to retirement savings for certain married individuals)" and inserting in lieu thereof "(relating to deduction for certain employee retirement savings contributions)".

(2) So much of section 72(f) of such Code as precedes paragraph (1) thereof is amended to read as follows: "In computing, for purposes of subsection (c)(1)(A), the aggregate amount of premiums or other consideration paid for the contract, for purposes of subsection (d)(1), the consideration for the contract contributed by the employee, an for purposes of subsection (e)(1)(B), the aggregate premiums or other considerations paid, amounts which an employer is required to report, pursuant to regulations promulgated under section 220(d) with respect to an amount paid by an eligible employee (as defined in section 220(c)(2)) as a qualified retirement savings contribution shall be excluded, and amounts contributed by the employer shall be included, but only to the extent that—".

(3) Section 415(a) of such Code is amended by repealing paragraph (3) thereof.

(4) The table of sections for part VII of subchapter B of chapter 1 is amended by striking out the item relating to section 220 and inserting in lieu thereof the following:

"Sec. 220. Deduction for Certain Employee Retirement Savings Contributions."

SEC. 7. EFFECTIVE DATES.

(a) GENERAL RULE.—Except as provided in subsection (b), the amendments made by this Act shall apply to taxable years beginning after December 31, 1980.

(b) ESTATE AND GIFT TAX PROVISIONS.—

(1) ESTATE TAX.—The amendments made by section 4(a)(1) shall apply to the estates of decedents dying after December 31, 1980.

(2) GIFT TAX.—The amendment made by section 4(a)(2) shall apply to transfers after December 31, 1980.

BRIEF SUMMARY OF THE PROVISIONS OF THE SAVINGS AND RETIREMENT INCOME INCENTIVE ACT OF 1981

The "Savings and Retirement Income Incentive Act of 1981" is designed to increase the incentives for individual savings and investment in the following ways:

(1) The bill makes permanent the exclusion from tax of the first $200 ($400 on a joint return) of dividend and interest income and increases that amount to $500 ($1,000 on a joint return) when an individual or spouse attains the age of 55.

(2) The bill permits the use of individual retirement accounts (IRA's) by employees, including government employees and military personnel, who are covered by employer-sponsored retirement plans and increases the maximum allowable deductible contributions to these accounts from $1,500 per year under existing law to $2,000 per year or the total amount of the employee's earned income, whichever is less.

(4) The bill permits additional voluntary non-deductible contributions of $2,000 per year plus an additional $8,000 over the employee's lifetime to either an IRA or an employer-sponsored plan thereby increasing the size of the account so that the expense of managing and promoting such savings plans will be more easily absorbed. Tax is deferred on earnings from all moneys contributed to the account so that the employee's total savings are also enhanced by such contributions. This provision is similar to existing law regarding corporate pension plans and Keogh plans for the self-employed. Thus, for example, in one year an individual could make a deductible contribution to an IRA of $2,000 and a non-deductible contribution of $10,000; thereafter, he could make annually a deductible contribution of $2,000 and a non-deductible contribution of $2,000.

(5) Finally, the bill permits an employee to withdraw without penalty up to $10,000 from the account in order to purchase a first home or to pay for the higher education of his children. (The amounts so withdrawn are subject to income tax in the year of withdrawal.) This provision will make IRA's attractive to younger employees who are hesitant to invest funds for retirement savings which may still be needed for major family commitments.

ENDORSEMENTS OR STATEMENTS OF SUPPORT

American Association of Retired Persons.
National Retired Teachers Association.

National Association of Retired Federal Employees.
Merrill Lynch, Pierce, Fenner & Smith, Inc.
National Association of Federal Credit Unions.
Credit Union National Association, Inc.
Investment Company Institute.
U.S. League of Savings Associations.
National Savings and Loan League.
National Consumer Finance Association.
National Association of Mutual Savings Banks.
Independent Bankers Association.
Chief Warrant and Warrant Officers Association, U.S. Coast Guard.
U.S. Army Warrant Officers Association.
American Security Council.
Reserve Enlisted Association.
National Association for Uniformed Services.
Veterans of Foreign Wars of the United States.
Marine Corps League.
Non Commissioned Officers Association.
Disabled Officers Association.
Association of the United States Army.
Navy League of the United States.
Army Mutual Aid Association.
Retired Officers Association.
Military of the World Wars.
Fleet Reserve Association.●

By Mr. WARNER:

S. 248. A bill to amend chapter 34 of title 38, United States Code, to extend, in the case of certain veterans, the period within which such veterans may use their eligibility under such chapter; to the Committee on Veterans' Affairs.

EDUCATIONAL ASSISTANCE EXTENSION FOR VETERANS

● Mr. WARNER. Mr. President, we have discussed at length in this Chamber the fact that the Armed Forces today face critical problems in retaining high quality individuals.

The availability of highly trained personnel in critical job skill areas may well be the most important issue affecting the readiness of our forces. We must assure that our personnel view the military as an attractive career.

Today we are in danger of losing a valuable cadre who are needed to maintain the capability of our planes to fly, our ships to sail, and our ground forces to deploy. A substantial number of our career personnel may soon be forced to leave the military in order to assure that they can use the current GI bill benefits that they have earned.

Thus, we have the dichotomy of the current veteran's educational benefits being counterproductive to our current active forces needs. This is a situation that needs to be changed and I am introducing legislation to do so today.

This legislation will amend chapter 34 of title 38, United States Code, to extend the deadline for educational assistance beyond December 31, 1989.

An identical measure was approved by the Senate on September 4, 1980, and subsequently was deleted by the House during conference. It is my hope that the new House leadership will agree to this bill this year.

I believe this simple step taken at this time would be a clear signal to many of our military personnel that we need them now in their active duty jobs.

Some will argue that the educational assistance benefit would be provided solely as a compensation for time in active duty during a period of combat. However, I can tell you that since World War II our military advantage has gradually eroded to the point today that in many areas we are in an inferior position.

We simply cannot afford to lose many of the key personnel that we have on board today who feel they are forced to leave or else they will lose their educational assistance benefits.

I urge that the Senate give this proposal to extend the educational assistance deadline full and prompt attention. We need to retain our personnel if we are to maintain a desired state of readiness.●

By Mr. HEFLIN:

S. 249. A bill to provide that certain industrial parks shall be classified as class III areas for purposes of part C of title I of the Clean Air Act; to the Committee on Environment and Public Works.

CLASSIFICATION OF INDUSTRIAL PARKS UNDER THE CLEAN AIR ACT

● Mr. HEFLIN. Mr. President, with runaway inflation, spiraling unprecedented interest rates, high unemployment rates besieging us all at once, now is the time to boost our economy by motivating the private sector of our great American society.

It seems to me that one sure way that we can boost our economy today is to make it easier for exclusively designated industrial parks to develop fully. Such industrial growth in this country could enhance productivity in many, diversified areas and provide millions of jobs for the currently unemployed.

Of the approximate 4,800 industrial and office parks in the United States, only about 32 of them contain 3,000 acres; moreover, of these 32–3,000-acre tracts or more, only 13 have 5,000 acres or more of land. In my view the 5,000 acre threshold is a convenient demarcation for the establishment of class III industrial parks under the Clean Air Act.

Unfortunately, the potential of industrial park development today is in serious trouble because weighted restrictions result from class II air pollution increment designations and Class III areas have never been defined under the subject act.

The bill that I am introducing today would amend the Clean Air Act to automatically designate as class III, areas more than 5,000 acres in size which are set aside exclusively for industrial use. Mr. President, I know that the Clean Air Act will come up for reauthorization at the end of fiscal year 1981, but I want to do all that I can to stimulate the private sector of our economy right now.

Automatic designation of industrial parks to class III areas can be brought about by amending title I, part C, section 162 of the Clean Air Act in the manner proposed in the bill that I am introducing today. Mr. President, as I indicated earlier, the legislation that I am introducing today would only affect approximately 13 presently existing industrial parks in the United States.

The Clean Air Act, as amended in August 1977, established an area classification scheme recognizing the existence of three different types of air increment related areas: Maximum allowable increases in pollution levels (increments) were defined for three area classifications; I, II, and III. Class I designations provided the smallest increments, class III provided for the largest. Natural park areas were designated class I; all other areas were designated class II. As I pointed out earlier, class III areas were undefined. While the class I areas were clearly defined, all other areas were incomprehensively put under a class II classification. No class III areas in the United States were designated. However, it was part of the original legislation and there certainly are some well contained industrial areas which can be clearly defined and distinguished from normal class II areas.

In many areas of the country, continued industrial growth in solely industrial areas is impossible due to the class II designation and consumption of the class II increment, even though human health based air quality standards are easily met. This is especially frustrating when it occurs in areas which have been set aside exclusively for industrial use.

The procedural requirements for obtaining class III designation are so rigorous and time-consuming that it is unlikely that any area will be able to obtain class III designation. Such requirements as the Governor's approval, local legislative body approval, air pollution control agency and planning agency cooperation, and preparation of extensive environmental studies and public participation make redesignations to class III a near impossible task.

The availability of class III increments within major industrial parks would allow industrial park planners to provide for industrial growth by carefully allocating land use taking into account air quality goals. Class III increments and national air quality standards would still have to be met within the park. Areas of residential and commercial land use would still be protected by the more stringent class II increments.

If class III increments were available, industrial growth could continue, and national air quality standards could still be met.

Mr. President, I urge the Senate Environment Committee to act on this legislation immediately. In my judgment, its benefits far outweigh any perceived reasons for delay.●

By Mr. ABDNOR:

S. 251. A bill to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain health care benefits, and for other purposes; to the Committee on Veterans' Affairs.

PRISONER OF WAR BENEFITS AMENDMENTS ACT

● Mr. ABDNOR. Mr. President, I am today introducing the Prisoner of War Benefits Amendments Act of 1981.

In the 8 years in which I was elected to represent the people of the Second District of South Dakota in the House of Representatives, I had the great privilege

of serving on the Committee on Veterans' Affairs. During that period of time, we saw many vital pieces of legislation enacted into law directly affecting and benefiting our veterans, their survivors and dependents. I am proud to have played some part in the enactment of that legislation, and even though I am not assigned to the Veterans' Affairs Committee in the Senate, I shall continue my strong interest and concern for the welfare of all of our veterans.

Included among those veterans are thousands of former prisoners of war whom we now recognize by sound medical authority as having service-connected disabilities that must be specifically dealt with both by legislation and administrative action. We have waited far too long, Mr. President, in addressing the unique and often severe problems which former prisoners of war and their families face because of their internment and their service to our country.

The bill which I am introducing today is, in most respects, identical to the bill which, after exhaustive study by the Veterans' Administration, was introduced in the House in the 96th Congress by my distinguished colleagues in that body, G. V. (SONNY) MONTGOMERY, now chairman of the House Veterans' Affairs Committee, and JOHN PAUL HAMMERSCHMIDT, ranking minority member of that committee.

First of all, the bill would establish an advisory committee within the Veterans' Administration to assess the medical and other information pertinent to former prisoners of war. Included in the committee, which reports to the administrator, are former prisoners of war and authorities who are conversant with their special problems.

Under current law a former prisoner of war must demonstrate to the satisfaction of his VA Rating Board that his psychosis which resulted from his internment occurred while he was in service or within 2 years from his separation from the service. This bill would remove such a delimiting period which on medical study and authority we know to be completely arbitrary and unrealistic.

The bill would also provide former prisoners of war with hospital care and medical services (other than dental care) for any disease or neuropsychiatric disability, with the same priority as is granted a service-connected veteran who applies for non-service-connected disability. In the words of the study undertaken by the Veterans' Administration, "This would assure that former POW's receive health-care benefits for all disabilities which may be attributable to their internment."

Finally, the bill provides that the President shall designate an appropriate date for the annual observance of a National POW/MIA Recognition Day to honor and recognize the sacrifice made for their country by these two special groups of combat veterans.

I will state, Mr. President, that I do not know of any legislation affecting veterans more worthy of our immediate attention than this measure. Because of the interest and concern we all must have for our former prisoners of war, I urge my colleagues to join me in supporting this bill.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 251

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Prisoner of War Benefits Amendments Act of 1981".

SEC. 2. (a) Subchapter II of chapter 3 of title 38, United States Code, is amended by inserting after section 220 the following new section:

"§ 221. Authority to establish advisory committee on former prisoners of war

"The Administrator may establish a committee to assess new medical and other information on former prisoners of war and to advise the Administrator on policies and procedures concerning former prisoners of war. In appointing members of such advisory committee, the Administrator shall include former prisoners of war held captive during World War II, the Korean conflict, and the Vietnam era, and individuals who are recognized authorities in such fields as psychiatry, psychology, internal medicine, nutrition, and epidemiology, and may include officials of other executive departments and agencies. The Committee shall meet on a regular basis, as prescribed by the Administrator, and, at least biennially, shall submit a report to the Administrator on its activities. The Administrator shall determine the number, terms of service, pay, and other allowances of members.".

(b) The table of sections at the beginning of such chapter is amended by adding the following new item:

"221. Authority to establish advisory committee on former prisoners of war.".

SEC. 3. Clause (2) of section 312(c) of title 38, United States Code, is amended to read as follows:

"(2) Psychosis which became manifest to a degree of 10 per centum or more after such service;".

SEC. 4. Section 610(a)(4) of title 38, United States Code, is amended by inserting "or is a veteran of World War I, World War II, the Korean conflict, or the Vietnam era for any disease or neuropsychiatric disability if such veteran was held as a prisoner of war" after "older".

SEC. 5. (a) Section 612(f) of title 38, United States Code, is amended by—

(1) deleting "and" at the end of clause (1);

(2) deleting the period at the end of clause (2) and inserting in lieu thereof "; and"; and

(3) inserting after clause (2) the following new clause (3):

"(3) to any veteran of World War I, World War II, the Korean conflict, or Vietnam era for any disease or neuropsychiatric disability if such veteran was held as a prisoner of war.".

(b) Section 612(l) of such title is amended by striking out the period at the end of clause (3) and inserting in lieu thereof the following: "and to any veteran of World War I, World War II, the Korean conflict, or the Vietnam era for any disease or neuropsychiatric disability if such veteran was held as a prisoner of war".

SEC. 6. The President of the United States shall designate an appropriate date for the annual observance of "National P.O.W./M.I.A. Recognition Day", and is authorized and requested to issue proclamation calling upon the people of the United States to observe the day with commemorative ceremonies and activities befitting the occasion.●

By Mr. ARMSTRONG:

S. 252. A bill to increase the pay, allowances, and special and incentive pays of members of the uniformed services; to the Committee on Armed Services.

NATIONAL DEFENSE COMPENSATION ACT

● Mr. ARMSTRONG. Mr. President, our Nation's defense effort is being crippled by the lack of qualified personnel. The security of our country urgently requires increased production of conventional and strategic weapons, more ships, a new manned bomber, greater emphasis on R. & D. and so forth. But no foreign policy nor weapons procurement programs can succeed unless personnel problems are promptly solved.

The Chief of Staff of the Army, Gen. Edwin C. Meyer, has said that manpower shortages have rendered his army a "hollow army."

Adm. Thomas Hayward, the Chief of Naval Operations, despite his critical need for more ships, and even more critical need for more aircraft, says his most pressing need is for more people.

The facts bear them out. The Army reported last fall that 6 of its 10 divisions in the continental United States (CONUS) are unfit for combat, and only one division—the 82d Airborne—is fully ready to fight. General Meyer has had to strip thousands of sergeants from frontline units in Europe in order to flesh out woefully understrength divisions at home. The Navy says only 6 of its 13 aircraft carriers, and 94 of its 155 aircraft squadrons are combat ready. Admiral Hayward recently had to beach a front line ship because there were not enough experienced petty officers to put it to sea.

As the case of the absent petty officers and sergeants makes clear, the military manpower problem is primarily a problem of retention, not recruitment. Shortages are most severe in the middle officers grades, especially in highly skilled military occupations such as pilots and nuclear submariners.

The recruiting shortfall in all of the Armed Forces combined in fiscal year 1979 was about 30,000. But the shortage of noncommissioned officers in the Army alone was 46,000. The Navy is short a total of 10,000 officers and men. But the shortage of petty officers alone is more than 20,000.

The Air Force believes it needs to retain 60 percent of its fighter pilots if it is to remain combat effective. Currently, it is retaining 25 percent.

Last year, the Navy had 138 nuclear-qualified petty officers with 10–13 years of experience who were eligible for reenlistment. Only 36 are still in uniform today.

The cause of this plunge in retention rates is no secret. The grim truth is that Congress has permitted military pay and benefits—never high to begin with—to sink so low that patriotic, motivated, dedicated men and women literally can no longer afford to serve their country.

Regular military compensation—base pay plus allowances for housing and food—has fallen more than 20 percent relative to the cost of living since the All Volunteer Force came into being 9 years ago. Many specialty and hazardous

duty pays have not been adjusted upward since 1955.

A plane handler on an aircraft works 100 hours a week, and is separated from his family for 6 to 9 months a year. Yet he earns less than a cashier at a fast food restaurant on a 40-hour week.

A cook or boiler technician on a Navy ship earns half as much as his civilian counterpart, who gets paid overtime and goes home to his wife and kids each night.

The average salary for enlisted men—including base pay, all allowances, miscellaneous payments and moving expenses—was, until the pay raise this last October, $9,900. The Bureau of Labor Statistics estimates that an income of $11,546 is required for a family of four to maintain a "lower level" standard of living.

Adding insult to the injury being suffered by our career servicemen and women is the problem of pay compression. After having summarized well the benefits that would accrue to the Armed Forces as a result of having a greater proportion of military personnel on a career track, the Gates Commission proposed a pay structure—front loading in the lower enlisted grades—which discourages retention. Promotions from E3 to NCO, and from E5 to staff NCO, have virtually lost financial meaning. An E4 (corporal) earns less than $6 a week more than a PFC. A decade ago, a sergeant-major earned about seven times as much as a recruit. Today, the differential has been compressed by half.

Pay compression harms retention in two ways. A first term serviceman sees little financial gain from promotion. Senior NCOs, despite vastly greater responsibilities and many more years of service, find themselves earning very little more than "boots," and wonder if remaining in the service is worthwhile.

On January 5, I introduced S. 25, the GI bill of 1981. I believe restoration of the GI bill of rights is the most effective, and cost-effective means of improving somewhat the number, and substantially the quality, of recruits entering our Armed Forces.

But there can be no solution to our military manpower problems that does not address the problem of retention, and there can be no solution to the retention problem that does not involve a substantial increase in pay and benefits for career personnel. There is no other alternative. We cannot draft sergeants.

In order to solve this most serious of all of our national security problems, I have introduced S. 252, the National Defense Compensation Act.

The National Defense Compensation Act:

Removes the President's authority under present law to put a "cap" on cost of living pay increases for our servicemen and women;

Provides a 9-percent pay increase, over and above full comparability, for first-term personnel. The pay increase would be phased in at a rate of 3 percent a year for 3 years;

Provides an 18-percent pay increase, over and above full comparability, for career personnel, defined as enlisted pay grades E4 and up, warrant officers, and commissioned officers O3 and up. The pay increases would be phased in at a rate of 6 percent a year for 3 years.

Representative PAUL TRIBLE and I introduced the National Defense Compensation Act initially in the 2d session of the 96th Congress. A Navy analysis of our bill indicated it would wipe out the Navy's retention problem by the end of the fourth fiscal year after enactment.

In commenting on the National Defense Compensation Act, Admiral Hayward said—

> The legislation you propose would be a significant new step toward adequate compensation. Further, your proposal is bolstered by other studies recently conducted within the Department of Defense as well as within the Navy itself. . . . There is no question in my mind that your proposal is a bold but logical get-well plan that would probably rectify over the next several years the extent and debilitating mass exodus of our experienced supervisory personnel.

The Chief of Staff of the Air Force, Gen. Lew Allen, said:

> If military pay were increased to the proposed levels, it would ameliorate many of our retention problems and enhance the readiness posture of our forces.

The cost of the National Defense Compensation Act is in part dependent on how large "comparability" pay increases will be over the next 3 years. But it would be approximately $1.45 billion in the first fiscal year after enactment, rising to $2.9 billion in the second fiscal year, and $4.6 billion in the third fiscal year.

If you would like more information about the National Defense Compensation Act, or would like to cosponsor, please contact Mike Kelly of my staff at 224-6207.●

By Mr. SASSER:

S.J. Res. 20. Joint resolution to designate the month of April 1981 as "Gospel Music Month"; to the Committee on the Judiciary.

GOSPEL MUSIC MONTH

● Mr. SASSER. Mr. President, today I have the pleasure of reintroducing my proposal to designate April 1981 as "Gospel Music Month." Similar legislation has been introduced in the House by my friend and colleague, BILL HEFNER.

I find it necessary to begin my discussion of gospel music with a rhetorical question. Why is it that during a musical program featuring all types of music, the crowd never really gets involved until the gospel selections are played?

Well, Mr. President, there is an easy answer to my question. Gospel music provokes the highest human emotions, transcends all analysis and interpretation, and elicits a response equal to the intensity of its message. Gospel is a musical form that sets our feet dancing, our minds singing, and our hearts soaring. Even the most hardened cynics, victims of the times in which we live, cannot help responding to the deep-rooted rythmic joy of gospel.

Moreover, gospel music is an important way in which we worship our Creator. It is the musical interpretation of the good news, the Lord's message to his people. Let me quote from Colossians 3:16:

> Let the word of Christ dwell in you richly in all wisdom; teaching and admonishing one another in psalms and hymns and spiritual songs, singing with grace in your hearts to the Lord.

The Good Book is replete with references to the function of song in worship. The Psalms, in and of themselves songs, provide us with a living example. Psalm 100 is especially instructive:

> Make a joyful noise unto the Lord, all ye lands. Serve the Lord with gladness: come before his presence with singing.

My own great State of Tennessee is home to the Gospel Music Association, Mr. President, the gospel music industry's representative organization. Tennessee is also home to the Gospel Music Hall of Fame, of which I am especially proud. The Hall of Fame is a testimonial to the importance of this quintessentially American expression written in bricks and mortar. It is a lovely home for lovely music.

Fully 10 percent of the radio stations in Tennessee program a gospel format. That is a significant number of radio stations with an equally significant impact on the listening public. Gospel groups from this country have travelled the world over, bringing this unique brand of glad tidings to audiences of all faiths, all nations. Simply put, gospel music has a universal character; a singular purpose. It is truly fitting that we honor gospel music in this fashion.

We find in Psalms 89:

> I will sing the mercies of the Lord for ever: with my mouth will I make known thy faithfulness to all generations.

It is my hope that my colleagues will realize the broad-based appeal of gospel music and lend their support to this effort. I know Congressman HEFNER and I both look forward to the realization of Gospel Music Month during 1981.

I ask unanimous consent that the text of my proposal be printed in full following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S.J. RES. 20

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That April, 1981 is designated as Gospel Music Month and the President is requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 20

At the request of Mr. SASSER, the Senator from Illinois (Mr. DIXON), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 20, a bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy.

S. 43

At the request of Mr. SASSER, the Senator from Connecticut (Mr. DODD), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 43, a bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

S. 45

At the request of Mr. SASSER, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 45, a bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance.

ADDITIONAL STATEMENTS

SENATOR COHEN SUPPORTED AND VOTED IN FAVOR OF NOMINATION OF JAMES G. WATT

● Mr. COHEN. Mr. President, this morning's Washington Post erroneously reported that I voted against the nomination of Mr. James G. Watt to be Secretray of the Interior in President Reagan's administration.

A review of the January 22 CONGRESSIONAL RECORD will show that I was not only recorded as voting in favor of Mr. Watt's nomination, but that I spoke in favor of the nominee. My statement on the Watt nomination appears on page 780 of the RECORD.●

UKRAINIAN INDEPENDENCE DAY

● Mr. D'AMATO. Mr. President, I rise proudly to commemorate the 63d anniversary of Ukrainian independence. This day has served as a living symbol of a proud and courageous people's pursuit of freedom, justice, and religious freedom, and their quest to overcome Soviet totalitarianism.

A free Ukrainian Republic was declared on January 22, 1918, and its sovereignty was recognized by Soviet Russia. But, as has been the case throughout the history of Soviet foreign relations, that recognition was short-lived.

With military force, the Soviets had reestablished control of the Ukraine in 1920, nad the Ukrainian National Government was forced into exile. By 1924, the Ukraine was forcibly incorporated in the Union of Soviet Socialist Republics, which was formed a year earlier.

Since then Ukrainian citizens, as citizens of other Soviet Republics, have been systematically denied their human and political rights, and denied their religious freedom. Regardless of these years of oppression, the quest for liberty and justice continues.

Mr. President, I hope that the sad story of Ukrainian repression will always be a reminder of the policies of the Soviet Union, which has consistently been expansionist and interventionist, and has sought to deny free peoples their right to chart their own destiny.

But, the celebration for Ukrainian independence continues, to instill within us the hope that one day this kind of oppression and subjugation will end, and each nation, no matter how small or how great, will be able to decide its own fate and its own future.●

SIXTY-THIRD ANNIVERSARY OF UKRAINIAN INDEPENDENCE

● Mr. DOLE. Mr. President, on January 22, 1918, the people of the Ukraine proclaimed their independence and sovereignty, marking the end of centuries of oppression and persecution by the Czars of Russia. On this January 22, 1981, Ukrainians throughout the free world, including many Ukrainian-Americans in the United States, celebrated the 63d anniversary of that most important historical event. This year, the anniversary of Ukrainian independence is particularly significant as it comes only 2 days after the release of our American hostages from Iran. For the past 444 days America has been held hostage. In the aftermath of this national crisis, Americans have learned to appreciate freedom to an even greater degree and have become more sympathetic to the plight of other peoples who have suffered oppression and persecution.

Those living in the Ukraine remain oppressed and cannot celebrate this occasion so openly and freely. Despite the fact that Soviet Russia, along with many other large nations, officially recognized their independence and sovereignty from the beginning, the leaders of Russia continued their attempts to prevent the people of the Ukraine from exercising their national right to self-determination. The Soviets did not honor their promise to respect the independence of the Ukraine and have since then tried through brutal military strength to break the spirit of the Ukrainian people.

Persecution and suppression of the Ukraine's national consciousness has taken place for hundreds of years and has peaked under Soviet domination. Under Stalin, millions of Ukrainians lost their lives including an entire generation of Ukrainian intellectuals and creative talents. Now with less brutality, but more insidiously, the Russians have tried to erase the Ukraine culture and ethos, with the result that Russification has become institutionalized. Ukrainian culture, tradition, and history are subverted. The language of the Ukrainian people has been suppressed as the Russians mutilate their orthography and require all lecture materials in institutes of higher learning to be in the Russian language.

STRUGGLE FOR HUMAN RIGHTS

Despite the suffering they have had to endure, and the attempts to smother the Ukrainian culture and national identity, the Ukrainian people have preserved and continued the struggle for human rights and national independence. National and self-determination has been the cause and inspiration for many who have joined the ranks of the Ukrainian dissent. Perhaps one reason why they have been so active and steadfast in their efforts for freedom is that this issue holds special significance for them. The goal for them is the preservation of their 1,000-year-old heritage and culture.

They have come to be some of the most outstanding advocates of human rights and have been among the most active and largest groups formed under the Helsinki accords to monitor the principles of human rights violations. They have, unfortunately, because of their degree of activity and outspokenness, also contributed the largest amount of martyrs into the "clutches of Soviet justice." For their unyielding commitment and dedication they deserve the praise and high respect of everyone.

It is important that the United States recognize and support the efforts of these people. During the on-going human rights conference on the Helsinki accords in Madrid, many of the inequities suffered by the Ukrainian people were exposed. As a nation built upon the bulwark of freedom, the United States joined with the Ukrainian and other oppressed peoples in proclaiming their right to self-determination and freedom from Soviet oppression at this great meeting of Helsinki.

U.S. SUPPORT

People in all parts of the world look to us for moral support. We must not let down either the people of the Ukraine or the people of any other nation who strive for self-determination and risk witnessing the destruction of a great nation's heritage and culture. Today, let us be especially aware of the Soviet Union's ideological quest toward world communism. A statement made by the Ukrainian Congress best summarizes the threat we are faced with as evidenced by the Ukrainian example:

> At this time, when the free world has been stunned by the Soviet seizure of Afghanistan and Moscow's readiness to move into Poland, the anniversary of Ukraine's independence is a reminder of the fact that Moscow's aggression and conquest of independent nations is not a novel development.

By allowing nations such as the Ukraine to lose hope and abandon their thousand year struggle to preserve their national identity we will be denying an essential part of our own heritage and moral strength.

I would like to bring to your attention the letter I received from Dr. Anthony Zukowsky, honorary president of the Ukrainian Congress Committee of America, further revealing the atrocities and horrors the people of the Ukraine must face.

Mr. President, I ask unanimous consent that the text of this letter be printed in the RECORD following my statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UKRAINIAN CONGRESS COMMITTEE
OF AMERICA, INC.,
Belfield, N. Dak., January 16, 1981.

Re January 22nd, Ukrainian Independence Day.

HON. ROBERT DOLE,
U.S. Senator from Kansas,
U.S. Senate Office Bldg.
Washington, D.C.

DEAR SENATOR DOLE: As the 97th U.S. Congress begins its sessions, we would like to call to your attention the fact that in January,

Ukrainians all over the free world, including the United States, will celebrate the Proclamation of the Independence of Ukraine.

January 22nd, 1981, will mark the 63rd Anniversary of the Proclamation of Independence of Ukraine and the 62nd anniversary of the Act of Union, whereby all Ukrainian lands were united into one independent and sovereign nation. Both the Independence of Ukraine and the Act of Union were proclaimed by a duly elected parliament (Central Rada) in Kiev, capital of Ukraine, on January 22nd, 1918 and in January 1919.

This sovereign Ukrainian state-nation was immediately recognized by a large number of nations, including France and England. Diplomatic relations were established with them. Recognition was also granted by Soviet Russia. But despite the fact that the Soviet government had officially recognized Ukraine as an independent and sovereign state, communist forces attacked Ukraine both by military aggression and by subversion from within.

For three and one-half years the Ukrainian people waged a gallant struggle in defense of their country, alone and without aid from the western nations, and unfortunately were overpowered by the numerically stronger and better equipped Russian Bolsheviks. They destroyed the Ukrainian National Republic and created a Communist puppet government known as the Ukrainian Soviet Socialist Republic, U.S.S.R.

The entire history of the Soviet dominated Ukraine is a ghastly record of inhumanity, outright persecution and genocide and in the last years—Russification and violation of human and national rights on a scale not known in the history of mankind.

In summing up, the colonial rule of Soviet Communism in Ukraine can be characterized by the following:

A. During the sixty years of Moscow rule in Ukraine, literally millions of Ukrainians have been annihilated by man-made famines, deportations, and executions.

B. Both the Ukrainian Orthodox and the Ukrainian Catholic Church have been ruthlessly destroyed and their clergy, along with hundreds of thousands of their members were arrested, persecuted and mostly killed.

C. All aspects of Ukrainian life are rigidly controlled and directed from Moscow.

D. Permanent violation of human and national rights was instituted in Ukraine. Thousands of Ukrainians have been charged with "anti-Soviet propaganda and agitation", arrested, tried and sentenced for many years. Many have been tortured, incarcerated and confined to psychiatric asylums where drugs and chemicals are forcefully administered. All members of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords were arrested, tried, and sentenced from 7 to 10 years, among them such prominent members as Mykola Rudenko, Oleksa Tykhy, Mykola Matusewych, Myroslaw Marynowych, and Lew Lukianenko.

The Russian Communist enslavement of Ukraine has brought much suffering to the people of Ukraine. In spite of this oppressive yoke, Ukrainians have never accepted foreign domination and are continuing to struggle for human rights, freedom, and national independence. The new breed of young and adamant fighters for human and national rights gives us hope that Ukraine will be free again.

The Ukrainian people in the free world are celebrating the memorable January 22nd as their greatest holiday. Also, for many years the 22nd of January has been proclaimed in our American cities and states from coast to coast as Ukrainian Independence Day.

Therefore, it is in the common spirit of liberty, faith, and justice that the American people, and especially the U.S. Congress, join Ukrainians all over the world in giving moral support to the Ukrainian people in their struggle for Human Rights, Freedom, and National Independence for Ukraine.

Sincerely,

DR. ANTHONY ZUKOWSKY,
Honorary President.●

FISCAL DISPARITIES

● Mr. DURENBERGER. Mr. President, on several occasions during the past year, I have attempted to outline a national problem that I call fiscal disparities. This problem takes many forms. The actors may differ, but the elements are often the same.

We are witnessing a fundamental relocation of America's economic resources—investment, jobs, communities—which will be accompanied by significant social and political problems. I am convinced that we are not yet fully aware of the magnitude of this shift.

This week, I, along with several of my colleagues, introduced a bill which would limit the amount of severance tax any State could impose on coal that has been extracted from Federal or Indian lands. This legislation represents the most extreme form of action that the Congress might take to address the fiscal disparities problem. But one which I believe is warranted in light of the unreasonable coal severance taxes that have been imposed by Montana and Wyoming.

Mr. President, on Sunday, January 18, the Washington Post published an article by Mr. Neal R. Peirce which discusses many aspects of the fiscal disparities problem. I recommend Mr. Peirce's article to my colleagues as it is an excellent contribution to this ongoing discussion.

Mr. President, I ask unanimous consent that this article, with the accompanying table be printed in the RECORD.

There being no objection, the article and table were ordered to be printed in the RECORD, as follows:

OFFING THE FROST BELT: A STUPID IDEA WHOSE TIME HAS COME

(By Neal R. Peirce)

As Ronald Reagan, the quintessential Sun Belt president, enters the White House this week, the storm flags of present loss and future peril are flying all across the nation's Northeast-Midwest quadrant, and especially over its older industrial cities.

The problem isn't Reagan himself—not yet, anyway. Rather, it's the mass of regional indicators already flashing red. The 1980 census figures show massive population drops in the older Eastern and Northeastern cities while such citadels as San Diego, Houston and Dallas ride a fast "up" escalator. The once-Empire State of New York loses 3.7 percent of its people in a decade while Texas gains 26 percent, Florida 41 percent, California 18 percent. The impending congressional reapportionment will shift political power along with the people movement—a gain of 17 House seats by booming Sun Belt and western states, all at the expense of the Northeast and Midwest.

A drumbeat of newspaper headlines drives home the message: "South Leads, Northeast Lags in New Living Standard Measure"; "The Cities Call Out for Help But Their Voice Is Fainter"; "Energy to Foster Boom in West"; "Ohio Governor Urges New Taxes to Prevent 'Economic Disaster'"; "Personal Income to Rise Most Rapidly in West, South."

Behind the headlines, equally grim trends are reported. Since 1970, nearly a million manufacturing jobs have been lost in the region stretching from the chemical plants of Wilmington and the factories of Baltimore to the steel mills of Pittsburgh and Youngstown, the rubber plants of Akron and the auto plants of Dayton, Pontiac and Flint.

Now Detroit, quavering at the prospect of a Chrysler bankruptcy, faces a massive deficit last estimated at $150 million, and growing. New York City's welcome short-term budget surplus is said to be but a prelude to further crisis in a year or two. Accelerating decontrol of oil and gas prices floods the treasuries of such states as Texas, Oklahoma, Louisiana and Alaska with billions of dollars in severance taxes and royalty payments—even while service cutbacks and budget emergencies are the order of the day in Wisconsin, Michigan and Massachusetts.

Finally, in an act of monumental ineptitude, the outgoing Carter administration allows its President's Commission for a National Agenda for the Eighties to produce a report belittling hopes for the older industrial states and cities and suggesting instead that Washington assist able-bodied workers to find jobs in the Sun Belt. The report stands as a total repudiation of the Carter urban policy, perhaps the best conceived and sensitively applied new domestic initiative of the last four years.

Thus the president, in receiving the commission report, finds himself obliged to disown its principal urban policy recommendations and to point to the success of his administration's efforts to target economic development aid to distressed areas. The disavowal is a highly unusual occurrence in the history of presidential commissions, but not as strong as some of his advisers urged. The leaking of the report has already left the authors and implementers of the cities policy in HUD and other departments tearing their hair in anger and frustration. They fear that the report, privately characterized by a top White House aide as "an abomination," will be seized on by some policymakers of the new administration as justification for an attitude of benign neglect toward Frost Belt states, cities and their people, whose taxes made possible the federal growth subsidies that triggered the Sun Belt boom.

Thus fears mount that the 1980s could be an era of two Americas—one thriving, one hemorrhaging at every pore; one reaching new levels of growth and prosperity, one on a slippery slide of permanent decline. This was the grim specter raised a few months ago by Felix Rohatyn, chairman of New York's Municipal Assistance Corporation, when he wrote of "half the country nearly bankrupt, many of its major cities pools of unemployment and unrest, and the other half swimming in oil, industry and wealth."

It would be a tragedy of unspeakable proportions—akin to the North's blindness toward Southern needs in the Reconstruction era following the Civil War—if the new administration and Congress were to accept such a scenario as inevitable. And in fact a key Reagan adviser, Rev. Jack Kemp (R-N.Y.), has characterized the presidential commission's urban proposals as "outrageous" and said Reagan "will not write off the Northeast and depressed cities."

Cool analysis confirms that the Frost Belt now suffers under major disadvantages. Aged industry, concentrations of urban poverty, a crazy and overlapping patchwork of local government jurisdictions—all are devilishly difficult to deal with. But there are hopeful signs, too, including islands of strong center city and neighborhood renaissance, of states and cities trying to take control of their own economic fate, of inventive new partnerships between businesses and local governments, of public payroll and tax cutbacks to make the region more competitive.

I think of cities like Flint, Mich., traditionally General Motors-dependent and suffering a horrendous 20 percent unemployment rate, which is nevertheless reclaiming its long-neglected riverfront and building a whole range of tourist and convention facilities to create jobs and give its inner city fresh vitality. Of poverty-wrecked Wilmington, Del., which instituted stiff productivity measures to overcome local overspending and in the last two years has generated $160 million in investment, a sum overwhelmingly in private dollars. Or of Lowell, Mass., a birthplace of the Industrial Revolution in America whose long-abandoned textile mills were for years a symbol of urban decay, a city that has attracted state and national parks to celebrate its tradition, renewed its downtown and attracted such internationally active high technology firms as Wang Laboratories to establish their headquarters there.

Indeed, through "hi tech" New England as a whole has staged an astounding comeback in the last several years, defying every economist's analysis that would have declared the region a hopeless relic. It may be difficult for Pennsylvania, Ohio, Illinois or Michigan to repeat that trick. But who knows? New economic strategies based on small enterprise development are starting to gain recognition as far more promising job producers than traditional big industries. No iron law of economics says the industrial heartland can't adapt. Already some of its major cities—Pittsburgh, Boston, Baltimore and Minneapolis-St. Paul out to the west—have staged inner city revivals no one would have imagined possible a decade ago.

Federal aid has been central to many of those revival strategies. The Urban Development Action Grants program has already stimulated a claimed $8.6 billion in new private investments in officially "depressed" cities, based on federal investment of only one-sixth that amount. Compared to such ongoing federal boondoggles as the Tennessee-Tombigbee Waterway in Alabama and Tennessee, who is to say that is a bad investment?

In city after city, large and small and in between, I have met elected officials and local business leaders stretching every mental muscle, pulling every wire they know to make their cities viable, productive, competitive places once again. Of course, along the way, there are some wasted federal aid dollars, some less-than-desirable political deals. But the cumulative dedication of many of those city leaders is far beyond what most of us ever give to our communities.

*Total personal income growth**

(Percent increase State by State in the 10 years from 1970 to 1979)

National average	143 percent
Over 192 percent:	
Wyoming	264
Nevada	227
Alaska	223
Arizona	218
New Mexico	201
Florida	199
Texas	198
Colorado	196
Idaho	195
Oregon	193
144–192 percent:	
Utah	191
Oklahoma	187
North Dakota	184
Arkansas	181
Louisiana	176
Washington	173
South Carolina	170
New Hampshire	168
Mississippi	165
Tennessee	165
Kentucky	162
Alabama	163
Kansas	162
West Virginia	161
Virginia	160
Georgia	157
California	157
Montana	155
North Carolina	154
Nebraska	151
South Dakota	148
Iowa	147
Minnesota	147
Wisconsin	144
91–143 percent:	
Ohio	122
Illinois	122
Delaware	121
Pennsylvania	119
Rhode Island	114
Connecticut	113
New Jersey	112
Massachusetts	110
District of Columbia	98
New York	91

*Rate of growth, not absolute wealth.

Yet the new President's Commission report tells us that current national urban policy, with its focus on restoring the economy of distressed areas, "may undermine a more general effort to revitalize the national economy." It would have us recognize "the near immutability of the technological, economic, social and demographic trends" afflicting older cities and regions. The government, we're told, should eventually get out of economic or community development, housing, transportation or development planning. Washington, it's said, can and should be neutral in the competition between regions.

But Washington never has been neutral and, given political reality, never will be. From the first federally subsidized canals and turnpikes fostering development westward over the Appalachians, the federal government has been a central player in nation-building. It was Congress that gave away the land that permitted the railways to move across the continent, that built the great dams that made western cities and agriculture possible.

In the 1930s it was a president from New York, Franklin Roosevelt, who declared the South "the Nation's Number One economic problem" and initiated a vast array of programs, starting with the Tennessee Valley Authority, that eventually helped rescue the Southland from a century of depression. After World War II, it was federal housing and highway and tax policy that sped the abandonment of old houses and plants in favor of new, of mass transit in favor of private cars, of railroads in favor of trucking, and thus accelerated the movement from city to suburb, from Frost Belt to Sun Belt. It was southern congressional committee chairmen who prompted the military to move so many bases to the South and West that today not a single major combat division is located in the Frost Belt where it might learn wintertime fighting skills or test the weapons to be used in a snowy European, Afghanistan or Korean theater of war.

It is almost entirely because of defense outlays, in fact, that the Frost Belt states between 1975 and 1979 sent Washington $165 billion more in taxes than they received back in overall federal spending, while 32 Sun Belt and western states had a $112 billion surplus in their "balance of payments" with the federal government. Yet now we are told, in a section of the President's Commission report chaired by a Houston college president and written by a political scientist from Dallas, that the federal government should let the blind hand of market forces determine interregional movement. How nice. Now we have ours, and you can freeze.

The existing energy disparities between the states, now being intensified by decontrol, only exaggerate the Frost Belt's competitive problems. Alaska is now so awash in oil revenue that it has repealed its income tax retroactive to January 1979. By 1985, Texas will be receiving $3 billion annually in oil and gas severance taxes, according to a New Jersey government study. Louisiana will be taking in $1.3 billion in severance taxes by mid-decade—170 percent more than 1978, 400 percent over 1973. Already, Louisiana has been able to reduce its income taxes, with collections down from $247 million to $75 million a year.

With ever-escalating energy prices, there are few practical limits to the severance taxes that energy-producing states can place on each barrel of oil, each ton of coal, each thousand cubic feet of natural gas produced within their borders. Who pays? Eventually, the consumers. The energy states can "export" a major part of their tax burden to out-of-state individuals and businesses. Already the personal tax burden of a typical Louisiana, Texas or Oklahoma family is less than half what a family in New York, Michigan or Illinois must pay. Even if they now institute every budget stringency and service cutback known to man, it's almost inconceivable that the energy-poor states could erase that differential.

There's no way the Reagan administration—politically or practically—can or even should try to stem the entire flow of jobs and investment from the Frost Belt to the Sun Belt, or, on a local basis, from cities to suburbs. But there is nothing preordained about the speed and magnitude of such change, and federal policy can make a real difference. Just a few examples:

Watch for inadvertent side effects of federal tax policy. Budget Director-designate Dave Stockman and Rep. Kemp, for instance, have suggested stimulating the economy through a 40 percent acceleration in business depreciation writeoffs for investment in new plant and equipment. But past experience shows that across-the-board tax incentives for capital investment encourage industrialists to abandon older plants and equipment, most often located in cities, and build anew in suburbs or low labor-cost states. Such policies end up generating higher urban dependency levels—jobs lost, higher unemployment and welfare benefits and city fiscal distress. Conversely, the Sun Belt states often find themselves inundated with industrial and population growth they can hardly accommodate on a short-term basis and turn to the federal government for new roads, water and sewer projects.

But the same gains in productivity the new administration wants might be achieved by what Tom Cochran of the Northeast-Midwest Institute describes as "a more prudent and surgical set of tax cuts," including a "bonus" depreciation allowance for firms that invest in distressed areas, or differential investment tax credits for firms that invest on-site in their communities.

Target a portion of the increased defense spending the new administration plans to Frost Belt states by a regional equalization strategy for bases and by procurement setasides for small businesses and labor surplus areas.

Save the best of the Carter urban policy: working closely with mayors, neighborhood groups and businesses to encourage city economic growth; targeting federal jobs and offices into cities and depressed regions; and coordinating, under White House direction, the programs of federal agencies to make sure they focus on city needs and don't promote heavily competitive highways, sewer or economic development on the urban periphery.

Look for alternatives to federal programs, such as synfuels development or the MX

missile, that would transfer huge amounts of capital out of the East and Midwest and into thinly populated western states. One example, a major program of energy weatherization and neighborhood heating systems that bring jobs to cities and effect much earlier and greater net energy savings than a crash synfuels program ever could.

Think twice about massive budget cuts that hit cities disproportionately. Stockman and Kemp, for instance, would cut at least a third from such programs as CETA manpower training, urban development grants, the Community Development Block Grant Program, Economic Development Administration, urban parks and impact aid for distressed communities. Admittedly, major cities are probably far more dependent on federal aid than they ought to be. But rapid-fire cuts could throw several more cities onto the ropes of severe fiscal distress and undermine the potentially beneficial effects of the urban enterprise job zones, proposed by Kemp and supported by Reagan, before they're even instituted.

The new administration needs to remember that the Frost Belt states and cities, however great their problems, still have 45 percent of the nation's people and represent a vast portion of its manufacturing and financial strength. At most recent count, the "declining" cities of Chicago and Philadelphia still had more private jobs than the combined total of Houston, Dallas, Phoenix and San Jose. The national security could be undermined by excessive decline in such basic industries as steel, autos and tires, concentrated in the Northeast and Midwest.

Abandonment of many existing plants, schools, roads and sewer systems is highly inefficient—especially when those facilities, in a period of severe capital shortages, must then be duplicated at high cost by a Sun Belt region already reeling under the impact of suburban sprawl, poor and energy-wasteful transportation, growing crime, high immigrant flows from the Hispanic world, and ever-more-worrisome water scarcity.

Unneeded abandonment of established Frost Belt neighborhoods is socially malevolent and should be highly distasteful to a new administration pledged to undergirding family and neighborhood values. And the surprising, strong surge of office space and demand and construction, even in otherwise troubled cities like Cleveland and Milwaukee, is a national asset that should be built on, not vitiated.

Finally, a president represents all regions—and indeed Ronald Reagan was elected with the support of all. A "two Americas" policy, even if inadvertent, would be to the long-term detriment of the entire United States. Abraham Lincoln warned 123 years ago that "A house divided against itself cannot stand." The same is equally true today.●

HOUSE OF REPRESENTATIVES—*Friday, January 23, 1981*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We thank You, O God, that through the difficulties and anxieties of life, You are with us and Your Spirit accompanies us. We pray that Your presence would be near to those who are troubled in body, mind, or spirit, or whatever their need might be. Grant Your health and abundant strength to those who turn to You, that Your goodness and mercy shall follow them all the days of their lives. Unto Your gracious care and abiding love we commit ourselves this day and every day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 16. Joint resolution designating January 29, 1981, as "A Day of Thanksgiving To Honor Our Safely Returned Hostages."

THE HONORABLE OLIN E. "TIGER" TEAGUE

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, I regret to inform the House that our former colleague, the Honorable Olin "Tiger" Teague passed away early Friday morning at the Naval Hospital in Bethesda.

Burial will be Tuesday afternoon, January 27 at 2 p.m. at the Arlington National Cemetery.

The body will be at Gawler's Funeral Home, 5130 Wisconsin Avenue NW., and viewing will be held on Monday, between the hours of 2 and 4 p.m. and 7 and 9 p.m.

The Texas delegation will ask that special orders be requested early next week.

America has lost one of its greatest fighting sons—and this Congress has lost one of its most beloved Members. Tiger Teague, representing the Sixth Congressional District of Texas, served with distinction as chairman of the Veterans' Affairs Committee and chairman of the Science and Technology Committee.

Above all, Mr. Speaker, we have lost one of the great Americans of our time.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, it is with utmost sadness that I come to the well this morning with the news that Tiger Teague, our good friend and colleague for so many years has passed from us.

A true Texan, a true American, Tiger fought his whole life, in war and peace, for the country he loved and the principles which have kept this Nation strong and free.

Tiger was a giant in this House; a leader; a persuader; a man quick to act and slow to compromise when he knew he was in the right. Judging his character, his determination, and his record, Tiger Teague was right most of the time.

He was a hero in battle, one of the most highly decorated combat veterans of World War II. But he was also a hero in the hearts and minds of those who served and fought with him. He wore his wounds, and his decorations, with ease, to remind us all of the debt we owe any American who bears arms in defense of this country.

As chairman of the House Veterans' Committee, without exaggeration, Tiger Teague singlehandedly built the veterans affairs system with its incalculable individual human benefit as we know it today. As chairman of the House Science and Technology Committee he helped launch the effort that sent America and Americans to the Moon and beyond.

These two achievements, by themselves, quite simply describe the depth of Tiger's humanity and the breadth of his aspiration. We can all learn from his life and be grateful for it.

Mr. PICKLE. Mr. Speaker, I appreciate the gentleman's comments, and I know that the Members of this body and the members of the Teague family will also appreciate his comments.

THE HONORABLE OLIN E. "TIGER" TEAGUE

(Mr. GRAMM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRAMM. Mr. Speaker, Olin E. "Tiger" Teague was an American hero who served his country in war and in peace. As the most decorated soldier to serve in Congress, he was the natural choice to speak for the interests of American veterans. The veteran never had a better friend in Congress than Olin Teague, but he never forgot the interest of the taxpayer either.

Mr. Teague established America's post-World War II veterans program on two premises: First, those who had given the most and were in the greatest need should be helped first; and second, it was the duty of Congress to oversee every program to assure that it not only benefited the veteran, but that it did so in an efficient and economical manner. Under these guidelines, the Veterans' Committee, under the leadership of Olin Teague, hammered out a GI bill of rights that educated a whole generation of Americans, wrote the War Orphans Act, which sent me and millions of other children of those who died in the service of their country to college, built the largest medical system under one management in the world, and provided benefits to those who sacrificed to preserve the life of the Nation which have never been equaled in the history of mankind.

Olin Teague was the father of the space program in the U.S. Congress. As chairman of the Science and Technology Committee, his early and abiding faith in the space program was instrumental in the appropriation of tens of billions of dollars to fund our successful conquest of space.

With the passing of this soldier-statesman, an era in our history has passed. Our country is richer because Olin Teague dedicated his life to its service.

ADJOURNMENT TO TUESDAY, JANUARY 27, 1981

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Tuesday, January 27, 1981.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

AUTHORIZING SPEAKER TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until Tuesday, January 27, 1981, the Speaker be authorized to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I have taken this time for the purpose of inquiring as to the program for next week. I will yield to the gentleman from Massachusetts (Mr. MOAKLEY) to answer my inquiry as to what the schedule will be when we come in on Tuesday of next week and for the balance of the week, Wednesday, Thursday, and Friday.

Mr. MOAKLEY. Mr. Speaker, I thank the gentleman for yielding.

On Tuesday, we will meet at noon, and we are going to take up the committee resolutions by both the majority and the minority. We may not finish those, and they may go over until Wednesday.

For the balance of the week, our schedule is still very flexible. There is nothing further scheduled on the program.

I would be glad to yield to the distinguished Speaker for any further information.

The SPEAKER. As the gentleman knows, it was anticipated that the resolutions of the committees would come up on Tuesday, and that they would be completed by Wednesday. The majority hopes to have completed the Ethics Committee resolution by Wednesday, and there are two or three other committees.

Further actions must still be taken by the Democratic Steering and Policy Committee and the caucus, and the Chair understands the Members on the other side have to go to their corresponding committees. It is hoped that this process can be finished by Wednesday at the latest, and then the committees would be in place.

However, two things have developed this morning. It is possible that the hostages will be returning to Andrews Air Force Base about 1:30 on Tuesday. It is possible that Members may be involved in welcoming them back to the United States.

Later in the day the White House may have a reception. Whether that is to be open to all of the Members of the House, the Chair does not know. That is the prerogative of the President, and invitations may be forthcoming.

But there is a second event. Our late and beloved former colleague, "Tiger" Teague, a great American who battled tirelessly for veterans and others on the floor of the House, is going to be buried at 2 on Tuesday, as the Members heard the announcement earlier.

So the schedule may be delayed next week. But there is no legislative business unless a resolution of some type would come up by unanimous consent, a resolution that would not have to be reported out of a committee.

The committee resolutions must be done by next week. Actually, other than those resolutions, the Chair can conceive of no other legislative program, other than resolutions by unanimous consent.

Mr. LOTT. So, Mr. Speaker, we will come in at 12 o'clock noon on Tuesday?

The SPEAKER. The House will come in at 12 o'clock noon on Tuesday. If those resolutions can be completed in a hurry and the committees formed, that will be fine.

Mr. LOTT. Mr. Speaker, I will inquire, do we have any plans scheduled for Thursday or Friday, or will we have pro forma sessions on those days?

The SPEAKER. It looks to me as though we will have pro forma sessions unless something of an unusual nature comes along in the way of legislation which is not anticipated at this time. The majority party will be busy on Thursday, with a caucus in the morning, straightening out the remnants of caucus proposals, and things of that nature.

Mr. LOTT. Then, Mr. Speaker, the membership should plan to be here on Tuesday and Thursday for sure?

The SPEAKER. The membership must be here Tuesday and Wednesday, and there will be at least a pro forma session on Thursday and probably a pro forma session on Friday.

Mr. LOTT. I thank the Speaker.

IN REMEMBRANCE OF 63D ANNIVERSARY OF PROCLAMATION OF UKRAINIAN INDEPENDENCE

(Mr. DENARDIS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DENARDIS. Mr. Speaker, yesterday, January 22, was the 63d anniversary of the proclamation of the independence of the Ukraine and the 62d anniversary of the Act of Union whereby all Ukrainian lands were unified into one independent and sovereign state of a Ukrainian nation.

□ 1110

This independence was recognized by several countries throughout the world including Russia but despite the fact that the Soviet Government had officially recognized the Ukraine as independent and sovereign, the Ukraine in short order was attacked by military aggression and subversion from within. For nearly 4 years the Ukrainian people struggled but were overwhelmed, overpowered by numerically stronger and better equipped armed forces of the Red Russian Bolsheviks. The Ukrainian National Republic was destroyed and in its place a Communist puppet government known as the Ukraine Soviet Socialist Republic was created.

In dinners and memorial services all across the land this weekend we will remember that momentous event. I will be participating in one in New Haven, Conn. We will remember that the entire history of the Soviet-dominated Ukraine is a ghastly record of inhumanity and outright persecution, russification and violations of human rights on a scale not known in the history of mankind. We will try to keep the light burning so that ultimately one day the Ukraine may be free. It is in common spirit of liberty, faith, and justice for human rights that the American people join the Ukrainians all over the world in paying tribute to the Ukrainian people in their undaunted struggle for human rights, freedom, and the national independence of Ukraine.

Thank you.

TRIBUTE TO EIGHT AMERICANS KILLED IN RESCUE ATTEMPT

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, at the same time I add my voice to those thanking God for release of those brave men and women held hostage in Iran, I would like to pay tribute to some other brave men who helped make their release possible. In fact, those men, eight in all, made the ultimate sacrifice on behalf of the hostages. In the unsuccessful raid on Iran, they lost their lives. Their courage, as well as the efforts of the others who participated in the raid, should not be forgotten. In every sense of the word, they are real heroes and to help give them the recognition they deserve, I would like to mention their names again this morning: Harold Lewis, George Holmes, Richard Bakke, Charles McMillan II, Lynn McIntosh, Dewey Johnson, John Davis Harvey, and Joel Mayo.

May they rest in peace and with the satisfaction of having contributed to the ultimate achievement of their objective.

SAVINGS AND RETIREMENT INCOME INCENTIVE ACT OF 1981

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOORE. Mr. Speaker, as individual taxes climb, disposable income dwindles and personal savings become a necessary income supplement to meet costs imposed by inflation instead of an investment reserve to which regular deposits were once made. As a result, personal savings rates in this Nation are pitifully low especially when compared to those of other major industrial nations.

On the average, Japanese workers save four times as much as we do, West German savings are triple our rate, and Canadians save twice our level. In the last decade our savings rates have fallen while each of theirs has risen.

It is no mystery why Americans save so little today or why Japan, West Germany, Canada, and other countries have a comparative abundance of savings capital upon which to draw for economic expansion and competition with us.

In Japan interest earned on the first $23,000 of individual savings is tax free. In West Germany, families with children and with low- to moderate-incomes are given sufficient tax cuts for long-term saving to cause 94 percent of blue collar workers to establish and regularly add to their savings accounts. In Canada, employee contributions to employer-sponsored pension plans are tax deferred in amounts up to $3,300 per year and individuals having their own retirement plans can defer taxes on up to $5,500 in annual additions. This is by no means an inclusive list of their savings incentive or nations offering them.

By comparison, we are pikers in the savings game and, for this reason, we are losing it. Until language I initiated in the House won approval as part of the Windfall Profit Tax Act approved in the last Congress, this Nation fully taxed every dollar of interest income received by individuals. The $400 maximum annual exclusion granted last year for interest and dividend income in 1981 and 1982 tax years appears paltry when compared to savings incentives in Japan, West Germany, or Canada, but it is a step in the right direction and one that should have been taken long ago.

Much more needs to be done to give a favorable real after-tax rate of return on savings to track or hopefully stay ahead of inflation. Foreign experience shows savings can best be built by reducing the tax imposed on it. Our tax on savings is particularly onerous as interest income is taxed at the highest rate an individual must pay and commonly it puts a taxpayer into a higher tax bracket when added atop earned income as our tax policy instructs.

To counter this built-in tax bias against savings, Senator JOHN CHAFEE and I are jointly introducing a bill to build upon the present interest and dividend exclusion and expand individual retirement account eligibility and benefits. Our Savings and Retirement Income Incentive Act of 1981 is a natural extension of guidance given by the Senate Finance Committee late last year in its omnibus tax cut bill. It embraces desired objectives of simple yet functional design, tax adjustment to account for interest and dividend income damage caused by inflation, self-reliance in retirement income management, first-time home ownership, new savings formation, and vocational or college education for the account holder's children. It has won approval by more than 25 national organizations representing investment and financial communities, the Nation's largest retirement organizations, and national military organizations. Initial estimates put its static revenue cost at some $4 billion in the first year with savings formation encouraged by its terms giving an early cost recovery. Econometric tests are underway. In view of recent surges in personal debt growth, and record low rates of personal savings, it is extremely timely. It also only rewards retirement savings beyond activity already provided under mandatory employer-sponsored plans.

Many notions on savings formation are being offered these days. Senator CHAFEE, who serves as chairman of the Subcommittee on Savings, Pensions, and Investment Policy, and I are convinced this bill gets highest marks when all objective tests are applied, especialy in terms of the wide range of worthy purposes served on an equal basis and at a reasonable cost.

For this reason, we have recommended its inclusion in the forthcoming tax cut recommendations of the administration and Senator CHAFEE intends to begin hearings on it at an early date.

A summary of the bill, a list of organizations supporting or in most cases endorsing it, as well as the measures full text follow:

BILL SUMMARY

The "Savings and Retirement Income Incentive Act of 1981" is designed to increase the incentives for individual savings and investment in the following ways:

(1) The bill makes permanent the exclusion from tax of the first $200 ($400 on a joint return) of dividend and interest income and increases that amount to $500 ($1,000 on a joint return) when an individual or spouse attains the age of 65.

(2) The bill permits the use of individual retirement accounts (IRA's) by employees, including government employees and military personnel, who are covered by employer-sponsored retirement plans and increases the maximum allowable deductible contributions to these accounts from $1,500 per year under existing law to $2,000 per year or the total amount of the employee's earned income, whichever is less.

(3) In lieu of a contribution to a separate IRA, the bill permits an employee to make a $2,000 per year tax-deductible, voluntary contribution to his employer-sponsored retirement plan, if the plan so permits.

(4) The bill permits additional voluntary non-deductible contributions of $2,000 per year plus an additional $8,000 over the employee's lifetime to either an IRA or an employer-sponsored plan thereby increasing the size of the account so that the expense of managing and promoting such savings plans will be more easily absorbed. Tax is deferred on earnings from all moneys contributed to the account so that the employee's total savings are also enhanced by such contributions. This provision is similar to existing law regarding corporate pension plans and Keogh plans for the self-employed. Thus, for example, in one year an individual could make a deductible contribution to an IRA of $2,000 and a non-deductible contribution of $10,000; thereafter, he could make annually a deductible contribution of $2,000 and a non-deductible contribution of $2,000.

(5) Finally, the bill permits an employee to withdraw without penalty up to $10,000 from the account in order to purchase a first home or to pay for the higher education of his children. (The amounts so withdrawn are subject to income tax in the year of withdrawal.) This provision will make IRA's attractive to younger employees who are hesitant to invest funds for retirement savings which may still be needed for major family commitments.

ENDORSEMENTS OR STATEMENTS OF SUPPORT

American Association of Retired Persons.
National Retired Teachers Association.
National Association of Retired Federal Employees.
Merrill Lynch, Pierce, Fenner & Smith, Inc.
National Association of Federal Credit Unions.
Credit Union National Association, Inc.
Investment Company Institute.
U.S. League of Savings Associations.
National Savings and Loan League.
National Consumer Finance Association.
National Association of Mutual Savings Banks.
Independent Bankers Association.
Chief Warrant and Warrant Officers Association, U.S. Coast Guard.
U.S. Army Warrant Officers Association.
American Security Council.
Reserve Enlisted Association.
National Association for Uniformed Services.
Veterans of Foreign Wars of the United States.
Marine Corps League.
Non Commissioned Officers Association.
Disabled Officers Association.
Association of the United States Army.
Navy League of the United States.
Army Mutual Aid Association.
Retired Officers Association.
Military of the World Wars.
Fleet Reserve Association.

H.R. 1250

A bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to

allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Savings and Retirement Income Incentive Act of 1981".

SEC. 2. AMENDMENTS TO MAKE PERMANENT CURRENT INTEREST AND DIVIDEND EXCLUSION AND TO INCREASE SUCH EXCLUSIONS FOR PERSONS OVER AGE 65.

(a) Section 404(c) of the Crude Oil Windfall Profit Tax Act of 1980 is amended to read as follows:

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980."

(b) Paragraph (1) of Section 116(b) of the Internal Revenue Code, as amended by Section 404(a) of the Crude Oil Windfall Profit Tax of 1980, is amended to read as follows:

"(1) MAXIMUM DOLLAR AMOUNT.—

"(A) GENERAL EXCLUSION.—Except as provided in subparagraph (B), the aggregate amount excluded under subsection (A) for any taxable year shall not exceed $200 ($400 in the case of a joint return under section 6013).

"(B) In the case of an individual who has attained age 65 before the close of the taxable year or who is married as of the close of the taxable year to an individual who has attained age 65 before the close of the taxable year, the aggregate amount excluded under subsection (a) for any taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013)."

SEC. 3. INCREASE IN PERMISSIBLE CONTRIBUTIONS TO INDIVIDUAL RETIREMENT ACCOUNTS.

(a) Section 219(b) of the Internal Revenue Code of 1954 (relating to retirement savings) is amended—

(1) by deleting the words "an amount equal to" from paragraph (1), by striking out "15 percent" wherever it appears and inserting in lieu thereof "the amounts", and by striking out "$1,500" wherever it appears and inserting in lieu thereof "$2,000".

(2) by deleting paragraph (2) and redesignating paragraphs (3) through (7) as paragraphs (2) through (6).

(b) Section 4973(b) of such Code is amended to read as follows:

"(b) EXCESS CONTRIBUTIONS.—For purposes of this section, in the case of individual retirement accounts, individual retirement annuities, or bonds, the term 'excess contributions' means the sum of—

"(1) the excess (if any) of—

"(A) the amount contributed for the taxable year to the accounts or for the annuities or bonds (other than a rollover contribution described in section 402(a)(5), 403(a)(4), 403(b)(8), 408(d)(3), or 409(b)(3)(c)), over

"(B) $2,000 plus the amount allowable as a deduction under section 219 for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year, reduced (but not below zero) by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 408(d)(1),

"(B) the distributions out of the account for the taxable year to which section 408(d)(5) applies, and

"(C) the excess (if any) of—

"(i) $2,000 plus the maximum amount allowable as a deduction under section 219 for the taxable year over

"(ii) the amount contributed (determined without regard to section 219(c)(5)) to the accounts or for the annuities or bonds for the taxable year.

The amount determined under the preceding sentence shall be reduced (but not below zero) by the excess (if any) of $8,000 over the aggregate of the amounts contributed for each prior taxable year in excess of the sum of $2,000 and the amount allowable as a deduction under section 219 of such prior taxable year.

(c) Section 408 of such Code is amended—

(1) by striking out "$1,500" wherever it appears and inserting in lieu thereof "$4,000".

(2) by adding to paragraph (1) of subsection (a) the following sentence: "For purposes of the preceding sentence if contributions for any taxable year exceed $4,000 on behalf of any individual, they shall not be taken into account except to the extent that such excess contributions, when aggregated with any similar excess contributions for prior taxable years, exceed $8,000."

(3) by amending paragraphs (1) and (2) of subsection (d) to read as follows:

"(1) IN GENERAL.—Except as otherwise provided in this subsection, any amount or annuity contract paid or distributed out of an individual retirement account or under an individual retirement annuity to any distributee shall be taxable to him in the year in which so distributed under section 72 (relating to annuities).

"(2) COMPUTATION OF EMPLOYEES' CONTRIBUTIONS.—For purposes of this paragraph and section 72, any amounts for which a deduction is allowed under section 219 shall be treated as an employer contribution."

(4) by deleting the words "or 220" from paragraphs (4) and (5) of subsection (d) wherever they appear.

(5) by amending subsection (f)—

(A) by inserting before the period at the end of paragraph (1) thereof "unless such distribution is a qualified withdrawal as defined in paragraph (4)", and

(B) by adding at the end thereof new paragraphs (4) and (5) to read as follows:

"(4) QUALIFIED WITHDRAWAL.—Paragraphs (1) and (2) shall not apply to any withdrawal during a taxable year in which the individual has made no prior qualified withdrawals—

"(A) which is used—

"(i) to pay the qualified educational expenses of a child of the individual for whose benefit the trust is maintained, or

"(ii) in connection with the purchase of the first dwelling purchased by the individual for whose benefit the account is maintained which constitutes his principal residence,

"(B) which is not less than $2,000, but which when aggregated with all qualified withdrawals in prior taxable years does not exceed $10,000, and

"(C) which will not cause the fair market value of the account immediately after the withdrawal to be less than $2,000.

"(5) DEFINITIONS.—

"(A) QUALIFIED EDUCATIONAL EXPENSE.—The term 'qualified educational expenses' means—

"(i) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution,

"(ii) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution, and

"(iii) a reasonable allowance for meals and lodging.

"(B) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means—

"(i) an institution of higher education, or

"(ii) a vocational school.

"(C) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means the institutions described in section 1201(a) or 491(b) of the Higher Education Act of 1965.

"(D) VOCATIONAL SCHOOL.—The term 'vocational school' means an area vocational education school as defined in section 195(2) of the Vocational Education Act of 1963 which is in any State (as defined in section 195(8) of such Act.)"

(d) Section 72 of the Internal Revenue Code of 1954 (relating to annuities; certain proceeds of endowments and life insurance contracts) is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

"(o) TREATMENT OF DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS.—For purposes of subsections (c)(1)(A) and (e)(1)(B), any contribution made by an individual to an individual retirement account which is allowed as a deduction under section 219 shall be treated as an amount contributed by an employer which is not includible in the gross income of such employee."

(e) Section 2039 of the Internal Revenue Code of 1954 (relating to the Estate Tax) is amended by repealing subsection (e) thereof and redesignating subsection (f) as subsection (e).

(f) Section 2517(b) of the Internal Revenue Code of 1954 (relating to the gift tax) is amended by striking the parenthetical phrase "(other than paragraphs (4) and (5))" and substituting "(other than paragraph (4))."

SEC. 4. ALLOWANCE OF RETIREMENT SAVINGS DEDUCTION.

Part VII of subchapter B of chapter 1 of such Code (relating to additional itemized deductions of individuals) is amended by repealing section 220 and by substituting therefor the following new section:

"SEC. 220. DEDUCTION FOR CERTAIN EMPLOYEE RETIREMENT SAVINGS CONTRIBUTIONS.

"(a) GENERAL RULE.—In the case of an eligible employee, described in subsection (c)(2), there shall be allowed as a deduction the qualified retirement savings contributions of such individual for the taxable year.

"(b) LIMITATIONS AND RESTRICTIONS.—

"(1) MAXIMUM DEDUCTION.—The amount allowable as a deduction under subsection (a) to an eligible employee for any taxable year may not exceed the lesser of—

"(A) the amount of the compensation includible in the eligible employee's gross income for such taxable year, or

"(B) $2,000.

"(2) ALTERNATIVE DEDUCTION.—No deduction shall be allowed under subsection (a) for the taxable year if a deduction is allowed under section 219 for the taxable year.

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) QUALIFIED RETIREMENT SAVINGS CONTRIBUTION.—For purposes of this section, the term 'qualified retirement savings contribution' means any contribution in cash, other than a mandatory contribution, made by an individual as an employee to or under—

"(A) a plan described in section 401(2) which includes a trust exempt from tax under section 501(a),

"(B) an annuity plan described in section 403(a),

"(C) a qualified bond purchase plan described in section 405(a), or

"(D) a plan described in section 805(d)(3)".

"(2) ELIGIBLE EMPLOYEE.—For purposes of this section, the term 'eligible employee' means any individual who is an active participant for any part of the taxable year in a plan described in paragraph (1).

"(3) RECONTRIBUTED AMOUNTS.—No deduction allowed under this section with respect to a rollover contribution described in section 402(a)(5), 403(a)(4), 403(b)(8), 408(d)(3), or 409(b)(3)(C).

"(4) AMOUNTS CONTRIBUTED TO AN INSURANCE CONTRACT.—No deduction shall be allowed under this section for that portion of the amounts paid which are properly allocable, under regulations prescribed by the Secretary, to the cost of life insurance.

"(5) MARRIED INDIVIDUALS.—In the case of an individual who is married (as determined under section 143(a)), the maximum deduction under subsection (b) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(6) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

"(7) COMPENSATION.—For purposes of this section, the term 'compensation' includes earned income as defined in section 401(c)(2).

"(8) MANDATORY CONTRIBUTIONS.—For purposes of this section, the term 'mandatory contributions' means amounts contributed to the plan by the employee which are required as a condition of employment, as a condition of participation in such plan, or as a condition of obtaining benefits under the plan attributable to employer contributions.

"(d) SIMPLIFIED REPORTS.—The Secretary shall issue regulations which prescribe the time and manner in which simplified reports shall be filed by the employer or plan administrator of a plan receiving contributions deductible under this section."

SEC. 5. TREATMENT OF DISTRIBUTIONS FROM PLAN TO WHICH EMPLOYEE MADE DEDUCTIBLE CONTRIBUTIONS.

(a) Subpart A of part I of subchapter D of chapter 1 of such code (relating to retirement plans) is amended by inserting after subsection (l) of section 414, the following new subsection:

"(m) DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—For purposes of this title, other than for purposes of section 401(a)(4) and (5), 404, 410(b), 411, and 412, any amount which is allowed as a deduction under section 220 as a qualified retirement savings contribution shall be treated as an employer contribution."

(b) Section 414(h) of such Code (relating to tax treatment of certain contributions) is amended by inserting after "any amount contributed" the following: "(other than an amount described in subsection (m))".

SEC. 6. TECHNICAL AND CONFORMING AMENDMENTS.

(a) ESTATE AND GIFT TAX EXCLUSION.—

(1) ESTATE TAX.—Subsection (c) of section 2039 of such code (relating to exemption of annuities under certain trusts and plans) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any contribution allowed as a deduction under sections 219 or 220 shall be considered as made by a person other than the decedent."

(2) GIFT TAX.—Subsection (b) of section 2517 of such code (relating to transfers attributable to employee contributions) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any contribution allowed as a deduction under sections 219 or 220 shall be considered as made by a person other than the employee."

(b) OTHER AMENDMENTS.—

(1) Paragraph (10) of section 62 of such Code (defining adjusted gross income) is amended by striking out "(relating to retirement savings for certain married individuals)" and inserting in lieu thereof "(relating to deduction for certain employee retirement savings contributions)".

(2) So much of section 72(f) of such code as precedes paragraph (1) thereof is amended to read as follows: "In computing, for purposes of subsection (c)(1)(A), the aggregate amount of premiums or other consideration paid for the contract, for purposes of subsection (d)(1), the consideration for the contract contributed by the employee, and for purposes of subsection (e)(1)(B), the aggregate premiums or other considerations paid, amounts which an employer is required to report, pursuant to regulations promulgated under section 220(d) with respect to an amount paid by an eligible employee (as defined in section 220(c)(2)) as a qualified retirement savings contribution shall be excluded, and amounts contributed by the employer shall be included, but only to the extent that—".

(3) Section 415(a) of such Code is amended by repealing paragraph (3) thereof.

(4) The table of sections for part VII of subchapter B of chapter 1 is amended by striking out the item relating to section 220 and inserting in lieu thereof the following:

"Sec. 220. Deduction for certain employee retirement savings contributions."

SEC. 7. EFFECTIVE DATES.

(a) GENERAL RULE.—Except as provided in subsection (b), the amendments made by this Act shall apply to taxable years beginning after December 31, 1980.

(b) ESTATE AND GIFT TAX PROVISIONS.—

(1) ESTATE TAX.—The amendments made by section 4(a)(1) shall apply to the estates of decedents dying after December 31, 1980.

(2) GIFT TAX.—The amendment made by section 4(a)(2) shall apply to transfers after December 31, 1980.

RAILROAD RETIREMENT EQUITY LEGISLATION

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, today I am reintroducing legislation to extend equity for railroad retirees and their dependents. The six bills I am introducing—and which I also proposed in the 96th Congress—will modify and improve the Railroad Retirement Act and, in essence, bring that act in line with other federally legislated annuity programs.

I earnestly hope, Mr. Speaker, that you and my other colleagues in this body will support the objectives of the following measures:

H.R. 1260 amends the Railroad Retirement Act to continue a survivor's annuity to any railroad widow or widower who remarries after age 60. It provides that any widow or widower who remarries before age 60 will have full entitlement under the Railroad Retirement Act reinstated if the new marriage ends.

The same bill authorizes the Social Security Administration to pay to any divorced spouse or surviving divorced spouse of a railroad employee the same benefit he or she would have received had all work of both husband and wife been in employment covered by the Social Security Act.

H.R. 1261 amends the Railroad Retirement Act to insure that surviving dependent parents of railroad workers receive the same benefit payable to surviving dependent parents of deceased workers who were insured under the Social Security Act.

H.R. 1262 amends the Railroad Retirement Act to provide that an individual with 25 years of railroad work will not lose his current connection if he leaves railroad employment and works in other employment prior to qualifying for railroad benefits.

H.R. 1263 amends the Railroad Retirement Act to provide benefits to disabled spouses of annuitants and to spouses of disabled annuitants who are in need of aid and attendance.

H.R. 1264 amends the Railroad Retirement Act to eliminate the offset of benefits based on military service.

H.R. 1265 amends the Railroad Retirement Act to insure that workers leaving railroad employment to enter military service receive credit for those years of service when they return to railroad employment.

A DAY OF THANKSGIVING TO HONOR OUR SAFELY RETURNED HOSTAGES

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 16) designating January 29, 1981, as "A Day of Thanksgiving To Honor Our Safely Returned Hostages," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 16

Whereas we the people of the United States are one people under God;

Whereas in recognition of the hope, honor, faith, and courage of those men and women who have been forcibly held prisoner in Iran;

Whereas eight brave men laid down their lives in the pursuit and defense of freedom;

Whereas in order for the people of the United States of America to express their appreciation, hope, and care for these men and women; and

Whereas in order for the Nation to express its thanks to God for the safekeeping of these people and this Country: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the 29th day of January 1981, is declared "A Day of Thanksgiving To Honor Our Safely Returned Hostages", and that Americans participate in services in places of their own choosing on that date, as already called for by churches, synagogues, and mosques across this Country.

● Mr MICHEL. Mr. Speaker, it was an honor for me to join with the Democratic leadership in the House in expediting passage of a joint resolution of the Congress declaring Thursday, January 29, 1981, as "A Day of Thanksgiving To Honor Our Safely Returned Hostages."

I think it is altogether fitting that our Nation publicly and officially recognize the heroism and the sacrifices of those who were held hostage. It is in the great American tradition to give thanks to God for blessings bestowed on our beloved country. It is my hope that next Thursday will be a day which all Americans will show some sign of thanksgiving and rededicate themselves to the high ideals of our Nation.●

● Mr. LOTT. Mr. Speaker, the membership on this side of the aisle is pleased to support this resolution. The courage and hope of our diplomats while recently held hostage in Tehran is truly indicative of the American spirit. The honor and faith exhibited by these men and women while forcibly held prisoner under what has now been revealed to have been extremely harsh and torturous conditions makes them modern-day American heroes.

The families of our diplomats also deserve the praise of this body. Throughout this long ordeal they too exhibited nothing but courage and dignity. Their fortitude and endurance under terrible circumstances should be an example for all of us.

Finally, the American people deserve to be commended for the way in which they handled the forced captivity of their countrymen. The loyalty and love expressed by this Nation for the hostages has been overwhelming. During the 444 days of captivity the American people never forgot their countrymen or their plight. Unfortunately it is rare that we see such unity and commonness of purpose as we have seen during this crisis.

I can think of no better way to express the appreciation of this Nation to the returning hostages or to honor the memory of those who died trying to save them than to declare a national day of thanksgiving.

Mr. Speaker, in closing I would just like to say, "Welcome home."●

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on Senate Joint Resolution 16.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EIGHT AMERICANS KILLED IN UNSUCCESSFUL RESCUE ATTEMPT

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. LUNGREN) is recognized for 10 minutes and to revise and extend his remarks.

Mr. LUNGREN. Mr. Speaker, as we approach the joyous occasion of the return of the American hostages or, as they have been more appropriately referred to by our President, the prisoners of war, I think we should not forget those very brave Americans who were part of that unsuccessful rescue attempt several months ago.

Within my own district the parents of one of those participants, Richard Bakke, then an Air Force captain, resided. Mr. Bakke—who grew up in the same hometown as I grew up in, was about the same age, and attended a high school very close to my own home—died in that attempt. It was an attempt in which he did not need to participate. It was an attempt for which he volunteered. I think it would behoove us to well remember those men as we rejoice in the homecoming of our hostages.

I think we should not let the families of those rescuers believe that somehow we have forgotten, that somehow we did not appreciate the ultimate sacrifice that they made, or, even worse, that somehow their deaths were in vain. I do believe that the resolve shown by the United States in many ways, but particularly in that we were willing to try such a rescue attempt, was just one element in many that helped convince the Iranian Government that they should let our people go.

□ 1120

Truly these people did not die in vain. Truly they showed us that there is something worth fighting for and dying for, and we should give them every bit of respect that has been accorded our heroes throughout the ages.

We must also, I think, take note of what they felt very, very deeply about the armed services of which they were a part.

I recently received a copy of a newspaper article that appeared in my hometown paper, the Long Beach Press Telegram. In that, the parents of Major Bakke—he was given the increase in rank after his death—referred to some of the thoughts that he had. One of the things that he pointed out to them was that in our present military we somehow have not given enough attention to maintenance, simple maintenance of our military aircraft.

His mother said:

> Many times Richard would have a flight delayed because of poor maintenance. He would have to wait until they came in and made repairs before he could take off.

It seems to me that if these people are not to have died in vain, we should take a message from what they have done and the dedication that they have given us. Never again should we allow young men of America to participate in military actions unless we are certain that we have given them every bit of support that they can possibly have.

We are going to argue over the months ahead about whether there should be a draft. We are going to argue about the extent of preparedness of the military of the United States.

It seems to me that in those future debates we should not forget the very simple question that if we are to ask brave men and women to serve us in the military, should it not be our obligation to give them the best possible support available?

This is not a question of leadership on the battlefield. It is a question of leadership in the House of Representatives, leadership in the Senate, leadership in the White House, leadership that must come from all of our Members in simple recognition that when we have a job to do, we must give our people the wherewithal to do that job.

Again, let me just conclude with this plea: As we welcome our heroes home from their long, long nightmare in Tehran, let us not forget those heroes who went before them and who died in a valiant effort to free them.

OCS NATIONAL RESERVE ACT

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, today I am reintroducing legislation which would authorize the Secretary of the Interior to place certain lands of the Outer Continental Shelf (OCS) in national reserve status, prohibiting the Secretary from leasing these lands for oil and gas production or development in the absence of a finding that there are insufficient oil reserves to meet national security needs. In the last Congress, my legislation pertained only to the OCS lands known as lease sale 53, stretching from Point Concepcion to the California-Oregon border and extending seaward from 3 to 70 miles offshore. The legislation which I am introducing today covers not only that area but also addresses itself to certain portions of the OCS lands known as lease sale 73, extending from Point Concepcion in the south to the California-Oregon border in the north and extending seaward from 3 to 200 miles.

As my colleagues are aware, Secretary Andrus, responding to the considerable concerns raised by Members of this body, State and local governments, and concerned residents, decided not to offer the northern four basins in lease sale 53. The Secretary noted that after years of analysis, his decision reflected the balance between the need for domestic sources of energy and protection of coastal resources, specifically mandated by the balancing requirements of the 1977 OCS Lands Act Amendments.

I and other Members of this body have long argued that the unique and valuable resources of the California coastal region represent important assets for our entire Nation, assets which are threatened by the initiation of intensive offshore oil and gas development. Some $11 billion is generated in California annually by tourism in the State. The fishing industry in California alone accounts for another $1 billion, and comprises an important component of our foreign export trade. Finally, perhaps the most fragile element of the California coast, and consequently the most threatened by the offshore drilling proposal, is the number of fishing grounds and unique habitats which exist along the coast.

The residents of the coastal region, dependent as they are upon these natural resources for their livelihoods, are understandably disturbed over the prospect of offshore oil rigs and increased tanker traffic in coastal waters. Yet there is more at stake in this argument against energy development in this area at the present time than mere reluctance on the part of these residents. There is the additional question of what advantages would accrue to our Nation if we do risk damage to the coastal environment.

The fact is that the estimates of energy supplies predicted to lie within this portion of the OCS represent only a minimal gain. The U.S. Geological Survey has estimated that the amount of recoverable oil resources contained within the OCS between Point Concepcion and the California-Oregon border would supply our Nation's need for this fuel for a period of approximately 70 days. This 70 days equivalent of oil would be bought at the expense of some of the most productive fishing areas in the world; the pristine and unsurpassed quality of 1,000 miles of coastline; and the economic vitality of hundreds of coastal communities.

The need for this legislation is very great. Secretary Andrus, through deletion of four of the five environmentally and economically sensitive basins, administratively implemented my previous legislation with the exception of the Santa Maria basin. It is regrettable that no provision was made to protect the important fishery resources and marine habitats in the northern Santa Maria basin and I will continue to urge that this area not be made available for leasing. The situation in the Santa Maria basin underscores the need for this legislation. Moreover, while four of the basins were deleted from OCS No. 53 and excluded from the call for nomination for OCS No. 73, these are administrative actions only, and as such they are subject to change.

I strongly believe that this is too important a matter to leave to administrative action. Congress, in its 1977 OCS Lands Act Amendments, clearly indicated its intention that the potential for oil and gas development in an OCS region be carefully weighed against the potential damage to coastal resources. The case for deletion of the areas covered by my legislation has been thoughtfully and thoroughly made on these very grounds. My legislation would simply insure that any further administrative actions in this area would be consistent with congressional intent.

This legislation reflects my belief and that of many others that these OCS lands should be exploited only as a last alternative in the event that other oil and gas resources are inadequate to meet national security needs. Only the most pressing need can justify the degradation of this magnificent stretch of coast. If the serious environmental and economic risks are to be taken for the minimal resources available, it should only be under the circumstances in which the President determines that it is essential to the national security.

America has always been a country of vision and creativity. Often in the past, we have been called upon to marshal these forces to meet challenges of sometimes overwhelming dimensions. The energy crisis and our dependence on foreign oil are certainly such challenges. The manner in which we go forward to meet these challenges will have the most profound effect on American life. I believe that we can avail ourselves of the energy resources of the Outer Continental Shelf in a manner consistent with the goal of protecting valuable coastal economic and environmental assets. To ignore those goals for 70 days worth of oil will be a price that this country and the citizens of California can scarcely afford to pay.

The bill follows:

H.R. 1267

A bill authorizing the Secretary of the Interior to retain as a national reserve, certain lands of the Outer Continental Shelf included in the proposed lease sales numbered 53 and 73, and prohibiting the Secretary from leasing such lands for oil or gas production or development, except as recommended by the President of the United States and not disapproved by the Congress, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) the Secretary of the Interior (hereinafter in this Act the "Secretary") will retain as a national reserve for oil or gas production or development the area within the Outer Continental Shelf extending from Point Concepcion in the south to the California-Oregon border in the north, and extending seaward from three to two hundred miles offshore. The Secretary shall not lease this area for oil or gas production or development, unless—

(1) the Secretary requests the President of the United States to prepare a finding that other oil or gas reserves are not sufficient to meet national security needs and, further, that the estimated value of oil and gas resources within such area exceeds the estimated revenue loss and environmental damage which would result from such production or development;

(2) the President makes such finding;

(3) the President transmits to the Congress a recommendation that the Secretary lease such area; and

(4) during the first period of sixty calendar days of continuous session of Congress after the date of transmittal to Congress, both Houses of the Congress do not pass a concurrent resolution disapproving such recommendation.

(b) For purposes of this section—

(1) continuity of session of Congress is broken only by an adjournment sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.●

ALGERIA HAS CREATED A RICHER MEANING TO DIPLOMACY

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, as all Americans share a feeling of elation and celebration over the release of the

American hostages, it is important to acknowledge and thank those who played an indispensable role in bringing about the hostages' safe return.

As we learn more of the facts surrounding this long ordeal I am more convinced than ever that former President Carter's able leadership was the key to the successful release of the hostages. The dedicated efforts of former Secretaries of State Cyrus Vance and Edmund Muskie were also instrumental in getting our American diplomats back. And in those crucial last days the tenacious and calm negotiating ability of former Deputy Secretary of State Warren Christopher made the final difference. We are grateful to all of them.

Certainly one of the most essential roles played in freeing our fellow Americans was that of the Government of Algeria. The difficult and often frustrating negotiations with Iran required an adroit and skillful mediator. Algeria played such a role and in the process created a richer meaning to diplomacy and a deeper respect for international responsibility.

In a real sense, Algeria's help in this difficult situation illustrates an important but simple lesson of neighbors helping each other in time of need. In 1980 the United States provided assistance to Algeria in the wake of a terrible earthquake there. That effort was reciprocated by Algeria's dedicated mediation role in our time of need.

The peoples of the United States and Algeria have been brought closer together by humanitarian needs felt by both. As bilateral relations proceed, I believe friendship will only increase.

RAILROAD RETIREMENT EQUITY LEGISLATION

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. OBERSTAR) is recognized for 10 minutes.

Mr. OBERSTAR. Mr. Speaker, the Railroad Retirement Act remains the only federally legislated annuity program to deprive a widow of present or future economic security if she wishes to remarry. Unless she is insured under social security or railroad retirement in her own right, a widow who remarries and whose second marriage ends in divorce before 10 years or in death within the first 9 months will also lose present or future entitlement to medicare.

The Railroad Retirement Act provides for an interchange of funds with the Social Security Administration. Railroad workers, who in earlier years contributed a much larger share to their retirement fund than social security workers, have since October 1973 contributed an amount equal to social security FICA taxes. These contributions are deposited in the social security trust funds and are credited back to the Railroad Retirement Board to be paid to railroad retirees and their dependents. If a railroad worker does not remain in railroad employment long enough to qualify for a railroad benefit, his taxes remain in social security trust funds.

Workers who were fully credited under both social security and railroad retirement and who retired prior to December 31, 1974, receive separate benefits from each agency. Workers fully credited under both programs who retire after that date receive a combined benefit from the Railroad Retirement Board. Dependents and survivors entitlement is contingent upon which agency is paying a benefit. This leads to inequities and anomalies. For example:

If a worker insured under both programs retired prior to January 1, 1975, his current spouse receives both a railroad spouse benefit and a social security spouse benefit. Upon his death, his widow will receive a single benefit from the Railroad Retirement Board equal to 130 percent of what she would receive had her husband worked under social security. Any previous spouse or spouses, to whom he was married 10 or more years would receive a social security spouse benefit based only on social security covered employment. Upon the worker's death, the surviving divorced spouse would be cut off from any benefit and from medicare because jurisdiction over beneficiaries would pass to the Railroad Retirement Board which has no authority to pay divorced spouses or surviving divorced spouses whether the marriage lasted 10, 30, or 50 years.

If a railroad worker insured under both social security and railroad retirement, retired since December of 1974, all his social security credits are transferred to the Railroad Retirement Board. Both the wage earner and his present spouse receive a single benefit based on all years of work. A widow is eligible for a railroad retirement survivor annuity, but, as I pointed out earlier, she loses all entitlement if she remarries. A divorced spouse or surviving divorced spouse receives nothing regardless of years of marriage and regardless of how many years of the worker's career was in employment covered by social security.

Conversely, if a railroad worker has severed his current connection by working in other employment after he has left service with the railroads, he himself loses supplemental benefits when he retires, but his widow loses the extra benefit payable to a railroad widow. Upon the worker's death, all wage credits are credited back to the Social Security Administration and the widow qualifies for a social security benefit. The divorced widow, however, fares much better if her former husband has no current connection with the railroad. She, too, qualifies for a social security annuity equal to that being paid to the woman to whom her former husband was married at the time of his death.

A similar situation exists with respect to parents who, at the time of a child's death, are dependent upon that child for at least half of their support. If the worker has a current connection with the railroad, the dependent parent is eligible or potentially eligible for a benefit only if there exists no other eligible or potentially eligible beneficiary. If, for example, there is a young widow who would be eligible for a railroad retirement annuity when she reached retirement age, no parents' benefit would be payable. However, if the Social Security Administration had jurisdiction, the dependent parent would receive the same benefit payable to the dependent parent of a worker covered by social security.

A railroad worker or former railroad worker retains a current connection if, following his railroad employment, he does not regularly work for a nonrailroad employer. This rule, designed to insure that railroad retirement trust funds are paid to persons with a strong attachment to railroad employment, also leads to serious inequities.

Cuts in rail service have forced numerous individuals into other employment after 25, 30, and more years of railroad service. My bill, reintroduced today, protects the current connection of any worker who has completed 25 years of railroad service. This is substantially more than half of a normal work life and I believe it is fair to all present and former railroad employees.

My bill for disabled spouses and disabled surviving spouses will conform the letter of the law with the purposes of the law. The principle of both social security and railroad retirement is wage replacement upon the death, disability, or retirement of a wage earner. An annuitant's spouse is entitled to a benefit if there are young children to be cared for or if the spouse is retirement age. If the spouse is not yet old enough to retire or is not caring for a young child he or she is expected to be capable of gainful employment. The legislation I am introducing today recognizes that a disabled spouse is not able to compete in the labor market and it authorizes the same spouse annuity which would be payable at age 65. A second provision of the same bill authorizes a spouse benefit to be paid if a disabled annuitant is in need of aid and attendance and that care is being provided by the spouse.

The final two bills will afford to railroad employees who serve in the military the same protections offered by veterans reemployment law to all others who enter the military service and return to their previous employment.

The first measure provides for discontinuance of the present practice of either not counting years of military service toward railroad retirement or offsetting from the retiree's annuity any compensation a veteran is receiving as a result of his military service. Because railroad retirement benefits are computed using the social security formula, not only does a railroad retiree have his annuity reduced $1 for every $1 he receives from the Veterans' Administration, his spouse's annuity can be reduced an additional 50 cents. Only the Railroad Retirement Act permits this type of offset. In fact, in its Alabama Power Co. against Davis decision of June 1977 and again in its Coffy against Republic Steel Corp. decision of June 1980, the U.S. Supreme Court unanimously held that a veteran's future compensation must be identical to that he would have received had his employment not been broken by military service.

The second veterans' measure relates to the years of military service which must be credited toward railroad retirement. Again, the Railroad Retirement Act stands alone. Veterans reemployment law covering all other employers in this Nation requires both voluntary military service—up to 4 years unless involuntarily extended—and all compulsory military service to be counted. The Railroad Retirement Act, however, defines years of service so as to exclude any voluntary service unless the individual entered during time of war or for whom draft was imminent. The unfortunate result of this provision of the law is to deny railroad retirement credit to all veterans of the Korean or Vietnamese wars who volunteered to serve their country prior to the time the conflicts were recognized as wartime service.

I invite my colleagues to join me in sponsoring these bills and I urge them to work with me toward enactment of these important railroad retirement equity measures.

LEGISLATION TO ENABLE AGENCIES TO COLLECT DELINQUENT DEBTS

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, at a time when every effort is being made to cut nonessential Federal spending, it is hard to believe that the Federal Government is allowing billions of dollars in delinquent debts to go uncollected. Yet that is the case. The Office of Management and Budget reports that of $26 billion in delinquent debts outstanding in 1980, an estimated $6.3 billion will probably never be collected. It will just be taken off the books as a dead loss.

This is money that has been borrowed by students, small businessmen, veterans, and other participants in the various Federal loan programs. Some of it also represents overpayments of benefits and annuities to individuals. The main reason the money is not being collected is that the agencies involved lack the resources, the procedures—and in some cases, the will—to go out and get it.

I am today introducing a bill that will make it possible for the agencies that have delinquent debts to use a tool that private businesses have found effective in dealing with deadbeats: Reporting their delinquency to a private credit rating bureau. This is not to be confused with turning the debt over to a private collection agency. That is not authorized by my bill. What it does provide is that the information that an individual has not repaid a Government loan can be given to a credit rating bureau so it will be a matter of record when that individual applies for credit to buy a car, a house, or make some other transaction that relies on his creditworthiness.

Private firms have found that the threatened loss of one's credit is a powerful incentive for clearing up back debts. It has proved to be equally effective in collecting overdue Government debts in test programs conducted by the General Accounting Office, which strongly supports the legislation.

The bill, which is similar to one introduced in the Senate by Senator CHARLES H. PERCY, requires that before a notice of delinquency can be given to a credit bureau, two written notices of such intent must be sent to the debtor. It also allows an opportunity for the debtor to review the debt before any action is taken.

Another objective of the bill is to improve the internal procedures for debt management and reporting within the agencies. Debt collecting has a low priority in most agencies. Their methods for identifying and following up on bad debts are totally inadequate. The bill would require them to make periodic reports on the status of their loan programs to OMB, which, in turn, would make an annual report to Congress showing the amount of outstanding loans owed to each agency.

Mr. Speaker, Federal loans contribute greatly to the improvement of our citizens' education, housing, and business opportunities. The vast majority of those who borrow repay the loans as they come due. But there are, unfortunately, thousands of individuals who do not. They are going about their business, buying homes and cars, making and repaying bank loans, while ignoring their obligation to pay back what they have borrowed from the taxpayers. This is a flagrant abuse of worthwhile Government programs, and of the public trust. We must arm the Government with the authority to deal with these delinquents. I hope this legislation will be speedily enacted.

TRIBUTE TO OLIN E. TEAGUE

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HAMMERSCHMIDT. Mr. Speaker, all of us, as well as the entire veteran population of this Nation are today saddened to learn of the death of our former colleague, the Honorable Olin E. Teague of Texas.

I first met Tiger Teague when I was elected to the 90th Congress and assigned to the Committee on Veterans' Affairs when it convened in January 1967. Tiger was then chairman of the committee. I quickly learned that this respected leader was responsible for instituting the bipartisanship in veterans legislation that remains to this day the hallmark of this committee's activities.

A former resident of Mena, Ark., where many of his kinfolk still reside, Tiger, in a jocular manner, sometimes referred to me as his Congressman. We rapidly developed a close friendship that has existed to this sad day. My heart is especially heavy as I mourn the passing of this distinguished American.

Mr. Speaker, as you indeed are aware, Tiger Teague's career of military and public service was marked with honor and distinction. One of the most highly decorated veterans in the Congress, Tiger often said that he was most proud of his Combat Infantryman's Badge.

Elected to represent the Sixth District of Texas in September 1946, while still hospitalized recovering from war wounds, Tiger Teague was a highly respected Member of the House of Representatives until his voluntary retirement at the end of the 95th Congress in 1978. A member of the Committee on Veterans' Affairs during all of his 32 years of congressional service, he served as its chairman for 18 of those years.

During his long and distinguished career, Tiger Teague sponsored more veterans legislation that became law than any Member of Congress.

Beloved by all veterans, Tiger has been honored with the highest awards of all the major veterans organizations. The passing of this giant among men—a soldier's soldier, a respected legislator and a true champion of the Nation's veterans and their cause—will be mourned forever.

My wife, Ginny, and I extend our deepest sympathy and condolences to his bereaved widow, Freddie, and his children, Jim, Jack, and Jill.

A TRIBUTE TO MANNY CELLER

(Mr. BROOKS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROOKS. Mr. Speaker, it was my great privilege to serve on the House Judiciary Committee during the time Manny Celler was the chairman. Those were momentous days in the history of our Nation, particularly in the area of civil rights. The landmark legislation that was enacted to protect and extend those rights for all our citizens was the work of many people, but much of the credit must go to the patience, persistence, and the political and parliamentary skills of Chairman Celler.

He was a man of warmth and compassion, full of wit and humor, but also of steely resolve in defending the right of all Americans to the equal protection of the laws. He left his mark on many important areas of our national life, including antitrust and immigration laws, as well as those extending the guarantees of the Constitution to all Americans. Four amendments to the Constitution were guided through the House by Manny Celler, including those lowering the voting age to 18, abolishing the poll tax, and permitting residents of the District of Columbia to vote for President.

His was a long and illustrious career of service and devotion to the ideals that have made America great. I count my years of association and friendship with him among my most cherished memories.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. DENARDIS) to revise and extend his remarks and include extraneous material:)

Mr. LUNGREN, for 10 minutes, today.

(The following Members (at the request of Mr. MOAKLEY) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. ZABLOCKI, for 5 minutes, today.
Mr. OBERSTAR, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BROOKS, under general leave request by Mr. ADDABBO, on January 19, 1981.

(The following Members (at the request of Mr. MOAKLEY) and to include extraneous matter:)

Mr. MAZZOLI.
Mr. ROE.
Mr. GEJDENSON.
Mr. ROSENTHAL.
Mr. HOWARD.

(The following Members (at the request of Mr. DENARDIS) and to include extraneous matter:)

Mr. BEREUTER.
Mr. KEMP.

ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 25 minutes a.m.) under its previous order, the House adjourned until Tuesday, January 27, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

360. A letter from the Administrator, Food and Nutrition Service, Department of Agriculture, transmitting the second annual report on the effect of the elimination of the purchase requirement in the food stamp program, pursuant to section 8(a) of the Food Stamp Act of 1964, as amended (91 Stat. 968); to the Committee on Agriculture.

361. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of a construction project proposed to be undertaken by the Air Force Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

362. A letter from the Deputy Assistant Secretary of the Army (Installations and Housing), transmitting the annual report for fiscal year 1980 on Army contracts for military construction awarded without formal advertisement, pursuant to section 604 of Public Law 96-418; to the Committee on Armed Services.

363. A letter from the Deputy Director, Legislative Liaison, Department of the Air force, transmitting a report on the 10 firms awarded the highest amounts of architect-engineer contracts by the Air Force in fiscal year 1980, pursuant to section 604 of Public Law 96-418; to the Committee on Armed Services.

364. A letter from the Director, Office of Legislative Affairs, Department of the Navy, transmitting notice of the Navy's intention to donate a surplus Pullman car, serial number DAFX 89493, to the Charleston, S.C., chapter of the National Railway Historical Society, pursuant to 10 U.S.C. 7545; to the Committee on Armed Services.

365. A letter from the Secretary of Health and Human Services, transmitting a report on the study of the issues in locating, assessing, and treating individuals exposed to hazardous substances, pursuant to section 306(1)(3) of the Public Health Service Act, as amended (92 Stat. 3453); to the Committee on Energy and Commerce.

366. A letter from the Acting General Counsel, Department of Energy, transmitting notice of various meetings relating to the international energy program to be held in London, England, on January 27; to the Committee on Energy and Commerce.

367. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission will be unable to render a final decision in ex parte No. 375 (Sub-No. 1), *Increased Freight Rates and Charges—1980 Determination, Phase II*, within the specified 7-month time limit, pursuant to 49 U.S.C. 10707 (b)(1) and (c)(1); to the Committee on Energy and Commerce.

368. A letter from the Secretary of Commerce, transmitting the annual report for fiscal year 1980 on export administration, pursuant to section 14 of Public Law 96-72; to the Committee on Foreign Affairs.

369. A letter from the Assistant Director, Legislative and Public Affairs, International Development Cooperation Agency, transmitting the 1981 report on the Chairman of the Development Coordination Committee, pursuant to section 634(a)(1) of the Foreign Assistance Act of 1961, as amended, together with the IDCA fiscal year 1982 congressional presentation; to the Committee on Foreign Affairs.

370. A letter from the Secretary of Health and Human Services, transmitting a report on the Department's disposal of surplus real property to public health and educational institutions during fiscal year 1980, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

371. A letter from the Assistant Secretary of the Interior for Policy, Budget and Administration, transmitting a negative report for fiscal year 1980 on disposal of foreign excess property by the Department, pursuant to section 40(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

372. A letter from the Secretary of the Interior, transmitting the New Jersey Pinelands comprehensive management plan, pursuant to section 502(g)(1) of Public Law 95-625; to the Committee on Interior and Insular Affairs.

373. A letter from the Director, Office of Inspector and Auditor, U.S. Nuclear Regulatory Commission; transmitting an evaluation of the Commission's progress in instituting effective management controls and improving the accuracy of the data provided to the Federal Procurement Data System regarding consultant service contracts, pursuant to section 307(b) of Public Law 96-304; to the Committee on Interior and Insular Affairs.

374. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the court's judgment order in Docket No. 22-G, *Mescalero Apache Tribe, et al. v. The United States;* to the Committee on Interior and Insular Affairs.

375. A letter from the Secretary of Transportation, transmitting a report on the costs of making urban rail transit systems accessible to handicapped persons, pursuant to section 321(a) of Public Law 95-599; to the Committee on Public Works and Transportation.

376. A letter from the Secretary of Transportation, transmitting a report on the demonstration of the acceleration of highway projects, pursuant to section 141 of the Federal-Aid Highway Act of 1976, as amended (92 Stat. 2709); to the Committee on Public Works and Transportation.

377. A letter from the Chairman, Civil Aeronautics Board, transmitting the Board's report on the automatic market entry program, pursuant to section 401(d)(7)(E) of the Federal Aviation Act of 1958, as amended (92 Stat. 1718); to the Committee on Public Works and Transportation.

378. A letter from the Acting U.S. Trade Representative, Executive Office of the President, transmitting a report covering the 6 months ended December 31, 1980, on reviews and hearings arising from complaints of unfair trade practices by foreign governments, pursuant to section 306 of the Trade Act of 1974, as amended; to the Committee on Ways and Means.

379. A letter from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide for authorization of appropriations for the U.S. International Trade Commission for fiscal year 1982; to the Committee on Ways and Means.

380. A letter from the Secretary of Agriculture, transmitting the annual report on agricultural export activities for the period October 1, 1978 to September 30, 1979, pursuant to Public Law 83-480, as amended; jointly, to the Committees on Agriculture and Foreign Affairs.

381. A letter from the Director, Federal Emergency Management Agency, transmitting a report on the small business share of Federal procurement related to the development of synthetic fuel, pursuant to section 701(d) of the Defense Production Act of 1950, as amended (94 Stat. 633); jointly, to the Committees on Banking, Finance and Urban Affairs and Small Business.

382. A letter from the Comptroller General of the United States, transmitting a report on inadequate enforcement of consumer credit laws (GGD-81-13, Jan. 2, 1981); jointly to the Committees on Government Operations and Banking, Finance and Urban Affairs.

383. A letter from the Comptroller General of the United States, transmitting a report on NATO collaboration and the U.S. arms export control issue (ID-81-1R, Jan. 19, 1981); jointly, to the Committees on Government Operations and Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS:

H.R. 1242. A bill to provide for contribution of damages attributable to an agreement by two or more persons to fix, maintain, or stabilize prices under section 4, 4A, or 4C of the Clayton Act, and for other purposes; to the Committee on the Judiciary.

H.R. 1243. A bill to amend title 5 of the United States Code to increase the efficiency of governmentwide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts of the United States; jointly, to the Committees on Government Operations and the Judiciary.

By Mr. COLLINS of Texas:

H.R. 1244. A bill to provide for the safeguarding of taxpayer rights, and for other purposes; to the Committee on Ways and Means.

H.R. 1245. A bill to amend title II of the Social Security Act to repeal (with respect to individuals who have not yet attained age 65) the provisions which presently provide higher old-age insurance benefits for individuals who delay their retirement; to the Committee on Ways and Means.

By Mr. DELLUMS:

H.R. 1246. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year; to the Committee on Armed Services.

H.R. 1247. A bill to amend title 10, United States Code, to provide for identification of positions in the Department of Defense which can be filled by civilian employees and to prohibit assignment of active-duty military personnel to such positions unless such personnel meet the civilian qualifications for such positions, and for other purposes; to the Committee on Armed Services.

H.R. 1248. A bill to amend the Civil Rights Act of 1964 to eliminate employment discrimination on the basis of military discharge status; to the Committee on Education and Labor.

H.R. 1249. A bill to exonerate and to provide for a general and unconditional amnesty for certain persons who have violated or are alleged to have violated laws in the course of protest against the involvement of the United States in Indochina, and for other purposes; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 1250. A bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts; to the Committee on Ways and Means.

By Mr. DELLUMS:

H.R. 1251. A bill to amend title 38, United States Code, to provide for the entitlement to veterans' benefits of Americans who fought in the Abraham Lincoln Brigade during the Spanish Civil War, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FAUNTROY:

H.R. 1252. A bill to amend the District of Columbia Self-Government and Government Reorganization Act to repeal the limitation on the Council of the District of Columbia regarding the imposition of any tax upon individuals who are not residents of the District of Columbia; to the Committee on the District of Columbia.

H.R. 1253. A bill to establish an office of the attorney general for the District of Columbia to transfer prosecutorial authority for local offenses and custodial responsibility for prisoners convicted of local offenses to the District of Columbia government, to provide for the local appointment of the judges of the District of Columbia courts, and for other purposes; to the Committee on the District of Columbia.

H.R. 1254. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to provide autonomy for the District of Columbia government over expenditure of funds derived from revenues of the District of Columbia government; to the Committee on the District of Columbia.

H.R. 1255. A bill to amend the District of Columbia Self-Government and Government Reorganization Act to establish a predictable and equitable method for determining the amount of the annual Federal payment to the District of Columbia; to the Committee on the District of Columbia.

H.R. 1256. A bill to amend the District of Columbia Self-Government and Government Reorganization Act to reduce from 30 to 7 legislative days the period for congressional review of acts of the Council of the District of Columbia which do not involve a Federal interest, to allow such acts to take effect during a congressional recess or adjournment, and for other purposes; to the Committee on the District of Columbia.

By Mr. FUQUA (by request):

H.R. 1257. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

By Mr. LEHMAN:

H.R. 1258. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on series E and EE, U.S. savings bonds received by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. MOORHEAD:

H.R. 1259. A bill to incorporate the American Blood Commission; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 1260. A bill to amend the Railroad Retirement Act of 1974 with respect to the benefits of remarried widows and widowers of railroad employees and to amend title II of the Social Security Act to provide benefits thereunder for divorced spouses and surviving divorced spouses of individuals who are entitled to railroad retirement annuities; jointly, to the Committees on Energy and Commerce and Ways and Means.

H.R. 1261. A bill to amend the Railroad Retirement Act of 1974 to assure that surviving parents receive benefits that are equal to those analogous surviving parents receive under the Social Security Act; to the Committee on Energy and Commerce.

H.R. 1262. A bill to amend the Railroad Retirement Act of 1974 to provide that an individual who has completed 25 years of railroad service shall be deemed to have a current connection with the railroad industry for the purposes of such act; to the Committee on Energy and Commerce.

H.R. 1263. A bill to amend the Railroad Retirement Act of 1974 to provide benefits for certain disabled spouses of railroad employees and for certain spouses of disabled railroad employees; to the Committee on Energy and Commerce.

H.R. 1264. A bill to amend the Railroad Retirement Act of 1974 to eliminate deductions from certain annuities on account of military pensions, disability compensation, and other gratuitous benefits given under other acts of Congress; to the Committee on Energy and Commerce.

H.R. 1265. A bill to amend the Railroad Retirement Act of 1974 to eliminate the limitation of "years of service" credit for military service to wartime service; to the Committee on Energy and Commerce.

H.R. 1266. A bill to amend title II of the Social Security Act to provide full benefits for disabled wives, husbands, widows, and widowers without regard to age (subject to limited adjustments to reflect any previous

reductions in their benefits), to provide benefits for essential spouses of disability beneficiaries without regard to age or children in care, to provide that all divorced spouses and former spouses (including husbands and fathers) may qualify for benefits, and to liberalize eligibility for disability benefits; to the Committee on Ways and Means.

By Mr. PANETTA:

H.R. 1267. A bill authorizing the Secretary of the Interior to retain as a national reserve, certain lands of the Outer Continental Shelf included in proposed lease sales numbered 53 and 73, and prohibiting the Secretary from leasing such lands for oil or gas production or development, except as recommended by the President of the United States and not disapproved by the Congress, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RAHALL:

H.R. 1268. A bill to authorize National Shut-in Day; to the Committee on Post Office and Civil Service.

H.R. 1269. A bill to amend title 38, United States Code, to provide for a 12-year delimiting period for a veteran to complete a program of education; to the Committee on Veterans' Affairs.

H.R. 1270. A bill to provide for judicial review of administrative determinations made by the Administrator of the Veterans' Administration to apply the provisions of chapter 5 of title 5, United States Code, to the rules, regulations, and orders of the Veterans' Administration; to provide for the use of a reasonable fee for attorneys in rendering legal assistance to veterans with claims before the Veterans' Administration; and for other purposes; jointly, to the Committees on Veterans' Affairs and the Judiciary.

H.R. 1271. A bill to amend title 23, United States Code, to provide assistance for energy impacted rail and highway transportation; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mr. ROSENTHAL:

H.R. 1272. A bill to establish the Airport Noise Curfew Commission and to define its functions and duties; to the Committee on Public Works and Transportation.

By Mr. WHITTEN:

H.R. 1273. A bill to protect the national security; protect the economic well-being of the American people including the Nation's present supplies and undeveloped sources of energy, fuel, food, and fiber from damage due to arbitrary and unsound regulation, order, or decision issued by an executive department, agency, or commission, and for other purposes; to the Committee on the Judiciary.

H.R. 1274. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title 39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1275. A bill to amend title 39 of the United States Code to prohibit the Postal Service from limiting regular daily mail delivery to fewer than 6 days each week, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1276. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to pay claims for damage to a water well, spring, or artesian well used or susceptible for use as a water supply, if construction or operation of any segment of the Tennessee-Tombigbee Waterway project is the cause of said damage; to the Committee on Public Works and Transportation.

H.R. 1277. A bill to provide for determination through judicial proceedings of claims for compensation on account of disability of death resulting from disease or injury incurred or aggravated in line of duty while serving in the active military or naval service, including those who served during peacetime, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1278. A bill to protect funds invested in series E, U.S. savings bonds from inflation and to encourage persons to provide for their own security; to the Committee on Ways and Means.

H.R. 1279. A bill to amend the Internal Revenue Code to remove the limitations on the amount of medical and dental expenses which may be deducted, to permit taxpayers to deduct such expenses, to arrive at their adjusted gross income, and for other purposes; to the Committee on Ways and Means.

H.R. 1280. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 1281. A bill to provide for the conveyance of certain lands in Alaska comprising trade and trade manufacturing site A-056802 without regard to the 80-rod limitation provided by existing law; to the Committee on Interior and Insular Affairs.

By Mrs. HOLT:

H.J. Res. 128. Joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of each year as National Beta Sigma Phi Week; to the Committee on Post Office and Civil Service.

H.J. Res. 129. Joint resolution to authorize and request the President to issue a proclamation designating January 25, 1982, the birthday of Robert Burns, as Scottish Heritage Day; to the Committee on Post Office and Civil Service.

By Mr. HOWARD:

H.J. Res. 130. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. WHITTEN:

H.J. Res. 131. Joint resolution providing for the designation of the first week in May of each year as Be Kind to Animals Week; to the Committee on Post Office and Civil Service.

H.J. Res. 132. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MATTOX:

H. Res. 39. A resolution to express the sense of the House of Representatives that the President should declare a national holiday to honor the Americans who were held hostage in Iran and observe their return to the United States; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

5. The SPEAKER presented a memorial of the Legislature of the Territory of Guam, relative to disposing low-level radioactive waste in the Northwest Pacific Ocean; jointly, to the Committees on Foreign Affairs and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DELLUMS:

H.R. 1282. A bill for the relief of Maria Elena Cortez and Maria Claudia Cortez; to the Committee on the Judiciary.

H.R. 1283. A bill for the relief of Leticia Tongohan Pellerin; to the Committee on the Judiciary.

H.R. 1284. A bill for the relief of the West Oakland Health Council, Inc.; to the Committee on the Judiciary.

By Mr. FOWLER:

H.R. 1285. A bill for the relief of Ohaness Stefan Kabbenjian; to the Committee on the Judiciary.

By Mr. MATTOX:

H.R. 1286. A bill for the relief of Robert Jayson, William Jayson, and Jennie Jayson; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 1287. A bill for the relief of Raul H. Tamayo, doctor of medicine, Teresita Isip Tamayo, Maria Theresa Tamayo, and Raoul Isip Tamayo; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 1288. A bill for the relief of Margaret Dollinger Baloun; to the Committee on the Judiciary.

By Mr. ROSENTHAL:

H.R. 1289. A bill for the relief of Eileen Palmer; to the Committee on the Judiciary.

By Mr. MATTOX:

H. Res. 40. Resolution for the relief of Robert Jayson, William Jayson, and Jennie Jayson; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 22: Mr. ROUSSELOT.
H.R. 330: Mr. PARRIS.
H.R. 368: Mr. OTTINGER.
H.R. 372: Mr. GINGRICH.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

14. By the SPEAKER: Petition of the city council, Philadelphia, Pa., relative to air pollution; to the Committee on Energy and Commerce.

15. Also, petition of the Kenai Peninsula Borough Assembly, Soldotna, Alaska, relative to the Council on Foreign Relations and the Trilateral Commission; to the Committee on Foreign Affairs.

16. Also, petition of Peck, Shaffer & Williams, attorneys at law, Cincinnati, Ohio, relative to the Comptroller General report entitled "Evaluation of Alternatives for Financing Low and Moderate Income Rental Housing"; jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

17. Also, petition of the city council, Parma, Ohio, relative to Federal preemption of State and local laws on transportation of radioactive materials; jointly, to the Committees on Public Works and Transportation, Interior and Insular Affairs, and Energy and Commerce.

EXTENSIONS OF REMARKS

CONGRESSIONAL SALUTE TO THE BOYS CLUB OF PASSAIC, N.J., IN COMMEMORATION OF THEIR 75TH ANNIVERSARY CELEBRATION AND TO THE HONORABLE MICHAEL N. CORRADINO, THEIR 1980 MAN OF THE YEAR

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. ROE. Mr. Speaker, on Saturday, January 31, the residents of the city of Passaic, my congressional district and State of New Jersey will assemble to commemorate the 75th anniversary of the founding of the Passaic Boys Club and honor an outstanding community and business leader, distinguished citizen, and good friend, the Honorable Michael N. Corradino, whose standards of excellence throughout his lifetime have earned him the most highly coveted citizen's award of the Boys Club of Passaic—the Man of the Year.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to the officers and members of the Boys Club of Passaic and warmest greetings and felicitations to Michael Corradino, his good wife Anna Belle Lomauro, their son Bart, and daughter Mary Ann—Mrs. Neal Green—on this most significant historic and glorious occasion.

The Boys Club of Passaic is one of our Nation's most prestigious affiliates of the Boys Club of America and has served over 250,000 young people between the ages of 7 and 17 in the Passaic area since its inauguration in 1905.

Mr. Speaker, we are all familiar with the noble traditions of the Boys Clubs of America and their outstanding public service to the people of our Nation in helping our youth to achieve leadership qualities of self-reliance, character building, sportsmanship, fair play, and eagerness to serve others. Their deeply committed endeavors in exercising measures to keep America beautiful, and attain greater communion and understanding in friendship and goodwill among all mankind are a significant investment in the enrichment and excellence of the quality of our way of life here in America.

Michael Corradino has by his example and lifetime of dedication to these same true American ideals personified exemplary leadership in his outstanding responsible service to our people which has truly enriched our community, State, and Nation.

Born in Passaic, N.J., our man of the year Mike moved to Clifton, N.J., as a young boy, was educated in Clifton public schools, graduated from Clifton High School, and attended Fairleigh Dickinson University.

He is a charter member, past president and currently secretary-treasurer of the Passaic chapter of Unico National; served on numerous national committees and as historian and editor of the national Unico magazine; deputy district governor, district IV, New Jersey, Unico National; charter member and past president, Passaic Kiwanis Club; past president, Passaic Executive Investment Club; currently treasurer of the Geraci Citizens League; past president, Passaic Inter-Service Club Council; former director and member, board of management, Passaic-Clifton YMCA; member, Clifton-Passaic Chamber of Commerce, Printing Industry of New Jersey, National Association of Photolithographers, American Legion Clifton Memorial Post 347, Regina Mundi Knights of Columbus, Clifton.

Mike was elected to the board of directors of the Passaic Boys Club in 1962 and served on the Boy of the Year Committee, Camp Committee, and then chairman of the Camp Committee. In 1972 he was elected president of the Boys Club board of directors and currently holds that position.

A director of the Unico National Mental Health Research Foundation since its founding in 1973, the Passaic Boys Club Man of the Year served as secretary-treasurer of this most important research organization which has provided thousands of dollars for professional researchers and scientists in the field of mental health with several projects currently underway in New Jersey and Nebraska institutions. In recognition of his outstanding service and dedication to the needs of people, Mike was elected president of the board of directors at the 55th Annual Convention of Unico National held in Puerto Rico in 1977.

Mr. Speaker, it is interesting to note that in the business community Mike Corradino has advanced from the position of bookkeeper and sales representative to become principal owner and president of Dixon Press and president of Corbam Associates. Mike has been in the vanguard of activities in seeking help for the victims of the recent disastrous earthquake in Italy and has donated his time and hundreds of dollars in professional expertise to fundraising activities of Unico chapters to assist in this 1980 disaster.

In 1942 he enlisted as a private in the Army of the United States and was discharged in 1945 as a warrant officer junior grade after serving as administrative assistant to the Chief of Staff, Headquarters VI Corps in the European theater of operations. Among his military decorations, he was awarded the Bronze Star Medal for his distinguished service on behalf of our country and our people.

Mr. Speaker, with your permission I would like to insert at this point in our historic Journal of Congress a brief history of the Passaic Boys Club which has been in existence as long as the Boys Club of America. The officers and members of this club throughout the past three-quarters of a century are to be commended for their sincerity of purpose and dedication to the young people of our community and it is with great pleasure that I present a synopsis of their activities which was forwarded to me by the esteemed chairman of the 75th anniversary celebration and master of ceremonies for the evening, the Honorable Ronald W. Giaconia, as follows:

SYNOPSIS OF PASSAIC BOYS' CLUB HISTORY

The Passaic Boys' Club was founded in 1905 and held its first official meeting in January, 1906. The Club's first President, John J. Stater, was a Civil War veteran, a Passaic County Clerk, and a leading citizen. The other incorporators (The Boys' Club was incorporated in 1910) were also among the City's leading figures, and the tradition of accepting membership on the Boys' Club Board of Directors as an honor began back then.

The first Executive Director, Richard N. Nelson, set up shop in a vacant store on Second Street, now Market Street, in the teeming heart of the City's Eastside, the section where the Club is still located and which it continues to serve these 75 years. The Club moved later to a second-floor loft over a livery stable on First Street. In 1920-21 the first Boys' Club building was erected at 70 Third Street. It was the last word in Club building with facilities to operate many recreation programs.

The Club served the underprivileged, lower socio-economic families, as it continues to do so today.

The Boys' Club began its Camping Program in 1917 at the Old Richardson Scale property in Clifton. Later, about 1922, moved to Cold Spring Lake in Bloomingdale, where it rented the facilities. In 1932 Camp Ocawasin opened its gates on property donated by Martha and Mary Hird and today 500 children enjoy a summer resident camping facility and do their swimming right there in Lake Hird.

In the late 1960s plans were formulated with the assistance of the Passaic Housing Authority to request a grant from the Federal Government through H.U.D. for construction of a multi-use neighborhood facility. Over $400,000 was raised through the generosity of the Community. Plus an additional $200,000 was received as a grant from the Charles Hayden Foundation. With initial support of Congressman Charles S. Joelson and then the continuing efforts by Congressman Robert A. Roe, Senator Harrison Williams and the Passaic Housing Authority, the necessary financing was obtained and the construction of the new facility began.

In December, 1970 the Passaic Boys' Club opened its doors to a modern $1,200,000 facility serving 350 children daily which includes girls. Added to that are countless community organizations being served.

Today, under the leadership and Presidency of Michael N. Corradino, the Club and its 50 person Board of Directors establishes policy and conducts fundraising activities necessary for operation of the organization. Many of the programs are geared to the needs of the children served many of whom come from one-parent families. With funds derived from the United Way of Passaic Valley, Division of Youth and Family Service, and Child Care Food Program, the Club conducts many vitally important youth programs such as After-School Day Care, Nutrition, Day Camp, Counseling and Tutoring.

The Passaic Boys' Club, since its beginning, has served well over 250,000 young people, teaching elements of growth not otherwise available in a distressed environment.

Mr. Speaker, I appreciate the opportunity to present some of the highlights of the past 75 years of the Boys Club of Passaic and call your attention to this year's recipient of their award of excellence.

With heartiest congratulations and deepest appreciation for all of their good works, we do indeed salute the officers and members of the Boys Club as they celebrate their Diamond Jubilee with special plaudits to a highly compassionate individual, good friend, and great American, the Boys Club of Passaic's Man of the Year—the Honorable Michael N. Corradino.●

A TRIBUTE TO OUR LADY OF VICTORY HOMES OF CHARITY AND FATHER BAKER'S HOMES OF CHARITY, LACKAWANNA, N.Y.

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. KEMP. Mr. Speaker, it is with great pleasure that today I pay tribute to Father Baker, Monsignor Maguire, and all the dedicated workers who have helped the needy in western New York over the past 125 years at Our Lady of Victory Homes of Charity. Let me offer my congratulations to those men and women that continue to support, wholeheartedly, the monumental efforts started years ago by Father Baker.

Throughout its 125-year history, Father Baker's Victory Homes of Charity have experienced unparalleled growth, each year becoming stronger and establishing new areas of service. Father Baker's Homes of Charity began as a small boy's home in 1889. Today his organization maintains a maternity home built in 1919 and the Our Lady of Victory National Shrine built in 1926.

When Father Baker died in 1936 his work was carried on by Monsignor Maguire. He succeeded in further broadening the scope of services provided by the Our Lady of Victory Homes of Charity. Today, programs at the infant home include the unmarried mother service, the adoption department, and "The Choose Life" service, all designed to help persons in great need. In 1977 the new Our Lady of Victory Hospital was completed. In that year there were more than 8,000 admissions and 27,000 emergency visits.

I must make special notice of their work with those children judged as delinquent. The Our Lady of Victory Homes of Charity, since its inception in 1889, has brightened the otherwise dismal outlook for these adolescents by offering them invaluable experiences and opportunities. In turn, these young men have matured and become professionals, lawyers, doctors, Governors, and Congressmen. The remarkable success of Baker Hall delinquent services, including the adolescent delinquent diversion program and the foster home care service, is a direct result of the time, patience, and dedication of those at the Homes of Charity.

Again, let me offer on behalf of all western New Yorkers, thanks and congratulations for the Our Lady of Victory Homes of Charity's faithful service to our community.●

LIZ CARPENTER: THE LAST HURRAH?

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. FOWLER. Mr. Speaker, one of the most important attributes for those of us in public life to have is a sense of humor. In a business dominated by crises and weighty matters of state, it is healthy indeed that we not take ourselves too seriously.

For most of the last 38 years, which must stretch back to before she was born, Liz Carpenter has graced the city of Washington with her unique blend of wit, wisdom, compassion, charm, and public service. Now comes word that she intends to leave us for her Texas home.

I would like to place in the record Ms. Carpenter's au revoir to Washington which appeared in the Washington Post of January 21.

One word of warning: Liz bid Washington a final adieu back in 1976 only to turn up again a couple of years later.

So, goodby Liz Carpenter, for now. Washington will miss you. But 1984 is only 4 years away and in the meantime I would not be too surprised if you heard from President Reagan.

[From the Washington Post, Jan. 21, 1981]

THE LAST HURRAH—OUT AGAIN

(By Liz Carpenter)

Goodbye, Washington. I love you, but you've gone and done it again—sent me packing. Yesterday, I was a sub-Cabinet member with a nice title and a sense of purpose. Sixty-five people were at my beck and call. Today, I'll be hard put to find a taxicab to take me to the airport and back to Texas.

I seem to have a penchant for getting in with the wrong crowd, the folks for social reform and human rights, like the Johnsons and the Carters. When the revolving door of politics sweeps them out, it is back to my hot tub in Texas.

I'm going to miss you, Washington. I always do. But I have to go. The newcomers don't even know how to pronounce rodeo. And I don't think Adolfo makes half-sizes.

You can see why I'm not sticking around, even though you and I are old friends. Can it really be 38 years since I arrived in 1942, my journalism degree in hand and my virtue intact? I still have my journalism degree. I was brunette then, and so naive I thought the "body politic" was a congressman's wife.

I first got to know you as a reporter covering the Capitol and the White House. I worked for editors and covered politicians who could drive you to drink, and some did. My editor at Variety once told me: "Liz, write everything as if you'd had two martinis. Better still, have two martinis!" Those were some of the happiest years of my life—to the best of my recollection.

But the greatest time in town, of course, is being swept up in the administration of someone in whom you believe. This happened to me twice.

I can't help smiling at what the new people have in store for them this month. Working in the White House automatically signals your friends, relatives, schoolmates, bare acquaintances and complete strangers to track you down with the fervor of Sherlock Holmes. When it was announced that I was press secretary and staff director to Lady Bird Johnson in 1963, there was a constant traffic jam outside my home—a tucked-away street where the only big event has been the day my dog bit the Good Humor man.

Florist trucks began arriving with bouquets and notes of congratulations and a "By the way, if you need an assistant . . ." My children came home from school with job applications from their schoolmates' parents. New and old friends wanted to be ambassadors. I heard from one high school buddy who only wanted out of the Bell County jail. This I did deliver, by paying his fine.

I worked out a system, and I gladly give it to the Gipper's Guys (is that what they're all going to be?). Try using three files to divide the job seekers: Talent, No Talent and a third marked STUN—, which covers the nuts, spelled backwards.

Of course, this quadrennial run-for-jobs is no new thing. When George Washington

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

took office, he found 3,000 applicants for federal employment even before a single position was created. The spoils system reached its zenith when Honest Abe took office. He had to deal with the Civil War and to put up with job-hungry Republicans enjoying their first victory after the birth of their political party. They flocked to the Capitol demanding work as pay for party service. "I am like a man so busy letting rooms at one end of the house that I have not time to put out the fire that is blazing and destroying the other end," Lincoln said.

Actually, it is the reverse that plagues presidents today. Too many people don't want to work for the government. Before the newcomers erase all those Schedule C "bureaucrats," they might look them over. A lot of talent is here in this federal family—hundreds of them who are ready, willing and able to stay and serve.

Strange that I should have been back here this year. Strange because I had gone home to Texas in 1976, making a bicentennial entrance, to lead a quieter, saner life. Just when I settled in to enjoy the blue skies and watch the deer nibble at my geraniums, just when my Jacuzzi had reached sensual perfection, the new secretary of the new Department of Education telephoned. With persuasion I hadn't heard since LBJ lifted me up by the ears, she insisted: "I need you; America needs you." I was about to tell her I wasn't all that valuable, when I said to myself, "Who am I to contradict a Cabinet officer?"

It wasn't just the bright lights, bright people and bright talk that lured me back to you, Washington, but a feeling that in a time when so few things work, education, above all things, should work. I came because we had a president who believed "education" belonged at the highest level of government right along with labor and justice. That's the part that hurts. The whole year may have been in vain.

Now, it's goodbye again. I tried to be big about it for old time's sake. I helped them sell their inaugural umbrellas, knowing that in every administration there are always rainy days. Now, on to Texas: to write, to speak, to dream a little and to laugh a lot. That's the hard part now, but laughter has always been my salvation. My mother blessed me with the admonition to keep a high heart and a sense of humor: "Just remember, child, what Martha Washington always said. 'There's nothing in the world worth worrying about.'" I often wondered where Martha said this, Valley Forge?●

MAZZOLI WELCOMES HOSTAGES HOME

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. MAZZOLI. Mr. Speaker, I would like to join with my colleagues in the House of Representatives and the whole Nation in welcoming home our 52 fellow Americans who were held hostage in Iran for 444 days.

These 52 exemplary Americans and their families are entitled to our undying admiration for their bravery and true grit under extreme pressure.

Any comment today must include, also, a mention of those valiant men who gave their lives in an effort to free their fellow Americans. They, too, deserve our undying admiration for their bravery and patriotism. My heart goes out to their families and I hope this final, happy resolution of the hostage crisis offers some comfort in dealing with their tremendous sense of loss.

I applaud President Carter and his administration for its patience and diligent work in obtaining the safe release of our fellow citizens after 14 agonizing months, with special thanks, of course, going to the Algerian intermediators who made the final outcome possible.

The Congress and the American people have many questions about this trauma: Why and how it occurred; how such events can be avoided or minimized in the future; and, the long-range obligations, if any, of the American people arising from the agreements between the United States and Iran which led to the hostages' freedom.

But, that is for the future. For today, all Americans are united in happiness and joy that our prayers have been answered and that our fellow countrymen and women are free and safe and about to be reunited with their families and loved ones.●

THE HOSTAGE CRISIS: IT MUST NEVER HAPPEN AGAIN

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. BEREUTER. Mr. Speaker, in the midst of our joy at the release of the American hostages in Iran, we must now begin a very thorough review of the circumstances that led to their captivity and how our Nation should act toward the Iranian Government in light of this long ordeal.

With that view in mind, I would like to share with my colleagues a recent editorial that appeared in the Omaha World Herald. Its message is well worth reading, especially since we now know more about the abuse the captive Americans received.

The editorial follows:

IT MUST NEVER HAPPEN AGAIN

After the period of public rejoicing over the agreement to release the hostages has passed, the Reagan administration must take steps to insure this never happens again.

To use a phrase from tennis, the ball is in our court now, and we have a number of options on what to do with it.

The United States will soon have the opportunity to undertake some tough new moves.

But first the new President Reagan, and the country, will need to know precisely what was in the deal that President Carter made during the final moments of his presidency.

Were any promises made to the government of the Ayatalloh Khomeini that might limit any immediate measures involving Iran?

Certainly it should be a long time before anything like normal diplomatic resolutions should be resumed. The U.S. should be in no hurry to return to trading with Iran, either.

Events of the past year have shown we can get along without Iranian oil, the country's chief export. And the destruction of oil facilities in the war with Iraq would severely limit any large-scale immediate resumption of oil exports anyway.

As for sending American goods to Iran, we don't need its business.

There will be an understandable desire for revenge. But we should not put our desire to get even ahead of our national interests.

We must, of course, make it clear to Iran that the breaking of the rules of decency did not pay off. And it should be made clear to the rest of the world that anything similar in the future will not pay off either.

We can expect our relations with Iran in the near term to be, at best, cool and distant.

But in the long term, we should remember that it is important to us that Iran remain at least neutral, rather than falling into the Russian orbit.

Eventually, when the present regime has changed to something more acceptable, then good relations with the new Iranian government might be possible and to our national advantage.

There are still scores of unanswered questions about this humiliating incident which need answers.

President Reagan should form some sort of investigating body to take a long, hard look into the whole business—how it happened and what, both in terms of dollars and promises, was the total price that we agreed to pay for the release of the hostages?

Beyond the material cost, this nation needs to reflect on the intangible prices.

What value do you put on the suffering of the families of the hostages, the despair, the fear they would never see their loved ones again?

What was the price the victims have paid? How much have their bodies and minds and spirits been damaged?

How much did the U.S. have to pay in terms of lost prestige and respect for submitting to the humiliation?

The nightmare of the hostages may finally be over, but the events it set in motion will continue for a long, long time.●

ESTONIANS IMPRISONED

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. HOWARD. Mr. Speaker, I am appalled at the odious treatment accorded by the Soviet Government to the dedicated Estonian dissidents Mart Niklus and Juri Kukk. In the struggle for Estonian independence, the efforts of these noble characters have been an inspiration in the political as well as in the purely human context.

In a series of acts constituting both harassment and overt repression, the Government of the U.S.S.R. has violated the human rights of these two men, and the provisions of the 1975 Helsinki Final Act. The Moscow regime has thus rendered itself deserving of the most severe opprobrium by those of us who cherish human dignity and freedom.

Both Mr. Niklus and Mr. Kukk have long been involved with and concerned for the fate of the Estonian people. The former served an 8-year prison sentence for sending pictures of Estonian slums to parties abroad in 1957, while Mr. Kukk has recently been subjected to the denigration of containment in so-called "psychiatric institutions" in Estonia and the U.S.S.R. Soon they are to be tried again for less than legitimate offenses against the state.

In this Nation as in many others, the admirable efforts of dedicated believers in freedom have often been the subject of tribute. Let this be one more voice added to the call for human freedom, and let those who stand in the way take notice.●

A PRESCRIPTION FOR CONSUMERS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. ROSENTHAL. Mr. Speaker, each year American consumers may be paying as much as $2 billion in unnecessary prescription costs as a result of anticompetitive practices that include prohibitions on retail drug price advertising, overprotective patent laws, exorbitant promotional expenditures, antisubstitution laws, and unreasonable markups.

Pharmacy for too long has acted as though consumers have no business knowing the cost of a prescription until they are presented with the bill. This is absurd. In addition, pricing is grossly inconsistent, even among stores of the same chain for the same prescription. It is almost impossible to compare prices. This causes hardships, especially for the elderly and others on low and fixed incomes. The pharmaceutical industry has shown distressingly little regard for the financial plight of its customers.

Prescription drugs are the major consumer product on the market today for which there is no retail price competition. The lack of adequate price information often forces consumers to spend more than necessary for prescription drugs. This should not be allowed to continue. One of the most effective means of providing that information and promoting competition in our free enterprise system is retail price advertising, something seriously lacking in pharmacy. Peer pressure and professional restrictions for years have combined to bar advertising and as a result competition has been minimal. Although the Supreme Court has ruled that such prohibitions are unconstitutional, their effect remains. To help clear up the confusion and make the laws clear, I have introduced legislation specifically outlawing any prohibitions on retail prescription drug advertising. And to help provide an information base for such advertising and for consumers to use in comparing prescription costs with or without advertising, the bill also requires drug price posting.

Over the years consumers have been conditioned to believe that money is no object where health is concerned; but in reality prescription drug prices bear little or no relationship to quality. American consumers most certainly have the right to find the best buy available and to receive as much information as they can on the lower cost generic drugs. This is a liberty that should be given to all consumers.

Drug industry profits are nearly double the rate of other U.S. manufacturing corporations. High prices are just one reason for high profits. Another is advertising—something de rigueur at the wholesale level but an anathema at retail. The manufacturers spend hundreds of millions of dollars each year on advertising and promotion but only a small fraction on basic research and development.

The drug industry also spends enormous amounts of time and money to prevent consumers from comparing the retail prices of prescription drugs. Excessive prices and monopolistic practices go hand in hand with the desire of many pharmacists to avoid retail price competition. The result is an increased burden on the consumer who is forced to pay these inflated prices.

The drug industry in the United States occupies a uniquely secure position in the economy. Demand continues to grow as new scientific discoveries are made and as the cures for more diseases are unearthed. Herein lies the decided disadvantage that the consumer must deal with. He has no choice but to buy these prescriptions no matter what the cost, because of strong and effective anticompetitive industry practices and overprotective patent laws.

The patent structure has helped to keep the prices of certain drugs at a high level. This protection stifles competition by giving the manufacturer a virtual monopoly on production and distribution for the 17-year patent period.

The drug industry contends that without the incentive of patent protection, many of the new drugs developed in recent years would not have been discovered. There is a need for a degree of patent protection but the 17-year monopoly seems excessive. The answer, in my judgment, lies in compulsory licensing of prescription drug patents.

I feel it is time for the consumer to be given a viable alternative to the high prices for prescription drugs. I have introduced four pieces of legislation in order to deal with these abuses:

The Prescription Drug Price Information Act (H.R. 909), which removes all legal restrictions on retail prescription drug price advertising and requires the posting of prices for the 100 most commonly prescribed drugs as determined by the Food and Drug Administration. The list should be arranged alphabetically by generic name and should contain the lowest price charged for each generic and brand-name drug in its most commonly dispensed dosage form and quantity. This measure would encourage consumers to be more price conscious as well as increase sorely needed competition among pharmacies.

The Prescription Drug Labeling Act (H.R. 912), which requires the labeling and advertising of prescription drugs by their generic name and an end to the laws prohibiting generic substitution by pharmacies. The use of generic drugs can be achieved without any sacrifice in the quality or safety of drugs. It would give the consumer and pharmacists the option of filling the prescription with the generic equivalent. Where such a substitution occurs, it must not be done to sell a higher priced product but to save money for the consumer. The doctor would retain the option, if desired, of prohibiting substitution on a specific prescription.

The Prescription Drug Freshness Act (H.R. 910), which requires that all perishable drugs show clearly on their label the date beyond which the potency is diminished or the chemical composition altered by age. This is already done at the wholesale level and should be done for retail consumer as well.

The Prescription Drug Patent Licensing Act (H.R. 915), which would make the licensing of new prescription drugs compulsory during the 17-year patent period. This would enhance competition in the industry as well as lower the prices that consumers would have to pay.●

A TRIBUTE TO UKRAINIAN INDEPENDENCE

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. GEJDENSON. Mr. Speaker, it is a great pleasure for me to join with

my colleagues today in celebrating the 63d anniversary of Ukrainian Independence Day. After centuries of struggle against domination by Imperial Russia, the Ukrainians on January 22, 1918, gained their national independence. Only 2 years later, their achievements and aspirations as a sovereign republic were crushed by the Bolshevik army.

Ever since, ethnic Ukrainians have fought and suffered in their struggle against Soviet suppression of their freedom and their individual rights. They have remained outspoken in the face of Communist prosecution.

We have observed during the last months how the people of Poland, a nation very close to the Ukraine, have made progress in their efforts to gain human rights under the Soviet yoke. That progress is still being overshadowed by the fear of a Soviet invasion. Had it not been for the encouragement and the moral support rendered to the Polish workers by the peoples of democratic nations, Red army battalions might already have moved into Poland. So far they have not; but let us not forget that Poland might still suffer the same fate as Afghanistan, Byelorussia, the Baltic States, and the Ukraine, and let us extend our help and our sympathies to these nations.

America has a responsibility to support efforts of national self-determination everywhere. We should, therefore, protest the full membership now accorded to captive peoples by the United Nations. Their present governments are only puppets of Moscow.

The 48 million Ukrainians now under Soviet control form the largest of these captive nations. Their plight for the right to determine their own destiny deserves the recognition of the United States and all other free democracies in the world. We shall honor their struggle by commemorating, today, the celebration of Ukrainian independence. ●

CONTINUE THE SOVIET GRAIN EMBARGO

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. PEYSER. Mr. Speaker, last Tuesday I introduced a resolution urging President Reagan to continue the boycott of American grain to the Soviet Union as a result of its continued occupation of Afghanistan. To date, I have obtained strong bipartisan cosponsorship on this bill and I am again urging my colleagues to join me in cosponsoring this resolution. Since the President has indicated that he is currently considering whether or not to continue the embargo, there is no better time than now for the House to signal its continued support of the grain cutoff. As I am sure we all remember, the House voted in June last year to defeat an amendment which would have rescinded the embargo by a vote of 135–279.

The embargo has primarily served and should continue to serve as a signal to the Soviets of our outrage over their invasion of Afghanistan. We must continue to insist that there will be no business as usual as long as they remain in that country. We have demanded that our young men register for the draft as a sign of our resolve to strengthen our defense against further Soviet expansionism. How can we now say that we will require our young men to register and possibly fight to defend our interests against the Soviets; but, for the sake of economics, we will not even maintain our resolve to continue the grain cutoff?

As an economic tool, critics have argued that the embargo is hurting the United States more than the Soviet Union. I maintain that there is strong evidence to the contrary. To cite a few facts, the Defense Intelligence Agency estimates that it cost the Soviet Union at least $1 billion more to purchase its grain on the world market and that the costs will continue to rise this year. Two consecutive poor harvests of approximately 180 million metric tons in 1979 and 1980—the Soviets originally expected to reap 235 million metric tons in 1980—make them extremely vulnerable to supply cutoffs and disruptions. The Russian Research Center at Harvard University reports that poor harvests and the embargo have caused meat and food shortages and that these in turn have caused worker unrest and even strikes and work stoppages in the Soviet Union. The Russian Research Center also reports that meat production for the October–November 1980 period, was 15 percent below the previous year. The Commerce Department reports an overall reduction of 3 percent for the first 11 months of 1980; but this included a huge Soviet distress slaughtering of hogs, poultry, and some beef in February and also in the fall of 1980. The distress slaughtering temporarily raised meat production but diminished stocks, which will hurt future production goals.

The Soviet shortfalls and inability to buy U.S. grain has also hindered them in their relations with the Eastern European countries. They have in the past been able to supply Eastern Europe, including Poland, with some of their grain needs. This of course provides the Soviets with a strong political tool for control over these countries. Because of their poor domestic situation, the Soviets have not been able to readily fulfill this need. In fact, there have been greatly increased exports of U.S. grain to Eastern Europe this past year, making this area more dependent on Western sources. Thus, the Soviets' ability to use grain as a political tool for control has diminished.

NOTE.—The USDA has reported that there is no evidence of grain sold to Eastern Europe being shipped to the Soviets.

Critics of the embargo have also argued that it has hurt American farmers and reduced farm income. Again, there is strong evidence to the contrary. The Government's farm subsidy programs and guaranteed purchase agreements have protected the farmer from adverse effects of the embargo. The export of agricultural products for 1980 was $40 billion, up from $32 billion in 1979. USDA estimates that exports will reach $48.5 billion this year even with the embargo in place. In addition, as a result of the embargo, the United States has diversified its agricultural export market by signing grain agreements with China—4 years at 6 to 9 million metric tons per year or more if needed, Mexico—7.2 million metric tons in 1980 and 6.15 million metric tons in 1981, Italy, and others.

Mr. Speaker, the United States must stand firm in its expression of outrage over the Soviet invasion and occupation of Afghanistan. The U.S.S.R. has been hurt by our action, and its vulnerability grows. I urge all my colleagues to cosponsor this resolution as a signal to our new President to continue the grain embargo.●

OUR ELDERLY AND SERIES E AND EE SAVINGS BONDS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. LEHMAN. Mr. Speaker, I am again introducing legislation to help our elderly, who have E and EE savings bonds, and who are burdened by our high inflation rate. This bill would allow those who have reached age 65 to exclude from gross income the interest on series E and EE U.S. savings bonds.

During the fall of 1979, the Gray Panthers, a senior citizens lobby, threatened to bring suit against the Government for falsely promoting low-interest bonds at a time when other investments were paying so much more. As a result the Treasury Department has agreed to tone down its ads for the bonds. Our elderly who have in the past and who continue to buy savings bonds should be given incentives and not penalized.

A large percentage of the income of our elderly citizens comes from interest income on savings and investments which have been carefully accumulated during their working years. However, our high rate of inflation is now placing a severe hardship on our senior citizens as they struggle with rapidly rising living costs.

Because the rate of return on our savings bonds is nowhere near the present rate of inflation, we should enact this legislation to help our senior citizens who rely most heavily on income from savings. Excluding from gross income the interest on series E and EE U.S. savings bonds for those who have reached age 65 would show our concern for and commitment to our Nation's elderly.

Mr. Speaker, I am hopeful that every consideration will be given to this needed legislation during the 97th Congress.●

ECONOMIC PROBLEMS AND SOLUTIONS ARE COMPLEX

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 23, 1981

● Mr. MILLER of California. Mr. Speaker, since the recent Presidential election there has been a great deal of public discussion regarding the state of the U.S. economy and the need to take swift and decisive action to revitalize our national productivity.

A wide range of possible policies have been discussed, most pointedly, the numerous recommendations of the incoming administration which will propose policies to reactivate our industrial productivity.

In an incisive article in the current issue of the New York Review of Books, economist Emma Rothschild points out that, however inspiring this agenda, it fails to acknowledge some significant changes in the natue of the American economy in recent years. I want to share a portion of this article with you today.

The article follows:

REAGAN AND THE REAL AMERICA

(By Emma Rothschild)

Mr. Reagan has an imposing vision of the country that he is to lead. He sees an inherent America—an America which is white, and male, and industrial—and a project, of economic growth, by which this reality can be born again. He sees a "spirit" which is "still there, ready to blaze into life" if we "stimulate our economy, increase productivity, and put America back to work." But his America no longer exists. The pursuit of his vision may lead to an economic crisis and a level of unemployment in comparison with which the events of 1975 and 1980 will appear as the merest disturbances of the compassionate state.

During the election, Mr. Reagan spoke frequently about the American economy, and his words served him well. They had resonance—such is the political charm of the president-to-be—on two quite different levels. First, in policies, projections, and legislative proposals. Second, and far more importantly, in the imagination and in a tableau of American resurgence, packed and repacked in the cardboard of the traveling theater, which journeyed with Mr. Reagan through his seemingly interminable electoral wanderings.

The first level of economic discourse can be dismissed fairly expeditiously. Mr. Reagan said that he would cut income tax by 30 percent by 1983, that he would reduce business taxes in order to stimulate investment, that he would increase military spending, that while he would eliminate waste in government he would not assault the "integrity" of Social Security, that he would in the meantime balance the federal budget, and that his policies would reduce inflation.

The unlikeliness of this enterprise is not hidden by the appointment of a Cabinet balanced between wild tax cutters and men who appear as pillars of fiscal responsibility. We need not doubt the new government's resolution to kick the poor by eliminating social programs. The Republican policy equation depends, nonetheless, on the assumption of rapid economic growth. Only then would tax revenues be equal to Mr. Reagan's extravagant schemes.

But such accelerated growth seems unlikely. The United States exports more than 10 percent of its gross national product, and the countries with which it trades are sickly. Industrial production turned down in the second quarter of 1980 in each of the five largest capitalist economies. The number of people looking for jobs in the European Community has increased by 20 percent in one year. The world economy may be moving, as Mr. Reagan takes office, toward the synchronous recession of 1981–1982.

The expectation of economic growth thus depends in turn on a further assumption: that some unknown Republican inspiration, some elixir of indigenous capitalist expansion, will intervene to make possible the American regeneration. It is here that Mr. Reagan's imaginative tableau is of importance.

The scene is of an innate economy, an economy of industrial workers, male, white, neither young nor old, which is to "get working again." It is the country of the man in the Republican television commercial, standing lonely but determined in a deserted factory that he hopes to bring to life. And it is the country of basic manufacturing values. In his main economic speech, Mr. Reagan mentioned only two industries. "Outdated depreciation schedules," he said, "now prevent many industries, especially steel and auto, from modernizing their plants." The image is related, in turn, to the idea of remilitarization. The resurgent America will be equipped with missiles and tanks and military transport planes. Mr. Reagan repeatedly joined his objectives, of reconstructing "a disintegrating economy, a weakened defense."

It is on this vision that the Republican mission of restoring economic confidence relies. The new policies, Mr. Reagan's adviser George Shultz says, will have "an electric effect on expectations." Like other observers of capitalist behavior, including Keynes, the Reaganites believe in an investment "spirit." The "strategy," Reagan himself says, "is based on solid economic principles and basic experience in both the government and the marketplace. It has worked before and will work again." And indeed his imagery corresponds to the reality of the postwar period. The two great surges in recent American economic growth, from 1950 to 1953, and from 1962 to 1966, were each accompanied by an even more rapid increase in manufacturing output; each was also a period of rapid expansion in the military economy.

The vision is not implausible. But it is false. For the structural changes that have taken place in the US economy in the 1970s are such that the old truths no longer hold. These changes—in the structure of employment and also in the structure of military expenditure—make Mr. Reagan's regeneration, his Pittsburgh Redivivus, unlikely. They also hold out the possibility of a far more cruel economic crisis to come.

The 1970s were a time of startlingly rapid expansion in employment in the American economy. In the period of the economic crisis alone, from 1973 to 1979, almost 13 million new nonagricultural jobs were created of which almost 11 million were in the private economy. This is as though the entire labor force of Canada had moved south and found employment in the United States. The US had by far the most rapid growth in total employment of any major industrial country: from 1973 to 1979, it was more than three times as fast as in Japan, while employment actually fell in West Germany, and was virtually unchanged in France and the United Kingdom.

The new American jobs were concentrated, however, in two sectors of the private economy—services and retail trade—and, at least in the early 1970s, in one public sector, state and local government. By 1979, 43 percent of all Americans employed in the private nonagricultural economy worked in services and retail trade. The two sectors together provided more than 70 percent of all new private jobs created from 1973 to the summer of 1980.

Even within these two vast sectors, the growth in employment was further concentrated. Three industries each provided more than a million new jobs during the 1973–1979 period: "eating and drinking places," including fast food restaurants; "health services," including private hospitals, nursing homes, and doctors' and dentists' offices; and "business services," including personnel supply services, data processing services, reproduction and mailing, and the quaintly named "services to buildings." These three industries together accounted for more than 40 percent of the new private jobs created between 1973 and the summer of 1980. In that period their employment increased almost three times as fast as total private employment, and sixteen times as fast as employment in the goods-producing or industrial sector of the economy.

The three "new" industries loom very large in total employment. Mr. Reagan's fundamental manufacturing industries are insignificant by comparison. Thus the increase in employment in eating and drinking places since 1973 is greater than total employment in the automobile and steel industries combined. Total employment in the three industries is greater than total employment in an entire range of basic productive industries: construction, all machinery, all electric and electronic equipment, motor vehicles, aircraft, ship building, all chemicals and products, and all scientific and other instruments.

This transformation has profound consequences for the organization of society, and for the American economy. The new jobs are different in several respects from jobs in productive industry. In the first place, they provide employment for women. Women ac-

counted for 41 percent of all employment in 1979, and 31 percent of all manufacturing employment; they accounted for 56 percent of all people employed in eating and drinking places, 43 percent of employment in business services (a sharp increase since the early 1970s), and 81 percent of employment in health services. Waiting on tables, defrosting frozen hamburgers, rendering "services to buildings," looking after the old and the ill: "women's work."

Second, jobs in the big three industries of the 1970s offer short hours. People working in eating and drinking places work the shortest weekly hours of any industry: 26.4 hours in 1979, compared to an average of 35.7 for the entire private economy, and 40.2 in manufacturing. ("Services to buildings" and health services are also parsimonious in hours worked.) Third, hourly pay is very low. Eating and drinking places offer the lowest average hourly earnings (excluding tips) of any industry. Business services and health services are also among the low-paid industries. Employees in "nursing and personal care facilities," for example—of whom 89 percent are women—earned an average of $3.87 per hour in 1979, compared to an average of $6.16 in the entire private economy, and $5.69 in manufacturing. And these pitiful earnings increase very slowly. Hourly earning in services, measured in 1972 dollars, fell from $3.16 in 1973 to $3.08 in 1979; earnings in retail trade fell from $2.70 to $2.61. Over the same period real hourly earnings in manufacturing increased from $3.83 to $3.85, while earnings in the motor vehicle industry increased from $5.13 to $5.22.

Fourth, the new positions are "deadend jobs." One measure of the prospects for change and promotion in an industry is the proportion of all jobs which are for production or nonsupervisory workers. The average for the private economy in 1979 was 82 percent; for manufacturing it was 72 percent, with such adventurous industries as chemicals requiring only 57 percent nonsupervisory workers, aircraft 54 percent, and guided missiles 32 percent. Business services, by comparison, employ 87 percent nonsupervisory workers, health services 89 percent, and eating and drinking places 92 percent. Fifth, the "new" industries, with their short hours, temporary and part-time employment, and their women workers, are less protected by union agreements and benefits than are older manufacturing industries: the motor vehicle industry, for example, with its unemployment compensation, health benefits, and increasing earnings.

The booming labor-intensive industries are, finally, distinct economically from older productive industries. Their "structure" in input/output terms, for example, is different from that of manufacturing industries. They buy inputs from a very few other industries, and most of these suppliers are similarly crowded into the service and trade sectors. Thus the business services industry does not buy as much as a penny's worth of inputs, per dollar of its output, from any manufacturing industry; its major purchases consist of services from real estate and from itself. (Purchases of capital equipment are not covered in these statistics.) Medical services spend about three cents per dollar on food and drugs, and just over one cent on such suitably office-bound inputs as paper and printing; the important purchases are of business and other services. Eating and drinking places spend thirty-two cents per dollar of output on "food and kindred products," one cent on paper and paper containers, and the rest of their substantial purchases in the transport, trade, and service sectors.

This more or less hermetic behavior is in evident contrast with the more familiar input/output profile of, for example, the motor vehicles industry: for each dollar of output, it buys two cents worth of textiles, three cents worth of rubber, one cent of glass, eight cents of screws, seven cents of iron, one cent of engines, one cent of miscellaneous machinery, twenty-two cents from motor vehicles and equipment, and so forth. . . . The new service industries are isolated from the coming and going of intermediate inputs, from the propensity, in Adam Smith's phrase, to "truck, barter and exchange one thing for another."

The United States, in sum, is moving toward a structure of employment ever more dominated by jobs that are badly paid, unchanging, and unproductive. This most industrial of societies, this bourgeois El Dorado has in fact gone further toward a service and retail economy than any other of the largest industrial countries. Two "activities" in international industrial classifications, "wholesale and retail trade including restaurants and hotels" and "community, social and personal services," together correspond approximately to American trade and services activities (although they also include public employees and wholesale trade). The United States has by far the highest proportion of its employed population in these activities of any of the five major industrial countries: 51 percent in 1978, compared to 44 percent in Japan and 37 percent in Germany. In the race toward services the United States—how shameful, how distant from Republican hopes—had surpassed even Sweden, which still had only 48 percent of its employment in trade and community services.

It is in this morose environment that Mr. Reagan's industrial *Geist* must blaze into life. Is such resurrection likely? There are, it seems to me, two successive great dangers ahead. The first is that the policy will not work, that the spirit will fizzle. The second is that the doomed pursuit of the Republican resurrection may lead to a disintegration of the employment-intensive industries, and thus to tremendously increased levels of unemployment, particularly among the poorest and least protected workers. Eventually, as we will see, this may bring about a new "industrial" boom. But it would be one that in virtually no way resembles Mr. Reagan's essential heavy industry. And the long term in question would be extended, and vicious beyond any part of the postwar economic experience.

In order to explore the first danger, we need to look more closely at the economic consequences of the changing employment structure. Here we see that the movement is from high to low productivity sectors of the economy. For retail trade and services have the lowest productivity, as measured by conventional economic indicators, in the entire nonagricultural economy. In both output per hours worked, and output per person employed, the two sectors are well below the national average.

(It is important to be clear that this low productivity is not a consequence of the proportion of women workers in retail and services. The industrial sector with the highest productivity—finance, insurance, and real estate—is also among the most feminized in its labor force. The sector where productivity is growing fastest, communication, also has a higher proportion of women workers than the national average. Within manufacturing, electric and electronic equipment—the source of much innovation for the entire economy—has a higher than average proportion of women workers. Nor is there a strong correlation between output per hour worked and hourly earnings. Workers in finance are among the lowest paid in the economy.)

We might think of the private American economy as being composed of two sectors, sector I and sector II, where sector II consists of the fast-growing retail and service industries, and sector I of all other industries. Employment in II, as we have seen, accounts for 43 percent of total employment in 1979, up from 38 percent in 1969, and its advantage has been accelerating. But it accounts for less than 26 percent of total output, and this proportion has scarcely changed since 1969.

Output per employed person in sector II was $9,853 in 1979 (measured in 1972 dollars); in sector I it was $21,433. The consequences of the shift are yet more dire because productivity in II is not only low but also grows slowly, or not at all. Output per employee in II was lower in 1979 than in 1973; in section I it increased 1 percent per year over the same period.

The shift to sector II is likely, thus, to have affected overall rates of growth of output per employee. Consider, for example, a different kind of economic growth: H-growth, or high-industrial growth. Suppose that, under conditions of H-growth, all of the 10.8 million new private jobs created in 1973–1979 had gone to workers in I. And suppose also that output per worker had still changed at its actual rate in the two sectors. By 1979H, the total product of the economy would have been $1,302 billion, instead of $1,223 billion. Output per worker would have been $17,622 instead of $16,552. Instead of essentially no growth in output per employed person (0.03 percent per year), there would have been an increase of 1 percent per year.

We might consider a more likely alternative—N or normal growth, for an outcome in which the increase in employment from 1973–1979 was divided between sectors I and II in the same "normal" proportion as was the increase in employment from 1949 to 1969. Even under N-growth, output per worker in 1979N would be significantly higher, at $16,781, than the actual outcome. Real growth in the output per employed person, over the period between 1973 and 1979N, would have been a modest but respectable 0.261 percent per year. These simple calculations are not, of course, comparable with studies of the effects of "structural shift" on productivity defined as output per hour worked. But they do suggest some economic consequences of the movement into sector II employment.

The shift in employment is thus likely to be implicated in one of the most lamented problems of the recent American economy, namely the slow rate of growth of productivity. Output per hours worked in the private non-farm economy—to revert to the most widely used measure—which increased 2.2 percent per year from 1950 to 1973, increased only 0.5 percent per year from 1973 to 1979; the level of productivity was actually lower in 1979 than in 1978, and is lower in 1980 than in 1979.

The tribulation of a slowing rate of productivity growth is not new. Mr Reagan's Republican predecessors were similarly preoccupied; compare Mr. Nixon's "comprehensive national crusade" to increase productivity of 1972 with Mr. Reagan's marginally less felicitous "great national crusade to make America great again." But the United States is peculiarly afflicted in comparison with its international competitors. From 1973 to 1977, it had the lowest rate of growth of productivity of any of the five large industrial powers—lower than even Britain's. Productivity growth rates have been decelerating in all the largest industrial countries; only in the United States has the level of productivity actually been falling.

The structural changes in employment and output also make it less likely that the strictly industrial part of the economy can bring about a new boom. For even within the sector we have called I, "industry"—defined as manufacturing, construction, and mining—is far from dominant. We might describe industry, in this sense, as sector IA, and a sector IB as being composed of all other I-sector activities: transportation, communication, utilities, wholesale trade and finance, insurance and real estate—what could be described as "industrial services."

Sector IA, on this definition, accounts for only 48 percent of I-sector output (35 percent of total output in I and II) and 63 percent of I-sector employment. Sector IB has by far the highest output per employee of the three sectors: $30,400 in 1979. In sector IA output per employee is relatively low, at $16,300. Over the entire postwar period, productivity in this sector increased at about the same rate as productivity in IB. (Within IA, however, output per employee in manufacturing has increased 1.3 percent per year from 1973 to 1979, while output per employee in mining and construction fell substantially.)

Here again, international comparisons are interesting. Of the five major industrial countries the United States has the lowest proportion of its civilian employment (public and private) in the equivalent of sector IA; 30 percent in 1978, compared to 44 percent in West Germany, for example, or 38 percent in Britain. Once more, the United States is less industrial, in this sense, than Sweden. The positions are the same if we look at manufacturing alone: the United States has less than 23 percent of its total civilian employment in manufacturing, compared to 35 percent for Germany, 27 percent for France, and 25 percent for Sweden.●

HOUSE OF REPRESENTATIVES—*January 27, 1981*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. FOLEY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 23, 1981.

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on Tuesday, January 27, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

The eternal God is your dwelling place, and underneath are the everlasting arms.—Deuteronomy 33: 27.

On this day of joy when the freed Americans are welcomed to this city, we offer our thanks to You, O God, that we are sustained by Your love and comforted that You are with us always. In our lives, limited by time, You promise eternity, and in our lives of uncertainty, You provide the inner peace and security that underneath all our circumstances, whatever they might be, You support us and care for us, even until the end of the age. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to the clause 4 of rule I the Speaker signed the following enrolled joint resolution on Friday January 23, 1981:

S.J. Res. 16. Joint resolution designating January 29, 1981, as "A day of thanksgiving to honor our safely returned hostages."

APPOINTMENT AS MEMBERS TO BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

The SPEAKER pro tempore. The Chair desires to announce that pursuant to the authority granted the Speaker on Friday, January 23, 1981, the Speaker did on that day appoint the following Members on the part of the House to the Board of Regents of the Smithsonian Institution pursuant to 20 U.S.C. 42 and 43:

Mr. MINETA of California;
Mr. BOLAND of Massachusetts; and
Mr. CONTE of Massachusetts.

THEY ARE HOME

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, there are moments in our lives when we are moved to tears or laughter—by pride, by love, by an inner something that often defies description. Today is such a time. Our own emotions know no bounds as we welcome to our Nation's Capital our brothers and sisters, our fellow Americans, who had been held captive by Iran for 444 days. During that period we felt as though something was truly missing from ourselves, a real part of us. Now that part of us has come back. Thank God we are once again whole. Being whole, united, and free we can move ahead in strength and knowledge that we shall overcome whatever obstacles may lie before us.

FOREIGN INVESTORS' MARGIN REQUIREMENTS ON STOCK

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. BROOKS. Mr. Speaker, today I have introduced a bill that would require foreign investors in U.S. companies to meet the same stock buying requirements imposed on U.S. investors. My bill would require foreign investors to meet the same limitations on the use of credit to buy stocks—known as margin—that the Federal Reserve Board sets for U.S. stock purchasers. The current margin requirement is 50 percent of the purchase price of the stock, but it does not apply to foreign investors using foreign credit.

This imbalance in the treatment of U.S. and foreign investors is creating an incentive for foreign investors to take over U.S. companies. They can buy up the stock of our companies without putting up any money of their own. The bill would be limited in its application to investors who acquire at least 5 percent of a company's stock.

This would not affect small investors. It would merely make foreign companies that want to take over U.S. companies meet the same stock purchasing requirements that a U.S. company or bank has to meet.

Mr. Speaker, I was alerted to the inequity in the present stock purchasing requirements by the experience of the Zale Corp., a Dallas, Tex., based retail jewelry firm with outlets in 49 States and 1980 sales of $1 billion. I was informed that Zale is threatened with a possible takeover by a Canadian jewelry chain, Peoples Jewelers, Ltd., that is only one-tenth the size of Zale. Zale lawyers have told me that Peoples, without using any money of its own, has acquired 12 percent of Zale common stock, financing the purchase through a $131 million line of credit from the Canadian Imperial Bank of Commerce.

If a U.S. company or bank were involved in this transaction, it would have to meet the Fed's 50-percent margin requirement. There is no justification for such an unfair and discriminatory policy.

The reason for setting margin limits is to prevent the flow of unregulated credit from destabilizing the U.S. securities market. Uncontrolled foreign credit can be just as destabilizing as U.S. credit.●

ANNOUNCEMENT OF SERVICES FOR FORMER CONGRESSMAN OLIN TEAGUE

Mr. BROOKS. Mr. Speaker, I want to say to the Members, as they may well know, our beloved colleague, Olin "Tiger" Teague has passed away. The services will be this afternoon and the bus will leave the Capitol here at 1:30.

Services will be at Fort Myer. Burial will be in Arlington. After that, there will be a short reception for Freddie Teague and the family. I would welcome all the Members.

Mr. Speaker, few Members of this body have known the honor and respect that was afforded to our late colleague, Olin "Tiger" Teague. His heroic service to his country in battle and his equally devoted and selfless service to the Nation as a Member of Congress represented the highest standard of public service. He was the ideal of the citizen-soldier who is the strength and bulwark of a free and democratic society.

I had the distinct pleasure and honor of serving with Tiger in the House, and as a Member of the Texas delegation, for 24 years. He was an engaging companion, a skilled and hard-working legislator, and a tiger, indeed, on the paddleboard court in his moments of relaxation. It was much to be regretted that the gradually spreading effect of his wartime wounds forced him into retirement and then robbed him of the full enjoyment of those final years.

As dean of the Texas delegation, and on its behalf, I salute our gallant colleague and beloved friend and extend my deepest sympathy to his family.

● Mr. NATCHER. Mr. Speaker it is difficult to reconcile ourselves to the fact that our former colleague and friend, Olin E. Teague, has passed away.

As an outstanding veteran of World War II and one of the great men to serve in the Congress of the United States, he commanded the 1st Battalion, 314th Infantry, 79th Division, and was in combat 6 months. He was wounded several times and was awarded the Silver Star with two clusters, Bronze Star, Purple Heart with two clusters, Combat Infantryman's Badge, Army Commendation Ribbon, and the Croix de Guerre with Palm, and was discharged as a colonel. No Member has served in the Congress since World War II with a more illustrious record.

Mr. Speaker, our friend, Tiger Teague, served with distinction and honor in the House of Representatives. His concept of public trust was without parallel, and never did he hesitate to speak out against any proposal which he felt was not sound and not to the best interest of our people. Words are inadequate to fully appraise Olin Teague's tremendous capacity for loyalty and love of his country. In every position he held either private or public, he achieved distinction. His service in all of his assignments was marked by a high sense of conscience and duty. In times of peril, the good Lord has blessed this country with great men to lead us and to show the way.

His name will be known in all time to come at home and in the far corners of the Earth for his monumental works in behalf of representative government. Having served for many years on the Veterans' Affairs Committee and later as the chairman of this committee, he established an outstanding record. Following his chairmanship on the Veterans' Affairs Committee, he served as chairman of the Science and Technology Committee. In all of his assignments, he established a record of which not only the members of his family, the people of Texas but, those in this country can be proud.

During the time that Olin Teague served on the Science and Technology Committee, we succeeded in placing on the Moon 12 men. The flight of Voyager I, which is well over 1 billion miles away from the Earth in outer space, is one of the programs that Tiger Teague was always interested in and while serving as chairman of the committee spent long hours sponsoring such programs which have placed our country in the lead in space exploration.

I had the honor and distinct privilege of serving on the Board of Visitors at West Point for 10 years starting in 1961 and continuing through the year 1971. During the time that I served on the Board of Visitors at West Point, my friend, Tiger Teague, along with several others served with me. The development of West Point during the time we served on the Board was of great concern to our former colleague.

Mr. Speaker, Olin Teague was beloved by all of the Members of the House of Representatives and his guidance and his counsel will long be remembered. Never was there anyone more dedicated to the service he performed or the people he served. He served all of the people of this Nation.

I have lost a true friend and this country has lost a great statesman. To his lovely wife and family, I extend my deepest sympathy in their bereavement.●

● Mr. BOLAND. Mr. Speaker, it is with great sorrow that I rise to comment upon the loss of one of the truly distinguished Members of the House of Representatives.

Olin "Tiger" Teague was a man who had an exceptionally distinguished career, both as a member of the Armed Forces of the United States and as a Congressman.

Courageous in battle, he was a decorated hero having been awarded both the Bronze Star and Silver Star. Tiger was commander of the 1st Battalion, 314th Infantry Regiment, 79th Division, was wounded in combat and had to spend 2 years in an Army hospital as a result of these wounds.

His courage in battle was equaled by his career in this House. First elected to Congress in August of 1946, he became chairman of the Veterans' Affairs Committee and later the Committee on Science and Technology. He was also chairman of the Democratic Caucus.

From firsthand experience Tiger knew what service in the Armed Forces was all about and he realized the obligation which this country has to its servicemen. As a member of the House and chairman of the Veterans' Committee he worked hard and effectively to insure that the Federal Government met its responsibilities to those who have served this Nation under arms. Every veteran who has benefited from a program of the VA, whether educational or medical, owes a debt of gratitude to Olin Teague.

Tiger Teague's unwaivering leadership and support for America's civilian space program provided a foundation upon which NASA was able to achieve its many triumphs in space. From Project Mercury to the Space Shuttle, from Ranger to Viking, Tiger was an articulate and unflagging spokesman for the exploration of space. He pushed NASA, he pushed Presidents and he pushed us here in the House of Representatives toward a larger, more effective presence in space. The preeminence of this country's space program owes much to the efforts of Tiger Teague.

Yet despite his accomplishments, here in the House and on the European battlefield, I will remember Tiger Teague most for the kind of man that he was. He was a man of great integrity and of strength. He was a man who earned and deserved the nickname of Tiger. He was fair and had true empathy for those in need.

All of us in the House of Representatives who knew Olin Teague are saddened by loss. We shall miss Tiger.●

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that all Members may revise and extend their remarks on the life, character, and public service of our former colleague, the late Honorable Olin Teague.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

OLIN E. TEAGUE, A GREAT PATRIOT

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, one of America's great patriots, Congressman Olin E. Teague of Texas, died on Friday, January 23.

For many years I had the unique advantage of working with "Tiger" Teague, who preceded me both as chairman of the House Committee on Science and Technology and as chairman of the Subcommittee on Space Science and Applications. He became more than my legislative mentor. He was a true and cherished friend.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Most newcomers to the House of Representatives find a more experienced Member to whom they can look for guidance and counsel and such was my early relationship with Tiger Teague, who already had 16 years' experience in this House before I arrived in 1963.

Tiger resigned the chairmanship of the Veterans' Affairs Committee, where he had compiled a magnificent record as champion of U.S. servicemen, to become chairman of the Science and Astronautics Committee in 1973 where he could, as chairman of the full committee, continue the outstanding work he had done as chairman of the Manned Spaceflight Subcommittee since it was first created in 1962. No man had a greater role in shaping the U.S. space program than did Tiger Teague.

As chairman of the Veterans' Affairs Committee, Tiger Teague demonstrated a tireless dedicated devotion to the men and women who had served their country in uniform, sponsoring more veterans legislation—including the Korean GI bill under which I went to college—than any other Member of Congress.

Tiger Teague brought that same dedication to the Manned Spaceflight Subcommittee and then to the Committee on Science and Technology. He was a solid supporter of the U.S. space program until the moment of his death, seeing space as the greatest challenge of our age.

Tiger Teague's chairmanships of the Veterans' Affairs and the Science and Technology Committees are symbolic of the man himself—a man with a bold vision of the future based on a past of which he could be justly proud.

Tiger's military service started as an enlisted man in the National Guard, where he served 3 years, and as a member of the Reserve Officer Corps after graduating from Texas A. & M. University, where he worked his way through college. In 1940 he volunteered for active service and served as commander of the 1st Battalion, 314th Infantry, 79th Division, during World War II. He was wounded several times during combat and received 11 decorations, including the Silver Star with two clusters, Bronze Star with two clusters, Purple Heart with two clusters, and the French Croix de Guerre with Palm.

His combat wounds caused him to spend 2 years in an Army hospital and were painful through the remainder of his life.

Tiger Teague was discharged as a colonel of infantry in 1946 to assume his seat in the 79th Congress.

As a measure of the respect in which Tiger Teague was held by his colleagues in this House, he was elected in the 92d and 93d Congresses to serve as chairman of the Democratic Caucus.

His service on behalf of veterans was recognized by several veterans organizations including honorary life membership in the American Legion, Veterans of Foreign Wars, AMVETS, and the Disabled American Veterans.

Among the numerous awards he received for outstanding service were the AMVETS Congressional Silver Helmet, the American Legion Award for Distinguished Public Service, the VFW Award for Distinguished Public Service and Outstanding Representation of Servicemen, the West Point Award for Distinguished Service on Behalf of the Corps of Cadets, the Goddard Memorial Trophy from the National Space Club, the VFW National Space Award, the Outstanding Civilian Service Medal from the U.S. Army, the Veterans' Administration Exceptional Service Award, the National Science Foundation Public Service Award, and the NASA Distinguished Public Service Medal.

My heartfelt condolences go to Tiger's lovely wife, Freddie, and his three children, James Teague, Maj. John Teague, and Mrs. Jill Cochran.

Let it always be said of Tiger Teague that he served his country well in all duties he was called upon to undertake and that the results of his service will continue to be a blessing to the Nation he loved.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. FUQUA. I would be happy to yield to the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I would just like to applaud the gentleman from Florida for his praiseworthy statement regarding the deceased hero, and former Member of Congress, Olin Teague of Texas.

I would like to join the gentleman in the well in the accolade and the applause for Tiger Teague, a man of real decision and steel in serving our country. He carried the name Tiger well, a true patriot indeed.

I appreciate the gentleman in the well for his timely remarks.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. FUQUA. I yield to the distinguished gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I, too, would like to join as a voice from this side of the aisle. He was one who was always so kind to all of us as new Members. We will miss him greatly. He was a character and there will not be many more in the same mold.

TRIBUTE TO THE LATE HON. OLIN TEAGUE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I join with my colleagues in remembering "Tiger" Teague, a very great Congressman, also a very great patriot. In these troubled times when our standards of patriotism, our concepts of what is good for America or what may not be good, are in doubt, I commend to everyone to read Tiger Teague's biography.

Tiger Teague was a truly great man, a great Congressman, a great American, and a great patriot. It was my privilege to serve with him for 8 years on the Veterans' Affairs Committee, and no one could have done more to remember and honor the debt which we owe to those who have stood for America in the hour of greatest need.

THE 100TH BIRTHDAY OF PROF. C. S. CROWTHER

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NICHOLS. Mr. Speaker, last week, in my hometown of Sylacauga, Ala., Prof. C. S. Crowther celebrated his 100th birthday. It was my privilege to attend elementary school under this beloved Christian educator and I have fond recollections of each day's chapel program attended by all elementary students, where the Scriptures were read and where we all joined in prayer.

It is indeed regrettable that the Supreme Court of the United States has decided that such participation is contrary to the Constitution in that, in their judgment it violates the separation of church and state.

I disagree. This Nation was conceived in the minds and hearts of men and women who desired to form a new country where they could indeed worship as they pleased. In our 200-year history as a nation, we have been a Christian nation and prayer has played an important part in the basic beliefs of generations, shaping the minds, character, and lives of young people in these United States.

It is because of these strong beliefs which I hold that I am today introducing legislation which, if passed by a simple majority of both Houses of Congress, would permit voluntary prayer in our public schools.

I am also introducing a proposal to amend the Constitution of these United States which, if ratified by three-fourths of the States, would allow the same thing.

Alabama Governor, Fob James has stated:

That to deny 40 million American school children the privilege of voluntary prayer and Judeo-Christian influence under the guise of separation of church and state is tampering with the heartstrings of America.

I concur with my Governor's views, and commend this legislation to the attention of each Member of this legislative body.

□ 1210

ADDRESS BY DR. CHARLES H. MALIK AT "HERE'S LIFE" WORLD CONFERENCE

(Mr. BARNARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BARNARD. Mr. Speaker, while in Miami at "Here's Life Weekend," a conference sponsored by the Campus Crusade for Christ, I had the privilege of hearing the distinguished Dr. Charles H. Malik speak. It has been a long time since I have heard anyone be so enlightening about the challenges facing our Nation. Dr. Malik also provided profound insight into the Middle East situation. Because of the valuable lessons contained in this message, I am, with your permission, entering it at the conclusion of my remarks.

As many of you know, Dr. Malik is a distinguished professor of philosophy, emeritus, at the American University of Beirut. He has been a leader in the Middle East political arena for more than 50 years, as former Lebanese Ambassador to both in the United States and the United Nations and as a former foreign minister of his native Lebanon. He was one of the principal authors of the United Nations Universal Declaration of Human Rights of 1948. Dr. Malik has served as President of both the General Assembly and the Security Council of the United Nations. He earned his M.A. and Ph. D. degrees at Harvard University and holds 50 honorary doctoral degrees from American, Canadian, and European universities and colleges.

It is with certainty that Dr. Malik's remarks will provide a unique perspective on many subjects that I proudly enter these remarks for your reading:

AN ADDRESS BY DR. CHARLES H. MALIK, "HERE'S LIFE" WORLD CONFERENCE, MIAMI, FLA., JANUARY 24, 1981

(Dr. Charles H. Malik is Distinguished Professor of Philosophy, Emeritus, at The American University of Beirut and member of the International Executive Committee of Here's Life, World.

(A leader in the Middle East political arena for more than 50 years, he is former Lebanese ambassador to both the United States and the United Nations, and is a former foreign minister of his native Lebanon.

(He was one of the principal authors of the United Nations Universal Declaration of Human Rights of 1948. Dr. Malik has served as president of both the General Assembly and the Security Council of the United Nations.

(He earned his M.A. and Ph. D. degrees at Harvard University. Among other academic honors, he holds 50 honorary doctoral degrees from American, Canadian, and European universities and colleges.)

HERE'S LIFE, WORLD

"Here's Life" refers to new life in Jesus Christ. Here's Life, World is a movement sponsored by Campus Crusade for Christ International, which works together in this effort with thousands of churches and other Christian organizations that are also committed to helping share the love, grace, and forgiveness of God with every person in the world.

Dr. Bright and Mrs. Bright, Distinguished Guests, Ladies and Gentlemen. I should like first to express my gratitude to Campus Crusade for Christ and to its respected Founder and President, my friend, Dr. Bill Bright, and his colleagues for graciously asking me to appear before and address this distinguished audience this morning. Dr. Bright and Campus Crusade for Christ have been serving the Name of Jesus Christ all over the world for about 30 years now. No greater dedication can be imagined by any man or any group of men than dedication to that Holy Name. They have evolved bold plans and techniques to help reach the whole world for Christ. They are men and women of integrity, honor and total commitment. Already their world-wide endeavors have yielded a plentiful harvest in terms of souls saved, estrangements reconciled, and whole new horizons opened up. I support their intentions and their efforts and urge all men of good will to do the same.

There are, my friends, a few themes I want to touch upon this morning which it would probably be profitable for us to consider at this exceedingly pregnant moment of history. The nature of these themes is such that one cannot properly say everything one wants to say on them in public. This very fact measures the importance of the topics we are about to consider. What can be wholly dished out in public must, for that very reason, be relatively trivial, and neither you nor I can afford to waste our time on trivialities.

The themes I want to take up with you are up for historic decision, and such themes must necessarily leave plenty of room for silence and reserve. Historic decision is the very definition of importance. To the question, What is important?, the answer is, That which is up for historic decision. Hence, my dear friends, bear with me my pauses of silence and reserve.

First, I want to take up the theme of the Near and Middle East.

The Middle East, Ladies and Gentlemen, is characterized by essential and lasting instability. The only stable feature of the Middle East is its essential instability. There are half a dozen reasons for that which I need not enter into here, the principal reason being the fact that the societies of those countries are not continuous and cohesive either historically or socially. Thus, there is no regime in the Middle East that is not in danger of being overturned. What happened to Egypt under Nasser can happen again under Sadat. What happened to the Shah of Iran can happen again to Khomeini. What happened a year ago at the holiest Islamic shrine in Saudi Arabia is very significant. It never happened before in history. The deadly enmity that has developed between Iraq and Syria within the ranks of the same ruling Arab Baathist Party is only symptomatic of a much deeper incoherence. You can, therefore, count only on perpetual upsets and upheavals.

The rule of wisdom, therefore, is to take full advantage of whatever stability there is so long as it obtains, knowing all the time that it is but ephemeral, and therefore, appropriately distancing yourself from full identification with it even while it lasts. You must keep in mind this very important thing: that not a single state in the Middle East existed 60 years ago as it is today, and that even during this period every state without exception, every political community, has undergone numerous upheavals. And you can never be sure that any existing Middle Eastern state will not have disappeared from the map altogether, or will not have sustained radical transformations, by the end of the 80s, not to speak of the end of the century.

The Iraqi-Iranian war is not going to end tomorrow. Iraq cannot withdraw without the regime destroying itself, and Iran cannot negotiate or accept Iraq's demands without the Khomeini regime destroying itself. This war is bound to produce important changes in the Gulf area, in relations among the Arab states, in relations between the superpowers, in the structure of OPEC, the Organization of Petroleum Exporting Countries, and in the fortunes of the Palestinian movement. From the point of view of the United States and the Western world in general, the basic requirement today is to find out to what extent these changes can be directed or controlled. In international politics, when great opportunities arise, as they do today in that area, regardless of how they came about, squeamishness is the deadliest sin. I believe great opportunities are at America's doorsteps today, precisely by reason of the Iraqi-Iranian war. It is obvious that great opportunities present themselves also to the Soviet Union. It is, therefore, a race: Who is going to win this race, or, more soberly, who is going to reap the greater benefit? That is the question.

Both Iraq and Iran will be shaken to their foundation as a result of this war, both as states and as societies. We are heading, therefore, towards very treacherous waters in that part of the world, but, at the same time, as I said, towards vistas at once alluring and promising.

The problem of securing the supply of fuel from the Middle East to Europe, America and Japan has never been given the radical attention it merits. This is in the first instance a political problem and not an economic problem, and it requires whole new categories of thought outside the now hackneyed and tame pre-suppositions which have so far prevailed. The entire setup displays pitiful artificiality and fear. It is a matter of time before the West realizes that it simply cannot allow the industrialized world, with the values of civilization it enshrines and protects, to remain perilously at the mercy of such artificialities. The thing is simply ridiculous. People these days talk of linkages: I am sure in the overall geopolitical drama now unfolding Washington and Moscow will come to a dependable agreement whereby the securing of the needs of the industrialized West and Japan for the oil of the Middle East will be linked to a global settlement that, under the compulsion of the balance of terror, is bound to eventuate between them.

You will notice how I am very reserved in much of what I am saying because behind every word I am expressing lies a whole world of thought which is hidden.

I doubt that Moscow will allow this golden opportunity to slip by without extending its influence in one form or another over Iran. I do not see how the West can prevent Soviet power from reaching and entrenching itself in the Persian Gulf. In the division of the spoils the share of the West will be

the oil-rich areas of southwest Iran and the Strait of Hormuz. That is the utmost you can expect to get.

On the question of the American hostages, the illusion has been studiedly fostered that America is dealing with an independent Iranian government. There have been all along two other parties just as involved as, if not more involved than, whatever trace of government may in fact have existed in Iran: international terrorism and the Soviets.

Now that the hostages have been released, the abuse, physical and mental, which we have been reading about, to which they have been subjected, is not all going to be revealed to the public. I fear terrible things have happened to them. Who is going to succeed Khomeini? Certainly not the mullahs or the ayatollahs; certainly not the Bani Sadrs or the Rajais; certainly not the Iranian emigrees; but these so-called militants themselves who held the Americans hostage. And what you can be sure of is that the ranks of these militants are thoroughly infiltrated by terrorists, Marxists and Soviet agents. Whether and how the unprecedented humiliation inflicted upon Uncle Sam for 444 days can or will be made right, remains to be seen. This is not an easy matter.

The Eastern Mediterranean belongs to the natural domain of the West. It has always belonged to this domain when the West was not in a state of decadence. The Mediterranean itself is simply an inland extension of the Atlantic, and its northern shores are for the most part European. There is no escaping the necessity today of securing the Eastern Mediterranean for the West. This is already largely accomplished. Greece and Turkey are members of NATO, and Israel and Egypt are already linked by a treaty between themselves and with the United States. The Lebanese have suffered unjustly, partly by design, partly by stupidity and inadvertence. The time has come when an end must be put to their suffering. This can easily be done if Europe and America really care.

But what is not so easy to accomplish is to turn the ideological tide in the Eastern Mediterranean. Radicalism with distinct anti-Western motifs and with open encouragement and even guidance by international communism, has taken firm hold of the mind of youth in those countries. Western attitudes about man, feedom, truth, mind, spirit, government, democracy, history, destiny, and the sanctity of the individual human person are almost universally derived. We witness in the Middle East a retreat of the whole spirit of Western civilization in the face of either Marxism-Leninism or of native deities, refurbished or integrally resuscitated. And more often than not, the two opponents to the West coalesce. The battle of the mind, which is the most important battle anywhere in the world today, is being lost both in the mind of the East and in the mind of the West itself. This is a most serious matter. I wish a group of American and European universities would set up a task force, or an individual responsible thinker would arise somewhere, to inquire whether this intellectual and spiritual retreat of the West, not only abroad, but within the West itself—in your universities, in your media, in your literature—is an inevitable phenomenon, or whether it is due to accidental causes which are quite remediable.

A word, finally, on the Palestinians. The so-called Jordanian option has been lately coming to the fore. I believe in the validity of this option; I believe it should be thoroughly and farsightedly explored. King Hussein may still play a decisive role. At this juncture I only say "may." But however we view the Jordanian option, the real abiding key is Syria. At least let people get it out of their mind that there is instead a Lebanese option, namely, that the Palestinians may be settled permanently in Lebanon. Such a scheme will destroy Lebanon altogether, the only free and open and genuinely pluralist society in the entire Middle East.

Now, my dear friends, I need not apologize for taking so much time on the Middle East. He is not living in this world, he is living somewhere in his own imagination, who does not know that that region is the most sensitive and critical region in the world today. Billy Graham told me history began in the Middle East and history is going to end in the Middle East. To dwell on the Middle East somewhat, therefore, is neither a luxury nor a waste of time.

I turn now to my second theme, which is the American elections.

On Tuesday morning, November 4 last, the world was in one mood; at about 10:00 p.m., Washington and Miami time, that same day, the world found itself in a totally different frame of mind. I do not recall any transformation of mind of such magnitude and on such a world scale, occurring in a few hours on the same day, in my lifetime. This measures the unique importance of America in the world today.

I am not talking American partisan politics; I am talking something much deeper, much more far-reaching.

The image of America cast abroad since Viet Nam has been that of a defeated Great power, discouraged in its defeat, crawling back into the safety of its own shell, indecisive in its mind, incapable of understanding, let alone of fulfilling, the responsibilities of power. Nor has the world, until this hour, comprehended how the Viet Nam defeat came about or could have come about. That is why Cuba, Angola, Mozambique, Ethiopia, South Yemen, and Afghanistan fell under the sway of the Soviets; that is why the American presence was expunged from Iran; that is why the vital Gulf area is now in mortal danger; and that is why the Atlantic Alliance began to show signs of disintegration.

The view held of the American people has been that they are overwhelmed by tools and gadgets, bent on pleasure and comfort, too divided in their counsel to be able to make up their own mind; and as to the democratic process, it was looked upon more or less as a joke, being really manipulated by the power of money and the wiles of politicians.

The result of this image of America has been a growing cynicism about the ability of America, both as government and as people, to lead the free world.

In less than 12 hours on November 4, 1980 this image and this cynicism were radically transformed.

No! America knows what it wants.

No! America can make up its mind.

No! America is not divided in its counsel.

No! America has not crawled back into its own shell, and if it had, it has come out of it again.

No! America has recovered from Viet Nam.

No! America can decide, and has indeed decided again to be first, or at least not to be second.

No! The American political system does work.

No! America understands the responsibilities and presuppositions of power and is prepared to assume them.

No! The Free World can count on the leadership of America.

At least, my dear friends, this was the dominant perception in Europe and the Middle East on the morning of November 5. I know of no parallel in history to such a dramatic 180-degree change in the world image of a superpower occurring in a matter of hours, occurring almost in the twinkling of an eye.

This arresting phenomenon means six things, and you must ponder them responsibly and deeply.

It means that the place of America in the world is irreplaceable.

It means that America's historic responsibilities are perhaps more than America itself realizes.

It means that we may be stepping into a whole new epoch—this time really new, really hopeful, really wonderful.

It means that great expectations are now aroused both in America and in the world.

It means that God help us all if these expectations should be destined to be dashed.

And it means that you can be perfectly certain that the live forces of darkness, despair, cynicism, nihilism, evil and hatred of all that America fundamentally means and stands for, in their 20 or 30 different forms, are already, beginning exactly on November 4, feverishly mustering and mobilizing themselves precisely to frustrate these expectations.

"For we wrestle not against flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places." (Ephesians 6:12.)

I do not belong to the cynical school of thought. I am a man of faith. I live on the Bible, which to me is the word of God, and on the living tradition of my Church. I do not believe that America has come to this exalted position accidentally or in vain. I believe it has a word to utter. It has been chastened and schooled all these years precisely in order one day to be in a position to utter its word. It may be poised to utter it soon. If that day is not upon us now, it will doubtless be upon us later.

I believe President Reagan when he speaks of a Great New Beginning. We are at the beginning of this Great New Beginning. This is the wonderfull thrill of the moment, and we should pray and pray and pray, not mechanically, not sentimentally, not wishfully, not selfishly, not as though we were ordering God and forcing His hand, not because in the pride of our heart we believe that we deserve any good at His hands, but we should pray and pray and pray that we prove worthy of the infinite goods He has already showered upon us from His own grace and bounty, the greatest of which by far being His sending His only-begotten Son, even Jesus Christ our Lord, to die for us and our sins on the Cross.

The definitive word of America is not pleasure and comfort, nor is it instruments and machines. The authentic word of America has to do with justice and peace, but certainly not only with justice and peace, nor for the sake of justice and peace alone. There is a justice, my friends, that is profoundly unjust, and there is such a thing as the peace of the slave, and the dead rest in peace in the grave.

When the fullness of the time comes to thunder its word, the word of America has to do with man, the fullness of the stature

of man. It has to do with freedom, responsible freedom of the spirit which is above man and above the world, the joyful freedom that creates. It has to do with that which is above and beyond man, with that which is even above and beyond freedom: it has to do with the God who revealed Himself through suffering and death, and who then merited not only the resurrection, but that He be highly exalted, and given a name which is above every name.

Finally, I want to say a word about what I call the great global conflict.

Our world has shrunk into a neighborhood. What happens anywhere these days may be known instantaneously everywhere. Also men can travel widely throughout the world, and goods and the printed word can circulate almost everywhere. And on the wings of the ether propaganda and opinion can be pumped ad nauseam into every ear to hear and every eye to see.

In this village of a world, in this neighborhood of a world, four fateful competitions are going on simultaneously all the time: military, political, economic and spiritual.

On the economic front of the great world conflict, I will only say: that it seems to me to be simply incredible that with all its matchless scientific and technological resources the West, so far as productivity, inflation, unemployment and the quality of its products are concerned, cannot put its own economic house in order; incredible!; that it seems to me again incredible that with all its political and diplomatic resourcefulness the West, so far as the supply and price of petroleum are concerned, must continue to live at the mercy of OPEC; that absolute top priority must be given to correcting effectively the world economic disorder; and that what seems to be lacking in this whole realm is not something scientific or technological, but something spiritual, a fundamental disorder in the scale of values and in the passions of man, a fateful paralysis of determination and will.

On the military competition I will only say: that the West has been lagging behind relatively to the Soviet Union, as we learned so impressively last night; that this is one of the casualties of the Viet Nam war; that there appears to be a determination now—and I cannot put it at more than the level of determination—at least in the United States, to aim at superiority again, although this aim has been ridiculed as sheer nostalgia by sardonic defeatists; that it is absolutely vital at least to catch up with the Soviet Union and, if possible, to surpass it; and that the one sector that calls for top priority is research and development, whose appropriations I would at least double if the competent scientific minds were available to put the increase to creative use. A single theoretical qualitative breakthrough, like that of Einstein or Max Planck, could alter the balance of forces dramatically, and in time render any crude quantitative advantage enjoyed by the other side obsolete.

On the political front of the great world conflict I will only say: that I am glad the CIA, which has been another casualty of Viet Nam, is being revitalized; that the losses in the Caribbean and Africa should be recovered; that the Eastern Mediterranean should be secured and protected; that the West should promote friendly relations with peoples with whom it has cultural affinity; that faithful old friends need not be sacrificed for dubious new ones; that ways and means should be devised to penetrate the closed Soviet Empire with Western ideas; and that wherever practicable, as in Poland today, the values of freedom and man should be actively and aggressively promoted.

A few months ago the American magazine, United States News and World Report, conducted a survey in which it asked a select group of American leaders several questions. One of these questions was the following: What are the biggest problems facing the United States in the eighties? 1569 U.S. leaders, as the magazine called the respondents, answered the question. The ten most important problems facing America in the eighties, according to these 1569 respondents, turned out to be, in the order of their importance: inflation, energy development, energy conservation, national defense, government growth and spending, avoiding war, industrial productivity and innovation, unemployment, containing Russia, and restructuring the tax system.

You will observe that all these problems belong exclusively to the fields of economics and politics. And therefore I ask you in all honesty: do you really consider these ten issues to be the most important questions facing you and your children in this decade? I certainly grant that they are very important issues; I do not minimize their importance in the slightest.

But what about the general breakdown of the American family? What about the divorce rate? Not a mention of that! Isn't that a great issue facing America in the eighties?

What about the prevailing sexual anarchy? Isn't that a problem to these 1569 U.S. leaders?

What about the general decay of values and standards?

What about the state of morals, and of the mind and spirit, in the schools and universities?

What about the life of ease and material comfort?

What about the love of money, and of more and more money?

What about the perpetual retreat of responsible freedom and the corresponding advance of tyranny?

What about the weakening of the national will?

What about the role of the "liberal establishment" in all this?

What about the role of what is taught in the schools and universities in all this?

What about the role of the media, especially TV, in all this?

Finally, what about the apparent absence of a world historic idea to which the nation as a whole dedicates itself and for the sake of which it organizes its energies?

Not a word mentioned about these things! Only economics and politics matter?

Therefore, do you want to know what is the greatest single issue facing America and the Western world in the coming years? It is precisely this: that the thinking, effective, responsible mind of the West, as represented by these 1569 U.S. leaders, considers only economics and politics as important, and does not think at all that questions of the spirit, the mind, fundamental attitudes, morality, faith, values, personal character, belong to the ten most important problems facing Western society in the eighties. It relegates them to second and third place. It considers them secondary and derivative.

It is this blatant inversion of the truth, this calling the primary secondary, and the secondary primary, that is the greatest single issue facing Western civilization during the rest of this century. How effectively to invert this inversion itself is the greatest task demanded by destiny itself, by God Himself, of the governments, universities, the churches, the thinkers, the leaders of opinion, and the media, of the Western world.

And finally one last word on the spiritual level, a word that sums up everything.

I speak as a believing Christian. I hold that the real ultimate hope for you and me personally, for society at large, and indeed for the world, resides not in politics, nor in science, nor in technology, nor in economic prosperity, nor in the unaided powers of man—with due respect for all these things in which I actively participate and which I throughly enjoy—but in the resurrected, existing, living Jesus Christ, and in His church.

At least, then, for those of us who know Him and believe in Him and trust Him, we must deepen our knowledge of Him and perpetually reaffirm in actual living our love for Him.

And I must renew my love for Jesus and my gratitude to Him and my trust in Him every day.

This is the form this renewal takes today.

"I love Thee, O Jesus, more than any thing else in the world, despite the devil and despite my sins. Thou knowest!

"'Whom have I in heaven but thee? and there is none upon earth that I desire beside thee.' (Psalm 73:25.)

"Strengthen my faith in Thee.

"I shall witness to Thee and Thy grace and power and joy and peace and certainty, with dignity but with firmness, on every occasion.

"I shall never be ashamed of Thee or of my belonging to Thee.

"I shall be more active in my Church and more responsive to its needs and trials.

"I shall work with and honor and respect whoever knows Thee and honors Thee and calls on Thy name.

"Enable me, I pray Thee, to make costly personal sacrifices for Thy sake in secret.

"Enable me to control every stupid stray imagination of mine and to bring into captivity every thought of mine to Thine own obedience. (II Corinthians 10:5.)

"Enable me to live more intensely, more responsively, more adoringly, in the Bible and on the Bible every day.

"Let no fear of sin and the devil, no fear of death and suffering, ever separate me from Thee.

"Strenthen, O Jesus, our knowledge and certainty that with Thine Holy Spirt dwelling in us we can stand a thousand years of trial and suffering without any resentment or despair.

"Strengthen our knowledge and certainty that Thou wilt always bring us back to Thyself no matter how much the devil may cause us to forget Thee.

"Strengthen our knowledge and certainty that Thou wilt always sustain us and show us the way out of every challenge or fear or horror that we may encounter.

"Give us the grace of piercing the veil and seeing Thee in heaven at the right hand of the Father, and therefore running the remainder of our course here on earth in total security because Thou art there.

"Thou knowest, O Jesus, that what I say is not mere talk: Thou knowest it is knowledge and truth."

And finally, my dear friends, may God in His mercy—and we have nothing in the end to fall back upon except the mercy of God—may God in His mercy guide the Christians of America and the West, who hold in their hands the greatest power, political, material, moral and spiritual, in the world today,

and, therefore, who shoulder the greatest responsibility before God and history—may God in His mercy guide the Christians of America and the West to seek, in truth and humility, in dignity and self-respect, in honor and freedom, the best ways of pooling their efforts and resources, to the end that a convincing moral, intellectual, spiritual and personal message be formulated and offered to this drifting, thirsty world, just about to go to pieces, just about to disintegrate, just about to go up in smoke, a world so desperately lost in materialism, relativism, cynicism, nihilism, rationalism, humanism, Freudianism, hedonism, sensualism, escapism, atheism, self-worship and the quest of earthly possessions and power, possessions and power "where moth and rust doth corrupt, and where thieves break through and steal." (Matthew 6:19.)

VIVA LA ROJA, BLANCA Y AZUL

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, a secret story of personal heroism and love of country has now emerged with the safe return of our 52 Americans from captivity in Iran.

It was the bravery and cool composure of Marine Sgt. Jimmy Lopez of Globe, Ariz., that allowed 14 Americans to escape the mob takeover of our Embassy more than a year ago.

This 21-year-old marine guard singlehandedly staved off the mob of terrorists to permit the escape, and also destroyed valuable diplomatic materials before the mob forcibly took over the building.

Five of those he helped to escape managed to find refuge in the Canadian Embassy, and eventually to reach the United States 3 months later. One of the returned diplomats confided the story to Sergeant Lopez' parents, Jesse and Mary Lopez, who had kept it secret for fear of retaliation against their still-captive son.

Sergeant Lopez was nonetheless mistreated in a most barbaric way—beatings, solitary confinement in a cell crawling with centipedes and so cold that water froze in his water bucket, and malnourishment that caused him to lose 50 pounds.

In defiance of the barbaric treatment and long periods of solitary confinement, Sergeant Lopez scrawled on his cell wall "Viva la roja, blanca y azul"—Spanish referring to our national banner for "Long live the red, white and blue"—certain that the terrorists would not understand the meaning of this uplifting message.

At a time when our country so badly needs to honor its genuine heroes, all Americans can be proud that Sergeant Lopez was "ever faithful" to our country in historic Marine tradition during his arduous 15-month ordeal in Iran.

All Arizonans—and I am sure all Americans—are proud of his heroism. But like genuine heroes, he has modestly downplayed the importance and bravery of his actions under highly dangerous and arduous circumstances. According to one newspaper report, he said to his family by telephone from West Germany—

Like Mark Twain said about being tarred and feathered, if it wasn't for the honor I'd rather have done without.

Mr. Speaker, today we welcome to Washington and salute all our 52 released Americans. America will forever revere the memory of the eight Americans who gave their lives in the effort to rescue the American hostages in Iran. We are also most grateful as a nation to Algeria, a country which risked incurring the wrath of all Islam in order to help negotiate an agreement for the release of our American citizens.

The heroic actions of Sgt. Jimmy Lopez are also testimony to the bravery displayed by all our released Americans throughout their 444 days of captivity. A lot will be said about the experiences and bravery of these, our fellow citizens, who are home at last. I would like to include in the RECORD at this point a news story from the New York Times and an editorial from the Arizona Republic which highlight and praise the brave actions of Sergeant Lopez.

Again, to all 52 Americans, I join in saying, "Welcome home." May our people and our country never face such an experience again.

[From the New York Times, Jan. 22, 1981]

ACTIONS OF MARINE GUARD IN TAKEOVER ENABLED FIVE TO ESCAPE, DIPLOMATS SAY

(By John M. Crewdson)

GLOBE, ARIZ., Jan 21.—For most of the past year Jesse and Mary Lopez kept the secret bottled up inside them. Their pride was nearly boundless but they feared that disclosure would place their 22-year-old son, Sgt. James M. Lopez of the Marine Corps, in greater danger from the Iranian militants holding him hostage in Tehran.

But early this morning, when Sergeant Lopez, 50 pounds lighter and with his shoulder length hair tied back with a yellow ribbon, walked off a bus in Wiesbaden, West Germany, and called home, the secret came tumbling out.

"I know about what you did over there the first day," said Mrs. Lopez, her voice breaking with joy and relief.

According to accounts from several Americans, when trouble broke out on the morning of Nov. 4, 1979, at the American Embassy in Teheran, Sergeant Lopez quickly invoked his authority as the lone Marine guard on duty at the consulate, one of several buildings in the embassy compound.

DROVE BACK INVADERS

In his best drill-instructor manner, Sergeant Lopez barked orders to the 70 or so people huddled inside. Among them were Iranian citizens who had been seeking visas and 14 other Americans, including several American Foreign Service officers many years his senior.

For nearly three hours, Sergeant Lopez, who had been an embassy guard only a month, managed to stave off the angry Iranian demonstrators outside, according to these accounts, securing the doors with coat hangers, herding his charges to the more secure second floor, driving back the invaders with tear gas grenades and destroying the visa stamps.

Finally, as the situation grew more desperate, Sergeant Lopez gave the order to leave, dividing those inside into small groups of Americans and Iranians in hopes that they would attract less attention and dispatching them at intervals out of a side door, American diplomats recalled.

Most of the Americans were recaptured soon afterward as they tried to make their way to safety through the back streets of Tehran. But five of the American diplomats were able to evade the mob and, with a sixth man they encountered on the street, ultimately took refuge in the Canadian Embassy. Using false Canadian passports, the six left Iran last Jan. 29 and when they reached the United States, Kathleen Stafford, a consular assistant, telephoned Mr. and Mrs. Lopez to tell them of their son's bravery.

"HE DIDN'T LOSE HIS COMPOSURE"

"By keeping the consulate secure he made it possible for us to go," said Mark Lijek, one of those who escaped and who is now a consular officer in Hong Kong. "He was the one all of us looked to to tell us what to do. He may have been the most junior guy there, but he was certainly up to the occasion. He didn't get excited, he didn't lose his composure."

"He was standing there and overseeing the entire effort and putting his own safety last," Mrs. Stafford's husband, Joseph, who is also a Foreign Service officer, recalled. "I'm grateful and I'm sure everyone in the consulate that day is grateful. He performed superbly."

Under normal circumstances there would have been two marine guards on duty at the consulate, the second assigned to the visa section. But the section had been closed in anticipation of trouble and Sergeant Lopez was alone when the mob began to form outside.

The rules of engagement for Marine embassy guards prohibit firing outside a compound without specific State Department approval or firing inside except in defense of American lives.

"HE BEAT THEM BACK"

"It was a tribute to Jim that he was able to control a group that size," said Mr. Lijek. "He was the one that actually destroyed the visa plates. He never seemed at a loss throughout the whole thing. There was nobody there to help him. At one point, the students tried to break into the consulate through one of the windows. He beat them back. I think he threw a smoke grenade, or tear gas."

"It was tear gas," said Robert Anders, another of the escaped diplomats, who works at the State Department and who confirmed Mr. Lijek's account and added his own praise for Sergeant Lopez.

Mr. Anders, who was in the last group of Americans to leave, recalled that Sergeant Lopez had quickly put on a civilian shirt and tore the red stripes from his uniform trousers before joining Mr. Anders, Richard H. Morefield, the Consul General, and a few others in departing the consulate.

But Mr. Anders, Mr. Lijek, his wife, Cora, and the Staffords went off in one direction, a direction that eventually led to freedom. Sergeant Lopez, Mr. Morefield, Richard I. Queen, who was released by the militants

last July after he became ill, and the others went in a different direction and were intercepted by the militants a few blocks away.

For much of the next 14 months, Sergeant Lopez told his family on the telephone, he was "kept in some really bad-hole places, like closets." But, he said, "at least I got some of the others out, right?"

MARINES MAY BE DECORATED

Mrs. Lopez was also cheered to learn that, even in captivity, her son had continued to try to resist the militants, at one point scrawling, "Viva La Roja, Azul y Blanca" on a wall at the embassy compound. But the militants, Mrs. Lopez said, "never figured out" that the words were Spanish for "Long Live the Red, Blue and White."

Asked today whether Sergeant Lopez was likely to be decorated upon his return home, Lieut. Col. Walter DeForest, a Marine spokesman in Washington, would say only that there was "a possibility that some or perhaps all of the marines will be put in for some recognition."

In a way, the account of their son's activities during the embassy seizure has made the last nine months all the more painful for Mr. and Mrs. Lopez, who had not seen or heard from Sergeant Lopez since last Easter and who had begun to fear that he might be dead.

She was tempted once or twice to tell the story, Mrs. Lopez said, most recently when she saw a letter to the editor of a Phoenix newspaper suggesting that all her son was missing by being in captivity was "his tamales."

Desperate for some news, the family asked an Iranian metallurgical engineer who lives in Globe and who had a friend among the militants in Tehran to see what he could learn about their son's well-being.

ONE OF LAST TO DISEMBARK

As it turned out, the engineer's friend had been assigned to guard a different group of captives and so was unable until Monday, when the 52 hostages were assembled for medical examinations, to report to the Lopez family that the sergeant was alive and seemed to be well.

Last night, as the freed hostages stepped off an airplane that had stopped in Algiers on the trip from Iran to West Germany, the tension in the family's crowded living room became nearly unbearable. Sergeant Lopez, in a red T-shirt, was one of the last to disembark, and when he appeared on the screen the tension gave way to pandemonium.

"Momma, he has long hair," shouted Marcie, Sergeant Lopez's 10-year-old sister. But, speaking with her a few hours later by telephone from Wiesbaden, he told her that he would have to cut it off. "Honey, I have to," he said. "I am in the Marine Corps."

"I really am glad that, this time, he gets to come home," Marcie said, "to joke around, make us laugh." And despite his ordeal, Sergeant Lopez sounded relaxed and cheerful as he bantered with his family over the telephone.

At one point, however, Sergeant Lopez could not prevent a tone of seriousness from seeping into his voice. Having been held hostage, he told his family, was "like Mark Twain said about being tarred and feathered—if it was not for the honor, I would rather do without."

[From the Arizona Republic, Jan. 25, 1981]

WELCOME HOME

The 52 released hostages are coming home today to a hero's welcome, and no one could deserve it more.

They are Americans every American can be proud of.

They were subjected to beatings, psychological torture, and days, weeks, even months in solitary confinement.

They lived constantly in the shadow of death.

Not a single one cracked.

All maintained their dignity and their integrity.

All acted in the finest traditions of the nation.

Arizonans can be particularly proud of Marine Sgt. Jimmy Lopez, of Globe.

Throughout his 14½ months in captivity, Lopez upheld the honor of the Corps.

When the Iranians invaded the embassy compound, he alone was on guard duty.

Singlehanded, he managed to hold off the mob for three hours, enabling 14 other Americans within the embassy to escape.

Five of them managed to find refuge in the Canadian Embassy, and eventually to reach the United States three months later.

Lopez withstood beatings and solitary confinement in a cell crawling with centipedes and so cold the water in his water bucket froze.

He lost 50 pounds.

Yet, he remained defiant, scrawling on a wall of his cell, "Viva la roja, blanca y azul." Long live the red, white and blue.

He had to pass through a howling mob to reach the plane that brought him to Algiers.

He gave the hoodlums a final obscene gesture.

We salute Jimmy Lopez, and Robert Ode, the 65-year-old Foreign Service officer who is coming home to retire in Sun City West, and the other 50 released hostages.

Americans all.

TIME TO REMEMBER THE MISSING IN ACTION IN VIETNAM

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, today is the eighth anniversary of the close of the Vietnam war. At that time, 8 years ago, we were joyously preparing to welcome our returning prisoners of war, after their long captivity.

This seems a particularly appropriate moment, Mr. Speaker, to talk of those who did not come home. We are, this very day, getting ready to welcome our prisoners home from their captivity in Tehran. I know and appreciate the joy of their families.

Let us speak, though, of those 2,500 families who have no joy in their hearts. Their loved ones are not coming home. They have had no word of them, no accounting, since they were either listed missing in action or among known POW's. The Governments of Vietnam and Laos have provided no information on these men. Yet we have had more than 300 separate reports concerning these men, saying that they were alive.

Mr. Speaker, it is time we got the Governments of Vietnam and Laos to provide a full and frank accounting of these men. This country wants such an accounting. We cannot be satisfied with less than a full accounting.

Mr. Speaker, it would be a great tragedy if, at this very moment, when we are welcoming back our 52 hostages returned from captivity in Iran, we forget those who may very well still be in captivity in Southeast Asia. We want to know about these men. We insist on knowing about them. And we are going to keep on insisting until our demands are met.

TRIBUTE TO MARINE SGT. RODNEY "ROCKY" SICKMANN

(Mr. BAILEY of Missouri asked and given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAILEY of Missouri. Mr Speaker—

Where liberty dwells, there is my country.—BENJAMIN FRANKLIN.

Welcome home, Rocky. For 444 long and anguished days, we have missed you. And now we, as a nation, join with your family and friends in heartfelt joy and jubilation that you are free and back home again.

The past 14½ months have been a time of personal trial for you and a time of national reappraisal for us. On that grim November day when you were taken hostage by Iranian terrorists, our Nation was fragmented, groping without purpose, and searching for meaning after two decades of domestic and foreign turmoil which had shattered our confidence, our self-esteem, and our sense of national purpose. The seizure of the American Embassy in Tehran dealt another hard blow to American pride.

But strangely, that same tragic event—an event which you and 51 other Americans endured with courage and dignity for 64 long and trying weeks—accomplished something which no individual, no change of our Government, and not even our Bicentennial of 4 years ago were able to do. It brought our country together again. We became united as a people and a nation.

Today freedom must have a new and special meaning for you. And because of your sacrifice and that of the other American hostages, freedom also has a new meaning for this Nation. Americans greet you waving Old Glory. We lift our voices and sing "God Bless America" with a feeling and meaning long absent from our Nation. We are proud of you and proud of the ideals and principles of freedom and liberty which so clearly set our Nation apart from the lawless country that held you captive for so long.

Patriotism—red, white, and blue patriotism—is back in style again, no longer relegated to occasional expressions on a few national holidays and mumbled refrains at the beginning of

sporting events. Rather, pride in being American has again awakened in our national soul. We again believe in ourselves, and in each other, and in our Nation. It took the trauma of your captivity, Rocky, to jar us from two decades of paralyzing doubt and internal dissension.

So, Rocky, we welcome you home with cheers, with pride, and with heartfelt thanks that your ordeal is over. But we, as a nation, also owe you a debt far beyond the 444 days you spent apart from us. We may overwhelm you in the weeks ahead with our outpouring of emotion. I hope you will forgive our intrusions and understand perhaps what we are trying to say to you and what you have meant to us—we want to thank you for making us whole again.

Marine Sgt. Rodney "Rocky" Sickmann was one of the Americans taken hostage at the American Embassy in Teheran on November 4, 1979. On July 26, while captive in Iran, Rocky turned 23 years old. Throughout Rocky's ordeal, his parents, Virgil and Toni Sickmann of Krakow, Mo., and his two sisters and two brothers, typified the grace, dignity, and faith with which the hostage families confronted their personal ordeal. When news of Rocky's imminent release came to the Sickmanns, they were joined by their priest in a private mass of thanksgiving which Mrs. Sickmann described as "the most wonderful thing in our lives." Rocky's strength of character and cheerful smile became known to millions of Americans over the past year and 4 months. On arrival in Germany, Rocky summed it up for a lot of us. When asked by a reporter what his first priority was after regaining his freedom, Rocky responded: "I can't wait to see the good ole U.S."

HOSTAGE TAKING MUST BE FULLY INVESTIGATED

(Mrs. SNOWE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SNOWE. Mr. Speaker, I am elated that our 52 fellow citizens are safe and free: In fact, they will be passing by the Capitol soon. Obviously, they will never forget their ordeal; I only hope they and their families can adjust and pick up where they left off. I wish them the best.

Unfortunately this is not the first instance of hostage taking in our country's history. We have endured similar situations in the past. We must be better prepared to deal with such terrorist activity in the future. Consequently, I feel a full congressional investigation into this matter is certainly in order and should be a priority for this House in the 97th Congress. I have written Speaker O'NEILL, Republican leader MICHEL, and Chairman ZABLOCKI and ranking member BROOMFIELD of the Foreign Affairs Committee, calling for such an investigation.

Recent press reports have raised questions about American policies during this period. Self-indulgent second guessing would be damaging at this point. However, it is very important that we review exactly what steps were taken to deal with the Iranian situation, both before and after the hostage taking. A careful examination of American policies would set the record straight, and aid in preventing future disasters. We cannot rewrite history, but we can learn from it.

The actions of the Iranian Government are contemptible and worthy only of disgust and condemnation. The Americans who endured the abuse of human rights and the degradation deserve our utmost respect and understanding. We must take steps to examine this incident as soon as possible so that we may fashion a foreign policy which will attempt to avoid such events in the future.

RETURNING AMERICAN HOSTAGES

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, today is a very joyous one for all Americans. Chaplain Ford, that was a beautiful and very appropriate prayer to open our session today. The prayers of millions of Americans have been answered as well as those of millions of other freedom-loving people throughout the world, and we are all very, very grateful.

We in Delaware are especially grateful because our fellow citizen, Marine Sgt. Gregory Persinger of Seaford, is one of those Americans who had been held hostage for close to 15 months and who is returning home to his family and friends. I join with his mother and father and with his family in thanking God for his safe return.

Many of us here in this body have been displaying the American flag outside our offices. I look at my friend and distinguished colleague from South Carolina, CARROLL CAMPBELL, who has been wearing that yellow ribbon for over a year. I know he is going to be delighted to take it off as a display of his gratitude for the return of the hostages.

But I think, my colleagues, it is also a time when we should remember those Americans who volunteered for one of the most dangerous missions in the history of our country, and that we should especially give our special gratitude for those Americans who made the ultimate sacrifice and to their families as well as to those Americans who were injured on that most dangerous mission. We should resolve here today to honor them in the best possible way by making absolutely certain that we send a clear and unmistakable message to all totalitarian regimes, to all irrational people such as the Ayatollah Khomeini and others in Iran that we will never again tolerate, as the United States of America, this type of irrational, despicable terrorist activity.

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THE BRAVE MEN WHO LOST THEIR LIVES

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I join with others here. That was, indeed, a wonderful prayer with which to start this day on which our 52 fellow citizens are coming to the Capital. But I have eight other names that I would like to bring to the Members' attention, eight people referred to by my colleague who has just spoken. Theirs was a hard and bitter end in a far country, in sand storm and fire. They lost their lives. I would like to list their names so that they shall not be forgotten: Capt. Richard Bakke of the Air Force from Long Beach, Calif.; Sgt. John Davis Harvey of the Marines from Roanoke, Va.; Cpl. George Holmes, Jr., of the Marines from Pine Bluff, Ark.; Sgt. Dewey Johnson of the Marines from Jacksonville, N.C.; Capt. Harold Lewis of the Air Force from Mansfield, Conn.; Sgt. Joel Mayo of the Air Force from Bonifay, Fla.; Capt. Lyn McIntosh of the Air Force from Valdosta, Ga.; and, finally, Capt. Charles T. McMillan of the Air Force from Corryton, Tenn.

This is a list of brave men who lost their lives trying to save their fellow citizens. We should remember them and, indeed, as has been said, do everything in our power to see that it does not happen again.

The Foreign Affairs Committees in both the other body and in this House already have announced that they will hold hearings to find out what happened, to see how this can be avoided in the future, and surely this is the least we can do, not just for those who have returned so triumphantly to us, but for those who lost their lives in the desert in Iran.

HONORING THE HOSTAGES AND THE OTHER BRAVE MEN

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, today, I join the rest of the Nation in honoring those brave 52 people who were recently released by their captors and are returning home.

It is truly a time for national pride and celebration, however, as is often the case, our period of rejoicing is tempered with the remembrance of sorrow. In the early hours of April 25, 1980, the announcement came that a helicopter and cargo plane had collided in the Iranian desert during an attempted rescue of the hostages. In that accident, eight U.S. servicemen, all of whom volunteered for the mission, were killed. They were:

Capt. Richard L. Bakke, USAF; Capt. Harold L. Lewis, Jr., USAF; T. Sgt. Joel Mayo, USAF; Capt. Lyn D. McIntosh, USAF; Capt. Charles T. McMillan II, USAF; Cpl. George N. Holmes, Jr., USMC; Sgt. John D. Harvey, USMC; and S. Sgt. Dewey L. Johnson, USMC.

In this time of joy, these men who gave their lives in the line of duty cannot be forgotten. The wife of Joel C. Mayo has come from my congressional district to take part today in the ceremony honoring the returned hostages at the White House. I believe that this honor is appropriate and is the best way we can express our gratitude and appreciation for a debt that could never be repaid.

WELCOMING THE CAPTIVES

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, I rise to join my colleagues in welcoming the captives from the takeover of the American Embassy back to the Capital of this Nation. All Americans are proud of the way that they have borne their burden of captivity. We sympathized with their families and we prayed for them.

I particularly want to welcome Mr. William Belk, of Columbia, S.C., and with his wife, Angela, share the joy of having him home. But I also want to join my colleagues in recognizing and sharing in the pride of those who gave their lives in their efforts to bring freedom to those held captive. They are all heroes.

Over 1 year ago we started wearing yellow ribbons as a symbol of our concern. We will now take the ribbons off, but we will not forget them, and we will not forget what they have stood for.

INTRODUCING LEGISLATION EXPRESSING SENSE OF CONGRESS CONCERNING OUR EMBASSIES AND DIPLOMATS

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, today, the day on which 52 very special Americans are honored for their bravery during their captivity by the Iranian militants, I feel it is incumbent upon this Congress to take what steps it can to prevent such an occurrence from ever happening again. There is little in this whole bizarre, unprecedented episode that might stand as a deterrent, or even discouragement to similar acts in the future. That is a fact that tempers our celebration today.

The agreement, negotiated under duress by the previous administration and the Iranian Government, contains nothing in the nature of sanctions against Iran for its illegal conduct.

Unless clear-cut policy decisions are established at this time, before another such terrorist takeover occurs, we are creating an atmosphere that may invite another terrorist group to attempt a similar intrusion into one of our Embassies.

I am today introducing a resolution expressing the sense of the House as to what steps should be taken in the event of a future detainment of our recognized diplomatic personnel by any government, its agents, or sanctioned by any government.

All countries of the world should be put on notice that America will never again stand for another attempt at extortion by invading one of our Embassies and taking our diplomats hostage.

I invite my colleagues' support of this measure.

THE LAST CONGRESSIONAL SESSION ENACTED LEGISLATION PROVIDING BENEFITS FOR HOSTAGES

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. I wish to associate myself, Mr. Speaker, with the remarks of previous Members on both sides of the aisle on the subject of the release of our 52 hostages and the 8 servicemen who lost their lives in the rescue mission. I should also like to point out, since no one has mentioned it this afternoon, that in the last session we did pass special legislation providing benefits to the hostages. They will now be eligible for benefits as have their families. The intent of that legislation, which had the total support of the Congress, was that when they were released safely—as they have been—that as soon as practical they reenter the mainstream of society, and in as practical a fashion as possible readjust to freedom as well as to the obligations that they are able to meet as skilled members of our society. I think Congress acted with foresight. We will see to it that the law is effectively implemented.

A TRANSITION PERIOD FOR GASOLINE DECONTROL

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, it is my understanding that President Reagan may deregulate the gasoline marketing industry in the very near future. Pricing controls were first implemented in 1971; allocation controls followed the 1973 embargo. After 10 years of these regulations, the industry needs a smooth, orderly transition from controls back to the free marketplace.

I would recommend that the White House seriously consider a transition period between the time of early gasoline decontrol and the time the Emergency Petroleum Allocation Act expires on September 30, 1981. Such a transition period should include a minimum supply commitment by refining companies to the independent small business distributors and retail dealers they have been supplying. I would further recommend that adequate notice of refiner marketing area withdrawals, contract terminations by refiners, and changes in traditional credit practices accompany such a transition period.

A total of 82 percent of our Nation's gasoline reaches the consumer via the independent network. These businesses employ several hundred of my constituents in Pennsylvania's 11th District and hundreds of thousands more all across the country. The failure of refining companies to insure adequate supplies to independent small business distributors during this transition period could put hundreds out of work in my district and thousands throughout the Nation at a time when the unemployment rate is unbearable. In this regard, I believe my colleagues will be interested in the following excerpts from a policy paper of the National Oil Jobbers Council entitled "The Deregulations of Energy Resources":

WHAT IS A PETROLEUM JOBBER?

Webster's defines "jobber" as a "wholesaler who operates on a small scale or who sells only to retailers and institutions." In the petroleum marketing industry, however, the functions of a jobber extend far beyond this narrow definition. An independent petroleum jobber often performs both a wholesale and a retail function in the petroleum product distribution process. Therefore the term "marketer" can often be used interchangeably with the term "jobber." While the vast majority of marketer dollar volumes are concentrated in gasoline and home heating fuel sales, jobbers also provide diesel fuel, LP gas, kerosene, aviation fuels, motor oils and residual fuel oil for industrial boilers or electric power generation.

The wholesale jobber function begins with the acquisition of product, usually at a refinery terminal. From the terminal, jobbers transport the product, store it at their own bulk plants, extend credit to their custom-

ers and then distribute the product to various wholesale accounts.

The retail function of jobbers may include the ownership of service stations or retail outlets, the management of salary-operated outlets, and sales of motor gasoline and heating fuel to farms, ranches, local governments, other small businesses and the consuming public.

Some of these marketers provide only motor fuel or heating fuel, but a significant number provide both motor fuel and heating fuel in addition to other petroleum products. The majority of heating fuel marketers sell all their product directly to ultimate users including residential consumers. One jobbership generally serves several thousand American consumers.

There are an estimated 34,300 gasoline jobbers and heating fuel dealers in the United States. The National Oil Jobbers Council (NOJC) speaks for more than 22,000 of these marketers as their representative in Washington, D.C. NOJC is a federation of 46 state and regional associations which represent the independent petroleum marketer at the state level.

These member marketers provide 48 percent of the motor gasoline and 85 percent of the home heating fuel sold in the United States. They have proven to be the most innovative marketers in the petroleum industry. Independent small business petroleum marketers have led the way in convenience stores, car washes, and self-service gas stations. As the home heating business is a seasonal one, heating fuel dealers often diversify into other businesses such as heating, air conditioning or solar installations to make most efficient use of their assets. More than 90 percent of these independent marketers are classified as small businesses by the Small Business Administration. Their closeness to the communities they serve allows jobbers to establish the most efficient and effective service to consumers. Their economic viability must be preserved to continue this high standard of service to the consumer.

THE DECONTROL OF MOTOR GASOLINE

The gasoline marketing industry has been under federal government regulation for a decade. Price controls were initiated in 1971; the allocation of gasoline was imposed at the time of the 1973 oil embargo. The Emergency Petroleum Allocation Act (EPAA) which authorizes these controls is scheduled to expire on October 1, 1981. However, the President of the United States has the statutory authority to issue an executive order at any time deregulating petroleum and gasoline products.

Although a vast majority of gasoline jobbers support the concept of decontrol, they know the need for a smooth, orderly transition from a decade of controls back to the free marketplace. During the past ten years the federal controls have acted as a huge dam holding back a large reservoir of refiner marketing decisions which would normally have occurred during the controls period. The fear of independent small business marketers is that an immediate gasoline decontrol order would lift the floodgates, releasing 10 years of pent-up refiner decisions all at once. Such a "tidal wave" of marketing changes (i.e. refiner marketing area withdrawals, contract terminations and credit policy changes) could wipe out a significant number of efficient gasoline distributors, their dealer networks and have an adverse impact on the American consumer.

Therefore, the National Oil Jobbers Council (NOJC) whose membership markets 48 percent of the nation's gasoline, has suggested that a reasonable transition period be instituted to assure consumers that motor gasoline will be available on an equitable basis following decontrol. Such a transition period would provide for minimum supply commitments by refiners and adequate notice of any changes in marketing practices:

GASOLINE DECONTROL TRANSITION PERIOD

A transitional supply commitment to those customers supplied during the prescribed base period;

Adequate notice of refiner marketing area withdrawals;

Adequate notice of refiner decisions to terminate supply contracts; and

Adequate notice of refiner decisions to change credit policies (i.e. prompt payment discounts, hauling allowances, credit cards, etc.).

Such a transition period would permit refiners the flexibility to make smooth, orderly marketing changes and would also allow those small businesses involved in gasoline distribution the time to react to changes in their supply situation and credit policies.

Refiners would no longer be mandated to offer additional gallons manufactured to their current customers, as they would under federal controls. Increased gasoline production over and above base period commitments could be assigned to those areas experiencing growth demand or spot shortages.

The goal of such a gasoline decontrol transition period is to assure the American public and consumers that gasoline supplies will be available in all parts of the country following decontrol.

□ 1230

RUBY M. ROUSS, A REMARKABLE NEW PRESIDENT

(Mr. DE LUGO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DE LUGO. Mr. Speaker, recently, the Legislature of the Virgin Islands chose a very capable leader as president. It is not remarkable that Ruby M. Rouss was chosen for the foremost position in the legislature. She has demonstrated her leadership capabilities in years of public service. Her impeccable character and her strong sense of stewardship, as well as her insights into the problems of the Virgin Islands make her the logical choice for the job as president of our legislature.

What is remarkable about the election of Ruby M. Rouss to this post, is that she is the first black woman ever elected to preside over the legislative body of any State or territory of the United States. Ruby Rouss is a close friend of mine and I share with my fellow citizens a great sense of pride that Ruby has earned that very special place in American history. But, most of all, I am proud to represent a constituency that recognizes the quality of leadership and places the best leaders in office, without regard for race or sex.

Mr. Speaker, I have a copy of an editorial published in the Daily News of the Virgin Islands which pays tribute to Ruby Rouss with far better words than mine. I include it in the RECORD:

A SPECIAL OCCASION

Last Monday's swearing in of Ruby M. Rouss as president of the 14th Legislature was a very special occasion. Special because the opening session of every Legislature is a big event in the Virgin Islands.

But this occasion had that something extra. Rouss is the first black woman ever elected to preside over a legislative body in any state or territory under the United States flag. Of that, we are all proud.

It became a joyously emotional occasion when Rouss shed a few tears during her acceptance speech. It was a moment of warmth and togetherness as everyone in the crowded room shared in her accomplishment.

Finally, we were particularly impressed with her acceptance speech. Certainly, words do not make deeds. But intentions backed by an iron will can accomplish wonders.

Listen to these words from the new president of the Legislature:

"I further pledge my best efforts . . . to uphold the simple virtues of honesty and integrity. We cannot allow our people, particularly our youths, to continue being cynical about the government and its leaders.

". . . there are those (in government) who abuse their trust and shirk their legal responsibility by evading the clear-cut requirements of law. Others invite disrespect for government by brazenly diverting public funds or property for their own personal benefit.

". . . we will ferret out the wrongdoers . . . by going to court if necessary, to uphold the law. We will focus attention on waste, mismanagement and misuse of government funds as has never been done before."

It is obvious that Ruby M. Rouss has a good grasp of the problems facing the islands, problems brought about because of irresponsible government.

We are encouraged by her remarks. The people of the Virgin Islands will be keeping a close watch to determine if actions do indeed follow words.

TRIBUTE TO OLIN "TIGER" TEAGUE—A HOUSE LEGEND

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I was deeply saddened to learn of the death of our beloved former colleague Tiger Teague this past Friday, January 23.

For 32 years, Tiger Teague served this House with unique distinction and unquestioned stature. For 17 of these 32 years, he served as chairman of the House Veterans' Affairs Committee—which was a natural assignment for him because of his outstanding military record in World War II. During 6 months of combat, Teague won three Silver Star Medals, three Bronze Star Medals, three Purple Heart Medals, and the Combat Infantryman's Badge.

He was wounded in the war and was discharged as a full colonel.

Tiger Teague was a friend of American fighting men. This was reflected in the progressive legislation which emanated from the Veterans' Affairs Committee during his tenure as chairman. Teague fought for increased educational benefits under the GI bill—he provided for meaningful increases in disability pensions for veterans and their survivors. He worked to insure that Veterans' Administration hospitals had adequate services to tend to the needs of all veterans. Yet, Tiger Teague was a fiscal realist—he made all these improvements while fighting to eliminate waste in the vast VA bureaucracy.

Tiger was also the chairman of the Committee on Science and Technology from 1972 until his retirement from the House in 1979. While in this capacity, he worked hard to insure that our Nation had adequate funds to maintain its superior status in the so-called space race. He also worked for adequate funding levels for the various defense programs which fell under the purview of his committee.

For Tiger Teague, patriotism was not a temporary state—it was a permanent condition—he wore his pride for his country like one wears a good suit. He was an enormously popular man in the House—I had the pleasure of serving with him for some 10 years. He was a man whose word was good, whose counsel was always sound, and he was someone who loved this institution. He was a great constituent Congressman even with the unusual demands created by the vast congressional district he represented—the famous Sixth District in Texas which stretches from just north of Houston to just south of Dallas.

Tiger Teague will be missed by his friends. He will be remembered by all those who love their country as a patriot—a man who fought to protect our freedoms and then worked for the rights of other fighting men. There is a sad irony about today. We bury Tiger Teague in Arlington Cemetery—where thousands of other American military heroes are—on the same day when this Nation welcomes back 52 other American heroes—our hostages from Iran. Tiger would have loved to be part of today's activities. We can only hope that his record of service to this Nation will serve as a model for all future generations of both soldiers and Members of Congress.

REGULATORY NEGOTIATION BILL

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PEASE. Mr. Speaker, hardly a day goes by that I do not hear from a constituent complaining about Federal regulations or the procedures to be followed in adhering to them, and I venture the same is true for many of you.

This has underscored to me the need for the Congress to view from a broader perspective the daily struggle to keep up with the activities of the various Federal agencies. More importantly, it is especially important that we reexamine Federal regulatory decisionmaking in relation to its effects on American business, industry, and labor. If American strength is to be reasserted in international commerce and productivity is to be improved at home, regulatory reform will be essential.

Today I am reintroducing a bill, the Regulatory Negotiation Act of 1981, which is a different and promising approach to regulatory policymaking. It authorizes $1.4 million for payment of administrative costs for up to five nongovernmental regulatory negotiations to be established on a pilot project basis in each of the next 2 years.

You might be wondering—what is regulatory negotiation? Briefly, it is a process in which nongovernmental representatives of competing positions in a major issue area—business and labor for example—negotiate a detailed, consensus agreement on what the regulatory policy in that area should be. This approach could be used at one of two points in the regulatory policymaking process: First, after passage on new laws, but before promulgation of resulting regulations; or second, when laws or regulations need reevaluation or reauthorization. Currently the bill provides that the regulatory negotiation commissions focus on health, safety, and environmental issues. Commission recommendations would be made available on an advisory basis to the Congress and to the appropriate Federal agencies. They would serve as a guide for what the Federal Government should or should not do in promulgating rules and regulations in relation to such issues.

Under my bill a neutral Government body—the Administrative Conference of the United States—would propose issues for consideration by nongovernmental regulatory negotiation commissions and would accept applications for funding. In this way, the conference would be certain to review proposals for commissions in accordance with such key criteria as balance among participants and outlook for reaching meaningful, significant agreements.

The regulatory negotiation process has been used very successfully at the local level. Disputed issues concerning facility siting, local environmental regulations, and waste management have been resolved through such negotiations rather than through prolonged, costly litigation. Nationally, this approach has been successfully used by the national coal policy project and by the Conservation Foundation in relation to toxic substance policy. Specifically, the national coal policy project brought together over 90 industrialists and environmentalists for negotiations. After 2 years, the project produced a major document entitled "Where We Agree" with many constructive administrative and legislative recommendations which have been adopted as policy or are being actively considered.

Despite the potential of this approach to regulatory policymaking, its use has been limited. I am convinced that the real explanation for this lies in the fact that the approach is new and largely unknown. The following article from the October 25, 1979, issue of the National Journal calls attention to this fact.

A small experimental program encouraged by the Federal Government should give this approach a boost as well as provide a laboratory for its refinement. Moreover, in the next few years, several major regulatory policies must be shaped in such public policy areas as automobile emissions, the impact of water and air quality regulations on the steel industry, and the more effective management and containment of chemical wastes. The 10 pilot commissions authorized by this bill could have a substantial impact. The lawsuits they will eliminate the need for will alone more than justify their cost. Is it not about time we try an approach that could prevent regulatory logjams rather than attempt to make sense of them afterward?

In closing, I want to mention that spokesmen for the Carter administration, representatives of environmental and industry groups, and participants in actual regulatory negotiation commissions have all enthusiastically endorsed the approach provided in this bill. They testified in support of such legislation last summer before the Senate Small Business and Governmental Affairs Committees. It is also consistent with much of what President Reagan has said about regulatory reform.

Senator CARL LEVIN will be introducing a companion bill in the Senate. He and I are hopeful that these bills will receive prompt and favorable consideration. The article follows:

[From the National Journal, Oct. 25, 1980]

DOING IT WITHOUT THE GOVERNMENT

(By Christopher Madison)

At a time when most attention—and despair—are focused on established political institutions and processes, it is more encouraging to notice and celebrate efforts at problem solving that have sprung up out-

side traditional channels. The National Coal Policy Project is such an effort and, because it will soon go out of business after four years, a look back at what has been accomplished is worthwhile.

When the energy crisis collided with the environmental movement in the 1970s, coal was the natural battleground. You couldn't dig it, transport it or burn it without generating controversy. The dilemma was particularly poignant when you realized that coal was, after all, the nation's most abundant energy resource. What could be more appropriate for a harmless giant of a nation than to be so stymied by conflict that it couldn't use its own resources and had to turn to imports, ruining its economy in the process?

The National Coal Policy Project was an effort to transcend the interest-group thinking and posturing that had become second nature to the industry and the environmentalists. It was conceived by Gerald L. Decker, corporate energy manager at Dow Chemical Co., who with his industrial colleagues realized that the nation had to use its coal but could do so only if there were peace between the industry and the environmental community.

Decker's environmental counterpart was Laurence I. Moss, a past president of the Sierra Club. Eventually, about 70 persons participated in the project, which was organized by Georgetown University's Center for Strategic and International Studies and financed by foundations and a few government grants.

The notion behind the project was simple. Activists on both sides of the coal issue were weary of the adversary process in the courts and administrative agencies, where most of the energy-environment conflicts ended up. The adversary forum, they realized, forced them to take positions they weren't always comfortable with. As Francis X. Murray, the project's executive director, told the Senate Select Small Business Committee last summer: "Our energy and environmental problems would seem to cry out for more cooperative approaches and a need for a sense of national consensus. Our adversary system seems poorly suited to engender more constructive attitudes." So the industry and environmental representatives agreed to meet in an informal setting and attempt to find consensus and solutions to the thorniest coal issues and problems.

They were guided by a set of negotiating principles known as the "rule of reason," a program developed by Milton R. Wessel for lawyers frustrated by traditional litigation. These principles state that the participants shouldn't use delaying tactics, withhold information or attempt to mislead each other. Dogmatism is also to be avoided.

The participants formed task forces on the major coal issues, which met regularly through 1977. The result, published in 1978, was "Where We Agree," a 900-page report containing the project's policy positions and recommendations on the major issues.

There are, among the recommendations, some surprising concessions by both sides. The environmentalists, for example, agreed that the free market should replace government regulation of energy pricing wherever possible. They also agreed, after years of strategic delay over the siting of power plants, that such decisions should be expedited, as long as efforts are made to build the plants where the energy is consumed rather than in remote areas where the coal is mined. These last two points represent industry concessions. Others include agreement that sensitive areas shouldn't be mined unless reclamation techniques are developed and that major production increases should come from the deep mines of the East as well as the strip mines of the West.

You would think that negotiating 900 pages of agreements would be the most difficult part and that it would be relatively easy, given the fact that a constituency has been developed, to put some of the recommendations into practice. Happily, this turned out to be true in at least a few cases. On surface mining regulations, the Interior Department has adopted some of the project's recommendations, albeit without giving the project credit. The Federal Energy Regulatory Commission was more direct, inviting members of the project to participate in its effort to remove regulatory barriers to co-generation—the use of byproduct heat or steam for further manufacturing processes—and drafting the regulations along the lines suggested by the project.

Members of the project couldn't work miracles, however. Its mining task force, which found itself dissatisfied with the Carter Administration's new coal leasing program, devised a new system and circulated it for comments. The reaction was negative from all sides, and the recommendations will be put on the shelf. The air pollution task force was unable to resolve a number of issues, even though there was general agreement that the Clean Air Act regulatory scheme doesn't get at the real problems, such as acid rain. So for the moment they have decided to live with the scheme because it is known, rather than risk the unknown.

Some of the project's most important accomplishments may come only after it has been disbanded. Just before Congress recessed for the election, several bills were introduced, with impressive bipartisan support, that are major recommendations of the task force. One would set up experimental "regulatory negotiation" panels, patterned after the coal project, that would try to resolve other major regulatory disputes in an informal setting. Others would encourage development of experimental pollution control systems through the use of exemptions from the existing regulations and mandate the expedited siting of coal-fired plants.

It will be up to the next Congress and President to determine what happens to these proposals. But already, something interesting has happened: people have attempted to solve their problems without resorting to the government.

FIFTY-TWO HOSTAGES

(Mr. WON PAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WON PAT. Mr. Speaker, I want to add my voice to that of my colleagues and the millions of our fellow citizens who feel such joy at the return of our 52 hostages from Iran. I know I speak for all of the 106,000 residents of Guam when I say that "it is just great to have you back." Perhaps the fact that we the people of Guam were once held hostage ourselves for 3 long years while our island was occupied by the enemy during World War II gives us a special appreciation for how you—our former hostages—must feel as you once again savor the essence of freedom.

I also want to extend my heartfelt gratitude to President Carter, Secretary Muskie, Under Secretary Christopher, and the Algerian and German leadership for their steadfastness and perseverance through the final stages of this long and tortuous crisis. We may not all be equally satisfied with all of the contents of the final negotiated agreement but it is my feeling that we should learn to live with it. The United States of America gave its word. We have learned a hard lesson from this tragic event and let us hope it will never happen again.

TRIBUTE TO THE LATE HONORABLE OLIN E. "TIGER" TEAGUE

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, today, later this afternoon, we will gather to bury our good friend, Tiger Teague.

Many of us who served in the House with Tiger Teague all have so many great memories of Tiger. He was the most decorated war veteran who served with us. In fact, we all remember that Tiger was still carrying his shrapnel with him when he was serving in the House, as his reminder of three Purple Hearts. But Tiger was more than a war hero. He was a great statesman. When I think of Tiger I remember his love for his college and the traditions of Texas A. & M. He was the greatest Aggie with the patriotic Aggie spirit. We remember him for his service in Congress as chairman of the Committee on Veterans' Affairs. We remember him as chairman of the Science and Technology Committee. He was dedicated, he was sincere. If ever a man believed in God and country, it was Tiger Teague. Those of us from Texas, we have lost Tiger, but the Members from Texas all know that in our history he will always go down as one of the greatest that ever served his Army, his Congress, and his country.

COMPENSATION IN LIEU OF SALARY TO THE HONORABLE GLADYS NOON SPELLMAN

Mr. LONG of Louisiana. Mr. Speaker, I send to the desk a resolution (H. Res. 41) relating to compensation in lieu of salary to GLADYS NOON SPELLMAN, and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 41

Resolved, That, from the contingent fund of the House of Representatives, the Clerk of the House of Representatives shall, at the end of each month pay as compensation in lieu of salary to Gladys Noon Spellman an amount equal to the compensation which would be payable in accordance with section 39 of the Revised Statutes (2 U.S.C. 35) but for her inability to subscribe to the oath of office. The Clerk shall deduct from any such payment the amounts necessary to provide for continued (1) health and life insurance and retirement benefit coverage and (2) Federal and State income tax withholding.

Sec. 2. (a) Until otherwise provided by law or by action of the House of Representatives, administrative support may be provided and clerical assistants for the office of Gladys Noon Spellman may be designated and adjusted by the Clerk of the House of Representatives (in accordance with any regulations prescribed under subsection (b)) and borne upon the clerk hire payrolls of the House of Representatives. The Clerk shall take such action as may be necessary to apply the principles of section 2 of the joint resolution entitled "Joint resolution relating to the continuance on the payrolls of certain employees in cases of death or resignation of Members of the House of Representatives, Delegates, and Resident Commissioners.", approved August 21, 1935 (2 U.S.C. 92c), to clerical assistants employed pursuant to the preceding sentence.

(b) The Committee on House Administration shall have authority to prescribe regulations for the carrying out of this section.

(c) Payments under this section shall be made on vouchers approved by the Committee on House Administration and signed by the chairman of such committee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. DERWINSKI. Mr. Speaker, reserving the right to object, I do so only so that the gentleman from Louisiana (Mr. LONG) could give us whatever explanation he has of this matter.

Mr. LONG of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Louisiana.

Mr. LONG of Louisiana. I thank the gentleman for yielding.

Mr. Speaker, the resolution has been agreed to by both the Speaker and the minority leader, as I understand it. It is merely a housekeeping resolution that is required because of the fact that the existing law under which a situation as this would be handled does not cover the situation whereby the Member becomes incapacitated prior to their taking the oath of the office for which they are elected. Consequently, this is required for that instance.

As I understand it, also, this would in no way preclude and certainly is not intended to in any way preclude consideration of the ultimate status of Mrs. SPELLMAN's seat.

□ 1240

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. Mr. Speaker, I yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, I just have a couple of questions. Certainly, we understand that this is a housekeeping procedure, but I would like to ask just a couple of questions, if I could, of the gentleman from Louisiana.

I understand that this is compensation pay, not a salary, so that if there is a termination in any way declared by the Speaker, that would terminate the compensation. Is that correct?

Mr. LONG of Louisiana. That is my understanding. It is phrased as compensation and not as salary.

Mr. LOTT. All right. Would this in any way affect the proxy voting in subcommittees or committees, this resolution?

Mr. LONG of Louisiana. I am informed that because of the fact that the Member has not been sworn in, there would be no voting rights in this instance.

Mr. LOTT. I thank the gentleman.

Mr. DERWINSKI. Mr. Speaker, I might add that as ranking minority member of one of the committees on which the gentlewoman from Maryland served, I think this is a very practical and necessary action by the House. I think it is one of the ways we have to handle this very difficult and unusual situation.

I commend the gentleman from Louisiana for his leadership in this effort.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MISSING IN ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 60 minutes.

● Mr. GILMAN. Mr. Speaker, just a few days ago, the families of 52 Americans witnessed an event they had waited 14 months for—the return of their loved ones who had been held captive in Iran for more than a year. The joy and relief experienced by all of the families whose husbands, sons, and sisters had returned told on their faces as they saw their relatives safe, sound, and free.

But for the families of 2,500 American servicemen who are still unaccounted for in Vietnam, Laos, and Cambodia, a dream of reunion has passed, and has been replaced by bitterness and uncertainty. Some of the families of our missing in action and known captured in Vietnam and Laos have endured years of uncertainty not knowing if their loved ones were alive, dead, or would ever return.

Most Americans are shocked to learn of the extensive number of missing servicemen still unaccounted for in the Vietnam war, and still more distressed to learn that many servicemen who were known POW's were never returned to us even after the Paris peace accords were signed in 1973. The Vietnamese photographed, taped, televised, and propagandized our POW's; tragically, some of the same POW's whose photographs were used to humiliate the United States were never to return home.

While the Congress and the families of our missing in action have requested that the Vietnamese provide us with a full accounting of our missing in action, we have received minimal cooperation from the Governments of the Socialist Republic of Vietnam, Laos, and Cambodia. The SRV has expended considerable time and money trying vainly to convince the world and the American people that they have provided us with all the information available on our missing and captured servicemen; and yet, when asked a few months ago to accept petitions from hundreds of thousands of Americans genuinely interested in the issue of a full accounting, the Vietnamese told our veterans groups that they would not accept their petitions. This followed on the heels of a publication circulated by the Vietnamese Government claiming that—

> Vietnam's humanitarian policy and goodwill are clear. The Vietnamese people and the government have carried out a policy of clemency and generosity towards the American prisoners of war and those who remained in Vietnam after April 1975, as well as those who died in the Vietnam war. This has been acknowledged on many occasions by the U.S.—From the pamphlet "On the Question of Americans Missing in the Vietnam War," Department of Press and Information, Ministry of Foreign Affairs, Socialist Republic of Vietnam, 1980.

In a letter to our Representative at the United Nations, Nguyen Ngoc Dung, Deputy Permanent Representative of the SRV to the United Nations, reiterated that the policy of Vietnam as regards our MIA's and POW's is humanitarian. The UN's representative enclosed in his letter to Ambassador vanden Heuvel a copy of the aforesaid pamphlet, to again refresh our memories about the humanitarian gestures provided by the Vietnamese. These gestures include the repatriation of only 71 sets of remains in the 8 years since the end of the Vietnam war. Charging that the U.S. Government sought to take advantage of Vietnam's humanitarian policy, the Vietnamese, in their letter of refusal of the petitions, contended that:

> To our regret, the American side has so far taken a negative attitude and action with regard to this Vietnamese humanitarian policy.
>
> We are of the view that the collect(ion) of signatures on the MIA question is only

aimed at taking advantage of this humanitarian question to serve propaganda, political and ill-intentioned purposes.

American families who have waited, some as long as 15 years for a final accounting of their loved ones, do not consider the Vietnamese policy as humanitarian, nor do they consider the circulation of petitions as propaganda.

Mr. Speaker, the families, of our missing and our Nation, have waited far too long for a resolution of this issue. Several administrations have passed off the question of our missing in action as unimportant. We can no longer afford to allow this type of mindset to prevail. We urge our new President to do everything in his power to work toward a resolution of the issue.

Most relevant right now is the substantial number of live sighting reports which have come to the attention of our intelligence community and our Defense Department. Some of the refugees fleeing Vietnam have indicated that they have seen Americans in a prison camp type of situation. There are close to 300 firsthand live sighting reports which are being analyzed by our Defense Department. The report we received last year from a Vietnamese mortician withstood extensive and critical examination, leading to a conclusion that the Vietnamese were warehousing the remains of 400 Americans in Hanoi. When the Vietnamese denied us access to the site of that warehouse on our visit to Hanoi during January 1980, it gave even more credence to that report. Months later, the Vietnamese opened the site to reporters, to prove to them that no remains were being stored there.

I am enclosing for the record two recent refugee reports which have surfaced, and which indicate the sincerity and interest of the Vietnamese refugees in the resolution of the MIA issue. Mr. Speaker, I request that these reports be printed in full at this point in the RECORD:

REPORT A BY A VIETNAMESE REFUGEE

I would like to give you information regarding a missing American whom I know. I know that that American had parents still living in the U.S.A.; he once gave his parents' address to my parents. I'm sorry I have forgotten it.

His name is —— —— according to the letters he sent to my family. He was missing in Binh Dinh, VN, at the beginning or the end of 1973, after he has escaped from Nha Trang prison, he has come to visit with my family in Phu Tai, Binh Dinh. That American was an adopted son in my family from 1966 to 1969 and onward until 1973, I still meet him.

He has lived with us for three years, I consider him like my blood brother; my parents loved him like their own child. So I know him well, his character and other specifics, his qualities, and other details about him. I do not know the reasons for his disappearance. My older brother in Vietnam may know more about than I do. When he left us for good, I do not understand and was quite surprised.

Following are the specifics about the man. I shall give you more pertinent information after you reply to my letter.

1. The American is a civilian; he can speak and write Vietnamese almost as well as a Vietnamese. I believe he has attended Vietnamese language courses in the US.

2. Age around 36-37 year old. Height 1m72. White skin, blond hair, he is a protestant.

Please reply, or permit me to call you over the phone. I can give you much more info about that missing man.

REPORT B BY A VIETNAMESE REFUGEE

I read in Trang Den Magazine and understand that the League wish to receive information regarding American prisoners of war still being detained in Vietnam. The info is: A number of American POWs previously detained in Hanoi have been moved to Han Tan in South Viet Nam during the month of August 1980. They were transferred on the same train as other Vietnamese POWs from the grade of major and higher (who were also detained in North NCT).

When their ship arrived in Da Nang, our relative who was an Air Force Major, was on board that ship; he sent words to us that he was Duong, and that he was being transferred to the South. Upon hearing that our brothers and I followed up the matter. On that ship, there were American prisoners; my relative saw them very clearly. I affirm to you that this is true. I escaped from Vietnam on July 1980; my relative came to the U.S. in August 1980 and gave me that information. I also have checked out the info. When the train arrived at the Thanh Khe railroad station, Second District of Da Nang, there were a large number of security personnel escorting the trains.

I do not want any reward. I just came from Vietnam and I happen to know this info which I believe to be accurate I therefore to report it to you in order that the League can look for them, because they are the benefactors of Vietnam.

I want to reaffirm that this info is 100% accurate.

The Americans are being held in Han Tan—a little south of Qui Nhon. Everyone knows Han Tan, you know. Please communicate this info to the League so that the families can start seaching for them.

I wish you and the League good luck and success in this endeavor.

Mr. Speaker, for the past few years some of us have waited for change in this issue, and have waited patiently for a resolution of the MIA/POW question. At the present time, the 2,500 missing Americans have been political nobodies—simply statistics—and while America watched our 52 hostages for 444 days, it has been 2,820 days since the signing of the Paris peace accords at which time President Nixon assured the families that the POW's would be returned in 90 days.

Those 3 months have now matured into 8 years. And those 8 years have produced hundreds of refugee reports which have filtered into our country. And those 8 years have been an agonizing wait for the families of our missing.

I thank my colleagues for joining me today in expressing our hopes and our concerns, and want to thank the Defense Department for assuring us that the MIA/POW issue is not dead—particularly Gen. Eugene Tighe of the Defense Intelligence Agency and Adm. Jerry Tuttle of DOD. Together we can continue to work and progress, and someday soon, our Nation may have a full and exhaustive accounting of our missing in action.●

● Mr. HOLLENBECK. Mr. Speaker, it is a pleasure for me to take this opportunity to join with my distinguished colleagues and rise in support of our POW's and MIA's from the Vietnam war. As we stand here today, on the eighth anniversary of the signing of the Paris peace accords, we should realize that the Vietnam war has yet to end for approximately 2,300 American families. I refer to the families of our missing in action and known POW's who never returned from Vietnam, Cambodia, or Laos.

I am deeply saddened at the tragic loss of thousands of lives in Vietnam and my heart goes out to all those who have lost loved ones in that conflict. But perhaps just as tragic is the fact that hundreds of families still remain in doubt as to whether their loved ones are dead or alive.

During the past few years, I have had the occasion to review reports from refugees entering our country who indicate that Americans remain as prisoners in Southeast Asia. Given the substance and frequency of these reports, I believe that every effort should be made to ascertain their reliability. If just 1 in 100 bears some truth, then I feel we have made substantial progress toward helping a fellow American who has given so much in the service of his country. We must impress upon the Governments of Laos and Vietnam the importance with which all Americans view this issue.

Today, I have introduced a resolution which would designate July 18 as National POW-MIA Recognition Day—a day honoring all of the 142,000 POW's from the last 4 major conflicts. I believe a National POW-MIA Recognition Day would provide an appropriate forum to demonstrate our concern for their past sacrifices and their future realities. It would say to these brave men who fought in Southeast Asia and elsewhere that we remember the frustration of not being able to reach out and help, we remember the nagging suspicions caused by not knowing, and we remember the joy and pride we experienced upon their return.

I sincerely hope that a majority of my colleagues in this distinguished Chamber will join me in the effort to designate July 18 as National POW-MIA Recognition Day—not only on behalf of those captured in Southeast Asia but also for the thousands who

gave so much of themselves in our previous three conflicts.●

● Mr. YATRON. Mr. Speaker, the Vietnam era was one of the most turbulent and unsettling periods in recent American history. On January 27, 1981, we celebrate the eighth anniversary of the signing of the Paris peace accords which signaled the formal ending of the Vietnam war.

It is indeed unfortunate, however, that for some 2,500 American families the war still lingers. These are the families of our missing in action and known prisoners of war who never returned from Southeast Asia.

At this time, there is substantial evidence that the Governments of Vietnam and Laos have not provided us with all the information with respect to our MIA's and POW's in their respective countries. While those Governments have repeatedly stated that they are holding no Americans, reports coming from many knowledgeable and reliable Southeast Asian refugees have flatly contradicted this.

I find it a cruel and odious act to continue to deliberately withhold information regarding American MIA's and POW's. I join with the rest of my colleagues to implore the Governments of Vietnam and Laos to free any of our citizens they now hold because of the Indochina conflict and to provide any information regarding the whereabouts of those still missing.

It is time we put the whole question of Vietnam to rest. The families of the MIA's and POW's have suffered beyond what most of us can comprehend. The obvious humane gesture would be for Vietnam and Laos to be forthcoming on this issue.●

● Mr. HUGHES. Mr. Speaker, today has been a day of national rejoicing at the return of our hostages from Iran. The release of our 52 citizens has been greeted by all of our people with prayers of thanksgiving for their safe return and with a national party of unprecedented proportions.

We should remember that this was the occasion for similar prayers and happiness 8 years ago when our country signed the Paris peace accords signaling the formal end to the war in Vietnam, a war which divided our countrymen and which took the lives of many thousands of our young people.

We would be remiss, even on this day of national celebration, if we did not remember that as a result of that terrible conflict there are still Americans in captivity, Americans who have been seen by the refugees who have come into our country and into Thailand, escaping the Communist regimes in Laos and Vietnam which have terrorized them. They tell us that some of our people are still held in horrendous conditions, kept from their families and loved ones, denied even the basic rights of prisoners of war to have contact with the outside world and to have their conditions of imprisonment monitored.

This captivity is a source of grief and despair for 2,500 American families who wonder every day about the treatment of their sons, husbands, and fathers and about whether they will ever see them again.

I am deeply saddened to have to join with my colleague, Representative GILMAN, in his special order today to call attention to this heinous crime against our soldiers and their families. A civilized community of nations must hold in contempt any member nation which would refuse to notify the families of those they are holding as prisoners of war. International law and convention and the laws of the religions of all people dictate the basic human courtesies of contact with family and of information about conditions of imprisonment, especially in a war now officially over for 8 years.

I call upon the Governments of Vietnam and of Laos to provide for our country and for the families of these men a full accounting of our missing and of our known POW's who were never returned. I further call upon our allies and upon all nations of the world to join us in this request and in our condemnation of the conduct of the Governments of Vietnam and Laos. If this kind of treatment of prisoners of war is permitted to continue in this instance it can happen again and it can happen to the prisoners of any nation. This kind of barbarism by governments must come to an end. It is the responsibility of all nations to see that it does.●

● Mr. YOUNG of Florida. Mr. Speaker, we rejoice this week for the 52 hostages and their families as they are reunited after 444 days of separation. However, these celebrations cannot cause us to forget about the hostages of 8 years, those soldiers who never returned from Vietnam, who were never seen or heard from again.

For these 2,500 soldiers, and their families, it has been 2,922 days of waiting and hoping—8 years ago today, we initiated the Paris peace accords, which brought a formal end to the conflict in Vietnam. The peace accords meant an end to the military conflict, but not to the personal conflicts suffered during a time the families have wondered whether their loved ones are still alive.

Live sighting reports, which numbered over 300 last year, keep the hopes of these families alive, and disprove the claims of Vietnam and Laos, who maintain they hold no prisoners of war. Just as the country united behind the hostages in Iran, we cannot forget the plight of the missing soldiers in Southeast Asia.

Our prayers have been answered and the Iranian crisis is over. Let us continue to keep the POW's and MIA's in our prayers, never forgetting what they and their families have sacrificed for our country.●

● Mr. DICKINSON. Mr. Speaker, as we in this country rejoice at the freedom of the 52 American hostages who endured 14 months of savage captivity, I want to take a moment to reflect on the 2,546 civilian and military personnel whose fate is still unknown—our missing in action and POW's who have never returned from Southeast Asia.

As a member of the task force of POW/MIA's in the 96th Congress, and as ranking minority member of the House Armed Services Committee, I have reviewed information that indicated to me that there are Americans in Vietnam, Laos, and Cambodia being held against their will. These are men who selflessly fought for their country and the principles we hold so dear, and I hope that everyone in this Chamber will work to determine beyond a shadow of a doubt, if possible, the fate of those captured or missing in action who are still unaccounted for.

As we listen to our 52 heroes tell of the horrors they endured, let us not forget those who may still be living a life of terror. They, too, are heroes, and I pray that we will have the opportunity to welcome them home soon.●

● Mrs. HOLT. Mr. Speaker, all of us were overjoyed that Americans held in cruel captivity by the Iranian Government were released on January 20, and some of us were reminded of the disturbing and depressing reports that American prisoners of war may still be captives in Indochina.

Refugees from Vietnam, Laos, and Cambodia have reported seeing American prisoners. There have been a considerable number of these reports, and the governments of those Communist nations have never provided the United States with a full accounting of MIA's and persons known to have been POW's before the Vietnam war ended.

Those Communist governments say they are not holding any Americans, but there are reasons to doubt their claim. They say they have provided us with all the information available, but I doubt it.

Let us not forget that Americans may still be captive in Indochina, and let us not cease our efforts to verify any reports that would enable us to find them and secure their release.●

● Mr. CLAUSEN. Mr. Speaker, distinguished colleagues, I am honored to join you in this special order marking the eighth anniversary of the signing of the Paris peace accords.

One week ago today, one of the most dramatic moments in U.S. history took place when Ronald Reagan took the oath of office as the 40th President of the United States, followed moments

later by the release of 52 Americans held captive in Iran for 444 days. Although the many stories of solitary confinement, harsh beatings, and deprivation of proper food and clothing raise disturbing questions for the future, I am reminded of a fundamental truth about the American people—a national determination to uphold, protect, and preserve the rights and liberties of individuals. We are a nation that genuinely cares about our inalienable rights to life, liberty, and the pursuit of happiness.

The events of the past week have brought to mind the shocking and tragic fact that today nearly 2,500 U.S. servicemen remain unaccounted for in Southeast Asia.

Since August 1978, neither the Vietnamese nor the Laotians have responded with any further accounting of our missing. Also, since that time, countless hours of testimony have been taken from refugees claiming to have been American captives alive since 1975. The Defense Intelligence Agency has been checking out hundreds of "live sighting" reports, some as recent as 1980. U.S. intelligence analysts are convinced that the remains of more than 400 U.S. servicemen were being held in a former prison camp in Hanoi known to our POW's as the plantation. However, when six of my colleagues visited Hanoi last year and asked to see the site, they were refused.

Mr. Speaker, it is a little known historical fact, but significant, that a handful of French prisoners captured at Dienbienphu were not released by Hanoi until 16 years later.

I believe that we must be committed to renewed and unprecedented efforts by both the new administration and the Congress to pursue the fullest possible accounting of our missing servicemen and return of all recoverable remains. I do not need to remind my colleagues of the months of negotiating, bilateral contacts with third party countries, and compromise by both sides which led to the release of the 52 American hostages.

I would propose and support the sending of a delegation representing the new administration to Hanoi for the expressed purpose of reopening negotiations in an effort to resolve this critical issue. Further, I would propose an unprecedented bipartisan effort by the Executive and the Congress to formulate a mutually acceptable policy which is strategically planned, coherent, and consistent—a policy which is clearly understood by friend and foe alike.

We as a nation owe to those who remain unaccounted for our maximum resolve in this effort. I believe such an initiative is owed to the families of these missing Americans, to our veterans, and to those Americans serving in our Armed Forces—now and in the future.●

● Mr. GUARINI. Mr. Speaker, on this eighth anniversary of the signing of the Paris peace accords, signaling the formal ending of the hostilities in Vietnam, I enthusiastically join Congressman BENJAMIN GILMAN in a special order calling attention to the over 2,500 yet-unaccounted-for Americans in Southeast Asia.

Resolution of this issue, which under the leadership and efforts of former Congressman Lester Wolff was so diligently pursued in the past few years, is long overdue. And although two previous resolutions have been passed by this body calling on the United Nations to assist efforts on obtaining an account of prisoners and missing, we must now call on the 97th Congress and the new administration to take the necessary action that will convince the Governments of Vietnam and Laos of our demand for full accountability and of the depth of American concern.

With nearly 300 reports indicating the presence of live Americans in Southeast Asia, the most recent in the trial of Private Garwood, there is certainly a mandate for a complete and thorough investigation into this matter.

Realizing our responsibility to those men whose fate we are trying to resolve, and to their families, I join my colleague in this special order.●

● Mr. HAGEDORN. Mr. Speaker, since the Vietnamese, Laotians, and Cambodians were forced to flee their homelands, numerous sighting reports of Americans still alive in Southeast Asia have been received. In fact, the Minnesota chapter for the National League of Families of American Prisoners of War and Missing in Southeast Asia, which is led by Mrs. Patty Skelly of my district, has investigated and summarized over 400 such reports. These live-sighting reports clearly indicate that the Governments of Vietnam and Laos are still holding prisoners of war in Southeast Asia.

Vietnamese authorities claim that there are no Americans left in Vietnam and have labeled stories to the contrary as lies designed to keep the United States hostile to Vietnam. I believe, as do many of my colleagues, that all of our servicemen were not returned to the United States after January 27, 1973, the date of the signing of the Paris peace accords, which signaled the formal ending of the war in Vietnam. Based on evidence we have received from Vietnamese refugees and investigations conducted by credible organizations dealing with Americans missing in action in Southeast Asia, I do not feel that the U.S. Government has all of the facts.

In 1979, a spokesman for the U.S. Department of Defense stated that there is "no credible evidence of any Americans still in captivity over there." He went on to say, however, that the number of Americans still missing in action has been reduced to 70 from the 2,500 reported at the end of 1973. And in January of last year, the Washington Star reported that "of the 2,500 Americans who are unaccounted for in Southeast Asia, all but 38 have been declared presumptively dead by the U.S. Government." The Washington Star went on to say that many of the families of POW's missing in action object to these findings and are still waiting and hoping.

The Defense Intelligence Agency, which evaluates refugee reports, says that the United States should not rule out the possibility that American prisoners are being held in Vietnam, but stresses that it has been impossible to verify these stories and difficult to address the integrity of the refugees who give the accounts. I feel that, even if there is only circumstantial evidence which would lead one to believe that American servicemen are alive in Southeast Asia—regardless of how small the number may be—we have an obligation to these men and their families to investigate. And I think we should continue to investigate until we have no doubts as to their whereabouts.

So, even though many of their cases have been closed, the search for missing Americans presumed to be dead will go on. Many dedicated people have spent, and will continue to spend, hundreds of hours of their free time helping to locate the prisoners of war missing in action in Southeast Asia. I would like to take this time to express my gratitude and thanks to these people, as well as to encourage them not to lose faith in this worthwhile cause. Our brave servicemen who may still be alive in Southeast Asia must not be forgotten.●

● Mr. MILLER of Ohio. Mr. Speaker, I am pleased to join with my colleague from New York today in a special order to remind the Congress, the Reagan administration, and the American people that for those U.S. servicemen still listed as missing in Southeast Asia, the agony and uncertainty surrounding their fate continues.

Today marks the eighth anniversary of the signing of the peace treaty which officially began the scaling down of U.S. involvement in Vietnam. The accords signed in Paris 8 long years ago included a directive to all parties that earnest efforts would be undertaken to account for those listed as missing during the conflict. More than 2,400 U.S. servicemen never came back, and cooperation between the Governments directly involved in providing an accounting for them has not measured up to expectations.

Occasionally, we see a reminder of this human tragedy in the news. Stories about live Americans filter through the bamboo curtain and hopes correspondingly rise again in anticipation of new news about long lost loved ones. It is totally understandable that those closest to this situation continue to hope, continue to wait, continue to press the Government for action befitting the problem.

At a time when we rejoice in the homecoming of those Americans held captive in Iran, let us also give appropriate attention to the ongoing commitment to resolving the issue of missing Americans in Southeast Asia as well. The families of these servicemen deserve nothing less.●

● Mr. McDADE. Mr. Speaker, today marks the eighth anniversary of the signing of the Paris peace accords, ending America's involvement in Southeast Asia. Today also marks the formal homecoming ceremonies for the 52 former hostages released from Iran. Their return serves as a poignant reminder that all of America's sons are still not accounted for.

The Paris peace accords guaranteed that the Vietnamese would return all POW's and MIA's, living or dead, to the United States. Since then, the remains of fewer than 100 of the 2,500 MIA's have been returned. For the remaining families there is not much they can do but hope.

Because there has been so little new information in recent years, most of the missing have now been classified as KIA—killed in action. While this may provide financial assistance to the families in the form of GI insurance and death benefits, it does nothing for their mental well-being. It is a widespread belief among civilian and military personnel alike that the North Vietnamese are withholding information about some of the missing. As Lt. Gen. Vernon Walters, former Deputy Director of the CIA, stated:

> Based on * * * the known Communist proclivity for detailed reporting, it is believed that Vietnam holds significant amounts of accurate information of former and current American MIA/KIA in southeast Asia. Hearing statements such as this, it is easy to understand why so many of the families are greatly upset by the Government classifying their husbands, sons, and fathers as "dead."

I join with my colleague BENJAMIN GILMAN in remembering the Americans missing in action in Southeast Asia, especially Jack Pearce and Wesley Ratzel, two men from my congressional district. I hope that this will serve as a reminder to our country that these men have not been forgotten.●

● Mr. GREEN. Mr. Speaker, 8 years ago today the Paris peace accords were signed. This action brought about an end to the Vietnam war.

While it is the anniversary of the ending of this tragic war, it is difficult to find cause for celebration. This is particularly true for the 2,500 American families who still have relatives classified as either POW's or missing in action in Vietnam, Laos, or Cambodia. For these 2,500 Americans the tragedy of this war continues.

The recent influx of refugees from this region has brought many reports of Americans continuing to be held as prisoners in Vietnam and Laos. These reports have brought hope to the families of these Americans. Yet, without knowing the status of their loved ones, these families live with uncertainty and fear on a constant basis.

It is time for the Governments of Laos and Vietnam to end this cruelty. A full accounting of these 2,500 Americans is the very least that we deserve. In addition, if any of these individuals is still alive—and we have every reason to believe this is possible—they should be immediately released. The tragedy of Vietnam should not be allowed to continue.

As we celebrate the release of the 52 former hostages held in Iran, it is important to remember the plight of the POW's and MIA's in Vietnam, and their families. This day is the anniversary of the end of the Vietnam war, but it is not an end to the tragedy of that conflict. That end will only occur when these 2,500 Americans are accounted for, released, and reunited with their families.●

● Mr. DORNAN of California. Mr. Speaker, I am honored to join this afternoon with my good friend and colleague from New York, Mr. GILMAN, a man whose compassion for the families, friends, and loved ones of those Americans missing in action in Southeast Asia is unsurpassed in this House.

Today, every American welcomes the return of our fellow Americans recently released from illegal captivity in Iran. And while I agree that we should all share the joy and the happiness beautifully expressed by the President and many of our colleagues in Congress at the homecoming of our 52 fellow Americans, I think that our celebration should be the occasion to call to mind the sacrifices of approximately 1,300 other fellow Americans. These are the brave men who fought in an unpopular war that many of us are desperately trying to forget, men for whom there has still been no adequate accounting. These are fellow Americans whose families have had to live with the anxiety of not ever knowing, for sure, that their loved ones were either alive or dead. And while I do not wish my remarks to be misconstrued on this joyous and historic day, when we are celebrating here in our Nation's Capital the return of our diplomats, I only wish that the yellow ribbon sales could have increased years ago through a more widespread concern over this MIA issue on the part of all Americans, in public as well as private life.

As the originator of the POW bracelet worn by over 5 million caring Americans during the Vietnam war, and a member, along with Congressman GILMAN, on the POW-MIA Congressional Task Force, I am often asked the question: "Congressman, do you think that there are any Americans left alive, as prisoners, in Southeast Asia?" To that question, I can only give one answer: I really don't know. But this I do know: We do not have the full truth about the fate of the MIA's. And until this issue is finally put to rest, the tragedy lingers on, gnawing at the conscience of the Nation. What happened to our fellow Americans missing in Southeast Asia?

To the 52 Americans returned from their long and harrowing ordeal in Iran, welcome home. In the joy of that welcome, let us together in this House redouble our efforts to resolve, once and for all, to determine the fate of those other fellow Americans missing in Southeast Asia on the basis of the facts. I want to express my sincere gratitude to my colleague, Congressman BENJAMIN GILMAN for taking out this special order on a vitally important topic.●

● Mr. LAGOMARSINO. Mr. Speaker, I want to commend the gentleman from New York, Mr. GILMAN, for taking this special order and for his unrelenting efforts on behalf of our POW's and MIA's in Southeast Asia. I also want to publicly express my appreciation and commendation to Representative TENNYSON GUYER, of Ohio, former Congressman Lester Wolff, and Congressman BOB DORNAN of California.

I have had the privilege of serving on the special MIA Committee with all of these gentlemen. Together we visited Hanoi and impressed on that Government that, in spite of the impression they might have received from our State Department, this Congress and the American people are still vitally interested and will not give up until an adequate accounting is made.

"Tell the world about us" is the plea of Americans missing in action heard by Norwegians traveling in North Vietnam, according to recent published reports.

These reports coupled with other firsthand live sightings of Americans in Vietnam and Laos are urgent reminders that we still do not have the full accounting for all our American military men in Southeast Asia.

One of my own constituents, Mary Lou Hall, has reason to believe that her husband, Navy Capt. Harley Hall, is still alive in Vietnam. She says, in an interview in the Santa Barbara News-Press, the Vietnamese "release people from time to time. The radar officer who went down in the plane

with Harley was returned. Both had been sighted landing alive and running for the trees at the time. The Vietnamese keep the pilots. And in that part of the world, my husband was a very famous pilot, she says. He led the Blue Angels on a very well-publicized tour to Southeast Asia with pictures in their papers and all, before his third tour of duty." Captain Hall was shot down 8 years ago, only 2 days before the cease-fire took effect ending the Vietnam war.

In addition to the reports of live sightings that Mrs. Hall has heard, she says other evidence makes her wonder about the status of her husband. At first the former Secretary of the Navy refused to sign papers declaring her husband dead "based on the evidence." It was only after a new Secretary of the Navy was appointed by President Carter in 1979 that Captain Hall was declared dead, she says. Also, under the Freedom of Information Act, Mrs. Hall secured the file on her husband from the CIA, but almost all the information was blacked out, so she says she does not know what to believe.

The reports by the Norwegians have renewed Mrs. Hall's effort to learn more about the missing in action in Southeast Asia. According to these reports, the Norwegians, who are working on a construction job in a papermill in Southeast Asia, said that while they were motorcycling in a rural area about 200 kilometers from Hanoi toward the Chinese border, they saw a road gang of American slave laborers. They said they were told to leave immediately by Vietnamese people, who threatened them with weapons, but that, before they left, they heard the prisoners shout in American accents, "Tell the world about us."

While we rejoice with the return of the freed American hostages from Iran, there are still Americans missing and unaccounted for in Southeast Asia. We can be sure the Hanoi regime is no less barbarous than that in Tehran, and the outrage has gone on for years, not just months.

We must dedicate ourselves to a renewed effort to secure the release of any Americans still held in Southeast Asia and a full accounting of every American missing in action.

I urge my colleagues to support immediate action on the MIA's and to join in seeking cooperation from our allies in promoting our cause with the Vietnamese, and to continue pressing for action until we are successful.

I call on the Reagan administration to give the highest priority and utmost urgency to achieving a successful resolution of this "other hostage crisis."●

● Mr. CITTINGER. Mr. Speaker, 8 years ago, the United States signed the Paris peace accords which formally ended the tragic war in Vietnam. Today, as we celebrate the return of the 52 Americans who were held hostage in Iran, it is important that we not forget that this nightmare of Vietnam lives on for about 2,500 American families of our missing in action and prisoners of war who never returned from Vietnam, Laos, and Cambodia. Indeed, the anniversary of the peace accords is a bitter reminder of the intransigence of Indochinese governments which refuse to provide a full accounting of MIA's and POW's.

Since the termination of our involvement in Indochina, progress in accounting for nearly 2,500 Americans has been painfully slow because the Governments of Laos and Vietnam have been entirely negligent in their legal and humanitarian responsibility to provide us with information related to MIA/POW's.

I believe we must register our abhorrence with Hanoi's intransigence and show these governments that the American people are unwilling to accept anything less than full disclosure of information regarding our servicemen in Vietnam. I am pleased to report that many of my constituents in Westchester, N.Y., have undertaken efforts aimed at pressuring the governments of Vietnam and Laos to release the information about our POW/MIA's. Operation POW/MIA in Harrison, N.Y., generated 3,468 signatures on petitions to Hanoi in 1976 and has gathered more signatures in recent months. This effort has been organized by three constituents whom I am proud to represent in Congress; Dr. William O'Shea, Bernard Guagnini, and Fred Baker, all of Harrison.

Another project which I have been pleased to assist was the circulation of petitions distributed by the House Subcommittee on Asian and Pacific Affairs Task Force on American Prisoners and Missing in Southeast Asia, under the leadership of our distinguished colleague, TENNYSON GUYER. These petitions urged the Socialist Republic of Vietnam to release all information on Americans missing in Indochina and to return any American remains which are in their possession or may be subsequently found. On October 27, 1980, former Congressman Lester Wolff delivered over 200,000 signatures on these petitions to our Ambassador to the United Nations for presentation to the Vietnamese and Laotian missions to the U.N. Unfortunately, both delegations refused to accept the petitions.

Despite the intransigence of Vietnam and Laos, we must continue our efforts to press Hanoi, in the strongest possible terms, to provide a full accounting of MIA's and POW's. I was a member of the Select Committee on Missing Persons in Southeast Asia, and under the able leadership of the gentleman from Mississippi, SONNY MONTGOMERY, traveled to Hanoi to seek a full accounting. I pledge to continue the fight for information from Hanoi, and I urge my colleagues to join in this critical effort.●

GENERAL LEAVE

Mr. BENEDICT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include therein extraneous material on the subject of the special order of today by the gentleman from New York (Mr. GILMAN).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

LEGISLATION TO REDUCE ESTATE TAXES INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, today, I reintroduced two pieces of legislation that I originally introduced in the 96th Congress. Both are designed to reduce the extremely negative impact that current estate tax laws have on the American public.

The first bill would reduce taxes on individual estates. And the second would decrease estates taxes on family owned businesses and farms to encourage the continuity of family ownership.

Already established as a priority recommendation of the White House Conference on Small Business, estate tax reform should also be a high priority for the 97th Congress. Current estate tax laws are devastating to the average American, particularly to those who are heirs of family farms and small businesses.

People work hard to build their farms and small businesses for their children, and yet, their heirs are often forced to sell all or part of the business or farm to pay the estate taxes. The problem is that these sales are often made to larger business interests, thereby contributing to economic concentration.

My first bill would ease the tax burden on all individual estates by increasing from $175,000 to $500,000 the minimum gross estate required for the payment of estate taxes. The increase would be phased in over a 5-year period. In addition, the bill would maintain long-term tax relief goals by indexing the exemption to reflect the inflated dollar value of individual estates. According to the Department of the Treasury, estimated revenue losses in 1981 would be $1.1 billion.

The second bill would help prevent the decline or demise of either the family farm or small family business. In essence, it would raise the value by which a family farm or small family business could be reduced for estate tax purposes from the current $500,000 to $1 million, provided the business or farm is passed along to members of the immediate family. Again, the increase would be phased in over a 5-year period, and the maximum amount of reduction would be indexed for inflation. The Treasury Department estimates that this change would have a relatively insignificant effect on the U.S. Treasury, costing taxpayers less than $50 million in 1981 and in the years following.

The bills would benefit hard-working families and make it possible for family farms and businesses to continue operating from one generation to the next.●

POW/MIA'S IN SOUTHEAST ASIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. GUYER) is recognized for 10 minutes.

● Mr. GUYER. Mr. Speaker, I rise to join in this special order sponsored by our good friend, Congressman, BEN GILMAN, and am very happy to do so. Today could not be a more appropriate date for such an effort for three reasons. One is that this is the beginning of business for most purposes for the 97th Congress, and there is no better time to call to the attention of our new Members, and to remind our previous ones, the nature, extent, and importance of the issue of our American prisoners and missing in Southeast Asia.

The second reason this is an appropriate time is because today, just a little while ago, 52 Americans, former hostages in Iran, rode by this Capitol in a motorcade on their way to the White House for a visit with President Reagan. They are home after 444 days of captivity at the hands of the Iranians. All America joins in this long-awaited reception.

There is a third reason for mentioning this issue today, Mr. Speaker, there is an irony that the hostages should come home to Washington, D.C., on this date, because it marks the eighth anniversary of the Paris accords, the agreement which in 1973 ended the U.S. troops' participation in the Indochinese hostilities, and paved the way for 566 American prisoners to come home from Vietnam. We all recall "Operation Homecoming," when in four groups from February 12 to March 31, 1973, those long-held Americans walked out onto friendly soil. It was a day of deep emotion and pride in the way those men returned, full of personal spirit and patriotism despite ill-treatment and years under the control of the Vietnamese.

Mr. Speaker, I would like us to ask ourselves: How would we feel, and what would our reactions be if of the 52 Americans held in Iran, only 15 or 20 were returned? Or even as many as 45, or all but 1 or 2 came back, while the remainder stayed behind? And then the Iranian Government would plead ignorance as to their fate or whereabouts? Well, that is roughly a parallel to the situation of our Americans who were held in Indochina. According to Defense Department statistics, on April 2, 1973, there remained 2,528 who were unaccounted for in Indochina. Those were men who had been killed in action, were prisoners of war, or were simply missing in action.

Since April 2, 1973, only 73 sets of remains have been returned to us, and 1 prisoner, Robert Garwood. As of this time, we still consider 2,497 unaccounted for. At least 1,100 to 1,200 of those were initially either known or reasonably believed to be alive in enemy custody. Now, 8 years after the Paris accords, and the joy of "Operation Homecoming," there are still almost 2,500 Americans whose fate has been unresolved.

Mr. Speaker, my joy over the return of the 52 is great, but it is tempered by the memory of those other missing. Are they hostages? At the time of the Paris accords there was talk of $3.2 billion in reconstruction assistance for Vietnam. There are signs that the Government of Vietnam has never forgotten this figure, nor really accepted our unwillingness to provide such massive assistance. It appears to some that American remains at least are being retained by the Vietnamese to assure Vietnam of American payment—in short, as bargaining chips. Of course, this sum was not paid because they blatantly violated the cease-fire agreement nearly a thousand times.

Thus we have a sizable task before us, Mr. Speaker. The task is more difficult than it might have been, due to the policies of the previous administration. From 1977 to 1979 President Carter and his advisers all but allowed the issue to be buried. After the Woodcock Mission, which obtained several sets of remains and led to the creation of a channel of cooperation between the Vietnamese and this country, it was announced that the issue had been laid to rest, despite the President's campaign promises that he would not move toward normalization until an accounting was achieved. We came close to recognizing the Vietnamese Government in the summer of 1978, Mr. Speaker, but a series of events intervened: The Vietnamese callously and heartlessly exported refugees, concluded a treaty with the Soviet Union, and then our Government suddenly decided to recognize the People's Republic of China. I think it was not coincidental following normalization with the PRC and the Vietnamese invasion of Cambodia that the Subcommittee on Asian and Pacific Affairs, under Chairman Lester L. Wolff, began to obtain more cooperation from the executive branch.

In the spring of 1979, Mr. Speaker, the issue of POW/MIA's began to be handled at a higher level in the Defense and State Departments. International Security Affairs at the Defense Department assumed responsibility, while Gen. Eugene B. Tighe, Director of the Defense Intelligence Agency, began to devote greatly increased efforts to the pursuit of numerous reports covering hundreds of refugees as to the fate of our missing Americans. At about the same time, Chairman Wolff appointed me chairman of a bipartisan task force on POW/MIA's, which permitted broadened attention to the issue in the Congress.

As a result, Mr. Speaker, we have managed to restore some of the faith of the families that was eroded during the first 2 years of the last administration. Most of the families of our missing Americans recognize that we are working hard to get the answers to the question: What happened to our men? Yet we must not flag in our efforts. There are still 2,500 men unaccounted for.

It was not an automatic or easy task to get the sort of attention this issue deserves from the executive branch. The Subcommittee on Asian Affairs and the task force on POW/MIA's have done a good deal—dozens of hearings, numerous briefings, two trips to Hanoi, and so on.

We have as a result of our efforts though established by collection of information what the mathematics and the political logic had already told us—that there are remains of Americans, at least 400 to 500 sets, in Vietnamese hands. In short, intelligence has confirmed our convictions. We reach this virtual certainty despite repeated Vietnamese claims that they are unable to find remains.

There have been increasing numbers of reports that live Americans have been sighted in Indochina. We cannot simply ignore these reports, and we are not. Our intelligence community is very hard at work on these, because we are mindful that until Pfc. Robert Garwood came out, we tended to believe Vietnamese assurances that there were no Americans left alive in Vietnam. My good colleague, BEN GILMAN, has addressed some recent developments in this area, and I urge attention to his remarks.

There is one other constructive development I should report. For several months now there has been an interagency group meeting on this problem. Members of the State Department, Defense Intelligence Agency, International Security Affairs of DOD, Joint Chiefs of Staff, and the Foreign Affairs Committee staff regularly meet to exchange updates on progress

and to discuss potential policy directions.

And it is in this last area that I wish to make my final plea. We have received cooperation between the Government and the families. We have even made the Governments of Indochina aware that we represent substantial public concern in this connection. Congressmen SOLARZ and PRITCHARD again made clear to Hanoi that our priority and concern for our missing Americans has not diminished. But we need to develop a coherent and mutually acceptable policy toward the Governments of Indochina regarding the POW/MIA issue. In this respect, I urge our new President to avoid the mistakes of the recent past and to take the lead in pursuing and concluding this sad issue, working with the Congress toward a final accounting for all our Americans missing in Southeast Asia. It is the only fitting way to mark the beginning of the ninth year of the Paris accords. Otherwise we will not have a peace with honor, but with unanswered questions that haunt our families and our country forever.●

THE NEED FOR POSTAL SERVICE OVERSIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, today I am introducing a bill, along with 22 of my colleagues, to provide for congressional review of major service changes proposed by the U.S. Postal Service.

In the years since the Postal Reorganization Act of 1970 created the quasi-independent Postal Service, the Postal Service has been unbelievably insensitive to the service needs of the American people. This is amply reflected in Postal Service initiatives that would have ended 6-day delivery and closed most small post offices. These efforts were, fortunately, unsuccessful. Other efforts, however, ended less well. The Postal Service no longer provides door-to-door delivery to new communities, and postal rates are on a seemingly endless rise, making the mails ever more inaccessible to people.

Not even Congress has much impact on the Postal Service's policies. A current issue highlights this lack of effect. On October 2, 1980, 122 of my colleagues wrote a letter to the Postmaster General requesting a delay in the implementation of the nine-digit ZIP code. The reply by the Postmaster General was completely unresponsive. Many of my constituents have the same complaint—the powers that be in the Postal Service simply do not care. Whatever your position may be on issues such as the nine-digit ZIP code or 6-day delivery, it is clear that Congress needs a formal review procedure to provide oversight with respect to major changes in postal policy.

Our bill would require the Postal Service to submit to Congress proposed changes in postal service that would have a substantially nationwide affect. Congress would then have the option of vetoing these proposed changes if it is decided that they are not in the best interests of our Nation. Such changes include massive closings of small post offices, reductions in the number of days of delivery, increases in the number of digits in the ZIP code, and other unspecified nationwide service changes.

Congress and the American people have increasingly little say about the nature of the U.S. Postal Service. This is a result of Congress abrogation of its oversight responsibilities. Our bill would restore to Congress the right to determine the scope and nature of postal services, and I would encourage my colleagues to support this bill at the appropriate time.●

GEORGE W. BALL: CRIME SHOULD NOT PAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I would like to bring to your attention and to the attenton of our colleagues an article by George Ball, which appeared on the opinion-editorial page of yesterday's Washington Post. In this article, Mr. Ball, who formerly served as Under Secretary of State, correctly analyzes the commitment of the United States in complying with the agreement made with Iran to secure the release of our fellow Americans held hostage for 444 days by Iranian militant terrorists and the Government of Iran itself. As Mr. Ball notes, under established principles of international law, an agreement entered into under coercion or stress is void and need not be implemented.

Agreements entered into with outlaws who have flagrantly violated international law need not be carried out. This is not to diminish the outstanding and untiring efforts of President Carter, Secretary of State Muskie, Under Secretary of State Warren Christopher, and the Algerian diplomats in securing the safe release of the hostages. But we should not let criminals go scot-free based on extorted agreements.

Crime should not pay. Indeed, if at all possible the criminals should be made to pay a high price for their uncivilized, barbaric acts. A bill I have introduced, H.R. 1133, is one way to achieve that worthy end. It would require the President to take action to endeavor to punish the guilty and would permit redress in the courts and through other means against Iran, contrary to the terms of the extorted, void agreement.

I would like to insert into the RECORD Mr. Ball's excellent commentary on the invalidity of the U.S. agreement with Iran:

HOSTAGE DEAL: "CRIME SHOULD NOT PAY"

(By George W. Ball)

Though a few voices have been heard contending that we should denounce the Iranian hostage agreements as made under duress, former president Carter, and apparently the Reagan administration as well, seem to feel that such a renunciation would violate our "national honor."

I find it absurd to wrap these extorted documents in the flag of national honor, since, under international law as expressed in Article 52 of the Vienna Convention on the Law of Treaties of 1969, they are "void" because they were "procured by the threat or use of force." The precise language is important; the agreements are not "voidable" but "void," which does not leave the issue of validity to the decision of the president.

Unless he is prepared to set an unwise precedent and undercut a solemn multilateral convention that has become customary international law, President Reagan has no option but to acknowledge the invalidity of these agreements.

Such an acknowledgment would not, of course, preclude him, after careful study of all aspects of the problem, from waiving that illegality while emphasizing that that waiver was no precedent for the future.

Still, given the righteous anger of Americans, the new president may not wish to assume the political burden of a unilateral waiver and, in that case, might consider other possible solutions. One alternative might be for the president to announce that, though renouncing the agreements as invalid, he was referring final decision on the issue of validity to the International Court of Justice, which might or might not be prepared to take jurisdiction. In that way he could blunt the edge of accusations of arbitrary, arrogant and imperialistic action that would almost certainly be forthcoming, particularly from some sectors of the Third World.

Though the question needs careful examination of its international law implications and equally careful scrutiny of its political consequences, the suggested procedure might help relieve the sense of outrage of Americans as they hear new revelations of the brutalities and indignities inflicted on the hostages. After all, the International Court has already considered the hostage issue and, on May 24, 1980, handed down a six-point decision ordering that Iran immediately release all the hostages, warning it not to put them on trial and holding Iran liable to pay reparations for its actions. Although Iran boycotted those court proceedings, our government insisted that Iran was bound by the decision.

If such a course is followed, the problem must be sensitively handled so as not to call into question America's good faith. In particular, President Reagan should make it crystal clear that, invoking Article 52 of the Vienna Convention of the Law of Treaties of 1969 and declaring the agreement internationally invalid and not binding on the United States, he was not in any way undercutting the principle that international agreements are between states and not governments and that a new administration is fully bound by the formal undertakings of its predecessors. Thus, to the extent possible, expressions of approval of the course outlined should be obtained from Carter administration officials who participated in the negotiations.

If the International Court should accept jurisdiction and decree the agreements to be invalid, that would not mean that our government must reject unfulfilled aspects of the agreements that might be beneficial to our own interests. Moreover, we would have to consider carefully the effect of renunciation on the escrow arrangements and the repercussions in the financial community. But we should certainly repudiate those provisions that preclude the hostages and their families from asserting compensation claims against Iran for the outrageous treatment they received.

More difficult to appraise than the legal and financial aspects of the proposal would be the effect on our international interests. Would such a qualified renunciation penalize the more rational elements of a current Iranian government and play into the hands of the fanatical mullahs? What would be the reaction in Algeria, which has performed an invaluable role as go-between, yet is traditionally no friend of the United States? Would the Algerians feel betrayed? Finally, what would be the impact of our renunciation on America's international reputation?

Though we could not wholly restrain adverse reactions by even the most careful presentation of the American case, we should never be a complaisant prisoner of other nations' opinions. The world must not be allowed to forget that the taking of hostages was a violation of the right of legation honored by the Vienna Convention on diplomatic relations of 1961. It was—as the International Court has already determined—a flagrant breach of international law. Since allowing the Iranians to benefit from such a brutal, lawless act would encourage its imitation by others elsewhere, all nations engaged in international diplomatic intercourse have a vital stake in the president's reactions. To let Iran off not merely scot-free but actually profiting from its obscene conduct would establish an odious and dangerous precedent.

Crime should not pay, and we should not collaborate in making it pay.●

OLIN TEAGUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise to pay tribute to the Honorable Olin E. Teague, who represented the people of the Sixth District of Texas in the House of Representatives for over three decades. Congressman Teague's death on January 23 is a tremendous loss to the people of this Nation, whom he served with distinction.

Olin Teague left Congress in 1979 because of wounds incurred during World War II when he served heroically as commander of the 1st Battalion of the 314th Infantry Regiment, 79th Division. Congressman Teague was awarded the Silver Star with two Clusters, the Bronze Star with two Clusters, the Purple Heart with two Clusters, the Combat Infantryman's Badge, and many other medals and awards too numerous to mention as a result of his admirable war record.

Olin was first elected to the 79th Congress, and was reelected to every succeeding Congress through the 95th Congress. During 18 years as chairman of the House Veterans' Affairs Committee, he worked with tireless devotion to improve the quality of life for our Nation's veterans, and authorized the Korean war veterans bill, Public Law 550, which corrected the shortcomings of the World War II GI bill.

When he was honored in 1969 by the Veterans of Foreign Wars, receiving the VFW's Congressional Award, Chairman Teague stated in his acceptance speech that:

There are a lot of problems in America but there are a lot more things that are right with America, than there are that are wrong. . . . We must always strive to improve the quality of life for all our people, but sometimes it seems to me that we become so engrossed in these problems, so centered on what is wrong, that we seldom acknowledge what is right.

Olin Teague also served as the chairman of the House Science and Technology Committee since the 93d Congress, and his diligent efforts were most beneficial to the citizens of this Nation and made America a more prosperous and productive country. He was a dedicated and devoted American, and a Congressman of outstanding ability, deep compassion, and courage. These qualities not only earned the respect of his colleagues but endeared him to his constituents of the Sixth District of Texas as well.

Mr. Speaker, Mrs. Annunzio and I extend our deepest sympathy to his wife, Freddie; his two sons, John and James; and his daughter, Jill, and their families.●

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians; to the Committee on the Judiciary.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 16. Joint resolution designating January 29, 1981, as "a day of thanksgiving to honor our safely returned hostages."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BAILEY of Missouri) to revise and extend their remarks and include extraneous material:)

Mr. COLLINS of Texas, for 60 minutes, January 28.

Mr. FISH, for 60 minutes, February 3.

Mr. TAUKE, for 5 minutes, today.

Mr. GUYER, for 10 minutes, today.

Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. FOGLIETTA) to revise and extend their remarks and include extraneous material:)

Mr. LEVITAS, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. YOUNG of Missouri, for 5 minutes, today.

Mr. WRIGHT, for 60 minutes on January 28, 1981.

Mr. RODINO, for 60 minutes on February 3, 1981.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BARNARD, and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,277.25.

(The following Members (at the request of Mr. BAILEY of Missouri) and to include extraneous matter:)

Mr. CARMAN.

Mr. BROOMFIELD.

Mr. HOLLENBECK.

Mr. BEARD.

Mr. PARRIS.

Mr. WORTLEY in 10 instances.

Mr. ROUSSELOT.

Mr. GUYER.

Mr. LEWIS in three instances.

Mr. KRAMER.

Mr. COLLINS of Texas in three instances.

(The following Members (at the request of Mr. FOGLIETTA) and to include extraneous matter:)

Mr. OTTINGER.

Mr. KILDEE.

Mr. BOLAND.

Mr. GAYDOS in two instances.

Mr. BRODHEAD.

Mr. MAZZOLI.

Mr. BOWEN.

Mr. JOHN L. BURTON.

Mr. NATCHER.

Mr. DYSON.

Mr. CORRADA.

Mr. SKELTON in two instances.

Mr. DE LA GARZA in 10 instances.

Mr. BARNES.

Mr. STUDDS.

Mr. PEPPER in three instances.

Mr. GUARINI.

Mr. BENJAMIN.

Mr. RODINO in two instances.

Mr. STARK in two instances.

Mr. AKAKA.

Mr. MILLER of California in two instances.
Mr. EDGAR.
Mr. IRELAND.
Mr. SMITH of Iowa.
Mr. BINGHAM.
Mr. BONKER.
Mr. DOWNEY.
Mr. HEFTEL.

ADJOURNMENT

Mr. FOGLIETTA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 45 minutes p.m.) the House adjourned until tomorrow, Wednesday, January 28, 1981, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

384. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a proposed increase in the aggregate ceiling on foreign military sales loan guarantees of $20 million for fiscal year 1982 for Greece; to the Committee on Appropriations.

385. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Transportation, U.S. Coast Guard, for "Operating Expenses" for the fiscal year 1981, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

386. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the Veterans Administration for "Medical Care, "Medical Administration and Miscellaneous Operating Expenses," "Compensation and Pensions," "Readjustment Benefits," and "Veterans Insurance and Indemnities" for the fiscal year 1981 have been apportioned on a basis which indicates the necessity for supplemental estimates of appropriations, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

387. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations for fiscal year 1982, and for other purposes, pursuant to section 802 of Public Law 95-356; to the Committee on Armed Services.

388. A letter from the Assistant Secretary of the Air Force (Installations, Logistics and Financial Management, transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Peterson Air Force Base, Colo., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

389. A letter from the Assistant Secretary of the Air Force (Installations, Logistics and Financial Management) transmitting notice of the proposed conversion to contractor performance of the vehicle operations and maintenance function at Wright-Patterson Air Force Base, Ohio, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

390. A letter from the Secretary of Housing and Urban Development transmitting a report on policy and program recommendations to encourage land ownership in mobile home communities, pursuant to section 321 of Public Law 96-153; to the Committee on Banking, Finance and Urban Affairs.

391. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during October, November, and December 1980 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

392. A letter from the Secretary of Labor, transmitting the annual report for calendar year 1980 on the administration of the Fair Labor Standards Act of 1980, as amended, pursuant to section 4(d)(1) of the act; to the Committee on Education and Labor.

393. A letter from the Secretary of Education, transmitting an appendix to the Department's first annual report, covering the Department's record of managing regulations, pursuant to section 400A(f) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

394. A letter from the Secretary of Education, transmitting the long-range plan for rehabilitation research, pursuant to section 202(g) of Public Law 93-112; to the Committee on Education and Labor.

395. A letter from the Secretary of Education, transmitting a draft proposed legislation to make certain amendments to the Higher Education Act of 1965; to the Committee on Education and Labor.

396. A letter from the Acting General Counsel, Department of Energy, transmitting notice of meeting relating to the International Energy Program to be held in London, England, on January 28, and in Paris, France, on January 28, and 29; to the Committee on Energy and Commerce.

397. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting an analysis of economic incentives to control emissions of nitrogen oxides from stationary sources, pursuant to section 405(f) of the Clean Air Act, as amended; to the Committee on Energy and Commerce.

398. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report by the National Academy of Sciences on its study of the availability of technology for controlling airborne particulate matter, pursuant to section 403(a)(2) of Public Law 95-95; to the Committee on Energy and Commerce.

399. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of November 1980, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

400. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

401. A letter from the Administrator, Panama Canal Commission, transmitting a report on the Commission's disposal of foreign excess property during fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

402. A letter from the Secretary of the Interior, transmitting the third Nationwide Outdoor Recreation Plan's executive report, pursuant to section 2(c) of Public Law 88-29; to the Committee on Interior and Insular Affairs.

403. A letter from the Acting Secretary of the Interior, transmitting notice of proposed changes in the boundary of the Ice Age National Scientific Reserve, Wisconsin, pursuant to section 2(c) of Public Law 88-655; to the Committee on Interior and Insular Affairs.

404. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the Court's judgment order in docket No. 22-H, *The San Carlos Apache Tribe of Arizona, et al.* v. *The United States;* to the Committee on Interior and Insular Affairs.

405. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 5519 of title 5, United States Code, relating to crediting amounts received for reserve or National Guard Service; to the Committee on Post Office and Civil Service.

406. A letter from the Secretary of Agriculture and the Secretary of Energy, transmitting a joint plan for biomass energy production and use, pursuant to section 211(a) of Public Law 96-294; jointly, to the Committees on Agriculture, Energy and Commerce, and Science and Technology.

407. A letter from the President, Legal Services Corporation, transmitting the Corporation's budget request for fiscal year 1982, pursuant to section 1005(a)(2) of the Economic Opportunity Act of 1964, as amended; jointly, to the Committees on Appropriations and the Judiciary.

408. A letter from the Secretary of Energy, transmitting the third annual report of the Department of Energy, covering fiscal year 1980, pursuant to section 657 of Public Law 95-91; jointly, to the Committees on Armed Services, Energy and Commerce, Foreign Affairs, Interior and Insular Affairs, and Science and Technology.

409. A letter from the Assistant Secretary of State for Congressional Relations and the Assistant Secretary of the Treasury for Legislative Affairs, transmitting the third annual report on progress in enhancing human rights through U.S. participation in international financial institutions, pursuant to section 701(c) of Public Law 95-118; jointly, to the Committees on Banking, Finance and Urban Affairs, and Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAFALIS (for himself, Mr. WHITTAKER, Mr. ROBERTS of South Dakota, Mrs. COLLINS of Illinois, Mr. KOGOVSEK, Mr. BAILEY of Missouri, Mr. LAGOMARSINO, Mr. GUYER, Mr. ROBERT W. DANIEL, JR., Mr. COLLINS of Texas, Mr. WHITEHURST, Mr. BLILEY, Mr. FORSYTHE, Mr. LUNGREN, Mr. GOLDWATER, and Mr. FRENZEL):

H.R. 1290. A bill to repeal the family rental home business tax; to amend the Internal Revenue Code of 1954 with respect to the deduction of certain expenses in connection with the business use of homes and the rental of residences to family members, and for other purposes; to the Committee on Ways and Means.

By Mr. BEARD:

H.R. 1291. A bill to amend title 4 of the United State Code to limit the authority of any State or political subdivision to tax income of Federal employees who are not residents of such States, and for other purposes; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 1292. A bill to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes; to the Committee on Education and Labor.

By Mr. BRODHEAD (for himself, Mr. ROSENTHAL, Mr. DOWNEY, Mr. FORD of Tennessee, Mr. PEASE, Mr. RANGEL, Mr. SHANNON, and Mr. STARK):

H.R. 1293. A bill to amend the Internal Revenue Code of 1954 with respect to straddles, and for other purposes; to the Committee on Ways and Means.

By Mr. BROOKS:

H.R. 1294. A bill to amend the Securities Exchange Act of 1934 to provide uniform margin requirements in transactions involving the acquisition of securities of certain U.S. corporations by non-U.S. persons where such acquisition is financed by non-U.S. lenders; to the Committee on Energy and Commerce.

By Mr. BROOMFIELD:

H.R. 1295. A bill to amend the Federal Election Campaign Act of 1971 to exclude from the definition of the term "contributions" donations to a county committee of a political party for construction or purchase of certain office facilities; to the Committee on House Administration.

By Mr. JOHN L. BURTON:

H.R. 1296. A bill to amend chapter 55 of title 10 of the United States Code to qualify certain former spouses of members of the uniformed services for medical and dental benefits, and for other purposes; to the Committee on Armed Services.

By Mr. COLLINS of Texas:

H.R. 1297. A bill to amend the Communications Act of 1934 to restrict the authority of the Federal Communications Commission to regulate radio broadcasting licensees; to the Committee on Energy and Commerce.

H.R. 1298. A bill to amend the Communications Act of 1934 to provide that television station licenses shall be granted for terms of not more than 5 years and radio station licenses shall be granted for terms of 10 years, and for other purposes; to the Committee on Energy and Commerce.

By Mr. CONTE:

H.R. 1299. A bill to amend the Internal Revenue Code of 1954 to increase the charitable contribution deduction allowable for property constructed by the taxpayer and contributed for use for educational purposes or for research or experimentation; to the Committee on Ways and Means.

By Mr. CORCORAN (for himself, Mr. WEISS, Mr. WON PAT, Mr. LAGOMARSINO, Mr. DELLUMS, Mr. MURPHY, Mr. LOTT, Mr. GUYER, Mr. SIMON, Mr. WALKER, Mr. KILDEE, Mr. DUNCAN, Mr. WHITEHURST, Mr. KINDNESS, Mr. MADIGAN, Mrs. HOLT, Mr. BEVILL, Mr. HORTON, Mr. WILLIAMS of Ohio, Mr. TAUKE, Mr. EVANS of Georgia, Mr. WINN, and Mr. YATRON):

H.R. 1300. A bill to amend title 39 of the United States Code to provide for congressional review of proposed changes in postal services; to the Committee on Post Office and Civil Service.

By Mr. COUGHLIN:

H.R. 1301. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses of elementary and secondary education; to the Committee on Ways and Means.

H.R. 1302. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 1303. A bill to amend the Internal Revenue Code of 1954 to exempt individuals over age 70 from Federal income tax; to the Committee on Ways and Means.

H.R. 1304. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

H.R. 1305. A bill to repeal title I of the Crude Oil Windfall Profit Tax Act of 1980; to the Committee on Ways and Means.

H.R. 1306. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $5,000 of interest on savings for an individual taxpayer; to the Committee on Ways and Means.

H.R. 1307. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of noncorporate taxpayers gain from the sale or exchange of assets which have been held by the taxpayer for more than 1 year; to the Committee on Ways and Means.

H.R. 1308. A bill to amend the Internal Revenue Code of 1954 to exempt from income tax a certain portion of the pay received by members of the Armed Forces who have served at least 4 years; to the Committee on Ways and Means.

By Mr. DE LA GARZA:

H.R. 1309. A bill to provide grants to the 1890 land grant colleges, including Tuskegee Institute, for the purpose of assisting these institutions in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to strengthen their capacity for research in the food and agricultural sciences; to the Committee on Agriculture.

By Mr. EMERY:

H.R. 1310. A bill to amend title II of the Social Security Act to increase the applicable exempt amount under the earnings test, in the case of any individual, by the amount of any State, and local real property taxes which such individual must pay; to the Committee on Ways and Means.

By Mr. FLORIO (for himself, Mr. SANTINI, Ms. MIKULSKI, and Mr. LEE):

H.R. 1311. A bill to establish a national tourism policy and an independent Government agency to carry out the national tourism policy; to the Committee on Energy and Commerce.

By Mr. GIBBONS:

H.R. 1312. A bill to require all educational admissions testing conducted through interstate commerce, and all occupational admissions testing (which affects commerce) to be conducted with sufficient notice of test subject matter and test results, and for other purposes; to the Committee on Education and Labor.

H.R. 1313. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to further the objectives of national energy policy of conserving oil and natural resources through removing excessive burdens on production of coal; to the Committee on Energy and Commerce.

H.R. 1314. A bill to amend the Internal Revenue Code of 1954 to increase the penalty for failure to file certain information returns, and for other purposes; to the Committee on Ways and Means.

H.R. 1315. A bill to amend the Internal Revenue Code of 1954 to extend the benefits of special farm valuation for estate tax purposes; to the Committee on Ways and Means.

H.R. 1316. A bill to amend the Internal Revenue Code of 1954 to allow individuals a 50-percent credit for retirement savings and to otherwise encourage, expand, and simplify independent savings for retirement; to the Committee on Ways and Means.

H.R. 1317. A bill to amend the Internal Revenue Code of 1954 to exclude the first $75,000 a year of earned income for an American working abroad, and for other purposes; to the Committee on Ways and Means.

H.R. 1318. A bill to amend the Internal Revenue Code of 1954 to liberalize the earned income credit; to the Committee on Ways and Means.

H.R. 1319. A bill to amend title II of the Social Security Act to provide that social security credits based on self-employment income shall be available only to the extent that the self-employment tax has been paid with respect to such income; to the Committee on Ways and Means.

H.R. 1320. A bill to amend the Internal Revenue Code of 1954 to provide that married couples may file a combined return to which the unmarried rates apply; to the Committee on Ways and Means.

H.R. 1321. A bill to direct the Secretary of Commerce to encourage the formation and operation of export trading companies, and for other purposes; jointly, to the Committees on Foreign Affairs and the Judiciary.

By Mr. GRADISON:

H.R. 1322. A bill to amend title IV of the Social Security Act to establish a block grant program designed to provide an effective test of the ability of the various States and counties to create their own welfare programs as an alternative to AFDC; to the Committee on Ways and Means.

By Mr. GRADISON (for himself and Mr. ROUSSELOT):

H.R. 1323. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. GUARINI:

H.R. 1324. A bill authorizing the President of the United States to present gold medals to the families of the Americans who died in the attempt to rescue the American hostages in Iran; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HAGEDORN:

H.R. 1325. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mrs. HOLT (for herself, Mr. PARRIS, and Mr. WOLF):

H.R. 1326. A bill to provide for reconstruction of the Woodrow Wilson Memorial Bridge, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JONES of Oklahoma:

H.R. 1327. A bill to repeal the windfall profit tax; to the Committee on Ways and Means.

H.R. 1328. A bill to amend the Internal Revenue Code of 1954 to eliminate the phase-down of the rate of percentage depletion for independent producers and royalty holders; to the Committee on Ways and Means.

H.R. 1329. A bill to amend the Internal Revenue Code of 1954 to treat certain retailers of natural gas as independent producers for purposes of the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. KRAMER (for himself, Mrs. HOLT, Mr. LAGOMARSINO, Mr. DANIEL B. CRANE, Mr. FORSYTHE, and Mr. MINETA):

H.R. 1330. A bill to establish a uniform procedure for congressional review of agency regulations, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. LAFALCE:

H.R. 1331. A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LEHMAN:

H.R. 1332. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. LEWIS:

H.R. 1333. A bill to authorize the generation of electrical power at Palo Verde Irrigation District diversion dam, California; to the Committee on Interior and Insular Affairs.

By Mr. MONTGOMERY (by request):

H.R. 1334. A bill to authorize the President to call a White House Conference on Veterans; to the Committee on Veterans' Affairs.

By Mr. NICHOLS:

H.R. 1335. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school or public building; to the Committee on the Judiciary.

By Mr. PEASE:

H.R. 1336. A bill to provide for the formation of regulatory negotiation commissions; jointly, to the Committees on the Judiciary and Governmemt Operations.

By Mr. PETRI:

H.R. 1337. A bill to amend the Internal Revenue Code of 1954 to treat adoption expenses in the same manner as medical expenses; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. BRODHEAD, Mr. EDWARDS of California, Mr. ST GERMAIN, Mr. RODINO, Mr. HARKIN, Mr. PEYSER, Mr. CONYERS, Mr. WON PAT, Mr. PEPPER, Mr. FORSYTHE, Mr. HUGHES, and Ms. MIKULSKI):

H.R. 1338. A bill to amend the Internal Revenue Code of 1954 with respect to straddles, and for other purposes; to the Committee on Ways and Means.

By Mr. TAUKE (for himself, Mr. NATCHER, Mr. JOHNSTON, Mr. KOGOVSEK, Mr. COLLINS of Texas, Mr. MURPHY, Mr. HARTNETT, Mr. BAILEY of Missouri, Mr. DUNCAN, and Mr. HINSON):

H.R. 1339. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes to provide that $500,000 of property shall be exempt from such taxes, and to provide an inflation adjustment of such amount; to the Committee on Ways and Means.

By Mr. TAUKE (for himself, Mr. NATCHER, Mr. JOHNSTON, Mr. KOGOVSEK, Mr. COLLINS of Texas, Mr. MURPHY, Mr. HARTNETT, Mr. DERWINSKI, Mr. BAILEY of Missouri, Mr. SMITH of New Jersey, Mr. DUNCAN, Mrs. FENWICK, and Mr. HINSON):

H.R. 1340. A bill to amend the Internal Revenue Code of 1954 to provide that the maximum reduction in valuation under the special estate tax valuation for certain farm, small business, and so forth, real property shall be increased to $1 million and to provide an inflation adjustment for such amount; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 1341. A bill authorizing the President of the United States to present a gold medal to each of the individuals held hostage in the U.S. Embassy in Iran; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1342. A bill to provide that, for purposes of the Internal Revenue Code of 1954, gross income does not include payments by the State of Alaska to (or by reason of) certain individuals who have attained age 65 and who have been domiciled in Alaska for at least 25 years; to the Committee on Ways and Means.

H.R. 1343. A bill to amend the Internal Revenue Code of 1954 to provide that property may be levied upon the collection of tax (other than where such collection is in jeopardy) only pursuant to a court order; to the Committee on Ways and Means.

By Mr. FISH:

H.J. Res. 133. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. HOLLENBECK (for himself, and Mr. SANTINI):

H.J. Res. 134. Joint resolution designating July 18, 1981 as "National POW-MIA Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. NICHOLS:

H.J. Res. 135. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. PEPPER:

H.J. Res. 136. Joint resolution expressing the determination of the United States with respect to the situation in Cuba; to the Committee on Foreign Affairs.

H.J. Res. 137. Joint resolution commending the Cuban "Declaration of Freedom"; to the Committee on Foreign Affairs.

H.J. Res. 138. Joint resolution to authorize and request the President to proclaim January 28, 1982, as "Day of Martí, Apostle of Liberty"; to the Committee on Post Office and Civil Service.

By Mr. LEWIS:

H. Con. Res. 40. Concurrent resolution to express the sense of the Congress that a "Freedom Park", in Washington, D.C., be dedicated to the Americans who were held in Iran and the servicemen who died in the rescue attempt in Iran, to extend thanks to all the Canadians, Algerians, and Americans who played a role in the return of the Americans who were held in Iran, and to recommit the Congress to diplomatic tradition and peace among all nations; to the Committee on Foreign Affairs.

By Mrs. HOLT:

H. Con. Res. 41. Concurrent resolution disapproving the approval by the majority of the registered qualified voters of the District of Columbia voting, of the legalized lotteries, daily numbers games, and bingo and raffles for charitable purposes initiative of 1980; to the Committee on the District of Columbia.

By Mr. PARRIS:

H. Res. 42. Resolution expressing the sense of the House of Representatives with respect to the kidnaping of U.S. diplomatic personnel; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

6. The SPEAKER presented a memorial of the Legislature of the State of Maine, relative to the inauguration of the President and Vice President; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXI, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN:

H.R. 1344. A bill for the relief of Mr. and Mrs. Joseph S. Fok; to the Committee on the Judiciary.

By Mr. BONKER:

H.R. 1345. A bill for the relief of Christine Deans and Jonathan Christopher Deans; to the Committee on the Judiciary.

By Mr. GOODLING:

H.R. 1346. A bill for the relief of Leonidas C. Stylianopoulos; to the Committee on the Judiciary.

H.R. 1347. A bill for the relief of Remigo Aquino and his wife Ines Aquino; to the Committee on the Judiciary.

H.R. 1348. A bill for the relief of Ulrich L. Peters; to the Committee on the Judiciary.

H.R. 1349. A bill for the relief of Anthony P. Petrucci; to the Committee on the Judiciary.

By Mr. MILLER of California:

H.R. 1350. A bill for the relief of Antonios Kakoliris-Kekos; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 1351. A bill for the relief of Farrey's Wholesale Hardware Company, Incorporated; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 1352. A bill for the relief of Laszlo Revesz; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 246: Mr. BAILEY of Pennsylvania, Mr. BINGHAM, Mr. CLAY, Mr. EVANS of Georgia, Mr. FORSYTHE, Mr. HAWKINS, Mr. SIMON, Mr. WON PAT, Mr. GIBBONS, and Mr. DORNAN of California.

H.R. 247: Mr. COATS, Mr. BEDELL, Mr. HILLIS, Mr. PRITCHARD, Mr. VANDER JAGT, Mr. MCCLOSKEY, Mr. WEBER of Minnesota, Mr. PARRIS, Mr. DUNN, and Mr. BROWN of Colorado.

H.R. 468: Mr. HOWARD.

H.R. 557: Mr. HOWARD.

H.R. 560: Mr. GILMAN.

H.R. 568: Mr. GINGRICH, Mr. YATRON, Mr. GRAMM, Mr. PEPPER, Mr. DERWINSKI, Mr. DAN DANIEL, Mr. WEBER of Minnesota, Mr. LAGOMARSINO, Mr. FORSYTHE, Mr. EVANS of Georgia, Mr. DE LA GARZA, Mr. BEDELL, Mr. MADIGAN, Mr. COLLINS of Texas, Mr. LUJAN, Mr. BOWEN, Mr. CORCORAN, Mr. DORNAN of California, Mr. JONES of Tennessee, Mr. BAILEY of Missouri, Mr. CARNEY, Mr. MURPHY, Mr. MCDADE, Mr. WHITEHURST, Mrs. HOLT, Mr. ATKINSON, Mr. GRISHAM, Ms. MARTIN of Illinois, Mr. LEATH of Texas, Mr. RUDD, Mr. GREGG, Mr. BARNARD, and Mr. JOHNSTON.

H.R. 1100: Mr. KAZEN and Mr. HENDON.

H.J. Res. 125: Mr. LENT, Mr. RUSSO, Mr. BENJAMIN, Mr. MOAKLEY, and Mr. WEBER of Minnesota.

H. Con. Res. 19: Mr. LEBOUTILLIER.

H. Con. Res. 21: Mr. LEBOUTILLIER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

18. By the SPEAKER: Petition of the board of supervisors, San Luis Obispo County, Calif., relative to the language minority provisions of the Voting Rights Act of 1965, as amended; to the Committee on the Judiciary.

19. Also, petition of Gail C. Holmes, West Lebanon, N.H., and others, relative to congressional pay; to the Committee on Post Office and Civil Service.

20. Also, petition of Felipe G. Pastrana, Manila, Philippines, relative to recognition of his unit's guerrilla service during World War II; to the Committee on Veterans' Affairs.

SENATE—*Tuesday, January 27, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met in executive session at 10 a.m., on the expiration of the recess, and was called to order by Hon. NANCY LANDON KASSEBAUM, a Senator from the State of Kansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Eternal Father, our need is our prayer this day. We do not pray for easy lives, but that we may be stronger persons. We do not pray for tasks equal to our powers, but for powers equal to our tasks. We do not pray for simple solutions to complex problems, but rather that Thou wilt show us the next step. So wilt Thou help us to do Thy work with courage and wisdom and at the end hear it said, "Well done, good and faithful servant."

In the name of Christ the Lord, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 27, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable NANCY LANDON KASSEBAUM, a Senator from the State of Kansas, to perform the duties of the chair.

STROM THURMOND,
President pro tempore.

Mrs. KASSEBAUM thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

THE JOURNAL

Mr. STEVENS. Madam President, I ask unanimous consent that the Journal be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LETTER OF RESIGNATION AND CERTIFICATE OF APPOINTMENT

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the letter of resignation of Senator Donald Stewart, of Alabama, and the certificate of appointment of Senator JEREMIAH DENTON, of Alabama, to fill that vacancy.

Without objection, the reading will be waived and the documents will be printed in the RECORD.

The documents were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., December 19, 1980.

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR FRITZ: Enclosed please find my letter of resignation addressed to Governor Fob James of Alabama, effective midnight, January 1, 1981.

Respectfully,

DONALD W. STEWART.

U.S. SENATE,
Washington, D.C.

Hon. FOB JAMES,
Governor of the State of Alabama,
Montgomery, Ala.

DEAR FOB: This letter is sent to inform you of my resignation from the United States Senate in favor of my successor effective midnight January 1, 1981.

I have been greatly honored by the people of Alabama who elected me to this high office and have sought to serve them in every possible way during my term in office. I can now best serve the State by allowing its newest Senator to take office early.

I hereby urge you to immediately appoint the Senator-elect to my vacated seat.

With best wishes for your health and happiness during this holiday season.

Warm regards,

DONALD W. STEWART,
U.S. Senator.

STATE OF ALABAMA,
GOVERNOR'S OFFICE,
Montgomery.

CERTIFICATE OF APPOINTMENT

To the President of the Senate of the United States:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Alabama, I, Fob James, the governor of said State, do hereby appoint Jeremiah Denton a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of Donald Stewart, is filled by election as provided by law.

Witness: His excellency our governor Fob James, and our seal hereto affixed at Montgomery this 2nd day of January, in the year of our Lord 1981.

By the governor:

FOB JAMES,
Governor.

STATE OF ALABAMA,
GOVERNOR'S OFFICE,
Montgomery.

CERTIFICATE OF ELECTION FOR SIX-YEAR TERM

To the President of the Senate of the United States:

This is to certify that on the 4th day of November, 1980, Jeremiah Denton was duly chosen by the qualified electors of the State of Alabama a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January 1981.

Witness: His excellency our governor, Fob James, and our seal hereto affixed at Montgomery, Alabama, this 6th day of January, in the year of our Lord 1981.

By the Governor:

FOB JAMES,
Governor.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. STEVENS. Madam President, I ask unanimous consent that following the four special orders on this morning there be a period for the transaction of routine morning business not to exceed 20 minutes and that Senators be permitted to speak therein for not to exceed 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS FROM 1:45 P.M. UNTIL 5 P.M. TODAY

Mr. STEVENS. Madam President, I ask unanimous consent at 1:45 p.m. today the Senate stand in recess until the hour of 5 p.m. today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER CONCERNING ROLLCALL VOTES TODAY

Mr. STEVENS. Madam President, I ask unanimous consent that the rollcall votes ordered today, if there are any, not occur until 5 p.m. today and that at such time votes so ordered occur back to back.

I further ask unanimous consent, Madam President, that when the Senate begins the sequence of votes at 5 p.m., the second and succeeding votes be limited to 7½ minutes in length, with the five bells to sound 5 minutes before the end of the rollcall.

Mr. ROBERT C. BYRD. Madam President, reserving the right to object.

Mr. STEVENS. Madam President, I delete the request at this time for the shortening of votes that occur at 5 p.m. and hope that we can announce that later. We expect two to three votes at that time. My request now just covers the request that rollcall votes that are ordered not occur until 5 p.m. and that the votes that are ordered prior to 5 p.m. occur back to back.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMISSION ON WARTIME RELOCATION AND INTERNMENT OF CIVILIANS

Mr. STEVENS. Madam President, I ask unanimous consent, as in legislative session, that the Senate proceed to the immediate consideration of the bill I am sending to the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. ROBERT C. BYRD. Madam President, reserving the right to object, and I shall not object, I wish to state that this matter has been cleared with Mr. EAGLETON, the ranking member of the committee on this side.

Mr. STEVENS. Madam President, I am indebted to the distinguished Senator from West Virginia. The bill has been cleared by the leadership in both Houses. The bill simply expands the membership of the Commission on Wartime Relocation and Internment of Civilians from its present seven members to nine. The Commission was established pursuant to legislation enacted last year to investigate the relocation and internment of Japanese and Aleut Americans during World War II. This bill will incur no additional cost to the Government.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the immediate consideration of the bill; and, without objection, the bill will be considered as having been read the second time at length.

The question is on the engrossment and third reading of the bill.

The bill (S. 253) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) subsection (b) of section 3 of the Commission on Wartime Relocation and Internment of Civilians Act is amended by striking out "seven" and inserting in lieu thereof "nine".

(2) Clause (2) of such subsection is amended by striking out "Two" and inserting in lieu thereof "Three".

(3) Clause (3) of such subsection is amended by striking out "Two" and inserting in lieu thereof "Three".

(b) Subsection (e) of section 3 of such Act is amended by striking out "Four" and inserting in lieu thereof "Five".

Mr. STEVENS. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Madam President, I move to lay that motion on the table.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. I thank the Senator from West Virginia.

ORDER OF PROCEDURE

Mr. STEVENS. Madam President, it is my understanding that there are four special orders. I ask unanimous consent that the 15-minute special order of the Senator from Montana (Mr. BAUCUS), be transferred to the Senator from Arkansas (Mr. BUMPERS), and, further, I ask unanimous consent that the 15-minute special order granted to the Senator from New Mexico (Mr. SCHMITT), be vacated.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. WALLOP. Madam President, reserving the right to object, did I understand that the Senator from Montana (Mr. BAUCUS), asked that his time be given to Mr. BUMPERS?

Mr. STEVENS. That is correct.

Mr. WALLOP. Madam President, I would ask that the time of the Senator from New Mexico not be yielded back but be given to me, because I suspect I will need it.

Mr. STEVENS. Madam President, the Senator from Wyoming has one special order, as I understand it. I ask unanimous consent that the time granted to the Senator from New Mexico (Mr. SCHMITT), be transferred to my control.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Madam President, I state to the Senator from Wyoming that I will yield that time to the Senator.

Mr. WALLOP. I thank the Senator.

Mr. STEVENS. Madam President, I yield back the remainder of the leadership time on this side.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

WELCOME HOME

Mr. ROBERT C. BYRD. Madam President, for 14 months we have waited for our Americans in Iran to be returned. Our hopes and prayers and thoughts have been with our captive citizens. We have waited too long for this day. Our joy is simple relief: They are free; they are home at last.

The reception awaiting the returned Americans is a bit overwhelming. The American people clearly consider the former hostages worthy of honor. And with good reason. We are not a nation of nobles and commoners, but a country of Americans. When 52 of us were imprisoned, part of us, part of America was held by terrorists. When evil is done it is not the victim but the doer of the wrong who debases himself. The cruel Iranian terrorists are the losers. And those who suffered and persevered are those with human dignity.

The simple things in life are the most important and the most profound. And today the simple fact that these Americans have come home touches us deeply. They have endured pain, they have kept their faith in loneliness, and they have paid a price for being citizens of the United States. Freedom is not a gift, it must be earned every day. These Americans have reminded us of that basic truth. Despite the difficulties they have endured, we welcome them with enormous joy. They make all of us proud to be Americans.

A THOUGHTFUL ARTICLE ON NATIONAL DEFENSE

Mr. ROBERT C. BYRD. Madam President, one of Congress most important single responsibilities is the duty of maintaining a strong national defense program. In order to do this, we must continually examine our current defense philosophy and practices, and look for ways of improving our strategy and instruments of defense.

In view of the Soviet invasion of Afghanistan, Soviet, and Cuban adventurism in Africa, and the apparent Soviet shift from a limited defensive posture to a global military and naval offensive strategy, it is particularly important that we keep our security forces at the top level of efficiency and strength. We can only preserve our freedom and guard our national interests if we maintain the defensive forces necessary to carry out our national will.

Last Friday, the Wall Street Journal published a thoughtful article concerning our national defense philosophy. The article, entitled "The Case for Military Reform," was written by our distinguished colleague from Colorado, Senator GARY HART. Senator HART, throughout his career in the Senate, has demonstrated a growing acumen in defense matters. This reflective article should be a helpful contribution to our discussions on vital defense matters.

Madam President, I ask unanimous consent that this article from the Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered printed in the RECORD, as follows:

THE CASE FOR MILITARY REFORM

(By GARY HART)

Both major candidates in the presidential campaign put heavy stress on the need for a stronger defense. President Reagan is committed to increasing the defense budget, possibly by as much as $25 billion to $35 billion annually. But will increased spending really strengthen America's defenses?

The answer is: not necessarily. If the Reagan administration is serious about efforts to strengthen the military, it will have to look beyond the size of the budget. It will have to embrace a cause that has quietly been growing among defense academics and writers, officers in the field and a few elected officials: the cause of military reform.

Military reform means three basic changes:

It means spending more, selectively, for defense.

It means allocating funds to innovative weapons and programs.

And it means addressing a number of nonbudgetary problems which, although not related to defense spending, relate directly to winning or losing wars. This includes reexamination of basic defense doctrine and concepts.

UNDERFUNDED DEFENSE

First, we do need to increase the defense budget. Major elements in our defense establishment have been underfunded for some time. These include shipbuilding, military pay, operations and maintenance and strategic forces.

Second, we must direct our spending toward innovative weapons and programs. Just spending more will not solve our problems. We risk being like the French in the 1930's, debating how much to spend each year on the Maginot Line.

If what we are buying will not work on the

battlefield, then it does not matter how much of it we have.

Perhaps the Navy provides the best example of the need to spend our money for innovation. In an era when new weapons have made every surface ship significantly more vulnerable than it was 20 or even 10 years ago, the Navy has become dependent on just 13 ships—the 13 large aircraft carriers. Most other types of surface ships—cruisers and destroyers—are not only wedded to the aircraft carrier, they are themselves more vulnerable and increasingly less able to carry out their escort mission.

New concepts and technologies could free the Navy from many of its current problems. Vertical/short take-off and landing (V/STOL) aircraft could permit us to build smaller, less expensive carriers in much larger numbers. Modern diesel-electric submarines could complement our extremely expensive nuclear attack subs, enabling us to afford a much larger submarine force. Hydrofoils and surface effect ships could provide the high speeds—up to 80 knots—needed for truly effective antisubmarine ships. But this means spending our naval dollars in innovative ways, which we haven't been doing.

The third basic component of military reform, the need to attack some non-budgetary defense problems, is seldom addressed in our national defense debate. But these problems may be the most serious of all.

Our concept of land warfare is a good example. The doctrine of the Army still reflects the post-World War I French concept of a war of attrition dominated by massive firepower. Its object is to destroy the enemy physically, tank by tank and man by man.

The Germans demonstrated in World War II that a concept based on maneuver is more effective, especially for the side with fewer men and less equipment. The Russians learned maneuver warfare the hard way, from the Germans in World War II. We still haven't learned it. One can place the U.S. Army's field manuals side-by-side with those of the French in 1940 and find remarkable parallels. Unless we re-examine our entire concept of land warfare, it won't do much good merely to spend more money to buy more hardware.

The military education and promotion system is another example of a serious non-budgetary weakness. The military education system—the service academies, the command and staff schools, the war colleges—gives little attention to *ideas* about warfare. It emphasizes the study of management and lower-level leadership, not military history.

Promotion reinforces the effects of poor education. The services value the manager, tolerate the troop leader, but have virtually no place for the theorist.

We must give our officers a chance to think about warfare, both in our service schools and while on regular duty assignments. This means changes in the schools' curricula, including much greater emphasis on military history and theory, and possibly lengthening the school terms. It means upgrading and revitalizing our military journals. It means reducing the administrative load on the officer in the field, to give him time to think. And we should consider providing a formal career path for those officers who excel in military theory, to parallel those already existing for the troop leader and the manager.

Why have there not been stronger efforts from within the armed forces to create a place for the military theorist? This brings up what is perhaps our most fundamental military weakness: The armed services have in large part become bureaucracies.

Traditionally, the forces were organized on a "corporative" model. Each officer was inculcated with, and worked in every way to advance, the overall goals and purposes of his service. Today, only the Marine Corps adheres to this model.

NARROW OUTLOOK

The Army, Navy and Air Force have instead adopted the bureaucratic model, in which the officer specializes in one or several narrow functions, and the overall goals of the institutions are supposedly attained by linking the "boxes" which define each individual's job. Unfortunately the narrow outlook this produces often causes those overall goals to be forgotten, while decisions are based on what the institutions find comfortable—which is to say, what they have done in the past.

If we are to avoid the military dangers this trend toward bureaucratization could cause, we must reform the very basis of our armed services—the way they make decisions—while we also reform specific military concepts and force structures, military education and the promotion system. Otherwise, the other reforms will only be temporary, for the ongoing process of change and adaptation which must characterize an effective military will not develop. This may be the single most challenging defense task we face.

Military reform presents a difficult challenge to the new administration. But it also offers an enormous opportunity. It offers a new basis for something we lost in Vietnam—a genuine national consensus of defense. There is nothing ideological about the issue. It is a task in which liberals and conservatives can join. It will indeed require a joining of those who have differed in the past. But if we are willing to think new thoughts, and see today's problems in the light of present realities, not as reflections of debates long past, it can be done.

Mr. ROBERT C. BYRD. Madam President, I yield to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. Madam President, I thank my good friend for yielding. I am happy that he put that article by GARY HART into the RECORD. It is an excellent article and should be called to the attention of all our colleagues.

AMENDING THE FOOD STAMP ACT OF 1977

Mr. PROXMIRE. Madam President, on January 15, I introduced S. 86, a bill to amend the Food Stamp Act of 1977 to revise eligibility to participate in the food stamp program.

Since floor statements could not be delivered that day, I am taking this opportunity to make brief remarks concerning S. 86.

BASIC PURPOSE DEFINED

Madam President, my bill aims to help bring the raging food stamp program under control through cutting back on the number of people who are eligible to participate.

The Congressional Budget Office estimates that the fiscal year 1982 savings to be realized through enactment of S. 86 would be $495 million.

This would be achieved through eliminating 2 million participants from the food stamp program. This is a 9-percent reduction.

My bill would also reduce by 5 million the number of persons potentially eligible to participate in the food stamp program. This represents a cut of 16 percent.

ELIMINATING DEDUCTIONS

Under the Food Stamp Act of 1977, as amended, the Federal poverty levels are only the nominal measure of income eligibility for food stamp aid.

Substantial amounts of any household's cash income are disregarded before that household's income is compared to the applicable poverty level. As a result, the effective income eligibility limits—on gross income—are much higher and vary from household to household.

Income eligibility for food stamp aid is based on a household's projected monthly cash income. This determination takes several steps. I will outline briefly what those steps are and how my bill cuts what I consider to be unnecessary or unjustifiable deductions.

After the gross projected monthly income is calculated, the first step is to deduct the amount of the annually indexed "standard deduction." At present, this amounts to a flat $85 per household per month. In other words, by disregarding $85 per household, the effective income eligibility limit for all households is automatically raised $85 above the poverty levels.

My bill would eliminate this standard deduction.

The second step is to deduct 20 percent of any earned income, as an allowance for taxes and work expenses and as a work incentive. This automatically raises the effective gross income limit above the basic poverty level (plus the $85 standard deduction), for households with earnings, by the equivalent of 20 percent of any earnings.

My bill would reduce this deduction from 20 percent to 15 percent.

THIRD STEP

The third step is to deduct: First, any household expenditure for dependent care related to employment, education, or training for work; and second, any shelter expenses exceeding 50 percent of household income remaining after all other appropriate deductions have been allowed—but only up to an annually indexed ceiling (now set at $115 per household per month) that applies to the total amount that may be claimed for both types of expenses.

As a result, for households with dependent care or high shelter expenses, the effective income eligibility limit can be as much as another $115 per month—over and above the effective income limit created by disregarding the standard deduction ($85) and 20 percent of any earnings.

My bill would eliminate the deduction for dependent care and shelter expenses. I should point out that this cutback does not have an adverse effect on those in cold climates who, of course, have higher fuel costs than those who live in other parts of the country. The Federal Government's fuel assistance program does an effective job of helping this particular group.

ELDERLY OR DISABLED

Madam President, the effective income eligibility limits that I have been discussing so far do not apply to households with elderly or disabled members.

There are no definable effective income limits for households with elderly or disabled members because these households are allowed to have a variable but much higher proportion of their incomes disregarded.

Specifically, elderly or disabled households are allowed to first, deduct any medical expenses of the elderly or disabled member (or spouse of such member) above $35 per month; and second, to deduct dependent-care and shelter expenses without regard to the $115 per month ceiling applied to other households—in addition to the $85 standard deduction and the 20-percent earned income deduction.

My bill would leave intact all provisions of the current food stamp law that apply to elderly or disabled households.

OUT OF CONTROL

Madam President, the food stamp program had a modest beginning in 1965, its first full year of operation. That year, there were 424,000 participants at a cost to the Federal Government of $35 million.

Compare those numbers with the current situation. There are now 22 million people participating in the food stamp program at what will be a cost to the Federal Government of over $11 billion, if the latest Carter budget is adopted. Moreover, another 10 million Americans are eligible to participate but do not.

Clearly, Madam President, the food stamp program is out of control. Steps must be taken—and taken now—to put some restraint and rationality into this well-intentioned but runaway program. My bill is aimed at doing just that.

Madam President I ask unanimous consent that the text of S. 86 be reprinted at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 86

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977.

(b) The heading of section 5 is amended to read as follows:

"ELIGIBLE HOUSEHOLDS; COMPUTATION OF INCOME".

(c) Subsection (e) of section 5 is amended—

(1) by inserting "(1)" after "(e)";

(2) by striking out "(A)", "(B)", and "(C)", and inserting in lieu thereof "(i)", "(ii)", and "(iii)", respectively;

(3) by striking out "(1)", "(2)", and "(3)" each place they appear, and inserting in lieu thereof "(A)", "(B)", and "(C)", respectively;

(4) by inserting "for purposes of determining the value of the allotment issued to a household under section 8" after "In computing household income" in the first sentence thereof;

(5) by striking out "clause (2)" in subclause (ii) (as redesignated by paragraph (2)) and inserting in lieu thereof "clause (B)"; and

(6) by adding at the end thereof the following new paragraph:

"(2) In computing household income for purposes of determining eligibility to participate in the food stamp program, the Secretary shall allow, with respect to all households with earned income, a deduction of 15 per centum of all earned income (other than that excluded by subsection (d) of this section), to compensate for taxes, other mandatory deductions from salary, and work expenses. Households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act or disability payments under title II of the Social Security Act shall also be entitled to—

"(A) an excess medical expense deduction for that portion of the actual cost of allowable medical expenses, incurred by household members who are sixty years of age or over or who receive supplemental security income benefits under title XVI of the Social Security Act, or disability payments under title II of the Social Security Act, exclusive of special diets, that exceed $35 a month;

"(B) a dependent care deduction, the maximum allowable level of which shall be the same as that for the excess shelter expense deduction contained in clause (B) of paragraph (1) of this subsection, for the actual cost of payments necessary for the care of a dependent, regardless of the dependent's age, when such care enables a household member to accept or continue employment, or training or education that is preparatory for employment; and

"(C) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 per centum of monthly household income after all other applicable deductions have been allowed.".

(d) Subsection (a) of section 8 is amended by inserting "(other than paragraph (2) of subsection (e) thereof)" after "section 5".

TENTH ANNIVERSARY OF IDI AMIN'S RULE

Mr. PROXMIRE. Madam President, sadly, Sunday, January 25, 1981, would have been the 10th anniversary of the rule of the infamous Idi Amin Dada in Uganda. This is, of course, hardly a date in history to be celebrated but it certainly should be remembered on this occasion so that we can redouble our efforts to insure that such atrocities are not committed again.

While Idi Amin's actions may not rise to the level of genocide, his regime was characterized by murderous horrors of unbelievable proportions, including systematic exterminations executed by Amin's dreaded "death squads."

Amin's regime included tribal mass murders on a wide national scale on at least two occasions in recent Ugandan history. In early 1977, members of the Acholi and Langi ethnic groups in the northern regions of Gulu and Lira were systematically exterminated by Ugandan forces, as were their tribesmen in other parts of the country, including the capital of Kampala. The Baganda and Basoga ethnic groups were similarly exterminated by security forces, specifically the state research bureau in June 1977.

The cumulative effect of these reigns of terror was staggering. The Nobel Prize-winning human rights group, Amnesty International, estimates that during 1976–77 alone, several thousand Ugandans were murdered at the hands of their cruel leader, Idi Amin Dada.

Madam President, we must not allow this to happen again and we must affirm that genocide is an international concern, affecting the world community. Unless we ratify the Genocide Convention, we will lose a "bully pulpit," as President Theodore Roosevelt used to say, from which to condemn such inhuman attacks on humanity. Let us ratify the Genocide Convention now.

Thankfully, Idi Amin was overthrown on April 10–11, 1979, but we must not forget his legacy of mass murder and wholesale slaughter.

Mr. ROBERT C. BYRD. Madam President, I reserve the remainder of my time.

RECOGNITION OF SENATOR WALLOP

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wyoming (Mr. WALLOP) is recognized.

Mr. STEVENS. Madam President, will the Senator yield?

Mr. WALLOP. I am happy to yield.

Mr. STEVENS. Madam President, I ask unanimous consent that the time allocated to me be yielded to the Senator from Wyoming and to be under his control.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WALLOP. Madam President, I thank the acting majority leader.

LIMITING THE COAL SEVERANCE TAX

Mr. WALLOP. Madam President, it had occurred to me earlier to seek to rise to a point of personal privilege because of the numerous attacks on the motivations of my statement which I am about to present. I decided not to do that, but to keep this in the realm of an intellectual argument. I would hope that we can succeed in that matter and that further implications about the people of Wyoming be left out and the arguments made on the issue of severance taxes.

We take that issue as it deserves to be taken, on its merits.

Madam President, I would like to say a few words at this time about this proposed legislation—S. 178—to set a mandatory ceiling of 12.5 percent on the severance taxes levied by coal producing States and local communities. The sponsors of this legislation have singled out Wyoming and Montana for their "allegedly" high coal severance tax rates, claiming that they place an inordinate burden on the utility consumers and inhibit the Nation's ability to utilize its vast coal reserves. They have painted a totally distorted and unfair picture of the situation. The actual effect of the coal severance taxes on the consumer is minimal and the impact on Federal coal leasing and mining is negligible.

First, it is patently unreasonable and misleading to consider Wyoming's 6.5-percent county ad valorem tax subject to legislative limitation. Traditionally across this Nation local property taxes on minerals have been based on a percentage or per ton rate of their severed

value rather than their in situ value. Clearly, if valued in situ, the tax revenue potential to the counties would be much greater.

Moreover, they would not, under any stretch of the imagination, be subject to the reach of Congress in regulation or status. Therefore, it is against the best interests of all users of coal to create a climate for a method of taxation that is less identifiable by and more harmful to that same consumer said to be the object of this political passion.

Second, to clear up a critical misconception underlying this legislation, the coal being taxed is not Federal. It has been severed according to a Federal lease agreement, with Federal royalties deducted, and the coal is the sole property of the coal lessee to sell for profit. In the case of Wyoming, at least, the severance tax is levied on the value of that coal after severance minus the production and transportation costs, inclusive of railroad shipping charges to the place of sale to the utility.

The transportation costs from Wyoming to the consumer make up the major portion of the price of delivered coal. For example, transportation accounts for approximately 75 percent of the price of the coal shipped from the Powder River Basin to Texas.

Therefore, to determine the effect of the coal severance tax on the consumer, it must be translated into its contribution to the end use cost to the consumer. A recent Congressional Research Service (CRS) issue brief entitled "Energy: State Severance Taxes" reveals that, using current 1980 data, Montana's 30 percent severance tax contributes only 3.6 percent to the end use cost of the electricity consumed. Using the same methodology, Wyoming's "17 percent" severance tax contributes only 1.3 to 2.5 percent to the consumer's end use costs.

Comparing these end use impact percentages to severance tax rates imposed on oil (12.5 percent) and gas (10 percent), the CRS study reveals that the coal severance tax impacts on the consumer are half as much or less. For the RECORD, I submit a table from that study, reflecting that severance taxes from 1980 on oil contributed 6.3 percent to end use and on gas 3.4 to 4.1 percent. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

End product	Price at point of taxation	Amount of severance tax	End-use cost	Percentage of end-use cost as tax
Oil-fired powerplant (electric)	$17/bbl	$2.125/bbl	$0.07/kW	6.3
Home heating oil	$217/bbl	$2.125/bbl	$0.86/gal	6.3
Gasoline	$17/bbl	$2.125/bbl	$1.20/gal	4.1
Residential gas	$1.30/mcf	$0.13/mcf	$3.50/mcf	3.8
Coal-fired powerplant (electricity)	$12/ton (MT–9,300 Btu/lb)	$2.64/ton	$0.045/kW	3.6
Gas-fired (electricity)	$1.30/mcf	$0.13	$0.045/kW	3.4

Mr. WALLOP. The CRS study explains—

The reason for this is two-fold. First, coal in general, and western coal in particular, is cheaper per Btu than oil or gas. In December 1979, the national average cost of coal per million Btu was $1.29. This compares with $3.95 for residual fuel oil and $1.83 for natural gas for the same million Btu's. Second, while some products of crude oil and natural gas are used in a fairly direct manner (gasoline, home-heating oil, residential gas), coal is almost exclusively used in powerplants to generate electricity. Because of this, coal becomes a small input cost into the price of the final product as opposed to some oil and natural gas products, and therefore the impact of the severance tax is less.

These figures can also be contrasted with tax impediments on energy levied by the so-called consumer States. Many States and local communities levy gross sales taxes on electrical consumption which far exceed any burden placed on the consumer by Western severance taxes. Nearly 20 States have general sales or gross receipt taxes in excess of the 3.6 percent burden from Montana's severance tax.

Translating the end use figures to dollars is even more illuminating. The average residential consumer has a yearly electrical bill of $356. Assuming the highest CRS estimate of 2.5 percent for the end use impact of Wyoming taxes, that represents a grand total of $8.92 a year. That is 74 cents a month or $2.4 a day. If this legislation were enacted and mineral taxes lowered from the deceptive 17 percent to 12.5 percent, the savings would be less than a penny a day to that consumer. On a dollar basis, Montana and Wyoming are nowhere near the top in total dollar collections.

Figures for 1977 total severance taxes on all commodities show seven States with higher severance tax collections. Two have collections more than 10 times higher. In truth of fact, this legislation, which artfully isolates two small States with only seven congressional representatives to give supposedly "significant" relief to electricity consumers in a few States, is really underwritten by the major utilities. For example, the National Coal Consumers Alliance, a major backer of this proposed legislation, is funded by eight southern and midwestern utilities. This legislation is for them, not the consumers.

The Wyoming severance tax, moreover, has not been a significant barrier to coal development. In 1973, Wyoming produced 14 million tons of coal. Yet by 1979, after the enactment of the present severance tax, production increased five times to 72 million tons—a whopping fivefold increase. Production is estimated to double again by 1983.

As we all know, for the last 10 years, the Department of the Interior has been unable as well as unwilling to get a full blown leasing program operating and Federal leasing has been virtually nonexistent. However, a major Federal coal leasing program is now underway. This January the first major lease sales were held in southern Wyoming and northern Colorado (referred collectively as the Green River-Hams Fork Coal Region) and further extensive lease sales of all Federal coal is expected in the near future.

One must remember that the Federal Government already exerts a heavy hand in Wyoming and the West. The Federal Government holds title to 48 percent of the surface in Wyoming and 72 percent of the mineral estate. The Government has a virtual monopoly over Western coal reserves. The most direct control is in the Federal ownership of 60 percent of all the coal reserves west of the Mississippi. In addition, the Federal Government has de facto control over the development of an additional 15 to 25 percent of the non-Federal coal reserves by virtue of checker-board ownership patterns. Furthermore, complex laws and regulations give the Federal Government much control over which reserves are and are not produced, even on private lands. All this gives the Federal Government a monopoly position to control the amount, location, and price of coal that can be produced.

A second problem is transportation of coal. Nearly all Western coal is shipped by rail. The Federal Government's transportation policies have great effect on the use and price of coal.

These leasing and transportation policies are the primary culprits in limiting competition in the coal market. The Federal Government controls the rate of coal development, and the substantial flow of public dollars into synfuels development, which have resulted in staggering growth to the West, my State in particular. Now, this bill seeks to strengthen the Federal monopoly position in the West by controlling yet another facet, the ability of the States to levy severance taxes to provide for facilities to support energy growth.

It is grievously ironic to me that my State has received severe national criticism for the unsightly, yet very real impacts of the mineral "boom" phenomenon—in Rock Springs and Gillette, for example—and that this body would seriously consider limiting our ability to repair some of the damage done and to prepare for future growth.

This growth, and growth in other mineral areas such as oil and gas development, has already had serious effects on Wyoming. Statewide growth has been 41 percent in the 1970's, most of it taking place in the half decade between 1975 and 1980. Individual towns have exploded in size and population. Rock Springs grew from 12,000 to 19,000 in that period, Green River from 4,000 to 12,000. A rural, agrarian State is being literally pushed into the role of a national energy producer, and a State where people traditionally have taken care of themselves without the need for extensive public services is suddenly faced with mushrooming problems.

Most of the boom towns are small; adequate housing is nonexistent. Rents have skyrocketed to levels far beyond the capacity of many old-time residents. Towns are often hemmed in by Federal lands, so expansion, growth, and planning are difficult and haphazard. Sewers are not available. Roads are deteriorating under heavy truck traffic. Crime, alcoholism, and domestic violence are growing. Towns are hard pressed to compete for labor against the high-paying construction and energy jobs.

Development of facilities and services would be difficult enough if growth was a steady and long-term development. Unfortunately, construction forces are transient and usually several times larger than the eventual permanent work force. Ultimately, the mineral base will be depleted, bringing the bust cycle of the mineral economy. Estimation of the proper level of public facilities is difficult at best. Requirements for public development precede the development of revenue sources, compounding our problems.

To cope with this unprecedented growth, the Wyoming Legislature enacted its coal severance tax to pay for the social and public cost of mineral development. Severance taxes are supporting local governments, community colleges, fire protection districts, water and sewer districts, hospital districts, school districts, and road and street projects. Highways, disintegrating under the weight of mineral-laden transportation equipment, must be rebuilt and water development projects must be funded to provide scarce water for new populations, burdened municipalities, agriculture, and the mineral industry. Special funds have been set up to build and finance permanent housing for workers presently living in trailers.

A small portion of the severance tax revenue is being set aside to help the State diversify its economy and prepare for the day when our nonrenewable resources are gone. From the granite quarries of Vermont to the copper pits of Montana, ghost towns stand as stark reminders of the boom/bust nature of natural resource production.

Wyoming will see the same and perhaps more growth in the 1980's as the 1970's. The Nation needs increased oil and gas production from the Overthrust Belt, coal from the Green River-Hams Fork Region and the Powder River Basin, and synfuels from the numerous synfuels plants projected for the region.

Wyoming will sacrifice to meet the energy needs of the Nation. What Wyoming asks is to be allowed to continue to exercise traditional State authority to help build a foundation to continue energy growth with balance in the rest of our economy. We will produce, but we will sit in hell before we become the Nation's energy colony.

This is a traditional area for State decisions, and even the Government Accounting Office has reported that support for energy growth should be a State concern. Do not open up this area for more Federal control of legitimate State issues. I remind the Chair of the charge made by Alexander Hamilton in Federalist Paper 32 on the "Exclusive and Concurrent Powers of Taxation:"

> Although I am of opinion that there would be no real danger of the consequences which seem to be apprehended to the State governments from a power in the Union to control them in the levies of money, because I am persuaded that the sense of the people, the extreme hazard of provoking the resentments of the State governments, and a conviction of the utility and necessity of local administrations for local purposes, would be a complete barrier against the oppressive use of such a power; yet I am willing here to allow, in its full extent, the justness of the reasoning which requires that the individual States should possess an independent and uncontrollable authority to raise their own revenues for the supply of their own wants. And making this concession, I affirm that (with the sole exception of duties on imports and exports) they would, under the plan of the convention, retain that authority in the most absolute and unqualified sense; and that an attempt on the part of the national government to abridge them in the exercise of it, would be a violent assumption of power, unwarranted by an article or clause of its Constitution.

The Supreme Court has held that severance of natural resources is an intrastate action, rather than a part of interstate commerce. See, for example, *Heisler v. Thomas Colliery Co.*, 26 U.S. 245 (1922).

In conclusion, I restate President Reagan's caution in his inaugural address:

> All of us need to be reminded that the Federal Government did not create the States; the States created the Federal Government. So there will be no misunderstanding, it is not my intention to do away with government. It is, rather, to make it work—work with us, not over us; to stand by our side, not ride on our back.

Mr. President, I am unalterably opposed to this legislation in the 97th Congress, as I was in the 96th. It was, sensibly, not enacted during the last Congress, and I intend to do everything I can to see that it is not enacted in this one or in the future. Wyoming will not become an energy colony, sacrificing our precious environment and our quality of life on the altar of a hungry nation's desire for energy.

Madam President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The time of the senior Senator from Wyoming has expired.

ORDER OF PROCEDURE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wyoming (Mr. SIMPSON) will be recognized for not to exceed 15 minutes.

Mr. WALLOP. Madam President, I suggest the absence of a quorum to await the attendance of my colleague.

The ACTING PRESIDENT pro tempore. Without objection, the time will be charged to the junior Senator from Wyoming.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WALLOP. Madam President, I ask unanimous consent that the order for the recognition of Senators be changed so that the Senator from Montana (Mr. BAUCUS) may proceed at this time and that the Senator from Wyoming (Mr. SIMPSON) may follow with his remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WALLOP. It is part of my request that the time that has been charged against the Senator from Wyoming remain charged against him and that the Senator from Montana be entitled to his full time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MONTANA COAL SEVERENCE TAX

Mr. BAUCUS. Madam President, I rise to speak in support of a State's right to impose severance taxes, and, I urge the Senate not to open a Pandora's box by meddling in a State's taxing actions.

My State, Montana, is a natural resource State. Our economy prospers or suffers in direct correlation to the demand for our agricultural, timber and mining products.

That economic fact of life has resulted in a roller coaster of economic promise and collapse throughout much of Montana's past. During the 19th and 20th centuries, many of the critical decisions about our State's future were made in corporate boardrooms far from Montana's borders.

Their decisions were made based on what they think is appropriate—not on any particular sense of corporate responsibility. The bottom line—not the future of Montana's towns and communities—all too often has been the order of the day.

When a smelter closes down—as recently happened in Anaconda, Mont.—there is no economic activity to replace it. When the mill stops producing, families' savings are wiped out, their homes lose their value, and whole communities simply shut down.

Anaconda, Mont., has not shut down yet, but its road to economic health is rocky and steep.

But the human suffering far outweighs the willingness of Anaconda's parent company and the Federal Government to offer help.

This scenario has happened time and time again in Montana's past. It is not a pretty sight, and it is not an acceptable condition for the future. Montanans want the right to determine their future—just like all Americans.

Montanans remember this history quite well. That is why the Montana Legislature acted quickly, and responsibly, in the face of the rumored coal boom in the early 1970's.

We knew that coal had promise—that it was being sought as America's "energy ace in the hole." But we also remembered that, too often, others took the entire deck of cards and left Montana with only the hole.

We knew we would be called upon to contribute, so that a beleaguered nation could reduce its dependence on unreliable sources of oil from the Middle East.

We did not shrink from that obligation; nor did we seek an escape. But, we did see the potential costs, and we acted legitimately to protect ourselves from them.

The State did not simply enact a severance tax and drop the matter. We en-

acted strong reclamation laws to promote the restoration of our fragile land. The rains are not plentiful in Montana and the ground water flows are easily interrupted. Massive disruption of the vegetation, soils and waters of eastern Montana's ranching economy is a risky experiment. No one is sure if the fertility of the land can be restored.

Nor can we be certain that the area's social fabric, its relaxed rural character, will not be irreparably torn.

The legislature was keenly aware that the costs of coal development are both immediate and long term. In fact, the greatest costs, the biggest problems, will occur at the conclusion of this one-time harvest.

Our severance tax was designed to protect both our present and our future—to insure that some day we would not become wards of the Government, living on depleted land in a busted economy.

In this session of the Congress—as in the last—Montana's Coal Severance Tax is being unfairly attacked. We hear golden oratory about the need to "protect consumers" and increase coal production. I am no stranger to these concerns, but I recognize misplaced intentions when I see them.

The advocates of slashing Montana's coal tax may be long on hope, but they are short on evidence. Simply put, there is no convincing evidence of any kind that a 12½-percent cap on coal taxes would reduce a consumer's utility bill by more than a few cents a month.

Nor is there any convincing evidence of any kind that the Montana tax is hindering needed coal production. In the decade of the 1970's, Montana coal production increased 1,000 percent. Let me repeat: In 10 years, production increased 1,000 percent, and it is projected to increase again and again in the years ahead.

Those who wish to help electricity consumers in the Midwest should look not at the Montana coal tax, but at the costs of coal transportation. The Montana tax is only about 10 percent of the delivered price of coal.

The railroad that hauls the coal collects a whopping 60 percent of the delivered price. Over half the cost of coal is collected by a railroad that monopolizes coal transportation.

Over the last several years, Montanans have fought hard to restore competition to the railroads of the Northern Tier. We have been trying to save the Milwaukee Railroad so it could compete with the Burlington Northern and provide some incentive for lower rates.

I am not pleased to have to say it, but it is in fact the case, that we had very little help from those who are now taking potshots at Montana's coal tax. They passed up a golden opportunity to strike a blow for their State's electricity consumers.

Madam President, I do not deny that the Federal Government has an interest in reducing our dependence on foreign oil. But that does not mean the Federal bull should be loosed in the china shop of State resource taxation. The Montana tax simply does not slow the production of Western coal.

I do not deny that the Federal Government has a legitimate concern about the skyrocketing electricity bills of American consumers. But that does not mean the Federal Government should victimize States that are trying to stabilize their economic present and establish an economic future.

The question is not whether this Congress has constitutional authority to slash Montana's tax. We all know that issue would ultimately have to be decided by the courts. The real question is whether Congress wishes to continue badgering Western States by pressing this unfortunate proposal.

In the months ahead, I will be writing my colleagues to warn in greater detail about the grave dangers of the Federal intrusion in the traditional domain of State taxation. Virtually no State will be immune.

Many States have taxes whose impacts far exceed those of the Montana coal severance tax. For example, the sales and utility taxes paid by Illinois and Michigan electricity consumers are many times the Montana coal severance tax. In 1979, a typical Michigan electricity consumer paid 12 cents per month for Montana production taxes and over $2 in Michigan sales taxes.

In addition, many States are very successful in exporting their tax burden—far more aggressive in doing so than Montana. Illinois and Michigan are among them.

The principles behind this tax cap—that we in Congress are free to tell States how much they can tax—is a principle alien to our system of federalism.

Ultimately, no region of the country will benefit from the anger that will persist if this tax cap is adopted.

It will not aid consumers. It will not encourage energy conservation. It will not increase coal production. It will not improve coal transportation. It will not speed the day when this Nation stands tall with a clear, consistent national energy policy.

But, it will divide the country. It will intrude in areas traditionally handled by States. And it will further aggravate the tensions that already exist in the West as a result of Washington's lengthening reach.

It is, in short, not an answer. It diverts attentions from the real problem. And it is simply one more proposed solution that will only make our difficulties worse.

Madam President, I thank the Senator from Wyoming for yielding time. I thank the Senator also for establishing this hour so that we from producing States can present the facts, so that more Americans, particularly those Americans who are consumers, will fully understand the ramifications of our Western States' coal severance taxes. I hope we can work together on a more unified basis in our country to adopt a policy that makes more sense for all of us rather than one that is divisive.

I thank the Senator from Wyoming.

Mr. WALLOP. Madam President, may I say to my friend and neighbor from Montana that I appreciate his statement.

I hope our colleagues will take time, at least, to read the words spoken this morning by the Senator from Montana and the junior Senator from Wyoming because the issue is simpler than violent political rhetoric. It is one that lends itself to an intellectual approach to the argument as to whether or not indeed these consumers are being served.

I think the order now is back to the junior Senator from Wyoming, my colleague, Senator SIMPSON, is that not correct?

The ACTING PRESIDENT pro tempore. Yes.

RECOGNITION OF SENATOR SIMPSON

The ACTING PRESIDENT pro tempore. The junior Senator from Wyoming is recognized.

Mr. SIMPSON. Thank you, Madam President.

It is good to see you there in the chair, a member of our particular faith holding down the position of chairman of the session.

OPPOSITION TO S. 178 LIMITING STATE COAL SEVERANCE TAXES

Mr. SIMPSON. Madam President, with the introduction of S. 178, the spirited debate on Federal action to limit the taxing ability of the sovereign States and Indian tribes is now well on its way to becoming one of the perennial political jousting matches before Congress. Just as the efforts and arguments of this proponent in the last Congress were wholly unsuccessful, as my senior colleague from Wyoming says, so again will logic and horsesense again prevail in this session.

The chief purpose of my remarks this morning are to respond to the extraordinary assumptions and plain old erroneous information that has been presented regarding the purpose and the rate of mineral excise taxation on coal resources levied by the State of Wyoming. I first point out to the Members of the Senate that the people of Wyoming and the Wyoming Legislature have made and are making no conscious, premeditated, deliberate, evil, sinister, or devious attempt to levy mineral excise tax on coal resources in order simply to inflict an unfair burden on electrical rate payers in other States. The present rate of the coal mineral excise tax in Wyoming was set in 1977 at 10.5 percent and it continues at that rate—not the 17 percent figure as is often stated by the sponsors of this legislation.

The most important objection which I raise to this legislation is the possible adoption of a dangerous national precedent. If Congress acts to restrict the amount of taxation which mining States are able to levy on coal resources, then it should assuredly follow that Congress also act under its broad plenary commerce powers to restrict the level of taxation in the farm belt States, the manufacturing States, the timbering regions of this country and any other State which sustains within its borders a regional or national center of production.

Madam President, as a previous member of the Judiciary Subcommittee on the Constitution, I have had numerous occasions to review legislation that proposes changes in that most basic charter of individual liberties and the pattern for our Federal system of Government—the Constitution of the United States.

Under the exercise of its enumerated powers, specifically the commerce clause of the Constitution, article I, section A, clause 3, Congress does have the necessary grant of authority and the plenary powers to act in a manner that is required to assure that no undue burden is imposed on interstate commerce—including marketing of coal resources. Plenary authority, to quote the words of Mr. Chief Justice Marshall in Gibbons against Ogden, "is the power to prescribe the rule by which commerce is governed." The only limitation which the U.S. Supreme Court has placed in the path of the Congress' regulation of interstate commerce has been the requirement that "the chosen means by (Congress) must be reasonably adapted to the end permitted by the Constitution."

I cannot in any way perceive how any such proposed legislation would be fully within the grant of legislative authority contained in the commerce clause, and thus if adopted, I feel this legislation would indeed be constitutionally defective. This legislation suffers from the constitutional debility of an attempt to regulate the activity of the States—in their authentic and legitimate activities as States—by means of this curious misuse of the commerce power. The U.S. Supreme Court has struck down such Federal intrusion as recently as 1976 in the case of National League of Cities against Usery.

Sponsors purport to beseech Congress to wield its commerce power in a fashion that would drastically impair the ability of the Western States to function effectively within a Federal system. This exercise of congressional authority certainly does not aline with the Federal system of Government as embodied in the Constitution.

Of the 10.5 percent of State mineral excise tax which Wyoming has adopted, fully 6.5 percent goes directly to "earmarked" accounts that are specifically targeted for the purpose of relieving the various problems that are directly or indirectly associated with the rapid industrialization that comes with Wyoming energy development. These coal tax revenues finance such traditional government functions as the construction of public utilities, providing for public health and recreation, developing water resources, and the building of highways and bridges. Certainly any attempt by the Federal Government to limit the ability of the State to respond to these dramatic social, economic, and environmental impacts would fly directly in the face of the Federal system of Government—as envisioned by our Constitution.

On this point alone the proposal is fatally defective since it is not a proper exercise of the enumerated powers which Congress has prescribed to override State sovereignty on those certain limited occasions when exercising its plenary powers to tax or regulate commerce. I should also point out that the severance tax structures of both the State of Wyoming and the State of Montana do not impose a tax burden that discriminates against "out of State" coal users in favor of its own residents or their local economies.

In previous testimony before this Congress Hubert H. Nexon, senior vice president of Commonwealth Edison Co., who is also president of the National Coal Consumers Alliance, decried the process of allowing State severance taxes to be passed on to electrical users in coal-consuming States. But I would point out to my colleagues that it is a fundamental principal of equity that those individuals who benefit to the greatest degree, and in the most direct fashion, do indeed have the responsibility of assuming the burden of paying for those benefits.

An application of that equitable principal to the coal tax situation would assure that those electric ratepayers who benefit from power generated from the combustion of coal resources mined in another State would assume a portion of the cost of providing for those fuel resources. The social and environmental costs which Western States are expected to bear in the development of coal within the scope of a national energy policy are physically visible to anyone who has seen the surface mines, powerplants, coal unit trains, trailer camps and the modular schools in my own State and neighboring areas in Colorado, Montana, North Dakota, and New Mexico.

The graphic and principal costs of this growth are being borne by producing States and the mineral severance tax only assists in distributing a small portion of those costs to the consuming States. The commercial relationship between the coal company, the utility, and the State regulatory commission, in conjunction with the fuel supply agreements and automatic fuel escalation tariffs is what provides for the direct "pass through" of those costs and expenses. Tax reformers should direct their efforts at such institutions within their own States before proposing to trample on the sovereignty of their neighbors.

Over the years several studies have been performed on the "political economy" of tax shifting or tax exportation which various States may be able to produce within the overall structure of their State tax systems. In fact, it would appear that many bureaucrats and politicians are quite content to ascribe to the philosophy that it is their "responsibility" to shift as much tax burden as is possible from the residents to nonresidents. Before this Congress continues its efforts that will only lead America into the twilight zone of Federal preemption by prescribing the limits which any sovereign State may go to in its own tax efforts, I should wish to insert for the RECORD a table from the statistical abstract of the United States as prepared by the Department of Commerce on "tax exportation."

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

LONG RUN TAX EXPORTATION

State	1977 population (thousands)	1977 tax exportation (millions)
California	21,896	$4,781.6
Florida	8,452	1,088.6
Illinois	11,245	2,082.2
Michigan	9,129	1,716.8
Montana	761	124.2
Nebraska	1,552	298.0
Nevada	683	187.1
North Dakota	653	85.4
South Dakota	689	70.8
Wisconsin	4,651	741.1
Wyoming	406	91.5

Source: Population estimates from Statistical Abstract of the United States, 1976, U.S. Department of Commerce, Bureau of Census, 1976.

Mr. SIMPSON. I find it fascinating to note that those States which have been the most successful—yes—that is the term to be applied—in exporting their tax burden to nonresidents are composed of those States which rely chiefly on the use of coal from the States of Wyoming and Montana. This is a telling review and a factor that certainly must be borne in mind by those who propose to launch their step into the bold new world of central economic planning by the Federal Government.

Take a look at that list and you will see the names of Illinois, Michigan, California, Florida, Nebraska, and Wisconsin which export the largest proportion of their taxes. It is a most well-known phenomenon, certainly a most well-known phenomenon, in public finance, and I find it extremely interesting that the president of the National Coal Consumers Alliance, for all his obvious business acumen, is making claims to the contrary in his 1980 testimony before the Senate Energy Committee.

I further comment that those members of the National Coal Consumers Alliance who support this legislation are not those who are most concerned about the ability of western coal to play a significant role in meeting our critical needs under the present national energy policy being propounded by Congress. Rather, their concern is obviously and obsessively with the existing coal contracts and the "pass-through" clauses and escalation features of those contracts.

And guess what? They negotiated those, they did those. It is very frustrating to see what they negotiated themselves out of.

The additional cost that utilities must bear for various items such as black lung benefits, reclamation requirements, and other complex regulations under existing Federal legislation, has caused them to gin up this transparent assault on the tax structures of the sovereign States where these resources are produced. I do not think it will sell.

I would also wish to direct the Senate to a report that Data Resources, Inc., has issued which estimates that the cumulative private sector costs of complying with regulations pertaining to coal development will be $58.74 billion from 1979 through 2000. This analysis suggests that there is a need for a truly comprehensive governmental policy toward the

development of coal rather than the piece-by-piece regulatory approach that has been practiced. The extreme uncertainty in the development of Federal coal resources can be traced to actions at the Federal level, particularly the failure of the initial environmental impact statement on coal leasing to be able to withstand the judicial challenge in the case of NRDC against Hughes. Only recently has the Department of Interior been able to devise a preferred alternative for coal leasing that is "acceptable" to environmental concerns and now this untested program will not be fully operational until later this year—while this Nation cries out for full coal production. I think it is most important that you be aware that in the extensive final environmental impact statement on Federal coal development released in April 1979—in the section of that report which addressed the critical issue of State policies and legislative actions that could possibly become constraints on the development of coal resources in western regions—not once was the effect of State mineral severance taxes identified as a relevant factor. I would note that the report also stated—

> Given the high probability of increasing coal development activities throughout the coal regions in the United States in the near future, it is unlikely that State governments will attempt to block this activity unless the quality of environment or health and safety of their populations are in clear danger, although some States had adopted somewhat more stringent environmental standards, a spirit of cooperation is apparent throughout the State and Federal legislation.

Madam President, the one area where the States are most adamant on this issue is concerning their continued ability to provide and develop revenue to meet the needs of a burgeoning population. To continue to quote from the report it was stated that—

> Unless communities and local governments can be guaranteed that they will not suffer the ultimate cost of coal development, they are likely to take a more conservative position toward the development than the States or Federal government.

To conclude my remarks, I feel deeply that to adopt this legislation would only draw the battle lines for just such a response in the coal-producing regions. To posture before the electric rate payers of this country that S. 178 will make coal more available or make any real dent in their utility bill is the most extremely cynical and hollow promise I have yet heard in this Chamber. Passage of this bill will not produce those results or the relief the consumer is told he will enjoy. Wait until they find that one out.

For the electrical rate payer—and I believe that is the only one whose interests are at issue in this very unwise legislation—coal from Wyoming and Montana is still the best bargain available. On a dollar per million Btu basis, the cost of production, including taxes, for Western coal is less than half the cost from Midwestern and Eastern mines.

There is a table to illustrate that point, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AVERAGE PRODUCTION COSTS

[Expressed as dollars per million Btu for steam coal]

State	1976	1978
Kentucky	0.79	0.95
Indiana	.54	.79
Ohio	.67	.80
Illinois	.71	.91
Montana	.25	.37
Wyoming	.33	.43

Source: DOE, Energy Information Agency, 1976 DOE/EIA 0118/1(76), 1978 form EIA7.

Mr. SIMPSON. To conclude my remarks, I would say that the preemption of the ability of the States to function within their most traditional areas of public finance can only produce an extremely negative and most uncooperative climate for coal development that certainly will be most counterproductive for our overall energy policy mission. I thank the Senator very much.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming (Mr. WALLOP).

Mr. WALLOP. Madam President, I thank my friend and colleague, Senator SIMPSON. Again, I urge Senators to look at the words he has spoken and the tables he inserted as well as those that I inserted, the Senator from Montana inserted.

It is fine for all of us to stand on high platforms and seek recognition and adoration of the constituents whom we serve. But there is a higher purpose in all of this, and that is to exercise our intellect on subjects that come in front of us.

I think if we do people will see that what is sought by these limitations will not serve the best interests either of the consumer or the energy needs of America, as States, who are after all more friendly to the country than are the Arabs and where the resources and capital is flowing, derive benefit for all Americans by the production of resources within America.

WE DO NOT NEED MORE FEDERAL CONTROL

● Mr. SCHMITT. Madam President, the idea that the Federal Government should impose restrictions on the ability of a State government to generate revenues by utilizing its taxing powers raises some very serious questions over the unprecedented interference with the taxing prerogatives of State government.

I support the principle that the individual State has the right to decide within its lawful authority what taxes should or should not be imposed upon industry operating within that State. Certainly such a tax should not be so onerous as to damage the economic stability of the affected industry, but who is in a better position to make a determination than the State government.

The State of New Mexico levies a severage tax on nonrenewable resources extracted from the soil. Following the 1976 adoption of a constitutional amendment creating a severance tax permanent fund, the 1977 legislature enacted a new Severance Tax Act. These funds are deposited in a permanent fund which is invested for the purpose of providing a continuing source of revenue to the State treasury at some future date when these natural resources are depleted.

The problem of putting a value on the direct, present and future costs of natural resource development is difficult but still solvable. The problem of putting a value on the future economic needs of a State and proportioning that value on each barrel or ton of resource extracted is presently beyond calculation. Thus, each State must set its tax at the point it thinks best to cover direct costs and to balance future needs against the economic facts of life facing a given extraction industry.

We know that the supply of our natural resources is limited and New Mexico has wisely chosen to prepare for the future. We seek to avoid what has happened to many areas in Western States in the past where they found themselves in boomtown status at one time and left with holes in the ground and numerous environmental problems when the gold, silver, uranium, or the like was gone. All too often, after the mineral is depleted, the environmental and social damage remain, unemployed families remain and the State or local government picks up the tab.

Severance taxes are a means of having the consumers of our natural resources share the cost to the State for the adverse social and environmental effect that accompany the development of such resources.

In that New Mexico is one of the top 10 producers in every major category of energy-related minerals, our State has a special interest in the issue being discussed here today. As the demand continues to grow, New Mexico and the other Western States are expected to develop their vast resources to an even greater extent than in the past. Because of our State's small population and limited tax base, we are confronted with serious difficulties in dealing with the rapid growth that has been experienced in many areas as a result of increased exploration and production.

As these natural resources are developed, new towns are being built and existing communities are finding themselves doubling—even tripling in size. This, in turn, has imposed significant strain upon the local economic resources. The need for housing and such basic public facilities and services as sewers, roads, utility lines, police and fire departments, parks, playgrounds, health care, and schools must be met.

As noted in a GAO study on the development of the Rocky Mountain States, based on traditional separation of powers and responsibilities, it is mainly the State's responsibility to provide such services; and thus far, I have not seen governments from other States coming forth to offer to pay for such development. Obviously, the taxing power of the State and local government has played a major role in the ability of the local government to deal with such development.

The U.S. Geological Survey has classified about 84 percent of New Mexico as prospective oil and gas lands, as well as large areas of land which have the potential for other mineral development. New Mexico is in concert with most of the Western States in our willingness and need to share these natural resources with other areas of the Nation, but any effort to impose Federal restrictions on our ability to impose legal taxation on such exploration will be an unwelcome and, we believe, unlawful infringement of our rights as an individual State.●

Mr. WALLOP. Madam President, the Senator from Arkansas has asked that I yield him 5 minutes for a statement on noncompetitive leasing, and I now yield the Senator 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas.

Mr. BUMPERS. I thank my colleague very much for giving me this opportunity to speak on his time, even though he disagrees with my position on this issue.

NONCOMPETITIVE BIDDING

Mr. BUMPERS. Madam President, on January 23, the Bureau of Land Management announced a recordbreaking oil and gas lease sale totaling $43,021,599 on 24,876 acres within the Fort Chaffee Military Reservation in Arkansas. Roger L. Hildebeidel, BLM's Eastern States Director, announced:

> This is the biggest oil and gas lease sale ever conducted in BLM's Eastern States area, both in terms of the number of bids received and the total amount of dollars bid in the lease sale.

Madam President, I bring this lease sale to the attention of my colleagues because in 1979, the Eastern States BLM office leased an adjoining tract of 33,000 acres within Fort Chaffee for $1 an acre or $33,000 without competitive bidding.

The contract between the results of these two sales dramatically points out the insanity of continuing noncompetitive leasing for oil and gas on public lands.

In a competitive sale on a 26,000-acre tract in Fort Chaffee, the American people received over $40 million for their oil and gas rights. On a noncompetitive sale on an adjoining 33,000-acre tract in Fort Chaffee, not even 2 years before, the American people received $33,000. Allowing noncompetitive lease sales to continue does not make sense.

Madam President, let me give you more details about the competitive sale:

The highest amount bid for a single parcel of 640 acres was submitted by Arkoma Exploration Co., Little Rock, Ark., for $2,335,000. Another parcel received a high bid of $2,240,260 from Getty Reserve Oil, Inc., Oklahoma City. The highest bid per acre was $4,008 from Santa Fe Energy Co., Amarillo, Tex.; while the average of high bids for all 60 parcels amounted to $1,730 per acre.

Exxon Corp., Houston, Tex., was the high bidder on 26 parcels, including 23 in the Gragg-Booneville field. Other high bidders included Stephens Production Co., Fort Smith, Ark.; I.M.C. Exploration Co., Houston, Tex.; Samson Resources and Essex Exploration, Inc., both of Tulsa, Okla.

When I estimated the loss to the American taxpayer from the original sale at Fort Chaffee, I predicted we would lose $10 million. As you can see, I was not even close.

I have spoken many times on the Senate floor about the noncompetitive Fort Chaffee lease sale in the summer of 1979. I received a call from a friend who said that he heard Texas Oil and Gas Co. had leased 33,000 acres for oil and gas exploration in Fort Chaffee for $1 an acre. I told him that could not be true, but found out later that day he was absolutely right.

Under the Mineral Leasing Act of 1920, the U.S. Geological Survey (USGS) determined that the 33,000 acres were not within a "known geological structure" (KGS), and the Secretary could lease the lands under the law to the first applicant. The USGS issued such a narrow interpretation of KGS in this situation that they were oblivious to the fact that the 33,000 acre tract was surrounded by a producing gas field.

Fortunately, Secretary Cecil Andrus recognized that other regulations of the Department of the Interior had not been followed with the issuance of the leases and he canceled the leases. His decision was upheld by the Federal district court after a challenge was brought by the successful applicant.

Unfortunately, Madam President, the story does not end here. The Fort Chaffee incident is only one small example of the abuses that have occurred under the noncompetitive leasing system.

Under the existing system, only about 3 percent of Federal leases are sold competitively. Regardless of the fair market value of the tracts, the remainder are sold noncompetitively for an annual rental of $1 an acre for 10 years without any obligation to drill. In 1979, the Department of the Interior issued only 319 leases covering 62,608 acres competitively. In the same year, 10,530 leases covering 12,960,128 acres were leased noncompetitively.

Noncompetitive leases are issued in two ways. Lands which have never been leased for oil and gas are leased to the first person filing an application. Lands which have been previously leased for oil and gas are available through a filing system which treats all applications filed within a certain period as having been filed simultaneously. The winner of the lease is chosen by lottery. Both systems are subject to the Secretary of the Interior's discretion not to lease at all.

Last year, the Secretary of the Interior suspended oil and gas leasing on Federal lands because a Justice Department investigation disclosed fraudulent activity in the lottery and the over-the-counter systems on a scale never imagined by some of the most persistent critics of the existing system. Although noncompetitive leasing was resumed in the late summer under new regulations, fraudulent activities will continue until these valuable resources are sold on a competitive basis.

Three companies have pleaded guilty to fraud, and the investigation has continued under the direction of the Department of the Interior. More indictments are expected soon.

The overthrust belt, consisting of about 20,000,000 acres, is considered the most promising area of the country for developments of oil and gas. Yet under the existing system, 12,000,000 acres have already been leased for $1 an acre.

The advertising literature of filing service companies, which were created solely to take advantage of the present lottery system, is filled with examples of people who won noncompetitive leases and paid $1 an acre only to assign them for immediate cash bonus payments and future royalties. Information supplied by the Department of the Interior at hearings before the Senate Energy Committee showed that a lessee received $200,000 plus future royalties for a lease obtained from the Federal Government for $2.157, plus a $10 filing fee.

The argument has been made by opponents that a more competitive system will add unacceptable front-end costs which will impair exploration. These costs are not new or additional. They exist on every lease and are met by every operator who eventually gains a lease. Instead of competing for an assignment from a lease under a competitive system, operators will be competing for the initial lease itself under a more competitive system.

Arguments are made that independents, who indeed do most of the exploring in this country, will be cut out. Yet, of the leases competitively bid, both by the United States and the States, independents have consistently gotten over 80 percent of them.

Existing law does not require diligent development of oil and gas leases. The Department of the Interior estimates that most oil and gas leases are never drilled and those which are drilled are not developed until the last 2 years of the 10-year primary term. Based on the number of outstanding leases in 1979 and the number of wells actually drilled, it is estimated that only 1.3 percent of outstanding leases were drilled.

Madam President, I introduced a bill, S. 60, on the 2d day of the 97th Congress that would require competitive oil and gas leasing on all public lands. The bill is designed to assure a fair return to the public for development of its resources, reduce speculation, assure diligent development of oil and gas leases, and simplify leasing procedures to promote rapid development of oil and gas on Federal lands.

S. 60 contains a more stringent diligence requirement for exploring and developing leased tracts, provides for more flexibility in setting royalty rates on all tracts to be leased, permits the leasing of tracts of a larger size more capable of being explored and developed, and gives the Department greater authority to control speculative lease assignments.

The competitive leasing system required by S. 60 contains all the reforms necessary to insure an efficient, effective, and equitable leasing program which will be most responsive to our need for prompt exploration for, and development of, our Nation's remaining oil and gas resources.

At a time when every effort is being made to balance the budget and increase energy production, the noncompetitive leasing system is an anachronism. It is rife with invitations to fraud and inequities. Most major oil and gas producing States in the Nation have a competitive leasing system. Why should the United States let its lands by lottery? The law must be changed immediately, and S. 60 should be given the highest priority on the Senate agenda.

Madam President, I ask unanimous consent to have the entire January 23 BLM press release reprinted in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

FORT CHAFFEE OIL AND GAS LEASE SALE DRAWS $43 MILLION IN HIGH BIDS

High bids amounting to a record breaking total of $43,021,599 were received in a competitive oil and gas lease sale held January 22 by the Eastern States Office of the Bureau of Land Management (BLM), U.S. Department of the Interior, at Alexandria, Virginia. The sale offering consisted of oil and gas lease rights to sixty parcels of federal land, totaling 24,876 acres, within the Fort Chaffee Military Reservation in Arkansas.

The parcels, ranging in size from 30 acres to the maximum of 640 acres, are all located on known geologic structures (KGS) in a five-township area of Ft. Chaffee near the Arkansas-Oklahoma border. The tracts are in areas known as the Bonanza, Gragg-Booneville, Greenwood, Kibler-Williams and Massard-Prairie oil and gas producing fields.

"In our view, this was a very successful oil and gas lease sale," said Roger L. Hildebeidel, BLM's Eastern States Director. "In all, 893 separate, sealed bids were received for the 60 parcels offered. Some parcels received as many as 36 bids; one parcel for oil rights only attracted just one bid. Two parcels received high bids of over $2 million each, and nineteen parcels drew high bids of over $1 million each."

The bid opening began at 8:00 a.m., January 22 and continued throughout the day with approximately forty representatives of oil and gas companies and the industry on hand to observe the bid openings.

The highest amount bid for a single parcel of 640 acres was submitted by Arkoma Exploration Company, Little Rock, Arkansas for $2,336,000. Another parcel received a high bid of $2,240,260 from Getty Reserve Oil, Inc., Oklahoma City. The highest bid per acre was $4,008 from Santa Fe Energy Company, Amarillo, Texas; while the average of high bids for all 60 parcels amounted to $1,730 per acre.

Exxon Corporation, Houston, Texas, was the high bidder on 26 parcels, including 23 in the Gragg-Booneville Field. Other high bidders included Stephens Production Company, Fort Smith, Arkansas; I.M.C. Exploration Company, Houston, Texas; Samson Resources and Essex Exploration, Inc., both of Tulsa, Oklahoma.

"This is the biggest oil and gas lease sale ever conducted in BLM's Eastern States area," Hildebeidel said, "both in terms of the number of bids received and the total amount of dollars bid in the lease sale. In recent months, we have received numerous inquiries from interested companies and the general public with regard to leasing Fort Chaffee lands," he added. "Since the parcels are all in producing oil and gas fields, the potential for additional production because of this sale is very good."

Under the terms of the Mineral Leasing Acts of 1920 and 1947, the Bureau of Land Management has the authority to lease oil and gas under Federal public domain and acquired lands through competitive bidding procedures on known geologic structures.

All the bids are now subject to evaluation by the U.S. Geological Survey (USGS) before leases can be issued by BLM. Based on existing geological data, USGS determines whether the bids meet minimum acceptable values.

Each of the parcels will be leased subject to standard stipulations for environmental and resource protection as well as with special surface disturbance stipulations meeting the requirements of the Fort Chaffee U.S. Army Garrison, Department of Energy and Geological Survey. Besides the bonus bids paid to obtain lease rights, lessees must pay an annual rental to the Federal Government as well as a royalty on any oil and gas production attained from the leases.

BLM's Eastern States Office, which has mineral leasing responsibilities for Federal lands in the 31 states bordering on and east of the Mississippi River, holds competitive oil and gas offerings periodically upon request from the public, or upon recommendation from the U.S. Geological Survey.

U.S. DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT, EASTERN STATES OFFICE: HIGH BIDS—FORT CHAFFEE, ARK., COMPETITIVE OIL AND GAS LEASE SALE, JAN. 22, 1981

Parcel	Bonus bid	Bid per acre	Bidder
1	$800,640.00	$1,251.00	Towner Petroleum Co.
2	236,000.00	590.00	Essex Exploration.
3	48,132.00	700.00	Andover Oil Co.
4	444,500.00	1,270.00	Stephens Production Co.
5	445,770.00	1,270.00	Do.
6	563,360.00	1,121.16	Do.
7	1,077,777.78	2,058.29	Samson Resources Co.
8	29,020.92	177.00	Atlantic Richfield.
9	312,000.00	487.50	Old Dominion Oil Corp.
10	1,030,400.00	1,610.00	Stephens Production Co.
11	1,632,000.00	2,550.00	Arkoma Exploration.
12	1,920,160.00	3,000.25	Getty Reserve Oil, Inc.
13	579,534.50	937.00	Nova Energy Corp.
14	157,771.76	1,111.22	Samson Resources Co.
15	1,190,560.00	2,126.00	Gulf Oil Corp.
16	1,623,040.00	2,536.00	Sun Oil Co.
17	1,344,160.00	2,100.25	Getty Reserve Oil, Co.
18	1,176,140.00	2,100.25	Do.
19	282,957.90	1,163.00	Hudson Petroleum Corp.
20	96,120.00	801.00	Towner Petroleum Corp.
21	88,858.00	1,400.00	Arkoma Exploration.
22	100,969.59	2,121.21	I.M.C. Exploration.
23	214,551.82	1,560.15	Do.
24	1,024,000.00	1,600.00	Exxon Corp.
25	256,000.00	1,600.00	Do.
26	320,000.00	1,600.00	Do.
27	185,519.30	305.00	Heimerick & Payne.
28	171,360.00	476.00	Essex Exploration.
29	2,336,000.00	3,650.00	Arkoma Exploration.
30	2,240,160.00	3,500.25	Getty Reserve Oil, Inc.
31	1,408,821.00	3,777.00	Essex Exploration, Inc.
32	1,499,753.50	4,008.00	Santa Fe Energy Co.
33	490,938.00	1,400.00	Arkoma Exploration.
34	490,000.00	1,400.00	Arkoma Exploration Co.
35	868,000.00	1,400.00	Do.
36	460,809.40	1,212.13	I.M.C. Corp.
37	611,250.00	1,600.00	Exxon Corp.
38	612,035.00	1,600.00	Do.
39	611,555.00	1,600.00	Do.
40	611,200.00	1,600.00	Do.
41	608,000.00	1,600.00	Do.
42	603,315.00	1,600.00	Do.
43	552,000.00	1,600.00	Do.
44	554,785.00	1,600.00	Do.
45	1,024,000.00	1,600.00	Do.
46	1,024,000.00	1,600.00	Do.
47	1,024,000.00	1,600.00	Do.
48	1,024,000.00	1,600.00	Do.
49	812,420.00	1,600.00	Do.
50	448,800.00	1,600.00	Do.
51	1,024,000.00	1,600.00	Do.
52	1,024,000.00	1,600.00	Do.
53	896,000.00	1,600.00	Do.
54	1,024,000.00	1,600.00	Do.
55	553,600.00	1,600.00	Do.
56	553,715.00	1,595.72	Do.
57	64,000.00	1,600.00	Do.
58	48,000.00	1,600.00	Do.
59	256,000.00	1,600.00	Do.
60	305,617.87	2,612.11	I.M.C. Exploration.
Total	43,021,599.00		

Mr. BUMPERS. Madam President, the gist of this news release is that 24,876 acres of land in the Fort Chaffee Military Reservation in Arkansas, which happens to be about 2 miles from my home, brought a recordbreaking total of $43,021,599. One tract of land actually brought $4,008 an acre for an oil and gas lease. Private landowners around there, who got as much as $50 to $100 an acre for leasing their lands, thought they just died and had gone to heaven. This land is surrounded by producing gas wells, and everybody knows this is probably a producing area. But the average price per acre on this 24,000 acres was $1,700.

Let me repeat the history of why this lease sale is relevant.

In August of 1979, the Bureau of Land Management leased 33,000 acres at Fort Chaffee for a dollar an acre under the 1920 Mineral Leasing Act. It was a tract that had never been leased before, and under the noncompetitive leasing procedures of the Bureau of Land Management, the first to file gets the lease for a dollar an acre. Texas Oil and Gas happened to get there first, and they leased 33,000 acres for a dollar an acre.

I have made this speech on the floor several times before and you are going to hear it no telling how many more times until we do something about our outrageous system of giving away the resources that belong to all the people of the United States.

The 24,000-acre tract that was competitively leased is not the same tract as the 33,000-acre tract that was leased

noncompetitively. As a matter of fact, the 33,000-acre tract will bring more than the 24,000-acre tract. And yet, nobody in this body really seems to be as agitated about this as I am.

Under this noncompetitive leasing system everybody in the country can bid by putting their name in a hopper and having their name drawn out like a raffle every 2 months.

One name happened to be pulled out for $2,000 for a 2,000-acre tract of land and he turned around in 30 days sold it to an oil company for $200,000. If the tract had been competitively leased there is no telling what it would have brought.

Why in the name of all that is good and holy would we give away the resources of this country in any such silly way?

Back in 1920 maybe it made sense. But in this day and time when this country is striving to become energy sufficient and oil is $40 a barrel—it makes no sense.

The Senators out West say the overthrust belt has the greatest potential for oil development of any place in this country. The overthrust belt is estimated to contain 20 million acres and 12 million of it has already been sold for a dollar an acre.

In 1979, 319 leases covering 62,000 acres were let on a competitive basis. In that same year, 10,530 leases, covering almost 13 million acres, were let for a dollar an acre.

Now, the President says he wants to get Government off the people's back and balance the budget. Here is a case where the Treasury got $43 million when it would have received $24,000 if the leases had been issued noncompetitively.

The ACTING PRESIDENT pro tempore. The time of the Senator from Arkansas has expired.

Mr. BUMPERS. Will the Senator yield me 1 more minute, please?

Mr. WALLOP. I am happy to yield 1 more minute, but on the condition that the Senator understands that I disagree with what he is saying.

Mr. BUMPERS. Madam President, that makes the Senator's generosity that much more magnanimous, because I know that he disagrees with it.

Finally, Madam President, the original Fort Chaffee lease scandal not only brought into high focus what an outrageous leasing system we have in this country, but it also pointed out that the system is rife with fraud.

When the Secretary of the Interior started an investigation of the lottery system, he found that some companies were, in violation of the law, putting their name in the hopper dozens of times and greatly increasing their chances of winning. Three companies have already pled guilty. Many others are still under investigation.

There is no way to eliminate fraud in a noncompetitive system. Not only is the system outrageously inequitable to the people of this country, it is rife with fraud and it always will be.

I intend to make this speech just as often as the urge hits me over the next 6 years. If it takes that long to make the American people realize that they ought to be outraged, it will be worth it. They ought to be writing to every Member of this body, and pointing out what is happening to the roughly 528 million acres of Federal lands under the jurisdiction of the Interior Department, especially the millions of acres that have been leased for a dollar an acre. It is a shame.

And I thank the Senator again for yielding.

Mr. WALLOP. I thank my colleague from Arkansas. I am sure that there are more words that we will hear on the subject before the year ends and the session of the Congress is out.

Madam President, I am prepared to yield back the remainder of the time of Senator SCHMITT that I have.

I thank my colleagues.

The ACTING PRESIDENT pro tempore. The Senator from Montana has 5 minutes remaining.

Mr. BAUCUS. I yield back the remainder of my time.

Mr. BAKER addressed the Chair.

The ACTING PRESIDENT pro tempore. The majority leader.

ORDER OF PROCEDURE

Mr. BAKER. Madam President, the request I am about to make has been cleared with the minority. Previously, an order was entered, am I not correct, to provide for the consideration of the nominees on the Executive Calendar beginning with Dr. Jeanne Kirkpatrick? Madam President, will the Chair please state the order?

The ACTING PRESIDENT pro tempore. Mr. DAVID STOCKMAN was to be first, followed by Dr. Kirkpatrick and Mr. Casey.

Mr. BAKER. Madam President, I ask unanimous consent that the order be changed to provide for the consideration of the nomination of Mr. William Casey to be Director of Central Intelligence to be the first order of business, and that when the Senate goes into executive session we proceed with its consideration.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business. Is there morning business?

HAZARDOUS WASTE

Mr. MITCHELL. Madam President, last year the Congress enacted legislation to deal with the growing problem of hazardous wastes. That bill is a very important first step. But there are additional problems that remain unresolved, the most important of which is compensation to people who are harmed by these environmental poisons.

I emphasize that the new law is a meaningful first step to respond to the severe threats posed by spills, leaks and releases of hazardous substances, as well as toxic dumpsites.

Authority is provided for immediate cleanup of releases of toxic chemicals into the environment and for the restoration of natural resources damaged by such releases.

A fund of $1.6 billion is established to finance these remedial actions. The fund is financed primarily through fees paid by the chemical industry.

A party may also be held strictly liable for the cleanup of chemical contamination and natural resource damage for which he is responsible.

I do not minimize the significance of this legislation.

But the law is deficient because while it provides for the cleanup of places, and compensation for damage to things, it provides nothing for what is the most important part of the problem: injury to people.

The guiding principle of those of us who wrote the superfund bill was that those found responsible for harm caused by chemical contamination should pay for the costs of that harm. But the existing law abandons that principle when the damage involved is to a person.

A victim of chemical poisoning cannot seek from the fund out-of-pocket medical expenses for an illness resulting from the action or inaction of another party.

In this law we are telling the people of this country that under our value system a property interest is worth compensating but human life is not.

Neither logic nor compassion, good government nor commonsense compel this result. It is simply a failure of will on the part of Congress to deal with what is the most serious part of the problem—injuries to persons.

Of course, the response is that the injured person still has a legal cause of action against the party causing the injury. To that I ask: If such a course is satisfactory for injured persons, why are we permitting direct recovery from the fund for injury to natural resources? The answer, obviously, is that private causes of action are agonizingly slow and inordinately expensive. It takes years, many years, and dollars, many thousands of dollars, to pursue one of these cases to a final determination through the courts. Those who discharge wastes know this, and the consequence is legal guerrilla warfare in which the objective is to force the other party to settle early. So we do not want damage to natural resources to await the workings of that process: We want prompt, full compensation in such cases so we can replant trees in the park and so we permit claims against the fund for damage to natural resources.

But if this cause of action is unacceptable to the Congress for governments whose natural resources are damaged, why is it acceptable for people who have been injured or killed?

By what standard of justice or decency is damage to property more important than damage to persons?

Our failure to provide compensation from the fund for persons who are injured is even less defensible when we recall that the original bill provided liability only for out-of-pocket medical expenses. There would have been no compensation for the pain and suffering of an individual, or for the psychological

damage he or she might sustain, or for the ultimate loss, death.

Having made the judgment that property is more important than persons, none of us here should delude ourselves or the people of this country about what we have done. Most particularly, we must not delude the thousands of people who are the victims, who are waiting for our help.

Madam President, people have been tragically harmed like this in virtually every State of the Union.

We had the opportunity to help them, not make them whole, but at least provide them with compensation for their out-of-pocket medical expenses, and we have not done that. Instead we apparently decided that, as the chemical industry says, toxic chemicals are a societal problem, and society at large should be paid for them.

This law represents a beginning. But we have far to go to fulfill our duty to the people we represent. I will soon introduce amendments to provide a remedy for persons who are injured by toxic substances. My bill will provide two methods of recourse. First, a person would be able to recover from the fund for his medical expenses. Second, an injured person would be given the right to sue directly a party responsible for his injury.

I intend to exert every effort to remedy this irrational elevation of things over people. I hope my colleagues will join me in that effort.

Mr. GLENN. Madam President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE JOINT RESOLUTION 9—FISCAL RESPONSIBILITY

Mr. SIMPSON. Madam President, last year the Judiciary Committee's Constitution Subcommittee took an historic step. For the first time in history, the subcommittee reported to the full committee a proposed amendment to the U.S. Constitution which would reform the procedures by which the Federal Government establishes its tax and spending policy.

This action certainly has had a long incubation period—given the clearly expressed demand of the American people for some kind of constitutional restraints on the fiscal behavior of the Federal Government.

Last year's amendment, Senate Joint Resolution 126, would have insured for the first time that the American people could determine which politicians really act in accordance with the popular expression of thought and opinion in these areas of public policy and fiscal responsibility, and which politicians do not. I am pleased to be a cosponsor in this session of Senate Joint Resolution 9 which will promote that same fiscal responsibility.

I. INTRODUCTION

We have reintroduced this resolution in order to correct a serious flaw in our political process, which today is dangerously biased toward ever-increasing levels of spending and taxation, and thus toward the problems which such increases bring, including the problems of inflation and of the increasing influence of the Federal Government in our lives, and a correspondingly decreasing power of individuals over their own destinies.

I will not attempt today to amplify my remarks on the existence and significance of these problems. I trust that most of my colleagues already appreciate this reality. Furthermore, there will be ample later opportunity for the presentation of statistics and other evidence which will even more dramatically disclose the size of the hole into which we have fallen.

II. INFLATION AND EXCESSIVE GOVERNMENT POWER ARE CAUSED IN LARGE PART BY EXCESSIVE GOVERNMENT SPENDING

Madam President, it is our view that both of these problems—both inflation and excessive Government power—exist in large part because of excessive spending by the Federal Government.

The relationship between Government spending and Government power is obvious. The relationship between spending and inflation is perhaps less so. For this reason, Madam President, I would wish to say a very few words about inflation—inflation in terms of both its immediate and fundamental causes. The immediate cause of a true inflation, a general rise in prices, is the Federal Reserve Board's action in increasing the money supply faster than the American people increase their production of goods and services—in other words "too many dollars chasing too few goods." This occurs when "the FED" instead of seeking the monetary goal of maintaining stable prices—that is, avoiding both inflation and deflation—pursues economic goals—lower interest rates, higher investment and productivity, lower unemployment and the like—through increasing the money supply, not only faster than the production of goods and services, but faster even than what is expected by those making the economic decisions. This greater rate is necessary to the achievement of these goals since what is being attempted is in effect to dazzle people into thinking that the resources which Government uses are still available for private investment.

Therefore, although the immediate cause of inflation is the action taken by the Federal Reserve Board, the fundamental cause is related to the economic problems which the Federal Reserve's actions are intended to solve. That fundamental cause is really excessive Government spending—the allocation to Government of so much of the Nation's resources than an insufficient amount is left for private capital investment. Whether such spending is financed by debt or by taxes, the economic problems associated with high interest rates and reduced capital investment will tend to result, thus causing pressure on the Federal Reserve Board to inflate the money supply.

III. EXCESSIVE GOVERNMENT SPENDING IS CAUSED BY BIASES IN THE POLITICAL PROCESS

Why have massive increases in Federal spending occurred? To some extent, of course, such increases result from a genuine shift in the will of the people—in the kind of services and control the American people want from their Government. There is another reason, however, which is not quite so noble and democratic in character. In fact it is quite undemocratic. Putting it simply, our political process is defective. It is tilted toward ever increasing levels of spending because of the political advantage which can be gained from the creation of additional spending programs, and the lack of political advantage—indeed the significant disadvantage—gained by opposing or repealing such programs. This situation results from the fact that the awareness of interests of special interest groups which benefit from a particular spending program are very great and so is their lobbying pressure and the credibility of their implicit threats to withhold political support.

On the other hand the potential opponents of such programs—those that generally bear the cost—are the taxpayers at large, who are unlikely to be more upset by one unnecessary Federal program than another and who do not have the time and energy to be aware and vocal about all of them. Consequently lobbying pressure against such bills is usually much less focused and intense and the risk of loss of significant political support as a result of a vote for the program is likely to be small.

In the absence of additional balancing factors, greater political advantage is usually perceived to lie in supporting a spending program than in opposing it.

Because of the availability of deficit spending and the automatic increases in tax revenue that occur as a result of individuals being pushed into higher tax brackets through inflation or real growth in income, politicians seldom need to take the politically disadvantageous step of actually voting for a tax increase. Thus the political advantage of voting for spending programs is generally not offset by the political disadvantage of voting for a tax increase to pay for them.

IV. ELIMINATION OF THE BIAS TOWARD SPENDING REQUIRES THE CREATION OF CONSTITUTIONALLY MANDATED POLITICAL OBSTACLES TO BOTH DEFICIT SPENDING AND AUTOMATIC TAX INCREASES

Eliminating only one of those sources of bias—easy availability of deficit spending or automatic tax increases—would not be enough to restore a more desirable balance to our political process. We must take care of them both. Even if deficit spending were totally prohibited, spending could still increase because of automatic tax increases. No politically disadvantageous vote for a tax increase would be necessary. If automatic tax increases were eliminated, but deficit spending could be easily obtained through simple majority vote, then spending could increase without significantly greater obstacles than those that exist today.

Furthermore, we must correct these biases by constitutional amendment. We have seen how unsuccessful the statutory

approach is. For example, Senator HARRY F. BYRD, JR.'s statutory balanced budget requirement has had no apparent effect and that is most unfortunate.

V. THE NEW AMENDMENT WOULD REDUCE THE SPENDING BIASES WHICH ARE INHERENT IN OUR PRESENT POLITICAL PROCESS

The new amendment would make it more difficult for politicians to support spending increases without the genuine support of the people as a whole. Under its terms, if a simple majority of Members of Congress wished to increase spending for one program, they would have to reduce or oppose other programs—placing interest groups in competition with each other for a fixed spending amount rather than with the taxpayer—or they would have to place themselves on record as voting for a tax increase.

Section 1 of the amendment requires that Congress adopt a budget every year, which would set forth the total receipts and expenditures of the Federal Government—including expenditures now treated as "off-budget." Such budget could not be in deficit unless three-fifth's of each House of Congress have so approved. The amendment thus establishes a norm, which can be avoided only if a consensus greater than simple majority exists. As already indicated, if the requirement were merely for a simple majority, no more control would exist than at present. We believe that a three-fifth's majority would be a sufficient obstacle to deficit budgets without removing totally the flexibility which many persons desire to retain in case of economic difficulty such as serious recession. It should be noted here that the environment for such a vote would be quite different than that surrounding the vote on the debt limit. A vote on a deficit budget would occur at the planning stage when defeat of the proposal would still permit adjustments to be made so that the Government would still be able to function in the spending year, although not at as high a level than if the deficit budget had been accepted. In contrast a vote on increasing the debt limit is frequently taken in a crisis atmosphere when rejection would shut down the Government.

Section 1 also provides that the Congress shall not pass, and the President shall not sign, any appropriation bill which would cause total expenditures for any year to exceed the expenditures in the budget for such year. In practice this would require the use of estimates. If the expenditures authorized in a specific appropriation bill, when added to sum of estimated expenditures under permanent appropriations and the expenditures in the appropriations bills already passed for the year, would cause the level of expenditures in the budget to be exceeded, then such bill could not be approved by Congress or the President. No waiver would be available. The bill could only be approved if an increase were adopted in the total budget, which would require a three-fifth's vote if a deficit would result, and a tax increase otherwise.

Since all spending from the Treasury must be authorized by appropriation, such a restriction on appropriation bills would restrict Federal spending to the level set forth in the budget.

Section 2 of the amendment prohibits increases in the share of national income going to the Government unless a majority of Congress plus the President—or two-thirds of Congress in the face of a Presidential veto—are willing to vote "on the record" for a specific increase in that share. If a majority of the people as a whole truly support an increase, a simple majority of their elected representatives, along with their President, should be able to accomplish such an increase. Unlike the norm of keeping expenditures no higher than receipts, which should require a simple majority to violate, there is no norm with respect to the taxes and other receipts which should go to Government. Furthermore, increases in taxes and other types of Federal receipts are usually politically unpopular. The majority vote requirement by itself would offset the political advantages to increased spending.

Section 3 of the amendment would allow waiver of the balanced budget requirement during wartime since it would be curious to require a supermajority to finance a war when only a majority is necessary to declare it.

The meaning of all terms can be made clear in legislative history. It is our intention to do that. For example, it will be made clear that the budget which is required must include all expenditures, including what are now known as off-budget items, and that the meaning of the term "receipts" does not include the proceeds of Federal borrowing.

VI. THE PROCEDURAL REFORM CONTAINED IN THIS JOINT RESOLUTION IS PREFERABLE TO AN EXPLICIT SPENDING LIMITATION

Madam President, I am certain that some of my colleagues will wonder why we did not simply limit Federal spending directly. Let me briefly explain. We do not believe it desirable to limit spending to any particular arbitrary fraction of the GNP or other similar measure, nor do we believe that requiring supermajorities for spending increases is justified.

First, it could be deemed "antidemocratic" to lock any particular economic theory or policy into the Constitution. If a majority of the people truly want increased spending, we are not aware of any principle which would justify our saying to them that they may not have it. We are simply attempting to correct a political process which allows increases to occur even when the people do not want them.

Second, such theories and policies may well be mistaken. Consequently, complex and detailed formulations are especially inappropriate.

Third, much of the concern which the public feels about Government spending exists because it is perceived as leading to increased taxes. The amendment which insures that politicians will be more accountable to the public for tax increases is a direct response to that major concern.

Finally—and this is related to our concern that democratic principles not be violated—such an explicit spending limit may not be as constitutionally appropriate. Provisions of the Constitution, including all amendments except the 18th amendment, either, first, establish the structure of Government and basic details of the political process used to establish the will of the national majority, or, second, restrict majority rule in order to protect individual rights or the rights of the States.

To prohibit a majority from spending more than some arbitrary amount does not seem to fall within either category.

We have attempted to draft an amendment that primarily accomplishes a procedural reform, that perfects our political process so that we may rely on it to accurately reflect the actual will of the majority.

Thus, the amendment is intended to make politicians accountable for their support of higher spending through its requirement—in the absence of three-fifths support for deficit spending—that politically advantageous spending programs be balanced by politically disadvantageous tax increases, not automatic tax increase but tax increases resulting from recorded votes.

We have not sought to insure any particular level of spending, even though as individuals we have, of course, our own preferences. We have attempted to eliminate the biases toward spending that exist in our political process without replacing them with new biases.

Given public opinion today, we believe that sections 1 and 2 of our amendment would together act as the effective spending limitation which many Senators seek. At the same time a different result is possible in the future if the will of the people reflects different concerns and different priorities. The present proposal as embodied in Senate Joint Resolution 9 is a most logical one and I commend it to you.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Mr. GOLDWATER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. GOLDWATER. Madam President, I believe the order of business is the confirmation of William Casey to be Director of Central Intelligence.

CENTRAL INTELLIGENCE

NOMINATION OF WILLIAM J. CASEY, OF NEW YORK, TO BE DIRECTOR OF CENTRAL INTELLIGENCE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Executive Calendar No. 14, the nomination of Mr. Casey to be Director of Central Intelligence, which the clerk will state.

The legislative clerk read the nomination of William J. Casey, of New York, to be Director of Central Intelligence.

Mr. GOLDWATER. Madam President, on January 13, 1981, a hearing was held before the Select Committee on Intelligence at which Mr. Casey appeared and testified, and he was passed favorably by the committee with one vote abstaining.

I am not sure whether that abstaining vote will be cast as yea or nay today.

In order to make this proceeding as short as possible, at certain places I will insert material into the RECORD. I will be assisted by the very fine Senator from New York.

Madam President, I ask unanimous consent that a brief resume of William Casey's life be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WILLIAM JOSEPH CASEY

March 13, 1913, born in New York City.

1934, B.S. Fordham University.

1937, LL.B. St. John's Law School.

1938–1949, Chairman of Board of Editors, Research Institute of America.

1942–1945, U.S. Naval Reserve, LT Chief, Secretariat, and Chief of Intelligence Operations, OSS, European Theater.

1947–1948, Special Counsel, Senate Small Business Committee.

1948–1962, Instructor in tax law at NYU.

1953–1970, Chairman of Board of Editors, Institute for Business Planning.

1950–1971, Law partner, Hall, Casey, Dickler and Howley, NYC, and predecessor firm.

1966, Republican Congressional Candidate from Third District of New York; lost in primary to Steven Derounian.

1969–1970, Member, President's Task Force on International Development.

July 1969–April 1971, Member, General Advisory Committee, Arms Control & Disarmament Agency (ACDA).

1970–1971, President, International Rescue Committee.

April 1971–February 1973, Chairman, SEC.

February 1973–March 1974, Under Secretary of State for Economic Affairs.

March 1974–January 1976, President and Chairman, Export-Import Bank.

March 1974–January 1976, member, Commission on the Organization of the Government for the Conduct of Foreign Policy (Murphy Commission).

March 1976–May 1977, member, President's Foreign Intelligence Advisory Board (PFIAB).

1976–1980, member of board of directors: Gamble-Skogmo, Litco Corporation, the Trib, etc.; member, advisory board to American Stock Exchange; counsel to law firm of Rogers & Wells; member, International Rescue Committee.

March 1980–November 1980, Campaign Mgr., Reagan Presidential campaign.

Affiliations: Veterans of the OSS, Association of Former Intelligence Officers.

Publications: Tax Sheltered Investments; Lawyers Desk Book: Forms of Business Agreements; Accounting Desk Book; Tax Planning on Excess Profits: How to Raise Money to Make Money: How Federal Tax Angles Multiply Real Estate Profits, and others.

Mr. GOLDWATER. Madam President, I ask unanimous consent that the opening statement of Mr. Casey before the committee be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF WILLIAM J. CASEY

Mr. Chairman, I am William J. Casey. I have been nominated by the President-elect to serve as Director of Central Intelligence. It is an honor for me to be here today to meet with you and the other members of the Committee for the purpose of discussing my qualifications for this post. I believe it to be vital that this nation have a strong and effective intelligence organization with a wide range of capabilities and the flexibility to adapt and focus them on whatever exterior threats or problems confront the President, the National Security Council, the Congress, and the Executive Branch. It may be helpful to outline the experiences which have formed my views on intelligence.

In World War II, as a naval officer, I had intelligence assignments first in Washington as an aide to William J. Donovan, then the director of the Office of Strategic Services, and subsequently in London as an aide to Colonel David K.E. Bruce, the commanding officer of the Office of Strategic Services in the European Theatre of War commanded by General Eisenhower. Our activities there consisted primarily of working with British and French intelligence and supporting French resistance forces to develop support for the allied armies which invaded and liberated France. When it became clear in the Fall of 1944 that there would be hard fighting in Germany, I became engaged in shifting what had been a French-oriented organization, to one that could function effectively in Germany. When we were surprised by the Hitler counter-offensive in what became known as the Battle of the Bulge, I was appointed Chief of Secret Intelligence for OSS in the European Theatre. In this capacity, I was charged with sending observers to rail and other transportation centers in Germany to report on the movement of German forces, targets suitable for air attack and similar military information.

For a few years immediately after World War II, I worked with General Donovan, General Quinn, who is here today, and with colleagues in wartime intelligence in urging that our nation needed a permanent central intelligence and in studying how such an organization should be organized and function. Since that time, I have spent my working life as a practicing lawyer and as an author, editor and entrepreneur, all of these activities involving somewhat the same kind of gathering, evaluation and interpretation of information which good intelligence work requires. I maintained an interest in foreign policy and national defense. As a founding director of the National Strategy Information Center, I supported the establishment of chairs and professorships in national security on 200 campuses throughout the United States.

During 1969, President Nixon appointed me to the General Committee on Arms Control, on which I served during the preparation and negotiations for SALT I. This experience impressed upon me the vital significance of good intelligence in establishing adequate defense, in negotiating arms control arrangements and in verifying that those arrangements are being observed. I was also a consumer of intelligence as Under Secretary of State in 1973 and 1974. As a member of the Commission of the Organization of the Government for the Conduct of Foreign Policy, known as the Murphy Commission after its chairman Robert Murphy, I took a special interest in the organization of the intelligence community, in improving the relevance and quality of analysis and developing a more effective relationship between producers and consumers of intelligence.

In 1976, President Ford appointed me a member of the President's Foreign Intelligence Advisory Board. There my special interests were economic intelligence and the experiment in the competitive analysis of Soviet strategic intentions, the potential capabilities of Soviet air defense and the accuracy of Soviet missiles.

There is no need for me to describe to this Committee the varied and complex challenges that confront our nation, the complexity of the political, military and economic forces with which we must deal or the importance of good intelligence to the formulation and execution of effective policies. If I am confirmed for the position for which I have been nominated, it will be my purpose to provide for our policymakers, in the Congress as well as the Executive Branch, timely and accurate information, analysis and estimates on which they can rely, in establishing the defensive strength that we need, in seeking arms control, in developing and maintaining satisfactory relations with other nations, and in competing in an increasingly interdependent global economy. Our foreign policies and defense strategies can never be better for long than our intelligence capabilities. In an era of increasing military vulnerability, effective intelligence is of far greater importance than it may have been some years ago when we had clear military superiority. Anticipating potential problems, understanding the reasons behind events and foreseeing all the potential opportunities—both diplomatic and military—will be critical to successful international relations over the next decade. We are in a period where investments in intelligence capabilities will yield major returns.

Generally, there is poor public perception and understanding of the value of the American intelligence community to the security of the free world. The CIA, in particular, suffers institutional self-doubt. Many of its most competent officers have retired or are about to retire. The morale of much of the agency is low. Too often the agency has been publicly discussed as an institution which must be tightly restrained, stringently monitored or totally reorganized. Little has been done in recent years to stress publicly the critical role which the intelligence community must play in the formulation and execution of our nation's foreign policies and defense strategies. Too many have worked to reduce the feeling of self-worth of intelligence officers. Too few have worked to motivate the best minds in this country to see the intelligence profession as one which is desperately needed for our national security.

While members of the community realize that they cannot receive public recognition for particular tasks well done, they rightfully expect the support of the government which they serve. All too often their "failures" are widely publicized, but their "successes" by their very nature are generally hidden.

We need to make it clear that, while we work to improve it, the intelligence community has our full trust and confidence, that the intelligence profession is one of the most honorable professions to which Americans can aspire, and that we have an appreciation for the dedication and professionalism of its members. We should call on young Americans to serve their country in the field of intelligence. We should ask American scholars to serve their country by sharing their scholarship and insights with those in the community who are responsible for preparing the intelligence analyses used to develop foreign policy and defense strategy.

In the months ahead, this nation will continue to confront major international crises. This is not the time for another bureaucratic shake-up of the CIA. Instead, it is a time to make American intelligence work better and become more effective and more competent and make the members of its establishment respected and honored.

In almost every instance in recent years, so-called "intelligence failures" have been the result of shortcomings in intelligence analysis. The necessary relevant information was generally available, but sometimes either good analyses or sound conclusions did not follow. To be truly beneficial to consumers, data collected must be subjected to critical and insightful analysis conducted by trained, competent professionals who have a rich background in the subjects involved. The issues which we have to deal with require the best analytical capabilities applied to unclassified as well as classified sources.

The attractiveness of intelligence analysis as a profession, part-time as well as full-time, should be increased. We must tap the insights of the nation's scholars in the effort to upgrade the quality of intelligence analysis. We must search for new and better ways to get continuing input from the outside world in order to gather information available inside and outside the government and get the best analyses of the full range of views and data available. A revival of the President's Foreign Intelligence Advisory Board can contribute substantially to this, and there are many other possibilities. When I was Chairman of the Securities and Exchange Commission, I created a large number of task forces made up of members of the SEC staff and people experienced in various phases of the investment industry. Assigned to report on regulatory needs for new forms of investment and trading, on minimizing paperwork and regulatory burdens, making investment analyses more widely available, and similar subjects, we observed insight and perspective which was just not available in Washington.

It is not enough to have good information and accurate assessments. The findings and views of the intelligence community must be forcefully and objectively presented to the President and the National Security Council. I assure you that I will present these views without subjective bias and in a manner which reflects strongly held differences within the intelligence community. It will be my purpose to develop estimates which reflect a range of likely developments for which policymakers must prepare in a manner which emphasizes hard reality undistorted by preconceptions or wishful thinking. As we look back at the recent past, we need to remember how early intelligence reports on Soviet missiles in Cuba in 1962, on Soviet divisions preparing to enter Czechoslovakia in 1968, on Arab preparations to attack Israel in 1973, were obscured by judgments that it would not be sensible for these weapons and divisions to have other than defensive or training purposes. Alternative possibilities and their implications must be fully set forth in our assessments so that they can be reflected in our preparation and in our policies.

To carry out its assignment the intelligence community needs both public support and the full participation and cooperation of the Congress. I am pleased that after a period of turmoil the Executive and Legislative Branches have now institutionalized their arrangements in the Intelligence Authorization Act of 1981. I pledge care and diligence in protecting the legal rights of American citizens. I pledge also to work closely with Congress on this as well as in monitoring and improving the performance of the intelligence community. Particularly through the Intelligence Committee's study of U.S. intelligence products, procedures and budgets, Congress will provide a valued independent source of review to ensure we are achieving all that is humanly possible and the Congress will be in a position to provide any necessary legislation.

I will cooperate fully in facilitating the oversight through which Congress can ensure that the intelligence community operates within the limits of the law. This will provide the American people with additional assurance that U.S. intelligence will fully respect their civil liberties, and further strengthen public confidence in our intelligence community.

We have a common purpose in having a comprehensive intelligence system of unqualified preeminence, operating efficiently and within the requirements of our laws.

I expect to conclude that there are some steps which should be taken to improve our intelligence performance. If confirmed, I will promptly, in consultation with the leaders of the intelligence community and the Congress, review without preconception the system as it now exists and how it is working.

Many Senators and Congressmen have put forward a number of suggestions to protect the identities of U.S. intelligence officers and provide relief from some aspects of the Freedom of Information Act. I, too, share the concerns that led to these actions, and I hope that Congress will complete the important work initiated in the last session.

I will examine how we are utilizing the resources we have to produce intelligence. Are we attracting enough of the best people, and providing them with the best possible training? And, are we providing adequate incentives so that we can keep the most competent of those we have now? I know you and your counterpart committee in the House, and academic experts outside of the Congress, have been studying these matters. I would plan to review my finding with you as soon as possible to determine how we can build on our strengths and reduce areas of weakness.

I welcome any questions you may have.

I am happy to yield to my friend from New York for any comments at this time.

Mr. MOYNIHAN. I thank the Chair; I thank my distinguished chairman, the Senator from Arizona.

Madam President, with the indulgence of the Chair and the Senate, I have a brief statement which I feel it important to read in the Senate on this occasion.

Madam President, I rise in support of the confirmation of William J. Casey, of New York, as Director of Central Intelligence. I think it is particularly important to inform the Senate of those parts of Mr. Casey's testimony before the Select Committee on Intelligence which concerns his understanding of the relationship between the intelligence community and the Congress.

I should point out that our statutory intelligence oversight provisions, which are contained in the Intelligence Authorization Act enacted by the 96th Congress in 1980, are unique. There is no other democratic nation in the world in which there is such a close, confidential relationship between the intelligence community and the legislature. There is no other democratic nation in the world in which the legislature has such a wide-ranging statutory right to intelligence information.

These oversight provisions require that the congressional intelligence committees be kept fully and currently informed of all intelligence activities, including significant anticipated intelligence activities; that they be furnished any information or material concerning intelligence activities which they request in order to carry out their authorized responsibilities; and that they be informed of any illegal intelligence activities or significant intelligence failures. When the President determines that "extraordinary circumstances affecting vital interests of the United States" require it, he may limit the prior notification of a significant anticipated intelligence activity to eight Members of Congress, the majority and minority leaders of the two Houses and of the two intelligence committees.

These requirements, while creating the presumption of the fullest cooperation, are not, however, absolute. In drafting the legislation, it was recognized that there are conceivable circumstances in which the President, as Commander in Chief, might act alone. In consequence, two preambular clauses of the statute provide that the exchange of information will take place to the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government, and to the extent consistent with due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods.

Madam President, because Mr. Casey will be, if confirmed, the first Director of Central Intelligence to take office under the new oversight regime, and because of the reservations contained in the oversight law itself, I judge it necessary to return to this subject during the committee's questioning of him. It seemed important to me to insure that when difficult questions arose under the law the Director of Central Intelligence would be inclined to put the narrowest possible interpretation on those clauses which could be used to restrict congressional access to information. After outlining the oversight legislation, I put the matter in the most severe terms, asking Mr. Casey:

(H)ow do you feel about telling this Committee things we need to know (that) you would just as soon not more than two people in the world knew?

Mr. Casey's reply, I believe, demonstrated his intention to continue the satisfactory relationship our committee had with the intelligence community during the past administration:

Senator, I intend to comply fully with the spirit and the letter of the intelligence oversight act. I intend to provide this Committee with the information it believes it needs for oversight purposes. I believe the detailed implementation is something we will work out as we go along. I would intend to follow the practices that have been worked out with the President (and with) the incumbent of . . . the office for which I've been nominated. And there are some reservations of constitutional authority that relate to the President's constitutional authority.

I cannot conceive now of any circumstances under which they would result in my not being able to provide this Committee with the information it requires. I would obviously have to be subject to and discuss with the President any particular situations which I cannot now foresee, and I would do that in a way that this Committee would know about.

It should be noted, however, that with respect to activities conducted abroad other than those intended solely for the collection of necessary intelligence, the President has an unconditional obligation to report to the intelligence committees "in a timely fashion." This insures that, regardless of the sensitivity of the operation or of any other circumstance, the Congress will eventually be informed of any covert action undertaken in a foreign country.

Mr. Casey took note of this development in his opening statement:

I am pleased that, after a period of turmoil, the Executive and Legislative Branches have now institutionalized their arrangements in the Intelligence Authorization Act for fiscal year 1981. And I pledge to conduct the relations of the Intelligence Community with the Congress in a consultative mode.

Madam President, I believe that to have been a forthcoming and satisfactory answer.

Mr. Casey's answer convinces me that he would be a vigorous advocate, in the councils of the executive branch, for a consultative, rather than confrontational, approach toward congressional rights and prerogatives in the field of intelligence.

Madam President, if the Senate confirms the nomination of Mr. Casey, and I am confident it will do that, I believe it can look forward to a continuation of the current favorable relationship between the Congress and the executive branch concerning intelligence matters.

(Mr. DANFORTH assumed the chair.)

Mr. MOYNIHAN. I thank the Chair and I thank my distinguished chairman.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the text of the oversight provisions of the Intelligence Authorization Act for fiscal year 1981 (Public Law 96-450), which is our basic oversight statute.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PUBLIC LAW 96-450

CONGRESSIONAL OVERSIGHT OF INTELLIGENCE ACTIVITIES

SEC. 407. (a) Section 662 of the Foreign Assistance Act of 1961 (22 U.S.C. 2422) is amended—

(1) by striking out "(a)" before "No funds";

(2) by striking out "and reports, in a timely fashion" and all that follows in subsection (a) and inserting in lieu thereof a period and the following: "Each such operation shall be considered a significant anticipated intelligence activity for the purpose of section 501 of the National Security Act of 1947."; and

(3) by striking out subsection (b).

(b)(1) The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end thereof the following new title:

"TITLE V—ACCOUNTABILITY FOR INTELLIGENCE ACTIVITIES

"CONGRESSIONAL OVERSIGHT

"SEC. 501. (a) To the extent consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches of the Government, and to the extent consistent with due regard for the protection from unauthorized disclosure of classified information and information relating to intelligence sources and methods, the Director of Central Intelligence and the heads of all departments, agencies, and other entities of the United States involved in intelligence activities shall—

"(1) keep the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives (hereinafter in this section referred to as the 'intelligence committees') fully and currently informed of all intelligence activities which are the responsibility of, are engaged in by, or are carried out for or on behalf of, any department, agency, or entity of the United States, including any significant anticipated intelligence activity, except that (A) the foregoing provision shall not require approval of the intelligence committees as a condition precedent to the initiation of any such anticipated intelligence activity, and (B) if the President determines it is essential to limit prior notice to meet extraordinary circumstances affecting vital interests of the United States, such notice shall be limited to the chairman and ranking minority members of the intelligence committees, the Speaker and minority leader of the House of Representatives, and the majority and minority leaders of the Senate;

"(2) furnish any information or material concerning intelligence activities which is in the possession, custody, or control of any department, agency, or entity of the United States and which is requested by either of the intelligence committees in order to carry out its authorized responsibilities; and

"(3) report in a timely fashion to the intelligence committees any illegal intelligence activity or significant intelligence failure and any corrective action that has been taken or is planned to be taken in connection with such illegal activity or failure.

"(b) The President shall fully inform the intelligence committees in a timely fashion of intelligence operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, for which prior notice was not given under subsection (a) and shall provide a statement of the reasons for not giving prior notice.

"(c) The President and the intelligence committees shall each establish such procedures as may be necessary to carry out the provisions of subsections (a) and (b).

"(d) the House of Representatives and the Senate, in consultation with the Director of Central Intelligence, shall each establish, by rule or resolution of such House, procedures to protect from unauthorized disclosure all classified information and all information relating to intelligence sources and methods furnished to the intelligence committees or to Members of the Congress under this section. In accordance with such procedures, each of the intelligence committees shall promptly call to the attention of its respective House, or to any appropriate committee or committees of its respective House, any matter relating to intelligence activities requiring the attention of such House or such committee or committees.

"(e) Nothing in this Act shall be construed as authority to withhold information from the intelligence committees on the grounds that providing the information to the intelligence committees would constitute the unauthorized disclosure of classified information or information relating to intelligence sources and methods.".

(2) The table of contents at the beginning of such Act is amended by adding at the end thereof the following:

"TITLE V—ACCOUNTABILITY FOR INTELLIGENCE ACTIVITIES

"Sec. 501. Congressional oversight.".

Mr. GOLDWATER. Mr. President, I thank my friend from New York for that fine statement about Mr. Casey. I might just add that Mr. Casey is not a newcomer to intelligence; he was a member of that wonderful organization, the OSS, which was the start of the CIA. The OSS, Mr. President, was the first real effort this country had ever made at establishing intelligence.

I remember a remark made by Secretary of War Stimson just before World War II, when asked about intelligence and the need for espionage and so forth. He said, "Gentlemen do not read other people's mail." That is how we are starting to struggle through World War II, without any intelligence on the enemy, without any intelligence on ourselves.

Mr. Casey served in the OSS and then retired and has been a very, very successful lawyer, author and publisher, and has been successful in all the ventures in which he has taken part.

Mr. President, so that the record might be complete, I ask unanimous consent to have printed in the RECORD a statement required to be completed by Presidential nominees relative to their financial holdings, and so forth.

There being no objection, the statement ordered to be printed in the RECORD, as follows:

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name (including any former names used): William J. Casey.

Address (list current residence and mailing address): Glenwood Road, Roslyn Harbor, N.Y.

Position to which nominated: Director, CIA.

Date of birth: March 13, 1913; place of birth: New York.

Marital status: Married. Full name of spouse (including any former names used by spouse): Sophia Kurz.

Names and ages of children: Bernadette Casey, 35 yrs.

Education, institution, dates attended, degrees received, and dates of degrees:

St. Agnes High School, 1926–1928, none.

Baldwin High School, 1929–1930, 1930.

Fordham University, 1930–1934, BBS, 1934.

Catholic University of America, 1935–1936, none.

St. Johns Law School, 1936–1937, LLB, 1937.

Honors and awards: Bronze Star, WWII; William Donovan Award 1974; Honorary Doctorates; Fordham University, St. John's University, Adelphi University, Molloy College.

Memberships: Organization, office held (if any), dates:

New York Bar Association, Member, 1950 to date.

International Rescue Committee, President, 1970–71.

Citizens Commission on Indochinese Refugees, Co-Chairman, to date.

American Bar Association, Member, 1970–to date.

Nassau County Bar Association, Member, 1956–to date.

Council on Foreign Relations, Member, 1973–to date.

Atlantic Council, Director, 1976–to date.

Employment record:

1937–1950, Chairman, Board of Editors, Research Institute of America; 292 Madison Avenue, New York.

1950–1971, Partner, Hall, Casey, Dickler & Howley, & Predecessor; 270 Park Avenue, New York, Practice of law.

1954–1971, President & Editor, Institute for Business Planning & Predeces, Englewood, N.J.

1971–1973, Chairman, SEC Washington, D.C.

1973–1974, Undersecretary of State for Economic Affairs, Washington, D.C.

1974–1976, Chairman, Export Import Bank, Washington, D.C.

1976–to date, Counsel to Rogers & Wells, 200 Park Avenue, New York.

Government experience:

Member, General Advisory Commission on Arms Control.

Member, Presidential Task Force on International Development.

Member, President's Foreign Intelligence Advisory Board.

Chairman, Task Force on Equity and Venture Capital, SBA.

Member, Commission on Organization for Conduct of Foreign Policy.

Published writings:

Lawyers Desk Book, 1965; Tax Sheltered Investments, 1952;

Estate Planning Desk Book, 1956; Forms of Business Agreements, 1966;

Accounting Desk Book, 1967;

Where and How the War Was Fought, An Armchair Guide to the American Revolution. Published by Morrow 1976;

Life Insurance, Real Estate, Mutual Funds Desk Books; Executive Pay Plans; How to Finance a Business; Renegotiation Forms of Business Agreement; Forms of Wills & Trusts; Charitable Giving and Foundations; numerous articles and speeches in law reviews and other journals.

Political affiliations and activities:

1980—Campaign Director, Reagan-Bush and Reagan for President. Contributions of $1,000 to Reagan, Bush, Connally, Baker primary campaigns $10,000 Republican National Committee, $2,000 Senatorial campaigns in New York.

1978—$10,000 Duryea for Governor in New York.

1976—Ford campaign $1,000.

1974—$1,000—Wilson for Governor in New York.

1972—$300 Nixon campaign.

Qualifications: I have been successful in directing Federal government organizations at the Securities and Exchange Commission and the Export Import Bank, and in working with a large range of government agencies and committees during my tenure as Undersecretary of State.

I have had intelligence experience in building the American intelligence service in Europe in World War II, and in directing clandestine intelligence operations into Germany during the last six months of World War II. Since then, I have been an active consumer and user of American intelligence as a member of the General Advisory Committee on Arms Control and as Undersecretary of State. I have also had an opportunity to study the organization and operation of our intelligence services as a member of the Murphy Commission on the Conduct of Foreign Policy and as a member of the President's Foreign Intelligence Advisory Board.

During my entire working life my activities as a lawyer, author and editor have involved the gathering, analysis and evaluation of information and applying it to practical purposes.

As far as it can be foreseen, state your plans after completing government service. Please state specifically any agreements or understandings, written or unwritten, concerning employment after leaving government service, in particular concerning agreements, understandings or options to return to your current position:

I have no plans at present, but in the past after completing government service I have always returned to the practice of law. I have no agreements, understandings or options to return to my present position.

Have you been an attorney for, or a representative or registered agent of, a foreign government, or any entity under the control of a foreign government? In your present position are you formally associated with individuals who are attorneys for, or representatives or registered agents of, foreign governments or entities? If the answer to either or both questions is yes, please describe each relationship on a separate sheet:

Neither I nor my firm currently represent any foreign government or any foreign government entity. The firm is performing commercial related legal work for a variety of privately-owned foreign companies.

Describe the financial arrangements you have made or plan to make, if you are confirmed, in connection with severance from your current position. Please include severance pay, pension rights, stock options, deferred income arrangements, and any and all compensation that will or might be received in the future as a result of your current position or your past business or professional relationships:

None, except that upon termination with firm I will receive a severance amount to be agreed upon.

Please list below all corporations, partnerships, foundations, trusts, or other entities toward which you have fiducial obligations or in which you hold directorships or other positions of trust:

Capital Cities Communications, Director.
Long Island Lighting Company, Director.
Long Island Trust Company, Director.
St. Francis Hospital, Roslyn, N.Y., Trustee.
Intend to resign these upon confirmation.

PROPERTY HOLDINGS OF WILLIAM CASEY

Listed securities:
Capital Cities Communications;
Investment Annuity, Inc.;
Philip Morris;
Datapoint Corp.;
Dennison Manufacturing;
International Business Machines;
Rolm Corp.;
Johnson & Johnson;
Raychem Corp.;
Englehard Minerals & Chemicals;
Ranchers Expl. & Dev.;
AMAREX, Inc.;
Apache Corp.;
Atlantic Richfield;
Dome Petroleum;
Kerr-McGee;
Mesa Rty.Tr. Unit Ben. Int.;
Southland Royalty;
Standard Oil Indiana;
Superior Oil;
Halliburton;
Schlumberger Ltd.;
Long Island Lighting Co.;
Permian Basin Trust; and
San Juan Basin Trust.

Limited partnership interests:
Min-Sub—small submarine venture;
REALCO—waste recycling venture;
Penverter—computer input venture;
ITA—importing venture;
COAP Planning—computerized financial analysis; and
North Courts—racquet ball courts.

Real estate:
Home in Roslyn, N.Y.
Home in Palm Beach, Fla.
Capitol Towers Unit II—Interest in garden apartments, Sacramento, Calif.

List all loans, mortgages, or other indebtedness in excess of $1,000: None.

Please describe all gifts of pecuniary value in excess of $500 received in the past five years. None.

Please list any legal actions in which you are presently either a plaintiff or defendant, and any legal actions in the last five years in which you have been a plaintiff, defendant, or witness.

Defendant: Kurz v. Casey—action against me and wife as owners of lawn mower brought by widow of brother-in-law who had heart attack while mowing lawn at house occupied by him but owned by us—action dismissed from bench—1979 in Supreme Court, Nassau County, N.Y. in 1979—notice of appeal filed.

Maiden v. Biehl—derivative action brought on behalf of bondholders against directors, accountants (Harkness & Sells) and investment bankers selling bonds of Multiponics, an agricultural company of which I was a director—has been pending in Federal Court, Southern District of New York for over five years.

Scheuer vs. Trustee holding Sacramento garden apartments for my benefit involves claim for inflation adjustment and payment of compensation for managing property.

Witness: National Cash Register v. Ginsberg, N.Y. Supreme Court—witness to conversation action on contract against client. Character witness U.S. vs. Clifford—Eastern District, N.Y.

Character witness U.S. vs. Gleason—Southern District, N.Y.

Describe any business relationship, dealing or financial transaction (other than taxpaying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated. None.

List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy. List specifically any appearance before any committee of the Congress, and any other effort in any capacity to influence an action of a committee of Congress.

1978–1979 Testified as Co-chairman of Citizen's Commission for Indo-Chinese Refugees before Senate and House Subcommittee on Immigration and before Subcommittee of House Foreign Relations Committee on visit to Islands in S.E. Asia to which boat people were going to escape Vietnam—urged stronger relief measures for these refugees.

Participated with partners of my law firm in making representations on behalf of client who builds condominiums in Florida on impact of condominium legislation pending in Senate and House—1980.

Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items:

By disposing of assets or establishing a blind trust if necessary.

List sources and amounts of all income received during the last five years, including all salaries, fees, dividends, interest, gifts, rents, royalties, patents, honoraria, and other items exceeding $500. (If you prefer to do so, copies of U.S. income tax returns for these years may be substituted here, but their submission is not required.)

	1980	1979	1978	1977	1976
Salary and directors fees	160,000	96,050	208,595	116,000	114,528
Fees, royalties	17,000	49,000	57,150	28,517	6,885
Dividends	67,000	53,374	41,164	38,684	43,259
Interest	15,000	46,027	43,122	43,250	14,498
Gifts					
Rents	51,000	1,200			
Other, exceeding $500	7,000	7,124	3,964	5,010	4,269
Total	317,000	252,775	353,995	221,470	183,439

CLIENT LIST

Diamond Distributors, Inc.
Bear, Stearns & Co.
Capital Cities Communications.
Est. of Jos. E. Ridder, Dec'd.
Charles Atwood.
Cox & Company.
John Foglia Sr.
Keghart Communications Inc.
Environmental Research & Technology.
Fidelity Management & Research.
Anthony G. A. Fisher.
Sidney Colen.
Jeremiah Burns, Inc.
Resource Asia.
Parr Meadows Racing Association Inc.
Robert Ross.
Litco Corp. of New York.
Long Island Trust Co.
Promenade Magazines, Inc.
Dr. Irving I. Dardik.
Mitchell P. Kobelinski.
Fitch Investors Service, Inc.
Armor Products Inc.

Jack Farber.
Lauralee G. Smith.
Nassau County.
King Kullen Grocery Stores.
Energy Transition Corp.
Andrew Duell.
Milton Eipper.
Saudi American Lines Company.
The Institute for Economic Affairs.
Gladding Corp.
The Wackenhut Corporation.
Philip J. Sagona.
Housatonic Valley Paper Co.
Servo Corporation of America.
Semiconductor Specialists Inc.
S. G. Warburg & Co. Ltd.
Korvettes Inc.
Edward Swanson.
Florida Condominium Corp.
The Alternative Education.

Other information:

Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? No.

Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination. None.

Please provide the Committee with the names and current addresses of five individuals whom you believe are in a position to comment upon your qualifications for the office to which you have been nominated:

John J. McCloy, 1 Chase Manhattan Plaza, N.Y. 10005.

Richard Helms, 4649 Garfield Street, N.W., Washington, D.C. 20007.

William Rogers, Rogers & Wells, 200 Park Avenue, New York, N.Y. 10017.

Stanley Sporkin, 8616 Brierly Road, Chevy Chase, Md. 20015.

Leo Cherne, Research Institute of America, 589 Fifth Avenue, N.Y. 10017.

Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

Are you willing to provide such information as is requested by such committee? Yes.

Mr. GOLDWATER. Also, because Mr. Casey was a member of the Murphy Commission on the Organization of Government for the Conduct of Foreign Policy, which made a rather complete recommendation in the areas of intelligence, executive-congressional relations, and so forth, I ask unanimous consent that a statement on this subject be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MURPHY COMMISSION

Mr. Casey was a member of the Commission on the Organization of the Government for the Conduct of Foreign Policy (Murphy Commission) from March 1974 through January 1976. The Commission was established in July 1972 to propose improvements in the means by which foreign policy is made and implemented, in both the executive and legislative branches.

The Commission submitted specific recommendations in the areas of intelligence, executive-congressional relations, and congressional organization and procedure, among others. The executive summaries of these findings are excerpted below.

INTELLIGENCE

National security and the effective conduct of U.S. foreign policy require maintenance of intelligence capabilities of the highest competence. Intelligence in a democracy must meet three tests: to provide accurate information and competent analysis concerning the issues of greatest concern to policymakers; to avoid unnecessary costs and duplication; and to function in a manner which commands public confidence.

Firmer oversight of the intelligence community is required. This is difficult to achieve for a variety of reasons.

The community consists of many agencies, with differing objectives and lines of command. The great bulk of its budget and manpower falls within the Department of Defense, yet the Secretary of Defense clearly should not also serve as the nation's chief intelligence officer. Prior efforts to deal with this situation have taken several forms, but have hinged on the Director of Central Intelligence (DCI). In addition to his responsibilities for CIA, the DCI has been charged with the oversight and leadership of the entire intelligence community.

This arrangement has worked only partially. Having line authority over their own agency but only limited influence over other intelligence units, DCIs have tended to devote themselves largely to CIA affairs.

Several changes are necessary. To supervise effectively the intelligence community, the DCI must be a close assistant to the one official who does ultimately command each element of the community: the President. In order to meet his community-wide responsibilities, as well as to be the President's principal intelligence adviser, the DCI should have an office in close proximity to the White House and be accorded regular and direct contact with the President. He should delegate much of his authority for the day-to-day direction of CIA to his deputy. In addition, some extensions of the DCI's current responsibilities for community-wide planning and budgeting are recommended.

To make clear exclusively foreign responsibilities of the Central Intelligence Agency and of its Director, the CIA should be retitled the Foreign Intelligence Agency (FIA), and its Director, the Director of Foreign Intelligence (DFI).

The Director of Foreign Intelligence should have a broad understanding of foreign and national security affairs, managerial skill, sensitivity to the constraints within which an American intelligence service must operate, independence and high integrity. The DFI should normally be a person of stature from outside the intelligence career service, although promotion from within should not be barred.

In view of the special importance and sensitivity of intelligence, the President should have sources of advice independent of the DFI. The President's Foreign Intelligence Advisory Board (PFIAB) should become the principal such source. Each incoming President should review and make such changes in PFIAB's membership as may be required to give him high personal confidence in that body's values and judgment. PFIAB's staff should be enlarged and drawn in part from sources outside the intelligence community.

The quality and relevance of intelligence need continuing upgrading, with a more active NSC Intelligence Committee (NSCIC) as the principal forum for resolution of differing perspectives of consumers and producers. Analytic improvements are also needed, notably in the areas of Foreign Service reporting, economic intelligence, and the process by which National Intelligence Estimates (NIEs) are produced. A better balance between technical and human means of intelligence collection is required.

To supplement steps taken in recent years to improve resource management, a multiyear plan for allocation of intelligence responsibilities across the community should be prepared, and on the basis of this plan, an annual consolidated foreign intelligence budget should be developed.

Covert action. Many dangers are associated with covert action. But we must live in the world we find, not the world we might wish. Our adversaries deny themselves no forms of action which might advance their interests or undercut ours. In many parts of the world a prohibition on our use of covert action would put the U.S. and those who rely on it at a dangerous disadvantage. Covert action should not be abandoned, but should be employed only where such action is clearly essential to vital U.S. purposes and then only after careful high level review.

Present practices for review and approval of covert action are inadequate and should be strengthened. Covert actions should be authorized only after collective considerations of their benefits and risks by all available 40 Committee members. In addition, covert action should be reported on the proposed Joint Committee of the Congress on National Security or to some other appropriate congressional committee.

EXECUTIVE-CONGRESSIONAL RELATIONS

A new era of cooperation between the executive and congressional branches in foreign relations is vital to the security of our Nation and to the peace of the world.

Major foreign policy problems of the future will increasingly arise from the tightening economic and physical interdependence of nations, and problems of interdependence will sharply affect the domestic economy and therefore merge with domestic political issues. Foreign policy will therefore touch the American public more directly, and will involve the Congress to a greater degree. Moreover, the Constitution gives the Congress the sole power to regulate commerce with foreign nations: as that commerce becomes more central to our foreign relations, the Congressional role must inevitably grow. The Congress, then, must be prepared to play, effectively and responsibly, a broader role than before in those issues with both foreign and domestic dimensions.

Balance and effectiveness in the future conduct of our international relations is necessary, not a radical shift in power between the branches. The executive must conduct relations with other countries. The President must have the flexibility to negotiate effectively and provide responsible leadership in meeting international demands of increasing complexity. But measures are needed to provide for a fuller sharing of responsibilities in that broad region where both branches must act together.

A Classification System Based on Statute. Too much information in the field of foreign policy is classified too highly, and too long. A number of corrective actions have recently been taken, but the classification system still operates without any statutory basis. Procedures so important and potentially so dangerous as those which restrict the ability of a free people to review the operations of its own executive departments should be defined and circumscribed by law.

The Congress should consider legislation establishing a comprehensive classification system based on the following guidelines:

Mandatory classification of specified types of information relating principally to national defense and the sources and methods of intelligence.

Mandatory exemption from classification of certain other information.

Classification or exemption from classification of all other information on the basis of specified criteria balancing the need for secrecy against the potential value of disclosure.

CONGRESSIONAL ORGANIZATION AND PROCEDURES

To improve the coherence and consistency of Congressional actions affecting other nations, the House Committee on International Relations should be accorded "special oversight functions" over reciprocal tariff agreements, in addition to its other responsibilities for trade policy issues. It should also exercise concurrent legislative oversight over international financial organizations, together with the House Committee on Banking and Currency. A review by the Senate of its own committee system also now seems appropriate. Subcommittees in both Houses should be more fully utilized to strengthen the basis of committee action, and to provide greater interchange with working-level executive officials as should joint subcommittees hearings.

A New Joint Committee. Since political, military and economic aspects of foreign policy have become interlocked, Congress should contain some forum in which those interrelations can be directly weighed. At the same time Congress is requiring greatly increased consultation with senior foreign policy officials of the executive branch. The result is a potentially unsustainable demand on senior executive officials for multiple appearances before Congress. To help resolve both problems, and to provide more effective oversight over the intelligence community, a Joint Committee on National Security should be established. It should perform for the Congress the kinds of policy review and coordination now performed in the executive branch by the National Security Council, and provide a central point of linkage to the President and to the officials of that Council.

In addition, it should take responsibility for Congressional oversight of the Intelligence Community. The Joint Committee should include the leaders of the key foreign, military, and international economic committees from each House, and several Members-at-Large appointed by the party leaders. It should be vested with authority to:

Receive, analyze and refer reports from the President under the War Powers Act.

Receive and review analytic products of the intelligence community.

Oversee the system of information classification discussed above.

Establish a code of conduct to govern the handling by Committee members of classified or sensitive information.

In two specific areas the Joint Committee might usefully have authority to report legislation to the floor of each House. These are to consider the creation of a statutory system of information classification; and (if intelligence oversight is assigned to it), annual authorization of funds for the intelligence community.

In the event that this Committee is not established a Joint Committee on Intelligence should be created to assume the important task of Congressional oversight of the intelligence community.

Mr. GOLDWATER. Mr. President, if there are any questions, I shall try to answer them.

Mr. PROXMIRE. I have some questions.

First, I agree wholeheartedly with Chairman GOLDWATER and Senator MOYNIHAN, that this man is well qualified. He has had more experience than probably any other head of the Central Intelligence Agency. He did serve in the OSS and on the Murphy Commission. He obviously is a man of valuable experience in this area, and that is greatly to his credit and to the credit of President Reagan for having made the appointment.

My difficulty with this nominee is what seems to be—and maybe I am being unfair to him, because this is an unusual area—a paucity of responses to questions at the hearings, and questions I submitted in writing. As I say, I understand fully that much of what the CIA does has to be classified and should be classified.

In response to a question as to his plans for increasing the budget of the intelligence community or its personnel authorization, Mr. Casey replied that he has not yet studied the figures.

Recognizing that no potential agency head will be informed about all the details of his budget, I ask Chairman GOLDWATER why it is not possible for this nominee to have at least general ideas about the direction in which this budget will be required to move, up or down. We do not need specifics, because they are classified, but we should know his general plans.

Mr. GOLDWATER. The preparation of the budget for intelligence purposes, as my friend realizes, is a very difficult thing. We are in the process now of preparing that budget, and Mr. Casey, to my knowledge, has not seen it, although he probably has had a look at it since he has moved over to the CIA headquarters.

It is arrived at in a rather peculiar way. The Armed Services Committee has a hand in it. The Intelligence Committee has a hand in it. There is a big part of that budget that is highly classified, that we cannot even talk about in the committee.

So it is difficult to give the Senator an answer, and it would be just as difficult for Mr. Casey.

Mr. PROXMIRE. I appreciate fully what the Senator is saying about the Carter 1981–82 budget. I am not talking about that. I am talking about the disposition of the new Director of the Central Intelligence Agency—whether he would feel that, on the basis of his great experience, this agency should have more personnel, more resources to do the job, or whether they can make the reductions we would all like to see in all agencies, where possible.

Mr. GOLDWATER. I can only say from my experience—and I depend on my colleague to say what he thinks—that in the CIA, itself, there probably will be a slight increase in personnel. I cannot say that for certain. However, after the Church committee got through with the intelligence family of our country, there were wholesale leavings. The unfortunate thing is that a number of people who left were the older people. When I say "older," I do not mean by age but by experience—those men who had become expert assessors of intelligence.

This may be difficult to believe, but we are having more applications to join the CIA today than we can handle. But we are very short in this highly qualified, specialized branch, of being able to take bits of intelligence from the whole family—and we must keep in mind that there are 19 members of the family in this town and around the country—and make a proper assessment to give to the Joint Chiefs of Staff, to give to our committee, to give to the President.

So I can only say that I think there will be more people working for the CIA How many, I would not want to guess.

Mr. MOYNIHAN. Mr. President, I say to my distinguished friend from Wisconsin that, as he of course knows, the budget documents, estimates, and trends of the intelligence community, while kept in the Select Committee on Intelligence, are available to him at any time, and we would welcome his formidable capacity in these matters.

Mr. PROXMIRE. I believe that Senator GOLDWATER has answered very well. All I am asking is to find out what the disposition of this particular nominee would be. I realize that the budget document is going to come down, but I want to know what his feeling is. I may disagree with the budget documents because I have confidence in Mr. Casey. I would like to know what he feels, not what the administration is proposing, necessarily—although that is important, too—but how he feels about the Agency he is going to take over.

Mr. GOLDWATER. I do not think we can say what he feels. He has been in office only a week. I will say that he has obtained as his assistant Adm. Bobby Inman—and his name is Bobby, not Robert or Bob.

Mr. PROXMIRE. He is an outstanding man. He has testified before our committee.

Mr. GOLDWATER. I think he is the outstanding intelligence expert in the world, and his job also is related to the Senator's question; because Mr. Casey wants to use Admiral Inman to sort of put the whole show together more than it is, more than having these different agencies sort of shooting off on their own, to have a concentration of intelligence more closely gathered.

Mr. PROXMIRE. I appreciate that.

I understand that when the Central Intelligence Agency was created, it was created precisely for the purpose that the title "Central Intelligence Agency" implies—to pull together the diverse kinds of intelligence we got from military, naval, FBI, and so forth.

I asked Mr. Casey a number of questions about the structure of the intelligence community, none of which he answered with any clarity.

I asked him if he should have control over the budget of NSA and DIA, and he said he could see advantages and disadvantages.

I asked him if the CIA should be split into covert and analytical sections. He said he is studying the matter and has not reached any definite conclusions. It would be helpful if he could have given us more of his thinking.

Mr. GOLDWATER. I say to the Senator that these matters concern us very much. We are now in the process, as a committee, of forming a new subcommittee. When we decide what the function of this subcommittee is going to be in foreign intelligence and American rights, we will be better able to answer the Senator's question. But right now, I do not think we would be able to do so

Mr. MOYNIHAN. I join in welcoming the thought that Admiral Inman is going to take on a general, community-wide role. Previously, the position of deputy director was primarily confined to the day-to-day running of the Agency itself. He is a superb man, and it is an act of genuine patriotism for him to stay at a time when he was thinking o. leaving.

I say to the Senator from Wisconsin

79-059 O — 84 — 64 (Vol. 127 Pt. 1)

that, in all truth, if Mr. Casey were to have come forward with confident answers to the very probing questions of the Senator from Wisconsin, I would have been a little alarmed about Mr. Casey. He is not the kind of man who tells you things he does not know. He is not the kind of man who decides he knows things until he has learned them.

However, I will agree with the chairman that there is no question that the analytic capacities of this community have deteriorated—at least, in my opinion—and that they need to be restored. This need not involve greater expenditure, but it means changes of a managerial kind.

Mr. PROXMIRE. May I ask Chairman GOLDWATER does he feel that the Director of Central Intelligence, Mr. Casey, should have functional control over the budgets of the various intelligence agencies?

Mr. GOLDWATER. I think he should have and will have, through our new President, a hand. I would not say it is a final hand because each agency really is a separate identity in the intelligence community. They prepare their own budgets. However, I cannot answer that question until I hear what the President is going to suggest relative to a more closely united intelligence group.

Mr. PROXMIRE. Certainly it would be more unified, would it not? We would have more discipline and be able to enforce greater discipline in the whole operation.

Mr. GOLDWATER. That is part of it. But we have such a diversity. We have parts of the intelligence community that are engaged totally in extremely secret work in the electronics field that have really no close relationship to what we are talking about. So I would rather wait and see.

I do not know just what the President is going to recommend in this particular line, and I would not want to try to outguess him.

Mr. PROXMIRE. Does the chairman believe the CIA should be split into two different organizations with covert and analytical capabilities?

Mr. Casey said he did not know or was not familiar with the charge that there was duplication.

Mr. GOLDWATER. No, I do not think with our intelligence system that that would be advantageous. We have the ability to perform covert work, clandestine work. It would be my hope, and I know I speak for my friend, also, that we would give the foreign intelligence officers a little more leeway in these fields. Today, if they want to perform a clandestine or covert action they literally have to come back to Washington to get permission and as a result of that and other problems, like the disclosure of name, rank, and serial number of these foreign agents, our information gathering ability has deteriorated greatly.

I would rather see this operate under one roof than split it up into others.

Mr. PROXMIRE. When the Senator says, "come back to Washington," is he saying come back to Congress or come back to the President? Does the Senator not feel in covert operations the President should have clear and complete responsibility and control?

Mr. GOLDWATER. Come back to the President, if it is a minor question, come back to the CIA itself, and if it involves a rather involved covert action, they, I think, would come to the committee. Under the responsibilities that were given the committee by the Senate, they have to report covert actions to us.

I, as an individual, am not certain that I like that. I think probably, also, many people in this Congress learn of the activities of intelligence but I will say thank God we have not had any leaks from the committee members and we are proud of that.

Mr. MOYNIHAN. Mr. President, will the Senator mind if I just add that the present reporting provisions are statutory, and that I do not think the committee anticipates any proposals to change them. This committee is more than amply informed, and I think the chairman is properly sensitive that so much information is on hand here. But that is the choice we have made and the arrangement is working.

Mr. PROXMIRE. Mr. Casey indicates that he would be opposed to making a public breakdown of the budget of the CIA, and so would I. I think that would be obviously wrong.

Mr. GOLDWATER. We do not do it now.

Mr. PROXMIRE. I note he does not rule out making public the overall total. The previous Director, Admiral Turner, said he would have no objection to making public the overall total, and I understand the administration took that position. The House of Representatives was opposed to it.

I wonder if the distinguished chairman could tell me his position on that?

Mr. GOLDWATER. Yes; I would be opposed to it because any Senator in this body who wishes to see it can come to our office over in the new Senate Office Building and observe not only the budget but any piece of classified material that we have. We have to protect that figure. It would be extremely dangerous to disclose money.

Mr. MOYNIHAN. May I just, so that the record will be clear, indicate my complete agreement with the chairman on this matter. Congress has this information. It need not, it seems to me, go any further.

Mr. PROXMIRE. I am not so sure. The Senator may well be correct, and that certainly is a position, as I say, a number of responsible and thoughtful people share. On the other hand, I am not talking about a breakdown; I am just talking about a notion of how big this is. Is it $1 billion, $500 million, $3 billion?

I call attention to the Constitution which one sentence of it says:

> No money shall be drawn from the Treasury but in consequence of appropriations made by law, and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

Mr. GOLDWATER. That is true, but the Senate wrote a little resolution called Senate Resolution 400, and while they did not overlook the responsibilities of the Constitution, they did not spell out for the public to know that the Senator or any Member of this body has access to the breakdown and the total. I cannot tell the Senator the total. It is a big amount. Let me put it that way.

Mr. PROXMIRE. I realize we have access, but again I think debate and public disclosure wherever possible is cleansing and constructive. I am talking about the overall amount, not a breakdown.

Mr. GOLDWATER. I might point out when we begin to use dollars and our enemy knows about the amount of those dollars, they have a pretty good idea of what we are doing in the intelligence field just as we have a pretty good idea of what they are doing when we know the amount of rubles that they are paying out.

Mr. PROXMIRE. I notice that both Mr. Colby and Mr. Turner said there would be no national security problem in making the overall figure available. But I respect the distinguished Senator from Arizona very much on that, and I think he may be correct.

I notice with great interest that Mr. Casey leaves open the door to using U.S. reporters and members of the press for intelligence operations. He says he will adhere to current regulations and procedures, but if improvements in intelligence performance are needed, he will consult with the Select Committee on Intelligence.

Let me ask: If Mr. Casey does decide to make greater use of U.S. reporters and members of the press than current regulations allow, will the committee make this fact known to the Senate so it can be debated by all Members and not just the committee?

Mr. GOLDWATER. I will not be opposed to telling the Senate any thing that we reach a decision on in that field, but I might say, and I feel very strongly about this, that I see no reason why a newspaper man or woman or reporter cannot be just as patriotic toward this country as any of us who are perfectly willing to go overseas and do anything we can to help our country, and I think I speak for nearly every newsman in this country who rather resent the implications that for some unknown reason we should not look on them as people who would be willing to help their country with knowledge that they gained.

Mr. PROXMIRE. There is no question at all about the patriotism of our newsmen. The problem, however, of course, is we value very highly in this country freedom of the press. One of the greatest values we have is the freedom, objectivity, and honesty of the press, and if the press is going to be paid by a Government agency secretly to engage in activity it does perhaps color the view that people have as to what they are reading. If they read a report in the New York Times or the Washington Post, and it is written by a CIA agent who is getting paid by the Government, one would put a different slant on it than if it were written by someone who was

completely independent and outside the Federal payroll.

Mr. MOYNIHAN. Mr. President, if the Senator will not mind if I speak to that, this might be one of those issues which are bound to arise even with as close a relationship as we have on the committee where I would have to respectfully disagree with my chairman. I am adamant on the view that it is in the interests of the press that relations with the intelligence community be prohibited. It is for their protection. We do in fact sacrifice the rights, as it were, of individuals who might wish to do this, but the larger institutional and constitutional regime is to me controlling here.

I say to the Senator from Wisconsin that if there is any such change contemplated, this full body will know about it, and he may be sure of the openness of the chairman on this matter.

Mr. PROXMIRE. That is exactly what I asked for, and I appreciate it.

Mr. MOYNIHAN. Mr. President, will the Senator be gracious enough to allow me to put in the RECORD the CIA regulations concerning relationships with journalists. I ask unanimous consent to so do, Mr. President.

There being no objection, the regulations were ordered to be printed in the RECORD, as follows:

CIA REGULATIONS CONCERNING RELATIONSHIPS WITH JOURNALISTS

AS OF 19 APRIL 1976

Correspondents and representatives of public media. CIA will not enter into any paid or contractual relationship with any full-time or part-time news correspondent accredited by any U.S. news service, newspaper, periodical, radio or television network or station. CIA recognizes that members of this group may wish to provide information to the CIA on matters of foreign intelligence of interest to the U.S. Government. The CIA will continue to welcome information volunteered by such individuals.

AS OF 3 MAY 1977

Correspondents and representatives of public media. CIA will not enter into any paid or contractual relationship with any full-time or part-time news correspondent accredited by any U.S. news service, newspaper, periodical, radio or television network or station. CIA recognizes that members of this group may wish to provide information to the CIA on matters of foreign intelligence of interest to the U.S. Government. The CIA will continue to welcome information volunteered by such individuals. The policy against paid or contractual relationships with members of the U.S. media is not meant to preclude the use of such personnel as guest speakers (paid or otherwise) in CIA training courses.

AS OF 30 NOVEMBER 1977

Journalists and staff of U.S. news media organizations:

(1) Policy. The special status afforded the press under the Constitution necessitates a careful policy of self-restraint in regard to relations with U.S. news media organizations and personnel. Accordingly, neither the Agency nor the Office of the Director will:

(a) Enter into any relationship with full-time or part-time journalists (including so-called "stringers") accredited by a U.S. news service, newspaper, periodical, radio, or television network or station, for the purpose of conducting any intelligence activities. The term "accredited" means any full- or part-time employee of U.S. or foreign nationality who is formally authorized by contract or by the issuance of press credentials to represent himself or herself either in the U.S. or abroad as a correspondent for a U.S. news media organization or who is officially recognized by a foreign government to represent a U.S. news media organization.

(b) Without the specific, express approval of senior management of the organization concerned, enter into any relationships with nonjournalist staff employees of any U.S. news media organization for the purpose of conducting any intelligence activities.

(c) Use the name or facilities of any U.S. news media organization to provide cover for any Agency or employees or activities.

(2) Limitations.

(a) The policies set forth above are not designed to inhibit open relationships with journalists (as for example contracts to perform translating services or to lecture at training courses) which are entered into for reasons unrelated to such persons' affiliation with a particular news media organization. Willingness on both sides to acknowledge the fact and nature of the relationship is the essential characteristic of the open relationships which will be entered into with journalists under this provision.

(b) In addition, no person, including full-time or part-time accredited journalists and stringers, will be denied the opportunity to furnish information which may be useful to the U.S. Government. Therefore, unpaid relationships with journalists or other members of U.S. news media organizations who voluntarily maintain contact for the purpose of providing information on matters of foreign intelligence or foreign counterintelligence interest to the U.S. Government will continue to be permitted.

(c) Likewise, regular liaison with representatives of the news media will continue to be maintained, through the Office of the Assistant for Public Affairs to the Director, to provide public information, answers to inquiries, and assistance in obtaining unclassified briefings on substantive matters.

(3) Exceptions. No exceptions to the policies stated above may be made except with the specific approval of the Director.

Mr. MOYNIHAN. I would note that the first version of these regulations was promulgated by Vice President BUSH in 1976, at which time he was the Director of Central Intelligence.

So you have here a situation where the Vice President was very much of the view which, I think, I would share with the Senator from Wisconsin.

Mr. GOLDWATER. Mr. President, let me make my point clear. I am not in favor of putting press people on the payroll because that type of work we get done without the use of our newspaper people. But I do not want any newspaper person to feel he is prohibited from coming home and saying, "I have heard this."

Mr. MOYNIHAN. Indeed they are not.

Mr. GOLDWATER. That is right.

Mr. PROXMIRE. Let me ask the same question about using missionaries for intelligence purposes. Mr. Casey states he will adhere to the regulations and procedures that now apply to members of the clergy, but that he might recommend changes. If changes are recommended with respect to using the clergy for intelligence purposes, will the committee report this to the Senate?

Mr. GOLDWATER. Oh, yes. I know of no effort which has been made, I know of no effort being planned, to use the clergy.

Again if a missionary wants to voluntarily say, "I have heard this" or "I have seen that" I think that is up to the individual.

Mr. PROXMIRE. Let me ask the distinguished chairman, I asked Mr. Casey in writing what the benefits and risks are of the CIA training foreign intelligence personnel. He said he was not familiar with the issue.

Does the chairman have an opinion as to the risks and benefits of training foreign intelligence personnel? Why could not Mr. Casey with his years of intelligence experience, provide an answer to that question?

Mr. GOLDWATER. Well, I rather hesitate to answer that question. Let me see if I can put it in a way that will not violate my sense of secrecy.

We have to have what we call eyeball information. It is one thing to get information that maybe comes from a satellite or some other source that our enemy has a certain weapon. It is much more valuable to have a man who has gone in, put his hands on it, read the mark number, has seen it, and, if possible, gets photographs. That man would be more likely a foreign person than an American.

I would say they are as valuable a part of our intelligence service as any part I can think of.

Unfortunately, the activities aimed at the intelligence community have caused us to lose many of our friends around the world who were willing to tell us things we would not have known otherwise.

Mr. PROXMIRE. I did not state my question clearly. What I meant to stress was whether or not we should use our CIA to train foreign CIA's in various foreign countries; in other words, foreign intelligence personnel trained by our own people so that the American CIA would train some other countries' intelligence personnel and what the opinion of the chairman might be in that event.

Mr. GOLDWATER. Well, let me just say that if that need comes, I would not oppose it.

A need like that is a very serious need. The judgment is not made overnight. The committee can be informed of such use. We have had none of it lately.

Mr. PROXMIRE. You see what this Senator had in mind were the risks involved in this kind of thing with, perhaps, another regime taking over and blaming the United States for repressive measures and for all the evils and ills, if any, that the previous regime had imposed. It is that kind of matter in which I am interested.

Mr. GOLDWATER. We get blamed for everything anyway.

Mr. PROXMIRE. I realize that. It may be a price worth paying, but it is something we ought to have our eyes open about.

Mr. GOLDWATER. Maybe the Senator is thinking of incidents such as reportedly occurred in Chile which, frankly, never occurred but the American people were led to believe they had occurred.

I will not say the CIA has never gone into another country and done a little spade work on our behalf. I think that is their business.

Mr. PROXMIRE. One final question:

The CIA was set up, according to the CONGRESSIONAL RECORD that was made at the time—and I read the CONGRESSIONAL RECORD very carefully—for the purpose of combining our intelligence operations and bringing them together. I think they have done a valuable job in that respect, and I think it is absolutely essential. No foreign policy can be successful if it does not have good intelligence; no military policy can be successful. We have to have it.

At the same time, however, the CIA has recently engaged in covert operations which were no part of the original charter.

I have talked to Congressman Judd, for example, who is still in Washington, a neighbor of mine, and who was, of course, a very fine Congressman, as the Senator knows, and who had a great deal to do with setting this up.

Whatever President Truman said as the President in office at the time this was set up, he did not seem to contemplate either the covert action.

We have a whole record of errors and mistakes and embarrassments that have been caused by covert actions in Cuba, Guatemala, Laos, Tibet, Indonesia, and elsewhere, and I do not know of any record of real success.

For years they could point to Iran as a great success. People have mixed feelings on that now. It certainly was a success for many years and very important to us to have the Shah instead of Mossadegh in power. But, of course, that has crumbled to ashes.

I just wonder if the Intelligence Committee has thought of studying this as objectively as possible to determine whether or not covert action as distinct from intelligence, and aggressive, vigorous intelligence. I mean not only reading other people's mail but doing everything you have to do to find out what is going on, whether covert action has been justified as a matter of history? We have had 30 years now of CIA operations and the question is whether covert action has been justified or not as a matter of history.

Mr. GOLDWATER. I would not presume to answer that question with the thought that I am speaking for Mr. Casey, and that is what we are here for. I think what the Senator is really touching on are the actions of our Intelligence Committee.

Now, because the Senator brought it up, I think we might as well get the record clear. All of the so-called violations by our intelligence community that have taken place over the many years were directed by the President. The assassination attempts in Cuba were under the orders of the Commander in Chief, and when the Commander in Chief says to do something you do it even though it is against the rules.

The rules have been reunderstood to the point that the intelligence agencies can now argue with the President on anything they are ordered to do that they think would be wrong for the country.

But all the mischief they have gotten into has been the result of a long series of orders by Republican and Democratic Presidents alike.

So again I am only talking now for myself and not for Mr. Casey. I might say though in connection with this that even though the CIA was created to create a cohesive body, so were the Joint Chiefs of Staff.

Yet I learned the other night, to my great surprise, that unless every decision by the Joint Chiefs is unanimous, it has to go to the Secretary of Defense for decision. I am going to see what we can do about changing that because if five good four-star generals cannot agree, I do not know how somebody who has been the president of this corporation or that corporation can make a better judgment. This is the way it goes. You know this through the history of our country, the late history, where we have tried to make things better, and many times we have made them worse.

Mr. PROXMIRE. I realize there may well have been some brilliant successes in covert operations, but I think the general feeling on the part of many people and on the basis of the only facts we have is that covert operations have been dismal failures again and again and again. They have been counterproductive; they have caused embarrassment; they have not achieved what we would like to have achieved and, under those circumstances, I think we ought to take a harder look at it. It may be that we ought to concentrate exclusively on aggressive intelligence and recognize that covert operations have failed. Maybe not.

Mr. GOLDWATER. We have had many successful covert operations.

Mr. PROXMIRE. That is what we do not know about. We would like to have a report on that.

Mr. MOYNIHAN. Mr. President, I will observe that any such activities are known to this committee. All covert activities are known to this committee. If the Senator wishes, they could be made known to him, although it is a presumption that the committee is assigned to do this.

Mr. GOLDWATER. Mr. President, I might add, too, that the committee can say no to the covert action.

Mr. PROXMIRE. Mr. President, may I say that is reassuring. I want to thank the distinguished chairman and Senator MOYNIHAN for their very helpful response.

Mr. President, I intend to vote for the nominee. I think he is well qualified. I am hopeful that he will have a successful 4 years as Director of the CIA.

Mr. GOLDWATER. I thank my friend from Wisconsin.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Mr. President, I understand that the voting today will not take place until 5 o'clock.

The PRESIDING OFFICER. Rollcall votes will be postponed until 5 o'clock.

Mr. GOLDWATER. Mr. President, I have nothing else to say. I wish to thank my distinguished friend from New York for the valuable help that he gave, as he always does.

Mr. MOYNIHAN. Mr. President, the chairman is, as he is characteristically, gracious.

There is a question whether one Senator on this side wishes to speak. I wonder if the chairman would be indulgent and allow me to suggest the absence of a quorum.

Mr. GOLDWATER. Yes.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

Thes PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll..

Mr. BIDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, although we have now come near the end of the long list of nominees for posts requiring the advice and consent of the Senate, the position of Director of Central Intelligence is by most standards one of the most important on that list. The Director holds responsibility for managing a large and diverse group of agencies that must provide timely and accurate intelligence so that other departments and agencies of the U.S. Government can implement foreign policy and guarantee national security. The jobs of the Secretaries of State and Defense, for example, can be made either significantly easier or significantly more difficult depending upon the quality of the intelligence with which they are supplied.

Moreover—since by far most of the Government activities which provide that intelligence are secret and hidden from direct inspection by the American people—the advice-and-consent process in the Senate offers one of the few occasions when the officer who directs those activities receives public scrutiny. Because his actions and their consequences will be largely hidden from public view, the Senate's advice and consent on the nomination of a Director of Central Intelligence should perhaps be weighed more carefully than it is in the case of any other nominee on whom the Senate must pass judgment.

For just the same reasons, however, the personal qualities and qualifications of the nominee remain supremely important. The American people will know very little about what management decisions the Director of Central Intelligence makes or what counsel he provides to the President or other high officials

in the U.S. Government, and they will know even less about the means by which those decisions and counsels are arrived at. That is as it must and should be, but the necessary result is that the Director must have the public's trust and confidence. In our desire for an effective intelligence service that can provide our Government with the information necessary to national security and even our survival, we must not forget that in a democratic society it is just that public trust and confidence that will ultimately determine how effective our intelligence services will be. Along with the President, the Director of Central Intelligence must be the repository and the focus of that public support. It is an enormous and unavoidable responsibility of that office.

However, the demands on a Director of Central Intelligence do not end there. Precisely because his decisions and actions must be weighted and executed without the benefit of public comment, debate, and persuasion, the Director himself must have a special talent for initiative and for the disinterested evaluation of all sides of many difficult arguments, as well as a special sensitivity for the responsibilities of intelligence agencies in a free and open society. He must be a self-starter, a judicious mediator, and a self-restrainer.

Finally, the Director of Central Intelligence must have a keen appreciation, not only of the special responsibilities that fall upon the intelligence community to supply our Government with timely, accurate, and reliable information, but also of the ever-present temptation to misuse intelligence resources. The abuses that were revealed by the Church committee and that led to the formation of the present congressional intelligence committees were not fictitious. They were real, they seriously infringed upon the civil liberties at the foundation of our national life, and they violated that all-important public trust. If we allow our recollection of those abuses to fade, we may be condemned to repeat them—and the final victims of such a repetition would be the intelligence community itself and our national security.

These considerations, in my judgment, make the Senate's advice and consent on the nomination of a Director of Central Intelligence not only an occasion for the most careful deliberation on the part of the Intelligence Committee and the full Senate, but also make the occasion an opportunity to generate among the people the trust and confidence a Director must have. We should not make our decision in haste, but when we have arrived at it, it should offer the nominee the best possible footing from which to shoulder his new responsibilities.

That is why I have had a difficult time in deciding how to vote on the nomination of Mr. William Casey as Director of Central Intelligence. My reservations have been institutional rather than personal. Mr. Casey has a wealth of experience and a solid record of accomplishment both inside and outside government. His career in both public and private sectors has demonstrated that he is an unusually competent and independent man. And he is certainly no stranger to the intelligence community. From his work in the OSS during World War II to his service on the President's Foreign Intelligence Advisory Board in the early 1970's, Mr. Casey has a long history as both a producer and a consumer of intelligence. He is quite possibly the best qualified candidate to become Director of Central Intelligence who has ever appeared before us.

What made deciding on Mr. Casey's confirmation difficult for me was that at the conclusion of the Intelligence Committee's formal consideration of his nomination, so many questions remained both unasked and unanswered. The intelligence issues that, to my mind, required vigorous discussion but prompted only cursory questioning of Mr. Casey were not unimportant. They included such significant matters as the protection of the civil liberties of American citizens in respect to covert intelligence activities, proposed legislation for intelligence agencies, and measures likely to improve the value and timeliness of U.S. intelligence. On the morning following the Intelligence Committee's confirmation hearing, I notified the chairman and vice chairman of the committee that I could not support Mr. Casey's confirmation until I had received more information from him on his views on several of these specific issues. I did not think that the committee could fulfill its responsibility to the Senate and to the American people solely on the basis of its brief confirmation hearing.

The Intelligence Committee does not often show its face in public. On the occasions when it does, it is particularly important that it provide grounds to reinforce the belief of the American people that the committee is filling its oversight role well. The committee should provide evidence that it is demanding both aggressive, effective intelligence activities and scrupulous respect for civil liberties.

It is difficult for the members of the Intelligence Committee to tell the American people that they should take our word that secret intelligence activities are consistent with both the Constitution and the Nation's need for intelligence if the committee's public investigations leave important questions unasked.

Under these conditions, I sent Mr. Casey several pages of written questions seeking his opinions on a number of important intelligence issues.

Since then I have spoken with Mr. Casey several times. He has consistently supported the current oversight relationship that has developed between the Intelligence Committee and the agencies. He has pledged to consult with the committee in the event that he sees any need for altering the Executive orders and guidelines that currently govern intelligence activities. In my most recent conversation with Mr. Casey last Thursday, he reiterated his determination to keep the committee fully and currently informed and he repeated that he could foresee no objection to providing the Intelligence Committees prior notice of covert activities.

Additionally, Mr. Casey sent me a general statement of his principles regarding the oversight responsibilities of Congress. Most important of all, as I understand it, Mr. Casey believes that there is no necessary conflict between the need for good intelligence and the need for effective congressional oversight of the intelligence community—that, in fact, making and keeping the intelligence community accountable to that oversight provides the kind of constructive criticism that results in a better intelligence product.

As a result of these encouraging exchanges, I will vote in support of Mr. Casey's confirmation as Director of Central Intelligence.

I remain somewhat concerned, however, that Mr. Casey has not been more specific in presenting his views on the use of intrusive intelligence-collection techniques against American citizens. I am also somewhat concerned that Mr. Casey has not unconditionally acknowledged the oversight authorities that the Intelligence Committees now possess by law via the Intelligence Oversight Act of 1980. There are no conditions, ambiguities or deferrals in that statute.

That act and its legislative history make explicit the authority of the Intelligence Committees to request and be supplied with any information or material concerning intelligence activities in the possession of any Department or Agency of the United States. It is understandable, however, that a nominee for an executive post might not at first be intimately acquainted with all the legislation affecting that post. We have all grown familiar with this situation in the many nominations we have considered.

On the basis of Mr. Casey's experience, testimony and subsequent elaborations, I am inclined to give him the benefit of the doubt. The Intelligence Committees themselves are now equipped with statutory authorities for their oversight responsibilities. I hope and I now believe that Mr. Casey will turn these authorities to the intelligence community's advantage in seeking congressional advice and in upholding the current dialog between the Congress and the intelligence agencies in the conduct of their vitally important activities.

I wish him success in his new role. And as a Senator and a member of the Intelligence Committee, I promise him my support for the responsible execution of his duties as Director of Central Intelligence.

Mr. President, I had a good deal of difficulty deciding how to vote on the Casey nomination. I have resolved that doubt by deciding to vote for Mr. Casey. But, for the record, I would like to reemphasize why I had the difficulty that I did. It is twofold. One relates difficulty to the mood and the sense of the times as to the role of the Congress relative to the intelligence community; and the second is Mr. Casey himself.

Let me start with the second first. Mr. Casey is a man of great breadth of experience, a man who was in the intelligence service and in a very responsible position back at the time when

I think no one even fathomed that there would be such a large, wide-ranging organization as exists today. He had been a consumer of intelligence in various governmental capacities over the last 30 years.

He has had a very distinguished career and, in my opinion, is the brightest among the bright men, that have been recommended by the President of the United States for a Cabinet-level position.

But my problem with Mr. Casey is that he is understandably very circumspect. It is very difficult to get direct answers from him for two reasons, in my opinion: First, he is reluctant to give direct answers, which I guess is the nature of the beast and the nature of the office; and, second, he has been out of touch with many aspects of congressional-executive relationships.

For example, he was not fully conversant with the details of Executive orders that are in existence governing the oversight relationships that Presidents Ford and Carter operated under. He was not fully conversant with some of the laws changed by the Congress, everything from the Freedom of Information Act to proposals that are on the docket.

That I can understand, but it did cause some great concern on my part.

In addition to the opening hearings that we had, which, with all due respect to the ranking members and the chairman, I thought were too brief, I pursued my concern by asking written questions, to which I received a very candid reply by telephone. The reply was, "Well, Senator, I can set six or seven agency guys answering these questions for you but they will not be mine. I am awfully busy right now with a lot that is going on and I would rather defer answering them in detail."

On a scale of 1 to 10, I give Mr. Casey a 10 for his candor and on the question of whether or not he was forthcoming with answers I give him a two.

I pursued further questions on the telephone. My main concern with him was whether he fully appreciated the change that has occurred with regard to the role of congressional oversight. I discussed the issue with him at length, exasperating him on occasion.

I reminded him of that television program I recently saw which honored Mr. William Buckley when Morley Safer or someone was asking Mr. Casey questions. He started out saying, "Well, we all know the good William Buckley. How about the bad William Buckley?" Mr. Casey blew up and said, "What do you mean the bad William Buckley?" He reacted the same with me. Finally he said, "I am tired of answering these kinds of questions. I will not be put into a box."

After he realized that I was not trying to put him in a box but to get a sense of where he stood, he was very forthcoming. We talked about everything from the War Powers Act, which is not his responsibility, to issues of under what circumstances he would exercise what I believed to be a loophole that exists within the intelligence oversight statute we passed last year that says the President can exercise his constitutional authority and decide not to provide prior notice of covert actions. He was very frank. We talked about that in relation to a mission like the hostage rescue mission if the CIA had been——

The PRESIDING OFFICER. All time of the Senator from Delaware has expired.

Mr. GOLDWATER. Mr. President, are we operating under controlled time?

The PRESIDING OFFICER. We are. There were 15 minutes allocated to the chairman and 15 minutes to the ranking member.

Mr. GOLDWATER. I ask unanimous consent that my friend can continue for 5 minutes. I feel obligated to ask that because it was my insistence that caused the meeting to be short. I would like to extend it here.

The PRESIDING OFFICER. The Senator from Arizona has 6 minutes which he can yield if he wants to.

Mr. GOLDWATER. Oh, well, go ahead.

Mr. BIDEN. I thank the Senator.

I will try to sum up. He went into some detail, for example, that had that been a CIA operation, he would have felt constrained to inform the committee in advance. He thought that is what would have had to have been done under the law as it now exists. There are other examples he gave me. The point is he satisfied me as to his willingness and his understanding of the necessity, both in terms of the law and in terms of improving the agency, to be forthcoming with the Intelligence Committee, and with the Congress as a whole.

There are other things that he did, much of which I referred to in my earlier statement.

Let me move to the first point I made. One of the things which caused me concern is the attitude toward the intelligence committees and oversight that is now expressed, I think, in the Congress. It is read as being a new mood which prevails as a consequence of the last election. It is that somehow the Church committee did a great disservice to the intelligence community and, further, that the Congress has gone too far in deciding what its oversight should be. I am not quoting or paraphrasing either the ranking member or the chairman, but I am talking about the mood as I perceive it, though I may be wrong. That is, that the conclusion we must reach is that we must unleash the CIA. That was a phrase that became popular about 10 months ago, unleashing the CIA.

I respectfully suggest that when the CIA was unleashed and not overseen by the Congress, its track record was not all that good. I am not talking about the dirty tricks. I am not talking about exploding cigars and stupid schemes to assassinate heads of state. I am talking about the quality of the information they produced when they were unleashed. It was not all that good.

I was a consumer, as a member of the Foreign Relations Committee, during the concluding days of the Vietnam war. I was a consumer in the Intelligence Committee at its outset. And the CIA was not all that good when it was unleashed. This does not mean they were bad. It does not mean they were not competent. It does not mean our single overriding aim should not be to have the best intelligence agency in the world. But I think we should dispense with the figment that somehow if we just got out of their hair, all of a sudden the product produced would be excellent and all of a sudden, if they did not have to report to us and give us notice, that they would become, by those facts alone the agency we want them to be.

I respectfully suggest that things have not changed since the first commission was set up after Pearl Harbor to determine why we did not know in advance about the attack on Pearl Harbor.

One of the conclusions reached by that commission and subsequent commissions, including one under President Nixon, was that the agencies become sharper when they have an outside group looking at them. It makes them work better. That is the purpose of this committee, not merely just to protect the rights of America, which is an overwhelming concern. It is to make them work better.

Mr. Casey agrees with that. Mr. Casey indicated he thought that was the view that the Agency should have toward the Congress. Because of the fact that he expressed that view and his views on other specific matters, I have concluded that he warrants my support. I would encourage my colleagues to vote for him. I look forward to working with him. I thank the chairman for yielding to me and the ranking member for listening to me.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated January 19, 1981, addressed to me by Mr. William J. Casey, to which I have previously referred.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

JANUARY 19, 1981.

The Honorable JOSEPH R. BIDEN,
Select Committee on Intelligence,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BIDEN: Following our telephone conversation, I would like to elaborate on some of the areas from which you have drawn questions. As I stated in my response of 16 January, until I have had an opportunity to reflect more deeply on some of the complex matters raised in your letter, and have consulted with senior officials of the Agency, I would rather not respond in detail.

On the subject of Congressional Oversight, as I stated in my testimony, I intend to continue and build upon the solid relationship established between the Select Committee on Intelligence and the Intelligence Community over the past several years. In that regard, I view the Oversight language contained in the Fiscal Year 1981 Intelligence Authorization Act to be a solid foundation. If confirmed as DSI, I intend, in accordance with the provisions of that Act, to keep the Select Committee fully and currently informed as provided in the new law and to consult with the Committee should there be a need to change the terms of Executive Order 12036. As I stated in my testimony, I do not intend to recommend any changes in the Executive Order or in the procedures governing Agency activities until I have had a chance to study how they are working and made my views known to your Committee.

I have not yet formed an opinion as to whether or not statutory charters are necessary for the Intelligence Community. Frankly, I would hope that your Committee and the Intelligence Community would concentrate during the first session of the 97th Congress on the resource, operational and analytical needs of the Community. I believe that the Congress ought to move speedily to pass an Intelligence Identities Protection Act and a modification of the Freedom of Information Act as it affects requests for intelligence material. I likewise think that cover should be improved for U.S. Intelligence personnel serving abroad.

I believe that the DCI has an obligation to present the views of the Intelligence Community forcefully and objectively to the President and to the National Security Council, free from any political or partisan influence or consideration as well as any substantive bias and in a manner which reflects strongly held differences, if any, within the Intelligence Community. I believe that concern for the quality of analysis and the estimative process will consume large amounts of my attention as DCI and I can assure you that I intend to pursue these and the other responsibilities of the Director of Central Intelligence with vigor and in a close working relationship with the Intelligence Committees of the Congress.

I hope that these brief responses will alleviate any concerns you may have.

Sincerely,

WILLIAM J. CASEY.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the time available for the debate on this nomination be extended for 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Chair.

I would like to respond to my friend from Delaware in a very direct fashion, I hope. That is to say that if the mood which he describes is widespread in the Senate, it does not extend to the Senator from New York.

In my opening statement today, I put into the record the question that I had put to Mr. Casey at the time concerning the existing statutory regime of oversight, and that unavoidable gray area where we allow the President exemptions to the general rule to the extent consistent with his constitutional responsibilities.

I asked him:

How do you feel about telling this committee things we need to know that you would just as soon not more than two people in the world knew?

He said:

Senator, I intend to comply fully with the spirit and the letter of the Intelligence Oversight Act.

He said:

I cannot now conceive of any circumstances under which [reservations resulting from the President's Constitutional authority] would result in my not being able to provide this committee with the information it requires.

I said I judged that to be a forthcoming and satisfactory answer.

Mr. BIDEN. If the Senator will yield on that point, I concur with the Senator's judgment. I shall give a specific example:

When I asked him about his view about the Iran rescue mission, he said, "Didn't you all know about that?"

I said, "No, as a matter of fact, we didn't."

He said, "Oh."

So he even expressed surprise that we did not know what had happened in that case and if it had been an agency operation, he would have felt compelled to tell us under the new oversight law.

Mr. MOYNIHAN. The law was not then in effect, as I understand it.

Mr. BIDEN. No, it was not. I understand that.

Mr. MOYNIHAN. The second thing I would like to say is about the quality of intelligence. Let us remember that the most innovative step that has been taken, I believe, in this field in a very long time was the A team—B team experiments as we know them. That was proposed by the President's Foreign Intelligence Advisory Board in 1976, at a time when Mr. Casey was a member of the board. Mr. Leo Cherne, who was also on the board, and Mr. Casey were very much of that view. Mr. BUSH, now our distinguished Vice President, had the executive courage to say, yes, let us try that. Let us find out if what we are doing is not very good at all. As we know, the B team results were very critical of the then established judgments in the agency, and in the community.

I would like to make a point without the least touch of animus and with the greatest friendship and respect for my friend from Delaware. He does remember that when the community estimates of the Soviets' warmaking capacity and propensity were put to a competitive test, as it were, the results were hardly supportive of the views of those who thought we had been overreacting to the presence of the Communist regimes in the world. Indeed, the resistance to the B Team's conclusion was to be found very much on the part of persons who had been presuming that the CIA, by vartue of its origins and function, had a predisposition toward exaggerating events.

I would think that if there is one rule of intelligence, Mr. President, which we should hold on to, that was set forth by Hannah Arendt in her book on totalitarianism. She says that the great tactical advantage of the totalitarian elite in the 1920's and 1930's in Europe was a capacity to turn every statement of fact into a question of motive. That is a mark of the totalitarian mind. It is a tendency we all have and it is the firm, fixed responsibility of our intelligence community to resist it and, it is our responsibility, when they come to us with facts, to welcome their delivery, however unwelcome the implications.

Mr. BIDEN. But also to question them.

Mr. MOYNIHAN. And to question them. We have some residual intelligence, too, despite the distractions of office and we try to exercise it. None does, with greater energy—firm, fixed, terrier-like energy—exercise it than the Senator from Delaware, whom I thank for his remarks.

Mr. BIDEN. If the Senator will also entertain maybe a slightly inappropriate analogy, I view our function as not unlike that of the B team.

Mr. MOYNIHAN. Well said.

Mr. GOLDWATER. I might close, Mr. President, by commenting that it is the type of observation made by the Senator from Delaware that can do more to help this committee than anything I know of. I do not think anyone would expect for 1 second that you can put 15 men together and have them agree on such a very complicated subject as intelligence.

My original intelligence experience was gained under the British, in China. I repeat what my friend from New York said: We are the only legislative body in the world that has any touch with intelligence. I happen to think the English have about the best intelligence system because of their total secrecy. That will not work in this country. So, if you find the chairman occasionally being a little bullheaded——

Mr. BIDEN. I have never found that, Mr. President.

Mr. GOLDWATER. Oh, you will. You can blame it on our "Limey" friends.

I thank the Senator for his comments and for his questioning of Mr. Casey. I think he has added a great deal to our understanding.

Mr. THURMOND. Mr. President, I rise in support of the pending nomination, that of William J. Casey for the position as Director of the Central Intelligence Agency.

Mr. President, this nominee has two very important advantages in connection with the duties of this office. First, he has had experience in this field, and second, he is a personal associate of President Reagan and would therefore have ready access to the new President.

In my opinion these two points weigh heavily in favor of the nominee and will result in positioning him to render a distinct service in this highly sensitive responsibility.

Mr. Casey, an attorney by profession, served during World War II with great distinction in the old Office of Strategic Services. This experience should serve him well in future years as he directs our intelligence service during the Reagan administration.

In addition to this service, Mr. Casey has also had other Government experience as Under Secretary of State for Economic Affairs in 1973–74, Chairman of the Securities and Exchange Commission from 1971 to 1973, and head of the Export-Import Bank from 1974 to 1976.

On the personal side, Mr. Casey has worked closely with President Reagan in past years, and especially in 1980 when he assumed the duties of campaign manager.

Mr. President, I believe Mr. Casey would render an outstanding service as CIA Director and I urge that the Senate give expeditious and favorable approval to his nomination.

● Mr. D'AMATO. Mr. President, I support the nomination of my long time friend and fellow New Yorker, William J. Casey to be Director of the Central Intelligence Agency.

Mr. President, this Nation needs an intelligence gathering agency second to none in the world, and it needs a man of ability and integrity to direct its affairs. William J. Casey has made his mark as an intelligence officer, as a successful businessman and attorney, and in public service. He has a reputation for honesty, wisdom, and toughness of character—all of which are needed to carry out successfully the high office of CIA Director.

Mr. Casey was born in Elmhurst, N.Y., on March 13, 1913. It is said that he was such an energetic young man, his friends called him "Cyclone."

He went on to earn his bachelors degree from Fordham University in 1934, and his law degree from St. Johns University 3 years later.

During World War II, he was commissioned a lieutenant in the U.S. Navy. During the war, he served as a member of the office of strategic services in Europe. He left the OSS with a reputation as a forceful manager, who could make tough decisions with speed, and the ability to make sure those decisions were carried out.

Since World War II, Bill Casey has been in and out of public service serving as special counsel to the Senate Small Business Committee, associate counsel for the Marshall Plan, as a member of the Securities and Exchange Commission, and President of the Import-Export Bank. When he was not in public service, he pursued a successful career as a businessman and attorney, and is the author of more than 30 manuals for executives and attorneys.

Throughout his career, Bill Casey has been remarkable for his ability to understand quickly the most complex and difficult problems, and has pursued his many interests in life with tenacity and skill. His long and brilliant career in private and public life, makes him the best possible choice for this one of the Nation's highest and most crucial posts.

Consistent with his views about life, Bill Casey recently said this about his role at the CIA:

> We need to have a strong intelligence service. Even though we may not have the biggest intelligence service, we want to have the best.

Mr. President, America deserves the best. Bill Casey is one of America's finest and most able servants. I support him, not just because he is a friend and fellow New Yorker, but because he is a man of unique ability, and one who loves his country.

Mr. President. I urge all my Senate colleagues to join me in supporting this truly gifted American.●

Mr. GOLDWATER. Mr. President, I yield back my time.

Mr. MOYNIHAN. I yield back my time, Mr. President, whatever it may be.

OFFICE OF MANAGEMENT AND BUDGET

NOMINATION OF DAVID A. STOCKMAN, OF MICHIGAN, TO BE DIRECTOR

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Executive Calendar Order No. 13, the nomination of Mr. STOCKMAN to be the Director of the Office of Management and Budget. The clerk will state the nomination.

The assistant legislative clerk read the nomination of DAVID A. STOCKMAN, of Michigan, to be Director of the Office of Management and Budget.

Mr. ROTH. Mr. President, I am pleased to bring before the Senate today the nomination of DAVID A. STOCKMAN to be Director of the Office of Management and Budget.

As the Members are aware, the job to which Congressman STOCKMAN has been nominated is, without question, one of the most important in the Federal establishment next to the President. Therefore, the ability, philosophy, and dedication of the nominee to this position are very important to the successful development of national policy and the effective management of Federal programs.

We tend to overlook the importance of this latter aspect of the Director's responsibilities. Most people are aware of his key role in budgetary matters, but equally important is the fact that the Director is responsible for the effective and efficient management of Federal programs.

It is very important that the Director of OMB be very close to the President, both as an adviser and as the chief manager of Federal operations. There are many issues facing our Nation which are of great importance and in which the Director will play a significant role. No. 1, in my view, is the economy and particularly inflation. It is critical that we bring the Federal budget under control because excessive Federal deficits contribute to runaway inflation. As the President's chief adviser on the Federal budget, the views and actions of the head of OMB will be very important in formulating a coherent and workable economic policy.

The Federal regulatory structure is another important issue which must be confronted in the very near future. The costs of over-regulation on the consumer and the economy must be reduced. Regulations can be, and should be, both effective and less expensive and time-consuming. The Director of the Office of Management and Budget has an important role to play in achieving the goal of more effective and less burdensome regulation.

Finally, the structure and functions of Government are being questioned now as at no time in the recent past. I strongly believe that the American people place as a top priority the streamlining of Government in order to provide better services to those who qualify or who are in need. From his central vantage point in the operations of the Federal bureaucracy, the Director is in a postion to help put into effect structural and procedural reforms within the agencies which can reduce costs and improve performance.

All of these matters, and others I do not have time to mention, are major aspects of the job of OMB Director. The Governmental Affairs Committee questioned Mr. STOCKMAN on these, and other, matters at length. In fact, the nominee appeared before our committee for over 5 hours and answered questions from members in a thoughtful and enlightening manner. While there may be disagreements concerning Mr. STOCKMAN'S views on certain policy issues, I do not believe that any of the members of our committee would disagree that the nominee has the qualifications to successfully fulfill the duties of Director of the Office of Management and Budget.

The committee met on January 19th to consider the prospective nomination of Mr. STOCKMAN to be the new OMB Director. Since Mr. STOCKMAN'S nomination had not yet been formally submitted to the committee, a "sense of the committee" vote on the prospective nomination was taken. The committee voted unanimously to report to the Senate its recommendation that the nomination of Mr. STOCKMAN be acted upon favorably when received from the new President.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a brief report prepared by the committee on the Stockman nomination.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SUMMARY REPORT FROM THE COMMITTEE ON GOVERNMENTAL AFFAIRS

NOMINATION OF DAVID A. STOCKMAN TO BE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

The Committee on Governmental Affairs, under whose jurisdiction would fall the nomination of David A. Stockman to be Director of the Office of Management and Budget, having considered the nominee, reports favorably thereon with the recommendation that Mr. Stockman be confirmed.

Training, education and experience

Mr. Stockman has been a Member of Congress since 1977 and has represented the Fourth District in the State of Michigan. He was Executive Director of the House Republican Conference from January 1972 until June of 1975 and also worked briefly as an aide to Congressman John Anderson of Illinois. He holds a Bachelor of Arts degree from the University of Michigan and did graduate studies at Harvard University in Philosophy.

Mr. Stockman has been an active participant in various economic policy issues and specifically has concerned himself with the federal budget and national energy policy.

Committee action

Under procedures established by the Committee for considering nominations, a detailed biographical and financial information questionnaire was submitted to Mr. Stockman. In addition, the Committee transmitted to the nominee a prehearing questionnaire requesting written responses to substantive policy issues relating to the mission of the Office of Management and Budget and the responsibilities he would assume as Director. The biographical information questionnaire, together with Mr. Stockman's responses are included at the end of this report. It is the policy of the committee that a nominee's financial disclosure statement is not reproduced or published. However, this information is retained in the committee offices for inspection by the public.

On December 23, 1980, the Committee received Mr. Stockman's resoonses to the biographical and financial information questionnaire. At that time, arrangements were made with the accounting firm of Arthur Andersen and Company to review the nominee's financial statement and supporting documentation. The firm has informed the Committee that it finds no irregularities in the nominee's financial records.

In addition to providing for a review of the nominee's financial statement, committee procedures require an independent review of a nominee's background. This requires a review of any investigative reports prepared concerning the nominee, including the Federal Bureau of Investigation's summary report on the background of a nominee, and interviews with such persons as may be necessary. In considering the nomination of Mr. Stockman, all of these requirements were met and a confidential staff report, which concluded that no further investigation is required, was filed with the committee and made available to other members of the committee.

On January 8, 1981, Mr. Stockman appeared before the Committee to testify on his appointment to be Director of the Office of Management and Budget. The committee questioned the nominee on a wide range of issues for over five hours.

Conflict of interest

During his confirmation hearing, the chairman questioned Mr. Stockman concerning stock he holds in a family owned grape harvesting company called Birchlawn Corporation. It is recognized by the Committee, that these holdings are very small. However, a Federal Statute (18 USC 208) prohibits an official from participating in particular matters affecting personal financial interests, without regard to the size or value of the holding.

Mr. Stockman by letter has indicated to the Committee that he is aware of 18 USC and that he will abide by its terms.

Committee recommendation

On January 19, 1981, the Committee on Government Affairs met to consider the prospective nomination of Mr. Stockman. Having considered the nominee's experience, qualifications, suitability and integrity, for the position of Director of the Office of Management and Budget, the Committee finds the nominee has the necessary integrity and is affirmatively qualified by reason of training, education and experience to be Director of the Office of Management and Budget. The Committee therefore recommends that he be confirmed by the Senate.

Rollcall vote in committee

Since the new President had not yet been sworn in when the Committee considered the proposed nomination of Mr. Stockman, a formal vote of approval could not be given. However, by a vote of 16 yeas to 0 nays the Committee approved a "Sense of the Committee" motion concerning the nomination of David A. Stockman to be Director of the Office of Management and Budget. The rollcall vote was as follows:

Yeas—16: Senator Percy, Senator Mathias, Senator Danforth, Senator Cohen, Senator Durenberger (proxy), Senator Mattingly, Senator Rudman, Senator Eagleton, Senator Jackson, Senator Chiles, Senator Nunn (proxy), Senator Glenn, Senator Sasser, Senator Pryor, and Senator Levin.

Mr. ROTH. Mr. President, I now yield 2 minutes to the junior Senator from Georgia.

Mr. MATTINGLY. I thank the Senator. Mr. President, I am pleased to cast my vote to confirm DAVID STOCKMAN as Director of the Office of Management and Budget.

DAVID STOCKMAN represents exactly what the American people were talking about on this past November 4. The voters of this country went to the polls and elected a new administration and a new Senate to face problems head on and with a commonsense approach.

No one better represents that new mandate than DAVID STOCKMAN. It has been my pleasure to work closely with this man in the past few years. We served together on our party's Economic Affairs Council and Tax Policy Committee. I have been consistently impressed with his intelligence, honesty, and commitment to the economic policies of hope and opportunity. Mr. STOCKMAN understands the magnitude of the problems this Nation faces. But more important, he understands the economic policies needed to solve those problems.

What is needed in the areas of budget and fiscal policy is fundamental reform. Over the past decade, working Americans suffered a loss in their standard of living as they began to pay for more than 40 years of bad economic policy.

By basing fiscal policy decisions on short-term political pressures, former Congresses have relied on increased Government spending to stimulate the economy. As a result, the economy is plagued with chronic budget deficits, soaring Government spending, and an oppressive tax burden which have choked off economic growth and resulted in double-digit inflation.

That is exactly why, at this time in our country's history, we need a man like DAVID STOCKMAN in charge of the Office of Management and Budget.

DAVID STOCKMAN, in his writing and by his actions, has shown that he understands the economic realities before us, that he has the courage to deal with those realities, and that he will make the tough decisions that will get our economy moving in the right direction to give all the people of this country a bright economic future.

In putting DAVID STOCKMAN at the helm of the Office of Management and Budget, President Reagan has recognized that he needs men who will do more than merely manage the Government. He needs men who will make policy and follow through on it quickly.

Time, however, is running out. We must help the taxpayers of America by reducing inflation, thereby creating economic growth, restoring the integrity of the paycheck, and creating jobs.

More than anything else, we have to demonstrate quickly and conclusively that the budget can be controlled—and we have to establish once and for all that the budget disorder can be cleaned up.

DAVID STOCKMAN has the guts and stamina to do the job.

The American people who spoke so loudly last November want DAVID STOCKMAN to do this job. And, I urge my colleagues to support DAVID STOCKMAN for Director of the Office of Management and Budget.

The PRESIDING OFFICER (Mr. HUMPHREY). The Senator from Ohio.

Mr. GLENN. Mr. President, I was one of those in committee who did vote for Mr. STOCKMAN. As I said at the time, I did it with very serious reservations, and I reserved the right to change my vote on the floor, which I may or may not do at this time—probably not; but I have some very serious reservations I will go into.

Mr. President, we are considering today the No. 2 most powerful position in the U.S. Government. I do not say that lightly. I believe that because this office does not have the title of "Secretary of," it has not received the proper attention it deserves and a proper critical analysis.

From looking around the Chamber today and seeing how many Senators or even staff members representing Senators are on the floor, and even from a cursory glance at the press galleries, it is obvious that there is little interest in this office. It is presumed that the nomination will go through, and it will. It will be an overwhelming vote. However, I should like to put us on notice as to some of the things in Mr. STOCKMAN'S past that we should watch out for.

We are considering today the nomination for the second most powerful position in the U.S. Government, the Director of the Office of Management and Budget. Because of the importance of this position, it behooves us to examine very carefully the nominee for this post.

I have a number of remarks to make concerning Mr. STOCKMAN, but before I deliver them, I should like to say a word about my philosophy in discharging my duty of giving advice and consent for Presidential appointments to Cabinet-level positions.

Very simply, it is my belief that we should examine a candidate's integrity, No. 1, and then his qualifications to hold the post—not necessarily his specific views, unless those views become so extreme as to make his appointment inappropriate; and this becomes, in Mr. STOCKMAN'S case, a hard call. However, barring any disqualification on those grounds, an incoming President has a right to have the nomination of his choice confirmed.

Viewed in a certain light, I have much agreement with the views of Mr. STOCKMAN. He wants to cut the budget; so do I. He wants to make the country more productive; so do I. He wants to make our whole system of government more efficient; so do I. Those are admirable aims, and in fighting our economic problems, no one would disagree with those aims. In other words, Mr. STOCKMAN'S objectives and mine are really the same. But in the process of achieving those objectives, we cannot just set out to deliberately and systematically wreck a system which has been painstakingly put together over a long period of time.

I know that we need changes, but we cannot use the proverbial meat-ax approach to some of those things without doing a gross injustice to a lot of people. It is in this respect that I am very much concerned about Mr. STOCKMAN'S views; because I think he has been so set on proving that all the past Government in recent years has been wrong that he would advocate such drastic changes that will cause untold misery possibly to millions of people.

Prior to his coming before the Governmental Affairs Committee for his confirmation hearings, I read very carefully a number of articles which Mr.

STOCKMAN had written over the past few years concerning such subjects as energy policy and welfare.

I also read a number of printed interviews that Mr. STOCKMAN gave to various publications, including the Village Voice. One would have to conclude from his written views, prior to coming to our hearing, that Mr. STOCKMAN is an absolute believer in the free marketeer "Adam Smith" variety, laissez faire economics; a man who believes in laissez faire ideology carried to the furthest extreme, and not only for domestic policy but worldwide.

Let me read just a series of statements here that caught my attention when I was studying Mr. STOCKMAN's background before he came before the committee. These are admittedly taken out of context, and I will go back after I read them on the different subjects to which they apply and then put them in their context in the hearings and give his reply to questions in the hearings about these specific items.

The first quote is one on energy. This is from an earlier writing in The Public Interest in the fall of 1978:

The decision to eschew an economic policy of trading on the world market for the 90 percent of the non-U.S. oil and gas resource base that remains to be developed in favor of a cramped, inward-looking policy of autarky may prove to be the most costly national error of the last half of the twentieth century—if it is not soon reversed.

In other words, we should be going out around the world and making ourselves more dependent on non-U.S. sources that could be developed around the world; and that not doing that may be our most costly national error.

On the subject of farm policy:

For too long, the Congress has relied on unwieldy acreage management and subsidy programs as a means of stabilizing farm prices and improving farm income. . . . Faced with ever-rising costs, increased regulatory pressures, and shifting patterns of domestic demand, our farmers can no longer rely on programs which seek artificially-induced price movements through domestic supply manipulations.

In other words, we must rely on a boom or bust farm policy.

Another quote dealt with monopolies and antitrust policy. He was asked a question in an interview, "Who defines the market and its rules?" His reply:

I suppose the government has got to set some terms, enforcement of contracts and that kind of thing. But you don't have to structure competition. That's where I disagree with the whole antitrust tradition which has been very strong in the Hart Subcommittee, the FTC bureau of competition. That's wrong.

A further quote:

My view is that a monopoly never develops unless it's sanctioned by governmental authority. There's no such thing as a privately developed and composed monopoly.

And he was further asked the question: "Well, what about the early Standard Oil trust?" His reply, and I quote again:

You can go into a long debate about history. In modern times, in a global economy with multinational corporations and the swift ability to deploy capital and production all around the globe, you don't have monopoly. So you don't have to define the rules of the game in terms of competition.

I think that quote speaks for itself, and I will come back to it and give his hearing response a little later.

On reduction of the entitlements, Mr. STOCKMAN in his writing has said:

The real leverage and locus for budget control is severe recession of entitlements and new obligational authority in the Federal spending pipeline.

He further stated and I quote:

Current expenditures for food stamps, cash assistance, medicaid, disability, heating assistance, housing assistance, WIC, school lunches and employment compensation amount to $100 billion.

And he called for:

A careful tailored package to reduce eligibility, overlap and abuse for these areas—with potential savings of $10–$20 billion.

This quote was out of his Economic Dunkirk memorandum.

Rephrased, I guess we would have to say that Mr. STOCKMAN is calling for a 10 to 20 percent cut in all of the entitlement programs. Maybe that can be done; maybe it cannot. But I think just to accept this without challenge may be more than we should be doing.

Mr. STOCKMAN also stated that:

The Federal budget has now become an automatic "coast-to-coast soupline" that dispenses remedial aid with almost reckless abandon . . .

Now the Trade Adjustment Assistance Act comes under this umbrella. This act, incidentally, triggers assistance payments when we feel that our workers are being unfairly set upon by imports. Mr. STOCKMAN's quote on trade adjustment assistance is:

This thing is the most arbitrary, inequitable, costly policy that we have on the books today that has ballooned spending by $1 billion in 6 months. We ought to do something about it.

Another one of Mr. STOCKMAN's quotes deals with the investment tax credit:

A tremendous national waste of men, machinery, and tax dollars that produces overall economic efficiency which leads to lower jobs, lower output, and lower real incomes.

Another one of his quotes is on welfare. Listen to this one:

Welfare, as we know it, should be abolished for all but the nonworking—the aged, blind and disabled—whose eligibility can be ascertained by reference to physical characteristics.

In other words unless you have an eye missing, an arm missing, a leg missing, or you are quadraplegic, that is, unless you have a visible handicap, you should not receive welfare. That is admittedly taken out of context, and when I quoted it back to him, he said he is still for AFDC, that is aid for dependent children. In some of his writings he indicated that such aid should go to every child. However, it would be taxable so that those with high taxable incomes would have their money taxed back by the Government, while those in lower tax brackets would have the money available to use for their children.

A popular word today is "reindustrialization." What are his comments on that? In an article in the Village Voice, Mr. STOCKMAN stated:

Reindustrialization policy is just a game hyping the political control over the forces of the economy and for preserving the weakest assets in the economy.

I am sure you would all agree that at least some of these quotes are rather extreme statements.

Let me go back now and go through some of these quotes again and give his reaction at the hearings.

No. 1, on energy policy, the statement I read is:

The decision to eschew an economic policy of trading on the world market for the 90 percent of the non-U.S. oil and gas resource base that remains to be developed in favor of a cramped, inward-looking policy of autarky may prove to be the most costly national error of the last half of the twentieth century—if it is not soon reversed.

When I read that quote to him at the hearings Mr. STOCKMAN's reply was:

I did not recommend that (increasing dependence on international sources). What I really said in that article was that the notion that we should seek pell-mell energy independence at any cost by throwing money at new technologies and building new plants and improve technology on the grounds that we can claim this will save so many barrels per day of imports, that we ought to rapidly expand bureaucratic structures to promote conservation and solar and many of the things they are doing down at DOE without any notion of the cost-benefit, that is what I was opposed to in that article.

But his answer did not deal at all with that quoted statement that I read. What he had implied in that statement was that we should be out developing other oil resources around the world rather than our own here. In other words, we should be making ourselves more dependent on foreign sources of oil instead of less dependent.

Incidentally, I will read the page number from the hearings in case anyone is monitoring them so they can refer to the whole hearing record to make certain I am not misrepresenting these things. That first quote was from page 158. The next one on energy is from page 159 of the hearing record—

What I was suggesting . . . is that a barrel produced, an additional barrel produced anywhere in the world, whether it is in Mexico or South America or other new frontier sources that have been coming in, helps lower the price, and that we can't solve the problem just in one country, and to the extent that we can encourage those vast areas of the world that haven't yet been explored but contain major identified sedimentary basins to be explored, that that is a good thing. The World Bank is doing that today, and I suppose indirectly we are supporting that through our subscription.

No one would quarrel with that statement. I would not quarrel with that, but once again that answer did not explain his earlier statement.

A further quote from page 159:

But I don't think we need to engineer it either way. What we ought to do is recognize if we can encourage that kind of production to develop, there will be less upward pressure on price.

Another response from page 162:

I think if we spent less dollars on huge commercialization and more dollars on basic research at the conceptual and at the scientific level, we could get far more cost-effective use of our dollars and support the kind of things you are talking about. But I think you are going to have to make a choice.

We had been talking about the necessity for research and whether we need to go to Government-sponsored demonstration of the practicality of the outcome of some of that research.

Another quote from page 162 of the hearings:

It seems to me the best way to use the dollars is at the level you are talking about, at the basic research level. Once something is proven out, I think we can count on the investment process to build the full-scale plants and so forth that are needed.

He commented on the breeder reactor on page 180 of the hearings:

I think sooner or later we will have to build a demonstration breeder reactor.

I think he is probably right. I do not disagree with that.

He further stated that:

It ought to be built when it is needed. My view (in opposition in Clinch River) was given the fact we have had enormous slowdown in the building and licensing of light-water reactors, and at that point of time we had anticipated in the early 1970's when you would need a breeder because you exhausted the low-cost uranium, slipped substantially and therefore the development schedule for the breeder program ought to be delayed for a period as well. It had nothing to do with opposition to the government's role or to breeder technolgy. I am all for it. I just thought that in 1970 the (full) scale breeder was not needed given the likely schedule we are going to face given the slowdown.

Once again I would not necessarily quarrel with him on that last statement.

But I would repeat that his writings indicated that he very much favors development of sources other than our own around the world, and that this policy could make us more dependent on foreign sources than ever before. Further, he stated that the decision not to do so and rather to try to develop our own sources here "may prove to be the most costly national error of the last half of the 20th century—if it is not soon reversed."

A second subject is farm policy. I read his statement on that before. I will repeat it:

For too long, the Congress has relied on unwieldy acreage management and subsidy programs as a means of stabilizing farm prices and improving farm income . . . Faced with ever-rising costs, increased regulatory pressures, and shifting patterns of domestic demand, our farmers can no longer rely on programs which seek artificially-induced price movements through domestic supply manipulations.

In his writings he states that he has sought to—

Move us toward a stable and growing farm economy.

And would rely primarily on efforts to stimulate world agriculture markets and U.S. exports and on measures—

to liberate the farmer from the crushing burden of economic and social regulation which the Congress has decreed in recent years.

I would not disagree with that position at all. But in answering the question if he would favor abolishing all farm subsidy programs, his answer on pages 156 and 157 was:

I would say to the extent we can do that without any severe disruption in the short run, it ought to be seriously considered. I won't make a flat, unequivocal statement. But I have indicated what my view of farm policy is generally. But we would have to make a case-by-case judgment.

Sometimes when you have for 40 or 50 years a price support system build up, such as you have for tobacco or others, you capitalize the value of that price support system into the land. Many, many people buy land because of the capital value of that allotment that has been granted by the government at some earlier time. If you attempt to just wipe it out immediately, you do great equity damages that I think aren't fair or certainly no more fair than the program was to the taxpayers in the first place. So you have to have a certain amount of pragmatism as you attempt to unwind some of the structures built up.

Once again I go back to his own statement where he says:

Our farmers can no longer rely on programs which seek artificially-induced price movements through domestic supply manipulations.

This sounds like he is advocating a policy of boom-or-bust farming. I do not think such a policy is going to be in the best interests of the farmers or for our food supplies in this country.

On the windfall profit tax, Mr. STOCKMAN has said:

We might be running out of oil in this country, but we certainly have struck what is a veritable tax gusher—$74 billion worth—this year alone, a trillion dollars worth of tax revenues from energy production over the next decade. . . . It will not hurt anything until somebody asks, "Who pays, after all, in the final analysis?" Is it the stockholder, or is it the consumer? Is it the guy with the bulging pockets or the empty pockets? We are not asking that; we are just levying more taxes and spending more money and pretending it will not make any difference.

At the hearings he amplified some on that writing when questioned about it, and I would quote as follows from page 154 of the hearings:

I don't think it (the Windfall Profits Tax) is a good energy policy. What we have in that policy as a basic matter is simply the siphoning away or taxing away of income and cash flow that would be otherwise invested by the energy companies and the energy industry in further energy production. It is a matter of policy.

Further quoting from page 154:

But I recognize this is not an ideal world and that certain things get done, they get built into the process. We can't change overnight. That is one of them we will have to live with while we try to do some other more important things first.

So he modified slightly his answers in the hearings on what he had said on the subject of the windfall profit tax in his earlier writings.

Here is another quote that should be of particular interest in the Senate. This deals with monopolies and with antitrust policy. In his recent Village Voice interview he was asked:

Question: "Who defines the market, and its rules?" Answer, "I suppose the government has got to set some terms, enforcement of contracts and that kind of thing. But you don't have to structure competition. That's where I disagree with the whole antitrust tradition which has been very strong in the Hart Subcommittee, the FTC bureau of competition. That's wrong. My view is that a monopoly never develops unless it's sanctioned by governmental authority. There's no such thing as a privately developed and composed monopoly."

The questioner followed up with a question: "What about the early Standard Oil trust?"

His answer was, and listen to this:

You can go into a long debate about history. In modern times, in a global economy with multinational corporations and the swift ability to deploy capital and production all around the globe, you don't have monopoly. So, you don't have to define the rules of the game in terms of competition.

In other words, according to Mr. STOCKMAN, we should indeed strike down all of our antitrust laws in this country.

He was questioned further:

Question, "Well, this antitrust stuff does seem to be a total crock of —— four letter word," His answer, "Yes, it's kind of obscurantist make-work."

Question, "Made-work for lawyers?" Answers, "Yes. They work one side of the street for about five years, then they go to the other side of the street and they know how to defend against the new doctrines, the twists and angles that they put in at the FTC or the Justice Department just five years ago. It is a self-feeding process. It's totally useless and a sink of economic resources and wealth we can do without."

I would probably tend to agree with him on the last part of that statement. But to think we could strike down all antitrust laws and that free-market economics would automatically guarantee that no one has a monopoly is a little hard for me to accept.

In the hearings, however, in response to those quotes I read, he stated, on page 176:

I am very skeptical of the receipt of the antitrust document we have today, particularly in terms it has been implemented on in terms of the FTC. We have heard from Senator Levin and others on the committee—in fact, from yourself—

He was speaking to me—

the drastic shape of the automobile industry, and yet the FTC found it necessary to open an antitrust proceeding against the auto industry on the ground the profit levels were too high and there wasn't enough competition. It is obvious there is competition, and it is fierce, and it comes from a worldwide basis. It is obvious the profits are deficient. In fact, the industry is going to have a $9 billion loss this year.

Well, I agree with part of that statement, but I certainly do not agree with all of it. The fact that the FTC found it necessary to open an antitrust proceeding on the auto industry does not justify doing away with all antitrust legislation. To try and justify that on these grounds is, I think, sheer nonsense.

Another quote from pages 176 and 177 of the hearing in response to the questions about the antitrust matter is the following:

How did we get an antitrust investigation and massive costs piled on each company out of the FTC from an existing antitrust docu-

ment? Because somebody noticed there are only three companies in the industry.

I think he is probably right on that.

When I asked him whether the overall statement in the Village Voice reflected his views, his quote to the committee was,

I think that (the statement in the Village Voice) is largely correct.

In other words, he favors doing away with the antitrust legislation on the books.

He went on and said; on page 178:

I think primarily monopolies that develop and persist over time do so because the government maintains their control over access to the market. The trucking industry was one good example before we deregulated it. The oil industry in the 1950s and 1930s is another good example because production was controlled by the Texas Railroad Commission. If you look at those cases, and we could go on indefinitely with the list, we will find that the worst cases occurred in which it was impossible for new competitors to enter industries . . .

I think he makes some valid points with some of the examples he uses. However, he then makes what I believe to be an extreme position across the board on the subject of monopolies. I will repeat his statement once again.

In modern times in a global economy with multinational corporations and the swift ability to deploy capital and production all around the globe, you don't have monopolies, so you don't have to define the rules of a game in terms of competition.

Another subject of concern to many is the reduction of entitlements. In Mr. STOCKMAN's Economic Dunkirk memorandum, he said—

The real leverage and locus for budget control is severe recession of entitlements and new obligational authority in the Federal standing pipeline.

He states that—

expenditures for food stamps, cash assistance, medicaid, disability, heating assistance, housing assistance, WIC, school lunches and employment compensation amount to $100 billion.

He further calls for a carefully tailored package to reduce eligibility, overlap and abuse in these areas with potential savings of $10–$20 billion.

Now, I am going to be the last one in the U.S. Senate to say that we cannot improve drastically on many of these programs that have gone too far, far beyond anything Congress ever intended. I certainly support making them efficient. But I think to just call for actions that are going to somehow automatically have potential savings of $10 to $20 billion translates into a 10 to 20 percent cut in all those programs listed. There is nothing else you can imply from his statement.

So I think all those people in this country who are just ignoring the nomination of Mr. STOCKMAN to OMB—the number two most powerful position in this Government, one that will do more toward determining the priorities that this Nation has toward our own citizens than any office except the President himself—should be aware of these things before we approve Mr. STOCKMAN for this job which he has been nominated. Many programs are going to get cut, obviously, and entitlements cut in the 10 to 20 percent range if Mr. STOCKMAN has his way.

Mr. STOCKMAN at the hearing, on page 62, stated that his general philosophy is:

In some general or theoretical sense, entitlements are very good things for those constituents in our society who have a very clear claim, case for public support for public benefits due to reasons that are beyond their ability to control. . . .

Mr. STOCKMAN went on to state that "even entitlements have to be defined carefully."

I am afraid that in the case of food stamps, social security, and many others over the years we have added elaborations, new categories and new elements of eligibility in a way that has not been very thoughtful, in a way that has not been entirely justifiable. That is the kind of review we need, not of the program, but of the universe of people it covers and whether or not all of those in that universe fit the original conception and the original justification for the program.

Well, that is a pretty good exposition on entitlements, I must admit. But I still think that the people that have an interest in the programs that I mentioned should be aware that we are about to have proposed to us, I presume, by Mr. STOCKMAN, cuts of 10 to 20 percent in all of those programs.

On the Federal budget, we have Mr. STOCKMAN's comments about the "coast-to-coast soupline."

The federal budget has now become an automatic "coast-to-coast soupline" that dispenses remedial aid with almost reckless abandon. . . .

And he described the Trade Adjustment Assistance Act as follows:

This thing is the most arbitrary, inequitable, costly policy that we have on the books today that has ballooned spending by $1 billion in 6 months and we ought to do something about it.

At the hearings, in response to my question of what the country should do for laid-off workers, if anything, Mr. STOCKMAN replied to the "coast-to-coast soupline" quote by saying that "sometime my metaphors might not be quite as exact as they should be." But Mr. STOCKMAN then stressed that what he was trying to emphasize was that the benefits that are provided to those in need when the economy sags "are automatically triggered in the budget by events that occur in the economy without any vote or maybe even any expectation in the Congress."

I agree with that. Our big problem with entitlements is that increases are built into some of them when the economy does sag, and we do lose control of a significant portion of the budget.

He gave as examples of uncontrollables unemployment benefits, higher debt service payments on the national debt, and drawdowns on many loan programs:

What I meant by the soupline was simply that when the economy deteriorates unexpectedly there are all kinds of expenditures for businesses, individuals, unemployed workers, and many others, that are generated without our ability to anticipate or factor those into our overall budget plan.

Now, I do not disagree with that statement. What I do disagree with, Mr. President, very strongly is having someone who will be one of our very highest Government officials be so calloused in his statements about any assistance we are giving to many millions of people, and passed by this Congress and describing them as arbitrary, inequitable, and costly policies. I think his past statements have shown a rather calloused disregard for a situation that has adversely affected millions.

On the subject of the investment tax credit, which I happen to think is a good piece of legislation—we need recapitalization, reindustrialization, new capital formation in this country—Mr. STOCKMAN has called it:

A tremendous national waste of men, machinery, and tax dollars (that) produces overall economic efficiency which leads to lower jobs, lower output, and lower real incomes.

At the hearings I also read back to Mr. STOCKMAN his statement about reindustrialization:

Reindustrialization policy is just a game for hyping the political control over the forces of the economy and for preserving the weakest assets in the economy.

Mr. STOCKMAN replied as follows:

Reindustrialization is vital. My only difference is how do you achieve it.

Mr. STOCKMAN says that instead of having the Government pick the winners or the losers and allocate capital either through tax mechanisms or through something like the RFC, he thought the way to solve the problem was to—

Do things to lower the rate of taxation on corporations, change the depreciation provisions . . . so that they (corporations) have higher after tax income, higher after tax cash flow, that will provide part of the cash.

He also recommended liberalizing the capital gains laws.

I happen to agree with his statement that we probably need some of the tax provisions that he is referring to. But to say that we do not need the investment tax credit and that it is "a tremendous national waste of men, machinery, and tax dollars (that) produces overall economic efficiency which leads to lower jobs, lower output, and lower real incomes" seems to me to be almost a ridiculous statement.

If we implement all of these things he is talking about, that is, if we have the change in corporate tax, depreciation provisions, and so on, these certainly will help put business on a solid basis over a number of years. But for industries such as the auto industry, that needs $80 billion over the next 5 years to modernize, or steel, where estimates are $30 billion over the next 5 years to modernize, which are in a loss or a near loss condition, I do not know how they are going to survive the waiting period. I am sure that after all the discussion of what was anticipated in our new economic policy, those people trying to run steel companies in my State, in Pennsylvania, Indiana, Illinois, and Alabama, are going to find it a little difficult to find out that they are going to have to wait probably for several more years to determine

when and if they ever get back into a profit situation. These things that Mr. STOCKMAN talks about will not begin to take effect for years. But what we are faced with is a loss situation now. There were no real answers to the severe short-run problems we are facing.

As indicated, Mr. STOCKMAN moderated some of his views to include the political realities we face, including our national security. But I must admit to still being troubled by Mr. STOCKMAN's positions on energy policy, welfare, and reindustrialization.

Those Senators who have worried over the past few years about the U.S. dependence on oil imports cannot feel comfortable about Mr. STOCKMAN's views regarding energy independence for the United States. This is not to say that we should pay no attention to what is happening outside our borders. Certainly I am in favor of what some people will call "oil proliferation," meaning the development of new fossil fuel resources in parts of the world where exploration has not proceeded very far.

The United States can relieve some of the problems presented by its dependence on Middle East suppliers by helping to broaden the supply base around the world. But is it really true that our dollar is better spent in trading for oil and gas on the world market as opposed to developing additional supplies at home? Mr. STOCKMAN would argue that the deregulation of oil and gas will provide sufficient incentive for such additional production. But I am talking about the investment that will be needed to bring alternative energy supplies online through new technology. In Mr. STOCKMAN's view, industry will not provide investment in supplies which will come in above the world market price and the United States should not go beyond basic—repeat, basic—R. & D. in trying to bring such supplies to the commercial marketplace. But we are dealing with a national security problem here, and national security does cost something. If, by paying a bit more, the United States can reduce its dependence upon supplies from politically unstable regions of the world, should we not do that? Of course there is always a point at which the cost becomes so prohibitive that dependence cannot be avoided, but I saw no evidence in Mr. STOCKMAN's views that he sees this question in anything but the most doctrinaire light. If the market will support it, industry will do it. If the market will not support it, no one should do it. That was his view.

I submit that the U.S. need for a secure supply of liquid fuels over the next 25 years will not be met by policies produced from such a rigid philosophy.

Mr. STOCKMAN's views on welfare were also disturbing to me until he explained them in somewhat more detail.

In Mr. STOCKMAN's view, any means-tested welfare system is counterproductive because it offers a strong disincentive to recipient employment and outside earnings, leads to the dissolution of families, creates large opportunities and incentives for the concealing of assets and other fraud, and wastes resources by requiring a massive administrative bureaucracy.

Well, how about all those other folks who can only marginally make it in our very complex society? Are we just to ignore them and say they do not count?

I know very few people who would defend our present welfare system in the United States. It does indeed suffer from some of the things which Mr. STOCKMAN accuses it of. But are we a Nation of compassionate people? Do we believe in the preservation of human dignity? Have we been willing to back up that philosophical commitment with our Nation's resources? The answer, of course, is that we have.

Mr. STOCKMAN recognizes at least some of this commitment and would accompany his narrow application of welfare with universal child payments and tax credits provided to low wage workers through a negative withholding tax. Certainly, these ideas deserve serious consideration, and certainly we should implement any improvement in the present system that we can. But if Mr. STOCKMAN believes that universal child payments and tax credits provided to low wage workers are not subject to fraud and abuses, he has not paid any attention to the experiences of the Internal Revenue Service since its inception.

Once again, it is not the idea that I am attacking; it is the certitude with which it is presented, a certitude that does not take into account the possibility of massive economic and social disruption if the remedy turns out not to work.

(Mr. SIMPSON assumed the chair).

Mr. GLENN. Mr. President, my final concern with regard to the Stockman nomination has to do with his attitude toward reindustrialization. In a CONGRESSIONAL RECORD statement made in July 1977 Mr. STOCKMAN blasted the investment tax credit for new machinery purchases as "a tremendous national waste of men, machinery, and tax dollars" which "reduces overall economic efficiency—leads to lower jobs, lower output and lower real incomes." He has also blasted more generally, the various tax incentives and tax breaks woven into the corporate tax structure.

Once again, I am not going to stand here and defend every aspect of the corporate tax structure that exists today. It is certainly true that many of the special tax incentives available to corporations came into being under vastly different circumstances than prevail today and whose existence may not be justified in this year of 1981. But considering the present plight of the steel industry and the auto industry in the United States and considering the dependence of the U.S. economic structure and its national security on these two industries, are we in fact in a position to write these industries off because of the difficulty they have had in recent years competing with products from abroad?

I am certainly in favor of corporate tax reform. I do believe that the engine of economic progress must be the private sector and that we must provide the means to allow the private sector to perform its task much better than it has in recent years. The investment tax credit was in fact invented for precisely that purpose.

We should not be discussing the question of the investment tax credit versus general corporate tax reform as if these are mutually exclusive choices to be made. Once again, theoretical certitude appears to have replaced pragmatic reasoning. Once again, however, in his confirmation hearing, Mr. STOCKMAN backtracked a bit on this issue, and did suggest that in the absence of what he would call true corporate tax reform there is a role to be played by the investment tax credit.

But as I understood in his views, he did not staunchly defend the notion that the U.S. Government should protect U.S. industry from the effects of unfair competition. Rather, he takes the view, in his writings, that if other countries subsidize their exports, then the United States should take advantage of that by purchasing the cheaper commodity because the damage will eventually occur to the other fellows' economy because of the unnatural skewing of his investment.

Now that might be OK in a world in which one can turn to other foreign suppliers if a source of materials or products is cut off, or in a world where one can turn one's own manufacturing efforts on or off like a spigot; but the world is not constructed that way. If, as a result of unfair competition, our steel or auto industry closes down, we will not be able to revive it so easily, and in the meantime, we put ourselves in a position where we are subject to risk to our national security as well as the risk of being gouged in the world marketplace.

In saying all these things, I do not question Mr. STOCKMAN's qualifications to be the Director of OMB. He is honest, he is forthright, he understands Government, and he articulates his philosophy beautifully. Although he will head the second most powerful office in the Nation, there will be moderating influences coming from the Cabinet, the Congress, and elsewhere that the President will have to take into account in determining what the ultimate policy of his administration should be in any given area.

As I said in my opening remarks, it is my belief that in examining a nominee for high office we should look at his integrity and his qualifications to hold the post. In examining the latter, the question of whether the nominee's views are so extreme as to make his appointment inappropriate should also be taken into account. Barring any disqualification on those grounds, an incoming President has a right to have his choice confirmed.

Mr. President, I reserve the remainder of my time.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, I yield such time as may be required to the Senator from Tennessee.

Mr. SASSER. I thank the distinguished Senator from Ohio for yielding.

Mr. President, I rise to speak about some of my concerns about the nomi-

nation of DAVID STOCKMAN to be Director of the Office of Management and Budget.

Mr. STOCKMAN went before the Senate Committee on Governmental Affairs on January 8, and the committee discharged its obligations to carefully examine his qualifications to be OMB Director.

That hearing lasted for over 5 hours and Mr. STOCKMAN was very forthcoming in his answers to committee questions. Frankly, I found Mr. STOCKMAN to be a refreshing candidate for his office. He did not seek to hedge or dodge the many questions that were directed his way. For that he won considerable admiration from the committee.

That does not mean, however, that all the members of the Governmental Affairs Committee support Mr. STOCKMAN's nomination without reservation. A number of my colleagues on the committee have serious and fundamental disagreements about some of the public policy positions that Mr. STOCKMAN will be recommending to the President.

Take for example the issues of energy decontrol. Mr. STOCKMAN is an advocate of total and immediate deregulation of crude oil and gasoline prices. He contends that, with deregulation, we will conserve even more energy and provide further incentives for domestic energy production. I do not doubt that we might see slightly more conservation and perhaps slightly more production as a result of decontrol, but we should be mindful all the while of the role that rising energy prices have played in the inflationary spiral we find ourselves in.

We should ask ourselves the question: Is the price of a little more conservation in the field of energy, is the price of perhaps a marginal increase in production worth the cost of giving our economy another inflationary boot in the seat of the pants as oil prices go up? Consider these statistics for a moment, Mr. President, if you will.

In 1979, all consumer prices rose at a level of about 12.7 percent while energy prices rose at a level of 36.5 percent. And in 1980, we found that energy prices were increasing at a clip 50 percent above the rate of inflation generally.

Now some say that we are past energy price shocks. They say, the price of energy is stabilizing, so why not just go that one step further and decontrol all oil prices immediately?

We stand in daily peril of OPEC price increases, and there is little inclination on the part of these nations to try to help us out of our energy crisis. Indeed, they have been the chief culprit in putting us in that bad shape. They quite frequently raise the price of oil just as we decontrol prices at home.

What is the result of price increases and decontrol? The result is hyperinflation in energy prices. Thus, the Council of Economic Advisers has estimated that when we began the process of decontrol in June of 1979, combining this with OPEC price increases in oil through the better part of 1980, we saw a burst of price increases of almost 100 percent during the first 3 months of 1980 for the prices of all oil products.

We are advised—and Mr. STOCKMAN concurs—that we should speed the pace immediately and decontrol the price of oil forthwith, something that I think will add considerably to the price of oil and gasoline, which may trigger further OPEC price increases. Some economists are telling us that immediate decontrol of the remaining regulations dealing with oil and gasoline will result in a 15- to 20-cent immediate rise in gasoline prices.

Mr. STOCKMAN has shown little concern for the many millions of Americans who, as producers and consumers, need much needed relief from the energy price spiral, and that disturbs me. It causes me concern as I consider his nomination to this high and crucial post.

Other matters also come to mind as I consider Mr. STOCKMAN's nomination. I had a lengthy exchange with Mr. STOCKMAN about his views on a matter of particular regional significance to me—the energy pricing policy of the Tennessee Valley Authority.

Mr. STOCKMAN, at his hearings and in subsequent statements, indicated that he was concerned about the operations of the Federal Financing Bank and TVA's use of that bank to market its securities. Mr. STOCKMAN, in a Wall Street Journal article, labeled the Federal Financing Bank "a scam" and vowed that it should be shut down to prevent backdoor financing of Government obligations.

Mr. STOCKMAN, it appears to me, is somewhat wide of the mark in his understanding of this institution and how it is used by responsible agencies such as the Tennessee Valley Authority.

The Federal Financing Bank was created to reduce the borrowing costs and the administrative costs that are created when we have all manner of agencies market their obligations in an uncoordinated and confounded manner. That is why the Federal Financing Bank was created, and that is what its central purpose is.

Mr. STOCKMAN is rightly concerned about the growth of Federal credit. I share that concern. That is why the Senate, in the 1981 budget resolution, adopted a credit budget to control the growth of Federal credit.

But Mr. STOCKMAN went on to assert that the bank was out of control and that too many agencies were piling up debt outside of the budget, at great cost to the taxpayer, and that the Tennessee Valley Authority would just have to grin and bear it, stop adding to the credit explosion and the creation of off budget debt.

Again, Mr. STOCKMAN was wide of the mark. He did not understand that TVA obligations are part of the official budget deficit and are not hidden debt. He failed to understand that the TVA debt is not a liability of the American taxpayer but is a liability of the electric ratepayers of the Tennessee Valley area, and he failed to understand that by using the Federal Financing Bank, Tennessee Valley Authority, for all the consumers of the Tennessee Valley, can reduce power costs by some $2.5 billion through 1995. By conservative estimate, it will cost ratepayers in the Tennessee Valley area an additional $2.5 billion in interest costs if they are denied access to the Federal Financing Bank to market their bonds and their securities.

This may be a boon for those Wall Street bond salesmen who will be marketing these bonds, but this is going to work a terrific hardship on the ratepayers of the Tennessee Valley area, the elderly people who are seeking to heat their homes, perhaps on a social security check. I believe that Mr. STOCKMAN showed little appreciation for these human dimensions of this issue.

The Tennessee Valley Authority is struggling now to hold down power costs in order to help people better cope with rising utility costs and to help promote much needed economic development in that region, which in some areas has the lowest per capita income in the United States of America.

It is this aspect of Mr. STOCKMAN's approach to public policy problems that concerns me and has caused me to consider seriously possible opposition to his nomination. However, having said all this, and despite our fundamental disagreements on many issues, I have resolved today to vote for Mr. STOCKMAN's nomination.

Over the past several days, Mr. STOCKMAN has proved himself to be responsive to some of these problems in a way that suggests he may counsel wisely and well about the problems that affect the average American.

For example, in the matter of the Tennessee Valley Authority, Mr. STOCKMAN and I have exchanged views on the access of TVA to the Federal Financing Bank.

At this point, I ask unanimous consent to have printed in the RECORD a copy of my correspondence with Mr. STOCKMAN on this subject.

There being no objection the correspondence was ordered to be printed in the RECORD as follows:

U.S. SENATE,
Washington, D.C., January 19, 1981.

Hon. DAVID STOCKMAN,
Director-Designate, Office of Management and Budget, Longworth Office Building, Washington, D.C.

DEAR CONGRESSMAN STOCKMAN: I am writing this letter pursuant to our conversation about the Federal Financing Bank (FFB) and its relationship with the Tennessee Valley Authority that we held in your confirmation hearings on January 8th.

As I indicated at your confirmation hearing, I am concerned about some of your views regarding TVA's use of the Federal Financing Bank. Let me take this opportunity to once again set out for the record the reasons why the TVA must have continued access to the Federal Financing Bank, and why I need some clarification as to your position with regard to TVA's use of the Bank. Since the inception of the Federal Financing Bank in 1973, the TVA has disbanded its administrative apparatus for directly marketing its obligations and through its prudent use of the Federal Financing Bank has saved the rate-payers of the Tennessee Valley $100 million in reduced power rates. Indeed, the TVA projects savings of nearly $2.5 billion in reduced interest and administrative costs by use of the Federal Financing Bank through 1995. These are significant savings which allow TVA to perform its central obligation of marketing power in the seven-State Tennessee Valley Area at the lowest possible cost.

In your response to my question about this matter, you indicated that while you had come to no specific conclusion with regard to TVA use of the Federal Financing Bank, you were concerned that perhaps taxpayers of other States were subsidizing operations of the TVA, and that possibly TVA use of the Bank should be curtailed.

Respectfully, Mr. Stockman, I must disagree with your initial views on this matter. Let me assure you that the operations of TVA are not subsidized by taxpayers in the rest of the Nation. While it is true that my region's ratepayers receive a benefit by TVA's being able to borrow from the FFB the funds it needs for construction of generating facilities, TVA is authorized to borrow either from the FFB or on the open market, where its bonds received a triple-A rating. Quite naturally, TVA chooses to borrow where it can get the lowest interest rates, which in recent years has been from the FFB. As I explained at the hearing, these lower interest rates have saved my region's taxpayers more than $100 million thus far and are expected to save them as much as $2.5 billion over the next 15 years.

This benefit is not, however, a subsidy as implied in your testimony. TVA and its ratepayers more than pay their own way. The FFB charges TVA an interest rate at least an eighth of a point higher than the rate the Treasury has to pay on the borrowings it makes to cover the loan to TVA. The eighth of a point exceeds FFB's and Treasury's costs.

It is true, as you testified, that the Treasury's borrowings are increased on account of Federal agencies', including TVA, borrowing from the FFB; but it is not true that taxpayers must pay all of the $3 to $4 billion in annual interest you mentioned. TVA ratepayers pay their full share of this interest. Moreover, although the TVA power system belongs to the Government, it has been bought largely with its ratepayers funds and obligations. Less than 7 percent of TVA's almost $14 billion in assets were acquired with funds from Congress, and this investment is being paid back with interest at current rates through annual payments to the Treasury. Indeed, such repayments now total $1.6 billion to date.

However, let there be no misunderstanding. I support your objective of bringing greater control of Federal spending especially the backdoor spending that is obligating future taxpayers without adequate Congressional review. As a member of the Senate Committee on Appropriations and Senate Budget Committee, I am only too aware of this strain on the budgetary system.

But, again, this is precisely where the TVA situation is different from other agencies that borrow from the FFB. The TVA power system budget is included in the President's budget and is annually reviewed by the Appropriations and Budget Committees of both Houses. The Public Works Committees of both Houses also periodically review the TVA power program at special oversight hearings and whenever there needs to be an increase in its bond ceiling.

In addition, TVA power funds are not Government funds. This was emphasized last year by the Committee on Governmental Affairs in connection with the Sunset legislation (S. 2), which I cosponsored. It has also been emphasized by other committees. The source of TVA power funds is from the Tennessee Valley area ratepayers, not the Nation's taxpayers. Consequently, when TVA borrows from the FFB, it is simply not moving Government funds from one pocket to the other, as other agency borrowers do. TVA's payments of interest and principal come straight out of the pockets of its ratepayers. TVA bonds are secured as to interest and principal by those ratepayers, and are not guaranteed by the United States. In fact through Bankers Trust Company of New York, the trustee for all bondholders, the FFB can enforce the bonds' covenants against TVA and its ratepayers if need be.

I would also like to clear up any misconception that TVA and its ratepayers are getting some kind of special treatment not available to others, even if it is not a subsidy. Private and public electric systems already get significant Federal benefits, some at substantial cost to the Treasury. The New York Power Authority, as a state agency, is able to issue tax-exempt bonds. The Indiana & Michigan Electric Company also can receive its share of tax benefits through various credits, accelerated depreciation, and tax-exempt pollution control bond financing. As a result of such tax benefits, the Federal income taxes of privately owned electric systems, as a percent of income before Federal taxes, has fallen drastically since 1950.

Therefore, I must ask you the following questions which I would ask you to respond to, either in writing or by phone, before the vote on your confirmation in the Senate later this week.

1. Do you intend to specifically limit TVA's use of the Federal Financing Bank and thereby require TVA to market its bonds directly to the private market?

2. Do you intend to recommend legislative limitations to the use of the Federal Financing Bank primarily for other Federal agencies, most especially those agencies which use the Bank to finance off-budget debt, and thereby reduce the use of the Bank by agencies other than the TVA whose public debt is an on-budget item?

3. Do you intend to scrutinize the question of TVA indebtedness directly by recommending to the Congress any legislative changes in basic TVA legislation that would include restraint in the issuing of TVA obligations?

In conclusion, since I have a direct and continuing obligation to the citizens of the State of Tennessee to insure the fiscally prudent operations of the TVA and thereby have the TVA provide public power at the lowest possible cost to the ratepayers in the Tennessee Valley, I must have your answers to these questions before I can, in good conscience, cast a final vote on your confirmation in the full Senate.

I will appreciate your prompt consideration of this letter. Best regards.

Sincerely yours,

JIM SASSER,
U.S. Senator.

Mr. SASSER. Mr. President, I am pleased to report that the distinguished senior Senator from Mississippi (Mr. STENNIS) and the distinguished senior Senator from Alabama (Mr. HEFLIN) share my concern with regard to helping the ratepayers of the Tennessee Valley area, and I have indicated that fact to Mr. STOCKMAN.

I am delighted to report that, due to our collective concerns in this matter, Mr. STOCKMAN has indicated that he would meet with the Senators from the Tennessee Valley area. At his suggestion, the meeting would include the new Secretary of the Treasury, Mr. Regan, and this meeting would take place after Mr. STOCKMAN has had a chance to review this situation.

And he further indicated in a telephone conversation with me that he would do nothing precipitate that would disrupt the prudent financial planning that TVA must exercise to hold down utility costs.

So I am encouraged by this response by Mr. STOCKMAN and I hope that it bodes well on other issues that he is called on to deal with for this Congress.

Mr. President, let me conclude by wishing DAVID STOCKMAN well in his new role. This country certainly needs a forthright Budget Director. While I suspect we are going to have some disagreements in the future, some of a very fundamental nature, I wish Mr. STOCKMAN to know that Congress will discharge its responsibility in working with him to bring about fiscal restraint in the budget in a prudent yet compassionate and equitable manner.

Mr. President, I yield.

Mr. GLENN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GLENN. Do we go out at 1:45?

The PRESIDING OFFICER. There will be a recess at 1:45.

Mr. GLENN. We come back in then at what time?

The PRESIDING OFFICER. Five p.m. Who yields time?

Mr. GLENN. Mr. President, I yield such time as may be required by the Senator from Michigan.

Mr. LEVIN. Mr. President, I thank my friend from Ohio.

Before I begin, I do wish to commend the Senator from Wyoming on the skill and the great fairness with which he has chaired today, presiding over the Senate.

The PRESIDING OFFICER. The Chair thanks our distinguished colleague from Michigan for those remarks.

Mr. LEVIN. Mr. President, as a member of the Governmental Affairs Committee, I was present when Mr. STOCKMAN was questioned by our members on a wide variety of economic policy and management issues. I was impressed with his knowledge of a broad range of subjects, his ability to articulate his views, his enthusiasm for his work, and his willingness to take a stand on some of the most complex issues of our time. Our committee found his candor refreshing.

Because of his quick mind, his experience in Congress, his involvement in and research of major economic issues and his willingness to devote long, hard hours to his job I will vote for his nomination. I do, however, want to comment on his economic philosophy and his proposed remedies for this Nation's ailing economy.

I find that philosophy and those remedies doctrinaire and simplistic.

In his zealousness to cut Federal spending, a worthy goal which I support, Mr. STOCKMAN recommends a declaration of economic emergency. Such a statement could prove very dangerous, a judgment happily shared apparently by members of the Reagan economic team and by financial analysts. Credit and capital markets are in precarious enough condition. Statements of doom and disaster are often self-fulfilling prophecies.

I also challenge the doctrinaire and simplistic statement, which Mr. STOCKMAN defends.

Inflation has one cause and one cause only: Government spending more than Government takes in. There is only one answer: a balanced budget.

I also challenge as doctrinaire and simplistic Mr. STOCKMAN's position that

monopolies can exist only with the support and encouragement of the Government. He has stated that—

> Monopoly never developed unless it is sanctioned by governmental authority. There is no such thing as a privately developed and composed monopoly.

I also challenge Mr. STOCKMAN's overly aggrandized role of OMB when he stated in response to the committee's written questions that:

> Only OMB—

And I emphasize only OMB—

> is in a position to assess the relative importance of individual agency requests and strike a balance among the competing demands for Federal resources that is consistent with the President's fiscal policy.

What about the domestic policy group and the domestic policy staff at the White House and what about the President himself?

Mr. STOCKMAN is wedded to the Kemp-Roth tax cut. I am concerned about the inflationary impact of Kemp-Roth and also its inequitable distribution of tax cuts. As long as the Reagan administration and Mr. STOCKMAN remain convinced of the merits of Kemp-Roth, I am afraid we will see larger and larger deficits, and a growing public debt. And I must object to his definition of waste in Government, using the successful UDAG program, as he does, as his example.

Few will dispute the proposition that a consistent tough monetary program will help bring inflation under control. But to look to that strategy alone is dangerously misleading and, in the end, could very well worsen conditions rather than improve them.

And there is no question that a restrictive monetary policy offers higher and higher interest rates in the short run. These rates will subside only when inflation appears under control and the economy assumes a stable posture. But the persistence of these high interest rates has crippled credit sensitive industries such as autos and housing. The short run has been extended into a long and arduous timetable holding despair for businesses and their employees.

Restrictive monetary policy cannot solve all our problems. External price shocks such as OPEC price increases send inflation up. Crop failures and droughts escalate food prices.

We have built into our economy inflation safeguards, protective devices intended to shield us from the hurt inflation inflicts on all of us. Escalator clauses in our wage contracts, automatic adjustments in Federal payments, and the ability to pass on costs to people expecting price increases postpone the really tough questions on inflation. These defensive mechanisms, including indexing of the tax code which Mr. STOCKMAN supports, perpetuate inflation while making inflation more bearable to the beneficiaries of the safeguards.

The wage-price spiral must be addressed by some mechanism, perhaps a voluntary agreement among the leaders of business, labor, and government, or, perhaps a tax-based incomes policy. The wage-price spiral represents the hard-core inflation rate which now measures roughly 9 percent. If we do not address this spiral we cannot hope to bring inflation to acceptable levels. Mr. STOCKMAN objects to the tax-based incomes policy as Government interference but it is an innovative idea, worthy of our consideration.

The complexities of the economy simply do not afford us the luxury of pursuing an anti-inflation program with but a single weapon: restrictive monetary policy.

Let no one mistake or read into this a defense of so-called liberal economics which can be as doctrinaire and as simplistic as Mr. STOCKMAN's economics. Nor let anyone mistake what I am saying or not saying. I am not saying we should not move to a balanced budget and I am not saying Government is not part of our problem. I am saying, unlike the President and Mr. STOCKMAN, that balancing the budget is not the only answer, that there are other components to inflation than Government deficit spending.

Because I do not agree with his philosophy, however, I will not deny Mr. STOCKMAN my vote. President Reagan has an electoral mandate for his philosophy, one strongly endorsed by Mr STOCKMAN, and we in the Senate should allow him to seek to exercise that mandate. This is the only way a President can be truly accountable to the people—by being given a chance at least to offer to put into effect his campaign promises and pledges. Our duty in the Senate is to make sure that the President's nominees are people of personal integrity, experience, and dedication. Mr. STOCKMAN certainly meets these criteria and his views are consistent with the office to which he has been appointed.

Mr. President, in conclusion, while I find Mr. STOCKMAN to be certainly an acceptable nominee, I summarize my concern by referring to his application of doctrinaire economics to the very complex ills of this country.

I am concerned that the price paid for a policy of STOCKMAN's pure monetarism, as Mrs. Thatcher has discovered, will be paid by those least able to pay, the poor, the elderly, the jobless, and the total reliance on it will not cure our real ills.

In other words, while I hope these concerns will be proven wrong, that Mr. STOCKMAN and the President will be successful in their efforts to bring the economy back to health, I cannot but express my fears that a doctrinaire dose of their medicine will prove worse than disease with which our economy is afflicted.

I thank the Chair and again I thank my friend from Ohio.

ORDER OF PROCEDURE

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. GLENN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GLENN. What will be the parliamentary situation when we come back at 5 p.m.? What will be the first order of business?

The PRESIDING OFFICER. The first order of business at 5 p.m. will be the vote on confirmation of William Casey.

Mr. GLENN. Followed by?

The PRESIDING OFFICER. Followed by the continuing debate and discussion on this nomination of Mr. STOCKMAN.

Mr. GLENN. That is what I understood the parliamentary situation to be.

I think all those listening in the offices or other Senators who might wish to make statements either with regard to pro or con on Mr. STOCKMAN should be advised that we will be going back in on the debate on the Stockman nomination at 5:20 or 5:25, something like that this afternoon.

The PRESIDING OFFICER. It is the opinion of the Chair that will be the time that those who may wish to do so will enter the discussion.

The time limit remaining is 20 minutes for the Senator from Ohio, 53 minutes for the Senator from Delaware, and 30 minutes for the Senator from Wisconsin, Senator PROXMIRE.

Mr. GLENN. I thank the Chair.

APPRECIATION OF THE CHAIR

The PRESIDING OFFICER (Mr. SIMPSON). Let me just say one should not become so jaded that one does not appreciate the opportunity to preside here, and this is my first occasion. I watched my friends in the former majority do that. I saw that it did become a bit ponderous at times. I hope mine does not become that.

But certainly after floor managing bills and the various items of combat out there, I feel I have completed now the full duty cycle of Senate responsibilities. It was a great honor and a great privilege. I will not let that go by.

RECESS UNTIL 5 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 5 p.m.

The Senate, at 1:46 p.m., recessed until 5 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. WARNER).

VOTE

NOMINATION OF WILLIAM J. CASEY, OF NEW YORK, TO BE DIRECTOR OF CENTRAL INTELLIGENCE

The PRESIDING OFFICER. The hour of 5 o'clock having arrived, the question before the Senate is, Will the Senate advise and consent to the nomination of William J. Casey, of New York, to be Director of Central Intelligence? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Iowa (Mr. JEPSEN), and the Senator from Nevada (Mr. LAXALT) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), and the Senator from New Jersey (Mr. BRADLEY) are necessarily absent.

The PRESIDING OFFICER. Is there

any Senator in the Chamber who desires to vote who has not done so?

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 16 Ex.]

YEAS—95

Abdnor	Glenn	Moynihan
Andrews	Goldwater	Murkowski
Armstrong	Gorton	Nickles
Baker	Grassley	Nunn
Baucus	Hart	Packwood
Biden	Hatch	Pell
Boren	Hatfield	Percy
Boschwitz	Hawkins	Pressler
Bumpers	Hayakawa	Proxmire
Burdick	Heflin	Pryor
Byrd, Harry F., Jr.	Heinz	Quayle
Byrd, Robert C.	Helms	Randolph
Cannon	Hollings	Riegle
Chafee	Huddleston	Roth
Chiles	Humphrey	Rudman
Cohen	Inouye	Sarbanes
Cranston	Jackson	Sasser
D'Amato	Johnston	Schmitt
Danforth	Kassebaum	Simpson
DeConcini	Kasten	Specter
Denton	Kennedy	Stafford
Dixon	Leahy	Stennis
Dodd	Levin	Stevens
Dole	Long	Symms
Domenici	Lugar	Thurmond
Durenberger	Mathias	Tower
Eagleton	Matsunaga	Tsongas
East	Mattingly	Wallop
Exon	McClure	Warner
Ford	Melcher	Weicker
Garn	Metzenbaum	Williams
	Mitchell	Zorinsky

NOT VOTING—5

Bentsen	Cochran	Laxalt
Bradley	Jepsen	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. MOYNIHAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. Mr. President, I ask that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

OFFICE OF MANAGEMENT AND BUDGET

NOMINATION OF DAVID A. STOCKMAN, OF MICHIGAN, TO BE DIRECTOR OF OMB

The Senate continued with the consideration of the nomination.

Mr. BAKER. Mr. President, what is the business pending before the Senate?

The PRESIDING OFFICER. The Senate will now resume the consideration of the nomination of DAVID A. STOCKMAN of Michigan to be Director of the Office of Management and Budget.

Who yields time?

Mr. BAKER. Will the distinguished manager of the bill yield me 1 minute?

Mr. ROTH. I am happy to yield.

Mr. BAKER. While I have the opportunity and while there are a number of Senators on the floor, Mr. President, may I inquire how much time we expect to use on the Stockman nomination? Before we try to ascertain that, let me say I would like to see the Senate deal with this nomination and the Kirkpatrick nomination yet this evening if it is possible. It is my hope and intention to conclude our business and recess about 6:30 or 6:45 p.m. and, if we cannot complete both of them by then, to go over and resume the consideration of the remaining nomination on Thursday. I hope we can do that tonight.

May I inquire if there is some possibility that we could reduce time on this nomination?

Mr. GLENN. Mr. President, if the majority leader will yield, may I ask how much time is left on both sides on this confirmation?

The PRESIDING OFFICER. The Senator from Delaware has 52 minutes remaining. The Senator from Ohio has 20 minutes remaining. The Senator from Wisconsin has 30 minutes remaining.

Mr. GLENN. The time, as I understand it, was also—I know that Senator HOLLINGS wishes to speak on this and also Senator PROXMIRE. I want just another 2 or 3 minutes. Does anyone else on this side of the aisle wish to speak on Mr. STOCKMAN?

Mr. HOLLINGS. I thought I would be given 25 minutes.

Mr. GLENN. I indicated I would give some of my 20 minutes and Senator PROXMIRE indicated if he has extra time, he will give the Senator some, also. That will be 25 or 30 minutes, I presume.

Mr. BAKER. Mr. President, I gather from the colloquy on the floor just had with the distinguished Senator from Ohio that it looks as if there may be a requirement for 45 minutes or so on the minority side.

Mr. GLENN. That is correct.

Mr. BAKER. May I inquire of the Senator from Delaware how much time he anticipates using on this side?

Mr. ROTH. We yielded 10 minutes to the Senator from Montana. I doubt we shall take more than an additional 10 minutes.

Mr. BAKER. It appears, then, that we have a good hour before us and possibly more than that, together with the rollcall vote. So I think it is unlikely that we shall finish all three nominees today. It is my intention, then, to try to conclude the Stockman nomination today and put the Kirkpatrick nomination over until Thursday.

May I inquire, before I yield the floor, would it be at all possible to agree on a time certain to vote under these circumstances, say not later than 6:30?

Let me inquire, then, based on the colloquies we have had, whether or not it might be possible to have an agreement to have the vote on STOCKMAN not later than 6:45. That will give us an hour and 20 minutes. It appears to meet with some favor on the floor. At this time, I ask unanimous consent that the vote on the Stockman nomination occur not later than 6:45.

Mr. GLENN. Reserving the right to object, and I do not plan to object, I understand that there will not be needed more than 10 minutes on that side. I do not want to cut short the time we have available on our side. It is 30 minutes for the Senator from Wisconsin and I have 21 minutes over here.

Mr. PROXMIRE. I do not expect to take my full 30 minutes. I shall yield some of my time to the Senator from South Carolina and the Senator from Montana. I would like to be able to follow Senator HOLLINGS.

Mr. GLENN. So long as we have our 51 minutes total.

Mr. BAKER. Mr. President, I think that is a fair arrangement. I ask unanimous consent that the vote on the Stockman nomination occur not later than 6:45 p.m., with the understanding that the minority will have not less than 51 minutes of the time remaining.

Mr. GLENN. That is satisfactory.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GLENN. Mr. President, I yield 20 minutes of my time to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, it is my intent to vote for the nomination of DAVID STOCKMAN as Director of the Office of Management and Budget. I think this is a timely occasion to note the progress that we have made under the budget process and some of the restrictions and impediments that we have met in trying to bring fiscal responsibility and a balanced budget to the Nation's finances. One of the big hurdles that we have had is a partisan stance over the House side, in contrast to here, on the Senate side, where we have had the distinguished Senator from Oklahoma (Mr. BELLMON) and now my distinguished chairman (Mr. DOMENICI) working in a very cooperative, bipartisan way. We have had compromise and give and take, and we have presented bipartisan budgets, working through the various conferences. We have done that on the premise that, even with constitutional amendment, proposals for a balanced budget, even with rule changes that said we could not have a deficit budget unless we have a two-thirds vote written into the Constitution, any and all the approaches still bring us back to the bottom line of accommodation and compromise and working a general will in a gentlemanly fashion here on the floor of the Senate itself and on the floor of the House of Representatives.

One of the leaders of a block of some 100 Congressmen who prided themselves that they never have voted for a debt limit bill and that they never have voted for a budget resolution is our distinguished friend, the present nominee for the position of Director of the Office of Management and Budget.

Over on the House side, he would habitually call the budget process a "Trojan horse," an "exercise in symbolism," "political desperation," "policy gimmickry," and other characterizations of that kind. That is a luxury I wish we all could afford. It would be nice just to get up and call names and politicise the entire process.

My dismay, then, and the reason for these comments and in taking the floor this afternoon, is to request that the distinguished Director of the Office of Management and Budget temper his remarks and eliminate the inflammatory and provocative approach.

I have not seen that change, unfor-

tunately, since he was first mentioned for the post back in November. On the contrary, he became a little more encouraged with the idea that he might be Director, and he laid down his manifesto. Along with the manifesto, was his article in the Outlook section of the Washington Post, in which he said the Nation was facing an economic Dunkirk; that the first thing we are going to have to do in January is to declare an economic emergency. He terrorized, he intimidated, and he frightened the market and the economists and the business leadership to such an extent that Dr. Arthur Burns, former chairman of the Federal Reserve Board, and many others, cautioned us saying "we don't need this talk about an economic Dunkirk. We're not facing that."

In fact, some of the economists went on to say that the economy was doing better and cited the growth rates, talked of the diminution in unemployment (whereas a 9-percent rate had been projected, we are at a far lower 7.4 percent) and talked of the increase in productivity on the part of the American industrial machine.

However, that did not deter DAVID STOCKMAN. He said that what we needed would be a jolt to the economy; he said that there would be blood on the floor; he said that the budget was an automatic coast-to-coast soup line.

When President Carter worked around the clock with his economists and his advisers and his Director of the Office of Management and Budget, DAVE STOCKMAN callously threw President Carter's budget aside, saying it is strictly a political budget.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HOLLINGS. Mr. President, all budgets are political. That is the intent. They are a political document, not only balancing in financial terms and hopefully paying the Nation's bills, but also, more than anything else, balancing the priorities.

Let us look at two or three items in the Carter budget. For example, President Carter recommended a 10-cent tax on gasoline. And what did President Reagan do today? He came along with decontrol of the price of gasoline, or a 10-cent tax on gasoline. That is what it will amount to, and probably much more.

The fact is that under the Carter approach, the 10-cent tax on gasoline would go to the National Treasury, but this new decontrol tax is going to be split three ways. A third of it is going to the Arabs; a third of it is going to Exxon, and yes, the Reagan administration will pick up a third under the windfall profits tax. The administration likes that windfall profits tax. It is not going to do away with that.

So the very first thing, with all the polemics and the Dunkirks and the coast-to-coast soup lines, and Kemp-Roth, and cutting taxes across the board, we have an increase in taxes. He calls it decontrol, but I call it an increased tax on the consuming public of the United States.

Incidentally, I oppose both. I do not believe that now is the time to start increasing inflation. I do not believe in the gasoline tax increase. And I do not believe in the removal of controls or the decontrol tax, to be picked up partially by windfall and the remainder going to OPEC and the big oil companies.

President Carter withdrew State revenue sharing in his budget. Is that political? I guess so. We all have stood for State revenue sharing; but in setting the priorities, the States have more than $10 billion in surpluses, and we are facing $60 billion in deficits. So he had the courage to include the temporary elimination of State revenue sharing, leaving only that share going to cities and counties.

What about the politics of the twice-a-year cost-of-living adjustment? The Carter budget did away with that. Is the Reagan budget going to recommend continuation of this "hemorrhage?" We are going to have to use those descriptions. Let us get on with them, then. There is a hemorrhage in the pension and retirement system of Senators, Congressmen, Directors of the Office of Management and Budget, and Civil Service retirees. I will go into that later, because we are going to have a good time debating that.

I notice that when former Speaker McCormack passed away, although he had been paid some $42,500 as a Congressman, at the time of his death he was receiving $91,000 a year, under the cost-of-living computations. Is the Reagan budget going to remove that one? Some of my good friends on the other side of the aisle are always chastising us about this, but we are never going to have a balanced budget unless we get control of this hemorrhage.

President Carter recommended changing the computation of the Consumer Price Index to remove the housing mortgage element, which exaggerates the true cost of living. This could save us billions of dollars in the cost-of-living and the other adjustments to benefit payments in the Federal budget.

President Carter recommended a change in the computation in the national trigger price for unemployment compensation, saving $2.2 billion.

President Carter recommended another $26 billion for defense.

Now are my colleagues on the other side of the aisle going to eliminate all those things in order to get a balanced budget?

As to these coast-to-coast soup lines and everything we have had to listen to in November, December, and January, we have had 90 days of that, and we have stayed beautifully quiet. We were defeated on November 4, but we are not dead, Mr. President.

Let us look at exactly what we did, under a bipartisan approach to our national budget process, in Congress.

With bipartisanship, we have in the present 1981 budget a document which has been described by the economists—and I can give the testimony—as a restrictive budget. We refused new programs. We cut $5.4 billion from current policy. We cut 10 percent from the controllable programs. That was a pretty tough job to do.

We did not hemorrhage. We debated conscientiously and tried to get the cuts that could be made.

But budget-making being the art of compromise, there was give and take. We had a difficult time over on the House side. If instead of the polemics, the histrionics, and the drama of trojan horses, if they could have cooperated over these with Congressman RALPH REGULA and Congresswoman MARJORIE HOLT and some of the Republican leadership that did try to help us, we could have had lower figures, I say to the senior Senator from New Mexico. But with a 100 plus bloc of Republicans, led by the Director-designate of the Office of Management and Budget, in opposition, the budget was turned over to more liberal colleagues who believed in more liberal spending.

Within the last 5 to 6 years we instituted 5-year budgeting in the budget resolution so we could project some vision and direction. We established a credit budget to control the Federal loans and loan guarantees.

We established a reconciliation process that saved $8.4 billion. We had 9 committees of the Senate and 10 committees of the House of Representatives, 100 Congressmen and Senators, meeting to work with each other over several weeks. And they saved in the present budget $8.2 billion.

Mr. President, the budget system is working.

My time is limited and we all want to try to get on to a vote, but I could give example after example. The most recent one, of course, was when our distinguished chairman, Senator Pell, brought the higher education bill to the Chamber, and it removed the $25,000 income level cap. So these moneys were not helping the disadvantaged but rather extending those benefits, and it would have cost billions and billions of dollars more. We had a rather heated debate.

They told us we were against higher education. They dutifully went to each one of my State's black colleges and they had a black college president call me and say:

Chicken Little the sky is falling.

They asked me:

What is happening to you? You have always been on our side. You are ruining higher education.

But after the tempers cooled, we came back. They did go back into conference and brought out a very good bill, and we saved $4 billion. That is just one examole.

Mr. PELL. Mr. President, will the Senator yield on that point?

Mr. HOLLINGS. I yield.

Mr. PELL. I agree we brought out a bill that was more preferable by him. I still like the first bill. I still think that money spent on that higher education was money well spent. But this is a point, as pointed out, we debated vigorously that evening. I just could not let the remark go by.

Mr. HOLLINGS. No. That is us all. We are the man. The man who has his mind

changed against his will is of the same opinion still.

That is the point.

If each of the 100 Senators has his way and if each of our colleagues on the House side has his way, there will never be a budget resolution or reconciliation.

So there has been progress and it should not be discounted. The budget is not balanced, but equally it is not hemorrhaging.

Adlai Stevenson, when asked once whether he was a conservative or liberal, said:

> That is not the important question. The important question is am I headed in the right direction.

Mr. President, this Congress, Senator Pell, and all the others are working together here, and they and the distinguished Senator from New York, and the others who worked with the Finance Committee in building a majority for the reconciliation measure, all gave and compromised and brought out a good work product that has put us on track and headed us in the right direction.

Mr. President, now we see that our friend from Michigan who is to be the budget director continues with his inflammatory language. I hope he will just cool it a while and start working with us so we can develop a bipartisan approach, because I am very, very fearful that the jolt that will be received will be to him, and the blood on the floor could well be his. I say that advisedly.

We have had too much politicizing and to get right to the point, Mr. President, I wish to refer to the debt limit. Limiting deficit spending was a part of every campaign. I was in one and was accused the very same way as others when we acted responsibly and voted to extend the debt limit to keep the Government continuing and to pay our bills. The opposition, namely those represented by DAVID STOCKMAN, did not vote to extend that debt limit in 1979, they did not vote to extend that debt limit in 1980, and they labeled the legislation "busting the budget." In fact they put it in very colorful political ads, Mr. President. You should see this because I think maybe we Democrats could use some of this in the next election if we are going to get back a majority.

Mr. President, I ask unanimous consent to have printed in the RECORD the document entitled "Key Issues—Conservative Versus Liberal Positions" to which I have made reference.

There being no objection the document was ordered to be printed in the RECORD, as follows:

KEY ISSUES—CONSERVATIVE VERSUS LIBERAL POSITIONS

	Kennedy	McGovern	Morgan	Helms	East
Slash defense budget by $1 billion, Aug. 2, 1976 (H.R. 14262).	Yes	Yes	Yes	No	No.
Build vitally needed B-1 bomber, July 18, 1977 (H.R. 7933).	No	No	No	Yes	Yes.
Increase defense budget by $1.6 billion, Apr. 26, 1978 (S. 80).	No	No	No	Yes	Yes.
Allow unions to use forced dues for political purposes, Aug. 3, 1977 (S. 926).	Yes	Yes	Yes	No	No.
Free food stamps, May 24, 1977 (S. 275)	Yes	Yes	Yes	No	No.
Panama Canal giveaway, Apr. 18, 1978	Yes	Yes	Yes	No	No.
Limit deficit spending, Mar. 26, 1979 (H.R. 2534)	No	No	No	Yes	Yes.

Mr. HOLLINGS. I am referring now to a document entitled "Key Issues—Conservative Versus Liberal Positions," that was employed against my distinguished colleague from North Carolina, the former Senator Robert Morgan. You will see here a picture of Senators KENNEDY, McGOVERN, and MORGAN, and listed on the other side are Senator HELMS and Mr. EAST. And they go down the list, and when they get down to limiting deficit spending, busing the budget, they give a date, March 26, 1979, and a bill H.R. 2534, the debt limit bill.

KENNEDY voted no, not to limit Federal spending; McGOVERN voted no, not to limit Federal spending; MORGAN voted no, not to limit Federal spending; HELMS voted yes, to limit Federal spending; and EAST, the present distinguished Senator from North Carolina, voted yes, to limit Federal spending. I do not know where he voted down there in East Carolina. I guess that was a pretty good vote.

But you see the public never was told the truth about that kind of legislation. I say to Senator DOMENICI that all I am trying to do is bring DAVE STOCKMAN into the majority. He has a responsibility. And if he is going to continue politicizing and running around like Chicken Little licken, the sky is falling, and with his coast-to-coast souplines and his hemorrhaging, and if he is going to act like he is the only one that has ever thought of a balanced budget and bringing discipline and order out of chaos, let him be put on notice that we will discipline him. A good place to start would be when the message to raise the debt limit from $935 billion to $990 billion is sent over in a few days. I think perhaps we should hang back and let our majority colleagues vote, as they describe it, to bust the Nation's budget, to vote against limiting Federal spending.

Mr. HOLLINGS. Mr. President, I thank the distinguished Chair and particularly my distinguished colleague from Ohio.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank my friend, the distinguished chairman.

Mr. President, while DAVID ALAN STOCKMAN was never formally a student of mine, for 2 years he lived with me and my family while he was a student in the Graduate School of Divinity at Harvard University, and we developed the closest and most continuous relationship. Indeed, he has been generous enough on occasion in the past to describe himself as having indeed been a student. Therefore, I think I have attained to the unique condition of someone in this body who can stand and thoughtfully state that he holds a Director of the Office of Management and Budget in affection. Because, surely in my time as a teacher, I have known no one for whom I developed a closer regard or a higher respect.

As the distinguished Senator from South Carolina has observed, he is a man of strongly held views. They are frequently controversial. I commence to think they may be always controversial. But they are never uninformed.

His is a disciplined mind that has attended to problems that are new to the Nation. He brings to them new perspectives and an extraordinary capacity for work and for analysis.

From our side of the aisle it is clear that for the period immediately ahead we cannot outvote him. Accordingly, we shall have to try to outthink him. That will be an experience, I suspect, that will do us both good.

I would have to record that I have myself been increasingly at variance with his judgments, but I continue to respect him and I know this body will. I hope he will learn to respect us in return, and I think he will.

But I would like to echo the Senator from South Carolina, the former distinguished chairman, to say that on this side of the aisle we will wait with some interest, if not indeed avidity, to learn just why the limit on the national debt ought to be increased, having just recently been instructed in the errors of any such effort, and the political calamities that can ensue on those who have not sufficiently freed themselves of such error.

Even so, Mr. President, I expect Mr. STOCKMAN will be a distinguished budget director. He will advocate his position with great capacity, clarity, and force. I look forward to his service for the 4 years ahead.

I thank the Senator from Delaware for yielding me this time and a personal opportunity to state my regard for the present nominee.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. I would like to yield 3 minutes to the distinguished Senator from Indiana.

Mr. PROXMIRE. Can I follow the Senator from Indiana?

Mr. QUAYLE. Mr. President, I thank the Senator from Delaware. I will take just 3 minutes.

It is a real privilege to stand in this body and talk about my good friend and former colleague in the House of Representatives, DAVID STOCKMAN. DAVID STOCKMAN was an outstanding legislator in the House of Representatives, and he will be an outstanding Director of the Office of Management and Budget. As a matter of fact, I am impressed with DAVE STOCKMAN, and was so from the very first day that I was in Congress. He had been there before working on the conference chairmanship because DAVID STOCKMAN had insight, he was a leader, and he was never afraid to stand up and tell us where he thought this Nation

should be going, particularly in the relationship of our budget process.

DAVID STOCKMAN will be missed in the political arena of the House of Representatives. As a matter of fact, I am always a bit sad to see someone go from the legislative body into the executive branch because he never comes back, and DAVID STOCKMAN's contribution should not end when the Reagan administration at some juncture 4 or 8 years will be over.

He will be missed, and he is, as many people have referred to on this floor, one of the few intellectuals whom we have in this institution of ours.

DAVID STOCKMAN and I were cochairmen of the task force on economic policy, and he proved to be a leader in outlining solutions to economic difficulties and the bureaucratic waste of this country.

He has proved to be a master of the budget process and has outlined in line-by-line items where savings can be made in tax dollars.

He is one of the most articulate of the supply side economists in the Congress.

DAVID STOCKMAN has won respect for his perceptive comments and well-constructed proposals to trim wasteful and unworkable programs from overall Federal spending.

DAVID STOCKMAN is the right man at the right time.

I thank the distinguished Senator from Delaware for yielding me this time.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require, and I do not expect to use anything like the half hour.

I have voted against five of the Reagan nominations. I have voted for nine of them, and most of them I voted for with little enthusiasm.

Here is a man for whom I vote with great enthusiasm. He is the right man for the right job, and I appreciate what Senator QUAYLE just said. I certainly wholeheartedly agree with him.

He has just been attacked for being too partisan, and occasionally being inconsistent. As all of us who have been here know and, as Emerson noted, if you are not inconsistent you probably have a little mind.

I would criticize him for not being very responsive to the questions I put to him after his nomination. He has not been responsive to the Congress, although he has been very responsive in the newspapers, indicating what he wanted to do.

In his confirmation hearings he was not as responsive as, in my judgment, he should have been.

He has now been attacked for voting against every budget resolution. That is one of the reasons why I am for him. I voted against every budget resolution, too, because every budget resolution we have had since STOCKMAN was in the House would have given us a deep deficit, and they should have given us a substantial budget surplus. He voted the right way. He voted against increasing the national debt once again as a protest against extending spending. What was he supposed to do? What was I supposed to do? What was anybody expected to do when the debt has gotten so big that it is well over $930 billion, and it is expected to go over $1 trillion?

The debt limit is expected to go to $995 billion and, Mr. President, I expect to vote against that, and I have great respect for Mr. STOCKMAN for having taken that position.

Mr. President, here is a man who knows the budget. I think he has impressed everyone in his appearances; whether they liked him or not, or disliked him, whether they think he is going to be harmful to our national policy or hurtful to some of the interests in our States, everybody must admit he knows this budget, knows it well, knows it thoroughly, knows it backward and forward.

We also have to admit he is smart. But he has another quality that is more important than any of these others, and it is a quality which, in my judgment, makes him very distinctive in this Cabinet, and that is a zeal, a real zeal, a desire to do his job. I can tell that here is a man who cannot wait to get at his job. He wants to do his job because he feels very deeply that the problem of this country is that the Government has gotten too big.

We are going to have to make some painful and difficult cuts, and they are going to have to take an enormous amount of work on the part of the Budget Director, who is the principal "no man" in this administration. He is going to have to say "no" again and again and again.

Mr. President, here is a man who demonstrated his courage by being the only member of the Michigan delegation to vote against the Chrysler bailout. Now that, in my judgment, took a great deal of courage in the State of Michigan which, obviously, is our No. 1 automobile State, and the State where Michigan's, much of Michigan's, productive capabilities are concentrated. He voted "no." He not only voted "no" but he made a very thoughtful, reasoned, devastating statement in the Washington Post as to why we should not bail out Chrysler.

He is a man who has developed opposition in this body because he opposes reindustrialization. I think that is the right position, Mr. President. We cannot make the Government smaller by making it bigger, and if the Government is going to bail out Chrysler, if we are going to provide for Federal loans, loan guarantees, the creation of another Reconstruction Finance Corporation, refundable tax credits, allocation of funds by the Federal Reserve, the Government is going to be a bigger and bigger force in the marketplace.

Mr. President, these positions that Mr. STOCKMAN has taken are not popular positions with many, and he has shown he has the kind of force, the kind of courage, the kind of grit, the kind of stamina that we need in a Budget Director.

I sometimes get the feeling that the only two people in this administration who have that kind of conviction and zeal are President Reagan and DAVID STOCKMAN. If there ever was an indispensable person under these circumstances it is Mr. STOCKMAN.

This country is determined, all the indications are, to find a way of cutting the size of Government, to stop the momentum that has been going on for 50 years in Republican as well as Democratic administrations, a momentum that is going to be extraordinarily difficult to arrest.

Obviously, Mr. STOCKMAN fully appreciates that and understands it. Obviously, Mr. STOCKMAN is going to give President Reagan his full support and, obviously, to me President Reagan was elected very largely because he took the position that Government was too big and we had to reduce its size.

Just one more point, Mr. President. We have had hearings all day today in the Appropriations Committee on the budget and on the economy. It is very clear that if we are going to do what we have to do in the next few years, which is to increase the military budget, we are going to do that, we have to do it, and it is going to happen—if we are going to reduce taxes, and we obviously have to do that. I think everybody recognizes the burdens on the taxpayers are too big, and it is one of the reasons why our productivity has been declining, one of the reasons investment is too low and our savings are too low, yet at the same time we increase the military budget and reduce taxes we are going to not only balance the budget but earn substantial surpluses which we should do in order to reduce the national debt.

The only way we can do it is by making extraordinarily deep cuts in services—not eliminating waste and fraud but cutting actual services—cutting programs that we like in health, in education, in housing, in aid for the cities, in helping firms that are in difficulty. We would like to do it. However, we are going to have to say "no, no, no."

Unfortunately, going over the record of the people in the Cabinet, and having asked, submitted, questions to every one of them, I find very little enthusiasm, even in this Cabinet, the Reagan Cabinet, for that kind of a tough, unpopular program.

One man has made his record clear over and over and over again in what he has said in public, by his record in the House, and that is Mr. STOCKMAN.

So, Mr. President, with considerable enthusiasm, I am delighted to announce my support for Mr. STOCKMAN. I think he is going to be exactly what we need. If he does fail it is going to be a tragedy for this country.

It is going to mean that we are going to have an inflation that is going to be not only difficult for those who have credit and who have money and who find the value of their money declining, but it is an inflation that is going to slow down our economy and is going to be a serious plague.

I think his nomination is most desirable and I congratulate President Reagan on having made it.

Mr. President, here is the first question I asked him and his answer:

(Q) What are your budgetary goals for fiscal year 1982 and the remainder of fiscal year 1981? In constant fiscal year 1981 dollars, what is your goal for the Federal government in fiscal year 1982 in terms of new budget authority and outlays?

(A). (No answer). I cannot respond to this question at the present time because these goals are still under discussion with the Reagan Administration.

Yet, in an article he wrote for the Washington Post on December 14, 1980—the Stockman manifesto—he is very specific.

He says that for fiscal year 1981 he believes the administration should aim at holding outlays to the $635 billion range and that a hiring freeze should be instigated and that "severe cutbacks in agency travel, equipment procurement, and outside contracting" should be made.

Great. He is right. He spells out his goals. That is an answer to a part of my question.

But why is it that he wrote that for the public but did not tell us precisely that?

Obviously, the President may or may not accept his proposals. But there is no reason for him to not answer when asked by a Senator during his confirmation proceedings.

I also asked him a series of questions about civilian employment, what plans he had to progress toward the anti-inflation goal, and what were his budget priorities.

Here are those questions and his answers:

(Q). What is your goal for full-time permanent civilian employment in the Federal government comparing the number on board on September 30, 1981 with September 30, 1980?

(A). I hope that we would be able to reduce full-time permanent civil employment over this period. I am not able to provide a precise numerical goal at the moment, however.

(Q). What plans, commitments, or reports if any will you make to assure that the government will progress towards the anti-inflation goal so essential to the economy?

(A). Controlling inflation is clearly going to be the highest priority of the new Administration. I discussed at some length in my oral testimony how I believe our comprehensive economic plan can address this.

(Q). What are your Budget priorities for the government? If you were required to cut back budget authority by 10%, where would you recommend that the budget be cut? What are your lowest 20%, 30%, and 50% priorities? These lowest spending priorities should include entitlements as well as areas subject to cuts without additional legislation.

(A). It would be premature to answer this question at the present time.

But in his manifesto, Mr. STOCKMAN was very good and very precise about what he would do in these areas.

For fiscal year 1982 and later he proposes—

(1). Public sector capital investment deferrals, highways, mass transit, sewer treatment, public works, national parks and airport facilities.

"In light of the current financial crisis, a modest deferral and stretch-out of activity rates (a 10-20 percent reduction) in these areas should be considered."

(2). Non-Social Security Entitlements: food stamps, cash assistance, Medicaid, disability, heating assistance, housing assistance, WC (Women, infants, children supplemental food program), school lunches, and unemployment compensation amount to $100 billion.

"A carefully tailored package to reduce eligibility, overlap, and abuse should be developed for these areas—with a potential savings of $10 to $20 billion."

(3). Low Priority Program Cutback.

He lists: NASA, CETA, UDAG, Community Development, EDA, urban parks, impact aid, ACTION, Dept. of Energy commercialization and information programs, arts and humanities, and the Consumer Cooperative bank, amounting to $25 billion.

He concludes:

Most of these programs are ineffective or low priority and could be cut by at least one-third or $8 billion.

(4). Federal credit, lending and guarantee reform.

He says these are now running rampant, and that it is no good cutting if the program or programs are merely shifted to concessional loan authorities with the resulting outlays laundered through the FFB (Federal Financing Bank).

Again, those are great answers. We have a man who really knows his job. But why did he not answer the questions and tell us his plans when he has been quite willing to rush into print with them in the Outlook section of the Washington Post?

And listen to this warning he made in that article as well.

This is from the Stockman manifesto, Washington Post, December 14, 1980—

The preeminent danger is that an initial economic policy package that includes tax cuts but does not contain decisive, credible elements on matters of outlay control, future budget authority reduction, and a believable plan for curtailing the federal government's massive direct and indirect credit absorption will generate pervasive expectations of a continuing "Reagan inflation."

In addition, he was very precise in his memo about where to cut excessive Government regulation. This is the kind of answer he might have given us about his additional plans to fight inflation in my third question.

Here is what he tells us:

Regulatory Ventilation—This component also has two segments. The most urgent is a well planned series of unilateral administrative actions to defer, revise or rescind existing and pending regulations where clear legal authority exists. The potential here is staggering, as this hastily compiled list of specific actions indicates:

Action and Impact

Grant model year '82 carbon monoxide waiver: $300 million auto industry savings.

Rescind passive restraint standard: $300–600 million auto investment savings over 3 years.

Relax 1984 heavy duty truck emission standard: Minimum savings of $100 million.

Simplify auto emissions certification and testing: $80 million per year.

Modify ambient air standard for ozone to permit multiple exceedences or higher standard value in conformance with scientific evidence: $15 to $40 billion in reduced compliance costs over next 8 years.

Eliminate unnecessary new source performance standards for small industrial boilers: $4–2 billion over next 5 years.

Cancel EPA fuel additive testing program: Savings of $90 to $120 million.

Relax proposed light duty truck emission standards for post-1983: Savings would be a substantial fraction of currently estimated $1.3 billion compliance cost.

Modify or defer EPA pretreatment standards for industrial waste-water: Savings of a substantial fraction of the $6 billion compliance cost for just 3 sectors: utilities, steel and paper.

Cancel DOE appliance efficiency standards: Avoids multibillion havoc in an industry that is already improving product efficiency in response to market pressure.

Eliminate building energy performance standards: Market forces are working here too, but rigid BTU budgets for each new structure could cost billions per year for non-cost-effective energy savings.

Modify Resource Conservation & Recovery Act to incorporate "degree of hazard" and control system simplification: Savings would be some fraction of $2 billion a year.

Defer new OSHA workplace noise standards: Save $250 million a year.

Modify or defer pending OSHA standards on scaffolding, asbestos exposure, cadmium and chromium exposure and grain elevator dust control: More than $1 billion in annual combined savings.

On a second front, both temporary and permanent statutory revisions will be needed. There are literally dozens of rule-making and compliance deadlines on the statute books for the next 20 months that cannot be prudently met. An omnibus "suspense bill" might be necessary during the 100-day session to defer these deadlines and to implement the one-year moratorium on new rule-makings proposed by Murray Weidenbaum [who heads the Reagan regulatory task force].

Finally, a fundamental legislative policy reform package to be considered after the 100-day period will have to be developed. This would primarily involve the insertion of mandatory cost-benefit, cost-effectiveness and comparative risk analyses into the basic enabling acts—Clean Air and Water, Safe Drinking Water, OSHA, etc. Without these statutory changes, administrative rule-making revisions in many cases will be subject to successful court challenge.

I support him. I support his budget and personnel goals. I only wish he had replied to my questions as specifically as he provided the public with his answers to these very difficult problems.

Mr. President, I reserve the remainder of my time.

Mr. DOMENICI. Mr. President, will the Senator yield me 2 minutes?

Mr. PROXMIRE. Mr. President, I am happy to yield 2 minutes to my friend from New Mexico.

Mr. DOMENICI. Mr. President, I want to commend my good friend for what he has just said. Yes, it is true that we are not going to get where we have to go in terms of our fiscal responsibility without bipartisan support. I wish Senator HOLLINGS were here, because I want to assure him that in my role, as I work with our new OMB Director, I am regularly saying we need and have many friends and it is both sides of the aisle that is going to make this work.

I think Senator HOLLINGS, as the ranking minority member on the Budget Committee, is going to find him to be that. I think the Senator from Wisconsin, as ranking member on the Appropriations Committee, is going to find consultation, getting together, talking

about how we are going to resolve this incredible legacy. And that is what it is.

It is not 1 year, it is not 2 years, it is not 3 years, but the inheritance and the legacy that falls on this Congress and this President and the American people as portrayed in this budget and what it is going to look like in the next 4 or 5 years without major surgery is incredible.

This debt limit that we are talking about is an inheritance. There is no one around here who should kid themselves. There is no magic man in the White House, and DAVID STOCKMAN is no magician. That increase in the debt limit is for this year. We are not talking about a Reagan game plan or a Stockman plan worked out with us to cut. We know that the debt limit will not cover what we, this Congress, have already set in motion. I think my good friend from Wisconsin understands that. That is not saying that he should vote for it or not. I say to my good friend, but it is literally what has been dumped and inherited as far as a fiscal game plan.

I am hopeful we will look at that national debt that way in this body. I am hopeful we will begin to look as it realistically in terms of are we really making some headway moving toward that day when we do not have to ask for any additional limit add-ons for a whole year and maybe, as the Senator has suggested, for 2 or 3 years in a row and actually diminish the debt. I hope that happens.

But the point I am making is that we have one tremendous responsibility to build back vitality into the American economy and it will not happen without fiscal restraint and tax cuts.

He is the right man to help this President and through his OMB effort to help us come up with some budget resolution—no criticism of what has happened in the past, just acknowledging that the legacy cannot continue much longer without bankrupting the potential for growth and for the development of wealth that we can distribute to those many programs for those who need.

We have to concentrate once again on building that back, that wealth, that growth which I think the Senator has stated precisely the cure for today. I compliment the Senator on it.

I do not see how an OMB Director is going to help us without being tough. I do not think he is going to be of any help to this President or to the American people unless he is truly willing to use some zeal, as the Senator has described it, for budget cutting. It is easy to do the other thing. Cutting, if you have zeal on that, you are a special kind of person, I think, and I think that is what he is.

I thank the Senator for yielding.

Mr. PROXMIRE. Mr. President, I thank my friend from New Mexico. I am delighted to hear his remarks. I assure him of my cooperation with him, as chairman of the Budget Committee, in every way I know how to help hold down the budget.

I would like to say, however, that I am skeptical about that debt limit. I agree that much of it is because of the momentum of the past, as I have indicated, but I am skeptical about whether or not we should go from $935 to $995 billion debt limit. That seems to me to be a very big increase. I think that a vote against the increase in the debt limit is not irresponsible. I think it is very responsible.

I think it is the most responsible vote I can cast if it is that much of an increase. I think we can make cuts and we ought to make them right away. We ought to make it clear to the public we are starting as of now to move in the other direction.

The President will never have more support than he has now. The election is fresh in our minds. I think that if the President goes for a lower debt limit than it has been rumored he is going to ask for, he would be right. If he goes for that higher limit, I will vote against it.

The PRESIDING OFFICER (Mr. SYMMS). Who yields time?

Mr. ROTH. Mr. President, I yield 10 minutes to the Senator from Montana.

Mr. MELCHER. Mr. President, I thank my friend from Delaware for yielding me the time.

Mr. President, at the outset, I want to make it clear that I will vote for DAVID STOCKMAN's confirmation, because I think our new President ought to have Government officers who he trusts and can work with.

I believe Mr. STOCKMAN has a careful perspective about some economic matters, but not all economic matters, of course. Then he has shown some blind spots—and they are serious blind spots—on agricultural policy.

Mr. President, I want to serve notice to the Congress, and to the American farmers and ranchers, that this man—who will control the purse strings of the Government—has no understanding at all of the needs of American agriculture.

While President Reagan's new Agriculture Secretary, John Block, has made a strong commitment toward cooperating with Congress to write a good farm bill this year, Mr. STOCKMAN has made it abundantly clear that he has no use for Government programs to protect farmers from disaster.

I would like to be able to say that Mr. STOCKMAN is indifferent to the problems of farmers and ranchers. I would like to say that he just does not know about farming. But I submit that he is contemptuous of those problems and needs.

In 1978, when Idaho potato farmers were awash in their own abundant crop, Secretary Bob Bergland took action to help them out with price supports. On December 28 of that year, Mr. STOCKMAN wrote to the Secretary complaining about this sensible act. I ask unanimous consent that a copy of STOCKMAN's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 28, 1978.

Hon. BOB BERGLAND,
Secretary, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: This is to express my unabated outrage at the Department of Agriculture's recently announced intention to prop up the price of Idaho potatoes. After you spread the taxpayers' and consumers' gravy on the Russets, where will you strike next? Broccoli? Turnips? Peppermint?

Having reviewed the Department's sorry record of economic doubletalk on the need for "market stabilization" in feed grains, wheat, peanuts, dairy, and sugar, I'm beginning to wonder just what your concept of agricultural markets and policy really is. It is understandable, if not excusable, when Members of Congress from commodity-growing regions come trotting in with dog-eared claims and lame justifications for special dispensations that will force the taxpayer to absorb the predictable risks inherent in any line of business activity, including farming. But I would certanly hope that the USDA could exercise some semblance of leadership by occasionally resisting these self-serving, parochial claims and asserting at least a minimum regard for the general public interest and for the fact that temporary supply, demand, price, cost, and profit fluctuations are a normal part of the market system and are by no means unique to agricultural commodities. Just ask some of the scrap dealers, aluminum smelters, or auto dealers in any congressional district in the country.

It is about time that the Department stop playing nursemaid to the proliferating array of cry-baby commodity groups in this country. It is bad enough when we indemnify producers for the short-term losses associated with capricious—but nevertheless predictable—unfriendly acts of nature such as wet planting seasons, dry summers, or minor floods. But the principle implicit in your potato rescue is that producers must be indemnified for nature's acts of beneficience and bounty as well. Under just what idealized conditions of proper temperatures, planting conditions, growing seasons, and yields would you expect supply and demand to perfectly balance at the "just" price so that producers could be allowed to stand on their own two feet? And just how often can taxpayers expect that the presence of such ideal market conditions would permit surcease from their current subsidy burdens? Once per century?

Mr. Secretary, in my view we are long overdue in burying the four decade old, Depression-bred myth about dirt-poor yeomen ill-equipped to cope with the uncertainties of the domestic and international marketplace. Agriculture is now a highly-capitalized, fully-commercial line of business. If farm operators think they can do better for themselves with big spreads, huge machinery investments and scientific farming practices than with a ten acre plot, a mule and last year's Farmer's Almanac, then let them start assuming the obligations of commercial businessmen—cash flow management, asset structure optimization, market-oriented cropping patterns, and futures market hedging.

I fully realize that apologists for the current farm policy will argue that the transition to a commercial agriculture policy must be gradual in order to avoid undue dislocations, inequities, and so on. But your recent unjustified bail-out amounts to a full-scale charge to the rear. Indeed, your Department's supine capitulation in this potato caper makes the best argument yet for congressional enactment of a "cold turkey" policy for American agriculture.

With all best wishes, I am

Yours very truly,

DAVE STOCKMAN,
Member of Congress.

Mr. MELCHER. Mr. President, DAVID STOCKMAN is the kind of fellow who would call the Dust Bowl, or last year's drought, a part of the normal functioning of the market. The crazy spiral upward in the cost of production is just a normal market function for Mr. STOCKMAN. The fact that a lot of our farmers and ranchers are just hanging on by their fingernails, that is just the market at work.

DAVID STOCKMAN talks about the production of food and fiber as if it were a General Motors assembly line instead of 2½ million farm families working as hard as they can to provide America and the world with cheap food. And lately, if these farm families are able to pay their bills when the crops come in, that is a big year.

As I understand it, two out of three farmers voted for President Reagan last year, and the only trouble with that is that these farmers and ranchers could have had no idea that they were getting someone like STOCKMAN in the bargain.

I am sincerely concerned that when John Block sends a strong farm bill to the Office of Management and Budget for approval—as he must—it will have to be approved by a man who can hardly be called the farmer's pal.

That is why it is essential that John Block—not Mr. STOCKMAN, nor Secretary of State Haig, nor the Council of Economic Advisers—be the principal arbiter of farm policy for the new administration.

In his 1978 letter to Bergland, STOCKMAN said:

It is about time that the Department stop playing nursemaid to the proliferating array of cry-baby commodity groups in this country.

What are these "proliferating cry-baby commodity groups" Mr. STOCKMAN was writing about? Was it cattle, hogs, poultry, sheep, dairy, grains, or fruit—all of which are part of the producing elements of our vast and dynamic agricultural industry? Or were the "cry-baby commodity groups" that Mr. STOCKMAN said are proliferating in this country the producers of cotton, tobacco, forest products, peanuts, or sugar? These producers are by and large some of the heroes that President Reagan described in his inaugural address as hardworking American citizens and taxpayers.

And for those people who are producers of those commodities, as well as the producers of other products, goods and services in this country, it has been the concern of representative government that their endeavors be successful.

I would assume DAVID STOCKMAN agrees—but does he? You be the judge; here is his comment on that point:

It is understandable, if not excusable, when Members of Congress from commodity-growing regions come trotting in with dog-eared claims and lame justifications for special dispensations that will force the taxpayer to absorb the predictable risk inherent in any line of business activity, including farming.

That seems to say that those of us in Congress should have restraint on requesting "special dispensations" so as not to cause taxpayers too much of a burden. I believe most of us agree with Mr. STOCKMAN on that, but Mr. STOCKMAN gets into deeper water in his next sentence in the letter to Bergland:

But I would certainly hope that the USDA could exercise some semblance of leadership by occasionally resisting these self-serving, parochial claims and asserting at least a minimum regard for the general public interest and for the fact that temporary supply, demand, price, cost, and profit fluctuations are a normal part of the market system and are by no means unique to agricultural commodities.

I do not believe it is a "parochial claim" or "self-serving" to say that agriculture has been not only the biggest and most basic industry of this country, but it is also playing an increasingly important role in our balance of payments as agricultural exports increase.

To the extent that we have the available supply to satisfy world demand for grains, oilseeds, and other agricultural products, American agriculture can offset the huge dollar drain caused by imports of oil and other imported products.

But the fact is that adequate supplies of commodities hold down the price that producers receive and, in many instances, such as is the case with wheat, the price per bushel received by producers is less than the cost of production.

There is no reason to believe that this country will be uniquely blessed with solving agricultural producers' problems by benign neglect, such as Mr. STOCKMAN might hope would occur during his reign as Director of the Office of Management and Budget. Indeed, most other countries around the world take charge of all foreign marketing of agricultural products.

I am not advocating that. I do advocate enactment of a strong farm bill this year that will emphasize the marketplace, providing adequate prices to cover agricultural producers' costs. In the case of grains I would suggest that the loan rates be raised above production costs and become the floor, to assure producers that they will recover their costs, that they have a chance for profits, and encourage them to continue adequate production.

Adequate incentives will assure stability of supply. I believe this would be good for the American economy and I hope we will see some favorable support out of the Reagan administration. And, hopefully, the Office of Management and Budget under Mr. STOCKMAN will not interfere in setting sound agricultural policy.

A few days ago, at the National Press Club, Mr. STOCKMAN told a questioner that it was time to phase out the programs that have protected American farmers and ranchers from economic and physical disasters for the past 40 or 50 years.

Mr. STOCKMAN claimed that the political climate is right for such an action because we have shifted from a period when there was too much grain to a period of world shortages, forcing prices up.

I would submit that it is too simplistic merely to talk of higher priced grain as an excuse to scuttle the farm programs.

The 1970's were marked with increased economic instability for farmers and ranchers, forcing increased reliance by producers on expensive credit and rapidly inflating purchased inputs, like fuel and fertilizer.

This reduced financial flexibility has had important implications for the cash flow on the farms and ranches that produce most of the food and fiber of this land. Sharp increases in production expenses, or reductions in cash receipts, are much more severe, the greater a farm's dependence is on purchased inputs and the greater its debt obligations.

What this means is that more and more farms are vulnerable to inflation at a time when an increased dependence on foreign markets means greater variability in market prices, and greater variability of cash receipts.

This inflationary spiral does not even speak to the problem of drought and other natural disasters, which make the producer's existence even more tenuous.

Mr. STOCKMAN, I am sure, would not want to do anything to upset the export of farm goods that allowed us in 1980 to have a trade surplus for the first time in many years. But it sounds to me as if he is willing to let farmers and ranchers pay the price if anything goes wrong with the market.

Just as with the Russian grain embargo, this insensitive Government is willing to let the farmer produce from fence row to fence row to carry out its foreign policy objectives, but when things go wrong with those policies, only the farmer has to pay.

The purpose of my statement today, Mr. President, is to warn our farmers and ranchers that Mr. DAVID STOCKMAN may be dangerous to your economic health.

Mr. President, I thank my friend from Delaware for yielding.

Mr. PROXMIRE. Mr. President, I yield 5 minutes to the Senator from Ohio.

Mr. GLENN. I thank the distinguished Senator very much for his consideration.

Mr. President, I would like to wrap up and summarize some of the comments I made this morning.

I would say that absent any personal lack of integrity or completely lacking qualification in a particular field, I think the President does deserve to get his man in whatever job he is nominating him for. I am sure that should be true of Mr. STOCKMAN also. But I think we should be pointing out to the American people and our colleagues in the Senate exactly what we are getting when we get this man that the President has nominated because he comes as close to being a complete worldwide, laissez faire, Adam Smith-type economist as I have read anything about in recent years.

Let me repeat a few of the areas of concern that I covered this morning.

For instance, on energy policy, he felt that our policy to develop our own domestic energy sources may prove, in his words, "to be the most costly national error of the last half of the twentieth century * * *."

In other words, he would see us become more dependent on foreign oil sources and help develop foreign oil fields rather than our own domestic alternatives.

I find that a hazardous way to proceed from a national security point of view.

As far as farm policy goes, to quote him:

Our farmers can no longer rely on programs which seek artificially induced price movements through domestic supply manipulations.

In other words, any effort to level out the booms and busts of farming is something that he would be fighting against.

On the subject of antitrust and monopoly, he makes some of his strongest statements, and I would quote him:

That's where I disagree with the whole antitrust tradition which has been very strong in the Hart subcommittee and in the FTC bureau of competition. That's wrong. My view is that a monopoly never develops unless it's sanctioned by governmental authority.

Furthermore, he said:

There is no such thing as a privately developed and composed monopoly.

And finally:

In modern times with a global economy with multinational corporations and the swift ability to deploy capital and production all around the globe you don't have monopoly. You don't have to define the rules of the game in terms of competition.

I find these statements very disturbing. I do not think we want to repudiate our antitrust policies and I do not think most Senators would either.

With regard to entitlements, he said that "expenditures for food stamps, cash assistance, medicaid, disability, heating assistance, housing assistance, WIC, school lunch and unemployment compensation amount to $100 billion." He also said that he thinks we can cut $10 to $20 billion off of that. So all of the recipients of help under those programs can look forward, if Mr. STOCKMAN had his way, to a 10- to 20-percent cut in their programs.

In his references to the "soup line" that the Senator from South Carolina referred to a while ago, Mr. STOCKMAN stated that the "Federal budget has now become an automatic 'coast-to-coast soup line' that dispenses remedial aid with almost reckless abandon * * *." and he referred to the Trade Adjustment Assistance Act as follows:

This thing is the most arbitrary, inequitable, costly policy that we have on the books today, that has ballooned spending by $1 billion in 6 months. We ought to do something about it.

Well, let us get on to another subject. The investment tax credit, he calls "a tremendous national waste of men, machinery and tax dollars" that "produces overall economic efficiency, which leads to lower jobs, lower output, and lower real incomes."

On welfare, he says—

Welfare as we know it should be abolished for all the nonworking—the aged, blind, and disabled—whose eligibility can be ascertained by reference to physical characteristics.

I find it difficult to think that we have to give charity in this country, in this compassionate America that we know, only to those who are visibly handicapped. The only exception he made in the hearings was AFDC, help to children, which he would be for. Outside of that, no one can expect to get much help from Mr. STOCKMAN with that kind of view toward welfare.

The PRESIDING OFFICER. The 5 minutes yielded to the Senator from Ohio have expired.

Mr. GLENN. I shall use my own time in the last 2 minutes, Mr. President.

This indicates such a callous approach to what he is proposing, a laissez-faire, Adam Smith-type economics on a worldwide basis, as I see it, that I thought it was my duty to point this out to my colleagues.

Mr. President, rather than helping U.S. industry, Mr. STOCKMAN takes the view in his writings that if other countries subsidize their exports, then the United States should take advantage of that by purchasing the cheaper commodity because the damage will eventually occur to the other fellow's economy because of the unnatural skewing of his investment. In the meantime, our whole industries of automobiles or steel may well go down the drain and not even be there before we have enough capital put back into them for them to operate on.

On the subject of getting capital back into these industries, in one of his writings, he referred to reindustrialization as follows:

Reindustrialization policy is just a game for hyping the political control over the forces of the economy and for preserving the weakest assets in the economy.

I know my time is almost up, Mr. President. I only say that I shall vote for Mr. STOCKMAN. It has been a very difficult decision for me to arrive at, even if I were to be the only Senator here who would vote against him. But I think the President does deserve the man he wants. There is no doubt that Mr. STOCKMAN is a very articulate, persuasive, and qualified person to speak in the field of economics and in this field of budgeting, whether I agree with his views or not—which I obviously do not, in many of these areas. I think there will be moderating influences from the Secretary of the Treasury and others in the Cabinet and the President himself, as well as from the Congress here.

I think it is good, though, for us to know his views, because I stress this: This is the No. 2 man in Government, the man in Government who has more power over domestic policy than anybody except the President of the United States himself. That is the reason why I am sorry that the attendance on the floor today to hear some of these things has not been better.

I am sorry the news media have chosen to virtually ignore the hearings we had on Mr. STOCKMAN and the debate here today, because I think it is good to point out the views of the No. 2 most powerful man in Government. If he has his way, there will indeed be drastic changes in store for us in the years ahead.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GLENN. I thank the Chair and I thank the Senator from Wisconsin for yielding me additional time.

Mr. THURMOND. Mr. President, I am pleased to lend my strong support to our new President's choice for the key position of Director of the Office of Management and Budget (OMB), Representative DAVID ALAN STOCKMAN.

President Reagan has established as the first priority for his administration the task of rebuilding the sagging American economy, which has been ravaged by high inflation and unemployment during the previous 4 years. To accomplish this difficult task, it is absolutely necessary to rein in Federal spending and balance the budget as soon as practicable. As the Director of OMB, DAVID STOCKMAN will be the individual who must oversee the entire Federal budget process, make the hard choices on spending cuts, and see that these decisions are implemented.

Mr. President, I believe Mr. STOCKMAN has the keen intellect, the knowledge and experience, and the requisite toughness to perform admirably in this post. Although only 34 years of age, he has already demonstrated a superb knowledge of Federal Government programs and economic policy. As a two-term member of the U.S. House of Representatives from Michigan's Fourth District, Representative STOCKMAN has built a reputation as a fiscal conservative who has opposed expensive new entitlement programs and favored measures to enhance productivity in the private sector. He has recently served as chairman of the Republican Economic Policy Task Force in the 96th Congress, a post which provided an excellent opportunity to shape and coordinate the kind of responsible economic policies which the new administration now will seek to implement.

Mr. President, I hope the Senate will quickly confirm Representative STOCKMAN to be the Director of OMB. He is an excellent choice, a man who can help President Reagan greatly in cooperating with Congress to solve our Nation's serious economic problems.

The PRESIDING OFFICER. Does the Senator from Delaware need more time?

Mr. ROTH. No, the Senator from Delaware is ready to yield back the remainder of his time.

The PRESIDING OFFICER. Is there any more time to be yielded? Who yields more time?

Mr. ROTH. Does the Senator from Wisconsin have any time?

The PRESIDING OFFICER. The Senator from Wisconsin has 12 minutes remaining.

Mr. ROTH. I am ready and willing to yield back the remainder of my time when the Senator from Wisconsin yields back his time.

Mr. President, I yield myself 30 seconds.

Is the Senator from Ohio yielding back the time of the Senator from Wisconsin?

Mr. GLENN. Mr. President, I yield back the time of the Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I ask for the yeas and nays on the vote.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is, Will the Senate advise and consent to the nomination of DAVID STOCKMAN, of Michigan, to be Director of the Office of Management and Budget? On this question, the yeas and nays have been ordered.

Mr. BAKER. Mr. President, before the rollcall begins, may I say, it is now 6:25 p.m. In keeping with the announcement I made earlier, there will be no more rollcall votes after this rollcall.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. LAXALT), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) and the Senator from Wyoming (Mr. SIMPSON) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN) and the Senator from New Jersey (Mr. BRADLEY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 93, nays 0, as follows:

[Rollcall Vote No. 17 Ex.]

YEAS—93

Abdnor	Glenn	Moynihan
Andrews	Goldwater	Murkowski
Armstrong	Gorton	Nickles
Baker	Grassley	Nunn
Baucus	Hart	Packwood
Biden	Hatch	Pell
Boren	Hatfield	Percy
Boschwitz	Hawkins	Pressler
Bumpers	Hayakawa	Proxmire
Burdick	Heflin	Pryor
Byrd, Harry F., Jr.	Heinz	Quayle
	Helms	Randolph
Byrd, Robert C.	Hollings	Riegle
Cannon	Huddleston	Roth
Chafee	Humphrey	Rudman
Chiles	Inouye	Sarbanes
Cohen	Jackson	Sasser
Cranston	Johnston	Schmitt
D'Amato	Kassebaum	Specter
Danforth	Kasten	Stafford
DeConcini	Kennedy	Stennis
Denton	Leahy	Stevens
Dixon	Levin	Symms
Dodd	Long	Thurmond
Dole	Lugar	Tsongas
Domenici	Mathias	Wallop
Durenberger	Matsunaga	Warner
Eagleton	Mattingly	Weicker
East	McClure	Williams
Exon	Melcher	Zorinsky
Ford	Metzenbaum	
Garn	Mitchell	

NOT VOTING—7

Bentsen	Jepsen	Tower
Bradley	Laxalt	
Cochran	Simpson	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. PRESSLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has confirmed the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNITED NATIONS

NOMINATION OF JEANE J. KIRKPATRICK, OF MARYLAND, TO BE THE REPRESENTATIVE OF THE UNITED STATES TO THE UNITED NATIONS

Mr. BAKER. Now, Mr. President, what is the business before the session?

The PRESIDING OFFICER. The clerk will report the next executive nomination.

The assistant legislative clerk read the nomination of Jeane J. Kirkpatrick, of Maryland, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, there will be no more rollcall votes tonight. As in legislative session, I now ask unanimous consent that there be a period for the transaction of routine morning business in which Senators may speak and that that period be for the transaction of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIRECTING SENATE LEGAL COUNSEL TO INTERVENE IN CHADHA AGAINST IMMIGRATION AND NATURALIZATION SERVICE

Mr. BAKER. Mr. President, I have a resolution at the desk and I ask the clerk to report.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 40) to direct Senate Legal Counsel to intervene in Chadha against Immigration and Naturalization Service.

The Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, this resolution is cosponsored by the distinguished minority leader and is pursuant to a meeting of the leadership committee in respect of matters properly the subject of representation by the Senate legal counsel.

The purpose of the resolution is to authorize and direct Senate legal counsel to intervene as a party on behalf of the Senate in this legislation.

The U.S. Court of Appeals for the Ninth Circuit has recently handed down a major ruling on the constitutionality of legislative vetoes, holding that a legislative review of the Immigration Act violates the principle of separation of powers. The resolution which follows will direct the Senate legal counsel to intervene in the name of the Senate to represent the Senate's interest in this controversy.

Jagdish Rai Chadha is of Indian ancestry, born and previously a resident of Kenya, and the holder of a British passport. He came to the United States as a student in 1966 and overstayed his student visa. At his deportation hearing he sought relief under section 244(c) of the Immigration Act which authorizes the Attorney General to suspend the deportation of an alien on the ground of extreme hardship. Pursuant to this statute, if the Attorney General suspends deportation he must then report to the Congress and either House may disapprove of his action. If neither House disapproves within the requisite time the deportation is canceled and the alien is admitted as a permanent resident.

The special inquiry officer who heard Chadha's case granted suspension and the matter was reported to Congress. The Senate took no action, but the House of Representatives passed a resolution disapproving the suspension. The Immigration Service then ordered him to be deported. Chadha petitioned the U.S. Court of Appeals to review the deportation order and challenged the constitutionality of the legislative review provision of the Immigration and Naturalization Act. After the Immigration Service informed the court that it agreed that the statute was unconstitutional, the court invited the Senate and the House to file briefs as amicus curiae. The Senate's position in support of the statute was briefed, and argued in 1978, by private counsel retained by the Senate. The case was assigned to the Office of Senate Legal Counsel in 1979, after that office was established, while the case was under consideration in the ninth circuit.

On December 22, 1980, the court of appeals held that the legislative review provision in section 244(c) of the Immigration Act violates the principle of separation of powers and is unconstitutional. Although the Department of Justice prevailed in the ninth circuit, the Department has filed a notice of appeal to the Supreme Court. It appears that the Department is seeking a broad ruling on the constitutionality of legislative vetoes, an issue which has concerned the executive and legislative branches for 50 years.

There have been developments in the law; namely, the passage of the Refugee Act of 1980, and in petitioner's personal situation, he has married a U.S. citizen and is entitled to be a permanent resident for that reason, which may render it unnecessary to decide the constitutional issue in this case. Senate legal counsel is studying these possibilities, in conjunction with House counsel, and has obtained with House counsel an extension until February 4, 1981 to petition for rehearing or suggest that the case be reheard en banc by the ninth circuit.

To enable the Senate legal counsel to represent the Senate's views on rehear-

ing in the ninth circuit, and to frame the congressional position in the Supreme Court if the case cannot be resolved on rehearing in the appellate court, it is important to provide to Senate Counsel the procedural opportunities available to parties. Section 706(a) of the Ethics in Government Act of 1978 authorizes the Senate to direct the Senate legal counsel to intervene in actions in the name of the Senate when the powers and responsibilities of the Congress under the Constitution are placed in issue. The Joint Leadership Group has agreed that this is such a case and supports the following resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 40) was agreed to as follows:

S. RES. 40

Whereas, by S. Res. 338, 95th Cong., 1st session (1977), the Senate authorized and directed the Secretary of the Senate to appear on behalf of the Senate as amicus curiae in the United States Court of Appeals for the Ninth Circuit in Chadha v. Immigration and Naturalization Service, and counsel retained by the Senate appeared, briefed and argued the case on behalf of the Senate.

Whereas, by S. Res. 226, 96th Cong., 1st sess. (1979), the Senate directed the Senate Legal Counsel to assume and continue the representation of the Secretary of the Senate as amicus curiae.

Whereas, on December 22, 1980, the Court of Appeals ruled that the legislative review provision in section 244(c)(2) of the Immigration and Naturalization Act violates the principle of separation of powers and is unconstitutional.

Whereas, the Department of Justice, although it prevailed before the Court of Appeals, has filed a notice of appeal to the Supreme Court.

Whereas, the Senate as amicus curiae may not have the procedural opportunities available to a party to present its views to the Court of Appeals, by way of petition for rehearing or suggestion for a rehearing en banc, or to the Supreme Court, and that intervention as a party would enable the Senate to do so.

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act of 1978 (2 U.S.C. §§ 288b(c), 288e(a), and 288i(a) (Supp. III 1979), the Senate may direct its Counsel to intervene in the name of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue; Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to intervene in the name of the Senate in *Chadha v. Immigration and Naturalization Service*.

The preamble was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I yield to the distinguished Senator from South Dakota.

ESTABLISHMENT OF A NATIONAL TOURISM POLICY

Mr. PRESSLER. Mr. President, I am today introducing the National Tourism Policy Act. I ask unanimous consent that the bill be considered as having been read twice and that the Senate proceed to its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, has the Senator introduced a bill?

Mr. PRESSLER. Yes, I am introducing it and sending it to the desk.

Mr. ROBERT C. BYRD. May we have the clerk state the title?

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 304) to establish a national tourism policy and an independent government agency to carry out the national tourism policy.

The PRESIDING OFFICER. The bill is considered as having been read once by title and once at length and the Senate, without objection, will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the following cosponsors be printed in the RECORD:

Senator Warner, Senator Baker, Senator Packwood, Senator Inouye, Senator Cannon, Senator Exon, Senator Long, Senator Goldwater, Senator Hollings, Senator Ford, Senator Kasten, Senator Heflin, Senator Schmitt, Senator Randolph, Senator Durenberger, Senator Pryor, Senator Stafford, Senator Williams, Senator Hayakawa, Senator Huddleston, Senator Sasser, and Senator Abdnor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, my reasons for reintroducing the bill stem primarily from the sad state of our international trade balance. The United States has now been running an international trade deficit for 4½ straight years; a situation which is intolerable. Foreign tourists can do a great deal to help change this because although few people realize it, international tourism is currently one of our Nation's largest single sources of foreign currency. If we compare the income from foreign tourism with the income from the export of manufactured goods we see that tourism was our fourth largest source of foreign currency during 1979. The figures break down as follows:

	Billions
Chemicals	$17.3
Motor vehicles and parts	15.1
Grain and cereal preparations	14.5
Tourism	10.0
Electrical machinery	8.6

In addition to its importance on the trade front, the travel and tourism industry comprises a huge segment of our domestic economy. In 1979 it contributed over $140 billion and employed some 6.6 million Americans.

It is also significant to note that 97 percent of the firms which comprise the travel and tourism industry are classified as small businesses. This is the very sector which has been hardest hit by the high interest rates and tight money which plague our economy. It follows, then, that it is this group which will benefit most from the increase in foreign tourism which will result from the National Tourism Policy Act.

With all this in mind it is not surprising that S. 1097 passed by such a large margin last year. And since there was such a broad consensus about the merits of the bill I have decided to reintroduce it with only minor changes. Two of those changes I would like to briefly discuss.

First, section 206, paragraph (7) restricts the U.S. Travel and Tourism Administration to issuing only those rules which are necessary for its internal operation. Let me make it very clear that the new administration will have no authority to issue regulations which would in any way impact on the travel and tourism industry. It is crucial that this act not result in any additional regulatory burden being placed on the industry, and I want to emphasize this point now so that there will be no confusion later.

The second change is in section 206, paragraph (e). It says that the new administration shall not enter into any contracts, agreements, or transactions which would expire after the end of the fiscal year for which appropriations have been made. The intent of this restrictive clause is to make sure that the administration does not obligate the Federal Government for any sums which would have to be paid out of future appropriations. This will assure that the administration always stays within its current fiscal year operating budget.

Another area of confusion which I would like to clear up involves the objections raised by President Carter in his veto message on S. 1097. To accomplish this I will present a brief summary of the President's objections and my response to them. This will be followed by a more lengthy rebuttal.

First. President's objection: The bill will add to the Federal bureaucracy by creating a new agency.

My response: The bill simply replaces the U.S. Travel Service with a different agency, the U.S. Travel and Tourism Administration. No additional bureaucracy is created.

Second. President's objection: Tourism promotion would be better carried out by the Commerce Department's International Trade Administration.

My response: The entire record of the Carter administration shows disdain for the Federal role in tourism promotion. The idea that this role would be carried out more effectively as part of the International Trade Administration is fallacious. The importance of the travel and tourism industry demands that the Federal Government continue to give individual attention to this vital economic sector.

Third. President's objection: The Executive's ability to control the Federal budget would be impeded by the budgetary process outlined in the bill.

My response: The idea of having an independent agency submit its budget request to the Congress and the Executive simultaneously is not without precedent. Both the National Transportation Safety Board and the Consumer Product Safety Commission do so now. Additionally, it cannot be argued that the purpose of this system is to circumvent the budget process when the bill

only proposes a modest 7.5 percent funding increase.

Fourth. President's objection: The Travel and Tourism Advisory Board created by the bill would only serve the special interests of the travel and tourism industry.

My response: The Board would have no regulatory authority of any kind. Control of the USTTA would remain solely within the legislative and executive branches.

Fifth. President's objection: Since the USTTA would be operating foreign offices it should be under the control of a Federal department that coordinates with the State Department. It would be bad policy to have an independent agency involved in foreign policy.

My response: The USTTA would not be a foreign policy body. The Agency's activities would go no further than those of the U.S. Travel Service. In addition, if the State Department did choose to comment on some activity of the USTTA, those comments would be given great weight.

I would like to go back and expand on my disagreements with the President's veto message.

The following statement appeared early on in the President's message—

My Administration has proposed that the federal government's role concentrate on development and coordination of policies conducive to tourism, collection of information and selected promotional activities.

After reading this you might think the Carter administration was the best friend the travel and tourism industry ever had. However, anyone who is familiar with the situation knows that the entire record of the Carter administration showed disdain for the Federal role in tourism promotion and hostility toward the industry itself. In large part I believe it was this attitude which was actually the root cause of the veto.

The President's next contention was that the creation of the U.S. Travel and Tourism Administration would add to the already bloated Federal bureaucracy. This is untrue because the USTTA would simply be replacing the U.S. Travel Service, and would be performing the same function. The bottom line is that there is no additional bureaucracy created.

The President's message then goes on to explain the plan for incorporating the activities of the USTS into the Commerce Department's International Trade Administration (ITA). It is a specious argument to suggest that by burying tourism promotion functions within the ITA the Federal Government could improve their effectiveness. The American travel and tourism industry employs 6.6 million people and contributes over $140 billion annually to the U.S. economy. An industry of this size and importance certainly merits individual attention within the Federal Government, and that is just what the National Tourism Policy Act proposes.

Another of President Carter's objections was that the bill would have negative budget consequences. Since we are all interested in holding the line on Federal spending I am glad to report that S. 1097 would have done just that. The current appropriation for the U.S. Travel Service is $8 million. S. 1097 would have provided the USTS with only an additional 7.5 percent, well under the existing inflation rate. And this is in the wake of very large cuts since 1979 when the budget for USTS was $13.5 million.

Also included in the veto message is a paragraph expressing concern about the role the 17-member Travel and Tourism Advisory Board would play. In describing the Board the President says that it would be granted "extraordinary powers of oversight." This statement seems to imply that the Board would have some type of regulatory power over the operation of the U.S. Travel and Tourism Administration. This is incorrect; the Board's only function is as an advisory group, just as its name suggests. The USTTA would remain under the control of the executive and legislative branches and could not be ordered to take any action by anyone else, including the Advisory Board.

The President's final reservation expressed in the veto message concerns the conduct of foreign policy. Once again let me stress that the USTTA will remain under the control of the executive and legislative branches. The Agency will not be acting as a foreign policy spokesman for the United States, any more than the U.S. Travel Service did. The duties of the USTTA will be clearly laid out, and will not range beyond those issues affecting travel and tourism. In addition, should a question arise about any sensitive foreign relations issue which might somehow involve the USTTA, then the advice of the State Department would most certainly be sought.

It is unfortunate that the importance of the travel and tourism industry was never recognized by the Carter administration during its tenure. It is also unfortunate that the lack of understanding displayed by the President's advisers resulted in the veto of S. 1097. Hopefully the new administration will quickly realize what Members of Congress have known for quite awhile; that if the Federal Government is willing to work in a partnership with the travel and tourism industry, then the economic health of our country stands to benefit greatly.

Lastly, I would be remiss if in introducing this bill I failed to mention the tremendous time and effort my colleagues have spent in getting the National Tourism Policy Act this far. Senator DAN INOUYE has been a leader for many years in the fight for recognition of the importance of the travel and tourism industry. Similarly, Senators JOHN WARNER and HOWARD CANNON have made great contributions toward this end, and toward the enactment of this legislation. In fact, were it not for the dogged persistence of these gentlemen S. 1097 would never have passed last year and we would not be in the favorable position we now find ourselves.

Also, I would like to commend the long, hard work put in by the Commerce Committee staff; in particular, John Hardy and Ward White whose efforts have been indispensable.

Mr. BAKER. I believe I am correct, Mr. President, might I inquire of the distinguished minority leader, that this bill has been cleared on his side and that there is an amendment at the desk?

Mr. PRESSLER. The amendment has been sent to the desk.

Mr. ROBERT C. BYRD. Mr. President, may I say to the distinguished majority leader the bill has been cleared on this side. I have several Senators who are supporting the bill and, at the appropriate time, I would like to ask unanimous consent that statements by Mr. INOUYE and Mr. SASSER be printed in the RECORD.

Mr. BAKER. I thank the minority leader, and I ask the Senator from South Dakota if he would object if I ask now that the clerk report the amendment which is at the desk.

UP AMENDMENT NO. 2

(Purpose: To make certain technical amendments)

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER), proposed an unprinted amendment numbered 2:

On page 14, line 3 strike "1982" and substitute "1981".

On page 14, strike lines 15 through 17.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (UP No. 2) was agreed to.

Mr. CANNON. Mr. President, I am a cosponsor of the legislation introduced by the distinguished Senator from South Dakota, and I urge its immediate passage.

I believe this legislation which unanimously passed the Senate in the 96th Congress, is in the national interest for the following reasons, among others.

First. According to many experts, tourism will be the world's largest industry by the end of this century.

Second. In recognition of this fact, over 125 nations have government tourist offices located abroad for the specific purpose of attracting visitors to their respective countries.

Third. Currently tourism contributes over $140 billion annually to the U.S. economy, and supports over 6 million jobs.

Fourth. Over 50 Federal agencies administer more than 100 programs which significantly impact tourism; and the Federal effort is highly inefficient and often contradictory.

Fifth. Despite the Government's inefficient effort, according to our own Government's statistics, every Federal dollar spent on international tourism promotion returns $18.6.

Sixth. An extensive 6-year study unanimously authorized by the Senate concluded that the central government tourism effort—the U.S. Travel Service—

should be replaced by an independent entity.

Mr. President, the National Tourism Policy Act takes these factors into account.

First. It does not create a new Federal agency. On the contrary, it replaces USTS with an independent agency which will make the Government effort to promote tourism more effective and cost efficient.

Second. USTS will go out of business in 6 months, and the agency which would replace it will be funded with the moneys appropriated for the U.S. Travel Service for fiscal year 1981. And, just as importantly, not 1 penny is authorized for the new entity beyond fiscal year 1981. Congress will have to authorize additional funding next year or the new entity will cease to exist.

● Mr. INOUYE. Mr. President, I join the distinguished Senator from South Dakota in urging passage of the National Tourism Policy Act. This legislation is virtually identical to S. 1097, the National Tourism Policy Act, which President Carter pocket vetoed.

On January 6, along with Senators CANNON, LONG, HOLLINGS, and FORD, I wrote to the distinguished Senator from South Dakota offering to cosponsor this legislation. I am pleased to see he has done so. I ask that a copy of our January 6, letter be inserted in the RECORD at this point.

The letter follows:

JANUARY 6, 1981.

Hon. LARRY PRESSLER,
Chairman, Subcommittee on Small Business, Trade and Tourism, Dirksen Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Despite unanimous approval by the Senate, and overwhelming passage by the House (218–84), President Carter pocket vetoed S. 1097, the National Tourism Policy Act. The legislation also had the support of the National Governor's Association, and all segments of the travel industry.

S. 1097 was the result of the extensive National Tourism Policy Study which was begun in 1974, by the Senate Commerce Committee pursuant to S. Res. 347, 93rd Congress. In addition to the Committee, the House Interstate and Foreign Commerce Committee and all segments of the industry participated in that study and the extensive hearings which ensued.

We believe the 96th Congress correctly felt S. 1097, was necessary in the national interest, and the following reasons, in our judgment, illustrate why.

1. According to many experts, tourism will be the world's largest industry by the end of this century.

2. In recognition of this fact, over 125 nations have government tourist offices located abroad for the specific purpose of attracting visitors to their respective countries.

3. Currently, tourism contributes over $140 billion annually to the U.S. economy and supports over 6 million jobs. Many of these jobs are held by the least employed in our economy; i.e., minorities, females, unskilled and semi-skilled workers. According to testimony the Committee received, women constitute more than half (53.3 percent) of the travel industry workforce; blacks constitute about 14 percent, as against a 10 percent participation in the remainder of the workforce; and one-third of all youths aged 16–21 in the workforce are employed in the travel industry.

4. Tourism is one of our top three industries in most of our 50 states.

5. Over 50 federal agencies administer more than 100 programs which significantly impact tourism; and the federal effort is highly inefficient, wasteful, and sometimes contradictory.

Moreover, the Office of Management and Budget has perennially sought to shut down U.S. national tourist offices abroad on the grounds that "a promotional program is not an appropriate part of the Federal role in tourism."

6. Despite the government's inefficient effort, according to our own government's statistics, every federal dollar spent on international tourism promotion returns 18.6 dollars.

7. S. 1097 was intended to make sense out of the government's extensive involvement in tourism, and thus make our efforts cost-efficient and more productive.

What is most perplexing to those of us concerned with the federal government's attitude toward tourism is the consistent position of the Office of Management and Budget that the government should have no role in the promotion of international tourism. OMB's stand is not only directly contrary to that of every industrialized country in the world, it completely ignores the unanimous testimony of a multitude of expert witnesses who have testified before the Senate and House over the past ten years.

Several reasons which were assigned for pocket vetoing S. 1097 stemmed from a misunderstanding of what the legislation actually did. We believe the following description of the legislation should clarify those misconceptions and misunderstandings.

1. S. 1097 did not create a new federal agency. On the contrary, it replaced the United States Travel Service (USTS) with an independent agency in the federal government which would make the government's effort to promote tourism more effective and cost-efficient.

2. USTS would have gone out of business in six months, and the new agency which would have replaced it would not have cost the federal government any money beyond what has been appropriated for the United States Travel Service for FY '81. And, just as importantly, not one penny was authorized for the new entity beyond fiscal year 1981. Congress would have had to authorize additional funding next year or the new entity would cease to exist.

3. Nothing contained in S. 1097 permitted the new agency to commit the federal government to provide any sums for the payment of any obligation of the agency which exceeds amounts provided in advance in appropriation Acts.

4. The legislation absolutely did not circumvent the existing budgetary process. The budget for the new agency would still be submitted by the President, just as he submits the budget of the National Transportation Safety Board. In fact, in this respect the relevant provision in S. 1097 tracked the provision in law which created the National Transportation Safety Board.

5. The 17-member Travel and Tourism Advisory Board, which was created by S–1097, was to study on a continuing basis the programs and activities of the new agency. Control of the new agency, however, remained exclusively with the legislative and executive branches of the government.

Because S. 1097 is so necessary in the national interest, and inasmuch as it has overwhelming bi-partisan support within Congress and the industry, we believe an identical measure should be acted upon expeditiously in this Congress. As Chairman of the Subcommittee on Small Business, Trade and Tourism, it would be especially appropriate in our judgment for you to introduce such a measure which we, of course, would be pleased to co-sponsor and strongly support.

With best wishes, I am,

Sincerely yours,

HOWARD W. CANNON,
Ranking Minority.
ERNEST F. HOLLINGS,
U.S. Senator.
WENDELL H. FORD,
U.S. Senator.
RUSSELL B. LONG,
U.S. Senator.
DANIEL K. INOUYE,
U.S. Senator.●

● Mr. SASSER. Mr. President, today I want to announce my support for S. 304, the National Tourism Policy Act and to urge my colleagues to move quickly to approve this legislation.

As first chairman of the Senate Tourism Caucus. I can assure you that there are few measures warranting such broad-based support from those concerned about the future of our travel and tourism industry as a far-reaching, comprehensive national tourism policy. This proposal embodies the vehicle for doing precisely this—a U.S. Travel and Tourism Administration.

As many of you recall, we in the Senate believed we had enacted a National Tourism Policy Act late last year. A nearly identical proposal received the unanimous support of the Senate. Companion legislation in the House of Representatives was passed by a 2-to-1 margin.

Unfortunately, the legislation was vetoed after the Congress adjourned and our Nation was left with the same situation it confronted at the beginning of the 96th Congress—no clear way in which the United States could or would compete effectively on the international marketplace for increased travel and tourism in our country, and better understanding and appreciation abroad.

I should note that it was a concern over the absence of a national tourism policy and the lack of any agency to coordinate, articulate, or represent such a policy beyond our borders that was largely responsible for the creation of the Senate Tourism Caucus.

In November of 1979, I chaired a hearing of the Senate Subcommittee on Intergovernmental Relations in Knoxville, Tenn. The purpose of the hearing was to gage the impact of high energy costs on travel and tourism and their resultant effect on State and local governments in the Southeastern United States.

I was impressed with the ingenuity, vitality, and entrepreneurial spirit of the leaders of the travel and tourism industry as they detailed successful steps undertaken in both the private and public sectors to overcome the damaging consequences of high energy costs and spot shortages in energy supplies during the spring and summer of 1979.

Tourism, travel, and convention boards and bureaus at both the State and local level swung into action and in many cases became the focal point for travel and lodging information, fuel supplies, and "rumor control." They did so because they recognized the importance of this industry to their respective State and local economics.

Simply stated, healthy travel and tourist activity in a particular city, region, or State means a healthy economy, more jobs, and increased tax revenues—in addition to a greater appreciation of a particular place or area by travelers and guests.

It became clear during those same November 1979 hearings that witness after witness—in explaining how they had, in effect, developed and maintained a subnational tourism policy involving both private and public sectors—felt that the Federal Government was failing to pursue the same kind of endeavor at a national level.

Over and over again, witnesses urged the development of a national tourism policy. And many thought that the Senate should involve itself directly in this effort by organizing a Senate Tourism Caucus and making a national tourism policy a top priority.

By last fall, there was a Senate Tourism Caucus. Nearly half the Senate belongs to this group, and there is a profound understanding of the importance of travel and tourism—not just to a particular State or region—but to the Nation.

In 1979, for instance, the U.S. Travel Data Center estimated that the travel and tourism industry generated revenues of $140 billion. The industry is the "No. 1" employer in 23 of the 50 States, and it employes 6.6 million people nationally with a payroll in excess of $29 billion. Moreover, 99 percent of the 1.4 million travel-related establishments in this country are small businesses.

It makes no sense, then, for Americans to be barraged night after night on television and in newspaper and magazine ads by Government-backed and coordinated announcements extolling the virtue of foreign theatres, mountain retreats, quaint festivals, parades and spas in Europe, Central and South America and elsewhere, while we do so little for so many who are so important to us.

The National Tourism Policy Act recognizes the importance of travel and tourism to our economy and to our reputation abroad. An independent U.S. Travel and Tourism Administration, charged with establishing foreign tourism promotion offices, assisting foreign visitors, consulting with foreign governments on tourism matters, representing the United States at international meetings and expositions, collecting and disseminating tourism-related data, and with promoting travel on American carriers, will show competitors throughout the world and the people here at home that we care about our Nation and that we want others to care about it, too.

I therefore urge prompt consideration and passage of the National Tourism Policy Act.●

The PRESIDING OFFICER. If there be no further amendments, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time and passed as follows:

S. 304

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Tourism Policy Act".

TITLE I—NATIONAL TOURISM POLICY

SEC. 101. FINDINGS AND PURPOSE.

(a) The Congress finds that—

(1) the tourism and recreation industries are important to the United States, not only because of the numbers of people they serve and the vast human, financial, and physical resources they employ, but because of the great benefits tourism, recreation, and related activities confer on individuals and on society as a whole;

(2) the Federal Government for many years has encouraged tourism and recreation implicitly in its statutory commitments to the shorter workyear and to the national passenger transportation system, and explicitly in a number of legislative enactments to promote tourism, and support development of outdoor recreation, cultural attractions, and historic and natural heritage resources;

(3) as incomes and leisure time continue to increase, and as our economic and political systems develop more complex global relationships, tourism and recreation will become ever more important aspects of our daily lives and our growing leisure time; and

(4) the existing extensive Federal Government involvement in tourism, recreation, and other related activities needs to be better coordinated to effectively respond to the national interests in tourism and recreation and, where appropriate, to meet the needs of State and local governments and the private sector.

(b) It is the purpose of this Act to establish a cooperative effort between the Federal Government and State and local governments and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, to implement a national tourism policy that will—

(1) optimize the contribution of the tourism and recreation industries to economic prosperity, full employment, and the international balance of payments of the Nation;

(2) make the opportunity for and benefits of tourism and recreation in the United States universally accessible to residents of the United States and foreign countries and to insure that present and future generations be afforded adequate tourism and recreation resources;

(3) contribute to personal growth, health, education, and intercultural appreciation of the geography, history, and ethnicity of the United States;

(4) encourage the free and welcome entry of individuals traveling to the United States, in order to enhance international understanding and goodwill, consistent with immigration laws, the laws protecting the public health, and laws governing the importation of goods into the United States;

(5) eliminate unnecessary trade barriers to the United States tourism industry operating throughout the world;

(6) encourage competition in the tourism industry and maximum consumer choice through the continued viability of the retail travel agent industry and the independent tour operator industry;

(7) promote the continued development and availability of alternative personal payment mechanisms which facilitate national and international travel;

(8) promote quality, integrity, and reliability in all tourism and tourism-related services offered to visitors to the United States;

(9) preserve the historical and cultural foundations of the Nation as a living part of the community life and development, and insure future generations an opportunity to appreciate and enjoy the rich heritage of the Nation;

(10) insure the compatibility of tourism and recreation with other national interests in energy development and conservation, environmental protection, and the judicious use of natural resources;

(11) assist in the collection, analysis, and dissemination of data which accurately measure the economic and social impact of tourism to and in the United States, in order to facilitate planning in the public and private sector; and

(12) harmonize, to the maximum extent possible, all Federal activities in support of tourism and recreation with the needs of the general public and the States, territories, local governments, and private and public sectors of the tourism and recreation industry, and give leadership to all concerned with tourism, recreation, and national heritage preservation in the United States.

TITLE II—THE UNITED STATES TRAVEL AND TOURISM ADMINISTRATION

SEC. 201. PURPOSE.

It is the purpose of this title to establish an independent agency of the United States to be known as the "United States Travel and Tourism Administration".

SEC. 202. CONGRESSIONAL DECLARATION OF POLICY.

The Congress finds and declares—

(1) that it is in the national interest to encourage the orderly growth and development of tourism to and within the United States;

(2) that orderly growth and development of tourism depends on the efforts of the public and private sectors of that industry to assure that the objectives of the national tourism policy are implemented to the maximum extent consistent with other public policy objectives;

(3) that orderly growth and development of tourism, while matters for regional, State, local, and private development, are also of appropriate and important concern to the Federal Government;

(4) that it furthers the national interests to assure that the extensive Federal policy and programmatic involvement in tourism is responsive to the needs and interests of the public and private sectors of that industry;

(5) that in view of the importance of travel and tourism to the economy of the United States, and the pervasive Federal policy and programmatic involvement in tourism, it is necessary and appropriate for the Federal Government to complement, assist and support mechanisms that will most effectively assure implementation of the national tourism policy; and

(6) that an agency should be created to promote and facilitate the orderly growth and development of tourism and to assist in the implementation of the national tourism policy.

SEC. 203. ADMINISTRATION ESTABLISHED.

There is established an independent agency of the United States, to be known as the "United States Travel and Tourism Administration" (hereinafter in this title referred to as the "Administration").

SEC. 204. OFFICERS AND EMPLOYEES.

(a) The Administration shall be headed by an Administrator (hereinafter referred to as the "Administrator") who shall be nominated by the President not later than 60

days after the date of enactment of this title and appointed by and with the advice and consent of the Senate. The Administrator shall serve at the pleasure of the President and shall be compensated at the rate now or hereafter prescribed for offices or positions at level II of the Executive Schedule.

(b) The President shall appoint a Deputy Administrator by and with the advice and consent of the Senate who shall be compensated at the rate now or hereafter prescribed for offices or positions at level III of the Executive Schedule. The Deputy Administrator shall perform such duties as the Administrator may prescribe. The Deputy Administrator shall act for and perform the functions of the Administrator during any absence or disability of the Administrator or during a vacancy in the office of the Administrator.

(c) The Administrator shall have power to appoint and fix the compensation of such personnel as he or she determines advisable, however, not more than five such appointments may be placed in grades GS-16, GS-17, and GS-18 of the General Schedule, to carry out the functions of the Administration. The authority with reference to appointments in grades GS-16, GS-17, and GS-18 of the General Schedule will be subject to the procedures prescribed under section 5108 of title 5 of the United States Code. Included among any personnel appointed by the Administrator, no more than three persons may be appointed, compensated, or removed without regard to the Civil Service laws and regulations. Such positions shall be in addition to those otherwise authorized by law, including those authorized by section 5108 of title 5 of the United States Code. Under such regulations as the President may prescribe, officers and employees of the United States Government who are appointed without regard to the Civil Service laws and regulations may be entitled, upon removal from such position, except for cause, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary.

(d) The Administrator, to such extent as he determines necessary, may procure supplies, services, and personal property; make contracts; expend funds appropriated, donated, or received in pursuance of contracts hereunder in furtherance of the purposes of this Act; and exercise those powers that are necessary to enable him to carry out efficiently and in the public interest the purposes of this Act.

SEC. 205. PURPOSES AND ACTIVITIES OF THE ADMINISTRATION.

(a) In order to achieve the objectives and to carry out the purposes of this Act the Administration is authorized to assist the Congress of the United States and all Federal agencies having policy and programmatic responsibilities affecting tourism.

(b) Not later than April 15, 1982, the Administrator shall develop and submit to the House Committee on Interstate and Foreign Commerce and the Senate Committee on Commerce, Science and Transportation a comprehensive and detailed tourism development plan (including the estimated funding and personnel levels required to implement such plan and alternative means of funding) to obtain the objectives and carry out the purposes of this Act.

(c) The plan developed under subsection (b) shall include, among other things, provisions for—

(1) the establishment of branch offices in foreign countries and facilitating services at United States ports-of-entry;

(2) consultation with foreign countries on travel and tourism matters and, in accordance with applicable law, and representing United States travel and tourism interests in international meetings, conferences, and expositions;

(3) participation as a party in interest in proceedings before Federal agencies when such initiation or intervention is necessary to implement or further the national tourism policy;

(4) monitoring the existing and proposed policies and programs significantly affecting tourism of all Federal agencies to ascertain whether, insofar as consistent with other public policy objectives, they are in furtherance of the objectives of the national tourism policy, and reporting the results of such monitoring activities to the Congress yearly or more frequently if necessary;

(5) monitoring the policies and programs significantly affecting tourism of all Federal agencies for the purpose of ascertaining instances of intraagency and interagency duplication or contradiction and reporting the results of its monitoring activities to the concerned agencies, and the Congress yearly or more frequently if necessary;

(6) developing and administering a comprehensive program relating to industry, information, data service, training and education, and technical assistance;

(7) developing and administering a comprehensive program relating to consumer information, protection, and education;

(8) developing a program to seek and to receive information on a continuing basis from the tourism industry, including consumer and travel trade associations, regarding needs and interest which should be met by an agency or program, and directing that information to the appropriate agency; and

(9) encouraging to the maximum extent feasible travel to and from the United States on United States carriers.

SEC. 206. ADMINISTRATIVE POWERS AND PROVISIONS.

(a) In carrying out this title, the Administrator is authorized to—

(1) enter into such contracts, agreements, or other transactions as the Administrator determines appropriate, except that in entering into any contract, agreement, or transaction the Administrator shall rely on competitive bidding to the maximum extent practicable;

(2) accept in the name of the Administration and employ or dispose of in furtherance of the objectives of this Act any money, or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(3) obtain the services of experts and consultants without regard to section 3109 of title 5 of the United States Code except that no such expert or consultant may be compensated at rates which exceed the daily equivalents of rates now or hereafter prescribed for GS-18 of the General Schedule by section 5332 of title 5 of the United States Code;

(4) accept voluntary and uncompensated services of attorneys, consultants, and experts notwithstanding any other provision of law;

(5) appoint without compensation, such advisory committees as the Administrator deems appropriate;

(6) accept and use with their consent, with or without reimbursement, such personnel, services, equipment, and facilities of agencies of the Federal Government, State governments, or local political subdivisions thereof, as are necessary to conduct the activities of the Administration efficiently; and

(7) promulgate, issue, rescind, and amend such internal administrative procedures as may be necessary to carry out the purposes of this title.

(b) Upon request made by the Administrator, each Federal agency shall—

(1) make its services, personnel, and facilities available to the greatest practicable extent to assist the Administration in the performance of its functions; and

(2) furnish to the Administration, subject to the provisions of applicable law, such information, suggestions, estimates, and statistics as the Administration may request.

(c) The Administration may not provide or arrange for transportation or accommodations for persons traveling between other countries and the United States, or between points within the United States, in competition with businesses engaged in providing or arranging for such transportation or accommodations.

(d) The General Services Administration shall furnish the Administration with such offices, equipment, supplies, and services as it is authorized to furnish to any other agency or instrumentality of the United States.

(e) The Administrator shall not enter into contracts, agreements or other transactions the time period for which extends beyond the end of the fiscal year for which appropriations have been made available for such purposes.

SEC. 207. REPORTS.

(a) Whenever the Administration submits or transmits any budget estimate, budget request, supplemental budget estimate, or other budget information, legislative recommendation, prepared testimony for congressional hearings, comment on legislation, or report required by this part to the President or to the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require the Administration to submit its budget requests or estimates, legislative recommendations, prepared testimony for congressional hearings, comments on legislation, or reports required by this title, or comments on any action by a Federal agency affecting tourism to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, comments, or reports to the Congress or to such Federal agency.

(b) The Administration shall submit an annual report for the preceding fiscal year to the President for transmittal to the Congress on or before the 31st day of December of each year. The report shall include a comprehensive and detailed report of the Administration's operations, activities, financial condition, and accomplishments and may include such recommendations as the Administration deems appropriate.

SEC. 208. FUNDING.

(a) Not later than 30 days after the date of enactment of this title, the United States Travel Service shall make available to the Administration $1,000,000 to carry out its functions in the fiscal year ending September 30, 1981.

(b) Funds made available under subsection (a) shall remain available for obligation until expended.

SEC. 209. ADVISORY BOARD.

(a) There is established the Travel and Tourism Advisory Board (hereinafter in this section referred to as the "Board") to be composed of 17 members appointed by the Administrator. The members of the Board shall be appointed as follows:

(1) Not more than 9 members of the Board shall be appointed from the same political party.

(2) The members of the Board shall be appointed from among citizens of the United States who are not regular full-time employees of the United States and shall be selected for appointment so as to provide as nearly as practicable a broad representation of different geographical regions within the United States and of the diverse and varied segments of the tourism industry.

(3) Fourteen of the members shall be appointed from senior executive officers of organizations engaged in the travel and tourism industry. Of such members—

(A) at least one shall be a senior representative from a labor organization representing employees of the tourism industry; and

(B) at least one shall be a representative of the States who is knowledgeable of tourism promotion.

(4) Of the remaining three members of the Board—

(A) one member shall be a consumer advocate or ombudsman from the organized public interest community;

(B) one member shall be an economist, statistician, or accountant; and

(C) one member shall be an individual from the academic community who is knowledgeable in tourism, recreation, or national heritage conservation.

The Administrator shall serve as an ex officio member of the Board. The duration of the Board shall not be subject to section 14(a)(2) of the Federal Advisory Committee Act. A list of the members appointed to the Board shall be forwarded by the Administrator to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Interstate and Foreign Commerce.

(b) The members of the Board shall serve for three-year terms. Vacancies on the Board shall be filled in the same manner in which the original appointments were made. No members of the Board shall be eligible to serve in excess of two consecutive terms of three years each.

(c) The Chairman and Vice Chairman and other appropriate officers of the Board shall be elected by and from members of the Board other than the Administrator.

(d) The members of the Board shall receive no compensation for their services as such, but shall be allowed such necessary travel expenses and per diem as are authorized by section 5703 of title 5, United States Code. The Administrator shall pay the reasonable and necessary expenses incurred by the Board in connection with the coordination of Board activities, announcement and reporting of meetings, and preparation of such reports as are required by subsection (f).

(e) The Board shall meet at least quarterly and shall hold such other meetings at the call of the Chairman, the Administrator, or a majority of its members.

(f) It shall be the duty of the Board to make a continuing study of the programs and activities of the Administration. Specifically, the Board shall review preliminary plans and final budget requests of the Administrator and submit its comments thereon to the President and the Congress. The Board shall prepare an annual report concerning the results of its studies of Administration activities and include therein such recommendations as it deems appropriate with respect to the performance of the Administration and the operation and effectiveness of its programs. Each annual report shall cover a fiscal year, shall be submitted on or before the 31st day of December following the close of the fiscal year, and shall be submitted to the committees referred to in subsection (a). The Board shall have the power to do those things that are necessary and proper to carry out the foregoing activities.

SEC. 210. TRANSFER OF FUNCTIONS.

(a) Not later than 180 days after the date of enactment of this Act the Administration and the United States Travel Service (hereinafter referred to as the "Travel Service") shall complete such steps as are necessary to transfer to the Administration—

(1) the assets, funds, supplies, materials, equipment, and records of the Travel Service;

(2) the rights, privileges, powers, duties, and liabilities of the Travel Service in respect to any contract, agreement, loan, account, or other obligation; and

(3) any unexpended balances of funds appropriated or otherwise accruing to the Travel Service.

The transfer of rights, privileges, powers, duties, and liabilities of the Travel Service under paragraph (2) shall not limit or extend any period of limitation otherwise applicable to the contract, agreement, loan, account, or obligation involved.

(b) Upon completion of the transfer prescribed by subsection (a), the International Travel Act of 1961 (22 U.S.C. 2121 through 2127) and the Act of July 19, 1940 (relating to the encouragement of travel) (16 U.S.C. 18 through 18d) are repealed and the United States Travel Service is abolished.

TITLE III—AMENDMENTS TO THE INTERNATIONAL TRAVEL ACT

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) The first sentence of section 6 of the International Travel Act of 1961 (22 U.S.C. 2126) is amended—

(1) by striking out "and" immediately before "(8)"; and

(2) by inserting immediately before the period at the end thereof the following: "; and (9) $8,600,000 for the fiscal year ending September 30, 1981, of which not more than—

"(A) $100,000 shall be available to carry out projects meeting the requirements of subsection (c)(1) of section 5A; and

"(B) $500,000 shall be available to carry out projects meeting the requirements of paragraph (2) of subsection (c) of section 5A.".

(b) Nothing contained in this Act shall be construed to commit the Federal Government to provide any sums for the payment of any obligation of the Administration which exceeds amounts provided in advance in appropriation Acts.

SEC. 302. FEDERAL ASSISTANCE FOR REGIONAL PROMOTION OF TOURISM.

(a) The International Travel Act of 1961 (22 U.S.C. 2121) is amended by inserting after section 5 the following new section:

"SEC. 5A. (a) The Secretary is authorized to provide financial assistance to a region of not less than two States or portions of two States to assist in the implementation of a regional tourism promotional and marketing program. Such assistance shall include—

"(1) technical assistance for advancing the promotion of travel to such region by foreign visitors;

"(2) expert consultants; and

"(3) marketing and promotional assistance.

"(b) Any program carried out under this section shall serve as a demonstration project for future program development for regional tourism promotion.

"(c)(1) An applicant for financial assistance under this paragraph for a particular region must demonstrate to the Secretary that—

"(A) such region has in the past been an area that has attracted foreign visitors, but such visits have significantly decreased;

"(B) facilities are being developed or improved to reattract such foreign visitors;

"(C) a joint venture in such region will increase the travel to such region by foreign visitors;

"(D) such regional program will contribute to the economic well-being of the region;

"(E) such region is developing or has developed a regional transportation system that will enhance travel to the facilities and attractions within such region; and

"(F) a correlation exists between increased tourism to such region and the lowering of the unemployment rate in such region.

"(2) An applicant for assistance under this paragraph shall demonstrate to the Secretary that (A) the particular region has been declared a major disaster area by the President or (B) the travel and tourism industry of the particular region has suffered severe economic damage as a result of force majeur.".

(b) The program established under section 5A(c)(2) of the International Travel Act of 1961, as added by subsection (a) of this section, shall commence not later than 30 days after the date of enactment of this title.

SEC. 303. TIME PERIOD FOR PERSONNEL REDUCTION.

Section 9 of the International Travel Act of 1961 (22 U.S.C. 2128) is amended by striking out "as of September 1, 1979, and thereafter," and substituting "during the period beginning October 1, 1980, and ending September 30, 1981,".

SEC. 304. RESTRICTIONS ON REDUCTIONS OF PERSONNEL OF FUNDS.

The International Travel Act of 1961, (22 U.S.C. 2121), is further amended by adding at the end thereof the following new section:

"SEC. 10. (a) Notwithstanding any other provision of law, the Secretary may not reduce the number of employees of the United States Travel Service in the offices of such Service in foreign countries to a number that is less than the number of authorized employees assigned to such offices in fiscal year 1979.

"(b) Notwithstanding any other provision of law, the Secretary may not reduce the amount of funds appropriated pursuant to this Act that are available for obligation to pay for the activities of the offices of the United States Travel Service in foreign countries to an amount that is less than the amout of funds that were available for obligation to pay for the activities of such offices in fiscal year 1980.".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PRESSLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE DEATH OF ALESTER G. FURMAN, JR.

Mr. THURMOND. Mr. President, recently, Alester G. Furman, Jr., one of South Carolina's outstanding businessmen, passed away ending a long and distinguished career.

Alester was a man of ambition and determination. He was a civic and community leader who, like his forefathers, contributed greatly to developing South Carolina.

Furman University, one of the finest universities in the Nation, was founded by his great-great-grandfather, Richard Furman; and Alester was chairman of its board for 11 years.

I had known Alester for many years. He was a successful businessman and a good friend. He was dedicated and sincere in his aspirations for Greenville County and for South Carolina.

Alester was born in Greenville and attended Greenville city schools and Furman Fitting School. He earned a bachelor's degree from Furman University and later received honorary doctorate degrees from Furman and Clemson Universities.

After graduation Alester joined the Army and became a commissioned second lieutenant in 1918.

Upon returning, Alester joined his father's real estate, investment, and in-

surance company, the Alester G. Furman Co., and spent his entire career in the business until his retirement as chairman in 1961.

Alester was director of the Carolina Pipeline Co., the Liberty Corp., Liberty Life Insurance Co., Piedmont Northern Railway Co., Southeastern Broadcasting Co., J. P. Stevens, Spindale Mills, Southern Bleachery Print Works Inc., Ross Builders Supplies Inc., Woodside Mills, Ottaray Textiles Inc., Greenville Hotel Co., and Greenville Community Hotel Corp.

He was also a member of the First Baptist Church in Greenville, the Poinsett Club, the University Club, and numerous other social clubs.

Mr. President, I am extremely proud to have known Alester G. Furman, Jr., and my deepest sympathy is extended to his lovely wife, Janie, and his two sons, Alester G. Furman III and Dr. J. Earle Furman, both of Greenville. I know he will be sorely missed.

In order that I might share, with my colleagues, an editorial and two articles from the Greenville News and the Charleston News & Courier about this fine man, I ask unanimous consent that these appear at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Greenville (S.C.) News, Dec. 4, 1980]

ALESTER FURMAN'S CONTRIBUTIONS

It is one thing to inherit a great name and tradition of service. It is something else to make them even greater—and to do so in such a graceful, disarming fashion that the process is barely noted at the time.

The true measure of Alester G. Furman Jr. is that he devoted his 85 years of life to improving his state, his city and the fine institutions to which the Furman name has been linked for generations. And his work, although important and effective, was unobtrusive—so much so that upon his death yesterday it was difficult to find detailed information about him in newspaper files.

It was necessary to consult with some of his associates in order to get an adequate reading of his leadership role in the affairs of Furman University, his Baptist faith, the development of the textile industry in this region and in numerous civic and cultural activities of here and elsewhere.

Details of his active work for the school that was named for his great-great-great grandfather, and his labors for the progress of this region may be found elsewhere in today's paper. They add up to a significant contribution to Greenville and to South Carolina, the fruits of a vigorous and memorable life.

And Alester Furman will be remembered as a positive force, a man of strong conviction, a lover of wholesome activities, and a warm human being whose bursts of laughter were contagious.

Many delighted in hearing his accounts of Furman football and of Augusta National golf. Many enjoyed and were helped by his informal visits and thoughtful telephone calls.

He brightened many lives, and will be missed by all of them.

[From the Charleston (S.C.) News and Courier, Dec. 4, 1980]

BUSINESSMAN A. G. FURMAN DIES AT 85

GREENVILLE.—Alester G. Furman, who served on the boards of several companies and was a board member of Furman University for 20 years, died Wednesday. He was 85.

Furman was born on April 26, 1895, in Greenville, the son of Alester Garden and Nellie Hoyt Furman.

He attended Greenville city schools and Furman Fitting School, and received a bachelor's degree from Furman University in 1914. He also held an honorary doctorate from Clemson University.

Furman was commissioned a second lieutenant in the U.S. Army in 1918.

He spent his career with the Alester G. Furman Co., a Greenville real estate, insurance and securities firm started by his father in 1888.

His great-great-grandfather, Richard Furman, founded Furman University, and Alester G. Furman Jr. was the school's board chairman for 11 years.

Furman President John E. Johns said that Furman helped the university during "years of crucial decisions and unprecedented achievement."

Furman was a member of the First Baptist Church, Greenville Country Club, Poinsett Club, Biltmore Forest Country Club in Biltmore, N.C., Augusta National Golf Club, the University Club and the Merchants Club, both in New York.

He served as a director of the Liberty Corp., Carolina Pipeline Co., Piedmont & Northern Railway Co., J. P. Stevens & Co., Southeastern Broadcasting Co., Ross Builders Supplies, Spindale Mills, and others.

Surviving are: his widow, Janie Earle Furman; two sons, Alester G. Furman III and Dr. J. Earle Furman, both of Greenville; four sisters, Mrs. Robert W. Hudgens of Mount Dora, Fla., Mrs. Broadus Bailey and Mrs. Walter H. Arnold, of Greenville, Mrs. J. J. Westbrook of Atlanta; eight grandchildren and eight great-grandchildren.

Services are scheduled for 4 p.m. Thursday at the First Baptist Church. Burial will be in Springwood Cemetery.

[From the Greenville (S.C.) News, Dec. 4, 1980]

GREENVILLE'S GROWTH THE LEGACY OF FURMAN

Alester G. Furman Jr., whose work in the 1940s and 1950s spurred economic development in the Greenville area and turned Furman University into a modern institution, died Wednesday. He was 85.

"He was probably the most forward-looking, youngest person I ever knew," recalled Max Heller, former Greenville mayor and now chairman of the State Development Board.

Services for Furman will be at 4 p.m. Thursday at First Baptist Church. Burial will be in Springwood Cemetery.

Furman was born to an venerable Greenville family. His father was a successful businessman and civic leader.

Furman's great-great grandfather, Richard Furman, was a Revolutionary War hero and a leader in organizing the American Baptist Convention. Furman University was named after Richard Furman, and James C. Furman, Alester Furman's great-grandfather, was the first president of the school.

Yet, Furman did not satisfy himself with the past. Instead, he helped change the economic and educational environment of the region.

"It's hard to believe now, but there weren't really any new plants built around here from the 1920s through World War II," recalled Robert S. Small, chairman of Dan River Inc. "Unemployment, as we figure it now, was probably 20 to 25 percent."

But Furman helped remove that blight, said Small.

"I don't know anyone who has contributed more in developing the upper part of South Carolina," Small said. "He and Charlie Daniel (founder of Daniel International Corp.) were our ambassadors of good will for South Carolina before there was a State Development Board. They were sort of the unofficial State Development Board."

Daniel and Furman crisscrossed the nation, touting the state's benefits to industrialists and bankers.

Through his real estate, investment and insurance company, Furman helped develop the textile industry in the area. He sold stocks, founded and procured sites and served as a director for textile companies.

Burlington Industries, J. P. Stevens & Co. Inc. and some concerns that became part of Dan River are among the many companies that Furman assisted. The Furman plant of the Woodside division of Dan River was named in his honor.

"He served with distinction on our board of directors for many years and played a leading role in the growth of the company in Greenville, which is now the center of its manufacturing operations," said Whitney Stevens, chairman and chief executive officer of J. P. Stevens. "He was always available, interested and enthusiastic. His many contributions and wise counsel will long be remembered in the company."

However, his business interests did not stop in textiles. He served as a director of life insurance, energy and transportation companies. He helped form Southeastern Broadcasting Co., which eventually became the broadcast arm of Multimedia Inc.

In addition to his business ventures, Furman contributed his time and money to Furman University. He served as a university trustee for 20 years and as trustee chairman for 11, from 1947–53 and 1955–59.

FURMAN UNIVERSITY

He led the university during its decision to abandon its downtown campus and to move to its present location between Greenville and Travelers Rest.

Recently, his family donated $650,000 to build an infirmary at the university.

John E. Johns, Furman president, said Wednesday that "the steady hand of Alester Furman Jr. helped Furman University during years of crucial decisions and unprecedented achievement. He was a guiding force in raising funds to construct the new campus."

The university named an administration building after Furman in 1969 and appointed him to the university's hall of fame in 1970.

Johns added, "Alester Furman Jr. remained devoted to Christian higher education and used his business talents, his material resources and his life to make Furman University a stronghold in this endeavor.

"Furman University will always remember Alester G. Furman Jr. for his tireless concern for people, his college, his church and his community. He was not only an outstanding leader, generous benefactor and wise counselor, but also was a man of delightful wit and personal warmth."

Furman spent his entire business career with the Alester G. Furman Co., a Greenville real estate company started by his father in 1888. He retired as chairman of the company Jan. 1, 1961, but he remained active in the local community.

"I really looked to him and received some very good common-sense advice when I was mayor," Heller recalled. Heller said Furman offered encouragement on many civic projects, including downtown redevelopment.

"I'm a youngster, and he always was interested in what Liberty and I were doing," said Macon G. Patton, president of the Liberty Corp. and a neighbor of Furman's. "He was an elegant gentleman whose financial mind and sense of history will be sorely missed."

Through his business and civic dealings, Furman also touched a long list of people who remembered him Wednesday as a friend.

"He was very warm, loyal person," Small said. "A person who enjoyed the better things of life."

"He was a fine friend," said Patton. "I was never with him when he didn't have a yarn to tell."

Wilson C. Wearn, president of Multimedia, called Furman "a very, very fine man. He was a very public-spirited citizen."

Gov. Dick Riley said Furman's "active support and involvement in cultural, civic and business affairs in Greenville County and throughout the state of South Carolina will be missed."

DISTINGUISHED GENTLEMAN

Sen. Strom Thurmond, R-S.C., called Furman a "fine, distinguished gentleman."

Thurmond noted that Furman "was a great supporter of humanities, civic and cultural activities in his community, and his contributions benefited countless individuals." An aide to Thurmond said the senator plans to enter a statement about Furman into the Congressional Record.

Furman himself summed up his life's philosophy in a newspaper interview shortly after his retirement. "The only value a man can take with him is what he has given away in time, talents and money."

Furman was born in Greenville on April 26, 1895, to the late Alester Garden and Nellie Hoyt Furman. He lived at 6 Woodland Way Circle.

A graduate of city schools and the Furman Fitting School, he received a bachelor's degree from Furman University in 1914. He received an honorary LL.D. bachelor's degree from Furman University in 1914. He holds an honorary LL.D. degree from Clemson University.

A commissioned second lieutenant in the Army, he served in World War I.

Furman was a member of the First Baptist Church, numerous social clubs, was past president of the Greenville Community Chest, chairman of the state's Citizens Committee for Navy Relief in 1942 and campaign chairman for the South Carolina United Fund in 1955.

He served as a director of Carolina Pipeline Co., the Liberty Corp., Liberty Life Insurance Co., Piedmont and Northern Railway Co., Southeastern Broadcasting Co., J. P. Stevens, Spindale Mills, Southern Bleachery & Print Works Inc., Ross Builders Supplies Inc., Woodside Mills, Ottaray Textiles Inc., Greenville Hotel Co., and Greenville Community Hotel Corp.

Surviving Furman are his widow, Janie Earle Furman; two sons, Alester G. Furman III and Dr. J. Earle Furman of Greenville; four sisters, Mrs. Robert W. Hudgens of Mount Dora, Fla., Mrs. Broadus Bailey and Mrs. Walter H. Arnold of Greenville and Mrs. J. J. Westbrook of Atlanta, Ga.; eight grandchildren and eight great-grandchildren.

THE TREATMENT OF THE FORMER HOSTAGES IN IRAN

Mr. THURMOND. Mr. President, if the reports that have reached us concerning the treatment of the 52 Americans held hostage by Iran are true, the conduct of the Iranians is inexcusable. It is a violation of international law and contrary to all standards of civilized conduct. Iran must be held accountable for such acts of savagery.

In due course, the Senate will conduct its own investigation of this matter. In so doing, we in this body have a responsibility to the former hostages, to their families, to the American people, and to freedom-loving peoples throughout the world to reveal all the facts surrounding the holding of these Americans. We also have a responsibility to derive from our study of this incident appropriate measures to avoid such situations in the future.

IN MEMORIAM: OLIN E. TEAGUE

Mr. CRANSTON. Mr. President, I rise sad of heart to note the passing last Friday of a great American, Olin E. "Tiger" Teague. Tiger was buried today and appropriately memorialized at Arlington National Cemetery.

I have known Tiger Teague from my earlier days in the Congress. We met in 1970 when I, as a freshman Senator chairing a subcommittee on Veterans' Affairs, and he, as the longstanding champion of veterans' needs, at that point having already served as chairman of the House full committee for 16 years, met to try to resolve GI bill legislation on which our committees were deadlocked. We were able then to settle our differences amicably and productively, and we were able to do so on numerous veterans bills and issues during the next 9 years until his retirement at the end of the 95th Congress.

We became good friends and constant allies in our shared commitment to do the best we could to maintain strong veterans' programs.

The young Tiger Teague spent 2 years recovering from combat wounds at the hospital which became the Temple, Tex., VA hospital and is now part of the VA center there. In 1978, Congress most appropriately named this center after him.

Immediately upon coming to the Congress in 1946, Tiger Teague began to fight for benefits to aid veterans and their families to return to civilian life. He chaired a special inquiry into GI bill abuses which led to corrective legislation for veterans returning from the Korean conflict. This concern for veterans' educational benefits has always been a matter of special emphasis for him. Although we were not always in agreement on the issues, whenever the Senate approached him on GI bill matters, he was always willing to examine and discuss changes to improve the program.

Olin Teague also had a tremendous influence on the medical program of the Veterans' Administration and on other veterans benefits programs. He led the way in preserving an independent VA Department of Medicine and Surgery in the 1973–74 period of great travail and controversy arising out of the disagreements between the Administrator of Veterans' Affairs and the Chief Medical Director; he then went on to pledge and provide consistent support to each of their successors in the agency.

He began a campaign—still moving forward today—which has, since fiscal year 1972, already resulted in adding more than 52,000 new VA health-care workers to bring VA hospital staffing ratios into line with those in community hospitals.

I know of no Member of Congress whose influence has been so enduring or so dominant in a particular field than Olin Teague's was in veterans' affairs for 32 years. It is for this reason that he was the first person outside of the VA to receive the Veterans' Administration's highest honor, the Exceptional Service Award, and why the Administrator of Veterans' Affairs went on to establish in late 1978 the Olin E. Teague Award to be made annually to the VA employee or team of employees whose accomplishments in the area of rehabilitation involve an outstanding improvement in the quality of life for war-injured veterans or contribute in an outstanding manner to rehabilitation. As a highly decorated, service-disabled World War II veteran with so strong a record of successful efforts on behalf of war disabled veterans, Tiger was surely the most appropriate honoree for the establishment of this award.

But his imprint on American life and public policy extended well beyond the field of veterans' affairs; indeed, as chairman of the House Committee on Science and Technology for 6 years, he left an equally indelible imprint on the space program. Although we did not agree in our approaches on some of the numerous issues confronting us in Congress, this was not the case with respect to our Nation's space program. There, as in the field of veterans' affairs, we shared a common vision and commitment.

Olin Teague's enormous contributions to our space effort were chronicled in the remarks of NASA Administrator Robert Frosh upon presenting Chairman Teague with that agency's distinguished public service medal in October 1978. The Administrator characterized Mr. Teague as "unique in the depth of his knowledge of the space program * * *"; as having made "unequaled contributions to the * * * program * * *"; and as having literally "saved the program" "through his dynamic leadership" after the fatal 1967 Apollo fire. An area where we have been strong allies has been in the persistent advocacy of the Space Shuttle, and I wish that Tiger could be with us to witness personally the culmination of this enormous undertaking expected later this year.

The common thread tying together Chairman Teague's great deeds regarding veterans affairs and the space program is love of country—the abiding and passionate theme that runs through his public career spanning four decades. His service to country continued long after his highly decorated service in World War II ended. His achievements will long endure.

Few men or women pass through our world and really make a difference. Tiger Teague truly did, and millions of veterans, his many friends, and his dear family join with me today in grief, in fond memory, and in lasting tribute to this extraordinary pioneer, patriot, and public servant.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate on January 22, 1981, the Secretary of the Senate on January 23 and January 26, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on January 23 and 26, 1981, are printed at the end of the Senate proceedings.)

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary reported that on January 23, 1981, he had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 16. Joint resolution designating January 20, 1981 as "A Day of Thanksgiving To Honor Our Safely Returned Hostages".

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WEICKER, from the Select Committee on Small Business, without amendment:

S. Res. 34. An original resolution authorizing expenditures by the Select Committee on Small Business; referred to the Committee on Rules and Administration.

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. 272. An original bill to increase the membership of the Joint Committee on Printing (Rept. No. 97–2).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 35. An original resolution authorizing expenditures by the Committee on Rules and Administration (Rept. No. 97–3).

S. Res. 36. An original resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee of Congress on the Library.

S. Res. 37. An original resolution to pay a gratuity to Nola E. Clark.

S. Res. 38. An original resolution to pay a gratuity to Joseph A. Cross.

By Mr. PERCY, from the Committee on Foreign Relations, without amendment:

S. Res. 39. An original resolution authorizing additional expenditures by the Committee on Foreign Relations for inquiries and investigations (Rept. No. 97–4).

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR THE PERIOD FROM OCT. 13 TO 17, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Lowell Weicker, Jr.: Cuba	Peso	225.55	320.00					225.55	320.00
Robert I. Wickhard: Cuba	Peso	225.55	320.00					225.55	320.00
Steven H. Moore: Cuba	Peso	225.55	320.00					225.55	320.00
Total									960.00

Note: Transportation paid for out of committee funds.

Dec. 31, 1980.

WARREN G. MAGNUSON,
Chairman, Committee on Appropriations.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR THE PERIOD FROM OCT. 1 TO DEC. 31, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Edward B. Kenny:									
England	Pound	251.26	617.03		(1)			251.26	617.03
Germany	Deutsche mark	395	209.00		(1)			395	209.00
James R. Locher:									
Saudi Arabia	Riyal				(1)				
Oman	Riyal	21.865	63.93		(1)			21.865	68.93
Jordan	Dinar	27.280	88.00		(1)			27.280	88.00
Israel	Shekel		270.00		(1)				270.00
Lebanon	Pound	52.500	75.00		(1)			52.500	75.00
Senator Carl Levin:									
Saudi Arabia	Riyal				(1)				
Oman	Riyal	21.263	62.09		(1)			21.263	62.09
Jordan	Dinar	19	61.18		(1)			19	61.18
Israel	Dollar		269.81		(1)				269.81
Egypt	Pound	37.96	54.28		(1)			37.95	54.28
Peter Lennon:									
Saudi Arabia	Riyal	13	3.93		(1)			13	3.93
Oman	Riyal	22.208	64.84		(1)			22.208	64.84
Jordan	Dinar	27.280	88.00		(1)			27.280	88.00
Israel	Dollar		270.00		(1)				270.00
Egypt	Pound	52.500	75.00		(1)			52.500	75.00
Transportation round trip from Washington, D.C., to Saudi Arabia and from Egypt to Washington, D.C.: [2]									
James Locher					1,647.00				1,647.00
Carl Levin					1,636.00				1,636.00
Peter Lennon					1,636.00				1,636.00
Total			2,272.09		4,919.00				7,191.09

[1] Transportation provided by Department of Air Force.

[2] Transportation between countries provided by Department of Air Force.

Jan. 7, 1981.

JOHN TOWER,
Chairman, Committee on Armed Services.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC 22, PUBLIC LAW 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR THE PERIOD FROM OCT. 1 TO DEC. 31, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Joseph R. Biden: Germany	Mark	214.13	123.78					214.13	123.78
M. Graeme Bannerman:									
England	Pound	160.58	380.40					160.58	380.40
Saudi Arabia	Rial	2,566.20	780.00					2,566.20	780.00
Pakistan	Rupee	6,543.90	661.00					6,543.90	661.00
India	Rupee	3,482	450.00					3,482.00	450.00
Nepal	Rupee	635	75.00					635.00	75.00
United States	Dollar				2,728.20				2,728.20
William J. Barnds:									
England	Pound	160.58	380.40					160.58	380.40
Saudi Arabia	Rial	2,566.20	780.00					2,566.20	780.00
Pakistan	Rupee	6,266.70	633.00					6,266.70	633.00
India	Rupee	4,065.50	525.00					4,003.50	525.00
United States	Dollar				2,471.80				2,471.80
Gerald B. Christianson:									
United States	Dollar				191.85				191.85
Canada	Dollar	126.56	109.21	27.00	23.31			153.66	132.64
John B. Ritch:									
Egypt	Egyptian pound	210	300.00					210	300.00
Saudia Arabia	Rial	1,961	596.00					1,961	596.00
Oman	Rial	76.94	255.00					76.94	255.00
Pakistan	Rupee	1,770	177.00					1,770	177.00
Israel	Dollar		75.00						75.00
Belgium	Belgian franc	3,391	117.00					3,391	117.00
United Kingdom	Pound	212.56	516.00					212.56	516.00
West Germany	Marks	349.60	190.00					349.60	190.00
France	Franc	1,994.00	468.00					1,994	468.00
United States	Dollar				2,679.00				2,679.00
Total			7,611.91		8,094.16				15,076.07

Dec. 12, 1980.

FRANK CHURCH,
Chairman, Committee on Foreign Relations.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95–384—22 U.S.C. 1754(b), U.S. SENATE DELEGATION TO THE NORTH ATLANTIC ASSEMBLY, FOR THE PERIOD FROM JUNE 5 TO 8, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Charles H. Percy: Luxembourg	U.S. dollar		279.00						279.00
John B. Ritch: Luxembourg	U.S. dollar		372.00		38.00				410.00
Delegation expenses							43.95		43.95
Alexander Crary: Portugal	U.S. dollar		450.00		689.00				1,139.00
Total			1,101.00		727.00		43.95		1,871.95

Dec. 12, 1980.

FRANK CHURCH,
Chairman, Committee on Foreign Relations.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95–384—22 U.S.C. 1754(b), ENERGY AND NATURAL RESOURCES COMMITTEE FOR THE PERIOD FROM OCT. 1 TO DEC. 31, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Patricia M. Hoff: Netherlands	Guilder	3,941	1,995.00		750.00				2,745.00
Michael D. Hathaway: France	Franc	1,544	351.00		2,610.00				2,961.00
George G. Dowd: France	Franc	2,059	468.00		2,610.00				3,078.00
Daniel A. Dreyfus:									
Australia and Papua New Guinea	Dollar	1,260.83	1,496.00	1,610.46	1,897.70				3,393.70
New Zealand	Dollar	226.86	223.12			97.72	96.10		319.22
Willis D. Smith:									
Australia	Dollar	1,258.30	1,491.00	1,186.66	1,303.88				2,894.88
New Zealand	Dollar	226.86	223.12			97.72	96.10		319.22
James P. Beirne:									
Australia and Papua New Guinea	Kina and dollar	[1] 1,304.13	1,548.00			[2] 713.34	1,094.00		2,642.00
Fiji	Dollar	116.97	150.00						150.00
Total			7,945.24		9,261.58		1,286.20		18,493.02

[1] Australian dollar.

[2] Kina.

Dec. 31, 1980.

HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95–384—22 U.S.C. 1754(b), OFFICE OF THE MINORITY LEADER FOR THE PERIOD FROM NOV. 28 TO DEC. 12, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Frederick M. Bernthal:									
United Kingdom	Pound	296	700.00		1,471.40			296	700.00
France	Franc	3,426	660.00					3,426	660.00
G. Cranwell Montgomery: Republic of Korea	Won	234,248	356.00	13,160	20.00			234,248	356.00
Total			1,716.00		1,491.40				1,716.00

Dec. 19, 1980.

HOWARD H. BAKER, JR.,
Minority Leader.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-235. A communication from the Deputy Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Food Stamp Act of 1977 to control food stamp program spending, to improve food stamp administrative procedures, and to extend appropriations authority without specific dollar limitations while continuing to limit expenditures to available funds; to amend the Agriculture and Consumer Protection Act of 1973, to extend and improve the commodity distribution programs; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC-236. A communication from the Deputy Secretary of Agriculture, transmitting a draft of proposed legislation to amend certain provisions of the child nutrition programs authorized by the National School Lunch Act and the Child Nutrition Act of 1966; to the Committee on Agriculture, Nutrition, and Forestry.

EC-237. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to Egypt for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-238. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to Saudi Arabia for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-239. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Opportunities Still Exist for the Army to Save Millions Annually Through Improved Retail Inventory Management"; to the Committee on Armed Services.

EC-240. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the annual report of the Reserve Forces Policy Board for fiscal year 1980; to the Committee on Armed Services.

EC-241. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report with respect to a study with respect to converting the military family housing maintenance function at Blytheville Air Force, Arkansas, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-242. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the military family housing maintenance function at Tyndall Air Force Base, Florida, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-243. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on a construction project to be undertaken by the Air Force Reserve; to the Committee on Armed Services.

EC-244. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 5519 of title 5, United States Code, relating to crediting amounts received for certain reserve or National Guard service; to the Committee on Armed Services.

EC-245. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for annual adjustments of retired and retainer pay to reflect changes in the Consumer Price Index; to the Committee on Armed Services.

EC-246. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Urban Mass Transportation Act of 1964 to provide authorizations for appropriations and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-247. A communication from the Secretary of Commerce, transmitting, pursuant to law, the 1978-1979 Biennial Report of the National Sea Grant College Program; to the Committee on Commerce, Science, and Transportation.

EC-248. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on his identification of a specific materials needs case "related to national security, economic well-being, and industrial production" to be completed by the Department of Commerce by October 1981; to the Committee on Commerce, Science, and Transportation.

EC-249. A communication from the Administrator of the United States Environmental Protection Agency, transmitting, pursuant to law, the annual report on the review of the Department of Energy's conservation and solar energy programs for calendar year 1980; to the Committee on Energy and Natural Resources.

EC-250. A communication from the Secretary of Transportation, transmitting, pursuant to law, a revised estimate of the cost of completing the National System of Interstate and Defense Highways for fiscal years 1983 and 1984; to the Committee on Environment and Public Works.

EC-251. A communication from the Secretary of Transportation, transmitting, pursuant to law, the second progress report on the Highway Cost Allocation Study; to the Committee on Environment and Public Works.

EC-252. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "The Status of the Nation's Highways: Conditions and Performance"; to the Committee on Environment and Public Works.

EC-253. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966 to authorize appropriations, and for other purposes; to the Committee on Environment and Public Works.

EC-254. A communication from the Administrator of the United States Environmental Protection Agency, transmitting, pursuant to law, a report prepared by the National Academy of Sciences on the availability of technology for controlling airborne particulate matter; to the Committee on Environment and Public Works.

EC-255. A communication from the Chairman of the United States International Trade Commission, transmitting, pursuant to law, the twenty-fourth quarterly report on trade between the United States and nonmarket economy countries; to the Committee on Finance.

EC-256. A communication from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to obtain certain services and facilities and incur certain administrative expenditures, and for other purposes; to the Committee on Finance.

EC-257. A communication from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the United States Customs Service for fiscal years 1982 and 1983; to the Committee on Finance.

EC-258. A communication from the Acting United States Trade Representative, transmitting, pursuant to law, the semiannual report on the enforcement of United States rights under trade agreements and for response by the United States to unfair trade practices of foreign governments which burden or restrict United States commerce for the period July 1 through December 31, 1980; to the Committee on Finance.

EC-259. A communication from the Assistant Secretary of the Treasury, transmitting, pursuant to law, a report on the activities of multilateral development banks in the development of renewable energy resources in developing countries; to the Committee on Foreign Relations.

EC-260. A communication from the Secretary of State, transmitting, pursuant to law, the twenty-eighth report on the extent and disposition of United States contributions to international organizations covering fiscal year 1979; to the Committee on Foreign Relations.

EC-261. A communication from the Secretary of the Treasury, transmitting drafts of proposed legislation to provide for continuous participation by the United States in the International Bank for Reconstruction and Development, and for other purposes; and to provide for continuing participation by the United States in the International Development Association, to provide for United States participation in the African Development Bank, and for other purposes; to the Committee on Foreign Relations.

EC-262. A communication from the Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, a report reflecting the President's review of all activities during calendar year 1980 of Government departments and agencies relating to preventing proliferation of nuclear explosives; to the Committee on Foreign Relations.

EC-263. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 21, 1980; to the Committee on Governmental Affairs.

EC-264. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on November 21, 1980; to the Committee on Governmental Affairs.

EC-265. A communication from the Director of the Office of Inspector and Auditor, Nuclear Regulatory Commission, transmitting, pursuant to law, notice of a revised manual chapter on the utilization of consultants subsequent to the issuance of the report of the audit report of the Commission on September 20, 1977; to the Committee on Governmental Affairs.

EC-266. A communication from the Chairman of the Copyright Royalty Tribunal, transmitting, pursuant to law, the annual report of the Tribunal for fiscal year 1980; to the Committee on the Judiciary.

EC-267. A communication from the Secretary of the Foundation of the Federal Bar Association, transmitting, pursuant to law, the audit report of the Foundation for fiscal year 1980; to the Committee on the Judiciary.

EC-268. A communication from the Chairman of the Board of Directors and the Executive Director of the Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the fifth annual report of the Corporation covering fiscal year 1979; to the Committee on Labor and Human Resources.

EC-269. A communication from the Secretary of Labor, transmitting, pursuant to law, the annual report on the administration of the Employee Retirement Income Security Act of 1974 (ERISA) for calendar year 1979; to the Committee on Labor and Human Resources.

EC-270. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the seventh annual report of the Emergency Medical Services Program covering fiscal year 1980; to the Committee on Labor and Human Resources.

EC-271. A communication from the President of the Legal Services Corporation, transmitting, pursuant to law, the detailed budget request of the Corporation for fiscal year 1982; to the Committee on Labor and Human Resources.

EC-272. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on minimum wage and maximum hours under the Fair Labor Standards Act; to the Committee on Labor and Human Resources.

EC-273. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on the administration of the Black Lung Benefits Program; to the Committee on Labor and Human Resources.

EC-274. A communication from the Administrator of the Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to eliminate provision of outpatient dental treatment for service-connected noncompensable dental conditions which are unrelated to service trauma or prisoner-of-war status; to the Committee on Veterans' Affairs.

EC-275. A communication from the Administrator of the Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to terminate the authority for the pursuit of flight training programs by veterans and for the pursuit of correspondence training by veterans, spouses, and surviving spouses, and for other purposes; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-6. A petition from a citizen of Mount Vernon, New York, favoring the immediate and rapid building of a U.S. Navy to protect our national security; to the Committee on Armed Services.

POM-7. A petition from a citizen of Aberdeen, South Dakota, favoring the building of the Cruise missile, a new nuclear aircraft carrier, the neutron bomb and the B-1 bomber; to the Committee on Armed Services.

POM-8. A resolution of the City Council of Parma, Ohio, opposing Federal preemption of local ordinances and state laws on transportation of radioactive materials; to the Committee on Environment and Public Works.

POM-9. A grievance petition filed by Orlan A. Saucke, vs. Ronald Reagan regarding wrongful use of taxpayer funds in the 1980 Presidential race; to the Committee on the Judiciary.

POM-10. A petition from a citizen of North Miami, Florida, regarding the appointment of certain individuals in the Reagan Administration; to the Committee on Labor and Human Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STEVENS:

S. 253. A bill to increase the numbers of members of the Commission on Wartime Relocation and Internment of Civilians.

By Mr. SCHMITT:

S. 254. A bill to authorize public land States to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS (for himself, Mr. ROBERT C. BYRD, Mr. THURMOND, Mr. PERCY, and Mr. DECONCINI):

S. 255. A bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product; to the Committee on the Judiciary.

By Mr. BOREN:

S. 256. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that a member of the armed forces maintain a household in the United States to be eligible for an earned income credit; to the Committee on Finance.

By Mr. BOREN:

S. 257. A bill to amend the Internal Revenue Code to allow armed forces more time to reinvest the proceeds of sale of a principal residence without recognition of gain when they have served on extended active duty outside the United States; to the Committee on Finance.

By Mr. BOREN (for himself, Mr. BAUCUS, Mr. D'AMATO, Mr. DOLE, Mr. EXON, Mr. GARN, Mr. HEFLIN, Mr. LEVIN, Mr. RANDOLPH, Mr. ROTH, and Mr. SCHMITT):

S. 258. A bill to authorize the President to present on behalf of the Congress specially struck gold medals to certain former hostages and the survivors of certain deceased U.S. servicemen; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GOLDWATER (for himself, Mr. DECONCINI, Mr. HAYAKAWA, Mr. INOUYE, Mr. JEPSEN, Mr. LAXALT, Mr. LUGAR, Mr. MCCLURE, Mr. PRESSLER, Mr. THURMOND, and Mr. PRYOR):

S. 259. A bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 and older; to the Committee on Finance.

By Mr. SIMPSON:

S. 260. A bill to amend title 28 of the United States Code to allow for the holding of Federal district court in Jackson, Wyoming; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 261. A bill for the relief of Remigio Aquino and his wife Ines Aquino; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 262. A bill for the relief of Dolly Akers, Fort Peck Indian Reservation, Montana; to the Select Committee on Indian Affairs.

By Mr. MELCHER:

S. 263. A bill for the relief of Basile Christopoulos and Maria Christopoulos, husband and wife, and George Christopoulos, their son; to the Committee on the Judiciary.

By Mr. HUDDLESTON (for himself, Mr. RANDOLPH, Mr. FORD, Mr. ZORINSKY, and Mr. HEINZ):

S. 264. A bill to amend Title 23, United States Code, to authorize Federal-aid highway programs; to the Committee on Environment and Public Works.

By Mr. PERCY (for himself, Mr. HELMS, and Mr. HATFIELD):

S. 265. A bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

By Mr. PERCY (for himself, Mr. COHEN, Mr. DURENBERGER, and Mr. PROXMIRE):

S. 266. A bill to establish a Federal Interagency Medical Resources Committee to ensure the most efficient and effective use of Federal direct Health care resources; to the Committee on Governmental Affairs.

By Mr. DECONCINI (for himself and Mr. THURMOND):

S. 267. A bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S. 268. A bill to amend the Internal Revenue Code of 1954 to encourage individuals to invest in the stock of domestic corporations by allowing a 10-percent income tax credit for such investments; to the Committee on Finance.

By Mr. DOLE (for himself and Mr. DECONCINI):

S. 269. A bill to amend title 28, United States Code, relating to federal court jurisdiction, and for certain other purposes; to the Committee on the Judiciary.

By Mr. SCHMITT (for himself, Mr. PACKWOOD, Mr. GOLDWATER, Mr. PRESSLER, Mr. STEVENS, Mr. CANNON, and Mr. HOLLINGS):

S. 270. A bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain radio services and to provide certain deregulation of such radio services, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GOLDWATER (for himself, Mr. PACKWOOD, Mr. SCHMITT, Mr. PRESSLER, Mr. STEVENS, Mr. CANNON, Mr. HOLLINGS, and Mr. INOUYE):

S. 271. A bill to repeal section 222 of the Communications Act of 1934; to the Committee on Commerce, Science, and Transportation.

By Mr. MATHIAS:

S. 272. An original bill to increase the membership of the Joint Committee on Printing; from the Committee on Rules and Administration.

By Mr. RIEGLE:

S. 273. A bill for the relief of William Vojislav Rankovic, Stanislava Rankovic, husband and wife; and William Rankovic, Junior, and Natalie Rankovic, their children; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 274. A bill for the relief of Samson Kossivi Epadenou, doctor of medicine; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 275. A bill for the relief of Dante Soriano Loo and Rhodora Guerrero Loo, his wife; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 276. A bill for the relief of Roger Eric Lord; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 277. A bill for the relief of Luzbella Y. Imasa, doctor of medicine; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 278. A bill for the relief of Hun Sik Sanderson; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 279. A bill for the relief of Eduardo Velesco Barlan, doctor of medicine; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 280. A bill for the relief of Yaeko Howell; to the Committee on the Judiciary.

By Mr. RIEGLE:

S. 281. A bill for the relief of Anita Tavares Dy; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 282. A bill for the relief of Ammara Reitz; to the Committee on the Judiciary.

By Mr. McCLURE:

S. 283. A bill for the relief of Ashok Amarahi; to the Committee on the Judiciary.

By Mr. BAUCUS:

S. 284. A bill to amend title 28, United States Code, with respect to the litigation authority of the Attorney General, to require the Attorney General to report on Federal case management, to require the Attorney General to provide status reports on certain cases referred to the Department of Justice, and to require the Attorney General to report to Congress regarding possible unconstitutional provisions of law; to the Committee on the Judiciary.

By Mr. BAUCUS:

S. 285. A bill to amend title 28 of the United States Code to require the Attorney General to transmit reports to the Congress summarizing any position of the Attorney General that any provision of law is unconstitutional and is not to be enforced or defended by the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. THURMOND (by request):

S. 286. A bill to authorize certain construction at military installations for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

By Mr. HEINZ:

S. 287. A bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities; to the Committee on Finance.

By Mr. CRANSTON:

S. 288. A bill to provide for the extension of the authorization of appropriations for title X of the Public Health Service Act; to the Committee on Labor and Human Resources.

By Mr. TOWER (for himself and Mr. BENTSEN):

S. 289. A bill to amend the Securities Exchange Act of 1934 to provide margin requirements in transactions involving the acquisition of securities of certain United States corporations by non-United States persons where such acquisition is financed by non-United States lenders; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MELCHER:

S. 290. A bill entitled the "Reye's Syndrome Act of 1981"; to the Committee on Labor and Human Resources.

By Mr. WILLIAMS (for himself and Mr. GLENN):

S. 291. A bill to amend title XII of the National Housing Act to establish national standards in order to reduce incendiarism and maintain community vitality, and to encourage States to adopt minimum standards for arson investigation and insurance underwriting; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BAUCUS:

S. 292. A bill to amend title XVIII of the Social Security Act with respect to judicial review of a decision by the Provider Reimbursement Review Board; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 293. A bill to amend the Food Stamp Act of 1977 to prohibit any household from participating in the food stamp program if such household has one or more members on strike as a result of a labor dispute; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GLENN (for himself, Mr. BOREN, Mr. BRADLEY, Mr. CHAFEE, Mr. DODD, Mr. FORD, Mr. HEFLIN, Mr. JACKSON, Mr. KENNEDY, Mr. MATSUNAGA, Mr. MELCHER, Mr. MOYNIHAN, Mr. PRYOR, Mr. RIEGLE, Mr. SARBANES, and Mr. WILLIAMS)

S. 294. A bill to establish an interagency Committee on Arson Control to coordinate Federal anti-arson programs, to amend certain provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; to the Committee on Governmental Affairs.

By Mr. FORD:

S. 295. A bill for the relief of Dr. Bonifacio B. Aranas, Mrs. Belen Aranas, and their children, Ethyl Aranas, Eileen Aranas, Bonifacio Amores, M.D.; to the Committee on the Committee on the Judiciary.

By Mr. RANDOLPH:

S. 296. A bill for the relief of Alfonso Amores, M.D.; to the Committee on the Judiciary.

S. 297. A bill for the relief of Jose Y. Auditor, M.D.; to the Committee on the Judiciary.

S. 298. A bill for the relief of Pablo Esquerra, Jr., M.D.; to the Committee on the Judiciary.

S. 299. A bill for the relief of Alberto A. Fernandez, M.D.; to the Committee on the Judiciary.

S. 300. A bill for the relief of Manuel P. Franco, M.D.; to the Committee on the Judiciary.

S. 301. A bill for the relief of Marietta Dizon Pamintuan; to the Committee on the Judiciary.

S. 302. A bill for the relief of Mr. Francis S. Suarez and his wife, Maria E. Suarez, M.D.; to the Committee on the Judiciary.

S. 303. A bill for the relief of Maria Luna Tan, M.D.; to the Committee on the Judiciary.

By Mr. PRESSLER (for himself, Mr. WARNER, Mr. BAKER, Mr. PACKWOOD, Mr. INOUYE, Mr. CANNON, Mr. EXON, Mr. LONG, Mr. GOLDWATER, Mr. HOLLINGS, Mr. FORD, Mr. KASTEN, Mr. HEFLIN, Mr. SCHMITT, Mr. RANDOLPH, Mr. DURENBERGER, Mr. PRYOR, Mr. STAFFORD, Mr. WILLIAMS, Mr. HAYAKAWA, Mr. HUDDLESTON, Mr. SASSER, and Mr. ABDNOR):

S. 304. A bill to establish a national tourism policy and an independent Government agency to carry out the national tourism policy.

By Mr. PRESSLER:

S. 305. A bill to ensure the protection of state water interests; to the Committee on Environment and Public Works.

By Mr. BOREN:

S.J. Res. 21. Joint resolution proposing an amendment to the Constitution of the United States to establish a ten year term of office for Federal Judges; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SCHMITT:

S. 254. A bill to authorize public land States to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes; to the Committee on Energy and Natural Resources.

PRESERVING STATE LAND HOLDINGS

● Mr. SCHMITT. Mr. President, I am introducing today legislation designed to insure that New Mexico and other public land States are fairly compensated for the loss of State lands when the Federal Government acquires lands for military and other uses within the boundaries of that State.

This particular problem has a long history in my own State of New Mexico arising out of military acquisition of State lands during World War II, and with new problems being created today as the Federal Government seeks to acquire lands for other purposes such as a nuclear waste disposal facility.

There are approximately 78 million acres of land within the borders of New Mexico of which approximately 26 million acres are federally owned, 13 million State owned, and the remainder are privately owned. Of the Government holdings there are about 3 million acres in military reservations which were taken from the public domain, State lands and private land owners.

In addition, the Federal Government presently leases thousands of acres of lands, many leases held under long-term commitments. The majority of the lease lands in New Mexico were acquired during World War II.

At that time it was assumed by both parties that the lands would be returned to the State after the war, therefore, the takings were for 5 years with options to renew annually. In cooperation with the war effort the State of New Mexico agreed to a minimum rental which in many instances was 3 cents per acre per annum. Instead of the Government relinquishing control after the war it relinquished only the smaller airports and bombing ranges and concentrated on expanding the larger ranges, such as White Sands Missile Range, in conjunction with its missile development programs.

Commencing in 1954, the military arm of the Government was strongly advocating a taking of all lands which it had held under lease. The first move was made in the Army's acquisition of the McGregor Range in Otero County. Early in the 1970's the House and Senate Armed Services Committee directed that military begin acquiring title to all lands within the boundaries of White Sands Missile Range. Last year the Government completed acquisition of all private lands within the range and is now prepared to begin acquiring all 350,000 acres of State lands by purchasing the title of these lands.

It has always been the State of New Mexico's position that when the Federal Government condemns State land in fee simple for various uses, it should allow the State to select lands in lieu thereof from the public domain. The main reason the State wishes to secure lands rather than settle for damages in condemnation is that the Enabling Act, under which New Mexico became a State, and our State constitution prevents the State from reinvesting the monetary damages in other lands.

The legislation which I am introducing today would protect the interest of all States by giving the individual State the option to select unreserved and unappropriated public lands in exchange for the State lands taken for military or other Federal uses. I feel that the New Mexico situation is representative of problems

experienced by other States. My legislation would provide a means to fairly compensate these States for the loss of their valuable lands and would establish a procedure whereby differences of opinion could be fairly resolved.

Basically, the general provisions of my legislation is summarized as follows: Where lands are taken by the Federal Government for Government use, the State is given an option to take payment in other unappropriated public lands. This option contains a time limit. The State makes its selections of public lands on a value-for-value basis and if a dispute arises as to the value which cannot be settled by negotiation, either party may refer the matter to the U.S. district court for a final determination.

At a time when the Congress and the President are trying to balance the Federal budget, this proposal would eliminate the need for the Federal Government to expend large sums of tax dollars to compensate States for condemned lands. Further, there is the argument presented by the Sagebrush Rebellion that the Federal Government should not be expanding its holdings of lands within the boundaries of the individual States, that it should hold land needed only for strictly governmental functions authorized by the Constitution.●

By Mr. MATHIAS (for himself, Mr. ROBERT C. BYRD, Mr. THURMOND, Mr. PERCY, and Mr. DECONCINI):

S. 255. A bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product; to the Committee on the Judiciary.

PATENT TERM RESTORATION ACT OF 1981

● Mr. MATHIAS. Mr. President, today I am introducing the Patent Term Restoration Act of 1981. I am especially pleased to note that the distinguished minority leader of the Senate (Mr. ROBERT C. BYRD), the chairman of the Judiciary Committee (Mr. THURMOND), the chairman of the Foreign Relations Committee (Mr. PERCY), and the ranking minority member of the Subcommittee on the Constitution (Mr. DECONCINI) have joined me as cosponsors.

Our bill is designed to encourage American innovation by restoring the effectiveness of the patent system as it affects certain products subject to premarket testing by the Federal Government. I want to make it clear at the outset that our bill will in no way alter our commitment to the public to make sure that new products are safe for public use. But it does correct an inequity. Under current law, the Government grants a 17-year patent and then prohibits the product from being marketed until all tests are completed. During this time, the life of the patent is ticking away, often for many years.

This inequity hits small innovative businesses especially hard. They need the protection that a patent offers in order to protect their new ideas and innovations. These companies cannot afford to lose valuable years of patent coverage while awaiting premarket clearances from Federal regulatory agencies. It has been well documented that small businesses are the most innovative segment of our economy and the most dependable source of new jobs for our workers. Our bill will help these innovative companies provide the new products and jobs that are so desperately needed by the public.

In the past 15 to 20 years, a number of important laws have been enacted requiring that certain products be tested to insure that they are safe for marketing in the areas of public health and the environment. Gradually, as tests have become more and more sophisticated, the time needed to clear this review has grown. In 1962, for example, it took approximately 2 years and $6 million (or $15 million in 1979) to bring a new medicine from the laboratory to the marketplace.

It now takes, on average, 7 to 10 years and about $70 million to complete this testing period. Thus, it is not uncommon for a drug product to have lost up to one-half of its patent life without having been marketed. Similarly, the Environmental Protection Agency has estimated that the patent life for chemical products has been reduced to about 12 years. This phenomenon, coupled with the inability of many new products to achieve commercial success, discourages innovation—the historic basis of our prosperity.

This adverse impact upon innovation has resulted in fewer new and better products being introduced to the American consumer. For example, from 1955 through 1962, an average of 46 new drugs were introduced annually in the United States; today that average is only 17 new drugs a year, a decline of 63 percent. Similar trends are seen in other areas where the United States was once preeminent. Unless we turn around this trend, we will increase our dependence on foreign technology.

Right now the importation of foreign manufactured goods is the second biggest drain on our economy behind oil imports. While the West Germans and Japanese have redoubled their research and development efforts, many of our own companies have been forced to reduce the level of resources they can devote to research. Strengthening the patent system is one way to encourage them to invest more in R. & D. Our bill will do just that.

As Thomas Jefferson observed when he drafted the United States first patent law in 1793, "ingenuity should receive a liberal encouragement." The 17-year term of our patents was designed under this philosophy; but when our regulatory process effectively cuts this term in half, it should be no surprise that innovation suffers.

If this trend is not reversed, we will continue to fall behind our foreign competitors, who are careful to reward innovation. The real victims of this breakdown are the American people, who are deprived of new products.

The purpose of the present bill is to restore to products subject to premarket review requirements a period equal to the time required for this clearance—up to a maximum of 7 years. If the product does not clear the review, no extension of the patent will be granted. Further, such restoration of the patent will apply only to the specific purpose or use involved in the regulatory approval and not to the entire range of products that might result from the original patent grant.

I expect to conduct hearings on this bill early in the 97th Congress. The new administration wants to increase productivity by encouraging innovation. I urge our colleagues to consider this bill and join us as cosponsors of the Patent Term Restoration Act of 1981.

I ask unanimous consent that the text of the bill and the section-by-section analysis be printed in the RECORD immediately following this statement.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 255

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Patent Term Restoration Act of 1981.

SECTION 1. Title 35 of the United States Code, entitled "Patents" is amended by adding the following new section immediately after section 154:

"§ 155. RESTORATION OF PATENT TERM.

"(a)(1) Except as provided in paragraph (2), the term of a patent which encompasses within its scope a product, or a method for using a product, subject to a regulatory review period shall be extended by the amount of time equal to the regulatory review period for such product or method if—

"(A) the owner of record of the patent gives notice to the Commissioner in compliance with the provisions of subsection (b)(1);

"(B) the product or method has been subjected to a regulatory review period pursuant to statute or regulation prior to its commercial marketing or use; and

"(C) the patent to be extended has not expired prior to notice to the Commissioner under subsection (b)(1). The rights derived from any claim or claims of any patent so extended shall be limited in scope during the period of any extension to the product or method subject to the regulatory review period and to the statutory use for which regulatory review was required.

"(2) In no event shall the term of any patent be extended for more than seven years.

"(b)(1) Within ninety days after termination of a regulatory review period, the owner of record of the patent shall notify the Commissioner under oath that the regulatory review period has ended. Such notification shall be in writing and shall:

"(A) identify the Federal statute or regulation under which regulatory review occurred;

"(B) state the dates on which the regulatory review period commenced and ended;

"(C) identify the product and the statutory use for which regulatory review was required;

"(D) state that the regulatory review referred to in subsection (a)(1)(B) has been satisfied; and

"(E) identify the claim or claims of the patent to which the extension is applicable and the length of time of the regulatory review period for which the term of such patent is to be extended.

"(2) Upon receipt of the notice required by paragraph (1), the Commissioner shall promptly (A) publish the information noticed in the Official Gazette of the Patent

and Trademark Office, and (B) issue to the owner of record of the patent a certificate of extension, under seal, stating the fact and length of the extension and identifying the product and the statutory use and the claim or claims to which such extension is applicable. Such certificate shall be recorded in the official file of each patent extended, and such certificate shall be considered as part of the original patent.

"(c) As used in this section:

"(1) The term 'product or a method for using a product' means any machine, manufacture, composition of matter or any specific method of use thereof for which United States Letters Patent can be granted and includes the following or any specific method of use thereof:

"(A) any new drug, antibiotic drug, new animal drug, device, food additive, or color additive subject to regulation under the Federal Food, Drug, and Cosmetic Act;

"(B) any human or veterinary biological product subject to regulation under section 351 of the Public Health Service Act or under the virus, serum, toxin and analogous products provisions of the Act of Congress of March 4, 1913;

"(C) any pesticide subject to regulation under the Federal Insecticide, Fungicide, and Rodenticide Act; and

"(D) any chemical substance or mixture subject to regulation under the Toxic Substances Control Act.

"(2) The term 'major health or environmental effects test' means an experiment to determine or evaluate health or environmental effects which requires at least six months to conduct, not including any period for analysis or conclusions.

"(3) The term 'statutory use' means all uses regulated under the statutes identified in sections (c)(4)(A)-(D) for which regulatory review occurred for the product involved.

"(4) The term 'regulatory review period' means—

"(A) with respect to a food additive, color additive, new animal drug, veterinary biological product, device, new drug, antibiotic drug, or human biological product, a period commencing on the earliest of the date the patentee, his assignee, or his licensee (i) initiates a major health or environmental effects test on such product or a method for using such product, (ii) claims an exemption for investigation or requests authority to prepare an experimental product with respect to such product or a method for using such product under the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, or the Act of Congress of March 4, 1913, or (iii) submits an application or petition with respect to such product or a method for using such product under such statutes, and ending on the date such application or petition with respect to such product or a method for using such product is approved or licensed under such statutes or, if objections are filed to such approval or license, ending on the date such objections are resolved and commercial marketing is permitted or, if commercial marketing is initially permitted and later revoked pending further proceedings as a result of such objections, ending on the date such proceedings are finally resolved and commercial marketing is permitted;

"(B) with respect to a pesticide, a period commencing on the earliest of the date the patentee, his assignee, or his licensee (i) initiates a major health or environmental effects test on such pesticide, the data from which is submitted in a request for registration of such pesticide under section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act, (ii) requests the grant of an experimental use permit under section 5 of such Act, or (iii) submits an application for registration of such pesticide pursuant to section 3 of such Act, and ending on the date such pesticide is first registered, either conditionally or fully;

"(C) with respect to a chemical substance or mixture for which notification is required under section 5(a) of the Toxic Substances Control Act

"(i) which is subject to a rule requiring testing under section 4(a) of such Act, a period commencing on the date the patentee, his assignee, or his licensee has initiated the testing required in such rule and ending on the expiration of the premanufacture notification period for such chemical substance or mixture, or if an order or injunction is issued under section 5(e) or 5(f) of such Act, the date on which such order or injunction is dissolved or set aside;

"(ii) which is not subject to a testing rule under section 4 of such Act, a period commencing on the earlier of the date the patentee, his assignee or his licensee—

(I) submits a premanufacture notice, or

(II) initiates a major health or environmental effects test on such substance, the data from which is included in the premanufacture notice for such substance,

and ending on the expiration of the premanufacture notification period for such substance or if an order or injunction is issued under section 5(e) or 5(f) of such Act, the date on which such order or such injunction is dissolved or set aside;

"(D) with respect to any other product or method of using a product that has been subjected to Federal premarketing regulatory review, a period commencing on the date when the patentee, his assignee or his licensee initiates actions pursuant to a Federal statute or regulation to obtain such review prior to the initial commercial marketing in interstate commerce of such product and ending on the date when such review is completed,

except that the regulatory review period shall not be deemed to have commenced until a patent has been granted for the product or the method of use of such product subject to the regulatory review period. In the event the regulatory review period has commenced prior to the effective date of this section, then the period of patent extension for such product or a method of using such product shall be measured from the effective date of this section."

PATENT TERM RESTORATION ACT OF 1981 (S. 255)

EXPLANATION AND SECTION-BY-SECTION ANALYSIS

The Patent Term Restoration Act of 1981 would add a new section 155 to the patent law to provide for the extension of the patent term for products and methods of using products that are subject to regulatory review pursuant to Federal statutes and regulations before they are introduced into the market for commercial use.

Section 155(a) provides that the term of a patent will be extended for a period equal to the regulatory review period for the product or method of use to which the patent applies, except that no patent term will be extended for more than seven years. The patent owner must submit a notice to the Commissioner of Patents and Trademarks, and the patent to be extended must not have expired when that notice is given.

Section 155(b) specifies the information that must be contained in the notice to the Commissioner and states that the notice must be submitted within 90 days after the regulatory review period is completed. The Commissioner is required to publish information concerning the notice and to issue the patent owner a certificate of extension.

Section 155(c) defines the terms of the Act. The definition of a "product or method for using a product" includes new drugs, antibiotic drugs, new animal drugs, devices, food additives, and color additives subject to the Federal Food, Drug, and Cosmetic Act; human and veterinary biological products; pesticides; and chemical substances and mixtures subject to the Toxic Substances Control Act.

A "major health or environmental effects test" is defined as a test that requires six months to conduct, not including time for analysis or conclusions.

"Statutory uses" are defined to mean all uses of the enumerated products and methods for using products that are regulated under applicable statutes and for which a regulatory review occurs.

A "major health or environmental effects terms of the regulatory review procedures that apply to different kinds of products. For products subject to the Federal Food, Drug, and Cosmetic Act and for human and veterinary biologicals, the regulatory review period begins on the earliest of the date when a major health or environmental effects test is initiated, an investigational exemption is claimed (or an experimental permit is applied for), or an application or petition is filed. For pesticides, the review period commences when a major health or environmental effects test is begun, an experimental use permit is applied for, or a registration application is submitted. For chemical substances and mixtures subject to the Toxic Substances Control Act, the review period begins when a major health or environmental effects test is initiated pursuant to a test rule, or if no test rule applies, when a premanufacture notice is submitted or when a major health or environmental effects test is initiated for use in connection with that notice. For all products, the regulatory review period ends when a license or approval is granted or such period otherwise expires by statute. A general provision is included in section 155(c)(4)(D) to provide comparable coverage under the Act for any other product or method of using a product that is subjected to a regulatory review period pursuant to Federal statute or regulation.

The regulatory review period for a product or method of use does not commence for purposes of the Act until an applicable patent is granted. If a regulatory review period has commenced on the effective date of the Act, the period of patent extension will be measured from the effective date of the Act.●

Mr. THURMOND. Mr. President, I am pleased to join today with the distinguished Senator from Maryland (Mr. MATHIAS) in cosponsoring this legislation to amend the patent laws to restore the term of the patent that is taken up by nonpatent regulatory requirements.

In the last few years it has become painfully obvious that America's innovative capacity has been reduced substantially. In addition to backlogs in the patent application and reexamination system itself, is the added burden of regulatory requirements unrelated to the patent-seeking process. An increasing number of laws have been passed by the Congress to insure that new products are safe for the public to use. Unfortunately, the time required for this testing runs against the 17-year life of a patent. These tests are unrelated to the patent, but severely limit the time available to market the product.

This bill, Mr. President, simply restores to the life of a patent that amount of time required by Government testing of a new product. It does not restrict the Government's ability to test the safety of the product, it only gives to the patent holder the 17-year life of the patent in which to market the product once declared safe by the Government.

Mr. President, this legislation is extremely important to America's capacity to keep pace with the development of technology worldwide. The patent system is in need of reform. I ask unanimous consent that an article from U.S. News & World Report describing the condition of our present patent system be printed at the end of my remarks.

Mr. President, as chairman of the Judiciary Committee, I intend to press for early action on this measure and others that will improve this country's productivity and innovation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PATENT SYSTEM A DRAG ON INNOVATION

(By Paul Recer)

For years, inventors have complained that federal red tape strangles ideas. Now a new administration is considering fresh approaches.

A Midwesterner spent thousands of dollars to develop a patent application and then waited five years for it to be approved. By then, the idea had been pirated by a large company. The inventor lost his investment—and the incentive to try again.

A former patent commissioner, strolling through a workroom in the U.S. Patent and Trademark Office in Arlington, Va., found a stack of patents piled on the floor in a corner, apparently misplaced or forgotten.

An inventor, after waiting for more than two years, finally received a patent report, only to discover it was in illegible handwriting.

"A cruel hoax." These incidents illustrate a development that is alarming experts: The U.S. patent process is widely regarded as so sluggish, outdated and undependable that it is contributing to the decline of innovation in America.

Millions of dollars' worth of new developments and thousands of potential jobs are tied up in registering the ownership of inventions, a system criticized as crippled by too much red tape, too little financial support, and bitter intragovernment rivalry. Says former Patent Commissioner Donald W. Banner: "A U.S. patent has become a cruel hoax, providing neither protection nor incentive for development of inventions."

The problem is of such concern to America's economic health that a blue-ribbon panel advising President Reagan devised proposals to get the system back on track. Among changes suggested: Administrative reforms, more patent examiners, computerization of files that are now only on paper and streamlining of a system basically unchanged since 1836.

A national resource of unmatched value, the Patent Office's files in Arlington include the largest depository of applied technology in the world—and the most open. Anyone may examine in minute detail those patents issued from any free country in the world.

Files include the work of such American geniuses as Thomas Edison, Samuel Morse, Cyrus McCormick and George Eastman, all of whom became famous and wealthy because U.S. patents protected their inventions.

Now, industrialists say, changes are needed to restore the patent system to its position as a help—not a hindrance—to emerging technology.

Critics says the office, with 2,700 employes and an annual budget of 112 million dollars, is understaffed, underfunded and forced to use outdated office techniques. Among the problems:

Patent documents, called "prior art," are all on paper and stored in millions of boxes on shelves lining hundreds of corridors. Patent searches take weeks, with no assurance that all of the prior art is examined. Little effort has been made to develop a computerized search system for the 24 million patents on file.

Secretarial help is in such short supply that patent examiners often must file their findings in longhand.

Of the patent documents on file, at least 7 percent are actually missing—either lost, stolen or strayed. As a result, patent searches can be undependable and incomplete.

On the average, it takes 23 months for an application to be processed, and this delay is getting longer.

The value of patents, particularly for the small-time inventor, is at a low ebb. Patent rights are considered unreliable, and more than half of those tested in court have been declared invalid.

Before acting on a patent application, examiners must search all of the prior art in the appropriate classification to assure that the idea is unique. If it is, a patent is granted, and the holder theoretically is guaranteed 17 years of ownership of the idea.

The patent-search process was not a severe task when the files were small. But now, with 24 million patents filed in 100,000 subclassifications, the task can be monumental. Patent papers are stored in files and stacked in tall shelves lining block-long corridors.

Thick index books narrow the search, but each patent examiner must develop an extensive memory to keep up with his or her share of the 2,100 weekly applications.

"The whole thing is handled just like it was when Thomas Jefferson was President," says one official.

Now, the centuries-old system is breaking down, and many individuals and firms feel that getting a patent is often simply not worth the effort. Small companies find that a patent will not always protect an invention adequately. That is because some companies occasionally will risk pirating an invention when they believe a small firm can't afford a lawsuit.

Says the president of one technology company: "Stealing inventions has become an accepted business practice for big companies since they know they can probably beat the system. The little guy hardly has a chance."

In one case, a New York man who invented a digital-display system applied for a patent, but when it was granted several years later, a large company already had adopted the device. The inventor now faces years of litigation to determine who owns the idea.

NEED FOR EXAMINERS

Experts say the major difficulties at the Patent Office are that there is a shortage of examiners, and that an insufficient effort is made to keep the files updated and reclassified. New technology often is filed under old subclassifications, where it can be overlooked during patent searches.

"Even if it is there, how do you find it?" asks Michael Blommer, executive director of the American Patent Law Association. "They are so understaffed that they can't even get the antiquated system to work. And each year they're falling further and further behind."

Confidence in patent searches is further eroded by missing files. One study of the solar-energy subclassification showed that 28 percent of the prior art was gone. As a result, authors of the report said, patents granted from this subclass could be infringing on earlier, but unexamined, solar-energy patents.

"People in the marketplace are left in an uncertain status," complains Donald Dunner, a patent lawyer. "It causes dislocations in business planning. There have been some real screams of anguish."

Another problem is that patent-infringement suits have increased, overloading the courts. About 1 percent of all patents are challenged.

Patent litigation is heard first in federal district court, with appeals going to one of the 11 circuit courts of appeal. The Supreme Court seldom reviews a circuit court's findings.

"FORUM SHOPPING"

Attorneys say that some courts are known as "pro-patent" and others as "anti-patent." Thus lawyers play a vigorous game of "forum shopping," using every device to move their case to a court favorable to their cause.

Judges hearing patent cases are forced to evaluate highly technical details. Observes one attorney: "The tendency is to invalidate the newer patent." Legal costs of $500,000 are not unusual in patent cases.

Reformers are also frustrated by unsuccessful efforts to make the trademark-registration system more efficient, despite expenditure of hundreds of thousands of dollars to study how to computerize the operation.

Blommer says private firms have computerized trademark files, but "the U.S. government files are all on paper. Fifty thousand applications a year, and all on paper."

Many people involved in patent work blame the Department of Commerce for the condition of the Patent Office. Commerce controls the funds and has little interest in modernizing the operation, according to Banner.

In five of the last six years, funding has declined—when measured against inflation—while the workload has increased. Commerce officials say the PTO funding was based on an effort to use limited funds wisely.

Patent officials, however, say Commerce budget analysts, with little understanding of the patent function, annually propose only "caretaker" funds for the office.

The Department of Commerce three years ago, for example, erred on an appropriation request, and there was not enough money to pay all of the patent examiners. To avoid laying off people in a short-handed department, officials took funds from the printing budget. As a consequence, several thousand approved patents were not printed for months, holding them off the market.

Critics also are concerned that the corps of patent examiners, a group of highly skilled people regarded by many as an important national resource, has declined. There were more than 1,200 earlier in the decade, but the number dropped to about 990 last year. At the same time, patent applications have increased, reaching a record 112,315 for 1980.

Recent attempts to change the process made little headway. At congressional hearings last year, dozens of past and present PTO officials asked for removal of the office from the Department of Commerce and establishment of an independent agency. The proposal was supported by scores of inventors, patent lawyers and company executives, but was opposed by the administration. It failed in a House committee.

But many lawyers and inventors believe the election of President Reagan and a new Congress may result in the revamping of the Patent Office after all. Reagan has indicated he intends to make it easier for innovators to get their products on the market.

SPEEDING THE PROCESS

The patent system may be helped in other ways, too. There are bills pending in Congress that would restructure the court system for faster handling of patent litigation. Laws already have been passed to streamline the issuing of licenses to permit the use of government-developed patents and to ease the re-examination of questioned patents.

Still more changes will be studied during the new term of Congress. Senator Strom Thurmond (R-S.C.), chairman of the Judiciary Committee, says changing patent laws will be one of his panel's priorities. He calls it necessary for business productivity.

Government officials point out that

changes, no matter how helpful, will not cure all the troubles of industry in introducing new technology. Still, many experts say that reforms in the patent process could fire the kind of American genius that produced so many innovations in the past.●

By Mr. BOREN:

S. 256. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that a member of the Armed Forces maintain a household in the United States to be eligible for an earned income credit; to the Committee on Finance.

S. 257. A bill to amend the Internal Revenue Code to allow members of the Armed Forces more time to reinvest the proceeds of sale of a principal residence without recognition of gain when they have served on extended active duty outside the United States; to the Committee on Finance.

RETENTION OF ACTIVE DUTY PERSONNEL IN THE ARMED FORCES

● Mr. BOREN. Mr. President, I have several times in the past expressed my concern over the difficulties faced by men and women on active duty with the U.S. Armed Forces, particularly in regard to salaries. I believe that our retention problems can be largely reduced if we cease to treat our Armed Forces personnel as second class citizens and recognize that in many instances they are faced with unique situations which require special solutions.

Accordingly, I am introducing today two measures that go to this problem. One deals with the capital gains taxes for certain members of the Armed Forces and the second with earned income credit.

Under present law, the entire amount of gain or loss on the sale or exchange of property generally is recognized by the IRS. However, if a taxpayers' principal residence is sold and a new principal residence acquired within a period beginning 18 months before and ending 18 months after the date of the sale of the old residence, the capital gains are not recognized.

The replacement period is suspended during any time that the taxpayer or the taxpayer's spouse serves on extended active duty with the Armed Forces of the United States after the date of the sale of the old residence. This suspension may not extend more than 4 years beyond the date of the sale of the old residence. Thus a member of the Armed Forces generally is not required to recognize gain on the sale of a principal residence if he or she purchases a new principal residence within 4 years after the date of the sale of the old residence.

This has created a problem with regard to current Department of Defense policy which extends the period between members' permanent changes of station. This policy has been adopted as an economy measure. In some instances, this extended period between assignments will create financial hardships for members of the Armed Forces who have sold their residence before going overseas or who have been ordered into Government-owned quarters and are not reassigned to the United States.

In other words, some members of the Armed Forces serve an extended tour of duty outside the country or are ordered into Government-owned quarters which carries them beyond the 4-year limitation contained in the present law. Thus, these members will have to pay capital gains taxes on the sale of their old residence despite not having the opportunity to reinvest in a new principal residence.

This has the effect of discouraging overseas tour extensions which would save the Government money.

The bill I am introducing today says that a member of the Armed Forces who is stationed outside the United States or is required to reside in Government-owned quarters after the date of the sale of the principal residence will not be required to pay capital gains taxes if the taxpayer purchases a new principal residence within 4 years after the date of sale of the old residence or 1 year after the date on which the taxpayer is no longer stationed outside the United States or is no longer required to reside in Government-owned quarters, whichever is later.

The second bill which I am introducing today would make available to military taxpayers stationed overseas the same earned income tax credit available to their counterparts who maintain a household in the United States. Under the tax code an eligible taxpayer is permitted a refundable tax credit of 10 percent of the first $5,000 of earned income, up to a maximum of $500. Th's credit is reduced proportionately for earned income in excess of $5,000.

Among the requirements to qualify for this earned income credit is one which says that the taxpayer must maintain a household for the entire year in the United States which is the principal residence of the taxpayer and a child who is under 19 years of age or a student. The effect of this provision has been to render servicemen overseas, accompanied by their families, ineligible for this tax credit.

The amount of money involved may not seem particularly significant in today's economy, but it is considered a very large sum for many low-ranking military personnel.

My bill would simply eliminate the requirement that a member of the Armed Forces on active duty maintain a household in the United States in order to be eligible for the tax credit. The enactment of this bill would eliminate an inequity in the law which adversely affects military personnel earning less than $10,000 per year who are ordered to overseas bases outside the United States.

Mr. President, I believe these two bills, which have only a slight effect on the Treasury, would be of immense value in terms of increased morale and helping the members of the armed services maintain their economic stability in today's very unstable economy.

Mr. President, I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 256

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 43(c)(1)(B) of the Internal Revenue Code of 1954 (26 U.S.C. 43(c)(1)(B)) is amended by inserting at the end thereof the following new sentence: "An individual who is otherwise eligible shall not be ineligible solely on the ground that the household or abode was outside the United States during any part or all of the taxable year if the individual was serving on active duty in the armed forces during that part of such taxable year."

SEC. 2. This Act applies to taxable years beginning after December 31, 1976.

S. 257

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the text of section 1034(h) of the Internal Revenue Code of 1954, as amended (26 U.S.C. 1034(h)), is amended to read as follows:

"The running of any period of time specified in subsection (a) or (c) (other than the 18 months referred to in subsection (c)(4)) shall be suspended during any time that the taxpayer (or his spouse if the old residence and the new residence are each used by the taxpayer and his spouse as their principal residence) serves on extended active duty with the Armed Forces of the United States after the date of the sale of the old residence except that any such period of time as so suspended shall not extend beyond the later of the following dates:

"(1) the date 4 years after the date of the sale of the old residence; or

"(2) the date 1 year after the first day of the first period—

"(A) of return to the United States incident to a permanent change of duty station;

"(B) during all of which the taxpayer was permanently stationed within the United States.

For purposes of this subsection, the term 'extended active duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period."●

By Mr. BOREN (for himself, Mr. BAUCUS, Mr. D'AMATO, Mr. DOLE, Mr. EXON, Mr. GARN, Mr. HEFLIN, Mr. LEVIN, Mr. RANDOLPH, Mr. ROTH, and Mr. SCHMITT):

S. 258. A bill to authorize the President to present on behalf of the Congress specially struck gold medals to certain former hostages and the survivors of certain deceased U.S. servicemen; to the Committee on Banking, Housing, and Urban Affairs.

PRESENTATION OF GOLD MEDALS TO RECENTLY RETURNED AMERICAN HOSTAGES

Mr. BOREN. Mr. President, I am today introducing a bill concerning the recently returned American hostages. The bill authorizes the President to present on behalf of the Congress and the American people gold medals, to each of the 66 American citizens held hostage in Iran and to the families of the 8 deceased U.S. servicemen who sacrificed their lives in an attempt to rescue the hostages.

These medals are to be an expression of appreciation from the Congress and the Nation for the sacrifices made by the hostages, the servicemen, and their families.

In addition to the gold medals this bill authorizes bronze medals to be struck and sold to the public. The proceeds from the bronze medals will be used to defray, or hopefully completely replace, the costs involved.

This legislation is similar to a resolution introduced in the House of Representatives by Congressman FRANK ANNUNZIO. My bill is a bit broader in scope, but the aim of both measures is the same—to honor our fellow citizens who are continuing to go through the most traumatic and difficult period of their lives.

Mr. President, I am very aware of the difficulty that some of the returned hostages are experiencing in their return to freedom. It is certainly not my intention, nor is it the intent of any of my colleagues who have chosen to cosponsor this legislation, to in any way prolong or make more difficult the ordeal which some of the hostages are experiencing. The manner in which these medals are presented by the President to the recipients should be undertaken with these factors in mind.

Finally, Mr. President, I, along with many Americans, watched with interest the news conference held this morning by some of the returnees at Eisenhower Hall, at the Military Academy at West Point.

One could not watch that occurrence without a feeling of pride in the dedication that these men and women displayed toward the foreign service and in the United States. There may have been many times during these 14 difficult months that Americans wondered whether or not such symbolic gestures as the ringing of bells, the display of yellow ribbons, the hundreds of prayer vigils, and the sending of Christmas cards had any real value. There were cynics who privately and sometimes publicly derided such efforts as being ineffective and manifestations of America's weakness and inability to do anything else.

The statements at today's news conference by the former hostages of the encouragement such expressions of support gave them should dispel any notion that it was not worth the effort.

Bruce Laingen, the senior Foreign Service official in Iran closed today's news conference by reading a message sent to the hostages by the students of an elementary school in Ohio and reversed the message saying that the students' wishes for the hostages were in fact the hostages' wishes for the students and all of America.

Mr. President, I hope that the Senate can act swiftly on this legislation and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 258

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President is authorized to present, on behalf of the Congress, to each of the sixty-six United States nationals held hostage in Iran during all or part of the period from November 4, 1979, until January 20, 1981, and to one appropriate survivor of each of the eight deceased United States servicemen who sacrificed his life in the attempt to rescue such hostages a gold medal of appropriate design in recognition of the courage shown and the sacrifices made by such hostages and servicemen on behalf of the United States. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury. There are authorized to be appropriated not to exceed $400,000 to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(c) The medals provided for in this Act are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

By Mr. GOLDWATER (for himself, Mr. DECONCINI, Mr. HAYAKAWA, Mr. INOUYE, Mr. JEPSEN, Mr. LAXALT, Mr. LUGAR, Mr. MCCLURE, Mr. PRESSLER, Mr. THURMOND, and Mr. PRYOR):

S. 259. A bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 and older; to the Committee on Finance.

ELIMINATION OF EARNINGS LIMIT OF SOCIAL SECURITY

● Mr. GOLDWATER. Mr. President, I am reintroducing today with several other Senators a proposal whose time has arrived, repeal of the earnings test of social security for all workers 65 and older. One of the major problems in the social security program from which other of its ills arise is the work disincentive of the earnings ceiling. Instead of encouraging older persons to remain productive workers benefiting themselves and the entire economy, social security penalizes work incentive by imposing a tax of 50 percent on any wages earned over a ceiling that is currently $5,500.

There are more than 11 million citizens, aged 65 to 72, who are covered by the earnings limit. Even in 1982, when the exempt age will drop to 70, the total number of persons in this age group exceed 10 million.

Mr. President, the major argument for repealing the ceiling is equity for older persons. The money older persons pay into social security is theirs. It does not belong to the Government and the Government should have no say in how it is paid back.

Not only does the worker pay tax premiums during his working lifetime, but economists have clearly demonstrated that the tax on the employer is also a tax on labor. In effect, the employer passes on his share of social security payroll tax to the workers in the form of lower wages.

By the time a worker reaches age 65, I believe he has earned his social security annuity. To require an older person to give up gainful employment is attaching a cruel penalty upon a pension which he has bought and earned.

Now there are other reasons for repealing the wage ceiling. For example, the American Medical Association finds that older persons suffer serious physical and mental harm by being induced to retire sooner than they would otherwise wish.

Another reason for repeal is the heavy drain upon the national economy caused by loss of the skills and production of older persons who withdraw from the labor force in order to collect their full social security checks.

Recent studies by several economists prove beyond a doubt that the earnings test dramatically increases the rate of early retirement among workers. For example, Prof. Anthony Pellechio of the University of Rochester has prepared convincing evidence from actual labor supply records that shows there is a direct relationship between labor activity and the earnings ceiling.

The point is that these persons would return to work with no additional cost to the system if the test is eliminated, since they are receiving maximum benefits already. This is why I believe repeal of the test will virtually finance itself.

To sum up, elimination of the earnings test will give back to older persons the money they have earned and help the economy by regaining use of the talents of experienced workers.

Mr. President, I ask that the text of the bill appear at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 259

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 203(f)(8)(A) of the Social Security Act is amended by striking out "the new exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are" and inserting in lieu thereof "the new exempt amount which is".

(b)(1) Section 203(f)(8)(B) of such Act is amended by striking out "Except as otherwise provided in subparagraph (D), the exempt amount which is applicable to individuals described in such subparagraph and the exempt amount which is applicable to other individuals, for each month of a particular taxable year, shall each be" and inserting in lieu thereof "The exempt amount for each month of a particular taxable year shall be".

(2) Section 203(f)(8)(B)(i) of such Act is amended by striking out "the corresponding exempt amount" and inserting in lieu thereof "the exempt amount".

(3) The last sentence of section 203(f)(8)(B) of such Act is amended by striking out "an exempt amount" and inserting in lieu thereof "the exempt amount".

(c) Section 203(f)(8) of such Act is further amended by striking out subparagraph (D) thereof.

(d) Subsections (f)(1), (f)(3), (f)(4)(B), and (h)(1)(A) of section 203 of such Act are each amended by striking out "the applicable exempt amount" and inserting in lieu thereof "the exempt amount".

(e)(1) Subsections (c)(1), (d)(1), (f)(1)(B) and (j) of section 203 of such Act are each amended by striking out "seventy" and inserting in lieu thereof "sixty-five".

(2) The last sentence of section 203(c) of such Act is amended by striking out "nor shall any deduction" and all that follows and inserting in lieu thereof "nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, widower, surviving divorced wife, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60.".

(3) Clause (D) of section 203(f)(1) of such Act is amended to read as follows: "(D) for which such individual is entitled to widow's or widower's insurance benefit if she or he became so entitled prior to attaining age 60, or".

(4) Subsection (f)(3) of section 203 of such Act is amended by striking out "age 70" and inserting in lieu thereof "age 65".

(5) Subsection (h)(1)(A) of section 203 of such Act is amended by striking out "age 70" and inserting in lieu thereof "age 65".

(6) The heading of subsection (j) of section 203 of such Act is amended by striking out "Seventy" and inserting in lieu thereof "Sixty-five".

SEC. 2. The amendments made by this Act shall apply with respect to taxable years ending after December 31, 1982.●

By Mr. SIMPSON:

S. 260. A bill to amend title 28 of the United States Code to allow for the holding of Federal district court in Jackson, Wyo.; to the Committee on the Judiciary.

HOLDING OF FEDERAL DISTRICT COURT IN JACKSON, WYO.

Mr. SIMPSON. Mr. President, during the last decade Wyoming has become the national focus of both energy development and environmental concerns. In the western part of the State, in an area designated as the "overthrust belt," oil and gas reservoirs or fields of "world class" proportions have been discovered. Much of the land in this "overthrust belt" has been previously recommended for inclusion within various Forest Service wilderness areas. The conflict here is quite evident. The environmental groups and prodevelopment groups are in a state of constant conflict and tension—and often in litigation. There is an increase in population in that area which is absolutely overwhelming. All of these activities naturally lead to an increase in litigation in the Federal court system.

In addition, Grand Teton and Yellowstone National Parks, the National Elk Refuge, the Bridger Teton National Forest, the Shoshone National Forest, Teton National Forest, and Fish and Wildlife offices are located in the northwestern corner of the State and these Government agencies have engendered a number of Federal lawsuits. Petty criminal offenses which occur on Federal lands are now also being tried before the U.S. magistrate for Yellowstone National Park. Yet at present there is no easily accessible Federal courtroom available for use in any of these types of cases.

The U.S. District Court for Wyoming has its primary location in the southeastern corner of the State in our capital city of Cheyenne, Wyo. There is a second permanent courtroom available to the Federal court in Casper, Wyo. Cheyenne is 433 miles from Jackson, and the central Wyoming city of Casper is 248 miles from Jackson. During the winter months the weather may often be so severe that travel from the northwestern areas to either of these Federal courtrooms is most hazardous and often difficult.

This bill would authorize the location of a Federal courtroom in Jackson, Wyo. This would allow the Federal court to travel to Jackson for the holding of court sessions, rather than requiring the attorneys and witnesses to travel from the northwestern parts of the State to the Federal courtrooms in Cheyenne or Casper. The cases which arise in that portion of the State often involve multiple parties and numerous witnesses. Examples of this are condemnation suits in which the Federal Government may seek to acquire parcels of land from diverse parties, boundary disputes, river meander line cases and criminal cases arising within the parks or upon Indian reservations in which often the defendant, the victim, and all witnesses may be residents of the northwestern corner of the State. The inconvenience and expense of conducting litigation across these vast distances of Wyoming is often prohibitive.

Therefore, Mr. President, I wish to introduce a bill to amend section 131 of title 28, United States Code, in order to allow the addition of the community of Jackson, Wyo., as being a proper site for the holding of Federal court within the State of Wyoming.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 260

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 131 of title 28, United States Code, is amended in the second paragraph thereof by inserting "Jackson," after "Lander,".

By Mr. HUDDLESTON (for himself, Mr. RANDOLPH, Mr. FORD, Mr. ZORINSKY, and Mr. HEINZ):

S. 264. A bill to amend title 23, United States Code, to authorize Federal-aid highway programs; to the Committee on Environment and Public Works.

ENERGY TRANSPORTATION IMPROVEMENT ACT OF 1981

● Mr. HUDDLESTON. Mr. President, today I am pleased to introduce, along with Senators RANDOLPH, FORD, ZORINSKY, and HEINZ, the Energy Transportation Improvement Act of 1981. It is my sincere hope that during this session of Congress we will at long last address the critical question of the adequacy of our Nation's energy transportation system.

Before detailing what the bill actually does I should point out to the newer Members of this body that the bill cleared the House of Representatives twice last year without a dissenting vote. In addition, another form of the bill was passed by the House in 1978.

Here in the Senate we passed practically the same measure by a voice vote last June. We were prepared to go along with the House once again concerning this matter at the end of the last session. However, the mass transit legislation to which the bill's provisions were tied became the subject of much controversy and unfortunately became the cause of its demise.

The repairing and restoring of our highway system in energy producing areas and the alleviating of the problems caused by unit trains hauling vast loads of coal through community after community must be started now. This bill, providing $300 million for this fiscal year for these purposes, with subsequent increases of $50 million per year over the next 4 years, will address only the minimum needs detailed by States. But, again, we must begin. The funding for these efforts will come, quite correctly in my judgment, from the proceeds of the windfall profit tax which I noted recently are expected to increase quite substantially in the coming year. The program's funding will be on an 80-percent Federal and 20-percent State matching basis.

This legislation is the culmination of a long-time effort on my part to assure that when we as a country finally begin to fully utilize our domestic energy resources we will be able to transport them in a safe, nondisruptive manner from point of production to point of use. Unless we move quickly in this direction, we shall very soon see, just at the time we may be turning the corner toward less reliance on foreign energy supplies, bottlenecks in coal deliveries to the Nation's energy consumers. Unless we move quickly and implement this bill, we will see inland the very same kinds of bottlenecks that are already hampering our coal exporting ability at severely overcrowded port facilities. We cannot allow this to occur. Just as we must correct the problems at the ports, we must not let our highway and rail system become throttled.

Just as importantly, it should be pointed out that the program called for in this legislation will prove to be of significant community value to the citizens inhabiting coal producing regions and other areas where there is heavy energy supply traffic.

It is the men, women, and children of these communities who must employ energy impacted highways as their lifeline to the rest of the world. It is the energy impacted system that carries other industrial goods to and from these regions. It is this rapidly deteriorating system that must carry the youth of these regions to and from their schools. It is the citizenry that faces potential disaster every time a lengthy unit train slices through a community cutting off fire, medical, and other vital services and transportation for undetermined lengths of time.

It is my hope the Environment and Public Works Committee, in its upcoming deliberations on the highway bill, will be able to address once again the issues raised here. I certainly will be working toward that end and I urge my colleagues to join me in seeking the enactment of this most important legislation.●

● Mr. ZORINSKY. Mr. Presient, a little over a year ago 16-year-old Cheryl Hinrichs was returning from a babysitting job in Hastings, Nebr. In order to return to her parent's home she had to cross two sets of railroad tracks. It was midnight, and she was perhaps a little tired. There were no crossing arms to guard the intersection. Cheryl Hinrichs never returned home.

Mr. President, that young girl's death could have been avoided. Every day scores of trains cut across our Nation, hauling coal, grain, and other commodities. Thousands of communities across the country are cut in half 50 to 60 times a day by passing trains.

Most of those communities are inadequately protected from the sort of hazard which took Cheryl's young life. She died, as others have, because Hastings, Nebr., like hundreds of other communities, does not have the money to construct safety features at rail and highway crossings.

Mr. President, in my State alone there were 183 collisions involving a train in 1978, and 18 persons were killed. In 1979, 27 persons were killed in a total of 175 collisions, and between January and November 1980, 21 persons died in 154 collisions at rail-highway intersections.

But the loss of life due to accidents at crossings is not the only danger faced by these communities. Lives are also threatened by the delays encountered by emergency vehicles at rail-highway intersections. Ambulances lose precious minutes in getting critically ill patients to medical facilities, firefighters watch a house explode into flames on one side of the railroad tracks, while they wait helplessly for a train to pass. In Nebraska, Minnesota, North Dakota, and other Western States, communities are bisected by trains several times an hour for periods of 5 to 10 minutes.

A more subtle effect of the railroad barrier is the isolation of neighborhoods. As traffic along rail tracks bisecting a city increases, it becomes more and more difficult for residents on one side of the tracks to travel to the other side. The inconvenience of frequent delays in reaching schools, libraries, and shopping centers well may lead to the slow death of neighborhoods on the "wrong side of the tracks."

In short, Mr. President, any town which is cut in two by railroad tracks suffers a substantial social, economic, and safety impact. But for western towns, which have seen an enormous increase in rail traffic during the past decade, the effect has been particularly severe.

Our country is in the midst of an energy crisis. We have seized our abundant coal supply as a means of ending our dependence upon expensive foreign oil. The State of Nebraska is poised between the major coal-producing States of the West and the energy-starved East. In the past few years, rail traffic through the State has multiplied dramatically to accommodate increased production and transportation of coal. Where towns once hailed the passage of trains perhaps a dozen times a day as the purveyors of prosperity, today five times as many trains travel their town, bringing not prosperity, but economic and social hardship.

The energy crisis, and the consequent increase in coal production, is a national concern. The impact of increased coal traffic must also be a national concern. Neither the States nor the local communities affected have adequate financial resources to alleviate the social, environmental, and economic impact of vastly increased coal traffic through western and midwestern towns. The Federal Government should not shirk its responsibility to these communities. They are suffering as a direct consequence of our national energy policy. We must make it a national policy to help them overcome this energy-related problem.

Last year I joined Senators HUDDLESTON and RANDOLPH in amending the Mass Transit Act to authorize grants to States for the repair of roads on which coal is carried and for rail/highway grade crossing projects. The amendment duplicated language already in the House-proposed bill, and would have authorized $250 million for fiscal year 1981, with the authorization increasing by $50 million for each fiscal year through 1985.

Unfortunately, the mass transit bill died in the last days of the 96th Congress. Today, I am again joining my colleague from Kentucky in introducing a similar bill. It would provide for a 5-year authorization of grants on a 80/20 Federal/State share basis, with authorization for fiscal year 1982 set at $300 million. Authorizations would increase by $50 million each year, until a total of $500 million is reached in fiscal year 1986.

Mr. President, I urge my colleagues to support this legislation, and to act promptly to assist communities adversely affected by increased energy-related rail traffic.●

● Mr. HEINZ. Mr. President, I am pleased to cosponsor this bill to provide aid to energy-impacted roads and railroads. As you know, it is virtually identical to our amendment which passed the Senate and House of Representatives in the last session as part of the Surface Transportation Act of 1980. We have simply increased the funding levels slightly to adjust for inflation.

The bill before us today addresses a national problem with a responsible solution. It will aid not only the coal-bearing roads and bridges of West Virginia, Kentucky, and Pennsylvania, but also the energy-impacted transportation systems of our Western and Southern States, which are now increasingly facing the consequences of the Nation's growing need for domestic sources of fuel. It is clear that the United States must rely more and more on our own energy sources if we are to throw off the chains of dependence on foreign oil and gas. Yet development of domestic coal and oil resources has already put a heavy burden on our highways, bridges, waterways, ports, and railroads, and the deterioration of these transportation links has already reached critical levels in many parts of the country. Unless we act swiftly, we will not be able to sustain the rapid level of development of energy resources which we need to insure energy independence.

Between 1980 and 1985, coal production is expected to increase by approximately two-thirds. A 1978 DOT study, "Transporting the Nation's Coal—A Preliminary Assessment," predicts that coal-haul roads in particular could become a bottleneck to the flow of coal into energy-hungry regions of the country. Recent studies show that 34,000 miles of road in 21 States are used for coal hauling and that three-fourths of this coal system mileage will need improvements between 1980 and 1985. In my own State alone, the Pennsylvania Department of Transportation estimates that 2,500 miles of coal-haul highways, 700 bridges, and 342 miles of rail branch lines involved in coal movement will need significant repair between 1980 and 1985.

I have seen the deplorable conditions of roads which are extensively used to transport coal. Even several years ago, when I inspected the coal haul roads in Cambria County, Pa., these roads were a danger to the local community, with pavements you could crumble with your bare hands. Roads in this State of disrepair exist today throughout Pennsylvania and the rest of the Nation. Residents of Cambria County, other Pennsylvania coal-producing counties and other areas should not be forced to sacrifice their safety, their roads and their own wages as increased taxes for road problems created as a consequence of our supplying the energy needs of all Americans. This is an inequitable burden for them to bear.

Mr. President, this bill will provide the necessary Federal assistance to begin this important repair work, both to our energy impacted roads and to similarly affected rail lines. I join my colleagues from West Virginia, Kentucky, and Nebraska in urging its passage.●

Mr. FORD. Mr. President, once again I join my distinguished colleague, Mr. HUDDLESTON, in cosponsoring this legislation that addresses a critical and intolerable situation which exists in my State and others. The problem exists as a result of unprecedented demands on Kentucky's energy transportation network, demands that will only become greater in the next decade.

The deteriorating condition of the energy transportation systems, particularly the coal-haul roads is a matter of utmost concern to State and local officials, who must daily examine the dimension and severity of this problem and who feel that the Federal Government has a responsibility to help fund a resolution. All the highway systems in Kentucky—Federal, State, and local—have suffered extensive damage because we have a product, coal, that has seen more than doubled production rates in the last 15 years.

Kentucky has the coal, and the Nation needs it. But, quite frankly, the roads have not been adequate to sustain the burden of this upsurge in production, and inordinate problems have been created for the residents and communities of Kentucky's 60 coal-producing counties, or one-half of the counties in our State stretching from the western to the eastern borders.

This situation confronted me while Governor in 1974, and I brought my case to Washington. I found the Federal Highway Administration sympathetic to our plight and receptive to the idea of a study by the Kentucky Department of Transportation detailing the scope of the problem. That study is now complete, and it resulted in a 10-year highway construction and maintenance program to accommodate the transportation needs of both the coal industry and the people of the Commonwealth in the coal-producing regions. It provided for upgrading coal-haul roads and for a maintenance program, but even a minimum cost estimate was substantial.

The demands on coal production are going to increase, not decrease. The Nation will continue to turn more and more to coal as a major source of energy. As

this happens, the road systems of coal-producing States will continue to realize new and additional burdens. And the Federal Government must join with the States in assuming the responsibility of an entire nation.

For those who may think this is a problem that does not concern them, I would point out that this very day Kentucky coal is providing electrical power in 22 of the 50 States. Right here in Washington, D.C. Pepco consumes coal extracted from Kentucky's mines and transported over Kentucky's highways. So, Mr. President, this is a national problem. But paradoxically, the needs are local ones, needs created by production and transportation requirements.

Significantly more coal is being moved over Kentucky's highways than a decade ago. Alternative methods of transport such as railroad lines have been found to be too inflexible—and sometimes too expensive—to match the increase in production in Kentucky's mines. This coal is traveling, then, over roads that more than likely were never intended for the weight of a coal truck—not to mention an abundance of coal trucks.

Today there are approximately 6,000 coal trucks operating in Kentucky alone, traversing some 5,000 miles of our roadways. Most of this is along steep grades or near streams or along unstable slopes. Some of these roads were marginally deficient to begin with. You can imagine their state now. And every year the number of miles deteriorating grows and grows, while construction and maintenance costs do the same.

And, in spite of their best efforts, Kentucky's government officials cannot find sufficient funds to cover the cost of this burden. The Governor of Kentucky testified before the Senate Subcommittee on Transportation of the Committee on Public Works that "an 'adequate' system of coal-haul roads in Kentucky will require a minimum expenditure of $1 billion spread over the next 10 years." And that is a minimum, not the more ideal $2.7 billion that engineers say is needed for best results.

This bill directly addresses this vital need. By approving it, the Senate will offer assurance that Kentucky's coal-haul roads will be ready as we meet the energy needs of this Nation in the decade we are now entering. We must act soon if we are to avoid doubling the cost of coal-haul road repairs as well as coal production.

Mr. President, this assistance is needed not only to facilitate increased domestic use of American coal, but also to enable this country to take advantage of increased export opportunities. As the President's Interagency Task Force on Coal Exports concluded—

> Absent a major expenditure to rehabilitate the coal haul roads in Appalachia, it will be difficult for small producers who depend upon truck transport to benefit from the export market.

The legislation we are introducing today strikes at the very heart of the problem. It was passed by both the Senate and the House during the last Congress and I urge all of my colleagues to once again add their support to this measure which is more important now than ever before.

By Mr. PERCY (for himself, Mr. HELMS, and Mr. HATFIELD):

S. 265. A bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

LIMITING FEDERAL SPENDING

Mr. PERCY. Mr. President, I am today introducing the Federal Lending Control Act of 1981. This legislation, identical to a proposal I introduced in 1979, is a step toward reducing the off-budget Federal deficit. Moreover, it is also a major step in our effort to roll back government-generated inflation.

Last year, the Consumer Price Index, our basic measure of inflation, rose by nearly 13 percent. It was the second year in a row that the economy was overheated to this extent. We know that Federal finances have played a major role in generating this inflation and I have been working with my colleagues the past several years to slake these fires of inflation.

The anti-inflation fight is many sided. Tax cuts, regulatory reform, and spending reductions are all a part of the effort. Each of these proposals will reduce the role of the Federal Government in the marketplace. Like the successful deregulation of the truck and airline industries, a reduction in the Federal role can generate new businesses, more competition, and more jobs.

An indispensible part of this effort is spending restraint. President Reagan's advisers are working now on their recommendations for cutting the budget. Trimming the budget deficit—$60 billion in fiscal year 1981—is a critical challenge for us. But a look at outright spending itself is not enough. In fiscal year 1981, for example, the Office of Management and Budget estimates that we will run up an additional $23 billion through the activities of off-budget Federal entities. Putting this all together, we see a Federal deficit of $83 billion this year.

These off-budget Federal entities referred to by OMB include the Rural Telephone Bank, the Synthetic Fuels Corporation, and the Postal Service Fund. The grand-daddy of all the off-budget agencies, however, is the Federal Financing Bank (FFB). Of the $23 billion in off-budget lending for fiscal year 1981, nearly all of it comes through the FFB.

Not only is Federal lending activity a significant share of the budget deficit, but it is also growing at a fast clip. In 1970, new net Federal loans and guarantees totaled only $11 billion. By 1980, these net new extensions reached $56.7 billion, a 400-percent increase. Outright Federal spending, on the other hand, increased by 300 percent in the same time period. So Uncle Sam's lending is outstripping even his rate of spending.

All of this Federal activity does not go unnoticed in the economy. If has its impact by making private credit more expensive. Last spring, the Federal Reserve Bank of San Francisco estimated that Federal and federally assisted borrowing could account for as much as 23 percent of all funds raised in the credit markets in 1980. The San Francisco Fed has recently revised this upward, to a high of 29 percent. What is more, economists are predicting a comparable rate of 25 percent this year. Historically, these are high levels of borrowing. During the 1977–79 expansion, for example, the average rate was 20 percent. Naturally the more deficit lending that occurs, the more the Federal Government will have to go into the private markets to raise funds to cover those deficit loans.

Mr. President, last fall an excellent article on Federal credit programs appeared in the Washington Report, a weekly newspaper of the Chamber of Commerce. Written by Murray Weidenbaum, recently appointed chairman of the President's Council of Economic Advisers, it is a succinct analysis of the economic costs of Federal credit programs. I commend it to my colleagues and ask unanimous consent that it be included at the close of my remarks.

It is time, Mr. President, for us to take a hard look at these lending programs and see just what impact they have on the interest rates we all must pay in one form or another. Certainly the more competition there is in the financial markets, the higher the price of capital will rise. When the Federal Government arbitrarily decrees that certain credit seekers will receive priority, then someone else may very well be priced out of the market.

Any home buyer or small business knows what the high costs of money mean. They mean a deferred home purchase or a failed business. We want to make sure that the Federal Government does not add undue pressure to interest rates and yet we do not really know because we do not follow lending programs with the same care that we do spending and taxes.

My legislation will begin to change this. It amends the Budget Reform Act of 1974 to establish ceilings and targets for loans and loan guarantees, much as we do now for outlays and budget authority. In each year's budget resolution, it would set forth the appropriate level of direct loans and loan guarantees. The budget would also show itemized estimates of loans and guarantees by budget functions.

The legislation requires the submission of credit plans to the Budget Committees by each authorizing committee. Presently, committees must submit their spending plans to the Budget Committees by March 15; the bill would extend this to loans and guarantees.

Banking Committees of both Houses would submit to the Budget Committees by March 15 each year their estimates and recommendations for the appropriate level of overall guarantees and loans for the next fiscal year. The Banking Committees would, in effect, evaluate the credit needs of private and public borrowers.

Bills or resolutions authorizing new loans or guarantees must be reported from their respective committees by May 15. Bills reported after that deadline would face a point of order on the floor, as do all spending bills under the budget process.

The Congressional Budget Office would report annually to the Budget Committees on all Federal credit programs.

Points of order could be raised, after passage of the second budget resolution, against lending programs that exceed the totals in the budget. Moreover, loans and guarantees must be included within appropriations bills. Points of order could be raised against loans or guarantees that do not subject themselves to the Appropriations Committees.

Mr. President, this legislation has been endorsed by two prominent economists, Henry Kaufman of Salomon Brothers, investment bankers and Alan Greenspan, former chairman of the Council of Economic Advisers. Mr. Greenspan is now an unofficial adviser to President Reagan and in testimony on January 22, 1981 before the Joint Economic Committee said:

> The financial community is going to insist on seeing basic changes from which they can extrapolate a significantly lower rate of growth in Federal outlays over the longer run and a marked decline in the aggregate amount of credit requirements directly and indirectly engendered by Federal government policy.

As part of his anti-inflation strategy, he stated that we must have an equal commitment to the reduction of budget deficits and off-budget financings.

I have been encouraged by OMB Director DAVID STOCKMAN's commitment to reducing Federal lending activities. At his confirmation hearings before the Governmental Affairs Committee, I asked him about this. His reply was that—

> One of my first actions as Director of OMB will be to initiate a major, high priority study of Federal credit policies and programs. I am convinced that the largely unplanned and unobserved growth of such programs has had seriously deleterious effects on the private credit markets; however, I believe that the amount of loans now outstanding is an issue of lesser consequence when compared to the creation of new loans and loan guarantees.

Mr. President, I look forward to action on this legislation this year. Last summer the Senate Budget Committee held a series of hearings on Federal credit programs, including this legislation. The House Budget Committee has shown a strong interest in this subject and Representative MINETA, who is sponsor of the House legislation, has led the way in bringing this matter to the attention of the House. For those of my colleagues who have an interest in the historical development of Federal lending programs, I ask unanimous consent that the text of the bill, a table on the programs, and an article be included in the RECORD at the end of my remarks.

There being no objection, the bill, table, and article were ordered to be printed in the RECORD, as follows:

S. 265

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Lending Control Act of 1981.".

SEC. 2. (a) The Congress finds and declares that—

(1) Federal loans and loan guarantees are becoming an increasingly important means of providing Government services with the total volume of direct loans and guaranteed obligations outstanding in 1980 being 58 per centum and 53 per centum higher, respectively, than in 1976;

(2) the total volume of credit in the economy is finite and limited by the supply of savings, level of interest rates, and Federal monetary policy;

(3) Federal credit programs are not costless to the economy, as they allocate credit to groups and individuals who would otherwise find credit difficult to obtain;

(4) while plans for direct and guaranteed loans under individual Federal credit programs are reviewed each year, there is no systematic mechanism in either the Congress or the executive branch for reviewing the volume of total Federal credit activity, and therefore no systematic way of considering the resource allocation effects of Federal loans and loan guarantees or the reasonableness of the total volume; and

(5) if the Federal Government is to allocate its credit resources efficiently and coordinate that allocation with its fiscal policy and direct expenditures, it must exercise control over Federal credit activities as it does over direct spending activities.

(b) It is therefore declared to be the policy of the Congress and the purpose of this Act to provide a statutory basis for a Federal credit program control system by establishing procedures within the congressional budget process to set targets and ceilings for the gross amount of direct loans which the Federal Government may make, and the gross amount of loan guarantees which the Federal Government may enter into, during each fiscal year.

SEC. 3. (a) Section 202(a) of the Congressional Budget Act of 1974 is amended by striking out "and (3)" and inserting in lieu thereof "(3) information with respect to direct loans and guarantees of loan principal, and (4)".

(b) Section 202(f) of such Act is amended by striking out "and (B)" and inserting in lieu thereof "(B) the levels of direct loans and guarantees of loan principal, and (C)".

SEC. 4. (a) Section 301(a) of the Congressional Budget Act of 1974 is amended—

(1) by redesignating paragraphs (6) and (7) as paragraphs (8) and (9), respectively; and

(2) by inserting after paragraph (5) the following new paragraphs:

"(6) the appropriate level of total gross obligations for the principal amount of direct loans and the appropriate level of total commitments to guarantee loan principal;

"(7) an estimate of gross obligations for the principal amount of direct loans and an estimate of commitments to guarantee loan principal for each major functional category, based on allocations of the appropriate level of total gross obligations for the principal amount of direct loans and the appropriate level of total commitments to guarantee loan principal;".

(b)(1) Section 301(c)(2) of such Act is amended by striking out ", and budget outlays resulting therefrom," and inserting in lieu thereof "and budget outlays resulting therefrom, and of the total amounts of gross obligations for the principal amount of direct loans and commitments to guarantee loan principal,".

(2) Section 301(c) of such Act is further amended by inserting after "1946." the following new sentence: "The Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate shall each also submit to the Committee on the Budget of its House its recommendations as to the appropriate level of total gross obligations for the principal amount of direct loans and the appropriate level of total commitments to guarantee loan principal.".

SEC. 5. (a) Section 302(a) of the Congressional Budget Act of 1974 is amended—

(1) by inserting "and the appropriate levels of total gross obligations for the principal amount of direct loans and total commitments to guarantee loan principal" after "total new budget authority"; and

(2) by inserting "or authorizing such obligations and commitments" after "such new budget authority".

(b) Section 302(b) of such Act is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (1);

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

"(2) the Committee on Appropriations of each House shall also, after consulting with the Committee on Appropriations of the other House, subdivide among its subcommittees the allocation of gross obligations for the principal amount of direct loans and of commitments to guarantee loan principal allocated to it in the joint explanatory statement accompanying the conference report on such concurrent resolution; and".

SEC. 6. Section 307 of the Congressional Budget Act of 1974 is amended by inserting ", and the appropriate levels of total gross obligations for the principal amount of direct loans and of total commitments to guarantee loan principal," after "new budget authority".

SEC. 7. (a) Section 308(a)(1) of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" after the semicolon at the end of subparagraph (B); and

(2) by adding after subparagraph (C) the following new subparagraph:

"(D) how the limitations on gross obligations for the principal amount of direct loans and on commitments to guarantee loan principal provided in that bill or resolution compare with the gross obligations for the principal amount of direct loans and commitments to guarantee loan principal set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year and the reports submitted under section 302; and".

(b) Section 308(b) of such Act is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (4) the following new paragraph:

"(5) an up-to-date tabulation comparing the gross obligations for the principal amount of direct loans and the commitments to guarantee loan principal for such fiscal year in bills or resolutions on which the Congress has completed action to the gross obligations for the principal amount of direct loans and the commitments to guarantee loans set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year and the reports submitted under section 302.".

SEC. 8. (a) Section 309 of the Congressional Budget Act of 1974 is amended by inserting "or providing limitations on gross

obligations for the principal amount of direct loans or on commitments to guarantee loan principal for such fiscal year," after "such year," where it first appears in paragraph (1).

(b)(1) The heading of section 309 of such Act is amended by striking out "AND CERTAIN NEW SPENDING AUTHORITY" and inserting in lieu thereof ", LIMITING DIRECT LOANS OR LOAN GUARANTEE COMMITMENTS, OR PROVIDING CERTAIN NEW SPENDING AUTHORITY".

(2) The table of contents for such Act is amended (in the item relating to section 309) by striking out "and certain new spending authority" and inserting in lieu thereof ", limiting direct loans or loan guarantee commitments, or providing certain new spending authority".

SEC. 9. Section 310(a) of the Congressional Budget Act of 1974 is amended—

(1) by striking out "or" after the semicolon at the end of paragraph (3);

(2) by redesignating paragraph (4) as paragraph (5) and (in such paragraph) striking out "and (3)" and inserting in lieu thereof "(3), and (4)"; and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) specify the total amount by which gross obligations for the principal amount of direct loans or commitments to guarantee loan principal are to be changed and direct the committees having jurisdiction to recommend such change; or".

SEC. 10. (a) Section 311(a) of the Congressional Budget Act of 1974 is amended—

(1) by inserting "increasing the limitations on total gross obligations for the principal amount of direct loans or on total commitments to guarantee loan principal for such fiscal year," after "effective during such fiscal year," in the matter preceding paragraph (1); and

(2) by inserting "would cause the appropriate level of gross obligations for the principal amount of direct loans or of commitments to guarantee loan principal set forth in such concurrent resolution to be exceeded," after "exceeded," in the matter following paragraph (3).

(b)(1) The heading of section 311 of such Act is amended by inserting ", LOAN AND LOAN GUARANTEE COMMITMENTS," after "SPENDING AUTHORITY".

(2) The table of contents for such Act is amended (in the item relating to section 311) by inserting ", loans and loan guarantee commitments," after "spending authority".

SEC. 11. (a) Title IV of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new section:

"LEGISLATION PROVIDING AUTHORITY TO GUARANTEE THE REPAYMENT OF INDEBTEDNESS

"SEC. 405. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides, extends, or enlarges authority to insure or guarantee the repayment of indebtedness incurred by another person or government (or any amendment which provides, extends, or enlarges such authority) unless that bill, resolution, or amendments also provides that such authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.".

(b) The table of contents for such Act is amended by adding at the end of the matter relating to title IV the following new item:

"Sec. 405. Legislation providing authority to guarantee the repayment of indebtedness.".

SEC. 12. Section 402(a) of the Congressional Budget Act of 1974 is amended by inserting "or which authorizes the insurance or guarantee of the repayment of indebtedness incurred by another person or government for a fiscal year," after "for a fiscal year,".

SEC. 13. Section 2 of the Congressional Budget and Impoundment Control Act of 1974 is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (4);

(2) by redesignating paragraph (5) as paragraph (6); and

(3) by inserting after paragraph (4) the following new paragraph:

"(5) to provide for the congressional determination each year of the appropriate level of gross obligations for the principal amount of direct loans and of commitments to guarantee loan principal; and".

SEC. 14. Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(6) The term 'direct loan' means a disbursement of funds by the United States or any officer or agency thereof (not in exchange for goods or services) under a contract which requires the repayment of such funds with or without interest, and in addition includes—

"(A) direct participation in a loan made and held by another person or government;

"(B) the purchase (through secondary market operations) of a loan made by another person or government; and

"(C) the acquisition of a federally guaranteed loan made by another person or government, as collateral or in satisfaction of default or other guarantee claims.".

SEC. 15. Section 201(d) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(d)), is amended by striking out "items enumerated in section 301(a)(1)–(5)" and inserting in lieu thereof "items enumerated in section 301(a)(1)–(7)".

SEC. 16. Section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (12);

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (13) the following new paragraph:

"(14) all essential facts regarding direct lending by the Government, and guarantees by the Government of the repayment of indebtedness incurred by another person or government.".

SEC. 17. The amendments made by this Act shall be effective with respect to fiscal years beginning on and after October 1, 1980.

FEDERAL PARTICIPATION IN DOMESTIC CREDIT MARKETS

[In billions of dollars]

	Actual											Estimates	
	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981	1982
Total funds advanced in U.S. credit markets[1] (includes equities)	125.7	163.5	207.7	193.4	181.3	251.8	66.1	314.4	385.3	414.3	348.0	(2)	(2)
Advanced under Federal auspices	16.5	22.9	27.2	25.7	27.1	27.0	6.7	37.3	58.9	73.8	80.6	98.6	109.8
Direct loans:													
On-budget	2.0	3.0	.9	3.3	5.8	4.2	1.1	2.6	8.6	6.0	9.5	3.9	6.1
Off-budget			.1	.8	7.0	6.7	2.6	9.0	11.2	13.6	14.7	23.2	18.5
Guaranteed loans	16.1	19.8	17.7	10.5	8.7	11.2	−.1	14.0	13.9	26.1	32.4	51.3	56.0
Government-sponsored enterprise loans	−1.7	.1	8.5	11.2	5.6	4.9	3.1	11.7	25.2	28.1	24.1	20.3	28.3
Federal participation rate including Government-sponsored enterprises (percent)	13.1	14.0	13.1	13.3	14.9	10.7	10.1	11.9	15.3	17.8	23.2		
Total funds raised in U.S. credit markets[1]	125.7	163.5	207.7	193.4	181.3	251.8	66.1	314.4	385.3	414.3	348.0	(2)	(2)
Raised under Federal auspices	33.5	40.0	47.5	24.4	64.9	88.2	19.3	79.6	94.4	81.7	124.4	141.5	125.8
Federal borrowing from public	19.4	19.4	19.3	3.0	50.9	82.9	18.0	53.5	59.1	51.6	70.5	72.0	45.0
Borrowing for guaranteed loans	16.1	19.8	17.7	10.5	8.7	11.2	−.1	14.0	13.9	26.1	32.4	51.3	56.9
Government-sponsored enterprise borrowing	−2.1	.7	10.5	10.9	5.3	4.1	1.4	12.0	21.4	21.9	21.4	18.2	24.9
Federal participation rate (percent)	26.6	24.5	22.9	12.6	35.8	39.0	29.2	25.3	24.5	19.7	35.7		

[1] Nonfinancial sectors. Source: Federal Reserve Board Flow of Funds Accounts.
[2] Not estimated.

Source: Fiscal year 1982 Federal Budget, Special Analyses.

GOVERNMENT CREDIT PROGRAMS CARRY HEAVY COSTS

(By Murray L. Weidenbaum)

The federal government has bailed out Chrysler, Lockheed, and New York City. Yet, providing credit to various parts of the economy is a little-understood and little-known component of government economic power.

That power is underpublicized for good reason: most of the government's annual $200 billion in credit does not show up in the U.S. budget and much of it does not involve any immediate expenditure of funds.

On the surface, federal credit programs seem a painless way of achieving national goals. Congress is blithely urged to use this approach for such different and massive activities as supporting large companies and bailing out major cities, since it seems that government is "merely" guaranteeing private borrowing or sponsoring supposedly private credit institutions.

The proposal to bring back that relic of the 1930s, the Reconstruction Finance Corp., is the latest manifestation of this illusion.

Is the use of the government's credit power a variation of the old "free lunch?" The answer is a resounding no. Contrary to popular belief, federal credit programs are not costless—either to the Treasury or to the citizens who fill its coffers.

These programs have three distinct costs:

Economic costs. Because government credit programs do nothing to increase the economy's total supply of investment funds, they in fact deny credit to unsubsidized borrowers. Such programs are a glorified "shell game," with a variety of losers.

Initial fiscal costs. Government credit programs increase the total size of government-related borrowings—ranging from the Treasury's own securities to private issues guaranteed by federal credit agencies. An expansion in the volume of government-related credit results in higher interest rates being paid by an entire category. The fiscal cost to government arises—and here is the key point—because that portion of higher interest rates servicing the public debt is a direct charge to the federal budget, although we do not see it "on paper."

Ultimate fiscal costs. When borrowers holding government-guaranteed credit default, the Treasury bears the ultimate cost. Government credit programs thus become a form of "back-door" spending, whereby federal expenditures are incurred in the absence of direct budget appropriations.

These are very real costs to taxpayers. To tackle the problem, all proposals to create new credit programs (or broaden existing ones) must be accompanied by a detailed factual analysis—so the public can see what is involved.

This appraisal should specifically add up the subsidies by showing the difference between the interest rate charged to borrowers in the federal credit program and the rate that would be charged by private lenders.

Another way is to impose a ceiling on the total volume of federally assisted credit. Many programs now have virtually a blank check on the nation's credit resources. Under this method, credit would no longer be treated as a "free good."

In the long run, however, the most fundamental proposal relates to the underlying conditions creating these credit programs. If we promote an economic climate more conducive to private savings and investment, then we will reduce the need for private borrowers to seek federal credit assistance.

We must also recognize that the recent expansion in government credit programs—notably the aid to Chrysler—is qualitatively different from traditional credit activities. Loan guarantees by the Federal Housing Administration, for instance, are secured by readily marketable assets, such as real estate.

But many newer programs have different risk characteristics. A typical synthetic fuels project, for example, has substantial technical uncertainty as to costs and profitability.

The same is true of credit expansions to municipalities. If New York should default, how would the government foreclose on its "mortgage?" It is hard to envision the city fathers auctioning off Central Park or the Bronx Zoo. The city has pledged no tangible assets for repayment, as is done in traditional credit programs. What incentive, in short, does the city have to get its finances in order?

A new business bailout agency, such as the Reconstruction Finance Corp., would be a fiscal nightmare. A report by the Center for the Study of American Business at Washington University noted four problem areas in operating a government credit agency like RFC: criteria for granting federal loans are likely to be vague and open to arbitrary interpretation; government subsidy of private activity will encourage misallocation of resources; the credit agency will exist long after immediate problems are solved; and credit programs will leave the government holding assets of questionable quality or limited use.

My point here is not to oppose each extension of government credit. Rather, the issue is the full extent of contingent liabilities government might assume, which could result in ultimate federal assumption of large, unpaid debts. Supporters of more government credit programs and agencies should consider the consequences—and consult history before repeating its errors.

By Mr. PERCY (for himself, Mr. COHEN, Mr. DURENBERGER, and Mr. PROXMIRE):

S. 266. A bill to establish a Federal Interagency Medical Resources Committee to insure the most efficient and effective use of Federal direct health care resources; to the Committee on Governmental Affairs.

FEDERAL INTERAGENCY MEDICAL RESOURCES SHARING AND COORDINATION ACT OF 1981

Mr. PERCY. Mr. President, if this Congress is going to successfully cut Government spending without jeopardizing vital services, we are going to have to scrutinize every Federal program to make sure it is being run with the utmost efficiency. Today I am reintroducing legislation which will promote such efficiency in the delivery of billions of dollars worth of direct medical care to Federal beneficiaries—thereby saving millions of dollars while actually improving the quality of health care. I am happy to have Senator PROXMIRE, Senator COHEN, and Senator DURENBERGER as cosponsors.

This bill, the Federal Interagency Medical Resources Sharing and Coordination Act, passed the Governmental Affairs Committee and the Senate unanimously last September. Unfortunately, Congress adjourned before the House could act on it. I urge that the 97th Congress act swiftly on this cost-saving proposal.

HEARING REVEALED MILLIONS OF WASTED TAX DOLLARS

In recent years, increasing concern has been expressed in the Congress over the spiralling costs of medical care in the Nation. As in the private sector, Federal agencies' costs to provide health care directly to eligible beneficiaries have continued to rise, and substantial efforts have been made to find ways of holding down these costs without adversely affecting the quality of care.

The Governmental Affairs Committee, the GAO, and an interagency task force completed a lengthy investigation into the Federal Government's lack of interagency coordination of its $10-billion-a-year hospital system with hearings last July.

Examples of waste and inefficiency in the VA's, Defense Department's and Public Health Service's 308 hospitals are plentiful. For instance:

In North Chicago, the VA and Navy operate hospitals less than a mile from each other. While the Navy's modern facility sits more than three-quarters empty because of a lack of doctors, forcing them to spend $3 million on private sector care, the VA nearby plans to spend $67 million in coming years on its crumbling 1905 era buildings. The VA enjoys a relative abundance of doctors. Current laws, regulations and other problems have held up attempts to coordinate resources among the two Federal facilities.

For lack of a VA-Army agreement to share Boston VA orthopedic services, the Army flies dozens of patients from Boston to Walter Reed Hospital in Washington on its very expensive air evacuation system when more convenient and less costly treatment could be provided by the VA.

The Federal Government's Public Health Service Hospital in Seattle has a spinal cord injury center just 2 miles from a VA hospital that lacks such facilities. In 1 year, the VA transported 19 spinal cord injury patients to Long Beach, Calif., because regulations required patients to be treated within the same agency. The Seattle VA is now planning to construct its own $7 million spinal cord center just 2 miles from the other Federal facility.

These are not isolated cases.

NEED FOR LEGISLATION

These opportunities and many others are not being taken advantage of because the following obstacles inhibit the efforts of agencies to implement cost-effective sharing:

Restrictive laws limiting the types of resources that can be shared among Federal agencies: They restrict beneficiaries from being treated in another agency's facility.

Conflicting agency regulations, policies, and procedures. Most prominent are inconsistent and unequal reimbursement methods.

Disincentives at the hospital director level. For example, when a VA hospital director agrees to provide a service to a Defense Department hospital, the reimbursement for that service goes to Washington rather than to the VA hospital providing the service.

THE FEDERAL INTERAGENCY MEDICAL RESOURCES SHARING AND COORDINATION ACT

The purpose of this legislation is simple: To clear away the legal and administrative barriers to sharing, create incentives at the local level, and encourage the agencies to begin assessing money-saving opportunities for sharing and implement them expeditiously. The legislation also provides specific safeguards to prohibit sharing where it would adversely affect the quality of health care to Federal beneficiaries.

Reaction to the bill last year was nearly unanimous: This legislation is needed.

We have a unique opportunity with this bill to save hundreds of millions of tax dollars while actually enhancing Federal direct health care. In view of the difficult decisions the 97th Congress faces in trying to cut Federal spending, I urge that we move swiftly to pass this bill and others that can save tax dollars without creating hardships for Federal beneficiaries.

I ask unanimous consent that the text of the bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 266

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Interagency Medical Resources Sharing and Coordination Act of 1981".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) coordination among Federal agencies in the use of Federal medical resources would minimize duplication and underutilization of Federal direct health care facilities, reduce costs, and enhance health care;

(2) optimum coordination between the Veterans' Administration and Department of Defense, the largest Federal providers of direct health care, would reduce health care costs and, in many cases, improve the quality of, and access to, care available to Federal beneficiaries;

(3) greater interagency sharing of medical resources between the Veterans' Administration and the Department of Defense may be achieved without a detrimental effect on each agency's primary beneficiaries;

(4) currently there are not adequate incentives in the various Federal direct health care delivery systems to encourage maximum interagency use of Federal medical resources;

(5) the Veterans' Administration and the Department of Defense should, to the extent feasible within each agency's responsibilities, share medical resources and increase the coordination of medical care; and

(6) the establishment of an interagency committee will facilitate interagency sharing of medical resources between the Veterans' Administration and the Department of Defense.

(b) It is the purpose of this Act to (1) clarify and expand the authority of the Veterans' Administration and the Department of Defense as direct health care providers in order to facilitate Federal interagency sharing of medical care and medical care support resources and (2) establish an interagency committee to serve as a mechanism to encourage maximum interagency sharing of such resources.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "direct health care" means any health care provided to an eligible beneficiary in a facility operated by the United States Government, including inpatient care and any type of outpatient treatment, testing, or examination;

(2) "beneficiary" means any individual who is entitled by law to direct health care furnished by the Veterans' Administration or the Department of Defense;

(3) "providing agency" means the Veterans' Administration or the Department of Defense;

(4) "primary beneficiary" means an individual who is specifically entitled by law to direct health care in the facilities of a particular providing agency;

(5) "negotiated cost" means the cost determined by local hospital officials on a medical service-by-service, hospital-by-hospital basis to be an equitable and consistent charge for the services provided; and

(6) "medical resource" means medical care and medical care support resources.

INTERAGENCY FEDERAL MEDICAL CARE COORDINATION

SEC. 4. (a) There is established a Federal Interagency Medical Resources Committee (hereafter in this Act referred to as the "Committee"). The Committee shall be composed of the Secretary of Defense and the Administrator of Veterans' Affairs or their designees. In order to establish policies applicable to the Veterans' Administration and the Department of Defense as Federal direct health care providers with regard to interagency sharing of medical resources, the Committee shall, notwithstanding any other provision of Federal law relating to interagency sharing of medical resources, undertake the following:

(1) Assess the opportunities for interagency sharing of existing medical resources between the Veterans' Administration and the Department of Defense.

(2) Remain continuously apprised of the planning of any additional Veterans' Administration or Department of Defense medical facilities, including the location of new facilities and the acquisition of major new medical equipment, with regard to the impact of such plans on opportunities for interagency sharing.

(3) Review existing Veterans' Administration and Department of Defense direct health care capabilities, including support and administrative services, to identify sharing opportunities that will not adversely affect the quality of, or the established priority of, care provided.

(4) Prescribe policies and procedures designed to maximize the interagency sharing of the Veterans' Administration and the Department of Defense medical resources.

(5) Coordinate the establishment of uniform interagency health care policies and procedures for providing agencies and monitor the implementation of such policies and procedures, including policies and procedures for coordinated planning for future development of each agency's direct health care delivery system.

(6) Consult, when appropriate with regard to carrying out the matters described in paragraphs (1) through (5), with other Federal providers to encourage optimum coordination in the delivery of direct health care.

(7) Prescribe uniform guidelines, within 180 days after the date of the enactment of this Act, to directors and commanding officers of health care facilities within the Veterans' Administration and the Department of Defense for the sharing of medical resources by such health care facilities. Such guidelines shall provide, consistent with the policies and procedures developed under this Act, for the following:

(A) The director or commanding officer of each health care facility within the jurisdiction of the Veterans' Administration and the Department of Defense shall, whenever possible, enter into interagency cooperative sharing arrangements with other health care facilities of such providing agencies. Under such arrangements, a beneficiary eligible for direct health care in one agency's facility may receive medical care at a providing facility of the other agency.

(B) Services to be shared may include any medical resource.

(C) Medical resources to be shared shall be negotiated by the directors or commanding officers of the health care facilities entering into an arrangement.

(D) The availability of direct health care to beneficiaries of an agency other than the providing agency shall be on a referral basis, and shall not, as determined by the directors or commanding officers participating in such arrangements, adversely affect the quality of care and priority access for medical services of the providing agency's beneficiaries.

(E) Whenever a beneficiary receives medical services from a providing agency other than the particular providing agency for which such beneficiary is a primary beneficiary, such providing agency shall be reimbursed based on negotiated costs as agreed by the directors or commanding officers of the participating health care facilities.

(F) Reimbursement shall be credited when received by the providing agency to the specific facility that provided the medical service.

(G) Sharing arrangements shall be operative upon agreement of the directors or commanding officers entering into such arrangements unless disapproved upon submission to each agency.

(b) Nothing in this Act shall be construed to preclude sharing of medical resources among all Federal direct health care providers pursuant to any other law.

(c) The responsibilities of the Committee under this Act with regard to uniform direct health care shall not be construed to alter any providing agency's responsibilities with regard to the provision of medical services provided by law.

(d) (1) The Committee shall, within one year after the date of the enactment of this Act, prepare and transmit to the Congress a report, including such legislative recommendations as the Committee considers appropriate, with regard to—

(A) the guidelines prescribed pursuant to subsection (a) (6);

(B) the opportunities for interagency sharing as required in section 4(a) (1);

(C) the interagency sharing arrangements entered into by health care facilities of such providing agency;

(D) each providing agency's activities pursuant to cooperative interagency sharing arrangements;

(E) other interagency activities directed toward maximizing the efficient use of Federal health resources during the preceding fiscal year;

(F) the progress of Federal interagency medical resource sharing;

(G) the interagency coordination of Federal health resources planning; and

(H) other major Federal activities to increase interagency sharing of Federal medical resources.

(2) Each year at the time the President transmits the Budget under section 201 (a) of the Budget and Accounting Act, 1921, beginning with the year after the year in which the Committee submits its report under paragraph (1), the Committee shall prepare and transmit to the Committees on Appropriations of the Senate and the House of Representatives a report for the preceding year containing the information described in paragraph (1).

By Mr. DECONCINI (for himself and Mr. THURMOND):

S. 267. A bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes; to the Committee on the Judiciary.

NATIONAL GUARD TORT CLAIMS ACT

Mr. DECONCINI. Mr. President, Gen. Douglas MacArthur once said that—

> In no other profession are the penalties for employing untrained personnel so appalling or so irrevocable as in the military.

At a time when our great Nation is in the process of sending a message to the world that our military is prepared to defend the vital interests of the United States, the training, the skills, and numbers of our Army and Air National Guard Reserve components are critical elements in our effort to maintain a strong national defense.

The legislation which I have introduced today, the National Guard Tort Claims Act, will make a major contribution to this effort by finally allowing the National Guard component to conduct training which will prepare the men and women of the Guard to play their rightful role as part of the "total force" of our military establishment. It will do so by covering the Guard under the Federal Tort Claims Act while in training, thus creating liability in the Federal Government for torts committed by National Guardsmen and women in the

scope of their employment. This bill will have the additional effect of encouraging volunteers, today so badly needed in the Reserves.

The States have long expressed serious concern over the liability cast upon them by members of the National Guard engaged in training for Federal missions. There now exists a myriad of possible responses from a complete remedy to none at all. Some States deny all liability or limit their liability on the grounds of sovereign immunity. Some carry automobile insurance but no general or comprehensive coverage. Into this maze is cast the guardsman or woman who is ordered to perform a given task by the military and then forced to respond in damages for injuries caused by him or her while acting within the scope of employment.

The bill I am introducing today, the National Guard Tort Claims Act, would extend to the National Guard in training, the same protection under the Federal Tort Claims Act that is already provided for all other members of the Armed Forces as well as all Federal employees. In addition, it would make the Federal Tort Claims Act the exclusive remedy for claims based on the medical malpractice of National Guard medical personnel.

As stated in a recent defense department document:

> Our nation continues to depend for its defense upon our reserve forces, under the "total force" concept, reserve forces would perform critical missions in any future conflict, my administration is committed to ensuring that these vital forces are fully manned, well trained, well equipped and capable of rapid mobilization and integration into the active force in time of national emergency.

We will not have a well trained force, performing critical missions, if a major component of that force cannot use real ammunition in its training nor participate with other military components in realistic training exercises. And I am aware of units in the National Guard which are forbidden to use real ammunition in their training exercises because, and only because, the Federal Tort Claims Act does not apply to the Guard in training.

All members of the Armed Forces, except National Guard members, are recognized as Federal employees under the presently drafted Federal Tort Claims Act. The theory behind the exclusion of the National Guard is feeble at best, given the realities of the present day military situation. The rationale which has been used, and which was articulated most recently by the Supreme Court in Maryland against United States is that because the National Guard was originally established as a State militia unit by the Constitution, the present day guardsman or woman is, under the theory of respondeat superior, really an employee of, and under control of the State, and not the Federal Government.

This particular interpretation of constitutional text completely ignores not only reality but also another part of the Constitution. The Constitution, however, does something more. It gives Congress the power to "provide for organizing, arming and disciplining the militia, and for governing such part of them as may be employed in the service of the United States, reserving to the States respectively, the appointment of the officers, and the authority of training the militia according to the discipline prescribed by Congress."

Thus, the National Guard is not just a State entity, but plays a dual role. But its overwhelming role is Federal. By law, it is a major component of the Federal Armed Forces. In fact, it is given precedence in law over all other reserve components of the U.S. military system. In 10 U.S.C. 263 and at least two other parts of the United States Code, one finds language like this:

> Whenever Congress determines that more units and organizations are needed for the national security than are in the regular components of the ground and Air Forces, the Army National Guard of the United States and the Air National Guard of the United States, or such parts of them as are needed, together with units or other reserve components necessary for a balanced force, shall be ordered to active duty, and retained as long as so needed.

Guard units are organized and structured along lines prescribed by the Federal Government. Federal law, in fact, gives the President the right to specify the types of organization to be maintained in each State and requires that the organization and composition of units be the same as those prescribed for the Army and Air Force.

Guard units receive training that is identical to that given active units, and they are expected to perform wartime missions identical to those of comparable active units.

Members of the active—Federal—Military Establishment observe and assist with Guard training, and regularly inspect the training and other operations of Guard units. Failure to meet Federal standards can result in withdrawal of Federal recognition of a unit, thus depriving it of Federal funds and Federal equipment. In fact, it actually ceases to be a National Guard unit when Federal recognition is withdrawn.

Guard units stand ready for mobilization by the President whenever an emergency requires. Some 50,000 may be ordered to duty without even the necessity of a Presidential proclamation of emergency, in fact, and any number up to 1 million—Guard or Reserve, or both—for up to 2 years on a Presidential proclamation.

When a man or woman decides to join the National Guard, they take a dual oath, to defend their Nation and their State. They sign an enlistment contract that makes them members of the National Guard of their State and of the Reserve of the Army or Air Force, concurrently.

The new enlistee is handed an Army or Air Force uniform with a "U.S." on the collar and other insignia clearly identifying their affiliation with one of the U.S. military forces. The enlistee is issued a weapon and assortment of other gear, all of it identical to that issued to members of the Active Forces, all of it provided by the Federal Armed Forces.

The guardsperson stores gear in a Federal locker, in an armory for which the Federal Government provided up to 75 percent of the construction funding—as much as 100 percent for many training facilities. When the guardsperson takes part in "inactive duty training," as prescribed in 32 U.S.C., he or she draws a Federal paycheck and food and other necessities are provided by the Federal Government.

If the National Guard unit travels to an outdoor training area, they ride in, or drive, Federal vehicles powered by Federal fuel. When training involves weapons firing, Federal ammunition is fired. If there is an injury during training, or illness or disease results, he or she is entitled to Federal medical care just like other members of the Armed Forces.

If specialized training is required, the guardsperson goes to an Army or Air Force service school, and draws full pay while there. All training, whether inactive duty training under title 32, or any of the several types of active duty under title 10, is creditable toward Federal military retired pay. On the days active duty is performed, whether under title 32 or title 10, the guardsperson is entitled to use commissaries, post exchanges and other facilities restricted to active duty personnel.

Finally, the training given, and the functions performed in such areas as maintenance, logistics, administration, and management, all are focused almost entirely on the Federal mission. Readiness to perform a State function is almost wholly a by-product of preparing for the Federal role. State missions do not envision the utilization of 155mm guns, missiles, or high speed jet aircraft.

The Adjutant General of each State is supervised through the Chief of the National Guard, Bureau of the Department of Defense. Any rules and regulations promulgated under title 32 are promulgated by the Department of Defense.

The Federal role of the Guard was established right at our beginning as a Nation, through the previously quoted section of the U.S. Constitution, it became necessary as time passed to spell out the Guard's dominant Federal nature more clearly in law. However, a whole series of legislative enactments resulted, commencing with the Dick Act of 1903, through the National Defense Act of 1916 and its numerous later amendments, to the Armed Forces Reserve Act of 1952 and its numerous amendments or successor acts.

One of those enactments, in 1933, produced the legal rationale for a dual enlistment and concurrent Federal-State status. That enactment created a "National Guard of the United States," the organizations and membership of which would be identical with those of the National Guard of the several States. It is from that provision that the dual status/dual enlistment/dual responsibility doctrine flows.

Thus, the two aspects of the National Guard are two sides of the same coin, separated only by a thin legalistic membrane. That thin membrane is punctured in countless places, in the many ways enumerated earlier. It is almost ripped in two by another provision of law—10

U.S.C. 3686 and 8686 for the Air Guard—which says:

For the purposes of laws providing benefits for members of the Army National Guard of the United States and their dependents and beneficiaries—and

(3) Inactive duty training performed by a member of the Army National Guard of the United States in his status as a member of the Army National Guard, in accordance with regulations prescribed under section 502 of title 32 or other express provisions of law, shall be considered inactive duty training in Federal Service as a Reserve of the Army.

In fiscal years 1979 and 1980, about $1.6 billion Federal dollars were spent to maintain the Guard and its activities. The importance of the Guard to our national security is also evident by the fact that it is our national policy to rely fully for one-half of our Nation's combat power and two-thirds of its support capability on the Reserve Forces.

For example, when mobilized as the total force, the Army National Guard provides 27 percent of the total Army strength in the following percentages: 33 percent of the combat division; 72 percent of the separate brigades; 57 percent of the armored cavalry requirement; 63 percent of the infantry battalions; 33 percent of the special forces groups; and 21 percent of the medical units.

Furthermore, our timely and demonstrated ability to mobilize these forces—itself a function of training—can contribute greatly to deterring the Warsaw Pact from launching an attack in Europe in the belief that the U.S. units could not respond in time to augment forces already stationed in that theater.

The fiscal year 1981 budget from the Department of Defense has very clearly described an enhanced role for the Reserve Forces. States the narrative:

The U.S. defense posture of the 1980's will emphasize increased reliance on the Reserve Forces. Reserve units must be manned, equipped and trained properly and be capable of mobilizing and deploying rapidly in time of need.

The context of this policy is the fact that the Armed Forces and the Reserve must be able to participate in a major conventional war in Europe that begins with little or no warning, and is of such high intensity that the Reserve Forces must be fully trained and capable of deployment directly into battle within the first 30 days. And we must have people to send. There is a serious manpower problem in the Reserves today. How can we expect people to volunteer for service if they are not treated in a consistent fashion in terms of training and status as those in other military branches, while expected to perform exactly the same combat mission?

Another partial solution was enacted by the 95th Congress, but it applied only to medical malpractice. Instead of extending Federal tort claims coverage to Guard medical personnel, such as medical personnel of other military components enjoy, it authorized Federal payment of judgments, court and legal fees and other costs stemming from a medical malpractice suit brought against the individual member.

But in spite of the good intentions of the drafters of these relief provisions, there are still serious problems in these areas for the Guard.

With respect to the medical malpractice area, in most cases, a physician or dentist whose malpractice insurance policy does not cover him when he is engaged in military training or duty could have it extended to cover such periods, upon application and payment of an additional premium.

However, the cost is most often prohibitive, for example, a physician in Michigan 127th Hospital has reported that he would have to pay an additional annual premium of $5,000 in order to have his medical malpractice insurance extended to cover his Air National Guard activities.

Since medical personnel of the National Guard may often be required to perform their duty wherever their units may be sent, and without regard to the nature of their civilian medical specialties, it is obvious that the broader liability exposure would in nearly every case increase the cost of their insurance.

But, whatever, the expense, nominal or astronomical, our medical personnel in the National Guard do not feel that they should have to protect and pay for insurance to protect themselves from liability for official military activities. The income the National Guard doctor or dentist derives from his miltary avocation is most often substantially less than he could earn in the same time in his private practice. If the threat of ruinous civil liability is not removed by providing protection for "line-of-duty" medical activities, an exodus of professional medical personnel may well be expected. At a time when rapid mobilization of completely trained troops is a top priority for the protection of national security, we cannot let critical military medical training become only a formal exercise with no actual training occurring. In time of war as no other, we will need as many highly trained medical personnel as possible. We are dealing with human lives, and cannot afford to let a technical argument about definitions of State versus Federal get in the way of saving them.

I want to give you another example of the inadequacy of the present remedy—an example which will show that under it, innocent civilians are caused great suffering, and that bureaucratic absurdity attains its ultimate form. Several years ago, an Iowa Air National Guardsman crashed into a farmhouse. At the time of the crash, the State of Iowa had waived its sovereign immunity by passing a State tort claims act.

Some time shortly after the crash, the Iowa State Legislature passed a bill to amend the State act to exclude coverage for activities of the members of the Iowa National Guard performing training under title 32.

From the time of the accident, when a claim for administrative relief was filed, there was a controversy over whether the Air Force or the State had to pay, and how much. A house full of antiques had been completely demolished and the family lived in a henhouse on the property which had been thankfully spared.

Finally, after many months of anguish and no payment forthcoming from anyone, the Air Force and the plaintiff could not agree to a settlement. The Air Force claiming that the antiques were only "old furniture," the Governor of Iowa grounded all Federal vehicles issued to the Iowa Army and Air National Guard.

Needless to say, there was a speedy resolution. We cannot allow such a comedy of errors to occur at a time when our defense needs are so urgent. The cost to the Air Force for this prolonged sequence of events—and I am speculating—was probably as much or more than the cost of settlement procedure under the Federal Tort Claims Act. Once the Guard is under the act, such costs will go down, for Government attorneys would be used, rather than the private attorneys allowed under the claims procedure.

The issue, therefore, is a simple one:

If a National Guard member on inactive duty training (title 32) is driving a U.S. Army tank as part of an Army-prescribed training event aimed at readying that guardsman to perform a Federal defense mission, and he inadvertently rams into a privately owned structure causing major structural damage or perhaps serious personal injuries, how does the Federal character and responsibility for the action differ from an identical action, potentially tortious, committed by an Active Army or Army Reserve soldier, under identical circumstances and likewise in preparation for performing a Federal defense mission?

Placing the Guard under the Federal Tort Claims Act not only protects the Guard, but also protects the citizens unfortunately involved in the accident, for reasons of fairness and equity toward aggrieved citizens and because the fiction of the National Guard as primarily a State-operated and operating entity is unrealistic and antithetical to our newly restructured defense needs—with an emphasis on the role of the Reserves—I urge the Congress to put the final brick in the strong building of American defense by supporting this measure. A guardsperson should not be burdened with a personal responsibility for an accident while others performing the same federally directed function and wearing the same uniform are rightfully shielded from liability.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD as follows:

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 267

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2671 of title 28, United States Code is amended—

(1) in the second paragraph, by inserting a comma and "members of the National Guard while engaged in training or duty under Section 316, 502, 503, 504, or 505 of title 32, or any other provision of law for which such a member is entitled to, or has waived, pay under title 37," after "United States"; and

(2) in the third paragraph, by inserting "or a member of the Army National Guard or Air National Guard" after "United States".

SEC. 2. Section 1089(a) of title 10, United States Code, is amended by inserting "the National Guard while engaged in training or duty under section 316, 502, 503, 504, or 505 of title 32 of the United States Code, or any other provision of law for which such a member is entitled to, or has waived, pay under title 37 of the United States Code," after "armed forces".

SEC. 3. Section 334 of title 32, United States Code, is repealed.

By Mr. JOHNSTON:

S. 268. A bill to amend the Internal Revenue Code of 1954 to encourage individuals to invest in the stock of domestic corporations by allowing a 10-percent income tax credit for such investments; to the Committee on Finance.

INDIVIDUAL EQUITY INVESTORS' INCENTIVE ACT OF 1981

● Mr. JOHNSTON. Mr. President, today I am introducing the Individual Equity Investors' Incentive Act of 1981 which simply provides a 10-percent tax credit on the purchase of equity securities. The credit would be limited to $1,000 per individual and would be applied only to the net increase in an individual's equity investment each year. I introduced this bill late in the 96th Congress even though I knew that action on this legislation could not be completed before congressional adjournment. I believed then, as I do now, that clear and strong signals should be sent to American entrepreneurs and venture capitalists, to individual American savers and investors that Congress can be innovative and could establish more creative incentives for savings, investment and productive risk taking. Indeed, Mr. President, the performance of the 97th Congress should be measured by how effectively we achieve these objectives. I am convinced that the Individual Equity Investors' Incentive Act of 1981 effectively stimulates savings, investment and productive risk taking.

First, by rewarding individual Americans who sacrifice immediate consumption in order to invest in U.S. corporate stock, this legislation increases savings. Second, by promoting purchases of U.S. corporate stock and by slightly shifting tax incentives from debt to equity, this legislation expands the productive capital base which is the foundation of our free enterprise system and upon which new and more productive investments can be made. Third, by stimulating more investments in equity securities, this legislation encourages productive risk taking which has historically been the underpinning of American innovation and initiative and which has enabled American industry to develop and commercialize new technology.

Mr. President, some will argue that the Individual Equity Investors' Incentive Act subsidizes a few failing businesses because the tax credit is given before a particular investment has proven to be profitable. Some will argue that investment incentives should increase the rate of return only on new investments and that no incentive is required to free up "locked-in capital. Finally, some will argue that the tax code should be neutral and should not promote the competitiveness of American industry.

Each of these arguments is shortsighted, Mr. President, because the greater merit of an incentive to stimulate investment in stock is clear. In fact, it is ironic to note that the absence of an adequate risk protection base during the recent period of record high interest rates has caused bankruptcies and the concommitant loss of revenues from diminished economic activity.

Mr. President, few should dispute the proposition that the expansion of American free enterprise is the impetus behind the economic reindustrialization and revitalization debate. However, an expansion cannot occur without savings and productive risk taking. Because the definition of risk includes the possibility of loss, it is axiomatic that our free enterprise system cannot guarantee everyone success. This is true regardless of the nature or type of investment incentive. Even where the investment incentive is provided through accelerated depreciation, the possibility of failure exists.

Mr. President, the reduction of capital gains taxation has proven to be an effective stimulant to capital formation. Capital gains tax reductions, however, are after-the-fact rewards for productive risk taking. The conditions in the American economy require massive infusions of front-end risk taking capital. The Individual Equity Investors' Incentive Act provides that front-end infusion. This legislation taps the enormous supply of capital held by the American people.

Finally, Mr. President, if a tax credit for investing in stock cannot be accepted for any other reason, it should be accepted as a means of restoring corporate balance sheets to some reasonable level of normality. As summarized in a report by the Salomon Brothers entitled "Restoring Corporate Balance Sheets: An Urgent Challenge," the problem was summarized as follows:

What was 20 years ago a routine task of restoring balance sheets in order to participate in the subsequent economic expansion has become confounded immeasurably. In the last decade, liabilities have grown more than twice as fast as equity. Equity is now only half the capitalization of all manufacturers, compared with two-thirds at the start of the sixties. Liquidity ratios, current ratios, debt maturity ratios, and interest coverage in the corporate sphere have plummeted to record lows.

A slight shift of tax incentives from debt to equity certainly will contribute immensely to what has been described as "an unprecedented long-range challenge."

Mr. President, I doubt seriously that there are many among us who would argue that inaction is the solution to the problems of the American economy. I doubt very seriously that many among us would argue that Eurodollars or petrodollars from abroad will be forthcoming to solve America's problems. It is time we accept the fact that the reindustrialization and revitalization of the American economy will succeed only with American dollars and with American investment. Let us encourage Americans to save and to take stock in themselves. Let us encourage Americans to invest in their own futures. Under the Individual Equity Investors' Incentive Act, let us reward Americans who demonstrate faith and confidence in the economic foundation of America when they invest in productive risk taking American stock.●

By Mr. DOLE (for himself and Mr. DECONCINI):

S. 269. A bill to amend title 28, United States Code, relating to Federal court jurisdiction, and for certain other purposes; to the Committee on the Judiciary.

FEDERAL COURT JURISDICTION OVER CASES ARISING FROM ACTS OF INTERNATIONAL TERRORISM

● Mr. DOLE. Mr. President, the Senator from Kansas shares the national euphoria over the release of the 52 Americans held prisoner by Iran for over 1 year. I extend my warmest and most personal best wishes to each of those Americans and their families and friends.

However, Mr. President, this Senator must confess that his feelings of joy at this happy event have been dampened by the recent news reports of exactly how those Americans were treated while they were held in captivity. Indeed, in last Thursday's Washington Post, the front page is dominated by the headline reporting that former President Carter has charged the Iranians with "acts of barbarism." Apparently, our fellow citizens who had been held captive in Iran were treated in a far worse fashion than even the most pessimistic of us had dared to guess. As the story in the Post recounts—and here I quote—

Beatings, loneliness, death threats, life without sunlight, physical abuses, a spartan diet and a host of other deprivations, major and minor, defined the daily life of the American hostages in their Iranian prisons.

Consequently, we have seen many responsible citizens, including those familiar with the norms of the diplomatic establishment, recommending that the United States not completely fulfill the agreement extracted from us by the Iranian Government. The Wall Street Journal recently characterized the agreement between the United States and Iran as having "the same moral standing as an agreement made with a kidnaper, that is to say none at all." The Journal went on to urge that we "renounce the deal." In yesterday's Washington Post, George Ball, former Under Secretary of State and experienced diplomat, in a provocative editorial expounded on why the hostage arrangement is void under international law. He concluded by stating:

Crime should not pay, and we should not collaborate in making it pay.

I ask unanimous consent that the full text of the Wall Street Journal and George Ball's editorials be reprinted in the RECORD at this point in my remarks.

Mr. President, the Senator from Kansas makes no claim to being an expert in the intricacies of either international law or diplomatic negotiation. At this

point, the Senator from Kansas takes no position regarding whether we should completely fulfill every aspect of this agreement. Yet one of the reported elements of this agreement does give this Senator major concern. As reported in the press, the executive has agreed to take action to nullify the roughly 388 law suits in the U.S. courts filed by claimants who have suffered various forms of damages at the hands of the Iranian Government. These law suits do not yet even include actions which might be filed by the hostages or their families for the suffering that they endured.

It seems to this Senator that embracing such a policy simply encourages foreign governments to endorse or actively participate in acts of international terrorism. Furthermore, denying American citizens recourse to the Federal courts when they have suffered legal injury is not only unjust and unworthy of a nation of laws, but may for that reason be unconstitutional. During the last Congress, this Senator developed a proposal to expand the Foreign Sovereign Immunities Act to give the Federal courts jurisdiction over the acts committed by foreign governments when those acts violated certain aspects of international law. I refrained from actually introducing the proposal after consultation with representatives of the hostage families for fear of jeopardizing the efforts to release the hostages. At this time, there is no longer such a restraint. Indeed, this proposal seems more appropriate now than ever before.

Therefore, Mr. President, the Senator from Kansas and the Senator from Arizona, Senator DECONCINI, today introduce a bill amending the Foreign Sovereign Immunities Act. This proposal does not directly affect what remains of the blocked Iranian assets or indeed take punitive action against Iran. Rather, it attempts to give American citizens some access to the Federal courts to seek compensation for injuries inflicted by foreign governments. For example, the hostages and their families probably have no right under existing law to sue Iran in our courts for its actions against them because the Foreign Sovereign Immunities Act only allows such law suits where torts are committed in the United States. This bill expands Federal jurisdiction to torts committed in whole or in part in U.S. diplomatic missions and consulates, and to torts committed in whole or in part in U.S. diplomatic missions and consulates, and to torts committed elsewhere when international law is violated and the aggrieved party is a U.S. national.

Furthermore, though the International Court of Justice has held that the United States is entitled to recover money from Iran for the injuries done to the hostages, such a judgment can be enforced only by the U.N. Security Council where the U.S.S.R. has a veto. To cure this difficulty, the amendment would have allowed the Federal courts to enforce decisions of the International Court of Justice and international arbitration awards.

Finally, U.S. investment abroad is frequently, and increasingly, subject to expropriation without effective compensation or redress. Such expropriation has recently occurred in Iran on a massive scale. Therefore, the bill we propose today gives the Federal courts jurisdiction over law suits based on uncompensated expropriations in violation of international law.

Mr. President, as can be seen by the language of this bill, this proposal is consistent with the long-standing policy of the U.S. Government to behave in a lawful manner in the international arena. We propose no unilateral punitive action against those whom Americans might have some claim. Rather, standards of international law are thoroughly woven into the provisions of this legislation. Thus, no action which could be taken under this legislation could be viewed by the international community as arbitrary or unfair. By expanding jurisdiction to permit the Federal courts to remedy violations of international law in certain circumstances, these sorts of controversies would in the first instance be considered in a primarily legal, rather than political, forum. Damages awarded by the courts could not be seen as punitive political or diplomatic maneuvers consciously taken as a matter of national policy.

Quite obviously, Iran's failure to protect the U.S. Embassy and personnel in Tehran, its positive support for the hostage takers, its attempt to coerce the United States through the use of hostages, and its threat to try them as criminals involve numerous serious violations of international law and practice. Rather than detail the involved violations of international law here, I ask unanimous consent that the memorandum, "International Law Violations in the Iranian Take-Over of the United States Embassy," be printed in the RECORD at the end of my remarks.

As demonstrated by this memorandum, Iran is clearly in violation of not only treaties with the United States, but the UN charter and customary international law as well. As the Federal district court in the District of Columbia held last July in an American International Group, Inc. against Islamic Republic of Iran:

It is absolutely clear that the Republic of Iran has shown a complete and utter disregard for international law by its seizure and holding of diplomatic hostages for a period exceeding eight months and its disdain of all diplomatic and international efforts to obtain their release.

Yet, in spite of Iran's continued vengeful lawlessness, the United States has generally adopted peaceful means to redress its grievances. This legislation that we are proposing today is consistent with those peaceful efforts yet establishes as a matter of law that this Government and the courts of this land will take lawful steps to protect and compensate injured citizens. Thus, even when we are injured, law and calm deliberation, rather than uncertain vacillation or impetuous aggressiveness, would be the order of the day. Individual citizens could vindicate their rights even when their Government cannot, or will not, do so.

In sum, Mr. President, the grave foreign policy questions surrounding the captivity of the American hostages will not fade with the release of our hostages, foreign terrorists, nations unconcerned by the dictates of law, and other adversaries will not let us ignore such problems. We must, sooner or later, take responsible action to protect our interests. This legislation is a first step and we urge all our colleagues to vigorously support it.

I would also like to thank Brice M. Clagett, Esq., an attorney with vast experience in international legal matters, for his assistance in preparing this bill.

I ask unanimous consent that the text of this bill be printed in the RECORD immediately following these remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 269

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Chapter 97 of title 28, United States Code, is amended—

(1) by adding at the end of section 1603 the following:

"(f) A 'national of the United States' means—

"(A) a natural person who is a citizen of the United States, or

"(B) a corporation or other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, if natural persons who are citizens of the United States own, directly or indirectly, 50 per centum or more of the outstanding capital stock or other beneficial interest of such corporation or entity.";

(2) by inserting in section 1605(a)(1) after "implication" a comma and the following: "including as provided in subsection (c)";

(3) by striking out in section 1605(a)(5) "occurring in the United States" and inserting in lieu thereof the following: "occurring in whole or in part in the United States, within the premises of a diplomatic or consular mission of the United States, or elsewhere if in violation of international law and if the aggrieved party is a national of the United States,";

(4) by adding at the end of section 1605(a) the following:

"(6) not otherwise provided for in paragraph (3), in which the action is based upon a taking of property of a national of the United States without the payment of prompt, adequate, and effective compensation required by international law or otherwise in violation of international law.

"(7) in which the United States seeks recognition and enforcement of a judgment for money rendered by the International Court of Justice.";

(5) by adding at the end of section 1605 the following:

"(c) For purposes of subsection (a)(1), an agreement by a foreign state to submit to arbitration shall be deemed a waiver of immunity with respect to any proceeding to confirm an arbitral award resulting from such agreement.";

(6) by striking out in section 1606 "except for an agency or instrumentality thereof shall not be liable for punitive damages" and inserting in lieu thereof "other than an agency or instrumentality thereof shall not be liable for punitive damages except to the extent provided under international law";

(7) by amending section 1610—

(A) by inserting in subsection (a)(1) after "implication" a comma and the following: "including as provided in subsection (c)";

(B) by striking out the period at the end of subsection (a) and inserting in lieu thereof a comma and "or";

(C) by adding at the end of subsection (a) the following:

"(6) the execution relates to a judgment obtained pursuant to paragraph (5), (6), or (7) of section 1605 (a).";

(D) by striking out in subsection (b)(2) "or (5)" and inserting in lieu thereof "(5), or (6)"; and

(E) by adding at the end thereof the following:

"(c) For purposes of subsection (a)(1), an agreement by a foreign state to submit to arbitration shall be deemed a waiver of immunity with respect to attachment in aid of execution or with respect to execution, relating to a judgment entered on an arbitral award.";

(8) by adding at the end thereof the following:

"§ 1612. Judgments for money rendered by the International Court of Justice

"On complaint by the United States, the district courts of the United States shall recognize and enforce any judgment for money rendered by the International Court of Justice."; and

(9) by inserting at the end of the table of sections for chapter 97 the following item:

"1612. Judgments for money rendered by the International Court of Justice.".

[From the Washington Post, Jan. 26, 1981]

HOSTAGE DEAL "CRIME SHOULD NOT PAY"

(By George W. Ball)

Though a few voices have been heard contending that we should denounce the Iranian hostage agreements as made under duress, former president Carter, and apparently the Reagan administration as well, seem to feel that such a renunciation would violate our "national honor."

I find it absurd to wrap these extorted documents in the flag of national honor, since, under international law as expressed in Article 52 of the Vienna Convention on the Law of Treaties of 1969, they are "void" because they were "procured by the threat or use of force." The precise language is important; the agreements are not "voidable" but "void," which does not leave the issue of validity to the decision of the president.

Unless he is prepared to set an unwise precedent and undercut a solemn multilateral convention that has become customary international law, President Reagan has no option but to acknowledge the invalidity of these agreements.

Such an acknowledgment would not, of course, preclude him, after careful study of all aspects of the problem, from waiving that illegality while emphasizing that that waiver was no precedent for the future.

Still, given the righteous anger of Americans, the new president may not wish to assume the political burden of a unilateral waiver and, in that case, might consider other possible solutions. One alternative might be for the president to announce that, though renouncing the agreements as invalid, he was referring final decision on the issue of validity to the International Court of Justice, which might or might not be prepared to take jurisdiction. In that way he could blunt the edge of accusations of arbitrary, arrogant and imperialistic action that would almost certainly be forthcoming, particularly from some sectors of the Third World.

Though the question needs careful examination of its international law implications and equally careful scrutiny of its political consequences, the suggested procedure might help relieve the sense of outrage of Americans as they hear new revelations of the brutalities and indignities inflicted on the hostages. After all, the International Court has already considered the hostage issue and, on May 24, 1980, handed down a six-point decision ordering that Iran immediately release all the hostages, warning it not to put them on trial and holding Iran liable to pay reparations for its actions. Although Iran boycotted those court proceedings, our government insisted that Iran was bound by the decision.

If such a course is followed, the problem must be sensitively handled so as not to call into question America's good faith. In particular, President Reagan should make it crystal clear that, invoking Article 52 of the Vienna Convention of the Law of Treaties of 1969 and declaring the agreement internationally invalid and not binding on the United States, he was not in any way undercutting the principle that international agreements are between states and not governments and that a new administration is fully bound by the formal undertakings of its predecessors. Thus, to the extent possible, expressions of approval of the course outlined should be obtained from Carter administration officials who participated in the negotiations.

If the International Court should accept jurisdiction and decree the agreements to be invalid, that would not mean that our government must reject unfulfilled aspects of the agreements that might be beneficial to our own interests. Moreover, we would have to consider carefully the effect of renunciation on the escrow arrangements and the repercussions in the financial community. But we should certainly repudiate those provisions that preclude the hostages and their families from asserting compensation claims against Iran for the outrageous treatment they received.

More difficult to appraise than the legal and financial aspects of the proposal would be the effect on our international interests. Would such a qualified renunciation penalize the more rational elements of a current Iranian government and play into the hands of the fanatical mullahs? What would be the reaction in Algeria, which has performed an invaluable role as go-between, yet is traditionally no friend of the United States? Would the Algerians feel betrayed? Finally, what would be the impact of our renunciation on America's international reputation?

Though we could not wholly restrain adverse reactions by even the most careful presentation of the American case, we should never be a complaisant prisoner of other nations' opinions. The world must not be allowed to forget that the taking of hostages was a violation of the right of legation honored by the Vienna Convention on diplomatic relations of 1961. It was—as the International Court has already determined—a flagrant breach of international law. Since allowing the Iranians to benefit from such brutal, lawless act would encourage its imitation by others elsewhere, all nations engaged in international diplomatic intercourse have a vital stake in the president's reactions. To let Iran off not merely scot-free but actually profiting from its obscene conduct would establish an odious and dangerous precedent.

Crime should not pay, and we should not collaborate in making it pay.

[From the Wall Street Journal, Jan. 21, 1981]

RENOUNCE THE DEAL

The agreement the United States made with Iran for return of the hostages has the same moral standing as an agreement made with a kidnapper, that is to say none at all. This is not said in criticism of the Carter administration, which made the deal to save the hostages' lives. But now that the hostages are free, President Reagan should examine the agreement carefully and if its unfulfilled parts do not, on balance, benefit American interests, there should be no hesitation in renouncing it.

There will be arguments against such a course, no doubt. It will be said that no great nation, having made a commitment, should renege if it wants to be trusted in the future. It will be argued that such a move would cut the ground out from under those Iranian leaders who favored the deal and faced up to the wild men who would have held the hostages forever. It will be argued that we are only giving back to the Iranians what is lawfully theirs. It will be asked whether we would be able to do business with terrorists in the future if the need arose.

Those are all persuasive arguments, but they miss the core point: This was not an agreement, it was extortion. And it is important for the world to know that extortionists are not entitled to the same legal and moral consideration as governments operating in accordance with international law.

There would be another implicit message: We are not worrying about how much future terrorists trust our word because future terrorists will not be dealt with in this manner. Having learned our lesson from this experience we will see to it that the next ones who try it are dealt with swiftly and with force. Whether they trust our word will be immaterial.

As to the Iranians who argued for negotiations, do we really feel we owe anything to anyone in Iran's power elite? They are all, after all, the creatures of the Ayatollah Khomeini. Anyone who was not is either now dead or in exile. Our initial mistake in Iran was in the idea that we could do business with such people.

There is finally the question of our giving back to the Iranians "their own property." If we are dealing here with legalisms, any Iranian assets that are free of liens might be considered their property, but everything else falls into a different category. The U.S. negotiators took a very long leap when they agreed to submit to an international claims commission the claims of American nationals against Iranian assets held in the U.S. They were, in effect, pledging to take these cases out of U.S. courts, a pledge that has dubious constitutionality. As to the damages that can be claimed by the hostages themselves, the agreement seems to leave them with no recourse in the courts. As to delivering up any discoverable assets of the Shah's family do we really want to finally capitulate to the Ayatollah's lust for vengeance against the Shah?

We do not want to treat the American negotiators harshly. They worked arduously for long hours under horrendous pressure and achieved their primary goal, getting the hostages released. But the other side, bargaining with human lives against money and contracts, had an unfair advantage. We should not hesitate to make it clear that an agreement negotiated under such conditions is worthless and equally clear that anyone who attempts the same thing in the future will not be treated so gently.

INTERNATIONAL LAW VIOLATIONS IN THE IRANIAN TAKEOVER OF THE UNITED STATES EMBASSY, NOVEMBER 20, 1979

SUMMARY

Iran's failure to protect the United States Embassy and personnel in Tehran, its positive support for the hostage takers, its attempt to coerce the United States through the use of hostages, and its threat to try them as criminals involve numerous serious violations of international law and practice.

The taking of hostages under any circumstances is a serious violation of international law, and the Government of Iran must bear responsibility for that event. Moreover, the illegality here is particularly grave for sev-

eral reasons. The hostages were seized in an effort to coerce the United States to meet Iranian demands, in violation of the Charter of the United Nations which requires that disputes among states be resolved exclusively by peaceful means. Second, the hostage-taking, involving diplomatic personnel, violates the law of diplomatic protection, reflected in basic international treaties to which Iran is a party. Finally, Iran's threat to try the hostages as criminals would violate the absolute immunity from criminal jurisdiction to which our Embassy personnel are entitled under longstanding rules of international law.

1. A state's complicity in the taking of hostages is impermissible under international law

Customary international law recognizes a duty on the part of all states to exercise due diligence to protect foreign nationals present in their territory. This includes the obligation to take measures to prevent injury to foreign nationals and to punish private persons who commit crimes against foreign nationals. *See generally* H. Lauterpacht, 1 *Oppenheim's International Law* 364–68 (8th ed. 1955); Lillich & Paxman, State Responsibility for Injuries to Aliens Occasioned by Terrorist Activities, 26 *Am. U. L. Rev.* 217, 225–51 (1977). In addition to this customary international law obligation, Iran has a binding treaty obligation to afford United States citizens in Iran "the most constant protection and security." Article II(4), Treaty of Amity, Economic Relations, and Consular Rights Between the United States and Iran, 8 U.S.T. 899, T.I.A.S. 3853, 284 U.N.T.S. 93 (1955).

Iran has clearly failed to exercise due diligence to protect the Embassy personnel from being seized as hostages. It is failing in its obligation to take steps to terminate the crime and punish the offenders. Through its direct support for the hostage takers and its linkage of the release of the hostages to demands on the United States Government, Iran has gone beyond vicarious responsibility through failure to act to direct responsibility through complicity in the offense:

"[W]herever there has been evidence sufficient to show a clear connection between the acts of government officials and the acts of the individuals, at least to the extent that the state has facilitated or participated in the injury, responsibility has been imposed upon the state. In a situation like Poggioli [Poggioli Case (*Italy* v. *Venezuela*) 10 R. Int'l Arb. Awards 569 (1903)], it is not so much the ratification or passive tolerance of of the illegal acts of individuals as the actual participation by government officials in the injurious conduct that gives rise to state responsibility." Lillich & Paxman, *supra*, at [illegible].

State responsibility is particularly acute on the taking of hostages, which has been condemned as illegal in a variety of international agreements. A flat prohibition on the taking of hostages was included in Article 34 of the Fourth Geneva Convention of 1949, the Convention Relative to the Protection of Civilian Persons in Time of War, 6 U.S.T. 3516, T.I.A.S. 3365, 75 U.N.T.S. 287 (1949). This article was adopted to "bring positive law into line with the principles of justice and humanity." Pictet, Commentary on the Geneva Convention (IV) 231 (1958). Under this Convention, to which Iran, the United States and over 140 other states are party, the taking of hostages is prohibited even where, in case of armed conflict, the security and survival of a state are at stake. There is clearly no justification for such acts in times of peace. Further, the taking of hostages would clearly violate the internationally protected human rights of the hostages, for example, the right to liberty, freedom from cruel and degrading treatment and freedom from arbitrary arrest. *See* Arts. 3, 5 & 9, Universal Declaration of Human Rights (General Assembly Res. 217A (III), Dec. 10, 1948).

2. Iran's use of hostages as coercion in an international dispute violates the U.N. Charter

In the present case, Iran has done more than participate in the taking of hostages. Through linking the safe release of the hostages to the United States' satisfying certain Iranian governmental demands, Iran is seeking to deal with a dispute with the United States through terrorism and coercion. Article 2(3) of the Charter of the United Nations requires:

"All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered."

Article 33(1) of the Charter provides:

"The parties to any dispute, the continuance of which is likely to endanger the maintenance of international peace and security, shall, first of all, seek a solution by negotiation, enquiry, mediation, conciliation, arbitration, judicial settlement, resort to regional agencies or arrangements, or other peaceful means of their own choice."

States are obligated "to agree upon such peaceful means as may be appropriate to the circumstances and nature of the dispute." Declaration on Principles of International Law Concerning Friendly Relations and Cooperation Among States in Accordance with the Charter of the United Nations, General Assembly Resolution 2625 (XXV), Oct. 24, 1970. Iran has not pressed its dispute with the United States through negotiation or any of the other peaceful means called for under the Charter. Holding of hostages, in fact, precludes free negotiations. In any event, Iran has refused to admit our special emissaries. It has not indicated any recognition that issues of extradition, ownership of assets and other questions involved in its dispute with us would be appropriate for resolution through judicial or other peaceful means.

3. The violation is compounded by Iran's failure to protect the U.S. Embassy and its personnel

The hostage taking in this case in particularly grave, involving as it does a diplomatic embassy and diplomatic personnel. Iran is thus in violation of the basic international law affording immunity to diplomatic missions and requiring their protection. These rules, which are a cornerstone of peaceful international relations, are codified in the 1961 Vienna Convention on Diplomatic Relations, 23 U.S.T. 3227, T.I.A.S. 7502, 500 U.N.T.S. 95, to which the United States, Iran and over 130 other states are party.

The Vienna Convention violations are numerous. Article 22 provides that "[t]he premises of the mission shall be inviolable," and it imposes on the receiving state:

"a special duty to take all appropriate steps to protect the premises of the mission against any intrusion or damage and to prevent any disturbance of the peace of the mission or impairment of its dignity."

Iran has also violated Article 29, which states:

"The person of a diplomatic agent shall be inviolable. He shall not be liable to any form of arrest or detention. The receiving State shall treat him with due respect and shall take all appropriate steps to prevent any attack on his person, freedom or dignity."

In addition to these basic Articles, the Iran situation would appear to involve violations of a number of other provisions of the Vienna Convention: Article 24, inviolability of the archives and documents of the mission; Article 25, accordance of full facilities for performance of the functions of the mission; Article 27, free communication on the part of the mission for all official purposes; Article 44, permitting and assisting mission personnel to depart, even in case of armed conflict; and Article 47, no discrimination between States in the application of the Convention.

The vital importance of the duty to protect diplomatic mission personnel was recognized by the United Nations in the adoption in 1973, by consensus, of the Convention on the Prevention and Punishment of Crimes Against International Protected Persons, Including Diplomatic Agents, T.I.A.S. 8532 (The New York Convention), to which Iran, the United States and 40 other countries are presently party. Parties are required by Article 2 to make it a crime under internal law to kidnap or commit any other "attack upon the person or liberty of an internationally protected person," to threaten such an attack, or to commit "an act constituting participation as an accomplice in any such attack." They are further obligated by Article 4 to cooperate in the prevention of these crimes and by Article 7 to bring the alleged offenders to justice, without exception and without undue delay. By condoning and supporting the hostage taking, the authorities in Iran are and continue to be in clear violation of this convention.

4. Subjecting U.S. Embassy personnel to trials would represent a further violation

The authorities in Iran are now threatening a further violation of basic laws of international discourse by subjecting U.S. embassy personnel to political trials. A receiving state has no right, under any circumstances, to prosecute diplomatic envoys without the consent of the sending state. The United States manifestly has not consented to this mistreatment of its officials.

The Vienna Convention on Diplomatic Relations of 1961 codifies customary international law in this respect. As mentioned, Iran and the United States of a diplomatic agent shall be inviolable. He shall not be liable to any form of arrest or detention." Article 31 provides, without exception, for the immunity of diplomats from the criminal jurisdiction of the receiving State.* Article 37 confirms that these same immunities apply to the administrative and technical staff of our embassy.

This principle of inviolability has been described as "the oldest established and the most fundamental rule of diplomatic law." E. Denza, *Diplomatic Law* 135 (1976). It applies regardless of the nature of the alleged crime. Under centuries of customary international law, if a diplomatic agent "became involved in conspiracies against the sovereign of the receiving State, State practice confined itself to his expulsion. He could on no account be tried or punished." *Id.* Thus:

"History records many cases of diplomatic envoys who conspired against the receiving States, but nevertheless were not prosecuted. Thus, in 1584 the Spanish Ambassador in England, Mendoza, plotted to depose Queen Elizabeth; he was ordered to leave the country. In 1587 the French Ambassador in England, L'Aubespine, conspired against the life of Queen Elizabeth; he was simply warned not to commit a similar act again. In 1654 the French Ambassador in England De Bass, conspired against the life of Cromwell; he was ordered to leave the country within twenty-four hours."—H. Lauterpacht, 1 *Oppenheim's International Law* 791 (8th ed. 1955).

Iranians possessed some evidence of espionage activities by U.S. embassy personnel, there would be no basis for any punishment other than expulsion. Political trials of diplomatic envoys would be contrary to centuries of international law and practice.●

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*A diplomat's immunity from trial extends to ecclesiastical courts, as well as civil and criminal courts. E. Satow, *A Guide to Diplomatic Practice* § 399, at 176 (4th ed. 1957).

By Mr. SCHMITT (for himself, Mr. PACKWOOD, Mr. GOLDWATER, Mr. PRESSLER, Mr. STEVENS, Mr. CANNON, and Mr. HOLLINGS):

S. 270. A bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain radio services and to provide certain deregulation of such radio services, and for other purposes; to the Committee on Commerce, Science, and Transportation.

RADIO DEREGULATION ACT OF 1981

● Mr. SCHMITT. Mr. President, during the 96th Congress, the Commerce Committee held extensive hearings on comprehensive telecommunications legislation. The committee considered three bills, in addition to two staff discussion drafts.

During the hearings it became clear to me that a general consensus had developed among industry and Government representatives that radio broadcasting should be deregulated. I was pleased to see that on January 14 the FCC took significant steps to deregulate radio. However, as I have said repeatedly, administrative deregulation is not enough; statutory deregulation is the most effective way to insure timely deregulation. Significantly, the FCC's decision has already been appealed by public interest groups.

The bill being introduced today, like S. 622 which the committee considered in the last Congress, will accomplish the statutory deregulation of radio. Specifically, the bill will eliminate the following forms of regulation:

First. FCC involvement in program formats;

Second. Ascertainment requirements;

Third. Program log requirements;

Fourth. FCC involvement in programing decisions; and

Fifth. FCC standards on commercialization.

In addition, it provides for indefinite license terms, while providing citizens a meaningful opportunity to petition the Commission to revoke a radio station license for serious violations of the Communications Act.

This bill is consistent with President Reagan's announced intention to reduce the size of the bureaucracy, and trim Government spending. I have asked the FCC to report to me on the budgetary impact that the bill will have. When I hear from the Commission, I will report back to the Senate.

Mr. President, I anticipate that this bill will be one of a series of telecommunications bills that will include television broadcasting (including comparative renewal and cross-ownership), political broadcasting (including the fairness doctrine and equal time), domestic and international common carrier, cable television, and nonbroadcast radio services.

Mr. President, I would welcome my colleagues to join me in cosponsoring this bill.

Mr. President, I ask that this bill and a factsheet describing it be printed in its entirety at this point in the RECORD.

There being no objection, the bill and the factsheet were ordered to be printed in the RECORD, as follows:

S. 270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Radio Deregulation Act of 1981".

RADIO LICENSE TERMS

SEC. 2. (a) Section 307(d) of the Communications Act of 1934 is amended by striking the first two sentences and substituting the following: "The term of any license granted on or after the effective date of the Radio Deregulation Act of 1981 for the operation of a radio broadcasting station shall be for an indefinite period of time. No license for the operation of a television broadcasting station shall be for a longer term than 3 years. No license granted for the operation of any other class of station shall be for a longer term than 5 years. Any license granted may be revoked as hereinafter provided. Upon the expiration of any license, a renewal of such license may be granted, upon application thereof, from time to time for a term of not to exceed 3 years in the case of a television broadcast station, and not to exceed 5 years for any other class of station, if the Commission finds that the public interest, convenience, and necessity would be served thereby.".

(b) Section 307 of such Act is further amended by adding at the end thereof the following new subsection:

"(f)(1) Any party in interest may file with the Commission a petition to revoke a radio broadcasting license issued under subsection (a). A petition to revoke shall—

"(A) be filed within 60 days after the petitioner has knowledge of the allegations for which the petition is filed;

"(B) be served upon the Commission and the licensee; and

"(C) contain specific allegations of fact sufficient to show that the petitioner is a party in interest and to establish a prima facie case that the licensee has violated or is in violation of subsection (a) of section 312.

"(2) Allegations of fact shall be supported by affidavit of a person or persons with personal knowledge thereof. The licensee shall have the opportunity to file a written reply with the Commission and the petitioner not later than 30 days after receipt of the petition.

"(3) (A) If the Commission finds after a review of the petition filed under this subsection and the licensee's response thereto, if any, that there are no substantial and material questions of fact, it shall either revoke the license or deny the petition to revoke.

"(B) If the Commission finds that there is a substantial and material question of fact presented in the petition to revoke, it shall expeditiously hold a hearing on the record and shall within 30 days after such hearing either revoke such license or deny such petition.".

COMPARATIVE LICENSING PROCEDURE

SEC. 3. Section 309 of the Communications Act of 1934 is amended by adding at the end thereof the following new subsection:

"(i) In any case where there is more than one applicant qualified in accordance with subsection (b) of section 308 for any frequency that becomes available in the radio broadcast service, the Commission may, in its discretion, grant an application based on a system of random selection. The Commission shall establish procedures for random selection not later than 180 days after the date of enactment of the Radio Deregulation Act of 1981, which procedure shall not apply to any application filed before such date.".

RADIO DEREGULATION

SEC. 4. Title III of the Communications Act of 1934 is amended by inserting at the end thereof the following new section:

"RADIO DEREGULATION

"SEC. 331. (a) Subject to any other applicable Federal law, the Commission is prohibited from requiring, by rule, regulation, or otherwise, radio broadcast station licensees to—

"(1) provide news, public affairs, locally produced, or any other programs;

"(2) adhere to a particular programming format;

"(3) maintain program logs;

"(4) ascertain the problems, needs, and interests of its service area; and

"(5) restrict the length or frequency of commercial announcements.

"(b) The Commission shall report annually to the Congress on its progress in reviewing all other rules, regulations, and policies directly or indirectly applicable to radio broadcast licensees and its elimination of those that are not necessary.

"(c) Not later than 3 years after the date of enactment of the Radio Deregulation Act of 1981, the Commission shall report to the Congress—

"(1) on the extent to which the Commission has promoted, where technologically feasible, the development of competitive, new and diverse sources of radio programming;

"(2) the effect of the Radio Deregulation Act of 1981 on the availability to the public of diverse radio programming; and

"(3) any recommendations for further statutory changes.".

JANUARY 27, 1981.

FACT SHEET FOR RADIO DEREGULATION ACT OF 1981

Radio presents an ideal place to begin substantial deregulation. With the more than 8,500 radio stations, it is clear that the current rules are unnecessary in the highly competitive environment of commercial radio. The Federal Communications Commission (FCC) recently voted 6 to 1 to deregulate radio in certain respects, but administrative deregulation is not enough; statutory relief is the most effective way to ensure timely deregulation.

Below is a summary of the provisions of the Act:

1. License Terms—The license period would be for an indefinite period of time.

2. Comparative Licensing Procedure—The FCC is permitted to use a system of random selection to choose among otherwise qualified applicants for newly available frequencies.

3. Programming—The FCC is prohibited from requiring licensees to provide news, public affairs, locally produced, or any other programs.

4. Program Format—The FCC cannot require licensees to adhere to a particular programming format.

5. Program Logs—Licensees are no longer required to maintain program logs.

6. Ascertainment—Licensees are not required to ascertain the problems, needs and interests of their service areas.

7. Commercialization—The FCC cannot restrict the length or frequency of commercial announcements that a licensee may broadcast.

8. Revocation of License—In conjunction with the provisions of Section 312 of the 1934 Act, any party in interest may file with the FCC a petition to revoke a license, and upon a prima facie showing of grounds for revocation, a hearing shall be held.

9. Annual Review—The FCC shall report annually to the Congress on its review of all other rules, regulations, and policies, and

its elimination of those that are not necessary.

10. Promotion of Diversity of Programming—Within three years of enactment of the Act, the FCC shall report to the Congress on the extent to which the FCC has promoted competitive, new, and diverse sources of radio programming.●

● Mr. CANNON. Mr. President, the legislation introduced today represents the continued effort by the Senate to amend the Communications Act of 1934. The present law has served us well for the past 47 years; however, we must now enact legislation which reflects today's world.

I am pleased to join Senator GOLDWATER in offering this bill to eliminate some of the burdensome regulations currently applied to the radio broadcasting industry. In the previous Congress, Senators HOLLINGS, PACKWOOD, GOLDWATER, SCHMITT, and I introduced similar legislation intended to substantially deregulate radio while maintaining the public interest standard. I believe the bill introduced today is yet another step forward in the process begun by Senator HOLLINGS and myself to reshape telecommunications policy.

This bill codifies some of the provisions adopted by the Federal Communications Commission in their recent decisions on radio deregulation. Another provision of this legislation is to increase the license terms for radio stations from 3 years to an indefinite period of time. The Commission would employ a system of random selection to choose among qualified applicants for newly available frequencies. Also included in conjunction with the provisions of section 312 of the 1934 act is the ability of any party of interest to file a petition with the Commission to revoke a license, and upon a reasonable showing, hearings shall be held to determine if the license should be revoked.

Today there are more than 8,500 radio stations. The number of stations has created a highly competitive environment for commercial radio. We must reform the present communications law to meet the challenges that lie ahead in the telecommunications industry. I believe radio deregulation presents an opportunity to continue the deregulatory scheme envisioned by the Commerce Committee during the previous Congress.●

By Mr. GOLDWATER (for himself, Mr. PACKWOOD, Mr. SCHMITT, Mr. PRESSLER, Mr. STEVENS, Mr. CANNON, Mr. HOLLINGS, and Mr. INOUYE):

S. 271. A bill to repeal section 222 of the Communications Act of 1934; to the Committee on Commerce, Science, and Transportation.

INTERNATIONAL RECORD CARRIER COMPETITION ACT OF 1981

● Mr. GOLDWATER. Mr. President, the bill I introduce today is entitled the International Record Carrier Competition Act of 1981. It repeals section 222 of the Communications Act of 1934, which restricts Western Union to providing domestic record (telegraph) service. Western Union's provision of international service is prohibited by section 222. While important in 1943 when it was adopted, section 222 of the Communications Act unreasonably binds Western Union to conditions that make little sense in today's modern, competitive telecommunications environment. Western Union no longer possesses the significant domestic market power it did in 1943. Pursuant to this bill Western Union would no longer be barred by statute from entering international markets. Western Union would be required to provide interconnection with international record carriers on reasonable and nondiscriminatory terms.

Both the Federal Communications Commission (FCC) and the courts have urged repeal of Section 222. In 1977, former FCC Chairman Richard Wiley testified before the Communications Subcommittee that:

> Section 222 of the Communications Act which governs international record carriers has impeded rather than enhanced the availability of international communications services.

And on May 9, 1979, FCC Chairman Ferris testified that he strongly favored deletion of section 222.

In 1979 Judge Friendly in *ITT World Communications, Inc.* v. *FCC*, 595 F.2d 897 (1979) observed that:

> Although obscurity in federal statutes is not a new phenomenon to this court, we have rarely seen opacity as dense as here. (Section 222) . . . The best solution . . . would be for Congress to clean away the debris it created 35 years ago and clearly advise what it wants.

See also, *ITT World Communications, Inc.* v. *FCC*, No. 79-4220, et al., 2d Cir., decided August 25, 1980, slip opinion at 15.

The rationale underlying section 222—that Western Union had a monopoly of record telegraph and record services—has been further eroded since 1977. In 1979, the FCC ended Western Union's historic monopoly in record services. Additional telecommunications companies are ready, willing and able to compete vigorously with Western Union. Furthermore, recent Commission actions have allowed new entry into the international market, expanded the domestic operations of current international record carriers (IRC's), and allowed the formula governing the distribution of unrouted traffic to be negotiated between Western Union and the IRC's.

I am convinced, Mr. President, that repeal of section 222 would leave the FCC with ample authority elsewhere in the act (e.g., sections 202 and 214) to deal with Western Union's distribution of outbound traffic among international carriers. The FCC could use its powers under these sections of the act if it found a need to continue oversight of the distribution of outbound traffic. Section 214 permits the agency to place conditions on facilities certificates, as the public interest may require. For example, the Commission may condition any future certification of Western Union facilities on Western Union's compliance with a fair method of distribution. The FCC also might exercise its authority under section 202 to require Western Union not to discriminate among the international carriers with respect to traffic distribution. The amendment expressly requires the agency to require Western Union to interconnect fairly with the international carriers. The Commission must insure fair interconnection by Western Union with the IRC's.

Standing alone, repeal of section 222 does not mandate Western Union's entry into international markets. Under section 214 of the Communications Act the timing and conditions of entry would require a determination by the Commission.

The Senate Commerce Committee of the last Congress considered the repeal of section 222, and unanimously adopted it as an amendment to H.R. 6228, the Communications Cross Ownership Act of 1980.

Mr. President, I ask that this bill and a fact sheet describing it be printed in the RECORD at this point in its entirety.

There being no objection, the bill and the factsheet were ordered to be printed in the RECORD, as follows:

S. 271

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Record Carrier Competition Act of 1981".

SEC. 2. Section 222 of the Communications Act of 1934 is repealed.

SEC. 3. Nothing in this Act shall be construed to relieve the Federal Communications Commission from requiring any domestic telegraph carrier to provide interconnections with international record carriers. In making such requirement the Federal Communications Commission shall assure that such interconnections shall be made upon reasonable request and on a nondiscriminatory basis.

FACT SHEET—INTERNATIONAL COMMON CARRIER COMPETITION ACT OF 1981

1. Repeals Section 222 of the Communications Act of 1934.

2. Section 222 of the 1934 Act prohibits Western Union from providing international record or telegraph service. This bill would allow Western Union to compete internationally.

3. The 1934 provision was originally adopted because of Western Union's monopoly in the domestic market.

4. That monopoly no longer exists. Recently, FCC expanded domestic operations of current international record carriers (IRCs), and other companies are ready and able to enter into the record market.

5. This bill does not mandate Western Union entry; under Section 214 of the Communications Act the timing and conditions of entry would require Commission determination.

6. This provision was considered by the Senate Commerce Committee in the 96th Congress and unanimously adopted as an amendment to H.R. 6228, the Communications Cross Ownership Act of 1980.

7. Sponsored by Senator Goldwater, and Senators Packwood, Schmitt, Pressler, Stevens, Cannon, Hollings, and Inouye.●

● Mr. HOLLINGS. Mr. President, I am pleased to join in cosponsoring this bill to repeal section 222 of the Communications Act of 1934. Section 222, which deals with permissive mergers of telegraph carriers, is an archaic remnant of an earlier time when there were only a relative few common carriers offering record services. Today section 222 hinders wider competition in the provision of international record services by restricting Western Union to domestic markets. While necessary when adopted in 1943, as Western Union merged with the failing Postal Telegraph Company, legislative apportionment of markets makes little sense in the modern competitive telecommunications environment.

Last year the Federal Communications Commission attempted to reinterpret the rather unclear language of section 222 so as to permit Western Union's direct participation in international communications, only to be rebuffed by the U.S. Court of Appeals for the Second Circuit in *ITT World Communications, Inc.* v. *Federal Communications Commission*, Nos. 79-4220, 80-4003, 80-4016, 2d Circuit August 25, 1980 (Slip Opinion). In a decision of the same circuit 1 year earlier, Judge Friendly called for Congressional action on section 222:

> We observe preliminarily that although obscurity in federal statutes is not a new phenomenon to this court, we have rarely seen opacity as dense as here . . . the best solution . . . would be for Congress to clear away the debris it created thirty-five years ago and clearly advise what it wants. *ITT World Communications, Inc.* v. *Federal Communications Commission*, 595 F.2d 897, 905 (2d Cir. 1979).

Mr. President, the bill which I today cosponsor could not more clearly demonstrate the congressional intent. Repeal of the provision of the 1934 Communications Act would indicate that the Congress believes that greater competition in international communications is both possible and desirable. With elimination of section 222, the public potential carrier entrants, and the Commission will be in a position to base necessary business and regulatory decisions on actual market conditions, not artificial legal distinctions.

Let me briefly touch upon some of the legal consequences of this bill. Repeal of section 222 would not result in unwanted disruptions in the current arrangements among Western Union and the existing international record carriers. It would not vitiate outstanding arrangements for distribution of unrouted traffic, and most significantly would not detract from the Commission's authority to require Western Union to interconnect with international carriers. Repeal of section 222 would not lead to any automatic changes in existing services, domestic or international. The Commission would retain current authority to determine the time and conditioning of entry. In short, the Commission retains plenary authority under other sections of the Communications Act to assure full and fair competition.

Repeal would not affect full fledged communications service to Hawaii contemplated by the amendment to section 222 which became law just last December (Public Law 96-590). That law removed the anomaly of Hawaii's status as an "international point" for purposes of defining areas from which domestic record carriers (that is Western Union) are excluded. While repeal of section 222 would permit Western Union to service Hawaii upon appropriate authorization under section 214 and to compete with other carriers currently providing service to that market, it would not affect the outstanding authorizations of those other carriers. Hence, repeal of section 222 is fully consistent with Public Law 96-590.

Repeal of section 222 would reflect the judgment of Congress that customers of international record services would stand to benefit from additional competition created by introduction of a viable competitor such as Western Union. Enhanced competition in international markets will likely result in lower prices and increased innovation in services. I urge speedy consideration of this measure.●

● Mr. CANNON. Mr. President, I am pleased to join Senator GOLDWATER in offering this bill to repeal section 222 of the Communications Act of 1934. While serving a clear purpose when adopted in 1943, section 222 is now outmoded. It precludes the Western Union Telegraph Co. from entering international record communications markets. In 1943, Western Union possessed significant domestic market power. Today, while substantial, that monopoly has been eroded.

In 1979, the Federal Communications Commission ended Western Union's historic monopoly in domestic record services; other carriers are presently competing vigorously with Western Union. Other recent Commission actions have permitted expanded entry into international markets by domestic carriers other than Western Union. Moreover, international carriers, Western Union's potential competitors, have been accorded expanded domestic U.S. operations. The recent decision by the Federal Communications Commission, revisions in the structure of domestic and international communications, and technological changes have faced Western Union with more competition domestically, justifying Western Union's re-entry into international record carrier operations.

I have long believed that customers for international record services would profit from Western Union's added competition with other international carriers. Introduction of Western Union as a new competitor may well lead to lower prices and encourage greater service innovation. In the last Congress, I co-authored bills (S. 611 and S. 2827) containing provisions to repeal section 222. Unfortunately, owing to circumstances wholly unrelated to the merits of this repeal, we were unable to report these bills out of the Commerce Committee. However, in the final days of the 96th Congress we were able to enact and have signed into law a bill (S. 3261, P.L. 96-590) to correct inequities which that archaic section produced for the State of Hawaii. Just last December during the postelection session, I supported an amendment in committee to another bill (H.R. 6228) which would repeal section 222. That bill also failed to pass, again for unrelated reasons.

Clearly prompt congressional action on this bill is required. I hope we can give expedited consideration of this important measure to customers of international telecommunications services and the companies which serve them.●

By Mr. THURMOND (by request):

S. 286. A bill to authorize certain construction at military installations for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

MILITARY CONSTRUCTION AUTHORIZATION BILL

Mr. THURMOND. Mr. President, I am introducing, by request, the fiscal year 1982 military construction authorization bill. This is the bill drafted by the Carter administration and it totals $6.660 billion in new construction authority. Details concerning the bill are included in the letter of transmittal from the Defense Department which follows this statement.

Mr. President, this bill does represent a substantial increase in military construction over previous years, an increase that I feel is long overdue. I fully expect that the Defense Department will review military construction as part of the overall defense review that President Reagan has promised. Further increases in the form of a fiscal year 1981 supplemental and a fiscal year 1982 budget amendment, are anticipated.

Mr. President, I ask unanimous consent that the transmittal letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., January 23, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with section 802 of Pub. L. No. 95-356 there is forwarded herewith a draft of legislation "To authorize certain construction at military installations for Fiscal Year 1982, and for other purposes." This legislation is consistent with the Budget of the United States for Fiscal Year 1982 as sent to the Congress on January 15, 1981. Appropriations in support of Titles I through IX of this legislation are discussed in that Budget.

The Budget as submitted on January 15, 1981 is presently under review and modifications to this legislation may be required based on the results of that review to conform this legislation to the program of the President.

Titles I, II, III, IV, and V of this proposal would authorize $4,170,848,000 in new construction for requirements of the Active Forces, of which $813,265,000 are for the Department of the Army; $1,074,183,000 for the Department of the Navy; $1,610,000,000 for the Department of the Air Force; $348,400,000 for the Defense Agencies; and $425,000,000 for the United States' share of the NATO Infrastructure Program.

Title VI contains legislative recommendations considered necessary to implement the Department of Defense family housing and homeowners assistance programs and authorizes $3,294,888,000 for the cost of this program for FY 1982.

Title VII contains Authorization of Appropriations and Administrative Provisions generally applicable to the Military Construction Program. Title IX contains nonrecurring general provisions applicable to the Military Construction Program.

Title VIII totaling $304,800,000 would authorize construction for the Guard and Reserve Forces, including $41,500,000 for the Army National Guard; $31,200,000 for the Army Reserve; $34,100,000 for the Naval and Marine Corps Reserves; $79,500,000 for the Air National Guard; and $38,500,000 for the Air Force Reserve. These authorizations are

in lump sum amounts and will be utilized in accordance with the requirements of chapter 133, title 10, United States Code.

Title X provides authorization as may be necessary beginning for FY 1982 and meets the basic requirements of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344).

Additionally, included in Title I, pursuant to section 138 of title 10, United States Code, as amended, is authorization for construction of production base support at Army Ammunition Facilities, for which appropriations are being requested.

The projects that would be authorized by this proposal have been reviewed to determine if environmental impact statements are required in accordance with Public Law 91-190. Required environmental statements will be submitted to the Congress by the Military Department.

Sincerely,

L. NIEDERLEHNER,
Acting General Counsel.

By Mr. CRANSTON:

S. 288. A bill to provide for the extension of the authorization of appropriations for title X of the Public Health Service Act; to the Committee on Labor and Human Resources.

FAMILY PLANNING SERVICES AND POPULATION RESEARCH AMENDMENTS OF 1981

Mr. CRANSTON. Mr. President, I am today introducing S. 288, the proposed "Family Planning Services and Population Research Amendments of 1981." This bill authorizes the continuation of the family planning services and population research program authorized under title X of the Public Health Service Act, with modest changes, for an additional 3 years.

Mr. President, the Family Planning Services and Population Research Act of 1970, Public Law 91-572, which established the programs under title X of the Public Health Service Act, had three major objectives: First, to make family planning services available to all those who want them but cannot afford or gain ready access to them; second, to improve our knowledge in the fields of human reproduction and population dynamics so that each individual family can determine its size by choice rather than by force of circumstances; and, third, to insure that the necessary leadership is available to focus Federal resources on these objectives, by establishing an Office of Population Affairs and a Deputy Assistant Secretary for Population Affairs within the Department of Health and Human Services to carry out these responsibilities.

Mr. President, since title X was enacted in 1970, much progress has been made. Millions of low-income individuals for whom cost or inaccessibility to services presented real obstacles to the use of family planning methods have received these services under title X programs. These programs have done much to contribute to the lives of millions of families.

In my capacity as chairman over the past 12 years of the subcommittee of the Labor and Human Resources Committee with jurisdiction over these programs, I have had the opportunity to observe very closely the implementation and administration of the programs authorized under title X. Although I am not serving on the Labor and Human Resources Committee in this Congress. I believe that it is essential that we continue these programs so that the many individuals who are dependent upon title X can be assured of continued availability of these family planning services. I would like to describe briefly the types of programs that are carried out under title X.

VOLUNTARY FAMILY PLANNING SERVICES

Section 1001 of the Public Health Service Act authorizes appropriations for project grants and contracts for the purpose of providing family planning services to individuals who desire such services. It is estimated that there are approximately 10 million low-income individuals, for whom cost or inaccessibility to services presents real obstacles to the use of family planning methods. Approximately 6.5 million of these 10 million women and teenagers are receiving these services on a regular basis from clinics or private physicians through title X and other federally supported programs. More than half of these women—3.5 million—receive services through title X clinics.

Mr. President, despite the significant number of women receiving services from title X programs, a great deal remains to be done. There are still 3.5 million low-income women who currently cannot readily obtain family planning services. These include an estimated 2.3 million sexually active teenagers and 1.2 million adult women who do not have ready access to preventive family planning services.

TEENAGE PREGNANCY

Mr. President, I would like to focus for a moment on the problem of teenage pregnancy. About 1 million teenage women become pregnant each year. Two-thirds of these pregnancies are unintended. An estimated 1,157,000 abortions were performed in 1978; one-third of them on teenagers. In 1977 an estimated 22 percent of abortions were for women who had had one or more previous abortions. Undoubtedly, many of these abortions could have been avoided with greater availability of effective family planning methods. Testimony received during subcommittee hearings over the past several years has made it clear that organized family planning clinics have had the greatest success in reaching adolescents.

It is clear that family planning clinics are, and should continue to be, an integral part of efforts to reduce teenage pregnancies. It is important that we build upon the service capacities that have already been established to help these young women. At the same time, however, we must continue the effort started almost 10 years ago to provide family planning services to low-income adult women who are in their childbearing years and desire these services.

This will not be an easy task, Mr. President. The approximately 1.2 million adult low-income women not yet provided services are, in large part, in underserved areas, where the costs of establishing programs are often quite high. And, the cost of providing family planning services to teenagers in need of these services is even higher—partly due to the lack of third-party reimbursement and the special counseling and other support services they need. But continuation of services to the women and teenagers currently receiving assistance, along with outreach to those who are not receiving but desire such services, is essential.

COST-EFFECTIVENESS OF FAMILY PLANNING SERVICES

Mr. President, there is no question that the title X family planning services program has been a cost-effective one. A 1977 study by Phillips Cutright of the University of Indiana and Frederick Jaffe of the Alan Gutmacher Institute showed that in the first 6 years of the title X program, an estimated 1,097,596 unintended births were averted.

The savings resulting from averting those unintended births were projected by estimating the medical cost of maternity and first-year pediatric care, and factoring in a modest amount for food stamps, social services, and public housing for the estimated 20 percent of family-planning-clinic patients receiving public assistance during those years.

That study showed that each dollar invested by the Federal Government in family planning in 1 year saved Federal, State, and local governments a minimum of $1.80 a year in subsequent costs—in other words, the program produced almost a 2 to 1 savings. Using a similar cost analysis, the California Department of Health Services and the California Office of Planning and Program Analysis in 1980, estimated a cost savings of $4.14 to the State for every dollar the State invested in family planning services.

Another study—conducted by the Urban Institute—demonstrated the consequences of early childbearing on the later economic status of the mother and her family. That study indicated that regardless of family background or social or economic characteristics, the age at which a woman gave birth for the first time has an important impact on educational attainment of the mother, and that the disadvantages experienced by a young mother are not compensated for over time. The study also showed that overall, among women age 14 to 30 in AFDC households, 61 percent had borne their first child when they were teenagers.

As chairman of the former Subcommittee on Child and Human Development, I heard considerable testimony on the consequences an early pregnancy can have on a young woman's future. The bearing and raising of an infant by a teenager imposes serious consequences. According to Dr. Adele Hofmann of the Society for Adolescent Medicine, the younger the mother is at the birth of her first child, the less likely she is to complete a high school education. Only 11 percent of 13- to 14-year-old mothers, and only 18 percent of those 16 to 17 years old will graduate. Among 15- to 19-year-old inner city mothers, according to Dr. Hofmann, nearly two-thirds will never work or have stable marriages. Teenage mothers also are more likely to bear a greater total number of children than if initial childbearing is

deferred until after age 20. These factors all contribute to the fact that the age of first childbearing is a major predictor of a woman's ultimate economic status—31 percent of those who become mothers between 13 and 15 years, 23 percent of 16- to 17-year-olds, and 16 percent of 18- to 19-year-olds will live in poverty as compared to 11 percent of all women whose first birth is deferred until age 22.

Mr. President, age of the mother is also an important determinant of risk for an infant. Using low birth weight as a rough indicator of infant morbidity, in 1978, 7.1 percent of all live births were considered to be low birthweight—less than 2,500 grams. By far, the greatest percentage of those births were to mothers under the age of 20—24.2 percent; and of these, 14.3 percent were born to mothers under age 15.

Mr. President, these statistics make it imperative that special efforts be made to help these young women avoid unwanted pregnancies. Only 30 percent of teenage women use contraception consistently and often the method used is relatively ineffective. Many teenagers cite the difficulty in securing a contraceptive as the reason for failure to protect themselves from an unintended pregnancy.

An important consideration, Mr. President, is that maternal or general health centers have been unable to attract the millions of persons who need and want family planning services. They have been particularly unable to attract teenagers before they become pregnant. While every effort should be made to encourage these general health programs to increase the provision of family planning services to those who need and wish them, it would be foolhardy to do so at the expense of the specialized clinic system that provides services to the overwhelming majority of family planning patients and is particularly critical in reaching teenagers.

TRAINING, INFORMATION, AND EDUCATION PROJECTS

Mr. President, in addition to providing funding to support the program of family planning services to individuals who need and desire these services, title X supports various training, educational, and informational activities related to family planning.

Section 1003 of title X specifically authorizes appropriations for grants and contracts for the training of personnel to carry out family planning services. These trainees represent all elements of family planning clinic staff. One major accomplishment has been the training and utilization of family planning nurse practitioners in family planning clinics. The use of nurse practitioners in family planning clinics is not only cost effective but is good medical practice. Reports from family planning clinics indicate a higher acceptance of women clinicians, including nurse practitioners, especially on the part of teenagers.

Section 1005 of title X specifically authorizes appropriations for grants and contracts to assist in developing and making available family planning and population growth information to all persons desiring such information. The development and dissemination of educational and informational materials under title X has been helpful in reducing information barriers about the availability of family planning services. In addition, the materials have helped family planning professionals to interpret the latest medical, social, and cultural developments in the family planning field, thereby assisting in improving the quality of services provided.

POPULATION RESEARCH PROGRAMS

Mr. President, in addition to supporting the provision of family planning services, title X provides for support for basic research into human reproduction. Section 1004 of title X authorizes appropriations to support research in the biomedical, contraceptive development, behavioral, and program implementation fields related to family planning and population.

Although our knowledge of the reproductive system has increased through research over the past two decades and has led to the development of the contraceptive pill and the IUD, these methods are not recommended for everyone. They have limitations with respect to efficacy, safety, acceptability, and continuity of use. A number of women are sufficiently concerned about the safety of these methods to discontinue their use and resort to less effective methods of fertility control.

The need for substantial expansion of reproductive research is critical. Most Americans expect, as they move through successive stages of adult life, to be able to have the number of children they want, when they want them. They want to know that the method of fertility control they use, whether it is a drug or a device that is used over a long period of time, will not have a latent harmful effect.

The American public is clearly demanding the availability of safer and more acceptable contraceptives. Responding to this demand will also benefit world population needs, particularly in those developing nations where fertility rates are highest.

Research is needed not only in finding improved and safe contraceptives for women, but also in solving problems of infertility for families that want children but cannot have them because of infertility problems. Finally, there does not yet exist a satisfactory and effective contraceptive method for men. Advances in male reproductive physiology have lagged behind those in female reproductive physiology because of a shortage of trained scientists, and because of a lack of funds for clinical and basic research in this area.

The need for more research in these areas is evident. Both public and private resources are needed. Unfortunately, it does not appear likely that contraceptive development will attract major new funding from private industry. Industry's investment has been diminishing due to the high costs of research and the many years required to test new methods fully for safety and efficacy.

The legislation I am introducing today attempts to address the need for more research by a modest increase in the authorization of appropriations for the programs carried out under section 1004 and by requiring, where appropriate, the Secretary of HHS to enter into exclusive development and marketing rights agreements with recipients of grants and contracts for contraceptive development. With this incentive of appropriate marketing and development rights, it is likely that more private sector funds and resources would be devoted to contraceptive development and research. This provision is consistent with the recently enacted act to amend the patent and trademark laws, Public Law 96-517, to promote the utilization of inventions arising from federally supported research or development.

REPORTING

Mr. President, I want to comment briefly on the reporting requirements under title X. I firmly believe that we must not place burdensome reporting requirements on individual projects. This can be time consuming and expensive. However, during my chairmanship of the subcommittee, the adequacy of the reporting mechanisms that were used by title X programs was something that I became concerned about.

In 1977, the National Reporting System for Family Planning Services was converted from a 100-percent reporting system to a sample reporting system. The entire reporting system was discontinued on December 31, 1980. The Department of HHS has contended that the Bureau of Community Health Services' common reporting system will provide adequate information for administration of the program. This is an issue on which there have been long-standing differences of opinion, and I hope that the new subcommittee chairman and ranking minority member will look closely at this issue during consideration of this legislation. The General Accounting Office will also be addressing this issue in a report that will soon be released related to the title X program.

VOLUNTARY PARTICIPATION AND PROHIBITION RE ABORTION

Mr. President, there are two existing provisions of title X that I think should be highlighted. First, section 1007 makes it clear that acceptance by any individual of family planning services or information shall be completely voluntary and shall not be a prerequisite to eligibility for or receipt of any other service or participation in any other program. Second, section 1008 explicitly provides that none of the funds appropriated under title X shall be used in programs where abortion is a method of family planning. These are important and integral parts of title X.

OUTLINE OF LEGISLATION

Mr. President, I would like to outline briefly for my colleagues the provisions of the legislation I am introducing today. Virtually all of the changes proposed in this measure were approved by the Senate in 1978 in S. 2522. Because of the time constraints facing us at the close of the 95th Congress, we were unable to complete conference action with the House on these and other changes which

had been approved by the Senate and proceeded to enact extensions of the authorization of appropriations with minor changes proposed by the House for the various programs carried out under title X. The few changes I am proposing today would not significantly alter the existing title X programs, but would rather clarify certain aspects of the program along the lines approved by the Senate in 1978.

NATURAL FAMILY PLANNING

Mr. President, section 2 of the legislation I am introducing today would add a provision to section 1003(a) to include training in the provision of natural family planning methods within the training programs carried out under this section. Title X provides that a full range of family planning methods must be offered in the programs supported by title X, and title X regional training centers currently do provide training in the provision of natural family planning methods. The amendment I am proposing would simply reemphasize the need for this training as an incident of the requirement in existing law that a full range of family planning methods be made available. Section 3 would add a similar provision to section 1004 relating to research.

RESEARCH

Mr. President, section 3 of this legislation would also amend section 1004 to include specifically research on natural family planning methods and to direct the Secretary to provide recipients of grants or contracts for contraceptive development with appropriate exclusive development and marketing rights pursuant to regulations which the Secretary of Health and Human Services shall prescribe when the Secretary determines such arrangements would serve the purposes of title X. As I indicated earlier, contraceptive development is a costly research area which few commercial firms find financially worthwhile to enter. In the past decade, private sector and foundation-supported population research has declined markedly. With the incentive of appropriate marketing rights, more private sector funds and resources might be attracted to contraceptive development.

The enactment last year of Public Law 96-517, relating to rights in inventions made with Federal assistance reversed the preexisting patent policies which had served to discourage universities and private industry from investing the necessary funds for the development and marketing of inventions emanating from federally funded research. The legislation I am offering today, similar to that approved by the Senate in 1978, would direct the Secretary of HHS to apply these new policies in the area of contraceptive research. The specific inclusion of natural family planning in the research provisions should stimulate increased research focus on this area. Since there is good reason to believe large numbers of couples are dissatisfied with contraceptive drugs or devices now available, this is an area to which greater research and attention should be directed.

PROVISION OF SERVICES

Mr. President, section 4 of this legislation would make two changes to section 1006(c). These provisions would require, first, that family planning services be available to both sexes, and, second, that plans be where a substantial number of individuals of limited English proficiency are being served.

Mr. President, during hearings held by the Subcommittee on Child and Human Development, testimony was received indicating that males frequently seek counseling as well as family planning services. It was also indicated that although many projects provide this assistance to males, there is a need for more projects to make services available to males as well as females.

Mr. President, this legislation also includes provisions identical to provisions included in the Public Health Service Act with respect to neighborhood health centers and migrant health centers, and in other health law—such as the Community Mental Health Centers Act, with respect to community mental health centers, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act with respect to programs for the treatment of alcohol abuse, and title 38 of the United States Code with respect to VA health care programs—which require projects or programs serving populations that include a substantial proportion of individuals of limited-English proficiency to provide services, to the extent practicable, in the appropriate language and cultural context, and to identify an individual on the staff who is bilingual and who can help staff and patients with respect to cultural sensitivities and the bridging of linguistic and cultural differences.

VOLUNTARY PARTICIPATION

Mr. President, section 1007 provides that all services provided under title X shall be voluntary and shall not be a prerequisite to eligibility for any other service or any other program. Section 5 of this legislation would add a new subsection (b) to section 1007 to reassert the principles embodied in the "conscience clause" amendments adopted in the past to govern all programs authorized by the Public Health Service Act by providing that the Secretary may not require an individual employed by a family planning project to advise regarding, refer patients for, or provide, abortion or sterilization procedures when such activity would be contrary to the religious beliefs or moral convictions of the individual, nor could the Secretary terminate assistance to a project for such an individual's refusal under those circumstances to provide such services.

AUTHORIZATION OF APPROPRIATIONS

Mr. President, section 6 of this legislation would extend the authorization of appropriations for 3 additional years with modest increases in the level of authorization for each of the four programs authorized under title X.

Section 6(a) would authorize appropriations for the basic family planning services program carried out under section 1001 at a level of $276,000,000 for fiscal year 1982, $288,000,000 for fiscal year 1983, and $300,000,000 for fiscal year 1984. These increases—$12 million each fiscal year—would allow for services to an estimated additional 100,000 adult women and 100,000 adolescents each year. Presently, fiscal year 1981 appropriations for the family planning services program are authorized under section 1001(c) at a level of $264,500,000 and are funded at a level of $155,000,000 under the continuing resolution, Public Law 96-536.

Section 6(b) would authorize the appropriation of $4,600,000 for fiscal year 1983, $5,100,000 for fiscal year 1983, and $5,600,000 for fiscal year 1984 for training grants and contracts authorized under section 1003. The levels provide for a $500,000 increase each fiscal year. Presently, fiscal year 1981 appropriations for the training program are authorized under section 1003 at a level of $4,100,000 and are funded at a level of $3,500,000.

Section 6(c) would authorize the appropriation of $154,000,000 for fiscal year 1982, $169,000,000 for fiscal year 1983, and $184,000,000 for fiscal year 1984 for the population research activities carried out under section 1004. This would provide for an increase of $15 million for each fiscal year. Presently, fiscal year 1981 appropriations for the research program are authorized under section 1004 at a level of $138,900,000 and are funded at a level of $85,000,000.

Section 6(d) would authorize the appropriation of $1,126,000 for fiscal year 1982, $1,326,000 for fiscal year 1983, and $1,526,000 for fiscal year 1984 for the education and information programs carr ed out under section 1005. This would provide for increases of $200,000 each fiscal year. Presently fiscal year 1981 appropriations for the education and information programs are authorized under section 1005 at a level of $926,000 and are funded at a level of $800,000.

Mr. President, the authorization levels in this legislation represent modest increases for each of the 3 fiscal years affected. Actual appropriations for these programs have consistently been at levels below the full authorization levels, but I believe that the authorization levels are reasonable and responsible levels in light of the large unmet needs of potential recipients of these services.

CONCLUSION

Mr. President, as I stated at the outset, the programs carried out under title X of the Public Health Service Act are important programs that provide important services to millions of women who need and desire these services. They are cost-effective, in both the long term and the short term. I believe they deserve the support of the Congress and the new administration.

By Mr. TOWER (for himself and Mr. BENTSEN):

S. 289. A bill to amend the Securities Exchange Act of 1934 to provide margin requirements in transactions involving the acquisition of securities of certain U.S. corporations by non-U.S. persons where such acquisition is financed by non-U.S. lenders; to the Committee on Banking, Housing, and Urban Affairs.

MARGIN REQUIREMENTS IN CERTAIN TRANSACTIONS

● Mr. TOWER. Mr. President, I introduce today a bill to amend the Securities Exchange Act of 1934 to provide for margin requirements in certain transactions involving the acquisition of securities of certain U.S. corporations by non-U.S. persons where such acquisition is financed by non-U.S. lenders. This legislation is needed to close a loophole in our securities laws which allow foreign borrowers or lenders to purchase substantial amounts of securities in violation of our margin requirements.

In 1970 the Congress amended the margin requirements section of the Securities Exchange Act to make it clear that the use of foreign capital by American purchasers of securities is subject to the margin requirements. Before the passage of the 1970 law, a U.S. borrower could circumvent margin requirements by borrowing from a foreign lender. In applying the provisions of the act to foreign lenders making loans to American borrowers, Congress recognized the danger to our securities markets if this practice were not subject to restrictions comparable to those applicable to domestic loans.

The same rationale which motivated the Congress to take action in 1970 serves as a foundation for the legislative effort which I launch today. With over $50 billion in U.S. securities in the hands of foreign investors, the consequences of not closing this loophole in our securities laws are extremely troubling. Although U.S. markets have been relatively stable in recent years, this stability is no doubt attributable in part to the application of the margin requirements.

With each passing day more U.S. securities are acquired by foreign investors under arrangements that would violate U.S. margin requirements if these acquisitions were financed in the United States and with these investments, the potential for a destabilizing situation grows.

One example of the need for legislation has specifically come to my attention. The Zale Corp. of Dallas, Tex., the largest jewelry retailer in the United States, now faces the possibility of a takeover by a Canadian competitor, Peoples Jewelers, Ltd., which is financing its acquisitions through loans from Canadian banks; these loans, if obtained in the United States, would violate the Federal Reserve Board's margin rules.

Mr. President, the acquisition of one company by another is a basic part of our free market system. However, circumstances surrounding a possible takeover such as that involving Zale raise a fundamental policy problem which must be addressed by anyone interested in the equitable financing of international capital markets, investment transactions across international borders and the basic health of U.S. securities markets.

In its acquisition of Zale stock, Peoples has used a loophole in U.S. securities law by financing its acquisition of Zale's securities through arrangements which would clearly violate U.S. margin requirements, if either Peoples or the bank financing the acquisition were considered U.S. entities. In fact, this loophole creates an incentive for foreign takeovers of U.S. companies and a competitive advantage over domestic companies seeking to make acquisitions. And it is this loophole which the legislation I have introduced will close.

The Federal Reserve Board has promulgated regulations which implement section 7 of the Securities Exchange Act of 1934 by restricting the extent to which credit may be extended for the purchase of securities. In general, these regulations set a credit limit for stock purchases of 50 percent of the current market value of the stock. These regulations govern, first, the extension of credit by U.S. banks, U.S. brokers or dealers, persons other than banks, brokers or dealers and, second, the receipt of credit by U.S. persons from non-U.S. persons. The stated intent of these regulations is "to prevent the infusion of unregulated credit obtained both outside and within the United States into the U.S. securities markets in circumvention of the Board's margin regulations * * *." 12 CFR, section 2241. However, section 7 of the Securities Exchange Act does not explicitly cover the exact situation presented where acquisition is attempted by a foreign firm using foreign credit.

Therefore, foreign companies are able to enjoy the fruits of the U.S. economy, while seeking to acquire a U.S. competitor through means that would violate U.S. securities regulations if the law equitably put U.S. and foreign purchasers on the same footing. The margin requirements were enacted in order to regulate the availability of credit for the purchase of securities and to prevent the destabilizing fluctuations due to intense speculation in the U.S. stock market which occurred during the 1920's. The use of uncontrolled foreign credit presents a similar potential as well as providing an unfair advantage to foreign purchasers of U.S. securities.

The bill I introduce today has the following elements:

First. It will apply margin requirements to those transactions for which a schedule 13D or 14D must be filed under the Securities Exchange Act; that is, when more than 5 percent of the class of securities is acquired by purchase or tender offer.

Second. It will apply to any transaction in which the borrowed funds are disbursed by the lender after the date of the bill's introduction. This provision is needed in order to assure that consideration of the bill does not provoke anticipatory action which, if not consummated before the bill's enactment, would be unlawful.

Third. It will create a private right of action to sue in Federal court when a violation is alleged by an injured party. This provision is intended to create a mechanism for private enforcement of the act in appropriate cases. While I have reservations about the growth of the private right of action in general, I am inclined to believe that its use here is appropriate to assure that the act is not circumvented. Nevertheless, I would expect that this issue would be specifically addressed and debated during consideration of the bill.

It is important to note that the legislation I introduce would in no way result in the extraterritorial application of U.S. law. Purely foreign transactions would also remain unrestricted and small foreign investors buying less than 5 percent of the stock of any one U.S. company would not be affected. However, borrowers and lenders who are already subject to U.S. securities laws through the application of section 13d or 14d of the Securities Exchange Act have a sufficient nexus with the United States to support the application of U.S. margin requirements.

Mr. President, there is a strong need to end the unfair advantage which foreign purchasers of U.S. securities and those who finance such purchases now enjoy when they seek to acquire control of U.S. corporations. These foreign corporations and lenders should be required when purchasing U.S. stock to adhere to the same margin requirements which U.S. investors must follow.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 289

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 7(f) of the Securities Exchange Act of 1934 (15 U.S.C. 70g) is amended to read as follows:

"(f)(1) It is unlawful for any United States person, or any foreign person controlled by a United States person or acting on behalf of or in conjunction with such person, to obtain, receive, or enjoy the beneficial use of a loan or other extension of credit from any lender (without regard to whether the lender's office or place of business is in a State or the transaction occurred in whole or in part within a State) for the purpose of (A) purchasing or carrying United States securities, or (B) purchasing or carrying within the United States of any other securities, if, under this section or rules and regulations prescribed thereunder, the loan or other credit transaction is prohibited or would be prohibited if it had been made or the transaction had otherwise occurred in a lender's office or other place of business in a State.

"(2)(A) It is unlawful for any person to make a loan or other extension of credit, or to obtain, receive, or use the proceeds of a loan or other extension of credit from any lender (without regard to whether the lender's office or place of business is in a State or the transaction occurred in whole or in part within a State) for the purpose of (i) purchasing or carrying United States securities, or (ii) purchasing or carrying within the United States of any other securities, if (I) under this section or rules and regulations prescribed thereunder, the loan or other credit transaction is prohibited or would be prohibited if it had been made or the transaction had otherwise occurred in a lender's office or other place of business in a State, and (II) a statement is required to be filed under section 13(d) of this Act or section 14(d) of this Act by such person in connection with the acquisition or carrying of such securities.

"(B) Any United States Person injured or threatened with injury by reason of a violation of this paragraph and any issuer of securities being purchased or carried may

bring an action in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States to recover damages for such injury or to enjoin such a violation.

"(3) For the purpose of this subsection—

"(A) The term 'United States person' includes a person which is organized or exists under the laws of any State or, in the case of a natural person, a citizen or resident of the United States; a domestic estate; or a trust in which one or more of the foregoing persons has a cumulative direct or indirect beneficial interest in excess of 50 per centum of the value of the trust.

"(B) The term 'United States security' means a security (other than an exempted security) issued by a person incorporated under the laws of any State, or whose principal place of business is within a State.

"(C) The term 'foreign person controlled by a United States person' includes any noncorporate entity in which United States persons directly or indirectly have more than a 50 per centum beneficial interest, and any corporation in which one or more United States persons, directly or indirectly, own stock possessing more than 50 per centum of the total combined voting power of all classes of stock entitled to vote, or more than 50 per centum of the total value of share of all classes of stock.

"(4) The Board of Governors of the Federal Reserve System may, in its discretion and with due regard for the purposes of this section, by rule or regulation exempt any class of persons from the application of this subsection.".

(b) The amendment made by this section takes effect on January 27, 1981, and the provisions of paragraph (2) of section 7 (f) of the Securities Exchange Act of 1934, as so amended, shall apply to any purchase of securities occurring on or after such date and to the carrying of such securities on or after such date, if the loan or extension of credit therefor originated on or after such date or if the loan proceeds used to purchase or carry such securities were disbursed on or after such date.●

By Mr. MELCHER:

S. 290. A bill entitled the "Reye's Syndrome Act of 1981"; to the Committee on Labor and Human Resources.

REYE'S SYNDROME ACT OF 1981

● Mr. MELCHER. Mr. President, the bill I am introducing today, the Reye's Syndrome Act of 1981, is a revised version of Reye's bill, S. 1794, I introduced on September 21, 1979.

Unlike S. 1794, which established two Reye's research centers and provided $6 million for a 3-year program of grants and studies, the Reye's Syndrome Act of 1981 takes a leaner and, I believe, a more immediately effective approach. The new bill provides a total of nearly $5 million over a 3-year period, including $4.5 million for research grants and $450,000 for new Reye's research mobile teams.

Last year, Reye's syndrome was exposed nationally for exactly what it is, a serious threat to the lives of children recovering from viral illnesses like the flu or chicken pox. Reye's can strike with terrifying speed a week or so after the child appears to be recovering from a virus. Its symptoms can include persistent vomiting, listlessness, disorientation, convulsions, hallucinations, or hyperactivity. Coma can follow because of lack of brain oxygen which can result in permanent damage to the brain of those who survive. The mortality rate has ranged from 20 to 40 percent. Once the patient slips into a coma, the chances for recovery decline. The median age of victims has been 11 years.

Early in January the Center for Disease Control provided me with current figures on Reye's. Bearing in mind that Reye's cases are reported voluntarily to CDC rather than by requirement, CDC listed 506 cases between December 1, 1979 and November 30, 1980. The majority of cases occurred among children under 14 years of age; 27 percent of the cases were found among children younger than 4 years. Between the ages of 5 and 14, CDC listed 67 percent of the cases. Among all cases, 22 percent resulted in death; 70 percent of the victims had respiratory illnesses. Another 18 percent had chicken pox.

To more clearly understand the roots of the current bill, I want to provide this brief chronology of events which preceded its introduction.

In July of 1979, the Senate Appropriations Subcommittee on Labor-HEW included, at my request, language directing the National Institutes of Health to prepare a full report on their activities relating to Reye's syndrome.

On September 21, 1979, I introduced S. 1794, the Reye's Syndrome Act of 1979.

On February 1, 1980, the National Institutes of Health issued the report I had requested. That report began by stating that the National Center for Health Statistics estimated that in 1977 there were 2,650 deaths in the Nation from Reye's syndrome. The National Center for Health Statistics later disavowed that figure, saying they had—

> No data on the number of deaths attributable to Reye's syndrome since this condition is not a separately identifiable category in the International Classification of Diseases.

Despite that inauspicious beginning, the NIH report went on to note several gaps in their information. They admitted that seasonal patterns of Reye's occurrence are not well understood. They said further they do not understand the real connection between Reye's and influenza. They also conceded they could not identify the high-risk population.

On May 15, 1980, NIH sent out national grants solicitations for research proposals specifically related to Reye's.

On June 19, 1980, I offered an amendment to the Health Science Promotion Act, S. 988. As modified, the amendment authorized the National Institute of Allergy and Infectious Diseases to conduct research and studies on Reye's syndrome. The amendment was approved as an amendment to S. 988.

On August 28, 1980, the House of Representatives passed their version of S. 988. During action on that bill the entire text of my Reye's bill was approved as an amendment.

Also, in August of 1980, the House Appropriations Committee included language in their report to accompany the 1981 Labor-HEW bill. It said in part:

> There appears to be a need for creation of a single entity in one of the Institutes or in the Office of the Director, NIH, to focus and coordinate NIH research activities relating to Reye's syndrome.

That, of course, was precisely the thrust of S. 1794 and the balance of my efforts on Reye's since the beginning of 1979.

In December of 1980, the Congress enacted a much reduced version of the Health Science Promotion Act (S. 988) which, regrettably, omitted any of the actions taken by either the House or Senate on Reye's syndrome.

As 1981 begins, we look forward to the consensus development meeting on Reye's syndrome which NIH will convene in early March. That meeting will bring together health professionals, scientists and the concerned public to hammer out the best current information on the diagnosis and treatment of Reye's syndrome.

That is where the situation stands now as an epidemic of "A-Bangkok" influenza sweeps across the country. There is little doubt it will leave a trail of Reye's cases in its wake. The Center for Disease Control last year published a graph of Reye's cases which makes clear that the most dangerous period during the year for Reye's is the time between the beginning of January and the middle of March.

The Reye's Syndrome Act of 1981, which I introduce today, is a leaner, more results-oriented approach. Like S. 1794, it establishes a central focus for Reye's activities at NIH by creating the Reye's Syndrome Coordinating Committee. The purpose of that committee will be to oversee the award of $1.5 million in annual grant awards to researchers studying Reye's syndrome.

There is clear need for further grant funding of research specifically focused on Reye's as the primary subject of investigation. On April 23, 1980, I receievd a letter from the National Institutes of Health regarding the funding of Reye's research. They told me that between January 1979 and January 1980 they received 13 applications for Reye's research. Of those, four were disapproved, two were funded and, at the time of the letter, one application was awaiting funding.

Another six applications were approved but not funded.

What that means is there were six proposals with sufficient merit and scientific promise that fell by the wayside for lack of funds. That is nearly half of the aggregate applications received.

To further illustrate the need, the February 1980 NIH report on Reye's activities listed a total of 28 research projects directly related to Reye's syndrome for a total of $894,000. The problem is that it took a special NIH study to track down the number of projects spread out among six different institutes at NIH. Of course, there were six unfunded projects. With Reye's a continuing and growing threat, we simply must do more. It is not a matter of throwing money at a problem; it is more a question of funding the additional research requests already received, while making room for a more accelerated—and coordinated—effort.

It should be made clear beyond doubt

that the research money authorized by this bill is for projects with Reye's as the primary focus of study. The bill in no way diminishes the need for, and current study of, other illnesses which, as a byproduct, yield additional information on Reye's syndrome.

Unlike the earlier bill, the Reye's Syndrome Act of 1981 includes no provisions for Reye's research centers. Instead, it permits the Reye's Syndrome Coordinating Committee to establish, as needed, Reye's research mobile teams. As I visualize the teams, they could be dispatched on short notice to areas with a high incidence of Reye's cases. Their mission would be to assemble as much information as possible on individual Reye's cases and forward it for analysis to the coordinating committee.

But that would not be the sole mission of these action teams. I do not see them as only a group of skilled professionals responding to a crisis. Instead, they would have the capacity to be dispatched on research and information assignments, even in the absence of an existing Reye's outbreak. The reason for this flexibility should be clear.

Right now, we are properly concerned about treatment and early diagnosis of Reye's. Even while we are in the midst of this effort, however, we need to be looking ahead toward preventive measures. The continued operation of the teams could lead to the discovery of presently undetected factors within a community that make Reye's cases more common in one town than in another. We must look hard and deep at Reye's as a life-threatening illness and, at the same time, become more conscious of the circumstances which trigger the illness.

In the absence of required Reve's reporting, this seems to me to be the most effective means of gathering as much information as possible on Reye's and, at the same time, contribute to public awareness. We are not talking about great amounts of money. We are talking about moving quickly in the short run and building toward future breakthroughs on Reye's with a research program complemented by mobile Reye's action teams, all under the supervision of a central coordinating committee at NIH.

After the tragic deaths of so many of our children, it would be a terrible shame to come as far as we have and then fail to push to the finish line. Reye's syndrome is a vicious mystery, the kind that will never bow to indifference but may one day yield its secrets to hard medical research.

My first Reye's bill won 15 Senate cosponsors, House passage and national attention. I believe this new bill will strike at the very heart of the Reye's problem, and I encourage my colleagues to join me as bill cosponsors.

I ask unanimous consent that the text of S. 290 be printed in the RECORD.

There being no objection, the text of S. 290 was ordered to be printed in the RECORD, as follows:

S. 290

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Reye's Syndrome Act of 1981.

SEC. 2. Title XI of the Public Health Service Act is amended by adding the following new part after part C:

"PART D—REYE'S SYNDROME PROGRAMS

"REYE'S SYNDROME

"SEC. 1141. (a) The Secretary shall establish, through the National Institute of Neurological and Communicative Disorders and Stroke, the Reye's Syndrome Coordinating Committee (hereinafter referred to in this section as the 'Committee').

"(b)(1) The Committee shall be composed of—

"(A) the Director of the National Institute of Neurological and Communicative Disorders and Stroke;

"(B) the Director or designee of the National Institute of Allergy and Infectious Diseases;

"(C) The Director or designee of the National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases;

"(D) the Director or designee of the National Institutes of Child Health and Human Development;

"(E) the Director or designee of the National Institute of General Medical Sciences;

"(F) the Director or designee of the National Heart, Lung and Blood Institute; and

"(G) the Director or designee of the Center for Disease Control.

"(2) The Director or designee of the National Institute of Neurological and Communicative Disorders and Stroke shall serve as Chairman of the Coordinating Committee.

"(3)(A) The Committee shall make grants and enter into contracts for a period not to exceed three years with public and nonprofit entities and individuals for the purposes of:

"(i) conducting basic and clinical research relating to the causes, diagnosis, early detection, and treatment of Reye's Syndrome; and

"(ii) developing new and improved treatments for the detection, diagnosis, and treatment of Reye's Syndrome.

"(B) No grant or contract may be made under this paragraph unless an application therefore has been submitted to and approved by the Secretary, through the Committee. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(C) The Secretary shall prescribe regulations for the operation of the Committee.

"(4) The Committee shall establish and dispatch as needed, Reye's Mobile Research Teams to assemble such information as available on the onset, diagnosis, treatment and outcome of individual Reye's cases, and to the extent possible, identify anomalous community factors that may contribute to the occurrence of Reye's Syndrome, all such information to be forwarded to the Committee for analysis.

"(5) The Secretary, within six months following the end of the Committee's three year authorization, shall submit a report to Congress. The report shall account for the activities, accomplishments and findings of the research awards and the Reye's Research Mobile Teams and shall recommend such further action relating to Reye's Syndrome as the Committee determines. Such recommendations shall include but not be limited to the means of diagnosing and treating Reye's Syndrome and the training of physicians on the diagnosis and treatment of Reye's Syndrome.

"(6) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(7)(A) There are authorized to be appropriated for grants under paragraph (3), $1,500,000 for the fiscal year ending September 30, 1982, $1,500,000 for the fiscal year ending September 30, 1983, and $1,500,000 for the fiscal year ending September 30, 1984.

"(B) There are authorized to be appropriated for the Reye's Research Mobile Teams under paragraph (4) $150,000 for the fiscal year ending September 30, 1982, $150,000 for the fiscal year ending September 1983, and $150,000 for the fiscal year ending September 30, 1984.●

By Mr. WILLIAMS (for himself and Mr. GLENN):

S. 291. A bill to amend title XII of the National Housing Act to establish national standards in order to reduce incendiarism and maintain community vitality, and to encourage States to adopt minimum for arson investigation and insurance underwriting; to the Committee on Banking, Housing, and Urban Affairs.

ARSON PREVENTION AND RECONSTRUCTION INCENTIVE ACT OF 1981

● Mr. WILLIAMS. Mr. President, I am today introducing legislation designed to eliminate the inflated financial rewards which underlie much of the arson devastating our communities, and which would develop and require the utilization of stiffened investigatory and prosecutorial practices for cases of arson. I am delighted that my colleague Senator GLENN is cosponsoring this bill, as his dedicated efforts to address this national crisis have emcompassed a landmark series of hearings and the introduction of complimentary legislation, the Anti-Arson Act, which I am pleased to support.

Mr. President, the heinous crime of arson is a tide of deliberate destruction that, in its gathering momentum, threatens to sweep away a vast number of America's homes, workplaces, and neighborhoods. Incredibly, incidents of arson have quadrupled in the past decade, and now account for roughly one of every four fires.

The annual national bill for arson totals nearly $20 billion in property damage and related losses, a staggering sum that is drained from the pockets of each and every taxpayer and insurance policyholder. Beyond these dollar losses are the tragic human costs—at least 1,000 deaths per year, and more than 10,000 injuries.

Statistics like these should result in an outcry, and a determination to clamp down on the causes and perpetrators of arson. But the sad fact is that the arsonist stands less than 1 chance in 100 of ever being convicted of his crime.

My own State of New Jersey has the sad distinction of perhaps leading the Nation in the percentage of fires within its borders which can either be definitely classified as arson, or are suspicious in origin. According to a recent report by the New Jersey Arson Task Force, at least 23,000 fires per year, and perhaps as many as 53,000 are deliberately set.

The State does not yet have the data to determine how many of its annual average of 150 lost lives and 3,000 injuries, or how much of its quarter-bil-

lion dollars in annual property losses, are attributable to arson.

However, the task force did note that deliberate blazes result in a much higher percentage of such losses than fires stemming from other causes.

I believe that this status quo is, quite simply, intolerable. And I am greatly distressed that far too many cases of arson-for-profit have involved properties insured through the FAIR plans established by the Urban Property Protection and Reinsurance Act of 1968. That law was a noble attempt to stem the decline of troubled urban areas through the provision of affordable insurance to residents and businesses. Unfortunately, too often the community preservation air of FAIR plans has been criminally perverted.

This bill will redirect FAIR plan insurance to the goals of neighborhood stability and revitalization by providing higher, replacement cost compensation only where the property owner certifies his intention to rebuild. Where the owner does not make that commitment, recovery will be limited to market value, in order to combat the practice of overinsurance which underlies the profit available to the arsonist. Combating overinsurance and tightening FAIR plan standards were key recommendations of the arson reports developed during the last Congress by the Federal Emergency Management Agency, and the Senate Permanent Subcommittee on Investigations.

Strengthening FAIR plan operations and rebuilding incentives, however, are only one small part of what must be a comprehensive strategy for curbing the arson epidemic.

In New Jersey, for example, only an estimated 5 percent of all properties destroyed by arson are insured under FAIR plans—the remaining 95 percent get their coverage through the regular, private market. And every detailed examination of the arson phenomenon has found inexcusable laxity on the part of insurers in inspecting properties for safety or value when they are insured, or in investigating suspicious fires after they occur. That is why my legislation requires that the Federal Emergency Management Agency and the Federal Insurance Administrator develop minimum standards for arson investigation and prosecution, as well as for adequate disclosure of vital information by insurance applicants.

These steps will assure that those individuals with records of suspicious property destruction are barred from further access to insurance funds, and that today's lax investigatory practices will be replaced by tough inquiries capable of deterring would-be arsonists.

Following the publication of these minimum standards, the States will have 2 years to adopt substantially equivalent provisions. If they did not, they would be required to either end their participation in FAIR plans, or accept the Federal standard.

Mr. President, an upgraded Federal antiarson effort is vitally needed, yet it can only be one component of the total solution to this problem. The individual States must continue to pursue their own related efforts, as New Jersey has through the establishment of its arson task force and the tightening of insurance regulations.

The legislation which I am introducing recognizes this need, as well as the continuation of primary responsibility for underwriting oversight and regulation in the individual States, by bringing the National Association of Insurance Commissioners into the standards drafting process. That coordination will best assure that FAIR plan coverage no longer contributes to urban decline, and that States and underwriters will have sound models for upgrading antiarson efforts.

I intend to seek expeditious consideration of this measure. America can no longer afford to subsidize the deliberate devastation of lives, property, and communities which results from this detestable crime of arson. I hope to have the support of my colleagues in this vital effort.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Arson Prevention and Reconstruction Incentive Act of 1981".

DECLARATION OF FINDINGS

SEC. 2. The Congress finds that—

(a) the steadily increasing incidence of arson creates an unacceptable threat to the communities of the Nation and the safety of their residents;

(b) the Federal Government has an obligation to attempt to reverse this trend, particularly for properties insured under FAIR Plans;

(c) the establishment of new national standards for applicant information disclosure, and post-fire investigation, can provide effective means for the reduction of arson-for-profit; and

(d) the limitation of policy proceeds for property losses due to fire, except where the insured will utilize such proceeds for reconstruction or replacement, will create an incentive against further blight of our communities.

RECONSTRUCTION INCENTIVES

SEC. 3. Section 1211(b) of the National Housing Act is amended—

(a) by striking out "and" at the end of paragraph (10); and

(b) by striking out the period at the end of paragraph (11) and inserting in lieu thereof "; and"; and by adding at the end thereof the following:

"(12) limit the amount of policy proceeds payable in connection with a loss caused by fire to the market value of any structure destroyed, except where reconstruction or replacement of the structure is certified in a rebuilding endorsement to be carried out with the proceeds.".

DEVELOPMENT OF PROVISIONS AND STANDARDS

SEC. 4. Section 1211 of such Act is amended by adding at the end thereof the following:

"(d) The Federal Insurance Administration, in consultation with the National Association of Insurance Commissioners, shall develop a model clause to be included in insurance contracts under this title as provided in subsection (b)(12) for all owner-occupied residential and small business property. Such clause shall be published not later than one hundred twenty days after the date of enactment of this subsection and shall be included in contracts for insurance under this title which are issued on or after sixty days after such date of enactment.

"(e) In addition, the Director of the Federal Emergency Management Agency, and the Federal Insurance Administrator, shall develop Federal minimum standards for arson investigation and prosecution by reinsured insurers following any loss caused by fire, and for information disclosure by applicants for insurance. Such minimum standards shall be prescribed not later than one hundred twenty days after the date of enactment of this subsection, and shall be applied by the Director and Administrator upon the expiration of two years after such publication in any State which does not prior to the expiration of such period adopt such standards, or standards which are determined by the Director and Administrator to be substantially equivalent.".●

By Mr. BAUCUS:

S. 292. A bill to amend title XVIII of the Social Security Act with respect to judicial review of a decision by the Provider Reimbursement Review Board; to the Committee on the Judiciary.

REVIEW OF A DECISION BY THE PROVIDER REIMBURSEMENT BOARD

● Mr. BAUCUS. Mr. President, today I am pleased to introduce legislation amending title 18 of the Social Security Act. All too often, the Federal Government enacts laws and regulations that impose inappropriate and excessive requirements on the people of this Nation. These regulations seem to fall especially hard on rural States like Montana, which are located far from Washington, D.C.

The bill I am introducing today represents one small step toward eliminating such ludicrous Federal requirements. My bill amends the title 18 medicare statute to permit Federal judicial review of adverse decisions of the Provider Reimbursement Review Board involving groups of providers to be taken not only in the U.S. District Court for the District of Columbia, as is presently the case, but also in the district where the principal party for the group is located. The Provider Reimbursement Review Board is a mechanism established in 1972 to hear appeals and disputes between providers of care participating in the medicare program and medicare intermediaries. The PRRB is intended to hear and settle fairly, disputes involving reimbursement policy.

This legislation corrects a curious inequity in existing law whereby two different standards are established: One for group providers under medicare and one for individual providers of medicare part A services.

Under existing law, individual providers of medicare part A services may obtain Federal judicial review of adverse decisions of the Provider Reimbursement Review Board in one of two districts. A U.S. district court for the district in which the provider is located, or alternatively, in the U.S. District Court for the District of Columbia.

But a wholly separate standard exists for appeals brought by a group of providers. Judicial review of decisions brought jointly by several providers may be taken only in the U.S. District Court for the District of Columbia. This restriction is a considerable inconvenience to provider groups such as hospital corporations or religious organizations that operate institutions in several States or whose operations are located far from Washington, D.C.

This requirement restricting the choice of venue to the District of Columbia for groups of providers creates many problems. Since the District of Columbia is one of the busiest Federal circuits, provider cases are pending for years before decisions can be obtained.

For example, 1,978 PRRB decisions are still being litigated in the District Court for the District of Columbia. Since group appeals are frequently the most complicated and expensive, they impose enormous burdens on this one district court and I expect these burdens to grow in the future. Second, for many providers, such litigation is extremely expensive since they must retain additional counsel and incur substantial travel costs.

My bill, therefore, equalizes the choices of venue for single providers and groups of providers by permitting group actions to be taken in the district where the principal party for the group is located, or in the District of Columbia. The principal party to a suit would ordinarily be the provider's headquarters office, if the parties are commonly owned or, in the case of independent providers, the party with the most money at stake. The Senate Finance Committee unanimously adopted this provision last year as part of the Medicare-Medicaid Administrative and Reimbursement Reform Act. Unfortunately, the full Senate did not have an opportunity to act on this important medicare-medicaid package.

Enactment of my bill will place group appeals on the same basis as any other provider appeal taken to court from the PRRB. The results will be to unburden the District Court for the District of Columbia, reduce litigation costs for these appeals and accelerate the litigation process itself. I urge my colleagues to join me in seeking this necessary change.●

By Mr. THURMOND:

S. 293. A bill to amend the Food Stamp Act of 1977 to prohibit any household from participating in the food stamp program if such household has one or more members on strike as a result of a labor dispute; to the Committee on Agriculture, Nutrition, and Forestry.

PROHIBITING THE ISSUANCE OF FOOD STAMPS TO STRIKERS

Mr. THURMOND. Mr. President, in previous Congresses I have introduced bills to prohibit the issuance of food stamps to strikers. Unfortunately, none of these bills have been enacted into law. I am introducing similar legislation again today with the sincere hope that it will receive favorable action in the near future.

Mr. President, I am constantly receiving complaints from taxpayers all across our Nation regarding the waste and abuse existing in Federal programs. A common target of almost every complaint is the food stamp program. When taxpayers realize that striking workers—workers who are voluntarily unemployed—are eligible to receive food stamps, they become outraged. They cannot understand, and neither do I, why their tax dollars are being used to intervene in a labor dispute. By providing food stamps to people who voluntarily walk off their jobs, the Federal Government is injecting itself into the dispute. In effect, the Government is taking sides. I do not believe it is proper, nor advisable, for the Federal Government to do so. It is unfair to those on the other side of the bargaining table, and, most of all, it is unfair to the American taxpayer who bears the cost of the food stamp program.

Mr. President, the need for the legislation I am introducing today was most evident during the coal miners strike in the winter of 1978. Nationwide, $13 million worth of food stamps monthly went to striking coal miners during January, February, and March of 1978. The strike finally became so serious that the President invoked the Taft-Hartley Act. Yet food stamps still went to strikers.

Mr. President, the time has come to reevaluate our priorities in regard to the food stamp program. Striking workers receiving food stamps only results in more and longer strikes, causing greater damage to the economy. In my opinion, the responsibility for feeding those who voluntarily go on strike rests upon their union; not upon the Federal Government.

Mr. President, enactment of this legislation will remove the Federal Government from the business of subsidizing striking workers, and result in substantial savings to the taxpayers who are in desperate need of relief from ever increasing tax burdens. Under the provisions of my bill, no household would be eligible to receive food stamps if any member of that household is on strike, unless the household was eligible to receive food stamps prior to the strike. I believe this would be fair and equitable to strikers, employers, and taxpayers in general.

Mr. President, I request that this bill be appropriately referred and ask unanimous consent that it be included in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 293

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 6(d)(4) of the Food Stamp Act of 1977 is amended to read as follows:

"(4)(A) Notwithstanding any other provision of this Act, no household shall be eligible to participate in the food stamp program if any member of the household is on strike against his employer as the result of a labor dispute unless such household was eligible to participate in such program prior to the time the member of the household went on strike against his employer. The provisions of this subsection shall not apply in any case in which a member of a household is not working because of an employer lockout.

"(B) For purposes of this subsection—

"(i) the term 'strike' has the same meaning as in section 501(2) of the Labor Management Relations Act of 1947; and

"(ii) the term 'labor dispute' has the same meaning as in section 2(9) of the National Labor Relations Act.".

(b) Section 6(i) of such Act is repealed.

By Mr. GLENN (for himself, Mr. BOREN, Mr. BRADLEY, Mr. CHAFEE, Mr. DODD, Mr. FORD, Mr. HEFLIN, Mr. JACKSON, Mr. KENNEDY, Mr. MATSUNAGA, Mr. MELCHER, Mr. MOYNIHAN, Mr. PRYOR, Mr. RIEGLE, Mr. SARBANES, and Mr. WILLIAMS):

S. 294. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend certain provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; to the Committee on Governmental Affairs.

ANTI-ARSON ACT OF 1981

● Mr. GLENN. Mr. President, today I am introducing the Anti-Arson Act of 1981 to combat what has become America's costliest and fastest growing crime. The primary goal of this legislation is to establish a unified, national strategy against the burgeoning arson problem.

This bill represents a continuation of the antiarson efforts I began during the 95th Congress with the introduction of the Arson Control Assistance Act. The portion of that bill which later became law temporarily upgraded arson to major crime status. Two years later, I introduced S. 252, the Anti-Arson Act of 1979. The Committee on Governmental Affairs ordered S. 252 favorably reported. Subsequently, on September 10, 1980, the Judiciary Committee's Subcommittee on Criminal Justice held hearings on S. 252, although no further action was taken prior to the adjournment of the 96th Congress.

Arson has increased 400 percent over the past decade and presently accounts for roughly 25 percent of all fires. In Ohio alone, four fires are deliberately set every hour of every day. This year, arson will kill 1,000 people and injure 10,000 others. In addition, some insurance experts estimate that arson is annually responsible for up to $6 billion in direct property damage and up to $12 billion in indirect losses. These losses are passed along to homeowners, taxpayers and businesses. Approximately, one-quarter of every home insurance policy premium dollar goes to pay for arson. In 1978, the last year for which we have complete figures, insurance companies reported that each incident of arson resulted in an average loss of $6,433. This compares with an average loss of $1,741 per theft, $499 per burglary, $388 per robbery and $184 for each instance of larceny/theft.

Despite these chilling statistics, there is no national strategy in place to combat arson. In the past, coordination among Federal, State, and local antiarson efforts have been either nonexist-

ent or woefully inadequate. The result has been entirely predictable; the conviction rate for arson arrests stands at a dismal 0.7 percent nationwide.

The Anti-Arson Act has four major provisions:

First, the bill would create an Interagency Anti-Arson Committee to coordinate antiarson efforts at the Federal level without preempting local and State authority. At present, there are eight separate Federal agencies conducting antiarson activities. Inevitably, this has led to duplication, inconsistency and jurisdictional conflict. Moreover, none of these agencies is specifically charged with insuring that available Federal funds and research results are channeled to State and local governments. An interagency committee would go far toward ameliorating these problems and would help achieve efficient, effective application of Federal resources and expertise. Unless extended, the committee would automatically terminate in 2 years.

Second, the bill would require the FBI to permanently classify arson as a part I (or major) crime in its unifrom crime report. At present, this is only a temporary requirement and has been extended each year only by being included as part of the Department of Justice authorization bill. Permanently classifying arson as a major crime would encourage standardized and uniform arson reporting among local jurisdictions. Permanently gathered and aggregated by the FBI under a reliable uniform reporting system, arson statistics would be an invaluable tool in identifying weaknesses within our overall antiarson effort, as well as in assisting Federal, State, and local governments shape and direct new and individual programs.

Third, the bill would require the U.S. Fire Administration to make antiarson research and training a permanent and integral part of its mission. The bill would mandate a dramatic expansion in that agency's research and development of techniques and equipment in the areas of arson prediction, prevention and control. For this purpose, $5 million would be authorized for the U.S. Fire Administration.

Finally, the bill would require private insurers, before issuing fair plan insurance policies, to obtain, evaluate and—when appropriate—share with law enforcement agencies specific information supplied by applicants. Fair plans, created in 1968 to provide needed insurance coverage to low-income residents of our Nation's inner cities, have frequently been exploited and subverted by lawless absentee landlords and unscrupulous real estate hustlers. Testimony indicates that far too frequently these people have managed to obtain inflated property insurance and then burned their buildings in order to collect the insurance proceeds. By encouraging insurance companies and law enforcement officials to work more closely together, the bill will help to end that kind of abuse.

Progress is being made in our national fight against arson. Foremost, perhaps, is increased public awareness that arson is a deadly, billion-dollar crime which is rapidly proliferating in our cities and rural areas. State legislators, law enforcement officials, firefighters, and prosecutors are beginning to understand the severity of the arson problem, as well as its impact on their jurisdictions. However, because local officials are ill equipped to deal with the problem alone, they are reaching out to the Federal Government for assistance. I strongly believe that this bill will help them gain control of the arson epidemic that plagues our Nation.

I urge the Committee on Governmental Affairs, to which this bill will be referred, to take prompt and favorable action so that we may obtain early enactment of this important piece of legislation. The Anti-Arson Act of 1981 is the product of extensive legislative hearings in both the 95th and 96th Congresses. Moreover, it has broad support in both the public and private sectors, as well as bipartisan support in the Senate.

Mr. President, I ask unanimous consent that the text of the Anti-Arson Act of 1981 be printed in the RECORD as if read in full.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 294

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. That this Act may be cited as the "Anti-Arson Act of 1981".

INTERAGENCY COMMITTEE ON ARSON CONTROL

SEC. 2. (a) There is established within the Federal Government an Interagency Committee on Arson Prevention and Control (hereinafter in this section referred to as the "Committee"). The Committee shall consist of the following persons (or their designees whose positions are compensated at a rate of pay not less than level V of the Executive Schedule under section 5315 of title 5, United States Code):

(1) The Attorney General.

(2) The Director of the Federal Bureau of Investigation.

(3) The Postmaster General.

(4) The Secretary of the Treasury.

(5) The Administrator of the United States Fire Administration, Federal Emergency Management Agency.

(6) The Administrator of the Federal Insurance Administration.

(7) The Director of the Bureau of Alcohol, Tobacco and Firearms.

(8) The Commissioner of the Internal Revenue Service.

(9) The Director of the Law Enforcement Assistance Administration.

(b) The Committee shall—

(1) develop and implement a comprehensive and coordinated Federal Strategy and methodology for improving assistance to State and local governments for the prevention, detection, and control of arson;

(2) coordinate anti-arson training and educational programs established within the Federal Government;

(3) coordinate Federal grants to State and local governments for arson prevention, training, detection, and control;

(4) coordinate Federal research and development relating to arson prevention, training, detection, and control;

(5) gather and compile statistical data relating to arson prevention, training, detection, and control;

(6) review each agency report filed under subsection (g); and

(7) provide such other assistance to Federal agencies, States, and local governments that aid in the cooperation and coordination of Federal anti-arson assistance efforts.

(c) The members of the Committee shall elect a Chairman. The Chairman shall call meetings of the Committee at least four times a year at such times and places as the Chairman determines. The Committee may assemble and disseminate information, issue reports and other publications, and conduct such other activities as it considers appropriate to provide for effective coordination of Federal anti-arson assistance.

(d) The Committee may establish such subcommittees or working groups as may be necessary for the fulfillment of its task. The membership may include persons not members of the Committee. Guidelines or regulations promulgated under the provisions of section 7 (d) of the Federal Advisory Committee Act do not apply to any such subcommittee or working group.

(e) The Committee may request any agency of the executive branch to furnish it with such information, advice, and services as may be useful for the fulfillment of the Committee's functions under this section. The agencies of the executive branch are authorized, to the extent permitted by law, to provide the Committee with administrative services, information, facilities, and funds necessary for its activities.

(f) The Committee may procure, subject to the availability of funds, the temporary professional services of individuals to assist in its work, in accordance with the provisions of section 3109 of title 5, United States Code.

(g) Each agency of the executive branch with arson related activities shall report annually to the Committee with respect to its efforts in providing training, educational programs, grants, and other Federal assistance to State and local governments for arson prevention, detection, and control.

(h) Not later than eighteen months after the date of enactment of this Act, the Committee shall transmit a report to the Congress concerning its activities under this Act. The report shall include an assessment of the success of the Committee in coordinating Federal efforts for the prevention, detection, and control of arson.

(i) The Committee shall terminate two years from the date of enactment of this Act.

(j) The expenses of the Committee shall be paid from the appropriations of each of the agencies represented on the Committee pursuant to subsection (a).

UNIFORM CRIME REPORTS

SEC. 3. (a) Section 704 of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by adding at the end thereof the following:

"(c) The Director of the Federal Bureau of Investigation is authorized and directed to classify the offense of arson as a part I crime in its Uniform Crime Reports. In addition, the Director of the Federal Bureau of Investigation is authorized and directed to develop and prepare a special statistical report in cooperation with the National Fire Data Center for the crime of arson, and shall make public the results of that report. The Director of the Federal Bureau of Investigation shall give priority as part of the special report to the investigation of arson in housing supported by programs of or owned by the Department of Housing and Urban Development.".

(b) Subsection (b) of section 704 of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by striking out "this section" and inserting in lieu thereof "subsection (a)".

UNITED STATES FIRE ADMINISTRATION

SEC. 4. (a) The Administrator of the United States Fire Administration, Federal Emergency Management Agency, is authorized and directed to—

(1) conduct a research program for the development, testing, and evaluation of techniques and equipment for use by law enforcement officials and the fire service community in State and local governments for arson prediction, prevention, and control;

(2) develop and establish educational and training materials and programs for the fire service community and law enforcement officials for dissemination to State, municipal, and other local governments for the prevention, detection, and control of arson to enable such governments to establish, maintain, and fund their own programs;

(3) develop educational materials designed for local community awareness programs on arson; and

(4) gather, analyze, publish, and disseminate any other information relating to the prevention, prediction, occurrence, and control of arson.

(b) There are authorized to be appropriated for the United States Fire Administration the sum of $5,000,000 to carry out the provisions of this section.

BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS

SEC. 5. The Director of the Bureau of Alcohol, Tobacco, and Firearms is authorized and directed to assist the Committee established under section 2 of this Act by providing to the Committee, as the Committee determines necessary and to the extent permitted by law, access to personnel and resources of the Bureau, including the use of laboratory facilities for research on the detection and prevention of arson.

FEDERAL INSURANCE ADMINISTRATION

SEC. 6. (a) Section 1211(b) of the National Housing Act (12 U.S.C. 1749bbb-3) is amended—

(1) by striking out "and" at the end of paragraph (10);

(2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(12) require that each policy written pursuant to the plan be written only after the insurer obtains a signed application from applicant and evaluates information with respect to the prospective policyholder that incorporates a listing of real property in which the policyholder has an insurable interest at the time the policy is applied for or at any time within the previous 10-year period including (A) number of fires; (B) cause of fires; (C) amount of each loss; and (D) amount of insurance recovery and whether destruction to any of such properties has occurred, the cause of which is or may be arson-related.".

(b) Section 1211 of such Act is amended by adding at the end thereof the following new subsection:

"(d)(1) Each insurer under this title who, after obtaining the information required under paragraph (12) of subsection (b), has reasonable cause to believe that a prospective policyholder has an insurable interest, at the time the policy is applied for or at any time within the previous 10-year period, in any real property which has been the subject of destruction the cause of which is or may be arson-related, may request from the State insurance authority any relevant information within the custody of the authority that would assist the insurer in further investigating or evaluating the risk of writing the coverage for that prospective policyholder.

"(2) The State insurance authority is authorized to waive the provisions of any applicable State law which would prevent the release of such information without the prospective policyholder's consent, if it determines that—

"(A) the insurer's request for the waiver is based upon reasonable cause; and

"(B) the release of such information is essential to the insurer in determining whether to accept the risk.".

(c) Section 1211(b)(9) of such Act is amended by inserting "(A)" immediately before "notice" and by striking out "written under the plan, and" and inserting in lieu thereof the following: "written under the plan, except that subject to the approval of the State insurance authority, the insurer may establish procedures for the cancellation or nonrenewal of any risk eligible under the plan upon 5 days notice to any policyholder based on a finding by the insurer that the continuation of the coverage under the policy presents a demonstrable risk of arson, and (B)".●

● Mr. HEFLIN. Mr. President, I rise in support of the Anti-Arson Act of 1981, offered by my distinguished colleague, Senator GLENN. I believe this legislation to be an important step toward halting the widespread epidemic of arson that is sweeping this country. It is time that the Federal Government establish a coordinated and comprehensive antiarson program and to develop national strategies in the areas of arson investigation, prevention, and detection.

Over the past decade there has been a steady rise in deaths and property destruction from arson. Statistics gathered and made public by the National Fire Protection Association indicate that in 1979 there were 210,000 arson and suspected arsons reported nationwide. Many fire experts also believe that a significant percentage of fires listed as having other causes are actually fires started by arson. In 1979 there were 675 people killed in fires started by arsonists and $1.5 billion in property was destroyed. It was further estimated that more than $15 billion in total financial loss occurred due to arson, including lost jobs, income, reduced housing opportunities, and medical services. This year, those statistics will increase dramatically as arson is expected to kill over 1,000 people and destroy over $6 billion in direct property damage.

I have for many years been deeply concerned about the need for public awareness of the number and devastating effects of crimes related to arson. In 1979, I introduced legislation to require the Federal Bureau of Investigation to permanently classify arson as a part I offense for purposes of the Uniform Crime Reporting Index and thus more clearly reflect its criminal activity. I believe then, as I do now, that we must have the capability to collect precise and extensive data concerning fires in order to plan the kind of action which is needed to reduce and eliminate these crimes. This bill not only contains a provision requiring the permanent classification of arson as a part I offense, but goes even further toward establishing a comprehensive Federal antiarson program. The Anti-Arson Act of 1981 calls for the development of a Federal strategy in assisting State and local governments in the prevention, detection, and control of arson, as well as coordinated Federal antiarson training and education programs, and Federal research development related to arson prevention.

Mr. President, I strongly believe that this legislation is a necessary first step to correct this neglected offense by giving it a high priority at the Federal level. I urge support of this legislation so that we may achieve that result.●

● Mr. CHAFEE. Mr. President, I am pleased to join as a cosponsor of this legislation.

What would this bill do? First, it would require that the FBI permanently reclassify arson as a part I crime—or major crime—in its uniform crime report. Such a change would standardize the reports of arson by local jurisdictions, and make more complete and up to date information available for Federal, State, and local efforts to fight arson.

Second, the bill would provide up to $5 million for the U.S. Fire Administration to strengthen its antiarson research, equipment, and training techniques.

Third, the bill would create an Interagency Anti-Arson Committee to coordinate Federal agencies conducting antiarson investigations. This interagency committee would make Federal programs more consistent, reduce duplication of effort, and would not preempt State or local authority in this area.

Finally, the bill would encourage law enforcement officials and insurance companies issuing Fair Plan insurance policies to work more closely together to combat arson.

Why is such a program necessary? Because arson has been one of the biggest "growth industries" in the past decade. Between 1974 and 1978 alone, the number of fires classified incendiary or suspicious—fires that officials knew or had reason to suspect were set—increased from 114,000 to 508,512. Losses from these fires increased from $563 million in 1974 to $1.03 billion in 1978.

Rhode Island's experience with arson is unfortunately much the same. In 1974, there were 144 incendiary or suspicious fires. By 1978, this figure had climbed to 722 fires. Losses from these blazes increased from $2.7 million in 1974, to $8.2 million by 1978.

This growth has not gone unnoticed. Television and newspapers have presented special series on this problem, helping to increase public awareness regarding the scope and complexity of arson. In addition, efforts by all levels of government to fight arson have increased.

In Rhode Island the Governor's office has formed a State Task Force on Arson, and the State fire marshal and attorney general have been cooperating closely with police and fire departments. In addition, many city and town fire departments have started arson awareness programs on their own.

The investment in these programs has started to pay dividends. In Providence, between 1974 and 1978 investigators could only verify 30 percent of all fires as deliberately set. In 1979, through better knowledge and more thorough inspection techniques, fire officials were able to identify almost 60 percent of the fires as deliberately set.

South Kingstown, R.I., with a population of approximately 20,000 can also point to success with training programs. Due to a better system for reporting fires, and more resources for investigation, four times more arrests for arson were made in 1979 than in 1978.

We should not be lulled into a false sense of security by the successes. Rather, we should renew our efforts. Enacting this legislation would add the weight and prestige of the FBI in helping to identify arson. The additional resources authorized in this bill would help State and local governments offset the loss of other valuable programs, such as those run under the Law Enforcement Assistance Administration. I urge my colleagues to support this legislation.●

Mr. JACKSON. Mr. President, I am pleased to join today with Senator GLENN and other colleagues in the Senate in introducing legislation to combat one of America's costliest and fastest growing crime: arson. The legislation which we are introducing is the Anti-Arson Act of 1981.

I believe that there is a strong need for a national effort and focus on this heinous crime that takes hundreds of innocent lives and billions of dollars every year. The National Fire Prevention Agency estimates that in 1978, there were 173,934 fires of incendiary or suspicious origin and 1,046 civilian deaths. Clearly, arson will not go away by itself. Comprehensive Federal action must be taken quickly to put a halt to this growing crime.

In Washington State alone, it is estimated that in 1981, one out of every four fires will be caused by arson, and the State will lose approximately $27 million to this crime. What is astonishing about these figures is that Washington State, and Seattle in particular, is acknowledged as having one of the lowest arson rates and one of the best antiarson programs in the country.

In 1975, the city of Seattle began a major program to address the arson problem which was threatening the entire State with greater and greater frequency. Seattle established an interagency arson task force with representatives from the King County prosecutor's office, mayor's office, fire department, police department, chamber of commerce, sheriff's office, and Washington State Insurance Council. This group was responsible for evaluating the problem and proposing a workable solution to combat arson.

Responsibility for detection, investigation, and prosecution in arson cases was delegated to the Seattle Fire Department. The department launched a three-part training program for its arson investigators, focusing on starting with a basic training course, a "detective school" course, and an advanced arson session. Seattle now has a professional arson investigation unit.

As part of its public awareness program, a toll-free number for people to call in and report information concerning a fire was established. Signs, posters, bumper stickers, and messages on TV and radio appeared across the State. In addition, the Washington State Insurance Council contributed to a reward program for information leading to an apprehension or conviction in an arson case. Seattle's efforts should provide the lead for other States and communities to formulate comprehensive policies to combat this crime.

The Anti-Arson Act of 1981 is a four-part program. First an Interagency Anti-Arson Committee would be established to coordinate antiarson efforts at the Federal level without preempting local and State authority. Currently, there are eight separate Federal agencies conducting antiarson activities. An Interagency Committee would allow efficient and effective antiarson planning. The Committee would automatically terminate in 2 years.

This proposal would also reclassify arson as a part I or major crime in the FBI's Uniform Crime Report. Presently, the classification of arson as a major crime is only a temporary requirement and has been extended yearly through inclusion in the Department of Justice authorization bill.

The third part of this proposal would require the U.S. Fire Administration to make antiarson research and training a permanent and integral part of its mission. Authorization for $5 million would be provided to assist in the Administration's research and development of techniques and equipment in the areas of arson prediction, prevention, and control.

Finally, this bill would require private insurers, before issuing Fair Plan insurance policies, to obtain, evaluate, and, when appropriate, share with law enforcement agencies specific information supplied by applicants. Unfortunately, the Fair Plans which were originally created to provide needed insurance coverage to low-income residents of inner cities, have been abused by individuals who obtain inflated property insurance and then burn their buildings in order to collect the insurance proceeds. Cooperation by law enforcement officials and insurance companies will help to end that kind of exploitation.

I am cosponsoring the Anti-Arson Act of 1981 because it is imperative that we begin a massive national effort to stamp out this plague. The Anti-Arson Act of 1981 is an important step toward controlling this crime.

By Mr. PRESSLER:

S. 305. A bill to insure the protection of State water interests; to the Committee on Environment and Public Works.

STATES WATER RIGHTS

Mr. PRESSLER. Mr. President, I am today introducing a bill to insure that State water rights are protected as this Nation moves ahead with its energy projects.

All of us in the Congress recognize the need to increase the energy output in this country. Those of us from the Western part of the Nation are, however, particularly concerned with the careful conservation of water as we mobilize to meet our energy goals.

The bill which I am introducing today sets forth some of the States rights in this area. While this measure may not address all of the problems regarding the use of State water, I hope that it will serve as a vehicle for consideration of legislative action on this point. I believe that the various committees of this body should thoroughly examine this issue and come quickly to terms with legislation which will adequately balance the important competing interests at stake.

Mr. President, there are currently plans to construct a coal slurry pipeline beginning in Wyoming across the country to points south. Much of the water for this pipeline will come from the underground Madison aquifer which lies under Wyoming and South Dakota. The residents of South Dakota are understandably extremely concerned that the operation of such a slurry will seriously diminish their water supply. Our State's agricultural economy is vitally dependent upon this source.

At present there is very little scientific data available to foretell the consequences of the construction of this pipeline. In addition to the sorely needed legislation, action is required immediately on the part of Federal agencies to slow this construction until further studies are made. At present, the Department of the Interior is reviewing a decision to permit the pipeline to cross Federal land in Wyoming. To date, I am disappointed with the actions of that Department to hold further public comment hearings on this subject.

Mr. President, I ask unanimous consent to have letters on this subject printed in the RECORD at the conclusion of my remarks.

Mr. President, I urge the committees of the Senate to quickly explore this question and invite my interested colleagues to join in efforts to protect State water rights.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JANUARY 2, 1981.

Hon. CECIL D. ANDRUS,
Secretary,
Department of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: It is my understanding that the Bureau of Land Management is closing the public comment period pertaining to the decision to permit Energy Transporation System, Inc. (ETS') to construct a coal slurry pipeline across federal land in Wyoming.

As you may know, the construction of this proposal could have a severe impact on the water supply of western South Dakota. Because public hearings on this subject were only held in South Dakota in December 1980, it would seem only reasonable and prudent to extend the comment period past January 6, 1981 to facilitate proper evaluation. Further, I must respectfully point out that the new Administration may have an interest in this matter.

Therefore, I would request that no final action on this project be made until incoming personnel have had the opportunity to review it.

Thank you for your consideration of this matter.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

JANUARY 21, 1981.

Hon. JAMES G. WATT,
Secretary,
Department of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: I was pleased during your confirmation hearing that you expressed the belief that the states of the West are in the best position to determine the use of their water and that the federal government should support the states in the exercise of this power.

There are currently a number of disturbing interstate plans being formulated involving water use which could have an adverse effect on local areas. Specifically, I am greatly concerned that a pending decision by the Bureau of Land Management to permit the construction of a coal slurry pipeline across federal land in Wyoming could have a severe impact on the water supply of western South Dakota. It is my hope that you will give this matter your consideration at the earliest possible moment and delay any approval of the proposed construction until you and your staff have had an opportunity to fully study this project. It would be my recommendation that, at a minimum, the comment period on the draft environment impact statement, which closed January 6th, should be reopened.

I am presently in the process of drafting legislation to protect my state's interests in protecting its water rights. Your early comments on this matter would, therefore, be especially appreciated.

My best wishes to you as you begin your enormous duties as Secretary of the Interior. Thank you for your attention to this matter.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

By Mr. BOREN:

S.J. Res. 21. Joint resolution proposing an amendment to the Constitution of the United States to establish a 10-year term of office for Federal judges. A joint resolution proposing an amendment to the Constitution of the United States to establish a 10-year term of office for Federal judges; to the Committee on the Judiciary.

TEN YEAR TERM OF OFFICE FOR FEDERAL JUDGES

● Mr. BOREN. Mr. President, today I am reintroducing a proposed amendment to the Constitution of the United States to establish a 10-year term of office for Federal judges.

This is the same joint resolution I introduced last year. I am hopeful that with the current makeup of the Congress, this year's efforts will be successful.

The joint resolution states that judges of both the Supreme and Inferior Courts shall be appointed to their offices for a term of 10 years, and that during the 10th year of office of any such judge may have his nomination for an additional term submitted for Senate confirmation, unless the judge requests that his nomination not be so placed.

Any judge whose nomination for an additional term comes before the Senate may remain in office until the Senate acts on reconfirmation. The provisions of this joint resolution would only apply to any person appointed a judge after the date of ratification of the constitutional amendment.

I have been alarmed for some time about the awesome powers of the Federal judiciary. It is the one area in which our system of checks and balances does not apply once an appointment to the Federal bench has been made and confirmed by the Senate.

I fully appreciate the need to maintain judicial independence and am in complete support of that concept. However, I believe the best interests of both the judiciary and the country rests in a balance between independence from political pressure and the need to hold judges accountable for the proper performance of their duties. There is no practical way, in present law, to remove a judge who usurps his authority or becomes less than capable while on the bench.

My proposal sets a term of 10 years, long enough to protect the judge against daily political pressures and reasonable enough to protect the people from the damage that can be done by a "bad" judge. At the end of the 10-year term, a judge could be reappointed by the President with the advice and consent of the Senate.

I think that while the majority of Federal judges serve with distinction and a proper respect for the law, there must be a practical check on those who do not.

Mr. President, I commend this measure to my colleagues for their consideration, and ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 21

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. Notwithstanding the provisions of the second sentence of section 1 of article III of the Constitution of the United States, the Judges, both of the supreme and inferior Courts, shall be appointed to their offices for a term of ten years and shall hold their offices for such term during good behavior. The term of office of each judge shall begin at noon on the day after the day on which the President commissions such judge. During the tenth year of each term of office of any such judge, his nomination for an additional term of office for that judgeship shall be placed before the Senate for its advice and consent to such additional term, unless that judge requests that his nomination not be so placed. Any judge whose nomination for an additional term of office is so placed may remain in office until the Senate gives its advice and consent to, or rejects, such nomination. If the Senate gives its advice and consent to an additional term of office, that term shall commence from the date of such advice and consent, or the day immediately following the last day of his previous term of office, whichever is later.

"SEC. 2. Section 1 of this article shall take effect on the date of ratification of this article, but shall apply only with respect to any person appointed a judge of the Supreme Court or as a judge of an inferior Court after such date of ratification."●

ADDITIONAL COSPONSORS

S. 1

At the request of Mr. DOLE, the Senator from Indiana (Mr. QUAYLE) was added as a cosponsor of S. 1, a bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions.

S. 2

At the request of Mr. MATHIAS, the Senator from Kentucky (Mr. FORD), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 8

At the request of Mr. DOLE, the Sentor from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 8, a bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes.

S. 19

At the request of Mr. DOLE, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 19, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax.

S. 20

At the request of Mr. SASSER, the Senator from Arizona (Mr. DECONCINI), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 20, a bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy.

S. 30

At the request of Mr. SASSER, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 30, a bill to provide for the payment of interest by the Federal Government on any amount due for more than 30 days to any person under the terms of a contract entered into by the Federal Government and such person.

S. 43

At the request of Mr. SASSER, the Senator from Mississippi (Mr. COCHRAN), the Senator from New York (Mr. MOYNIHAN), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 43, a bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

S. 54

At the request of Mr. HAYAKAWA, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 54, a bill to repeal the provisions of title 23, United States Code, requiring a national maximum speed limit of 55 miles per hour.

S. 75

At the request of Mr. WALLOP, the Senator from Texas (Mr. BENTSEN), the Senator from Oklahoma (Mr. BOREN), the Senator from North Dakota (Mr. ANDREWS), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 75, a bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations.

S. 93

At the request of Mr. MATHIAS, the Senator from California (Mr. CRANSTON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Texas (Mr. BENTSEN), the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of S. 93, a bill to designate the birthday of Martin Luther King, Jr., a legal public holiday.

S. 141

At the request of Mr. BENTSEN, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 141, a bill relating to tax treatment of qualified dividend reinvestment plans.

S. 144

At the request of Mr. HEINZ, the Senator from North Dakota (Mr. ANDREWS), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Nevada (Mr. CANNON), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Michigan (Mr. RIEGLE), the Senator from Illinois (Mr. PERCY), the Senator from North Carolina (Mr. HELMS), the Senator from Mississippi (Mr. COCHRAN), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of S. 144, a bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

S. 154

At the request of Mr. PRYOR, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 154, a bill to amend title 37, United States Code, to authorize special pay to a member of a uniformed service who performs duties that are unusually hazardous or performed under unusually severe working conditions.

S. 178

At the request of Mr. BUMPERS, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 178, a bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to further the objectives of national energy policy of conserving oil and natural gas through removing excessive burdens on the production of coal.

At the request of Mr. DURENBERGER, the Senator from Wisconsin (Mr. KASTEN) was added as a cosponsor of S. 178, supra.

S. 186

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of S. 186, a bill to provide financial assistance to the States to undertake comprehensive criminal justice construction programs to improve the criminal justice system of the States, to provide that the Secretary of the Treasury is authorized to make interest subsidy payments on criminal justice facility construction bonds, and for other purposes.

S. 195

At the request of Mr. GOLDWATER, the Senator from Idaho (Mr. SYMMS), the Senator from Wisconsin (Mr. KASTEN), and the Senator from Georgia (Mr. MATTINGLY) were added as cosponsors of S. 195, a bill to incorporate the United States Submarine Veterans of World War II.

S. 239

At the request of Mr. DURENBERGER, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 239, a bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for the purchase of a commuter highway vehicle, to exclude from gross income certain amounts received in connection with the provision of alternative commuter transportation, to provide employers a credit against tax for costs incurred in ride sharing programs, and for other purposes.

SENATE JOINT RESOLUTION 17

At the request of Mr. GARN, the Senator from Georgia (Mr. MATTINGLY) was added as a cosponsor of Senate Joint Resolution 17, a joint resolution proposing an amendment to the Constitution of the United States, for the protection of unborn children and for other purposes.

SENATE RESOLUTION 34—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. WEICKER, from the Select Committee on Small Business, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 34

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraph 1 of rule XXVI of the Standing Rules of the Senate, and S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, in accordance with its jurisdiction under such Senate resolution, the Select Committee on Small Business is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $905,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 35—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following resolution; which was placed on the calendar:

S. RES. 35

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Rules and Administration is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,273,800, of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 36—ORIGINAL RESOLUTION REPORTED PROVIDING FOR MEMBERS OF THE JOINT COMMITTEE ON PRINTING AND THE JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 36

Resolved, That the following-named members be, and they are hereby, elected members of the following joint committees of Congress:

Joint Committee on Printing: Mr. Mathias of Maryland, Mr. Warner of Virginia, and Mr. Cannon of Nevada.

Joint Committee of Congress on the Library: Mr. Mathias of Maryland, Mr. Hatfield of Oregon, Mr. Baker of Tennessee, Mr. Pell of Rhode Island, and Mr. Williams of New Jersey.

SENATE RESOLUTION 37—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO NOLA E. CLARK

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 37

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Nola E. Clark, widow of Francis E. Clark, an employee of the Architect of the Capitol assigned to duty on the Senate side of the Capitol grounds at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 38—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO JOSEPH A. CROSS

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 38

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Joseph A. Cross, widower of Florence E. Cross, an employee of the Senate at the time of her death, a sum equal to three months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 39—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. PERCY, from the Committee on Foreign Relations, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 39

Resolved, That, in holding hearings, reporting such hearings, making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Foreign Relations is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the Committee under this resolution shall not exceed $2,333,100, of which amount not to exceed $18,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The Committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the Committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 41—RESOLUTION TO AMEND THE STANDING RULES OF THE SENATE

Mr. MELCHER submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 41

Resolved, That Rule VII of the Standing Rules of the Senate is amended by adding the following new paragraph 7:

"Applications received from the states requesting a convention to amend the United States Constitution shall be printed in full in the CONGRESSIONAL RECORD as received and shall be listed under a separate category entitled 'Applications' following the printing of memorials and petitions. The original application shall be retained in the files of the Secretary of the Senate and copies shall be forwarded to the Senate Committee on the Judiciary. The Committee, on a biannual basis, shall cause to be printed in the CONGRESSIONAL RECORD a list of such Applications received, the subject matter of the application, the date received by the Secretary of the Senate and the total number of applications received on a given subject to date during the meeting of the current Congress."

● Mr. MELCHER. Mr. President, at the outset of the 96th Congress, the States submitted a flurry of applications asking Congress to call a convention to amend the Constitution to require a balanced budget. Whatever the merit of the individual applications, they exposed a need for the Senate to fill in a blank in the Standing Rules of this body. Although article V of the Constitution points out that a convention would be called "on the Application" of two-thirds of the several States, the Senate rules do not make specific reference to that constitutional term.

Rule VII of the Standing Rules of the Senate refers to the terms "memorials" and "petitions." In fact, paragraph 5 of that rule provides that communications from State legislatures are to be printed in full in the Senate portion of the CONGRESSIONAL RECORD. The practice over the years has been to group petitions from private citizens and other groups together with memorials from State legislatures under the single heading "petitions."

Until January of 1977, there was no truly useful way of distinguishing between the two in the CONGRESSIONAL RECORD. On that date, the Secretary of the Senate established a new numbering system for these documents. Under that system, petitions and memorials are assigned numbers preceded by the letters "POM" and then numbered and entered consecutively in the CONGRESSIONAL RECORD. It is an improvement over the former unnumbered listing of the documents but it can be better.

The resolution I am offering today simply does what should have been done from the very beginning of the existence of the Senate. It gives requests from the State legislatures for a constitutional convention, a separate identity in the Senate rules. Doing this neither indicates support for a convention on any particular issue nor drastically departs from traditional practice. However, in view of the obvious interest State legislatures have shown in requesting a constitutional convention and because 46 State legislatures will assemble between now and February 3, I believe we have a special obligation in the Senate to do the best we can in keeping track of these applications. We really have not been doing as well as we might.

Let me explain further.

I have searched the relevant literature for some definitions to distinguish between the terms "memorial" and "petition." There is not much to go on. In July 1978, the Secretary of the Senate's office published a booklet called "Legislative Procedural Flow" which documents the many processing steps in the enactment of a law. That booklet, in an attempt to define the word "petition" simply said it was a document "asking the government for a redress of grievances." That is pretty much what the Constitution provides in the first amendment. The term "Memorial," however, as defined by "Legislative Procedural Flow" is listed only as a document "memorializing the government to do or not do a thing." Memorials are not specifically mentioned in the Constitution.

What obligations does the Congress have to respond to petitions and memorials? In terms of petitions, the U.S. District Court for the Southern District of California felt the Congress had virtually no obligation whatever. After a California resident sent a petition to the Senate dealing with a social security problem, no action was taken. The party filed suit and the court responded this way:

> The plaintiff has confused the right to petition with a supposed right to have his petition granted or acted upon in a certain way. But no such right is found in the Constitution. The Constitution gives the people the right to submit petitions to their Senators in unlimited quantities, if the people so desire, but it does not require that the Senators do anything in particular with those petitions once they have been received. Neither party has cited and the court has not found, any authority whatever that requires a Senator to do anything with a petition or that restrains a Senator from doing anything he pleases with a petition.

What of the obligation of Congress to respond to memorials? One commentator has observed that—

> memorials from the State Legislatures are, at best, political statements which have small impact and no binding effect on the Congress.

That same commentator, however, went on to say that—

> Article V Applications for a convention are constitutionally authorized instruments which, in the aggregate, impose a specific duty on the Congress. There at least ought to be a separate means of counting and tracking the memorials from the States which request a convention.

I agree we need to be more careful in tracking these applications and improvements are long overdue. In fact, a staff report of the House Judiciary Committee issued 29 years ago called the application process "the stepchild of constitutional law." It is small wonder that the House would express concern of that order. The processing of State applications for a convention by the House has not been what it should be. But the Senate has not been letter-perfect, either. To illustrate the problem, let me quote from a September 29, 1978 Library of Congress study of the problem:

> The Senate has records showing that sixteen States have memorialized Congress for a constitutional convention relating to deficit spending. The House records fifteen such applications. The National Taxpayers Union lists 22 States . . . Of the six additional States which have passed similar resolutions, five claim that copies were sent to Congress, and one State apparently did not forward its resolutions.
>
> Thus, although at least twenty-two . . . States have passed resolutions applying to Congress for a Constitutional Convention to consider amendment in this area, only a maximum of sixteen applications have been officially noted by the Congress.

To illustrate further, back in 1974 the State of California asked Congress to call a convention to amend the Constitution to deal with the private ownership of gold. Its receipt was noted September 11, 1974 in the House portion of the CONGRESSIONAL RECORD. It went unrecorded in the Senate. Oklahoma, Louisiana, and Tennessee requested a convention on a variety of subjects. Although noted in the House, they were not printed in the CONGRESSIONAL RECORD by the Senate.

The reasons for the omissions are unclear. It may be the fault of the State legislatures. It may be the fault of the Senate. Fault, however, is not really the issue. What is important is that the Senate do the very best possible job in seeing to it that these applications are properly received and recorded.

On November 29, 1979, the Senate Judiciary Committee conducted hearings on Constitutional Convention Procedure. I believe the aggregate record of those hearings supports the need for the change I have proposed in rule VII. I hope my colleagues will support this resolution.●

SENATE RESOLUTION 42—RESOLUTION RELATING TO THE FUNDING AND CONSTRUCTION OF THE GARRISON DIVERSION UNIT

Mr. PRESSLER submitted the following resolution, which was referred to the Committee on Environment and Public Works:

S. RES. 42

Whereas, the State of North Dakota and the State of South Dakota are currently negotiating to reach an agreement on the Garrison Diversion Unit, North Dakota return flows which will travel down the James River, South Dakota; and

Whereas the Governor of South Dakota has developed a reasonable concept in an attempt to utilize return flows from the Garrison Diversion Unit for the benefit of South Dakota; and

Whereas funds have been appropriated for construction on the Garrison Diversion Unit, North Dakota in Fiscal Year 1981 and have been requested in the Federal Budget for Fiscal Year 1982: Now, therefore be it

Resolved, That it is the sense of the Senate that the State of South Dakota's interest in the safe use of Garrison Diversion Unit, North Dakota return flows should be given every consideration and that any funding decision made by the Senate for the Garrison Diversion Unit, North Dakota should recognize the State of South Dakota's interest in reaching an agreement with the State of North Dakota on mutual and beneficial utilization of Garrison Diversion Unit return flows.

Mr. PRESSLER. Mr. President, I am today submitting a resolution regarding the Garrison Diversion Unit, North Dakota and the ongoing negotiations between the State of South Dakota and the State of North Dakota to utilize the return flows of the project for our mutual benefit.

During the last Congress, I offered an amendment to the fiscal year 1980 supplemental appropriations bill that would have added the words "or South Dakota" to the following language that was contained in the bill:

> None of the funds appropriated from the Garrison Diversion Unit may be used for the acquisition of mitigation lands by condemnation nor shall funds be used on features affecting waters flowing into Canada (or South Dakota).

At the time, I stated that I did not oppose the Garrison project, but that I believed it was extremely important for the States of North and South Dakota to work out a memorandum of understanding regarding the project's return flows which would go down the James River, S. Dak.

The Canadian Government has consistently opposed any construction on the Garrison unit if it would affect waters flowing from the Missouri River Basin northward into Canada. Should the Canadian Government continue to protest, there is the possibility that all return flows would go southward into the James River which extends the length of South Dakota.

Since the time I offered my amendment last summer, I am pleased that the Governor of South Dakota and the Governor of North Dakota have begun to negotiate on how South Dakota might utilize the return flows for our State's benefit.

The Governor of South Dakota has also developed a reasonable concept which allows South Dakota to effectively and safely utilize Garrison return flows for riverside irrigation and municipal water supply in along the James River. The cities of Aberdeen, Redfield, Huron, and Mitchell are in great need of additional water supplies for municipal and industrial use. The Governor has set forth his proposal as a concept which is subject to change, and as a good-faith effort to seek agreement with North Dakota for the benefit of both States.

The resolution I am submitting today is offered in the same spirit of good faith and desire to negotiate with our sister State, North Dakota. The Senate should recognize the efforts of the two States to reach agreement to suit their mutual needs.

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Industrial Growth and Productivity Subcommittee of the Senate Budget Committee will hold an additional session of its scheduled hearings on January 27, 1981, in room 6202 of the Dirksen Senate Office Building at 2 p.m.

Witnesses will be Dr. Richard Rahn, vice-president of the U.S. Chamber of Commerce in Washington, D.C., and Mr. Alexander Trowbridge, president of the National Association of Manufacturers, also in Washington, D.C.

For further information, contact Mr. Rick Brandon of the Budget Committee staff at 224-0836.

ADDITIONAL STATEMENTS

NEW HOPE FOR AMERICA

● Mr. HELMS. Mr. President, from all over the country I am receiving clear evidence that the morale of the American people is the highest it has been for many years. This is a good sign, and aside from any partisan considerations it indicates to me that there has been a restoration of will among our people.

The other day, for example, I received a note from a Navy veteran of World War II, John F. Nieder of Covington, Ky., who served aboard the U.S.S. *Oakland*. He sent the following message to President Reagan:

> Here's wishing President Reagan, our 40th United States President, the best of health, the best years, the best of everything for these United States.

Regardless of party affiliation, Mr. President, I sense that Mr. Nieder's message speaks for the vast majority of the American people. It also speaks well for the future of our country.●

SECOND ANNUAL POLICY STATEMENT OF THE COMMITTEE TO FIGHT INFLATION

● Mr. ARMSTRONG. Mr. President, when such distinguished American leaders as Dr. Arthur F. Burns, Henry Fowler, Michael Blumenthal, John Byrnes, Douglas Dillon, Paul McCracken, Frederick Deming, George Mahon, William McC. Martin, Jr., Wilbur Mills, George Schultz, Wiliam Simon, and John Williams band together to discuss methods to combat inflation, people ought to listen.

I am delighted to share with my colleagues the second annual policy statement of the Committee to Fight Inflation, comprised of the economic scholars listed above. The committee urges Congress and the President to adopt a nine-point program of spending and tax cuts, and regulatory reform. I endorse the committee's policies and will do all I can to implement them.

I hope my colleagues will take a few minutes to read the policy statement of the Committee to Fight Inflation.

The statement follows:

SECOND POLICY STATEMENT

As the new administration prepares to enter office, the nation's economy is undergoing a crisis: the price level continues to move strongly upward; interest rates are already equaling or surpassing the all-time highs established only nine months ago; and business activity, barely recovered from the recent recession, may be on the brink of another downturn. The new recession, if it occurs, will in large part be a product of the extraordinary levels attained by interest rates; and those rate, in turn, are the joint product of a resurgence of inflationary expectations and the recent efforts of the Federal Reserve to cope single-handedly with the raging inflation.

It is a sad fact that despite the recession earlier this year the basic rate of inflation is no lower than it was before the recession started. From the standpoint of the nation's inflation problem, the recession accomplished nothing. And even if a new recession is avoided in 1981, a robust recovery is unlikely in view of the strains from which the economy is now suffering.

Our longer-range economic prospects can, however, improve dramatically if we go to work seriously on the inflation problem. The damage that inflation has done is evident all around us, and the urgency of dealing with it can hardly be exaggerated. Inflation has eroded the real value of everyone's money earnings and monetary assets. It has deprived people of effective means of planning for their future and of providing against the contingencies that arise in life. It has been reducing the efficiency of financial markets and of the workshops of our economy. It has been weakening business innovation and capital investment by multiplying risks, driving up interest charges, and causing taxes to be paid on a phantom portion of profits. It has been weakening the economic security that Congress sought to build through massive social legislation. It has been reducing the value of the dollar abroad as well as at home, thus diminishing our country's power and prestige in the international arena. In short, persistent inflation, besides making the economy more vulnerable to recessions, has been undermining our nation's economic, moral, and political strength.

The basic economic requirement at present is to create confidence that anti-inflation policies will henceforth be pursued resolutely, consistently, and as far as feasible in ways that encourage business innovation and investment. The Federal Reserve has an essential role to play, but it should not be expected to carry the whole burden of fighting inflation. Fiscal, regulatory, and structural policies must also be enlisted in the battle. We must bring the federal budget under strict control and relieve the burdens on the economy imposed by regulatory and other governmental policies.

In view of the great danger that inflation poses for our Nation's future, a number of citizens who have had extensive governmental experience in handling economic and financial issues recently established a Committee to Fight Inflation. The committee is thoroughly bipartisan in its makeup. Its members include five former secretaries of the Treasury, two former chairmen of the Federal Reserve Board, one former chairman of the Council of Economic Advisers, one former Under Secretary of the Treasury, and four former members of Congress who had major responsibilities in the economic and financial area.

Since June 1980, when the committee issued its first policy statement, significant changes have occurred in the economic and political environment. The committee has amplified some of its original recommendations, and it respectfully urges the President and the Congress to adopt the following nine-point program:

1. Prompt passage by the Congress of legislation authorizing and enabling the President to cut projected federal expenditures, including off-budget outlays, for fiscal year 1981 by no less than 2 per cent of the total.

2. Encouragement of productivity-enhancing capital investments by lowering business taxes, effective in calendar year 1981, and accompanying these and any other tax reductions with substantial selective cuts in projected federal spending for fiscal year 1982.

3. Revision of the federal budget process, starting with fiscal year 1983, so as to require a balanced budget unless a deficit is authorized by more than a simple majority—say, two-thirds—of each house of Congress.

4. Early appointment of a high-level commission to explore ways of reducing the effects of entitlement programs, especially those tied to the cost of living, on the growth of federal spending.

5. Support by the President and Congress of monetary policies designed to reduce over the next three or four years the growth of the money supply and of bank credit to rates that are consistent with a stable consumer price level.

6. Reduction of restrictions on competition that are now imposed by our government; for example, by introducing a youth differential in minimum wages to increase job opportunities for teen-agers and by rescinding or amending the Davis-Bacon Act, which serves to escalate construction costs.

7. Reform of regulations concerned with the environment, public health, and safety so as to ensure that basic national objectives are achieved at minimum feasible cost.

8. Active encouragement of labor-management councils in individual shops, offices, and stores throughout the country, so that workers and managers will jointly seek ways of improving productivity.

9. Early decontrol of the price of oil and of natural gas, despite adverse short-run effects on the consumer price level, in the interest of promoting price stability over the longer run as well as regaining national energy independence.

The critical problem of inflation did not emerge suddenly. It has been gathering force for many years. Its roots lie deep in the political and philosophical attitudes that emerged from the Great Depression of the 1930s.

While our inflation is largely a consequence of government actions, those actions in turn reflect excessive public demands for the good things of life—rising living standards, better provisions for income security, more assistance to the disadvantaged among us, a cleaner environment, fuller protection of the public's health and safety, and special benefits for a growing number of interest groups. Each of these demands is thoroughly understandable. Together, however, they release troublesome and persistent inflationary forces, first, by requiring of our government greater outlays than tax revenues can finance and, second, by demanding of the private economy greater output than its languishing productivity can support. These forces must be brought under control.

At best, the task of ending inflation will be difficult. But there is no hope of eventual success unless the American people come to understand the nature of the problem and are prepared to support the stern measures required to solve it. We see some signs that the needed understanding and support are growing. And we look forward to the time when our nation will again experience the economic progress that is possible in an environment of generally stable prices.○

SPEECH BY SENATOR HUDDLESTON BEFORE SOUTHERN CONFERENCE OF DENTAL DEANS AND EXAMINERS

● Mr. HUDDLESTON. Mr. President, I submit for the RECORD excerpts of a recent speech I made to the Southern Conference of Dental Deans and Examiners.

The excerpts follow:

FEDERAL BUDGET

Having covered an area of very direct concern to you, I would now like to turn to some broader topics that will dominate the new 97th Congress, and which I am sure concern you and all other Americans.

First, there is the matter of the federal budget. There is not a soul in the Congress, or in this room, or in the state of Kentucky who does not believe the federal budget should be reduced. Everyone is in agreement, from economists to senators to dentists to blue-collar workers to bankers, that inflation is the number one problem facing the nation. And everyone is also in agreement that at least part of the problem is the federal deficit and the continued increase in federal spending.

But when you start trying to figure out where to cut the budget, all of the agreement falls apart. Everyone wants to cut, but not his or her program. Every interest group and every group of beneficiaries believes its grant or program is too important to be cut, but they are all for cutting someone else's program.

I am a member of the Senate Appropriations Committee, through which all the money bills must pass. Despite the growing recognition of the need to hold spending in line, and despite the increasing calls for cuts in the budget, I have received more requests for more spending during the past year from Kentuckians than at any time since I became a member of the Senate. Many times those who write lamenting the federal deficit are the same who write asking for money for thir or that project or program. Those requesting more spending are not usually those who benefit from some welfare program, it is mayors, county judges, businessmen, local chambers of commerce, development officials, spokesmen for the arts, union leaders, etc., who request funds.

This is not to say that these requests are without merit. In fact, most of these programs are quite worthy and provide needed services to the public and individuals. But just as obvious is the fact that we cannot have it both ways: we cannot have all the programs and benefits and still cut federal spending and work toward a balanced budget.

President-elect Reagan is discovering this fact every day. He campaigned on the promise of tax cuts, increased defense spending, and a balanced budget in 1983 without cutting any of the basic, worthwhile programs. He would achieve that goal, he said, by cutting waste and fraud. He knows now that there is simply not enough waste and fraud in the budget, unless you want to consider Medicare or Social Security benefits waste, to deliver on that promise. This is not intended as a partisan criticism of President-elect Reagan, because Jimmy Carter and others have gone through the same exercise.

The fact is that more than 70 percent of the budget is composed of what we call uncontrollable entitlement programs, in which persons who qualify for the benefits automatically receive them. This portion includes such things as Medicare, Social Security, black lung, and so forth. These programs are called uncontrollable because they do not come up for annual appropriations. Once recipients qualify they are automatically entitled to the benefits, and it would require changes in the basic law to reduce or slow the increase in the level of expenditure. Indeed, these very basic programs have been considered sacrosanct politically, and few if any politicians have been willing to talk about reducing these programs.

Of the remaining 30 percent of the budget, about half of it is the defense budget, and that is going up, not down. So if you are

going to try to make major cuts, without touching the entitlement programs, as Governor Reagan promised in the campaign, you end up trying to put a square peg in a round hole. It just will not fit. The Reagan people realize this, and they are beginning to backtrack on a number of politically appealing positions they took in the campaign now that they have come up against the hard realities.

The fact is that some very basic and hard decisions will have to be made. If the new Administration really wants the kind of cuts it promised, then the entitlement programs will have to be included, and that could be political dynamite.

The middle position, and the one that is likely to emerge, would include an across-the-board cut in all of the controllable programs with the exception of defense, and some adjustment to slow down the growth of the entitlement programs. It is probably unfair and politically impossible to actually cut the existing level of benefits that people now receive, but it would be irresponsible not to at least look at some of the built-in increases in future years to see if they are justified and if we can afford them.

It will not be an easy task. During the last year I have voted for cuts in some programs that I supported in the past. I did so in the belief that it is necessary to reduce federal spending to get a handle on inflation. I am now getting letters every week from members of the affected interest groups saying they will never support me again. They give me low scores on their voting indexes, which they send to their members, who then express their anger to me. I am not complaining because, as the old saying goes "that goes with the territory", but I cite my own situation by way of illustrating the difficult nature of the undertaking.

To be perfectly fair about it, these people are not a group of selfish, unpatriotic Americans who would let the country suffer because of their own greed. Most of them are far less fortunate than you and I, and many are struggling just to make ends meet from month to month, and any reduction in the prospective increase in benefits hurts them both materially and psychologically.

So the task before the new Reagan Administration and the new 97th Congress will be a difficult one. It is a matter of trying to achieve fairness, equity and balance, and it must be done with compassion. The sacrifice must be spread as evenly as possible, and with consideration for those affected. But the cuts must be made, and I predict they will be.

THE ECONOMY

Do not be deceived into believing that cutting the budget alone will solve our economic problems. The causes are many, and the cures must be many also. Balancing the budget will do little to offset our problem with imported oil, which costs almost $100 billion annually. Balancing the budget will help, but will not cure the problem we have with productivity and outmoded industrial plants and equipment. Balancing the budget actually runs counter to meeting our national security needs. And balancing the budget, in and of itself, will not solve our declining balance of trade and export problem. Many solutions are required, only one of which is addressing the fiscal problem.

One of the first big questions in the economic area will be a tax cut. As you know, Governor Reagan promised a three-year, 30 percent across-the-board tax cut. That kind of cut would cost at least $200 billion, and for that reason, I remain very skeptical of its wisdom. We will have a hard enough time reducing the deficit and achieving a balanced budget without trying to offset the revenue loss from a $200 billion tax cut.

The tax cut, of course, is based on the premise that it will stimulate production and increase tax revenue to offset the loss from the cut. However, very few economists have been willing to endorse that concept, and most have counseled caution with respect to any tax cut. I share that sense of caution. I believe a tax cut of modest size is probably necessary, but I do not believe we should make a three-year tax cut commitment—and I do not believe an across-the-board cut is the proper approach.

If you cut across-the-board, you fail to discriminate as to what the real needs are. Our biggest economic need, other than controlling inflation, is to stimulate production, enhance productivity, modernize our outmoded industries, and promote exports. You can best do that by targeting the tax cut, rather than making it across-the-board. An across-the-board cut tends to stimulate additional consumption; a properly targeted tax cut would stimulate production and jobs.

REGULATIONS

Another thing you can look for in this Congress is a major attack on excessive government regulations. The Reagan Administration may well make its biggest mark in this area, and with just cause.

I know that your profession is concerned about the rumblings of a couple of years ago that the FTC might seek to impose federal, rather than state, licensure requirements on health professionals. If you have been following the FTC, you know that Congress clipped their wings pretty good during the last session, and I expect that agency to be far more sensible in the future about seeking additional federal regulatory requirements on all sectors of the economy.

NATIONAL DEFENSE

I would like to close with a few words about national defense, which along with the economy will dominate the new Congress. There is little disagreement with the fact that the Russians have engaged over the past 15 years in a massive arms buildup which, if unchecked, could place this country in a very difficult security situation. Congress has already begun the process of rectifying that situation, with steadily increasing defense expenditures over the past three years. The latest budget includes a five percent increase over and above inflation.

The Reagan Administration is committed to continuing that trend, and I have confidence that the American government and the people are willing and prepared to meet the Soviet challenge. Despite what some have said, we are not now a second-rate power. I know of no general, admiral or other serious military analyst who would swap our defense capability for that of the Soviets. But we must do more, and improve our current capability. I and most of my colleagues are prepared to do just that, and I have no question but that the American people support this course.

This is still the greatest country on Earth, and despite our problems, we will meet them and continue our preeminent position in the world.●

UKRAINIAN INDEPENDENCE DAY

● Mr. ANDREWS. Mr. President, the Ukrainian people in the free world, including a large number of my constituents in North Dakota, are once again observing January 22 as the anniversary of the proclamation of independence in their homeland.

The following letter from my constituent, Dr. Anthony Zukowsky, honorary president of the Ukrainian Congress Committee of America, from Steele, N. Dak. This letter vividly describes the plight of the Ukrainians in the years they have been dominated by the Soviet Union. I ask that the letter may be printed in the RECORD.

The letter follows:

UKRAINAIN CONGRESS COMMITTEE
OF AMERICA, INC.,
January 16, 1981.

Re January 22, Ukrainian Independence Day.

Hon. MARK ANDREWS,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR ANDREWS: As the 97th U.S. Congress begins its sessions, we would like to call your attention to the fact that in January, Ukrainians all over the free world, including the United States, will celebrate the Proclamation of the Independence of Ukraine.

January 22nd, 1981, will mark the 63rd Anniversary of the Proclamation of Independence of Ukraine and the 62nd anniversary of the Act of Union, whereby all Ukrainian lands were united into one independent and sovereign nation. Both the Independence of Ukraine and the Act of Union were proclaimed by a duly elected parliament (Central Rada) in Niev, capitol of Ukraine, on January 22nd, 1918 and in January 1919.

This sovereign Ukrainian state—nation—was immediately recognized by a large number of nations, including France and England. Diplomatic relations were established with them. Recognition was also granted by Soviet Russia. But, despite the fact that the Soviet government had officially recognized Ukraine as an independent and sovereign state, communist forces attacked Ukraine both by military aggression and by subversion from within.

For three and one-half years the Ukrainian people waged a gallant struggle in defense of their country, alone and without aid from the western nations, and unfortunately were overpowered by the numerically stronger and better equipped Russian Bolsheviks. They destroyed the Ukrainian National Republic and created a Communist puppet government known as the Ukrainian Soviet Socialist Republic, U.S.S.R.

The entire history of the Soviet dominated Ukraine is a ghastly record of inhumanity, outright persecution and genocide and in the last years—Russification and violation of human and national rights on a scale not known in the history of mankind.

In summing up, the colonial rule of Soviet Communism in Ukraine can be characterized by the following:

A. During the sixty years of Moscow rule in Ukraine, literally millions of Ukrainians have been annihilated by man-made famines, deportations, and executions.

B. Both the Ukrainian Orthodox Church and the Ukrainian Catholic Church have been ruthlessly destroyed and their clergy, along with hundreds of thousands of their members were arrested, persecuted, and mostly killed.

C. All aspects of Ukrainian life are rigidly controlled and directed from Moscow.

D. Permanent violation of human and national rights was instituted in Ukraine.

Thousands of Ukrainians have been charged with "anti-Soviet propaganda and agitation", arrested, tried and sentenced for many years. Many have been tortured, incarcerated and confined to psychiatric asylums where drugs and chemicals are forcefully administered. All members of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords were arrested, tried, and sentenced from 7 to 10 years, among them such prominent members as Mykola Rudenko, Oleksa Tykhy, Mykola Matusewych, Myroslaw Marynowych, and Lew Lukianenko.

The Russian Communist enslavement of Ukraine has brought much suffering to the people of Ukraine. In spite of this oppressive yoke, Ukrainians have never accepted foreign domination and are continuing to struggle for human rights, freedom, and national independence. The new breed of young and adamant fighters for human and national

rights gives us hope that Ukraine will be free again.

The Ukrainian people in the free world are celebrating the memorable January 22nd as their greatest holiday. Also, for many years the 22nd of January has been proclaimed in our American cities and states from coast to coast as Ukrainian Independence Day.

Therefore, it is in the common spirit of liberty, faith, and justice that the American people, and especially the U.S. Congress, join Ukrainians all over the world in giving moral support to the Ukrainian people in their struggle for Human Rights, Freedom, and National Independence for Ukraine.

Sincerely,
DR. ANTHONY ZUKOWSKY,
Honorary President.●

FEDERAL SPENDING REDUCTIONS

● Mr. SASSER. Mr. President, I was pleased to read in the press that President Reagan has taken the necessary steps to reduce the cost of Federal employees travel and the cost of outside consultants utilized by departments and agencies. I want to commend the new administration for this effort.

For the past several years, I have urged that the cost of Federal travel, in particular, be reduced. In fiscal year 1980, Congress approved my proposal to reduce Government travel expenditures in that year by $500 million. President Carter signed that legislation into law and directed the development of the interagency travel management improvement project which is in the process of finalizing its report which should lead to further reductions in travel.

Last year, my colleague, Senator PRYOR, and a number of other Senators joined with me in cosponsoring legislation designed to further limit travel and consultant costs. The Senate and House approved this legislation as part of the most recent continuing resolution, but unfortunately the Sasser-Pryor provisions were dropped from the final version of the bill, as were most other provisions when Congress became deadlocked on the pay raise issue.

On January 6, I introduced S. 61 which is identical to the Sasser-Pryor provisions adopted by Congreses on the continuing resolution.

Mr. President, I point out that reductions in travel and consultants represent only a portion of the savings which could be achieved by our legislation. S. 61 also contains legislative authority which would provide the Federal Government with a mandate to do a better job of collecting its debts. Testimony by the General Accouunting Office before hearings of the Appropriations and Budget Committees have indicated that the Federal Government is owed $175 billion. Of that amount $47 billion is currently due and $25 billion is delinquent. The sum of $6 billion has been set aside for bad debts and $1 billion was written off in fiscal year 1979 alone.

Testimony also indicates that up to $16 billion could be cut from the Federal deficit if the Federal Government would conduct a more vigorous and effective effort to collect its debts.

Mr. President, I urge the new administration to review the debt collection efforts of the Federal Government. It is my hope that President Reagan will join those of us in the Congress who believe that the deficit should be further reduced by improving debt collection activities.

Mr. President, I ask unanimous consent that the text of S. 61 be printed in the RECORD. I urge my colleagues to join as cosponsors of this legislation.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 61

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) except as provided in paragraph (2), the total amount proposed in the Budget of the United States Government for the fiscal year 1981 (as amended and supplemented), transmitted by the President under section 201 of the Budget and Accounting Act, 1921, which may be obligated to travel and transportation of persons, and the transportation of things, for offices and employees of all departments, agencies, and instrumentalities of the executive branch of the Federal Government shall be reduced to the extent practicable, by an amount which is necessary to meet the requirements of subsection (d)(1) of this section. Such reductions shall be directed toward the objective of eliminating nonessential travel.

(2) The provisions of this subsection shall not apply to the Coast Guard nor to the Department of Justice for expenses necessary for the investigation and prosecution of cases, the apprehension and retention of prisoners, and deportation activities, unless legislation containing a restriction or limitation on such expenses is enacted after the date of enactment of this Act which specifically refers to this section.

(b) The total amount proposed in the Budget of the United States Government for the fiscal year 1981 (as amended and supplemented), transmitted by the President under section 201 of the Budget and Accounting Act, 1921, which may be obligated to the use of experts or consultants by appointment or contract in all departments, agencies, and instrumentalities of the executive branch of the Federal Government shall be reduced by an amount which is necessary to meet the requirements of subsection (d)(1) of this section.

(c)(1) Each department, agency, and instrumentality of the Federal Government shall establish procedures to identify the causes of overpayments and delinquencies and the corrective actions needed to reduce overpayments and delinquencies, establish better control of receivables, actively use the services of credit bureaus and commercial collection agencies, and take more aggressive collection action.

(2) The Secretary of the Treasury shall revise the fiscal requirements manual of the Department of the Treasury to require interest charges on delinquent accounts and to provide more complete reporting of data on delinquent accounts.

(3) The Commissioner of Internal Revenue shall carry out a debt collection pilot project under which a delinquent debt owed by any person to the United States will be collected by retaining, out of any tax refunds otherwise payable to such person, such sums as are necessary to cover such debt. The debt collection pilot project required by this subsection shall be carried out in accordance with procedures designed to assure that no person will be denied due process of law under the project and that confidentiality of data held by the Internal Revenue Service pertaining to such person will be protected.

(d)(1) The Director of the Office of Management and Budget shall, to the extent practicable—

(A) allocate reductions in the amounts obligated for travel and transportation expenses under subsection (a) among all departments, agencies, and instrumentalities to which subsection (a) applies;

(B) allocate reductions in the amounts obligated for expenses for experts and consultants under subsection (b) among all departments, agencies, and instrumentalities; and

(C) review the savings made by the collection procedures and related activities required under subsection (c) to assure to the extent practicable, such reductions and savings will amount to $2,000,000,000 for the fiscal year ending September 30, 1981.

In allocating any reductions under this subsection with respect to expenses described in paragraph (1)(A) among the departments, agencies, and instrumentalities of the executive branch, no reduction shall be made in funds for debt collection or supervision of loans, nor shall any department, agency, or instrumentality be reduced by more than fifteen per centum of the amount of such expenses proposed for each department, agency, or instrumentality in the Budget of the United States Government for the fiscal year 1981 (as amended and supplemented), transmitted by the President under section 201 of the Budget and Accounting Act, 1921.

(2) The Director of the Office of Management and Budget shall prepare and submit to the Committees on Appropriations of the Senate and the House of Representatives a report on—

(A) the actions taken to carry out the provisions of this section;

(B) improvements in the budget process which emphasize accounting system approval and debt collection procedures; and

(C) proposals of actions to be taken by the Congress including the reduction in requested new budget authority to reflect the result of the collection of delinquent debts and as an incentive to promote increased collection of such debts.●

AMERICAN UNITED T-SHIRTS

● Mr. LUGAR. Mr. President, today I had the honor of meeting with Dr. and Mrs. Robert Angerman of Dyer, Ind., and accepted on behalf of the Senate, 100 "American United" T-shirts. My colleagues will recall that these shirts were the "unofficial" uniform of our former hostages while they were in Iran and were worn by many of the returning Americans when they landed in Algiers. The shirts, featuring an eagle's head above the word "America" lettered in a mountain shape, have become a national symbol of unity as we recover from the 14-month nightmare of Iran.

Many returning ex-hostages expressed doubts that the American public was still thinking about them after the long span of 14 months. Those doubts should be completely erased, particularly in view of the enormous public response to Dr. Angerman's T-shirts. Personally designed by Dr. Angerman, and sent as Christmas presents in 1979 by the Angerman family, the American public have been ordering the shirts by the thousands since they were first publicized by the media.

Mr. President, our country owes a debt of gratitude to Dr. and Mrs. Angerman for their tireless and unselfish efforts in promoting American unity. I submit for the RECORD an article which appeared in the January 23 Chicago Tribune as well

as my January 26 press release on the Angermans.

The material follows:

HOSTAGES' "EAGLE" T-SHIRTS NEW CRAZE

(By Michael Hirsley)

A Dyer, Ind. dentist has suddenly become America's hottest clothing designer.

Dr. Robert Angerman designed the T-shirt with an eagle's head above the word "America" lettered in a mountain shape, which has become the unofficial "uniform" of the ex-hostages and their relatives.

Because of the media exposure the T-shirts and their wearers have received, the Angermans have been inundated with requests for them.

"We've got two large mailbags and eight boxes full of letters from around the country—people ordering shirts and enclosing checks for them," Angerman's wife, Sarah said.

Some 2,000 shirts have been sent and another 5,000 have been ordered, she said, adding, "Our two kids, my mother-in-law, two friends of mine, and one of their mothers have an assembly line going in the dining room trying to fill the orders."

Angerman, 42, originally designed the shirts three years ago as sale items in area schools' fund-raisers for the Moscow Olympics.

When the Olympic boycott was announced, Sarah got the idea to send shirts to all the hostages as presents for Christmas, 1979.

Several hostages and their relatives wrote the Angermans thanking them for the shirts and indicating they were virtually the only gifts distributed to the American captives that Christmas.

Last Christmas, it became clear how well-received the gifts had been. In televised greetings permitted by Iran, several hostages wore them. Duane Gillette, 34, of Columbia, Pa., said he hadn't been given a shirt and apologized for being "out of uniform."

"I went right to the post office and mailed three more shirts to the embassy in Tehran, in his name," Sarah Angerman said.

The Angermans sent 65 shirts to Wiesbaden, West Germany, where the ex-hostages are undergoing debriefing, and are trying to fill orders from everyone who sends $8 for the shirt and postage costs to American United, P.O. Box 295, Dyer, Ind. 46311. They are handling hostage relatives' requests first. After expenses, proceeds are sent to FLAG, the hostage families' organization in Washington, D.C., the Angermans said.

INDIANA COUPLE PRESENT HOSTAGE T-SHIRTS TO U.S. SENATORS

WASHINGTON.—Senator Lugar (R-Ind) and Senator Howard Baker (R-Tenn.) will accept on behalf of the United States Senate 100 "American United" T-shirts designed by Dyer, Indiana dentist, Robert Angerman. The T-shirts, featuring an eagle's head above the word America lettered in a mountain shape, have become the unofficial "uniform" of the ex-hostages after they were seen nationwide during television broadcasts from Iran. The shirts will be presented to each U.S. Senator.

In 1976, Dr. Angerman designed the T-shirts from a poster he had made for friends and intended them to be used for sale items in area schools' fund-raising events for the Moscow Olympics. When the Olympic boycott was announced, Mrs. Angerman, Sarah, decided to send shirts to all the American hostages in Iran as presents for Christmas, 1979. In January and February, the Angerman's received two letters from hostages thanking them for the shirts. Soon after, hostage families began requesting more shirts. Because of the publicity surrounding the T-shirts and their wearers, the Angermans have been inundated with requests for them from the general public.

"This show of unity by the people in the United States illustrates well the fact that the American hostages were never out of our minds," Lugar said. The Angerman's helped the ex-hostages rally behind something that represented the United States. In Christmas greetings shown on American television, the hostages proudly displayed their 'uniforms,' and one hostage even expressed regret at not wearing a shirt (he was promptly supplied one by Mrs. Angerman). I am proud to accept these shirts on behalf of the Senate, and thank the Angerman's for their tireless efforts in promoting American unity."

Dr. Angerman is a native of Merrillville, Indiana and graduated from Indiana University School of Dentistry in 1968. He served for four years in the United States Navy, and has had a lifelong interest in art. He and his wife are the parents of two children, Bryon, 10, and Devin, 8.

The Angerman's, who have donated all proceeds to FLAG, the hostage families' organization in Washington, D.C., were invited to Washington by Lugar's office to make the presentation at 11:00 a.m., January 27, in Senator Baker's office in the Capitol, Room S-230. The shirts are currently available to the general public at $8 for the shirt and postage costs by writing to American United, PO Box 295, Dyer, Indiana 46311.●

A DAY OF THANKSGIVING

● Mr. HATFIELD. Mr. President, it is a great joy for me to call the attention of my colleagues to the signing by the President yesterday of Senate Joint Resolution 16, designating January 29, 1981, as a day of thanksgiving to honor our safely returned hostages. Today we, with all Americans thrilled as our heroic returnees arrived here in Washington and were received at the White House. But by Thursday these brave men and women, diplomats, members of the armed services, and a businessman, will have returned to their homes around the country. It is altogether fitting I believe that the day of special thanksgiving, as designated by the joint resolution, will be Thursday when these special people are once again in the safety and warmth of their own communities, families and houses of worship. My heart wells up when I think of the jovous reunions that will occur in these churches which have nurtured them.

The special service Thursday here on the east front steps of the Capitol will begin at 12 noon. All Members of Congress and their staffs are invited to this interfaith service of thanksgiving and reconciliation. It is being sponsored by the Interfaith Conference of Metropolitan Washington, and it will be led by Protestant, Catholic, Jewish, and Muslim religious leaders. It will last no more than 30 minutes and it will be a time of sharing joy and thanksgiving as well as an occasion to begin to struggle with fruitful ways of dealing with our anger and hatred.

I am also pleased to announce that Senators EXON, HAYAKAWA, LONG, QUAYLE, and SPECTER have asked to be added as cosponsors to Senate Joint Resolution 16.●

A BALLOT BOX ALBATROSS

● Mr. HAYAKAWA. Mr. President, on January 6, 1981, I introduced legislation to repeal the portions of the Voting Rights Act of 1965 which require the use of bilingual election materials. The San Francisco Chronicle published an editorial late last year which discusses that particular question, and I commend it to my colleagues.

The city of San Francisco has had a great deal of experience with the language requirements imposed in 1975 because the city has a multilingual population. It is required to have ballots printed in not two languages, but three. I believe this article will provide important insight to those colleagues of mine who do not live in States or counties where bilingual election materials are used, and I ask that the San Francisco Chronicle editorial be reproduced in full.

The material follows:

A BALLOT BOX ALBATROSS

The multilingual balloting requirements passed in 1975 constituted a classic piece of federal overreaching. This notably short-sighted legislation required the state, San Francisco and other cities to provide multilingual ballots for voters of Spanish, Asian or American Indian heritage wherever 5 percent of the voters were members of these groups.

Well, we have had five years now of what the author, former Democratic Senator John Tunney, called "a great victory." Some victory! It has been a cumbersome, complicated and unneeded one. This segregation by language is to our mind basically unrealistic and undemocratic.

So it was with pleasure that we saw that a committee of the Board of Supervisors has voted to urge Congress to remove these costly requirements. Such action is believed to be high on the agenda of the incoming administration, and it would be significant if this city of many languages threw its weight behind repeal.

Supervisor Quentin Kopp, the measure's author, said state voting officials estimated that bilingual programs cost $2 million in 1978, and San Francisco spent $100,000 in 1976 and 1978. As Kopp says, the current rules constitute a "mandate from big brother," and "lead to segregation of people." Another supporter, Supervisor John Bardis, was equally on the mark when he said he favored spending "four or five times the amount we spend on bilingual programs" to teach English to citizens whose primary tongue is another language.

That's the proper aproach and we trust the full board will see fit to approve Kopp's proposal. Getting rid of this electoral albatross should mean a return of some reality to the ballot box.●

THE EFFORT TO CONTROL SPENDING

○ Mr. SCHMITT. Mr. President, today the Senate Appropriations Committee has begun economic overview hearings in order to focus on the problems the committee faces in the ensuing months. This same subject is addressed by Senator PETE DOMENICI, the senior Senator from my State of New Mexico, in the fall 1980 issue of Policy Review. In his article, "Can Congress Control Spending," Senator DOMENICI details the correlationship between runaway Federal spending and inflation, as well as why such extravagant spending has become so politically difficult to stop. During this legislative session, I am sure that all Members of the Senate will be attempting to control Federal expenditures—especially those of us who serve on the Appropriations Committee.

As chairman of the Labor, Health and Human Services and Education Subcommittee, it is my unfortunate predicament to find a substantial portion of the subcommittee's budget dictated to it by law. These programs mandated by law and customarily called "entitlements" must be reformed. In his article, Senator DOMENICI states that a spending limitation would be the best mechanism. That is one option that I have supported in the past also.

Another alternative is to have a statute which gives the Appropriations Committee the authority to override "entitlements" and appropriate a lesser amount of money. Certainly recipients would not get all that they are entitled to currently; but, on the other hand, they would not get double-digit inflation either which makes their payment worthless.

Mr. President, I urge my colleagues to read this informative and well-written article by Senator DOMENICI for I believe it deals with the principle issue of this Congress.

I ask that the article be printed in the RECORD.

The article follows:

CAN CONGRESS CONTROL SPENDING?

(By PETE DOMENICI)

Late on Friday, not many weeks ago, I received a phone call from a constituent in New Mexico. He pleaded with me to help him retrieve a company car that had been impounded in Wyoming for delinquent tax payments. I asked him if he had consulted a lawyer. "No," he said, "I'd have to pay a lawyer. You can do it for me for free."

That conversation reminded me of a story told by ex-Congressman Otis Pike of New York. While stuck at home during a snowstorm, the Congressman received an angry call from a constituent, demanding to know what Mr. Pike was going to do about the lack of snow shovels at the local hardware store.

What in the world is going on here?

From the public, as well as from observers in the media and in academic, Congress is being assaulted by a howling wind of criticism. Nearly every elected official finds meetings with the public marked by an angry and growing discontent with that official's inability to solve quickly a spectrum of problems that range from snow shovels to inflation. Between the 1960s and the late 1970s the Harris poll showed that public confidence in Congress dropped from 66 percent to 15 percent. Public disaffection has also appeared at the election booth, with the re-election rate of incumbent Senators dropping sharply during the past decade.

Add the frustration over the magnitude of the problems facing American society, and one soon discovers a belief among many elected representatives in Washington that something is fundamentally wrong. Sometimes the critique is simple: "It just isn't any fun anymore." Sometimes the complaint shows battle fatigue. Otis Pike wrote of himself, upon retirement: "He wants a different career . . . . people bug him. He has no privacy. He doesn't like campaigns. He doesn't like fund raising . . . He's tired of wasting his time out of drivel. He'll get a good pension."

Whatever the stated reason, many members of Congress are dropping out. Over 10 percent of the House and one of every four Senators up for re-election in 1978 decided to retire. That total of 59 retirees broke the old record of 57, which was set in the previous Congress. These retirees are not just individuals who have reached the end of a long career. Many are persons who, if they were in the private sector, would be approaching their most productive periods. This Congress is no different. Senators such as Adlai Stevenson, Jr., and Henry Bellmon, the Republican Party's leader in the budget process, are retiring at relatively young ages, as are numerous Members of the House.

In each case they talk of a pervasive, if unspecified, malaise, a feeling of futility or ferenetic purposelessness. They are not alone. This feeling pervades the Congress; the retirees are only those who find the level of discontent intolerable.

I am an elected official who takes pride in his calling. I believe, honestly, that the fate of Western civilization and that fragile thing we call "freedom" is linked to the health of democratic institutions. For me, this unease and discontent is more than troubling. It must be overcome. And to do so, we need to examine and understand it.

In seeking answers, I reject at the outset the theory that this problem remains unchanging through history. With quotations from Cicero ("Be lavish in your promises; men prefer a false promise to a flat refusal") to Mark Twain ("There is no distinctly American criminal class except Congress"), historians seek to paint the problems of today's Congress as timeless.

This theory ignores much of the evidence. First, there is the testimony of the retirees that during the span of their careers they have witnessed in Congress a loss of direction, a loss of control. In addition, there is physical evidence that while the number of Senators and Congressmen has remained constant, the staff and load of the Congress have mushroomed. From a 1950 level of 2,000, the Senate's staff has more than tripled to about 7,000. Today, between the House and Senate, there are over 18,000 persons working for Congress. In the 1950s Congress met from January to July. Today, it runs for 12 months, except when it adjourns shortly before elections. In the 1950s Congress sent out 50 million pieces of mail yearly. Within two decades this annual total had exceeded 200 million. I receive 1,500 letters a week. A senator from a large state, such as California, averages close to 10,000 letters a week. Congress now considers 22,000 bills and resolutions over a two-year period, with some 1,600 passing the House or Senate. In 1973 the House had 100 votes. The total is now several hundred yearly.

More and more work does not necessarily mean a better product. In fact, the more work Congress puts into the legislative process, the less seems to come out. The Library of Congress has noted that while congressional activity has ballooned, it has been accompanied by a halving of the number of bills sent to the President, but a doubling of their average length. It is becoming increasingly difficult to get anything accomplished amidst all the frenzy, and those laws that do pass are longer and more complex.

I mention this growing—now monumental—workload not because I prefer to take it easy. I regularly work 12 hours a day, and I like it. Rather, I mention it because I need time to think and to reflect, and so does the Congress as a who'e. A recent study of the modern Congressional day estimates we have 11 minutes daily in which to think. The rest of the day is frenetic activity.

As with Sisyphus, the harder Congress works and the larger its staff becomes, the more trouble it has accomplishing even its minimum duties. The most basic function of the Congress is to exercise its constitutional power of the purse: to appropriate money every year. In fiscal year 1980, the budget process (which I support strongly and plan to discuss at greater length) was a month late in providing the Congress with a final budgetary target. The annual appropriations process has become so erratic that every year many agencies operate for long periods of time under continuing resolutions, without new appropriations. One agency, the Department of Energy, has not had an authorization—the legal prerequisite for an appropriation—for over three years. That is a department that has become a $10-billion-a-year monster.

Another reason often cited for malaise in the Congress is the rise in influence of special interest groups. According to this theory, party structures began to disintegrate in the 1950s and 1960s, leaving the members to become independent entrepreneurs. Shorn of the protective shield that their party provided, these individuals became easy prey to the special interests. Recognizing this, these groups have proliferated, targeting individual politicians rather than the party platform. This is a basic thesis of the Washington Post's columnist, David Broder. Mr. Broder believes that salvation lies in a return to the party fold.

Another theory is that of Norm Ornstein of Catholic University. He view's today's politicians as smarter and more sober than our predecessors. These very virtues have made it more difficult to lead, thus making Congress less manageable. We thus have a muscle-bound Congress, a system of non-stop, disjointed contributions from all sides. This leads inevitably to a melange of conflicting policies.

In a less charitable view, one senior Congressman has termed today's younger breed of Congressmen as "bedwetters" with "blow-dry hairdos" only concerned with re-election.

Certainly, there is truth in each of these explanations. The parties have fallen on hard times. The membership of the House and Senate has proven increasingly difficult for the formal leadership to manage. Incumbents generally have to survive by their own wits. Special interest groups have increased their levels of activity. But these explanations, no matter how accurate, are cosmetic, at best.

Take the explanation that interest groups are the source of all our woes. We must remember that interest groups abounded during the Great Society of the 1960s. But since these groups were mostly allied with the Democratic majority in Congress, few complaints were heard. It was only when a new breed of groups came to Washington, touting a different political agenda, that complaints began to surface. These new groups, while using the tactics of the liberal groups, either had differing priorities (such as abortion control), or, like the business community opposed the existing policies of a liberal Democratic Congress. In short, it has not been interest groups per se that have led to the recent outcry, but the shift in their focus.

A more complete explanation of our malaise demands an appreciation of Senator Robert LaFollette's insight that: "Politics is economics in action." To pursue this insight, we must examine the basic role of Congress, the power of the purse. It is here where Congress spends the greater part of its time and energy; it is here where the frustration is the greatest. To spend $600 billion a year, Congress must dispense $400 million every hour that it is in session. The Congressional work year focuses on the effort to spend these vast sums, first by authorizing those expenditures, then by appropriating them. Here is where Congress is most confused and impotent. Here is where the search for answers—even if they prove incomplete—holds the greatest promise.

SPEND, REGULATE, ELECT

An analogy of federal spending in the 20th century can be made to the use of morphine to treat a hospital patient. First, the patient benefits. Later he becomes addicted, and then he must eventually face withdrawal.

The economic treatment began with the New Deal. With the nation suffering from

deep economic depression, Franklin Roosevelt intervened aggressively in the economy. Once government established a new role in solving economic ills, the potential for new intervention became infinite. Instead of intervention only in periods of economic crisis, liberal theory demanded full-time management. In the 1960s the nation moved to eliminate poverty, making more progress in solving this problem than at any other period in history.

But this successful attack on poverty altered the federal budget in two major respects. First, it grew rapidly. From $68.5 billion in 1955, the budget reached $118.4 billion in 1965. Now it tops $600 billion. At the present rate of growth, it will exceed $1 trillion by the mid-1980s.

Second—and this is more significant politically—the character of the budget has altered. In 1960, half of the budget went for defense, while one quarter went for payments to individuals. By the late 1970s, these figures had almost reversed, with 24 percent going for defense and 45 percent going as payments to individuals.

Politicians soon discovered the side benefits of these federal transfer payments to individuals: Re-election came easier. In 1948, incumbent Congressmen were being re-elected 75 percent of the time. By 1972, this rate had reached 90 percent. Nor was this discovery limited to the Congress. Although President Eisenhower refused to play this game, every President since Eisenhower pumped up the economy just prior to election time, a tradition that President Carter's initial budget proposal for fiscal year 1981 maintained.

What began as a well-intentioned effort to help the poor became addiction for both the patient (electorate) and the doctor (Congress). The extent of this addiction can be seen in the fact that transfer payment beneficiaries now represent 30 percent of the population, compared with 18 percent less than two decades ago. When one adds employees at the Federal, state, and local levels of government (including the military), half of the American population now receives at least part of its income from government checks.

Good politics meant new spending programs, particularly for constituents who would be likely to contribute to, and vote for, one's re-election. As other politicians and interest groups watched this process, they could see that self-restraint was no longer a virtue, but martyrdom. The doors of Congress opened wide to a parade of new groups with new proposals to spend Federal dollars. Priorities became meaningless. The voices of individual politicians became lost amid the drumbeat to spend, spend, spend. An individual could become a skinflint, and probably lose the next time at the polls. Or he could join the parade, seeking to assure that his constituents also received a fair share of the ever-larger pie.

From a level of 18 percent in 1965, the Federal budget grew to consume 22.6 percent of the nation's output of goods and services by 1976. And guess who got re-elected? The economic rationale of the game was that any increase in such spending, when spread among 230 million Americans, was so small that the general taxpayer would hardly notice. In contrast, the beneficiaries received far more than they chipped in, and they showed their gratitude at the next election.

In tandem with this welfare state machine, powered by a re-election engine, there is another essential driving force at work today in Congress. This is the growth in regulatory legislation that has occurred over the past fifteen years. On the heels of successes by the Civil Rights movement, others turned to Washington to activate the power of the Federal government to attain their social objectives. The interlocking interests of labor, the poor, blacks, the liberal intelligentsia, and the Democratic majorities in the Congress brought an explosion in the regulatory burden imposed on the private sector. Ralph Nader's consumerism, the environmental movement, and union demands for workplace safety each won great success in Congress.

The regulatory movement offered the same benefit as the spending spree: Passage of legislation won the support of the groups supporting it. This juggernaut of more regulation and spending brought with it an ancillary benefit. Both regulatory and spending programs enmesh the populace in a bureaucratic net. As the average citizen found himself either waiting in line for "my deserved benefits," or subject to new regulations intended to protect the public health and safety, he inevitably suffered some discomfort at the hands of the bureaucracy. I do not argue that this discomfort grew from malice. Rather, it was simply the inevitable consequence of allowing any group of specialists to affect the lives of others. Conflict is inevitable since general regulations rarely fit individual cases.

But what happened? Congressmen began to earn new political dividends from constituents when they intervened successfully to cut bureaucratic red tape. And because this monopoly ombudsman service is provided free, the demand for it became infinite, prompting the phone calls that I recounted at the outset. No matter how much staff and time we have, we will never catch up. And the more staff we have, the more frenetic the work, and the less likely it will be that we can act wisely in the area of basic national issues and policies.

Congress has put itself on a treadmill. The explosion in Congressional staff and activity is barely able to keep pace with the demands of a constituency which is growing increasingly accustomed to having its whims satisfied by the political process. Ironically, the ceaseless effort of the Congress (with its larger staff) to please, has only lowered the esteem in which Congress is held. A Western colleague of mine tells a story of receiving a phone call from a constituent asking when a road in front of his house was to be repaved. When the Senator asked the caller if he had talked to the County Road Supervisor, the caller replied, "'No, I don't want to go that high up unless I have to."

BREAKING THE MOMENTUM

Many academic observers have thrown up their hands in anguish at the prospects for change. "Congress: Keystone of the Washington Establishment," by Morris Fiorina, is one of the best examinations of the interrelationships between the Congress, the bureaucracy, the organized interest groups. The author despairs that the nation is electing only "errand boys" to administer a system that serves elected officials, the bureaucracy, and the organized subgroups—but not the population at large. But when assessing the possibility of change he concludes: "I do not see any potential sources of comparably strong incentives for change.'"

Mr. Fiorina's pessimism is echoed by Edward Tufte, whose "Political Control of the Economy" is a study of the manipulation of the national economy as part of presidential re-election politics. Mr. Tufte sees the present process as leading to "a great temptation to embrace programs that in the short run might be popular even if they are inimical to the longer-run vitality of the country." Mr. Tufte concludes that the political manipulation of the economy may be the inherent price of the electoral process.

But this process has recently been accompanied by a growing awareness that something is fundamentally wrong with the American economy. One needs only to look at the American economy in 1955 to gain a sense of the deterioration that has occurred. The GNP rose 6.7 percent that year. Industrial production was up 12 percent. Unemployment was just 4.4 percent, with the rate for male black teenagers at 13.4 percent (less than one third of today's rate). The budget was $4.4 billion in surplus. The balance of trade had a $3 billion surplus. Productivity rose 4 percent. Personal income increased 7.1 percent. The prime lending rate was 3.5 percent. And what happened to consumer prices in that year of 1955? They declined—yes, declined—by 0.4 percent.

In retrospect, that was a Golden Age, from which the path headed downward. Inflation, which had averaged 1.7 percent through most of the 1950s and early 1960s, reached 6 percent in the later 1960s, when President Johnson failed to enact a tax increase to finance the Vietnam war. From 6 percent in the Johnson era, the inflation rate tripled by 1980.

As witnesses to this decline, American newspapers—the end of the intellectual pipeline—began to carry arcane discussion of declining productivity and saving rates in the American economy, foreshadowing greater future economic woes. The golden goose that had produced an ever-expanding array of Federal spending programs appeared ill. Economists argued that the goose needed vitamins (tax cuts and lower deficits) and rest (less regulation).

The need for restraint has become apparent. I am now convinced that the taproot of the weed of Congressional malaise is the inability, politically, for the members of Congress to vote "No." It's so much easier, and so much safer, to vote to please the special interests of constituents, rather than to address true priorities. The fungicide needed to shrink that weed of malaise is a system that forces upon Congress a selection of real priorities, one that will restrain spending, and thus inflation.

WINDS OF CHANGE

The first glimmer of a change came with Proposition 13 in California, where local property taxes verged on being confiscatory. The American public, at the same time, was giving greater attention to the size of income taxes. To equal a gross income of $16,000 a year in 1963, a family in 1979 would have needed inflated dollars 37,000. But while the 1963 salary was taxed at a marginal rate of 30 percent, that 1979 salary was subjected to a 43 percent marginal rate. The combination of inflation and a higher marginal tax rate produced a sensation among the productive middle class that they were paddling as hard as they could, yet were still being swept out to sea.

The incentive persists for limited groups of beneficiaries to seek increases in special benefits. But the general taxpayer has begun to realize that all these little nicks are producing a financial hemorrhage. Representative Henry Reuss tells of the constituent who told him: "Don't do anything for me, because I can't afford it."

This is why Congress lies in disarray. The old incentives to spend and spend have begun to break down, but new incentives, and political rewards to restrain that impulse, have not become clear.

An example of the old incentives butting against the new impulse of restraint occurred with the Social Security Amendments of 1977. After years of enthusiastically heaping benefit increase upon benefit increase, Congress was forced in 1977 to increase dramatically the level of Social Security taxes in order to avoid the eventual bankruptcy of the Social Security Trust Fund. Under these amendments, the maximum Social Security tax on wage earners rises next year by exactly $1,000 a year from the 1977 tax levels of $965. In 1985, the tax will rise again, this time to $2,686. Congress is now searching desperately for ways to rescind or moderate

that increase, without bankrupting the Trust Fund.

The tension between the old incentives to spend more and the new recognition that we are entering an era of limited government and limited resources has exacerbated the Congressional malaise.

A broader and more significant example of Congressional recognition of this new era is the budget process, where Congress is supposed to establish an overall spending limit before money can be appropriated each year. The Congressional budget process arose in 1974 as an assertion of Congressional power over the executive branch, a response to President Nixon's impoundments of highway and sewage treatment funds. In fact, the Congressional Budget Act was the highwater mark of Congressional power; commentators turned from talk of the Imperial Presidency to discussions of the Imperial Congress.

Assertion of this authority meant that Congress would, for the first time, have to look at both sides of the doctrine of John Maynard Keynes. Keynes had been a godsend for big spenders, with his advocacy of deficit spending during periods of economic hardtimes. Forgotten in the heady formulation was that Keynes also said a nation must run a budgetary surplus in good times. This second requirement has been ignored. With Fiscal Year 1981, the Government will have run deficits in 20 of its last 21 budgets. In 1976, with the economy recovering from the 1973–75 downturn and with inflation rampant, the budget process challenged the Congress to place a rein on federal spending. That challenge was ignored. The 1976 deficit of $66 billion equaled the entire annual federal budget during the Korean War. The federal deficits since 1976 have exceeded the total deficit in the 1946–76 period, and greatly fueled inflation. The failure of the budget process to protect the economy by restraining spending during a period of high inflation has magnified the malaise on the Hill.

This Congressional frustration peaked during consideration of the President's Fiscal Year 1981 budget. In January, President Carter sent to the Congress the traditional expansionary election year budget. During February, inflation reached an annual rate of 20 percent and the nation's bond markets collapsed. The President, sensing that public discontent was politically stronger than the narrow focus of the special interest groups, sent up a second budget in March: one that achieved balance at $612 billion. Subsequently both House and Senate Budget Committees enacted resolutions also achieving balance, at approximately the same figure. Within months, this balance has dissolved—because of incorrect assumptions—and we have returned to normal: a $30 billion deficit.

Regardless of the fate of the FY 1981 budget resolution during the rest of this year, it is clear that the outcome of the battle between the established system of special interest group politics and the new recognition of the plight of the general taxpayer remains uncertain.

While Congress searches for a new set of guidelines, the established interest groups continue to fight an intense, rear-guard action. Liberal lobbying groups in Washington have begun a "War on Austerity". The Chairman of the House Budget Committee said, after a bitter markup, that groups opposing a balanced budget have been "coming in on airplanes faster than they can land." Congressional opponents of a balanced budget have called the proposals "obscene", "draconian", and "a very, very, evil job."

Obviously, I disagree with the above assessment of the need for a balanced budget. But I do not find the battle a source of despair; I find it a source of hope. One of the symptoms of a stagnant society is to clutch to the old ways of doing things, and put off the solving of new problems. Healthy societies, in contrast, forge new responses to emerging problems. The attempt to bring federal spending and regulations in line with the ability of the economy to sustain such funding and regulation strikes me as the response of a healthy, rather than a stagnant society.

Of course, any judgment that the FY 1981 budget represents the dawn of a new fiscal era is premature. Even if we had been able to balance it $312 billion, the budget would have relied on at least $90 billion in new taxes (revenues are estimated at $521 billion for FY 1980). Certainly a series of budgets that is balanced only by huge tax increases fall short of what the public and the health of the economy demand.

BUDGET BALANCE OR SPENDING LIMIT?

Unfortunately, there is a strong incentive for Congress to meet the public clamor for the appearance of fiscal restraint by balancing the budget on the flood-tide of revenues generated by high rates of inflation. Balancing at high revenue levels minimizes the cuts Congress must inflict on special interest groups. It allows Congress to avoid confronting one of its institutional weaknesses that has led to the present predicament; its inability to establish priorities, to make hard choices between worthy alternatives.

Budgetary restraint has some of the elements of what economists call a public good, similar to national defense or environmental quality. These public goods can only be achieved by the mutual restraint and regulation of all involved. Without mutual restraint, the unilateral action of any individual is futile. On budget matters, such mutual restraint within the Congress must entail some form of statutory or constitutional limit on federal spending.

And without some sort of firm lid on spending, the quest for priorities becomes meaningless. This is true because Congress will simply increase spending rather than select carefully among a variety of "good" ideas and programs. A firm spending limitation is the only rational technique that will impose a true search for priorities, by both Congress and the Executive.

Make no mistake: we are in a period when society must begin to recognize priorities, to select the best investments from a range of programs involving defense, public works, housing, food stamps, and social security. This will not be easy.

It is my fear that if Congress does not enact a spending limitation, an historic chance will be lost. And the malaise in Congress will continue unabated. The incentives to slip back into permissive spending patterns are strong. Fiscal discipline cannot be a one-shot exercise. Inflation and a stagnating economy were not born overnight. A spending limit offers hope that Congress will adhere to the strict fiscal regimen for the time required.

But even if a spending limit is desirable, is it politically possible? Yes, if presented correctly. A spending limit whose proponents gloat over the pain suffered by certain groups will be doomed. Moreover, it shou'd be. There is no virtue in cruelty. Rather, a spending limit is necessary so that the productive sector of the economy will have enough resources at its disposal so that it can meet the needs of rich and poor, young and old, healthy and sick alike. Without such a limit, the productive private sector, the source of all tax dollars, runs a risk of malnutrition.

To add to its political sex appeal, a spending limit offers the prospect of massive tax cuts. The following table highlights the political allure of a spending limit that moves expenditures from the present level of 22.3 percent of Gross National Product in FY 1980 to 19 percent in 1985 (19 percent was the percentage that prevailed from 1958 to 1966, a period of remarkable economic health compared to the 1970s).

ESTIMATES OF GNP AND FEDERAL REVENUES

[Projections of the Senate Budget Committee, 1980; dollar amounts in billions]

Fiscal year	Gross national product	Budget receipts	Budget limit (percent)	Budget outlays at that percent of GNP	Surplus under budget limit
1980	$2,541	$529	22.3	$567	[1] ($38)
1981	2,810	617	21.8	613	14
1982	3,151	707	21.6	682	45
1983	3,544	814	20.5	727	87
1984	3,984	940	20.0	797	143
1985	4,460	1,082	19.0	847	243

[1] Projections for fiscal year 1980 and 1981 are now being revised to indicate large deficits.

Under the above spending limit, over $520 billion would be cumulatively available for tax cuts between 1981 and 1985, compared with receipts as projected under present laws. Just as special interest groups have drawn strength from the increased federal spending, so should the general taxpayer be mobilized in pursuit of such a holy grail. Tax cuts of such a magnitude, if given equally to all Americans, would provide a rebate of $10,000 for a family of four over the next five years. Divided between individuals and American industry, such a package of tax cuts would revitalize the American economy.

A CAUTIONARY NOTE

Having just offered Congress a way to regain the respect of the American people with a package of spending limits and tax cuts, I would like to sound a note of caution. This sour note has nothing to do with the need for a spending limitation. Still, I fear that the constant search of politicians for ways to buy political favor may take new and more pernicious forms. A spending lid would curtail the option of using the federal treasury as a political war chest for re-election. Politicians would then seek other techniques for providing favors to large constituent groups that they are unable to reach through case work and their ombudsman role.

One such technique that could be used would be to "broker" the national economy so that one economic group is favored at the expense of others, without the use of tax dollars. Obviously, such brokering is found in all societies. But Western democracies, and particularly the American marketplace, have evinced far less of the state-sponsored economic favors that characterize most of the rest of the world's economies. While it is difficult to say with authority that such economic brokering is on the upswing, there are several ominous trends: (1) interest groups are increasingly alert to the opportunities for economic brokering; and (2) the greater complexity and length of Congressional bills offer fertile ground for quietly planting brokered deals, out of sight of the general public and even informed observers of Congress.

Two examples of brokering from the 1970s will suffice. The first is the oil entitlements program. Under this program, one group of domestic refiners was forced by law to pay a second group of domestic refiners, to help the latter group buy high priced imported oil—thereby exacerbating an already crippling dependence on Middle East oil. The fact that this absurd idea survives to this day is testimony to the political attractiveness of economic brokering, which avoids the federal treasury as a middleman.

A second case is just evolving. This is an attempt to rig the nation's coal markets to the benefit of Eastern coal interests. Western coal is low in sulfur content, and is gen-

grally produced by non-union labor, but is remote from most major markets. Eastern coal, while closer to population centers, has a high sulfur content and is produced by one of the nation's more volatile unions. Sorting out the advantages and disadvantages of these competing coals is a perfect job for the free market. Utilities can make judgments by comparing transportation costs of Western coal to the pollution control costs inherent in eastern coal. In fact, the market initiated such a process during the mid-1970s, with Eastern coals losing out, particularly in the lucrative Midwest markets.

With their product losing in the free market, Eastern coal interests launched a political counterattack with the following components:

(1) An amendment to the 1977 Clean Air Act Amendments, using a formula for emissions control from new power plants that cancelled out the advantages of Western low-sulfur coal;

(2) A second amendment to the 1977 Clean Air Act Amendments that allows a Governor to require existing utility plants in the state to use "locally available (Eastern) coals"; and

(3) An enforcement order from the federal government ordering the nation's largest utility, the Tennessee Valley Authority, to use Eastern coal.

The above rigging of the coal markets earned Eastern electoral representatives the kind of political benefits that only major new spending programs, like Black Lung benefits, used to bring. It would be tragic for the American public finally to gain fiscal restraint, with a modicum of tax relief through a spending limit, only to have to pay an even higher price in inflated prices for goods and services in a politically brokered and increasingly inefficient economy.

DEFINING NEW INCENTIVES

I offer these personal reflections on the political process not as a prelude to a laundry list of nostrums or "needed" reforms. The intellectual process of identifying the reasons for the problems and their roots seems valuable in itself. But it is difficult to engage in such an effort without reaching a few conclusions.

The first is a negative one: what will not work. Much of political analysis emphasizes the moral aspects of the process. Such moralizing usually results in solutions such as more financial disclosure, more regulation of interest groups, more red tape in running a political campaign. Such moralizing, while essential, misses the point, to wit, exactly what incentives now encourage politicians and the special interest groups to act as they do when cranking up the Federal printing press? And if one disagrees with their actions, what incentives can be added to generate a new, more beneficial behavior? Most politicians have the same mix of courage, fear, hope, despair, self-interest, and altruism that are found in other segments of American life. As in these other segments, politicians respond in rational fashion to what they see as the incentives and disincentives of the political process. Moralizing does not change this process; incentives will.

Therefore, I offer three proposals (two admittedly modest) that I believe would implant a system of incentives to better serve the commonwealth.

First, the media should seek to explain to a far greater extent the relationship between the Congress and the Washington Establishment of officials, bureaucrats, and special interests. While the media neither can nor should give up their addiction to the personal peccadilloes of political figures, a fuller understanding and exposure of the political process could transform that process. Clearly there are elements of the Washington Establishment that cannot stand public scrutiny. The media's quest for answers to stagflation, declining productivity, and other recent phenomena has already had an important role in providing some momentum to the counter-attack on excessive federal spending.

Second, I suggest that those organizations that have worked so hard for good government, such as Common Cause and the League of Women Voters, should focus on this need to find incentives for responsible fiscal action. One idea might be an "inflation index" on the voting behavior of members of Congress, much like those used by various liberal and conervative organizations to rate the Congress. Such an index, if carefully done, would highlight for the general taxpayers the performance of Congressmen and Senators in representing their interests on spending matters.

Last, and most important, as I have suggested, we must impose some sort of absolute and inflexible limitation on federal spending, as it relates to the gross national product. We must enact a statutory spending limit that would ultimately hold federal expenditures to 19 percent of the GNP. Despite some drawbacks, such a limitation would benefit the political process. It would force the Congress to confront its priorities. Until that happens, we will continue to watch as only the foolish restrain themselves, while their peers spend and spend for the folks back home. Those who argue that Congress should not tie its hands are, even with the best of motives, arguing for unrestrained federal spending, for discouraging those necessary "no" votes.

While I believe that the glimmering of change can be seen, we have yet to see real restraint on federal spending. Congress would clearly like to respond to the general dissatisfaction of the American taxpayer, but it has yet to impose a mechanism that recognizes the ineffectiveness of individual members of Congress acting unilaterally. A spending lid would enable the Congress to say "no" in a manner that its members can support. But there is another benefit to be gained from this confrontation. If Congress were to set its own fiscal house in order, such action would produce a healthy psychological impact on Congress. Congress would have met the challenge, and could face the American people with a record of success, not failure. Such a success might give Congress the confidence it needs to meet other major challenges, such as those involving energy and "uncontrollable expenditures" in the budget, challenges that have defied solution by the American political process.

In addressing these new challenges, we will never surmount them successfully until we evaluate realistically the forces at play, so that new incentives can be designed and implanted.

Success begets success. Continued malaise begets malaise and failure. It is not too extreme to say that the future of the public respect for government, and thus for the nation itself, rides on the outcome.●

MILITARY PERSONNEL MISSING IN ACTION

● Mr. DURENBERGER. Mr. President, on this eighth anniversary of the signing of the accords that ended the war in Vietnam, I join with all Americans in urging once again that the governments of Indochina give us a full accounting of our military personnel who are missing in action and whose whereabouts are still unknown. The commitment of Congress, the executive branch, and the American public to the satisfactory resolution of this situation is firm and our support of those who seek a final accounting is unfailing.

During the past 8 years, the American Government has actively and unceasingly pursued with the governments of Indochina a final accounting of all personnel missing in action. The Departments of State and Defense, the House of Representatives, the Senate, the National Security Council, and the National League of Families of American Prisoners and Missing in Southeast Asia have all been active in reviewing and formulating policy concerning our POW's and MIA's. The Congress has held numerous hearings to investigate the efforts of our Government to resolve this serious problem, the latest before the House Subcommittee on Asian and Pacific Affairs on December 2, 1980. The American public has contributed greatly to conveying to the governments of Indochina the concern of all Americans that our missing personnel must be accounted for and, if still alive, returned immediately to the United States.

The efforts of the U.S. Government have been conducted not only through bilateral diplomatic channels but also through the United Nations. However, because of the intransigence of government of Vietnam and due to the current politico-military situation in Kampuchea (Cambodia), it has been extremely difficult to obtain any new or definitive information. Nonetheless, the U.S. Government continues to seek the assistance of these governments in obtaining the fullest possible accounting.

The U.S. Government has received over 1,000 reports from Vietnamese refugees who claim to have seen Americans being held against their will in Vietnam. Our Government has investigated extensively every one of these reports; regrettably, none of the sightings have been substantiated. We will continue to investigate any reports we receive, however unlikely they may seem, in the hopes that one MIA may be located.

The American people have not forgotten those who served in Vietnam and who gave their lives so valiantly. Our joy at the return of the American hostages from Iran reinforces our commitment to the MIA's, and increases our determination that no Americans shall be held against their will by any country at any time. The continued support of all Americans will strengthen our resolve to accept nothing less than a full accounting.●

CYPRUS—PAST AND FUTURE, AN ADDRESS BY THE RIGHT HONORABLE LORD CARADON

● Mr. PELL. Mr. President, in 1976 there was established at Ball State University in Muncie, Ind., the Stephen J. Brademas, Sr., Scholarship Fund and Annual Lecture in honor of the late father of our distinguished former colleague and majority whip of the House of Representatives, the Honorable John Brademas of Indiana.

The scholarship and lectures were created by Dr. John Koumoulides, professor of history at Ball State, who was sponsored by Mr. and Mrs. Stephen Brademas, Sr., when Dr. Koumoulides

came to the United States as a young scholar from Greece in 1956 to study.

Last year, on April 18, 1980, the sixth Stephen J. Brademas, Sr., lecture was delivered by the distinguished British diplomat, the Right Honorable Lord Caradon, Minister of State for Foreign and Commonwealth Affairs and United Kingdom Representative at the United Nations from 1964 to 1970. Lord Caradon also served as Governor of Cyprus and helped achieve a settlement leading to the independence of that country in 1960.

Mr. President, I submit for the RECORD Congressman John Brademas' introduction of Lord Caradon on this occasion and the text of Lord Caradon's remarks.

The material follows:

INTRODUCTION BY CONGRESSMAN JOHN BRADEMAS

I covet the opportunity that a lecture series named in memory of my father affords me to present to you one of the most imaginative and constructive diplomats of this century. Our guest has held a remarkable variety of positions in the service of his country. From 1964 to 1970, he was Minister of State for Foreign and Commonwealth Affairs and since that time he has handled a number of important missions for the United Nations. Earlier on in his distinguished diplomatic career, our visitor served in Palestine during the 1930's, in Trans-Jordan and North America. Twenty-seven years ago he went as Colonial Secretary to Cyprus and acted as Governor there in 1944. Following subsequent service in Jamaica and Nigeria in various positions of responsibility, including Governor of both, he became Governor of Cyprus in the late 50's and played a major part in shaping the settlement that led to Cypriot independence just twenty years ago.

It is only since the tragic developments of six summers past that I have personally come to be acquainted with our guest. I have been delighted by his wit, awed by his indefatigability, and impressed by his wisdom. But above all, I have been inspired by the sense of cautious hope he seems to bring to whatever challenge he sees. A member of the House of Lords but even without that distinction, a noble man. . . .

Ladies and gentlemen, I am pleased to present to deliver the Sixth Stephen J. Brademas, Sr., Lecture, the Right Honourable Lord Caradon.

CYPRUS—PAST AND FUTURE—A PERSONAL PERSPECTIVE

(By the Right Honourable, Lord Caradon, P.C., G.C.M.G., K.C.V.O., O.B.E.)

First of all I am eager to try to express, if I can, my happiness and gratitude for your invitation and for your welcome.

It is indeed an honour to speak under the distinguished name of Brademas—a name equally respected, I have no doubt, in its ancient origin and in its modern reputation. The voice of Brademas is, as you well know, heard throughout America, and I can vouch for the fact that it is also heard with admiration far beyond. I come from England and recently from Cyprus to pay tribute to a famous name in the world.

I come to speak on a subject which I can honestly say is close to my heart. And I shall speak from my personal involvement, my personal experience, and my personal love for an Island of such beauty and a people of such ability and such generosity.

I speak about all the people of Cyprus. I do not need to tell you that Greeks and Turks are very different in character and temperament, but I do not doubt that the Greeks and the Turks of Cyprus share a devotion to the Island.

Nor do I doubt that if the Island is to return to unity and peace, that can be achieved only if both the Greeks and Turks of Cyprus are secure and content and confident and determined to work together in understanding and cooperation.

One other word of personal explanation. I have spent most of my working life concerned in areas of dispute and conflict—particularly in the Middle East and Africa, and at the United Nations. It is a training which has made me resolved always to seek not merely to support one side or the other, however strongly my personal feelings may be involved, but always to look for a road to escape from animosity and confrontation, to find a basis for renewed trust and mutual respect, to work for an agreed settlement. What is more, I believe that however strong and deep divisions may be there must be a way to restore reasonable human relations in peace. I believe in the obligation of optimism.

More than twenty years ago we in Cyprus were at a desperate stage near to despair. We could scarcely see any way to escape from the violence and bloodshed and enmities of an Island both in revolt and in conflict.

My father sent me a telegram as he sometimes did when he wanted to console me or encourage me, usually by referring to a text from the Bible.

His telegram told me to look up the text which read:

"We are troubled on every side but not distressed, perplexed but not in despair, persecuted but not forsaken, cast down but not destroyed".

That was the best he could say to me at a time of desperate frustration.

I didn't know the Bible as well as he did, but I sent him back a telegram referring to another text:

"And not only so, but we glory in tribulations also, knowing that tribulation worketh patience and patience experience and experience hope".

That is my favourite text in international affairs, and I should like to make it my text today as we look at the past and the future of Cyprus.

As I say, I preach the gospel of the obligation of optimism. That does not mean that we should tolerate any easy optimism. The present situation in Cyprus is surely intolerable. And the difficulties in the way of agreement are certainly formidable. And I surely do not need to convince you that to allow the present state of affairs to continue would be a shame and a crime as well as a disaster.

I shall come back to look more closely at the barriers to advance to a settlement, not least being years of cynical and deliberate neglect by the so-called great powers.

Now let me look back at my own experience of the recent history of Cyprus—at three Acts in the Drama of the past half century.

THREE ACTS, THREE LESSONS

It was nearly forty years ago in the second World War that I first arrived in Cyprus, and soon acted as Governor. The enemy was then in Greece and in the Greek Islands, in Rhodes and Crete. We in Cyprus could not be sure that the enemy advance had stopped. There was still an outside chance that one day we should see enemy paratroops descending on the plain around Nicosia. But while the world was at war, Cyprus was in peace. We turned our attention from the world beyond to problems of local housing, of agriculture, of education, of trade in the difficult war conditions. Greeks and Turks worked well together. In a hundred villages and in every town they co-operated in full understanding. In the Executive Council there was a distinguished Cypriot Greek and a distinguished Cypriot Turk. In the English School there were Greeks and Turks—all Cypriots of course. In all the departments of Government they both took part. In the Cyprus military forces Cypriot Greeks and Turks served side by side.

When I came back to Cyprus as Governor nearly two decades later, at a time of revolt and conflict, it gave me comfort and consolation and confidence to recall that I had known a Cyprus not divided by animosity but united in peace.

The first lesson we can draw from Act I in the Drama I describe is the most important of all. It is that Greek Cypriots and Turkish Cypriots are capable of working together in friendly cooperation.

That was the first Act in the Drama. The second Act in my own experience came after I returned to the Island as Governor in 1957. I shall refer presently to the end of the Emergency in 1960 and I need not now dwell on the years of conflict before the 1960 settlement was worked out at Zurich and confirmed at the 1960 London Conference.

It was to Foreign Minister Evangelos Averoff—Tossitsa of Greece and Foreign Minister Fatin Rustu Zorlu of Turkey that the main credit for the 1960 settlement must go. At Zurich they drew up the outline of an agreement and at the London Conference they were joined by the Prime Ministers of Greece (Constantine Karamanlis) and Turkey (Adnan Menderes) and by the leaders of the two communities in Cyprus.

I do not forget the dramatic moments of this negotiation—the relief when we heard that Prime Minister Menderes was safe when his plane had crashed at London Airport, and then the delight when Archbishop Makarios spoke to me the morning after the London Conference to say that he would accept the plan which the Conference had endorsed.

The lesson which we can surely derive from the recollections from the second Act in the Drama is that Greece and Turkey can make an invaluable contribution to a peaceful settlement in Cyprus.

I come now to the third Act in my experience, with the Drama having become a Tragedy. I was in Cyprus last month and I saw at first hand the tragedy of partition with the beautiful Island cut in two, with a third of the population refugees, with barriers not only of barbed wire and check points and armed confrontation but, still more sadly, barriers of suspicion and alienation with a younger generation growing up on both sides of the line which has no knowledge or contact with their fellow citizens of Cyprus only a few miles away on the other side of the barricades.

So the third lesson, I suggest to you, is that the present situation is, as I have said, utterly intolerable, and we can draw some comfort from the evidence that so many people, on both sides, so I believe, are convinced that the present dreadful drift must somehow be stopped and that a new initiative for a lasting settlement must be taken without further delay.

Having stated those three encouraging propositions—firstly that Greek and Turkish Cypriots can live and work together amicably, secondly that Greece and Turkey can and must play an essential part in a settlement, and thirdly that there is a growing desire to escape from the present deadlock—it is necessary to face the formidable factors which stand in the way of a peaceful conclusion.

BARRIERS TO PEACE

I listened to Mr. Speros Kyprianou and then to Mr. Rauf Denktash in the week before I set out for Cyprus last month. They were speaking separately to groups of Members of Parliament in London, and as I listened I was filled with deep alarm at the extent of the gulf of distrust which separates the two sides—and also with a realisation that merely to bring both sides together even under the chairmanship of the United Nations Secre-

tary General cannot in itself provide an agreed solution. And what I subsequently heard on both sides of the line in Cyprus reinforced my conviction that there must be a new method, some new initiative, if deadlock by inaction, disaster by drift, is to be prevented.

There are three principal barriers in the road to a settlement:

First, the problem of territory and property. There is general agreement that a federal system of government is required but the northern region boundary and, even more formidable, the settlement in regard to refugee claims to land and housing, particularly in Varosha, are subjects of intense feeling and the utmost difficulty. This is certainly the greatest barrier of all.

Secondly, there is the problem of the form of federal constitution.

I do not underrate the difficulties of working out a federal constitution—all federal constitutions present complicated and contentious problems. But on this issue I am encouraged by recalling the work done by Greeks and Turks and Greek Cypriots and Turkish Cypriots in working out in agreement the federal constitution of 1960. That constitution no doubt had faults and when the faults emerged there was failure to remedy them in time, but it is well to remember that Professor Constantine Tsatsos led the Greek delegation; Professor Nihat Erim, the Turkish delegation; Mr. Glavkos Clerides, the Cyprus Greek delegation; and Mr. Rauf Denktash, the Cyprus Turkish delegation. Much of what they did so carefully in 1960 can be a valuable basis and guide in 1980.

It is obvious from the constitutional proposals which have later been put forward by both sides, however, what a wide gulf now exists between Greek and Turkish conceptions on what form the new constitution should take. The main purpose, however, must be clear—for a united Cyprus with a central government free and capable of serving the international, political and economic interests of the whole Island with a Turkish region in which wide autonomy must give to the Turkish community a sense of safety and security and effective control of their communal interests, and finally for all freedom of movement and equality of human rights.

I come now to the third main problem. What method, what means, can most effectively enable the great barriers to be overcome?

Both sides have previously accepted the intervention of the Secretary-General of the United Nations, and there was recently a prospect that a further round of discussions under his chairmanship would soon be attempted.

It is certainly well that the Secretary-General and the authority of the United Nations should be involved and the Secretary-General deserves every support and assistance, but now it seems that suspicion and disagreement are so great that even if there is a further meeting the same obstructions which have frustrated the earlier negotiations will remain to prevent any new advance.

Having regularly read the statements of both sides I cannot imagine that in spite of the important ten points of agreement usefully recorded in May last year under the Secretary-General's wise chairmanship, the gulf of disagreement can be bridged by direct negotiation. In a series of previous discussions, the Secretary-General has had to report that very substantial dispute still exists on essential factors, and unless there is a new initiative we cannot expect that he will be able to report otherwise.

So what new attempt is now necessary?

BRITISH INITIATIVES

I am a believer in the effectiveness of independent international initiative. So often when there has been a deep, bitter or long-standing dispute it has proved impossible to make any progress merely by bringing the two sides together. In Rhodesia the Commonwealth initiative at the Lusaka Conference was necessary. In the Middle East it is impossible to expect that peace will be achieved merely by direct negotiation between Israelis and Palestinians. So often an independent international initiative is necessary with full consultation with both sides certainly but followed by an independent initiative for a plan which neither side could propose but which both can eventually accept.

It was with such an initiative in mind that I some time ago advocated the appointment of a Conciliation Mission by the Security Council composed of one country from the West, one from the East, and one from the Third World—and all from countries in no way involved or connected with Cyprus affairs—to talk with both sides in Cyprus, hear what the Governments of Greece and Turkey have to say, and then to put forward an impartial plan for peace.

But on the Turkish side there has been opposition to what is called the "internationalisation" of the Cyprus problem. I understand, though I do not agree with, this view but to do nothing will be to perpetuate the deadlock, and a time has now come when further drift may inevitably lead to disaster. I am optimistic that the Cyprus Turks and the Turkish Government, realising that the present deadlock is in no one's long term interest, will welcome a genuinely impartial and helpful intervention. I believe that they will see the great advantages of reduction in the heavy costs of Turkish troops in Cyprus and would welcome the surge of prosperity which will come to the North when the present isolation ends.

My hope is that my country will now take a lead. Great Britain has had a century of association with Cyprus, we have bases in the Island, we have taken a main share in the United Nations peace force in the Island. In my view we have an inescapable obligation to assist a settlement. And I do not forget that I signed the Treaty of Guarantee in 1960 on behalf of my Government in which, with Greece and Turkey, we recognised and guaranteed the independence, territorial integrity, and security of the Republic of Cyprus. We also bound ourselves to prohibit any activity aimed at promoting, directly or indirectly, either union of Cyprus with any other State or partition of the Island.

We failed to intervene as we should have done in earlier years. Particularly with the Americans we, discracefully in my view, refused to intervene immediately after the crazy coup of 1974. Now it is my strong conviction that we can no longer fail to carry out our clear obligations, and I am hopeful that both sides will accept and support a British lead.

The division of the Island cries out for rectification. The confrontation of Greeks and Turks calls for reconciliation. The interests of both Greeks and Turks demand courage to win a peaceful settlement. I pray that we shall not fail.

Having spoken earlier to the twin themes of the obligation of optimism and the independent international initiative let me tell an old story which may, I hope, have some bearing on the future.

More than twenty years ago in the United Nations two resolutions were placed before the General Assembly. One was backed by the Greek Government and one was backed by the British Government at that time. Our representative was Sir Pierson Dixon, the British Ambassador to the United Nations. He left his office at 99 Park Avenue to go to the General Assembly to certain victory. He had worked for weeks and he knew that an overwhelming victory in the General Assembly awaited him. I was in Nicosia at the time and late that night he sent me a telegram telling me what had happened on that momentous day.

As he went down to the United Nations he said to himself "What we really want today is not a victory, but a success." The phrase "not a victory, but a success" stuck in his mind. When he arrived at the United Nations he did not go straight into the great Assembly. He went to an upper room and asked the Foreign Ministers of Greece and Turkey to come and see him. Zorlu of Turkey came to see him first and Pierson Dixon said, "Even at this last moment, why should we not try to take a step towards a settlement instead of scoring victories over each other in the vote?" Mr. Zorlu replied, "It is no good talking to me now; we have to go down to the Assembly; they are waiting to vote now. Anyhow, it is no good talking to the Greeks, they know that they are going to lose and they are in a frame of mind of Greek tragedy. You will get no sense from them."

Where was Mr. Averoff, the Foreign Minister of Greece, and why had he not come? He had gone to meet Queen Frederika of Greece that day who had just arrived in New York. They managed to get him on the telephone and begged him to come. He said he would come as quickly as he could. The three men in the upper room, with the Assembly waiting below, searched not for a victory but for a success. At the end of half an hour, Mr. Zorlu shook hands with Mr. Averoff and each pledged his personal honour to work as rapidly as possible for a final settlement in Cyprus. It was too late to get anything typed; they scribbled out a new resolution. It did not mean very much, except that neither side was scoring a victory over the other.

Who could propose the resolution, because the rule of the Assembly is that the sponsor of one resolution cannot sponsor another. They went through the long list of sponsors of the previous Resolutions. Was there anyone missing? Mexico was missing. They put out a call on the loudspeakers. The Mexican Ambassador hurried from his place in the General Assembly. Would he move a resolution on Cyprus? He said he would like to know what it was. They quickly explained, and he quickly understood and agreed. Then to the surprise of the Assembly, they saw the Foreign Ministers of Greece and Turkey and the Ambassadors of Mexico and the United Kingdom entering the Assembly together. Then, having obtained the permission of the President, the Ambassador of Mexico rises to propose a resolution they have never heard of, when every delegate in that great hall has promised his vote to his own country and to many others. Then, to their amazement the Mexican resolution is at once supported by the Foreign Ministers of both Greece and Turkey and the Ambassador of the United Kingdom. In an atmosphere of astonishment it passed unanimously that day.

THE ELEVENTH HOUR

But my troubles were not over when I heard what had happened in New York. I hoped that with Greek and Turkish co-operation we could make progress, but I could not be sure.

Meanwhile the violence and bloodshed continued on the Island, and I faced my worst crisis.

Since I had returned to the Island as Governor there had been much violence and bloodshed but so far no hangings. As I turned from reading the telegrams from New York I was told that the Court of Appeal had just confirmed the death sentences on two Greek young men. As Governor it was my duty to exercise the royal prerogative of deciding whether the law should take its course. No one, not even the Ministers in London, could decide for me or give me instructions. And unless there was very good reason no reprieve could be granted.

I might add a personal word here. Once when I was a very young magistrate in Palestine I had been required to witness a hanging in Acre Prison. I never forgot it, and ever since I have hated capital punishment.

But now I had to make a decision in which my personal feelings must be set aside. I studied all the records and documents in the case before me. It had been a cold-blooded murder for political reasons. There were no extenuating circumstances whatsoever that I could see.

With a heavy heart I signed the death warrants and fixed the date for the executions and put a brigade of troops round the central prison. On the night before I went to lay down, not to undress, for I knew that when the executions took place the next day there would be a new outbreak of violence in retaliation. I realised then that any hope I had of succeeding in my endeavours for a peaceful settlement in Cyprus would be gone.

Midnight came and my wife was in one of the offices below. The telephone rang. It was from London—the Secretary of State wished to speak to the Governor. She ran to fetch me. The Minister said that he knew my decision about the executions and fully agreed, but he was now going to tell me something I had not known before. That day at a European conference on other matters, Zorlu of Turkey and Averoff of Greece had approached the British Foreign Secretary Selwyn Lloyd. They said that following their meeting in New York they were making useful progress in drawing up practical proposals for a Cyprus settlement. But they had heard of the impending executions, and they feared that all attempts at agreement would be swept away in the mounting violence which must follow: "It is for you to decide," the Minister said. "We will realise the extreme difficulty of your decision. We will back you either way."

I had no difficulty in making my decision. I sent for an armoured car. I called the Commissioner of Prisons, noticing that it was now after midnight. I told him I was coming down to see him. He answered in a strained voice. "Could you give me half an hour?" he said, "I am having a lot of trouble in the prison. This is the date fixed for the executions. I have decided to go ahead and carry them out at once." "No," I said, "I am coming down to stop it."

So I went down to the central prison that night. I tore up the death warrants. I came back to my Government House rejoicing, and in a few months we had an agreed settlement.

I tell the story because it is a good augury. It was a British initiative in New York when Pierson Dixon decided to work not for a victory but for a success. It was the co-operation of Turkey and Greece, of Zorlu and Averoff, which saved the day and opened the door to a peaceful settlement nearly two decades ago.

By a similar initiative and a similar co-operation I trust that we shall see the beautiful Island of Cyprus once more reconciled and united and at peace.●

RULES OF PROCEDURE OF THE SENATE COMMITTEE ON RULES AND ADMINISTRATION

● Mr. MATHIAS. Mr. President, in compliance with paragraph 2 of rule XXVI of the Standing Rules of the Senate, I submit for printing in the CONGRESSIONAL RECORD the Rules of Procedure of the Committee on Rules and Administration, adopted on January 21, 1981.

(Readopted with an amendment January 21, 1981)

TITLE I—MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the committee shall be the second and fourth Wednesdays of each month, at 10 a.m., in room 301, Russell Senate Office Building. Additional meetings may be called by the chairman as he may deem necessary or pursuant to the provisions of paragraph 3 of rule XXVI of the Standing Rules of the Senate.

2. Meetings of the committee, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the committee on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in subparagraphs (A) through (F) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(A) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(E) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(F) may divulge matters required to be kept confidential under other provisions of law or Government regulations. (Paragraph 5(b) of rule XXVI of the Standing Rules.)

3. Written notices of committee meetings will normally be sent by the committee's staff director to all members of the committee at least 3 days in advance. In addition, the committee staff will telephone reminders of committee meetings to all members of the committee or to the appropriate staff assistants in their offices.

4. A copy of the committee's intended agenda enumerating separate items of legislative business and committee business will normally be sent to all members of the committee by the staff director at least 1 day in advance of all meetings. This does not preclude any member of the committee from raising appropriate non-agenda topics.

TITLE II—QUORUMS

1. Pursuant to paragraph 7(a)(1) of rule XXVI of the Standing Rules, 7 members of the committee shall constitute a quorum for the reporting of legislative measures.

2. Pursuant to paragraph 7(a)(1) of rule XXVI of the Standing Rules, 4 members shall constitute a quorum for the transaction of business, including action on amendments to measures prior to voting to report the measure to the Senate.

3. Pursuant to paragraph 7(a)(2) of rule XXVI of the Senate Rules, 4 members of the committee shall constitute a quorum for the purpose of taking testimony under oath; provided, however, that once a quorum is established, any one member can continue to take such testimony.

4. Under no circumstances may proxies be considered for the establishment of a quorum.

TITLE III—VOTING

1. Voting in the committee on any issue will normally be by voice vote.

2. If a third of the members present so demand, a record vote will be taken on any question by rollcall.

3. The results of rollcall votes taken in any meeting upon any measure, or any amendment thereto, shall be stated in the committee report on that measure unless previously announced by the committee, and such report or announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment by each member of the committee. (Paragraph 7 (b) and (c) of rule XXVI of the Standing Rules.)

4. Proxy voting shall be allowed on all measures and matters before the committee. However, the vote of the committee to report a measure or matter shall require the concurrence of a majority of the members of the committee who are physically present at the time of the vote. Proxies will be allowed in such cases solely for the purpose of recording a member's position on the question and then only in those instances when the absentee committee member has been informed of the question and has affirmatively requested that he be recorded. (Paragraph 7(a)(3) of rule XXVI of the Standing Rules.)

TITLE IV—DELEGATION OF AUTHORITY TO COMMITTEE CHAIRMAN

1. The chairman is authorized to sign himself or by delegation all necessary vouchers and routine papers for which the committee's approval is required and to decide in the committee's behalf all routine business.

2. The chairman is authorized to engage commercial reporters for the preparation of transcripts of committee meetings and hearings.

3. The chairman is authorised to issue, in behalf of the committee, regulations normally promulgated by the committee at the beginning of each session, including the senatorial long-distance telephone regulations and the senatorial telegram regulations.

MISTREATMENT OF DIPLOMATS—AND THEIR GOVERNMENT'S REACTION—SERMON BY THE REV. LESTER KINSOLVING

● Mr. WARNER. Mr. President, one of the most patriotic sermons I have ever encountered was delivered by the Reverend Lester Kinsolving on this past Sunday, January 25, 1981, at both St. Andrew of Scotland Anglican Catholic Church in Alexandria, Va., and St. Charles the Martyr Anglican Catholic Church in Annapolis, Md.

The topic of the sermon was "Mistreatment of Diplomats—and Their Government's Reaction," with references both to King David of Israel, circa 1000 B.C., and to President Carter of the United States in 1979, 1980, and 1981. The text taken by the Reverend Kinsolving was from the First Epistle to the Corinthians—"Ye are bought—with a price." While some might term this sermon "political," it was received by the parishioners of both churches as "patriotic"—and I commend it to my colleagues as very fine reading in this time which many have termed "our national humiliation."

The Reverend Lester Kinsolving, whose father and grandfather were bishops in the Episcopal Church and who himself was ordained as an Episcopal priest 25 years ago, is now an Anglican worker-priest who makes his living as a member of the Fourth Estate. He, in addition to serving three Anglican Catholic parishes in the Washington, D.C., area, is political editor of radio station WEAM, a national commentator on the Virginia network, and a syndicated newspaper columnist.

Both St. Andrew of Scotland in Alexandria and St. Charles the Martyr in Annapolis, where this sermon was delivered last Sunday, are growing parishes in the Anglican Catholic Church, Diocese of the Mid-Atlantic States. The Anglican Catholic Church was founded in 1977 as the "continuing Episcopal Church" in the United States. Its members withdrew from the Protestant Episcopal Church of the United States of America (PECUSA) because of that church's recent changes in attitudes regarding the ordination of women to the priesthood and the question of homosexuality and because of PECUSA's abandonment, for the most part, of the use of the 1928 "Book of Common Prayer" in favor of a new set of optional rituals.

Mr. President, I commend the sentiments of this sermon to all my colleagues because, while I may not agree completely with every point raised therein, its message is one of which all of us must be mindful—"that our land will remain 'of the free' only as long as it continues to be the 'home of the brave.'" I ask that this sermon be included in the RECORD.

The material follows:

MISTREATMENT OF DIPLOMATS—AND THEIR GOVERNMENT'S REACTION

(By the Reverend Lester Kinsolving)

Text: "Ye are bought—with a price." First Epistle to the Corinthians.

On the first Sunday of October in 1938, the Church of England parish of St. Bartholomew's, in the affluent section of London called the Mayfair, acquired a new rector.

This young clergyman actually arrived in midweek, and was promptly deluged with requests from parishioners who wanted him to ring church bells in celebration, to offer special prayers of thanksgiving, and to feature such anthems as "Land of Hope and Glory."

For during that past week, on September 30, the Prime Minister had signed an agreement which he assured a widely ecstatic British population would bring what he termed "Peace in our time."

Not everybody was so relieved. There were, for example, people like that Parliamentary curmudgeon named Churchill, or this young clergyman, who declined to ring any bells in thanksgiving.

Instead, he preached a sermon with a text from the First Epistle to the Corinthians: "Ye are bought—with a price."

The reaction from the congregation was memorable.

Of that congregation of 2,000, approximately 1,000 got up and walked out during that sermon. After the recessional hymn, the Senior Warden's wife came up to him and spit in his face.

He spent the better part of the next week in pastoral calls on those who had walked, offering those who would still talk to him any assistance they wished in transferring to another parish. But, several of them came back, along with a number of new faces, because England had more than a few who, like Churchill, had dedication to truth, and for whom reality was greater than the historic ecclesiastical yen for ease in Zion or the alluring national lust for peace at any price.

This young clergyman eventually became one of the greatest Angelican evangelists of the Twentieth Century: the Rev. Canon Bryan Green.

My text from the New Testament today has already been mentioned: "Ye are bought—with a price."

From the Old Testament, there is another text—which constitutes a revelation as to how diplomats were abused and humiliated in 1,000 B.C.—as compared to how diplomats have been brutalized in A.D. 1979, 1980, and 1981—and how the United States paid off the brutes; how this nation, as it were, has been "bought—with a price."

Here beginneth the Tenth Chapter of the Second Book of Samuel:

"And it came to pass after this that the king of the children of Ammon died, and Hanun his son reigned in his stead.

"Then said David, 'I will show kindness unto Hanun the son of Nahash, as his father showed kindness until me.' And David sent to comfort him by the hands of his servants, for his father. And David's servants came into the land of the children of Ammon.

"And the princes of the children of Ammon said unto Hanun their lord: 'Thinkest thou that David dost honor thy father that he hath sent comforters unto thee? Hath not David rather sent his servants unto thee to search the city and to spy it out and to overthrow it?'

"Wherefore Hanun took David's servants and shaved off the one half of their beards, and cut off their garments in the middle, even to their buttocks, and sent them away.

"When they told it unto David, he sent to meet them, because the men were greatly ashamed.

"And the King said, 'Tarry at Jericho until your beards be grown, and then return.'

"And when the children of Ammon saw that they stank before David, the children of Ammon sent and hired . . . Syrians . . . twenty thousand footmen and, of King Maacha, a thousand men, and of Ishtob, twelve thousand men.

"And when David heard of it, he sent Joab and all the hosts of the mighty men.

"And the children of Ammon came out and put the battle in array at the entering in of the gate. . . .

"And Joab said (unto Abishai his brother): 'If the Syrians be too strong for me, then shalt thou help me;. but if the children of Ammon be too strong for you, then I will come and help thee. Be of good courage and let us play the men, for our people and for the cities of our God: and the Lord do that which seemeth him good.'

"And Joab drew nigh, and the people that were with him, unto the battle unto the Syrians; and they fled before him. . . .

"And David slew the men of seven hundred chariots of the Syrians, and forty thousand horsemen, and smote Shobach the captain of their host, who died there.

"And when the kings saw that they were smitten before Israel, they made peace with Israel, and served them. So the Syrians feared to help the children of Ammon any more."

The Ammonites were not the Iranians—but they were close. Their capital city was Rabbath-Ammon, which is known today as Amman, capital of Jordan.

The Ammonites were almost always the enemies of Israel. King Saul fought and defeated them. Ezra noted that their worship of the child-sacrificing cult of Molech was an "abomination." Nehemiah was subjected to their taunts as he rebuilt the walls of Jerusalem.

Still, David tried to achieve peace with these creatures. He sent ambassadors, fully expecting that the traditional safe passage of diplomats would be respected.

These ambassadors were not beaten, or put into solitary confinement, or subjected to phony executions; nor did anyone spit in their food; nor were they kidnapped for four hundred and forty-four days.

They were simply humiliated. But that was more than enough. King David sent forth his army under Joab, and, despite the Ammonities' hiring 33,000 Syrian mercenaries, David's army annihilated both the Ammonitles and the Syrians.

Twenty-eight hundred years later, the mere holding prisoner of two other diplomats very nearly caused a war between the United States and the British Empire. When James Mason, of Alexandria, Va., and John Slidell were appointed diplomats to England and France by the Confederate States of America, the British ship, *Trent*, was intercepted by a U.S. Navy Man 'o War, which took these two diplomats to Boston—as prisoners. But Mr. Lincoln was intelligent and civilized enough to realize that he had a fool for a ship's captain, and these diplomats were promptly released and sent on their way.

Another fool with whom Mr. Lincoln had to deal was Gen. George Armstrong Custer, who is far better known today for the criminal decimation of his Seventh Cavalry Command than for his having hanged and shot nine Confederate prisoners of war from the command of Col. John S. Mosby. Such atrocities, in September of 1864, stopped only after Mosby sent a letter to General Phil Sheridan that, from among Mosby's 913 Union Army prisoners, nine of Custer's own Michigan Cavalry Command had been selected by drawn straws—and then hanged by order of Col. Mosby.

As for diplomats, however, even Hedeki Tojo and Adolf Hitler respected and protected diplomatic status—because that was a different era, a long time ago. Today, we have a foreign policy which tolerates the kidnapping and the torture and the murder of America's diplomats and America's prisoners of war—all over the world.

When the PLO held American Ambassador Cleo-Noel hostage in Khartoum—and then cut him to pieces with their machine guns—these butchers were captured. But Sudan turned them over to Egypt—and to this day the State Department cannot, or will not, tell us whether these killers are in prison or whether they are at large—this, while the PLO operates an office on 18th Street in Washington, D.C.

No wonder terrorists have killed or kidnapped so many Americans! And, no wonder The Washington Post now urges us to pay billions more to those barbarians in Iran—for the sake of "the victims of acts of terrorism to come" in "the next crisis" because "future hostages could well be hurt."

What has our country come to? Does our new President subscribe to this Washington Post morality of pay off the barbarians—for the sake of new barbarism which we can't avoid because we're afraid to fight?

The church bells rang, and the White House Christmas tree was finally lighted, and the nation rejoiced—until the hostages arrived and brought us out of euphoria and a Jimmy Carter claim of victory when we learned how our fellow Americans had been tortured by their Iranian kidnappers.

Beatings, solitary confinement for months, forcing our young women to play Russian roulette, phony firing squads, withholding mail—even spitting in the food of our fellow Americans.

But we have to give these Iranian barbarians credit where it is due. Their chief negotiator, Behzad Nabavi, said that they "rubbed our noses in the dirt."

And they did, indeed.

They utterly humiliated the United States—which has paid, or is considering the payment of billions of dollars. That means that they shamed every one of us.

This is not the only time this has happened in recent years. Another collection of barbarians in Hanoi tortured a number of our fellow Americans for years—while they were being given aid and comfort by such creatures as Jane Fonda and Sam Brown. One of their victims was the newly elected Senator from Alabama, Admiral Jeremiah Denton.

I am sick to death of seeing my fellow Americans kinapped or murdered at will, all over the world, with no fear of retaliation.

I am alarmed that two days after the Inauguration the Reagan Administration still had no answer at all to the very serious question as to what it is prepared to do to inhibit more barbarians seeking more billions by seizing more U.S. embassies.

Mr. Reagan's White House and State Department spokesmen say that this question is presently being given intense consideration. But, there were 77 days between Reagan's election and his inauguration. Why wasn't this considered then, so that the new President could have devoted his Inaugural address not only to the wonderfully commendable resolve never to surrender, but also to telling a watching world just what will happen to any terrorist who ever again lays hands on a diplomat or embassy of the United States.

Two marble memorial tablets in the State Department's diplomatic entrance have the names of more of our foreign service officers who have been killed in the last 15 years than during the previous 190 years of this country's existence.

This is the result of a foreign policy of appeasement. It is an appeasement which is the modern equivalent of the ransom paid to the Barbary Pirates, until Thomas Jefferson issued combat orders to the U.S. Navy. The United States Government at that time believed in the principle of "millions for defense—but not one cent for tribute."

The Carter Administration reversed this, in a manner reflecting the inflation which it so substantially fueled. Now it has become: "Billions for tribute—and dismantle defense."

President Reagan could stop the shameful humiliation of America in the continued kidnapping and murder of our diplomats.

(1) He could announce that, beginning immediately, all U.S. Marine embassy guards are to use the weapons they are issued and trained to use in defense of our territory. And any Ambassador who orders otherwise will be fired in the next cable.

(2) He could announce that any country which objects to our providing enough Marines and weapons to defend our embassy will be cordially invited to close up their embassy here and get out—and we will do the same.

(3) He could announce that, in the event of any attempted seizure of a United States embassy or injury to our people, we will retaliate instantly regarding their diplomats or nationals in the United States. And we will transmit evidence of this retaliation by Telestar.

(4) He could announce that, like Israel, we will never bargain with terrorists; that henceforth all our foreign service people overseas will be volunteers willing to die rather than have this nation blackmailed—and they will be trained to fight along side the Marines until our Armed Services can arrive and carry out their objectives.

In his Inaugural, President Reagan said that, while "peace is the highest aspiration of the American people . . . we will not surrender for it—now or ever."

It is now the time for the President to tell the world in no uncertain terms, how.

The hostages and their families were provided one day together away from both the press and the politicians.

If the hostages are in any way oppressed by the press, I will regret this deeply, because that is my profession. But, it is hard to imagine anything that could rival what has been done to the hostages by the Department of State.

After 444 days in the hands of these Iranian animals, the State Department arranged for the hostages to be flown to Weisbaden, there to be met——not by their families, mind you—but by a planeload of State Department brass.

We were told by such State Department people that the hostages need decompression. So, instead of their families, we sent them Cyrus Vance and Jimmy Carter.

The hostages reacted by racing immediately to the nearest available telephone—to talk to their families, not to Vance or Carter.

Hostage Donald Cook has denounced Mr. Carter for reopening the embassy in Tehran, despite three warnings that it might be seized.

Hostage Carmelo Scalzi noted the statement of one of his fellow hostages: "I don't think there are two people on this plane who would care if Carter is there to greet us."

We now learn—from the press, not from the State Department—that one of the hostages' mothers was excluded from seeing her returned son because, after all, you have to draw the expense line somewhere. But not when it comes to the expense of flying Jimmy Carter from Washington to Plains, then back to Washington, and then to Germany for a few hours, and then back to Plains.

It is one thing for President Reagan to be gracious to a presidential predecessor. It is quite another when this courtesy consists of adding to the misery of 444 days in hell by having the hostages met by politicians instead of their loved ones.

There are, however, two pieces of very good news. Our new Secretary of Defense has announced that his mission is, in his words, "to rearm America;" and our new Secretary of State explained in no uncertain terms that he is the President's "vicar" in the formulation of foreign policy.

Sixteen years ago, one of our fellow citizens—who had never held public office—exercised his right to speak to the issue of immorality in foreign policy.

He had never been to any Ivy League college. He had never been to a school of foreign service, or to any of those institutions which seem to produce so many graduates who are taught to equate diplomacy with dignified and disguished appeasement.

But the people of the United States heard him, especially when he campaigned for a presidential candidate on national television and said:

"Alexander Hamilton said a nation which can prefer disgrace to danger is prepared for a master, and deserves one. Now let's set the record straight. There's no argument over the choice between peace and war. But there's only one guaranteed way you can have peace, and you can have it in the next second. Surrender.

"Admittedly, there's a risk in any course we follow other than this. But every lesson of history tells us that the greater risk lies in appeasement, and this is the specter that our well-meaning liberal friends refuse to face: That their policy of accommodation is appeasement, and it gives no choice between peace and war, only between fight or surrender. If we continue to accommodate, continue to back and retreat, eventually we have to face the final demand, the ultimatum. And what then?

"Well, Nikita Khrushchev has told his people he knows what our answer will be. He has told them we're retreating under the pressure of the Cold War, and some day, when the time comes to deliver the final ultimatum, our surrender will be voluntary, because by that time we will have been weakened from within spiritually, morally, and economically. He believes this because from our side he's heard voices pleading for 'peace at any price,' or, 'better Red than dead.' Or, as one commentator put it, he said he'd rather live on his knees than die on his feet.

"And therein lies the road to war. Because those voices don't speak for the rest of us. You and I do not believe that life is so dear and peace so sweet as to be purchased at the price of chains and slavery. If nothing in life is worth dying for, when did this begin? Just in the face of this enemy? Or should Moses have told the children of Israel to live in slavery under the pharaohs? Should Christ have refused the Cross? Should the patriots at Concord Bridge have thrown down their guns and refused to fire the shot heard 'round the world?

"The martyrs of history were not fools. And our honored dead who gave their lives to stop the advance of the Nazis didn't die in vain.

"Where then is the road to peace? Well, it's a simple answer after all. You and I have the courage to say to our enemies, there is a price we will not pay. There is a point beyond which they must not advance."

Last November 4th, the majority of the people of the United States voted to put the future of this nation into the hands of this speaker's leadership.

In my conviction, they did so because they believe he has not given up these values—even though the cynics dismiss them as "old fashioned"—like Christianity or like the Constitution. They are the same set of values which motivated one of the hostages in Iran to risk death by telling his psychological tortures who ordered him to lie down as they clicked their weapons: "If you're going to shoot me, I'm going to die on my feet."

It is the same spirit that enabled Admiral Denton to survive years of hell in Hanoi and walk out, emaciated but still unconquered in spirit, to come home saying: "Reporting back for duty, sir. God bless America."

This spirit began to be rekindled in the United States on Inauguration Day—and, just before that day—when our new Secretary of State dared to remind a partially hostile Senate Foreign Relations Committee that there are some things that you have to be willing to die for.

The cynics will dismiss this as warmongering, when, in reality, it is the essence of the same old spiritual which affirms: "Before I'd be a slave, I'd be buried in my grave and go home to my Lord and be free"—or one of the greatest oratorical convictions of the Rev. Martin Luther King: "If you haven't found anything worth dying for, you're not fit to live."

It is only because of this willingness, at all costs, to defend our freedom that we have survived—survived even such national humiliations as having our merchant seaman kidnapped by the navy of the world's greatest power—who landed an army not far from here that routed our militia and burned our capital to the ground.

But there were, at the same time, other Americans like those who would not give up the ship off Boston or on Lake Erie—and those who held the line in New Orleans—and those who kept a flag flying all night through the hell of a British artillery bombardment near Baltimore, so that at dawn a young American lawyer on a British prison ship saw that flag still flying and began writing:

"O thus be it ever, when free men shall stand
Between their loved homes and the war's desolation!
Blest with vict'ry and peace, may the heav'n-rescued land
Praise the Power that hath made and preserved us a nation!
Then conquer we must, then our cause it is just,
And this be our motto, 'In God is our trust.'

And the star-spangled banner in triumph shall wave
O'er the land of the free and the home of the brave!"

Throughout our Holy Scriptures there comes again and again those thundering affirmation of "Thus saith the Lord" assurances, that our land will remain "of the free" only as long as it continues to be the "home of the brave." ●

HUBERT H. HUMPHREY, THE HAPPY WARRIOR

● Mr. DURENBERGER. Mr. President, a little more than 3 years ago, America lost one of its greatest leaders, Hubert H. Humphrey. Senator Humphrey's passing left a void that no one will ever fill.

My election in 1978 carried with it a special responsibility—to continue the record of service to people that marked the career of Hubert Humphrey. When I accepted the Humphrey chair, I accepted a tradition of dedicated service, openness, honesty, unabiding trust and faith in people, and a commitment to individuals.

Senator Humphrey's record is one I am proud to continue. I believe in the goodness of people. I believe in their strength, their creativity and their ability and desire to work for a common goal.

Philosophically, I may not always have agreed with Senator Humphrey, but, like most Americans, I found his spirit, his enthusiasm, and his love for people to be inspiring.

Mr. President, I submit the syndicated column by Nick Thimmesch on Hubert H. Humphrey, the Happy Warrior, to be printed in today's RECORD.

The column is as follows:

HUBERT H. HUMPHREY, THE "HAPPY WARRIOR": A RECOLLECTION

(By Nick Thimmesch)

WASHINGTON.—Among the sorely missed human qualities in this town are the effervescence, optimism and spirit of Hubert Horatio Humphrey. It was nearly three years ago that H.H.H., the "Happy Warrior," died after struggling to shake an insistent cancer. We haven't seen anybody like Humphrey since, and probably won't for many years.

Humphrey loved the political game with passion. He was a strong Democrat, and almost always fought for what he regarded as principle. He panted for humanity, and too often implemented such impulses by whipping up another federal program. Humphrey displayed a sharp edge in debate, but he was also a conciliator. He often vehemently disagreed—as veteran Republicans will smilingly testify—but Hubert was never disagreeable. There was no more popular man in the U.S. Senate.

Despite setting some sort of record—perhaps it belongs in the Guinness Book—for the volume of his rhetoric, Humphrey was respected as a senator of stature, a highly intelligent man always bristling with ideas.

Two of Hubert's best qualities were his inability to be angry at anyone for very long, and his empathy for fellow political warriors of either party. There's no question in my mind that if Hubert were alive, he would be on the phone every other day with President Jimmy Carter, trying to buck him up as he prepares for the sad trip home to Plains, reminding Carter of his accomplishments and the fact that there is much of life before him.

When he was ridden with cancer, pale and feeble, scarcely able to rise in his bed, and only four days from death, Humphrey phoned Richard M. Nixon, Jan. 9, 1978, to wish him Happy Birthday. According to Muriel Humphrey, Nixon was very touched, but not quite as much as on Christmas Day—two weeks before—when Humphrey phoned Nixon to wish him Merry Christmas. "Nixon cried on the phone," Muriel once recalled, "probably because he realized where Hubert was at. You have a lot in common, being in politics."

If any opponent had scathed Nixon in campaigns, it was Humphrey. In 1968, when the two fought a close battle for the presidency, Humphrey once introduced Emmett Kelly, the famous clown done up with outlandish pants, sad eyes and rubber-ball nose, as "Nixon's campaign manager and chief economic adviser."

Robert Kennedy's campaign tactics savaged Humphrey in the 1960 West Virginia primary, and later, when R.F.K. demanded that Humphrey release his Minnesota delegates, Hubert snapped: "Bobby, go to hell." But Humphrey reconciled with Bobby and all others by whom he was roughed up in politics.

He forgot and forgave the hurts inflicted by Lyndon B. Johnson; Joseph Rauh the Americans for Democratic Action (ADA) chieftain who turned on Humphrey and the scores of demonstrators who spat on, and reviled him, during the acrimonious Vietnam period. Even in late 1971, when he held antiwar views, Humphrey was pelted with tomatoes thrown at him during a convention of scientists where protestors waved signs reading: "Humphrey Wanted for Murder, Rape, Genocide."

Humphrey shook it all off. "He quickly got it out of his system," recalls David Gartner, Humphrey's longtime aide, now a U.S. commissioner. "He lived at peace with himself. He was always phoning people on their birthdays or when they were ill. He couldn't stop himself from doing that."

Humphrey was such a blend of civility, warmth, humor and professional politician. He was no saint. As a poor boy in the trade, he had to look the other way in the old days so he wouldn't see where the campaign bucks were coming from. He also liked a good time, and perhaps that's why he understood human frailty.

The game of politics, as played in the U.S. Senate, should be one where the Hubert Humphreys prevail, no matter what their views. When Humphrey arrived there in 1949, he was brash, and full of himself for having led the civil rights fight at the Democratic convention the summer before. He was given the cold shoulder by many senators and was embarrassed to hear Sen. Richard Russell, the titan from Georgia, pointedly remark: "Can you imagine the people of Minnesota sending that damn fool down here to represent them?"

However, as one sage observed, "In Washington, some grow, and some swell." Humphrey grew. He won the respect of all the titans, including Russell, was elected Majority Whip, and became the man many senators turned to for advice or even consolation. He and Barry Goldwater were buddies, and his old duet-ups with the Kennedys never prevented him from becoming a warm friend of Sen. Edward Kennedy.

The new Senate is distinctive, not just because it is Republican and conservative, but also because a majority of its members are relative newcomers to political life. Let's hope that this Senate develops warmth, civility, and an ability to disagree without being disagreeable—qualities with which Humphrey was richly blessed. His inevitable display of them caused the Senate of four years ago to love him so much. We all miss old H.H.H., the "Happy Warrior."●

DR. OWEN WANGENSTEEN

● Mr. DURENBERGER. Mr. President, it is with great sadness that I note the passing of Dr. Owen Wangensteen, one of America's greatest surgeons.

Dr. Wangensteen, who died January 13 at the age of 82, was a brilliant surgeon, teacher, and researcher. His remarkable contributions to medicine will be felt for many years to come.

His pioneering techniques in open-heart surgery and other areas of medicine have been credited with saving hundreds of thousands of lives. In addition, the thousands of young medical students who came under his wing continue to serve mankind in testimony to their teacher's skill and dedication.

Dr. Wangensteen served his unique calling with love and devotion. His skills were always applied to improving the extending of the lives of others regardless of their ability to repay him. He was a great man who will be sorely missed but always remembered.

Mr. President, I ask unanimous consent that the article on Dr. Wangensteen from the January 14 Minneapolis Tribune be printed in today's RECORD.

The article is as follows:

SURGEON, TEACHER, RESEARCHER OWEN WANGENSTEEN DIES AT 82

Dr. Owen H. Wangensteen—the world-famous surgeon, researcher and teacher who for almost four decades was chief of surgery at the University of Minnesota Hospital—died of an apparent heart attack Tuesday at 82.

He had been working on a book Monday, but became ill during the night at his Minneapolis home and was taken to Abbott-Northwestern Hospital where he died.

Even after Wangensteen retired as chief of surgery in June 1967, his accomplishments continued to have a substantial impact on modern medicine.

It was under his leadership that University of Minnesota surgeons played leading roles in pioneering open-heart surgery in the 1950's.

In the next decade, two of his former students ushered in the era of heart transplants. The first successful heart transplant was performed in 1967 by Dr. Christian Barnard of South Africa. The heart transplant leader in the United States has been Dr. Norman Shumway of Stanford University in California.

By 1949 Wangensteen had been credited with saving 100,000 lives through his development in the 1950s of "Wangensteen section" approach, a standard procedure to prevent intestinal blocking after abdominal surgery.

Wangensteen often is called the modern American surgeon who did the most to wed surgery to science—understanding nature, then applying the understanding to patients. He pioneered extensive laboratory studies as an important part of surgeons training.

His influence on surgical teaching will continue to be felt in other ways. More than a hundred of his formed students are academic surgeons at medical schools across the country and in other nations.

He was born Sept. 22, 1898, in Lake Park, Minn., near Detroit Lakes, and he grew up on a farm there.

"I didn't even want to be a doctor," he often said. "I loved animals. Of three boys, I was the one interested in farming."

But his father said he should study medicine. At first the young Wangensteen said no. Then I had to haul manure every day for three weeks in hot weather. Anything, I thought, would be better."

He finished tops in his class at the University of Minnesota Medical School, earning his M.D. in 1933. He continued his studies there and, for one year, at the Mayo Clinic in Rochester, Minn. He found that he loved research and earned a Ph.D in 1938.

He joined the University of Minnesota faculty as an instructor in 1939 and four years later, at 38, became chief of surgery. He quickly built the department around a growing number of full-time teachers, instead of part-time teachers who had been playing the leading roles in the medical school.

The 5-foot-7, peppery Wangensteen was called The Chief, with affection and respect, by students and colleagues.

He often began his day at 3:30 a.m., reading at his desk for several hours before starting a day of surgery and teaching. He was noted for his many ideas for his students to investigate, and for his support of his students and staff as they probed new frontiers of surgery.

While no single medical center can claim all the credit for developing open-heart surgery, the University of Minnesota's Surgery Department under Wangensteen was a clear leader.

It was there that the heart-lung machine was perfected, allowing the patient's heart to be stopped during surgery so that surgeons could operate on this fist-size organ. Even before this was accomplished, University of Minnesota surgeons were using other techniques such as cooling the body to reduce the * * * to perform many of the first open-heart operations.

If Wangensteen had done nothing else, his development of the principal of suction for surgical patients would have established him among the medical greats.

When he began his career intestinal obstruction after surgery was one of the cruelest problems of the day, killing many patients.

The culprit was the build-up of gases and fluid secretions. Wangensteen's answer: Thread a small tube, called a catheter, down the patient's nose and into the stomach areas to draw off the fluids and gases.

It is impossible to visit a large hospital today without finding tubes down many patients' noses. World War II surgical wards were called "Wangensteen alleys" because of the large number of patients who were benefitting from Wangensteen's ideas.

Not that every Wangensteen idea worked out. One that didn't was freezing stomachs to stop ulcers.

Wangensteen was noted for his cancer surgery, but appreciated the limits of the scalpel. He started an early-detection research progam at the university to find better ways of finding cancer early when surgery was the best chance of success.

He also worked hard to make his surgery department grow. Wangensteen ingenuity helped there, too. He stopped sending bills to well-off patients, tactfully suggesting that they could give something for research if they liked. Many gave generously.

Retirement was a sedative term for Wangensteen. He and his wife Sarah wrote a 785-page historical book, "The Rise of Surgery," published in 1978 by the University of Minnesota Press.

He was a former president of the American College of Surgeons, the American Surgical Association and the American chapter of the International Surgical Society.

His many honors and awards included honorary membership in the Royal College of Surgeons of England, citations from the Sorbonne and the Norwegian Academy of Science and the distinguished service award of the American Medical Association.

He is survived by wife Sarah, two sons, Dr. Stephen L. Wangensteen, Tucson, Ariz., and Owen G. Wangensteen of Spain, and a daughter, Mrs. Mary Brink, Waynoke.

A private family service is planned, to be followed by a memorial service for which a date hasn't been set. Memorials can be given to the University of Minnesota Foundation for the Wangensteen Bio-Medical Rare Book Fund or for the Wangensteen-Davidson Professorship in Surgery.●

OLIN E. TEAGUE OF TEXAS

● Mr. SCHMITT. Mr. President, later today there will be funeral services in Arlington National Cemetery for former Representative Olin E. Teague of Texas, who was affectionately called "Tiger," dating from his high school football days. I ask that an extended biography be included in the RECORD at this point.

The biography follows:

BIOGRAPHICAL SKETCH OF OLIN E. TEAGUE

Olin E. Teague, Democrat of College Station, Texas, attended Texas Agricultural and Mechanical College, 1928–32, by working his way through college while employed with the Post Office, Animal Husbandry Department of the College, and the railroad. He married the former Freddie Dunman of Fort Worth, Texas. They have three children, James M., Major John O., and Mrs. Jill Cochran.

Mr. Teague volunteered for Army service in 1940, and had previously served three years as an enlisted man in the National Guard; commissioned Second Lieutenant in Officers Reserve Corps upon finishing at Texas A&M. He commanded the First Battalion, Three Hundred and Fourteenth Infantry, Seventy-ninth Division during World War II. He was in combat for six months, wounded a number of times and decorated eleven times. He was awarded the Silver Star with two clusters, Bronze Star with two clusters, Purple Heart with two clusters, Combat Infantryman's Badge, Army Commendation Ribbon, French Croix de Guerre with palm. Mr. Teague spent two years in an Army Hospital due to combat-incurred wounds; was discharged as a Colonel, Infantry, September 1946 to take his seat in Congress.

Elected to the 79th Congress in 1946, Mr. Teague has been re-elected to each succeeding Congress. He was Chairman of the House Veterans' Affairs Committee from the 84th Congress until the 93rd Congress, when he resigned to accept the Chairmanship of the Science and Astronautics Committee. He remains second in seniority on the Veterans' Affairs Committee. Mr. Teague was a member of the District of Columbia Committee until the 86th Congress when he resigned to accept an assignment to the newly formed Science and Astronautics Committee. He was Chairman of the Subcommittee on Manned Space Flight and of the Subcommittee on Legislative Oversight. He resigned the Subcommittee Chairmanships at the beginning of the 93rd Congress, when he assumed Chairmanship of the full committee. However, he serves as ex officio member on all subcommittees. In the first session of the 90th Congress, the Committee on Standards of Official Conduct was formed and Mr. Teague became a member of that Committee and is now the ranking majority member. In the 82nd Congress he was Chairman of the Select Committee which investigated the shortcomings of the World War II, G. I. Bill, and authored the Korean War Veterans Bill. Mr. Teague authored more Veterans legislation than any other Member of Congress.

In November 1965, Congressman Teague was the subject of an NBC–TV Special, "Congress Needs Help", which followed him through typical busy days in Washington; a trip to Cape Kennedy to witness a space shot, and an inspection tour of the facility; and his work filled days on a trip through the Sixth District in Texas.

In 1966 Mr. Teague was appointed to the Board of Visitors to the United States Military Academy and was a continuing Member until he resigned at the end of the 92nd Congress. He was a member of the board longer than any other Member of Congress. Congressman Teague was awarded the Outstanding Civilian Service Medal by the United States Army. This award is not given periodically, but on infrequent occasions as merited.

Congressman Teague was named to serve on the President's Blue Ribbon Committee on the review of Veterans Hospital Installations.

In 1966 he was appointed by the President as ranking House Member of the Joint Republic of the Philippines—U.S. Commission to study Philippine Veterans problems. The neogtiations were highly successful.

Mr. Teague was invited to serve with the American-Philippine Assembly, a group of distinguished American educators, financiers, attorneys, and other high-ranking government officials, who met in Davao, Philippines in February 1966 with Philippine counterparts. The Joint Assembly is a non-profit organization headquartered at Columbia University in New York and is not connected with the federal government.

In 1966 a new Science and Research Building was erected on the campus of his alma mater, Texas A&M, and was named The Olin E. Teague Research Center in his honor.

In June 1968 Mr. Teague was the official representative of the President at the Dedication and Turnover to the Philippine Government of the Pacific War Memorial on Corregidor Island.

Mr. Teague served two consecutive terms as President of the Texas State Society, one of the largest State Societies in Washington.

He has been awarded Honorary Life Memberships in the American Legion, Veterans of Foreign Wars, AMVETS, and the DAV.

He has been called upon twice by President Johnson to make special missions to Vietnam in connection with the war.

Congressman Teague was elected Chairman of the Democratic Caucus of the House of Representatives in the 92nd Congress, giving him a prominant position in the Democratic leadership of the House. He was unanimously re-elected for the 93rd Congress.

Mr. Teague was elected by the Caucus unanimously to represent them on the National Democratic Committee.

He was elected to serve on the Committee on Committees of the 93rd Congress, which resulted in his participation in the assignment of all democratic members to Committee assignments.

The Congressman was appointed to the Tecnhology Assessment Board for the 92nd and 93rd Congress.

Among the many distinguished service awards he has received are:

The AMVETS Congressional Silver Helmet Award.

The American Legion Award for Distinguished Public Service—the highest award given by this organization.

The VFW Award for Distinguished Public Service and Outstanding Representation of the Serviceman.

The West Point Award for Distinguished Service on Behalf of the Corps of Cadets.

The Texas Agricultural Extension Service Distinguished Service Award.

The A&M Distinguished Alumni Award from Texas A&M University.

The National Award of Appreciation for Outstanding Service for CARE.

The Philippine Presidential Medal of Honor—presented by Phillipine President Magsaysay.

The Military Order of the Public Heart award for outstanding service.

The Goddard Memorial Trophy for contribution to the nation's space effort from the National Space Club.

The Eagle Award from the Invest-in-America Association.

The Veterans of Foreign Wars National Space Award.

Watch Dog of the Treasury award from the Businessmen's Association.

Outstanding Civilian Service Medal from the United States Army—the highest honor given by the U.S. Army.

Veterans Administration Exceptional Service Award.

National Science Foundation Public Service Award.

NASA Distinguished Public Service Medal.

In the dying days of the 96th Congress, Mr. Teague was honored by his Colleagues when they adopted legislation re-naming the U.S. Veterans Hospital in Temple, Texas as the Olin E. Teague Veterans Hospital. This legislation was subsequently signed into law by President Carter and the Hospital is now so designated.

His final tribute was on Arbor Day of 1979, when a living memorial, a tree, was planted on the Capitol Grounds in his honor, having been donated by the Staff of the Science and Astronautics Committee, which he chaired during his latter days in the Congress.

● Mr. SCHMITT. Mr. President, "Tiger" Teague was first elected to Congress in 1946 while still suffering from wounds he received in World War II. Representative Teague enlisted in 1940, was commissioned a second lieutenant and rose to command a battalion in the 79th Infantry Division with the rank of colonel. During 6 months of combat he won three Silver Stars, three Bronze Stars and was wounded three times; thus, earning three Purple Hearts. He was still in an Army hospital when first elected to Congress.

Representative Teague was best known for the great impact he had on veterans legislation, exercised mainly through the House Veterans' Affairs Committee which he chaired for 18 years. "Tiger" Teague was responsible for much more than that. He also served from 1972 until his retirement in 1979 as chairman of the committee on Science and Technology which oversaw, among other things, the space program. He was a leader in this area and was instrumental in keeping the Apollo program going. As one who was involved in that program, I know that "Tiger" Teague deserves much credit for the successes that were achieved during the time he chaired the House Science and Technology Committee. If we who have responsibility for the present do half so well as he did the future of the space program is assured.

With the passing of Olin E. Teague an era also passes, an era enriched by his service to country and dedication to our American heritage. My sincere condolences are extended to Freddie and his family.

My first personal contact with Tiger was as an astronaut reporting on the results of the Apollo missions. From that day, I never ceased to be impressed with his interest and knowledge about the Nation's space activities, his dedication and patriotism toward his country, his humanity and courage in the face of physical adversity and pain. Tiger, we'll miss you more than you know.

Mr. President, Tiger's good friend Senator THURMOND of South Carolina wishes to join me in honoring the memory of this great American.●

MARYLAND COMPOSER HONORED

● Mr. MATHIAS. Mr. President, Maryland has a long tradition of recognizing contributions to the performing arts. Nowhere has this recognition been more impressive than in opera.

The Baltimore Civic Opera delights many each year with their performances and holds a respected place in Maryland's cultural life. The greatest American diva, Rosa Ponselle, is an honored resident of Baltimore. And a town in Frederick County bears the name of the soprano Lilly Pons.

Now being honored is an original chamber opera by David Miller of Prince Georges County. The European premier of this new opera is taking place this month at the National Opera House in Brussels, Belgium. The American premier will also take place this month at the Publick Playhouse in Cheverly, Md.

Mr. Miller has been a resident of Prince Georges County since 1962 and is a graduate of the University of Maryland. Over the past 5 years, he has been the voice coach and rehearsal accompanist for the National Opera of Belgium.

Mr. President, I ask that a proclamation issued by the Prince Georges County Council honoring David Miller be printed in the RECORD.

The proclamation follows:

PROCLAMATION

Whereas, the world premiere of "Ben", a chamber opera, will be premiered in January at the Petit Salle of the National Opera House in Brussels, Belgium and at the Publick Playhouse in Cheverly by the Prince George's Civic Opera; and

Whereas, the composer of "Ben" is David Miller, a resident of Prince George's County since 1962, when he first became interested in music as a fifth grader at Somerset Elementary School in Bowie; and

Whereas, through his experiences in a ragtime band in junior high school, as the first pianist for the Starliner Jazz Band, as the organist for several churches, and finally, as a recipient of a Bachelor of Arts Degree in Music at the University of Maryland, David Miller formed the background that has enabled him to begin composing his own music; and

Whereas, for the past five years, David Miller has been the rehearsal accompanist and voice coach for the National Opera of Belgium; and

Whereas, the creation of an opera is one of the highest achievements in the world of musical art. Now, therefore,

Be it proclaimed that the Prince George's County Council does hereby honor David Miller for his accomplishments as a composer and musician on the occasion of the premiere of his first opera, and wishes him every success in his future musical endeavors.●

ORDER FOR THE RECOGNITION OF SENATORS LEVIN, PROXMIRE, AND BENTSEN ON THURSDAY NEXT

Mr. BAKER. Mr. President, I am advised that there are requests for special orders on next Thursday for 15 minutes for Mr. LEVIN, from Michigan; 15 minutes for Mr. PROXMIRE; and 15 minutes for Mr. BENTSEN.

I ask unanimous consent that on Thursday, following the time allocated to the two leaders under the standing order, the special orders so requested be granted in that sequence.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE ON THURSDAY

Mr. BAKER. Mr. President, on Thursday, when the Senate reconvenes, am I correct in saying that the Kirkpatrick nomination will be the pending business?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, when we recess today we will proceed to the consideration of the Kirkpatrick nomination. I have consulted with the distinguished minority leader and I have not yet had an opportunity nor do I believe he has had an opportunity to consult with others, but may I say for the RECORD that I consulted with the minority leader on the possibility of dealing with this nomination, that is, the U.S. Representative to the United Nations, without a requirement for a record vote.

I am aware that some Members of the Senate have urged that we have record votes on each Cabinet and Cabinet-level nomination and, indeed, this nomination is a Cabinet-rank appointment.

But on Thursday I hope it might be possible to fully debate and discuss this nomination, and I would urge that we consider at least the possibility of confirming the nomination or disposing of it without the necessity for a rollcall vote.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. I am unable at this hour to ascertain whether any member on my side of the aisle wishes to have a rollcall vote on the nomination. I believe the last time I talked with Mr. PROXMIRE he indicated that he wanted to have a rollcall vote on any Cabinet-level nominee as well as the Cabinet nominees.

I will talk with him over the night, and by tomorrow I should be able to let the majority leader know whether or not I have any problem on this side of the aisle. This would give him time to inform his colleagues on his side of the aisle as to what the prospects are.

Mr. BAKER. Mr. President, I thank the minority leader and I especially appreciate his advice in that respect and his efforts as he has described them.

ORDER FOR RECESS UNTIL 10:15 A.M. ON THURSDAY NEXT

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate convenes on Thursday that it convene at the hour of 10:15 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, when we reconvene at 10:15 a.m. on Thursday

next, following the time allocated to the two leaders under the standing order, there will be three special orders, as previously described, and following the disposition of those special orders the Senate will resume consideration of the Executive Calendar beginning with the nomination of Dr. Jeane Kirkpatrick to be the U.S. Representative to the United Nations.

It is my hope the Senate, following on after that, will turn its attention to the consideration of other nominations that may be available on the Executive Calendar at that time, with the hope and expectation that we will deal with any of them we can on Thursday and dispose of as many as we can.

Following the conclusion of our business on Thursday, it is my hope and expectation that we will recess until Friday at 11 a.m. for a pro forma session, at which time we will immediately recess over until Tuesday next. That is the program as I see it at this time.

I might say, Mr. President, especially for the benefit of our newer Members, that it appears now that we will begin to receive important legislative business beginning next week, and that it is very likely that we will have to alter the schedule we have been keeping for the past 2 weeks. But at this point I wish to express my appreciation to the minority leader and to all of those on his side of the aisle for their cooperation in making it possible for us to have a thorough and prompt consideration of those nominations which are on the Executive Calendar, the Cabinet positions and Cabinet-level positions.

RECESS UNTIL 10:15 A.M. THURSDAY, JANUARY 29, 1981

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10:15 a.m. on Thursday next.

The motion was agreed to; and the Senate, in executive session, at 7:01 p.m., recessed until Thursday, January 29, 1981, at 10:15 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate January 23, 1981, under authority of the order of the Senate of January 22, 1981:

DEPARTMENT OF DEFENSE

John O. Marsh, Jr., of Virginia, to be Secretary of the Army, vice Clifford L. Alexander, Jr., resigned.

John F. Lehman, Jr., of Virginia, to be Secretary of the Navy, vice Edward Hidalgo.

Verne Orr, of California, to be Secretary of the Air Force, vice Hans Michael Mark.

Executive nominations received by the Secretary of the Senate January 26, 1981, under authority of the order of the Senate of January 22, 1981:

DEPARTMENT OF STATE

William P. Clark, of California, to be Deputy Secretary of State, vice Warren M. Christopher, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate, January 27, 1981:

CENTRAL INTELLIGENCE

William J. Casey, of New York, to be Director of Central Intelligence.

OFFICE OF MANAGEMENT AND BUDGET

David A. Stockman, of Michigan, to be Director of the Office of Management and Budget.

EXTENSIONS OF REMARKS

APARTHEID IN THE REPUBLIC OF SOUTH AFRICA

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. DOWNEY. Mr. Speaker, I recently returned from a conference in Freetown, Sierra Leone, hosted by the African American Institute, where I had the opportunity to meet government leaders and foreign ministers from 26 African nations. Exchanging views with these black African leaders was an extremely worthwhile experience for me, and I would like to share with my colleagues one thing in particular that I learned from those conversations. Africans from all parts of the continent are genuinely concerned about the continuance of apartheid in the Republic of South Africa. It is the first subject they raise with a visiting American politician. Before they ask about development aid for their own countries, many of these government ministers asked me what the United States intended to do to encourage an end to apartheid in South Africa. This type of unified concern is extraordinary, and it is something to which we in this body and the President and his new administration must give serious consideration.

I would, therefore, like to have reprinted in the RECORD the text of a speech I prepared for the Freetown conference commenting on the future of change in South Africa.

ADDRESS TO THE AFRICAN AMERICAN INSTITUTE CONFERENCE IN FREETOWN, SIERRA LEONE, JANUARY 11, 1981

I must admit to feeling a little out of place standing here in the beautiful capital of Sierra Leone speaking to such a distinguished group of African leaders, scholars and Africanists about the future of change in South Africa. You are all more closely involved in that process of change than I. All I can offer are my own perceptions as an outsider with a longstanding personal interest in advocating change in South Africa, and perhaps some insight as a Member of the United States Congress with regard to the future of American policy toward Africa.

There has certainly been change in the past decade both in the situation in South Africa and in the relations between the United States and the government of South Africa. I don't believe that any American administration, not even Mr. Reagan's, will ever go back to the Eisenhower/Nixon view of the Republic of South Africa as a truly close ally and bulwark of the Western World so long as the government of that country continues to found its domestic policies on a most blatant and oppressive form of racism. I believe we are past that phase in American policy. I don't believe the American people want a close relationship with a racially premised regime, and I'm convinced that, even with the results of the recent election, there are fewer politicians in the United States today who would advocate such a relationship than at any time in the past. Nevertheless, there will certainly be obstacles if this trend is to continue to make strong progress. There are still many in the halls of Congress—and there will surely be more among the 76 new Members elected to the House in November—who do not view change in South Africa as either necessary or inevitable. Those of us like the chairman of this congressional Codel, my good friend Bill Gray, who will continue to argue the anti-apartheid cause have lost a number of strong voices in the recent elections. Father Drinan of Massachusetts will not be back with us on the floor of the House as he was in arguing against the lifting of sanctions against Rhodesia and against human rights violations worldwide. My good friend Andy Maguire of New Jersey, who has spoken out against apartheid for more than twenty years will not be part of the new Congress. Neither will my friend John Anderson, whose consistent views on foreign policy and human rights would have given a great boost to our aims if he had been more successful in his campaign for the presidency. Those of us who remain in the 97th Congress will continue to press the new Administration for policies that will facilitate your efforts to accelerate change in South Africa. But what sort of change should we envision, and what sort of policies should we pursue?

Up to the present time much of what the United States has done to put pressure on the government of South Africa for change has been largely symbolic. There is the U.N. imposed arms embargo, the refusal to use the Simonstown naval facilities, the refusal to recognize artificially created states, encouragement for the end to petty apartheid regulations, the establishment of codes of conduct for American corporations in South Africa—all of which are mainly symbolic in nature or treat only the symptoms rather than the roots of the apartheid system. Nevertheless, even this much is reflective of a considerable change and considerable progress in a short time for a nation like ours, where as recently as 1955 a black woman in Alabama was arrested for refusing to rise to give her seat to a white man on a public bus.

Meanwhile the situation in South Africa has changed as well, to some extent for the better but to a much greater extent for the worse. Even under an Administration that claims to be restraining the Verkramptes, massive arrests continue, filling the prisons of South Africa with journalists, teachers, writers, and many hundreds of black, white and colored South Africans concerned about the future of their country. The example of revolutionary change in Zimbabwe has been taken by some as a signal for leaving the evolutionary path toward change, but there is also the lesson of the conference table and the ballot box in the example of Zimbabwe. Some cosmetic changes have appeared, but the Pass Laws still remain. The arbitary provisions of the Terrorism Act still remain, and men like Nelson Mandela remain in prison. Prime Minister Botha's answer to all this is a homelands policy, a "constellation" of states which it is alleged will correct and justify all past inequities.

I recall a meeting that was arranged last year in Washington in which about a dozen other liberal Members of Congress and I met with twenty-three South African parliamentarians who were visiting the United States. As you can imagine it was a very tense meeting. I felt a little like an early Christian being given a tour of the lions' den. But the ice was broken by a member of the Nat Party who almost immediately began to lecture us (as soon as one of his colleagues had finished raking us over the coals for our past mistreatment of the Indians) on the homelands policy. It was, he said, just the same as the early formation of the United States from the 13 original colonies. He may have believed that it was, but to all of us it was all too clear that the process he was describing—breaking up an already unified State into a number of artificial "homelands" only to reunite them in a loose confederation in which all the wealth of the whole would repose in the hands of one "white homeland"—was certainly not what Washington and Jefferson had had in mind.

Well, what positive steps can America take to put pressure on men like these for change? Our leverage is limited. The unity of will on the part of our people and government is limited. Our options are, therefore, also limited. Nevertheless, there are specific targets that can be selected, specific goals that can be set with some hope of success. As a member of the Ways and Means Committee, which deals with taxes, and the Subcommittee on Trade, which deals with international import and export, I am becoming more and more convinced that economic pressure is the most effective kind of pressure. On the international level that means the exertion of pressure where possible on the economy of South Africa, which as we all know is currently flourishing and becoming immune to outside pressure in many areas. As I have said, our options are limited. Many of us talk about sanctions or further embargos against the government of South Africa, but I will tell you now quite frankly that I am not confident that any sanction measure of that type would pass the new Congress that will begin the business of legislating the laws of our nation when we return from this conference. Any measure of that type would first have to pass the Ways and Means Committee of the House, a committee I serve on and know well, and it would have to be accepted by the Finance Committee in the Senate under its new Republican leadership. It would be unfair to raise false hopes that such a proposal would have any practical chance of success in the new Congress.

But that is not to say that there are not other positive steps that can be accomplished in the next two years. I believe that significant gains can be made through government encouragement of the private sector in the United States to take a role in African development. To a great extent the pressure which might be put on South Africa by her neighboring states is nullified by the fact that their own economies are largely tied to that of South Africa. That is one reason among many why it should be a goal of the United States to assist African nations in creating an interdependence among themselves, apart from the inevitable ties to the South African economy and allowing for the gradual weakening of those ties. At the present the front line black nations of Africa need South Africa as a supplier of goods and services and as a market, but it should be remembered that South Africa also needs them. As time passes, it may be hoped that the trend will be toward the latter aspect of that need-supply equation. I believe that this is something in which America can help through investment, through loans, and through development aid, particularly in the areas of transportation, roads, communications, ports and trade. The stronger the economic base and the interrelationship of black African nations opposed to apartheid, the stronger the pressure they can exert upon South Africa will be.

Within South Africa this same postulate is true. The stronger the black economic base, the more unified the black spokesmen and women in their demands, the more weight those demands will carry. This is another area in which I believe the United States can help. If South African blacks are to move forward and take leadership positions in trade unions, urban councils, business, community, church and political organizations, as they must do, improved educational opportunities are essential. Improving education for blacks at home is, of course, the first priority, but the United States can also help in the field of higher education or specialized education by increasing the opportunities for black South African students to study abroad and then return to leadership roles in their own communities. My friend Congressman Andy Maguire proposed a program with this goal in mind during the last Congress, and I intend to pursue it further.

There is also considerable potential in the area of encouraging American business to act privately in aiding black business, agricultural and commercial development in South Africa. Projects like the recently announced plan under study by the Bank of America to finance a $500 million redevelopment of the black township of Alexandria near Johannesburg should be encouraged. It is encouraging simply to see representatives of the Bank of America sitting down to discuss such a project with the Institute of Race Relations and Soweto's Committee of Ten. Though projects like this are, and should be private sector agreements, I would like to see them aided by U.S. government initiatives, perhaps involving preferential treatment in consideration for Exim Bank guarantees. As I see it, if the United States can help the black leaders of South Africa build an economic and political base which marks them out as obvious negotiating partners, then the Americans, the Europeans and the nations of black Africa can work together with more hope of success in pressuring the South African government to negotiate meaningful change for the first time. As long as they do not feel that they have to negotiate, as long as they feel they can argue that there is no unified, identifiable black leadership with whom to negotiate, they will not negotiate. For those of us in the United States who are committed to seeing an end to apartheid, it should be our task to help create that need and to help you to build that leadership.

On the human rights front, of course, those of us in this congressional delegation and many others will continue to speak out. When we see freedom of the press violated and journalists dragged before magistrates we will continue to demand answers from the South African Ambassador in Washington and the Minister of Justice in Pretoria. The Congressional Monitoring Group on Southern Africa, a group of 50 concerned Members of Congress—now somewhat reduced in numbers, I'm afraid, by the November elections—will continue to monitor the fate of political prisoners and banned persons in South Africa. This group, of which I am a coordinator, was formed in 1977 After the death of Steven Biko, and we began our prisoner adoption program last year. As unfortunate as it is, there is no doubt that such a project will still be needed this year and the next, as political prisoners in South Africa remain an ever increasing breed.

In conclusion, if asked for a prognosis of what blacks in South Africa seeking alternatives for change should expect from American policy in the future, perhaps I would first try to avoid answering, because I am not entirely optimistic about the answer. But if pressed, I would give the answer that I am not entirely pessimistic either. Hard times are ahead for those in the Congress who seek to bring human rights considerations to the fore. I believe that we will be on the defensive in many instances in the next four years in arguing this case, as we will in arguing for foreign aid or for many of the domestic social programs that American liberals have championed in the past. It will be difficult for us to begin new initiatives with regard to Africa, or Latin America or other parts of the developing world. It may be difficult for us just to hold the line.

It is not for me to guess what American policy toward Africa will be under President Reagan and General Haig, presuming his nomination as Secretary of State is confirmed. The Republican party has never really had an Africa policy in the past, in my opinion. Dr. Kissinger paid very little attention to the African continent until the civil war in Angola—as far as I know, he is the only American Secretary of State to discover Africa by way of Cuba! Under the Reagan Administration I would expect a certain element of Realpolitik, a feeling that the United States should support any government in which we have an economic or strategic interest. It will, therefore, be the job of liberals in the Congress to argue that the case with regard to the government of South Africa is just the opposite. The mineral resources and economic strength of that strategically located country will in the long run be controlled by the legitimate black majority of that nation. That is the basis on which any policy of true Realpolitik should be based. And American policymakers must be made to realize that it is in our hands now to determine by our actions and attitudes what our future relationship with those black South African leaders will be.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

KIWANIS CLUB OF FARMINGDALE, N.Y.

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. CARMAN. Mr. Speaker, while our brave hostages were suffering for over 14 months in Iran, there were some quiet heroes, here at home, who deserve our thanks for a job well done. I am referring to members of the Kiwanis Club of Farmingdale, N.Y., my hometown. Every Saturday, rain, snow, or shine, the members of this fine civic group flew U.S. flags along Main Street in Farmingdale to remind everyone that our diplomats and military people were still being illegally held in Iran.

Even before the hostage crisis, the Kiwanis Club was showing the colors. Flag holders had been mounted on parking meters along Main Street so that "Old Glory" could be displayed on various holidays. After the hostages were taken at the U.S. Embassy in Iran, Kiwanis Club members decided to hold a hostage vigil by flying the flags on Saturdays until our people were set free.

Mr. Speaker, it gives me pleasure to see that things are now as they were over 444 days ago. Our ex-hostages are prisoners no more and the Kiwanis Club can reserve its flags for regular holidays. I wish to commend the club for inspiring our community to "rally 'round the flag" during the dark days when our people were being held like prisoners of war.●

A. A. McCANDLESS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. LEWIS. Mr. Speaker, today I rise to honor A. A. "Al" McCandless, supervisor of the fourth district of Riverside County, who has served for the past 4 years as chairman of the South Coast Air Quality Management District Board. At the end of his two-term chairmanship, Mr. McCandless is to be commended for his dedication, hard work, and the wide-ranging accomplishments of the South Coast Air Quality Management District under his direction.

These regional air quality districts were implemented just 4 years ago, based on legislation which I introduced in the State assembly. Under the supervision of this able and dedicated man, the South Coast Air Quality Management District merged four independent county air pollution control agencies—for Los Angeles,

Orange, Riverside, and San Bernardino Counties—into one regional agency with uniform procedures and consistent rules. The south coast district is one of the largest and most innovative agencies of its type in the Nation. Today, this district is an outstanding example of the major role which local governments, working together, can play in solving significant public problems.

The south coast district prepared, coordinated and adopted a comprehensive air quality management plan to serve as a blueprint for clean air for the south coast air basin. This plan is so well designed that the Environmental Protection Agency has referred to it as an example for other nonattainment areas to follow.

Implementation of this plan has led to significantly improved air quality in the region and greater public understanding of air pollution. These goals were accomplished using various methods. Dramatically reduced emissions from industrial sources are the result of air pollution control rules which required the installation of the most advanced control equipment and procedures. A revolutionary emission fee program has eliminated the agency's dependency on property taxes by placing the primary burden of financing their work on major industrial emitters instead of the public. A thorough system for monitoring air quality, reporting air pollution conditions, and for conducting research has been established and developed.

The district board has been sensitive to the public's needs as well. The south coast district opened several field offices to serve the public and monitor air quality; they established a small business assistance office to assist small businesses in complying with increasingly stringent air quality control rules. The board formed a 30-member advisory council representing industrial and environmental concerns to advise the district on air quality planning and technical matters. And, they have developed a school communications network to advise schools to reduce student physical activities during smog episodes. The list of accomplishments could continue on and on.

Chairman Al McCandless' leadership has served the South Coast Air Quality Management District and the public it serves in a commendable manner. We accept the end of his terms as chairman with mixed emotions—sad that it must end, but happy to know that we will still benefit from his hard work and loyal service as a full and participating member of the district board.●

INVESTMENT TAX CREDIT FOR REHABILITATED BUILDINGS LEASED TO TAX-EXEMPT OR GOVERNMENTAL ORGANIZATIONS

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. ROSTENKOWSKI. Mr. Speaker, in the closing days of the 96th Congress, a number of miscellaneous tax bills were passed which contained approximately 62 different provisions. One of these bills, H.R. 7956, originally passed the House with a section allowing the investment tax credit for rehabilitated buildings leased to tax-exempt or governmental organizations. However, the Senate amended H.R. 7956 to delete this provision. Subsequently, the House disagreed with the Senate amendment, and insisted on retaining the rehabilitation credit. The Senate concurred in the House amendment, but due to a clerical error involving its enrollment, the bill as sent to the President and signed into law as Public Law 96-605 did not contain this provision.

It is clear that both the House and the Senate believed they were agreeing to H.R. 7956 with the rehabilitation provision included. Therefore, it is my intention and hope to proceed expeditiously to rectify this oversight in the 97th Congress. It will be necessary to reintroduce the rehabilitation provision this Congress, either as a separate bill or as part of a measure making technical corrections to tax legislation enacted in the 96th Congress.

Regardless of which approach is used, I am hopeful that this provision will receive the prompt attention of the new Congress, so that those taxpayers who have acted in reliance upon it or anticipated its enactment will not be penalized by an unintentional clerical error. In this regard, I anticipate that careful consideration will be given to retaining the effective date of the original legislation so as to afford taxpayers appropriate relief.●

HON. EMANUEL CELLER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. STOKES. Mr. Speaker, I would like to thank the gentleman from New York (Mr. ADDABBO) for reserving this time so that Members of the House of Representatives can pay tribute to a former Congressman who was this body's greatest champion of justice, human decency, and civil rights—the Honorable Emanuel Celler. As we all know, Mr. Speaker, Emanuel Celler died Thursday, January 15 at the age of 92.

It is only fitting that we pause at this juncture to pay homage to a man who during his 50 years in Congress gave hope and a fair chance to those who were hopeless and shackled for so many years by this society's prejudices and inequities. Undoubtedly and appropriately, history will credit Emanuel Celler as the chief architect and primary advocate of the major civil rights legislation in this Nation.

Mr. Speaker, Emanuel Celler was the undisputable guiding force who took the struggle for equality and civil rights from the demonstrations, sit ins, and marches in our Nation's streets to the Halls of Congress. He then became the tower of strength and conscience needed to push major civil rights legislation through both the House and the Senate at a time when his efforts were given only a token chance of success.

Courage, foresight, compassion, and leader amongst leaders—all of these words characterize the man who in 1957 wrote and shepherded into law the first comprehensive civil rights legislation in the Congress since Reconstruction. Emanuel Celler went on to become the author of the more comprehensive 1960 Civil Rights Act.

Refusing to rest on what many people called remarkable achievements in the area of civil rights, Emanuel Celler through his position as chairman of the House Judiciary Committee went on to serve as the major strategist for the passage of the 1964, 1965, and 1968 Civil Rights Acts. During this time, Mr. Celler was engaged in many floor battles on behalf of the legislation. Mr. Speaker, many of my colleagues may recall at the age of 75, Emanuel Celler waged an impressive battle on behalf of the 1964 Civil Rights Act. Armed with his legendary oratory and wit, he led a 2-week debate that held together the farthest reaching civil rights bill ever written. The measure covered desegregation in education, employment, public accommodations, and other basic aspects of life.

After the House passed each civil rights bill, Mr. Celler went on to tackle the Senate Judiciary Committee which at that time was dominated by southerners who traditionally kept legislation of this kind bottled up in committee. In every instance, he pressured the Senate to pass the bills despite the opposition of some of the Senate Judiciary Committee members and the threat of filibusters and other tactics.

In addition to his achievements in the area of civil rights legislation, Mr. Celler is noted for his work with four constitutional amendments. The first amendment allowed the citizens of the

District of Columbia to vote in Presidential elections. The second amendment effectively banned the levy of poll taxes in Federal elections. The third was an amendment on Presidential disability and succession. The fourth lowered the voting age to 18.

Additionally, Mr. Celler was associated with over 400 laws which passed the House including a measure abolishing the use of national origins in setting immigration quotas and the Celler-Kefauver Antitrust Act of 1950 which tightened existing laws.

Mr. Speaker, Emanuel Celler was a bulwark of human decency in this Congress and in this Nation. His achievements in the area of civil rights legislation stand as a lasting monument to his greatness as a legislator and human being.●

THE HOSTAGES SHOULD BE COMPENSATED

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BINGHAM. Mr. Speaker, I would like to add my voice to those expressing deep relief at the freeing of our former hostages in Iran and heartfelt appreciation to those United States and Algerian officials who were instrumental in securing their release. However, I also firmly believe that the U.S. obligation to these brave men and women does not end here. They have suffered danger and extraordinary hardship for over a year. Some were condemned to solitary confinement, others were beaten and tortured. All endured extreme deprivation in their daily living situations.

More than 1 year ago, I introduced House Concurrent Resolution 221, cosponsored by Representatives ZABLOCKI, BROOMFIELD, FASCELL, and Buchanan, expressing the sense of Congress that, once the hostages had regained their freedom, they should receive appropriate compensation for their extraordinary ordeal. This resolution was approved unanimously by the House Foreign Affairs Committee and passed the House on December 18, 1979, by the overwhelming majority of 369 to 4. Furthermore, when the Hostage Relief Act of 1980 (H.R. 7085) was adopted last September, the report language made it clear that the benefits contained therein by no means precluded consideration of further compensation at a later date. Thus the Congress is clearly on record that the hostages should receive generous financial recognition.

The takeover of our Embassy in Tehran was a unique and unparalleled situation, and America's response must be appropriate to discharge our obligation of honor to the hostages and their families. We must avoid repetition of the unfortunate situation which occurred in Vietnam, when military and civilian prisoners alike received only an extra $5 per day for their time spent in captivity. I am aware that in his final hours as President, Jimmy Carter signed Executive Order 12285 setting up a Presidentially appointed Commission on Hostage Compensation to make recommendations within 90 days as to whether legislation to deal with the foregoing compensation issue is appropriate and, if so, as to what such legislation should provide. In light of Congress response to my resolution, the propriety of legislation granting compensation should be clear. The administration's task at this time should be to recommend to Congress the proper amount of compensation as well as procedures to be adopted to protect the future careers of the former hostages. The State Department should begin to consider these questions now, rather than wait for a Commission report which may never see the light of day. Representatives BROOMFIELD, FASCELL and I wrote to Secretary of State Haig on January 23, apprising him of Congress willingness to meet its responsibilities to the hostages as demonstrated in the response to House Concurrent Resolution 221 and the report accompanying H.R. 7085. We have requested an early report of the administration's intentions and recommendations.●

UKRAINIAN INDEPENDENCE DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. RODINO. Mr. Speaker, last Thursday marked the 63d anniversary of the Declaration of Independence by the Ukrainian people, who continue their long and bitter struggle for national self-determination.

The Ukrainian people have a long history of resisting imperialism and colonialism. In April 1917 the Ukrainians formed the National Ukrainian Congress in the hopes of gaining their national independence while Czarist Russia was in revolution. On June 23 that same year the elected council of the Ukrainian people proclaimed an autonomous Ukrainian Republic, with a national army, judicial system, administrative agencies and schools. This Government was recognized by many foreign countries. Within 2 years all Ukrainian lands were proclaimed free and they united into one sovereign nation. The Ukrainian people fought gallantly against Soviet forces for over 2 years to protect their freedom, but the Soviets reoccupied the Ukraine in the summer of 1920 and they have maintained control ever since.

As a result, the Ukrainian people have been the victims of religious and political persecution and the denial of personal freedoms. Their quest for national self-determination continues.

In America we are fortunate to have over 1,200 local Ukrainian-American organizations which help to preserve the Ukrainian heritage and culture in America and strengthen our democracy. I am proud of the Ukrainian-Americans living in New Jersey's 10th Congressional District, which I represent. Their contributions to our society reflect the richness of their culture and their personal commitment to democratic principles.

As Americans we should join in commemorating Ukrainian Independence Day by reaffirming our commitment to the defense of human rights around the world and recognizing those whose struggle for freedom and liberty has not ended.●

SOLVING OUR ECONOMIC ILLS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. MILLER of California. Mr. Speaker, last week I shared with the Members of the House a portion of the recent article by economist Emma Rothschild concerning our lagging economy and declining productivity. In this article, Dr. Rothschild critically examines the Reagan economic agenda and illustrates some serious shortcomings which could produce results directly contrary to those the new President anticipates.

I would like today to share with you the conclusion of that article:

How welcoming is this environment for Mr. Reagan's economic policy, founded as it seems to be in the hopes of industry, of sector IA? The industrial sector is easily surpassed, in employment, by sector II; it is surpassed in total output and in output per employee in sector IB. Only the most prodigious expansion of industrial production, therefore, would suffice to invigorate the entire economy.

Consider, for example, the consequences of a more dynamic industrial performance in the 1970s. Let us double the 1973–1979 rate of growth of output per employee in sector IA—0.615 percent per year—keeping all else constant, and call this hypothetical dynamic economy D-growth. In this outcome, 1979D output per employee in IA would be $16,913 instead of the actual $16,275. But the total growth rate of output per employee would have increased only to 0.261 percent per year; just the same, in fact, as under our earlier hypothetical outcome (1979N) where employment in sector II grew at no more than its "normal" historic rate.

Or imagine the transformation that would have been required in IA in 1973–1979 to shift the private economy not to a paltry 0.2 percent annual growth rate in output per employed person but to its historic rate, for

1947–1973, of 2.055 percent per year. Such a shift, with conditions in the other two sectors held unchanged, would have required an increase in IA output per person employed to $32,297 in 1979$ (outcome S for super-dynamic). This would imply an annual growth rate of over 6 percent from 1973–1979$: more than twice the historic growth rate of output per employee in this sector, and ten times its actual growth rate.

A "supply side" enthusiast might answer, to these considerations, that the recent emphasis on traditional industry is no more than political rhetoric; that the Republicans once in office will care not at all whether their economic recovery comes about in sector IB, sector IA, or sector LXXXIV. Supply-siders—like their opponents and mirror-images, the "demand-siders" or Keynesians—are unconcerned with the real industries and workers and technologies that constitute an economy. They prefer to live among the abstractions of economic theory and economic politics, whether of "supply" and "expectations" or of "effective demand."

But the primacy of traditional industry, of IA, is not easily ignored. If the economy were to expand in sector IB, employment would be unlikely to increase fast. And the characteristic behavior of IB corporations—immense semi-public utilities, bus companies and truckers, financial corporations, AT&T—is hardly that of the sensitive, even skittish entrepreneurs, the investors in new factories and equipment to whom the Republican policy is addressed. Yet if growth of output and employment continues to expand in sector II, then the present problems of inflation and low productivity growth will be compounded.

There seems a very reasonable chance, in sum, that the Republican inspiration will not bring about rapid, noninflationary growth and increased productivity; that the spirit, fizzling rather than blazing, will not be equal to the constraints of domestic structure and international recession.

The Reagan program in these conditions is likely to be wildly inflationary. And the military spending to which the new government is committed will exacerbate such tendencies. The Republicans do not discuss the economic consequences of remilitarization; nor are they likely to, given their conviction of the priority of defense, which transcends the banal calculus of economic costs and benefits. But the military boom of 1981 is likely to bring all the problems of previous expansions with few of their benefits. The two periods of greatest military expansion were both times of rapidly accelerating inflation. Thus the Korean War boom began in 1950, when inflation was 1 percent; in 1951 inflation was over 8 percent. The Vietnam War-related military boom began in 1966, when inflation was less than 3 percent; since then, inflation has averaged 6 percent per year.

At the same time, the employment effects of increased military spending will be dampened in the 1980s by the overall structural changes in the economy. The "defense products industries" are only a minor subdivision of our sector IA: together they employ fewer workers than they did in 1967, and only a third as many people as are employed in eating and drinking places. The Defense Department employs less than two thirds as many people, military and civilian, as it did in 1967, and its purview is unlikely to increase. Does Caspar Weinberger want more civilian bureaucrats? Does the Middle East Rapid Deployment Force want more quartermasters, or more missiles?

The proposed military expansion seems organized to maximize the economic costs of defense, and to minimize its economic benefits. It will favor nuclear missile "systems," submarines, planes, and other "big ticket" items. But spending of this sort requires large numbers of scientists and engineers and construction workers; it requires relatively few manufacturing workers. The MX missile system, or a substitute costly project, would provide some employment, and inflation, in Cambridge, Massachusetts; it would also provide considerable inflation and employment for low productivity construction workers in Utah and Nevada. But it would not provide jobs for unemployed steel workers. MIRVed experimental missiles are not bolted together in assembly lines.

What will the Republicans do if their policies lead them into higher inflation and unbalanced budgets? Their most likely recourse will be to the conventional conservative remedy of recession. The old conservatism represented in the Reagan cabinet by Mr. Regan and Mr. Weinberger has its acrid but available medicines: control the money supply, increase taxes (or limit tax cuts), hack with ever greater frenzy at nonmilitary government spending. There is a recent precedent for the repression of neoconservative exuberance. Mrs. Thatcher came into office determined to cut taxes and inspire the "spirit" of British entrepreneurship, but has retreated to the purest policies of victory through recession.

Such conservative orthodoxy could bring about the second great danger of the Reagan economic policy, namely a collapse of employment throughout the economy. The 1970s seem to have confirmed the experience of the postwar period, that employment in sector II is immune to the vicissitudes of the business cycle. Employment in services and to a lesser extent in retail trade changes, on this view, according to a long-term growth path. And the recent dominance of sector II employment has indeed been countercyclical in just this sense. From 1974 to 1975, employment in sector I fell by 2.4 million jobs; employment in sector II increased by 0.5 million jobs. Similarly during the recession of 1980. From July 1979 to July 1980, employment in I fell by 1.3 million jobs, while employment in II increased by 0.8 million jobs.

But there are reasons to doubt whether the resilience of retail and services employment will continue into the next one or two recessions of the 1980s. First, because services employment has not in the past been immune to cyclical declines, if the cycles in question are sufficiently great. Second, because there may be special characteristics of the new employment which make it particularly vulnerable to the special recessions which lie ahead.

The ominous precedent is 1929–1932. The 1920s were a period of rapid expansion in the equivalent of sector II: trade and services together accounted for 77 percent of all new private employment from 1920 to 1929. But many of these jobs were lost after October 1929. From 1929 to 1932, employment in retail trade declined almost as much as did employment in the entire economy, and employment in services also declined substantially. In some services—particularly frivolous ones, like hotels and "amusements"—employment declined even more than it did in the economy as a whole.

It is also plausible to suppose that sector II employment will be particularly vulnerable even to milder recessions in the 1980s. This is so, above all, to the extent that the next recessions will be accompanied by cuts in civilian government spending. One apparently "recession-proof" sector, state and local government, has already been affected. This sector accounted for over 40 percent of all new public and private employment in 1973–1976 and less than 10 percent from 1976–1979. And other retail and service activities may be affected directly and indirectly by spending cuts. Each of the "Big Three" employment-intensive industries of the 1970s could be vulnerable to a combination of recession and government cutbacks.

The expansion of employment in eating and drinking places seems to be closely linked to long-term trends: more people live alone (and are far more likely to eat out than are "multi-person households"); more women work (and families with working wives spend more money on eating out). But output in eating and drinking places is also sensitive to changes in real per capita income: it stagnated in 1959–1961, for example, and also in 1973–1974. In the next recession, this sector might behave like the "frivolous" services of the early 1930s. People might treat eating out, even eating hamburgers, as an amusement and not a necessity. There could also be an adverse multiplier effect having to do with the long-term demographic trends. If a recession in the 1980s led to lay-offs of women workers in such "feminine" activities as local government, health services (and eating places themselves), then the demand for meals might contract further.

There might also be tendencies within the eating and drinking industry which will affect employment. Productivity growth in eating places was much less rapid in the 1970s than in the 1960s, but might increase again. Large chains—notably in fast food—are particularly adept at labor-saving innovations: the pre-frozen portions, automatic frying baskets, and continuous flow broilers which transform cooks into unskilled materials handlers. A recession could lead to the bankruptcy of small restaurants (and even small fast-food chains), and a concentration of employment in more efficient operations. Will the deserted Burger King (or Milkshake Queen) be as common in the 1980s as the closed-down gasoline station of the 1970s?

The boom in business services is also a consequence of persistent trends. Corporations now contract out jobs such as copying, data processing, mailing, cleaning. This is to some extent a function of technological change and the onward march of the division of labor: business uses more data processing, for example, and specialized companies are efficient providers of computer services. But it is also related to social trends. Large corporations may find it easier to send out copying and bring in cleaners; their suppliers are obliged to manage part-time and temporary workers, many of them women.

Business services depend none the less on the overall business environment. In a recession, corporations could retrench, compelling their own employees to do more photocopying, and cutting back on temporary help. Here again, there are small and perhaps vulnerable companies, and many vulnerable short-time employees. There could also be a further multiplier effect, in, for example, the "personnel supply" establishments which provide temporary workers for other business services.

Medical services seem the most inexorable of the three big industries. Americans are

getting older and they show few signs of wanting less health care; they are not less sick in a recession. Private health services (which employed some 400,000 people in 1929 compared to five million now) were scarcely affected by the collapse in employment in the 1930's. But medical services are also among the private industries which will be most hurt by reductions in civilian government spending.

Senator Richard Schweiker (R-Pa), the Secretary-Designate of Health and Human Services, has announced an assault on "abuse" in Medicaid, and has said that Medicare could save money if more people were looked after at home. His colleague Senator Pete Domenici (R-NM), the incoming chairman of the Senate Budget Committee, agrees that "nothing's immune—indexed programs, entitlements, the whole works." Such budget cutting could affect employment in all the private activities which have grown up around the semi-private health care system: for example in the million-employee "nursing and personal care facilities" business. Here too, as in other services, there are small companies which might go bankrupt. And there are four million women workers, who unemployed might return to unpaid cooking, cleaning, and nursing: the reverse multiplier once more.

The Reaganites are probably right to be preoccupied with an economic "spirit." Marx conveyed the theatrical and irrational character of capitalist inspiration. The Cambridge economist Nicholas Kaldor once criticized Schumpeter's tendency to explain economic growth by recourse to a "stage army of entrepreneurs"; he too conceded the importance of what Keynes called the "animal spirits" of investors.

But the conservatives are dangerously wrong when they invoke an old spirit—"the spirit . . . still there"—and old American industries. For changes in the structure of the American economy have brought equivalent changes in expectations, in the structure of entrepreneurial spirits.

The growth of employment in what we called sector II corresponds to persistent social and economic tendencies. At a superficial level, we can see that the economic booms of the 1970s were related to the multiple "crises" of American society: eating places and the crisis in the family; business services and the crisis of the corporation. But the expansion of sector II also has deeper origins.

Two of the essential institutions of modern capitalist growth are intimately concerned: the system of reproduction of the labor force, and the corporation. The family, it seems, is increasingly incompetent to sustain the reproduction of educated, healthy workers. Women's work is multiplied by the isolation of small families; women themselves join the commercial labor force; many work for the small fly-by-night companies of sector II. These problems are exacerbated by the demographic tendency toward an aging population. In 1968, 9.6 percent of the American population was over 65; in 1978 the proportion had increased to 11 percent. And most elderly Americans—unlike Donald Regan (Sixty-two), Caspar Weinberger (sixty-five), William French Smith (sixty-two), Ronald Reagan (sixty-nine)—are not chosen for well-paid and respected jobs; many are consigned to the ignominy of "personal care facilities" and the declining family.

At the same time, the corporation is faced with two different assaults. On the one hand, it is ill suited to fulfilling the new needs of the labor force for familial and other services. On the other hand, the sector I monolith of Alfred Sloan's imagination is equally unsuited to employing part-time and temporary workers, young people, old people, and women.

These problems are by no means unique to the United States. Sector II-type employment is increasing throughout the advanced industrial world, although different countries have arrived at different patterns—for replacing the extended family with public or private employment, with the welfare state, or with nursing homes and fast-food restaurants. Mr. Reagan's conservative nostalgia for an old industrial spirit is itself not new: he echoes the hopes of (ill-fated) conservatives in two other sector II countries—Thatcher in Britain and Fälldin in Sweden.

The capitalist solution, in the long term, will be a new entrepreneurship to "industrialize" sector II. Certain service activities will become far more mechanized; others will be detached from the retail and service sector and reattached to sector IA. We can see the outlines of this process in the electrostatic frying baskets of the fast-food industry, or in the instant meals, the pangiandular biscuits of Brave New World. In medical services, there will be more institutions like the Swedish hospital for long-term care, with a swimming pool and comfortable cafeteria, but where the patients were sent to bed early because there were too few staff to keep the facilities open.

The industrialized service economy may be dismal. It will evoke capitalist spirits of a different sort: vicious feminine entrepreneurs, Frederick Winslow Taylors of the kitchen and the hospital. The transition to a humane post-sector II economy is in some respects the most profound political problem for progressive governments in Europe or, some day, in the United States.

But in Mr. Reagan's America, the transition may be cruel in another sense. For it may require the convulsive decline in employment to which we pointed earlier: the disintegration of the existing sector II. The employment boom of the 1970s in the United States was extremely odd. The US is historically far more brutal, in its "normal" levels of unemployment, than are its main competitors. In the 1960s, average unemployment was over three times as high in the US as in Japan, West Germany, or France. In the 1970s, however, unemployment rates increased far less in the US than in these other countries (except Japan). By 1981, unemployment rates in France, West Germany, and Britain will be five times their 1960s levels, but less than twice their 1960s level in the United States.

Mr. Reagan's initial economic policies are unlikely to bring the high productivity, noninflationary growth he seeks. His next set of policies—his next economic emergency, not for Inauguration week but for a recession months or years from now—may lead back to even higher levels of unemployment than were previously accepted. The employment expansion of the 1970s, of the Carter years, was bizarre: compassionate, androgynous, not characteristically American. There may be far worse to come.●

DAY OF MARTI

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. PEPPER. Mr. Speaker, I would like to bring to the attention of my colleagues a bill I am reintroducing, to authorize and request the President to proclaim January 28, 1982, as "Day of Marti, Apostle of Liberty."

Jose Marti was founder of the democratic tradition of Cuba at the beginning of this century, a man who cherished liberty and the ideals for which our Nation also stands. Not only as one of the greatest poets in the Spanish tongue but also as politician in exile in New York City and as guerrilla martyr for the cause of freedom, he served to glorify the dignity of his people and our common goal.

The memory of Jose Marti, which stands today as a reminder of the terrors of oppressive government in Cuba and of the desire of its people to be free, ought not to be forgotten in this land of a renewed Cuban exile. Let us join in support of the memory of such an outstanding man of present and past history as Jose Marti.

The joint resolution follows:

Joint resolution to authorize and request the President to proclaim January 28, 1982, as "Day of Marti, Apostle of Liberty".

Whereas the contributions of Jose Marti to the cause of liberty, freedom, and the self-determination of peoples of the world are worthy of the praise and admiration of mankind;

Whereas the Cuban people derived their independence from colonial government much as a result of the efforts and inspiration of Jose Marti; and

Whereas Jose Marti is remembered as "The Apostle of Cuban Independence" by hundreds of thousands of Cubans and Cuban-Americans residing in the United States who contribute richly to the life of our Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating January 28, 1982, as "Day of Marti, Apostle of Liberty", and calling upon the people of the United States and interested groups and organizations to observe such a day with appropriate ceremonies and activities.●

H.R. 7, THE CAPITAL INVESTMENT INCENTIVE ACT OF 1981

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. HEFTEL. Mr. Speaker, on January 5, 1981, my colleague BILL FRENZEL and I introduced H.R. 7, the Capital Investment Incentive Act of 1981.

This legislation reduces the includable portion of capital gains from 40 to 30 percent, thereby reducing the maximum capital gains tax for individuals from 28 percent to 21 percent.

Under present law, 40 percent of capital gains income is taxed at rates of up to 70 percent, the maximum rate on so-called unearned income, resulting in a top capital gains rate of 28 percent. The bill also reduces the statutory tax rate on corporate capital gains from 28 percent under present law to 21 percent. For corporations, however, the existing "add-on" minimum tax limits the apparent 7-percentage-point reduction to about 4 percentage points.

Our proposal is a significant step toward further reduction of the tax bias against saving and investment. Equally important, it will help to restore our country's proud record of economic growth, long eroded by high taxes, inflation, and the burdensome costs of government regulation.

1978 CAPITAL GAINS TAX CUTS

The first step toward ameliorating the high taxation of capital gains was taken with the Revenue Act of 1978. This legislation reduced the top tax rate on capital gains from approximately 49 percent to 28 percent for individuals and lowered the alternative tax rate for corporations from 30 to 28 percent. Thus far, the economic response to these reductions has been dramatic.

The 1978 capital gains tax cut encouraged individuals to reenter the stock market, providing needed equity for American business. According to a recent New York Stock Exchange (NYSE) survey, 6.5 million individual investors entered the stock market between June 1975 and June 1980, causing a net increase of 4.6 million shareholders. 22 percent of this 18.1-percent increase consisted of investors entering the market for the first time, as compared with first-time investors of 9 percent in the 1970 to 1975 period.

The capital gains cut also had a significant effect on the number of stock issues for firms going public for the first time. According to Meredith Young, editor of the venture capital industry publication Going Public, new issues amounted to a yearly average of less than $225 million in the 3 years before the 1978 cut. In 1979, new issues rose to $506 million, and preliminary estimates show that in 1980, new capital raised through initial stock offerings exploded to a level of about $1.35 billion.

Accompanying this tremendous increase in initial stock offerings was an increase in activity for all stocks. Standard and Poor's 500-stock index rose 41.6 percent between April 13, 1978—the date the Steiger bill to lower the tax on capital gains was introduced—and September 16, 1980. For the same period, the American Stock Exchange, home of many small- and medium-sized firms, fared even better, as the AMEX index increased 155 percent. These increases have occurred despite the uncertain economic climate.

Thus, the 1978 capital gains tax cut has resulted in higher equity values, increased common stock purchases, and more initial stock offerings. The reduction stimulated an increase in venture capital investment—investment that is sorely needed to maintain our international position as a leader in new products and industry. Further reductions in the tax rate on capital gains will encourage production investment and stimulate additional venture capital activity.

HIGH TECHNOLOGY

The level of taxation of capital gains can have a significant impact on research and development and on American leadership in new technology.

In the past, the United States has been the world leader in technology. To maintain this position of leadership, our research and development (R. & D.) expenditures must increase. However, expenditures for R. & D. in the United States have fallen while other international competitors have been increasing expenditures. According to a McGraw-Hill economics report, "America in the World Economy," November 1980, R. & D. as a percent of gross national product in the United States declined by roughly 20 percent between the 1960's and the 1970's. During that period, R. & D. as a percent of total output increased in Germany and Japan. Some experts, including Dr. Paul E. Gray, president of the Massachusetts Institute of Technology, in the New York Times, October 8, 1979, have cited our high taxation of capital was one of the major reasons for America's faltering technological leadership.

Evidence to date suggests that the 1978 capital gains tax cuts have resulted in a burst of activity in the venture capital market. According to statistics provided by the American Council for Capital Formation, venture capital investment increased from an average of $325 million per year in the 3-year period prior to the cut, to $550 million in 1978, and $1 billion in both 1979 and 1980.

The venture capital market is a vital source of funds for entrepreneurs who, because of their inexperience or size of operation, are unable to get financial backing from conventional sources. Thus, by facilitating the growth of innovative firms, the venture capital market helps to finance the IBM's and Xeroxes of tomorrow.

REVENUE ESTIMATES

In the 97th Congress, budget restraint must be kept uppermost in our minds as we determine the makeup of a program of tax cuts. We must be selective in the types of tax cuts that are enacted—tax cuts in 1981 must convey benefits which substantially exceed their costs. I believe the significant increase in economic activity engendered by reductions in the capital gains tax rate justifies further rate reductions at this time. The cost of the Capital Investment Incentive Act of 1981 must be measured in terms of its ability to generate investment activity, not simply in terms of "static" revenue cost.

There are three revenue impacts associated with capital gains tax reductions. First, there is the static or first-order revenue loss resulting from a reduction in the tax rate. However, this analysis assumes no change in behavior from individuals or businesses as a result of the tax cut. The second type of estimate takes into account the "unlocking" effect. By reducing the tax on capital gains, the cost of selling stock is lowered, thereby inducing realizations from the sales of capital assets. Finally, there is the economic "feedback" that arises from a tax reduction. Lowering the tax on capital gains lowers the cost of capital, making a larger number of investment projects profitable. As new investment projects come onstream, productivity will rise. The increase in productivity leads to increases in real wage payments which, together with increases in investment, leads to higher levels of gross national product, and to increases in individual and business tax revenues collected by the Treasury. This powerful feedback effect should not be overlooked.

The cost of the Revenue Act of 1978 has been much lower than originally estimated. The nearly $3 billion static loss for both 1979 and 1980, originally projected to be offset by induced realizations of $573 million in 1979 and $535 million in 1980, has now been offset by close to $1 billion in realizations for both years, according to Treasury estimates. Furthermore, a recent analysis by Oscar S. Pollock of Ingalls and Snyder, "The 1978 Capital Gains Tax Reduction: An Emerging Breakthrough in U.S. Tax Policy," June 11, 1980, indicates that the Treasury estimate of the cost of the 1978 capital gains tax cut underestimates the unlocking effect and is based on unrealistic effective tax rates. If additional revenues from economic feedback are taken into account, it is probable that the 1978 capital gains tax cuts actually increased revenues to the Treasury, as well as making an important contribution to the economic health of the country.

CONCLUSION

Substantial capital gains reductions were enacted into law as part of the Revenue Act of 1978. This lowering of capital gains taxes has resulted in higher equity values, an increase in the number of individual investors, a surge in venture capital investment, and a rise in new stock offerings. I believe that additional reductions in the capital gains tax are necessary to further stimulate the capital investment so vital to our Nation's economic health and stability. My colleague BILL FRENZEL and I urge the Congress to help revitalize America by enacting the Capital Investment Incentive Act of 1981.

Mr. Speaker, I insert the bill I am introducing today, with my distinguished cosponsor, at this point in the RECORD:

H.R. 7

A bill to reduce the capital gains tax rate and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Capital Investment Incentive Act of 1980".

SEC. 2. Section 1202(a) (relating to the deduction for capital gains) of the Internal Revenue Code of 1954 is amended by striking out "60 percent" and inserting in lieu thereof "70 percent".

SEC. 3. Section 1201(a) (relating to alternative tax for corporations) is amended by striking out "28 percent" and inserting in lieu thereof "21 percent".

SEC. 4. The amendments made by this Act shall apply to taxable years ending after December 31, 1980.

TRIBUTE TO THE BALDWIN PARK HIGH SCHOOL BRAVES

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. ROUSSELOT. Mr. Speaker, sports is a way of life in America, and we all are proud when a local sports team is a winner. We have a winner in the 26th District of California, and I ask my colleagues in the House of Representatives to join me in honoring the Baldwin Park High School Braves for the team's great show of victory this football season.

Under the leadership of head coach Trifone M. (Ty) Pagone and assistant coaches, Tony Zane, Larry Davis, Ron Mead, and Mike Hunkins, the Baldwin Park Braves won the Montview League championship and the California Interscholastic Federation's Desert-Mountain Conference championship, culminating in an undefeated season.

The Braves victoriously represented Baldwin Park, and brought pride and acclaim not only to the school, but to the whole community.

Coming from behind in 9 of the 13 games in which they competed, the Baldwin Park Braves demonstrated their confidence and ability to win when under pressure out on the playing field.

During the season the Baldwin Park Braves scored 344 points to the opponents 120, piled up 4,189 yards to their opponents 2,576 and left two teams scoreless.

Whenever one of the team members was injured, another came right off the bench, able to meet the challenge and fill the gap. Sixty-eight students made the varsity football roster for 1980, and 19 of the 22 members of the starting lineup will graduate this year.

During Coach Pagone's tour at Baldwin Park the football team has placed in league playoffs 5 of the 9 years, but this is the first time the team has been able to get through the second round in CIF playoffs. Needless to say, recruiters from all over the United States are now courting members of this outstanding team.

Not willing to accept second spot, in the final playoff game the Braves faced the team that had been rated No. 1 throughout the season, and defeated that group 20 to 13. This was the only CIF division with two undefeated teams.

Congratulations are in order for the Baldwin Park Braves. Members of the team did a terrific job, and Baldwin Park is very proud to claim its own football team as a big winner. We only hope this year's team members travel the same route as Baldwin Park High School's former student Freeman McNeill, who now plays for the UCLA Bruins and was recently named to the first All-American team.

Each and every member of the Braves deserves recognition for his hard and successful football playing. Following are their names:

Denver Abner, George Alapag, Doug Allen, Sergio Alvarez, Walter Andretta, Mark Avila, Robert Bean, Gary Burney, Paul Bustamante, Anthony Cardenas, Arturo Carlos, Alan Casa, Carlos Cedeno, Armando Ceja, Hector Chavez, Jesse Chavez, Louis Chavez, Kel Christianson, John Corpus, Paul Corpus, Danny Creal, Greg Elias, George Escarrega, John Flores, and Brian Fontes.

Other members include, Oscar Gallegos, Danny Garcia, Gary Glass, Mike Gray, Brian Guerrero, Carlos Guillen, John Henry, Michael Hoodye, Albert Jimenez, Robert Kirkland, John Leavelle, Doug Lee, Martin Lopez, Scott Masney, Danny Mendez, Alan Moore, Joey Mueller, Javier Murillo, Andres Ochoa, Pedro Padilla, Steve Parker, John Paul, Danny Perez, Sergio Reynosa, Eddie Reynoso, Jeff Richardson, Mario Rodriguez, and Enrique Ruelas.

The rest of the 68 members are Sammy Ruiz, Ron Salazar, John Saldarriaga, Norman Santiago, Darrell Sawyer, Robert Scala, Mark Shonefield, Darryl A. Smith, Tim Staab, Robert Torres, Gilbert Valdez, Steve VanMierlo, Mike Villareal, and Robert White.

Baldwin Park Unified School District Board of Education members Margaret Burnett, Robert Gair, Clinton O. Nixon, Bruce Snyder, and Robert Viramontes, along with Superintendent Jerry Holland and Principal William Barnholdt, all deserve recognition and thanks for providing the means and facilities to make this kind of participation possible.

Baldwin Park Mayor Jack White and City Councilmen Robert McNeill, Felipe Aguilar, Leo King, and Blair Holman passed a resolution commending the Baldwin Park Braves for public service. And the residents will honor this outstanding group of high school athletes on January 31 at a banquet.●

PRISONERS OF WAR

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. GUYER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

THE CURRENT STATUS OF THE PRISONER OF WAR/MISSING IN ACTION (PW/MIA) ISSUE AS PREPARED BY THE JOINT CHIEFS OF STAFF

1. Many Americans are unaware that nearly 2,500 servicemen are still unaccounted for as a result of the Vietnam war. There were 2,553 military and 41 civilian Americans unaccounted for at "Homecoming" in 1973. The military included 96 prisoners of war (POW's), 1,173 killed in action—body not recovered, and 1,279 missing in action (MIA). The civilians included 25 missing and 16 presumed dead. Since then, 75 remains have been returned and most individual cases of those unaccounted for have been administratively reviewed. Cases reviewed have invariably resulted in a presumptive finding of death, based on data accumulated in the file and the additional criteria of a lapse of time without information to indicate the individual is still living. Therefore, as of November 1980, only 14 military personnel, of those unaccounted for, have not been presumed dead. These 14 cases are broken down to 1-POW (USAF) and 13 MIA (11-USAF, 1-USN, and 1-USMC).

2. The fact that only 14 cases remain active does not minimize the need to achieve the fullest possible accounting for the approximately 2,500 men whose fate remains in question. The debt owed to each serviceman that is unaccounted for, as well as to that individual's family is well known. Although this obligation can never be fully satisfied, the USG can and should make every effort to achieve as extensive an accounting as possible. It should be emphasized that this is not just a humane gesture, but a US Government (USG) responsibility due every serviceman, past, present, and future.

3. Since the end of the Vietnam war, there has been an ebb and flow of government and public interest in accounting for Americans missing as a result of the war. The DOD PW Policy Committee, which handled the PW/MIA issue prior to the end of US involvement, became inactive shortly after the US withdrew from Vietnam. However,

in January 1980, an interagency group (IAG), which is comprised of representatives of the State Department, Office of the Secretary of Defense/International Security Affairs, Joint Chiefs of Staff, Defense Intelligence Agency (DIA), National Security Council, Subcommittee on Asian and Pacific Affairs/House Foreign Affairs Committee and the National League of POW/MIA Families, was established and has since been active. The main purpose of this group is to insure that priority is given to the issue and that US efforts are coordinated as we continue to press for resolution of the PW/MIA issue. The IAG is continuing the work started by the JCS to develop an explicit USG policy on the PW/MIA issue.

4. Although the Vietnamese claim to have released all POW's and to have been fully cooperative with the US Government the facts deny this claim. The SRV has returned 75 remains and has allowed Laos to return four remains, two of which were identified as not being American and returned. However, the Vietnamese have refused to account for Americans who were known POW's. In some cases, they have even acknowledged holding specific individuals at one time or another. These circumstances clearly belie their present claim to have fully cooperated in resolving the status of these individuals.

5. Of greatest concern are the recurring reports of the sightings of caucasians currently held captive in Indochina. As more Indochinese refugees are interviewed, the frequency of live sighting reports has also increased significantly. We now have over 280 firsthand reports of live sightings under investigation. Additionally, over 170 second hand or "hearsay" reports are being investigated. Further, a DIA validated source provided specific, detailed data on what he was told were three live Americans still in Vietnam. Due to the number of reports of live sightings, the PW/MIA IAG recently approved the following USG public affairs response to queries about unaccounted Americans: "There is an increasing number of reports that Americans may be held against their will in Indochina, but the U.S. Government has thus far been unable to substantiate this information and priority effort will continue to be assigned to investigating these reports." The increasing possibility that Americans are still incarcerated in Indochina, seven years after the war has ended, mandates immediate, high-level, US government attention. One should really get a DIA intelligence briefing on the subject before forming an opinion.

6. The same source who provided information on three live Americans also testified that the SRV collected skeletal remains of Americans for many years and possessed, as late as early 1979, over 400 individual remains. Portions of this testimony have been independently verified by DIA and the witness has successfully passed polygraph tests. After first denying access to the building where the remains were reportedly stored, the Vietnamese, after several months, allowed reporters to visit the complex. As expected, no remains were found; however, DIA still considers this source valid.

7. Logically, successful resolution of the PW/MIA issue requires a number of specific actions: release of any live Americans presently being held; return of previously collected remains of US personnel; search, recovery, and return of any additional US remains; and a cooperative effort by the USG and Indochinese Governments in those cases where no remains exist or can be found. Additionally, fullest possible accounting requires priority attention to the issue and coordination of the efforts of all responsible US government agencies, as well as active participation and cooperation of all concerned nations.

8. Although both the USG and the Vietnamese Government have tacitly agreed that the PW/MIA issue is humanitarian in nature and should be resolved regardless of political differences, the Vietnamese continue to link the PW/MIA issue to other considerations. History shows that the Vietnamese, in dealing with France on the return and accounting for missing French personnel, responded only when it was beneficial to their self interests. Humanitarian ideals have had little significance; therefore, a new USG negotiation strategy is required. Although numerous demarches have been made to the Indochinese nations to this date, they have "stonewalled." The standard SRV response cites their inability to cooperate in search or accounting activities because their manpower is being fully utilized to defend against the threat of attack from the People's Republic of China (PRC). Recently, the Vietnamese have also stated that their people are reluctant to assist because of hostility over the "collusion" between the United States and the PRC. Although the Joint Casualty Resolution Center liaison team's recent trip to Hanoi (1-4 Oct 1980) had the potential for progress on the PW/MIA issue, once again, nothing of significance resulted.

9. The IAG is addressing the issues and any resulting proposed actions by the responsible US government executive agencies, the Congress, and the PW/MIA families. In respect to Congressional action, the Subcommittee on Asian and Pacific Affairs, House Foreign Affairs Committee, under Chairman Wolff is considering a hearing on the issue in December 1980. It is important not to lose the momentum generated during 1980, and to maintain unrelenting pressure on the Indochinese nations, especially the SRV, with respect to resolving the PW/MIA issue.●

A TRIBUTE TO HON. EMANUEL CELLER

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. LENT. Mr. Speaker, it is a distinct honor and privilege to join in this tribute to our former colleague, the distinguished gentleman from New York, Emanuel Celler, who so ably represented the 16th District of New York for 50 years. All of us who knew "Manny" were saddened by the news of his passing.

Few men in the history of this Republic have left such a deep and lasting imprint on our Nation as Manny Celler. During the more than two decades that Manny presided as chairman of the House Judiciary Committee our former colleague played a leading role in passage of much historic legislation. This included no less than four amendments to the Constitution, which eliminated the levying of poll taxes in Federal elections, revised Presidential succession provisions and lowered the voting age to 18.

Literally hundreds of laws originated in Manny Celler's Judiciary Committee including such landmark legislation as the major civil rights bills of the 1950's and 1960's. As a champion of human rights, Manny Celler had no peer. His leadership, and the magnificent legislative record which that leadership produced will continue to have an impact upon our country for generations to come. It is not likely that any future Member of the House of Representatives will equal Manny Celler's 50 years of service in this body, or his 22 years as chairman of the House Judiciary Committee.

Mr. Speaker, it was my privilege to have served with Manny Celler during his final term in office. I came to the House that term as a freshman Member with the New York State delegation. I know what great respect and admiration Manny Celler commanded from his colleagues. He was always ready with advice and counsel to his younger colleagues. Although our political philosophies differed we worked on many projects dealing with the cause of human rights, and in support of the security of the State of Israel.

Mr. Speaker, our former colleague was a peerless legislator, a dedicated public servant, a fighter for human rights, but above all, he was a marvelous human being, whose zest for life continually bubbled with a wonderful sense of humor. In his passing we have experienced a great loss, as has New York State and our Nation. The sense of loss is even greater among those of us who enjoyed the privilege of his friendship.

Manny Celler's life and deeds serve as an inspiration to every American.

I join my colleagues in extending our condolences to his family, and in the hope that our words of tribute will indicate the depth of our gratitude for Emanuel Celler's magnificent contributions to our Nation.●

EL SALVADOR AND VIETNAM

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. STUDDS. Mr. Speaker, there is a great deal to be said about the implications of current U.S. policy in El Salvador and throughout Central America. In a recent column in the Boston Globe, Monty Montgomery put it about as well, and as succinctly, as anyone yet has. I commend his words to my colleagues:

A LOOK BACK—OR IS IT AHEAD?

On Monday, a young friend of mine left home to protest the inauguration, the draft and the general cussedness of government. I thought he was overstating his case.

On Monday I read the news. Oh boy. Five million dollars worth of small arms and ammunition so that the junta in El Salvador can shoot leftists. They know how to use it in El Salvador, the only country in the world where the leading cause of death is murder.

The young man is carrying a new guitar. After he gets through protesting the inaugural in Washington, and assuming he is not in the pokey today, he is hitchhiking to Arizona to pick fruit and play his guitar. I thought he was trying to live over the 1960's.

In El Salvador they are running out of ammo, which is the kind of thing that can happen when you keep wasting it on nuns and newspaper photographers, but the shortage will be eased.

Sometimes I think we underestimate the general cussedness of the government of the United States, or, at least its ability to keep playing the 1960's over again like a golden oldie on a million dollar weekend. My young friend will not do much to stop the draft, nor do I think he will do much good by following in Woodie Guthrie's footsteps. But he is hell-bent and dead set against contributing to the system that just sent $5 million worth of death to El Salvador.

What the hell, if the government wants to play the 1960's game, why shouldn't he drop out? He didn't make up the rules.

They used to call a demonstration "bringing the war home." Now the government is helping . . . our new Vietnam is nearer home, somewhere in Central America.

A long time ago a young Specialist Fourth Class in the Sixth Army stood up in front of the troops and gave them a 55-minute lecture on the communist menace in Southeast Asia. This was in the very early 1960's, a long, long time ago.

He had charts and maps and colored pictures and knew how to pronounce Dien Bien Phu and Haiphong. He did such a terrific job that he was asked back to give the same talk three times. To officers, yet. They liked it so much they made him a sergeant.

The young man with the guitar will at least be spared that. Either giving the lecture on the communist menace in El Salvador or listening to it. Believe me, somewhere in the Sixth Army there is a young Sp4 giving a lecture on the domino theory in Central America.

In the very early 1960's the world was at peace except for the occasional crisis (missile or Berlin) and the shipping of large amounts of small arms to anyplace in Southeast Asia where the good guys lived. There was no visible protest against the draft, or the inauguration of John Kennedy. It was, for the Sp4 about to become a genuine noncommissioned officer, very much like a line from a Simon and Garfunkel song, when he was young, he carried a gun, but he never got a chance to serve. He thinks, now, that is very unlikely that any draftees who heard this marvelous lecture on the dangers of creeping communism in Vietnam ever got any closer to it than he did. He expects that most of the regular army soldiers and the officers got there. He gave the lectures to a very combat-ready infantry outfit.

The young man with the guitar does not believe that the rightists are always the good guys and the leftists are always the bad boys. He is in the Moral Minority, I guess.

Sometimes I worry about him. Not everybody you meet on the road is a good person. Even your fellow anarchists might steal your guitar. I think he will have trouble finding an organically grown orchard to work in, he worries about pesticides, too.

I worry, but I also envy him. Not for being young, but for being safe from giving lectures on the leftist menace in Central America. I especially envy him when I think about the young man who gave the stirring lecture on Southeast Asia. It will be good for the young man with the guitar to be 40 someday, and not have that to think about.

There are things you regret doing, sometimes they are things that once seemed reasonable. Among other things, I very much regret being the over educated young soldier who gave the terrific lecture on how we could stop communism in Vietnam.●

ROSENTHAL INTRODUCES TAX-STRADDLE LEGISLATION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. ROSENTHAL. Mr. Speaker, today I am introducing, with Mr. BRODHEAD, of Michigan, H.R. 1338, a bill designed to discourage and limit tax evasion and shelter activity in "straddle" and "cash and carry" transactions.

Although the Internal Revenue Service ruled 4 years ago that tax-motivated commodity trading was riskless and without real economic purpose, unscrupulous promoters continue to attract high-income clients eager to reduce or eliminate tax liabilities by creating and deducting enormous paper losses from their income 1 year while deferring offsetting gains to a later year. Some try not only to defer their taxes, they also try to convert ordinary income or short-term capital gain to long-term capital gain which is taxed at significantly lower rates.

Tax-straddle promoters make it clear that they are offering tax savings, not an investment opportunity. Commissions frequently are determined as a percentage of the desired tax writeoff. Offering materials tout alleged tax benefits. Some even promise to provide clients with legal representation in the event of IRS audits.

The promotional materials for one offshore straddle shelter blatantly advertises tax deferral as a certainty:

The first objective of the (tax shelter) is deferment. And since our taxing system requires voluntary reporting, deferment is a virtual certainty. Losses are created and claimed. The burden of review falls upon the IRS, thus tax payment is deferred until the IRS acts. (Sometimes years.)

If the IRS rejects the claims of the (tax shelter), their decision can be appealed through the tax appeals process. This process can take years to complete. Deferment can be further stretched out through part of the appeals process.

Successful tax reduction is the goal. Deferment is a certainty.

In the last few years, the number and variety of these shelter deals have increased, and conservative estimates put the revenue loss to the U.S. Treasury at more than $1.2 billion annually. Straddle shelters have been structured in many commodities. Popular offerings include straddles in precious metals, especially silver and silver futures contracts, and in financial paper, particularly Treasury bills and Treasury bill futures. Individuals can purchase a single straddle, engage in multiple transactions through matched accounts, or invest in partnerships or subchapter S corporations participating in these shelters. Some persons take advantage of straddle shelters through offshore promoters, especially in foreign countries which refuse the IRS access to their records for audit purposes.

The following examples, currently under audit by the Internal Revenue Service, illustrate the enormous revenue losses attributable to tax straddles:

First, an executive with annual income of over $250,000 from salary, dividends, and interest and substantially appreciated stock, used silver straddles and other tax shelters over the course of several years as a means of not reporting any taxable income. In 1975, this taxpayer had long-term capital gains from the sale of stock of more than $600,000. Toward the end of the year this executive purchased silver straddles which produced a paper loss of $600,000. Other tax shelters were used to eliminate the $250,000 in income. In the next year, more silver straddles were used in an attempt to continue to defer the $600,000 gain.

Second, another wealthy executive with annual income from salary, dividends, and interest of over $200,000 sold the stock of his business for a $10 million profit in 1976 but reported no net capital gains because of a reported offsetting $10 million short-term capital loss from silver straddles. This reported loss was generated from the loss leg of the straddle—silver contracts were purchased for $140 million and sold for $130 million. Of course, the gain leg which was not reported in this year had an unrealized profit of about $10 million so that the taxpayer had no real loss. Additional silver straddle transactions were entered into in subsequent years in an attempt to continue to defer the gain.

Third, one corporate executive had income from salary and investments of over $500,000. This taxpayer attempted to report a loss in excess of $500,000 from a Treasury bill tax straddle and consequently showed a net loss for the year. The taxpayer even received a refund of withheld taxes of over $38,000. This case, which is currently under examination by the IRS, illustrates the gross distortions in income that taxpayers may attempt to claim

through the use of commodity tax transactions.

Fourth, another taxpayer had a very substantial gain upon liquidation of a business and began engaging in commodities straddle transactions in an attempt to defer tax. This taxpayer attempted to defer approximately $2 million of gain year after year. It is significant to note that the taxpayer did not have any margin requirements during this time.

Fifth, tax shelter limited partnerships have been formed that claim to act as dealers in commodities and money market instruments. In its first full year of operations, one of these partnerships, with almost 100 partners, recognized an ordinary loss of about $46 million. At the same time, in commodity futures transactions which it claimed were of an investment nature, the partnership registered $20 million of short-term loss. Remarkably, its long-term investment transactions resulted in gains totaling almost $37 million. Such dismal results so impressed investors, that the partnership doubled in size the following year, and investor interest proved fully justified. The enlarged partnership proceeded to lose close to $70 million—an average of about $400,000 of ordinary losses for each partner. Meanwhile, investment activities again showed a remarkable dichotomy—short-term capital transactions produced a net loss of almost $240 million, while long-term transactions resulted in gains of almost $280 million. All the returns described above are now under audit by the IRS.

In a typical commodity straddle, such as silver, the taxpayer buys and sells equal amounts of commodity futures contracts simultaneously on a commodity exchange. Risk is limited or even eliminated because, although the price of a commodity may gyrate wildly, the spread between two contracts, the buy contract and the sell contract to deliver the commodity in different future months, remains fairly constant.

Any price change in the commodity will cause offsetting increases and decreases in the value of the two sides or legs of the transaction. If the price of silver goes up, the long contract will increase in value because the taxpayer holds the right to purchase at a price lower than the market price, and the short contract will decrease in value because the cost of fulfilling the obligation to deliver the silver is greater than the price at which the taxpayer is obligated to sell the silver.

It is significant to note that the taxpayer does not care whether the price of silver goes up or goes down. Actually, his only concern is that it move one way or the other. Once the price moves, the taxpayer will have an unrealized loss on one leg of the transaction and an unrealized gain of a roughly equivalent amount on the other.

Taxpayers' continuing disregard of the IRS position and their attempts to shelter income through these abusive devices must be stopped. Although IRS presently has authority to prohibit these straddles, it appears that shelter-seeking individuals and corporations will be dissuaded from purchasing these devices only if straddle shelters are outlawed by specific statute. While I believe that the IRS eventually will prevail judicially against these abuses, I also recognize that litigation is lengthy and costly. Therefore, the enactment of specific rules to invalidate straddle sheltering is necessary.

The bill which I have introduced with Representative BROYHILL is intended to end these shelters by specifically denying deductions for noneconomic losses claimed even though a straddle position continues to be maintained. Taxpayers clearly are entitled to reflect real losses on their tax returns. Hedgers and legitimate speculators must be allowed to reduce their income and gains by losses. But, phantom, paper losses which do not reflect any genuine economic change cannot be fabricated to create enormous tax savings.

When taxpayers sell stock at a loss and immediately replace it with substantially identical stock, present law provides that they may not deduct any loss from that sale. The wash-sale rules in section 1091 of the Internal Revenue Code forbid such manipulation. My bill extends the wash-sale principle to similar transactions in other types of property.

H.R. 1338 also amends the Internal Revenue Code to treat Treasury bills and other Government obligations issued at discount as capital assets. Currently these instruments, but not a futures contract for such obligations, are ordinary assets even if held for investment. Accordingly, a taxpayer holding a futures contract in such Treasury obligations which has declined in value, would have an inducement to take delivery of the Treasury obligations, and immediately sell the obligation thus producing an ordinary loss.

In testimony May 22, 1980, before the Commerce, Consumer, and Monetary Affairs Subcommittee, which I chair, officials of the Treasury Department expressed their strong concerns that tax-motivated trading and delivery demands could seriously and adversely impact Treasury's debt management policies and objectives:

> Many transactions in these markets have been undertaken for speculative purposes. A 1979 CFTC survey estimated that noncommercial traders accounted for 81.7%, 72.6%, and 66.4%, respectively, of the open interest in the GNMA, T-bill and T-bond contracts. These are the traders most likely to use the market for speculative and tax purposes.
>
> Speculative activity can adversely affect Treasury's debt management responsibility to the extent that it disrupts the underlying cash market for Treasury securities. Destabilizing speculation would increase the price risk of Treasury securities, making investors less receptive to new issues and decreasing the liquidity of the important secondary market for Treasury securities.
>
> The Treasury futures contracts now trading or proposed are all based on a presumption that supplies of cash market issues with requisite maturities will be readily available to meet any demands for delivery that may develop from market participants holding long positions in the futures. A concern is that pressure may be exerted on Treasury to increase the deliverable supply of a particular issue if the existing supply is too small and subject to manipulation in the market.
>
> There is an added problem with contracts in Treasury notes because Treasury debt management tactics might change before the delivery date of a contract already trading. In this case, a much smaller supply of deliverable securities would be available than had originally been expected. Again, pressure might be exerted on the Treasury to modify its longer-run debt management objectives.

These markets have grown very rapidly in recent years, increasing Treasury's concerns. For instance, the 3-month Treasury bill future contract volume exceeds the cash market in that area, about $2 trillion in 1979 and almost $3 trillion in 1980.

Tax-motivated trading has contributed to market instability and may also affect the commodity's price or availability. The economic purpose of the futures markets should not be distorted by positions taken only for tax purposes.

It should be noted that hedgers, such as farmers or cereal processors, who establish offsetting positions in commodity futures contracts in order to protect their selling price or costs and then close out their positions, may recognize any otherwise allowable loss sustained on those positions.

I have attached a copy of the bill and a technical explanation and I urge interested Members to join us in this legislation. The full collection of tax revenues is perhaps more important now than it has ever been. These revenues could be used to offset the costs of stimulative tax proposals now under study in the 97th Congress.

More importantly, the effect of these tax straddles and shelters which allow certain very wealthy individuals to evade legitimate tax liabilities increase the tax burden on the rest of us—so that many Americans pay not only their fair share but more. Public policy and basic fairness require the prohibition of phantom losses from becoming income tax deductions and a more equitable distribution of tax liabilities.

H.R. 1338

A bill to amend the Internal Revenue Code of 1954 with respect to straddles, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. POSTPONEMENT OF RECOGNITION OF LOSSES, ETC.

"(a) GENERAL RULE.—Part VII of subchapter O of chapter 1 of the Internal Revenue Code of 1954 (relating to wash sales of stock or securities) is amended by adding at the end thereof the following new section:

"SEC. 1092. STRADDLES.

"(a) GENERAL RULE.—In the case of a straddle—

"(1) that portion of any loss with respect to such straddle which exceeds the recognized gain with respect to such straddle shall be treated as sustained not earlier than the close of the balanced period, and

"(2) the running of the holding period for each position which is part of such straddle shall be suspended for the balanced period.

"(b) STRADDLE DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'straddle' means offsetting positions with respect to personal property.

"(2) OFFSETTING POSITIONS.—A taxpayer holds offsetting positions with respect to personal property if there is a substantial diminution of the taxpayer's risk of loss from holding any position with respect to personal property by reason of his holding 1 or more other positions with respect to personal property (whether or not of the same kind).

"(3) PRESUMPTION.—

"(A) IN GENERAL.—For purposes of paragraph (2), 2 or more positions shall be presumed to be offsetting if—

"(i) the positions are customarily treated as offsetting positions (whether or not such positions are called a straddle, butterfly, or any similar name),

"(ii) the aggregate margin requirement for such positions is lower than the sum of the margin requirements for each such position (if held separately), or

"(iii) there are such other factors as the Secretary may by regulations prescribe as indicating that such positions are offsetting.

"(B) PRESUMPTION MAY BE REBUTTED.—Any presumption established pursuant to subparagraph (A) may be rebutted if the taxpayer establishes to the satisfaction of the Secretary that the positions were not offsetting.

"(c) BALANCED PERIOD.—

"(1) IN GENERAL.—For purposes of this section, the term 'balanced period' means any period during which the taxpayer holds the straddle plus the 30-day period after the day on which the positions which make up the straddle cease to be offsetting.

"(2) SHORTENING OF 30-DAY PERIOD WHERE TAXPAYER DISPOSES OF ALL POSITIONS.—If, before the close of the 30-day period specified in paragraph (1), the taxpayer disposes of all the positions which make up a straddle, the balanced period shall be treated as ending on the day on which the taxpayer makes the last such disposition.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) PERSONAL PROPERTY.—The term 'personal property' means—

"(A) commodities,

"(B) evidences of indebtedness,

"(C) currency, and

"(D) any other type of personal property.

"(2) POSITION.—

"(A) IN GENERAL.—The term 'position' means an interest (including a futures contract or option).

"(B) SUCCESSOR POSITION.—If the taxpayer (within the period beginning 30 days before and ending 30 days after the date of the disposition of a position) acquires a successor position, such successor position—

"(i) shall be treated as the same position as the position to which it succeeds, and

"(ii) shall be treated as held on each day which intervenes between the disposition of the interest which it succeeds and the day on which such successor interest is acquired.

For purposes of the preceding sentence, personal property acquired by the taxpayer pursuant to a futures contract, option, or other interest shall be treated as a successor position to such interest.

"(3) POSITIONS HELD BY RELATED PERSONS, ETC.—

"(A) IN GENERAL.—In determining whether 2 or more positions are offsetting, the taxpayer shall be treated as holding any position held by a related person.

"(B) RELATED PERSON.—For purposes of subparagraph (A), a person is a related person to the taxpayer if—

"(i) the relationship between such person and the taxpayer would result in a disallowance of losses under section 267 or 707(b), or

"(ii) such person and the taxpayer are under common control (within the meaning of subsection (b) or (c) of section 414).

For purposes of clauses (i), an individual's family shall consist only of such individual, such individual's spouse, and a child of such individual who has not attained the age of 18.

"(C) CERTAIN FLOW-THROUGH ENTITIES.—If part or all of the gain or loss with respect to a position held by a partnership, trust, or other entity would properly be taken into account for purposes of this chapter by a taxpayer with respect to whom the entity is not a related person, then, except to the extent otherwise provided in regulations—

"(i) such position shall be treated as held by the taxpayer, and

"(ii) the offsetting positions held by the taxpayer shall be treated as held by the entity.

"(e) CROSS REFERENCE.—

"For provision requiring capitalization of certain interest and carrying charges where there is a straddle, see section 263(g)."

(b) CLERICAL AMENDMENTS.—

(1) The table of sections for such part VII is amended by adding at the end thereof the following new item:

"Sec. 1092. Straddles."

(2) The heading for such part VII is amended to read as follows:

"PART VII—WASH SALES; STRADDLES."

(3) The table of parts for subchapter O of chapter 1 of such Code is amended by striking out the item relating to part VII and inserting in lieu thereof:

"PART VII. WASH SALES; STRADDLES."

SEC. 2. CAPITALIZATION OF CERTAIN INTEREST AND CARRYING CHARGES IN THE CASE OF STRADDLES.

Section 263 of the Internal Revenue Code of 1954 (relating to capital expenditures) is amended by adding at the end thereof the following new subsection:

"(g) CERTAIN INTEREST AND CARRYING COSTS IN THE CASE OF STRADDLES.—

"(1) GENERAL RULE.—No deduction shall be allowed for interest and carrying charges properly allocable to personal property which is part of a straddle (as defined in section 1092(b)). Any amount not allowed as a deduction by reason of the preceding sentence shall be chargeable to the capital account with respect to the personal property to which such amount relates.

"(2) INTEREST AND CARRYING CHARGES DEFINED.—For purposes of paragraph (1), the term 'interest and carrying charges' means—

"(A) interest on indebtedness incurred or continued to purchase or carry the personal property, and

"(B) amounts paid or incurred to insure, store, or transport the personal property."

SEC. 3. CERTAIN GOVERNMENTAL OBLIGATIONS ISSUED AT DISCOUNT TREATED AS CAPITAL ASSETS.

(a) GENERAL RULE.—Section 1221 of the Internal Revenue Code of 1954 (defining capital asset) is amended by striking out paragraph (5) and by redesignating paragraph (6) as paragraph (5).

(b) TECHNICAL AMENDMENT.—Subparagraph (D) of section 1231(b)(1) of such Code is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (5)".

SEC. 4. PROMPT IDENTIFICATION OF DEALER TRANSACTIONS IN SECURITIES.

Subsection (a) of section 1236 of the Internal Revenue Code of 1954 (relating to gains and losses of dealers in securities) is amended by striking out "30th" each place it appears therein.

SEC. 5. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act shall apply to property acquired by the taxpayer after January 27, 1981, in taxable years ending after such date.

(b) SECTION 4.—The amendment made by section 4 shall apply to property acquired by the taxpayer after the date of the enactment of this Act in taxable years ending after such date.

TECHNICAL EXPLANATION OF H.R. 1338

This bill would amend the Internal Revenue Code by providing new rules governing the taxation of straddles, "cash and carry" transactions, and related matters.

The bill would limit tax sheltering through straddle transactions by postponing the recognition of losses on certain straddle positions while the taxpayer continues to maintain offsetting positions in a straddle.

The bill would provide that if a taxpayer holds a straddle (i.e. offsetting positions), the portion of any loss which exceeds recognized gain from the positions may not be recognized for the period during which the taxpayer holds the offsetting positions plus the 30 days after the day on which the positions cease to be offsetting.

However, if the taxpayer disposes of all of the offsetting positions before the close of the 30-day period, the balanced period is treated as ending on the day of the last such disposition by taxpayer. Thus, taxpayers who close out their offsetting positions would be allowed to recognize, at that time, any otherwise allowable loss sustained on such positions. This rule would benefit hedgers, such as farmers or cereal processors, who establish offsetting positions in commodity future contracts in order to protect their selling price of costs until the actual sale of their crops or the purchase of their inventory requirements.

In addition, the running of holding periods for each of the straddle positions would be suspended for the balanced period, generally the period during which the positions are offsetting plus 30 days. However, in determining the taxpayer's holding period for any position, any period during which the position was held prior to the establishment of an offsetting position could be tacked on any period during which that position was held after the close of the balanced period.

The bill defines the term "straddle" as offsetting positions with respect to personal property. Under the bill, a taxpayer would hold offsetting positions if there is a substantial reduction of the taxpayer's risk of loss from holding any position with respect to personal property because the taxpayer also holds one or more other positions with respect to personal property (whether or not of the same kind).

The bill would create a rebuttable presumption that two or more positions are offsetting under specified circumstances. If two or more positions are customarily treated as straddles or offsetting positions (whether or not called a straddle, butterfly, or similar name) or if the aggregate margin requirements for such positions is lower than the sum of the margin requirements for each such position (if held separately), the positions would be presumed to be offsetting unless the taxpayer establishes that they are not offsetting. The Secretary could prescribe by regulations other factors which indicate that two or more positions are offsetting and which would establish a rebuttable presumption that the positions are offsetting.

The bill would apply to positions in personal property which are interests, including futures contracts or options, in commodities, evidences of indebtedness, currency, and other types of personal property. If a taxpayer, within the period beginning 30 days before and ending 30 days after the date of the disposition of any position which is part of an offsetting position, acquires a successor position, such successor position shall be treated as the same position as the position to which it succeeds. In addition, a successor position shall be treated as held on each day which intervenes between the disposition of the interest which it succeeds and the day on which such successor position is acquired. Personal property acquired by a taxpayer pursuant to a futures contract, option, or other interest will be treated as a successor position to such interest.

The bill would provide that positions held by related persons are treated as held by the taxpayer for purposes of determining whether any positions are offsetting. Under the bill, a person is a related person to the taxpayer if the relationship between such person and the taxpayer would result in a disallowance of losses under section 267 or 707(b), or if such person and the taxpayer are under common control (within the meaning of subsection (b) or (c) of 414). However, an individual's family would consist only of the individual, his or her spouse, and the individual's children under 18 years of age. In addition, the bill provides attribution of positions to and from a partnership, trust, or other entity if any gain or loss with respect to a position held by such entity would properly be taken into account by a taxpayer with respect to whom the entity is not a related person.

The bill would limit tax sheltering in so-called "cash and carry" transactions by requiring taxpayers to capitalize interest and carrying charges properly allocable to personal property which is part of a straddle (as defined above). No deduction would be allowed for such charges, which would include interest on indebtedness incurred or continued to purchases or carry the property, and amounts paid or incurred for insurance, storage costs, and transportation costs.

In order to preclude manipulation of the character of gain or loss as ordinary income or loss, or capital gain or loss, the bill provides that obligations of the United States, of its possessions, of a State or political subdivision of a State, or of the District of Columbia, issued on a discount basis and payable without interest in less than one year, would be treated as capital assets in determining gain or loss. Thus, these obligations would be treated by the holder in the same manner as similar debt obligations. Any discount at issue would be treated as interest under generally applicable tax rules.

The bill would require a dealer in securities to identify a security as held for investment not later than the day after the date of the security's acquisition instead of before the expiration of the 30th day after its acquisition, as required under present law.

Except for the change in identification of dealer transactions in securities, the amendments made by the bill would apply to property acquired by the taxpayer after January 27, 1981, in taxable years ending after such date.

The amendment pertaining to dealer identification of securities held for investment would apply to property acquired by the taxpayer after the date of enactment in taxable years ending after that date.●

MEDICAL BENEFITS

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. JOHN L. BURTON. Mr. Speaker, today I am reintroducing a bill to provide medical benefits to ex-spouses of military personnel who had been married for 20 years. This legislation would rectify one of the present inequities and inconsistencies with other Federal laws, including social security and medicare, which grant benefits to divorced spouses.

Current law deprives spouses, the vast majority of whom are middle-aged women, of medical coverage upon divorce. These women have served their families and our Nation for 20 years, and have represented one-half of a military partnership. At divorce, however, the law denies their economic contributions, ignores their sacrifices, and casts them into a lonely world with no security.

Many of those affected by this legislation lack work experience or the education requisite to obtain employment—and employers are reluctant to hire them. Those who have obtained court orders to receive funds from their ex-husbands as compensation, find that these court orders are nonenforceable because military pay cannot be garnished under these circumstances. Others receive no fault divorce decrees. Almost all are left with no medical coverage and next-to-no resources.

The present law is inequitable and places an unfair hardship on divorced military spouses. I hope that the Members of this House will give their full and sympathetic consideration to these, the forsaken spouses, when this legislation comes before you.●

KING REMEMBERED

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. DYSON. Mr. Speaker, an editorial by Trilla Ramage, in the January 14, St. Mary's Beacon, shows us that the death of Martin Luther King had an impact that transcended the urban populations. We, of the rural communities, have as much interest in the well-being of the American people as we do in maintaining the heritage of our farmland communities—only our approach is different. I insert the editorial as a sign of our interest in the future of the dream.

KING REMEMBERED

As a country torn by division and suffering, we walked the back roads of our own bigotry and hatred with the late Martin Luther King.

America, black and white, sailed her hopes for a better tomorrow on King's vision of equality for all people during the upheaval of the 1960s. Head of the Southern Christian Leadership Conference, King was catapulted into national prominence during the 1955 Montgomery, Alabama bus boycott.

The strategy of non-violent protest became the trademark of the black, trouble-shooting preacher.

King won international recognition receiving the 1964 Nobel Peace Prize for his contributions to the struggle and advancement of human rights.

August 28, 1963 King led 250,000 Americans in a march on Washington, D.C. to demand a constitutional amendment guaranteeing equal treatment under the law. Their voices were heard with its passage.

Tomorrow, on King's birthday, another march will be led on Washington by King's wife, Coretta, and black entertainer Stevie Wonder. They are asking Americans to "take" the day off in remembrance of struggle, past and present, to combat injustice and discrimination of a person's race, religion or creed.

Ironically, they will march to Capitol Hill, in a testament to our progress and the steps still needed to be taken in claiming the dream. It was that same hill in 1968 where M-50 machine guns were mounted for use during the racial riots of the summer following King's death.

Let us hope the bullet that gunned down King in Memphis and so many other Freedom Fighters did not shatter the conviction and courage necessary to educate and insure people of their rights.

King's life spoke to us of what might be—what could be—in this land. The riots are passed and over with, but what will be our legacy?

Preventive action for the aged, disadvantaged and the forgotten needs to be a focus during the decade ahead. Both the St. Mary's County Human Relations Commission and NAACP have stated the need for a more open, vital dialogue in the community.

"It behooves us to do some preventive kinds of things in the community in the 1980s," Jonathan Nelson of St. Mary's County's NAACP recently said. It behooves us not to forget the message of King's life and death.

The dream needs not to end before we are able to catch a glimpse of the vision King held before us: America's real dream.●

ANY FUTURE EMBASSY TAKEOVERS

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. PARRIS. Mr. Speaker, I have today introduced a House resolution expressing the sense of the House in regard to what steps should be taken by the United States in the event of a future Embassy takeover.

I believe it is essential that America have a clear-cut plan to deal with any attempts to violate our Embassies in foreign countries or to hold our recognized diplomatic personnel hostage. The absence of such a plan could invite further extortion attempts by any terrorist group which sought notoriety for their cause.

It is the responsibility of Congress to "define and punish piracies and felonies committed on the high seas and offenses against the law of nations." This power is conferred upon the Congress through article I, section 8, clause 10 of the Constitution.

I would like to insert at this time an editorial from the Washington Post of January 25, 1981, an article by James Bond Stockdale which also appeared in the January 25 Washington Post and a commentary given by Walter Cronkite on the CBS radio network for my colleagues' use and information.

The article follows:

[From the Washington Post, Jan. 25, 1981]

THE CRISIS NEXT TIME

On the opposite page today, Vice Admiral James B. Stockdale, who was a prisoner of war in Hanoi for eight years, writes a stunning critique of the way this country—its institutions and its individuals—plays into the hands of those who hold its citizens captive. He believes, among other things, that our efforts to win partial concessions and provide little mercies actually work to make things worse for the captives and/or to prolong their captivity. In the same space last week, Israel's Moshe Dayan, no stranger to these affairs, also argued for a more clear-cut, direct and forceful American stand in any future such episodes, suggesting that stealthy, dark of night "apologetic" attempts at Entebbe-like action were inappropriate to this country's power and circumstances. To us both men's positions have an authenticity that proceeds not just from their special qualification to speak, but equally from the logic of what they say.

Even as the returning American hostages must still be unaccustomed to their freedom and obliged to remind themselves from time to time that it's okay to say what they please, so too the American public, restrained until now by concern for the hostages' safety, will probably need some time to understand that it can also speak freely at last and without inhibition. And in a general way it no doubt will need some reminding that all complaint and criticism of past policy is not, repeat not, the forbidden and legendary "nightmare of recrimination" against which the more voluble among us are continually being warned.

Perhaps because we in this country have had a few truly raw experiences with after-the-fact blaming and purging and scapegoating when our foreign relations went wrong, we are almost neurotic in our anxiety to avoid any disagreeable arguments concerning our overseas failures now. "Let's look to the future," we are admonished, "not dwell on the past. . . . There's blame enough for everybody. . . . It's easy to say what was wrong in hindsight. . . . Let's not turn this into a 'Who Lost China' debate. . . ." and so forth. But there is a huge difference between merely nasty, politically motivated charges concerning a defeat or setback abroad and the rigorous, unsentimental inspection of how and where we went wrong that is essential to recovering from it—and to preventing a repetition of our mistakes next time around.

Only a fool would claim that there exists somewhere in the realm of objective fact a collection of all-purpose rules for dealing with these terror situations—and one that is accessible to anyone who is willing to think rationally about the subject. No number of well-intended inquiries is going to provide us with a set of perfect guidelines to haul down from the shelf and follow the next time the unthinkable happens. But there is plenty in the case of the embassy hostages that needs to be reviewed and subjected to the toughest and most unprotected scrutiny for the sake of doing things better in the future: the role of the media, the appropriateness of negotiations, the attitude toward the use of force, the attitude toward the well-being of the hostages and the way in which their well-being is a part of more comprehensive national interests.

With the exception of the hostages themselves, we don't think anyone will come out of such an inquiry looking awfully prescient or good. But that is not a reason to avoid such inquiry. On the contrary, it suggests precisely why such an inquiry must be undertaken.

[From the Washington Post, Jan. 25, 1981]

THE HOSTAGES AS "EXTORTIONIST THEATER"

(James Bond Stockdale)

As an eight-year beleaguered and bludgeoned captive of Hanoi who spent most of that time in solitary confinement, I have in recent months been bombarding audiences from the eastern seaboard to Ohio to California with the message that America has been inviting future hostage disasters by so naively providing both actors and audiences in support of the new worldwide art form, "Extortionist Theater"—most recently successfully produced by Iran. Every outlaw power and terrorist group in the world surely took note of how Jimmy Carter's queasiness about the threat or use of force, and our national demand for continuous TV hostage soap opera, provided the positive and negative terminals of a power source into which they could plug a few American captives for profit and prestige. We got ourselves into this tempting and vulnerable position by backing into what became a national stance roughly attuned to a misguided popular sentiment that fell out of highly questionable if not false assumptions about the basic nature of the captivity problem. On my road show, I contrasted some of these assumptions with the reality I knew behind barbed wire and proceeded to tear them apart. The sample below will give you an idea of what I mean.

FALSE ASSUMPTION NO. 1

"We must not hammer the captors or they'll take it out on the captives." Ask any of the 400 Americans in the prisoners' organization in Hanoi and they'll tell you that our North Vietnamese jailers were never more sweet than right after Col. Bull Simon's Son Tay helicopter rescue attempt (when he shot up a couple hundred of them, and they in turn, for security reasons, felt obliged to bring us leaders out of solitary and put all prisoners together in better living conditions in the big prison downtown), or during the B52 bombings in December 1972 (when formerly abusive guards dropped their posturing and meekly broke precedent by bringing us tubs of hot coffee each dawn). Our bones got broken as often as not during America's sporadic bombing pauses when we were showing national "good will." Does the Iranian experience correlate with this? I think it does. Being nice to the enemy so he'll be nice to your captives is still a bush-league idea.

FALSE ASSUMPTION NO. 2

"We as a country are doing best by the captives if we support the infusion of 'a little bit of home' into their lives by sending visitors, at least during the Christmas season." Rev. Do-Good, or even William Sloane Coffin and Ramsey Clark, some Americans believe, are better than nobody. To fully realize the evil these people do, the damage they wreak on the morale and self-respect of the captives, one has to appreciate the tremendous ennobling and uplifting effect the overcoming of shared hardships has on a band of prisoners over time. In Hanoi, the greater the degradation and torture and the more years we withstood this together, the deeper grew the bonds of mutual respect and love for each other. Our world literally became our band of brothers, and personal pride and reputation among our peers our total life's investment. Captors became symbols of tinhorn flakery.

Imagine now the stage of Extortion Theater onto which enter "the friendly representatives of the people back home"—all of whom are necessarily admitted as supplicants, as apologists. Moreover, these visitors are psychologically committed to dragging the captives before cameras as actors in the supplicant role. "Let the people at home see you" or "The intelligence people want to see you," they probably say. Though feeling humiliation, few captives can muster the emotional energy to take on these American finks as enemies. Each has enough enemies to concentrate on even though these so-called friends are on the make, and they destabilize and damage the prisoner's life. Sometimes these finks damage his most prized possession: his reputation. Ramsey Clark came to Hanoi and incited American

prisoners of war to violate their Code of Conduct and got a few takers. When does he account for that and for the disinformation he spread about the situation in Iran?

FALSE ASSUMPTION NO. 2

"Any release is a good release; if they'll agree to return 5 out of 52 next week, encourage it." Thank goodness this is often identified as a poor bargaining idea as seen from Washington; what our politicians and countrymen in general need to understand is the true and total perniciousness of early releases as seen from within that band of brothers behind barbed wire. Each person who walks out ahead of the others leaves behind him a trail of lifelong grudges and broken unity, and he installs within himself a time bomb of depressive remorse.

The early release idea also has the potential of providing the producers of Extortionist Theater with a grand finale act featuring the captives scrambling for places in line to go home by scoring high in an anti-American propaganda production contest. Hanoi had something like that in mind for us POWs, but I and others finessed that finale with strict orders to all Americans that there would be no exception to the Code of Conduct's prohibition against accepting parole. I also outlawed the accepting of amnesty. After our release, my constituents demanded justice in the form of prosecution of the few who bugged out in violation of my orders. Funny thing, though; I couldn't find anybody in Washington who understood the problem.

These problems and a dozen more like them need to be understood if we are going to truly shut down Extortionist Theater on a "never again" basis. This country has to get itself in hand, get its actors off the stage and get our audiences ready to shed not tears but rotten eggs and at least a credible threat of bombs and bayonets the minute the next bunch of punks tries to pull our chain by taking prisoners.

WALTER CRONKITE REPORTING, MONDAY, JANUARY 19, 1981

This is Walter Cronkite reporting from Washington with news and commentary on the CBS Radio Network. Signaling the end of one of the most bizarre episodes in all of diplomatic history, Iran's chief hostage negotiator told his nation this morning, I think the adventure is reaching its final point. The adventure, he called it. In the midst of today's understandable and legitimate euphoria over the end of the hostages' 14-and-a-half month ordeal that phrase merits some sober reflection. It was 443 days ago that an Iranian mob stormed the American Embassy in Teheran and took the Americans there hostage. While the takeover was accomplished by groups of militant young people, it quickly was endorsed and embraced by the new authorities in Iran. It became in effect a kidnapping by a sovereign government, the violation by that government of the whole codex of diplomatic principles and usage, an act of war. For a variety of reasons, Iran did not have to suffer the full consequences of that act. The long nightmare for the hostages did cost the Iranians economically, in terms of international isolation and in their war effort against Iraq. But the hostage adventure also had its uses for several factions in the alley fight of Iranian politics, and in the progress of their revolution. They got what they could from their adventure, and then abandoned it as a change in personalities and policies in Washington loomed on the horizon, with all too little in the way of price or penalty paid. This is not to fault the deal struck by the Carter Administration to free 52 imprisoned Americans. It is, however, to recognize that there is little in this whole bizarre, unprecedented episode that might stand as deterrent, or even discouragement to similar unlawful acts in the future. And that is a fact that should temper our celebration today. Nor should we forget the kind of precedent the Iranians have set. Diplomatic links between nations are fragile enough, in any case, in our unstable and frequently revolutionary world. The image of a revolutionary government establishing an office of hostage affairs, and haggling for months over ransom terms, is a foretaste of international anarchy. Our anger at the Iranians may soften today and ease in the days to come. But that is sure to be a slow process, and lot of bitterness will remain for a very long time. And it will be in the interests of the Reagan Administration gradually to improve relations with whatever government happens to rule Iran. The rhetoric of righteous anger aside, Iran's strategically critical location on the Persian Gulf dictates such a course for any American government. At the same time, we cannot simply forget what has happended. Our diplomacy elsewhere has been hobbled, and our domestic politics shaped, perhaps even warped, by the crisis. And it's been grievously hard on both our self-image and our image abroad. Most important, a new brand of terrorism has been initiated, openly indulged in by the government of an independent nation. The world has not really come to grips with that. And until it does, we could face new hostage ordeals in the future. We might give some more thought to that after these hostages are home.●

HONORING BERNARD J. GANLEY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. MURTHA. Mr. Speaker, it is a pleasure to honor Bernard J. Ganley who is retiring from the Indiana University of Pennsylvania after 20 years of service to the university.

During that time he saw the university grow tremendously, not only in the raw numbers of students and buildings and faculty, but in the excellence of the university, in its research, its academic standing, and its service to the community.

Bernie's own change at the university mirrored that progress. He came to the school as the track and assistant football coach, then moved up to assistant dean of men and acting dean of men. Eventually, he became vice president for administration, and also served a period as president of the university.

During my work with Bernie, I have always found him to possess the highest academic standards, to show a firm and positive commitment to the university and the community, and to possess a wonderful concern for the faculty, students, and administrators he worked with and learned with over the years.

As Bernie Ganley completes 35 years in education in the State of Pennsylvania, I am proud to cite this record in the CONGRESSIONAL RECORD of the U.S. Congress because it is at the highest level of service and commitment that is a hallmark of our great Nation and its people.●

A NEW YORKER PAYS TRIBUTE TO PRESIDENT REAGAN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BIAGGI. Mr. Speaker, I would like to insert into the RECORD a poem written by Rabbi Baal Ha Tov of New York City in honor of the inauguration of Ronald Reagan. Rabbi Baal Ha Tov is a good example of the hope and optimism which characterizes our Nation today, especially in light of the release of our 52 citizens from Iran. The rabbi has been occupied during the past 2 weeks collecting signatures of dignitaries on a beautiful picture which he drew in honor of our new President where this poem is inscribed. I commend it to the attention of my colleagues:

REAGAN'S REALISM—AMERICAN IDEALISM

(By Rabbi Baal Ha Tov)

Ronald Reagan whom we Honor and Behold,
Engaged in dialogue between young and old,
Resolute in courage, reason, wisdom, bold
Our Land, Its People, Fabric to mold
On the horizon of a Great American to unfold
Formidable Leadership, New Direction stronghold

We salute to stars and stripes that entail,
We salute to freedom and liberty, never us to fail
We salute U.S. Democracy heritage avail,
We salute the American dream forever to prevail.
We salute all presidents for their bravery and heroism we hail
We salute the Commander-in-Chief, wish him every success,
Nationship to sail.

We salute the Chief for his eminence,
His unique guidance,
His keen intelligence,
His unsurpassed competence,
His valiant performance,
in conquering national decadence.

We salute a brilliant strategist,
Perceptive ideologist,
A realistic individualist,
Indispensible protectionist,
An invincible American Protagonist.

It is a formula of freedom, a revival pact
For an era of renewal, of bouncing attack.
To rescue our Nation from economic slack
Our Democracy to move to its previous track
On the road to prosperity, and dignity back
With Ronald Reagan's prophetic almanac.

We salute the Chief
To strive, to make us
Sound and Strong,
Hailing to the endless throng,
Sing a song
Tales of Old Glory,
Peace and Happiness
A never-ending story.

We salute the inauguration celebration, all the way.
America honors you for dedication, devotion you display
America needs you day by day
To safeguard the U.S.A.●

PRESENTING GOLD MEDALS TO SERVICEMEN WHO DIED IN IRAN

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. GUARINI. Mr. Speaker, today I am introducing legislation which would authorize the President of the United States to present gold medals to the families of the Americans who died in the ill-fated attempt to rescue the American hostages in Iran.

On the night of April 24, 1980, an elite American commando team lifted off the deck of the carrier U.S.S. *Nimitz* in the Arabian Sea in a courageous effort to liberate the hostages. But three of their helicopters were crippled en route or in the desert staging area, and the mission was forced to be canceled. As the team prepared to evacuate, a helicopter collided with a transport plane, shattering the calm night with a fountain of flaming debris. The result was the death of eight American servicemen. It was these men who made the supreme sacrifice.

In this time of joyous celebration for our recently freed American hostages, we must not, nor cannot allow ourselves to overlook the unselfish efforts of these eight Americans. And we must not, nor cannot allow ourselves to overlook the eight grieving families of these servicemen. It is not an everyday occurrence that men of such high caliber would so unselfishly risk their lives in an attempt to save 53 people. It is an even more outstanding event when one realizes that the only common bond the former hostages and the deceased servicemen shared was the bond of American citizenship. But that bond was enough. These eight servicemen symbolize the spirit of America, a spirit in which, even in the darkest of times, cannot and will not be broken. And it is this spirit of the servicemen and their families which we need to honor.

To me, this dauntless sacrifice exemplifies the unity of the American people and their willingness to fight for what we believe in. Therefore, I would urge all of my fellow Congressmen to join me in supporting this bill which will authorize President Reagan to present, on behalf of the Congress, gold medals to the families of Harold L. Lewis, George N. Holmes, Jr., Richard L. Bakke, Charles T. McMillan II, Lyn D. McIntosh, Dewey L. Johnson, John Davis Harvey, and Joel C. Mayo, in recognition of the patriotism and courage exhibited by these men in their heroic efforts of April 24, 1980.

John F. Kennedy once said that:

The courage of life is often a less dramatic spectacle than the courage of a final moment; but it is no less than a magnificent mixture of triumph and tragedy. A man does what he must—in spite of personal consequences, in spite of obstacles and dangers and pressures—and that is the basis of all human morality.

In view of all the national and international attention the former hostages have recently been receiving I believe it only fair that the men who gave their lives attempting to end the hostages' ordeal also be recognized and in some small way be rewarded. It is the least we can do as a grateful nation. Thank you.●

U.S. ARMY ASSOCIATION ON STATUS OF FREEDOM

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. DOWNEY. Mr. Speaker, there recently arrived in my office a booklet entitled "The Status of Freedom, A Year-End Assessment" by the Association of the U.S. Army.

I opened it, I am a trifle embarrassed to admit, expecting to find a simple-minded equation of freedom with the absence of communism, a kind of heritage foundation report in olive drab. Instead, I read a perceptive, balanced, and quite sophisticated summary of the political balance in various nations around the world. I found a sincere concern for freedom, with the term used as Webster defines it. This is not to say the report is without flaws; its military analysis is a bit on the simplistic side and places undue emphasis on numerical bean counting. But all in all, it is a very creditable piece of work.

I will not insert it in the RECORD because of its length, but I urge my colleagues to read and file it rather than sending it the way of most unrequested reports.●

STATEMENT ON RETIREMENT OF GLEN W. KELLY

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. GRISHAM. Mr. Speaker, in an age when all we seem to read about is the problems faced by our communities, it is indeed a pleasure to place in this RECORD a tribute to a man who, in his 35 years of service to the Whittier Union High School district, never worried about problems, but was always working on solutions.

Glen W. Kelly was born on January 2, 1921, graduated from Whittier High School in 1938, and then from Whittier College in 1942. Unlike so many others, Glen focused his energies back on the community that gave him so much, and in so doing earned the respect and gratitude of all who he has helped over the years.

Glen began his career as coach of the Whittier High basketball team, compiling a record that includes eight league championships and a C.I.F. championship. As a coach, he devoted himself to building the mental and moral character of the young men he coached, as well as their athletic abilities. Many of his players and students he has taught have gone on to become strong leaders within the Whittier community and other areas of our Nation.

As an English and history teacher for 5 years and then as athletic director for another 10 years, Glen served the community and brought to his students the same dedication that he had given to his teams. Glen's abilities as an educator and an administrator won the admiration of all who came in contact with him, and his efforts were rewarded when he was appointed principal of Monte Vista, a position in which he served with commitment and dignity for the next 15 years. For the past 2½ years he has continued to contribute to the Whittier Union School District as special assistant to the superintendent.

The experience of a man of this caliber will be sorely missed by all who have worked with him. He will never be replaced, for a man of his understanding, compassion, and dedication comes along only once in a lifetime.

I am sure that Glen's wife Muriel, daughters Shiela and Maureen, and son John, share in our community's pride.

I hope that the members of this Congress will recognize the inspiration that can be gained from Glen Kelly's example, and will pass this inspiration on to members of their own communities. Glen Kelly's career exemplifies the American spirit. We can all learn from him.●

THIRTY-ONE NEW AMERICAN CITIZENS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 31 residents of Mary-

land's Second Congressional District who have chosen to become American citizens, accepting all of the responsibilities that freedom and citizenship entail. I hope that my colleagues will join me in welcoming these new Americans and extending to them our wishes for a happy and prosperous life in the land we love.

They are: Gladstone Ademiluyi, Vasilios Hapsis, Ingeborg Osterchrist, Peter Osterchrist, Pamella Rose, George Bilis, Mrs. Aleykutty, Joseph Benamor, Raisa Moshinskaya, Antonio Naval, Tjin-Siong Lay, Bankimchandra Vaishvan, Sung Kim, Chih-Yuan Liaw, Aristofanis Lessis, Helga Hoesch, Dvora Fromberg, Ernesto Leon, Mark Chudnovsky, Lilian Chudnovsky, Fatme Kanaan, Tae Kim, Mariam Zwald, Ruly Yoediono, Ingka Yoediono, Kozo Murakoshi, Raimondo Lubrano, Lakshmi Kashyap, Maria DeLara, Marvin Thoms, and Gertrud Thoms.●

STATEMENT UPON INTRODUCTION OF LEGISLATION TO PROVIDE SCHOLARSHIPS TO CHILDREN OF PUBLIC SAFETY OFFICERS KILLED IN THE LINE OF DUTY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BIAGGI. Mr. Speaker, today I am introducing legislation, as I have since the 95th Congress which would provide scholarships for the dependent children of public safety officers who are killed in the line of duty, the Public Safety Officers Memorial Scholarship Act.

My concern for the children of these officers stems from my 23-year career as a New York City police officer. During that time, I witnessed the need for protecting the future educational opportunities for children of officers. Today, with the skyrocketing costs of education, the need for these scholarships becomes even greater. It is but a small, yet important tribute we can pay to the heroic efforts of men and women who lose their lives so that others may be protected from the criminal element in our society.

As a senior member of the House Education and Labor Committee, I have been a strong advocate for our Federal programs which provide thousands of students educational opportunities in the form of grants and subsidized student loans at low interest rates. In the 96th Congress, I was an original cosponsor of the Education Amendments of 1980 which authorized $50 billion in aid for students and institutions over the next 5 years. This bill that I am introducing today provides an additional critical component to our programs under the Higher Education Act to assure that children of officers will be assured access to a postsecondary education. While these children are also eligible for other financial aid programs under this act, these scholarships will help to supplement their awards and minimize any barriers they might encounter in paying for their college education.

The need for this legislation is great and its costs will be minimal, compared to the costs of a dependent child of an officer not going to college because they could not afford to. Our law enforcement officials regularly risk their lives for all of us. Fortunately, few have to make the ultimate sacrifice in their jobs, but when they do, we should stand ready to help their families in any and every way possible. This bill will address a small, but important need of assuring a college education for their children and I urge my colleagues to join me in supporting it.●

CUTTING THE U.S. CONTRIBUTION TO THE UNITED NATIONS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, in the last decade the United Nations has enacted numerous measures inconsistent with the principles of its charter. This is exemplified by last summer's Security Council resolution condemning Israel for its stand on Jerusalem. To make matters worse, the United States abstained from that vote. Since 1970 the United States has been forced to veto numerous United Nations actions, though it never used its veto power prior to that time. But, while the balance of power in the United Nations (U.N.) has shifted, the financial responsibilities placed on member nations have not—creating a situation where those who have the least responsibility for paying the bills have the most influence over the decisions made. Such a situation is an invitation to political demagoguery and further violations of the U.N. charter.

Actually the problem has been far more evident in the U.N. General Assembly than in the Security Council since all 152 member nations participate in the General Assembly on an equal basis regardless of financial contribution—except for the Soviet Union which has three votes to everyone else's one. In the last 10 years the General Assembly has; one, seated Red China while expelling Nationalist China; two, suspended South Africa from membership; three, granted observer status to the Palestinian Liberation Organization and allowed Yasir Arafat to speak while denying Israel the right to full reply; four, countenanced expropriation of property without compensation and; fifth, passed a resolution equating Zionism with racism. Particularly unsettling is the fact that many of the nations supplying the margin of victory in these instances are not only new Third World nations, but among the smallest financial supporters of the U.N. United Nations membership has become an excellent economic and political investment for the Third World, one from which these small nations and the Communist bloc have gained considerable advantage at minimal expense.

In view of the current situation, a number of suggestions have been made to revaluate our Nation's relationship with the U.N. Logically, some of these have dealt with our financial contribution level to the United Nations. While it is quite evident that continuing adherence to the national income formula will simply accelerate the growing polarization between the primary financial supporters and the principal power brokers, the alternatives, such as equalizing assessments, need careful examination. For one thing, such a system would discriminate against those nations not having permanent seats on the Security Council. In addition, reducing our annual contribution to a level no greater than that which would be in effect if all nations contributed equally, is not likely to result in the U.N adopting a more reasonable assessment standard. The more probable development would be further deterioration of the U.N.'s financial situation due to smaller payments by each nation, or nations, withdrawing from the U.N. because they are unable to afford a higher level of assessment.

Given that premise, I think that it is imperative that the United States adopt a new contribution formula that would be fair to the United States, be as fair as possible to other member nations, be fiscally responsible insofar as the future of the U.N. is concerned, and be reflective of the representative nature of the United Nations. All things considered, given the fact that no plan can be completely equitable, I think these goals can be best accomplished by initially reducing our annual U.N. contribution to a percentage equal to that of our population when compared to the total population of all U.N. member nations. If implemented, this would mean that instead of paying 25 percent of all U.N. expenses each year the United States would contribute 5.1 percent and other nations, particularly the People's Republic of China and the Third World, would have to carry a fairer and hence more appropriate share of the financial burden.

The biggest flaw that I perceive in this proposal is that, should the U.N. accept the whole package, the annual contribution of the Soviet Union would, like that of the United States, be reduced. Given the fact that the Soviets have contributed less than one-fifth of what we have contributed to the U.N. over the years, and keeping in mind that they are currently well behind in their financial obligations—without having suffered any significant penalty—the Soviets deserve to pay more rather than less. However, this drawback is negligible when compared to the other considerations that would result from enactment of this proposal. The People's Republic of China, which occupies a permanent Security Council seat, would have its percentage share raised from an unreasonably low 1.62 percent of the regular budget to a more realistic 22.6 percent. In addition, India's assessment—which is presently 0.6 percent of the regular budget each year—would be increased to 15.6 percent. Most important, however, is the tremendous expenses the United States would be spared. If, instead of paying 25 percent of the entire U.N. budget, or $922,950,000 in 1980, the United States were to pay an amount comparable to its share of the population, the cost to our country would be reduced by 80 percent to assess $188,281,800. The result of this proposal would be financial obligations consistent with the amount of power within the United Nations each country commands. I would also recommend that, at the same time the United States asks the U.N. to follow its example and use the proportional population formula for assessments, the U.N. collect what it is owed from those nations who are delinquent in their payments. Present U.N. financial difficulties would certainly be eased if members, in particular the Soviet Union, would pay what they owe. There is no reason, particularly in light of the actions taken against Nationalist China, South Africa, and Israel in recent years, to allow such abuse to go uncorrected.

If the United States continues to pay an unduly large share of the U.N. expenses each year while other nations fail to honor their obligations, we can expect to see a deepening of the hypocrisy that has so blatantly marked U.N. sessions in recent years. If the U.N. is ever to be an effective force for world peace, it must be more than simply a political vehicle for the side that has the most votes. It must reject the demagoguery that so often accompanies the exercise of power unchecked by any concern for fiscal responsibility. If the U.N. fails to take such action, there is little hope for its being any more than what Ambassador Scali once termed "the tyranny of the majority" with the very real possibility that it will become no less than the pawn of the Internationale.

It is in lieu of this possibility that I have introduced a bill to reduce our contribution level to the aforementioned 5.1 percent. By so doing we would not only save the American taxpayer over $700 million annually, but more importantly, we would put the U.N. on notice, without wrecking or withdrawing from it, that it cannot expect to command financial support unless it exercises more discretion and acts with a greater sense of responsibility. I firmly believe such notice would, in the long run, benefit all concerned. The bill to accomplish this goal follows:

H.R. 864

A bill to limit United States contributions to the United Nations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the aggregate amount of assessed and voluntary, contributions by the United States to the United Nations and its affiliated agencies for any calendar year after 1980 shall not exceed an amount which bears the same ratio to the total budget of the United Nations and its affiliated agencies as the total population of the United States bears to the total population of all the member states of the United Nations.●

KIM DAE JUNG—SOUTH KOREA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BONKER. Mr. Speaker, I want to congratulate South Korea's President, Chun Doo Hwan and his government for commuting the death sentence of opposition leader Kim Dae Jung, and for lifting the martial law edict issued last May. This action, which shows great foresight, will be hailed around the world.

I am pleased Korea's leadership understood that the execution of Kim would not have served any purpose. In fact, it would have created a dangerous rift in the close relationship of our two countries. The charges against Kim Dae Jung were labeled farfetched by our State Department. It is my hope that a way may be found to free Mr. Kim and that he would be allowed to leave the country.

All of my distinguished colleagues who joined in the effort to save the life of Kim Dae Jung must feel a great deal of satisfaction. But our work is not finished. There are a number of other political prisoners who languish in jail, and military rule is still in force. If Korea is to have a stable future then it must have a government which enjoys broad popular support. President Chun has moved in the right direction; he must act now to restore Korea's democratic freedoms.●

THE MARTIN LUTHER KING DAY MARCH: SOME OBSERVATIONS

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. MOFFETT. Mr. Speaker, sometimes it is better to forget the diplomacy and be blunt. For those who took part in the January 15 march in Washington to push for the establishment of a national holiday on the birthday of Dr. Martin Luther King, the event was incredibly moving. But the media coverage and the participation level by whites in that special day were shameful and disappointing.

It might sound like an overstatement, but I do not think that the busloads of Connecticut people that were in attendance would disagree. Symbolically, this matter of the holiday is very important to the black community. That is a fact, whether or not you believe in the goal.

Various police observers estimated that as many as 200,000 people from 30 States took part in the march on that cold and snowy day.

The crowd was almost entirely black. The old ones who had marched many times before; the young ones who had never marched and who had never had to march, their Loomis-Chaffee jackets and other signs of sound and prosperous upbringing reflected the progress, for some, of the years since King's tragic death.

At the march's end, the grounds of the Washington Monument were packed. The crowd listened to speakers urge adoption of the holiday by the Congress. In the last session, the measure failed by only five votes. Blacks reacted the way Italians would to the repeal of Columbus Day. But speakers such as Jesse Jackson and Dick Gregory spoke of more than a holiday.

Jackson talked of self-respect and pride, "You are somebody" he told the young people in the crowd, most of whom did not have jackets from expensive prep schools. Gregory was even more direct: "Ronald Reagan can't do nothin' to us, compared to what we're doin' to ourselves with drugs and alcohol," he said.

Indeed, this was healthy stuff. Not calls to revolution, but to self-help and hard work; the kind of speeches that would have made Dr. King proud.

But the highlight, even including the words and music by Stevie Wonder, was the stirring speech by Martin Luther King III, the son of the slain leader. "We're not anywhere

near through yet," he told the people. "We must keep working."

All of this was treated much like some kind of highly classified national secret by the news media. The networks either excluded it entirely from their nightly programs, or showed 15 seconds of footage with practically no narrative. They estimated the crowd at not 200,000, or even 150,000, but 15,000. The New York Times seemed to pretend that the entire event never took place.

Just as troubling was the lack of participation by whites. In a way, you hate to say that you noticed the color of the marchers, but it was all so painfully obvious. What was white society saying? That the holiday is not important? Or that things are tough enough economically right now for us whites, so why should we march for your thing?

It is important that we march in honor of Columbus, or to salute Walesa, or protest treatment of Irish Catholics. But the King contribution should receive similar attention.

Especially with black children continuing to be snatched away in the night in Atlanta, with the blatant reemergence of the KKK, it did not seem unreasonable to expect that somewhere within driving distance to Washington, would be 25,000 or so white people who would march simply to show their support for the eminently responsible, hard-working and patriotic people in the black community throughout our land.

Are there no longer college students with time on their hands for such demonstrations of support? Are there no longer liberals and sensitive business people who still believe in such things?

Yes, it is nonsense to imply that white America's attitude toward the black community can be summed up by its reaction to one event on one snowy day in January. Perhaps when the vote on the holiday itself comes in Congress, enough Americans of all colors, shapes, and sizes will have expressed their views to make its passage a reality and to put to rest any fears about our commitment to equality.●

THE 63D ANNIVERSARY OF DECLARATION OF UKRAINIAN INDEPENDENCE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BROOMFIELD. Mr. Speaker, at a time when all Americans rejoice in the newly regained freedom of 52 Americans who have been held hostage so barbarically for 444 days, we reflect upon the millions of people who remain oppressed throughout the world. As we give a warm welcome to our courageous countrymen, we are reminded that January 22 marked the 63d anniversary of the declaration of Ukrainian independence. The words "freedom" and "self-determination" are but a vision for the long suffering Ukrainian people.

This brave Nation, which so valiantly combated Bolshevik forces for 3 years after declaring its independence on January 22, 1918, was again overcome by the overwhelming number of Communist forces.

Throughout the years of Soviet domination, the proud Ukrainian people have maintained a sense of ethnic identity and an undiminished yearning for independence. Their determination to be free has been nurtured by the steadfastness of Ukrainians outside the U.S.S.R. and by expressions of support by Members of this body.

In marking the anniversary of Ukrainian independence, we are giving support to a better, freer future of these proud people. We also help insure that the world rejects the tragic consequences of Soviet domination. And we stand for the ideals most noble in the American experience—freedom and justice for all.●

BARNES RECOGNIZES ACCOMPLISHMENTS OF DONNA HUBER, FEDERAL EMPLOYEE ADVOCATE

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BARNES. Mr. Speaker, I would like to take note of the fact that Donna Huber is stepping down from her position as executive secretary of the Westwood Employees Committee on Problem Solving (WECOPS). For several years Ms. Huber has tirelessly volunteered her services as an advocate for the rights of Federal employees who work in the Westwood complex in Bethesda, Md., and her efforts in that capacity stand out as an excellent example of what one dedicated person can accomplish.

I have had the pleasure of working with Donna Huber on a number of issues, most notably in her successful attempt to improve working conditions at the Westwood complex. She has also been active in articulating the Westwood employees' position with respect to parking fees at Federal facilities, in organizing the Westwood recognition of the American hostages' captivity in Iran, and on a host of other matters. I know that the employees at Westwood Building will miss Ms. Huber's dedicated activism in their behalf, though I look forward to responding to any requests which they might make to my office in the future.

For the record, I include a copy of a summary of a report prepared by the General Accounting Office last year, which I requested on behalf of the Westwood employees and Ms. Huber. I might add that the General Services Administration has been very responsive to requests from my office for attention to matters at the Westwood Building, for which I am most grateful.

Also included below is a copy of an article from the Federal Times, which chronicles some of Ms. Huber's efforts related to the Westwood Building:

[Comptroller General's Report]

GSA FOUND LAX IN ENFORCING LEASES ON WESTWOOD COMPLEX

The General Services Administration which leases the Westwood complex for Government use, the National Institutes of Health which occupies the complex, and the lessor have continually disagreed over maintenance responsibilities. The disagreements over fire safety problems call for the most urgent resolution. A recent fire inspection identified numerous violations, including faulty fire doors on eight floors of the Westwood Building and seven floors of the Annex.

General Services has now determined responsibility for repair of the fire doors and other violations and has taken or is taking action to have the violations corrected. The lessor has also been required to equip elevators with an automatic recall system. These actions, when completed, should improve the safety of the Westwood buildings.

Government leases for real property contain a general provision that if the lessor fails to provide any service, utility, maintenance, or repairs required under the lease, the Government has the right to secure the services, utilities, maintenance, or repairs and to deduct the cost from the rent. However, General Services' efforts to secure required maintenance and cleaning services for the Westwood Building and Annex have been ineffective.

Congressman Barnes described his observations of the maintenance deficiencies in the Westwood complex in a July 23, 1979, letter to the Administrator of General Services and expressed the hope that General Services could make some change in its lease enforcement, rather than attack problems on a piecemeal basis. (See p. 1.) While General Services had some problems corrected, its reply to the Congressman did not propose any change in enforcement of lease provisions.

Seven times from February 1973 to August 1979, General Services informed the lessor that it would exercise the Government's right to secure services and deduct the cost from the rent. But it has not done so. In 1975 and again in 1977, the National Institutes of Health suspended rental payments to General Services because the lessor failed to provide building services required in the leases.

General Services should more aggressively discharge its responsibility to enforce leases and ensure that public funds are not used to pay for services that have not met or do not meet contract requirements.

General Services contends that it has enforced the leases aggressively and, together with the lessor, believes that deficiencies

have been corrected within a reasonable time, but that many problems in the Westwood complex are due to overcrowding and discontented occupants. However, GAO used the General Services' record of independent building inspections as a basis for this report. That record did not attribute service and maintenance deficiencies to overcrowding or occupants' discontent.

The Administrator of General Services should direct the contracting officer for the two Westwood building leases to enforce the Government's contractual rights more effectively.

[From the Federal Times, May 5, 1980]

FAILURE OF GSA TO PUSH BUILDING UPKEEP RAPPED

The General Services Administration has been reluctant to crack down on numerous and long-standing safety and health violations in two leased buildings which house 1100 employees of the National Institutes of Health, congressional investigators have concluded.

General Accounting Office investigators also found that GSA failed to get required maintenance and cleaning for the Westwood Complex in Bethesda, Md., leased at an annual cost of more than $1.1 million.

GSA, the federal government's landlord and housekeeping agency, has had other problems with the buildings' owner, Westwood Joint Venture, which also leases several other Washington-area structures to the government. In one case, GSA took over cleaning and maintenance operations when the owner could not meet lease requirements.

The Westwood study was requested by Rep. Michael D. Barnes, D-Md., who received a series of complaints about conditions there. During a visit in mid-1979, Barnes found such dangers as exposed electrical wiring and outlets, inadequate ventilation, a hole in a walkway floor covered by a rug and "a wall so loose . . . that it is held up by pencils forced into its cracks."

Local fire inspectors last November found faulty doors on eight floors of the main building and seven floors of the annex, plus a gas leak, improper storage of flammable materials, 42 fire extinguishers in need of servicing and various other hazards.

"While some of the cited problems have been corrected, GSA's reply does not suggest what change can be made in its enforcement of the lease provisions . . . other than to establish a faster reporting system," GAO said.

The auditors, however, found that the reporting system had little to do with the problems. They recommended instead that GSA take strong action on lease compliance. GSA said its action had been aggressive and blamed "extenuating circumstances" for problems in administering the leases.

NIH, which pays GSA more than $2 million a year for the space, twice has withheld its rent because of poor services in the buildings. Although GSA threatened to provide its own services and deduct the cost from its rent to the owner—seven times since 1973—it never followed through, GAO said.

"The government has a contractual right to secure satisfactory services and maintenance, but GSA has indicated its reluctance to exercise this right," auditors said.

"GSA should more aggressively discharge its responsibility to see that public funds are not used to pay for services that have not met or do not meet contract requirements."

Disagreements over responsibility for hazards and damage in the buildings have been part of the problem. Both GSA and the owner blamed overcrowding and the owner said Westwood tenants feel "deprived" because they are located away—about five miles—from the main NIH "reservation."

An employee representative disagreed. "We are not a group of malcontents," said Donna Huber, a grants technical assistant and executive secretary of the Westwood Employees Committee on Problem Solving.

"Our roof still leaks, and although the walls were recently painted, the grade is so poor that when you wipe off fingerprints, you wipe off the paint.

"Right now I'm sitting in a room with brown paper over the window because the owner won't put up venetian blinds. It was 85 degrees in here this morning. We're supposed to get some soon, but NIH will end up paying for them."

Huber welcomed the GAO findings but said GSA still is not making the building managers keep the restrooms clean or fix other long-standing hazards.

"We have a large room in the sub-basement—the only way to get to it is from the outside—which is filled with forms and applications and the type of information one of our institutes needs each day," she said.

Last August, one of two springs on the garage-type door broke and requests for its repair went unheeded, Huber said. About a month ago, the second spring broke.

"At this point, it takes four strong men to lift that door. Two weeks ago, three men suffered back sprains when they tried to lift it. One of them has been put on light duty now," she said.

Barnes, who called GSA's efforts to fix Westwood's fire safety problems and the GAO report a "starting point," plans to visit the complex again.

Before his last visit, a notice of his plans was posted on a building bulletin board. "People told us that there was more action during the time before the visit than in a long time before that," an aide said.●

DR. GIULIERI: EDUCATION AT ITS BEST

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. MILLER of California. Mr. Speaker, I rise today to honor Dr. Elmo Giulieri, who will be retiring on January 31, 1981, after 33 years of service to the Walnut Creek, Calif., school district. Dr. Giulieri has spent his entire educational career helping the students of Walnut Creek as a teacher, principal, director of special services, and finally, as superintendent of the Walnut Creek School District.

Dr. Giulieri has been instrumental in the formation of many fine education programs for the students of Walnut Creek, including the reading clinic under the title I program and the developmental kindergarten program for children who need special help. These programs will be a lasting tribute to the greatness of this man.

We are entering a time when all our basic assumptions about education are being questioned. One of these is whether we can provide a strong public education system. I believe that Dr. Giulieri's dedication to excellence in education over the past 33 years provides an example of the best our education system has to offer. I hope that we will continue to have such dedicated citizens as Dr. Giulieri providing the fundamental education our children need for the world of tomorrow.●

RICHARD L. WILSON DIES

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. SMITH of Iowa. Mr. Speaker, one of the distinguished journalists of our times, well known over the years to many of us in the Congress, died at his home in Washington on January 18 of this year. Mr. Wilson was chief of the Washington bureau of the Des Moines Register when I first came to the House 22 years ago. He served in that capacity for 37 years before retiring in 1970.

Dick Wilson was respected as a solid professional in his coverage of national affairs. His career extended from the early days of the New Deal into the Presidency of Richard M. Nixon. His work as editor, war correspondent, reporter, and nationally syndicated columnist won him many coveted journalistic awards including the Pulitzer Prize, the Raymond Clapper Memorial Award, and the Sigma Delta Chi Distinguished Service Award.

Our sympathy goes out to his wife, Katherine, his two daughters and six grandchildren. Mr. Speaker, I ask unanimous consent that the obituary of Mr. Wilson, carried in the January 20 edition of the Washington Post be printed in the RECORD.

[From the Washington Post, Jan. 20, 1981]

RICHARD L. WILSON DIES; BUREAU CHIEF HERE 37 YEARS FOR DES MOINES REGISTER

Richard L. Wilson 75, chief of the Washington bureau of The Des Moines Register newspaper for 37, years before retiring in 1970, died Sunday in his home in Washington. He had cancer.

During his years in Washington, Mr. Wilson covered many of the major stories of an era that began with the New Deal and extended into the presidency of Richard M. Nixon.

He wrote about President Franklin D. Roosevelt's plan to "pack" the Supreme Court, covered the Geneva Summit of 1955, and accompanied Nixon, the then vice president, to Moscow in 1960 for his famous "kitchen debate." Mr. Wilson was on hand for the Kennedy-Khrushchev summit in Vienna in 1961 and was a member of the press corps that accompanied President Nixon to China in 1972.

Mr. Wilson won some of his profession's most prestigious awards, including a Pulitzer Prize for a 1953 series that said the FBI

had warned the White House in 1945 of the alleged Soviet connections of Harry Dexter White, a high Treasury Department official during World War II. White was accused but never convicted of having served as a Soviet spy.

His other awards included the Raymond Clapper Memorial Award and the Sigma Delta Chi Distinguished Service Award. He had been president of both the National Press Club and the Gridiron Club.

After retiring as bureau chief in 1970, Mr. Wilson wrote a syndicated editorial page column for five years. He covered the 1976 political conventions and then went into retirement a second time.

In 1975, he wrote that during his half-century of reporting "three major events happened. This country was engulfed, nay, swamped in technology. The United States became a world power. It is also a continental welfare state. That encompasses the whole of it."

Mr. Wilson was born in Galesburg, Ill., and studied chemical engineering at Iowa State University and journalism at the University of Iowa. He first went to work for The Register in Des Moines in 1926. In 1933, he came here to open the paper's Washington bureau. His original assignment was to cover New Deal programs that would be of special interest to Iowa farmers, hard-pressed as they were by the Great Depression.

In fact, he became an expert on agriculture; but he also went on to many other assignments and subjects, including the fighting in North Africa and Europe during World War II, which he covered as a war correspondent.

Survivors include his wife, Katherine M., of Washington; two daughters, Susan W. Seymour of Minneapolis, and Katherine Lesses of Cambridge, Mass., and six grandchildren.●

WELCOME HOME

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. LEWIS. Mr. Speaker, the Americans taken hostage in Iran while serving their country are welcomed home with open arms and with relief. We share the joy of their families at being reunited, with gratitude for the efforts of those nations who supported America through this trying period and with concern for the sanctity of diplomatic tradition. In order to commemorate this fact, I am introducing a resolution to designate an area in Washington, D.C., as "Freedom Park."

Tuesday, January 20, 1981, is a day which will long be remembered in the hearts of all Americans: It is a day of celebration and unity, of concern, recollection, and hope. For 444 days we lived in suspense; now we can give thanks and express officially the joy felt by the parents, brothers, sisters, wives, and children of the hostages.

Yet last Tuesday was also a day to recall that the principles of diplomacy which have prevailed from the days of ancient Greece have been violated. Such unprecedented disregard for international law and the traditional standard of respect in the diplomatic community could have a serious and destructive impact on the world's hope for peace. Let us, therefore, take this day to recommit ourselves to the diplomatic code of honor and immunity and to peace among all nations.

Thanks are especially to be given to those who have been instrumental in bringing the hostage situation to an end: Canada, for her aid above and beyond the call of duty in bringing home the Americans not captured during the Embassy takeover in Tehran; Algeria, for her untiring efforts as mediator in a delicate and decisive negotiation, and the American diplomats and negotiators who, more than any, brought about this happy day.

At the hope-filled time of a new administration and a new beginning for our country, to the former hostages, welcome home.●

A WELL-DESERVED TRIBUTE TO ED JONES

HON. DAVID R. BOWEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BOWEN. Mr. Speaker, Progressive Farmer, one of America's leading farm journals, has recently honored our colleague, ED JONES, with its Man of the Year Award. As those of us who serve with ED know, he has dedicated his life to a more productive, efficient U.S. agriculture and to the well-being of American farmers.

From my close association with him, I have developed deep admiration for his knowledge, good humor, and the sensitive way he deals with the most controversial issues.

Since some of you may have missed the January 1981 issue of Progressive Farmer, I would like to insert this article into the CONGRESSIONAL RECORD. I know you will want to join me in congratulating ED.

ED JONES—MAN OF THE YEAR IN SERVICE TO SOUTHERN AGRICULTURE

It may be that milking cows is the best training a potential Congressman of the United States can get. You have to be calm and unruffled, yet firm and certain, to get the most out of a dairy herd. And above all, you have to be regular and persistent in your work. Those are the same traits you need in the Congress.

Whether or not his dairy farm experience gets the credit, Ed Jones, Representative of the Seventh District, State of Tennessee, is surely one of the more successful members of Congress today.

His successes have brought some dramatic benefits to farmers all over the South as well as to those in his West Tennessee Congressional district.

In Congress, the leaders assign individual Representatives as managers of each important bill. If the bill is complicated and likely to meet with vigorous opposition, Congressional leaders assign it to the most successful manager.

More often than not, these tough-to-pass agricultural bills get assigned to Ed Jones. Note these complex bills that have become law under the management of Ed Jones:

The Egg Research and Promotion Act, one of the first that permits producers to vote in a checkoff and use their own money for research and promotion.

The dairy price support sections of the Agriculture and Consumer Protection Act of 1973 that set price supports between 75 and 90 percent of parity, and the subsequent amendment in 1975 that put an 80 percent parity floor under dairy products.

The Federal Crop Insurance Act of 1980 that will expand insurance protection to just about every crop and every crop farmer in the U.S. by 1985. This act could well become one of the most significant pieces of farm legislation ever passed. Jones worked for over four years in developing the legislation and then pushing for its passage. (See "New All Risk, All-Crop Insurance Replaces Disaster Programs," September 1980 issue.)

Farm Credit Act Amendments of 1980, which raise the loan limits on Federal land bank loans, authorize the Bank of Cooperatives to lend money to farmer cooperatives for the purpose of exporting farm products, extend Farm Credit Service lending to aquatic producers, and much more.

The hallmarks of many of the laws guided through Congress by Jones are that they provide benefits to farmers, yet remove control of these benefits from the Washington bureaucracy.

"That's the most important thing I think we can do," says Jones. "Nothing is more depressing than to have to return year after year and beg Congress and the bureaucracy for help for farmers."

He points out that Washington does play the numbers game and that farmers suffer when politicians start counting heads. Farmers have gotten far more help from Congress in the past then their numbers would indicate.

"I think we have to turn more and more to farm programs where farmers themselves, with initial help from the Government, take control of their own programs," says Jones.

Getting bills like these passed isn't easy because there are hundreds of pressure groups jealous of their own prerogatives in the farm field. Many Congressmen spend years in the Congress without ever getting legislation passed. It takes some hard work, fancy footwork, and the ability to compromise on the least important points as far as farm interest is concerned.

That's how Ed Jones has accomplished so much. That's why he'll continue to get things done for farmers. "We have some tough, far-reaching decisions to make on farm policy in the 1980's," observes congressman Tom Foley, chairman of the House Agriculture Committee. "Ed Jones will be playing a very important part in shaping the future of agriculture."

The editors of Progressive Farmer saw that same promise for service to agriculture when they named Ed Jones, then a farmer and Tennessee Commissioner of Agriculture, as the 1951 Tennessee Man of the Year.

Now, for his national effort, Progressive Farmer is pleased to name him man of the Year in Service to Southern Agriculture for 1980 for his special and conspicuous leadership to farmers in the development and passage of the Federal Crop Insurance Act and the Farm Credit Expansion Act.●

VICE ADM. B. R. INMAN—AN OUTSTANDING APPOINTMENT

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BOLAND. Mr. Speaker, Saturday Vice Adm. Bobby R. Inman was named as President Reagan's nominee to be Deputy Director of Central Intelligence.

This comes as good news to all who know Admiral Inman and to all who want to see the United States maintain and improve its foreign intelligence capabilities.

President Reagan has chosen well in selecting Bob Inman to be the deputy for the new Director of Central Intelligence, Bill Casey.

The Permanent Select Committee on Intelligence, during the 3½ years I have served as its chairman has enjoyed a very close and satisfactory relationship with Admiral Inman in his capacity as the Director of the National Security Agency.

Most Americans and, indeed, most Members of Congress do not know much about the activities of the NSA, and appropriately so, because its activities are, and need to be, a closely guarded secret.

Mr. Speaker, the members of the Permanent Select Committee on Intelligence are fully apprised of NSA's operations and I know I speak for all its members when I say that in Admiral Inman the country has been blessed with a most competent, loyal, and trustworthy officer.

He has conducted himself in the most thoroughly professional manner possible in all the difficult positions in which he has served.

His performance as Director, NSA, has been exemplary in every respect.

I know that as the No. 2 official in the entire U.S. intelligence community, he will continue his outstanding performance.

That Admiral Inman has been chosen to fill such a position of responsibility comes as no surprise to those of us who have dealt with him.

It would be hard to imagine anyone with a better intelligence background or with sounder judgment than Bob Inman.

Prior to his service as the Director of the National Security Agency, he was Vice Director of the Defense Intelligence Agency.

He has also served as the Director of Naval Intelligence and has had numerous assignments with combat commands in his distinguished naval career.

As he enters upon this new assignment of high responsibility, I extend to him my own best wishes and those of the Select Committee on Intelligence.

The Nation is well served by his appointment as Deputy Director of Central Intelligence.●

COMMEMORATING EMANUEL CELLER

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. GREEN. Mr. Speaker, I would like to commemorate the passing of one of our former colleagues, a man who served in this body for half a century, Emanuel Celler. He came to Washington in 1923, and when he left he was the dean of the House. A Democrat from New York City, he was a strong supporter of the early New Deal legislation of President Roosevelt, and devoted his career to the cause of individual rights.

As chairman of the Judiciary Committee from 1949–53, and 1955–73, he led well-publicized investigations and was coauthor of the major Celler-Kefauver Anti-Merger Act of 1950. During the 1950's he was one of Congress strongest opponents of the special House Un-American Activities Committee.

What I best remember about Manny Celler is his commitment to the cause of civil rights. He sponsored or managed all the major civil rights acts during his long tenure on the Judiciary Committee. He was the principal architect of the 1957 Civil Rights Act, sponsored the 24th amendment to the Constitution, guided the landmark Civil Rights Act of 1964, and managed the 1965 Voting Rights Act.

Emanuel Celler served in the Congress longer than any other New Yorker, and all of us from his State, and indeed the Nation, can be proud of his long record of achievements. He served this House with the courage of his convictions, and I am pleased to join my colleagues in honoring his memory.●

GUN CONTROL PROBLEMS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. SKELTON. Mr. Speaker, William Hale of the Pleasant Hill Times wrote an excellent editorial concerning the misdirected attempt to have gun control. I commend this editorial to the Members of this body:

GUN CONTROL NOT THE ANSWER

While contemplating the sad death of musician John Lennon, Americans should realize that no "gun control" law, no amount of restrictive firearms legislation, could have prevented this tragic act.

Gun laws simply cannot stop someone who is intent upon committing murder. The suspect charged with Lennon's murder purchased the murder weapon in Hawaii, a state which requires that all firearms and ammunition be registered with local and state authorities. The crime took place in New York City which has perhaps the most stringent gun laws in the country. New York not only requires registration and permits for handguns, but also requires the licensing of firearms owners. These restrictive gun laws did not stop Lennon's murder. Additional gun laws would not have stopped it, either.

The act, for whatever reason it was committed, was premeditated. Once he is bent upon such a crime, a person cannot be thwarted by an existing gun law, nor by the passage of any additional legislation. Murder is already against the law.

There will be those who call for more "gun control" laws. Such laws, however, only restrict the law-abiding citizen's use of firearms and will not affect the criminal or reduce crime. Such laws merely open the door for civil rights violations which have occurred many times under the Federal Gun Control Act of 1968. These violations have already resulted in 63 United States Senators calling for reform of that gun law.

To stop crime, laws must be directed at the violent criminal.●

NUTRITIONAL COUNSELING

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. LEHMAN. Mr. Speaker, today I am introducing legislation to amend the Social Security Act to include nutritional counseling as a home health service when such counseling is provided under the supervision of a registered dietitian.

Our concern for the health of our citizens should be expanded to include all facets of total health care. Unfortunately, a long-overlooked element has been nutritional dietary care. I believe a commitment should be made to promote optimal nutritional health care complete with dietary counseling. Nutrition is an integral part of health; we cannot ignore this important factor.

Home health services provide essential medical aid to people unable to leave their homes for necessary medical attention. My bill would broaden the present list of eligible services to include nutritional counseling. Medicare provides coverage for home health services and allows reimbursement for all reasonable costs related to patient care. Therefore, medicare coverage enables many people to uti-

lize home health care services which previously were inaccessible.

As the Government becomes more deeply involved in programs to meet the health care needs of the population, it has a responsibility to provide dietary counseling for both individuals and groups. Dietary counseling would be available to those who need it the most, individuals confined to their homes and normally unable to take advantage of such services. Increased costs for both inpatient and ambulatory health care make it mandatory that attention be turned to programs that will prepare citizens to assume more responsibility for their nutritional well-being.

Good nutrition is the foundation on which positive health is built. To neglect this opportunity to insure better health for the population is not being totally responsive to a major need in this country. Health care legislation for the 1980's must provide access to home nutritional care. Let us begin by the passage of this bill.●

HEMET HONORS IRWIN FARRAR

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. LEWIS. Mr. Speaker, on February 12, the Chamber of Commerce of Hemet, Calif., will meet to honor Irwin Farrar, a man who has been an active and invaluable community leader since first joining the community back in 1917. I am fully aware of the major contributions Mr. Farrar has made to the area over the past 60 years and want to join his family and friends in paying him tribute.

In his early years, Mr. Farrar practiced law and became a successful businessman. He served as the first president of the Hemet Chamber and later headed that organization for the entire county of Riverside. Additionally, he was a founding member of the Hemet Kiwanis Club and was twice lieutenant governor of the California-Nevada-Hawaii District of Kiwanis International. He has also served as a member of the local school board and held posts in many other civic organizations.

But it is for his contributions in the area of water management, conservation, and control that he will be most remembered. Since 1951, he has served as the Eastern Municipal Water District representative on the board of directors of the Metropolitan Water District. He currently serves on the water problems, executive, and legal and claims committees of that board. In this capacity, he has been intimately involved in both acquiring necessary water supplies for southern California and for overseeing the distribution and use of this precious resource. His latest project is the Peripheral Canal issue scheduled for inclusion on the State ballot next June. Additionally, in the past, he has served as president of the San Jacinto River Conservation District, as chairman of the Riverside County Flood Control and Conservation District organizing committee and, subsequently, as one of the district's first commissioners. Finally, he also joined the ranks of academe when he served for 5 years as a member of the Advisory Council of the Water Resources Center of the University of California.

Mr. Speaker, I join the residents of the Hemet area in expressing my profound gratitude and deep admiration to Mr. Farrar.●

THE DECLARATION OF FREEDOM

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. PEPPER. Mr. Speaker, the beginning of the 97th Congress marks the 21st anniversary of the year when Castro, with the aid of Soviet arms and personnel, established his illegitimate claim to the governorship of the island of Cuba, the jewel of the Caribbean. Since then, the Soviet Union has consistently exploited Castro's dependence on their aid and guidance.

The events of the Cuban missile crisis, when the Russians attempted to place nuclear missiles at our doorstep, and finally were forced to remove them by President Kennedy, are familiar to us.

The reports and sightings of Soviet armaments, installations, subsidies, and advisers have been too numerous to mention.

At this very moment, Castro maintains about 40,000 of his troops on the African Continent. I am reintroducing today a joint resolution expressing our determination to vigorously oppose Soviet penetration of Cuba, using Cuba to extend its military influence into Africa and the Americas, contrary to the Monroe Doctrine. I hope I will be joined by other Members of the House in making this effort for freedom in the Caribbean.

The text of the resolution follows:

H.J. RES. 136

Joint resolution expressing the determination of the United States with respect to the situation in Cuba

Whereas the Soviet Union has deployed military personnel to Cuba for the purpose of piloting and maintaining Cuban Mig-22 fighter aircraft, to operate Cuban radar installations, and for other military purposes; and

Whereas this Soviet deployment of military personnel into this hemisphere has occurred in conjunction with the depletion of Cuban military forces through the intervention of tens of thousands of Cuban troops in Africa in support of various Communist-supported military actions on that continent; and

Whereas such deployment of Soviet military personnel to Cuba, and Soviet and Cuban military personnel, arms, and support to Communist forces in Africa, is in the interests only of Communists expansionism and not in the interests of world peace; and

Whereas such Soviet military presence and buildup in Cuba is in violation of the Monroe Doctrine of 1823, which termed any attempt on the part of European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety," and of the Kennedy-Khrushchev agreements of 1962, which assured no deployment of Soviet forces of offensive arms in Cuba; and

Whereas in the Rio de Janeiro Treaty of 1947 the parties agreed that "an armed attack by any State against all the American States shall be considered as an attack against all the American States, and, consequently, each one of the said contracting parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by article 51 of the charter of the United Nations"; and

Whereas the Punte del Este Resolution II of the Organization of American States of January 1962 agreed "to urge the Member States to take those steps that they may consider appropriate for their individual and collective self-defense, and to cooperate, as may be necessary or desirable, to strengthen their capacity to counteract threats or acts of aggression, subversion, or other dangers to peace and security resulting from the continued intervention in this hemisphere of Sino-Soviet powers, in accordance with the obligations established in treaties and agreements such as the Charter of the Organization of American States and the Inter-American Treaty of Reciprocal Assistance": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States is determined—

(a) to prevent the Communist regimes of the Soviet Union and Cuba, acting individually or collectively, from extending by force or threat of force their aggressive or subversive activities to any part of this hemisphere;

(b) to prevent in Cuba the creation or use of an externally supported military capability, or the deployment in Cuba of military forces from another nation, for the purpose of establishing a stronger base for Communist expansionism in this hemisphere, thus endangering the security of the United States and other non-Communist nations; and

(c) to work with the Organization of American States and with freedom-loving people of all nations to implement collective security agreements and to support the aspirations of all people in this hemisphere for freedom and self-determination; and be it further

Resolved, That the President of the United States take every possible action to carry out the intent of this resolution.●

AN INEQUITABLE TAX ON CIVIL SERVANTS WORKING IN FORT CAMPBELL, KY.

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BEARD. Mr. Speaker, today I am introducing a bill designed to remove an inequitable tax burden facing civil servants who reside in the sixth District of Tennessee, but work in Fort Campbell, Ky. These persons pay Kentucky State income tax, even though they are not the recipients of any services from that State.

In most situations where individuals are domiciled in one State, work in another, and pay taxes in both, one of the taxes is taken as a credit against the other. However, several States have no income tax, making this type of offset impossible.

I feel that my bill offers a practical solution for this inequity by simply prohibiting States from levying an income tax or withholding tax on any Federal Government employee who is not a resident or domiciliary of such State.●

ONEONTA'S FAVORITE SON

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. WORTLEY. Mr. Speaker, it gives me great pleasure to note the achievements of a certain gentleman from Oneonta, N.Y., a city which I represent. This gentleman is Mark May, a football player with the University of Pittsburgh Panthers.

Mark is distinguished from all other American athletes, as he has been awarded the Outland Trophy, the honor given to college football's outstanding interior lineman. The honor is well deserved. Mark has also been named All-American first team by the Associated Press, Football Writers of America, Kodak American Football Coaches Association, Sporting News, United Press International, and the Walter Camp Foundation.

Mark has dominated the line of scrimmage for the Panthers over the past 3½ years. During that time, Pittsburgh compiled a 38-8-1 record, appeared in four bowl games, and ranked among the top 10 football teams in the Nation.

Mark is not just an athlete, though. He is a gentleman. His concern for his neighbors, friends, and fellow students speaks well of him and has earned him their respect and admiration. I join them in paying tribute to Mark May and wishing him future success.●

LESS REGULATIONS BY GOVERNMENT

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. KRAMER. Mr. Speaker, there can be no question that the American public has expressed a strong desire to reduce the overbearing presence of government in our personal and business lives by demanding lower Government spending and less Government regulation. The problems of overregulation are evident throughout the economy and the horror stories of conflicting, duplicative, overlapping, contradictory regulations are legion.

Over the past several years, the Congress has variously tried to assume a greater measure of control over the regulations issued by Government agencies through sundry legislative review and approval mechanisms. However, as the number of laws and agencies has expanded over the years, the regulatory volume has grown geometrically, and the efforts at congressional control have been haphazard at best. In recent years, the Congress has come very close to enacting Government-wide legislative veto authority, which would certainly be a major step forward in the effort to assure proper oversight of Government regulation, and hopefully, the 97th Congress will finally enact such authority. Inasmuch as the agencies which are responsible for issuing regulations are created by Congress, and are not directly accountable to the public, it is essential that the Congress, which is accountable to the public, exercise the necessary oversight and control over the bureaucracy to which it has delegated implementation of the laws. In the absence of such congressional control, too often the unelected bureaucrats have assumed responsibilities beyond mere implementation and have effectively used the regulations writing process to become legislators or policymakers.

Because I believe the congressional responsibility to hold the regulators accountable is so important, I am today reintroducing legislation which I sponsored in the last Congress to provide for a systematic and comprehensive review of regulations. Not only is the end result of the legislative disapproval mechanism important, but the process by which that disapproval mechanism can be effectively employed is equally important, and I do not believe that process has received adequate attention. My bill follows the basic format for congressional disapproval and reconsideration of agency regulations that is contained in the legislation introduced by Mr. LEVITAS in the last Congress, H.R. 1776, which I was pleased to cosponsor. But my bill goes a step further by setting out a uniform procedure for the Congress to follow in reviewing agency regulations and in considering disapproval or reconsideration resolutions.

Specifically, the bill would require each standing committee to designate one subcommittee as having responsibility for reviewing all agency regulations which come within the legislative and oversight jurisdiction of that committee. New regulations would be transmitted to the responsible committee, and then referred to the designated subcommittee, and would not become effective if both Houses pass a resolution of disapproval within 90 days, or if either House passes such a resolution within 60 days which is not disapproved by the other body within the next 30 days.

Resolutions of disapproval and resolutions for reconsideration would also be referred to the designated subcommittee, and the bill provides a timetable for congressional action on such resolutions once reported by the subcommittee. If the full committee does not disapprove the subcommittee's report, or fails to act within the allotted period of time, the committee is automatically discharged from further consideration of the resolution, and the resolution is then placed on a special calendar for floor consideration. A resolution on regulations calendar is established to assure prompt consideration of resolutions of disapproval and resolutions for reconsideration without unnecessarily disrupting the regular legislative schedule. A separate calendar for regulations would highlight the importance of this critical congressional oversight function and would guard against such resolutions being buried in committee or lost in the floor shuffle.

While not always glamorous or newsworthy, the oversight responsibility of Government regulations rests with the Congress, and it is extremely important that the Congress reassert its legislative prerogatives which have been increasingly assumed by the executive and regulatory agencies. The legislative veto authority is a necessary and proper means to assure the proper implementation of laws which the Congress enacts. The bill I am introducing today sets out a systematic process to assure the effective and thorough exercise of that authority. I hope that this approach will generate broad interest and I welcome my colleagues' cosponsorship.●

TRIBUTE TO HON. EMANUEL E. CELLER

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. DE LA GARZA. Mr. Speaker, I was greatly saddened to learn of the death of Emanuel Celler who died last Thursday at the age of 92. Mr. Celler led a long and distinguished career in the House. At the time of his retirement, he had served in the House for 50 years, and was chairman of the Judiciary Committee, in addition to being dean of the House.

"Manny" Celler left his mark on a number of pieces of historic legislation, especially in civil rights, the effect of which we are still acknowledging today. It was an honor to have known and worked with Emanuel Celler, his dedication to public service has left our Nation a legacy.●

NATIONAL POW-MIA RECOGNITION DAY

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. HOLLENBECK. Mr. Speaker, as we all know our Nation has endured the hardships of four major conflicts to preserve America's freedom and ideals both domestically and abroad. I refer, of course, to Vietnam, Korea, and both World Wars. During the course of these hostilities, the United States demanded and received great sacrifices from its citizens.

I think it only appropriate that we pause and take time to reflect on the brave deeds of those who made these sacrifices—those who have generously given of themselves to keep America free. Through the heroic efforts of the men and women who served in our Nation's major conflicts, we continue to enjoy all the benefits of freedom.

When I take time to ponder the realities of these many sacrifices, I am struck by the overwhelming pressures and often complete terror that confronted our prisoners of war. I firmly believe that all former POW's deserve our highest accolades for the many perils which they encountered during their weeks and often years of captivity.

Today, on the eighth anniversary of the Paris peace accords signifying an end to the Vietnam conflict, I have introduced a resolution which would designate July 18 as National POW-MIA Recognition Day—a day honoring all of the 142,000 POW's from our last four major conflicts. I believe this kind of tribute to our POW's has been long overdue and that a National POW-MIA Recognition Day would provide an appropriate forum to demonstrate our concern for their past sacrifices and their future realities. It would say to these brave men that we remember the frustration of not being able to reach out and help, we remember the nagging suspicions caused by not knowing, and we remember the joy and pride we experienced upon their return.

Needless to say, I sincerely hope that a majority of my colleagues in this distinguished Chamber will join me in the effort to designate July 18 as National POW-MIA Recognition Day. A copy of the joint resolution follows:

H.J. RES. 134

Joint resolution designating July 18, 1981, as "National POW-MIA Recognition Day"

Whereas the United States has fought in many wars;

Whereas thousands of Americans who served in such wars were captured by the enemy or are missing in action;

Whereas many American prisoners of war were subjected to brutal and inhuman treatment by their enemy captors in violation of international codes and customs for the treatment of prisoners of war and many such prisoners of war died from such treatment;

Whereas it is uncertain whether those Americans missing in action are alive or dead and such uncertainty has caused their families to suffer acute hardship; and

Whereas the sacrifices of American prisoners of war and Americans missing in action and their families is deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 18, 1981, is designated as "National POW-MIA Recognition Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.●

COMPENSATION FOR FILIPINO VETERANS

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. AKAKA. Mr. Speaker, I have recently introduced the second of two bills which provide for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II.

Under this second bill, citizens of the Philippines who want to immigrate to the United States will be granted an automatic visa, provided that they served in any U.S. Armed Forces during World War II and received an honorable discharge. It is only fair that we offer an opportunity of American citizenship to those citizens of the Philippines who served us so honorably and faithfully at great personal risk during World War II.

This bill will also complement legislation I have already introduced to compensate men of the Philippine Scouts and the Navy Insular Force by awarding them the balance of moneys promised them by Gen. Douglas MacArthur but never paid out. Although the Philippine Scouts were promised the same rate of pay as the rate received by Americans of corresponding rank and grade, the Filipinos were paid at a rate only one-half that of their American counterparts. The first bill will compensate men in the Philippine Scouts and the Insular Force of the U.S. Navy by awarding them the balance of pay that is long overdue.

These brave men fought and died alongside American soldiers in defense of the Pacific during the war. The history of such famous battles as Bataan, Corregidor, Leyte Gulf, and Mindanao might have been written differently if not for the efforts of the Philippine enlistees. The logistic and intelligence support that these soldiers provided during these engagements was invaluable. Unfortunately, when it came to compensation for their service, our Government was less than generous.

General MacArthur recruited Filipinos into the Pacific forces because he recognized the importance of supplementing his troops with skilled men familiar with the local terrain. In doing so, he promised that they would receive equal pay and allowances based upon U.S. pay scales. Despite this pledge, servicemen in the Philippine Scouts and the Philippine Navy Insular Force have not received their due. This is a situation which should be corrected by Congress.●

A TRIBUTE TO EMANUEL CELLER: LEGENDARY LEGISLATOR AND CIVIL RIGHTS ADVOCATE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. BIAGGI. Mr. Speaker, few among us come to this House to shape and change the course of history. Many of us become a part of it—in a small way—and are fortunate to be party to landmark pieces of legislation that better the lives of our citizens. The names of those who distinguished themselves during their careers here through legendary legislation as well as length of office are well-remembered by us. One such man, Emanuel Celler, former Congressman from my own State of New York, passed away on January 15 at the age of 92. His indelible imprint upon this body remains today, long after he finished an illustrious 50-year career in 1972.

The year was 1922 and our President was Warren G. Harding when

"Manny" Celler first came to Congress from Brooklyn's 10th Congressional District. His election was a surprise to many, since the district had never before send a Democrat to Congress. Over the years, reapportionment shifted the boundaries, but never shifted the votes, as his biennial victories became certainties.

From the earliest days in his career, Manny supported the major New Deal and Fair Deal programs of F. D. R. Such a foundation prepared him for the most important role of his legislative career which he assumed, in 1949, chairmanship of the House Committee on the Judiciary. He held this post until his departure from the House in 1972, except for the few years the Republicans were in control.

As chairman, he authored our civil rights legislation in the years of our Nation's major advances in this area. In 1957, Manny wrote and steered into law the first comprehensive rights legislation enacted by Congress in 82 years.

A maverick, as well as a foresighted legislator, Chairman Celler continued his leadership in this area by authoring the 1960 Civil Rights Act. The crowning glory in his career of civil rights advocacy was the February 1964 passage of the Johnson administration's omnibus civil rights bill, incorporating all the elements of President John F. Kennedy's draft he submitted to Congress in 1963 before his untimely death.

Never at a loss for words, his peppery, but always colorful style sustained him through his special assignment from the House leadership to discipline the flamboyant Adam Clayton Powell. Noting his willingness to be a good soldier, Manny winced when someone wished him well in his task. His reply: "I'm entitled to commiserations, not congratulations."

In addition to his work in the civil rights field, Emanuel Celler's Judiciary Committee also investigated a number of areas and industries, including insurance companies, organized baseball, the steel industry, and the television industry. His fairness and his depth of knowledge about the legislative process was well respected among his colleagues and contributed to his success as Judiciary Committee chairman.

When I was elected to Congress in 1969, Emanual Celler was dean of the House and a legend in both Washington and New York politics. As a freshman, I recall the influence he held in this House and the respect he commanded from the most senior to the most junior among us. The many facets of Emanuel Celler's character were perhaps best personified by his definition of success that I would like to share with my colleagues:

To be a successful Congressman, one must have the friendliness of a child, the enthusiasm of a teen-ager, the assurance of a college boy, the diplomacy of a wayward husband, the curiosity of a cat, and the good humor of an idiot.●

EMANUEL CELLER

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, January 16, 1981

● Mr. LONG of Maryland. Mr. Speaker, I offer these words of honor and respect to the memory of my former colleague, Emanuel Celler, who passed away January 15, 1981, at the age of 92.

"Manny" was elected to the House in 1922 at the age of 34. In 1949 he became chairman of the Judiciary Committee, a post he held until his retirement in 1972, with the exception of 1953 and 1954 when the House was controlled by Republicans. He became dean of the House only a few years after I was first elected to Congress.

His vigor and resourcefulness were astonishing. His management of the major civil rights measures in the 1950's and 1960's played a larger role in the advancement of civil rights than that of anyone in the history of Congress.

Our Nation is fortunate to have had Emanuel Celler's 50 years of service. I feel honored to have known him. I doubt if there will ever be another like him.●

TRIBUTE TO EMANUEL CELLER

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. CORRADA. Mr. Speaker, today I would like to join my colleagues in paying tribute to our former colleague Emanuel Celler.

Mr. Celler served in the House of Representatives for over 50 years, many of these as chairman of the Judiciary Committee.

Although I never had the privilege of serving with Mr. Celler, I have heard many stories, both from my colleagues and some of my constituents in New York, and they always referred to Manny Celler as a compassionate and highly intelligent man. I am sure that his passing is a loss to all of us and to America.●

A PRAYER FOR THE HOSTAGES

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BENJAMIN. Mr. Speaker, today, the 52 former hostages are being officially welcomed back to the United States as heroes. I join my colleagues in rejoicing their safe return and saluting their patriotism and that of those previously released and the Americans who volunteered to participate in the rescue mission, particularly the eight who gave their lives for their fellow Americans.

Miss Murcie Poplar of Gary, Ind., wrote a touching prayer for the hostages calling attention to their former plight. No doubt, her prayer, along with millions of others from fellow Americans, helped secure their safe release.

Miss Poplar, a schoolteacher, was honored by the Gary City Council on December 9 through the adoption of Resolution No. 1504. I would like to share that resolution which incorporates the hostage prayer with you.

HONORING MISS MURCIE L. POPLAR, WHO WROTE THE PRAYER FOR THE HOSTAGES

Whereas, Ms. Murcie L. Poplar, a woman, on a mission for our 52 American Hostages in Iran has taken it upon herself to light up the City of Gary, Indiana and our Nation's Capital, Washington, D.C., with a candle prayer; and

Whereas, Ms. Murcie L. Poplar, who is a native of Gary, Indiana, professional artist and art teacher for the Gary Community School Corporation did write this special prayer:

Almighty God,

We fellow Americans have come to You in prayer along with the families and friends of our American hostages.

We are asking You to please protect the hostages with Your divine shield and love from harm and danger.

Help the hostages to have faith in You and know that You can and will rescue them from captivity the same as You delivered Daniel from the lion's den. DANIEL 6:16-23.

Please do not let our American hostages become discouraged or impatient. We Americans have always stood up strongly and proudly during troubled times with courage and faith in spite of our many trials and tribulations.

We have been victorious as a nation because You guided us.

We pray that as the hostages make such a historic sacrifice You will give them a deeper commitment to better understand You.

God, please give to the hostages more perseverance and courage, as You remove fear and worry from their minds.

We pray that You will give strength to President Jimmy Carter and continue to guide him in the right direction to make the decisions that would lead to the safe release of the hostages.

God, please help people of all nations understand that we must continue placing You first in our daily lives to help solve our personal and world conflicts. We can all give testimony to how our three American clergymen went to Iran to our hostages and touched their lives with Your Words of Comfort.

Please give strength to the families and friends of our American hostages as they feel the absence of their loved ones.

Almighty God, please release all the hostages safely and bring them back home to

join their families, friends, and fellow Americans who patiently wait to receive them with fellowship and love.

Whereas, on October 21, 1980, she wrote a letter to President Jimmy Carter to make him aware of how she had been inspired to manufacture patriotic candles, on behalf of our 52 American hostages; and

Whereas, she has made a strong appeal for fellow-Americans to continue to join together in prayer for our American hostages, for it is her hope that as we light the candles and read the prayer that God will hear us, and continue to touch the spirits of our American hostages with His care and love; and

Whereas, it is her hope that the candle prayers will serve as an inspiration to President Jimmy Carter and President-Elect Reagan as they both continue to work together for the safe release of our 52 American hostages: Now, therefore, be it *Resolved*, That the Common Council, Gary, Indiana, does hereby honor Ms. Murcie L. Poplar for her contribution, dedication and commitment to the safety of the 52 American Hostages, and urge all Gary citizens to join together in prayer for the safe release of our 52 American Hostages.●

OAKLAND RAIDERS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. STARK. Mr. Speaker, my hometown of Oakland has something to be proud of. For the second time in 5 years, the Oakland Raiders have brought the world championship of professional football to the bay area.

It is a tribute to the coaching of Tom Flores and the talent and desire of the Raiders themselves that a team picked by the experts to have a mediocre season dominated the game of football for the past several months. It is equally a tribute to the shrewd managerial ability of Raider owner Al Davis that Oakland has a team of great players and even greater achievements.

But the unsung heroes of this championship are the tens of thousands of fans who have stood by the Raiders and supported them with sellout crowds for the past 12 seasons. The people of my district, of Oakland and Alameda County were more than just loyal fans. As wage earners and taxpayers they provided the millions of dollars necessary to build a stadium befitting a championship team.

As these same fans celebrate the Raiders' 27-10 victory over the Philadelphia Eagles, they are simultaneously apprehensive and angry that this very same team does not want to open the next season in the Oakland-Alameda County Coliseum, but in another city with other fans who cannot appreciate the accomplishments of the Oakland Raiders the way the people of Oakland can.●

THE DECLARATION OF FREEDOM

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. PEPPER. Mr. Speaker, I am reintroducing today a bill to recognize and commend the "Declaration of Freedom" which was proclaimed on January 23, 1966, by a group of Cuban exiles in Key West, Fla. The ideals of this resolution, for freedom were the abolition of communism as well as a renewal of Cuban liberty and independence.

In 1959 liberty and growing economic prosperity of the Cuban Republic were destroyed when Fidel Castro seized power and drove hundreds of thousands from their homes in Cuba who valued their freedom higher than the possessions and lives they were forced to leave behind. Recently, hundreds of Cubans have left this unfortunate island to escape political restraints and the oppressive climate of domestic poverty and armed intervention abroad under the leadership of Soviet Russia, Castro's mentor.

I would like to ask our distinguished colleagues to join with me in expressing the indignation of this House at Castro's tyrannical part and officially commend the bravery of these few and their mighty stand for a better future.

The resolution follows:

H.J. RES. 137

Joint resolution commending the Cuban "Declaration of Freedom"

Whereas on January 23, 1966, a "Declaration of Freedom" was adopted by one thousand five hundred Cubans in exile meeting in Key West, Florida; and

Whereas this declaration was written at the San Carlos Club from which the great Cuban patriot, Jose Marti in 1898, turned the course of history by proclaiming the ideological basis of a free Cuba; and

Whereas Cuba once again has fallen victim to a totalitarian regime as embodied by Castro communism; and

Whereas the "Declaration of Freedom" reads as follows:

"In the city of Key West, Monroe County, State of Florida, United States of America, we, the Cuban exiles in the United States, in the name of God Almighty, and speaking both for ourselves and the oppressed people in Cuba, the martyr island, do say:

"That on January 1, 1959, the slavery yoke that came from Europe and was extinguished in Cuba at the end of the nineteenth century, was resumed.

"That those responsible for this high treason to our fatherland and to our people are just a score of traitors who, usurpating the government of the country have been acting as mercenary agents for the Sino-Soviet imperialism, and have surrendered to that imperialism our freedom and our dignity, also betraying the American hemisphere.

"That as a consequence of this high treason, those who are usurpating the power in Cuba (as they were never elected by the people), are imposing a regime of bloodshed, terror and hate without any respect or consideration to the dignity of the human being of the most elementary human rights.

"That in their hunger for power, these traitors, following the pattern of totalitarian regimes are trying, within Cuba, to separate the family, which is the cornerstone of actual society, and at the same time, are poisoning the minds of the Cuban children and youth, in their hope of extending the length of time for this abominable system.

"That the rule of the law has been wiped out in Cuba, and it has been replaced by the evil will of this score of traitors, who are acting under orders from their masters, the Sino-Soviet imperialists.

"In view of the aforegoing, we declare:

"First. That the actual Cuban regime is guilty of high treason to our fatherland and to the ideals of the freedom revolution which was started on October 10, 1868.

"Second. That this score of traitors who have committed treason against our fatherhood, in case they survive the downfall of their regime, will have to respond, even with their lives before the ordinary courts of justice of Cuba.

"Third. That as the noble Cuban people will not ever surrender, because that nation was not born to be slave, we, the Cuban people, hereby make the present declaration of freedom.

"We hereby swear before God Almighty to fight constantly, until death comes to us, to free Cuba from communism.

"The fundamentals of this resolution for freedom are:

"First. God Almighty, above all things, in whom we believe as the essence of life.

"Second. The fatherland, with all of its laws, traditions, customs, and history as a spiritual value, only surpassed by the concept of God.

"Third. The family, as the cornerstone of the human society.

"Fourth. Human rights, for each and every citizen, regardless of race or creed.

"Fifth. The law, as the foundation for the proper development of the human society.

"Sixth. Democratic government, with its three independent branches: Legislative, executive, and judicial.

"Seventh. Representative democracy, through the exercise of universal suffrage, periodically, free, and secretive, as the expression of popular sovereignty.

"Eighth. Freedom of worship, freedom of teaching, freedom of the press and free enterprise.

"Ninth. Private property and ownership, as the basic expression of liberty.

"Tenth. The improvement of living conditions for both rural and city working masses, with the just and necessary measures, keeping in mind the legitimate interests of both labor and capital.

"Eleventh. The derogation and eradication of anything which is opposed to the political and religious fundamentals aforementioned, and specifically, the abolition of communism and any other form of totalitarian manifestation.

"Signed and sealed in Key West, Fla., on the 23d day of January, 1966."

Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the House of Representatives that this inspiring declaration should be patriotically considered by all Cubans in exile and by all who wish to end the tyranny of Castroism and communism and Cuba and that the "Declaration of Freedom" should serve to unite those pledged to restoring Cuban liberty and independence, and that it should be the objective of the United States to commend and encourage recognition and respect for the declaration.●

HELPING ONE'S NEIGHBOR

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. IRELAND. Mr. Speaker, in these times of economic, social, and political stress it is nice to hear of an example of that good old American quality of helping one's neighbor. Recently, the elderly mother of one of my staff members, Mrs. Elinor Pilney of Boca Raton, Fla., lost her wallet. Mr. Burt Chamberlain, a policeman with the Boca Raton Police Department, who was off duty at the time, found the wallet and promptly returned it to her. I would like to commend Officer Chamberlain for his selfless sense of responsibility to the citizens of Boca Raton even while in an off-duty capacity.

Thank you.●

BERNIE BRALOVE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. LEHMAN. Mr. Speaker, in the days when Congress was in session for only part of the year, many Senators and Congressmen made the Shoreham Hotel their home in Washington.

Bernie Bralove, the owner and operator, was Mr. Shoreham, and the No. 1 Washington host.

Over the last 30 years, Bernie comforted, counseled, and kept in good cheer hundreds who have served in our Government. He made true Washingtonians of the elected officials coming from all over the country—adding a special dimension to their lives.

Bernie was also my own dear, good friend. He was someone who was always there not only when the times were good, but also when they were not. I will miss him.

The eulogy by Morton H. Wilner, a Washington attorney and lifelong friend of Bernie's, well describes who Bernie Bralove was and how his life touched so many. I wanted to memorialize those remarks by having them placed in the CONGRESSIONAL RECORD:

I stand here at Bernie's request. During a very recent visit with Bernie he said "I have not been a religious person and it would be inappropriate for a Rabbi who knew nothing—or little—about me to give a so-called eulogy. But I recognize that for the family form should be followed. I can't remember when you and I have not known each other. Will you say a few words at my upcoming funeral?" My answer—"Bernie, I only hope I don't break up."

Although there was little formal training, Bernie was, indeed, a religious man. He lived by the Golden Rule. His integrity was unquestionable. If you were his friend and needed help you could count on him volunteering. That was his code. And if ever a man walked humbly before his God, it was Bernie. He knew Presidents, Vice Presidents, Senators, Cabinet Officers, Judges and Congressmen, but he treated all good men alike, regardless of origin or position.

And Bernie was an achiever, too. As a youngster and later as an adult. He went to camp with Paul and me when he was about twelve. He won all the prizes. His infectious dimpled smile charmed everyone. Bernie's picture swing in baseball, his fluid tennis stroke, and his will to win made him a top college athlete at Rollins. There was talk of him playing big-league baseball when he entered law school. After his law, at Harvard, I recall him coming to Philadelphia with Edie in about 1938, as a litigating lawyer for the National Labor Relations Board. I watched him use his agile mind in the courtroom then, and since I have often pondered the heights he could have achieved in the legal profession had his family obligations permitted.

Bernie had a superior mind, was articulate and well read in the classics and contemporary literature. I recall when just the two of us, many years ago, drove together to Western Massachusetts for a camp reunion. He kept relishing the view of the green Berkshires and this sensitivity was consistent with his modest, but selective collection of certain pieces of fine art. A many-sided man, Bernie served as a Trustee of Rollins College, launched several B'nai B'rith Anti-Defamation League Fund campaigns from his home, and he did wartime service. His sense of humor was delightful—often lusty, but always to the point. He was just good company.

I was privileged to witness the warm, loving care and comfort Alice afforded Bernie. And in his last year—without even the help of a professional nurse. The empathy between them from the beginning is a beautiful story in itself.

His brothers, Alan and Richard, know that they have lost their best friend. Edie, I hope, will take a measure of solace from remembering the good years, as Bernie told me he did, with affection.

Steve, Mary, John and Cathy will memorialize Bernie in their own ways, and own style. The more experience they garner in life, the deeper will be their respect for his memory. Bernie will grow taller to them and their children each year.

To see and feel that courage and uncomplaining attitude in the last year of his life—when he knew he was dying—was an exemplary lesson in manhood. Our generation, which is now passing into time, indelibly marked Bernard Bralove as an authoritative man of courage. But one of grace and accomplishment as well.

A rare man has been taken from us, and we must think of Bernie not as someone we have lost, but thank God a full man we have been fortunate to have had.●

ELOQUENT SUPPORT EXPRESSED FOR NATIONAL HOLIDAY HONORING REV. MARTIN LUTHER KING, JR.

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. KILDEE. Mr. Speaker, an eloquent statement in support of a national holiday in honor of the Reverend Martin Luther King, Jr., recently was published in the Flint (Mich.) Journal. The article, by reporter Rhonda S. Sanders, relates with poignancy and sensitivity the feelings that many black Americans as well as many others share about Dr. King. Ms. Sanders begins by telling how Dr. King's great contributions toward world peace, equality, and human rights made her feel especially close to Dr. King. She continues in her article to provide insights into the depth of that feeling, writing:

Whether to make King's birthday today a national holiday has been in contention since his assassination in 1968. In that year and every one since, Rep. John Conyers (D-Mich.) has introduced a "King's Birthday Bill" in Congress.

The drive is gaining ground, emotionally and politically. Last year, the bill failed by just four votes.

Appreciating how special King was comes easiest to those who have been poor and without hope, downtrodden and living under the thumb of racism.

To me, Martin Luther King was like a favorite uncle whose deeds were the stuff of my childhood bedtime stories.

My familial roots are in Montgomery, Ala., where King led the famous bus boycott in 1955 to protest segregated seating. It was his first battleground in a war against racism.

My father, a native of Montgomery, told me about driving his 1949 Ford through a barrage of rocks and venomous catcalls when he volunteered for carpooling during the 352-day boycott.

My mother remembers riding on the same bus route as Rosa Parks, whose refusal to give up her seat sparked the bus boycott. And she remembers being threatened with expulsion from Montgomery's Alabama State College if she supported the protest.

My 85-year-old grandmother still rides at the back of Montgomery buses, though she knows she does not have to, because old habits die hard.

Cousins of mine have shared memories of playing with the King children before the bombing of the King home shattered their relaxed association.

In keeping with King's doctrine of peace and non-violence, these injustices have been forgiven, though not forgotten.

Though I grew up in Detroit, my Montgomery connections have always held King close to me.

By chance, I was in Atlanta, Ga., when his body was flown there for burial.

Like a bad dream, I remember the weeping crowds, swarms of television cameras and armed policemen. They were grave tes-

timony to the impact of King's death on the civil rights movement.

My reverence of King grew out of that experience and from contact with people whose lives were touched by him.

Conyers will re-introduce the birthday bill this year. He will have reinforcements.

Blind singer Stevie Wonder is leading a march to Washington, D.C. today to urge Congressional approval of the King birthday bill.

A performer whose mass appeal spans ethnic gaps, Wonder is using his musical medium to recruit marchers. Those who join him at the Capitol today will be treated to a free concert Friday.

In a song from his latest album "Hotter Than July", dedicated to King, Wonder sings:

You know it doesn't make much sense
There ought to be a law against
Anyone who takes offense
At a day in your celebration
'Cause we all know in our minds
That there ought to be a time
That we can set aside
To show just how much we love you

The song, entitled "Happy Birthday," has sparked an emotional response among Wonder fans that is being relayed by radio stations across the country, according to Flint's WDZZ program manager Don Wiggins.

There are those who argue that a national observance of King's birthday would be one holiday too many and would cost too much in overtime pay and lost work time. I have overheard other trifling comments that a King holiday would ruin a day to do banking, receive mail and pick up welfare checks.

That is hardly a fitting tribute to a man whose humanitarian efforts benefited so many.

Out of a history of violence, blacks have chosen to honor a peaceloving hero. Though giving him a special day cannot breathe new life into the civil rights movement, it could at least reassure those who looked upon him as a saviour that his dreams are not dead.

Stevie Wonder says it best:

And we all know everything
That he stood for
Time will bring
For in peace our hearts will sing
Thanks to Martin Luther King.●

BIAGGI URGES MEMBERS TO JOIN AD HOC CONGRESSIONAL COMMITTEE FOR IRISH AFFAIRS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BIAGGI. Mr. Speaker, today for the benefit of my colleagues I am inserting a factsheet on the ad hoc congressional Committee for Irish Affairs, of which I am chairman.

We now have 117 Members, including two Senators, and I am confident that many more members will be encouraged to join by human rights advocates in their districts.

This year marks the third Congress we have been in existence and support for our work is stronger than ever, generated from all fronts—both national and international.

I urge my colleagues who have not yet joined as members to read this fact sheet closely and assist us in our efforts to enhance the U.S. role in bringing peace and justice to Northern Ireland.

FACT SHEET: AD HOC CONGRESSIONAL COMMITTEE FOR IRISH AFFAIRS

Membership: Bi-partisan in make-up. Nonpartisan in activity. Membership open to all House and Senate members. Membership total: 131 House, 2 Senate members (end of 96th Congress). Mario Biaggi (D-N.Y.), Chairman and Founder. 18 Member Executive Committee.

History: Established on September 27, 1977. Followed a specific request by the Ancient Order of Hibernians National President. Established as a non-official and non-legislative Committee.

Purposes: (1) To elevate Congressional and media attention on the multi-faceted Irish question, including: Hearings on the issue of human rights; passage of an Irish resolution in Congress calling for a British peace initiative in Northern Ireland (H. Con. Res. 122 in the 96th Congress); and maintenance of a Committee-inspired August 1979 suspension of United States arms to the Northern Ireland police.

(2) To revise existing State Department policies with respect to the issuance of Irish visas to insure that no element of political thought is excluded from this Nation.

(3) To work closely with the new Administration in the development of foreign policy relating to Northern Ireland.

MAJOR ACTIVITIES, 1977–1980

September 27, 1977: Committee formed.

February 1978: Prime Minister Lynch of Ireland directly attacks Chairman Biaggi for his role in the Committee. Results in Committee membership increase from 80 to 100 Members.

June 1978: Special order on human rights abuses in Northern Ireland conducted on the House floor.

September 27, 1978: Three new members join on the first-year anniversary bringing total Committee membership to 121.

November 1978: Chairman Biaggi, and Rep. Benjamin Gilman (R-N.Y.) travel to Northern Ireland to meet with all parties involved in the conflict. Tour the Long Kesh prison, meet with inmates and families of prisoners.

December 1978: Meeting with Assistant Secretary of State for Human Rights Pat Derian on the issue of human rights violations of prisoners and prison suspects in Ulster.

December 1978: Meeting with United Nations Ambassador Andrew Young on the issue of human rights violation in Northern Ireland.

January 1979: Chairman Biaggi travels to Northern Ireland to continue discussions with all parties to the conflict.

February 1979: Executive Committee unanimously approves a proposal to sponsor a "Peace Forum" where all parties and organizations in Ulster would be invited to present and discuss peace proposals.

March 8, 1979: Sean McBride, Nobel laureate, addresses the Irish Committee and endorses the Peace Forum.

April 1979: Committee reaches all-time membership high of 126.

April 1979: State Department licensing and sale of arms to Great Britain for use in Northern Ireland attacked by Committee.

May 19, 1979: Biaggi introduces H. Con. Res. 122, calling upon the British Government to embark upon a new initiative for Northern Ireland to promote peace and self-determination.

June 1979: Judiciary report on *"Northern Ireland: A Role for the United States?"* released by Rep. Hamilton Fish (R-N.Y.), a Committee member.

July 12, 1979: Biaggi amendment to 1980 State Department Appropriations bill leads to hearings on gun sale issue in Foreign Affairs Committee.

July 31, 1979: Hearings held, resulting in suspension of further U.S. arms sales pending a full review of the policy by State Dept.

August 7, 1979: President Carter and Chairman Biaggi confer on Ulster.

September 13, 1979: Peace Forum postponed because of increased violence in Ulster. Committee condemns the murder of Lord Mountbatten by terrorists.

December 4, 1979: Neil Blaney, Member of the Irish and European Parliaments addresses Irish Committee and endorses its work.

December 19, 1979: Gun sale suspension reaffirmed by President Carter in a meeting with Prime Minister Thatcher.

February 1980: Biaggi hails Prime Minister Haughey Ulster initiative.

May 1980: Gun sale suspension reaffirmed by State Department.

July 1980: Biaggi attacks new British Ulster plan as inadequate. Urges recreation of Rhodesia/Zimbabwe blueprint by U.K.

August 1980: Biaggi testifies before Democratic National Committee urging inclusion of an "Irish" plank. Committee adopts Biaggi recommendation in 1980 Democratic Party Platform.

September 1980: Biaggi contacts Supreme Court Chief Justice Burger prior to his meeting with Lord Kenneth Diplock, originator of judicial system currently in place in Ulster.

October 1980: Chairman Biaggi receives reaffirmation of Carter position on Ulster.

October 1980: Chairman Biaggi leads Committee in urging State Department and the United Nations to promote a humanitarian resolution of hunger strike staged by Long Kesh prisoners.

December 1980: Chairman Biaggi leads House colleagues in urging a United States role in ending the hunger strike.

PROJECTED ACTIVITIES 1981

(1) Introduction of a resolution to reaffirm support for a continuation of the ban on United States arms to the Royal Ulster Constabulary.

(2) To continue Committee examination into the issue of economic discrimination in Northern Ireland, including an investigation into the employment policies of American firms operating in Northern Ireland.

(3) Selected House floor activities, such as Special Orders or clustered one-minute statements on important events. The first of these can be expected during the visit of Prime Minister Thatcher in late February.

(4) Solicit speakers familiar with the Irish issue to address the Committee. Previous speakers have included:

Sean McBride, Nobel Peace Price winner, Lenin Peace Prize winner, international scholar and diplomat;

Neil Blaney, Member, Irish Parliament, Irish Representative to the European Parliament.

Roy Mason, Secretary of State for Northern Ireland under the Callaghan Labor Government;

John Hume, Leader, Social Democratic Labor Party in Northern Ireland, UK Representative to the European Parliament; and

Michael Mullen, General Secretary, Irish Transport and General Workers Union.●

U.S. SUBS MEET PROPULSION SNAG

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 27, 1981

● Mr. BEARD. Mr. Speaker, as you have probably noted, the Navy is experiencing tremendous cost and time delay problems with its Trident submarine program. I first became interested beyond the point of passive observation early last fall when I heard about a memorandum from Adm. Hyman Rickover to then Secretary of the Navy Edward Hidalgo. Reportedly, the focus of that memo was on $250 million cost overruns and Admiral Rickover's suspicions that the prime contractor, General Dynamic's Electric Boat Co., was preparing to file claims against the Navy in conjunction with those problems.

I wrote Secretary Hidalgo November 21 asking that he please outline the problems with the Trident program, specifically with the first boat, the *Ohio*, and his proposals to deal with them. After hearing nothing but subsequently obtaining a copy of the Rickover memo on my own, I again wrote to Secretary Hidalgo. This letter, dated December 4, was also ignored.

As the time passed with no response from the Navy, so did the rumors, I had heard stories, among others, that the Secretary was privately negotiating with top General Dynamics executives without assistance from counsel or nuclear submarine experts. The intimations, when measured along with the reluctance of the Secretary to discuss the problems with me, led me to believe than an investigation was in order.

Consequently, I wrote Armed Services Committee Seapower Subcommittee Chairman CHARLES BENNETT and requested his assistance when he resumed his Trident hearings. He has since responded favorably, offering to add my area of inquiry to his investigation.

Finally, just as he was leaving office, Secretary Hidalgo responded to my two letters of inquiry. His answer, as I suspected, confirmed the rumors of his having met privately with General Dynamics executives. There were also copies of other memorandums detailing fears that Electric Boat was preparing claims against the Navy.

I hope my colleagues are as disturbed as I am with the growing problems with this Nation's most important strategic weapons system now under development. For further background on this pressing problem, I am inserting the following excellent articles by Defense Week managing editor Richard Barnard in the RECORD:

U.S. SUBS MEET PROPULSION SNAG: NAVY URGED TO REOPEN A FEDERAL SHIPYARD

In a multi-million dollar production blunder, General Electric Co. has supplied faulty turbine engines for the Trident ballistic missile submarine *Ohio* and for 16 SSN-688 Los Angeles class attack submarines, including 10 attack subs, already in the Navy's fleet. Faulty design of the GE engine in each of the 17 submarines results in fatigue of the geared turbine rotors which turn the boats' propeller shafts, several sources have told Defense Week. The rotors must be repaired or replaced, with at least some of the costs paid by the government, since the Navy splits up to $100 million of any cost escalation in its submarine production contract with General Dynamics Corp., builder of the *Ohio* and most of the attack boats.

Replacement of a rotor in a submarine is a massive job which requires cutting a hole in the pressure hull of the sub, a source said. The job must be done under carefully controlled conditions Repair of the hull requires "hard patch" welding which must be precisely done. After such an operation, "there are always doubts about the hull."

Rotor repairs to the *Ohio* alone will cost approximately $3 million, according to Navy estimates. The costs of repairs to the SSN-688s have not yet been calculated, but similar expenses would bring repair costs for all 17 boats to roughly $51 million.

"We have our lawyers looking at the possibility of recovering costs from General Electric," Vice Adm. Earl Fowler, commander of the Naval Sea Systems Command, said during secret testimony before the House Appropriations defense subcommittee in mid-May. General Electric refused to discuss the submarine propulsion systems. Alex Piranian, a General Dynamics spokesman, confirmed that the *Ohio's* turbine rotors were replaced, but said he is uncertain about the attack subs.

The $1.2 billion *Ohio*, the lead ship in the Navy's Trident submarine program, is being built in Groton, Conn., by General Dynamic's Electric Boat Division. Its construction has been delayed repeatedly, principally because of poor quality control by Electric Boat, according to Fowler's deputy, Rear Adm. James Webber. Completion of the *Ohio* is now expected in June 1981.

Electric Boat also is building six of the *Los Angeles* class attack boats, which are designed to hunt down Soviet submarines. An additional eight boats will be built by a Tenneco Inc. subsidiary, the Newport News Ship Building and Dry Dock Co. of Newport News, Va.

Millions of dollars in extra costs are only part of the Navy's problems caused by the faulty GE turbines. When the defective rotors were discovered on the *Ohio* in December 1978, the SSN-688s in the fleet were ordered to avoid high speeds which might strain the rotors and, if they failed, cripple the ships. The Navy would not confirm a report that rotors for some of the SSN-688s have already been repaired.

In addition, the faulty rotors have been a factor in construction delays at the General Dynamics shipyard in Groton. The attack boat *Bremerton* was scheduled for completion in March, to be followed by the *Jacksonville* in April. However, completion dates for these ships plus four others—*Dallas, La Jolla, Phoenix* and *Boston*, are now uncertain.

Several sources said that, at present, the Navy has few options in dealing with the continuous delays in submarine production. "Electric Boat and Newport News are the only shipyards in the nation that can build nuclear submarines," says one expert, "they've got us and they know it."

A WAY OUT

Rep. Charles Bennett (D-Fla.), chairman of the House Armed Services Subcommittee on Seapower, believes there is a way out of the dilemma. In a September 25, letter to Navy Secretary Edward Hidalgo, Bennett suggested refurbishing at least one of the eight federally owned naval shipyards which, prior to 1973, built up to five nuclear subs a year.

At a hearing before Bennett's seapower committee last week, Adm. Webber said he wanted other sources of production. The Navy is dusting off a 1977 study on equipping a public shipyard to speed production of submarines. It's due out in December and Bennett wants a copy for the subcommittee's consideration

Electric Boat has fallen so far behind, Bennett told Hidalgo in his letter, that the higher cost of federally built ships may be worth the price. The consignment of only one attack boat to a public shipyard, however, would mean the loss of $500 million in business to either General Dynamics or Tenneco, and would undoubtedly prompt a vicious political battle within the subcommittee. The Newport News shipyard, which employs 26,000 people, lies in the district of Rep. Paul Trible (R-Va.), a subcommittee member, while the privately owned Bath Iron Works shipyard, which employs 14,000, is in the district of Rep. David Emery (R-Me.). Two other subcommittee members, Rep. Floyd Spence (R-S.C.) and Rep. Paul Dougherty (R-Pa.) have publicly owned shipyards in their districts.

Another possible obstacle: preparing a federal shipyard for submarine production would cost several hundred million dollars.

Some production problems arise, says a congressional expert, because the Navy's shipbuilding contracts protect the builder from paying for many of his own mistakes. In 1976, for example, the lead shipyard for the attack boats discovered defects in several emergency hydraulic control valves, yet another yard installed the same type of valves several months later. The problem was easily resolved, however. The Navy paid the second yard $5.8 million to replace the valves.

Several sources fear that the production delays—plus several add-on payment claims by General Dynamics—will prompt a series of protracted contract wrangles between the corporation and the Navy, similar to those which occurred in the early 1970s. This could further delay completion of the subs.

The deficient GE rotors are the latest in a series of problems to plague submarine construction by General Dynamics. In December 1979, for example, Navy inspectors discovered defective welds on the decks and deck stanchions of the attack boats *Bremerton, Jacksonville* and *Phoenix*. The welds had been inspected and approved by General Dynamics inspectors, according to an August 18 General Accounting Office report on the SSN-688 program. Futher inspection revealed numerous incomplete and defective welds and missing inspection records, the

Navy told Defense Week. Similar problems were encountered in the Trident sub *Ohio*.

"The whole thing happened because four [General Dynamics] inspectors simply quit inspecting and submitted false reports," Defense Week was told. General Dynamics says the ships were carefully reinspected and all unsatisfactory welds were corrected. The cost: $17 million. General Dynamics and the Navy assert that the strength of the subs' hulls was not affected.

Another major problem is that General Dynamics accepted and used low-carbon steel in several areas of the attack boats, including structural support foundations. The cost of replacement: $2.7 million. While testifying before the seapower subcommittee last Tuesday, Adm. Webber said he doubts that General Dynamics has corrected its quality control problems.

The delays in production of the attack submarines are all the more vexing to the Navy because the SSN-688 boats seem to have done well in actual operations. On a recent patrol, the *Memphis*, *Los Angeles*, and *Cincinnati* each simultaneously tracked two Soviet *Victor* class subs in the high density environment of the Mediterranean, according to a message from the boat captains to the Navy's submarine warfare office. The captains praised the boats' BQQ 5 long distance sonar, built by International Business Machines. And, they said, their boats easily outran the *Victors*.

SHIPBUILDING IN 1982: PARTING SURGERY FROM CARTER

President Carter's 1982 defense budget contains about $6 billion for the construction of 14 Navy ships, five less than will be built with fiscal year 1981 funds, government sources say.

The budget recommends construction of three surface warships: two CG-47 guided missile cruisers and one FFG-7 guided missile frigate. One Trident nuclear submarine and one SSN-688 attack submarine are also included in the Carter budget submission, along with one TAKX prepositioning ship and two SL-7 transport ships (including the conversion of one existing craft).

Other items on Carter's shipbuilding agenda: four TAGOS ocean surveillance ships, an oiler and an ARS salvage ship. Between 1982 and 1986, Carter would build about 80 Navy ships, sources say, rather than the 97 called for in his Administration's previous five-year shipbuilding program.

Critics of the Carter Administration's shipbuilding program in recent years already are preparing a counter-offensive: "You can look at those numbers as starting figures only," said a congressional aide angry at the "paltry" number of surface warships in the Carter budget. "We can boost that bottom line by $2 billion with no problem," he told Defense Week.

Rep. David Emery (R-Me.), a member of the House Armed Services seapower subcommittee, said three surface combatants "is not enough." Worried by an increase in Soviet naval forces in recent years, Emery says the U.S. should produce at least three CG-47 cruisers, five FFG-7 frigates and three SSN-688 attack subs each year, as well as three more nuclear aircraft carriers. (Some Pentagon officials expect that the Reagan Administration will view carriers as necessary and viable warships, rather than the Carter Administration view that they are costly and vulnerable targets.)

A more wary observer, however, cautions those who expect signficant increases in the Navy's shipbuilding program: "It will depend on how much money we find floating around, and there won't be a lot of it."

Government sources say that $19 million of the 1982 shipbuilding money will be used to purchase the British combat supply ship *Lyness*, which has been declared surplus by the British Navy. The 525-foot ship has already been chartered from Britain and is to join the U.S. Sixth Fleet in March. After its purchase, the *Lyness* will be fitted with communications gear and, possibly, helicopter servicing facilities.

The Carter budget also contains "several million dollars to charter three roll-on, roll-off transport ships from the Lykes Brothers Steamship Co., Inc. of New Orleans, La. Under an arrangement being negotiated with the Navy's Military Sealift Command, Lykes will purchase the ships from Hansa Lines of Germany and renovate them for charter to the Navy.

Carter's 1982 shipbuilding program would fund the fifth CG-47 cruiser equipped with the Aegis combat system. The third and fourth ships were funded last year at about $815 million each, and are being built by the Ingalls Shipbuilding Corp. The Navy wants to build 21 CG-47s.

The single frigate in the budget is in stark contrast to the four FFG-7s funded this year, "a reduction which may have a few supporters in the Pentagon. The Navy wants heavy ships and isn't interested in having too many frigates around," says a congressional aide. Congress has authorized construction of 40 frigates; seven have been delivered. The FFG-7s are being built by two companies—Bath Iron Works and Todd Shipyards Corp.

The single Trident in Carter's budget would be the Navy's ninth. The *Ohio*, lead ship in the class, is scheduled for completion in June though skeptics say it may be late August before the Navy accepts delivery from General Dynamics. The second sub, the *Michigan* is scheduled for completion about four months after the *Ohio*.

The lone SSN-688 in the 1982 budget proposal would provide the Navy with its 18th attack submarine. The Navy wants to build a total of 35. The attack subs are being built by General Dynamics and the Newport News Ship Building and Dry Dock Co. of Newport News, Va.

The four TAGOS ships in the 1982 budget would complete the Navy's requirement for a dozen of the undersea surveillance vessels. TAGOS ships, which are manned by civilian crewmen, pull a long linear array of hydrophone collection devices through the water to collect undersea acoustic data.

PROBE OF NAVY-ELECTRIC BOAT RELATIONS SOUGHT BY BEARD

Perturbed by the Navy's refusal to provide detailed information about why construction of Trident nuclear submarines has been repeatedly delayed, Rep. Robin Beard (R-Tenn.) has called for a congressional investigation of the submarine program. In a January 9 letter to Rep. Charles Bennett (D-Fla.), chairman of the House Armed Services seapower subcommittee, Beard says that the subcommittee should investigate the relationship between the Navy and Electric Boat, builder of the Trident subs, which has led to the "inexcusable delay" of more than two years and over $250 million in cost overruns.

Beard wants details about private meetings between Electric Boat executives and Navy Secretary Edward Hidalgo which may have been held to decide who should pay for the cost overruns. In a letter to Hidalgo last month, Beard demanded a record of all Hidalgo's meetings with Electric Boat officials and a listing of the Navy personnel present at each meeting. In addition, Beard asked Hidalgo for an explanation of "what decisions were made."

In a November 21, letter to Hidalgo, Beard said: "In view of the fact that our nuclear submarines are becoming an increasingly important part of the U.S. strategic triad, I am disturbed that the Trident program has been characterized by a series of delays . . . [which were] caused in large part by quality control problems at the Electric Boat shipyard in Groton, Connecticut, pertaining to the welding, steel plating and turbine rotors" for the submarines. Beard asked for a summary of quality control problems at Electric Boat and the Navy's proposed remedies. Hidalgo has not answered either request despite his repeated promises to do so, Beard told Defense Week, adding: "I am beginning to detect the odor of something that smells wrong." Beard said he wants to determine if Hidalgo discussed the cost overruns with Electric Boat during meetings in which he was not accompanied by Navy lawyers or accountants. "I would hope that an investigation by Rep. Bennett would cover all of these questions, and others," Beard said.

During hearings on the Trident program in September, Bennett said he would call Electric Boat executives to testify early this year. Further hearings have yet to be scheduled, however.

NAVY SUBMARINES: DELAYED AGAIN

The delivery of six of the Navy's SSN-688 attack submarines has been delayed once again. In a January 5, letter to the House and Senate Armed Services committees, former Navy Secretary Edward Hidalgo said delivery of the six submarines would be delayed from two to eight months beyond the dates in a submarine delivery schedule sent to the Navy only five months ago by General Dynamics Corp., builder of the attack boats. For example, the *Bremerton*, SSN-698, will be delivered in February this year rather than last December, as originally projected, while the *Boston*, SSN-703, will be delivered in June 1982, instead of September 1981.

In addition, Hidalgo indicated that there may be further delays in the Trident nuclear ballistic missile submarines. A General Dynamics review of the Trident construction program, which is now underway, may show further delays in store. Delivery of the *Ohio*, the lead Trident, is expected in June.

A chief reason for the delay, according to government and industry sources, is that the correction of several quality control problems at General Dynamics' shipyard in Groton, Conn., is taking longer than anticipated. Faulty submarine propulsion systems designed by the General Electric Co., are being replaced, as is some of the low-carbon steel supplied by various subcontractors. The attack boats and Trident subs were affected.

Meanwhile, Rep. Charles Bennett (D-Fla.), chairman of the House Armed Services seapower subcommittee has indicated he may broaden the scope of his hearings on the Navy's submarine construction programs to investigate the relationship between Hidalgo and General Dynamics, builder of many of the attack boats and all Trident nuclear submarines.

In a January 19 letter to Rep. Robin Beard (R-Tenn.), Bennett implied his subcommittee may look into the reasons for several private meetings between Hidalgo and two General Dynamics executives: Board Chairman David Lewis and Executive Vice President P. Takis Veliotis, head of the corporation's marine division. "If you feel further investigation is needed," Bennett wrote Beard, "the hearings . . . to be held early this year could be widened to include any matter relative to naval ship construction."

In early January, Beard asked Bennett to determine if any decisions were made during at least five private meetings between Hidalgo and the corporate executives. Specifically, Beard wants to know if they discussed the resolution of approximately $250 million in cost overruns on the Trident program.

In answer to a series of requests from Beard, the Navy recently confirmed that Hidalgo had a private meeting in his office with Lewis on February 11, 1980, and held four such meetings with Veliotis in May, July, October and December. On Jan. 2, 1981, three days before his letter announcing the new delays, Hidalgo met again with Veliotis, but this time he was accompanied by three Navy officials, including Coleman Hicks, the general counsel.

In a recent memorandum to Beard, the Navy asserts that, "These were not decision-making meetings, but rather meetings for the purpose of exchanging information and mutual views. Maintaining open lines of communication is always important, but during periods when a shipbuilder is encountering production delays, it is essential." A General Dynamics spokesman declined comment on the substance of Hidalgo's meetings with Lewis and Veliotis.

The SSN-688 attack submarines are designed to destroy ships, principally submarines. Each carries a crew of 102 and displaces 6,900 tons. The Navy wants about 35 of the new subs, including 10 already in the fleet, eight under construction (including two by the Newport News Shipbuilding and Dry Dock Co., a Tenneco subsidiary) and 14 to be funded by 1986, according to the Navy's five-year shipbuilding program released last week. The Pentagon's 1982 budget contains $576.7 million for procurement of one SSN-688. Millions more for "cost growth," outfitting and research run the cost up to $778.8 million.●

HOUSE OF REPRESENTATIVES—*Wednesday, January 28, 1981*

The House met at 3 p.m.

The Reverend Richard Englund, Trinity Church, Chambersburg, Pa., offered the following prayer:

O God, we come before You with the song of joy and thanksgiving still ringing in our hearts. We are grateful that this difficult and trying chapter in our national life is now over and that the hostages have been returned from Iran. We ask You to be with them and their families as they begin to pick up the pieces of their lives and put them back together again. May they be aware of Your presence and Your love as they go through these difficult days of getting to know one another again.

We ask for Your special grace upon our Nation and our leaders. Help us so that our anger and disgust at the way they have been treated does not turn into wrath and vindictiveness. You have not taught us to live that way. Guide us into following in the footsteps of Your Son, Jesus Christ, whose forgiveness came to us from the cross and whose love bore all things and endured all things.

We seek Your guidance in particular for all those to whom is committed the Government of this Nation. At this time of great uncertainty give them wisdom and courage, discipline and self-control, so that they may consider all questions calmly in their deliberations, and act wisely and promptly, upholding what is right, abhorring what is wrong, and performing that which is just, so that in all things Your will may be done. In Jesus' name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE REVEREND RICHARD ENGLUND

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, it is my privilege this afternoon to welcome the Reverend Richard Englund of the Trinity Evangelical Lutheran Church of Chambersburg, Pa., to the House of Representatives.

Reverend Englund was the pastor of my church in Fond du Lac for 5 years. His warmth and his guidance to all the members of the church is still remembered by all of us. It was in his living room in Fond du Lac that Reverend Englund urged me to give up the practice of law and try my hand at politics. I like to think that is a good example of his wise counsel.

He was educated in Massachusetts where he received his bachelor's and master's degrees in chemical engineering and then decided to set his life on a different road and attended the Lutheran School of Theology in Chicago.

Reverend Englund has had churches all over the United States: Colorado, Nebraska, Wisconsin, and now, Pennsylvania; and he has been joined in his work by his wife Greta and three children.

The dedication and love of all the ministers, rabbis, and priests of this country—men like Dick Englund—contribute toward maintaining our country's value system.

Dick Englund represents here today, all those men and women who spend their lives teaching and preaching among us.

Thank you, Reverend Englund.

SWEARING IN OF MEMBER-ELECT

The SPEAKER. Will the gentleman from Vermont (Mr. JEFFORDS) kindly step into the well of the House and take the oath of office?

Mr. JEFFORDS appeared at the bar of the House and took the oath of office.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. WRIGHT), the majority leader.

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time to make some brief announcements with respect to the schedule.

The first thing is that today there is a special order, in which any Member who desires to do so is invited to participate, in memory of Olin E. Teague, who was buried yesterday.

The second thing I want to tell Members is that we will have a pro forma session tomorrow, another Friday and another Monday. It is not anticipated that legislation would be brought up on the House floor tomorrow, Friday, or Monday.

The next thing is that the President of the United States has requested of the leadership that we enact very early next week, if possible, a debt ceiling extension at a net figure of $985 billion. Now, if it is possible for the Congress to complete action upon this request next week, either by Thursday or by Friday if necessary, then it will be possible for the House to take the entire week of Lincoln's birthday as a home district work period.

If it is not possible, for whatever reason, to complete action on that debt ceiling extension requested by President Reagan next week, then we would have to be in session Monday and/or Tuesday of the following week.

INTEREST RATES

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, today I have introduced a resolution calling for the Federal Reserve Board to take action to bring down interest rates.

For the past year, the Fed has been literally bludgeoning major sectors of the economy by twice pushing the prime borrowing rate above the unbelievable level of 20 percent. In the name of fighting inflation, the Fed has been causing more while only delaying economic revitalization which in the long run would reduce inflationary pressures.

Mr. Speaker, tight money will not end inflation unless we are brought to an unacceptable economic standstill. We in Congress must also do our part, by cutting taxes and spending, balancing the budget, scrapping needless regulations, and restraining energy prices.

Let us not put the inflation-fighting burden on the family wanting to buy a house or a car, or on the small businessman trying to stay out of the red.

ANNOUNCEMENT OF APPOINTMENT OF STAFF MEMBER JONNA LYNNE CULLEN TO OMB STAFF

The SPEAKER. The Chair would like to make the following announcement.

There has been a young, able, talented, and beautiful woman who has worked for the Committee on Rules for many years, and her name is Jonna Lynne Cullen. She is leaving the committee and going to the Office of Management and Budget to be the liaison to the House for the newly confirmed Director, Mr. Stockman, and the Chair is sure all Members and friends wish her the greatest success and happiness.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

THE FORGOTTEN HOSTAGE IN IRAN

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I rise today to express the sincere hope that the celebration by this body and this Nation in the past 8 days over the release of the 52 Americans held hostage in Iran will not dim our memory of an American citizen who remains today an uncharged, untried prisoner of the Islamic Republic of Iran.

Cynthia Dwyer, a freelance journalist from Amherst, N.Y., near Buffalo, traveled to Iran last April after having published several articles on the Iranian revolution—articles that, ironically, were anything but supportive of the Pahlavi regime. She was in Tehran to continue her journalistic research when, on May 5, she was arrested by revolutionary guards at her hotel, accused of being a spy for the CIA. The accusation, never followed by formal charges, is blatantly false; nevertheless, the shameless and irrational leaders of Iran have used it to indefinitely detain this professional writer, this homemaker, and mother of three young children, this innocent American.

I urge the administration, which has already initiated third-party efforts to secure a definition of Mrs. Dwyer's status and to seek her release, to redouble those efforts immediately in this uncertain stage of American-Iranian relations. And I call on my colleagues and my fellow citizens not to allow Cynthia Brown Dwyer to become a forgotten hostage of Iran. We owe her and her family the freedom so recently won for her 52 countrymen.

□ 1510

MR. DONOVAN SHOULD BE CONFIRMED

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I am outraged over yesterday's proceedings at the confirmation hearing for Labor Secretary-designate, Raymond J. Donovan. The FBI on the basis of admittedly unsubstantiated allegations from informants—attempted to link Donovan's construction company to questionable or illegal mob activities.

Mr. Donovan was entirely correct in calling these informants slime. I was a police officer for 23 years in New York City and know that informants are unreliable—pathological liars and are oftimes manipulated. The very best one can expect from an informant is a lead or a direction which in and of itself may be meaningless unless pursued for confirmation by supporting credible evidence.

The reliance on informants prompted Mr. Donovan to say—

> I'm from a great State, New Jersey. But if you're in the construction business in this country, you're suspect. If you're from New Jersey, you're indictable. And if you're Italian, you're convicted.

What Mr. Donovan is enduring is not unique—but he very graphically makes the point. The Italian-American community has been burdened with this problem for years. Numerous prominent and average Italian Americans have been the victims of character assassination on the strength of informant innuendos that somehow are leaked to the media and which result in extreme political and personal damage.

Any individual or agency which uses informant evidence without corroboration is truly abusing their power. The fact that the FBI has resorted to this tactic is truly unfortunate—it threatens the very integrity of the system of justice in our Nation.

Based on the testimony received, I hope the Senate Labor Committee goes forward with a vote to confirm Mr. Donovan.

PRESIDENT ERRS IN REMOVING PRICE CONTROLS ON OIL

(Mr. DONNELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DONNELLY. Mr. Speaker, President Reagan has made a serious mistake by removing price controls from oil at this time.

It may be warm and sunny in some parts of this Nation, but in New England, we are in the middle of the coldest winter this century.

We have already run short of coal; we have run short of natural gas; we are running short of heating oil; and we have conserved every possible Btu.

The President's order will not produce any more oil this afternoon, this week, this winter. The only fuel it will provide immediately is fuel for inflation.

The decision to decontrol today will cost the American consumer billions of dollars more than if he had waited until controls expire in 8 months.

Government may profit; the oil companies will profit; and price gougers will make giant profits. Only the American consumer will lose.

EL SALVADOR SHOULD HANDLE ITS OWN PROBLEMS

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, last week, the State Department informed the Congress that the United States will be sending military personnel into El Salvador to assist Salvadoran security forces. These are the same security forces that Ambassador Robert White said were undoubtedly "directly involved" in the December murder of four American Catholic missionaries.

Our military personnel are now involved in the internal problems of El Salvador. In the State Department's own words, they are at risk from the "possibility of an 'isolated' terrorist attack." Terrorist attacks are not isolated incidents in El Salvador—10,000 people have been killed there in acts of political violence during the past year.

It is ludicrous to risk the lives of American military to support a government that our own State Department has implicated in the murders of American civilians.

The problems of El Salvador must be solved by Salvadorans, not by Washington. Mr. Speaker, I urge the removal of all U.S. military personnel, and the discontinuation of all economic aid to the Government of El Salvador.

MR. DONOVAN SHOULD NOT BE SUBJECT TO ABUSE BASED ON HEARSAY

(Mr. FOGLIETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOGLIETTA. Mr. Speaker, I have listened attentively to the remarks made by Mr. BIAGGI and I concur with him entirely. Too often, decent Americans, called into public service, have their pasts picked through with finetooth combs, only to be rewarded with a barrage of unsubstantiated allegations. I do not think that men of Mr. Donovan's stature should be subjected to slander and abuse in a public forum on the basis of unrealiable and hearsay information.

WHO WILL HEAD THE VETERANS' ADMINISTRATION DURING THE NEXT 4 YEARS?

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I am very concerned that the President has not yet disclosed his choice to head the Veterans' Administration for the next 4 years. Many of my colleagues share my concern.

I realize there are many things that must be done in assuming the Presidency and I am sure the administra-

tion is doing the very best it can to put in place those people who will help lead the administration during the next 4 years. I believe the Administrator of Veterans' Affairs is one of the most important appointments the President will make and I would have hoped the President would have made his choice before now. Obviously, he must first concentrate on the Cabinet-level positions and one can even understand the high priority being placed on the No. 2 position in the Cabinet.

What concerns me is that many sub-Cabinet positions have already been announced. In fact, the Washington Post this weekend revealed that the President has selected his Director of the Internal Revenue Service and his Administrator of the Federal Railroad Administration.

Mr. Speaker, the Veterans' Administration is the largest independent agency in the executive branch. In fact, it is larger than several departments combined. It operates a budget of more than $22 billion and its total number of employees exceeds 220,000. I would, therefore, urge the President to move with dispatch to make known to the Congress and to the veterans of our Nation his choice to head this most important agency during his administration. It is in the best interest of all our Nation's veterans that this be done without further delay. In this way our veterans will know the President cares about them and that he intends to place a high priority on benefits and services to be provided to them and their families.

H.R. 1008 PROVIDES FLEXIBILITY IN CLEAN WATER ACT

(Mrs. BOUQUARD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOUQUARD. Mr. Speaker, while we all support the goal of abundant pure clean water, hearings before the Public Works Subcommittee on Oversight and Review last year made it clear that the EPA is not implementing the pretreatment provisions of the Clean Water Act in a cost-effective manner. In fact, testimony before this subcommittee indicated that the EPA's attempt to develop national uniform pretreatment standards would add tremendously to the cost borne by industries in waste treatment and not necessarily provide cleaner water.

Mr. Speaker, I have introduced H.R. 1008. Legislation to provide some flexibility in enforcing section 307 of the act by allowing local communities to develop their own pretreatment programs as long as the final discharge from the publicly owned treatment works did not violate the effluent limitation for treatment works. Our chief concern, as well as the chief concern of the EPA, should be in controlling the amount of toxicity which is ultimately discharged from a treatment works. It should be left to the local authorities to determine just what the most cost-effective means of meeting these requirements will be.

I urge my colleagues to join with me in providing this needed flexibility by cosponsoring H.R. 1008.

CONSUMERS LEFT AT MERCY OF OIL COMPANIES AND OPEC

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, the Reagan administration is wasting no time showing the American people where it stands on energy issues. The action by President Reagan to immediately decontrol domestic oil leaves consumers entirely at the mercy of the big oil companies and OPEC.

President Reagan is renouncing any responsibility for our Nation's energy policies. In throwing away the Federal Government's energy tools, he is insuring that big oil and OPEC will dictate energy policies and energy prices to the American people.

While I did not agree with the previous policy of gradual decontrol, that policy did provide a buffer for the American consumer and American industry. But in his efforts to get a running start, President Reagan has resorted to running over consumers. His action will bring long-term economic shocks and mean real hardship for the American people.

Letting OPEC and big oil determine our energy costs will only further unleash inflation and make a mockery of our free market system. Energy has been the single most important factor disrupting our economy for the past 8 years. In one hastily reached decision, the Reagan administration is surrendering the sole weapon we possess to limit the full brunt of spiraling energy costs on American consumers. And with one stroke of the President's pen, the essential allocation protections we worked so hard to get are being cast aside.

This decision to immediately decontrol domestic oil will have long-term repercussions, primarily on energy dependent States. Instead of being enhanced, the free market system will be further stifled. Decontrol has the potential to encourage monopoly as oil companies pull out of exisiting markets in search of more profitable areas closer to their product sources.

In my own State of Minnesota, four oil companies—Texaco, Gulf, DX, and Shell—are already considering moving out. The lifting of allocation requirements will only increase the possibility of such desertions.

The loss of these oil companies could create a real crisis in my State. Forty-four percent of the refined oil consumed in Minnesota is brought in from other States. With the loss of these major oil companies, who would make up their share of the Minnesota market? How much freer would the market be without them?

The problem is compounded by the cutbacks and gradual phase out of Canadian crude oil to Minnesota. At present, 82,000 barrels per day are brought into the State from Canada. Compare this to the 123,000 barrels per day we received just last year. And in a few short years there will not be any Canadian crude at all. There is real concern that Minnesota farmers will face shortages of the fuel needed to plant and harvest their crops. Homeowners whose bills are already soaring will find their utility bills even higher. And consumers who have already reduced gasoline consumption to minimal levels will face higher costs and the prospect of gasoline shortages.

The sad aspect of this situation is that Minnesota is not alone. Other energy dependent States will have to come to grips with the effects of immediate decontrol. We should have had in place, before decontrol occurred, alternative measures to insure that all those who need oil would have access to it at affordable prices.

□ 1520

COMMEMORATIVE POSTAGE STAMP TO HONOR OUR RETURNEES AND SERVICEMEN

(Ms. FIEDLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FIEDLER. Mr. Speaker, since November 1979, our country has been bedecked with a symbol—a symbol that has been seen in every corner of the Nation. That symbol is the yellow ribbon, signifying our Nation's desire for the safe return of our countrymen who were held hostage in Iran.

Yesterday that symbol covered Washington, even to the balcony of the White House. There is a proposal before this House to strike a medal for each of our returned hostages. Today, I propose an additional step—that Congress pass a concurrent resolution calling for the printing of a commemorative postage stamp to honor our returnees and the eight American servicemen who died during the aborted rescue attempt. Perhaps the theme of that stamp could be the yellow ribbon our countrymen have displayed and worn for 14 months.

I believe a commemorative postage stamp, easily within the means of every American, will be a constant reminder to the people of our country of the need to remain strong in the face

of hostile enemies and keep alive the memory of those Americans who suffered so long in Iran and those who gave their lives trying to free them.

LET TERRORISTS BE AWARE

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, on November 7, 1979, just after the Iranian terrorists attacked our Embassy and kidnapped our fellow Americans, I came before this body charging that it was decision time for our country—time to warn the terrorists of the world that the United States is through backing away and apologizing—time to say and do those things necessary to let the world know that America will never go to its knees again, except in the worship of Almighty God.

President Reagan proclaimed such a decision yesterday when speaking for the American people he said:

> Let terrorists be aware that when the rules of international behavior are violated, our policy will be one of swift and effective retribution.

I am proud of our President for saying what has been in the hearts and minds of our countrymen for so long.

The President's announcement will be welcomed by our country's friends and allies, who now realize that the slumbering giant has been aroused and it will be greeted with grudging respect by those who would be our adversaries.

Our President has made a strong statement, one that has been long overdue, but one that will enjoy the strong support of a united America.

SUMMIT MEETING TO IMPROVE RELATIONS WITH OUR NORTH AMERICAN NEIGHBORS

(Mr. STANGELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANGELAND. Mr. Speaker, today, I am reintroducing a concurrent resolution calling upon President Reagan to invite President Lopez Portillo of Mexico and Prime Minister Pierre Trudeau of Canada to a summit meeting to discuss improving our relations with our North American neighbors in a variety of areas such as trade, immigration, agriculture, transportation, energy, and others. This resolution is modeled after a similar one I introduced in the last Congress which was consponsored by over 70 Members and which generated hearings before several foreign affairs subcommittees. As a result of these hearings and in consultation with both private sector and governmental leaders in all three countries, I have broadened the scope of my original proposal to cover a wide range of issues affecting the United States, Canada, and Mexico.

This North American summit meeting is designed to provide a forum for discussion of key issues that have, in the past, caused strained relations with our border neighbors to the north and south. Potential conflicts should also be studied at such a top-level meeting. It is important to emphasize that the spirit behind this resolution is one of mutual cooperation and benefit to all three nations. This spirit has often been lacking in previous negotiations and, for this reason, it is imperative that President Reagan act expeditiously to improve our relations with Mexico and Canada, as he has promised to do during his Presidential campaign.

As cochairman of the House North American Trade Caucus with Congressman JOHN BREAUX, it is our intention to urge greater sensitivity to the issue of North American relationships. The summit meeting will be an important first step and strong signal to our neighbors that we are, in fact, serious about this proposition.

PRESIDENT McKINLEY'S BIRTHDAY

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, we Americans, in every corner of our great Nation, have just experienced a marvelous week, an historic week, a week which drew us together in love of country and in determination to be resolute in the protection of our greatest blessing—freedom.

I think it is appropriate at this particular moment in our history, when America is reasserting itself as a world leader, to recall an American leader who stood for the values and principles we cherish as a people.

Tomorrow is the birthday of our martyred President William McKinley. It was during his administration that the United States moved onto the world scene as a great power and it was generally recognized that isolation was no longer desirable or even possible.

Our 25th President led our country to accept its international responsibilities and commitments. The history of the world was greatly influenced as a result.

If he had been present here in the Nation's Capital yesterday, I am sure he would have strongly endorsed the words of our 40th President when he warned international terrorists that our patience has a limit.

A religious man, President McKinley found it necessary to lead us in war. His goal, however, was peace. He said, in one of his speeches:

> Let us ever remember that our real eminence lies in victories of peace, not those of war.

William McKinley served the 16th District of Ohio, which I am proud to call my own, for 13 years and, in his last term, was chairman of the Ways and Means Committee. Before being elected President in 1896, he also served 4 years as Governor of Ohio.

His favorite flower was the red carnation, Ohio's State flower. The carnations you see today in the House dining room honor his memory.

CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, today I have introduced legislation to provide for a constitutional amendment to balance the budget. The American people spoke on November 4 and they said they are tired of runaway government. In order to control the growing bureaucracy there must be some belt tightening. The businesses and workers of the United States are required to balance their budgets, why should they not be able to expect the same from their Government. The actual 1980 budget had a deficit of almost $74 billion. President Carter's 1981 budget has an estimated deficit of $78.4 billion. Need we wonder why inflation has been in the double digits for 2 consecutive years, only for the second time since 1917.

The budget is full of fat. Joseph Califano, former Secretary of HEW admitted his agency lost billions of dollars through fraud and waste. As another example, OSHA has had a constant budget increase for 5 years while job-related accidents have skyrocketed. This to me indicates inefficiency in the OSHA program not to mention the cost to businesses and consumers in paperwork.

In the past 4 years the majorities in the House and Senate have not acted on their own to balance the budget, therefore, I feel it is time to listen to the American people.

Former President Carter's 1982 budget shows a deficit of $27.5 billion, but his estimate includes a 10-cent-per-gallon gasoline tax. The American people have spoken and I for one have heard. The heroes that President Reagan spoke of in his inaugural address do not need more taxes, they do not want more government, they want a government that can live as they do, within their means.

THE IMPUTED TAX RELIEF ACT OF 1981

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, today I am introducing legislation to prohibit the Internal Revenue Service from issuing final regulations that would harm family farms and businesses and further depress the housing industry.

This measure, the Imputed Tax Relief Act of 1981, would prohibit the Internal Revenue Service from adopting new regulations that increase the imputed interest rate on a loan between related parties and on transactions involving deferred payment sales of certain property. At a time when high and fluctuating interest rates are hurting economic recovery as much or more than any other factor, the IRS should not be throwing fuel on the fire by raising imputed interest rates.

In August of 1980, the Internal Revenue Service proposed regulations that would increase imputed interest rates by 50 percent on transactions between related parties and on deferred property sales. It is obvious that this increase is inflationary and that it will most affect farm and ranch income.

One of the most important factors affecting the sale of farm and ranch land is not only the price of the land but the terms of the sale as well. The freedom of the seller to offer a property at less than commercial rates gives him and the buyer a critical edge in the market. IRS action to raise the imputed interest rate will seriously erode this critical edge.

The typical farm or ranch operation simply does not generate the income to pay for land, meet equipment and operational costs, and pay higher interest rates. The land contract is one of the common estate-planning tools used by many young farmers and ranchers.

Such special arrangements may allow the young farmer an entry into land ownership that might otherwise not be available. The proposed IRS action, which my bill will prevent, would discriminate against family transactions by requiring higher interest rates on loans for the sale of property to family members. The increased interest rates are contrary to our historic national policies of preserving the family farm and the operation of the independent farmer.

The IRS justifies the increase on the ground that it is necessary to reflect current market rates. I contend that the market rates referred to do not accurately reflect the unique situation in the agriculture economy. Agriculture is Nebraska's leading industry and this multibillion-dollar economy is suffering.

The past year has been a year of lower prices and higher production costs, a year marred by losses due to the grain embargo, and a year of drought and other poor weather conditions. Imposing higher imputed interest rates will only add to the forces working against the economic well-being of American agriculture.

The IRS was wise to heed public protest against these proposed rules by delaying their implementation until July 1, 1981. Congress would be wise to take this opportunity to enact legislation to prohibit on a permanent basis the increase in imputed interest rates sought by the IRS.

JUMPING TO CONCLUSIONS IN EL SALVADOR

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, I would like to point out to all the Members that one of the wisest things we could do is not jump to conclusions on the basis of press reports. There have been press reports of a dramatic nature about developments in El Salvador. The picture is painted as if all the evil lies on one side and somehow the truth only lies with the would-be rebels.

We went through a similar scenario in Nicaragua and the picture now looks very, very different after more facts come in.

I would suggest that the responsible committees of the House and the other body take a good look through proper channels and procedures at the situation in El Salvador and that we in the House personally and collectively not be stampeded into any premature judgment.

REMEMBER THE VIETNAM VETERANS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, in the wake of all the celebration yesterday and welcoming home our 52 hostages, I just have one observation I have to make. After participating with the Speaker and the distinguished majority leader in those proceedings at Andrews Air Force Base, we along with many of our colleagues, present and former, attended the funeral of that great patriot and nine-time decorated veteran, a former Member of this House, Olin "Tiger" Teague, at Arlington National Cemetery. The eulogy was a most beautiful one, delivered by Colonel Singleton of the Air Force who was, you may recall, a fighter pilot who was shot down over North Vietnam and held prisoner for more than 7 years in those hell holes where our prisoners were held at the time.

He is now an Air Force chaplain and, as I said, delivered a most moving and touching eulogy.

□ 1530

I could not help but think as I went home last night, after all that had taken place, that it was just too bad we did not—we did not—give just a fraction of the attention to those returning prisoners from Vietnam as we did for those returning yesterday. In my judgment, we still owe those heroes much more attention than their Government ever gave them.

SEXUAL ORIENTATION SHOULD NOT BE REGARDED AS LEGITIMATE GROUNDS FOR BIAS

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, on behalf of Mr. WAXMAN and 31 other of our colleagues, I am today introducing legislation that addresses one of the most pervasive forms of discrimination found in our Nation. My bill also reinforces the constitutional guarantee of the right to privacy since this fundamental freedom is undermined whenever an individual's sexual orientation becomes the basis for discrimination.

A person's sexual orientation should not be regarded as legitimate grounds for bias any more than should skin color or religious expression.

Over 20 million homosexual men and women are in every occupation and institution in our Nation. They are doctors, lawyers, professors, carpenters, clerks, secretaries, writers, Government workers, and street-sweepers. They are rich and poor, black and white, city dwellers and rural residents. And like most Americans, they obey the law and work hard.

But unlike other groups, homosexuals do not have legal recourse when they encounter discrimination. A man or woman may meet every possible criterion for housing or employment and yet if he or she is a homosexual an apartment or job can be denied him or her simply on the basis of personal, private sexual orientation.

Last October, hearings were held by the Subcommittee on Employment Opportunities on this issue in San Francisco. Almost every witness testified to the need for this legislation. And its enactment would confirm my belief that most Americans oppose this form of bias just as strongly as they reject discrimination directed against racial and religious minorities.

I hope this Congress will recognize that homosexuality is not a sufficient

reason to relegate a person to the status of second-class citizen. I urge my colleagues to join me in cosponsoring this legislation to amend the Civil Rights Act so that we may eliminate discrimination against homosexuals in housing, employment, education, and public accommodations.

When we address the issue of rights for homosexuals we are, in fact, talking about human rights. Let us make 1981 the year when our Nation no longer sanctions discrimination based on the private sexual orientation of millions of Americans.

A copy of the bill follows:

H.R.—

A bill to prohibit discrimination on the basis of affectional or sexual orientation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Rights Amendments Act of 1981."

PUBLIC FACILITIES

SEC. 2. Section 301(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000b(a)) is amended by inserting after "religion," the following: "affectional or sexual orientation,".

FEDERALLY ASSISTED OPPORTUNITIES

SEC. 3. Section 601 of the Civil Rights Act of 1964 (42 U.S.C. 2000d) is amended by inserting after "color," the following: "affectional or sexual orientation,".

EQUAL EMPLOYMENT OPPORTUNITIES

SEC. 6. (a) Sections 703(a), 703(b), 703(c), 703(d), 703(e), 703(j), 704(b), 706(g), and 717(a) of the Civil Rights Act of 1964 (42 U.S.C. 2000e-2, 2000e-3, 2000e-5, 2000e-16) are amended by inserting after "sex," each place it appears the following: "affectional or sexual orientation,".

(b) Section 717(c) of such Act (42 U.S.C. 2000e-16) is amended by inserting ", affectional or sexual orientation," after "sex".

(c)(1) Section 703(h) of such Act (42 U.S.C. 2000e-2) is amended by inserting after "sex," the first place it appears the following: "affectional or sexual orientation,".

(2) Such section 703(h) is further amended by inserting ", affectional or sexual orientation," after "sex" the second place it appears.

INTERVENTION AND PROCEDURE

SEC. 7. Section 902 of the Civil Rights Act of 1964 (42 U.S.C. 2000h-2) is amended by inserting after "sex" the following: ", affectional or sexual orientation,".

HOUSING SALE, RENTAL, FINANCING AND BROKERAGE SERVICES

SEC. 8. (a) Section 804 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation and for other purposes," (42 U.S.C. 3604), is amended by inserting after "religion," each place it appears the following: "affectional or sexual orientation,".

(b) Section 805 of such Act (42 U.S.C. 3605) is amended by inserting after "religion," the following: "affectional or sexual orientation,".

(c) Section 806 of such Act (42 U.S.C. 3606) is amended by inserting after "religion," the following: "affectional or sexual orientation,".

PREVENTION OF INTIMIDATION

SEC. 9. Section 901 of the Act entitled "An act to prescribe penalties for certain acts of violence or intimidation, and for other purposes," (42 U.S.C. 3631) is amended by inserting after "religion," each place it appears the following: "affectional or sexual orientation,".

DEFINITION

SEC. 11. As used in the amendments made by this Act, the term "affectional or sexual orientation" means male or female homosexuality, heterosexuality, and bisexuality by orientation or practice by and between consenting adults.

RULE OF INTERPRETATION

SEC. 12. No amendment made by this Act shall be construed to permit or require—

(1) the determination that discrimination exists to be based on any statistical differences in the incidence of persons of a particular affectional or sexual orientation in the general population as opposed to in the activity wherein such discrimination is alleged; or

(2) the fashioning of any remedy requiring any sort of quota for the activity wherein such discrimination is alleged for persons of any particular affectional or sexual orientation.

FRANK R. HOOD, HEAD OF THE VETERANS' ADMINISTRATION'S PUBLIC INFORMATION PROGRAM, HAS RETIRED

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, I would like to call the attention of my colleagues in the House to the fact that after nearly 23 years as head of the Veterans' Administration's public information program, Frank R. Hood, has retired.

Mr. Hood has been acclaimed professionally over the years and is held in esteem by countless persons he has worked with, in VA, in the Congress, in veterans' organizations.

But it is interesting to think what he accomplished during his long tenure for people who do not know him and will never hear of him. As VA's Assistant Administrator for Information Services, he directed a nationwide program to inform veterans and dependents of their rights and opportunities—and he did it for more than a generation.

At the time he was elevated from assistant to top VA publicist, many veterans who served in World War II and the conflict in Korea were still receiving readjustment help from VA. He was there through the buildup in Vietnam, the long war that followed, the development of new benefits and services to help veterans of that war, the end of the Vietnam era, and several years into the post-Vietnam era.

More than a third of those who are veterans today became veterans during Mr. Hood's tenure and heard about—and have been constantly reminded of—their rights and privileges through word put out by his organization. Those who already had service have continued to receive facts and advice of value to them.

Every newspaper, every radio station, every television station, every news organization in the United States has played a part in the dissemination of this vast amount of information Frank Hood has initiated and supervised. The number of people he has touched is inestimable.

A BILL TO LIFT SOME OF THE TAX BURDEN FROM SMALL BUSINESS

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, we call our Nation the land of opportunity, and rightfully so. Here people have a chance to build for themselves, to keep the fruits of their labors for themselves and their posterity.

How terrible it is then, Mr. Speaker, when we find those people who cannot do this. Rather, too often, the fruits of their labor wind up going to the tax collector.

In his inaugural address, President Reagan spoke about lessening the tax burden. I think we have to do this, particularly in regard to the crushing level of taxation small business bears.

Mr. Speaker, many, many family-owned small businesses and family farms have been sold to pay taxes. This is very unfortunate. It is something that should be stopped. Unless it is, we are going to see family-owned small businesses cease to exist, being bought up by large businesses that tend to greater and greater economic concentration.

Mr. Speaker, small business accounts for the creation of 87 percent of the new jobs in this country. The only way we are going to get true recovery from this recession is by encouraging small business. The way to do this is to keep small business functioning.

Mr. Speaker, I join our colleague, Congressman TAUKE, of Iowa, in sponsoring a bill to lift some of this burden from the back of small business. We propose, in essence, that the estate tax threshold on a family-owned business or farm be raised from the current $500,000 to $1 million provided the business or farm is passed along to the members of the immediate family. This increase would be phased in over a 5-year period, and the maximum amount would be indexed for inflation.

Mr. Speaker, this is a good bill for the "New Beginning."

LEGISLATION INTRODUCED TO METE OUT JUSTICE IN CASES WHERE VANDALS AND THIEVES DISHONOR THE SACRED RIGHTS OF OTHERS

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, among the many treasured liberties guaranteed to each American under the Constitution of the United States is the right to freely exercise the religion of one's choice. Our reverence for that right is generally reflected in the profound respect and deference that we accord one another in choosing and honoring our respective religions.

Regrettably, Mr. Speaker, there is an increasing minority among us which does not share that respect. With heightened regularity, newspapers carry stories of vandalism, theft, and arson directed against cemeteries, buildings used for religious purposes, and irreplaceable religious relics. These incidents are not confined to any geographic region, nor are they directed exclusively against any particular religion. Although the brunt of this crime wave has been borne by Jews, attacks have been waged on Christians and Buddhists as well.

Mr. Speaker, a survey released by B'nai B'rith in December of last year highlights this frightening assault on first amendment rights. That survey suggests an increase in episodes directed against Jewish property alone from 1979 to 1980 of as much as 192 percent. Furthermore, many of these incidents involved potentially life-threatening activities, such as arson and firebombings. It has been estimated that losses to religious organizations stemming from this type of destruction may run as high as $1.5 billion per annum.

Because of the first amendment concerns that permeate this area, the Federal Government must take firm, effective, and swift measures to bring this horrifying trend to an immediate halt. Since existing Federal criminal law provides the Justice Department with inadequate means for prosecuting those who flagrantly and intentionally attempt to interfere with the free exercise of religion, I am today introducing a bill designed to remedy this situation. Specifically, it would add a new section to title 18 of the United States Code which would prohibit anyone from willfully damaging a cemetery, a building used for religious purposes, or any religious article contained therein, or stealing such religious articles, with an intent to interfere with the free exercise of religion by any person or class of persons. Attempts to commit such destruction or theft would also be an offense under this section. Because property damage of this nature can pose a serious threat to life and limb as well, the penalties are graded based on the type of damage that results. Thus, the penalties provided are: First, in general, $10,000 and/or 5 years maximum imprisonment; second, $15,000 and/or 15 years maximum imprisonment where bodily injury results; and third, maximum life imprisonment where death results.

Mr. Speaker, I believe that this bill addresses a clear Federal interest in an effective manner. Vandals and thieves who dishonor the sacred rights of others should be put on immediate notice that the strong arm of the Federal Government will mete out justice in these cases.

INCREASING NUMBER OF MEMBERS OF COMMISSION ON WARTIME RELOCATION AND INTERNMENT OF CIVILIANS

Mr. MINETA. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the Senate bill (S. 253) to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman yield to explain what this is about?

Mr. MINETA. Will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from California.

Mr. MINETA. As the gentleman, my distinguished colleague from California, knows, in July 1980 the House passed and the Senate passed the committee bill to establish the Commission on Wartime Relocation and Internment of Civilians. Since then we are now going to add an additional appointment by the President pro tempore of the Senate and the Speaker of the House, in addition to the two or three that were authorized originally in the legislation, for the President to appoint two in the House and two in the Senate. So this is to increase it so that each of the branches, the executive, the House, and the Senate, will have three appointments to the Commission.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, so this is just an expansion of that?

Mr. MINETA. If the gentleman will yield further, this is an extension of that and an expansion of that Commission to one additional member each as an appointment from each body of the Congress. It was passed by the Senate yesterday.

Mr. ROUSSELOT. With no additional cost, or anything?

Mr. MINETA. No additional cost, just the addition of one Commission member.

Mr. ROUSSELOT. I thank the gentleman for his explanation.

Mr. MINETA. I thank the gentleman from California.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding. I just wanted to know, can the gentleman give us some idea of the reason for expanding the size of the Commission over and above the original bill?

Mr. MINETA. Would my colleague from California yield?

Mr. ROUSSELOT. I will be glad to yield to my colleague from California.

Mr. MINETA. I thank the gentleman. In response to the inquiry of the gentleman from Pennsylvania (Mr. WALKER), in making the appointments to the Commission, in the legislative history of the establishment of the Commission, the President or the Senator from Alaska had gotten a promise that an Aleut would be one of the appointees to the Commission. That commitment was overlooked at the time the commissioners were appointed and, consequently, in order to accommodate the Senator from Alaska, this has been approved by the Senate and is now up for House consideration.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 253

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) subsection (b) of section 3 of the Commission on Wartime Relocation and Internment of Civilians Act is amended by striking out "seven" and inserting in lieu thereof "nine".

(2) Clause (2) of such subsection is amended by striking out "Two" and inserting in lieu thereof "Three".

(3) Clause (3) of such subsection is amended by striking out "Two" and inserting in lieu thereof "Three".

(b) Subsection (e) of section 3 of such Act is amended by striking out "Four" and inserting in lieu thereof "Five".

Passed the Senate January 27 (legislative day, January 5), 1981.

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

COMMENDING FORMER PRESIDENT CARTER, FORMER SECRETARY OF STATE MUSKIE, FORMER DEPUTY SECRETARY OF STATE CHRISTOPHER, AND THE ALGERIAN NEGOTIATORS

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 43) commending former President Jimmy Carter, former Secretary of State Edmund Muskie, former Deputy Secretary of State Warren Christopher, and the Algerian negotiators for their efforts in securing the safe release of the 52 American hostages from Iran, and President Reagan for designating former President Carter to greet the freed hostages, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

□ 1540

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. DERWINSKI. Mr. Speaker, reserving the right to object, may I ask the gentleman from Wisconsin this question: Is this not a version of the resolution originally introduced by the gentleman from New York (Mr. BIAGGI)?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Speaker, as the gentleman from Illinois and other Members recall, a version of the resolution introduced by our good friend, the gentleman from New York (Mr. BIAGGI), was to be considered last week. There was some concern about the wording and the inclusion of certain statements and phrases in that resolution. This is a resolution that is perfected, and there is no objection. I am proud to support the resolution that was introduced by the distinguished gentleman from New York (Mr. BIAGGI), with certain amendments.

Mr. DERWINSKI. Further reserving the right to object, Mr. Speaker, would it be more accurate to say "with certain language perfections"?

Mr. ZABLOCKI. The gentleman from Illinois, as always, is accurate and true in his perception.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, can the chairman of the committee tell us, did this resolution go before the gentleman's committee, or was the Foreign Affairs Committee consulted? Because I know that last week the gentleman was not completely sure that enough Members had been consulted.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman from Illinois (Mr. DERWINSKI), under his reservation, yield to me?

Mr. DERWINSKI. I yield to the distinguished gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, the resolution was referred to the Committee on Foreign Affairs after the perfecting amendments were agreed to or included, and, as is normal when we have a resolution that is timely, to expeditiously consider it, I am asking unanimous consent to discharge the Foreign Affairs Committee.

Mr. ROUSSELOT. I thank the gentleman.

PARLIAMENTARY INQUIRY

Mr. DERWINSKI. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DERWINSKI. Mr. Speaker, the request before us is to discharge the committee. If that is accepted, then there will subsequently be a motion to adopt the resolution; is that correct?

The SPEAKER pro tempore. The gentleman is correct.

Mr. DERWINSKI. Mr. Speaker, at that time I will reserve the right to object so that I might direct some helpful questions to the original sponsor of the resolution.

Mr. Speaker, I withdraw my reservation at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. WALKER. Mr. Speaker, reserving the right to object, do I understand that the resolution that we would have before us will mention in particular the Algerian negotiators, but will not at any point mention the efforts of our friends in Canada and our friends in Switzerland who have also participated in trying to help us during the crisis? Am I correct that only the Algerian negotiators are mentioned and not the Canadians and the Swiss?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Speaker, the gentleman must remember and does recall that we indeed have expression of appreciation as far as the cooperation and the efforts made on the part of the Canadians and the Swiss, and others, in the last Congress.

So, to answer the gentleman, this is specifically commending the President, the Under Secretary of State, President Reagan, and the Algerian negotiators.

Mr. WALKER. Mr. Speaker, further reserving the right to object, do I understand from the gentleman that there is no language in here with regard to the Canadian and the Swiss participation in the negotiations? It mentions only the Algerian negotiators?

Mr. ZABLOCKI. If the gentleman will yield, that is true. But we felt it was not necessary because we already have done so.

Mr. WALKER. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 43

Whereas the 52 Americans who were held as captives of the Iranian Government for 444 days were set free on January 20, 1981; and

Whereas during the period of the hostages' captivity the American people kept the plight of the hostages foremost among their concerns; and

Whereas our Nation will always remember the supreme sacrifice made by the eight American servicemen who were killed in the April 1980 effort to rescue the American hostages; and

Whereas the persistent efforts of former President Jimmy Carter throughout the duration of the crisis resulted in all 52 Americans being released alive; and

Whereas the diligence and leadership exhibited by former President Carter, former Secretary of State Edmund Muskie, and former Deputy Secretary of State Warren Christopher were instrumental in securing the release of the hostages; and

Whereas the Algerian negotiators played a pivotal intermediary role in the final stages of the negotiations which led to the release of our citizens; and

Whereas President Reagan reflected the unity of the American people when he requested former President Carter to officially greet the hostages after their safe arrival in Wiesbaden, Federal Republic of Germany: Now, therefore, be it

Resolved, That the House of Representatives commends former President Jimmy Carter, former Secretary of State Edmund Muskie, and former Deputy Secretary of State Warren Christopher for their success in securing the release of the American hostages from captivity in Iran, for the diligence and leadership they exhibited in their efforts during the hostage crisis, and for their persistence in these efforts. The House further conveys its deep appreciation to the Algerian negotiators for the role which they played in resolving the crisis.

SEC. 2. The House of Representatives pays special tribute to the eight Americans who lost their lives during the heroic effort to rescue the American hostages.

SEC. 3. The House of Representatives commends President Reagan for his warm gesture in recognition of former President Carter's significant contribution to the successful resolution of the hostage crisis.

SEC. 4. The House of Representatives welcomes the 52 Americans back to freedom and wishes them peace and happiness in the days ahead.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I urge the adoption of the resolution. A similar resolution was passed in the other body unanimously.

Mr. Speaker, I proudly rise in support of the resolution introduced by the distinguished gentleman from New York (Mr. BIAGGI) commending our former President, Jimmy Carter and former Deputy Secretary of State, Warren Christopher for their leadership in securing the safe release of the 52 American hostages from Iran, and President Reagan for recognizing those efforts.

The measured and steady actions which former President Carter took throughout this long ordeal played a key role in helping to bring about the happy outcome, and convinces me that history will prove that his patience and statesmanship were the ultimate key to this long trial.

To Mr. Christopher must surely go our lasting gratitude for his diligence and able negotiating ability. Under intense pressure he resolved several complex and difficult issues together with the key assistance of the Algerian Government.

To former Secretary of State Muskie goes our thanks for the continuity he brought to the negotiations when he assumed his Cabinet position last year.

To President Reagan goes our commendation for his crucial support of the negotiations and the unity he brought to that delicate point when the hostages were being freed and the new administration was being installed.

To the Government of Algeria, and especially to its Foreign Minister, Mohammed Benjahia, and Algerian President, Chadli Bendjidid, go our everlasting thanks and appreciation. Under their able leadership, Algerian mediators accomplished a duty dictated to them by the exercise of their international obligations.

Finally, Mr. Speaker, we express our deep gratitude to the families of those held in Iran for their patience and courage. Above all, we extend our highest praise and everlasting thanks to those who died in the ill-fated rescue attempt. Their courage will be long remembered.

Mr. Speaker, the gentleman from Illinois (Mr. DERWINSKI) had earlier stated that he would seek some answers from the gentleman from New York (Mr. BIAGGI). At this time I yield 5 minutes to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I am delighted to yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. I thank the gentleman from New York, and I wish to commend the gentleman for the initiative he has shown, for the fact that he has worked with many other Members in perfecting this language, the fact that he has taken into account in what I consider a very practical fashion the realities of the situation. I especially wish to commend the gentleman for the final language of his resolution that refers to the Algerian negotiators. I know that the gentleman realizes that for too long Algeria was a haven for terrorists. The earlier Algerian Governments, in fact, were quite responsible for international terrorism. So I think it is accurate to note the proper role of the Algerian negotiators rather than to mistakenly embrace everything their Government has done.

Mr. BIAGGI. Yes; we did. We modified the original resolution as a result of the suggestion made by the gentleman from California (Mr. ROUSSELOT).

Mr. DERWINSKI. Then I noticed that the gentleman's language properly notes the efforts of former President Carter, the diplomatic initiative of former Secretary Muskie and former Deputy Secretary Christopher, and notes their persistence in this effort.

I take that to mean that it would only be a skilled diplomat who would be able to understand the true magnitude of the undertaking, and my question is——

Mr. BIAGGI. Before the gentleman poses the question, Mr. Speaker, that is not our construction. In this case, there were, true, some skilled diplomats. Ofttimes there are others who are not truly skilled but have the ability to communicate and have a special feeling for questions and commit themselves to seek some resolution.

Now I will defer to the gentleman for his question.

Mr. DERWINSKI. Mr. Speaker, notwithstanding the modesty of the gentleman from New York, which is very obvious, I was wondering when the gentleman would be able to advise this House of the successes, if any, that he may be able to achieve when he applies his unique diplomatic skills to the problems in Northern Ireland.

Mr. BIAGGI. I think that if the gentleman looks at the record, it was yesterday that we submitted a record of performance of the ad hoc committee, and I am just delighted to have the gentleman from Illinois as a valued member of that ad hoc committee. We appreciate his presence and, hopefully, one day there will be a resolution. In the end, I do not know that it will be the United States that will resolve it. We have always said that it would be the ultimate responsibility of all parties to the conflict—the same resolution, the same formula that was used in the resolution of the problem in Zimbabwe, Rhodesia.

Mr. DERWINSKI. Mr. Speaker, I would hope for a better resolution than that particular example, but I think the gentleman is to be commended for his very special interest in the most difficult of foreign affairs problems. I commend him for his persistence. I hope that some day he would join us as a member of the Committee on Foreign Affairs where his expertise would be truly implemented.

Mr. BIAGGI. I thank the gentleman from Illinois for his kind remarks.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

Mr. Speaker, first, I want to congratulate the gentleman for the resolution. I certainly support it.

I do want to make reference to the fact that Ambassador Haynes, who was the American Ambassador to Algeria, also played a very important role. I understand the gentleman's resolution, and I simply wanted to make comment of that, because the Ambassador has not appeared too much in the press or the media involvement; but I know of his personal involvement, and it was of great help in the matter.

Mr. BIAGGI. Mr. Speaker, yesterday, Members of this House and the Senate greeted the 52 American heroes whose captivity in Iran ended on January 20 after 444 excruciatingly long days. I consider it most appropriate that we commemorate this special occasion by calling up under unanimous consent this resolution welcoming the former hostages and commending those responsible for securing their freedom.

As the author of this resolution, I am proud to note that it is cosponsored by 144 of my colleagues on both sides of the aisle. The resolution is offered in a bipartisan spirit.

It pays an appropriate tribute to our former President Jimmy Carter, former Secretary of State Edmund Muskie, and former Deputy Secretary of State Warren Christopher for their efforts throughout the crisis, but most especially during the final few critical days which proved to be the turning point. The resolution offers our gratitude to the Algerian negotiators who played such a vitally important role as an intermediary during the last days of the crisis; and salutes President Reagan for his generous gesture of sending former President Carter to meet the freed hostages in West Germany—a gesture which symbolizes the unity of the American people.

My resolution also pays a special tribute to the supreme sacrifice made by the eight American servicemen who were killed in the ill-fated April 1980 rescue mission. I consider it absolutely critical that this Nation never forget what these patriotic Americans did to try and save their fellow citizens from an illegal and immoral captivity. At this point in the RECORD, I wish to insert their names:

S. Sgt. Dewey L. Johnson; Sgt. John D. Harvey; T. Sgt. Joel C. Mayo; Capt. Harold L. (Butch) Lewis; Capt. Charles McMillan, Jr.; Cpl. George N. Holmes, Jr.; Capt. Lynn D. McIntosh; and Capt. Richard L. Bakke.

Finally, and in a most appropriate sense, my resolution welcomes the former hostages back to freedom in the United States. It salutes them as the heroes they are and wishes them a life filled with peace and happiness.

Americans in general—and Washingtonians in particular—today are basking in a sense of patriotic euphoria created by the freedom granted to the hostages. We know that nothing happens by itself and my resolution seeks to bestow the proper thanks of this House for those who contributed so much to this cause.

Our Nation owes thanks to other individuals and countries not mentioned specifically in the resolution, but who aided us in this unprecedented crisis. The countries of West Germany, Canada, and all our Western Allies who united against Iran are to be acknowledged and commended for their actions. A special word of praise is reserved for Italy, which was the first nation to call for the release of our hostages and which fought hard on the diplomatic front on our behalf.

This Nation can be proud of the solidarity which we exhibited throughout this ordeal. The fate of the hostages never left our minds and prayers. Our national resolve was never stronger, and most importantly, it has been rewarded.

With this in mind, I now urge immediate support for my resolution, so we can all join in the welcoming committee for the 52 American heroes who have made a lasting impression on our Nation's Capital. At this time, I am privileged and honored to insert the names of the 52 freed Americans:

Thomas L. Ahern Jr., Clair C. Barnes, William E. Belk, Robert O. Blucker, Donald J. Cook, William J. Daugherty, Robert Engelmann, William A. Gallegos, Bruce W. German, Duane Gillette, Alan B. Golacinski, John E. Graves, Joseph M. Hall, Kevin J. Hermaning, Donald R. Hohman, Leland J. Holland, Michael H. Howland, Charles Jones, Jr., Malcolm Kalp, Moorhead Kennedy, William F. Keough, Steven W. Kirtley, Kathryn Koob, Frederick Lee Kupke, L. Bruce Laingen, Steven Lauterbach, Gary E. Lee, Paul E. Lewis, John W. Limbert, Jr., James Michael Lopes, John D. McKeel, Jr., Michael J. Metrinko, Jerry J. Miele, Michael E. Moeller, Bert C. Moore, Richard H. Morefield, Paul M. Needham, Robert C. Ode, Gregory A. Persinger, Jerry Plotkin, Regis Regan, David M. Roeder, Barry Rosen, William B. Royer, Jr., Thomas E. Schaefer, Charles W. Scott, Don A. Sharer, Rodney A. Sickmann, Joseph Subic, Jr., Ann Swift, Victor L. Tomseth, and Phillip R. Ward.

● Mr. ROE. Mr. Speaker, I join with all other Americans in sharing the joy of seeing our hostages in Iran finally return home after some 15 months in captivity.

That is a great moment for the hostages, their families and all of us who have prayed for their release.

But there is another group of Americans who at this very moment may also be imprisoned in some foreign land. I refer of course to those American servicemen who were captured during the Vietnam war and never heard from again.

Time and time again we hear reports from refugees and other travelers from Southeast Asia that they have indeed seen Americans being held, alive, in Vietnam, Laos, and Cambodia.

There are an estimated 2,500 American families who have no confirmation that their men, who have been listed as missing in action, are alive or dead.

Today marks the eighth anniversary of the signing of the Paris peace accords, which officially ended our involvement in the Vietnam war.

But there is no peace for the families of the missing American servicemen and they will never be able to fully accept of the fate of their loved ones until definite knowledge of their status is provided by the Vietnamese Government.

I urge President Reagan and this Congress to pressure the Vietnam political leaders to show a sense of true humanity by releasing this information once and for all.●

● Mr. FARY. Mr. Speaker, I rise today to share with my distinguished colleagues in the House, my joy at the release of the 52 American diplomats held hostage by the terrorist government in Iran. I praise former President Carter, Secretary of State Edmund Muskie, and Deputy Secretary of State Warren Christopher for their long hours of hard work in putting together the compromise that led to the release of the hostages after so many months of frustration. I would also like to praise the Government of Algeria for their unswerving fidelity to the principles of international justice and their courage in sticking to the agreement even though Iran balked in the final hours.

In the past few years, Mr. Speaker, America has often doubted not only its ability to triumph over the evils of communism and anarchy in the world but its need to do so. The return of the hostages should point out to the American people not only the quality of our Nation and fellow citizens but the need to hold ourselves forth as an example to the other nations of the world. For 14 months, the hostages underwent torture and mistreatment by the Iranians, and at the end of those 14 months they have come back to us whole and eager to set out again into the international community to show the stuff America is made of. For 14 months, the American people prayed and waited patiently for the good people in Iran to gain the strength to overcome the madmen and return the hostages. For 14 months, Americans kept faith with their American brothers and sisters suffering in captivity, and at the end of those 14 months, we were rewarded by victory. Patience and perseverance are two new weapons in America's arsenal to protect peace and freedom.

Mr. Speaker, because it has been in turmoil for so long, the world has often seemed to me and my constituents in Chicago, to be a harsh desert, which is unfriendly to freedom-loving nations. We have sometimes despaired of finding friends we can count on while we are constantly encountering enemies hostile to America and the American people. It is good to know that there are nations in this world and especially in the Middle East, like Algeria that we can deal with openly and honestly and who will not desert us when the mood strikes them. In these next few years, which will be so important to the future of freedom in the world, it will help greatly to remember Algeria's performance in this episode.

Again, Mr. Speaker, I thank God for the return of the former hostages, and I welcome them home. God bless them and the Americans they represent.●

● Mr. WEISS. Mr. Speaker, I share in the elation which is sweeping the Nation over the return to freedom of the 52 Americans held hostage for more than 14 months in Iran. The prolonged act of terrorism strained the patience of all Americans and tested our belief in peaceful methods of resolving international conflicts. But in the end our commitment to negotiation and nonmilitary means of handling the crisis was not in vain. Our 52 fellow Americans are home safely, and our national commitment to world peace is strengthened.

We should also remember at this time of joy that eight American servicemen died last April in an attempted rescue of the hostages. I lament that they are not able to share in our happiness now, and I express my condolences to their families and loved ones.

To the returned hostages I express my gratitude and admiration for their strength, endurance, courage, and most of all, for their commitment to our Nation. The pressures they endured and the anguish they suffered were great. The difficult ordeal was shared by the families and loved ones of the hostages. We should offer our

assurances of support and assistance to them all.

Former President Carter, too, deserves our commendation. His handling of this dangerous international conflict successfully prevented the outbreak of war, and set a precedent for the use of peaceful means to resolve future international conflicts.

Algerian diplomats who aided negotiations deserve our special thanks. They provided stability to a dangerous, volatile situation, and successfully guided the negotiations to a happy conclusion. Our Nation long will be indebted to the Algerians for the crucial role they played in this difficult task.●

● Mr. GILMAN. Mr. Speaker, I rise in support of House Resolution 43 commending former President Carter, President Reagan, and others for their efforts in behalf of the release of the 52 American hostages from Iran.

It is appropriate at this time of national celebration resulting from the release of our 52 American citizens that we reflect on all of those individuals who worked so long and hard for their release. In particular, the resolution recalls that throughout the 444 days of their captivity the American people kept the plight of the hostages uppermost in their minds. Furthermore, it reminds us all that eight other brave Americans made the ultimate sacrifice by laying down their lives in an attempt to rescue their countrymen.

Throughout this crisis former President Carter, former Secretary of State Muskie, and former Deputy Secretary of State Christopher demonstrated relentless dedication and leadership in the release effort, and were instrumental in its successful outcome. In addition, President Reagan exhibited true statesmanship through his support of a unified, nonpartisan foreign policy on this issue and showed true graciousness by his warm gesture of sending former President Carter to represent him in Germany.

The valuable assistance provided by other nations cannot be overlooked. Algeria, Canada, Switzerland, and West Germany all played constructive roles in helping resolve the crisis.

As the Representative of our 26th Congressional District of New York, I wish to express the appreciation of our region for the great honor of hosting the hostages first touchdown back in this country at Stewart Airport and at the U.S. Military Academy at West Point. For the citizens of the 26th District and for our entire Nation, the hostage experience has drawn our Nation closer together than at any time in the last 30 years.

By recognizing the contributions of former President Carter, President Reagan, and the many others who played such a significant role in securing the release of the hostages, we underscore concern for our fellow man which has made our Nation such a beacon for freedom throughout the world. Their efforts which brought about the safe return of these Americans gave purpose and meaning to the 444-day Iranian ordeal and to the eight brave servicemen who sacrificed so much.

Accordingly, I urge my colleagues to support the passage of House Resolution 43.●

● Mr. DE LUGO. Mr. Speaker, I proudly rise as a cosponsor in support of House Resolution 43 commending our former President, Jimmy Carter, and former Deputy Secretary of State, Warren Christopher, for their leadership in securing the safe release of the 52 American hostages from Iran, and the Algerian negotiators who played such a pivotal intermediary role in the final stages of the negotiations. Their courageous role in these delicate negotiations on behalf of our hostages is an example to other developing nations that must not be forgotten.

I also wish to pay a special tribute to the eight Americans who lost their lives during the heroic effort to rescue the American hostages and to the black American hostages who had been released at an earlier date and whose suffering must not be forgotten.

It is appropriate that the Congress commemorate this special occasion by passing House Resolution 43 welcoming the former hostages and commending those responsible for securing their freedom.●

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. LONG of Louisiana. Mr. Speaker, as chairman of the Democratic Caucus and at the direction of that caucus, I send to the desk a privileged resolution (H. Res. 44) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 44

Resolution designating membership on certain standing committees of the House

Resolved, That the following named Members, Delegates, and Resident Commissioner be, and they are hereby, elected to the following standing committees of the House of Representatives:

COMMITTEE ON AGRICULTURE

E de la Garza, Texas, chairman;
Thomas S. Foley, Washington;
Walter B. Jones, North Carolina;
Ed Jones, Tennessee;
George E. Brown, Jr., California;
David R. Bowen, Mississippi;
Charles Rose, North Carolina;
Frederick W. Richmond, New York;
James Weaver, Oregon;
Tom Harkin, Iowa;
Berkley Bedell, Iowa;
Glenn English, Oklahoma;
Floyd J. Fithian, Indiana;
Leon E. Panetta, California;
Jerry Huckaby, Louisiana;
Dan Glickman, Kansas;
Charles Whitley, North Carolina;
Tony Coelho, California;
Thomas A. Daschle, South Dakota;
Beryl Anthony, Jr., Arkansas;
Charles W. Stenholm, Texas;
Harold L. Volkmer, Missouri;
Charles Hatcher, Georgia; and
Byron L. Dorgan, North Dakota.

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Mr. LONG of Louisiana (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

□ 1550

Mr. LONG of Louisiana. Mr. Speaker, this is the usual resolution presented at the beginning of each session of the Congress designating members on the standing committees of the House. The committee assignments contained in the resolution have been approved by the Democratic Caucus.

Mr. Speaker, I have no requests for time.

The SPEAKER. Without objection, the previous question is ordered on the resolution.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. MICHEL. Mr. Speaker, I offer a privileged resolution (H. Res. 45), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 45

Resolution designating membership on certain standing committees of the House

Resolved, That the following named Members, Delegates, and Resident Commissioner be, and they are hereby, elected to the following standing committees of the House of Representatives:

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William C. Wampler, Virginia;
Paul Findley, Illinois;
James M. Jeffords, Vermont;
Tom Hagedorn, Minnesota;
E. Thomas Coleman, Missouri;
Ron Marlenee, Montana;
Larry Hopkins, Kentucky;
William M. Thomas, California;
George Hansen, Idaho;
Arlan Stangeland, Minnesota;
Pat Roberts, Kansas;
Bill Emerson, Missouri
John Napier, South Carolina;
Joe Skeen, New Mexico;
Sid Morrison, Washington;
Clint Roberts, South Dakota;
Steven Gunderson, Wisconsin;
Cooper Evans, Iowa; and
Eugene Chappie, California.

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Ralph Regula, Ohio;
Clair W. Burgener, California;
George M. O'Brien, Illinois;
Virginia Smith, Nebraska;
Eldon D. Rudd, Arizona;
Carl D. Pursell, Michigan;
Mickey Edwards, Oklahoma;
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Robert E. Badham, California;
Charles F. Dougherty, Pennsylvania;
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Willis D. Gradison, Jr. (Ohio);
John H. Rousselot, California; and
W. Henson Moore, Louisiana.

Mr. MICHEL (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The gentleman from Illinois (Mr. MICHEL) is recognized for 1 hour.

Mr. MICHEL. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, we have already made the point several times that you, sir, have done us an injustice with your tabulation of committee ratios. If you were really trying to be fair, I would suggest that you buy a new calculator. If you were trying to stick it to us, then congratulations on a job well done.

You may be growing weary of our complaints, Mr. Speaker. I guess I am growing weary of making them, but they must be made again and again and again. The public has got to understand the full consequences of your actions.

We are not just talking about one vote on one committee. We are talking about ratios on subcommittees as well, where one vote or two votes can easily decide whether we have tax relief or more tax increases in the next 2 years. We are talking about the debt ceiling, spending limitations or reductions, the issue of productivity and welfare reform, all of which could easily be decided by a heavily weighted vote in one or a number of subcommittees. And, you are not only insisting on the ratio on full committees, but on subcommittees; and in applying that same ratio to conference committees. Each time you do that, the effect is magnified many times over.

The public must know the full ramifications of the issue. The Democratic majority must be reminded of the new realities of this 97th Congress. You are not dealing with just a handful of Republicans over here anymore. We are now 192 strong. We may not have that elusive working majority that everyone is talking about, but I will tell you this: There is no longer a majority's minority over here either.

The ratios you have established clearly do not reflect our numbers as elected on November 4. To add insult to injury, you are not even being square with the public on the actual numbers. While my distinguished colleagues who serve as Delegates and Resident Commissioner in this House may not be able to vote on the floor, they do vote in committee and subcommittee, and their presence on those committees ought to be counted in the ratios you advertise. But, they are not. Tell me, is the ratio for Interior 23 to 17, or is it really 26 to 17? Is the ratio for Armed Services 25 to 19, or is it really 26 to 19?

I said when I was elected leader last December that I was tired of being the minority. Does anyone wonder why? Well, I am tired of being dealt from the bottom of the deck, tired of getting up every morning and coming to work wondering how the mickey is going to be slipped to us today.

You have argued in the past, Mr. Speaker, that it is the prerogative of the majority to organize this House as it sees fit—and I see the distinguished chairman of the Rules Committee, who likewise shares that feeling. To the victor, I guess, belongs the spoils. I do not question the privileges that go with power, but with privileges go responsibility; and in this country with power goes limitations.

There are limits to which you can play fast and loose with the rights of the minority, and you have exceeded those limits in your handling of the ratios, particularly in regard to our Ways and Means Committee. Your 2 to 1 minus 1 ratio for Ways and Means makes a mockery of representative government. We have 44 percent of the membership of the House on our side, but we only have 34 percent of the seats on the Ways and Means Committee. By what standard is that considered to be fair? By what formula is it representative of the House or the will of the people?

I suspect that some of my colleagues, frankly, would even like to take you to court over this issue of ratios. And why not? It touches the very heart of the principle of representative government. Maybe there is a threshold of injustice where the courts have a legitimate right to step in and protect the rights of the people who elected us.

I suspect I would consider it somewhat of an embarrassment for one independent branch of Government to have to go to another branch in order to resolve its internal disputes. It does not speak well for the manner in which we fulfill our solemn responsibilities. I would prefer to settle this dispute here and now; Republicans and Democrats working together to organize a House of Representatives that reflects and represents the electorate.

That is why we are here on our side going to make one more effort to achieve fairness and equity by the parliamentary device of a motion to commit with instructions. The motion will be made at the appropriate time by the distinguished whip on our side, Mr. LOTT. I would urge as many Members as are persuaded by the legitimate arguments in our favor to support that motion.

With that, Mr. Speaker, I yield such time as he may desire to the gentleman from Louisiana, Mr. HENSON MOORE.

Mr. MOORE. Mr. Speaker, on November 4 the American electorate gave the American people and us in public service a mandate to lower taxes. If we look at the record, I do not really blame them. The ratio of taxes to the GNP when President Carter took office was 18.5 percent. When he left office 4 years later, it was almost 23 percent of the GNP being taken in Federal taxes. During the Carter years, we saw a $29 billion increase in new social security taxes; $13.6 billion increase in windfall profit taxes, which will be paid by the consumers and not by the oil companies; a $15 billion increase in inflation-induced "bracket creep" taxes which are paid by all of us; $12 billion in other tax increases. President Reagan ran on tax cut, won decisively on tax cut, and stated it as his highest priority in his inaugural address. The majority of us in this House today also ran on that same platform.

A tax cut is necessary to get the economy rolling again, to put our jobless back to work, to reduce the tax bite on the average American.

This House, by the action it may well take today, will demonstrate that it is clearly out of step with the American people. A liberal minority of this House is controlling the wishes and the future of the majority. That minority does not want to cut taxes. That minority wants to block or cripple those tax cuts by stacking the Ways and Means Committee. This vote you are about to make on the motion to commit is not a procedural vote. It is not a party line vote. It is not an insignificant vote. It could be as important a vote as will be cast in this Congress, as it may well determine the outcome of the tax policy in this Congress, and thus the economic recovery of this country.

I understand my colleagues on the other side of the aisle were instructed this morning in their caucus to vote no on this motion to commit, or they would be ousted by their caucus. That is a serious matter, but I would simply say to them that the public really does not care about what party we are members of. The public has repudiated excessive spending and runaway taxation, and they expect us to do

something about it. They are not concerned about our problems of getting along with our party colleagues.

Stacking the Ways and Means Committee to prevent or to emasculate a tax cut is not what the American people had in mind on November 4. A vote for the motion to commit to be offered by the gentleman from Illinois (Mr. MICHEL), to add two members to the Ways and Means Committee, will unstack it somewhat. It will be less than the ratio of the membership of Democrats to Republicans in this House, but it will do something to make a tax cut a reality. Therefore, I conclude that a yes vote on that motion to commit is a yes vote for tax reform the people said they wanted on November 4; and likewise, a no vote on this motion to commit is in reality a no vote for a tax cut for the American people.

□ 1600

Mr. MICHEL. Mr. Speaker, I yield 4 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, the stacking of committees by a relatively thin majority group is not a new phenomenon.

The historical record is replete with examples of congressional and legislative unfairness. Political parties have tried, as the Democrat majority is trying today, to insure by rule a tighter control over the process than the voters wanted to give them.

Therein lies the problem. Political greed, as exemplified by this Speaker's unfair committee ratios, often exceeds the mandate of the people.

The voters, about as many of whom voted for Republicans as Democrats in House elections, did not intend that the Speaker and his liberal majority should take all the marbles in this game. The people, having elected 44 percent Republicans, are laboring under the understandable delusion that Republicans should hold 44 percent of the committee positions.

Our system provides a variety of checks and balances thought by most Americans to be salutary. Denying any group, even Republicans, its rightful voice in the legislative process warps the system by destroying one of the most important checks.

Of course, it is easier to run the House if the voice of the minority group is stilled. To political elitists, the stifling of opposition by committee stacking is always a strong temptation. To this Speaker and to this Democrat majority, that temptation appears to be irresistible.

What makes this power grab extraordinarily offensive is the fact that this Democrat majority has proclaimed itself "the reform Congress." It has loudly and proudly told whomever would listen that it has rejected the old politics of greed, unfairness, and secrecy. We have been told again and again that this House now literally drips with purity, ethics, openness, and integrity.

But today the new politics becomes misrepresentation. The new ethics becomes unfairness. This is the new post-Watergate morality. There is nothing new about committee stacking, power grabs, legislative greed, or denying minority rights. In fact, the only stated justification for this exercise in new politics is the claim that someone did something almost as bad 26 years ago.

Fortunately, however, there is a modest counterbalance. Modern communications means that the people will have a little better idea of what is being done to them. Those who vote for disproportionate committee ratios can be assured that they will have an opportunity to explain that vote. They will be called upon to rationalize committee stacking with their recorded words on not only morality, openness, ethics, but also maybe even on tax policy or budget policy.

Those who spoke bravely of ethics, fairness and morality, Mr. Speaker, may want at this time to remember the politician's prayer:

O Lord, make my words both tender and sweet—for soon I may have to eat them.

To the Speaker and his friends, I can only say, "Bon appetit."

Mr. MICHEL. Mr. Speaker, I yield 4 minutes to the distinguished whip on our side, the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, I thank the distinguished Republican leader for yielding me this time.

Mr. Speaker, the committee ratios imposed on us by the Democratic majority do not reflect the ratio of Democrats to Republicans in the House. They are patently unfair, especially on the Committee on Ways and Means.

In essence, the committee ratios ignore the will of the American people as expressed in the last election. Maintaining these unfair ratios effectively disenfranchises a major portion of the American electorate and flies in the face of the one-man-one-vote rule.

The committee ratio on the Committee on Ways and Means amounts to a blatant act to block and obstruct the Reagan economic package, which is the issue the American people should naturally be—and they are—very much concerned about.

Therefore, as the minority leader mentioned in his remarks, at the conclusion of this resolution and before the vote on the resolution, I will offer a motion to commit the resolution to a select committee to be appointed by the Speaker and to be composed of nine members, not more than five of whom shall be from the same political party, with instructions to report the same back to the House forthwith with the following amendment:

Strike all after the resolving clause and insert: That the following-named Members, Delegates, and Resident Commissioner be and hereby are appointed to the following standing committees.

There is only one change. That change is that on the Committee on Ways and Means we have added two seats on the Republican side to be filled until otherwise so designated by the Republican conference by the distinguished leader, the gentleman from Illinois (Mr. MICHEL), and by myself, the gentleman from Mississippi.

So there is only one change in this motion to commit, and that would be that the select committee report back forthwith and add those two names on the Republican side to the Committee on Ways and Means. It does not deal with the Committee on Rules; it deals only with the Committee on Ways and Means.

I know that there are some Members on this side of the aisle who recognize the basic unfairness of what this committee ratio calls for on Ways and Means. I urge those Members to join us in this motion to commit so that we will have a resolution that provides a fairer ratio, one that reflects the vote of the American people in last year's election, and so that we can get through a fair economic package that is demanded and needed by the American people.

Mr. Speaker, I yield back the balance of my time.

Mr. MICHEL. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, of course those of us who are speaking on the Republican side are either in the leadership or on the Committee on Ways and Means because the limited time available to us forces us to concentrate the feelings of our side of the aisle on the issue of committee stacking.

Nevertheless, I think I speak for all Republicans in saying that we deeply regret the decision which has been made to have an unrepresentative party ratio in the Committee on Ways and Means. In our democracy there is, of course, dialog within the parties, and there is dialog between the parties. It is important that both types of dialog go forward in a constructive way. We can count on the diversity of our two great parties to insure a high level of dialog within our parties. We depend on comity in the relationship between the parties based on respect, and on fairness. We have come to define fairness in traditional ways, because in fact rules are written for each Congress, and it is within the power of those who have the votes to change those rules unless tradition interprets the meaning of the word "fairness."

I have done some investigation of the facts about the Ways and Means

Committee ratio because the allegation has been made that when the Republicans were in control of the Congress, they did to the Democrats what the Democrats are now doing to us.

The percentage of the majority Members in the House for the 97th Congress is 55.8. The percentage of majority members on the Ways and Means Committee is 65.7. The difference is 9.9 points. There has not been so disproportionate a committee ratio over at least the past 20 Congresses or for the past 40 years.

For 16 of the preceding 20 Congresses, the majority-minority ratio on the Ways and Means Committee has been 15 to 10 or 3 to 2. That statistic certainly approaches tradition.

The exceptions are as follows:

The 89th Congress in which the Democrats gained 37 seats. The majority party percentage was then 67.8 in the House, and in the committee the percentage was 68—17 Democrats and 8 Republicans. In the following Congress, when the majority House percentage dropped to 56.9, the committee returned to its 15 to 10 or 3-to-2 format.

The other few Congresses which were exceptions to the by now well-established tradition of the 3-to-2 ratio on the Ways and Means Committee were the 94th, the 95th, and the 96th Congresses, when the majority percentages in the House were, respectively, 66.9, 66.7, and 63.4. The committee majority percentages for those Congresses were, respectively, 67.6, 67.6, and 66.7, each reasonably consistent with the percentage in the House as a whole.

The Democrats have contended that the 23-to-12 committee ratio is consistent with past practice, and that we Republicans adopted a similarly disproportionate ratio when our party held a majority of the seats in the House during the 83d Congress. The Republicans really were continuing a majority-minority ratio which had become virtually traditional by then. The committee ratio was 15 to 10 in each Congress from the 77th through the 83th Congress.

□ 1610

The Republican 83d Congress committee ratio of 15 to 10 or 3 to 2 is far more liberal than the 23-to-12 or 2-to-1 ratio imposed this year. A ratio of 3 to 2 in short would be traditional for either party.

Tradition is something we have to depend on in this House to provide the guidelines that we need if we are to have the constructive party dialog which is so significant in our democracy and so necessary to its continuance.

Mr. Speaker, when we no longer can appeal to the sense of fairness or the sense of tradition, which has protected us in the past, we have to fall back on appealing to the self-interest of the majority, because quite frankly, the destruction of a tradition of this sort ultimately is a threat for the majority as well as the minority in a society in which the two-party system involves viable choices between the two parties. I am not threatening, but stating an obvious fact when I say there may be a role reversal at any time.

I deeply regret that after this violation of tradition, it will be difficult for the new minority in the future to fall back on the fairness this tradition embodies. The tradition has been realistic in the past, and has helped the process work. It should not be lightly abandoned.

We are most regretful. We urge in the Members' own self-interest, if not in their sense of fairness, that this body vote for the motion to commit.

Mr. MICHEL. Mr. Speaker, I yield myself such time as I may consume.

I simply want to commend the distinguished ranking member of the Committee on Ways and Means, the gentleman from New York (Mr. CONABLE) for wrapping up the debate on our side with respect to this very critical question that he is going to have to deal with as the one responsible on our side for leading our side on the Committee on Ways and Means.

I have no more requests for time, Mr. Speaker, but before moving the previous question, I would simply advise the membership of the House that the parliamentary situation is such that the gentleman from Mississippi (Mr. LOTT), after the previous question has been ordered, will move to commit. That is a nondebatable motion, and there will be a vote immediately following which will give Members an opportunity to express themselves on the substitute which is embodied in the gentleman's motion.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

MOTION TO COMMIT OFFERED BY MR. LOTT

Mr. LOTT. Mr. Speaker, I offer a motion to commit.

The SPEAKER pro tempore. The Clerk will report the motion to commit.

The Clerk read as follows:

Mr. LOTT moves to commit the resolution (H. Res. 45) to a select committee to be appointed by the Speaker and to be composed of nine members not more than five of whom shall be from the same political party, with instructions to report the same back to the House forthwith with the following amendment:

Strike all after the resolving clause and insert in lieu thereof the following:

The following named Members, Delegates, and Resident Commissioner be, and they are hereby, elected to the following standing committees of the House of Representatives:

COMMITTEE ON AGRICULTURE

William C. Wampler, Virginia;
Paul Findley, Illinois;
James M. Jeffords, Vermont;
Tom Hagedorn, Minnesota;
E. Thomas Coleman, Missouri;
Ron Marlenee, Montana;
Larry Hopkins, Kentucky;
William M. Thomas, California;
George Hansen, Idaho;
Arlan Stangeland, Minnesota;
Pat Roberts, Kansas;
Bill Emerson, Missouri;
John Napier, South Carolina;
Joe Skeen, New Mexico;
Sid Morrison, Washington;
Clint Roberts, South Dakota;
Steve Gunderson, Wisconsin;
Cooper Evans, Iowa; and
Eugene Chappie, California.

COMMITTEE ON APPROPRIATIONS

Silvio Conte, Massachusetts;
Joseph M. McDade, Pennsylvania;
Jack Edwards, Alabama;
John T. Myers, Indiana;
J. Kenneth Robinson, Virginia;
Clarence E. Miller, Ohio;
Lawrence Coughlin, Pennsylvania;
C. W. Bill Young, Florida;
Jack Kemp, New York;
Ralph S. Regula, Ohio;
Clair W. Burgener, California;
George M. O'Brien, Illinois;
Virginia Smith, Nebraska;
Eldon D. Rudd, Arizona;
Carl D. Pursell, Michigan;
Mickey Edwards, Oklahoma;
Robert L. Livingston, Louisiana;
S. William Green, New York;
Tom Loeffler, Texas;
Jerry Lewis, California;
Carroll Campbell, Jr., South Carolina; and
John E. Porter, Illinois.

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G. William Whitehurst, Virginia;
Floyd Spence, South Carolina;
Robin L. Beard, Tennessee;
Donald J. Mitchell, New York;
Marjorie S. Holt, Maryland;
Robert W. Daniel, Jr., Virginia;
Elwood Hillis, Indiana;
David F. Emery, Maine;
Paul S. Trible, Jr., Virginia;
Robert E. Badham, California;
Charles F. Dougherty, Pennsylvania;
James A. Courter, New Jersey;
Larry J. Hopkins, Kentucky;
Robert W. Davis, Michigan;
Kenneth B. Kramer, Colorado;
Duncan L. Hunter, California;
James L. Nelligan, Pennsylvania; and
Thomas F. Hartnett, South Carolina.

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Chalmers P. Wylie, Ohio;
Stewart B. McKinney, Connecticut;
George Hansen, Idaho;
Henry J. Hyde, Illinois;
Jim Leach, Iowa;
Thomas B. Evans, Jr., Delaware;
Ronald E. Paul, Texas;
Ed Bethune, Arkansas;
Norman D. Shumway, California;
Jon Hinson, Mississippi;
Stan Parris, Virginia;
Ed Weber, Ohio;
Bill McCollum, Florida;
Gregory Carman, New York;
George Wortley, New York;
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Bill Lowery, California; and
James K. Coyne, Pennsylvania.

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Ralph S. Regula, Ohio;
E. G. Shuster, Pennsylvania;
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Eldon D. Rudd, Arizona;
Paul S. Trible, Jr., Virginia;
Ed Bethune, Arkansas;
Lynn M. Martin, Illinois;
Albert Lee Smith, Jr., Alabama;
Eugene Johnston, North Carolina; and
Bobbi Fiedler, California.

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Stan Parris, Virginia; and
Thomas J. Bliley, Jr., Virginia.

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James M. Jeffords, Vermont;
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Kenneth B. Kramer, Colorado;
Arlen I. Erdahl, Minnesota;
Thomas E. Petri, Wisconsin;
Millicent Fenwick, New Jersey;
Marge Roukema, New Jersey;
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Larry DeNardis, Connecticut;
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Wendell Bailey, Missouri.

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Norman F. Lent, New York;
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Carlos J. Moorhead, California;
Matthew J. Rinaldo, New Jersey;
Marc L. Marks, Pennsylvania;
Tom Corcoran, Illinois;
Gary A. Lee, New York;
William E. Dannemeyer, California;
Bob Whittaker, Kansas;
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Cleve Benedict, West Virginia;
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Larry Winn, Jr., Kansas;
Benjamin A. Gilman, New York;
Tennyson Guyer, Ohio;
Robert J. Lagomarsino, California;
William F. Goodling, Pennsylvania;
Joel Pritchard, Washington;
Millicent Fenwick, New Jersey;
Robert K. Dornan, California;
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Olympia Snowe, Maine; and
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M. Caldwell Butler, Virginia;
Lyle Williams, Ohio;
H. Joel Deckard, Indiana;
William F. Clinger, Jr., Pennsylvania;
Raymond McGrath, New York;
Hal Daub, Nebraska;
John Hiler, Indiana;
David Dreier, California;
Wendell Bailey, Missouri;
Larry DeNardis, Connecticut; and
Judd Gregg, New Hampshire.

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Robert E. Badham, California;
Newt Gingrich, Georgia;
William M. Thomas, California;
Gary A. Lee, New York;
James K. Coyne, Pennsylvania; and
Lynn M. Martin, Illinois.

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Don Young, Alaska;
Robert J. Lagomarsino, California;
Dan Marriott, Utah;
Ron Marlenee, Montana;
Richard B. Cheney, Wyoming;
Charles Pashayan, Jr., California;
Douglas K. Bereuter, Nebraska;
Jon Hinson, Mississippi;
David O'B. Martin, New York;
Larry E. Craig, Idaho;
William M. Hendon, North Carolina;
Hank Brown, Colorado;
David (Mick) Staton, West Virginia;
Denny Smith, Oregon; and
James V. Hansen, Utah.

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Tom Railsback, Illinois;
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M. Caldwell Butler, Virginia;
Carlos J. Moorhead, California;
John M. Ashbrook, Ohio;
Henry J. Hyde, Illinois;
Thomas N. Kindness, Ohio;
Harold S. Sawyer, Michigan;
Daniel E. Lungren, California;
F. James Sensenbrenner, Jr., Wisconsin; and
Bill McCollum, Florida.

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Joel Pritchard, Washington;
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Norman F. Lent, New York;
David F. Emery, Maine;
Thomas B. Evans, Jr., Delaware;
Robert W. Davis, Michigan;
William Carney, New York;
Charles F. Dougherty, Pennsylvania;
Norman D. Shumway, California;
Jack Fields, Texas;
Claudine Schneider, Rhode Island; and
Clay Shaw, Florida.

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William F. Clinger, Jr., Pennsylvania;
Gerald B. Solomon, New York;
Harold C. Hollenbeck, New Jersey;
H. Joel Deckard, Indiana;
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Jim Jeffries, Kansas;
Jack Fields, Texas;
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Robert S. Walker, Pennsylvania;
Edwin B. Forsythe, New Jersey;
William Carney, New York;
Margaret M. Heckler, Massachusetts;
F. James Sensenbrenner, Jr., Wisconsin;
Vin Weber, Minnesota;
Judd Gregg, New Hampshire;
Raymond McGrath, New York;
Joe Skeen, New Mexico;
Claudine Schneider, Rhode Island;
Jim Dunn, Michigan; and
Bill Lowery, California.

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Silvio Conte, Massachusetts;
J. William Stanton, Ohio;
William S. Broomfield, Michigan;
Dan Marriott, Utah;
Lyle Williams, Ohio;
Olympia J. Snowe, Maine;
Douglas K. Bereuter, Nebraska;
Daniel B. Crane, Illinois;
John Hiler, Indiana;
David (Mick) Staton, West Virginia
Vin Weber, Minnesota;
Hal Daub, Nebraska;
Chris Smith, New Jersey;
Ed Weber, Ohio; and
David Dreier, California.

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John T. Myers, Indiana;
Edwin B. Forsythe, New Jersey;
Hank Brown, Colorado; and
James V. Hansen, Utah.

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Margaret M. Heckler, Massachusetts;
Chalmers P. Wylie, Ohio;
Elwood Hillis, Indiana;
Tennyson Guyer, Ohio;
Harold S. Sawyer, Michigan;
Gerald B. H. Solomon, New York;
Jim Jeffries, Kansas;
Bob McEwen, Ohio;
Jim Dunn, Michigan;
Christopher Smith, New Jersey;
Albert Lee Smith, Jr., Alabama; and
Denny Smith, Oregon.

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Bill Archer, Texas;
Guy Vander Jagt, Michigan;
Philip M. Crane, Illinois;
Bill Frenzel, Minnesota;
James G. Martin, North Carolina;

L. A. (Skip) Bafalis, Florida;
Richard T. Schulze, Pennsylvania;
Willis D. Gradison, Jr., Ohio;
John H. Rousselot, California;
W. Henson Moore, Louisiana;
Robert H. Michel, Illinois; and
Trent Lott, Mississippi.

Mr. LOTT (during the reading). Mr. Speaker, I ask unanimous consent that the motion to commit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. LOTT. Mr. Speaker, this vote then would occur on the motion to commit, not on the resolution itself?

The SPEAKER pro tempore. On the motion to commit.

Mr. LOTT. An "aye" vote on the motion to commit would be a vote for fairness in the committee ratio.

The SPEAKER pro tempore. The Chair does not interpret it in that way.

Mr. LOTT. I thank the Speaker.

The SPEAKER pro tempore. Without objection the previous question is ordered on the motion to commit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to commit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. LOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 172, nays 221, not voting 40, as follows:

[Roll No. 7]

YEAS—172

Archer
Badham
Bafalis
Bailey (MO)
Beard
Benedict
Bereuter
Bethune
Bliley
Broomfield
Brown (CO)
Broyhill
Burgener
Butler
Campbell
Carman
Carney
Chappie
Cheney
Clausen
Clinger
Coats
Collins (TX)
Conable
Conte
Corcoran
Coughlin
Courter
Coyne, James
Craig
Daniel, R. W.
Dannemeyer
Daub
Davis
Deckard
DeNardis
Derwinski
Dickinson
Duncan
Dougherty
Dreier
Duncan
Dunn
Edwards (AL)
Edwards (OK)
Emerson
Emery
Erdahl
Erlenborn
Evans (DE)
Evans (IA)
Fenwick
Fiedler
Fields
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Gradison
Green
Gregg
Gunderson
Guyer
Hagedorn
Hammerschmidt
Hansen (ID)
Hansen (UT)
Hartnett
Hendon
Hiler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hunter
Hyde
Jeffords
Jeffries
Johnston
Kemp
Kindness
Kramer
Lagomarsino
Leach
Lelboutillier
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
Madigan
Marks
Marlenee
Marriott
Martin (NC)
Martin (NY)
McClory
McCloskey
McCollum
McEwen
McGrath
McKinney
Michel
Miller (OH)
Molinari
Moore
Moorhead
Morrison
Myers
Napier
Nelligan
O'Brien
Parris
Pashayan
Paul
Petri
Porter
Pritchard
Quillen
Rallsback
Regula
Rhodes
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rogers
Roukema
Rousselot
Rudd
Sawyer
Schneider
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Skeen
Smith (AL)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Staton
Tauke
Trible
Walker
Weber (MN)
Weber (OH)
Whitehurst
Whittaker
Winn
Wolf
Wortley
Wylie
Young (AK)
Young (FL)

NAYS—221

Addabbo
Akaka
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkinson
Bailey (PA)
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Burton, John
Byron
Chappell
Clay
Coelho
Collins (IL)
Conyers
Cotter
Coyne, William
Crockett
D'Amours
Daniel, Dan
Danielson
Daschle
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan
Downey
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (CA)
English
Ertel
Evans (GA)
Evans (IN)
Fary
Fazzell
Fazio
Ferraro
Fithian
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fountain
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Guarini
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hance
Hatcher
Hawkins
Hefner
Heftel
Hertel
Hightower
Holland
Howard
Hubbard
Huckaby
Hutto
Ireland
Jacobs
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kildee
Kogovsek
LaFalce
Lantos
Leath
Lehman
Leland
Levitas
Long (LA)
Long (MD)
Lowry
Luken
Lundine
Markey
Matsui
Mattox
Mavroules
Mazzoli
McCurdy
McHugh
Mica
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Mollohan
Montgomery
Motti
Murphy
Murtha
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Obey
Ottinger
Panetta
Patman
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Price
Rahall
Ratchford
Reuss
Richmond
Rodino
Roemer
Rose
Rostenkowski
Roybal
Sabo
Santini
Savage
Scheuer
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shelby
Simon
Skelton
Smith (IA)
Solarz
St Germain
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauzin
Traxler
Udall
Vento
Volkmer
Walgren
Washington
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams (MT)
Wilson
Wirth
Wolpe
Wright
Wyden
Yates
Yatron
Young (MO)
Zablocki
Zeferetti

NOT VOTING—40

Albosta
Andrews
Ashbrook
AuCoin
Bonier
Brown (CA)
Brown (OH)
Burton, Phillip
Chisholm
Coleman
Crane, Daniel
Crane, Philip
de la Garza
Ford (MI)
Fowler
Grisham
Harkin
Heckler
Hughes
Latta
Lederer
Lowery
Martin (IL)
McDade
McDonald
Mikulski
Mitchell (NY)
Oberstar
Pursell
Rangel
Roe
Rosenthal
Roth
Russo
Stockman
Taylor
Thomas
Vander Jagt
Wampler
Williams (OH)

□ 1630

Messrs. NICHOLS, JOHN L. BURTON, GRAY, and SCHEUER changed their votes from "yea" to "nay."

Mr. COLLINS of Texas changed his vote from "nay" to "yea."

So the motion to commit was rejected.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF JOINT ECONOMIC COMMITTEE

The SPEAKER. Pursuant to the provisions of 15 U.S.C. 1024(a), the Chair appoints as members of the Joint Economic Committee the following Members on the part of the House: Mr. REUSS of Wisconsin; Mr. BOLLING of Missouri; Mr. HAMILTON of Indiana; Mr. LONG of Louisiana; Mr. MITCHELL of Maryland; Mr. RICHMOND of New York; Mr. BROWN of Ohio; Mrs. HECKLER of Massachusetts; Mr. ROUSSELOT of California; and Mr. WYLIE of Ohio.

HOUR OF MEETING ON TOMORROW

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. tomorrow.

The SPEAKER pro tempore (Mr. FOLEY). Is there objection to the request of the gentleman from Missouri?

There was no objection.

WRONG SIGNALS TO CENTRAL AMERICA

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LOWRY of Washington. Mr. Speaker, I rise today to call attention to the Sunday Washington Post article by its foreign affairs writer, Chris Dickey and to a resolution approved by the Church Council of Greater Seattle on January 15 on the current situation in El Salvador. The Post states that we have resumed military aid to

El Salvador complete with M16 rifles, grenade launchers, and six U.S. helicopters which are awaiting to be transformed into gunships and troop transports. Along with this aid, the U.S. Government has provided up to 20 advisers.

We have resumed aid without a satisfactory inquiry into the murders of four American churchwomen, including three nuns, or into the murders of two Americans involved in the land reform effort. We have resumed aid without evidence that the Government of El Salvador is able to control its own security forces or find a solution to the violence which is tearing at its country. At least 10,000 of its citizens were killed last year. Today's Washington Post reports 26 more deaths.

El Salvador has had one of the highest proportions of landless laborers and tenant farmers in Latin America. The grievances of the landless have played a crucial role in the political polarization and violence in that country. The Agrarian Reform Law of El Salvador spelled out a three-phase program which would transfer over 1 million acres of land—over one-third of the farmland—to over 200,000 peasant families. The resumption of military aid comes at a critical time for the land reform program. The program is currently being paralyzed by the Government. On April 28, 1980, the Government enacted decree 207 which transferred 500,000 acres to 150,000 families who had worked the land as tenants or sharecroppers. This step has resulted in a record corn crop which is now being harvested with enough excess to export to Nicaragua and Guatemala. However, the Government has not issued additional decrees for formal titling of the new owners nor has it compensated the former owners for the expropriated land, required under 207. These steps are necessary to prevent attempts by former landowners to reverse the land reform process and to prevent the tenants from being driven back toward supporting the opposition forces.

Therefore, the United States should not repeat the mistake that it made in Vietnam; that of blindly providing military support to a repressive government without guarantees of a policy of land reform and an end to human rights violations. Any continuation of assistance must be tied to willingness of the Government of El Salvador to complete the land reform program. Without land reform, El Salvador will degenerate into a brutal civil war torn country that may cost hundreds of thousands of lives. I am deeply concerned and am afraid that the New York Times editorial of January 15 is correct when it states that the United States is sending "the wrong signal at the wrong time and is bound to encourage more killing."

Thank you, Mr. Speaker, for allowing me the time to address this important issue.

The material follows:

WRONG SIGNALS TO CENTRAL AMERICA

Of the legacies of the Carter Administration, surely the sloppiest is its policy in El Salvador. The decision, in its last days, to resume the shipment of combat weapons to a besieged and divided junta made a hash of whatever political objectives Washington once had there. Now the Reagan Administration has added to the confusion by halting economic aid to Nicaragua because its regime is allegedly aiding the rebel forces in El Salvador.

There is nothing wrong in reexamining old premises. But in the volatile atmosphere of Central America, every tactical lurch in Washington is sure to be gravely read and misread. Until action can be coherently explained, it would be better to do nothing at all.

The American objective in both countries should be obvious: the encouragement of centrist political forces that aspire to social justice and friendly relations with the United States. Nicaragua has had its revolution and is led by an uneasy coalition of authoritarian socialists and private-enterprise democrats. The $75 million aid program, long delayed and now suspended, was intended to strengthen the groups most favorable to the United States. They are sure to suffer politically if they cannot deliver significant support.

El Salvador is close to civil war. Its junta is led by a Christian Democrat but dominated by the military. The tragic reality now is that neither President Duarte nor the democrats who have jointed the opposition control their respective armies. Therefore Washington, too, may have lost the chance to affect events.

But whatever influence it can still exert has to be directed to the junta's armies, pressing them to pursue policies that will make friends rather than enemies of the country's peasants. Land reform was the chosen instrument, but the old oligarchs were never reconciled to it. If their private armies and allies in the junta continue to make every reformer an enemy, the game will be lost to Marxists.

To make clear its displeasure with the junta's performance, the Carter Administration only a few weeks ago suspended military aid, at least until it was satisfied that Government forces did not conspire in the murder of opposition leaders and American Catholic missionaries. No fair inquiry seems to have been held, yet suddenly the aid was restored. It was the wrong signal at the wrong time and is bound to encourage more killing; last year's death toll was an appalling 10,000 in a country of only 4 million.

If the Reagan Administration wants to write off America's avowed friends in Nicaragua and potential allies in the Salvadoran opposition, that would at least be a policy, no matter how wrong and shortsighted. On reflection, however, it may see the pitfalls of a course that has the effect of stiffening both political extremes at the expense of the center.

Whatever the chances of still finding centrist solutions, the most hard-boiled Reagan realists will want to think long and hard before they make Nicaragua dependent on, say, Cuba, and pour American weapons into a savage Salvadoran war.

RESOLUTION OF EL SALVADOR

Whereas, in El Salvador 90 percent of the people earn less than $100 a year while 2 percent of the people own 60 percent of the land, and almost 75 percent of Salvadoran children under age 5 suffer from malnutrition; and

Whereas, very basic human rights of the people are not respected by the government and the military; and

Whereas, 10,000 people were killed in 1980, 80 percent killed by military or right wing security forces according to the Legal Aid Office of the Archdiocese of San Salvador. Those killed included 9 priests, Archbishop Romero, 3 Catholic Sisters, and numerous Church lay leaders; and

Whereas, The Church of El Salvador is the voice of those who have no voice, and it through Archbishop Romero last March requested to President Carter, "to guarantee that your government will not intervene directly or indirectly with military, economic, diplomatic, or other pressures to determine the destiny of the Salvadorean people." Therefore

We the Church Council of Greater Seattle:

Denounce the human rights violations in El Salvador.

Call for an end to the persecution of the Salvador Church.

Condemn all U.S. intervention in El Salvador.

Ask for an end to all economic and military aid to El Salvador until a representative government has been established.

Approved January 15, 1981.

COMMITTEE STAFF FUNDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 60 minutes.

● Mr. COLLINS of Texas. Mr. Speaker, committee funding resolutions are now being prepared by each committee. Before each committee finishes the process of drafting budgets, let us review the pitfalls to avoid. Attached to this statement are charts showing the breakdown of total expenditures for several committees from the 92d through the 96th Congresses, although we do not yet have the 1980 expenditure figures. They show exactly where the exorbitant growth and unnecessary expense has occurred.

Each of these charts represents costs above the statutory budget which is already provided to the committees. Every standing committee, except Appropriations and Budget, is allowed to hire up to 30 statutory staff members. Each committee is given office space, equipment, telephones, and postage moneys needed for those 30 employees to work. These charts show the expenditures for added temporary, investigative staff. They are not subject to civil service or House rules. They are hired by the chairmen of the committees. They have grown rapidly in size and costs to the point where they are

creating more legislation, regulations, and agencies just to justify their jobs.

The charts make it clear just where the unnecessary waste has occurred. The salaries for the investigative staff alone represent around 90 percent of each committee's expenditures during the last 10 years. Look at the consultant fees which are an additional personnel cost. Examine the travel budgets. Remember, these are for supplemental employees.

Each Member of Congress has up to 18 personal staff in his own office plus the 30 statutory for each committee, which totals 600 already at his disposal. Why are we spending $86 million on these additional investigative staff?

During the next 3 weeks, we will be closely studying the specific problem areas. Salaries, for example. My own committee, Commerce, tops the list—the $3 million club. That has grown from half a million dollars just 10 years ago. Remember, this budget is just for 1 year—not both sessions of Congress. Merchant Marine in 1979 was $1,262,618 for investigative salaries; in 1971 it was only $161,303. Subcommittees have added to the problem. Agriculture, which has 10, has seen a tremendous growth in costs, many of which are for subcommittee employees—and many of these subcommittees hardly ever meet. Cotton Subcommittee last year met less than 4 hours.

Let us look at the charts and start thinking where you can cut within your own committee. Let us hold the line here so we do not have to make further reductions within the Subcommittee on Accounts. Remember, our constituents expect us to cut back in spending, because less Government spending means less inflation.

Reducing inflation begins by reducing the size of Government. The more we reduce Government spending—the more we will reduce America's inflation.

When Congress makes committee staffs larger, the staffers create work to justify their jobs. Committee staffs stay busy creating new agencies, establishing new regulations requiring additional reports, and redefining the rules. The Federal Register has grown from 35,572 pages in 1973 to 87,012 in 1980.

Congress wants to reduce the budget so let us cut Government spending. The place to start cutting effectively is at the cause of the trouble. Let us eliminate these obsessed staffers, who compete to see how many new creative laws and complicated regulations they can introduce every week.

The answer for less Government rests with us in Congress. We need to provide the example. Congress must lead the way. We expect all bureaucracies to cut, and we must be the first to cut staff.

EXPENDITURES 92d TO 96th CONGRESSES

Item	92d 1st session 1971	92d 2d session 1972	92d Full Congress	93d 1st session 1973	93d 2d session 1974	93d Full Congress	94th 1st session 1975	94th 2d session 1976	94th Full Congress	95th 1st session 1977	95th 2d session 1978	95th Full Congress	96th 1st session 1979	96th 2d session 1980
Committee on Agriculture:														
Investigative salaries			$155,256	$104,473	$140,817		$150,135	$123,148		$348,321	$354,276		[1] $572,409	
Majority subcommittee salaries							161,675	234,124		239,508	297,812		303,752	
Hearings and travel			8,154	1,768	2,228		26,529	15,005		35,239	37,039		47,338	
Telephone and telegraph			501	320	696		1,868	1,468		4,565	7,543		9,523	
Supplies/equipment			995	1,456	1,980		21,034	45,522		65,923	73,692		74,972	
Periodicals							2,237	1,514		2,849	3,770		3,494	
Miscellaneous			494	158	184		233	188			104		223	
Special food study								134,942						
Consultants							1,350		[2] 183					
Total			165,400	108,175	145,905		365,061	555,911		696,588	774,236		1,011,711	
Committee on Armed Services:														
Salaries	191,169	157,152		132,954	78,465		106,859	153,066		297,551	380,986		436,349	
Travel	1,917	0		1,289	1,217		119	2,661		3,000	55,199		14,638	
Telephone	639	716		495	1,064		890	1,472		1,374	1,803		2,942	
Office Equipment				4,061	106		7,025	6,674		9,545	12,818		17,830	
Stationery	1,741	1,241		192	523		328	646		1,297	797		1,924	
Periodicals/books							2,367	1,478		1,198	1,153		2,216	
Special training										489	3,567		4,311	
Witness fees and travel	781	178		113	2,145		528	3,268		717	1,509		4,247	
Consultant fees and travel	4									1,200	7,000		11,500	
Representation													667	
Miscellaneous	1,638	4,393		1,134	6,616								37	
Reporting service	1,866	26,222		7,056	7,574									
Total	199,755	189,902		147,294	97,710		118,116	169,265		316,371	464,832		496,661	
Committee on Banking, Finance and Urban Affairs:														
Salaries			1,380,852	823,529	956,599		1,164,311	1,577,155		1,816,534	2,036,745		2,012,732	
Travel			40,690	24,094	31,473		28,571	83,983		46,823	73,283		46,791	
Witnesses			3,938	1,429	3,081		8,638	11,053		8,454	9,052		11,366	
Stationery and supplies			7,427	2,984	6,373		16,579	17,985		18,967	19,045		14,081	
Telephone and telegraph			12,856	5,852	8,100		9,322	26,256		19,676	22,232		20,756	
Publications			16,430	10,273	10,694		18,487	22,830		24,253	23,166		24,325	
Duplicating machines			24,920	12,344	14,909		22,950	41,603		32,741	36,904		36,491	
Miscellaneous			781	1,741	3,282		10,257	43,124		36,845	24,760		24,204	
Reporting services			5,280	21,884	5,364									
Contracts			11,600			$42,300	50,700	44,450			15,000			
Computer			5,630											
Petty cash			100											
Total			1,510,504	904,130	1,082,165	1,986,295	1,329,824	1,868,439		2,004,293	2,260,187		2,190,746	
Committee on District of Columbia:														
Salaries	103,543	121,675		244,559	280,573		247,573	330,355		229,386	230,818		737,586	
Supplies and publications				1,018	1,176		1,512	3,362		2,395	2,910		5,636	
Equipment services				3,623	1,008		8,558	15,907		10,965	13,420		10,941	
Phone/telegraph				4,900										
Reporter service and witness fees				371				469		85			306	
Travel				1,090	2,775		7,844	16,067		1,883	3,614		2,662	
Conference fees				101										
Contracts				5,000				8,000						
Miscellaneous	263	10,659		100										
Total	103,806	132,334	236,140	252,042	294,245	546,287	265,487	372,160	$637,647	244,724	250,762	$495,486	251,531	

EXPENDITURES 92d TO 96th CONGRESSES—Continued

Item	92d 1st session 1971	92d 2d session 1972	92d Full Congress	93d 1st session 1973	93d 2d session 1974	93d Full Congress	94th 1st session 1975	94th 2d session 1976	94th Full Congress	95th 1st session 1977	95th 2d session 1978	95th Full Congress	96th 1st session 1979	96th 2d session 1980
Committee on Education and Labor:														
Salaries			1,640,305	986,067	1,364,668		1,098,568	1,332,741		1,425,164	1,620,263		1,761,225	
Travel			98,552	36,313	65,474		69,655	87,601		90,126	81,242		87,354	
Communication			20,342	11,294	19,076		13,062	19,575		18,791	15,732		17,285	
Publications			9,342	8,240	9,702		12,369	13,611		16,219	18,361		23,080	
Consultants						1,700	4,000	17,000		24,430	2,666		3,000	
Xerox						[1] 34,034	12,644	19,827		20,491	23,562		27,740	
Hearings			29,429	13,971	15,680									
Per diem														
Reporting														
Miscellaneous			20,200				2,757	684		950	475		1,672	
Witness fees			817											
Total			[1] 1,819,067	1,069,589	1,496,628	2,566,217	1,213,055	1,491,049		1,596,180	1,771,261		1,921,364	
Committee on Foreign Affairs:														
Salaries	276,507			439,324	526,768		513,837	620,833		975,193	1,294,036		1,402,634	
Travel	2,079			1,574	4,055		3,415	7,537		52,376	101,286		21,256	
Witness expense	10,271			5,144	8,167		7,957	11,831		21,652	15,155		20,580	
Telephone and telegraph	2,724	4,497		2,937	4,195		6,317	9,773		12,235	10,780		13,238	
Periodicals	746	1,627		969	2,081		4,774	6,776		10,077	8,185		10,057	
Miscellaneous expenses	841	416		425	433		49	50		387	559		654	
Printing services														
Duplicating expense		3,476				706	162	127		285	84		280	
Consulting fees							10,186	16,559		24,865	29,336		30,186	
Parliamentary exchange						19,512	6,554	44,563		3,100	22,006			
Stenography services							2,343	3,376		7,808				
Duplicating machines				21,828	19,714									
Professional salaries				4,784	6,121									
Clerical salaries				276,452	427,000									
Reporting service	17,356	13,456		162,873	189,703									
Total	310,324		737,985	476,985	590,945	1,067,930	555,594	740,425		1,107,898	1,481,427		1,514,153	
Committee on Government Operations:														
Salaries	789,497	772,896		861,070	937,493		971,515	1,198,138		1,345,379	1,535,556		1,669,482	
Travel	9,021	10,958		20,368	9,471		26,771	26,571		30,076	43,733		57,494	
Telephone and telegraph	2,882	3,701		2,300	2,732		6,969	10,748		9,630	11,329		12,974	
Stationery and printed matter	7,827	11,450		10,325	17,387		21,803	42,958		37,182	56,897		56,235	
Witness expenses	1,398	569		2,610	1,762		3,385	4,566		4,338	4,408		7,290	
Consultant expense		10,961		32,868	1,000		2,850				810			
Reporting services	21,682	21,982		25,447	22,153									
Computer	3,286	2,144												
Miscellaneous			12			17		193		180	172		546	
Total	835,792	834,673	1,670,466	955,015	981,998	1,947,013	1,033,293	1,283,374		1,426,785	1,652,907		1,804,071	
Committee on Interior and Insular Affairs:														
Salaries			365,559	407,668	582,812		437,410	438,360		597,906	758,079		[illegible]	
Consultant fees										1,900	6,147			
Travel			104,489	68,896	62,706		76,794	58,894		185,592	77,171		84,760	
Telephone and telegraph			3,246	4,770	5,136		7,865	6,978		14,743	13,448		20,205	
Periodicals			1,017	748	2,416		2,402	7,806		3,745	7,114		7,776	
Miscellaneous			6,964	637	2,370		28,032	20,353		30,501	33,766		41,800	
Reporting services			8,098	9,179	8,519									
Equipment rental				5,095	14,000									
Petty cash														
Majority room printing														
Total			490,333	497,993	697,809		544,503	528,431		834,347	895,725		1,140,500	
Committee on Interstate and Foreign Commerce:														
Salaries	572,627	681,273		740,529	782,798		1,364,794	2,055,760		2,578,860	2,993,564		3,137,122	
Travel	38,129	47,811		25,913	38,843		40,397	80,263		103,070	124,131		84,931	
Witness fees				1,024		1,024	5,964	12,028		18,636	21,107		20,292	
Stationery supplies	19,666	14,643		15,987	21,872		958	1,785		3,211	1,183		553	
Telephone/telegraph	3,681	6,681		7,454	10,275		16,901	27,902		38,929	38,310		45,814	
Periodicals				3,925		3,925	8,723	16,323		17,072	19,358		29,456	
Consultants				6,400	29,800						22,204		100	
Reporting services	11,755	11,554		13,483	8,056									
Miscellaneous	61	233		501	6,678									
Total	646,119	762,195	1,408,314	810,267	903,271	1,713,538	1,516,102	2,271,280	3,878,382	2,947,651	3,250,322	5,245,973	3,410,583	
Committee on Judiciary:														
Salaries	[2] 265,297	339,634		1,025,602	1,321,810		777,529	993,940		1,031,014	1,067,157		1,040,591	
Staff training											816		425	
Travel	21,031	7,549		11,913	36,044		40,273	26,717		36,566	48,869		37,272	
Consultants				4,171	133,963		13,200	29,574		31,802	44,080		24,541	
Witnesses				1,720	5,444		17,938	16,277		6,950	11,718		12,829	
Telephone and telegraph	1,700	2,654		6,724	15,257		10,581	9,164		10,475	9,383		12,575	
Periodicals	877	993		4,780	5,667		5,776	8,762		6,833	8,607		10,416	
Office equipment and leasing				19,719	100,163		26,015	43,569		49,943	48,902		52,745	
Mimeographing				128	3,034		602	370		409	365		272	
Office supplies and miscellaneous						24,456		43		267	851		265	
Purchase of transcripts						5,790								
Computer Reporting service				8,174	27,412		114							
GAO reimbursement	6,302	7,579				15,024	2,815							
Miscellaneous	5,330	12,494		24,592	27,049									
Total	299,993	370,903	1,114,147	1,714,502	2,828,649	895,043	1,128,416		1,174,338	1,240,748		1,197,935		
Committee on Merchant Marine and Fisheries:														
Salaries	161,303	221,084	181,052	705,281		170,478	180,210		578,472	[illegible]		1,262,618		
Contract payments									13,373	113,380		70,412		
Travel	15,993	9,086	10,532	25,642		21,798	24,652		74,301	87,916		67,043		
Dedication	2,888	5,099	3,677	8,889		6,467	6,741		19,726	33,582		27,822		
Periodicals	1,066	555	672	901		1,911	2,521		5,233	6,085		6,575		
Telephone	3,443	3,887	659	1,208		1,572	3,816		2,579	3,071		5,929		
Equipment rental									3,065	23,689		20,131		
Miscellaneous	622	333	81	87					1,869	4,238		5,861		

EXPENDITURES 92d TO 96th CONGRESSES—Continued

Item	92d 1st session 1971	92d 2d session 1972	92d Full Congress	93d 1st session 1973	93d 2d session 1974	93d Full Congress	94th 1st session 1975	94th 2d session 1976	94th Full Congress	95th 1st session 1977	95th 2d session 1978	95th Full Congress	96th 1st session 1979	96th 2d session 1980
Reporting services	9,952	6,040		6,413	3,764									
Total	194,367	246,004		203,086	245,692		282,226	225,940		700,688	1,233,136		1,467,191	
Committee on Post Office and Civil Service:														
Salaries	386,830	421,116		411,015	442,949		374,879	377,262		504,688	583,183		644,704	
Travel	19,611	26,167		18,424	21,049		31,563	47,856		40,100	45,898		51,939	
Equipment				4,551	5,855		6,586	10,176		14,850	17,123		16,654	
Telephone and telegraph			9,690	2,865	4,078		4,619	5,903		7,732	8,444		9,206	
Periodicals			876	770	1,726		1,983	2,173		3,454	3,165		609	
Miscellaneous			8,106	292	808		868	2,089		4,605	2,589		1,213	
Witness fees and expenses							475	1,009			100		100	
Consultants			41,096	44,465	79,290		25,300	21,099		67,258				
Reporting services			7,105	4,455	6,277									
Contracts				466										
Stationery														
Supplies														
HIS														
Total	418,401	503,462	921,863	486,846	562,023	1,048,869	446,283	467,569	913,852	642,688	670,402	1,313,090	728,424	
Committee on Public Works and Transportation:														
Salaries	616,014	796,673		934,295	1,121,761		1,184,182	1,413,960		1,523,155	1,465,615		1,459,887	
Travel	42,989	77,384		57,013	119,646		107,981	185,732		114,618	117,862		103,039	
Telephone and telegraph	3,324	5,343		3,207	12,742		12,176	10,180		11,104	12,767		13,349	
Publications	970	1,133		21017	3,571		4,605	5,977		4,404	4,982		4,837	
Electrical equipment	6,074	7,286		11,423	16,492		19,699	19,866		20,788	27,396		25,570	
Witnesses	929	567		1,217	2,362		509	798		4,755	3,904		187	
Miscellaneous	1,807	280				153	259	153		149	305		1,392	
Special training										300			4,800	
Stationery and supplies	2,378	4,858		1,701	1,192		1,007	1,485		11				
Photo-visual equipment and services						13,563	600	489		128				
Consultants	24,690	44,010		46,900	65,650			2,000						
Hearing/reporting service	6,044	5,796		2,285	9,883									
Parking						11,500								
Total	705,219	943,230	1,648,449	1,060,058	1,378,316	2,438,374	1,331,018	1,640,640	2,971,658	1,679,412	1,632,831	3,312,243	1,613,061	
Committee on Rules:														
Office machine rental			*924			1,860		6,323		7,536	12,310		24,962	
Telephone and telegraph						432		1,118		1,126	1,898		2,823	
Subscriptions			144			375		706		812	1,129		5,415	
Miscellaneous						127	14	146		91	1,038		629	
Travel											598		4,713	
Salaries													269,811	
Equipment rental							3,756							
Telephone			178				637							
Witness fees and travel						736							9,000	
Contracts													3,042	
Witnesses													1,227	
Books			*378										357	
Printing													212	
Office supplies													35	
Education														
Stenograph			120 (c)											
Total			1,744 (c)			5,530	4,427	8,893		9,565	16,383		322,226	
Committee on Science and Technology:														
Salaries			$579,462	$204,688	$320,661		$306,795	$464,912		$887,144	$1,077,101		$1,318,171	
Travel			59,575	73,978	43,196		41,440	66,954		110,998	89,051		89,004	
Witnesses			4,297	4,146	6,663		17,087	29,562		34,019	38,478		44,747	
Duplicating equipment											39,241		34,830	
Periodicals								2,708		5,936	5,560		6,279	
Telephone and telegraph			2,608	1,743	4,411		7,548	6,240		8,785	8,602		9,885	
Supplies and stationery										3,902	7,885		14,858	
Miscellaneous			563	341	819		1,783	2,073		4,672	2,344		2,037	
Consultants fees				150	900		6,006	27,250		42,174	18,775			
Consultants travel							3,704	7,737		15,867	1,794			
Special training										2,620				
Duplicating			9,136	5,904	11,826		18,279	19,508		24,523				
Reporting services			15,468	8,037	7,241									
Total			671,980	328,987	400,777	$729,764	403,036	626,944		1,141,640	1,289,235		1,519,806	
Committee on Small Business:														
Salaries			840,805	433,043	385,933		291,581	361,319		451,595	598,567		622,681	
Travel			18,494	8,726	7,311		11,399	14,672		20,177	21,016		35,999	
Witness fees				526	235			1,596		2,902	7,863		3,584	
Stationery supplies			2,033	707	1,243		968	1,570		1,410	1,662		2,883	
Telephone and telegraph			5,210	2,359	3,184		3,000	3,597		5,735	9,944		17,705	
Publications and periodicals			1,419	698	781		645	340		1,906	1,631		4,651	
Duplicating services			711	80	285		20	170		183	387		11,887	
Miscellaneous			7,644	410	1,137		23,747	2,671		6,221	10,777		873	
Consultant fees						12,000							15,000	
Equipment lease						1,153							9,829	
Outside computer charges													4,500	
HIS charges													5,200	
Reporting			10,307	10,473	10,192									
Total			886,533			880,485	331,360	385,935		490,129	646,787		734,802	
Committee on Standards of Official Conduct:														
Salaries										54,791	189,874			
Consultants			7,400			6,389	10,793	163,113		123,299	135,348		241,136	
Stationery, supplies and equipment			626			1,107	1,028	3,298		7,566	14,535		8,365	
Telephone and telegraph			171			766	424	1,656		4,954	11,954		1,389	
Publications			592			747	1,144	622		1,293	989		1,027	
Members and staff travel			629			417	223	2,169		25,770	37,903		4,097	
Witness fees										12,139	23,588			
Travel											9,643		*2,788	
Miscellaneous			48			8		17,018		19,544	15,929		8,820	
Total			9,466			8,934	13,612	187,866		249,306	439,761		267,622	

EXPENDITURES 92d TO 96th CONGRESSES—Continued

Item	92d 1st session 1971	92d 2d session 1972	92d Full Congress	93d 1st session 1973	93d 2d session 1974	93d Full Congress	94th 1st session 1975	94th 2d session 1976	94th Full Congress	95th 1st session 1977	95th 2d session 1978	95th Full Congress	96th 1st session 1979	96th 2d session 1980
Committee on Veterans' Affairs:														
Salaries	$78,382	$75,678		85,595	83,781		81,564	106,530		164,794	211,388		264,006	
Travel	20,453	21,365		12,900	9,715		27,315	27,797		25,544	33,742		25,093	
Witness			167			156					499			
Stationery and Supplies	1,934	5,914		1,851	3,584		4,276	10,759		16,972	22,162			
Telephone and telegraph	302	572		336	663		347	260		275	124		2,003	
Periodicals and publications	318	560		237	195		805	673		670	597			
Consultant fees	7,200	9,480		6,775	8,738						4,819		4,070	
Equipment lease														
Equipment and supplies													24,450	
Publications													1,106	
Miscellaneous								1,900		2,853				
Reporting service			332			759		2,236		470				
HIS contract fees							5,976							
Total	108,095	113,488	222,583	107,962	106,342	214,304	120,232	149,755	$269,987	211,378	273,246		265,610	
Committee on Ways and Means:														
Consultant fees			1,106			7,000		3,000		10,580	1,275		5,750	
Duplicating Services			10,627	3,634	6,207		11,977	19,825		24,454	24,575		30,989	
Equipment						1,215	718	21,064		14,661	18,926		17,471	
Miscellaneous			17	71	32		573	51		551	1,424		88	
Periodicals			1,719	996	1,364		2,867	5,232		9,970	8,385		11,316	
Tax services			8,253	3,065	6,480		14,172	11,480		16,434	14,136		17,137	
Technical publications			2,888	1,457	1,373		1,567	2,012		9,419	3,382		2,080	
Telephone and telegraph			1,706	1,117	1,348		4,862	14,641		13,507	13,134		18,307	
Travel			613	6,894	342		33,573	53,673		69,340	65,618		51,150	
Witnesses										5,478	6,095			
Salaries			20,400	45,411	106,207		617,154	1,008,090		1,375,681	1,592,056		1,708,718	
Representation allowance													145	
Total			46,723	69,790	124,568		687,183	1,139,086		1,549,945	1,768,826		1,863,051	

*Includes minority subcommittee.
*Includes miscellaneous.
*56 temporary.
*Machine utilization.
*Publishing.
*Includes duplicating expenses.

□ 1640

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding.

Mr. Speaker, I would point out to my colleague that the Agriculture Committee has reduced from 10 to 8 subcommittees, in an effort to comply with Democratic Caucus rules, which is trying to bring down the number of subcommittees. I just wanted to set the record straight. My colleague said that we had 10, and we do have 8 subcommittees.

Mr. COLLINS of Texas. There were 10 the last time. And I want to commend the gentleman. I hope the gentleman can get it down to six. The figure we are shooting for now is six. Does the gentleman anticipate that we might be able to get to six in Agriculture?

Mr. GLICKMAN. I cannot speak for the committee. I am just saying that, as a matter of policy, we have reduced from 10 to 8 subcommittees.

Mr. COLLINS of Texas. That is a step in the right direction.

I might just say this, since the gentleman mentioned subcommittees, that no committee is as bloated as the committee on which I serve, which is the Committee on Energy and Commerce. This committee has a staff of over $3 million. Three million dollars. We not only have a staff, but we have high priced executives. I was interested to see that on the investigative staff, we have eight of them who make over $50,000, which puts you in the ranks of a top executive. We have everything on that Commerce Committee, but we have done it in six subcommittees. So it is not the number of subcommittees. You can end up just putting staff, staff, staff on any of them that you have. The thing that we want to do is to reduce staff.

Mr. BOWEN. Mr. Speaker, the gentleman from Texas, Mr. COLLINS, will be pleased to know that the Agriculture Committee is reducing the total number of subcommittees from 10 to 8 and that the Subcommittee on Cotton, which I chair, is being consolidated into a new Subcommittee on Cotton, Rice, and Sugar, which I should chair.

Mr. Speaker, I am sure, however, that the gentleman from Texas must have received some erroneous information about the time the Cotton Subcommittee spent in session last year.

During 1980 we spent more than 30 hours in session, including markup, hearings in Washington, and field hearings in three different locations across the Cotton Belt of our Nation.

Although we were very busy on that subcommittee, I, too, regard the consolidation as a progressive and economical step forward.

TRIBUTE TO THE LATE HONORABLE OLIN E. TEAGUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WRIGHT) is recognized for 60 minutes.

Mr. WRIGHT. Mr. Speaker, Olin E. Teague was buried yesterday at Arlington National Cemetery. It is right that this should be his resting place, for that is where heroes lie. And "Tiger" Teague was a hero. His footprints are everywhere in the history of the past half century.

Tiger Teague was, in the best sense of that word, a man's man. He was an American's American, guileless, unaffected, and unashamed in his patriotism. It would please him, I think, to be described as a Texas Aggie's Texas Aggie.

Olin Teague's name is synonymous with courage. His blood watered the battlefields of Europe, and he left a part of himself there in World War II. He was a battlefield commander who fought his way through the thick of combat. Tiger Teague was awarded three Silver Stars, three Bronze Stars, and three Purple Hearts.

Patched back together after numerous operations, Olin Teague walked for the rest of his life on one leg which was several inches shorter than the other. He wore a heavily built up shoe. Finally, some 3 years ago, his damaged foot developed gangrene and had to be amputated. Nor was this the only physical impediment which Tiger Teague bore uncomplainingly. He was afflicted during the latter years of his life with a diabetic condition and other internal maladies.

But what a man he was. And what a competitor. During my early years in Congress, Tiger was the scourge of the paddleball court. Unable to compete with swiftness of foot, he would place himself in the center of the court and

dominate it. Barrel chest and torso and muscular arms, he was an intimidating presence. So competitive was he that others kept their distance lest their insteps fall under the crunch of that heavily built up shoe.

Tiger once told me that he had "lost 250 pounds this year." When I scoffed in jocular incredulity, he assured me it was literally true. "I've lost 25 pounds 10 times," he said. Plagued by overweight, Tiger Teague would goad someone into a friendly wager as to which of the two could lose the most in the succeeding 2 weeks. If the wager were for no more than a quarter, Tiger Teague would starve himself rather than lose the competition. That is the kind of man he was.

But he was also another kind of man as well. He had a gentle side. Never was this more evident than in his tender concern for the families of those who were prisoners of war or missing in action in the Vietnam hostilities. With aggrieved young wives and mothers and little children, Olin Teague was the heart of sympathy and the soul of patience.

The law books of our Nation bear his handiwork. Olin Teague had much to do with veterans legislation, with our space program, and with our first legislative attempts to launch a synthetic fuels program for America.

Returning from World War II as a decorated hero, Tiger perhaps predictably was assigned to the Veterans' Affairs Committee, of which he became chairman 8 years later. The GI bill of rights, the educational benefits that were provided for the veterans of Korea and Vietnam, and other productive ways in which the Nation expressed its gratitude to those who gave of their wholeness in defense of the things we hold dear, were influenced strongly by Olin E. Teague. But he was never what one could call a professional veteran. He could say "no" and often did whenever he thought the demands of any veterans' organization were excessive.

Upon the inception of the Space Committee, Tiger Teague was assigned to it. He was chairman of the Subcommittee on Manned Space Flight and helped to launch and monitor the programs which put American footprints on the Moon. During his last few years in Congress, he was chairman of the full Committee on Science and Technology.

One of Olin Teague's greatest disappointments was his failure—barely, by a margin of only one vote—to muster the support necessary to launch a meaningful synthetic fuels program for our country. If Tiger Teague had had his way, we would have been 5 years further down the road toward energy sufficiency than we are. The ambitious program which Congress finally launched last year is in no small measure due to the earlier vision of Olin E. Teague.

We who knew and loved him will miss him. His family—Freddie, Jack, Jim, and Jill—have a rich and towering legacy. Olin Teague loved his country and his country owes much to him.

□ 1650

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished gentleman from Arizona.

Mr. RHODES. Mr. Speaker, I thank my good friend for yielding to join with him and the delegation from Texas—and indeed all of the Members of the House—in remembering our great former colleague, Olin Teague, and expressing our sympathy at his passing.

The gentleman from Texas has, I think, set forth the record of Olin Teague as a man and as a Member of the Congress as well as it can be done, and I do not intend to repeat any of his accomplishments, although I certainly could because I have had the honor of not only being a colleague of "Tiger" Teague, but also a close personal friend. As a matter of fact, Tiger lived out in that part of Montgomery County, Md., near the part in which Betty and I reside, and we often rode together from that part of Maryland to the Capitol.

We have very similar philosophies on almost everything. The defense of the country was uppermost in the mind of Tiger Teague, and second only to that was his love and respect and admiration and concern for the American veteran. I think that every veteran in this country owes Tiger Teague a debt of gratitude that could never, never, never be repaid. In fact, he would not want it repaid because his reward for all he did was the fact that, I think, most people understand that the American veteran has been treated as well as any veteran ever has in any war, any country, at any time. Much of this has been due to the concern and hard work of our good friend, Tiger.

His wonderful wife, Freddie, their children, are dear friends of Mrs. Rhodes and me. We extend to them our heartfelt sympathy; to the people of Texas who loved him; in fact, to the people all over the country who love him and who will feel poorer because of the fact that the good Lord has seen fit to remove Tiger from our midst.

We wish them, or course, the best of everything, and God rest the soul of a noble, noble gentleman.

Mr. WRIGHT. I thank the gentleman.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished gentleman from Texas, the dean of the Texas delegation (Mr. BROOKS).

Mr. BROOKS. Mr. Speaker, I want to say to my distinguished friend, I want to thank him for calling this special order in recognition of the passing away of our beloved friend, "Tiger" Teague. I want to say that previously, on January 27, I made a statement about him, and a good many other Members did, in inviting the Members and announcing the detail of the funeral which you and the Speaker and many other Members attended.

I want to say that I do not know anybody who was more fun or who did a better job than Tiger Teague. I want to thank the gentleman very much for bringing this to the attention of the House.

Mr. WRIGHT. I thank the gentleman.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I thank the distinguished leader for the opportunity to join in this special order. I certainly listened with great attention to the experiences of my colleagues who shared friendship with Congressman Teague long before I came on the scene, but yesterday at the Fort Myer services I think one of the most impressive things I have ever seen, witnessed, or even read about was the testimony rendered in very simple language by an officer in the U.S. Air Force and a chaplain, who had been a prisoner of war of the Vietnamese Communists for 7 years, and who explained to us how it was that he was identified with Congressman Teague and with the memories he was evoking.

It was the most impressive testimony I have ever heard about a man's true dimensions and stature of greatness, of a great human being with a great heart and great capacity for feeling for his fellow Americans as that which was explained to us by this chaplain yesterday.

My own experience has been that when I first came up in 1961, in the middle of the 87th Congress, I met Chairman Teague for the first time under very auspicious circumstances in which he literally cussed me in the well of the House because I came up consecrated and dedicated and pledged to the task of supporting what turned out to be Congressman Denton of Indiana in his effort to obtain pensions for World War I veterans. When I had been in the State senate I had memorialized Congress through resolutions about the need for World War I veterans' pensions. I still am, for that matter. I did not know that that was a big hot issue up here in which the administration and the chairman of the committee were stoutly resisting that

particular version of Congressman Denton's bill, which he later said would cost $11 billion.

They had a petition registered with the Clerk, a discharge petition, so I went over and signed that petition, and as much as I might have experienced 5 years in the State Senate—we did not have the equivalent—I discovered that my name was 1 short of the necessary 218. At that point, I heard this muffled voice in very expressive, concise, cogent Texas language—familiar now—express his sentiments.

I did not know him. I had not met Tiger Teague, but I soon found out. So, that started our friendship. Of course, the rest is history because Congressman Denton did get the sufficient number, and the President himself had to intervene and did some arm twisting, and about nine Members came in thereafter and removed their names from the discharge petition.

I want to tell you that in the course of the years, though, who was to say that later on it was Tiger who singlehandedly saved the veterans hospital for the San Antonio area years later when, singlehandedly, he saved that veterans hospital. In fact, it is named the Audie Murphy Hospital because, and only because, of Tiger Teague.

Also, I got to know so much more about this man who, to me, epitomizes what I call the old stock American, which I feel and have said repeatedly back home and everywhere that we owe everything to those that I identify or visualize as what I call the old stock Americans; the ones who made it possible for us who came on the scene later to inherit these wonderful opportunities, the privilege of being in the freest, the most democratic nation in the world, where the likes of myself could not be here as a Congressman anywhere else except in this country.

□ 1700

Mr. Speaker, I identify with these sturdy yeoman Americans who have managed to sustain this great edifice, and I identify Tiger as that particular symbol of this old-stock American. This is what I look upon him as; this is what I recall. I join my colleagues in extolling his virtues and praying for and desiring for his widow, Mrs. Freddie Teague, the comfort and the surcease from sorrow that the Lord himself must give.

Mr. Speaker, I thank the majority leader for this opportunity.

Mr. WRIGHT. Mr. Speaker, I thank my colleague, the gentleman from Texas (Mr. GONZALEZ), for those words, and I yield to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Speaker, I thank the gentleman from Texas (Mr. WRIGHT) for getting this special order and for yielding to me.

Mr. Speaker, I want to say something that you all know, and that is that the appreciation of Tiger Teague has for many, many years reached far beyond the district he served and far beyond the State of the district in which he served to the whole United States.

I had heard of Tiger Teague for many years before I came to Congress. He was the undisputed leader of the whole United States during those crucial years following World War II when 11 million veterans depended upon people like Tiger Teague to make their point and do what was right. He was a man who really had the guts to do what was right and not to overreach but to be sure to get what he wanted.

Mr. Speaker, there is something else that some people do not appreciate probably because this was not well publicized. Tiger Teague was very, very active in revising the rules of the House and the rules of the Democratic Caucus. He was one of the members of that committee, and that is where I really came to appreciate him greatly. He was just an artist at compromise. Whenever he thought that, even though it was not 100 percent to his liking, it was fair and it was right and it was a good bargain, he was willing to make the compromise and stand up for it.

Mr. Speaker, I want to join those who just paid tribute to this man and emphasize the noble character of Tiger Teague and the great contribution he has made to this country.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, I thank the distinguished majority leader for taking this occasion to recognize our great friend, "Tiger" Teague.

As we attended the funeral services yesterday and as the chaplain kept referring to Olin E. Teague, I remembered that that is one of the few times I ever heard him spoken of as Olin E. Teague. He was the tiger and I tell you, he was a tiger all the way. He was a leader from your side of the aisle.

I know that at one time he was the chairman for the Democrats, but I want to say as a Republican and a Member from Texas who knew him, that there never was a finer man who ever served in the U.S. Congress than Tiger Teague. He had so many things going for him. We always think of him as the voice of the veterans, just as I heard my friend, the gentleman from Iowa (Mr. SMITH), say that he was chairman of the Committee on Veterans' Affairs. Later, of course, he served as chairman of the Committee on Science and Technology, and there again he was interested in what we could do in outer space. He was always for defense.

But as I remember Tiger, I recall that he was a man who won three Silver Stars. That means that three times he was where the action was. I was also interested to know that Tiger also won three Purple Hearts, which meant that he was where it was the roughest and the toughest. And whenever it was rough and tough, you could always count on Tiger. In fact, as we would see him, I noted that he would tend to limp a little bit, and we know that he still carried that shrapnel with him when he was serving here in Congress.

There is something else about Tiger, and that is that whenever you saw him and he would slap you on the back and knock you four laps forward, you knew that that was his way of being a friend. He had more actual bounce than any man I have ever seen.

And there is one other thing I remember about Tiger. He was a loyal friend and dedicated to his university and his friends at home. He had a feeling for people who love their friends, who love their hometown, and who love their university and their institutions, and if there was ever anyone who loved Texas A. & M. and who was a better Aggie, I do not know who it could be. He had a great interest in Texas A. & M., and the spirit of Aggieland was in his heart all his life.

We have many fine people who serve in Congress, and there is no man here who was more honest or who was more fair and square, but above all, he was dedicated to his country.

We have lost Tiger, Mr. Speaker, but those of us in Texas will always remember him as one of the greatest men who ever served in the Halls of Congress.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I believe I knew the Honorable Olin "Tiger" Teague about as long as anyone else in this House, at least since the end of World War II. Tiger Teague was an honest-to-goodness authentic World War II hero, and he was a real-life hero and unquestioned leader for his Sixth Congressional District for over 32 years. Few men served longer. None served with more dedication or integrity.

Many people associated Tiger Teague solely with the veterans of this country. It is true he was probably the most distinguished chairman the Veterans' Affairs Committee ever had. Tiger served longer as chairman for veterans and passed more legislation, because he was known as Mr. Veteran, and rightly so. I think the previous chairmen and the present chairman of the committee would agree that Tiger was the essence of veteran leadership. He looked like, he acted like, and performed like the true American fighting man. He was a great patriot.

But this recognition of Tiger's dedication on veterans matters sometimes belies the fact that he had many other outstanding qualities. For some 8 years, Tiger Teague served as chairman of the House Science and Aeronautics Committee. Along with former Chairman GEORGE MILLER, Tiger led the committee toward a major role in putting man on the Moon. He was the planner, coordinator, and power that kept the space program on schedule—the Saturn rocket, the launch pad, and the thrust all rolled into one. I used to think he could generate enough steam to send his own rocket to the Moon. Tiger took this responsibility not because of unusual technical or scientific knowledge, but he had the knack for working out knotty problems, making the tough decisions and getting people to stick with them.

Our space program just would not have accomplished what it has without Tiger Teague's unwavering command and coordination. I speak with authority about Tiger's role because I had the privilege of serving on the science panel for 4 years. I personally know the influence the chairman exercised when we reached a point where the membership was split into too many factions. The membership would turn to Tiger for a solution. He would look at them with his beady eyes and bellow in a strong voice:

I am not going to bring a bill to the floor until you work out your differences. There will be no legislation on the space program until you quit squabbling. The Congress and the whole country will wait on you.

With such an ultimatum, the Members knew they had better get off dead center and act. They knew the space program should not be held back just because of partisanship or personality clashes.

Tiger wielded a strong and quick gavel. He could make it sound like an M-1 rifle, and he could move about the committee like a Sherman tank. When the going got tough, nobody fooled with him or his legislation.

Our next rocket or satellite launching after the Shuttle *Columbia*, should be called the Tiger or the Tiger Teague. I shall make such a recommendation to NASA, and other officials.

Tiger also served as chairman of the Democratic Caucus for 2 hectic years. He settled problems with kindness yet firmness. Again, we saw the winning combination of toughness yet warmth—a pattern unique under the trademark of Tiger Teague.

Throughout this land, there are tens of thousands of Texas Aggies proud of Texas A. & M. University. In their hearts, they claim Tiger Teague as the original Aggie. Nobody gave more of his mind, body, or soul than Tiger. That institution can never fully repay Tiger or his family for the way he helped A. & M. gain national recognition.

As a graduate of the University of Texas, I found myself competing against Tiger for grants or projects, just as the two football teams produce a lively competition on the field. Often, I came up on the short end. Tiger was not against UT. He just was for A. & M. first and foremost—and then maybe for UT and the other universities. Teague never forgot A. & M. The school befriended him as a young man, gave him a good education, and he went forward in life endowed by the spirit of that great school.

For 32 years, Tiger Teague served this body with honor and distinction. Beside his legacy, he left a wonderful family. His wife, Freddie, and their three attractive and capable children are all respected and loved.

Mr. Speaker, somewhere in the heavens a new star is shining. It will not be a bashful star. It will take on an extra luster because of Tiger Teague's ascendancy. Tiger Teague was one of the bright, shining lights of this body. His leadership, illuminating our hearts and our minds, will be long remembered.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I, too, want to express my thanks to the distinguished majority leader for taking this time so that I might tell the family of Tiger Teague of the affection which I feel for him at this moment.

Yesterday I attended the funeral services for my friend, Olin E. "Tiger" Teague, and, as expected, there was a huge outpouring of friends who paid their last respects. It was indeed a moving and lasting experience.

As many others, I feel a deep sense of personal loss, but I would just like at this moment to presume to mention just one personal experience which endeared him to me and let me know early why Olin E. Teague was affectionately referred to by his friends as "Tiger."

□ 1710

During one of my earlier campaigns, my opponent was mistaken about a position I had taken on a veterans' bill, and it made the newspapers back home.

I saw "Tiger" Teague on the elevator and showed him the newspaper article. Tiger was chairman of the Veterans' Affairs Committee at the time, and he boomed out, "That is not right. Come with me, Chalmers."

So as we were going through the outer office of his office there in the Rayburn Building, he said, "Margaret, come in here." Margaret came in, and he dictated a letter to the editor correcting a mistake right on the spot.

He said, "Is there anything else I can do?"

I said, "Well, Mr. Chairman, it also made TV. I guess there is not much we can do about that."

He said, "The heck there is not. Have you got the TV station number?"

I gave him the television station number, and he called the manager and gave him the same account and corrected the mistake.

That is the kind of a friend Tiger Teague was. We had worked together on the Veterans' Affairs Committee, and I had supported him on some earlier legislation; and he did that for me.

Mr. Speaker, no one could ever begin to list all of Olin "Tiger" Teague's accomplishments.

Mr. Speaker, as a member of the Veterans' Affairs Committee, I witnessed his unswerving dedication to veterans. He felt an abiding responsibility to them and their survivors. This began, I am sure, while he was an infantry battalion commander during World War II. His personal courage became legendary among his men. He was wounded in action a number of times and became one of the most decorated of the war's combat veterans.

Mr. Speaker, I can say the entire structure of benefits for veterans, their dependents and survivors was cast by his hand. It was he to whom veterans and their organizations turned year after year to obtain increased benefits for GI bill education, housing, insurance, pension, compensation, and medical care. He was particularly interested in medical research insisting year after year during his chairmanship of the Veterans' Affairs Committee that VA physicians and nurses be provided a pay scale comparable to those in the private sector. "Health care second to none," was his goal for VA medical facilities and he focused his immense talents on the development and enactment of legislation required to bring it about.

I am very proud that the 96th Congress, renamed the Veterans' Administration hospital in Temple, Tex., the "Olin E. Teague Memorial Hospital" in time for this grand warrior to participate in the ceremony. He was a patient at that same hospital for 2 years recovering from wounds following World War II when it was known as the McCloskey Army Hospital.

Of all the many honors and decorations bestowed on him by our own and foreign governments, this simple act of commemoration seemed to mean the most to him.

Olin E. Teague was a titan among us, Mr. Speaker, He has left us with a permanent heritage of achievements but many of us have lost a dear friend.

I would just like to say that my wife, Marjorie, and I wish to extend our sympathies to his wonderful wife, Freddie, and to his beautiful family.

Mr. HIGHTOWER. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentlemen from Texas.

Mr. HIGHTOWER. Mr. Speaker, occasionally when we want to compliment someone, we say that "When they made him, they threw the mold away." I think that we could honestly say that about "Tiger" Teague. There never was a man like Tiger Teague. I doubt if there will ever be another man like him. He was unique. He was distinctive. He was special in every fine and good way.

In an age of antiheroes, he was a genuine hero.

As has already been pointed out by several speakers, he was one of the most decorated soldiers of World War II, but he was a hero in real life. He is one that we could know and identify with, and he continued to be a hero as he came to the Congress to represent that district in Texas. He had tremendous legislative impact, and it was the impact of his personality.

We have often seen where people, because of their distinctiveness and the force of their personality, can achieve things that men of lesser spirits might aspire to do but would be unsuccessful.

That was the great strength of Tiger Teague and the reasons for his success.

Yesterday afternoon, as he was being interred at Arlington National Cemetery, we were experiencing what has been called in the press a celebration of freedom, as the hostages returned and were being received in the White House Rose Garden.

I think there is a significance about the timing of the going home of Tiger Teague; Tiger Teague, a free man, who had always been a free man, now relieved of his pain and discomfort, now he belongs to the ages, going home to Arlington, to his final rest, as the Nation celebrated the arrival home of the 52.

Tiger Teague was a very special Texan, as has already been pointed out. But he was a Texan, the epitome of the kind of Texans that all men of that State admire and would like to say that is typical Texas, a Texas Aggie, a true Texan. He never let anyone forget it. You always knew who he was and where he stood and that he could be counted on.

We have already missed him on the floor of this House after his retirement last year, but we will continue to miss his friendship; but we cannot fail to thank God for the privilege of having known the very unique and distinctive man, a very special man that was Olin "Tiger" Teague.

Thank you.

Mr. WRIGHT. I yield to the gentleman from Texas (Mr. LEATH).

Mr. LEATH of Texas. Mr. Speaker, I wish to join with my colleagues in paying tribute to the life and memory of Olin E. "Tiger" Teague.

All his life Tiger Teague looked to the future with an unshakeable belief in his fellow human beings. It was not because he was naive that this great Texan looked to the future with so much optimism, nor because he was blind to the failings of others. Rather, Tiger Teague believed in mankind because he saw how far we have come—and the potential we have to go further still. This faith in people made him a natural leader who was both revered and respected by his colleagues and the literally thousands of people who knew and loved him.

Tiger was a man of boundless energy. He was a fighter. He fought for veterans and he was their hero. He fought for the dreams of those who believed in the unlimited capacity of America to conquer outer space. He fought for education for the young and decent health care for the aged. He gave of himself because he deeply believed in his country and the people.

Horace Greeley, the famed journalist, wrote:

Fame is a vapor, prosperity an accident, riches take wing, those who cheer today will curse tomorrow; the only thing that endures is character.

Mr. Speaker, Tiger Teague had character in abundance. Those who knew him drew on his character and were strengthened by it. This House is the better because of Tiger Teague. We are grateful that he touched our lives.

Mr. Speaker, among Tiger Teague's many accomplishments in life was his ability to lead and instill confidence in those around him. Part of this success came from straightforward action and unswerving dedication to principle. However, an even greater part of his life's work was achieved through his ability to make friends and to keep friends close to him. Tiger Teague had many friends. The loyalty he showed them came back to him and his family over the years many times over. It will continue even though he is gone.

Mr. Speaker, one of Tiger's friends, one of his many friends, was our former colleague from Texas and chairman of the House Committee on Veterans' Affairs, Ray Roberts. Until his retirement at the end of the 96th Congress, Ray had served 18 years on the Veterans' Committee and 6 years as chairman. He shared with Tiger Teague a deep concern for the veterans of this country as his colleague, and an abiding love of Texas and America as his long time friend.

Mr. Speaker, it is a privilege for me to place in the RECORD Ray Roberts' remarks in tribute to his friend, Tiger Teague.

The death of Tiger Teague leaves a void in the country that can never be filled. Along with Sam Rayburn, Tiger exemplified the best qualities of American citizenship. Words like duty, honor, country were not just words to Tiger Teague. He lived them every day of his life.

From humble beginnings, he used his great talents for the public good. He spoke as a common man for the common man; as a citizen for the citizens of this country. In war and in peace he was a star performer. His rock-ribbed integrity combined with his consistent faith in America's potential made him among the most influential and effective members of the House of Representatives.

As my friend of more than 35 years, I can never adequately express my gratitude for his many kindnesses to me, for his counsel, his wisdom and his example. My work on the House Veterans' Affairs Committee was one of the joys of my life, but I never forgot that it was Tiger Teague who gave the leadership and the creativity that established our veterans' programs.

We are all better for having known Tiger Teague. He leaves us a legacy of honor, a legacy of hope, and an inspiration that if we work and have faith in ourselves America's best years are before us.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Texas (Mr. HANCE).

Mr. HANCE. Mr. Speaker, "Tiger" Teague was indeed a great Congressman. We can talk about what he did for the veterans. He did do an outstanding job. We can talk about being the father of the Science and Technology Committee, and that is certainly true.

I had a unique opportunity to know him in a different light. His daughter Jill was a friend of mine while we were students at the University of Texas. It was quite evident from the type of person she was, and is, that she had outstanding parents.

Yesterday at the funeral, if you noticed, Jill's 11-year-old son wept when he was reading and throughout the funeral. He loved and worshipped his grandfather, and the feeling was mutual.

You could get Tiger talking about that youngster, and he would spend some time talking with you about him. But I think Tiger Teague—one thing I would like to add—not only was he a great Congressman, a great American, and a great Aggie, but he was a great family man. He loved his family and worshipped them, and the feeling was mutual.

I am glad I had an opportunity to know him and call him my friend.

Mr. WRIGHT. I now yield to the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Speaker, I thank the able gentleman in the well for giving me the honor to join my colleagues in tribute to Olin Teague.

President Kennedy, one of the Nation's heroes, said on one occasion that war does not strike and fall with equal severity upon all who participate. Some escape unscratched from its battles. Others give much of themselves. Some sacrifice their lives.

Olin Teague was one of those men who gave much of himself physically in the service of his country in World War II.

□ 1720

I think it was some six or seven different wounds that he received in combat. He received many decorations and honors. I can imagine what kind of an intrepid leader "Tiger" Teague was on the field of battle, how he must have been revered and followed with fidelity by the men whom he so bravely led.

Our distinguished majority leader has already reviewed much of the illustrious legislative record of Tiger Teague. It is known to all of us who are here and remember it with vivid admiration.

I like to think of Tiger Teague for what he was himself, the kind of man that he was—a man of indomitable will, a man of unparalleled courage, a man of fidelity to his country, a man who loved the things that were of the spirit, a man who was a family man, a friendly man, a man who cherished the friendship of his colleagues on this floor and in many parts of our country and the world.

For some reason or another, he always called me CLAUDE PEPPER. He never did say CLAUDE or PEPPER. He always said CLAUDE PEPPER and I felt a profound admiration and a great affection for him.

I would like to conclude, Mr. Speaker, by saying that the patriotism, the courage, and the character of Tiger Teague was such that he adds even luster to that heroic company among which he sleeps in honored glory in our National Cemetery at Arlington.

May God give America many more intrepid men like Tiger Teague.

Mr. WILSON. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the distinguished gentleman from Texas (Mr. WILSON).

Mr. WILSON. Mr. Speaker, there is little that could be said that would honor "Tiger" more than the words that have already been spoken. I know I would just like as a personal note to say that I think I probably had more affection for Tiger Teague than any other Member of this body, excluding the majority leader, of course; but the thing about Tiger that stuck with me more than anything else is the 38 years that he handled great pain every hour of every day. I used to think about Tiger, that I never saw him without pain and I never saw him without a smile. I think that is what he left us with.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I join my colleagues on this sad occasion to pay tribute to the memory of Olin E. "Tiger" Teague.

Tiger Teague was a Member of this body for 32 years where he served his district, the State of Texas, and the veteran with great distinction and dedication. It was in 1946, while a patient in a U.S. Army hospital in Texas, that he was first elected to Congress. Tiger was a bona fide war hero. He was the Member of Congress with the highest number of decorations and awards for valor and heroism which included several Silver Stars for gallantry in action against the enemy, Bronze Stars for valor and Purple Hearts for wounds received in combat against the enemy. He was commander of foot soldiers on the battlefields of Europe during World War II.

Tiger Teague had been in an Army hospital for 2 years for disabilities which resulted in his being awarded his third Purple Heart. Ironically, it was this third combat-incurred wound which ultimately caused him to retire from the Congress in 1978.

I mention this disability for the purpose of emphasizing that Tiger Teague always identified with combat and disabled veterans all of his years in Congress. Undoubtedly, the 2 years he spent in an Army hospital helped him to gain an insight into the desires, concerns, and needs of veterans that was to help him to earn the title of "Mr. Veteran" on Capitol Hill for over a quarter of a century.

Tiger Teague authorized more bills for veterans' rights, benefits, and assistance than any Member in the history of Congress.

A few highlights are legislation which established the Department of Medicine and Surgery—a 172-hospital system and other facilities which is one of our veterans' greatest health assets; the Korean and Vietnam conflict GI bills, which have not only helped millions of veterans to go to college, but have helped the general welfare by training hundreds of thousands of physicians, dentists, engineers, technicians, teachers, and others who have made this Nation the leader of the free world. The War Orphans' Education Assistance Act for the survivors of those who made the supreme sacrifice in defense of the Nation, and a loan guarantee program, which has helped millions of veterans to purchase a home, and is vital to the housing and mortgage banking industry.

Mr. Speaker, Tiger Teague was a leader. He was a statesman. His interests and concerns went far beyond veterans. He was for a strong national defense. He was for a strong fiscal policy. He abhorred waste and inefficiency. He was opposed to a bloated bureaucracy. He loved America.

While he kept his intense interest in the welfare of veterans to the day he died, he was also deeply involved in the space age. Soon after America was taken by surprise when Russia launched its first sputnik in 1957, Congress established the Science and Technology Committee. Tiger Teague was elected a member of this new committee. Later he was to become its chairman. Under his leadership, the United States not only surpassed the Russians, but was successful in landing a man on the Moon. Just this year we electrified the world with our incredible Voyager journeys which have advanced the science of astronomy beyond our wildest dreams of only a few years ago.

Tiger Teague was also honored by his colleagues when he was elected to chair the Democratic Caucus during the 92d and 93d Congresses.

He was a man of great personal ability who was admired by veterans everywhere. He loved this country and all it stands for. He loved the Congress. Our Nation has lost a great man who labored hard and long for the causes to which he was devoted.

I join with all Members to extend my deepest sympathy to Mrs. Teague and their children.

Mr. WRIGHT. Mr. Speaker, I yield to the gentleman from Florida (Mr. CHAPPELL).

Mr. CHAPPELL. Mr. Speaker, I appreciate the opportunity of joining my colleagues in paying tribute to a great American, Tiger Teague.

I suppose once in an eon of time there moves across the stage of life the kind of man such as Tiger Teague, a man who was determined to be right and who had always the energy to see it through. He was the kind of a man that believed in doing the right and making certain that others around him had an opportunity to do the same.

When I first came to the House, Tiger was one of the first Members that I had the opportunity to know. He always was willing to help, always interested in the problems which I had and always good guidance and counsel.

I am pleased that we have taken this time today to honor a man such as Tiger Teague.

I just wish somehow that the communications of our country were such that into the hearts of every American there could be poured the kind of information that we have before us today on this wonderful man. Somehow I wish there was a way to inspire the hearts of other Americans, as we have been inspired by the life of Tiger Teague. He was a great soldier, a great statesman, a great American. We shall all miss him. We shall miss his life. We shall miss his personality, but we shall remember forever that wonderful spirit that has contributed so much to our great and wonderful country and we will always remember Tiger Teague.

● Mr. HAMMERSCHMIDT. Mr. Speaker, we who are Members of this body have been honored to serve with individuals of strength and courage. Some have been known for the distinction of their intellect, others for the broad range of their interests; still other Members of the House were renowned for their character and integrity.

To me, there was one Member who combined all these noble qualities and that was Tiger Teague. The passing of Olin E. Teague in the early morning hours of January 23 was a personal loss to me. He was chairman of the House Veterans' Affairs Committee when I was first elected to Congress in 1966. After being assigned to the committee he gave me one of those big bear hugs of his and announced that I was his Congressman.

He had once been a resident of the small town of Mena in my district—some of his people still lived there—and he said with a smile, he was honored that I was here to represent him. Our friendship began on that note, and it flourished over the years.

Tiger left the Veterans' Affairs Committee to serve as chairman of the House Committee on Science and Technology, or as it was then known, the Committee on Science and Astronautics. The future of America's space program was in some doubt when Tiger took the gavel. During the early days of the Apollo program, there had been numerous failures—all well publicized—and the early enthusiasm of the Nation was waning. But Tiger Teague believed in the program and accepted it as his responsibility to make Congress see its importance to the Nation's future. Had he not put his great prestige and powers of persuasion to work when he was chairman of the Subcommittee on Manned Space Flight, billions of dollars in appropriations would have been shunted away from this vital program and our national defense would be in deadly peril.

But Tiger never let his attention drift far away from veterans and their families. Although chairman of the Science Committee, he retained the chairmanship of the Subcommittee on Education, Training and Employment of the Veterans' Affairs Committee. He had developed the GI bill for veterans of the Korean war. In the 82d Congress he investigated abuses that had crept into the administration of the World War II GI bill. Thus, he was better qualified than any other individual in this body to write a GI bill for Vietnam veterans. The high quality of that legislation can be seen in the fact that it provided a free college education to 7.8 million Vietnam-era veterans.

Consider, Mr. Speaker, the enormous impact this great man had on the lives of veterans. Behind his leadership, the House approved extensive compensation programs for them, their dependents and survivors. He was the congressional overseer for the construction of most of the VA's network of 172 hospitals and 222 outpatient clinics. I have heard it said by VA officials that the Tiger might not have actually set the bolts that went into building that great health system, but he saw to it money was available to buy the bolts and he knew where every one was.

As he was a veterans' veteran, so he had been a soldier's soldier during World War II. He commanded an infantry battalion and was in combat for 6 months before severe wounds drove him to a bed at the McCloskey Army Hospital. It was a proud moment for Tiger when the 96th Congress redesignated that same hospital the "Olin E. Teague Memorial Hospital."

Tiger Teague represented the Sixth District of Texas while he sat with us in this Chamber but to many of us he also represented the best qualities in the American character. He was strong and unrelenting in the pursuit of his goals, yet he was compassionate and kind in their formulation.

He was the most decorated combat veteran to sit in Congress—that is true—but history will write of him as one of its most distinguished ornaments as well.●

● Mr. DE LA GARZA. Mr. Speaker, last week we lost a great Texan, and a great American, Olin E. "Tiger" Teague. Tiger Teague led a long and distinguished career in the service to his country, a highly distinguished combat veteran of World War II, and as a Member of Congress from 1946 to 1973. In Congress, Tiger Teague distinguished himself for his service to his constituents in the Sixth District of Texas and for his work on behalf of all veterans of our country's Armed Forces.

As a member of the Veterans' Committee, and as chairman from 1963 to 1973, Tiger Teague oversaw and was responsible for many of the veterans benefits which we take for granted today, the GI bill of rights which provided an education to untold numbers of veterans, the War Orphans Act, which provided college educations for the children of those who died in service to their country, and for a medical system to take care of their health needs. I know of no other country which provides as much for its veterans, and we owe much of it to this one man.

As much as he was concerned by the needs of our veterans, Tiger Teague also had other interests. In 1973, he took over the chairmanship of the Science and Astronautics Committee, a strong believer in our Nation's space program. While many scoffed at the idea of spending money to send people into space, thanks to the foresight of men like Tiger Teague, all of us now benefit in an untold number of ways from the by products of the research conducted for space exploration.

It was a great privilege to have known and been able to work with Tiger Teague, a great soldier and a great statesman. Our society is richer and our country stronger thanks to Olin Teague's great dedication to public service.●

● Mr. MCCLORY. Mr. Speaker, the passing of our former colleague, Congressman Olin "Tiger" Teague marks the close of a long, productive and yet a hard and courageous life. Tiger Teague's leadership in veterans affairs and in behalf of programs related to the whole areas of science and technology establishes an enduring record which few in this body can match.

Mr. Speaker, my close relationship with Congressman Teague in connection with the interests of our veterans demonstrated to me his thorough knowledge of the veterans' rights and interests and enabled me to render maximum service in behalf of the many veterans who are served by the North Chicago Veterans' Administration facility in my congressional district.

Mr. Speaker, likewise on the subject of science and technology, and more particularly, in my constant sponsorship of an orderly and essentially volunteer conversion to the metric system of weights and measures, Congressman Teague was most cooperative.

Mr. Speaker, I know that my wife, Doris, had a close relationship with Mrs. Teague and we have expressed between ourselves our profound respect for Congressman Teague and Mrs. Teague and their family. We take this occasion to pay tribute to Tiger Teague's useful and distinguished life and to extend to his widow, Freddie, and other members of the family our deep sympathy.●

● Mr. EDWARDS of California. Mr. Speaker, I join my colleagues and Americans everywhere in expressing sorrow at the loss of our former colleague and friend, Tiger Teague.

When I think about the old-fashioned marks of character—like honor, duty, integrity—I want to add—"you know, like Tiger Teague."

When I think of the plain marks of good behavior—like courtesy, fairness, gentleman—I want to add—"you know, like Tiger Teague."

When I think of the distinguishing marks of one devoted to public service—like courage, vision, caring—I want to add—"you know, like Tiger Teague."

Tiger Teague was not afraid to be in the minority, nor did he allow the shifting winds of day to day politics to cloud his perception of what was right. I shall remember him as a man of con-

science, a man who loved his country, and a man who cared about people.

Tiger Teague made this House a better place in which to work. Our country is richer for his life. We will miss him.●

● Mr. HILLIS. Mr. Speaker, our Nation has lost a true American with the passing of our former colleague, the Honorable Olin E. "Tiger" Teague, and America's veterans have lost a stalwart champion as well.

When I arrived in the House of Representatives, I chose to become a member of the Committee on Veterans' Affairs, chaired for 18 years by Mr. Teague. During my service on the committee, I found him at all times to be helpful, friendly, and understanding. Even though he retired at the end of the 95th Congress, his influence will long be felt by all of America's veterans, the committee, and the Veterans' Administration.

His personal achievements are numerous, his legislative achievements are legion, but perhaps both are best summarized in the citation he received accompanying the Veterans' Administration's Exceptional Service Award. The citation stated in part:

No person in the history of America has had such a salutary effect on the lives of veterans and their families.

No member of Congress has ever exerted as much leadership or has been so successful in producing fair, enlightened and helpful legislation for America's veterans.

Mrs. Hillis and I extend our deepest sympathy to his devoted wife Freddie, his three children James, John, and Jill, and his grandchildren. Though death has removed Tiger from our midst, his spirit and his influence will abide with us for many years. Indeed, his life leaves us with an example and an inspiration for higher and nobler deeds.●

● Mr. PERKINS. Mr. Speaker, for 28 years it was my privilege to serve in this House alongside Olin E. Teague. I do not use the word privilege loosely here, for the opportunity to be associated for so many years with an authentic American hero cannot be described by any other term.

Listen to this recitation of the decorations placed upon him for his service to his country during World War II:

Silver Star with two clusters. Bronze Star with two clusters. Purple Heart with two clusters. Combat Infantryman's Badge. Army Commendation Ribbon. Two high French decorations. And a Presidential Unit Citation.

Many times wounded in action, this gallant soldier spent 2 years in Army hospitals before he was deemed fit for release in 1946. And his long service as a Member of this House was punctuated many times by his having to return to a hospital for treatment of illnesses directly stemming from his war service.

But "Tiger" Teague was not a man to complain. He was neither a man to boast. He regarded himself simply as an American who was called to defend the things his country stood for, and it never entered his mind that there was any other course.

Duty, honor, country. These were three essential elements of his character. Not only did he accept them, he took pride in them, and he lived by them.

His fellow American veterans may never know of all of his work in their behalf during his years as a member of the Committee on Veterans' Affairs. Chairman of that group for 18 years, he presided over many, many pieces of legislation for the benefit of those who, in the words of Lincoln, "have borne the battle."

And Tiger Teague's fellow Americans who have gloried in our accomplishments in space exploration also owe him a tremendous debt of gratitude. When last year our Voyager II sent home those splendid photographs of the planet Saturn, and even today plows on through space for an even more distant appointment, they should remember the work of Tiger Teague as chairman of the Committee on Science and Astronautics.

Tiger Teague was an honest, hard-working, useful Member of the House for more than three decades. And those of us who were honored by his friendship will never forget his example.

It was a great loss to the Congress when he retired a little over 2 years ago. And it is a sad loss to his friends that he has now been claimed by death that he fought so long and evaded so skillfully.

The name of Olin Teague is written in the stars.●

● Mr. RODINO. Mr. Speaker, many of us in this House will go to Arlington National Cemetery this afternoon to pay our last respects to an old friend, Olin "Tiger" Teague. When Tiger Teague died last Friday morning, America lost one of its great heroes—a man who fought on the battlefields of Europe during World War II and who came home to become an outstanding lawmaker for 32 years. Although he gave a great deal to his country, he asked for very little in return—simply the opportunity to serve his fellow Americans.

Tiger Teague was the most decorated soldier to serve in Congress, having been awarded the Silver Star with two clusters, the Bronze Star, the Purple Heart with two clusters, Combat Infantryman's Badge, Army Commendation Ribbon, and the Croix de Guerre with Palm. He landed with the Allied forces at Normandy Beach on June 6, 1944, and the wounds he suffered in battle plagued him for the rest of his life. Tiger Teague understood the tremendous sacrifices made by the men and women of America's Armed Forces, and as chairman of the House Veterans' Affairs Committee he was responsible for building a system that has helped America's veterans overcome the hardships of war when they return home.

This great legislator also will be long remembered as the father of America's space program. As the chairman of the House Committee on Science and Technology, Tiger Teague helped launch many of the programs which brought our Nation to a position of world leadership in space exploration.

Mr. Speaker, I am sure that the many Members of this House who knew Tiger have their own memories of this great public servant. I am no exception. My first few months in Congress were spent as a member of the House Veterans' Affairs Committee, where I met Tiger Teague and became his friend. I soon moved on to become a member of the House Judiciary Committee, but our friendship endured. I always admired Tiger Teague because of the decency he showed to his fellow man, his courage to stand up for what he believed, and his selfless dedication to our country. This spirited Texan also was a tough competitor, who refused to quit. Whether he was trying to defeat me in a game of paddle ball, or was fighting a more difficult and serious battle against diabetes and the effects of his war wounds, Tiger Teague's courage and dignity were exemplary.

I will miss my friend very much, and I offer my deepest sympathies to his wife Freddie, his sons, John and James, and his daughter, Jill Ruth.●

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of the late Olin E. Teague.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

FORCED SCHOOL BUSING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. HARTNETT) is recognized for 5 minutes.

Mr. HARTNETT. Mr. Speaker, I would like to bring to your attention a problem we are having in my district of Charleston, S.C. The U.S. Department of Justice has filed suit against the Charleston County Consolidated School District to implement forced school busing.

I am opposed to this action. The people of South Carolina know that forced school busing has hindered quality education for our children. Since forced busing was imposed on public schools, scholastic aptitude test

(SAT) scores of graduating high school seniors have declined 82 points from 1964 to 1978.

In 1979, 25 percent of all high school students dropped out before they graduated; the dropout ratio in 1968 was 20 percent.

The Federal Government has ignored the initial Supreme Court decision regarding forced school busing. The 1954 Brown decision entitled every child to be educated in the school nearest their home. In this case, a little black girl in Wichita, Kans., wanted to go to her neighborhood school which was seven blocks from her home. Because of her race, she was forced to go on a bus 27 blocks to another school. The Court said that every child in America is entitled to and must go to their neighborhood school. The Court also said that no child shall be assigned to a school because of race.

We now have a complete reversal of this original decision. Children are being forced to leave their neighborhood schools and are being assigned to schools based on race and are allocated by racial quotas.

Public opinion polls show that 85 percent of the American people are opposed to court-ordered school busing. Even Dr. James Coleman, known as the father of busing has stated that—

School desegregation in the form of mandatory busing for racial balance has been destructive to its own goals.

One of the primary purposes of busing is to desegregate minority-dominated public schools. A comparison of 1968 and 1977 figures on minority enrollment show that with court-ordered busing, students are increasingly attending segregated schools. The following table shows the increase in the percentage of minority students in public schools enrollment in cities that practice forced school busing:

	1968	1977
Atlanta	61.8	88.8
Boston	31.5	56.1
Chicago	62.3	75.3
Cleveland	57.5	61.5
Dallas	38.8	81.9
Detroit	60.7	81.4
Houston	46.7	66.0
Los Angeles	46.3	63.5
Memphis	53.7	70.6
New Orleans	68.7	83.5
St. Louis	63.5	72.2
San Antonio	73.1	85.2
San Francisco	58.8	77.4
Washington, D.C.	94.4	96.5

Forced school busing deprives children of participating in extracurricular school activities. They must get up early to catch a bus to ride clear across town to school. This greatly affects their academic performance as they are tired before they even get to school. Then these children must get on a bus immediately after school which prevents them from becoming involved in any other school programs. Parent participation is vitally important in a child's education. Parents who are eager to become involved in the PTA are often unable to drive miles away from home to attend school meetings.

Busing is not only ineffective in terms of segregation, it is also very costly. At a time when we must closely scrutinize our energy consumption, busing is a wasteful measure. In 1977, the Federal Highway Administration estimated that 401 million gallons of gas, averaging 26,200 barrels of oil per day were used for court-ordered busing of schoolchildren.

It is time for Congress to end this unnecessary and wasteful practice. Children need and should have the right to go to their neighborhood schools.

□ 1730

TAKE AWAY THE MARRIAGE TAX PENALTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SAWYER) is recognized for 5 minutes.

● Mr. SAWYER. Mr. Speaker, I am today introducing legislation to eliminate the so-called marriage tax which penalizes the over 19 million married working couples in the United States today.

There is no justice in a marriage tax. The Congress, in 1969, set up the present unfair system when attempting to create a tax break for single wage earners. Unfortunately, for over 12 years the Congress has ignored the side effect of this action which causes millions to pay more when married than if they remained single. Under current law, when two incomes are joined together the husband and wife are lifted into a higher tax bracket.

Under my bill married couples would be allowed the choice of filing either a joint return or separate returns. With tax time coming, I am sure more people will become aware of this unjust tax penalty. Repeatedly, I have heard from my constituents during town hall meetings and mobile office visits of the unfairness of tax on marriage and the sabotage which the Federal Government has committed against the traditional family unit.

Fifty-seven percent of today's families have both the husband and wife working. In many situations two incomes in a family are an economic necessity and no longer a luxury.

One of the major initiatives of the new administration will be a revised tax program to help get our economy healthy again. I hope that we take this opportunity to eliminate the marriage tax.●

AGRICULTURE: A TIME TO CHOOSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, two important studies relating to the future of American agriculture were concluded in January 1981. I urge all of my colleagues to closely review the study findings as we consider the 1981 farm bill, soil and water conservation laws, and other related legislative options for strengthening our food and fiber industry.

I refer to the final report of the national agricultural lands study by the U.S. Department of Agriculture and the Council on Environmental Quality, as well as USDA's summary report on the structure of agriculture, entitled "A Time To Choose."

In announcing the structure study, Bob Bergland had some comments that, for me, blend the concerns about agricultural land with all of the other factors that make up the business of farming and ranching. He said:

There have been a number of fundamental changes in the environment in which farmers produce our food, feed, and fiber.

One of these basic changes is that agriculture is no longer—if it ever was—an isolated part of the economy whose problems could be addressed separately without consideration of the influences of other forces on farming and the effects of the farm economy on the rest of society. The connections among the various parts of the U.S. economy and the various parts of the world have become so much broader and so much more direct that it no longer makes sense to think about our agriculture that way.

The final goal, Mr. Bergland said, is "consistency between agricultural policy and other national policies." I agree.

It is this need for a broader look at agricultural issues that leads me to augment my role in addressing the concerns of America's dairy farmers by accepting the role of ranking minority member on the House Agriculture Committee's Conservation, Credit, and Rural Development Subcommittee. The subcommittee will constitute an important forum for legislation seeking to improve future opportunities for all farmers and ranchers while assuring reasonable food costs for consumers and limiting the need for future Federal expenditures.

I know that many of my colleagues understand the need for a broader perspective on agricultural issues. Some of you last winter expressed the advisability of delaying consideration of a farmland preservation bill until we had more information on impacts and options. Now that the two studies I mentioned are available, I believe it is time to carefully review the results and recommendations and act accordingly.

The NALS report concluded:

Continuing nonagricultural demands upon the agricultural land base (have) become a matter for national concern * * *. The cumulative loss of cropland, in conjunction with other stresses on the U.S. agricultural system such as the growing demand for exports and rising energy costs, could seriously increase the economic and environmental costs of producing food and fiber in the United States during the next 20 years.

The NALS report went on to say:

The conversion of highly productive land will continue unless there is a major shift of development onto rural land that is less productive for agriculture.

NALS identified about 90 Federal programs that contribute to the conversion of agricultural lands to other purposes. Some of these programs have major impacts.

On the other hand, NALS found that considerable grassroots interest in the protection of good agricultural land exists in widely different communities around the country. State and local governments have tried a remarkable number of different approaches to agricultural land protection. No one approach by itself seems entirely adequate, but the interest and the efforts are encouraging.

I agree with NALS that we need to further encourage and assist these local initiatives. It also is imperative that the Federal Government get its own house in order so that the unnecessary shift of good productive land out of agriculture can be avoided.

The programs that can help, and the programs that are part of the problem, are located in many departments—not just Agriculture. The issues are complex and go far beyond considerations of land supply.

As the structure of agriculture study put it:

We found that even the programs that were designed to protect the farm sector accelerated and continue to reinforce trends that push families out of farming, keep new farmers out, and concentrate control of the resources that produce our food into the hands of fewer persons.

I believe that you and I have the responsibility to see that these trends are reversed. We must see that all sectors of American society are fair to each other and the need for expensive Federal programs to repair land use and production mistakes is kept to the absolute minimum.

I hope that you will join me in using the structure study and the agricultural lands study findings to the fullest advantage in designing workable approaches in related legislation during the 97th Congress.●

PATRICK J. CULLERTON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to Hon. Patrick J. Cullerton, the late Chicago alderman and "assistant mayor" who gave outstanding service to the people of Chicago for half a century.

P. J. Cullerton's death on January 26 is a tremendous loss to the people of the northwest side of Chicago in the 11th Congressional District I am honored to represent, for he had dedicated his entire life to effective government of and for the people.

Parky, as he was affectionately called by his friends and constituents, was a quiet man who carefully listened to the people he represented in the city council from his 38th ward, and he was overwhelmingly reelected time and time again because he made sure that Chicago's government was effective in meeting their wants and needs. He prided himself on getting the proposals he initiated passed by the city council, and he will be sorely missed by many thousands of people, but especially by me because he was my friend for over 40 years, and during that time I greatly benefited from his advice and counsel.

Alderman Cullerton, after training and working for a time as an electrical engineer, began his political career with an appointment by Mayor Anton J. Cermak as signal engineer for the Chicago Police Department. Subsequently, he became a member of the board of local improvements, and was elected alderman of the 38th ward in 1933 and remained in that position until 1958. During his years of service in the city council, he chaired the council's finance committee, a postion many referred to as assistant mayor, and he also was the chairman of the council's emergency committee, assigned to root out fraud and abuse in Chicago government operations.

In 1958, P. J. Cullerton was appointed Cook County Assessor and was reelected repeatedly, retiring from the post in 1974. To his great satisfaction, he was elected the president of the Irish Fellowship Club of Chicago in 1959.

At the time of his death, Parky Cullerton was celebrating his 50th year in Chicago politics, and was still actively serving as the 38th ward's Democratic committeeman. His passing is a great loss to his thousands of friends, and he will be remembered as one of the great leaders of Chicago.

My wife, Angeline, joins me in extending our deepest sympathy to Patrick J. Cullerton's daughter, Helen Liddy, and her family.●

LEGISLATION TO AMEND THE POWERPLANT AND INDUSTRIAL FUEL USE ACT TO ALLOW LOCAL DISTRIBUTION COMPANIES TO CONTINUE NATURAL GAS SERVICE TO RESIDENTIAL CUSTOMERS FOR OUTDOOR LIGHTING FIXTURES FOR WHICH NATURAL GAS WAS PROVIDED ON THE DATE OF ENACTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. YOUNG) is recognized for 5 minutes.

● Mr. YOUNG of Missouri. Mr. Speaker, today Mr. CORCORAN and I are introducing legislation to amend section 402 of the Powerplant and Industrial Fuel Use Act in order to permit the owners of residential outdoor gaslights to retain service to the lights.

This bill is identical to the legislation which was cosponsored by 134 Members during the 96th Congress and passed the House by unanimous consent on December 13, 1980. It amends section 402 by removing the requirement that existing residential gaslights be extinguished by January 1, 1982.

Section 402 was included in the Fuel Use Act at a time of apparent shortage of natural gas. That situation has now changed, and I believe that Congress must act now to recognize that change and remove this costly prohibition. As the law now stands, 2 to 4 million owners of residential gaslights are confronted with a choice between doing without necessary outdoor illumination and paying $200 to $300 each for conversion of their lights. Most gaslight owners installed these lights for safety and security reasons, and they should not be forced to make this choice.

Whether or not they personally own gaslights, taxpayers are paying for this prohibition. They have paid for development and promulgation of regulations by the Federal Government, and they will pay for the States, and in some case the municipalities, to enforce the regulations and respond to the thousands of requests for exemptions. At best, a saving of one-fifth of 1 percent of natural gas usage will be realized through enforcement of section 402. As a Department of Energy witness stated at hearings before the Energy and Power Subcommittee, the gaslight provision "promises slight energy savings at potentially enormous bureaucratic and litigative costs."

This legislation will continue to encourage natural gas conservation through a provision which requires gas distribution companies to periodically inform customers of the costs of burning outdoor gaslights. The provision replaces the elaborate enforcement apparatus required by the Fuel Use Act with information which will allow the consumer to make an informed decision, rather than forcing him to choose between safety and compliance with the law.

I believe that the available data, combined with good judgment, clearly argue in favor of amending section 402. I urge my colleagues to join us in pressing for rapid passage of this legislation early in the 97th Congress.●

GAO AUDIT OF LEGISLATIVE ACCOUNTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, during the 96th Congress, there were numerous allegations about misconduct or abuse of funds by our colleagues in Congress. These charges, substantiated or not, have cast a shadow over the credibility of Congress in general. One very direct way I know of restoring public confidence in the honesty and integrity of elected officials is to let the Sun shine on official office accounts as provided for in legislation that I plan to reintroduce.

The Legislative Accounts Audit and Control Act, which I will introduce, requires an annual audit by the General Accounting Office of House Members' and committees' accounts. At the present time, every appropriation made by the Congress for any function of the Federal Government is subject to an annual audit by the GAO, except for the Congress of the United States. Our predecessors in the Congress established the GAO and required annual audits to insure that taxpayers' dollars were being properly spent.

In my view, the congressional exemption should never have been granted in the first place. While we cannot speak for the other body, we in the House have an obligation to the taxpayer to let him know how we expend public funds to run our individual offices and our committees. Certainly, it is not too much to ask that those who set policy and appropriate funds for other governmental functions be subject to scrutiny on how they will spend over $1.3 billion in tax dollars in 1981 to carry out the legislative function.

Therefore, my bill would require the GAO to perform an audit of any expenditures or financial transactions of each Member, officer, or standing committee of the House of Representatives involving disbursements from the contingent fund of the House during calendar years 1977, 1978, 1979, and 1980, such audit to be completed within 9 months. Beyond that, my bill would require, beginning with calendar year 1979 and each calendar year thereafter, an annual GAO audit to be completed no later than 3 months following the close of the calendar year. Upon completion of any audit, the Comptroller General would transmit a report to the Speaker of the House with respect to the results of such audit and any such report would be available to the public for inspection and copies furnished upon request for a reasonable charge.

More than ever, Government, and certainly Congress, is being held up to public scrutiny. We resolved in the 95th Congress to open up our personal finances to public view. I can think of no reason for not letting the taxpayers see how their public moneys are being used.●

STATEMENT TO ACCOMPANY NATIONAL GUARD/RESERVE BILLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 10 minutes.

● Mr. BEDELL. Mr. Speaker, despite their essential role in meeting combat readiness goals, our National Guard and Reserve units continue to suffer from inadequate funding.

This problem is critical because of the reliance that our active Armed Forces place on the Reserve units. In the Army alone, Reserves provide 90 percent of combat reinforcements, 65 percent of deploying units, 60 percent of support forces, and 53 percent of combat troops. Moreover, our defense strategists rely in their war plans on sending into battle all 8 of the National Guard's combat divisions, along with 20 of the Guard's infantry brigades. In the event of a Soviet invasion of Western Europe, the Army National Guard is expected on the front lines within 30 days, with its total 351,000 troop level in battle within 90 days. The Air National Guard, with 94,000 members and 1,500 planes, would have a similar mission.

Nevertheless, only $1.6 billion, or little more than 5 percent of the total defense budget goes to maintaining the National Guard and Reserve. As a result, our Reserve units suffer from chronic shortages of manpower and modern equipment.

The crucial problem undermining the Reserve contribution to readiness is a consistent inability to meet maximum authorized manpower levels. After 1973, when elimination of the draft erased the key incentive to Reserve enlistment, recruitment declined rapidly. At the same time, however, the All-Volunteer Force was founded on a "total force concept," which declared an integration of the Active and Reserve components into one unified fighting force.

Now, despite modest gains since 1979, manpower strength remains critically low. Specifically, the total Reserve force lags at only 85 percent of its authorized level. Of the six major components, Army National Guard, Army Reserve, Air National Guard, Air Force Reserve, Navy Reserve, and Marine Corps Reserve, only the Air National Guard is at full strength. On the other hand, the Army National Guard, with 3,368 units scattered in 2,600 cities, is nearly 68,000 short, while the smaller Army Reserve is over 73,500 short. The Army Reserve, in effect, is at 72 percent strength; the Army National Guard at 82 percent strength.

Fortunately, the Army has taken several steps in recent years to attract more Reserve volunteers. Reserve-recruiting chores are now being handled by regular Army recruiters, who can offer the option of either Active or Reserve service. Cash bonuses are being given to volunteers for joining and reenlisting in high priority Reserve units slated for early deployment. Most recently, the Pentagon began offering a $600 bonus to veterans who reenlist for 3 years after finishing their regular military service obligations.

Nonetheless, I believe it is time that we, as Members of Congress, face up to the problems that remain. Studies have shown that those who join the Guard or Reserves do so because of additional income, social ties, variety from civilian life, opportunities to learn new skills, promotion possibilities, and retirement benefits. In addition, at meetings in my district with National Guard and Reserve representatives, a number of changes and proposals were discussed that would help correct the very real problems regarding manpower strength. Of particular importance were proposals to provide retention incentives and to spur recruiting.

As a result, I am today introducing a package of three bills aimed at improving the Reserve component strength levels. First is a bill to reduce from 60 to 55 the age at which a member of the Armed Forces may retire for nonregular service, providing means by which there is no additional cost to the Government. I believe that this will help provide these individuals and their families with a quality of life commensurate with the sacrifices we demand of them.

The second bill provides a refundable tax credit to employers for supplementary payments to employees who participate in Armed Forces training missions. This will help insure that Guard and Reserve members are not financially penalized for attendance at summer camp. This proposed change should unquestionably improve recruiting and retention. There are more than 100,000 Federal employees out of an 817,000 total Guard and Reserve force. Many of these employees are

willing to serve because of the fully paid leave policy that the Federal Government provides for participation in military training.

The third bill would amend the Higher Education Act of 1965 to increase by $500 the eligibility of Guard and Reserve members for basic educational opportunity grants. Current law provides for forgiveness of some portion of a student loan for persons service on active duty in combat. the House of Representatives recently changed the Higher Education Act to forgive a portion of student loan for active or reserve enlisted service. This bill would provide an additional educational assistance recruiting incentive.

Mr. Speaker, any realistic solution to the problems of the currently structured All-Volunteer Force must alleviate the manpower shortage. The bills that I am introducing today are an important step in the right direction of insuring that our National Guard and Reserve components have the manpower to meet our national defense goals. They are also an important step in doing our utmost to make the All-Volunteer Force concept succeed. We must continue to evaluate our military personnel policies and search for solutions that will provide the programs needed to halt manpower losses and to overcome existing shortfalls. I urge my colleagues in the House to join with me in seeing that the personnel needs of our military are met. The choice confronting us is simple: either we provide the resources necessary to recruit and retain skilled people or we settle for a military less ready and ill-prepared to respond to our future security and defense needs.●

VETERANS' EDUCATIONAL ASSISTANCE ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, I am introducing a bill today which proposes to establish a veterans' education and training assistance program for certain individuals serving in the Armed Forces.

Since the enactment of the Servicemen's Readjustment Assistance Act of 1944—the World War II GI bill—all who have served satisfactorily in the Armed Forces since the beginning of World War II have been provided entitlement to educational assistance following their discharge or release from active duty.

By way of background, the Congress has authorized three separate GI bills. The World War II GI bill terminated on July 25, 1956. The Korean GI bill terminated on January 31, 1965. The Vietnam GI bill, which includes all who served between January 31, 1955, and December 31, 1976, is scheduled to terminate on December 31, 1989. For those who have served after December 31, 1976, the Congress established the veterans' educational assistance program (VEAP), a voluntary contributory assistance program. The VEAP program is a 5-year pilot program under which there will be no enrollments after December 31, 1981, unless the President recommends that the program continue.

I have heard a number of statements attributed to President Reagan which indicated that he was in favor of reinstating the GI bill for persons serving in the Armed Forces. In that regard, I do know that the President told delegates to the American Legion convention held in Boston, Mass., on August 20, 1980:

> We must provide the resources to attract and retain superior people in each of the services. We should take steps immediately to restore the GI bill, one of the most effective, equitable and socially important programs ever devised. In short, our country must provide these persons and their families with a quality of life that is equivalent to the sacrifices they make on our behalf.

Therefore, Mr. Speaker, we would expect that budget amendments to be submitted by President Reagan will have a provision for the restoration of the GI bill for active duty personnel in the Armed Forces, and that a recommendation for a veterans' educational assistance program will be a part of President Reagan's legislative program for fiscal year 1982.

Mr. Speaker, none of the three GI bills were identical. In fact the provisions of each of the GI bill programs and the VEAP program are distinct, having been developed at a different time and period in our history to reflect the needs and philosophy of the period in which the programs were approved.

The bill I am introducing today responds to the concerns expressed by many Members of Congress and the military services about the effectiveness of our Armed Forces and the capability of the military to attract and retain the quality of personnel it needs.

The All-Volunteer Force is confronted with major recruitment and retention problems which will be aggravated by the continuing decrease in the recruitment age population. For example, the Army was unable to fulfill its authorized strength in fiscal year 1979, failing to meet its goal by over 27,000, and difficulties in this regard continue.

Much publicity has been given to the failure of the Navy to carry out its mission because of acute personnel shortages. Members will recall that the Congress considered adding additional funds to reactivate an aircraft carrier and a battleship. The Navy, however, vetoed the idea due to a shortage of qualified personnel to man these vessels.

The Air Force also lacks personnel with critical skills. We are told there is a shortage of pilots in both the Navy and the Air Force, and it is estimated there will be an increase in the shortage of pilots, as well as navigators, during the next fiscal year.

So long as we have an All-Volunteer Force, we must continue to improve both the compensation and other benefits for persons serving in the military. As the Members know, I am strongly in favor of reinstituting compulsory military service. Since that is not the case, I believe that educational benefits for those serving in the military can play a vital role in attracting and retaining qualified military personnel, especially in areas where there are critical shortages.

The purposes of my bill are: First, to provide an education and training program to assist in the readjustment of veterans upon their discharge or separation from the Armed Forces; second, to enhance the recruitment of quality personnel for the Armed Forces; third, to encourage reenlistments for active duty service in the Armed Forces; and, fourth, to facilitate the retention of key personnel in critical positions.

To carry out these purposes, the proposed bill would authorize preservice educational assistance to certain individuals who agree to fulfill a tour of military service; provide a basic educational entitlement to certain individuals who serve an initial period of service; provide additional supplemental assistance for those who reenlist for an additional period of service; provide authority for individuals in critical positions to transfer their educational benefits to dependents, and extend the authorization to repay student loans as provided for in Public Law 96-342 for 2 additional years.

Military officers have openly discussed the problems the services are experiencing in meeting recruitment and retention goals not only for active duty personnel, but also for the Selected Reserve and National Guard. The proposed bill, therefore, addresses itself to some degree with the problems of both the Regular and Reserve Forces so far as recruitment and retention are concerned. In addition, the proposed bill authorizes the Secretary of Defense to increase benefits in a number of instances as deemed necessary or appropriate for recruitment or retention of persons in critical specialities in both the Regular and Reserve Forces.

Mr. Speaker, under the proposed bill, the basic educational assistance would be $250 per month for 1 month of active duty service for high school graduates or those with a general equivalency diploma or entering active service on or after October 1, 1981. Eligiblity for 36 months requires completion of 3 years continuous active duty or 2 years continuous active duty plus 4 years Selected Reserve or National Guard service. In addition to the basic rate, a person would be entitled to an additional $300 a month upon completion of 6 years of continuous active duty plus 8 years in the Selected Reserve or National Guard service.

A preservice educational program in the proposed bill authorizes the Secretary of Defense to enter into an agreement with an individual to permit such individual to complete or continue an education program prior to fulfilling his or her military obligation. Upon completion of the preservice educational program, the individual would be required to pay back 1 month of active duty service for 1 month of educational benefits, or 3 months of Selected Reserve or National Guard service for 1 month of educational benefits.

To enhance retention of persons in positions with critical specialties, the proposed bill would authorize the Secretary of Defense to allow the veteran to transfer his or her entitlement to educational benefits to a spouse or child for any person who has served on active duty for no less than 8 years and no more than 12 years. The spouse or child could attend school following the transfer of the entitlement so long as the person continues to serve on active duty or, in the case of a person who retires after serving a period of 20 years or longer, following the veteran's discharge or release from active duty.

The Department of Defense Authorization Act of 1981 authorizes the Secretary of Defense to provide a 1-year pilot test program for payment of Higher Education Act student loans by the Secretary of Defense. For the Reserve components, an outstanding Federal student loan of up to $500 and for enlisted members of the Armed Forces serving in certain military specialties up to $1,500 may be paid by the Secretary of Defense for each satisfactorily completed year of service. Under the proposed bill, this program would be extended 2 years, for a total of 3 years.

Last, the existing VEAP program for persons who have entered the Armed Forces after December 31, 1976, would no longer be available for those entering service after September 30, 1981. However, those currently participating in the VEAP program would be permitted to continue to contribute to the program.

There seems to be a general consensus that an education and training program for veterans serving in the Armed Forces, similar to previous education and training programs, is needed. These include representatives of the major veterans organizations, associations of retired military personnel, and representatives of the active duty military. There is some difference of opinion, however, on how this program should be funded. Some suggest the entire cost should be paid for by the Department of Defense. Others suggest the entire cost should be the responsibility of the Veterans' Administration.

The cost of my bill would be borne by both the Veterans' Administration and the Department of Defense. Since the program would be administered in its entirety by the Veterans' Administration, the administrative cost for the program would continue with the Veterans' Administration. This cost would not increase since the superstructure is already in place. The cost of the basic educational assistance payment of $250 a month, to all entering service with high school or general equivalency diplomas after the effective date of my bill will also be borne by the Veterans' Administration.

All other benefits to be provided by my bill, which includes the supplemental educational assistance, transfer of entitlement, preservice educational assistance program, and other provisions relating to the recruitment and retention of persons in critical positions, will be borne by the Department of Defense.

Under my proposal, no personnel will be eligible for educational benefits until after completion of at least 2 years of military service. Therefore, no funds will be required to implement this bill for fiscal years 1982 and 1983. It is expected that there will be a modest cost for the program in fiscal year 1984, with the maximum cost not occurring until the early 1990's.

Presently, for the academic year 1980-81, there will be some $10 billion not including veterans educational benefits in student aid available directly or indirectly for students. These education aid programs provide three different types of assistance; grants, loans and workstudy.

It is time we adjusted our educational priorities. It is my intention to bring to the attention of the Budget Committee that the highest priority of educational assistance should be veterans' educational programs, with the balance going to those who do not choose to serve in the Armed Forces. In other words, there does not have to be an increase in Federal outlays for educational assistance if my bill is enacted.

The proposed bill will be referred to our Subcommittee on Education, Training, and Employment. I would anticipate hearings on this, and similar proposals, in the near future, and would urge my colleagues in joining with me in cosponsoring this legislation.●

AMENDING THE POWERPLANT AND INDUSTRIAL FUEL USE ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

Mr. CORCORAN. Mr. Speaker, I am pleased today to join Mr. YOUNG of Missouri in introducing a bill which would amend section 402 of the Powerplant and Industrial Fuel Use Act in connection with allowing the owners of residential outdoor gaslights to retain service to those lights. The Fuel Use Act prohibits such use of natural gas as of January 1, 1982, and our legislation would remove that prohibition.

As one of the 134 cosponsors of similar legislation during the 96th Congress (H.R. 4576), I was pleased that the House of Representatives passed that legislation without dissent on December 13 of last year. House passage followed by 1 day a hearing on H.R. 4576 by the Energy and Power Subcommittee of the Interstate and Foreign Commerce Committee, of which I was a member. Mr. YOUNG of Missouri and I urge congressional support for this legislation.

Mr. Speaker, for the benefit of our colleagues, the text of the bill we are introducing today follows:

H.R. 1464

> A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to permit local distribution companies to continue natural gas service to residential customers for outdoor lighting fixtures for which natural gas was provided on the date of enactment of such Act, and for other purposes
>
> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 402(b)(1) of the Powerplant and Industrial Fuel Use Act of 1978 (Public Law 95-620) is amended—
>
> (1) by inserting "(other than any outdoor lighting fixture which was installed before the date of the enactment of this Act for use in connection with a residence and for which natural gas was being provided on such date of enactment)" after "use in outdoor lighting", and
>
> (2) in subparagraph (C), by striking out the dash and all that follows through "residence," and inserting in lieu thereof "any municipal outdoor lighting fixture".
>
> SEC. 2. Section 402 of such Act is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:
>
> "(f)(1) For the purpose of discouraging the use of natural gas for outdoor lighting, each local distribution company which is subject to subsection (a) or (b) shall, in accordance with rules promulgated by the Secretary—
>
> "(A) establish a reasonable and simple method, as determined by each such company, by which the company shall periodically inform its customers about the amount of natural gas consumed by outdoor lighting and the annual cost of such gas for such lighting; and

"(B) report to the Secretary the method established under subparagraph (A).

A company may establish a method which provides for reporting such information on the basis of estimates where actual information is not readily available.

"(2) The Secretary shall propose the rules referred to in paragraph (1) as promptly as possible after the date of the enactment of this subsection, and such rules shall take effect not later than the ninetieth day after they are proposed. In promulgating such rules, the Secretary shall, to the greatest extent feasible, consult with the appropriate regulatory authority of the States and the local distribution companies who will be subject to the rules.".

RULE TO BE REQUESTED ON LEGISLATION RELATING TO THE PUBLIC DEBT LIMITATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 10 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, on February 3, the House Committee on Ways and Means will hold hearings on the Reagan administration's recent recommendation to increase the public debt limitation. Since the Congress will only have a brief amount of time available to consider this matter, it will be my intention to consider the legislation in executive session on the afternoon of the hearing. At that time, it is likely that the committee will recommend that a rule be requested which is other than one allowing any germane amendments.

As a result, pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues that when this bill is reported from the committee, it is likely that the committee will seek a modified rule.

It is my intention that when the committee completes its work on this legislation, the report will be filed at the earliest opportunity, and we will request to be heard before the Committee on Rules as expeditiously as possible.

A copy of the press release announcing the hearing follows:

HON. DAN ROSTENKOWSKI, CHAIRMAN, COMMITTEE ON WAYS AND MEANS, ANNOUNCES PUBLIC HEARING ON TUESDAY, FEBRUARY 3, 1981, ON THE PUBLIC DEBT LIMITATION

The Honorable Dan Rostenkowski (D. Ill.), Chairman, Committee on Ways and Means, U.S. House of Representatives, today announced that the Committee on Ways and Means will conduct a morning public hearing on Tuesday, February 3, 1981, beginning at 10:00 a.m., in Room 1100, Longworth House Office Building, the Main Committee Hearing Room, on the Administration's recent request for an increase in the public debt ceiling. It is expected the Committee will then immediately follow the public hearing by a markup session that afternoon.

The present debt limitation under the Second Liberty Bond Act, as amended, consists of a permanent ceiling of $400 billion, and a temporary additional limitation, effective through September 30, 1981, of $535.1 billion, resulting in a combined permanent and temporary limitation of $935.1 billion. The current level of Federal debt subject to the ceiling is approximately $931.8 billion (as of January 26, 1981). The Reagan Administration has requested, in a letter to the Chairman from the Secretary of the Treasury dated January 26, 1981, that the amount of the temporary combined limitation be increased to $985 billion.

The Administration witnesses will be officials from the Department of the Treasury and the Office of Management and Budget, to be followed by testimony from the general public requesting to be heard.

The cutoff date for requests to be heard is no later than noon, Monday, February 2, 1981. Requests to be heard should be made by telephone to John J. Salmon, Chief Counsel, Committee on Ways and Means, Room 1102 Longworth House Office Building, Washington, D.C. 20515, (202) 225-3625. Notification to those scheduled to appear will be made by telephone as soon as possible after the filing deadline.

Persons scheduled to appear must submit 100 copies of their prepared statement to the Committee office, Room 1102 Longworth House Office Building, on the day before the hearing. An additional supply may be furnished for distribution to the press and public. For those who wish to file a written statement for the record of the hearing, five copies would be required for this purpose and will be accepted until noon on Tuesday, February 3.●

MARVIN L. STONE RECEIVES AWARD IN PHILADELPHIA

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, on January 18, 1981, at the Chapel of the Four Chaplains in Philadelphia, a special vesper service was held honoring one of America's most distinguished journalists, Marvin L. Stone, editor in chief of the weekly news magazine, U.S. News & World Report.

Dr. Walter H. White, senior chaplain in the chapel since its inception, presented to Mr. Stone the chapel's highest award, the Bronze Medallion for Distinguished Service.

Sponsoring Mr. Stone were Lucien Katzenberg, a trustee of the chapel and a leading businessman who has devoted much time to advancing the work of the chapel, Mr. John L. Koenig, an energy public affairs consultant who, as a chapel trustee, has been instrumental in bringing to the chapel some of America's outstanding leaders, and Dr. Karl Bennet Justus, executive director emeritus of the Military Chaplains Association, who since retirement from that organization has served as a consultant to the chapel.

The approach of the 38th anniversary of the February 3, 1943, sinking of the troopship *Dorchester* is a fresh reminder that the most dramatic, unforgettable example of brotherhood unfolded on the storm-tossed deck of that torpedoed ship when Chaplains George L. Fox, John P. Washington, Alexander D. Goode, and Clark V. Poling gave their lifejackets to frightened young soldiers. Then, in a picture that cannot fade from memory, those brave clergymen, two Protestants, a Catholic priest, and a Jewish rabbi, locked arms, joined in prayer and went down with the vessel. As long as time shall last, this dramatic event will be the greatest example of true brotherhood, for truly, "this was their finest hour" as they laid down their lives for their friends.

In accepting the Legion of Honor Bronze Medallion, Mr. Stone's response was characterized by a keen editorial insight into the times in which we live. In part, he said:

The Four Chaplains that we honor sacrificed their lives during World War II, almost forty years ago, while on a mission many of us embarked on—to preserve against sinister forces a way of life in this nation, indeed, to preserve it throughout this world. One might pause a moment and ask what these four men would think of this world today—for it has become a far different world in the past four decades. And what would have been their counsel to us?

Perhaps they would agree that seldom in the course of human events has the spirit of brotherhood been more sorely tried than it is now. We live not only in a divided world but in a divided nation.

Abroad we have not just the Communist East against the non-Communist West. We have, in the Middle East, not only Moslem against Jew, but Moslem against Moslem and Moslem against Christian. In Ulster it is Catholic against Protestant; in South Africa black against white. . . .

The problems we face today are of a nature that tend to divide our people rather than unite them. . . . All across this country, special interest groups are growing, not only in numbers but in influence. Each group is out to get special advantage for itself. These are wedges that are splintering our society. In this push and pull of competing special interests, the really important interest—that of the nation as a whole—is all too often ignored. What kind of brotherhood is this? Is it going to take another World War to revive the kind of dedication and selflessness that motivated those four chaplains to give up their own life jackets and go down with the sinking *Dorchester* in World War II?

I believe that the counsel of the Four Chaplains would not be far from what I am about to say in conclusion:

Certainly we have the intelligence to understand that we are going through one more profound social revolution in this country. The challenge is to preserve the best of the past and embrace the good in the new. But it will take wise leadership to define and inspire a common purpose, and desire by the rest of us to pursue it. We have lost our innocence in the years since World War II. We have been through a lot, and will be forced to endure a lot more—but adversity may bring us back together where affluence could not. . . .

We all have a strong obligation to think about these things if we are to survive and grow as a healthy nation. We should have no illusions about the difficulty of making a comeback in the 1980s. But it can happen, if we want badly enough to make it happen.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GINGRICH) to revise and extend their remarks and include extraneous matter:)

Mr. HARTNETT, for 5 minutes, today.
Mr. SAWYER, for 5 minutes, today.
Mr. JEFFORDS, for 5 minutes, today.

At the request of Mr. HARTNETT, Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. DYSON) to revise and extend their remarks and include extraneous matter:)

Mr. BINGHAM, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. YOUNG OF MISSOURI, for 5 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. BEDELL, for 10 minutes, today.
Mr. FORD of Tennessee, for 5 minutes, today.
Mr. MONTGOMERY, for 5 minutes, today.
Mr. ROSTENKOWSKI (at the request of Mr. GONZALEZ), for 10 minutes today, to revise and extend his remarks and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GINGRICH) and to include extraneous matter:)

Mr. BROOMFIELD.
Mr. PETRI.
Mr. THOMAS.
Mr. GREEN.
Mr. MCCLOSKEY.
Mr. LEBOUTILLIER.
Mr. LAGOMARSINO.
Mr. SHUMWAY in two instances.
Mr. GILMAN in three instances.
Mr. WHITEHURST.
Mr. CONABLE in three instances.
Mr. HOPKINS.
Mr. PAUL.
Mr. FRENZEL in five instances.
Mr. COUGHLIN.
Mr. COLLINS of Texas in two instances.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. BRODHEAD in two instances.
Mr. WEISS in five instances.
Mr. STOKES.
Mr. EDWARDS of California.
Mr. BEILENSON.
Mr. STARK.
Mr. DORGAN OF NORTH DAKOTA.
Mr. ROSENTHAL in two instances.
Mr. GAYDOS.
Mr. MILLER of California.
Mr. HAMILTON.
Mr. DIXON.
Mr. LONG of Maryland.
Mr. HOWARD.
Mr. PEYSER.
Mr. NOWAK in three instances.
Mr. HEFNER.
Mr. ROE.
Mr. PATTERSON.
Mr. MAZZOLI.
Mr. OTTINGER.
Mr. MINETA.
Mr. ROSE.
Mr. LEHMAN.
Mr. SIMON in two instances.
Mr. FARY.
Mr. LUNDINE.
Mr. SHELBY.
Mr. DASCHLE in three instances.
Mr. PEASE.
Mr. BAFALIS.
Mr. FAZIO.
Mr. ATKINSON in two instances.
Mr. ROSTENKOWSKI in two instances.
Mr. MINISH.
Mr. BEREUTER.
Mr. BOWEN, to revise and extend his remarks, immediately following Mr. COLLINS of Texas on his special order.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 35 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, January 29, 1981, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

410. A letter from the Acting Assistant Secretary of the Army (Installation, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the motor vehicle maintenance activity at Fort Shafter, Hawaii, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

411. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Grissom Air Force Base, Ind., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

412. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Dyess Air Force Base, Tex., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

413. A letter from the Secretary of Education, transmitting proposed final regulations to implement amendments to title I of the act of September 30, 1950, applying to local educational agencies claiming entitlements based on the number of children residing on Indian lands, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

414. A letter from the Acting Director, ACTION Agency, transmitting final regulations implementing restrictions on certain volunteer activity related to the use of appropriated funds in connection with electoral and lobbying activities, pursuant to section 420(d) of the Domestic Volunteer Service Act of 1972, as amended; to the Committee on Education and Labor.

415. A letter from the Acting Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance audit reports or project completion reports prepared by the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

416. A letter from the Acting Chairman, Board for International Broadcasting, transmitting the seventh annual report of the Board, together with its review and evaluation of the operation and mission of Radio Free Europe/Radio Liberty, covering fiscal year 1980, pursuant to section 4(a)(8) of Public Law 93-129, as amended; to the Committee on Foreign Affairs.

417. A letter from the General Counsel, Council on Wage and Price Stability, Executive Office of the President, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

418. A letter from the Chairman, Federal Mine Safety and Health Review Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

419. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during December 1980, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

420. A letter from the Acting Assistant Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting notice of the designation of a marine sanctuary in certain waters around the Point Reyes-Farallon Islands area off the coast of California, pursuant to section 302(h) of the Marine Protection, Research and Sanctuaries Act of 1972, as amended (94 Stat. 1058); to the Committee on Merchant Marine and Fisheries.

421. A letter from the Acting Assistant Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting notice of the designation of a marine sanctuary in certain waters in the lower Florida Keys, pursuant to section 302(h) of the Marine Protection, Research and Sanctuaries Act of 1972, as amended (94 Stat. 1058); to the Committee on Merchant Marine and Fisheries.

422. A letter from the Acting Assistant Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting notice of the designation of a marine sanctuary in certain

waters around Gray's Reef off the coast of Georgia, pursuant to section 302(h) of the Marine Protection, Research and Sanctuaries Act of 1972, as amended (94 Stat. 1058); to the Committee on Merchant Marine and Fisheries.

423. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Hydroelectric Power Study, Raystown Lake, Pa., in partial response to a resolution of the House Committee on Public Works adopted April 11, 1974; to the Committee on Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON:

H.R. 1353. A bill making additional appropriations to the Secretary of Health and Human Services for the National Institutes of Health to carry out research with respect to lupus erythematosus; to the Committee on Appropriations.

H.R. 1354. A bill to amend section 301(3) of title 38, United States Code, so as to include lupus erythematosus among the chronic diseases; to the Committee on Veterans' Affairs.

By Mr. ASPIN:

H.R. 1355. A bill to provide for continuing appropriations for salaries of officials and employees of the United States and former officials and employees of the United States when funds are not available for such salaries; to the Committee on Post Office and Civil Service.

H.R. 1356. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ATKINSON (for himself, and Mr. BAILEY of Pennsylvania):

H.R. 1357. A bill to amend the Clean Air Act to prohibit the Environmental Protection Agency from requiring motor vehicle inspection and maintenance before January 1, 1986, and to provide for the separate testing of new motor vehicles to insure that such vehicles comply with emission standards before the time of their sale by the manufacturer, and for other purposes; to the Committee on Energy and Commerce.

H.R. 1358. A bill to amend the Clean Air Act to prohibit the Environmental Protection Agency from requiring motor vehicle inspection and maintenance until such time as each new motor vehicle is required to be separately tested for compliance with emission standards, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BEDELL:

H.R. 1359. A bill to amend title 10, United States Code, to reduce from 60 to 55 the age at which a member of the Armed Forces may retire for nonregular service and to provide that the retired pay of such a member retiring before the age of 60 shall be reduced in a manner determined by the Secretary of Defense; to the Committee on Armed Services.

H.R. 1360. A bill to amend the Higher Education Act of 1965 to increase the eligibility of members of the military Reserves and of the National Guard for basic educational opportunity grants by $500; to the Committee on Education and Labor.

H.R. 1361. A bill to amend the Internal Revenue Code of 1954 to provide a refundable tax credit to an employer who pays compensation to an employee for a period during which the employee is participating in Armed Forces training; to the Committee on Ways and Means.

By Mr. BEDELL (for himself, Mr. HALL of Ohio, Mrs. SNOWE, Mr. TAUKE, Mr. ATKINSON, Mr. AUCOIN, Mr. BAILEY of Pennsylvania, Mr. BARNES, Mr. CLAY, Mr. COELHO, Mr. CONTE, Mr. D'AMOURS, Mr. DELLUMS, Mr. EDGAR, Mr. ERDAHL, Mr. FAZIO, Mr. FLORIO, Mr. FORSYTHE, Mr. HANSEN of Idaho, Mr. HARKIN, Mr. HOLLENBECK, Mr. HOWARD, Mr. JOHNSTON, Mr. KASTENMEIER, Mr. KILDEE, Mr. KOGOVSEK, Mr. LOWRY of Washington, Mr. MILLER of California, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MURPHY, Mr. NOWAK, Mr. OBERSTAR, Mr. PEPPER, Mr. RAHALL, Mr. RICHMOND, Mr. ROSE, Mr. SEIBERLING, Mr. ST GERMAIN, Mr. STARK, Mr. SWIFT, Mr. VENTO, Mr. WEISS, and Mr. WHITEHURST):

H.R. 1362. A bill to amend the Small Business Act to provide special loan guarantees to small business concerns for the acquisition of motor fuel service stations, to require the divorcement of such stations from operation by certain producers and refiners of motor fuels, to control sales by producers and refiners of motor fuels, and for other purposes; jointly, to the Committees on Small Business and Energy and Commerce.

By Mr. COLLINS of Texas:

H.R. 1363. A bill to amend the Internal Revenue Code of 1954 to exempt incremental tertiary oil from the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. CONABLE (for himself, Mr. BRODHEAD, and Mr. FRENZEL):

H.R. 1364. A bill to amend the Internal Revenue Code of 1954 to adjust provisions governing private foundations; to the Committee on Ways and Means.

By Mr. CORRADA:

H.R. 1365. A bill to amend the Social Security Act to increase the dollar limitations and Federal medical assistance percentages applicable to the medicaid programs of Puerto Rico, the Virgin Islands, and Guam; to the Committee on Energy and Commerce.

H.R. 1366. A bill to provide that certain judicial pleadings and proceedings in the Commonwealth of Puerto Rico may be conducted in the Spanish language, and for other purposes; to the Committee on the Judiciary.

H.R. 1367. A bill to amend title 38, United States Code, to provide a service pension for veterans of World War I who have annual incomes of less than $10,000 and for certain surviving spouses and dependent children of veterans of World War I; to the Committee on Veterans' Affairs.

H.R. 1368. A bill to amend the Social Security Act to provide that Federal assistance to Puerto Rico, the Virgin Islands, and Guam under the aid to families with dependent children, child welfare, and social services programs shall be furnished on the same basis (under the same formula and without specific dollar ceilings) as in the case of other States, and to amend section 228 of such act to extend to Puerto Rico, the Virgin Islands, and Guam the program of special benefits at age 72 for certain uninsured individuals; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 1369. A bill to create a Federal Disaster Insurance Corporation to insure the people of the United States against losses due to major natural disaster, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1370. A bill to provide that no relocation payments made under the Uniform Relocation Assistance Act shall be paid to persons who are unlawfully present in the United States; to the Committee on Public Works and Transportation.

By Mr. DANIELSON (for himself and Mr. KINDNESS):

H.R. 1371. A bill to amend section 12 of the Contract Disputes Act of 1978; to the Committee on the Judiciary.

By Mr. DANIELSON (for himself and Mr. MATSUI):

H.R. 1372. A bill to amend chapter 44 of title 18 of the United States Code to penalize the use of a cutting or stabbing weapon in the commission of a felony, and to increase the penalties for the use of firearms in the commission of a felony; to the Committee on the Judiciary.

By Mr. DASCHLE (for himself, Mr. FITHIAN, Mr. DORGAN of North Dakota, and Mr. BEREUTER):

H.R. 1373. A bill to terminate the grain embargo imposed upon the shipment of U.S. grain to the Soviet Union in January 1980; to the Committee on Foreign Affairs.

By Mr. DASCHLE:

H.R. 1374. A bill to provide that Federal rights-of-way may be issued for coal pipelines utilizing groundwater only where affected States have approved such utilization, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DOWNEY:

H.R. 1375. A bill to amend the Internal Revenue Code of 1954 with respect to the deduction, by certain financial institutions, of interest paid on deposits of public funds where those deposits are secured by tax-exempt obligations; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 1376. A bill to amend title 18 of the United States Code to prohibit certain damage to, and theft of property used for religious purposes, and for other purposes; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 1377. A bill to amend the Internal Revenue Code of 1954 to encourage small business capital formation; to the Committee on Ways and Means.

H.R. 1378. A bill to amend the Internal Revenue Code of 1954 to clarify the definition of specially defined energy property for purposes of the investment tax credit; to the Committee on Ways and Means.

H.R. 1379. A bill to amend the Internal Revenue Code of 1954 with respect to employee stock ownership plans; to the Committee on Ways and Means.

H.R. 1380. A bill to amend the Internal Revenue Code of 1954 to make permanent the provisions relating to the funding of employee stock ownership plans through the investment tax credit, to provide a credit against tax for contributions to an employee stock ownership plan based upon wages as an alternative to that based on investment in equipment, and for other purposes; to the Committee on Ways and Means.

H.R. 1381. A bill to amend the Internal Revenue Code of 1954 to provide that no gain or loss will be recognized in the case of transfers of a principal residence in divorce

or legal separation proceedings; to the Committee on Ways and Means.

H.R. 1382. A bill to amend the Internal Revenue Code of 1954 to permit heads of households to use the standard deduction used by married persons; to the Committee on Ways and Means.

H.R. 1383. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for use of their vehicles on Government business; to the Committee on Ways and Means.

H.R. 1384. A bill to amend the Internal Revenue Code of 1954 to allow the tax-exempt status of the interest of certain life insurance accounts to flow through to policyholders; to the Committee on Ways and Means.

H.R. 1385. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee on Ways and Means.

H.R. 1386. A bill to amend the Internal Revenue Code of 1954 to exempt from tax gain from the sale of an individual's principal residence; to the Committee on Ways and Means.

H.R. 1387. A bill to amend the Internal Revenue Code of 1954 to make certain changes in the tax treatment of private foundation; to the Committee on Ways and Means.

H.R. 1388. A bill to amend the Internal Revenue Code of 1954 to provide a maximum individual income tax rate of 50 percent; to the Committee on Ways and Means.

H.R. 1389. A bill to amend the Internal Revenue Code of 1954 relating to group-term life insurance purchased for employees; to the Committee on Ways and Means.

H.R. 1390. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 1391. A bill to amend the Internal Revenue Code of 1954 with respect to the valuation of bank holding company assets for the purpose of determining the amount certain private foundations are required to distribute; to the Committee on Ways and Means.

H.R. 1392. A bill to amend title XVIII of the Social Security Act for the purpose of authorizing the President to enter into agreements establishing reciprocal arrangements between the medicare program and similar programs of any foreign country; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. FUQUA:

H.R. 1393. A bill to amend titles 14 and 38, United States Code, to provide veterans' benefits to temporary members of the U.S. Coast Guard Reserve, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Veterans' Affairs.

By Mr. FUQUA (for himself and Mr. HUTTO):

H.R. 1394. A bill to provide for a Veterans' Administration outpatient clinic at an appropriate location in northwest Florida; to the Committee on Veterans' Affairs.

By Mr. GEPHARDT:

H.R. 1395. A bill to provide that an advisory referendum be conducted as part of each general election to give voters an opportunity to express their views on certain issues of national importance; jointly, to the Committees on House Administration and Rules.

By Mr. GRADISON:

H.R. 1396. A bill to provide that the retroactive change in method of accounting for life insurance companies which is permitted by Revenue Procedure 78-6 may be made for certain closed taxable years; to the Committee on Ways and Means.

By Mr. GREEN:

H.R. 1397. A bill to encourage savings and capital formation by offering a bonus payment to modest-income people who purchase certain savings certificates or make certain investments; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEHMAN:

H.R. 1398. A bill to amend title 5, United States Code, to provide that any Federal employee who, at the time of retirement, does not elect a reduced annuity in order to provide a survivor annuity to a spouse or other person may make such an election within 1 year after retiring; to the Committee on Post Office and Civil Service.

By Mr. LEVITAS:

H.R. 1399. A bill to require the Comptroller General of the United States to carry out audits of expenditures and financial transactions of Members, officers, and standing committees of the House of Representatives; to the Committee on House Administration.

By Mr. MONTGOMERY (for himself, Mr. HAMMERSCHMIDT, Mr. WHITE, Mrs. HOLT, Mr. AUCOIN, and Mr. HARTNETT):

H.R. 1400. A bill to amend title 38, United States Code, to establish new educational assistance programs for veterans and for members of the Armed Forces; jointly to the Committee on Veterans' Affairs and Armed Services.

By Mr. LOWRY of Washington:

H.R. 1401. A bill to amend the Internal Revenue Code of 1954 to allow each individual to exclude $1,000 of interest on savings, and to deny the deduction for interest paid or incurred with respect to credit extended through the use of credit cards; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 1402. A bill to authorize equalization of the retired pay of certain members and former members of the uniformed services; to the Committee on Armed Services.

H.R. 1403. A bill to provide that members of all commissions, councils, and similar bodies in the executive branch of the Government appointed from private life shall serve without any remuneration for their services other than travel, subsistence, and other necessary expenses; to the Committee on Post Office and Civil Service.

H.R. 1404. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for each barrel of oil or bitumen produced from the several rock types variously know as "tar sand", "bitumen rocks", "oil impregnated rocks", "oil sand and rock asphalt", from which oil is not recoverable in its natural state by oil well production methods including currently used enhanced oil recovery techniques; to the Committee on Ways and Means.

By Mr. LUJAN (for himself, and Mr. GUARINI):

H.R. 1405. A bill to amend the Railroad Retirement Act of 1974 with respect to benefits payable to certain individuals who on December 31, 1974, had at least 10 years of railroad service and also were fully insured under the Social Security Act; to the Committee on Energy and Commerce.

By Mr. McCLOSKEY:

H.R. 1406. A bill to amend the Atomic Energy Act of 1954 to modify certain provisions relating to restricted data, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1407. A bill to amend the Voting Rights Act of 1965 to limit certain aspects of its coverage for other than racial groups; to the Committee on the Judiciary.

By Mr. McKINNEY:

H.R. 1408. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to reduce from 30 to 7 legislative days the period for congressional review of acts of the Council of the District of Columbia which do not involve a Federal interest, to allow such acts to take effect during a congressional recess or adjournment, to repeal the authority of the Council of the District of Columbia to enact temporary emergency legislation, and for other purposes; to the Committee on the District of Columbia.

By Mr. MARRIOTT:

H.R. 1409. A bill to amend section 21 of the act of February 25, 1920, commonly known as the Mineral Leasing Act; to the Committee on Interior and Insular Affairs.

H.R. 1410. A bill to amend the Internal Revenue Code of 1954 with respect to the deduction of certain expenses in connection with the business use of homes and the rental of residences to family members; to the Committee on Ways and Means.

By Mr. MINISH:

H.R. 1411. A bill to amend title IV of the Higher Education Act of 1965 to provide for the exchange of information concerning defaulting student borrowers with credit bureau organizations to promote responsible repayment of Federal student loans; to the Committee on Education and Labor.

H.R. 1412. A bill to authorize the Secretary of Energy to enter into a cooperative arrangement with the State of New Jersey respecting radium pollution in that State; to the Committee on Interior and Insular Affairs.

H.R. 1413. A bill entitled: "The Handgun Crime Control Act of 1981"; to the Committee on the Judiciary.

H.R. 1414. A bill to grant immigrant visas to certain nationals of Italy who were victims of earthquakes which occurred on or about November 23, 1980, in Italy; to the Committee on the Judiciary.

H.R. 1415. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Ways and Means.

H.R. 1416. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 1417. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to residential users of refined petroleum products; to the Committee on Ways and Means.

H.R. 1418. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the personal exemptions from $1,000 to $1,200; to the Committee on Ways and Means.

H.R. 1419. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 1420. A bill to increase alternatives to institutionalization for senior citizens; jointly, to the Committees on Energy and Commerce and Ways and Means.

H.R. 1421. A bill to establish an Energy Company of America, and for other purposes; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, Science and Technology, and Ways and Means.

By Mr. MURTHA:

H.R. 1422. A bill to allow certain interest costs to be reimbursable under the Disaster Relief Act of 1974 in the case of grants to victims of the Johnstown flood; to the Committee on Public Works and Transportation.

By Mr. NOWAK:

H.R. 1423. A bill to amend the Internal Revenue Code of 1954 to increase to $15 million the exemption for certain small issues from treatment as industrial development bonds; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 1424. A bill to amend the Federal Food, Drug, and Cosmetic Act so as to require that in the labeling and advertising of drugs sold by prescription the "established name" of such drug must appear each time their proprietary name is used, and for other purposes; to the Committee on Energy and Commerce.

H.R. 1425. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act and to otherwise require the labels on foods and food products to disclose all of their ingredients and any changes in their ingredients, their nutritional content, accurate weight data, storage information, their manufacturers, packers, and distributors, and their unit prices and to provide for uniform product grading and prohibit misleading brand names; to the Committee on Energy and Commerce.

H.R. 1426. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from the highway use tax in the case of certain trucks and other vehicles which are used primarily for hauling unprocessed farm and forest products from their place of production to market or mill; to the Committee on Ways and Means.

H.R. 1427. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

H.R. 1428. A bill to amend the Social Security Act to provide for inclusion of the services of licensed registered nurses under medicare and medicaid; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. OTTINGER:

H.R. 1429. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits, and for other purpose; to the Committee on Ways and Means.

By Mr. PEASE:

H.R. 1430. A bill to expedite the decision-making process with respect to the siting of new coal-fired powerplants and to provide, where possible, that such plants be located in the general area where the energy is to be distributed; to the Committee on Energy and Commerce.

H.R. 1431. A bill to amend the Clean Air Act to encourage owners of coal-fired powerplants to utilize new technologies for pollution control and to establish an emissions charges and rebate plan; to the Committee on Energy and Commerce.

By Mr. PETRI:

H.R. 1432. A bill to amend part A of title IV of the Social Security Act to reduce from six to three the maximum age of a child on account of whom a mother or other caretaker relative receiving aid to families with dependent children may claim an exemption from registration under the WIN program; to the Committee on Ways and Means.

By Mr. PRICE:

H.R. 1433. A bill to authorize the Secretary of the Interior to enlarge the Jefferson National Expansion Memorial National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1434. A bill for the relief of the State Community College of East St. Louis; to the Committee on the Judiciary.

H.R. 1435. A bill to permit credit for civil service retirement purposes and in computing length of service for purposes of determining leave, health insurance, severance pay, tenure, and status in the case of certain individuals who performed National Guard technician service before January 1, 1969; to the Committee on Post Office and Civil Service.

By Mr. ROSTENKOWSKI:

H.R. 1436. A bill to amend the Public Health Act to provide that enrollment increases made by schools of medicine to receive assistance from the Veterans' Administration shall not be considered in determining if the schools have met the first-year enrollment requirements for capitation grant assistance under title VII of such act; to the Committee on Energy and Commerce.

By Mr. SAWYER:

H.R. 1437. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H.R. 1438. A bill to amend the Federal Railroad Safety Act of 1970 to direct the Secretary of Transportation to issue regulations requiring that the locomotive and rear car of all passenger, freight, and commuter trains have bulletproof glass and equipment capable of providing controlled temperatures; to the Committee on Energy and Commerce.

H.R. 1439. A bill to require the Federal Bureau of Investigation to classify the offense of arson as a part I offense for purposes of the uniform crime reporting program and the uniform crime reports for the United States; to the Committee on the Judiciary.

H.R. 1440. A bill to amend title 18 of the United States Code to provide penalties for certain activities relating to the taking of children by parents from legal custodians; to the Committee on the Judiciary.

H.R. 1441. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

H.R. 1442. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 1443. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his spouse, or for his dependents, and to provide that such credit is refundable; to the Committee on Ways and Means.

By Mr. SAWYER (for himself and Mr. LUNGREN):

H.R. 1444. A bill to amend section 924(c) (relating to mandatory penalties for certain felonies committed with firearms) of title 18 of the United States Code to change the sentencing structure for offenses under such section, to eliminate parole for such offenses, and to make specific the exclusion of certain felonies from the groups of felonies to which such section applies; to the Committee on the Judiciary.

By Mr. SAWYER:

H.R. 1445. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for dividends paid by domestic corporations; to the Committee on Ways and Means.

By Mr. SHELBY:

H.R. 1446. A bill to change the name of the China Bluff Access Area being constructed by the Army Corps of Engineers as part of the Tennessee-Tombigbee Waterway near Warsaw in Sumter County, Ala., to the "S. W. Taylor Memorial Park"; to the Committee on Public Works and Transportation.

By Mr. SKELTON:

H.R. 1447. A bill to amend the Commodity Credit Corporation Charter Act to establish a revolving fund to finance short-term export credit sales of agricultural commodities produced in the United States; to the Committee on Agriculture.

By Mrs. SMITH of Nebraska:

H.R. 1448. A bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related parties and on deferred in the case of certain sales of property; to the Committee on Ways and Means.

By Mr. STRATTON:

H.R. 1449. A bill to stabilize prices, rents, wages, salaries, profits, dividends, interest rates, and other economic transfers; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1450. A bill to amend the Economic Stabilization Act of 1970 to establish an Economic Stabilization Board, to stabilize prices, wages, rents, and interest rates at levels prevailing on the date of enactment of these amendments and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1451. A bill to amend the Federal Election Campaign Act of 1971, to provide free radio and television time to candidates for election to Federal office; to the Committee on House Administration.

H.R. 1452. A bill to prohibit the importation into the United States of motor vehicles, and of parts of motor vehicles, that are products of the Union of Soviet Socialist Republics; to the Committee on Ways and Means.

By Mr. VOLKMER:

H.R. 1453. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes so that estates under $500,000 will not be subject to estate tax, to allow unlimited marital deduction and to increase the gift exclusion from $3,000 to $6,000; to the Committee on Ways and Means.

By Mr. WEISS (for himself, Mr. WAXMAN, Mr. RICHMOND, Mr. GREEN, Mr. YATES, Mr. STUDDS, Mr. ROSENTHAL, Mr. JOHN L. BURTON, Mr. MCCLOSKEY, Mr. HAWKINS, Mr. MOFFETT, Mrs. SCHROEDER, Mr. LOWRY of Washington, Mr. FAUNTROY, Mr. CLAY, Mrs. CHISHOLM, Mr. DELLUMS, Mr. MITCHELL of Maryland, Mr. PHILLIP BURTON, Mr. STARK, Mr. EDWARDS of California, Mr. CONYERS, Mr. SCHEUER, Mr. RANGEL, Mr. SABO, Mr. DIXON, Mr. LELAND, Mr. BINGHAM, Mr. GRAY, Mr. FRANK, Mr. BARNES, Mr. MILLER of California, Mr. FAZIO, and Mr. BEILENSON):

H.R. 1454. A bill to prohibit discrimination on the basis of affectional or sexual orientation, and for other purposes; jointly, to the Committees on the Judiciary and Education and Labor.

By Mr. WHITE:

H.R. 1455. A bill to amend the Consolidated Farm and Rural Development Act to increase the number of years with respect to which emergency loans may be made to eligible borrowers; to the Committee on Agriculture.

H.R. 1456. A bill to amend the Internal Revenue Code of 1954 to increase the exclusion for dividends and interest and to make such exclusion permanent; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 1457. A bill to amend chapter 55 of title 10, United States Code, to authorize the provision of medical and dental care to surviving spouses of members and certain former members of the uniformed services who are not remarried; to the Committee on Armed Services.

H.R. 1458. A bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings; to the Committee on Ways and Means.

H.R. 1459. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

H.R. 1460. A bill to amend the Internal Revenue Code of 1954 to encourage the use of methanol as an alternative fuel for motor vehicles by allowing the rapid amortization of facilities producing methanol; to the Committee on Ways and Means.

By Mr. YATRON:

H.R. 1461. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that such act shall not apply to persons engaged in the processing or disposal of waste materials recovered from certain dredging operations; to the Committee on Education and Labor.

H.R. 1462. A bill to amend the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in cases of certain persons; to the Committee on Energy and Commerce.

H.R. 1463. A bill to amend title 5, United States Code, relating to qualifications for appointment and retention in the civil service; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Missouri (for himself and Mr. CORCORAN):

H.R. 1464. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to permit local distribution companies to continue natural gas service to residential customers for outdoor lighting fixtures for which natural gas was provided on the date of enactment of such act, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ZEFERETTI (for himself, Mr. LUNDINE, and Mr. MINETA):

H.R. 1465. A bill to amend the Congressional Budget Act of 1974 to require the Congressional Budget Office, for every significant bill or resolution reported in the House or the Senate, to prepare and submit an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on Rules.

By Mr. RAHALL:

H.R. 1466. A bill for the relief of the Herbert J. Thomas Memorial Hospital; to the Committee on the Judiciary.

By Mr. BRINKLEY:

H.J. Res. 139. Joint resolution designating the month of February 1981 as "National PTA Membership Month"; to the Committee on Post Office and Civil Service.

By Mr. DANIELSON:

H.J. Res. 140. Joint resolution proposing an amendment to the Constitution of the United States relating to the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. EVANS of Georgia:

H.J. Res. 141. Joint resolution authorizing and requesting the President to issue a proclamation designating the period from October 4, 1981, through October 10, 1981, as "National Schoolbus Safety Week"; to the Committee on Post Office and Civil Service.

By Mr. HARTNETT:

H.J. Res. 142. Joint resolution proposing an amendment to the Constitution of the United States which requires (except during fiscal years during which the United States is at war) that the total amount of money expended by the United States during any fiscal year not exceed the total amount of revenue of the United States received during that fiscal year; to the Committee on the Judiciary.

By Mr. MARRIOTT:

H.J. Res. 143. Joint resolution to authorize the President to issue a proclamation designating the week beginning on November 22, 1981, as "National Family Week"; to the Committee on Post Office and Civil Service.

By Mr. MINISH:

H.J. Res. 144. Joint resolution to authorize the President to proclaim the last Friday of April each year as "National Arbor Day"; to the Committee on Post Office and Civil Service.

By Mr. RAHALL:

H.J. Res. 145. Joint resolution to authorize "National Shut-in Day"; to the Committee on Post Office and Civil Service.

By Mr. SAWYER:

H.J. Res. 146. Joint resolution proposing an amendment to the Constitution to provide that except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

H.J. Res. 147. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. STRATTON:

H.J. Res. 148. Joint resolution authorizing the President to designate the 29th day in May of each year as "John Fitzgerald Kennedy Memorial Day"; to the Committee on Post Office and Civil Service.

By Mr. VOLKMER:

H.J. Res. 149. Joint resolution proposing an amendment to the Constitution of the United States which provides that the total expenditures of the United States shall not exceed the total amount of revenue (except in time of war or during a period of suspension) and providing that the debt of the United States shall not exceed that amount existing upon ratification of this amendment; to the Committee on the Judiciary.

By Mr. EVANS of Iowa:

H. Con. Res. 42. Concurrent resolution commending the Americans held hostage by the Iranian Government and the personnel who took part in the attempt to rescue them; jointly, to the Committees on Armed Services and Post Office and Civil Service.

By Ms. FIEDLER:

H. Con. Res. 43. Concurrent resolution to urge the U.S. Postal Service to issue a commemorative postage stamp to honor the 66 Americans who were taken hostage in Iran, the 6 Americans who escaped capture by the Iranians with the assistance of the Canadian Government, and the 8 American servicemen who died during the aborted attempt to rescue the American hostages; to the Committee on Post Office and Civil Service.

By Mr. MOTTL:

H. Con. Res. 44. Concurrent resolution expressing the sense of the Congress that the Board of Governors of the Federal Reserve System should reverse its policy of manipulating the discount rate to cause increased interest rates which result in higher unemployment and economic dislocations; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STANGELAND:

H. Con. Res. 45. Concurrent resolution expressing the sense of the Congress that the leaders of the United States, Mexico, and Canada should participate in a North American summit meeting for purposes of establishing a common economic bond of mutual cooperation and coordination in dealing with issues involving our three countries; to the Committee on Foreign Affairs.

By Mr. STRATTON:

H. Con. Res. 46. Concurrent resolution to express the sense of the Congress that the foreign policy of the United States should reflect a national strategy of peace through strength; to the Committee on Foreign Affairs.

By Mr. BIAGGI (for himself, Mr. WRIGHT, Mr. LEDERER, Mr. RAHALL, Mr. FORD of Tennessee, Mr. LAFALCE, Mr. MOAKLEY, Mr. FOGLIETTA, Mr. BRINKLEY, Mr. MILLER of California, Mr. HATCHER, Mr. YOUNG of Missouri, Mr. DYSON, Mr. WALGREN, Mr. SOLARZ, Mr. MURPHY, Mr. BINGHAM, Mr. ADDABBO, Mr. DE LUGO, Mr. GONZALEZ, Mr. NICHOLS, Mr. RICHMOND, Mr. WEISS, Mr. WASHINGTON, Mr. ALBOSTA, Mr. KILDEE, Mr. DWYER, Mr. JONES of North Carolina, Mr. TAUZIN, Mr. FASCELL, Mrs. BOGGS, Mr. BROOKS, Mr. WIRTH, Mr. MCHUGH, Mr. WOLPE, Mr. SOLOMON, Mr. FORD of Michigan, Mr. NEAL, Mr. JONES of Tennessee, Mr. UDALL, Mr. MORRISON, Mr. EDGAR, Mr. MATTOX, Mr. MATSUI, Mr. LEHMAN, Mr. PATTERSON, Mr. BEILENSON, Mr. PERKINS, Mr. RODINO, Mr. KAZEN, Mr. WEAVER, Mr. GLICKMAN, Mr. SANTINI, Mr. SWIFT, Mr. WILLIAMS of Ohio, Mr. ANNUNZIO, Mr. NOWAK, Mr. SCHUMER, Mr. SIMON, Mr. FAZIO, Mr. BOLAND, Mr. MOLLOHAN, Mr. ANDREWS, Mr. LUNDINE, Mr. PEPPER, Mr. LUKEN, Mr. CONTE, Mr. MARKEY, Mr. CORLISS, Mrs. COLLINS of Illinois, Mr. BONKER, Mr. AUCOIN, Mr. FROST, Mr. OTTINGER, Mr. ROSE, Mr. GINN, Mr. OBERSTAR, Mr. GEJDENSON, Mr. BENNETT, Mr. BAILEY of Missouri, Mr. VENTO, Mr. AKAKA, Mr. DASCHLE, Mr. FRANK, Mr. DYMALLY, Mr. WON PAT, Mr. LEVITAS, Mr. BENNETT, Mr. PICKLE, Mr. BARNARD, Mr. PRICE, Mr. DANIELSON, Mr. FISH, Mr. WATKINS, Mr. D'AMOURS, Mr. MARTIN of New York, Mr. ANTHONY, Mr. HERTEL, Mr.

MITCHELL of Maryland, Mr. SAM B. HALL, Jr., Mr. KOGOVSEK, Mr. TRAXLER, Mr. MITCHELL of New York, Mr. CORRADA, Mr. LUJAN, Mr. FOWLER, Mr. MAVROULES, Mr. RINALDO, Mr. STENHOLM, Mr. RITTER, Mr. GRADISON, Mr. LOWRY of Washington, Mr. ETTEL, Mrs. BOUQUARD, Mr. BARNES, Mr. SHAMANSKY, Mr. BROWN of California, Mr. HUTTO, Mr. ROE, Ms. OAKAR, Mr. SCHEUER, Ms. FERRARO, Mr. CRAIG, Mr. DICKS, Mr. BEDELL, Mr. GUARINI, Mr. WYDEN, Mrs. CHISHOLM, Mr. BENJAMIN, Mr. GOODLING, Mr. LEWIS, Mr. SUNIA, Mr. DOWNEY, Mr. PEASE, Mr. HOWARD, Mr. GEPHARDT, Mr. GORE, Mr. MCGRATH, Mr. YATRON, Mr. FOUNTAIN, Mr. BEVILL, and Mr. SEIBERLING):

H. Res. 42. Resolution commending former President Jimmy Carter, former Secretary of State Edmund Muskie, former Deputy Secretary of State Warren Christopher, and the Algerian negotiators for their efforts in securing the safe release of the 52 American hostages from Iran, and President Reagan for designating former President Carter to greet the freed hostages; to the Committee on Foreign Affairs.

By Mr. DASCHLE:

H. Res. 46. Resolution expressing the sense of the House of Representatives that the President should not allow any spare parts or other military equipment to be shipped from the United States to Iran and, to the extent consistent with the agreements relating to the release of the American hostages in Iran, should prohibit any new trade between the United States and Iran, including all imports of oil from Iran; jointly, to the Committees on Foreign Affairs and Ways and Means.

By Mr. JACOBS:

H. Res. 47. Resolution establishing a commission to recommend an appropriate memorial to former U.S. Representative Allard K. Lowenstein; to the Committee on Rules.

By Mr. McDONALD:

H. Res. 48. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 1467. A bill for the relief of Son I Adriansen; to the Committee on the Judiciary.

H.R. 1468. A bill for the relief of Edward Carbellini; to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 1469. A bill for the relief of Madeleine Mesnager; to the Committee on the Judiciary.

By Mr. DONNELLY:

H.R. 1470. A bill for the relief of Pius Joseph Lund; to the Committee on the Judiciary.

By Mr. FUQUA:

H.R. 1471. A bill for the relief of Dr. John Gamble and Ursula Gamble; to the Committee on the Judiciary.

By Mr. JEFFORDS:

H.R. 1472. A bill for the relief of Camille Joseph Paul; to the Committee on the Judiciary.

By Mr. MONTGOMERY:

H.R. 1473. A bill for the relief of Vincent Man-Suentsin; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 1474. A bill for the relief of Dana Braford Barretto; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 1475. A bill for the relief of Christina A. Macon; to the Committee on the Judiciary.

H.R. 1476. A bill for relief of Phyllis Steiner; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 1477. A bill for the relief of Sarah O. Loot, doctor of medicine, Jesse L. Loot, doctor of medicine, and Brian O. Loot; to the Committee on the Judiciary.

H.R. 1478. A bill for the relief of Pablo Del Rosario Esguerra, doctor of medicine, Theresa Esguerra, and Micheline C. Esguerra; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 1479. A bill for the relief of Catalina Ensico Fimbres; to the Committee on the Judiciary.

By Mr. SAWYER:

H.R. 1480. A bill for the relief of Omar Marachi; to the Committee on the Judiciary.

H.R. 1481. A bill for the relief of George Herbert Weston and Mabel Gregson Weston; to the Committee on the Judiciary.

By Mr. SHELBY:

H.R. 1482. A bill for the relief of Christina Boltz Sidders; to the Committee on the Judiciary.

By Mr. VOLKMER:

H.R. 1483. A bill for the relief of Horst Franz Janser; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 1484. A bill for the relief of Elena Koszteinik Cazimir; to the Committee on the Judiciary.

H.R. 1485. A bill for the relief of Marius Radu Stefan Cazimir; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. BARNARD, Mr. BEDELL, Mr. BENJAMIN, Mr. BEVILL, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mr. BROOMFIELD, Mr. D'AMOURS, Mr. DAN DANIEL, Mr. DELLUMS, Mr. DICKS, Mr. DOUGHERTY, Mr. EDGAR, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. FAZIO, Mr. FOLEY, Mr. GIBBONS, Mr. GLICKMAN, Mr. GORE, Mr. GRAY, Mr. GRISHAM, Mr. GUARINI, Mr. LEE, Mr. LEHMAN, Mr. MARLENEE, Mr. MOFFETT, Mr. MOTTL, Mr. NICHOLS, Mr. NOWAK, Mr. PANETTA, Mr. PEASE, Mr. PEPPER, Mr. SHARP, Mr. VENTO, Mr. WALGREN, Mr. WATKINS, Mr. WILSON, Mr. WINN, and Mr. WIRTH.

H.R. 316: Mr. HANSEN of Idaho, Mr. HOWARD, Mr. BLILEY, Mr. BEVILL, Mr. COELHO, Mr. WHITTEN, Mr. ROTH, Mr. MCEWEN, Mr. PARRIS, Mr. EVANS of Georgia, Mr. WALKER, Mr. HARTNETT, Mr. JONES of Oklahoma, Mr. JOHNSTON, Mr. DAN DANIEL, Mr. STUMP, Mr. JONES of Tennessee, Mr. FOUNTAIN, Mr. MARLENEE, Mr. DOUGHERTY, Mrs. SCHNEIDER, Mr. WHITTAKER, Mr. ROE, Mr. BARNARD, Mr. GREGG, Mr. BENEDICT, Mr. SAWYER, Mr. RITTER, and Mr. BAILEY of Missouri.

H.R. 318: Mr. FROST, Mr. LOTT, Mr. ROUSSELOT, Mr. LIVINGSTON, Mr. BEARD, Mr. COLLINS of Texas, Mr. LUNGREN, Mr. BROOKS, Mr. ROSE, Mr. HYDE, Mr. HARTNETT, Mr. BARNARD, Mr. ATKINSON, and Mr. TAUKE.

H.R. 390: Mr. YATRON, Mr. WHITEHURST, Mr. MURPHY, Mr. FISH, Mr. PEPPER, Mr. NELLIGAN, Mr. MCHUGH, Mr. LAFALCE, Mr. SMITH of Iowa, Mr. PRITCHARD, and Mr. BARNARD.

H.R. 654: Mr. MOTTL, Mrs. BOUQUARD, Mr. EDGAR, Mr. GOLDWATER, Mr. BARNARD, Mr. WINN, Mr. FAZIO, and Mr. SNYDER.

H.R. 1003: Mr. GINGRICH, Mr. WHITLEY, Mr. GUNDERSON, Mr. MOLLOHAN, Mr. GILMAN, Mr. DORGAN of North Dakota, Mr. WAXMAN, Mr. JAMES K. COYNE, Mr. FISH, Mr. BEVILL, Mr. MADIGAN, Mr. BROYHILL, Mr. ENGLISH, Mr. PEPPER, Mr. ASPIN, Mr. STANGELAND, Mr. ROSE, Mr. MARTIN of New York, Mr. ROBERTS of South Dakota, Mr. D'AMOURS, Mr. NOWAK, Mrs. CHISHOLM, Mr. BINGHAM, Mr. MITCHELL of Maryland, Mr. HOWARD, Mr. RINALDO, Mr. PASHAYAN, Mr. LOEFFLER, and Mr. LEBOUTILLIER.

H.R. 1019: Mr. FORD of Michigan and Mr. COURTER.

H.R. 1064: Mr. BARNARD, Mr. LOEFFLER, Mr. APPLEGATE, Mr. WHITTAKER, Mr. SIMON, Mr. KAZEN, Mr. MILLER of Ohio, Mr. LEATH of Texas, Mr. HINSON, Mr. TAUKE, Mr. HUTTO, Mr. BAFALIS, Mr. KOGOVSEK, and Mr. PRICE.

H.J. Res. 2: Mr. CHAPPIE, Mr. DANNEMEYER, Mr. EDWARDS of Alabama, Mr. GUNDERSON, Mr. SAM B. HALL, JR., Mr. ROUSSELOT, Mr. SENSENBRENNER, and Mr. SHUMWAY.

H.J. Res. 56: Mr. HYDE, Mr. IRELAND, Mr. HUCKABY, Mr. EVANS of Georgia, Mr. JOHNSTON, Mr. BAILEY of Missouri, Mr. RUDD, Mr. BARNARD, Mr. SMITH of Alabama, Mr. NICHOLS, Mr. GOLDWATER, Mr. LUKEN, and Mr. ASHBROOK.

H.J. Res. 125: Mr. BENEDICT and Mr. DANNEMEYER.

H. Con. Res. 34: Mr. BAILEY of Missouri, Mr. BEVILL, Mr. BIAGGI, Mr. CHAPPELL, Mr. PHILIP M. CRANE, Mr. DUNCAN, Mr. LEE, Mr. LOEFFLER, Mr. LUJAN, Mr. LUNGREN, Mr. ROBERTS of Kansas, Mr. SCHEUER, Mr. STANGELAND, and Mr. YOUNG of Alaska.

H. Con. Res. 37: Mr. HORTON, Mr. ATKINSON, Mr. MARRIOTT, Mr. BONKER, Mr. MARKEY, Mr. GINN, Mr. GEJDENSON, Mr. D'AMOURS, Mr. IRELAND, Mr. DERRICK, Mr. BROOMFIELD, Mr. PURSELL, Mr. OTTINGER, Mr. DANIELSON, Mr. PRITCHARD, Mr. WON PAT, Mr. THOMAS, Mr. MAZZOLI, Mr. WATKINS, Mr. CORRADA, Mr. MICA, Mr. WINN, Mr. BIAGGI, Mr. SCHEUER, Mrs. BOUQUARD, Mr. EARLY, Mr. WHITEHURST, Mrs. CHISHOLM, Mr. VENTO, Mr. DOWNEY, Mr. YOUNG of Missouri, Mr. NEAL, Mr. HIGHTOWER, Mr. YATRON, Mr. AUCOIN, Mr. BINGHAM, Mr. EVANS of Georgia, Mr. WIRTH, Mr. TAUKE, Mr. JENKINS, Mr. SAWYER, Mr. RATCHFORD, Mr. BEVILL, Mr. SEIBERLING, Mr. CLAY, Mr. PRICE, Mr. MITCHELL of New York, Mr. HUGHES, and Mr. DE LUGO.

EXTENSIONS OF REMARKS

ALAMEDA TAKES CARE OF ITS OWN

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. STARK. Mr. Speaker, I would like to take this opportunity to bring to the attention of my fellow colleagues, a project in my district of which I am very proud. This program, Meals on Wheels, has just celebrated its seventh birthday.

The program is entirely voluntary and aimed at providing the elderly people of Alameda County, Calif., with low-cost meals in their homes. These meals are delivered daily to their homes in Alameda by many cheerful, caring volunteers.

Alameda Meals on Wheels began rolling October 1, 1980, when the first meals, costing 65 cents each and prepared by the Alameda Unified School District Food Department, were picked up by volunteers and delivered to 10 clients, 5 days a week. Rev. H. W. Vincent, former pastor of the Santa Clara Methodist Church, provided $2,000 of the first seed money from their insurance and maintenance costs. The congregation merged with the Twin Towers United Methodist Church, which continues its support. Civic and social organizations, fraternal groups, doctors, and nurses, Alameda Council of Churches, Commission on Aging, and the general public join in supporting the program.

The program has helped many elderly people stay in their homes and has enabled many handicapped persons to return home, reducing their hospital convalescence.

I am proud to report that Meals on Wheels received a total of $19,931.80 in voluntary contributions from the people of Alameda in 1980. This symbolizes to me the concern and respect that everyone in Alameda has for those less fortunate. I am proud to be among those honoring this organization, and I salute the over 500 volunteers who have been a part of this wonderful program.●

THE MAGNIFICENT OPPORTUNITY

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. McCLOSKEY. Mr. Speaker, every 4 years a breath of fresh air blows across the United States. We feel a new hope that an institution in our lives which we traditionally distrust—our Government—has become capable, for a brief moment at least, of living up to our collective hopes. Whether we be Republicans or Democrats, the election of a new President prompts us to hope that he can succeed, that he can bring the Nation together, and that he can lead us toward solutions to the problems of our time.

For only the President is elected by all of the American people. Whatever philosophy of government he may have, that philosophy has been approved by the American people through an electoral process deeply rooted in our history.

Nevertheless, the period of cooperation between a new President and Congress is brief. The honeymoon between two branches of government constitutionally designed to check and balance rather than cooperate with one another may last only a few months.

In the case of our 38th President, Gerald Ford, the honeymoon period ended in less than 1 month, when Ford pardoned his predecessor, Richard Nixon. Wise as that decision may appear to have been in retrospect, it cost Ford the cooperation of the Congress, and without the mandate of a popular vote behind him, the Nation was deprived of the chance for significant legislative change during the 2¾ years of the Ford administration.

The shock of President Kennedy's assassination, coupled with Lyndon Johnson's landslide victory 1 year later, gave President Johnson the opportunity to push through the landmark Civil Rights Act of 1964 and 1965, as well as his war on poverty program.

A comparable turning point had occurred three decades earlier when the Great Depression led to a sweeping mandate for change in the 1932 election. President Franklin Roosevelt, confident in his intentions and supported by a strong public vote, was able to change the whole concept of the role of government in American society.

The despair of 1932 and the despair of 1980 were not unlike. I agree with new OMB Director Dave Stockman that the Nation is in a period of economic crisis; we must decide whether a representative democracy can cut spending from a budget where payments for welfare, unemployment compensation, food stamps and health care for the elderly now consume nearly 50 percent of our total expenditures.

Unless our elected representatives can cut those benefits and reduce the inflation caused by deficit spending, our form of government may very well not survive. The crisis is that grave.

When President Reagan took the oath of office last week as our 40th President, he commenced a brief period where he will enjoy the same magnificent opportunity for sweeping change that Franklin Roosevelt was given in 1932 and Lyndon Johnson in 1964.

In many ways, the mandate of 1980 is even clearer than that of 1932 and 1964. To many of us it means:

First, cut Government spending and balance the budget;

Second, cut the size, cost, and complexity of Government itself;

Third, create an environment for renewed productivity, innovation, and competition in the private sector;

Fourth, create incentives for new private jobs while phasing out makework public jobs; and

Fifth, restore a strong Defense Establishment.

The vote on November 4 was not for a new moral majority or for a reduction in environmental protection; the vote, in my judgment, reflected concern primarily for economic and governmental issues. That vote recognized a primary and historic American principle: government is inherently incompetent and has grown too large. The voters turned out of office, after 26 years in power, a Democratic majority in the Senate, particularly those Members identified with big Government spending. They had been in power too long. They had run out of ideas and energy, and they had lost the faith of the people in their ability to lead.

So power now shifts to us Republicans. The opportunity for change is tremendous, but so also is the possibility of failure.

President Reagan's first 5 months in office can be a period of the most significant change in recent history. If the President and his Cabinet officers know what they want to do, if they can quickly select their subordinates and work in concert with Republican leadership in Congress, we could, within months, enact sweeping new legislation comparable to the changes achieved in 1932 and 1964–65.

We can abolish agencies of Government, simplify laws and regulations, reduce inflation, and in time, balance the budget.

The President could declare that if the Federal budget remains unbalanced at the end of his first year in office, he, his top administrators, and

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the Congress should subject themselves to a percentage salary reduction commensurate with the proportion by which the budget is out of balance. There was a 10-percent deficit during 1980.

We could see a new acceptance of the concept that service to the Nation is both a privilege and a duty; we could restore the public faith embodied in President Kennedy's words, "Ask not what your country can do for you * * *."

But, time is short. If the Reagan administration is unable to get its people into place swiftly, to translate its concepts into specific legislative language, and to reach an early consensus with the 40-odd committees of the House and Senate on legislative priorities, the precious 5- or 6-month honeymoon period could pass without significant achievement. Historically, when a new President and Congress have not made substantial progress by the first summer recess, there is traditionally a loss of momentum, direction, and spirit. We tend to bog down in bickering and petty political maneuvering as election results fade from memory and the reality of the next election looms large.

President Carter squandered his honeymoon period 4 years ago; hopefully President Reagan will not. The President's inaugural address last Tuesday could not have been more appropriate; hopefully his new administration will move quickly to translate his words into concrete changes in law and regulations.

There is a sense of electricity and hope in Washington today, a desire to work cooperatively and effectively. That desire is shared as much by Democrats in the Congress as it is by Republicans. All of us want to see the Nation strong again, and all of us want to do our part to restore the public's faith in the American system of government.

I would be remiss, however, if I did not confess to a small but nagging fear that we will fail to put it all together: the mandate, the brief weeks of opportunity, and the specific legislative craftsmanship required to change the rhetoric into reality. It will be 4 years until we have another opportunity of this kind; if we fail now, it will properly and rightfully be a new set of American leaders who will be given that brief 5 months of opportunity 4 years hence.

It may well be a time for national prayer.●

TRIBUTE TO WARREN CHRISTOPHER

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. DORGAN of North Dakota. Mr. Speaker, it was through the contributions of many dedicated Americans that the release of 52 Americans who were held hostage by Iran was accomplished. Those persons who played key roles in accomplishing the release of the hostages deserve recognition by and appreciation from the American people for a job well done.

I believe that one man's efforts stand out in his contribution to a peaceful settlement to the Iranian crisis. Warren Christopher, Deputy Secretary of State and a former North Dakotan, demonstrated in these last several weeks in his role as America's chief negotiator with Iran, the special qualities of patience, determination, and honor that have always distinguished the American people when confronted with delicate and explosive international situations.

At a time when it is in vogue to be highly critical of our public officials, it is appropriate I think to stop and pay special thanks to a public official who was faced with a very difficult task and who served our country's interests with distinction and honor.

Warren Christopher, who spent his boyhood in Scranton, N. Dak., is one of those Americans who fit the definition of "hero" described by Ronald Reagan in his inaugural address. I know that my colleagues in Congress join me in saying "thank you" to Warren Christopher.●

LONG ISLAND JEWISH-HILLSIDE-MANHASSET MEDICAL CENTER PROJECT: AN IMPORTANT STEP

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, as my first remarks in the CONGRESSIONAL RECORD, it is my privilege to bring to the attention of this body the achievements and developments of two excellent, vital and historically significant health care facilities on Long Island—the Manhasset Medical Center of Manhasset, N.Y., and the Long Island Jewish-Hillside Medical Center of New Hyde Park, N.Y. Over the post World War II years, these two fine institutions have both served individuals directly, as well as providing pioneering health-related research accomplishments. The matter of interest today, Mr. Speaker, is the announced takeover of the Manhasset facility by Long Island Jewish-Hillside Medical Center. This saga represents in a clear way just how prolonged, bothersome and stifling the maze of regulatory redtape can be. But, the hospitals persevered nevertheless; 5 years and 25 permits later, this plan that will better serve the people of the North Shore of Long Island will finally come to fruition.

Excerpts of this saga deserve reading, and I am placing into the RECORD the portions of an article that appeared in the January 5, 1981 edition of the Port Washington News.

MANHASSET MEDICAL CENTER SOON TO BE LIJ DIVISION

(By Renee E. Paley)

Five years and some 25 agency permits later, the sounds of hammers and drills may finally be heard at the Manhasset Medical Center (MMC) as Long Island Jewish-Hillside Medical Center (LIJ) prepares to take over the building following the scheduled Feb. 2 closing of the sale.

The saga of the acquisition of the Manhasset facility by LIJ touches on long and delicate negotiations, dwells on bureaucracy's red tape, and skirts roadblocks set up by institutional envy before landing at its successful conclusion. In anticipation of a happy ending, LIJ has had its administrator-designate, Lawrence Gold, working since last June as a guest of the current owners in what will be called the Manhasset Division.

Gold, 33, has been associated with LIJ for 14 years, he said. His position at Manhasset has been mainly that of a liaison between the two institutions, but he is also in charge of gradually converting the administrative system of his host to that of the new parent hospital. "Basically, a voluntary hospital is acquiring a proprietary hospital," said Robert Markowitz, LIJ's vice-president of administration. "For the Weiners, this was a business venture."

The Weiners, the soon-to-be-former owners, have been operating the Manhasset Medical Center for about 30 years. In addition to the hospital, the building housed tenants—private physicians' offices * * *.

Markowitz said plans are to phase out the commercial tenants and replace them with hospital programs. "We are not the official owners as yet, but we have given them (the tenants) informal notice and most of them have already relocated to other space," he said. Markowitz added that the tenants have been very cooperative, understanding the hospital's need to repossess the space.

Although the Manhasset Division will be handling far more complex cases than MMC did, it will not admit multi-specialty cases such as patients needing open heart or brain surgery, or any patient requiring a large variety of back-up services or whose case demands equipment not installed at the new facility.●

GASOLINE MARKETING LEGISLATION

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BEDELL. Mr. Speaker, today I am reintroducing the Small Business Motor Fuel Marketer Preservation Act. Joining me are TONY HALL, OLYMPIA SNOWE, TOM TAUKE and more than 40 additional cosponsors.

In 1979, the House Small Business Committee held extensive hearings on gasoline retail marketing practices. We found a clear pattern of small and independent businesses being denied the opportunity to compete on a fair and equitable basis. The major integrated oil companies, who are both the suppliers and landlords for these small businesses, increasingly are going into direct competition with these same distributors and marketers. There is no way that the small business can ever be expected to survive when its competitor is in a position to control the rent, supply, and price of product, advertising, credit, and other elements vital to the company's success or failure.

To remedy the problems and inequities we found, the members of the Small Business Subcommittee on Antitrust developed the Small Business Motor Fuel Marketer Preservation Act, H.R. 6722. Mr. HALL, Mrs. SNOWE, Mr. TAUKE, and I were original cosponsors of the bill, as it was introduced by a bipartisan majority of the members of the subcommittee.

The legislation was marked up and reported out of the Antitrust Subcommittee by a unanimous vote. It was reported out of the Small Business Committee by a vote of 25-1. Unfortunately, the Interstate and Foreign Commerce Committee, to which the bill was jointly referred, was not able to conclude its consideration of the bill in time to get it to the floor before adjournment last year.

In the Senate, a companion bill, S. 2798, was marked up and reported unanimously from the Senate Judiciary Subcommittee on Antitrust. The full committee did not take up the bill until the lame duck session, however, and so it was not sent to the floor last year.

I am pleased to note that a companion bill is again being introduced in the Senate. I understand it is being sponsored by HOWARD METZENBAUM, who chaired the Senate Antitrust Subcommittee's hearings on this subject last year.

The bill we are introducing today is very similar to the marked up legislation that was reported out of the House Small Business Committee and the Senate Judiciary Subcommittee on Antitrust. The only significant change is the replacement of one section with a new provision that was worked out by the Senate Judiciary Committee late last year.

Mr. Speaker, there is tremendous support for this legislation in the small business community. Last year, it was endorsed by the National Federation of Independent Business, the National Small Business Association, the Service Station Dealers of America and the Chief Counsel for Advocacy at the Small Business Administration. Within the Congress, support for the bill always has been broad and bipartisan. Consequently, I am hopeful that we will be able to act on the Small Business Motor Fuel Marketer Preservation Act quickly as we start this new session of Congress.

The complete decontrol of motor fuel marketing, announced today by President Reagan, makes passage of this legislation all the more timely and important. This bill is intended to help restore some equity to the relationship between small business marketers and the big oil companies. For the past several years, the Federal Government has acted as a sort of buffer between those two groups, but the removal of Federal controls will require some congressional action to assure fair competition in the marketing of motor fuel.

At this point in the RECORD, I wish to insert a summary of the key provisions of the proposed Small Business Motor Fuel Marketer Preservation Act of 1981.

THE SMALL BUSINESS MOTOR FUEL MARKETER PRESERVATION ACT OF 1981

SUMMARY OF KEY PROVISIONS

1. Dealers' rights; SBA loan guarantees

The proprietor on any leased service station that is offered for sale by a refiner shall have the right of first refusal to purchase that station. SBA loan guarantees are made available for such purchases.

First, the refiner shall make an offer to the lessee dealer. The dealer has 60 days to consider the offer.

Second, the dealer may make a counter offer. If this is not accepted, an independent appraisal of the value of the property shall be made, subject to rules to be established by the Small Business Administration. The dealer will have the right to purchase the property at the appraised value within 30 days.

2. Divorcement; refiner sales rule

Effective one year after date of enactment, major integrated refiners will be prohibited from directly operating any retail gasoline outlets. (They will be permitted to continue ownership and to operate them through lessee dealers.) The refiners who are exempted from the prohibition on operating service stations generally are those classified as small or independent refiners according to the Emergency Petroleum Allocation Act.

Small or independent refiners would be subject to a refiner sales rule. Each may sell through its own directly-operated outlets an amount of motor fuel equal to: 1) all motor fuel purchased from others; plus 2) all motor fuel manufactured by the refiner—up to 1978 direct sales total; plus 3) 50% of the excess of motor fuel manufactured above 1978 direct sales total.

3. Wholesale transfer pricing

Effective six months after date of enactment, suppliers of motor fuel will be prohibited from transferring motor fuel to other marketing units within their own companies at prices less than those charged independent wholesale purchasers of their products. Uniform and reasonable surcharges for the use of brand names and related services may be added to the price charged independent buyers.

4. Open supply

Effective one year after date of enactment, it shall be unlawful for anyone to interfere with the right of a dealer to purchase, store or sell motor fuel products obtained from anyone else. Agreements providing that a dealer shall buy product only from a particular supplier would be permitted only if they specify the dealer's right to purchase product elsewhere if it is not available from the regular supplier. Dealers operating branded stations must provide point-of-sale notice to customers if product being sold was not obtained from the brand-name supplier.

5. Information required

Within three months after date of enactment, refiners must provide the following information to the Federal Trade Commission: (a) total amount of motor fuel sold in refiner-operated outlets during the preceding year; (b) total amount of motor fuel manufactured; (c) total amount of crude oil produced; and (d) total amount of crude oil refined. The FTC shall establish regulations for annual reports. To the extent that the information sought is available from other agencies of the government, the Commission shall waive reporting requirements.

6. Penalties; enforcement

Violation of this Act shall be punishable by fines of up to $50,000 per month for each service station operated after the deadline for divorcement, and up to $25,000 for each 25,000 gallons of motor fuel sold in excess of the amount permitted by the refiner sales rule. Violation of the discriminatory pricing provision is punishable by fines of up to $10,000 per violation. Responsibility for enforcement is given to the FTC. In addition, individuals may bring civil actions against anyone who fails to comply with the Act.●

GASOHOL GROWTH IN SOUTH DAKOTA

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. DASCHLE. Mr. Speaker, the results of a recent survey conducted by the South Dakota Auto Club show impressive growth in the number of service stations now selling gasohol in South Dakota. According to the Auto Club survey, more than 125 service stations in 72 South Dakota cities and towns now sell gasohol. The more than 125 stations now selling gasohol in South Dakota represent a 50-percent increase during the last year in the number of stations offering gasohol to motorists in my State. This rapid increase in the number of stations now offering gasohol to the motoring public again demostrates the remarkable degree of consumer acceptance and support for gasohol, our Nation's first alternative motor fuel.

The South Dakota Auto Club has also reported gasohol sales during the year ending June 30, 1980, accounted for 2 percent of total gasoline sales for

highway use in South Dakota. This important contribution to the motor fuel supply of South Dakota is a significant first step to lessening our dependence on imported energy resources. As the alcohol fuel plants now being planned and already under construction in South Dakota become a reality, gasohol will make an increasingly larger contribution to our State's motor fuel supply and our national goals of increased energy security and expanded renewable fuel production and use.●

GILMAN CRITICIZES UNITED NATIONS STAMP HONORING "PALESTINIAN RIGHTS"

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. GILMAN. Mr. Speaker, on January 30 the United Nations is scheduled to issue a stamp to publicize the inalienable rights of the Palestinian people.

This action, which came as a result of a vote in the United Nations General Assembly, greatly disturbs me. It represents an example of the inappropriate activities of the driving force behind the stamp, the United Nations Committee on the Exercise of the Inalienable Rights of the Palestinian People.

This House has made its views on the activities of that Committee known by passing legislation to reduce the U.S. contribution to the United Nations by the amount of our dues which would have been diverted to fund the activities of this Committee and similar activities by other U.N. organs.

During the 97th Congress, Mr. Speaker, I plan to closely scrutinize the activities of the Committee, which has been closely associated with the terrorist Palestine Liberation Organization. I urge those of my colleagues who share my concern in this regard to contact my office so that we may cooperate in this venture.

Mr. Speaker, I would ask permission to insert at this point in the RECORD a copy of my letter to Secretary-General Waldheim on the matter of the issuance of the stamp in question, and outlining my concerns about the activities of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, as well as a UPI story on the controversy.

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 27, 1981.

His Excellency KURT WALDHEIM,
Secretary-General of the United Nations, United Nations, New York.

DEAR MR. SECRETARY-GENERAL: It has come to my attention that the United Nations will soon issue a commemorative stamp dealing with the "Inalienable Rights of the Palestinian People". I must protest the issuance of the stamp. It represents another inappropriate, propagandistic action by the Committee on the Exercise of the Inalienable Rights of the Palestinian People. This Committee has dealt with the Palestinian question in an arbitrary and one-sided manner, choosing to disregard the rights of the State of Israel and its inhabitants.

The aspect of the Committee that is most disturbing to me is its connection to the Palestine Liberation Organization. The Committee's 1976 report to the Thirty-First session of the General Assembly deemed the Palestine Liberation Organization to be "indispensable in all efforts, deliberations, and conferences on the Middle East which are held under the auspices of the United Nations". The Palestine Liberation Organization has, in fact, clearly demonstrated itself to be diametrically opposed to the noble goals and ideals of the United Nations. I am disheartened that the United Nations seeks to advance the cause of a group which is not peaceable in intent or in method. The Committee's alliance with the Palestine Liberation Organization, a group dedicated to the destruction of the State of Israel, a Member-State of the United Nations, will have deleterious effects on any efforts by the United Nations or its organs to work for peace in the Middle East. A review of the Committee's mandate and actions is of vital importance.

The territory occupied by the former British Mandate of Palestine has been the home to people of many national groups. Indeed, each has "inalienable rights". But these rights must be exercised in a manner acceptable to those of other national groups. These interests of the international community must also be taken into consideration.

It is my understanding that until now, only three United Nations stamps have been issued under a special General Assembly mandate. This latest stamp is, in my view, an inappropriate exercise of propaganda that deals with an inappropriate subject, and I hope that the General Assembly will exercise its powers more judiciously in the future.

The issue of the Palestinians is one of great delicacy which demands a subtle approach. I sincerely hope that the issuance of the United Nations postage stamp marks an end to the offensive manner in which the Committee has operated; heretofore they have only succeeded in lending a sinister meaning to the phrase "the Inalienable Rights of the Palestinian People."

Very truly yours,

BENJAMIN A. GILMAN,
Member of Congress.

UNITED NATIONS (UPI) January 26.—The United Nations Monday defended the issuing of three new U.N. postage stamps commemorating Palestinian rights, which has been attacked by Jewish groups.

The stamps, worth 15 cents in the United States, will be issued Friday at the U.N. offices in New York, Geneva and Vienna. They carry the slogan "Inalienable Rights of the Palestinian People" and "United Nations" in English, French and German.

U.N. spokesman Rudolf Stajduhar defended the stamp issue against what he called "recent media and public misunderstanding" in a statement to reporters.

The objections carried by Israeli newspapers and the Jewish press in the United States and Europe assert the United Nations is promoting the Palestine Liberation Organization, considered a terrorist organization by Israel.

Stajduhar said the issue of the stamps was authorized in the U.N. General Assembly—by a vote of 117-15 with nine abstentions—in December 1979. The United States, Israel, Britain and West Germany were among the countries opposed.

The resolution requested Secretary-General Kurt Waldheim to "direct the United Nations Postal Administration to issue a series of U.N. commemorative stamps to publicize the grave situation and the inalienable rights of the Palestinian people."

Stajduhar denied there was any intention "to legitimize terrorism to which the United Nations remains strongly opposed."

"The importance of assuring the rights of the Palestinian people in the process of establishing a permanent peace in the Middle East has been accepted by the vast majority of the world community, including all the parties directly concerned with the question of Palestine," he said.

Proceeds from the sale of the stamps, as in the case of all U.N. stamps, will go to the United Nations general fund for distribution to its members.●

FOR MORE PRODUCTIVE INVESTMENT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. FRENZEL. Mr. Speaker, many Americans today agree that the country faces a shortage of capital available for investment in new plant and equipment, investments which must be made if the United States is to regain its competitive edge over its other trading partners. I believe that one of the reasons we are faced with this capital shortage is the excessive rates at which investment income is taxed.

Currently, all unearned income is taxed at a maximum rate of 70 percent. Put simply, this means that when an individual in the highest tax bracket makes an investment, he only gets to keep less than one-third of his return; the Government takes the rest. When the Government makes more money from a taxpayer's investments than the taxpayer does, there is very little incentive to invest at all. The money would be better invested, in tax-exempt Government issues or into any of a variety of so-called shelters. This flow of capital into such investments merely serves to aggravate the already serious shortage of capital available for productive investment in the private sector.

In order to stimulate more productive investment, and make tax shelters relatively less attractive, I have introduced legislation which would equalize the maximum tax rate for unearned income with that for earned income, currently 50 percent. To lessen the revenue impact on the Treasury of this proposal, my bill would phase in the new rates over a 4-year period. In the first year after enactment of the bill, the maximum rate would be 65 percent. In the second year, 60 percent. The maximum tax rate would be 55 percent in the third year, and would reach 50 percent in the fourth and final year of the phasein.

It is important that this legislation be passed during this session of the 97th Congress, so that we can create an incentive for individuals to invest again in the private sector, and we can, in turn, get on with the business of rebuilding our economy.●

INTRODUCTORY STATEMENT FOR FOUNDATION PAYOUT LEGISLATION

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. CONABLE. Mr. Speaker, present law is rapidly diminishing the capacity of our independent foundations to support the vast array of humanitarian, educational, and other charitable enterprises to which they are committed. Today I am introducing a bill that would eliminate the feature of the tax law which—entirely unintentionally—produces this problem. Passage of this bill is essential if we are to preserve foundations as a vital part of American philanthropy.

THE IMPORTANCE OF FOUNDATIONS

As a nation we are coming increasingly to see the need for government to strengthen rather than to supplant private institutions and individual initiative. Nowhere is this need so great as with respect to private philanthropy in general, and private foundations in particular.

Private foundations in America play a special and vital role in responding to the needs of our society. Their grants and activities have yielded major dividends in the past. Foundations have provided the research leading to control of diseases like malaria, yellow fever, typhus, and others. Their work produced the phenomenon known throughout the world as the green revolution, which promises major increases in world food supplies. They have provided scholarships supporting millions of American students through school. They have made highly important contributions to the development and continuing support of public television. They have supported local community charitable activities of virtually every sort.

Congress has already enacted detailed rules which insure that private foundations will always be operated for public rather than private benefit. These rules, enacted in 1969, prohibit self-dealing transactions between foundations and related parties, require foundation to make substantial current distributions to charity, limit foundation involvement in business enterprises, and impose detailed restrictions on the nature of foundations grants. After a decade of experience with these rules—and intensive scrutiny by the Internal Revenue Service—Congress and the American people can be assured that the assets of private foundations are being used in the public interest.

IMPACT OF PRESENT LAW ON FUTURE FOUNDATION GRANT CAPABILITY

Generally, current law requires that private foundations distribute annually the greater of an amount equal to 5 percent of the value of their investment assets or their total realized income. This payout rule, adopted in 1969, was intended primarily to deal with certain situations in which foundations maintained unproductive assets and, therefore, distributed little or nothing in charitable grants. It was not intended to eliminate foundations or to diminish their future capabilities to support charitable activities. On the contrary, the legislative history of the 1969 law reflects our clear and repeatedly emphasized concern that the future grantmaking capabilities of foundations be preserved.

However, the past 11 years have brought dramatic reversals of the economic assumptions upon which the payout requirements were based. Inflation continues at rates unimagined in 1969; the real value of equity investments has dropped; and the income yields on many very conservative debt instruments have risen dramatically.

Under these radically different economic conditions, the requirement that foundations distribute their entire current income is producing an effect never intended by Congress—the rapid erosion of future foundation grant capability. Foundations, unlike colleges, universities, and all other tax-exempt institutions, cannot take advantage of the normal steps available to prudent investors to defend themselves—and their beneficiaries—against inflation. Instead, under the present payout rule they face an unrealistic investment constraint which aggravates the effect of inflation.

The real value of foundation assets has fallen sharply in recent years. Data from the Foundation Center show that the value of foundation assets, taking into account both the effect of inflation and the effect of additional contributions, fell by almost 30 percent from 1972 to 1977. A recent Council on Foundations survey found a further 11-percent decline from 1977 to 1979. As these figures indicate, gifts to new and existing foundations have not been nearly large enough to offset the erosion in the real value of foundation assets—and the real ability of foundations to support charitable works. If this trend is permitted to continue, its conclusion is inevitable: Foundations will for all practical purposes be eliminated from American philanthropy.

THE SOLUTION

Under the bill which I introduce today, foundations would continue to be required to distribute an amount equal to at least 5 percent of the value of their investment assets. Studies of the rates of return on stock and bond investment over the past 54 years indicate that foundations cannot reasonably be expected to have real income in excess of this amount. Therefore, preservation of the 5-percent payout requirement will insure that foundations distribute their entire real income to charity, and will thus fully satisfy the objectives for which the payout rule was originally enacted.

At the same time, by eliminating the unrealistic investment constraint imposed on foundations by present law, the proposed payout rule will advance another goal endorsed by Congress in the past, that of preserving the future ability of foundations to meet charitable needs. We must not allow the press of present problems to cause us to forget our obligation to the future. Foundations, like our natural environment, are an important and fragile resource, and we must act now to preserve their grant capability for the future. Passage of this bill will be a major step in that direction.●

TRIBUTE TO FRANK HOOD

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. HEFNER. Mr. Speaker, it has come to my attention that a key official of the Veterans' Administration has retired. I am referring to Frank R. Hood, who has served the VA for a total of 35 years, during which period he served almost 23 years as Director of Information Services.

While I did not have the opportunity to know Frank Hood personally, I can report that he was held in the highest esteem by members of the Veterans' Affairs Committee with whom he worked closely on veterans' programs and legislative matters. One of the highest compliments attributed to Mr. Hood is the unprecedented record of having been appointed and reappointed by six consecutive Administrators of Veterans' Affairs. During Frank Hood's long period of service to the Nation's veterans, he was called upon to explain and inform most of the benefits and assistance programs Congress has approved for veterans and their families. Frank Hood's expertise and professionalism will be missed by the Veterans' Administration, and those on our committee, who

worked with him on programs of mutual interest.

I take this opportunity to extend every best wish to Frank Hood for a well-earned retirement, and I know that he will continue to serve veterans and their families as he has done so well during his many years at the Veterans' Administration.●

TRIPLE ANNIVERSARY AT FATHER BAKER'S

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. NOWAK. Mr. Speaker, 1981 will mark several anniversaries associated with a great institution in Lackawanna, N.Y.—Our Lady of Victory Homes of Charity, a complex providing a variety of social and health services that is popularly known as "Father Baker's" after the extraordinary priest who dedicated his life to helping the needy.

The homes were made famous by Father Nelson H. Baker, who was known as "The Padre of the Poor."

This year, which also marks the 45th anniversary of Father Baker's death, will also include observances of:

The 125th anniversary of service to Lackawanna and Father Baker's by the Sisters of St. Joseph.

The 75th anniversary of Our Lady of Victory Infants Home.

The 25th anniversary of Baker Hall, a facility serving troubled adolescents.

The enclosed articles from the Buffalo Courier Express and the Buffalo News detail some of the celebrations that are being planned to observe these anniversaries.

Father Baker's is synonymous with community service, extending a helping hand to the needy—the handicapped babies, the unwed mothers, the young boys judged to be delinquent or potentially delinquent.

Father Baker's is a living monument to the vision of a dedicated priest who labored for nearly six decades to help thousands upon thousands of people.

By his life and his example, Father Baker demonstrated that one person can make a difference and that faith, hope, and charity are interwoven virtues.

Today, the charitable complex in Lackawanna, N.Y., that commemorates him and his service continues on a day-to-day basis to help improve the quality of life for our citizens.

It is a genuine pleasure, therefore, to join with so many other well wishers in congratulating the more than 1,200 staff members of Father Baker's and the Sisters of St. Joseph as they mark these milestones of service this year. I know I echo the sentiments of many of my fellow citizens in wishing this fine institution continued success in the decades and decades ahead.

Newspaper articles follow:

[From the Buffalo Courier-Express, Jan. 21, 1981]

OUR LADY OF VICTORY HOMES TO MARK THREE ANNIVERSARIES

The year 1981 is a very big year for Our Lady of Victory Homes of Charity (Father Baker's).

Marking this year's celebrations will be the 25th anniversary of Baker Hall, a service for troubled adolescents; 75 years for Our Lady of Victory Infant Home, which serves pregnant women and handicapped children and a special honoring of the Sisters of St. Joseph (Diocese of Buffalo) for 125 years of service to Lackawanna and the Father Baker child care agencies.

OUR LADY IMAGE ON CHAIN

A key chain bearing the image of Our Lady of Victory and noting the year's celebrations has just been made available to the general public.

Measuring two inches by one and one-quarter inches, the emblem and ring are cast in metal with a "brass like" finish.

The medals are available from the administrative offices of Father Baker's at 780 Ridge Road in Lackawanna, N.Y. 14218. An offering of $2 ($2.50 if mailed) is requested.

The Rev. Robert C. Wurtz, executive vice president and treasurer of the homes says, "There will be a series of celebrations ranging from May to November. Our kickoff celebration will be May 1, 1981 at 7:30 p.m. at Our Lady of Victory Basilica. At that time we plan to especially honor the Sisters of St. Joseph who have served these agencies and the poor with such dedication. We are expecting over 1,000 people to join Bishop Edward Head, Msgr. Robert Murphy of the Basilica and me for a celebration of the Mass and a reception at Baker Hall School.

OPEN HOUSES PLANNED

"During the balance of the year we will be having open houses at our child care agencies, offering a first annual award for service to youth and honoring our employees and donors who have sustained us throughout the years."

Father Wurtz also noted, "We have been truly blessed by Our Lady of Victory and her Divine Son, this is a year in which we would like to publicly acknowledge Our Lady of Victory, the sisters, our employees and our dear devoted donors for all their help."

The homes were made famous by Father Nelson H. Baker who was known throughout the East as "The Padre of the Poor." The year 1981 also marks the 45th anniversary of Father Baker's death.

[From the Buffalo News, Jan. 10, 1981]

THREE ANNIVERSARIES HIGHLIGHT YEAR AT FATHER BAKER'S

Plans are under way for a six-month celebration of triple anniversaries this year at Our Lady of Victory Homes of Charity in Lackawanna, better known as Father Baker's.

This year marks the 125th anniversary of service to Lackawanna and Father Baker's by the Sisters of St. Joseph. It also is the 75th anniversary of Our Lady of Victory Infant's Home and the 25th anniversary of Baker Hall, a facility for troubled adolescents.

The Rev. Robert C. Wurtz, executive vice president and treasurer of the homes, said the triple anniversary will be launched with a Mass at 7:30 p.m. May 1 in Our Lady of Victory Basilica.

"At that time," he said, "we plan to especially honor the Sisters of St. Joseph, who have served these agencies and the poor with such dedication.

"We are expecting more than 1,000 people to join Bishop Edward D. Head, Monsignor Robert E. Murphy, pastor of the basilica, and me for the celebration of the Mass and a reception at Baker Hall School."

Among the other observances being planned are Youth Day, May 22, with an open house in the Infant's Home and Baker Hall, and a commemoration on Father Baker Day, July 26, the 45th anniversary of the death of the renowned priest, he said.

As a part of its triple anniversary celebration, a commemorative key chain has been commissioned. The emblem is embossed with the image of Our Lady of Victory and denotes the 1981 anniversaries.

The key chains are available from the Ridge Road administrative offices. An offering of $2 is requested.

Our Lady of Victory Homes offer a wide range of services for infants, adolescents and expectant mothers. It also includes Our Lady of Victory Hospital.●

EMANUEL CELLER

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. PEYSER. Mr. Speaker, I join with my other Members of the House who had the opportunity of serving in the Congress with Emanuel Celler. His courage to fight for what he felt was right was undeniable and his work on civil rights will certainly go down in history as one of his major accomplishments. His ability to make people laugh at some of their problems, and his general good humor was certainly one of his great assets. We shall all miss him.●

FACING UP TO TERRORISM

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BROOMFIELD. Mr. Speaker, yesterday, President Reagan pledged to the American people, and in particular to our freed hostages, that every means of protection the United States can offer will be afforded to the men and women who serve our country overseas. Moreover, the President warned the world that in the future terrorists should be aware of swift and effective American retribution. I fully agree with the President's remarks and encourage the new administration to review the entire question of what to do in response to future acts of terrorism. As a recent editorial in the Washington Post stated:

The old relaxed ways of dealing with terrorism will no longer do. Responsibility for it must be fixed, and new policies, operational and political, must be devised.

To be sure, modern terrorism is not a national policy tool and it will no doubt continue to be used by a number of nations in the 1980's. Moreover, as a substitute for traditional diplomacy, terrorism will have a tremendous impact upon U.S. strategic interests as in the case of Iran. As Dr. Ray S. Cline, director, Georgetown Center for Strategic Studies, pointed out in a presentation at the Jerusalem Conference on International Terrorism in July of 1979:

* * * The truth is that the use of physical and psychological force, involving intimidation, political coercion, assassination, and wanton destruction of property, has become part of the arsenal of geopolitics and will be an important ingredient of international conflict in the 1980's.

Contemporary terrorism largely began when the Soviet Union accepted the Palestine Liberation Organization as a major political instrument in the Mideast, and began to subsidize many of its terrorist activities. There is no doubt that Soviet support for international terrorism often through such surrogates as the Cubans and the East Germans provide a suitable substitute to traditional warfare and as a result threaten free societies, including our own. International terrorism, however, can also transcend simply Soviet design, as evidenced by several hundred terrorist groups who differ in ideology, size, composition, and group purpose.

In the past, the United States has been affected by various terrorist incidents, both here and abroad as evidenced by spectacular airline hijackings, the killing of U.S. representatives in the Sudan and Afghanistan, as well as the more recent Hanafi Muslim takeover in the Nation's Capital. But in those cases, no nation supported the terrorists which was, as we all know, not the situation in Iran.

The terrorism in Tehran was, to say the least, unique to the American experience. Moreover, it was representative of what could become a more commonplace incident in the decade ahead if we and our friends are not sufficiently prepared.

With increasing U.S. strategic interests in the Third World regions, a growing awareness of the interdependency of all people, and the advent of modern communication which can televise events around the world, terrorism has come of age. As a result, the United States must know how to cope with a sizable terrorist threat, and in this regard, the tragic experiences of our former 53 American hostages contain lessons which can serve as the basis for future American efforts to deter terrorism.

As the ranking minority member of the House Foreign Affairs Committee, and its Subcommittee on International Security and Scientific Affairs, I am preparing for hearings on Iran which may, among other things, explore the administration's compliance with the War Powers Act, the development and implementation of international security plans to prevent and/or predict hostage situations, as well as the need to examine crisis management efforts, including an assessment of what changes in organization and personnel are needed in the areas of hostage negotiation and conflict resolution.

As Robert Kupperman and Darrell Trent have pointed out in their book entitled "Terrorism: Threat, Reality, Response," concerning various aspects of a terrorist situation, authority is dispersed over a number of U.S. Government departments in a manner which is convenient to handling daily concerns, but which may impede efforts to deal swiftly with a crisis. In order to more effectively cope with a terrorist incident, I would encourage the administration to improve the capabilities of the Departments of State and Defense, while creating a small interagency working group which could effectively deal with a crisis. Moreover, I have long felt that the Federal Emergency Management Agency (FEMA), which Mr. Kupperman now directs, should be provided with a mandate to manage domestically disruptive terrorist acts as a part of civil defense preparedness. Terrorism in the 1980's may affect us both here and abroad, and we should be prepared for it.

Most importantly, in order for the United States to better combat terrorism, our weakened intelligence system must be improved, including better coordination and exchange of information among free nations. In short, effective intelligence is our major line of defense against terrorism. Moreover, our Embassies also must be better hardened by limiting access to buildings and having them equipped with such mob control devices as smoke machines and banana foam, the latter being a slippery substance which would spread throughout specific floor areas of the Embassy. In order to deter any future terrorist incidents, we must also have the paramilitary capability to perform rescue operations. This capability must be second to none if we are to truly guarantee the security and the freedom of American personnel abroad. Last, but certainly not least, the Congress must adopt tough antiterrorism legislation. In this regard, the Congress and the new administration must work closely so that we Americans are sufficiently prepared to deal with terrorism swiftly, decisively, effectively, and, if necessary, with retribution.

Never again should we Americans tolerate tales of terrorist torture and torment.●

SOVIET GRAIN EMBARGO UNFAIR TO OUR FARMERS

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. DASCHLE. Mr. Speaker, I am introducing today, along with colleagues Mr. FITHIAN, Mr. DORGAN, and Mr. BEREUTER, a bill to end the current Soviet grain embargo.

I hope this bill will not have to be enacted into law; I hope that President Reagan will fulfill his pledge to end the embargo.

The embargo, while having some negative repercussions for the Soviets, has not had its intended effect—85,000 Soviet troops are still in Afghanistan. Furthermore, the Soviets were able to import 31 of the 34 million metric tons of grain they had planned to import.

Even though the U.S. Government spent about $3 billion to try to offset the effect of the grain embargo, farm income declined 40 percent in the second quarter of 1980—and the embargo was certainly a major factor in that decline.

The American farmers, who make up only 2.8 percent of our population, were made to bear the brunt of the embargo through uncertain markets and lowered prices. The recently completed structure of agriculture study confirms what we all know—that owning and operating a family farm is a rapidly diminishing profession and that our farm policies have contributed to this demise. The grain embargo is yet another one of our policies which has harmed this struggling profession. It is ridiculous to consciously pursue a strategy which has not worked and which targets the economic burden to a group least able to absorb more economic loss. Should an embargo prove necessary for compelling national security reasons at some future time, the economic burden must be shared more equitably by all segments of society.●

CAPITATION GRANT ASSISTANCE

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ROSTENKOWSKI. Mr. Speaker, I am today introducing legislation that addresses a problem confronting several medical schools as a result of responding to two Government programs. I introduced this bill in the last

Congress, and it was incorporated in the health manpower bills that failed to be enacted.

One of these schools, Loyola University Stritch School of Medicine, serves the Chicago area. Loyola's Stritch School of Medicine increased its enrollment over the past 10 years in response to several Federal programs, and had a class size of 130 in 1972.

The school received a 7-year grant from the Veterans' Administration which obligated them to admit 13 additional first-year students. Therefore, the school had two separate commitments to two different Federal agencies.

Under the terms of the Health Professions Educational Assistance Act, the Stritch School of Medicine had obligated itself to a class size of 130 students. In 1975, they accepted an additional 13 students that obligated them under the conditions of the 7-year Veterans' Administration grant.

The school received Veterans' Administration approval to terminate entry of new students for the year, 1979-80. However, the Department of Health and Human Services notified Stritch that under the terms of the Health Professions Educational Assistance Act, the school had to maintain in the year the same enrollment that it had in 1976, that is 143. The school complied, but with the failure to enact the health manpower bill in the 96th Congress, Stritch finds that the entering class for 1981-82 must also be 143 in order to qualify for capitation grant funds.

This bill allows the Department of Health and Human Services to exclude increases in enrollment due to Veterans' Administration programs for purposes of determining first-year enrollment requirements for capitation grant assistance.

The bill follows:

A bill to amend the Public Health Service Act to provide that enrollment increases made by schools of medicine to receive assistance from the Veterans' Administration shall not be considered in determining if the schools have met the first-year enrollment requirements for capitation grant assistance under title VII of such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 771(a)(1) of the Public Health Service Act (42 U.S.C. 295f-1(a)(1)) is amended by inserting after "first-year enrollment" the following: "(determined without regard to any increase in such enrollment made by the school to enable it to qualify for financial assistance under chapter 32 of title 38, United States Code)".●

FORMER HOUSE MEMBER ADDRESSES RELIGIOUS LEADERS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. SIMON. Mr. Speaker, one of the finest Members ever to serve in this House was Representative Jerry Voorhis of California. He was defeated in a House election by Richard Nixon. Had Jerry Voorhis won that election, our history would be significantly different.

There is no better way to judge the contrast than an appeal that Jerry Voorhis has sent to leaders of various Christian denominations.

You do not have to agree with every word in his appeal to recognize that there is both wisdom and compassion in a message that somehow gets lost in all the political oratory and bombast that surrounds us.

I urge my colleagues to read this message which is specifically addressed to leaders of Christian denominations, but in fact is addressed to the consciences of all Americans of whatever religious persuasion.

A MESSAGE TO CHRISTIAN CHURCHES THROUGHOUT THE UNITED STATES

The inscription on our American money says: "In God We Trust".

But we don't. Instead we place our trust in the most frightful arsenal of military weapons known to history. We do this despite the fact that we know full well that if those weapons are ever used it will be in a war that will kill most of the people of the world and destroy the Earth as the home for life, which God created it to be.

A nuclear war, whoever "wins" it will be a war not between nations but a war against God Almighty Himself and his whole creation. For it will destroy his greatest and highest work—human kind. Those who do not die will be demented, distorted beings, their descendants some sort of mutation monsters.

Despite our knowledge of these facts we, a supposedly Christian people, go on listening to strident voices urging even more horrendous weapons, advocating a tough, threatening foreign policy—even suggesting that a nuclear war might be waged if our supply of oil were threatened.

Most inexcusable of all are the voices which say that the United States could win a nuclear war and that our people could survive it. There is no competent scientific evidence to support such demagoguery.

Yet in the election of November 1980 at least 5 incumbent Senators whose records were ones of conscientious responsibility in foreign affairs generally, who sought to curb the arms race, who supported Salt II and who voted for the Panama Canal Treaty were defeated by opponents who took exactly the opposite position, who advocated more not less military confrontation and who were supported by an organization that called itself a Christian "Moral Majority."

Today the best resources of mind and material are devoted all over the world to the building of armament, while a billion people suffer from preventable hunger. Especially is this true in the U.S.A. and U.S.S.R.

Willing workers are denied the basic human right to work and earn a living. One reason for this is that the best of dwindling natural resources are being poured into ever-increasing armament. What should, according to God's plan, be used to save life, is used instead for its possible destruction.

The so-called super powers lead this march to destruction but even the poorest nations in the world follow their dangerous lead.

In this time of looming scarcities, when sharing should be the rule, nonetheless those who are powerful among men and nations attempt to maintain their privilege by force and threaten to fight wars to gain for the selfish satisfaction of this one generation a lion's share of those fast-dwindling resources.

Whereas the technology for the development of new clean inexhaustible nonpolluting sources of energy is known and tested that development is neglected and given a pittance so that military appropriations can be increased beyond all reason. Were this not the case, were such new energy sources developed with all the fervor and commitment that is given to weapon development, there would be no need to fight wars over the last remaining deposits of petroleum.

It is truly said that man's extremity is God's opportunity. Which means that when humanity faces ultimate dangers and is baffled by problems that appear insolvable, then at such times religious people begin to open their minds and hearts to the guidance of God and begin in earnest to seek to do His Will.

There can be no doubt that these are days of man's extremity.

And there is some evidence that Christian people will turn to their Faith for guidance and follow that guidance wherever it may lead. To that end this message is sent to your Church.

In this time of ultimate danger there are those who are giving God the opportunity. There are increasing numbers of Christians who are willing to risk for peace. There are those who are saying that they do not desire to have the utterly false "security" of huge armaments to "protect" them—when they know that no such protection is any longer possible by military means.

These fully awakened Christians are seeing that God can never bless an economic system that rewards the rich and exploits the poor.

They are seeing that hope lies only in seeking peace and justice according to the Will of their Creator.

They read even in the Old Testament commandments of God to put trust in Him and not in arms. And they look at the entire life, teaching and self-sacrifice of Jesus with clear eyes and understand that nothing could be more contrary to His every precept than the war system as it enslaves people today.

These deeply committed Christians call upon their nation not to pursue further the lethal arms race but instead to risk for peace by offering an end to our own development of any more weaponry and challenging the rest of the world to follow our lead.

They place their trust in God and His guidance and they know full well where that leads. All the effort, all the resources, all the wisdom, they say, that their nation possesses must be put into a relentless drive for economic justice, compassion, and mercy toward all human beings and to the building of a structure of peace that can make possible the wiping of all nuclear weapons from the face of the Earth.

Only so, these Christians see and believe, can God's will be done. Only so can the children of God survive on planet Earth. If we must die, they say, let us die in Faith not in disobedience to the clear will and purpose of the Almighty Father of life. Fervently it is to be hoped that the example of these men and women will be followed by increasing numbers of professing Christians. It is also to be hoped that in these critical days of ultimate decision, our Churches and Church Councils will not hesitate to give full support to organizations and movements, within and even outside the religious community, which are devoted to the cause of world peace under law, and of disarmament to that end.●

TRIBUTE TO BOB WIRE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. LAGOMARSINO. Mr. Speaker, last month, Detective Cpl. Robert J. Wire retired from the Ventura Police Department following 26 years of devoted service to the citizens of the city of San Buenaventura, Calif.

Bob Wire began working for the Ventura Police Department on December 12, 1954, at a time when there were 32 officers on the department. He has seen the agency grow to 90 officers today.

Bob came to the Ventura Police Department by way of Oxnard Air Force Base. When the Air Force transferred him to the Oxnard area, Bob decided he liked this part of the country better than the Midwest, and settled here.

He has worked in nearly all areas of the police department. After beginning in patrol, he rode enforcement motorcycle for 8 years. He was promoted to detective on November 1, 1963, and this title changed to corporal on August 11, 1980. His many assignments have included working burglary, checks, auto theft, narcotics, warrants, and traffic investigation.

Bob Wire's many community activities have included membership in the Avenue Lions Club (past president), the Poinsettia Masonic Lodge, and the Ventura Shrine Club. He was also instrumental in working with the police boys club and getting it into a full-time organization with the Boys Club of America in Ventura.

Bob and his wife, Betty, have been married for 29 years and they have three children—Bob Jr., Bonnie, and Cynthia.

On behalf of the citizens of Ventura and the Members of the House of Representatives, I would like to extend our gratitude and very best wishes to Bob Wire and to his family.●

TRIBUTE TO ANDRE GALERNE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BIAGGI. Mr. Speaker, in my congressional district, there lies an oasis away from the hustle and bustle of the Bronx—yet it is in the Bronx. I refer to City Island, where the people are hardworking and fiercely independent, an area where pride in neighborhood is evident everywhere. On November 7, the City Island Chamber of Commerce, at its annual dinner dance paid tribute to a true friend of City Island, its president, and my good friend, Andre Galerne.

Andre was honored for his work as president of the chamber. Yet in reality, the people of City Island have had Andre Galerne as a friend for many years. In 1971, the International Underwaters Contractors, Inc., was established on City Island. Andre Galerne who today is the distinguished president of the IUC group, has followed a policy of buying their materials only from City Island merchants or as Galerne himself says "I support local merchants. We need to bring business here so residents will not leave the island to shop."

I have known Andre for a number of years and have found him to be a most educated and interesting person. He is a man of feeling and of commitment. He deserved all the accolades which he received at the dinner.

At this point in the RECORD I would like to insert an article entitled "Probing the Depths of Andre Galerne" as printed in the December 1980 edition of the City Island Current.

PROBING THE DEPTHS OF ANDRE GALERNE

(By Maria Gil)

With a mixture of Gallic insouciance and robust American enthusiasm, Andre Galerne presides over International Underwater Contractors, an organization as colorful and multi-tentacled as Captain Nemo's Giant Squid. He sits baronially in a tilt-back swivel chair and surveys "la vie Americaine" from I.U.C.'s office at 222 Fordham Street.

"You know," he says, I first wanted to be a test pilot, to go up, up, up." (A sweeping arm gesture.) "But now . . . " The arm reverses position, the shoulders hunch up in a shrug, and fathoms of underwater adventure are expressed in a bright-eyed, dolphin smile.

Mr. Galerne was born in Paris in 1926. At 17 he joined the Resistance, and later the French Air Force, but was thwarted in his dreams of an airborne career by the ravaged condition of post-war aviation in France.

He also served as a frogman with the French Navy, which led to his meeting Jacques Cousteau and joining the diving team aboard the oceanographic research vessel Calypso.

HIS FIRST DIVING BUSINESS

After the war, Mr. Galerne cast bread upon the water, so to speak and founded Sogetram (Societe Generale de Travaux Maritimes et Fluviaux), the world's first international organization of professional frogmen.

"Young people were shell-shocked, traumatized by the war," he recalls. "To help, I became active with the Boy Scouts. I took the older ones on physical explorations, spelunking, canoeing. Sometimes, deep inside a cave, we'd find water so mysterious, it seemed very wrong not to go down and explore it. We got some aqualungs and we learned how."

Mr. Galerne developed expertise with the scuba, unknown during those days of heavy diving suits and cumbersome copper helmets.

The first big break for Sogetram came in 1952, when Mr. Galerne and his partners surveyed the freezing murky depths of a crater lake for Electricite de France. From then on, he says, "It was no job too big or too small. We will do anything anywhere underwater."

It's a satisfied, dapper Galerne who puts his feet up on this desk and grins. "We studied everything we could about diving. We wanted to be the best. I remember we even got a U.S. Navy training manual, and then couldn't read it because it was in English."

I.U.C. BEGINS

Canada became the first overseas arm of Sogetram in 1958, and the name International Underwater Contractors was born. In 1962, a branch was established in New York City. "We chose New York because all the big oil companies were based here. It used to be excellent for business, but now . . ." he runs his agitated fingers across his forehead. "That Lindsay, he ruined the city. All the companies, they leave, move right out. And business here . . ." Another shrug, deprecatory head shaking. Volumes in a gesture.

A most Latin man is Andre Galerne, in the Mediterranean sense, and a man of paradox. Clearly given to extremes of feeling, he talks to a man phoning from New Orleans to sell a boat. "Yes, yes, my friend. We will look at your boat. We will be happy to see it." And then, with predatory charm, "But of course, you are asking far too much."

He appears at times ill at ease, a man preoccupied with much, yet conversely always willing to shoulder another burden. The list of organizations both here and abroad of which he is a member or officer (including our own Chamber of Commerce) is staggering. One gets the impression of energy and action fueled by a mind that hums like a computer. The quintessential buccaneer turned businessman; the fullback in a pinstripe suit and Sulka tie.

"I AM A BUSINESSMAN"

Are there any regrets? Would he rather be out on the Calypso with Cousteau, his old friend and partner?

"I am a businessman," he says. "I own I.U.C. 100 percent, and it is important to me that the image of businessmen, especially American ones, is positive. Historically, business has had negative connotations for people. Chambers of commerce become social clubs rather than forces for community change and growth.

"I came to this country and became naturalized, even though my wife and children chose to remain citizens of France, because I believe in it, in democracy and the free system of capitalism."

There is more than money to capitalism, Mr. Galerne believes. For the system to survive, he feels it must be responsible to itself and to the society which gave it birth. "The

people of the Third World view us through television eyes, unrealistically, like gangsters, exploiters. We must change that impression. Business has a trust placed in it which it cannot betray."

There is the spirit of the old cave explorer as Mr. Galerne speaks, the fearless crater diver. The company head who can afford to sit back and rest on considerable laurels does no such thing.

I.U.C.'S ACHIEVEMENTS

I.U.C. and Mr. Galerne not only developed tri-gas (Helium/Nitrogen Oxygen) for more cost-efficient short dives, but pioneered safe and practical procedures for long-term deep dives, and the use of underwater closed-circuit color T.V. for salvage diving.

Innovation and diversity are evidenced by the formation ten years ago of I.U.C. International, a separate company serving the offshore drilling industry and employing the use of manned freeswimming submarines like I.U.C.'s own Pisces VI.

The Undersea Medical Society was pleased to have Mr. Galerne serve as committee chairman in a study it undertook for the National Institute of Safety and Health to insure the well-being of divers in the ever-expanding quest for alternative subsea energy.

The North Sea Hyperbaric Center in Aberdeen, Scotland which was created to provide emergency medical treatment for divers under pressure, owes its conception, design and construction to none other than Andre Galerne.

SOME OF HIS COMPLAINTS

He wants to talk about taxes and how unjust they are to American businessmen. "It costs me $15 or 20 thousand a year just to live in New York State." And about laws which mandate the use of American-made equipment on overseas jobs but forbid hiring American workers. "The whole thing is foolish. It is bad for good will and also discriminates against the businessman. Do you know that I cannot bring my wife with me on a business trip because of the added expense even though I would welcome the companionship and even though it would present a proper image abroad? No, no, according to these American laws, the wife is a hindrance. But the secretary, she can come for free! Completely deductible! Silly, non?"

HIS FEELINGS FOR CITY ISLAND

He is more generous where City Island is concerned. I.U.C. and the diving school need accessible waterfront and Mr. Galerne likes a community where he does not have to "carry a machine gun to get to my car at night," he says, he cites many needed improvements which are dear to his heart, like the return of small businesses, a public fishing pier and mini-van service to help control the traffic problem.

"I.U.C. buys from Island merchants whenever possible. I support local merchants. We need to bring business here so residents will not leave the Island to shop. That will be death of us. Those misguided people who removed the City Island signs are insulationists. They do not belong to this century."

But Andre Galerne most definitely does. He speaks for a revitalizing force in the American economy with business forging the way, investing in itself, providing new jobs, a new sense of pride.

It's a proud man who rises, shakes hands, bows slightly. One final question elicits that he has four children and lives in Larchmont with Jeannine, his wife of 31 years.

"I am a lucky man," he admits somewhat ruefully. Encore the Gallic shrug. "Happy? Yes, I suppose, but most assuredly, very, very, lucky."●

BILL TO REQUIRE CBO TO PREPARE ESTIMATES OF COSTS TO STATE AND LOCAL GOVERNMENTS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. MINETA. Mr. Speaker, today I joined with my colleagues, Mr. LUNDINE and Mr. ZEFERETTI, to introduce the State and Local Government Cost Estimate Act of 1981. This legislation would require the Congressional Budget Office (CBO) to estimate the costs incurred by State and local governments in carrying out every significant bill or resolution reported in the House or Senate. Under current law, CBO prepares estimates of the costs to the Federal Government only.

Section 403 of the Congressional Budget Act of 1974 does require CBO to "the extent practicable, to prepare for each bill or resolution of a public character reported by any committee of the House of Representatives or the Senate * * * an estimate of the costs which would be incurred in carrying out such a bill or resolution in the fiscal year in which it is to become effective and in each of the 4 fiscal years following such fiscal year, together with the basis for each such estimate."

CBO has gradually implemented this section, adding more bills each year as it built up capability to handle the large volume of reported legislation. In fiscal year 1980, CBO did cost estimates of 830 bills, which represented 98 percent of the bills reported with spending impact.

The Legislative Reorganization Act of 1970 required each committee to provide a cost estimate with their reported bills. At that time, the estimates submitted by each committee were not standardized and were of varying quality and reliability. Section 403 required cost estimates to be made by CBO—a professional, nonpartisan organization with independent estimating capability.

The time has come to extend the cost estimate requirement to State and local governments. As communities try to cope with inflation, growing demands for services, and dwindling revenue sources, we here at the Federal level must be much more cognizant of the intergovernmental ramifications of our legislation. Many times Federal mandates are cumbersome and costly to State and local governments who devote many man-hours to meet federally imposed requirements for aid; in some cases the return is not worth the amount of Federal aid received.

For instance, section 504 of the Rehabilitation Act will cost San Jose $100,000 in unanticipated costs in fiscal year 1981 to meet the regulations requiring access for the handicapped to public buildings. I strongly support this provision, but the point I wish to make is the city had not planned or budgeted for this contingency. Under this legislation, State and local governments will have some indication in advance of the cost of federally imposed regulations and can plan for them. Another more substantial expense is the $7.8 million local cost to San Jose for the tertiary water treatment plant required by Public Law 92-500. This is a heavy burden for any local government and should be planned for well in advance. By having the cost impact to State and local governments available at the time Congress is considering the legislation, an assessment can be made by Congress whether the requirements are unnecessarily burdensome or time consuming. In some cases Congress may decide to change the legislation to make the requirements more realistic.

While there has been considerable discussion over the past few years concerning the issues of Federal constraints on locals, I am afraid analysis has been short and rhetoric long. Enactment of the State and Local Government Cost Estimate Act of 1981 will better equip us to undertake detailed analysis rather than rhetorical speculation.

Because of the diversity of population, financial conditions, and structure of governments among the States, the cost of legislation may vary widely. The estimates of cost to States which this bill would require could not possibly factor in all of those differences State by State, but it would be possible, according to CBO, to prepare reasonable approximations of the costs to the State and local sector as a whole, using estimates of average impacts on various categories of jurisdictions.

It seems ironic that after the decade of "New Federalism" and consolidated block grants, that we must once again raise the issue of excessively compartmentalized arrays of Federal programs. I am not taking issue with the nearly 490 categorical grant programs, but simply with the fact that no matter how justifiable they are individually, collectively they present an unworkable and confusing mass of programs, each with its own conditions and requirements and deadlines.

Joint hearings by the Task Force on Budget Process and Task Force on State and Local Governments were held on this legislation during the 96th Congress. The hearings further emphasized the impact of the myriad and often contradicting Federal requirements on State and local governments. As a result of these hearings, the Task Force on Budget Process and the Task Force on State and Local Governments recommended to the Committee on the Budget to endorse the bill.

This legislation has been endorsed by the Council of State Governments, the International City Managers Association, the National Association of Counties, the National Conference of State Legislatures, the National Governors Association, the National League of Cities, the Northeast-Midwest Congressional Coalition, and the U.S. Conference of Mayors.

This legislation is a reasonable approach to the underlying purpose of fiscal responsibility in the Congressional Budget Act, and I would strongly urge that Members of the House support this bill.●

REMARKS OF NORMAN Y. MINETA TO THE 79TH CONVENTION OF THE AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. HOWARD. Mr. Speaker, I would like to share with my colleagues the remarks which our colleague, Congressman NORMAN Y. MINETA, delivered at a recent meeting of the American Road & Transportation Builders Association. Congressman MINETA's speech makes a strong case for continued investment in the capital plant of our transportation system. As he points out, our transportation system is basic to the entire economy and if we allow the system to deteriorate the effects will be far reaching.

Congressman MINETA also discusses the need for continued public investment in the development of major airports. He supports renewal of the airport development assistance program (ADAP) in which airport development is funded from a trust fund financed entirely by fees paid by users of the airport system. Congressman MINETA points out that ADAP is the most efficient and reliable system of financing airport development and that there are legal barriers which prevent many major airports from financing development through other means.

Congressman MINETA's remarks will be of great interest to all who are concerned with the future of our national transportation system.

REMARKS TO THE 79TH ANNUAL CONVENTION OF THE AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION BY CONGRESSMAN NORMAN Y. MINETA, JANUARY 24, 1981, HOUSTON, TEX.

It's a real pleasure to be here with you this morning, with this distinguished panel, to discuss what I consider to be some of the major challenges confronting us as a nation.

We were asked to comment on the new Washington scene, so before I flew down to Houston, I looked around to see what was new about Washington.

It didn't look much different.

The Republicans were everywhere on the upswing, of course, bouyed by having taken over the White House and the Senate. But if you look beyond that change in party labels, you find that the hard realities haven't changed, the tough choices haven't changed, and the factors that eliminated all the easy solutions haven't left town either.

I think you'll find that once the Inaugural hangover has worn off, the new Washington scene will be face to face with the same hard tasks the old Washington scene had to face.

One of the hardest of those tasks, and one that you will be hearing a great deal about in the coming months, is the task of balancing the Federal budget. Don't let anyone's campaign rhetoric deceive you. It won't be any easier this year than it was last year.

In the weeks ahead, President Reagan will be attempting eleventh-hour cuts in the budget just proposed by President Carter, in order to balance the budget, or to make room for tax cuts, or some combination of the two.

The politicians are under pressure from their constituents to cut expenditures, without of course cutting any of the worthy programs which benefit that particular constituent. Add up all these constituents and you have a clear mandate to cut spending without cutting any services. And many of those politicians won their office by promising that they could do just that. They've made the oldest promise in the book—something for nothing—and it got to be the oldest because, no matter how many times it proves false, it always seems to play well one more time.

But how to cut expenditures without cutting services, or without at least appearing to cut services?

In that bind, politicians from city councilmen to Presidents are prey to a constant temptation, the temptation to slide the necessary cuts over onto the capital side of the budget, where the benefits of that spending—and therefore the pain of the cut—are generally several years in the future.

This gives the appearance that you can cut spending today without cutting services.

The tragedy is that for the sake of short-term appearances, we end up trifling with long-term investment in the basic infrastructure on which all economic vitality in this country ultimately depends.

Now I am not here to minimize the importance of cutting the budget and of controlling federal spending. As a Member of the House Budget Committee, I've devoted much of the last four years to the very painful process that is essential to regaining control of the budget. And I am not arguing that the capital construction programs in the Federal budget should be held sacrosanct at budget cutting time. Everybody is going to have to feel some belt-tightening.

But my message to you today is that we cannot allow others to load their budget-cutting disproportionately on the Federal capital-construction programs which are our investment in the economic future of this nation. We cannot allow the Federal government to be cavalier with badly needed ongoing capital reinvestment in this nation's infrastructure. This is one area where the health and vitality of the private sector depends on an active public sector.

As an example, there has been a great deal of discussion about "reindustrialization". Many have called attention to the need for massive private capital investment in the traditional basic industries in which this nation once excelled. Some of these industries, such as coal, steel, auto, and shipbuilding have fallen to weak competitive positions due to a lack of continuing investment to keep their plants and technology current. But what good does it do to make those kinds of investments if we don't also make the investments needed in port facilities to handle coal, steel, and ships; in the highways, bridges and rail systems needed to move those goods and people; and in the transit systems and airports needed to keep those workforces mobile and productive? Reindustrialization, like industry itself, will go no further than the transportation network which supports it.

There has also been a great deal of discussion about the need for private capital formation, the need for capital to be consistently generated to meet the essential investment needs of the private sector. But the same needs apply equally to those segments of our economic life which are in the public sector, and these are mainly the transportation systems upon which all industrial activity depend. Government in general, and, because of the interstate nature of transportation, the Federal Government in particular, has played a key role in the capital formation needed to keep these essential transportation links growing apace with private sector needs. A variety of capital formation devices have been used at various times and in various modes: Trust Funds, dedicated user taxes, general funds, contract authority, annual appropriations, and so on. But whatever the device, the purpose has been the same: to make possible the continuous investment and reinvestment in our transportation systems and other public facilities so that these can continue to meet the needs of our economy for years to come.

In too many quarters, there has come to be a quick and facile belief that if it's public sector spending, then the private sector would be better off without it. In many instances, that is just not true. And, in the case of transportation, that statement is a potentially disastrous falsehood.

In aviation, for example, the industry has a tradition of concern for future aircraft capacity and productivity. There is considerable thought given to how the capital can be provided, over a period of many years into the future, to create the kind of aircraft fleets needed by the airlines. But too often the questions of airport capacity, of airway capacity, and of the capital investment necessary to provide for them, are just left to somebody else. They are thought of as a separate issue. And that is a mistake, because fleet capacity and airport capacity and airway capacity are all part of a single system and we ought to deal with them as a system. We shouldn't be deceived into a fragmented approach to capacity issues simply because on the fleet side we have private capital investment, while on the airport and airway side the public sector is heavily involved in the capital investment effort.

The costs of underinvestment certainly do not observe the boundary between the private and public sectors, as a recently published study by the Aerospace Industries Association clearly shows. They found that airport and airway congestion and delays cost the airlines dearly in increased fuel and other operating costs. A study of just three of the U.S. airlines (American, Eastern, and

United) for just one year (1977) showed that delays cost them 237 million gallons of fuel wasted and a total of $273 million dollars in additional operating costs. Just these delay-caused operating costs alone were more than those three airlines made in net earnings for that entire year. So a dependable system of investment in airport and airway system capacity and productivity is essential to the long-term economic viability of the airlines.

And we shouldn't kid ourselves about where we stand on airport and airway capacity in 1981. We haven't got much of a margin above us before we hit capacity in many key areas, and one of the reasons we've got even that much margin is that demand has been temporarily depressed. We have in recent years fallen behind the curve of needed reinvestment in these facilities and we have definitely failed to keep pace with the rate of inflation for construction costs. It has gotten to the point where this past year for the first time, the Department of Transportation and the FAA testified that in the next few years they may be forced to constrain traffic growth, due to the saturation of runway and air traffic capacity.

And we are at the beginning of a decade in which the number of air passengers is projected to double.

Whether it's highways, transit, or airports, what we are talking about is the same pattern of deferred reinvestment and deferred maintenance which many of the railways of this country used just to get by a few tough years. But they found that once you start slipping behind the curve of needed reinvestment, you get pulled into a vicious cycle, and it becomes nearly impossible to get out. We face the threat of more and more of our transportation systems following in the footsteps of Penn Central. And that is one of the key issues facing this country today.

To prevent that from happening, we have to make sure:

(1) That national policy makers understand the vital importance of this nation's infrastructure in general and of its transportation systems in particular;

(2) That they appreciate the key role the Federal government must often play in generating and investing the capital on which these systems depend; and

(3) That they not upset those long-term investment mechanisms casually or without the most thorough kind of deliberation.

One of our transportation programs has been particularly challenged in the past year and a half. It is certainly not the largest of the programs we have discussed here today, but it is under the most pointed assault. The issues involved are the same issues of Federal participation in the generation and investment of needed capital that apply to any of the transportation modes we have discussed. If we don't effectively deal with these issues in this particular program, we may find our other programs under similar attack.

The program is the airport development program, known as ADAP. The challange to the program is a concept known as "defederalization", introduced in the Senate in 1979.

The ADAP program was created in 1970 in response to severe airport capacity problems in the late 1960's. Through the imposition of dedicated user taxes it put the Federal government in the role of guaranteeing that capital would be steadily accumulated and made available to supplement local capital investments in airport facilities, and in the air traffic control and en route airway systems.

The Senate ADAP bill in the last Congress, however, contended that for the larger airports—the so-called large and medium hubs which comprise roughly the 72 largest airports in the country—a Federal role in airport development was no longer necessary. These airports, in the view of the bill's authors, should be able to raise their own capital and were therefore to be "defederalized", to use the Senate's term. The Federal Government would henceforth raise no airport development capital on their behalf.

The Senate's bill, including defederalization, passed the Senate last year, but died at the end of the 96th Congress in the face of overwhelming House opposition to defederalization. The likelihood is for a repeat of those positions in the coming year.

The bottom line issue here—and it could be asked of any mode of transportation, not just of aviation—is why have the Federal Government involved at all in the capital formation and investment necessary in a particular mode? Why have federally mandated highway user taxes? Why have a Highway Trust Fund? Why not have the States and localities deal directly with those who use the highways and hope they can all work something out? That is the core of the defederalization issue, only at this point expressed in terms of airports.

The answer, of course, is one of practicality. And in reviewing last year's deliberations on defederalization, I am struck by what appeared to be an almost casual acceptance of many of the key assumptions behind defederalization, without ever really challenging how practical they would be in the real world. Let's look at a few of these assumptions.

First of all was the general impression that we were just kicking the biggest airports out of the program, the ones that were big and tough and could take care of themselves. Everyone immediately pictures New York, Chicago, Atlanta, Los Angeles, San Francisco. But the 72 large and medium hubs that would be defederalized go a lot farther down the list than that, to airports like Norfolk, Virginia, El Paso, Texas, and Birmingham, Alabama. The large and medium hub airports account for nearly 90 percent of all passenger enplanements. This is no small piece of the total airport system that would be defederalized. And many of these larger airports are the ones where capacity and congestion problems will be the most severe in the 1980's.

Secondly, there was a general assumption that the larger airports really did not rely on ADAP funding for much of their capital needs. Again this assumption does not seem to be supported by the facts. A 5-year survey of the 72 airports showed that an average of 38 percent of all capital spending at those airports was ADAP funding. This has to be measured against the fact that all projects are not ADAP eligible, and for those that are a local match of at least 10 to 50 percent is required. About half of all capital projects in the survey relied on ADAP assistance.

Third, and most important, was the assumption that big airports could deal directly and as equals with the airlines to assure that needed funds were raised at each airport for capital investment. This assumption sounded good as stated in the rhetoric, but in practice airlines and airports bring with them binding contractual commitments which more often than not would make this assumption invalid. Many airports have come to rely, either before ADAP or in addition to ADAP, on revenue bonds to raise capital for necessary construction projects. In many cases, particularly until the last few years, the successful issuance of those bonds depended on long range contracts with the airlines. The airlines in effect guaranteed that their landing fees would be as high as was necessary for the airport to cover its capital program and/or operating budget. These are generally called "break even" or "net lease" provisions. And in return the airline usually got a "majority of interest clause", giving any group of airlines who enplaned a majority of passengers at that airport virtual veto authority over airport expenditures.

Compounding this situation was the fact that these agreements typically ran for many years (up to 30 years in some cases) and often contained explicit prohibitions on any airport attempts to renegotiate the contract during its term.

Looking at the operators of the large and medium hubs, over half have "break even" type contracts with their airlines, nearly half have majority of interest clauses, roughly 40 percent are specifically barred by their contracts from renegotiations of those contracts, and over half have contracts which include at least one other provision that would impede their ability to force a renegotiation of long term agreements with the airlines.

Put all that together and the result is that most of the airports slated for defederalization would bring with them one or more contractual commitments which would make it highly questionable that they could negotiate as equals or that they could drive a bargain which would raise new capital to replace the missing ADAP funds. This obviously raises serious concerns as to whether necessary long-term capital projects would receive the funding they need, and whether they would receive it on a timely and predictable basis.

The fourth assumption which pervaded the Senate discussion of defederalization was the name itself. Defederalization implied getting the Federal government out of the airport business and returning that function to local government. That is not what the bill would have done, however. The Federal Government would still be involved as the air traffic control operator and the determiner of approach and landing aids and air traffic patterns and procedures. It would have remained to decide whether an airport had met all applicable Federal standards and should be certificated. It would have retained the Federal prohibitions on what kinds of revenues the airports could raise and from whom they could raise them. And most importantly, it would still collect Federal user taxes for flights originating from those "defederalized" airports. In fact, the airports to be defederalized generate roughly 80 percent of all the passenger ticket tax revenues to the Trust Fund, yet under defederalization those airports would be barred from using any of those funds for airport development.

In short, we weren't getting the Federal government out of airports at all; we were just getting Federal funds out of airports. It wasn't airport defederalization, as advertised, it was just airport defunding.

In fact, the closer you looked at defederalization, the less workable it seemed and the more it sounded like a half-baked idea getting a free ride under a misleading name.

It is ironic that the proponents of defederalization have chosen as their target the

mode and the program where the ability of the local authorities and the users to raise their own capital has to the greatest extent been recognized and incorporated into the program. More than transit, highways, or waterways, airports under ADAP are expected and in effect required to raise much of their own capital. It can hardly be argued that the existence of a Federal program has stiffled airport initiative or responsibility for doing their own fund-raising. Atlanta, as an example, has undertaken a massive expansion program, and spent $234 million in capital investment in the 1974 to 1978 period. ADAP funds only covered about one-fifth of that. Atlanta went through the usual array of bond agreements and airline contracts to get the rest.

And the ADAP program has recognized the generally greater fund-raising ability of the larger airports and has required them to use that ability to a greater degree. It does this by requiring greater matching funding from the larger airports and by allowing the larger airports less in formula funds per passenger than the smaller airports are allowed.

But we have never before gone that extra and critical step of a flat-out ban on funding eligibility for the major airports of this country. And that is the key, because ADAP funding, even though it might be only a relatively modest proportion of the total capital budget at an airport, has proved repeatedly to be a bridge that enables a long range capital program to move forward even where a variety of conflicting airline views cannot be reconciled. Airlines at an airport often have widely divergent points-of-view; some may be prosperous, others just scraping by with no means to look to the future; some may hold hopes for future growth at that airport, others may hold no such hopes; some may need one kind of facility, others may want different kinds of projects all together. Most airport development waits for those differences to be worked out. But there are those occasions where needed work must proceed with or without consensus, and ADAP can make that possible.

If anybody bought defederalization thinking they were buying into a get-the-Feds-off-the-backs-of-the-local-governments position, they got it completely backwards. In this case, it is often the availability of Federal ADAP funding that preserves the option for the local airport operator to carry out his needed capital improvements.

And for many of the same reasons, ADAP provides the airlines with needed stability and uniformity in their contributions to airport funding. The airline industry is a chronically cyclic industry. Whether it's airplanes or airports, when times are good airlines need more capacity and they need it now. But those investments take several years to become operational. Too often you have to buy in a down cycle to benefit in the up cycle, and airlines caught in down cycles can rarely afford to do that. As a result, the aircraft manufacturers are plagued by the cycles of the airlines: aircraft orders are up when traffic is up and nearly evaporate when it is down. The same would be equally true of airport development if it were not for the steadying influence of ADAP user taxes and funding. With ADAP, if people are flying, they're contributing to the Trust Fund which provides at least some of the capital funding needed to make the system work: it's automatic because it's collection is required of all airlines by the Federal Government.

If ADAP were ended, the cost of making up for those withdrawn funds would fall ultimately to the airlines.

Either in the form of higher landing fees haggled out at each local airport, or in the form of costly delays or capacity constraints which would ultimately result from not making timely capital investments in airport capacity.

In the final analysis, it is in the best interest of the airlines to have an ADAP program and to having the Federal Government using its national authority to act as an impartial and stable collector of revenues for capital investment in a national system of airports. It protects the airlines, as well as the airports, from the occasional cornercutter in the industry who would block long-term investment for a short-term competitive edge. ADAP provides an element of long-range investment and of stability, both of which the aviation industry could use more of. The ADAP program has traditionally been a kind of capital formation service. It has not been the kind of Federal program that is highly regulatory and an unwanted intruder into the affairs of either local government or private industry.

The final irony is that those who saw the label "defederalization" and thought they were getting something that would help bring the Federal budget under control, were sold a bill of goods. The Senate proposal would have reduced the user taxes to the Trust Fund by so much that the net effect would have been to increase the Federal deficit and make it harder to balance the budget.

In the months ahead, I expect to be working hard on the capital investment issues we have discussed here today, and especially on ADAP. There is a message that needs to be carried in defense of these programs, and I expect to carry it as forcefully as I possibly can.

Where defederalization in particular is concerned, the message is that this is one book that should not be judged by its cover. You've got to look at the real world and how defederalization would perform in actual practice. I don't think it looks very promising. I think you find that in airports, as in many other modes, vitally needed capital reinvestment is more likely to occur where the Federal Government lends its authority to the relationship between the providers and the users of transportation facilities.

And I hope I can count on your assistance in carrying that message.

Thank you very much.●

THE HOMECOMING CELEBRATION FOR 52 AMERICANS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to join my colleagues and fellow Americans across this great land in welcoming home our 52 countrymen who were held hostage in Iran for over 14 months. In many respects, this Nation during the last few days has hosted a great homecoming celebration. Parades, receptions, cards, gifts, and fireworks exemplified our relief and happiness about the release of our countrymen.

Ironically, it has taken this crisis and the final resolution of it to bring us together as one big family. Every American, regardless of the city or region of the country they live in, has shared in the suffering of the hostages and in the jubilation about their release in some way.

Their release was a sweet moment for us all. Appropriately, the American public chose to decorate our homecoming celebration with American flags and yellow ribbons.

Mr. Speaker, keeping in tradition with great homecoming celebrations and reunions, I think that we should pause to pay tribute to our fellow Americans who are no longer with us as a result of the hostage crisis in Iran. I am referring to the eight courageous American soldiers who gave their lives in an attempt to free the 52 hostages. They not only gave their lives but also gave us a renewed sense of patriotism and courage.

I hope that this homecoming and rekindled patriotism signals a new beginning for our Nation as well as for the 52 freed Americans and their families.

With that thought, Mr. Speaker, I welcome the 52 Americans home.●

HUMAN RIGHTS: AMNESTY INTERNATIONAL REPORTS SOVIET REPRESSIONS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BONKER. Mr. Speaker, Amnesty International reported last week that more than 200 dissidents have been imprisoned in the Soviet Union in the last 15 months. Furthermore, in order to silence opponents of the Soviet regime, courts are handing down severe sentences.

Amnesty, an international human rights organization and winner of the Nobel Peace Prize, further states:

In the general repression of the last 15 months, three types of dissenter appear to have been especially hard-hit, * * * members of unofficial groups trying to monitor Soviet observance of human rights agreements reached at the 1975 Helsinki Conference on Security and Cooperation in Europe, national rights campaigners in the non-Russian Soviet republics, including Ukrainians, Lithuanians, Estonians and Armenians; and religious believers, particularly Baptists, Seventh Day Adventists, Pentecostalists, and Russian Orthodox believers.

It should be noted that Soviet Jews have not been immune from this special treatment. In 1979, 54,320 Jews were allowed to emigrate, but in 1980 that level fell to 21,470 persons.

The Soviet Union has put its name to international accords guaranteeing

freedom of thought, expression, conscience, association, and movement, the right to work and exchange ideas, to enjoy equal protection under the law, and freedom from arbitrary invasion of privacy. But the U.S.S.R. dishonors its commitments by systematically victimizing citizens who seek to exercise their rights, and we must continue to reveal to the world how the Soviet Union treats its citizens.

I commend to the attention of my distinguished colleagues the following news release from Amnesty International:

AMNESTY INTERNATIONAL SAYS HEAVY SENTENCES HANDED DOWN IN SUSTAINED SOVIET CRACKDOWN ON DISSENTERS

Amnesty International said today (Tuesday, January 20, 1981) that Soviet courts are handing down severe sentences as the authorities keep up a drive that has already imprisoned more than 200 dissenters in the last 15 months.

The international human rights organization pointed to sentences of up to 15 years of combined imprisonment and internal exile imposed for "anti-Soviet agitation and propaganda" in recent months.

The sustained crackdown has hit dissenters of all kinds all over the Soviet Union—religious believers, human rights activists and campaigners for national rights in the non-Russian republics of the U.S.S.R., Amnesty International said. Heavy sentences have been frequent: since December 1979 at least 12 people are known to have been sentenced to more than 10 years each, the organization said.

All the members of a group monitoring political abuse of psychiatry have now apparently been rounded up. The fifth and last active member, Felix Serebrov, was arrested on January 9, 1981. Amnesty International cited the compulsory confinement of Ukrainian librarian Anna Mykhaylenko in November 1980 as evidence that dissenters were still being put in psychiatric hospitals for political rather than medical reasons. She had been arrested for circulating unofficial reports of human rights violations.

The organization called attention to long sentences given to five dissenters convicted on the "anti-Soviet agitation" charge in recent months: Mart Niklus, 46, a leading Estonian activist, was sentenced on January 8, 1981 to a total of 15 years' imprisonment and exile. Vasif Meylanov, 42, a mathematician from Dagestan who demonstrated peacefully against the internal exile of a dissident physicist Andrei Sakharov, was sentenced on December 2, 1980 to a total of nine years; two Ukrainians, Dr. Stepan Khmara, 43, a physician and Vitaly Shevchenko, 44, a journalist, were given 12 and 11 years respectively for circulating an unauthorized Ukrainian journal; and Nikolai Goretoi, 59, a leading Pentecostalist, was sentenced in November 1980 to 12 years.

In the general repression of the last 15 months, three types of dissenter appear to have been especially hard-hit, Amnesty International said: members of unofficial groups trying to monitor Soviet observance of human rights agreements reached at the 1975 Helsinki Conference on Security and Cooperation in Europe, national rights campaigners in the non-Russian Soviet republics, including Ukrainians, Lithuanians, Estonians and Armenians; and religious believers, particularly Baptists, Seventh Day Adventists, Pentecostalists, and Russian Orthodox believers.

Recent arrests include those of Natalya Maltseva, a feminist activist, Viktor Brailovsky, activist in the Jewish emigration movement, and Viktor Nitsoo, an Estonian dissenter.

The trials of a number of people arrested in 1980 are believed to be imminent. They include Helsinki monitors Vytautas Skuodis (Lithuania) and Tatyana Osipova (Moscow) and feminist Natalya Lazareva, Amnesty International said.●

ROBERT McNAMARA DELIVERS A NEEDED LECTURE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. SIMON. Mr. Speaker, one of the most impressive public officials I have known during my 6-plus years in Congress is the President of the World Bank, Robert S. McNamara. All of us of all nations will be experiencing a great loss when he steps down as the President of that organization.

Recently, the U.S. News & World Report had an interview with him in which he says, among other things, that:

No other industrial nation today, with the single exception of Italy, is doing as little in relation to the size of its population and the level of its income as the United States.

A little later in the same interview he notes that:

The average of all other industrialized nations, excluding the United States, is 0.42 percent—more that double what we do.

And then he has this significant statement to which we should pay heed:

It is a time to do more. If we don't do more, we are going to be in worse shape economically that we are. And we're going to have to face all of those social and political problems in the developing world I mentioned earlier.

I would urge my colleagues in the House and Senate to read this perceptive, thoughtful interview with Robert McNamara:

[From U.S. News & World Report]

INTERVIEW WITH ROBERT S. MCNAMARA, PRESIDENT, WORLD BANK—A PLEA FOR AID TO "800 MILLION ON MARGIN OF LIFE"

Americans may have given away billions, but they aren't helping enough now, contends the head of the 134-nation agency. He argues that assistance for the "absolute poor" is a game in which all win—including the U.S.

Question. Mr. McNamara, you've been pleading with the U.S. and other industrialized nations to provide more money to poor nations—and rapidly. What's so urgent about this need?

Answer. The fundamental point is this: All of us are living in an increasingly interdependent world—interdependent both economically and politically. And that combination offers many opportunities for actions from which everyone will benefit. This is why it's urgent that the U.S.—in its own national interest—act now to deal more effectively with the plight of the poorer nations.

Yes, I am pleading—to use your word—for a more realistic understanding of this basic point, and pleading for additional economic support for the less developed countries, not only through the transfer of resources but through expanded trading opportunities as well.

And I'm pleading for two reasons: It is very much in the interest of the developed countries themselves to do this, and it is very much in the interest of the developing countries that it should happen. The developing countries require economic support so that they can buy what they need from the rest of the world—an expense that is exacerbated by recent increases in oil prices. Those increases alone have more than doubled the current-account deficits these countries are facing in their trade and financial dealings with other nations.

Their social and economic advance will be crippled unless they are assisted. If they are to make a reasonable rate of progress, they will need additional external financing. That's why I am pleading for them.

Question. Why is it in the national interest of the U.S., as you put it, for us to provide such help?

Answer. For the U.S., the fastest-growing markets for exports—and the greatest potential stimulus to U.S. employment and trade—are in these oil-importing developing countries. So it is a plussum game. If the U.S. does not act intelligently, there will be a deflationary impact on the world, and the U.S. will be hurt as a result.

Question. What's the source of opposition? Is it ignorance, or is it a feeling of irritation that some of these Third World countries ganged up on us in the United Nations?

Answer. It's both, but basically it's ignorance. You can put up with some of the irritations if you understand where your fundamental interests lie.

If we in the U.S.—I'm speaking now as a U.S. citizen, not as the president of the World Bank—really believed that or fundamental interests would be served by additional assistance, whether it be in the form of trading opportunities or financial assistance, we'd be very shortsighted to let our irritations guide our behavior.

Question. On the negative side, what can happen if we aren't forthcoming in the Third World? Political turmoil? Collapse?

Answer. In simple terms, one would expect a greater degree of economic disorder, lower rates of economic and social advance, which in turn would lead to political disorder.

The truth is that the U.S. can no longer isolate itself from political disorder in other parts of the world as easily as it could in the past. We see ample evidence of that today in the Middle East. And I think we'll see evidence of it in many other parts of the world.

Beyond that, there are the humanitarian and moral considerations. They are very important. They move me; I hope they'll move others.

Question. Can you elaborate on the humanitarian stakes involved?

Answer. The World Bank today serves roughly 100 developing countries, containing some 2.25 billion people, excluding China. Of those 2.25 billion people, roughly 800 million are literally living on the margin of life—just bordering between life and death. If these countries do not advance economically, the number of people who are trapped in poverty will increase. It's a disgrace to the human race that we tolerate such a situation.

So one has these two considerations: Very narrow national considerations of economic and political interests, and then the much broader humanitarian and moral considerations.

Question. You're talking about a role that obviously is bigger than the World Bank's role. What should the industrialized countries be doing beyond what the bank does?

Answer. The World Bank can play three very important roles: One is the narrow one of being a major source of funds. We have expanded our financial commitments roughly tenfold in the last 12 years.

Second, we can also play a role as adviser to the developing countries' governments. We have been increasingly active in that field.

For example, the oil-importing developing countries must ultimately pay for the higher-priced oil. There's no way to finance that indefinitely simply by piling up debt. In the end, the only way they can pay for it is by expanding their exports or reducing their imports—or by some reasonable combination of the two. But it's going to take time for them to make those policy changes, and we can be helpful on that process.

And, third, we can serve as a focal point for discussion of key development issues and of the actions required to deal with them—issues, for example, such as absolute poverty, the population problem and the energy situation. Over the past decade, we've sought to stimulate more thoughtful and practical discussion of these and other critical issues.

Question. Who are these 800 million people on the margin of life that you refer to? What countries do they live in?

Answer. They are what we have termed the absolute poor. One can divide the approximately 100 developing countries into two broad groups: One group comprises the low-income countries, with roughly 1.25 billion people. These include countries such as India, Bangladesh, Kenya and most of sub-Sahara Africa. And the other group comprises the middle-income countries, with roughly a billion people: Countries such as Brazil, Korea and Turkey.

There are absolute poor in each of these two groups of nations—some 600 to 625 million in the low-income countries and some 150 to 175 million in the middle-income group.

Question. Many of these countries have been getting aid for years. Why haven't they been able to make it on their own? Why haven't many been able to feed themselves?

Answer. If you mean why haven't they been able to get along without external capital, I don't believe that historically any of today's developed nations did, either. At a comparable stage of development, for example, the U.S. was a borrower on a tremendous scale. Our railroads were financed by external capital. Much of our industry was financed by external capital. That's typical of a certain stage of economic development.

Question. But beyond that, why aren't the developing nations able to grow faster than they have? Why can't some feed their people?

Answer. On balance, they have learned to feed their own people. Take India. The World Bank is very active in agriculture there. Compare the years 1966 and 1980, for example. Both were drought periods. In 1966, India produced 72 million tons of cereal grain. In this past year, it produced 116 million tons. That is a 60 percent increase in 14 years, and India did not have to import grain this time.

What I am saying is that there has been great progress in these countries. Life expectancy increased on the order of 40 percent, on average, between 1950 and 1975. Never before in the history of the world has life expectancy of any large number of people increased 40 percent in a quarter-century.

Question. The more people there are, the bigger the problem becomes, doesn't it?

Answer. It does in one sense but not in another. Almost 12 years ago, I began to talk about the problem of population. We were absolutely right in recognizing it as an extremely important problem. But we were wrong in believing in too simplistic a solution, which was that if you supplied the world with contraceptives, the problem would be taken care of. But that is not the case.

It's a supply-and-demand problem. In terms of supply, you've got to have appropriate contraceptive services if fertility is going to be reduced on any broad scale. But you must also have a demand for their use, or not much is going to happen.

One of the things that research has revealed is that there is a direct correlation between the percentage of females that have passed through primary school and the desire for small families. And there is also a direct correlation between fertility rates and life expectancy.

In India, for example, in order to be fairly sure that a male child would survive into his parents' old age, you needed statistically about 6.7 births per woman throughout her reproductive years. And actual births were around 6.8. Obviously, the number of births was at least partly a function of parents' desire to have a male child to help take care of them in their later years.

If you can reduce infant mortality and increase life expectancy, there will be a marked change in the desire for large families. So the improvement of life expectancy—immensely desirable in itself—also has a beneficial effect on fertility reduction.

Question. You're saying aid is working—

Answer. Yes. Now, having said that, I want to emphasize that one has to insist on good management of scarce aid resources. We're proud of our efficiency in the World Bank. And one of the things I think we have proved is that you can be a hardheaded investor. You can demand efficiency in the investment of capital while at the same time being sensitive to social advance and social objectives and social values.

Question. Americans, as a whole, probably believe that they have given more aid than others and ask why they should do more—

Answer. Yes, they do believe that, but they're not fully correct. They're wrong to believe that they have done more over the last decade and that they shouldn't do more now.

No other industrial nation today, with the single exception of Italy, is doing as little in relation to the size of its population and the level of its income as the United States. Official development assistance by the U.S. amounted to 0.19 percent of gross national product in 1979. That is on the order of $20 per capita. Now, that's very little out of a GNP of about $10,000 per capita. A substantial portion of that, by the way, is really directed to security purposes—to Israel and other countries that do not fall in the category of low-income countries.

The average of all other industrialized nations, excluding the U.S., is 0.42 percent—more than double what we do. Yet our income per capita is higher, on average, than the others. In a speech at Harvard a few months ago, former Secretary of State Vance called the U.S. effort disgraceful. And Secretary of State Muskie has made the same point. I certainly believe they're right.

Question. Do Americans confuse our military assistance with development assistance?

Answer. Absolutely. And it's a confusion that contributes in part to the belief that we're doing more than we should. In every single poll I've ever seen on this subject, people invariably say we're doing five or 10 times more than we are.

The other part of the problem is that they also believe that in a time of inflation, at a time of inflation, at a time of high unemployment and at a time when the federal government is—and should be—operating under substantial fiscal constraints, the U.S. should simply not try to do more.

I contend that's wrong. It is a time to do more. If we don't do more, we are going to be in worse shape economically than we are. And we're going to have to face all of those social and political problems in the developing world I mentioned earier.

Question. Why do you say that?

Answer. Consider the deflationary impact of our doing less. Today, there exists in the capital-surplus oil-exporting countries—members of the Organization of Petroleum Exporting Countries—roughly 100 billion dollars more in surplus capital than existed two years ago. Those surpluses aren't going to be buried in the sand. They're going to move into the money markets of the world.

If they do not move into productive investment in the developed or developing countries, the surpluses will have a deflationary impact on the whole world. It's absolutely essential to the developed economies that those surpluses be put to work. One way to put them to work is to use a modest portion of them for development assistance.

Question. What's the answer to this complaint: Why should we send millions of dollars to a country that I've never heard of when hundreds of thousands of people in the U.S. are in deep poverty?

Answer. My response is this: If the U.S. as a nation restricts this market of 2.25 billion people in the developing world—3.25 billion, if China is included—if it holds back their advance, it is going to sell fewer goods and have fewer jobs in this country. There's just no question about it. One out of every 7 manufacturing jobs in the U.S. depends on foreign trade. One out of every 3 farm acres is producing for export. More than 25 percent of U.S. exports are going to these oil-importing developing countries. Hundreds of thousands of U.S. jobs depend on their growing markets.

Manufacturers like Caterpillar or Ford know this. They know where their markets are. The markets that are growing the fastest are the markets in these 100 developing countries with 2.25 billion people.

Question. No farmer in Bangladesh is going to buy a Caterpillar tractor, is he?

Answer. Well, the farmer in Bangladesh is beginning to produce more. Henry Kissinger called Bangladesh a basket case. It's not a basket case today.

It's still in great difficulty. There are 90 million people in Bangladesh in 50,000 square miles—which is the size of the state of Florida—and two thirds of Bangladesh is alternately flooded or arid. There is high infant mortality, high illiteracy, high mal-

nutrition and low life expectancy. But that economy is growing.

We believe that in the next five years Bangladesh will increase its food output by roughly a third. When they do that, they will be able to buy more from the U.S. Their imports are rising substantially every year. Where do those imports come from? They come from the developed world.

Question. What is the World Bank doing to recycle oil money?

Answer. In the simplest of terms, the World Bank is recycling it by increasing its lending. Those surplus funds flow into the world's money markets, and the World Bank borrows them for relending. In the year that ended June 30, the total financial commitments of the World Bank group were 12 billion dollars. In 1985, they're planned for 20 billion—an 8-billion-dollar-per-year increase in commitments in these five years. That is a major contribution to the recycling.

Question. Haven't the Arabs been reluctant to go along with that?

Answer. The Arabs are very anxious to see those funds recycled. They understand it is in their broader interests. They have played a growing role in what I'll call "direct recycling"—providing direct aid themselves to the developing countries—but there are some who would like them to do even more.

Question. Some critics contend that countries get excessively dependent upon foreign aid—

Answer. If aid sources—whether it be the World Bank, the U.S. or others—permit that, they should be severely criticized. I don't believe the World Bank has. One bit of evidence that it hasn't is that in 35 years the Bank hasn't lost a single dollar on either its soft or hard loans.

Countries do recognize that they must use World Bank loans productively and that they must repay them—and repay them on time. We insist on it.

Question. Are there any prospects that the Communist countries will give more aid to the very poor countries?

Answer. You'd have to address that question to them. Today, aid by the Soviet bloc is so small it's virtually not measurable. It's roughly 0.04 percent of their GNP.

Question. Mr. McNamara, you're planning to retire in June as president of the World Bank. What do you see as the greatest challenge facing the industrialized countries?

Answer. I think their greatest single challenge, both in philosophical terms and in practical terms, is to better understand the nature of the world they live in and where their own national interest as industrial countries lies.

To erect trade barriers, to reduce foreign assistance, to isolate oneself politically from these developing countries would be very, very shortsighted. U.S. citizens do not always perceive this. If they did, the U.S. performance on development assistance would be very different than it is.

People talk to me about Congress: Congress won't do this; Congress won't do that. But Congress reflects the views of the American people. If the Congress will not support increases in financial assistance, if the Congress will not support appropriate participation in political terms, if the Congress will not support opening our markets, it's because it reflects the views of our people.

I do not believe the average American sees the world of the '80s yet as it really is. It is an interdependent world, and the U.S. is not yet acting fully in its own interest in that world. That's the long and short of it.

Question. Are you pleased with the election of A. W. Clausen, president of the Bank of America, as your successor?

Answer. I am delighted. President Carter asked my recommendation for candidates, and Mr. Clausen was high on my list.●

PENSION OFFSET REQUIREMENT MUST BE REPEALED

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. OTTINGER. Mr. Speaker, today, I am reintroducing legislation I sponsored last year to eliminate the pension offset which requires States to deduct retirement benefits from unemployment benefits. This cruel and unfair provision is causing great financial hardship for older workers in New York and around the country and must be repealed immediately.

Effective April 1, 1980, Federal law required all States to reduce a person's unemployment compensation benefits, dollar-for-dollar, by the amount of any governmental or private pension or retirement pay received by the individual. Last fall, Congress modified the offset provision to reduce the harmful effects of the law, but thousands of retirees are still suffering, barely able to make ends meet as inflation eats up their pensions. Corrective action is needed desperately.

Under present law, States may disregard a pension that is based on work performed prior to the employment upon which his or her eligibility for unemployment is based. Specifically, the new law requires States to make the offset only in those cases in which the pension was maintained or contributed to by a base period or chargeable employer. These are employers whose accounts will be charged for unemployment compensation received by the individual.

In addition, States are allowed to reduce the amount of the offset by an amount consistent with any contribution the employee made toward the pension. This allows States to limit the offset to one-half of the amount of a social security pension received by an individual who qualifies for unemployment benefits.

While these changes lessened the impact of the offset and fewer retirees are receiving reduced unemployment benefits, further congressional action is needed.

The key issue in my mind is: Should an individual who is involuntarily unemployed and looking for work be denied the same unemployment benefits as those received by other job seekers simply because that individual has earned certain retirement benefits? Clearly the answer is "No." I find it appalling that Congress has singled out retirement income from all other income to reduce or eliminate unemployment benefits. Hardworking Americans have a right to unemployment benefits. We must recognize and insure that right.

Recently the United Auto Workers, the American Association of Retired Persons and other groups filed suit in U.S. district court in Washington challenging the legality of the unemployment compensation offset law. I wholeheartedly support their efforts, but feel it is incumbent on Congress to take immediate and effective action to insure that this injustice is eliminated by repealing the pension offset provision.

The text of my bill is printed below:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Subsection (a) of section 3304 of the Internal Revenue Code of 1954 (relating to requirements for approval of State laws) is amended by striking out paragraph (15) and by redesignating paragraphs (16) and (17) as paragraphs (15) and (16), respectively.

SEC. 2. The amendment made by section 1 of this Act shall apply with respect to certifications of State programs for 1980 and subsequent years.●

ANOTHER LOOK AT MILITARY MANPOWER

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. MAZZOLI. Mr. Speaker, the beginning of a new Congress offers us the opportunity to take a fresh look at our most pressing and crucial national problems.

No issue is of greater importance to the United States than insuring our national security. And, one vital aspect of our national security is our military manpower.

In this connection, I recommend to my colleagues the following article which appeared in the Washington Post on January 12, 1981:

TOUGH, EFFECTIVE ARMED FORCES

Accusations of military incompetence should come as no surprise when the ball is fumbled deep in enemy territory. Defeats resulting from inadequate preparation, crossed signals or an ill-conceived game plan can hardly be blamed on the opposing team. A recent essay by Jeffrey Record called into question our military's competence. His comments are part of a rising chorus of critical commentary from responsible circles.

Many Americans in uniform are similarly concerned that our win-loss average since

World War II has been discouraging: a stalemate in Korea, a rout in Cuba, a pointless bloodletting in Vietnam, and a desert raid launched with all the hope of an Apollo moon rocket only to fizzle embarrassingly before the world audience.

Given the general doubt that America is unable to employ its military power to achieve even limited objectives, some of Record's observations merit comment:

A historically illiterate officer corps is obviously unacceptable. At the company level, however, a deep awareness of historical precedent is of little value. As a young lieutenant, I went to Vietnam as familiar with Clausewitz as most of my contemporaries were with Playboy. It was poor preparation for the shock of battle. Perhaps this is because there are a good many books about war, but relatively few about fighting. Green troops in every war quickly learn that no classroom exercise is adequate preparation for the dry-mouth fear and confused anxiety of the battlefield. It makes more sense to spend less time teaching the cadets at West Point the finer aspects of the Peloponnesian War and more time on basic, small-unit tactics—ours and theirs.

It is risky to generalize that today's officer corps possesses an "unbounded faith in the power of technology." If anything there is a healthy skepticism, particularly in the "people intensive" Army and Marine Corps. Anybody who has been in a fight knows that how much gear one has is irrevelant—how much of it works does count. Perhaps we have fallen into the trap of trying to design weapons to compensate for the shortcomings of our troops. Instead of producing smart warriors trained to maximize the effects of relatively simple weapons, we have built "smart" weapons to mechanize capabilities frequently beyond the ken of the typical front-line troop. There is little doubt that the imaginative application of technology often opens new possibilities; placing it in the hands of functional illiterates is foolishness.

Late in World War II, a "blitzkrieg" attack on the Americans was proposed to Gen. Heinz Guderian, chief of the German General Staff. The latest tanks, guns and materiel would be available. "Nonsense," snorted Guderian, "we haven't got the troops we had in 1940." Neither do we have the troops in 1980 that we had in 1965.

It is a pity that our officer corps does not generally equate "leadership with managerial ability." The officer incapable of managing his resources is wasting the people's money and he unduly hazards the lives of the fellow citizens entrusted to his care. The Department of Defense is one of the largest species of dollar-eating agencies in the federal zoo, where even slight economies can yield substantial savings. Yet, million-dollar tanks, $20 million fighters and cost overruns are practically the norm rather than the exception. Perhaps designing to cost, rather than spending whatever is neccessary to achieve an idealized capability, is one way out of this dilemma.

In any event, a sound familiarity with the tools of management is the bread on which the modern officer's tactical "butter" is spread. The officer unfamiliar with the means of maintaining a spare parts inventory is hardly capable of leading an armored brigade, however brilliant his tactics. Patton understood this; his charisma was matched by a penchant for detailed planning and the skillful and adroit use of an expert staff. Management and leadership are synonymous: to suggest otherwise leads to officers more concerned with running marathons than doing their homework.

It should not be forgotten that good staff work, i.e., sound management, has been key to many military successes. The Germans' 1941 Ardennes offensive was considered by Liddell Hart to be a model of solid preparation and staff functioning. Careful and detailed planning, however compressed in time, is the key to successful amphibious assaults such as the Inchon landing. Some of our best military minds, MacArthur and Marshall to name two, made their reputations as managers.

None of these factors excuses or allays the sense of embarrassment we all feel about our military shortcomings. Compared with Israel's much briefer martial legacy, we appear as the big clumsy kid on the block who isn't feared as much as the small wiry runt who invariably fights "all out" and is not above a dirty punch or two below the belt.

Unfortunately, it is much easier to lament problems than to propose solutions. "Equitable conscription" is hardly the solution of first resort: how is it possible to "equitably" draft half a million conscripts annually out of a pool of millions? Moreover, armies of hastily trained draftees have hardly left a legacy of distinguished battlefield competence. They have usually prevailed more through overwhelming numbers than skill, usually at terrific human cost.

Now, for the first time in our history, we are outnumbered by our potential foes. Clearly, a professional military is vital, and there is much room for improvement. Some possibilities:

We can retain the positive features of both a draft and a volunteer force by considering a hybrid: discard any pretense of social equity and draft the fraction of annual enlistees required in the upper mental groups. The remaining needs can be satisfied by taking the best qualified volunteers.

Emphasize the basics. Marksmanship, crew drill and battle exercises too often take second place to meeting an unrealistically compressed operational tempo. Army tank crews may have difficulty shooting as well as their NATO counterparts because they don't spend enough time on the firing range.

Another reason they don't spend this time together is that base support has been cut to the bone, forcing tenant combat units to lend people necessary to provide essential base services. In the interest of "efficiency" we have siphoned off needed NCOs and fragmented combat units to mow grass and wash dishes. A more robust base support establishment makes sense on two counts: fighting units are kept together to train together, and the bases are better manned to handle any wartime buildup of tenant commands.

The notion of careerism as typically practiced in the officer corps tends to produce rather more generalists than true experts. The route to the top is usually the road of orthodoxy: following a progression of varied (and usually brief) assignments in accordance with a stereotyped career template. This practice of career "ticket punching" encourages orthodoxy and entails incentives for officers to avoid those assignments perceived to delay promotion. Thus, claims Frederick Mosher, "careerism is an important discourager of creativity, innovation, and risk-taking because of the perceived . . . dangers of stepping out of line."

Our tactics in Vietnam bear witness to the price of orthodoxy; as in Korea we tried to "dollar the enemy to death" with a rain of steel as original as the dismal battles of the Somme, Ypres and Paschendale.

The need for well-rounded officers of varied experience remains, but there is also a need for creativity and original thinking. Our officer assignment and career development practices can be modified to achieve a better balance.

Of equal importance is an honest assessment of our state of discipline. The principal element of military discipline is the subordination of individual prerogatives to the needs of the unit. Unfortunately, the administration of military justice has been placed in the hands of lawyers more concerned with the "right" of their clients than the commander's problems. The accused now waits weeks for trial; he usually remains with his unit, where additional transgressions may be overlooked because adding them to the original charges only creates further delays. Thus it comes about that a state of indiscipline is too frequently accepted because the price of imposing high standards is an unbelievable administrative nightmare of writs, statements, charges and testimony.

There are many worthy features of the military judicial system, but much can be done to provide swift justice to those who break the rules. As in the civilian community, the military community must also be protected from those who would threaten its cohesion and stability.

The American experience has proven that the U.S. soldier will rise to any standard of excellence demanded of him. The best trained, most disciplined units invariably reflect a swagger and pride that extends down to the last private in the rear rank. No real man can take pride in being part of a mob, and the kind of men we want in uniform will enlist in the needed numbers when we quit serving up the military as some sort of experimental playpen for would-be sociologists.

It is time to stop kidding ourselves that spending more money and keeping up the numbers are a sufficient national sacrifice to maintain tough, effective Armed Forces. Gen. Sherman was right to say, "Every attempt to make war easy and safe will result in humiliation and disaster." If we are unhappy with the current state of military proficiency, it must be recognized that we brought it on ourselves, and the old palliatives won't work anymore.

THE MANDATE MILLSTONE

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ZEFERETTI. Mr. Speaker, on behalf of my distinguished colleagues, Mr. LUNDINE and Mr. MINETA, I am pleased to introduce today the State and Local Government Cost Estimate Act of 1981. This legislation is a necessary and commendable step in forcing the Congress to begin to address the direct cost impact of Federal legislation on State and local governments. This bill requires the Congressional Budget Office to prepare and submit

an estimate of the costs to State and local governments of significant bills reported to the House and Senate by congressional committees. As two former mayors, Congressmen LUNDINE and MINETA have long been concerned with the costs of federally mandated programs for State and local governments for some time and I am happy to have their assistance and support.

We in the Congress almost recognized the inherent need for such legislation last year. A companion measure, introduced by Senator SASSER, was approved unanimously by both the Senate Budget Committee and the Senate Governmental Affairs Committee. Here in the House, the bill received the bipartisan support of 143 Members of Congress and was endorsed by the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, and the National Governors Association, and many others. In hearings before the House Budget Committee last year, the bill received the unanimous support of the State and local public officials who testified. And the House Rules Committee had almost finished action on the bill when the 96th Congress came to an end. Now it is time to act again.

The idea behind this legislation is to act as a brake on the Federal Government. This brake is necessary because of the rapid growth over the last two decades in the costs, scope, and quantity of mandates imposed on State and local governments. Mandate proliferation puts increasing amounts of stress on the budgets of State and local governments—they force them to either rechannel resources from other efforts or else raise local taxes or fees.

The city of New York, as an example, and I use my city because I know its problems best, is driven by 47 Federal and State mandates. The cost to the city of meeting these requirements over the next 4 years will be $711 million in capital expenditures, $6.25 billion in expense budget dollars, and $1.66 billion in lost revenue. An example of one such mandate is the handicapped access program required by regulations promulgated in response to section 504 of the Rehabilitation Act of 1973 for the New York Metropolitan Transit Authority. The cost of implementing the 504 handicap requirements breaks down as follows:

The purchase of equipment and placement of 481 elevators in the system; $649 million.

Costs for property acquisition; $50 million.

Costs to change the collection system; $1 million.

Structural modifications for stairs and ramps; $11 million.

Removal of obstacles and placement of emergency exists; $150 million.

New graphics in the stations; $5 million.

The total cost estimates for the Metropolitan Transit Authority of New York will be equivalent to the U.S. Department of Transportation's total estimate for retrofitting all rail systems throughout the Nation. The numbers be larger in New York but these mandates have an equally significant impact on the budget and local autonomy of every city.

Mr. Speaker, if we are going to enact legislation imposing significant costs on State and local governments, we should be aware of those costs at the time we are considering the legislation—not afterward. Currently, 33 States require that State bills be accompanied by estimates of their impact on local budgets, and those requirements have worked to improve the operation and fairness of State governments.

This legislation, Mr. Speaker, is an important step toward full disclosure of the cost of Federal policies. In the past, many Federal mandates have imposed unsuspected costs on States and localities. This bill will provide an essential managerial oversight tool for Congress and provide a vehicle for determining the financial obligations placed on State and local governments in meeting national policy objectives.●

TRIBUTE TO THE LEFKOVITS

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. SHELBY. Mr. Speaker, the story of how Max Lefkovits got his start in America late in the 1800's is familiar: He carried a pack on his back, peddling goods about the countryside.

Eventually, he owned a business which he passed on to his sons, a business that gradually changed from one with a country store atmosphere where farmers brought in their bales of cotton to a small town department store.

The story recently came full circle, when the remaining son, Norman Lefkovits and his wife Sonya, closed the Columbiana business as 1981 began. It had been in continuous operation by members of the Lefkovits family since 1896, and was apparently the oldest business in Shelby County, Ala.

The founding of the store antedates the memories of almost all living Shelby Countians. Max Lefkovits, who immigrated from Hungary, was first involved in the Columbiana Mercantile Co.—located across the street from where the Leader now stands—which opened in 1907.

The store in its early days had furniture, men's overalls, piece goods, and notions, some groceries, and just about anything else one might need. People would trade chickens or eggs from their farm for clothes.

Among the changes that have occurred in the store since World War II, according to Sonya Lefkovits are:

We quit being a country store and became a "small town" store. By the late 1950's all the stores in Columbiana took on a more modern look.

Norman and his wife regret having to close the store with its long traditions and history, but both agree that among the rewards were the great many friends they made—both in customers and the people who worked in the store through the years.

It is my pleasure to have this opportunity to wish Norman and Sonya Lefkovits well on the occasion of their retirement. They have truly been a special asset to the Columbiana community and Shelby County. This kind of devotion to a family business should serve as an example to us all.●

THE FACTS

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. FAZIO. Mr. Speaker, at the Adjutant General Conference held this month in Texas, the California National Guard presented a white paper entitled "Uncompensated Time, Members of the Guard and Reserve." Maj. Gen. Frank J. Schober, Jr., Commander of the California National Guard, and Col. Donovan L. Burton, special representative to the commander, have requested that I bring this report to the attention of the U.S. Congress.

We are all keenly aware of the vital role that the Guard and Reserve play in service to our Nation. However, many of us are unaware of the tremendous personal and financial sacrifice that these men and women are required to make. I believe the information contained in this report will help each of us better understand the needs of these individuals, and thereby to make better decisions concerning their well-being.

I am pleased to present the following excerpts from the white paper:

THE FACTS

1. As a means of reducing the Federal Budget, the Department of Defense and certain members of Congress have attempted each year, for the past several years, to eliminate benefits that are being provided for members of the Reserve Components.

2. Two of the more prominent benefits considered for reduction or elimination are military pay leave for public employees and administrative function pay for unit commanders. Under current law, federal employees are entitled to 15 days of paid military leave each fiscal year. Administrative function pay for unit commanders, $20 per month, was eliminated effective 1 October 1980.

3. A reduction of the limited benefits for members of the reserve components, particularly federal and public employees, will impact adversely on the ability of the reserve components to perform their missions.

4. This study was conducted to determine the amount and nature of uncompensated time being expended by key personnel in the California Army National Guard (ARNG) in accomplishing their missions.

5. For the purpose of this study, ARNG respondents were selected from a stratified random sample of key officers and non-commissioned officers. Key personnel are defined as battalion commanders, their executive officers, personnel officers, training operations officers, and selected officers considered as being key to the battalion mission. Enlisted personnel considered at the battalion level are the command sergeant major, the sergeant major and other selected enlisted members essential to the battalion mission. Personnel considered at the company level are the commander, first sergeant and other selected officers and enlisted members vital to the company mission.

6. The statistical methods used by the researchers in this study process are deemed to be valid and could be expected to produce the same responses in 99 percent of any set of surveys conducted by similar methods on this same subject.

RECOMMENDATIONS

1. Members of Congress and State legislature should consider expanding benefits available to key managers of the Reserve Components, not reducing or eliminating ones that are already established. Administrative Function pay for unit commanders should be restored immediately and military pay leave for public employees must be retained.

2. A minimum of four full-time employees, for administration, supply, maintenance and training be employed at unit level to accomplish the missions being assigned to Reserve Components and to meet minimum readiness requirements.

3. Establish a means to reimburse key members of the Reserve Components for personal expenses related to accomplishment of their unit's mission.●

THE COMING ECONOMIC EMERGENCY AND WHAT CAN BE DONE ABOUT IT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. MILLER of California. Mr. Speaker, there is a need for frank and nonpartisan discussions about the state of our economy. We cannot afford to luxuriate in rhetorical analyses or magical elixirs any longer. A recent article by Felix Rohatyn provides a sensible analysis of our economic situation, and I want to share it with my colleagues.

The article follows:

THE COMING EMERGENCY AND WHAT CAN BE DONE ABOUT IT

(By Felix Rohatyn)

What is the outlook for American society and, more specifically, how can our society adapt to an economy in distress? It is a vast question that I can only speak to from a rather limited, but nonetheless eye-opening, experience, as chairman of New York's Municipal Assistance Corporation. But, in brief, I would say that the outlook for American society is highly uncertain and that it cannot, in the long run, adapt itself to an economy in distress.

Austerity and democracy do not walk hand in hand in the United States, except in wartime. The near-bankruptcy of New York City created in 1975 something like a "moral equivalent of war" for city and state politicians, as well as business and labor leaders. Before then the city had, for years, plunged toward disaster. Year-to-year deficits were papered over by accounting gimmicks; pension plans were underfunded; industries were driven away by high taxes and low productivity; borrowing was more and more relied on to finance operating deficits while capital programs were starved; the political leaders refused to face reality: all of these made disaster inevitable.

It was only when this became apparent, when month after month one bankruptcy deadline after another had to be faced, that Governor Carey called on business and labor to join forces with government in order to devise a program that would head off the crisis and bring the city back to life. The programs that accomplished this were initially harshly deflationary, then followed by a gradual shift to moderately relaxed fiscal policy and support of business, which led this year to New York City's first truly balanced budget in memory.

It is worth analyzing what we were able to do in New York as well as the limits beyond which we could not go, under the severest kind of pressure, since New York is, in certain respects, a mirror of the US. There is after all little difference between New York City's mounting year-after-year deficits from the mid 1960s to 1975 and the fact that the national budget has been in balance only twice during the last fifteen years; little difference between New York City burying its operating expenditures in its capital budget and the $15 billion annual financing of the US government that is "off-budget" (i.e., the loan guarantees and similar commitments that do not appear in the budget); little difference between New York City having driven business south and west as a result of high taxes and low productivity and the US driving business abroad for the same reasons; little difference between New York City selling short-term notes to finance its deficits and the US financing with the shortest of all notes, namely demand deposits of OPEC oil producers; little difference between New York City's sky-rocketing pension costs and the requirements that social security be adjusted to the cost of living (COLA). New York City faced actual bankruptcy by its inability to pay off its debts when they came due; the US is facing the national equivalent of bankruptcy in the form of uncontrolled inflation requiring increasing levels of national debt to be paid off in currency worth less and less.

Looking back over the last five years in New York, during which a deficit of $1.8 billion annually was brought to zero with a minimum of social disturbance, one can see two distinct phases. First came the brutal shock of actions intended to stop the hemorrhaging: these included a wage freeze coupled with deferrals of past increases; a 20 percent reduction in the work force; increases in transit fares and tuition at City University for the first time in 120 years; reduction by the banks of interest rates paid by the city and extension of the time period of the city's loans; shifts in pension costs from the city to the unions; increased taxes and the creation of a state-run control board to pass on the city's budget.

These programs, most of which were negotiated or set in motion by the Municipal Assistance Corporation, were coupled with limited federal credit assistance. They enabled the state-created MAC to provide a total of $7 billion of long-term financing to the city, both to refinance past accumulated short-term debts as well as to finance its increasing deficits and increasing capital programs over the period. The large initial layoffs of city employees were followed by a period of limited attrition and then by a stabilization of the work force at its present level; the wage freeze was followed by a two-year labor settlement at 4 percent annually.

But then austerity had to yield to the reality of society's pressures, and a more recent settlement was made at essentially market rates between management and labor. Tax increases were replaced by tax cuts designed to favor businesses. Harmony was broken by a transit strike this spring. Increasing social tension in the ghettos of Harlem and Bedford/Stuyvesant culminated in ugly demonstrations to block the closing of just one facility of the city's sprawling municipal hospital system. Civil service reform is still politically impossible and real progress on improving management and productivity is largely confined to rhetoric. Some of the city's essential services have deteriorated.

Still, what saved the city was a limited period of austerity, imposed under the direst of threats, followed by gradual relaxation while a prosperous city economy, together with inflation, generated the growth in revenues to bring about a balanced budget. From 1975 to 1980, the expenditures of New York City grew in the aggregate by less than 10 percent, while the state's expenditures grew by 35 percent and the federal government's by 80 percent. The secret of our success, both at the city and state level, temporary though it may be, was to clamp a lid on expenditure growth while business activity and additional state and federal aid generated enough revenue growth to allow us to survive. As John Kennedy said: "A rising tide floats all ships."

It must be remembered that our imposition of extreme austerity was temporary, that it was essentially imposed by outside forces—i.e., the state, the federal government, and the workings of the bond market—that it required the courageous political leadership of the governor, as well as a true social contract with business and labor. The people of the city were willing to make real sacrifices as long as they believed that those sacrifices were relatively fairly distributed, that there was an end in sight, and that the result would be a better city, a better environment, and a better life. What we did in New York City was completely alien to the concepts of "No Growth" and the "Zero Sum" society so fashionable in economic circles these days.

Americans today are confused and dispirited. They have seen our country, over the last twenty years, dissipate its world-wide economic, military, and spiritual leadership at a more rapid rate than any other major power in history. They are accused, with some justification, of being wasteful and lazy by political leaders whom they perceive at best as inept and at worst corrupt; they hear business leaders calling for belt-tight-

ening and conservative orthodoxy from the comfort of their corporate jets. No wonder people are dispirited.

The United States today, like New York City in 1975, is on the edge of crisis. Financially, militarily, spiritually we are like an airplane about to stall. The answer, however, does not lie in a simple acceptance of "less for everybody"; I would invite economists of the no-growth school to walk in the South Bronx and convince people there that a reduced standard of living is required to curb inflation. I believe that most Americans, just like New Yorkers, would accept a limited period of austerity provided they are assured that we are in a crisis that justifies it, that their particular group is not bearing an unfair share of the burden, and they have a clear sense of how their sacrifice will ultimately lead to a better life for themselves and their children. This requires courageous political leadership with a program that has the following objectives:

A. Opportunity for private employment for most Americans who want to work;

B. A strong currency with reduced inflation;

C. A military policy that will insure U.S. security against any aggressor.

Just as New Yorkers accepted a period of higher taxes, lower services, and, in many cases, loss of income for a perceived goal, i.e., the solvency of the city, so now Americans in the rest of the country would, in my view, accept a period of austerity if they really believed there was serious prospect of change. They have no reason to believe it at this point. The presidential campaign has offered little hope in that connection. At this writing it is clear that whoever is elected, we are condemned, because of uncertain leadership and a Congress unwilling to face responsibility, to stumble from inflation to recession and back, with each stumble worse than the one before. I do not believe that our society will stand the strain over the next four years. Our next president will face an emergency during his term of office, either internationally or domestically, possibly both, and the real issue now is how it will be faced.

It seems to me that we face different types of critical problems today:

1. Problems like that of energy, which should have been apparent for years, where solutions are obvious, but to which the political structure cannot respond.

2. Problems of inflation and productivity, about which there is a great deal of theoretical—one might say theological—controversy, and very little knowledge, in which the spectrum of professional opinion is exceeding broad, and therefore no political consensus can even begin to be formed.

3. Problems of our security vis-a-vis Russia. We do not seem able, at a cost of $140 billion a year, to project a credible sense of the U.S. as a world-wide power. At the same time, we seem incapable of continuing a process of reduction in weapons competition by ratifying SALT II.

4. Problems like those in the Middle East, which is vital to our security and our economy, where governments tend to be irrational in conduct and far removed from the exercise of our power.

5. Problems like employment and education in the urban ghetto, which have baffled all attempts at improvement, and which will, with continued "benign neglect," have consequences that are anything but benign.

6. Problems like the great shift in wealth from the Northeast and Midwest to the energy-producing areas of the US, as a result of price decontrol. This trend will ultimately turn the country into "have" and "have-not" regions. One has only to look at Canada for its political implications and to be mindful of the fact that Canada does not have our existing social strains. This is a problem the political leadership resolutely refuses to acknowledge.

7. The problem of the West and the third world, which must be faced by a coherent policy of the Western nations, a willing OPEC, and a realistic third world, none of which exists today. Western technology must combine with OPEC financing to help the third world. It is beyond the West's capacity to bear any but a small part of the financial costs of third world development.

8. The problem of the coming capital shortage, which will be created by at least three forces: the enormous financing requirements of the US government; the equally enormous financing that American industry will require to increase productivity and create energy independence; and the drain on our economy of a $100 billion annual payment to OPEC for imported oil. Nonetheless, our economic leaders deny the possibility of a capital shortage.

9. The problem of our relations with Mexico and Canada, which both pose large risks and large opportunities for the US. Mexico, with its oil resources, its fast-growing population, and its distrust of the US, may be our most important long-term foreign policy problem. The potential benefits of a North American Common Market should be explored. But this is not even being discussed peripherally.

These problems are all vital to our future, are all directly related to each other, and require inspired political leadership as well as intellectual honesty to find solutions. It is also well to remember that there are no permanent solutions to anything, only continuing adjustments to continually changing situations. It seems likely that the current political structure and the existing trends will exacerbate rather than help resolve this series of interrelated problems, and, in my judgment, this makes a crisis inevitable.

Our energy problem, together with our exposed strategic position in the Middle East, can only be resolved by a strong commitment to practical independence from imports. This would, in addition, strengthen the dollar by eliminating a $100 billion a year outflow and would help reduce inflation. A stiff gasoline tax; rational development of coal and nuclear energy with a realistic appreciation of the difficulties with each one, a willingness to compromise on environmental issues—none of these proposals is mysterious or new, and yet current politics make efforts to explore and implement any of them practically impossible.

Insofar as the economy, inflation, and productivity are concerned, we cling to theological explanations that are as tired as they are unworkable. Liberal demands for public works and public jobs have to be matched against the failure of such policies during the past twenty years. But the current conservative proposals for tax cuts that favor production, and for tight monetary policy coupled with tight fiscal policy, have failed with equal consistency. When Presidents Nixon, Ford, and Carter tried these methods, they were quite successful in inducing recession, but they wholly failed to reduce inflation; quite to the contrary.

The purest attempt so far is Mrs. Thatcher's United Kingdom, where the Anglican Church seems to have been replaced by the "Sayings of Milton Friedman." Income tax cuts coupled with sales tax increases, government spending cuts together with tight money have, after a year and a half, resulted in a 20 percent rate of inflation, an 8 percent reduction in manufacturing output, and the highest level of unemployment since the Depression in spite of the enormous cushion provided by England's North Sea oil. In view of the record during the past twenty years, it is relatively easy to understand why liberal economic thinking has become discredited; it is, however, more difficult to understand how the conservative monetarist theology continues to enjoy such uncritical popular support while the current example of England's struggle is vividly in front of us, along with its extraordinary potential for social explosion.●

BOY SCOUTS HONOR J. C. AGAJANIAN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ANDERSON. Mr. Speaker, tomorrow evening, the Los Angeles Area Council of the Boys Scouts will honor my good friend, J. C. Agajanian, for the contributions he has made over the years to scouting.

"Aggie" needs little introduction to anyone who has ever had even the most passing interest in auto racing. He has entered cars in 33 consecutive Indianapolis 500 races. That is but one of his incredible records in the sport. Because one of my first endeavors as a young man was in motorcycle racing, I have long had a special admiration for the very special place J. C. Agajanian holds in racing. You never get the grease and the dirt and the fumes out of your system, no matter how far you get from the track.

But, the most important of his accomplishments do not show up in the record books. Auto racing has always been in the vanguard of progress for our entire automobile industry, the racetrack frequently being the first place that changes are tested, in grueling conditions, to provide advances in safety and efficiency. And in that select effort, J. C. Agajanian has been in the forefront of innovation. He has served on the Safety and Rules Committee of the U.S. Auto Club (USAC), and in that capacity has made significant improvements in racing safety. He has not been afraid to risk his own resources on revolutionary advances, like the turbine racing car, in order to be on the cutting edge of changes with effects far beyond the limits of the speedway.

He is also a successful businessman in Gardena, Calif. If for no more than what I have already mentioned, I am proud to have had J. C. Agajanian as one of my constituents.

But, it is for a different, and far more important, aspect of his life that the Boy Scouts will honor Aggie tomorrow night. In business and racing, one of his chief talents has been as a promoter. The Boy Scouts have also been beneficiaries of that talent. Aggie has made a number of generous contributions to the Scouts. One of the most notable and successful has been the Boy Scout benefit nights at Ascot Park, where he is the president. In fact, there seems to be no limit to Aggie's generosity in behalf of the community, especially when it comes to the benefit of our youngsters. It is for this community commitment that the Boy Scouts will pay tribute to J. C. Agajanian.

My wife, Lee, and I wish J. C. Agajanian, his wife Faye, and their four children continued success in all of their endeavors, and we join with the Boy Scouts in expressing our pride in his accomplishments for which he will be recognized tomorrow.●

LOW INCOME ENERGY ASSISTANCE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. VENTO. Mr. Speaker, while our Nation's Capital is enjoying this warm weather, it is important that we remember the millions of low-income families who are struggling with increased heating bills. Only a few weeks ago, our communities were subjected to brutally cold weather, but that cold blast was a tropical breeze compared to the normal winter temperature in the northern half of our country. In addition to the inflationary pressures which low-income families must face, these families have had to absorb a 100 percent to 200 percent increase in the cost of heating their homes since decontrol. The Reagan administration's plan to totally decontrol the price of domestic oil will surely aggravate this situation.

Congress and the Carter administration have not been totally insensitive to this problem. The low income energy assistance program has increased from a token $200 million in fiscal year 1977-78 to $250 million in fiscal year 1979, $1.6 billion in fiscal year 1980 and $1.85 billion in fiscal year 1981. A cursory look at this program would show a dramatic increase in Federal aid, but it would not reveal that the number of eligible families has greatly expanded and the program has expanded to serve the cooling needs of persons in warm climates.

The program has also evolved from the original "crisis intervention" orientation for families with heating emergencies to a less targeted program. The program is not sufficiently funded to provide adequate assistance to all eligible families nor is it flexible enough to protect very low income families from heating emergencies. In Minnesota's Fourth Congressional District, the area I represent, the net effect of the expanded mission of this program has been an ironic reduction in assistance for an expanded and different universe of beneficiaries than were previously eligible.

It has become the policy of this country to remove the restraints on the cost of energy, but we have not provided sufficient consideration for those persons disproportionately affected by this policy. A study published by the Department of Energy demonstrates that although low-income families use 25 percent less heating energy than the average American family, in Northern States energy costs may consume up to 35 percent of total family income which is four times the national average.

The following article in the Christian Science Monitor vividly demonstrates the burden we have placed upon the low- and moderate-income families. I commend this article to the attention of my colleagues and urge the continued support for this needed program.

FEDERAL FUEL AID FALLS FAR SHORT OF MEETING NEED OF U.S. POOR

(By D. K. Piot)

Members of the Harold Hulce family in Milwaukee, Wis., make a total of $227 a month. They pay $250 for a tankful of home heating oil, which lasts six weeks in this winter's colder-than-normal weather.

Social workers in Midwestern and Northeastern states say the financial bind this places on the Hulces is not at all uncommon. This heating season more and more low-income households are finding that fuel bills can exceed total family income.

With the prices of food and other necessities rising along with the cost of fuel, and with unemployment on the increase, a lot of families are unable to cope.

"We're seeing far more people with fuel emergencies this year than we've seen historically," says Tony Maggiore, director of the energy crisis assistance program in Milwaukee.

"Thousands of low-income people who never before sought public assistance are seeking it now because they have no other alternative. They're finding that the higher energy prices coupled with unemployment and inflation are impossible to handle."

Mr. Maggiore says his staff has received 40 percent more energy emergency phone calls since Dec. 1 than during the same period last year. "In many cases, lives are in jeopardy because open kitchen ovens and gas flames from stoves have been used to keep the family warm."

Critics say the $1.85 billion appropriated by Congress for this year's low-income fuel assistance program under the Home Energy Assistance Act won't begin to help all those who need it.

Says Carol Werner, a legislative advocate for the National Consumer Law Center in Washington, "The appropriation is larger than the $1.6 million allocated last year, but this year's eligibility pool has grown considerably. There are now almost 21 million households eligible for assistance compared with the 17 million eligible last year.

"If the expected 70 percent of all eligible households participated, each one would receive an average of only $128—and that's before administrative costs are deducted. That's hardly an adequate level of assistance when you are looking at fuel bills which will run upwards to $1,000 and $1,500."

If the Reagan administration goes ahead with immediate decontrol of oil and natural gas prices, the spiraling costs will create additional "intolerable pressure" upon poor people, Ms. Werner says. Sixty percent of all low-income households heat with natural gas.

Says Bob Coard, executive director of Action for Boston Community Development: "Poor people are pressed to the wall with nowhere to go. They have a tremendous amount of anxiety over what's going to happen to them under the [Reagan] administration. I hope things don't get back to the '60s with riots and all that. Last year people without fuel were siphoning it from other people's oil tanks.

"For low-income people it's a catastrophic situation. They depend on a hand-to-mouth delivery system. They don't have the cash to pay for home heating oil ahead of time. Small delivery companies don't give them credit. They won't deliver under 100 gallons of oil, and some charge a premium to do that."

A recently released study published by the Department of Energy's Fuel Oil Marketing Advisory Committee (FOMAC) says of low-income households in the US:

On average nationwide they will spend at least 21.8 percent of their income on household energy. In the Northeast and Midwest, they could spend up to 35 percent.

They will continue to pay nearly four times more of their income on household energy than the average American household.

They lost over $6 billion in purchasing power last year due to soaring energy costs.

By necessity, they occupy low quality and energy inefficient housing stock that further penalizes them and their efforts to cut energy costs.

They use 25 percent less energy than the average American household for heat.●

FAHD'S CALL FOR JIHAD AGAINST ISRAEL DAMAGES THE SEARCH FOR PEACE

HON. BENJAMIN S. ROSTENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ROSENTHAL. Mr. Speaker, the Crown Prince and Deputy Prime Minister of Saudi Arabia Fahd ibn 'Abd al-Aziz damaged the cause of peace and threw a serious obstacle in the way of continued Saudi-American friendship with his shrill cry for a holy war against Israel.

I recognized the difficulty which the Saudis have in achieving the modernization of their country while they preserve the positive values of the tribe and family which lie at the core of a stable society; and in the context of these efforts the spirit of compromise needs fostering.

Unfortunately neither compromise nor moderation has yet to find a place in the Saudi attitude toward the Arab-Israeli conflict. For more than 30 years Saudi Arabia has refused to recognize Israel's right to exist. In 1948, 1967, and 1973, the Saudis supported the wild adventures of the Arab countries determined to destroy Israel by force of arms. Since the Camp David accords the Saudi policy has been one of outspoken opposition to any negotiation with Israel.

Prince Fahd's call for a jihad can only inflame passions on the Arabian Peninsula and throughout the Arab world.

His remarks raise the question of whether Saudi Arabia can be a reliable partner of the United States of America. Lest he think the U.S. Congress does not listen to speeches marked for a solely Islamic consumption, I insert his remarks of January 21, 1981, as reported by the Foreign Broadcast Information Service:

His Royal Highness the Crown Prince and Deputy Prime Minister Fahd ibn 'Adb al-'Aziz has asserted that the call on Arabs and Muslims for long and persistent holy jihad is the only reply to the Zionist racist arrogance, now that all masks have dropped and talk of peace with the Israeli enemy has become a mere illusion.

In a statement published in today's Al-Madinah, his royal highness said that the call for jihad has not [word indistinct] in our struggle with the Zionist enemies, for a number of reasons connected with controlling matters, moderation and also hope for a just peace which preserves for the Arabs their legitimate rights.

His royal highness added: Words and statements have become of no avail in these critical and difficult circumstances. The Arab and Muslim nation is being confronted with a unique challenge which is supported by the strongest military power in the world. As far as we are concerned it is a question of to be or not to be.

His royal highness said that the Zionist enemy, having upsurped the entire land of Palestine and some other Arab territory, is today declaring Jerusalem its united capital, defying by this the feelings of the Arabs and Muslims and also the UN resolutions. Hence we wonder: Of what avail has moderation been? Is this the West's concept of a just peace? Where is the comprehensive peace framework which they imagine they laid down at Camp David and which they promised us?

Referring to the question of autonomy for the Palestinians, his royal highness said that this issue requires from those who still wager on it a stand of pride and a lofty mind in order to admit failure and back down from what has taken and is taking place.

We in Saudi Arabia, he added, firmly believe that the Zionist enemy has embarked on [words indistinct] our territory gradually and is annexing Arab territory to itself at the appropriate time so that this territory becomes part of its so-called empire.

His royal highness stressed that putting the Arab house in order quickly has become a pressing and urgent matter on our list of priorities. He stressed that Saudi Arabia, in cooperation with other brothers, has embarked on unifying the ranks so that we adopt a united stand in a single battle, regardless of cost—a battle in which we place all determination, faith, resources and energies and everything dear to us. We shall not rest until our usurped land is liberated and until the Palestinian people return with dignity and pride to their homeland to set up their independent state, with Jerusalem its capital.●

BRAZIL'S ALCOHOL FUELS PROGRAM AS A MODEL FOR THE UNITED STATES

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BEREUTER. Mr. Speaker, the purpose of this report to my colleagues is to assess the Brazilian alcohol fuels program, describe the research undertaken and technology used, indicate possible areas for cooperation and assess the applicability of the Brazilian experience with alcohol fuels to the United States and other nations. This report is largely a condensation of a January 1980 report of the U.S. State Department, prepared in Brazil and dated January 2, 1980. It is, however, further supplemented and substantiated by this Member of Congress through observations and discussions held with governmental and private sources during a visit to Brazil on January 10–18, 1981, as part of the Latin American study tour by the Mines and Mining Subcommittee of the U.S. House Committee on Interior and Insular Affairs—led by the subcommittee chairman, the gentleman from Nevada, the Honorable JAMES SANTINI.

SUMMARY OF BRAZILIAN ALCOHOL FUELS PROGRAM

While Brazil depends on the renewable resources of hydropower and biomass—largely firewood—for over one-half of its energy consumption as the largest industrial power in Latin America, it also has developed a dependency on oil.

Despite refreshing Brazilian optimism, the future may realistically hold little promise of dramatic increases of domestic oil production. Currently, it imports 85 percent of its oil; payments for oil imports were $6.2 billion in 1979, with a level for 1980 projected at $10 to $11 billion. Thus, the overall goal of Brazil's energy program is to reduce oil imports by increasing domestic oil production, adopting conservation measures, and replacing oil with domestically produced products: Coal—limited known reserves—and electric power—great potential—for fuel oil, and ethanol for gasoline.

The Brazilian alcohol program established in 1975 by Presidential decree specifically seeks to increase alcohol production for the gradual replacement of oil derivatives. The program's main objectives are to: First, reduce demand for imported oil, and hence reduce balance-of-payments problems; second, increase the security of energy supply; third, utilize excess capacity for producing sugarcane; fourth, decentralize industrial development now predominately in the south; fifth, increase income and create jobs in rural and underdeveloped areas; and sixth, develop a chemical industry based on alcohol.

As a target for 1985, the Government has set an overall production of 10.7 billion liters, to be used as follows: 6.1 billion liters or 57 percent, of hydrous ethanol to fuel vehicles designed or adapted to run on 96-percent ethanol; 3.1 billion liters, or 29 percent, of anhydrous—waterless—ethanol to blend with gasoline, in proportion of up to 20 percent; 1.5 billion liters for chemical industry—14 percent.

The Government program is being implemented entirely through private enterprise. Loans are reportedly being provided to enterprises covering 80 percent of needed investment for sugarcane distilleries and 90 percent for cassava distilleries—at 17-percent annual interest—inflation in 1979 was forecast to be 75 percent. To accelerate the program, the present administration plans to spend US$5 billion from 1979 to 1985. As of November 1979, 248 proposals have been accepted for funding at a governmental expenditure of about $1 billion. When completed, these approved projects will add a capacity of 4.6 billion liters per harvest, bringing the total Brazilian capacity to produce ethanol up to 5.5 billion liters. In addition, the Federal funds under the national alcohol program are being expended on research. As estimated in 1978, the Secretariat of Industrial Technology (SIT) was spending $20 million to support research on raw materials, 14 percent, development of processes and products, 55 percent, utilization, 12 percent, and residues, 15 percent. The chief recipients are the National Technology Institute (INT) in Rio, 61 percent, Planalsucar of the Ministry of Agriculture, 22 percent, and the Center for Aerospace Technology (CTA) 8 percent.

Ethanol production quadrupled from 1976 to 2.5 billion liters in 1979. A distillery capacity of 4.8 billion liters is being installed for the 1980–81 harvest. Once again production is expected to quadruple to 10.7 billion liters in 1985. Almost all ethanol is now produced from the fermentation and distillation of sugarcane, using conventional technology. Process heat is supplied by burning plant residue, called bagasse. Brazil has also already begun the industrial production of ethanol from cassava, using plant residues and firewood for process heat. Early problems of an unstable supply, inadequate organic residue for processing energy, and technical problems in fiber removal make the goal of producing 10 percent of Brazilian alcohol from cassava by 1985 seem optimistic. However, INT claims that the prototype plant at Curvelo is now operating satisfactorily.

Several projects are underway to demonstrate the feasibility of converting wood into methanol and into both coke and ethanol. Three demonstration plants for gasifying wood will be built.

Another option for which INT is said to have developed technology is the production of ethanol through acid hydrolysis. A pilot plant for this process was planned and may now be in operation.

A planned pilot plant in Caucaia will demonstrate a third approach. It will attempt to convert cassava and black marmeleiro, a shrub tree native to the northeast, into ethanol to fuel a turbine electrical generator, whose waste heat would be recycled into the distillation process. The stillage would be converted into animal feed. Finally, in a cooperative, governmental/private sector project, the Brazilian Institute of Forestry Development (IBDF) plans to build a pilot plant to produce ethanol from a rotational cutting of timber from an area 20,500 hectares in size. The president of IBDF is quoted as saying that the cost of ethanol will be one-half that of the ethanol from sugarcane plants because of the value of the coke produced in the process.

Finally research is underway on the use of the babacu palm and sorghum. Coconuts from the palm are to be used in a plant in Maranhao to furnish edible oil, charcoal from the endocarp, ethanol from the mesocarp, and process heat from the apicarp. While the research on the use of sweet sorghum to produce ethanol is still in the research stage, its use especially intrigues the Brazilians for it could be used to extend the operating season of the sugarcane distilleries.

Up until 1980, ethanol had been mainly used in gasohol in blends of up to 20-percent alcohol without engine modification. By 1985 Brazil expects to meet two major objectives in ethanol use: First, to serve as a fuel for automobiles—about 60 percent of 1985 ethanol production; and second, to replace naphtha by using ethanol as a base raw material in the chemical industry—about 15 percent of 1985 ethanol production.

GASOHOL-FUELED ENGINES

The addition of 20-percent ethanol to gasoline has a number of advantages. Most obviously, it saves gasoline—about 16 percent according to researchers at Volkswagen and the Aeronautical Technology Center (CTA), which has primary responsibility for testing alcohol fueled engines. While ethanol provides 30 percent less power than an equal volume of gasoline—40 percent per kilogram—the gasohol mixture tends to be burned more efficiently in the automotive engines, which in Brazil are typically set for fuel-rich mixtures. Second, ethanol acts as an octane booster. Brazilian gasohol with 20-percent ethanol shows an average octane rating of 81 compared with 73 for regular gasoline. Automakers have been unable to take advantage of the octane-boosting effects by increasing the compression ratio because of regional and seasonal variation in alcoholic content of gasohol. Nevertheless, Petrobras has been able to reduce the lead content of gasoline while complaining that even so they are now "giving away octane," that is, delivering gasohol with an octane number higher than required. The 20-percent blend not only saves an estimated 16-percent gasoline, but also has an increased octane number—81 versus 73 for gasoline—thereby reducing the need to add lead. Third, alcohol reduces engine knock. Fourth, emissions from gasohol are less, particularly carbon monoxide and certain hydrocarbons. Nitrogen oxide emissions, however, may be higher—though not exceeding USG standards.

ALCOHOL-FUELED ENGINES

The future success of the Brazilian alcohol program depends greatly on the large-scale introduction of automobiles designed or adapted to run on near hydrous ethanol. This phase is by far the most ambitious use of alcohol fuels that Brazil, or indeed any other nation, has attempted. It will require the simultaneous coordination of the manufacture of alcohol cars, production of hydrous ethanol, geographical distribution of alcohol fuel supplies, and incentives for consumers to buy alcohol cars.

By agreement with the Brazilian Federal Government, Brazilian automakers last year easily met the goal of producing 250,000 vehicles that use pure alcohol. Certainly the cars seemed to be popularly received by the Brazilian public. The price of gasoline per gallon is pegged twice as high as alcohol, and the Brazilian Federal Government has guaranteed that there will be adequate suppliers of ethanol fuel for the public. The goal for 1981 has been boosted from 300,000 to 400,000 vehicles using pure alcohol. Including plans to adapt 470,000 cars to alcohol combustion, there could be well over 2 million cars using pure alcohol in Brazil by 1985.

Based on research and development including the experience of 730 alcohol-fueled vehicles, which have run a total of 22 million kilometers, Brazilian engineers and authorities are convinced that the major problems of using ethanol as a standard fuel has been solved. The first such problem is the low calorific value of ethanol relative to gasoline which thermodynamically implies that an engine would consume 43 percent more ethanol than gasoline for the same distance. However, the alcohol engine is being adapted to run more efficiently by increasing the compression ratio from about 6 or 7—standard in Brazil for ordinary gasoline with an average octane number of 73—to 10 or 11, thus accommodating the higher octane number (89) of ethanol. In addition, alcohol engines are adapted to run on a leaner air-to-fuel mixture. All in all, researchers estimate that, given their increased efficiency, alcohol engines consume only about 20 percent more fuel by volume than gasoline engines.

Another problem is the relatively high amount of heat required to vaporize ethanol, causing difficulties in operating when the engine is cold—at temperatures below 10° C.—50° F. For cold starts, a small auxiliary tank of gasoline is installed with a capacity of about 2 liters of gasoline. During ignition, the gasoline is fed through an electric pump, solenoid injector, or even by hand, into the ethanol fuel stream in mixtures of 5 or 10 percent gasoline. Thus far, this has proven satisfactory. In normal operation, the fuel intake system is preheated with hot exhaust gas for increased temperature and better distribution of the fuel mixture.

In addition, the solvent action of ethanol on certain plastic and rubber parts requires replacement by nonethanol soluble parts. Ethanol produced in Brazil also contains varying concentrations of sulfuric acid residues, which require careful monitoring and when necessary, correction. Otherwise, the acid could combine with metals like zinc to form sulfates harmful to engine performance. Ethanol also tends to absorb water thus decreasing engine efficiency, lowering calorific value of the fuel, and increasing the possibility of corrosion of parts by water. To insure quality control and to prevent illegal additions of water, densitometers may be installed on all ethanol pumps.

In road tests, CTA reports no unusual amount of mechanical difficulties, except for the fuel pump. Volkswagen researchers said that in test runs of 100,000 kilometers, no unusual mechanical problems were observed. Indeed they quoted Texaco that the lubricating oil behaved better, metal content was lower, and viscosity extended. Research and road testing have determined that optimum engine performance is obtained from a mixture of 96-percent ethanol with 4-percent water. Further dilution with water is tolerable down to 91-percent ethanol. Beyond this point, engine efficiency deteriorates, described by one engineer as "the steam engine effect."

Brazilian authorities and automakers are confident also that the public will buy the alcohol cars. Volkswagen claimed that customers are now postponing purchases to have the opportunity later to buy alcohol cars. There are significant economic incentives. The Government plans to keep the price of ethanol at the pump at least 25 percent less than that of gasoline, thus making the price of deliverable energy from ethanol slightly less than that from gasoline. According to Volkswagen, the annual licensing tax will be reduced from 7 percent for gasoline cars to 3 percent for alcohol cars and the terms of financing will be extended from 12 to 16 months to 36 months.

PROBLEMS AHEAD FOR BRAZIL

In order to meet the ambitious targets set for 1985 and beyond, Brazil must solve several looming problems:

1. COST

Ethanol from sugarcane or cassava costs about twice as much to produce as gasoline because of the high cost of feed material, which comprises two-thirds of overall cost. Also sugarcane distilleries operate only 180 days a year; large and costly storage capacity is required. The real cost of ethanol according to the U.S. State Department report of January 1980 was, at the cruzeiro equivalent, estimated at US$40 per barrel by Petrobras—the Brazilian nationalized oil giant—and at US$35 by the Brazilian Secretariat of Industrial Technology—values assigned before the December 1979 devaluation.

2. FOOD VERSUS FUEL

Ideally, crops for both food and alcohol would be produced on good farmland near population centers. However, such areas are already heavily cultivated, even though, generally speaking, unused arable land in Brazil is immense. Thus, there is a Brazilian concern that Government-guaranteed markets for alcohol will displace food production. There are obvious parallels here to the concerns that have been heard within the U.S. Department of Agriculture on the dangers of displacing grain production.

3. INSTABILITY OF SUGAR SUPPLIES

An increase in world sugar demand or a bad harvest would drive up sugar prices and thus cause a shortfall in sugarcane available for conversion to alcohol. Until 1980 Brazil exported ethanol to the United States and other foreign nations, but in January 1981 governmental officials indicated that such exports have been stopped and are not likely to be resumed in the immediate future. Since Brazilian and West German alcohol has in substantial amount been used to produce gasohol marketed in the United States, additional American alcohol production is an immediate requirement.

4. STILLAGE

The waste effluents from distilleries are often disposed in rivers thereby creating heavy pollution. The stillage, and organic effluent, is in volume over 12 times that of the ethanol produced. Extensive research is being conducted in creating useful byproducts from stillage, such as animal feed and methane gas.

5. CONSUMER PREFERENCE

Although initial enthusiam with alcohol-fueled cars seems high, it is not known with certainty how consumers will ultimately react to them. If sales slump and automakers then cut back production, an excess of ethanol production capacity will result. Shortages of ethanol also, of course, would have a drastic effect on consumer acceptance.

6. EMISSIONS FROM ALCOHOL ENGINES

No conclusive research has been done regarding the health effects of emissions from ethanol fueled engines. They are, however, generally considered to be less harmful than those from gasoline combustion.

7. DIESEL FUEL IMBALANCE

As alcohol replaces gasoline, and coal replaces fuel oil, an imbalance at refineries will develop, creating further diesel shortages. With railroads moving proportionately far less freight in Brazil than in the United States, its economy moves largely on diesel trucks. Thus while a barrel of crude oil can be—within limits—and is being, refined to produce more diesel fuel and less gasoline, the need for proportionately more diesel fuel still propels Brazilian demand for foreign crude oil. Currently it is actually exporting some of the excess gasoline produced to meet its diesel fuel requirements. Naturally, research for a diesel-fuel substitute is a Brazilian priority.

RESEARCH OPPORTUNITIES

Considering the aforementioned problems, opportunities exist for collaborative research with Brazilian agencies and institutes, including the following areas: First, sugarcane and cassava productivity; second, useful stillage products; third, health and environmental effects of emissions from ethanol-fueled cars; and fourth, development of low-cost additives to enhance ignitability of ethanol in diesel engines.

LESSONS FOR THE UNITED STATES AND OTHER NATIONS

Overall, the Brazilian alcohol program can thus far be judged a successful response to the exigencies of oil dependence, given Brazilian conditions.

Already within a significant part of its total fleet of 8 million cars Brazil has demonstrated that ethanol can be used nationwide in blends with gasoline up to 20 percent, with no engine modification, with good driveability, and, in all likelihood, with reduced pollution. In performance, ethanol can be considered an environmentally acceptable substitute for lead additives as well as gasoline. By 1985 Brazil will probably have demonstrated the economic and technical feasibility of using ethanol as a base material for the chemical industry and, in neat form, as a fuel for automobiles. Its success in producing and marketing alcohol-fueled automobiles is, of course, even more impressive.

However, Brazil's alcohol program has benefited from the following unique factors:

First, the jump in production of ethanol from sugarcane from 1976 to 1979 was possible because of existing excess capacity to grow sugarcane and low sugar prices.

Second, Brazil has unutilized arable lands, which can be cultivated to produce sugarcane, cassava, and other feeds for ethanol production, as well as tropical growing conditions and the water resources necessary for irrigation.

Third, large-scale cultivation of cassava is not feasible in temperate zone nations like the United States.

Fourth, because of balance-of-payments problems and rural unemployment, Brazil has been willing to incur the high cost—in local currency—of ethanol in order to save the cost—in foreign currency—of importing oil.

Fifth, the energy requirements for producing ethanol in Brazil are entirely met by local biomass. Feed materials other than sugarcane do not necessarily leave sufficient residues for processing heat.

Sixth, Brazil was willing to embark on its alcohol program before completely resolving pollution problems.

Nonetheless, considering the following factors, the United States and many other nations do have immense resources and the capability to produce alcohol:

First, agricultural, industrial and even municipal organic waste can be used. Wood also has tremendous potential for alcohol production.

Second, reductions in costs and energy requirements could be expected from scientific and technological innovations by the U.S. chemical industry, once the alcohol industry develops.

Third, environmental problems probably would be less in the United States because stillage is already routinely used as an animal feed. Additionally, catalytic converters now in use would sharply reduce emissions of noxious aldehydes.

Ethanol looks even better when compared to alternative fuels for automobiles. Oil prices undoubtedly will continue to rise. Total reliance on electric power could prove costly. Regardless of fuels used in the immediate or near future, eventually a substitute for oil will be needed as world oil reserves dwindle. Alcohol derived from biomass appears to be one likely and practical alternative.●

A SECOND CHANCE FOR FEDERAL RETIREES

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. LEHMAN. Mr. Speaker, during the 96th Congress, my colleagues and Federal retirees throughout the United States expressed a great deal of interest in and support for my bill to give a second chance to Federal retirees who did not elect survivor benefits at the time of their retirement. I have therefore decided to reintroduce this legislation today.

Under current law, a Federal employee must choose to elect retirement benefits at the time of retirement, or, if not married at that time, must decide if he or she wants survivor benefits within 1 year from the date of marriage. This bill would give civil service retirees a year from the date of the bill's enactment or date of retirement to take advantage of this opportunity.

Our office has received numerous letters and phone calls from retired senior citizens indicating their support for this legislation. Most of these people were not aware of their rights at the time of retirement, and therefore missed the opportunity to elect survivor benefits. These retirees have expressed their willingness to pay back the necessary funds to the Federal Government for this second opportunity. This legislation provides for such repayment.

There are also cases where individuals, although married at the time of their retirement, were in the midst of divorce proceedings, and decided not to elect survivor benefits. However, many of these individuals later remarried, and were then unable to elect survivor benefits for their new spouses. Passage of this bill would provide relief to these deserving retirees.

As I have already indicated, there is widespread interest in this bill, and I am hopeful that this legislation to give our Federal retirees a second chance will be considered and passed in the near future.●

PENNY WISE, POUND FOOLISH: U.S. FOREIGN AID POLICIES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. LaFALCE. Mr. Speaker, one of the most unfortunate and widely held misrepresentations concerns the level of foreign aid which this country bestows on Third World countries.

Every time a foreign aid appropriation or authorization bill appears, a hue and cry arises concerning the extravagant level of U.S. financial and technical assistance to impoverished countries in the Third World. Yet, that rhetoric ignores the fact that the share of the U.S. gross national product going to foreign aid has fallen to 0.19 percent, which is less than every other Western country with the exception of Italy. That figure stands in dismal comparison to other Western nations, such as Sweden, Norway, and the Netherlands, which contribute 0.9 percent of their GNP to foreign aid. Even the notoriously parsimonious Swiss donate a larger share of their GNP to this worthy cause.

Although the humanitarian aspect is obvious, there is an equally important side to this declining trend in U.S. foreign assistance. That downward trend has been naturally accompanied by a declining level of respect and admiration for the United States among Third World countries. It should come as no surprise that a leader of a country with a per capita income of $200 should feel some hostility to a country with a per capita income of $8,750, which decreases its actual contribution to foreign aid. Ironically, many of those who favor a stronger and more assertive U.S. posture on the world arena are adamantly opposed to bilateral and multilateral U.S. foreign aid, which demonstrates a somewhat incomplete understanding of the nature of modern diplomacy.

For example, after Zimbabwe received its independence, Prime Minister Mugabe immediately turned to the West and particularly to the United States for assistance to rebuild his war-torn country. He pointedly ignored the U.S.S.R. and the Soviet bloc, despite his somewhat socialist leanings. However, due to a congressional refusal to support an adequate level of foreign aid, this country was only able to offer him a pittance in assistance, which ran the risk of forcing the Prime Minister to turn to the Soviet bloc. It is to his credit that he has not done so.

I want to commend to all of my colleagues attention an article from the Economist, which quite accurately analyzes this country's "penny-wise, pound-foolish" foreign aid policies. The article is entitled "Hard Luck Story" and appeared in the September 13, 1980, edition of this requested and conservative English journal.

The article follows:

HARD LUCK STORY

WASHINGTON, D.C.—Last year Americans spent more on potted plants and flowers (over $5 billion) than they did on aid to the third world ($4.6 billion). Opinion polls show that, when it comes to federal budget cuts, foreign aid is the favorite candidate of more than four in five Americans, a sentiment not lost on Capitol Hill.

Congress has not managed to pass a foreign aid bill for the current fiscal year, which ends this month. And with congressional elections only two months away, few politicians at present want anything to do with the bill for the next fiscal year, 1981. So for the second year running the administration may have to resort to a "continuing resolution", a tactic which allows it to finance its aid programmes, but at levels much below its original request to congress.

In the late 1960s, when America devoted just over 0.4% of its gross national product to help for the third world, only France, Australia, Belgium and Holland gave a bigger slice of their national income. By last year, when the share of America's gnp going to aid had fallen to 0.19%, only Italy, among the rich countries of the non-communist world, was more parsimonious. Austria also gave just 0.19%, but the American effort had even been bettered by the incorrigibly stingy Swiss.

Bilateral aid accounts for 80% of America's total aid bill. By last year the United States was spending 38% less, in real terms, on this kind of direct aid than it had in 1962. At the same time the aid given has been concentrated in the hands of a few favoured recipients. In 1973 congress decided to direct foreign aid to the poorest of the less-developed countries (ldcs). In 1979, however, about 40% of all America's bilateral aid went to Egypt and Israel to further the Camp David agreements.

A recurrent issue in this year's presidential election campaign has been whether or not America's foreign policy has suffered through an apparent reluctance, even inability, to use military force. What is never mentioned, however, is the possibility that the unwillingness to spread foreign aid at all thickly in more than two Middle East countries has robbed American foreign policy of a useful tool elsewhere in the world. Foreign aid does not necessarily produce client states (which is why some Americans have turned against it). But it can do something for the donor's prestige and influence.

Bilateral American aid falls into three categories. "Development assistance," administered by the Agency for International Development, is widely shared among 55 of the world's poorest countries: last year 81% of assistance loans and grants went to nations falling within the World Bank's poverty criterion (those with an annual income per head of less than $625). Measured in constant (1972) dollars, spending on this type of aid, largely for basic rural development, has fallen from $2.5 billion in 1962 to $1.4 billion in 1970 to $968m last year.

By contrast, spending from the "economic support fund" has more than doubled in real terms in the past decade. This aid is much more political in nature, designed to promote the economic and political stability of countries in regions that America regards as vital to its interests. In the early 1970s up to 85% of the fund went to South Vietnam. Now Egypt and Israel are the big beneficiaries: more than three quarters of the fund last year went to these two signatories to the Camp David accords which they used partly for industrial projects but mainly to finance imports.

The shift in emphasis from development assistance to the economic support fund means that the poorest countries have been hit not only by the decline in America's for-

eign aid budget but also by the growing chunk allocated to Egypt and Israel within that declining budget. There has also been a fall in American food shipments—the third form of bilateral aid—to third-world countries. Last year America gave or sold through soft loans $1 billion of wheat and rice—in real terms only half the value of food shipments made 10 years ago.

Bilateral belt-tightening, of course, could be offset by American contributions to the multilateral development banks. In fact, congress has been even more suspicious of foreign aid over which the American government has no direct control. Congress has now started to cut administration requests for funds over the next three years for the International Development Association (the World Bank's soft-loan affiliate) and the regional development banks. Failure to appropriate enough money to meet its capital obligations means that America's subscription share in the World Bank has fallen from its original 34% to below 24%. Indeed, American voting strength in the World Bank is only just above the 20% share it needs to protect its veto over bank charter changes. Partly because of this, the convention of America naming the bank's president—Mr. Robert McNamara, the current president, resigns this autumn—is now under attack.

The Carter administration has started to wake up to the dangerous trends in American foreign aid policy. It wants to increase development assistance, freeze spending on the economic support fund and go for higher contributions to the World Bank group. The secretary of state, Mr. Edmund Muskie, has been pointing out that of every $1 "given" as foreign aid 70 cents is spent in the United States, to the benefit of 600,000 jobs. But the conservative mood in congress is thwarting these plans. It killed an $8 billion foreign aid appropriations bill for fiscal 1980, forcing the government to continue its aid programme at 1979 levels, that is, 30% below the budget requested.

The appropriations committee of the house of representatives has agreed on a $7.2 billion budget for fiscal 1981, $400m less than Mr. Carter timidly asked for. But the bill has an uncertain future. Plans to bring it to the floor of the house this month have been shelved. It could face the same fate as its predecessor. It is unlikely to be considered by the whole house until after the election.

The most immediate casualty of the current anti-foreign aid mood is Zimbabwe. Its prime minister, Mr. Robert Mugabe, was greeted by President Carter as a "notable world leader" when he visited Washington last month. But the president was less forthcoming when Mr. Mugabe pressed for "massive financial help". He wants $350m for immediate reconstruction and $5 billion for long-term development. No doubt Mr. Mugabe was over-ambitious. But America's offer of $25m this year and $30m next is far short of what Mr. Mugabe could use.

Mr. Mugabe's problem is not just American tight-fistedness. Washington is divided on how to treat foreign aid requests from governments it thinks are suspiciously left-wing. After months of wrangling, congress at last agreed this summer to a $75m package for Nicaragua. But it stipulated that the money should be disbursed only if the left-wing revolutionary leaders of Nicaragua were not fomenting revolution elsewhere in Central America. When reports came that arms were being shipped from Cuba to Nicaragua for use by other guerrilla groups Mr. Carter was forced to freeze the aid until the rumours could be clarified. The state department (which wants the aid) and the defense department (which does not) are singing different tunes to the president, and Mr. Carter is in a mood to procrastinate. Coherence, never mind growth, in American foreign aid programmes will have to wait.●

THE IMPACT OF THE EXECUTIVE ORDER DECONTROLLING CRUDE OIL PRICES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. WEISS. Mr. Speaker, President Reagan's Executive order issued today decontrolling crude oil prices will result in an unfair burden on consumers and homeowners who use oil to heat their homes and gasoline in their cars. This effect will be felt particularly in my State, which relies on oil more heavily than any other State in the Nation.

It seems incredible that oil companies, which directly benefit from decontrol, claim they need such an action, when the industry as a whole recently revealed its extraordinary profit margins. The higher prices decontrol will create for consumers will result in grossly increased profits for the oil companies. Administration sources estimate the profit increase conservatively at as much as $10 million over the next year, but we can anticipate a much greater amount. Unexpected changes in the market supply of oil, such as the interruption of supply by events in world affairs, could double or possibly even triple the cost of oil to consumers and the profits accrued by oil corporations.

The program of gradual decontrol which was cut short yesterday provided a short period of adjustment for oil consumers, but President Reagan's action makes it still more difficult for many oil-product users who already spend disproportionately large parts of their income on heating costs and vital transportation needs.●

BLUE RIBBON COMMITTEE OF BEAVER COUNTY, PA.

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ATKINSON. Mr. Speaker, among the many groups and individuals that visited Washington last week to attend the inaugural festivities and tour this great city was a particularly distinguished group from Beaver County, Pa. I had the distinct honor and pleasure to host the more than 40 members and guests of the Blue Ribbon Committee of Beaver County during their 3-day visit to Washington.

Arriving in Washington on Monday they spent Tuesday participating in the many activities centered around the inauguration of our 40th President, Ronald Wilson Reagan. This was in keeping with the avowed purposes of the National Blue Ribbon Committee and its local affiliates which is to foster civic pride, work to better our community, and recognize those who contribute in many ways to make this such a great country to live and work in.

On Wednesday, I was pleased to sponsor a reception for the committee at the National Democratic Club. While not every member of the Pennsylvania delegation was able to attend, most were on hand to honor the committee members who traveled by bus to Washington at their own expense. Louis Uihlein, the president of the Blue Ribbon Committee of Beaver Valley made some brief comments at that time which I feel would make worthwhile reading for all of the Members of this body. At the close of my remarks today I will submit them for inclusion in the RECORD.

For the remainder of Wednesday they were escorted on VIP tours of such local landmarks as the Federal Bureau of Investigation, the Department of State, and the Washington Monument. It was a particular pleasure for me as their Congressman to arrange these activities for them.

To conclude my remarks, Mr. Speaker, I would just like to take a moment to read for the RECORD the names of the members and guests of the Blue Ribbon Committee of Beaver County who were in Washington on this historic trip last week:

Camden L. Williams, Dorothy L. Williams, Marguerite E. Zaperach, Terry E. Zaperach, Marguerite M. Zaperach, Lilyan A. McKelvey, James K. Glitsch, Jr., Dolores Boyle, Mary C. Knopick, Anna Dzubak.

Elizabeth Barto, Anne Yount, Dorothy D. Happ, Janice Happ, Ann Bufalini, Elizabeth Banyo, H. Louis Danneker, Geraldine C. Zugay, Velma J. Bleasdale, David Cuteri, Guido P. Lamark.

Lois J. Sanvito, Anthony A. Sanvito, Lee Uihlein, Marie K. Smith, D. Susan Pratt, Earl R. Pratt, Irene H. McCullough, Hazel M. Masson, Florence D. Musgrave, Mildred S. Shane.

Audrey E. Davidson, Katherine Wozniak, Jo A. Delivuk, Stelle Kilpatrick, Sarah Kostal, Marianne Kostal, Louis Henry Uihlein, S.E.T., Frank Struggs, Sgt., Michael J. Diaddigo, Kenneth L. Young, and Charlotte Sommerville.

STATEMENT OF LOUIS UIHLEIN

Let's have your attention, please. We will now have the pledge of allegiance led by Colonel Louis Danaker. • • •

Thank you Colonel. Please remain standing. Our chaplain for this historical occasion will now give the invocation. Ann Zooback • • •

Thank you, Ann.

Ladies and gentlemen, Honorable Eugene Atkinson, Congressman representing the 25th Congressional District of Pennsylvania, ladies and gentlemen, elected officials from the governmental offices of the United States.

Each and everyone here today is a V.I.P., a very important person. We have traveled many miles to be here for the Presidential inauguration of Ronald Wilson Reagan and Vice President George Herbert Walker Bush. We are here today to salute our Representative, Eugene Atkinson from the 25th Congressional District of Pennsylvania. Ladies and gentlemen, this is a very historical occasion. We have with us today constituents, both Democrats and Republicans, members of the Blue Ribbon Committee of Beaver County, Pennsylvania. We are here on this visit to the Capitol of the United States to fellowship with our elected and appointed officials representing the people of these United States. We call all the States united and that is as it should be, united, a government of the people, and by the people, and for the people. Our forefathers did a great job and over the years we have become the greatest nation in the world.

United States means just what it implies, the state or fact of being one—wholly united and complete within itself a state or quality of general concord and mutual understanding with a goal of harmonious agreement forming a oneness—working as a united unit with equal rights—therefore we should strive to preserve the moral principles that this Nation was founded upon—one nation, under God, with liberty and justice for all.

We have many, many outstanding buildings here in Washington, each a monument to the people and the greatness of these United States of America. I could go on and on elaborating on the wonders of this Nation. I want to give thanks to all the congressional staff—a special thanks to Congressman Eugene Atkinson's staff at the Beaver Valley Mall—Michele Joseph, Barbara Kay, Irene Taylor, Peg Turcic, Ruth Ann Spears, and Staff Director Paul O'Palka. Their gracious assistance was coordinated with the Washington office.

A special thanks to Nancy, Bernice, Robb, and a special thanks to Jewel Lee Huff, who did an outstanding job in assembling the many added privileges and sightseeing arrangements that have been afforded us on this 20th day of January and this 21st day of January, 1981.

A special thanks to all the members of the Blue Ribbon Committee of Beaver County who have given many hours of themselves. A special thanks to Charlotte Somerville, recording secretary and treasurer of the Blue Ribbon Committee. I, Louis Uihlein, president of the Blue Ribbon Committee, thank you one and all for being such a wonderful group, and do look forward to our next trip. Susan and Earl Pratt will entertain you as will my wife Lenore. Let's all join in—this reception was made possible today by our Congressman Eugene Atkinson, who personally planned this luncheon. Today is your day, a day that should long be remembered in your life, a day in the pages of history of these United States These wonderful buildings are your buildings, and each and everyone here in Washington are our representatives, and they represent each and everyone of us, we the people. Gene wants you all to fraternize and enjoy the good fellowship of oneness—united in the knowledge that we have dedicated leaders here in Washington. Please feel free to contact your Representative any time. Together we shall continue to be great. This Nation knows no ethnic, religious, social, political, regional, or economical boundaries—the spirit of our forefathers, immigrants from every corner of the Earth, came here to make this the greatest nation on Earth. We the people shall continue to maintain the Constitution of the United States.●

"MURTHA MISTREATED," EDITORIAL STATES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. GAYDOS. Mr. Speaker, anyone who serves in public office or occupies a position of public prominence is vulnerable to unwarranted, unfounded, and unproven attacks on their character and integrity which frequently appear in the Nation's media under the guise of "news".

Too often, it seems, these insinuations, allegations and innuendoes are "leaked" to the media by "unidentified sources" and, despite their lack of confirmation or verification, they may be interpreted by readers or listeners as fact. Such reports can cause extreme anguish, humiliation, and embarrassment to an individual. They can disrupt a family and ruin a friendship. They can do irreparable damage to a career. They can cost a life.

It is a risk, I suppose, that goes with the territory. The first amendment of the Constitution gives those who report the news the right to protect their sources of information. I find no quarrel with that. I support the concept of a free press. I strongly believe in the philosophy that "news" must never be allowed to be suppressed in our country.

But, I become concerned when facts and fiction become confused. I cannot help but question the fairness of permitting an unconfirmed report, perhaps one that is totally false, to besmirch someone's character or stain a career while the source of the report remains unidentified and protected by the Constitution. Certainly, the maligned individual has some rights as well.

While he may be held up to public question, scorn and, in some cases, ridicule, the source remains hidden and safe from public scrutiny. The source's reputation is not sullied. His integrity and motives are not questioned. His family is not publicly humiliated or embarrassed. His job or career remains secure.

This feeling of concern was expressed in a recent editorial broadcast by KDKA-radio and KDKA-TV in Pittsburgh, Pa. The editorial dealt with the Abscam scandal and the mistreatment accorded our colleague, JOHN MURTHA.

It said:

The Abscam scandal has been in the news since February. When the story broke, Johnstown Congressman Murtha was linked to the mess.

When there was talk of indictments Murtha's name came up. When a grand jury started to meet in May, Murtha's name was mentioned again. When indictments were handed down in June, Murtha's name popped up once again, even though he wasn't indicted. Finally, in November, the Federal Justice Department said there won't be any more indictments. This time Murtha's name wasn't mentioned.

It's generally agreed now, Murtha wasn't on the take in Abscam. But for nine months his name was blackened across the country. And there's plenty of blame to go around. Last February somebody in the Justice Department had to leak the story lumping seven Congressmen together—one of them Murtha. The news media never took the time to separate the cases and investigate each individually. The innocent and the guilty were painted with the same brush.

No amount of apologies can remove the personal pain and embarrassment Murtha has had to live through. What happened to him proves something. We have to find a way to protect the reputations of people who happen on the fringe but not in the center of a publicly damaging event. That's the lesson all of us can learn from Murtha's mistreatment.

Mr. Speaker, I commend KDKA-radio and KDKA-TV on its efforts to clear the name of a respected colleague. I admire the call for responsibility in reporting the news.●

TARGETED TAX CUTS

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. NOWAK. Mr. Speaker, I hope that the 97th Congress will be able to devise a tax package this year that capitalizes on the growing popularity of providing Federal tax incentives to stimulate economic growth and job creation in the private sector.

In particular, however, I believe that a key component of that tax package must be targeted to address the special expanison needs of small- and medium-sized businesses located in the economically distressed urban centers of our Nation.

While broad-based, across-the-board tax incentives are needed to speed investment and increase productivity in our business community as a whole, at the same time I believe we must provide special incentives to meet the special needs of our older central cities.

What I am advocating is a broader use of the Federal tax code as a tool of urban revitalization and to help these communities counter the adverse impact of long-term high unemployment, population loss, local tax base erosion, and the resultant disincentive to private investment.

79-059 O — 84 —— 76 (Vol. 127 Pt. 1)

I have already communicated this view to President Reagan and I trust that serious consideration will be given this concept as the new administration developes its tax policies and legislative proposals.

I have long been an advocate of tailoring and targeting Federal tax incentives to assist economically distressed communities. I firmly believe such targeted incentives would provide multiple benefits, including assisting localities address in a meaningful way the problems of the chronic jobless and aging, deteriorating physical plants, and abandoned structures.

A carefully tailored and targeted tax incentive package in the long run would result not only in increased revenues for the Federal, State, and local treasuries but also would help curb unproductive governmental expenditures for items like welfare and unemployment compensation.

That is why one of the first bills I introduced in 1975—my first year in the House—was a measure seeking to provide a 5-percent bonus—in addition to the regular 10-percent investment tax credit—for both plant and equipment expenditures in targeted distressed areas.

My experience during the last 6 years and my work during the last 2 as chairman of a House Small Business Subcommittee, reaffirm my belief that this type of incentive would be a viable and valuable economic development and expansion tool.

It is one of six incentives I have included in H.R. 390, the Job Expansion and Urban Development Act of 1980, which I introduced in October. I would like to bring this package to my colleagues' attention in the hope of spurring debate and interest in the viability of this targeting concept.

This bill is intended to help foster the growth of employment and industrial development—particularly among small- and medium-sized firms—in targeted depressed urban areas. The targeting criteria includes levels of poverty, unemployment, and the lag in per capita income.

In general, the bill would:

First, stimulate new investment by providing increased depreciation allowances.

Second, provide a 5-percent investment tax credit on new structures placed in service by a qualified business. This will encourage new construction and business development.

Third, increase the amount of used property eligible for the investment tax credit from $100,000 to $400,000.

Fourth, provide for a 25-percent investment tax credit on the rehabilitation of commercial buildings.

Fifth, help start up companies through a refundable investment tax credit of up to $100,000.

Sixth, expand the present targeted jobs tax credit.

This six-pronged approach would, therefore, provide a range of incentives that would stimulate a variety of economic development initiatives, from new construction to rehabilitation, in the targeted areas. This type of stimulus would do much to improve the physical plant condition in these areas, improving the quality of life and the areas' attraction to both investors and residents.

An important aspect of this approach is its total reliance on Federal—rather than local—tax incentives to stimulate this economic expansion and revitalization.

Cities, like my hometown of Buffalo, N.Y., for example, are levying property taxes at or near their constitutional limits. And still, they are having trouble making ends meet.

Thus, I do not believe that such hard-strapped cities could afford the revenue losses that would be incurred it they sought to provide such investment incentives to target areas by using local property tax abatement as the vehicle.

In addition to the revenue loss, such cities' fiscal woes would be compounded by the continued need to provide costly basic services to the target area that was the beneficiary of such tax abatement.

Thus, adapting Federal tax laws to provide the desired relief and economic stimulus would be the most appropriate and effective route to pursue.

Of course, the all-encompassing intent of my proposals is to create jobs * * * permanent, long-term jobs in the private sector, particularly among small business and medium-sized growth firms.

Another major goal, however, is to deal in a meaningful way with the problems of the chronically unemployed. My proposed expansion and targeting of the jobs tax credit program would be a major step in addressing the needs of the long-term jobless. It would give special tax incentives to firms in the target area who hired residents of the target area. This is in line with my original point that we need to provide special incentives to meet special needs.

Despite various Government-sponsored training programs, thousands of inner-city residents remain trapped in the vise of long-term unemployment. We must enlist the broader involvement of the private sector in dealing with this serious problem and my proposed jobs tax credit would stimulate just that kind of activity.

As our efforts intensify in the months ahead to curtail inflation and achieve a balanced budget, greater and greater constraints are expected on our limited Federal resources.

If we really want to insure that our older cities do not become wards of the Federal Government, if we really want to enable localities to help themselves, if we really want to reduce Federal spending and yet achieve urban revitalization, I suggest that the new administration in cooperation with the 97th Congress seriously address the potential of the targeted tax incentives approach. It will certainly be a top priority item for me.

Cosponsors of H.R. 390 are: Mr. YATRON, Mr. WHITEHURST, Mr. AUSTIN MURPHY, Mr. FISH, Mr. PEPPER, Mr. NELLIGAN, Mr. MCHUGH, Mr. LAFALCE, Mr. NEAL SMITH, Mr. PRITCHARD, and Mr. BARNARD.●

FOREIGN MILITARY SALES TO THE MIDDLE EAST AND PERSIAN GULF DURING THE 1970'S

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues Department of Defense figures on U.S. foreign arms sales during the past decade.

During the 1970's, foreign military sales (FMS) have assumed a larger importance as an instrument of foreign policy. Arms sales increased from $1.3 billion in fiscal year 1971 to $15.2 billion in fiscal year 1980, current year dollars. While this quantum increase in dollar value can in part be attributed to inflation and the ability of many nations, particularly in the Persian Gulf, to purchase arms and military services with cash, it is clear that more and more states of the Third World want to buy advanced weaponry.

As the following charts show, the Middle East and Persian Gulf have, since 1973, consistently been the recipients of over 50 percent of all arms sales. These areas are increasingly important for the United States.

Arms sales remain an important part of our foreign policy and of our friends' and allies' security but we need to be careful to insure that they dovetail with political and economic policies and do not dominate other instruments of American foreign policy.

Two charts prepared by the Defense Department follow:

TOTAL FOREIGN MILITARY SALES WORLDWIDE, IN THE PERSIAN GULF AND THE MIDDLE EAST

[In millions of dollars]

	Worldwide total	Middle East and Persian Gulf	Worldwide total [1]
1971	1,390	690	701
1972	2,950	1,190	1,760
1973	4,848	3,465	1,383
1974	10,343	8,551	1,792
1975	16,053	8,622	7,431
1976	14,371	11,146	3,225
1977	8,305	5,397	2,908
1978	10,177	6,256	3,921
1979	13,014	8,293	4,721
1980	15,277	8,100	7,177

[1] Exclusive of the Persian Gulf and the Middle East.

Source: Data from (8) report as of end of fiscal year 1980; that is, Nov. 20, 1980. Rounded to dollars in millions.

TOTAL FMS FOR PERSIAN GULF COUNTRIES, EGYPT, ISRAEL, JORDAN, LEBANON, LIBYA, MOROCCO[1]

[In thousands of dollars]

	Bahrain	Egypt	Iran	Israel	Jordan	Kuwait	Lebanon	Libya	Morocco	Oman	Qatar	Saudi Arabia	Tunisia	UAE	Yemen	Total
1971	.....	.....	354,613	300,530	16,282	.....	187	632	2,299	.....	.....	15,245	.....	.....	.....	[illegible]
1972	.....	.....	455,615	399,829	18,877	.....	232	2,672	7,480	.....	.....	305,426	.....	.....	.....	1,190,141
1973	.....	.....	2,133,680	162,488	6,061	40	5,155	130	2,480	.....	.....	1,152,036	2,137	.....	.....	3,465,026
1974	.....	.....	3,935,069	2,450,583	64,506	31,693	9,775	12	8,182	.....	.....	2,048,234	722	.....	2,686	8,551,283
1975	15	.....	1,290,509	829,372	77,547	965,256	240	.....	281,324	1,610	.....	5,775,999	383	.....	372	8,621,577
1976	26	62,192	1,558,797	979,547	358,945	802,480	244	.....	105,374	223	.....	7,742,087	2,247	2,176	130,355	11,145,694
1977	76	1,671	2,760,650	503,815	99,726	31,248	28,505	.....	37,228	764	.....	1,888,155	42,670	268	2,530	5,396,506
1978	27	162,883	913,494	867,328	71,776	85,581	22,545	.....	7,337	.....	.....	4,121,519	2,156	37	1,285	6,255,968
1979	28	449,693	35,862	987,791	88,775	11,780	32,130	.....	3,580	99	.....	6,468,701	33,002	2,847	177,749	8,292,797
1980	6,072	2,408,920	.....	290,421	351,419	126,496	10,947	.....	321,410	23,710	78	4,536,777	21,833	154	1,575	8,099,762

[1] As of the end of fiscal year 1980.●

PUBLIC VERSUS PRIVATE RESPONSIBILITY

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ROSE. Mr. Speaker, recently the following editorial appeared in one of the major newspapers in my district, the Robesonian in Lumberton, N.C. Because I feel that this editorial raises some very interesting points about public versus private responsibility in an economic crisis, I thought that my colleagues would be interested in this article.

I certainly agree with the editors of the Robesonian that we are facing a difficult and trying economic period. I firmly believe that we need to encourage all Americans to look first to themselves for guidance. The Federal Government cannot possibly solve every problem. I am encouraged by the insight shown in this editorial, and I hope my colleagues will find it as useful as I did.

EVIDENT EMERGENCY

A "national economic emergency" may be declared by President-Elect Ronald Reagan as soon as he is inaugurated. That is hinted by his transition director, Edwin Meese, who admits that any such step would be largely a public relations gesture. No presidential powers exist by which Reagan could take control of the economy and impose "solutions" on which he and his advisers are working.

As a public relations gesture, a declaration of emergency would seem like an anticlimax. The condition of the economy was fully recognized by the public in voting for a change in national administration. If anybody did not get the message throughout months of political campaigning this year, the re-escalation of interest rates should make the point.

The usual purpose of such a declaration is to generate demand for emergency legislation and emergency executive powers, either or both increasing federal control and regulation. That would be contrary to campaign advocacy of less government control. It might be consistent, however, if emergency powers were sought to reduce federal regulation in the interest of a freer economy.

Temporarily, the Reagan administration might win support for doing something, right or wrong, as a show of activity. Yet within a few months, results would become more impressive than intentions. False starts could throw the economy further out of balance and make recovery all the more difficult.

It is the duty of Congress to examine administration proposals and use the judgment of its membership in evaluating them. This is as necessary as ever, or more so, when proposals ride on a wave on non-critical enthusiasm for political promises. A Congress with more Republican clout will need to be as cautious about drastic Reagan proposals as a Democratic Congress was about the liberal plans offered by the highly popular Senator Kennedy.

Nevertheless, the existence of a national economic emergency might be reaffirmed, without arousing unrealistic expectations, in an appeal for public cooperation at the individual and community level. Ways in which the economy could be stabilized by changes in the pattern of general economic activity might be pointed out, and local governments could be asked to cut down on their applications for federal funding of projects they could get along without.

In a national economic emergency, if people are shown what they can do for their country, there will be less reliance on what it can do for them, which has reached limits under an administration.●

IOSIF MENDELEVICH SHOULD BE RELEASED BY SOVIET UNION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of my colleagues the case of Iosif Mendelevich, an original defendant in the Leningrad trials, who today remains incarcerated in Perm Camp 36.

For the past 2 months, Mendelevich has been waging a hunger strike and from all indications his condition is rapidly deteriorating. The apparent motivations for the hunger strike are several. Mendelevich is the only remaining defendant from the Leningrad trials who is still in prison. It is noteworthy that in February, the 10th anniversary of these trials will be observed. Further it is apparent that Mendelevich has been the victim of cruel treatment by his Soviet captors. In a letter he sent to his sister Rifka Drori, he described his life in prison as intolerable. He indicated that his jailers compelled him to work long hours without any breaks in his new duties as an iron cutter. Mendelevich indicated further that as an Orthodox Jew, he had asked to be able to work longer hours so as to be able to meet his religious obligations, but this was refused. Then as a final act of brutality, the jailors confiscated his prayer book. Mendelevich according to his letter relied on his religion to sustain him and now that has been taken.

I have dispatched a letter to Soviet President Brezhnev urging a release of Iosif Mendelevich. I feel his case is especially compelling and worthy of our attention.

I am growing increasingly concerned about an apparent hardening of Soviet attitudes toward the treatment of Jewish dissidents and citizens. One revealing indication is the alarming reduction in the number of Jews emigrating from the Soviet Union. According to figures provided to me by the Library of Congress, the total number of emigration visas granted in 1980 were 21,471 as compared with 51,320 in 1979. In the last 2 months of 1980, only 1,678 visas were granted as compared to 8,338 in 1979 and 7,397 in 1978. I would hope that the Reagan administration would look into this matter in some detail and communi-

cate its concern at the first possible opportunity.

Mr. Speaker, I wish to thank two prominent Jewish organizations for bringing the case of Mendelevich to my attention—the Jewish Identity Center and the Student Struggle for Soviet Jewry.●

BILL SIMON—LESS GOVERNMENT

HON. JAMES COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. COLLINS of Texas. Mr. Speaker, Congress needs to face realities. Bill Simon speaks out in plain language on the crises facing America. William E. Simon was one of America's greatest Secretaries of the Treasury. He understands economics and believes in the free market. Bill Simon is now a contributing editor to the Dallas Morning News. His hard hitting report should get through to everyone on the Hill.

Here are some of the key sections in the Dallas News story as written by Bill Simon.

FOR AMERICA, NOW OR NEVER

There is no more leeway! I do not think I exaggerate when I say that we are faced, quite literally, with our extinction as a bastion of freedom, prosperity and democracy.

Could anything be plainer? We have so disregarded the tenets of free enterprise, and so interfered with the natural workings of the economy in a desperate attempt to repeal universal economic laws by government fiat, that in 1980 we became a 7-times multiplication table of disaster: 7 percent unemployment, 14 percent inflation and 21 percent interest rates.

The two basic industries in the United States, steel and automotive, have had a calamitous year, battered by the one-two punch of inept domestic fiscal and monetary policies, and of international competitors who freely subscribe to policies that were once our pride.

Did you ever expect to see all three of our major automobile makers running in the red, with one quite literally propped up by Uncle Sam?

How many times can the housing industry be knocked flat within a few months before structural damage impairs it permanently?

When have you seen the federal budget jump in such uncontrollable increments? In three years' time, federal spending has jumped by more than 30 percent.

We talk about the strangling burden of overregulation and it has now become a chiche, but we quickly lose sight of the fact that proposed regulations in the Washington pipeline are worse than any that are already on the books. One distinguished economist has put the cost of overregulation at $125 billion. How many nations in the world would like to see their country's entire GNP at that level?

I assure you that my Washington experience has shown me how fast people in all walks of life abandon principles when it requires them to give up some government largesse. The labor unions will recklessly scream for more. The bureaucrats will resist any tampering with their fiefdoms and domains. Those on the public payroll will scream to maintain their prerogatives and their jobs whether they are needed or not. And sadly my experience in Washington—still painful—showed me that businessmen, captains of industry, those who should be in the forefront arguing for the government to back off and allow competitive free enterprise to work, are in the forefront of the mob with their hands held out.

How easy it will be for congressmen to accept the goodies—the tax cuts, the new programs, etc.! And oh how they will resist the tough ones—the budget cuts, the program cutbacks, the agency eliminations, etc.

This time, though, will be the last time we will ever have the choice. Indeed, if all of us as a people, and our leaders, are not steadfast now, we will have few if any choices about anything ever again.●

OPPRESSED JEWRY WEEK—THE ABRANZON FAMILY

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BEILENSON. Mr. Speaker, on June 25, 1980, I brought the plight of Zina and Arkady Abranzon to my colleagues' attention as a part of the Spirit of Helsinki Vigil, 1980. Unfortunately, this imprisoned couple's situation has worsened since then, so now, during Oppressed Jewry Week—January 23 through January 30, 1981, I would like to speak again on their behalf.

Mr. and Mrs. Abranzon are Soviet Jewish citizens who had planned to apply for exit visas. Mr. Abranzon was the director of several electronics stores, and his wife was in charge of a jewelry and gift store.

The Soviet police broke into the Abranzons' apartment on October 5, 1979, confiscated all of their possessions, and incarcerated them at Ivano-Frankovsk, a trail-isolation prison in the Ukrainian Soviet Socialist Republic, where they were held without trial for more than 1 year.

I deeply regret that Soviet officials have recently found the Abranzons guilty of the crime of possession of resources. Arkady Abranzon has been sentenced to 14 years in prison, and his wife, Zina, has been given a prison term of 6 years.

I would like to take the occasion of Oppressed Jewry Week to reaffirm my strong belief that releasing the Abranzons and granting them exit visas would not only indicate to the world the Soviet Union's compliance with the Helsinki accords, but would also affirm the Soviet's desire to ameliorate relations between our two great nations. I hope the new year will hallmark the beginning of an end to the disturbing mistreatment of Soviet Jewish citizens, and that statements such as this will no longer be necessary.●

ARLINGTON BAPTIST SCHOOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. LONG of Maryland. Mr. Speaker, on Thursday, January 29, 1981, 164 young men and women from the Arlington Baptist School in Baltimore, Md., will journey to Washington to augment their studies of American Government with a firsthand look at their Nation's Capital.

These students, led by Marsha Gevadan, Robert King, Chuck Dickert, John Lee, John Schult, Bruce Barber, Linda Bond, Sharon Janicki, and David Wheelock will tour the White House, the Capitol Building, observe the House and Senate in session, and visit the Federal Bureau of Investigation as part of their day's activities.

I look forward to meeting with these students, their teachers, and parents to discuss with them the legislative process, their studies of our Government, and their questions about national issues. I am delighted that they are taking the opportunity to expand on their classroom learning.

Students who will visit us Thursday include:

Virna Alexander, Larissa Belt, Michael Bender, Ruth Bergman, Donald Boone, Artraelle Boyette, Steven Boyd, Samuel Brown, Scott Brown, Dawn Calvert, Eric Caraway, Hurraina Chapple, Chris Cole, Donald Cook, Reed Correll;

Sean Craddock, Julie Cress, Melissa Crump, Melissa Davis, Peggy DeYoung, Stanley Furrow, Jane Gallman, Gwen Gates, Jeff Gill, Steven Green, Robin Griffin, Joyce Hartsock, Rhoda Hayes, Laura Heuisler, Dennis Hollar;

Barry Hubble, Judy Hurlburt, Michele James, Brad Johnson, Tony Johnson, Lisa Keith, Cindy Kelly, Tyrone Kelly, Song Kim, Duane Khrum, Le Hai, Jeff Leach, James Marshall, Phillip Martin, Lisa Morrison.

Jay Murray, Tim Norris, James Parker, Janice Parker, Jeanne Peters, Alayna Phillips, Dionne Plowden, Kim Powell, Kathryn Racer, Diana Raiford, Robert Reverski, Dennis Ross, Catherine Roy, Laura Sebol, Jacqueline Sewell;

Pan Smeltzer, David Smith, Gary Smith, Stephen Smith, William Smith, Sharon Sporny, Laura Sterling, Paul Stevens, Brian Stokes, Lisa Stonesifer, Glen Summerfield, Renard Teal, Leslie Thompson, Charmaine Tomago, William Traband;

Kay Trombero, Sharon Turner, Kim Twigg, Rudy Tyrell, Andrea Waker, Jeff Weaver, Julie Westfall, Lisa Wilhoit, Wendy Woodruff, Daniel Zepp, Clair Andrese, Helen Atkinson, Brenda Ault, Gregg Bender, Bonnie Best;

Jeri Brothers, Heather Brown, Sue Brown, Cindy Burdette, Monica Cockrell, Keith Conley, Nancy Conway, Twilah Copeland, Valerie Curry, Carol Davis, Charlotte DeColigny, Mary DeHaven, Tracey Emerson, Rosemary Farkas, Towanda Fletcher;

Lisa Gaddis, Marvin Glick, Craig Garrett, Mark Hammett, Danny Harlow, Gail Hartman, Julie Haynes, Justus Heger, Dana Highland, Kathy Hinegardner, Robin Jachens, Karen Jenny, Marcia Johnson, Lynn Jorda, Bonnie Kelbel;

Darryl Kelly, Sonah Kim, Nancy Kiser, Victoria Larkin, Bruce Leake, Lloyd Leverett, Lisa Licona, Doris Lindley, Robin Lindsay, Katrina Litzau, Lisa Ludwig, Lily MacFadden, Deborah McFadden, Karen McInnes, David Miller;

Robin Mills, Paul Morris, Dawn Nicholson, Jerry Perryman, Nancy Peterson, Jamie Petrides, Steve Heintzelman, Brian Rabette, David Rent, Gordon Rent, Kim Robinson, Marie Robinson, Marc Rowan, Marilyn Russell; and

Dawn Rutter, Anne Sewell, Kay Sewell, Susan Shank, Scott Sparks, Darryl Stokes, Dean Summers, Belinda Switzer, Michael Trescott, William Waller, Beth Walter, Janice Williams, Barbara Wootton, Hea Yoon, Wendy Zink.●

LEGISLATION TO DISCOURAGE THE USE OF TAX STRADDLES FOR TAX EVASION

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BRODHEAD. Mr. Speaker, today I am introducing legislation with Congressman BENJAMIN ROSENTHAL and several other members of the House Ways and Means and Government Operations Committees to stop the spread of tax shelter schemes used by the wealthy to avoid paying their fair share of income taxes. These tax avoiders deduct paper losses from transactions motivated solely for tax avoidance and involving no real risk and no potential for real economic gain. The Internal Revenue Service ruled years ago that these schemes, called tax straddles, are illegal. Despite this 1977 IRS ruling denying tax-straddle losses, an increasing number of high-income individuals—often unwittingly enticed into these deals by their broker—are attempting to reduce their incomes and their tax liabilities by claiming artificial losses from straddles. Apparently they hope that IRS auditors will not discover their returns, or that even if audited, they can at least postpone paying taxes for several years. The Treasury estimates that this scheme would be used by wealthy Americans to avoid paying $1.3 billion in taxes in 1982 alone. If this loophole is not closed, it is estimated that the revenue loss could double and triple in the next few years. Congress must act soon to stop this billion dollar gross injustice to the average taxpayer.

At present, the IRS position is being contested in the courts. Even if the IRS prevails in these cases, it may be years before the courts reach a final decision. In the meantime, the abuse is growing by leaps and bounds and brokers are devising ever more complicated schemes for their clients to avoid detection. Congress must enact new, strong statutory rules which clearly outlaw these tax-avoidance schemes. My bill, which is similar to a recent legislative proposal by the Department of the Treasury, would establish rules denying these fake losses in order to discourage the use of straddles to shelter income from taxation.

I first became aware of this abuse last year when Congressmen ROSENTHAL and VANIK introduced similar legislation to discourage the use of commodity straddles for tax avoidance purposes. I learned that the commodity futures markets are manipulated through these devious and complex schemes to subvert the tax system. The futures markets are supposed to exist primarily for the use of hedgers—producers or users of a particular commodity who hold futures contracts as a hedge against price increases.

Yet tax straddles which have no economic purpose (except tax avoidance) already constitute a growing and significant percentage of the activity in certain futures markets. Such tax shelter activity may adversely affect the functioning of a market and introduce noneconomic factors into price determination. Thus, a true hedger, such as the average farmer, may suffer from the impact of taxtrading on futures markets because he enters the futures market for an economic reason—not for tax considerations.

For example, a farmer might want to insure the price at which he will sell his grain for 6 months from now. He would enter into a futures contract in which he promises to sell it for, say, $2 a bushel next June. A speculator, betting that the price of grain will go up, may take the other side of the contract promising to buy the grain at that price. If the price of grain goes up, the speculator makes money. If it goes down, he loses (he might have to buy $2 grain and sell it for $1.90).

However, the taxpayer who creates a tax straddle is not interested in speculating for profit or hedging to protect a price. Rather, he wants to enter into an even-sided transaction (simultaneously holding both "buy" and "sell" contracts for different months in the same commodity) to generate a loss which he deducts in 1 year and a gain in the following year. Because gains are taxed at a lower rate than ordinary income, a huge tax reduction and deferral can be realized. I am including a Washington Post article which explains in more detail how this scheme works.

Several glaring examples provided by the Treasury from actual tax returns will illustrate how beneficial tax straddles can be for those with large incomes. In one case, a corporate executive who had salary and investment income in excess of $500,000 deducted over $500,000 as loss from a Treasury bill straddle. This taxpayer reported a net loss for the year and claimed a refund of $38,000 for withheld taxes. In another case which the IRS examined, a taxpayer who recognized a substantial gain from a business liquidation tried to defer $2 million of gain year after year through commodities straddles.

These examples, multiplied by the thousands of wealthy persons using similar methods, are a cause for tremendous concern for a variety of reasons. First, the rich are able to shift their tax burden on to the backs of middle-income taxpayers. The basic unfairness of this situation breeds contempt for the tax system. Second, the widespread proliferation of these straddles distorts the futures market and thus may disrupt its use by legitimate hedgers and speculators. Third, because tax avoidance straddles increase the volume of trading, I believe they are driving up the price of commodities and thus pushing up the cost to consumers of products made from these commodities. And fourth, I am concerned that the rapidly growing use of straddles involving Treasury bills and Treasury bill futures will create havoc in the Federal debt management process.

The bill that I am introducing today would address these concerns by specifically denying deductions for noneconomic losses if the taxpayer continues to maintain a straddle position. The bill recognizes that taxpayers clearly are entitled to reflect real losses on their tax returns. Hedgers and legitimate investors must be allowed to reduce their income and gains by losses. However, phantom paper losses which do not reflect any genuine economic change cannot be fabricated to create enormous tax savings. A law to prohibit similar tax abuses in securities trading has been on the books since 1939. My bill would simply apply the same principle to commodities.

[From the Washington Post, Dec. 21, 1980]

HOW IT WORKS

(By Jerry Knight and James L. Rowe, Jr.)

How does a butterfly spread work? How can a butterfly or any other tax straddle cut your taxes?

Suppose you are one of the lucky ones. Last October, you bought 1,000 shares of the hot new gene-splicing stock Genentech at $35 a share and sold it at $80 on the first day it was offered to the public.

You made a killing: a $45,000 profit in a matter of hours. But you have to share most of it with Uncle Sam. If you are in the top tax bracket, the government will claim 70 percent, and you'll get to keep only $13,500.

You are the most common candidate for a tax straddle, someone who wants to avoid taxes on windfall income. If the Internal Revenue Service lets you get away with it,

you might be able to increase the amount left after taxes on your Genentech profits from $13,500 to $32,400. Or you may be able to postpone paying taxes on the profits until next year.

A commodity tax straddle can convert ordinary income that's taxed at 70 percent into a long-term capital gain taxed at 28 percent and also delay the tax liability for a year or more.

The basic technique is to create an artificial loss that can be deducted from this year's taxes, then recoup that loss with a profit that's taxed next year at a lower rate.

The silver butterfly is one of the most complex tax transactions yet devised. It is so arcane that only a handful of specialists are adept at it. Most Wall Street firms prohibit rank-and-file brokers from even attempting a butterfly and channel all the business through a specialist at headquarters.

A commodity specialist who arranged tax straddles at a major brokerage firm said there are myriad ways they can be constructed. The favorite is called a butterfly spread, because a diagram of the deal looks like a butterfly with bifurcated wings.

The butterfly is tailored to the specific needs of the customer. The butterfly specialist has to understand federal (and state) income tax laws well enough to know how to minimize the customer's tax liability and to be good enough at commodity trading to insure that the deal works in the market as well as on paper.

Some basics: First, ordinary income—wages, interest, etc.—is taxed at higher rates than capital gains. The maximum rate on "earned income" such as salaries or wages is 50 percent; on "unearned income" such as interest, the maximum is 70 percent; for long-term capital gains the limit is 28 percent. So if you can convert ordinary income to capital gains, you pay less taxes.

HOW TO HEDGE A VALUABLE SILVER BUTTERFLY

Second, most investments have to be held for a full year to qualify for long-term capital gains treatment, but commodity investments qualify for capital gains rates after only 6 months. Finally, you can only deduct losses from the same kinds of profits; you can't use a capital loss to offset ordinary income.

In this case, the customer needs a $45,000 short-term capital loss to deduct from 1980 taxes and offset the Genentech profit. The butterfly will create that loss and simultaneously create a $45,000 profit next year that will be taxed at a maximum 28 percent rate.

The basic technique for using commodities to reduce your tax bill is called putting on a spread or a straddle. That means simultaneously buying and selling a commodity for delivery sometime in the future.

The commodity futures markets make that easier by establishing formal contracts that define the quantity and quality of the commodity and the time and place for delivery.

A simple spread could involve buying 5,000 ounces of silver to be delivered next June and at the same time selling 5,000 ounces of silver and promising to deliver it in July.

No matter whether the price of silver rises or falls by next summer, you'll make money on one deal and lose on the other.

If silver prices go up, you'll profit on the contract to buy, because the silver you get will be worth more than it was when you made the deal and set the price. But the silver you sell will be worth more than you'll collect for it, and you'll lose on that "leg" of the straddle.

If prices go down, the silver you sold will be worth more than you get paid for it, but you'll make money by getting the other batch of silver for less than it's current price.

Over all, you break even, but it doesn't have to look that way on the income tax returns, where you can deduct the losses from other income and cut your tax bill.

What you want to do is arrange to lose money on one of the deals this year and wait to claim your profit on the other deal next year.

If prices are going up, that's easy enough to work out—just sell silver for December delivery at a loss and put it back at a profit in January.

But what if the prices go down? Then your trade is backward, you'll make money delivering silver in December, but that will produce more income and more taxes to pay. You'll qualify for a tax write-off next February, but that won't do any good on the first year's taxes.

When prices are going down, you'll want to arrange to buy silver for December delivery, so you'll lose on that deal. Then sell an identical amount for delivery in January, earning a profit to offset the December loss.

A "butterfly spread" works by covering both bets at once—simultaneously buying and selling four contracts for silver in a pattern that assures you'll get profits and losses at the desired time.

To set up a typical silver butterfly, you first buy 5,000 ounces of silver for delivery in March and simultaneously sell another 5,000 ounces, promising to deliver in July. Then sell another 5,000 ounces for July and balance it with an order to buy for delivery in December.

No matter how much the price of the metal rises or falls, the silver butterfly will float along, making money on two of its wings and losing an identical amount on the other two.

So you watch the market price move up or down, and wait. When you've lost as much as you want, you close out the unprofitable contracts and tell the tax man you've got a deduction.

To protect the profits made on the other wings, you have to set up a second butterfly and keep it alive until next year. If you hold the contracts more than six months, they qualify for long-term capital gains and the 28 percent maximum tax rate.

Even that tax can be avoided by repeating the butterfly process the second year and "rolling forward" the profits to 1982. In theory, at least, it can be kept up indefinitely, so you stall the taxes forever.

Generating a $45,000 loss to offset the hypothetical Genentech profit probably will require setting up a multiple-contract butterfly, because the price of one 5,000-ounce contract usually won't move up or down by that much.

One specialist figures the maximum price change a butterfly trader can count on is $3,500 a contract, so creating a $45,000 loss will take 12 or 13 contracts.

A large number of butterflies may be needed if the price of the commodity is very stable or if there isn't time to wait. An investor who gets a windfall in December, for example, needs to lose money quickly. If the price of silver drops 10 cents an ounce, a 5,000 ounce contract will lose $500. At that rate, it would take 90 butterfly straddles to lose $45,000.

Commodity straddles were not invented to bedevil the Internal Revenue Service. They have many legitimate uses for professional commodity traders, who can make money when there is a change in the difference between the prices of a commodity in two different months.

Last week there was a 10-cents-a-bushel difference between the price of soybeans for delivery in January and for delivery in March. If demand for soybeans in March suddenly increases, that differential could increase to 20 cents a bushel. On 5,000 bushels of beans, the widening spread could mean a profit or loss of $500.

The two wings of the butterfly, however, tend to minimize the effect of changes in the spread prices. A study prepared for the Internal Revenue Service contends there's only one chance in 40 that a butterfly spread will make enough money to pay the commission a commodity broker charges for placing the buy and sell of orders.

The only way most people make money on a butterfly straddle is on the tax deduction it provides.

Technical Explanation

This bill would amend the Internal Revenue Code by providing new rules governing the taxation of straddles, "cash and carry" transactions, and related matters.

The bill would limit tax sheltering through straddle transactions by postponing the recognition of losses on certain straddle positions while the taxpayer continues to maintain offsetting positions in a straddle.

The bill would provide that if a taxpayer holds a straddle (i.e. offsetting positions), the portion of any loss which exceeds recognized gain from the positions may not be recognized for the period during which the taxpayer holds the offsetting positions plus the 30 days after the day in which the positions cease to be offsetting.

However, if the taxpayer disposes of all of the offsetting positions before the close of the 30-day period, the balanced period is treated as ending on the day of the last such disposition by taxpayer. Thus, taxpayers who close out their offsetting positions would be allowed to recognize, at that time, any otherwise allowable loss sustained on such positions. This rule would benefit hedgers, such as farmers or cereal processors, who establish offsetting positions in commodity future contracts in order to protect their selling price or costs until the actual sale of their crops or the purchase of their inventory requirements.

In addition, the running of holding periods for each of the straddle positions would be suspended for the balanced period, generally the period during which the positions are offsetting plus 30 days. However, in determining the taxpayer's holding period for any position, any period during which the position was held prior to the establishment of an offsetting position could be tacked to any period during which that position was held after the close of the balanced period.

The bill defines the term "straddle" as offsetting positions with respect to personal property. Under the bill, a taxpayer would hold offsetting positions if there is a substantial reduction of the taxpayer's risk of loss from holding any position with respect to personal property because the taxpayer also holds one or more other positions with respect to personal property (whether or not of the same kind).

The bill would create a rebuttable presumption that two or more positions are offsetting under specified circumstances. If two or more positions are customarily treated as

straddles or offsetting positions (whether or not called a straddle, butterfly, or similar name), or if the aggregate margin requirement for such positions is lower than the sum of the margin requirements for each such position (if held separately), the positions would be presumed to be offsetting unless the taxpayer establishes that they are not offsetting. The Secretary could prescribe by regulations other factors which indicate that two or more positions are offsetting and which would establish a rebuttable presumption that the positions are offsetting.

The bill would apply to positions in personal property which are interests, including futures contracts or options, in commodities, evidences of indebtedness, currency, and other types of personal property. If a taxpayer, within the period beginning 30 days before and ending 30 days after the date of the disposition of any position which is part of an offsetting position, acquires a successor position, such successor position shall be treated as the same position as the position to which it succeeds. In addition, a successor position shall be treated as held on each day which intervenes between the disposition of the interest which it succeeds and the day on which such successor position is acquired. Personal property acquired by a taxpayer pursuant to a futures contract, option, or other interest will be treated as a successor position to such interest.

The bill would provide that positions held by related persons are treated as held by the taxpayer for purposes of determining whether any positions are offsetting. Under the bill, a person is a related person to the taxpayer if the relationship between such person and the taxpayer would result in a disallowance of losses under section 267 or 707(b), or if such person and the taxpayer are under common control (within the meaning of subsection (b) or (c) of 414). However, an individual's family would consist only of the individual, his or her spouse, and the individual's children under 18 years of age. In addition, the bill provides attribution of positions to and from a partnership, trust, or other entity if any gain or loss with respect to a position held by such entity would properly be taken into account by a taxpayer with respect to whom the entity is not a related person.

The bill would limit tax sheltering in so-called "cash and carry" transactions by requiring taxpayers to capitalize interest and carrying charges properly allocable to personal property which is part of a straddle (as defined above). No deduction would be allowed for such charges, which would include interest on indebtedness incurred or continued to purchase or carry the property, and amounts paid or incurred for insurance, storage costs, and transportation costs.

In order to preclude manipulation of the character of gain or loss as ordinary income or loss, or capital gain or loss, the bill provides that obligations of the United States, of its possessions, of a State or political subdivision of a State, or of the District of Columbia, issued on a discount basis and payable without interest in less than one year, would be treated as capital assets in determining gain or loss. Thus, these obligations would be treated by the holder in the same manner as similar debt obligations. Any discount at issue would be treated as interest under generally applicable tax rules.

The bill would require a dealer in securities to identify a security as held for investment not later than the day after the date of the security's acquisition instead of before the expiration of the 30th day after its acquisition, as required under present law.

Except for the change in identification of dealer transactions in securities, the amendments made by the bill would apply to property acquired by the taxpayer after January 27, 1981, in taxable years ending after such date.

The amendment pertaining to dealer identification of securities held for investment would apply to property acquired by the taxpayer after the date of enactment in taxable years ending after that date.●

H.R. 1015

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. CONABLE. Mr. Speaker, H.R. 1015 is intended to nullify Revenue Procedure 80-55, issued by the Internal Revenue Service on December 15, 1980.

Revenue Procedure 80-55 jeopardizes the deduction by commercial banks for interest paid on time deposits of State and local government funds where those deposits are secured by State and local obligations whose interest is exempt from Federal income tax. While Revenue Procedure 80-55 itself only applies to commercial banks, its principle could be extended to other financial institutions.

Revenue Procedure 80-55 involves the application of section 265(2) of the Internal Revenue Code. Section 265(2) denies an interest deduction to a taxpayer who uses borrowed funds to purchase or carry State or municipal tax-exempt obligations. Applying this general rule to the situation of banks which simultaneously hold governmental deposits and own governmental obligations marks a major departure from how this provision has been interpreted for many years.

Enforcement of this new position threatens the long-standing relationship between commercial banks and State and local governments. For example, banks in many States are required by law to pledge municipal bonds as collateral to secure municipal deposits. Accordingly it seems to place Federal tax law at cross purposes with State law to apply adverse tax consequences to the relationship between banks and States and local governments.

Besides the policy implications of Revenue Procedure 80-55, it also could have a very practical effect. That is, commercial banks might be influenced to pay lower interest rates on State and local deposits, if those interest payments were not deductible. This would result in reduced income for the States and local governments on their deposits.

Revenue Procedure 80-55 raises important policy questions; threatens to disrupt the long-standing relationship between commercial banks and State and local governments; and could result in lower interest payments on deposits of State and local governments. For these reasons I believe Revenue Procedure 80-55 should be nullified. H.R. 1015 accomplishes this result.●

A FREE MARKET FOREIGN POLICY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. PAUL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

A FREE MARKET FOREIGN POLICY

Can there be a foreign policy based on the same principles as a free-market economy?

Some would say that economic and foreign policies are unrelated, and that the latter must be "bipartisan," unlike the former. How else could we get a Henry Jackson and a Barry Goldwater agreeing on foreign policy? In reality, foreign and economic policies are intertwined.

LIBERAL AND CONSERVATIVE INTERVENTIONISTS

Economic interventionism allows some to support government action for the benefit of business, e.g., tariffs and subsidies; and others to support labor with monopoly wage settlements and compulsory unionism.

Variations can also be found among those who endorse international interventionism.

Most liberal economic interventionists want to intervene overseas to help left-leaning countries.

Most conservatives want to do the same for right-leaning ones.

Liberals want us to aid the Sandinistas. Conservatives say we should have helped Somoza.

Is it inconsistent that "free enterprises" should support intervention overseas? Not really, because very few follow a free-market policy consistently. Generally, they endorse special assistance to business with loans, subsidies, and protectionism.

Our foreign policy is like our prevailing economic policy. We accept economic interventionism of liberal and conservative varieties, and we also accept, with little questioning, international interventionism of both varieties as well.

All sorts of liberal/conservative combinations can be seen in economic and foreign policy, but most Members of Congress are interventionists of some sort.

If our foreign policy reflects a general philosophy of economic interventionism and political pragmatism, could we assume that our foreign policy would change if our economic order were based on consistent free-market principles?

FREEDOM AND FOREIGN POLICY

The economic order of a nation reflects the prevailing attitude of its people towards individual liberty. If a strict definition of individual liberty, adequately protected by a Constitution, establishes the foundation on which a totally free economy operates, and

we adhere to it, it would not be surprising to see a foreign policy quite different from that which we now suffer.

Generally, most people see foreign policy as being completely separate from economic policy. For instance, my concerns have always been much more oriented toward economic policy, and yet, as I spend more time in government, I have come to realize that the two are interwoven.

When the people of a country insist on maximum liberty, a free market will result and a non-interventionist foreign policy (armed neutrality) will follow. In our own history, when we had our freest economy and soundest currency, we did not fight on foreign soil. As our freedoms eroded and our marketplace became dominated by special interests (labor and business), involvement in the internal affairs of other nations grew and foreign wars resulted. Although the Spanish-American War was late 19th century, the dramatic changes were in the 20th century, with World War I, World War II, Korea, Vietnam, and the pending conflict.

A free society is based on the fundamental premise of God-given, inalienable rights—rights that are individual, not collective, absolute, and not alterable by any state action. A nation so ordained will protect voluntary associations and free choices, demand that contracts be upheld, and insist that money be honest. Under these circumstances, no economic system other than a free-market economy can evolve.

Under these conditions, it follows that government is small with its power strictly limited, as ordained by the Founding Fathers.

THE RESPONSIBILITY OF GOVERNMENT

If—for moral and constitutional reasons—we cannot interfere with our citizens' lives and property, to control the economy or individuals' preferences, we also cannot control the internal affairs of any other nation. The responsibility of the government is then limited to protection of life and property.

Robert Taft said, "The purpose of American foreign policy is to maintain the freedom of the people of this country, and insofar as it is consistent with that purpose, to keep this country at peace."

"No entangling alliances" was the foreign policy watchword for every administration from George Washington's to Grover Cleveland's.

Washington said, "It is our true policy to steer clear of permanent alliances with any portion of the foreign world.

The great rule of conduct for us in regard to foreign nations in extending our commercial relations, is to have with them as little political connection as possible.

"Observe good faith and justice to all nations. Cultivate peace and harmony with all. In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies towards particular nations, and passionate attachments for others should be excluded; and that in place of them an amicable feeling toward all should be cultivated."

Cleveland reiterated by saying, "The genius of our institutions, the needs of our people in their home life, and the attention which is demanded for . . . our vast territory, dictate this scrupulous avoidance of any departure from that foreign policy commended by the history, the traditions and prosperity of our republic. It is the policy of independence favored by our position and defended by our known love of justice and by our power. It is the policy of peace suitable to our interest. It is the policy of neutrality, rejecting any share in foreign brawls, and ambitions upon other continents, and repelling their intrusion here. It is the policy of Monroe and of Washington and of Jefferson; peace, commerce, and honest friendship with all nations; entangling alliances with none."

WHEN WE WENT WRONG

McKinley began the change in our foreign policy, leading us into the Spanish-American War. But it was Wilson who radically departed from the neutral, non-interventionist foreign policy which we had followed for more than 100 years.

Wilson's policy was "make the world safe for democracy." "America's duty," he said, "is to stand shoulder-to-shoulder, to lift the burdens of mankind in the future, and to show the path of freedom to all the world . . . The American flag is henceforth to stand for . . . the assertion of the right of one nation to serve other nations of the world . . . America is now rich enough and free enough to look abroad for great tasks to perform . . . Our duty is to serve the world."

The concept of individual rights requires that we reject, on a moral basis, any authority to use funds or lives to manipulate the affairs of other nations if we are not directly threatened. (But individuals should not be prohibited from volunteering for or contributing to any cause they support around the world. I would gladly contribute to buy arms for the Afghan rebels, for example, if the law allowed.)

Our Constitution follows this line of reasoning and gives no authority to the Congress to intervene illicitly around the world. We were not designated the policeman or savior of the world by the Founding Fathers. And all our attempts have failed. Our constitutional obligation is to protect our land and our people, and we cannot legally nor morally justify anything more.

Economically, intervention on the international level has turned out to be a disaster and it has not been endorsed by the people. The people have resisted more taxes, and have not been willing to loan the funds to the government to finance foreign aid. So it has been financed by inflation. The past 35 years of international intervention in particular have been a severe financial drain on us. Interventionism has destroyed the dollar, bankrupted our country, and has now caught up with us. Our policy has permitted Japan to spend essentially nothing on defense, and allowed them to subsidize the very industries that undersell competing American companies.

THE IMPRACTICALITY OF INTERVENTIONISM

Practical reasons alone mandate that we rethink our foreign policy. We are now militarily incapable of being the world's policeman. Our economy cannot stand further dollar weakness, and continual debt increase. Our foreign policy—financial aid to the entire world—is contributing significantly to the downfall of our economic system. We can show no good results from all this spending and intervention. We essentially have no friends in the world, we are seen as a paper tiger, and we continue to sign bad treaties. We are misled by administrations, both Republican and Democrat; by compromises; and by wishful thinking.

Leftists in our government have led us to subsidize our enemies. Arguing that we should only subsidize our "friends" is of no value, since the conservatives have argued this for 40 years, and it not only hasn't helped, it has made things worse. We have financed both sides of many major conflicts since 1945. It's time to look after ourselves.

WHAT A FREE-MARKET FOREIGN POLICY MEANS

A free-market foreign policy would emphasize international free trade for both its economic benefits to our people, and its value in creating an atmosphere of friendly relations with all nations, and guiding us away from militant isolationism.

Free trade recognizes that the consumer is sovereign, and that it is his right to buy any goods or receive any service at the best price. Free trade also precludes favors to special interests. No foreign aid and no corporate welfare of any sort: no subsidies; no export assistance; no insurance help; no licensing restriction; and no tariffs.

When people and goods flow freely over borders, armies will not. Limitation of trade can only be justified for the direct security of the nation in an armed conflict. If there is any doubt about restraining trade, we should always lean towards permitting trade.

Under these conditions, businessmen would make better economic decisions. Without subsidies for his insurance, overseas investments, and exports, the businessman would anticipate world events, and would voluntarily curtail trade with nations unable to guarantee property protection and honest payment. Now we encourage bad investments and subsidies to the enemy at the innocent taxpayers' expense.

Instead of businessmen selling to Russia or China at American taxpayers' expense, they would demand gold rather than accept rubles or yuans. Public opinion would also restrain trade with perceived enemies.

THE THIRD CHOICE

In our foreign policy debate, we have had only two choices: be weak, or be international policemen. A third choice is available to us: neutrality, with a policy of nonintervention in the internal affairs of other nations, plus all the armed strength necessary to protect America.

With such a foreign policy of strength and confidence, our system would prosper, our international respect would be heightened, and our example to the rest of the world would be much brighter. The complex messes, like the one involving Iran, would not occur, and we would not invite such anti-American resentment.

A liberal—known to follow the weak-America policy—said that he was delighted that our troops are in Europe, since they keep Western Europe from developing a stronger defense capability that might threaten the U.S.S.R.

European nations have never invited our nuclear missiles into their territory. The West Germans now are showing a great reluctance in setting themselves up as a target. They are delighted to let the U.S. be the potential target of Russia, if Russia chooses to wipe out the West's retaliatory capability.

Nations like West Germany must assume the responsibility of their own defense. We cannot afford it economically, nor is it militarily wise for us to continue to provide it for them. For instance, it certainly is in the best interests of the Germans and the French to develop the neutron bomb. The American taxpayer shouldn't do so. Encouraging dependency on the U.S. has neither helped the nations receiving aid, nor us who have provided it. Foreign assistance cannot create a "will to win." Vietnam proved that.

More than half our defense budget now goes to the defense of other nations. These funds would go a long way in providing adequate military pay and building the best weapons, with many dollars left over to use in budget-cutting.

A non-interventionist foreign policy would shift the lines of strategic confrontation. To do nothing about Soviet troops in Cuba and give away the Panama Canal, at taxpayers' expense, while allowing 50,000 men to die in a no-win war in Vietnam, is inconceivably inconsistent. Even though our opinions may vary on just when armed conflict is necessary, it's unforgivable to commit lives to a war with no intention of winning, without even a specific goal. This reflects a sick foreign policy. The Koreas and the Vietnams are preventable. Even our involvement in World War I and World War II can be seriously questioned. Overinvolvement, no matter how promoted by the government, will eventually fail if the will and the spirit of the people reject its intended goals. The draft, the lives, the bombs, and the dollars did not compensate for the bad policy that got us involved in Vietnam.

Non-intervention would also negate bad treaties. SALT I would be repealed, with due notice, and an antiballistic missile built, and SALT II would be scrapped. The Panama Canal would not have been handed over to the Marxists at the American taxpayers' expense. No twisted reasoning could trap us into trusting the communists by signing agreements with them, whether they be Russian, Chinese, Cuban, or Nicaraguan. Neither would we subsidize them.

NO ISOLATIONISM

A free-market, non-interventionist foreign policy is frequently attacked as "isolationist." Nothing could be further from the truth. The image of a nation walling itself off from the rest of the world is impossible in a free society, and is instead exactly what happens under interventionism. With an "internationalist" foreign policy, which includes goals of government and international banking with a fiat currency, economic isolationism always results, with nations becoming more militarily nationalistic. Trade wars ensue, and protectionism follows. Today we hear the preparations for this.

A society with a free-market foreign policy protects absolutely the rights of its citizens to travel and trade across the borders, without tariffs or licenses, and rejects all special-interest subsidies. Emigration is always permissible, and no attempts to curtail the movement of currency or people is made. The ultimate right of the free society is to be able to vote with your feet—to leave freely with your assets.

This freedom of movement, of people and goods, encourages the intermingling of people and a natural balance in trade, assuming nations do not participate in the fraud of inflation. Freedom would not create a Fortress America, or a country isolated. Only the opposite could result.

NO CONSCRIPTION

A crucial aspect of the free-market foreign policy is a volunteer military. The best vote on the advisibility of war and the commitment needed to win comes from those who are forced to risk their lives. In America, a fight to defend our freedoms will bring out the volunteers by the millions. But another halfhearted fight to "contain" communism, or prop up a "Western-leaning" dictator, will not wash.

The best way to find out if a war is needed for our survival and security is to ask the people who are to risk their lives to volunteer.

Also, can the war be fought with open taxation or borrowing, and without resorting to the inflation machine? Remember, the American Revolution was fought without a draft, and it was won against great odds. With all our firepower, and with a conscripted army, we couldn't even defeat North Vietnam.

As our children are forced to pay for the effects of borrowing on tomorrow through inflation, and suffer the erosion of the free market system, so too will they suffer the consequences of unwise treaty commitments. Why should a youngster born in 1960, pay with his life for a war fought to police the world, pursuant to a treaty signed in 1945? This is hardly fair. All of our international commitments need reassessment.

Some say we will need to fight for Middle Eastern oil. But these are the same economic interventionists who won't deregulate our energy industry, who compel the use of coal, and who prohibit nuclear power. Economic policy and foreign policy cannot be separated. And, despite the scare talk, only 5% of total U.S. energy comes through the Straits of Hormuz.

THE NEED FOR CHANGE

In spite of the dollars spent, the rhetoric heard, draft preparations, CIA activities, and troops around the world, we are weaker than ever before. Our policies need change, for even if it is still claimed that we need international commitments, it is precisely the policy of the past 40 years that has made us so weak. America now is desperately close to being undefended from Russian attack. This must be changed, but it won't be without a new policy. We can tolerate no more Koreas or Vietnams, economically, militarily, or psychologically.

The evidence is clear: the more intervention economically, the more intervention internationally, and the greater the chance of poverty and war. The less economic intervention, the less international intervention, and the greater the chance of prosperity and peace.

My vote is for non-intervention.●

CONDOMINIUM CONVERSION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ROSENTHAL. Mr. Speaker, the Commerce, Consumer, and Monetary Affairs Subcommittee of the Government Operations Committee is conducting an investigation into the public policy implications of the dramatic increase across the country in the number of conversions of rental units to condominium and cooperative ownership. As chairman of the subcommittee I am concerned with how governmental programs and activities impact the conversion trend.

In the course of the subcommittee's investigation, I have become aware of the often traumatic experience endured by people, particularly the elderly whose homes are converted. In this connection, I recently visited a building in Jenkintown, Pa., which is being converted from rental housing to condominiums by the Chicago-based American Invsco Corp.

The January 8, 1981, Times Chronicle of Jenkintown reported on my visit. I want to share that article with my colleagues because it deals with some very poignant examples of elderly people faced with an awful dilemma.

I also visited, with our colleague, WILLIAM H. GRAY III, of the Second District of Pennsylvania, a building at 3600 Conshohocken Avenue in Philadelphia which is being converted by another Chicago developer. The Philadelphia Inquirer reported on January 3, 1981, on the large and enthusiastic meeting of the tenants.

The articles follow:

CONGRESSMAN LISTENS TO BEAVER HILL TENANTS

(By Andy Kraus)

Beaver Hill tenants met last week with the chairman of a congressional subcommittee investigating American Invsco Corp., the Chicago-based developer which is selling condominiums at Beaver Hill.

About 12 tenants were selected to meet with U.S. Rep. Benjamin Rosenthal, D-N.Y., chairman of the House Commerce, Consumer and Monetary Affairs Subcommittee, to describe their experiences regarding the conversion of their apartments to condominiums and the marketing practices of the Beaver Hill Limited Partnership.

During November, Rosenthal's subcommittee released the details of a staff investigation into American Invsco, the parent company for the Beaver Hill group. In it, American Invsco, which has been called the largest and most successful converter in the country, was accused of allowing widespread speculation in its units, and of possible violations of federal law in selling condominiums.

American Invsco has denied the allegations, calling the committee staff biased and saying its report was based on "bizarre economic theories."

Rosenthal called Friday's informal meeting in Jenkintown a "fact finding mission" aimed at preparing for congressional and regional hearings on condominium conversion in the spring.

As part of a one-day visit to the Philadelphia area, Rosenthal, who was joined by the chief counsel for the subcommittee, Theodore Jacobs, met with tenants at two other apartment complexes, one of which had recently been converted by American Invsco.

The congressman told the Beaver Hill tenants that he had heard "Bizarre stories of tenants being pushed out of their homes" by converters in other areas of the country.

He said that some of the answers to ending the problems caused by conversions are to restrict the amount of mortgage money available for condominium sales; to declare a moratorium on conversions until the government "learns how to deal with and respond to conversions" in terms of laws and regulations, and to pass a national condominium conversion law which among other things might require that 35 percent of the tenants in a building agree to conversion before the owner is allowed to do so.

In fact, Rosenthal has introduced such a law in the House. It would provide for a three-year moratorium on conversions. The bill would use the federal government's con-

trols over lenders to prohibit loans to converters and to people who want to buy a converted unit for that period.

Commenting on Rosenthal's efforts to limit conversions, Ed Woolery, vice president of American Invsco and its top representative at Beaver Hill, said that "His attention should be on stimulating more housing rather than on trying to limit it.

"People should be able to dispose of their personal property in the manner in which they see fit. This is part of the free enterprise system," he said, adding that in Rosenthal's home state of New York, there is a housing shortage partly because of the thinking of people like Rosenthal.

"With the limitation imposed by rent control, maintaining a rental property in a place like New York is a losing proposition" he said. Woolery said that his statements were his own opinion and didn't necessarily reflect the views of American Invsco.

One of the tenants who spoke at the meeting, Morton Schwann, 82, discussed the personal and financial hardship that buying at Beaver Hill or moving from it would create for him and his wife.

"With the pension that we have, we have just been able to keep our heads above water, although the rise in the cost of living has made it much more difficult," he said. Schwann said that his wife, who is 80, is a "very sick woman" and that moving would be a strain on her.

The couple's monthly rent of $538 for their one-bedroom apartment is slightly more than one-quarter of their pension income of $21,000. To stay in the same apartment, which Schwam says has been offered to him for $87,000, he would have to spend more than 60 percent of his income on mortgage payments and associated costs.

Schwam said he doesn't want to make such an investment considering the couple's future medical bills.

Schwam said that he was asked by one of the Beaver Hill salesmen if he had any children who might be interested in investing in the property for the couple. He told them of his son in California, who soon received an envelope of material about the units for sale.

The next day, Schwam continued, his son received a call from the salesman, who urged him to buy quickly because half the units had already been sold and said that he "had to make up his mind fast."

"This is one of their (the salesmen's) threats," said Allen Beckman, a lawyer who is representing the tenants of Beaver Hill. "They tell them that time is running out," giving tenants the impression that they are going to lose their homes if they don't buy right away.

Asked to respond, Beaver Hill's Woolery said later that he doesn't have a sales force large enough to contact the tenants frequently and that what the tenants objected to was having "any" time limit within which they had to decide whether to buy or move.

He said that "No matter how long you gave some of these people, they would be mad."

According to Beckman, the salesmen have said that the person who buys the apartment will be happy to rent it back to the people who now live in it. He said the people who don't know a lot about real estate investments or transactions are the people that the salesmen are really looking to sell to.

Melba Klein, 80, who said she can afford to buy her apartment said that she won't do so because she "doesn't want to be around these people, (the staff of the Beaver Hill partnership). She said that instead, she and her husband who is 83, will move into a retirement village.

Her husband said that his experience had been "high pressure straight through" and that the Beaver Hill owners were "only after the almightly dollar."

Annette Eisenberg, who has lived in the complex since it opened 16 years ago, said that while she would like to stay, she could not take the chance that her medical problems would not get worse leading to medical bills she would not be able to afford. She said she has looked for other places to live but thus far had been unsuccessful. The process of moving already was causing "a serious emotional reaction," she said.

"When the Government feels that people aren't as important as garbage," she said, referring to environmental laws, "then there is something wrong with government.

"They have written laws to protect forests and parks but not the elderly who are not asking for money but only for decency and protection for the few years they have left on earth," she said.

Another tenant, Irving Harburger, said that the move-or-buy choice that he has been faced with is "the biggest shock that we have suffered since we were forced out of Germany in the 1930s."

Reacting to Harburger's statement, Jacobs said the "The most valuable thing about this meeting is to hear from people like that man—it takes away the abstractness of the situation and makes it more real."

Rosenthal was unsure as to what could be done to help the tenants at Beaver Hill and implied that any legislation might not be passed in time to help them.

"It took 20 years to pass Medicare," Rosenthal said, "but where the need is acute, attention must be focused.

"If the need is as serious as I think," he continued, "I think there will be a response, but the impact (of the conversions) must be proved to be nationwide."

The Federal Department of Housing and Urban Development has said that by 1990, half the population of the United States will be living in condominiums.

Rosenthal said that because of his jurisdiction over the banking industry, he might be able to do something on a short-term basis to control the avenues of funding for those who want to buy and convert buildings the way American Invsco does.

Beckman, however, said that the battle being waged by the tenants at Beaver Hill is "one of the strongest in the country."

Realistic about the effect of any future legislation on the Beaver Hill tenants, tenant Schwam said that "Maybe through our efforts, we can help other people who later find themselves in our position."

FRIGHTENED RESIDENTS BAND IN YET ANOTHER CONDOMINIUM BATTLE

(By Jan Schaffer)

Abe Abramson is not sure where his home will be when he celebrates his upcoming 75th birthday. But if he wants to continue living in the River Park Apartments, his home for the last nine years, he may well have to buy his two-bedroom apartment.

"Believe me, I don't want to buy, and I'm not going to," Abramson said yesterday at a meeting where he and about 150 fellow residents vowed to fight plans to convert the 360-unit building at 3600 Conshohocken Avenue into condominium apartments.

The conversion is a particularly worrisome prospect for River Park tenants because 74 percent of them are senior citizens living on fixed incomes.

They estimate that buying the units that they are now renting would mean paying two or three times what they now are paying in monthly rent.

The meeting yesterday was called by the apartment complex's tenants association to organize against the conversion. Encouraging the residents in their stand against conversion were U.S. Reps. William H. Gray 3d (D-Pa.) and Benjamin S. Rosenthal (D-N.Y.), who have been leading the fight in Congress to develop a national policy to slow the so-called "condomania."

The congressmen have sponsored a bill that calls for a three-year moratorium on condominium and cooperative conversions so that the impact of the process can be studied further.

"The impact of conversions is enormous and the trauma is very, very deep," said Rosenthal, who chairs the House Subcommittee on Commerce, Consumer and Monetary Affairs. The committee is studying the mode of operations of some of the largest conversion firms, and the involvement of government sponsored mortgage financing in effecting the conversions.

Rosenthal said yesterday that the committee plans to hold hearings on the problem in Philadelphia in early spring.

In the meantime, Rosenthal advised the residents of River Park to ask the state legislature to amend state law to allow Philadelphia City Council the local option to pass laws dealing with condominium conversions in the city.

The council has passed such an ordinance, restricting condominium converters, in October 1979. But Gov. Thornburgh, in the middle of last year, signed a statute that effectively pulled the teeth out of the city ordinance.

Until then, Arnold Goldman, president of the River Park Tenants Association, advised the apartment complex's residents, "Don't move and don't buy."

Goldman said the group was planning to picket the apartment building, and also the bank that provided financing to the Chicago converter, Wayne Kubicki. They also plan to distribute bumper stickers and to put advertisements opposing the conversion in the Jewish Exponent newspaper.

Most of the residents intended River Park to be their last apartment, Goldman said. Now they are faced with carrying a heavy mortgage and paying monthly maintenance fees for their apartments, or searching for a new apartment that may also turn condominium.

"One week you're paying $400 and the next week you're paying $900 for the same place," griped resident Joseph Goldman, who is retired.

River Park residents will learn the details of the converter's plans next week, although Goldman said yesterday that the apartments were expected to cost between $60,000 and more than $100,000."The whole thing is cockeyed," said auctioneer Louis Prince, a long-time resident of the building. "Morally, it's wrong."●

TOMORROW'S LEADERS—SERVICE ACADEMY NOMINEES

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. PATTERSON. Mr. Speaker, one of the most rewarding annual events which I enjoy is nominating students from my congressional district to our Nation's armed service academies.

I make it a practice not to nominate en masse, but rather to make the selection process as deserving as possible for the nominee. The criterion set down by my reviewing committee is rigid and demanding. This insures that the best and brightest will represent my district and its schools and communities at the service academies.

This year I have nominated 22 outstanding young men and women from my district for appointments to the service academies. I am sure that my constituents join their families and me in wishing them well. Whether they attend a service academy or not, these young people are a credit to their community and their country.

My nominees to the Military Academy at West Point are: Richard LeBlanc, Western High School; Mike Simmons, Rancho Alamitos High School; Timothy Rushing, Orange High School; Randy Pagan, Kennedy High School; Christopher Rocha, Saddleback High School; Jay Wigboldy, Savanna High School; Gregg McPherson, Servite High School; David Nyberg, Bolsa Grande High School.

My nominees to the Naval Academy at Annapolis are: Scott Henderson, Cypress High School; Richard LeBlanc, Western High School; Anne Pendlebury, University of California, Irvine; Joseph Thelander, Westminster High School; Mike Simmons, Rancho Alamitos High School; Emily Salanio, Rancho Alamitos High School; Timothy Rushing, Orange High School; Randy Pagan, Kennedy High School; David Huddleston, Westminster High School; Reginald Bennett, Westminster High School; Joseph Luntz, Los Alamitos High School; Derrith Young, Cypress High School; Helen Garner, Garden Grove High School; David Nyberg, Bolsa Grande High School.

My nominees to the Air Force Academy at Colorado Springs are Scott Henderson, Cypress High School; Mary Shogren, Rancho Alamitos High School; Mario Farneti, Garden Grove High School; Richard LeBlanc, Western High School; Anne Pendlebury, University of California, Irvine; Michael Howard, Bolsa Grande High School; Joseph Thelander, Westminster High School; Mike Simmons, Rancho Alamitos High School; Emily Salanio, Rancho Alamitos High School; Timothy Rushing, Orange High School; Randy Pagan, Kennedy High School; David Huddleston, Westminster High School; David Harris, Westminster High School.

My nominee to the Merchant Marine Academy at Kings Point, N.Y. is: Edward Mendieta, Valley High School.●

PROFESSIONAL FOOTBALL BESET BY LACK OF MINORITY OPPORTUNITIES

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. DIXON. Mr. Speaker, with the euphoric Mardi Gras atmosphere of the Super Bowl game still freshly in mind, it is appropriate to draw attention to a nagging problem which besets professional football, and which has significant implications for the society which follows the game religiously, and whose values and ideals the sport purports to represent. As Weldon Young points out in the most recent issue of Equal Opportunity Forum, the National Football League continues to exclude minorities from top managerial positions. Even though roughly 50 percent of NFL players are black, there are no black general managers, no black head coaches, and of the last 261 openings for assistant coaches over the last 20 years, only 20 were filled by blacks.

Mr. Young's insightful analysis of this continuing problem, and the NFL's apparent insensitivity to it, raises a number of thoughtful questions about the relation of sports and society, and I commend it to my colleagues' attention:

BLACK AND BLUE: PLAYING GAMES IN THE NFL

Professional football is a pervasive force on the American scene. It generates a tremendous amount of interest, debate, and revenue each year. Broadcast rights in 1980 alone were bought by the major networks at a price in excess of $201 million. The 28 franchises in the NFL draw more than 14 million fans annually. Countless others follow the game religiously on TV and radio, in newspapers and magazines. Ex-ball players become product symbols (like O. J. Simpson), politicians (Jack Kemp), and sports announcers (Don Meredith). Whole cities are galvanized by championship games. But behind the roar of the crowd and endless hype there is a troubling reality.

The National Football League is an American institution. Like many institutions, it has an established hierarchy from which minorities and women are excluded. And like all American institutions, it cannot be extracted from its societal context. But why is it that the U.S. Army has black generals when the NFL has no black coaches? Why is the influential and wealthy Ford Foundation headed by a black professional while the NFL power structure remains lily white? In terms of equal opportunity, professional football fails the test.

Roughly 50 percent of the players in the National Football League are black. Of the 261 assistant coaching positions and 63 head coaching positions to become vacant in the last 20 years, 20 assistant coach positions have been filled by blacks. The NFL has yet to have a team directed by a black head coach. There are no black general managers; the Commissioner and both the conference presidents are white. If a similar situation existed in the industrial sector and such a large talent pool were similarly available, the federal government and civil rights groups would be all over the offending industry or group of companies. Apparently there is something sacrosanct about our great national pastime.

In 1978, the National Football League Players Association (NFLPA) presented the above statistics and their implications to Commissioner Pete Rozelle. While he said that he recognized the disparity between the percentage of black players and that of blacks in field management (coaching), Rozelle's only tangible action was to urge the League's owners to hire "qualified" blacks. In addition, Rozelle pointed out that the NFL is no more serious an offender than the news media which cover the weekly football contest. He concluded on a strong note by saying, "Things are changing."

Emlen Tunnel was the first black assistant coach in the NFL with the New York Giants. Willie Wood is now a head coach in the Canadian Football League. Deacon Jones, ex-Rams star, sought unsuccessfully to become a coach at the end of his career. Kermit Alexander was likewise not allowed to make the transition from player to coach at the end of his playing days. Chicago Bears great Gale Sayers found that accepting an athletic director job at a small college was the only way he could retain his affiliation with football. But the two names most often mentioned as head coach potentials are Lionel Taylor, Assistant Coach for the L.A. Rams, and Eddie Robinson, Head Coach at Grambling College.

Lionel Taylor began his career with the NFL in 1959 as a wide receiver for the Chicago Bears. He played in the American Football League for the Denver Broncos from 1960–66 and ended his playing career with the Houston Oilers. During this time, Taylor made 567 pass receptions, which places him fifth on the all-time receptions list. His career as an assistant coach in the NFL has been impressive. He became the receiver coach for the Pittsburgh Steelers in 1970 and remained there until 1976, coaching the Steelers to three Super Bowl victories. When lured away by the Rams in 1977, Taylor became the senior member of former Head Coach Chuck Knox' coaching staff. Since 1977, Taylor has been offensive coordinator of the Rams and has helped coach them to three Western Division Championships.

Eddie Robinson has been the man most often touted as the possible first black head coach in the NFL. He is a veritable institution at Grambling College where he has been head coach for 35 years, sending 160 players to the ranks of the NFL—something no one else in college football has achieved. Robinson reportedly was the number one candidate to replace George Allen at the helm of the Ram organization two years ago when Allen was fired. The deal never went through.

While these two men are currently "in the running," the list is too small. They are

typical of the many fine black prospects available to the NFL as head coaches. While no racist motives are imputed to the NFL, it seems apparent that a mechanism which produces the effects of racism is an important part of its organizational structure.

The National Football League Players Association (NFLPA) recently urged the implementation of an affirmative action policy to recruit blacks into NFL management positions. Commissioner Roselle refused. Consequently, the NFLPA commissioned a social scientist from Johns Hopkins University, Dr. Jomills Braddock, to conduct a study to examine race discrimination in NFL managerial recruitment.

The Braddock study was released late last year. It concludes that race is a significant factor in filling coaching and front office positions. Dr. Braddock statistically determined that such characteristics as education and personal career success were strong determinants in the probability of landing a coaching job in the NFL. Upon examining the available data covering the last 20 years (i.e., education and player performance statistics), Dr. Braddock determined that race is a very strong predictor of accession to coaching positions. If black and white players had been promoted from the players' ranks equally, NFL clubs should have hired 10 blacks as head coaches rather than none and 92 blacks as assistants rather than the meagre 20 hired in the last two decades. The study also indicates that the NFL organizational structure has a built-in propensity to discriminate by race in filling coaching positions. Many coaching positions are filled through social contacts between coaching prospects and their potential employers; there is an apparent disregard for the objective qualifications of the person being considered.

Jim Hill, a TV sportcaster for CBS in Los Angeles and former NFL player, thinks that it is "strange to have so many black players and no black coaches," adding that it makes one "suspicious." When asked about possible explanations, Hill simply said, "General managers usually hire people they can control." Perhaps Hill was implying that black coaches might bring an unwanted air of independence to the NFL field management.

Lionel Taylor told Forum there is a myth in the NFL "that a person must have had some previous affiliation with the NFL to be an effective NFL coach." Taylor believes that there is an informal network of coaches, general managers, and ex-coaches who hire personnel "on the basis of recommendations" among themselves. This is a concrete reference to the "old boy" network referred to in the NFLPA study and a parallel to similar practices in other fields.

Traditionally, three main arguments are used to justify the NFL status quo:

(1) The NFL is improving in terms of bringing blacks into decision-making positions.

(2) There aren't enough "qualified" blacks to step in and take over coaching positions, since most coaches are recruited from the college ranks and there are currently no black head coaches at major universities.

(3) Most superstar NFL players would not be inclined to forego the lucrative earnings in other arenas after their playing days are over to opt for a lower paying coaching job.

The first argument falls flat under critical examination. The Braddock study has determined that "roughly 1 out of every 20 [former] football players can expect to become . . . a coach." When the same data is utilized with race as a variable, the figure decreases to "1 out of 100." In terms of any improved ratio outside of the statistical realm, we only have to consider official NFL comments. For example, Jack Donlin, Executive Director of the NFL Management Council, indicated in a recent interview that the NFL has no short-range plans to recruit blacks from the playing ranks.

Moving on to the second argument about the lack of "qualified" blacks, we find that it is equally suspect. Research indicates that 40 percent of all black players come from black colleges with presumably a large percentage of black head coaches and assistants. These black colleges are apparently not considered by the NFL to be "qualified" talent pools from which to select coaches for the NFL. Jack Donlin points out that most field managers are recruited from colleges. It seems absurd that the NFL can recruit players from black colleges but will not recruit coaches. In other words, blacks are acceptable as field fodder but not as management material.

The third and final argument, that black superstars would not be willing to sacrifice million-dollar contracts to become coaches, appears on the surface to have a certain ring of truth. The facts, however, prove otherwise. First of all, when you speak of "superstar" football players, you are speaking of a small minority. About 2 percent make more than $100,000 annually. Football pays its players on the average less than other major league sports ($61,000 as compared to $120,000 for basketball and $77,000 for baseball). While the data is hard to obtain, there have been numerous newspaper reports about million-dollar coaching contracts (Don Shula, Dick Vermeil, and John McKay, to name just a few). Again, this is only a small percentage of the total coaching population; the rank and file player and coach salary levels are probably about the same. If a person is willing to play for the going rate, he would certainly be willing to coach for the going rate.

The future of the race factor is still an uncertain issue in the NFL. Due to the efforts of the NFLPA and increased media attention, there is some hope. Brigg Owens, Assistant to the Executive Director of the NFLPA, feels that the facts and figures involved clearly point to the need for an immediate change. Owens compared the situation to the U.S. Constitution, pointing out that to insure equality, "amendments were added and pressure applied by influential organizations." The NFLPA has commissioned a new study to be conducted by the Civil Rights Division of the AFL–CIO and a panel of player representatives. The study is to be headed by NAACP Director Benjamin Hooks and would include, it is hoped, some representatives from the NFL management.

Individual members of an institution need not personally hold racist attitudes for the institution to have a racist effect. If equality is as widely a shared goal as suggested by some NFL officials, it seems clear that something should change to achieve parity in management. If past struggles are any indication, however, parity will only come after a prolonged period of pressure, compromise, and more pressure.

As an institution and as a business, the NFL is displaying a marked lethargy in approaching change. But it really can't afford to continue this way. Given the impact of football on so many of our lives, the demands for energetic correction will only become louder and more powerful. The future is not so far off when we'll be seeing a head coach on our TV screens because of his field management skills and not because of his winning baby blues.●

THE BREMER FOUNDATION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. FRENZEL. Mr. Speaker, today I am introducing a bill which is designed to correct an oversight in the Tax Reform Act of 1969 that could have the undesirable consequence of forcing the dissolution of one of the largest and most generous foundations in Minnesota, the Otto Bremer Foundation.

The Otto Bremer Foundation is a private foundation, and it is also a bank holding company. It is the only private foundation in the country to have this dual status. Due to its unique status, the foundation has been required to enter into complex negotiations with the IRS in order to insure that it is in compliance with all of the provisions of the 1969 act. For the most part, these negotiations have gone smoothly, and the foundation has gone to great lengths to keep the negotiations on the right track. Unfortunately, the foundation and the IRS have thus far been unable to determine the value of the foundation's assets for the purposes of section 4942 of the Internal Revenue Code of 1954, as the code did not make any provisions for a foundation with the Bremer Foundation's unique dual status.

Under section 4942, a private foundation is required to distribute the greater of its adjusted net income, or 5 percent of the fair market value of its assets. As the foundation's adjusted net income has been less than the 5-percent figure, the foundation has been paying out the latter amount. In this case, the value of the foundation's assets, the banks which make up the bank holding company, was determined by capitalizing the net income derived from such assets at a 6-percent-capitalization rate.

However, the IRS has inexplicably opposed this method, and wants to value the foundation's assets by computing their market value were the banks to be sold off individually. This is an unrealistic demand, as it incorrectly treats all of the banks as separate entities, when they are in fact not. They are a part of a complete banking system, and should be treated as such.

In addition, the IRS's method of valuation would place the bank holding company in direct conflict with the various bank regulators, who require that all banks maintain a sound capital position. The foundation currently

maintains a very sound dividend policy, a policy which would be jeopardized if the banks were forced to significantly increase their dividends in order to meet the IRS's unreasonable demand for an increased payout.

My bill would correct this flaw in the current statute by permitting a foundation—which is also a bankholding company—to capitalize its assets at 6 percent. This would permit the Bremer Foundation to continue to meet all of its generous charitable commitments, and to maintain sound banking policies, while at the same time meeting all of the requirements set forth by the minimum payout provisions of section 4942 of the Internal Revenue Code. A copy of the bill follows:

H.R. 139

A bill to amend the Internal Revenue Code of 1954 with respect to the valuation of bank holding company assets for the purpose of determining the amount certain private foundations are required to distribute

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SPECIAL VALUATION FOR BANK HOLDING COMPANY ASSETS.

(a) GENERAL RULE.—Subsection (e) of section 4942 of the Internal Revenue Code of 1954 (defining minimum investment return) is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL VALUATION.

"(A) IN GENERAL.—For purposes of paragraph (1)(A), in the case of a private foundation which is a bank holding company and which has a substantial portion of its assets consisting of securities in—

"(i) banks,

"(ii) bank related companies, or

"(iii) a bank holding company,

the private foundation shall have the option of valuing the banks and bank related companies which are owned in whole or in part by the private foundation (or by any bank holding company in which the private foundation owns securities) by capitalizing the dividends paid by the banks and bank related companies at a capitalization rate of 6 percent.

"(e) DEFINITIONS.—For purposes of this paragraph—

"(i) BANK RELATED COMPANY.—The term 'bank related company' means any corporation or company which may be acquired by a bank holding company under the provisions of paragraph (1) or (8) section 4(c) of the Bank Holding Company Act of 1956 as amended.

"(ii) BANK HOLDING COMPANY.—The term 'bank holding company' has the same meaning as when used in the Bank Holding Company Act of 1956."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1971.●

DR. MARTIN LUTHER KING, JR.: BUFFALO, N.Y.'S TRIBUTE

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. NOWAK. Mr. Speaker, on January 15, 1981, my hometown of Buffalo, N.Y., like so many other communities in our Nation, paid its special tribute to the memory of Dr. Martin Luther King, Jr.

One of the highlights of the event in Buffalo's Lafayette Square was the tribute offered to Dr. King by two schoolchildren, one black, the other white.

Reflecting the display of racial unity among the 5,000 persons gathered in the square, Derrick Houstin, 14, a black student at School 80, and Anna Lynn Furst, a 17-year-old white student from the City Honors School, gave their insights into the achievements and vision of the slain civil rights leader.

These students and their teachers are to be commended for the inspirational and meaningful role their comments played in Buffalo's commemoration this year of Dr. King's birthday.

Also to be commended are the many public officials and private citizens who helped make Buffalo's observance a stunning success, despite the adverse publicity associated with a new-Nazi rally scheduled the same day. The community owes particular thanks to so many individuals and organizations but especially to the following members of the Black Leadership Forum, who spearheaded the Lafayette Square observance:

BUFFALO, N.Y.: BLACK LEADERSHIP FORUM

Daniel Acker, NAACP.

Bishop Leroy Anderson, Prince of Peace Temple.

George K. Arthur, City Councilman at Large.

Rev. R. E. Baines, Zion Missionary Baptist Church.

Theodore Banks, Ted Banks Auto Services.

Robert Barksdale, SETU Local 200, AFL–CIO.

Herbert L. Bellamy, City Councilman at Large.

Rev. L. T. Boyce, Calvary Baptist Church.

Rev. Will J. Brown, New Covenant Church of God.

Father Walter L. Bryan, St. Philip's Episcopal Church.

David Collins, City Councilman.

Leroy Coles, Jr., Buffalo Urban League.

Charles Davis, Attorney.

Rev. Elroy Day, Tabernacle Baptist Church.

Rev. Elijah J. Echols, First Shiloh Baptist Church.

Arthur O. Eve, New York State Assemblyman.

Rev. Maceo Freeman, Centennial AME Zion Church.

Minnie Gillette, County Legislator.

Dorothy Grey, Community Action.

Rev. James Hemphill, Hemphill Baptist Church.

Octavia Hudson, Adm. Assistant to Mr. Eve.

James A. W. McLeod, Attorney.

Sheila Nickson, Black Faculty and Staff, Assoc., Buff. State.

Eugene L. Pierce, AFL-CIO.

James Pitts, City Councilman.

Charles L. Price, United Auto Workers.

Rev. Herbert V. Reid, Gethsemane Baptist Church.

Rev. Bennett W. Smith, St. John Baptist Church.

Tex Smith, Local 210.

Rev. Andrew B. Whitted, St. Luke's AME Zion Church.

Rev. S. W. Williams, New Zion Baptist Church.

Following are the complete texts of the tributes offered by Derrick Houstin of School 80 and Anna Lynn Furst of the City Honors School respectively:

TRIBUTE TO DR. MARTIN LUTHER KING, JR.

(By Derrick Houstin)

When we think of Rev. Martin Luther King, Jr. we think of those who came before him who symbolized his leadership and spirit—Sojourner Truth, Frederick Douglass, Abraham Lincoln, Mary McLeod Bethune, Paul Lawrence Dunbar, and William DuBois.

We are reminded of his contemporaries such as Mohandas Gandhi, Andrew Young, John F. Kennedy, Robert Kennedy, Roy Wilkens, Whitney Young.

Today we see his dreams of universal brotherhood and his belief in God's wish that each man reach his full potential being carried on by people such as Rev. Jesse Jackson, Benjamin Hooks, Rev. Ralph Loew of the Chautaqua Institute and our own Rev. Bennett Smith as well as many educators, public spirited citizens, and community leaders. Many of these people including you in the audience are here today.

When I think of Rev. Martin Luther King, Jr. I think of the March from Selma to Montgomery, Alabama, the March to the Lincoln Memorial in Washington, D.C., the moral wrongs of the Viet Nam War, Operation Bread Basket, The Southern Christian Leadership Conference, nonviolent demonstrations, the philosophy of nonviolence and the winning of the Nobel Peace Prize.

When I as an eighth grade student think of Rev. Martin Luther King, Jr. I think of him as a man of honor, trustworthiness and vision, a friend of mankind and a model to look up to.

The Rev. Dr. Martin Luther King, Jr. was an author and educator who stood for universal excellence and for being responsible as a citizenship of the world.

When we think of the achievements of Dr. Martin Luther King we are reminded of the quote from former President John F. Kennedy who said, "Ask not what your country can do for you, ask what you can do for your country."

I and my friends at School 80 took a pledge to excel which was written by the Rev. Jesse Jackson. This pledge exemplifies Dr. King's philosophy of the achievement of excellence that students must aspire to so that they can be responsible citizens. The pledge to excel reads:

We will take the opportunity to learn all that we can about life. We will help our school and community by exercising discipline and by becoming a positive thinker.

We will sacrifice some of our wants of today, so that we may satisfy most of our needs of tomorrow. We will learn the secrets of success and practice them daily. We must be motivated to accept responsibility because nobody will save us from us but us.

We all have the "Force" to achieve as Obi-Wan-Ken-Obi said in the movie Star Wars, to achieve and develop to our full potential. Let all of us adults and children pledge to do our best, to leave this world a better place because we were here and to do this in the name of Rev. Dr. Martin Luther King.

TRIBUTE TO DR. MARTIN LUTHER KING, JR.

(By Anna Lynn Furst)

Members of the clergy, distinguished citizens, and fellow students of this city:

We are here to celebrate the birth of Doctor Martin Luther King, Jr. Dr. King was a man who devoted his adult life to the principles of brotherhood and equality. Not just brotherhood within the black population and not just brotherhood within the white population, but brotherhood within America. Equality for all Americans.

Dr. King played an essential role in helping blacks to achieve the equality promised them almost one-hundred years before the civil rights movement even started. Before the 1950's and 60's, the United States had been extremely slow in removing the glaring racial injustices thrown upon one group of our American Population.

Our country needed a man like Dr. King to revive the hopes of blacks. He went about this in a very brave and noble way. He said that blacks must not drink from the cup of bitterness and hate, but must conduct themselves with dignity and discipline.

Though the end to his struggle may never have been in his sight, he persevered. He was sentenced to jail and he was deluged with criticism. He saw blacks being killed for no reason and he saw blacks being denied equal education. For an ordinary man, that could only hinder his cause, but it made Dr. King's stronger and revived even more hope within his followers.

Though a great deal was still to be achieved after his death, without him, America would not have received the rude awakening it needed.

And that is why we are here today, to commemorate a man whose unselfish motives were only for good, only for the benefit of all human beings.

It is indeed a great honor for me to have been chosen to represent the high school students in the city of Buffalo in paying tribute to a truly great American and an even greater human being.●

COAL LEGISLATION

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. PEASE. Mr. Speaker, I remain very concerned about our Nation's energy problems and how we can best get a grip on them. Undoubtedly, inflation—including the cost of living and the cost of doing business—will continue to soar until we as a nation get serious about reducing our dependence upon imported, OPEC oil and until we take effective action to develop and substitute alternative energy resources. Our dependence upon imported, OPEC oil also is a critical element in our foreign policy; an element which has helped erode our country's once preeminent international position.

There is no one solution to "The Energy Problem." The only hope consists of developing diverse alternative sources, to conserve energy and to utilize it in a more efficient and environmentally sound manner.

One of the alternatives which must be used in our energy mix is coal. The world coal study (Wocol) entitled "Coal: Bridge to the Future," released last May estimated that world coal production two and one-half to three times its present level will be required to meet between one-half and two-thirds of the world's additional energy needs through the year 2000 primarily because of dwindling supplies of oil at acceptable prices.

The Wocol carried out by researchers from 16 countries under the direction of Dr. Carrol L. Wilson of the Massachusetts Institute of Technology states:

A tripling of coal use and a tenfold to fifteenfold increase in world steam coal trade would allow the energy problems of the next two decades to be faced with confidence. Without such a coal expansion the outlook is bleak.

For 7 years our national leaders have been calling for greater reliance on coal to meet our energy needs, yet little progress has been realized. We know that increased use of coal can decrease our reliance upon imported fuels; however, coal is not a panacea. Often its use can lead to environmentally harmful effects which subsequently lead to bitter protracted battles between coal producers and users, and the environmentalists both in the courts and before regulatory agencies. A unique and novel undertaking, the national coal policy project (NCPP), under the auspices of the Center for Strategic and International Studies of the Georgetown University, has brought together leaders from these traditional adversarial groups to resolve the issues involved in using coal in an economically and environmentally acceptable manner.

The NCPP, initiated in 1977, brought together over 100 corporate executives and environmentalists to discuss and debate policy issues related to coal use. The participants agreed to abide by the "Rule of Reason," seeking to find solutions rather than to resume their traditional adversarial roles. In nearly 4 years of the project's existence, its participants have been able to agree upon over 200 recommendations and policy guidelines; in several major areas these findings and conclusions have been published under the name, "Where We Agree," highlighting the very positive nature of the agreements developed by these long-warring interests.

The project has been the subject of much national interest and publicity, including the cover story of Fortune magazine. In the past year, it has been described in "Energy Future," the report of the energy project at the Harvard Business School, and "Energy in America's Future: The Choices Before Us," and the "Resources for Future" study, as a very hopeful methodology for the future. These reports agreed that a reasoned approach to the Nation's energy problems is more likely to achieve meaningful results than constant bickering and legal battles.

I became interested in the NCPP more than 2 years ago because I felt it held promise for identifying meaningful ground for compromise between competing environmental and industrial views on key public policy decisions that will facilitate prudent use of more of America's vast coal resources. For more than a year I have been working closely with participants in the NCPP with an eye toward incorporating some of their mutually agreed upon recommendations into legislation to be considered by the Congress. Today, I am reintroducing two bills in the House I offered last year which address the critical issues of coal use in relation to air pollution policy and the extraordinary delays associated with powerplant siting. These bills draw their inspiration from the NCPP deliberations and they draw heavily upon NCPP recommendations.

It is important to remember these bills take into account hundreds of hours of negotiations, research, debate, and discussion among NCPP participants drawn from boardrooms of corporations such as the Union Carbide Co. and major environmental organization like the Sierra Club. I am sure that environmental groups and industrialists reading these bills for the first time will find many features that will please them. On the other hand, they are almost certain to find elements that they will disagree with. This is to be expected since these bills include compromise positions agreed to by key leaders from both sides.

My first bill amends the Clean Air Act to provide incentives to develop new technology capable of minimizing air pollution and decreasing costs associated with increased coal production and use.

Under current law, industry does not have sufficient incentives to attempt the implementation of new pollution control technologies which may be more effective or less costly than proven technologies. Yet, it is important to note that industry's interest in achieving required pollution control at lower costs and the environmentalist's interest in achieving improved pollution control coincide in a desire to encourage the development of new technology.

To promote the development of such technology, the Environmental Protection Agency under this bill would be given the authority to allow a limited number of exceptions from the new source performance standards (NSPS) and the best available control technology (BACT) requirements of the Clean Air Act. Variances, however, would not be allowed from compliance with the national ambient air quality standards (NAAGS). Only technologies with a reasonable chance of success would qualify for an exception.

A charge would be imposed if the new technology failed to comply with NSPS or BACT, but in no instance would the cost of the new technology, plus the charge imposed, exceed the cost of achieving NSPS or BACT with proven technology. The charge would be structured to encourage the development of technology to provide the most pollution control possible.

Let me stress, once again, that this bill is designed to minimize the effects of sulfur dioxide, particulate, nitrogen oxide emissions and other forms of air pollution. It would provide industry with a goal to shoot for in an effort to cut costs and improve the quality of the air we all breathe.

My first bill also attempts to harness economic incentives to improve ambient air quality, specifically in those regions where national or secondary ambient air quality standards are not now being achieved, through the imposition of an emission charges and rebate plan.

Under the plan suggested in this bill, provisions would be added to the Clean Air Act to authorize the Administrator of the EPA to develop and implement, in air quality control regions which are not now in attainment of national or secondary standards, a system of charges to be paid per unit of emissions of any particular pollutant in a given control region. The funds collected would be redistributed annually to those paying the per unit charges in proportion to each emitter's total useful output in the industry for which the system was in place. Year-to-year emission reduction schedules for each pollutant and each industry subject to the charge plan would be specified. If in any given year, actual emission exceeded scheduled emissions, the fee for the next year would automatically increase.

Under this plan, revenues produced would not be just another form of tax, but rather would act as an incentive to achieve cost-efficient abatement through economic competition. I must point out that these are not noncompliance penalties.

The emission charge and rebate is most appropriate or use in nonattainment areas because current nonattainment provisions severly restrict the opportunities for placement of new industries in such areas, even for proposed new facilities which would have very low emissions. The plan is an effort to deal with problems and constraints associated with the present air pollution control system in an innovative way instead of building upon the ambiguities and uncertainties of the current system.

Mr. Speaker, my second bill deals with the siting of coal-fired powerplants. It is well known that many Government agencies possess various powers with respect to the issuance of the various permits and licenses which are necessary for the construction and operation of coal-fired powerplants. These duties are often overlapping and duplicative, and frequently result in unreasonable and unnecessary delays and expense for those who would seek to construct such new plants. The unpredictability which results jeopardize our Nation's ability to meet future energy demands through more use of coal and less reliance on imported oil.

This bill would remedy that situation by requiring coordination of the activities of the various governmental agencies which have responsibility for various aspects of permitting and licensing of new coal-fired powerplants. The Secretary of Energy would be authorized to require Federal agencies to conduct consolidated proceedings, and to establish a reasonable period of time within which the Federal agencies must render their decisions. The Secretary would also be authorized to consult with State agencies concerning the consolidation of State proceedings, and to establish a reasonable period of time within which the Federal agencies must render their decisions. The Secretary would also be authorized to consult with State agencies concerning the consolidation of State proceedings with necessary Federal proceedings. With these provisions I expect that the Secretary of Energy will plan a leading role in coordinating all levels of Government decisionmaking in the powerplant siting process.

In order to provide for effective participation of all interested parties in the expedited siting process, this bill provides for the compensation of all reasonable attorney fees, expert witness fees, and other costs of participating in proceedings before a Federal agency. Such compensation would be provided for those who have a point of view or interest not otherwise represented and who would be unable to participate in the proceedings because they are unable to afford the costs. Federal financial assistance would be made available to States for the implementation of streamlined plant siting programs subject to certain requirements, including the existence of a citizen-funding mechanism similar to that available in proceedings before Federal agencies.

New coal-fired powerplants are often sited in areas which are remote from the areas where the energy produced is to be used. Such siting effectively removes the social and environmental burdens of these facilities from those persons who will benefit most from their operation. Consequently, efforts to improve pollution control and to further energy conservation are not encouraged as they might be if the powerplants were not sited with this "out of sight, and out of mind" mentality. This bill recognizes this tendency and tries, in part, to counteract it.

Thus, Mr. Speaker, under this bill the decisions with respect to such new facilities would be reached in a much more timely manner, at a significantly reduced cost, and in a more socially responsible manner. In these times, our Nation simply cannot afford to wait for 10 or 15 years before it becomes clear if a proposed facility will be allowed to operate. We must speed up the decisionmaking process and at the same time provide for meaningful participation in the siting decisionmaking process. Similarly, we cannot continue to hide our air pollution in someone else's backyard. We must have a way of expeditiously determining our energy needs and taking appropriate actions to meet these needs. The coal-fired powerplant siting policy contained in this bill would do much to alleviate these problems.

Again, Mr. Speaker, I would like to remind the Members of this body that both of the bills I am offering address the interests of many environmentalists and industrialists. They are the product of a reasoned attempt to accommodation based upon an understanding of the interests of various parties. As we are pulled farther apart by the conflicting demands of our Nation for energy, and our desire to protect the environment, we should listen closely to those who have already done much to eliminate their own differences. By following their counsel, we too may be spared many of the unnecessary delays which we have experienced in the past.

In closing, I call to the attention of my colleagues the principal finding of the world coal study:

Coal can provide the principal part of the additional energy needs of the next two decades . . . But the public and private enterprises concerned must act cooperatively and promptly if this is to be achieved.

Governments can help in particular by providing the confidence and stability required for investment decisions, by eliminating delays in licensing and planning permissions, by establishing clear and stable environmental standards, and by facilitating the growth of free and competitive international trade.

The two bills I am introducing today serve each of these purposes. I commend them to my peers for thoughtful study and careful consideration.●

THE HOSTAGES: WHAT HAVE WE LEARNED?

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. THOMAS. Mr. Speaker, it is a very happy time in Washington, D.C., right now—as it is all over the country. Yellow ribbons everywhere, on buildings, on car antennas, on clothing, a welcoming parade down Pennsylvania Avenue, with flags waving—all part of the reunion of 52 American hostages with their families and the American people.

Everybody is happy and proud—but over what? There certainly was no victory in battle that we now herald. It is not as though the hostages' release was secured in a surprisingly short time. The only role the United States finally played was that of a parent who paid part of a demanded ransom and had a child returned without any serious harm—we hope. Obviously the Iranian crisis is not resolved—we still are faced with an extremely hostile government where for 30 years we had a friend, and our access to the Mideast remains threatened. The President and his advisers in the Department of State must turn quickly and determinedly to this ongoing, and very serious problem.

No, our eyes did not water last Tuesday as we heard the now famous phrase "Wheels up" because of pride in some action taken by the United States; rather it was because of something each of us felt inside.

We are joyous now—January 1981—because the resolution of this 14½-month experience has crystallized in American hearts and minds what living in America really means, what is embodied in the phrase—the land of the free.

Not since the dark days of World War II have Americans as a nation focused so intently on what it would be like not to be free. Something we have been told we have taken for granted, is something we have taken for granted—until last Tuesday. But, since then it has sunk in, at least to me and I think to many Americans. My heart swelled with pride as the band played "My Country 'Tis of Thee * * *" while the freed hostages boarded the plane in Germany for the final flight home to the United States, and as a marine firmly saluted as he reached the top of the stairs "* * * sweet land of liberty * * *."

We often admit that we forget our prayers until we are in trouble; that a dying man quickly finds God. Likewise, as Americans we seem to have forgotten what liberty—freedom—and being an American means. Not only what it means, but why we must fight to protect that liberty, that freedom, and that right to be an American.

Somehow the words "liberty" and "freedom" became out of style, something popular and necessary in the 1700's, part of our history books, but not something for the 1970's and 1980's when the important things became objects—cars, televisions, or a weekend at the beach.

One young college student even said to me several months ago, during day whatever of the hostage crisis—"Well, I feel sorry for the 52 hostages, but I don't want to go fight a war for the oil companies."

How misguided that young man was—and yet, I dare say, if I was in his home as he watched the televised return of the hostages, I am sure I would have seen the same pride and happiness in his eyes that I see everywhere.

We do not fight wars for oil companies. We do not fight wars for multinational corporations. It does not matter what foreign nation it might be—or what products that country exports—or how different the people look from us—freedom in America is threatened whenever we witness—and do nothing about—someone else's liberty being taken.

So, while the crowds and media, families and friends emerge from this episode, let us benefit from the experience, let us not forget why we fight or more importantly why we need the equipment—both machinery and intelligence—to possess the strength to prevent unwarranted aggression.

Let us not forget the look on these 52 American faces—and the glimpse of several who even kissed American soil when they first landed.

That is what it means to be an American—knowing the difference between living in freedom—and surviving in captivity.●

THE IMPORTANCE OF ENCOURAGING PERSONAL SAVING

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. GREEN. Mr. Speaker, the United States has the lowest personal saving rate of any major industrial nation—4.7 percent in the third quarter of 1980. The current U.S. rate has dropped by half over the past 10 years to a level that is one-fourth the Japanese rate and one-third the German rate.

This lack of saving has significant consequences. Saving is the source of funds for financing Government deficits, for investment, and for personal borrowing for consumption. When saving is inadequate, something has to give. In the United States, in recent years, that give has consisted of: First, the inflationary practice of printing money to cover Government deficits, second, inadequate investment which results in declining productivity in our economy—in fact, U.S. productivity growth has been generally slowing down since 1974 and in 1979 productivity actually fell 0.8 percent. This negative trend continued into 1980—and third, personal borrowing became so inflationary in early 1980 that credit controls were instituted to restrict further expansion.

Recently, some limited steps have been taken to stimulate saving. The Depository Institutions Deregulation and Monetary Control Act of 1980 will gradually decontrol interest rates, allowing regular savings accounts belonging to individual savers to earn interest at market rates. A rider to the windfall profit tax bill expanded the existing dividend exclusion—a maximum of $100 for a single individual or $200 for a couple filing a joint return—to include an exclusion of $200 of earned interest and dividends or $400 for a couple filing a joint return. And the Keogh plan and individual retirement accounts (IRA's) have allowed certain saving programs to operate tax free.

But only the first of these approaches, the deregulation of passbook savings account interest rates, means much to low- and moderate-income households in terms of the net return they may receive on their savings. The interest exclusion and the tax deferral on income invested in retirement plans, however, are of small value to these income groups and will not encourage a significant increase in saving behavior.

If we want to stimulate personal saving, we should focus on these low- and moderate-income households, since it is elementary economics that the well-to-do families already tend to save a larger proportion of their income. A number of countries have saving incentive programs designed to encourage lower income households to save. One of the most successful was instituted by the West Germans in 1959. Until recently, the West Germans have been able to receive interest bonuses on certain contractual amounts deposited in banks and life insurance companies or invested in employers' firms if the saver's income did not exceed certain limits. In addition to the regular return the investment received, the German Government paid a bonus of 14 percent at the end of 6 or 7 years for a limited amount of investment. Indeed, that program was so successful that the

program was recently suspended. The program induced 15,000,000 households to save and has apparently changed the West Germans' attitudes toward saving. Most households continue to save even after receiving the bonus.

The ingredients of my program for this country include the following:

Participants would have to commit to save or invest for 7 years.

The savings could be held at banks or invested in mutual funds or other vehicles similar to those allowed under Keogh and IRA programs.

The United States would commit to pay a substantial interest bonus of 14 percent of the value of the initial investment depending on household status at the end of the investment period of 7 years.

The program would have an income limit of $15,000 adjusted gross income for an individual or $30,000 for a married couple.

The program would have an investment limit per year of $500 per individual and $1,000 for a married couple.

The benefits of the significant transfer of funds from consumption to saving that this program would promote are twofold:

First. Inflationary consumption expenditure would be reduced.

Second. Funds would be available to modernize our productive capacity and to cover Government deficits.

Instituting a saving incentive program that is targeted to modest income savers would be even more urgent if the Kemp-Roth tax cut is enacted. The reason for this is the comparative timing of the impact of the two programs. In the case of the Kemp-Roth program, few but the most ardent believers in the Laffer curve think that the stimulative effects of an across-the-board tax cut will be instantaneous. That is particularly true because a 10-percent cut in tax rates in 1981—the first stage of Kemp-Roth—will be more than offset by higher social security taxes and the fact that inflation will push wages up thus pushing individuals into higher tax brackets. The lag between the enactment of Kemp-Roth and its actual economic stimulus will thus, in the short run, increase the budget deficit. Absent an increase in personal saving, the Government will either print more money to cover the deficit, thus increasing inflation or, if the money supply is not increased, private investment will be crowded out, thus eliminating the stimulation Kemp-Roth was supposed to induce.

The timing of a saving program works in just the opposite way. If one assumes a program where savers must save 7 years before the Government pays the bonus they have earned, we get 7 years of saving before the Government outlay starts. That gives us 7 years worth of savings to cover Government deficits—including the start-up of Kemp-Roth—and 7 years of investment in private sector productivity improvement. Basically, the saving program buys 7 years time to get a handle on inflation.

A second benefit of a saving subsidy program is political and ethical. A Kemp-Roth tax cut benefits primarily upper income households—whose taxes rose the fastest as tax rates were increased over the past 40 years. A low and moderate income saving program rounds out Kemp-Roth by offering something to those further down the economic ladder.

In short, I believe a savings subsidy program for low and Moderate income families is a key part of our fight on inflation and should rank high on our economic agenda for 1981. Accordingly, I am today introducing legislation which would establish the program I have outlined above. I urge my colleagues to give prompt and favorable consideration to this program.●

THE NONPROFIT TAX REFORM ACT OF 1981

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. CONABLE. Mr. Speaker, on January 20 I reintroduced H.R. 990, a bill entitled the Nonprofit Tax Reform Act of 1981. This is a comprehensive measure with a number of separable provisions, and I introduced it for study purposes so that interested parties can consider its impact on their organizations and their tax relationships.

Tax problems in the nonprofit area are frequently complicated, although they often do not involve large amounts of revenue. Due to complexities, uncertainties, and ambiguities, and the evolution of increasingly diverse functions, considerable man-hours can be invested by both the Internal Revenue Service and the nonprofit groups themselves in assuring compliance with the law. H.R. 990 is designed to try to reduce the problems inherent in nonprofit status and to make the overseeing of such organizations by the IRS more definite and certain so that activities and programs can be planned with confidence. The law must change through redefinition and increasingly precise provision for changing institutions, including those in the nonprofit sector.

I am hopeful that interested parties will suggest changes and additions to the provisions of this legislation. Although I have reservations about some of the matters included in the bill, I reintroduced it in the hope that Congress will benefit from the public discussion, definition, and efforts to resolve the many different issues involved.●

PRICE CONTROL ON PETROLEUM PRODUCTS

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. MINISH. Mr. Speaker, earlier today President Ronald Reagan issued an Executive order eliminating price controls on domestic oil, gasoline and other petroleum products. It is estimated that this action will result in an almost immediate price increase of from 3 to 12 cents per gallon of gasoline and home heating oil.

Mr. Speaker, I cannot state too strongly what a disastrous effect this action will have on the average American consumer, and I feel that those of us who oppose price decontrol must rise in protest.

First let me point out that I have opposed petroleum price decontrol from the moment President Carter first proposed it. The cost to the consumer is too much to bear. In addition, I told President Carter personally at the White House that his proposal to place a 10-cent-per-gallon tax on gasoline would also be a disaster. Petroleum prices were and are too high.

And, of course, the burden of higher prices falls hardest on those people who can afford it least, the beleaguered middle and lower income groups.

Mr. Speaker, the decision to decontrol these products is particularly unfair to consumers, since it affects only old oil. I would like to know how this action will encourage new oil development when almost all newly discovered oil already can be sold at world market prices. The action of President Reagan today is nothing more than a bonanza for the oil companies which continue to rake in tremendous profits.

I am seriously concerned about the effect of this action on the families and individuals who are straining to live within their means. While they may have some leeway in the amount of gasoline they use, there is very little room to cutback in the use of heating oil. The consumers are stretched to the limits of their resources and it is not fair to place this unnecessary and inflationary obstacle in their paths.●

79-059 O — 84 — 77 (Vol. 127 Pt. 1)

ENERGY DEVELOPMENT IN THE WESTERN UNITED STATES

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. DASCHLE. Mr. Speaker, I am today introducing legislation which speaks to one of the most serious, yet often overlooked, problems that exists in the West today. We have all heard about the great possibilities for energy development in the Western United States. We have all heard time and again that the coal reserves in our country, if properly developed, can provide us with energy independence. We have all heard, more times than I can count, that the development of those resources must be one of this Nation's top priorities.

I would certainly never underemphasize the importance of that energy development. It is, after all, one of our greatest natural resources. But I am concerned today with another of our great natural resources, one whose fate is tied inextricably to that development. I am speaking, of course, of the water resources of this country, without which no meaningful energy industry can exist. It is my fear that, in our headlong rush to make our energy resources a realized national asset, rather than simply a potential one, we are in danger of destroying the delicate balance that provides the agricultural, industrial, and domestic stability of an entire region.

There is a significant body of Federal law which deals with the allocation of surface water: the rivers, lakes, and streams that we are all familiar with. But there is, as yet, no protection offered to our underground water supplies, about which we know much less. These underground water formations, known as aquifers, provide much of the usable water for cities, towns, farms, and ranches all over the country. Their geographical extent is often difficult to determine with great exactitude. Many lie underneath multistate areas. They have served the needs of those States well in the past, but they will continue to do so in the future only if some attention is paid to their protection.

At this very moment there are proposals to use much of that underground water as a transportation vehicle in coal slurry pipelines. I will not, at this time, speak to the merits of coal slurry pipelines themselves, although I do feel the entire concept is somewhat questionable. What I am concerned with is that such a proposed use of groundwater, while perhaps legitimate and defensible in some instances is, in others, nothing less than a disaster. Water rights for such underground formations may be granted by one State which completely ignore the effect that such use may have on a neighboring State. That neighboring State, to protect itself, and its citizens, has no other recourse except litigation, a time-consuming and expensive process.

The bill that I am proposing today seeks to remedy that situation, not through any Federal interference, but simply by providing a mechanism whereby States which share in common underground water formations may have a voice in protecting their own interests. It leaves the decision on the beneficial use of those waters precisely where it belongs; namely, to the affected States. It avoids the interminable, often divisive legal battles over underground water rights which are now beginning.

The bill simply states that any coal slurry pipeline using any groundwaters as a vehicle for transmission must, before it can receive a Federal right-of-way, receive the consent of the States affected by the use of such groundwater. The thrust of the bill is to insure that the rights of the individual States to their most precious commodity, water, are not destroyed in a hasty, ill-conceived rush to cash in on our present energy problems.

With perserverance and care, we can develop our energy potential. But we must make sure that, in doing so, we do not destroy the most single important asset that our country has: Its plentiful supply of clean, available water.●

RECOGNITION DAY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. WHITEHURST. Mr. Speaker, on Sunday afternoon, I had the pleasure of participating in the Recognition Day ceremonies held by Tidewater Post 4809 of the Veterans of Foreign Wars of the United States, in Norfolk, Va.

One of those honored was the district winner of the Voice of Democracy competition, a young man named Samuel White, who is in the 11th grade at Norview High School in Norfolk. Indeed, Samuel was the runner-up in the State VOD competition.

I was deeply moved by his words, and I am delighted to take this opportunity to share them with my colleagues at this point in the RECORD. It is heartening to me to know that we have young citizens like Samuel who appreciate our great country and understand the need for commitment to its historic principles.

MY COMMITMENT TO MY COUNTRY

All my life I have taken for granted that I live in the best country in the world. I have believed this without really thinking about it—until lately. Not long ago I met a man from Russia, who had recently emigrated to this country, and what he had to say suddenly made me see everything in a different light. I was so used to my country that I think I was blind to all it has to offer.

"You Americans just don't realize what you have!" he said. Only then did it come to me that not everyone enjoys the rights and liberties that Americans do. Because of this we must do all in our power to protect and preserve the liberties and rights we have been blessed with.

As Americans, we can speak out freely and without fear on any subject; we can choose our own kind of work and if we are competent we can expect to advance in our chosen field; we can vote as we wish in any election; . . . the list is endless it seems. We Americans are the envy and wonder of the World.

But too often we forget that we enjoy such freedoms not because we deserve them but simply because we had the good fortune to be born as Americans. We forget that even liberties such as ours may be weakened or even lost through apathy and neglect. Each of us has the obligation to preserve our priceless heritage and where it is still imperfect—to improve it. I acknowledge my obligations and freely make my commitment to my country and will do everything in my power to help it live up to its promise and become all that it can be.

What exactly is a commitment? The letters in the word commitment form words which stand for the ideas and concepts which every person as a citizen of the U.S. should be aware and strive their best to fulfill.

C Covenant. Each time we pledge to our flag or sing The Star Spangled Banner, a bond, an agreement, a covenant between us and our country is renewed.

O Obligations. As children we are taught to accept our responsibilities and to fulfill our obligations. As a citizen of the U.S. I am obligated by birth to foster and nurture our Democratic way of life.

M Morality. Our country was founded on a moral code of what is right and wrong. It is my responsibility as a citizen to distinguish between the two and by doing so to do what is morally right for my country.

M Might. In order for our country to retain the highest level of respect throughout the world it is necessary that we remain the mightiest nation also, not only in military power but in the strength of compassion as well.

I Individuals. This country is the home of many millions of individuals. As one of them I have the responsibility to do what I can for the benefit of my country.

T Togetherness. Our country is not run by one person alone but by the combined efforts of many. In our government, our schools and our families, people are working together to make our country stronger.

M Mindful. I must at all times be mindful of what takes place around me and realize when my commitments be and how I can fulfill them.

E Environment. My environment is another important aspect of my commitment. I will strive to "Keep America Beautiful" without strangling its industry.

N Necessary. I have these responsibilities to my country because I believe them to be necessary and vital for the continuance of our American way of life.

T Total. My commitment to my country must be a total commitment. It cannot be something which is expressed only now and then, but a continual, steadfast bond between me and my country.

In the months and years to come the pride and love I feel for my country will be tested to its fullest. Despite those critics who claim that America can never be what it once was, my belief and trust in this country will not be swayed. Despite the misinformed who preach indifference, my faith in our "government for the people, by the people" will not be dimmed. I believe in her completely and totally. I am committed.●

TRIBUTE TO THELMA STEWART

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. SHUMWAY. Mr. Speaker, being selected Stocktonian of the Year in Stockton, Calif., is an honor of the highest order. It indicates that the individual in question is a caring, contributing, and humanitarian person, one who gives of himself or herself to enhance the lives of others. Thelma Stewart is just such a person, and I am delighted that she has received the Stocktonian of the Year Award this year.

For 17 years, Thelma Stewart has devoted herself to charitable work. She has done extensive fundraising for such groups as the Stockton Police Youth Activities, the Children's Home of Stockton, and for Special Olympics. Her concern for the lifestyle of retarded people is further demonstrated by the fact that she formed a group called Lady Bugs to supplement the Harrison School for the retarded's budget. She was also a founding member of the Ladies Aid for Retarded Citizens and Women Active for Charitable Services.

Thelma is the first and only woman ever to serve as president of the Stockton Boys Club. She also served as a member of the boys club board for 11 years.

She also gave 11 years in service as a member of the board of United Way, and headed the United Way's kickoff luncheon for several years. Thelma is a member of the Dameron Hospital board and the Dameron Auxiliary.

Very few spheres of interest have been untouched by Mrs. Thelma Stewart's competence and concern. She is a person able to translate noble ideas into realistic action, and to generate enthusiasm and assistance in those around her. Thelma is an enormous asset to our community, and I am delighted to consider her my friend. To her, and to her husband, Don, I extend congratulations on a job well done, and every best wish for continued success.●

THE STATE AND LOCAL GOVERNMENT COST ESTIMATE ACT OF 1981

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. LUNDINE. Mr. Speaker, I am pleased to join today with my distinguished colleagues from New York (Mr. ZEFERETTI) and California (Mr. MINETA) in introducing the State and Local Cost Estimate Act of 1981. This legislation requires the Congressional Budget Office to provide estimates of the costs to State and local governments of significant bills or resolutions reported by House and Senate committees.

I am offering this legislation because I believe congress has failed to fully assess the consequences of its actions on State and local governments. In our increasingly complex economy, even minor changes in Federal programs and policies can impose significant fiscal burdens on local governments, burdens which are often unexpected and usually unintended.

It is important that Congress have both the opportunity and the means to assess all potential costs and consequences of Federal actions. The legislation we are introducing provides the means for such assessments by requiring the submission of estimates of the costs incurred by State and local governments in carrying out or complying with bills or resolutions which, in the judgment of the Director of CBO, are likely to have a significant fiscal impact on State and local governments. These cost estimates would permit Congress to identify all potential costs to taxpayers before a legislative proposal is enacted into law.

I believe there is a very clear need for such a procedure. During the past decade we have witnessed an unprecedented expansion in Federal assistance and a corresponding growth in Federal controls. Power has shifted from local elected officials to Federal bureaucrats. State and local governments have had their traditional policy and funding priorities disrupted. Their operations have become so encumbered with the details of responding to Federal agencies that many have lost their capacity to respond to the concerns of local citizens.

During the 1970's Congress enacted some 150 new categorical aid programs, bringing the total number of such programs to nearly 500. Federal assistance programs for State and local governments alone increased to 442 by the end of the decade. Today there is virtually no function of local government, from police protection to community arts promotion, which does not have its counterpart Federal aid program.

Each new Federal program has come with its own set of requirements, regulations, and overhead costs. Burdened by declining revenues and rising demand for services, local governments have had little choice but to accept these requirements as the price of needed Federal assistance. The result has been an increase in Federal control over the budgets and policies of local governments, requiring that an ever increasing amount of local effort be diverted to the task of responding to Federal requests and mandates.

This expansion of Federal programs has not had the intended effect of making local government more responsive to social needs and public concerns. In fact, the opposite has occurred. The uncentralized and uncoordinated administration of hundreds of Federal programs has increased the overall cost of government, has made it less efficient and, most importantly, has made it less responsive than ever before.

Most of the local costs associated with Federal programs result from program requirements which appear beneficial on paper, but prove extremely costly to implement. During my years as mayor of Jamestown, N.Y., I found numerous instances in which Federal programs, initially design to help local government, actually resulted in new and unexpected burdens for local officials and taxpayers.

Hundreds of examples of costs imposed on localities by Federal legislation can be cited by State and local officials throughout the Nation. As I noted earlier, most of these costs were unintended, since Congress has had little capacity to assess the cost of legislation on anything other than the Federal budget.

It has become clear that Federal legislation can no longer be considered in isolation. Federal objectives cannot be achieved, nor current programs simplified by merely shifting a greater burden of the cost to State and local government. The public's growing resistance to higher taxes and new public expenditures should serve to remind us that the cost of government, whether at the Federal, State or local level, untimately falls on the same taxpayers.

The cost estimate procedure we are proposing would permit Congress to identify, early in its deliberative process, all the significant costs associated with proposed programs and policies. This can result, I believe, in the drafting of more responsible, less costly legislation and the rejection of proposals that impose excessive and unreasonable fiscal burdens on State and local governments.

We are reintroducing this proposal at a critical time for State and local

governments. Congress continues to impose requirements on local jurisdictions while simultaneously reducing funding for State and local assistance programs. The new administration has proposed an even greater shift in responsibility for Federal programs to the State and local level. It would be irresponsible for Congress to continue imposing fiscal burdens on State and local governments without even attempting to assess the magnitude of these burdens.

Mr. Speaker, I know that some Members will question this proposal because of the additional expense these cost estimates will add to the legislative process. I am certainly no advocate for a needless complication of the legislative process or for the creation of additional bureaucracy. I am convinced, however, that the expenditures required to prepare these cost estimates will be more than offset by the savings that will result from less costly, more responsible legislation.

Thirty-five States currently employ some system for preparing "fiscal notes" estimating the cost of legislative proposals on local jurisdictions. In States where these systems have operated for many years, local officials are convinced the process has provided substantial savings to local governments and to taxpayers.

I think it is time for Congress to adopt some cost-saving measures that have been developed by State and local officials in response to changing economic conditions. This legislation offers a first step toward achieving the kind of fiscal responsibility the American people are now demanding of government.●

TRIBUTE TO CANADIAN EMBASSY IN TEHRAN

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. COUGHLIN. Mr. Speaker, we are, as a nation of free men and women, witness to and participants in the return of our fellow Americans from 444 long and painful days in captivity. Their return, their passage to these shores, has been a profound and moving celebration of freedom. There is a very understandable sense of pride that we are a nation blessed with dignity, humility, unity, and with knowledge that we as a people have prevailed in this long, dark night of trial.

In this time of joy for our brothers and sisters who have returned to us—in this time of profound gratitude to the memory of the eight Americans who gave their lives in the Iranian desert—let us also reflect at this very special time in our history on the singular courage of a group of Canadians.

It was they, these heroic men and women, who at enormous risk to their own lives, undertook to rescue and shelter six Americans on November 4, 1979, as they escaped from the beleaguered U.S. Embassy compound into the nightmare of Tehran.

Words seem inadequate in conveying the selflessness and valor of these brave Canadians. Let it be said simply, then: We love you and we shall never forget that you stood by six desperate Americans in a wonderful display of fellowship, sacrifice, and heroism in the face of such danger. You have the right stuff.●

CALL FOR MEDIA COMPASSION

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. HOPKINS. Mr. Speaker, last Friday I made a suggestion to the heads of several leading news organizations regarding the coverage of the former hostages upon their return to the United States.

It is not my intention to become habitually involved in the everyday policy decisions of national news services; however, because I do feel this is an extraordinary situation that merits the attention of all Americans, I have offered a suggestion on news coverage—hoping it will be taken as the one-time-only proposal I intend.

The following is a sample letter I mailed to Mr. Ben Bradlee, executive editor, the Washington Post; Mr. A. M. Rosenthal, executive editor, the New York Times; Mr. Murray Gart, editor, the Washington Star; Mr. Larry Grossman, president, PBS; Mr. Fred Silverman, president, NBC; Mr. Thomas Wymas, president, CBS; Mr. Roone Arledge, president, ABC; Mr. H. L. Stevenson, editor in chief, UPI; and, Mr. Louis Boccardi, executive news editor, AP:

JANUARY 23, 1981.

Mr. BEN BRADLEE,
Executive Editor,
The Washington Post,
Washington, D.C.

DEAR MR. BRADLEE: I have been reading in The Washington Post the enlightening and informative stories of our "returnees" since their release from Iran. As an interested, disbelieving, outraged and curious viewer, I have hung on every word, gleaning as many details as possible.

However, today, I realized my hunger for this news is—as some of your reporters again informed me—at the expense of the former hostages and their families. And, having listened to the radio this morning and hearing physicians in West Germany explain that some hostages already show potential signs of psychiatric stress, and that they run the risk of further emotional strain by the intensive media exposure they're certain to get upon their arrival in the United States, I have decided to offer a proposal for your consideration:

I feel the American media—print and broadcast—should restrain itself, voluntarily, for a short period of time to allow for the personal readjustment of the former hostages by limiting coverage to public events or returnee-initiated interviews. If a newspaper of your caliber and influence announced such a policy, many other news organizations would follow your lead.

This, I believe, would enhance your prestige among readers all over the country because, as you realize, the press is getting bad press over this media dilemma.

Let there be no mistake, I am a firm believer in the First Amendment rights of the press; still, I am also a believer in the individual's right of privacy and peace of mind. This delicate situation appears to be an extraordinary case when the lives of our former hostages should be considered over and above those people—myself included—whose voracious appetites for details deny the well-being of others.

Again, my suggestion does not preclude coverage of the returnees and their families. It does limit coverage to public appearances and interviews that are instigated by the former hostages and/or their families for a designated period of time—a month or six weeks, for example. Thereafter, it would be "business as usual" in your reporting coverage of these men and women.

I hope you will consider this proposal as soon as possible. It is, I feel, in the best interest of the 52 American diplomats, their families, and, perhaps equally importantly, the media and the image it portrays to its clientele and the world.

Yours very truly,

LARRY J. HOPKINS,
Member of Congress.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, January 29, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 30

8:45 a.m.
Veterans' Affairs
Organizational business meeting, to consider committee budget for 1981, adopt committee rules of procedure for the 97th Congress, and announce committee agenda.
412 Russell Building

10:00 a.m.
Appropriations
To continue hearings to review the proposed budget for fiscal year 1982 and the state of the U.S. economy.
1114 Dirksen Building

Energy and Natural Resources
Business meeting, to consider committee budget for 1981.
3110 Dirksen Building

FEBRUARY 2

10:00 a.m.
Foreign Relations
To hold hearings on the nomination of William P. Clark, of California, to be Deputy Secretary of State.
4221 Dirksen Building

FEBRUARY 3

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for employment and training administration programs of the Department of Labor.
1114 Dirksen Building

Judiciary
To hold a business meeting on general committee business.
2228 Dirksen Building

2:00 p.m.
Select on Intelligence
To hold hearings on the nomination of E. R. Inman, of California, to be Deputy Director of Central Intelligence.
6202 Dirksen Building

FEBRUARY 4

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Labor-Management Services Administration, the Pension Benefit Guaranty Corporation, and the Employment Standards Administration of the Department of Labor.
1114 Dirksen Building

10:30 a.m.
Special on Aging
To hold hearings on the estate tax impact on older women.
1224 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Occupational Safety and Health Administration and the Mine Safety and Health Administration of the Department of Labor.
1114 Dirksen Building

FEBRUARY 5

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Labor Statistics, departmental management programs, and the President's Committee on Employment of the Handicapped of the Department of Labor.
1223 Dirksen Building

FEBRUARY 17

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Services Administration of the Department of Health and Human Services.
1114 Dirksen Building

Rules and Administration
To hold hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Center for Disease Control of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 18

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

Rules and Administration
To continue hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

Rules and Administration
To continue hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Alcohol, Drug Abuse and Mental Health Administration of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 20

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Resources Administration of the Department of Health and Human Services.
1223 Dirksen Building

FEBRUARY 23

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Assistant Secretary for Health, scientific activities overseas, and retirement pay program for commissioned officers of the Department of Health and Human Services.
1223 Dirksen Building

FEBRUARY 24

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Care Financing Administration of the Department of Health and Human Services.
1114 Dirksen Building

Rules and Administration
Business meeting, to consider committee resolutions requesting funds for operating expenses for 1981, and other legislative and administrative committee business.
301 Russell Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from the Disabled American Veterans.
318 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Human Development Services of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 25

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Social Security Administration of the

Department of Health and Human Services.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Office for Civil Rights, policy research programs, and departmental management programs of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 26

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain departmental management programs and the Office for Civil Rights of the Department of Education.
1114 Dirksen Building

MARCH 2

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for elementary and secondary educational programs of the Department of Education.
1114 Dirksen Building

MARCH 3

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for impact aid programs, and emergency school aid programs of the Department of Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for library and learning resource programs and vocational and adult education programs of the Department of Education.
1114 Dirksen Building

MARCH 4

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for educational, rehabilitation, and research programs for the handicapped of the Department of Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain student financial assistance programs of the Department of Education.
1114 Dirksen Building

MARCH 5

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain school improvement programs, special institutions, and Howard University of the Department of Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Education, fund for the improvement of postsecondary education, educational statistics, educational research and training activities overseas of the Department of Education.
1114 Dirksen Building

MARCH 10

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 11

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Railroad Retirement Board, domestic operations programs of ACTION, and the Soldiers' and Airmen's Home.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

MARCH 16

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

SENATE—*Thursday, January 29, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met in executive session at 10:15 a.m., on the expiration of the recess, and was called to order by the Honorable S. I. HAYAKAWA, a Senator from the State of California.

PRAYER

The Reverend Dr. Richard C. Halverson, pastor, Fourth Presbyterian Church, Bethesda, Md., offered the following prayer:

Gracious Heavenly Father, our hearts are filled with gratitude for the return of the hostages. We are grateful for the fact that their return has united the people in heartfelt celebration and thanksgiving.

When the exaltation felt by the whole Nation for the liberation of the hostages is over and the hard business of adjustment begins, grant that their reentry will be laced with care and healing. May the painful memories which haunt them be dissolved in the love and understanding of family, friends, and neighbors. Give to their families the insights and patience which will help them through as the effects of the ordeal fade and the restoration is complete.

We thank Thee for all of the influences here and in other nations which contributed to their release. We remember with appreciation those whose lives were lost in the attempted rescue of the captives, and we pray for the comfort and consolation of their families.

In the elation of this hour, grant us as a people the grace to be wise and strong, compassionate and humble in our private, domestic, and international affairs.

We ask this in the name of Him who gave His life for us all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 29, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable S. I. HAYAKAWA, a Senator from the State of California, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. HAYAKAWA thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RETIREMENT OF THE REVEREND DR. EDWARD L. R. ELSON, D.D., THE CHAPLAIN, U.S. SENATE

Mr. BAKER. Mr. President, at the conclusion of the Senate's business today, a rather remarkable chapter in the history of this body will come to a close.

For with the closing of that chapter, we shall lose the services of one who has graced this Chamber for some 12 years now—one who has been a moral guide for the Senate as an institution and one who has been a personal spiritual guide for so many of us fortunate to sit in this body.

The retirement of the Reverend Dr. Edward L. R. Elson as Chaplain of the Senate on the one hand calls for a quiet and individual reflection on the counsel and service he has so freely rendered to the men and women of the Senate.

I, for instance, recall the comfort Dr. Elson extended my family as he conducted the funeral services for my father-in-law, our late colleague, the Honorable Everett Dirksen, of Illinois, and his wife, Louella Dirksen.

But as much as Dr. Elson has consoled and advised us on an individual basis, so, too, has he counseled us collectively in the public sector.

As he takes his leave of the Senate, I should like to recall some of those public moments for my newer colleagues.

The Reverend Dr. Elson was ordained a minister of the Presbyterian Church in 1930 and served his church for the next 11 years in pastoral roles in California.

He subsequently served as a U.S. Army chaplain in Europe during World War II—receiving the Legion of Merit and the Bronze Star from this Nation and additional decorations from France, Lebanon, and Jordan.

Following the war, Dr. Elson was chosen to be the pastor of the National Presbyterian Church here in Washington and presided over construction of the National Presbyterian Center, at which so many other Members of the Congress and I are privileged to worship.

He served as pastor of that center until 1969, when he became the Chaplain of the Senate. Throughout his ministry, the Reverend Dr. Elson has been a prominent and widely recognized leader of the Presbyterian clergy—having been commissioned on six separate occasions to attend the general assembly of his church and for many years representing the Presbyterian churches of the United States in global religious conferences.

In 1954, the Reverend Dr. Elson was selected the "Clergy Churchman of the Year" by the Religious Heritage of America and, in 1959, was named one of the six most influential members of the Protestant clergy in this country.

Dr. Elson is the author of 10 books, with 2 more forthcoming. Also in that regard, Dr. Elson is now preparing, for the first time in the history of the Senate, a comprehensive report on the historical role and activities of the Senate Chaplain, a report I shall submit, upon its completion for the official journals of this body.

In that regard, the contribution the Reverend Dr. Elson has personally made to the public sector is, quite simply, stunning and inspirational.

The most widely known of those acand moving relationship with former President Eisenhower, who was the only President ever baptized after assuming the Presidency. In addition to performing that ceremony, Dr. Elson officiated at President Eisenhower's funeral, as well as those of former President Johnson, Supreme Court Justices Tom Clark and William O. Douglas, FBI Director J. Edgar Hoover, and from this Chamber, former Senators Hubert Humphrey, John McClellan, Jim Allen, and as I mentioned, Everett Dirksen.

Furthermore, the Reverend Dr. Elson has invigorated the role of the Senate Chaplain in a host of ways. On more than 1,700 occasions, Dr. Elson has personally prepared our daily prayer. In addition, he has brought the Senate nearly 300 guest chaplains from 28 religious denominations, including the first American Indian chief holy man, the first clergy woman, and the first Roman Catholic nun.

He has consoled us. He has advised us. He has encouraged us. He has enriched our lives and our lives' work by his presence.

And as the Reverend Dr. Elson takes his leave of the Senate, I know I speak for all whose lives he has touched in saying to him, as John Milton wrote in "Paradise Lost":

Servant of God, well done, well hast thou fought the better fight.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I join with the majority leader in expressing our thanks to Dr. Elson for the service he has performed, for the dedi-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

complishments, I suppose, is his warm cation he has shown, and for the devotion to the Senate and to duty he has so well demonstrated. He has known our sorrows and he has shared in our happiness and he has served with us. He has prayed for us, he has prayed with us. And he has set a fine example of a Chaplain of the U.S. Senate.

He has been thoroughly dependable and we have learned, long ago, to count on Dr. Elson as being the epitome of dependability.

Tennyson said we are a part of all that we have met; we are all somewhat the better if we have had the opportunity to work with and to serve with the Reverend Dr. Elson.

In closing, I think that I would probably be justified in presuming to say that I can speak for all of my colleagues when I say to Dr. Elson that we hope that he will return, that he will be back with us from time to time, and that we will continue to be in his prayers.

To his lovely wife, we also express the hope that we shall get to see her from time to time and that life for both Dr. Elson and Mrs. Elson will be even more beautiful and more rewarding as the days come and go.

I think of Alexander Pope's words as we bid this formal farewell to Dr. Elson:

Thou wert my guide, philosopher, and friend.

Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 6 minutes and 47 seconds.

Mr. ROBERT C. BYRD. Does my colleague wish to have any time?

Mr. HEFLIN. I should like to make a remark or two about the Chaplain.

Mr. ROBERT C. BYRD. Would 3 minutes be sufficient?

Mr. HEFLIN. Yes.

Mr. ROBERT C. BYRD. Mr. President, I yield 3 minutes to the Senator from Alabama and the remainder of my time to the majority leader.

Mr. HEFLIN. Mr. President, I did not know that this was the last day that our Chaplain, the Reverend Dr. Edward L. R. Elson, would be with the Senate and I did not come prepared to make a speech. But, hearing the majority leader and the minority leader express so well the thoughts that they had, I wish to concur in those remarks.

As I sat and listened, my mind reflected on a song that I sang quite often, as a young man, at religious services and youth gatherings. I remember a line from that hymn: "I will look up and laugh and love and lift." I think those words express to me the influence that Dr. Elson has had on me and other Senators.

He has caused us to look up; he has caused us to laugh; he has caused us to love; and he has caused us to lift.

I think the fact that we can look up and lift in this world that we live in today is important. His contributions to my life have been immeasurable and great.

His prayers were carefully structured to meet the issues and challenges of the day. His counsel was always to the point and helpful. While he did not participate in the discussions at the Senate prayer breakfasts because of a rule that the Chaplain should listen and not speak, nevertheless, his private discussions following those meetings clarified many unresolved issues.

I will miss him not only as our Chaplain but as a friend. Hopefully, he will return and visit with us frequently.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I yield now to the distinguished Senator from Oregon, the chairman of the Appropriations Committee.

Mr. HATFIELD. Mr. President, I thank the distinguished majority leader for yielding time.

Mr. President, the majority leader has outlined the distinguished career of our Chaplain, Dr. Elson.

I know of no man in this Nation today who has served in more and varied posts in proclaiming the gospel of Christ than Chaplain Elson. We could develop an entire résumé of his service to the National Presbyterian Church or to the U.S. Army, where he served as chaplain, as well as his distinguished record here in the U.S. Senate, and have ample material to demonstrate the faithfulness and the excellence of this man's ministry.

I believe that one of the greatest gifts Chaplain Elson has given us is his attention to historical continuity—not only to the continuity of the importance of the function of history of the chaplaincy of the U.S. Senate but more especially the continuity of the important role of theological reflections in public policy formulation.

He has demonstrated time and time again that we do not have to leave our kingdom of dreams at the door of the U.S. Senate.

So I wish Chaplain Elson well and express my deep gratitude for his faithful proclamation of the gospel over these many years.

I had the privilege of reading the commentary that was made on this floor during the time of his 50th celebration of ordination, and so it is today that I rise again to congratulate him on a job well done.

If I were to try to reflect upon scripture that might emulate or might reflect the character and the ministry of Chaplain Elson, I think I would turn to Philippians, chapter 3. I should like to quote a few verses from that letter which represents, to me, the kind of ministry and the kind of role Chaplain Elson has played in the Senate:

That I may know Him, and the power of His resurrection and the fellowship of His sufferings, being conformed to His death;

In order that I may attain to the resurrection from the dead.

Not that I have already obtained *it*, or have already become perfect, but I press on in order that I may lay hold of that for which also I was laid hold of by Christ Jesus.

Brethren, I do not regard myself as having laid hold of *it* yet; but one thing *I do*: forgetting what *lies* behind and reaching forward to what *lies* ahead,

I press on toward the goal for the prize of the upward call of God in Christ Jesus.

To me, that reflects and epitomizes the ministry of Chaplain Elson of the U.S. Senate.

● Mr. HOLLINGS. Mr. President, on this the last day of the Reverend Edward L. R. Elson's chaplaincy of the U.S. Senate, we pause to pay tribute to this wise and good man who has ministered so effectively and faithfully as Senate Chaplain these past 12 years.

For some 53 years now, Dr. Elson has served his church and served his country. It is difficult to say something new about a man who has nearly two dozen honorary degrees, 18 military decorations, and 13 Freedom Foundation Awards. The essence of the man is best described in Dr. Elson's own language when he told his alma mater, Asbury College, about what he had learned there:

My labor and work here shaped my whole life. I carried from this place a sense of three great D's—Dignity, Discipline and Dedication.

We who have seen him as Chaplain, minister, adviser, and friend know of his refusal ever to deviate from any of those traits. The words Dr. Elson used to describe his educational heritage describe the man and his ministry. And they describe the traits he has endeavored to foster here in the U.S. Senate.

We feel a real loss at Dr. Elson going today. He has been here longer than most Senators, and he has served through some of the most difficult times in the annals of our Republic. He is not only part of the living Senate, but he will always be a significant part of the history of this Chamber.

So today we say a formal "farewell" to our Chaplain and friend, but in wishing him Godspeed we look forward to continuing the ties and friendships which have grown between Dr. Elson and so many of us as Senators. We are a better place for our friend's patient and far-seeing ministry.●

Mr. THURMOND. Mr. President, I rise to join the tribute to Dr. Edward Elson who has served as Chaplain of the Senate since 1969.

Dr. Elson has rendered a distinctive service to the Senate over these years and I have found him to be a man of great capacity and courage. He has provided to all Senators whose terms covered this period a model of Christian leadership through his inspirational conduct and service. His daily prayers have fortified us during difficult times and he has always been on hand when we suffered personal losses in our families or in the Senate family.

Only last year Dr. Elson celebrated the 50th anniversary of his ordination. At that time I was pleased to offer on the Senate floor a tribute in recognition of his long career as a minister.

Dr. Elson had the unique privilege of administering the baptism of President Eisenhower. The circumstances of this event were interesting in that as a youth

President Eisenhower was a member of the Church of the River Brethren, a small denomination which only baptizes adults. By the time he was old enough to be baptized in his church, he was moving around the country and the world as an officer in the U.S. Army. Thus, it came to pass that Dr. Elson baptized President Eisenhower after his election in 1952.

One trait of Dr. Elson's life which has impressed me particularly is his patriotism. He is truly a patriot in the finest sense of the word. He has served as chaplain of the Freedom Foundation in Valley, Forge, Pa., and has shown his strong dedication to this country in countless other ways.

Mr. President, over the years Dr. Elson has served as the minister of many prominent public figures. This resulted from his work in the Senate and his previous service as pastor of the National Presbyterian Church in Washington where he was pastor from 1946 to 1973. During this period he became close to many public figures of all different political beliefs, ranging from John Edgar Hoover to William O. Douglas.

Despite these heavy duties, Dr. Elson faithfully rendered the Senate prayer on a daily basis, often working 50 or more hours a week, speaking around the country, writing articles, and serving on numerous religious and patriotic groups.

He takes pride in the fact that he invited the first woman to lead the prayer in the Senate, and later invited the first nun and the first American Indian holy man to lead us in prayer.

Mr. President, I would encourage Dr. Elson to write a book about his experiences and more important, the lessons he has learned during his long period of service as a minister in the highest level of our American Government. Such a book would enable us and future generations to benefit greatly from the experiences of this unique religious leader.

In conclusion, I wish to extend to Dr. Elson my deep appreciation for the personal service he has rendered to me as an individual Senator, the service he has rendered to my own family, the Senate family, and the Nation as a whole. He will be missed but not forgotten. I wish him well in his future endeavors which I predict will be substantial in the service of God and man.

Mr. FORD. Mr. President, today will mark the final day that the Reverend Dr. Edward L. R. Elson serves as Chaplain of the Senate, and I want to join in expressing my appreciation and gratitude for his distinguished record of service to this body.

Dr. Elson has served as Senate Chaplain since January 9, 1969, and he has carried out his responsibilities in a diligent and faithful manner. He has been a source of inspiration to each of us and his presence will be missed.

I feel a very special kinshio to Dr. Elson since he began his ministerial career at one of Kentucky's oldest and most respected institutions of higher education, Asbury College in Wilmore. He is one of the college's most well-known alumni and he continues to take an active interest in the school's welfare.

It has been a privilege to know and serve with Dr. Elson and may God continue to bless his life and important work in the years ahead.

● Mr. JOHNSTON. Mr. President, We are losing today the services of perhaps one of the very best friends the U.S. Senate has ever had. Dr. Edward Elson is retiring.

At one time or another, I am sure that he has been both a counsel and a comfort to each Member of this body, and in so doing shared with us more bad times than good. Dr. Elson's unassuming manner, his soothing words, his compassion, and his irreproachable character are exemplar, the memories of which will forever serve to remind us of the bountiful gifts of faith.

I wish Dr. Elson godspeed. We will doubtlessly be remembered in his prayers, but lest he forget, Dr. Elson leaves behind many good friends, who hope his future duties will not preclude him from frequent visits back to Capitol Hill.●

Mr. HARRY F. BYRD, JR. Mr. President, today the Senate is saying goodbye to one of its most treasured people, the Reverend Edward L. R. Elson, Chaplain of the Senate for the last 12 years.

All who have served in the Senate during Chaplain Elson's tenure have felt the warmth of his personality and benefited from the soundness of his counsel. He embodies the Christian love which he preaches.

Often I have been present at the opening of the Senate and have been moved and inspired by the prayers of Dr. Elson. But he has not construed his pastorate as a ceremonial one, and his presence often has been a source of comfort and strength during sessions which have gone far into the night.

Even before coming to the Senate, Edward Elson had achieved high distinction as a clergyman. He served with great honor as a chaplain in the U.S. Army during World War II and was for 27 years the minister of the National Presbyterian Church. His sermons and writings are known around the world.

A quarter century ago, Religious Heritage of America named him "Clergy Churchman of the Year," and he was named by Christian Century magazine one of six "outstanding representatives of the contemporary Protestant pulpit." He was awarded 18 military decorations and 13 Freedom Foundation Citations.

Of course all of us in the Senate are honored to have had so distinguished a clergyman among us. But when one talks with Edward Elson, one thinks of him not in terms of his worldwide honors, but in terms of friendship and Christian counsel.

That is a tribute to the man, perhaps the highest tribute. He has known fame and glory, he has moved among the mighty, yet one remembers him as a friend and spiritual guide.

In the Senate, he will be greatly missed.

● Mr. CANNON. Mr. President, today marks the end of a distinguished career compiled by our longtime Senate Chaplain, Dr. Edward L. R. Elson. Dr. Elson last year marked the 50th anniversary of his ordination, a remarkable milestone that says much about his dedication and commitment. His has been an enviable record of public service which has reflected most favorably on the Senate and the many Senators who have served during his tenure.

I would like to take this opportunity to congratulate Dr. Elson for his service and wish him the greatest of God's blessings in the days ahead.●

ORDER OF BUSINESS—ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I have no requirement at this time for additional time.

Are there special orders for this morning?

The ACTING PRESIDENT pro tempore. There are three special orders this morning.

Under the previous order, the Senator from Michigan (Mr. LEVIN) is recognized, as in legislative session, for not to exceed 15 minutes.

Mr. BAKER. Mr. President, will the Senator from Michigan yield to me for a brief moment?

Mr. LEVIN. I am happy to yield.

Mr. BAKER. Mr. President, after the conclusion of the three special orders for this morning—for Mr. LEVIN, Mr. PROXMIRE, and Mr. BENTSEN—it is my intention to proceed to the nomination of Dr. Kirkpatrick, which I believe will be the pending business before the Senate. Is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. After the disposition of the nomination, on which there is a time limit, I hope to ask unanimous consent for a fairly extended period for the transaction of routine morning business in which Senators could speak. It is my present plan to ask for 2 hours, to begin immediately after the disposition of the Kirkpatrick nomination.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Will the Senator be willing to obtain that order now, so that Senators may know that they will be able to proceed with such statements, if the majority leader has no reason not to make such a request?

Mr. BAKER. I thank the minority leader. I am pleased to do that.

Mr. President, I ask unanimous consent, as in legislative session, that following the disposition by the Senate of the nomination of Dr. Jeane Kirkpatrick to be U.S. Representative to the United Nations, there be a period for the transaction of routine morning business, not to exceed 2 hours, and that Senators may be permitted to speak therein.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I say to the distinguished majority leader that I am attempting to inquire on my side of the aisle as to whether or not there is any objection to proceeding with the nomination of Mr. Trent and, in accordance with the majority leader's wishes, also inquire as to whether or not any Senator seeks a rollcall vote on that nomination, if it is proceeded with today.

The majority leader may wish to qualify his request at the moment to allow him to proceed—if the matter is cleared—with that nomination before morning business begins. I will have a response for him soon on my side.

Mr. BAKER. I thank the minority leader.

The minority leader and I had discussed my hope that we could do the only other remaining nomination on the calendar, which is that of Darrell M. Trent, to be Deputy Secretary of Transportation.

Rather than modify the request at this time, I believe I will wait until the distinguished minority leader has advised me that he can or cannot do that by unanimous consent or without the requirement for a rollcall vote.

Also, it is possible that other nominations will reach the floor today, and one or two might fall in the same category. Perhaps we could do them by unanimous consent.

I appreciate the inquiry by the minority leader; and if he will permit me, I will withhold making that request until we ascertain what we may be able to do in the course of the day.

Mr. ROBERT C. BYRD. Very well. I thank the Senator.

The ACTING PRESIDENT pro tempore. Does the Senator from Tennessee withdraw his request?

Mr. BAKER. No. My request has been granted, has it not, with respect to 2 hours for the transaction of routine morning business?

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. And that it will commence after the disposition of the Kirkpatrick nomination?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. I thank the Chair.

I thank the Senator from Michigan for yielding to me.

S. 312—A BILL FOR THE RELIEF OF MARIA AND TIMOFEI CHMYKHALOV, AND FOR LILIA, PETER, LIUBOV, LIDIA AND AUGUSTINA VASHCHENKO

Mr. LEVIN. Mr. President, today I am pleased to be reintroducing a bill which would assist the Vashchenko and Chmykhalov families, Pentecostal Christions living in the American Embassy in Moscow.

It is particularly appropriate and fitting, I believe, that this bill is being introduced today, the last day that Dr. Elson is serving as Senate Chaplain.

This is a bill which represents the love of religious freedom that has been expressed dramatically by these two families in our Embassy during the last 2½ years. It is the same love which has been dramatized here in this Chamber by Dr. Elson so beautifully for so long.

Before Dr. Elson leaves, I wish to add a personal note of my gratitude to him for the personal guidance he has given me during the few years I have been in the Senate. It will be a real loss to the Senate when Dr. Elson leaves us.

Mr. President, as I have indicated, these two families have been in refuge in the American Embassy in Moscow since June 27, 1978—more than 2½ years. I am proud that 53 of our colleagues have joined me as cosponsors of this measure, including Senators BOREN, HATFIELD, BUMPERS, and JEPSEN, as well as the Presiding Officer this morning, the good Senator from California (Mr. HAYAKAWA); the Senator from Wisconsin (Mr. PROXMIRE); and the Senator from Alabama (Mr. HEFLIN), who is in the Chamber at this time.

This legislation would grant Marie Chmykhalov and her son, Timofei, and the five members of the Peter Vashchenko family, permanent resident status in the United States and would allow them to be eligible for naturalization as citizens 5 years from the date they entered the American Embassy. This bill will not guarantee them freedom; only the Soviet Government can agree to allow them to emigrate. But this bill will guarantee them protection under the U.S. Constitution while they continue to reside in the Embassy and it will insure that they are accommodated as well as possible under the circumstances. This bill, in addition, will be a strong indicator of support for the families and they have such great support in the United States.

Mr. President, aside from granting permanent resident status to the families in the Embassy, we believe that our legislation will have a significant effect upon the way the Vashchenkos and Chmykhalovs live their lives while they remain in the Embassy. It is important for the United States to do all that it can to protect the families in their struggle and do whatever we can to protect them while they wait for permission to emigrate from the Soviet authorities. The Vashchenko and Chmykhalov families should be treated respectfully and judiciously——not like unwanted intruders. The religious persecution the families have endured throughout their lives is not unusual.

The faith and perseverance they have displayed, the circumstances surrounding their many attempts to immigrate, and the fact that they have resided in our Embassy for over 2½ years make this a unique situation. It requires a unique solution.

The Vashchenkos and Chmykhalovs have struggled for 19 years to gain emigration visas from the Soviet Union. The Vashchenkos' oldest children were taken from their parents at a young age and put in an orphanage for what the Soviets call "reeducation." After the imprisonment of Peter, the father of the Vashchenko family, the family sought aid from the American Embassy in Moscow. The Embassy could not help and Peter Vashchenko remained incarcerated for 2 years and the children lived for more than 6 years in the orphanage.

Their second appeal for emigration permission proved equally unsuccessful. After making a 2,000-mile journey from Chernogorsk to Moscow, Peter was arrested by Soviet police and imprisoned for 1 year after being placed in a psychiatric hospital for 2 months. Peter's wife, Augustina, was also imprisoned and was later placed in a labor camp for 3 years. The Vashchenko family suffered increased repression and brutality in the years that followed.

Finally, in June 1978, the Vashchenko family received the necessary invitation to emigrate to the United States. Despite this, they were refused the requisite papers at three Soviet visa offices.

Once again they turned to the American Embassy for assistance. On this latest journey, the Vashchenkos were accompanied by Timofei and Maria Chmykhalov—neighbors who had also suffered repression for many years. As they entered the Embassy compound with the necessary passes, the Soviet guards attempted to stop them from entering. Fearing for their safety, the families rushed into the Embassy for refuge. John Vashchenko, the second oldest son, was caught and taken away in this altercation. In an attempt to insure the safe return of John, they decided to remain in the Embassy until John was safely returned.

After 2 weeks, the Vashchenkos received word that John had returned home to Chernogorsk. Still, they felt they could not safely return to their families in Siberia and remained in the Embassy. For 2½ years these courageous families have resisted all pressures to leave the Embassy and have sought assurances that they would be permitted to emigrate and that the remaining members of their families would suffer no further injustices and would soon be able to join them outside the Soviet Union. Their living conditions have been moved from the waiting room to a basement room in the Embassy. The room is approximately 12 by 15 feet. It is furnished with two twin beds, while the adults sleep on the floor. Their time is spent studying English and the Bible as well as praying. Their food and clothing is supplied by the Embassy.

I have personally visited these families, and it was one of the most extraordinary moments of my life when I was able to sit with them for a few minutes in our Embassy in Moscow and talk with them about their dreams for personal and religious freedom for themselves, for their children, and for their families as well as for all Pentecostal Christians and

others in Russia who seek freedom of religion and personal freedom.

I believe the case of the "Embassy Seven" is an extreme example of the length that individuals will go to seek that personal and religious freedom. They have been in the Embassy now, as I said, for 2½ years, sacrificing their freedom and health to fight for permission to emigrate. The United States should be strong enough in its own right to act on this most unique case.

In August of last year, I explained this entire situation in a statement I submitted to the Judiciary Committee. While parts of that statement repeat what I have already said today, it also explains the background of the situation further and goes into some of the problems the families have encountered during their stay in the Embassy.

Mr. President, I ask unanimous consent to have printed in the RECORD the statement to which I have referred.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT IN SUPPORT OF S. 2890

This is in response to the Committee's request for supporting information on S. 2890, private legislation on behalf of Maria and Timofei Chmykhalov and for Lilia, Peter, Liubov, Lidia and Augustina Vashchenko.

These seven individuals have resided in the U.S. Embassy in Moscow since June 27, 1978. This legislation, introduced on the second anniversary of their refuge, would grant these seven individuals permanent resident status in the United States. The unusual nature of this legislation is made necessary by the unique characteristics of the Vashchenko and Chmykhalov families' situation at the Embassy. It is my belief that this legislation may be the only viable way to protect the rights of the family members while they remain in the Embassy and could be one way to stimulate the eventual granting of exist visas to the families by the Soviet government.

The Vashchenkos' and Chmykhalovs' struggle for emigration began in 1962, a time of extremely violent anti-religious campaigns in the U.S.S.R. Peter and Augustina Vashchenko's determination to raise their children according to their religious beliefs resulted in 16 years of separation, persecution and repression. Finally, in June of 1978, the Vashchenko family received the necessary invitation to immigrate to the United States. However, they were refused the necessary papers at three separate visa offices. The families' sixth and final venture to the Embassy in Moscow—2,000 miles from their home in Chernogorsk, Siberia, was prompted by this newest injustice. Accompanied by Maria Chmykhalov, and her son, Timofie, the Vashchenko family turned to the United States Embassy for help and advice. Even though they were carrying the proper passes, the group was stopped by Soviet guards outside the building in Moscow. Fearful, yet with no intention of remaining at the Embassy, they ran to the Embassy for safety. John Vashchenko, the second oldest son, was caught by the guards and dragged away. The seven remaining chose to stay in the Embassy until John was safely returned. Two weeks passed before they received word of his release—too long a time to return home safely after such a rebellious action. They asked for assurances from the Soviet government that they would be allowed to leave the country and that reprisals would not be brought against any other family members.

Kevin Lynch, who has followed the situation in articles in the National Review, described their situation in an article which appeared in August of 1979:

"Unless they make it out this time, the children said, none of them would ever make it out. This was the Vashchenko's sixth visit to the Embassy, and this time they had committed an unforgivable offense. They had sullied the image of the socialist motherland . . . They have two options: they can remain in the Embassy, where they know they are not wanted, or they can walk outside into the sturdy arms of the KGB."

The Soviet Union has refused for two years to let these seven emigrate. Both families have received official affidavits of sponsorship from families in the United States. But they have no close relatives abroad, a Soviet prerequisite for emigration permission. The families remain in the basement room, where I visited them in August 1979, and which the Embassy staff refers to as "the dungeon." The room is furnished with two twin beds, which the children sleep on while the adults sleep on the floor.

After two years, they are still patient and hopeful that there will be a positive solution to their struggle. Although Embassy officials are now providing their food and clothing, the policies of the Embassy administration towards the Vashchenkos and Chmykhalovs are becoming aimed at isolating the families from personal contact with the outside world. Aside from public assurances that the State Department and Embassy officials are doing all they can to encourage Soviet cooperation and despite repeated declarations that the "Soviet Seven" will not be forced to leave the Embassy, official American action to help the families has been extremely cautious and slow.

From first hand reports, I have learned that Embassy staff has followed policies designed to discourage the families from staying and intended to minimize publicity and to deprive the families of free contact with those who are willing to provide them with the moral support necessary to endure this difficult struggle for emigration.

For two years the families have resisted all pressure to leave. They have not been able to see other members of their families although several of their relatives have been persecuted for the actions of "the Seven." The eldest Vashchenko son, Sasha, who has been sentenced to a three year term in a labor camp for his beliefs and who has been beaten into unconsciousness on several occasions by Soviet guards, has reported increased coercion on the part of the KGB to make him renounce his family and condemn their efforts to obtain visas. The Vashchenko and Chmykhalov families have suffered through psychiatric hospitals, prisons and labor camps. I do not believe that they should continue to suffer American oppression as well. The Embassy has made them outcasts in the very place they seek refuge or asylum. The families are neither criminals nor unhealthy persons. Yet they are essentially "quarantined" from the outside world and from friends and supporters. Only those persons on the Ambassador's "Embassy Pentecostalist Access List" of approved visitors may meet with the family in their quarters.

The Embassy has continually refused to allow the press to interview the families in the room in which they live and has never allowed their voices to be recorded for broadcast. Under new, strict regulations, an Embassy spokesperson must be present during each interview with the press.

Another isolation tactic involves the mail policy. Mail addressed to the families, and sent through the international post is rarely delivered by the Soviets and probably, confiscated by the KGB. Literally thousands of pieces of American mail have been lost but the U.S. State Department has not made a formal complaint to the Soviets regarding the undelivered mail. If, however, a letter to one of the seven arrives at the Embassy through diplomatic channels, it is summarized for the addressee, but the letter is not given to him/her physically. The most blatant example of this policy involves a letter which I sent to Maria Chmykhalov. An Embassy staffer told Maria of the arrival of the letter, read her parts of it, but would not read it all and would not even allow her to hold the letter. The part which he did not read commented about the imminent introduction of S. 2890. I believe that it should have been presented to Mrs. Chmykhalov.

This happens more frequently now. The Embassy insists that it can deliver only mail which arrives for the families through the international post and not through the diplomatic pouch. The Embassy maintains that it is bound by international law not to deliver this mail, even though it has been provided with unquestionable evidence that the Soviets have not honored their own international pledge to deliver the normal international mail which is addressed to the Embassy. Reports in the press that the Embassy refuses to allow mail which arrives through the pouch to be loaned or read to the families have been corroborated by the families in letters to supporters in the United States.

Realizing that there are thousands of other Soviet citizens who have been unable to emigrate from the Soviet Union, this legislation is tightly constructed so that it can not become a broad precedent for other possible asylum/refuge situations. The legislation specifically states the unique qualities of the situation, which involves the two families, who since 1962 have requested that they be released from Soviet citizenship and who have lived in the United States Embassy in Moscow since June 27, 1978.

The bill also states that the families shall be considered to have been physically present and residing in the United States since their arrival in the Embassy. This section of the bill is intended only to reduce the amount of time the families would have to be in the United States to become eligible for naturalization as American citizens.

The efforts of the Vashchenko and Chmykhalov families are unique because, as a result of their efforts to leave the Soviet Union, they were forced to seek refuge in the American Embassy for their personal safety. After two years in the Embassy, they have no assurances of their safety in their homeland. This legislation would protect their rights until they are able to leave the Embassy or the Soviet Union.

Mr. LEVIN. Mr. President, the families have reported to me that at times, officials of the U.S. Government have suggested and even urged, that they return to their homes in Chernogorsk, Siberia, and resume the normal emigration application process from there. For example, former American Ambassador Malcom Toon, under the direction of the State Department, suggested to the families in 1978 that they leave. I understand that others have made similar suggestions. Efforts to coax the Vashchenkos and Chmykhalovs to leave proved fruit-

less. They believe, and we share their feelings, that if they leave the Embassy, without U.S. protection and without completed Soviet emigration visas, they will suffer harsh treatment and harassment at the hands of the Soviets.

Our legislation guarantees them proper treatment in the embassy for the duration of their stay. Their "status" and the constitutional protection that it brings with it will enable them to remain in the embassy until a resolution is reached, thereby insuring their safety. It should also clarify their status relative to mail, visitation, and work privileges.

The bill which we are introducing today is substantially identical to S. 2890, that was introduced in June 1980, and which was before the Judiciary Committee when the last Congress adjourned.

At this time we state in the findings section of the bill that there are 13 members of the Vashchenko family and 11 members of the Chmykhalov family.

The permanent resident status, however, will only apply to the seven persons specifically named in the bill that is being introduced today, that is the seven members of those two families that reside in our Embassy in Moscow.

Mr. President, this issue is one which has attracted the interest of many people across the country. Last year, when we introduced S. 2890, I received letters from individuals and organizations in almost every State asking how they could help support this legislation. The case of the Vashchenkos and the Chmykhalovs has attracted attention, despite the attempts of our Embassy and State Department to keep publicity to a minimum. Pictures of the families have appeared in magazines and newspapers around the world. Their story has been told in a recently published book "The Siberian Seven," by John Pollock. A noted radio commentator once devoted an entire program to their plight.

That commentator was Ronald Reagan who in 1979 concluded his program with the question: "Why can't the Vashchenko and Chmykhalov families get out?"

Today, I repeat that question. I hope that the President will remember that broadcast and support this bill as the best available remedy until the families in fact get out.

I note one other portion of that broadcast of President Reagan when he said:

> Detente is supposed to be a two-way street. Our wheat and technology can get into Russia—why can't the Vashchenko and Chmykhalov families get out?

I hope that before he gives even further thought to resuming grain shipments to Russia, the President will remember his own words about "Why can't the Vashchenko and Chmykhalov families get out?" if we are going to send our wheat into Russia.

Mr. President, I ask unanimous consent to have printed in the RECORD the transcript of the President's radio program on these families.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

VLASENKO

Yuri Vlasenko, a Soviet citizen, tried to leave the Soviet Union. Yuri Vlasenko is dead.

On March 28th one of our embassy officials went out of the embassy in Moscow and led Vlasenko past the ever-present KGB agents into the embassy. Once inside, Yuri asked for an exit visa so that he could leave the Soviet Union. Upon being told that we couldn't do that he revealed a homemade bomb and threatened to blow himself up.

Our Ambassador tried to negotiate with him and then turned the matter over to the Soviet authorities who don't negotiate in cases of this kind. They attacked with tear gas and a sharpshooter who got off two shots before Yuri Vlasenko detonated his bomb. He died there in the embassy where he had sought refuge.

This tragic story is by way of introduction to the plight of seven other Soviet citizens who were in the American embassy the day Yuri Vlasenko died. They had been there, living in the reception room since June 27th, 1978.

There are five members of one family, two of another. All are Christians, members of the largest religious group in Russia and all have other family members outside the embassy who are undergoing the worst kind of persecution.

These seven made their way to Moscow from Siberia. They had tried in every way to obtain, legally, exit visas from their own government. Finally in desperation they had sought the counsel of our ambassador. The religious group to which they belong is the largest in the Soviet Union. It is also the most persecuted and not one member has ever been allowed to emigrate from Russia.

These seven courageous and desperate people have a promise of sponsorship in America from Reverend Cecil Williamson, Jr. of Selma, Alabama. Over the past 10 years they and other members of their families have been imprisoned, tortured, found insane and some have died. Thousands of Americans, knowing of their plight, have written to them but they haven't received the letters. Our Ambassador has ordered that mail to them must go through the Soviet postal service.

Shortly after the Vlasenko killing, efforts were made to persuade the seven to leave the embassy. KGB cars were mysteriously waiting at the embassy entrance. When they refused to give up their sanctuary they were moved to a 20-by-20 foot room the Marine guards call the dungeon. There for a year now they have lived together in that one room. They are denied embassy food, but embassy employees—acting as Americans are supposed to act—stand for hours in the endless lines and buy food for them in the Russian stores.

Last June the ambassador grudgingly allowed American TV networks to interview them but not show the room in which they are kept confined. Then another mystery—somehow the interviews were never shown to American audiences.

Detente is supposed to be a two-way street. Our wheat and technology can get into Russia—why can't the Vashchenko and Chmykhalov families get out?

Mr. LEVIN. Mr. President, I ask unanimous consent to have printed in the RECORD the bill with its list of 53 cosponsors.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 312

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Congress finds that—

(1) since 1962, 13 members of the Vashchenko family and 11 members of the Chmykhalov family from Chernogorsk, Siberia have requested that they be released from Soviet citizenship and be permitted to receive exit visas so that they may leave the Union of Soviet Socialist Republics legally and in accordance with the Universal Declaration of Human Rights; and

(2) since June 27, 1978, seven members of the Vashchenko and Chmykhalov families have resided in the United States Embassy in Moscow and have been living in accordance with United States laws.

SEC. 2. Notwithstanding any numerical limitations or any other provision of the Immigration and Nationality Act, for purposes of such Act, Maria and Timofei Chmykhalov, and Lilia, Peter, Liubov, Lidia, and Augustina Vashchenko shall be issued visas and admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required number during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of section 203(a) of such Act, or if applicable, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under section 202 of such Act.

SEC. 3. Notwithstanding section 316 of the Immigration and Nationality Act or any other provision of law, for purposes of the Immigration and Nationality Act, Maria and Timofei Chmykhalov, and Lilia, Peter, Liubov, Lida, and Augustina Vashchenko shall be held and considered to have been lawfully admitted to the United States for permanent residence as of June 27, 1978, and to have been physically present and residing therein continuously since such date.

The cosponsors are as follows:

Mr. Levin, for himself, Mr. Boren, Mr. Hatfield, Mr. Jepsen, Mr. Bumpers, Mr. Andrews, Mr. Baucus, Mr. Bentsen, Mr. Biden, Mr. Boschwitz, Mr. Burdick, Mr. Cannon, Mr. Chafee, Mr. Cohen, Mr. Cranston, Mr. Danforth, Mr. DeConcini, Mr. Denton, Mr. Dodd, Mr. Durenberger, Mr. Eagleton, Mr. Garn, Mr. Goldwater, Mr. Gorton, Mr. Hayakawa, Mr. Heflin, Mr. Heinz, Mr. Helms, Mr. Hollings, Mr. Huddleston, Mr. Humphrey, Mr. Inouye, Mrs. Kassebaum, Mr. Kasten, Mr. Lugar, Mr. Mathias, Mr. Matsunaga, Mr. Mattingly, Mr. McClure, Mr. Melcher, Mr. Metzenbaum, Mr. Moynihan, Mr. Nickles, Mr. Pressler, Mr. Proxmire, Mr. Pryor, Mr. Randolph, Mr. Riegle, Mr. Sarbanes, Mr. Schmitt, Mr. Simpson, Mr. Stevens, Mr. Tsongas, and Mr. Williams.

Mr. LEVIN. Mr. President, I thank the Chair and yield the floor.

Mr. PROXMIRE. Before the Senator yields back his time will the Senator yield the remainder of his time to the Senator from Iowa because I am limited time, and he has asked me to yield time?

Mr. LEVIN. Before I do that, let me add a note. I see the Senator from Iowa is now on the floor. I mentioned his active role before, but I would like to reiterate the role Senator JEPSEN has played in helping to move this bill forward. His support for this bill has been of inestimable value. His personal interest in the families, in the situation of the Pentacostals in Russia and all people in Russia who seek religious freedom, who seek the right to move freely, is worthy of him, of this Senate.

Again while he is now on the floor I want to thank him and commend him for that support not only for the bill but for the greater cause that is involved.

Mr. JEPSEN. I thank the Senator.

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. JEPSEN. Mr. President, today is the 948th day that two families, the Vashchenkos and Chmykhalovs, have been living in a 12-by-15-foot room in the basement of the American Embassy in Moscow. They have tried and failed six times to receive official permission to emigrate from the U.S.S.R. Their situation seems hopeless.

Yet today also marks the ninth day of freedom for the 52 former hostages of Iran, whom Americans proudly welcomed home after their grueling experience. Although the seven Russian Christians in the American Embassy do not face the constant danger that the 52 Americans faced in Iran, they hourly face the fear of being released into the hands of the KGB and losing their refuge at the American Embassy.

These families have two hard choices: To remain in the Embassy, even though they are not wanted there; or to leave the Embassy and be escorted in the hands of the KGB back to their hometown in Chernogorsk, Siberia, some 2,000 miles away. For over 18 years these families have suffered through psychiatric hospitals, labor camps, orphanages, beatings, hunger, and the loss of their jobs for their request to secure permission to emigrate from the U.S.S.R.

What was intended to be a brief consultation with American Embassy officials on that June day in 1978 has instead turned into a nightmare for these seven Christians when one of their sons was dragged away by the Soviet guards at the entrance gates of the Embassy. They never intended to stay at the Embassy; they had rushed inside in the hope of insuring their son's safety as well as their own. For years these families have been given false hope by the Soviets about their emigration.

The ACTING PRESIDENT pro tempore. The time of the Senator from Michigan has expired.

Mr. JEPSEN. Mr. President, I ask unanimous consent to continue for another 2 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. JEPSEN. It is most difficult, and rightly so, for these people to really believe Soviet assurances that if they return to Siberia, then their emigration would be guaranteed; especially now, at a time when reports verify that the Soviets are stepping up their crackdown on dissenters. There is evidence that in the last 15 months over 200 such dissenters have been given severe sentences.

I submit that the United States cannot, with good conscience, condemn these families to the same fate, to return to Siberia.

Instead, we who are the cosponsors of this bill are proposing that the United States of America, the pillar of hope to those parts of the world where freedom is denied, must come to the defense of human rights and religious freedom by granting citizenship to these brave people. We must do what is good and right in this situation and take an unwavering stand.

If we will do that, the Soviet Union will respect our strength and firmness. I do not believe that we can tacitly turn these people over to the Soviet police, who will only send them back to Chernorgorsk, Siberia. These people would then be subject to worse harassment and persecution, and possibly even imprisonment once they are back in Siberia.

I urge my colleagues to press unequivocally for the passage of this bill. The Embassy, as well as the Vashchenkos and Chmykhalovs, report that the families are losing hope. We, along with hundreds of thousands of Americans and people in the U.S.S.R. and around the world, fear that their distress may soon cause them to give in and give up their courageous fight for the freedom of worship that those of us in America enjoy unconditionally.

Their lives are in our hands, but the hands of Embassy officials are tied unless we act now. The passage of this bill would enable these families to leave the Soviet Union safely and come to the United States of America. Without exaggeration, I believe that the world is waiting for us to act.

I thank the Chair.

Mr. HAYAKAWA. Mr. President, I rise in support of S. 312, which will assist the seven Soviet Pentecostals living in the basement of the American Embassy in Moscow. I cosponsored this legislation in the 96th Congress and am pleased to do so again in the 97th.

The Vashchenko and Chmykhalov families have been attempting to emigrate from the Soviet Union for over 18 years. Two and a half years ago they entered our Embassy in Moscow seeking assistance in leaving the Soviet Union and took refuge when Soviet guards threatened them and dragged away one of the children.

The living situation in the Embassy has been tolerable because of the kindness and help given them by our Embassy personnel—done entirely on their own. However, the refuge of the families is a unique situation and it is apparent that some means are needed to clearly define the families' legal status with regard to the United States Government.

This legislation grants permanent resident status to the seven members of the families in the Embassy and will extend constitutional protections to them. It will not directly guarantee their emigration to the United States but should the Soviets allow them to receive exit visas, there are provisions in the bill which will expedite their emigration. I believe it is incumbent upon the United States to do all it can to aid these families in their struggle to gain permission to leave the Soviet Union.

Finally, Mr. President, their case is another example of flagrant violation of human rights by the Soviet Union and the East European bloc and is a direct violation of the Helsinki accords signed by the member nations in 1975. Such an egregious failure on the part of the Soviet Union and the East European block countries must not go unheeded by the Western peoples. Immediate consideration of this legislation will help demonstrate to the Soviets our firm resolve to support the pursuit of civil liberties worldwide.

Thank you, Mr. President.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized, as in legislative session, for not to exceed 15 minutes.

THE REAGAN CABINET: A DISAPPOINTMENT ON CUTTING SPENDING

Mr. PROXMIRE. Mr. President, the Reagan Cabinet will have to start fast or miss the opportunity of a lifetime to stop the 50-year momentum toward an ever bigger, more inflationary and less effective Government.

The Senate has now confirmed almost the entire Reagan Cabinet and what a sorry record the confirmation record left.

Here is a Cabinet that must truly hit the ground running to have any real chance of overcoming the powerful forces in this country that have pushed every Congress and every President—Republican or Democratic since 1932—toward bigger and bigger Government.

But any objective review of the public record left by these new Cabinet officials—with the exception of Stockman at OMB—suggests that when it comes to cutting spending, they will hit the ground sleeping.

A DEEP COMA

As far as cutting spending is concerned, this Cabinet came before Senate confirmation hearings in the deepest coma since Rip van Winkle. They reminded me of Dorothy Parker's crack about Calvin Coolidge—silent Cal—who often went days without speaking. When Dorothy Parker heard Coolidge was dead, she asked, "How could they tell?" As far as reducing the size and cost and burden of their department goes, for this Cabinet it is strictly nap time.

Run down the list—forget Weinberger at Defense. Of course, he will and must and should increase defense spending and by tens of billions. That makes reductions elsewhere especially vital. But where will they come from?

Consider:

Haig at State hinted that he may need more personnel. Regan at Treasury, who in private life built the biggest brokerage firm on Earth into something far bigger, seemed startled that he could begin to think smaller and cut down personnel, services and budget. Secretary Regan, the administration's economic spokesman, did not have the remotest notion of where or how to cut his agency.

He did, however, have definite ideas about cutting taxes. Of course. Who does

not? But Secretary Regan will be the chief tax official of this Nation as well as the economic spokesman for the administration. And what did the strongest voice on tax policy tell the Appropriations Committee on Tuesday, the day before yesterday? Secretary Regan told the committee that he favors the entire Kemp-Roth tax cut—in full.

THE $100 BILLION DEFICIT

What does that mean? Well, on Wednesday economist Otto Eckstein told the committee it meant that the Reagan administration might well be looking at a hundred billion dollar deficit in 1982.

Oh, yes, indeed that assumes that the Congress does increase defense spending by $20 billion or more over the Carter projections and that it does little more than match this spending with corresponding cuts in nondefense programs.

All of this, of course, makes a Reagan Cabinet which is ready, willing, and able to make king-size spending reductions absolutely vital, and, of course, I mean spending reductions that hurt in housing and transportation, in aid for the cities and education, and most other programs.

Attorney General Smith opined that cutting spending was not an important issue in the Justice Department. He said the Justice Department offers less opportunity for discontinuing spending than other agencies. He lacked economy ideas about even so lush a target as the bloated, wasteful, LEAA.

A SERIES OF STRIKEOUTS

At Interior, Watt, who has devoted much of his life to trying to make the Interior Department get lost, now has no ideas on how to cut budgets, personnel, regulations, or paperwork.

Agriculture Secretary Block pledges to devote his energy to increasing farm income. That is dandy. But he denied having any ideas on how to cut the $20-billion plus budget of his Department.

Commerce Secretary Baldrige could offer the Senate no budget cuts, no regulations rollback, no paperwork reductions.

He did show disdain for the 1977 law that outlaws bribery by U.S. corporations abroad, but there was no hint of how gutting this law would significantly help our inflation problems.

Health and Human Services Secretary Schweiker deserved credit as one of only three Cabinet-level officials to suggest where and how the Federal Government could make some reductions. But even the Schweiker reductions would save only a tiny fraction of his huge agency's budget and only begin that small savings many months down the road. The Secretary suggested no cuts in regulations or paperwork but mentioned hospital regulations and the AFDC program as places to look.

Of course, we could achieve a major reduction in spending by reducing indexing for social security recipients. Here is the biggest spending program in the Government. But do not hold your breath till we make those cuts. This Senator would oppose such a reduction. President Reagan has indicated we would not make these cuts. And in all justice we should not. Social security recipients average a near-poverty income, $5,500 for a retired couple. Try to live on that these days.

Social security beneficiaries have worked a lifetime for their benefits; the Government has a commitment to them. We should keep it and keep it whole. We should not allow inflation to erode it.

HUD COULD DO BETTER

HUD Secretary Pierce thought HUD may have to take a 10-percent cut and said he would look at community development grants, UDAC, and the eligibility for rent supplements. He said staff could be reduced but gave no specific indication where. He agreed there was too much paperwork and was specific that HUD overregulated local governments, and he opposed HUD multiple review of local government planning.

Well, that was something compared to the others. He deserves an "A" for effort.

Frankly, I thought Secretary Pierce could do much better than this. It will not be easy because so much of HUD's spending lies under long-term commitments, promises the Government cannot break. But we can make far deeper than 10-percent cuts in community development, section 8 housing, urban development action grants and many other such programs.

Transportation Secretary Lewis offered no suggestions for cuts in his multibillion dollar budget. The Secretary said he had not identified any specific regulations that needed to be revised or revoked.

Energy Secretary Edwards, a former Governor and renowned oral surgeon, virtually reneged before the committee on his previously announced pledge to extract the Energy Department from the Federal budget. President Reagan pledged the extraction in his campaign. But now it appears the Energy Department will continue to give the taxpayer a multibillion dollar toothache.

BELL AT EDUCATION: SPENDING DISASTER

Most ironic of all, Education Secretary Bell moves into his Department without repudiating his 1976 assertion that—

> The Federal government must guarantee certain rights, and in doing so, it should specify the ends of education and provide the financial support to meet these ends.

On the other hand, the Reagan campaign pledge was crystal clear to abolish the Department. Now it seems that the Department may drop out of the Cabinet but with Bell as the education head, the budget, the burdensome regulations and the massive paperwork will probably go upwards and onward as they always have.

Here we have a program, the Federal aid and education program, that has been a signal failure. For the last 20 years the Federal Government has enormously increased its spending for elementary and secondary education. And yet every year during virtually the entire 20 years the test scores for our high school children, the best objective measure of results, has gone down. It seems the more we spend on our kids, the dumber they get. We have an almost perfect correlation betwen Federal spending on education and negative SAT scores. Since 1974 alone Federal aid for grade and high schools has jumped from $3.36 billion to $6.96 billion, an increase of more than 100 percent.

And in Federal aid for higher education, again we have massively increased Federal assistance. All American families, even the very richest are now eligible for subsidized and I mean highly subsidized educational loans. In the past 7 years the cost of this subsidy program has more than quadrupled. Higher education from 1974 to 1981 went right through the ceiling from $1.5 billion to $6.5 billion: that is a fourfold increase, Mr. President, in 7 years.

Can anyone really believe—in view of his record and his publicly expressed attitude that Bell will bring this situation under control?

CASEY: THE BACK OF HIS HAND

CIA Director Casey gave the Senate nothing except the back of his hand when he testified. He had no specific or general ideas about cuts. Anyone who thinks the CIA budget will not increase would pick New Orleans as next year's winner of the Super Bowl.

Neither Brock as special trade representative nor Kirkpatrick as U.N. representative will have significant budgets.

Labor Secretary Donovan may reduce the Labor Department's budget but if so he kept the hearing record in the dark on specific cuts. His references to cutting regulations or paperwork were general in nature.

STOCKMAN ON RIGHT TRACK

All this leaves OMB Director Stockman. Stockman may well be the best choice as Budget Director the country has ever had. He is smart, he knows the budget. He not only knows where we can cut the budget and regulations and paperwork, he has the most important characteristic of all, he has a zeal to do the job. Just today the papers have announced a Stockman call for sharp cuts in foreign aid.

Right now, Stockman appears to be all that stands with a President who also obviously wants very much to do the job. On every side they face the most powerful political pressure groups in this Nation. With a pitiful performance of the Cabinet in the nomination hearings, Stockman and the President face awesome odds in the struggle to arrest the mammoth growth of this Federal Government of ours.

Mr. President, I fully realize that in some ways this speech may seem unfair to the Reagan administration. No one asked for the kind of zeal I am calling for in previous administrations.

But, Mr. President, these are extraordinary times. Here we have the first real chance—and maybe the last—to turn back a 50-year momentum of building more and more spending into our Federal Government. But except for Stockman I found little or no realization of the unique opportunity—the big chance—the challenge that faces this incoming Cabinet.

BUREAUCRATIC PRESSURE TO SPEND

And, Mr. President, I have said nothing about the great pressure that will come from within each of these departments. The established officials in any department are naturally proud of their department and its functions. As in any other organization they want to see it succeed and in most cases in this country that means see it grow. They will push and pressure the Secretary for more not less budget, more not less regulations, more not less paperwork. The appointed secretaries seemed unaware of this pressure. They will not be unaware long. And they must find a way of transforming this "grow bigger and better" psychology into smaller is beautiful. And, believe me, that will not be easy.

CONGRESS: BIG SPENDER

Mr. President, I have said nothing about the role of the Congress in pushing for more and more spending. We have done that for 50 years and it looks dangerously like we will continue to do that unless somehow we find common cause with Cabinet secretaries who want to curtail, limit, cut down their departments and excise services and functions they now perform. We in Congress look to those of our constituents who have a specific message for us on particular programs: farming, housing, transportation. Usually that message—initiated by most constituents is to spend, spend, spend, spend. It comes from educators, from mayors, from homebuilders, from farmers. We have to find a way to say "no" and help the Cabinet secretaries to do likewise.

WHISTLE BLOWERS—FIRED

And Mr. President, I have ignored the deeply imbedded resistance in every department to the whistle blowing, waste exposing employee who can be worth his weight in gold if the Secretary will listen to him. Defense fired Ernie Fitzgerald when he became too critical of billion dollar cost overruns.

He was denounced and criticized by the Johnson administration, the Nixon administration, the Ford administration, and the Carter administration. Of course, in the Carter administration, President Carter campaigned and said during the campaign that Ernie Fitzgerald should be rewarded. He rewarded him by continuing to push him in the face and keep him out of doing constructive work. Before my committee, he has been awarded an award which is the highest reward any civilian can receive in our Government for his great work in weapons analysis.

The Navy canned John McGee when he blew the whistle on oil thefts in Thailand that were costing the Navy a bundle. HUD fired David Stith when he revealed that millions of dollars of antipoverty money was winding up in the pockets of developers, instead of helping the poor.

If there has ever been a whistle blower who has raised hell about waste in his department and won anything but the back of the hand of his superior for his action, I have never heard of it.

And finally, Mr. President, in my 20 years on the Appropriations Committee I can remember very few occasions when any Secretary has come before that prime spending committee of the Congress and asked for us not to spend the money. How we need that.

THE ANTI-INFLATION COMMITTEE RECOMMENDATION

Mr. President, last June a list of 13 of the most experienced and highly respected men in Government formed a committee to fight inflation. Seven of those men were Democrats and six Republicans. They included: former Federal Reserve Chairman Arthur Burns and William McChesney Martin; former Treasury Secretaries Henry Fowler, Mike Blumenthal, Douglas Dillon, George Schultz and William Simon, and former Under Secretary Fred Deming; former CEA Chairman Paul McCracken; former Ways and Means Chairman Wilbur Mills and ranking minority member John Byrnes, and former Senator John Williams, the ranking minority member of the Senate Finance Committee a few years ago. Not one of these men is a theoretical ideologue.

These are the most practical and experienced kind of men. And they unanimously agreed, their No. 1 prescription: balance the budget—not by increasing taxes, but by cutting spending. They said reduce—expenditures, and reduce expenditures—not balance defense increases with other cuts—I should say, recognize that we have to increase defense spending but, overall, even with the increase in defense spending, cut expenditures net so that we reduce overall spending and balance the budget without a tax increase; in fact, with a tax reduction. That, Mr. President, is something a lot of us know we must do. But of the performance of this Cabinet at the hearings, do not hold your breath until we get it.

Miracles rarely happen. And it will take a major one for the American taxpayer and consumer to win on this one.

Mr. President, I ask unanimous consent to have printed in the RECORD a table I have prepared which summarizes the answers each Cabinet nominee gave to the specific questions I submitted to them at their confirmation hearings with respect to where they would cut their budget, personnel, and excessive regulations and paperwork in their department.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ANSWERS TO SENATOR PROXMIRE'S QUESTIONS AS TO WHERE EACH NOMINEE WOULD REDUCE OR CUT

Department or agency	Nominee	Where would nominee cut or reduce?		
		Budget	Personnel	Regulations and paperwork
State	Haig	He said no decision had been made as yet	Hint that there might have to be some increase.	No specifics.
Treasury	Regan	No specifics	Vague	Not prepared to comment.
Defense	Weinberger	Not asked	Cannot be certain	No specifics.
Attorney General	Smith	Extraordinarily vague and general responses to all questions. Senator Biden remarked that no nominee in his experience in the Senate had been less specific than Mr. Smith.		
Interior	Watt	Said he was not briefed on the Interior budget	Said he was unable to comment on his intention's for personnel.	He said he would review the Department's regulations.
Agriculture	Block	He was extraordinarily vague and general in response to all these questions.		
Commerce	Baldridge	Said he had not seen the budget	He said he first wanted to see what results have been achieved by the partial freeze.	Said it was premature to identify specific regs to cut. Said he would do his best to achieve the 25 percent paperwork reduction goal in 1980 act.
Labor	Donovan	Said it was inappropriate to answer at this time.	Said he would examine the problem, but no specifics.	Said there is a problem but it was not possible to say where to cut now.
HHS	Schweiker	Said he would focus on data systems, would look at consulting contracts, attack fraud as GAO brought out.	Said it was premature to set goals but would look at it.	Said it was too early to give specifics but he did get specific about hospital regs, and AFDC.
		In general, Mr. Schweiker was more specific than any other nominee, although it is merely by comparison with the overwhelmingly vague and general answers of the others that his answers appear superior.		
HUD	Pierce	He was not specific. He thought HUD "may" have to take a 10 percent cut in budget (actual dollars) in 1982. Said he would look at CD grants, UDAG, and eligibility for rent sups.	Not specific. He believed staff could be reduced and agreed to provide quarterly reports, but he did not indicate where the cuts could be made.	Said there was too much paper work and regulation. Felt HUD overregulated local governments and opposed HUD multiple review of local government planning.
DOT	Lewis	Said it was not possible at this time to assess DOT budget priorities. He wants to analyze Carter budget proposals first.	Said he could not assess personnel priorities at this time.	Said he had not identified any specific regulations that seemed to be revised or revoked.
Energy	Edwards	Said it was premature and that he would consider cuts in upcoming weeks.	Had no specific ideas as to cuts	He had no specific ideas on the removal of regulations.
Education	Bell	Said there have been too many changes in the last 4 years for him to give a listing of any cuts based on his past experience.	He said he planned to reduce employment in the DOE but did not have any exact figures on where they currently stood. He would provide a personnel time cut table as soon as possible.	He said he would launch an immediate attack on excessive regulations and paperwork but provided no specific regs or paperwork which was excessive.
United Nations	Kirkpatrick	Not applicable. She said the U.N. special agencies make very large contributions to the values that we do hold. The U.S. should do its best to encourage and maximize its activities. Said agencies which do not share our values might be cut but only after debate and as a last resort.	Not applicable	Not applicable.

ANSWERS TO SENATOR PROXMIRE'S QUESTIONS AS TO WHERE EACH NOMINEE WOULD REDUCE OR CUT—Continued

Department or agency	Nominee	Where would nominee cut or reduce? Budget	Personnel	Regulations and paperwork
CIA	Casey	He had no specific nor no general answers to where his budget might be cut.	He had no specific or general answers or suggestions on any personnel cuts.	He had no specific or even general answers on where or how to reduce regulations or paperwork.
OMB	Stockman	He gave only the most vague and general answers which was noticeably at odds with his public statements in the "Stockman Manifesto" and his Press Club speech. What he has told the world he failed to tell Congress at his confirmation hearing or in submitted questions.	Same, even though the "Manifesto" is specific on this subject.	Same (even though the "Stockman Manifesto" gives a long specific list of rags to cut.
Trade	Brock	Said he would explore it	Would examine to see if he could make economies in staff.	Not applicable.

(Mr. GORTON assumed the chair.)

OBJECTIONS TO THE TREATY ARE NOT STRONG

Mr. PROXMIRE. Mr. President, some opponents of the Genocide Treaty say it should not be ratified because objections exist concerning the "Mental Harm" section, but this argument is not a strong one.

According to the Convention, genocide involves acts "committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group."

One of these acts is: "Causing mental harm to members of the group."

Critics contend that there is an objection to the section in article II of the Treaty concerning "Mental Harm".

They claim that "Mental Harm" could mean that hurting somebody's feelings, to take an extreme case, could be considered genocide.

This argument is simply ridiculous, because if it were true, we would all be guilty of genocide.

According to Richard Gardner, a former Deputy Assistant Secretary of State for International Organization Affairs, the reason for the section on "Mental Harm" was not intended to cover verbal slurs.

This reference to "Mental Harm" was inserted at the request of the Chinese delegation (Chiang Kai Shek) and other delegations in order to deal with drugs which would "cause physical impairment of mental facilities."

Last night there was a dramatic demonstration of that in a docudrama on CBS.

Specific examples of genocide "are only genocide if they are committed with the intent to destroy the group.".

I must say that this use of drugs to destroy mental facility cannot be confined to just a few hundred or a few thousand. It would have to be used to virtually wipe out an entire ethnic or religious group to constitute anything like genocide.

Therefore, this is not a legitimate objection to the treaty. We should ratify the Genocide Convention.

RECOGNITION OF SENATOR BENTSEN

The PRESIDING OFFICER. Under the previous order, the Senator from Texas (Mr. BENTSEN) is recognized for not to exceed 15 minutes.

S. 317—INVESTMENT TAX ACT OF 1981

Mr. BENTSEN. Mr. President, there is general agreement that any comprehensive program to restore stability and real growth to the American economy must focus on the problem of lagging productivity.

The United States has traditionally led the world in productivity, or average output per man-hour. We have a proud history of giving our workers the most modern and efficient tools to do the job. The productivity of the American worker is still unsurpassed, but today our rates of productivity increase are the lowest of any major industrialized nation. We are losing our competitive edge.

One of the primary reasons for lagging productivity is a lack of capital for modernizing the productive capacity of America. We are asking the American worker to do tomorrow's job with yesterday's tools. Faster depreciation is probably the most efficient and effective way to encourage the investments needed to boost productivity and update our industrial infrastructure.

Today I am introducing legislation that will help strengthen our economy by providing faster tax deductions for depreciation and increasing the rehabilitation tax credit for certain structures. These proposals are targeted at the problem of productivity and incorporate many of the suggestions presented at hearings of the Senate Finance Committee and House Ways and Means Committee during the last Congress.

Mr. President, before going into the specifics of this legislation, I think it is important to understand why productivity occupies such a central position in our economic problems.

When we talk about productivity, we are not suggesting that the American worker work harder or put in longer hours. The best way to increase productivity is to give a worker the best technology available, thereby enabling him to increase his output. When this happens, a company can pay the worker a higher wage and maintain or even reduce the price of the goods produced.

But in recent years productivity in America has actually been declining. Our economy is becoming less efficient at a time wages and prices are rising. When that happens, inflation becomes inevitable. There is no way around it.

I ask unanimous consent to have printed at this point in the RECORD a table demonstrating the extent to which the United States trails our major trading partners in rates of productivity increase.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PRODUCTIVITY MEASURES FOR VARIOUS COUNTRIES

	Average annual percentage change in productivity		
	1950-65	1965-73	1973-78
Japan	7.2	9.1	3.1
West Germany	5.2	4.3	3.2
Italy	5.1	5.6	1.3
France	4.7	4.5	2.8
Canada	2.7	2.3	.8
United Kingdom	2.2	3.3	.9
United States	2.4	1.6	.4

Note: Measured by growth in real domestic product per employed person, using own country's price weights.

Mr. BENTSEN. We are looking at a 3-year, $100 billion balance-of-trade deficit that contributes to inflation, destroys the value of our currency and creates doubt about the future of our free market system. Improvements in productivity are essential if we are to improve our terms of trade and remain competitive in the international marketplace.

The Japanese, one of our toughest competitors in trade, turn over their industrial base every 10 years. In this country it takes 30 years. Project that trend into the future, and it is not difficult to see which country will end up more efficient and competitive.

As we look to our economic future, Mr. President, we must search for tax cuts that foster real economic growth and reject tax policies that merely stimulate demand, Government spending, and budget deficits.

If we have learned anything from three decades of experience with the economics of demand stimulation, it is that tax cuts alone will not create a healthy economy.

I think there is broad, bipartisan agreement in this body on the need to cut taxes, reduce Government spending, lighten the regulatory burden on the American business community, and provide new incentives for savings, investment, and production.

The legislation I am proposing is totally consistent with those shared objectives. It includes many of the concepts approved overwhelmingly by Republicans and Democrats on the Finance Committee during the last Congress.

I would like to summarize briefly the three major features of this legislation.

First, it would simplify depreciation computations, which is particularly important for small businesses. Faster depreciation tax deductions for investments in equipment and machinery can help us curb inflation and boost exports. Under my legislation, equipment and machinery would be depreciated over either 2, 4, 7, or 10 years. Generally, such equipment and machinery would be depreciated 50 percent faster than under present law.

A simple "open account" system for computing depreciation deductions, which has been successful in Canada, would replace the complicated "vintage account system" of present U.S. law.

In addition, investment tax credit rules would be modified. A full 10-percent credit would be allowed for equipment depreciated over 7 years or longer. Property depreciated over a 2-year period would be eligible for a 4-percent investment tax credit and property depreciated over 4 years would be eligible for a 7.5-percent investment tax credit.

Second, at the option of the taxpayer, structures and structural components would be eligible for 20-year, straight-line depreciation with section 1250 recapture. This compares to a useful life of some 30 years for apartments, 35 years for industrial structures, and 40 years for commercial structures under present law.

Also at the option of the taxpayer, low-income rental housing would be given 15-year, straight-line depreciation with section 1250 recapture. This compares to a useful life of some 30 years for low-income rental housing under present law. Further, certain owner-occupied business structures can be depreciated over a period of 15 years using 150 percent declining balance methods.

If this last election is made, the recapture rules currently applicable to depreciable personal property will apply. These provisions would provide an "audit proof" system for taxpayers. These provisions would encourage the construction of new factory buildings, provide assistance to the depressed housing industry, and create jobs for construction workers.

Third, in an effort to help revitalize some of the urban centers of our Nation, this legislation would increase the existing 10-percent investment tax credit for the rehabilitation of industrial and commercial structures to 25 percent.

Mr. President, let me describe this legislation in greater detail.

SIMPLIFIED COST RECOVERY (SCR)

This legislation would replace the current depreciation rules for equipment and machinery (tangible personal property) with a simplified cost recovery system. (SCR)

Compared to present law, the new system would simplify the computation of depreciation on most tangible personal property and shorten the period over which the cost of such property can be recovered.

Under the Bentsen system, the cost of all depreciable tangible personal property (other than public utility property, property subject to amortization, and property depreciable on a basis other than time) would be eligible and would be classified in one of the following four recovery accounts with a recovery period of 2, 4, 7, or 10 years:

Current law (midpoint life under ADR*)	Bentsen bill (in years)
7½ years or less	2
8–13½ years	4
14–19½ years	7
Greater than 20	10

*Asset depreciation range.

The taxpayer could elect to exclude from the SCR system any livestock for which special capital gain treatment is allowed under section 1231 of the Internal Revenue Code.

This legislation mandates that the period for depreciation of property be at least 50-percent shorter than the current midpoint useful life (under the existing asset depreciation range system). No recovery period, though, can be reduced below 2 years.

As examples, machines used to manufacture clothing which currently have a midpoint life of 9 years would be reduced to 4 years under the legislation. Equipment used to manufacture steel mill products now has a midpoint life of 15 years and would be reduced to 7 years under the bill.

Used property which is at least 3 years old would be depreciated one category faster than comparable new equipment; 3-year-old property that could be depreciated over 7 years when new, for example, would be depreciated over 4 years.

The Treasury Department would be required to publish simplified tables which incorporate the shortened depreciation schedules in the Bentsen bill.

SCR is a simplified approach to depreciation. It eliminates the dozens of categories that now exist and replaces them with four.

SCR will also eliminate all disputes as to the salvage value of property. Since the entire cost of an asset is depreciated without reductions for estimated salvage value, salvage computations are no longer required.

The bill speeds depreciation in two ways. It not only reduces the number of years involved, but it also provides a weighing process so that the bulk of the property can, in fact, be depreciated during the first part of the period in question.

For example, property can be depreciated at a range of either 200 percent, 150 percent, or 100 percent of the straight line rate. In addition, the depreciation method can be changed from year to year for any of the four recovery accounts.

The legislation generally adopts the so-called half-year convention of the present ADR system. Under this convention, one-half of an asset's cost is placed in an account which may include more than one asset in the first year. The other half of the asset's cost is added to the account in the next year.

Under SCR gains or losses on assets that are sold are generally deferred. Instead, the amount realized in the sale reduces the balance of the depreciation account which, in turn, would reduce depreciation deductions for other assets in the account during subsequent years. Where the amount realized from sale of assets reduces the balance of an account to a negative figure, the amount of the negative balance would be recaptured as ordinary income.

INVESTMENT TAX CREDIT

Modifications of the investment tax credit are needed to supplement the simplified cost recovery system in order to encourage additional investment in equipment and machinery.

Under present law, if an otherwise eligible asset has a useful life of at least 7 years, 100 percent of the basis of the asset qualifies for the investment tax credit. If the useful life is 5 or 6 years, 66⅔ percent of the basis is eligible for the investment tax credit. If the useful life is 3 or 4 years, 33⅓ percent of the basis is eligible for the investment credit. The useful life used for depreciation purposes is generally the useful life that applies for investment credit purposes.

Under the bill I am introducing today, 40 percent of the basis of an asset is eligible for the investment credit if the property is in the 2-year recovery period. Seventy-five percent of the basis of the asset is eligible for the investment tax credit for assets in the 4-year period. The full basis qualifies for the investment tax credit for assets that fall in the 7- or 10-year categories.

PUBLIC UTILITIES

The bill also reduces the depreciable life of public utility property. This is achieved by increasing to 30 percent the 20-percent variance currently allowed for public utility property under the asset depreciation range system—ADR.

With respect to utilities, I am also a sponsor of S. 141 which provides an option for a stockholder to exclude from gross income the value of common stock received by the stockholder under a "qualified dividend reinvestment plan." The amount excluded annually would be limited to $1,500—$3,000 in the case of joint return.

OPTIONAL 20-YEAR STRAIGHT LINE DEPRECIATION FOR STRUCTURES AUDIT-PROOF SYSTEM

At the option of the taxpayer, structures and structural components would be eligible for 20 years straight line depreciation with section 1250 recapture. This "audit-proof" system will provide certainty for taxpayers by eliminating disputes over useful life between taxpayers and the Internal Revenue Service.

These provisions would encourage the construction of new factory buildings and help create jobs in the construction industry. Modernization of basic manufacturing capacity—through investment in new factory buildings and new equipment—is essential if we are to compete successfully in world trade. Improvements in productivity require modernization of both the factory building as well as equipment since the structures and machinery are often integrally related. In making investment decisions, businessmen look at the after-tax cost of a business' total fixed capital investment.

In an effort to provide additional assistance to lower income rental property, the legislation provides 15-year straight line depreciation for these structures. More favorable tax incentives for

investment in low-income housing—as compared to other structures—is needed to compensate for the restrictions on return and limited potential for appreciation inherent in low-income housing.

Were low-income housing to be limited to the same 20-year depreciation of other structures, low-income housing might fail to attract investment capital that might otherwise be available. Such capital would flow instead to real estate projects which are not as risky as low-income housing and which are not encumbered by other restrictions. Low-income housing normally is limited, either by Federal or State laws or regulations, as to the rate of return payable to investors and the rents which may be charged to tenants.

Under the bill, "low-income housing" is that housing which is intended for rental to families and individuals of low and moderate income. These are persons who cannot afford to pay the fair market rent for standard quality (not superior or luxury quality) rental units without some form of assistance. Generally, these persons have incomes of 80 percent or less of the area median.

The bill maintains the definition of low-income housing presently contained in the Internal Revenue Code which includes so-called section 8 housing, sections 221(d)(3) and 236 housing, rural low-income housing assisted through the farmers home loan program, rehabilitated low-income housing, and similar low-income housing programs assisted by direct loan or tax abatement under State law.

In addition, the legislation extends the definition to the section 221(d)(4) housing program (which serves persons of low and moderate income) and other Government-assisted housing where at least 20 percent of the dwelling units are rented or held for rental to families or individuals who qualify for section 8 assistance or other assistance to assure that they do not pay more than one-quarter of their income for rent.

For qualified owner-occupied industrial and commercial buildings, a taxpayer may elect to depreciate the property over a 15-year period under the declining balance method using a rate not in excess of 150 percent of the straight-line rate. Also, only the composite method is available for the building and its structural components under this election.

The term "qualified owner-occupied building" means any building or structure located in the United States if (a) such building is 100 percent owned by the taxpayer (not as a condominium within the meaning of applicable State law, if any), (b) an election under this new provision is in effect for such building, and (c) at least 80 percent of the building or structure is used by the taxpayer for a qualified use or uses at all times during the taxable year.

For purposes of the 80-percent test, common areas such as halls, stairwells, and convenience facilities, are to be disregarded.

If an election is made to depreciate a qualified owner-occupied building under this new 15-year method, then gain from the disposition of the property will be subject to ordinary income recapture in accordance with Code section 1245. Once an election has been made under this provision, all depreciation allowable with respect to the property will be subject to ordinary income recapture under code section 1245.

Except for qualified owner-occupied buildings for which the new 15-year method is elected, the bill retains the current recapture rules under which, in general, only "additional depreciation" is recaptured on the sale of depreciable real property.

In a further effort to help the housing industry, which has suffered more than other segments of the economy in recent months, the bill repeals section 189 of the Internal Revenue Code which requires that certain construction period interest and taxes be amortized over a 10-year period. Under the bill, these expenses could be deducted in the year in which the payments are made.

Taxes are an out-of-pocket expense. Tax bills come out yearly and are paid as they are issued. In other businesses, a deduction is allowed for taxes in the year in which they are paid. Construction interest is attributable to a construction loan which exists only during the 12- to 24-month period when a multifamily housing project is under construction, for example. When construction is complete, the construction loan is paid off. Construction period interest is clearly an expense of the short construction term and should be allowed as a deduction during that period.

REHABILITATION OF INDUSTRIAL AND COMMERCIAL STRUCTURES

In an effort to provide special assistance to older industrialized sections of the country, this legislation would increase the present 10-percent rehabilitation tax credit for industrial and commercial structures to 25 percent.

The 1978 Revenue Act extended the 10-percent investment tax credit to rehabilitation expenses of nonresidential structures. Eligible buildings include factories, office buildings and retail and wholesale stores.

In order to qualify as a rehabilitation expenditure, the expense must be incurred in connection with the rehabilitation of a building which has been in use for at least 20 years. Capital expenditures for the replacement of plumbing, electrical wiring, flooring, permanent interior partitions and walls, and the heating or air-conditioning systems could qualify as qualified rehabilitation expenditures when incurred in connection with a rehabilitation. In situations where a part of a building is rehabilitated, the rehabilitation costs will qualify for the credit only if the rehabilitated part constitutes a "major portion" of the building.

CONCLUSION

In conclusion, passage of this bill would spur lagging investment and help modernize the productive capacity of this country. America's economic potential remains the greatest the world has ever seen, but we have fallen far short of that potential for many years now. As of 3 years ago this country had slipped into fifth place among the world's industrialized nations on a per capita gross national product basis. We fell behind Switzerland, Denmark, West Germany, and Sweden and we were rapidly losing ground to Japan. Is it any wonder that we are losing ground? The United States invests only 17.5 percent of its GNP, while a country like West Germany is investing 23.1 percent and Japan 33.2 percent.

The tax bill I am introducing today would put modern tools in the hands of the American worker; it will help our efforts to increase productivity and hold down prices while creating hundreds of thousands of new jobs.

I urge the Senate to promptly approve this legislation.

Mr. President, at this point I ask unanimous consent that a factsheet describing my proposal as well as a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACTSHEET

Senator Lloyd Bentsen introduced a bill featuring tax reductions targeted to encourage investment. The Bentsen bill would be effective for taxable years ending after December 31, 1981.

This tax legislation offers broad incentives to invest.

1. Simplified cost recovery (SCR)—The bill establishes a Simplified Cost Recovery System (SCR) which provides tax incentives for investment in equipment and machinery. Under the legislation, equipment would be classified in one of four recovery accounts with a recovery period of 2, 4, 7 or 10 years. Generally, equipment and machinery would be depreciated 50 percent faster than under present law. A simple "open-ended account" system for computing depreciation deductions, which has been successful in Canada, would replace the complicated "vintage account" system of present law. In addition, the investment tax credit rules would be modified.

2. Structures.—At the option of the taxpayer, structures and structural components would be eligible for twenty year straight line depreciation with Section 1250 recapture. This compares to a useful life of some 30 years for apartment buildings, 35 years for industrial structures and 40 years for commercial structures under present law. Also at the option of the taxpayer, certain low income rental housing would be eligible for 15 year straight line depreciation with Section 1250 recapture. This compares to a useful life of some 30 years for low income housing under present law. Further, certain owner-occupied structures can be depreciated over a period of 15 years using 150 percent declining balance methods. If this last election is made, the recapture rules currently applicable to depreciable personal property will apply. These provisions would provide an "audit-proof" system for taxpayers by eliminating disputes over useful life between businessmen and the Internal Revenue Service.

These provisions will encourage the construction of new factory buildings which is so important in modernizing our industrial base. The new rules will provide a needed stimulus to the depressed housing industry and help create jobs in the construction industry. Additional incentives are provided for low income housing.

In addition the bill repeals the requirement of present law that certain construction period interest and taxes be amortized over a ten year period. Under this legislation, these expenses could be deducted in the year incurred. Construction period interest and taxes are "out-of-pocket" expenses and should be deducted when incurred.

3. Rehabilitation of commercial and industrial structures—In an effort to help revitalize some of the older industrial sections of the nation, the legislation increases the existing 10 percent investment tax credit for the rehabilitation of commercial and industrial structures to 25 percent.

4. Extension of Net Operating Loss and Investment Tax Credit carryover—To encourage business to make the necessary purchases of new equipment without regard to the investment tax credit limitation the carryover for such is extended from 7 years to 10 years. Further, recognizing that small businesses often suffer losses in their initial years the net operating loss is also extended to 10 years.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the text of the bill may be printed in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

The text of the bill follows:

S. 317

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Investment Tax Act of 1981".

SEC. 2. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SUBTITLE B—COST RECOVERY PROVISIONS

SEC. 3. SIMPLIFIED COST RECOVERY.

(a) IN GENERAL.—Part IV of subchapter B of Chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 167 the following new section:

"SEC.168. SIMPLIFIED COST RECOVERY

"(a) ALLOWANCE OF DEDUCTION.—In the case of recovery property, there shall be allowed, in lieu of any deduction allowed by any other section of this part, the recovery deduction provided by this section.

"(b) AMOUNT OF DEDUCTION.—The amount of the deduction allowable by subsection (a) for any taxable year shall be the aggregate determined by applying—

"(1) the recovery percentage of each class of property, to

"(2) the balance in the recovery account for such class at the end of such year.

"(c) CLASS AND RECOVERY PERIOD.—

"(1) TABLE.—All recovery property—

"(A) shall be placed in 1 of the classes set forth in the following table, and

"(B) shall have the recovery period set forth for such class in the following table:

"Class and Recovery Period Table

"Class	Years
1	2
2	4
3	7
4	10

"(2) USEFUL LIFE REDUCED BY AT LEAST 40 PERCENT.—Property shall be placed in the highest class which has a recovery period at least 50 percent shorter than its present midpoint life. Nothing in the preceding sentence shall reduce a recovery period below 2 years.

"(3) ASSIGNMENT TO CLASSES.—The Secretary shall implement the provisions of this subsection by prescribing simplified class tables setting forth the types of assets which fall in each of the 4 classes.

"(4) ELECTION TO PLACE PROPERTY IN CLASS HAVING NEXT LONGER RECOVERY PERIOD.—The taxpayer may elect to place any item of property in the class having the next longer recovery period than the class in which such item would (but for this paragraph) fall.

"(d) RECOVERY PERCENTAGE.—For purposes of this section—

"(1) IN GENERAL.—The term 'recovery percentage' means, with respect to any class of recovery property for any taxable year—

"(A) the percentage which the taxpayer elects under paragraph (2) for such class for such taxable year, divided by

"(B) the number of years in the recovery period.

"(2) ELECTION OF PERCENTAGE.—In computing the recovery percentage for any class of recovery property for any taxable year, the taxpayer shall elect to use—

"(A) 200 pecent,

"(B) 150 percent, or

"(C) 100 percent.

"(e) RECOVERY PROPERTY DEFINED.—Except as provided in subsection (g), for purposes of this title, the term 'recovery property' means tangible property of a character subject to the allowance for depreciation (other than a building and its structural components)—

"(1) used in a trade or business, or

"(2) held for the production of income, which is placed in service by the taxpayer after December 31, 1980.

"(f) RECOVERY ACCOUNT.—

"(1) IN GENERAL.—The taxpayer shall establish a recovery account for each class of recovery property.

"(2) ADDITIONS TO ACCOUNT.—The recovery account for any class of recovery property shall be increased by an amount equal to the sum of—

"(A) one-half of the basis of each recovery property in such class which is placed in service by the taxpayer during the taxable year, plus

"(B) one-half of the basis of each recovery property in such class which was placed in service by the taxpayer during the preceding taxable year.

"(3) REDUCTIONS IN ACCOUNT.—

"(A) PROPERTY DISPOSED OF DURING YEAR.—The recovery account for any class of recovery property shall be reduced by an amount equal to the amount realized on each recovery property by such class disposed of by the taxpayer during the taxable year.

"(B) AMOUNT ALLOWED UNDER THIS SECTION.—The recovery account for any class of recovery property shall be reduced by an amount equal to the amount of the deduction allowed under subsection (a) with respect to such class (but not less than the amount allowable).

"(4) TIME FOR MAKING ADJUSTMENTS.—

"(A) IN GENERAL.—Any adjustment under paragraph (2) or (3)(A) shall be made as of the close of the taxable year but before the determination of the amount allowable as a deduction under subsection (a) for such taxable year.

"(B) REDUCTION FOR DEDUCTION.—Any reduction under paragraph (3)(B) shall be made as of the beginning of the taxable year following the taxable year for which the amount was allowed (or allowable) as a deduction under subsection (a).

"(5) COORDINATION WITH OTHER PROVISIONS.—

"(A) DISPOSITIONS NOT TREATED AS DISPOSITIONS FOR CERTAIN PURPOSES.—For purposes of this title (other than this section and section 47), the disposition of any property in a recovery account shall be treated as if it were not a disposition.

"(B) NEGATIVE BALANCE.—If, as of the close of any taxable year, there is a negative balance in any recovery account then, notwithstanding any other provision of this subtitle—

"(i) an amount equal to the amount by which—

"(I) such negative balance (expressed as a positive number), exceeds

"(II) one-half of the basis of all recovery property in the class of recovery property for which such account is established which was placed in service by the taxpayer during the taxable year

shall be included in gross income for such taxable year as ordinary income, and

"(ii) the balance in the account shall be adjusted by adding to the account an amount equal to the amount included in gross income under clause (i).

"(6) SEPARATE ACCOUNTS TO REFLECT PARTNERSHIP ALLOCATIONS AND ADJUSTMENTS.—Under regulations prescribed by the Secretary, separate recovery accounts shall be established to the extent necessary to reflect—

"(A) allocations under subsections (b) and (c) of section 704, and

"(B) adjustments to basis under section 734 or 743.

"(g) PROPERTY EXCLUDED FROM APPLICATION OF SECTION.—For purposes of this section—

"(1) CERTAIN LIVESTOCK.—The term 'recovery property' does not include livestock (within the meaning of section 1231(b)(3) without regard to the period for which such livestock has been held by the taxpayer) other than items of livestock which the taxpayer elects to treat as recovery property.

"(2) AMORTIZATION PROPERTY.—The term 'recovery property' does not include property with respect to which the taxpayer—

"(A) is entitled to elect amortization (in lieu of depreciation), and

"(B) elects such amortization.

"(3) CERTAIN METHODS OF DEPRECIATION.—The term 'recovery property' does not include—

"(A) property if—

"(i) the taxpayer elects to exclude such property from the application of this section, and

"(ii) for the first taxable year for which a deduction would (but for such election) be allowable under this section with respect to such property, the property is depreciated under the unit-of-production method or any other method of depreciation not expressed in a term of years,

"(B) property which is a leasehold improvement which is depreciated or amortized over the term of the lease, or

"(C) property which is depreciated under the retirement-replacement method.

"(4) PUBLIC UTILITY PROPERTY.—The term 'recovery property' does not include any public utility property (within the meaning of section 167(l)(3)(A)).

"(5) OIL OR GAS FIRED BOILERS.—The term 'recovery property' does not include any boiler described in section 167(p).

"(6) PROPERTY USED PREDOMINANTLY OUTSIDE THE UNITED STATES.—The term 'recovery property' does not include property which, during the taxable year, is used predominantly outside the United States (within the meaning of paragraph (2) of section 48(a)).

"(h) SPECIAL RULES.—

"(1) PRESENT MIDPOINT LIFE.—For purposes of this section, the present midpoint life of any property is a useful life which is not longer than the asset guideline period (if any) which would have been applicable to such property as of August 30, 1980, under section 167(m) (determined without regard to any regulation, ruling, or announcement published by the Secretary after that date).

"(2) NO ADJUSTMENT WHERE PROPERTY DISPOSED OF BEFORE CLOSE OF TAXABLE YEAR IN WHICH PLACED IN SERVICE.—No adjustment

shall be made under paragraphs (2) and (3)(A) of subsection (f) in respect of any property which is disposed of by the taxpayer before the close of the taxable year in which placed in service by the taxpayer.

"(3) TRANSFERS AT DEATH.—No reduction shall be made under paragraph (3)(A) of subsection (f) by reason of any transfer at death.

"(4) PROPERTY CEASING TO BE RECOVERY PROPERTY.—If any property taken into account under subsection (f) ceases to be recovery property during any taxable year—

"(A) such property shall be treated as disposed of by the taxpayer during such taxable year, and

"(B) the basis of such property in the hands of the taxpayer after such cessation shall be treated as equal to its fair market value.

"(5) DISPOSITIONS OTHER THAN SALE OR EXCHANGE.—If any recovery property is disposed of in a disposition which is not a sale, exchange, or involuntary conversion and which is not described in paragraph (6) or (7), the reduction under paragraph (3)(A) of subsection (f) for such disposition shall be the fair market value of the property disposed of. In the case of property disposed of by abandonment, the fair market value thereof shall be treated as if it were zero.

"(6) TRANSFERS WHERE BASIS GOES OVER.—

"(A) IN GENERAL.—If any recovery property is transferred and the transferee's basis of such property is determined in whole or in part by reference to the adjusted basis of the transferor, then, under regulations prescribed by the Secretary—

"(i) the transferor's recovery account for the class of property in which the recovery property falls shall be reduced by the transferred amount, and

"(ii) for purposes of determining the transferee's basis in such property, the adjusted basis of such property in the hands of the transferor shall be treated as equal to the transferred amount.

"(B) TRANSFERRED AMOUNT.—For purposes of subparagraph (A), the transferred amount shall be the amount which bears the same relation to—

"(i) the total amount in the transferor's recovery account immediately before the transfer, as

"(ii) the fair market value of the transferred property bears to the fair market value of all property in such amount immediately before the transfer.

"(C) AUTHORITY TO PRESCRIBE ALTERNATE METHODS OF ALLOCATIONS.—The Secretary may by regulations prescribe alternate methods for allocating the balance in any recovery account for purposes of determining the transferred amount of any property.

"(D) COORDINATION WITH SECTION 170(e).—In the case of any charitable contribution of recovery property, the excess of the fair market value of such property (determined at the time of such contribution) over the transferred amount shall be treated as gain described in section 1170(e)(1)(A).

"(7) LIKE KIND EXCHANGES; INVOLUNTARY CONVERSIONS.—Under regulations prescribed by the Secretary in the case of any exchange described in section 1031 or 1033—

"(A) if the properties fall in the same class, changes shall be made in the taxpayer's recovery account for such class only to the extent necessary to reflect the money or other property (within the meaning of section 1031) or property not similar or related in service or use (within the meaning of section 1033), paid, exchanged, or received, as the case may be, and

"(B) if the properties fall in different classes, proper adjustments in the recovery accounts for both classes shall be made to carry and the nonrecognition provided for in such sections.

"(8) MANNER AND TIME FOR MAKING ELECTIONS.—

"(A) IN GENERAL.—Any election under this section (other than under subsection (d)(2) or (i)) shall be made for the taxable year in which the property is placed in service.

"(B) MADE ON RETURN.—Any election under this section shall be made on the taxpayer's return of the tax imposed by this chapter for the taxable year concerned.

"(C) REVOCATION ONLY WITH CONSENT.—Any election under this section, once made, may be revoked only with the consent of the Secretary.

"(9) TRANSITIONAL RULE.—

"(A) IN GENERAL.—For any taxable year beginning after 1984, the taxpayer may elect to treat as recovery property any property which would be recovery property if it had been placed in service after December 31, 1980.

"(B) ELECTION MUST APPLY TO ALL CLASSES.—If the taxpayer makes an election under subparagraph (A) with respect to any item of property, the election shall apply to all property of the taxpayer which would be recovery property if it had been placed in service after December 31, 1980.

"(C) METHOD IN WHICH PROPERTY TAKEN INTO ACCOUNT.—Any property which is treated as recovery property by reason of an election under this paragraph for any taxable year—

"(i) shall be treated as placed in service during such taxable year, and

"(ii) shall be taken into account in an amount equal to—

"(I) the entire adjusted basis of such property as of the beginning of the taxable year, or

"(II) in the case of property to which 167(m) applies, the remaining balance in the vintage account.

"(10) SHORT TAXABLE YEARS.—The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Secretary.

"(i) ADDITIONS TO RECOVERY ACCOUNT BEFORE PROPERTY IS PLACED IN SERVICE.—

"(1) IN GENERAL.—Any qualified progress expenditure with respect to progress expenditure property shall be treated for purposes of this section as if such expenditure were property placed in service.

"(2) QUALIFIED PROGRESS EXPENDITURE; PROGRESS EXPENDITURE PROPERTY.—Except as provided in paragraph (3), for purposes of this subsection, the terms 'qualified progress expenditure' and 'progress expenditure property' have the respective meanings given to such terms by subsection (d) of section 46 (relating to qualified progress expenditures for purposes of the investment credit).

"(3) EXCEPTIONS.—For purposes of this subsection—

"(A) clause (ii) of section 46(d)(2)(A) shall be applied by substituting 'recovery property' for 'new section 38 property', and

"(B) the election under paragraph (6) of section 46(d) shall be a separate election with respect to each recovery property.

"(4) COORDINATION WITH SUBSECTION (f).—The amount which would (but for this paragraph) be treated as the basis of each recovery property under subsection (f) shall be reduced (but not below zero) by any amount treated by the taxpayer or a predecessor of the taxpayer as a qualified progress expenditure payment under this subsection with respect to such property.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) RECOVERY DEDUCTION TREATED AS DEPRECIATION.—Subsection (a) of section 167 (relating to depreciation) is amended by adding at the end thereof the following new sentence: "In the case of recovery property (within the meaning of section 168), the deduction allowable under section 168 shall be deemed to constitute the reasonable allowance provided by this section.".

(2) COORDINATION WITH MINIMUM TAX.—

(A) IN GENERAL.—Paragraph (8) of section 57(a) (relating to accelerated depreciation on leased personal property treated as item of tax preference) is amended to read as follows:

"(3) ACCELERATED DEPRECIATION ON LEASED PERSONAL PROPERTY.—

"(A) RECOVERY PROPERTY.—With respect to each class of recovery property, the amount by which—

"(i) the deduction allowable under section 168 for the taxable year with respect to the portion of such class which is subject to a lease, exceeds

"(ii) the deduction which would have been allowable under section 168 for the taxable year with respect to such portion if the percentage elected by the taxpayer under section 168(d)(2) for all taxable years were 80 percent.

"(B) PROPERTY OTHER THAN RECOVERY PROPERTY.—With respect to each item of section 1245 property (as defined in section 1245(a)(3)) which is subject to a lease and which is not recovery property, the amount by which—

"(i) the deduction allowable for the taxable year for depreciation or amortization, exceeds

"(ii) the deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight-line method for each taxable year of its useful life for which the taxpayer has held the property.

For purposes of clause (ii) of the preceding sentence, useful life shall be determined as if section 167(m)(1) (relating to asset depreciation range) did not contain the last two sentences thereof.".

(B) TAX PREFERENCE FOR LEASED RECOVERY PROPERTY NOT TAKEN INTO ACCOUNT FOR PURPOSES OF THE 50-PERCENT MAXIMUM RATE FOR PERSONAL SERVICE INCOME.—Subparagraph (B) of section 1348(b)(2) (defining personal service taxable income) is amended by striking out "paragraph (9)" and inserting in lieu thereof "paragraphs (3)(A) and (9)".

(3) UNREALIZED RECEIVABLES.—Subsection (c) of section 751 (defining unrealized receivables) is amended by adding at the end thereof the following new sentence: "For purposes of this section and sections 731, 736, and 741, the excess of the aggregate fair market value of the property in any recovery account established under section 168(f) over the balance in such account shall be treated as an unrealized receivable.".

(c) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 167 the following new item:

"Sec. 168. Simplified cost recovery.".

SEC. 4. 30 PERCENT VARIANCE FROM CLASS LIFE FOR PUBLIC UTILITY PROPERTY.

Paragraph (1) of section 167(m) (relating to class lives) is amended by adding at the end thereof the following new sentence: "In the case of public utility property (within the meaning of subsection (1)(3)(A)), the preceding sentence shall be applied by substituting '30 percent' for '20 percent'.".

SEC. 5. SHORTER USEFUL LIFE REQUIREMENTS FOR INVESTMENT TAX CREDIT.

(a) GENERAL RULE.—Paragraph (2) of section 46(c) (defining applicable percentage) is amended to read as follows:

"(2) APPLICABLE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of paragraph (1), except as otherwise provided in this subsection, the applicable percentage

for any property shall be determined under the following table:

"If the useful life is—	The applicable percentage is—
2 years or more but less than 4	40
4 years or more but less than 7	75
7 years or more	100.

"(B) SPECIAL RULE FOR ENERGY PERCENTAGE AND EMPLOYEE PLAN PERCENTAGE IN CASE OF RECOVERY PROPERTY.—In the case of any recovery property, for purposes of applying the energy percentage and the employee plan percentage, the applicable percentage shall be determined under the following table:

"If the useful life is—	The applicable percentage is—
2 years or more but less than 4	66⅔
4 years or more	100.

"(C) USEFUL LIFE.—For purposes of this subpart, the useful life of any recovery property shall be the recovery period determined under section 168, and the useful life of any other property shall be the useful life used in computing the allowance for depreciation under section 167 for the taxable year in which the property is placed in service.".

(b) CONFORMING AMENDMENTS.—

(1) The last sentence of paragraph (1) of section 48(a) (defining section 38 property) is amended by striking out "3 years" and inserting in lieu thereof "2 years".

(2) Subparagraph (C) of section 48(1)(2) (defining energy property) is amended by striking out "3 years" and inserting in lieu thereof "2 years".

(3) Subparagraph (A) of section 46(c)(6) (relating to special rule for commuter highway vehicles) is amended by striking out "3 years" and inserting in lieu thereof "2 years".

SEC. 6. DEPRECIATION OF REAL PROPERTY.

(a) GENERAL RULE.—Section 167 (relating to depreciation) is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

"(r) SHORTER AND AUDIT-PROOF LIVES FOR CERTAIN BUILDINGS.—

"(1) IN GENERAL.—At the election of the taxpayer, in the case of section 1250 property, the depreciation allowance under subsection (a) may be computed under the straight line method using a useful life of 20 years.

"(2) LOW INCOME HOUSING.—At the election of the taxpayer, in the case of low-income housing described in clause (i), (ii), (iii), or (iv) of section 1250(a)(1)(B), the depreciation deduction under subsection (a) may be computed under the straight-line method using a useful life of 15 years.

"(3) QUALIFIED OWNER-OCCUPIED INDUSTRIAL AND COMMERCIAL BUILDINGS.—

"(A) IN GENERAL.—At the election of the taxpayer, in the case of a qualified owner-occupied building, the depreciation deduction provided by subsection (a) may be computed under the declining balance method, using—

"(i) a useful life of 15 years, and

"(ii) a rate which does not exceed 150 percent of the rate which would have been used had the annual allowance been computed under the straight line method.

"(B) QUALIFIED OWNER-OCCUPIED BUILDING.—For purposes of this subsection, the term 'qualified owner-occupied building' means any building or structure located in the United States if—

"(i) such building or structure is owned by the taxpayer (other than as a condominium as determined under applicable State law), and

"(ii) at all times during the taxable year for which an election is in effect under this paragraph with respect to such building or structure, at least 80 percent of the useable area of the building or structure is used by the taxpayer for a qualified use.

"(C) QUALIFIED USE.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'qualified use' means use as an industrial building, retail store, or catalog distribution center.

"(ii) INDUSTRIAL BUILDING.—The term "industrial building' means a building or structure used for manufacturing, production, or extraction, or the furnishing of transportation or communications, or as a research facility used in connection with such activities of the taxpayer. The term does not include—

"(I) a warehouse or storage area unless it is an integral part of, or adjacent to, such a building or structure and necessary for, and directly related to, such activities, or used for the storage of raw materials or unfinished goods for use by the taxpayer in such an activity;

"(II) an office building; or

"(III) public utility property (as defined in subsection (1)(3)(A)).

"(iii) RETAIL STORE.—The term 'retail store' means a building or structure used for the sale of goods to the public for purposes other than resale, and includes a warehouse or storage area which is—

"(I) an integral part of, or adjacent to, such building or structure,

"(II) used for the storage of such goods, and

"(III) necessary for and directly related to, the sale of goods at such location.

For purposes of this clause, incidental sales of goods at prices or on terms and conditions not offered to the public shall not disqualify the building or structure as a retail store.

"(iv) CATALOG DISTRIBUTION CENTER.—The term 'catalog distribution center' means a building or structure used for the distribution of goods ordered by the public from the taxpayer from a catalog or similar publication.

"(D) DEFINITIONS AND SPECIAL RULES.—

"(i) MEMBERS OF AFFILIATED GROUP.—For purposes of this subsection, members of the same affiliated group of corporations which file a consolidated return under section 1501 for the taxable year shall be treated as 1 taxpayer.

"(ii) HUSBAND AND WIFE.—For purposes of this subsection, a husband and wife shall be treated as 1 taxpayer.

"(iii) SEPARATE IMPROVEMENTS.—For purposes of this section and for purposes of section 1245, each separate improvement (within the meaning of section 1250(f)(4)) shall be treated as a separate property.

"(4) ELECTION.—Any election under this subsection with respect to any property shall be made on the taxpayer's return of the tax imposed by this chapter for the taxable year in which such property is placed in service and, once made, may be revoked only with consent of the Secretary.

"(5) TAXPAYER MUST USE SAME USEFUL LIFE FOR COMPONENTS.—For purpose of this section, a taxpayer who has made an election under paragraph (1), (2), or (3) with respect to any property shall use the same useful life for all structural components of such property. The preceding sentence shall not apply to any structural component for which amortization (in lieu of depreciation) is allowable.

"(6) SUBSECTION DOES NOT APPLY TO PUBLIC UTILITY PROPERTY FOR WHICH A CLASS LIFE IS PRESCRIBED UNDER SUBSECTION (m).—This subsection shall not apply to any public utility property (within the meaning of subsection (1)(3)(A)) for which a class life has been prescribed under subsection (m).

"(7) YEAR IN WHICH BUILDING IS NOT QUALIFIED OWNER-OCCUPIED BUILDING.—If—

"(A) an election with respect to any property is in effect under paragraph (3) for any taxable year, and

"(B) for a subsequent taxable year, such property is not a qualified owner-occupied building,

paragraph (1) shall apply with respect to such building for such subsequent taxable year as if the taxpayer had made a valid election under paragraph (1) with respect to such property.".

(b) RECAPTURE UNDER SECTION 1245 FOR QUALIFIED OWNER-OCCUPIED BUILDINGS.—

(1) Subparagraph (D) of section 1245(a)(2) (defining recomputed basis) is amended by inserting after "or 193" the following: "or for which a deduction for depreciation is allowed under an election made under section 167(r)(3)".

(2) Subparagraph (D) of section 1245(a)(3) (defining section 1245 property) is amended by inserting after "or 193" the following: "or in which there are reflected adjustments for depreciation computed under an election made under section 167(r)(3)".

SEC. 7. REPEAL OF SECTION 179.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 is amended by repealing section 179.

SEC. 8. INCREASE IN INVESTMENT CREDIT CARRYOVER PERIOD TO 10 YEARS.

(a) INCREASE.—Subparagraph (B) of section 46(b)(1) of the Internal Revenue Code of 1954 (relating to carryback and carryover of unused investment credits) is amended by striking out "7 taxable years" and inserting in lieu thereof "10 taxable years".

(b) CONFORMING AMENDMENTS.—Section 46(b)(1) of such Code is amended—

(1) by striking out "10 taxable years" and inserting in lieu thereof "13 taxable years" in the second sentence thereof,

(2) by striking out "9 taxable years" and inserting in lieu thereof "12 taxable years" in the second sentence thereof, and

(3) by striking out the last sentence thereof and inserting in lieu thereof the following: "In the case of an unused credit for an unused credit year ending before January 1, 1971, which is an investment credit carryover to a taxable year beginning after December 31, 1970 (determined without regard to this sentence), this paragraph shall be applied by carrying such an investment credit carryover to a later taxable year (than the taxable year to which it would, but for this sentence, be carried) to which it may be carried if, because of the amendments made by section 802(b)(2) of the Tax Reform Act of 1976, carrying such carryover to the taxable year to which it would, but for this sentence, be carried would cause a portion of an unused credit from an unused credit year ending after December 31, 1970 to expire.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to unused credits attributable to qualified investment (as determined under section 46 (c) and (d) of such Code) in taxable years beginning after December 31, 1981.

SEC. 9. INCREASE IN NET OPERATING LOSS CARRYOVER PERIOD TO 10 YEARS.

(a) INCREASE.—Subparagraph (B) of section 172(b)(1) of the Internal Revenue Code of 1954 (relating to net operating loss carryovers and carrybacks) is amended by adding at the end thereof the following new sentence: "Except as provided in subparagraphs (D), (F), and (G), a net operating

loss for any taxable year after December 31, 1981, shall be a net operating loss carryover to each of the 10 taxable years following the taxable year of such loss.".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 812(b) of such Code (relating to operations loss carrybacks and carryovers) is amended by adding at the end thereof the following: "In the case of an operations loss for any taxable year ending after December 31, 1981, this paragraph shall be applied by substituting '10 taxable years' for '5 taxable years'.".

(2) Paragraph (1) of section 825 (d) of such Code (relating to unused loss deduction) is amended by adding at the end thereof the following: "In the case of an unused loss for a taxable year ending after December 31, 1981, such unused loss shall be an unused loss carryover to each of the 10 taxable years following the loss year.".

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to net operating losses incurred in taxable years beginning after December 31, 1981.

SEC. 10. INCREASE IN INVESTMENT TAX CREDIT FOR REHABILITATED STRUCTURES.

Subsection (g) of section 48 (relating to special rules for qualified rehabilitated buildings) is amended by adding at the end thereof the following new paragraph:

"(4) ADDITIONAL 15 PERCENT CREDIT.—In the case of property which is treated as section 38 property by reason of subsection (a)(1)(E), section 46(a)(2)(B) shall be applied by substituting '25 percent' for '10 percent'.".

SEC. 11. REPEAL OF SECTION 189.

(a) IN GENERAL.—Part VI of Subchapter B of chapter 1 is amended by repealing Section 189.

(b) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by striking out the item relating to section 189.

SEC. 12. EFFECTIVE DATE.

Except as otherwise expressly provided, the amendments made by this Act shall apply to property placed in service in taxable years beginning after December 31, 1980.

S. 321—REVENUE PROCEDURE 80–55

Mr. BENTSEN. Mr. President, it is my pleasure to join together with my distinguished colleague the Senator from Illinois, Senator DIXON, in introducing legislation to correct a grave error by the Internal Revenue Service in interpreting the Tax Code.

This bill would block IRS Revenue Procedure 80–55, issued December 15, 1980, by amending section 265 of the Internal Revenue Code to specifically allow these transactions.

Revenue Procedure 80–55 would prohibit financial institutions from deducting as a business expense interest paid on time deposits which are collateralized by tax-exempt securities.

This would have a severe impact on all units of State and local governments in many of our States. Some 33 States have laws which require that public deposits be secured with pledges of Government securities, and in most cases the securities which are pledged are tax exempt. If interest on such accounts is not deductible as a business expense, then the financial institutions holding those deposits will simply pay less interest on them and will buy fewer municipal bonds with which to secure those public accounts.

The first course will reduce the revenues which States, cities, counties, school districts, and other public entities earn on their deposits, forcing offsetting cutbacks in vital services or increases in taxes. The second course will reduce the demand for municipal bonds at a time when the market is already severely depressed, resulting in even higher financing costs for local governments. Both of these hit directly at the taxpayers of these State and local governments, who will bear the true burden of this mistaken ruling.

IRS STRETCHES LAW

Mr. President, Revenue Procedure 80–55 has stretched the law to the breaking point. It is a good example of the way in which IRS sometimes takes a statute aimed at correcting a simple problem and stretches it with a closely tailored interpretation in order to extract revenues and inflict undue burdens on taxpayers who are not intended to be covered by the statute.

Section 265 of the Internal Revenue Code is the statutory basis for this decision. This has been a part of the Internal Revenue Code since 1954, yet it has never before been interpreted to apply to collateralized deposits in financial institutions. The Treasury Department should be well aware of this, since they ruled in 1961 that:

> The provisions of Section 265(2) * * * have no application to interest paid to indebtedness represented by deposits in banks engaged in the general banking business since such indebtedness is not considered to be "indebtedness incurred or continued to purchase or carry obligations * * *" within the meaning of Section 265.—Revenue Ruling 61–222, 1961–2 CB58.

As recently as October, 1980, Judge Samuel B. Sterrett, writing for the U.S. Tax Court in the case of New Mexico Bank Corp. and Subsidiaries against Commissioner of Internal Revenue, held that section 265(2) was not applicable to situations where the municipal bonds are held by the bank as collateral pursuant to a repurchase agreement. The arguments in favor of excluding the application of section 265 to State and local funds secured by exempt securities is even more compelling.

However, while the State and local governments might win in litigation, and I believe that they should, the process would be time consuming and costly. Those delays would only weaken further the municipal bond market, and therefore the litigated victory would be a victory only in name.

ADMINISTRATIVE ACTION NEEDED

Mr. President, I believe that Revenue Procedure 80–55 was ill-advised, was issued in error and should be withdrawn. These opinions are shared by a number of my colleagues who have joined with me in writing to Treasury Secretary Donald Regan to draw this issue to his attention and to ask that he move expeditiously to withdraw this decision. This letter was cosigned by 34 distinguished Members of this body, including my friend the Senator from Illinois, and I ask unanimous consent that a copy of this letter and a copy of the bill be inserted in the RECORD following my remarks.

I would hope that the Secretary will see fit to withdraw this revenue procedure and to spare our State and local governments and the bond markets further turmoil. In such case the need for this legislation is much less pressing. However, should further study indicate that this legislation is needed to guarantee that this situation will never recur, or if quick administrative relief is not forthcoming, then I would urge that the Senate act expeditiously to enact this legislation and solve this problem permanently.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter to Donald T. Regan, Secretary of the Treasury.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C.

Hon. DONALD T. REGAN,
Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: As you begin your service as Secretary of the Treasury you face a number of pressing issues and demands for your valuable time. We are writing to bring your attention to one of these items which is of major importance to state and local governments, banks, and the municipal bond market, but which can be taken care of quickly.

The issue is Revenue Procedure 80–55, issued by the Internal Revenue Service on December 15, 1980. This revenue procedure would have a devastating effect on the municipal bond market, which is already so depressed that its use as a financing source has been severely curtailed. In addition, it will greatly reduce the interest rate which can be paid on municipal accounts, forcing local taxpayers to bear the burden of this lost revenue either through reduced services or increased taxes.

We believe that it was never the intent of Congress that Section 265 of the Internal Revenue Code be applied in this way. It seems clear from the willingness of the IRS to first eliminate the retroactive feature of 80–55 and then to postpone the effective date that the case for issuing it is a weak one. We urge you to withdraw Revenue Procedure 80–55 immediately.

Quick administrative action on this issue is imperative. We do not believe that Congressional action is necessary, however, we will press for a legislative remedy if need be.

Due to the time required for legislative action and the June 1 deadline which IRS has imposed, we would appreciate an expeditious reply to this request.

Mr. BENTSEN. The letter was signed by the following Senators:

Senators Bentsen, Boren, Tower, Cochran, D'Amato, Pryor, Sasser, Huddleston, Ford, Dixon, Hatfield.

Goldwater, Levin, Stennis, Zorinsky, Abdnor, Eagleton, Heflin, Randolph, Murkowski, Cannon, Domenici, Nickles, Heinz.

Moynihan, Inouye, Cranston, East, Helms, Kassebaum, Boschwitz, Nunn, Matsunaga, Thurmond, and Durenberger.

Mr. BENSTEN. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the bill follows:

S. 321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. APPLICATION OF SECTION 265(2) OF CERTAIN PUBLIC DEPOSITS.

Paragraph (2) of section 265 of the Internal Revenue Code of 1954 (relating to interest) is amended by adding at the end thereof the following new sentence: "For the purpose of applying this paragraph to interest paid by an institution described in subparagraph (A) or (B) of section 116(c)(1), the term 'indebtedness' does not include any deposit of public funds by a State or local government secured by tax-exempt obligations which qualify, under applicable State or local law, as collateral for the deposit of public funds.".

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply with respect to any taxable year to which the Internal Revenue Code of 1954 applies.

Mr. DIXON. Mr. President, on December 15, 1980, the Internal Revenue Service issued Revenue Procedure 80–55. That ruling states, and I quote, that "section 265(2) of the Internal Revenue Code will be applied to disallow deductions for interest paid by commercial banks on certain time deposits when such deposits are made for a specific period of time and are secured by pledges of tax-exempt obligations." In other words, banks would no longer be permitted to deduct from their Federal income tax the interest they pay on time deposit accounts of State governments if the banks use tax-free State or municipal bonds as collateral to secure those deposits.

The announcement appeared in the IRS Bulletin, a weekly publication compiling the lateset IRS rulings and announcements. Revenue Procedure 80–55 took only about 1 page of the 32-page edition that appeared that week.

To all appearances, the ruling was of little consequence and of interest only to tax lawyers. There was no news conference announcing the ruling. The television networks did not cover it on their news programs that evening, and the next day's newspaper did not mention it.

However, Mr. President, as everyone knows, appearances can be deceiving. This seemingly innocent technical interpretation of an obscure section of the Internal Revenue Code represents, in reality, a major change in the tax law. As originally issued, it would have cost the Nation's commercial banks billions of dollars. It could significantly worsen the market for tax free State and municipal bonds, and could reduce the interest income earned by State and local government funds on deposit in commercial banks by hundreds of millions of dollars.

The IRS has, I believe, overreached itself in issuing Revenue Procedure 80–55. Its interpretation of the Internal Revenue Code is, in this instance, questionable at best.

The ruling is inconsistent with the legislative history of section 265(2). In fact this ruling is inconsistent with the Service's own longstanding position on the issue. Revenue Ruling 61–222, which this revenue procedure does not explicitly overturn, states that section 265(2) of the Code has no application to—

> Interests represented by deposits in banks engaged in the general banking business since such indebtedness is not considered to be indebtedness incurred or continued to purchase or carry obligations.

It is this sudden turnabout in what State and local governments and banks had justifiably believed to be the law on the subject that is my chief objection to the action taken by the Internal Revenue Service. In view of the magnitude of the impact of the proposed change on both State and local governments and the banking industry, I believe that the IRS should have gone through the rulemaking process if they believed that a change in policy was desirable, instead of acting without first discussing the change with any of the affected parties. In fact, I believe that a major change in tax policy such as this should generally be made only by the Congress.

Mr. President, I have characterized Revenue Procedure 80–55 as a major change in tax policy. I was State Treasurer of Illinois from 1971 to 1977 and my experience in that position leads me to believe that the impact of the ruling may be substantial.

State and local governments stand to lose in a number of important ways if the IRS action is not reversed.

The ruling could make State and local bonds less valuable to banks by making it impossible for the banks to pledge those securities as collateral for State and local time deposits without suffering a severe additional Federal tax liability. The net effect would be to reduce the demand by commercial banks for State and local bonds. Less demand by commercial banks for those bonds will have major impact on State and local finances because banks are the single largest holder of those bonds.

In 1978, for example, banks held over 41 percent of all outstanding State and local bonds. This would make the bonds less desirable in the bond market and State and local governments would have to pay a higher interest rate to attract buyers.

Interest income paid to State and local governments on their funds deposited in commercial banks could decline severely. Under the ruling, banks could no longer deduct the interest paid to governments as a business expense if the deposits were collateralized with State or local bonds. My own State of Illinois, for example, estimates that it could lose up to $30 million per year in interest income on State time deposits at commercial banks. Lower interest income will force State and local governments to either cut spending or raise taxes to balance their budgets. In either case, Illinois taxpayers, like taxpayers in every State, will be the losers.

In addition, the ruling could force a number of States to change their collateral requirements. According to a recent Wall Street Journal article, 33 States currently require collateral on their deposits in commercial banks to be in the form of State or local bonds, and other States often request it.

The banking industry could also be significantly affected by the ruling. Small banks could be particularly hurt as States and local governments move their funds out of small banks to larger money-center banks in an attempt to minimize their loss of interest income. The State of Illinois, for example, currently deals with more than 1,100 banks; it may not be able to continue to do so if the ruling is not reversed. Losing State deposits is harmful not only because the small banks would be financially damaged, but also because the development incentive that State deposits can provide will be lost to the local economies.

In the face of the storm of protest that the ruling has aroused, the Internal Revenue Service has backtracked somewhat. It recently announced that the ruling will not go into effect until June 1, 1981. There is some speculation that the IRS, with encouragement from the Reagan administration, will withdraw the ruling. However, as I stated earlier, I believe that it is the Congress, and not the IRS, that should make the major tax-policy decisions.

Therefore, I am pleased to join my distinguished colleague from Texas, Senator BENTSEN, in introducing legislation designed to reverse Revenue Procedure 80–55, legislation that would prevent the IRS from ever issuing a similar ruling anytime in the future. Specifically, the bill makes it clear that section 265(2) of the Internal Revenue Code, the section on which the IRS based its ruling, does not apply to time deposits of State and local government at commercial banks collateralized by tax-free State or local bonds.

I do not necessarily believe that a legislative reversal of the ruling is essential, but I do think that a legislative remedy should be available to the Congress if administrative action leads to a result contrary to congressional intent.

Mr. President, the Internal Revenue Service has agreed to meet with representatives of State and local governments, the banking industry, and others interested in the ruling. Their comments may cause the IRS to reconsider its position. I hope that it does so. If it does not, the Congress will have to decide whether a legislative remedy is appropriate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENTSEN. I yield back the remainder of my time.

MAJORITY SUPPORT FOR GOLD STANDARD

Mr. HELMS. Mr. President, the January 1981 issue of Nation's Business maga-

The PRESIDING OFFICER. Does the Senator from Texas yield back his time?

zine, devoted a page to responses received to a request for opinions published in the magazine's November issue concerning a proposed U.S. gold standard. The published opinions were overwhelmingly in favor of such a reform.

By a margin of 4 to 1, the readers of this 1.3 million circulation magazine said, "yes". "A return to the gold standard would allow the Nation to get back to stability and thus bring an end to the inflation spiral," said Paul A. Brauch, a salesman from Le Mars, Iowa.

As expected, some did oppose a gold standard because of the present price changes in gold—not recognizing that the price changes are generally a reflection of the rate of decline in the value of paper currencies. Another opponent of a gold standard suggest that "gold producers and gold speculators" would be the only beneficiaries of such a change. This theory rests on the view that gold producers would somehow reap greater profits under a gold standard. In fact, of course, the price of gold today is probably greatly inflated because it is demanded as an inflation hedge, and as an alternative to depreciating dollars. If the dollar were as "good as gold," the market price of gold today would probably be much lower.

As to the benefits of speculators, does anyone suppose that there would be much profit in speculation if the dollar/gold price were fixed under a gold standard? No, speculation can only be profitable if there are price swings. Speculation in commodities in general is far more profitable when the monetary system is erratic, unstable, and politically controlled. Under a gold standard, the incentive is to put capital into long term investments, rather than short term, "speculations."

Mr. President, on the first day of this Congress, I introduced the Gold Reserve Act of 1981, S. 6, a bill which would answer the public demand for a decent monetary system: a dollar as good as gold.

I ask unanimous consent that the article, "Majority Pan for Gold Standard," be printed in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAJORITY PAN FOR GOLD STANDARD

Efforts to halt this country's spiraling inflation have prompted talk about a return to the gold standard. Economists don't agree on the subject. Do business people?

In November's Sound Off to the Editor, we posed the question: Is it time to revive the gold standard? NATION'S BUSINESS readers who responded favor the revival by a margin of 4 to 1.

"This one stroke would restore the confidence of everyone in America and all over the world. It would bring a miracle transfusion to the economy," says Robert Coulter, a line supervisor for Arvig Telephone Company in Pine River, Minn.

Richard D. Davenport, president of Arrowhead II Realty in Springfield, Mo., sees a disadvantage: "The gold standard cannot be expected to work infinitely because it is based on a limited natural resource. This would ultimately create a false international economy, bolstering the gold producing nations to the forefront only because they have the natural resource."

A majority of respondents agree, however, with Bill Feye, owner of Feye Bros. Auto Body in Dubuque, Iowa. He says, "If we had a gold standard we would virtually stop inflation in its tracks. With gold as a watchdog we could not spend more than we take in." Fellow Iowan Paul A. Brauch, a real estate salesman in Le Mars, adds, "A return to the gold standard would allow the nation to get back to stability and thus bring an end to the inflation spiral."

Taking the negative side, Paul D. Orris, commodity specialist in Chicago, says, "In theory, a gold standard would discipline against excess monetary expansion. But in the practical sense, it would be next to impossible to implement as most countries do not have gold. If the U.S. did it alone it would cause a worldwide depression through massive deflation."

Some respondents for reviving the gold standard contend there simply is not enough faith in the American dollar. "The rush to precious metals is a result of the dollar being backed by a promise," explains Steve Chapman, president of D. C. Oliver & Sons in Dallas, Tex. "A Federal Reserve note is nothing more than paper. A return to the gold standard would eliminate the rampant spending programs of the government since they could no longer print more paper promises."

Furthermore, says Leonard B. Birkeland, a salesman for Ferguson Realty in Faith, S.D., "Our inflationary problems really began when we as a nation dropped the gold standard. I don't think any single action would do more to re-establish common sense and reliance upon our government by its people. We desperately need the gold standard again."

Yet, Robert K. Entriken, an associate professor at Golden Gate University in San Francisco, isn't so sure. "The only ones benefiting from revival of the gold standard would be the gold producers and gold speculators," he says. "Gold is otherwise nonproductive. We must quit hiding from the reality that it is our national productivity that determines the value of our money and our trade advantage. A gold standard of exchange would only help obscure the true facts of economics."

Far from obscure is the opinion of R. E. Mastin, who sells real estate in Sunapee, N.H. He remarks, "When the only thing of value behind printed currency is wet ink, as is happening right now, we can look forward to nothing but deep problems."

To Americans like Allen Murr, owner-operator of A&B Gravel in Whitefish, Mont., "The gold or silver standard means sound money. It makes the value of money independent of government. Gold is least corruptible and that is why the founding fathers insisted on it." Expanding on that premise, John P. Dermody, vice president for the Spirate Company in Dearborn, Mich., says, "Since the purchasing power of gold in terms of goods and services has remained relatively stable for the last 500 years, gold really is the only reliable gauge against which we can measure our own increase or decrease in productivity."

But Stephen Lucas, an accountant in Highlands, N.C., contradicts that viewpoint. "It should be obvious from the market fluctuations of gold that it is not a standard, but a commodity, on which investors speculate," he says. "Real value is goods and services, and to have their exchange rate rise and fall with the gold market is irresponsible."

Many respondents view the gold standard as a bulwark against government overspending. "What better way to prevent irresponsible bureaucrats from their flagrant misuse of our national wealth?" asks Charles R. O'Brien, president of Action-Manderson Real Estate in Selma, Ala. Says Jim Mitchell, owner of Mitchell Welding in Sterling, Colo., "History has proven that gold or precious metals are the only honest backing for money."

Wilson O. Shealy, Jr., owner of Gaston Auto Supply in Gaston, S.C., puts it still another way. "It is my opinion that it would be better for the buck to stop fast than to be eternally sliced to pieces by inflation," he says. "Whatever happened to the phrase 'sound as a dollar?' Now it appears to be a sick joke."

INTERNATIONAL TERRORISM

Mr. ROBERT C. BYRD. Mr. President, within the last couple of days, both President Reagan and Secretary of State Haig have addressed the issue of international terrorism. They have addressed it forcefully and have given it the solid attention and consideration which it deserves.

During the ceremony honoring the return of the hostages, President Reagan said, "Let terrorists be aware that when the rules of international behavior are violated, our policy will be one of swift and effective retribution." And yesterday, during his press conference, Secretary Haig was quoted as indicating that in terms of priorities, "international terrorism will take the place of human rights. . . ."

I think it is clear that these stern warnings and comments are in keeping with the mood of the country and are designed to convey the mood to the world at large. In a sense, we have declared war on international terrorism, just as the previous administration, in a similar sense, declared war on human rights violations. In these "times that try men's souls," both declarations are needed.

In the best traditions of hoping to fashion a bipartisan foreign policy, I join in supporting the President and the Secretary of State in their determination to focus attention on the terrorist issue and to balance the national concern on it with the equally justifiable national concern about human rights violations. Obviously, we need to look at both sides of the coin.

UNITED NATIONS

NOMINATION OF JEANE J. KIRKPATRICK, OF MARYLAND, TO BE THE REPRESENTATIVE OF THE UNITED STATES TO THE UNITED NATIONS

The PRESIDING OFFICER. Under

the previous order, the Senate will now resume consideration of the Executive Calendar, Order No. 12, the nomination of Dr. Jeane Kirkpatrick, to be U.S. Representative to the United Nations.

The clerk will state the nomination.

The legislative clerk read the nomination of Dr. Jeane J. Kirkpatrick, of Maryland, to be U.S. Ambassador to the United Nations.

Mr. BAKER. Mr. President, may I have a brief moment to inquire of the Chair if there is a time limitation on this nomination?

The PRESIDING OFFICER. There is a 1-hour time limitation on this nomination.

Mr. BAKER. I thank the Chair.

The nomination will be managed on this side by the distinguished Senator from North Carolina (Mr. HELMS), who is not presently on the floor. On his behalf, I am prepared to say that if the distinguished Senator from Wisconsin wishes to proceed——

Mr. PROXMIRE. I have some questions for the manager of the nomination.

The PRESIDING OFFICER. Who yields time?

The Senator from North Carolina.

Mr. HELMS. Mr. President, I say good morning to the Chair and I thank the Chair for recognizing me.

Mr. President, it gives me the greatest pleasure——

Mr. PROXMIRE. Will the Senator yield so I can get the yeas and nays?

Mr. HELMS. I am glad to yield.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on this nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, it gives me great pleasure to offer to the Senate the nomination of Dr. Jeane J. Kirkpatrick to be U.S. Representative to the United Nations, and the Representative of the United States in the Security Council of the United Nations.

Mr. President, I do not use the word "extraordinary" very often, but in this case it fits. This lady is an extraordinary person; and if there were a nominee who is aptly fitted, in the words of President Reagan, for "an era of national renewal," then I believe that Dr. Kirkpatrick is that person. Fewer than 10 days ago, the President, in the front of this Capitol, said "Let us renew our determination, our courage and our strength. And let us renew our faith and our hope. We have every right to dream heroic dreams." Dr. Kirkpatrick is the kind of person that the President had in mind when he made that statement.

There is a myth going around that the people of the United States are unconcerned about the status of this Nation in the world. I had some European visitors the other day who expressed that thought, and who went even further and expressed doubt that the American people, in the long pull, would let their determination fade even as the rhetoric fades.

Mr. President, this is one Senator who has confidence in the American people. Their basic instincts are sound, their judgments are valid, their will is strong—provided that they have good leadership, offering policies that accord with the American people's dreams. It has been a long time since we have had that kind of leadership.

Dr. Kirkpatrick, the nominee now before the Senate, brings that kind of leadership to a post which will be increasingly important in the coming administration. I predict—even though I have no crystal ball—that it will become increasingly important because Dr. Kirkpatrick will make it so. She brings with her an outside view of the foreign policy apparatus of this Nation, but more than that, she brings an outside vision—a vision of what this Nation ought to be and what it ought to be doing in the world.

Our foreign policy establishment contains thousands of dedicated men and women of fine character and expert ability. In fact, this week we have just seen 52 of them who have come home after a particularly exhausting ordeal. But there are thousands more who serve throughout the world, as well as here in the city of Washington. Yet, the policymakers of the establishment face a certain kind of occupational hazard. That hazard is that they are professionals, and the success of their profession is too often measured in their ability to avoid crisis, rather than to overcome it.

The problem of the foreign policy establishment is that collective failure is more often rewarded by the system than individual success. They become experts on how to manage a crisis so that confrontation disappears—at any cost—rather than take the risk of developing the crisis so that the national goals of the United States are perceived and achieved.

So for 30 years, we have seen a policy of crisis management, a policy that calls for eliminating the fundamental causes of conflict, even if the United States itself is required to surrender its vital interests. I believe it is demonstrable that what we need instead is a policy of conflict development. The dynamic forces of change in the world cannot be contained. They cannot be tamed. If we try to ignore them, or to bottle them up, we should be able to perceive now that they will explode later on in a way that is harmful to our interests. The contending forces in conflict should be directed and developed so that not only peace but also liberty will triumph and prevail in the world.

Instead, we have seen the attempted liquidation of the conflicts of the world. Our foreign policy planners have directed the liquidation of the Vietnam war, the liquidation of the Panama Canal, the attempted liquidation of the Soviet strategic arms threat, the ongoing liquidation of the conflicts in Central America, and the liquidation of the crisis in Iran. But at what cost, Mr. President? In every case, the attempts at management made the crisis more unmanageable and diminished the prestige and influence of the United States, not to speak of the many deaths and horrors of civil war that these policies have left behind.

The foreign policy establishment is not known for producing dynamic concepts of reversal. Little or no thought has been given to the liberation of those under Communist oppression, or the elimination of terrorism. Foreign policy becomes a process, without content. Foreign policy is seen as little more than a technology for defusing conflict, often by withdrawing whatever interest of the United States that is being challenged.

That notion of foreign policy as a process is very evident at the United Nations. We are expected to accept the logic of the organization of the U.N., a logic which subordinates the Western superpowers to the whims of the Third World and the socialist bloc. The priorities, the budgets, the terms of debate, even are decided by systems which are fundamentally antagonistic to a free world, market-oriented, with human rights guaranteed by property rights and the rule of law. Once we have embarked on the logic of this process, we can only lose, despite the exercise of an occasional veto. Unless our representative to the United Nations challenge this process with a clear concept of what the United States is all about and what the United States hopes to accomplish, there is no way that we will ever be able to reverse the liquidation of our interests and the interests of the free world as a result of our participation in the United Nations.

Mr. President, I could not be more convinced that Dr. Jeane Kirkpatrick has that kind of vision, and that is why I call her extraordinary.

Jeane Kirkpatrick has been Leavey Professor of Political Science at Georgetown University and a resident scholar at the American Enterprise Institute. Thus, she comes with that outside view which is so important for a fresh start.

Indeed, it was that outside view, that new vision, that brought her to the attention of the President of the United States.

Dr. Kirkpatrick published in the November 1979 issue of Commentary a critique of the Carter administration's foreign policy which was widely read among President Reagan's campaign officials. When the President himself read it, he asked Dr. Kirkpatrick to join the campaign, and she did so.

Entitled "Dictatorships and Double Standards," the article took President Carter and his principal advisers to task for misguided liberalism and a failure to confront the realities of Marxist subversion. The article states:

The Carter administration brought to the crises of Iran and Nicaragua several common assumptions each of which played a major role in hastening the victory of even more repressive dictatorships than had been in place before. These were, first, the belief that there existed at the moment of crisis a democratic alternative to the incumbent government; second, the belief that the continuation of the status quo was not pos-

sible; third, the belief that any change, including the establishment of a government headed by self-styled Marxist revolutionaries was preferable to the present government. Each of these beliefs was (and is) widely shared in the liberal community. Not one of them can withstand close scrutiny.

Mr. President, Dr. Kirkpatrick suggested that proponents of such beliefs were mesmerized by a view of history in which "the forces of change" are irresistible, and that the United States must line itself up with such forces even when that means that the friendly but autocratic governments would be replaced by unfriendly, Marxist ones. She challenged the assumption that revolutionaries in the name of "the people" truly represent a better future for their countries than the military or patrimonial dictatorships against which they rebel. She also criticized the double standard that seemed to accept Communist dictatorships as inevitable and irreversible, while pressuring less repressive, pro-Western governments to make rapid reforms. She said:

> The President's mistakes and distortions are all fashionable ones. His assumptions are those of people who want badly to be on the progressive side in conflicts between "rightist" autocracy and "leftist" challenges, and to prefer the latter, almost regardless of the probable consequences.

Mr. President, as evidence of the actual preferences of most people, Dr. Kirkpatrick cited the "damning contrast between the number of refugees created by Marxist regimes and those created by other autocracies." Her general prescription is for a basic change in attitude and assumptions among U.S. policymakers. She wrote:

> A posture of continuous self-abasement and apology vis-a-vis the Third World is neither morally necessary nor politically appropriate. No more is it necessary or appropriate to support vocal enemies of the United States because they invoke the rhetoric of popular liberation. It is not even necessary or appropriate for our leaders to foreswear unilaterally the use of military force to counter military force. Liberal idealism need not be identical with masochism, and need not be incompatible with the defense of freedom and the national interest.

Mr. President, in her 1979 Commentary article, Dr. Kirkpatrick noted that the "crowning achievement" of the Carter administration had been "to lay the groundwork for a transfer of the Panama Canal from the United States to a swaggering Latin dictator of Castroite bent." She noted our failures in Iran and Nicaragua, where we actively collaborated in the replacement of moderate autocrats friendly to American interests. She pointed out how the State Department's report on human rights failed to understand the true forces at work in a traditional society. She criticized the central concern of our foreign policy with "the modernization of the Third World" in a way which failed to view this objective in terms of U.S. national interests, but rather "in terms of a contemporary version of the same idea of progress that has traumatized Western imaginations since the Enlightenment."

Mr. President, in the current issue of Commentary, Dr. Kirkpatrick published another article entitled "U.S. Security and Latin America," which further developed the same argument. That article begins:

> While American attention in the past year has been focused on other matters, developments of great potential importance in Central America and the Caribbean have passed almost unnoticed. The deterioration of the U.S. position in the hemisphere has already created serious vulnerabilities where none previously existed, and threatens now to confront this country with the unprecedented need to defend itself against a ring of Soviet bases on and around our southern and eastern borders.

Mr. President, Dr. Kirkpatrick goes on to emphasize the role of Cuban and Soviet subversion in the Caribbean and Central America and asserts that "American policies have not only proved incapable" of dealing with such activities, "but have positively contributed to them." She attributes the philosophy which animated those policies to the two reports issued by the Commission on United States-Latin American Relations headed by Sol Linowitz. Those, as the Chair may recall, were the reports which paved the way for the giveaway of the Panama Canal, and provided the rationale for assisting the development of Marxist and socialist governments in Latin America.

Mr. President, when Dr. Kirkpatrick came before the Foreign Relations Committee, she answered the inquiries of the Senators with her usual candor and forthrightness. She made it clear that she viewed the U.N. as a forum for advancing the national interests of the United States, and how refreshing that is. In Dr. Kirkpatrick we have the opportunity for the "clean break" with the past which is so necessary if this Nation is to prosper and to endure.

The committee heard and questioned Dr. Kirkpatrick for a full day on January 15 and voted unanimously, 17 to 0, to recommend her confirmation to the Senate. She is an extraordinary person with well-developed and well-articulated views on U.S. relations with the Third World. I believe she will be an effective spokesman both at the United Nations and within the President's Cabinet.

Mr. President, I say again that on behalf of the Foreign Relations Committee I am delighted and I am honored to report this nomination and to support it vigorously.

Mr. President, for the sake of the record, I ask unanimous consent to have printed in the RECORD Dr. Kirkpatrick's biography.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

CURRICULUM VITA JEANE KIRKPATRICK

PERSONAL

Born: November 19, 1926; Duncan, Oklahoma.

Marital Status: Married, three sons.

EDUCATION

Ph.D., Columbia University, 1968; in political science.

University of Paris (French Government Fellow); Institute of Political Science, 1952–53.

M.A., Columbia University, 1950; in political science.

McGill University, French Summer School, Certificate, 1947.

A.B., Barnard College, 1948.

A.A., Stephens College, 1946.

Languages: French, Spanish.

PROFESSIONAL POSITIONS

Thomas and Dorothy Leavey University Professor, Georgetown University, September 1978 to present.

Resident Scholar, American Enterprise Institute for Public Policy Research, May 1977 to present.

SELECTED PUBLICATIONS

Books and monographs

"The New Presidential Elite," Russell Sage Foundation, 1976.

"Political Woman," Basic Books, 1974.

"Leader and Vanguard in Mass Society: A Study of Peronist Argentina," MIT Press, 1971.

"Dismantling the Parties: Reflections on Party Reform and Party Decomposition," American Enterprise Institute, 1978.

Articles

"U.S. Security & Latin America," Commentary, January 1981.

"Dictatorship and Double Standards," Commentary, November 1979.

"Why Reagan? Washington Star, November 2, 1980.

"Democratic Elections, Democratic Government, and Democratic Theory," in Austin Ranney, Howard Penniman, David Butler (eds) Democracy at the Polls, American Enterprise Institute (forthcoming).

"Public Opinion and Foreign Policy," the Washington Quarterly, Autumn 1980.

"Patterns of Partisanship in Post-Gaullist France: An Overview," in Howard Penniman (ed), France At the Polls II, American Enterprise Institute, 1980.

"The Politics of the New Class," in Barry Bruce-Briggs (ed), The New Class, Transaction Press, 1979.

"Changing Patterns of Electoral Competition," in Anthony King (ed), The New American Political System, American Enterprise Institute, 1978.

"The Limits to Decency in U.S. Foreign Policy," Washington Star, November 18, 1979.

"Why We Don't Become Republicans," Commonsense. Fall 1979.

"The Teaching of Democratic Values," American Educator, Spring 1979.

"Martin Diamond and the American Idea of Democracy," Publius, Summer 1978, Vol. 8, No. 3.

"Polls and Politics: The French Elections," Public Opinion, May/June 1978.

"Selective Invocation of Universal Values," Morality and Foreign Policy. Ethics and Public Policy Center, Georgetown University, 1978.

"Regulation, Equality and Liberty," Regulation, November 1977.

"Why the New Right Lost," Commentary, February 1977.

"Representation in American Political Conventions: The Case of 1972," British Journal of Political Science. July 1975.

Numerous book reviews to Commentary, The Journal of Politics, The American Political Science Review and The New Republic.

SELECTED PROFESSIONAL AND PUBLIC SERVICE

Lecture tours for the U.S. International Communications Agency, Department of State in Africa, East Asia, India, Latin America.

Member, International Research Council, Center for Strategic and International Studies, Georgetown University.

Board of Trustees, Robert A. Taft Institute of Government.

Member, Democratic National Convention's National Commission on Party Structure and Presidential Nomination, (the Winograd Commission), 1975–1978.

Co-Chairman, Task Force on the Presidential Election Process, Twentieth Century Fund.

Executive Council, International Political Science Association, 1976–1978.

Co-Vice Chairman, Coalition for A Democratic Majority.

SELECTED HONORS AND GRANTS

Honorary Degree of Doctor of Humane Letters, Mount Vernon College, Washington, D.C., September 1978.

Distinguished Alumnae Award, Stephens College, Columbia, Missouri, May 1978.

Twentieth Century Fund and Russell Sage Foundation, grant for research on political conventions and women in American politics, 1973–1974.

National Endowment for the Humanities, 1970.

Andreas Foundation Grant, 1965, for research on Argentina.

Earhart Fellowship, 1959–1960.

French Government Fellowship, 1952–1953.

Mr. JACKSON. Mr. President, I believe President Reagan made a wise decision in nominating Dr. Jeane Kirkpatrick to the Cabinet-level post of U.S. Ambassador to the United Nations. This is a welcome sign of an openness to bipartisanship in foreign policy on the part of the new administration. Jeane Kirkpatrick has special resources of intellect, good sense, humor, and experience which will stand America in excellent stead. I enthusiastically support her confirmation.

Over the years, Jeane and I have shared many spirited efforts to enhance the effectiveness of this country in the conduct of foreign policy. Recently, during the transition, I served with her on President Reagan's Interim Foreign Policy Advisory Board, where she proved once again her scholarly grasp of the complexities of foreign policy, her shrewd ability to sort out key issues, and her unusual skill in exposition.

These qualities are bound to be an asset in handling American relations with the United Nations. Fortunately, the period of romanticism about the United Nations is over. In many ways, the United Nations is out of hand and operating in ways which undermine and run counter to our basic national interests. Some of its specialized agencies have demonstrated their practical usefulness; the performance of others is disappointing and mischievous. All this has to be coolly and realistically sorted out and U.S. financial support for U.N. agencies reviewed and revised. Dr. Jeane Kirkpatrick is equipped, ready and willing to undertake this formidable task. She has my pledge of cooperation and my blessings.

Mr. PROXMIRE. I yield myself such time as I may require.

Mr. President, I have some questions I wish to ask of the manager of the bill.

I understand that Senator HELMS, the distinguished Senator from North Carolina, will manage this nomination.

Mr. HELMS. I will manage this nomination as best I can and it will be with pleasure.

Mr. PROXMIRE. Very good.

I understand Dr. Kirkpatrick has stated that some United Nations special agencies "make very large contributions to the values we do hold," and that the United States should do its best to encourage and maximize such activities.

The Senator from North Carolina is the expert in the Senate on much of this. The level of funding by the United States to the U.N. is approximately $600 million.

Did Dr. Kirkpatrick discuss whether such encouragement will be better served by increased appropriations from this country or by attempting to withdraw our funds or not provide U.S. funds to those U.N. agencies that oppose the goals of the United States?

Mr. HELMS. The answer to the Senator's question is, "no." She did not discuss that with the committee. However, she is on record in her public statements that she would favor the withdrawal of U.S. financial support from U.N. agencies if they opposed the goals of the United States. The committee last year moved to consider the larger question and we will consider it, whether it is in the best interests of the United States to reduce the funding to the United Nations.

Mr. PROXMIRE. The reason I raise the question, of course, is that her recommendation would and should be considered very carefully. She is in this key position. She is working with the U.N. all the time.

The Senator is right. She is a woman of outstanding intellect and ability. That is why I would be very concerned with her attitude.

I wonder if in the private conversation the Senator had or others had with Dr. Kirkpatrick there was any indication. I realize it was not in the record because I studied the record carefully.

Mr. HELMS. No, I did not discuss that, I say to my friend from Wisconsin, but I think he knows in a general way, at least, my attitude about funding for the U.N.

Mr. PROXMIRE. I certainly do.

Mr. HELMS. I promise the Senator this, that we will hear from Dr. Kirkpatrick just as soon as she has had time to get there and put her bags down.

Mr. PROXMIRE. I wonder, in general, has Dr. Kirkpatrick discussed whether the United States should reduce or increase its financial commitments to U.N. agencies and special projects? Is it her idea we should do more or could we economize here and save some money?

Mr. HELMS. The Senator is going to have to forebear because I was not present at all of her confirmation hearing. I am advised, however, that she did not.

Mr. HAYAKAWA. Mr. President, will the Senator from North Carolina yield for a moment while I respond to the question of the Senator from Wisconsin?

Mr. HELMS. That will be most helpful.

Mr. HAYAKAWA. Mr. President, in response to Senator PROXMIRE's question about what Dr. Kirkpatrick will do as regards to funding of the United Nation's agencies, I wish to point out this fundamental fact about Dr. Kirkpatrick and her philosophy in which I place a great deal of reliance.

She and her husband are both disciples in the political philosophy of Sir Karl Popper, the great British political philosopher who wrote the influential book, "The Open Society and Its Enemies."

In that book Sir Karl Popper takes the position against what he called Utopianism, that is, the kind of social reform that hopes to establish in the next 2 weeks a Utopia. It is the kind of thing that many Americans have believed in when they were taken in by Marxism, that the idea that Marxism is a society——

Mr. PROXMIRE. Will the Senator yield?

Mr. HAYAKAWA. I am trying to answer the Senator's question.

Mr. PROXMIRE. I wish to know what Dr. Kirkpatrick said, not what Sir Karl Popper said. This is all very interesting, but I want to know what she said. She follows Sir Karl Popper on some things, but I am sure she does not slavishly follow him.

Mr. HAYAKAWA. What she said is particularly she believes Sir Karl Popper, in what she calls or Sir Karl Popper called piecemeal evolution rather than sudden Eutopian revolution to establish a Eutopia overnight.

Therefore, I will trust her judgment in her votes on the allocation to special agencies, the United Nations Food and Agriculture Organization, the United Nations Children's Fund, and all kinds of United Nations organizations. They are all attempts at piecemeal step-by-step improvement of the human condition as opposed to Eutopianism such as is espoused by many members of the United Nations and by practically all Marxist societies.

Mr. PROXMIRE. I appreciate that. That is reassuring.

What I wish to ask the distinguished manager of the nomination is if he would ask Dr. Kirkpatrick for the record. I realize she is going to be confirmed in a few minutes, and probably unanimously. I appreciate it if we could elicit from her a statement as to whether she would, in general, favor increases or decreases overall in the funding. That is all.

Mr. HELMS. As I recall, I believe she said she would evaluate it on a case-by-case basis.

Mr. PROXMIRE. All right.

But I still would feel better if she could look at the whole picture and give us

some notion where she thinks we should go in a time of great financial stringency.

Mr. HELMS. I assure the Senator that will be done.

Mr. PROXMIRE. Let me ask: Did Dr. Kirkpatrick indicate what her position was on having a fixed percentage contribution by the United States to all U.N. activities, such as not to exceed 25 percent?

Mr. HELMS. We did not take up that issue.

Mr. PROXMIRE. I understand the acting chairman. I think the Senator from North Carolina has voted as I have for 25 percent or less limitation.

Mr. HELMS. I am prepared to go further than that.

Mr. PROXMIRE. Let me ask the manager. Is it still true that the Soviet Union is in arrears in its payments to the United Nations for peace-keeping activities?

Mr. HELMS. The Soviets have been in arrears since the Congo peacekeeping activity of 1962. The Senator is correct.

Mr. PROXMIRE. What can our Ambassador to the United Nations do about that situation? Does the manager feel there is anything she could do to put some kind of pressure or at least call it to the attention of the other countries and make it an issue?

Mr. HELMS. There really is no recourse except to throw them out of the United Nations. The French also are in arrears, as the Senator knows. And I think the Senator knows that the Senator from North Carolina shares his view on this set of circumstances.

But I believe that to the extent of her capability and authority you will find Dr. Kirkpatrick representing very strongly the views that the Senator is implicitly stating with his questions.

Mr. PROXMIRE. Dr. Kirkpatrick places great emphasis on the use of language, plain language, that is explicit, which is certainly one of her good characteristics. Did she provide the committee with any indication of how she would handle charges by officials of Arab nations that Israel and its allies are racist nations?

Mr. HELMS. That particular question did not come up. I think that her writings make it abundantly clear how she would handle such charges.

Mr. PROXMIRE. It just seems to me a corruption of the language. The distinguished Senator from New York (Mr. MOYNIHAN) when he was Ambassador to the United Nations, I think, stood up, and stood up to the great pride of this country, against that kind of slur, and made it clear that the racism practiced by the Arab nations hardly put them in a position where they could denounce Israel as racist.

Mr. HELMS. I do recall Dr. Kirkpatrick said that the distinguished Senator from New York was her model in terms of responding.

Mr. PROXMIRE. That is reassuring. That is the best thing I have heard yet, although I must say I have admiration for Dr. Kirkpatrick.

For 5 years the Senate, through its Foreign Relations and Appropriations Committees, has been pressing for a reform of the United Nations technical assistance program. Technical support programs have sprung up in over 40 U.N. bodies with a consequent increase in assessed payments of member nations. As a result U.N. assessed contributions went up over 126 percent in the 6-year period ending in 1979.

My question is did Dr. Kirkpatrick indicate an awareness of the Senate's urging to consolidate technical assistance programs within the United Nations development program?

Mr. HELMS. Not in her testimony before the committee, but we discussed that prior to the meeting. As you know, this Senator from North Carolina was the author of legislation 2 years ago which prohibited the provision of technical assistance from contributions assessed against the United States. I would say that she shares the same apprehensions as you do, Senator.

Mr. PROXMIRE. There is one other area that concerns me, and that is the salary structure of the United Nations. I understand 35 executives draw larger paychecks than the Vice President of the United States, and their tax position is also very favorable.

Did Dr. Kirkpatrick indicate a willingness to urge holding down top-level salaries at the United Nations?

Mr. HELMS. No, she did not, not to my knowledge. The question did not come up.

Mr. MOYNIHAN. Mr. President, will the Senator yield to me on that point because I would like to thank him and the acting chairman in permitting me to make a comment.

I wonder if the Senator from North Carolina, with respect to the very important question raised by the Senator from Wisconsin, is aware that the Soviet Union has for many years now been systematically infiltrating the Secretariat of the United Nations.

Two years ago, in an egregious action, a known officer of the KGB was named to be the director of personnel for the United Nations in Geneva. As I am sure the chairman does know, there are more persons employed in Geneva than in New York. The old League of Nations world never went away.

Now, for a KGB agent to be a U.N. officer is a clear violation of article 100 of the U.N. Charter, but to give to the secret police the control of who gets into the United Nations is an outrage. Our Government, however, seems to acquiesce in it. I am sure the Senator from Wisconsin would not acquiesce.

Mr. PROXMIRE. Mr. President, if the Senator will yield, what I am concerned with is the position taken by Dr. Kirkpatrick here on whether she will speak up and call attention to it.

Mr. HELMS. Indubitably.

Mr. PROXMIRE. She is a plain-spoken person, and I wonder if on the record she would speak up in this kind of disastrous situation where a KGB agent is in charge of personnel.

If we had a former FBI agent in charge of personnel you can imagine the reaction the Russians would have, and this is the same kind of thing.

Mr. MOYNIHAN. It would be a violation of the United Nations Charter.

Mr. PROXMIRE. Of course.

Mr. MOYNIHAN. I heard the Senator from North Carolina say "indubitably," and he is indubitably correct. It is a violation of the charter and we can expect Dr. Kirkpatrick to stand by the charter and expect her to speak up.

Mr. HELMS. I think the Senator would be pleased by the part played by Dr. Kirkpatrick. Let me just say, in further response to your inquiry, last year on this floor I raised the question, precisely the question, that the Senator just raised about subversives taking over the so-called diplomatic functions of the United Nations and elsewhere, and I put in the RECORD at that time a letter from the Director of the FBI confirming reports that I had gathered.

Mr. PROXMIRE. May I just ask the Senator if he, acting in his own capacity, would agree with me that we should do our best to see what we can do about holding down these salary increases for United Nations executives. That was my fundamental question. Thirty-five executives are making more than the Vice President of the United States. Under these circumstances, it is something we have to challenge.

Mr. HELMS. Senator, I give you that pledge in blood, and I think you know where you and I have stood on this question over the years.

Mr. PROXMIRE. I did not mean to interrupt the Senator if he wants to put something in the RECORD.

Mr. HELMS. Mr. President, if the Senator will forbear, Senator PERCY and I inquired of Dr. Kirkpatrick on this in the hearing, and the colloquy follows:

The CHAIRMAN. I thank my colleague, and I am not surprised at all that he has been right on top of this issue. And I bring it up because in 14 years I have found that the best way to work and deal with the Soviet Union—and I have a high regard for the intelligence, the perseverance, the sense of purpose that the high officials—and I include Anatoly Dobrynin as a very high official in the Soviet Union—that they have. They fight for what they believe in.

All we are saying and I am saying is that there are certain rules of the game that must be observed, that when we have treaties we expect our side to observe those treaties and we expect the other side. Otherwise, they are not worth the paper they are written on.

When we have a Charter and we sign it—for the most part, the Soviet Union has been supportive of the United Nations and has been actively involved in its activities since its inception, when they signed the Charter. And Article 100 of it says—it is eminently clear—that you cannot use that international organization to serve your national purposes.

Then I think we have got to lay it right on the line with them and discuss it out. If they think we are doing the same thing, let them say so. And certainly we stand ready to talk about this. If they can prove that all of these allegations made in the Swiss press, our press, by members of the House Intelligence Committee that looked at this

carefully, are wrong—but I simply let out to you as a problem, is this a problem that you would consider it your duty to look into, to do something about, and to bring it to the attention of the Secretariat in New York that we are unhappy with this situation, that we feel it undermines and undercuts the UN itself, and it contributes to the dissatisfaction with the United Nations as an organization by the very people who have to provide those huge sums of money to keep the UN operating, and it weakens in a sense the main thrust and purpose of the United Nations when these activities are engaged in.

I am making no allegations from firsthand knowledge. All I am saying is that I am quoting sources that are looked upon as responsible sources. I have talked to some of these individuals who have written it, and they say, we stand behind what they have said. And I therefore say to you, can this be a subject of discussion within the Administration and in your role at the United Nations?

Ms. KIRKPATRICK. Yes, Senator Percy. I think the answer to that is an unqualified yes. I am aware of the charges which you have been reviewing as regards to the Secretariat and the Soviet misuse of the permanent staff of the UN, both in New York and in Geneva and in Vienna.

I understand, by the way, that a new article which is forthcoming by Arnaud de Borchgrave and Michael Dean will explore in further detail than has so far been done in a public source particular problems which exist in Geneva and which I understand have been quite sharply felt by some of the UN officials in Geneva.

I have been making an effort to inform myself about this problem. I will continue that effort to inform myself as well as I can, and I will consult with Secretary Haig and perhaps the President-Elect and take some steps, I can assure you. Because obviously you are so right when you say that this is a perversion of the United Nations, a violation of the Charter, a violation of the contract which members sign on becoming members, and not something that we should simply ignore.

The CHAIRMAN. I thank you. And again, it is an area that I will enjoy working with our distinguished future representative to the UN.

Senator HELMS. Mr. Chairman, may I ask you to indulge me just one moment?

The CHAIRMAN. Of course, I would be happy to yield.

Senator HELMS. I thank the Senator.

It was almost a year ago that I began to dig into how many subversives there are in this country. And I was informed in February of 1980 that the Soviets have more than 500 officials at the United Nations. And then the Director of the FBI, Mr. Webster, and I made inquiry of this; had this to say: "It has been"—and I am quoting him:

"It has been our view that the scope and intensity of hostile intelligence services activity in the United States are directly related to the numbers of their personnel posted in this country."

Now, I called down to Mr. Webster's office and I said, well, gee whiz, if you know this why do you not do something about it? And he said, we are powerless to do anything about it; it is up to the White House. Those were not his direct precise words, but that was the effect of them.

So that was when I called the White House and a representative of the President came to see me. He took copious notes. I showed him what I had, and he said, thank you very much. And that is the last that I have heard, except when I made inquiry.

And the answer has been repeatedly, we will get back to you.

Now, I hope that the Reagan Administration will not just give us that; that they will attempt to stop this business as best we can of making the United Nations a haven for subversives. And that is what it is.

Now, I alluded to comments on the Senate floor when I spoke with you this morning. And those Senators are representing what I believe to be the majority view in this country, that if we cannot cause the United Nations to shape up then we ought to ship out and stop financing that thing, which insofar as I know has not been particularly successful in doing anything for the Free World or freedom in the world, for that matter.

So again I would say to Senator Percy that I appreciate his going into this subject. And I have here—I asked to be sent down—I did not know this was coming up and I did not have my file with me. I had to telephone for it, Senator Percy.

The British handle the subversive problem over there pretty well. They just send them out. Here is from a British newspaper: 105 Soviet officials expelled for spying.

Ms. KIRKPATRICK. What is the date on that, sir?

Senator HELMS. What is the date? What is your question?

Ms. KIRKPATRICK. What is the date on that?

Senator HELMS. Saturday, September the 25th, 1978, is it—'71.

But in any case, we are having such an influx of visitors from the Soviet Union, many of whom are legitimate. But we had 30,000 scientists come from the Soviet Union to this country last year, or at least they said they were scientists. But the intelligence estimates said that a great many of these people who come under the aegis of scientific missions and even cultural missions are not really coming for that purpose. They are participating in subversion.

Now, I do not want to be an alarmist, but we ought to protect ourselves.

And I thank the Senator again for yielding to me.

Mr. PROXMIRE. Mr. President, for years the Senator from North Carolina has led the fight in this body on limiting indirect aid, where we contributed 25 percent, to countries such as Vietnam, Cambodia, Laos, or Cuba. I have supported the Senator from North Carolina consistently.

At a time when we are cutting back on foreign aid—I noticed Mr. Stockman indicated he was going to recommend a very sharp reduction in foreign aid generally—foreign aid to our friends, I presume—at a time when that is being done, did the committee engage Dr. Kirkpatrick in any discussions, either formally or informally, on the issue of indirect financing limitations, whether we should limit our 25 percent contribution from going to countries such as Vietnam, Cambodia, Laos, or Cuba?

Mr. HELMS. The question was not raised.

Mr. PROXMIRE. In informal conversations, too?

Mr. HELMS. To my recollection, it was not.

Mr. PROXMIRE. I once again hope that the distinguished acting chairman will pursue this with Dr. Kirkpatrick. She is in a position of great influence here, and I think she has rightfully been supported as a person of intellect, capability, and strength. But I hope we do not, when we are cutting everything else and, should be cutting everything else, find any way that we are going to provide aid to those nations that have been our foes. It makes no sense at all.

Mr. HELMS. I agree absolutely.

If the Senator will yield, I want to commend him for his line of questioning because he has made a record which will be useful to Dr. Kirkpatrick and will strengthen her hand in the positions I am confident she would have taken anyhow, but I commend the Senator, and I thank him.

Mr. PROXMIRE. Mr. President, I thank the Senator.

How much time do I have remaining?

The PRESIDING OFFICER. Thirteen minutes and 23 seconds.

Mr. PROXMIRE. I understand the Senator from New York wants part of that time.

Mr. MOYNIHAN. The Senator is very generous.

Mr. PELL. Either of us can yield time to him. I am delighted to yield 5 or 10 minutes.

Mr. PROXMIRE. I am all through, so I will yield 10 minutes to the Senator.

Mr. MOYNIHAN. It is most generous of the Senator from Wisconsin.

Mr. President, I must need be brief in my remarks about Jeane Kirkpatrick, lest warming to the subject I would not stop talking all day.

This Nation is going to be proud of our new Ambassador to the United Nations, and I rise for a, perhaps, somewhat more restricted circle of persons which is already proud of her.

In the world of political science, among teachers of government in our Nation, there are few persons who have so distinguished themselves as disciplined, productive, capable scholars, and as brilliant teachers than Jeane Kirkpatrick. She is known throughout her profession, our profession, as a person of rare capacity to discover things and to impart them. Of course, these are essential to the tasks she now assumes for the whole of the Nation and not simply for our profession or the students.

She is above a tough-minded person in the efforts she has brought to learn the distinctions that exist in the real world and not impose upon that real world the abstractions of a largely hypothetical view of reality. She is an empiricist in the best sense and a moralist in the best sense because at no point does she suppose that the existence of a fact ever exempts a free society or a free person from the moral choices that might follow such existence.

One of the things she has done most recently, the next to last writings that appeared before her nomination for the post she will now assume, was an exceptionally insightful article on a subject which less cautious persons and less competent persons would have carefully avoided. She tried to draw a distinction—the kind that my friend from California would appreciate—between those regimes in the world which are authoritarian and those which are totalitarian, a distinction which, at a certain superficial level,

might appear hardly to exist, but which in fact, is profoundly different in reality as it is profoundly important that American policy should learn to make that decision.

Even to approach such a subject is to invite misunderstanding and to open yourself to deliberate misinterpretation. She already had that and will have it. But she did not stay away from the subject. The subject had to be pursued, and without any political interests whatsoever. She was doing it as a scholar, saying the United States has got to learn this distinction and learn to respond differently to these different situations.

In particular, behind so much of her work is the understanding that the totalitarian state was an invention of the 20th century. It had never existed before. It commenced in Petrograd in 1917 and it has changed the experience of mankind and dominated the experience of the world since that time. She is a person who understands these matters and knows how important it is to be precise in distinguishing them.

I was so pleased that the Senator from Wisconsin spoke to her capacity for plain language and her insistence that murkiness of language is evidence of murkiness of thought. We are not going to learn from this Ambassador to the United Nations that there had been a misunderstanding about such and such Security Council resolution or that some other resolution passed, but, what does it matter, it is only words. As Disraeli once said, if I may quote him:

> Few ideas are correct ones and none can say which they are, but it is with words we govern man.

Finally, Mr. President, may I simply take note of the decision of the President to resume the bipartisan tradition of our U.S. Representatives at the United Nations. Mr. President, as you will recall, in 1946, President Truman appointed Warren Austin, a Republican Senator from Vermont, a very distinguished Member of this body, to be the U.S. Permanent Representative to the United Nations, a Republican representing a Democratic administration because both of them spoke for this Nation at the U.N.

I had the great honor to be, as a Democrat, asked by President Ford to represent our Nation at the U.N. and felt not the slightest difficulty in doing that; it being very much a point that when we go to that forum or to those fora, we go as a nation united in its foreign policy and not as representatives of any internal position.

I think it was an inspired choice of the President to choose a Democrat in this regard. And I know that he will find in her—her loyalty, her energy, her extraordinary capacity for analysis—a choice that was rewarded beyond even the essentially political decision not to politicize this office; a wise and competent decision by the President and his Secretary of State.

We are a nation fortunate to have in Jeane Kirkpatrick our spokesman. I, for one, would like to congratulate the Members opposite for the support they have given. One has heard that not every person nominated by the President has been greeted with unanimous enthusiasm on the other side.

I see the distinguished majority leader is on the floor and I cannot help but note with great satisfaction that the one appointment of the Reagan administration that seems to have brought about unanimous approval from the Members opposite is that of the one Democratic member of the Cabinet. It shows that if you cannot agree among yourselves you can occasionally be gracious to others and we ought to respond by thanking you and saying a wise choice was made and the President and the Secretary of State should be congratulated.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield to the distinguished majority leader.

Mr. BAKER. Mr. President, I must say that the Senator has brought to my attention new information which I did not have before. But even so, under those circumstances, I will not change my position on this nomination. On the contrary, I urge that it be confirmed and I hope even unanimously.

I commend the Senator from New York for his initiative in this matter. I especially am grateful to hear his remarks today on the bipartisan nature of this undertaking. No one in this Chamber sets a better example for that diligence and dedication to fundamental policy than does the Senator from New York. I am happy to be associated with him in my support for this nomination.

Mr. MOYNIHAN. Mr. President, I thank the majority leader for his gracious remarks.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I yield 5 minutes to the Senator from California, or more if he needs it.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. Mr. President, I am delighted to rise in support of the nomination of Dr. Jeane Kirkpatrick as Ambassador to the United Nations.

Dr. Kirkpatrick will bring a refreshing outlook to the job. I want to call attention to her article, "Dictatorship and Double Standards," in which she criticizes our tendency toward what she called "Utopianism."

She draws attention to a distinction which was already called to our attention by the distinguished senior Senator from New York, Senator MOYNIHAN, the distinction between authoritarianism and totalitarianism or, as Dr. Kirkpatrick calls it, between traditional and revolutionary atrocities.

She defines traditional atrocities as leaving in place existing allocations of wealth, power, status, and other resources which in most traditional societies favor an affluent few and maintain masses in poverty. But, however, as she says—

> Because the miseries of traditional life are familiar, they are bearable to ordinary people * * * such societies creat no refugees.

However, revolutionary Communist autocracies are just the opposite—

> They create refugees by the million because they claim jurisdiction over the whole life of the society and make demands for change that so violate internalized values and habits that inhabitants flee by the tens of thousands.

I want to call attention to a statistic given by Dr. Kirkpatrick at this point. In the traditional autocracies, the number of refugees from places such as Argentina, Brazil, and Chile is one in 35,000 population, whereas in Cuba, which has a totalitarianism, it is one out of nine who become a refugee. That is the difference. They say they tend to favor Marxism, when the known fact is that the common people of those countries flee at the first opportunity.

She does not oppose assisting change but advocates a U.S. policy which could effectively encourage the process of democratization—

> Provided that the effort is not made at a time when the incumbent government is fighting for its life against violent adversaries, and that proposed reforms are aimed at producing gradual change rather than perfect democracies overnight.

Dr. Kirkpatrick reminds us that—

> In relatively few places where they exist, democratic governments have come into being slowly, after extended prior experience with more limited forms of participation—decades, if not centuries, are normally required for people to acquire the necessary disciplines and habits.

In other words she is willing to accept, apparently imperfect regimes, imperfect dictatorships, or even imperfect tyrannies, in preference to the wild disorder than can ensue if those are overthrown and replaced by revolutionary totalitarianism.

John Stewart Mill is among the authors that Dr. Kirkpatrick quotes. He identifies the three fundamental conditions of a democratic society: First, that the people should be ready to receive it; second, that they should be willing to do what is necessary for its preservation; and, third, that they should be willing and able to fulfill the duties and discharge the functions which a democracy imposes upon them. These are not things learned overnight.

As Dr. Kirkpatrick points out, it takes centuries for some societies to achieve democracy. The road from the Magna Carta to the great reform bills of the 19th century took seven centuries. American history gives not better grounds for the belief that democracy comes quickly.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PELL. Mr. President, I yield an additional 2 minutes to the Senator.

Mr. HAYAKAWA. Democracy is a result of long training of the people. For it to happen in decades is miraculous, whereas for it to happen over centuries is normal. At the same time, we overthrow authoritarianisms that exist in

friendly governments, such as that of the Shah of Iran or Somoza. However imperfect those governments were, we helped to overthrow them. What do we get in their place? Much worse tyrannies, or much worse totalitarians.

Therefore, this distinction which the Senator from New York pointed out between authoritarians and totalitarians is a crucial one. This is what Dr. Kirkpatrick will use as a guiding light in all her decisions as to policy within the United Nations.

In the past we have seriously misjudged social movements because of our addiction to a kind of utopianism. We have imposed certain standards of morality on many of our friends in the name of helping them achieve democracy and in the process of "assisting change" pushed them in the direction of revolutionary totalitarianism.

And we have been hypocritical in applying these same standards to other countries. As Dr. Kirkpatrick puts it—

> So far, assisting "change" has not led the Carter administration to undertake the destabilization of a Communist country. The principles of self-determination and nonintervention are thus both selectively applied. We seem to accept the status quo in Communist nations (in the name of "diversity" and national autonomy), but not in nations ruled by "right-wing" dictators or white oligarchies.

Certainly we have seen this mentality the last 4 years—for example, we castigate Argentina, Brazil, and especially Chile but we adopt a laissez-faire attitude toward Cuba. This attitude is something I have not been able to understand and am delighted to see that we will have an Ambassador at the United Nations who understands this phenomenon.

As a semanticist, I was impressed with Dr. Kirkpatrick's views on the importance of the clarification of language and the exposure of the deception involved in so much of language. This is essential in order to make certain that when we as a country respond to a proposal presented before the United Nations we know exactly what we are speaking of, or agreeing to.

The term, "Third World," is a case in point. To quote Dr. Kirkpatrick again—

> Nations sometimes lumped under the term are so diverse economically, technologically, socially, culturally, politically, diverse in their relationships in importance to us as well, that I almost cannot think of a single policy relevant statement that can be made with any clarity that uses that term.

I could not agree more.

I believe Dr. Kirkpatrick will serve our country well in her new role as our Ambassador to the United Nations. But I also feel that if she succeeds in contributing to the clarification of language in the United Nations she will perform an enormous service to that body. I wish her well.

Thank you, Mr. President.

Mr. PELL. Mr. President, I commend the Senator from California on his thoughts, his analysis of the situation, and his views of the common denominator of democratic governments.

Earlier the question arose as to on whose conduct Dr. Kirkpatrick will model her role in the United Nations. I would like to read into the RECORD page 27 of the transcript her words:

> I hope to model my own role, if confirmed, at the U.N. very much on the quiet, effective, persuasive type and style of operation that Don McHenry has illustrated for us.

If she models her role on his style and on the style of my friend, the Senator from New York, she will be a magician. I wish her well and congratulate her.

Mr. President, in my view, the position of Ambassador to the United Nations can be second only to the Secretary of State in the foreign policy area. It is the only other post in the State Department to have Cabinet rank.

The committee held a full, fair and productive hearing on Mrs. Kirkpatrick, and I believe she will be an excellent representative of the United States.

I am a firm believer in the United Nations and in multilateral diplomacy. In this regard, I regret exceedingly the actions which were announced in the press today that would strike a blow to much of the multilateral aid program in which we are engaged.

I believe I am correct in saying that I am the only Senator who was an actual participant in the drafting of the United Nations charter at San Francisco in 1945. Our little group in the secretariat worked very hard on articles 43, 44, and 45 of the charter to develop a system of military enforcement arrangements that would work to help insure world peace.

We created the military staff committee, a body that has never met effectively in all the years since it was created, but it was created with great hopes.

We were resolved in 1945 not to make any of the mistakes of the old League of Nations as we sought new formulas and ideas. I well remember the idealism and hope that was at San Francisco in those days. And then afterwards, I remember working for the United Nations on loan as Assistant Secretary of the Committee of Experts of the Security Council at Hunter College.

My family's and my own personal belief in the United Nations was such that our family offered as a gift to the United Nations the place where we lived, a thousand acres not too far from the Hudson River, as a site for the new world organization. But our offer was declined by Trigve Lie in favor of Turtle Bay in New York City.

I have had a long belief in the United Nations, and my faith in it continues. I represented our Nation there on occasions, being appointed both by Republican and Democratic Presidents.

I had the pleasure, in particular, of being named by President Eisenhower as a representative to the initial meeting of the Intergovernmental Maritime Consultative Organization (IMCO) and later being named as a representative to the General Assembly in 1970 along with Senator Javits.

Throughout the existence of the United Nations, I have sought to follow its activities closely. It is a far different body today, 35 years later, than it was when it was created in 1945. Membership has grown from the 51 charter members to 154 today. And now, instead of having just that little group that was working at Hunter College, there are three operating headquarters in New York, Geneva and Vienna with over 18,000 employees and more than 30 major programs or agencies.

In my view, the United Nations over these years has proved to be of great value. Although it has not fully achieved its charter objectives of saving succeeding generations from the scourge of war, the test of its success has been the wars not fought and the wars contained over the last 35 years.

This is, in part, God's grace, but it is a fact, and this is also in part because the U.N. has successfully intervened to contain and mediate a series of lesser conflicts, including four Middle East wars, two India-Pakistan conflicts, as well as civil strife in the Congo, Cyprus, and Lebanon. This alone, I believe, justifies our membership in and contributions to the United Nations.

In addition, we must not forget that the United Nations has become the world's most important diplomatic forum. New York is for many nations the only place where they have government-to-government contact with most of the world. Countries usually send to the United Nations their most qualified diplomats; and many of these diplomats are authorized to conduct a wide variety of official activities. Thus, the United States can, through quiet but effective diplomacy in New York, advance a broad array of American interests.

Much of the diplomacy in New York occurs in the corridors or in the delegates' lounge, and as I suggested privately to Mrs. Kirkpatrick, I hope she spends a certain amount of time in the delegates' lounge mixing with the other delegates in an informal way.

During her testimony before the Foreign Relations Committee, Mrs. Kirkpatrick spoke of the work of the U.N.'s many specialized agencies. I am glad that she did that, because millions of lives have been improved or actually saved through the work of these agencies. UNICEF has done excellent work, as have the U.N. development program and the U.N. environment program. In addition, the World Health Organization's role in eradicating the killer disease of smallpox is one of the finest examples of international cooperation in the service of mankind. The U.N. High Commission for Refugees has also done important work in protecting and sustaining much of the world's ever-increasing refugee population.

The United Nations may not be all that we wish it were, but thank God it is there, because if it were not there, our world would be worse off than it is. I am satisfied that Mrs. Kirkpatrick is resolved, as she put it to me in a private conversation, to help preserve the United Nations, and I hope she will also be able to enhance the role and strength of that organization.

I have great confidence in Mrs. Kirkpatrick, and I urge that the Senate give its advice and consent to her confirmation to the high post to which she has been nominated by President Reagan.

Mr. President, I yield to the Senator from New York.

Mr. MOYNIHAN. Mr. President, it is characteristically alert and gracious of the Senator from Rhode Island to agree to the excerpt of Dr. Kirkpatrick's testimony in which she suggested that her predecessor would be her model, and it would be characteristic of her to think in terms of the continuity of that role more than any break therein.

The point about the United Nations is not whether one is accommodating or whether one is confrontational. The point is to represent the President of the United States and his view on foreign policy. The Ambassador does represent the President of this Nation and does act as instructed.

If on occasion an ambassador seems to be deferential in accommodating, if he is properly an ambassador he has been so instructed.

And if, on occasion, he finds himself in a bit of a brawl, he has also been so instructed.

There is this one exception, Mr. President, which is that the work takes place in private, to be sure, but this is a parliamentary situation, and things happen. There are occasions when an ambassador must decide on the spot what to do. I know, certainly, there is a French aphorism on this matter which seems to me not a poor guide for policy. It simply says:

Cet animal est très méchant, quand on l'attaque il se défend.

Which translates to, "This animal is very wicked; when attacked, it defends itself." That seems to be not a bad policy, Mr. President.

In any event, the point is that Dr. Kirkpatrick will bring her own style, her own capacity, to her role as instructed Ambassador of the President and representative of the American people.

Mr. PELL. I thank the Senator from New York for his remarks. He really knows more about the United Nations and its present operation than anybody else in our body. He was a representative there for a substantial period of time.

Mr. THURMOND. Mr. President, I rise today in support of President Reagan's nominee to United Nations Ambassador, Jeane J. Kirkpatrick.

Mr. President, Jeane Kirkpatrick has impeccable academic credentials and a formidable gift for tough-minded advocacy. In her roles as professor of political science at Georgetown University and scholar at the American Enterprise Institute, she has been critical of efforts by some to move our Nation toward the left.

Mr. President, I believe Ms. Kirkpatrick to be well qualified and fully capable of serving as U.S. Ambassador to the United Nations. I have no doubt as to her ability to effectively rebut the rhetorical attacks of Communist and Third World countries that have become all too common in the United Nations.

Mr. President, I sincerely hope that my colleagues will join me in supporting confirmation of the well-qualified Jeane Kirkpatrick to be United Nations Ambassador.

● Mr. PERCY. Mr. President, I am pleased to report the nomination of Jeane J. Kirkpatrick to be U.S. Representative to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary, and Representative of the United States in the Security Council.

The Committee on Foreign Relations heard and questioned Dr. Kirkpatrick for a full day last Thursday and voted unanimously, 17 to 0, to recommend her confirmation to the Senate. She is an extraordinary person with well-developed and well-articulated views on U.S. relations with the Third World. I believe she will be an effective spokesman both at the United Nations and within the President's Cabinet.

Dr. Kirkpatrick has been Leavey professor of political science at Georgetown University and a resident scholar at the American Enterprise Institute. Although she will be the only Democrat in the Reagan Cabinet, she was both a campaign adviser and a member of the Reagan transition team.

The committee explored a wide range of subjects with Dr. Kirkpatrick, discussing both her general views on U.S. foreign policy and particular issues which will confront her as U.N. Ambassador in the near future. Dr. Kirkpatrick agreed that the United Nations was sometimes the victim of a bad press, or perhaps more accurately, that its actions only received wide play in the media when they were unfavorable to the United States. In fact, even in the General Assembly, where the United States and its allies can easily be outvoted, we have fared rather well in the last couple of years, in contradiction to the frequent suggestion that the United States is repeatedly overwhelmed in the United Nations. The votes condemning Soviet aggression in Afghanistan are the most obvious examples. Other international organizations, such as the International Court of Justice, have performed their functions admirably.

Mr. President, I have discussed with Dr. Kirkpatrick her conception of the role of the U.N. Ambassador, and she has assured me that she will not play the part of a diplomatic "unguided missile" operating independently of the State Department. She told the committee that the policy of the United States in the United Nations would be a policy set in Washington, that she and the new Secretary of State would be in constant contact and complete agreement on all important matters.

Finally, Dr. Kirkpatrick agreed to consult closely with the Foreign Relations Committee on United Nations issues. In particular, she assured the committee that she would discuss with us in advance the question of a possible successor to Secretary General Kurt Waldheim, whose second 5-year term expires at the end of this year.

Mr. President, I think the Senate and the country will be very impressed with Dr. Kirkpatrick's performance at the United Nations, and I urge immediate advice and consent to her nomination.

As a final technical matter, I ask that a record of the recent political contributions of the nominee and her immediate family be included in the RECORD, which is the legal requirement for all U.S. ambassadorial appointments. I note that she herself has made none during the past 4 years.

The material follows:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Jeane J. Kirkpatrick.

Post: U.S. Permanent Representative to the United Nations. Nominated. January 20, 1981.

Contributions, amount, date, donee.

1. Self, none.
2. Spouse, none.
3. Children and spouses names, none.
4. Parents names, deceased.
5. Grandparents names, deceased.
6. Brothers and spouses names, Jerry Jordan.
7. Sisters and spouses names, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

JEANE J. KIRKPATRICK.

Subscribed and sworn (or affirmed) before me this 19th day of January A.D. 1981, at District of Columbia.

(SEAL)

HELEN M. BAILEY,
Notary Public.

My Commission Expires July 31, 1982.

Contributions, amount, date, donee.

$50, Oct. 1978, Samuel Devine for Congress.
$50, Oct. 1978, Chalmers Wylie for Congress.
$1000, April 8, 1980, Reagan for President.
$100, Aug. 1, 1980, Unity Committee (RNC).
$100, Oct. 27, 1980, Talmadge for Senate.
$200, Jan. 7, 1981, Campaigner Membership (RNC).●

Mr. PELL. Mr. President, I am prepared to yield back the remainder of my time.

Mr. HAYAKAWA. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BOSCHWITZ). All time has been yielded back. All time having been yielded back, the question arises, Will the Senate advise and consent to the nomination of Jeane J. Kirkpatrick, of Maryland, to be the Representative of the United States to the United Nations and the

Representative of the United States in the Security Council of the United Nations? On this nomination, the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN), the Senator from Alabama (Mr. DENTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Nevada (Mr. LAXALT), the Senator from Illinois (Mr. PERCY), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), the Senator from Vermont (Mr. STAFFORD), the Senator from Wyoming (Mr. WALLOP), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT), the Senator from Illinois (Mr. PERCY), the Senator from Vermont (Mr. STAFFORD), and the Senator from Wyoming (Mr. SIMPSON) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from Arizona (Mr. DECONCINI), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Montana (Mr. MELCHER), the Senator from Maine (Mr. MITCHELL), the Senator from Arkansas (Mr. PRYOR), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 81, nays 0—as follows:

[Rollcall Vote No. 16 Ex.]

YEAS—81

Abdnor	Exon	McClure
Andrews	Ford	Metzenbaum
Armstrong	Garn	Moynihan
Baker	Glenn	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Nunn
Biden	Hart	Packwood
Boren	Hatch	Pell
Boschwitz	Hatfield	Proxmire
Bradley	Hawkins	Quayle
Bumpers	Hayakawa	Randolph
Burdick	Heflin	Riegle
Byrd, Harry F., Jr.	Heinz	Roth
Byrd, Robert C.	Helms	Rudman
Cannon	Humphrey	Sarbanes
Chafee	Inouye	Sasser
Cohen	Jackson	Schmitt
Cranston	Jepsen	Specter
D'Amato	Kassebaum	Stennis
Danforth	Kasten	Stevens
Dixon	Kennedy	Symms
Dodd	Leahy	Thurmond
Dole	Levin	Tower
Domenici	Long	Tsongas
Durenberger	Lugar	Warner
Eagleton	Mathias	Williams
East	Matsunaga	
	Mattingly	

NOT VOTING—19

Chiles	Johnston	Simpson
Cochran	Laxalt	Stafford
DeConcini	Melcher	Wallop
Denton	Mitchell	Weicker
Goldwater	Percy	Zorinsky
Hollings	Pressler	
Huddleston	Pryor	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, if I could have the attention of the Senate for a moment, I have three unanimous-consent requests that I intend to propound. Might we have order in the Senate, Mr. President?

The PRESIDING OFFICER. The Senator is right.

May we have order in the Senate?

The Senator may proceed.

Mr. BAKER. Mr. President, I thank the Chair. Mr. President, really I shall propose only two unanimous-consent requests at this time, and I may say that I have consulted with the minority leader on both of these requests.

UNANIMOUS-CONSENT REQUEST FOR COMMITTEE MEETING

Mr. BAKER. Mr. President, first, I ask unanimous consent that the Judiciary Committee may meet during the session of the Senate this afternoon beginning at 2:30 p.m. in the afternoon for the purpose of further organization of the committee.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold?

Mr. BAKER. I withhold for just a moment.

Mr. President, I withdraw that request for the time being.

ORDER FOR CONSIDERATION OF DONOVAN NOMINATION ON TUESDAY, FEBRUARY 3, 1981

Mr. BAKER. Mr. President, I am advised by the distinguished chairman of the Labor Committee and the distinguished ranking member that they have reached an agreement now on the consideration of the Donovan nomination, which is the last of the Cabinet-level appointments.

I have consulted with the chairman and ranking minority member and with the minority leader, and I am prepared now to make the following request:

Mr. President, I ask unanimous consent, conditioned upon the availability on Monday, February 2, of a report by the Committee on Labor and Human Resources on the nomination of Ray Donovan to be Secretary of Labor, that such nomination be made the first order of business on Tuesday, February 3, and that it be subject to a time limitation of 4 hours, equally divided between and controlled by Senator HATCH and Senator KENNEDY.

Mr. President, the nature of this request is to place this as the pending business in executive session following on after the time allocated under the standing order to the two leaders.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, could the majority leader place a specific time for the report to be available on Monday?

Mr. BAKER. Yes. I thank the minority leader.

Mr. President, is it agreeable to the distinguished chairman and ranking minority member if we agreed that this condition is that the report be available for the Public Printer, available in the usual way, that is logging in at the leaders' offices, no later than 12 noon on Monday next?

Mr. ROBERT C. BYRD. That is fine.

Mr. BAKER. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That on Tuesday, February 3, 1981, following the time for the two Leaders, and subject to the report being printed and available no later than 12:00 o'clock noon on Monday, February 2, 1981, that the Senate proceed to the consideration of the nomination of Mr. Ray Donovan to be Secretary of Labor, and the time thereon be limited to 4 hours, to be equally divided and controlled by the Senator from Utah (Mr. Hatch) and the Senator from Massachusetts (Mr. Kennedy).

Mr. TOWER. Mr. President, reserving the right to object, I have not had a chance to discuss this with the distinguished Senator from Tennessee, the majority leader, but I wonder if anything has transpired now in moving the nomination of Mr. Carlucci to be the Deputy Secretary of Defense, Mr. Marsh to be Secretary of the Army, and Mr. Lehman to be Secretary of the Navy?

Mr. BAKER. Mr. President, these three items are not on today's Executive Calendar.

I might say to the distinguished chairman of the Armed Services Committee that I would very much like to do these. I wonder if I might get this agreement and have it entered and then I wish to confer with the distinguished chairman and with the minority leader and investigate the possibility of doing these.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Chair.

WITHDRAWAL OF UNANIMOUS-CONSENT REQUEST

Mr. BAKER. Mr. President, I temporarily withdraw my request in respect to the Judiciary Committee meeting pending further clearance on the minority side.

79-059 O — 84 —— 79 (Vol. 127 Pt. 1)

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I am advised that the nomination of Darrell Trent of California to be Deputy Secretary of Transportation has now been cleared on both sides, that it will not require a rollcall vote.

Mr. President, I ask unanimous consent that the order previously provided for in the sequence of business be amended to provide now for the consideration of the Trent nomination to be followed on immediately then by the order for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Darrell M. Trent, of California, to be Deputy Secretary of Transportation.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF TRANSPORTATION

The assistant legislative clerk read the nomination of Darrell M. Trent, of California, to be Deputy Secretary of Transportation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now proceed to consider two nominations at the desk.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. I say to the distinguished Senator that the Democratic cloakroom has contacted the offices of all Senators on our side. There is no objection to proceeding with the two nominations in question and to confirming the nominations by voice vote, and it probably will take only a minute to do this.

U.S. ARMY

NOMINATION OF JOHN O. MARSH, JR., OF VIRGINIA, TO BE SECRETARY OF THE ARMY

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of John O. Marsh, Jr., of Virginia, to be Secretary of the Army.

Mr. THURMOND. Mr. President, I rise in support of the nomination by President Ronald Reagan of John O. Marsh, Jr., of Virginia as Secretary of the Army.

Mr. Marsh is exceptionally well qualified for this position in many respects, especially so when an examination is made of his military background.

As a graduate of the Infantry Officers Candidate School at Fort Benning, Ga., at the age of 19 he entered service during World War II. Following this period he joined the Virginia National Guard until his retirement as a lieutenant colonel. During his Guard service he qualified as a senior parachutist and performed 30 days' annual active duty training in Vietnam.

In addition to his service in the uniform, he has lectured widely on military affairs at our leading military colleges. In the 1970's he reentered the Federal Government and served for 2 years during 1973 and 1974 as Assistant Secretary of Defense for Legislative Affairs. He later acted as Vice President Gerald Ford's assistant for National Security Affairs and culminated this service as a counselor with Cabinet rank to President Ford during which time he specialized in military intelligence and legislative affairs.

Complementing his strong military background, Mr. Marsh has a distinguished record in the legal and business field. Besides a general law practice, he has served as a police justice, town attorney, bank adviser, and real estate consultant.

Mr. President, Mr. Marsh brings to this position an intimate knowledge of the Congress by virtue of his service in the House of Representatives. He was elected to four successive House terms before voluntarily retiring from Congress to enter private business.

His contributions to his State and Nation are well documented by the numerous awards he has received as a private citizen in recognition of his contributions to his State and local community. He has also been awarded the highest decorations given by the Federal Government for his service in the Defense Department and the White House.

Mr. President, I have had the privilege of knowing Mr. Marsh on a personal basis for many years. He is a man of great capacity and courage. I am confident he will render the Army and our Nation a distinct and badly needed service as Secretary of the Army. I therefore urge his immediate and favorable confirmation by the Senate.

JOHN O. MARSH, JR., AS SECRETARY OF THE ARMY

● Mr. DOLE. Mr. President, the Senator from Kansas will vote today with great pleasure to confirm the nomination of John O. Marsh, Jr., to be Secretary of the Army. John Marsh is a competent and able administrator, and I admire his talents and abilities. But, over quite a few years, I have come to know him on a personal level, and I respect his character and value his friendship as well. We served as colleagues in the House of Representatives, where John Marsh was noted for his dedication and expertise while a member of the Appropriations and Veterans' Affairs Committees.

Over the last decade, John Marsh has worked hard to insure a strong national defense. As Assistant Secretary of Defense, Assistant for National Security to Vice President Ford and counselor—with Cabinet rank—to President Ford, where he conducted the review and reorganization of the U.S. intelligence community as chairman of the Intelligence Coordinating Group, John Marsh has been at the forefront of efforts to maintain an America whose military capabilities remain second to none.

We now stand at the threshold of a dangerous era for our Nation's security—faced with the threat of nuclear proliferation, unstable regimes in the Third World and other regions, and a drastic cooling of détente. We are at a time when, equipped with only volunteer forces, we must employ all practical and appropriate means to improve our national defense to an acceptable level. John Marsh believes in this objective.

He believes that America must make the maximum use of our available resources, including the Reserve Forces and the National Guard, to enhance our national security in the most effective and efficient way. During the hearings before the Armed Services Committee on his confirmaion, Jack said:

> I happen to be of the view that many people, not only in the legislative body but in the country, are not aware that when we went to the All-Volunteer Force that we deliberately adopted as a matter of policy the "total force" concept, which in the Army translates to a one-army concept, and that in order for our forces to execute the missions that they have (our active duty regular forces) it is vitally essential that they have an ability to call on the reserves and the national guard for a great deal of the combat support, the combat service support. And, I would say to you that the area of the guard and the reserve and their role and mission in the total force concept will be an area of high priority and special emphasis by me.

Mr. President, I encourage my colleagues to join with me in supporting the confirmation of John Marsh as Secretary of the Army.

Someone once said that national strength lies only in the hearts and spirits of men. With such men as John Marsh leading our Defense Establishment, our country can be assured we will remain strong.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. NAVY

NOMINATION OF JOHN F. LEHMAN, JR., OF VIRGINIA, TO BE SECRETARY OF THE NAVY

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of John F. Lehman, Jr., of Virginia, to be Secretary of the Navy.

Mr. THURMOND. Mr. President, I rise in support of the nomination by President Ronald Reagan of John F. Lehman, Jr., of Virginia to the post of Secretary of the Navy.

Mr. Lehman brings to this position a wealth of experience as a result of his military training, Government service and private business undertakings.

A native of Pennsylvania, Mr. Lehman has received undergraduate and graduate degrees from the University of Pennsylvania and Cambridge University in England.

His professional life is filled with service in positions which involved him in foreign and military policy issues, culminating in 1975 when he acted as Deputy Director of the U.S. Arms Control and Disarmament Agency. Previously he had served on the National Security Council staff, and as a delegation member on the balanced force reduction team in Austria.

In his private life he has authored a number of books on military and foreign issues. One of these publications studied the role of aircraft carriers, an exercise which will serve him well in view of his new responsibilities.

His military service in the U.S. Naval Reserve should also be of great benefit to him as he assumes his new duties. He is an A-6 operator, and has had many experience as a Reserve officer which will strengthen him in making proper decisions as Secretary of the Navy.

Mr. President, I urge the Senate to give prompt and favorable action on this nomination.

FULL SPEED AHEAD FOR THE NAVY

● Mr. DOLE. Mr. President, it is with great pleasure today that the Senator from Kansas casts his vote in favor of the confirmation of John F. Lehman, Jr., as the Secretary of the Navy. Mr. Lehman is a distinguished scholar and experienced analyst on national security issues. He has worked with great diligence and dedication, both in high Government positions and in the private sector, in the service of this Nation to further our military strengths and capabilities.

I have come to know John Lehman very well over the past few years, while he served on the staff of the National Security Council, his later service as Deputy Director of the Arms Control and Disarmament Agency, and in his role as a private sector defense consultant while president of Abington Corp. I have sought his advice many times on issues concerning the military and strategic defense. His counsel has always been extremely well-informed, prudent and far-seeing. I admire his abilities and accomplishments very much, but additionally have come to value his friendship.

John Lehman is a man of character and decisive leadership. At a time when our Navy is facing serious problems of retention, training and a potentially dangerous lack of ships, he understands the needs for immediate action. It is my belief that he will make an excellent Secretary of the Navy, taking charge from the beginning, and providing the calm yet forceful leadership this country asked for and got with the new Reagan administration.

It is not without considerable self-sacrifice that John Lehman assumes this post in the Government. He is one of those that Mr. Reagan said he needed to recharge the Nation's leadership: Successful men who, for love of country, will step down from their private pursuits to serve the common welfare. In his recent confirmation hearing, John put it this way: I believe this country is at a crossroads in history, and the course we take now may determine the future course of Western society—the path we have been recently following leads us toward disaster—but, I believe we have the opportunity with this new leadership, the aroused concern about our military and the will of the people to participate in a new undertaking.

A NATIONAL CONSENSUS ON NAVAL POLICY

It is John's aim to take the lead in forging a new consensus within our national security establishment and the Government as a whole over what this country's naval policy should be. What are the goals we seek to accomplish with the Navy? What kind of Navy does the United States need in the decade of the eighties and beyond? With this united consensus, the Navy can then reverse the trend of the past few years and begin to build for the future.

In 1976, John wrote "The Executive, Congress and Foreign Policy." In that book he clearly sets out his belief that the Founding Fathers intended for our national security and foreign policies to be formulated by a full partnership of Congress and the executive branch.

It is my understanding that this theoretical foundation, buttressed by his experience as a liaison on the National Security Council staff between Dr. Kissinger and the legislature, will lead to a high level of cooperation with Congress, and the Armed Services Committees in particular, in constructing the new Naval policy.

John Lehman believes that the national security interests of this country require a Navy that is second to none. Our strategic goal should be nothing less than naval superiority. The mission of the Navy will continue to be the prevention of any adversary from denying us access to the seas. I share those beliefs and am convinced that the confirmation of John Lehman will lead to a revitalized naval establishment.

Cicero, an accomplished diplomat of his own time, once said that "armed forces abroad are of little value unless there is prudent counsel at home"—parvi enim sunt foris arma, nisi et consilium domi. With John Lehman in the Pentagon at the Navy's helm, I believe the United States will have the best possible counsel on naval affairs.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETING

Mr. BAKER Mr President, I am advised now that the request in respect to the Judiciary Committee has been cleared.

I now renew the unanimous-consent request that the Judiciary Committee may meet this afternoon beginning at 2:30 p.m. during the session of the Senate to continue the business of organization of the committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Chair, and I thank the minority leader and all Senators.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I ask the Chair now to state the business before the Senate.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to exceed 2 hours, and during that period Senators may speak therein.

DECONTROL OF OIL PRICES

Mr. METZENBAUM. Mr. President, yesterday the President saw fit to terminate control over crude oil prices and domestic oil products with some specified exceptions.

Mr. President, I think that we have turned back the clock. We have set the Nation on its heels, and this decision is truly not in the Nation's best interest.

By terminating price controls on crude oil and oil products, President Reagan has taken a step that the people of this country and the President himself are certainly soon to have cause to deeply regret.

I believe that the decision is prema-

ture. There are those who would say, "But this was his campaign commitment," as did the Secretary of Energy, and to that I respond, yes, that was his campaign commitment, but it also was his commitment that he would turn back the wheels of inflation, that he would cut taxes, and that he would balance the budget.

I believe that the administration failed to take the time to study carefully the full implications of this hasty and ill-advised action for our economy. To my mind, there is a far stronger case for extending oil price controls indefinitely than there is for abolishing them here and now.

Let us look at the President's inaugural address, where the President cogently described what he called "an economic affliction of great proportions," and continuing on, "we suffer," he said, "from one of the longest and one of the worst sustained inflations in our national history. It distorts our economic decisions, penalizes thrift and crushes the struggling young and fixed income elderly alike. It threatens," the President stated, "to shatter the lives of millions of our people."

(Mr. STEVENS assumed the Chair.)

Mr. METZENBAUM. I agree entirely with the President's description of our economic situation, but I cannot agree with a policy that would have us believe that we can control inflation by creating more of it.

The sad fact is that with one stroke of the pen President Reagan has put in jeopardy his entire commitment to wring inflation out of our economy. Oil decontrol will immediately add at least a half point, and probably something closer to a full point, to the rates of inflation.

According to the administration, decontrol will cause gasoline pump prices to jump immediately by about 5 cents a gallon. I think it was Secretary Edwards who said prices would rise something like 3 to 5 cents a gallon. Well, he is about the only one who thinks that.

Yesterday, Exxon immediately increased their prices. In my own State, Sohio has indicated that prices will go up from 7 to 10 cents a gallon. A preliminary CBO estimate places that figure at 8 cents. The Wall Street Journal says a dime. And a worst case calculation puts the immediate impact at 17 cents. And that is on top of the 16 to 40 cents increase the Wall Street Journal predicts without decontrol in the first half of 1981.

Mr. President, I made a similar point to this body a couple of years ago when we decontrolled the price of natural gas on a phased basis. Many of my colleagues responded, "Don't worry, prices will only go up about 8 cents per thousand cubic feet in a year." I stood on the floor of the Senate and said it would go up 15 cents, twice that amount, and that is exactly what happened.

Since that time natural gas prices have just soared beyond belief. When we had the jet fuel bill on the floor to deregulate the price of jet fuel, even the airlines came before us and said it will only add 1 cent a gallon to the price. Within 2 or 3 weeks, however, the airlines were before the CAB asking for increases in their rates because of the tremendous increases they were paying for jet fuel.

Mr. President, I believe we will see $1.50 gas this spring, any maybe before. And it is just a matter of time until the oil companies, and their associates, the OPEC nations, will be driving gasoline pump prices up to $2 a gallon. That is not much of an inauguration present to the people of America from a President who believes in encouraging savings and investment.

Is that going to happen? Is there going to be more money available for savings and investment? Not if the additional money people get from the proposed tax cuts has to be used for gasoline, heating oil, and propane.

Let there be no question about it. When we decontrol the price of oil and gasoline we are causing an increase in the price of the food we put on our table; we are causing an increase in the price of the clothing we wear, causing an increase in the real estate taxes we pay to keep our schools open; we are causing an increase in the price of the autos we buy and steel that is used in making those autos. In sum, we are causing an increase across the board, not just an increase in the price of a gallon of gasoline.

If the oil companies are permitted to soak up the profits that other industries need for their own investments, what then happens to the rest of our industries? Where are the production incentives when you let the oil companies take all the profits unto themselves?

Decontrol is inflationary, very much so. But more inflation is not the only negative consequence that we can expect. In effect, decontrol means we are signing away our economic sovereignty. We are saying to the multinational oil companies and the OPEC cartel, "You decide. You tell us the value of oil. You decide how much we can have and how much we are going to pay for it."

We are saying to those leaders of the OPEC nations, "We sit at your feet. Tell us the price we should be charging for oil in this country."

I hear the argument about, "Well, let the marketplace prevail." And I hear people say, are they not paying $3 and and $3.50 a gallon for gasoline in the European nations and in Japan?"

Yes, that may be so. But there is a distinction between those nations and this Nation, where we produce approximately half of the oil we use.

But there is another important distinction, and that is that much of the oil produced in this country is coming from the lands and waters that the people of this Nation own. It is our oil, but the price of the oil we own is not being determined by domestic economic conditions.

There is no free market. It is being determined by the prices that the OPEC nations set. We are saying to the world through this decision that Americans are willing to have their vital economic decisions made in the foreign ministries of the Persian Gulf and in the board rooms of the oil multinationals. We have abandoned all hope of having an American energy policy.

Mr. President, that is not what I call an auspicious beginning for an era of national renewal, a phrase that the President has used. It is not a promising start for an administration pledged to a tight budget, a revised economy, a strong military, and an all-out war on inflation.

Decontrol means higher Federal expenditures. In the Defense budget alone every penny increase in the price of liquid fuels means that it costs an additional $70 million just to keep the planes flying, the vehicles rolling, and the bases operating.

That means that we are talking about $½ to $1 billion in additional costs to the American people and to our efforts to balance the budget. It just means we are going to be spending billions of dollars more on fuel—billions of dollars that will not buy one tank, launch one ship, build one plane or train one GI.

Decontrol is dangerous to the health of America's basic industries. In 1972, the year before OPEC began to jack up oil prices, the oil industry earned about 15 percent of the total profits of American industry. But in the first half of 1980 oil companies took in fully 40 percent of all the profits earned by all of America's corporations. The trend is going only one way—upward.

That is a prescription for economic disaster. It means capital starvation, a stagnating economy, and an unprecedented concentration of economic power in the hands of a few big companies.

Let us be realistic. We have been talking in the Congress about production incentives to let the manufacturing companies have more profit available to them so that they can buy new equipment, so that they can gear up to compete in the international arena, so that we can produce more for the dollar. But the fact is that if those same companies have to pay more for the energy they use, then it means less of those dollars will be available for production incentives.

Consider, for example, what the President's decontrol decision will do overnight to the value of the proven domestic oil reserves of the major oil companies. Assuming that the decision holds—and some of us hope to be able to find a legal way to challenge it—the price of a barrel of domestic crude will rise from the current average of $30 to the OPEC level of $37.

As a result, the value of Exxon's 3 billion barrels of proven domestic reserves will increase overnight by $21 billion.

Sohio's 3.9 billion barrel domestic reserve will go up in value by more than $27 billion.

Shell, with 2.2 billion proven barrels, will benefit to the tune of $15.4 billion. Texaco's 1.3 billion barrels translates into a $9 billion windfall in asset valuation. Arco's assets will go up by over $18 billion, Mobil's by over $6 billion, and Sun's by nearly $5 billion.

API figures indicate that in 1979, the 20 largest domestic oil companies held between them a total of 23.4 billion barrels of proven domestic reserves.

With one stroke of the pen, the President's action has caused those reserves to grow in value by nearly $164 billion. That is a bonanza—a truly spectacular

gift from the consumers and businesses of this country to an industry that is already awash in cash.

And let us remember that we are talking current prices. Every time OPEC raises the prices in the future, the value of domestic oil company assets will rise on a commensurate basis. Every time that happens, the domestic industry will have another incentive to do just what OPEC does—hold down production in order to keep prices high.

The argument is made that decontrol will provide domestic firms with an incentive to explore for oil and gas. But for the very large companies it provides no incentive whatever to produce today what will be far more valuable in the future.

The argument is stated, "If we get a little bit better price, we are going to produce so much more."

Well, I would like to point out to my fellow Members of the Senate that in 1973, we were producing over 9 million barrels a day in the lower 48 States. At that time, the domestic price of oil was around $3 a barrel. In 1980, we are producing less than 7 million barrels a day, down better than 2 million barrels a day, and the price has gone up 13 times.

And for those who would like to include in the figures the production from Alaska, I say that that production would have come on whether or not the price had gone from $3 to $39. But even with the Alaskan production, we are producing today less oil than we produced back in 1973.

We also have heard the argument that it is better to pay American producers and keep the money at home than to send billions upon billions of our dollars to foreign lands. But decontrol does not prevent that. It just means Americans will pay the large oil companies more while paying foreigners an equally increased amount. It means that American producers will have a profound, vested interest in protecting the continued ability of the OPEC goose to lay even larger and even more golden eggs.

Decontrol will not work to the advantage of the American people, but equally important, it will not work to the advantage of the American free enterprise system. It will not bring us more oil.

Now, I am willing to accept the argument that if you charge higher and higher prices, you may get a fraction more production, even though there is no evidence in past history to support it. And even if you can make the argument that we are going to get more, the incremental amount will be so small and at such a higher price—$5, $10, or $20 more—that the impact upon the economy will be so tremendous that this Nation simply cannot afford it.

Higher prices is by no means the efficient, effective or equitable method of reducing gasoline consumption to decontrol the price of gasoline. Studies conducted in this and other countries have shown that time and time again higher prices have a relatively small effect on demand for gasoline. Generally they say it takes a 10-percent increase in price to bring about a 1-percent decline in demand. But as the January 23, 1981, issue of the highly respected Lundberg Letter points out, price is not the only force at work on gasoline demand. Real income also has an impact—about three times that of price, according to Lundberg, and the impact is in the opposite direction. Higher real personal income, in other words, more than cancels out the inhibiting effect on demand of higher gasoline prices. "Any marked increase in personal disposable income or decrease in the rate of inflation," Lundberg says, "would encourage gasoline consumption, as a matter of economic fact, offsetting to some degree consumption decreases caused by higher gasoline prices."

Mr. Lundberg goes on to conclude, "Now and in the immediate future, improving automobile efficiency—not raising prices and lowering income—appears to be the most dependable way to limit or reduce U.S. gasoline consumption."

Now that is not a new insight. Some of us made just that point 3 years ago in arguing for a strong mandatory conservation package. But, "no," we were told by the previous administration, "higher prices will do the trick."

They will not, Mr. President. And we gain very little from them in return for a very great burden on each and every person in this country.

We had a witness before the Energy Committee the other day from the Department of Energy who was knowledgeable in this area. And he agreed that there are two major reasons why we have had some cutback on our energy consumption in this country. One of the reasons is very obvious: You do not use gasoline driving back and forth to work if you do not have a job. And with 12-percent unemployment in my own State of Ohio and comparable figures in so many other States throughout the Nation, of course we are not using as much gasoline.

But there is the other factor: Because of our pushing the auto industry, the domestic industry, as well as our foreign imports, we have been getting much better fuel efficiency than they did just a few years ago. The foreign cars are probably getting the best efficiency. We have pushed, we have attempted to enact legislation to lead our own domestic industry to move in that direction. Slowly, very slowly, but surely, they are. And that is another reason why there is less consumption.

But we must not forget that by just increasing the price we are placing all of the burden upon the consumer, while putting billions of dollars into the pockets of the oil companies.

Even if we concede the argument on price, there are some who say we need higher prices to make alternative fuels competitive. I agree, Mr. President, that is a seductive argument. It might make sense if the administration had coupled decontrol with a strenuous effort to create real competition between varying energy sources. But the administration has not done this, nor has the previous administration done it.

As things now stand there is no reason to believe that higher oil prices will bring truly competing fuels into the marketplace on any large scale.

The reason for that is obvious. The oil companies of this country at this moment pretty well control most of the other areas where we might expect competition. And, unfortunately, our own Department of Energy has not even attempted to keep them from doing that.

Look at coal. Forty percent of the coal reserves are owned by the oil companies. In nuclear energy, the oil companies control all of the uranium. They have moved into geothermal, and solar energy. They also have moved very effectively into shale oil.

In the previous administration, we should have had production going forward in connection with gasifying and liquefying coal. For 4 years we begged for it, and we asked for and the Department of Energy, filled with oil company executives, hardly moved us one step forward.

The oil companies have a lock on the energy resources of this country. And alternate energy resources are not going to be developed on a pace and on a scale determined by an industry, if that industry recognizes that fast development of alternative energy sources would only cut into their own profits.

I am not talking here of devil theories and dark conspiracies. Rather, I am talking about what businessmen do when they operate in a free, competitive market. I am not criticizing them for moving into these new areas. I am criticizing the Congress of the United States and the past administration for failing to make it possible for there to be real competition in the energy industry.

The oil company executives do what they are doing on behalf of their shareholders. But we in the Congress and in the administration have a responsibility to concern ourselves not only with the shareholders of these corporations, but the shareholders who own a piece of America, the people of America.

I also understand the interests of the oil companies are not the same as the interests of the American people. They are multinational companies. Their interests are not always with the United States of America. That was pretty evident in the recent war when they took their orders, not from us and our Government, but from the Arabs, who did not want them to move their tankers in a particular direction.

Now, let us consider the energy market itself. As you look at that, you must come to the conclusions that we must have competition. But how, for example, are we going to get competition in the solar energy field if of the nine leading firms in the solar field, more than half of them, are controlled by the oil companies?

Some people will say to this argument, is it not better for the oil companies to invest in coal and solar instead of buying up department stores, cardboard box companies, printing firms, almond groves, and a life insurance company?

I say to that, no. They have come to us time and again saying they wanted higher prices so they could produce more oil. And we ought not make these dollars

available to them instead for the purpose of buying up all of the competition.

I believe the oil industry ought to have and does have the resources it needs to seek, develop and produce oil and natural gas. I believe that the industry ought to be highly profitable, so that it should be able to attract venture capital. But I do not believe that we serve this Nation's interest by permitting oil to control coal, solar power, geothermal, and all the other competing power sources. We do not strengthen the free enterprise system by pouring resources into one sector at the expense of all others.

The administration is doing this Nation no favor pretending that these issues do not exist.

Really, what we are talking about in decontrolling the price of oil is who is going to determine the Nation's energy future. No more, no less.

I believe, Mr. President, that by decontrol the President has set this Nation back. I believe that he has set his own program of controlling inflation back. I believe that it is a disservice to our efforts to make the free enterprise system work more effectively.

Therefore, Mr. President, I will continue to find a way to bring this issue to the floor of the Senate, and I hope that my counterparts in the House will do likewise. I believe the voice of the Congress should be heard. I think the Members of this body should be given an opportunity to vote on the issue of decontrol, and I believe that we will be given an opportunity to vote on the issue of decontrol before too long. This Senator, and I would guess others as well, will seek to find such an opportunity.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. I might comment at the outset, this is the first time I have seen my colleague from Alaska in the Chair presiding. He looks very nice there.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. RIEGLE. Yes.

Mr. ROBERT C. BYRD. The Senator sitting in the Chair is a very nice man indeed. He is one of the finest of gentlemen, a great Senator, and my friend, but I will say it is his turn to sit in the chair.

Mr. RIEGLE. I thank the Senator from West Virginia.

DECONTROL OF OIL

Mr. RIEGLE. Mr. President, I commend the Senator from Ohio (Mr. METZENBAUM) and also Senator JACKSON, the former chairman of the Energy Committee in the Senate, for their leadership in the last several days in elevating the importance of the decision by the Reagan administration to decontrol the price of oil. I think this is a critical issue. I think to have that decision come at this time with other items dominating the news, the return of the hostages and other matters, diminishes the extent to which the public can catch up with this decision and its meaning before suddenly it is a fait accompli and new things come along to take one's attention, and perhaps we will never really understand what happened to us.

The decision by the Reagan administration to raise gasoline and fuel oil prices by immediately decontrolling the price of oil is a serious mistake—and will hurt our people within a matter of days. This decision will increase inflation without any gains in increasing the supply of gas and oil. Every citizen and every family will find their living standard reduced by this decision, and it will hurt those people most who must drive to work, drive to their shopping, and who heat with fuel oil—and therefore have no choice but to pay these deliberately inflated prices.

This country has already undergone the shock of two massive oil price increases—first in 1973 and then 1979. Americans have adapted and adjusted to these increases—quite often at great personal hardship.

If we look back, perhaps we might have cut consumption faster if we had begun the decontrol process in 1973. Maybe—but many experts then believed the shock would have been too great.

Our situation in 1981 is greatly different. Americans are not wasting energy resources as we did prior to 1973. Americans are trying to conserve energy in every possible way. I remember hearing experts several years ago say that intense conservation would occur when gasoline hit 80 cents/90 cents per gallon, we are now at $1.30/$1.50 per gallon.

At the present time, the country is in a recession. The prime interest rate is near 20 percent, the inflation rate in December was about 13 percent, food prices are up 14 percent. Unemployment continues high.

At the same time, we have seen a dramatic increase in oil exploration and a giant synthetic fuels program backed by the Federal Government.

Also, on January 22, the Department of Energy told the Senate Energy Committee that further continuance of the Iran-Iraq war could result in an increase in imported oil costs, meaning their going even higher—perhaps $20 billion annually.

I think the decision to decontrol oil prices now is a mistake and a hard blow to American consumers and the American economy at this time. Gradual decontrol or decontrol later, when our economy is stronger, would be much wiser.

It is unclear under this decontrol plan how the Midwest will be protected in the event we run into a material energy shortage in the period ahead. As I analyze the Executive order, there will be no mandate that regions of the country have equitable access to oil supplies.

This can pose a critical problem for the farmers in the United States. Under the controls and allocation system, farmers enjoy a priority status, which I think was necessary and sound. That status had insured that adequate supplies would be available for the production of agricultural products in the United States.

Priority status is maintained if we were actually to go to a situation requiring gasoline rationing. The concern is what happens if we have a shortage that does not constitute a rationing situation? How are our farmers and other vital sectors to be protected in terms of having an adequate supply of fuel and having it at the time they need it? I think the decontrolling action raises new questions about the likelihood of whether we can be certain there will be sufficient fuel for farmers this year during the spring planting season.

We were protected under the old law, but that protection has now been stripped away. Now that that has been stripped away, we lose that protection. Higher prices are clearly another consideration that will affect farmers. Decontrol will mean a major cost increase for their operations, in the same way that consumers are affected. The difference, however, is that farming employs methods that require large amounts of gasoline and diesel fuel. A 5-cent or 10-cent increase in the cost of fuel can mean the difference between a farmer showing a profit in 1981 and suffering another loss.

So, it is also on the basis of my fears that supplies to farmers will either be curtailed, interrupted, or priced too high that I feel that this decision is unwise and poorly timed.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. RIEGLE. Yes, I yield.

Mr. KENNEDY. Mr. President, the Reagan administration's first major action on energy and the economy is an unwise step that only makes inflation worse. Accelerated decontrol of the price of oil will mean a harsh, new, Government-inflicted blow to the consumers of Massachusetts and New England already suffering from the coldest winter and the highest fuel prices on record. It is a burden we should not have been asked to bear.

There is no free lunch. The additional Federal revenues generated through immediate oil price decontrol will be largely offset by increased Federal costs for low-income energy assistance, unemployment compensation, and for filling the strategic petroleum reserve. The price increase from decontrol will send a sudden, new surge of inflation through the reeling economy. It will impose severe costs in both the short run and the long run on working families and the poor, on energy-intensive businesses, and on the competitive position of American industry in the world.

These costs must be faced forthrightly, and the administration must forthrightly accept its responsibility to alleviate the burden on those injured by today's action.

Past administrations have promised that the harsh impact of oil decontrol on the poor would be offset by the low-income energy assistance program, but the performance has never matched the promise. The existing assistance program provides only $1 for every $4 increase in energy bills. The current appropriation of $1.8 billion would have to be quadrupled if even the poorest families are to be fully protected. In fact, funds to achieve this goal will be available from the additional windfall profit tax revenues received in the Treasury as a result of today's decision to accelerate decontrol.

Past administrations have also promised to cushion workers especially hard hit by energy policies. Oil decontrol will put 750,000 workers out of work. Today's decision alone will put 40,000 more auto workers out of work. Benefits under the existing trade and other unemployment programs must be continued to help these families meet this burden of forced unemployment.

Finally, the decision to decontrol oil prices means that billions of dollars of industrial plant and equipment, designed to be efficient at much lower oil prices, will now be obsolete. Unless new investment incentives to increase energy efficiency are quickly implemented, the dangerous decline in productivity of American industry will fall even further because of decontrol.

There is also real danger that thousands of small businesses whose supply of petroleum products was guaranteed by allocation regulations will be driven out of business if the major oil companies decide to cut off their supplies. Vigorous oversight by the Department of Justice and the Federal Trade Commission is essential to avoid these bankruptcies.

No region of the Nation and no group in our population should be forced to bear an undue burden of our national energy policy. The weeks to come will test the commitment by both Congress and the administration to this basic principle of fairness in our society.

The fundamental reason that I oppose permitting OPEC to control U.S. oil prices is that I believe America must control its own economic destiny.

When President Carter began the decontrol of oil, it was assumed that decontrol would cause less than a point increase in the Consumer Price Index. The experts predicted that the price of oil would not exceed $16 per barrel. Instead, oil costs rose to $35 per barrel. The expected cost of decontrol increased from $26 billion to $153 billion—the most incredible cost overrun of a Government policy in history.

Once the decision was made to hand over the power to control U.S. oil prices to OPEC, we lost the power to set our own economic policy. In reality, decontrol of oil will cost six times more than that predicted by the Council of Economic Advisers before my Energy Subcommittee. Its inflationary impact is six times greater than predicted.

The American people must understand the enormous price they are paying for this decision.

Because of decontrol, the inflation we will suffer will be double-digit rather than single-digit inflation next year.

Because of decontrol, three quarters of a million more workers will be unemployed.

Because of decontrol, the Federal deficit will be increased by $15 billion in 1982.

Because of decontrol, the productivity of the American economy will be reduced.

We do not make America strong by increasing inflation, by throwing hundreds of thousands of men and women out of work, by increasing the Federal deficit and cutting productivity.

But this is the price that every American and every American business—except the oil industry—will pay for this policy.

I have proposed a major alternative energy program that would cut U.S. imports by more than half by increased energy production and increased energy efficiency. This policy will protect the American economy and foster, rather than undercut, economic growth.

America needs a responsible energy policy. The Nation must stand for the principle that we, and not OPEC, are the masters of our economic destiny.

Mr. President, I ask unanimous consent that studies by the Congressional Budget Office, the Wharton economic forecasting group, and other experts be placed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 19, 1980.

MEMORANDUM

From: Lawrence E. DeMiliner, Chief, Inflation Impact Unit, Fiscal Analysis Division.

Attached is a letter prepared in response to a request from Senator Edward M. Kennedy asking the CBO to reestimate the inflationary impact of decontrol of domestic crude oil prices.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 13, 1980.

Hon. EDWARD M. KENNEDY,
Chairman, Subcommittee on Energy, Joint Economic Committee, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request, the CBO has reestimated the inflationary impact of decontrol of domestic crude oil prices. The inflationary impact has, as you suggested, been significantly altered by the unexpectedly large increases in OPEC oil prices over the past six months. We now project that the decontrol of domestic crude oil prices will raise the general (Gross National Product) price level 3.6 percent by 1983 and the Consumer Price Index by approximately 4.3–4.6 percent by 1983.

The increase in expenditures per year, the GNP price level impact, and the Consumer Price Index impact are given below. The price level and CPI–W impact are fourth quarter to fourth quarter:

	Expenditure increase [1] (billions)	General (GNP) price level impact (percent)	CPI–W impact (approximate) (percent)
1979	$2.0	0.2	0.3
1980	21.8	1.1	1.5
1981	54.9	1.7	2.1
1982	74.8	.6	.7
Percent		3.6	[2] 4.6

[1] Does not include expenditures for oil produced as a result of higher prices due to decontrol.
[2] CPI–U impact would be approximately 4.3–4.4 percent due to lower relative importance for gasoline in that measure.

I would briefly like to describe four aspects of the CBO analysis:

Methodology,
Assumptions,
Interpretation of results, and
Other estimates.

METHODOLOGY

The GNP price level impacts are calculated by dividing the increase in expenditures due to decontrol by nominal GNP. The increase in expenditures represent increases over what would have occurred under indefinite continuation of controls with a composite price limitation on the average price of domestic crude oil. The CPI impact is calculated in several steps. The direct impact is computed based on the percent increase in price of petroleum products consumed directly (chiefly, gasoline and fuel oil) multiplied by the relative importance of these items in the index. The indirect impact is calculated by subtracting the increase in petroleum products consumed directly from the total increase in expenditures, and dividing the result by nominal GNP.

ASSUMPTIONS

The analysis is based on five key assumptions:

$35 first sale domestic decontrolled price in the fourth quarter of 1979, increasing 12 percent per year through 1981,
Full passthrough of oil price increases,
No effect on prices of substitute fuels,
No effect on world oil prices, and
Fifty percent wage price feedback.

INTERPRETATION OF RESULTS

The results of the CBO analysis should be interpreted in light of the key assumptions in the analysis. The impacts will be smaller than those above if the higher domestic crude oil prices resulting from decontrol are not fully passed through to consumer and other prices, if wages do not rise significantly in response to higher consumer prices resulting from the increase in domestic crude oil prices, or if decontrol results in lower world oil prices than would prevail under continued controls. The impacts will be larger if wages are quite responsive to higher prices or if prices of substitute fuels, such as coal or natural gas, rise substantially faster as a result of domestic oil decontrol.

The impact on the CPI is larger than on the GNP price level because of the greater petroleum intensiveness of the CPI. The calculation of the CPI impact is, however, less precise than the GNP price level impact, due to the approximation of the indirect CPI impact. More importantly, the direct impact on the CPI is based on 1972–73 consumption of gasoline and heating oil. Since gasoline and heating oil usage among consumers has declined relative to the consumption of other items, the direct CPI impact overstates the impact.

The impact is larger on the CPI–W than the CPI–U. This reflects the fact that gasoline has a larger weight in the CPI–W than the CPI–U. The impacts on both measures are of importance. The CPI–U is generally regarded as the preferred measure of consumer prices since it covers about 80 percent of the population as opposed to the 40 percent covered by the CPI–W. On the other hand, the CPI–W, and not the CPI–U, is used for indexation, that is, increases in wages under cost of living agreements and in benefits under Social Security and other programs are tied to the CPI–W.

OTHER ESTIMATES

CBO estimated the inflation impact of the decontrol in May and November 1979. In May 1979, CBO estimated an impact of 0.6 to 0.8 percent based on an assumption of world oil prices of $14.54 at the end of 1979,

increasing at 7 percent thereafter. In November 1979 the estimate was increased to 1.9 to 2.1 percent based on world oil prices of $30 in the fourth quarter of 1979 increasing at a two percent real rate thereafter. Both of these estimates were impacts on the general price level, not CPI impacts.

CBO's estimate is higher than most other estimates. Most of these estimates were prepared at the time of the President's decision to decontrol domestic crude oil prices. Thus they would require upward revision in order to be comparable to the CBO estimate. CBO's estimate may also be higher than other estimates because it assumes full passthrough of oil price increases to the consumer, whereas other estimates may assume less than full passthrough.

We would, of course, be pleased to respond to any further questions you may have.

Sincerely,

ALICE M. RIVLIN,
Director.

[Press Release]

SEVERE DAMAGE TO U.S. ECONOMY FROM FURTHER OIL DECONTROL AND PROPOSED GASOLINE TAX FORECAST USING WHARTON ECONOMETRIC FORECASTING ASSOCIATES' MODEL

Congressman Benjamin S. Rosenthal (D-NY) today released an analysis using the Wharton Econometric model that forecasts severe damage to the U.S. economy if the remaining price controls on domestic oil are removed between now and October 1981. This situation would be made considerably worse if Congress were to approve the Administration's announced intention to seek legislative authority for a 10 cents per gallon tax on gasoline.

The analysis, which Wharton prepared for Rosenthal's Subcommittee on Commerce, Consumer and Monetary Affairs, was based on pricing patterns DOE supplied to the subcommittee and shows the following:

I. IMPACT ON THE NATION'S OIL BILL

The effect of letting U.S. oil prices rise to world levels through further decontrol will be to add nearly $40 billion a year to the Nation's already huge oil bill (approximately 53 percent of the Nation's crude oil production is currently subjected to price control but will be decontrolled in stages between now and October 1981);

If the Administration's suggested gasoline tax of 10 cents per gallon is permitted to take effect, an additional $10 billion would be imposed on America's energy consumers;

Thus, the total annual impact of decontrol and the suggested gasoline tax, can be conservatively estimated at almost $50 billion per year.

II. IMPACT ON THE CONSUMER PRICE INDEX (CPI)

With decontrol and a 10 cent gasoline tax, inflation is expected to be considerably worse than it would be with continued controls. The Wharton model forecasts that the Administration's oil plan would add another 30 percent to inflation by 1982.

III. IMPACT ON UNEMPLOYMENT

It is projected that an additional 800,000 persons will lose their jobs if domestic oil price controls are removed and a 10 cents per gallon tax is imposed. Without them, the Wharton analysis projects that unemployment would have dropped below 6 percent by 1982.

IV. IMPACT ON REAL GROSS NATIONAL PRODUCT (GNP)

Decontrol and the gasoline tax would retard anticipated real growth in GNP by $18.2 billion in 1982, as against a projected GNP increase without them from $1.438 trillion in 1980 to $1.475 trillion in 1981 and $1.525 trillion in 1982.

V. IMPACT ON DISPOSABLE PERSONAL INCOME

The Wharton analysis projects that real disposable personal income (a measure of consumer spending power) will drop by $18 billion in 1982 if decontrol continues on schedule and the gasoline tax is adopted. In nominal terms, a typical family of four will lose $400 of purchasing power due to these oil price increases alone.

The New York Democrat said that "The Administration's energy policy of driving up prices is in dramatic conflict with its expressed desire to reduce inflation and prevent a serious recession." Rosenthal called on the President to "establish immediately a Blue Ribbon Commission to examine the far-reaching consequences on the U.S. economy of our present policy of fostering higher energy prices; and to make speedy recommendations for basic policy changes."

WHARTON ANNUAL AND INDUSTRY MODEL: DECONTROL WITH GASOLINE TAX, OIL PRICE CONTROL—NO GASOLINE TAX

TABLE 1.—SELECTED ECONOMIC INDICATORS

Item	1979	1980	1981	1982
Gross national product (1972 dollars):				
Oil price decontrol	1,431.92	1,433.93	1,466.00	1,506.72
Oil price control	1,431.92	1,437.64	1,474.74	1,524.94
Difference	0	−3.72	−8.74	−18.23
Percent difference	0	−0.26	−0.59	−1.20
Real disposable income (1972 dollars):				
Oil price decontrol	994.36	996.41	1,023.25	1,050.30
Oil price control	994.36	999.86	1,031.01	1,068.81
Difference	0	−3.45	−7.76	−18.50
Percent difference	0	−0.34	−0.75	−1.73
Nominal disposable income:				
Oil price decontrol	1,623.75	1,806.49	1,986.94	2,188.06
Oil price control	1,623.75	1,802.84	1,977.74	2,166.05
Difference	0	3.64	9.20	22.01
Percent difference	0	0.20	0.47	1.02
Change in CPI:				
Oil price decontrol	11.47	15.15	8.95	8.87
Oil price control	11.47	14.23	7.94	6.86
Difference	0	0.92	1.01	2.01
Percent difference	0	6.50	12.72	29.25
Unemployment rate:				
Oil price decontrol	5.79	6.88	6.95	5.76
Oil price control	5.79	6.74	6.59	5.026
Difference	0	0.14	0.36	0.74
Percent difference	0	2.14	5.40	12.72

Source: Wharton E.F.A.

[From the Wharton Magazine, Summer 1979]

ENERGY AND THE FUTURE U.S. ECONOMY

(While U.S. policy has subsidized OPEC, higher energy prices have slowed our growth rates. The new condition is not just a temporary aberration.)

(By Dale W. Jorgenson)

The political upheaval in Iran has interrupted the flow of world petroleum supplies and has resulted in a sharp increase in world petroleum prices. It is highly unlikely that these events will produce a downturn in the U.S. economy on the scale of the recession that followed the Arab oil embargo of 1973 and 1974, but the U.S. economy is certain to suffer damage.

The Iranian crisis has made it clear that the post-embargo petroleum price increases are a permanent feature of the world economy rather than a temporary aberration. Recent price increases have brought home the fact that the U.S. economy is more vulnerable to the impact of world petroleum price changes today than it was six years ago.

U.S. energy policy has failed to insulate the nation from upheavals in the world petroleum market. To the contrary, that policy has resulted in increased reliance on foreign oil as a consequence of price controls on domestic crude. On April 5 of this year President Jimmy Carter announced a program to reduce the growth of petroleum imports by phased decontrol of domestic petroleum prices.

The U.S. is almost alone among industrialized countries in retaining a cumbersome system of price controls on energy that bases the price of refined products on the average of prices of imported crude and domestic crude. In effect, foreign producers receive a subsidy paid by means of a corresponding tax on domestic producers. The subsidy acts as a stimulus to petroleum imports, while the tax reduces incentives to produce petroleum domestically.

Price controls on domestic petroleum, established by President Nixon in Project Independence, have allowed demand for petroleum to rise more rapidly than it would have risen in the absence of price controls. The effective tax on domestic producers also permitted domestic supply to fall more rapidly than it would have fallen in the absence of controls. The impact of Project Independence has been a dramatic increase in dependence on petroleum imports.

The price controls have discouraged domestic producers from increasing production and resulted in an increase in petroleum imports from 6.3 million barrels in 1973 to 8.3 million barrels in 1978. A second and less obvious effect is that large sectors of the U.S. economy have been shielded from the true cost of energy on the world market today. As a result, the U.S. lags far behind the rest of the industrialized world in energy conservation.

The question of whether these controls should remain is an understandably controversial one. While all sides agree on the need for a new national energy policy, there is bitter disagreement over what it should be:

To the producers of energy, the objective of a national energy policy must be to provide incentives for energy production—that is, allow producers to charge higher prices.

To the consumers of energy, however, the objective must be to provide plentiful energy at a reasonable cost—that is, lower prices to consumers.

The reconciliation of these two mutually exclusive objectives is the main problem now confronting the Congress and the Administration in enacting new legislation. It will be no small feat to come up with a policy that will give producers a boost without giving consumers a jolt.

The U.S. government did not start out with a policy intending to keep domestic oil prices below world levels. In fact, from 1959 to 1972, the Federal government administered a program of import quotas on crude petroleum in order to keep domestic prices above world levels.

The reversal in policy came about after the Arab oil embargo of October 1973 that quadrupled the price of foreign oil. At the time of the embargo, a wage and price control system was in effect in the United States, and former President Richard M. Nixon considered the embargo an affront in his war against inflation. The resulting energy policy—dubbed Project Independence—rapidly evolved into a complex system of price controls on domestically produced crude petroleum and refined products that effectively held domestic prices below world levels.

It is worth noting that, until the embargo, energy was one of the great bargains of American life. From 1950 to 1973, the real price of energy to the consumer, adjusted for inflation declined at a rate of 1.8 percent a year. This decline was an important factor in the relatively high rates of economic growth in the U.S. during the post-war period.

The stated objective of the oil import program in force from 1959 to 1972 was to maintain national security by keeping petroleum prices above world levels. In contrast, the objective of Project Independence was to maintain national security by keeping prices below world levels. Such inconsistencies are typical of U.S. energy goals, not temporarily aberrations, and, regrettably, can be expected to continue for the foreseeable future.

From historical evidence, it is now clear that the Arab oil embargo had very little impact on the supply of petroleum products, but the price controls prompted massive inventory accumulations. While lines formed at gas pumps and station attendants doled out $2 portions, producers, distributors and even some consumers added to inventories, creating the need for a federal allocation program.

If supplies were not scarce, why did prices soar so high? At least three different explanations have been advanced:

Resource exhaustion. According to this thesis the world began to run out of oil at the time of the embargo. Proponents of this thesis now say that the world will begin to run out of oil in 1985. My prognosis is that this date will continue to recede, perhaps indefinitely.

Resource scarcity. A sophisticated version of the resource exhaustion approach, this explanation states that the 1973 price boost was a speculative increase to reflect the belief that the world would run out of oil in the next decade. (In the terminology of economists, this is called "scarcity rents.")

The OPEC Cartel. The third explanation is that the Organization of Petroleum Exporting Countries (OPEC) succeeded in establishing an effective cartel in petroleum, raised prices fourfold, and then settled back to enjoy the benefits of its well-entrenched monopoly position.

The interruption in the flow of oil from Iran has resulted in petroleum price increases that are relatively modest by comparison with the increases that occurred in 1973 and 1974. World petroleum production has remained virtually unchanged as OPEC members other than Iran have expanded output. However, the Iranian crisis has brought into sharper focus the need for action by Congress on a new energy policy that will decrease our dependence on foreign oil.

In addition to decontrol of petroleum prices, President Carter has also proposed a windfall profits tax on oil production to capture part of the price increase on oil already discovered. The proceeds of this tax would go into an Energy Security Fund that would be authorized to dispense funds for three purposes:

Protect low-income families from energy price increases.

Build a more efficient mass transit system.

Develop alternative energy technologies based on more abundant sources of energy.

President Carter has also announced that he will request authority for mandatory conservation measures. The first is to require that thermostats in commercial office buildings be set no higher than 65 degrees in winter and no lower than 80 degrees in summer. In addition, he will take steps to eliminate free parking for federal employees to discourage automobile commuting to work and he will request tax credits for wood-burning stoves.

The primary impact of raising domestic petroleum prices will be to eliminate the effects of price controls that now shield large sectors of the U.S. economy from the full impact of the OPEC cartel. Higher energy prices will dampen the rate of economic growth, but the new national energy policy should move the U.S. toward the announced objectives of increased energy conservation and reduced energy imports. Conversion to coal will be stimulated, and the stockpiling of petroleum likely will protect the U.S. from future oil embargoes.

The most bitter controversy over the Administration program has involved how to distribute proceeds of the proposed windfall profits tax, which is designed to transfer part of the gains from the proposed price increases to the federal treasury. What should the government do with the expected revenues of $1.6 billion in 1980, $4.7 billion in 1981 and $7.8 billion in 1982? Should it be used to promote mass transit or alternative energy sources? Should it be returned to the populace in the form of a tax rebate? Should it, as the oil industry has suggested, be plowed back to the industry as an incentive for increased production?

Re-distribution of the gains from higher energy prices will have a substantial effect on the welfare of energy producers and consumers, but the impact of such a re-distribution on economic growth will be insignificant. Whatever the final redistribution of these gains, there is no doubt that both energy producers and energy consumers will be forced to make substantial changes in their behavior.

Before turning to an economic outlook based on the new energy situation, it is useful to recall a few features of the great 1974–75 recession and subsequent recovery and then compare them with the recovery period of 1970 to 1973.

The longest period of continuous economic expansion in U.S. post-war history was brought to an end by the Nixon Administration in 1969. Military expenditures associated with the Vietnam War were cut back and the investment tax credit was repealed, leading to sizeable slowdown in investment spending in 1970 and 1971. The policy of deflation was reversed in late 1971 and early 1972, leading to a recovery that turned into a boom in 1972 and 1973. The boom was accompanied by a jump in the prices of food and other raw materials.

In the autumn of 1973, the U.S. economy was entering the final stages of a boom. GNP was growing rapidly, inflation was accelerating and interest rates were rising rapidly as monetary policy tightened. Then, in October, the Arab oil embargo pushed petroleum prices up fourfold and the U.S. economy went into the most severe downturn of the postwar period.

The recession of 1974 and 1975 was the most severe of the post-war period and resulted in a collapse of investment in 1975 of 13.2 percent in real terms. We are well into the recovery from that recession; however, this recovery has some features that set it apart from prior cyclical experience.

Real growth, as measured by the growth rate of GNP, is running well below the last recovery. The average growth rate from 1970 to 1973 was 3.5 percent, while the 1974–78 growth rate was 2.3 percent a year.

The recovery of capital spending has been very weak. While the growth rate of business fixed investment exceeded that of GNP from 1970 to 1973, running at 3.7 percent a year, investment growth has fallen short of growth in GNP from 1974 to 1978, averaging only 1.7 percent a year.

The growth of employment was slowed by the downturn in business activity in 1974 and 1975, but has rebounded sharply with additional jobs averaging more than three million in 1976, 1977 and 1978.

The growth of productivity has lagged far behind the rate of growth of productivity in the previous recovery. Productivity grew at 2.1 percent per year from 1970 to 1973 but has grown at only .9 percent per year in the 1974–78 period.

The rate of return for the economy as a whole, corrected for inflation, has been running lower than levels at corresponding stages of the earlier recovery.

The key to the slowdown of capital formation and the relatively rapid growth of employment in the recent recovery has been the impact of dramatically higher energy prices. At any given level of output, higher energy prices drive down the demand for energy. The short-run impact of changes in energy prices

is rather modest. Over the long run, however, elasticity of demand for primary energy sources—crude petroleum, natural gas and coal—means that a 10 percent increase in the price of energy results in a 3 or 4 percent decrease in energy demand.

Similarily, higher energy prices drive down the demand for capital because there is a decrease, for example, in the construction of new buildings that require heating and cooling. This energy/capital complementarity is not inconsistent with the fact that more capital in the form of added insulation or greater instrumentation can be used to conserve energy.

An example may be useful. Refrigeration services, involving capital and energy, are used to produce food. Now, suppose energy prices increase. This will give food producers an incentive to conserve energy by using more capital in the form of better insulated and more carefully instrumented refrigeration equipment. However, it will also give food producers an incentive to conserve their basic refrigeration services, which are now more costly, thereby using less capital as well as less energy. If the food producers' demand for refrigeration is reduced enough to offset their increased demand for energy conservation materials, the overall demand for capital will be reduced along with the demand for energy.

The impact of higher energy prices on labor is just the opposite—that is, it increases demand. In the short run wage rates will rise and employment will increase. In the recent recovery, higher wages and enhanced prospects for employment accelerated the growth of the labor force. This rapid growth of the labor force, especially in unskilled labor, has contributed to the persistence of high levels of unemployment in the face of rapidly expanding employment opportunities.

Because the supply of capital is fixed in the short run, reduced demand for capital depresses the rate of return to owners of capital without affecting supply. In the course of the current recovery, rates of return have deteriorated steadily compared to corresponding stages of earlier recoveries. A fall in the rate of return typically results in a lower level of capital formation and a rise in consumption. Again, this is precisely what has happened in the course of the current recovery. The recovery of investment spending has been disappointingly sluggish, while a boom in consumer spending has led the recovery.

Move ahead to early 1979. Once again, the U.S. economy neared the end of a boom, with GNP growing at an annual rate of 6.3 percent in the fourth quarter of 1978, inflation accelerating to double-digit levels and interest rates up sharply in response to tighter money. The failure of investment to develop expected momentum at this phase of the recovery has been the source of great anxiety on the part of economic forecasters: concern has surfaced that we may be on the verge of a new economic collapse. The evidence indicates that capital formation will play a diminished role in the future growth of aggregate demand and consumption will continue to be unusually buoyant. Slower growth of investment will result in a slowdown in the rate of economic growth, and could make a recession more likely.

The question that does remain is how high are petroleum prices going to go? The answer—and it is speculative at best—lies both in Washington and the Middle East.

Domestically, the initial impact of the energy proposals now being debated in Washington will be to raise domestic crude petroleum prices. Domestic natural gas prices will follow, with the delay due to lags in the regulatory process. The prices of coal and other primary energy sources are not now controlled, so they can be expected to rise at a comparable rate. Repeated technology assessments of solar energy, oil from shale, and synthetic fuels based on coal have revealed very limited opportunities for commercialization at current real prices for petroleum.

The past five years have revealed that there is no long-run solution to the energy problem that has the comparative simplicity of building atomic weapons through a Manhattan Project or landing on the moon with an Apollo Project. Dependence on imports has proved to be the least undesirable of the alternatives confronted by the U.S. economy thus far—certainly better politically than allowing domestic prices to rise and mandating conservation measures. However, that approach is shortsighted and, if it continues, could do serious and permanent damage to the economy.

Prior to the cessation of Iranian production; price increases by OPEC had created the threat of a petroleum glut on world markets. Members of OPEC, like members of the U.S. Congress, have a problem of distributing the proceeds of higher petroleum prices. Increases in prices could increase the petroleum glut, raising the problem: Who is willing to absorb the production cutbacks that will be required? This problem accounts for some of the lack of enthusiasm for price increases by the largest producer, Saudi Arabia.

The smaller producers in OPEC are perfectly happy to raise prices and to have the Saudis cut back on production, thereby redistributing cartel profits. By removing the effective subsidies to OPEC through the present system of price controls in the United States, the Carter energy program would put pressure on the smaller members of OPEC to support the policies of price moderation.

While no permanent damage has been done to Iran's oil fields, leaders of the new Iranian government have announced their intentions to reduce petroleum production considerably below the levels that prevailed under the Shah. As Iranian production has risen, the production of other members of OPEC has fallen, leaving little slack between supply and demand. Because of higher prices brought about by the shutdown of production in Iran, the growth in world demand likely will grow more slowly. The outcome of this scenario is that the OPEC price increase holds, local supply gluts such as the one currently prevailing on the West Coast of the U.S. will be absorbed, and there will be some further upward pressure on prices.

To construct a "worse case" scenario, suppose that Iran, either because of technical difficulties or further political upheavals, cannot maintain production at the anticipated lower levels. Then suppose that political upheavals spread to Kuwait, Saudi Arabia and the Arab Emirates. Under this scenario, all bets are off and the world is headed for economic disaster. Under the most likely outcome of the Iranian situation, production will be restored to levels below those that prevailed until the Shah's departure.

2 RECENT RECOVERIES

[Rates in percent]

	Growth rate real GNP	Growth rate real BFI [1]	Employment change (millions)	Growth rate of productivity	Owners rate of return
1970	−0.3	−.3	0.7	0.7	3.6
1971	3.0	−1.8	.5	3.4	3.9
1972	5.7	8.1	2.6	3.4	4.5
1973	5.5	12.2	2.7	1.9	5.4
Average, 1970-73	3.5	3.7	1.6	2.1	4.4
1974	−1.4	−3.	1.5	−3.0	3.7
1975	−1.3	−13.0	1.2	2.1	3.6
1976	5.7	4.7	2.7	3.5	4.0
1977	4.9	8.2	3.1	1.6	4.7
1978	3.8	7.8	3.8	.4	5.2
Average, 1974-78	2.3	1.7	2.0	.9	4.2

[1] Business fixed investment.

If the U.S. economy continues to be confronted by increases in world petroleum prices at rates much beyond those set by OPEC in December and March, there is a serious risk that the policy response of the Carter Administration, like that of the Nixon Administration, will be to maintain rigidly deflationary monetary and fiscal policies in the name of the war on inflation. In that event, long lines at the gas pumps, growing unemployment, rapid inflation and much presidential exhortation to turn down the thermostats are in prospect.

The unsatisfactory nature of the recovery that began in 1976 gave rise to President Carter's promised economic nirvana of a balanced budget, full employment, and an end to inflation—all by 1981. This is the vision that led to the expansionary monetary and fiscal policies of the last two years and the resurrection of double-digit inflation. The vision has now been replaced by more modest goals. But the gap between Administration promises and economic performances has given an opening to the unlikely trio of Howard Jarvis, Jerry Brown and Milton Friedman—all focusing on the connection between expansionary government policies and inflation.

The forces behind fiscal conservatism appear to be sufficient to rule out business tax cuts on a scale that would offset the impact of higher energy prices and slower economic growth on investment. An investment tax credit in the range of 20 to 25 percent would be needed to bring economic growth back to rates that prevailed before 1973. The cost of such a program would rule out any other tax cut before the 1980 election—a distressing prospect for Congress and the Administration alike.

The United States has entered an era of increased dependence on foreign supplies of petroleum without the benefit of policy guidelines for managing supply interruptions. For dealing with the shortrun impact of production cutbacks like those in Iran, petroleum reserves in the hands of the public and the government are critical. In the intermediate term, the most important issue remains the need to bring domestic petroleum prices into line with world conditions to reduce dependence on imports.

With increased reliance on imports the U.S. economy has become more vulnerable to the impact of world petroleum price changes. This is ordinarily a second order

problem for intermediate term energy policy, but became paramount during the rapid increase in prices following the Arab oil embargo. The experience of 1974 through 1978 reveals that energy price changes can have substantial impact on the U.S. economy. Uncertainty about future energy prices vastly complicates the ordinarily difficult problem of economic management.

From a macro-economic perspective the problem posed by the role of energy in the U.S. economy is that impacts of changes in energy prices are felt over a period from two to five years. This is a kind of blindspot in economic policymaking, lying between the annual cycle organized around legislative enactment of the federal budget and the consideration of long-run issues such as the role of the government in regulating the economy, the balance between social and military spending, and the allocation of the national product between public and private sectors.

It will be difficult to come to terms with the impact of the OPEC cartel at an intellectual level until much time has passed. The effects of higher energy prices are not easy to detect for quarter-to-quarter fluctuations in the national income and product accounts. In the short and intermediate term, we can expect economic commentators to blame a variety of "special factors" for the growing departure between current economic developments and past historical experience. Business confidence will be seen to be declining, even as consumer confidence is seen to be rising. The ability of the American labor force to continue to perform according to the work ethic will be seriously questioned. Environmental regulations, occupational safety, the declining dollar—all these and other explanatory factors will appear in the commentator's lexicon.

We are entering a Ptolemic age of explanations built upon explanations. But in the long run, presumably when we are all dead, there is at least a modest probability that the most significant economic reversal since the Great Depression of the 1930's will be seen to be the slowdown in economic growth brought about by the OPEC cartel.

SUGGESTED READING

Ernst R. Berndt and Dale W. Jorgenson. "How Energy, and Its Costs, Enter the Productivity Equation," IEEE Spectrum. October 1978. Presents the underpinnings of capital-energy complementarity and capital-labor substitution.

Robert E. Hall and Robert S. Pindyck. "The Conflicting Goals of National Energy Policy," The Public Interest, No. 27, Spring 1977. Discusses the conflicting economic interests that underlie disagreements over energy policy.

Edward A. Hudson and Dale W. Jorgenson, "Energy Prices and the U.S. Economy, 1972-1976," Natural-Resources Journal, Vol. 18, No. 4, October 1978. Provides an analysis of the impact of higher world oil prices on the U.S. economy.

Edward A. Hudson and Dale W. Jorgenson, "Energy Policy and U.S. Economic Growth," American Economic Review, Vol. 68, No. 2, May 1978. Analyzes the long term economic impact of policies to reduce the growth of energy consumption.

HOW ENERGY PRICES AFFECT LABOR AND CAPITAL INVESTMENT

No segment of the U.S. economy can escape the effects of higher energy prices. The links between energy, capital, labor and materials are so strong that any change alters the entire economic balance.

There is an elasticity of demand for energy—that is, at any given level of output, demand will fall as prices rise. Similarly, the demand for productive inputs such as capital, labor and raw materials changes proportionately with price fluctuations in energy. If energy prices and demand for one of the inputs rise together, they are considered substitutes. Alternatively, energy and the other productive inputs are complements if one rises and the other falls.

Recent empirical research has shown that an increase in energy prices also increases the demand for labor; thus, the two are substitutes. Energy and materials are substitutes as well.

However, higher energy prices have a negative impact on capital investments, so the two are considered complements. Few businessmen are willing to commit themselves to expanding facilities or installing high-technology equipment when oil prices are on the rise. Rather, they tend to expand the labor force and continue using present equipment in the hope that energy price hikes will slow. Higher energy prices do encourage conservation, and that can involve an investment of capital—for example, adding insulation or installing photo-sensitive lights—but such investments are the exception.

The cross-elasticities of demand explain why, in the current recovery, investment has remained sluggish while consumer spending, sparked by the increase in labor, has remained strong. Over the long run, however, consumer demand cannot keep growing at a healthy pace unless the economy as a whole grows as well.

The rate of overall economic growth is the sum of growth in productivity and growth in the number of hours worked. The number of hours worked depends on how many people are in the labor market—and that, in turn, depends on how many babies were born two decades ago. But the growth in productivity is tied to a current condition—the level of capital spending.

That completes the circle. Higher energy prices give a short-term boost to consumer spending but decrease the level of capital spending, lower capital spending results in lower productivity and, therefore, slower economic growth. Without strong economic growth the consumer spending boom fizzles.

To put the cycle in current terms, the OPEC cartel pushed oil prices up and that resulted in rapid growth of both employment and, through rising wages, of personal disposable income. But growth in business fixed investment is running at half the rate it was seven years ago, and real growth in Gross National Product is down as well. There is nothing in the short run outlook that suggests an imminent downturn in the economy. Similarly, nothing in the long-run outlook suggests a realistic possibility of returning to high rates of growth.—D.W.J.

DECONTROL OF OIL PRICES

Mr. JACKSON. Mr. President, decontrolling oil prices—while not producing a single barrel of oil—will cause more inflation at a time when we should be making every effort to reduce inflation.

Last week, the price of imported oil averaged $37 per barrel. Domestic prices, which were $30 at the refinery gate, will probably jump to the world price. If that happens, the price of gasoline would increase 5- to 17-cents per gallon at the pump. Heating oil prices will go even higher.

Testimony before the Energy Committee last week showed that the experts are very concerned about our oil supply situation if the war between Iran and Iraq continues much longer. We are living on surplus stocks of crude oil and refined products. Those stocks will be depleted by late spring. If the war does not end by then, crude oil prices could top $50 a barrel. Gasoline prices would skyrocket because the President's action leaves us without protection.

I simply cannot support the decision which, I believe, comes at the expense of the American economy and the American consumer.

Every drilling rig in the country is at work drilling for oil and gas right now—without complete decontrol. As a matter of fact, we are setting records every week on active drilling rigs. There are plenty of incentives under the present structure. We already have decontrolled oil that is expensive to produce, as well as new discoveries. This action simply means that "old" oil—that which is selling for $6.78 a barrel now—will be able to go to the world price of $37 per barrel. That is 15 percent of our domestic production, according to the latest figures. Another 20 percent of production will go from $15.14 a barrel to the world price of $37 per barrel.

Decontrolling oil prices removes an incentive for domestic producers to fight OPEC price increases. As OPEC prices rise, so will domestic prices. It places our total supply at the pricing whim of OPEC.

Mr. LEAHY. Mr. President, I wish to express to my colleagues in the Senate the same concern I have expressed to my fellow Vermonters regarding the administration's decision to accelerate the decontrol timetable.

New England—and the Northeast, for that matter—is experiencing a far more severe winter than it experienced last year. It is also faced with the problems of both coal shortages and natural gas shortages.

While there may have been mixed feelings about the idea of decontrol throughout my region of the country, we realized that decontrol would come about by the end of this year, and steps were at least being taken to absorb the shock. To suddenly have it thrust upon us at the height of our heating season, in a rural area, with average incomes that are below those of the rest of the country, is really a cruel decision, with little national interest to justify it.

The acceleration of decontrol is not going to produce one more barrel of domestic oil. It is not going to bring about a curtailment of consumption by itself. If it is 25 degrees below zero, people tend to heat their homes. Whether they like the idea or not, they really do not have any choice. It is not a luxury. If people live in small rural areas and have to commute to work, it is not a question of shifting to a transportation system. Most likely, there is no transportation system other than their individual cars.

Mr. President, I must strongly protest the step taken, for the reasons I have stated. It comes abruptly, without any warning, without the ability to prepare for the increased costs it will bring about and at the worst possible time of the year.

Furthermore, I am convinced—based on the testimony of a number of major oil companies themselves—that such decontrol will not produce even one barrel of additional oil. Also, it will not bring about conservation when, by necessity, people in my part of the country already

have conserved, certainly more than most of the rest of the country, and have conserved as much as one can in a time of severe winter.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, together with some of my colleagues who have spoken already, I should like to express my dismay, chagrin, and disappointment that the President has seen fit to accelerate the decontrol of domestic oil prices. Admittedly, it is just an acceleration of decontrol of domestic prices that otherwise was going to take place on September 30, anyway.

However, this acceleration still means that the American people will have to pay billions of dollars prematurely. All those billions of dollars, of course, will go to the oil companies.

I am not here to kick the major oil companies. They cannot be blamed for taking advantage of their own lobbying efforts. You cannot, in a sense, blame the President for keeping a campaign promise. He promised to do it, and he has done it. Yet, I objected strongly when a Democrat was President, and I object strongly when a Republican does it.

Decontrolling domestic oil simply means that we are transfering the control of oil prices from the U.S. Congress to a rapacious oil cartel. No one can possibly delude himself into believing that this final act does anything but make the American oil industry a partner in the OPEC cartel.

That cartel includes Iran, which calls us satanic, and it includes Libya, which finances the terrorism in every part of the world, that Secretary Haig so soundly and roundly condemned yesterday. Those are two of the 13 countries that will in the future determine the price of oil in this country. No one denies that. As a matter of fact, the domestic oil that is already decontrolled is priced even slightly higher than the world price charged by the OPEC cartel.

In the past we have prayed that they would be moderate. In the future we have not been heard, and I suspect that should pray harder because those prayers they are not going to be heeded or heard any more in the future than they have in the past.

All of this is done in the name of the economic theory that we will increase production, that the higher the price the more oil will be produced.

Even the American Petroleum Institute repudiates that theory. I have heard some of the highest officials of the American Petroleum Institute say that by 1990, regardless of the price of oil in this country, production will be down 500,000 barrels a day below current production. Last year with 60,000 holes being drilled in the ground of the U.S. proper, we increased production 100,000 barrels, or about 12 percent. The American Petroleum Institute and any thoughtful producer of oil in this country will admit that we will not do that well in the future.

It is a theory that just simply makes no sense. It has been repudiated. There are mountains of evidence to the contrary.

Then, there are those who say, as the President and Secretary of Energy, Mr. Edwards, said, that higher prices will reduce consumption. That is true, but oh, how harsh.

Although we may still have too many gas guzzlers, they are not a major problem. People are converting to fuel efficient automobiles.

When we consider decontrol, we have a vision of immediate conversion to highly efficient cars. That was not the vision we beheld on Inauguration Day, with seemingly hundreds of big long limousines. Yet, they are not the problem, and neither are gas guzzlers. We are making pretty good progress of converting. People wish to distract us into believing that decontrol will put everyone in a four cylinder automobile. I have been in one for years, but we are made to think of the big gas guzzlers, while home heating oil goes up. Also, natural gas is being decontrolled, and it is following the course of the price of decontrolled oil.

The other day a man said to me that he had asked another fellow: "Have you ever had a $100 gas bill?"

The second man said: "No, I have not. I had some $200 bills and $300 bills, but not an $100 bill."

Two years from now he will never say, "I have a $200 bill." But he will say: "I had some $300 or $400 gas bills."

How low can people turn their thermostats? How much can farmers produce when diesel fuel increases with the price of gasoline?

Since decontrol was begun by President Carter, the price of gasoline has gone from 82.3 cents per gallon to $1.22 cents per gallon, a 50-percent increase in price, and a 2-percent decrease in consumption.

Consider that equation out. Carry that equation out, and it will show that it might take a 5,000-percent increase before we can stop the use of gasoline in this country. More realistically, if we wish to cut consumption in half, we will need a 2,500-percent price increase.

Yes, if we wish to stop people from eating in this country just charge enough for bread and they will quit eating.

It is the wildest, elitest theory I know of.

What industry in the United States enjoys having a conspiratorial cartel set their prices for them? No one, except big oil.

In short, decontrol is designed to see how much can we squeeze out of the American people before they take to the streets. It will be wildly inflationary, and not just for the farmers, or the people of my fine State who have to drive long distances to and from work, it is going to be reflected in that loaf of bread: it is going to be reflected in the price of the suit we have on our backs; and it is going to be reflected in the price of homes, because making those things requires energy.

It seems to me such a terrible contradiction to talk about ending inflation, on the one hand, and then allow a basic necessity to rise to whatever levels a monopoly chooses to set. We are just abdicating control over that much of our life to someone else.

Mr. President, this administration talks about a tax cut. I do not know whether it will be Kemp-Roth or not. I do not intend to vote for Kemp-Roth. I will vote for a specifically targeted tax cut which I do not think will be inflationary. When that debate takes place in this Chamber, we will talk about tax decreases. Does the Senate know how much the Kemp-Roth proposal is supposed to save the taxpayer? Thirty billion dollars.

Does the Senate know how much the American consumer is going to pay to the American oil industry just for decontrol? Any figure would be speculative, but it will assuredly be much more than that.

So what the right hand giveth, the left hand taketh away.

The only difference is the tax that the American people are going to be paying in the form of decontrolled prices does not go into the National Treasury. It goes into the pockets of the oil companies.

Again, I am not blaming them. They fought hard for it. They gave exorbitant sums of money to the President. He told them he would do it, he was elected, and he has done it.

Many people compare our gasoline prices to those in England, Japan, Germany, or Italy? In Greece it is $6 a gallon. In most Western European countries it is anywhere from $2.50 to $3.25 a gallon. In Japan it is about $2.75 a gallon.

None of those countries have private oil companies. The United States is one of very few countries with private oil companies.

In England the tax is close to $1, and that is why their gasoline is $3 or $2.50 a gallon. When they have chosen to cut consumption in those countries, they have raised the tax, and the increase goes into the treasury of the country. There is at least some social or economic value when that money is handed back to the people.

Here the only thing I can recommend is that everybody who can afford it buy stock in the oil companies. That is the only possible rebate.

I know a lot of widows who own stock in a very, very big oil company. I had dinner with one who told me that her dividends were, I believe, $6. They need them, and I am not quarreling with her, I am not quarreling with anybody. It is just smart, just good business sense, to invest in the oil companies, because I promise you we are not going to lay a hand on them.

When we run out of oil, Mr. President, which we will sooner rather than later and to the detriment of my children and yet unborn grandchildren, you need have no fear because the oil companies

now own 40 percent of all the coal in the country, and they will ultimately have the lion's share of the oil shale, the natural gas. So far as the control over the country is concerned, it will remain in the same hands. That is the reason it is a good buy.

Mr. President, I am more than dismayed and chagrined, I am saddened because I consider decontrol to be such a terrible betrayal. The arguments for it have been plausibly and persuasively made without much rebuttal but the American people will ultimately repudiate this entire policy, whether it occurs this year or 5 years from now. If we are going to remain a republic, we neither have oil companies nor five or six energy producing States in the United States setting a price equal to the OPEC cartel price for everything they produce. You cannot allow the Western States that produce a large portion of the coal in the country to levy any severance tax they want to and expect the rest of the country to pay it.

I have heard it said that the Alaska oil royalties are enough to abolish taxes, increase the State budget by 23 percent annually, give everybody in the State somewhere between $5,000 and $7,500 rebate, and have a surplus by the year 2000.

Who do you think is going to pay that? The other 49 States. We are going to polarize this Nation not just politically but polarize it economically between a very few "haves" and a very many "have-nots."

It is all part and parcel of the same thing. So I am saddened, Mr. President, saddened in my fear for the American people, and saddened by the fact that we have charted a course which is now irreversible. It does not matter how many times I make this speech. I have made it a lot of times, and I will make it some more, but nothing is going to change in the next 4 years in our energy policy, and it is a tragedy because it is the harshest of all policies.

Mr. President, yesterday President Reagan issued an order to remove controls from domestic crude oil and all oil products. There is nothing surprising in this, because he was merely fulfilling a campaign pledge, and it only speeded up the scheduled decontrol set by President Carter. It will come as no surprise to most of you that I oppose this action, but I must speak out, again, to express that opposition.

The rationale for President Reagan's action is the same as President Carter's was, and it is equally wrong. We are all familiar with it. Following decontrol, the price will go up, and that is supposed to provide the incentive for oil companies to find more oil. As decontrol has progressed for nearly a year and a half, the price of oil has gone up. The reason for these increases, however, seems somehow to escape the notice of those who have campaigned for decontrol. The price of oil is controlled by the OPEC cartel, which is composed largely of countries whose only wealth is their oil reserves. They are understandably determined to increase oil prices to an absolute maximum. They are not going to sell their patrimony for anything else.

By relinquishing our domestic controls over oil, we are subjecting ourselves to the control of this rapacious cartel. We are merely trading a benign form of domestic self-control for vulnerability to controls established by a monopoly, one of whose constituent members is Iran, which regards us as a "satan," and another is Libya, a frequent supporter of the terrorists which Secretary of State Haig has singled out as prime targets of the new administration. By decontrolling oil, we surrender ourselves to their animosity, and we merely hope that the other members of the cartel will somehow moderate them, despite the fact that they share the same desire to maximize prices.

We are stepping into this never-never land of foreign control over our destiny for the sake of an economic theory which is already repudiated by harsh facts. The theory is that increased prices will spur exploration and development of our oil resources, which will, in turn, make us less dependent upon foreign oil producers. Yet, the harsh fact is that our domestic supplies are limited by nature, and no amount of exploration can create more oil.

According to the Department of Energy's most recent statistics, the average domestic wellhead price of domestic oil has more than doubled during the phased decontrol. In May 1979, the average price was $10.71 per barrel. In August 1980, the price was $22.63. That is an increase of 111 percent. By comparison, the most recent Hughes rig report shows that drilling activity has increased by 29 percent from last year to this year, as drilling rigs have increased from 2,631 to 3,391. A shortage of rigs and crews has kept that number down slightly.

Despite the incredible increases in domestic prices and in the face of smaller increases in drilling activity, domestic production has decreased. In May 1979, domestic production was 8,585,000 barrels per day, and in October 1980, the most recent month for which DOE has published statistics, domestic production averaged 8,570,000 barrels per day. There is no reason for thinking that further increases in the price of oil will generate increases in production which are in any way commensurate with the price increases.

Given this track record, it is absolutely absurd to suggest that decontrolling domestic oil prices will let us break OPEC's ability to dictate the price of oil. We are barely able to maintain the current level of production, which is less than 20 percent of free world production. There is no way that such a small proportion of production will be able to undercut the remainder of free world production, especially because Saudi Arabia would readily cut its production by a million barrels per day in order to maintain prices. Other countries, for example, the United Arab Emirates have already reduced their production, and they might well follow the Saudi's lead if they cut production.

In short, it is necessary for us to face the simple fact that our oil supplies are finite, and that increasing the price further will not stimulate production.

The other side of the theoretical argument is that higher prices will reduce consumption. That is both true and heartless. If people cannot afford to buy heating oil or gasoline, they will not buy it. We can provide some financial assistance to help people purchase heating oil, but budget cutters will always find that to be a prime target, just as they would reduce food stamps. How low can thermostats be set? There is some point at which higher prices cannot force consumption down any further. We cannot in good conscience endorse a policy which seeks to find out what that point is, yet the decontrol policy would do just that.

Similarly, that policy seems determined to find out how much conservation can be squeezed out of Americans' gasoline consumption. The perception persists that Americans are still happily joyriding across the countryside in gas guzzling cars, but that is not the case. Consumption has already gone down, but the reduction has not been commensurate with increases in prices.

Since phased decontrol began, the average price of all grades of gasoline has increased from 82.3 cents per gallon to $1.22, which is nearly a 50-percent increase, but consumption is currently down only 2 percent. That is an apt measure of the elasticity of demand. It shows as a statistical matter what we already know, that it takes time for people to reorient their lives to expensive energy. People are buying more efficient cars, but abrupt increases in gas prices will not increase the rate at which they are doing so. The previous increases have already provided more than sufficient incentive.

Also, the very size of the country requires extensive use of fossil fuels for transportation. Increasing gasoline prices will not shrink the size of the country.

In short, this policy of decontrol is designed to find out how much the American public can be squeezed. What it will really do is determine how much they can suffer. The amount of suffering is not limited simply to energy prices, because those prices contribute to inflation, and that magnifies the problem. It is true, as Mr. David Stockman has testified, that increases in prices do not, of themselves, cause inflation.

If our national wealth increases at a rate sufficient to match those increases, there will be no inflation. Yet, it is totally unrealistic to argue or to suppose that our national wealth will be able to keep pace with oil price increases dictated by the OPEC cartel. Our experience since the embargo of 1973 proves that we cannot. The act of decontrolling oil prices will be inflationary, by any measure or theory.

This inflationary action taken by President Reagan is the practical equivalent of raising taxes, but it is actually far worse. Either action takes money from Americans, but at least a

tax increase is returned to Americans in the form of greater national security and better services. Higher oil prices will do neither. They will simply take $100 to $200 from each household and give it to the oil companies. We can only speculate what the total amount of money will be, but it will run into the billions of dollars. We can confidently predict that it will not appreciably increase oil production. We can also reasonably anticipate that it will also allow the oil companies to extend their domination of all energy production and that they will also continue to diversify their operations until they dominate other areas as well.

It is absolutely inconsistent to preach of tax cuts and the need to curb inflation and then to impose new burdens which are worse than tax increases and which spur inflation. It is plainly apocryphal when that action is in pursuit of a fruitless and inhumane policy. The decontrol of oil prices, however, is just that, and I will continue to oppose it.

(Mr. QUAYLE assumed the chair.)

Mr. EXON. Mr. President, yesterday the administration issued an Executive order decontrolling the price and allocation of crude oil, gasoline and propane. I wish to address the Senate today to express my concerns, not about the propriety of decontrol itself, but about the timing and the method of implementing this decision announced in the President's order.

As of January 28, immediate elimination of price controls and allocation authority of the Federal Government took effect and was replaced by the forces of the free market. Provision was made to maintain the State set-aside program until March 31, 1981. This order accelerated the phased decontrol plan of President Carter by some 9 months, as the Emergency Petroleum Allocation Act is scheduled to expire on October 1 of this year.

Phased decontrol was designed to soften the inflationary impact of decontrol and to provide for a transition period where the industry, government and consumers could prepare for the forces of the open market to take hold.

Of particular concern to this Senator from the State of Nebraska is the consequence of this decontrol order for the agricultural industry. This action, of course, translates into higher fuel costs to the farmer which otherwise would at least have been delayed until the 1982 crop planting and harvesting season, higher costs for food to the consumer, and higher inflation for everyone. Even more critical, however, than price, is the issue of supply should a disruption even as slight as the recent Iranian shortfall occur again.

Mr. President, long before the gas lines appeared here in Washington in 1979, the American farming community was desperately searching for adequate diesel supplies in a decontrolled diesel market. As you know, diesel fuel was decontrolled effective July 1, 1976. The spring and summer of 1979, however, posed a serious diesel fuel crisis for the farming community in the Midwest. Tight supplies and the Iranian cutoff combined with unfavorable weather conditions in the Midwest created a situation which approximately doubled demand for diesel fuel in the agricultural sector during the spring planting period. Acting under the authority of the Emergency Petroleum Allocation Act, State set-aside programs were available to help alleviate hardship or emergency situations by requiring a percentage of fuel supplies to be held in reserve and used to prevent the interruption of agricultural production. That program was far from a perfect system; however, it did provide relief in critical areas where the free market had temporarily failed.

Mr. President, the administration's decontrol order will eliminate the State set-aside program after March 31, 1981. This action leaves the food producing sector of our economy without even the frailest of safety valves should the conditions of 1979 repeat themselves. Already, predictions for a dry spring are being made due to an unusually dry winter in the Midwest which will place even greater reliance upon diesel-powered irrigation systems.

The agricultural and rural sectors of our Nation depend upon farmer cooperative owned and operated refineries for up to 45 percent of their fuel needs. These independent refineries rely primarily on the open market for crude supply. In a decontrolled environment, the major integrated refiners who own or effectively control substantial proportions of domestic and foreign supplies of crude now hold a privileged position in the competitive market. Independents must purchase their supplies from either the majors or on the high-priced spot market.

Absent some form of standby allocation controls, there is no mechanism available to insure an equitable distribution of crude oil and refined products such as gasoline to the independents during periods of supply disruption. Granted, the allocation controls had their shortcomings; but, a standby allocation authority of some fashion would provide a minimal guarantee to the farming community and independents in both the refining and retail markets that some product will be made available during a period of supply disruption. It would be foolish to believe that these supply interruptions of Middle Eastern oil will not occur.

Mr. President, the farmer co-op refineries become even more important today to the Midwest area as many major oil companies make partial or total market withdrawals in farm and rural areas. Agriculture, under the Reagan administration program, is now left to compete with the highly profitable commuter markets of the east and west coasts. Mr. President, I ask that an article from the Oil Daily, which outlines and gives credence to these concerns, be printed at the end of my statement.

In summary, Mr. President, I am concerned that yesterday's order reflects a lack of appreciation for the special energy needs of agriculture, particularly in the event of supply interruptions. The administration's decontrol order fails to recognize the legitimate needs of the independent refining and marketing sector and the unique and paramount energy needs of our Nation's priority agricultural users. It is disappointing to this Senator that we now have no shortfall safety valve as we begin to walk the decontrol highwire.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Oil Daily, Jan. 23, 1981]

MAJORS SEEN CHANGING MARKETING PRACTICES

(By Gene Wilburn)

HOUSTON.—Unconfirmed reports rampant in the nation's retail gasoline marketplace Thursday indicate that many majors plan drastic changes in their marketing practices, including a virtually total pullout from some specific areas, concurrently with the end of price controls.

Now scheduled for Oct. 1, decontrol could come earlier through a presidential executive order.

Most often mentioned among sources contacted by The Oil Daily were: Shell Oil Co., rumored to be planning a withdrawal from the upper Midwest, and Exxon USA, reportedly closing some retail outlets in the South east.

Some sources believe Texaco Inc. to be programming an expansion of its pullback from the North Central U.S., which was started more than three years ago, and Gulf Oil Corp. from the West Coast where last year it disposed of more than 200 retail outlets.

Most often mentioned as targets of these reported changes in marketing practices of the majors are:

Small stations pumping less than 50,000 gallons a month.

A majority of company-operated stations other than those serving as training centers for personnel.

Rural stations, especially those which make rather long, costly tank-truck hauls necessary.

FORCED CLOSINGS

Should the rumored pullbacks happen, they, coupled with increasing pricing pressures, would force the closing of many stations—leaving their supplies, and customers to existing large volume outlets of 150,000 gallons or more in sales per month.

One of the factors contributing to this threatened danger for small retail gasoline operators has been the recent upward explosiveness of the wholesale market.

These changes, reflecting the permissable pass-through of cost increases, have generally ranged in the 1- to 3-cent category but have occurred as often as three times in one week by the same refiner-supplier.

Informed industry sources say the large-volume outlets—those pumping upwards of 5,000 gallons a day—can go three to four days without moving their pump prices upward to accommodate the wholesale market's changes. Small operators, it was pointed out, do not have this luxury.

In response to reports of a planned restructuring of retail policies, a Shell Oil Co. spokesman told The Oil Daily:

"We have no program to pull out of any area at this time. We are constantly re-evaluating the viability of our stations, the status of which may be altered due to economics, shifting population trends and the like."

EXXON RESPONSE

Exxon, which reportedly has permanently closed some outlets and "mothballed" others—possibly for a future re-opening—in the Memphis, Tenn. area, likewise denied existence of a "program" aimed specifically at reducing or eliminating small gallonage and company-operated outlets.

An Exxon spokesman said that "for a number of years, Exxon has followed a practice of periodic review of its retail store chain to identify changes that should be made.

"Included in that review is the identification of those stations whose income potential is limited and which appear to be marginal operations for both the dealer and Exxon. A decision to close a station usually results from the fact that its dealer either elects to retire, to quit or to move."

Texaco Inc., meanwhile, is in the last phase of an admitted four-step pullout from the Upper Midwest and Great Lakes area.

When completed, a Texaco spokesman said, "we will be totally out of motor gasoline marketing in eight states, and partially out in 11 others."

The states in which Texaco will no longer be retail active include Iowa, Kansas, Michigan, Minnesota, Montana, North Dakota, Ohio and Wisconsin.

Those in which Texaco will be only partially active upon completion of the withdrawal program are Idaho, Illinois, Indiana, Kentucky, Missouri, Nebraska, New York, Pennsylvania, South Dakota, Washington and West Virginia.

Mr. ROBERT C. BYRD. Mr. President, in an effort to reduce America's alarming dependence on foreign oil, President Carter initiated the phased decontrol of domestic crude oil prices. This step was recommended by industry experts and independent analysts alike as the most effective means of spurring domestic production and energy conservation. This action has proved correct over the past 18 months. Rising domestic prices have led to increased exploration for oil and natural gas, while oil imports have recently averaged about 23 percent less than in 1979. Higher petroleum prices have also encouraged investment in a multitude of alternative energy sources.

Phased decontrol helped to diffuse the drastic inflationary impact which immediate decontrol would have had. At the time decontrol was announced in April, 1979, OPEC oil sold for approximately $14.50 per barrel; now the average world price is about $38 per barrel. Even then, it was predicted that higher prices for domestic oil would fuel inflation, slow economic activity, and increase unemployment.

It was also recognized that the inflationary impact of decontrol would be considerably higher if OPEC continued to raise the world price of oil. It is certain that the graduate approach has cushioned the shock which otherwise would have rocked the American economy. Phased decontrol allowed the American consumer to adjust gradually, albeit painfully, to these new energy realities.

Even as the predicted benefits of decontrol have been realized, so have the economic consequences. In the recently issued President's Economic Report, the pass-through of oil price increases into other commodities was labeled as the most important single factor in the acceleration of inflation.

Skyrocketing energy prices, resulting from OPEC hikes and the phased decontrol of domestic crude oil prices, was directly responsible for one-fifth of the overall increase in consumer prices in 1979 and nearly one-third of the price surge in the early part of 1980. Personal consumption expenditures for gasoline rose 29 percent between 1979 and 1980, reflecting price increases of about 20 cents per gallon. Home heating oil and utility costs also rose dramatically.

Yesterday, President Reagan signed an Executive order authorizing the immediate decontrol of domestic crude oil, gasoline, and propane, accelerating this process by almost 9 months. The President justified this action on the grounds that it will boost production and stimulate energy conservation. Decontrol was also billed as the first step to "deregulate America."

Mr. President, I supported President Carter's wise decision to begin the process of decontrol. It was critical for the United States to adopt a more realistic policy on oil pricing. It was also imperative that the overly complex and burdensome allocation system, which had at least contributed to severe shortages, be dismantled. I do not challenge the policy of decontrol; I merely question the timing of this latest decison.

The most recent economic statistics indicate that inflation is still raging at an unacceptably high level. The Consumer Price Index increased 1.1 percent in December and 12.4 percent for the whole year. Unemployment is still too high at 7.4 percent, and economic growth has been uneven.

According to the Department of Energy and the Congressional Budget Office, immediate decontrol of crude oil and gasoline could add from 5 to 14 cents to the price of gasoline at the pump and could cause a 0.5 to 0.6 increase in the CPI. In the midst of a record cold winter in the Northeast, decontrol could raise the cost of home heating oil by 8 to 10 cents a gallon. The decision leaves refiners and retailers free to charge whatever the market will bear. In those States which are dependent on heating oil the effects of this could be severe.

There are some other hidden costs connected with the President's decontrol decision. The end of controls also means an end to the entitlements program, which has helped to equalize costs and insure the availability of crude oil supplies for small- and medium-sized refiners. Although complex allocation regulations may not have been the answer, decontrol has now been accomplished before any accommodations have been made to assure the continued viability of our domestic refining industry. This could especially hurt the Midwest and Appalachian States as the summer driving season approaches.

Early decontrol also means that Government outlays for the strategic petroleum reserve could rise as much as $1.6 to $2.4 billion in the current fiscal year, depending on world oil prices. To help finance acquisitions of oil for the reserve, the Department of Energy has participated in the entitlements program. This advantageous arrangement will end with immediate decontrol.

Mr. President, immediate decontrol means that energy will cost more, inflation will worsen, and the oil companies will prosper. These consequences cannot ultimately be avoided. In the long run, the expected benefits of increased production and conservation should outweigh these costs. But in the short term, as we struggle to right our economic ship, immediate decontrol may not prove to be the most advisable course of action to take at this time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DECONTROL, AT LAST

Mr. LONG. Mr. President, the Washington Post has often been regarded as one of the great liberal voices of America. I am pleased to see that that great publication has the ability to temper its liberalism with logic.

In an editorial appearing in the Washington Post this morning it commends President Reagan for his decontrol of the oil industry. It is a very thoughtful editorial and one with which I completely agree.

There is no doubt in my mind, Mr. President, that this Nation in its policies of bureaucracy and Federal control, redtape, has impeded enormously this Nation's hopes for energy independence.

The President's move for decontrol is moving this Nation in the direction of a capability to control its own destiny.

I commend the President for his decontrol order. I ask unanimous consent that the editorial that appeared this morning, Thursday, January 29, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DECONTROL, AT LAST

President Reagan was absolutely right to decontrol oil and gasoline prices, quickly and without qualification. It is an essential step toward a rational energy policy. You can dismiss all of those tendentious claims about the added cost to the consumer. The added cost to the consumer will probably be in the range of zero. More than five-sixths of the country's crude oil supply is decontrolled. Home heating oil was decontrolled five years ago. As for gasoline, competition is holding actual retail prices well below the legal ceilings. For the country as a whole, these controls have brought nothing but harm, and the end of them will bring nothing but benefit.

The controls were wrong in theory when President Nixon imposed them in 1971. They were demonstrably wrong, as much costly experience already showed, when Congress insisted on perpetuating them in 1975. President Carter wisely began the process of decontrol last spring. The schedule was a gradual one running into next fall, when the law will expire altogether. Mr. Reagan has now sped up that final process by eight months.

Why were controls wrong? Because they disguised the dangerously high cost of oil to the American economy. The control system

required refiners with cheap, price-controlled domestic oil to subsidize othe refiners' imports. That held the price to American consumers far below the cost of the imports. Americans used a lot and kept the flow of imported oil high. That seriously damaged the country's balance of payments and eroded the value of the American dollar.

The high level of American imports helped create the very tight market that enabled the exporting nations to double their prices in 1979. By now, the price to the American consumer is undoubtedly higher than it would have been in the absence of any price controls at all. As an attempt to protect the American economy from higher oil costs, the controls have been an unmitigated failure.

Prices have been rising, inevitably, even under the controls. They aren't going to rise any faster in the absence of controls, unless another world shortage develops. Decontrol may even slow the rise a little. The control system contained a number of hidden subsidies—including the usual fat subsidy for the independent refiners that will now lapse, saving the public a little money.

At worst, in another international shortage and panic like the one in 1979 following the Iranian revolution, prices will indeed rise. How much? It depends on the scale of the shortage. There could be a squeeze on the supply line as early as this spring, if the war continues between Iran and Iraq. But in return for higher prices at the gasoline pump, you will get insurance against a return of the gasoline lines. Those lines were created by the price ceilings, and the cumbersome allocation rules that they required. Having been through two memorable episodes of gasoline lines, most Americans would surely prefer the next time around to pay in money rather than time, anger and anxiety.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF EMANUEL CELLER

Mr. MATHIAS. Mr. President, I noted with regret the news of the death in New York of Emanuel Celler, who for half a century of distinguished service in the Congress was our colleague.

Representative Celler, during an important part of his career in the other body, was the chairman of the Judiciary Committee. As chairman of the Judiciary Committee, he led the fight in a number of major legislative efforts that have resulted in the enhancing of the quality of life in America.

In the great civil rights agenda of the decade of the 1960s, he was among the legislative leaders who helped to enact the civil rights bill of 1964, the voting rights bill, the fair housing bill, and many other legislative measures designed to bring us closer to the goal of an equal opportunity in life for all Americans. In this work he was fortunate in having an able and gifted partner in Representative William McCulloch of Ohio, the ranking minority member of the Judiciary Committee. Together they made a formidable team.

In addition to his role in civil rights, Chairman Celler was one of those who fought for freedom of the marketplace. He took an active role in the antitrust activities of the House Judiciary Committee, and was one of the leading advocates of a vigorous antitrust program in the Department of Justice.

As a former member of the House Judiciary Committee, I can recall, with a great deal of admiration, respect, and pleasure some of the meetings of that committee over which Chairman Celler presided in a unique and inimitable way. He wielded the gavel in the House committee during a stormy period in American history, but he always managed to ride above the storm and to preside over the committee with fairness, dignity, and a certain amount of humor.

One of his particular devices for keeping the committee on track would be to resort to poetry or an anecdote whenever the atmosphere became too heated. Among the favorite lines of verse that he used to repeat from time to time, when he wanted to gain a few moments of respite for the committee so that people could allow their tempers to calm and their thoughts to be composed, was to recall that:

King David and King Solomon
Led merry, merry lives.
With many, many concubines
And many, many wives;
But when old age crept over them—
With many, many qualms,
King Solomon wrote the Proverbs
And King David wrote the Psalms.

And that short verse recited by Emanuel Celler would work wonders in the Judiciary Committee of the House of Representatives. Members would all chuckle and laugh and think about the shortness of the span of life of all of us, whether David or Solomon, or ordinary, garden variety Members of the House. We would get a new perspective on the issue that we were debating and go at it in a more positive and a more objective way.

So one of the legislative giants of American history has now passed from the scene. Although Emanuel Celler has been absent from the Congress for some years, his presence in American history has been very keenly felt.

Although he has now passed from this Earth, the work that he has done in the Congress, which has benefited millions of Americans, will be remembered and will constitute a very impressive monument to a great Member of Congress. The example of how much a single Member of Congress can accomplish is a challenge to each of us.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRASSLEY). Without objection, it is so ordered.

Mr. STEVENS. Mr. President, are we in executive session or legislative session?

The PRESIDING OFFICER. We are in morning business.

CLARIFICATION OF THE METHOD OF PAYMENT OF SEVERANCE PAY AND ANNUAL LEAVE

Mr. STEVENS. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 46), clarifying the method of payment of severance pay and annual leave.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the resolution.

Mr. STEVENS. Mr. President, this resolution is intended to clarify the resolution that was adopted last year concerning severance pay and annual leave, I am indebted to the new chairman of our Legislative Appropriations Subcommittee, Senator MATTINGLY, to Senator WALLOP, the staff of the Rules Committee, and others who have worked with us to make certain that the intention that we had at that time is clarified and that the Rules Committee and the Secretary of the Senate will carry out that intention.

The impact of this resolution will be that an employee who is eligible under the first resolution for severance pay or annual leave and who is reemployed by the Federal Government will be entitled to such pay for the period under the resolution that the employee was actually out of work. That was our intention at the outset.

Second, an employee on the personal staff of a Senator or a committee staff, or, for that matter, anyone who is eligible for payments under the first resolution, will be entitled to pay based only upon the salary of that individual as of November 1, 1980, or the most recent pay period that preceded November 1, 1980 when that individual was employed in the Senate.

Third, to be eligible for severance pay or annual leave under the first resolution, an employee must have been employed in the Senate for at least 183 days. This resolution clarifies the fact that that condition applies to all those eligible under the original resolution.

Fourth, April 1, 1981, will be the cut off date for the applications for severance pay or annual leave under the first resolution as was originally intended. However, if an employee must revise an application due to this second resolution, he will have until June 1, 1981 to do so.

If that is not necessary, all applications must be filed April 1, 1981.

Again, Mr. President, let me say that I am grateful to all those who have assisted us to prepare this resolution to make certain that it does carry out the intent that we had when I introduced the amended resolution on the last day of the last Congress.

This resolution has been cleared on both sides, Mr. President. I ask unanimous consent that it be considered at

this time, unless the distinguished Senator from West Virginia has a comment concerning it.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, the resolution by Mr. STEVENS provides as follows, as I understand it:

First. Severance pay would be calculated based on the rate the individual was paid on November 1, 1980, or the next earlier date the employee was on the payroll. This will avoid the possible abuse of employees being given big pay increases after the election and the severance pay being calculated on those rates.

Second. All eligible employees must have served at least 6 months (183 days) in the Senate during calendar 1980. Under the current resolution, the requirement does not extend to all employees to be covered.

Third. The third change provides that no severance pay shall be paid to an employee who immediately secured another Federal position. Those employees who were employed for a period, for example 20 days, would receive a pro rata share of the 30-day maximum, that is 20 days severance pay.

Fourth. The one new provision is a cutoff date of April 1, 1981.

The changes proposed by Senator STEVENS, as I understand them, will reduce the cost and concentrate the severance pay on those who need it the most—in other words, the unemployed. Am I correct?

Mr. STEVENS. Mr. President, the Senator from West Virginia is correct. It is my opinion that that was our original intention, but the resolution was modified somewhat after it had been taken from the continuing resolution, as the Senator from West Virginia will recall. In the process of taking that out of the bill and making it into resolution form, it became clear. In effect, this treats all employees alike, as I understand it, and by doing so, prevents the original intent from being expanded to open the vistas for these larger demands.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 46) was agreed to, as follows:

S. Res. 46

Resolved, That notwithstanding the provisions of Senate Resolution 573, Ninety-sixth Congress, agreed to December 16, 1980, such resolution shall be implemented in accordance with the following provisions:

(1) The amount of any payment under such resolution shall be reduced (but not below zero) by an amount equal to the product of—

(A) the daily rate of basic pay of the individual on which such payment is based, multiplied by

(B) the number of days on which the individual is employed by the United States Government or the District of Columbia during the period beginning on the date of separation from service for which the payment is being made and ending on the last day of the period for which the payment is being computed.

(2) Any payment made under such resolution shall be made on the basis of the rate of basic pay of such employee on—

(A) November 1, 1980, or

(B) if such employee was not employed on such date, on the first day preceding such date on which such employee was employed by the Senate.

(3) No payment shall be made under such resolution to any individual who was not an employee of the Senate for at least 183 days during calendar year 1980 (whether or not such service was continuous).

(4) Any application for any payment under such resolution shall be made before April 1, 1981; except that if a revised application is required as a result of this resolution, such revised application shall be submitted before June 1, 1981.

SEC. 2. The Committee on Rules and Administration shall issue such regulations as are necessary to carry out the provisions of this resolution.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO EXTEND MORNING BUSINESS TO 3:30 P.M.

Mr. BAKER. Mr. President, at what time does the time for morning business previously ordered expire?

The PRESIDING OFFICER. At 2:48 p.m.

Mr. BAKER. Mr. President, I ask unanimous consent that that time be extended until 3:30.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF MISS M. ELIZABETH CULBRETH AS DEPUTY SENATE LEGAL COUNSEL

Mr. BAKER. Mr. President, I have a resolution that I send to the desk on behalf of myself and the distinguished minority leader and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A Senate resolution (S. Res. 47) appointment of Miss M. Elizabeth Culbreth as Deputy Senate Legal Counsel.

Mr. BAKER. Mr. President, Mr. Robert Kelley, who has served as the Senate's first Deputy Senate Legal Counsel since the organization of the Office of Senate Legal Counsel in August 1979, is leaving that position to enter private practice in Washington, D.C.

This resolution makes effective Miss Elizabeth Culbreth's appointment as Deputy Senate Legal Counsel.

Miss Culbreth has been a senior litigation attorney with the Tennessee Valley Authority for a number of years. She is a graduate of Berea College and the Vanderbilt University School of Law. She has prior Senate experience, having served as a lawyer on the staff of the Senate Select Committee to Study Governmental Operations With Respect to Intelligence Activities in 1975–76. Miss Culbreth is a member of the bars of the District of Columbia and the State of Tennessee.

I take this occasion to commend Bob Kelley for his service to the Senate as Deputy Senate Legal Counsel. Mr. Kelley provided highly professional representation to the Senate, its Members, and staff in this formative stage of the Office of Senate Legal Counsel. As Deputy Senate Legal Counsel, Mr. Kelley also rendered valuable service as counsel to the Senate Judiciary Subcommittee to Investigate Individuals Representing the Interests of Foreign Governments. Previously, Mr. Kelley has served as a staff counsel to the Senate Intelligence Committee, the Senate Judiciary Committee, and as administrative assistant to Senator CHARLES McC. MATHIAS, Jr. of Maryland.

Miss Culbreth's appointment is made pursuant to title VII of the Ethics in Government Act of 1978.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 47) was considered and agreed to as follows:

S. Res. 47

Resolved, That the appointment of Miss M. Elizabeth Culbreth to be Deputy Senate Legal Counsel made by the President pro tempore of the Senate on January 28, 1981, shall become effective on February 2, 1981, and the term of service of the appointee shall expire at the end of the 96th Congress.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STAFFORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ELECTION OF DR. RICHARD C. HALVERSON, OF MARYLAND, AS CHAPLAIN OF THE U.S. SENATE

Mr. BAKER. Mr. President, I send to the desk a resolution and ask that it be immediately considered.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 48) electing Dr. Richard C. Halverson, of Maryland, as Chaplain of the United States Senate.

79-059 O — 84 —— 80 (Vol. 127 Pt. 1)

The resolution (S. Res. 48) was considered by unanimous consent and agreed to as follows:

S. RES. 48

Resolved, That Dr. Richard C. Halverson, of Maryland, be, and he is hereby, elected Chaplain of the Senate as of Monday, February 2, 1981.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR RECESS UNTIL 11 A.M. TOMORROW, AND FROM TOMORROW UNTIL 10:15 A.M. TUESDAY, FEBRUARY 3

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. tomorrow, January 30, and that when the Senate convenes on tomorrow, it immediately stand in recess until 10:15 a.m., Tuesday, February 3.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION ON FRIDAY, JANUARY 30, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Friday, January 30, 1981, between the hours of 9 a.m. and 4 p.m., Senators be permitted to introduce bills, resolutions, and statements, and that committees be authorized to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING RECEIPT OF MESSAGES AND APPROPRIATE REFERRAL THEREOF AND SIGNING DULY ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. BAKER. Mr. President, I ask unanimous consent that during the recess of the Senate over until Friday, January 30, and Tuesday, February 3, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred, and that the Vice President, the President pro tempore and the acting President pro tempore be permitted to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield the floor.

ORDER FOR RECOGNITION OF CERTAIN SENATORS ON TUESDAY, FEBRUARY 3, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Tuesday, February 3, following the time allocated to the two leaders under the standing order, the following Senators be recognized for 15 minutes each: Senator CHAFEE, Senator BUMPERS, and Senator HARRY F. BYRD, JR.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended to 4 p.m., under the same terms and conditions previously ordered.

The PRESIDING OFFICER (Mr. SYMMS). Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Committee on the Budget has approved our own budget for the upcoming year, and the budget is 10.2 percent less than this year's budget in dollars and 10 percent smaller in terms of the number of staff.

The committee approved this budget for submission to the Rules Committee at our organizational meeting yesterday, and as chairman of the committee, I send to the desk the resolution which is our formal submission.

Mr. President, our committee recognized when we sat down to consider our budget that Public Law 96-508 requires a 10-percent reduction in expenditures for Senate activities in fiscal 1981 as compared to fiscal 1980. The Budget Committee felt compelled to do our part to meet that requirement, and we did. As I said, we cut the committee budget 10 percent or more, in both money and staff.

Let me point out, Mr. President, that the budget we propose would allow the Budget Committee no more money this year than it had in 1977. So, our budget for next year is actually lower than the committee budget was 5 years ago.

Notwithstanding all the reasons we all know so well—that the cost of everything has increased astronomically over the last 5 years—our committee feels strongly that we must cut back all across the Federal budget, and the cutbacks must start here. It is a case of "physician heal thyself".

Despite inflation totaling 50 percent since 1977, we refuse to increase our budget.

We must find ways to constrain Federal spending, control inflation, reduce the burden of taxation, and get our economy back on track. We can do all that. The people of this country, in my estimation, made it very clear last November that they expect us to do all that. And, the best way to get going in that direction is to start here and now. The Budget Committee has done that. I hope, and expect, other Senate committees will do the same and reduce their individual budgets by a true 10 percent.

If we reduced all Federal spending by 10 percent, fiscal 1981 budget authority would be about $71 billion lower than now anticipated and outlays would be about $66 billion lower than now expected. In short, Mr. President, we would come very close to balancing the Federal budget for this year.

Mr. President, the submission I send to the desk today is the result of the most intense deliberations by the Budget Committee. It will require real sacrifice by the committee and by individual members of the committee. I want to commend the committee for its courage and action in this delicate matter.

I ask unanimous consent that the resolution be printed in the RECORD at this time.

(The resolution is printed under routine morning business in today's RECORD.)

Mr. DOMENICI. Mr. President, I wish to say to our leader that this Budget Committee under Senator Muskie for the past 3 years has not increased the budget of the Budget Committee at all. That made the task of living up to the 10-percent cut even more difficult, but I report that there is no equivocation about it. It is straight arithmetic, It is 10.2 percent less than the previous budget and 10 percent less in personnel.

This was extremely difficult not only for the committee but I must say in all honesty extremely difficult for the new minority. That is a very dramatic and traumatic experience to go from two-thirds to one-third and then have a 10-percent cut also.

I give particular praise to my ranking minority member, Senator HOLLINGS. He had to bite the bullet very severely on it. He did so. It was not without a great deal of difficulty.

I report to our leader that if anyone thought these kinds of budgets were going to come easy it took 2 hours and 45 minutes with a full quorum in attendance, I say to our leader, with a full committee hearing to resolve this issue, but it is done.

I think we are the better for it. Certainly the Budget Committee has a responsibility for the Nation. I think it is absolutely appropriate that we start by cutting our own budget as we have.

I want our leader to know that we did it and in spite of it being difficult for many now to face up to these kinds of staff cuts I think the committee can do its job responsibly with the 10-percent

cut in numbers of people and 10.2 percent less in dollars.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. DOMENICI. I am pleased to yield.

Mr. BAKER. Mr. President, I am pleased and delighted that the chairman of the Budget Committee has made this report to the Senate.

At the beginning of the year I made a public request that committees try to reduce their budgets in the aggregate by 10 percent.

I would have expected that all committees would try, but I certainly felt confident that the distinguished Senator from New Mexico and the Budget Committee would be in the vanguard trying to achieve that effort.

Mr. President, I wish to express my personal appreciation to the Senator from New Mexico, the chairman of the Budget Committee, and to the Senator from South Carolina, the ranking minority member, not only for making this cut but for setting an example for other committees and indeed for the entire Senate in symbolizing our determination to see that the level of expenditures and the budget of this Government are brought under control.

So I thank the distinguished Senator for bringing this matter to our attention. I congratulate him on that successful effort, and I wish to express my personal appreciation.

Mr. DOMENICI. I thank my good friend, our leader.

THE RULES OF THE COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Committee on the Budget held its organizational meeting yesterday, at which we adopted the Committee Rules for this Congress; and I ask unanimous consent that a copy of the Committee Rules be inserted in the RECORD.

The Budget Committee Rules for this Congress are substantially the same they have been for the last 2 years. The committee did decide to adopt, as part of our permanent rules, the "no-proxy rule" for budget resolution deliberations we have observed on a temporary basis since February of 1979.

As far as I know, our "no-proxy rule" on budget resolutions is unique in either House of Congress. Senator CHILES first proposed, in February of 1979, that the Budget Committee require that its members be present if they wanted to vote during the committee's deliberations on budget resolutions.

We have observed this practice during deliberations on the first and second budget resolutions for fiscal years 1980 and 1981, and it has worked very well. The committee has found that we get outstanding attendance throughout our markups, and that all of our members are therefore better informed about the decisions we make, when we report budget resolutions to the Senate.

Senators' schedules being what they are, Mr. President, I do not need to tell my colleagues what a difficult task it is for members of the Budget Committee to arrange to attend the sometimes very lengthy markup sessions—some of which have gone from 9 in the morning to midnight—which are frequently necessary in order for the commitee to meet its statutory deadlines and report budget resolutions to the Senate in a timely fashion.

I believe that it is only because the committee members take very seriously the importance of our task, in recommending to the Senate appropriate fiscal policy for the Nation—and the appropriate allocation of scarce resources amongst competing priorities—that the members have chosen to bind themselves by a rule which denies them the opportunity to vote on these important questions unless they attend the markups.

I think the members of the Budget Committee should be commended for their commitment. I think this attitude is entirely consistent with the majority leader's often-voiced concern that the Senate is intended to be—and indeed should be—the deliberative body which carefully considers issues of compelling importance to the Nation; and I want to take this opportunity to say that I look forward to working with all of our members, in my new role as chairman, as we approach what will certainly be a very challenging year for all of us.

Mr. President, I ask unanimous consent to have printed in the RECORD the committee rules.

There being no objection the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE COMMITTEE ON THE BUDGET
NINETY-SEVENTH CONGRESS

I. MEETINGS

(1) The committee shall hold its regular meeting on the first Thursday of each month. Additional meetings may be called by the chairman as he deems necessary to expedite committee business.

(2) Each meeting of the Committee on the Budget of the Senate, including meetings to conduct hearings, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the committee determines by record vote in open session of a majority of the members of the committee present that the matters to be discussed or the testimony to be taken at such portion or portions—

(a) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(b) will relate solely to matters of the committee staff personnel or internal staff management or procedure;

(c) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(d) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or

(e) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(1) an act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

II. QUORUMS

(1) Except as provided in paragraphs (2) and (3) of this section, a quorum for the transaction of committee business shall consist of not less than one third of the membership of the entire committee: *Provided*, That proxies shall not be counted in making a quorum.

(2) A majority of the committee shall constitute a quorum for reporting budget resolutions, legislative measures or recommendations: *Provided*, That proxies shall not be counted in making a quorum.

(3) For the purpose of taking sworn or unsworn testimony, a quorum of the committee shall consist of one Senator.

III. PROXIES

When a record vote is taken in the committee on any bill, resolution, amendment, or any other question, a quorum being present, a member who is unable to attend the meeting may vote by proxy if the absent member has been informed of the matter on which the vote is being recorded and has affirmatively requested to be so recorded: except that no member may vote by proxy during the deliberations on Budget Resolutions.

IV. HEARINGS AND HEARING PROCEDURES

(1) The committee shall make public announcement of the date, place, time, and subject matter of any hearing to be conducted on any measure or matter at least 1 week in advance of such hearing, unless the chairman and ranking minority member determine that there is good cause to begin such hearing at an earlier date.

(2) A witness appearing before the committee shall file a written statement of his proposed testimony at least 1 day prior to his appearance, unless the requirement is waived by the chairman and the ranking minority member, following their determination that there is good cause for the failure of compliance.

V. COMMITTEE REPORTS

(1) When the committee has ordered a measure or recommendation reported, following final action, the report thereon shall be filed in the Senate at the earliest practicable time.

(2) A member of the committee who gives notice of his intention to file supplemental, minority, or additional views at the time of final committee approval of a measure or matter, shall be entitled to not less than 3 calendar days in which to file such views, in writing, with the chief clerk of the committee. Such views shall then be included in the committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the committee report may be filed and printed immediately without such views.

Mr. DOMENICI. Mr. President, I yield the floor.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FILING DATE FOR ANNUAL REPORTS REQUIRED BY FEDERAL ELECTION CAMPAIGN ACT OF 1971

Mr. BAKER. Mr. President, the filing date for the annual report as required by the Federal Election Campaign Act of 1971, as amended, is Saturday, January 31, 1981. Reports solely relating to Senate candidates should be submitted to the Senate's Office of Public Records, 119 D Street, NE, room A-623, Washington, D.C. 20510. The Office of Public Records will be opened from 9 to 12 on that date. Any questions in this regard should be directed to the Office of Public Records at 224-0329.

ACID RAIN: WHY CALIFORNIA AND FLORIDA?

Mr. FORD. Mr. President, the Council on Environmental Quality in its 1979 report made two important points with respect to "acid rain:"

Insufficient knowledge exists about the explicit causes and total effects of acid rain, a fact that has hampered development of sound control and mitigation measures.

The research effort to date for assessing the acid-rain problem has been small in comparison to what is needed. Few concrete facts are known.

Despite this, we are constantly berated by arguments that the major cause of acid rain is the burning of coal, particularly in coal-fired powerplants that lie to the west of the incidence of acid rain.

In point here is a recent report done for the Department of Energy by PEDCo Environmental Inc., Cincinnati, Ohio. Among other matters the report concentrates on California which does not have a single coal-fired plant and Florida which has only four coal-fired plants among its 56 powerplants. Neither State is affected by long-range transport of pollutants from westward.

The report reaches the following findings:

Close examination of fuel use information and source emission characteristics in the Adirondacks, Florida, and California suggests that local oil burning and automotive sources may be major contributors to the occurrence of acid rain in these areas.

Oil-fired units emit comparatively large quantities of catalytic compounds capable of rapidly converting still more sulfur oxide to sulfate in the atmosphere. Thus, in areas where large quantities of oil are burned, the direct impact from locally generated sulfates may equal or even exceed that produced by "imported" sulfates derived from distant coal-burning sources.

Fuel consumption data show that large quantities of oil are being consumed in areas experiencing acid rain. Forty percent of the residual and 36 percent of the distillate oil burned in the United States is consumed in the eight State area surrounding the Adirondacks. California is the next largest oil-consuming area, and Florida is third.

Nitric acid is responsible for about 30 percent of rainfall acidity in the Northeast and Florida, and for about 30 to 75 percent of the rainfall acidity in California. Nitrates are believed to be formed from nitrogen oxides emitted principally by mobile and stationary combustion sources. In California, these NO_x emissions clearly arise from local sources; in Florida and the Northeast they may be generated by both local and remote sources.

Control strategies aimed at reducing emissions from Midwestern sources would have profound economic implications and may only have minor effects on First, concentration of local source pollutants in the Northeast, and second, material damage caused by acid rain and its precursors. Application of flue gas desulfurization to the 50 largest coal-fired SO_2 emitters east of the Mississippi would cost in the neighborhood of $10 to $15 billion. The environmental effects of replacing oil with coal as an energy source should be reconsidered in light of the potentially greater hazards associated with oil burning.

Where large quantities of oil are burned, the direct impacts of local oil burning may exceed those that would be produced by burning equivalent amounts of coal. In fact, the preliminary results of atmospheric modeling suggest that 50 percent or more of the sulfates impacting locally are produced locally.

Mr. President, I commend the report to the committees of jurisdiction, especially the implications of the findings.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

FOURTH SPECIAL MESSAGE FOR FISCAL YEAR 1981—MESSAGE FROM THE PRESIDENT—PM 28

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a proposal to rescind $1.5 million in funds appropriated for the Council on Wage and Price Stability. The details of this rescission proposal are contained in the attached report.

RONALD REAGAN.

THE WHITE HOUSE, *January 29, 1981.*

MESSAGES FROM THE HOUSE

At 10:18 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

The message also announced that, pursuant to the provisions of 15 U.S.C. 1024 (a), the Speaker appoints as members of the Joint Economic Committee the following Members on the part of the House: Mr. REUSS, Mr. BOLLING, Mr. HAMILTON, Mr. LONG of Louisiana, Mr. MITCHELL of Maryland, Mr. RICHMOND, Mr. BROWN of Ohio, Mrs. HECKLER, Mr. ROUSSELOT, and Mr. WYLIE.

The message further announced that pursuant to sections 42 and 43 of title 20 of the United States Code, the Speaker appointed on January 23, 1981, the following Members to the Board of Regents of the Smithsonian Institution on the part of the House; Mr. MINETA, Mr. BOLAND, and Mr. CONTE.

At 11:30 a.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the Speaker has signed the following enrolled bill:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

The Vice President subsequently signed the enrolled bill.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. Res. 43. An original resolution authorizing expenditures by the Committee on Agriculture, Nutrition, and Forestry; referred to the Committee on Rules and Administration.

By Mr. HEINZ, from the Special Committee on Aging, without amendment:

S. Res. 45. An original resolution authorizing expenditures by the Special Committee on Aging; referred to the Committee on Rules and Administration.

By Mr. STAFFORD, from the Committee on Environment and Public Works:

S. Res. 49. An original resolution authorizing expenditures by the Committee on Environment and Public Works; referred to the Committee on Rules and Administration.

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 50. An original resolution authorizing expenditures by the Committee on the Budget; referred to the Committee on Rules and Administration.

By Mr. COHEN, from the Select Committee on Indian Affairs, without amendment:

S. Res. 51. An original resolution authorizing expenditures by the Select Committee on Indian Affairs for inquiries and investigations; referred to the Committee on Rules and Administration.

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 52. An original resolution authorizing expenditures by the Committee on Commerce, Science, and Transportation; referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WARNER, from the Committee on Armed Services:

John F. Lehman, Jr., of Virginia, to be Secretary of the Navy; and

Frank C. Carlucci, of Virginia, to be Deputy Secretary of Defense.

By Mr. HARRY F. BYRD, JR., from the Committee on Armed Services:

John O. Marsh, Jr., of Virginia, to be Secretary of the Army.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HATFIELD (for himself, Mr. JACKSON, Mr. WALLOP, Mr. MELCHER, Mr. CRANSTON, Mr. DOMENICI, and Mr. DECONCINI):

S. 306. A bill to authorize the Secretary of the Interior to construct, operate, and maintain hydroelectric powerplants at various existing water projects, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BAKER (for Mr. COCHRAN) (for himself, Mr. BOREN, Mr. BENTSEN, Mr. TOWER, Mr. WALLOP, and Mr. SYMMS):

S. 307. A bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profit tax oil produced from interests held by or for residential child care agencies; to the Committee on Finance.

By Mr. BAKER (for Mr. COCHRAN):

S. 308. A bill for the relief of Hueng-Sang Chun (also known as Margaret Chun); to the Committee on the Judiciary.

S. 309. A bill for the relief of Rene Arevalo Guerrero; to the Committee on the Judiciary.

S. 310. A bill for the relief of JinSuk Park; to the Committee on the Judiciary.

By Mr. JEPSEN:

S. 311. A bill to establish a Soil Tilth Center at Iowa State University; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LEVIN (for himself, Mr. BOREN, Mr. HATFIELD, Mr. JEPSEN, Mr. BUMPERS, Mr. ANDREWS, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. CANNON, Mr. CHAFEE, Mr. COHEN, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. DODD, Mr. DURENBERGER, Mr. EAGLETON, Mr. GARN, Mr. GOLDWATER, Mr. GORTON, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. INOUYE, Mrs. KASSEBAUM, Mr. KASTEN, Mr. LUGAR, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MATTINGLY, Mr. MCCLURE, Mr. MELCHER, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. NICKLES, Mr. PRESSLER, Mr. PROXMIRE, Mr. PRYOR, Mr. RANDOLPH, Mr. RIEGLE, Mr. SARBANES, Mr. SCHMITT, Mr. SIMPSON, Mr. STEVENS, Mr. TSONGAS, and Mr. WILLIAMS):

S. 312. A bill for the relief of Maria and Timofei Chmykhalov, and for Lilia, Peter, Liubov, Lidia and Augustina Vashchenko; to the Committee on the Judiciary.

By Mr. HEFLIN:

S. 313. A bill to amend title XIX of the Social Security Act to permit States to terminate eligibility for medicaid medical assistance for up to one year for individuals determined to have abused the Medicaid program; to the Committee on Finance.

S. 314. A bill to permit relatives of Medicaid eligible individuals residing in nursing homes to contribute voluntarily to a State fund for the provision of such care; to the Committee on Finance.

S. 315. A bill to amend title XIX of the Social Security Act to permit State medicaid programs to require nominal copayments for basic services provided to categorically needy individuals; to the Committee on Finance.

S. 316. A bill to amend title XIX of the Social Security Act to allow States to provide for competitive bidding for the purchase of certain items under their Medicaid plans; to the Committee on Finance.

By Mr. BENTSEN:

S. 317. A bill to amend the Internal Revenue Code of 1954 to provide faster tax deductions for depreciation and larger investment tax credits in order to help combat inflation and increase the United States position in world trade; to the Committee on Finance.

S. 318. A bill for the relief of Doctor Vidal O. Simpao, Jr.; to the Committee on the Judiciary.

S. 319. A bill for the relief of Doctor Virgilio C. Carandang and Cecilia Tanedo Carandang; to the Committee on the Judiciary.

S. 320. A bill for the relief of Doctor Ricardo Mateo Rodrigues; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself and Mr. DIXON):

S. 321. A bill to amend section 265 of the Internal Revenue Code of 1954 with respect to the deduction, by certain financial institutions, of interest paid on deposits of public funds where those deposits are secured by tax-exempt obligations; to the Committee on Finance.

By Mr. STENNIS:

S. 322. A bill for the relief of Vincent Man-Suen Tsin to the Committee on the Judiciary.

S. 323. A bill for the relief of Mrs. Josefina N. Sta Ana; to the Committee on the Judiciary.

S. 324. A bill for the relief of A. Z. M. Rabiul Hasan; to the Committee on the Judiciary.

By Mr. ANDREWS:

S. 325. A bill for the relief of Doctor Manuel Javier Mariano and his wife, Lilia Zapanta Mariano; to the Committee on the Judiciary.

By Mr. METZENBAUM:

S. 326. A bill to require the divorcement of motor fuel service stations from operation by certain producers and refiners of motor fuels, to control sales by producers and refiners of motor fuels, and for other purposes; to the Committee on the Judiciary.

By Mr. JACKSON (for himself and Mr. GORTON):

S. 327. A bill to establish the Protection Island National Wildlife Refuge, Jefferson County, State of Washington; to the Committee on Environment and Public Works.

By Mr. BAKER (for Mr. PERCY) (for himself, Mr. DIXON, Mr. ASHNOR, and Mr. LEVIN)):

S. 328. A bill to amend the Internal Revenue Code of 1954 to encourage the production of alcohol for fuel use by repealing the occupational tax on manufacturers of stills and condensers; to the Committee on Finance.

By Mr. PELL:

S. 329. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain home heating costs; to the Committee on Finance.

By Mr. DURENBERGER (for himself and Mr. BOREN):

S. 330. A bill entitled the "Investment Income Incentive Act of 1981"; to the Committee on Finance.

By Mr. GRASSLEY:

S. 331. A bill for the relief of Emanuel F. Lenkersdorf; to the Committee on the Judiciary.

By Mr. BOREN (for himself and Mr. NICKLES):

S. 332. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants; to the Committee on Energy and Natural Resources.

By Mr. EAGLETON:

S. 333. A bill for the relief of Alith Situge DeSilva and Suneetha Situge DeSilva, husband and wife, and their daughter Varsha A. S. DeSilva; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 334. A bill for the relief of Erlinda Cayetano; to the Committee on the Judiciary.

S. 335. A bill for the relief of Ramzi Salloumy and Marie Salloumy; to the Committee on the Judiciary.

S. 336. A bill for the relief of Joon Ho Lim; to the Committee on the Judiciary.

S. 337. A bill for the relief of Bedros Bastajian and Makrouhie Bastajian; to the Committee on the Judiciary.

S. 338. A bill for the relief of Sushma Sidh, Suresh Sidh and Sushant Sidh; to the Committee on the Judiciary.

By Mr. DANFORTH:

S. 339. A bill for the relief of Alexis Maria Devaraj; to the Committee on the Judiciary.

S. 340. A bill for the relief of Doctor Herman Sardjono and his wife, Erlanda Sardjono; to the Committee on the Judiciary.

By Mr. EAGLETON:

S. 341. A bill for the relief of Isaac N. Hulver of Kansas City, Missouri; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S.J. Res. 22. Joint resolution authorizing the President to proclaim March 16 of each year as "Freedom of Information Day"; to the Committee on the Judiciary.

By Mr. HEFLIN:

S.J. Res. 23. Joint resolution proposing an amendment to the Constitution to promote fiscal responsibility; to the Committee on the Judiciary.

By Mr. DURENBERGER (for himself, Mr. QUAYLE and Mr. DANFORTH):

S.J. Res. 24. Joint resolution proposing an amendment to the Constitution of the United States with respect to reconfirmation of Federal judges after a term of ten years; to the Committee on the Judiciary.

By Mr. DANFORTH (for himself, Mr. DECONCINI, Mr. WALLOP, Mr. HAYAKAWA, Mr. GARN, Mr. GOLDWATER, Mr. EXON, Mrs. KASSEBAUM, Mr. HUMPHREY, Mr. SIMPSON, Mr. DURENBERGER and Mr. QUAYLE):

S.J. Res. 25. Joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office of Members of the Senate and of the House of Representatives; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATFIELD (for himself, Mr. JACKSON, Mr. WALLOP, Mr. MELCHER, Mr. CRANSTON, Mr. DOMENICI, and Mr. DECONCINI):

S. 306. A bill to authorize the Secretary of the Interior to construct, operate, and maintain hydroelectric powerplants at various existing water projects, and for other purposes; to the Committee on Energy and Natural Resources.

ADVANCING THE PRODUCTION OF HYDROELECTRIC POWER IN THE WESTERN STATES

● Mr. HATFIELD. Mr. President, those who were in this Chamber last Congress will recall when I was joined by several of our colleagues in introducing two measures to advance the production of hydroelectric power in the Western United States. One of the measures, a bill to authorize feasibility investigations by the Secretary of the Interior of certain hydroelectric developments, was signed into law. The other measure, which would have authorized construction of hydroelectric facilities at existing water and power resources service projects, passed the Senate but unfortunately was not taken up by the House in the last days of the 96th Congress.

Today, I am joined by the distin-

guished Senators from Washington (Mr. JACKSON), Wyoming (Mr. WALLOP), Montana (Mr. MELCHER), California (Mr. CRANSTON), New Mexico (Mr. DOMENICI) and Arizona (Mr. DECONCINI) in reintroducing legislation to authorize the construction of those hydroelectric facilities. Briefly, the bill authorizes the construction of additional hydroelectric facilities at 11 reclamation projects and the replacement of an existing turbine and generator with a larger unit at a 12th site. The 12 projects would represent a new rated capacity of over 732 megawatts. The measure authorizes $481 million for construction costs, or about $650 per kilowatt of installed capacity which is a real bargain at current costs. The taxpayers' investment in these projects would be repaid with interest by the ratepayers of the area served by the power.

Hydroelectric power is our only renewable energy resource which can have an immediate impact on our energy needs. It is a clean, environmentally sound source of energy capable of development with off-the-shelf hardware and proven technology. The 12 projects which would be authorized by this measure will add significantly to our power resources in respect to both satisfying projected demands and decreasing our dependence upon imported oil. I should point out that no new storage or reregulating structures would be required in order to produce electricity at these projects.

Timing on this legislation is crucial as funding for six of these projects is included in the budget request for fiscal year 1982. Evidently this funding request was prepared last fall in anticipation of congressional authorization but, as I mentioned, the House was unable to complete work on the bill prior to adjournment. If we fail to act on the bill that I introduce today, we will not be able to appropriate the needed funds and there will be further wasteful delay in initiating construction on these projects.

This bill is identical with S. 1420 which passed the Senate on December 5, 1980 and I am hopeful that the measure will receive consideration by the full Senate in the near future.

Mr. President, I ask unanimous consent that the text of the bill be included in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 300

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Acts of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto), is authorized to construct, operate, and maintain hydroelectric powerplants at existing reclamation project facilities at locations and in the approximate capacities set forth in section 4 of this Act: *Provided*, That construction by the Secretary of the Interior of a powerplant designated in subsection (a), (g), (h), or (i) of section 4 of this Act may not proceed prior to October 1, 1983, or if a license has been issued prior to such date to a non-Federal entity pursuant to section 4(e) of the Federal Power Act (16 U.S.C. 797) to construct such powerplant. In carrying out the purposes of this Act, the Secretary of the Interior is authorized to modify the capacity of a powerplant designated in section 4 as determined to be necessary or desireable during postauthorization study and design, and after consultation with the Secretary of Energy.

SEC. 2. The Secretary of Energy is authorized to construct, operate, and maintain transmission facilities as required physically to connect the hydroelectric powerplants authorized in this Act to existing power systems and as he determines necessary to accomplish distribution and marketing of power generated by powerplants constructed pursuant to this Act, and to purchase replacement capacity, energy, or both in order to maintain deliveries to customers during unit outages which result from construction of the powerplants authorized in this Act.

SEC. 3. During construction of powerplants authorized in this Act, the Secretary of the Interior and the Secretary of Energy shall seek to minimize the loss of capacity, energy, or both to power customers due to unit outages which result from such construction. The Secretary of Energy shall seek to maintain deliveries of capacity, energy, or both at contract prices to customers affected by unit outages resulting from such construction.

SEC. 4. (a) Friant powerplant unit, Central Valley project, California, consisting of:

(1) a turbine generator unit of two thousand seven hundred kilowatts on the river outlet from Friant Dam;

(2) a turbine generator unit of five thousand kilowatts on the outlet to the Madera Canal at Friant Dam; and

(3) a turbine generator unit of fifteen thousand kilowatts on the outlet to the Friant-Kern Canal at Friant Dam.

(b) Whiskeytown powerplant unit, Central Valley project, California, consisting of a turbine generator unit of three thousand kilowatts on the outlet works of Whiskeytown Dam.

(c) Canyon Ferry powerplant enlargement, Pick-Sloan Missouri Basin program, Montana, consisting of a turbine generator unit of ninety thousand kilowatts on the outlet works of Canyon Ferry Dam.

(d) Yellowtail Afterbay powerplant unit, Pick-Sloan Missouri Basin program, Montana, cosisting of a turbine generator unit of ten thousand kilowatts on the outlet works of Yellowtail Afterbay Dam.

(e) Hoover Dam powerplant modification, Arizona-Nevada, consisting of not more than four turbine generator units to increase the powerplant capacity by five hundred thousand kilowatts.

(f) Buffalo Bill Dam powerplant replacement, Shoshone project, Wyoming, consisting of a turbine generator unit of twenty thousand kilowatts in replacement of an existing unit of five thousand kilowatts at Buffalo Bill Dam.

(g) Red Bluff powerplant unit, Central Valley project, California, consisting of three turbine generator units of five thousand kilowatts each at Red Bluff Diversion Dam.

(h) Stony Gorge powerplant unit, Orland project, California, consisting of a turbine generator unit of three thousand kilowatts on the outlet works of Stony Gorge Dam.

(i) Monticello powerplant unit, Solano project, California, consisting of a turbine generator unit of sixteen thousand kilowatts on the outlet works of Monticello Dam.

(j) Boca powerplant unit, Truckee storage project, California-Nevada, consisting of a turbine generator unit of two thousand kilowatts on the outlet works of Boca Dam.

(k) Prosser powerplant unit, Washoe project, California-Nevada, consisting of a turbine generator unit of one thousand kilowatts on the outlet works of Prosser Dam.

(l) Blue Mesa powerplant unit, Colorado River storage project, Colorado, consisting of a turbine generator unit of fifty-five thousand kilowatts on the outlet works of Blue Mesa Dam.

SEC. 5. (a) Hydroelectric power generated by facilities constructed pursuant to this Act shall be delivered to the Secretary of Energy for distribution and marketing through existing Federal hydroelectric power marketing programs in accordance with existing law and policy consistent with the provisions of this Act.

(b) The powerplants authorized in this Act shall be financially integrated with and the power marketed under rate schedules in effect for the several programs as follows:

(1) Friant, Red Bluff, Whiskeytown, Stony Gorge, and Monticello powerplant units shall be marketed through the Central Valley project power marketing program;

(2) Canyon Ferry powerplant enlargement, Yellowtail Afterbay powerplant unit, and Buffalo Bill Dam powerplant replacement shall be marketed through the Pick-Sloan program power marketing program;

(3) Hoover Dam powerlant modification peaking capacity increases shall be marketed through the Boulder Canyon project power marketing program;

(4) Boca powerplant unit and Prosser powerplant unit shall be marketed under arrangements to be made by the Secretary of Energy in accordance with authority set forth in section 5 (a) of this Act; and

(5) Blue Mesa powerplant until shall be marketed through the Colorado River storage project power marketing program.

SEC. 6. Powerplants authorized in this Act shall be designed, constructed, and operated in such a manner as to be compatible with valid existing water rights or water delivery to the holder of any valid water service contract.

SEC. 7. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable cost of a powerplant authorized in this Act shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of such powerplant commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from date of issue.

SEC. 8. (a) There are hereby authorized to be appropriated beginning October 1, 1981, to the Secretary of the Interior for construction of the powerplants authorized in this Act the amounts set forth in subsection (b), on the basis of January 1979 price levels, plus or minus such amounts as may be justified by reason of ordinary fluctuations of construction cost indexes applicable to the type of construction involved herein. There are also authorized to be appropriated to the Secretary of the Interior such additional sums as may be required for the cost of replacement capacity, energy, or both purchased under section 2, and for the operation and maintenance of the powerplants authorized by this Act. In addition there are also authorized to be appropriated beginning October 1, 1981, to the Secretary of the Interior the sum of $1,418,000 for construction of an automated gate at Lake Helena, bank stabilization, replacement of fishery access, and other fish and wildlife and recreational facilities concurrent with the construction of the Canyon Ferry powerplant enlargement.

(b)(1) Friant powerplant unit, $19,150,000.

(2) Whiskeytown powerplant unit, $2,750,000.

(3) Canyon Ferry powerplant enlargement, $87,600,000.

(4) Yellowtail Afterbay powerplant unit, $19,500,000.

(5) Buffalo Bill Dam powerplant replacement, $20,300,000.

(6) Hoover Dam powerplant modification, $279,000,000.

(7) Red bluff powerplant unit, $21,000,000.

(8) Stony Gorge powerplant unit, $1,918,000.

(9) Monticello powerplant unit, $8,770,000.

(10) Boca powerplant unit, $930,000.

(11) Prosser powerplant unit, $1,240,000.

(12) Blue Mesa powerplant unit, $36,300,000.

(c) There are also authorized to be appropriated beginning October 1, 1981, such sums as may be required by the Secretary of Energy to accomplish the purposes of section 2 of this Act.

SEC. 9. The authorization hereinabove provided by this Act for the Canyon Ferry powerplant enlargement, Pick-Sloan Missouri Basin program, Montana, shall become final and effective twenty months after the date of enactment: *Provided*, That such authorization shall not become effective if the Secretary of the Interior has transmitted a feasibility report to the Speaker of the House of Representatives and the President of the United States Senate, by the aforesaid date, establishing that the project fails to meet contemporary tests of economic justification or creates significant adverse environmental effects.●

By Mr. BAKER (for Mr. COCHRAN) (for himself, Mr. BOREN, Mr. BENTSEN, Mr. TOWER, Mr. WALLOP, and Mr. SYMMS):

S. 307. A bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profit tax oil produced from interests held by or for residential child care agencies; to the Committee on Finance.

CHILD CARE AGENCY TAX AMENDMENTS OF 1981

● Mr. COCHRAN. Mr. President, I am pleased to introduce legislation to exempt homes for disabled and neglected children from the windfall profit tax. Joining me in sponsoring this measure are Senators BOREN, BENTSEN, TOWER, SYMMS, and WALLOP.

Currently, over 200 such homes receive income from royalty-producing properties. While the income is relatively small, its significance to these homes cannot be overstated.

Unfortunately, when Congress passed the windfall profit tax, it failed to exclude these homes from its coverage. Other charitable organizations, churches, hospitals, and educational organizations were excluded. And, had the bill remained as originally considered in the Senate, children's homes would have been exempted from the tax. But in conference the exemption was narrowed considerably, and homes were removed from exempted organizations. The Senate thus never really had an opportunity to vote on this specific issue.

These homes, most of which exist on shoestring budgets, cannot pass along increases in taxes. Their only resort is to reduce services. I do not think we want that.

Ironically, the windfall profit tax was enacted to raise revenues for the very services and programs which these homes provide.

There will be no reduction in revenues as a result of this bill; Congress mandated the collection of $229 billion from taxes on deregulated oil.

I hope that we will enact this legislation as quickly as possible. Already some homes are having potential donors balk in the face of increased taxes on their bequests. We need to remove this threat immediately.●

By Mr. JEPSEN:

S. 311. A bill to establish a soil tilth center at Iowa State University; to the Committee on Agriculture, Nutrition, and Forestry.

ESTABLISHMENT OF SOIL TILTH CENTER

● Mr. JEPSEN. Mr. President, new statistics are beginning to reveal that the deterioration of agricultural land quality, coupled with loss of land quality, could be so great in the next few years that what once seemed like this country's almost infinite ability to produce food and fiber for the world may become limited.

My home State of Iowa produces 20 percent of the Nation's corn crop and nearly 15 percent of the soybean crop. The average annual soil loss per acre is nearly 10 tons—twice the level at which topsoil and nutrients can be replaced through natural processes.

While erosion levels have increased, the money necessary for adequate soil conservation research has declined. Thus, while the USDA has gathered data proving the extent of erosion loss, it lacks research facilities capable to develop the necessary technology.

The bill I am introducing today, to establish a soil tilth center at Iowa State University in Ames, Iowa, will require the center to conduct research related to the development of practices that can help maintain and improve the soil tilth.

Soil tilth is a qualitative term used to describe the condition of the soil related to plant growth and water movement. Good soil tilth helps to prevent erosion, while poor soil tilth frequently reduces crop yields by preventing plants from utilizing all the nutrients and moisture available in the soil.

Soil tilth deterioration is a major factor in a number of problems. Scientists at such a center would be able to study the following areas:

The effects of intensive intertilled crop production upon soil tilth, soil structure, soil characteristics and productive capacity;

The effect of intensive grain production upon the seedbed environment;

The potential loss of productive capacity, soil tilth deterioration, and soil and water losses due to intensive corn and soybean production;

The impact of improved management and cultural practices on nonpoint source pollution from corn and soybean land, as well as studying the more effective use of plant nutrients and soil moisture; and

Alternative tillage systems that will result in improved soil tilth for continued crop production, reduce reliance on chemical pesticides, reduce energy requirements, and maintain or improve crop yields.

Our Midwestern farmlands, the lands which allowed the Midwest to earn the label, the "breadbasket" of the world, must be preserved and improved so that our future food and fiber needs can be efficiently produced. As early as 1959, leading soil scientists and the Congress recommended, in Senate Document 59, that a soil tilth center should be established at a land-grant university in the Cornbelt. The report suggested that:

More information is badly needed to determine the effect of contour listing, level terraces, and other conservation practices on runoff and sediment yield—

For use in control structures.

The report continued that:

The relation of the structural attributes of the soil to water intake, soil and water losses, tillage practices, and crop production have particular significance in this area, where the intensive intertilled cropping patterns leave the land exposed to erosion during critical periods.

The report concluded that:

If scientists could develop practical methods of exerting a real control over the tilth of soils, many critical problems of farm and watershed conservation could be met with less costly measures than are now available . . . At the present time, progress in research on soil tilth is seriously hampered by lack of a basic understanding of the nature of the forces involved in holding soil particles together in a stable crumb structure.

Mr. President, research at the soil tilth center would result in new technology that would be available immediately for application on farms and other areas through the Soil Conservation Service and the Extension Service.

The center would be national in scope, with particular emphasis on Midwest corn and soybean soils. Iowa has the largest amount of intertilled acres of any State in the United States, and its soils are therefore most representative of such Midwest soils. Specifically, the center would fulfill research needs for the Cornbelt and the eastern Great Plains. Senate Document 59 agreed that the facilities needed to conduct the proposed research in such a soil tilth center should include: Offices, laboratories, greenhouses, plant growth rooms, soil bins, a machinery shop, storage area, and a location for field plot experiments.

These highly specialized facilities exceed the present financial capabilities of existing individual State research units. Construction costs for such a facility are estimated at $9.5 million. Scientists from the USDA's Science and Education Administration Soil and Water Management Unit at Ames near the university are already working on a related soil and tillage problems, and would be able to provide a nucleus for building a strong tilth research program.

Mr. President, when soil conservation hearings were held on behalf of the Senate Agriculture Committee last summer in Iowa, many soil conservation experts testified that increased research needs are a top priority. In addition, my office recently sent a questionnaire to several thousand Iowa farmers, asking them which of several conservation policy options they preferred. Over 70 percent of the questionnaires tallied to date have agreed that an expanded research program to develop more effective soil and water conservation measures is a top priority.

Even though the United States has

the best technology in the world, the best fertilizers, herbicides, and the most modern equipment, the basic and most important ingredient for providing abundant food to feed a hungry world is good soil.

The construction and operation of the soil tilth center that I am proposing today will be a significant step toward preserving our Nation's good top soil.●

By Mr. LEVIN (for himself, Mr. BOREN, Mr. HATFIELD, Mr. JEPSEN, Mr. BUMPERS, Mr. ANDREWS, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. CANNON, Mr. CHAFEE, Mr. COHEN, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. DODD, Mr. DURENBERGER, Mr. EAGLETON, Mr. GARN, Mr. GOLDWATER, Mr. GORTON, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. INOUYE, Mrs. KASSEBAUM, Mr. KASTEN, Mr. LUGAR, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MATTINGLY, Mr. MCCLURE, Mr. MELCHER, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. NICKLES, Mr. PRESSLER, Mr. PROXMIRE, Mr. PRYOR, Mr. RANDOLPH, Mr. RIEGLE, Mr. SARBANES, Mr. SCHMITT, Mr. SIMPSON, Mr. STEVENS, Mr. TSONGAS, and Mr. WILLIAMS):

S. 312. A bill for the relief of Maria and Timofei Chmykhalov, and for Lilia, Peter, Liubov, Lidia and Augustina Vashchenko; to the Committee on the Judiciary.

RELIEF OF THE CHMYKHALOV AND VASHCHENKO FAMILIES

(The remarks of Mr. LEVIN, Mr. JEPSEN, and Mr. HAYAKAWA on this legislation appear earlier in today's RECORD.)

By Mr. HEFLIN:

S. 313. A bill to amend title XIX of the Social Security Act to permit States to terminate eligibility for medicaid medical assistance for up to 1 year for individuals determined to have abused the medicaid program; to the Committee on Finance.

S. 314. A bill to permit relatives of medicaid eligible individuals residing in nursing homes to contribute voluntarily to a State fund for the provision of such care; to the Committee on Finance.

S. 315. A bill to amend title XIX of the Social Security Act to permit State medicaid programs to require nominal copayments for basic services provided to categorically needy individuals; to the Committee on Finance.

S. 316. A bill to amend title XIX of the Social Security Act to allow States to provide for competitive bidding for the purchase of certain items under their medicaid plans; to the Committee on Finance.

CHANGES IN THE MEDICAID LAW

Mr. HEFLIN. Mr. President, I am introducing four bills today, each of which would make certain changes in the medicaid law.

Mr. President, one of my bills will give the States the choice of requiring patients to make copayments for all medicaid services.

This legislation would allow families to make a contribution to the cost of medical care and to participate in a voluntary "relative responsibility" program for their loved ones in nursing homes.

Mr. President, this legislation would also give the several States the right to end a recipient's eligibility if he or she has a history of abusing the medicaid program.

Finally, one of my bills would allow the States to negotiate for purchases of medical services through a prudent buying plan. Mr. President, at this time, I ask unanimous consent that the text of these four bills be printed in the RECORD.

Mr. President, as you of course know, there are strict Federal guidelines covering the medicaid program. The legislation that I have just introduced would give the States more flexibility in their management of this important program which provides the health benefits for needy people such as the blind, disabled, and families with dependent children.

Mr. President, I have introduced this legislation because I believe that it is important to give the individual States more latitude and decisionmaking options in their efforts to meet the health needs of these citizens.

Throughout the 96th Congress, I met several times with officials from my State regarding the need to change the Federal law regulating the medicaid program.

It is on behalf of medicaid officials in my State and in every State across the country who share management problems similar to those in my State that I introduce this legislation. I think that this legislation would benefit the almost 50 million aged, disabled, and indigent Americans who look for the medicaid programs throughout the country for assistance. Some of my distinguished colleagues may have also heard from officials from their States expressing similar concerns. These concerns may be expressed in language that indicates that the Federal Government is over regulating the medicaid program. Sometimes, Mr. President, these over regulating procedures are done to the extent that they tie the hands of State officials to provide quality service to the medicaid recipients. Some of my colleagues may have also heard from medicaid officials in their States regarding these over regulations by the Federal Government.

When I introduced this legislation during the 96th Congress, I was contacted by people who reside outside my State expressing their views in support of this legislation. There was a doctor in Seattle, Wash. who wrote to me saying "Your introduction of four bills designed to help improve our current medicaid program is of great interest to me. I believe that the changes, which I understand you are proposing, are both very much needed and commendable". In our State this doctor said "We have been wrestling with our current medicaid program and I can appreciate the importance of some of these proposals."

Mr. President, it is my belief that these bills that I have introduced will give the States more flexibility in managing their medicaid programs and I hope that the U.S. Congress will see fit to act favorably upon this legislation.

Mr. President, I thank you and I thank the Senate.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 313

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 1909(a) of the Social Security Act (42 U.S.C. 1396(a)) is amended—

(1) by inserting "either" before "is convicted of an offense", and

(2) by inserting "or, after notice and opportunity for a hearing, is determined (by a preponderance of the evidence) to have committed an act described in paragraph (1), (2), (3), or (4) of this subsection" after "under the preceding provisions of this subsection".

SEC. 2. The amendments made by the first section of this Act shall apply to acts committed on or after the date of the enactment of this Act.

S. 314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That nothing in title XIX of the Social Security Act shall be construed to prohibit a State (as defined for purposes of such title) from establishing a program under which persons, who are related to individuals receiving skilled nursing facility on intermediate care facility services for which medical assistance is provided under the State's plan approved under that title, may contribute voluntarily to a fund which is used for the provision of medical assistance with respect to skilled nursing facility and intermediate care facility services covered under such plan.

S. 315

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1902(a)(14)(A) of the Social Security Act (42 U.S.C. 1396a(a)(14)(A)) is amended—

(1) by striking out ", and no deduction, cost sharing, or similar charge with respect to the care and services listed in clauses (1) through (5) and (7) of section 1905(a)," in clause (i), and

(2) by striking out "with respect to other care and services" in clause (ii).

SEC. 2. The amendments made by the first section of this Act shall take effect on the first day of the first calendar quarter beginning after the date of the enactment of this Act.

S. 316

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1902(a)(23) of the Social Security Act (42 U.S.C. 1396a(a)(23)) is amended by inserting "(A)" before "has entered into" and by inserting before the semicolon at the end the following: ", or (B) has made arrangements through a competitive bidding process or otherwise for the purchase of (at the election of the State) laboratory and X-ray services (referred to in section 1905(a)(3)), family planning supplies (referred to in section 1905(a)(4)(C)), or prescription drugs, dentures, prosthetic device, or eyeglasses (referred to in section 1905(a)(12)), if the Secretary has found that (i) adequate services will be available under such arrangements,

(ii) the providers of such services meet the requirements otherwise imposed for the provision of such services under the plan, and (iii) charges for such services provided under such arrangements are made at the lowest rate charged (determined without regard to administrative costs which are related solely to the method of reimbursement of such services) for comparable services by the provider of such services, or, if charged for on a unit price basis, such charges result in aggregate expenditures not in excess of expenditures that would be made if charges were at the lowest rate charged for comparable services by the provider of such services".

SEC. 2. The amendments made by the first section of the Act shall take effect on the first day of the first calendar quarter beginning after the date of the enactment of this Act.

By Mr. BENTSEN:

S. 317. A bill to amend the Internal Revenue Code of 1954 to provide faster tax deductions for depreciation and larger investment tax credits in order to help combat inflation and increase the U.S. position in world trade; to the Committee on Finance.

FASTER DEDUCTIONS FOR DEPRECIATION AND LARGER INVESTMENT TAX CREDITS

(The remarks of Mr. BENTSEN on this legislation appear earlier in today's RECORD.)

By Mr. METZENBAUM:

S. 326. A bill to require the divorcement of motor fuel service stations from operation by certain producers and refiners of motor fuels, to control sales by producers and refiners of motor fuels, and for other purposes; to the Committee on the Judiciary.

SMALL BUSINESS MOTOR FUEL MARKETER PRESERVATION ACT OF 1981

● Mr. METZENBAUM. Mr. President, I am pleased to be introducing today the Small Business Motor Fuel Marketer Preservation Act of 1981. This bill is similar to one which was reported out of the Senate Antitrust Subcommittee at the end of the last Congress. It would provide independent gasoline dealers of this country with an opportunity to compete on an equitable basis in the retail marketing of gasoline.

During most of the last decade, we have seen a steady decline in the number of independent service station dealers. Between 1972 and 1979, approximately 80,000 dealers have gone out of business and this attrition appears to be continuing at a rate of about 10 percent per year.

Those are shocking statistics. But they are more than just numbers. Behind these numbers stand family men and women—proud, independent business persons who create jobs, and who provide their communities with essential services.

While some dealers may have failed as a result of poor management and changing market conditions, many appear to have been victims of unfair leasing and marketing practices by the major integrated oil companies that continue unabated today. Our hearings last year revealed a vast array of tactics used by the major integrated refiners against these small and independent businesses. Such tactics, according to extensive testimony from present and former dealers, have included excessive rent increases, abrupt changes in credit terms, delays in credit card processing, subsidization by refiners of their own directly operated stations, refusals to provide routine maintenance service to dealers, and reduced gasoline allocation to the independents.

It is clear that the major integrated refiners have reaped the benefits of such "economic eviction" techniques. At the same time that independent dealerships have been declining by the tens of thousands, integrated refiners have more than doubled their sales of gasoline through stations that they themselves owned and operated.

This structural change did not occur because big refiners are somehow more adept than independent businesspersons at running service stations. I doubt that corporate franchises are as efficient as the individual businessmen and women whose life's savings are tied up in their businesses. I seriously doubt that independent dealers are closing their businesses because of any failure to do their jobs. What we have seen instead is the devastating market impact that can take place when powerful companies change the rules of the free enterprise system.

Such tactics by the major integrated refiners cannot be permitted to continue unchecked. We must attempt to restore the ability of the small, independent gasoline dealers to compete in the marketplace. The need for legislative relief becomes even more compelling this year as the dismantling of the oil price control system removes even the modicum of protection the independent dealers have had against some of the more blatant efforts by the major refiners to eliminate them from the marketplace.

The legislation we are proposing today, the Small Business Motor Fuel Marketer Preservation Act, is designed to restore the competitiveness of small businesses engaged in gasoline marketing in part by eliminating the incentives that lead to such inequitable practices by the major refiners. The approach is essentially threefold.

First, under the divorcement provisions, the major integrated refiners would be barred from direct operation of retail outlets. With the institution of the divorcement provisions, oil companies would no longer have any incentives to drive their independent dealers out of business. Since the companies would not be able to operate the retail outlets themselves, they would have to depend on the independent dealers for the marketing of their gasoline.

Second, all suppliers would be precluded from subsidizing their own marketing outlets to the disadvantage of the independent businesses that are their competition. This will insure that everyone—dealer, wholesaler, refiner—is placed on an even footing when it comes to the retailing of gasoline.

Third, the legislation would permit dealers to purchase gasoline from any source in the event that the contract supplier cannot meet demand, an option refiners attempt to deny lessee dealers today. A more detailed description of the legislation's provisions is included below.

This legislative approach is a moderate one. Unlike total divestiture proposals, it does not strip the major oil companies of their right to own retail outlets. It simply precludes them from operating such outlets. Nor does it force either lessee or independent dealers to come up with financing to purchase their stations at a time when money is in short supply and interest rates are high. With a minimum of disruption and at no cost to the taxpayer, changes will be made to the structure of the retail gasoline marketplace that will serve the interests of both the small independent gasoline marketer and the American consumer. I urge my colleagues to join me in this important effort to bring some urgently needed relief to these hard-pressed businesses.

SUMMARY OF PROVISIONS

1. DIVORCEMENT

Effective 1 year after date of enactment, major integrated refiners would be prohibited from directly operating any retail motor fuel service station. There would be no restriction on continued ownership of gas stations; they could be leased to dealers or otherwise operated by independent marketers while the refiners continue to hold the properties.

Refiners which have total refining capacity of less than 175,000 barrels per day or which produce less than 30 percent of their own crude oil would be exempt from the divorcement provision. This definition of small and independent refiners parallels the standards established in the Emergency Petroleum Allocation Act.

2. PROHIBITION AGAINST DISCRIMINATORY PRICING

Effective 1 year after date of enactment, refiners and suppliers of gasoline would be precluded from subsidizing their own marketing outlets to the disadvantage of independent businesses that are their retailing competitors. This would be accomplished by requiring each gasoline supplier to sell gasoline to each of its customers, including intracompany sales or sales to related companies, at the supplier's "posted wholesale transfer price" which is to be posted daily. Two exceptions to this requirement would be permitted, however: First, if sales at below the posted price were made in good faith to meet a competitive offer; and second, if sales at other than the posted price reflect cost differences resulting from differing methods of quantities in which the gasoline is sold.

3. OPEN SUPPLY

Effective 1 year after date of enactment, it would be unlawful for anyone to interfere with the right of a dealer to purchase, store, or sell motor fuel products obtained from anyone else. Agreements providing that a dealer shall buy

products only from a particular supplier would be permitted only if they specify the dealer's right to purchase the product elsewhere if it is not available from the regular supplier upon terms and conditions reasonably comparable to those available to the dealer from other sources. Dealers operating stations bearing a refiner's tradename or trademark must provide point-of-sale notice to customers if product being sold was not obtained from the brand-name supplier.

4. INFORMATION REQUIRED

Within 3 months after date of enactment, refiners would be required to provide the following information to the Federal Trade Commission: First, total amount of motor fuel sold in refiner-operated outlets during the preceding year; second, total amount of motor fuel manufactured; third, total amount of crude oil produced; and fourth, total amount of crude oil refined. The FTC would be required to establish regulations for annual reports. To the extent that the information sought is available from other agencies of the Government, the Commission would waive reporting requirements.

5. PENALTIES; ENFORCEMENT

Violation of this act would be punishable by fines of up to $50,000 per month for each service station operated after the deadline for divorcement, up to $50,000 for violation of the bill's open supply provisions, and up to $10,000 for violation of the antidiscriminatory pricing provisions. Responsibility for enforcement would be given to the FTC. In addition, individuals would bring civil actions against anyone who fails to comply with the act.

I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 226

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Small Business Motor Fuel Marketer Preservation Act of 1981".

SEC. 2. (a)(1) Notwithstanding any other provision of law, it shall be unlawful for any refiner, other than an independent refiner or a small refiner, to operate any motor fuel service station in the United States.

(2)(A) Any interest in any motor fuel service station may be disposed of by a refiner to any person other than the dealer at such station only if such dealer is offered a right of first refusal of an offer made by the refiner to sell such interest.

(B) For purposes of subparagraph (A), a dealer at a motor fuel service station is considered to be offered a right of first refusal of an offer made by the refiner to sell an interest in the station only if—

(i) the refiner gives the dealer, in writing, an exclusive 60-day option to accept an offer to sell such interest, and

(ii) in any case in which, during such 60-day period, the dealer makes a counter-offer, in writing, to purchase such interest at a different price, the refiner, during the 30-day period following the date of the counter-offer—

(I) agrees, in writing, to the counter-offer, or

(II) submits to the dealer, in writing, a revised offer to sell the interest to the dealer at a price to be determined by an independent appraisal meeting the standard prescribed by the Small Business Administration pursuant to subparagraph (C) and undertakes such an appraisal within such time and in such manner as shall be prescribed by the Administration by regulation.

The cost of such appraisal shall be borne equally by the refiner and the dealer.

(C) The Small Business Administration shall prescribe by regulation standards which must be met with respect to an appraisal in order for such appraisal to be considered an independent appraisal for purposes of this paragraph.

(b)(1) Notwithstanding any other provision of law, except as otherwise provided in paragraphs (2) and (3)—

(A) it shall be unlawful for any supplier to sell to any independent wholesale purchaser any type of motor fuel on any day at any point of transfer at any price other than the daily wholesale transfer price for that day (described in paragraph (3)); and

(B) it shall be unlawful for any supplier to sell or to transfer any type of motor fuel on any day at any point of transfer to any person related to the supplier at a price lower than the daily wholesale transfer price for that day (described in paragraph (3)).

(2)(A) Nothing in this subsection shall be construed to prevent differentials in prices of any type of motor fuel from the daily wholesale transfer price for such type of motor fuel which make only due allowance for differences in the cost of manufacture, sale, or delivery of such motor fuel resulting from the differing methods or quantities in which such motor fuel is sold and delivered.

(B) Nothing in this subsection shall be construed to prevent differentials in prices of any type of motor fuel from the daily wholesale transfer price for such type of motor fuel consisting of price reductions offered to independent wholesale purchasers in good faith to meet competing price reductions offered by others to those independent wholesale purchasers.

(C) Nothing in this subsection shall be construed to prevent a refiner from charging a uniform and reasonable surcharge in connection with sales of motor fuel to persons as consideration for the use by such persons of a trademark, trade name, service mark, or other identifying symbol or name and any services associated with such use.

(3) Each supplier shall maintain for each business day a single daily wholesale transfer price for each type of its own motor fuel, which the supplier shall make available to purchasers at all times during such day at each point of transfer used by the supplier. A supplier's daily wholesale transfer price for any type of motor fuel for any day shall be the price which is charged to the first independent wholesale purchaser of that motor fuel that day. If the supplier's first independent wholesale purchaser of any type of motor fuel on any day does not take title to the product at a point of transfer, the supplier's daily wholesale transfer price for that type of motor fuel shall be calculated by deducting any reasonable and uniform transportation expense which has been allocated to the price charged to that first purchaser for that type of motor fuel.

(c)(1)(A) Notwithstanding any other provision of law, it shall be unlawful for any person to restrain, interfere with, or in any way prevent the purchasing from another, the storing, or the selling of motor fuel by any dealer.

(B) Subparagraph (A) shall not apply with respect to any provision of any contract or agreement to the extent that the provision requires the purchasing of any motor fuel by any dealer exclusively from any refiner or distributor, but only if such provision provides that such dealer may purchase such motor fuel from any other person if such motor fuel is not readily available from such refiner or distributor upon terms and conditions reasonably comparable to those available to the dealer from such other person.

(2) Notwithstanding any other provision of law, it shall be unlawful for any dealer, at a motor fuel service station displaying a trademark, trade name, service mark, or other identifying symbol or name owned by a refiner, to sell motor fuel which is not provided by such refiner without providing reasonable notice at the point of sale to each purchaser of such motor fuel that such motor fuel is not refined by such refiner.

(d)(1) Not later than 90 days after the date of the enactment of this Act, and annually thereafter, each refiner shall provide in writing to the Federal Trade Commission—

(A) the number of gallons of motor fuel sold at motor fuel service stations operated by the refiner during the preceding calendar year by the refiner in the United States,

(B) the number of gallons of motor fuel manufactured during the preceding calendar year by the refiner in the United States,

(C) the number of barrels of crude oil produced during the preceding calendar year by the refiner, and

(D) the number of barrels of crude oil refined during the preceding calendar year by the refiner.

(2) Not later than 90 days after the date of the enactment of this Act each refiner shall provide in writing to the Federal Trade Commission the information described in paragraph (1) with respect to calendar year 1979.

(3) The Federal Trade Commission shall not require from any person information referred to in the preceding provisions of this subsection to the extent that the Commission is able to obtain such information from agencies or departments of the United States.

(e) For purposes of this section:

(1)(A) The term "producer" means any person who is engaged in the production of crude oil or who owns crude oil when it is produced.

(B) Such term includes any related person with respect to such person.

(2)(A) The term "refiner" means—

(i) any person engaged in the refining of motor fuel, and

(ii) any producer for whom refining of crude oil produced by such producer, or owned by such producer when such crude oil is produced, is performed under contract.

(B) Such term includes, when used in connection with any person described in clause (i) or (ii) of subparagraph (A), any related person with respect to such person.

(3) The term "independent refiner" means a refiner who obtained, directly or indirectly, in calendar year 1979, more than 70 percent of the refiner's refinery input of domestic and imported crude oil from producers who are not related persons referred to in paragraph (2)(B).

(4) The term "small refiner" means a refiner whose total refinery capacity does not exceed 175,000 barrels per day.

(5) The term "supplier" means any person who sells motor fuel to motor fuel service stations or other independent wholesale purchasers.

(6) The term "independent wholesale purchaser" means any purchaser of motor fuel who sells the motor fuel at retail or distributes the motor fuel for sale at retail, but does not include any purchaser related to the person selling the motor fuel to the purchaser.

(7) The term "related person" means, with respect to any other person—

(A) a person who holds a significant ownership interest in such other person;

(B) a person in whom such other person holds a significant ownership interest; and

(C) a person in whom a third person holds a significant ownership interest while holding a significant ownership interest in such other person.

(8) The term "significant ownership interest" means—

(A) with respect to any corporation, the single largest share in value of the outstanding stock of such corporation,

(B) with respect to a partnership, the single largest share in the profits or capital of such partnership, and

(C) with respect to an estate or trust, the single largest share of the beneficial interests in such estate or trust.

For purposes of determining significant ownership interest, an interest owned by or for a corporation, partnership, trust, or estate, or held by a voting trust, shall be considered as owned directly both by itself and proportionately by its shareholders, partners, or beneficiaries, as the case may be.

(9) The term "motor fuel" means gasoline, diesel fuel, alcohol, and any mixture of any of the foregoing, suitable for use as a fuel in self-propelled vehicles designed primarily for use on public streets, roads, and highways.

(10) The term "motor fuel service station" means any facility at which motor fuel is sold at retail.

(11) The term "sell at retail" means to sell to the general public for ultimate consumption.

(12)(A) Except as provided in subparagraph (B), the term "dealer" means a person who occupies as a retailer a motor fuel service station.

(B)(i) When used in subsection (c)(2), the term "dealer" means, with respect to a refiner, a person described in subparagraph (A) who occupies the motor fuel service station under lease or rental agreement with the refiner.

(ii) Notwithstanding clause (i), a person described in such subparagraph shall not be considered a dealer if the lease or rental agreement is with a refiner in connection with whom such person is a related person referred to in paragraph (2)(B).

(13) The term "operate" means, when used in connection with a motor fuel service station, to engage at such station in the business of selling motor fuel at retail through any—

(A) employee,

(B) commissioned agent,

(C) person operating such station pursuant to a contract with a refiner, or

(D) person acting on behalf of the refiner or under the refiner's supervision,

whose duties include the sale of such motor fuel.

(14) The term "basic unit" means, in connection with motor fuel—

(A) a dealer tankwagon or transport load;

(B) a railroad tank car load;

(C) a barge load; and

(D) a pipeline tender.

(15) The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, joint-stock companies, trustees and receivers in bankruptcy and reorganization, commonlaw trusts, and any organized group, whether or not incorporated.

(16) The term "United States" means, when used in a geographic sense, the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Northern Mariana Islands, Guam, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

(f)(1) Any person who violates any provision of subsection (a)(1) shall, upon conviction, be punished by a fine of not to exceed $50,000 per month for each motor fuel service station operated during such month in violation of such section.

(2) Any person who violates any provision of subsection (a)(2) shall, upon conviction, be punished by a fine not to exceed $50,000 for each such violation.

(3) Any person who sells motor fuel in violation of subsection (b) shall, upon conviction, be punished by a fine not to exceed $10,000 for each such sale.

(4) Any person who violates any provision of subsection (c)(1) shall, upon conviction, be punished by a fine not to exceed $50,000 for each such violation.

(5) Any person who violates any provision of subsection (c)(2) shall, upon conviction, be punished by a fine not to exceed $5,000 for each such violation.

(6) It shall be the duty of the Federal Trade Commission to commence a civil action for appropriate relief, including a permanent or temporary injunction, whenever any person violates any provision of subsection (a), (b), or (c). Any action under this paragraph may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

(g)(1) If any person fails to comply with the requirements of this section, any other person directly affected by such failure may maintain a civil action against such person failing to comply with such requirements for damages and appropriate equitable relief, including temporary and permanent injunctive relief. If the plantiff prevails in any action under this section, the plaintiff shall be entitled to reasonable attorney and expert witness fees to be paid by the defendant, except that in any case in which the court determines that only nominal damages are to be awarded to the plaintiff, the court may, in its discretion, determine not to direct that such fees be paid by the defendant.

(2) Such action may be brought, without regard to the amount in controversy, in the district court of the United States in any judicial district in which the principal place of business of such person is located or in which such person is doing business.

(h) Subsections (a)(1), (b), and (c) of this section shall take effect 1 year after the date of the enactment of this Act.

REGULATIONS

SEC. 3. (a) The Small Business Administration shall prescribe the initial regulations required by the provisions of section 2 before the 180-day period beginning on the date of the enactment of this Act.

(b)(1) The Federal Commission shall prescribe by regulation the annual date by which the information described in section 3(d)(1) is required to be provided under such section before the end of the 60-day period beginning on the date of the enactment of this Act.

(2) The Federal Trade Commission shall prescribe any other initial regulations required by the provisions of section 3 before the end of the 180-day period beginning on the date of the enactment of this Act.●

By Mr. JACKSON (for himself and Mr. GORTON):

S. 327. A bill to establish the Protection Island National Wildlife Refuge, Jefferson County, State of Washington; to the Committee on Environment and Public Works.

PROTECTION ISLAND NATIONAL WILDLIFE REFUGE

Mr. JACKSON. Mr. President, in behalf of Senator GORTON and myself I send to the desk a bill to establish the Protection Island National Wildlife Refuge.

Mr. President, when in 1792 Capt. George Vancouver made a short trip from his moorage in the Strait of Juan de Fuca in northwest Washington to a small island off the coast, he "found the surface of the sea almost covered with aquatic birds." The island was their home, and Captain Vancouver named it Protection Island. With passage of this bill, we have the opportunity to preserve the most significant habitat for aquatic fowl in the entire Puget Sound area—an island that is home for over 21,000 pairs of birds.

Although Protection Island is only 400 acres in size, it is the nesting place for over 70 percent of the seabirds breeding in the Strait and Puget Sound. It is the home for over 240 harbor seals. While the sheer numbers of birds finding sanctuary on the island is noteworthy, great importance must be given to the fact that the island is the nesting place for the rhinocerous auklet.

Mr. President, you and my other colleagues may be curious about the rhinocerous auklet—and well you might be. Protection Island monopolizes over one-half the population of the rhinos in the entire United States. 97 percent of the rhinos in the Puget Sound area live on the island. The specie has been described as an "aerodynamic accident." Uncoordinated in air, the rhino swims underwater with its stubby wings, using its feet as a rudder. It is rarely seen. It flies only at night and spends days in burrows along the bluffs of Protection Island. They are truly unique assets of the island.

Few people have chosen to live on Protection Island. It currently has no source of safe drinking water, no power, no access except by boat or plane, and rapidly erodes with tidal action and the wind.

Nevertheless, the island has been platted to contain no fewer than 835 lots and a domestic source of water is actively being sought—even the feasibility of piping fresh water to the island is being considered. Massive development of the island and destruction of the waterfowl habitat is seriously threatened. The intent of this bill, Mr. President, is to insure that this does not occur.

The Fish and Wildlife Service is aware of the resources of Protection Island. In a letter last year to Senator Magunson, the area manager of the Service wrote that an initial strategy report for the island had been completed and indicated:

> The marine bird resources on the island are substantial enough for a federal interest; (2) application of existing laws and regulations will not protect these resources; (3) other commitments prevent other Federal, State, local and private agencies from acquiring and managing the island; and (4) support for Service acquisition appears to be forthcoming.

As a result, the Service began a more detailed environmental assessment. To hasten this work, the act providing for the fiscal year 1981 approuriations to the Department of the Interior directed the Service to complete its environmental assessment.

Mr. President, I am pleased to announce that similar legislation is being introduced today in the House of Representatives by the entire Washington State delegation Such bipartisan support for the measure in both Houses is an indication of the importance to the people

of our State and the Nation of preserving the habitat of Protection Island.

Mr. President, I ask unanimous consent that the text of the Protection Island National Wildlife Refuge bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 327

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Protection Island National Wildlife Refuge Act."

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) Protection Island provides nesting habitat for 72 percent of the entire seabird population of Puget Sound and the Strait of Juan de Fuca;

(2) this island also provides refuge for other species, including the endangered bald eagle and the harbor seal; and

(3) this island is a nationally significant environmental resource threatened with destruction through residential and related development.

(b) POLICY.—It is therefore declared to be the policy of the Congress in this Act to preserve Protection Island through the establishment of a Protection Island National Wildlife Refuge as part of the National Wildlife Refuge System.

SEC. 3. As used in this Act:

(a) The term "refuge" means the Protection Island National Wildlife Refuge that includes those lands and waters, and interests therein, located in Jefferson County, State of Washington, that are depicted on the map entitled "Protection Island National Wildlife Refuge", dated September 1980, and on file at the United States Fish and Wildlife Service.

(b) The term "Secretary" means the Secretary of the Interior.

SEC. 4. The Secretary is authorized to acquire lands and waters or interests therein within the boundaries of the refuge by donation, purchase with donated or appropriated funds or exchange. In order to lessen the impact of Federal acquisition on the present owners, the Secretary shall give special consideration to providing for extended use reservations to the extent compatible with the purposes for which the refuge is established and effective management of the refuge.

SEC. 5. The Secretary shall establish the refuge by publication of a notice to that effect in the Federal Register at such time as he determines that lands, waters, and interests therein sufficient to constitute an efficiently administrable refuge have been acquired. The Secretary may make such minor revisions in the boundaries of the refuge as may be appropriate to carry out the provisions of this Act.

SEC. 6. Prior to the establishment of the refuge and thereafter, the Secretary shall administer the lands, waters, and interests therein acquired for the refuge in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd-ee). The Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of wildlife and natural resources, the development of outdoor recreation opportunities compatible with the wildlife resources, and interpretive education as he deems appropriate to carry out the purposes of this Act.

SEC. 7. There are authorized to be appropriated $5,000,000 for acquisition of lands and waters and interests therein.

● Mr. GORTON. Mr. President, I am very pleased to join Senator JACKSON in introducing a bill to establish Protection Island as a national wildlife refuge in Washington State.

Protection Island is located within the inland waters of Puget Sound. It encompasses an area of 400 acres and is approximately 0.6 miles wide and 1.8 miles long. The island provides nesting habitat for 72 percent of the entire seabird population of Puget Sound and the Strait of Juan de Fuca. Without question, this island serves as the single most important nesting site of marine birds in these waters.

Currently, there are six species of sea birds which nest on the island: Rhinoceros auklets, tufted puffins, glaucous-winged gulls, pelagic cormorants, pigeon guillemots, and black oystercatchers. This assemblage of species and their numbers on Protection Island are unique in the contiguous United States. The island also provides refuge for several other species, including the endangered bald eagle and the harbor seal. The U.S. Fish and Wildlife Service has designated these species as significant wildlife resources.

Protection Island is a nationally significant environmental resource. However, drilling for water has been disturbing the island is presently threatened by building construction and development. Unintentional human disturbance and the introduction of predators or domestic animals could destroy the nesting grounds of these species.

This legislation authorizes the Secretary of the Interior to acquire the entire 400-acre island for a refuge which would be incorporated into the National Wildlife Refuge System.

Because there is no domestic water supply on the island, no significant development has occurred to date. However, drilling for water has been discussed as well as the possibility of transporting water from the mainland via an underwater pipeline. Of the 836 lots on the island, 578 are in private ownership. It is my understanding that a majority of property owners recognize the unique assets of the island and support including it in the National Wildlife Refuge System. This legislation will provide a vehicle for addressing the concerns of all interested parties.

For these reasons, I believe that it is in the public interest to maintain Protection Island in its natural state, as a refuge, for the many nationally significant wildlife resources which inhabit the island.●

By Mr. BAKER (for Mr. PERCY) (for himself, Mr. DIXON, Mr. ABDNOR, and Mr. LEVIN):

S. 328. A bill to amend the Internal Revenue Code of 1954 to encourage the production of alcohol for fuel use by repealing the occupational tax on manufacturers of stills and condensers; to the Committee on Finance.

GASOHOL TAX REPEAL ACT

● Mr. PERCY. Mr. President, today I am jointly introducing the Gasohol Tax Repeal Act along with Representative THOMAS PETRI in the House of Representatives. The purpose of this bill is to remove outdated tax provisions that present needless financial disincentives and a paperwork burden on the alcohol fuel industry.

Currently, the manufacturers of stills and condensers which are used in the production of alcohol fuels are required to pay a tax of $55 per year. Additionally, they must pay $22 for each still and condenser produced. These tax provisions were put in place many years ago to help the Internal Revenue Service keep track of who produced and used stills for alcohol production. The usefulness of these taxes has now passed because other administrative means are used for obtaining this information. However, these tax laws remain on the books, burdening alcohol fuel equipment producers with useless paperwork requirements.

A major effect of the Gasohol Tax Repeal Act will be to free the alcohol fuel industry and the Internal Revenue Service from the needless administrative requirements associated with these taxes. In doing so, a net dollar saving will result to the Federal Government because the cost of administering these tax laws is greater than the small revenue generated. Repealing tax laws such as these that actually drain the Federal coffers certainly represents a step in the correct direction.

Another effect of this bill will be to delete a Government-imposed financial disincentive to alcohol fuel production. In large part, these still and condenser taxes are passed on to those who purchase and use alcohol production equipment such as farmers who make alcohol for their farm vehicles and industries which make alcohol for blending into gasohol. This bill will financially encourage all who want to develop alcohol fuel as a renewable, domestic alternative to imported petroleum.

Along with energy conservation, alcohol fuels and other renewable energy resources have extremely important roles to play in our future. Renewables can help to lessen our dangerous dependence on imported oil and could provide energy for our economy during a future energy supply interruption. I, therefore, feel that we must take steps to remove unnecessary constraints to the development of our renewable energy resources. The Gasohol Tax Repeal Act will help in this development by encouraging the continued growth of our domestic alcohol fuel industry.●

● Mr. DIXON. Mr. President, I am pleased to join my distinguished senior colleague from Illinois, Senator PERCY, in sponsoring the Gasohol Tax Repeal Act. This act will remove an unnecessary Federal excise tax on the manufacture of alcohol production equipment.

Specifically, this legislation will eliminate a tax of $55 annually on manufacturers of alcohol production equipment and a tax of $22 on each still and condenser produced.

While eliminating the tax is not a major financial incentive for the production of gasohol, I believe that we should do all that we can to encourage its use. Since the current tax cost more to administer than it generates in revenue, it is a particularly good candidate for elimination.

The development of gasohol as an alternative energy source is particularly important to a major agricultural State like Illinois. I believe we should put our vast stores of grain toward the production of gasohol, a renewable resource that could help provide part of a permanent solution to our energy problems.

In 1979, we paid farmers not to raise 20 crops on 21 million acres of ground. I would rather see these crops raised and ultimately converted to gasohol to run our automobiles and tractors.

Other countries are moving forward to encourage the use of gasohol. We can do the same thing, using energy resources that would come, at least in part, from Illinois rather than the Middle East.

The Gasohol Tax Repeal Act will help encourage the use of gasohol in the United States; I hope and expect that the Senate will act quickly to repeal the current superfluous excise tax on the manufacture of alcohol production equipment.●

By Mr. PELL:

S. 329. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain home heating costs; to the Committee on Finance.

TAX CREDIT FOR CERTAIN HOME HEATING COSTS

● Mr. PELL. Mr. President, I am today introducing legislation to provide an income tax credit of up to $300 to help offset the skyrocketing costs that families are paying to heat their homes.

This legislation, I believe, is essential in the wake of the order yesterday by President Reagan decontrolling oil prices.

Gradual decontrol of oil prices is a policy that was adopted by the Congress, with full control scheduled for September. The objective was to use less oil, produce more and reduce imports, while allowing time for consumers to adjust.

The sudden complete decontrol ordered by the President in January, 9 months ahead of schedule, will have an immediate impact that cannot be ignored or overlooked.

That immediate impact will be to increase costs for consumers. Right now, in the midst of an unusually harsh winter, with home heating costs already at record high levels, families are going to have to pay from 8 to 13 cents a gallon more for oil to heat their homes.

Nationally, consumers during the next 8 months will pay from $10 to $16 billion more for oil and gas. That will show up as added income for the oil companies, and the Federal Government will take from $6 to $10 billion of that away from the oil companies through the windfall profit tax.

So the oil companies will do nicely, and the Federal Government will do very nicely. The consumers, however, will be worse off than ever. If we look at this squarely and honestly we can see that decontrol of oil is really the same as a new tax on consumers, with Government and the oil companies sharing the revenue.

In the long run, this may provide incentive and capital for energy companies to produce more oil, and for consumers to use less or switch to alternate fuels. But in the short run, it means that families who are already being pinched to the bone to pay heating bills in this frigid winter are going to be pinched even more. The timing could not be worse.

I think it is essential that a portion of this financial bonanza from decontrol be returned promptly to the consumers. The bill I am introducing today would return $2.6 to $3 billion to consumers through tax credits.

The home heating tax credit I am proposing is essential to relieve the crushing burden being imposed on families by the upward spiraling costs of home heating. In Rhode Island a typical family that paid $600 to heat its home 2 years ago now faces a cost of nearly $1,400, and similar costs are being faced by families across the Nation. This is a burden that is causing real hardship to many low- and moderate-income families.

This assistance is justified, Mr. President, because to a large extent the sharp increases in home heating costs are the result of national energy policy, enacted by the Federal Government, which permits prices of oil and gas to rise rapidly to the levels set by the OPEC nations. This abrupt change in national policy has provided no reasonable time for homeowners to adjust and adapt to the higher costs. The Federal Government has a responsibility to provide some relief during a period of transition while homeowners change heating systems, change to new fuels, and make their homes more energy efficient.

Indeed, the Federal Government has recognized that responsibility by providing home heating assistance grants to the poor who are simply unable to heat their residences at the higher prices. My proposal would extend similar assistance to low- and moderate-income families who do not qualify for the current grant program.

Home heating assistance is particularly important this year, Mr. President, because much of the Nation is enduring one of the harshest, coldest winter seasons in decades. Even with strenuous efforts at conservation, families throughout the Nation have simply had to burn more fuel to maintain reasonable temperatures in their homes. And this necessity to use more fuel has magnified the already heavy burden of home heating costs.

From mid-December through mid-January, temperatures over much of the United States averaged from 5 to 14 degrees below normal for the period. The few milder days we have experienced since that time are but a brief interlude before colder temperatures return. The long-range outlook for the remainder of the heating season is not comforting.

The tax credit I have proposed would be available to all households with incomes up to $30,000, and above that income level would be reduced until it phased out completely at $35,000. The credit would be available to persons who rent homes or apartments as well as homeowners. The credit would be reduced by the amount of any home-heating assistance grant received by the household, so the Government would not be providing double assistance to any household.

Mr. President, the Federal Government should not become a permanent subsidizer of home heating bills. But this Nation is undergoing an accelerated, revolutionary change in the production, use, and pricing of all forms of energy. For many families, these changes are causing more than discomfort; they are causing real hardship. I believe the Federal Government has a real responsibility to help in this transition by returning to the consumers some of the billions of dollars in windfall profits being taxed away from the oil companies.

I ask unanimous consent that the text of the bill I have introduced be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 329

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. HOME HEATING CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by inserting immediately before section 45 the following new section:

"SEC. 44F. CREDIT FOR RESIDENTIAL USERS OF ENERGY.

"(a) GENERAL RULE.—In the case of an individual, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) the sum of the products of—

"(A) the amount or incurred during such taxable year for any qualified home heating energy source, multiplied by

"(B) 0.126, or CPI for taxable year,

"(2) an amount equal to the degree day factor for the State in which the principal residence of the taxpayer is located during such taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—The amount of the credit allowed to a taxpayer under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) $300, over

"(B) 10 percent of so much of the adjusted gross income of the taxpayer for the taxable year as exceeds $30,000.

"(2) REDUCTION FOR GRANTS.—The amount of the credit allowed to a taxpayer under subsection (a) (after application of paragraph (1)) shall be reduced by any amount received by the taxpayer for any qualified home heating energy source under any Federal, State or local program.

"(3) ONE INDIVIDUAL ELIGIBLE PER HOUSEHOLD.—

"(A) IN GENERAL.—In the case of any household, the credit under subsection (a) shall be allowed only to the individual residing in such household who furnishes the largest portion (whether or not more than one-half) of the cost of maintaining such household.

"(B) DETERMINATION OF AMOUNT.—In the case of an individual described in subparagraph (A), such individual shall, for purposes of determining the amount of the credit allowed under subsection (a), be treated as having paid or incurred during

such taxable year for qualified home heating energy sources an amount equal to the sum of the amounts paid or incurred for such sources by all individuals residing in such household (including any amount allocable to any such individual under subsection (d)).

"(4) MARRIED INDIVIDUALS FILING SEPARATELY.—In the case of a married individual filing a separate return of tax, the provisions of subsection (b) of this section shall be applied—

"(A) by substituting '$150' for '$300', and

"(B) by substituting '$15,000' for '$30,000'.

"(5) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for a taxable year shall not exceed the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) DEGREE DAY FACTOR.—The term 'degree day factor' with respect to any taxable year means the excess (if any) of—

"(A) the number of degree days during the 12-month period ending on August 31 of the calendar year preceding the calendar year in which the taxable year begins, over

"(B) the number of degree days during the 12-month period ending August 31 of the second calendar year preceding the calendar year in which the taxable year begins.

The number of degree days for any period shall be made on the basis of data provided by the National Weather Service.

"(2) QUALIFIED HOME HEATING ENERGY SOURCE.—The term 'qualified home heating energy source' means any energy source used for a qualified use, including wood.

"(3) QUALIFIED USE.—The term 'qualified use' means use in connection with any principal residence of the taxpayer located in the United States for purposes of heating such residence.

"(4) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as in section 1034, except that—

"(A) no ownership requirement shall be imposed, and

"(B) the principal residence must be used by the taxpayer as his residence during the taxable year.

"(5) PRINCIPAL RESIDENCE IN MORE THAN 1 STATE.—If—

"(A) a taxpayer has more than 1 principal residence during any taxable year, and

"(B) such residences are located in more than 1 State,

the degree day factor shall be prorated between such States in such manner as the Secretary may prescribe.

"(d) ALLOCATIONS.—

"(1) TENANTS.—

"(A) IN GENERAL.—In the case of a tenant (other than a tenant-stockholder in a cooperative housing association) residing in a dwelling unit which is heated by a qualified home heating energy source and with respect to which the amount paid for such source is not separately stated, the amount determined under subsection (a)(1) for any taxable year for any qualified home heating energy source used for a qualified use shall be equal to 0.126 multiplied by an amount equal to that portion of rent paid by the taxpayer during such taxable year as is equal to the qualified rental portion.

"(B) QUALIFIED RENTAL PORTION.—For purposes of this paragraph, the term 'qualified rental portion' means that percentage of rental amounts paid for principal residences during a calendar year which the Secretary determines, after consultation with the Secretary of Housing and Urban Development or his delegate and after taking into account regional differences in climate and heating costs, to be the average percentage of rental amounts paid in a region of the United States attributable to the payment of the costs of the qualified home heating energy source so used for a qualified use in connection with the principal residence.

"(2) CONDOMINIUMS AND COOPERATIVES.—The Secretary shall provide by regulation for the application of this section to condominium management associations (as defined in section 528(c)(1)) or members of such associations, and tenant-stockholders in cooperative housing corporations (as defined in section 216), in such a fashion that the amount allowed by subsection (a) is allowed, whether by allocation, apportionment, or otherwise, to the individuals paying, directly or indirectly, for the qualified home heating fuel so used.".

(b) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting immediately after the item relating to section 44E the following new item:

"SEC. 44F. Credit for residential users of energy.".

(2) Section 6096(b) (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44D" and inserting "44D, and 44F".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980, and before January 1, 1985.●

By Mr. DURENBERGER (for himself and Mr. BOREN):

S. 330. A bill entitled the "Investment Income Incentive Act of 1981"; to the Committee on Finance.

INVESTMENT INCOME INCENTIVE ACT OF 1981

● Mr. DURENBERGER. Mr. President, our Nation faces an urgent need to expand the pool of available capital to reinvigorate our industrial base and house our people. We must erect new factories utilizing the best technology and most efficient machinery if we are to battle inflation and compete effectively in the world marketplace. We must finance the housing demands of the baby boom generation as they attempt to purchase their first home.

The measure I introduce this morning would be a first step toward meeting these needs. Entitled the "Investment Income Incentive Act of 1981," it would exempt the first $1,250 of interest and dividend income on a single tax return ($2,500 on a joint return). The expanded exemption would be phased in over a 3-year period. Not only will this bill be a direct and effective means of capital formation in its own right, it will help fight inflation and also reverse the growing bias of a tax system that has turned us from a savings society into a consumptive one.

The U.S. League of Savings Associations estimates a need for $7 trillion in savings during the 1980's. Of this total, $5 trillion is needed to restore and retain our industrial base while $2 trillion is required to finance housing. At this time of greatest need our savings rate has been in a state of decline since 1973 and dropped substantially to a 4.5-percent rate in 1979. This included a 3.5-percent rate in the fourth quarter of the year, the lowest recorded quarterly level ever.

Our annual savings rate during the past decade ranks lowest among the Western industrialized nations. We managed a 6.6-percent annual savings rate during the 1970's compared to 19.6 for Japan, 15.4 for West Germany, 12.4 for the United Kingdom, and 9.2 for Canada. Not surprisingly, the other countries encourage savings with a variety of tax incentives while we place a double tax on interest and dividend income.

The drop in the U.S. savings rate was reflected in a significant drop in our productivity growth rate, which tapered to near standstill in the late 1970's. This reduced productivity growth also played a major role in driving up inflation. It is no coincidence that productivity growth has declined hand in hand with the savings and investment rate while inflation has risen inversely.

The steel and auto industries stand in not so mute testimony to the results of inadequate capital formation. We are already falling 1 million units short annually in our efforts to house those 41 million Americans who will reach the prime first-time homebuying age of 30 in the 1980's. We must reverse the bias against savings in our system of taxation if we expect our economy to employ and shelter the people of this country.

This legislation can begin to cure the economic malaise we are suffering. We could see up to $3 billion in new savings in the first year of this program increasing to $12 billion as this effort is phased in. Over 75 percent of the taxpayers report less than the $1,250/$2,500 ceiling on interest income, and they all would have an increased incentive to save.

This is obviously not a giveaway to the rich. It is a proper form of long overdue tax relief for those who practice the values of thrift and economy we used to encourage. Why should these hard-won earnings be taxed again after already being subjected once to an inequitable, inflation producing tax system?

Additionally, this legislation attacks the inflationary spiral that afflicts every single person in this country. New plants, more modern equipment, and improved tools in the hands of entrepreneurs and working people will increase productivity greatly. Improved productivity means more and better goods produced at a lesser price to the American consumer and a leadership position for America in the world marketplace as well.

Given the latest equipment, the American workers in the VW plant in Pennsylvania out-produce their West German counterparts. The key is providing the proper tools and equipment. The will is there in the worker and businessman alike to restore and retain our world economic leadership. Our tax system should provide the way to achieve this end, not discourage it.

Though this proposal will create some temporary loss of revenue, the schedule I have proposed for phasing in the needed changes should minimize the problem. Under my proposal the following limits would apply:

	Single return	Joint return
1981	$ 250	$ 500
1982	500	1000
1983	750	1500
1984	1000	2000
1985 and after	1250	2500

Few, if any, other investment incentives provide such an immediate return in terms of stimulating the economy, reducing inflation, and dispelling the adverse expectations that plague the investment environment in our country today. As savings and investment increase, more homes will be built, more factories erected, and more jobs created which will more than offset any loss to the Treasury. The phased-in schedule I suggest will allow the administration sufficient time to adjust to the budgetary impact of this measure. I am acutely conscious of the need to restrain Government spending and borrowing, and I introduce this measure with full confidence that it will very shortly be of great help to us as we strive to attain greater fiscal responsibility.

I seek your support for this measure. It provides a fiscally sound base upon which to revitalize our economy. It restores the traditional virtues of savings which supplied the capital that fueled the miraculous economic growth of this Nation. Renewed incentives for savings and investment can only help to get our economy off to a strong, new beginning.

I ask unanimous consent that the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 330

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. INCREASE IN THE MAXIMUM AMOUNT OF THE DIVIDEND AND INTEREST EXCLUSION.

(a) DIVIDEND AND INTEREST EXCLUSION—Subsection (b)(1) of section 116 of the Internal Revenue Code of 1954 (relating to partial exclusion of dividends and interest received by individuals) is amended by striking out everything after "exceed" and inserting in lieu thereof the following: "the amounts shown in the following table for the appropriate taxable years:

"Year	Dividend exclusion	Dividend exclusion for a married couple filing a joint return under section 6013
1981	$250	$500
1982	500	1,000
1983	750	1,500
1984	1,000	2,000
1985 and after	1,250	2,500."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1980.

SEC. 2. PERMANENT EXTENSION OF PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST.

Section 404(c) of the Crude Oil Windfall Profit Tax Act of 1980 is amended by striking out ", and before January 1, 1983".●

● Mr. BOREN. Mr. President, I am pleased to join with Senator DURENBERGER in sponsoring the Investment Income Incentive Act of 1981.

I believe that we must act quickly to avert severe economic problems in this Nation. It is impossible for any thinking person to ignore the signs of extreme danger. These include an 18-percent inflation rate, a prime rate that has hit 20 percent and may rise even higher and individual savings which are not only at the lowest quarterly level ever recorded, but lag significantly behind most of the other major industrialized countries in the world. Our 6.6-percent annual average savings rate in the 1970's compares with 9.2 percent for Canada, 12.4 percent for the United Kingdom, 15.4 percent for Germany and 19.6 percent for Japan. Productivity is at an all time low.

Business in general, and small business in particular, does not have access to the capital they need to survive. Consumer debt has more than doubled in 10 years to the point where it is more than $300 billion today. Our trade deficit was $3.6 billion in January alone and is over $30 billion for the last 3 years. Unemployment is increasing steadily. The housing industry is on the verge of a major depression, with new starts declining over the past 2 years. The economy from major industrialized centers such as Detroit, to the farm belt States of the Midwest, is experiencing severe difficulties.

Our first priority must be to shift resources from the public sector to the private sector. We will never combat inflation until we shift more into private savings and investment to increase our productivity. In the 1980's we will need about $7 trillion in savings—$2 trillion for housing and $5 trillion to rebuild our industrial complex. The level of private savings is crucial in determining the rate of productivity, the level of inflation, and ultimately the standard of living for all Americans.

We must have stronger incentives to increase savings. The present dividend and interest treatment passed last year allows taxpayers to exclude up to $200 of income from dividends and interest if filing individual returns and up to $400 if filing joint returns for tax years 1981 and 1982 only. The Investment Income Incentive Act of 1981 would make this exemption permanent. It would also provide much stronger incentives to save, by increasing the exclusion limits to $1,250 for taxpayers filing individually and $2,500 for joint returns.

This legislation provides us with only the first step necessary to get our economy back on the right track. We must make deep cuts in Government spending in order to balance the budget and provide for the tax cuts needed to encourage productivity through increased depreciation rates and other incentives for capital formation. Balancing the budget is important, but cutting Government spending is the most important action of all. Balancing the budget by increasing taxes would just further bleed off resources needed by the private sector to revitalize the economy.

Mr. President, in summary there is an urgent need for action on all fronts. To restore confidence and to stabilize the economy we must not wait. Every day, every week of inaction increases the risks to our economy.●

By Mr. BOREN (for himself and Mr. NICKLES):

S. 332. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants; to the Committee on Energy and Natural Resources.

PETROLEUM DISPLACEMENT ACT OF 1981

● Mr. BOREN. Mr. President, today I am introducing legislation to protect consumers from huge utility bill increases due to enactment of the Powerplant and Fuel Use Act of 1978, commonly called the Fuel Use Act. Such an amendment would correct a gross inequity imposed by the act when it was adopted in 1978. The act basically prohibits burning natural gas to generate electricity after 1990. If conversions are not made, such plants would have to be shut down. Temporary and permanent exemptions are provided in the law, but many States such as my own do not believe they can take advantage of these due to location of present generating facilities and unfavorable regulatory interpretations by the Department of Energy.

Conversion for many of the oil-fired generating plants merely requires the addition of coal moving and storage equipment, since many of these plants were originally coal burning plants that were converted to oil when the price of oil was lower. Both oil and coal facilities usually contain some pollution control devices already. Conversion for natural gas utilities like most of those in the Southwest, requires actual replacement of the plant.

It is technically and economically unreasonable to convert natural gas-fired generating units to coal. The entire boiler of a gas-fired plant would have to be replaced, rail lines, additional real estate and extremely expensive environmental safeguards such as scrubbers would be required to be added to the unit before it could burn coal. The cost to convert a natural-gas fired unit to coal would exceed the cost to build a new and more efficient coal-fired plant with a longer life.

Let us look at the example of Oklahoma. Oklahoma's electrical capacity is close to 100 percent fired by natural gas. Thus, each and every one of those natural gas plants would have to be replaced by coal-burning facilities. It will cost Oklahoma utilities around $5 billion to replace existing generating capacity, most of which is less than 20 years old in 1980. The entire capital structure of the utilities only stands at $3.6 billion.

The Oklahoma State Corporation Commission—which regulates utilities—has estimated that this would require an annual increase for Oklahoma utilities of $600 million just to replace the existing plants. This would mean that an annual increase in rates of hundreds of dollars per year for every ratepayer. The waste of these natural gas-fired plants and the resulting costs to comply with the Fuel Use Act would necessarily be passed on to

the customer. Thus, coal conversion would not come cheaply to the Southwest.

There are approximately 250 totally, natural gas fired electrical generating units in the United States with a remaining useful life after 1990. These generating units are located in nine States, but the majority are found in only three: Texas, Louisiana, and Oklahoma.

The approximate capacity of these 250 generating facilities equals 54,000 megawatts. These natural gas-fired plants are located in a region of the country where natural gas is plentiful and easy to obtain. Thus, many electrical suppliers in this region are committed to long-term and often exclusive contracts with natural gas producers and pipelines on a take or pay basis. They will, therefore, be required to convert to coal at the same time that they are sitting on a cheap, clean and guaranteed source of fuel.

I believe that it is important to point out that one of the basic assumptions underlying the Fuel Use Act at the time of its passage was that there was a current or pending shortage of natural gas. That assumption was invalid in 1978 and recent figures on production and reserves indicate that domestic supplies of natural gas will be ample to meet U.S. demands for many decades. Although there has been some slight fluctuation, for the past several years the United States has consumed approximately 20 TCF annually. Experts both in and out of Government predict that this level of demand will remain relatively constant if mandatory reductions are not imposed.

It is now obvious that the apparent "shortage" of natural gas in eastern markets in 1977–78 was the result of unrealistic Federal pricing for interstate gas sales that acted to divert gas to the intrastate market. There was no actual shortage of natural gas then nor is there a shortage today. The market for gas is soft and supplies exceed demand. Further Federal interference in gas usage or pricing can only serve to again discourage exploration and exacerbate the soft gas market. From a resource standpoint there is no need to junk all existing natural gas-fired powerplants.

The legislation that I have introduced will eliminate the requirement under the Fuel Use Act that all existing natural gas-fired powerplants be converted by 1990. My amendment would allow existing powerplants burning natural gas to continue to burn natural gas through the useful life of the plants. It would still provide that any new powerplants built would be coal-fired. It is just not in keeping with good conservation practices to require a new facility be built to replace a perfectly good existing generating facility. It is also extremely costly to the consumers who have to pay for the conversion over a short span of years—by 1990—instead of spreading it out over the useful life of the plants.

A study done on behalf of the Southern Growth Policies Board has estimated that the Southwest United States will face a 43-percent increase in utility bills entirely due to the passage of the Fuel Use Act. The rest of the United States will only be looking at an increase in rates of about 3 percent.

I urge the support of my colleagues for my bill to ease the unfair impact of the Fuel Use Act on Oklahomans and citizens of the Southwest. It is absolutely time for our leadership in the Nation to give equal treatment to all regions of the country in terms of the burden of Federal energy policy.

Passage of my bill will be a step toward equalizing the impact on all regions of the Nation and make this law fairer across the board for all Americans.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 332

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Petroleum Displacement Act of 1981".

SEC. 2. FINDINGS AND STATEMENT OF PURPOSES.

(a) FINDINGS.—The Congress finds that natural gas is a clean, economical fuel with the clear potential of displacing significant amounts of petroleum used as a primary energy source by existing electric powerplants.

(b) STATEMENT OF PURPOSES.—The purposes of this Act are—

(1) to reduce petroleum consumption by existing electric powerplants;

(2) to improve air quality; and

(3) to benefit consumers of electrical power by restraining the cost of electricity.

SEC. 3. INCREASED PETROLEUM DISPLACEMENT.

The Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8301–8483) is amended by striking out Section 301 (42 U.S.C. 8341).●

By Mr. EAGLETON:

S. 341. A bill for the relief of Isaac N. Hulver of Kansas City, Mo.; to the Committee on the Judiciary.

RELIEF OF ISAAC N. HULVER

● Mr. EAGLETON. Mr. President, I am today reintroducing a private claims bill for the relief of a wounded World War II veteran, Mr. Isaac "Ike" Hulver of Kansas City, Mo. I first introduced this legislation during the 2d session of the 95th Congress. Insufficient time, however, precluded the Senate Judiciary Committee from fully considering the matter before the Congress adjourned.

Subsequent to my reintroducing the legislation at the beginning of the 96th Congress, the Judiciary Committee reported it favorably and the Senate passed it without amendment. This past December 11, the House passed a modified version of the same basic legislation. Unfortunately, and much to my chagrin, former President Carter pocket-vetoed the bill as one of his last acts as our Nation's 39th Chief Executive.

In 1976, the U.S. district court in Kansas City awarded Mr. Hulver $202,298.12 in damages because of negligent medical treatment he received from a doctor at a Veterans' Administration hospital. Because of this negligence, Mr. Hulver can no longer work, he can barely walk. Even though the U.S. Circuit Court of Appeals in St. Louis was silent on the issue of negligence it reversed a district courts ruling in favor of Mr. Hulver because of a legal technicality. Subsequently, the U.S. Supreme Court has announced it will not review this case.

Mr. President, following my remarks I will once again ask unanimous consent to include in the RECORD of today's proceedings a summary of Mr. Hulver's situation as reported by the Kansas City Star. I will also include an editorial that appeared in the April 10, 1978 issue of the Kansas City Star, regarding this same matter.

After reading these two articles I think my colleagues will agree that Mr. Hulver has suffered immeasurably because of negligence on the part of the doctor at the Veterans' Administration hospital. The ultimate responsibility for this malpractice must be borne by the Federal Government. Therefore, I am proposing that Mr. Hulver receive payment from general revenues in the amount he was awarded in damages by the district court judge. In my years in the Senate I have seldom introduced a private claims bill, but, in this unique situation, action of this type is justified.

Mr. President, I ask unanimous consent that the articles to which I have referred be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Kansas City Star]

SAD END TO EX-GI'S "OVERSIGHT"

(By Harry Jones Jr.)

The U.S. Supreme Court already has written an unhappy ending to this story—unhappy, anyway, for Isaac "Ike" Hulver, who is 55.

He was Private Hulver, a 33-year-old draftee, the morning of Dec. 1, 1944, the day this story began.

Ike had felt himself lucky when he awoke that morning. It had been the first night's sleep in several that he had spent under a roof. The roof was on a barn, true, and Ike was outside Saarbrucken, Germany, fighting World War II, at the time. But a roof is a roof, and Ike appreciated that one.

It was cold outside and foggy. A road lay ahead. Ike's lieutenant ordered him and another GI to advance to it and scout the area. Germans were nearby, but they did not know how near.

The two soldiers advanced to the road, saw nothing threatening in view and signaled to the lieutenant that the rest of his squad could advance.

Ike had signaled by raising his M–1 rifle over his head with both hands, then had relaxed and lit a cigarette.

Suddenly he saw movement from behind a railroad embankment. It was a German soldier. He fired twice at the soldier and, although an expert marksman, missed both times. The German retaliated with a long burst from his machine gun.

One bullet caught Ike's buddy between the eyes and he fell forward, dead. Five other bullets hit Ike—one in the right knee, three in the abdomen, one in the chest, puncturing a lung.

Ike managed to crawl back to his outfit but 45 minutes later, as he was lying on his back, an 88-millimeter shell burst in a tree above him and riddled his body with shell fragments.

That was the end of World War II for Ike Hulver, who now lives at 2808 N.E. 45th. He

spent the next seven months in military hospitals where he underwent 15 operations. In July 1945 he was discharged with a 100 per cent disability rating.

A year later that was reduced to 70 per cent disability and a little later was raised to 80 per cent. It has remained at that level since. He now receives a government check of $410 a month.

Ike worked as a monotype casterman for The Star from 1953 until 1971. The job required him to do a great deal of lifting all day—35-pound, hot metal "pigs" and 25-pound galleys made from the "pigs," between 200 and 300 of them each day.

It had taken Ike three years to learn how to walk. His right leg, because of one bullet wound, would bend in either direction at the knee instead of just back. Until he learned to walk, he found himself falling frequently whenever the leg bent in the wrong direction.

After consulting with his private physician, he went to the Veterans Hospital here in 1968 complaining of pain and numbness in his right hip and leg. It was determined that he needed a bilateral aortoiliac endarterectomy—removal of mineral deposits in the artery leading to his right leg to improve his circulation.

As Ike related it in an interview at his home earlier this week—and as he testified in federal court in 1976—when told by the surgeon at the VA hospital that X-rays had shown a small mineral deposit in the artery leading to his left leg, he specifically told the doctor not to touch his left leg—this was the leg he had favored since the war and he wanted nothing done to it.

Ike said the surgeon was from Argentina and spoke poor English. He thought the doctor understood him, however, he said.

After undergoing surgery Oct. 17, 1968, he awoke the next day to find his left leg numb. His right leg, however, was improved.

As described in a ruling by the 8th U.S. Circuit Court of Appeals in St. Louis: "As a result of the operation, plaintiff's (Ike's) left leg, which had previously caused him no pain or trouble, was disabled by a clot that formed in the left branch of the arterial tree in the weeks following the operation. In addition, his sexual function was seriously impaired."

He returned to the hospital in December 1968 for corrective surgery by the same surgeon. The surgeon's attempt to remove the clot, however, was unsuccessful.

He underwent surgery a third time on March 10, 1969, this time by a different surgeon who inserted a plastic tube for part of the artery in a bypass operation.

Friends familiar with his leg problems began urging him to sue the government over the October operation. Finally, in late 1970, he went to see William Pickett, a lawyer. Pickett investigated the case and filed notice of a lawsuit on Feb. 18, 1971—two years and four months after the first operation, one year and 11 months after the third operation.

Ike quit his job at The Star. His legs could not stand the strain.

Pending trial, he continued to go to hospitals for more operations. He underwent two at the North Kansas City Memorial Hospital in 1973 and two more at the Mayo Clinic in Rochester, Minn., in 1974 and 1975.

He was out of work. He could no longer pursue his two favorite hobbies—hunting and flying. He was sexually impotent (a nerve had been cut accidentally in the October 1968 operation). And he could barely walk.

The case went to trial before Judge William H. Becker in the U.S. District Court here in 1976. It lasted three days.

The judge ruled in his favor and awarded him $202,298 in damages.

The judge found that Ike had proved negligence in the October 1968 operation when the surgeon elected to perform work on Ike's left leg after having been told not to and in the post-operative care provided him by the VA Hospital staff.

But there was another issue before the court and it was this that led to the unhappy ending provided Monday by the Supreme Court.

The statute of limitations on this type of case is two years—in other words, Ike was required by law to file his lawsuit within two years of the time he "discovered, or in the exercise of reasonable diligence should have discovered" that he had been the victim of malpractice.

Judge Becker ruled that Ike "proved by a preponderance of the evidence that he did not discover the alleged acts of malpractice which he contends caused his sexual impairment and the impairment of the functions of his left lower extremity until after Feb. 18, 1969."

Ike had maintained he did not become aware of the actual cause of his problems with his left leg and his sexual capacity until after undergoing the third operation, at which time the new surgeon explained to him what had gone wrong in the first operation.

The Justice Department decided to appeal Judge Becker's ruling. It based its appeal on the statute of limitations issue solely, not arguing the negligence ruling.

The Eighth U.S. Circuit Court of Appeals in St. Louis overruled Judge Becker in October of last year. The appeals court said that while it supported the finding of negligence in the first operation, Ike should have known he had been the victim of malpractice shortly after the first operation and well before the third operation.

In other words, it ruled, Ike had filed his lawsuit a few months too late.

Picket appealed that decision to the U.S. Supreme Court. The Supreme Court announced Monday it had decided not to hear the appeal.

[From the Kansas City Star, April 10, 1978]

WHEN JUSTICE IS ERODED

The first reaction to the Isaac "Ike" Hulver case is a burst of emotion. How can this 65-year-old war-scarred veteran, the victim of gross malpractice, be turned away by the courts in his attempt to recover damages for his permanent impairments from surgery? Even on reflection it is a fair and appropriate question—one that unfortunately raises doubts about the capability of our system to deliver justice in a compassionate and equitable way.

A ruling by a federal appellate court prevented Hulver from receiving the $202,298 that he was awarded by a federal district jurist here. From the lay person's view, the appeals decision appears to hang on a technicality. Namely that the statute of limitations expired shortly before the case was filed. This was a reversal of the district court judge who had listened to witnesses and made a determination that the case had indeed been filed before the deadline.

The U.S. Supreme Court has refused to consider the case, which leaves standing the ruling against Hulver. That means the damages, unless there is further legal action or an administrative ruling in the executive branch of the government, will not be paid by the federal government.

It is difficult to say where the fault in this case lies. But we are troubled deeply by the results. The ultimate responsibility for this malpractice, which occurred in a Veterans Administration hospital, must be borne by the federal government. The case was defended by federal attorneys in the line of their duty. They did not contest the ruling on negligence in their appeal: that action was based on the law that prohibits legal action being taken after a prescribed time has elapsed. Had the Justice Department not appealed the district court decision that favored Hulver, he would have received the settlement.

We submit that justice, irrespective of the narrow interpretation of the law, has suffered in this instance. It may stand as a good legal exercise. It does not stand the test of equity under the law. Perhaps this injustice can be remedied by the Veterans Administration, further litigation or by a special appropriation by Congress. But something needs to be done—and fast.●

By Mr. PROXMIRE:

S.J. Res. 22. Joint resolution authorizing the President to proclaim March 16 of each year as "Freedom of Information Day"; to the Committee on the Judiciary.

FREEDOM OF INFORMATION DAY

Mr. PROXMIRE. Mr. President, today I am once again introducing a joint resolution to establish an annual Freedom of Information Day to be celebrated on March 16, James Madison's birthday.

The resolution I am introducing today is identical to Senate Joint Resolution 196, which I introduced last fall. That resolution, which passed the Senate September 29, enjoyed widespread bipartisan support. I am pleased to say that 36 Senators from both sides of the aisle joined me in cosponsoring the resolution. Unfortunately, the resolution did not pass the House of Representatives before the end of the 96th Congress and therefore must be reintroduced.

Obviously, a national Freedom of Information Day would recognize the vital role that a free press plays in our country. But this is not just a day for the press. It is a day that celebrates a basic right of every American—the right to information, the right to know what is happening in their Federal, State, and local governments.

A free press, as envisioned by our Founding Fathers, exists to serve the American people by providing them with the information they need to make their daily decisions.

It is a fundamental principle of our Nation that, given the necessary information, the American people can make the decisions that will govern their present and their future. If the American people are to make wise decisions, they must have all the facts, and be able to weigh the alternatives and consequences.

Why do we need to set aside a day each year to celebrate this right of freedom of information? We need such a day because too many Americans take this precious right for granted.

Because they have never known another way of life, many Americans do not recognize how important the freedom of information is to preserving the other freedoms they hold dear.

As long as our right to information is protected, we will never lose the other freedoms guaranteed in the Constitution.

So Mr. President, it is important that we set aside a day to recognize the fact that we are the only nation in the world that guarantees its people the right to know what their Government is doing. If we take our right to freedom of information for granted, we risk losing that right.

It is fitting that the day selected for

the annual observance of Freedom of Information Day is March 16, the birthday of James Madison, our fourth President. James Madison was the Founding Father who drafted the Bill of Rights and recognized the need to guarantee individual rights in the Constitution.

Mr. President, I urge the Senate to adopt this joint resolution, and I ask unanimous consent that the text of the joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. Res. 22

Whereas, a free press exists to serve the American people, whose daily decisions rest on their having information;

Whereas, a fundamental principle of our Nation is that, given information, the people can make the decisions that determine their present and their future;

Whereas, if these decisions are to be wise, they must be reached after weighing the facts and considering the alternatives and consequences;

Whereas, the freedom we cherish in the land is rooted in information;

Whereas, this freedom of information deserves to be emphasized and celebrated annually;

Whereas, many Americans, because they have never known any other way of life, take the freedom of information provided under the First Amendment of the Constitution for granted;

Whereas, many Americans do not recognize fully how this provision of the Bill of Rights affects their daily lives; and

Whereas, March 16 is the birthday of James Madison, who was the founding father who recognized and supported the need to guarantee individual rights through the first ten amendments to the Constitution: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate March 16 of each year as "Freedom of Information Day", and to call upon Federal, State, and local government agencies, and the people of the United States to observe such day with appropriate programs, ceremonies and activities.

By Mr. HEFLIN:

S.J. Res. 23. Joint resolution proposing an amendment to the Constitution to promote fiscal responsibility; to the Committee on the Judiciary.

FISCAL RESPONSIBILITY

Mr. HEFLIN. Mr. President, I, for the third time since I became a Member of this body, am introducing a joint resolution which would require the Federal budget to be balanced on an annual basis. This resolution is similar to a measure I sponsored and worked on during the 96th Congress, Senate Joint Resolution 126, which was approved by the Constitution Subcommittee of the Judiciary Committee but which died an untimely death at the full Judiciary Committee.

Mr. President, the very first piece of legislation I introduced when I first came to the Senate in 1979 was a resolution calling for a constitutional amendment doing essentially the same thing that is called for by this resolution. This fulfilled a pledge I made to the people of Alabama during my campaign, and by working for the measure that I am sponsoring during this session I am further fulfilling a commitment I have made to the people of Alabama as I traveled around my home State over the last several months.

The people of Alabama, like people all over this country, realize that inflation continues to be the No. 1 problem facing this country today. No doubt there are other problems which we must face and overcome, but as these problems come and go, the problem of inflation goes on and on and on. Many of these other problems, of course, are offshoots of the underlying problem of inflation. The high interest rates which are burdening the people of this country even today are an offshoot of the problem of inflation. If we solve the problem of inflation, many of the problems that are spinoffs will evaporate.

The people of this country are crying out for relief from inflation and high interest rates, and it is the responsibility of this Congress to assume the leadership in trying to bring these problems under control and to provide much-needed relief for the average American worker and taxpayer.

In my first floor speech in this body, I urged the Senate and the House of Representatives to assume the leadership in this battle. I noted then that a strong move was being made by the States to convene a constitutional convention in order to propose a balance-the-budget constitutional amendment. I felt then, and I feel now, that such a convention would be unwise and certainly would be unneeded if this body fulfills its own responsibilities and provides leadership in this area. At the start of the last session, Mr. President, the prospects for progress looked bleak indeed. There were many, many persons both in and out of Congress who thought the balance-the-budget movement would never get off the ground. Dozens of proposals for achieving a balanced budget were put forward; and, although each had its own constituency, no consensus could be seen for any particular approach to solving the problem.

Early in 1979, however, Mr. President, a coalition of Senators who were interested in providing relief from inflation to the American taxpayers began to meet and seek ways of attacking this problem. This coalition of Senators and their staffs met frequently throughout the spring, summer, and fall of 1979 trying to arrive at a consensus measure which would be supported by all the various factions and constituencies who were seeking this same end, although by a variety of means.

In early fall of 1979 it was clear that a majority of the members of the Constitution Subcommittee were in agreement that some action should be taken at that time, but again there was no consensus as to the particular approach which would be the most appropriate. Several months of intensive work by the staffs of Senators THURMOND, HATCH, SIMPSON, DECONCINI, and myself, always in coordination and in conjunction with the efforts of the ad hoc Balance the Budget Committee made up of members from the Senate at large, worked diligently on trying to form some kind of coalition. Various approaches were taken, scrutinized by the subcommittee members and the ad hoc committee, and revised or rejected.

Finally, a measure was forwarded which took a fresh approach to the problem and which combined the best features of various competing approaches to the solution of the problem of balancing the budget and restraining Federal spending and Federal growth. Senate Joint Resolution 126 was introduced, and many other Senators joined us as cosponsors of it.

The proposed amendment has been scrutinized by many Senators and interest groups, as well as the staffs of many in this body. It has been examined by outside experts, and while it does not garner universal acclaim, there is a strong feeling that it is an amendment that we can live with, that the American public will rally behind, and that has a realistic chance of being passed by this Congress and ratified by the several States. During the last Congress, the resolution was approved by a majority of the Constitution Subcommittee but failed to be reported by the full Judiciary Committee by one vote.

Today, as I mentioned above, I have introduced a slightly modified, in my judgment, improved, version of that amendment. I think this is a historic day because I feel that this is the first step in a long journey which will eventually see this amendment become part of our organic law.

I think at this point it is important to note the characteristics of this amendment. It is not my intention to write economic policy in the Constitution. In my judgment, it is only incidentally an economic amendment; primarily, it is an amendment of process. Section 1 of the amendment establishes a norm, and that norm is that spending should not exceed revenues.

If a government is going to spend money for whatever purpose, it should and must have the money in hand to pay for the goods or services required. This is a concept that is basic to sound fiscal policy both on an individual level and on the national level. It is a concept that all Americans understand. You cannot continue to spend more money than you take in year after year and be on sound economic footing. Section 1 can be waived by a majority vote in case of war or by a three-fifths vote of the Members of Congress. Under certain conditions, defense spending bills which exceed the authorized budget level could be passed by a majority vote, but this is the only exception to the general rule.

Section 2 requires that revenues not grow at a rate which exceeds the growth of national income and thereby establishes a norm. This norm is that tax increases must be above board and affirmatively approved by a vote of the elected representatives. It does not try to control the level of Government spending per se. What it does is provide that if the Government is going to raise taxes, it must do it by majority vote in the open and not rely on hidden taxes such as inflation to drive up Federal revenues and thus finance increased Federal spending. The Congress can no longer hide behind inflation if this amendment is approved, as I think it will be. It will then be put in the hard position of making decisions about whether to cut out spending or to raise taxes to cover the increased spending.

Either decision will be difficult, and this difficulty I think will inhibit the growth of needless Federal programs. Thus, in effect, the provision will be both a limitation on spending and a limitation on taxation, which are major goals for any such amendment.

As mentioned, the amendment is a unique combination of the approaches which were competing for attention. First and foremost, it is a balance-the-budget amendment. But, as mentioned above, it also has the characteristics of a spending-limitation and a tax-limitation amendment. It expressly mandates a balanced budget which can be waived by Congress only by a three-fifths vote. It is a tax limitation because it prohibits hidden inflationary tax increases, and it is a spending limitation in that if there is no vote to raise taxes, spending will be held down by the section mandating a balanced budget.

Mr. President, I stated earlier that today is a historic day. I truly believe this, and I think that the American people will rally behind this amendment once the details of the amendment are made known generally. I hope that all groups who have an interest in bringing fiscal restraint and economic sanity to this Government will rally behind this amendment and give it their support.

Mr. President, extensive hearings were held by the last Congress on various approaches to balancing the budget so, in my judgment, a record has been made for this amendment and extensive hearings need not be held this year. I think that we have achieved a breakthrough in the war on inflation, and we must now move boldly to exploit our success.

I call upon all Americans around this Nation to get involved in this movement. The time is ripe, and if we act decisively, perhaps before the end of this session of Congress we can present the American people the opportunity to ratify this much needed and sensible amendment to our Federal Constitution.

I urge each and every Member of this body to examine the merits of this amendment and to join me in cosponsoring what may prove to be the most significant amendment to the Federal Constitution since the adoption of the Bill of Rights.

I ask unanimous consent that the resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 23

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. The Congress shall adopt for each year a budget, which shall set forth the total receipts and expenditures of the United States. No budget in which expenditures exceed receipts shall be adopted, unless three-fifths of each House of Congress approve such budget by a rollcall vote directed solely to that subject. The Congress shall not pass and the President shall not sign any appropriation bill which would cause the total expenditures for any year to exceed the expenditures in the budget for such year; provided, however, if the Congress shall first approve a resolution declaring a condition of military urgency, then defense appropriation bills only may be passed by majority vote and signed by the President which would cause the total expenditures for the year to exceed the expenditures in the budget for such year.

"SEC. 2. The receipts in any year shall not exceed, as a proportion of the national income, that collected in accordance with this section in the prior year, unless a bill directed solely at approving a specific increase in such proportion has been passed by each House of Congress by rollcall vote and such bill has become law.

"SEC. 3. The Congress may waive the provisions of section 1 with respect to any single year in which a declaration of war is in effect.

"SEC. 4. Terms used in this article shall be construed in accordance with their meanings on the date on which this article was submitted to the States for ratification.

"SEC. 5. This article shall take effect on the first day of January of the second calendar year beginning after its ratification."

By Mr. DURENBERGER (for himself, Mr. QUAYLE, and Mr. DANFORTH):

S.J. Res. 24. Joint resolution proposing an amendment to the Constitution of the United States with respect to reconfirmation of Federal judges after a term of 10 years; to the Committee on the Judiciary.

CONSTITUTIONAL AMENDMENT ON JUDICIAL TERM LIMITATION

● Mr. DURENBERGER. Mr. President, this morning I am introducing a constitutional amendment limiting Federal judicial appointees to a single 10-year term. Joining me in cosponsoring the amendment is my colleague from Indiana (Mr. QUAYLE) and my colleague from Missouri (Mr. DANFORTH).

The amendment would preserve the essential independence of the judiciary by limiting nominees to a single-term, free from the political pressure surrounding reelection or reappointment. At the same time, it would produce a more responsive judiciary as "professional jurists" serving life terms more gradually replaced with "citizen jurists" serving terms of limited duration. The progressive turnover assured by this amendment would insure a flow of fresh ideas and perspectives to the Federal branch. It would also extend the opportunity for judicial service to a greater number of talented men and women.

It is impossible to ignore the fact that under the present life tenure system, a Federal judge can only be removed from the bench in the most extreme case of illegal or unethical conduct. Even under these circumstances, it has been 45 years since an impeachment proceeding was successfully concluded. But what about the appointee who meets basic ethical and background standards, but for a variety of reasons performs poorly on the bench? As Senators, we are repeatedly called upon to confirm judicial appointments for individuals who have a high degree of legal training but no judicial experience. We can evaluate their legal competence, and make accurate judgments on their ethics. But we never really know whether the nominee possesses the right combination of personality and demeanor to be an effective Federal judge until he or she actually takes office. In the rare case where we err, the mistake is irreparable. The judge serves for life.

The 96th Congress was cognizant of that problem, and took a first step toward addressing it by enacting the Judicial Conduct and Disability Act of 1980. That legislation established a mechanism for dealing with certain categories of judicial misconduct short of an impeachable offense. It was a positive step, and it had my support. But the improvements brought about by that landmark legislation are matters of degree. It still cannot address the consequences of life tenure for a judge who is guilty of no mal (or mis) feasance, but simply performs poorly on the bench.

The amendment I propose would alter that system. It would insure a fresh flow of ideas to the judiciary, while minimizing the negative impact of poor judicial appointments. Equally important, it would keep the judiciary in closer touch with the progressively evolving views of American society. This amendment, and the congressional term limitation I have joined in introducing this morning, are reforms designed to bring all branches of Government closer to the people they represent. I urge every Senator to join me in supporting them.

I ask unanimous consent that the joint resolution be printed in full in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 24

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States:

"ARTICLE —

"SECTION 1. Notwithstanding the provisions of the second sentence of section 1 of Article III of the Constitution of the United States each judge of the Supreme Court and of the inferior Courts of the United States shall hold such office during good behavior, but for a term of not to exceed ten years. This article shall apply to any person holding such office prior to ratification of this article by the legislatures of three-fourths of the several States.

"SEC. 2. Any judge having held office in one Court shall not be precluded from holding office in any other courts.

"SEC. 3. Judges holding office under section 1 of Article III of this Constitution on the date of ratification of this article shall con-

tinue in office until their successors have been appointed and have qualified for office under this article

"SEC. 4. This Article shall be valid only if it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification."●

Mr. QUAYLE. Mr. President, I am pleased to join today in introducing a constitutional amendment limiting Federal judicial appointees to a single 10-year term.

In recent years we have heard complaints from many quarters about the "imperial judiciary" that is insensitive to the needs and desires of those over whom it enjoys jurisdiction. A change of the bench every 10 years would not be so often as to disrupt adjudication, but it would offer the chance for relief from a justice who has lost the confidence of the people under his jurisdiction. This amendment would preserve the essential independence of the judiciary while insuring a fresh influx of ideas to the bench.

Mr. President, as the situation now stands, a Federal judge can be removed only in the most extreme cases of judicial misconduct. The fact is that it has been 45 years since a Federal judge was successfully impeached. A poor judicial appointment is practically equivalent to a life sentence of incompetent and/or unresponsive adjudication.

This amendment will alter this situation. It will be a significant step toward restoring popular faith in our Federal court system—a faith which has eroded to dangerous levels in recent years.

I urge my Senate colleagues to support this amendment.

By Mr. DANFORTH (for himself, Mr. DECONCINI, Mr. WALLOP, Mr. HAYAKAWA, Mr. GARN, Mr. GOLDWATER, Mr. EXON, Mrs. KASSEBAUM, Mr. HUMPHREY, Mr. SIMPSON, Mr. DURENBERGER, and Mr. QUAYLE):

S.J. Res. 25. Joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office of Members of the Senate and of the House of Representatives; to the Committee on the Judiciary.

CONSTITUTIONAL AMENDMENT LIMITING CONGRESSIONAL TENURE

● Mr. DANFORTH. Mr. President, today I am once again introducing a joint resolution calling for a constitutional amendment to limit the tenure of Members of Congress. Under my proposal, service in the Senate would be limited to a maximum of two terms. Service in the House of Representatives would be limited to a maximum of six terms. However, in order to prevent the ratification process from becoming embroiled in disputes over the wisdom of retaining certain incumbent Members of Congress—or reelecting former Members of Congress—the proposal, as in years past, contains a limited grandfather clause. No matter how many terms an incumbent or former Member of Congress had served prior to ratification of the amendment, he or she could still be elected an additional six times to the House of Representatives or two times to the Senate.

When I first proposed the idea of limiting congressional terms during my campaign for the Senate in 1976, some people theorized that the purpose of the proposal was to break the Democratic Party's control on the Congress. If nothing else, I hope I put that misconception to rest by my decision to reintroduce the proposal this year—the first of what I hope will be many years of Republican control of the Senate.

The fact of the matter is that this proposal has never been aimed at any political party or faction.

The goal of this amendment—simply stated—is to serve notice that service in Congress is not a lifetime proposition. With passage of this amendment, there will be scant rewards for the politician inclined to say "yes" to everyone and "no" to no one in the hope of perpetual reelection. To my mind, the people are not well-served when decisions are made on the basis of political expediency. As Winston Churchill once observed, "A politician who consistently has his ear to the ground is scarcely in a position to be looked up to." With passage of this amendment, we can hope for a more statesmanlike Congress. Other advantages come readily to mind: An orderly, but consistent turnover in Congress, and with it a constant infusion of new ideas; a Congress that is closer to the people, as fewer and fewer Members of Congress come to view Washington as their permanent home; a Congress less concerned about reelection, less subject to interest group pressures.

I am confident that passage of a constitutional amendment limiting congressional terms will have a salutary effect on the Congress of the United States. However, in the absence of a constitutional amendment, I feel obliged once again to point out that my support for a limitation of congressional terms does not necessarily carry with it a promise that I will retire from the Senate after my second term, assuming that I decide to run for a second term, and assuming that the people of Missouri are good enough to reelect me if I do run. Absent passage of a term limitation amendment, given the benefits which seniority carries in this body, I would do the people of my State a disservice in voluntarily stepping down after two terms simply for the sake of stepping down. Term limitation must apply across the board to be meaningful, and should apply across the board or not at all.

This is the third time I have introduced this proposal and, notwithstanding its failure to make much headway in the Halls of Congress, I have been quite gratified by the response it has received. Not long after I first introduced it in 1977, 60 percent of people responding to a Gallup poll said they would favor a limit on congressional terms. Shortly thereafter, some 87 percent of people responding to a Nation's Business poll supported the idea. Throughout the last 4 years, the subject has been discussed on college campuses and has been the topic of radio and television debates, as well as magazine and newspaper articles and editorials. There is much to be gained from this debate, and I hope it continues.●

Mr. QUAYLE. Mr. President, I am pleased to join today in introducing a joint resolution which calls for a constitutional amendment limiting the tenure of Members of Congress. I welcome the opportunity to join Senator DANFORTH and my other distinguished colleagues in seizing this initiative to make the representatives of the people more accessible to the people. It is time to exchange the current model of the professional politician for the original model of citizen-statesman.

We have watched in recent years as politics has become a way of life, a permanent vocation for many who set reelection as their primary goal. When I was a Member of the House of Representatives, the most talked about issue was reelection. Though I am a new Member of this august body, I doubt whether I shall find the situation here to be much different, in this respect, at least.

The Founding Fathers did not intend it this way. I feel confident in asserting that they would be dismayed were they here today to witness the rise of the professional politician. They believed deeply in the concept of the citizen-statesman who would lend his services to the conduct of the Nation's business for relatively short periods of time and then return to his community. While they set no limits on terms of offices, it was the generally observed tradition in the first Congresses for a Representative to serve but two terms and then retire. In addition, a representative was expected to pursue his regular occupation and the job of legislating for the Nation was strictly part time.

These customs gave rise to a national legislature that was responsive to constituents and their particular interests and needs, yet was mindful of its responsibility for the general welfare of the whole Nation. Today, the grim reality of reelection pressures has produced a body that overemphasizes responsiveness and underemphasizes responsibility.

Mr. President, limiting congressional tenure will alleviate these reelection pressures and help to restore the balance to legislative life by providing a better blend of stability, efficacy, and responsiveness. A legislator will be able to concentrate on the job at hand, not on the accumulation of favors, benefits, and other trappings of office. The 12-year limit on tenure will allow sufficient time to develop and enact a legislative program at a thoughtful, considered pace, but not enough time to become a professional politician whose primary goal is reelection and maintaining a residence in Washington, D.C.

Further, a limitation on terms guarantees that there will be more frequent turnover of personnel in office. This would insure a constant influx of new ideas and fresh approaches to the difficult problems that confront our Nation. Limiting tenure would also have the effect, I believe, of revitalizing public participation in the political process at the grassroots. Members of Congress will be looked upon as members of the community who are on temporary leave in Washington in order to lend their talents toward the solution of national and local problems.

Mr. President, I am well aware of the argument that the limitation of terms, such as this proposal envisages, would deprive us of the leadership of those who have distinguished themselves and their Nation by many years of service. While this argument has some merit, I am more powerfully persuaded by the sentiment that our current system discourages the infusion of new vitality and fresher approaches to the challenge of governing this large and diverse Nation.

Mr. President, I believe that my colleagues will find, as I have in recent years, a great deal of support for this responsible reform. The American people want an active role in their Government, but too often they find it a closed system which requires too much time and effort to penetrate. With congressional offices being vacated in an orderly, reliable fashion, I believe we would find a much greater interest in the workings of Government, and would one day see a return to the citizen-statesman model of the Founding Fathers.

I urge the passage of the joint resolution.

● Mr. WALLOP. Mr. President, like the resolution I introduced back in the 95th Congress, I fully support the present resolution here introduced by Mr. DANFORTH, which proposes the "revolutionary" concept of limiting congressional terms to 12 years in the U.S. Congress. I stress that this amendment to the Constitution is a useful tool to a fully democratic society. The concept is far from new. Our Founding Fathers envisioned a Congress made up of citizen legislators who could bring their various expertise to the Nation's capital to broadly represent the people of this country.

In this age of increasing interdependency and complexity, it is even more imperative that our Congress optimally represent the people of the States and be instilled with fresh ideas and grassroots perceptions of the problems facing this Nation.

Under the present unlimited terms, we have bred a seniority system which is disadvantageous to the majority of the States. I must emphasize that this situation can only be changed by constitutional amendment. Yet I caution all States at this time not to act to limit their Congressmen's terms on their own motion—such action would only jeopardize a State's political standing, and influence within a seniority system. We must work from within to change our system and to ratify the amendment in order that it apply equally to every State, before any State unduly constrains itself.

Some concern was espoused in the previous sessions of Congress that it takes a Senator at least one term to just learn the ropes. I remind my colleagues that the President is limited to 8 years in the White House. I am sure that his job is at least as hard as ours.●

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MATHIAS, the Senator from Wisconsin (Mr. KASTEN), and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 7

At the request of Mr. THURMOND, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 7, a bill to amend title 38, United States Code, to provide a new educational assistance program for veterans and persons who serve on active duty with the Armed Forces after September 30, 1981, and for persons who perform service in the Selected Reserve of the Ready Reserve of an Armed Force after such date, and for other purposes.

S. 12

At the request of Mr. DOLE, the Senator from Idaho (Mr. SYMMS) was added as a cosponsors of S. 12, a bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans.

S. 45

At the request of Mr. SASSER, the Senator from Ohio (Mr. METZENBAUM), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 45, a bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance.

S. 46

At the request of Mr. THURMOND, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 63

At the request of Mr. RANDOLPH, the Senator from Utah (Mr. GARN), the Senator from Indiana (Mr. QUAYLE), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

S. 75

At the request of Mr. WALLOP, the Senator from Georgia (Mr. MATTINGLY) was added as a cosponsor of S. 75, a bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations.

S. 142

At the request of Mr. BENTSEN, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 142, a bill to increase the amount of the exemption of certain interest and dividend income from taxation, and to make permanent the exemption of interest from taxation.

S. 255

At the request of Mr. MATHIAS, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

SENATE JOINT RESOLUTION 4

At the request of Mr. BURDICK, the Senator from Florida (Mr. CHILES), the Senator from Idaho (Mr. MCCLURE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Montana (Mr. BAUCUS), the Senator from Utah (Mr. HATCH), the Senator from Tennessee (Mr. SASSER), the Senator from Indiana (Mr. LUGAR), the Senator from South Carolina (Mr. HOLLINGS), the Senator from North Dakota (Mr. ANDREWS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Michigan (Mr. RIEGLE), the Senator from South Dakota (Mr. ABDNOR), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of Senate Joint Resolution 4, a joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE RESOLUTION 43—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 43

Resolved, That, in carrying out its powers, duties and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Agriculture, Nutrition and Forestry is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,325,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required

for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 44—RESOLUTION RELATING TO A CONVENTION TO AMEND CERTAIN INTERNATIONAL AGREEMENTS

Mr. MOYNIHAN submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 44

Whereas it is a tradition of American diplomacy to advance the rule of law in international relations;

Whereas on November 4, 1979, the United States Embassy in Tehran was seized by terrorists, and United States diplomatic agents and other United States nationals were taken hostage;

Whereas fifty-two Americans were held at ransom, subject to physical and mental abuse, with the cooperation of the Government of Iran, until January 20, 1981;

Whereas the Vienna Convention on Diplomatic Relations and the Vienna Convention on Consular Relations provide for the inviolability of diplomatic and consular agents and the premises of diplomatic missions and consular posts;

Whereas optional protocols relating to such Conventions vest compulsory jurisdiction in the International Court of Justice with respect to disputes arising out of the interpretation or application of such Conventions;

Whereas the Order of the International Court of Justice of December 15, 1979, called on the Government of Iran to release all Americans being held hostage in Iran, and the Court's subsequent Judgment of May 24, 1980, found Iran to be in violation of such Conventions;

Whereas on January 13, 1980, the Government of the Soviet Union vetoed the application of sanctions against Iran by the United Nations Security Council in accordance with the World Court's Order; and

Whereas future assaults on diplomatic and consular personnel will be made less likely by prior international agreement on the application of sanctions: Now, therefore, be it

Resolved, That (a) it is the sense of the Senate that the President, acting through the Secretary of State, should invite from each government of a country which adheres to—

(1) the Vienna Convention on Diplomatic Relations and the Optional Protocol Concerning the Compulsory Settlement of Disputes relating thereto, done at Vienna on April 18, 1961, or

(2) the Vienna Convention on Consular Relations and the Optional Protocol Concerning the Compulsory Settlement of Disputes relating thereto, done at Vienna on April 24, 1963,

an appropriate representative to attend an international conference for the purpose of amending the optional protocols referred to in paragraphs (1) and (2).

(b) Such amendments should provide that whenever the International Court of Justice, upon application made in accordance with such optional protocols, decides that a country which is a party to a Convention referred to in paragraph (1) or (2) of subsection (a) violates such Convention—

(1) by unlawfully detaining or arresting a diplomatic or consular agent of another contracting party, or

(2) by willfully failing to protect, or by seizing, the premises of a diplomatic mission or consular post of another contracting party,

all other contracting parties shall break diplomatic relations with the offending country—

(A) by withdrawing their diplomatic and consular agents from the territory of the offending country; and

(B) by declaring persona non grata or not acceptable the diplomatic and consular agents of the offending country assigned to such countries.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

● Mr. MOYNIHAN. Mr. President, our citizens have at last returned from their inhuman captivity in Iran, and we cannot too strongly express our relief, our gratitude, and our admiration for their conduct. They endured their suffering and the brutality of their captors with a courage that honors our Nation.

If we now wish to honor them in return, we cannot do better than to take up the difficult problem of preventing such outrages in the future. This is urgently necessary, for little would be more dangerous to the peace of the world than the spread of government-sponsored terrorism. Our Iranian experience must not, must never be repeated. We must set about today to find ways to prevent it from happening again. At the same time, we must begin to find means for dealing with the much broader threat of terrorism, of which Iran's actions are just one part.

For these reasons, I am introducing a resolution to guarantee the imposition of sanctions against governments that participate in the taking of diplomatic hostages. It calls on the President to convene an international conference of states that adhere to existing treaties on the rights of diplomats. I believe the United States should seek agreement among them that in the future they would break diplomatic relations with any nation that violates these rights.

Mr. President, the last 14 months have demonstrated the extreme difficulty of creating real cooperation among governments in the face of such a terrorist challenge. This difficulty seems to be all the greater once the crisis has begun. If nations are to meet such dangers cooperatively, plainly they will need to work out a formal agreement in advance, on some minimal punitive steps that will be taken automatically. This is an unusual procedure but the problem is acute: after all, the inviolability of envoys has always been and must remain a fundamental tenet of diplomacy.

Precisely because it is so fundamental, and so widely recognized, we have no need here of a wholly new agreement to protect the conduct of diplomacy. The rights of diplomats are already set forth in two agreements, the 1961 Vienna Convention on Diplomatic Relations and the 1963 Vienna Convention on Consular Relations.

Among their many provisions that bear on the Iranian problem, article 22 of the 1963 convention declares, for example, that:

> The premises of a diplomatic mission shall be inviolable, and that [t]he receiving State is under a special duty to take all appropriate steps to protect the premises of the mission.

Article 29 states:

> The person of a diplomatic agent shall be inviolable. He shall not be liable to any form of arrest or detention.

On the basis of these conventions as well as bilateral United States-Iranian agreements, the International Court of Justice twice ruled against Iran during the hostage crisis, first in its provisional order of December 15, 1979 and subsequently in its judgment of May 24, 1980. The court judgment declared:

> The facts of the present case . . . speak loudly and clearly of successive and still continuing breaches by Iran of its obligations to the United States under the Vienna Conventions of 1961 and 1963 . . . (Paragraph 80)

And it ruled that Iran:

(a) must immediately terminate the unlawful detention of the United States Charge d'affaires and other diplomatic and consular staff and other United States nationals now held hostage in Iran . . .;

(b) must ensure that all the said persons have the necessary means of leaving Iranian territory, including means of transport;

(c) must immediately place in the hands of the protecting Power the premises, property, archives and documents of the United States Embassy in Tehran and of its consulates in Iran . . .

Lastly it held that the Iranian Government was "under an obligation to make reparation to the Government of the United States * * *." (Paragraph 95)

Let it be noted that in the agreement for our diplomats' release, the restoration of the Embassy itself—of American property and papers—was not achieved. Nor was Iran's obligation to make reparation, as set out by the Court, recognized. These are reminders that although our international legal apparatus is in good order, we have not found the means to make it work. Indeed, through the entire hostage crisis the Court's judgment enjoyed little support from states other than the United States. Early in the crisis on January 15, 1980 the Soviet Union had vetoed a U.N. Security Council resolution that called for sanctions against Iran in accordance with the Order of the International Court. And subsequently other states sometimes evaded American demands for sanctions by noting that the Security Council had not called for them. Except for the United States, no state imposed economic sanctions on Iran beyond the curtailment of new commercial contracts. And except for the United States, no state formally broke diplomatic relations with Iran (though many, as a matter of prudence, reduced their representation).

In light of this experience the need for prior commitment to sanctions is quite obvious. This is what the resolution I am offering envisions: A conference to strengthen the protocol to the Vienna conventions by providing for automatic sanctions. Under this proposal, once the International Court of Justice ruled that a government had unlawfully seized diplomats or diplomatic missions, parties to the agreements would be bound to expel the offending state's diplomats and call their own representatives home.

We should not minimize the impact that such a step could have. Diplomatic isolation is a very potent weapon. But it will be most potent—and do the most good—if we nail it down in advance. It must be all but automatic.

After the frustrations of the past year, we cannot, of course, delude ourselves that legal mechanisms can ever be the only course of action against government-sponsored terrorism. To counter future abuses against diplomats, other measures will also be called for, including the use of force when necessary. As President Reagan said in greeting our returned citizens on Tuesday, "When the rules of international behavior are violated, our policy will be one of swift and effective retribution."

We will not be shy of force, and yet we recognize its risks. To the extent that other effective measures can be devised, force may prove unnecessary. True diplomatic isolation was never seriously tried during the Iran hostage crisis, but unless preparations are made in advance, and nations committed to a course of action, it will almost certainly not be tried in the future. For this reason, an international conference of the sort proposed in my resolution is especially necessary.

Such a conference would also be part of a policy to meet the growing threat of terrorism. Many members of the new administration have pledged to devise such a policy; Secretary Haig yesterday referred to terrorism as the "ultimate abuse of human rights." Whether we speak of the narrow case of government-sponsored terrorism against diplomats, or of the broader forms in which terrorism plagues modern politics, the same approach needs to be taken: Our success will be greater if we have prepared in advance. An instance of terrorism should not be the occasion for debate and discord on the many responses available. Rather, it must bring forth a rapid, coherent, above all a planned response. Without this planning, which is certain to require the cooperation of many nations for success, we are doomed to be at the mercy of terrorist groups and terrorist states. It is now time to recover the initiative, to put our plans in place. The resolution I offer today can be, I hope, one small part of this preparation.●

SENATE RESOLUTION 45—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

Mr. HEINZ, from the Special Committee on Aging, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 45

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Special Committee on Aging is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $908,946, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 49—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. STAFFORD, from the Committee on Environment and Public Works, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 49

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Environment and Public Works is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,186,000, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by subsection 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 50—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON THE BUDGET

Mr. DOMENICI, from the Committee on the Budget, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 50

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on the Budget is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $3,693,632, of which amount (1) not to exceed $80,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $-0- may be expended for the training of the professional staff of such committee (under procedures specified by section 202 (j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 51—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. COHEN, from the Select Committee on Indian Affairs, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 51

Resolved, That in carrying out the duties and functions imposed on it by section 105 of S. Res. 4, Ninety-Fifth Congress, agreed to February 4 (legislative day, February 1), 1977, as amended and in exercising the authority conferred on it by such section, the Select Committee on Indian Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $567,334 of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under

this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at annual rate.

SENATE RESOLUTION 52—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES 52

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Commerce, Science, and Transportation is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $3,219,146, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The Committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

AMENDMENTS SUBMITTED FOR PRINTING

PORTS IMPROVEMENT ACT OF 1981

AMENDMENT NO. 1

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. RANDOLPH submitted an amendment intended to be proposed by him to the bill (S. 68) to recognize the importance of ports and harbors to this country's economy and national defense, and the world's economy and energy self-sufficiency, and to authorize construction of harbor improvement, to promote domestic commerce and to facilitate the U.S. export of coal and other commodities.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. HEINZ. Mr. President, as chairman of the Subcommittee on International Finance and Monetary Policy of the Senate Banking Committee, I am pleased to announce that there will be hearings on S. 144, the Export Trading Company Act of 1981, on February 17 and 18, 1981, in room 5302 Dirksen Senate Office Building, beginning at 9:30 a.m. This bill to promote the formation of export trading companies is the same, with only minor changes, as S. 2718, which passed the Senate last September 3 by a vote of 77 to 0. S. 144 presently has 55 cosponsors.

The Export Trading Company Act is the product of nearly 3 years of concerted effort by the subcommittee, chaired by former Senator Adlai Stevenson, which has held hearings including witnesses from virtually every segment of our economy, from academia, from business people, from labor and consumers, from exporters and importers. Witnesses for the new set of hearings will include representatives of the administration, the Federal Reserve Board, the business and financial communities, and other expert witnesses.

It is my belief that this bill can substantially and permanently expand U.S. exports, particularly by small and medium-sized firms that are presently not involved in exporting.

The legislation would revise Government policies which have tended to discourage formation of U.S. export trading companies in the past. It aims at long term improvement in America's trade posture through improved export intermediation by private American export traders.

Witnesses testifying at the hearing or submitting statements should direct their comments to the issues raised by S. 144, including but not limited to:

The necessity for bank participation in trading companies;

The circumstances under which banks should be permitted control of trading companies, and what safeguards, if any, are necessary over that control;

Whether an antitrust immunity is necessary to encourage the formation of export trading companies; and

The method by which the antitrust immunity is to attach to the formation of export trading companies.

Witnesses should also comment on how the various sections of S. 144 resolve the above issues and whether, if the legislation were enacted, the financial provisions of the bill are adequate to successfully implement it.

Any questions regarding this hearing should be directed to Dr. Paul Freedenberg, counsel to the subcommittee, 5300 Dirksen Senate Office Building, Washington, D.C. 20510 (202) 224-0891.

ADDITIONAL STATEMENTS

CONSTITUTIONAL AMENDMENT TO LIMIT CONGRESSIONAL TENURES

● Mrs. KASSEBAUM. Mr. President, those of us who have the privilege to serve in Congress are frequently confronted with questions about the diminished faith of the people in the Government. We are asked why this has occurred, and we are charged with the responsibility for finding solutions to this problem. Each of us could list a number of contributing causes and a number of potential solutions. Today, I have the opportunity to join with Senator DANFORTH and my other distinguished colleagues in proposing a partial solution.

The joint resolution we place before the Senate would amend the Constitution to limit the terms of office of Members of the Congress. Mr. President, the objective of this amendment is to return to the notion of citizen politicians who served this country so well in its infancy. We pride ourselves on being a representative democracy that responds to the needs of our citizens.

However, I believe that recent years have seen a deterioration in this aspect of our Government. By beginning an effort to achieve this electoral reform, we can revise this trend. We first acted upon the dangers associated with extended service in elective office when we limited the Presidency to no more than two terms. I believe that it is now time to place limits on congressional tenure.

The debate on this idea has continued for 200 years. When our Founding Fathers drafted the Constitution, this was a matter of intense controversy. The issue was the same as it is now: Where do we strike the balance between continuity in Government. responsiveness of the Government to the governed, and independence of Government action?

In our early days, it was customary, even in the House of Representatives, for Members to serve two terms and retire. This was at a time when congressional sessions were much shorter. I believe that this practice holds many advantages in our modern society. By removing the burden of constantly facing reelection, legislators would have more time to focus on the needs of their constituents within the context of the broad responsibilities to the overall national welfare.

The present structure institutionalizes the temptations for temporary solutions to our problems and creates tremendous disincentives for facing controversial issues.

It has become expedient to ignore complexities, to encourage undue emphasis on single issues or special interest legislation that will be primarily important at election time. We sacrifice the broad, long-term interests of national policy in favor of immediate needs. As a result, the whole is less than the sum of the parts and our common welfare suffers.

Without a doubt, the country has been well served on many occasions by those who have had long, distinguished careers in the Congress. Some believe that this proposal would deprive us of the leadership of these individuals. However, this argument ignores the fact that every district has an untapped reserve of talented people willing and able to serve as effective legislators. This amendment will enable a continuous infusion of new ideas and will give our legislators an independence that will better serve our national interests in the long run.

Limitations such as this have been proposed with increasing frequency in recent years. Similarly, public opinion polls have revealed that 60 percent of our constituents favor limiting Senate terms. Mr. President, I believe this amendment will help restore faith in our institutions because it will entice the active participation of more citizens in the electoral process. The new citizen politicians it will bring to Washington will remain closer to their constituents and will revitalize the political process in a way intended and practiced by our founders.

I urge the passage of the joint resolution.●

TVA RATE PROJECTIONS

● Mr. SASSER. Mr. President, I have reviewed the budget justification for the fiscal year 1982 power program of the Tennessee Valley Authority.

Fiscal year 1982 budget appendix appears to assume approximately a 19-percent increase in electric rates for valley consumers between now and September 30, 1981. The TVA projects sales of 118 billion kilowatt-hours of electricity at a cost of $4,443,000,000 to the ratepayers for an average of 3.7 cents per kilowatt-hour.

This compares to 3.145 cents per kilowatt-hour which TVA had projected to be the average cost of electricity for the current year.

In looking at the details of the TVA power program projected for fiscal year 1982, the rate increases could range from a low of 12 percent to as high as 27 percent with the 19 percent figure the most probable midrange increase.

Last year the TVA budget program estimated that in fiscal year 1981, TVA would sell 120.4 billion kilowatt-hours of electricity at an average cost of 3.145 cents per kilowatt-hour. The most recent budget document now projects that TVA will sell 113.6 billion or 6.8 billion kilowatt-hours less than expected at a slightly higher cost of 3.185 cents per kilowatt-hour.

For the next fiscal year, which began in October, TVA projects sales ranging from 116 billion to 124.3 billion kilowatt-hours.

If the economy grows substantially and TVA sells 124.3 billion kilowatt-hours, the budget projects a need for slightly less than $4.4 billion in revenues at an average cost of 3.510 cents per kilowatt-hour—a 12-percent increase from the previous estimate. Since TVA is projecting sales of only 113.6 billion kilowatt-hours in the current year it appears doubtful that sales will increase in the magnitude of 10 to 11 billion kilowatt-hours next year, which indicates that rate increases could be higher than the 12-percent figure.

If the valley economy fails to grow and TVA sells only 116 billion kilowatt-hours in fiscal year 1982, the budget projects a need for $4.6 billion in revenues at an average cost of 3.98 cents per kilowatt-hour, reflecting a rate increase of as high as 27 percent from the current level. (In order for this amount of revenue to be achieved in fiscal year 1982, the new rates would have to be in place by the beginning of October—the longer the increases are delayed, the higher they will be.)

In the midrange, if the valley experiences moderate growth, TVA projects sales to be 118.6 billion kilowatt-hours. At this level, TVA projects revenue requirements of more than $4.4 billion or an average cost of 3.74 cents per kilowatt-hour—a 19-percent increase in rates.

All in all, the fiscal year 1982 power program appears to assure continued rate increases.

What are the reasons behind the projected rate increases?

Production expenses will increase by at least $345 million to $2.2 billion to perhaps as high as $2.4 billion, a $517 million increase.

Increases in the cost of production reflect primarily continued increases in the cost of coal and the cost of bringing new nuclear capacity on line.

The net cost of borrowing (interest) will increase by $145 million to $273 million to over $1 billion. These costs will, of course, be somewhat higher by $15 million to $30 million if TVA is unable to utilize the Federal financing bank.

The TVA is also projecting a $90 million increase in power revenues being utilized for energy research and development—almost a 200-percent increase in 1 year.

Administrative expenses will increase by $32 million—a 50-percent increase.

I intend to thoroughly question TVA officials regarding these cost increases and the apparent projected increase in electric rates during the annual appropriations hearing before the Energy and Water Development Subcommittee.●

BILL HAWKS: CONSTITUENTS' FRIEND

● Mr. SASSER. Mr. President, I want to take this opportunity to commend William H. (Bill) Hawks, Jr., Director of Congressional Relations at the Small Business Administration, for the outstanding service he has rendered our constituents throughout the Nation.

Bill is leaving SBA as a member of the former administration—but he leaves a legacy of commitment to the needs of the people of this country. Bill has a strong congressional background. He was an aide to the formidable Joe L. Evins, Member of Congress, one of the most powerful chairmen on the House side before his retirement. Bill learned his lessons and learned them well from Evins, who served in the Congress for 30 years.

Bill has been responsive and helpful in response to calls from congressional offices. When you call Bill, you know that he will move; he will act; he will put something in motion in an effort to assist your constituent. And more often than not, he succeeds, because he is not satisfied with a gesture; his satisfaction comes from success.

Bill is from Lebanon, Tenn., from a respected family. His father is a successful farmer and Bill himself now owns a farm.

As Bill leaves SBA, we all wish him well. He can be proud of his record. He has set an example of excellence for others who follow. In conclusion, I want to congratulate Bill for a job well done—for the people, for SBA and for Congress.●

THE BOND OF THE YELLOW RIBBONS

● Mr. DOLE. Mr. President, on this day of rejoicing over the return of the former American hostages, the Senator from Kansas joins in the vast national outpouring of goodwill and happiness. Seldom in recent years have Americans been tied together in such a bond of national unity, and pride in being American, as we have become in this protracted crisis. The yellow ribbons that have become the badge of hope and freedom for our fellow Americans held hostage are the symbol of this bond. Americans have proclaimed, in a loud and unanimous voice, that the ties that bind us now shall remain unbroken.

America was built on the bedrock of liberty, on the right to life, liberty and the pursuit of happiness. These inalienable rights were temporarily taken away from 52 Americans by a lawless and barbaric nation. But, their return to American soil has restored to them those rights that still attract more aspirants to freedom than any other nation in the world, even including some desperate Iranian refugees. The ordeal of the former hostages and their ultimate return to us have reminded us that we must constantly work to preserve the principles set forth in the founding of our Nation over 200 years ago. Life, liberty, and the pursuit of happiness are something each generation must renew with great effort, and sometimes with their lives.

To insure these principles—the very underpinnings of our Nation—we must put the world on notice that the taking of American hostages will result in dark and severe retribution. Virtually all Americans support President Reagan in this proclamation. It is vital that Khomeini and his fanatic followers remember their actions over these last 14½ months as the biggest mistake in their national history. They should be remembered as the antecedent to the darkest period their nation had ever experienced. Otherwise, what is to stop other terrorists, who may at this very moment be drooling over the prospect of putting America to public shame, from committing this monstrous deed?

STRONG REPRISALS ADVOCATED

From the beginning of this crisis, the Senator from Kansas has advocated strong reprisals against Iran. In November 6—2 days after the takeover of the American Embassy—I called for the suspension of all trade, including agricultural products, with that nation. In January and again in March, I urged the President to enforce a full economic embargo. I have also advocated a naval blockade of goods going into Khomeini and his people to squeeze the Iranians until they let our people go. In a resolution of November 13, 1979, I called for universal support of the President in the crisis and urged him to take all appropriate actions necessary to bring about

the hostages' release while preserving national honor.

In this resolution, I suggested two actions: First, that the President convince all nations to close their Embassies and withdraw diplomatic personnel from Iran, recommend their citizens leave the country and suspend diplomatic relations until the hostages were released. Second, that the United States remove the club that the ayatollah was holding over our heads, the dependency on Iranian oil. The President was encouraged to urge the global community to impose a unified, voluntary world embargo on the purchase of Iranian crude oil. It is now apparent that the sanctions worked.

HONOR BOUND TO AGREEMENT?

This Senator now recommends that the pressure on Iran not be removed. The final release of the hostages was not an act for which the Iranians deserve reward. It was instead an admission that they had committed a grave and unconscionable crime, a crime that deserves severe punishment. We must now act as strongly as we know how to insure that the freedom of American citizens is forever sacrosanct.

There is some feeling that since Iran has completely performed its side of the arrangement, the United States is morally obligated to do the same. This reasoning would be valid if the hostage agreement had been negotiated without undue external pressure on either one of the parties; but, obviously, such was not the case. The United States was negotiating while Iran was holding 52 Americans at virtual gunpoint for over 14 months. Under international law, as declared by the Vienna Convention on the Law of Treaties of 1969, any agreement between two countries made under duress is automatically "void" if it is "procured by the threat or use of force."

Moreover, in considering whether to completely fulfill the hostage deal, the Reagan administration should remember that the International Court on May 24, 1980, ruled that Iran should immediately release all the hostages and held it liable to pay reparations for its actions. At that time, our Government insisted that Iran was bound by the decision.

Furthermore, there are constitutional and ethical concerns over that part of the agreement which precludes the hostages and their families from asserting, in either the U.S. courts or any other tribunal, compensation claims against Iran for the outrageous treatment they received.

Certainly, there are serious political, geostrategic and financial considerations in shaping U.S. foreign policy toward Iran and, to a lesser extent, Algeria, which directly relate to how the United States presently treats the hostages deal. If all the pros and cons were carefully weighed, perhaps America would be better off in complying. However, the Reagan administration in its deliberations and we as a nation should not feel obliged to comply under a false notion of national honor. After all, Iran, by taking the 52 Americans as hostages, committed a crime under international law, and we should do nothing, either deliberately or inadvertently, which legitimates such conduct.

Little did Khomeini know that his hypocrisy would forcefully bring the American people together against him. As our Nation joins in celebration at the return of our fellow Americans, may we raise a unanimous voice of gratitude that we, too, live in America, and are safe and free. Mr. President, I for one wish to lend my wholehearted support to the designation of January 29 as a day of thanksgiving—as a Nation and for the returnees. On this day, the world will see a portrait of a united America, that knows the meaning behind the words, "the right to life, liberty, and the pursuit of happiness," and is committed to defending these freedoms.●

IMMIGRATION CONTROL

● Mr. HUDDLESTON. Mr. President, now that the Select Commission on Immigration and Refugee Policy is winding up its final report, the Congress will soon be able to tackle the long-standing problem of bringing U.S. immigration under control. This is a serious national problem which must be addressed immediately because of the detrimental impact it is having and will continue to have on our society and economy.

A few elected officials have been trying for many years to focus our attention on the implications of uncontrolled immigration to the United States and the world population pressures which have contributed to this problem. One of these is the distingusihed Congressman from New York (JAMES H. SCHEUER). Congressman SCHEUER is especially qualified to speak on this subject because of the expertise he acquired as chairman of the House Select Committee on Population.

In a recent article in the Washington Star, Congressman SCHEUER took a very thoughtful look at the immigration pressures which face the United States today and found them to be "ominous." The Congressman rightly concludes that:

Our resources are, after all, finite. Right now, there are millions of people abroad who want to resettle in the United States—hundreds of millions if we open the floodgates. We simply cannot take them all—while, at the same time, we try to remedy the bleak conditions of our own poor.

I ask that the article by Congressman SCHEUER be printed in the RECORD.

The article follows:

"KEEP YOUR TIRED, YOUR POOR, AND YOUR MASSES"

(By JAMES H. SCHEUER)

Times change. In just over 300 years, the United States has gone from an agrarian to an industrial society, and some say we are approaching a reindustrial, or maybe even a post-industrial, age. In each era, until now, a steady influx of immigrants, mostly from Europe, has fueled the prosperity of this country.

The time has come, however, when we must seriously entertain the idea that the United States—which even now accepts two-thirds of all the world's legal immigrants—can no longer be the haven for huge waves of immigrants and refugees seeking to settle here—to escape poverty or political oppression, or both. The recent Cuban and Haitian influx is but the tip of the iceberg and points up the ominous warning of Algerian President Boumedienne, who has said:

"No quantity of atomic bombs could stem the tide of billions of people . . . who will some day leave the poor southern half of the world to erupt into the relatively accessible spaces of the rich, Northern Hemisphere looking for survival."

Clamping down on immigration will not come easily to the American spirit. A rich part of the American tradition is reflected in Emma Lazarus' words inscribed on the pedestal of the Statue of Liberty in 1903:

"Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore,
Send these, the homeless, tempest-tost to me:
I lift my lamp beside the golden door."

Or consider the perceptive observations of Alexis de Tocqueville, in his Democracy in America, written in the early 1800s:

"The immigrants who came at different times to occupy what is now the United States were not unalike in many respects . . . It is not the happy and powerful who go into exile, and poverty with misfortune is the best-known guarantee of equality among men."

De Tocqueville also noted that since 1620 immigration to America never has ceased. "The religious and political passions which ravaged the British Empire throughout the reign of Charles I drove fresh swarms of dissenters across America every year," De Tocqueville observed, noting that it was from the middle classes that most of the emigrants sprang, eventually creating "the novel phenomenon of a society homogeneous in all its parts." Until recently, the same could have been written about many millions of immigrants to the United States, of which the essential middle-class Cubans of the 1960s are a conspicuous example.

The Cubans who were to arrive in mid-1930 were quite different, however, some were misfits in Cuban society, others came directly from Cuban jails.

The mood of the country today appears decidedly hesitant about opening the floodgates to waves of new immigrants, most of whom seem to be relatively poor, such as the newest wave of Cubans and Haitians. Americans perceive that the absorptive capacity of the country has changed since the turn of the century. Violence, crime and other social tensions have become exacerbated. Some national polls have shown that Americans tend to regard, by three-to-one margins, the recent influx of some 122,000 Cubans as bad for the United States.

Such anti-immigration sentiment is not new in America: we need only remember the deplorable and essentially racist quota laws of the 1920s which reflected to a large extent the prevailing ethos of the day. The basis of the reform movement in immigration policy was to increase equity, to eliminate the racism in previous immigration laws,—laws, for example, that once explicitly excluded all Chinese. Or the national origins quotas of the 1920s that were deliberately racist quotas from each country where chosen so as to maximize the numbers of Northern and Western Europeans and to minimize others who were deemed at the time to be racially inferior.

SOME HAD TO WAIT

The Hungarian migration of 1956 and the Indochinese who arrived here in the 1970s were a phenomenon distinctly different from regular immigration—those refugees were not able to reach the U.S. in a few hours; they had to wait in other countries until the U.S. agreed to accept them—after

determining that they met this country's laws.

The clear limits of our absorptive capacity are symbolized by the huge hidden class of illegal aliens—some say as many as two to 12 million—who are competing for jobs at a time of growing unemployment and increasing immigration, legal and illegal, when the worldwide population time bomb is ticking away.

World population is now 4.4 billion, and, growing at a rate of 80 million persons a year, will surpass 6 billion by the year 2000. Ninety per cent of this increase will occur in the developing world—in Asia, Africa and Latin America—where the poor are getting poorer.

A "Global 2000 Report," issued by the State Department and the President's Council on Environmental Quality, warned in July that the world faces the "potential for global problems of alarming proportions" by the turn of the century. "If present trends continue," said the study, "the world in 2000 will be more crowded, more polluted, less stable ecologically and more vulnerable to disruption than the world we live in now."

POOREST WILL SUFFER MOST

Similarly, the World Bank predicted in August that economic growth rates will decline worldwide in the first half of the 1980s because of inflation, recession and higher energy costs. Countries in Africa and South Asia that import all of their oil, and contain most of the 800 million people living in what the World Bank calls "absolute poverty," will be hardest hit, with economic growth rates dropping to the levels of the 1960s or lower, the study stated. According to the World Bank study, people in sub-Saharan Africa, under any but the most favorable circumstances, will be poorer in 1990 than they are now.

These are bleak forecasts and they presage a quantum leap in the magnitude of the "push" forces that will be fueling the engine of illegal immigration into our country. In general, people move to improve their well-being. People are "pushed" from their original place of residence because of adverse conditions there; and at the same time, the "push" is reinforced by the "pull" of what they perceive to be significantly better conditions elsewhere. Often both factors act together to influence immigration decisions.

AGENDA FOR REAGAN

Thus, there are many related public policy questions and concerns that the new Reagan administration and the new Congress should include in their national agenda. For example:

The factors that encourage Mexicans to enter the United States illegally should be addressed by Congress more closely than before. These factors include both "push" factors, such as extensive unemployment in Mexico, and "pull" factors, such as the perceived opportunity for relatively high-paid employment in the United States. We must consider the establishment of employer sanctions and an identity card system for job seekers in this country—excluding, however, those not looking for jobs, such as the young, the elderly and the retired—even though the Select Commission on Immigration and Refugee Policy just recently rejected such a proposal.

How might the costs of internal and international migration be borne at the federal, state, and local levels? Who should bear these costs?

The effectiveness of the State Department's visa procedures and the Immigration and Naturalization Service's border inspection and patrol policies must be reconsidered.

What is our absorptive capacity for poor people from abroad who have no language skills, no job skills, no urban skills? How far do we want to thin out already thinned out resources and services available to the 20 to 25 million American citizens who are poor and who are certainly keenly aware of and apprehensive about the masses of people abroad just waiting to immigrate here? Should we not help our own poor to make it before we will permit tens of millions more from abroad to crash through our gates? Or do we perhaps have a moral obligation to reduce our standard of living by accepting such an inundation of refugees—even to the point where we have to change radically our whole way of life?

Do we want to destroy new concepts of fairness in our reformed immigration laws by throwing away the rule book and rewarding those who have the aggressiveness to make it across a border illegally—or who get here legally on a temporary student or tourist visa and then simply melt into the population?

WE CAN'T TAKE THEM ALL

Our resources are, after all, finite. Right now, there are millions of people abroad who want to resettle in the United States—hundreds of millions if we open the floodgates. We simply cannot take them all—while, at the same time, we try to remedy the bleak conditions of our own poor. President Carter's chief domestic adviser, Stuart Eisenstat, has called the extraordinarily high figures on youth unemployment in this country (19.1 per cent—and 37.4 per cent for black teen-agers) "absolutely staggering." So, we must ask ourselves, does it make sense to take in hundreds of thousands of additional people each year who have even less in the way of urban skills and job skills?

I support a generous immigration and refugee policy, one consistent with the limited ability of our society to sustain and assimilate more people and to provide them with productive opportunities, one that will protect our ability to meet the needs of our own poor. We in the United States must continue to be humanitarian regarding immigrants and refugees. But that cannot mean an unlimited refugee and immigrant flow, a letting-down of the floodgates.

In the next 20 years, the world will gain another two billion people—90 per cent of that growth coming in the developing world. By the turn of the century at least 80 per cent of the world's population will be inhabitants of developing countries.

Just to stay even with their present level of underdevelopment, underemployment and unemployment, Third World economies will have to create between 750 million and 850 million additional jobs between now and the year 2000, more than the entire currently employed population of the developed world!

NO FOCUS ON REAL NEEDS

Unfortunately there is no possibility that the developing world is going to create jobs at that order of magnitude. There is no evidence that either decision-makers in the donor countries in the consortium of international aid and finance agencies, or in many developing nations themselves, are focusing on the kinds of policies that would be labor intensive and job-creative—especially benefiting the rural poor—and that would produce the necessary programs of education and health, which alone can produce an effective work force.

An absolutely top priority in these developing countries must be the provision of a network of maternal and chi'd health services—manned by village paraprofessionals—which would include a strong family planning component in order to give Third World women a chance to control their fertility. This would enhance the well-being of mothers and children already born, eventually making it possible for Third World governments to get a handle on the population explosion, which is dooming to defeat all their efforts at national development.

The 1980 U.S. refugee law gives a definition of "refugee"; it is a substantially revised definition from those of the past in that it eliminates preferences for those fleeing a Communist country and certain Middle Eastern countries. It focuses instead on whether a person is fleeing his country because of his race, religion, nationality, membership in a particular social group, or political opinion. It also allows for consultations between the administration and Congress if emergencies require that immigrants be admitted in excess of the normal 50,000-a-year limit. Thus, the law itself recognises that there must be a limit. The Refugee Act explicitly declares that to qualify for refugee status, a person must normally be outside his or her home country and unable to return for fear of persecution.

Mexico is an example of countries that seem to have a studied policy of encouraging emigration—both to lessen domestic political problems posed by the unemployed and the underemployed, and to assure the continued flow of $3–5 billion of remittances sent back home every year from Mexicans who emigrate to the United States. There are about 1,950 miles of open border between Mexico and the United States. We should not and do not want a Berlin Wall on that border. Yet neither should we find acceptable the present pitiful enforcement effort that allocates one Border Patrol officer for every seven miles—a simply impossible situation. Intrinsically, this system invites abuse.

The real fear is that if the pendulum in this country continues to swing to the right, and if we have a deeper recession, Americans who are otherwise responsible and essentially fair-minded might start looking for scapegoats. It has happened before. Such a nasty reaction could wipe out all the progressive trends that have been in force for a generation.

So it is essential for our nation to enforce the existing structure of immigration laws that has been built up over the last 40 or 50 years—ever since those deplorable years of the 1920s, an era of social Darwinism and of assertions that some potential immigrants were genetically incapable of assimilation into democratic institutions.

ONCE IN, YOU'RE SAFE

Senator Walter Huddleston, D-Ky., summed up the concerns of many Americans when he declared that "Once an illegal immigrant enters this country, he is safe—safe to displace Americans from jobs, safe to use resources and social services, and safe to bring in his family and friends as future illegal immigrants." Senator Huddleston has correctly noted that "We have lost control of immigration to this country."

In addition to bringing our own immigration laws and practices into order and establishing the integrity of our borders, we must help the Third World come to the understanding that they have to create more fair and just societies, with better equalization of income and a better sharing of resources. Sri Lanka, for example, is commendably trying just that, and has no emigration to speak of.

Such redistributive programs in developing countries, encouraged by the United States, not only would make those countries more just but also their people more productive by becoming healthy and literate. How can we do this?

First, the U.S. should reorient and redirect development efforts in Third World countries so as to improve the situation of their very poor—by providing them with jobs, basic health care, education and minimal standards of living, at the least.

Second, we must work more closely with such agencies as UNESCO, the World Health Organization; UNIDO, the FAO, the World Bank and the world's regional banks, to make

sure that their development efforts with Third World countries continue, that they are focused on the needs of the poor, and that they are essentially job-producing, labor (not capital) intensive in emphasis.

Finally, we must encourage other countries of the developed world to help absorb some of the potential refugees and immigrants. The United States already takes two-thirds of all the world's legal immigrants—but we can't do it alone.

Mr. HUDDLESTON. Mr. President, at a time when U.S. immigration is in a state of chaos, it is imperative that Congress select its leaders on this issue from those who have the wisdom and strength to make some extremely difficult but necessary decisions. I believe that the Senate Judiciary Committee has found such a person by its selection of Senator ALAN SIMPSON, the distinguished Senator from Wyoming, as the chairman of the new Immigration Subcommittee.

Because of his tireless service to the Select Commission on Immigration and Refugee Policy, Senator SIMPSON has a wealth of knowledge and information on immigration problems from which to draw. By combining this with his deep personal concern for the immigration problems which face the United States, I am confident that he will help fashion a new immigration law which is compassionate for prospective emigrants and which is designed to assure that immigration policy will represent the best interests of this country.

In a "straight talking" interview with a reporter from the Los Angeles Times, Senator SIMPSON demonstrated that he will be a fair and forceful figure in the immigration debate. The fight to reshape our immigration laws will not be an easy one but I assure the distinguished Senator that I will do everything in my power to assist him in his efforts.

I ask that the article from the Los Angeles Times be printed in the RECORD.

The article follows:

NEW LEGISLATIVE OVERSEER ON IMMIGRATION POLICY BLUNT SENATOR IS NOT AFRAID TO FACE AN EMOTIONAL ISSUE

(By Evan Maxwell)

WASHINGTON.—The tall gangling man from Cody, Wyo.—population 6,706—is fond of saying, "Washington, D.C., is a 68.5-square-mile enclave surrounded on all sides by reality."

Al Simpson, 48, has good reason to know. He has spent two years in Washington as U.S. senator from Wyoming, the self-proclaimed "Equality State." His father, Milward, something of a legend in Wyoming politics, served as a freshman senator nearly 20 years ago with Edward M. Kennedy (D-Mass), the man Simpson is replacing as chief legislative overseer of immigration matters in the Senate.

Simpson, a Republican, is chairman of the new subcommittee on immigration. He is expected to be the leading exponent of tougher laws that will make immigration to this country more difficult, even as the clamor to enter increases from political refugees and impoverished people around the world.

The immigration issue has long been a difficult one in the enclave on the Potomac. It has defeated the efforts of such sophisticated and powerful legislators as Peter Rodino, (D-N.J.) long-time chairman of the House Judiciary Committee.

But Al Simpson says he hopes to "defang" the snake of emotions that has poisoned immigration policymaking, or at least to neutralize its venom.

"You defang these kinds of issues by going right to the guts of them" he said. "The presenter of a good idea around here often becomes afraid he might be referred to as a clod or a Neanderthal or a racist or as one who is unloving and uncaring.

"Now I am not afraid of being called any of those things because I know that I am none of them. So I can wade right in without being bothered by all this emotional crap underneath."

Simpson, no doubt, will find plenty of emotion to confront in immigration, certainly no less than in his other subcommittee chairmanship, nuclear regulation. But he seems to thrive on such charged issues. That probably is why he says some strong, seemingly impolitic things.

For instance, he takes the position that the motto on Statue of Liberty, " . . . give me your tired, your poor, your huddled masses, yearning to breathe free . . . " may be out of date. "Everytime you bring up the idea of immigration restrictions, somebody jumps up and says, 'Wait a minute. That is how my parents got here.'

"Well, so did mine. My middle name is Kool. That side of the family all came from Holland. The rest came from England."

But, he says, the country needed immigrants a century ago. "The reason they got here was because the country legislated to let them in, legislated because we needed them at the time to populate places like Wyoming. We needed their brains and their skills and their numbers."

Simpson says that he intends to apply the same principle of self interest to present-day immigration policy.

"This will probably get me labeled as some kind of introneo-nationalist or something but my tenet is that our first obligation is to the people who are already in this country; it is those people who are going to get the first crack, who we ought to protect."

There is a folksy, nativist bluntness about such a statement that some of his associates find difficult to accept. "He lays it on a bit thick," said a staff member of the Select Commission on Immigration. "His sense of personal theater sometimes gets the best of him."

FOUND TO BE GENUINE

But some of the immigration activists who might seem most likely to take offense at Simpson's intentions find him genuine, if sometimes disingenuous.

"He is more complex than many people give him credit for," said a Washington representative of one of the nation's most powerful Latino organizations. "I think we can work with him. I do not think he is an evil man; I don't think he wants to remove all brown faces from the country."

Simpson acknowledges that a great many emotional snakes will have to be defanged if the country's immigration problems are to be resolved.

But, he says, the process must be started. "The American people are embarrassed and offended by our present situation. That feeling is very rich and real, and any political person who doesn't feel the great force of that wind is really missing the boat.

"Some of them, the ones I say have been overcome by compassion fatigue, disappeared last Nov. 4, and more of them will disappear the next time around unless we deal with the matter."

ROLE IS ACCEPTED

Simpson, whose sense of personal theater sometimes seems to amuse even himself, said, "I don't mind being the resident ——— on this issue. I really don't.

"But I intend to do it without any violations of anyone's civil rights and without making anyone into second- or third-class citizens."

And he remains hopeful about the prospects. "There has never been a greater set of constituencies in favor of dealing with the issue than there is right now.

"And they are fascinating forces—organized labor, blacks, reds even browns. These are exactly the historical contituencies that make you want to be a caring legislator."

He stopped, reflected. "They are exactly the ones who in their public posture may be quoting the Statue of Liberty. But down underneath they are saying 'Wait a minute boys. This has got to stop.'" ●

COACH TOM FEELY

● Mr. DURENBERGER. Mr. President, America, especially in this era of instant communications, is a great country for conferring immediate celebrity status on individuals. Daily, new heroes rise to the surface and, almost as quickly, are forgotten.

Throughout our country, though, there are thousands of men and women who work at a labor of love, helping develop and train the young adults who will be the leaders of tomorrow. Their work is often unrewarded or even noticed, but their contributions are invaluable.

One of those people is Coach Tom Feely. Coach Feely has devoted 34 years to high school and college athletics. Throughout those years he has had the opportunity to influence thousands of young adults. Coach Feely accepted the opportunity with a deep sense of responsibility. Every person who came under Tom's wing—from star players to benchwarmers—learned the principles of team play, cooperation, and discipline. Each person left Coach Feely with an education that will last a lifetime.

Mr. President, Coach Feely will be honored February 2 for his outstanding career. I join in praising this unsung hero, and I ask that an article from the Jan. 8, 1981, St. Paul Dispatch be included in today's RECORD.

The article follows:

ST. THOMAS HONORS A LEGEND—TOM FEELY

(By Bob Schabert)

He's almost an institution at the intersection of Summit and Cretin Avenues.

Because of his outstanding coaching in basketball and baseball, Tom Feely will be honored Feb. 2 by the Alumni Association of the College of St. Thomas. The alums are having a recognition dinner for the affable coach at 6 p.m. Monday, Feb. 2, at Murray Hall on the campus. Steve Dolan is general chairman. For ticket information, contact Dennis Swan at the Alumni Office (647-5203).

Feely coached basketball and baseball at St. Thomas Academy and College for 34 years. He guided the Cadets and Toms to 28 championships with 645 victories against 379 losses.

In Feely's eight years at the Academy his cage teams were 154-32 and won five Central Catholic Conference titles and four state Catholic crowns. He also led the Cadets to one state Catholic baseball title.

At the college level, Feely's cagers were 417-269. During his 26 years, the Toms won seven Minnesota Intercollegiate Athletic Conference crowns and six District 13 (Minnesota) National Association of Intercollegiate Athletics titles.

Feely led the baseball Toms to a 124-78 record with five MIAC titles and one District 13 NAIA championship.

Asked to name some of the outstanding players he has coached in his 34 years, Feely said:

"I'd have to say John Horan was the best high school basketball player."

Horan, who died in November at 51, was a three-time Catholic All-State choice while leading the Cadets to three state titles and became an All-American at Dayton University in Ohio.

Jerry Thomas, who later helped the University of Minnesota to an NCAA championship (1956), was rated as the the top baseball player Feely coached in the prep ranks. He hurled the Cadets to the State Catholic title his senior year.

Feely's most thrilling moment at the Academy was the sudden-death overtime triumph over St. Cloud Cathedral for the 1953 state Catholic basketball championship.

On the collegiate level, Feely said it would be to hard to single out one individual but did narrow his selections to five.

He named Dennis Fitzpatrick as the best all-round player and Terry Mikan, who played for only a year and a half under Feely, as having the most talent.

Bob Rosier, the leading scorer in St. Thomas history, was considered the most effective player, mainly due to his 7-2 height. Feely listed center Ted Hall, who played only two years for Feely, as perhaps the best scorer and shooter.

Steve Fritz, now serving as the Toms' interim coach since Feely's resignation, was considered the player most adapted at handling a certain situation. Fritz also was a center and is the school's second all-time scorer.

Feely's biggest thrill in college basketball came when the Toms edged Winona State in overtime to win the District 13 NAIA championship at Macalester in 1972. Fitzpatrick sank the wining free throws.

Feely was inducted into the college's Athletic Hall of Fame in 1977 and currently is a candidate for the NAIA basketball Hall of Fame. Still a few years from retirement, he is teaching in the college's physical education department.

Feely also is very proud of his four sons. The oldest, Pat, played basketball and baseball for his dad, and now is in this 10th season as basketball coach at Roosevelt, where he also coaches tennis.

Tom, Jr. is in the counseling department and coaches wrestling at the Academy. Dick is head of the Oceanography department at the University of Washington in Seattle. Dan, the youngest, is in his first year of medical school at Creighton University after graduating from St. Thomas College last spring.●

MINNESOTA SCHOOL NURSE DAY

● Mr. DURENBERGER. Mr. President, I wish to recognize a group which is rarely mentioned yet who play an essential role in the total education of our children: the school nurses. January 28, 1981, is the 9th annual Minnesota School Nurse Day, sponsored by the School Nurse Association of Minnesota as part of SHAPE week, "School Health A Positive Environment." This day is an opportunity to give due recognition to the contributions and services of school nurses.

The school nurse expands the student's right to a full education by administering to the needs of the total person. He/she functions as a valuable input in the child support team. Serving as a medical contact to resources in the community, the school nurse aids parents, while his/her presence and knowledge benefits the teacher. The work of the school nurse is very diverse ranging from first aid and instruction for teachers and students to medical care in emergency situations. Also, included is the administration of tests and screenings which are vital to the detection and prevention of illness. The school nurse has been essential for mainstreaming disabled children. As a professional she/he can monitor medications, therapy and medical devices thus allowing the seriously ill or handicapped child to function in school. Our educational system truly benefits from the work of the school nurses.

In closing I should like to honor the school nurses on their contributions to a comprehensive, healthy school environment and their dedication.●

A TRIBUTE TO 25 YEARS OF SERVICE TO MENTAL HEALTH IN PRINCE GEORGES COUNTY, MD.

● Mr. SARBANES. Mr. President, on Saturday, January 31, the Mental Health Association of Prince Georges County, Md., will hold a celebration to mark its 25th anniversary. Since its founding, the association has contributed greatly to efforts to improve the delivery of mental health care services and has played an innovative role in the development of numerous programs to prevent mental illness and promote mental health.

The Mental Health Association of Prince Georges County traces its beginning to 1948 when a mental health study center was established in the county as a field station for the National Institute of Mental Health. Prior to that, the only public mental health services available to residents were those of State mental hospitals located outside the county.

Enlisting the aid of the Community Chest, the Planning Council of Prince Georges County and other community groups, the center carried out a study which demonstrated the need to involve county residents in developing mental health services. As a result, the Prince Georges County Mental Health Society was founded March 28, 1955. This pioneering group of dedicated and concerned citizens helped convince public officials of the need for a publicly funded mental health center in the county and in September 1955, just 6 months later, such a center was opened on a part-time basis.

The Mental Health Association of Prince Georges County is a chapter of the National and Maryland Associations for Mental Health. Its accomplishments reflect the wide range of activities it has pursued in close cooperation with these organizations. The association has been influential in the development of such major mental health services as the Directorate of Mental Health in the Prince Georges Health Department, the Inpatient Psychiatric Services of Prince Georges Hospital, the Cheltenham Residential Treatment Center and the Hamilton Children's Center. It was also successful in efforts to improve physical conditions for Prince Georges County residents at Spring Grove Hospital in Catonsville, Md.

In addition to working for improved treatment facilities, the association has sponsored such services as Project Return, the Prince George's County hotline, and the resocialization program. The association has also made important contributions in its role as educator, conducting numerous workshops to inform county residents of available community resources, and has done much to increase public understanding of mental illness. As a further demonstration of its broad community involvement, the association has been instrumental in establishing such groups as the Coalition for the Support of Handicapped Children and the Police-Community Relations Coalition.

Working in both leadership and advisory roles in coordination with related organizations, the association has contributed significantly to the legislative process at the Federal, State and county level. As an example, the association joined other concerned groups in successfully advocating improved funding for services for emotionally disturbed children.

In carrying on its work these past 25 years, the association has relied heavily upon the efforts of thousands of volunteer staff members. Their contribution has been a stellar example of what concerned citizens can do to improve their community. It is estimated that in 1972, for example, concerned citizens donated 47,252 hours of their time to assist in the association's work.

The accomplishments of the association are a tribute to the voluntary spirit among county residents and offer proof of the extended impact which individuals can have when they unite in addressing a problem of major public concern such as mental health. As it celebrates this important anniversary, the Mental Health Association of Prince Georges County, its officers past and present, its board of directors and professional advisory council, and its dedicated workers can indeed be proud of an outstanding record of community service and continuing dedication to the goal of improved mental health care.●

THE RELIGION OF ABRAHAM LINCOLN AND THE WORDS OF FORMER PRESIDENTS

● Mr. HATFIELD. Mr. President, one of the most compelling and most influential books in my library is Elton Trueblood's Abraham Lincoln: Theologian of the American Anguish. The magnitude of Lincoln's accomplishments and the size of our Civil War President's heart place a duty upon us to understand him. His spiritual pilgrimage is informative to all of us who seek to be faithful to the personal God of the Holy Scriptures.

Yesterday morning at our weekly Senators' prayer breakfast, our brother and esteemed colleague STROM THURMOND led us in a very moving and challenging reflection on our martyred President. He entitled his remarks, "The Religion of Abraham Lincoln." I submit Senator THURMOND's message for the RECORD.

The message follows:

REMARKS BY SENATOR STROM THURMOND

THE RELIGION OF ABRAHAM LINCOLN

One of the greatest blessings we enjoy as American citizens is our rich abundance of national heroes. These men and women, who have adorned every period of American history, provide us with worthy examples of character and achievement. We can look to them for needed guidance in both our public and our private lives.

With the inauguration last week of a new President and the approaching birthday of Abraham Lincoln on February 12, I thought it would be appropriate this morning to say a few words about the religion of Abraham Lincoln.

Abraham Lincoln is arguably the most admired American of all, and he arguably deserves to be. He had resources of character and intellect that, even in an age of great men, shone forth like the moon among the stars. His service to the nation was unique. To contemporary Americans, looking back upon his life and career, he seems almost superhuman.

Yet Lincoln himself entertained no such illusions. He knew his limitations. He recognized that he was only a man—frail, fallible, and mortal. Surely, we might think, if anyone ever had within himself the capacity to cope with the problems of life, it was Abraham Lincoln. The truth is very different: Lincoln himself was constantly seeking the same guidance which many now seek in him.

Where he sought this guidance most of you probably know. Authorities on the subject call Lincoln our most religious President. It was faith that supported and consoled him in times of need, particularly during the last years of his life.

The subject of Lincoln's religion is as instructive as it is interesting. His religious views were deeply personal—so much so that he never joined any particular church. Moreover, his faith was not static but dynamic, deepening and intensifying as he grew older.

When he was a young man, his interest in religion, while keen, was mainly speculative. He knew his Bible well. It was probably the only book his family owned, and we can imagine him, as a boy, pouring over the Old and New Testaments by firelight after a hard day's work. His speeches and writings, and such fragments of his conversation as has been preserved, are loaded with Biblical stories and language. Nevertheless, he seems to have rejected the conventional Christianity of the frontier, and to have adopted the impersonal religion, known as Deism, that was then popular in intellectual circles. He refrained from using the word God, preferring philosophical terms like Supreme Being, Divine Providence, and The Deity.

As the years went by, he got something of a reputation for his unorthodoxy. Indeed, during his campaign for Congress in 1846, his opponent, a famous and eloquent preacher attacked him as an atheist. In defending himself, Lincoln did not assert that he was a Christian, but only denied that he had ever scoffed at Christianity.

The story is told of how, in the middle of this campaign, his opponent was addressing a religious meeting at which Lincoln was present. The preacher demanded that all of his listeners who wanted to go to heaven, or did not want to go to hell, should stand up. Everyone stood up except Lincoln. Trying to score some political points, the preacher cried out, "Mr. Lincoln, where are you going?"

Lincoln answered, "I am going to Congress."

This lighthearted remark must have amused more people than it offended, for Lincoln won the election.

As increasing age brought increasing responsibilities, however, Lincoln's religious views became more serious and more substantial. Personal grief contributed significantly to this development. Lincoln's four-year-old son Eddie died in 1850. Thereafter, his wife's health became more and more erratic. Politics brought other concerns, less personal but equally distressing. His election as president prompted the dissolution of the union. Leaving his friends at Springfield in 1861, he spoke poignantly of "Him who can go with me, and remain with you, and be everywhere for good."

Nevertheless, the religious habits of his youth did not die easily. In his First Inaugural Address, the new president made only one reference to religion, mentioning in characteristically vague language "the Almighty Ruler of Nations." In this speech, he was arguing against the need for war between the North and the South.

When the war came in spite of his appeals, Lincoln was horrified by its irrationality and brutality. Many are the accounts of his emotional reactions to unexpected deaths and defeats. Probably never in history had so compassionate a man had to order so many men to go forth and kill or be killed.

To add to the grief occasioned by the war, in 1862 Lincoln lost another son, Willie, a boy of only twelve years. This event left the president disconsolate, and was probably the critical point in the transformation of his religious views. For a period of several weeks, he secluded himself from the public and even from his closest advisors. Finally, he succeeded in pulling himself together, telling his wife, "Mary, we must live." He was not, however, the same man as before.

While he had previously attended church irregularly, and only on Sundays, he now began to steal away from the White House in the middle of the week for prayer meetings. Prayer assumed a new importance for him. He confided to a friendly journalist, "I have been driven many times upon my knees by the overwhelming conviction that I had nowhere else to go." The death of Willie, if it was not the first of these times, was surely one of the foremost.

In 1863, he proclaimed a national day of fasting, chiding the nation for its godless ways. "We have forgotten God," he said in his proclamation. ". . . intoxicated with unbroken success, we have become too self-sufficient to feel the necessity of redeeming and preserving grace, too proud to pray to the God that made us."

There can be little question that Lincoln was thinking of himself, at least to some extent, when he wrote this denunciation. His earlier attitudes, he was implicitly confessing, were wrong.

His speculative interest in religion, as an academic field like philosophy or law, had now given way to passionate conviction. Religion came to dominate his thinking. On the field of Gettysburg, when urging the nation on toward "a new birth of freedom," he emphasized that this birth should be accomplished "under God." It was in his Second Inaugural Address, though, that his new attitude was most evident.

This speech is not only one of the most important political documents in American history, but a singular and powerful religious statement. The last half of it read almost like a devotional essay. The contrast with the purely political First Inaugural is striking.

Lincoln had obviously been wrestling with the age-old question of how a merciful and all-powerful God can allow suffering in the world. The terrible carnage of the war made this question inescapable for so acute a mind. Lincoln's answer, as formulated in the Second Inaugural, reflects complete confidence in God, complete acceptance of His will.

"The Almighty has his own purposes," he said. ". . . Fondly do we hope, fervently do we pray, that this mighty scourge of war may speedily pass away. [Nevertheless, even if the war goes on indefinitely], still it must be said, 'the judgments of the Lord are true and righteous altogether.'"

These words mark the end of Abraham Lincoln's religious journey, the culmination of a lifetime of hard thinking and varied experience. Through struggle and strife, trial and tragedy, he had found his way to a faith that gave him peace. Scarcely a month later he lay dying of the assassin's bullet.

When his sorely tried heart finally stopped beating, Secretary of War Edwin Stanton is supposed to have remarked, "Now he belongs to the ages." There is, however, another version of the story. According to this version, Stanton's remark was, "Now he belongs to the angels."

On first consideration, it is an odd image—the rough, bearded figure of Abraham Lincoln joining the shining heavenly hosts. Appearances aside, though, it seems particularly appropriate. It would be hard to imagine a more angelic character than that of Abraham Lincoln—"with malice toward none, with charity for all, with firmness in the right as God gives us to see the right."

Furthermore, Lincoln gave to the world a religious message which clearly entitles him to be included among the spokesmen of God. That message may be stated very simply: a good head, a big heart, and physical strength are not enough in this world. Lincoln had all of these attributes in the highest degree, and while they brought him success, they did not bring him peace. Only faith in God did that.

Only faith in God will do that for us.

Let the memory of this great man falling on his knees in prayer inspire us all to do the same, and frequently. When we, like Lincoln, have "nowhere else to go," we should not be bashful or hesitant about going there. With humble and receptive hearts, we may gain the same guidance that he did, the Divine guidance which is essential to a good and happy life.

Mr. HATFIELD. Mr. President, the uplifting experience of the inauguration causes us to reflect not only on previous great leaders such as Abraham Lincoln, as Senator THURMOND did yesterday, but it also inspires to pay heed to the words of our former Presidents. Mr. Cornelius W. Heine, the executive secretary of the U.S. Capitol Historical Society, has done just that with a timely document entitled "Words That Lead the Way: A Message from the Inaugural Addresses of the Presidents of the United States." I commend it to your reading and ask that it be printed in the RECORD.

The document follows:

WORDS THAT LEAD THE WAY

[A Message From the Inaugural Addresses of the Presidents of the United States]

(By Cornelius W. Heine)

On January 20, 1981, the Executive Branch of the Government was transferred to new keeping. But as Grover Cleveland once said it "is still the Government of all the people, and it should be none the less the object of their affectionate solicitude." As he faced the west from whence he came, Ronald Reagan, on January 20, 1981, with his hand on the Holy Word, pledged to "preserve, protect and defend the Constitution of the United States." He assumed a burden, in many ways, as great and difficult as that ever faced by any President. As in the time of Lincoln, he exoressed, that with the help of the American people, working harmoniously, success is attainable and the achievements of a national destiny can become a reality.

But in the legacy of the Inaugural Addresses, many Presidents, who have gone before, have sought the people's help. They have charted their courses and outlined their goals. And many have failed to see their hopes for the Nation realized. Time and time again in America's onward march, apart from the known successes and achievements of our form of Government, we have encountered failure and frustration. We are not unique in this among nations, but it does bring to mind a prevalent question—namely what is the value of history if man continues to make the same mistakes over and over again? Calvin Coolidge once said that we must realize that "human nature is about the most constant thing in the Universe and that the essentials of human relationship do not change." In Ecclesiastes, V. 8–9, we read "What has been, that will be; What has been done, that will be done. Nothing is new under the sun . . ." And yet the goal of history—the eternal search for Truth—is so compelling. We must realize that it must be pursued as a continuous process—that we must hope and strive—that is the genius of America. And that genius is seen as we study the lofty ideals and principles which have been ever present as constant threads of thought woven through all the Inaugural Addresses of the Past. Let us capture "This genius of America" now from the continuous message, as contained in past Inaugural Addresses, beginning with the First in 1789 to this very moment.

The first thread is the recognition of the need for morality in Government. From the time that Thomas Jefferson said that it is in our lives and not from our words that our religion must be read, the founders of the unique American system of Government saw the need for morality in Government, as well as in private life. Charles Sumner, powerful and forceful Senator from Massachusetts, flatly stated, without any equivacation, that his work in the Senate of the United States was "with morals and not politics." And of those men who took the Oath of Office as President, none more clearly saw the need for morality than George Washington. In his First Inaugural Address, he said, ". . . the foundation of our national policy will be laid in the pure and immutable principles of private morality."

Washington, as the other founding fathers, was well aware that to be just and equitable, public leaders must have, within their hearts, a framework of principles, by which their decisions are guided. In aiding in the forming of these moral principles, Washington saw an indespensable role for religion, saying that,

"Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle."

Some 74 years later, after this newly found Nation had enjoyed unparalleled growth, wealth, and power, President Abraham Lincoln saw the dangers of a people forgetting the guiding Hand which had preserved the Nation in peace. "Intoxicated with unbroken success," he said, "we have become too self-sufficient to see the necessity of redeeming and preserving grace, too proud to pray to the God who made us."

Facing still another national crisis in 1933, President Franklin D. Roosevelt, in his First Inaugural Address, called for a resurgence of morality throughout the Nation. "We face the arduous days . . . before us in the warm courage of the National unity," he said, and "with the clear consciousness of seeking old and precious moral values." Tired and worn in physical strength but not in his inner strength, in his last Inaugural Address, he acknowledged that "we may make mistakes . . . but they will never be mistakes which result from faintness of heart or abandonment of moral principles."

Earlier, in his First Inaugural Address, Herbert Hoover saw the people moving toward a stronger moral and spiritual life, from which "our sympathies are broadening beyond the bounds of our Nation and race toward their true expression in a real brotherhood of man." Still earlier, President Calvin Coolidge viewed morality in the heart of humanity as the critically important element leading to Peace under law and based "on righteousness and supported by the religious conviction of the brotherhood of man." In 1953, President Dwight Eisenhower described our American Faith and spiritual strength as "The deathless dignity of man, governed by eternal moral and natural laws."

Thus, to a man, those who assumed the awesome responsibility—the mantel of the Presidency of the United States—saw the need for morality as a bulwark for the success of the Republic itself. Perhaps, it is not strange then that such a perceptive commentator as Alexis de Tocqueville also saw the importance of morality in this new land saying, prophetically, "When America ceases to be good America will cease to be great."

Flowing forth as a natural result of morality in Government was the concept of Ethical conduct in Government, which concept appeared again and again in the Inaugural Addresses of all American Presidents. For morality in the eyes of these men led to public virtue and integrity in public office. This need for public virtue was commented upon by nearly all Presidents, but few more forcefully than President James Buchanan, who said, that

"Public virtue is the vital spirit of Republics, and history proves that when this has decayed and the love of money has usurped its place, although the forms of free Government may remain for a season, the substance has departed forever."

In the mind of President Buchanan the very character of Government suffered in the estimation of the people, when they perceived a decline in the integrity of public officials.

Early in the Twentieth Century, a crusading President Theodore Roosevelt placed the strongest emphasis on the highest ethical conduct in public office and in the business community. He said,

"It should be as much the aim of those who seek social betterment to rid the business world of crimes of cunning as to rid the entire body politic of crimes of violence."

Similarly, in his First Inaugural Address, Franklin Delano Roosevelt also saw public office as a trust, calling for the highest standards. To view public office otherwise merely as a pride in the office and in personal profit caused him to remark that ". . . small wonder that confidence languishes, for it thrives only on honesty, on honor, on the sacredness of obligation, on unselfish performance; without them it cannot live."

But undoubtedly, the most profound, and yet simple words of advice on ethical conduct in Government came from the Nation's first President, as he advised all those who would hold public office as follows:

"Do not suffer your good nature when application is made, to say 'yes' when you should say 'no;' Remember, it is a public, not a private cause that is to be injured or benefited by your choice." G. W.

Adhering to moral and ethical conduct in the public service heightened the spirit of personal responsibility for actions and a sense custodianship of the highest order. Franklin D. Roosevelt stated in his 1937 Inaugural Address that "Government is competent when all who compose it work as trustees for the whole people."

President Andrew Jackson, in his Second Inaugural Address in 1833 called for responsible action on behalf of all citizens. He reminded his fellow citizens of their responsibilities to one another, asking them to constantly bear in mind "that in entering into society, 'Individuals must give up a share of liberty to preserve the rest'." It will be my desire, he said to reconcile "our fellow-citizens to those partial sacrifices, which they must unavoidably make for the preservation of the greater good."

And further concerning responsibility in public life President Benjamin Harrison, in his 1841 Inaugural Address, stressed that the public official must never forget that "he is the accountable agent, not the principal; the servant, not the master."

President Franklin Pierce in 1853 believed that responsible Government required diligence, integrity, and capacity to perform duties. "Without these qualities in . . . public servants," said President Pierce "more stringent laws for the prevention or punishment of fraud and negligence, . . . will be vain" with those qualities, in his words, "They will be unnecessary."

In further carrying out the reforms of his predecessor, President William Howard Taft, in 1909, stressed that the business and industrial community must also have a responsibility for the public good. He said that reforms to suppress lawlessness and abuses of power by great combinations of Capital have caused the various businesses affected to have a much higher regard for existing law.

In speaking of personal responsibility, President Woodrow Wilson warned against man's incessive search for satisfaction through self-indulgence.

"His mind," said the President, "is spent in vain upon itself," and "not in action itself, and not in pleasure shall it find its desires satisfied; but, in consciousness of right, of powers greatly and nobly spent." In that responsible way, said the President, the mind of man "comes to know itself in the motives which satisfy it, in the zest and power of rectitude."

Morality, ethical conduct, personal responsibility—common threads of advice appearing throughout the Inaugural Addresses of all the Presidents—pave the way for the attainment of creative leadership. Past Presidents spoke of the importance of that leadership and the delicate strands which constituted it in their Addresses to the People.

In speaking to that most important question of leadership in their Inaugural Addresses, several Presidents made clear how much they felt that their leadership also depended greatly upon the people's support. Franklin Pierce, in 1853, said to the American people "You have summoned me in my weakness. You must sustain me by your strength." President Warren Harding envisioned a shared responsibility for leadership, saying—

"If I felt that there is to be sole responsibility in the Executive for the America of Tomorrow I should shrink from the burden. But there are a hundred million, with common concern and shared responsibility, answerable to God and country. The Republic summons them to their duty, and I invite (their) cooperation."

President Franklin D. Roosevelt felt that the Chief Executive should listen and look for dominant public needs out of the confusion of many voices. "Then," he said in his Inaugural Address of 1937, "political leadership can voice common ideals, and aid in their realization."

President Herbert Hoover had called a sense of responsibility in facing the questions before the country; and seeing the need for support of the public, he said to the people in his First Inaugural Address, "That responsibility rests upon you my countrymen, as much as upon those of us who have been selected for office."

President Abraham Lincoln in assuming the Presidency, amid a great national crisis, knew that his leadership depended greatly

upon the support of the people and he said, "Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?"

And what of the subtle elements composing leadership as seen by those Presidents as they prepared to assume the most important office conferred upon any American. President Franklin Pierce saw the power of leadership reposing in our example. But he remarked further that no example can be powerful for lasting good . . . "which is not based upon eternal principles of right and justice." Among the qualities of leadership that President Herbert Hoover mentioned was the stimulation of initiative and individuality, and above all, "absolute integrity in public affairs." Franklin Roosevelt saw the striving for ideals as essential to leadership. In 1937, during his Second Inaugural, he said:

"We are beginning to wipe out the line that divides the practical from the ideal; and in so doing, we are fashioning an instrument of unimagined power for the establishment of a morally better world."

Another President, who saw devotion to a lofty ideal as vital to leadership, was President Theodore Roosevelt. In his Inaugural Address of 1905, he called upon The Nation to leave this American Heritage" unwasted and enlarged to our children and our children's children." In leadership, he said we must show bold courage, hardihood, endurance, "and above all the power of devotion to a lofty ideal."

Prayer and reliance upon a Higher Power was also seen by The Presidents as a basic ingredient to leadership, based on moral principles. Seeking this help on behalf of himself and all his associates in the Executive Branch of the Government, Dwight David Eisenhower asked "That Thou will make full and complete our dedication to the service of the people in this throng and their fellow-citizens everywhere."

But given the moral underpinning the support of the people, the leader must act. President Harry Truman was aware of this when he said, "History does not make the man. And I say the official who hides in the clouds of hesitation, expediency, and weakness, is captive of events and is unable to offer the leadership The American people ask for and are entitled to."

Another quality of leadership seen by the Presidents was the necessity of maintaining always a genuine interest in the people—the ones who, as Calvin Coolidge said, "bear the cost of Government . . ." and who "know by hard experience what this great burden (of taxation) is, and what it does."

And all the Presidents in their Inaugural Addresses saw the need to recapture for all the people the spirit of America, to arouse among the people a rekindling of the American spirit of the pioneer. And they saw also the importance of vision of the future. stated beautifully by Franklin Roosevelt in 1933, as he said, ". . . When there is no vision the people perish." These then were qualities to be part of the leadership required to guide a great Nation.

Another element of leadership, as seen by past Presidents in their Inaugural Addresses, was the ability to understand, in a special way, the times and the needs of the people. This was voiced with emphasis by President Woodrow Wilson, who saw this task as one "which shall search us through and through to see whether we be their spokesmen and interpreters, whether we have . . . the will to choose our high course of action."

A knowledge of history was recognized as an aid in helping Presidents understand the present and the trends in process. President Calvin Coolidge said we must continue to learn from the Past, and "If we wish to erect new structures, we must have a definite knowledge of the old foundations."

And lastly, leadership, in the view of many of the Presidents called for an interdependence of the people upon each other. And further, leadership was to instill a sense of discipline in all the people for a common good. In 1933, President Roosevelt said,

". . . if we are to go forward, we must move as a trained and loyal army willing to sacrifice for the good of a common discipline, because without such discipline no progress is made, no leadership becomes effective."

Lastly, the Inaugural Addresses of our Presidents show also that our national leaders, in varying degrees, were looking to the future and trying to envision the kind of America of succeeding generations. In doing so, most attempted to define the inner spirit of America. In phrasing their remarks, some Presidents may have reflected upon the architectural grouping upon the pediment of the East Front of the Capitol, where the "Genuis of America," the creation of Luigi Persico, showed the figure America pointing to "Justice" on her right, with an Eagle, symbolizing "Hope" on her left—conveying the thought of seeking success with hope, while armed with justice.

Nearly all Presidents believed that, an inner spirit strengthened America's will, and this was, perhaps, best expressed by Franklin Roosevelt when he said:

"Lives of nations are determined not by the count of years, but by the lifetime of the human spirit . . . The life of a Nation is the fullness of the measure of its will to live."

He continued to say in his Inaugural Address that ". . . It is not enough to clothe and feed the body of this Nation, and instruct and inform its mind. For there is also the spirit. And of the three, the greatest is the spirit."

The Presidents often saw this spirit as synonomous with the faith of America. "This faith," Dwight D. Eisenhower said in 1953, "rules our whole way of life. It decrees that we, the people, elect leaders not to rule but to serve . . . It inspires initiative that makes our productivity the wonder of the world. And it warns that any man who seeks to deny equality among all of brothers betrays the spirit of The free and invites the mockery of the Tyrant."

In speaking of the Spirit of America, the Inaugural Addresses contained an optimism for the future. In his 1853 Inaugural Address, Franklin Pierce said ". . . if your past is limited, your future is boundless. Its obligations throng the unexplored pathway of advancement and will be limitless as duration."

Enabling that Spirit of America called for a sense of pride and individual commitment, as Woodrow Wilson commented in his Inaugural Address, "Let us stand forth . . . with a new dignity of national pride and spirit. Let each man see to it that the dedication is in his own heart, the high purpose of the Nation in his own mind . . ."

And the vision of the Spirit of America, evolving from all the noble thoughts of the Inaugural literature, called for a vision of right, guided by a national consciousness, as called for by George Washington. And when that vision of right faltered in practice, individual Presidents called for a restoration of values. President Wilson, in his Address, called on Americans "To lift everything that concerns our life as a Nation to the light that shines from the hearthfire of every man's conscience and the vision of right . . ."

And in their Inaugural Addresses, the Presidents showed faith in making the Nation a better place for life to be lived to its fullest and most inner satisfaction. They reflected that since American ingenuity and spirit had made the Nation all that it was, that that same American ingenuity and spirit will make America all it can be.

And they further saw, as they tried to look into America's heart, that the resurgence of American ingenuity needed the companionship of integrity and individual genius.

And woven in the Inaugural Addresses was the appreciation of the beauty of the soul of America and the fragile beauty of its face, and a sensing that solving the great problems alone may not be enough, if we as individuals as a Nation lose our sense of beauty. Though not in an Inaugural Address, this calls to mind the parting advice of the late John D. Rockefeller, 3rd, who said that beauty awakened both the spirit and intellect of man and "In so many ways it provides the key to higher values—to the understanding of ourselves, to the enrichment of our individual lives." From such timeless thoughts, and as alluded to in many Inaugural Addresses, America in 1872 became the "Mother of the National Park concept," and a world-wide path finder in conservation.

President Herbert Hoover saw the importance of preserving beauty not only across the Nation but in the Nation's Capital to keep faith with the great vision of our forefathers for the Capital of America. Speaking of Washington, the Seat of the National Government, President Hoover said, the Nation's Capital was "unique from its birth in its inspired conception, flexibility, and wonderful beauty. No one in 150 years has been able to improve upon it."

In further speaking of the spirit of America in their times, the Presidents saw the need to uphold timeless principles of human conduct and to redefine courses of actions to preserve those values in changing periods of history, with different challenges confronting the Nation. The Presidents expressed faith in the Nation's power to endure, its eagerness to hope, its compassion for humanity. They knew, in certain instances, that the times called for the Nation to take a hard look at itself—with a firm purpose of renewal. In Woodrow Wilson's First Inaugural Address, he asked for a vision that would see the Nation and its national life as a whole—". . . at last we see the bad with the good, the debased and decadent with the sound and vital."

The Presidents, in their Inaugural Addresses, saw the need for a spirit of renewal both in the hearts and minds of individuals and in the Nation as a whole—a totality of interactions. They saw the need to humanize every facet of life in America, and to do so without, in any way, weakening the strength of the Nation to meet the threats that invariably arise in the affairs of Nations. From Washington through to the Nation's 40th President, our National leaders saw the infinite value of nurturing the human spirit, and through such actions the Spirit of the Nation itself. They saw the need for the Nation to scrutinize itself with integrity. And among the imperishable and ever-required qualities needed to fire the spirit of America, these goals were spoken to time and time again in the great historical treasury of the Inaugural Addresses:

The need for morality in private life and Government.

Ethical conduct and integrity in the public service.

Personal responsibility and responsible actions in Government.

A leadership of courage.

A search for and stimulation of the American Spirit.

And to realize these treasures of achievement in human life, to renew the faith in an America of right and justice, the Presidents knew how much patience and understanding were needed. They asked the people, as President John Kennedy did, "Ask not what your country can do for you, but what you can do for your country." And

some Presidents, broadening that sincere request, as President Warren Harding did in his Inaugural Address of 1921, said ". . . Mankind needs a world-wide benediction of understanding. It is needed among individuals, among peoples, among Governments, and it will inaugurate an era of good feeling to make the birth of a new Order . . ."●

THE EMBARGO ON GRAIN SALES TO THE SOVIET UNION

● Mr. BAUCUS. Mr. President, yesterday John Block, Secretary of Agriculture disclosed that the full Cabinet will review the partial embargo on grain sales to the Soviet Union. According to reports in the press this review will begin next week.

Few issues have caused as much concern among farmers as the grain embargo. Mr. Reagan's campaign pledge to lift the embargo was heavily supported in Montana and other farm States. However, the lack of a clear and unequivocal reiteration of that pledge since the election is causing alarm and concern among farmers.

I hope this does not mean President Reagan is reconsidering his campaign pledge.

Any limitation on farm exports is nothing more than a Government action to limit farm income.

I have many good friends who are farmers and ranchers, and I know them to be tough and hardy individuals. But sometimes I wonder if we are not asking too much of them.

This Nation has asked its agricultural producers to help reduce the trade deficit by expanding exports. We have asked farmers to provide food for hungry nations overseas as part of our foreign policy.

The Nation has asked farmers not to sell food overseas to advance our foreign policy goals. Some would limit imports as part of our effort to keep food prices down.

I suspect American farmers and ranchers are getting a little confused. I know I am; I thought we wanted to expand exports.

I suspect every one of us in the Senate has at one time called for expanded farm exports.

Several years ago some of my colleagues and I worked very hard to pass the Agricultural Trade Expansion Act. Our goal was to help develop markets overseas, and thus improve farm income and reduce the trade deficit.

Congress has spent a great deal of money in the last decade developing foreign markets for agricultural products.

We spent a good part of last year in the Finance Committee and here on the Senate floor talking about the multinational trade negotiations. A major part of these talks was our push to remove barriers to American agricultural exports.

That is why I am a little confused about embargoes. That is why I am a little confused about curbing agricultural exports to "protect domestic consumers."

If American public policy is to provide agricultural products for overseas countries only when we have more than we can use, and only when we think those countries are behaving themselves this country is not going to reach its export potential.

I do not think it is right that American companies can continue to sell tractors to the Russians. I do not think it is right that we continue to sell the Russians fertilizer so they can grow their own grain to replace what they do not buy from us. And, I do not think it is right for us to sell computers and Coca-Cola and a thousand other products over there and then tell our farmers and ranchers to sit on their grain because "it's in the national interest."

I believe unrestricted agricultural exports are in the national interest. But if, for some national security reason, we restrict trade with another country, then we must make sure the burden falls equally across all parts of our economy.

The soybean embargoes that Presidents Nixon and Ford imposed convinced the Japanese, for example, that Americans could not be depended on to provide food. The Japanese developed their own soybean industry in Brazil, and are perfectly happy to pay more for Brazilian soybeans just to have an assured supply.

When you think about it, it makes sense. If your grocery store started closing its doors whenever its inventories were down a little, or whenever it thought you were not behaving properly, you would probably look around for another grocery store.

I suspect that a lot of the countries that buy food from the United States are going to look around for other grocery stores.

All of us will get hurt if that happens. The wheat and corn, the cotton and soybeans, that we have been selling all over the world have been the one bright spot in our economy. Farm exports almost offset the massive amount of money we spend for oil.

Thus, talk of not removing the grain embargo and of limiting exports disturbs me.

I have written President Reagan and Secretary Block urging them to lift the embargo immediately. In my view, any other policy would be shortsighted.

If the Reagan administration does not lift the embargo, I am prepared to introduce legislation that would do so. It is the right policy and should not be delayed.

My letter to the President follows:

U.S. SENATE,
Washington, D.C., January 29, 1981.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to express my concern about the status of the partial embargo of grain sales to the Soviet Union. I read with great interest Mr. Block's comments on the Cabinet-level review you have scheduled on this issue.

As you know, few issues have caused as much concern among farmers as the embargo. Your campaign pledge to lift the embargo was heavily supported in Montana and other farm states.

However, the lack of a clear and unequivocal reiteration of that pledge since the election is causing alarm and concern among farmers.

As you noted several months ago, any limitation on farm exports is nothing more than a government action to hold down farm income. It is unconscionable to ask agricultural producers to sacrifice more than other Americans.

I urge you to avoid further delays and lift the embargo immediately. I hope a Cabinet level review does not mean the Administration will back away from this position.

In October of last year, a majority of the Senate voted with me to end the embargo. If it is not lifted in the near future, there will be increased pressure to take similar action again this year. I hope that will be unnecessary.

I appreciate your consideration in this matter.

Sincerely,

MAX BAUCUS.●

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. BAKER. Mr. President, there are certain negotiations going on which will determine whether or not there is any further business that can be transacted by the Senate today. While we are awaiting the outcome of those negotiations, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to, and at 4 p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 5:07 p.m. when called to order by the Presiding Officer (the Vice President).

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, in my series of statements on the United States Senate, I have given special attention to a description of this body's meeting places here in the Capitol. I have spoken of the statuary, the paintings, and the architecture that so distinguish the inside of this building. Today, in my 33rd statement since last March, I should like to discuss the Capitol's exterior beauty, focusing on the Botanic Garden and the landscaping of the surrounding 181 acres.

Looking back over the past 100 years, there have been major changes to both the Garden and the grounds. Undoubtedly, the coming century will bring additional alterations. So, today, I shall speak for the edification of my colleagues, and for future generations, about the efforts, over many years, to bring to this place the natural beauty that surrounds us. I am afraid that we become so busy with our legislative duties that we sometimes pass its beauty by unnoticed or not fully appreciated.

Countless hours of planting, weeding, watering, spraying, pruning, separating, planning, and worrying about bugs and slugs, beetles and worms, droughts and rains, hail and frost go into making Capitol Hill the glorious splash of greenery and color we know and love. Most of the people who do all of this weeding and worrying, who try to keep our trees alive and our grass green, work in the Botanic Garden, or for the Landscape Architect, under the supervision of the Architect of the Capitol. We and the birds and squirrels of Capitol Hill owe them much.

There is no more lovely oasis from the trials and tribulations of the Senate than the Botanic Garden, only a block away.

Its history is almost as old as the nation's. Because it is so old, its past is difficult to track down. I am very grateful for the efforts of Karen Solit, who, until recently, worked for the Garden, to help to piece together its story.

The Botanic Garden grew out of a dream shared by George Washington, Thomas Jefferson, James Madison, and other early men of vision. As early as September 1796, Alexander White, who was one of the District of Columbia's Commissioners, wrote to James Madison, then a member of the House, meeting in Philadelphia. Mr. White suggested that a botanic garden be built on what we now know as the Mall in the new federal city, to which the government would soon move. Madison, in turn, wrote to George Washington endorsing the idea, and, in October 1796, the president wrote to the District Commissioners urging that a botanic garden be built as part of the national university envisioned for the nation's capital.

The university did not materialize right away, and the idea of a botanic garden lay fallow until January 1814, when Dr. William Thornton, who had designed the Capitol and was, at that time, Superintendent of the Patent Office, wrote to President Madison, telling him that a botanic garden should be built even if not part of the hoped-for university. Fearing that some native plants might soon become extinct, Thornton warned Madison that:

> By clearing lands, whole families of plants are likely to be lost to the world, but a greenhouse would preserve what the Almighty has given . . . If a university be ever established . . . the botanic garden would be a necessary appendage.

Six more years passed, however, before anything was done to make the botanic garden a reality. In 1816, a scientific organization known as the Metropolitan Society was established in Washington. Its name was soon changed to the Columbia Institute for the Promotion of Arts and Sciences, and, on April 20, 1818, it received a charter from Congress. Among its first members were Jefferson, Madison, John Adams, and General Lafayette. One of the Institute's purposes, as stated in its constitution, was to "collect, cultivate, and distribute the various vegetable production of this and other countries whether medicinal, esculent, or for the promotion of arts and manufacturing."

In 1820, Congress granted the Columbia Institute five acres of land on which to carry out these noble objectives. The land was on the eastern end of the Mall, bounded by Pennsylvania Avenue and Maryland Avenue on the north and south, and First Street and Third Street on the east and west. Unfortunately, lack of funds prevented the Institute from developing the gift, and the Columbia Institute itself ceased to exist after 1837.

With the demise of the Columbia Institute, the idea of a botanic garden withered on the vine, so to speak. Five years would pass before the gardens would be revived. However, on August 18, 1838, an event occurred that would affect the botanic garden's future. On that morning, an expedition, consisting of six ships, led by the sloop *Vincennes*, gaily started out from Hampton Roads, Virginia on the first lap of a long and dangerous voyage. These ships made up the United States Exploring Expedition to the South Seas, under the command of Lieutenant Charles Wilkes. Incidentally, Wilkes later went on to a notable career: during the Civil War, it was Wilkes who stopped the British ship *Trent* and removed Confederate Commissioners Mason and Slidell, almost causing war between England and the Union.

According to Wilkes, the primary objective of his 1838 expedition was "the promotion of the great interest of commerce and navigation, yet all occasions will be taken, not incompatible with the great purpose of the undertaking, to extend the bounds of science and to promote the acquisition of knowledge . . ." Among those aboard to see that knowledge was acquired was William D. Breckenridge, a horticulturist.

Nearly four years later, in June 1842, the Expedition returned to the United States and put into New York harbor. Wilkes had covered 87,000 miles, surveying vast portions of the Pacific and confirming the existence of the continent we know as Antarctica. Thanks largely to Breckenridge's efforts, stowed away in the holds of the returning ships were ten thousand species of seeds, nuts, and bulbs, and over one hundred live plants. This treasure-trove of flora became the basis of the Botanic Garden we know today.

The Expedition collection was placed temporarily on exhibition on a lot behind what was then the new Patent Office, which still stands but is now the beautiful National Portrait Gallery and National Collection of Fine Arts. By the fall of 1842, a greenhouse had been built to protect the delicate plants from a North American winter. The greenhouse, which measured sixty feet by seventeen feet, was put under the custodianship of the Commissioner of Patents.

The actual care of these precious plants was largely the responsibility of Mr. Breckenridge, who was happy to show visitors his prizes. For the first time in the United States, exotic plants like the beautiful bird-of-paradise, and species of the mimosa tree, which we see all over suburban Washington today, were on display.

The Patent Office greenhouse had been operating for eight years when it became an indirect victim of the industrial revolution. In 1849, the increased number of inventions forced the expansion of the Patent Office and made it necessary to find a new location for the plants. The site selected was at the west end of the Capitol grounds, where the Columbia Institute gardens were to have been located. In 1850, Congress appropriated $5,000 for the new greenhouse and, upon completion, it became an instant attraction for both citydwellers and tourists. In 1859, the Washington *Star* affirmed that "The Botanic Gardens at the foot of the Capitol are well worth visiting. Sinuous gravel walks, tastefully bordered with box, invite the visitor through a labyrinthian garden." During the particularly harsh January of 1860, the *Star* reminded readers that, "A stroll through the hot houses of the government at the foot of the Capitol in these times of snow, mud, and ice, is vastly pleasant."

May I say that based upon my most recent experience of only yesterday, 120 years subsequent to the Star article, I found, and others will find, that a stroll through the hot houses of the Government at the foot of the Capitol in these times of sunshine and almost balmy weather in January is vastly pleasant. I take this occasion to thank Mr. Albert DePilla, who has worked at the Garden since 1923, and who is now in his 57th year as manager of the Garden, for his courtesy and kindness in escorting me through the Garden explaining its exotic plants and displaying all of the verve, interest, dedication, and devotion of which he is capable.

It is a dedication that is born of more than a half century of working in the place he loves and with the plants and flowers he loves.

In 1854, William R. Smith, who later replaced Breckenridge as superintendent of the gardens, prepared a catalogue of the plants in the conservatory and noted that the majority were still plants from the Wilkes' expedition. Smith was kept busy collecting their sought-after seeds and distributing them around the country. In 1856, in recognition of its increasing stature, the Botanic Garden was placed under the official jurisdiction of the Joint Committee on the Library, and named the United States Botanic Garden. It has received an annual appropriation ever since.

This Mr. William R. Smith was a very interesting character. For almost sixty years the Botanic Garden was in effect his private estate. Visitors undoubtedly enjoyed treading the garden's shaded walks, and little children would peep in at the flowers through the iron fence that enclosed it, but William R. Smith actually lived there. As official keeper of the coconuts and cyclamens, he occupied the little brick house buried in the jungle of rare and exotic plants.

In 1850, while Mr. Breckenridge was still chief horticulturist, the 19-year-old Smith, fresh from Scotland with a letter of introduction from eminent botanist Sir Joseph Hooker, was hired as the director's assistant. When Breckenridge resigned in 1863, Smith became superintendent of the garden. During his long tenure there, the cuttings he had planted with young hands grew into lofty trees.

Seeds from the plants brought back by the Wilkes Expedition were not the only things Smith gathered and distributed. He returned from one of his trips to England with a clipping of what we call "Boston Ivy," which he proceeded to cultivate and introduce across the nation. The Washington *Star* of October 20, 1907, reported:

> Among the treasures in vegetation which grow in the National Botanic Garden in addition to the memorial trees is the Ampelopsis veitchii, the parent of millions of the same vine and ancestral vine of all of them in the United States. The vine is an English immigrant . . . Hence Mr. Smith is the foster father of a vine that climbs and clasps uncounted walls from sea to sea—the foster father of the most popular city vine in America.

Smith collected more than just plants. Over the years, Smith, an ardent Scotsman, collected the finest and most complete library, outside of Scotland, of the works of poet Robert Burns. At Smith's death, fellow Scotsman Andrew Carnegie bought his Burns collection and presented it to the Scottish Rite Temple of Washington.

One of the major attractions of the Botanic Garden today is the Bartholdi fountain in the outdoor garden off Independence Avenue and First Street, Southwest. It has been part of the garden, although not always in the same spot, since 1877 and Mr. Smith was present when it arrived. This thirty-foot-high sculpture is the work of Frenchman Frederic Auguste Bartholdi. He had designed it for the Philadelphia Centennial Exhibition of 1876, where it stood right in front of the main entrance. Also on exhibit at the 1876 Exhibition was a part of one of Bartholdi's most famous works—the sixteen-foot-high right hand of the Statue of Liberty. By the way, Bartholdi had originally proposed that the enormous figure be called "Progress" and placed at the entrance of the Suez Canal.

After the Philadelphia Exhibition closed in 1877, the United States Government purchased Bartholdi's fountain for $6,000 and erected it on the grounds of the Botanic Garden at the center of the Mall near Third Street. At the time of its creation, the fountain epitomized the artistic use of cast iron, which previously had been looked upon with disdain by many artists and critics. The cast iron was coated with bronze, but pollution and time have so deteriorated its surface that it now must be painted black periodically to keep it from rusting.

This enormous fountain, with its huge basins, strange little sea creatures spitting water, and its three graceful, eleven-foot-high ladies represented, Bartholdi said, water and light. Indeed, the fountain was a major nighttime attraction in late nineteenth century Washington since its twelve Victorian lamps made one of the earliest public displays of electric lighting in the city.

By the turn of the century, the Botanic Garden had won national prominence, but had not yet found a permanent home. In 1901, the dramatic new program for the beautification of Washington, known as the "McMillan Plan" for Senator James McMillan of Michigan who worked so hard for it, was unveiled. The most dazzling feature of the plan was the proposed Mall, an unbroken swath of green stretching from the Washington Monument to the Capitol. Gone would be the tangles of shrubbery, the Baltimore and Potomac Railroad Station and sheds littering the area, and the infamous area of crime known as "Murder Bay."

The Botanic Garden ran afoul of the McMillan plan on two counts. The Garden and its greenhouses obstructed the planned vista between the Capitol and the Washington Monument. Moreover, the plan called for a large memorial to President Grant to be erected right where the Garden stood. The planners claimed that the Grant memorial was the keystone of their design, which couldn't be altered without irreparable harm being done to the whole symmetrical concept.

The resulting uproar proves that historic preservation battles are far from a recent phenomenon. What particularly outraged the friends of the Garden was the fact that the installation of the Grant memorial would mean that a grove of old and beloved memorial trees would have to be uprooted. The Washington *Star* launched a series of articles denouncing the Grant memorial and pleading that the trees be spared the ax. Among the endangered trees was an oak grown from an acorn taken from the tree over Confucius' grave, memorial trees honoring Presidents Hayes and Garfield, and trees planted by, or honoring, several members of Congress.

The controversy was drawn out for several years but, in the end, the planners won. In the 1920's, over 200 trees, including the memorial trees, were destroyed, the late Mr. Smith's little red brick house was razed, and the greenhouses were dismantled to make way for General Grant. In 1926, Congress ordered the Bartholdi statue removed and placed in storage until a new site could be prepared. There was some discussion about relocating the gardens in the suburbs, away from the bustling city but this idea, fortunately for us today, made little headway. It was finally decided to move the Botanic Garden only slightly to the south of its old location.

On November 12, 1931, acting as chairman of the Joint Committee on the Library, Senator Simeon Fess of Ohio laid the cornerstone of the new conservatory at Maryland Avenue and First Street, southwest, the Garden's present location. The next year, the Bartholdi fountain was taken out of storage and placed on the square across Independence Avenue from the conservatory in what has become a beautiful garden. At the end of the garden square, a little, fan-shaped building, planned as a home for the Director of the Garden, was built. In 1934, when the Garden was placed within the jurisdiction of the Architect of the Capitol, under the supervision of the Joint Committee on the Library, this attractive little house became the Garden's offices.

The Garden's new home was completed a year earlier, in 1933. While its most visible feature is the soaring glass conservatory dome of the palm room, its most unique feature is less apparent. The conservatory represents the first time that aluminum was used in the construction of a building this size. Even more amazing, the thirty-one tons of aluminum parts have been virtually maintenance-free for the past fifty years.

Stepping into the aluminum-ribbed conservatory is like entering another world. In the midst of a snowy February day, or an almost balmy January day with just a few steps one can be transported to the tropical lushness of the South Seas where bananas grow in profusion, or to the hot, dry Mexican desert where cacti grow in bizarre shapes. Roaming under the conservatory's 87,000 cubic feet of glass windows, through the palm house, the fern house, the citrus cycad and cactus houses, and the bromeliad houses, by the little stream full of goldfish, one can find all sorts of strange and exotic plants. In a glance, one can learn both their common and Latin names and what country they are from.

Mr. Jimmie Crowe, the assistant director of the Garden, has been working with the plants there for over two decades. He speaks of them as we speak of old friends. Some of these plants are as old as the original Garden. There is one juju date tree, Mr. Crowe says, that came back in the hold of Wilkes' ships in 1842 in a five-gallon tub. The progeny of many of those original plants are still flourishing.

One of the rarest plants at the Garden is an enormous vessel fern that measures twenty feet across. And there are palms so big that they push the window panes right out of the palm room's one hundred-foot-high roof. Mr. Crowe explains that heat and humidity collect right under the ceiling and, once the palms grow tall enough to reach this pocket of warm, moist air, they just take off. There are banana trees in this room, too. Each tree yields only one bunch of bananas in its lifetime and then dies, but a new tree shoots up on the same spot. Right next to the bananas are palms over 150 years old. There are also the amazing, if more junior, century plants—palms that are said to bloom only once after a century of growth. Then they die. Of course, in the perfect conditions of the greenhouse, the process gets speeded up a bit. One century plant bloomed a few years ago, and Mr. Crowe tells me another bloomed this past December.

The Garden's beautiful orchid collection is one of the largest in the world with more than one thousand specimens. A major attraction is the orchid display in which there are tiny little yellow orchids, delicate white ones, and the large purple Mother's Day-type. Some of the orchids in the Garden's collection are exceedingly rare. Because of its excellent and well-deserved reputation for good care of its plants, some private orchid breeders give one of the only two existing plants of a new breed to the Garden for protection.

While some plants are very rare and very old, others are simply fun to look at. There are painted fingernail plants from Brazil that really look like their tips just received a fresh coat of fuchsia lacquer. One of the plants that children like best is the chenille plant from Malay that sends out fuzzy pink tongues that very much resemble the chenille bedspreads and bathrobes. Some plants look rather creepy, as though they would like to wrap their tendrils around you when your back is turned. And some, like the pincushion cactus from Mexico, leave no question that you had better not touch.

There is the Mother-In-Law Plant, a plant that has a slightly poisoned taste, and will make your tongue sore.

Then there is the Prayer Plant which

each night when darkness comes on folds its leaves like a child at its bedside entering into prayer, and then when the light returns the leaves again open.

All of these living plants, just like children, need the constant and careful supervision that Mr. Crowe and his staff of fifty-six provide. A broken window, a sudden drop in temperature, the failure of a heating unit, lightening or fire can destroy the collective growth of several centuries. In 1957, the Garden, normally open every day except Christmas and New Year's Day, had to close for a brief period because of damage done by a terrible windstorm. Dozens of panes of glass shattered, but only a few plants were lost—even the most delicate orchid was saved.

Though more than two million people a year, including 800,000 children in school groups, pass through the gardens, Mr. Crowe reports that he does not have much difficulty with vandalism. A few visitors, however, cannot seem to resist leaving their mark. In the cactus room, several poor old venerable giants bear the indignity of having names and hearts gouged into their sides. Speaking of visitors, foreign dignitaries and horticulturists are drawn to the gardens with great regularity. A Chinese delegation recently made a visit as did a group from India. What these visitors delight most in seeing is a familiar plant so far from home, like the banyan tree from India, where it is considered sacred.

While people who visit the Garden generally behave themselves, there are other visitors who do not. Birds and squirrels seem to know when the windows atop the conservatory are going to be opened to regulate temperature and humidity. In 1941, a red squirrel wandered in, stayed for years, and was finally named "Charlie." There are mockingbirds who spend the winter inside the conservatory, and who can blame them. Once, a few years ago, someone turned his pet iguana loose in the garden, reasoning, no doubt, that it would be more at home there among the lush tropical foliage than in his basement. The iguana did seem to enjoy the change, but he terrified the tourists. Only by turning off all the water was the staff able to coax him out of hiding and capture him.

During the summer, the outside as well as the inside of the conservatory is ablaze with color. Tubs of impatiens and baskets of begonias invite visitors to picnic or rest on the benches. Across the street, the Bartholdi fountain is surrounded by one of the prettiest gardens this side of West Virginia. There are daisies, snapdragons, white and yellow sundrops, silvery dusty millers—incidentally, that is the name of a fiddle tune, also, Dusty Miller—silvery dusty millers, gorgeous climbing clematis. The walk-ways are bordered with Senator Everett Dirksen's beloved marigolds. This past summer, as in the last few years, there was a lovely twenty-two-foot butterfly-shaped arrangement in the garden, made from flowering plants. For the Bicentennial in 1976, there was a magificent map of the United States made of plants.

The purpose of the Botanic Gardens is still the same as set forth by the congressional charter given to the Columbia Institute over 160 years ago. The Garden is authorized to "collect, cultivate, and grow the vegetable production of this and other countries for collection and display." The displays the Garden produces are truly spectacular. For years, there have been four flowering plant shows each year: an azalea show, a spring show, a chrysanthemum show, and a poinsettia show. Now Mr. Crowe and his staff are aiming for a major show each month with additions like the Inauguration display this year, and hanging basket shows in the summer.

For the azalea show, over 150 blooming plants in tubs are massed in the exhibit halls. The fall chrysanthemum show features over 2,500 plants of over 150 varieties. The Garden staff begins preparing for the spectacular December poinsettia show in May when nurserymen start cuttings from older plants. It is always a challenge to get the more than two thousand plants to bloom on schedule and even more of a feat to transport all these plants, which wilt in cold drafts, to the conservatory in heated vans.

One of the most interesting facts associated with the history of the Capitol's flora is that the poinsettia was named for a member of Congress, Joel Poinsett. Mr. Poinsett was a representative from South Carolina from 1821 to 1825. From 1825 until 1829, he served under President John Quincy Adams as Minister to Mexico, where the flaming red flower grew wild. Poinsett brought cuttings home with him for cultivation and distributed the plants to his friends.

"Collecting and display" means much more at the Garden than just setting up pretty plants for visitors to look at. It has increasingly come to mean information and education. All the plants are carefully labeled so that visitors can learn of their origins. There are a variety of free information sheets available on everything from cultivating vegetables in containers to growing gloxinias. The Botanic Garden also offers free courses taught by its own staff and open to the public. The subjects covered this year include cacti, holiday plants, and flower arranging. The classes have been a big success.

Dispensing information also means answering the dozens of calls and letters that come into the Garden office each week. Mr. Crowe tries to answer all of them personally. He keeps a list of poisonous plants by his desk to answer the calls of distraught mothers who fear, many times rightfully, that their children have eaten harmful plants. Incidentally, some parts of the beautiful poinsettias are toxic. Sometimes children, not plants, are the culprits. One woman was worried that her young son had killed her prize cactus by dousing it with dish-washing detergent. Mr. Crowe reassured her that the brand her child selected was biodegradable.

Each day's mail brings requests for help, samples of sickly leaves and sometimes squashed bugs. After consultation, these specimens are quickly destroyed before whatever it was that did them in could start to feed on the Garden's delicacies. J. Edgar Hoover, school children, elderly ladies, and members of the Senate and House have all brought their plant problems to the Botanic Garden. Mr. Hoover's problem was ailing gardenias. Children have asked how to grow a mango tree from the large, ugly mango seed. (It is very difficult.) A public official once brought in two wilted geraniums, planted in chamber pots.

Members of the House and Senate get not only advice but plants *on loan* from the Botanic Garden. Many a Senator's office is brightened by the Garden's greenery, as mine is today. It has some flowers sent from the Botanic Garden. If one of their wards becomes ill, the Garden staff will retrieve it and nurse it back to health. But sometimes it is too late. One Representative's secretary edged his stationery in black and wrote, "We regret to inform you of the demise of the two plants which were in four inch pots."

All of the plants in our offices—and that includes the carnations that are in mine today; by the way, they are salmon in color—and all those two thousand poinsettias and 2,500 crysanthemums, and the hundreds of marigolds and begonias that adorn the Garden are grown at the Garden's Poplar Point nursery, twenty-two acres of gardens and greenhouses in the District of Columbia's Anacostia section.

The Poplar Point nursery also provides the thousands of plants that decorate the grounds of the Capitol and the Library of Congress, and I shall now shift the focus of my remarks from the Garden to the grounds. The more than 180 acres that make up Capitol Hill are the domain of landscape architect Paul Pincus and his staff of eighty. Not a day goes by when the gardeners cannot be seen tugging at weeds, pruning trees, or tenderly setting out tiny new plants. Thanks to them, from early spring to late fall, those who work and visit here enjoy a veritable wonderland of color.

One of the prettiest areas on Capitol Hill is the little hillside garden, just bursting with pansies, along the grounds between the Russell Building and Union Station. Not only is this small garden a delight to see, but Mr. Pincus says it has nearly solved the old problem of erosion of the bank.

I wonder how many of my colleagues have ever seen the beautiful job of landscaping Mr. Pincus' staff has done in the little courtyard on the Senate side of the Capitol's West Front. If one peers from the windows of the Senate Library, in the summer one can see an enormous star and the word "Senate" spelled out in glorious red, purple, white, and green flowers and foliage.

It is hard to believe that, lovely as they are today, the Capitol grounds were once sadly neglected. It was not until 1874, when portions of the Capitol were already three-quarters of a century old, that Congress turned its attention to the surrounding grounds. When it decided to

act, Congress hired the most famous landscape architect in America, Frederick Law Olmsted, who had laid out New York City's Central Park.

Olmsted found the acres he was to work his magic upon in sad shape. No single plan for their improvement had been consistently followed. In 1881, he reported to Congress that, "There is, mainly in consequence of a wavering policy and make-shift temporizing operations, but one tree on the ground that yet approaches a condition of tree majesty." This tree was the George Washington elm, of which I will say more later.

The Capitol grounds had been enclosed and encircled by a road in the very early 1800's, but these improvements were obliterated by the burning of the Capitol in 1814. When the House and Senate wings had been added at mid-century, the huge quantity of earth removed for the foundations had been heaped into geometric outlines and sodded, but the grass had died and rain had eroded the mounds.

Some attention had been given to the East Front, but the West Front was a barren, bumpy stretch of earth. Congress had always thought that the city of Washington would grow to the east and so it considered the East Front most important. By 1874, however, it was apparent that this was not to be. Washington lay to the west and the Capitol looked as if it had turned its back on the executive branch and the people of the federal city. It was time, Olmsted told Congress, to clean up the "backyard."

Though the terribly uneven grade of the West Front presented a challenge, Olmsted's worst enemy was the soil itself. Like much of Washington's soil, it had a heavy clay base. Shortly after the government moved to the new capital in 1800, an observer described the soil as "exceedingly stiff clay, becoming dust in dry and mortar in rainy weather." Olmsted ordered both the East and West Fronts plowed up, regraded, drained, and covered over with two feet of top soil. To make sure the thousands of trees and bushes he had ordered for the new grounds would grow, he had added to the top soil doses of oyster-shell lime, stable manure, and "swamp muck."

Olmstead's plans for the Capitol were largely completed by the mid-1880's and all of Washington marveled at the change. No longer did the gleeming white Capitol seem to rise from a flat and ugly plain of dull brown, appearing in imminent danger of sliding off its hill. Instead, its base was softened by graceful groves of trees and a long sweeping lawn of green joined it to the rest of the city to the west. The lovely configuration of the grounds we see today, and the terrace completed in 1892, are Olmsted's magnificant legacy.

It is always sad to see summer fade and the flowers die The red cannas and the yellow crysanthemums on the East and West Fronts that Olmsted laid out are some of the last to go. But we can rest assured that spring will bring a new burst of color to the Hill. Until the mid-1960's, members of Congress had to wait almost until June to see much color up here. We have our beloved late colleagues Hubert Humphrey and Everett Dirksen to thank for getting some of spring's earliest harbingers planted on the grounds.

No one had a way with words quite like Senator Humphrey. On April 25, 1962, he rose in the Senate and lamented:

> The calendar tells us that spring has come. If we step outside right now, we can feel that it is spring. The flowers which are blooming in the private yards and gardens throughout the Washington area tell us it is spring. The gardens surrounding the center of the executive branch of our Government—the White House—tell us it is spring. Even the leaves and the trees surrounding the Capitol tell us rather plaintively that it is spring.
>
> But there are no flowers in the eastern areas of the Capitol Grounds to tell us that it is spring.

What he wanted, Senator Humphrey said was to:

> nudge my colleagues out of their deep, somber concern for earthshaking budgets and policy deliberations for a few moments to consider a small—but important—need in the front yard of the Nation's Capitol.

As it turned out, Senator Humphrey had chosen to speak out on flowers when his colleague, Senator Dirksen, an expert horticulturist and no mean orator himself, was present. Senator Dirksen applauded Senator Humphrey's plea for more plants, but cautioned him of the danger of frost. While noting that he had planted his own cannas at home that weekend, Senator Dirksen urged Senator Humphrey to be patient. Said Senator Dirksen:

> Certainly in due time there will be cannas and dahlias and princes-feathers and, in due time, all the other beautiful flowers, that somehow engender a kind of introspection, assuage all the turbulence of the soul, and bring peace to the hearts of all those who labor here and of all the thousands who come here to visit. So, Mr. President, all in its own good time will be brought to pass.

But Senator Humphrey would not be put off. What about all those flowers already blooming in Maryland, "far enough away from the Capitol so that the air out there is not quite as warm as it is here," he challenged. Senator Dirksen suggested that perhaps Senator Humphrey had gotten his flowers mixed up with early shrubs like forsythia, to which Senator Humphrey indignantly replied that he certainly did know the difference. *Flowers* were blooming in Maryland and at the White House!

There the matter rested, but only until the following day when Senator Humphrey, delighted to find his friend Senator Dirksen also in the chamber, announced that he had done a little research overnight. He had before him, he proudly announced, Pamphlet No. 309 from the National Arboretum and went on to list the variety of plants that could have been blooming on the Capitol grounds that very minute if only they had been planted the previous fall. Several other senators jumped in, noting that their states' flowers bloomed early in the spring as well. While Senator Dirksen continued to insist that his colleague still did not know the difference between a flower and a shrub, all finally agreed that perhaps some effort could be made to beautify the Capitol in the springtime. I must add here that one of the shrubs that does its part to add color to the Hill in spring is the state flower of West Virginia, the lovely rhododendron.

That fall, the gardeners put in the tulip and daffodil bulbs that blossomed the next spring. By 1973, Mr. Pincus' staff was planting more than thirty thousand bulbs each October. And this past October, between sixty and seventy thousand tulips, hyacinths, daffodils, crocuses, and narcissuses were planted. In the middle of January, when the cold winds whip across the lawn, we should take heart at the thought of all those wonders of nature growing beneath the frozen soil, preparing for their spring debut.

Sometimes, the gardeners must wonder if they do too good a job of enticing the public to come and look at nature's handiwork. Each year, whole azalea bushes are dug up and carted off during the night. There was an especially high disappearance rate among some beautiful ornamental pepper plants Mr. Pincus tried in the gardens this summer.

As majestic as the flowers at our feet are the trees that tower over our heads, as we cross the Capitol grounds. Among the more than five thousand trees of over one hundred species that grace the Hill are California redwoods, Chinese saucer magnolias, umbrella trees, cucumber trees, cherry trees, red buds, and pines. There was once an elm said to have been the one George Washington stood under while examining the plans for the new Capitol in the 1790's, but it died in 1948. These grounds are a squirrel's paradise because of all the nut trees: hickory, pecan, walnut, and oak.

I spoke earlier about the old memorial trees at the base of Capitol Hill which were destroyed to make way for the Grant monument. Since the early 1900's, ninety-four more memorial and historic trees have been planted on the Capitol grounds and seventy-three of them are still living.

Until 1978, the oldest trees on Capitol Hill were a trio of stately elms. The trio is now a duo. My colleagues probably remember the sad day in 1978 we heard the buzz of the saw signaling the demise of another tree—one of these elms, on the Capitol's northeast lawn. Seventeen feet in circumference, the tree was so badly diseased that it had to be taken down. When it was cut down, its rings showed that the elm was more than 110 years old. Generations of tourists had posed for pictures beneath its branches. Its life spanned the administrations of at least twenty-two presidents.

This elm was not one of the official memorial trees, but Senator Edward Kennedy delivered a fine eulogy to it the day after it was felled. Though it bore no official name, the senator said his brother, John, when a young senator himself, liked to call it the "Humility Tree," because senators always had to duck their heads when they passed under its low branches on their way to the Capitol.

The two old elms that remain are on

the House side of the grounds. Both are over one hundred years old. While the one, on the East Front, is unnamed, the other, just to the south of the House wing, is the Cameron Elm. It honors Senator Simon Cameron of Pennsylvania, who saved its life. One day in the mid-1870's, Senator Cameron was crossing the lawn when he saw workmen about to chop down a perfectly healthy tree. The tree, he learned, stood in the middle of the new walkway landscape architect Frederick Law Olmsted had planned through the grounds, and it had to go. Cameron stood in front of the tree and ordered the workmen to leave it alone. Today you can see how the concrete sidewalk curves right around the tree's base. Now eighty feet tall, the old elm is ailing. Its insides are filled with tons of concrete and steel cables to hold its major branches off the ground. Mr. Pincus and his crews are doing their best to save it.

Another man who loved his tree was Speaker Sam Rayburn. In October of 1949, a Texas white oak was planted in his honor. Many a day, as Speaker Rayburn left the Capitol, he would walk over to his tree with a tape measure to see how it was doing.

There are trees on the grounds honoring almost every state. The redwood I mentioned was planted on the West Front of the Senate side in 1966 by a delegation of Cherokee Indians. In 1976, the citizens of Maryland presented the Capitol with a seedling of their State's great Wye Oak, the oldest white oak in America. Also in 1976, the citizens of Paw Paw, West Virginia, planted a paw paw tree on the grounds. The state tree of West Virginia is the sugar maple. There are 187 sugar maples on the grounds, the newest being the young tree recently planted to honor retiring Representative Harley Staggers of West Virginia's Second Congressional District.

In looking over the list of memorial and historic trees, I was struck by an entry listing five crabapple trees dedicated to the Sullivan brothers, and recalled their sad, sad story. No one who is old enough to remember World War II could forget it.

The Sullivan brothers—George, Francis, Joseph, Madison, and Albert—were young men from Waterloo, Iowa, who all enlisted in the Navy together after Pearl Harbor. They were from a close-knit family and they requested that they all be assigned to the same ship. They were assigned to the *U.S.S. Juneau* in the Pacific. On November 13, 1942, the *Juneau* was struck by a Japanese torpedo and went down near the Solomon Islands. All five brothers—George, Francis, Joseph, Madison, and Albert—the only sons their parents had, went down with the ship. We shall never see those five crabapples on the Senate side of the East Front without thinking of those brave boys.

The crabapples, Senator Cameron's elm, Sam Rayburn's white oak, Senator Dirksen's marigolds, Senator Humphrey's daffodils—they are all a part of the history that surrounds the United States Senate here. It is not just a history cast in stone and bronze; it is also a green past that continues to grow today and will grow on into the future.

The VICE PRESIDENT. The majority leader is recognized.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I announced earlier that the Senate would stand in recess while certain negotiations were being undertaken in an effort to see if there might be further business that could be transacted by the Senate this afternoon. It appears now that no such result was obtained.

I know of no further business to come before the Senate. I inquire of the distinguished minority leader if he has any further business to transact.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I know of nothing on this side of the aisle.

Mr. BAKER. Mr. President, I thank the minority leader.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11 o'clock tomorrow.

The motion was agreed to; and, at 5:08 p.m., the Senate, in executive session, recessed until Friday, January 30, 1981, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 29, 1981:

UNITED NATIONS

Jeane J. Kirkpatrick, of Maryland, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations.

DEPARTMENT OF TRANSPORTATION

Darrell M. Trent, of California, to be Deputy Secretary of Transportation.

DEPARTMENT OF DEFENSE

John O. Marsh, Jr., of Virginia, to be Secretary of the Army.

John F. Lehman, Jr., of Virginia, to be Secretary of the Navy.

HOUSE OF REPRESENTATIVES—*Thursday, January 29, 1981*

The House met at 2 p.m., and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 29, 1981.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on January 29, 1981.

Thomas P. O'Neill, Jr.,
SPEAKER OF THE HOUSE OF REPRESENTATIVES.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We were like those who dream. Then our mouth was filled with laughter, and our tongue with shouts of joy; then they said among the nations, "The Lord has done great things for them." The Lord has done great things for us; we are glad.—Psalms 126: 2, 3.

On this day of national thanksgiving we raise our voices in gratitude for those Americans who have returned from captivity. We offer this our prayer in the hopes you have nourished and sustained during these difficult and dangerous days. We specially remember with appreciation those brave men who died in the attempt to bring freedom to their countrymen.

O God, as we give thanks this day, so also breathe into us the spirit of reconciliation that we may put aside all that which would separate us or make us alien one from another. May your blessing and benediction enable people to live together in harmony and in peace. This we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 304. An act to establish a national tourism policy and an independent Government agency to carry out the national tourism policy.

RESIGNATION FROM HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore laid before the House the following communication, which was read:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 27, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
The Capitol, Washington, D.C.

DEAR MR. SPEAKER: I have this evening submitted my resignation from the United States Congress to Governor William Milliken of Michigan. I did so in order that I might assume the position of Director of the Office of Management and Budget.

I have enclosed a copy of my letter to Governor Milliken for your information with the hope that you will inform my friends and former colleagues of my decision.

I regard the opportunity to serve with you in the House of Representatives as an honor and I look forward to working closely with you in the future.

With all best wishes, I am,

Very truly yours,

DAVID A. STOCKMAN.

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 27, 1981.

Gov. WILLIAM MILLIKEN,
State Capitol,
Lansing, Mich.

DEAR BILL: Whereas the United States Senate this evening confirmed my nomination to serve as Director of the Office of Management and Budget, I herein resign my position as the Representative of the Fourth Congressional District in the United States Congress.

It has been a great honor to serve the people of southern Michigan for the last four years. I will always be grateful for this experience.

At the same time, I am proud to have this opportunity to serve our country at this critical time. My new responsibility provides a tremendous chance to put into practice many of the reforms we both know to be so important to the future of America.

I hope that I will continue to benefit from your guidance in my new capacity as I have in the past.

With warm personal regards, I am

Very truly yours,

DAVID STOCKMAN.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4, rule I, the Speaker signed the following enrolled bill today:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

WRONG TIME TO LIFT GRAIN EMBARGO

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, is it time for us in the Congress and in this administration to reward the Soviet Union for the invasion of Afghanistan? Evidently Secretary of Agriculture Block feels that this is the time. Very fortunately, the Secretary of State, Mr. Haig, does not share that opinion.

It is my hope, Mr. Speaker, that the Congress, the House of Representatives, will help President Reagan by letting him know that we also believe the embargo should stay in place. Just a few minutes ago, Mr. Speaker, I put in 60 additional names to the resolution calling for the keeping of the grain embargo.

To me, if we were to lift this grain embargo, it could be a clear signal to the Soviet Union that an invasion of Poland will also receive our approval.

MARINE HOSTAGE OF HISPANIC DESCENT REFUSED RELEASE

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute.)

Mr. GONZALEZ. Mr. Speaker, early last year, in the spring, I rose under similar circumstances of a 1-minute speech to address the House and point out that at least one of those held in captivity in Iran happened to be a marine of what I call Mexican descent, and that I happened to know that he too had been offered a chance to be released on the basis of the obvious Iranian leaders' attempt to try to divide Americans into ethnic components on the false theory that Hitler's geopoliticians used to espouse back before World War II, saying that the United States was so divided and had such a hatred among its component ethnic members that it could not work in case it ever got into a war.

Of course, they were dead wrong, but they may have been right in some other respects, because the Iranians have captured that idea. I announced this to the House, and said that the

marine private had bravely refused. Unfortunately, I was accused of untruthfulness, not backing up what I was saying. The AP reporter, a woman who interviewed me after that, said, "Well, what is your source?"

Of course, I could not give the source because even to this day I have not done so.

Last night, on the ABC series, it came out that indeed and in fact not only this gentleman but two of the other captives, a man of Indian descent and another of Hispanic descent, indeed and in fact, later than when I had spoken, had been part of a negotiation by intervenors, and that the deal had been worked that they would be released.

□ 1410

It failed only because one of the lawyers intervening in the deal talked to someone in Paris, France, and spoiled the deal. I happen to know that even if they had been offered, these gentlemen would not have taken up that offer because the release was again predicated on springing the Americans by the Iranians saying:

OK, we are going to release these downtrodden Americans who are victims of discrimination in the United States.

Mr. Speaker, I wanted to straighten that point out and say that I had confirmation last night in a nationwide documented TV show of these efforts on the part of the Iranians.

PROPOSAL FOR FOREIGN AID CUTBACK

(Mr. SIMON asked and was given permission to address the House for 1 minute.)

Mr. SIMON. Mr. Speaker, let me say to my colleagues in the House that I picked up this morning's Washington Post and read on the front page a story that is hair-raising and is incredibly shortsighted. The heading is "Huge Cutback Proposed in Foreign Aid."

This OMB document, which I hope, for the sake of this Nation and other nations, will not become policy, calls for, among two things—and let me quote—a reduction in aid which "would mainly affect the poorer countries of Africa and the Asian subcontinent."

I hope that we do not want to adopt such a policy.

Second, it says that aid—and I quote again—"could be concentrated on a small number of countries of key importance to the United States, perhaps at the loss of influence in countries of lesser importance."

Now, what are countries of lesser importance? Well, a couple of years ago we might have said Afghanistan; a few years prior to that we would have said Vietnam. There is no such thing as a country of lesser importance.

The security viewpoint of the United States cannot be solely and simply that we build submarines and missiles and things like that. It has to be a much larger concept than that.

Let me just close by citing one instance. What is the chance, I ask my colleagues, that the Soviets will send their tanks through central Europe? Well, it is a fraction of 1 percent, but we cannot take a chance on it and so we devote approximately one-fourth of our defense budget to that fraction of 1 percent possibility.

But what is the chance that the Soviets will take advantage of hunger, desperation, and chaos in a developing nation? The chance, let me say to my friends, is 99 percent, and we are talking about cutting back in that area.

Mr. Speaker, I just think that it is an incredible policy if it is followed, and I hope the policy will be reversed.

ANOTHER AMERICAN REMAINS HOSTAGE IN IRAN

(Mr. WAXMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAXMAN. Mr. Speaker, on this day of national thanksgiving for the safe return of our 53 fellow citizens from Iran, I must bring to the attention of the Nation the continued captivity in Tehran of Mohi Sobhani, a naturalized American citizen.

Mr. Sobhani was arrested at the Tehran airport last September 6, as he and his family were about to leave the country for the United States. The revolutionary authorities gave no reason at that time for his detention.

But Mr. Sobhani is a Baha'i—a member of a religious faith that has been marked for persecution by the Ayatollah Khomeini. Already seven Bahai's have been executed during the course of the revolution.

The arrest of Mr. Sobhani was broadcast on Iranian television and radio. People were invited to inform the authorities of any allegations against him. Iranians came and denounced him as a Baha'i. Others accused him, since he is a naturalized American citizen, of being an American agent—a spy for the "great Satan."

Mohi Sobhani has never had a trial. He has no means to defend himself or prove his innocence. His only crime appears to be that he is a member of a religious minority.

Mr. Sobhani's sister, brother, and son live in Los Angeles as did Mr. Sobhani. They are terribly afraid for his life. After my own inquiries on his behalf, I have every reason to believe Mr. Sobhani is in the gravest personal danger.

I have appealed to the State Department, and through them to the Swiss Embassy, which represents our interests in Iran, to ascertain the precise status of Mr. Sobhani, and to appeal for his freedom.

Mohi Sobhani is an American citizen. In this moment of rejoicing over the freedom for the 53, we must not forget the fate of an American who remains in captivity. Mr. Sobhani must be freed as well. I appeal to all to assist him.

INTRODUCTION OF GOVERNMENT CONTRACTORS' PRODUCT LIABILITY ACT OF 1981

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, in 1977 the Supreme Court issued its decision in the case of *Stencel Aero Engineering Company* v. *United States*, 431 U.S. 666. The rationale espoused by the Court in that case underlines the unfair, counterproductive, and inequitable situation faced by Government contractors. The Stencel case stands for the principle that a Government contractor cannot obtain indemnification from the Federal Government, when the contractor is held liable for money damages to a service man for injuries caused by a defective design. This is so even if the Federal Government is responsible for and mandates the design of the defective product in question.

The problems presented by federally mandated design specifications have also recently received considerable press attention in connection with the so-called Flxible bus. Both the Grumman Corp. and General Motors manufactured these buses according to the exact requirements of the Department of Transportation's White Book. DOT, through its Urban Mass Transportation Administration, imposed this new bus design on both the manufacturers and their municipal customers as a prerequisite for receiving urban mass transit funds. The DOT design specifications have been an admitted failure, with the resulting buses being both unsafe and uncomfortable. Grumman recently notified 27 municipalities about a newly discovered problem that could cause drivers to lose control of the buses. But while the design defects are directly the fault of Federal bureaucrats, Grumman would solely be liable for any resulting injuries or damage.

Today, I am introducing legislation—the "Government Contractors' Product Liability Act of 1981"—which aims at rectifying this situation. Under the terms of this measure, a manufacturer-supplier could seek indemnification from the Federal Government for losses incurred unless the court determines that the contractor was guilty of willful negligence or that the injury

or loss was the result of the primary and active negligence of the contractor.

The legal vulnerability in which a private contractor finds himself, in part, can be traced to the application of the principle of sovereign immunity; that is, the Government is immune from suit absent its own consent. But, as we all know, the sovereign immunity doctrine has been significantly modified over the years. For example, Congress has enacted legislation removing the defense of sovereign immunity in contract claims asserted directly against the United States (28 U.S.C. 1491). The theory being that when the United States enters into the marketplace, it sheds somewhat the cloak of immunity and is treated legally as a private person.

In fact, Congress has already partially espoused the principle of Government contractor indemnification. Two statutes currently exist under which indemnification may be provided on defense contracts involving unusually hazardous risks (10 U.S.C. 2354; 50 U.S.C. 1431-5). But, unfortunately, the term "unusually hazardous" has been very narrowly construed by the agencies implementing these laws—it has been applied principally to explosives, nuclear materials, and rocket fuels. There are numerous products that involve genuinely unusual hazards and which present serious liability risks for contractors and, yet, have been deemed not to be indemnifiable. Included among these are: aircraft ejection systems, guidance and control systems for aircraft, rockets, and missiles, the manufacture of parachutes, and air traffic control and navigation systems.

Suffice it to say, existing statutory law in this area is inadequate. This conclusion is supported by the findings of the U.S. Government Procurement Commission. In its final report to the Congress, the Commission recommended the enactment of new, more comprehensive indemnification legislation.

The application of the legal theory of strict liability in tort has also posed severe problems for the Government contractor. Strict liability essentially means that negligence no longer has to be proven by a plaintiff in a product liability situation. All that must be shown is that the product was manufactured or sold by the defendant, and supplied in its defective state to the user so as to be the proximate cause of the injury or damage. Liability exists even though the defendant contractor has exercised all possible due care in the manufacture or sale of the product. But in a Government contract setting an injured party cannot sue the Government directly but, rather, can only seek recourse against the contractor.

It is important to remember that very often a manufacturer or supplier on a Government contract is not in control of the way his products are designed or used. The private contractor has no ability to unilaterally change the specifications in his contract. However, the Government through its contracting officer does have the power to require such unilateral changes. Very frequently these are single-use products and the Government is the only customer for such products. Consequently, a contractor in this instance cannot spread the risk of his potential loss among a group of buyers. For these reasons, it is my view that the application of the theory of strict liability in tort is inappropriate in Government contract liability situations. Liability without fault is patently unfair where the specifications are in control of the buyer rather than the seller.

The bill I am introducing today is based upon legislation (H.R. 5351) introduced in the 96th Congress by the Honorable Lamar Gudger. Hearings focusing on this problem were held in 1980 by the Subcommittee on Administrative Law and Governmental Relations of the House Judiciary Committee. I am pleased that the distinguished gentleman from California (Mr. DANIELSON), who is the chairman of the Administrative Law Subcommittee, has agreed to join me in cosponsorship of this important measure. The applicability provisions have been revised based upon recommendations made to the subcommittee by the public contract law section of the American Bar Association. I want to express my thanks to numerous members of the public contract law section who have been most helpful to myself and my staff in this effort.

Mr. Speaker, the Judiciary Committee and the Congress ought to take another, closer look at this situation. The merger of modern product liability law, with the doctrine of sovereign immunity, in the Government contracting process has resulted in unfairness and unnecessary cost. The result of the Stencel Areo case and the recent experience with the Flxible bus are graphic illustrations as to why a congressional reevaluation is badly needed.

GOVERNMENT REGULATIONS KILL ANOTHER SMALL BUSINESS

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. NELLIGAN. Mr. Speaker, I was distressed to learn that the Gensemer Co., which has operated in my congressional district for 80 years, has fallen victim to the demands of Federal regulation. I submit for your information the text of a perceptive news article by Ted Fenstermacher, a correspondent for the Berwick, Pa., Enterprise, which discusses the unfortunate and unnecessary closing of this family-owned business.

GENSEMER MEAT, FOOD SERVICE TO END 80 YEARS IN BUSINESS

(By Ted Fenstermacher)

One of the region's oldest firms, Gensemer's Meats and Gensemer's Food Service will, as of Jan. 15, terminate its business. It means the end of an 80-year-old, four-generation firm.

Columbia County Commissioner and Mrs. George Gensemer's sons, Tom, John and Brad, who have been active in the operation of the business have no particular plans at present.

Principal cause for the cessation of the long-established firm are "increased pressure from the Federal Meat Inspection Program, DER, EPA and OSHA with their constantly changing and constricting regulations." A spokesman for the firm also points out, "It is becoming increasingly difficult for the small and independent businessman to survive in the climate of the present business world with rapidly rising costs and high interest rates" in addition to the seemingly endless and frustrating interference by bureaus and agencies.

Gensemer's is another in a series of meat firms that are giving up due largely to the frustrating regulations and orders. Just one of a great many such cases was the installation of a new $1,200 ceiling in the meat cutting room, done in the past few weeks.

Another recent example was a visit by a federal inspector, Albert Eisvig. He saw 60 hams on racks in the Gensemer plant. It was explained to him that those hams had been smoked in a Millville plant because a needed part for Gensemer's smoking equipment was at the time unavailable. Eisvig immediately went to Millville—then returned and threatened to condemn all the hams—even though Gensemer explained an inspector's permission had been given for smoking the hams at Millville. That was too much for the Columbia County firm and two firm members went to Washington and explained the situation. Eisvig has been transferred to the west coast. Threats of fines and imprisonment faded.

According to the Gensemers, the firm was directed to use separate power saws for pork and beef and maintain a separate cutting room for poultry. Frequent regulations changes as to what type labels are to be used has resulted in heavy losses in the printing of the labels, the owners contend.

An OSHA agent recently visited the Gensemer plant and threatened fines of $450. The "violations" were failure to have exit signs over doors leading from the cutting room (where only employes are permitted), having an uncovered bulb in the men's restroom and having an extension cord in use.

Regulations have, for a long time, required a federal meat inspector to be at the Gensemer plant—as at all similar plants—from 7 a.m. to 3 p.m. daily. The federal regulations also demand the owners provide an office, desk, chair and locked file for the inspector. A family spokesman commented however that that inspector, Charles Jones, has always been fair and cooperative.

The Gensemer operation had its beginning in 1900, in charge of the late John Gensemer. In 1925 it became John Gen-

semer and Sons with Ira, Frank and Lester also in the firm. Ira was the father of George Gensemer.

The Great Depression dealt a severe blow to the firm four years later. Ira, unable to get a bank loan and faced with a sheriff sale took the keys to the four trucks and processing building to the bank, tossed them onto the cashier's desk and quipped, "You're in the baloney business now." Granting of the loan followed. Another important financial aid had been a $500 loan from Ira's father-in-law, Postmaster Thomas Evans, of Audenreid.

In 1931 Ira Gensemer, who had been acting as "agent" for the firm became the sole owner. The business prospered, largely in the deliveries to the Hazleton and McAdoo areas, which accounted for about 70 percent of the business then. Ira's bi-lingual abilities—Polish, Russian, Italian and English were helpful.

The Gensemer Food Service was started a few years ago and has 1,100 members. A family spokesman commented, "It is with deep regret and great sorrow that we announce termination of the business."

This article points out the strength of the unelected bureaucrats who write the rules and regulations to which the citizens of this Nation must adhere. It gives us a case study of the unwarranted destruction of the great American entrepreneurial dream. No longer can an individual use his drive and ambition to start and develop a business; they must also have extraordinary resources to cope with unreasonable regulatory demands. Study after study has pointed out the cost of Federal regulations; however, little is written about the emotional devastation of having to close the doors to your business because you face a no-win situation with Federal inspectors and the faceless bureaucrats who sit in Washington drawing up rules and regulations that often far exceed the intent of the law passed by the Congress.

Mr. Speaker, I am pleased that President Reagan has appointed Vice President BUSH to head a Presidential task force to study and reform Federal regulation in an effort to fulfill his campaign promise to "get the Government off the backs of the people." This is a step in the right direction, and it is my hope that this task force will move expeditiously. If it does so perhaps there will be far fewer incidents similar to the sad story of Gensemer's Meats Gensemer's Food Service.

AUTHORIZING THE SPEAKER TO INTERVENE IN CASES AGAINST THE IMMIGRATION AND NATURALIZATION SERVICE AND THE FEDERAL ENERGY REGULATORY COMMISSION

Mr. FOLEY. Mr. Speaker, I send to the desk a privileged resolution (H. Res. 49) and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 49

Whereas, on February 27, 1978, a brief amicus curiae was submitted on behalf of the chairman of the Committee on House Administration in the United States Court of Appeals for the Ninth Circuit in the case of Chadha v. Immigration and Naturalization Service, No. 77-1702, in support of the constitutionality of the legislative review provision in section 244(c)(2) of the Immigration and Naturalization Act, 8 U.S.C. 1254(c)(2), and on December 22, 1980, the Court of Appeals ruled that this legislative review provision violated the principle of separation of powers and was unconstitutional, and the Department of Justice, although it prevailed before the Court of Appeals, has filed a notice of appeal to the Supreme Court;

Whereas, the United States Court of Appeals for the District of Columbia Circuit is now considering the case of Consumer Energy Council of America et al v. Federal Energy Regulatory Commission, Nos. 80-2184 and 80-2312 wherein the Department of Justice has submitted a brief amicus curiae urging that the legislative review provisions of section 202 of the Natural Gas Policy Act, 15 U.S.C. 3342, are unconstitutional, and the Attorney General has suggested that the House submit a brief amicus curiae in support of these legislative review provisions;

Whereas, it is essential that the House be given an opportunity to present fully its views to the appropriate court in both of these cases, either as amicus curiae or by intervention as a party: Now therefore be it

Resolved, That the Speaker is authorized to retain counsel and take any steps he considers necessary, including intervention or submission of briefs amicus curiae, to protect the interests of the House before the court in the case of Chadha v. Immigration and Naturalization Service and in the case of Consumer Energy Council of America et al. v. Federal Energy Regulatory Commission.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, this resolution, which has been discussed by the leadership on both sides, is made necessary because of challenges to the constitutionality of certain sections of the Immigration and Naturalization Act and the Federal Natural Gas Policy Act, both of which acts provide for legislative review by either the House or the Senate and a so-called one-House veto of the regulations issued by the respective departments under the act.

The constitutionality of these particular sections has been challenged, and unfortunately the department and the petitioner agree in one case that the act is unconstitutional. So if the position of the legislative branches is to be protected here, it is necessary that we authorize the Speaker to intervene as a party in the case. Counsel, on behalf of the Committee on House Administration, I understand, has submitted an amicus brief, but that does not entitle counsel to petition for rehearing or for review or certiorari if the House does not enter as a party. The purpose of the resolution is to authorize that act.

□ 1420

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the distinguished minority leader.

Mr. MICHEL. I appreciate the distinguished whip yielding, and I would simply want to subscribe and embrace the explanation of the resolution as the gentleman from Washington has done so well, and I certainly support the passage of the resolution.

Mr. FOLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE STRANGE CASE OF LYNDON LAROUCHE, JR., ALSO KNOWN AS LYN MARCUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MCCLOSKEY) is recognized for 15 minutes.

Mr. MCCLOSKEY. Mr. Speaker, I want to alert the House today to a demented and unprincipled individual, a three-time candidate for the Presidency, Lyndon LaRouche, Jr., who has been making false and scurrilous charges in materials distributed to Members of Congress. In particular, Mr. LaRouche has falsely charged Merchant Marine and Fisheries Committee staff member Charles Fager with being a Soviet KGB-linked mole. The FBI states that LaRouche's charges are without substantiation in FBI files. This kind of charge, smacking of the McCarthyism of the 1950's, justifies an inquiry into LaRouche's history.

Lyndon LaRouche campaigned as a Democrat in last year's Presidential campaign, winning 2.1 percent of the Democratic primary vote in New Hampshire after qualifying for Federal matching funds.

LaRouche campaigned on a platform of promoting free enterprise and capitalism, with grave warnings against the dangers of big government and liberalism. He sounded very much like a Republican of the ultraconservative school, and his articulate and persuasive monologs were broadcast on both television and radio programs throughout New England. I watched and listened to several such broadcasts and was struck by the apparent similarity between Mr. LaRouche's arguments and those of Republican conservative economists.

Mr. LaRouche, however, is apparently an actor of consummate skill and

capable of adopting almost any political coloration he deems appropriate.

In World War II, for example, Mr. LaRouche was originally a conscientious objector. Tiring of work in a Quaker camp in New Hampshire, he enlisted in the Army and ultimately served in a noncombatant role in the Burma theater.

In 1948, he joined the Socialist Workers Party (SWP), a Trotskyist group, and adopted the alias Lyn Marcus. He was an active member of the SWP until 1957.

In the 1960's, LaRouche, using the name Marcus, made several unsuccessful attempts to form new leftist organizations. In 1966 he cofounded the Village Committee for Independent Political Action, alined with the Students for a Democratic Society (SDS). He and a group of followers left the SDS in 1969 to form the National Caucus of Labor Committees (NCLC), subsequently known as the U.S. Labor Party. LaRouche spent the next several years developing his political theories and organizing European chapters of the NCLC.

In 1972, LaRouche ran for the Presidency as the U.S. Labor Party candidate, under the alias of Lyn Marcus.

In 1973, LaRouche initiated an effort through the NCLC to eradicate elements of the American Communist Party and other Marxist groups. He called his project Operation Mop-Up, with an announced goal to "destroy the last vestige of left hegemony of the Communist Party in the U.S.A. today."

Operation mop-up was in apparent retaliation for the Communist Party's opposition to LaRouche's founding of the National Unemployed and Welfare Rights Organization, and involved considerable violence in New York and other east coast cities, where LaRouche's goon squads broke up rallies and meetings of various leftist groups.

By 1976 the FBI was describing the NCLC as a "violence-oriented Marxist revolutionary organization."

LaRouche's earlier literature had referred to his tactics as necessary to create a Socialist revolution in America within 5 years—a goal which he asserted required the NCLC's dominance of all leftist organizations.

In 1974, the New York Times published a story describing an alleged NCLC kidnaping, in which a young member of the group, Ms. Alice Weitzman, had been held against her will in her apartment, finally alerting the police by way of a note dropped out of her window. The charges were denied by the NCLC who explained that the woman was being deprogramed in order to free her from the influence of alleged KGB brainwashing. In what was to become an increasingly marked preoccupation with possible assassination attempts on LaRouche, the NCLC put out a press release to announce that it had hard evidence of a plot by the KGB and the CIA to assassinate Lyn Marcus, using brainwashed party members as zombie-like killers. LaRouche stated his belief that these party members had been hypnotically programed to kill him when they received a secret verbal command from their CIA-KGB masters.

The importance of deprograming became an integral part of the LaRouche political philosophy.

In an NCLC internal discussion paper dated August 16, 1973, entitled "The Politics of Male Impotence," LaRouche stated that—

> To the extent that my physical powers do not prevent me, I am now confident and capable of ending your political- and sexual-impotence; the two are interconnected aspects of the same problem.

Tracing the root of all personnel difficulties to the sadistic possessiveness of the sexually impotent mother—which reaches its apogee in the black ghetto mother—and purporting to establish a link between sexual and political impotence, LaRouche proposed a type of deprograming requiring one to break with your mother's love and become real human beings. Then—

> By application of such clinical knowledge and techniques to mass work, we shall systematically evoke from our audiences precisely that sense of inner terror which must be evoked to absolutely compel them to become revolutionaries.

He concluded:

"In Germany, I am Der Abscheulicher." (The "Bestial one", the "Horrible one.") "I shall soon be regarded similarly here."

This self-appraisal was corroborated in a statement by one NCLC member, Christine Berl, who, having left the organization, and fearing for her safety, gave a detailed statement about LaRouche's psychosexual political theories, and his use of those theories through sessions as a means to completely dominate his followers.

Ms. Berl stated, on April 2, 1974:

> According to Marcus, the purpose of the sessions was to create a new kind of leadership based on the capacity to withstand psychological terror; but in reality the content of the sessions themselves was pure psychological terror * * * Marcus located the origin of psychological terror, as the 8th century church had done, in the image of the witch-mother who prevented the individual from acting on the basis of self-consciousness by reducing him to an impotent and banalized ego-state. And to this bestialized image of the ego Marcus counterposed himself; for it was never disputed during the course of the sessions that all true self-consciousness emanated from his own person. * * *
>
> "The obsession with [excrement], and the endless stream of scatological and sadistic humor issuing from Marcus around this obsession, successfully and repeatedly reduced all the individuals in the sessions to the level of animals. . . . Women were hit particularly viciously with this form of reductionism, even to the point of tracing their sexuality to the proximity of the anus and the vagina with only the thin strip of the perineum distinguishing between the two. Marcus claimed that this anatomical peculiarity was the origin of women's feelings of degradation, since it gave rise to the confusion of the sexual act with the act of excretion. It is hardly an exaggeration to say that this was a radical departure from classical Marxism since it located identity not within the matrix of social-reproductive relations, but in bestialized anatomical reductionism.

In 1976, LaRouche again ran for the Presidency as the U.S. Labor Party candidate; this time, however, under his true name, Lyndon LaRouche. By this time his platform had begun to shift toward those of rightwing organizations and conservative organizations and individuals. According to a former member, the NCLC, the dominant force in the U.S. Labor Party, now recognized that potential alliances could develop between the NCLC and the extreme right, based on shared beliefs in conspiracy theories. A security memorandum issued in the spring of 1975 by the NCLC stated:

> Our success in beating back the Fang's (Nelson Rockefeller's) Endgame Scenario (thermonuclear war) shows the potential impact we can have among previously unpenetrated strata (right wing circles) * * * Cadres should be firmly fixed on the politics underlying this move: the real enemy is Rocky's fascism with a democratic face, the liberals, and social fascists. We can cooperate with the Right to defeat the common enemy. Once we have won this battle, eliminating our rightwing opposition will be comparatively easy.

LaRouche included in his attacks the American Jewish community. He charged Jews and Jewish interests with controlling a worldwide drug traffic, creating and funding the American Nazi Party, and having conspired to help the Confederacy win the U.S. Civil War. LaRouche characterized the B'nai B'rith Anti-Defamation League as "The Bad Breath Anti-defecation League." He stated:

> The little aunties who work the telephone for the Anti-Defamation League are fascists. They are working for the same people who are responsible for every Jew murdered by the Nazis during the 1930's and 1940's.

Following LaRouche's 1976 campaign, NCLC initiated efforts to work with Republicans and conservative groups, primarily through a front organization, the Committee for Fair Elections, which charged the Carter campaign with massive voter fraud. LaRouche had portrayed Gerald Ford as the lesser of two evils, who should be supported in the general election. The Washington Post called this "one of the year's strangest political alliances," stating:

> The U.S. Labor Party, *a self-described Marxist organization* has joined forces with some Republicans in four states in lawsuits charging fraud in the November 2 election (emphasis added).

The NCLC also, like Father Moon's Unification Church, seeks to expand its influence on Capitol Hill through a variety of front organizations, one of

which is the New Solidarity International Press Service, or IPS.

An NCLC security memorandum dated April 28, 1975, had stated:

Our contact network on Capitol Hill has been firmly established, and the legitimacy of IPS as a press service is now generally recognized. (W)e can begin to cultivate some specific contacts in targeted Congressional offices through IPS. * * * Our attack on Rocky's Endgame Scenario in Congress will provide us with an in into (sic) conservative Congressmen.

* * * Special emphasis will be given to the offices and staffs of Senators Helms, Thurmond and Stennis. A full list of targeted offices is being prepared by the National Security Staff.

According to the Washington Post of November 28, 1976, an FBI memorandum described the NCLC as a clandestinely oriented group of political schizophrenics who have a paranoid preoccupation with Nelson Rockefeller and the CIA.

In 1976, LaRouche founded the Fusion Energy Foundation, a tax-exempt foundation which now publishes Fusion magazine. Fusion is a pronuclear, antienvironmentalist publication which combines accurate information on nuclear and fusion issues with political essays.

One such essay by PHIL CRANE on the Three Mile Island incident was published in the April 1980 issue of Fusion during the height of the Republican Presidential primary when CRANE was still an active contender.

While seeking to work and identify with Republicans, however, LaRouche also formed the National Democratic Policy Committee, a political action committee designed to support Democratic candidates and officeholders and to develop policies in the Nation's interest. The committee's first national policy initiatives include nuclear and fusion power, tax reduction, parity, and an end to Justice Department harassment such as Abscam. The NDPC repeatedly attacks Speaker O'NEILL and moderate or liberal Democrats. Among the advertisements which appear regularly in Fusion, including ads for LaRouche's companies, are ones for an economic analysis publication called Executive Intelligence Review (EIR), which features "economic analysis using the groundbreaking economic model developed by Lyndon LaRouche, the foremost economist of the century."

Checks for this service are payable to Campaigner Publications, Inc., publisher and distributor of NCLC and U.S. Labor Party materials.

Another of LaRouche's organizations is his Anti-Drug Coalition, which publishes a magazine, War on Drugs, which espouses the theory that drug use and the rock and roll counter-culture in America are the result of deliberately subversive efforts led by the British oligarchy through the so-called Zionist lobby.

While the NCLC's activities for the past few years seem to indicate a new conservatism, the group's real goals were made clear by the NCLC's chief of staff in New York in 1976:

We are socialist, but first we must establish an industrial, capitalist republic and thus rid this of the Rockefeller anti-industrial, antitechnology, monetarist dictatorship of today.

Once the capitalist republic is established, concurrent global economic development will occur and we will enter into a period of the highest prosperity the world has ever known.

With society expanding and material progress being made, you win over the people's minds, and under an advanced technology, including fusion power, there will be a trend toward government of a socialist state.

Our former colleague, Mike McCormack, must be truly delighted with this kind of motivation for support of his landmark fusion bill—Public Law 95-385.

Mr. Speaker, you may wonder why I have taken this time and trouble to detail the strange history of Lyn Marcus/Lyndon LaRouche. The man is clearly a paranoid and demented megalomaniac, and would ordinarily be a curiosity rather than a subject of proper congressional concern.

His new efforts to influence Congress, however, justify a careful attention to his work on the part of each of us. In November he distributed to every office on the Hill a so-called "National Security Memorandum" from the New Solidarity International Press Service (IPS) alleging that House Merchant Marine and Fisheries Committee minority staff member Charles "Chuck" Fager, was a "Soviet KGB-linked Mole" connected with Soviet KGB Gen. Kim Philby. A five-page dossier on Fager was also distributed.

Upon receipt of this document, I asked Mr. Fager to respond, and forwarded both LaRouche's charges and Fager's response to the FBI and CIA for investigation.

The CIA deferred to FBI jurisdiction, and after review of FBI files, FBI Director Webster responded on January 15 as follows:

DEAR CONGRESSMAN MCCLOSKEY: Reference is made to your letter dated December 11, 1980, which advised of allegations made by one Lyndon H. LaRouche, Jr., concerning your staff employee Charles Fager, and which requested this Bureau to initiate whatever investigation was deemed appropriate regarding the allegations, i.e., that Fager is a "longstanding close collaborator of Philip Agee's immediate patrons and mole * * * linked to Soviet KGB General H. Kim Philby.

Federal Bureau of Investigation records have been reviewed and nothing was located which would substantiate the allegations by Mr. LaRouche. No additional inquiries are contemplated by this Bureau.

Sincerely yours,

WILLIAM H. WEBSTER,
Director.

The FBI obviously has fairly complete files on Mr. LaRouche in order to be able to respond so quickly and with such clarity, but I think it essential that each Member of the House and Senate be fully aware of the nature and extent of Mr. LaRouche's background, obsessions and connection with the International Press Service (IPS), National Democratic Policy Committee, Fusion magazine, Anti-Drug Coalition, possibly several other organizations working for LaRouche's announced goal of a socialist state.

It appears that LaRouche's charges against Charles Fager stem from Fager's work as a reporter in 1973, which revealed for the first time that Lyn Marcus, former SDS member and founder of the NCLC, was, in fact, Lyndon LaRouche, Jr. After Fager's discovery was published, Marcus dropped the alias and in subsequent elections ran for the Presidency on the U.S. Labor Party ticket under his real name.

Fager also discovered that Lyndon LaRouche/Lyn Marcus was born of Quaker parents in Lynn, Mass. Fager is also a Quaker, and was at that time a reporter for the Real Paper in Cambridge, Mass.

LaRouche's reaction to Fager's work was to characterize Fager in 1973 as a harasser whose employer and colleagues were CIA agents.

Quakers and Quaker groups have been the targets of LaRouche's charges on other occasions as well. In a two-part 1978 essay on the American Friends Service Committee (AFSC) in his publication New Solidarity, LaRouche called the Committee the "American Friends of Sodomy Committee," stating:

The AFSC is not only an evil organization, which this writer has known since adolescent first acquaintance with that entity; it is currently linked to certain of the vilest of the operations deployed under the cover of the environmentalist and proterrorist "left" in the USA and abroad.

Typically, Mr. LaRouche finds the AFSC to be a tool of the international conspiracy centered in British Secret Intelligence Service, stating: "What they represent, is pure evil."

In conclusion, Mr. Speaker, it seems to me our staff member, Charles Fager, is entitled to an absolute presumption of innocence, considering LaRouche's checkered history and the FBI's statement that their files have nothing to substantiate the allegations by Mr. LaRouche.

More than that, I hope every Member of the House and Senate will retain a wary skepticism with regard to future communications from LaRouche, his New Solidarity International Press Service, the National Democratic Policy Committee, the Anti-Drug Coalition, Fusion magazine, the Fusion Energy Foundation and any other organization led or founded by Lyndon LaRouche/Lyn Marcus. Demented though he may be, LaRouche clearly has the financial means, organization, ability, and determination to attempt to cause major changes in U.S. law and policies. His words and actions should be followed with care.

UNSUNG HEROES OF THE HOSTAGE CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 10 minutes.

● Mr. JEFFORDS. Mr. Speaker, at a time when all Americans share a sense of joy at the return of the hostages and sorrow at the conditions they were forced to endure, it may appear that every aspect of the hostage drama has been extensively reported by the news media.

There are, however, thousands of dedicated young Americans who played a crucial role in the success of the negotiations, Americans whose selfless efforts have gone widely unacknowledged.

I am referring to the men who manned our Nation's battle groups in the Persian Gulf. I was privileged to be able to spend the 2 weeks prior to the release of the hostages with these men, fulfilling my commitment to the Naval Reserve. I would like today to share with my colleagues some of the insights I was able to gain from the vantage point of the U.S.S. *Ranger.*

There is no question that our military presence in the gulf provided the backdrop—and the clout—behind the success of the negotiations.

Most of the men serving there were very young. On the U.S.S. *Ranger,* the average age was 19. They were serving under the most difficult of circumstances. Many have been aboard ships for 150 days or more, working 12-hour days, 7 days a week. The constant presence of military planes and ships from the Soviet Union and other nations serve as a constant reminder that they are in the area of the greatest international tension in the world today.

Despite the exhausting pace and tense atmosphere of their work, the morale of these men was exceptionally high. Their spirits were boosted by their recognition of the importance of their mission.

Many, however, wondered whether anybody back home really cared. They wanted assurances that their fellow Americans knew they were there, and why.

Although the outcome will continue to be analyzed at length, I believe history will attribute the success of the negotiations to three factors: Iran's war with Iraq, America's military presence, and the deadline established by the inauguration.

The war obviously made Iran more vulnerable to the economic sanctions by the United States and to the implied threat of limited military action. Beyond the well publicized shortage of spare parts, Iran has become increasingly dependent upon shipping activity in its two open ports. Vital supplies continue to come in from other nations, including some which are not overtly friendly to Iran's cause. Meanwhile, Iran's economy is kept alive by continued sale of oil off Kark Island.

In that context, it has long been clear that the United States had the option of setting a deadline for release of the hostages, and enforcing it by outlining specific actions which would be taken if the deadline were not met.

The first such action would most likely have been mining of the harbor where Iranian warships are parked, neutralizing the Iranians' threat to mine the Oman Straits. The second would probably have been mining of the harbor where oil is sold, a step which would have greatly stepped up the economic pressure. The third, to be carried out only if the hostages were harmed, endangered, or not released would have been to undermine the Iranian Air Force by knocking out radar control stations. Such actions would be devastating to Iran, economically and militarily in its war with Iraq, without any direct U.S. aggression against the people of Iran.

No American would want to carry out such threats. But the knowledge that our Nation had the option of setting a deadline and enforcing it, without direct aggression against the Iranian people, provided the only real clout we had at the bargaining table.

Without such a deadline, the Iranians clearly were prepared to drag out the crisis interminably. They even bypassed the deadline which could have been worked to their greatest advantage politically, the U.S. election. Without question, Iran could have received greater concessions prior to the election than afterward.

The deadline ultimately accepted by the Iranians was set by events, not by initiatives of the Carter administration. The Iranians perceived that the new administration would be less reluctant to use the threat of limited military action as a bargaining chip, and that they would get their best deal before that chip was laid on the table. The deadline, therefore, was the inauguration.

As it turned out, the role of the Americans manning the battle groups in the Persian Gulf was only an implied factor in the success of the negotiations. But there is no question about the importance of their mission, and their contribution to the successful outcome. These young men are the unsung heroes of the hostage crisis. They deserve to be honored alongside the other heroes: the U.S negotiators, the Algerian intermediaries, the brave men who died in the unsuccessful rescue attempt, and of course the hostages themselves.

Without the dedicated service of these thousands of Americans under the most difficult of circumstances, the hostages would not have been freed.●

THE OBSTETRIC CARE INFORMATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, on the opening day of this session, I introduced a bill which would, if passed, help to insure that women will be able to make more informed decisions about the use of drugs and procedures during pregnancy and delivery, and which could help prevent injury to untold numbers of infants. I introduced the bill in the last Congress. It is called The Obstetric Care Information Act.

Our growing experience with the adverse effects of obstetric-related drugs, which often do not become apparent until long after the drugs have been administered to the mothers, has made us more sensitive to the need for legislation which would help prevent these tragic occurrences.

The Obstetric Care Information Act would do three things. First, it would require States to provide women access to their obstetric medical records and current information on obstetrical procedures. Second, it would require the dissemination of information on the effects and risks of women who are pregnant or in labor and of prospective and developing children. Third, it would provide for a study on the delayed long-term effect on child development of obstetrical drugs and procedures administered to or used by women who are pregnant or in labor.

The tragic and devastating effects of the use by mothers of the drug diethylstilbestrol—DES—on their offspring are well known. This is just one example of the kinds of potentially harmful effects the careless use of drugs may have. The fact of the matter is that health professionals have all too little information on the hazards or potential hazards of the use of obstetric drugs and procedures.

I call the attention of my colleagues to a report issued by the General Accounting Office on September 24, 1979, entitled "Evaluation Benefits and Risks of Obstetric Practices—More Coordinated Federal and Private Efforts are Needed." This report confirms that, with few exceptions, drugs and procedures employed in obstetric care have never been properly evaluated and found to be in the best interest of mothers and their babies.

Mr. Speaker, I was first made aware of the need for this kind of legislation by my courageous and persevering constituent, Mrs. Estelle Cohen, who herself had a tragic experience in the case of a child of her own. Mrs. Cohen has become a knowledgable and dedicated opponent of the use of harmful or possibly harmful drugs and procedures before, during, and after childbirth.

Mrs. Doris Haire, president of the American Foundation for Maternal and Child Health, who has also been trying for years to call attention to the need for this kind of legislation, made significant contributions to the writing of this bill. Senator Javits of New York, former member of the Subcommittee on Health and Scientific Research of the Senate Committee on Human Resources, helped call attention to questionable obstetrical practices in the United States by conducting hearings on the subject in April 1978.

There is so much information that needs to be developed and so many questions that need to be answered about just what effects the use of certain drugs and procedures have on the fetus and mother. The futures of our newborn may be inadvertently altered for the worse in ways we have not yet even begun to comprehend. We must begin to take a systematic look at this area and I urge that hearings be held by the appropriate subcommittees.

Following is the text of the bill and an article published in the September 14, 1978, issue of the Co-op City News, published in my congressional district, about Mrs. Cohen's experience. It is a poignant story and I hope my colleagues will read it.

This is a matter of grave importance and I hope it will receive the attention it deserves. The text of the bill and the article follow:

H.R. 138

A bill to amend title V of the Social Security Act to require States to provide women access to their obstetric medical records and current information on obstetrical procedures, to amend the Federal Food, Drug, and Cosmetic Act to require the dissemination of information on the effects and risks of drugs and devices on the health of pregnant and parturient women and of prospective and developing children, and to provide for a study on the delayed long-term effect on child development of obstetrical drugs and procedures administered to or used by pregnant and parturient women.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Obstetric Care Information Act".

ACCESS OF WOMEN TO THEIR OBSTETRIC (AND THEIR INFANTS') MEDICAL RECORDS AND PROVISION OF CURRENT INFORMATION REGARDING OBSTETRICALLY RELATED DRUGS AND PROCEDURES

SEC. 2. (a) Section 505(a) of the Social Security Act (42 U.S.C. 705(a)) is amended (1) by striking out "and" at the end of paragraph (14), (2) by striking out the period at the end of paragraph (15) and inserting in lieu thereof a semicolon, and (3) by adding after paragraph (15) the following new paragraphs:

"(16) provides that the State has a law under which any health care practitioner or provider of services (as defined in section 1861(u)) who furnishes health services in the State to a woman during pregnancy or parturition must provide the woman, upon her request, with—

"(A) the opportunity to inspect and copy any medical records which the practitioner or provider maintains relating to the condition or treatment of the woman and her infant during the pregnancy, parturition, and post partum, and

"(B) a reasonable explanation of any portion of such medical record which is not comprehensible to a layperson.

and under which there are appropriate procedures (as determined by the Secretary) to ensure the provision of the opportunity for inspection and explanation specified in subparagraphs (A) and (B); and

"(17) provides that the State has a law under which any health care practitioner or provider of services (as defined in section 1861(u)) in the State who performs a medical procedure on, or administers a drug or medical device to, a woman during pregnancy or parturition must (except under emergency and other extraordinary circumstances established by the Secretary)—

"(A) inform the women, before performing the procedure or administering the drug or device, of the side effects, risks, contraindications, and effectiveness, with respect to the health of the woman and of her prospective children, of the procedure, of not performing the procedure or administering the drug or device, and of performing other medically recognized procedures (and of administering other drugs or devices) instead of the procedure, drug, or device involved, and

"(B) after being so informed, receive her consent to the performance of the procedure or administration of the drug or device.".

(b)(1) Except as otherwise provided in paragraph (2), the amendments made by the subsection (a) shall apply on and after August 1, 1981.

(2) In the case of any State plan which the Secretary of Health and Human Services determines requires State legislation in order to meet the additional requirements imposed by section 505(a) (16) and (17) of the Social Security Act, the State plan shall not be regarded as failing to comply with those requirements until the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

INFORMATION FOR PREGNANT WOMEN ON SIDE EFFECTS, RISKS, CONTRAINDICATIONS, AND EFFECTIVENESS OF DRUGS AND DEVICES

SEC. 3. (a) Section 502 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352) is amended by adding after paragraph (t) the following new paragraph:

"(u)(1) If it is a drug or device distributed or offered for sale in any State and intended for the use of any woman during pregnancy or parturition, unless its label or a written insert accompanying the drug bears an explanation, meeting guidelines established by the Secretary under subparagraph (2), of the side effects, risks, contraindications, and effectiveness of the drug or device on the health of women during pregnancy and parturition and on the health of prospective and developing children.

"(2) The Secretary shall, by regulation, establish guidelines with respect to the explanation of the side effects, risks, contraindications, and effectiveness of drugs and devices intended for the use of women during pregnancy or parturition.".

(b)(1) Subparagraph (1) of section 503(u) of the Federal Food, Drug, and Cosmetic Act (added by subsection (a) of this section) shall only apply to drugs distributed in commerce on or after the first day of the sixth month beginning after the date of the enactment of this Act.

(2) The Secretary of Health and Human Services shall establish the guidelines required under section 503(u)(2) of the Federal Food, Drug, and Cosmetic Act (added by subsection (a) of this section) not later than the first day of the third month beginning after the date of the enactment of this Act.

STUDY OF DELAYED LONG-TERM EFFECTS OF OBSTETRICAL DRUGS AND PROCEDURES ON MATERNAL HEALTH AND CHILD DEVELOPMENT

SEC. 4. (a) The Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") shall arrange, in accordance with subsection (b), for the conduct of a study (hereinafter in this section referred to as the "study") to determine the long-term side effects, risks, contraindications, and effectiveness of the use of obstetrical drugs, devices, and procedures with respect to maternal health and child development, including child development through the age of seven years. The study shall be developed and carried out in consultation with behavioral psychologists, pediatric neurologists, obstetricians, and other appropriate professionals and knowledgeable consumer representatives whose expertise would enhance the conduct of the study.

(b)(1) The Secretary shall provide for the conduct of the study by a public or nonprofit private entity under an arrangement whereby the actual expenses incurred by the entity conducting the study will be paid by the Secretary.

(2) The arrangement entered into under paragraph (1) shall require that the study be designed and completed and reports thereon be submitted within such period as the Secretary may require to meet the requirements of subsections (c) and (d).

(c) The design of the study shall be completed not later than six months after the date of the enactment of this Act and the study shall be completed, and the final report described in subsection (d)(3) submitted, not later than eight years after the date the design of the study has been completed.

(d) The Secretary shall provide to the appropriate committees of Congress—

(1) a preliminary report on the design of the study, after the development of the study design and before the study itself has been undertaken;

(2) a report on the progress of the study, including any preliminary results of the study, not less often than once every Congress during the period the study is being undertaken; and

(3) a final report on the results of the study, including any recommendations for legislative or administrative action on the State or Federal level.

(e)(1) There are authorized to be appropriated for the fiscal year ending September 30, 1982, such sums as may be necessary to carry out the study. Sums appropriated to carry out the study shall remain available until expended, but in no case shall they remain available after the submission of the final report described in subsection (d)(3).

(2) The authority of the Secretary to enter into any contract for the conduct of the study shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

RESIDENT WINS DRUG REFORM

(By Patrick McDonnell)

On July 12, 1951, a proud Estelle Cohen left Columbia Presbyterian Hospital with a "beautiful" and seemingly healthy baby boy, born several weeks before her due date.

The child, Ben, was born early because Mrs. Cohen was given an injection of the hormone drug Pitocin, which artificially starts labor.

Mrs. Cohen hadn't sought the early birth, but the obstetrician had insisted. "And I figured the doctor knew best," the Co-op City resident explains.

Today, 27 years later, Mrs. Cohen thinks differently.

Her son, Ben, was born with brain damage which Mrs. Cohen believes was brought on by the injection of the labor-inducing Pitocin (oxytocin)—commonly called "Pit."

LONELY CRUSADE

Mrs. Cohen's life has since been dominated by her son's inability to lead a normal life, and she and a few others have waged a lonely crusade to inform the public about the dangers of Pitocin and other drugs given to pregnant women by physicians.

Finally, on Sept. 1, largely through Mrs. Cohen's efforts, a new law became effective in New York State, requiring that physicians or nurse-midwives warn expectant mothers of possible harmful effects of obstetric drugs on the mothers and their babies.

The bill was ceremoniously signed into law by Gov. Carey last Tuesday, at a meeting in New York attended by Mrs. Cohen and Bronx State Sen. Abraham Bernstein, the bill's sponsor. Mrs. Cohen had first informed Sen. Bernstein three years ago of the potential harm of obstetric drugs.

AMERICAN HEROINE

Doris Haire, president of the American Foundation for Maternal and Child Health and an outspoken critic of many current obstetrical practices, called Mrs. Cohen "one of America's heroines," and said the new bill would "dramatically" alter the way pregnant women were treated by doctors.

Because New York is a major center for medical education, Mrs. Haire said in an interview, the "ripple effect" of the new law may soon be felt throughout the United States and abroad.

Mrs. Haire noted that the new regulation also requires that physicians inform expectant mothers that the delayed, long-term effects of certain drugs on human development are unknown.

Labor-stimulating drugs such as Pitocin may cause brain damage in infants by sparking stronger, longer and more frequent uterine contractions, thus decreasing the ability of the fetus to restore its supply of needed oxygen. If the fetus is deprived of oxygen long enough, brain damage can result.

The severe contractions may also result in brain damage to the infant by causing cerebral hemorrhaging in the fetus.

Mrs. Haire and her group also note that the strong contractions often present during induced labor make it more likely that mothers will need pain-killing drugs—which can further harm infants, depressing their respiratory ability.

NO EXACT STATISTICS

Although no precise figures are available documenting how widely labor-inducing drugs are used, it was estimated in 1975 that labor in one of ten births in the United States is induced—or actually started—by drugs, usually Pitocin. In addition, it was estimated that in one-fifth of all births, labor is stimulated—or speeded up—by drugs, and Pitocin is the most widely used labor-stimulant.

Mrs. Haire and her group concede that at times there are clear medical reasons for the use of labor-inducing drugs, such as when the mother has diabetes or toxemia or other conditions that may result in the death of the fetus if the pregnancy is continued.

Regarding labor-stimulation, Mrs. Haire and Mrs. Cohen point to warnings by many experts that labor should be stimulated only when uterine contractions are too weak or infrequent to result in the normal progression of the fetus through the birth canal. Ironically, one factor that may hamper the fetus' progression is the presence of pain-relieving medication in the mother.

EXPERT SPEAKS

Dr. Caldeyro-Barcia, president of the International Federation of Gynecologists and Obstetricians, has said that if labor were induced and stimulated only when it was absolutely necessary, these practices would be used in only about three percent of all U.S. births—instead of the estimated 20 percent of the births that may now involve elective induction and drugs-stimulated labor.

These procedures are used so often, Dr. Caldyro-Barcia was quoted as saying on April 9, 1975, "Because the doctor wants to finish earlier so he can do something else, or because he wants to go away for the weekend—all at the expense of the fetus."

An editorial in the prestigious British medical journal, The Lancet, on Nov. 16, 1974, stated: ". . . Induction on the grounds of social convenience is a pernicious practice which has no place in modern obstetric care. The mother's holiday, the calls of the obstetrician's private practice, must not influence, for the sake of even a few days, an event which for the child may affect the ourcome of its entire life."

In a recent interview with the News, Mrs. Cohen, who works for obstetrical reform with an almost religious fervor, recalled the birth of her abnormal son, Ben, and the subsequent events that resulted in her current obsession with the issue.

ROUTINE VISIT

On July 10, 1951, she says, she went for a "routine visit" to her obstetrician at Columbia Presbyterian Medical Center; it was still several weeks before she was due to give birth.

The doctor, to whom she had been referred by her regular obstetrician, who was on vacation, informed her that she should return in two days and have labor "induced."

"I didn't even know what induction meant at that point," says Mrs. Cohen, a round-faced, brown-eyed woman who is now 57.

"I wasn't in any hurry to have the baby. I wasn't impatient . . . Some women, they feel very uncomfortable at that stage of pregnancy and they want their labor to be started artificially. I didn't mind waiting until my time came . . . There wasn't a single sign of imminent labor."

Mrs. Cohen already had one son—who is now a 29-year-old department store executive—and that birth had gone smoothly.

SHE WAS AFRAID

When Mrs. Cohen went home after conferring with the obstetrician, she says she was "upset and frightened."

"I had a feeling there was something wrong that the doctor wasn't telling me," she explained.

Years later, Mrs. Cohen says, she discovered what the doctor was allegedly holding back from her: That he was a research obstetrician and he was then experimenting with a new method of administering the labor-inducing drug Pitocin.

On the afternoon of July 10, Mrs. Cohen says, her husband Irving, an auditor, called the obstetrician.

"The doctor said I might have the baby on the street. He asked my husband if he wanted his wife to have her baby on the street? . . . He told my husband not to interfere."

MAKES DECISION

Mrs. Cohen then made the decision that has haunted her the rest of her life: She agreed to have labor induced, as the doctor had ordered.

"In my day," she recalls, "the doctor's word was law. The women of my generation never questioned a doctor's motives. It was taken for granted that what the doctor advised must be the right thing . . . We were wrong."

On July 12, 1951, Mrs. Cohen says she entered Columbia Presbyterian and she was given the Pitocin intravenously by an assistant. Her obstetrician, she was informed, was busy with another patient.

For a long time after the injection, she says, there were only faint contractions. "But suddenly I had a contraction so painful and sustained—it was completely different from my first birth. I expected pain, but not that . . . I was convinced that I'd never leave that hospital alive."

LEAVES HOSPITAL

But her beautiful baby Ben was born, weighing a healthy six pounds ten ounces. Five day later, Mrs. Cohen left Columbia Presbyterian with her "seemingly beautiful" child.

Before Ben was one year old, however, she began to notice that something was wrong with him.

"It was during that time after the war when everybody was having babies," says Mrs. Cohen, who then lived in Washington Heights.

"We'd all meet in the park, and Ben was different from all the other children. There were one or two retarded kids . . . But there weren't any other children like Ben."

Doctors told Mrs. Cohen they were baffled by Ben's problem, and they could find no physiological damage.

As Ben grew older, he had difficulties relating to other children.

RAN OTHER WAY

"Every day, there must have been 75 kids playing on 170th Street near our house," Mrs. Cohen recalls. "But Ben just couldn't seem to understand how to play. To the other children, and to my older son, it was

easy to learn that when you hit the ball you were supposed to run to first base. But when Ben hit the ball, he'd run the other way."

School was another obstacle for Ben.

"He didn't want to go to kindergarten. I had to drag him out of bed every morning and dress him from scratch. At first, I even had to carry him there. It looked awful, a mother carrying a great big kid to school."

Ben spent his entire first week of kindergarten "spread-eagled on the floor," refusing to participate, says Mrs. Cohen.

BUTT OF JOKES

In elementary school in Washington Heights, she says, "he was the butt of the jokes of every tease in the class." His adjustment problems were exacerbated by his hyperactivity and by his occasional violent temper tantrums—sometimes aimed at his parents and other times at his classmates.

As doctors still insisted there was no physiological damage, Mrs. Cohen began to blame herself for her son's ailments.

"Every day I used to ask myself, 'What did I do to this poor boy to bring this on?' I felt very guilty."

Years later, Mrs. Cohen's guilt was replaced by rage when she obtained a copy of an official Columbia Presbyterian Medical Center report, dated Dec. 8, 1955, which concluded that her then four-year-old son may have sustained damage to his central nervous system—although the mother was never informed of this fact.

HE'S UNPREDICTABLE

Ironically, Mrs. Cohen thinks it may have been easier for her if Ben were born completely retarded. "Life would have been more predictable if he were retarded. As it was, the only thing that was predictable about Ben was that he was unpredictable."

Such unpredictability was illustrated by his frequent, sudden outbursts of temper, as well as by the occasional good marks he received in school, especially in science courses.

Finally, when Ben was 9, it was diagnosed that he had suffered brain damage, probably at birth. Ben's particular ailment warps his sense of time and space, as well as making it difficult for him to grasp concepts and think abstractly.

LEARNING DISABILITY

Ben's problem, which used to be referred to as "minimal brain dysfunction," is nowadays grouped under the catch-all phrase of "learning disability." Some 10 million children in the United States are thought to be suffering learning disabilities to some extent, many of them more subtle than Ben's.

Although there is little definitive proof, Mrs. Cohen and others contend that expectant mothers' increasing reliance on drugs has contributed to the postwar explosion of children with learning disabilities.

The learning problems are generally thought to be brought on by brain dysfunction, which experts believe can be caused by, among other factors, poor diet, injury or illness of the mother during pregnancy, and inadequate oxygen during birth—which can be an effect of unnecessarily-used obstetric drugs.

Consequently, Mrs. Cohen believes her crusade against the liberal use of obstetrical drugs has ramifications far beyond her own personal cause.

"We're part of an enormous problem," she says. "We don't even know how many kids are walking around with damaged brains brought on by these drugs . . . It's easy to see the problem in my Ben, but how many other kids are going around with much more subtle damage because of the drugs? What right have we to reduce someone's intelligence by even one iota by using these drugs?"

OTHER HARMFUL DRUGS

Besides the damage done by medications given to mothers during childbirth, Mrs. Cohen notes that abnormalities have resulted in children when expectant mothers took other drugs, such as Diethystilbestrol (DES), which was prescribed to prevent miscarriages and Thalidomide, a tranquilizer.

In addition, Mrs. Cohen says, the accepted obstetrical practice in the United States of keeping women lying on their backs during labor and delivery has been criticized by many experts, who maintain that lying on one's side, sitting or squatting during childbirth is healthier for both the mother and the fetus.

But before Mrs. Cohen ever became aware of these larger issues, her son attended several different schools, until his inability to adjust persuaded her to withdraw him from George Washington High School while he was in tenth grade.

Three years earlier, in 1966, Mrs. Cohen read a magazine article entitled "Babies by Appointment?" which first led her to suspect that she had been a "guinea pig" for a research obstetrician.

ALWAYS CONTROVERSIAL

The article stated that Pitocin, the drug Mrs. Cohen had been given to induce labor, had always been controversial—not "absolutely safe and routine," as she says the doctor assured her. The article further explained how the prolonged contractions brought on by Pitocin may "clamp down on the blood vessels of the placenta, thus depriving the fetus of oxygen-carrying blood for longer periods than with a slower labor."

Mrs. Cohen was outraged.

In testimony presented last year to the Obstetrics and Gynecology Committee of the Food and Drug Administration, Mrs. Cohen related her reaction to this new found information: "I began to ask many questions. I began to suspect that a frightening situation existed in obstetrics, that people who were supposed to be protecting the welfare of our children were not aware of what was developing in our school population.

MALPRACTICE SUIT

In 1969, Mrs. Cohen started the process of filing a malpractice suit against Columbia Presbyterian Medical Center and the obstetrician who delivered her son.

In October, 1975, a jury in Manhattan State Supreme Court ruled that there was no malpractice.

Shortly before that verdict, Mrs. Cohen says, she and her husband turned down an offer from hospital attorneys to settle for $100,000 in damages.

Mrs. Cohen rejected the cash settlement, she says, because she was "absolutely convinced" of the suit's justice, and had she accepted the money she probably would have been obligated to remain silent about her complaint.

"I think that would have choked me," Mrs. Cohen says.

SHE'S ENCOURAGED

Despite her frustrating experiences, Mrs. Cohen was cheered by her successful effort to have the obstetrical-warning bill passed—even though she warns that the new law "is only a start."

She says she would like to see the movement culminate in a realization on the part of all parents that, "The protector of the child are its mother and father—not the medical profession."●

PRESIDENT'S OIL DEREGULATION COSTS ALL AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ECKART) is recognized for 5 minutes.

● Mr. ECKART. Mr. Speaker, President Reagan yesterday issued an Executive order that immediately ended Federal price and allocation controls on U.S. oil, gasoline, and petroleum products.

The Reagan administration estimates that the effect of this price decontrol will be to raise retail gasoline prices by only 3 to 5 cents per gallon.

Other estimates, however, have projected the impact of full decontrol at anywhere from 6 to 12 cents per gallon.

Mr. Speaker, the only thing that we can be sure of is that Americans will soon be paying higher prices at the gasoline pump as a direct result of the President's order. This is the same man who railed against inflationary governmental actions during the recent Presidential campaign.

The President issued this Executive order with the hope that it would stimulate domestic oil production. This is a forlorn hope indeed. Oil industry officials agree that nearly every promising exploration and production project is already being pursued, and that the extra revenues from decontrol, while they will be quite substantial, will not make much difference.

Mr. Speaker, with all price controls on oil removed, the price of virtually all the U.S. supply of oil, whether produced domestically or abroad, will now be set by OPEC decisions.

While higher fuel prices will undoubtedly lower total energy consumption, placing domestic fuel prices at the world market level will also amplify the effect of OPEC price increases on the American economy. If there is a disruption in the world oil market, Americans will be paying even higher prices with no effective recourse open to them.●

PROPOSED OMB FOREIGN AID REDUCTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 30 minutes.

● Mr. ZABLOCKI. Mr. Speaker, I would like to bring to your attention and that of the other Members of the House a matter of the utmost importance, the OMB proposal to cut U.S. foreign assistance programs by $777 million in fiscal year 1981 and by $1.530 billion in fiscal year 1982.

The proposed cuts are not merely the work of an overzealous budget cutter who has been in office barely a week. They are irresponsible in terms of the U.S. national interest. They could have been conceived only by persons who do not comprehend the role and interests of the United States in world affairs and how they are served by U.S. assistance programs.

The fact is that our military and economic aid programs overseas are just as necessary to America's security and well being as our defense spending. It makes no sense to put taxpayer's dollars into building up our military might, without at the same time promoting aid programs which make the world a safer place to live in. Our foreign assistance levels already have been subjected to excessive cuts over the past 2 years. We should not be cutting them again where it hurts our own best interests.

The Stockman/OMB redraft of the Carter budget reported in the newspapers today would drastically reduce U.S. assistance funds for the food-for-peace program—Public Law 480—the Peace Corps, economic development in Third World countries, international financial institutions, and international organizations. By 1985 the cut would be 50 percent of earlier projected budget figures.

For an administration that campaigned on pledging to strengthen U.S. national defense, it is incredible that its budget czar could have such a narrow understanding of U.S. national security as to think that it translates only into guns and money for the Defense Department, without any appreciation of the critical role that is also played by U.S. economic/political interests around the world.

Objective and responsible students of U.S. foreign policy and national security are well aware that the threat to U.S. security comes, not just from the Soviet Union, but also from political/economic instability that creates fertile pastures for the sowing of radical ideologies and the type of disrruption that the Soviet Union and Cuba like to foment. What is happening in Central America and the Caribbean today, for example, illustrates how U.S. national security must be defined, not just in terms of military hardware, but also in economic and social terms.

The OMB proposal, among other things, would phase out the concessional sales portion of Public Law 480, the food-for-peace program, which has served the United States so well abroad since its enactment by Congress more than a quarter century ago. This overseas use of U.S. farm surpluses not only feeds millions of poverty-stricken people and helps in economic development of poor countries, but it also helps develop U.S. agricultural markets abroad, furthers U.S. foreign policy interests, and improves prices for U.S. farmers at home. As the OMB document admits, one consequence of the cut would be to force Egypt to seek help from elsewhere, for example, at this delicate point in the Middle East peace process.

Stockman's drastic reductions in U.S. contributions to the World Bank and the International Development Association and other multilateral development banks would include reneging on some commitments the United States previously indicated it would enter into. The big cut is argued on the grounds that the United States should focus assistance on a few select countries. Again, such a cut can only be premised on the misperception that the U.S. interests involve only a few developing countries and that those interests can be secured through manipulating a small amount of bilateral assistance. In reality, we have a long-term interest in the economic growth and stability of many if not all developing countries, and in the multilateral development banks. One U.S. dollar can leverage 60 to 70 additional developmental dollars because of the contributions made by others. Contributing to an international development bank clearly is a cost effective way to promote our interests—one would think that a budget "expert" would be particularly appreciative of that fact.

Furthermore, the OMB proposal ignores the many positive political and economic benefits that multilateral bank programs contribute to our country. For example, U.S. participation in the general capital increase of the World Bank, at a budgetary cost of $635 million spread over several years, will result in procurement in the United States of over $8 billion, an increase in U.S. export activity which will more than pay for the costs of our participation. Moreover, continued U.S. economic growth is closely related to economic growth in developing countries, which are the largest and most rapidly increasing market for U.S. exports. Developing countries bought 39 percent of U.S. manufacturing products and a quarter of U.S. agricultural produce in 1979.

As I mentioned, the Stockman proposal would force the United States to renege on legal financial commitments already made to international organizations pursuant to international agreements and treaties. Not only would this damage America's credibility and honor, it would also contribute to the collapse of essential activities such as those carried out by the World Health Organization—WHO—and the U.N. peacekeeping forces which have been of direct benefit to the United States.

With respect to the World Bank, the OMB cut would reduce the U.S. contribution below 20 percent and thus would lose for the United States the power it has held to veto any bank charter amendments, a power we have had ever since the bank was created after World War II.

Again, what rationale can there be to propose a 25-percent cut in the Peace Corps? The Peace Corps is composed of thousands of volunteers among America's young men and women and includes some older volunteers as well. They are among our finest citizens. They serve abroad with little pay, at considerable self-sacrifice and often hardship. They constitute a low-budget, highly cost effective U.S. program in developing countries. What program brings the United States more good will in countries around the world than the Peace Corps?

While the Stockman document repeats the Reagan position that bilateral aid should take priority over U.S. participation in multilateral programs, it is ironic that most of the outlay savings will come almost exclusively from bilateral programs, especially the very effective food-for-peace program—Public Law 480.

I am confident that once those in the new administration responsible for U.S. national security and foreign policy have looked at this proposed budget retrenchment, there will be a return to sensibility and more reasonable budget figures. To assist in that process and to inform the Congress and the public of the extent and variety of U.S. interests around the world, I anticipate that the Committee on Foreign Affairs will begin its review of the fiscal year 1982 foreign assistance budget by first hearing from the officials who developed the Carter budget proposals and then from the Reagan officials when they complete their budget review. The committee will take a fair and balanced look at the two budgets. It will approach the matter from the perspective that budget cutting clearly is desirable, but not to the extent that it jeopardizes important U.S. national security and foreign policy interests.●

FIRST HOMEOWNERSHIP ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, today I am reintroducing legislation which I introduced in the 96th Congress to aid citizens of our country in purchasing a first home. This legislation, the First Homeownership Act of 1981, will provide a tax-free savings account for individuals purchasing a first home, and tax credits for contributions to that account.

79-059 O — 84 —— 83 (Vol. 127 Pt. 1)

We are all aware of the present difficulties facing the housing industry. During the past year, housing starts hit an alltime record low, while interest rates spiraled to record highs. This economic roller coaster has devastated the housing industry. Persons interested in purchasing a home for the first time, particularly young couples, have been most affected. With high mortgage rates, monthly mortgage payments are so expensive that young couples are finding them unaffordable, and the dream of homeownership is being destroyed.

This tragic situation is not unique to residents in populous States like California or New York, but persons all across the Nation who are experiencing similar difficulties. Housing statistics indicate that in 1977 median home prices were around $44,000. Today, that price is up almost 35 percent to nearly $65,000 with many areas ranging from $75,000 to $100,000. At the same time, median monthly housing costs, including the mortgage payment, taxes, utilities, and insurance, have also increased 35 percent to over $600 per month. During this period, the percentage of first-time home buyers have declined from 36 percent to less than 18 percent of all buyers.

In view of this situation, Congress must recognize the need for action in this area. I believe my legislation is an effective approach to addressing this problem, by targeting assistance to low- and moderate-income people, the hardest hit by increased home prices.

My legislation offers three basic features: A tax-free individual housing account; a tax credit for contributions to that account; and, an income scale that limits the size of the tax credit for contributions to that account. These features are intended to provide incentives to encourage homeownership as well as increase the savings availability of mortgage funds.

The option to establish an individual housing account would be made available only to those interested in purchasing their first home. Like the individual retirement account (IRA), interest income on an individual housing account would be exempt from Federal income tax. As an added incentive to save, this legislation would provide for a tax credit of up to $500 based upon income level and the amount contributed to the account.

The tax credit would range from 1 to 20 percent of a person's annual contribution to the individual housing account with a maximum contribution of $2,500 in any given year. People earning under $25,000 would be eligible for the full 20-percent credit. Each additional $1,000 of income would reduce the allowable tax credit by 1 percentage point. My legislation places a 10-year limit on the life span of these accounts, and provides strict penalties for using the funds for any purpose other than the purchase of a first home.

With the housing industry in the midst of an economic recession, there is an obvious need to assist first-time home buyers. By providing assistance to the housing industry, it will surely benefit our overall economy. More importantly, it will help renew the hope that many Americans can share in the dream of owning a home. I urge my colleagues to support this legislation.

The bill follows:

H.R. 1490

A bill to amend the Internal Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "First-Home Ownership Act of 1981".

SEC. 2. ALLOWANCE OF CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by inserting after section 44E the following new section:

"SEC. 44F. CONTRIBUTIONS TO INDIVIDUAL HOUSING ACCOUNTS.

"(a) CREDIT ALLOWED.—In the case of an individual who has never owned a principal residence (within the meaning of section 1034) by himself or with one or more other individuals, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the product of—

"(1) the applicable percentage, and

"(2) the sum of the amounts paid in cash by such individual to an individual housing account during the taxable year before the purchase of such a principal residence.

"(b) LIMITATIONS.—

"(1) MAXIMUM ANNUAL CREDIT.—The amount which may be taken into account under subsection (a)(2) by an individual for any taxable year shall not exceed $2,500. In the case of a married couple filing separate returns, the sum of the amounts which may be taken into account by each of them under subsection (a)(2) for the taxable year shall not exceed such amount.

"(2) MAXIMUM LIFETIME CREDIT.—The amount which may be taken into account under subsection (a)(2) by an individual for all taxable years shall not exceed $10,000. In the case of a married individual, such $10,000 amount shall be reduced by an amount equal to the sum of the amounts taken into account for all taxable years by his spouse.

"(3) MINIMUM DEPOSIT PERIOD.—Any amount paid into an individual housing account which is paid or distributed out of the account less than 12 months after it was paid into the account shall be treated as if it were not contributed. For purposes of this paragraph, any amount paid or distributed out of such an account shall be treated as having been distributed out of the most recently contributed amounts.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) INDIVIDUAL HOUSING ACCOUNT.—The term 'individual housing account' means a trust created or organized in the United States for the exclusive benefit of an individual, or in the case of a married individual, for the exclusive benefit of the individual and his spouse jointly, but only if the written governing instrument creating the trust meets the following requirements:

"(A) No contribution will be accepted unless it is in cash, and contributions will not be accepted for the taxable year in excess of $2,500 on behalf of any individual or in excess of $10,000 on behalf of an individual for all taxable years.

"(B) The trustee is a bank (as defined in section 401(d)(1)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section.

"(C) No part of the trust funds will be invested in life insurance contracts.

"(D) The interest of an individual and the balance in his account is nonforfeitable.

"(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(F) The entire interest of an individual or married couple for whose benefit the trust is maintained will be distributed to him, or them, not later than 120 months after the date on which the first contribution is made to the trust.

"(2) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means a percentage determined in accordance with the following table:

"If adjusted gross income is:	The applicable percentage is:
Not over $25,000	20
Over $25,000 but not over $26,000	19
Over $26,000 but not over $27,000	18
Over $27,000 but not over $28,000	17
Over $28,000 but not over $29,000	16
Over $29,000 but not over $30,000	15
Over $30,000 but not over $31,000	14
Over $31,000 but not over $32,000	13
Over $32,000 but not over $33,000	12
Over $33,000 but not over $34,000	11
Over $34,000 but not over $35,000	10
Over $35,000 but not over $36,000	9
Over $36,000 but not over $37,000	8
Over $37,000 but not over $38,000	7
Over $38,000 but not over $39,000	6
Over $39,000 but not over $40,000	5
Over $40,000 but not over $41,000	4
Over $41,000 but not over $42,000	3
Over $42,000 but not over $43,000	2
Over $43,000 but not over $44,000	1
Over $44,000	0

"(3) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—In the case of a married couple filing separate returns, the applicable percentage shall be determined by multiplying each dollar amount in the table in paragraph (2) by one-half.

"(d) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, if any amount is paid or distributed out of an individual housing account for any purpose other than the purchase of a principal residence, then the tax under this chapter for the taxable year shall be increased by an amount equal to 20 percent of the amount so paid or distributed. The basis of any person in such an account is zero.

"(2) EXCESS CONTRIBUTION RETURNED BEFORE DUE DATE OF RETURN.—Paragraph (1) does not apply to the distribution of any contribution paid during a taxable year to an individual housing account to the extent that such contribution exceeds $2,500 if—

"(A) such distribution is received on or before the day prescribed by law (including

extensions of time) for filing such individual's return for such taxable year,

"(B) no credit is allowed under subsection (a) with respect to such excess contribution, and

"(C) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in subparagraph (C) shall be included in the gross income of the individual for the taxable year in which it is received.

"(3) TRANSFER OF ACCOUNT INCIDENT TO DIVORCE.—The transfer of an individuals housing account to his former spouse under a divorce decree or under a written instrument incident to a divorce is not to be considered a taxable transfer made by such individual notwithstanding any other provision of this subtitle, and such interest, at the time of the transfer, is to be treated as an individual housing account of the spouse, and not of such individual. After the transfer, the account is to be treated, for purposes of this subtitle, as maintained for the benefit of the spouse.

"(4) AMOUNTS NOT MEETING MINIMUM DEPOSIT PERIOD REQUIREMENT.—Paragraph (1) does not apply to any amount to which subsection (b)(3) applies.

"(e) TAX TREATMENT OF ACCOUNTS.—

"(1) EXEMPTION FROM TAX.—Any individual housing account is exempt from taxation under this subtitle unless such account has ceased to be an individual housing account. Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations).

"(2) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year, the individual for whose benefit an individual housing account is established uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual.

"(f) ADDITIONAL TAX FOR CERTAIN AMOUNTS DISTRIBUTED.—

"(1) DISTRIBUTION NOT USED TO PURCHASE RESIDENCE.—If a distribution from an individual housing account to an individual for whose benefit such account was established is made, and such distribution is not used in connection with the purchase of a principal residence for such individual, the tax liability of such individual under this chapter for the taxable year in which such distribution is received shall be increased by an amount equal to 10 percent of the amount of the distribution.

"(2) DISABILITY CASES.—Paragraph (1) does not apply if the payment or distribution is attributable to the taxpayer becoming disabled within the meaning of section 72(m)(7).

"(g) COMMUNITY PROPERTY LAWS.—This section shall be applied without regard to any community property laws.

"(h) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 401(d)(1)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an individual housing account described in subsection (c). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(i) REPORTS.—The trustee of an individual housing account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.

"(j) REDUCTION OF BASIS.—The basis of any residence acquired with funds withdrawn from an individual housing account shall be reduced by an amount equal to the amount of expenditures made in connection with the acquisition of the residence out of such funds."

(b) TAX ON EXCESS CONTRIBUTIONS.—Section 4973 of such Code (relating to tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, certain individual retirement annuities, and certain retirement bonds) is amended—

(1) by inserting "INDIVIDUAL HOUSING ACCOUNTS," after "ACCOUNTS," in the caption of such section,

(2) by redesignating paragraphs (2) and (3) of subsection (a) as (3) and (4), and by inserting after paragraph (1) the following:

"(2) an individual housing account (within the meaning of section 44F(c)(1)),", and

(3) by adding at the end thereof the following new subsection:

"(d) EXCESS CONTRIBUTIONS TO INDIVIDUAL HOUSING ACCOUNTS.—For purposes of this section, in the case of an individual housing account, the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the account exceeds $2,500 for such taxable year or, for all taxable years, exceed $10,000. For purposes of this subsection, any distribution to which section 44F(d)(2) applies shall be treated as an amount not contributed."

(c) REFUND OF EXCESS CREDIT.—

(1) Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)", and inserting in lieu thereof the following: "43 (relating to earned income credit), and 44F (relating to contributions to individual housing accounts)", and

(B) by striking out "sections 31, 39, and 43" and inserting in lieu thereof the following: "sections 31, 39, 43, and 44F".

(2) Paragraph (4) of section 6201(a) (relating to erroneous credit under section 39 or 43) is amended—

(A) by striking out "section 39 or 43" in the caption and inserting in lieu thereof the following: "section 39, 43, or 44F", and

(B) by striking out "or section 43 (relating to earned income)," and inserting in lieu thereof the following: ", section 43 (relating to earned income), or section 44F (relating to contributions to individual housing accounts),".

(d) FAILURE TO PROVIDE REPORTS ON INDIVIDUAL HOUSING ACCOUNTS.—Section 6693 of such Code (relating to failure to provide reports on individual retirement account or annuities) is amended—

(1) by inserting "OR ON INDIVIDUAL HOUSING ACCOUNTS" after "ANNUITIES" in the caption of such section, and

(2) by adding at the end of subsection (a) the following: "The person required by section 44F(i) to file a report regarding an individual housing account at the time and in the manner required by such section shall pay a penalty of $10 for each failure unless it is shown that such failure is due to reasonable cause."

(e) ADJUSTMENT OF BASIS OF RESIDENCE PURCHASED THROUGH USE OF AMOUNTS IN ACCOUNT.—Section 1016(a) of such Code (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (21), by striking out the period at the end of paragraph (22) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(23) in the case of a residence the acquisition of which was made in whole or in part with funds from an individual housing account, to the extent provided in section 44F(j)."

(f) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Contributions to individual housing accounts."

(2) The table of sections for chapter 43 of such Code is amended by striking out the item relating to section 4973 and inserting in lieu thereof the following:

"Sec. 4973. Tax on excess contributions to individual retirement accounts, individual housing accounts, certain 403(b) contracts, certain individual retirement annuities, and certain retirement bonds."

(3) The table of sections for subchapter B of chapter 68 of such Code is amended by striking out the item relating to section 6693 and inserting in lieu thereof the following:

"Sec. 6693. Failure to provide reports on individual retirement accounts or annuities or on individual housing accounts."

(g) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1980.●

IMPROVEMENTS FOR NATIONAL GUARD AND RESERVES

The SPEAKER pro tempore. Under a previous order of the House, the gentlemen from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, I am introducing with Mrs. HOLT 10 bills to provide essential improvements for the National Guard and Reserves in this country. Each is designed to correct inequities or weaknesses that exist in our current system.

I am compelled by my concern for the manpower problems in the armed services to work toward a return to a partial draft. The bill I have introduced today would assure a continuation of the registration with the Selective Service established last summer, provide for classification and a partial draft into the Individual Ready Reserve. The legislation would assist the military services in meeting the manpower needs that we are unable to attain with the All-Volunteer Forces. There is no question that

our Active Forces have fallen short qualitatively as well as quantitatively of our personnel needs. My bill is designed to help assure our armed services with adequately trained replacement troops to meet national emergencies.

An amendment to title 38, United States Code, would increase the maximum amount of servicemen's group life insurance to $40,000. Under current law the maximum is $20,000, and this figure is long overdue an adjustment for inflation. The $40,000 figure accomplishes an equitable increase. This would be at no extra expense to the Government; the insurance program is self-sustained with the premiums covering the benefits.

Next, I have written a bill amending the fiscal year 1981 Department of Defense Authorization Act to extend the educational loan repayment in behalf of persons serving as officers in pay grade O-1 and O-2 in the Selected Reserves. Section 902 of the Authorization Act authorizes partial repayment of certain federally guaranteed or insured educational loans in behalf of persons who enlist or reenlist for service on active duty in the Selected Reserves. The repayment is limited to $500 or 15 percent of the loan for each year of service. This was designed as a very effective incentive for enlistment into the Selected Reserves, but its success has been met with the unintended result of deterring participation in Officer Candidate School accessions in the National Guard. Officer candidates would, upon appointment, cease to accrue entitlement to loan repayment under this law. The amount of loan repayment available to the enlisted personnal can be substantial and the large amount of money lost with the acceptance of a commission serves as a prohibitive factor in enrollment of potentially skillful leaders in the OCS program. With this legislation extending the same entitlement to members of the Selective Reserves serving as officers in pay grades O-1 and O-2, enlisted members who subsequently accept a commission would continue to accrue entitlement long enough to allow maximum benefits under the law.

I am introducing two measures to correct inequities for members of the Reserve components serving in hazardous duty and aviation positions. Currently these men and women by law are entitled to hazardous duty incentive pay and aviation career incentive pay: First, only when they are entitled to basic pay, and second, on the basis of one-thirtieth of the monthly entitlement for each unit training assembly. This method is unfair to members of the National Guard and other members of the Selected Reserves who may perform hazardous duties or aerial flights to virtually the same extent as their active-duty counterparts but who, because the activities are concentrated into a few training assemblies, receive far less incentive pay than members on active duty. This bill would allow members of the Selected Service who qualify for the pay on the same basis as active duty personnel to draw the incentive pay in full.

My bill to amend section 1333 of title 10, United States Code relates to retirees point credit for nonregular service. The purpose is to eliminate the 60-point-per-year ceiling which prevents members of the Reserve components from receiving retirement credit for more than 45 days in any one year for attendance at drills. This bill would authorize a member of the Reserve component who attends in excess of 45 drills or equivalent periods of instruction per year to be awarded retirement point credit for the excess performances after June 30, 1975.

I am also introducing three measures to provide currently unavailable medical and dental benefits to members of the National Guard and Reserves:

A bill to amend titles 10, 32, and 37 authorizing medical and dental care and related benefits for reservists and members of the National Guard under certain conditions. This would provide coverage to members for all travel to and from Guard/Reserve duty. Such full coverage is not now available to the member while he is en route to or returning from a required training assembly. There have been cases of injuries for which there should have been compensation but none was authorized. This bill corrects this oversight in current law.

A bill to amend title 10, United States Code, to authorize additional medical and dental care for dependents of reservists and members of the National Guard, under certain conditions. Current death gratuity available to Guard members does not provide CHAMPUS and other related medical and dental care for their survivors. My bill would extend such benefits to survivors of guardsmen and reservists who are killed in the line of duty during an authorized training period.

A bill to authorize medical and dental care for reservists and members of the National Guard who become ill while on duty for 30 days or less. The current assumption that any illness contracted by a member of the Guard or Reserves was from other sources due to the brevity of duty time. This is an erroneous assumption and my bill would provide for coverage for illnesses that are legitimately contracted while the member is on authorized military duty.

My final bill would amend title 10 of the United States Code so as to permit members of the Reserves and the National Guard to receive retired pay at age 55 for nonregular service. This provides for early retirement to those men and women who have 20 years of acceptable military services in the Reserve and National Guard and gives them treatment more in line with that available to other members of the armed services.●

TRIBUTE TO THE MEMORY OF RONALD W. CHURCHILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. HUBBARD) is recognized for 5 minutes.

● Mr. HUBBARD. Mr. Speaker, it is my privilege today to offer a tribute to the memory of Ronald W. Churchill, who died at the age of 81 on Friday, January 2, at Murray in Kentucky's First Congressional District.

Not many people achieve the measure of admiration and respect that Ronald Churchill enjoyed. He earned that admiration and respect because he genuinely cared about people and about the welfare of his community.

He was a rarity—a man who had the vitality and know-how to be extremely effective in getting things done, yet warmth and sensitivity that made him a beloved leader.

A licensed funeral director for more than a half century before his retirement in 1973, Mr. Churchill was a devoted family man, a tireless community worker, and active member of the First Baptist Church of Murray, and an avid sportsman.

He became a member of the Murray Rotary Club in 1925, the year after it was chartered, and maintained a perfect attendance record for many years. In December, he was named a Paul Harris Fellow, the highest honor that can be awarded to a Rotarian.

Mr. Churchill also served on the Murray Board of Education, as a member of the Murray Chamber of Commerce, and was a founder and had held every office in the Western Kentucky Funeral Directors Association.

His knowledge of local history, his skill as a raconteur, his ready sense of humor, and his magnetic personality gave him a charm that endeared him to many.

Surviving are his wife of more than 57 years, Rebecca Wear Churchill of Murray; two daughters, Mrs. Martha Imes of Almo, Ky., and Mrs. Minnie Lee Walker of Brentwood, Tenn.; a son, Ronald W. Churchill, Jr., of Middleburg Heights, Ohio; a brother, Max Churchill of Murray; nine grandchildren; and eight great-grandchildren.

This Member of Congress considered Ronald W. Churchill to be an esteemed friend and truly an outstanding gentleman. He will be missed by me and by many.●

RULES OF PROCEDURE FOR THE COMMITTEE ON HOUSE ADMINISTRATION—97TH CONGRESS

(Mr. HAWKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HAWKINS. Mr. Speaker, in accordance with the rules of the House governing standing committees, I ask unanimous consent to insert in the RECORD at this point the rules of procedure for the Committee on House Administration—97th Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The rules of procedure for the Committee on House Administration—97th Congress—are as follows:

RULES FOR THE COMMITTEE ON HOUSE ADMINISTRATION, 97TH CONGRESS

RULE NO. 1—GENERAL PROVISIONS

(a) The Rules of the House are the rules of the committee and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules as far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X of House Rules and (subject to the adoption of expense resolutions as required by Rule XI, clause 5 of House Rules) to incur expenses (including travel expenses) in connection therewith.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committee under Rule X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record not later than 30 days after the Congress convenes in each odd-numbered year.

RULE NO. 2—REGULAR AND SPECIAL MEETINGS

(a) The regular meeting date of the Committee on House Administration shall be the first Wednesday of every month when the House is in session in accordance with Clause 2(b) of Rule XI of the Rules of the House. Additional meetings may be called by the chairman as he may deem necessary or at the request of a majority of the members of the committee in accordance with Clause 2(c) of Rule XI of the House of Representatives. The determination of the business to be considered at each meeting shall be made by the chairman subject to Clause 2(c) of Rule XI of the House of Representatives. A regularly scheduled meeting need not be held if there is no business to be considered.

(b) If the chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee the ranking member of the majority party on the committee or subcommittee who is present shall preside at the meeting.

(c) The committee may not sit, without special leave, while the House is reading a measure for amendment under the 5-minute rule.

RULE NO. 3—OPEN MEETINGS

As required by Clause 2(g), Rule XI, each meeting for the transaction of business, including the markup of legislation, of the committee or its subcommittees, shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, However,* that no person other than members of the committee, and such congressional staff and such departmental representatives as they may authorize, shall be present in any business or markup session which has been closed to the public. This provision does not apply to any meeting that relates solely to internal budget or personnel matters.

RULE NO. 4—RECORDS AND ROLLCALLS

(a) The result of each rollcall vote in any meeting of the committee shall be made available for inspection by the public at reasonable times at the committee offices, including a description of the amendment, motion, order or other proposition; the name of each member voting for and against, and whether by proxy or in person, and the members present but not voting.

(b) All Committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as a chairman of the committee; and such records shall be the property of the House and all members of the House shall have access thereto.

(c) In order to facilitate committee compliance with Paragraph (e)(1) of Clause 2, Rule XI, each subcommittee shall keep a complete record of all subcommittee actions which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each such rollcall vote shall be promptly made available to the full committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order or proposition, and whether by proxy or in person, and the names of those members present but not voting.

(d) All subcommittee hearings, records, data, charts, and files, shall be kept distinct from the congressional office records of the member serving as chairman of the subcommittee. Such records shall be coordinated with the records of the full committee, shall be the property of the House, and all members of the House shall have access thereto.

RULE NO. 5—PROXIES

A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing and in the hands of the chief clerk of the committee or the clerk of the subcommittee, as the case may be, during each rollcall in which such member's proxy is to be voted. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. The member does not have to appear in person to present the proxy.

RULE NO. 6—POWER TO SIT AND ACT; SUBPOENA POWER

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b)(1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

(b)(1) A subpoena may be authorized and issued by a committee or subcommittee under subparagraph (a)(2) in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpoenas under subparagraph (a)(2) may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpoenas shall be signed by the chairman of the committee or by any member designated by the committee.

(2) Compliance with any subpoena issued by the committee or subcommittee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

RULE NO. 7—QUORUMS

No measure or recommendation shall be reported to the House unless a majority of the committee is actually present. For the purposes of taking any action other than reporting any measure, issuance of a subpoena, closing meetings, promulgating Committee orders, or changing the Rules of the Committee, the quorum shall be one-third of the members of the Committee. For purposes of taking testimony and receiving evidence, two Members shall constitute a quorum.

RULE NO. 8—AMENDMENTS

Any Amendment offered to any pending legislation before the committee must be made available in written form when requested by any member of the committee. If such amendment is not available in written form when requested, the chair will allow an appropriate period of time for the provision thereof.

RULE NO. 9—HEARING PROCEDURES

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least 1 week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or

the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) Unless excused by the chairman, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 48 hours in advance of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) All other members of the committee may have the privilege of sitting with any subcommittee during its hearing or deliberations and may participate in such hearings or deliberations, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(e) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witness in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority. The chairman may accomplish this by recognizing two majority members for each minority member recognized.

(f) The following additional rules shall apply to hearings:

(1) The chairman at a hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) If the committee determines that evidence or testimony at a hearing may tend to defame, degrade, or incriminate any person, it shall—

(A) afford such person an opportunity voluntarily to appear as a witness;

(B) receive such evidence or testimony in executive session; and

(C) receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

RULE NO. 10—PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a)(1) It shall be the duty of the chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request.

(b)(1) No measure or recommendation shall be reported from the committee unless a majority of the committee was actually present.

(2) With respect to each roll call vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include.

(1) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the House separately set out and clearly identified;

(2) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of Rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days, commencing on the day on which the measure or matter(s) was approved, excluding Saturdays, Sundays, and legal holidays, in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c)) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(f) If hearings have been held on any such measure or matter so reported, the committee shall make every reasonable effort to have such hearings printed and available for distribution to the members of the House prior to the consideration of such measure or matter in the House.

RULE NO. 11—SUBCOMMITTEE OVERSIGHT

The standing subcommittees of the committee shall conduct oversight of matters within their jurisdiction in accordance with Rule X, clauses 2 and 3 of the Rules of the House of Representatives.

RULE NO. 12—REVIEW OF CONTINUING PROGRAMS; BUDGET ACT PROVISIONS

(a) The committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(c) of Rule XIII of House Rules.

(b) The committee shall review, from time to time, each continuing program within its jurisdictions for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefor would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

RULE NO. 13—BROADCASTING OF COMMITTEE HEARINGS

The rule for the broadcasting of committee hearings shall be the same as Rule XI, clause 3 of the Rules of the House of Representatives.

RULE NO. 14—COMMITTEE AND SUBCOMMITTEE STAFF

Except as provided in Rule XI, clause 5(d) of the Rules of the House of Representatives, the staff of the Committee on House Administration shall be appointed as follows:

A. The subcommittee staff shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman within the budget approved for the subcommittee by the full committee;

B. The staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority party members of the committee shall determine within the budget approved for such purposes by the committee;

C. The employees of the committee not assigned to a standing subcommittee or to the minority under the above provisions shall be appointed, and may be removed, and their remuneration determined by the chairman within the budget approved for such purposes by the committee.

RULE NO. 15—TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee or any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel will occur;

(3) The locations to be visited and the length of time to be spent in each;

(4) The names of members and staff seeking authorization.

(b)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the chairman. Before such authorization is given, there shall be submitted to the chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States shall be initiated by the chairman and shall be limited to members and permanent employees of the committee.

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (or members and staff attending meetings or conferences) shall submit a written report to the chairman covering the activities and other pertinent observations or information gained as a result of such travel.

(c) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel.

RULE NO. 16—NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) There shall be five Standing Subcommittees. The ratio (majority/minority) and jurisdiction of the subcommittees shall be:

Subcommittee on Accounts. (7/5).—Internal budget matters; expenditures from the contingent fund.

Subcommittee on Contracts and Printing (3/2).—Matters pertaining to contracts for goods and services. Matters pertaining to cost of printing, Government Printing Office, depository libraries, material printed in Congressional Record, executive papers and authorization for printing Army Engineers' reports.

Subcommittee on Services (3/2).—Matters pertaining to parking facilities, restaurant facilities, barber and beauty shop facilities, and other House services.

Subcommittee on Office Systems (3/2).—Matters pertaining to furniture, electrical and mechanical office equipment and other accoutrements for use in the office of members, officers or committees and matters pertaining to the development of management systems for such offices.

Subcommittee on Personnel and Police (3/2).—Matters pertaining to salary of scheduled House employees and Police, and number of positions.

(b) The chairman of the committee may appoint such ad hoc subcommittees as he deems appropriate.

(c) The chairman of the committee and the ranking minority member shall serve as ex-officio members without vote of all subcommittees of the committee unless either member is appointed as a voting member of any subcommittee.

RULE NO. 17—POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it. Subcommittee chairmen shall set meeting dates after consultation with the chairman of the full committee and other subcommittee chairmen, with a view toward avoiding simultaneous scheduling of committee or subcommittee meetings or hearings wherever possible. It shall be the practice of the committee that meetings of subcommittees not be scheduled to occur simultaneously with meetings of the full committee. In order to ensure orderly and fair assignment of hearing and meeting rooms, hearings and meetings should be arranged in advance with the chairman through the staff director of the committee.

RULE NO. 18—REFERRAL OF LEGISLATION TO SUBCOMMITTEES

All legislation and other matters referred to the committee shall be referred by the chairman to the subcommittee of appropriate jurisdiction within 2 weeks, unless by majority vote of the members of the full committee, consideration is to be otherwise effected. The chairman may refer the matter simultaneously to two or more subcommittees, consistent with House Rule X, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations), or divide the matter into two or more parts and refer each such part to a different subcommittee, or refer the matter pursuant to House Rule X to an ad hoc subcommittee appointed by the chairman for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate. The chairman may designate a subcommittee chairman or other member to take responsibility as "floor manager" of a bill during its consideration in the House.

RULE NO. 19—OTHER PROCEDURES AND REGULATIONS

The chairman of the full committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee.

RULE NO. 20—DESIGNATION OF CLERK OF THE COMMITTEE

For the purposes of these rules and the Rules of the House of Representatives, the staff director of the committee shall act as the clerk of the committee.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CLINGER) to revise and extend their remarks and include extraneous material:)

Mr. MCCLOSKEY, for 15 minutes, today.

Mr. JEFFORDS, for 10 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

(The following Members (at the request of Mr. FOLEY) to revise and extend their remarks and include extraneous material:)

Mr. WAXMAN, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BINGHAM, for 5 minutes, today.

Mr. WILLIAM J. COYNE, for 5 minutes, today.

Mr. ECKHART, for 5 minutes, today.

Mr. ZABLOCKI, for 30 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

Mr. HUBBARD, for 5 minutes, today.

Mr. STRATTON, for 60 minutes, February 3, 1981.

Mr. PEYSER, for 60 minutes, February 3, 1981.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. CLINGER) and to include extraneous matter:)

Ms. FIEDLER.

Mr. PETRI.

Mr. MCKINNEY.

Mr. RINALDO.

Mr. SMITH of New Jersey.

Mr. MICHEL.

Mr. BEREUTER.

Mr. HOLLENBECK.

Mr. FINDLEY.

Mr. PARRIS.

Mr. DERWINSKI in two instances.

(The following Members (at the request of Mr. FOLEY) and to include extraneous matter:)

Mr. FITHIAN.

Mr. ATKINSON.

Mr. MAZZOLI.

Mr. GAYDOS.

Mr. REUSS.

Mr. HAMILTON.

Mr. APPLEGATE.

Mr. ROSENTHAL.

Mr. MILLER of California in two instances.

Mr. DICKS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 304. An act to establish a national tourism policy and an independent Government agency to carry out the national tourism policy; to the Energy and Commerce Committee.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

ADJOURNMENT

Mr. SUNIA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 40 minutes p.m.), the House adjourned until tomorrow, Friday, January 30, 1981, at 11 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and delegations traveling under an authorization from the Speaker, concerning the foreign currencies and U.S. dollars utilized by them during the second, third, and fourth quarters of calendar year 1980 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Eugene F. Peters	10/23	10/26	Great Britain	210.60	515.97					210.60	515.97
	10/26	10/29	Belgium	10,459	117.00	727	24.40			11,186	141.40
	10/29	11/3	Germany	820.14	433.94					820.14	433.94
Roundtrip commercial air							1,065.00				1,065.00
Richard C. Barnes	10/23	10/26	Great Britain	210.60	515.97					210.60	515.97
	10/26	10/29	Belgium	10,459	117.00	727	24.40			11,186	141.40
	10/29	11/3	Germany	820.14	433.94					820.14	433.94
Roundtrip commercial air							1,065.00				1,065.00
Lionel E. Hall	10/23	10/23	Great Britain	210.60	515.97					210.60	515.97
	10/26	10/29	Belgium	10,459	117.00	727	24.40			11,186	141.40
	10/29	11/11	Italy	404,950	455.00	55,051	61.98			460,001	516.98
Roundtrip commercial air							1,150.00				1,150.00
James L. George	10/23	10/26	Great Britain	210.60	515.97					210.60	515.97
	10/26	10/29	Belgium	10,459	117.00	727	24.40			11,186	141.40
	10/29	11/3	Italy	404,950	455.00	55,051	61.98			460,001	516.98
Roundtrip commercial air							1,150.00				1,150.00
Committee total [3]					4,309.76		4,651.56				8,961.32

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Enter committee totals on the last page of the report only.

JACK BROOKS, Chairman.

January 21, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Thomas S. Dunmire, staff	10/14	10/17	Australia								
	10/17	10/24	New Guinea	767.80	904.00					767.80	904.00
	10/24	10/28	Philippines	2,272.50	300.00		3,093.30			2,272.50	3,393.30
Committee total [3]					1,204.00		3,093.30				4,297.30

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Enter committee totals on the last page of the report only.

January 19, 1981.

MORRIS K. UDALL, Chairman.

AMENDED REPORTS OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Expended between April 1 and June 30, 1980: Rental car for study mission to Israel	4/05	4/13	Tel Aviv, Israel	42,119.00	907.00						
Expended between July 1 and Sept. 30, 1980:											
Oliver, R. Spencer	9/11	10/5	Madrid, Spain	156,326.60	2,136.00						
Cosman, Catherine	10/3	10/7	London, England	160.74	387.00						
Wise, Samuel G.	9/6	9/21	Madrid, Spain	103,683	1,424.00						

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

December 31, 1980.

DANTE B. FASCELL, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Blackburn, Barbara	11/8	11/23	Madrid, Spain to U.S.A		89.00		[4]1,384.00			60,950.27	867.28
Boutin, George	11/20	12/4	Madrid, Spain to U.S.		89.00		1,084.00			102,839.00	1,335.00
Wise, Samuel G.	10/76	11/5	Madrid, Spain		89.00		[4]1,107.81			73,033.40	979.00
	11/6	11/8	Rome, Italy		51.00	36,580	484.50			246,519	273.00
	11/9	11/13	Madrid, Spain to U.S.A		89.00					26,824.00	356.00
	11/22	12/20	Madrid, Spain to U.S.A		89.00		[3]2,089.45			290,250.00	7,541.00
Pederson, M. Susan	11/9	12/20	Madrid, Spain to U.S.A		89.00		[1]558.00			200,587.00	3,649.00
Brescia, Christopher	11/22	11/23	Madrid, Spain	6,853	89.00		[3]1,547.65			6,853	89.00
	11/23	11/28	Geneva, Switzerland		100.00		[2]34.60			1,035.00	600.00
	11/29	12/20	Madrid, Spain to U.S.A		89.00		[2]749.10			145,479.00	1,969.00
Pennington, Paula	9/7		Madrid, Spain to U.S.A		89.00		[2]837.00			645,527.00	8,833.00
Sietzinger, Martin	9/19	10/17	Madrid, Spain to U.S.A	6,514.00	89.00		[4]1,218.00			187,604.00	2,892.00
	11/22	12/20	Madrid, Spain to U.S.A		89.00		[3]2,101.35			193,334.00	7,492.00
Cosman, Catherine	11/9	12/20	Madrid, Spain to U.S.A		89.00		[1]558.00			200,587.00	3,649.00
Hardt, John P., Library of Congress	12/12	12/16	Madrid, Spain to U.S.A	6,853.00	89.00					27,839.00	256.00
Davidson, Lynne Ann	11/9	12/20	Madrid, Spain to U.S.A		89.00		[1]558.00			241,349.33	3,149.64
Keesley, Elizabeth	11/8	12/20	Madrid, Spain to U.S.A		89.00		[4]1,084.00			287,368.40	3,738.00
Oliver, R. Spencer	10/10	10/76	Madrid, Spain to U.S.A		89.00		[2]2,410.00			109,553.40	1,424.00
	11/6	11/7	Brussels, Belgium	3,503	114.00		[4]1,703.40			3,503	114.00
	11/8	12/20	Madrid, Spain to U.S.A		89.00					293,654.00	3,827.00
Donovan, Margaret Ann	11/9	12/20	Madrid, Spain to U.S.A		89.00		[1]558.00			200,587.00	3,649.00
Fascell, Dante B	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[5]3,095.31			47,971	623.00
Pell, Claiborne	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[5]3,095.31			41,837.00	517.36
Bingham, Jonathan	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[5]3,095.31			47,971	623.00
Yates, Sidney	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[5]3,095.31			47,971	623.00
Fenwick, Millicent	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[5]3,095.31			38,571.00	500.92
O'Regan, Charles Robert	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[5]3,095.31			47,971	623.00
Christiansen, Gerald	11/22	11/29	Madrid, Spain to U.S.A	6,853.00	89.00		[5]3,095.31			40,971.00	523.09
Other official expenses (including rental cars and transportation) of the congressional delegation:										143,792.00	4,418.00
Committee total [6]							41,579.11				56,825.29

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended. [3] Travel by military aircraft.
[4] Special White House travel to Madrid with public members; return commercially. [5] Enter committee totals on the last page of the report only. [6] Round trip. [7] One way. [8] Train.

December 31, 1980.

DANTE B. FASCELL, Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

424. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the military family housing maintenance function at Luke Air Force Base, Ariz., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

425. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing mainte-

nance function at Malmstrom Air Force Base, Mont., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

426. A letter from the executive vice president, Potomac Electric Power Co., transmitting the company's balance sheet as of December 31, 1980, pursuant to section 8 of the act of March 4, 1913; to the Committee on the District of Columbia.

427. A letter from the Secretary of Commerce, transmitting the fourth interim report on the Federal involvement in the 1980 winter Olympic games, covering fiscal year 1980, pursuant to section 5 of Public Law 94-427; to the Committee on Energy and Commerce.

428. A letter from the Chairman, Federal Mine Safety and Health Review Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552(j); to the Committee on Government Operations.

429. A letter from the clerk, U.S. Court of Claims, transmitting the court's judgment order in docket No. 181-C, *The Confederated Tribes of the Colville Reservation* v. *The United States*; to the Committee on Interior and Insular Affairs.

430. A letter from the Comptroller General of the United States, transmitting a report on weapon system design (PSAD-81-17, Jan. 29, 1981); jointly, to the Committees on Government Operations and Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONKER (for himself, Mr. DICKS, Mr. FOLEY, Mr. LOWRY of Washington, Mr. MORRISON, Mr. PRITCHARD, and Mr. SWIFT):

H.R. 1486. A bill to establish the Protection Island National Wildlife Refuge, Jefferson County, State of Washington; to the Committee on Merchant Marine and Fisheries.

By Mr. BRODHEAD:

H.R. 1487. A bill to amend the Internal Revenue Code of 1954 to provide that certain trusts may be shareholders of subchapter S corporations; to the Committee on Ways and Means.

By Mr. CLINGER:

H.R. 1488. A bill to authorize the project for flood control at Lock Haven, Pa.; to the Committee on Public Works and Transportation.

By Mr. CORRADA:

H.R. 1489. A bill to permit the transportation of passengers between Puerto Rico and other U.S. ports on foreign-flag vessels when U.S. flag service for such transportation is not available; to the Committee on Merchant Marine and Fisheries.

By Mr. PANETTA:

H.R. 1490. A bill to amend the Internal Revenue Code of 1954 to provide credit for amounts contributed to an individual housing account; to the Committee on Ways and Means.

By Mr. MONTGOMERY (for himself and Mrs. HOLT):

H.R. 1491. A bill to amend titles 10, 32, and 37, United States Code, to authorize medical and dental care, and related benefits for reservists and members of the National Guard under certain conditions, and for other purposes; to the Committee on Armed Services.

H.R. 1492. A bill to amend title 10, United States Code, to authorize additional medical and dental care for dependents of Reservists and members of the National Guard, and for other purposes; to the Committee on Armed Services.

H.R. 1493. A bill to amend title 10, United States Code, to authorize medical and dental care and related benefits for Reservists and members of the National Guard who contract a disease or become ill while on duty for 30 days or less, and for other purposes; to the Committee on Armed Services.

H.R. 1494. A bill to amend title 37, United States Code, to grant to members of the Selected Reserve full entitlement to aviation career incentive pay; to the Committee on Armed Services.

H.R. 1495. A bill to amend title 37, United States Code, to grant to members of the Selected Reserve full entitlement to hazardous duty incentive pay; to the Committee on Armed Services.

H.R. 1496. A bill to extend certain educational loan repayment benefits to officers in the Selected Reserve of any of the Armed Forces who are serving in pay grade O-1 or O-2; to the Committee on Armed Services.

H.R. 1497. A bill to amend title 38, United States Code, to increase the maximum amount of servicemen's group life insurance from $20,000 to $40,000; to the Committee on Armed Services.

H.R. 1498. A bill to amend section 1333 of title 10, United States Code, relating to retirees point credit for nonregular service; to the Committee on Armed Services.

H.R. 1499. A bill to amend title 10 of the United States Code so as to permit members of the Reserves and the National Guard to receive retired pay at age 55 for nonregular service under chapter 67 of that title; to the Committee on Armed Services.

H.R. 1500. A bill to amend the Military Selective Service Act to require registration and classification under such act, to provide authority for induction of not more than 200,000 individuals each year for training and service in the Individual Ready Reserve of the Army Reserve, and for other purposes; to the Committee on Armed Services.

By Mr. GIBBONS:

H.R. 1501. A bill to protect taxpayers' privacy regarding third-party recordkeepers summoned to produce records of taxpayers and at the same time to insure effective, efficient enforcement of Internal Revenue Service third-party summons; to the Committee on Ways and Means.

H.R. 1502. A bill to insure the confidentiality of information filed by individual taxpayers with the Internal Revenue Service pursuant to the Internal Revenue Code and, at the same time, to insure the effective enforcement of Federal and State criminal laws and the effective administration of justice; to the Committee on Ways and Means.

By Mr. HOWARD:

H.R. 1503. A bill to amend the Communication Act of 1934 to provide that telephone receivers may not be sold in interstate commerce unless they are manufactured in a manner which permits their use by persons with hearing impairments; to the Committee on Energy and Commerce.

By Mr. McCLORY (for himself and Mr. DANIELSON):

H.R. 1504. A bill to provide Government indemnity for suppliers of products to the Government in certain cases in which such suppliers become liable for loss with respect to those products, and for other purposes; to the Committee on the Judiciary.

By Mr. McCLOSKEY:

H.R. 1505. A bill to amend title 10, United States Code, to eliminate certain limitations imposed on excess profits arising from any contract with any military department of the United States for the construction or manufacture of all or part of any complete aircraft or any contract with the Secretary of the Navy for the construction or manufacture of all or part of any complete naval vessel, and for other purposes; to the Committee on Armed Services.

By Mr. MOAKLEY:

H.R. 1506. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend certain provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; jointly, to the Committees on the Judiciary, Banking, Finance and Urban Affairs, and Science and Technology.

By Mr. PETRI (for himself, Mr. PANETTA, Mr. DUNCAN, Mr. TAUKE, Mr. BRODHEAD, Mr. LAGOMARSINO, Mr. DANIEL B. CRANE, and Mrs. FENWICK):

H.R. 1507. A bill to amend the Internal Revenue Code of 1954 to encourage the production of alcohol for fuel use by repealing the occupational tax on manufacturers of stills and condensers; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 1508. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize the Secretary of Transportation to require tire dealers or distributors to provide first purchasers with a form to assist manufacturers in compiling tire registration information and to require public notice of tire defects if the Secretary determines such notice is necessary in the interest of motor vehicle safety; to the Committee on Energy and Commerce.

By Mr. STUDDS (for himself, Mr. EDGAR, Ms. MIKULSKI, Mr. BRODHEAD, Mr. MOFFETT, Mr. ST GERMAIN, Mr. OBERSTAR, Mr. WASHINGTON, Mr. FRANK, Mr. HARKIN, Mr. MILLER of California, Mr. WOLPE, Mr. RATCHFORD, Mr. WEISS, Ms. OAKAR, Mr. SHANNON, Mr. FAZIO, Mr. LOWRY of Washington, and Mr. AUCOIN):

H.R. 1509. A bill to amend the Foreign Assistance Act of 1961 to prohibit military assistance under that act, and to prohibit sales or credits, under the Arms Export Control Act, to El Salvador; to the Committee on Foreign Affairs.

By Mr. SYNAR (for himself, Mr. JONES of Oklahoma, Mr. WATKINS, Mr. ENGLISH, Mr. EDWARDS of Oklahoma, and Mr. McCURDY):

H.R. 1510. A bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants; to the Committee on Energy and Commerce.

By Mr. WEAVER:

H.R. 1511. A bill to insure the availability of Oregon National Forest lands for timber production and other multiple uses, and to establish an appropriate balance of multiple uses on the national forests of Oregon; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. SOLOMON (for himself, Mr. DERWINSKI, Mr. COLLINS of Texas, Mr. LEVITAS, Mr. MURPHY, Mr. BAILEY of Missouri, Mr. HINSON, Mr. SMITH of Alabama, Mr. WHITEHURST, and Mr. LAGOMARSINO):

H. Con. Res. 47. Concurrent resolution expressing the sense of Congress that the President should seek through appropriate international means the apprehension, trial, and punishment of those responsible for the takeover of the U.S. Embassy in Teheran and the subsequent holding of American hostages; to the Committee on Foreign Affairs.

By Mr. ROE:

H. Res. 50. Resolution expressing the sense of the House that the Congress take immediate action to reimpose price controls on home heating oil and gasoline, and that pending such action the President rescind his decontrol order of January 28; to the Committee on Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DAN DANIEL introduced a bill (H.R. 1512) for the relief of John W. Wilson, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 27: Mr. AUCOIN, Mr. BAILEY of Pennsylvania, Mr. BARNARD, Mr. BEDELL, Mr. BENNETT, Mr. BEVILL, Mr. BONIOR of Michigan, Mr. COELHO, Mr. CORCORAN, Mr. DERWINSKI, Mr. DWYER, Mr. DYSON, Mr. EDGAR, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. FAZIO, Mr. GIBBONS, Mr. GORE, Mr. GREEN, Mr. GRISHAM, Mr. HEFNER, Mr. HIGHTOWER, Mr. HINSON, Mr. HORTON, Mr. HOWARD, Mr. IRELAND, Mr. JONES of Oklahoma, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEVITAS, Mr. LOWRY of Washington, Mr. MCEWEN, Mr. MOLLOHAN, Mr. MURPHY, Mr. PARRIS, Mr. PICKLE, Mr. PRICE, Mr. SAWYER, Mr. STANGELAND, Mr. STARK, Mr. STENHOLM, Mr. STUMP, Mr. WALKER, Mr. WHITEHURST, Mr. WON PAT, Mr. PANETTA, Mr. FORSYTHE, and Mr. MAZZOLI.

H.R. 1053: Mr. ALEXANDER, Mr. ANNUNZIO, Mr. ARCHER, Mr. AUCOIN, Mr. BAILEY of Pennsylvania, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BARNES, Mr. BEARD, Mr. BEDELL, Mr. BENEDICT, Mr. BENJAMIN, Mr. BLANCHARD, Mrs. BOGGS, Mrs. BOUQUARD, Mr. BROOKS, Mr. BROWN of Ohio, Mr. BROWN of Colorado, Mr. BROYHILL, Mr. BUTLER, Mr. CAMPBELL, Mr. CHAPPELL, Mr. CLAUSEN, Mr. COATS, Mr. COELHO, Mr. CONTE, Mr. CORCORAN, Mr. COUGHLIN, Mr. COURTER, Mr. DANIEL B. CRANE, Mr. D'AMOURS, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, Mr. DASCHLE, Mr. DAVIS, Mr. DE LA GARZA, Mr. DERWINSKI, Mr. DICKINSON, Mr. DICKS, Mr. DORNAN of California, Mr. DUNCAN, Mr. EMERY, Mr. ENGLISH, Mr. ERLENBORN, Mr. ERTEL, Mr. EVANS of Georgia, Mr. FAZIO, Mrs. FENWICK, Mr. FINDLEY, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FRENZEL, Mr. GEPHARDT, Mr. GINGRICH, Mr. GINN, Mr. GLICKMAN, Mr. GRADISON, Mr. GRAY, Mr. GREEN, Mr. GREGG, Mr. GRISHAM, Mr. GUARINI, Mr. GUYER, Mr. SAM B. HALL, JR., Mr. HALL of Ohio, Mr. HAMMERSCHMIDT, Mr. HANCE, Mr. HARTNETT, Mr. HEFNER, Mr. HIGHTOWER, Mrs. HOLT, Mr. HORTON, Mr. IRELAND, Mr. JEFFORDS, Mr. JOHNSTON, Mr. JONES of Tennessee, Mr. KAZEN, Mr. KINDNESS, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEHMAN, Mr. LONG of Louisiana, Mr. LOTT, Mr. LUJAN, Mr. LUNGREN, Mr. MCCLORY, Mr. MCCURDY, Mr. MCHUGH, Mr. MADIGAN, Mr. MARKS, Mr. MARTIN of North Carolina, Ms. MARTIN of Illinois, Mr. MAVROULES, Mr. MAZZOLI, Mr. MICHEL, Mr. MITCHELL of New York, Mr. MONTGOMERY, Mr. MOTTL, Mr. MURPHY, Mr. MURTHA, Mr. NEAL, Mr. NELLIGAN, Mr. NICHOLS, Mr. NOWAK, Mr. PARRIS, Mr. PASHAYAN, Mr. PEPPER, Mr. PRITCHARD, Mr. QUILLEN, Mr. RAHALL, Mr. RICHMOND, Mr. RITTER, Mr. ROBERTS of South Dakota, Mr. ROE, Mr. ROSE, Mr. ROTH, Mrs. ROUKEMA, Mr. ROUSSELOT, Mr. RUDD, Mr. SAWYER, Mrs. SCHNEIDER, Mr. SENSENBRENNER, Mr. SHELBY, Mr. SHUMWAY, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. STANTON of Ohio, Mr. STATON of West Virginia, Mr. STENHOLM, Mr. SWIFT, Mr. SYNAR, Mr. TAUKE, Mr. THOMAS, Mr. TRAXLER, Mr. WALGREN, Mr. WALKER, Mr. WATKINS, Mr. WEBER of Minnesota, Mr. WHITE, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WINN, Mr. WON PAT, Mr. WORTLEY, Mr. YATRON, Mr. YOUNG of Missouri, and Mr. ZEFERETTI.

H.R. 1330: Mr. GINGRICH, Mr. LOTT, Mr. HARTNETT, Mr. HINSON, Mr. WHITEHURST, and Mr. ROBERTS of South Dakota.

H.J. Res. 131: Mr. YATRON, Mrs. FENWICK, Mr. GUARINI, Mr. WEAVER, Mr. DE LA GARZA, Mr. KASTENMEIER, Mr. DOWNEY, Mr. JENKINS, Mr. DYSON, Mrs. HOLT, Mr. BOWEN, Mr. KAZEN, and Mr. ANDERSON.

H. Con Res. 34: Mr. BARNARD, Mr. ROBERT W. DANIEL, JR., and Mr. GARCIA.

H. Res. 30: Mr. ANNUNZIO, Mr. ASPIN, Mr. BARNES, Mr. BIAGGI, Mr. BRODHEAD, Mr. BROWN of California, Mr. D'AMOURS, Mr. DIXON, Mr. DOWNEY, Mr. DWYER, Mr. EDWARDS of California, Ms. FERRARO, Mr. FUQUA, Mr. GARCIA, Mr. GONZALEZ, Mr. HAWKINS, Mr. LAFALCE, Mr. LEVITAS, Mr. MATSUI, Mr. MAVROULES, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MURPHY, Mr. MURTHA, Mr. NOWAK, Mr. OTTINGER, Mr. PRICE, Mr. RATCHFORD, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SOLARZ, Mr. STARK, Mr. STRATTON, Mr. VENTO, Mr. WALGREN, Mr. WEISS, Mr. WILSON, Mr. DERWINSKI, Mr. DORNAN of California, Mr. MCDADE, Mr. RINALDO, Mr. MINETA, Mr. HERTEL, Mr. MINISH, Mr. GUARINI, Mr. WRIGHT, Mr. SEIBERLING, Mr. GEJDENSON, Mr. ECKART, Mr. ZEFERETTI, Mr. SUNIA, Mr. BONKER, Mr. ROE, and Mr. ROSENTHAL.

PETITIONS, ETC.

Under clause 1 of rule XXII,

21. The SPEAKER presented a petition of the Common Council, Buffalo N.Y., relative to Northern Ireland; which was referred to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

OFFING THE FROST BELT

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. HUGHES. Mr. Speaker, last Sunday the Washington Post Outlook section printed an article by the esteemed political analyst and author, Neal R. Peirce. Mr. Peirce has made an invaluable contribution to our body of knowledge about our Nation and its regional interplay for many years and this article was no exception to his always astute and farsighted thinking.

As a Representative of a Frost Belt State, I was appalled when the President's Commission for a National Agenda for the Eighties suggested that the Federal Government become involved in further efforts to assist the Sun Belt States at our expense. Federal policies have, for many years, favored the Sun Belt over the Frost Belt and nature has further blessed that region in the industrial era by making it energy rich while we in the Frost Belt suffer from a lack of energy resources.

Mr. Peirce also lays to rest the myth that the Frost Belt is being supported by the tax dollars of the Sun Belt. Discussing the repercussions of the Defense Department policy of moving military bases from the Frost Belt States to the Sun Belt States, a policy that has had a very negative impact on my own constituents in New Jersey, Mr. Peirce points out the present unfair Federal balance of payments:

> It is almost entirely because of defense outlays, in fact, that the Frost Belt states between 1975 and 1979 sent Washington $165 billion more in taxes than they received back in overall federal spending, while 32 Sun Belt and Western states have a $112 billion dollar surplus in the "balance of payments" with the federal government. Yet now we are told, in a section of the President's Commission report chaired by a Houston college President and written by a political scientist from Dallas, that the federal government should let the blind hand of market forces determine interregional movement. How nice. Now we have ours, and you can freeze.

Mr. Peirce closes his articles by reminding us of President Lincoln's warning that "A house divided against itself cannot stand." I can only hope that still prophetic phrase will be remembered in the coming years by those controlling the many policy areas that determine preferential regional treatment by the Federal Government.

I ask that Mr. Peirce's article be printed in its entirety in the RECORD following my remarks.

OFFING THE FROST BELT: A STUPID IDEA WHOSE TIME HAS COME

(By Neal R. Peirce)

As Ronald Reagan, the quintessential Sun Belt president, enters the White House this week, the storm flags of present loss and future peril are flying all across the nation's Northeast-Midwest quadrant, and especially over its older industrial cities.

The problem isn't Reagan himself—not yet, anyway. Rather, it's the mass of regional indicators already flashing red. The 1980 census figures show massive population drops in the older Eastern and Northeastern cities while such citadels as San Diego, Houston and Dallas ride a fast "up" escalator. The once-Empire State of New York loses 3.7 percent of it's people in a decade while Texas gains 26 percent, Florida 41 percent, California 18 percent. The impending congressional reapportionment will shift political power along with the people movement—a gain of 17 House seats by booming Sun Belt and western states, all at the expense of the Northeast and Midwest.

A drumbeat of newspaper headlines drives home the message: "South Leads, Northeast Lags in New Living Standard Measure"; "The Cities Call Out for Help But Their Voice Is Fainter"; "Energy To Foster Boom in West"; "Ohio Governor Urges New Taxes to Prevent 'Economic Disaster'"; "Personal Income to Rise Most Rapidly in West, South."

Behind the headlines, equally grim trends are reported. Since 1970, nearly a million manufacturing jobs have been lost in the region stretching from the chemical plants of Wilmington and the factories of Baltimore to the steel mills of Pittsburgh and Youngstown, the rubber plants of Akron and the auto plants of Dayton, Pontiac and Flint.

Now Detroit, quavering at the prospect of a Chrysler bankruptcy, faces a massive deficit last estimated at $150 million, and growing. New York City's welcome short-term budget surplus is said to be but a prelude to further crisis in a year or two. Accelerating decontrol of oil and gas prices floods the treasuries of such states as Texas, Oklahoma, Lousiana and Alaska with billions of dollars in severance taxes and royalty payments—even while service cutbacks and budget emergencies are the order of the day in Wisconsin, Michigan and Massachusetts.

Finally, in an act of monumental ineptitude, the outgoing Carter administration allows its President's Commission for a National Agenda for the Eighties to produce a report belittling hopes for the older industrial states and cities and suggesting instead that Washington assist able-bodied workers to find jobs in the Sun Belt. The report stands as a total repudiation of the Carter urban policy, perhaps the best conceived and sensitively applied new domestic initiative of the last four years.

Thus the president, in receiving the commission report, finds himself obliged to disown its principal urban policy recommendations and to point to the success of his administration's efforts to target economic development aid to distressed areas. The disavowal is a highly unusual occurrence in the history of presidential commissions, but not as strong as some of his advisers urged. The leaking of the report has already left the authors and implementers of the cities policy in HUD and other departments tearing their hair in anger and frustration. They fear that the report, privately characterized by a top White House aide as "an abomination," will be seized on by some policymakers of the new administration as justification for an attitude of benign neglect toward Frost Belt states, cities and their people, whose taxes made possible the federal growth subsidies that triggered the Sun Belt boom.

Thus fears mount that the 1980s could be an era of two Americas—one thriving, one hemorrhaging at every pore; one reaching new levels of growth and prosperity, one on a slippery slide of permanent decline. This was the grim specter raised a few months ago by Felix Rohatyn, chairman of New York's Municipal Assistance Corporation, when he wrote of "half the country nearly bankrupt, many of its major cities pools of unemployment and unrest, and the other half swimming in oil, industry and wealth."

It would be a tragedy of unspeakable proportions—akin to the North's blindness toward Southern needs in the Reconstruction era following the Civil War—if the new administration and Congress were to accept such a scenario as inevitable. And in fact a key Reagan adviser, Rep. Jack Kemp (R-N.Y.), has characterized the presidential commission's urban proposals as "outrageous" and said Reagan "will not write off the Northeast and depressed cities."

Cool analysis confirms that the Frost Belt now suffers under major disadvantages. Aged industry, concentrations of urban poverty, a crazy and overlapping patchwork of local government jurisdictions—all are devilishly difficult to deal with. But there are hopeful signs, too, including islands of strong center city and neighborhood renaissance, of states and cities trying to take control of their own economic fate, of inventive new partnerships between businesses and local governments, of public payroll and tax cutbacks to make the region more competitive.

I think of cities like Flint, Mich., traditionally General Motors-dependent and suffering a horrendous 20 percent unemployment rate, which is nevertheless reclaiming its long-neglected riverfront and building a whole range of tourist and convention facilities to create jobs and give its inner city fresh vitality. Of poverty-wracked Wilmington, Del., which instituted stiff productivity measures to overcome local overspending and in the last two years has generated $160 million in investment, a sum overwhelmingly in private dollars. Or of Lowell, Mass., a birthplace of the Industrial Revolution in America whose long-abandoned textile mills were for years a symbol of urban decay, a city that has attracted state and national parks to celebrate its tradition, renewed its downtown and attracted such internationally active high technology firms as Wang Laboratories to establish their headquarters there.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Indeed, through "hi tech," New England as a whole has staged an astounding comeback in the last several years, defying every economist's analysis that would have declared the region a hopeless relic. It may be difficult for Pennsylvania, Ohio, Illinois or Michigan to repeat that trick. But who knows? New economic strategies based on small enterprise development are starting to gain recognition as far more promising job producers than traditional big industries. No iron law of economics says the industrial heartland can't adapt. Already some of its major cities—Pittsburgh, Boston, Baltimore and Minneapolis-St. Paul out to the west—have staged inner city revivals no one would have imagined possible a decade ago.

Federal aid has been central to many of those revival strategies. The Urban Development Action Grants program has already stimulated a claimed $8.6 billion in new, private investments in officially "depressed" cities, based on federal investment of only one-sixth that amount. Compared to such ongoing federal boondoggles as the Tennessee-Tombigbee Waterway in Alabama and Tennessee, who is to say that is a bad investment?

In city after city, large and small and in between, I have met elected officials and local business leaders stretching every mental muscle, pulling every wire they know to make their cities viable, productive, competitive places once again. Of course, along the way, there are some wasted federal aid dollars, some less-than-desirable political deals. But the cumulative dedication of many of those city leaders is far beyond what most of us ever give to our communities.

Yet the new President's Commission report tells us that current national urban policy, with its focus on restoring the economy of distressed areas, "may undermine a more general effort to revitalize the national economy." It would have us recognize "the near immutability of the technological economic, social and demographic trends," afflicting older cities and regions. The government, we're told, should eventually get out of economic or community development, housing, transportation or development planning. Washington, it's said, can and should be neutral in the competition between regions.

But Washington never has been neutral and, given political reality, never will be. From the first federally subsidized canals and turnpikes fostering development westward over the Appalachians, the federal government has been a central player in nation-building. It was Congress that gave away the land that permitted the railways to move across the continent, that built the great dams that made western cities and agriculture possible.

In the 1930s it was a president from New York, Franklin Roosevelt, who declared the South "the Nation's Number One economic problem" and initiated a vast array of programs, starting with the Tennessee Valley Authority, that eventually helped rescue the Southland from a century of depression. After World War II, it was federal housing and highway and tax policy that sped the abandonment of old houses and plants in favor of new, of mass transit in favor of private cars, of railroads in favor of trucking, and thus accelerated the movement from city to suburb, from Frost Belt to Sun Belt. It was southern congressional committee chairmen who prompted the military to move so many bases to the South and West that today not a single major combat division is located in the Frost Belt where it might learn wintertime fighting skills or test the weapons to be used in a snowy European, Afghanistan or Korean theater of war.

It is almost entirely because of defense outlays, in fact, that the Frost Belt states between 1975 and 1979 sent Washington $165 billion more in taxes than they received back in overall federal spending, while 32 Sun Belt and western states had a $112 billion surplus in their "balance of payments" with the federal government. Yet now we are told, in a section of the President's Commission report chaired by a Houston college president and written by a political scientist from Dallas, that the federal government should let the blind hand of market forces determine interregional movement. How nice. Now we have ours, and you can freeze.

The existing energy disparities between the states, now being intensified by decontrol, only exaggerate the Frost Belt's competitive problems. Alaska is now so awash in oil revenue that it has repealed its income tax retroactive to January 1979. By 1985, Texas will be receiving $3 billion annually in oil and gas severance taxes, according to a New Jersey government study. Louisiana will be taking in $1.3 billion in severance taxes by mid-decade—170 percent more than 1978, 400 percent over 1973. Already, Louisiana has been able to reduce its income taxes, with collections down from $247 million to $75 million a year.

With ever-escalating energy prices, there are few practical limits to the severance taxes that energy-producing states can place on each barrel of oil, each ton of coal, each thousand cubic feet of natural gas produced within their borders. Who pays? Eventually, the consumers. The energy states can "export" a major part of their tax burden to out-of-state individuals and businesses. Already the personal tax burden of a typical Louisiana, Texas or Oklahoma family is less than half what a family in New York, Michigan or Illinois must pay. Even if they now institute every budget stringency and service cutback known to man, it's almost inconceivable that the energy-poor states could erase that differential.

There's no way the Reagan administration—politically or practically—can or even should try to stem the entire flow of jobs and investment from the Frost Belt to the Sun Belt, or, on a local basis, from cities to suburbs. But there is nothing preordained about the speed and magnitude of such change, and federal policy can make a real difference. Just a few examples:

Watch for inadvertent side effects of federal tax policy. Budget Director-designate Dave Stockman and Rep. Kemp, for instance, have suggested stimulating the economy through a 40 percent acceleration in business depreciation writeoffs for investment in new plant and equipment. But past experience shows that across-the-board tax incentives for capital investment encourage industrialists to abandon older plants and equipment, most often located in cities, and build anew in suburbs or low labor-cost states. Such policies end up generating higher urban dependency levels—jobs lost, higher unemployment and welfare benefits and city fiscal distress. Conversely, the Sun Belt states often find themselves inundated with industrial and population growth they can hardly accommodate on a short-term basis and turn to the federal government for new roads, water and sewer projects.

But the same gains in productivity the new administration wants might be achieved by what Tom Cochran of the Northeast-Midwest Institute describes as "a more prudent and surgical set of tax cuts," including a "bonus" depreciation allowance for firms that invest in distressed areas, or differential investment tax credits for firms that invest on-site in their communities.

Target a portion of the increased defense spending the new administration plans to Frost Belt states by a regional equalization strategy for bases and by procurement set-asides for small business and labor surplus areas.

Save the best of the Carter urban policy: working closely with mayors, neighborhood groups and businesses to encourage city economic growth; targeting federal jobs and offices into cities and depressed regions; and coordinating, under White House direction, the programs of federal agencies to make sure they focus on city needs and don't promote heavily competitive highway, sewer or economic development on the urban periphery.

Look for alternatives to federal programs, such as synfuels development or the MX missile, that would transfer huge amounts of capital out of the East and Midwest and into thinly populated western states. One example: a major program of energy weatherization and neighborhood heating systems that bring jobs to cities and effect much earlier and greater net energy savings than a crash synfuels program ever could.

Think twice about massive budget cuts that hit cities disproportionately. Stockman and Kemp, for instance, would cut at least a third from such programs as CETA manpower training, urban development grants, the Community Development Bloc Grant Program, Economic Development Administration, urban parks and impact aid for distressed communities. Admittedly, major cities are probably far more dependent on federal aid than they ought to be. But rapid-fire cuts could throw several more cities onto the ropes of severe fiscal distress and undermine the potentially beneficial effects of the urban enterprise job zones, proposed by Kemp and supported by Reagan, before they're even instituted.

The new administration needs to remember that the Frost Belt States and cities, however great their problems, still have 45 percent of the nation's people and represent a vast portion of its manufacturing and financial strength. At most recent count, the "declining" cities of Chicago and Philadelphia still had more private jobs than the combined total of Houston, Dallas, Phoenix and San Jose. The national security could be undermined by excessive decline in such basic industries as steel, autos and tires, concentrated in the Northeast and Midwest.

Abandonment of many existing plants, schools, roads and sewer systems is highly inefficient—especially when those facilities, in a period of severe capital shortages, must then be duplicated at high cost by a Sun Belt region already reeling under the impact of suburban sprawl, poor and energy-wasteful transportation, growing crime, high immigrant flows from the Hispanic world, and ever-more-worrisome water scarcity.

Unneeded abandonment of established Frost Belt neighborhoods is socially malevolent and should be highly distasteful to a new administration pledged to undergirding family and neighborhood values. And the surprising, strong surge of office space and demand and construction, even in otherwise troubled cities like Cleveland and Milwau-

kee, is a national asset that should be built on, not vitiated.

Finally, a President represents all regions—and indeed Ronald Reagan was elected with the support of all. A "two Americas" policy, even if inadvertent, would be to the long-term detriment of the entire United States. Abraham Lincoln warned 123 years ago that "A house divided against itself cannot stand." The same is equally true today.●

TRIBUTE TO THE LATE OLIN TEAGUE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. MAZZOLI. Mr. Speaker, I wish to join with my colleagues in the House of Representatives in paying tribute to Olin Teague, distinguished Congressman from the State of Texas, who died January 23, 1981.

"Tiger" served the House and the people of the Fifth District of Texas with wisdom and distinction for 32 years. He will best be remembered for his decisive leadership role as chairman of the Science and Technology Committee, as well as for his ardent support for the advancement of the space program.

Over the years, Tiger Teague's insights and wisdom earned him the respect of his colleagues and friends.

We will all miss this fine American.●

THE HOSTAGES AS "EXTORTIONIST THEATER"

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. MICHEL. Mr. Speaker, our Nation is going through an emotional high as the story of the returned former hostages continues. It certainly says quite a bit about the great hearts of this country.

But at the same time we should not fail to think, as well as feel, as we consider the hostage situation. Have we learned anything from this terrible episode? Is our only response going to be an outpouring of emotion or are we also going to make certain that we prepare ourselves so that terrorists cannot ever again blackmail our Nation?

James Bond Stockdale, former prisoner of war of the Communist Vietnamese has written a thought provoking and, in my view, very much needed analysis of the American response to the hostage situation from the beginning. Stockdale, a Congressional Medal of Honor winner, criticizes our country's failure to understand the need for a strong, consistent and principled stand against terrorism.

I might add in passing, Mr. Speaker, that Professor Stockdale is from the 18th Congressional District of Illinois not far from where President Reagan grew up. We are very proud of both of these great Americans.

The Washington Post, using Stockdale's article as a basis, calls for an investigation of the taking of the hostages, not for purposes of witch-hunting or fault-finding but to see what we can learn and then apply to similar situations in the future.

At this time, Mr. Speaker, I include in the RECORD "The Hostages as 'Extortionist Theater'" and "The Crisis Next Time," both from the Washington Post, January 25, 1981.

The articles follow:

THE CRISIS NEXT TIME

On the opposite page today, Vice Admiral James B. Stockdale, who was a prisoner of war in Hanoi for eight years, writes a stunning critique of the way this country—its institutions and its individuals—plays into the hands of those who hold its citizens captive. He believes, among other things, that our efforts to win partial concessions and provide little mercies actually work to make things worse for the captives and/or to prolong their captivity. In the same space last week, Israel's Moshe Dayan, no stranger to these affairs, also argued for a more clear-cut, direct and forceful American stand in any future such episodes, suggesting that stealthy, dark of night "apologetic" attempts at Entebbe-like action were inappropriate to this country's power and circumstances. To us both men's positions have an authenticity that proceeds not just from their special qualification to speak, but equally from the logic of what they say.

Even as the returning American hostages must still be unaccustomed to their freedom and obliged to remind themselves from time to time that it's okay to say what they please, so too the American public, restrained until now by concern for the hostages' safety, will probably need some time to understand that it can also speak freely at last and without inhibition. And in a general way it no doubt will need some reminding that all complaint and criticism of past policy is not, repeat not, the forbidden and legendary "nightmare of recrimination" against which the more voluble among us are continually being warned.

Perhaps because we in this country have had a few truly raw experiences with after-the-fact blaming and purging and scapegoating when our foreign relations went wrong, we are almost neurotic in our anxiety to avoid any disagreeable arguments concerning our overseas failures now. "Let's look to the future," we are admonished, "not dwell on the past. . . . There's blame enough for everybody. . . . It's easy to say what was wrong in hindsight. . . . Let's not turn this into a 'Who Lost China' debate. . . ." and so forth. But there is a huge difference between merely nasty, politically motivated charges concerning a defeat or setback abroad and the rigorous, unsentimental inspection of how and where we went wrong that is essential to recovering from it—and to preventing a repetition of our mistakes next time around.

Only a fool would claim that there exists somewhere in the realm of objective fact a collection of all-purpose rules for dealing with these terror situations—and one that is accessible to anyone who is willing to think rationally about the subject. No number of well-intended inquiries is going is provide us with a set of perfect guidelines to haul down from the shelf and follow the next time the unthinkable happens. But there is plenty in the case of the embassy hostages that needs to be reviewed and subjected to the toughest and most unprotected scrutiny for the sake of doing things better in the future: the role of the media, the appropriateness of negotiations, the attitude toward the use of force, the attitude toward the well-being of the hostages and the way in which their well-being is a part of more comprehensive national interests.

With the exception of the hostages themselves, we don't think anyone will come out of such an inquiry looking awfully prescient or good. But that is not a reason to avoid such inquiry. On the contrary, it suggests precisely why such an inquiry must be undertaken.

THE HOSTAGES AS "EXTORTIONIST THEATER"

VICE ADMIRAL STOCKDALE, WHO SPENT NEARLY A DECADE AS A PRISONER OF WAR IN NORTH VIETNAM, "TEARS APART" SOME OF THE FALSE ASSUMPTIONS ABOUT CAPTIVITY

(By James Bond Stockdale)

As an eight-year beleaguered and bludgeoned captive of Hanoi who spent most of that time in solitary confinement, I have in recent months been bombarding audiences from the eastern seaboard to Ohio to California with the message that America has been inviting future hostage disasters by so naively providing both actors and audiences in support of the new worldwide art form, "Extortionist Theater"—most recently successfully produced by Iran. Every outlaw power and terrorist group in the world surely took note of how Jimmy Carter's queasiness about the threat or use of force, and our national demand for continuous TV hostage soap opera, provided the positive and negative terminals of a power source into which they could plug a few American captives for profit and prestige. We got ourselves into this tempting and vulnerable position by backing into what became a national stance roughly attuned to a misguided popular sentiment that fell out of highly questionable if not false assumptions about the basic nature of the captivity problem. On my road show, I contrasted some of these assumptions with the reality I knew behind barbed wire and proceeded to tear them apart. The sample below will give you an idea of what I mean.

False Assumption No. 1: "We must not hammer the captors or they'll take it out on the captives." Ask any of the 400 Americans in the prisoners' organization in Hanoi and they'll tell you that our North Vietnamese jailers were never more sweet than right after Col. Bull Simon's Son Tay helicopter rescue attempt (when he shot up a couple hundred of them, and they in turn, for security reasons, felt obliged to bring us leaders out of solitary and put all prisoners together in better living conditions in the big prison downtown), or during the B52 bombings in December 1972 (when formerly abusive guards dropped their posturing and meekly broke precedent by bringing us tubs of hot coffee each dawn). Our bones got broken as often as not during America's sporadic bombing pauses when we were showing national "good will." Does the Iranian experience correlate with this? I think it does. Being nice to the enemy so he'll be nice to your captives is still a bush-league idea.

False Assumption No. 2: "We as a country are doing best by the captives if we support the infusion of 'a little bit of home' into their lives by sending visitors, at least during the Christmas season." Rev. Do-Good, or even William Sloane Coffin and Ramsey Clark, some Americans believe, are better than nobody. To fully realize the evil these people do, the damage they wreak on the morale and self-respect of the captives, one has to appreciate the tremendous ennobling and uplifting effect the overcoming of shared hardships has on a band of prisoners over time. In Hanoi, the greater the degradation and torture and the more years we withstood this together, the deeper grew the bonds of mutual respect and love for each other. Our world literally became our band of brothers, and personal pride and reputation among our peers our total life's investment. Captors became symbols of tinhorn fakery.

Imagine now the stage of Extortion Theater onto which enter "the friendly representatives of the people back home" all of whom are necessarily admitted as supplicants, as apologists. Moreover, these visitors are psychologically committed to dragging the captives before cameras as actors in the supplicant role. "Let the people at home see you" or "The intelligence people want to see you," they probably say. Though feeling humiliation, few captives can muster the emotional energy to take on these American finks as enemies. Each has enough enemies to concentrate on even though these so-called friends are on the make, and they destabilize and damage the prisoner's life. Sometimes these finks damage his most prized possession: his reputation. Ramsey Clark came to Hanoi and incited American prisoners of war to violate their Code of Conduct and got a few takers. When does he account for that and for the disinformation he spread about the situation in Iran?

False Assumption No. 3: "Any release is a good release; if they'll agree to return 5 out of 52 next week, encourage it." Thank goodness this is often identified as a poor bargaining idea as seen from Washington; what our politicians and countrymen in general need to understand is the true and total perniciousness of early releases as seen from within that band of brothers behind barbed wire. Each person who walks out ahead of the others leaves behind him a trail of lifelong grudges and broken unity, and he installs within himself a time bomb of depressive remorse.

The early release idea also has the potential of providing the producers of Extortionist Theater with a grand finale act featuring the captives scrambling for places in line to go home by scoring high in an anti-American propaganda production contest. Hanoi had something like that in mind for us POWs, but I and others finessed that finale with strict orders to all Americans that there would no exception to the Code of Conduct's prohibition against accepting parole. I also outlawed the accepting of amnesty. After our release, my constituents demanded justice in the form of prosecution of the few who bugged out in violation of my orders. Funny thing, though; I couldn't find anybody in Washington who understood the problem.

These problems and a dozen more like them need to be understood if we are going to truly shut down Extortionist Theater on a "never again" basis. This country has to get itself in hand, get its actors off the stage and get our audiences ready to shed not tears but rotten eggs and at least a credible threat of bombs and bayonets, the minute the next bunch of punks tries to pull our chain by taking prisoners.●

ESTABLISHING A UNITED STATES-MEXICO JOINT DEVELOPMENT BANK

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. GONZALEZ. Mr. Speaker, today I am reintroducing a bill to establish a United States-Mexico Joint Development Bank. As I have pointed out in previous Congresses, the purpose of this Bank will be to bring together financial endeavors between the United States and Mexico which will be helpful in creating a sound economic condition.

Illegal immigration, which has become a major social and economic problem, is reflective of the economic environment in which these two countries operate and is one of the causes of the heavy traffic of illegal immigration from Mexico into the United States.

I believe the long-run solution to this problem lies in increased economic development of Mexico, particularly in the creation of employment opportunities in those areas of Mexico where these immigrants originate.

The Bank that I am proposing is similar in nature to the multilateral development banks such as the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank, with which I am familiar since my subcommittee has the responsibility for passing legislation authorizing these institutions. The Bank would be different, however, in that it would be funded and managed equally between the United States and Mexico.

The Bank would be authorized and encouraged to enter into agreements with the Inter-American Development Bank and the World Bank for cofinancing of projects, joint lending operations, sharing of technical assistance, and utilizing the large amount of data which has been compiled by these two organizations. The proposed Bank would also be able to solicit commercial banks to participate in project loans.

Mr. Speaker, a United States-Mexico Joint Development Bank would be the first time that we have joined with Mexico to finance endeavors which will alleviate the economic conditions and in turn, help to curb illegal immigration. The establishment of this special Bank is proposed in the spirit of this policy and is in line with insuring a workable political climate in order to make the program successful.●

VIETNAM VETERANS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. APPLEGATE. Mr. Speaker, there has been much said on this floor during the last few days about the former American hostages or "prisoners of war" as President Reagan prefers to call them, and I will not add to the many fine tributes paid to them, except to agree with all that has been said. But, I think, while we are reflecting about these Americans, I think we should also pay the highest tribute today, and every day in fact, to others of those who have given of themselves and I refer particularly to America's Vietnam veterans who sacrificed for us, including the 58,000 who died there, yet were never received by America as the heros they were and are.

In this session of Congress we can help restore these great Americans to a place of honor by more than just tributes but by upgrading neglected Veterans' Administration programs.●

THE CONSERVATIVE ONSLAUGHT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. MILLER of California. Mr. Speaker, the former Chairman of the President's Council of Economic Advisers, Prof. John Kenneth Galbraith, has succinctly stated his analysis of our Nation's perilous economic predicament in a recent article in the New York Review. I would like to share Dr. Galbraith's views with my colleagues:

THE CONSERVATIVE ONSLAUGHT

(By John Kenneth Galbraith)

In economic and social affairs we value controversy and take it for granted; it is the essence of politics, its principal attraction as a modern spectator sport. This regularly keeps us from seeing how substantial, on occasion, can be the agreement on a broad range of ideas and policies within which the political debate proceeds.

Such has been the case with economic and social policy in the industrial countries since World War II. There has been a broad consensus in the United States extending to most Republicans and most Democrats. Similarly as between Christian Democrats and Social Democrats in Germany and Austria, the Labour and Tory parties in Britain, Liberals and Progressive Conservatives in Canada. Policies in France, Italy, Switzerland, and Scandinavia have generally conformed. The rhetoric in all countries has been diverse. The practical action has been similar.

There have been three points of convergence. All governments in all of the indus-

trial countries, although differing in individual emphasis, have agreed that:

There must be macroeconomic management of the economy to minimize unemployment and inflation. This, at least in the English-speaking countries, was the legacy of Keynes.

There must be action by governments to provide those services which by their nature are not available from the private sector or on which, like moderate-cost housing, health care, and urban transportation, the private economy defaults.

There must be measures—unemployment insurance, welfare payments, old-age pensions, medical insurance, environmental protection, job safety and product safety regulation—to protect the individual from circumstances with which he or she cannot, as an individual, contend. Much of this last has been thought of as smoothing and softening the harsh edges of capitalism.

No accepted term exists for the consensus which these policies comprise. Keynesian policy refers too narrowly to macroeconomic action; liberal or social democratic policy has too strong a political connotation for what has been embraced in practice by Dwight D. Eisenhower and Gerald Ford, Charles de Gaulle, Edward Heath, and Konrad Adenauer. I will not try to devise a new term; instead I will refer to the broad macroeconomic, public-service, and social-welfare commitment as the economic and social consensus or just the consensus. It is the present attack on this consensus—notably by Mrs. Thatcher's government in Britain and by numerous of Ronald Reagan's supporters in the United States—that I wish to examine.

The ideas supporting the economic and social consensus have never been without challenge. Keynesian macroeconomic management of the economy, the first pillar of the consensus, was powerfully conservative in intent. It sought only to correct the most self-destructive feature of capitalism, the one Marx thought decisive; its tendency to recurrent and progressively more severe crisis or depression. It left the role of the market, current income distribution, and property rights unchallenged. But numerous conservatives, especially in the United States, long equated Keynesian economics with subversion. There was some conservative discomfort when, thirty years after Keynes's General Theory was published and the policy it prescribed was tending visibly to obsolescence, Richard Nixon, in an aberrant moment, was led to say that all Americans, including Republicans, were Keynesians now. A reference to the social welfare policies of the consensus has always encountered a slightly disapproving mood: something expensive or debilitating was being done for George Bernard Shaw's undeserving poor. The need to compensate for the failures of capitalism in providing lower-cost housing, lower-income health care, and mass transportation has been accepted in all countries; but in the United States at least not many have wanted to admit that this is an unavoidable form of socialism. In all countries at all times there has been much mention of the cost of government, the level of taxes, the constraints of business regulation, and the effect of these on economic incentives.

It has always been likely, one should note, that an attack on the economic and social consensus would be taken to reflect the views of a larger section of the population that was actually the case. That is because articulate expression on public issues is strongly correlated with income, and the consensus is of the greatest importance for those of lowest income. Also the perception of a movement in political attitudes can be as important in its effect on politicians as a movement itself. These matters deserve a special word.

That a large share of all economic comment comes from people of comfortable means will not be in doubt. High social, business, and academic position gives access to television, radio, and the press. And professional access to the media also gives a relatively high income. It follows that the voice of economic advantage, being louder, regularly gets mistaken for the voice of the masses. On the need for tax relief, investment incentives, or a curb on welfare costs, the views of one articulate and affluent banker, businessman, lawyer, or acolyte economist are the equal of those of several thousand welfare mothers. In any recent year the pleas by Walter Wriston of Citibank or David Rockefeller of Chase Manhattan for relief from oppressive taxation, regulation, or intrusive government have commanded at least as much public attention as the expressions of discontent of all the deprived of the South Bronx. So the voice of affluence being resonant, it is frequently thought to be the voice of the masses. And since it is so interpreted by politicians, it has much the same effect on legislatures and legislation as a genuine shift of opinion.

In the last thirty-five years we have had many such shifts of opinion—all drastically to the right. Immediately after World War II, Professor Friedrich Hayek emerged as the messiah of the modern and comprehensive rejection of the state. His Road to Serfdom was hailed as the new sacred tablet. In 1964 Senator Goldwater was thought to represent a growing conservative mood that was sweeping the country. Messrs. Richard Scammon and Ben Wattenberg then identified this conservative mood with an unpoor and distinctly unradical Dayton housewife; this lady was for some months the new American arch-type. The applause for Spiro Agnew was taken to mean the rejection, at long last, of the liberal elite. George Wallace was once thought to have a highly conservative message for the American people. Based on all past experience, it was the beginning of wisdom to doubt the depth and durability of great shifts of American opinion to the right.

However, even after an appropriate discounting, it seems certain that not only in the United States but in other industrial countries as well there is now an attack on the economic and social consensus that has a deeper substance. Mrs. Thatcher and Mr. Reagan have won elections. Much, if not most, of Mr. Reagan's success must be attributed to President Carter's economists—to the macroeconomic management that combined a severe recession with severe inflation, with a drastic slump in the housing industry, with particular economic distress in the traditional Democratic industrial states—and all these in the year of the election. Economists do some things with precision. But effective macroeconomic management was one part of the consensus. Obviously there is something wrong with the way it now functions.

There is, indeed, substance to the conservation attack on the economic and social consensus. It strikes at genuine points of vulnerability. This, however, is not true of all of the attack; some of it is merely a rejection of reality—or compassion. The conservative onslaught we now witness needs careful dissection and differentiation.

Three different lines of attack can be identified, and the relevant nomenclature readily suggests itself. There is the simplistic, the romantic, and the real attack. These terms, needless to say, are intended to be purely descriptive; they have no pejorative connotation.

The simplistic attack consists in a generalized assault on all the civilian services of modern government. Education, urban services, and other conventional functions of government; government help to the unemployed, unemployable, or otherwise economically incapable; public housing and health care; and the regulatory functions of government are all in the line of fire. People, in a now famous phrase, must be left free to choose.

In its more elementary form this attack on the consensus holds that the services of government are the peculiar malignity of those who perform them; they are a burden foisted on the unwilling taxpayer by bureaucrats—public servants. The most eloquent American spokesman for this view is William Simon, once a prominent Cabinet prospect under Mr. Reagan. "Bureaucrats," Mr. Simon has said, "should be assumed to be noxious, authoritarian parasites on society, with a tendency to augment their own size and power and to cultivate a parasitical clientele in all classes of society." There must, he urges, "be conscious, philosophical prejudice against any intervention by the state into our lives." If public services are a foisted malignancy—if they are unrelated to need or function—it follows that they can be reduced more or less without limit and without significant social cost or suffering. This is implicit, even explicit, in this case.

Other participants in this line of attack are, superficially at least, more sophisticated. Professor Arthur Laffer of the University of Southern California has supported the case with his now famous curve, which shows that when no taxes are levied, no revenue is raised, and that when taxes absorb all income, their yield, not surprisingly, is also zero. Taxes that are too high, as shown by a curve connecting these two points, have at some point a reduced aggregate yield. The Laffer Curve, which in its operative ranges is of purely free-hand origin, has become, in turn, a general case against all taxes. Let there be large horizontal reductions and the resulting expansion of private output and income—supply-side economics for those who will believe anything—can be great enough to sustain public revenues at more or less the previous level. For the less gullible, the Laffer Curve still argues for a large reduction in the cost and role of government.

Yet another attack on the public services comes from Professor Milton Friedman and his disciples. It holds that these services are relentlessly in conflict with liberty. The market accords to the individual the sovereignty of choice; the state, as it enlarges its services, curtails or impairs that choice. And its tendency is cumulative and apocalyptic. By its acceptance of a large service and protective role of the state, democracy commits itself to an irreversible descent into totalitarianism and communism. Professor Friedman is firm about the prospect. "If we continue our present trend," he has said, "and our free society is replaced by a collectivist society, the intellectuals who have done so much to drive us down this path will not be the ones who run the society; the prison, the insane asylum, or the graveyard would be their fate." "Or," he has asked, "shall we have the wisdom and the courage to change our course, to learn from experience, and to benefit from a 'rebirth of freedom?'"

I have called this attack on the social consensus simplistic; it could, by the untactful, be called purely rhetorical. That is because it depends almost wholly on passionate assertion and emotional response. No one, after reflection, can easily conclude that publicly rendered services are less urgently a part of the living standard than privately purchased ones—that clean water is less needed than clean houses, that good schools for the young are less important than good television sets.●

JEFFERSON FIREMEN MARK ANNIVERSARY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. GAYDOS. Mr. Speaker, during the recent recess I had the pleasure of attending the 23d anniversary banquet of the Jefferson 885 Volunteer Fire Co., an organization which serves the residents of Jefferson Borough in the 20th Congressional District of Pennsylvania.

The occasion marked a milestone in the history of the volunteer fire company which is indicative of such units throughout the State and the Nation. It is an organization comprised of men and women who willingly sacrifice a great portion of their private lives to serve others. These volunteers often risk life and limb in the interests of their friends and neighbors. They are supported in their efforts by their wives and families, who give unstintingly of their time and talent in the promotion of fundraising activities, the principal means of support for most volunteer units.

In the course of the anniversary banquet, the Jefferson 885 company also honored two of its own for outstanding service to the unit and to the community. They publicly recognized the contributions of August "Augie" Smarra and Samuel Ciafardone for 20 years of loyalty and commitment to the protection of their neighbor's lives and property. Mr. Smarra was doubly honored for serving as the president of the volunteer firefighting company for 5 consecutive years.

Mr. Smarra relinquished the reins of leadership to a young man who already has proven himself a worthy successor, Mr. Dan Marra. Mr. Marra has held several positions of responsibility within the fire company, both as an administrator as well as a line officer, having served as assistant chief for the past few years.

The esteem in which the Jefferson company is held was evident by the more than 100 persons who turned out for the anniversary observance. They included some of the most prominent figures in the community: Mayor and Mrs. Andrew E. Reilly, Council President and Mrs. James McFarland, Council Vice President and Mrs. Ernest Voss, Councilman and Mrs. James Hall, Councilman and Mrs. Joseph Essey, Councilman and Mrs. Walter Cameron, Councilman and Mrs. Thomas Yogan, Solicitor and Mrs. Loyd Fuge, Police Chief William Pust, Street Commissioner and Mrs. Kenneth Stevens, Building Inspector and Mrs. William McVicker, and Borough Engineer and Mrs. Frederick Omer.

There were also a number of visiting dignitaries, including Douglas Garretson, emergency medical service technician for the city of Pittsburgh, guest speaker; Police Chief Stanley Smith of Pleasant Hills Borough, and fire chiefs and administrative officers from several neighboring volunteer groups.

Officers of the Jefferson VFC for 1981 were installed by District Magistrate Olive Stocker. Those assuming office were:

Fire chief—John Lattanzi; deputy chief—Michael Plavchak; assistant deputy chief—Daniel Marra; fire captain—Joseph Lopresti; rescue captain—Lino Ferrari; fire lieutenant—Ray Stinner; rescue lieutenant—William Madden; assistant fire lieutenant—Keith Laughlin, and assistant rescue lieutenant—William Wolfgang.

President—Daniel Marra; vice president—Charles Shuback; treasurer—James Shuback; recording secretary—Norma Carlson, and trustees—Mr. Smarra, Mr. Ciafardone, Sam Francillini, Mr. Laughlin, Jeff Detwiler, and Joseph Sajna.

Mr. Speaker, volunteer firemen have earned the respect of all Americans and to the officers, members, and the auxiliary of the Jefferson 885 company on the occasion of their 23d anniversary I offer, on behalf of my colleagues in the Congress of the United States, our congratulations and our sincere appreciation for dedication and service to their neighbors, their community, and their country.●

THE WARRIOR'S CHILDREN

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. McKINNEY. Mr. Speaker, on January 9, 1981, I again introduced the Amerasian Immigration Act, now H.R. 808. While Congress has remained silent and inactive on this issue, the discrimination and inhuman conditions Amerasians endure have increasingly come to the attention of the American public through the national media. I have included for your review an excerpt from an article, entitled "The Warrior's Children," by David Devoss which appeared in the November 1980 issue of GEO. I hope it will further clarify the circumstances in which an Amerasian must currently exist.

The article follows:

Every working day just before sunrise, Lee Sung-gu leaves his shack in a working-class section of Seoul, South Korea, and trudges downhill to his job, passing huts edged with barbed wire, clay pots full of the fermenting cabbage mixture called kimchi, and scabrous curs still whimpering at the moon. He meets neighbors, also on their way down the hill, but none of them acknowledge his presence. Neither is he greeted by any of his fellow commuters at the bus stop.

Lee waits for his bus in the icy silence. In the distance, downtown Seoul is emerging slowly from the predawn gloom, but the approach of a new day brings no promise of a brighter day for Lee. He is an Amerasian, the son of a Korean mother and an American father. That alone makes him a cipher, a pariah, beneath notice. He is only matter-of-fact when he says, "I can truthfully say that I've never had a Korean friend."

Few societies would fail to value a presentable young man like Lee. His bearing is erect, his manner precise. He is a devout Presbyterian and a devoted son. He performs well at his modest job as a vegetable chef in one of Seoul's most exclusive private clubs. And yet, the visible fact of his parentage condemns him to contempt or invisibility. When they speak to him at all, his coworkers use a form of address reserved for menials and children. Korean women of every class and profession avoid him. Only by agreeing to a marriage arranged by his church has he managed to avoid a life of celibacy.

A quarter of a century of scorn, ridicule, isolation, has made Lee skeptical about human contact. Tense and dour, he recoils when approached. Saving money is his major preoccupation; he reserves a third of his $400 monthly paycheck for the child he and his wife hope to have. "I was weak, and I missed being adopted, but if I have a child, he must escape to the United States," he whispers. "I cannot allow him to endure the life of an Amerasian in Korea."

For Westerners weaned on the myth of the melting pot, the word Amerasian might evoke a benign blending of two great cultures. Koreans, however, pride themselves on being danil min jok, or "one-blooded people." The 6,000 Amerasians among them are an affront, a mockery of the deeply held shibboleth that Korean blood has remained pure throughout the more than 2,000 years of Korean history. It was possible for Koreans to accept and assimilate the progeny of earlier waves of foreign soldiers, such as the Mongols and the Japanese. Unlike Americans, they did not sire children with disquieting blue eyes, negroid lips or the amber cast of a Chicano.

But Koreans are not alone in their bigotry. In Japan, racial homogeneity is the essence of patriotism, and in underdeveloped Asian countries farther south, mixed blood smacks of neocolonialism or loose morals. Amerasians are seen as embarrassing social parasites consuming resources that would be better devoted to serving the pure, struggling native population. Still, it is in Korea that the fetish of racial purity is at its ugliest.

Conceived in loneliness by parents temporarily linked, sometimes by no more than the passing of a $20 bill, the Amerasian in

Korea is stereotyped from birth. In a Confucian society defined by a rigid ladder of hierarchical relationships, he occupies the lowest rung. His mother has violated social norms, and for this outrage, she and her alien child must forever wander outside the fence of respectability.

Not all Amerasians are the products of prostitution. Many are born to peasant girls who were promised eternal devotion by temporarily devoted soldiers. Once the father vanishes, so does the child's chance of being registered on a hojuk, or "family record." The document is nothing more than a portable genealogy, but without it, no respectable school will accept a student, no employer will offer a satisfying job. Uneducated, poor and without hope of advancing themselves, many Amerasians are forced to subsist in the smoke-filled bars and short-time hotels that cluster near every U.S. Army base in Korea.

Most Amerasians in Korea gravitate to Seoul, if only because it offers the largest concentration of Americans. During the day, hundreds of them kill time by skylarking through the cavernous pedestrian subways that are designed to serve as bomb shelters. Periodically, some will ask for work at the sprawling U.S. Eighth Army headquarters, but few get jobs: all hiring is controlled by Korean labor contractors.

Female Amerasians unable to find conventional work eventually become "working girls" in the bars of the red-light Itaewon district. Amerasian men are their procurers. It is an unsavory symbiosis, but since the customers are American servicemen, the flesh trade is unofficially sanctioned.

The teenage American soldiers assigned to protect South Korea are a far cry from the colorful heroes depicted on recruiting posters. Dressed in garish velveteen jackets embroidered with snorting dragons and macho nicknames, they go "down to the ville" every night to drink 50-cent beers and negotiate with impassive hookers. In the eyes of Amerasians, these pubescent GIs are models to be emulated and, if possible, followed back to America, the promised land.

"In America I wouldn't have any problems," explains Paul (Kwang Gyun) Shin, a sepia-toned Amerasian who affects the swagger of the South Philadelphia dude he imagines his father to have been. "I could stop fighting and wouldn't have to hear the word twigi [wild seed] every day. I love my mother, but I want my inheritance. If I have my father's face, I should be able to live in my father's country."

America's culture may be rooted in Europe, but its vital interests have been tied to Asia ever since 1853, when Commodore Matthew Perry steamed into Tokyo Bay. Perry's dramatic show of force was repeated some four decades later when another American commodore, named George Dewey, confronted the Spanish at Manila. Because of Dewey's victory, America's western frontier moved to the very rim of Asia, thus linking for better or worse the destinies of the two continents.

Twelve major U.S. military installations are scattered along the periphery of East Asia. More than 40,000 military personnel are stationed in South Korea, and another 14,000 in the Philippines. Additional personnel are stationed at the three U.S. Air Force bases in Japan.

The degree to which American GIs have served the interests of humanity can be argued strenuously, but it is hard to dispute their procreative urgency. Thirty years of U.S. military involvement in Korea have produced as many as 6,000 Amerasians. Only 4,500 of an estimated 8,000 Amerasians have been located in Thailand. There are more than 5,000 "Vietnam era" Amerasians in the Philippines, and the number of unwanted half-Americans in Vietnam itself, which hosted better than 2.1 million U.S. soldiers between 1965 and 1973, could conceivably total 25,000. Only the homeless Amerasians in Saigon were ever counted, and when the last U.S. helicopter rose from Tan Son Nhut Airport five years ago, an estimated 8,000 of them were left behind. Adorned with cowlicks and spattered with freckles, many resemble midwestern members of Future Farmers of America. Only their tattered pajamas and the pox they have acquired from sleeping in fetid back alleys brand them as bui doi—"dust of life."

The rumpled, bureaucratic men who control South Vietnam today insist that Amerasians are not their responsibility. For them, the children and their mothers are "American" and thus ineligible to attend public schools, hold a job or receive a government ration card. "Our society does not need these bad elements," says Vo Vonh Thuan, a former Viet Cong who administers Saigon's Department of Social Welfare. "We will turn them all over if America is willing to accept them."

American soldiers were not the first to discover the pleasures of Asia. The Dutch were established on the Malay archipelago by 1700. The British landed at Penang in 1786, and the French entered Cambodia and were well settled by 1863. Miscegenation became commonplace. The Eurasians thus born out of wedlock were never accepted socially—but neither were they left stranded. Illegitimacy was no impediment to becoming a British subject. A simple acknowledgment of paternity was enough to establish Dutch citizenship. And the merest hint of Gallic blood earned a French passport in Indochina.

Rather than grant similar forms of no-fault citizenship, the United States has traditionally ignored its bastard sons and daughters. Now, however, there is a bill pending before Congress that could help end the hypocrisy and permit some Amerasians to enter the United States as resident immigrants.

Last year, Rep. Stewart McKinney (R-Conn.) introduced a bill in the U.S. House of Representatives that would allow illegitimate children of American military personnel to receive permanent immigrant visas if they satisfy customary health and character criteria. H.R. 3439 does not give all Amerasians a free ticket to the United States. It merely confers a much higher immigration status on orphans of proven American parentage so that they may enter the country legally if a sponsoring organization or family can be found.

Though children of mixed blood living in Vietnam, Laos and Thailand are covered by the proposed legislation, the 6,000 Amerasians in Korea would be the first to benefit. No one can dispute their status as people "who by their physical appearance and color are prevented from being fully integrated into a society and the culture into which they have been born."

It is orphans such as these, tortured by a legacy not of their making, that H.R. 3439 is intended to assist, but despite the support of 62 cosponsors, McKinney's bill is a long way from becoming law. It has languished for more than a year in the House Judiciary Subcommittee on Immigration. It does not have an energetic sponsor in the Senate.

Thousands of lives can be redeemed by the passage of H.R. 3439. If you believe these abandoned offspring of America deserve a chance for happiness, please write Rep. Elizabeth Holtzman (D-N.Y.), chairman of the House Judiciary Subcommittee on Immigration, Refugees, and International Law, or your own congressman.

Those wishing to provide direct monetary support for Amerasian children may do so with donations to the Pearl S. Buck Foundation, Green Hills Farm, Perkasie, Pennsylvania 18944, or by supporting the work done by Father Alfred Keane at St. Vincent's Home for Amerasians in Seoul, Korea. Money for St. Vincent's should be sent to Maryknoll Fathers, Maryknoll Post Office, Maryknoll, New York 10545.●

WASHINGTON'S WAR ON MOTORISTS

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. ATKINSON. Mr. Speaker, the Clean Air Act Amendments of 1977 will soon require approximately 40 million automobiles in 29 States be subjected to a mandatory inspection and maintenance for emissions of carbon monoxide and photochemical oxidants—ozone. This program will be quite costly. Each motorist will be responsible for the cost of inspection and for the costs of any repairs to the automobile's emission control equipment. Each State will also have to bear considerable costs as a result of administering this program.

While one thing is certain; that individual motorists and States will be forced to meet considerable expenses, many aspects of the inspection and maintenance program are still unclear. Inspection and maintenance may be entirely unnecessary since the older cars on the road are already being gradually replaced with newer cars which contain factory-installed emissions control equipment. It is also doubtful that such a program would produce the desired effects. More than one automobile company has stated that maintenance of the complex pollution control equipment by mechanics who are not company-training factory personnel could do more harm than good. There are also a great many problems surrounding the particular test, which is probably too simple a test to properly indicate what specific component of the emission control package is responsible for a vehicle's emissions exceeding the standard. To make matters more confusing, many of the vehicles which consumers purchase are already out of compliance. The Environmental Protection Agency only spot checks production line vehicles. According to the General Accounting Office, of the roughly 9 million automobiles manufactured in 1978, the EPA only spot checked 332 of them and 25 percent of those were already producing emissions at levels above EPA standards.

Today, Representative BAILEY of Pennsylvania and I have introduced two bills, H.R. 1357 and H.R. 1358, to delay the provisions of the Clean Air Act amendments which require the inspection and maintenance program. I respectfully urge that this legislation be considered. The atmosphere has changed much since the enactment of the amendments. The air itself may already be approaching the goals set out in the amendments without the costly inspection and maintenance program.●

PROTECTION ISLAND NATIONAL WILDLIFE REFUGE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. BONKER. Mr. Speaker, I am today reintroducing—with the support of the entire Washington State delegation—a bill to create a Protection Island National Wildlife Refuge.

The 400-acre island, which lies in the Strait of Juan de Fuca a short distance off Washington State's northern shore, is the most important unprotected seabird nesting and rearing habitat in the State. According to the Fish and Wildlife Service, Washington State's inland waters support 29,400 pairs of nesting seabirds, and 21,000 of those pairs use Protection Island.

One-half of the breeding population of rhinoceros auklets in the contiguous States depend upon the island; the 17,000 nesting pairs of auklets there represent 97 percent of the Washington State population, the Fish and Wildlife Service reports.

Protection Island is also home to two-thirds of the State's tufted puffin breeders; the island's glaucous-winged gull colony is the largest in the State; pelagic cormorants, pigeon guillemots, and black oystercatchers nest in significant numbers, and a herd of harbor seals and at least one pair of bald eagles utilize the island at key points in their life cycles.

Forty-eight acres at the west end of the island are protected by a State game sanctuary. This area is not part of the proposed national wildlife refuge, but State and Federal wildlife managers are prepared to adopt cooperative management agreements after the refuge is established.

Strong support exists for preserving and protecting the fragile wildlife habitat of Protection Island. Twelve parcels of land have been purchased and will be protected with contributions raised by the Admiralty Audubon Society. The driving force behind this effort is Eleanor Stopps, one of my constituents and chairman of the Save Protection Island Fund. Mrs. Stopps has for years been a careful student and watchful guardian of the island's wildlife. She has an unswerving commitment to safeguarding the birds, animals, and habitat of Protection Island. Establishing a national wildlife refuge there is also among the top priorities of a host of local, State, and national conservation organizations.

Protection Island's future is also of concern to hundreds of individuals who own some 800 lots into which the portion of the island outside the State game sanctuary has been subdivided.

Although the subdivisions have existed for more than a decade, little development has occurred because county officials have maintained a building moratorium imposed in 1974. Fish and Wildlife Service data indicate only three permanent residences and about two dozen trailers are now on the island.

The moratorium was imposed due to lack of a domestic water supply that meets county and State standards. Well drilling on the island was unsuccessful last year. Efforts are now underway to obtain permits for construction of an underwater pipeline to supply water to the island from the mainland. Local and State officials indicate, however, that this project—and other water supply alternatives—face a long review and an uncertain fate.

Many property owners have indicated a desire to dispose of their holdings; a smaller number wants to retain ownership.

The fragile ecological balance that supports the nationally significant wildlife resources of the island could be treatened by building construction, the introduction of predators, or even by excessive foot travel by people on the nesting grounds, according to the Fish and Wildlife Service.

The Service has concluded:

> The greatest threat to the island is the potential development of some 800 homesites. A development of this magnitude would be incompatible with the nesting seabirds of the island and would either eliminate or greatly reduce most nesting populations. The island and its wildlife resources are not adequately protected at the local, State or Federal level.

A Protection Island National Wildlife Refuge bill was introduced in 1980, and the Fish and Wildlife Subcommittee of the House Merchant Marine Committee held a briefing in Seattle to hear local views on the legislation. Progress was made on perfecting the bill, but, unfortunately, time ran out on the 96th Congress before this work could be completed.

The bill I am introducing today will provide the vehicle for continuing that work this year.

The text of the bill follows:

H.R. —

To establish the Protection Island National Wildlife Refuge, Jefferson County, State of Washington

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Protection Island National Wildlife Refuge Act".

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) Protection Island provides nesting habitat for 72 percent of the entire seabird population of Puget Sound and the Strait of Juan de Fuca;

(2) this island also provides refuge for other species, including the endangered bald eagle and the harbor seal; and

(3) this island is a nationally significant environmental resource threatened with destruction through residential and related development.

(b) POLICY.—It is therefore declared to be the policy of the Congress in this Act to preserve Protection Island through the establishment of a Protection Island National Wildlife Refuge as part of the National Wildlife Refuge System.

SEC. 3. As used in this Act:

(a) The term "refuge" means the Protection Island National Wildlife Refuge that includes those lands and waters, and interests therein, located in Jefferson County, State of Washington, that are depicted on the map entitled "Protection Island National Wildlife Refuge", dated September 1980, and on file at the United States Fish and Wildlife Service.

(b) The term "Secretary" means the Secretary of the Interior.

SEC. 4. The Secretary is authorized to acquire lands and waters or interests therein within the boundaries of the refuge by donation, purchase with donated or appropriated funds or exchange. In order to lessen the impact of Federal acquisition on the present owners, the Secretary shall give special consideration to providing for extended use reservations to the extent compatible with the purposes for which the refuge is established and effective management of the refuge.

SEC. 5. The Secretary shall establish the refuge by publication of a notice to that effect in the Federal Register at such time as he determines that lands, waters, and interests therein sufficient to constitute an efficiently administrable refuge have been acquired. The Secretary may make such minor revisions in the boundaries of the refuge as may be appropriate to carry out the provisions of this Act.

SEC. 6. Prior to the establishment of the refuge and thereafter, the Secretary shall administer the lands, waters, and interests therein acquired for the refuge in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd–ee). The Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of outdoor recreation opportunities compatible with the wildlife resources, and interpretive education as he deems appropriate to carry out the purposes of this Act.

SEC. 7. There are authorized to be appropriated $5,000,000 for acquisition of lands and waters and interests therein.●

YOUNG FARMERS—IN THE EYES OF A LOCAL NEWSPAPER

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. BEREUTER. Mr. Speaker, shortly before Christmas I read an article in one of the local newspapers in my congressional district, the Henderson News. Its title, "Young Farmers Best Ever," caught my eye and I wanted to share it with my colleagues.

This year, 1981, will be an important one for agriculture, as we draft a new farm bill. Now, perhaps more than ever, it is refreshing to read about the successes of American agriculture and our Nation's farmers.

We are a Nation blessed with many fine farmers and farm families. Their success is owed to their individual initiative and endurance far more than to any governmental assistance. That is a fact we should bear in mind as we begin consideration of the new farm bill.

I ask permission to have the article printed in the CONGRESSIONAL RECORD.

YOUNG FARMERS BEST EVER

Today's young farm and ranch operators are probably the best this country has ever produced.

This is the time of year when several organizations in the state recognize young farmers and ranchers with awards for the excellence of their crop and livestock operations, for innovations in soil and water conservation and for leadership in farm and community activities.

Newspeople who have been interviewing these award recipients over the past 10 to 15 years know that there is a pattern to their success and that pattern includes many of the following ingredients:

They have been reared on family farms and ranches and learned their vocation under the guidance of their parents. They have been handling equipment and caring for livestock since they were small boys.

Nearly all have been active participants in 4-H and FFA where they learned more of the fine points of crop and livestock production and acceptance of new and improved techniques.

Many are leading 4-H clubs, holding positions of leadership in their local community and contestants in 4-H and FFA competition at local and state levels.

Almost, without exception,- successful young farmers and ranchers are in business because their parents helped them get started . . . by sharing equipment, participating in hog and cattle production enterprises on a partnership basis, or providing some land and capital.

In most cases, "the help in getting started" came from parents, grandparents or perhaps an interested neighbor who was nearing retirement and wanted to help a young person enter the field. Usually the help amounted to the minimum needed, not lavish but enough to provide sound opportunity for those who really wanted to make the best use of it.

Success of the award winners achievements came relatively quick indicating that for those who are qualified and are willing to use sound advice and judgment, the rewards in modern farming and ranching can be attractive.

Most young farmers and rancher award winners have goals of increasing the size of their operations. They want to buy or rent more land, to increase their hog and cattle numbers and expand their facilities. They do not want limits on their opportunities.

Most have a surprising amount of building and mechanical skills, able to plan and construct their own facilities and do much of their own equipment repair and maintenance work. Some are college graduates or have had special training at some of Nebraska's vocational-technical colleges.

Most employ good recordkeeping systems and have established good farm credit sources.

Most have definite marketing programs for their crop and livestock production, recognizing the advantages in using some of the new marketing techniques.

Rarely do the award winners dwell on the role of government farm programs in their present and future plans. They may participate in government programs available to them but they voice little desire to see them expanded or to be dependent on them.

Those who constantly predict the worst for U.S. agriculture and the family farm and prescribe all manner of government intervention would do well to go out and see these young farmers and ranchers in action.●

GASOHOL TAX REPEAL ACT

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. PETRI. Mr. Speaker, today I have introduced legislation entitled the "Gasohol Tax Repeal Act." Senator CHARLES PERCY has jointly introduced the bill in the Senate.

Much has been done in this country to encourage the production of alternative fuels such as gasohol. However, a tax that costs more to administer than it generates in revenue impedes this effort.

This outdated Federal law requires a yearly tax of $55 for manufacturing gasohol plants, and a tax of $22 on each still and condenser manufactured for a gasohol plant. Most of these taxes are passed on to people who buy gasohol plants for their own energy needs, such as farmers who purchase gasohol plants for onfarm use.

The Gasohol Tax Repeal Act would repeal these taxes and thereby further encourage the development of gasohol.

The taxes were established many years ago to help Internal Revenue agents keep track of alcohol stills. This need for the tax no longer exists, for today the Service has other administrative ways of keeping track of stills.

The IRS reports that these taxes generate only about $6,000 a year in revenue. Accordingly, Treasury officials say the cost involved in administering them is much higher than the actual revenues these taxes bring in.

By eliminating administrative expenses needed to keep these taxes on the books, repeal would result in a net saving to the Government. In addition it would cut out useless paperwork for private businesses.

Whether it is a major energy research program, or a repeal of an outdated tax, everything that can be done must be done to lessen America's energy crisis. These needless and restraining taxes should be repealed.

The text of the bill reads as follows:

H.R.—

A bill to amend the Internal Revenue Code of 1954 to encourage the production of alcohol for fuel use by repealing the occupational tax on manufacturers of stills and condensers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) except as provided in subsection (b), subpart C of part II of subchapter A of chapter 51 of the Internal Revenue Code of 1954 (relating to occupational tax on manufacturers of stills) is hereby repealed.

(b) Section 5105 of such Code (relating to notice of manufacture of and permit to set up still) is hereby—

(1) transferred to, and inserted at the end of, subchapter I of chapter 51 of such Code (relating to miscellaneous general provisions), and

(2) redesignated as section 5563.

(c)(1) Paragraph (2) of section 5179(b) of such Code is amended by striking out "section 5105" and inserting in lieu thereof "section 5563".

(2) Paragraph (2) of section 5615 of such Code is amended by striking out "section 5105(a)" and inserting in lieu thereof "section 5563(a)".

(3) The table of subparts for part II of subchapter A of chapter 51 of such Code is amended by striking out the item relating to subpart C.

(4) The table of sections for subchapter I of chapter 51 of such Code is amended by adding at the end thereof the following new item:

"Sec. 5563. Notice of manufacture of and permit to set up still."

(d) The amendments made by this Act shall take effect on the date of the enactment of this Act.●

TRIBUTE TO THE LATE HONORABLE OLIN E. TEAGUE

HON. PHIL GRAMM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. GRAMM. Mr. Speaker, Olin E. "Tiger" Teague was an American hero who served his country in war and peace. As the most decorated soldier to serve in Congress, he was the natural choice to speak for the interests of American veterans. The veteran never had a better friend in Congress than Olin Teague, but he never forgot the interest of the taxpayer either.

Mr. Teague established America's post-World War II veterans' program on two premises. First, those who had given the most and were in the greatest need should be helped first. And second, it was the duty of Congress to oversee every program to assure that it not only benefited the veteran, but that it did so in an efficient and economical manner. Under these guidelines, the Veterans' Committee, under the leadership of Olin Teague, hammered out a GI bill of rights which educated an entire generation of Americans; wrote the War Orphans Act, which sent me and millions of other children of those who died in the service of their country to college; built the largest medical system under one management in the world; and provided benefits to those who sacrificed to preserve the life of the Nation which have never been equaled in the history of mankind.

Olin Teague was the father of the space program in the U.S. Congress. As chairman of the Science and Technology Committee, his early and abiding faith in the space program was instrumental in the appropriation of tens of billions of dollars to make possible our successful conquest of space.

With the passing of this soldier-statesman, an era in our history has passed. Our country is richer because Olin Teague dedicated his life to its service.●

DOCUMENTATION FOR FLOOR REMARKS

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. McCLOSKEY. Mr. Speaker, in my floor remarks today, I referred to several documents which are attached. They include:

First, the charges made against Merchant Marine staff member Charles Fager by Lyndon LaRouche, formerly known as Lyn Marcus,

Second, the FBI's response to those charges stating that there is no substantiation for such charges, and

Third, an index to the quotations and positions of Lyndon LaRouche/Lyn Marcus referred to in my remarks.

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., January 15, 1981.

Hon. PAUL N. MCCLOSKEY, Jr.,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MCCLOSKEY: Reference is made to your letter dated December 11, 1980, which advised of allegations made by one Lyndon H. LaRouche, Jr., concerning your staff employee Charles Fager; and which requested this Bureau to initiate whatever investigation was deemed appropriate regarding the allegations, i.e., that Fager is a "longstanding close collaborator of Philip Agee's immediate patrons and a mole . . . linked to Soviet KGB General H. Kim Philby."

Federal Bureau of Investigation records have been reviewed and nothing was located which would substantiate the allegations by Mr. LaRouche. No additional inquiries are contemplated by this Bureau.

Sincerely yours,

WILLIAM H. WEBSTER,
Director.

POLICY GOVERNING RELEASE OF CONCRETE INFORMATION CONCERNING SOVIET KGB-LINKED "MOLES"

(By Lyndon H. LaRouche, Jr.)

This past weekend, I issued a general background report on the use of the Heritage Foundation as a conduit for deployment of "moles" linked to Soviet KGB General H. "Kim" Philby. That general summary is intended to serve as a background orientation briefing for the concrete supporting information which my associates and I are now beginning to leak in a controlled fashion.

I give you now the names of three persons who are not directly associated with the Heritage Foundation, but who are integral to the network otherwise operating under the cover of the Heritage Foundation.

1. Charles "Chuck" Fager, a long-standing close collaborator of Philip Agee's immediate patrons, and currently placed with Representative Paul McCloskey (R-Cal.).

2. Harvey Kahn, an immediate collaborator of Philip Agee, a collaborator of the Heritage Foundation's resource, Francis M. Watson, and William Wollman of McGraw-Hill's Business Week. Kahn is also a resource for Jeremiah Novak, the latter a key lead to the core of the KGB-connected network.

3. John Rees, one of the creators of the Newark riot's Imamu Baraka (Leroi Jones), and long associated with the tainted Representative Larry MacDonald (D.-Ga.).

Detailed dossiers containing crucial information concerning these three are being leaked to appropriate channels during the course of this coming week, and should be in general circulation through appropriate channels by the time that Congress reconvenes.

These three names are almost in the category of throwaways. However, attention to the credibility of those three subject cases in certain circles serves the purpose of beginning to destabilize the entire network.

I add the following names, as names you should register for future attention.

1. Viktor Louis, a British correspondent based in Moscow, already well-known to intelligence services as Philby's most active cut-out contact to the network intersecting the Heritage Foundation.

2. Robert Moss, an associate of the British side of the same network, and already uncovered as a link to the Heritage Foundation's Francis M. Watson by Michael Deaver of President-elect Reagan's circle, with Deaver's information independently cross-corroborated by other sources.

3. Herbert Waddams, a top-ranking figure within the network, operating under the cover of the Anglican church's foreign-intelligence arm, and penetrating into the same aspects of the household of Queen Elizabeth II as the exposed associate of H. "Kim" Philby, Anthony Blunt.

I shall cause to be released soon names and relevant activities of a number of Waddams' highly-placed proteges deployed inside the United States, including their connections to certain of the same terrorist networks otherwise linked to Philip Agee. This latter connection will also take us directly to Clovis Maksoud, and to an entire nest of Christian Arabs married to Muslim wives who are more than closely allied with both Colonel Qaddaffi of Libya and Hafez Assad in Syria, as well as to the Qaddaffi-allied, Khomeini-allied terrorist elements within the Palestinian Liberation Organization.

Moss and Armand de Borchegrave are of special interest on several counts, including the authorship of a widely promoted fictional hoax, entitled The Spike. The function of that piece of fiction is to attempt to cover up the tracks involving the network of which Moss himself is a positively identified part. The novel promotes belief in a non-existent aspect of the Soviet KGB, thereby tending to distract attention from the relevant aspect of the KGB, the aspect which is directly connected to such interesting locations as the leadership of the Communist Party U.S.A. The real section involved is the Soviet Communist Party foreign-intelligence front-organization known as IMEMO.

IMEMO was activated into its present role shortly after H. "Kim" Philby's jump into Moscow. Philby crony MacLean became from then to the present date the controlling advisor to IMEMO.

From IMEMO was spun off a sub-entity called the U.S.A.-Canada Institute. This is the entity which runs the official link to the top leadership of the Communist Party U.S.A. and to David Rockefeller's Dartmouth Conference.

IMEMO itself is directly interfaced with the British side of the network penetrating the Heritage Foundation, and Robert Moss is an integral part of the network penetrating the Heritage Foundation.

More on these subjects, as well as the case of Viktor Louis, will be leaked in dossier-form to appropriate channels in due course.

I now report the reasons for the procedures being used for controlled release of concrete information.

All concerned persons should assemble and study all available files on the way in which the investigation of H. "Kim" Philby was blocked during the 1950s. While examining such available information, concerned persons should also know the network in place within the U.S. intelligence establishment which prevented a competent counter-intelligence investigation of this matter then is still an active and influential component of the U.S.A. intelligence establishment today. Without the aid of that tainted network, the significant "mole"-network now being conduited through the Heritage Foundation could not have penetrated policy circles to the extent this problem now exists.

Unfortunately, in light of the extent and influence of that tainted network, and in light of the numerous influentials who are influential dupes of that network, we must release information in a manner which strikes a balance between urgency of national-security interests and the capabilities of the tainted network for destroying evidence and otherwise blocking investigation.

Already, massive disinformational campaigns are being conduited through channels including the Heritage Foundation against me, as part of an effort to discredit the information relevant tainted networks know that I possess and am able to release under the improved circumstances of President-elect Ronald Reagan's recent victory.

The immediate Soviet KGB-linked threat we must neutralize is the effort of certain Soviet and other forces to destroy certain

options of the incoming Reagan administration prior to January 20, 1981. Watch Poland. Watch Syria. Watch the new pattern of operations concerning the holding of U.S. hostages by the terrorist government of Iran. Watch the present deployment of the effort to destabilize the government of West Germany's Chancellor Helmut Schmidt. Watch the conference of the Socialist International being staged in Washington, D.C.—see who is involved in plotting what antics during that conference. The Heritage Foundation's influential moles are connected to this Socialist International operation.

Let us hope that the cleansing of the National Security Council, the replacement of Warren Christopher at the State Department, the elimination of the tainted elements of the Benjamin Civiletti Justice Department, and the cleaning of Admiral Stansfield Turner's crowd on top of the Central Intelligence Agency will give the relevant parts of the Executive branch back to the service of the interests of our nation in connection with the problems of Heritage Foundation "moles."

In conclusion, I assure you that the information to be released will elaborate a network in which Philip Agee, Soviet KGB General H. "Kim" Philby, Herbert Waddams, Sir Anthony Blunt, and relevant links of those persons inside the United States are consistent reference-points for destroying concretely the network as a whole.

McCLOSKEY FLOOR SPEECH—FOOTNOTES

Page 1: "In World War II, for example . . . ." Biographical data on LaRouche can be found in "Meet Lyn Marcus: The Marxist Messiah," by Vin McLellan in The Boston Phoenix, 1/29/74.

Page 2: "By 1976 the FBI . . . ." This quote is cited in the Heritage Foundation's June 1978 Institution Analysis of the U.S. Labor Party, page 20.

Page 3: "In 1974, THE NEW YORK TIMES . . . ." The date was 1/20/74.

Page 3: "LaRouche stated his belief . . . ." His comments are transcribed in a New Solidarity Extra (no date, circa 1/74), headlined "Uncover CIA-Police Plot To Take Over U.S."

Page 6: "A 'security memorandum' issued in the spring of 1975 . . . ." This memorandum is cited by ex-NCLCer Gregory Rose, in his article "The Swarmy Life and Times of the NCLC," National Review 3/30/1979.

Page 7: "LaRouche characterized the B'Nai B'Rith . . . ." These statements are from a Campaigner Special Report #18, "Put LaRouche in the White House in 1981," in which LaRouche's lead article is "Solving the Machiavellian Problem Today."

Page 7: "LaRouche had portrayed Gerald Ford. . . ." See Rose, National Review, 3/30/79, cited above.

Page 8: "An NCLC 'security memorandum'. . . ." Ibid.

Page 9: "The NDPC repeatedly attacks Speaker O'Neill. . . ." See for example their letter of 12/8/80, headed "Socialists, O'Neill Set to Oust Democratic Party."

Page 10: "Another of LaRouche's organizations is his 'Anti-Drug Coalition'. . . ." See, for instance, the New Solidarity article "War on Drugs Exclusive," 8/1/80; and "LaRouche Front Group Fizzles," by Lee B. Higgs, in Our Town, 12/21-27/80.

Page 10: "While the NCLC's activities. . . ." The Washington Post, 8/16/77.

Page 12: "After Fager's discovery was published. . . ." Fager's own paper retreated from LaRouche's threats and did not publish the information. It was published in the competing Boston Phoenix, 1/29/74.

Page 13: "LaRouche's reaction to Fager's work. . . ." This reaction was expressed in a New Solidarity Extra release dated 1/13/74 and headlined, "'Real Paper' Shovels CIA Dirt".

Page 13: "Quakers and Quaker groups. . . ." LaRouche's virulent attacks on the American Friends Service Committee were published in two parts in New Solidarity, 11/7 and 11/10/78.●

IN RECOGNITION OF MR. ELMER BAUER

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. FLORIO. Mr. Speaker, I would ask my colleagues to join with me today in recognizing the exemplary record of achievement and service of a constituent of mine. Mr. Elmer Bauer of Elm, N.J. Tomorrow evening, Mr. Bauer's friends, colleagues, and family will gather at the Silver Lake Inn to honor Mr. Bauer on the occasion of his retirement from the New Jersey Division of Employment Services.

As a manpower specialist III at the Job Service Office in Hammonton, sited in the heart of New Jersey's farm country, Mr. Bauer has been largely responsible over the last 15 years in securing jobs for agricultural workers in the Hammonton area. In performing this important function, he has rendered a valuable service to both farmers and seasonal employees who rely on such work for their livelihood.

It is unfortunate that after 15 years of service, Mr. Bauer is forced to retire as a result of a disability related to his military service during World War II.

At this time, I would like to add my congratulations and thanks, as well as those of my colleagues, to those he will receive tomorrow evening. It is small compensation for the years of service to his country and community.●

JAPAN, THE UNITED STATES, AND NATO

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. FINDLEY. Mr. Speaker, the Atlantic Council has recently released an extremely important policy paper, "The Common Security Interests of Japan, the United States, and NATO." This paper is the product of a Joint Working Group of the Atlantic Council and the Research Institute for Peace and Security in Tokyo.

In the coming year, it will be critical for the United States and all its allies to enhance their combined capability to meet the growing Soviet threat. To date, the United States has been disappointed with the inadequate contribution of some of its allies—particularly Japan—to the common defense. At the same time, it must be admitted that the United States itself needs to do more to assure the security of the free world.

In its policy recommendations, the joint working group, chaired by U. Alexis Johnson, former Under Secretary of State and U.S. Ambassador to Japan, provides clear guidelines for the United States and its allies so that they might meet more effectively common threats to their security. I urge my colleagues in the Congress and our counterparts in the Japanese Diet, to contemplate the policy recommendations which follow:

POLICY RECOMMENDATIONS

The Joint Working Group of the Atlantic Council of the United States and the Research Institute for Peace and Security of Japan believes that the following recommendations can be effective in defending the common security interests of Japan, the United States and NATO.

1. FORMING A POLITICAL FRAMEWORK FOR COMPREHENSIVE SECURITY

There should be established a procedure, within or outside the framework of the present "Big Seven" Economic Summit Conferences, for high level exchanges of views or consultations among the United States, the other major members of NATO and Japan on comprehensive security questions of common interest to include (but not be limited to) those set forth below. Such activities would address overall goals and missions, including equitable sharing of the overall costs and responsibilities. Existing institutions would be used to the maximum extent possible in implementing decisions that are reached, but new institutions might be established where necessary.

2. ESTABLISHING A CREDIBLE MIDDLE EAST DETERRENT

To deter the Soviet Union from directly or indirectly expanding its influence in the Middle East or obtaining control of access to Middle Eastern oil supplies, and adequate deterrent force should be established as quickly as possible in that area, capable of a variety of missions on land, sea and in the air. The United States is the only country capable of taking the lead in this operation. Other North Atlantic Treaty nations and Japan should undertake agreed assignments within the region:

France, the Federal Republic of Germany, the United Kingdom and Canada should provide appropriate military assets to the Middle East/Persian Gulf area to enhance allied capability and to demonstrate allied solidarity.

Other NATO/Europe nations and Japan should apply their own civil assets, including airlift and sealift, to support this allied presence in the Middle East/Persian Gulf area. Countries with past operational experience in the Middle East region could provide valuable intelligence and training support for forces in or being deployed to the area.

3. MAINTAINING DETERRENCE ELSEWHERE

As the foregoing will require some drawdown of US forces earmarked for deployment to the European and Asia/Pacific theaters in an emergency, and perhaps even limited temporary reductions in US air and naval forces there in peacetime, other NATO nations and Japan should promptly increase their defense efforts to compensate for the drawdowns of American forces.

4. STRENGTHENING U.S. FORCES

The United States should make greater efforts to maintain a sufficiently strong and credible strategic nuclear posture vis-a-vis the Soviet Union.

The United States should promptly increase the size and quality of its conventional forces in order to maintain with its allies a satisfactory level of deterrence in all three theaters. In doing so, the US should fulfill its commitments under NATO's Long Term Defense Program.

The United States should immediately proceed to implement its plan to create and maintain substantial strategic petroleum reserves.

5. DEMONSTRATING CONTINUED U.S. COMMITMENT IN THE ASIA/PACIFIC AREA

By word and deed, the US should avoid any implication that it intends to withdraw from the Asia/Pacific region. By demonstrating that it is and will remain a Pacific power, the United States can ease many of the anxieties of its allies and potential supporters in the region.

6. RESTORING U.S. ECONOMIC HEALTH

The United States should promptly do whatever is necessary to restore its own economy to health, enhancing its productivity, curbing inflation, correcting balance of payments deficits, and reducing its dependence on oil imports.

7. INCREASING JAPAN'S DEFENSE CAPABILITIES

Japan should strengthen and improve its Self Defense Force. It should stress its air defense, anti-submarine and mine-laying capabilities. Japan may have to increase its own war reserve stockpiles, thereby decreasing its dependence on US combat-sustaining support.

8. INCREASING THE EFFECTIVENESS OF THE U.S.-JAPAN SECURITY TREATY

To the maximum feasible extent, Japan and the United States should, in implementing the 1978 Joint Defense Guidelines, standardize and integrate their intelligence, communications, logistics, weapons and training systems for the purpose of being prepared to undertake joint operations in the event of an outbreak of hostilities. The United States and Japan should also find new and effective means to coordinate joint operations. Japan should increase the application of its own civil assets—including airlift and sealift—to support the movement of US reinforcements across the Pacific.

9. INCREASING JAPAN'S FINANCIAL CONTRIBUTION

Japan should continue to increase its share of the costs for maintaining US troops and bases in Japan, since those troops contribute in an important way to the comprehensive security of Japan and the United States.

10. ENHANCING JAPAN'S CONTRIBUTION TO ALLIED ENERGY INDEPENDENCE

As a significant component of comprehensive allied security, Japan should devote a major new effort to support research and development of alternate sources of energy.

11. INCREASING JAPAN'S CONTRIBUTION TO MIDDLE EAST STABILITY

Japan should continue to increase its economic and technical assistance to areas of conflict and potential conflict, especially to key nations in the Middle East.

12. AVOIDING TRADE CONFLICTS AND PROTECTIONISM

Japan, the U.S., and the other NATO nations should not permit temporary and inevitable trade frictions to undermine their far more important and lasting interest in working together for the common good. Above all, the kind of protectionism which led to disaster in the 1930s must be avoided. The advanced industrial democracies share a huge stake in maintaining regional and world peace and security for all nations, and in preserving stability and growth of the world economy under conditions of orderly trade, investment and access to raw materials. They share in interest in seeing that representative governments flourish wherever possible. All of these shared interests—and more—dictate that they should place potentially divisive trade issues in the perspective of the larger goals and deal with them accordingly.

13. AFFIRMING U.S. SUPPORT FOR THE REPUBLIC OF KOREA

The United States must make it unmistakably clear that it will continue its support for the Republic of Korea, and that the United States intends to maintain ground combat forces there.

14. ASSISTING THE PEOPLE'S REPUBLIC OF CHINA

The allied nations should provide economic and technological assistance but not lethal military equipment in support of the modernization program of the People's Republic of China.

15. SUPPORTING ASEAN

The ASEAN nations represent an important element in the maintenance of the stability of Southeast Asia and occupy a critically important geographic position on the sea lines of communication. The allied nations should continue to support ASEAN and maintain close relations with these friendly nations.

16. SUPPORTING OTHER DIPLOMATIC AND POLITICAL MEASURES

Although these recommendations have focused mainly on common security interests and the strengthening of defense capabilities, this should not be interpreted as in any way detracting from the importance of diplomatic and political measures aimed at reducing areas of potential conflict, especially in the Middle East.

The Joint Working Group strongly recommends that the allied nations energetically pursue such efforts in concert.●

RAY VENTRINE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. HOLLENBECK. Mr. Speaker, citizens of my home town of East Rutherford, N.J., are paying tribute this week to a very special citizen. From 1933 until 1958, Ray Ventrine owned and operated Ray's Luncheonette, a place best known for its ice cream and its friendliness. Now in his 79th year, Ray has retired and moved away, but he continues to have a special place in the hearts of those of us who still call East Rutherford home—especially the many hundreds of us who found Ray's a home away from home during our high school years.

Ray Ventrine gives us good memories of our youth and of the town in which we were raised. He helped to provide our young people with a sense of belonging, and he left us with an abiding faith in individuals and in the individuals who make up a local community.

When the residents who gather to pay tribute to Ray this week were 16 and 17, his luncheonette was a way of life. Perhaps we did not fully appreciate in those young years the uniqueness of a small businessman who always had a friendly word and sound advice on growing up—who trusted us and genuinely cared about the people of his community.

But those special qualities Ray shared with us have not been forgotten. It is with gratitude and affection that we honor our friend, Ray Ventrine.●

CUTTING THE FEDERAL BUDGET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, January 28, 1981, into the CONGRESSIONAL RECORD:

CUTTING THE FEDERAL BUDGET

Almost everyone favors a reduction in federal spending. The federal budget will be the major focus of the new Congress, and I suspect that recommended cuts in federal spending will cause most of the legislative fights. The general problem before Congress is that although everyone dislikes the excessive spending the budget proposes in total, almost every line item in the budget is championed by some individuals and groups.

No one doubts that slower growth in federal expenditures can have benefits. Interest rates can be lowered, private borrowers will not be shouldered aside by the federal government's need for credit, and expectations that inflation will continue can be dampened. Tax cuts can be used to improve incentives and reduce costs.

No one should doubt the difficulty of trimming the budget. In a recent public meeting I listed the reasons why federal spending was so hard to control, but a constituent, reflecting the frustration of the people with budgetary excess, said that he really did not want to hear excuses. He wanted results, pure and simple. All of us can appreciate his feelings, but before the right steps can be taken it is necessary to understand where and why the growth of the federal budget has occurred.

The unpredictability of events and a myriad of forces often disrupt the careful

planning of budget makers. No one foresees the eruption of a volcano or the sudden influx of thousands of refugees. Moreover, most of the budget is not controllable in the current year. The controllable percentage has dropped sharply: 40 per cent in 1967, it will fall to 25 per cent by next year. Payments to individuals (for social security, food stamps, medicare and so on) will reach $335 billion in 1982, up from $142 billion in 1967. Thirty years ago, benefits for social security and railroad retirement accounted for less than 3 per cent of outlays. Today, they account for more than 20 per cent. The proportion of federal spending tied to the Consumer Price Index will be about 30 per cent next year; it was only 3 per cent ten years ago. Behind the growth of the budget are such trends as the aging of the population, the increase in the amount of money advanced to state and local governments, and the growth of federal credit programs. The interest rate subsidy alone now costs more than $20 billion a year.

There is a blunt message in these percentages and figures: the federal goverment should not spend more money than it takes in, even if it spends for causes that are good in themselves. Our resources have limits, yet the demands on them are frozen by law into a pattern of growth. We have a budget that is hemorrhaging.

I am surprised that many constituents find the growth in federal spending so puzzling. They often seem to believe that the President and Congress shovel out cash willy-nilly without careful thought. It is worth noting that while spending has grown much too rapidly, its growth in recent years did not result from the establishment of a large number of new programs. Rather, it has come principally from two sources: increased outlays to protect national security (a goal overwhelmingly approved by the American people) and increased outlays for long-standing and well-accepted programs of income maintenance (such as social security) which are indexed to inflation.

There is misspending in the federal budget. Every effort must be made to cut it back. No task is more important. The reasons for runaway spending, however, have little to do with wholesale fraud, waste and abuse. When I ask constituents where they want to cut the budget, the usual response mentions misspending. No one can disagree, but unfortunately there is no line item in the budget labelled "fraud, waste and abuse." While some savings can and should be made by eliminating misspending, most cuts will involve genuine sacrifice.

As a first step toward a disciplined federal budget, Congress itself must set its own house in order. In future newsletters I will discuss how Congress can do this. Congress will simply have to do better in turning aside special pleas for exemption from budgetary discipline. The use of multi-year budgets would give Congress more time to study and alter existing programs. In addition, several technical changes could be made to give Congress' budgetary process more teeth. Outside Congress, the off-budget credit programs clearly must be curtailed, perhaps by imposing a ceiling on the authority to grant credit. A hard look at the issue of indexation must also be part of any effort to establish long-term budgetary control. One encouraging note is that after years of hiding the causes of uncontrolled spending, the federal budget is now exposing them.

There will be many suggestions as to how federal spending should be cut: elimination of fraud, waste and abuse, better management, a freeze on hiring, reductions in expenditures for travel and procurement, termination of low-priority programs, curbs on spending that occurs off the budget, and reform of entitlement programs will be mentioned. However, there is no gimmick that will solve the problem of federal spending. There is no chance of success without a revolution in the public's expectations. Congressmen are already complaining of letters from home that say, "Cut the budget, but don't touch my program."●

THE CONSUMER TIRE REGISTRATION AND PUBLIC NOTICE IMPROVEMENT ACT

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. RINALDO. Mr. Speaker, today I am introducing the Consumer Tire Registration and Public Notice Improvement Act, a bill which makes several very important changes in the National Traffic and Motor Vehicle Safety Act of 1966.

The first provision of my bill amends section 158(b) of the Vehicle Safety Act to provide for the registration of new tires on a voluntary basis by consumers. At the present time, tire dealers are required to fill out and return the registration form to tire manufacturers. Experience has shown, however, that the present mandatory program is not working. As the Senate Commerce Committee stated in its report—No. 96-185, "the present mandatory tire registration program has resulted in a low level of tire registration." Moreover, this system has added to the Federal paperwork burden and related regulatory costs imposed on tire dealers.

Clearly a change is needed if tire registration rates are to be improved and the interests of consumers are to be better protected in the event of a tire recall. The results of an independent survey commissioned by the National Tire Dealers and Retreaders Association revealed that approximately 86 percent of those responding would register their new tires under a voluntary program. Assuming some readjustment of this figure, the survey research firm still projected a significant increase in the rate of registration. While this change will exempt tire dealers and distributors from certain reporting requirements, it will impose an affirmative obligation on all dealers and distributors to furnish the consumer with a registration form which includes the tire identification number at the time of purchase. I'd like to point out that the National Tire Dealers and Retreaders Association is committed to the success of the voluntary tire registration program. They have stated on numerous occasions that they will promote the program in a variety of ways with both their dealers and with consumers.

This provision was unanimously included by the Senate last Congress as part of S. 1159, the NHTSA authorization bill, and subsequently adopted by the House and Senate conferees on that bill. While the provision received widespread support on the House floor, the inclusion of several controversial provisions in the conference report worked against its passage in the final days of the 96th Congress. My provision incorporates the exact language which appeared in S. 1159.

The second provision in my bill authorizes the Secretary of Transportation to require the tire manufacturers to give public notice of a tire recall, if and when he determines such notice to be in the public interest. The Secretary may order such public notice only after consultation with the manufacturer and after consideration of several factors, that is, the magnitude of the risk to motor vehicle safety created by the tire defect and the cost of such public notice as compared to the additional number of owners who would be notified.

This provision is identical to that found in H.R. 3949 which was passed by the House on October 9, 1979, by a vote of 380 to 9. This provision was also unanimously included in the conference report to accompany S. 1159, the NHTSA authorization bill, by the House and Senate conferees. However, because of the controversy surrounding other provisions of the conference report, it did not pass the House.

Both provisions are badly needed and long overdue. Both further the interests of public safety on our highways and, at the same time, impose no additional regulatory costs on taxpayers. Finally, they have widespread support in both the House and the Senate and should be enacted by the 97th Congress.●

FOREIGN AND DOMESTIC RESPONSIBILITIES OF UNITED STATES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. MILLER of California. Mr. Speaker, I would like to submit another article by Felix Rohatyn which outlines some of the very critical decisions we face in addressing our economic situation.

(The article follows:)

Our business leaders put the blame for inflation on runaway government spending, and call for welfare cutbacks. Government spending is obviously one of several culprits and putting a limit on welfare and Medicaid spending is a necessity, especially for those

of us who live in the Northeast and Midwest. But the only practicable way to limit these programs is to provide private jobs for those on the welfare rolls; it cannot be done without some form of government involvement or subsidy. We should also, after seven years of experience, be more realistic about the impact of our payments to OPEC. At the current rate of imports, before price rises that inevitably will result from the Iran-Iraq war, we will, during the next five years, pay over to OPEC approximately half the market value of all companies listed on the New York Stock Exchange. This means that we soon will be turning over the equivalent of half our productive capital built up over the last 200 years for a product we burn every day. Even the lure of huge contracts with the OPEC nations, or the attraction of their large deposits of money in the U.S., should not blind us to the economic and political power transferred from the West as well as its inflationary impact. Recycling is a myth; it only means lending more and more to people in third world countries who can afford it less and less.

We live today in a "padded society" for the majority, and a "nowhere society" for millions in the urban ghettos. It is a "padded society" because everywhere one turns, one finds padding for security. Cost of living allowances and automatic increases for workers regardless of productivity; constantly increasing unemployment compensation and trade-adjusted payments for laid-off workers; constantly increasing pensions for retirees—every sort of contract and stock options for management regardless of performance; COLAs for social security; government price supports for the farmers.

RESPONSIBILITIES OF UNITED STATES

It is understandable that people want security, but it is the padding of our society that has become our inflationary albatross, not people using credit cards. It is the padding that creates rigidity in wages and prices, regardless of economic activity; that erodes the work ethic; that makes government deficits inevitable in good times and in bad. And management shares guilt with labor and the politicians of both parties by sacrificing the future to avoid facing today. We have created a gigantic pyramid club called "pensions and social security" where more and more retired people expect to enjoy higher and higher levels of benefits to be paid by a society producing less and less. While this goes on, in the ghettos of our cities, with a 60 percent unemployment rate, young blacks are told to stop pushing drugs and find a job and that welfare is a luxury the country cannot afford.

As in New York City, any national economic program, to have a chance of success, must combine austerity with growth. To begin to control inflation, an incomes policy that relates wage and price increases to productivity is essential. This should be administered through benefits and penalties of the tax system rather than through a new bureaucracy. A freeze of both wages and prices should be imposed until such an incomes policy can take its place. That is one aspect of austerity.

A stiff gasoline tax has to be imposed to permit an overall reduction in interest rates and a strengthening of the dollar. We can have no real growth until our interest rate structure is lowered. This cannot be done responsibly until the dollar is strengthened by other means. Part of the gas tax should finance tax cuts that will lead to increased investment and an increase in military spending. The balance should be rebated to lower income groups; those in higher income brackets will just have to pay more. That is another aspect of austerity.

We are in a military competition with the Soviet Union, in which the US is dangerously deficient in conventional as opposed to nuclear power. Against a standing conscripted army we try to compete with a volunteer army at immense cost and low effectiveness. We spend $140 billion a year on defense and cannot airlift three divisions into the Middle East. Until the millennium when peace reigns world wide, we must have an adequate conscripted army with low pay, with no excuses from service except for health, and a highly professional, highly paid cadre of officers and noncoms. That is the third aspect of austerity.

We must rebuild our older cities, as well as our older industries, and we must do so in a way that also brings work to the ghetto areas. I believe this requires the creation of an entity similar to the Reconstruction Finance Corporation of the 1930s and the cooperation of business, labor, and government, national and local. Unemployment in the ghetto can be solved either by taking the people to the jobs, which I do not believe to be feasible, or bringing the jobs to the people. Our older cities, our older industries, our hardcore unemployed are all tied to the same umbilical cord. An independent financing entity is needed to cope with the fundamental restructuring of older industries, with the renewal of the physical plant of older cities, and to make use of the work potential of the inner-city unemployed. Providing employment in the private sector to the ghetto dweller is not only a humane, social necessity; it is an economic necessity. It cannot be done, however, without cooperation between business and labor and without government support. To the argument that this is undue interference with the free-market mechanism, I would answer than an RFC making equity investments is no different, in basic theory, from a refundable investment tax credit; both methods use taxpayers' money to provide capital to enterprise.

The RFC, like the Municipal Assistance Corporation in New York City, could extract concessions from various participants before committing itself to invest; the tax credit has no such potential. The RFC could also assist older cities with their capital programs, thereby both creating jobs and improving the quality of urban life. Just as in Canada where the oil-producing provinces have created the Heritage Fund to make investments in Canadian industry and infrastructure, so our own oil-producing states should consider the possibility of investing some of their increasing revenues in the capital of such an RFC. This should be coupled with the borrowing back, on a long-term basis, of a part of the vast amounts of OPEC funds currently deposited on a short-term basis with US banks. That would be another aspect of austerity.

Ultimately this country must look to a future of relatively evenly distributed burdens and benefits, regardless of geography, regardless of class, regardles of race if it is to maintain itself as a strong democracy. The present trends go in the opposite direction and yet our own most serious problems create our greatest opportunities. A determined domestic energy program, coupled with an industrial policy, and the investments in infrastructure and city renewal that go with it, could put the whole country to work for the next twenty years. That, in my view, would be the tide that could "lift all ships."

Temporary austerity will have to be accepted, on a well-defined basis. We cannot reduce inflation without a tough incomes policy. We cannot limit the growth of government spending without shifting large segments of the population from government support to private employment. This can only happen if there are noninflationary stimuli of the economy, large-scale investment programs, lower business taxes and interest rates, as well as a strong currency. A stiff gasoline tax to fund part of this program, and a tough incomes policy, together with large-scale long-term borrowings from OPEC will help protect the dollar and permit the safe lowering of interest rates. An RFC is not state capitalism; it is a temporary mechanism to restructure on a sensible basis those older, basic industries that otherwise will either disappear or be bailed out by indiscriminate government funding.

In addition, the examples of Germany and Japan should convince us that a genuine partnership of business and labor in government is required to accomplish any program dealing with inflation and the economy. I strongly support the Carter Administration's move in that direction with the creation of the Economic Revitalization Board and other similar structures. To cries of elitism or the fear of creating a new "establishment," I say that where we are going otherwise is infinitely worse.

We have recently heard much talk of the Silent Majority, the Moral Majority, and other majorities. The fact of the matter is that our country today cannot muster a majority for anything except complaint. The body politic is so splintered and balkanized that the impotence of the political establishment is a perfectly valid reflection of the negativism and lack of interest of the electorate.

A government of checks and balances has become all checks and no balances. As usual, we have heard the presidential candidates orate about cutting government spending and bureaucracy, instituting great programs, changing the country's direction. We all know this will not happen. We must face the reality that our problems are getting larger as the system's ability to cope with them is lessened, a trend that leads over the edge of the cliff. Recently there have been suggestions for fundamental constitutional changes in our government. Some call for a single-term presidency and related limits on congressional terms, others for variations of parliamentary government, as was advocated by Lloyd Cutler in a recent issue of Foreign Affairs, or for a congressional cabinet structure.

These do not, however, have serious prospects at present. Only a major crisis will force the kind of constitutional change advocated by serious students of government today. I believe such a crisis is likely to occur because to avoid it, too many things have to go right, all over the world, for a long period of time. Although it is impossible to predict whether it will be monetary or military, in the Middle East or in Cleveland, the potential for military, economic, or social strife is probably too great to be avoided. When a crisis of sufficient magnitude creates the possibility for fundamental change, it will carry with it enough of a popular majority for action so that a president with a real vision of the future will be able to put his program through. That is obviously a risk for democracy as well as a hope.

In the meantime, the best that can be done is to have a government as competent

as possible with a coherent program, no matter how difficult of implementation. We are for the time being locked into a strait jacket of high inflation, low growth, and high unemployment, no matter who the next president may be. This state of affairs carries with it suffering and austerity that are unevenly distributed geographically and socially, and cannot be sustained for very long. It is fantasy, however, to have illusions of real long-term solutions at present.

Today, we could not build our road system, the TVA, or the Manhattan Project. Between the Congress, the courts, the numerous interest groups, these projects would all die on the vine. The concept of democracy in which the minorities are willing to abide by the will of the majority has been much eroded. What little rationality is left in the system is being eliminated by TV politics in which little capsules of show business are supposed to pass for statesmanship.

This country should be able to speak for the nations and interests of the Western world. To abdicate this role to Helmut Schmidt or Giscard d'Estaing, no matter how capable they are, is to abdicate our responsibilities. We are, however, in no position to carry them out even if we had leaders capable of conceiving what they should be. Whether it be the defense of the Middle East, disarmament negotiations with the Warsaw Pact, the problems of the third world nations in their fight against poverty and overpopulation, only the United States can provide the counterweight to the mass of China and the shadow of Russia.

In 1938, at the time of Munich, Neville Chamberlain rose in the House of Commons to speak for the Conservative Party when a backbencher yelled: "Speak for England!" The United States, I suggest, should speak for the West. It must speak for opportunity, for growth, for social justice, and it must speak with confidence and power. That will only happen when a majority of Americans will decide that the drift has got to stop, and a president with a sense of the future gives direction to the power that will be unleashed. This will not happen today, but it will come sooner than we think.●

LETTER FROM POLISH GOVERNMENT IN EXILE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. DERWINSKI. Mr. Speaker, in the interest of giving wide dissemination to the truth, I am entering into the CONGRESSIONAL RECORD a letter I received from Mr. Aleksander Kajkowski, representative in the United States of the Polish Government in Exile which has its seat in London. The letter is self-explanatory.

JANUARY 21, 1981.

Hon. E. J. DERWINSKI,
House of Representatives,
Flossmoor, Ill.

SIR: I am writing to inform you that many people in the United States and Canada received a letter supposedly sent from the Foreign Department of the Polish Government in Exile. This letter insinuates that the Government in Exile is aware of a plot by Leszek Moczulski, leader of the opposition party in Poland, to overthrow the Communist Government and establish a new government in Poland.

This information is totally erroneous. No such word was received from Poland by the Polish Government in Exile, and no such letter from this Government exists. It is believed that this misinformation has been disseminated by the Communist Government for the sole purpose of compromising Mr. Moczulski, presently in prison, and awaiting an imminent trial, and to embarrass the Polish Government in Exile.

Already the mass media in Poland has begun propaganda to the Polish people about this intended coup, in order to create confusion and lack of credibility about an innocent Polish patriot.

Sincerely,

ALEKSANDER KAJKOWSKI.●

ECONOMIC REVITALIZATION: A NECESSARY STEP

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. REUSS. Mr. Speaker, I want to share with my colleagues the text of my article entitled "Industrial Revitalization: A Necessary Step", which appears in the January 1981, issue of USA Today.

INDUSTRIAL REVITALIZATION: A NECESSARY STEP

(By Henry S. Reuss)

American industry is in big trouble. It is losing jobs, losing sales, losing markets, and losing that edge of competitive excellence that once made the "Made in USA" label a guarantee of quality and value.

So what? Do we really need all that industry? Many economists and many editorial writers seem to think we do not. Leave the market alone, they say, even if that does mean turning us all into paper-pushing clerks, secretaries, accountants, management consultants, and lawyers. Keep the government out of it, they say, and let big business and small business alike go bankrupt if market forces dictate.

I disagree. America needs a strong industrial base, for three reasons. We need it for national security, to keep our defenses strong, and so that no nation can hold us hostage by refusing us access to vital manufactured goods like steel. We need it for international competitiveness, to assure that other nations, particularly those supplying our oil, will continue to want the goods we produce as much as we want theirs. And we need it for our domestic security, to ensure that we have enough jobs and, more importantly, the right mixture of jobs, for all of our diverse and multi-talented work force, not just those who feel happiest behind a typewriter or a telephone.

What's more, government can play a constructive role in helping American industry revitalize. I'm no starry-eyed idealist—government meddling in industry can, and does, produce a lot of mistakes—but the fact is that government meddles in industry all the time, every day, already. It's only a question of whether a sensible, rational, organized, and coordinated system of government policy-making toward industry can do less harm and more good than the current uncoordinated mishmash of regulations, price supports, trigger prices, loan guarantees, export subsidies, and what not. I believe it can.

A serious revitalization effort must begin by giving the broom to the legions of quick-fix artists in our economic life. These modern-day equivalents of Father Coughlin and the Social Credit movement are great at getting attention, but they have no useful solutions for the problems of American industry and the American economy.

The first set of quick-fixers, very fashionable in election years, are those who claim that a block-buster tax cut is all that's needed to get America moving again. A case can be made for a carefully targetted tax reduction in two areas: accelerated depreciation of new industrial plant and equipment, and a roll-back of the scheduled increase in Social Security payroll taxes, but that's all. Those who claim that business "incentives" would improve drastically if we taxed fat corporate salaries at lower rates should try to come up with one businessman, just one, who will admit to goofing off on the job because of high tax rates. And those who think that letting dividend earners escape untaxed—while wage earners continue to foot the bills—should ask a worker or two what he thinks of the fairness of that. The Laffer Curve, it has been said, has the shape, and the substance, of a wishbone.

A second group of quick-fixers are the monetarists, who believe that inflation can be conquered by turning over control of the money supply to an educated horse. It is true enough that a tight monetary policy, maintained long enough, will eventually reduce the rate of inflation, but this is no solution for American business. It means high unemployment, low investment, falling productivity and competitiveness, and increasing business bankruptcies for the indefinite future. The cost of the monetarist prescription, compared to a sensible program that brings all the instruments within the power of government to bear on controlling inflation quickly and fairly, is exorbitant. There is no way the American people will permit it to be paid.

Third and last, there is a small group of eccentrics who believe, in the tradition of Huey Long, that by passing out a few shares of stock to workers we can get unsound businesses back on their feet. There is a kernel of good advice here. Occasionally, an Employee Stock Option Plan can provide the infusion of capital and enthusiasm necessary to turn a marginal business into a successful one; but, in general, this is no solution. The problem with most American business is more complicated than low worker morale, or a shortage in any absolute sense of investment capital. You can not correct these problems with an accounting device any more than you can cure dry rot with wallpaper.

What is to be done?

First, we need a commitment by government to try, in a coordinated way, to understand the problem and find the solutions. This means that there should be in the White House, with the full support and authority of the President, a council of wise people dedicated to solving the reindustrialization problem. The council should not have operating powers; instead, it should be a clearing house of information and ideas, an identifier of bottlenecks, and a resolver of disputes. Ideally, it should be patterned on the high-level mobilization boards of World War II, which brought together the nation's best and brightest men and women to create the basic materials capacity and later the factories for airplanes, ships, tanks, and ammunition that we needed to win the war. The proposed Industries Council should be outspoken and pedagogic, and staffed by the most respected and independent-minded leaders from industry, labor, government, and the service sector.

Second, government should revamp all of its economic policies so as to give industrial expansion the highest priority, consistent with standards for clean air and water, occupational safety, and inflation control. (Actually, these goals are *not* contradictory. New factories usually embody the latest environmental and occupational safety designs, and they increase productivity and so help to reduce inflation.)

Government economic policy can be thought of as a fortress of old, with a single castle in the center which is the commitment to structural reform discussed above. The castle is surrounded and protected by four barbicans [outer defense works] of economic policy.

The first barbican is monetary policy. This can and should be steady-as-you-go. We must try to keep interest rates as low as possible, consistent with a steady expansion of total domestic credit. One way is to set targets for the growth of the money supply and stick to them over the long run, but not to try to offset every jiggle in the statistics as the Federal Reserve sometimes seems inclined to do.

Our monetary policy must also be coordinated with our allies. The Germans in particular have relied too heavily on their central bank to fight inflation, while running up a large fiscal deficit. The resulting high interest rates in Germany draw foreign capital there and away from here, causing a weakness in the dollar. Our efforts to defend the dollar under these circumstances only make interest rates higher here than we need for our own economic well-being. What we should do instead is talk to the Germans (and the British), persuade them to lower rates and more growth all around without destabilizing anyone's currency.

Finally, we need to have a firm control over those who would misuse our scarce supplies of bank credit. Banks should not lend for unproductive, speculative uses to goldbugs, silverfish, and other commodity-market manipulators; to corporate take-over artists; to rental housing condominium converters; and to brutal dictators in Latin America and elsewhere. The Federal Reserve has the responsibility to ensure that sound banking practices are maintained and that chartered banks serve the public interest. The Federal Reserve can be helped in its task by interested citizens, who should have the right to know and to protest when a bank is siphoning community deposits into risky, unproductive, or unsavory uses.

The second barbican is fiscal policy. This too should be steady-as-you-go. We need a Federal government in sound fiscal condition, as an example to all Americans of our determination to fight inflation and as a practical matter so that capital for private industry will be reasonably priced. That means, once again, no pie-in-the-sky-side tax cuts. There is room for some equity-increasing tax adjustments, such as the reduction in Social Security taxes mentioned earlier, and for some targeted investment incentives. In addition, fiscal policy must accommodate a concerted effort to build the human capital of our work force, through education and vocational and on-the-job training, so that we will continue to have the most capable working men and women in the world.

The third barbican is regulatory reform. Already, substantial progress has been made toward reducing the regulatory clogs in the airline and railroad industries, but more is needed. It still takes too long for a strapped and ailing railroad like the Milwaukee Road to get permission to end unprofitable freight service that can be provided more economically by truck, to abandon track that can not be maintained, and to merge with other lines to provide a more comprehensive and rational framework of rail service. We need the kind of superagency that will clear the roadblocks for new job-creating factories to be built in our older cities, where the workers are. Even the Environmental Protection Agency, which has done a generally good job, could benefit from still more careful evaluation of the costs and benefits of proposed regulations.

One way to reduce the burden of regulations without reducing their effectiveness is to transfer the power to enforce standards to the people who care most about them: the workers in the factories, the citizens who breathe the air, and the communities whose savings are in the banks. In Sweden and in Saskatchewan, Canada, effective power to enforce occupational safety standards is in the hands of workers' committees. As a result, all sides work hard to ensure that serious hazards don't arise, the taxpayers save the cost of workplace inspections, and the companies are spared the burden of regulatory paperwork.

The final barbican is an incomes policy. We must have a sensible system of collective bargaining and of corporate price-setting which does not generate a self-sustaining spiral of competitive hikes in relative wages and in the prices of raw materials. One way to focus attention on the urgent need for reform in this area, I believe, would be to have a temporary, across-the-board wage and price freeze, which would last until more orderly procedures of collective bargaining are worked out. Virtually every country that has successfully conquered inflation has addressed this problem, and it's past time that we did, too.

Industrial policy should not be a cloak for one get-rich-quick scheme or another. The government should not be in the business of trying to second-guess consumer preferences or technological developments; it should be in the business of trying to create the best possible climate for industrial expansion. This can be done by reducing the cost of credit, by investing directly in human capital and in infrastructure, by assuring a macro-economic climate of stable expansion, by reducing regulatory barriers to growth, and by controlling inflation. We know how to do all these things. What we need is the will and the wit to do them.●

EFFECTS OF PETROLEUM DECONTROL

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. PARRIS. Mr. Speaker, on Friday, January 16, 1981, I addressed the House regarding the immediate decontrol of the price of domestically produced petroleum. I strongly believe that by the lifting of these controls, the American economy will benefit immensely. In the short run, we may experience a small rise in prices, but this rise would have occurred even without decontrolling the prices. The effects of this in the long run, however, are very positive. In fact, by October 1, 1981, we can expect lower prices to exist.

Many people were, and still are, disillusioned about the price controls; they believed that the price controls were helping our economy, when in fact they were harming it. With these controls, the high cost of oil to the American economy was covered up. By now, most of the damage is done and the price to the American consumer is undoubtedly higher than it would have been in the absence of any price controls.

So, the choice is ours, either pay a little more now, or pay much more later. But in return for the slightly higher prices, we can be assured that the gasoline lines will not return.

I would like to insert at this time an article which appeared today, January 29, 1981, in the Washington Post, which clearly establishes the accuracy of this position. I hope my colleagues will find it useful.

The information follows:

DECONTROL, AT LAST

President Reagan was absolutely right to decontrol oil and gasoline prices, quickly and without qualification. It is an essential step toward a rational energy policy. You can dismiss all of those tendentious claims about the added cost to the consumer. The added cost to the consumer will probably be in the range of zero. More than five-sixths of the country's crude oil supply is decontrolled. Home heating oil was decontrolled five years ago. As for gasoline, competition is holding actual retail prices well below the legal ceilings. For the country as a whole, these controls have brought nothing but harm, and the end of them will bring nothing but benefit.

The controls were wrong in theory when President Nixon imposed them in 1971. They were demonstrably wrong, as much costly experience already showed, when Congress insisted on perpetuating them in 1975. President Carter wisely began the process of decontrol last spring. The schedule was a gradual one running into next fall, when the law will expire altogether. Mr. Reagan has now sped up that final process by eight months.

Why were controls wrong? Because they disguised the dangerously high cost of oil to the American economy. The control system required refiners with cheap, price-controlled domestic oil to subsidize other refiners' imports. That held the price to American consumers far below the cost of the imports. Americans used a lot and kept the flow of imported oil high. That seriously damaged the country's balance of payments and eroded the value of the American dollar.

The high level of American imports helped create the very tight market that enabled the exporting nations to double their prices in 1979. By now, the price to the American consumer is undoubtedly higher than it would have been in the absence of any price controls at all. As an attempt to protect the American economy from higher

oil costs, the controls have been an unmitigated failure.

Prices have been rising, inevitably, even under the controls. They are not going to rise any faster in the absence of controls, unless another world shortage develops. Decontrol may even slow the rise a little. The control system contained a number of hidden subsidies—including the usual fat subsidy for the independent refiners—that will now lapse, saving the public a little money.

At worst, in another international shortage and panic like the one in 1979 following the Iranian revolution, prices will indeed rise. How much? It depends on the scale of the shortage. There could be a squeeze on the supply line as early as this spring, if the war continues between Iran and Iraq. But in return for higher prices at the gasoline pump, you will get insurance against a return of the gasoline lines. Those lines were created by the price ceilings, and the cumbersome allocation rules that they required. Having been through two memorable episodes of gasoline lines, most Americans would surely prefer the next time around to pay in money rather than time, anger and anxiety.●

CONDO CONVERSIONS FIZZLING

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. ROSENTHAL. Mr. Speaker, the market for apartments converted from rentals to condominium or co-op status is experiencing a slump. In part, this is proof once again of the economic truisms that nothing keeps going up, that what goes up must come down, and that bubbles do burst.

Federally insured lending institutions should be aware that the value of units on which they make loans may be artifically high values, fueled by inflation and filled with the hot air of speculation. Such values are often ephemeral, and should not form the basis for lending by federally insured institutions.

In South Florida, where extensive condo conversion activity has taken place, displacing many elderly people in the process, the converters are beginning to withdraw. Two articles, in the New York Times of January 26, 1981, and the Miami Herald of January 22, 1981, document this phenomenon in the Miami area. Given the tactics of some converters and the prevailing nationwide housing and inflation problems, I predict that it will not be long before the market for converted condos begins to fizzle and slump in other parts of the country.

The Wall Street Journal of January 26, 1981, reports on concern about over-building and excessive speculation that could signal a long-term market decline in the general real estate industry. Once again, federally insured lending institutions should be aware that properties they are asked to finance may be overvalued.

The articles referred to follow:

[From the Wall Street Journal, Jan. 28, 1981]

SOME EXPERTS FORESEE A COLLAPSE IN PRICES FOR HOMES AND OFFICES

Even in a housing market slowed by high interest rates, most real estate investors have remained optimistic. But cautious ones do exist, and lately a few of them have warned of signs of overbuilding and excessive speculation that could signal a long-term market decline.

Wes English, publisher of a real estate and investment letter in Walnut Creek, Calif., is one of the bears. In 1979, Mr. English predicted a 50% decline in the average value of housing through 1984. That crash, he says, is right on course. Using data from the Federal Home Loan Bank Board, Mr. English calculates that through November 1980, the average sale prices of homes in 32 metropolitan areas declined 18%, or $17,056, from the recent peak average of $94,534. (Some question these calculations. Robert Sheehan, director of research for the National Association of Home Builders, says Mr. English's average peak prices are at least $11,000 too high.)

Mr. English says high mortgage rates will continue to deter buyers. The days of cut-rate mortgages are gone, he says, because banks have to earn more on their loans to cover the cost of higher rates that depositors are demanding. Also, Mr. English says a lot of post-war "baby-boom" children have already bought homes. This will mean reduced demand for housing in the 1980s, he says.

"As the 1970s roared on, everyone got more and more confident in real estate," Mr. English says. "A house, normally a consumer item, became an investment item." Speculation grew rife, he says, the classic prelude to collapse.

The speculative fever, says Charles J. Urstadt, president of the Manhattan real estate firm of Pearce, Urstadt, Mayer & Greer, is like "two guys buying and selling cans of sardines. They sell for 10 cents one day, 20 cents the next, and on up to over $1 a can. Finally one man opens a can and tells his partner how terrible the salty sardines taste. His partner replies, 'Sardines aren't for eating, they're for buying and selling.'"

Mr. Urstadt isn't predicting collapse, but he recalls earlier booms in 1957-62 and 1967-69 that were followed by busts. He says he sees the same overbuilding, price escalation, and office construction without guarantees of tenants that preceded the earlier declines.

In downtown Manhattan, adds Lewis Rudin, president of Rudin Management Co., New York, some 12 million square feet of new office space will become available in the next three or four years. "I'm not predicting doom," Mr. Rudin says. "I just think it might be prudent to slow down the pace of building a little bit."

Even in the booming Sun Belt, some are cautious. Rick Salam, a senior vice president at Henry S. Miller & Co., a Dallas developer, says commercial space in Dallas will increase 40%, or 18 million square feet, this year. Houston's commercial space will expand 35%, or 12 million square feet this year, and Fort Worth's will double in five years to 10 million square feet.

"The brokers say they anticipate no problem with absorption but they're naturally optimists," says Mr. Salam. "I don't know. That's a lot of footage."

[From the Miami Herald, Jan. 22, 1981]

CONDO CONVERSIONS FIZZLING—HIGH INTEREST RATES CUT DEMAND SHARPLY

The condo conversion drive, which just one year ago drove thousands of renters into the streets in search of housing, is stalling.

One of South Florida's largest condominium converters has halted sales at the Hallmark and the Diplomat Towers in Hollywood and at South Beach Club in Miami Beach.

Other condo converters have problems, too. Some have closed sales offices to wait for better times. Others have extended leases for tenants to keep money coming in until buyers can be found.

Daon Corp., the Canadian-based company that was South Florida's most active converter, said it will change 1,000 waterfront apartments back to rentals. But the company plans to continue conversions at the 225-unit Belle Plaza on Miami Beach and is almost sold out at the 107-unit Ocean Towers in Palm Beach.

The firm, which has assets of $1.6 billion and ranks among the top three publicly held development companies in North America, has condominium conversions underway in a half-dozen other states.

David Moon, the firm's general manager, blamed high interest rates and "the lack of sales" for the shutdown in South Florida.

Too many units and not enough buyers is responsible, according to Miami appraiser Michael Cannon, who has studied condo conversions throughout the area.

Condo converters, he added, now are finding competition for buyers "very tough; with all the new high-rise construction going on."

Construction of new condominiums also has slowed down.

One Canadian developer, the Cadillac-Fairview Corp., shut down construction weeks ago on three South Florida condominium projects with nearly 1,000 units. The company, North America's largest publicly held development firm, stopped work on L'Excellence, Rive Gauche and the Miami Beach Yacht Club.

The tough market has done what government could not do to control conversions.

One year ago, outraged tenants suddenly faced with buying or moving convinced Miami Beach commissioners to adopt a 90-day emergency moratorium on conversions.

The moratorium was tossed out by a Circuit Court judge, as were similar moratoriums passed by Broward County and the cities of Lauderhill in Broward and North Bay Village in Dade.

Last spring, the Florida Legislature passed a law that gives tenants hit by conversions a minimum of nine months to move.

But converters such as Daon now plan to give renters one-year or two-year leases until the outlook for sales improves.

Alec Kotler, another Canadian developer, and his partners at the 1,162-unit Roney Plaza on Miami Beach, decided months ago to extend some tenant leases until December 1982.

Kotler also halted the conversion of a smaller, garden-apartment complex in the Kendall area.

"Converters faced with the clock ticking on their mortgages, and the cost of money at 24 per cent, either sell quickly or go down

the tubes without rent coming in," Cannon said.

The rental apartment situation also has improved substantially in Broward, a study by the county property appraiser's office showed earlier this week. The vacancy rate recently was 2.27 per cent, the study showed, compared to 0.56 per cent a year ago.

Some condo converters have laid off sales staff, closed their sales offices and started renting out unsold apartments, Cannon added.

DAON SALES DIP

Daon invested more than $100 million in South Florida apartment buildings. Yet; in the past year, the Canadian firm only was able to record 33 apartment sales at the Hallmark and South Bay Club. No sales were recorded at the Diplomat Towers.

Just last week, full-page ads promoting Daon projects began appearing in regional editions of Time magazine and on billboards and television.

The projects they promote are no longer for sale.

Daon, which has held deposits on some apartments for almost a year, has promised refunds. Some buyers at South Bay Club also will be offered 6 per cent interest on their money if they wish to cancel their purchases.

Tenants, outraged when conversions began a year ago, are equally incensed by the latest turn of events.

"I hope they [condo converters] break their necks," said Marriot Nadler, a renter forced out by the conversion of Belle Plaza on Miami Beach.

Nadler, who was paying $500 a month in rent for a one-bedroom apartment at Belle Plaza, refused to buy. Mortgage payments, he said, would have been $1,300 to $1,400 a month.

He moved. So did other tenants at Belle Plaza, along with virtually all the tenants at South Bay Club.

SUITS PENDING

Renters at the Diplomat Towers, 3505 S. Ocean Dr., and the Hallmark, 3800 S. Ocean Dr., filed suit a year ago to stop the conversion of their Hollywood apartments. The legal battle is still unresolved.

"This place is a hellhole with "transients walking in," said Dorothy Goldstein, president of the tenants' association at the Diplomat Towers.

Small wads of crumbled paper litter the building's narrow corridors. A gaping hole scars a third-floor wall where plumbing pipes, burst in a kitchen. Residents complain of harassment and say the building is being allowed to decay.

Empty apartments are being rented by the week or month in some cases, Goldstein said. Old-time tenants complain about increased crime.

"When I come in at night I have a flashlight and when I see someone I don't know I scream out because I am petrified," said an 82-year-old woman.

"They [condo converters] made a lot of old people suffer." Nadler said. "The way they handled it, old people had a very hard time finding another place to live."

RELOCATING TOUGH

Nadler said he had to "pay money under the table" to find another apartment. "I had a very hard time of it."

Daon was among the few condo converters in South Florida offering relocation money. The company gave Belle Plaza tenants $2,000 if they left before June 5, 1980 and $1,500 if they left before July 5, 1980.

"That money they gave, $1,000 or $2,000, didn't mean a thing. These were old people in their 80s," Nadler said.

Some buyers don't want refunds. They want to move into the remodeled apartments they agreed to buy.

Edward Reilly of Fairfield, Conn., said he doesn't want his money back; he wants to buy at South Bay Club.

So does Roberta Carroll, who has been planning to move into the Miami Beach apartment building since October: "I hope they go through with the conversion. I want to buy."

South Bay Club, she said, "will be a good investment. I believe in redevelopment."

So does Daon. Moon said he hopes to restart the conversion program at all three apartment buildings when the "economic climate improves. All we are doing now is delaying the marketing program."

Helen Devey, a renter at South Bay Club who purchased her apartment, said she has no complaints with the converter. "I'm very well-satisfied," she said. "The building is really turning out very attractive, much better than I anticipated."

LEASES EXTENDED

Daon paid $14.9 million for the building in November 1979 and has spent nearly $5 million on renovations. Today, the 347-unit building on Miami Beach is virtually empty.

At the Roney Plaza on Collins Avenue, developer Kotler has offered to extend tenant leases up to two years.

State law on conversions only requires nine-month extensions to tenants. In counties where the housing vacancy rate is below 3 percent, extensions up to one year can be required.

"These are elderly people. They don't enjoy making a move. We have extended certain leases," said Morton Glick, the marketing man at Roney Plaza.

Months ago, Kotler halted the conversion of a garden-style apartment complex called Sherwood Apartments in the Kendall area of Dade County.

"They didn't get enough tenants interested in buying," said Lloyd Peterson, a tenant who has lived at Sherwood Apartments for six years. He refused to buy and is still renting.

"When they first began the conversion, they didn't want to give out leases. Now, we're on one-year leases," Peterson added.

Cannon said converters and developers of new condominiums now find themselves competing for the same buyers. And with today's 15.5 per cent to 16.5 per cent mortgage rates, there are fewer and fewer interested buyers.

SUPPLY IS UP

Added competition is coming from "the thousands of used condos that are on the market at any one time," Cannon said.

"It's simple supply-demand economics," the Miami economist said. And right now the supply of apartments exceeds the number of buyers interested and able to buy.

Miami Beach alone had more than 3,885 rental-apartment conversions in the past 24 months, Cannon said.

Out-of-town developers miscalculated the reception to conversions, he added, "especially on Miami Beach, where the elderly have a very strong lobby with City Hall."

"These developers don't realize they're not converting a building, they're converting people. They hire a dynamic marketing firm, but their slam-bam-thank-you-ma'am attitude doesn't work."

FLORIDA EXPERIENCES A SLUMP IN CONDOMINIUM SALES

MIAMI, January 25.—The South Bay Club condominium project in Miami Beach had a pool, a health spa and its own marina—everything but buyers. After months of heavy advertising, only six purchasers had closed on 347 apartments.

Last week, the Canadian-based Daon Corporation, one of the most active condominium converters in South Florida, pulled the South Bay Club and two other condominiums, a total of 1,000 units, off the market and began advertising "the triumphant return of luxury rentals."

Earlier, another Canadian developer, the Cadillac-Fairview Corporation, the largest publicly held development concern in North America, suspended construction on three new luxury condominium projects with 1,000 units.

HIGH INTEREST RATES BLAMED

The slump in the sale of condominiums is also showing up in California and Chicago, and to a lesser extent in the New York metropolitan area. But the problem is worse in Florida, which, with 500,000 units, is home to half the nation's stock of condominiums.

The reason for the slump, say Daon officials and other developers, real estate analysts and lenders, is a lack of demand from buyers unwilling or unable to take out mortgages at high interest rates. The only exceptions to the slump seem to be the expensive condominiums, like many in Manhattan, that attract wealthy buyers who can pay cash or qualify for mortgages, no matter what the rate is.

"The best interest rates are 13¾ percent and the top is 15¼ percent," said Wayne Johnson, vice president of the Arvida Mortgage Company and president of the Mortgage Bankers Association of Greater Miami. "If the price of a condominium is $150,000, a 2 percent difference in the interest rate can make a difference of $300 to $400 a month in the payments. That's a big factor. A buyer who might be able to qualify at 13 percent might not at 14¾ percent."

Mortgage rates, like all interest rates, are linked to the prime, which in the last year has gone from lows of about 10 to highs beyond 20.

BUYING LINKED TO NECESSITY

"People are buying new construction," Mr. Johnson continued, "signing contracts and hoping rates will come down before they have to close six months to a year from now. Sales on existing construction are slow. About the only people who are buying are those who have to buy."

Edwin J. Glickman, senior vice president of the New York-based Sybedon Corporation, and one of the developers of the Galleria condominiums, now selling for about $500 a square foot in Manhattan, agreed that while the luxury market did not seem to be suffering, high interest rates had caused "a significant dropping off" in the middle-class market around the country.

The New York City market has not declined so much, partly because inflation has already brought new apartment construction to a standstill. Existing buildings are being converted to cooperatives, New York's version of the condominium movement, at a rapid rate in all the boroughs but Staten Island, according to the State Attorney General's office, which must approve con-

version plans. The condominium buyer actually purchases a unit; the co-op buyer purchases shares in a building.

Unlike conversions in other cities, New York projects generally offer rental tenants preferential prices for their shares in a co-op building, and this has helped sustain the demand for apartments ranging in price from $5,000 a room to $50,000 and up.

But in Monmouth, N.J., Mr. Glickman said, a developer offering new condominiums in the $125,000 price range was unable to sell. "The buyers were there, but they couldn't buy with the interest rates," Mr. Glickman said.

Mr. Glickman said that his concern had arranged for the developer to "warehouse," or underwrite himself, $10 million in loans to individual purchasers who were willing to put 25 percent down. The developer then obtained financing for most of the balance himself and intends to sell the loan to institutional lenders when interest rates improve.

The warehousing of loans to purchasers is one of a number of techniques that developers are using to get expensive, empty condominiums off their hands. Some are renting all or some of their new condominium units. Others are delaying conversion or have postponed or suspended construction.

On Miami Beach, the 1,162-unit Roney Plaza, which announced its conversion to condominiums last year, is instead giving its elderly tenants leases until 1982, a reprieve that even city officials had been unable to deliver. A year ago, the Miami Beach City Commission adopted a 90-day emergency moratorium on such conversions, but it was thrown out by a state court.

"It's prolonging the agony," said Dr. Morris Zucker, 87 years old, a retired dentist from the Bronx. He lives in a $500-a-month one-bedroom apartment. "They say, 'Look, we gave you a two-year lease. You should fall on your knees.' But the years fly—then what?"

$1,600 EXPENSES FOR MONTH

The purchase price of his apartment, he said, is $111,000. "If I should buy this place," he said, "my monthly expense would be close to $1,600. I simply can't do it."

The Daon Corporation paid $14.9 million for the South Bay Club in 1979, relocated the tenants and spent $5 million on renovations. Rent for the condominiums, which were to sell for $60,000 to $120,000, will range from $450 to $1,050 a month.

In the Chicago suburbs of Mt. Prospect and Itasca, where still another developer has decided to combine rentals with sales, two projects with 398 units priced from $45,000 to $55,000 had an unsold inventory of from 25 to 30 percent. However, according to Anita Lovkvist, who has handled these units for Landsmith Realty, rentals at $370 a month have raised the occupancy rate to 95 percent.

Nevertheless, for a variety of reasons, many condominium developers are unwilling to take this route.

"A rental program takes away your flexibility if the economy makes a turnaround," said Joe Zekas, general partner in the Condominium Equity Corporation in Chicago. "I have seen a number of rental programs, but everybody's leery of doing it. It smells of a project being in trouble."

WALL OF TENANT PROTEST

Developers, said Jerry Grimaldi, director of market research for Coast Equities in Long Beach, Calif, "don't want to hold onto these projects. They want to get in and get out. They don't want to be a landlord. Most of them will do anything and everything short of rental—anything to get out from under these things. They're giving rebates or getting into creative financing."

Dorothy Goldstein, chairman of the tenants association at the Diplomat Towers in Hollywood, Fla., one of the buildings that Daon will continue to rent, said that her group had "built a solid wall of tenant protest" when the conversion of the building was announced. At 49 years of age, she is the building's youngest tenant. The oldest is 98, and more than 20 percent of the tenants are over 80 years old.

Her two-bedroom apartment, for which she was paying $560 a month rent, was to go on the market at $173,000, she said. Her new lease has raised her rent to $855 a month.

"The people balked, and the economy helped the people," she said of the current reprieve.●

EMANUEL CELLER

HON. WILLIAM J. HUGES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 19, 1981

● Mr. HUGHES. Mr. Speaker, though I did not have the opportunity to work with Emanuel Celler as a colleague, as a member of the Judiciary Committee I am well aware of this great man's remarkable legacy. We on that committee know of his work on the Civil Rights Act of 1964, on the Voting Rights Act and its extension, and of his constant dedication to human rights and civil liberties that made him one of the most remarkable chairmen in the history of that committee. Just as we were all ennobled by his life, we are all now diminished by his death.

More than most of the committees on which we are privileged to serve, the Judiciary Committee is charged with a sacred trust. We on that committee are honored to be entrusted with safeguarding the future of the Constitution and the Bill of Rights, of the civil liberties of our fellow citizens, of many of the rules that govern our legal process and the legal experiences of our people. Few men had greater reason to be proud of the legacy left by their service on that committee than Emanuel Celler.

He served in the House for half a century, 50 years of distinguished contribution. He was a politician in the finest sense of the word, using his office and his political ability to work for his constituents and his district but also to work for the future of his Nation.

The Talmud says: "I did not find the world desolate when I entered it; my fathers planted for me before I was born; so do I plant for those who will come after me."

I somehow think that Emanuel Celler carried those sentiments with him. It is clear he realized the remarkable legacy he found entering the world of politics in this country, the most enduring legacy of freedom of any nation in the world. And Emanuel Celler "planted" for those of us who would follow him in the House of Representatives and on the Judiciary Committee.

My colleagues and I on the committee feel the presence of Emanuel Celler during many of our deliberations on the issues he struggled over with such diligence. We labor having the benefits of his brilliance, his conscience, his practicality, his belief in the equality of all men and women and his belief that words alone were not enough, that we would all be judged by our deeds, not our words. History will judge Emanuel Celler one of the great men of our time, for above all he was never afraid to act for what he believed in and his actions were always those of a man dedicated to the true principles of our democracy. For his many years of extraordinary stewardship over our sacred heritage all of us and many generations yet to come are obliged beyond words to Emanuel Celler.●

THE NEED TO PROTECT DIPLOMATIC MISSIONS AND THEIR PERSONNEL: THE ESTABLISHMENT OF AN INTERNATIONAL OFFICE OF DIPLOMATIC SECURITY WITHIN THE UNITED NATIONS SECRETARIAT

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. FITHIAN. Mr. Speaker, I have introduced a bill expressing the sense of Congress that the President of the United States should take appropriate actions to obtain the support of foreign states for, and to present a proposal to the United Nations for the establishment of an International Office of Diplomatic Security within the U.N. Secretariat. The purpose of this Office would be to monitor compliance of signator nations with international agreements which guarantee the protection of diplomatic missions and their personnel.

The return of American hostages from our Tehran Embassy underlines the need to protect and safeguard diplomatic missions and their personnel. What happened in Tehran might have been prevented if we had a system such as the International Office of Diplomatic Security. There must be no more Tehrans. What happened at the American Embassy in Tehran must never happen again. We in the 97th Congress owe it to the 52 American hostages to insure that such a violation of universal standards of conduct is never repeated. Let us through passage of this resolution seek to put in

place an organization which may spare our own or another nation such a trial.

The inviolability of diplomats and the premises of diplomatic missions is one of the oldest and most fundamental principles of international law. For centuries this principle has enjoyed universal acceptance as an essential element for peaceful relations among all nations of the world. Yet, over the last decade, erosion of this principle has become an international disgrace. Scores of diplomats from various countries have been kidnaped, harassed, wounded, and killed because of inadequate diplomatic protection from local governments—governments which are obligated under international law to provide such protection. In the last 2 years, we have seen the governments of countries, which are signators of international agreements guaranteeing protection of diplomats, overtly or tacitly encourage brutal attacks on diplomatic missions located in their territory. Our own Embassies in Iran, Pakistan, and Libya were overrun by mobs; the Spanish Embassy in Guatemala was invaded by forces of the local government. Former Secretary of State Cyrus Vance has called diplomatic service for the United States abroad "hazardous frontline duty," and the Department of State has requested millions to improve security against terrorist attacks for our diplomatic posts abroad. Violence and the threat of violence have become unavoidable facts of contemporary diplomacy. The search for peace cannot prosper where terrorism reigns.

To reverse this destructive trend, we must restore respect for and observance of international agreements guaranteeing protection of diplomats and the missions to which they are assigned. Establishment of an International Office of Diplomatic Security would do much toward accomplishing this goal.

I would like to briefly describe how this Office would function. The multilateral agreements which the International Office of Diplomatic Security would seek to enforce have already been signed and ratified by the international community. Others may refine and improve them, but those existing set forth accepted standards of diplomatic security in international law. The United Nations is in fact the repository of the Vienna Convention on Diplomatic Relations and other international agreements guaranteeing protection of diplomats. Giving an organization of the U.N. a mandate to enhance compliance with these agreements would be a natural extension of the United Nations' mission to promote peaceful relations among its members.

The International Office of Diplomatic Security could operate with a small staff at U.N. headquarters and several regional representatives. The latter would periodically visit countries in their regions to evaluate diplomatic security through discussion with local authorities, members of the various resident diplomatic missions and other concerned groups. These representatives would also be prepared to travel to countries where a visit is requested by a state concerned for the safety of its diplomatic personnel, or where a deteriorating security situation warrants on-the-spot investigation.

When the International Office of Diplomatic Security determines that a government is not providing security in keeping with accepted international standards, it would immediately bring this to the attention of the host government. If a government so informed does not take prompt corrective action, then the Office would issue a warning to all states that it is unsafe for foreign diplomats in that country.

This resolution also recommends a mechanism for the U.N. to either entertain motions to sanction the delinquent country, or, if appropriate, to consider providing international assistance to enable that country adequately to protect its resident foreign diplomats.

This is not a complicated nor frivolous resolution. The international office it urges established is a practical and timely response to a compelling international problem. It is a problem which the United States cannot hope to effectively address alone. We can build barricades around our Embassies all over the world, but American diplomats abroad will still be in danger until international consensus on the necessity for all nations to provide adequate protection for diplomats has been restored. To meet this challenge, we must work in concert with other nations which are no less concerned than our own about the security of their people.

Today the United Nations' role in handling disputes between nations over violence against diplomats is to attempt to mediate already-raging confrontations. It tries to minimize damage to international peace in conflicts over whose origins it has little or no control. The International Office of Diplomatic Security would give the U.N. an active, ongoing intermediary role. Through regular liaison with local governments, it could do much to prevent deteriorating security from reaching the point that foreign diplomats are placed in imminent danger. Governments with domestic violence problems would be accountable on diplomatic security to a specific international organization rather than an inchoate ideal of international law—an ideal which in many parts of the world has been forgotten or is ignored with impunity. Bilateral representations to unresponsive governments over diplomatic security would, through the International Office of Diplomatic Security, be reinforced by the united voice of the international community.

There is a very important element of my resolution which I want to especially recommend to the attention of Members of this body. That is the provision whereby the International Office of Diplomatic Security would issue a warning to other states when it finds conditions in a given country unsafe for foreign diplomats. Such a warning would give the United States and other nations international sanction for removing diplomats from danger. What happened in Tehran may have been prevented if such a system had been in effect. No U.S. administration has deliberately endangered the lives of its diplomats, but historically it has been very difficult to make the decision to unilaterally pull out our diplomatic personnel. It is extremely difficult to abandon the field in a troubled country which may be a traditional friend of the United States. Such a withdrawal is an explicit expression of complete lack of confidence in a government's ability to maintain order. Such a withdrawal can potentially do serious damage to future relations with that country. The temptation, even in an obviously dangerous environment, is to give an unstable government the benefit of the doubt on security. Introducing an outside international judgment would minimize damage to our bilateral relations and greatly lower the threshold for reducing our diplomatic presence when a doubtful security situation exists.

When an International Office of Diplomatic Security is effectively carrying out its mandate, we can reasonably hope that there will be no more diplomatic missions taken over by terrorists. I urge my colleagues to support this timely and practical approach to a problem which can no longer be tolerated on the international scene.

The bill reads as follows:

H. CON. RES. —

Expressing the sense of the Congress that the President should seek the support of other nations for the establishment of an International Office of Diplomatic Security within the Secretariat of the United Nations.

Whereas the inviolability of diplomatic agents and of the premises of diplomatic missions is one of the oldest and most fundamental principles of international law;

Whereas countries which are signatories of the Vienna Convention on Diplomatic Relations and of other international agreements have assumed specific obligations to ensure the inviolability of diplomatic personnel and to protect the property of diplomatic missions from damage or intrusion;

Whereas recent events in Iran and other countries demonstrate that there is a developing trend in some countries to disregard their international obligations to protect

diplomatic missions from domestic violence; and

Whereas it is essential to the development of friendly relations among nations that the international community take action to reverse this trend and to ensure universal compliance with international agreements protecting the diplomatic missions of all countries; Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) it is the sense of the Congress that the President should take appropriate actions to obtain the support of foreign states for, and to present a proposal to the United Nations for, the establishment of an International Office of Diplomatic Security, within the Secretariat of the United Nations, to monitor compliance with the provisions of the Vienna Convention on Diplomatic Relations and other international agreements which obligate their signatories to provide appropriate protection for members of the staff and property of diplomatic missions.

(b) It is further the sense of Congress that an International Office of Diplomatic Security described in subsection (a) should have the following functions:

(1) Regularly evaluate the protection provided diplomatic missions by the various countries.

(2) Conduct inspection visits in any country, on an emergency basis if necessary, in any case in which a pattern of violence in that country indicates potential danger to diplomatic missions or in which another country concerned for the safety of its diplomatic missions requests such a visit.

(3) If as a result of its investigations the Office determines that a country is not providing all appropriate protection for diplomatic missions within its borders, inform that country of its findings and request immediate corrective action.

(4) If a country fails to take such corrective action, issue a warning to all countries that the government of that country is either unable or unwilling to provide adequate protection for diplomatic missions.

(5) If a country is unwilling to fulfill its international obligations to protect diplomatic missions, refer the matter to the United Nations Security Council for consideration of international sanctions.

(6) If a country is unable to fulfill its international obligations to protect diplomatic missions, consider submitting to the United Nations Security Council a request for international security assistance sufficient to meet those obligations.●

THE CHOIR OF THE WEST

HON. NORMAN D. DICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. DICKS. Mr. Speaker, last Sunday, many in the House and in Washington, D.C., were treated to a superb concert by one of this country's finest choirs—the Choir of the West from Pacific Lutheran University in Tacoma, Wash.

At the Kennedy Center, the choir demonstrated why it is internationally renowned for its rare ability, musical intensity, and quality of voice.

This tradition of excellence began over 50 years ago when 42 young singers boarded a rickety bus in Tacoma and began an 8,000 mile concert tour which eventually took them to America's Midwest.

During those depression days, midwesterners rarely had much contact with the Pacific Northwest. But during this 6-week concert tour, the contact they did have was most enjoyable.

The artistic quality and skill which was demonstrated on that first tour is a hallmark of the Choir of the West. Those of you who heard this group of singers Sunday know this firsthand.

So do the many composers who have heard their works performed by the choir. These composers include Kryzysktof Penderecki of Poland, Ingvar Lidholm of Sweden, and Hans Werner Zimmerman of Germany.

More recently, the Choir of the West was honored by Academy-Award-winning American composer Miklos Rozza, who chose the group

This outstanding company has given hundreds of concerts in this country and in Europe, Canada, and Mexico. All have received national and international acclaim.

This year marks the choir's third consecutive coast-to-coast tour, during which performances will be given in 23 cities from New York to Los Angeles and from Minneapolis to the Bahamas.

Mr. Speaker, I am very proud of this choir and I was delighted that this city and many in this Chamber had the opportunity to hear this group sing.

Truly, PLU's Choir of the West is a national treasure and Sunday they showed us this once again.

Thank you.●

FUEL USE ACT NEEDS REFORM

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. SYNAR. Mr. Speaker, I today introduced along with the other House members of the Oklahoma congressional delegation legislation to repeal section 301 of the Powerplant and Industrial Fuel Use Act of 1978. My colleagues in the Senate, Mr. BOREN and Mr. NICKLES, have introduced an identical companion bill in that body. The legislation we have introduced would repeal the provision of the Fuel Use Act which prohibits the burning of natural gas in existing electric power plants across the country after January 1, 1990.

In 1978, the Congress passed the Powerplant and Industrial Fuel Use Act as one segment of the five-part national energy plan enacted by the 95th Congress. One of the basic assumptions underlying enactment of the Fuel Use Act and the so-called off gas provisions in the law was that there was a then current or pending shortage of natural gas. The shortage of natural gas which afflicted the eastern markets during that period now appears to have been in large part the result of Federal pricing for interstate natural gas sales, which diverted gas to the free, intrastate market. In retrospect, it appears that no shortage existed during that period, and that supplies of natural gas will be ample to meet U.S. demand for many decades to come.

In addition, with respect to the continued use of natural gas by existing gas-fired utility units, the supply outlook is so favorable that a recent Department of Energy study recommends "urgently needed" policy initiatives to allow electric utilities to substitute natural gas for oil. This recent recommendation is obviously contrary to the off-gas provisions contained in the FUA of 1978.

Mr. Speaker, recent estimates of both proved reserves and undiscovered recoverable resources vary somewhat. But in large part all point to the fact that the natural gas supply situation for the United States is extremely favorable for many decades. Prior to 1978, exploration for new gas was discouraged primarily by Federal price controls, and additions to reserves did not keep pace with production. But with the start of phased deregulation of natural gas prices under the Natural Gas Policy Act, exploration has increased dramatically. During 1980, new gas drilling activity reached an all-time high. In fact, many expect that 1980 data, when compiled, will show that additions to proved reserves will equal production. Furthermore, unconventional gas potential from tight sands, Devonian shale, and other sources can add significantly to supplies by the turn of the century. The simple fact is that there is no natural gas shortage. With increased drilling activity, and the enormous potential from unconventional gas sources along with Alaskan, Mexican, and Canadian supplies, the off-gas provision for utilities contained in the 1978 FUA is unwarranted and unwise.

But our optimistic supply situation is by no means the only reason to repeal this provision of existing law.

Repeal can be important from a national security standpoint. There is no argument from any quarter that the United States must reduce its dependence on petroleum, and particularly on unstable sources of foreign oil. The act does not prohibit existing powerplants from switching from natural gas to oil. In fact, for economic reasons, the act has forced, and will continue to force, existing gas-fired utilities to burn oil.

With the Congress and the Nation so conscious of the need to reduce our

overall dependence on petroleum, the fact that utilities will take this step should concern all of us.

From an economic and consumer standpoint, forcing the premature abandonment of perfectly good natural-gas-fired powerplants is disastrous. For several reasons, utilities in every region of the Nation are already experiencing serious capital formation problems. For utilities which are already caught in this squeeze, the unnecessary replacement of these facilities will place them in untenable financial positions. More importantly, the consequence of this action will be imposed upon our residential and industrial electric consumers. This would be a serious financial blow to millions of electric ratepayers across the Nation. If existing gas-fired powerplants are required to shut down after January 1990, the costs of needlessly replacing these units will impose extraordinary financial burdens on our ratepayers. In my own State, for instance, the average residential customer would be burdened with hundreds of dollars in additional utility costs annually. Mr. Speaker, what is so unfortunate about this situation is that such replacements are simply unnecessary, and therefore the costs imposed upon ratepayers is unnecessary.

I want to stress that the legislation we have introduced today does not alter the Fuel Use Act prohibition against new gas-fired powerplants or industrial facilities. The burning of natural gas by facilities not in existence in 1978 will continue to be prohibited. This is only one reason why the use of natural gas by utilities will decline steadily in the future. With new gas-fired plants prohibited, with utilities already phasing in planned units employing alternative energy sources, and with the natural decline in use from existing gas-fired plants dropping off line, there will continue to be a decrease in powerplant gas use, even with the repeal of section 301 of the Fuel Use Act.

Finally, Mr. Speaker, I want to touch upon an issue which I know is of concern to many of my colleagues throughout the country, that of residential natural gas supplies. Under our legislation, residential customers will not lose their priority usage status. More importantly, with currently stabilized supplies and optimistic predictions for future supplies, residential customers will be well protected.

The natural gas outlook has changed dramatically since passage of the Fuel Use Act in 1978. Natural gas is our largest domestically produced energy source, with drilling activity at an all-time high. Its long-term role in our national energy picture is more optimistic than ever. And very importantly, it can meet our serious efforts to displace large amounts of imported petroleum. There are now estimates that by 1985, natural gas could displace over 2 million barrels per day of the oil we now use. Natural gas is clean, its supply is ample, its price is still reasonable.

There is no question in my mind, Mr. Speaker, that this step is in the right direction for our Nation's energy future. I hope my colleagues will join me in support of the legislation introduced today.●

OLIN E. TEAGUE: 1911–81

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ADDABBO. Mr. Speaker, all of us who have been privileged to have served in Washington, have met in our careers a few special people, who early on, were there to guide and advise us. In my lifetime, Olin E. Teague was such a man, and I will never forget him.

It is with a saddened heart that I join my colleagues today to honor the memory of Olin, a dear friend, invaluable colleague, and patriotic American, who passed away a few days ago at the age of 70. I am sure I speak for all Members of Congress when I say the State of Texas has lost one of its greatest contributions to Congress and this Nation.

When I first came to Washington 21 years ago, the first committee assignment I had was the House Veterans' Committee, chaired by Olin. Like most first-term Representatives the transition to public office was a confusing one. Olin Teague assisted me during that period with advice that I have adhered to ever since, lessons which have made me a better person and public servant to my people. He was never too busy to lend me a hand with a problem and he was continuously encouraging me to seek out new avenues to assist my constituents. What made this man so remarkable, was that he did this for many people, whether they were first or 20 termers, and that is why he was revered and admired by all who knew him.

While serving as chairman of the committee, Olin was instrumental in pushing through countless pieces of legislation which improved the quality of life for thousands of veterans and their families. It is no wonder that this man who was decorated 11 times for his service in World War II, and who fought so hard as a civilian to build new hospitals, and increase benefits for veterans, should be considered the greatest spokesman the veteran ever had.

Later in his distinguished career, Olin served as chairman of the Science and Technology Committee where he encouraged NASA to pursue new ventures in the post-Apollo era. His encouragement worked beautifully, as will be seen very shortly when the first flight into space of the Space Shuttle, America's new adventure in space, takes place. The Space Shuttle was one way Olin believed NASA could work for the benefit of its citizens, enabling us to, among other things, locate new sources of energy on Earth. Much of Olin's assistance to NASA has led to the development of devices which can assist the handicapped, devices which evolved from the technology utilized in space exploration. That is the way Olin was, he was always thinking of ways Government could eventually serve the people who needed to be served the most.

The name Olin E. Teague will long remain synonymous with dedication, loyalty, love of fellowman, and statesmanship. To his wife and family, as well as to his countless friends who mourn his passing, I extend my deepest sympathy in their hour of bereavement.●

MAKING POLLUTION PREVENTION PAY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. MILLER of California. Mr. Speaker, one of the most important issues which will come before the 97th Congress will be the reauthorization of the Clean Air Act. Few deny that this law, together with the Clean Water Act, the National Environmental Policy Act, and other environmental protection laws, have begun to produce significant improvement in our Nation's air and water quality.

Recently, some have suggested that however meritorious these laws may be, they interfere with economic growth and ought to be pared back. A recent article in the Harvard Business Review impressively argues that the prevention of pollution is not only sound public policy, but economically advantageous.

Indeed, far from hampering growth, author Michael G. Royston found that pollution control directly can add 2 percent to the GNP and stimulate job creation and productivity. The Environmental Improvement Council estimated that 2 million jobs in 1977 were attributable to environmental protection efforts.

Between 1970 and 1978, the annual benefit of improvements in air quality exceeds $21 billion and by 1985, the annual benefits from reduction in water pollution will be $12.3 billion.

Far from hampering our competitive position, Royston finds other countries doing even more than the United States in pollution controls. The eco-

nomic payoff in new jobs, reduced energy needs, recycling, and product innovations is measured not only in esthetic improvements, but also in bigger profits.

Before we get carried away in advocating an abandonment of pollution prevention, let us note the important contributions environmental controls have made to our economy.

The article follows:

MAKING POLLUTION PREVENTION PAY

Some businesses have long understood that environmental protection and economic progress can go hand in hand. Consider the following examples:

Ciba-Geigy, the chemical complex in Basel, Switzerland has, with little capital investment, been able to eliminate up to 50% of the pollution from its operations and save an estimated $400,000 a year. By changing its manufacturing processes and recycling its water and solvents, it has saved not only money but also energy.

A plant producing atactic polypropylene waste in Japan has a waste recovery and utilization plant with capital charges and operating costs amounting to $100 a ton. The value of recovery energy at $140 a ton yields an annual profit of $500,000.

In the Federal Republic of Germany, Reffelmann Metallverarbeitung KG has recovered its electroplating liquors and made a 40% profit on them. ENKA-Glanzstoff AG is increasing its marginal profit by 30% in recovering zinc from its rayon plant effluents.

In France, 22 factories have been converting their production wastes into useful, salable products. The Elf Oil Refinery at Feyzin, for example, has turned its hydrocarbon pollution into an annual profit of $1,320,000. The Société Alimentaire Equilibrée at Commentry has turned a methionine mother-liquor pollution problem into an annual saving of $600,000. The Sacilor steel works in Gandrange has recovered its iron dust residues and saved $200,000 a year. The Société Lacto-Centre in Bas-en-Basset has recovered its whey residue that was previously polluting local rivers and made a gross profit of $180,000 a year on it.[1]

In the United Kingdom, North British Distilleries, near Edinburgh, has turned its highly polluting still bottoms into nutritious animal feed and has had an annual return on investment of over 100%. Tomatim, another distillery in Scotland, is raising $ million worth of eels in its hot water effluent. An ICI plant is saving $600,000 a year in fuel bills by segregating and burning its wastes.[2]

Minnesota Mining and Manufacturing Company, the multinational based in the United States and known as 3M, has since 1976 expanded production by 40% and significantly reduced its annual pollutant load. Its liquid effluent has gone from 47 tons to 2.6 tons, its gaseous effluent from 3,000 tons to 2,400 tons, and its solid waste from 6,000 tons to 1,800 tons. This cleanup has resulted in a cost saving of $2,400,000 a year.

By 1976, this company had realized that the cost of meeting increasing demands for pollution control was threatening its profitability. It decided to attack the problem at its root by applying the philosophy that pollutants plus know-know equal potential resources and new profits. The company initiated this approach under the slogan "Pollution Prevention Pays" (3P).

In the first nine months of operation in 15 countries, 3P programs eliminated 70,000 tons of air pollutants and 500 million gallons of waste water. Instead of expending money, 3M saved $11 million. By viewing pollution as an indicator of waste and an opportunity for profit rather than as a costly threat, the company had by 1979, saved over $20 million.[3]

NEW NO-WASTE TECHNOLOGIES

The savings possible from such no-waste approaches vary widely from industry to industry and from plant to plant. Most of the old technologies and processes in use were selected when the costs of energy, water, and raw materials were much lower than they are now and when the costs of waste disposal were either very low or could be ignored. Designs were selected to maximize the discounted cash flow, so long-term running costs tended to be sacrificed in favor of reducing initial capital costs. Thus, many existing plants and processes in all industries tend to have a good margin for improving efficiency, reducing costs, and minimizing waste and pollution.

Even the best managed and most efficient businesses are finding opportunities to improve their efficiency, to the benefit of both the economy and the environment. Many of these examples are to be found in Europe because it has a history of high energy and raw material costs as well as long-standing environmental concern. There, for example, the cogeneration of process steam and electric power, much discussed recently in the United States, has been routine practice for many years. Many industrial and municipal installations in Europe convert wastes into energy in specially designed incinerators and use waste heat from power plants for district heating.

It was there, in Finland, that the metallurgical industry developed the Outokumpu process, which since 1947 has been turning 98% of the damaging sulfur dioxide fumes arising from copper smelting into salable sulfuric acid.[4] It was there that the "systems approach" of integrating one type of processing plant with another to take care of wastes resulted in combined treatments that are clean, productive, profitable, and capable of generating 50% of their own energy needs.

It is in Europe, again, that a new technology known as fluidized-bed combustion has eased the acid rain problem. Scotland has been using this technique on a large scale to burn coal at 97% combustion efficiency and retain 90% of the sulfur in a bed during the burning of 3.5% of its sulfur coal.

In the extraction and building industries, English Clays has been using its china clay wastes to make prefabricated houses.

Germany's steel industry has recycled 99% of the water it uses and converted over 90% of its solid wastes into other useful materials. It is in Germany where coke ovens are being moved to enclosed quenching zones to recover gas and steam as energy sources and to eliminate air pollution, where the aluminum industry is using a closed fluoride cycle, and where the rubber and plastics industries have a large number of schemes to recover, resynthesize, and reuse waste materials as fuels by a variety of specialized pyrolysis and incineration techniques.

In the chemical industry, the Soviet Union has been using energy conversion and water recycling to cut the costs in an ammonia plant to $40 or $50 a ton.

In the food industry, France has been getting a 30% return on investment from the recovery of protein from slaughterhouse wastes.

The process industries in general are able to turn half their gross pollution load to profit before having to pay for the hard task of cleanup, and many of them are in North America.

Hylsa, the steel company in Mexico, is using the sponge iron process to implement direct reduction technology and prevent the massive pollution of coke ovens, which cost U.S. Steel over $600 million to clean up recently at its Clairton works.

Shell Oil in Canada has been disposing of its refinery sludge by ploughing it into the prairie and increasing barley yields from 18% to 31%. In a pulp mill at Thunder Bay on Lake Ontario, the Great Lakes Paper Co. Ltd. has for the past three years been using the Rapson-Reeve process, which is neither as dirty as a conventional mill nor as uneconomic as one retrofitted with expensive pollution control equipment.[5] It is based on closed cycle operation and produces pulp more cheaply than a conventional plant does.

In the United States, the paper companies have begun to look at their industrial wastes as ways of making money.[6]

Union Camp, for instance, which used to sell its mill wastes for eight cents a pound, now turns them into flavors and fragrances worth more than a dollar a pound. It has boosted its chemical sales to $100 million a year.

As a by-product of processing at its Bellingham, Washington plant, Georgia Pacific is producing 190-proof alcohol "so pure and potent" that the Treasury Department has stationed men in the plant full-time to make sure that none of it is converted to drinking liquor before its sale to industrial users.

Westvaco has found the conversion of mill wastes into other products so profitable that it has created a chemical subsidiary with four processing plants and a research center staffed with 80 scientists. In the past five years, Westvaco's chemical sales have doubled to $45 million, all from materials that the company used to dump.

Other U.S. industries are now doing similar rethinking.

Dow Corning has found that recovering chlorine and hydrogen previously lost to the atmosphere in making silicon can reduce operating costs by $900,000 a year. A $2.7 million capital investment in equipment is producing a 33% annual return on investment.

Hercules Powder spent $750,000 to reduce solids discharged into the Mississippi River and is now saving $250,000 a year in materials and water costs.

Process improvements in a Goldkist poultry plant have cut water use by 32%, reduced wastes by 66%, and produced a net

[1] See Ministère de la Qualité de la Vie, *Usines Propres* (Paris: La Ministère, 1976).

[2] See my book, *Pollution Prevention Pays* (Oxford: Pergamon Press, 1979).

[3] See Joseph T. Ling, "Developing Conservation Oriented Technology for Industrial Control," in *Non-Waste Technology and Produtions* (Oxford: Pergamon Press, 1978), P. 313.

[4] S. Harkki, "The Outokumpu Flash Smelting Method," in Non-Waste Technology and Production (Oxford: Pergamon Press, 1978).

[5] United Nations Economic Commission for Europe, "The Rapson-Reeve Process, A Case Study," Compendium of Low-Waste and Non-Waste Technology (Geneva: Palais des Nations, 1980).

[6] United Nations, "Money from Wastes," Development Forum, January-February 1977, p. 3.

annual gain of $2.33 for every $1.00 expended.

The chairman of the Hanes Dye and Finishing Company has testified that "cleaning up our stacks and neutralizing our liquids was expensive, but in the balance we have actually made money on our pollution control effort. EPA has helped our bottom line."

All these examples confirm the impression that in many industries a good deal of pollution stems simply from inefficiency and waste—waste that could be turned into profit.

ORGANIZING FOR PROFIT

How can companies best exploit their own pollution prevention opportunities? The key to 3M's success has been giving corporatewide recognition to the importance of technological innovation in making the company efficient and profitable, delegating responsibility and initiative to the shop floor, and rewarding all company personnel who get involved in 3P programs.

Joseph T. Ling, as vice president of environmental engineering and pollution control, heads up the corporate effort at St. Paul, Minnesota and works directly with the corresponding managers of the overseas companies. In the United Kingdom, for example Ling works with the manager of engineering services and a central energy and environment committee. The manager serves as chairman, and an accountant, the central engineering manager, the manufacturing manager, the maintenance engineer, and the public relations manager serve as the five other members of the central committee.

Each 3M factory has its own plant energy and environment committee comprising the plant engineer as chairman, the manufacturing supervisor, the process engineer, the maintenance supervisor, the control engineer, the division engineer, and an industrial engineer. Their job is to set targets for waste avoidance, establish programs with shop floor personnel, report progress to management, audit savings, and report to the central committee.

At 3M all corporate personnel from the shop floor upward are mobilized to contribute their knowledge and observations to the pollution abatement programs adopted. To qualify as a 3P program, a proposal has to eliminate or reduce a pollutant; bring about reduced energy use or more efficient use of raw materials like water; include some innovative feature; and bring monetary benefit through reduced or deferred controls or manufacturing costs, increased sales of existing or new products, or reduced capital or running costs. Pollution has been efficiently lessened, not by installing pollution control plants but by reformulating products, redesigning equipment, modifying processes, or recovering materials for reuse.

Good housekeeping has been the basis for successful pollution prevention at most of the companies I have mentioned. Often, however, they feel they have arrived at the best programs possible though computer optimization. They have looked at their intuitive proposals singly and in combination through sophisticated computer programs and have reached rank orderings of returns on investment for each degree of pollution abatement.

They have found that the economic way to abate pollution is not to call in equipment suppliers but to detect waste in their operating conditions; establish material, energy, and water balances; take note of legislative trends, and predict future waste treatment costs in the light of present expenses. Action based on this approach includes reducing energy consumption through heat reuse; coupling heat-producing and heat-consuming processes; integrating heat and power production; reducing heat and cold losses; and modifying temperatures, compressor and pump loads, and boil-up rates.

The next stage after they have eliminated substantial amounts of their waste has been to sell as much of that waste as possible to someone else and, with the residual pollutants, to build extra plants to convert them into useful raw materials or products. Then they have appraised the self-cleansing and dispersing power of their local environments and, with state authorities and local communities, have established appropriate discharge conditions for final residues.

Whenever possible, the companies have built treatment facilities jointly, as for example, Airco Alloy and a pulp mill in Sweden did and as Bass Charrington's giant brewery and the town of Runcorn in the United Kingdom did to profit from the compatibility of their mixed wastes. The treatment facilities have also usually been built with the companies' own manpower so as to develop the kind of environmental know-how that can be commercialized.

GROWTH BOOST

If taking such a positive approach to environmental protection can help companies maintain their profit, it can also help them grow. In the United States this year, environmental business has been almost a $50 billion affair and has recently been increasing 20 percent a year.

This new commercial area has brought in its wake a wave of new businesses. In the Federal Republic of Germany, more than 200 new companies have recently set themselves up to provide environmental products and services. In the United States, there are companies like Apollo Chemical Co., which started in the air pollution business some 15 years ago employing 10 people but which now employs over 400 and has subsidiaries around the world. Another is Waste Management Inc., a garbage handling business based on a new technology that yields a turnover of $350 million.

Even more significant, many large companies have added divisions to provide environmental goods and services. In the United States, Boeing, FMC, Exxon, Dow Chemical, 3M, and Caterpillar Tractor all market environmental products and services. In Europe, Shell, BP, Ciba-Geigy, Krupp, and Philips market specialized environmental services. ICI, in the United Kingdom, has three environmental divisions—a general technical and instrument division, a division for deep-shaft waste treatment systems, and another for general biological services and marketing plastic filter medium. In Sweden, the PLM Company, formerly only in the packaging business, has diversified into the reclamation area and doubled its turnover to $500 million.[7]

In such diversification, it is as important as ever to link the new activity to an existing strength. Thus, in pyrolyzing garbage, the Danish firm Destrugas is producing fuel gas, Union Carbide is producing ammonia, and Occidental Petroleum is producing fuel oil.

New growth areas tend to stem from technological innovation, and innovation tends to result from external need or pressure. Environmental pressure generates innovation.

Environmentally induced economic activity continues to stimulate the economy. It is an estimated 2% of the gross national product in countries like the United States. The amount of employment engendered by all aspects of environmental protection in the United States was, at the 1977 Environmental Improvement Council Conference, reported to be 2 million jobs. Direct employment induced by the National Environmental Policy Act runs at about 75,000.[8]

A 1978 estimate of the economic impact of environmental policies in the United States indicates that the annual benefits of improvements in air quality since 1970 have been $21.4 billion and that the total annual benefits in 1985 due to improved water quality will be $12.3 billion.[9] It is further estimated that by the end of 1980 U.S. environmental regulations will have added 0.1% to the consumer price index, reduced unemployment by 0.4%, and increased gross national production by $9.3 billion.

Japan, in recession in 1974, used strict pollution control legislation to boost construction and engineering and hence restimulate the economy; 20% of its economic growth since then can be attributed to its new strict environmental legislation.[10] Japanese companies are world leaders in supplying advanced pollution control equipment such as pyrolysis plants and flue gas desulfurizers.

Sweden used similar measures in 1970 when it faced an economic recession. The government introduced strict pollution control and offered industries cash grants of up to 75% of the purchase price of pollution control equipment installed before 1975. The result was a major improvement in the environment and a massive stimulation of the construction, equipment, and chemical industries. Sweden pulled out of the recession, and, like Japan, developed companies that are now leading suppliers of advanced pollution control equipment, chemicals, and know-how in the world.[11]

SURVIVAL OF THE FITTEST

In determining the direction of their future growth, companies as well as nations will more and more have to take environmental concerns into account. The ultimate objective of the corporation is survival, and reaching that depends very much on the adaptation of the corporation to its environment.

Such major companies as Shell and BP are directing their development by forecasting from scenarios. They describe all the possible environmental conditions that might control their growth and make decisions accordingly. AKZO, the Dutch chemical multinational, constructs elaborate scenarios based on the social, political, physical, economic and technological environments that it feels may prevail in the future and then determines which products and

[7] I. Flory, "Separation of Paper, Glass and Tinplate from Waste in Residential and Industrial Areas," ELMIA Conference, Jönköping, Sweden, October 1976.

[8] "Eighth Annual Report of the Council on Environmental Quality" (Washington, D.C.: U.S. Government Printing Office, 1977), p. 332.

[9] "Tenth Annual Report of the Council on Environmental Quality" (Washington, D.C.: U.S. Government Printing Office, 1980), pp. 655–662.

[10] Organization for Economic Cooperation and Development, "Prevention Less Costly than Cure," OECD Observer, May 1979, p. 9.

[11] Organization for Economic Cooperation and Development, "The Environment and Current Economic Problems" and "The State of the Environment," OECD Observer, May 1979, p. 29.

services will be more compatible with such conditions.

More and more companies are assessing the environmental impact of projects they are about to introduce. Some, such as DSM, the Dutch state coal mining enterprise that is now a large, successful multinational chemical company, go to the extent of simulating public hearings of impact reports. Company staff members play the roles of community and environmental advocates to identify the dangers and problems early so that remedies can be applied while cost and time penalties are still minimal. Under programs like this, enterprises accept the validity of environmental concern and encourage environmental awareness on their staffs. They can minimize the negative and maximize the positive impacts of their new projects.

They can also prevent their projects from being blocked by the courts or by citizen protest actions. By becoming concerned about environmental impact ahead of time, companies can avoid costly delay, bad press, and heavy financial burden.

THE PAYOFF

If a company looks at economic questions in an ecological way and at ecological questions in an economic way, it can make pollution prevention pay in relation to three corporate objectives. By focusing attention on waste avoidance and efficient operation, it can increase profit. By investigating new areas in which to develop products and services, it can grow. By avoiding conflict over new projects and winning acceptance for them by looking at them with an eye to the new environmental values, it can improve its chances of surviving.●

SALUTING THE MAKER OF THE INAUGURAL MEDALS

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. RATCHFORD. Mr. Speaker, I commend the attention of my colleagues today to the creative industry of a company in the Fifth District of Connecticut, the Medallic Art Co., Inc., which has struck and is producing a series of unique and highly collectible medals commemorating the inauguration of Ronald Reagan as President.

The Medallic Art Co. has been in the business of manufacturing high-quality medals for years, and has been a valued employer, taxpayer, and good neighbor in my home city of Danbury. But, of course, Medallic Art's business has been more than just a business: A sense of artistry is palpably apparent in each of its creations; a sense of history informs and inspires its entire collection.

Medallic Art's inaugural medal—in five different size and metal combinations—displays on its obverse a careful portrait of the President, prepared from a life mask, and on its reverse a detailed depiction of the West Front of the Capitol, where Mr. Reagan last week took the oath of office as our Nation's 40th President. The medal is more than a fine piece of work and a credit to all of us in western Connecticut—a region that is proud to be the home of a number of collection-quality medallic mints. It is a testament to the esteem numismatists have long accorded Medallic Art—for the Presidential medals that have preceded the current edition, for the special Olympic collection minted to commemorate the games at Lake Placid, N.Y., last year, and for dozens of other brilliantly wrought examples of the numismatic art.

I trust my colleagues will join me in saluting the care and craftsmanship of Medallic Art Co.—a business I and all the citizens of the Fifth District are proud to call a neighbor, a business we are pleased to see building success from a firm tradition of innovation, artistry, and the highest standards of minting excellence.●

CONGRESS AND TECHNOLOGY

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. WINN. Mr. Speaker, I have served on the Board of the Office of Technology Assessment for 4 years now. During my tenure I have come to realize just how important OTA and its contributions are to the deliberations of the Congress. The following article, which appeared in the September 1980 issue of Government Executive, gives an overview of the Office of Technology Assessment and describes how it might be even better utilized in the future. I commend this article to my colleagues.

FACING UP TO THE REALITIES OF FINITENESS

It will not appear in the plethora of political rhetoric swamping the U.S. There will not be but a fleeting hint of it in the political reporting assaulting the senses through printed and electronic news barrages.

And, certainly, no individual Member of either House will devote any speech to it for public consumption.

It manifests itself most visibly in the great energy problems facing Congress—but it is also present in transportation, health, defense, welfare and in almost all of the major issue identifiers abounding on the Hill.

Energy is a big word with scientific, technological, social, economic and political connotations. But the whole energy question is really the first confrontation between Congress and the "realities of finiteness." It is an absolute confrontation.

And D. John H. Gibbons, Director of the Office of Technology Assessment, U.S. Congress, finds this fascinating because those realities basically question the ability of our physical resources and our institutions to deal with a national problem.

OUT OF THE COWBOY AGE

"It is imperative to take this lesson seriously," says Gibbons, "not because the solutions are so critical in energy, but that the processes involved are changing the whole way we think about problem-solving in our society. It is not just a shortage of fuel but a confrontation of the anachronism of the underlying tradition of western thought that is involved."

The point Gibbons is making is that we have always used our natural or industrial resources to solve problems. Now we are beginning to have to use our brains.

And Congress, in spite of polls and heavy criticism to the contrary on particulars, is moving, slowly and sporadically as an institution, away from the cornucopia concept. "We are far from running out of technology," says Gibbons, "but we still look back for a quick technological fix every time we get into a jam." This is a natural and very comfortable attitude—because it means we do not have to change our thinking or, even more terrifying, change the way we, as a Nation, do things.

There are very few technologists elected to Congress, yet, because of the very great mix of levels of sophistication in that body, many Members have a far better understanding of the complex inter-relationships among technologies and other societal elements than the Public. And almost all of the legislature knows that policy is a process, not a fixed point in time. (Those who do not, simply do not count.)

It could have been anticipated when Congress established its own Office of Technology Assessment back in 1972, that the entity would eventually serve as a window into Congress itself. All of Government's creations eventually do this. But the OTA window is small and often slightly opaque.

In its initial years, OTA could be best described as a joint committee and it was pretty much treated as such. But the original idea was to create a body capable of providing non-partisan, objective and fair advice to the Committees and Members of Congress who are inherently deeply involved in political choices. Which are, of course, the opposite of non-partisan, objective and fair.

So in its first phases, OTA wound up too close to the day-to-day action of Congress. In its next phase, the obvious swing to the other end started and OTA, in the minds of many Members, was getting to be almost irrelevant.

CONSTANT CHANGE

OTA is now in the third, and by no means final, phase. Gibbons realizes that Congress wants a degree of independence in OTA but that the organization must also work for Congress. "So the attempt is to move close to the imperatives of Congress while doing the least amount of violence to these studies—which do take both money and time.

"OTA is an experiment, that is now working and working better because we have learned a lot."

So has Congress.

Yet Congress must also appreciate that the advice it wants from OTA immediately must have already been in the works at OTA for many months, if not years.

"Our hope is that Congress understands we have an undercurrent of projects that take a year or two to complete and at the same time we must develop the ability to pull, out of those studies and others already completed, information that is germane to current issues before Congress. It is a balancing act."

OTA's role is not to tell Congress what to do, but to supply intelligent options. "It is a little like the difference between projecting into the future where you are going based

on energy supplies and forecasting where energy is going to go. A lot of people do not realize the difference between the two. We in OTA project, we do not forecast," says Gibbons.

A university, or a major corporation, tackles an interdisciplinary study by gathering electrical, mechanical, civil, and other engineers together and turning them loose on a problem.

"Congress," says Gibbons, "is at a unique extreme, and has to bring together an inordinate number of considerations."

On the other hand, the National Academy of Sciences is now integrating over the life and physical sciences—but when they get into economic or social elements they tend to bog down. "It gets too complicated."

"You can consider OTA as being at the next level. We integrate over the life and physical sciences but also over the social, economic and political sciences as well. We are just beginning to synthesize information—but still at a level far below what Congress must take into account."

"We are starting to become a significant part of the Congressional process."

Gibbons thinks that OTA is also the catalytic point between what the Congressional committees want and where the relevant information exists. "This information is literally all over the U.S. So we form advisory panels on issues approved or requested by the Board, and include all interested parties. Everybody whose ox is going to get gored or fed is on these panels."

OTA actually has a very small professional staff—less than a hundred. The major work of information synthesis is through panels, short-term employment, consultants and subcontracting. This gives the small staff a tremendous outreach. Every major study OTA instigates involves panels and "these panels are carefully pulled together to make sure that all interests are represented." They may not have equal representation but the target is to be fair.

"And then we always put out these documents that are too much for anybody to read," says Gibbons, so he has expanded on an idea of one of his predecessors—the one page summary. "We print separate summary packages designed to meet the needs of Congress." He is also working on graphics and other information packaging techniques to improve the communication of OTA's basic works.

INSTANT RESPONSE

"We are not in the business of filling shelves with information. We must fill the voids of information in the current policy generating functions of the Congress. We have to be responsive and have damned good stuff. If you feed Congress junk they just turn you off."

OTA's ability to respond to short term queries is improving. This is a function of the number of studies underway and the backlog of completed projects. It is also an imposed attitude. "We should be far less reactive and much more anticipatory in our working for Congress," says Gibbons.

Oddly enough, Gibbons has found the best way to reach his hundreds of "Bosses" is through magazines and newspapers, as well as T.V. "It is often a far more effective route than sending reports and the media, is, in fact, turning out to be one of our most important delivery systems."

OTA is fairly open. It is impossible to keep much of what it does under wraps because of the many inputs and the controversial nature of much of the subject matter. OTA does suffer from leaks in the sense that draft information is often made public to bolster a particular point of view while ignoring all of the rest of the options, projections and other aspects appearing in the final report.

"Frankly, I think we just have to take our chances here. The benefits of open information exchange in the development of assessments far outweighs any short term negative publicity," says Gibbons. He might have added that no Member of Congress is anything less than expert in promulgating partisan information through the news media. So there is an understanding here.

GRASPING INTANGIBLES

There is one area causing Gibbons some concern. This is in the perception of duplication of effort. A Member sees a report from the GAO on, say gasohol, and then a study from OTA on the same subject and forms the superficial conclusion that one or the other was a waste of effort. "Not true," says Gibbons, "what you have is the same subject analysed from two entirely different aspects. In fact, OTA and GSA would probably have been aware of each other's project and cross-correlated along the way."

In a recent hearing on the synthetic fuel issue, Gibbons, acting for OTA, and the Congressional Budget Office spokesman hit the same subject and, in fact, came up with the same bottom line in their separate analyses. "I did not know about the Congressional Budget study until the hearing itself. The point is that the Budget Office analysis worked its way through macroeconomics and we worked our route through engineering and technology. The fact that the bottom lines were the same is a clear advantage to Congress. Far from being a duplication of effort, it was actually a demonstration of the intrinsic worth of complementary analysis."

The charge that OTA duplicates the work of other Congressional support organizations is one of the most serious levied against the organization—not because it is true but because it shows a fundamental misunderstanding about the purpose and value of OTA to the legislative process.

In a very real sense, the most formidable problem facing Gibbons is the abstract nature of many of the deficiencies he has to resolve.

"We have been called the 'Office of Technology Harassment'" says Gibbons, as if OTA had the power at all.

There are differences of opinion among the more powerful Members of the House and Senate as to exactly how OTA should proceed. Gibbons is very much aware of the impasse that can easily develop between an organization that generates multi-year assessments at the whim of a body that stands for re-election every two years and every six years.

In Washington, there is an impression that Congress is a fast moving legislative arena and OTA, by its nature and the complexities of assessing technology against the intangibles driving Congress, therefore moves slower.

Yet that so called fast moving legislation is normally in response to social and political problems perceived by Congress long after it surfaces somewhere in the U.S. and the legislative "solutions" arrive on the spot after the problem has changed or died of old age. Or misses the problem entirely because all Congress can do is enact, it cannot enforce or even administrate its creations. Or causes other problems which, in turn, generate more legislation.

The point is that Congress had better be more right than wrong the first time—and that is really why it created OTA in the first place.

An example of the product of OTA is the recent assessment of oil shale technologies. The study took all six elements—technology, economics and finance, resource acquisition, environment, water resources and socioeconomics and developed four production targets for 1990 with strategies for reaching each. In doing this, the study identified no less than thirty issues and thirty-nine policy options.

That, in only one aspect of energy, is a considerable range—especially since the study was done for Congress and treats only what Congress alone can do. And the study concerned itself with the oil shale formations in portions of only three states—Colorado, Wyoming and Utah. Obviously those three states are represented by a part of the House and Senate—so the considerations facing Congress as a whole with respect to exploiting oil shale can get interesting real fast.

It is an example of what Gibbons means when he says that "anything that has big potential positive consequences is sure to have big potential negative potential as well."

Reading any of the concise summaries of OTA's studies, much less the full reports themselves, strongly indicates that the era of the quick technological fix is over. And since all of these studies were requested by Congress, the aggregate is also a good indication that Congress, itself, has an institutional awareness that the cowboy days are also over and that, as Gibbons notes, there is a new dependence on the brain.

The oil shale study is also a case-in-point of the brutally dispassionate delivery of indigestible effects of technology. Take, for example, the following excerpt:

"An illustration of the needs for tradeoffs, among objectives can be seen at the 1-million-barrel-per-day production level, which attains the positioning and energy production objectives (i.e., it would displace about 16% of imported oil and significantly reduce the U.S. balance of payments) but only at the cost of extensive Federal involvement, increased pollution and social disruption."

The only thing that is known about the effect of the million barrel level is that it would exceed the capacity of all of the communities in the affected areas.

This is the projection of only one of the four strategies in the report—all of the others involve less than a million barrel daily production. But it shows one of the unintended impacts of an effective OTA—it provides Congress with a technological conscience. That is what you can expect to get from a non-partisan, objective and fair analysis.

"There is an impression that Congress does not worry about the long term," says Gibbons, "but if you look at the legislation going on now, you find an awful lot of it is concerned with where we are going to be in the year 2000. Much of what Congress is trying to do in energy will really only start to take effect as we cross the year 2000."

BATH WATER AND BABIES

It could well be that OTA was created with only a dim perception of its full role in the Congressional process. But, less than 10 years after its formation, it would seem that the parent is starting to get comfortable with the child—and neither have even scratched the potential involved.

As one congressional expert notes—OTA is, at the top, short on staff with extensive Congressional experience and, to some extent, a dash of old fashioned legislative relations would help OTA. Gibbons is trying to close the communications link through more effective reporting, interim responses supporting the "quick question" and developing better substantive relationships between OTA and the various caucuses on the Hill.

But Gibbons knows that there is no way to speed up the basic OTA process without compromising the quality of the results—his "getting close to the imperatives while

doing least violence" shows his awareness of the problem.

And Gibbons also knows, as do the more thoughtful Members of Congress, that many technological crises will seemingly develop overnight having evaded OTA's early warning system.

There must be a very necessary element of trust on the part of Congress towards OTA for the latter to perform effectively. OTA now seems to have the confidence of the Congressional leaders—but this is an intangible that takes careful and constant nurturing on both sides.

There is evidence available on this. OTA will soon be taking a look at the whole area of non-nuclear toxic industrial waste. But the assessment will involve what is going on now and in the future rather than what happened twenty and thirty years ago. The future look is to detail what can be done through process design and other technological avenues now to prevent history repeating itself. The toxic waste problem of the future must be cut at the source rather than at the end of the pipe. Since almost anything in industrial processing has the potential of harm—and all that such processes really do is concentrate such problems rather than disperse them—then engineering and chemical design should be brought to bear up front.

OTA is also studying the availability of Soviet energy and the influence of U.S. trade on Soviet energy production. A short study, drawing heavily on past work, will involve the combination of U.S. electronic, automotive and steel elements in foreign trade.

These go beyond the obvious. The problem is the development of federal policies involving innovation—especially in the international arenas.

It is Gibbons who will determine, to a large extent, the future of OTA. He is the third director. Former Congressman Emilio Daddario, after pushing the enabling legislation through Congress, became OTA's first director. He was then criticized for running OTA like a Congressional Office and for all of the trappings of a joint committee staff.

Former Governor of Delaware, Russell Peterson was the second Director and he got charged with allowing OTA to drift too far away from the legislative pattern of doing things.

But Gibbons thinks that Daddario and Peterson made the necessary rough cuts in establishing OTA and also bore the blame for the many problems that always accompany the creation of such a highly specialized operation.

For countless reasons, good and bad, with many being completely beyond its control, OTA could sink to such a level of routine that it should be abolished, or worse, grafted into the GAO or the Congressional Research Service—two entirely different functions.

But it is far more likely, given the Congress' belated, and private, recognition of technological complexities and the extent to which these now penetrate the purely political realm of old, that Gibbons will turn OTA into an effective tool aiding Congress in making technology the servant of U.S. policy, domestic, military and foreign.

Right, now, technology runs both Congress and the Administration.●

VETERANS' BENEFITS FOR RADIATION VICTIMS

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. GONZALEZ. Mr. Speaker, I am once again proposing a bill which would furnish veterans' benefits to certain veterans who were exposed to ionizing radiation as a result of nuclear testing conducted by the U.S. Government. Many of our veterans who over the years have developed diseases related to radiation exposure are unable to receive adequate compensation from the Veterans' Administration. The fact is that veterans who were directly involved in these nuclear tests and have attempted to file claims with the VA for compensation have had their claims denied because they lack sufficient evidence.

I am well aware of the controversy over the connection between radiation exposure and diseases commonly thought to be related to effects of ionizing radiation, but it is my understanding that there is sufficient evidence in particular illnesses to assume there is a link.

My bill proposes that any veteran who was exposed to ionizing radiation as a result of nuclear testing undertaken by the United States and since have developed leukemia, thyroid cancer, bone cancer or any other cancer, disease or illness included in a list to be published by the advisory panel on the health effects of exposure to radiation, which my bill would establish, will be eligible for VA benefits.

Mr. Speaker, the purpose of this measure is to offer the veteran who is suffering from such side effects, eligibility for a fair and just compensation past due and for the Government to assume the responsibility in these circumstances.

I hope that by introducing my bill early in the legislative year, it will be considered as soon as possible in order to alleviate the present situation confronting many ailing veterans.●

SENATE—*Friday, January 30, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met in executive session at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

AUTHORITY TO REPORT ORIGINAL RESOLUTION

The PRESIDENT pro tempore. Without objection, as in legislative session, it will be in order to report an original resolution of the Committee on the Judiciary concerning the budget for the committee and that no objection lie with respect thereto under section 133 of the Legislative Reorganization Act of 1946, as amended.

RECESS UNTIL 10:15 A.M., TUESDAY, FEBRUARY 3, 1981

The PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 10:15 a.m., Tuesday next.

Thereupon, at 11:40 a.m., the Senate, in executive session, recessed until Tuesday, February 3, 1981, at 10:15 a.m.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, January 30, 1981, he presented to the President of the United States the following enrolled bill:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-276. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "New Means Of Analysis Required for Policy Decisions Affecting Private Forestry Sector"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-277. A communication from the Acting Public Printer, U.S. Government Printing Office, transmitting, pursuant to law, a quarterly report of certain charges incurred for congressional printing and binding which cannot be identified with specific congressional committees; to the Committee on Appropriations.

EC-278. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "No Easy Choice: NATO Collaboration And The U.S. Arms Export Control Issue"; to the Committee on Armed Services.

EC-279. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the seventh annual report on "Rationalization/Standardization Within NATO"; to the Committee on Armed Services.

EC-280. A communication from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the family housing maintenance function at Grissom Air Force Base, Indiana, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-281. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examinations of Financial Institutions Do Not Assure Compliance With Consumer Credit Laws"; to the Committee on Banking, Housing, and Urban Affairs.

EC-282. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, two amendments to the Trade Regulation Rule on Games of Chance in the Food Retailing and Gasoline Industries that had been previously submitted to the 96th Congress; to the Committee on Commerce, Science, and Transportation.

EC-283. A communication from the Secretary of Commerce, transmitting, pursuant to law, an interim report on the progress of the planning and construction of facilities for the 1980 Winter Olympics covering fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC-284. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to establish a revolving fund in the Department of the Interior, and for other purposes; to the Committee on Energy and Natural Resources.

EC-285. A communication from the Chairman of the U.S. Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 and the Railroad Retirement Tax Act to assure increased revenues, reduced costs, and simplified administration; to the Committee on Finance.

EC-286. A communication from the Acting Chairman of the Board for International Broadcasting, transmitting, pursuant to law, the annual report on the activities of the Board for fiscal year 1980; to the Committee on Foreign Relations.

EC-287. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance audit reports prepared or project completion reports prepared by the Asian Development Bank; to the Committee on Foreign Relations.

EC-288. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the annual report of the General Accounting Office for fiscal year 1980; to the Committee on Governmental Affairs.

EC-289. A communication from the National Executive Director of the American Veterans of World War II, Korea-Vietnam (AMVETS), transmitting, pursuant to law, the audit report of AMVETS for the year ended August 31, 1980; to the Committee on the Judiciary.

EC-290. A communication from the Chairman of the U.S. Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 to provide that the amount authorized to be appropriated to the Railroad Retirement Account each year to subsidize the costs of "windfall" benefits shall not exceed $350,000,000; to the Committee on Labor and Human Resources.

EC-291. A communication from the Secretary of Education, transmitting, pursuant to law, the Long-Range Plan for Rehabilitation Research; to the Committee on Labor and Human Resources.

EC-292. A communication from the Secretary of Education, transmitting, pursuant to law, an appendix to the first annual report of the Department of Education; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions were laid before the Senate, and referred as indicated:

POM-11. Concurrent resolution adopted by the Legislature of American Samoa; to the Committee on Energy and Natural Resources:

SENATE CONCURRENT RESOLUTION

Whereas, on 5 January 1981, Delegate Fofó I. F. Sunia was sworn in as the Territory's first non-voting Delegate to the U.S. House under P.L. 95-556 and P.L. 95-594 (1978); and

Whereas, this has been a long and arduous struggle for many years through many Fono's and Congresses by many interested and dedicated individuals; and

Whereas, especial praise should go to former Delegate A. P. Lutali under whose Delegate's administration the bill was eventually passed and signed into law by the 95th Congress; and

Whereas, of course, the Governor at that time, Peter Tali Coleman and his administration are to be thanked for their efforts; and

Whereas, our many friends in Congress, both in the House and in the Senate—to them we extend our heartfelt gratitude over this expression of trust and confidence in our evolving political maturation—but in passing we must thank Congressman Phillip Burton and his aide Eni F. Hunkin for their unique contributions to this endeavor; and

Whereas, we always owe special thanks to Senator "Spark" Matsunaga and the rest of the Hawaii Congressional Delegation—Senator Daniel Inouye, Representative Dan Akaka, and Representative "Cec" Heftel—for all their ever present assistance; and

Whereas, we would like to also extend our

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

blessings and wish him Godspeed to the newly elected as well as former Delegate, High Talking Chief Fofō I. F. Sunia, for through his initial efforts the Territory of American Samoa will grow and be recognized within Congress, the United States, and even the world—to him and his staff go our best wishes.

Now, therefore, be it resolved by the Senate of the Territory of American Samoa, the House of Representatives concurring:

That, the entire United States Congress is most humbly and generously thanked and commended for the honor they have bestowed on our Territory by elevating our representation in Congress to that of a full-fledged non-voting Delegate to the U.S. House of Representatives; and

Be it further resolved, That, High Talking Chief Fofō I. F. Sunia is commended for the manner in which his campaign was run and the fact that he will be American Samoa's first Delegate to Congress with all the importance that special event entails; and

Be it further resolved, That the following are especially commended and thanked for their tireless efforts to accomplish the task of managing the appropriate bills through the 95th Congress and previous attempts:

Honorable Senator Henry M. Jackson;
Honorable Representative Morris K. Udall;
Honorable Representative Phillip Burton;
Honorable Senator "Spark" Matsunaga;
Honorable Senator Daniel K. Inouye;
Honorable Representative Dan Akaka;
Honorable Representative "Cec" Heftel;
Secretary of the U.S. Senate;
Clerk of the U.S. House of Representatives;
Mr. Eni F. Hunkin, Staff Attorney to the U.S. House Sub-Committee on National Parks & Insular Affairs;
Honorable Former Delegate A. P. Lutali;
Honorable Delegate Fofō I. F. Sunia; and
Honorable Peter Tali Coleman, Governor of American Samoa; and

Be it further resolved, That the Secretary of the Senate is directed to transmit copies of this resolution to: the Honorable Secretary of the Interior; the Honorable Senator Henry M. Jackson; Honorable Representative Morris K. Udall, Chairman, U.S. House Committee on Interior and Insular Affairs; Honorable Representative Phillip Burton, U.S. House Sub-Committee on National Parks and Insular Affairs; Honorable Senator "Spark" Matsunaga; Honorable Senator Daniel Inouye; Honorable Representative Dan Akaka; Honorable Representative "Cec" Heftel; Secretary of the U.S. Senate; Clerk of the U.S. House of Representatives; Mr. Eni F. Hunkin, Staff Attorney to the Sub-Committee on National Parks and Insular Affairs; Honorable Former Delegate A. U. Fuimaono; Honorable High Chief A. P. Lutali, former Delegate to the U.S. Government; Honorable High Talking Chief Fofō I. F. Sunia, Delegate to the U.S. House of Representatives; and to Honorable Peter Tali Coleman, Governor of American Samoa.

POM-13. Joint resolution adopted by the Legislature of the State of Maine; to the Committee on Rules and Administration:

JOINT RESOLUTION

Whereas, on the 20th day of January, 1981, a unique American tradition called Inauguration Day will occur; and

Whereas, during these dramatic times, Ronald Wilson Reagan will face the Nation for the first time as the 40th President of the United States of America; and

Whereas, the people of this Nation through a free and open election process have clearly placed their faith, trust and confidence in Ronald W. Reagan and George H. W. Bush; and

Whereas, all Americans sincerely pray that the next four years will be years filled with peace in the world and prosperity without inflation at home, and that the direction taken by this administration in the 1980's will bring new hope and meaning for the people of this country; now, therefore, be it

Resolved: That, We the Members of the 110th Legislature of the great and sovereign State of Maine, now assembled, extend our heartiest congratulations to President Reagan and Vice-President Bush on the occasion of their inauguration; and be it further

Resolved: That a duly attested copy of this Resolution be transmitted forthwith by the Secretary of State to our new Chief Executive and the Vice-President of the United States in honor of the occasion; and be it further

Resolved: That a duly authenticated copy of this Joint Resolution be immediately submitted by the Secretary of State to the Honorable Ronald W. Reagan, President of the United States, and Honorable George H. W. Bush, Vice-President of the United States, the President of the Senate and Speaker of the House of the Congress of the United States and to each Member of the Senate and House of Representatives in the Congress of the United States from this State.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. Res. 53. An original resolution authorizing expenditures by the Committee on the Judiciary; referred to the Committee on Rules and Administration.

By Mr. GOLDWATER, from the Select Committee on Intelligence, without amendment:

S. Res. 54. An original resolution authorizing expenditures by the Select Committee on Intelligence; referred to the Committee on Rules and Administration.

By Mr. HATFIELD, from the Committee on Appropriations, without amendment:

S. Res. 55. An original resolution authorizing expenditures by the Committee on Appropriations; to the Committee on Rules and Administration.

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 56. An original resolution authorizing expenditures by the Committee on Energy and Natural Resources; to the Committee on Rules and Administration.

By Mr. ROTH, from the Committee on Governmental Affairs, without amendment:

S. Res. 57. An original resolution authorizing expenditures by the Committee on Governmental Affairs; to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Raymond J. Donovan, of New Jersey, to be Secretary of Labor (Ex. Rept. No. 97-3).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. INOUYE:

S. 342. A bill for the relief of Andrew N. Respicio; to the Committee on the Judiciary.

S. 343. A bill for the relief of Ms. Kinisimere Fonua Suschnigg; to the Committee on the Judiciary.

By Mr. LEVIN (for himself, Mr. BOREN, Mr. BAUCUS, Mr. PRYOR, Mr. SIMPSON, Mr. COCHRAN, Mr. SASSER, Mr. DIXON, Mr. INOUYE, and Mr. HEFLIN):

S. 344. A bill to increase the accountability of, policy coordination by, and management of priorities by agencies through an improved mechanism for congressional oversight of the rules of agencies; to the Committee on Governmental Affairs.

By Mr. GLENN:

S. 345. A bill for the relief of Delphi P. Panisa; to the Committee on the Judiciary.

S. 346. A bill for the relief of Diana C. Alvarez; to the Committee on the Judiciary.

S. 347. A bill for the relief of Clarita C. Guerrero; to the Committee on the Judiciary.

By Mr. NICKLES (for Mr. HATCH):

S. 348. A bill to authorize a youth minimum wage differential under the Fair Labor Standards Act of 1938 and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HART (for himself, Mr. CRANSTON, and Mr. DECONCINI):

S. 349 A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes; to the Committee on Veterans Affairs.

By Mr. GLENN:

S. 350. A bill to establish a uranium enrichment fund; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEVIN (for himself, Mr. BOREN, Mr. BAUCUS, Mr. PRYOR, Mr. SIMPSON, Mr. COCHRAN, Mr. SASSER, Mr. DIXON, Mr. INOUYE, and Mr. HEFLIN):

S. 344. A bill to increase the accountability of, policy coordination by, and management of priorities by agencies through an improved mechanism for congressional oversight of the rules of agencies; to the Committee on Governmental Affairs.

AGENCY ACCOUNTABILITY ACT OF 1981

● Mr. LEVIN. Mr. President, today Senator BOREN and I along with Senators BAUCUS, COCHRAN, DIXON, HEFLIN, INOUYE, PRYOR, SASSER, and SIMPSON, introduce the Agency Accountability Act of 1981, the so-called Levin-Boren bill, a bill that would apply a joint resolution legislative veto to the significant regulations issued by most of the Federal agencies. It is legislation designed to obtain some accountability in the regulatory process and to return to the elected officials in Congress a greater degree of responsibility for the conduct of the programs we legislate. This bill, with minor modifications, was approved in the last Congress by the Governmental Affairs Committee, and a version of it as applied only to one agency, was attached to the Federal Trade Commission authorization in the Senate by a vote of 87 to 10.

We have been hearing much recently about the public's disenchantment with the growth of Government. The voters in the last election clearly stated their strong desire to "get Government off the backs of the people," yet the number of regulations continues to grow seemingly geometrically, and our system for regulating proceeds in an archaic fashion with lengthy litigation being the main defense to overbearing, needless and sometimes counterproductive regulations. The current situation is simply not tolerable—relief from the regulatory nightmare frequently takes too long to obtain and the regulators are too far removed from the people they are supposed to serve to be accountable for their decisions.

We are all aware of this situation, that is why Congress has for the past several years been considering sunset, sunrise, and regulatory reform legislation as well as other means for improving the system. I think many of these proposals can be extremely helpful in reducing the burdens and inconsistences of Federal programs.

But, I believe we need an actual structural change in the way this country does its business in order to make a real impact. We need to give the citizen who bears the brunt of a regulation, someplace to go for relief, besides the courts. We need to provide access to a politically accountable public official. If the people who issue these regulations had to face the voters every 2 years to justify their conduct, I do not think we would be experiencing the overregulation and regulatory inflexibility that we now face. Accountability is the important check and so far, the regulatory process does not have it.

Some have expressed concern that a legislative veto would upset and contravene the constitutionally established separation of powers. In the form contained in this bill, that argument has no merit. No one has ever envisioned the separation of powers to be clear and precise, with the domains of the three branches being impenetrable to each other. Rather, as the Supreme Court stated in *Buckley* v. *Valeo*, 424 U.S. 1, 120–121:

> All of the courts which have addressed themselves to the matter start on common ground in the recognition of the intent of the Framers that the powers of the three great branches of the National Government be largely separate from one another.
>
> Yet, it is also clear . . . that the Constitution by no means contemplates total separation of each of these three essential branches of government . . . The men who met in Philadelphia in the summer of 1781 were practical statesmen, experienced in politics, who viewed the principle of separation of powers as a vital check against tyranny. But they likewise saw that a hermetic sealing off of the three branches of Government from one another would preclude the establishment of a Nation capable of governing itself effectively.

The regulatory process is in many cases an extension of the legislative process. In order to achieve consensus, we Members of Congress must frequently draft our legislation with a broad brush, leaving much room for interpretation. Given this reality, it is only sensible to allow Congress the opportunity to comment on—or to review—the agency implementation and interpretation of the statute in the form of a regulation, before it takes effect.

Let me briefly summarize the procedure contained in this bill:

First. Agency agendas of significant rules—as now defined in Executive Order 12044—shall be forwarded semiannually to the apppropriate congressional committees, thereby giving committees early notice of ongoing rulemaking. Preparation of these agendas would create no additional burden, as agencies are already required by Executive order to do so. Copies of proposed and final rules shall also be sent to the appropriate committees at the time they are sent to the Federal Register for publication.

Second. No significant rule can become effective for 20 days after publication.

Third. If the appropriate committee votes to report out a joint resolution of disapproval during the 20-day period following publication, then that rule cannot take effect for an additional 60 days.

Fourth. Both Houses of Congress and the President must approve the joint resolution during the 60-day period, otherwise the rule will take effect at the end of the 60-day period .

Fifth. An agency head may determine that an emergency exists and that it is in the public interest to waive the procedures established by this bill for congressional review. The agency head must notify the appropriate committee of this determination and the reasons supporting it.

Because this bill uses a joint resolution, involving both Houses of Congress and the President in the final act of disapproval, it does not raise the same constitutional questions raised by other legislative veto proposals. At the same time the bill does give Congress more power than it now has—and that is the important authority to delay the implementation of a regulation, by committee action, to allow for further congressional scrutiny for a period of 60 days. It establishes a recognized procedure for reviewing the regulations before they take effect.

The legislative veto is not a new proposal. Its origins date back to England where a "laying on the table" procedure has been in operation for centuries. Proposed regulations are placed before Parliament for either affirmative or implicit approval. Likewise, some 34 States have a similar process. To date there are some 264 legislative veto provisions enacted into individual Federal laws.

In 1980, alone, the Congress attached some 33 legislative vetoes to 13 separate statutes. This variety of legislative vetoes, in fact, argues for passage of this bill, so that we can move to establish as quickly as possible, a uniform approach to regulatory review. By adopting a generic approach we can save ourselves the confusion of keeping track of the new and varied legislative veto requirements pertaining to numerous programs.

I am pleased to be introducing this bill again with Senator BOREN and my other colleagues and I hope the Senate will give it speedy consideration.●

● Mr. BOREN. Mr. President, I am delighted to once again join my friend and colleague Senator CARL LEVIN, in the introduction of the Levin-Boren legislative veto bill.

Senator LEVIN has already outlined the provisions of the measure, so I will not repeat his thorough description.

I am extremely hopeful that this may finally be the year when the Senate and the Congress and the President act in consort to pass a legislative veto measure that is applicable to all of the Federal Government.

As you know, Mr. President, the Senate supported this proposal last year as an amendment to the FTC authorization bill. And the Governmental Affairs Committee reported this bill out last year—the first time in the history of the Senate that such an action has been taken.

There will be ample opportunity in the coming weeks to review the many arguments in support of this concept, and to address the concerns of those in opposition. I will not take the time of the Senate to do so today.

I believe, for now, it is sufficient to say that the mood in the country, as expressed in last November's elections, demands that significant progress be made in the field of regulatory reform in general, and I believe in the exercise by the Congress of their oversight responsibilities.

Once again, Mr. President, I am very pleased to be joining forces with Senator LEVIN on this measure, and in closing would pay tribute to him for the many hours of dedicated work he has already given in support of this bill.●

● Mr. PRYOR. Mr. President, I am proud to cosponsor the Levin-Boren legislative veto proposal. At the outset, I should pay tribute to its authors, two of the most distinguished Members of the Senate—Senator LEVIN of Michigan and Senator BOREN of Oklahoma. They have contributed much to the wisdom of this body and never more so than in their responsible, careful approach to the question of how the elected representatives of the people—the Members of Congress—can make their intent clear and effective in the implementation of agency rules and regulations.

I am joining as a cosponsor of this bill because I believe a legislative veto will improve the quality of regulations issued

by various agencies. As a result of hearings in the Governmental Affairs Committee during the last session, I became even more certain of the necessity of enacting a legislative veto in order to promote accountability in agency regulations.

Accountability is the compelling problem that makes this legislation absolutely essential. As it stands now, there is almost no accountability whatsoever in implementation of agency rules and regulations. It is difficult to hold a nonelected agency administrator responsible for bad regulations. But with the adoption of a legislative veto, it would be Congress that would have the responsibility to scrutinize and debate significant agency regulations. This would put the responsibility on the shoulders of those who are directly accountable to the American people; and that is where the responsibility should be.

The people expect and deserve to have someone responsible for those regulations that affect them. I can think of few things more frustrating than having a desire to express unhappiness with a regulation, but having no clearly accountable, responsible public officials to hear those views. We must act now to break down this wall between the agencies and the people they serve.

Another problem with agency regulations is that today they may not be drafted within the spirit and letter of congressional intent. I can see no better way to assure compliance with legislative intent than the prospect of legislative veto. It makes sense that an agency, knowing that its regulations will be carefully examined by a particular committee, will be less likely to go beyond the realm of authority Congress intended the agency to exercise if that agency realizes a legislative veto is a possibility.

Public confidence in Government can be strengthened with the enactment of this legislation. If Congress has more control over the regulations which agencies implement, then the people also have more control over those regulations. In this era of bureaucratic redtape, it is important that Government be as responsive as possible. This legislation will contribute to that cause by letting Government work more directly through the people, not around them.

With the possibility of a legislative veto, agency regulations should improve. As agency administrators realize regulations have the prospect of resting before Congress for a specified period of time, they will be less likely to issue inappropriate or unnecessary regulations.

The Agency Accountability Act will serve as an important step toward improving the relationship between the American people, the agencies, and the Congress. It will make it clear that Congress intends to exercise authority to review agency regulations, and thereby improve the agency and its operating procedures.●

● Mr. SASSER. Mr. President, I am pleased to cosponsor S. 344, the Levin-Boren legislative veto bill. Enactment of this legislative veto is an important step, in my view, toward scaling back the burgeoning bureaucracy that now threatens to choke us with burdensome rules and counterproductive regulations.

Unfortunately, I have found, along with many of my Senate colleagues, that all too often the Federal bureaucrats are running the engine of Government and we are just along for the ride. We need to get control of that engine. We must exercise the oversight of Government regulations that reach into our businesses, schools, and even our homes. We have a duty to comment on how the Federal agencies have interpreted the laws that we spend so much time shaping.

There is widespread support in the Congress for the enactment of comprehensive, across-the-board legislative veto and the review authority. Presently more than 175 separate statutes have some form of legislative veto or review provisions. However, these provisions are enacted on a case-by-case basis, with application only to specifically named agencies or procedures.

Continuing to enact legislative veto and review authority on a case-by-case basis does not effectively do the job because we have to stop and reconsider the question for each individual piece of legislation.

Unless we pass the Levin-Boren legislative veto and review legislation, we will continue to see our legislative priorities so snarled in redtape that they are no longer recognizable as our own. This has happened because we have left to others the unfettered interpretation of the statutes authorizing the implementation of procedures to carry out these legislative priorities.

A mechanism such as this legislative veto and regulation review legislation will force the Congress to take stock of what it has wrought and conduct effective oversight of the programs that it has enacted. By requiring this legislative veto process, the Congress holds itself accountable, as well as the Federal agencies, for the execution of Federal programs.

We have this responsibility. We must excercise it. In the process we are allowing those who are affected by particular Federal programs a point of access so that they can comment on how these programs are run. When a regulation is burdensome, those who are affected can make their access to an elected Member of Congress and expect to be heard. There are many examples of instances where unaccountable Federal officials turned a deaf ear to the small businessman or the schoolteacher or the farmer who had a legitimate complaint about Federal rulemaking.

We do not make laws in a vacuum and I do not believe that Federal laws should be interpreted in a vacuum, either. Legislative veto insures that Federal rulemaking will be an open and accountable process.

S. 344, the Levin-Boren legislative veto bill that we are considering requires a joint resolution of disapproval by both Houses of Congress and the President. This avoids the constitutional concerns about other forms of legislative veto which have been raised by the courts recently. I believe that this legislation is well considered and certainly much needed. I urge early Senate action on this progressive and far-reaching legislation.●

By Mr. NICKLES (for Mr. HATCH):

S. 348. A bill to authorize a youth minimum wage differential under the Fair Labor Standards Act of 1938 and for other purposes; to the Committee on Labor and Human Resources.

YOUTH OPPORTUNITY WAGE ACT

● Mr. HATCH. Mr. President, no Senator needs to stand on the floor of the U.S. Senate and say that youth unemployment is a serious problem. We can see it. It is evident from the discouragement of teenagers in every part of our country. It is time to do something about it.

We cannot attack youth unemployment solely through expensive Federal job training and work experience programs. Tax credits to employers to hire disadvantaged minority members will help, but this strategy only transfers the Federal expenditure to the income side of the balance sheet. We need a youth opportunity wage.

The bill I am introducing today would permit employers to pay young people under the age of 20, 75 percent of the minimum wage, which is currently $3.35 an hour. It would modify current law to allow employers to pay full-time students 75 percent of the minimum without having first obtained a certificate from the Secretary of Labor. Provisions of the bill would impose penalties on employers who violate the spirit of the law by paying less than 75 percent of the minimum, who retain youths at the subminimum level longer than 6 months, or who engage in a practice of substituting workers at the lower wage.

It has been shown that the relationship between increases in the minimum wage and in the rate of youth unemployment is positive; when one increases, so does the other. The fact is many jobs which can be performed by unskilled youth workers are simply not worth the full minimum wage to employers. Consequently, many jobs are eliminated. I wonder, Mr. President, if any of my colleagues have recently patronized a fast food restaurant and compared the long lines in 1981 to the relatively short lines of several years ago. The reason is the minimum wage. Jobs for young people are becoming fewer since the types of jobs usually done by teenagers are no longer worth the high minimum wage.

This is an important point to make, Mr. President. It has been said that a youth opportunity wage will deny jobs to older workers. Some argue that sons and daughters will gain jobs while fathers and mothers will lose theirs. This is a false assumption. First, youth and older,

experienced workers compete for different types of jobs. Second, this argument assumes that there are only a finite number of jobs in the marketplace—that whenever one person is hired, another is laid off. We all realize this is not the case. We are trying to create jobs for youth. For example, it may be worth a fast food restaurant owner to hire additional workers at 75 percent of the minimum wage to improve service to his customers

Further, young people need the self-confidence and intrinsic instruction that comes from holding a job. They need opportunities to show that they are responsible, industrious and honest. They need the opportunities to develop these qualities in a constructive employment setting. It is disheartening that some teenagers have become discouraged and are led into worrisome activities.

There is no denying, Mr. President, that the effect of increases in the minimum wage is to price unskilled workers out of their jobs. It is time Congress provided an incentive to businesses to take a chance on young people by adopting the youth opportunity wage. I sincerely believe this proposal to be fair and reasonable and I invite the cosponsorship and support of my colleagues in the Senate.

Mr. President, I ask that the text of the bill be included in the RECORD.

The bill follows:

S. 348

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Opportunity Wage Act of 1981".

YOUTH OPPORTUNITY WAGE

SEC. 2. (a) Section 14(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(b)) is amended to read as follows:

"(b)(1) To encourage youth employment an employer may employ any youth who has not attained 20 years of age for a period of 180 days, without prior or special certification by the Secretary of Labor, at a wage rate not less than 75 per centum of the otherwise applicable wage rate in effect under section 6 (or in the case of employment in Puerto Rico or the Virgin Islands not described insection 5(c) at a wage rate not less than 75 per centum of the otherwise applicable wage in effect under section 6(c)) in compliance with applicable child labor laws. This paragraph shall not apply to any youth employee who has been employed by the same employer for a period of at least 6 months or is currently employed by an employer at a rate of at least the minimum wage in effect on the day prior to the date of enactment of the Youth Opportunity Wage Act of 1979.

"(2)(A) To encourage youth employment, an employer or institution of higher education may employ any full-time student (regardless of age but in compliance with applicable child labor laws) at a wage rate not less than 75 per centum of the otherwise applicable wage rate in effect under section 6 (or in the case of employment in Puerto Rico or the Virgin Islands not described in section 5(c), at a wage rate not less than 85 per centum of the wage rate in effect under section 6(c)).

"(B) Any full-time student so employed under this paragraph by an employer other than an institution of higher education shall prior to such employment present to the employer a letter from the institution at which the student is enrolled certifying that such student is a full-time student enrolled at that institution.

"(C) Any full-time student employed pursuant to this paragraph shall be employed on a part-time basis and not in excess of 20 hours in any workweek, except during vacation periods.

"(3) While no prior certification shall be required by the Secretary for purposes of paragraphs (1) and (2), the Seretary is authorized under this Act to insure that the provisions of paragraphs (1) and (2) of this subsection are not violated. Whenever the Secretary discovers that an employer is employing youth at a wage rate lower than the wage rate allowable under this subsection or at a wage rate lower than the applicable wage rate under section 6 after the period of time specified by this subsection, or is engaged in a pattern and practice of—

"(A) substituting younger workers employed at less than the minimum wage for older workers employed at or above the minimum wage, or

"(B) terminating the employment of youth employees and employing other youth employees in order to gain continual advantage of the youth opportunity wage,

the employer shall be deemed to have violated section 6 of this Act. The liability of such an employer under this paragraph shall include—

"(i) unpaid wages and overtime compensation determined on the basis of otherwise applicable minimum wage and overtime rates pursuant to sections 6 and 7 of this Act, and

"(ii) a fine to be determined by the Secretary not to exceed $2,500 for the first offense by an employer and not to exceed $10,000 for any subsequent offense by the same employer.

"(4) To minimize paperwork for, and to encourage, small businesses to employ students under special certificates issued under paragraphs (1) and (2), the Secretary shall, by regulation or order, prescribe a simplified application form to be used by employers in applying for such a certificate for the employment of not more than 6 full-time students. Such an application shall require only—

"(i) a listing of the name, address, and business of the applicant employer,

"(ii) a listing of the date the applicant began business, and

"(iii) the certification that the employment of such full-time students will not reduce the full-time employment opportunities of persons other than persons employed under special certificates.".

(b) Section 13(a)(7) (29 U.S.C. 212(a)(7)) is amended to read as follows:

"(7) any employee to the extent that such employee is exempted by regulations, order, or certificate of the Secretary under section 14, or in accordance with the provisions of section 14(b); or.".●

By Mr. HART (for himself, Mr. CRANSTON, and Mr. DECONCINI):

S. 349. A bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes; to the Committee on Veterans Affairs.

VETERANS' ADMINISTRATION ADJUDICATION PROCEDURE AND JUDICIAL REVIEW ACT

● Mr. HART. Mr. President, today Senator CRANSTON, Senator DECONCINI and I are introducing legislation to provide for limited judicial review of the administrative actions of the Veterans' Administration—the second largest client agency of the Federal Government. The bill will also provide for the payment of reasonable attorney's fees for veterans who wish to be represented by legal counsel in hearings before the Veterans' Administration or the Federal courts. Additionally, this measure will require the VA to comply with the rulemaking provisions of the Administrative Procedure Act (APA) and to take other actions to safeguard the procedural due process rights of the veteran.

Mr. President, I first introduced legislation to open the administrative procedures of the Veterans' Administration to the scrutiny of the Federal courts in the 94th Congress. Since that time, with the full and complete cooperation and assistance of the distinguished Senator from California (Senator CRANSTON), the Senate Veterans Affairs' Committee, during the 1st session of the 96th Congress, reported out and the full Senate passed S. 330, the Veterans' Administration Adjudication Procedure and Judicial Review Act. The successful consideration by the Senate of S. 330 was the result of an exhaustive series of 7 hearings held bv the Senate Veterans' Affairs Committee and extensive staff work by the committee VA staff, and other interested parties. The bill we are reintroducing today is identical to the measure which was unanimously passed by the Senate on September 17, 1979.

Unfortunately, the U.S. House of Representatives did not act on S. 330 during the 96th Congress. The House Veterans' Affairs Committee did hold two hearings on the issue of judicial review of veterans' claims in November of 1980, but no bill granting judicial review of VA claims was reported by the committee.

Mr. President, the Veterans' Administration is unique among major Federal agencies in that its benefit decisions are not subject to the scrutiny of the Federal courts. In addition, there is an outdated $10 limitation on the amount a veteran may pay an attorney to assist in the preparation and presentation of a claim for benefits before the VA which prevents many veterans from being represented by legal counsel of their choosing.

At present, 1 of 58 local VA rating boards first reviews a veteran's case to determine if he or she is eligible for disability, pension, or other benefits. If the local board renders an unfavorable decision, the veteran can appeal to the Board of Veterans Appeals (BVA) in Washington, D.C., which is also a part of the

VA. Under existing law, the decision of the BVA on "any question of law or fact under law administered by the Veterans' Administration providing benefits for veterans and their dependents or survivors, shall be final and conclusive, and no other official or any court of the United States shall have power or jurisdiction to review any such decision * * *" (title 38 U.S.C., Sec. 211 (a)). Unlike claimants before other Federal agencies, a veteran who feels that the BVA has misinterpreted the law or decided a case without taking all relevant facts into account has no recourse outside the Veterans' Administration.

For more than two decades, the Social Security Administration (which also adjudicates disability claims) has been subject to judicial review of its final benefit decisions (title 42, U.S.C., Sec. 405(g)).

Mr. President, to insulate any agency from the scrutiny of the Federal courts runs counter to some of the most cherished constitutional principles. In human terms, this denial of the due process rights of veterans has too often resulted in hardship and disillusionment for those who have defended our country and are most deserving of the fruits of our constitutional form of government.

Although veterans may be represented by counsel in proceedings before the VA, the amount a claimant can pay an attorney is limited to $10 (title 38, U.S.C. Sec. 3404(c)). This fee limitation, which was instituted more than a century ago, severely limits the ability of a veteran to exercise freedom of choice in obtaining effective legal counsel.

Less than 2 percent of veterans who appeal their claims to the Board of Veterans Appeals are represented by legal counsel. Currently, veterans can obtain assistance without charge in preparing and presenting claims before the Veterans' Administration from the various national veterans' service organizations and VA benefit counselors. In most cases, the assistance given by these representatives is of excellent quality, providing the VA Rating Board with sufficient evidence to render a fair and equitable decision on the veteran's claim.

Many cases, however, involve complex legal and technical issues. If a veteran desires the representation of an attorney in these proceedings, the $10 fee restriction severely limits the right to counsel because almost no attorney is available at this unrealistic rate.

Veterans who desire outside legal representation in VA proceedings should be able to exercise that right. This legislation establishes a schedule for the payment of attorneys which insures that the veteran will be able to secure competent counsel without fear that an inordinate portion of any payment he or she may receive be devoted to legal expenses. Therefore, the $10 limitation for payment of attorneys who represent veterans in making original claims before local VA rating boards is retained. Most original claims are relatively simple to prepare and, of course, the veteran may seek the competent help of a veteran service organization officer or VA counselor in presenting his original claim.

Recently, the Federal courts have greatly expanded their jurisdiction over VA actions which were formerly precluded from judicial review. For example, a landmark decision by the U.S. Supreme Court was *Johnson* v. *Robison*, 415 U.S. 361 (1974) which held that section 211(a) (precluding judicial review) cannot be construed to deny jurisdiction to those who challenge the constitutionality of statutes providing veterans benefits.

In the case *Plato* v. *Roudebush*, 397 F. Supp. 1295, D.-Md. (1975), the Federal District for the District of Maryland held that section 211(a) does not preclude judicial review of VA procedures in instances where VA pensions were terminated by the agency without a pretermination hearing.

In a recent court case, *Wayne State University* v. *Cleland*, 590 F.2d 627 (6th Cir. 1978), the Court of Appeals held that section 211(a) is not a bar to judicial review of the constitutionality of rules and regulations promulgated by the Administrator of Veterans' Affairs or his authority to promulgate regulations.

Mr. President, the fundamental issue addressed in the bill we are introducing today is simple justice for the American veteran. To deny a citizen access to an attorney, isolate an agency from the scrutiny of the courts and to fail to allow judicial review of the rules and regulations which govern the operation of a Federal agency runs counter to some of the most basic precepts of our constitutional form of government.

The bill Senator CRANSTON and I are introducing today reflects several years of hard work by many individuals, and will insure that veterans of this Nation are granted the full measure of their constitutional rights.●

Mr. CRANSTON. Mr. President, I today join with the Senator from Colorado (Mr. HART) in introducing S. 349, the proposed "Veterans' Administration Adjudication Procedure and Judicial Review Act." I am delighted to note that we are joined today by a new member of the Veterans' Affairs Committee, the Senator from Arizona (Mr. DECONCINI), who served in the last Congress as the chairman of the Subcommitte on Improvements in Judicial Machinery of the Judiciary Committee and, in this Congress, is the ranking minority member of the Subcommittee on the Constitution on that committee and who therefore has very extensive background in the theoretical and practical underpinnings of this legislation.

Mr. President, the Senator from Colorado (Mr. HART) has been the principal supporter in recent years of legislation to provide judicial review of decisions of the Veterans' Administration on claims for benefits before that agency, and it was his persistent effort, beginning in the 94th Congress, that played such a large role in Senate passage in the last Congress of S. 330, legislation identical to that which is being introduced today. I know Senator HART stands ready to help gain Senate support for and action on this measure in this Congress, and I am glad to be working with him again so closely on this issue.

Mr. President, we introduced, as S. 330, in the last Congress legislation that was the predecessor to this measure. After 2 days of hearings and consideration by the Committee on Veterans' Affairs, followed by another hearing and consideration by the Judiciary Committee, S. 330 as reported by the Veterans' Affairs Committee, which incorporated numerous changes that I developed based on the suggestions of witnesses as well as continuing consultation with many interested parties, was passed by the Senate on September 17, 1979. Unfortunately the House Committee on Veterans' Affairs, to which the measure was referred in the other body, took no action in connection with the measure until very late in the Congress when 2 days of hearings were held by a nonlegislative subcommittee. Nevertheless, I remain hopeful that, should the Senate again pass judicial review legislation, the Committee on Veterans' Affairs in the other body might take some action on the issue which could then serve as a basis for the development of some consensual approach on this important issue.

Mr. President, when S. 330 was before the Senate in the last Congress, the Congressional Budget Office estimated that its first-year cost would be $2.9 million and the cost of the first 5 years would be $42 million. Although that estimate has not been updated, I see no reason for any change except to the extent necessary to reflect the effects of inflation.

Mr. President, as is more fully developed in a statement that I will ask be reprinted at the end of my remarks—the testimony that I presented in a November 13, 1980, hearing of the Subcommittee on Special Investigations of the House Committee on Veterans' Affairs—there are a number of reasons supporting the enactment of judicial review legislation, and I would like to briefly highlight some of them at this time.

Mr. President, one of the important reasons judicial review is needed is to help assure fairness to individual claimants before the VA. I do not believe that the current system that results in final, unappealable decisions by the Board of Veterans' Appeals is necessarily or uniformly unjust. What I do know, however, is that this system, together with the statutory limit of $10 on the amount a claimant before the VA can pay an attorney for representation, leaves many disappointed claimants believing that they have been denied a full and fair opportunity to pursue their claims.

In addition to this perception of a denial of justice, Mr. President, is the very real chance that actual injustices occur under the current system, a problem that opportunity for judicial review

would remedy. Although I know the VA claims adjudication system is set up to be supportive of the veteran—as it should be—the VA is a very large and complex Federal agency and unfair results will occur.

The case that was recently considered by the U.S. Court of Appeals for the District of Columbia Circuit, *DeMagno* v. *United States*, No. 79-1852, September 24, 1980, is a clear example of a real injustice occurring under the current system. In its opinion in this case, which is described in more detail in my testimony to the House Committee, the Court of Appeals stated:

> We have read and reread the administrative record and the briefs of the parties, and confess ourselves mystified at the action taken by the VA in this case. Either the VA is withholding, both from us and from DeMagno, *all* evidence which would justify its conduct, or this woman has been the victim of wholly arbitrary administrative ineptitude, leaving her impoverished for nearly four years. (Emphasis in original; footnote omitted.)

The most compelling lesson for me from the DeMagno case, aside from its example as a miscarriage of justice, is that, had it not been for a highly unusual aspect of the facts of that case which fit into a narrow window of judicial reviewability regarding certain insurance claim matters, there would not have been any opportunity for judicial review and redress of the injustices described by the court.

Mr. President, another reason that judicial review legislation is needed is that, although the Committees on Veterans' Affairs in both Houses do their utmost to oversee the activities of the VA, the limited resources of the committees do not allow a thorough review of all the issues confronted by such a large and complex agency. In the recent past, the VA has taken a number of administrative actions, of highly dubious legal validity, that have been designed to restrict benefits in the name of reducing spending. Although some of these actions, which are described in my testimony, have been corrected—but not fully remedied in all cases—by concerted action by the Committees on Veterans' Affairs, it would be far preferable if judicial review were available.

Aggrieved veterans should not be dependent for relief on the vagaries of congressional committee processes which, for all their virtues, cannot be fairly said to be designed to achieve or capable of achieving evenhanded dispensation of justice. Rather, if individual claimants had access to court to challenge administrative actions that they believed were unlawful, the appropriate judicial check on administrative action would be available.

Mr. President, a final important reason in support of judicial review is related to the status of the Board of Veterans' Appeals. Fundamental canons of due process, as guaranteed by the Constitution, require an independent review of administrative action affecting individuals' liberty or property interests. Although there are earlier court decisions suggesting that veterans' benefits are gratuities and not worthy of general due process protections, such a viewpoint is no longer valid, either philosophically—veterans benefits are earned by service in the military—or legally in light of a number of decisions rendered by the Supreme Court in the last decade holding that various statutory governmental benefits are legal entitlements and, thus, protected property interests of the recipient.

Mr. President, review by the BVA does not provide the required independent action required by due process. Although the BVA is not directly under the control of the Administrator of Veterans' Affairs, it is far too bound up with the agency, in many informal ways, to be truly independent and, more importantly, its independence is restricted by law. Under section 4004(c) of title 38, the Board is "bound in its decisions by the regulations of the Veterans' Administration, instructions of the Administrator, and the precedent opinions of the chief law officer." As I noted in my testimony, I have the highest regard for the professionalism and integrity of the outgoing General Counsel, but this does not alter the fact that allowing him to restrict the decisionmaking authority of the BVA significantly limits that body's independence. In this regard, I would note that the outgoing General Counsel, in his testimony on the issue of judicial review before the Veterans' Affairs Committees of both Houses, recognized this situation and agreed that it should be corrected, a position that I trust the incoming General Counsel will also support.

Mr. President, the foregoing discussion focused on positive reasons in support of judicial review legislation. There is at least one negative reason, in the sense of avoiding an undesirable result, that also supports its enactment. Under current practice, the VA's adjudicatory procedures are very informal and, as I noted earlier, supportive of veteran claimants. If an appropriate case were to reach the Supreme Court challenging the constitutionality of the bar to judicial review in section 211(a) of title 38, United States Code, and the VA's present adjudicatory procedures, I believe that the Court might well strike the 211(a) bar as an unconstitutional denial of due process and, in so doing, also dictate an entire new set of standards for the adjudicatory process, including access to court review, to meet due process requirements.

Such a result would be unfortunate, in my view, because many of the existing VA procedures are beneficial to veterans with claims before the VA. If, however, the Congress acts to provide judicial review, I believe that it can and should also act to maintain the beneficial aspects of existing procedures. That is what title I of the bill we are introducing is designed to do.

Mr. President, so that all Senators and the public will have a full understanding of the basis and need for judicial review legislation and of the provisions of the measure that is being introduced, I ask unanimous consent that there be printed in the RECORD at the conclusion of my remarks three items: First, testimony that I submitted to the Subcommittee on Special Investigations of the House Committee on Veterans' Affairs during its hearings last Congress on judicial review legislation; second, a section-by-section analysis of the provisions of the bill; and third, a document showing the changes that this measure would make in current law.

The material follows:

TESTIMONY OF SENATOR ALAN CRANSTON

Mr. Chairman, I very much appreciate the opportunity to present to your Subcommittee my views on a subject of great importance to me—the judicial review of final Veterans' Administration decisions.

Since I so strongly support the enactment of judicial review legislation, I am very pleased and gratified that the Subcommittee is holding this hearing to investigate this important matter and am hopeful that it will lead to the consideration of legislation by your Committee.

As you know, with the exceptions of insurance claims, housing program matters, and constitutional issues, veterans have been denied access to judicial review of determinations made by the Administrator of Veterans' Affairs since the enactment of the Economy Act of 1933, legislation which greatly limited veterans' benefits generally. Veterans, as a class, are the only recipients of major Federal benefits programs who are denied access to the courts after all administrative remedies have been exhausted. I strongly believe that this discrimination against veterans is inappropriate and unfair and that the current system fails to provide checks against arbitrary or capricious action by the agency, either with respect to determinations in individual cases or in the promulgation of regulations relating to benefits.

I will direct my comments to S. 330, the proposed "Veterans' Administration Adjudication Procedure and Judicial Review Act", which was passed by the Senate on September 17, 1979, and referred to this Committee, and to H.R. 6181, an identical House bill, which was introduced by Congressman Drinan on December 19, 1979. The Senate Committee on Veterans' Affairs, which I have been privileged to chair for the past four years, worked long and hard, together with Senator Gary Hart, to develop this legislation, and I believe that it represents a carefully reasoned approach to the issue of judicial review.

I. BASIC PURPOSE OF JUDICIAL REVIEW LEGISLATION

The basic purpose of S. 330 is to assure that veterans and other claimants before the VA receive all benefits to which they are entitled under law by providing them with the opportunity for judicial review of final decisions of the Administrator of Veterans' Affairs denying claims for benefits, by codifying certain internal procedures of the VA relating to the adjudication of benefit claims, by requiring that VA rule-making processes comply with provisions of the Administrative Procedure Act relating to notice and comment, and by making it possible for veterans and other claimants to obtain the services of attorneys in pursuing their claims by allowing the payment of reasonable, limited attorneys' fees for services rendered after an initial denial.

II. NEED FOR LEGISLATION

A. Assuring fairness to individual claimants:

I believe that the need for this type of judicial check on the system is clear. Both of our Committees do their utmost to oversee and monitor the activities of the VA to ensure that veterans and their survivors and dependents receive the benefits to which they are entitled and that the programs are administered in a fair and effective manner. However, our limited resources do not allow us to review thoroughly every issue confronted by such a large and complex agency as the VA—which has an annual budget exceeding $21 billion, employs over 215,000 people, pays cash benefits to over 6 million veterans and dependents each year, provides hospital, nursing home, and domiciliary care to nearly 2 million patients a year, and provides approximately 18 million outpatient visits annually—or even to attempt to assure that each individual claimant receives his or her due.

My decision to support judicial review legislation was not based on a belief that the current system resulting in final, unappealable decisions by the Board of Veterans' Appeals leads to widespread injustices—although there is significant evidence that injustices warranting court review do occur. Rather, my support is primarily based on concerns raised by a number of witnesses and commentators that, whatever the merits of the original statutory preclusion of judicial review in 1933, the view that veterans' benefits are mere gratuities and that veterans have no interest in or right to such benefits warranting the protection afforded by access to court review seems highly questionable at this time, particularly in light of the protections, including access to court, now provided most all other beneficiaries of Federal benefits.

In addition, the tremendous volume of applications for benefits that are processed annually by the VA and the many thousands of appeals taken from unfavorable decisions—61,097 in fiscal year 1979, of which 22.8 percent were allowed—suggests that there is a significant opportunity for some injustices to occur. Under the present state of the law, a veteran or other claimant aggrieved by a final VA decision is generally left without any further recourse.

The recent United States Court of Appeals for the District of Columbia Circuit decision in DeMagno vs. United States (No. 79-1852, Sep. 24, 1980) clearly illustrates the susceptibility of the present system to erroneous factual determinations and denials of benefits and the plight of those who have no recourse in the courts. In that case, the dependency and indemnity compensation benefits of the widow of a veteran who had died as a result of a service-connected disability were declared forfeit, under section 3503(a) of title 38, United States Code, on the basis of a determination that, in September 1972, she had knowingly made a false, material statement for the purpose of enabling another claimant improperly to receive benefits. In December 1977, the Board of Veterans' Appeals affirmed the forfeiture, which was applied retroactive to the date of that statement. In order to collect the amount of the payments made between the dates of the statement and the determination in October 1973 to suspend her DIC payments pending an investigation, the VA decided to withhold that amount from Mrs. DeMagno's VA-administered life insurance benefits, which were not subject to forfeiture and to which the judicial-review bar does not apply. On the basis of a special provision (38 USC 784) providing for judicial review of certain VA-administered life insurance claims, Mrs. DeMagno filed suit in Federal district court, but the district court held that, under section 211(a), it lacked jurisdiction over both the forfeiture decision and the VA's decision to offset insurance benefits, and granted the Government's motion to dismiss.

The court of appeals reversed the district court's ruling and held that, when the VA takes affirmative action to recover a claim against an individual by court action or, as in this case, by set-off, "the validity of the underlying basis of the action becomes open to judicial scrutiny."

Addressing the factual basis for the forfeiture, the three-judge appellate panel found the determination that Mrs. DeMagno's statement was knowingly false to be totally unsupported by any evidence of record in her case. The panel's unanimous opinion stated:

"We have read and reread the administrative record and the briefs of the parties, and confess ourselves mystified at the action taken by the VA in this case. Either the VA is withholding, both from us and from deMagno, *all* evidence which would justify its conduct, or this woman has been the victim of wholly arbitrary administrative ineptitude, leaving her impoverished for nearly four years." (Emphasis in original; footnote omitted.)

The DeMagno case portrays several defects in VA adjudications and the unfairness of the general preclusion of judicial review of those proceedings. First, although the court of appeals found in Mrs. DeMagno's favor on the jurisdictional issue, the fact is that, but for the highly unusual situation involving a set-off against insurance payments—which only a tiny fraction of even survivors' benefits cases are likely to involve and no veterans' claim would involve—an obvious injustice would have been permitted to have been permanently done.

Second, if the law had not barred direct judicial review of the forfeiture determination, a much more timely judicial focus on the lack of evidence to support that determination would have been available at the trial court level and Mrs. DeMagno might not have suffered the erroneous denial of DIC and insurance benefits during most of the 34-month period between the BVA's denial of the appeal and the VA's decision, after receipt of the court of appeals opinion, to restore payment of Mrs. DeMagno's benefits.

Third, I consider three aspects of the administrative procedures followed in this case to be highly questionable—the suspension of Mrs. DeMagno's DIC benefits pending investigation, with no notice of or opportunity to respond to the allegation of fraud for a ten-month period; the statement—made in the letter ultimately notifying her of the allegation of fraud and her right to a hearing and discouraging her from exercising that right—that, if she had "no new evidence to present . . ., a hearing will serve no useful purpose"; and the BVA's express reliance on evidentiary materials in the case file of the other claimant that were not disclosed to Mrs. DeMagno and were even withheld by the VA in the proceedings in the Federal district court. I believe that the exposure of VA proceedings to judicial scrutiny would provide the most effective, ongoing means for insuring that the legality of such dubious practices receives the thorough examination that fairness to VA claimants requires.

Because I am deeply concerned that the many deficiencies noted in the VA's handling of Mrs. DeMagno's case may be manifest in other forfeiture cases, I have asked the Comptroller General to undertake a review of a sample of such cases decided during the last five years. Although such a review may ultimately lead to legislative or administrative remedies to correct any unfair or illegal policies or practices that are found, I do not consider a sampling of past decisions to be nearly as effective or timely an approach to the prevention and correction of unfairness and injustice as providing an opportunity for judicial review.

Beyond the possibility of real injustices without a remedy, our Committee also developed judicial review legislation in order to address what some veterans, especially those whose claims for benefits are denied by the VA, perceive as a system with various inequitable features. The combination of no access to court review of the agency decisions coupled with a statutory limit of $10 on the amount an attorney is permitted to receive for representing an individual with respect to a claim for benefits, which effectively precludes any meaningful non-legal-services attorney representation of veterans or other claimants in VA claims matters, has led many claimants over the years to believe that they have been relegated to second-class citizenship with respect to their claims for veterans' benefits.

Therefore, after reviewing all the various arguments and concerns relating to judicial review in seven days of hearings over three years, our Committee concluded that providing an opportunity for those aggrieved by VA decisions to have such a decision reviewed by a court, in a manner similar to that enjoyed by claimants before almost all other Federal agencies, was necessary to provide VA claimants with fundamental justice. To continue to inform a claimant before the VA that a benefit to which he or she was entitled by law could be wrongly—indeed arbitrarily or capriciously—denied and that there is no recourse to remedy such a denial, no longer seemed a viable response.

In addition, our Committee believed that the provision of judicial review, by opening the decisions of the VA to court scrutiny, would have a salutary effect on such decisions and the VA's decision-making process in general by involving the judiciary as an outside check on agency actions. Although the VA has the unique and vital mission of providing service to our Nation's veterans and their survivors, it is, at the same time, a large and complex Federal agency, and providing the opportunity for an independent, impartial body, in the form of the Federal courts, to review the processes and procedures of the agency should provide fuller reassurance of fair treatment to those with claims or other matters before the VA.

B. Review of questionable actions restricting benefits:

I would also like to stress my belief that, in addition to providing veterans with the opportunity for review of administrative denials of their individual claims, judicial review legislation can serve as an effective barrier to administrative actions, of dubious legal validity, designed to restrict benefits or exclude certain classes of veterans from eligibility for some benefits. In these times of fiscal austerity and the resulting need to achieve economies in all Federal programs, I am concerned that pressures to reduce spending may in some instances produce Executive Branch actions—restricting, withholding, or withdrawing a benefit—that are of questionable legality. It seems to me that the temptation to achieve savings through such possibly illegal action may well be more appealing when the agency knows that court review is unavailable to question its activities.

Certain incidents that have occurred in the past two years illustrate this point. During

fiscal years 1979 and 1980, certain aspects of VA activities funded through non-entitlement accounts were at times hard-pressed, and both our Committees received reports of certain benefits—most frequently medications and medical supplies for VA outpatients and beneficiary travel reimbursements—being curtailed at various stations. In some cases, these benefits were reportedly withheld from service-connected disabled veterans.

The most striking incident in this regard was the decision of the Office of Management and Budget to require the VA to apply to VA beneficiary travel reimbursements the limitation under Public Law 96-86 on obligations for Executive Branch employee travel and transportation. At an April 16, 1980, hearing of our Committee, I asked the VA to provide us with a copy of whatever legal analysis had been made in support of the Administration's conclusion that the employee travel limitation was applicable to non-employee travel. No legal memorandum or other documentation in support of that conclusion was ever submitted. While that unsupported determination remained in effect, we received reports of stations that were expecting to run out of funds for beneficiary travel cutting back on reimbursements and, as a result, some eligible veterans being denied this benefit and others being unable to travel to a VA facility to keep appointments after being notified that they would not be reimbursed. Lacking recourse to the courts, the veterans affected and the organizations representing them were powerless to prevent this action.

A further example of the type of administrative action that demonstrates the need for judicial review occurred several months ago following the submission of the President's March revised budget, in which it was proposed that the VA deny health care to military retirees for non-service-connected disabilities. Instead of waiting until the completion of Congressional action on fiscal year 1981 appropriations to implement this proposal, at least one VA Medical Center proceeded to put the proposal into effect. It seems unreasonable to me that an individual denied care as the result of this administrative action could, after exhausting available administrative appeal processes, go to a court of law for a determination as to the legality of this administrative decision.

Most recently, the VA's Department of Medicine and Surgery issued a directive—Circular 10-80-218—requiring that, in all cases in which medical care was provided during the past 5 years to non-service-connected veterans who are Federal employees with group health-insurance coverage, a review be undertaken to determine whether collection action should be pursued against the veterans concerned on the grounds that the oaths of inability to defray the costs of the care involved were falsely executed. In the agency's view, the receipt of VA care in such circumstances results in an indebtedness to the United States that should be collected from the veteran. Since VA-provided care is excluded from coverage under the health insurance policies involved, recoveries would be made from the veterans personally—from their non-insurance resources—and it was foreseeable that, in the cases of some veterans, collection would be made by way of offset against future payments of VA benefits, such as GI Bill and pension benefits, and even compensation in the case of a subsequently established service-connected disability. In such cases, the agency would make the factual determinations regarding ability to pay and the legal determinations regarding the existence of an indebtedness and the consequent requirement under section 3114 of title 38 to collect it by way of offset. In addition, under section 3301(g)(4) of title 38, the VA would have the option of disclosing to consumer reporting agencies (credit bureaus), for the purpose of adversely affecting the veteran's credit standing, information regarding what the VA may determine to be a delinquent indebtedness.

I am advised both that the legal underpinnings of the circular were open to serious question and that, if it were implemented, a veteran against whom such administrative collection actions were taken would probably be unable to obtain court review of the factual and legal determinations made adversely to him or her and of the administrative actions that I have described—including collection by offset or disclosure of information to consumer reporting agencies.

Fortunately, as the result of objections raised by both Committees and the veterans' service organizations, the VA has withdrawn and is reconsidering the circular. However, the possibility exists that it may be reissued, and the point is that there should have been other recourse.

Regardless of what, if any, action is taken with respect to this circular and the other issues I've highlighted, the point I wish to stress remains—that the possibility of legally questionable measures being implemented administratively to realize cost savings at the expense of veterans exists (and it is very conceivable to me that budgetary considerations may actually increase the pressures to take such steps) and the availability of recourse to the courts could prove to be a highly desirable and effective check on such agency actions.

In this connection, I would also note that, under section 4004(c), even the semi-independent BVA does not have the authority to question the legality of the regulations and instructions of the Administrator or the precedent opinions of the VA's General Counsel. Thus, in effect, the final arbiter of many legal issues relating to VA claims, including the legality of VA regulations (except with respect to constitutional questions), is the VA's General Counsel. Although I have the highest regard for the professionalism and integrity of the present General Counsel, I would note that that position itself is not an independent one and is not insulated by any statute, regulation, or organizational means from the budget-related pressures that I have just noted. Thus, the almost total judicial-review immunity accorded the legal decisions of the occupant of the VA General Counsel's office with respect to claims for benefits and regulations relating to benefits is, I believe, a fundamental defect in the present system. It seems clear that the present General Counsel, in his testimony before both Houses in support of judicial review of questions of law, also recognizes this defect and concurs that it should be corrected.

III. ARGUMENTS AGAINST JUDICIAL REVIEW LEGISLATION

Mr. Chairman, I am aware of two major arguments that have been advanced against S. 330—first, that judicial review could undermine the informal nature of adjudicatory proceedings within the VA and, second, that the provisions for attorneys' fees would allow attorneys to take advantage of veterans by obtaining contingency fees, thus permitting veterans' benefits to be paid to lawyers rather than to the veterans and other claimants who are entitled to those benefits.

A. VA adjudicatory proceedings:

On the first issue of undermining the adjudicatory process in place within the VA, we in the Senate worked very hard in the development of S. 330 to structure certain VA procedures and the judicial review procedures in order to avoid that result. I believe that this measure would serve to enhance and improve that administrative process by clarifying certain important matters that are expressed in rather confusing regulatory language, establishing certain new procedures that preserve the nonadversary nature of BVA proceedings, and explicitly exempting VA adjudicatory procedures from the formal rules of evidence. In completing action on such legislation, the Congress would have the opportunity to structure VA administrative and court review processes in a way which it deems appropriate. I consider this to be an important opportunity at the present time because the possibility exists that—in the absence of major statutory guidelines established by Congress—cases raising procedural due process issues under the Constitution may result in the courts filling the void by establishing some procedural safeguards as constitutionally mandatory. In fact, many commentators have suggested that, if a particularly compelling case were to present a constitutional challenge to the current preclusion of judicial review and allege a denial of due process, the Supreme Court, following decisions handed down over the past decade relating to the rights of beneficiaries of governmental programs, would decide that the preclusion is unconstitutional. In that event, it seems likely that the Supreme Court or other courts would proceed to determine what the due process clause requires in terms of the agency's internal adjudicatory functions and ultimate court review of them.

Rather than run these risks of having court-made law resolving such major issues, I believe that it is far preferable for the Congress to codify certain procedures. In this regard, I believe that the provisions of title I of S. 330, which were worked out during extensive deliberations with the VA and based on the recommendations of many knowledgeable witnesses—including those representing the veterans' service organizations, all of whom supported the enactment of this title—reflect a reasonable approach that the courts would respect and that would preserve the desirable features of the VA's adjudicatory processes.

In addition, by establishing statutory rules and procedures for review of VA claims, the Congress has the opportunity to preserve the prime role of the Board of Veterans' Appeals as the expert fact finder in VA claims cases. I believe we have appropriately addressed this issue in title III of S. 330. Under the provisions of that title, the scope of court review on a question of fact would be limited to a review of the record of the case as developed by the Board of Veterans' Appeals to determine if the BVA's decision was "arbitrary, capricious, or an abuse of discretion". Even if a court were to determine that the BVA's decision were so poorly founded, the court would not initially have the power to make its own factual determination. Rather, the court would be required to remand the case to the BVA for reconsideration of the factual issues involved—including further development of the evidentiary record. Those procedures would insure that the fact-finding responsibilities of the Board and the informal nature of BVA adjudications are well protected.

B. Attorneys' fees issue:

On the second issue, that of attorneys taking advantage of veterans and their survivors and dependents, S. 330 would retain the existing $10 limit on attorneys' fees at the initial claims' processing point. I believe that this limit on attorneys' fees is appropriate with respect to the initial claims stage because the initial procedures for applying for VA benefits are relatively uncomplicated, with the VA generally securing the relevant military records and evaluating the merits

of the claim. In light of the availability of the highly trained service officers of the national veterans' organizations and other forms of free assistance, there would seem to be no need for the assistance of a private attorney to initiate the claims process by completing and filing an application. Continuing to discourage attorney representation at the initial application and decision stage would thus appropriately serve to protect claimants' benefits without prejudicing the claimant's ability to obtain a legal representative of his or her own choosing for purposes of reconsideration of, or appeal from, an initial denial of a claim.

Taking into account the various checks incorporated in title IV of S. 330 on unreasonable fees, I strongly believe that this approach is clearly preferable to the antiquated prohibitions in section 3404 of title 38 against the payment of attorneys' fees of more than $10.

IV. ALTERNATIVE TO JUDICIAL REVIEW

One final issue I would like to address is the alternative to judicial review which has been suggested by some, that is establishing the Board of Veterans' Appeals as an independent agency, although not a court. This suggestion has been made to counter the argument that the need for judicial review is premised on the belief that the BVA, as a VA component subordinate to the Administrator, is too intimately connected with the VA to render impartial decisions. Although I believe that there is some merit in this proposal, I believe that the approach to judicial review embodied in S. 330 is far preferable for three reasons. First, I believe veterans should be treated equally with others who are entitled to benefits through programs established by the Federal Government, virtually all of whom have recourse to the Federal courts. Second, I believe that the opportunity for an informal, administrative appeal within the VA, which the BVA provides, is much too valuable to discard in the process of providing for fully independent review. Third, in order for that proposal to be truly equitable to veterans, branches of the BVA would have to be established throughout the country since Federal district courts are readily available in all parts of the country.

V. CONCLUSION

Mr. Chairman, I greatly appreciate having this opportunity to express my views on judicial review to your Subcommittee and to urge serious consideration of S. 330 by your Committee. I have greatly enjoyed and benefited from my close working relationship with this Committee over the years and look forward to continuing that dialogue in the future.

SECTION-BY-SECTION ANALYSIS

Section 1.

Subsection (a) of section 1 provides that this Act may be cited as the "Veterans' Administration Adjudication Procedure and Judicial Review Act".

Subsection (b) of section 1 provides that, except when otherwise expressly provided, reference to a section or other provision shall be considered to be made to a section or other provision of title 38, United States Code, relating to veterans' benefits.

TITLE I—ADJUDICATION PROCEDURES

Section 101.

Subsection (a) of section 101 would amend chapter 51 of title 38, United States Code, relating to applications for, the effective dates of, and the method of payment of veterans' benefits, to add a new section 3007 codifying, for VA adjudication purposes, the burden of proof and reasonable doubt standards currently provided for by VA regulation (38 C.F.R. 3.102). These standards would be modified in order to ensure that the VA's present practices of making every reasonable effort to assist a claimant and construing the evidence favorably to the claimant are not abandoned in response to the provisions of title III of the bill proposing to amend title 38 to authorize court review. The new section 3007 would be added to chapter 51, as follows:

New section 3007.—Burden of proof; benefit of the doubt: Subsection (a) would provide that, except where otherwise provided by the Administrator in accordance with provisions of title 38, a claimant would have the burden of submitting evidence sufficient to justify a belief by a fair and impartial individual that a claim is well grounded. Thus, as presently provided for in VA regulations (38 C.F.R. 3.102), the initial burden of going forward with evidence to establish all elements of a claim would be on the claimant. This subsection would not affect existing statutory or regulatory procedures that specify a different procedure relating to burden of proof (for example, the statutory presumptions relating to certain diseases in section 312 of title 38, United States Code, pursuant to which certain such diseases are considered service-connected without a showing that the particular disease existed during active duty service if it became manifest within a specified period after the individual's discharge from such service). In addition, this subsection is not intended to affect the obligation of the VA (pursuant to 38 C.F.R. 3.103) to provide complete assistance to the veteran or other claimant in the development of a claim.

Subsection (b) would provide, without shifting the burden specified in subsection (a) of this section, that, if, after reviewing all of the evidence in a case, there is an approximate balance of positive and negative evidence regarding the merits of an issue material to the determination of the claim, the VA is to give the claimant the benefit of the doubt on each such issue, thus resolving the issue in favor of the claimant. This provision is derived from an existing VA regulation (38 C.F.R. 3.102) but the rules are simplified and the phrase "benefit of the doubt" is used in lieu of the phrase "reasonable doubt" in order to avoid confusion with the meaning of the latter phrase in the criminal law context.

Paragraph (1) of subsection (b) of section 101 would amend the table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part IV of such title, relating to general administrative provisions, to strike, in the item relating to chapter 51, "Applications" and insert in lieu thereof "Claims" in order to reflect the change made in that chapter heading by paragraph (2) of this subsection.

Paragraph (2) of subsection (b) of section 101 would amend the heading of chapter 51 to read "Chapter 51—Claims, Effective Dates, and Payments" in lieu of "Applications, Effective Dates, and Payments" in order to indicate more accurately the subject matter of that chapter.

Paragraph (1) of subsection (c) of section 101 would amend the table of sections at the beginning of chapter 51 of title 38, United States Code, relating to claims, effective dates, and payments, to strike, in the item relating to subchapter I, "Applications" and insert in lieu thereof "Claims" in order to reflect the change made in that subchapter heading by paragraph (2) of this subsection.

Paragraph (2) of subsection (c) of section 101 would amend the heading of subchapter I of chapter 51 to read "Subchapter I—Claims" in lieu of "Subchapter I—Applications" in order to indicate more accurately the subject matter of that subchapter.

Subsection (d) of section 101 would amend the table of sections at the beginning of chapter 51 of title 38, United States Code, relating to claims, effective dates, and payments to reflect the addition of the new section 3007 proposed to be made by subsection (a) of this section of the Committee bill.

Section 102.

Would amend present section 3311, relating to the Administrator's authority to issue subpenas, to provide that subpenas authorized under that section may be served either by personal delivery to the person named or by registered or certified mail. This provision is derived from (and intended to have the same substantive effect as) section 205(d) of the Social Security Act, (SSA) (42 U.S.C. 405(d)).

Section 103.

Clause (1) of section 103 would amend subsection (a) of present section 4001, relating to the composition of the Board of Veterans' Appeals, to increase from 50 to 65 the limitation on the size of the Board of Veterans' Appeals membership in order to enhance the Board's ability to handle the increased workload, in the form of longer, more detailed opinions and court-ordered remands for further development of the record in individual cases that the judicial review of VA decisions (as would be authorized by the amendments proposed to be made by title III of the Committee bill) is expected to generate; to make a technical amendment in the statutory description of members of the Board (striking "associate" in the description of members of the Board based on the VA's explanation that there is no difference between "members" and "associate members"); and to require expressly that the Board dispose of appeals properly before it in "a timely manner."

Clause (2) of section 103 would further amend present section 4001 by adding a new subsection (c), as follows:

New subsection (c): Would require the Chairman of the Board of Veterans' Appeals to submit a report to the appropriate committees of Congress, not later than February 1, 1980, and annually thereafter, on the Board's activity for the prior fiscal year, together with a projection for the fiscal year in which the report is submitted and the subsequent fiscal year. The report must include detailed information on the Board's workload, including a report on the average length of time cases were before the Board, and an evaluation of the Board's ability, based on existing and projected personnel levels, to dispose of cases before it in "a timely manner" as expressly required by the amendment to subsection (a) of present section 4001 as proposed to be made by clause (1) of section 103 of the Committee bill.

Section 104.

Would amend present section 4002, relating to the assignment of members of the Board of Veterans' Appeals, to make a technical amendment in the statutory description of members of the Board (that is, to delete "associate" from the description of members of the Board for the reason set forth in the analysis of clause (1) of section 103 of the Committee bill (above).

Section 105.

Would amend subsections (a) and (b) of present section 4003, relating to determinations by the Board of Veterans' Appeals, to require that the Board, before reversing its prior decision in an individual case on the basis of additional office information from the service department concerned, to provide the claimant with notice of such additional information together with an opportunity to be heard in connection with such information.

Section 106.

Would amend present section 4004, relating to the jurisdiction of the Board of Veterans' Appeals, to codify a number of existing practices of the Board and to clarify other practices and procedures in conjunction with court review of VA decisions, as would be authorized by the amendments made by title III of the Committee bill.

Clause (1) of section 106 would amend subsection (a) of present section 4004, relating to a claimant's right to one appeal, which is to be decided by the Board, to provide claimant with appeals before the Board with the express statutory right to an opportunity for a hearing before the Board, and to require that Board decisions be based exclusively on evidence and material of record in the proceeding and on applicable provisions of law. These changes codify the general practice now followed by the Board, derived from the provisions of present section 4005(a) as to a right to a hearing (made express in 38 CFR 19.123(a)) and present section 4005(d)(5) as to the record, which provision is proposed to be deleted by section 107 of the Committee bill.

Clause (2) of section 106 would amend subsection (b) of present section 4004, relating to the reopening of Board decisions, to eliminate the requirement that new and material evidence sufficient to allow the Board to reopen a previously disallowed claim be in the form of "official reports from the proper service department" (this change is consistent with the Board's current practice of allowing previously denied claims to be reopened on the basis of new and material evidence from any source, although the applicable regulation, 38 CFR 19.155, does not clearly articulate this process; and to specify that a judicial decision (pursuant to the new judicial review provisions added by the amendments made by title III of the Committee bill) upholding, in whole or part, a prior decision of the Board disallowing a claim shall not diminish the Board's discretionary authority to reopen a claim on the basis of new and material evidence. This latter provision is designed specifically to make it clear that nothing in the new provisions authorizing judicial review is intended to allow the doctrine of res judicata to affect the VA's "open file" system of claims adjudication.

Thus, the fact of an adverse court ruling on a claim in no way is intended to preclude a veteran or other claimant from continuing to pursue the claim by gathering and offering new and material evidence sufficient to reopen the matter.

Clause (3) of section 106 would amend subsection (d) of present section 4004, relating to the form of Board decisions, by requiring that Board decisions state separately findings of fact and conclusions of law on each material issue in the case, and that the Board mail a copy of its final decision to the last known address of the claimant and of the claimant's authorized representative, if any. These requirements would codify current Board practices not expressly provided for in regulation, and provide a statutory basis for procedures that would precede and should facilitate court review of a matter appealed to court. The date on which the decision is mailed to the last known address of the claimant and the claimant's authorized representative would serve as the date from which time would begin to run on the 180-day period following a Board decision that would be allowed for the commencement of a civil action under new section 4025 of title 38 (as added by subsection (a) of section 302 of the Committee bill). The provision relating to the contents of the Board's decision, which is derived from the Administrative Procedure Act (APA) (5 U.S.C. 557(c)), is intended to assure that decisions of the Board are sufficiently explicit and detailed so as to enable the claimant to understand clearly the basis of the Board's action and, in the case of an appeal to a court, to enable the claimant to state specific grounds for disputing the decision; and to provide the reviewing court with a basis to understand and interpret the decision of the Board.

Section 107.

Would amend present section 4005(d)(5), relating to the Board's disposition of appeals, to delete the requirement that the Board base its decision on the entire record because that requirement would be included in present section 4004(a) by an amendment made by section 106(1) of the Committee bill.

Section 108.

Would amend present section 4009, relating to the obtaining of independent medical opinions by the Board in medically complex or controversial cases, to add a new subsection (c), as follows:

New subsection (c): Would provide the claimant with the right to request an independent medical opinion when the Board has a case in which there is a substantial disagreement between the substantiated findings or opinions of two physicians with respect to a material issue in the case and the Board cannot resolve the disagreement in any other way (for example, by interrogators to one or both physicians, probing the basis for such physician's findings or opinion). In the case of a denial of such a request, the Board would be required to provide the claimant and the claimant's authorized representative, if any, with a statement of its reasons for denying a request for an IMO under this subsection, but the Board's decision on such a request would be committed to agency discretion and thus would be final and not subject to judicial review.

Section 109.

Would amend chapter 71 of title 38, United States Code, relating to the Board of Veterans' Appeals by adding two new sections, one establishing certain procedures to be followed in adjudicatory proceedings within the VA (largely derived from provisions of APA (5 U.S.C. 554, 555, and 556)) and the other setting forth requirements for the Administrator to apprise claimants of their procedural rights before the VA.

Subsection (a) of section 109 would amend chapter 71 by adding two new sections, as follows:

New subsection 4010.—Adjudication procedures: Subsection (a) would authorize the Administrator, in any hearing, investigation, or proceeding in the VA, in connection with a claim for benefits under laws administered by the VA, to administer oaths, examine witnesses, and take evidence. This fundamental authority codifies existing VA practice, derived, insofar as subpenaed witnesses are concerned, from present section 3311 and not required from a specific regulation, and is based on an APA provision (5 U.S.C. 556 (c)) and is similar to SSA section 205(b) (42 U.S.C. 405(b)).

Subsection (b) would provide for the admission of any evidence in VA proceedings, including before the Board, even evidence that would be inadmissible under the rules of evidence applicable in judicial proceedings, but would also authorize the Administrator to prescribe regulations allowing exclusion of irrelevant, immaterial or unduly repetitious evidence. This provision, which is based on similar APA (5 U.S.C. 556(d)) and SSA provisions (42 U.S.C. 405(b)), generally codifies the existing VA regulation, 38 CFR 19.133(c).

Subsection (c) would specify certain procedural rights of claimants in proceedings before the Board of Veterans' Appeals, the first four of which (clauses (1) through (4) below) are derived from the APA (5 U.S.C. 556(d)).

Clause (1) of subsection (c) would give the claimant or the claimant's authorized representative the right to examine the contents of the case files and all documents and records that the VA plans to use in the proceeding and, on the payment of a fee, prescribed pursuant to present section 3302(b), not to exceed the direct cost of duplicating the materials, the right to obtain copies of all such materials.

Clause (2) of subsection (c) would give the claimant or the claimant's authorized representative the right to present witnesses and evidence restricted only by regulations of the Administrator relating to irrelevant, immaterial, or unduly repetitious evidence as authorized by proposed subsection (b) of this section.

Clause (3) of subsection (c) would give the claimant or the claimant's authorized representative the right to make arguments to the Board, both orally and in the form of a written brief or similar document, on both substantive and procedural issues.

Clause (4) of subsection (c) would give the claimant or the claimant's authorized representative the right to submit rebuttal evidence.

Clause (5) of subsection (c) would give the claimant or the claimant's authorized representative the right to present medical opinions as part of the case and to request an independent medical opinion pursuant to new subsection (c) of present section 4009 (as added by section 108 of the Committee bill).

Clause (6) of subsection (c) would give the claimant or the claimant's authorized representative the right to serve on any person written interrogatories that would have to be answered in writing separately and under oath unless the person served makes an objection to the Administrator. (Other provisions of this subsection discussed below provide specific procedures for objection to and enforcement of such interrogatories.)

Subsection (c) would further provide, in a final paragraph, that the fee provided for in clause (1) of this subsection for the reproduction of the contents of case files and all materials that the VA plans to use in the proceeding may be waived, pursuant to regulations of the Administrator, either on account of a party's inability to pay or for other good cause. In addition, the final paragraph of the subsection would provide procedures that would apply in conjunction with the use of interrogatories authorized in clause (6) of this subsection. In the event an individual served with interrogatories objects to some or all of the interrogatories, the Administrator would be required, pursuant to regulations which the Administrator must prescribe establishing standards consistent with standards for protective orders under Rule 26(c) of the Rules of Civil Procedures for the United States District Courts, to evaluate the objection and either order the interrogatories to be answered as served or as modified by the Administrator or order that the interrogatories need not be answered. In this manner, the Administrator would be available to protect against the use of interrogatories to harass or unduly burden the person served with the interrogatories. This paragraph would also provide that, if a person served with interrogatories under this section fails to answer or to provide responsive answers and the party serving the interrogatories shows the general relevance and reasonable scope of the evidence sought, the Administrator is to issue a subpena pursuant to present section 3311 of title 38 with enforcement pursuant to present section 3313 of title 38, United States Code, to require the person served with the interrogatories to appear at a disposition on written questions at a location within 100 miles of the witness' residence or place of work. This procedure for enforcing the interrogatories, together with the check provided by the Administrator's evaluation of any objection, is designed to prevent abuse of this discovery tool while providing a claimant with a means of obtaining relevant evidence that would otherwise be unavailable to the claimant. The provisions relating to the use of interrogatories are proposed in lieu of al-

lowing a claimant to subpena a witness to appear at a Board hearing for the purpose of cross-examination by the claimant or the claimant's authorized representative because of concern that such cross-examination would not be consistent with the goal of conducting proceedings by the Board in a nonadversarial fashion.

Subsection (d) would provide authority for a hearing officer in any VA proceeding to disqualify himself or herself because of personal bias or other cause and also would provide authority for a party to challenge a hearing officer on such basis. This provision is derived from the APA (5 U.S.C. 556(b)).

Subsection (e) would specify that the administrative record in a case would consist of the transcript or recording of testimony and the exhibits, all papers and requests filed in the proceeding, and the decision of the Board; and would require the Administrator, upon payment of a reasonable fee for the cost of duplicating, pursuant to present section 3302(b) of title 38, to copy the contents of the record for the claimant. The duplicating fee would be waivable on account of a party's inability to pay or for other good cause shown.

Subsection (f) would specify that, notwithstanding any other provision of law, the adjudication and hearing procedures contained in title 38, and in regulations prescribed by the Administrator are exclusive. This provision is designed to preclude judicial incorporation of other procedures from the Administrative Procedure Act or elsewhere in order to assure that VA procedures remain informal and nonadversarial in nature.

New section 4011.—Notice of procedural rights: Would require the Administrator to provide, at each stage of the proceedings before the VA, notice, in easily understandable language, to a claimant of procedural rights and the procedures available to obtain various opportunities for review. This provision is designed to assure that at each critical juncture in the adjudication/appeals process, the claimant is specifically notified of his or her rights, at that level and of remaining available options; and to assure that, where there are substantial populations of veterans with limited English-language proficiency, this notice is provided in a language other than English, such as Spanish, which is spoken by a significant percentage of the clientele of the particular VA facility.

Subsection (b) of section 109 would amend the table of sections at the beginning of chapter 71 to reflect the addition of new sections 4010 and 4011 made by the amendments in subsection (a) of this section of the Committee bill.

Section 110.

Would require the Administrator to conduct a study of alternative methods of providing speedier claims resolution at locations convenient to claimants' residences. The study would include two alternative procedures: First, in at least three VA regional offices, a procedure utilizing an intermediate review panel of regional office personnel from the Department of Veterans' Benefits, which would conduct a de novo review of the claim prior to any appeal to the Board of Veterans' Appeals; and, second, in at least three other VA regional offices, an enhanced schedule of visits by traveling panels of the Board of Veterans' Appeals (on at least a quarterly basis). The Administrator would be required to report to the Congress on the results of the study, including an evaluation of the cost factors associated with each alternative and the impact on the workload of the regional offices and the Board of Veterans' Appeals resulting from each alternative, together with any recommendations for administrative or legislative action, or both, as may be indicated by the study.

TITLE II—VETERANS' ADMINISTRATION RULE MAKING

Section 201.

Subsection (a) of section 201 would amend subchapter II of chapter 3 of title 38, United States Code, relating to various administrative matters pertaining to the Veterans' Administration, by adding a new section 221, as follows:

New section 221.—Rule making: Would provide that, notwithstanding the preclusion in section 553(a)(2) of title 5, United States Code, of matters involving "loans, grants, benefits, or contracts" from Administrative Procedure Act rulemaking procedural requirements, the VA's rulemaking procedures must be in compliance with the provisions of the Administrative Procedure Act section relating to rule making, section 553 of title 5, United States Code. This section would generally codify the current VA regulations, 38 CFR 1.12.

Subsection (b) of section 201 would amend the table of sections at the beginning of chapter 3 of title 38, United States Code, relating to general administrative matters pertaining to the Veterans' Administration, to reflect the addition of the new section 221 proposed to be made by subsection (a) of this section of the Committee bill.

TITLE III—JUDICIAL REVIEW

Section 301.

Would amend section 211(a) of title 38, United States Code, relating to decisions by the Administrator, which generally precludes judicial review of decisions of the Administrator in matters relating to claims for benefits under laws administered by the VA, to add to the matters to which such preclusion does not apply, chapter 72, the new judicial review chapter proposed to be added by section 302 of the Committee bill.

Section 302.

Subsection (a) of section 302 would amend part V of title 38, United States Code, relating to VA boards and departments, to add a new chapter, chapter 72, entitled "Judicial Review", which would authorize and prescribe procedures for access to the Federal court system for review of certain VA decisions and would consist of new sections 4025 through 4029, as follows:

New section 4025.—Jurisdiction: Would define the reviewing court's jurisdiction to review a case involving a claim for benefits under laws administered by the Veterans' Administration.

Subsection (a) would authorize judicial review of a "final decision" (as defined in subsection (c) of this new section) in a matter involving a claim for benefits under laws administered by the Veterans' Administration. A civil action seeking such review could be brought in Federal district court in either the home district of the claimant or in the district court where the Board of Veterans' Appeals is situated (presently the District of Columbia), and must be brought within 180 days (the same period as is allowed for bringing an action in Federal court in connection with a tort claim against the United States, as provided for in 28 U.S.C. 2401(b), following final denial of such claim by the Federal agency involved, as required by 28 U.S.C. 2675(a)) after the notice of the Board of Veterans' Appeals decision is mailed to the claimant pursuant to new section 4004(d) (as proposed to by added by clause (3) of section 106 of the Committee bill).

Subsection (b) would provide that, in matters not directly involving a claim for benefits, present section 211(a), which generally precludes judicial review of decisions of the Administrator, shall not bar a Federal civil action that otherwise would be authorized by law. This provision is intended to make clear that nothing in section 211(a) operates to bar judicial challenges to VA regulations, practices or procedures that would be open to such challenge if carried out by any other Federal agency. Thus, the provision is not a grant of jurisdiction and is in no way intended to vitiate any available defenses, such as standing, ripeness, and failure to exhaust administrative remedies, in civil actions for the review of Federal agency conduct. Rather, this provision is intended to recognize and codify an emerging body of case law (for example, the decision of the United States Court of Appeals for the Sixth Circuit in *Wayne State University* v. *Cleland*, 590 F. 2d 627 (6th Cir. 1978), holding that section 211(a) does not preclude court review of the Administrator's authority to promulgate particular regulations) to the effect that present section 211(a) precludes judicial review of only those decisions that Administrator makes in the administration of a statute providing benefits to veterans or other claimants.

Subsection (c) would define "final decision of the Administrator", as used in subsection (a) of this new section, to include not only a decision on the merits pursuant to section 4004(a), as it is proposed to be amended by section 106 of the Committee bill, but also a refusal to reopen a claim pursuant to section 4004(b), as it is proposed to be amended by section 106 of the Committee bill, or a refusal on the basis of non-conformity with present chapter 71 provisions relating to form * * *.

* * * * *

Clause (3) of subsection (a) would define a reviewing court's authority to hold unlawful and set aside decisions, findings, and conclusions of the Administrator. Specifically, a reviewing court would be empowered to reverse a decision of the Administrator if such a decision is found to be: (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; (B) contrary to constitutional right, power, privilege or immunity; (C) in excess of statutory jurisdiction, authority or limitations, or in violation of a statutory right; or (D) without observance of procedure required by law. As noted above, this authority to reverse is largely derived from the APA; however, it is specifically limited in cases where a reviewing court finds the Administrator's decision on a factual issue to be arbitrary, capricious, or an abuse of discretion so as to require the court, before reversing the decision, to specify where it finds the record to be deficient and to remand the case, once, for a time-limited period, to allow the Administrator either to reconsider the decision or substantiate the record. It is the Committee's intention that these limits on a reviewing court's authority to reverse a decision of the Administrator on a factual issue, together with the limitation on a court's review of factual issues to an evaluation for arbitrariness, capriciousness, or abuse of discretion, should serve to restrict court review of factual matters more tightly than is the case where review is authorized (as in the APA, 5 U.S.C. 706) to determine whether a Federal agency's decision on a factual issue is "supported by substantial evidence". Thus, the role of the Board of Veterans' Appeals as the primary expert arbiter of factual matters involving claims for VA benefits would be preserved.

Subsection (b) would incorporate the rule of prejudicial error from the APA (5 U.S.C. 706) in order to define further a reviewing court's role. Thus, pursuant to this rule, a court would be expected to disregard errors in the administrative record that are not significant to the outcome of the matter.

Subsection (c) would clarify a reviewing court's role in relation to questions of fact decided by the Administrator by specifying that in no event shall such findings be subject to a trial de novo in the reviewing court.

Subsection (d) would provide that, in reviewing a matter resolved by the VA solely on the basis of a failure to conform to VA regulations or procedures, the reviewing court may consider only those issues relating to the validity of or conformity with the regulation or procedure. Thus, if a court were to uphold the validity of a regulation or procedure and its application to the facts of a case, the matter would be ended; but if, on the other hand, the court were to rule that the regulation or procedure is unlawful, the underlying claim for benefits must be returned to the VA for its consideration, and the VA's role as the principal arbiter of VA claims matters would thus be preserved.

New section 4027.—Remands: Would provide for three different types of remands (two mandatory and one discretionary), in addition to the mandatory remand provision to be provided for under new section 4026 (a). Under the first, the court would be required, at the request of the Administrator, to remand the case, after it is appealed to court and before the Administrator files an answer, for a single reconsideration by the Administrator, which must be completed within 90 days or the matter would be returned to court. This provision is derived from a similar one in the SSA (42 U.S.C. 405 (g)) but modified to place a specific limit on the amount of time allowed before the case must be returned to court. The second remand provision would allow the reviewing court, in its discretion, to remand a case for further action after the Administrator has filed an answer. The third remand provision would require a court to remand a matter when either party applies for leave to adduce further evidence and shows "good cause" for the remand. In the Committee's view, the burden of showing good cause for the remand should be applied to protect parties and administrative and judicial processes from dilatory practices but not so as to create undue impediments to the Administrator's consideration of additional evidence bearing on the merits of a claim. The new section would thus authorize a reviewing court to specify a time period within which the Administrator must act on a matter remanded under either the second or third remand provisions in this new section.

New section 4028.—Survival of actions: Would provide that actions brought under new section 4025 would survive the tenure of any individual as Administrator.

New section 4029.—Appellate review: Would provide that decisions of district courts pursuant to the new judicial review chapter would be subject to review in higher Federal courts in the same manner as other civil judgments.

Subsection (b) of section 302 would amend the table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part V of such title, relating to boards and departments, to reflect the addition of the new chapter 72 proposed to be made by subsection (a) of this section of the Committee bill.

Section 303.

Would amend present section 1346 of title 28, United States Code, relating to the jurisdiction of Federal district courts when the United States is the defendant, to provide that the exclusion contained therein limiting the jurisdiction of Federal district courts in matters involving pensions shall not apply to VA pension matters. This is a conforming amendment to effectuate the purpose of the new chapter 72 that would be added by section 302 of the Committee bill.

TITLE IV—ATTORNEYS' FEES

Section 410.

Would amend present section 3404 of title 38, United States Code, relating, in connection with VA proceedings, to the recognition of agents and attorneys and to attorneys' fees, to revise the present title 38 limitation of $10 for claimants' attorneys' fees by providing for the approval by the Administrator of reasonable attorneys' fees, within certain specified amounts for representation of individuals before the Veterans' Administration and for approval by the court of a reasonable attorneys' fees in cases appealed to court.

Clause (1) of section 401 would amend present subsection (c) of present section 3404, to provide for approval by the Administrator of attorneys' fees above the present $10 maximum for services rendered in representing a claimant following the issuance by the Administrator of a statement of the case (a formal explanation of an initial denial of a claim) pursuant to present section 4005(d), but would retain the $10 maximum limitation for cases resolved upon the initial proceeding at the regional office level. With respect to claims resolved within the VA but following the issuance of the statement of the case, the Administrator's approval of an attorneys' fee is limited to the lesser of:

(A) the fee agreed upon by the claimant and the attorney, or

(B)(i) $500 (an amount which could be increased administratively by the Administrator in future years as warranted by changed economic conditions) except that a greater amount may be approved by the Administrator in an individual case involving extraordinary circumstances warranting such a higher fee, or

(ii) if the claimant and attorney have entered into a contingent-fee agreement, an amount not in excess of 25 per centum of the total amount of past-due benefits awarded.

Thus, approved fees for legal representation before the VA following the issuance of a statement of the case will generally be limited to a maximum of $500 unless the claimant and attorney have entered into a contingent-fee agreement and the matter is resolved in a manner favorable to the claimant, in which case the limitation would be 25 per centum of any past-due benefits awarded in the claim. The Committee does not anticipate that the Administrator will have occasion to approve a fee in excess of $500 on the basis of "extraordinary circumstances" except in the most unusual of cases where an attorney is able to demonstrate that the facts and circumstances of the case were so markedly different, in terms of complexity or difficulty, from the average case before the Administrator that an exceptional amount of time was legitimately required to prepare and present it.

Clause (2) of section 401 would further amend present section 3404 of title 38, United States Code, by adding six new subsections, (d) through (i), as follows:

New subsection (d): Would define the court's role in approving attorneys' fees in cases appealed to court under the new judicial review chapter as proposed to be added by section 302 of the Committee bill. In a case that is resolved in a manner favorable to the claimant (as that result is defined in new subsection (h) of this section), the court may approve a reasonable fee, with the limitation that, if the claimant and attorney have entered into a contingent-fee agreement, the amount of the fee is limited to 25 per centum of the total amount of past-due benefits awarded in the case. In the event that a matter is not resolved in a manner favorable to a claimant in court, the reviewing court may approve a limited reasonable fee, not to exceed $750, taking into consideration the extent to which success appeared reasonably probable when the action was filed. Of course, where the claimant and attorney have entered into a contingent-fee agreement, no fee could be approved unless court review ultimately results in an award of past-due benefits.

New subsection (e): Would provide authority for the Administrator to authorize payment to an attorney from any past-due benefits that are awarded by the Administrator or a court but would specifically preclude the VA from making payments out of any future benefits accruing to a claimant on the basis of the action.

New subsection (f): Would provide for court review of an approval of a fee award by either the Administrator or a court. Where the matter is resolved within the VA and the Administrator approves an award, the amount approved may be challenged as reflecting an abuse of discretion by an action brought by either the claimant or the attorney in the Federal district court in the claimant's home district. Where the fee is approved in a matter appealed to court, either the claimant or the attorney could make a motion, in the United States district court where the appeal was considered, within 30 days after the fee is approved.

New subsection (g): Would limit the applicability of the new attorneys' fees section, section 3404 (as proposed to be amended by this section of the Committee bill), to cases involving claims for benefits under laws administered by the VA. Thus, in all other types of cases (for example, constitutional challenges to regulations, Freedom of Information Act cases, and other claims for relief other than VA benefits) where no claim for benefits is involved, the fee agreement between the individual and the attorney would not be restricted by the provisions of this section.

New subsection (h): Would provide that, for the purposes of this section, a claim is to be considered as having been resolved favorably to a claimant when any or all of the relief sought is granted.

New subsection (i): Would provide that a court may, in its discretion and as an extraordinary remedy, allow a prevailing party, other than the Administrator, reasonable attorneys' fees as part of the costs awarded after the decision. This provision is intended to permit a court to evaluate all of the circumstances of a claim and, in particular, the VA's basis for denying the relief requested and its conduct with respect to the claimant. The Committee's intention is that the court's evaluation of the VA's actions be similar to that undertaken by courts in Freedom of Information Act cases when the issue to be resolved is whether the governmental agency involved had a reasonable or colorable basis in law for its action (for example, the analysis on *Keye* v. *Burns*, 411 F. Supp. 897, 902 (S.D. N.Y. 1976) cited with approval in *Cuneo* v. *Rumsfeld*, 553 F. 2d 1360 (D.C. Cir. 1977)). Accordingly, there should seldom be an award of attorneys' fees under this provision; an award would be appropriate only upon a finding by a court that the VA had been "recalcitrant" in its denial of a valid claim or had otherwise "engaged in obdurate behavior" in the adjudication of the claim. One situation that might, in particular cases, warrant such a finding and an award of attorneys' fees would be where the reviewing court has found a factual determination of the Administrator to be "arbitrary, capricious or an abuse of discretion" and remands the matter to the VA pursuant to proposed new section 4026 (as proposed to be added by section 302 of the Committee bill), following which the matter is returned to the court with the Administrator's finding unchanged and with no further substantiation or development of the record.

Section 402.

Would amend present section 3405 of title 38, United States Code, relating to penalties for certain acts, to delete a gender reference and to strengthen this provision by making it a Federal criminal offense for an attorney

or other person willfully and intentionally to defraud a VA claimant.

TITLE V—EFFECTIVE DATES

Section 501.

Would make the Act effective on the first day of the month beginning 180 days after the date of enactment.

Section 502.

Would allow for judicial review, pursuant to proposed new section 4025 (as proposed to be added by section 302 of the Committee bill), of decisions of the Board of Veterans' Appeals rendered on or after January 1, 1977, and prior to the effective date of the Act. This section also specifies that any appeals of such decisions rendered prior to the effective date of the Act must be brought within 180 days after the effective date of the Act or after mailing of notice by the Administrator to the claimant of the right to such an appeal, whichever is later.

CHANGES THAT WOULD BE MADE IN EXISTING LAW

Changes in existing law made by this legislation are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 28—JUDICIARY AND JUDICIAL PROCEDURE

* * * * *

Chapter 85—DISTRICT COURTS; JURISDICTION

Sec.

* * * * *

1346. United States as defendant.

* * * * *

§ 1346. United States as defendant

(a) The district courts shall have original jurisdiction, concurrent with the Court of Claims, of:

(1) Any civil action against the United States for the recovery of any internal-revenue tax alleged to have been erroneously or illegally assessed or collected, or any penalty claimed to have been collected without authority or any sum alleged to have been excessive or in any manner wrongfully collected under the internal-revenue laws;

(2) Any other civil action or claim against the United States, not exceeding $10,000 in amount, founded either upon the Constitution, or any Act of Congress, or any regulation of an executive department, or upon any express or implied contract with the United States or for liquidated or unliquidated damages in cases not sounding in tort. For the purpose of this paragraph, an express or implied contract with the Army and Air Force Exchange Service, Navy Exchanges, Marine Corps Exchanges, Coast Guard Exchanges, or Exchange Councils of the National Aeronautics and Space Administration shall be considered an express or implied contract with the United States.

(b) Subject to the provisions of chapter 171 of this title, the district courts, together with the United States District Court for the District of the Canal Zone and the District Court of the Virgin Islands, shall have exclusive jurisdiction of civil actions on claims against the United States, for money damages, accruing on and after January 1, 1945, for injury or loss of property, or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred.

(c) The jurisdiction conferred by this section includes jurisdiction of any set-off, counterclaim, or other claim or demand whatever on the part of the United States against any plaintiff commencing an action under this section.

(d) The district courts shall not have jurisdiction under this section of any civil action or claim for a pension *except as provided for in chapter 72 of title 38.*

(e) The district courts shall have original jurisdiction of any civil action against the United States provided in section 7426 or section 7428 (in the case of the United States district court for the District of Columbia) or section 7429 of the Internal Revenue Code of 1954.

(f) The district courts shall have exclusive original jurisdiction of civil actions under section 2409a to quiet title to an estate or interest in real property in which an interest is claimed by the United States.

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TITLE 38—UNITED STATES CODE

* * * * *

PART I—GENERAL PROVISIONS

* * * * *

Chapter 3—VETERANS' ADMINISTRATION; OFFICERS AND EMPLOYEES

Subchapter I—Veterans' Administration

Sec.

201. Veterans Administration an independent agency.
202. Seal of the Veterans' Administration.
203. Availability of appropriations.

Subchapter II—Administrator of Veterans' Affairs

210. Appointment and general authority of Administrator; Deputy Administrator.
211. Decisions by Administrator; opinions of Attorney Genenral.
212. Delegation of authority and assignment of duties.
213. Contracts and personal services.
214. Report to the Congress.
215. Publication of laws relating to veterans.
217. Studies of rehabilitation of disabled persons.
218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations.
219. Evaluation and data collection.
220. Coordination of other Federal programs affecting veterans and their dependents.
221. Rule making.

* * * * *

Subchapter II—Administrator of Veterans' Affairs

* * * * *

§ 211. Decisions by Administrator; opinions of Attorney General

(a) On and after October 17, 1940, except as provided in section 775[,] *and 784 and chapter 72 of this title,* and as to matters arising under chapter 37 of this title, the decisions of the Administrator on any question of law or fact under any law administered by the Veterans' Administration providing benefits for veterans and their dependents or survivors shall be final and conclusive and no other official or any court of the United States shall have power or jurisdiction to review any such decision by an action in the nature of mandamus or otherwise.

* * * * *

§ 221. Rule making

Notwithstanding the provisions of subsection (a)(2) of section 553 of title 5, the promulgation of rules and regulations by the Administrator shall be subject to the requirements of section 553 by title 5.

* * * * *

PART IV—GENERAL ADMINISTRATIVE PROVISIONS

Chapter	Sec.
51. [Applications] *Claims,* Effective Dates, and Payments	3001
53. Special Provisions Relating to Benefits	3101
55. Minors, Incompetents, and Other Wards	3201
57. Records and Investigations	3301
59. Agents and Attorneys	3401
61. Penal and Forfeiture Provisions	3501

Chapter 51—[APPLICATIONS] *CLAIMS,* EFFECTIVE DATES, AND PAYMENTS

SUBCHAPTER I—[APPLICATIONS] *Claims*

Sec.
3001. Claims and forms.
3002. Application forms furnished upon request.
3003. Incomplete applications.
3005. Joint applications for social security and dependency and indemnity compensation.
3006. Furnishing of information by other agencies.
3007. Burden of proof; benefit of the doubt.
3010. Effective dates of awards.

* * * * *

Subchapter I—[Applications] *Claims*

§ 3001. Claims and forms

(a) * * *

* * * * *

§ 3007. Burden of proof; benefit of the doubt

(a) Except when otherwise provided by the Administrator in accordance with the provisions of this title, a claimant for benefit under laws administered by the Veterans' Administration shall have the burden of submitting evidence sufficient to justify a belief by a fair and impartial individual that the claim is well grounded.

(b) When, after consideration of all evidence and material of record in any proceeding before the Veterans' Administration on a claim for any benefit under laws administered by the Veterans' Administration, there is an approximate balance of positive and negative evidence regarding the merits of an issue material to the determination of such claim, the benefit of the doubt in resolving each such issue will be given to the claimant, but nothing in this section shall be constructed as shifting from a claimant to the Administrator the burden described in subsection (a) of this section.

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Chapter 57—RECORDS AND INVESTIGATIONS

* * * * *

Subchapter II—Investigations

§ 3311. Authority to issue subpenas

For the purposes of the law administered by the Veterans' Administration, the Administrator, and those employees to whom the Administrator may delegate such authority, to the extent of the authority so delegated, shall have the power to issue subpenas for and compel the attendance of witnesses within a radius of one hundred miles from the place of hearing, to require the production of books, papers, documents, and other evidence, to take affidavits, to administer oaths and affirmations, to aid claimants in the preparation and presentation of claims, and to make investigations and examine witnesses upon any matter within the jurisdiction of the Veterans' Administration. Any person required by such subpena to attend as a witness shall be allowed and paid the same fees and mileage as are paid witnesses in the district courts of the United States. *Subpenas authorized under this section shall be served by any individual authorized by the Administrator by (1) delivering a copy thereof to the individual named therein, or (2) mailing by registered or certified mail addressed to such individual at such individual's last dwelling place or principal place of business. A verified return by the individual so serving the subpena setting forth the manner of service, or, in the case of service by registered or certified mail, the return post office receipt therefor signed by the individual so served shall be proof of service.*

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Chapter 59—AGENTS AND ATTORNEYS

* * * * *

§ 3404. Recognition of agents and attorneys generally

(a) The Administrator may recognize any individual as an agent or attorney for the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration. The Administrator may require that individuals, before being recognized under this section, show that they are of good moral character and in good repute, are qualified to render claimants valuable service, and otherwise are competent to assist claimants in presenting claims.

(b) The Administrator, after notice and opportunity for a hearing, may suspend or exclude from further practice before the Veterans' Administration any agent or attorney recognized under this section if he finds that such agent or attorney—

(1) has engaged in any unlawful, unprofessional, or dishonest practice;

(2) has been guilty of disreputable conduct;

(3) is incompetent;

(4) has violated or refused to comply with any of the laws administered by the Veterans' Administration, or with any of the regulations or instructions governing practice before the Veterans' Administration; or

(5) has in any manner deceived, misled, or threatened any actual or prospective claimant.

[(c) The Administrator shall determine and pay fees to agents or attorneys recognized under this section in allowed claims for monetary benefits under laws administered by the Veterans' Administration. Such fees—

[(1) shall be determined and paid as prescribed by the Administrator;

[(2) shall not exceed $10 with respect to any one claim; and

[(3) shall be deducted from monetary benefits claimed and allowed.]

(c) The Administrator, pursuant to regulations which the Administrator shall prescribe, may determine and approve payment of reasonable attorneys' fees to be paid by the claimant, to attorneys recognized under this section, for services rendered in representing an individual before the Veterans' Administration in connection with claims for benefits under laws administered by the Veterans' Administration. In no event shall such attorneys' fee, determined and approved by the Administrator, exceed—

(1) for any claim resolved prior to the claimant's receipt of a statement of the case pursuant to section 4005(d) of this title, $10 or

(2) for any claim resolved following the claimant's receipt of such statement of the case, an amount in excess of the lesser of—

(A) the fee agreed upon by the claimant and the attorney; or

(B)(i) $500, or a greater amount specified in regulations prescribed by the Administrator based on changed national economic conditions subsequent to the date of enactment of this subsection, except that the Administrator may, in the Administrator's discretion, determine and approve a fee in excess of $500 or such greater amount if so specified, in an individual case involving extraordinary circumstances warranting a higher fee; or

(ii) if the claimant and an attorney have entered into an agreement under which no fee is payable to such attorney unless the claim is resolved in a manner favorable to the claimant, 25 per centum of the total amount of any past-due benefits awarded on the basis of the claim.

(d) If, in an action brought under section 4025 of this title, the matter is resolved in a manner favorable to a claimant who was represented by an attorney, the court may determine and approve as part of its judgment a reasonable fee for the representation of such claimant in such action. When the claimant and an attorney have entered into an agreement under which no fee is payable to such attorney unless the matter is resolved in a manner favorable to the claimant, the fee so determined and approved shall not exceed 25 per centum of the total amount of any past-due benefits awarded on the basis of the claim. If, in such an action, the matter is not resolved in a manner favorable to a claimant, the court may determine and approve as part of its judgment a reasonable fee, taking into consideration the extent to which there could have appeared to have been a reasonable probability of success for such an action at the time it was filed, for the representation of such claimant not in excess of $750.

(e) To the extent that past-due benefits are awarded in proceedings before the Administrator or by a court, the Administrator shall direct payment of any attorney's fee that has been determined and approved under this section out of such past-due benefits, but in no event shall the Administrator withhold any portion of benefits payable for a period subsequent to the date of the decision of the Administrator or court making such award.

(f) The determination and approval by the Administrator regarding attorneys' fees pursuant to subsection (c) of this section may be reviewed by a court only to determine whether the Administrator's action constituted an abuse of discretion. Review of the determination and approval by either the Administrator or the court regarding an attorney's fee shall be obtained as follows:

(1) For an award in conjunction with a claim before the Administrator pursuant to subsection (c) of this section, by an action brought, within thirty days after the date of notice of such award, by either the claimant or the attorney in the district court of the United States in the judicial district in which the claimant resides or the claimant's principal place of business is located.

(2) For an award in conjunction with a claim approved by a United States court pursuant to subsection (d) of this section, on a motion made, within thirty days after the date of such award, by either the claimant or the attorney in the district court of the United States where the appeal was considered.

For actions brought under clause (1) of this subsection, the Administrator shall be named as the defendant, but notice of any such action shall also be given to all parties in interest and all such parties shall be heard by the court reviewing the award.

(g) The provisions of this section shall apply only to cases involving claims for benefits under the laws administered by the Veterans' Administration, and such provisions shall not apply in cases in which the Veterans' Administration is the plaintiff or in which other attorneys' fee statutes are otherwise controlling.

(h) For the purposes of subsections (c) and (d) of this section, claims shall be considered as resolved in a manner favorable to the claimant when all or any part of the relief sought is granted.

(i) In an action brought under section 4025 of this title, the court, in its discretion, may, as an extraordinary remedy, allow the prevailing party, other than the Administrator, reasonable attorneys' fees as part of the costs.

§ 3405. Penalty for certain acts

Whoever (1) directly or indirectly solicits, contracts for, charges, or receives or attempts to solicit, contract for, charge, or receive, any fee or compensation except as provided in section 3404 or 784 of this title, [or] (2) wrongfully withholds from any claimant or beneficiary any part of a benefit or claim allowed and due [him] *such claimant or beneficiary, or (3) with intent to defraud, in any manner willfully and knowingly deceives, misleads, or threatens a claimant or beneficiary or prospective claimant or beneficiary under this title with reference to any matter covered by this title, by word, circular, letter, or advertisement,* shall be fined not more than $500 or imprisoned at hard labor for not more than two years, or both.

* * * * *

PART V—BOARDS AND DEPARTMENTS

Chapter	Sec.
71. Board of Veterans' Appeals	4001
72. Judicial Review	*4025*
73. Department of Medicine and Surgery	4101
75. Veterans' Canteen Service	4201

CHAPTER 71—BOARD OF VETERANS' APPEALS

Sec.
4001. Composition of Board of Veterans' Appeals.
4002. Assignment of members of Board.
4003. Determinations by the Board.
4004. Jurisdiction of the Board.
4005. Filing of notice of disagreement and appeal.
4005A. Simultaneously contested claims.
4006. Administrative appeals.
4007. Docketing of appeals.
4008. Rejection of applications.
4009. Independent medical opinions.
4010. Adjudication procedures.
4011. Notice of procedural rights.

§ 4001. Composition of Board of Veterans' Appeals

(a) There shall be in the Veterans' Administration a Board of Veterans' Appeals (hereinafter in this chapter referred to as the "Board") under the administrative control and supervision of a chairman directly responsible to the Administrator. The Board shall consist of a Chairman, a Vice Chairman, such number (not more than [fifty] *sixty five*) or [associate] members as may be found necessary, and such other professional, administrative, clerical, and stenographic personnel as are necessary in conducting hearings and considering and disposing of appeals properly before the Board *in a timely manner.*

(b) Members of the Board (including the Chairman and Vice Chairman) shall be appointed by the Administrator with the approval of the President.

(c) The Chairman shall submit a report to the appropriate committees of the Congress, not later than February 1, 1980, and annually thereafter, on the experience of the Board during the prior fiscal year together with projections for the fiscal year in which the report is submitted and the subsequent fiscal year. Such report shall contain, as a minimum, the number of cases appealed to the Board during the prior fiscal year, the numbers of cases pending before the Board at the beginning and end of such fiscal year, the number of such cases which were filed during each of the twenty-four months preceding the prior fiscal year and the then current fiscal year, respectively, the average length of time a case was before the Board between the time of filing of an appeal and the disposition during the prior fiscal year, and the number of members and other professional, administrative, clerical, stenographic, and other personnel employed by the Board at the end of the prior fiscal year. The projections for the current fiscal year and subsequent fiscal year shall include, for each such year, estimates of the number of cases to be appealed to the Board and an evaluation of the Board's ability, based on existing and projected personnel levels, to ensure timely disposition of such appeals as required by subsection (a) of this section.

§ 4002. Assignment of members of Board

The Chairman may from time to time divide the Board into sections of three mem-

bers, assign the members of the Board thereto, and designate the chief thereof. If a section as a result of a vacancy or absence or inability of a member assigned thereto to serve thereon is composed of a number of members less than designated for the section, the Chairman may assign other members to the section or direct the section to proceed with the transaction of business without awaiting any additional assignment of members thereto. A hearing docket shall be maintained and formal recorded hearings shall be held by such [associate] member or members as the Chairman may designate, the [associate] member or members being of the section which will make final determination in the claim. A section of the Board shall make a determination on any proceeding instituted before the Board and on any motion in connection therewith assigned to such section by the Chairman and shall make a report of any such determination, which report shall constitute its final disposition of the proceeding.

§ 4003. Determinations by the Board

(a) The determination of the section, when unanimously concurred in by the members of the section shall be the final determination of the Board, except that the Board on its own motion may correct an obvious error in the record, or may upon the basis of additional official information from the service department concerned, *after notice to the claimant of such additional information together with an opportunity to be heard in connection with such information,* reach a contrary conclusion.

(b) When there is a disagreement among the members of the section the concurrence of the Chairman with the majority of members of such section shall constitute the final determination of the Board, except that the Board on its own motion may correct an obvious error in the record, or may upon the basis of additional official information from the service department concerned, *after notice to the claimant of such additional information together with an opportunity to be heard in connection with such information,* reach a contrary conclusion.

§ 4004. Jurisdiction of the Board

(a) All questions on claims involving benefits under the laws administered by the Veterans' Administration shall be subject to one review on appeal to the Administrator. Final decisions on such appeals shall be made by the Board *after affording the claimant an opportunity for a hearing and shall be based exclusively on evidence and material of record in the proceeding and on applicable provisions of law.*

(b) When a claim is disallowed by the Board, it may not thereafter be reopened and allowed, and no claim based upon the same factual basis shall be considered; however, where subsequent to disallowance of a claim, new and material evidence [in the form of official reports from the proper service department] is secured, the Board may authorize the reopening of the claim and review of the former decision. *A judicial decision upholding, in whole or in part, the disallowance of a claim under chapter 72 of this title shall not diminish the Board's discretionary authority under this subsection to reopen the claim and review the Board's former decision.*

(c) The Board shall be bound in its decisions by the regulations of the Veterans' Administration, instructions of the Administrator, and the precedent opinions of the chief law officer.

[(d) The decisions of the Board shall be in writing and shall contain findings of fact and conclusions of law separately stated.]

(d) After reaching a decision in each case, the Board shall promptly mail notice of its decision to the claimant and the claimant's authorized representative, if any, at the last known address of the claimant and at the last known address of the claimant's authorized representative, if any. Each decision of the Board shall include—

(1) a written statement of the Board's findings and conclusions, and reasons or bases therefor, on all material issues of fact, law, and matters of discretion presented on the record; and

(2) an order granting appropriate relief or denying relief.

§ 4005. Filing of notice of disagreement and appeal

(a) * * *

* * * * *

(5) The Board of Veterans' Appeals [will base its decision on the entire record and] may dismiss any appeal which fails to allege specific error of fact or law in the determination being appealed.

* * * * *

§ 4009. Independent medical opinions

(a) When, in the judgment of the Board, expert medical opinion, in addition to that available within the Veterans' Administration, is warranted by the medical complexity or controversy involved in an appeal case, the Board is authorized to secure an advisory medical opinion from one or more independent medical experts who are not employees of the Veterans' Administration.

(b) The Administrator shall make necessary arrangements with recognized medical schools, universities, or clinics to furnish such advisory medical opinions at the request of the Chairman of the Board. Such arrangement will provide that the actual selection of the expert or experts to give the advisory opinion in any individual case will be made by an appropriate official of such institution.

(c) Whenever there exists in the evidence of record in an appeal case a substantial disagreement between the substantial findings or opinions of two physicians with respect to an issue material to the outcome of the case, the Board shall, upon the request of the claimant and, after taking appropriate action to attempt to resolve the disagreement, arrange for an advisory medical opinion in accordance with the procedure prescribed in subsection (b) of this section. If the Board denies the request of such claimant and the claimant's authorized representative, if any, a statement setting forth the basis for its determination. Actions of the Board under this subsection, including any such denial, shall be final and conclusive and no other official or any court of the United States shall have the power or jurisdiction to review any aspect of any such decision by an action in the nature of mandamus or otherwise, chapter 72 of this title to the contrary notwithstanding.

§ 4010. Adjudication procedures

(a) For purposes of conducting any hearing, investigation, or other proceedings in connection with the consideration of a claim for benefits under laws administered by the Veterans' Administration, the Administrator may administer oaths and affirmations, examine witnesses, and receive evidence.

(b) Any oral, documentary, or other evidence, even though inadmissible under the rules of evidence applicable to judicial proceedings, may be admitted in a hearing, investigation, or other proceeding in connection with the consideration of a claim for benefits under laws administered by the Veterans' Administration, but the Administrator, under regulations of the Administrator, may provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence.

(c) In the course of any proceeding before the Board, any party to such proceeding or such party's authorized representatives shall be afforded opportunity—

(1) at a reasonable time prior thereto as well as during such proceeding, to examine and, on payment of a fee prescribed pursuant to section 3302(b) of this title (not to exceed the direct cost of duplication), obtain copies of the contents of the case files and all documents and records to be used by the Veterans' Administration at such proceeding;

(2) to present witnesses and evidence, subject only to such restrictions as may be set forth in regulations of the Administrator, pursuant to subsection (b) of this section, as to materiality, relevance, and undue repetition;

(3) to make oral argument and submit written contentions, in the form of a brief or similar document, on substantive and procedural issues;

(4) to submit rebuttal evidence;

(5) to present medical opinions and request an independent advisory medical opinion pursuant to section 4009(c) of this title; and

(6) to serve written interrogatories on any person, including employees of the Veterans' Administration, which interrogatories shall be answered separately and fully in writing and under oath unless written objection thereto, in whole or in part, is filed with the Administrator by the person to whom the interrogatories are directed or such person's representative.

The fee provided for in clause (1) of this subsection may be waived by the Administrator, pursuant to regulations which the Administrator shall prescribe, on account of the party's inability to pay or for other good cause shown. In the event of any objection, filed under clause (6) of this subsection, the Administrator shall, pursuant to regulations which the Administrator shall prescribe establishing standards consistent with standards for protective orders under rule 26(c) of the Rules of Civil Procedure for the United States District Courts, evaluate such objection and issue an order (A) directing that, within such period as the Administrator shall specify, the interrogatory or interrogatories objected to be answered as served or answered after modification, or (B) indicating that the interrogatory or interrogatories are no longer required to be answered. If any person upon whom interrogatories are served under this section fails to answer or fails to provide responsive answers to any such interrogatories within thirty days after service or such additional time as the Administrator may allow, the Administrator shall, upon a statement or showing by the party who served such interrogatories of general relevance and reasonable scope of the evidence sought, issue a subpena pursuant to section 3311 of this title (with enforcement of such subpena to be available pursuant to section 3313 of this title) for such person's appearance and testimony on such interrogatories at a deposition on written questions, at a location within one hundred miles of where such person resides, is employed, or transacts business.

(d) In the course of any hearing, investigation, or other proceeding in connection with the consideration of a claim for benefits under laws administered by the Veterans' Administration, an employee of the Veterans' Administration may at any time disqualify himself or herself, on the basis of personal bias or other cause, from adjudicating the claim. On the filing by a party in good faith of a timely and sufficient affidavit averring personal bias or other cause for disqualification on the part of such an employee, the Administrator shall determine the matter as a part of the record and decision in the case.

(e) The transcript or recording of testimony and the exhibits, together with all papers and requests filed in the proceeding, and the decision of the Board shall constitute the exclusive record for decision in accordance with section 4004(a) of this title, and shall be available for inspection by any party to such proceeding, or such party's authorized representative, at reasonable times and

places and, on the payment of a fee prescribed pursuant to section 3302(b) of this title (not to exceed the direct cost of duplication), shall be copied for the claimant or such claimant's authorized representative within a reasonable time. Such fee may be waived by the Administrator, pursuant to regulations which the Administrator shall prescribe, on account of the party's inability to pay or for other good cause shown.

(f) Notwithstanding section 4004(a) of this title, section 554(a) of title 5, or any other provision of law, adjudication and hearing procedures prescribed in this title and in regulations prescribed by the Administrator under this title for the purpose of administering veterans' benefits shall be exclusive with respect to hearings, investigations, and other proceedings in connection with the consideration of a claim for benefits under laws administered by the Veterans' Administration.

§ 4011. Notice of procedural rights

In the case of any denial, in whole or in part, of a claim for benefits under laws administered by the Veterans' Administration, the Administrator shall, at each procedural stage relating to the disposition of such a claim, beginning with denial after an initial review or determination and including the furnishing of a statement of the case and the making of a final determination by the Board, provide to the claimant and such claimant's authorized representative, if any, written notice of the procedural rights of the claimant. Such notices shall be on such forms as the Administrator shall prescribe by regulation and shall include, in easily understandable language, with respect to proceedings before the Veterans' Administration, (1) descriptions of all subsequent procedural stages provided for by statute, regulation, or Veterans' Administration policy, (2) descriptions of all rights of the claimant expressly provided for in or pursuant to this chapter, of the claimant's rights to a hearing, to reconsideration, to appeal, and to representation, and of any specific procedures necessary to obtain the various forms of review available for consideration of the claim, and (3) such other information as the Administrator, as a matter of discretion, determines would be useful and practical to assist the claimant in obtaining full consideration of the claim.

Chapter 72—JUDICIAL REVIEW

Sec.
4025. Jurisdiction.
4026. Scope of review.
4027. Remands.
4028. Survival of actions.
4029. Appellate review.

§ 4025. Jurisdiction

(a) Except as provided in subsection (h) of this section, after any final decision of the Administrator (as defined in subsection (c) of this section) adverse to a claimant in a matter involving a claim for benefits under any law administered by the Veterans' Administration, such claimant may obtain a review of such decision in a civil action commenced within 180 days after the mailing to the claimant of notice of such decision pursuant to section 4004 of this title. Such action shall be brought against the Administrator in the district court of the United States for the judicial district in which the plaintiff resides or the plaintiff's principal place of business is located, or in the district court of the United States for the judicial district where the principal offices of the Board of Veterans' Appeals (established under section 4001 of this title) are located.

(b) In any matter not directly involving a claim for benefits under any law administered by the Veteran's Administration, section 211(a) of this title shall not operate as a bar to a civil action otherwise authorized by law.

(c) For the purposes of this chapter, "final decision of the Administrator" means—

(1) a final determination of the Board of Veterans' Appeals pursuant to section 4004 (a) or (b) of this title; or

(2) a dismissal of an appeal by the Board of Veterans' Appeals pursuant to section 4005 or 4008 of this title.

(d) The provisions of this chapter shall not apply to matters arising under chapters 19 and 37 of this title.

(e) The complaint initiating an action under subsection (a) of this section shall contain sufficient information to permit the Administrator to identify and locate the plaintiff's Veterans' Administration records.

(f) The Administrator shall file, together with the answer to a complaint filed pursuant to subsection (a) of this section, a certified copy of the records upon which the findings of fact and decision complained of are based or, if the Administrator determines that the cost of filing copies of all such records is unduly expensive, the Administrator shall file a complete index of all documents, transcripts, or other materials comprising such records. After such index is filed and after considering requests from all parties, the court shall require the Administrator to file certified copies of such indexed items as the court deems relevant to its consideration of the case.

(g) In action brought pursuant to subsection (a) of this section, the court shall have the power, upon the pleadings and the records specified in subsection (f) of this section, to enter judgment in accordance with section 4028 of this title or remand the cause in accordance with section 4026 or 4027 of the title.

(h) No action may be brought under this section as to which the initial claim for benefits is filed pursuant to section 3001(a) of this title after the last day of the fifth fiscal year beginning after the effective date of this section.

§ 4026. Scope of review

(a) In any action brought under section 4025 of this title, the reviewing court to the extent necessary to its decision and when presented, shall—

(1) decide all relevant questions of law, interpret constitutional, statutory, and regulatory provisions;

(2) compel action of the Administrator unlawfully withheld; and

(3) hold unlawful and set aside decisions, findings, and conclusions of the Administrator found to be—

(A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;

(B) contrary to constitutional right, power, privilege, or immunity;

(C) in excess of statutory jurisdiction, authority, or limitations, or in violation of a statutory right; or

(D) without observance of procedure required by law.

If the reviewing court finds the Administrator's finding on an issue or issues of fact to be arbitrary, capricious, or an abuse of discretion, the court shall specify where it finds the record to be deficient and shall, prior to entering any judgment reversing such decision, remand the case a single time to the Administrator for further action not inconsistent with the court's order. In so remanding, the court shall specify a reasonable period within which the Administrator shall complete the required action and, if such action is not completed within the time specified by the court, the matter shall be returned to the court for its action.

(b) In making the determinations under subsection (a) of this section, the court shall review the whole record before the court pursuant to section 4025(f) of this title or those parts of such record cited by a party, and due account shall be taken of the rule of prejudicial error.

(c) In no event shall findings of fact made by the Administrator be subject to trial de novo by the reviewing court.

(d) When a final decision of the Administrator (as defined in section 4025(c) of this title) is rendered in any case and such decision is adverse to a party solely because of the failure of such party to comply with any applicable regulation of the Veterans' Administration, the court shall review only questions raised as to compliance with and the validity of the regulation.

§ 4027. Remands

In any action brought under section 4025 of this title, the reviewing court shall, on motion of the Administrator made before the expiration of the time specified for the filing of an answer to a complaint filed pursuant to subsection (a) of such section, allow a single remand of a case to the Administrator for further review by the Administrator. If such review is not completed within ninety days after the date of such remand, the matter shall be returned to the court for its action. At any time after the Administrator files an answer, the court may, in the exercise of its discretion, remand the case to the Administrator for further action by the Administrator and, if either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there is good cause for granting such leave, the court shall remand the case to the Administrator and order such additional evidence to be taken by the Administrator; in either case, the court may specify a reasonable period of time within which the Administrator shall complete the required action. After a case is remanded to the Administrator, and after further action by the Administrator, including consideration of any additional evidence, the Administrator shall modify, supplement, or affirm the findings of fact or decision, or both, and shall file with the court any such modification, supplementation, or affirmation of findings of fact or decision or both, as the case may be, and certified copies of any additional records and evidence upon which such modification, supplementation, or affirmation was based. Any such modification, supplementation, or affirmation of the findings of fact or decision shall be reviewable by the court only to the extent provided in section 4026 of this title with respect to the review of the original findings of fact and decision.

§ 4028. Survival of actions

Any action brought under section 4025 of this title shall survive, notwithstanding any change in the person occupying the Office of the Administrator or any vacancy in such office.

§ 4029. Appellate review

The decisions of a district court pursuant to this chapter shall be subject to appellate review by the courts of appeals and the Supreme Court of the United States in the same manner as judgments in other civil actions.

* * * * *

By Mr. GLENN:

S. 350. A bill to establish a uranium enrichment fund; to the Committee on Energy and Natural Resources.

URANIUM ENRICHMENT ACT OF 1981

● Mr. GLENN. Mr. President, I introduce and send to the desk the Uranium Enrichment Fund Act of 1981.

The uranium enrichment enterprise of the U.S. Department of Energy has been the backbone of our nuclear effort. Since the inception of the "Atoms-for-Peace" program first proposed by President Ei-

senhower in 1953, it has played an important role both here and abroad, not only in aiding the expansion of our nuclear industry, but in helping our nuclear nonproliferation effort.

The uranium enrichment enterprise, unlike most Government activities, provides a commercial service and represents a significant business operation: More than $1 billion in revenues annually and future capital expenditures estimated at several billions of dollars. These revenues, which may be used to fund enrichment operations, are larger than those of all but about 275 U.S. corporations. The rapidly changing domestic and foreign prospects for nuclear reactors, as well as the business-type nature of the enrichment enterprise, calls for a financial system which provides more management flexibility than is offered in the usual authorization and appropriations cycles.

Establishment of a uranium enrichment revolving fund would provide such increased flexibility and would also result in greater overall economy and efficiency. The U.S. image as a world supplier of enrichment services would be improved and foreign competitors' criticisms about the "unbusinesslike" nature of U.S. enrichment operations would be blunted. The establishment of a revolving fund thus would promote better domestic and international marketing initiatives, while also furthering U.S. nonproliferation objectives and improving U.S. balance of payments.

Mr. President, in May 1980, Dr. Ruth Davis, DOE's Assistant Secretary for Resource Applications, requested that a group of experienced business executives be assembled to review the operation, financing, and management of the uranium enrichment enterprise. The review group, composed of distinguished individuals who had held top-level executive positions, specifically was asked to focus on those management activities to which sound business practices could be applied. Their recommendations, just received on December 2, 1980, included support of a revolving fund:

> If a revolving fund were established, the enrichment enterprise would be managed as a self-sufficient entity, generating adequate cash flow for operation and capital outlay. The enterprise would have an exceptionally strong borrowing base, should bond financing become necessary for major capital expansion projects. This financial flexibility would enable it to time purchases vis-a-vis receipts, manage cash effectively, and employ other cost-saving techniques used by corporate management.
>
> Besides these financial advantages, the revolving fund would give the enterprise greater visibility among its domestic and overseas customers and among U.S. taxpayers.

I wholeheartedly agree with that assessment and believe that this legislation will lead to the benefits described by the review panel. In recognition of the continuing congressional interest in the enterprise, expenditures would be subject to whatever limitations and directives that are inserted into authorization and appropriations acts. Moreover, the Secretary of Energy could not acquire plant and capital equipment whose cost exceeds 5 percent of the total net book value of the uranium enrichment fixed assets or construct new enrichment capacity without express congressional authorization.

In addition, obligations for plant and capital equipment which would increase expenditures to a level greater than 15 percent above that approved by Congress could not be made until Congress had been notified and a period of 30 days, while Congress is in session, had elapsed.

Mr. President, it is vitally important that some degree of stability be provided to the uranium enrichment enterprise at this time. The recent cutbacks endured by the Gas Centrifuge Enrichment Plant at Portsmouth, Ohio, are a subject of great concern—especially at a time when the United States wishes to reestablish its position as a reliable supplier in the area of nuclear enrichment services and at a time when our nonproliferation efforts are suspected by some to be flagging. The revolving fund will bring a degree of stability to the enrichment enterprise and will make it less subject to budgetary whim.

In creating this revolving fund, I do not want to reduce or to make more difficult congressional oversight of the nuclear enrichment enterprise. Accordingly, the bill requires that comprehensive reports be sent to the Congress concerning the operation of the fund, DOE plans on future enrichment activities, the financial position of the fund, projections and statement of policy regarding tails assay, and projected uranium enrichment needs.

It is my view that the Uranium Enrichment Fund Act of 1981 will aid our domestic industry as well as our competitive posture with respect to foreign uranium enrichment sales. I urge the support of my colleagues for this measure.

Mr. President, I ask that the text of the bill and a section-by-section analysis be printed at this point in the RECORD.

The bill and analysis follow:

S. 350

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uranium Enrichment Fund Act of 1981".

SEC. 2. The Atomic Energy Act of 1954 is amended by inserting the following sections:

"SEC. 252. URANIUM ENRICHMENT FUND.—

"a. There is established in the Treasury of the United States a Uranium Enrichment Fund (hereinafter referred to as the 'Fund'). The Fund shall consist of—

"(1) all receipts, collections, and recoveries of the Secretary of Energy (hereinafter referred to as the 'Secretary') in cash from the provision of services for the production or enrichment of uranium in the isotope-235, and the sale, lease, distribution, or transfer of uranium and from activities incidental to the foregoing;

"(2) all proceeds derived from the sale of bonds by the Secretary pursuant to section 263;

"(3) proceeds from the investment of fund moneys;

"(4) the unexpended balance of any funds available prior to the effective date of this Act for functions or activities necessary or incident to the production or enrichment of uranium enriched in the isotope-235, and the sale, lease, distribution, or transfer of uranium; and

"(5) any appropriations made by Congress to the Fund.

"b. The Secretary may make expenditures from the Fund which shall have been included in the annual budget submitted to Congress by the President, without further appropriation and without fiscal year limitation, but within such specific directives or limitations as may be included in appropriation or authorization Acts, for—

"(1) any purpose necessary or appropriate to the conduct of the Secretary's functions and activities for the provision of services for the production or enrichment of uranium enriched in the isotope-235 and the sale, lease, distribution, or transfer of uranium; the conduct of research and development activities related to the isotopic separation of uranium; and the acquisition, design, construction, modification, replacement, and operation of facilities necessary or incident to the foregoing; and

"(2) paying the principal, interest, premiums, discounts, and expenses, if any, in connection with the bonds issued under section 263 of this Act.

"c. The Provisions of the Government Corporation Control Act (31 U.S.C. 841) shall be applicable to the Secretary in his utilization of the Fund in the same manner as they are applied to the wholly owned Government corporations named in section 101 of such Act (31 U.S.C. 846).

"'d. If the Secretary determines that the moneys of the Fund are in excess of current needs he may request the investment of such amounts as he determines available by the Secretary of the Treasury in obligations of the United States with maturities suitable for the needs of the Fund and bearing interest at rates determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining period to maturities comparable to the maturities of such investments except that the interest rate on such investments shall not exceed the average interest rate applicable to existing borrowings.

"e. Proceeds realized by the Secretary from issuance of bonds and revenues from the conduct of activities described in this section and the expenditure of such proceeds and revenues shall be subject only to annual apportionment under the provisions of section 665 of title 31 of the United States Code.

"f. Commencing October 1, 1981, the Secretary shall pay to the Treasury revenues and proceeds derived from sources set forth in subsection a. (1) and a. (3) of this section save and except such part of said revenues and proceeds as in the opinion of the Secretary shall be reasonably necessary in the foreseeable future for the conduct of the functions and activities set forth in subsection b. of this section.

"g. Notwithstanding any other provision of this section the Secretary shall not—

"(1) enter into an obligation for plant and capital activity purpose if that obligation, together with prior obligations and outlays results in an increase in the total capital outlays in that fiscal year of more than 15 per centum above the level of outlays in the plant and capital activity budget as submitted for that fiscal year as such budget may have been reduced or increased by congressional direction or limitation until the Secretary has reported such obligation to Congress and a period of thirty days shall have elapsed while Congress is in session (in computing such thirty days there shall be excluded the days on which either House is not in session because of adjournment for more than three days);

"(2) without express prior congressional authorization, enter into obligations for the construction of a new uranium enrichment plant or the acquisition of any new plant and capital equipment the cost of which exceeds an amount equivalent to 5 per centum of total net book value of Department of Energy fixed assets which are devoted primarily to uranium enrichment activities; or

"(3) without express prior congressional authorization, modify any obligations authorized under paragraph (2) which would result in a decrease in authorized uranium enrichment capacity.

"SEC. 263. REVENUE BONDS.—

"a. The Secretary of Energy (hereinafter referred to as the 'Secretary') is authorized to issue and sell to the Secretary of the Treasury from time to time, to such extent or in such amounts as are contained in appropriation Acts, bonds, notes, and other evidences of indebtedness (collectively referred to herein as 'bonds') to assist in financing the acquisition, construction, modification, replacement, and operation of facilities necessary or incident to the conduct of the Secretary's functions and activities for the provision of services for the production or enrichment of uranium enriched in the isotope-235; the sale, lease, distribution, or transfer of uranium; and for activities incidental to the foregoing. Such bonds shall be in such forms and denomination, bear such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account terms and conditions prevailing in the market for similar bonds and the useful life of the facilities for which the bonds are issued.

"b. The principal of, premiums, if any, and interest on such bonds shall be payable solely from the Secretary's net proceeds as hereinafter defined. 'Net proceeds' shall mean for the purposes of this section the remainder of the gross receipts of the Secretary from the sources described in subsection 262 a. (1) and (3) after first deducting noncapital expenditures made pursuant to subsection 262 b. (1) and shall include reserve or other funds created from such receipts.

"c. The Secretary of the Treasury shall purchase any bonds issued by the Secretary under this section and for that purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purpose for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the bonds issued by the Administrator under this section. The Secretary of the Treasury may, at any time, sell any of the bonds acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such bonds shall be treated as public debt transactions of the United States.

"SEC. 264. ANNUAL REPORTS TO THE CONGRESS.—

"a. The Secretary shall report to the Congress on or before the first day of January each year on the principal activities for the preceding fiscal year of the Uranium Enrichment Fund established by section 262 of this Act and the revenue bonds issued under section 263 of this Act.

"b. Such reports shall contain a comprehensive description of the operation of the Fund, including information on—

"(1) projected enriched uranium needs for the next succeeding five years;

"(2) tails assay projections and policy for the next five years;

"(3) plans to meet the projected needs for the next succeeding five years;

"(4) estimated revenue of the Fund for the next succeeding five years;

"(5) any other future plans or administrative actions under consideration which would affect the operation of the revolving fund, including projections of expected revenues and costs resulting from those plans or actions;

"(6) management problems resulting from operation of the revolving fund; and

"(7) legislative proposals which may be necessary to assure that the purposes of the revolving fund are carried out most effectively.

"c. In addition, the anual report should include a comprehensive statement of the financial activities of the revolving fund, including, as a minimum, the following information:

"(1) the current financial position of the Fund, including a statement of assets and liabilities and surplus or deficit;

"(2) a statement of surplus or deficit analysis;

"(3) a statement of the sources and application of funds;

"(4) a statement of changes in Government investment in the revolving fund;

"(5) a statement of any changes in the financial position of the Fund;

"(6) schedules showing changes in inventory balances, plant and capital equipment, costs of production and sales, and power costs; and

"(7) such comments and information as may be deemed necessary to inform Congress of the financial operations and condition of the revolving fund.

These statements and supporting schedules should be prepared in accordance with generally accepted accounting principles.".

URANIUM ENRICHMENT FUND ACT OF 1981

SECTION-BY-SECTION ANALYSIS

1. Section 1 of the bill would add Sections 262 and 263 to the Atomic Energy Act of 1954, as amended.

2. Subsection a of the proposed Section 262 would establish a Department of Energy Uranium Enrichment Fund (hereafter called the "fund"). The Fund would consist of (1) all of DOE's revenues derived from activities associated with uranium enrichment activities (the term "uranium enrichment activities" as used in this analysis involves operations of the DOE uranium enrichment plants; the sale of enriching services; the sale, lease, disposition or transfer of uranium; the conduct of research and development activities related to the isotopic separation of uranium; the acquisition, design, construction, modification, replacement, and operation of facilities necessary or incidental to the foregoing; and such other functions or activities as may be necessary or appropriate for the conduct of the above enumerated items); (2) proceeds derived from the sale of bonds authorized by the new Section 263 of the Atomic Energy Act; (3) proceeds from the investment of fund monies; (4) the unexpended balance, as of the date of enactment of the legislation, of funds appropriated for uranium enrichment activities; and (5) Congressional appropriations for the Fund.

3. Subsection b of the proposed Section 262 would provide that expenditures from the Fund could be made only for purposes necessary or incidental to DOE's uranium enrichment activities. Expenditures from the Fund could be made without additional Congressional appropriation or fiscal year limitation but would be subject to specific directives or limitations which Congress might include in annual appropriation and authorization acts.

4. Subsection c of the proposed Section 262 would apply the Government Corporation Control Act to the utilization of fund monies. This would allow the uranium enrichment activities of DOE to be operated pursuant to a business type budget, which provides more flexibility than an appropriations-type budget.

5. Subsection d of the proposed Section 262 would allow the Secretary to request of the Secretary of the Treasury to invest Fund monies in obligations of or guaranteed as to both principal and interest by the United States during periods when they are not immediately required for fund purposes.

6. Subsection e of the proposed Section 262 exempts the expenditure of bond proceeds and uranium enrichment revenues from other than annual apportionment under the provisions of Section 665 of Title 31 of the U.S. Code.

7. Subsection f of the proposed section 262 would require the Secretary to pay to the Treasury revenues and proceeds derived from sources other than appropriations and bond sales to the Treasury save and except those revenues which in his opinion shall be reasonably necessary in the foreseeable future for uranium enrichment activities. This subsection assures that the uranium enrichment fund will not be the repository for idle monies. Each year, commencing in fiscal year 1982, the Secretary will make payment to the Treasury, for application to the total Federal budget of any monies which he determines are excess.

8. Subsection g (1) of Section 262 would require the Secretary to report to Congress changes in the enrichment enterprise during a fiscal year which would increase outlays in the plant and capital budget by more than 15 percent above the outlay level governing that fiscal year as represented in the President's budget as changed by Congressional action.

9. Subsection g (2) would require specific Congressional authorization before Fund monies could be obligated for new uranium enrichment capacity or for acquisition of any capital asset which would exceed an amount equivalent to five percent of the total net book value of DOE assets devoted primarily to uranium enrichment.

10. Subsection g(3) would require specific Congressional approval of any modification of obligations authorized pursuant to subsection g(2) when such modification would result in reduction of authorized enrichment capacity.

11. Subsection a of the proposed Section 263 would authorize the Secretary to issue revenue bonds, the proceeds of which would be used for Fund purposes. The Secretary of the Treasury would prescribe the form, denomination, maturities, interest rates and other terms and conditions of the bonds. Bonds could be issued only to such extent or in such amounts as are contained in appropriations acts.

12. Subsection b of the proposed section 263 would provide that the principal and interest on such bonds would be payable solely from the net proceeds of DOE uranium enrichment activities and defines the method by which net proceeds would be determined.

13. Subsection c of the proposed section 263 would require the Secretary of the Treasury to purchase bonds issued by the Secretary pursuant to Section 263. This subsection would also authorize the Secretary of the Treasury to sell any bonds acquired from the Secretary.

14. The proposed section 264 requires the Secretary to report to the Congress by January 1st of each year on the principal activities for the preceding fiscal year of the uranium enrichment fund established by section 262 of this Act and the revenue bonds issued under section 263 of this Act.

15. Subsection b of the proposed section 264 delineates specific items to be contained in the comprehensive annual report outlining the present scope and operation of the Fund along with future projections of the Fund's activities.

16. Subsection c of the proposed section 264 provides that the annual report also include precise information on the current financial status, position, and operation of the

revolving fund, plus a statement of the Fund's assets and liabilities and surpluses or deficits.

ADDITIONAL COSPONSORS

S. 265

At the request of Mr. PERCY, the Senator from Wisconsin (Mr. PROXMIRE), and the Senator from Maine (Mr. COHEN) were added as cosponsors of S. 265, a bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs.

S. 293

At the request of Mr. THURMOND, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 293, a bill to amend the Food Stamp Act of 1977 to prohibit any household from participating in the food stamp program if such household has one or more members on strike as a result of a labor dispute.

SENATE RESOLUTION 20

At the request of Mr. BAKER, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of Senate Resolution 20, a resolution providing for television and radio coverage of proceedings of the Senate.

SENATE RESOLUTION 53—ORIGINAL RESOLUTION AUTHORIZING EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

Mr. THURMOND, from the Committee on the Judiciary, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 53

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraph 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on the Judiciary is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,295,722, of which amount (1) not to exceed $172,490 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $3,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. THURMOND. Mr. President, yesterday the Committee on the Judiciary by a vote of 14 to 0 approved a new budget for the Committee on the Judiciary in the first session of the 97th Congress. The budget is reduced from last year's level by 25 percent or $1,431,097, a significant savings for taxpayers and a decision which I frankly believe will lead to a more effective committee rather than to hardship or lack of resources.

In my judgment, the budget of the Committee on the Judiciary in past years has been excessive. Although the committee handles a large volume of legislation, estimated to be as high as 25 percent of the bills handled by Congress, a staff of excessive size at the committee has tended to create disorganization and confusion so that the goals and desires of the Senators on the committee are often lost in the committee's own overgrown bureaucracy.

I might add that the budget and staff reduction decided yesterday was approved notwithstanding a reorganization of the committee which has created nine new subcommittees to replace seven subcommittees of the committee in the 96th Congress.

Each new subcommittee, however, under the organization plan approved by the committee on Tuesday, January 27, is a subcommittee with a clear area of functional responsibility. These subcommittees will have a major share of the legislative burden on the committee, and they will be fully expected to carry out the tasks for which they are responsible.

Mr. President, I believe that the Committee on the Judiciary has set an excellent example for the other standing committees of the Senate in having voted a 25-percent reduction in the budget. I realize that circumstances differ from committee to committee, but I am hopeful that the example set by the Senators who serve on the Committee on the Judiciary will be acknowledged and followed elsewhere.

SENATE RESOLUTION 54—ORIGINAL RESOLUTION AUTHORIZING EXPENDITURES BY THE SELECT COMMITTEE ON INTELLIGENCE

Mr. GOLDWATER, from the Select Committeee on Intelligence, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 54

Resolved, That in carrying out its powers, duties, and functions under Senate Resolution 400, approved May 19, 1976, in accordance with its jurisdiction under section 3 (a) of such resolution, including holding hearings, reporting such hearings, and making investigations as authorized by section 5 of such resolution, the Select Committee on Intelligence is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,670,000, of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 55—ORIGINAL RESOLUTION AUTHORIZING EXPENDITURES BY THE COMMITTEE ON APPROPRIATIONS

Mr. HATFIELD, from the Committee on Appropriations, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 55

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under Rule XXV of such Rules, including holding hearings, reporting such hearings, and making investigations as authorized by Paragraphs 1 and 8 of Rule XXVI of the Standing Rules of the Senate the Committee on Appropriations is authorized from March 1, 1981 through February 28, 1982 in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the Committee under this resolution shall not exceed $3,791,203.

SEC. 3. The Committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the Committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 56—ORIGINAL RESOLUTION AUTHORIZING EXPENDITURES BY THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE, from the Committee on Energy and Natural Resources, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 56

Resolved, That, in carrying out its powers, duties and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Energy and Natural Resources

is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned with the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,039,259 of which amount not to exceed $10,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 57—ORIGINAL RESOLUTION AUTHORIZING EXPENDITURES BY THE COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH, from the Committee on Governmental Affairs, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 57

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Governmental Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,732,526, of which amount (1) not to exceed $68,725.32 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,500 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee, or any duly authorized subcommittee thereof, is authorized to study or investigate—

(1) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided*, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting their particular branch of the Government;

(2) the extent to which criminal or other improper practices of activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(3) syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawful business enterprise; and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices of activities;

(4) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety;

(5) riots, violent disturbances of the peace, vandalism, civil and criminal disorder, insurrection, the commission of crimes in connection therewith, the immediate and long-standing causes, the extent and effects of such occurrences and crimes, and measures necessary for their immediate and long-range prevention and for the preservation of law and order and to insure domestic tranquility within the United States;

(6) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(A) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(B) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents, and

(C) the adequacy of present intergovernmental relationships between the United States and international organizations principally concerned with national security of which the United States is a member; and

(D) legislative and other proposals to improve these methods, processes, and relationships;

(7) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(A) the collection and dissemination of accurate statistics on fuel demand and supply;

(B) the implementation of effective energy conservation measures;

(C) the pricing of energy in all forms;

(D) coordination of energy programs with State and local government;

(E) control of exports of scarce fuels;

(F) the management of tax, import, pricing, and other policies affecting energy supplies;

(G) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(H) the allocation of fuels in short supply by public and private entities;

(I) the management of energy supplies owned or controlled by the Government;

(J) relations with other oil producing and consuming countries;

(K) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(L) research into the discovery and development of alternative energy supplies;

(8) the efficiency and economy of all branches and functions of government with particular reference to the operations and management of federal regulatory policies and programs.

Provided, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government.

(b) Nothing contained in this section shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946, as amended.

(c) For the purpose of this section the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 1981, through February 28, 1982, is authorized, in its, his, or their discretion (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents, (2) to holding hearings, (3) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate, (4) to administer oaths, and (5) to take testimony, either orally or by sworn statement.

(d) All subpenas, contempt proceedings, and related legal processes of the committee and its subcommittees authorized under Senate Resolution 381 of the 96th Congress, 2d session, including the subpena enforcement and contempt proceeding against William Cammisano, are authorized to continue.

SEC. 4. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 5. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Committee on Energy and Natural Resources on the nomination of Donald P. Hodel to be Under Secretary of the Interior.

The nomination hearing is scheduled for Thursday, February 5, 1981, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3106, Dirksen Senate Office Building, Washington, D.C. For further information regarding the hearings, you may wish to contact Mr. Tony Bevinetto at 224-5161.

ADDITIONAL STATEMENTS

THE CASE FOR DECONTROL OF NATURAL GAS

● Mr. HELMS. Mr. President, earlier this week, my good friend, M. C. Newsome of Roanoke Rapids, N.C., stopped by to discuss energy issues. What he proposed made sense: Inasmuch as President Reagan has deregulated gasoline and crude oil, he ought now to do the same for natural gas. As the President has indicated, it is time to look beyond the trees to the forest—to look beyond a short-term increase in price to the consumer to the necessity of encouraging more free enterprise activities in exploration and research.

Mr. President, M. C. Newsome and I agreed that he was "preaching to the choir" by lobbying me for less Government intervention. He and I both know that the energy industry has been manipulated to the point that we have a mass of confused and conflicting regulatory requirements discouraging private investment. Let us "bite the bullet" now while we still are able, and deregulate natural gas.

M. C. Newsome and I are not alone in suggesting that the President take this action. In the January 24 edition of the National Journal, Richard Jakmas offers some very cogent reasons for immediate decontrol. Senators may benefit from this perspective on the issue. I, therefore, ask that this article be printed in the RECORD at the conclusion of my remarks.

The article follows:

TOWARD HARMONIZING ENERGY AND ECONOMIC POLICY: DEREGULATE OIL AND NATURAL GAS PRICES NOW

(By Richard Jakmas)

The curtain is rising on a new act in the drama of energy politics. Voices on stage and off are demanding that, as one of its first acts, the Reagan Administration lift controls on crude oil and gasoline prices. Swift action, they reason, would be cheaper for consumers in the long run and sounder for the economy, particularly if world oil prices spiral upward again. Should that occur, the gap between the composite U.S. oil price and the world price—now $3.50 a barrel—would widen still further, setting the stage for an economic shock when controls expire next September.

For the new administration to ignore that advice would be folly. But to heed that wise advice and ignore the opportunity to lift existing controls on natural gas at the same time would be an even greater folly. To deregulate oil and natural gas simultaneously would signify that the new administration is serious about sweeping away impediments to economic growth and greater energy independence. Not to do so would signify a return to the piecemeal energy and economic policies of the last three administrations and provide no solution to a decade of economic stress.

Ever since world oil prices exploded suddenly in 1973, the government's feverish attempt to regulate the economy out of the "energy crisis" with one iron hand while trying to offset the inflationary impact of those policies with the other, has failed. Contradictory policies have tied the economy up in knots and sent confusing signals to consumers.

The consequences of energy regulations must be noted. They have failed to provide equal access to limited supplies or to assure the competitiveness of small businesses in the energy industry or provide lower costs to consumers. Yet their collective purpose, beginning in 1971, was just the reverse.

It is now generally accepted, for example, that the long gasoline lines of 1979 were attributable more to complex, onerous federal allocation regulations than to any other single factor. Furthermore, the regulations that kept domestic oil prices below the world price had the unintended consequence of encouraging oil consumption in general and foreign imports in particular.

In addition to those who argue for oil decontrol on the basis of free enterprise, there are others with an equally compelling case: Deregulation now will cost consumers less than it would when controls are lifted next September, the schedule the new administration has inherited.

Recognizing the fact that competitive pressures created by current, relatively stable supply conditions are keeping prices below the legal ceiling, Robert Stobaugh and Daniel Yergin, co-editors of the revised Energy Future: Report of the Energy Project at the Harvard Business School, argue that under gradual decontrol, the composite (domestic and imported) barrel price would rise gradually until it reaches decontrolled levels, about 22 cents a gallon higher than today if OPEC doesn't raise its prices. Of that 22 cents, 10 cents would be due to the recent OPEC price boost and 12 cents due to decontrol. With immediate decontrol, on the other hand, the 12 cent per gallon increase would occur quickly.

As a result, consumers would actually save money since the price increase would help reduce U.S. imports during the interim period, easing pressure on the world oil market and reducing the likelihood of a continued increase in world oil prices.

The case for oil decontrol is a powerful one, but the case for deregulating natural gas is stronger still. If natural gas is not immediately decontrolled, it may never be possible to deregulate it without causing catastrophic economic effects. Closing the gap between the U.S. oil price and the world price is difficult enough, but postponing the decision day for natural gas is tantamount to participating in the creation of an economic nightmare we know will come true. Failure to act in tandem on oil and gas pricing will mean that the new administration will have denied itself the chance to develop a truly consistent energy policy in harmony with economic policy. To act in tandem would mean that for the first time the U.S. would have a consistent policy that efficiently uses U.S. energy resources at their real price.

The goal of the Natural Gas Policy Act (NGPA), passed by Congress two years ago, was to gradually decontrol the price of natural gas and provide producers with new incentives to increase gas supplies.

It is stipulated in that Act that newly discovered gas and new onshore production wells are to be deregulated by 1985, whereas "old" gas will remain under controls for an indefinite period with price rises held to the rate of inflation.

The initial response to the passage of the NGPA was encouraging. In 1979, natural gas drilling activity increased by 12.4 per cent over its 1978 level. However, that initial growth in activity has now tapered off to well below the rate experts say is required.

In contrast, oil drilling activity has increased sharply. This "tilt" to oil drilling is generally attributed to the incentive offered by decontrolled crude oil prices. Although the NGPA aimed to gradually achieve natural gas price parity with alternative fuels, world conditions have caused the price of oil to increase far more than anticipated. Thus, the price of natural gas is still not offering incentives adequate to encourage producers to drill more wells. Resource development capital is being invested in more profitable oil production.

According to Dr. Edward Erickson of North Carolina State University, "Because success ratios for both exploration and development drilling may fall as drilling activity becomes more intensive, the rate of increase in total drilling may have to exceed 12 percent per year by a considerable margin in order to allow the target of 26,000 successful gas wells to be reached in 1985. It is a matter of concern whether the gas prices and category definitions in the NGPA will continue to permit rates of increase in drilling activity of this order of magnitude for duration of NGPA ceiling price controls upon new gas prices."

Simply put, accelerated drilling increases yielding natural gas reserve additions that exceed current production levels are unlikely to occur without immediate deregulation.

And the passage of the NGPA has not reversed the 10-year decline in proven reserves of natural gas. In 1971, proven natural gas reserves in the United States were estimated to be 278 trillion cubic feet.

By 1978, they had fallen to 200 trillion cubic feet. And as of June 1980, the Department of Energy reports natural gas reserves were down to 195 trillion cubic feet. Thus, the statistics clearly suggest that the U.S. is still consuming gas faster than it is being replaced.

Supplemental sources of natural gas, including imported natural gas, are being tapped as a hedge against depleting domestic reserves. The Department of Energy projects that imported natural gas (not including imports from Mexico) will constitute 20 percent of total interstate natural gas supplies by 1983. Recognizing the increasing demand for imported natural gas, exporting countries are raising the price of that gas in line with the world price of oil.

Another facet of the NGPA requires industrial customers to bear much of the burden of steadily increasing prices. The consequences of this requirement raise the prospect of a loss of this vitally necessary market, but extend beyond it as well.

When industry is forced to subsidize the residential sector, necessary conservation efforts are discouraged, and the increased costs industrial customers pay for are passed on to consumers in the price of finished products. In fact, heating oil and electric users (depending upon the type of generation) also subsidize the residential natural gas user by paying for finished products.

Vigorous marketing efforts by the natural gas industry to attract more residential customers, primarily based on artificially suppressed natural gas prices, have been effective. But they have not assured consumer equity, nor brought us any closer to achieving a balanced energy program to insure economic growth. The increased demand for natural gas from the residential sector forces other energy suppliers to reduce net profits to a level insufficient to meet the capital needs necessary for growth.

To be sure, natural gas deregulation is an admittedly more complex endeavor than decontrol of oil but it is no less necessary. Total decontrol of the entire energy industry will at last bring about free enterprise, the only way to enhance our supplies of domestic energy resources, and discourage wasteful consumption.

If natural gas is not immediately decontrolled, it may never be. The principal argument offered by opponents is that it would have an inflationary impact on consumers. What they overlook, however, is the explosive leap natural gas prices would have to take to achieve parity in 1985. If the new administration and the new Congress allow this opportunity to be lost, it may never come their way again. Deregulation now will ease the price impact on natural gas users over the long run, while at the same time assuring the necessary incentives for exploration and development of new sources.●

FACING UP TO THE HARD FACTS OF INFLATION

● Mr. HATCH. Mr. President, David Rockefeller will soon be retiring as chairman of the Chase Manhattan Bank. In recent months, Mr. Rockefeller has chosen to speak out repeatedly on the state of our economy and specifically on inflation.

As chairman of one of the leading financial institutions in our economy, Mr. Rockefeller has been in an excellent position to observe the devastating effects of inflation on households, consumers, and businesses alike. In the corporate sector of the economy, inflation has been the single biggest cause of weakening corporate profits. What profits do exist are more illusory than real—illusory to everyone except the Federal Government which continues to tax these so-called "profits" even though the capital base necessary to increase productivity and improve efficiency is not being built.

One of President Reagan's top priorities, as he has stated, is to get America back to work again. This will include an easing of the burden which the Federal Government currently imposes on businesses both small and large alike. This program will also include a restructuring of our tax system to encourage more saving. These additional savings will be channeled to capital starved units in the economy where they will find optimal use. Additional incentives to business to reinvest and expand will be created and implemented.

Mr. Rockefeller correctly asserts that the major cause of this inflationary spiral has been excessive Government spending. To solve the inflation facing us today, we will have to rely on the genius of American business to create jobs for the unemployed, increase the level of innovative technology which will be stimulated by competitive forces, and—with a prudent fiscal policy—produce enough goods to support the existing supply of money. All of this will serve to enlarge the total economy and bring inflation within reasonable bounds.

Mr. Rockefeller's views are incisive and are backed up by years of experience in the banking industry. I commend them to my colleagues and ask that Mr. Rockefeller's address entitled "Facing Up to the Hard Facts of Inflation" be printed in the RECORD.

The address follows:

FACING UP TO THE HARD FACTS OF INFLATION

A MUNDANE AND PERVASIVE REALITY

As always, I feel it is a special honor—even a spiritual homecoming—to address the American Bankers Association. I have been a banker now nearly 35 years, and there is no audience before which I feel so comfortable—and compatible.

It is a particular honor to be asked to speak to this distinguished group just two years after my first keynote address before you. On that occasion, I said—and I quote—"our economic problems are complex and not easily solved. But in my view, we cannot even begin to get at these problems unless we first attack one insidious root cause—namely government deficit spending and through it, that curse to all humanity—inflation."

Well, I guess the ABA feels that if at first you don't succeed, try, try again. Because here I am, back once more, with the same message and even greater urgency. During the last two years, inflation has continued to surge, and deficits have continued to grow. Productivity has continued to deteriorate, and personal savings—a vital source of future productivity growth and a crucial bastion against inflation—have shrivelled to the lowest level in recent history . . . and to the lowest rate of increase in the free world.

There is no question that we face an inflation crisis of worldwide reach and profound ramifications in the United States. Nonetheless, discussions of this crisis all too often drift off into metaphor, without first driving home the specific character and consequences of the problem. Inflation is compared to a "mythical dragon" that devours our substance; or "obesity," an effect of excessive consumption; or a "fire," as in the common warning not to fuel its flames. Or inflation is seen as a problem of the aerodynamics of money: the economy viewed as an airplane that has to be brought down safely, avoiding two extremes—either a crash landing or a runaway into an orbit of hyperinflation.

All these metaphors are vivid and alarming, particularly in combination: "an obese and blazing airborne dragon." But such images leave the audience more frightened than informed. Inflation is not a U.F.O. It is a mundane and pervasive reality that should be carefully considered in view of its effects and causes, its nature and its remedy.

Notice I mentioned its effects before its causes. That is because inflation is so often defined by its effects—namely rising prices—that many people have come to believe that rising prices are both the cause and the effect.

EDUCATING A MISINFORMED PUBLIC

A recent study of the coverage of inflation on television news programs found that 80 percent of the reports deal with the problem only as a matter of price hikes or wage increases. The public then learns to see inflation as something done by the private sector: businesses lifting prices and pulling in higher profits; workers demanding raises; bankers asking higher interest rates. The government is left altogether out, which is somewhat like giving a performance of Hamlet without the moody Danish prince—in this case the moody American Administration, Congress, and Federal Reserve Board. For inflation, as every banker knows, is a decline in the value of money—and only government has the power to debase the currency by creating too much of it.

Nonetheless, erratically rising prices are indeed a key facet of inflation and an index of its destructive effects. The effect on the poor is particularly grievous. The goods and services consumed by a family living on a low budget cost just under $7,000 in 1970. Today, they cost nearly $12,600. And at the inflation rate of the last five years, this budget will be over $24,000 by 1990.

The food budget of an average family of four has risen from $59 a week in 1970 to $122 today.

This family can no longer afford a new house. A house that cost $29,000 to buy in 1970 would cost about $75,000 today. At the recent rate of inflation, the price of an identical house will be $131,000 just five years from now—and $231,000 by 1990.

The insidious impact of inflation cuts across our entire society. For example, the fastest growing population group is the one between 25 and 34 years of age: the period when most people marry and have their first children. According to the Department of Labor, such a family will have to double its real income in 10 years, even to maintain its standard of living as it moves from being a family of two to becoming a family of four.

Older people also suffer from inflation. Even though social security payments are tied to the Consumer Price Index, social security, on the average, amounts to just one-third of the incomes of the elderly. The elderly also hold approximately one-third of the nation's personal savings, and inflation has been destroying these savings at a rate of more than 10 percent a year—or an estimated $30 billion in 1979 alone. The sad fact is that when the government gives the elderly with one hand, it takes away with the other.

Some analysts of inflation—and demagogic politicians—try to divide the American people by blaming the problem on one group or another in the private sector: whether profiteering capitalists or greedy workers or grasping lobbies or even interest-gouging bankers.

Such explanations may be politically appealing. But to speak of a "wage-price spiral" and blame it on either wages or prices misses the point. Wages after all are simply the price of labor. What we really have is a "price-price spiral." Even interest rates can be considered the price of money, and the greater part of them now consists of an inflation premium based on expectations of inflation.

THE MOST ONEROUS COST OF ALL

And there is one further price—or more accurately, cost—that is the most onerous of all. Over the last decade, this cost has risen faster than the cost of food or the cost of housing, faster than wages and infinitely faster than profits. You might think that I am speaking of the cost of energy. Well, I am not. The fastest rising cost in the American economy over the past 15 years is neither the cost of haircuts nor mortgages nor any of the other goods and services in the Consumer Price Index. It is the cost of government—federal, state and local—paid for through our systemic taxation.

Between 1975 and 1979, the Federal tax bill for all American families increased more than eight times as much as their fuel bill. During those years, personal consumption expenditures on gas and oil rose 65 percent, or by a total of more than $25 billion. Total personal taxes at the Federal level rose by $211 billion, or 78 percent, and total taxes at all levels rose by $303 billion.

To put it bluntly, the root of our current inflationary crisis is clearly the soaring price of government.

Yet this fact does not appear obvious to everyone. The monetarists among us have another explanation. They say inflation is a

monetary phenomenon. We all know that if the supply of money increases more rapidly than supplies of goods and services, prices are likely to rise. The Federal Reserve has permitted this to happen. But a nagging question remains. Why has the supply of money in our country increased as much as it has—enough to fuel a rising inflation? Is it because our Federal Reserve is weak and supine, derelict in its duty to manage the money supply? Or are the reasons more complex?

I think the latter. In the end, in fact, the answer lies at the very heart of the socio-political process.

We don't have to search far and wide for the instigator of much of the increase in the money supply. It rests in the huge rise in government spending. As a nation, we have been unwilling to couple this increase in government claims on our economy with an equivalent reduction in private spending. Instead, we have countenanced a steady stream of government deficits. For 19 of the past 20 years, the Federal budget has been in deficit, with the total exceeding $400 billion. Add to this another $300 billion, representing borrowing and loan guarantees by over 150 Federal credit agencies, and it should be no mystery why our nation has experienced an inflationary increase in its money supply.

WE ARE ALL TO BLAME

There are those who still contend that the Federal Reserve, like the Dutch boy with his finger in the dike, could have held back this monetary flood. Technically, this could have been possible. And yet, to do so would have been to fly in the face of what appeared to be the expressed will of the people. Budget deficits first ballooned as a result of the Vietnam War. They were compounded by the host of social programs that fell under the name of The Great Society—many of which were worthy in themselves, but which frequently were entered into with no understanding of future costs. Over the past decade, Federal outlays for education, health, social security and other benefits increased by $270 billion. And they now account for more than 60 percent of the total budget. Moreover, these outlays have gained the name "entitlements" and many have come to be indexed to inflation—so costs rise automatically.

These programs were all authorized by elected representatives of the people—who frequently promised that such programs would be enacted. That is why I say, in the end, inflation is the result of the socio-political process. It is not this group or that group that is to blame. All of us, collectively, are responsible.

It is popular these days and appropriate to analyze inflation and its cure in terms of demand side and supply elements. Clearly, the Federal budget is the outstanding culprit on the demand side.

A top priority of the new Congress therefore must be a more effective control over expenditures.

There is much to be said for further changes in the budget-making process—building on the reforms in the Budget Control Act of 1974—that would force Congress to control expenditures more effectively. One possibility would require any deficit to be approved by more than a simple majority vote—perhaps by two-thirds or more. Alternatively, a similar vote might be required to approve any appropriations bill. Or the President might be authorized to withhold expenditures that Congress has authorized, unless his decision is overridden by 60 percent of the Congress. Such changes merit serious consideration by both the Administration and the Congress.

REFORM IN THE "ENTITLEMENTS"

At the same time, we must recognize that no effective control over expenses is possible without action on the so-called entitlements. Standards for some of these programs could be tightened without creating hardship for genuinely needy recipients. Moreover, the practice and method of indexing many of these benefits to inflation should be scrutinized carefully. Certainly upward adjustments for inflation need to be made for social security and other purpose. But I am opposed to using the Consumer Price Index as the inflation barometer for such purposes. Perhaps a more reasonable and more equitable measure would be the average increase in hourly wages. If this lagged somewhat behind the rate of inflation, both active workers and the retired would share the burden of adjustment during periods of rapid inflation. This approach would also permit retired people to share in the real growth of our economy once we got inflation under control.

While we as bankers should support efforts to bring the money supply under control, all the moral support in the world will be insufficient to ensure a sound monetary policy if Federal spending is allowed perpetually to expand beyond the willingness of the public to foot the bill.

Much of our tax system is also geared to the promotion of demand. In particular, capital gains taxes discourage saving. So too does the personal income tax. In both cases, income is taxed even if it is entirely lost to inflation. The tax system does not quite order us to spend rather than save. But an abysmal national record of saving indicates than more and more Americans are getting the point anyway.

While the government has promoted consumption, it has also been busy discouraging supply. If inflation can be roughly summed up as too much money chasing too few goods, a relative decline in production is as inflationary as a relative increase in money.

Inflation has made a travesty of reported corporate profits. American industry was reported to enjoy before-tax profits of close to $240 billion in 1979. A quarter of that amount represented under depreciation of assets and appreciation of inventory. These profits, of course, are not real; capital must be available to replace them. But the supposed gains are taxed anyway—and the capital available to expand production and improve efficiency accordingly erodes—a process that goes on year after year.

REGULATORY REFORMS/SUPPLY-SIDE TAX CUTS

Environmental, health, safety and other regulations proliferate. They not only add directly to costs, and, therefore prices, but they also preempt billions in capital that otherwise might be productive.

Small wonder that the United States trails most of the major industrial nations in the share of output devoted to capital investment. Even less wonder that it trails in improving productivity and thus raising its standard of living.

A meaningful program to restrain inflation must emphasize an aggressive array of regulatory reforms and judicious supply-side tax cuts.

Many regulations—in the environmental, civil rights, and other areas—are useful and necessary. But too many regulations, issued too rapidly and thoughtlessly, in ever greater complexity, defeat their every purpose, except perhaps the enlargement of governmental power. A crucial mandate is to prune the forest of rules and let the economy grow.

Equally important is a prudent program of tax cuts for corporations and individuals. The initial purpose of supply side tax cuts is to counteract the damage already inflicted on America's corporations by the vicious interplay of inflation and taxes. While there is still some disagreement on the form that depreciation reform should take, there is now gratifying agreement that it has top priority in tax reform—that we must increase, and increase dramatically, the speed at which new plant and equipment can be written off. We should also implement a judicious program of income tax cuts that will ultimately encourage personal savings.

Special assistance for R&D also is justified because its benefits spread far beyond the company pursuing it. Otto Eckstein of Data Resources has concluded that supply side tax reforms designed to enhance productivity can be an effective instrument in overcoming inflation. In a report for the Joint Economic Committee, he presented empirical evidence of a multiplier effect in the relationship between productivity and inflation. Each sustained increase of one percent in productivity growth can bring a two percent reduction in the rate of inflation.

In the long run, innovation is perhaps the economy's most potent force for lower prices. Between 1950 and 1974, for example, high technology companies grew about twice as fast as the rest of the economy, while their prices grew only one-sixth as fast. In general, throughout the economy, the companies with the highest profits are those that can use earnings most productively in reducing the costs of the entire system.

CRITICAL ROLE OF THE COMMUNITY BANKER

Let me conclude on this note.

As bankers, you and I—and particularly you—must spread the word to all of those with whom we come in contact—our customers, our neighbors, the media, and politicians alike. We must convince our constituents that inflation, once and for all, must be brought under control. You in this audience carry considerable clout in your local communities. I would urge you to use it—to demand an end to the debauchery of the money of the American people and the betrayal of their trust.

The key truth we must communicate, the crucial fact we must face is that unless we halt the irresponsible growth of government spending—we will fail in all our other goals.

It is that simple and also that painful.

We are talking about programs that involve literally millions of Americans. The growth of such programs over the past 40 years is a great tribute to the generosity of the American people—and no major politician or other American leader, least of all myself—wishes to have these programs repealed.

But I would not be honest with you if I did not say something else: the headlong expansion of government benefits, if it continues, will make it impossible for us to control inflation, or restore healthy economic growth or provide adequately for the national defense. The burden of government benefits on the productive economy must first be reduced, and future increases must be no greater than can be soundly supported by growth in the private economy.

BUSINESS GROWTH HOLDS THE KEY

We have reached the end of the line. The growth of social programs can no longer exceed the growth of the businesses on which they finally depend.

That is the bottom line.

But there is also a line of hope. For the best way to reduce the burden on all Americans is to enlarge the total economy and to give the poor and the unemployed opportunities for real jobs. And that can be done if we have faith in the future of freedom. We can never surely predict what is to come. But we can be sure that any trial or difficulty can be overcome by the American people, if their leaders trust them to be free.

By relieving our workers and entrepreneurs of the burdens of inflation and controls, we can release the most powerful energies in the history of the globe—the energies that transformed a wilderness into the worlds' most productive economy. We face problems today. We confront limits. But if we remember our past, we can gain inspiration for our future. We can understand that our current limits and problems are merely our newest frontier.

In my own lifetime, I have seen America triumph over crises of depression and war far more desperate than our current plight. Provided we keep our trust with the American people—and maintain our faith in God and in freedom—I am confident we can prevail over the curse of inflation that afflicts us today.●

THE REVEREND EDWARD L. R. ELSON, CHAPLAIN, U.S. SENATE

● Mr. INOUYE. Mr. President, recently, Chaplain Elson was recognized for his 50 years of service as a chaplain. This alone is a remarkable feat for any one individual. But, Chaplain Elson is also a remarkable man of God who has become a close friend and confidante of many U.S. Senators in his efforts to bring his fellow man closer to Almighty God. Chaplain Elson's life has been characterized by his service to mankind. He has served Presidents, Cabinet members, the military, and for the past 12 years we here in the U.S. Senate.

We have been particularly honored to have this man of God with us and assisting us in establishing a moral code in our quest to glorify the dignity of mankind. Chaplain Elson's marvelous efforts will long be remembered by his many close friends and admirers. Words cannot adequately explain a chaplain's devotion to his fellow man that expands over half a century. Perhaps, Calvin Coolidge's words best describe Chaplain Elson's efforts when he said:

It is only when men begin to worship that they begin to grow.

In my view, Chaplain Elson has caused innumerable men to grow and thereby become closer to God. A finer tribute cannot be paid to a man of God and a friend.●

ANNIVERSARY OF SRI LANKA INDEPENDENCE

● Mr. INOUYE. Mr. President, February 4, 1981, is the 33d anniversary of the regaining of independence by Sri Lanka, formerly Ceylon, from Great Britain, the last of the three countries which colonized her over the past four centuries. The year 1981 also holds special significance for Sri Lanka, in that it marks the 50th anniversary of the granting of universal adult suffrage for national elections. Universal adult franchise has long existed in Sri Lanka at the local level, but in 1931 the first national level election based on universal adult suffrage was held, and since that time all elections have been held on that basis.

Sri Lanka has made noteworthy gains since independence in developing and strengthening its democratic political institutions and practices. The people of Sri Lanka have created and nurtured a political system founded solidly upon democratic principles. On February 4, 1978, the 30th anniversary of Sri Lanka's independence, a new constitution was promulgated, which adapted constitutional practices developed in the United States, Great Britain, and France to the aspirations and needs of Sri Lanka and her people. A strict separation of powers between the legislature, the judiciary, and the executive is observed, with the sovereignty of the people exercised through a parliament, which is declared to be supreme.

The new constitution guarantees and protects the fundamental rights and insures the equal opportunity of all of Sri Lanka's citizens. Sri Lanka is an extremely heterogenous nation, ethnically and religiously. The rights of all her people are declared and preserved in a chapter in the new constitution which contains all 30 clauses of the Universal Declaration of Human Rights of the United Nations.

Sri Lanka has attempted to consolidate the gains made in political development, enhance the quality of life of her people, foster human rights, and enrich and stabilize her political institutions by creating substantial economic opportunity for her people. Sri Lanka has endeavored since 1948 to carry out a policy of economic progress through providing for the basic needs of her people and by stimulating economic growth. His Excellency J. R. Jayewardene, the First Executive President of Sri Lanka, who came into power in 1977, has made a major commitment in his government's program to economic development.

The dual basis of the economic development program is to promote agricultural self-sufficiency and the generation of adequate electrical power, and to attract foreign investment for industrial development. Sri Lanka is accomplishing the later through the creation of free trade zones.

The free trade zones, made more attractive by a combination of tax and other incentives and the availability of a complete infrastructure, has drawn 130 industrial ventures from 25 countries. Motorola has recently established a factory for the assembly and testing of semiconductor devices. Eleven new foreign banks and credit companies, including four from the United States, were attracted to Sri Lanka from 1978 to 1980.

These efforts toward economic development have resulted in significant successes, and have helped to build a healthy, literate, and educated populace. The average life expectancy of a male is 64 years, and for a female it is 67 years. The literacy rate is a very high 88 percent. It is a testament to these efforts that the quality of life is highly rated, and has been measured at 83 on a scale of 100.

In her relations with the world community, Sri Lanka has strictly adhered to a policy of nonalinement, and based her actions on the principles established in the United Nations Charter. Sri Lanka has consistently attempted to operate within this framework, and has endeavored to promote reconciliation among nations, the peaceful resolution of disputes, and an international atmosphere of cooperation where nations of diverse views and desires can work together toward the betterment of the condition of all the world's nations and peoples, especially the poorest among them.

I wish to commend the people and Government of Sri Lanka for their admirable progress in economic development, and for the vigorous commitment with which they have developed and enhanced democratic institutions. The vitality of the nation of Sri Lanka is a tribute to the strength of the principles upon which that modern nation, and our own, were founded.●

THE DEPARTURE OF REVEREND ELSON

● Mr. BURDICK. Mr. President, we who serve in the Senate represent people, and are ourselves personally, from many diverse faiths. However, within the framework of those differences we find ourselves united in our acknowledgement that we labor in vain unless we do so in harmony with the principles deriving from our beliefs. Fallible human beings as we are and humble, as we ought, we occasionally fail in this higher vision. We often require a guiding hand to help point our way toward those goals. It has been a distinct comfort during my years of service here to know that Reverend Elson would always be at hand to fulfill that role. His sincerity and eloquence will be remembered with deepest appreciation by all of us I am sure. I join with my colleagues on this day of valediction to wish Reverend Elson a long life full of many blessings.●

HOUSE OF REPRESENTATIVES—*Friday, January 30, 1981*

The House met at 11 a.m. and was called to order by the Speaker pro tempore (Mr. ALEXANDER).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 29, 1981.

I hereby designate the Honorable BILL ALEXANDER to act as Speaker pro tempore on Friday, January 30, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

During the days of thanksgiving, let us pray in the words of the 100th Psalm:

Make a joyful noise to the Lord, all the lands! Serve the Lord with gladness! Come into His presence with singing! Know that the Lord is God! It is He that made us, and we are His; we are His people, and the sheep of His pasture.

Enter His gates with thanksgiving, and His courts with praise, give thanks to Him, bless His name! For the Lord is good; His steadfast love endures forever, and His faithfulness to all generations.

Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 29, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House received in the Clerk's Office at 4:14 p.m. on Thursday, January 29, 1981 and said to contain a message from the President wherein he transmits the fourth special message for FY 1981 under the Impoundment Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

PROPOSAL TO RESCIND $1.5 MILLION APPROPRIATED FOR COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-16)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a proposal to rescind $1.5 million in funds appropriated for the Council on Wage and Price Stability. The details of this rescission proposal are contained in the attached report.

RONALD REAGAN.

THE WHITE HOUSE, *January 29, 1981.*

A MONDAY HOLIDAY FOR MARTIN LUTHER KING, JR.

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, today I am introducing legislation to establish the third Monday in January as a legal public holiday in memory of the late Rev. Martin Luther King, Jr.

Mr. Speaker, designation of this great black civil rights leader's birthday as a holiday is receiving widespread support in our Nation—with the result that many communities and States have already established Reverend King's birthday as a legal holiday.

Designation of the third Monday in January would be consistent with the concept of the Monday holiday bill, of which I was the principal sponsor in 1968. As a result of the passage of this bill, the celebration of the birthday of George Washington was established as the third Monday in February, the celebration of Columbus Day was established as the second Monday in October, and Memorial Day was designated as the last Monday in May.

Mr. Speaker, as I have stated on other occasions, there are numerous other Americans who are beloved and who are deserving of the devotion and honor of our citizens. However, in the recognition which this legislation would provide for the late Rev. Martin Luther King, Jr., we would be giving a special tribute to a black American, whom like many other black leaders, our Nation has been privileged to know.

By designating Reverend King's birthday on a Monday, the question of economic loss and inconvenience which are created by holidays that fall during the week would be diminished and the weekend leading up to the third Monday in January would provide an appropriate period of time for preparing for a birthday celebration consistent with Reverend King's greatness as a citizen, his contribution to our American society, and as a commemoration of his martyrdom at the hands of an assassin.

Mr. Speaker, as I recall, when this legislation was considered earlier, the principal sponsors acquiesced in the amendment which I offered at that time to designate the third Monday in January as the legal holiday for the celebration of Reverend King's birthday. Accordingly, I would hope and expect that similar support would be provided this year.

NATIONAL ENDOWMENT FOR THE HUMANITIES

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, Cicero called Aristotle a river of flowing gold. If Cicero were alive and operating in the Nation's Capital, he unquestionably would discover a rich golden alternative to Aristotle. It is the National Endowment for the Humanities.

Obviously and forensically, I make no attempt to speak for Cicero, but I rather imagine he would have laughed all the way to the Forum, if he could have foreseen that his B.C. wit would be the subject of a 20th-century Federal grant. Fortunately or unfortunately, depending upon your point of view, we soon may have some definitive answers from the French Department of the University of Illinois. The department has been awarded a grant

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

of up to $22,000 to provide a fellowship for the study of Cicero's jokes in Renaissance France and Italy. I wonder if the joke is not really on us.

Of course, if we have any reservations about coming out on the short end of that deal the National Endowment for the Humanities already is a step ahead of us. It has awarded a $22,000 outright grant for a fellowship which will concentrate on "Origins of the Doctrine of Unequal Exchange."

I must confess to a sentimental interest in another $22,000 outright grant. It was awarded for a fellowship which will study "The Folk Rituals of Birth, Marriage and Death Among Urban Polish-Americans."

In reviewing the recent list of grants approved by the National Endowment for the Humanities, I was left with a song in my heart. It was indeed heart warming to learn another grant of up to $22,000 will be available for a fellowship which will focus on "An Ethnomusicological Study of the Harp Traditions of Uganda."

Are you listening, Idi Amin, wherever you are?

PRISONERS OF CONSCIENCE

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I would like to bring to the attention of the House and the attention of the wider world a resolution that came to me from a major city in my home State concerning the Ukrainian Republic. I think it is appropriate that we should remember that this was, for a time, an independent state swept up in the new empire that is called the Soviet Union, together with the Baltic States which also were independent but were traded between Nazi Germany in the treaty signed by Molotov of the Soviet Union and Ribbentrop for Nazi Germany.

But I would also like to bring to the attention of this body the fate of those in Czechoslovakia who are suffering, specifically Mr. Battek, Rudolf Battek, a prisoner of conscience, and also the fate of Vaclav Havel. How is it that these people can be taken for nothing more than a very short statement of dissent that their country is not following as it should? I hope that the Czechoslovak regime will reconsider their imprisonment.

RESOLUTION INTRODUCED PROVIDING FOR REVIEW OF AGREEMENT BETWEEN UNITED STATES AND IRAN REGARDING RELEASE OF HOSTAGES

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, today I am introducing a resolution which provides that the U.S. agreement with Iran for the release of the 52 American hostages cannot be implemented unless approved by both Houses of Congress.

There are many legal questions surrounding the United States-Iranian agreement which must be resolved. One major legal problem is whether or not the President of the United States has the right to override court orders which protect an American citizen's property.

It is my belief that congressional action is needed in order to resolve the more than 300 claims which American businesses have filed against the Iranian Government. In addition, the agreement prevents the former hostages from filing suit against Iran for the loss of their property. However, the agreement does not prevent the hostages from suing the American Government for these losses.

I believe the former hostages deserve compensation for any loss of property they incurred due to the takeover of the U.S. Embassy in Tehran. This compensation should not come from the American taxpayers, but instead, it should come from the Iranian assets that were frozen in this country.

Most Americans believe that we are not obligated by international law to carry out an agreement which was the result of ransom and a criminal violation of international law. I believe that before any claims are issued to the Iranian Government, Congress and the American people should have the right to review each term in the agreement.

ADJOURNMENT TO MONDAY, FEBRUARY 2, 1981

Mr. DYSON. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

□ 1110

TRIBUTE TO EMANUEL CELLER

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, it is with profound sadness that I rise to express my condolences upon the death of Emanuel Celler.

While I did not have the privilege of serving in this body with Manny Celler, I am very familiar with his tremendous efforts in obtaining passage of the landmark civil rights legislation of the midsixties. For part of that time, I was a legislative assistant to Senator Tom Kuchel, who also played an important role in the passage of that legislation. Senator Kuchel had great admiration for Mr. Celler, and it was clear to those of us working in the other body that none of that legislation would have made it through Congress without the round-the-clock work of Manny Celler.

Mr. Speaker, Manny Celler spent 50 years in the House of Representatives—half a century. Many of us today find it difficult to imagine committing 20 or 30 years of our lives to the House of Representatives, let alone 50. But Manny Celler had enough feeling for this body and for making our country a better place for all of its citizens to stay here long enough to make a truly lasting contribution.

The United States owes a debt of gratitude to Manny Celler that it will never be able to repay. But his family should know that he will always be remembered as one of the enlightened Members of Congress who helped to bring this Nation into the 20th century by reaffirming the notion of racial equality. Let us pray for a time when we do not need a Manny Celler to remind us of the need to guarantee fundamental human rights.

TRIBUTE TO MRS. ELMARIE DYKE, "MRS. PACIFIC GROVE"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, it is with great sadness that I rise to tell my colleagues of the death of Mrs. Elmarie Dyke, a lifetime resident of California and a citizen of my district who made tremendous contributions to the well-being of her community and the surrounding area.

Elmarie Dyke was known as Mrs. Pacific Grove, but in 1978 she was named "Citizen of the Year" by the Monterey Peninsula Chamber of Commerce. While she lived in one town, her work and her influence spread far beyond its environs.

Mrs. Dyke was the first woman member of the Pacific Grove City Council, and she also served as president of the Pacific Grove Retreat Association. In the 1930's, she helped found the Monterey Peninsula Concert Association. Then, during World War II, she chaired the Red Cross blood donor program in Monterey County and served as women's civil defense director in Pacific Grove.

In addition to these accomplishments, Mrs. Dyke was a founder of the Pacific Grove Chamber of Commerce, a State vice president of the California School Supervisors Association, secre-

79-059 O — 84 —— 87 (Vol. 127 Pt. 1)

tary of the Monterey Peninsula Society for Crippled Children, and director of the Pacific Grove Boosters. She also served as president of the Pacific Grove Business & Professional Women's Club and of the Wesleyan Service Guild of the Pacific Grove Methodist Church.

Mrs. Dyke was undoubtedly one of the great leaders of her community. But it is also worth mentioning that whatever Mrs. Dyke did, she did with style. It is said that she shocked some residents of Sutter Creek back in 1915 by taking a ride in an open-cockpit airplane, and in the 1920's, she could not teach in the Pacific Grove schools because of her bobbed hair.

Indeed, she was not afraid to stand against the tide. Mrs. Dyke was the leader of forces that kept Pacific Grove dry until 1968, and her daily radio program always bore the mark of her own individualism.

When Elmarie Dyke died earlier this month, she was 84 years old. She was a dear friend to me and my wife Sylvia. She always recalled my playing the piano as a young boy and always was supportive of the peninsula's own. She led a long eventful life, and we on the Monterey Peninsula will never forget her. I would like to take this opportunity to express my condolences to her family. I do not think we will see anyone quite like Elmarie Dyke ever again.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DYSON), to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ for 15 minutes, today.
Mr. ANNUNZIO for 5 minutes, today.
Mr. PANETTA for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GRISHAM) and to include extraneous matter:)

Mr. FINDLEY in two instances.
Mr. DUNN.
Mr. HOLLENBECK in two instances.
Mr. FISH.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. HOWARD.
Mr. SMITH of Iowa in two instances.

ADJOURNMENT

Mr. DYSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 11 minutes a.m.), under its previous order, the House adjourned until Monday, February 2, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

431. A letter from the Mayor of the District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the capital improvements program of the District of Columbia; to the Committee on the District of Columbia.

432. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Spain (Transmittal No. 81-14), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

433. A letter from the Comptroller General of the United States, transmitting a report on the effectiveness of the Small Business Administration's section 8(a) pilot program for disadvantaged small businesses (CED-81-22, January 23, 1981), pursuant to section 202(b)(1) of Public Law 95-507, as amended; jointly, to the Committees on Government Operations and Small Business.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. OAKAR:

H.R. 1513. A bill to amend title II of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes, so as to recognize the economic contribution of each spouse to the marriage and assure that each spouse will have social security protection in his or her own right; to the Committee on Ways and Means.

H.R. 1514. A bill to amend title II of the Social Security Act to provide that upon the death of one member of a married couple the surviving spouse or surviving divorced spouse shall automatically inherit the deceased spouse's earning credits to the extent that such credits were earned during the period of their marriage; to the Committee on Ways and Means.

H.R. 1515. A bill to amend title II of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes if they become divorced and either of them so elects; to the Committee on Ways and Means.

H.R. 1516. A bill to amend title II of the Social Security Act to provide for the payment of a transition benefit to the spouse of an insured individual upon such individual's death if such spouse has attained age 50 and is not otherwise immediately eligible for benefits; to the Committee on Ways and Means.

H.R. 1517. A bill to amend title II of the Social Security Act to provide full benefits for disabled widows and widowers without regard to age (and without regard to any previous reduction in their benefits); to the Committee on Ways and Means.

By Mr. DUNN:

H.R. 1518. A bill to require the heads of Federal agencies having authority to regulate the domestic automobile industry to eliminate or revise certain regulations which constitute an economic burden upon the automobile industry; to the Committee on Energy and Commerce.

H.R. 1519. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for the purchase of certain new automobiles and for interest on any loan used for such purchase, to allow more rapid depreciation of certain automobile manufacturing equipment, to allow the deduction as expenses of certain special tools used in automobile manufacturing, and to extend the carryback provisions of the investment tax credit and the net operating loss deduction to 7 years for manufacturers of automobiles, automobile parts, and equipment and materials used in the manufacture of automobiles and parts; to the Committee on Ways and Means.

By Mr. FUQUA (for himself and Mr. WINN):

H.R. 1520. A bill to authorize appropriations for activities for the National Science Foundation for the fiscal year 1982; to the Committee on Science and Technology.

By Mr. HOLLENBECK (for himself, Mr. ROE, Mr. HUGHES, and Mr. MINISH):

H.R. 1521. A bill to provide for the repatriation of the remains of five unknown members of the U.S. Navy killed and interred in Tripoli in 1804 and for the interment of such remains at the U.S. Naval Academy or Arlington National Cemetery; jointly, to the Committees on Armed Services and Veterans' Affairs.

By Mr. McCLORY:

H.R. 1522. A bill to amend title 5, United States Code, to make the birthday of Martin Luther King, Jr., a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. PANETTA (for himself, Mr. JONES of Oklahoma, and Mr. LATTA):

H.R. 1523. A bill to rescind certain budget authority contained in the message of the President of January 15, 1981 (H. Doc. 97-11) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. ROUSSELOT (for himself and Mr. MATSUI):

H.R. 1524. A bill to amend sections 46(f) and 167(l) of the Internal Revenue Code of 1954 with respect to the treatment of public utility property; to the Committee on Ways and Means.

By Mr. HARTNETT:

H. Con. Res. 48. Concurrent resolution expressing the sense of the Congress that further steps may not be taken to implement the agreements between the United States and Iran until such time as the agreements receive congressional approval; to the Committee on Foreign Affairs.

By Mr. MOFFETT (for himself, Mr. MOTTL, Mr. WOLPE, Mr. KASTENMEIER, Mr. MARKEY, and Mr. HERTEL):

H. Res. 51. Resolution expressing opposition to oil decontrol action; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 4 of rule XXII,

7. The SPEAKER presented a memorial of the Legislature of the State of South Dakota, relative to payments in lieu of taxes for lands purchased or brought under trust status by the Federal Government; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 143: Mr. DINGELL and Mr. KILDEE.

H.R. 146: Mr. FORD of Michigan, Mr. BLANCHARD, and Mr. BROOMFIELD.

H.R. 150: Mr. WOLPE and Mr. ANDERSON.

H.R. 614: Mr. LEBOUTILLIER.

H.R. 1464: Mr. CHAPPELL, Mr. QUILLEN, Mr. WINN, Mr. SAM B. HALL, JR., Mr. DANIEL B. CRANE, Mr. HANSEN of Idaho, Mr. COLLINS of Texas, Mr. EVANS of Georgia, Mr. McDONALD, Mr. LUNGREN, Mr. WILSON, Mr. GEPHARDT, Mrs. BYRON, Mrs. BOGGS, Mr. GINGRICH, Mr. WIRTH, Mr. DAN DANIEL, Mr. GINN, Mr. WOLPE, Mr. STENHOLM, Mr. WHITTEN, Mr. FROST, Ms. MARTIN of Illinois, Mr. DICKINSON, Mr. HERTEL, Mr. FORD of Tennessee, Mr. FISH, Mr. SWIFT, Mr. WHITTAKER, Mr. TAUKE, Mr. CAMPBELL, and Mr. ROE.

H.J. Res. 104: Mr. FARY, Mr. LAGOMARSINO, Mr. MOTTL, Mr. MURPHY, and Mr. RINALDO.

EXTENSIONS OF REMARKS

STEEL INDUSTRY FORUM

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 29, 1981

● Mr. WILLIAM J. COYNE. Mr. Speaker, on January 14, 1981, Mr. Thomas C. Graham, president and chief executive officer, Jones & Laughlin Steel Corp., addressed the Steel Industry Forum at Robert Morris College.

Mr. Graham called for "a reordering of priorities that will open the way for a more beneficial relationship between the American steel industry and Government."

Mr. Graham develops this theme in a thoughtful and cogent manner. I am inserting the speech in the RECORD at this point because I think my colleagues would do well to read this speech:

I must say as I stand before this group that it warms my heart to see so many people of diverse backgrounds who are willing to declare themselves in behalf of a cause which is dear to my heart. I would be a much younger-looking person today if I could realize the same unity of thought among my own business associates, or even my own family:

Although we are saying it in different ways, it seems to me that the common thread of opinion running through this group is the need for change—a reordering of priorities that will open the way for a more beneficial relationship between the American steel industry and its government.

Such a change will require the abandonment of some deeply ingrained attitudes on both sides. There are many of them, but I will focus on two which I feel are basic.

Most businessmen, and that includes businessmen who make and sell steel, are devoted to the concept of free enterprise. They tend to be sensitive to any action by government which they regard, rightly or wrongly, as an unwarranted intrusion in their affairs.

Government leaders for the most part, are intent on serving the people who put them in office, that is, the voters. They tend to be sensitive to any action by business which is perceived, rightly or wrongly, as being detrimental to their constituents.

These conflicting attitudes are reflected in different ways and in varying degrees in the adversarial relationship that exists between government and a large part of the business community of the United States. They represent a barrier which will have to be overcome if there is to be any enduring solution to the steel industry's current problems.

There is a certain amount of logic in these attitudes, but there are also some flaws, and I think they need to be stated as the first step in surmounting the barrier.

Businessmen cannot realistically assert a right to be absolutely free of any regulation or restraint by government. It is government that establishes and then enforces the ground rules for the system in which businessmen operate. In a modern society, it can be no other way.

Government leaders, for their part, must recognize that businessmen deal with a number of economic imperatives that cannot be excised by legislation or wishful thinking no matter how popular they may be. No business can continue to make its contribution to society in the form of products or services, jobs, and taxes, unless it is guided by these imperatives.

If these two propositions are accepted, we have made a beginning from which can flow a reordering of priorities on both sides. We have opened the way for some new approaches to problems, the solution of which can be beneficial to the steel industry and to the government.

I believe there are some signs that this change is beginning to take place within the industry. I'll take a look at that first, and then indicate what is needed from the government's side.

The industry as we all know has been fencing with an unsympathetic government for years in the issues of imports, prices, taxes, and the environment, with little tangible result. Now, under the pressure of adverse circumstances, American steel companies have begun to pursue solutions to their problems that do not depend on government action to be effective.

For example, at J&L, we concluded that one of our most pressing needs relating to profitability is to reduce production costs by improving productivity. Since our ability to do that through heavy capital investment is limited, we have taken another approach. It is productivity improvement through more effective management of our human resources.

To implement this concept, we have opened up the corporation to change. We are encouraging our people to innovate—to seek out new ways of doing things, and we reward them when they succeed. This effort is not limited to the salaried force by any means. We recognize that within the hourly workforce there is a great potential for achievement that can benefit the business. As a first step in tapping that potential, we are working to ease the adversarial relationship that has traditionally existed in the steel industry between the hourly and the supervisory force. We are encouraging the personal involvement of the hourly employees, and opening lines of communication between the workers and plant management.

This approach to productivity improvement has produced some very significant results at some of our production units. The involvement of the hourly employees is a concept that is taking hold. From an industry standpoint, the establishment of labor-management participation teams in the national labor agreement with the United Steelworkers of America recognizes the validity of the approach, and has the union's concurrence.

Another of the industry's efforts to deal with its problems has been more controversial. Over the past three or four years, some very difficult decisions have been made in regard to the continued operation of obsolete facilities. As a result, some five or six million tons of steelmaking capacity has been shut down and many job opportunities have been lost. This capacity was, for the most part, not replaced, and the contraction has opened the way for even more penetration of the domestic market by foreign producers. That's just one of the things that made the shutdown decisions so difficult. On the other hand, these shutdowns relieved the industry of facilities that were costly to operate and uncompetitive from the standpoint of product quality. The net result of the shutdowns will be to strengthen the more efficient core of the industry which remains.

On the more positive side, the industry is making renewed use of its research and engineering talent in the development of new grades of steel that can maintain steel's position in the face of competition from other materials. The outstanding example is the development over the past decade of a whole new family of high strength, low alloy steels. They are being put to good use by the auto makers in Detroit in the design of the new generation of small, light-weight cars.

And we are using that same talent to devise innovative solutions to our environmental problems. At J&L for example, we have developed new, low-cost techniques for controlling emissions from blast furnaces and basic oxygen furnace shops. These new techniques will eliminate the need to spend many millions of dollars for baghouses and precipitators.

All of the measures that I've just described will eventually show up in improved profits for the domestic steel industry. They support the proposition that the industry is working hard with the resources available to sustain itself in the face of a hostile business climate.

But I do not want to leave you with the idea that skill and ingenuity alone can do the entire job. Sooner or later, heavy investments in more efficient equipment will have to be made. They are in fact already being made on a limited basis as funds become available.

In connection with these projects, I think it is interesting to note that the industry has departed from its long-standing position that may be stated as follows: "If it isn't invented in America, we don't want it." Several steel companies, including J&L, have turned to experts overseas for help in the development of such facilities as strand casters and seamless pipe mills. I for one have no trouble in defending such moves. If you are preparing to spend millions for a new facility, you owe it to yourself to get the best advice available. That's another sign that the industry is changing its priorities, and I think a healthy one.

Now then, what changes do we see taking place on the government's side? There have been some, but none to indicate that the government is dealing with the industry's problem in a realistic way.

In my mind what is needed most is a change in the government's long-standing attitudes toward trade and foreign affairs. As part of its post-war strategy to strengthen the economies of the non-communist nations, including many newly developing

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

countries, our government has encouraged them to build their own steel industries. In fact, through the Export-Import Bank, it has helped to finance many such projects.

This policy is in part responsible for a considerable excess in world steel capacity that now exists. Much of the excess production has been shipped to the United States. Our government believed in the beginning, and apparently still believes, that any excess production could be disposed of in the United States without serious consequences to our own industry. That, as we now know, is a false assumption.

The same attitude has carried over into the administration of the anti-dumping laws, which have been on the books for many years. Until recently, the government simply looked the other way, even though it was obvious that foreign producers were dumping their products at far below the cost of production.

The result of these government actions and non-actions has been that for most of the past 20 years, imported steel has taken nearly all the growth in the American steel market. Inevitably, profits have suffered. With one exception in the past ten years, they have been far below what is needed to sustain a viable industry.

Earlier I listed imports as only one of several problems contributing to steel's financial plight, the others being related to environmental enforcement and tax policies. To my mind, imports are by far the most important. They are robbing us of the opportunity to earn adequate profits.

The depressing part of the story is that there is little likelihood that import pressures will be eased without firm action by our government. Last year, for example, some people had the misconception that imports were easing off because the import tonnage declined by several million tons. But domestic shipments were also greatly reduced. The net effect was that imports increased their share of the domestic market from 15 to 16 percent. The present excess in world steel capacity may increase because construction of new facilities is continuing in many third world countries.

American steel companies are in business to make a profit, and they can survive only by making a profit. That's not the case in most other countries. Steel companies are seen as vehicles for solving a variety of social and political problems that have nothing to do with the manufacture of steel products. If they happen to lose money, they will be sustained one way or another by their governments.

American steelmakers cannot hope to prosper in this kind of a trading arena. We are willing and able to compete head-to-head with people who are playing by the same rules. Whether we like it or not, those conditions do not exist in international trade today.

In this connection, I'd like to digress here for a moment to rebut the critics on two issues involving the steel industry's position on imports. These opinions are voiced by some academicians and people in Government and they are reflected in the Government's adversarial stance. One of these is that any measures taken to limit imports are in effect protecting an industry that is unable to compete in the world marketplace. Such protection would be inflationary because it would deprive the economy of the benefits of low priced foreign steel.

My answer to that flows from what I just said about the world trading arena. We can be fully competitive with any foreign producer operating under the same profit imperatives as we, but none of them are. You can be sure that if American steel companies were forced out of business by the predatory pricing of foreign producers, the price of steel sold by foreign companies in America would rise dramatically above what it is today.

The second criticism that troubles me is the one about bad management by American steel companies. That's an easy accusation to make, and a difficult one to rebut. It requires more information than most outsiders have to properly evaluate the quality of a given management decision. However, there is one quantitative measure of a management's effectiveness, and that is the bottom line. American steel companies are not making adequate profits, but, in spite of a hostile business climate, they are for the most part in the black. That cannot be said for most foreign producers who are literally coddled by their governments. I saw figures recently which indicated that five major European producers last year lost 14 billion dollars among them. If the performance of American steel companies is an indication of bad management, what would you say about the Europeans?

I said earlier that Government's role in relation to business is to establish and enforce the ground rules by which businessmen operate. I believe it is time for our government to exercise this function in the way it was originally intended in regards to its steel trade policies.

Since the initial wave of plant closings in 1977, the government has been attempting to deal with the industry's economic problems. It has devised the trigger price mechanism, a loan guarantee program, the trade readjustment act, and a variety of other programs to help laid-off steelworkers. Although we cannot be callous about the individual hardships created by steel plant closings, the fact is that these measures do not go to the root of the problem.

The root of the problem is the virtual destruction of the domestic industry's earnings capability by the flow of imported steel from countries who are not playing by the rules of what we define in our laws as fair trade. The problem will only be solved when the government takes firm action to redress that balance. It can do so first by vigorously enforcing anti-dumping laws that are already on the books, and second, if necessary, by negotiating new trade agreements that will ensure that the domestic market competition takes place among companies who must show a profit.

To conclude, I think it would be well to review briefly the benefits to America that would flow from the reestablishment of a prosperous domestic steel industry. First, it would assure the survival of an industry that is the basis for our industrial economy, as it is for every industrial economy in the world, and one that we can ill-afford to be without. Second, it would protect American steel users against the predatory pricing of foreign steel that we have already seen during recent periods of peak demand, and which will be sure to get worse as our own industry contracts. Third, it would preserve thousands of steel-related jobs, and reduce the need for expensive income and job insurance programs now administered by the government. And finally, it would help arrest the deterioration of the nation's foreign trade balance.

I believe these are benefits worth working for. The industry is contributing to the effort with some new approaches that will enable it to do a better job with available resources. The Government can contribute by doing a better job of policing the arena in which steel is sold. That is a power that only the government can exercise and for the sake of the steel industry and our nation, I fervently hope that it will.

Thank you.●

THE TAX ON MARRIAGE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. HOLLENBECK. Mr. Speaker, I rise today to urge my colleagues on the Ways and Means Committee to take immediate action and enact changes in existing law which discriminate against married persons.

The basic structure of our income tax laws which favors married, one-earner couples, dates back to 1948. At that time, in the average American family, the husband worked and the wife stayed at home. Now 33 years later, families in which both husband and wife work outnumber one-earner couples. Yet despite this change, the male "head of the household" concept still holds fast in our national tax policy.

Unfortunately, by trying to solve the inequity between single and married persons, Congress failed to anticipate the millions of married women entering the labor force during the last decade. The Tax Reform Act of 1969 established a new, lower rate schedule for single wage earners and ignored the impact this would have on households with two wage earners. This new rate schedule, combined with an increase in the standard deduction has produced what is commonly known as the marriage tax.

This tax structure forces millions of working couples to pay more in Federal income taxes than they would if they were single. The Treasury Department estimates that 16 million working couples have paid an additional $8.3 billion in 1979 taxes simply because they were married. Much of the extra tax revenue is a result of a couple's income being combined for tax purposes, thus pushing the household into a higher tax bracket than either spouse would be in individually. The result is a tax on married couples at all income levels. For example, a husband and wife each earning $15,000 a year pay a penalty of $907 on their joint return. At higher income levels the penalty is even greater.

In testimony before the House Ways and Means Committee during the 96th Congress it was documented that thousands of couples are quietly getting tax divorces every year. Thus, we are faced with one of today's greatest ironies. The U.S. Tax Code actually

encourages people to save money by divorcing or remaining single.

It is not right to penalize people for adhering to a socially moral way of living. It is not right in this era of runaway inflation to discourage people from working to help meet the family bills. And it is not right to penalize women who wish to pursue a career for getting married. I appeal to the Members of this body to seize this opportunity to repeal the unfair tax burden on married couples. There are several bills pending in the Ways and Means Committee right now which would extend such equity to our tax laws. As a cosponsor of legislation allowing married, two-earner couples the option of using the singles' tax rate for each spouse's income, I cannot overemphasize the importance of invoking immediate changes in existing law.●

CONFESSIONS OF AN ENERGY REGULATOR

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. FINDLEY. Mr. Speaker, the President wisely decided this week to end controls on U.S. oil production and marketing.

Recently the Wall Street Journal included a piece by a former energy regulator who presented quite well the argument against continuing those controls. His comments follow:

[From the Wall Street Journal, Jan. 5, 1981]

CONFESSIONS OF AN ENERGY REGULATOR

(By Thomas L. Jackson)

In the spring of 1979 every telephone in my office in Washington rang off its hook. The Shah had been toppled and Iran's oil production was drying up. Gasoline station owners from all over the U.S. were calling me demanding more gasoline.

I didn't own a drop of the stuff myself. I didn't even own a car. I was a lawyer just a year out of school, but I had been given the power to order Exxon and other refiners to supply gasoline.

I was part of an "allocation task force" within the Department of Energy's Office of Hearings and Appeals. We were a sort of regulatory emergency room where patients suffering from an overdose of competition came for help.

My power flowed from a law Congress passed in 1973 in the panic following the Arab oil embargo and OPEC's first quadrupling of crude oil prices. The law holds down gasoline prices to artificially low levels. It also gives station owners and wholesalers a legal right to continue getting gasoline in times of shortage from the people who had supplied it to them earlier.

A YEAR TO RUN

The gasoline price controls aren't scheduled to be phased out fully until the end of 1981, though some of President-elect Reagan's people would like to remove them sooner. The allocation madness could recur any time gasoline supplies run short.

I discovered that the allocation rules didn't always work the way the station owners wanted. When they felt the Energy Department was unjustly depriving them of Exxon's gasoline, they could appeal to my office. And appeal they did.

Nearly 14,000 applications for special exception were filed between March and August 1979. Some came with aerial photographs, tri-color maps with circles and arrows drawn in or letters from the Chamber of Commerce, the local bank or the family doctor. Everybody had a reason why his station should get more gasoline to sell.

In my office, people who had processed perhaps 25 cases a year were soon faced with backlogs of 200. Morale plummeted.

I had reservations about writing decisions that encouraged gasoline guzzling. After all, the Iranian gasoline "crisis" wouldn't have happened had motorists conserved fuel before the way they did later. And all this map marking, letter-writing and paper-shuffling was consuming thousands of hours of labor by station owners, oil-company lawyers and government officials like me—without producing a whiff of gasoline. We simply spread around the shortage—and the profits—and kept open a lot of stations that might have been put to better use as, say, bus stations or bicycle shops. Despite reservations, I surrendered to my duty.

It was thankless work. The average applicant seemed to expect the government to intervene in the economy like God in history to ensure that his business outdistanced inflation, competition and world events.

I recall one who had expanded his station in Rancho Cucamonga, in freeway-happy Southern California, and he wanted more gasoline. He argued that the public interest would be served because "the community" was growing rapidly. I felt that the Los Angeles area was sprawling more than growing, and as a direct result of too much cheap gasoline. But neither my feelings nor his about "growth" mattered legally. The department granted special relief only to the down and out, and the financial filings of the gentleman from Rancho Cucamonga showed he wasn't doing so badly. Relief denied.

Many applicants had difficulty understanding that they had to prove they deserved more gasoline. A woman from Tampa, Fla., upset at being told her facts didn't support her case, confided that dealing with a "snippy" bureaucrat like me had been so disconcerting that she and her husband found it necessary to take a short vacation. In the Bahamas. Other applicants just resorted to foul language.

The major oil companies, whose gasoline we were handing out, were understandably reluctant to part with the stuff. Mobil Oil Corp. in particular could be counted on to contest every request for its fuel, no matter how small the amount. The company routinely ignored our regulations requiring compliance with orders transmitted by telephone, holding onto its gasoline until we sent orders in writing, by facsimile, at considerable expense to the taxpayer.

The big companies sometimes seemed as inefficient as my government agency. One Gulf official on the East Coast tried to complain to me about all the gasoline the government was handing out, unaware that in California another Gulf official was ignoring our orders to stop supplying extra amounts to favored stations.

Exxon was so unprepared for the 1979 shortage that for a while I found myself acting as a go-between for independent wholesalers in North Carolina who couldn't get the company's regional officials to comply with our regulations. Exxon's brass later made sure the regional officials understood what the law required.

The impossible backlog of allocation cases at the DOE forced some bending of due process. We developed a couple of shortcuts for weeding out applicants who we thought could look after themselves.

Sometimes we would call to "explain the standards" for relief, a strong hint to dubious applicants that they were wasting their time. Those who persisted were sometimes lumped with others into a single mass denial, which saved us the trouble of writing individual opinions. Unfortunately, many just resubmitted the same weak applications and got their Congressman or Senator to bedevil us. Elected representatives are a constant nuisance in this sort of bureaucratic government.

Applicants always found our red tape frustrating. One small wholesaler from Arkansas, after a year of waiting, insisted that his case be dropped even after I strongly hinted that he would prevail if he'd just stick it out.

Another man, from Illinois, became furious after only a few months of inaction. One morning he arrived unannounced in Washington demanding to see me and threatening to call the news media. Riding the elevator down to meet him, I happened to hear that there was "someone in the lobby with a reporter." I scrambled off at the second floor and rode back up to my office at the eighth. The man from Illinois later got the fuel he wanted, but no thanks to his badgering.

Like most regulatory schemes designed for mass application, the Energy Department's rules often inflicted a dumb sort of cruelty on those who didn't fit the mold. I remember particularly a young man from Green Bay, Wis., who had lost the ability to speak when his brain was damaged in an automobile accident. Undaunted, he had bought a gasoline station and found that pumping gas and servicing cars had been so therapeutic that he had begun to regain his speech. He needed more gas to stay in business. Could I please help him?

BRIGHT MEMORY

He was in trouble because the gasoline allocation depended on the amount sold during a previous "base period." But the regulations didn't allow for businesses that were just starting and therefore had unusually low base-period sales. The man from Green Bay was saved by a last-minute regulatory amendment that cured this problem. Telephoning him with that news is among the happiest memories of my life as a bureaucrat.

Others weren't so fortunate. Some were buried in the avalanche of paper work and went out of business before we could help.

I quit the government last summer, but the allocation cases will grind on until gasoline price controls wind down next October. Some businesses may go under. Motorists, however, will have more incentive to conserve, and so the public won't need so many gas pumps. A lot of station owners, pump jockeys, bureaucrats and oil-company lawyers will be free to pursue more useful work.

[Mr. Jackson, an attorney, is completing requirements for a master's degree in Business Administration at Indiana University.]●

OLIN TEAGUE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. UDALL. Mr. Speaker, there are few heroes around these days, but "Tiger" Teague qualified as one in every way. He would have made an ideal commander in any kind of war. He had courage and was a "can-do" kind of man who could make any group ready for combat.

Olin loved people, and people loved him. He never held grudges and as far as I could tell, he had no enemies. His sense of humor was famous around the Capitol, and he delighted in putting together a good practical joke that would make all of us laugh.

Olin's stewardship of veterans' affairs for some two decades was absolutely superb. He was himself wounded in combat, but could sometimes say no to a group of veterans, when he wanted to say yes.

The good memories held by these halls must include the memory of Olin Teague—"Tiger" Teague. A good and decent and exceptional man, who served his country with real distinction.

He was a good friend. I feel his loss, and I am sad that he is gone.●

THE ROMANTIC ATTACK ON THE SOCIAL CONSENSUS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. MILLER of California. Mr. Speaker, in a recent article, Prof. John Kenneth Galbraith recommended that we abandon the romantic image of the market system and that we recognize that some of the rhetoric of cost cutting is really a thinly masked assault on the poor. Neither, he suggests, will help us solve the many economic ills which confront our country. Dr. Galbraith's views should be read by every Member of the House.

The article follows:

THE ROMANTIC ATTACK ON THE SOCIAL CONSENSUS

Public services are not rendered in most countries with high efficiency, a point worthy of real concern. But no way has ever been found for seriously reducing outlays for either efficiently or inefficiently rendered services without affecting performance. Public bureaucracy has a dynamic of its own, but so does private bureaucracy. As road builders promote highways and public educators promote public education, so private weapons firms promote weapons and other corporate bureaucracies promote automobiles, alcohol, toothpaste, and cosmetics. This is the common tendency of organization, as we've known since Max Weber. Good education, health, and law enforcement do not impair liberty or foretell authoritarianism. The entire experience of civilized societies is that they are consistent with liberty and enlarge it. Professor Friedman's belief that liberty is measured, as currently in New York City, by the depth of uncollected garbage is, as I've previously observed, deeply questionable.

Taxes on the affluent do reduce the freedom of those so taxed to spend their own money. "An essential part of economic freedom is freedom to choose how to use our income." But welfare payments, unemployment compensation, and old-age pensions serve even more specifically to increase the liberty of their recipients. That is because the difference for liberty between considerable income and a little less income can be slight; in contrast, the effect on liberty of the difference between *no* income and *some* income is always very, very great. It is the unfortunate habit of those who speak of the effect of government on freedom that they confine their concern to the loss of freedom for the affluent. All but invariably they omit to consider the way income creates freedom for the indigent.

The differential effect of taxes and public services on people of different income is something we must not disguise. Taxes in industrial countries are intended to be moderately progressive; in any case, they are paid in greatest absolute amount by people of middle income and above. Public services, in contrast, are most used by the poor. The affluent have access to private schools; the poor must rely on public education. The rich have private golf courses and swimming pools; the poor depend on public parks and public recreation.

Public transportation is most important for the least affluent. So are public hospitals, public libraries, and public housing. So are the services of the police and other municipal services. Unemployment and welfare benefits are important for those who have no other income. They have no similar urgency for those who are otherwise provided. In California an estimated two-thirds of the tax saving under Proposition 13 accrued to individual corporations and large property owners. The services curtailed (or which would have been curtailed in the absence of state rescue action) were most used by those with the lowest incomes.

We hesitate in these careful days to suggest an opposition of interest between the rich and the poor. One should not stir the embers of the class struggle. To encourage envy is uncouth, possibly even un-American. But any general assault on the public services must be understood for what it is; it is an attack on the living standard of the poor.

The romantic attack on the social consensus, to which I now turn, has superficially a more powerful intellectual base. It calls on the two-hundred-year old tradition of classical and neoclassical economics which holds that all possible economic decision should be left to the freely competitive market. No other system is socially so efficient or responds more genuinely to the will of the consumer. None rewards more reliably the competent response or punishes more reliably the incompetent one. The social consensus has impaired the operation of the market in two ways: first, by enlarging the public sector, it has diminished, pro tanto, the market sector of the economy; second, by accepting and encouraging a large and varied range of regulation, it has interfered with the free operation of markets. So for this reason too government must be reduced in scale. And, more specifically, it must remove the regulatory shackles from private enterprise and restore the market. In the recent campaign this demand was strident. It is an appeal that can be counted upon to arouse the interest of numerous, otherwise quite placid economists. Here is the opportunity to protect or retrieve the textbook market to which the intellectual capital of much of the profession is still firmly mortgaged.

I have called this attack on the consensus romantic; that is because it ignores the historical forces which make practical steps to restore the market deeply unappetizing. And it makes them especially unappetizing to the very people who urge reestablishing the primacy of the market.

Specifically, the greatest historical force against the market is the modern great corporations. Of these, a couple of thousand now produce around 60 percent of all private product in the United States. This is not exceptional; the concentration is similar in the other industrial countries. These corporations have substantial discretion in setting their prices. They extensively influence the taste of consumers. They similarly organize their supplies of raw materials. With all of this they erode the power of the market. And, given the scale of their investment and the long-term horizons involved, this is what corporations must do. Planning in a partially controlled setting is essential for modern corporate operations. Such planning the classical market does not allow.

But a crusade against corporations does not attract the free-market philosophers. One does not turn the guns on one's own cavalry. So it must be pretended that the modern corporation does not exist. Or with equal implausibility it must be urged that General Motors, Shell, IBM, Philips, and Nestlé are only a slightly enlarged manifestation of the classical atomism of the market. Mobil is just the corner grocer grown up. This latter effort, regularly undertaken by corporate spokesmen, serves principally to cultivate the suspicion that the large corporation somehow lacks legitimacy. Something must be fishy when corporate spokesmen (or compliant economics professors) are forced to argue that Exxon and the friendly neighborhood news vendor are the same economic institution—that each is governed by the same inexorable competitive forces; each is subordinate to the same impersonally determined market prices; neither has a significant political role in the state.

A few of the devout who seek the revival of the market do call for vigorous action to restore competition—for action to arrest and reverse the trend to industrial concentration. But that again is to turn the guns on one's own troops. It also requires action by the government—an alliance with the enemy. And even for the passionate, the antitrust laws, which are the traditional instrument, are a serious strain on faith. We have had them now for ninety years; how much longer do we have to wait before they become effective against industrial concentration?

So, in one way or another, those who defend the market must contrive to ignore the modern great corporation and conglomerate—not an easy thing to do. And few of the other forces degrading the classical market are attractive as political antagonists. Farmers in all the industrial countries have replaced their market with state-supported minimum prices. But few conservatives wish to take on the farmers, and farmers are often conservative too. OPEC has set

the market aside for oil. But OPEC is beyond reach. Trade unions powerfully influence their own wage claims and set the pattern for wages in general. But unions fight back. So it comes about in the United States that practical action against the forces infringing upon the free market regularly ends up (as predictably in these last weeks) in proposals for reducing or reforming the minimum wage. An attack on the minimum wage, the poor man's union, is, almost uniquely, safe.

The elimination of other government regulation that interferes with the free expression of market forces also encounters the difficulty that much of it is very much wanted by those who most protest their devotion to the market. The crusade against, unnecessary, crippling, costly, and otherwise repressive government regulation goes hand in hand with a desperate effort by the trucking companies to preserve licensing and otherwise to restrict competition in interstate transport. It goes along with a parallel effort by the steel companies to have target prices and to regulate steel imports; and with an effort by the textile companies to keep quotas on cloth imports; and with a demand by the auto industry to ease the competition from Japanese cars; and with a keen wish by all who fly that there be nothing casual about government standards of maintenance for the DC-10. Even in Southern California, the home turf of the New Right and Ronald Reagan, there is no urgent demand for more air pollution. Thus, it emerges that unnecessary regulation is what those urging regulation do not happen to need.

The conflict with reality in which those opposing regulation find themselves in a highly organized, highly technological, interdependent society could not be better illustrated than in the case of nuclear power. Just as the advocates of nuclear freedom were gearing themselves up a year and a half ago for a major campaign against government regulation came the accident at Three Mile Island. And just as they recovered their equilibrium came the recent trouble at Indian Point, New York. Ideology is a wonderfully flexible thing; it gives its exponents a wide range of choice. Circumstance, in contrast, is very confining. And it is circumstance that largely governs. This the Reagan years will admirably reveal.

The market, none should doubt, continues to render highly useful service. In economics there are no absolutes. But the only possible policy toward the market, either for conservatives or liberals, right or left, is one of openminded pragmatism. Where it works, the market should be allowed to work. Where it doesn't, regulation has to be accepted.

I come now to the attack on the economic and social consensus which I called real. It holds that expenditure on public welfare services has involved no careful judgment on need or cost; more has been believed to be better. And that the quality of public administration has been seriously deficient. And finally and most importantly it holds that the macroeconomic management of the consensus no longer works. On all three points the attack seems to me justified; on all three the economic and social consensus is vulnerable.

On public welfare and social expenditure—for housing, health care, various forms of direct welfare support, education, and public services in general—active exponents of the consensus have indeed taken the position that the more the better. The basic test has been what conservatives could be made to accept.

For so long as whatever was done by way of social insurance, welfare payments, health care, housing, was elementary or limited, this was a workable test. But it was workable only under conditions of general insufficiency. Thereafter an objective consideration of opportunity cost was needed. The effect of public outlays on such a direct and widely used levy as the property tax needed especially to be considered. It cannot be thought reactionary that such tests be applied. On the contrary, the older working assumption that more is always better was certain at some point to become intellectually and politically discrediting. I do not suggest, however fashionable it might be at the moment, that our public-service and social-welfare expenditures are too high, and certainly not for those who use or need them most. Comparing generally the quality and extent of the public services with the extent and variety of private consumption, one can be certain that the balance wonderfully favors the latter. I argue only for better tests of sufficiency—tests that, at a minimum, contribute to a better defense of social expenditures than we have now.

The second vulnerable point of the economic and social consensus concerns the quality of public management. Chrysler has for many years had a reputation in automobile circles for cloning inadequacy. This is now conceded; its advertising speaks of the "new" Chrysler Corporation. No public agency ever descended to a deeper level of incompetence than Penn Central in its final years. In these last months NBC, one of the guardians of our public virtue, has been contending with the imaginative larceny of its own unit managers.

Many years ago I divided my efforts between Time Inc. and the Federal Government. One could not doubt that it took more people earning more money to do less work in New York than in Washington. One had a blessed feeling of relaxation on returning to private enterprise. Expense-account writing at Time was a small creative art, so discussed. Everyone dealt righteously with the U.S. Treasury. When an important and articulate man in the State Department wore out or was too obviously dissolving in alcohol, he was made ambassador to a minor country or the consul-general in Naples. At Time, if similarly important, he was promoted to corporate vice president and put in charge of looking into new publishing opportunities.

But none of this excuses inferior performance by the public agency. It is under far more rigorous scrutiny by both those whom it serves and those who pay for it. And more attention is paid to training for private management than for public. Business schools train private administrators by the thousands. No comparable effort goes into training in the theory and practice of public administration. Performance in public office, as in sex, is still believed to be extensively a matter of basic instinct.

The solution is without novelty. Defenders of the consensus must be far more concerned with the quality of public management and address ever more seriously the development of a force of public managers of the highest level of intelligence and proficiency. They must be men and women who believe in public service and public enterprise, who take pride in seeing performance that improves on private capitalism, and who take a substantial part of their reward in their own sense of accomplishment.●

HUMAN RIGHTS—LATIN AMERICA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. BONKER. Mr. Speaker, the world renowned Council on Hemispheric Affairs, led by its able executive-director Larry Birns, has issued its annual report on Human Rights in Latin America for the year 1980.

COHA's report indicates that throughout Latin America, Guatemala and El Salvador have replaced Argentina as the nations with the region's worst human rights record. The report further states, "More people have died in El Salvador during the past year, largely as the result of Government condoned right-wing death squad killings, than in all the other nations of Latin America combined."

We must not and cannot forget the seven Americans killed in El Salvador and the one American who has been kidnaped by terrorists in Colombia. It will be interesting to observe what the new administration will do about these atrocities especially in light of its get tough rhetoric concerning terrorists.

Finally, in commenting on President Carter's human rights policy, the report notes:

Whatever its shortcomings, the Carter administration's human rights policy can only be described as Americanism in action. Lives have been saved, repression has been reduced, and in a number of instances, a movement toward a more democratic society in Latin America has taken place because of it. Without question, this policy was the most innovative action of the Carter presidency. No truly free and democratic society can easily in the future turn its back on the values of upholding a strong human rights policy without being accused of hypocrisy or cynicism.

I commend to the attention of my distinguished colleagues the following which is a synopsis of COHA's annual report.

VIOLATIONS OF HUMAN RIGHTS THROUGHOUT LATIN AMERICA

In its Annual Report on Human Rights in Latin America for the year 1980, the Council on Hemispheric Affairs has found Central America to be the focus for the most serious and widespread violations of human rights during the past year. In COHA's soon-to-be-distributed country-by-country analysis of human rights conditions throughout Latin America, Guatemala and El Salvador have replaced Argentina as the nations with the region's worst human rights record. These two small Central American countries, with a combined population of just 12 million, accounted for the deaths—through politically-motivated violence—of some 15,000 people in 1980; upwards of 5,000 people were killed in Guatemala and almost 10,000 died in El Salvador. More people have died in El Salvador during the past year, largely as the result of government-condoned right-wing "death squad" killings, than in all the other nations of Latin America combined.

COHA's annual Human Rights Report, which was prepared by the organization's research staff, finds that the ongoing pattern of human rights violations has persisted in the Southern Cone countries of Argentina, Chile, Uruguay, and Paraguay. It notes with concern that the practice of gross human rights violations now appears to have been institutionalized in these nations. They are described in the report as "second-generation violators," since they have governments which a year or two ago sanctioned massive killings of members of the political opposition and anyone else in official disfavor, but which now only occasionally "disappear" or murder their citizens.

The report states that the reduction of late in the number of killings and disappearances in these Southern Cone nations may be attributed to their governments' success in eliminating domestic political opposition over the past several years and to the fact that, through continued repression, these governments have succeeded in intimidating all potential voices of dissent into silence. The public knows that the mail fist is always ready to pound.

The COHA report notes that in Uruguay and Argentina, hundreds, if not thousands, of political prisoners remain jailed without charges or trial, and that arrests, harassment, and the use of physical and psychological torture, as well as Soviet-style secret police tactics against members of the moderate opposition, are the order of the day.

Further indications that, far from improving, the human rights situation in these countries has entered a subtle new phase are provided by this year's series of plebiscites on strengthening and institutionalizing military rule. While the COHA document lauds the courage of Uruguay's people in soundly defeating their military government's proposal for constitutional changes to ensure its perpetuation in power, the report points out that similar and just-as-ominous plebiscites have been or may be staged in Chile and Argentina.

Bolivia has also joined the ranks of serious human rights violators in the Southern Cone this year, as a result of the massive killings which took place after the July coup staged by General Luis Garcia Meza, with the assistance of Argentina military personnel and equipment. The bloody repression which has continued in that country over the past six months leads COHA to distinguish Bolivia as Latin America's most arrant violator of human rights after Guatemala and El Salvador, and has cost a heavy death toll, with countless more jailed. Although the techniques differ, repression in Chile makes the Pinochet government a prime human rights violator.

Both Argentine intrigue with the armed forces and the desire of the Bolivian generals to profit from Bolivia's burgeoning traffic in cocaine were factors in the coup, according to the COHA document. Among those said to have been killed with the connivance of the Argentine Anti-Communist Alliance (AAA) were Socialist Party leader Marcelo Quiroga and trade union head Oscar Sanjines.

The report cites Ecuador, Venezuela, Costa Rica, and the Dominican Republic for having the strongest human rights policies in 1980, although it expresses concern for the deteriorating quality of government in Costa Rica and pinpoints the deplorable situation of Haitian sugar-cane workers in the Dominican Republic as requiring serious attention by the Guzman government. Peru is also lauded.

Venezuela's human rights diplomacy, rather than its standard of observance, came in for some criticism. Caracas' unstinting support for the feckless ruling regime in El Salvador, almost unique in the hemisphere, was viewed as a case of misguided and automatic solidarity with a sister Christian Democratic regime, just as its economic assistance to Guatemala (as part of a regional policy based on petroleum rebates) was characterized as "a policy devoid of discrimination as well as good sense." Venezuela's chairing of the just-concluded 10th session of the OAS General Assembly, was seen as "a triumph of affable mediocrity and a retreat from a vigorous defense of a strong human rights position."●

AMERICANS MISSING IN ACTION IN SOUTHEAST ASIA

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. HOWARD. Mr. Speaker, last Monday, January 26, 1981, marked the anniversary of the signing of the Paris peace accord and the end of the war in Vietnam. However, for nearly 2,500 unaccounted American civilians and military personnel the end is still to be seen. For their families, these last 8 years have been ones of anger, courage, and hope. They live from day to day wondering if their loved one is still alive. For the relatives of the known dead, it is the hope that perhaps one day soon, they will be able to give the deceased a proper burial.

The Government of Vietnam has not been cooperative to American inquiries on the whereabouts of personnel, both alive and dead. Seventy-two bodies have been returned but reports of other remains have surfaced. Sightings of Americans held captive have also come to light. Time and time again the Government of Vietnam has stalled on the release of information and denied accusations. Information that has been released has been sketchy and inconclusive. We can no longer stand for this policy of silence on the part of Vietnam. It is both unfair to the families and the memories of the missing.

Thanks to the determination of the relatives of the missing and other concerned citizens, we have not forgotten our POW/MIA's. The U.S. Government has also not given up. It is our obligation as representatives of the people to continue to pressure the Vietnamese to release our people. We owe this to the men who fought for the honor of our country.●

NSF AUTHORIZATION BILL CONTAINS NEW INITIATIVES FOR REINDUSTRIALIZATION

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. FUQUA. Mr. Speaker, today I am introducing legislation to authorize appropriations for the important activities of the National Science Foundation. The programs and funds proposed in this bill reflect the recommendations made after full budgetary considerations over the past year by the former administration.

Yesterday our committee held posture hearings of the National Science Foundation to gain an overview and an assessment of their targeted budget for the coming fiscal year.

The following were comments I made in opening those hearings:

STATEMENT BY CHAIRMAN DON FUQUA, JANUARY 28, 1981

We will continue our hearings this afternoon and will be hearing testimony from representatives of the National Science Foundation. We hope to get an overview of their major programs and an assessment of their targeted budget for the coming fiscal year.

A total of $1.35 billion has been proposed in the current budget for fiscal year 1982. This represents an increase of $257.5 million or 23.5 percent more than the level of the current plan for fiscal year 1981.

A number of changes and initiatives are being proposed by NSF, not the least of which is a reorganization of the Foundation's applied sciences and engineering programs. As I understand it, the Foundation is taking a "new management approach" by relating applied research more closely to the programs of basic R. & D. Hopefully, such a change will lead to a more vigorous development of the technical knowledge necessary for innovation and, thus, national economic growth. This Committee has taken for sometime a strong interest in the problems of innovation and the need for developing a stronger, more competitive economy through our scientific and technological capability. Our studies indicate that the Foundation holds a key position in determining the direction and magnitude of applied, as well as fundamental R. & D. in the various research institutions of this country. We will be maintaining a strong interest in the Foundation's proposed increased emphasis on engineering research, as well as the effects of other organizational changes underway.

Scientific and engineering education are also assuming increasing importance to this country's basic well-being. A major report issued last year by the Foundation together with the Department of Education notes important deficiencies in both the quality and quantity of engineers and various scientific professionals. Raising general scientific literacy, to achieve a technologically sophisticated work force and voting public, is also being widely stressed. The Foundation has responded with major initiatives for upgrading of instructional engineering equipment, improving research instrumentation and

facilities, and establishing needed traineeship for engineering graduate studies. We will examine with some care the Foundation's proposals in these areas. Certainly strong support must be established and maintained on a long term basis in order to reverse the current negative trends of our scientific and technical education programs.

Finally, the current proposed budget calls for a number of interesting and important changes:

Increasing support for fundamental research by 14 percent to a total of $1,056.6 million;

Expanding of small business R. & D. programs for innovation and commercial applications from $7.5 million to $14.5 million;

Continuing development of the Ocean Margin Drilling Program through a proposed 45 percent increase of $11 million to $16 million; and

Development of initiatives to provide increased opportunities for women and minorities in science and engineering.

I look forward to hearing further about these programs and other concerns of the Foundation, this morning.●

HOUSE RESOLUTION 43

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. BRINKLEY. Mr. Speaker, it was a special pleasure for me to cosponsor House Resolution 43, which the House has just passed, because, in commending former President Jimmy Carter for his unrelenting and statesmanlike efforts to secure the release of our countrymen from Iran, it honored a man whom I am proud to call my most distinguished constituent.

Four years ago, when he took office, we in Georgia were extremely proud that one of our State's sons was serving in the Oval Office. Today, however, our pride is even greater, for our excitement over his being President has been replaced by respect for his conduct as President.

Certainly, his arduous work on behalf of our former hostages was a fitting way for him to spend his final and most rewarding hours in office. Still, the things about his service which will live longest in my heart are his strong commitments to brotherhood among all peoples and peace among all nations.

Despite the ups and downs of public life, Jimmy Carter has always been a man of faith. Because he so nobly embodies the spirit of our country, you can understand our pride in pointing out, as we honor him today, that he was and always will be one of our own, a son of the South and a son of Georgia.●

THE JUSTICE DEPARTMENT'S NAZI HUNTERS

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. FISH. Mr. Speaker, bringing Nazi war criminals to justice has always been a major concern of mine. That some of these war criminals are currently living in the United States, and have U.S. citizenship, is beyond belief.

I would like to bring to the attention of my colleagues an article which appeared in yesterday's Washington Star. I think it will be useful for me to place this article in the CONGRESSIONAL RECORD since it focuses on the Justice Department's Office of Special Investigations and its Chief, Mr. Allan Ryan. I applaud the work of Mr. Ryan and the Office of Special Investigations and their efforts to rid our country of Nazi war criminals.

I also want to point out that earlier this week, my distinguished colleague BILL LEHMAN and I circulated a letter we are sending to President Reagan on the Office of Special Investigations. We are asking the President to provide full funding and complete support for this important office.

I urge my colleagues to read the following article by Mr. Charles McCollum of the Washington Star and to then join Mr. LEHMAN and me in our letter to President Reagan.

[From the Washington Star, Jan. 29, 1981]

YOUNG, NEW BREED OF NAZI HUNTERS

(By Charles McCollum)

For three decades, Feodor Fedorenko lived quietly in a small Connecticut town. The factory worker was a good union member, a good member of the community, the sort of person you wanted as a next-door neighbor.

But there had been another Feodor Fedorenko, one whose life the soft-spoken Connecticut man wanted to keep buried in the rubble of World War II. During the Holocaust, Fedorenko—a Ukrainian—had been a guard at the Treblinka concentration camp in Poland. Former prisoners said he had shot Jewish prisoners, pushed women into gas chambers and carried a steel-tipped whip to punish inmates.

When Fedorenko entered this country in 1949, he said nothing of his past and, last week, the United States Supreme Court ruled that the 74-year-old man could be stripped of his citizenship and deported for failing to do so. Deportation hearings against Fedorenko will begin soon.

For one man, Justice Department attorney Allan A. Ryan Jr., the Supreme Court decision was particularly satisfying. It was the Fedorenko case that had first drawn the one-time Marine and former corporate attorney into a world of concentration camp horrors, former Nazis and trails of evidence that began before he was even born.

The 35-year-old Ryan, who lives with his wife and young daughter in Rappahannock County, Va., is the head of a Justice Department effort to track down surviving Nazi war criminals living in this country. The Office of Special Investigations has a staff of 50, including 20 attorneys, and most of them—like Ryan—were not even born when the crimes of World War II were committed.

The distance of decades has not made the search any less important to Ryan and his staff. "The most important aspect of the Supreme Court ruling (in the Fedorenko case) was that it validated the legal theory on which we are basing most of our cases in the lower courts," says Ryan with quiet enthusiasm. "What it essentially says is that, if you lie on a visa application, you have not lawfully been admitted to this country . . . that the citizenship was illegally procured."

The bearded, slightly rumpled attorney leans back in his office chair and says arguments that the former Nazis or Nazi collaborators are now old men and women who have atoned for their sins "doesn't cut any ice with me.

"I have no particular interest in disrupting the lives of old men . . . (but) that is bull . . .," he says flatly. "They have not atoned for their sins or shown any pangs of remorse. All they cared about was keeping such matters out of the public eye, as if nothing had ever happened.

"I don't know what may go through their minds while they're lying in bed at night but I've never seen any of them come forward and say, 'Look, I have to get this off my conscience.' "

Ryan admits that leading a hunt for former Nazis was not how he planned to spend his life and his career. A graduate of Dartmouth College and the University of Minnesota Law School, he had led the life of a "typical" Washington lawyer—a stint as law clerk to Supreme Court Justice Byron R. White, three years with the high-powered law firm of Williams, Connolly and Califano, three years as assistant to the Solicitor General of the United States.

Then, along came the case of Feodor Fedorenko.

"The INS (Immigration and Naturalization Service) had lost the case against Fedorenko and wanted to appeal. The Solicitor General's office has to authorize any appeal by a government agency and the case was assigned to me," Ryan says. "Ultimately, I recommended that it should be appealed . . . and, when the case came to trial, the INS asked if I would handle it.

"The legal issues were certainly interesting enough," he continues, "but what affected me was: here was this man that, by his own admission, was a concentration camp guard at Trelinka, who had concealed his background and had come into this country as a result of that deception. I thought the United States ought to be able to do something about that.

"It was my first realization that there were Nazis in this country, more or less living in the open . . . who were responsible for the persecution of millions of people but were being allowed to live peaceful and unquestioned lives here. That intrigued me."

As Ryan was appealing the case, Rep. Elizabeth Holtzman, D-N.Y., was holding hearings on the cases of the former Nazis. Under pressure from her subcommittee, the Justice Department agreed in 1978 to fund a new office to evaluate accusations of war crimes against 350 persons and to search out other Nazis living in this country.

Ryan became deputy director of the OSI in January of last year and director three months later. So far, his office has 17 cases in litigation—10 involving denaturalization, the first step, and seven involving deportation.

Hundreds of other cases are still being investigated. Most involve persons from the Ukraine, Latvia, Estonia and other segments of the Soviet Union who are accused of collaborating with the Nazis and came to this country under the Displaced Persons Act of 1948. But, just recently, the West German government provided the OSI with the names of 50,000 former SS officers and enlisted men and Ryan indicated some may have slipped into this country under normal immigration procedures.

"I don't want to talk about those cases yet, but we are very close to going into court on a case of that type," Ryan noted.

Ryan and his investigators have spent hundreds of hours poring over the records of a dozen nations and have interviewed witnesses in Israel and the Soviet Union and other Eastern European countries. A bit surprisingly, the OSI has received the cooperation of Russian officials.

The chase has affected Ryan and his staff. Last October, Ryan himself slipped into the former concentration camp at Dachau outside Munich as a tourist. "It was an incredible experience," he says. "You stand there at Dachau and try to realize that this really happened. No matter how many photographs you've seen, no matter how many documents you've seen, you stand there and you say, 'How could this have happened? How could people do this?' "

On a trip to Warsaw, Ryan visited the rooms where the Nazis once tortured prisoners. "You stand there and you think, 'That's the blood that was spilled, those are the bullet holes left when people were shot, that's the Star of David a prisoner scratched in the wall with his fingernail.'

"It is almost too much for the human mind to comprehend—and, maybe that's the great lesson in the Holocaust."

His staff, Ryan says, "has a strong emotional attachment to what they are doing.

"There are lawyers and others on this staff who would not be working for the government, certainly not for the Justice Department, if it weren't for this work. They believe in it, so they are here. We share the feeling that we are doing the right thing, that we are doing justice."

Ryan hopes that, beyond bringing war criminals to justice, his staff's efforts will have an educational effect on the American public and, more important, refute a recent spate of revisionism which suggests that the tragedy never occurred.

The attorney recalls that a Polish official asked him about this revisionist history at one meeting and that he had told him not to take it seriously.

"His reply was, 'Yes, that's all true now in 1980. But 100 years from now, 200 years from now, when we are dead and our grandchildren are, when the Holocaust is to people of that time what the Crusades are to us now, what then?'

"That is ominous," Ryan says. "The Holocaust is something that must not be forgotten."●

AN EARNED RIGHT

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. HOLLENBECK. Mr. Speaker, I rise today to express my deep concern over the financial problems facing the social security system. I take this opportunity to share with my colleagues the basis of my concern.

As we know, the President's Commission on Pension Policy is expected to submit their final report on overall retirement policy to the Congress in February. The Commission's recommendations and the impact they hold for millions of current and future social security recipients warrants careful evaluation by the Congress.

It is unfortunate that the accelerating cost of social security has prompted numerous studies and recommendations aimed at reducing benefits but none to increase payments and expand coverage. Former Social Security Commissioner William J. Driver, for instance, recently told the Senate Committee on Aging that continuing high inflation and unemployment would result in serious financial problems for the retirement system. In his testimony, Mr. Driver said the financial base of the system would deteriorate, even with frequent tax increases, if unemployment continues to reduce revenues and inflation continues to force benefit payments upward.

President Reagan's Social Security Task Force has offered several alternatives to restore the financial integrity of the social security program. Recommendations include an increase in the retirement age, reduced indexing of benefits to inflation and changing the way initial benefit levels are fixed.

Let us not forget that the Government is responsible for making sure the social security system is kept in balance and that it is financially sound. Thus, when problems are recognized, the President and Congress can act to restore fiscal balance to the programs by enacting changes. However, whatever the merits of a particular change may be, we must recognize that we run the risk of altering the fundamental nature of the social security system. Social security benefits are not a gift from a generous Government, but an earned right. We should be careful, therefore, not to undermine people's faith in social security promises and the promises of their elected officials. We owe older Americans, future retirees, and the taxpayers no less.●

TRIBUTE TO DICK WILSON

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. SMITH of Iowa. Mr. Speaker, a few days ago the Washington Post's obituary of Dick Wilson, the distinguished journalist and longtime Washington bureau chief of the Des Moines Register, was printed in the RECORD at my request. Since then I have received the eloquent and more detailed obituary carried in the Register. For the benefit of my colleagues who knew Dick Wilson, I request unanimous consent that the obituary published in the Des Moines Register of January 19 be printed in the RECORD. It is as follows:

REGISTER'S RICHARD WILSON DIES AFTER NOTED D.C. NEWS CAREER

(By George Anthan and Donald Kaul)

WASHINGTON, D.C.—Richard Wilson, 75, one of the capital's most respected and influential newsmen during more than four decades as The Register's chief Washington correspondent, died here Sunday after a long illness and treatment for cancer.

Wilson, who was on a first-name basis with all the presidents from Franklin Delano Roosevelt through Richard Nixon, had won most of the awards presented to journalists, including the Pulitzer Prize, the Raymond Clapper Memorial Award, the Sigma Delta Chi distinguished service award and the Headliners Club award.

Wilson retired late in 1970 after 37 years as chief of The Register's Washington Bureau, but continued as the newspaper's top correspondent in Washington and wrote a syndicated editorial page column until 1975.

Having covered every national political convention since 1932, he returned to The Register briefly in 1976 to assist in covering the Democratic and Republican conventions in New York City and in Kansas City, Mo.

He had been living in Florida but returned to Washington when his health worsened several months ago.

Wilson considered himself a native of Newton, Ia., although he was born in Galesburg, Ill., where his family lived for one year. He majored in chemical engineering at the old Iowa State College and in journalism at the University of Iowa.

He went to work for The Register in Des Moines in 1926 and remained with the Cowles newspaper, broadcasting and magazine organization for the rest of his career, except for a year as a reporter with the St. Louis Globe-Democrat.

He was married to the former Katherine Macy, formerly of Adel, Ia., who was managing editor of the Daily Iowan in Iowa City when Wilson was the paper's night editor. She survives him, along with the couple's two daughters, Susan and Kay. Funeral services for Wilson are pending.

DRESSED LIKE A DIPLOMAT

Tall, slender and reserved, Wilson was looked up to by his colleagues and by the government officials he covered. His dress was uncompromisingly conservative, less that of a journalist than of a British diplo-

mat or the president of a large, old-line bank.

Wilson once told the story of an incident that occurred during then-Vice President Richard Nixon's trip to Russia in 1960. Wilson was covering the trip for The Register.

The Nixon party had gone to view one of Russia's proudest achievements, a huge hydroelectric project. From the party's vantage point, the visitors could see not only the huge dam and the lake behind it but a grand Russian vista as well. It was, Wilson recalled, breathtaking. Nixon walked up to him. Expecting the vice president to say something significant, Wilson stooped slightly to listen.

Nixon fingered the cloth of Wilson's lapel and asked, "Dick, where do you buy your suits?"

Although publicly reserved, Wilson privately was a warm man, quietly convivial and helpful to younger journalists. On occasion, he could be mildly sardonic. In the early 1970s, when some mature men began to let their hair grow long, he turned to Kenneth MacDonald, then editor of The Register, and observed, "Ken, I see you've taken off some weight and put on some hair."

Wilson was under few illusions about Washington and about the fame and power that so pervade this city.

"SATISFYING AND ILLUSORY"

"A career in journalism," he wrote in The Register upon retiring in 1975, "is both satisfying and illusory. Said Lyndon Johnson as we climbed mother-naked out of his overheated White House swimming pool: 'You can come to see me every week, if you want to.' I didn't. Said Franklin D. Roosevelt to an awed boss [of Wilson's]: 'Dick Wilson is one of the four best reporters in Washington.' Roosevelt barely knew who I was at that time. All standard Washington persiflage."

Wilson had held the presidencies of the National Press Club and the Gridiron Club—he was for a time the Gridiron's unpaid treasurer—but of his own awards and honors he said:

"A few awards, prizes, honors have come my way—some of them deserved, I hope. But Washington journalism is overstocked with press indulgence, awards by the dozen, dinners by the score for shoulder-rubbing with the great."

Wilson won the Pulitzer Prize for his exclusive stories in 1953 revealing that in 1945 the FBI had warned the White House of the Communist connections of Harry Dexter White. His stories provided a complete picture of Soviet espionage in the United States, beginning in the years before World War II.

Wilson has opened The Register's Washington Bureau in 1933, mainly to provide Midwestern farmers with news of the myriad programs being fashioned by the new Roosevelt administration to try to lift the nation out of the Great Depression.

He quickly became the pre-eminent agricultural expert among Washington reporters, but his interests were wide ranging. Wilson wrote the first story of Roosevelt's attempt to purge congressional leaders who had opposed his court-packing plan; he covered the African and European theaters in World War II; he wrote the first full story of Nixon's campaign fund scandal in 1953; he covered the Geneva summit conference in 1955; he accompanied Nixon to Africa in 1957 and to Russia in 1960; he traveled with President Eisenhower to Europe and Asia and was in Paris in 1960 when the summit conference collapsed because of U.S. spy plane flights over Russia.

WITH KENNEDY AND NIXON

Wilson covered the Khrushchev-Kennedy conference in Vienna in 1961 and traveled with Kennedy to Europe in 1963. He went to Southeast Asia twice in 1966 and was on Nixon's around-the-world trip in 1969. In 1972, he went with Nixon to China.

Until 1970, Wilson also headed the Washington bureau of the Minneapolis Tribune, and during his career he wrote more than 100 articles for LOOK Magazine, another Cowles publication, which no longer is published. He frequently appeared on NBC's "Meet the Press" program.

MacDonald, who now is retired, recalled Sunday that Wilson "was a great newspaperman but no city editor. Every time a really good story broke, he'd get someone to cover the desk while he went and covered the story. His going to Washington for us was one of the crucial moves we made in those days. It was a sign to our readers and to the rest of the staff that the paper was going someplace.

"Wilson distinguished himself early on in his reporting of agricultural developments. It was said that Agriculture Department bureaucrats learned more from The Register about what was happening in their department than they did from official channels."

WASHINGTON SUBURBANITE

Wilson was one of the first Washington suburbanites, living in then distant Bethesda, Md., in the late 1930s and trying to grow some corn, partly in an attempt to retain his Iowa ties.

When Iowan Henry Wallace became secretary of agriculture and then vice president, Wilson cultivated him as a source and recruited him as a tennis partner. Wilson had to get up every morning well before dawn so he could be in Washington at 6 a.m. to play tennis with Wallace. Then he put in a full day's work.

MacDonald recalls, "It was killing him, but he kept it up because he thought Wallace, although reticent, would continue to be a good source."

Wilson gave up playing tennis with Wallace after the vice president told him—during a tennis match—that there wouldn't be war between the United States and Japan. That was on Dec. 5, 1941.

Wilson's boyhood friend and former managing editor of The Register, Frank Eyerly, said of Wilson:

"He was a terrific reporter, always, but when he went to Washington, he really took off. He pioneered in the coverage of the Agriculture Department and set the stage for the kind of work that Risser and Anthan do today."

James Risser, chief of The Register's Washington Bureau, who currently is on a leave of absence from the newspaper, said, "Richard Wilson was a quiet and elegant man who was one of the most influential and respected Washington reporters of his day. It was no accident that at one time all three members of The Register's bureau that he headed were Pulitzer Prize winners, an unprecedented accomplishment in Washington."

Nick Kotz, who won a Pulitzer Prize while working for The Register bureau under Wilson, said:

"I never worked for anyone more supportive. He gave people their head and assumed that they were as mature, professional and serious about the business of news as he was. And if you occasionally got into trouble with editors on the paper or with government officials, he was a bulwark of support."

Charles Bailey, now editor of the Minneapolis Tribune and a former member of the Cowles bureau in Washington, said, "I know I'll never have a better teacher or boss. He assumed you were a professional, told you what he wanted and left it up to you to do it."

Wilson perhaps was proudest of the achievements of the bureau he built, watching over the years as its members received most of the major journalism awards.

Wilson himself wrote in 1975 that through his half-century of reporting, "Three major events happened. This country was engulfed, nay, swamped in technology. The United States became the greatest world power. It also became a continental welfare state. That encompasses the whole of it."

In the past, Wilson wrote, lay a "miles-long ribbon of columns, a couple of hundred magazine articles, hundreds of broadcasts—and one wonders if anyone was enlightened by them."

Wilson said he learned that government cannot do what has come to be expected of it, that no way has been found to avoid war and that no way has been found to provide never-ending security and comfort. And presidential candidates, he stated, will continue to promise a new tomorrow that will arrive flawed or not at all.

But, finally, he was an optimist. Noting that the late Arthur Krock had concluded his 60 years with the New York Times by stating that the "tenure of the United States as the first power in the world may be one of the briefest in history," Wilson himself concluded:

"Such dark thoughts hover about, but I reject them. We will recover."●

MORE U.N. HYPOCRISY ON MID-EAST PEACE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. PORTER. Mr. Speaker, I note with great consternation that on this day the United Nations Postal Administration, as directed by a General Assembly resolution that the United States voted against, is releasing a set of three stamps on the theme "inalienable rights of the Palestinian people." The stamps are dedicated to "Palestinian self-determination, independence, and sovereignty" and the General Assembly resolution from which they spring speaks of the fact that "no just solution to the problem of Palestine has been achieved."

Mr. Speaker, it is only with the greatest hypocrisy that the U.N. majority may speak of this failure to find a just solution, for the recent record of the U.N., relating to the conflict there, is deplorable.

With all of its flowery language espousing Palestinian national rights, where was the U.N. when the combined Arab armies dismembered the fledgling Palestinian state created by the U.N. in 1948? When Jordan annexed the West Bank, and Egypt controlled Gaza for 19 years, where were the world cries for Palestinian nationalism? And what of the inalienable rights of the Israeli people? By unconditionally seating representatives of a terrorist organization—PLO—whose sole cause is the annihilation of a U.N. member state—Israel—the United Nations renounces any good faith role in seeking a just solution to the conflict. By turning its back on the Camp David process, and by lending moral support to PLO terror, the U.N. has dug its heels into the status quo and refused to embrace the cause of peace.

Mr. Speaker, these stamps are merely an emblem of the U.N.'s seemingly endless fascination for anti-Israel and even anti-Semitic sentiment. Time after time in recent years, the U.N. has failed in its principal mission of nurturing world peace, and chosen rather to squander its time and resources on constructing a stage upon which the floor show of anti-Americanism may be viewed. It becomes clearer that only an ambition of self-destruction would have the United States continue to bear the plurality of costs for this spectacle.

The U.N. seems hellbent on delivering itself into history's dustbin, our protestations notwithstanding. Faced with episodes like last year's Women's Conference in Copenhagen becoming a PLO propaganda festival, or continued UNESCO anti-Semitism, it is difficult indeed not to endorse enthusiastically our new U.N. Ambassador's call for withdrawing U.S. finanical support for certain U.N. agencies. If Ambassador Kirkpatrick's voice of reason is not heard on the floor of the U.N. General Assembly, then it shall surely be heeded on the floor of this House of Congress.●

U.S.S. "GEORGE PHILIP"

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. LAGOMARSINO. Mr. Speaker, one of the Navy's newest surface warfare ships, the guided missile frigate U.S.S. *George Philip* (FFG-12) will arrive at Port Hueneme, Calif., Friday, February 6. The ship will be open to the public.

George Philip's visit will be held in conjunction with its ship qualification trials on the Pacific missile range off Point Magu. Naval ship weapon systems engineering station is providing support during the 2-week trials which start February 1.

Comdr. James L. Turnbull, commanding officer of *George Philip*, grew up in Ventura County where he attended elementary and secondary schools and was graduated from Nordhoff Union High School in 1957. He is the son of Mr. and Mrs. Archie Turnbull of Ojai, and is married to the former Linda Lee Dobbs of Ventura.

On behalf of the Members of the House and my constituents in Ojai and Ventura County, I welcome Commander Turnbull and his men to our area and wish them the best of luck in their mission.●

THE EMERGENCY AUTOMOBILE REGULATORY RELIEF ACT OF 1981 AND THE AUTOMOTIVE ECONOMIC RECOVERY TAX ACT OF 1981

HON. JIM DUNN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. DUNN. Mr. Speaker, today I am introducing a measure to provide emergency regulatory relief to the automobile industry, to stimulate demand for purchase of new automobiles and to lessen the burdens of capitalization costs of converting to more fuel efficient vehicles.

By all accounts, it is becoming increasingly clear that:

The future viability of the automobile industry should be a concern to the entire country;

The automobile industry has been the victim of unpredictable energy supply interruptions and Government pricing policies;

Long leadtimes necessary to build more fuel efficient cars made it difficult to respond instantaneously to such interruptions;

The U.S. auto industry has been in the process of converting to greater fuel efficient cars for some time and that the capital required for this conversion makes it the largest privately funded investment program in history; and

Certain Government regulations and policies are making it difficult to come up with that capital and relief from those regulations and policies is essential to the industry's chance for survival.

THE DILEMMA

The domestic automobile industry today is facing an unprecedented economic crisis.

The U.S. Department of Transportation has just issued a report on the state of the automobile industry that is alarming.

Three hundred thousand auto workers lost their jobs in 1980. Another 350,000 to 650,000 in auto related industries lost their jobs.

The cost to the U.S. Government in unemployment benefits, lost tax revenues, trade adjustment assistance, food stamps, medicaid, welfare and other Federal support programs for the loss of one auto worker was $14,100 according to the most recent DOT estimates that were taken for the year 1979, when costs were substantially lower than today.

To cloud this picture further, during the first 10-day period of January 1981, domestic car sales were down 20 percent from 1980.

As a Member from the State of Michigan, I am all too well aware of the widely held misconception that the problems of the automobile industry are the problems of Detroit, the State of Michigan, and a handful of other States where auto manufacturing is concentrated.

Nothing could be further from the truth.

As a major consumer of raw materials, of component parts, and as a supplier to dealers across the country, the auto industry's well-being directly affects the economic welfare of the entire country. To underscore this, the Department of Transportation released the following figures:

Roughly one of every six jobs in America is related to the auto industry; in total more than 4 million people directly owe their employment to the automobile.

The automobile industry utilizes 21 percent of the nation's steel output; 60 percent of the synthetic rubber; 11 percent of the primary aluminum; 30 percent of the ferrous castings; 25 percent of the glass; 20 percent of the machine tools; and significant percentages of plastics and electronics.

Production of the auto involves a vast and expensive industrial network. There are more than 100 plants involved in the manufacturing process of each automobile; over 2,000 companies produce goods primarily for the auto industry, which each year purchases $10 billion of equipment and material from suppliers.

Clearly, the interdependence of so many major industries with the automobile industry is such that the economic well-being of our country rests to a substantial extent upon this vast industry and its future viability. Those who would ignore the automobile industry at this crucial juncture in its development may well be turning their backs on America's economic future itself.

CAUSES OF THE DILEMMA

Before we can talk about solutions to the automobile industry's current dilemma, it is necessary to understand the primary causes of its distress. They are: First, U.S. energy pricing policies and particularly the sharp increases in gasoline prices in 1979; second, the effect on demand of the current economic downturn; third, the costly burden of certain Government regulations.

Beginning with the Arab oil embargo in 1973 and followed by increases in the cost of oil and continuing threats of supply interruption, the demand for fuel supplies has played an increasingly pivotal role in the direction of the

U.S. auto industry. While other nations did not shelter the real price of oil and consequently encouraged the production of more fuel efficient cars, the United States controlled the cost of oil and thereby artificially maintained lower oil prices.

Because the natural market forces were not at play, the American consumer was not demanding smaller fuel efficient cars. In fact, in about late 1975, when many of the decisions concerning 1980 model cars were being made, import sales had just suffered a tremendous drop in penetration from 21.7 percent of the market in March 1975 to 11.6 percent in November of the same year, a decline of almost 50 percent in 8 months. Gasoline prices were half what they are today and large domestic passenger cars were selling very well.

Today, after the doubling of gas prices in 1979, gasoline usage is down over 12 percent over 1 year ago.

These rapid changes in demand have created havoc in the auto industry. This is because new cars cannot be built in a day or a year. To produce an all new automobile with a new engine, transmission, and other components takes a minimum of 5 years. A car may have 7,000 to 12,000 parts originating from 100 or more plants; it must be made in millions of copies, operate in a broad range of environments, please a variety of customers and be compatible with existing infrastructure of sales, maintenance, and repair facilities. The Department of Transportation estimates that it takes about 2 years for the preliminary design of an automobile and 3 years to design, build, and put in place the manufacturing and assembly equipment. Decisions, for example, to produce GM's X car were not made last year with the advent of the Iranian oil crisis, but much earlier in the 1970's.

In addition to these long lead times that make it difficult for the industry to keep up with rapidly changing demand shifts, the economic downturn we are currently experiencing coupled with high interest rates and high inflation has resulted in the most massive losses ever recorded by any industry. This is despite the fact that the price per vehicle has remained remarkably steady. In fact, the public has been receiving a vastly improved auto each year without real price increases.

AUTO INDUSTRY TODAY AND IN THE FUTURE

In order to respond to changes in demand for greater fuel efficiency, radical and costly changes are taking place in the American automobile industry.

By 1985, domestic autos will be smaller, lighter, front wheel driven, run on smaller engines, and boast more sophisticated technology.

To bring this about, new facilities and equipment must be built. New product designs must be developed. The capital needed to revamp product lines has brought on enormous financial difficulties. In fact, capital investments in the next few years will be 2 to 3 times historical trends in real terms. Whereas in the past when spending could be put off during sales downturns, the demands to keep production of new fuel efficient cars on schedule is such that spending cannot be put off.

More than $70 billion in new investment will be needed by 1985. This is the largest privately funded investment program in history. It dwarfs the spending on the Apollo program.

The ability to come up with this capital is severely hindered by the excessive costs of Government regulations. The Department of Transportation in its report agreed that "Government automotive regulations have often been insensitive to the cash flow problems they create."

Long-term aggregate costs of Government regulation are normally thought to be recouped through multiyear high volume production. But the fact is that the front-end cash requirements needed to comply with Government regulations is placing significant short-term financial pressures on the industry. This ties up capital in nonproducing assets and further delays the industry's ability to recapture its tooling outlays.

Last week a subcommittee of the Senate Finance Committee heard testimony on the impact of Government regulations on the auto industry. An expert in this area, Dr. Lawrence White, a New York University economist, testified that Government pollution and safety regulations cost auto manufacturers an additional $600 to $1,000 per automobile. Passive restraint requirements in 1982 will add somewhere between $70 to $100 per vehicle. Airbags would add as much as $500 per vehicle.

PROVISIONS OF THE BILL

The legislative package I am introducing today is designed to stimulate demand for the purchase of new autos in the light of the current economic downturn, to help the U.S. auto industry meet the enormous costs of converting to more fuel efficient cars and make more cost-effective certain Government regulations.

I am introducing tax proposals which will stimulate demand, recapitalization, and employment, thereby pushing the industry back on the road to health and productivity.

During a period of 6 months, tax credits will be offered toward the retail purchase of certain automobiles that meet certain fuel efficiency standards. Five hundred dollars will be credited against the purchase price of a new car, with an additional credit allowed for those who must borrow money in order to buy. High interest rates have been a major factor in the downturn in automobile sales, rates which are neither the fault of the auto industry nor the burdened consumer. This measure cushions the impact of high interest rates in the auto market by allowing a tax credit for 50 percent of the interest paid on loans for automobiles bought within the 6-month period. This is limited by a $400 ceiling allowed each year per vehicle.

While foreign car manufacturers operate in close cooperation with their governments, U.S. auto makers have traditionally been made to produce and evolve in a tight competitive atmosphere. Long-term health may come only by quick and substantial capital investment within the American auto industry. Our Government now has the chance to provide some cooperation for the manufacturers and work force. My bill will help ease the industry through the critical next 5 years. It will provide incentive for capital to be invested in the machinery and equipment needed to be competitive. Such machinery will be depreciated 25 percent faster, while special tools used for short periods of time in retooling and other efforts will be expensed in the taxable year of their use.

Manufacturers are currently entitled to investment tax credits and net operating loss deductions. Indeed, current law allows a carryback and carryover of these benefits to allow for years when a company may have no tax from which it may credit and no profit from which it may deduct. This scheme, however, did not foresee what now exists: A huge industry, basic to our economy, undergoing an extended depression many years beyond what once was considered a reasonable period of carryback. This legislation will increase the carryback period from the current 3 years to 7. This extension would apply to not only auto manufacturers themselves but to suppliers of the auto industry as well.

These tax incentives are called the Automotive Economic Recovery Tax Act of 1981.

Finally, a separate bill, the Emergency Automobile Regulatory Relief Act of 1981, calls on the President to conduct an emergency review of all regulations affecting the automobile industry including manufacturers, suppliers, and dealers and to revise and amend those regulations which are found to impose excessive financial burdens on the industry.

President Reagan and Secretary of Transportation Drew Lewis have ordered an executive-level task force to identify regulations that must be revised. My bill takes this one step further by requiring that action be taken on an emergency basis within 90 days. I have spoken with White House officials and with Secretary Lewis who have voiced their full cooperation in this effort.

I strongly believe in market solutions to problems of the auto industry. At the same time, we should all recognize that the auto industry has been forced to bear the brunt of the current economic downturn as well as the impact of Government energy pricing policies and costly regulations. Government must now share the responsibility for returning U.S. automakers to their prior competitive positions.

Let us not fool ourselves into believing that the auto industry can alone recover without the U.S. economy improving. We must have restraint in Federal spending and responsible monetary policies in order to get our economy back on the track.

I believe that the proposals I am putting forth today are a reasonable and moderate response to the impact of a whole host of factors, many of which have long been beyond the control of the automobile industry itself.●

KAREN WACASER, MISS ILLINOIS UNITED TEENAGER

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, January 30, 1981

● Mr. FINDLEY. Mr. Speaker, I am very proud of Karen Wacaser of Springfield, Ill., who was chosen to represent Illinois in the Miss United Teenager Pageant and who crisscrossed the country in that capacity. During her Washington tour, Karen wore an exact replica of a ball gown worn by Mary Lincoln as her State gown. Her essay was one which could have been written for this week's grand celebration in Washington in honor of the former hostages.

I want to share her words with you.

America, my country reminds me in many ways of a rose. Before the rose, there was the seed, and before the Republic there was the idea.

Just as the new seedling experiences growing problems, America has also experienced growing pains.

Like the rose that grows and branches out, America has cultivated friendships with other countries to spread good will across all lands.

Just as the rose experiences cold nights yet is always confident of the coming dawn, America has also experienced its dark moments, and yet we've always been confident that brighter days are ahead.

But this rose is like my country in that it has not yet reached full bloom. We have yet to discover our full potential.●

HOUSE OF REPRESENTATIVES—*Monday, February 2, 1981*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. MOAKLEY).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
January 29, 1981.

I hereby designate the Honorable JOE MOAKLEY to act as Speaker pro tempore on Monday, February 2, 1981.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, give us the appreciation we should have for the opportunities of each day. We admit, O gracious God, that we become so involved in our busy and necessary efforts that we can easily miss the gifts that might be new every morning—the gifts of life, of hope, of freedom, of forgiveness, and the assurance that You are with us always, every hour until our last day. O God, we thank You for this day. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

WHO REPRESENTS AMERICANS? FOREIGN AID MUST BE CUT

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, it never ceases to amaze and dismay me that every time there is a suggestion of reducing foreign aid, a tremendous hue and cry goes up from the State Department, foreign countries, Congressmen and Senators with a direct interest, and the Washington Post. But who represents the American people in this debate? They have had enough. They want reductions in Federal spending—beginning with foreign aid.

Our new Director of the Office of Management and Budget, Dave Stockman, last week proposed some reductions in President Carter's budget for consideration. It was immediately leaked to the press and panicked screams ensued.

First of all, who leaked it? That person should be found and fired. I hope Secretary of State Haig can get his Department under control and stop such irresponsible actions in the future.

And what did Stockman actually propose? For consideration, he suggested we hold down President Carter's astronomical 30-percent increase in this year's budget for foreign aid. Last year our budget had $6 billion for foreign aid. Carter proposed $8 billion for this fiscal year. Director Stockman suggested $5.4 billion, which was a slight reduction from last year's budget.

The American people made it plain in last year's elections that they want reductions in Federal spending, but not only in domestic programs while foreign aid goes merrily on its way. The time is now for at least a reasonable reduction in foreign aid.

FOREIGN AID NOT SACROSANCT—CUTS IN PROGRAM SEEN

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I just want to commend the gentleman from Mississippi (Mr. LOTT) for making the point he made about foreign aid because the press obviously missed the very important point that the budget that was presented by President Carter was, as the gentleman indicated, far in excess of what it was this year and it did not represent what Mr. Stockman was talking about. It did not represent a significant cut from where we are but, rather, some projected increase that was just a figment of many people's imaginations.

To this point, if we are going to make significant reductions, as the gentleman indicated have to be made, certainly foreign aid is not going to be sacrosanct and left untouched when there are so many domestic programs that are going to have to be scaled down and so many projected increases that are going to have to be scaled back to a more acceptable level.

Mr. Speaker, I commend the gentleman from Mississippi (Mr. LOTT) for making this point clear to us.

WORLD HUNGER, PEACE CORPS CUTS WOULD RESULT FROM FOREIGN AID CUTBACK

(Mr. DIXON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DIXON. Mr. Speaker, those concerned with world hunger and underdevelopment were jolted by Friday's news in the Washington Post.

The Director of the Office of Management and Budget, David Stockman, has called on the President to cut $2.6 billion from our 1982 foreign aid program.

This would devastate our contribution to the fight against world hunger, disease, and deprivation.

To slash foreign aid by one-third, OMB says the heaviest burden will be felt by Africa. How can we explain this action to ourselves or to others? Half the children die before the age of 5, and hunger is a way of life.

The number of Peace Corps volunteers would be cut by one-quarter. This is no message of thanks to 6,000 Americans—young and old—who make the difference in 60 of the world's poorest countries. Who will Mr. Stockman have to teach farmers to better plant crops, or mothers to raise healthy babies?

This is an ominous message to have our President send, and one the world's poor do not deserve to hear.

KOREAN ADS IN WASHINGTON POST

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, I was concerned this morning—in fact, it did not do my breakfast a bit of good—to see all those full page ads in the Washington Post saying welcome to the President of Korea on his visit to Washington. Seven of them.

I am told a full page ad in the Post costs between $20,000 and $25,000, so what I was looking at is an expenditure of between $140,000 and $170,000. And the same ads ran in the New York Times last Friday at probably a higher cost. They may have run in other papers as well. So we are talking about an outlay of maybe a half million dollars or more. And for what? Who are those ads trying to influence? What is the message they are trying to get across?

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

I will tell you the message that came across to me. If the Korean Government or industries have that kind of money to throw around, they must be in very good shape. They surely are not in need of any great assistance from us. And if any of that money came from our military or foreign aid programs, it would be an outrage and a clear indication that Korea is getting more money than it needs.

Mr. Speaker, there is a great effort on now to cut waste and unnecessary expenditures out of government. The foreign aid program is one of the areas that will be most closely examined for such expenditures. It was extremely poor judgment for the promoters of this nauseating display to offer such a prime example of wasteful, unnecessary spending.

INTRODUCTION OF FEDERAL MANAGERS ACCOUNTABILITY ACT OF 1981

(Mr. BROOKS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROOKS. Mr. Speaker, today I am introducing the Federal Managers Accountability Act of 1981. This measure will improve the management and expenditure of Government funds by improving the internal accounting and administrative control systems of Federal executive agencies.

The Federal Managers Accountability Act fulfills a recommendation of the General Accounting Office that internal control systems within the agencies be upgraded and improved. The head of the GAO, Comptroller General Elmer Staats, has stated:

> We believe that the reason internal control systems are in a state of disrepair is that top management has devoted most of its concern and emphasis to delivering funds and services and that effective controls over tasks and functions which lead to the delivery of these funds and services has had a low priority . . . .

The cornerstone of effective accountability is control and direction by the chief executive of each agency. The bill that I am introducing today requires that the head of each agency certify that the agency has an adequate system of control. It is expected that he or she will have to instigate appropriate inspections and audits to insure the accuracy of the certifications. It is also expected that any deficiencies in the control process will be eliminated promptly.

The Federal Managers Accountability Act also requires personal responsibility of the Secretary for the provision of adequate resources for the Offices of Inspector General in the various agencies. Such provision is crucial. The Offices of Inspector General cannot fulfill their responsibilities without the resources necessary to pursue effective audit and investigation responsibilities.

Of course, certification and reporting by themselves will not improve management performance. There is no substitute for good judgment, competence, and ethical behavior, but the requirements of this legislation will make Government managers responsible for their actions and accountable to the public that they serve. This accountability will improve management performance and will be a step toward restoring the public's confidence in the Federal Government. I hope this legislation will be approved.

□ 1210

THE FREE ENTERPRISE POSTAGE STAMP ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I am today reintroducing the Free Enterprise Postage Stamp Act, and I am pleased to have seven of my colleagues join me in cosponsoring this measure.

When I first introduced this bill last November, the public response was overwhelmingly positive, and since that time, I have continued to receive requests by interested parties from all over the country for more details on my proposal, which seeks to reduce the taxpayer's subsidy to the Postal Service.

Last year, the American people subsidized the Postal Service to the tune of $1.7 billion. In addition, it costs 15 cents for first-class postage; an increase of 300 percent in only 15 years. In another month, we could be paying 20 cents for a stamp, and who knows what we will be paying a couple of years from now? I believe this bill can reduce subsidies and at the same time maintain revenue levels so periodic postage rate increases can be reduced or delayed. This just might be a concept which will let us have our cake and eat it, too—a rare commodity in politics.

Basically, my bill would allow domestic corporations to promote their logos on postage stamps. Through a competitive bidding process, corporations would be allowed to buy the space on the face of a postage stamp, and then the stamp would be resold to the public at current rates. This double source of revenue would be used to offset congressional appropriations and delay or reduce future periodic rate increases.

One hundred million stamps would comprise 2,000 bids, and there would be a minimum starting figure of $10,000 per bid. With such figures, millions of dollars could be raised. If, upon the success of this idea, we expanded the program to all 6 billion stamps produced annually, a minimum of $1.2 billion could be raised.

Mr. Speaker, that is enough money to completely eliminate the tax subsidy, and in these budget-cutting times, it would be a real pleasure to cut spending without hurting someone.

There are strict guidelines in the bill concerning the appropriateness of logos. No pornographic, religious, scandalous, or political messages are allowed. A small three-member panel composed of the Postmaster General, the Assistant Postmaster General, and the Federal Trade Commission Chairman would advise the Postal Service regarding borderline cases.

Most importantly, my bill does not create a separate bureaucracy in competition with the Postal Service. It uses existing governmental mechanisms. Corporations will be allowed to buy the postage stamp space only. The Postal Service will continue to print, sell and distribute the stamps. At the end of 1 year, the act will "sunset," and the U.S. Postal Service is authorized to prepare a report summarizing the act's effectiveness.

Mr. Speaker, the American people depend upon the U.S. Postal Service as an important system of communication, but ever-escalating postal rates constitute a serious economic burden on mail users and discourage the free flow of information through the mails. Although one of the primary purposes of the U.S. Postal Service is to insure that the operations of the postal system are financially self-supporting, postal rates have continued to increase steadily over the past decade, and will continue to increase in the future. Tax subsidies are both inappropriate and ineffective as a means of eliminating the need for frequent postal rate increases.

Industry, and most importantly, the public, have been overwhelmingly in favor of this idea. The American taxpayer is tired of hearing their elected Representatives only talk about skyrocketing inflation and ever-increasing solutions to the problem of increasing postal rates and subsidies. I believe this is a concept worthy of attention and action, and I would welcome my colleagues as cosponsors and urge the Post Office and Civil Service Committee to schedule hearings on this bill before the scheduled first-class postal rate increase this March.

THE NEED FOR TAX REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, tax reform should be a top priority of the 97th Congress. President Reagan has already indicated that he will push for a tax cut early in the first session. In

79-059 O — 84 —— 88 (Vol. 127 Pt. 1)

addition to the rising tax burden, other severe economic problems—long-term trends of declining productivity and capital formation; the concern over incentives to work, save, and invest; and the current recession—have given rise to a broad range of tax reform proposals.

I am hopeful that these proposals will be addressed as soon as possible during this new Congress.

The standard of living of the average American is declining. Americans are currently suffering from a double-edged malady. On the one hand, inflation is eating up a larger share of the purchasing power of each American's paycheck. And, on the other, Federal tax collectors are taking Americans to the cleaners.

The economy has been severely injured because of Government's failure to reduce Federal spending—And hence taxes—and encourage private sector saving and capital formation and by Government's unwillingness to adjust the tax system to recognize the impact of inflation.

Heavy taxation and the incredible growth in Government spending have left a dwindling percentage of national income to individuals and businesses. The loss of purchasing power has been substantial, particularly among middle-income groups. The argument that the Federal Government can make better use of expenditures than the average taxpayer has been proven incorrect. In fact the propensity of the private sector to save and make investments which stimulate productivity is much greater than that of the public sector.

Heavy taxation has contributed to economic stagnation. Productivity is declining. Substantial portions of American industry are becoming outmoded and uncompetitive. Millions of Americans are out of work. The economic downturn we are currently experiencing is real and serious.

The enormous displacement of economic activity by taxes and Government spending has prevented us from improving our productivity and achieving economic growth and, at the same time, has contributed to intolerable rates of inflation. Government policies—the heavy taxation of income from capital, Federal and State individual income taxes, business taxes, capital gains taxes, and so forth, and the failure to index the tax system for inflation—have discouraged investment and capital formation, thus inhibiting the supply side of the economy.

And finally, the interaction of inflation and our tax system has produced an ever-worsening taxflation. Better known as bracket creep, this condition has occurred because inflation has pushed workers into higher tax brackets where their wages are, in turn, subject to higher taxes. The lack of indexation in the tax system has caused Federal tax receipts to literally go through the roof. Taxpayers try harder and harder to keep up, but unfortunately they fall further and further behind in their attempts to whip inflation. In effect, their pay gains and increased purchasing power are wiped out.

Just as bracket creep has affected individual tax rates, stagnant depreciation schedules have affected business tax rates. In order to provide employment opportunities and increase production, industry must be able to modernize its plants and replace its equipment as they wear out. But under present laws, profits, and thus income taxes, are overstated because the depreciation allowances are based on the historical cost of the items, rather than on the replacement cost. Higher taxes and dividends paid out on overstated profits have left fewer resources for investment and have made our productivity improvement levels some of the worst in the free world. American companies are having a much more difficult time competing with their counterparts in Japan and Europe.

While jt would be foolhardy for me to say that I have a sure-shot remedy for our economic ills, I would like to outline policies that will help us achieve solutions.

Unfortunately, our political process is often geared to quick fixes, to policies that produce rapid economic and political payoffs. While we must develop programs immediately that recognize the interaction of inflation with our tax systems, short-term solutions will not solve our problems. Our economic ailments are too structural and fundamental in nature to permit quick and easy remedies. What is needed, instead, is a multiyear program of tax and spending policies that will result in increases in savings, investment, and productivity, without contributing to a Federal deficit. We need tax reform that will strike a balance between helping individuals keep pace with inflation and increase their disposable income and providing incentives to businesses to increase their productivity, investment, growth, and employment. With these thoughts in mind, I urge my colleagues to support the following proposals:

First, tax policies aimed at reducing the burden on American taxpayers and at fostering savings and investment:

Tax rate reductions for individuals—A 10-percent marginal tax rate reduction for 1981. Since taxes are presently slated to increase by over $90 billion in 1981, this proposal would simply roll back part of the increase and would reverse the effects of bracket creep.

The permanent indexation of individuals income tax rates for inflation beginning in 1982—a bill recently introduced by Representative GRADISON. During inflation, an unindexed tax system simply raises the real tax burden to individuals and shifts the resources from the private to the public sector. Indexation, on the other hand, would tie the dollar amounts specified in the Tax Code—such as tax brackets and the standard deduction—to the cost of living. As the Consumer Price Index goes up, the tax brackets would be adjusted accordingly, thereby allowing workers to maintain the real value of their income.

An end to the so-called marriage tax as outlined in Representative FENWICK's bill or, at the very least, a reduction in the marriage penalty, reflected in Representative CONABLE's bill.

Small savers legislation—I will soon reintroduce a bill to exclude from gross income, for tax purposes, the first $500 of interest earned by an individual and $1,000 by a couple. Such legislation will encourage small investors to save since interest would not be taxed.

Second, tax policies aimed at reducing the effects of our current economic drag and at stimulating capital formation in the business sector:

Capital Cost Recovery Act, the Jones-Conable bill—better known as 10-5-3, it would replace the present tax treatment of depreciation based on useful life with three classes of eligible property—allowing buildings to be depreciated in 10 years, tangible property or equipment in 5 years, and automobiles and light trucks in 3 years.

Small business tax incentives, including: Accelerated depreciation (10-5-3); lifting the present $100,000 cap on used equipment, making the total cost eligible for a tax credit; deferring capital gains from the sale or exchange of small business stock, when proceeds are invested in another business within 24 months; and reducing small business income taxes. Specifically on the last point, we must replace the present corporate income tax schedules with more graduated rates, especially at the lower end of the scale, to encourage small businesses to use retained earnings for reinvestment. At the same time, this action would provide a disincentive for the sale of small operations to large conglomerates, thereby discouraging economic concentration.

Third, tax reform must go hand in hand with Government fiscal responsibility, which should encompass policies aimed at balancing the Federal budget, reducing Federal spending, slowing down the expansion in the money supply, and restraining credit. If Federal spending is not curbed, it will snowball to the whopping figure of $1 trillion by 1985. Undoubtedly, that would mean higher taxes and larger deficits.

Cuts in Federal Government spending are essential. Because tax measures designed to stimulate investment and productivity are long-term efforts, they will not result in sufficient supply increases in the short run. As a result, tax reductions, unaccompanied by controlled Federal spending, might lead to excessive demand and greater inflation.●

RULES OF THE COMMITTEE ON WAYS AND MEANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the requirement of clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith the rules of the Committee on Ways and Means for the 97th Congress and ask that they be printed in the RECORD at this point. These rules were adopted by the committee in open session on January 29, 1981:

RULES OF THE COMMITTEE ON WAYS AND MEANS FOR THE 97TH CONGRESS

Rule XI of the Rules of the House of Representatives, provides in part:

"* * * The Rules of the House are the rules of its committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees.

"* * * Each subcommittee of a committee is a part of that committee, and is subject to the authority and direction of that committee and to its rules as far as applicable.

"* * * Each standing committee of the House shall adopt written rules governing its procedure. Such rules * * *

"(1) shall be adopted in a meeting which is open to the public * * *

"(2) shall be not inconsistent with the Rules of the House or with those provisions of law having the force and effect of Rules of the House * * *."

In accordance with the foregoing, the Committee on Ways and Means, on January 29, 1981, adopted the following as the Rules of the Committee for the 97th Congress.

RULE 1. IN GENERAL

Except where the terms "full committee" and "subcommittee" are specifically referred to, the following rules shall apply to the Committee on Ways and Means and its subcommittees as well as to the respective chairmen.

RULE 2. MEETING DATE, QUORUM, AND QUORUM FOR TAKING TESTIMONY AND EVIDENCE

The regular meeting day of the Committee on Ways and Means shall be on the second Wednesday of each month while the House is in session. A majority of the Committee constitutes a quorum for business. Provided, however, that two members shall constitute a quorum at any regularly scheduled hearing called for the purpose of taking testimony and receiving evidence.

RULE 3. SUBCOMMITTEE MEETINGS

Insofar as possible, meetings of the Committee and its subcommittees shall not conflict. Subcommittee chairmen shall set meeting dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of Committee and subcommittee meetings or hearings wherever possible.

RULE 4. SUBCOMMITTEES

All matters referred to the Committee on Ways and Means involving the Internal Revenue Code, except those revenue measures referred to the Subcommittee on Select Revenue Measures under paragraph 3 hereof, shall be considered by the whole Committee and not in subcommittee. The purpose of this is to expedite consideration of these matters.

There shall be six standing subcommittees as follows: Subcommittee on Social Security; Subcommittee on Health; Subcommittee on Public Assistance and Unemployment Compensation; Subcommittee on Trade; Subcommittee on Select Revenue Measures; and Subcommittee on Oversight.

The jurisdiction of such subcommittees shall include:

1. Subcommittee on Social Security shall consist of 11 Members, 7 of whom shall be Democrats and 4 of whom shall be Republicans.

In general, the jurisdiction of the Subcommittee on Social Security will include bills and matters referred to the Committee on Ways and Means which relate to the Federal Old-Age, Survivors' and Disability Insurance System and employment taxes and trust fund operations relating to that system, but shall not include those titles of the Social Security Act involving health benefits, unemployment compensation or welfare matters. The jurisdiction of this subcommittee, more specifically, will include bills and matters involving title II of the Social Security Act, as well as provisions in title VII and title XI of the Act relating to procedure and administration involving the Old-Age, Survivors' and Disability Insurance System.

2. Subcommittee on Health shall consist of 8 Members, 5 of whom shall be Democrats and 3 of whom shall be Republicans.

In general, the jurisdiction of the Subcommittee on Health includes bills and matters which are referred to the Committee on Ways and Means relating to programs which provide payments (from any source) for health care, health delivery systems, or health research. More specifically, the jurisdiction of the Subcommittee on Health includes bills and matters relating to the health care programs of the Social Security Act (including titles V, XI (Part B), XVIII, and XIX thereof) and tax credit (including tax credits where no tax is due) and deduction provisions of the Internal Revenue Code dealing with health insurance premiums and health care costs.

3. Subcommittee on Select Revenue Measures shall consist of 11 Members, 7 of whom shall be Democrats and 4 of whom shall be Republicans.

The jurisdiction of this subcommittee shall consist of those revenue measures which, from time to time, shall be referred to it specifically by the Chairman of the full Committee.

4. Subcommittee on Trade shall consist of 14 Members, 9 of whom shall be Democrats and 5 of whom shall be Republicans.

In general, the jurisdiction of the Subcommittee on Trade will include proposed legislation and oversight activities involving: customs and customs administration including tariff and import fee structure, classification, valuation of and special rules applying to imports, and special tariff provisions and procedures relating to customs operation affecting exports and imports: import trade matters, including import impact, industry relief from injurious imports, adjustment assistance and programs to encourage competitive responses to imports, unfair import practices including antidumping and countervailing duty provisions, and import policy relating to dependence on foreign sources of supply; commodity agreements and reciprocal trade agreements including multilateral and bilateral trade negotiations and implementation of agreements involving tariff and non-tariff trade barriers to and distortions of international trade; international rules, organizations and institutional aspects of international trade agreements; budget authorizations for the U.S. Customs Service, the U.S. International Trade Commission, and U.S. Trade Representative; and special trade-related problems involving market access, competitive conditions of specific industries; export policy and promotion, access to materials in short supply, bilateral trade relations including trade with developing countries, operations of multinational corporations, and trade with non-market economies.

5. Subcommittee on Public Assistance and Unemployment Compensation shall consist of 11 Members, 7 of whom shall be Democrats and 4 of whom shall be Republicans.

In general, the jurisdiction of this subcommittee shall include bills and matters referred to the Committee on Ways and Means affecting the public assistance provisions of the Social Security Act including welfare reform, supplemental security income, aid to families with dependent children, social services, child support, eligibility of welfare recipients for food stamps and low-income energy assistance.

More specifically, the jurisdiction of this subcommittee shall include bills and matters relating to titles I, IV, VI, X, XIV, XVI, XVII, XX and related provisions of titles VII and XI of the Social Security Act.

The jurisdiction of this subcommittee shall also include bills and matters referred to the Committee on Ways and Means which relate to the Federal-State system of unemployment compensation, and the financing thereof, including the programs for extended and emergency benefits.

More specifically, the jurisdiction of this subcommittee shall include all bills and matters pertaining to the programs of unemployment compensation under title III, IX and XII of the Social Security Act, Chapter 23 of the Internal Revenue Code, the Federal-State Extended Unemployment Compensation Act of 1970, the Emergency Unemployment Compensation Act of 1974, and provisions relating thereto.

6. Subcommittee on Oversight shall consist of 11 Members, 7 of whom shall be Democrats and 4 of whom shall be Republicans.

The jurisdiction of this subcommittee shall include all matters within the scope of the Committee but shall be limited to existing law and said oversight jurisdiction shall not be exclusive but shall be concurrent with that of the other subcommittees, and with respect to matters involving the Internal Revenue Code said concurrent jurisdiction shall be shared with the full Committee. Before undertaking any investigation or hearing, the chairman of the Subcommittee on Oversight shall confer with the Chairman of the full Committee and the chairman of any other subcommittee having jurisdiction.

RULE 5. SUBCOMMITTEE CHAIRMEN

Democratic members of the Committee shall have the right in order of full Committee seniority to bid for vacant subcommittee chairmanships. Such bids shall be subject to approval by a majority of those present and voting in the Democratic caucus of the Committee. If the caucus rejects a subcommittee chairmanship bid, the next senior Democratic Member may bid for the position as in the first instance. No member of the Committee who serves on the Budget Committee shall serve as a chairman of a subcommittee. A subcommittee chairmanship shall not be considered vacant while the subcommittee chairman has taken a leave of absence to serve on the Budget Committee.

RULE 6. EX-OFFICIO MEMBERS OF SUBCOMMITTEES

The Chairman and the ranking minority member may sit as ex-officio members of all subcommittees. They may be counted for purposes of assisting in the establishment of a quorum for a subcommittee. However, their absence shall not count against the establishment of a quorum by the regular members of the subcommittee. Ex-officio members shall neither vote in the subcommittee nor be taken into consideration for purposes of determining the ratio of the subcommittee.

RULE 7. REFERENCE OF LEGISLATION AND SUBCOMMITTEE REPORT

Every bill, or other matter (except bills concerning the Internal Revenue Code) referred to the Committee or initiated by the Committee shall be referred by the Chairman of the full Committee to the appropriate subcommittee within 2 weeks from the date of its receipt by the Committee unless by a majority vote in the full Committee, consideration is to be by the full Committee. A subcommittee shall, within 3 legislative days of receipt of a bill referral, acknowledge same to the full Committee.

After a bill has been pending in a subcommittee for a reasonable period of time, the Chairman of the full Committee may make a request in writing to the subcommittee that the subcommittee forthwith report the bill to the full Committee with its recommendations. If within 7 legislative days after the Chairman's written request, the subcommittee has not so reported the bill, then there shall be in order in the full Committee a motion to discharge the subcommittee from futher consideration of the bill. If such motion is approved by a majority vote in the full Committee, the bill may thereafter be considered only by the full Committee.

No bill reported by a subcommittee shall be considered by the full Committee unless it has been presented to all members at least 2 legislative days prior to the meeting, together with a comparison with present law, a section-by-section analysis of the proposed change, a section-by-section justification, and a draft statement of the costs of carrying out the bill that is consistent with the requirements for reported bills under clause 7 of Rule XIII of the Rules of the House of Representatives.

RULE 8. SUPERVISION, DUTIES OF COMMITTEE STAFF

The staff of the Committee, both professional and clerical, shall be under the general supervision and direction of the Chairman of the full Committee except as provided in clause 5(d) and clause 6 of Rule XI of the Rules of the House of Representatives concerning committee expenses and staff. Provided, however, that the chairman of each subcommittee shall be entitled to select and designate at least one professional staff member for said subcommittee and at least one clerical staff member for said subcommittee subject to the approval of a majority of the Democratic members of said full Committee. The ranking minority member shall have the right to designate one staff member. Said staff members shall be compensated at a salary commensurate with the responsibilities prescribed by said subcommittee chairman. Compensation shall be provided out of appropriated amounts—rather than statutory amounts allowed each committee.

RULE 9. COMMITTEE BUDGET AND EXPENSES

The Chairman, in consultation with the majority members of the Committee, shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, travel, investigation, and other expenses of the Committee. After consultation with the minority members, the Chairman shall include an amount budgeted to minority members for staff under their direction and supervision. Thereafter, the Chairman shall combine such proposals into a consolidated Committee budget, and shall present the same to the Committee for its approval or other action. The Chairman shall take whatever action is necessary to have the budget as finally approved by the Committee duly authorized by the House. After said budget shall have been adopted, no substantial change shall be made in such budget unless approved by the Committee.

RULE 10. WITNESSES

In order to assure the most productive use of the limited amount of time available to question hearing witnesses, a witness who is scheduled to appear before the Committee shall file with the clerk of the Committee at least 24 hours in advance of his appearance a written statement of his proposed testimony. Failure to comply with this rule may result in the witness being denied the opportunity to testify in person. A witness shall limit his oral presentation to a summary of his position and shall provide sufficient copies of his written statement to the clerk for distribution to Members, staff and news media.

RULE 11. QUESTIONING OF WITNESSES

Committee members may question witnesses only when recognized by the Chairman for that purpose. All members shall be limited to five minutes on the initial round of questioning. In questioning witnesses under the five minute rule, the Chairman and the ranking minority member may be recognized first after which members may be recognized in the order of their arrival at the hearing. Among the members present at the time the hearing is called to order, seniority shall be recognized. In recognizing members to question witnesses, the Chairman may take into consideration the ratio of majority members to minority members and the number of majority and minority members present and shall apportion the recognition for questioning in such a manner as not to disadvantage the members of the majority.

RULE 12. PUBLICATION OF TENTATIVE DECISIONS

A copy of any tentative or final legislative decision made by the Committee on the subject matter under consideration shall be made available to each member of the Committee by the next meeting of the Committee, or at the latest, by the next day.

RULE 13. AMENDMENT TO PROVISION PREVIOUSLY READ

In the process of reading a bill for amendments it shall be in order to return to a previously read portion of the bill for the purpose of considering and acting upon amendments thereto. However, if such previously read portion has been adopted by a record vote, it shall be in order for any member of the majority, on the same or the next day on which a quorum of the Committee is present, to move for the reconsideration thereof, and such motion shall take precedence of all other questions except the consideration of a motion to adjourn, and shall not be withdrawn without the consent of the Committee, and thereafter any Member may call it up for consideration.

RULE 14. RECORD VOTES

A record vote on an issue shall be required on the request of a Member which is supported by at least one-fifth of a quorum.

RULE 15. PREVIOUS QUESTION

The Chairman shall not recognize a Member for the purpose of moving the previous question unless the Member has first advised the Chair and those Members present that this is the purpose for which recognition is being sought.

RULE 16. RECOMMENDATION FOR APPOINTMENT OF CONFEREES

Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall recommend to the Speaker as conferees the names of those members of the subcommittee (or subcommittees) which handled the substantive legislation in the order of their subcommittee seniority and such other committee members as the Chairman may designate. In making recommendations of minority members as conferees the Chairman shall consult with the ranking minority member of the Committee.

RULE 17. RECORDS OF HEARINGS

An accurate stenographic record shall be kept of all testimony taken at a public hearing. The staff shall transmit to a witness the transcript of his testimony for correction and immediate return to the Committee office. Only changes in the interest of clarity, accuracy and corrections in transcribing errors will be permitted. Changes which substantially alter the actual testimony will not be permitted. Members shall correct their own testimony and return transcripts as soon as possible after receipt thereof. The Chairman may order the printing of the hearing without the corrections of a witness or Member if he determines that a reasonable time has been afforded to make corrections and that further delay would impede the consideration of the legislative action which is the subject of the hearing. A witness appearing in a public hearing, or submitting a statement for the record of a public hearing, or submitting a written comment in response to a published request for comments by the Committee must provide the Committee with a list of any clients or persons, or any organization for whom the witness appears which shall be made available for public inspection unless otherwise directed by the Committee. Verbal testimony and statements for the record, or written comment in response to a request for comments by the Committee, will be accepted only from citizens of the United States or corporations or associations organized under the laws of one of the 50 States of the United States or the

District of Columbia, unless otherwise directed by the Chairman of the Committee or subcommittee involved. Written statements from noncitizens may be considered for acceptance if transmitted to the Committee in writing by Members of Congress.

RULE 18. TRANSCRIPTS OF OTHER COMMITTEE MEETINGS

An accurate stenographic record shall also be kept of all markup and other meetings of the Committee, whether they be open or closed to the public. This record, marked as "uncorrected," shall be available for inspection by Members of the House, or members of the Committee together with their staffs, at reasonable times and places. This record shall not be published or made public in any way except by a majority vote of the Committee. Before any public release of the uncorrected record. Members must be given a reasonable opportunity to correct their remarks. In instances in which a stenographic record is kept of a conference committee proceeding, all of the requirements of this rule will likewise be observed with respect to such record.

RULE 19. BROADCASTING OF COMMITTEE OR SUBCOMMITTEE HEARINGS

The provisions of clause 3(f) of Rule XI of the Rules of the House of Representatives are by reference specifically made a part of these rules.

RULE 20. PARTY RATIO

The ratio of Democrats to Republicans on any subcommittee of the Committee shall be consistent with the ratio of Democrats to Republicans on the Committee.

RULE 21. PROXY VOTING

Voting by proxy shall be permitted in accordance with the manner prescribed in clause 2(f) of Rule XI of the Rules of the House of Representatives.

RULE 22. TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolution as may have been approved, the provisions of this rule shall govern travel of Committee members and Committee staff. Travel to be reimbursed from funds set aside for the full Committee for any Member or any Committee staff member shall be paid only upon the prior authorization of the Chairman. Travel may be authorized by the Chairman for any Member and any Committee staff member in connection with the attendance of formal or informal hearings conducted by the Committee, its subcommittees, or any other committee or subcommittee of the Congress on matters relevant to the general jurisdiction of the Committee, and meetings, conferences and investigations which involve activities or subject matter relevant to the general jurisdiction of the Committee. Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of Members and Committee staff seeking authorization.

Where travel is in connection with the conduct by Members of the Committee of an informal hearing, the prior approval not only of the Chairman but also of subcommittee chairmen shall be required where the hearing involves any matter within the jurisdiction of one or more of the subcommittees of the Committee.

(b) In the case of travel of Members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a).

(c) Within 60 days of the conclusion of any travel authorized under this rule, there shall be submitted to the Chairman a written report covering the information gained as a result of the study or investigation, or meeting, conference or hearing attended pursuant to such travel.

HIS—HOUSE INFORMATION SYSTEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 15 minutes.

Mr. COLLINS of Texas. Mr. Speaker, today I am introducing a resolution to terminate the duplicate computer system that we now have. Known as HIS, this system provides the same material that we can now receive in our congressional offices from the Library of Congress computer and other supportive agencies now in existence.

In Congress, we need to make specific and decisive cuts to get our budget in balance.

COMPUTER SERVICES IN THE HOUSE

Official computer support services for the House of Representatives come from the House Information Services staff of the Committee on House Administration.

HIS offers traditional data processing services and operates administrative facilities such as electronic voting, payroll, and Member allowances systems, office equipment inventory, and the House publication service.

Six systems are available through computer terminals in individual congressional offices or certain central locations, without having HIS.

First. LEGIS: Information on the status and content of bills, resolutions, amendments, and other legislative items;

Second. SOPAD: On-line retrieval and broadcast system summarizing House floor proceedings;

Third. SCORPIO: CRS data;

Fourth. FAPRS: Computerized version of the Catalog of Federal Domestic Assistance. System maintained by Office of Management and Budget;

Fifth. JURIS: Retrieves legal document digests and full texts, including United States Code. System maintained by Department of Justice; and

Sixth. MBIS: Provides summary level budget figures and other budget information.

ANALYSIS OF HIS

HIS employs nearly 200 staff and spends $10 million to perform computer work which is identical to that produced by several existing governmental bodies.

Let us look at the six main programs provided by HIS. SCORPIO, operated by the Congressional Research Service, gives the same information the LEGIS system provides for congressional offices. In fact, the SCORPIO computer offers more detailed, in-depth answers to legislative questions.

SOPAD is simply the written, televised version of House floor activities as they occur. If a Congressman cannot be on the floor, the Member can watch proceedings, live, from his or her personal office. There is no need to have the floor actions written on a screen for broadcast.

FARPS information is readily available from OMB, as is JURIS information from the Department of Justice. Both may also be obtained from the Congressional Research Service. The Congressional Budget Office makes available the same information contained in MBIS. Just call CBO to obtain a printout.

Taxpayer dollars are used to maintain additional extras at HIS. Graphics and maps can be created by the computer system, IMAGE, "without the additional costs or time considerations encountered when specialists are required." (Quote from HIS brochure.) The Budget Tracking System, operated by HIS, produces reports which can be requested of the Congressional Budget Office. HIS staff are used to perform survey planning and processing. CRS analysts are capable of developing such research for a Member. Policy analysis done by HIS on economic forecasting is available from two sources: CRS or CBO.

Such duplication is unnecessary. We must end this waste of taxpayer dollars. Examine the expenditure chart on the Committee on HIS. Virtually every line item shows a large increase over the past Congresses. More and more is being spent on equipment and software. Why are these systems which have been established needing additional computers? In any well-run business, all future costs to maintain such systems would be minimal. At HIS, personnel costs keep pace with the growing equipment expenses.

In addition to the expenditures for HIS, why do so many individual committees spend additional money on computer services? Why did the Small Business Committee spend almost $10,000 above and beyond the services provided by HIS?

Why cannot the administrative functions, such as electronic voting and Member allowance system and office equipment inventory be transferred to

the Clerk's Office? Why cannot CRS handle the legislative information?

HIS continues to initiate projects and programs. The time is now to eliminate the unjustified growth of this costly system. We must carefully assess the actual computer service needs of the 97th Congress and let us save the taxpayer on this $10-plus million check.

EXPENDITURES 94TH–96TH CONGRESSES, COMMITTEE ON HOUSE INFORMATION SYSTEMS

Item	94th		95th		96th	
	1st session 1975	2d session 1976	1st session 1977	2d session 1978	1st session 1979	2d session 1980
Salaries	2,129,375	3,007,066	3,747,324	4,140,350	4,236,760	
Equipment purchase	16,864	3,971	36,710	92,702	22,286	
Equipment maintenance	75,577					
Equipment rental/purchase	665,770	1,452,780	1,664,438	2,238,158	3,821,351	
Software rental and maintenance	68,973	83,693	95,238	78,952	71,267	
Software purchase	2,100	29,272	19,756	23,204	33,475	
External computer system		406,127	397,764	287,317	158,532	
Supplies	70,800	107,155	152,066	240,127	217,359	
Stationery	19,185	42,617	9,253	11,499		
Travel	2,602	7,438	13,066	23,202	16,330	
Telephone/telegraph	1,229	446	2,119	835	2,450	
Technical publications	981	2,265	6,514	3,316	3,871	
Contract services	389,868		1,045			
Conference fees	3,773	9,977				
Training/media	3,222	1,481	22,997	26,713	28,977	
Subtotal		5,131,239		8,189,334	8,613,659	
Less reimbursement to HIS		196,349		4,277	110,976	
Net expenditure	3,456,765	4,934,890	7,168,271	8,185,057	8,502,683	

WELCOME TO SINGING GROUP FROM COLUMBIA COLLEGE, COLUMBIA, MO.

(Mr. BAILEY of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAILEY of Missouri. Mr. Speaker, joining us today in Washington, D.C., is a double sextet from Columbia College in Columbia, Mo. Among the many activities of the group include singing on the Capitol steps, and I would like for the U.S. House of Representatives to welcome these good ambassadors of higher education.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HYDE) to revise and extend their remarks and include extraneous material:)

Mr. GOLDWATER, for 5 minutes, today.

Mr. TAUKE, for 5 minutes, today.

(The following Members (at the request of Mr. MATSUI) to revise and extend their remarks and include extraneous material:)

Mr. WILLIAM J. COYNE, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

(The following Members (at the request of Mr. BLILEY) to revise and extend their remarks and include extraneous material:)

Mr. COLLINS of Texas, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HYDE) and to include extraneous matter:)

Mr. MICHEL in two instances.

Mr. WHITEHURST in two instances.

Mr. HYDE.

Mrs. HOLT.

Mr. PORTER.

(The following Members (at the request of Mr. MATSUI) and to include extraneous matter:)

Mr. COELHO in three instances.

Mr. ROE.

Mr. GORE.

Mr. WAXMAN in two instances.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. ROSENTHAL in 10 instances.

Mrs. BOUQUARD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. RICHMOND.

Mr. SANTINI in two instances.

Ms. OAKAR.

Mr. SKELTON.

Mr. BEDELL.

Mr. MAZZOLI.

Mr. LANTOS.

Mr. MILLER of California.

Mr. LONG of Maryland.

Mr. MURTHA.

ADJOURNMENT

Mr. MATSUI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 16 minutes p.m.) the House adjourned until tomorrow, Tuesday, February 3, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

434. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Spain (Transmittal No. 81-14), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

435. A letter from the Acting Under Secretary of Defense, transmitting a report on funds obligated in the chemical warfare and biological defense research programs during fiscal year 1980, pursuant to section 409(a) of Public Law 91-121; to the Committee on Armed Services.

436. A letter from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Castle Air Force Base, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

437. A letter from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at England Air Force Base, La., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

438. A letter from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at McConnell Air Force Base, Kans., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

439. A letter from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at Carswell Air Force Base, Tex., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

440. A letter from the Comptroller of the Currency, transmitting the annual report for 1979, pursuant to section 333 of the Revised Statutes; to the Committee on Banking, Finance and Urban Affairs.

441. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the Board's fifth annual report on the Equal Credit Opportunity Act, pursuant to section 707 of the act; to the Committee on Banking, Finance and Urban Affairs.

442. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the number of U.S. Government personnel performing full-time functions under the Arms Export Control Act as of September 30, 1980, pursuant to section 43(c) of the act, as amended (93 Stat. 709); to the Committee on Foreign Affairs.

443. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

444. A letter from the Deputy Assistant Secretary of Housing and Urban Development, transmitting a report on the Department's disposal of foreign excess property for fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

445. A letter from the Chairman, U.S. International Trade Commission, transmitting the annual report on activities of the U.S. International Trade Commission, pursuant to 5 U.S.C. 552(d) of the Freedom of Information Act; to the Committee on Government Operations.

446. A letter from the Chairman, Advisory Commission on Intergovernmental Relations, transmitting the 22d annual report of the Commission, pursuant to section 5(3) of Public Law 86-380; to the Committee on Government Operations.

447. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

448. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

449. A letter from the Acting Chairman, U.S. National Alcohol Fuels Commission, transmitting the final report of the U.S. National Alcohol Fuels Commission, entitled "Fuel Alcohol: An Energy Alternative for the 1980's," pursuant to Public Law 95-599; jointly, to the Committees on Agriculture, Banking, Finance and Urban Affairs, Energy and Commerce, Public Works, and Transportation, and Ways and Means.

450. A letter from the Comptroller General of the United States, transmitting a report on administrative changes needed to reduce employment of illegal aliens (HRD-81-15, January 30, 1981); jointly, to the Committees on Government Operations, Education and Labor, and the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRINKLEY:

H.R. 1525. A bill to amend title 38, United States Code, to establish a program to provide direct loans to veterans for residential solar energy systems and certain other energy conservation improvements; to the Committee of Veterans' Affairs.

By Mr. BROOKS:

H.R. 1526. A bill to amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency, and for other purposes; to the Committee on Government Operations.

By Mr. BURGENER:

H.R. 1527. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Santa Margarita project, California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EDWARDS of California:

H.R. 1528. A bill to provide an exception to the requirements of the act of August 30, 1890 (26 Stat. 391; 43 U.S.C. 945), with regard to certain lands in Riverside County, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. EDWARDS of California (for himself and Mr. MINETA):

H.R. 1529. A bill to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; to the Committee on Public Works and Transportation.

By Mr. GARCIA:

H.R. 1530. A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. GOLDWATER (for himself and Mr. BEVILL):

H.R. 1531. A bill to amend the National Flood Insurance Act of 1968 for the purpose of providing insurance with respect to damage caused by flood-related landslides, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GOLDWATER (for himself, Mr. YOUNG of Alaska, Mr. LUJAN, Mr. WHITTAKER, Mrs. HOLT, Mr. CHAPPELL, Mr. OTTINGER, Mr. GRAMM, Mr. BEVILL, AND Mr. WINN):

H.R. 1532. A bill to amend title 39, United States Code, to establish a Free Enterprise Postage Stamp Advisory Committee and to authorize the U.S. Postal Service to enter into a contract with any domestic business enterprise to print, distribute, and sell postage stamps that contain the logo of such business enterprise; to the Committee on Post Office and Civil Service.

By Mr. MOTTL:

H.R. 1533. A bill to amend section 924(c) of title 18 of the United States Code to modify the minimum mandatory additional penalty for the use or carrying of a firearm in felony cases; to the Committee on the Judiciary.

H.R. 1534. A bill to amend title 18, United States Code, to establish a constitutional procedure for imposing the sentence of death, and for other purposes; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.R. 1535. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

H.R. 1536. A bill providing that certain foreign losses which were economically incurred before December 31, 1975, will not be subject to the loss recapture rules of the Tax Reform Act of 1976; to the Committee on Ways and Means.

H.R. 1537. A bill to amend the Internal Revenue Code of 1954 with respect to State or local government obligations issued to finance certain beverage container facilities the construction of which is made necessary by an antidisposable beverage container law; to the Committee on Ways and Means.

H.R. 1538. A bill to amend title 18 of the Social Security Act with respect to emergency inpatient hospital services furnished outside the United States; to the Committee on Ways and Means.

By Mr. VANDER JAGT (for himself, Mr. PICKLE, Mr. FRENZEL, Mr. GUARINI, Mr. ARCHER, Mr. DOWNEY, Mr. MOORE, Mr. CAMPBELL, and Mr. MCCLOSKEY):

H.R. 1539. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain research and experimental expenditures, and for other purposes; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 1540. A bill to amend chapter 55 of title 10, United States Code, to allow certain former spouses of members of the uniformed services to receive medical and dental benefits under such chapter, and for other purposes; to the Committee on Armed Services.

By Mr. WINN:

H.R. 1541. A bill to amend the Internal Revenue Code of 1954 to increase the amount of dividends and interest which are excluded from gross income, and to make such exclusion permanent; to the Committee on Ways and Means.

Mr. WIRTH:

H.R. 1542. A bill to eliminate 1,000 of the positions within the Department of Energy associated with the administration of the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Commerce.

By Mr. BEDELL:

H.J. Res. 150. Joint resolution proposing an amendment to the Constitution of the United States to provide 4-year terms for Members of the House of Representatives and to limit the number of consecutive terms that Representatives and Senators may serve, and for other purposes; to the Committee on the Judiciary.

By Mr. MINETA (for himself, Mr. PANETTA, Mr. LAGOMARSINO, Mr. WON PAT, Mr. MAZZOLI, Mr. BRODHEAD, Mr. WEAVER, Mr. MONTGOMERY Mr. JENKINS, Mr. HORTON, Mr. RAHALL, Mr. NICHOLS, Mr. CHAPPELL, Mr. WINN, Mr. NOWAK, Mr. ROBINSON, Mr. GINN, Mr. BROOKS, Mr. VENTO, Mr. CLINGER, Mr. ROE, Mr. CAMPBELL, Mr. BENJAMIN, Mr. DICKINSON, and Mr. NELSON):

H.J. Res. 151. Joint resolution designating the square dance as the national folk dance of the United States of America; to the Committee on Post Office and Civil Service.

By Mr. COLLINS of Texas:

H. Res. 52. Resolution providing for cost savings by elimination of nonessential activities of House Information Systems and transfer of remaining activities of House Information Systems to other Government entities; to the Committee on Rules.

By Mrs. HOLT:

H. Res. 53. Resolution disapproving the action of the District of Columbia Council approving the legalized lotteries, daily numbers games, and bingo and raffles for charitable purposes initiative of 1980; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EDWARDS of California:

H.R. 1543. A bill to confirm a conveyance of certain real property by the Central Pacific Railway Co. and Southern Pacific Co. to A. C. Taber and his wife, Mary Taber; to the Committee on Interior and Insular Affairs.

By Mr. DORNAN of California:

H.R. 1544. A bill for the relief of Norma Obitz; to the Committee on the Judiciary.

H.R. 1545. A bill for the relief of Pranas Brazinskas; to the Committee on the Judiciary.

H.R. 1546. A bill for the relief of Christiaan F. R. Kunstt; to the Committee on the Judiciary.

H.R. 1547. A bill for the relief of Remedios R. Alcudia, Christopher, Ezra, Vermillion, and Peristello Alcudia; to the Committee on the Judiciary.

H.R. 1548. A bill for the relief of Claire Hamada Bach; to the Committee on the Judiciary.

H.R. 1549. A bill for the relief of Algirdas Brazinskas; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.R. 1550. A bill for the relief of Aurora Isidra Rullan Diaz; to the Committee on the Judiciary.

H.R. 1551. A bill for the relief of Maria Cavalieri (nee Fernandez); to the Committee on the Judiciary.

By Mr. ROBERTS of South Dakota:

H.R. 1552. A bill for the relief of Bharat Persaud; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 116: Mr. WOLPE.

H.R. 911: Mr. HOLLAND, Mr. MOORE, Mr. SHANNON, Mr. BAFALIS, Mr. JENKINS, Mr. MARTIN of North Carolina, Mr. HEFTEL, and Mr. GRADISON.

H.R. 1200: Mr. EDGAR, Mr. ATKINSON, Mr. HINSON, Mr. DAUB, Mr. COURTER, Mr. PANETTA, Mr. ROBERTS of Kansas, Mr. SMITH of Alabama, Mr. JEFFORDS, and Mr. SANTINI.

H.R. 1339: Mr. LAGOMARSINO, Mr. PRICE, Mr. WALKER, Mr. CAMPBELL, Mr. FORSYTHE, Mr. DAVIS, Mr. ROBERT W. DANIEL, JR., Mr. GUYER, Mr. HUGHES, and Mr. DYSON.

H.R. 1340: Mr. LAGOMARSINO, Mr. PRICE, Mr. WHITEHURST, Mr. WALKER, Mr. CAMPBELL, Mr. FORSYTHE, Mr. DAVIS, Mr. ROBERT W. DANIEL, JR., Mr. GUYER, Mr. HUGHES, and Mr. DYSON.

H. Res. 13: Mr. MCDONALD, Mr. RICHMOND, Mr. LEVITAS, Mr. AKAKA, Mr. FISH, Mr. BARNES, Mr. NOWAK, Mr. DENARDIS, Mr. ATKINSON, Mr. HERTEL, Mr. HOWARD, Mr. GRISHAM, Mr. MINETA, Mr. LOWRY of Washington, Mr. SHAW, Mr. YATRON, Mr. HIGHTOWER, Mr. ERDAHL, Mr. MAVROULES, Mr. PEPPER, Mr. PRITCHARD, Mr. DOWNEY, Mr. FAUNTROY, Mr. CHAPPELL, Mr. WON PAT, Mr. DOUGHERTY, Mr. ANDERSON, Mr. BROWN of California, Mr. DIXON, Mr. STRATTON, Mr. DAUB, Mr. GARCIA, Mr. NICHOLS, and Mr. YOUNG, of Alaska.

EXTENSIONS OF REMARKS

FAREWELL ADDRESS OF THE PRESIDENT

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. SKELTON. Mr. Speaker, President Jimmy Carter delivered his farewell address on January 14, 1981, which was televised across the Nation. He spoke on several topics that should be remembered in the years ahead. I offer a copy of his address so that it may be included in the CONGRESSIONAL RECORD:

FAREWELL ADDRESS OF THE PRESIDENT

Good Evening. In a few days I will lay down my official responsibilities in this office, to take up once more the only title in our democracy superior to that of President, the title of citizen.

Of Vice President Mondale, my Cabinet, and the hundreds of others who have served with me during the last four years, I wish to say now publicly what I have said in private: I thank them for the dedication and competence they have brought to the service of our country.

But I owe my deepest thanks to you, to the American people, because you gave me this extraordinary opportunity to serve. We've faced great challenges together, and we know that future problems will also be difficult, but I am now more convinced than ever that the United States, better than any other country, can meet successfully whatever the future might bring.

These last four years have made me more certain than ever of the inner strength of our country, the unchanging value of our principles and ideals, the stability of our political system, the ingenuity and the decency of our people.

Tonight I would like first to say a few words about this most special office, the Presidency of the United States. This is at once the most powerful office in the world and among the most severely constrained by law and custom. The President is given a broad responsibility to lead but cannot do so without the support and consent of the people, expressed formally through the Congress and informally in many ways through a whole range of public and private institutions. This is as it should be.

Within our system of government every American has a right and a duty to help shape the future course of the United States. Thoughtful criticism and close scrutiny of all government officials by the press and the public are an important part of our democratic society. Now, as in the past, only the understanding and involvement of the people through full and open debate can help to avoid serious mistakes and assure the continued dignity and safety of the nation.

Today we are asking our political system to do things of which the founding fathers never dreamed. The government they designed for a few hundred thousand people now serves a nation of almost 230 million people. Their small coastal republic now spans beyond a continent, and we also now have the responsibility to help lead much of the world through difficult times to a secure and prosperous future.

Today, as people have become ever more doubtful of the ability of the government to deal with our problems, we are increasingly drawn to single-issue groups and special interest organizations to ensure that whatever else happens our own personal views and our own private interests are protected. This is a disturbing factor in American political life. It tends to distort our purposes because the national interest is not always the sum of all our single or special interests. We are all Americans together—and we must not forget that the common good is our common interest and our individual responsibility.

Because of the fragmented pressures of these special interests, it's very important that the office of the President be a strong one and that its constitutional authority be preserved. The President is the only elected official charged with the primary responsibility of representing all the people. In the moments of decision, after the different and conflicting views have all been aired, it's the President who then must speak to the nation and for the nation.

I understand after four years in this office, as few others can, how formidable is the task the new President-elect is about to undertake, and to the very limits of conscience and conviction, I pledge to support him in that task. I wish him success, and Godspeed.

I know from experience that Presidents have to face major issues that are controversial, broad in scope, and which do not arouse the natural support of a political majority.

For a few minutes now, I want to lay aside my role as leader of one nation, and speak to you as a fellow citizen of the world about three issues, three difficult issues: The threat of nuclear destruction; our stewardship of the physical resources of our planet; and the pre-eminence of the basic rights of human beings.

It's now been 35 years since the first atomic bomb fell on Hiroshima. The great majority of the world's people cannot remember a time when the nuclear shadow did not hang over the earth. Our minds have adjusted to it, as after a time our eyes adjust to the dark.

Yet the risk of nuclear conflagration has not lessened. It has not happened yet, thank God, but that can give us little comfort—for it only has to happen once.

The danger is becoming greater. As the arsenals of the superpowers grow in size and sophistication and as other governments, perhaps even more in the future dozens of governments, acquire these weapons, it may only be a matter of time before madness, desperation, greed, or miscalculation lets loose this terrible force.

In an all-out nuclear war, more destructive power than in all of World War II would be unleashed every second during the long afternoon it would take for all the bombs and missiles to fall. A World War II every second—more people killed in the first few hours than in all the wars of history together. The survivors, if any, would live in despair amid the poisoned ruins of a civilization that had committed suicide.

National weakness, real or perceived, can tempt aggression and thus cause war. That's why the United States can never neglect its military strength. We must and we will remain strong. But with equal determination, the United States and all countries must find ways to control and to reduce the horrifying danger that is posed by the enormous world stockpiles of nuclear arms.

This has been a concern of every American president since the moment we first saw what these weapons could do. Our leaders will require our understanding and our support as they grapple with this difficult but crucial challenge. There is no disagreement on the goals or the basic approach to controlling this enormous force. The answer lies not just in the attitudes or the actions of world leaders, but in the concern and the demands of all of us as we continue our struggle to preserve the peace.

Nuclear weapons are an expression of one side of our human character. But there is another side. The same rocket technology that delivers nuclear warheads has also taken us peacefully into space. From that perspective, we see our earth as it really is—a small, fragile and beautiful blue globe, the only home we have. We see no barriers of race or religion or country. We see the essential unity of our species and our planet. And with faith and common sense, that bright vision will ultimately prevail.

Another major challenge, therefore, is to protect the quality of this world within which we live. The shadows that fall across the future are cast not only by the kinds of weapons we have built, but by the kind of world we will either nourish or neglect. There are real and growing dangers to our simple and most precious possessions: The air we breathe, the water we drink, and the land which sustains us. The rapid depletion of irreplaceable minerals, the erosion of topsoil, the destruction of beauty, the blight of pollution, the demands of increasing billions of people, all combine to create problems which are easy to observe and predict, but difficult to resolve. If we do not act, the world of the year 2000 will be much less able to sustain life than it is now.

But there is no reason for despair. Acknowledging the physical realities of our planet does not mean a dismal future of endless sacrifice. In fact, acknowledging these realities is the first step in dealing with them. We can meet the resource problems of the world—water, food, minerals, farmlands, forests, over-population, pollution, if we tackle them with courage and foresight.

I've just been talking about forces of potential destruction that mankind has developed and how we might control them. It's equally important that we remember the beneficial forces that we have evolved over the ages, and how to hold fast to them. One of those constructive forces is the enhancement of individual human freedoms through the strengthening of democrary and the fight against deprivation, torture, terrorism, and the persecution of people through the world. The struggle for human

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

rights overrides all differences of color, or nation, or language. Those who hunger for freedom, who thirst for human dignity, and who suffer for the sake of justice, they are the patriots of this cause.

I believe with all my heart that America must always stand for these basic human rights at home and abroad. That is both our history and our destiny.

America did not invent human rights. In a very real sense, it's the other way around. Human rights invented America. Ours was the first nation in the history of the world to be founded explicitly on such an idea. Our social and political progress has been based on one fundamental principle, the value and importance of the individual. The fundamental force that unites us is not kinship or place of origin or religious preference. The love of liberty is the common blood that flows in our American veins.

The battle for human rights, at home and abroad, is far from over. We should never be surprised nor discouraged because the impact of our efforts has had and will always have varied results. Rather, we should take pride that the ideals which gave birth to our nation still inspire the hopes of oppressed people around the world. We have no cause for self-righteousness for complacency, but we have every reason to persevere, both within our own country and beyond our borders.

If we are to serve as a beacon for human rights, we must continue to perfect here at home the rights and the values which we espouse around the world: A decent education for our children, adequate medical care for all Americans, an end to discrimination against minorities and women, a job for all those able to work, and freedom from injustice and religious intolerance.

We live in a time of transition, an uneasy era which is likely to endure for the rest of this century. It will be a period of tensions, both within nations and between nations, of competition for scarce resources, of social, political, and economic stresses and strains. During this period we may be tempted to abandon some of the time-honored principles and commitments, which have been proven during the difficult times of past generations.

We must never yield to this temptation. Our American values are not luxuries, but necessities—not the salt in our bread but the bread itself. Our common vision of a free and just society is our greatest source of cohesion at home and strength abroad—greater even than the bounty of our material blessings.

Remember these words: "We hold these truths to be self-evident, that all men are created equal; that they are endowed by their creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness."

This vision still grips the imagination of the world. But we know that democracy is always an unfinished creation. Each generation must renew its foundations. Each generation must discover the meaning of this hallowed vision in the light of its own modern challenges. For this generation, ours, life is nuclear survival; liberty is human rights; the pursuit of happiness is a planet whose resources are devoted to the physical and spiritual nourishment of its inhabitants.

During the next few days I will work hard to make sure that the transition from myself to the next President is a good one, that the American people are served well. And I will continue as I have the last 14 months to work hard and to pray for the lives and the well-being of the American hostages held in Iran. I can't predict yet what will happen, but I hope you will join me in my constant prayer for their freedom.

As I return home to the South where I was born and raised, I look forward to the opportunity to reflect and further to assess, I hope with accuracy, the circumstances of our times. I intend to give our new President my support, and I intend to work as a citizen, as I have worked here in this office as President, for the values this nation was founded to secure.

Again, from the bottom of my heart, I want to express to you the gratitude I feel. Thank you, fellow citizens, and farewell.●

PUNXSUTAWNEY PHIL PREDICTS MORE WINTER WEATHER

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. MURTHA. Mr. Speaker, I am glad to notify the Congress of the United States that my most famous constituent, Punxsutawney Phil, today made his annual weather prediction. It is now certain that we will have 6 more weeks of winter, although it will be mild and bearable.

Last week, knowing Groundhog Day was coming, I spoke with Dr. Richard Hallgren, Director of the National Weather Service, to caution him against any forecast before today. He admitted that the Government's weather agency faced a major problem. Dr. Hallgren told me:

Eleven months out of the year, when the Weather Service makes its monthly forecast, we feel very confident, but in one month we know we can be upstaged just a few days after our prediction. We have a problem with the February forecast because we know that Punxsutawney Phil's forecast could completely outdate what we have done.

And, yes, once again Punxsutawney Phil has made the absolute, official declaration for the upcoming weather. Please allow me to insert into the CONGRESSIONAL RECORD the official proclamation issued this morning at Gobbler's Knob in Punxsutawney, the weather capital of the world. With this forecast, we overwhelm whatever scientific data the Weather Service may bring to its prediction, because there clearly is no better weather predictor than Punxsutawney Phil.

Hear ye Hear ye! To all faithful followers assembled here on Gobblers Knob, Punxsutawney, Pennsylvania, and to all believers around the world: I, Charles M. Erhard, Jr., President of the Punxsutawney Groundhog Club hearby proclaim that his Imperial Majesty King Philip has emerged from his snow covered borrow at 7:27 this morning.

Squirming and twisting his sleek, furry body in a much liverlier manner than in past years, the King of All Weather Prognosticators seemed temporarily confused by the unpredictable nature of the winter thus far. But just a few seconds later as all those here in his following can attest, Phil definitely saw his shadow, albeit less black and less ominous than upon other occasions, but he saw a shadow none the less! Having spoken momentarily with his Majesty, he stated that he really would like to have cooperated with President Reagan in working out a time of new beginnings, but the mighty woodchuck has decried that this is one time when the tried and true must remain as is!

So, as we all have seen, once Phil spotted the unmistakable warning of six more weeks of bearable winter weather, he has turned and quickly returned to his Royal Residence, the borrow atop Gobbler's Knob.

So, there will be six more weeks of fairly mild winter weather. That is the official word today, Monday, February 2, 1981 from the Weather Capital of the World, Punxsutawney, Pennsylvania, the home of the only reliable weather forecasting groundhog!●

WALTER MONDALE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. COELHO. Mr. Speaker, the attached article by my good friend and constituent Michael Sanford McGuire appeared in the January 14, 1981, issue of the Livingston Chronicle, which is a newspaper in Livingston, Calif., in my district. Mr. McGuire's article is about former Vice President Walter Mondale who is a very good friend of mine, and I wish to share the article with my colleagues:

VICE PRESIDENT MONDALE

(By Michael Sanford McGuire)

Come January 20, Walter F. Mondale will vacate room 2203 of the Dirksen Senate Office Building after serving four years as Vice President of the United States, President of the Senate, and as a member of the National Security Council.

Most Americans err in not closely and continuously studying the conduct of our vice presidents, for—as the saying goes—the occupant of that office is but a heartbeat away from the highest position of responsibility in the free world. The competence—or lack thereof—of our vice presidents to assume the presidency in the wake of a tragedy should be of concern to us all.

My judgment is that Mr. Mondale has done an excellent job as Vice President, but—considering his long public record—it would have been a surprise had he performed otherwise.

At age 20, Mr. Mondale successfully organized and managed Minneapolis Mayor Hubert H. Humphrey's first campaign for United States Senator.

At age 22, Mondale managed Orville Freeman's campaign for Minnesota state attorney general. Freeman later was elected governor of that state, and then served as U.S. Secretary of Agriculture.

After the Freeman campaign, Mondale entered the U.S. Army for a two-year period before graduating from law school at the age of 28.

Just four years out of law school, he became, at age 32, attorney general for the state of Minnesota. During his four years in that office, Mondale earned a solid, favorable reputation for his stands in the areas of antitrust law and consumer protection.

In 1964, the 36-year-old Mondale entered the Senate, where he served twelve years.

It may never have made the newspaper headlines, but Senator Mondale probably did more than any Senator in the history of this Republic to try to assist the tiny victims of child abuse. Indeed, most of his endeavors in the Senate revolved around providing a voice in Washington for the very young, the elderly, and all those without the ability, time, or financial resources to lobby the Congress for themselves.

In the field of international relations, the senator fought hard for the sound principle that, in a democratic society, the elected representatives of the people have a right to know where and when American men are being sent to fight and die, and he fought for the right of our representatives to have some "say so" in the conduct of war.

I did not happen to agree with Mondale at the time on that point, but I have come to see how terribly wrong I was.

Walter Mondale's first major project as Vice President was to travel to Western Europe and Japan to demonstrate American concern for the world economy by paving the way for an economic conference of the industrialized nations.

A collapse of any major allied nation's economy could have lead to a severe depression in the United States. That is precisely what happened fifty years ago.

Whatever can be said about the state of our economy, we must admit the situation today would be much worse had the present administration not had the wisdom and foresight to begin early to enter into many public and private discussions with our Asian and West European allies concerning the economic status and future of the entire free world.

The Vice President travelled not only to Japan, but to our own San Joaquin Valley to speak with and listen to many, young and older, who share our problems and concerns.

At 53, Walter Mondale is still a young man. His is a needed voice of compassion and moderation. After a brief vacation from the challenges of the past several years, I trust we will hear more from him.

I am looking forward to it.●

JAMES J. KILPATRICK COMMENTS ON GLOBAL NEEDS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. BROWN of California. Mr. Speaker, a change of administrations inevitably brings loose talk about where sweeping and dramatic changes in policy can be made. Two such areas, ironically linked, are foreign aid and environmental policy. While those who have carefully studied both topics understand how they are linked, and how important global environmental concerns are to the national security of the United States, I have found recent news accounts of pending proposals from the new administration to be quite discouraging in their apparent shortsightedness.

Perhaps for this reason, I have found a recent guest editorial by the well-known conservative columnist, James J. Kilpatrick, in a well-known conservative journal, Nation's Business, to be a refreshing bit of commonsense. For my colleagues who may have missed this commentary, I wish to place the editorial in the CONGRESSIONAL RECORD at this time.

[From the Nation's Business, February 1981]

THE COMING CATASTROPHE

(By James J. Kilpatrick)

Five years ago, Scribner's published an English translation of Jean Raspail's "The Camp of the Saints." The novel had been well received abroad, but here in the States the liberal reviewers killed it with ridicule or with silence. The plot was intolerable to them. Raspail was predicting that somewhere around 1995 or 2000 a horde of wretched, starving have-nots would swarm like locusts upon Southern France and ravage the food, the property and the lives of the haves. This was a nightmare novel, chillingly told.

Raspail's prophetic work came to mind the other day, when I finally got around to reading "Global 2000." This was a report submitted to President Carter last summer by the Council on Environmental Quality and the Department of State. It is an immensely important study, staggering in its implications, and if you wonder why it has received so little attention, I can only surmise that in Washington we are inundated by reports, and at the time of publication this must have looked like merely one more report.

It is much more than that. The authors have pulled together the best projections of experts in a dozen fields—population, food production, natural resources and the like—and have compressed them into a single word: catastrophe. If we fail to heed the clear warnings of this study—if we fail to take sensible actions now—we will invite terrible consequences just two decades hence.

The population projections alone are enough to cause serious concern. By 2000, the world's population will have increased to about 6.35 billion, a gain of 55 percent over 1975. The more developed countries will increase slowly; The United States may have 248 million inhabitants, up 16 percent; Western Europe can anticipate a population of 378 million, up 10 percent. But the less developed countries will soar. By 2000, Mexico can expect a population of 131 million, up 119 percent. Mexico City will be the largest city in the world, with a population of perhaps 31.6 million—three times as large as New York is today. Africa's population will double; China will go to 1.3 billion and India to 1 billion.

How are these billions of human beings to be fed? In most of Asia, and in poor areas of North Africa and the Middle East, a calamitous drop in food per capita is projected. In these areas, "the quantity of food available to the poorest groups of people will simply be insufficient to permit children to reach normal body weight and intelligence and to permit normal activity and good health in adults." The number of seriously malnourished people will roughly double, from about 600 million today to 1.3 billion two decades hence.

What these projections suggest is that the great grain and rice producing nations must redouble their efforts. An answer cannot be found in putting more land in production, because most good land already is under cultivation. Increased reliance upon fisheries could help, but "unfortunately, the world harvest of fish is expected to rise little, if at all, by the year 2000."

Other concerns cry out for thoughtful attention. The world's forest resources are in deep trouble. By 2000, growing stock per capita is expected to decline 47 percent worldwide and 63 percent in less developed countries. Water supplies, already short in many areas, will get worse.

One thing leads to another. As urban sprawl continues, valuable cropland goes out of cultivation. As forested hills are denuded, erosion takes over. For want of fuel wood, millions will be forced to burn animal dung, thus robbing the soil of organic nutrients.

The authors emphasize that their projections are conservative. They do not allow for drought, or wars or agricultural pestilence. On the other hand, they do project technological developments that will enhance productivity. They do not assume breakthroughs in fusion energy or solar energy. They acknowledge the increased risk that goes with increased production of electrical energy in atomic plants, and grimly but matter-of-factly they point to the mounting problem of disposing of atomic wastes.

Yes, this is a gloom and doom report, made all the more disturbing by the constrained and dispassionate style in which the authors lay out the evidence. But it is not a report without hope. Their message, finally, is that the impending catastrophe can indeed be averted—or at least minimized—if sensible public policies are put in motion now. New methods of safe and reliable birth control must be developed. The world will need new varieties of fast-growing trees. New techniques of aquaculture and desalinization will have to be found.

Above all, a sense of urgency has to be aroused. Otherwise, our children and grandchildren may soon discover that Jean Raspail wrote not fiction, but fact.●

THE 33D ANNIVERSARY OF SRI LANKA'S INDEPENDENCE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. RICHMOND. Mr. Speaker, it gives me the greatest of pleasure to share with my colleagues a report on the achievements and aspirations of the nation of Sri Lanka, which on February 4, will celebrate the 33d anniversary of its independence.

I wish to thank the Ambassador of the Republic of Sri Lanka, W. S. Karunaratne, for providing me with the following information, outlining the progress and promise of Sri Lanka, the Resplendent Land:

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA, NATIONAL DAY—4TH OF FEBRUARY 1981

On February 4th, 1948 Sri Lanka regained her independence from the British, the last of three nations that had colonised her over the preceding four centuries, the others being the Portuguese (1505–1658), and the Dutch (1658–1796).

The year 1981 also marks the 50th Anniversary of the granting of universal adult franchise in the modern political history of the nation. Although the experience and practice of adult franchise existed in Sri Lanka even in historic times, this was only at the local level of government; the government at the national level was monarchical. In 1931 elections were held at the national level on the basis of universal adult franchise for the first time. Since then all elections in the country have been held on this basis. Today, every citizen of the country over the age of 18 years has a vote.

Since 1948 seven general elections have been held in Sri Lanka and as the result of six of these elections the government in power has been defeated and the major opposition party (either by itself or in coalition with other parties) has been voted into power. Sri Lanka has a multi party system. Over the past sixteen years voter turnout at general elections has averaged over 80 percent.

Women in Sri Lanka have always actively participated in politics. The first general election held on the basis of universal adult franchise in 1931 also saw a woman elected to the national legislature which was then called the State Council.

From 1948 till 1972 Sri Lanka, while being an independent nation, still retained, in common with certain other nations, the British monarch as Head of State. On May 22nd 1972 a Republican constitution was adopted by which the Governor-General, who had represented the British Monarch was replaced by a titular President nominated by the selected Head of Government (the Prime Minister). This constitution set up a unicameral legislature instead of the bicameral one that had hitherto existed. It also changed the name of the country back from Ceylon to its traditional and historic name, Sri Lanka.

Mr. J. R. Jayewardene, under whose leadership the United National Party had been returned to office in July, 1977, had consistently campaigned for the establishment of an executive Presidential system. Such a constitution was promulgated on February 4, 1978. It draws from the constitutional practices of the United States, France and Britain, adapting them to the needs and aspirations of Sri Lanka and her people. Sovereignty of the people is exercised through Parliament which has been declared supreme. Legislative power is vested in Parliament. The President has no right of veto over legislation passed in Parliament. There is strict separation of powers between the legislature, the executive and the judiciary.

Sri Lanka, has living within its area of 25,000 square miles a variety of ethnic groups (Sinhalese, Tamils, Moors, Burghers, Parsis) who are adherents of almost an equal variety of religious beliefs (Buddhists, Hindus, Muslims, Christians, Zoroastrians). The guarantee of fundamental rights and equal opportunities to all citizens is given by the constitution where the chapter on fundamental rights embodies all 30 clauses contained in the Universal Declaration of Human Rights of the United Nations.

In foreign affairs Sri Lanka has chose to follow a policy of strict non-alignment. Both in the 95 member non-aligned movement of which she was Chairman from 1976 to 1979 and also in the UN, of which she is a member, she bases her actions and initiatives on the principles established at Bandung in 1955 and on the purposes and principles of the Charter of the United Nations. Her consistent aim has been to work within this framework towards the furtherance of reconciliation among nations, the peaceful settlement of disputes among them, and the evolution of an international milieu where nations of diverse ideological persuasions could move together towards the betterment of the lot of all nations and peoples, and particularly the underprivileged.

Since 1948 Sri Lanka has pursued a domestic policy of betterment of the lot of her population both through the provision of basic needs and through the stimulation of economic growth. Basic needs support measures in the field of health, education and food, coupled with a strong family planning programme have helped evolve a healthy, literate and educated people. Life expectancy is 64 years for males and 67 years for females; the death rate is 8.1 per 1000; the literacy rate is 88 percent. The quality of life has been rated high and set at 83 on a scale of 100. With the gradual improvement of the lot of her people the government has been able to phase out some of these support measures. However, Sri Lanka's earnings have been and still are inadequate to meet the needs of development being vulnerable to price movements in international commodity markets. So, although successive governments have addressed themselves to the problem of economic development, its solution still has eluded them.

The present government, which came into power in 1977, has focussed sharply on economic development as a major commitment of its programme. It has approached the question in two main areas—agricultural self-sufficiency and the production of adequate power through the Mahaweli Development Programme, and the attraction of foreign investment for industrial development, mainly through the setting up of Free Trade Zones.

In the first stage of development of the Mahaweli Programme five dams are to be constructed and land opened for agriculture with financial assistance from a consortium of countries comprising the United States, Canada, Britain, the Federal Republic of Germany, Sweden and Japan together with the World Bank and the IDA. This stage is expected to irrigate around 117,000 hectares of land and generate around 500 megawatts of power.

In the area of industrial development, the initial period of decontrol and deregulation in the economic field soon after the present government came into power, cleared the way for the entry of foreign investment, both within the Free Trade Zones and outside them. One zone has been parcelled out and a second is being created. Attracted by the package of tax and other incentives and the complete infrastructure facilities given, 130 industrial ventures from 25 countries have so far signed agreements for operation in the zones. Most recent among them is Motorola semi-conductors which is to set up a factory for the assembly and testing of semi conductor devices. Currently 23 factories are in production and 19 others are in various stages of construction.

The number of foreign investment proposals approved for establishment in Sri Lanka outside the framework of the Free Trade Zones has also grown from 33 in 1978 to 138 during the first nine months of 1980.

The period from 1978 to 1980 has also seen 11 new foreign banks and credit companies given permission to operate in Sri Lanka on an offshore basis. They comprise four from the United States (Chase Manhattan, Bank of America, Citibank and American Express), three from the Arab World (BCCI, Bank of Oman and Bank of Dubai), three from Europe (Algemene Bank Netherland, Indo-Suez and European Asian) and one from Hong Kong (Overseas Trust Bank). In the field of trade, too, the pattern of imports has shown an emphasis on development. Imports of intermediate goods has risen from 38 percent of total imports in 1978 to 40.5 percent in 1979. Imports of investment goods has risen from 23 percent of total imports in 1978 to 24 percent 1979. Both these categories are essential for development. By contrast, imports of consumer goods has fallen from 38 percent of total imports in 1978 to 35 percent in 1979. The comparison becomes that more forceful when one considers that the value of imports in these three categories, in terms of SDR's has grown from 744 million in 1978 to 1114 million in 1979.

This trend continues. In the first half of 1980 imports of intermediate goods rose to 43.4 percent of total imports, investment goods remained at the same level as 1979 and imports of consumer goods declined further to 32.5 percent.

The objective of all these efforts is to endeavour to ensure that the gains of the country in the fields of political development and awareness, education, health and other basic needs are consolidated by the creation of adequate economic opportunity for her people. For it is only by doing this that Sri Lanka can enhance the quality of life of her people, promote human rights and enrich and stabilise her democratic institutions.●

UKRAINIAN CULTURE CENTER HONORS NATALIE SLUZAR

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. WAXMAN. Mr. Speaker, in recognition for the outstanding public service of Natalie Sluzar, the Ukrainian Culture Center in Los Angeles honored her at an awards dinner last December 13. Ms. Sluzar was on the staff of the White House Office for Ethnic Affairs, and was instrumental in forging closer links between the Government and the Ukrainian community. I am honored to bring to the attention of my colleagues the tribute given Natalie Sluzar in Los Angeles:

[From the Ukrainian Weekly, Jan. 4, 1981]

L.A. UKRAINIANS HONOR SLUZAR

LOS ANGELES.—Natalie Sluzar, Assistant to Dr. Stephen Aiello at the White House Office for Ethnic Affairs, visited southern California from December 13 to 19 under the auspices of the Ukrainian Culture Center of Los Angeles.

The highpoint of the visit was the presentation of the Ukrainian Culture Center's Distinguished Public Service Award to Ms. Sluzar on December 16 by its president, Dr. Roman Kulczycky.

The award was presented in recognition of Ms. Sluzar's "significant contributions to improving the quality and effectiveness of communication between the White House and local communities through her work in the Office for Ethnic Affairs and for her outstanding work in enhancing the reputation and visibility of the Ukrainian American community in official Washington circles."

The award also recognized Ms. Sluzar's assistance to the Ukrainian Culture Center in its endeavors in the areas of public relations, cultural matters and anti-defamation activities.

Following presentation of the award, Walter Lesiuk introduced Mykola Novak, pioneer immigrant and the first president of the Ukrainian Culture Center (1944). Mr. Novak presented Ms. Sluzar with a copy of his book, "Guardians of Ukraine," which is a pictorial history of Ukrainian community in the United States since 1926.

Ms. Sluzar's topic at the award ceremonies was "Ethnicity in the 1980s."

Ms. Sluzar arrived in Los Angeles on December 13, where she was met by Dr. Kulczycky and Mr. Lesiuk and later that day, was a guest at a dinner hosted by Mr. and Mrs. Nestor Wasylyn and their family.

During her visit, Ms. Sluzar had an opportunity to meet with the pastors and parishioners of both the Nativity of the Blessed Virgin Mary Ukrainian Catholic Church in Hollywood and of St. Andrew's Ukrainian Orthodox Church in Los Angeles. Ms. Sluzar was also a guest at the annual Christmas dinner of the Kobzar Ukrainian Choir of Los Angeles.

Before her departure on Dec. 19 for San Francisco for a meeting with representatives of Chinese American and Ukrainian American organizations, Ms. Sluzar was interviewed by S. Shumsky of the Ukrainian American radio program.●

MX MISSILE REFERENDUM

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. SANTINI. Mr. Speaker, I would like to enter into the RECORD an article from the Reno Evening Gazette which summarizes the results of an MX missile referendum which was on the ballot of almost half of all Nevada counties on November 4, 1980. In every county where the question, "Do you want MX constructed in Nevada?" appeared on the ballot, the answer was a definite "no."

While we Nevadans do not believe that national security should be subject to a popularity contest, neither do we believe that the residents of our State should be ignored. These are the people whose lifestyles, jobs, businesses, farms, and communities will be enormously affected by the dragstrip deployment of the MX missile. As my colleagues know very well, the people of Nevada are among the most patriotic of Americans, and we firmly believe in a strong national defense. But we are not convinced that this particular method of deploying the MX missile is perfect or sacred. It will consume billions of gallons of our scarce water; it will scar a relatively pristine area with 10,000 miles of roads and it will change the Great Basin forever.

All of this damage will take place in order to put into place a system which is designed to meet a SALT treaty which has never been approved, a system which major defense experts question and a system which will not even meet our immediate defense vulnerability.

Given all of these negative factors, I strongly feel that the Nation is asking Nevada to make a long-term sacrifice which will not, in fact, result in the best defense system for our country. It is my sincere hope that this Congress and the new administration will take a long, hard, and objective look at the current deployment proposal for the MX missile.

[From the Reno Evening Gazette, Nov. 5, 1980]

NEVADA VOTERS SAY NO TO THE MX MISSILE

(By Pat O'Driscoll)

Construction of the controversial MX missile system in Nevada was strongly opposed Tuesday by voters in the eight counties that had MX questions on the election ballot.

Voters in Mineral County in south central Nevada were divided on the issue, opposing Nevada deployment of MX by a narrow margin. Nye County, too, was relatively close compared with the runaway 70-30 margin in some counties.

Although the non-binding advisory question on the ballots of almost half of Nevada's 17 counties cannot in itself prevent the massive, multibillion-dollar defense system from being built in Nevada, anti-MX forces view it as more evidence their cause has popular support.

With 100 percent of the vote counted in other counties, the results were:

MX Missile

Washoe County:	
Yes	19,995
No	41,901
Churchill County:	
Yes	1,180
No	3,844
Humboldt County:	
Yes	698
No	1,894
Lander County:	
Yes	334
No	1,006
Mineral County:	
Yes	1,002
No	1,201
Nye County:	
Yes	1,543
No	1,889
Pershing County:	
Yes	360
No	795
White Pine County:	
Yes	937
No	2,190

Voters in six of the counties were asked if they favor construction of MX in Nevada, but in Churchill and White Pine counties, the question narrowed to how voters feel about building it in their own counties.

Gov. Robert List said Tuesday night the MX question outcome didn't surprise him. "I've known for a long time that's the way the people of Nevada feel," he said, adding that Nevada must continue to stress that in Congress, "where the decision is going to be made." He said that although Nevada Sen. Howard Cannon believes it's too late, "I don't agree. It's an expensive system and its so costly environmentally. . . ."

Glenn Miller, a Reno spokesman for NO MX (Nevadans Opposing MX), said the vote should send a strong states' rights message to President-elect Ronald Reagan. Miller also said Reagan's past suggestion that the missile system could be deployed in existing missile silos in the Midwest "is good from the Nevada desert veiwpoint," although not for those who want to scrap the controversial missile program.

Sylvia Baker, a vocal leader of NO MX (Nevadans Opposing MX) in Eastern Nevada, said the results were "better than I had hoped. But I had the impression from almost everybody I've talked to over the last year that at the very least they were very uneasy about MX."

The prospect of Ronald Reagan in the White House makes Mrs. Baker "somewhat hopeful" that the federal government "will take another look" at putting the controversial missile in Nevada. "In spite of the fact that they (Reagan's forces) are in favor of increased defense spending, they are still skeptical about the (MX) basing mode," she added.

Mrs. Baker said that within the month, NO MX will write to most U.S. senators and representatives, "especially the new ones," to register oppostion to MX.

Bill Vincent, state coordinator of Citizen Alert, a major anti-MX force, also said the response was better than expected.

He also said the MX proposal will likely be reviewed completely by the new administration because Reagan's chief military advisers have "considerable doubt" about deploying the nuclear missiles in the Nevada desert.

The MX vote does not bind the counties that put the issue on the ballot, the Congress, or the Air Force, the military branch that would operate the missile system.

The Air Force's top MX official, Brig. Gen. James McCarthy, said the MX referendums were premature because the vote was taken before all the evidence was in.

"I haven't seen any of the results, but some of the counties that are voting are clearly not affected directly by MX," McCarthy said Tuesday night. "It seems premature to take a position on the issue when information about the MX system provided in the (upcoming) environmental impact statement is not yet available."

The twice-delayed environmental review, which will be used by Congress and the president to make an official MX siting decision, is now due out in mid-December, six months behind schedule.

McCarthy said the information contained in the environmental review will change skeptics' minds.

"It will reflect adverse impacts that very clearly the system will cause. On the other hand, it will show, in a positive vein . . . the impacts in some areas will not be nearly as bad as others may suggest and show many positive effects of the system as well," said the general.

The Air Force has said the positive effects include thousands of new jobs and millions of dollars in payroll.

A midsummer poll by a non-profit, Phoenix-based public opinion firm found 63 percent of Nevadans opposed to the MX project. A more detailed Nevada poll last February by the Nevada State Journal and Reno Evening Gazette found broad disagreement on MX among Nevadans.

That poll, in which a scientific sample of 500 persons was surveyed, 39 percent favored MX, 37 percent opposed it, and 24 percent were undecided.

Of that, Washoe County registered the strongest opposition, with 47 percent op-

posed and 36 percent in favor of MX. In the rural counties, meanwhile, 43 percent were against MX and 28 percent in favor, with a large number—39 percent—undecided.

The strongest support for MX in that poll was in Clark County—44 percent in favor—but Clarke does not have an MX question on the ballot.

Only three of the nine counties with MX ballot questions—Lander, Nye and White Pine—would actually have the MX system on their soil, although anti-MX forces argue the impact would be felt statewide.

Ironically, the county that would probably feel the MX impact the greatest, Lincoln County, didn't have an MX question on the ballot. Nor did Eureka County, another Central Nevada county likely to be an MX site.●

PRELUDE TO VICTORY

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. WHITEHURST. Mr. Speaker, on January 5, 1981, I introduced House Joint Resolution 68, a joint resolution designating September 5, 1981, as "Battle Off the Virginia Capes Day." On pages 138–139 of the RECORD for that day, I inserted a statement outlining the reasons for that resolution.

Today, I would like to share with my colleagues a most generous editorial which appeared in the Newport News-Hampton, Va., Daily Press on Saturday, January 17, endorsing this effort and pointing out the appropriateness of recognizing the continued value of naval strength.

I hope that a strong effort will be made in the coming months to insure that this forgotten battle will receive the recognition it deserves.

Thank you, Mr. Speaker.

The editorial follows:

PRELUDE TO VICTORY

As a fitting prelude to the celebration of the Yorktown victory in the Revolution 200 years ago this October, Congressman G. William Whitehurst of Norfolk has just asked Congress to issue a memorial proclamation commemorating France's role in the naval victory in the Battle off the Virginia Capes. It should do so.

That oft-forgotten victory by Adm. Francois de Grasse prevented the British navy from sending relief vessels from New York to Yorktown to evacuate Cornwallis' besieged army. Thus the British commander on Oct. 19, 1781, was compelled to surrender his 7,500-man army and its massive equipment. That led to American independence.

George Washington, who led the armies of America and France to triumph at Yorktown, said that de Grasse was "the arbiter of our victory."

It is heartening to know that the U.S. Post Office is issuing special stamps honoring both the de Grasse naval victory in the Chesapeake Bay off Cape Henry and the Washington-Rochambeau achievement at Yorktown.

As Congressman Whitehurst so rightly declares in his resolution, "The celebration of our nation's 200th birthday . . . will reach another climax in 1981 with the commemoration of the surrender at Yorktown.

"A major ceremony has been planned for this October, and national recognition will be given to this great event . . . Insofar as naval activity was concerned, no action was more vital to American success than the leadership of Admiral de Grasse in the Battle off the Virginia Capes. . . ."

America must not forget the value of naval strength to her security, now as in 1781.●

OFF WELFARE, INTO WORK

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. ROTH. Mr. Speaker, on Friday, January 30, 1981, our distinguished colleague, PAUL FINDLEY, had an editorial printed in the Washington Post entitled "Off Welfare, Into Work." I would urge my colleagues to read his fine article and consider the budgetary implications carefully.

The editorial follows:

OFF WELFARE, INTO WORK

(By Paul Findley)

In seven communities around the country, able-bodied food stamp recipients now face a requirement to work off the value of the benefits they receive in public service jobs. Budget-cutters watching these "workfare" pilot projects see a welfare reform gold mine. Policymakers should go prospecting and stake a claim.

The work projects under the food stamp program have been operating for over a year. According to USDA figures, 88 percent of the food stamp recipients obligated to work dropped food stamps rather than take a public service job. Only 12 percent actually worked the few days a month needed to continue receiving food stamps.

San Diego was the largest project and accounted for about 50 percent of the cases. It included a beach area where many transients were apparently using food stamps to help finance extended vacations. They simply moved on when faced with a work requirement.

The proportion of food stamp dropouts would have been much smaller without the San Diego resort data. Yet overall, the work projects encouraged numerous people who are employable to leave food stamp rolls and find private-sector jobs.

Providing jobs instead of welfare promises to deliver taxpayer savings by reducing welfare rolls and outlays. And those who take public service jobs gain valuable work experience and a reinforcement of their incentive to get into the economic mainstream. Work can break the welfare syndrome and lead to a better life for those in need.

The new administration is looking to accomplish just that. President-elect Reagan pioneered in welfare work programs as governor of California. His program helped move employable people into regular jobs.

Even liberals are seeing advantages to work instead of welfare as the best way to help the poor. Columnist William Raspberry wrote last June, "We are starting to think less about how best to take care of people, and more about ways to move them toward self-sufficiency."

For a decade, the United States has struggled with the fact that our current welfare system discourages able-bodied recipients from working. When a welfare recipient earns income, the government lowers his or her welfare payments accordingly. Working brings only a very small net increase in total income.

The major welfare reform proposals of the past decade sought to counter this. But those reforms would have resulted in enormous increases in welfare costs and, therefore, died in Congress. We need a work incentive without a corresponding increase in welfare and its costs.

Work projects are the answer. They encourage the able-bodied on welfare to get regular jobs in the private sector since they must otherwise work in public service jobs. In San Diego, one food stamp recipient had been a movie theater manager but had not been able to find another job after being laid off. She did so well in the work project that she landed a regular part-time job with the county.

Finding jobs for welfare recipients involves some added administrative costs. But they are worth it—and extra costs should likely be more than paid by savings as increased welfare dropouts reduce welfare costs, on the one hand, and by the value of the public service performed by participants, on the other.

There is also a social value. Welfare recipients learn useful skills and actively contribute to society while associating with others instead of stagnating at home. And most important, through work programs, welfare families—adults and impressionable children alike—can learn that a full-time, regular job means progress. Unfortunately, that is not the case under our present welfare system.●

GALBRAITH'S RECOMMENDATIONS ON ECONOMIC POLICY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. MILLER of California. Mr. Speaker, in the following statement, Prof. John Kenneth Galbraith makes some perceptive points about the strengths and limitations of fiscal versus monetary policies, as well as some policy recommendations for our country. I would recommend that all Members read Dr. Galbraith's views.

The statement follows:

RECOMMENDATIONS ON ECONOMIC POLICY

(By John Kenneth Galbraith)

The important, indeed decisive, failure of the consensus has been in the macroeconomic management of the economy—its failure to deal effectively with inflation and unemployment. This was a major part of its promise. No one can doubt that an attack here is justified—that this is a point of conspicuous vulnerability. There is verification in the fact that in those industrial countries which have succeeded in combining high employment with stable prices, West Germany and Austria being the notable examples, the economic and social consensus has remained invulnerable.

In the two decades following World War II, the primary need of macroeconomic management was to counter deflation and unemployment. In the United States and

elsewhere this was done by increasing expenditures and reexpenditures from borrowed funds through low interest rates and easy lending conditions—monetary policy. And it was accomplished by increased public services and expenditure or by reduced taxes and increased private expenditure—fiscal policy. None of these measures involved any serious political conflict with any important economic interest. Nor do lower interest rates, lower taxes, or higher public expenditures encounter any serious public objection. Since prices were relatively stable—a not surprising thing in the context of the concern for deflation and unemployment—union wage settlements and their effect on prices were not a matter for great anxiety. Everything was pleasant in those years for economists and economic policy. It was something to which economic policy makers became accustomed.

But in those years—roughly from 1948 to 1969—changes were in process that drastically altered both the economic and the political context of macroeconomic policy. Corporate concentration, a singular and indubitable feature of capitalist development, however sophisticated the denial, continued. So did the power of corporations to hold and increase prices—to escape the discipline of the market. Trade unions were still of only slight power in the United States at the beginning of World War II. In the other industrial countries they had been weakened by depression or suppressed by fascism. Now, after the war, they asserted their claims everywhere with increasing confidence and effect and, as earlier noted, set the pattern for all wages. Corporations, in turn, after ritualistic objection, passed the cost of wage settlements on to the public. Farm prices in the industrial countries were also now supported by governments. And with OPEC, third world countries entered the game.

The game, in effect, was to set aside the market and win the power to raise prices and incomes. When used, this power became the new and intractable form of inflation. Prices could still rise as a consequence of strong demand. But prices now also rose as the result of the strong upward pressure of corporations, trade unions, farmers, oil producers, and other organized power.

This new development was admirably designed to weaken the ecomomic and social consensus and encourage attack. With inflation the costs of government go up and so do taxes. When taxes, property taxes in particular, are relatively stable, they are much less noticed. When they are going up, they are greatly visible and much resented. This resentment is then transmuted into an attack on all public services. And the inability to control inflation conveys a further impression, not unjustified, of government inadequacy or imcompetence.

As damaging to the consensus were the measures which were taken to deal with inflation. Monetary policy was the first resort. This requires no legislation, only a pliable central bank. Here Professor Friedman, the omnipresent and, by a wide margin, the most eloquent figure in the great conservative revolt, comes to the foreground again. Control the money supply, have it increase only as the economy expands, and you control everything. There may be some initial discomfort and unemployment; presently all will be well.

Unfortunately central banks have not yet learned to control the money supply with any precision. Nor under modern circumstances, when money can be anything from currency to bank deposits to savings deposits to unused lines of credit, is it at all clear what is to be controlled. Controlling what you don't know you are controlling is difficult. And running through all monetary action is a disconcerting uncertainty about the relationship between action and effect. In 1979 in the United States there was an intense discussion over whether tighter bank lending and higher interest rates would cause a recession. The most self-confidently learned participants said it would and were wrong. Then in 1980 there was a further tightening, and the experts turned out to be right. Thus the recession that coincided so admirably for the Republicans with the election. There is a strong case against a policy that has a largely random result.

Going on from the uncertainty of the connection between action and effect, monetary policy has other adverse consequences. It discriminates sharply against those industries, housing being the notable case, which rely on borrowed money. Strong corporations (unlike Chrysler) with capital from earnings and the ability to pass costs along in prices are much less affected. Working against inflation through a reduction in investment spending, monetary policy has a highly adverse effect on productivity. And most important, it works against the inflation caused by corporate, union, and other organized power only as it creates enough unemployment to soften union claims and enough idle plant capacity to make it difficult for corporations to raise prices. To get price stability in this way requires very strong monetary action. Even though the recent recession was painful, politically and otherwise, it did not arrest—has not arrested—inflation. This, given the new power of organization, was altogether predictable.

The reliance on monetary policy has thus been deeply damaging to the economic and social consensus. Fiscal action which controls demand by controlling private and public consumption would have been less so. It is more predictable in effect, it does not favor the large firm over the small, and, since its restraining effect is on consumption, it is not directly damaging to productivity. Unfortunately fiscal policy—higher taxes, reduced public expenditure—is, to put it mildly, politically inconvenient. For this reason policy makers in recent times, looking as ever for soft solutions, have been reluctant to use it. Instead we have combined inflation with tax reductions and compensated with ever more severe monetary policy.

But fiscal policy also works against the inflationary pricing of strong corporations and strong unions only as it creates a substantial amount of idle capacity and of unemployment—until a recession becomes the restraining influence on wages and prices. Economic change—corporate concentration, trade union strength, other power to influence income—has thus rendered all of the measures of the old consensus against inflation ineffective except as they induce idle capacity and unemployment. Such has been the fate of the macroeconomic management, which was one of the three pillars of the consensus.

The arrival of the Reagan administration in the United States will not be very useful to those who would like to move on from the consensus. That is because its design for economic management incorporates all of the old elements of failure in a somewhat exaggerated form. As a result, adherents to the old consensus will be able to accumulate negative capital merely by sitting quietly and awaiting the failures. Specifically, the Reagan administration promises higher defense expenditures, which are certain. And it promises lower taxes, which are almost certain. And it promises to reduce total federal expenditure by reducing the relatively small volume of noncontractual civilian expenditures, i.e., expenditures other than for interest, social security, and the like.

This it cannot do; and the consensus not being vulnerable in respect of these residual expenditures the administration will make itself wonderfully unpopular if it seriously tries. With lower taxes and public spending as high as or higher than before, fiscal policy under President Reagan will, if anything, be more inflationary than in the past. The new administration promises further that the present rather primitive arrangements for restraining wages and prices will be abandoned; indeed, these cannot be tolerated by scholars for whom all forms of government regulation are repugnant—for whom the market, however deteriorated, is still a totem. So there will have to be greater reliance than ever before on monetary policy. As the arch-exponent of monetarism, Professor Milton Friedman has great days ahead.

This will not be his unalloyed good fortune. There are grave disadvantages in being associated with a policy that, however persuasively it is defended, does not work. Professor Friedman has already been forced to disassociate himself from Chile and Israel where he was once celebrated as a prophet. And the Friedman policy in Britain has so far produced only high inflation, deep internal stagnation, the highest unemployment since the Great Depression, and some indication that Professor Friedman would like to detach from Mrs. Thatcher as well. But deep as is my compassion for an old friend, my present concern is for the effect on the adherents to the consensus. Their tendency will be to relax comfortably in the discovery that monetarism means either high unemployment and high rates of inflation or a little less unemployment and yet more inflation. Were it otherwise, were there here a simple formula for solving our troubles, it would have been in general use long before now.

What will be needed by defenders of the consensus is not relaxation but a vigorous effort to bring it abreast of the changes that rendered it vulnerable. This means, as noted, better tests of what is sufficient and affordable in public services and public welfare. It means all possible steps to ensure better public management. But it requires, most of all, acceptance of the logic of modern corporate, union, and other organized power and its effect on price-making and inflation.

A firm resourceful use of fiscal policy is still necessary. When demand presses on resources, there must be increased taxes, and these must be primarily on the affluent. This is the alternative to the excessive—and disastrous—reliance on monetary policy to limit demand or a heartless manipulation of the public services to the poor. I would urge increased use of indirect taxation on objects of upper-income or luxury consumption; it is hard to have tears for those who must pay more for luxury automobiles, furniture, housing, attire, or entertainment. Even those so taxed have some reluctance in pleading hardship. There must also be a general stand against tax concessions to the rich, and this applies to virtually all talk of incentives. Lurking behind the word incen-

tives, we must never forget, is always the wish of someone for more income.

Corporations now have an admirable tendency to invest when they foresee a profit; tax reduction does not turn a prospective loss into a profit. It is the pride of the modern corporate executive that he gives his all to his enterprise; it is insulting to him to suggest that he grades his effort to his after-tax income. And he would be fired were he thought to do so. Taxes on unearned income and inheritance are good for the work ethic; over time they return the rich and their offspring to useful toil. It is one of the oddities of our time that we think the work ethic to be particularly ethical for those in the lower income brackets. A well-considered use of leisure by the affluent is a mark of civilized behavior.

But we must also have direct action to hold wages and salaries to what can be afforded at current prices. And likewise, and as firmly, there must be action, enforced as necessary by law, to restrain industrial prices where market power is great. No market principles are violated when the state moves to fix those prices that, as the product of industrial concentration, are already fixed. And other income that is subject to organized enhancement must similarly be subject to restraint. This is not as great a task as is sometimes imagined. The centralization of market power by corporations, unions, and farm organizations that causes inflation in its modern form greatly reduces the number of firms and organizations that must be controlled. It is not the classical market that is being replaced. That has obviously gone forever and that is the problem.

Thus the task. The consensus must, of course, be defended at its positions of present strength. But here there will be great support from circumstance. The real task is to repair, renew, and redesign it at its points of present failure.●

EUROPE ON $223 MILLION A DAY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mrs. SCHROEDER. Mr. Speaker, the February 1981 Washington Monthly contains an excellent article by Joseph Nocera, "Europe on $223 Million a Day," which calls for a thorough keelhauling of our European foreign policy.

Get hold of the entire article, but here is a preview:

Western Europe is the great sacred cow of American foreign policy. We haggle endlessly over whether West Germany should up its contribution to Western defense spending by two percent instead of three, but we almost never stop to ask the larger question: When was the last time the foreign policy establishment took a fresh look at whether it still makes sense even to have a joint Western defense or a NATO umbrella? Or whether it was really in America's best interest to continue spending upwards of $81 billion a year to keep NATO in business? Or whether the strategic interests of West Germany and those of the United States are still virtually one and the same? In the world of foreign policy, these are all "givens"—accepted as truth by just about everyone. But they shouldn't be; the postwar world whence they came is now so far in the past that these beliefs are precisely the ones that need to be called into question. That isn't happening largely because the people who are in a position to question the dogma are the very ones so tied to it. These people include not only the diplomats who live and work in Europe, but the journalists who write from there, the military brass who operate from there, and even the congressmen who junket there.●

WILLIAM K. HOWARD

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. WAXMAN. Mr. Speaker, on Wednesday evening, March 11, 1981, William K. Howard, a most dedicated and respected man, will be honored on the occasion of the inaugural Israel salute to the film industry of California. In acknowledgment of Bill Howard's concern for people everywhere, the Torch of Freedom Award will be conferred upon him by an eminent representative of the State of Israel.

William Howard is president of the Hollywood Film Council, and in addition to his personal attributes which have earned him this honor, has personified American Labor's unreserved and unstinting support of Israel for 33 years.

Bill Howard is a fourth generation Californian, born in Pasadena. He served as a bomber pilot in World War II from 1942 to 1945, and upon leaving the service became affiliated with the film industry as a costumer. In 1963 he became the business representative of the Motion Picture Costumers Local 705—I.A.T.S.E. and M.P.M.O., continuing in that office to date. In 1973 he became president of the Hollywood Film Council. For the past 18 years he has unstintingly devoted his time and energy as president of the California State Theatrical Federation, as board chairman; chairman of the Finance Committee, and member of the board of trustees of the Motion Picture Industry Pension Plan. He is a member of the executive committee of the board of trustees of the Motion Picture & Television Fund; the board of directors of the Motion Picture Costumers Federal Credit Union; the board of trustees of the Hollywood Canteen Foundation; the Permanent Charities Committee; the Motion Picture Academy of Arts & Sciences.

Bill has served his State as a member of the Industrial Welfare Commission Wage Board for both the motion picture and the television industry, and his city as membership chairman of Mayor Bradley's Film Development Committee as well as the recording secretary of the Hollywood Broadcast Labor Council.

Recognizing that only in an economically secure Israel can his brothers and sisters in the democratic labor movement there maintain their dignity, their jobs, and their way of life, William Howard supports the reaffirmation of AFL-CIO to support Israel and Israel bonds.

I ask the Members to join me in extending our heartfelt commendation to William K. Howard for his dedicated service to his community and to his ideals.●

UNITED STATES SHOULD SUSPEND NICARAGUAN AID

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. PORTER. Mr. Speaker, former Secretary of State Ed Muskie, on Thursday, January 29, in an interview with Washington Post editors, revealed convincing evidence that arms to leftist guerrillas fighting in El Salvador are coming from Nicaragua. Mr. Speaker, if this is true, then the United States should suspend further assistance to Nicaragua at once. I have addressed this day a letter to President Reagan spelling out this abuse of neutrality by the Nicaraguan Government and urging the President's stipulation to an immediate American aid embargo. I have also written Secretary of State Haig requesting his support for an immediate Nicaraguan aid cutoff.

Mr. Speaker, on February 27, 1980, at the time when this House voted for foreign aid to the leftist Sandanista government in Nicaragua, some of us warned that American generosity in this instance would be abused. But that vote carried over our objections by the thin margin of 202 to 197. Congress at that time did write into the legislation the proviso that should Nicaraguan aid be misused to aid leftists in Central America, there would be an immediate American aid cutoff. We now have that clear evidence of Nicaraguan abuse of American aid assistance. Arms and supplies used in El Salvador's bloody leftist assaults are flowing through Nicaragua. And to quote former Secretary Muskie, "certainly with the knowledge and to some extent the help" of Nicaraguan authorities.

Mr. Speaker, I call upon the administration and the Congress jointly to urge an immediate halt to American assistance to the Sandanista government in Nicaragua. Nicaraguan neutrality is a fiction favoring a Cuban- and Soviet-backed takeover by anti-democratic forces in El Salvador and in Central America.●

PROPOSED RULEMAKING TO INFLUENCE LEGISLATION

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. GRISHAM. Mr. Speaker, I would like to call to the attention of my distinguished colleagues a glaring example of regulatory excess which has been proposed by the Internal Revenue Service in the Federal Register of November 25, 1980. The proposed regulations relate to the treatment, for tax purposes, of expenditures for attempts to influence legislation. If implemented, these proposed regulations will have an adverse effect on the small business community. The proposed regulations will also have a significant impact on the tax treatment of an individual Member's own legislative activities. I have prepared a letter to the President asking that he place an immediate freeze on these proposed regulations pending a public hearing and further consideration of the potential effect. The text of the letter, which will be sent to the President on February 11, is as follows:

DEAR MR. PRESIDENT: On November 25, 1980, the Internal Revenue Service published in the Federal Register a notice of proposed rule-making, relating to the treatment of expenditures for attempts to influence legislation. We are deeply concerned that these proposed regulations will have a severe negative impact on the small business community.

The current rule provides that if an organization does not spend a "substantial" amount of its funds on grass roots lobbying, its members may deduct all dues or membership fees paid to the organizations. The proposed regulations would establish a three factor test to be used as a guideline for determining whether an action or communication is an attempt to influence public opinion, and therefore non-deductible. An organization must then evaluate all expenditures on the basis of this three factor test in order to determine the total outlay for grass roots lobbying. Every organization must furnish a statement to its members indicating the percentage of funds used for such efforts. Using the figure provided, the member must then calculate the amount of the corresponding percentage of his dues or fees which was used for grass roots lobbying. This amount is non-deductible, and is subtracted from the total dues paid by the member to determine the deductible figure.

We are concerned that the promulgation of these regulations will have serious consequences for the small business community. Because of the fundamental change involved in defining a "substantial" amount as any amount, the regulations will have the potential to severely diminish the role of small organizations in grass roots lobbying. The resulting increase in the tax liability of the members will be a disincentive to the members for participation in these organizations, and an unwarranted increase in the tax burden for these members.

The proposed reporting requirement obviously imposes an unnecessary and excessive burden on the organizations involved. It demands an extensive amount of paperwork and places a much greater burden on the smaller organizations who may not have the accounting capability for such analyses. These proposed regulations will discriminate unfairly against the smaller organizations, and against their members who use the services they provide. We question the need for such regulations, especially when according to an IRS spokesman, there is no evidence of any violation of the present rules.

The results of the 1980 elections clearly illustrate that the American people want less regulation and less government intrusion in their lives. To impose these regulations refutes the overwhelming mandate of the voters. We recommend that you place an immediate freeze on these proposed regulations to prevent their promulgation pending an assessment of the impact on the small business community. This is an opportunity to demonstrate to the public that the new administration intends to curtail over-regulation and excess. We appreciate your consideration in this matter.

I hope that you will consider this matter carefully and lend your support to this petition to the President.●

INSPECTORS GENERAL MUST BE NONPARTISAN

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. LANTOS. Mr. Speaker, I would like to draw to the attention of my colleagues the recent dismissal of 15 Inspectors General at major Federal agencies. This action may be counterproductive to the administration's stated goal of fighting waste and fraud.

One critical task facing the new administration, and facing this new Congress, is to make the Federal Government lean and cost effective. The elimination of waste and incompetence is not a Republican or Democratic priority; it is a managerial priority, the achievement of which is essential if we are to restore public confidence in our form of government. But it is important that we distinguish partnership and false economies from genuine reform.

I am seriously disturbed by President Reagan's recent decision to summarily dismiss all 15 agency Inspectors General. The President can and should remove any top agency official whose work is not of the highest caliber. But the administration has hardly had time to examine the records of these 15 individuals and find them wanting; it has removed them without regard to whether their records are good or bad. The White House now indicates it will permit the dismissed Inspectors General to reapply for their old positions. Whether those reapplications will be taken seriously we cannot now know.

I urge the President to consider carefully and individually the records and credentials of each of the Inspectors General. Many of these women and men have developed important and needed expertise regarding the abuses in their agencies, and we can ill afford to wait for new officials to learn what the dismissed ones had ferreted out over a protracted period. I am very concerned that, a year or two from now, we will read about an important investigation that foundered because of the dismissal of the knowledgeable investigating official.

I understand Mr. Reagan's expectation that every Inspector General be "meaner than a junkyard dog," but I hope that he recognizes that meanness alone will not get the job done. An Inspector General must have the skill to grasp the complex activities of the agencies he or she monitors. Above all, the Inspector General must have the resolute backing of an agency head committed to disciplining inept program managers, and to implementing changes which audits and investigations reveal are necessary.

In filling these positions, the administration must be scrupulously careful to avoid creating the appearance that loyalty to President Reagan or the Republican Party is a relevant consideration. Any Inspector General who believes he or she was hired on that basis may well act accordingly, suppressing facts that might be embarrassing to the new administration. The purpose of Congress in creating these positions would be defeated if the Office of Inspector General were politicized in this manner.

An important story about the Inspectors General appeared in this morning's Washington Post. It is an article worth reading, and I commend it to the attention to my colleagues by inserting it in the RECORD.

The article follows:

FIRED U.S. WASTE FIGHTERS BARE GOVERNMENT FOULUPS

(By Charles R. Babcock and Patrick Tyler)

There are 15 men and women out there in the federal bureaucracy who could tell President Reagan where a lot of bodies are buried as his administration begins its much-heralded search for waste, fraud and mismanagement in federal programs.

They make up the corps of inspectors general at major federal agencies. But, instead of debriefing them, Reagan fired them all last week.

Inez Smith Reid, the inspector general at the Environmental Protection Agency, for instance, could talk about the $133,000 worth of unused airline tickets dating back to 1972 that she found under a secretary's desk during a recent audit.

Thomas F. McBride, the former Watergate assistant special prosecutor who was inspector general at the Agriculture Department, could detail the widespread use of food stamps as an underground currency to buy drugs, illegal weapons and cars.

June Gibbs Brown, the IG at the Interior Department, might volunteer her discovery

that a youth camp director in Missouri ordered 1,072 pairs of leg chaps, 3,736 pairs of work gloves, 112 stepladders and 1,509 desk calendars, all for a camp that was scheduled to enroll 136 youngsters.

The IGs' tales of waste and fraud range from the trivial to the enormous, from the Energy Department employe who was caught running up $100 in long-distance telephone bills between his office and a pornographic story "hotline" in the Midwest to the mortgage bankers in Puerto Rico who set up phony housing sales to siphon off millions from the Department of Housing and Urban Development.

When Reagan abruptly fired the IGs last week, some Democratic sponsors of the 1978 inspector-general legislation criticised the move as politicising the fledgling corps. Congress' intent, they said, was to create independent, nonpolitical offices in the major executive departments, through the president has right to replace the IGs.

Reagan aides did say the fired inspectors can reapply for their jobs in the new administration if they think they can meet the new president's challenge to rip into waste and fraud like a "junkyard dog." Several IGs are trying to stay on.

During his presidential campaign, Reagan continually declared the elimination of "waste and fraud" a top priority. He tied the success of his entire tax-and-budget-slashing recovery program to finding and cutting tens of billions of dollars in fraud and waste from government programs.

When asked during his televised campaign debate with President Carter how he would cut spending while cutting taxes and increasing the defense budget, Reagan replied, "I believe there is enough extravagance and fat in government."

He cited the Carter Cabinet secretary who once estimated that there was $7 billion of fraud and waste in the Department of Health, Education and Welfare alone, and the General Accounting Office estimate of the "tens of billions of dollars that is lost in fraud alone."

While hard figures on the magnitude of waste and fraud are elusive, several members of the outgoing class of Carter inspectors general agreed in interviews that they barely dented the problem. They also contend that, while fraud is prevalent, mismanagement and inefficiency do the greatest damage to taxpayers' wallets.

Like good bureaucrats, the inspectors say that they would do better if they only had more help, that they don't have enough auditors and investigators to police the multibillion-dollar programs. Some say they have been hampered by backbiting in their own offices, lack of support from Cabinet officers, or the difficulty of merging sometimes incompatible audit and investigative staffs.

But their biggest complaint is that program managers in the various agencies aren't held accountable for correcting the problems the IGs uncover.

"Cabinet officers need to start demoting and firing program managers for inattention and negligence to waste and fraud issues," said Agriculture's McBride.

Donald L. Scantlebury, director of the GAO's accounting and financial management division, which investigates waste and fraud for Congress, is sympathetic to the IGs' frustration. "I think the [IG] concept is working out well," he said. "But it's a little early to expect dramatic results."

The idea of putting independent inspectors inside the Cabinet agencies was resisted by the executive branch for years. The first inspector general's office was set up at Agriculture in 1962 after internal audits failed to uncover the schemes of Texas fertilizer swindler Billy Sol Estes. But Agriculture Secretary Earl L. Butz abolished the office during the Nixon administration.

The first statutory inspector general was established after a House investigation found that HEW had only 10 investigators to oversee a $118 billion program. A 1978 law set up IGs in 13 additional agencies. The Department of Energy got an inspector general a year later. Because of hiring freezes, however, only about 5,300 of an authorized 5,900 slots for auditors and investigators have been filled.

The Defense Department, which doesn't have an inspector general, does have 18,000 auditors and investigators to oversee a $185 billion budget. By contrast, the Department of Health and Human Services, HEW's successor, has only about 700 auditors and 100 investigators to watch over a $260 billion budget.

Several of the inspectors general regard the required semiannual report to Congress as their greatest weapon against unrepentent federal program managers. "Without that statute we wouldn't last eight seconds," one outgoing IG said.

Some of these reports are filled with undecipherable statistics, while others are highly readable chronicles of program abuse. McBride's latest report, for example, tells of two Greenville, S.C., men who sold five cars and trucks, 32 firearms and some marijuana to undercover agents in return for food stamps. In Gary, Ind., the assistant fire chief was convicted of selling $11,000 in food stamps for $7,000 cash to undercover agents from McBride's office.

Paul R. Boucher, IG at the Small Business Administration, said in a report early this year that five farmers who received $1.4 million in SBA disaster aid loans at 3 percent interest diverted some of the funds to 10 percent interest certificates of deposit, and bought stocks and tax-free municipal bonds with more of the funds.

Richard B. Lowe III, who has been acting IG at the gigantic HHS, said he was upset to learn that the Social Security Administration doesn't have adequate controls to prevent employes with access to computers from diverting benefit checks to themselves.

The greatest cheaters, according to the audits, are not individual welfare or health care recipients, but doctors and pharmacists and other providers of services who overbill the government. A recent HHS audit screen detected abuse in laboratories in the Los Angeles area that led to an FBI undercover investigation called "Labscam" and several kickback indictments.

EPA's Reid, with only 95 auditors, has been trying to police the nation's largest public works project—the $30 billion sewerage construction effort designed to clean up the nation's rivers—and she says she loses sleep over the vast areas of EPA operations she couldn't even look at.

"Because of poor management, the federal government is losing millions, perhaps billions of dollars," she said.

When Energy Department inspector general J. Kenneth Mansfield looked into a synfuels pilot plant built by Ashland Oil, he found that firm had put up a $1 million brick administration building instead of the prefabricated model called for by DOE. As it happened, the elaborate new building was adjacent to an Ashland refinery.

Too late to recover the government's loss, Mansfield called for sweeping management changes on the project, some of which were adopted.

Several of the outgoing IGs voiced the concern that Reagan's pledge to cut billions in waste will fall on its face unless their successors get more help.

To put a serious dent in waste, they said, the president will have to increase support for the program, especially within the Office of Management and Budget and in some agencies where sub-Cabinet administrators have starved the inspectors' budgets, cut travel funds to do audits, refused to place all auditors directly under the control of the inspectors and, in some cases, attempted to head off investigations.

"I personally would not want to continue [in the job] without a commitment that the agency wanted this kind of work done or that they intended to support it," said Interior's Brown. She said she found then-Secretary Cecil D. Andrus a pleasure to work for, but that he was seldom there to back her up when program chiefs ignored her audit findings or refused to recoup challenged expenditures.

Reid said that then-EPA Administrator Douglas Costle never returned her memos. "To this day I don't know what his feeling was about the program," she said.

The day after the Energy Department's Mansfield released a report critical of a top aide to former Energy Secretary Charles W. Duncan Jr., Duncan called the surprised inspector into his office and asked him to consider a job in Paris, even though the department had no office there.

Most of the fired inspectors have been on the job less than two years, and some of them said they were deeply wounded by Reagan's action.

"I really like my job and want to keep it," said former prosecutor Boucher at SBA, who in the waning hours of the Carter administration blew the whistle on a presidential assistant who got Carter to sign an order quadrupling the size of a minority aid program even though Congress had forbidden it.

A career man in Carter's Senior Executive Service, Boucher sent in his reapplication for the job to Reagan Thursday.

One inspector general summed up his view of Reagan's firing this way:

"Everyody wants a strong IG operation until it starts investigating them. The administration may start out thinking they want junkyard dogs, and what they may end up getting is French poodles."●

REBIRTH OF PATRIOTISM

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. LONG of Maryland. Mr. Speaker, why do we not honor our war veterans as we do the hostages?

In this period of thanksgiving for the safe return of our 53 Americans held hostage for 444 days in Iran, I congratulate all Americans for a rebirth of patriotism and national unity. Our released hostages certainly deserve recognition for what they endured during their captivity, as well as for the low profile they themselves have maintained.

As released hostage Michael Metrinko said, "We are not heroes. We were just doing our jobs. The guys from Vietnam deserve this. They did not get it."

I hail Mr. Metrinko's view that our Vietnam veterans deserved a far better welcome home than they got. The veterans fulfilled their commitment to their country in a time when duty to one's country was not fashionable. But those men who came home after fighting that unpopular war were given a raw deal by the public. Instead of a heroes' welcome, they were, in many circles, scorned and ostracized.

Further, let us not forget those eight servicemen who lost their lives in the aborted attempt to rescue our hostages last April. Very little has been said or done to honor those men who volunteered and who suffered a far higher percentage of casualties than in most military operations in a declared war.

I can only hope that this renewal of public support of public servants for a difficult job well done is the setting of a new precedent to honor all, not merely some, of the men and women who have suffered in the line of duty to their country.●

TRIBUTE OF OLIN E. TEAGUE

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mrs. HOLT. Mr. Speaker, I was deeply saddened to hear of the death of our former colleague, Olin E. Teague, who served in this House more than 30 years as a great Representative of his district, his State of Texas, and his country.

I served with Olin Teague on the Board of Technology Assessment and was very impressed with his intelligence and wisdom. Even more, I came to know his gracious and generous manner and to appreciate his strong and abiding patriotism.

Sometimes the Second World War might seem like ancient history to some of our younger Members, but the experiences of that era are fresh in the minds of many of us who lived through it. I would tell our younger Members that we had some heroes, and Olin Teague was one of mine.

A young infantry combat officer, he was decorated 11 times and spent 2 years in an Army hospital recovering from wounds he had received on the battlefields of Europe. Nobody deserved more the honor to be buried in Arlington National Cemetery. He was elected to Congress in 1946.

Olin Teague was a serious legislator. His major committee assignment was the Science and Technology Committee, which does not often generate the big emotional issues of electoral politics. But here was where he knew he could make a lasting contribution to future generations, and he served as chairman of that important committee with great distinction.

After Olin Teague retired at the conclusion of the 95th Congress, I missed his steady hand and leadership in the matters of science and technology. It is very sad that he lived only 2 years in retirement.

I join my colleagues in expressing our heartfelt condolences to his family.●

PHARMACISTS NEED PROTECTION

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. HYDE. Mr. Speaker, in the last Congress we came close to achieving a long-held goal of registered pharmacists and retail druggists throughout the country—providing them the protection of the Federal Government and drug enforcement officers should the pharmacy be robbed of federally controlled substances.

However, the 96th Congress adjourned before final action could be taken, and it is therefore necessary to begin all over. I have reintroduced legislation, H.R. 351, providing a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy, and invite my colleagues to join me as cosponsors.

Drugstores have become primary targets; pharmacists and customers are beaten and even killed by criminals and addicts determined to steal these controlled substances. The local community pharmacist is totally at the mercy of these criminals who need a fix or have a shopping list of drugs for sale on the street. The pharmacist usually is forced at gunpoint to meet the demands of the criminal.

Drugs such as amphetamines and barbiturates can command as much as $25 or $30 on the street for one pill. A couple of 100-tablet bottles can mean as much as $5,000 to a drug-dealing criminal.

Support for pharmacy protection is building, as evidenced by the following comments:

In the following message to Stanley Siegelman, editor-in-chief of American Druggist magazine, C. R. Walgreen III, chairman of Walgreen Co. in Illinois, clearly states the urgency of speedy congressional action to make drug-related burglary and robbery Federal crimes:

Pharmacy, the highly efficient and cost-effective arm of the nation's health care system, is today threatened by a growing plague of burglaries and robberies of pharmacists by addicts and illicit-drug dealers.

The criminal side-flow of Schedule II pharmaceuticals from pharmacy to street use and abuse is turning into a tide. The list of victimized—and dead—pharmacists is rapidly lengthening.

Pharmacy's pride is complete professional service to physicians and patients—the prompt, convenient availability of any prescribed drug, and the personal, face-to-face communication between pharmacist and patient.

Today, however, as a defense to growing crime, more and more pharmacists must elect not to stock target drugs. Today, more and more pharmacists must dispense drugs from behind impersonal bulletproof glass. The constant threat of crime is beginning to change the face of pharmacy.

It is time, it is past time for more meaningful deterrents to drug-related crime, for stiffer penalties. The signal need is for swift congressional action to make drug-related burglary and robbery federal crimes.

Now, tens of thousands of pharmacists, with one urgent voice, call upon Congress to unanimously enact positive, protective federal legislation. Now, without delay . . . to give clear warning to criminals and drug traffickers. Now, without delay . . . to save the lives of pharmacists and to save traditional pharmacy service for the people of America.

Sincerely,

C. R. WALGREEN, R. Ph.
Chairman, Walgreen Co.

At its 68th annual meeting, the National Drug Trade Conference adopted a resolution as follows:

Controlled Substances Crime as a Federal Offense. Since the number of felonious crimes related to controlled substances is escalating, and is a serious threat to the lives and safety of pharmacist practitioners, their customers, employees and supplies, the National Drug Trade Conference urges that Congress enact legislation making it a federal offense to commit controlled substances crimes involving assault or deadly weapons and that the Drug Enforcement Administration lend its support to enactment of such legislation.

The National Drug Trade Conference included delegates from the American Association of Colleges of Pharmacy, the Drug Wholesalers' Association, the National Association of Chain Drug Stores, the National Association of Retail Druggists, the National Wholesale Druggists' Association, the Pharmaceutical Manufacturers Association, and the Proprietary Association.

In an "Open Letter to Members of the 97th Congress," the officers and executive committee of the National Association of Retail Druggists, pledged to assist the Congress in "supporting legislation to assure that owners, employees, and customers are protected from harm and intimidation by criminals by making robbers of controlled drugs from pharmacies Federal offenses."

Finally, I wish to share with my colleagues the January 1981 editorial in American Druggist magazine by editor in chief Stanley Siegelman:

OPEN LETTER TO RONALD REAGAN: PHARMACISTS NEED PROTECTION

(By Stanley Siegelman)

Mr. President, the pharmacists of America urgently need your help. They are targets of an unprecedented wave of violence. Drug-seeking marauders are invading pharmacies, committing brutal acts and dark deeds.

An editorial in this space, published in September 1980, listed 50 pharmacists who had been murdered in their drug stores. Additional names of pharmacists who have been shot, stabbed, and otherwise assaulted reach us almost daily. What is needed is a law that would make drug-related crimes against pharmacists a Federal offense.

You have consistently maintained that citizens should not look to "Big Brother"—the Federal government—for solutions to all problems. But the pharmacist's case is exceptional. Federal regulations impose on him unique responsibilities as the guardian of controlled substances—narcotics, barbiturates, amphetamines. Yet, Federal law fails to protect him as he carries out this mandated function. The inequity of the situation is palpable.

Violence against pharmacists is forcing drug stores out of business. When this happens—often in depressed areas—local residents are deprived of badly needed health services. Ironically, the more efficient the Drug Enforcement Administration becomes in drying up the sources of illicit drugs, the more do criminals focus on the hapless pharmacist.

We do not assert that extending Federal jurisdiction will necessarily solve the problem. But it would help considerably—especially in localities where law enforcement is sub-standard. If the prospect of Federal pursuit deters a single robbery or break-in, and saves the life of a single pharmacist, justice will have been served.

Since our initial editorial on this subject appeared, expressions of support have poured in from pharmacists across the country. They are aroused, angry and fearful.

The drug store was never intended to be a battleground. The pharmacist's white jacket was not meant to be blood-stained.

Today, many pharmacists are compelled to practice their profession with a loaded gun on hand, for self-protection. It is impossible, under such circumstances, to perform well. They may, for example, fail to advise patients on the correct usage of medications—a function of great importance. It is difficult to concentrate on what one is doing or should be doing when one has to eye each new face warily.

Mr. President, the pharmacists of America overwhelmingly approved your candidacy. You received 64% of their vote, according to our surveys. They voted for you partly in the expectation that your administration would take a strong stand against those who assault law-abiding citizens.

Pharmacists are precious assets in the nation's health care provider system. They deserve protection.

As you assume the reins of office, you are in a position to help. With the momentum of your electoral mandate, you can inspire legislative action.

The practicing pharmacists of America—130,000 strong—look to you for leadership.

I again urge my colleagues to join me in cosponsoring H.R. 351, and protect pharmacists and their customers from drug-seeking criminals.●

CLEAN AIR ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. MILLER of California. Mr. Speaker, today I am reintroducing an amendment to the Clean Air Act to allow the construction of a polluting facility during a construction ban if its operation will result in less pollution overall.

The current construction ban in California, due to the lack of an automobile inspection program, has halted the construction of new wood-burning boilers at a Louisiana-Pacific plant in Antioch, Calif. When completed and operating, these wood boilers will replace two oil-fired boilers and actually emit less pollution. In addition to saving about 500,000 barrels of oil a year, the wood's lower cost will improve the economic health of the plant and protect its 450 jobs.

My amendment to allow the construction of these wood boilers was developed with the assistance of plant management and scores of employees who are dependent upon plant modernization for their jobs.

This construction ban is designed to force the California Legislature to pass an automobile inspection program in order to help reduce excessive air pollution levels in the State. While I understand the law's intent, it is contrary to the goals of the Clean Air Act to prevent a building program that will reduce pollution, protect jobs, and reduce our dependency on foreign oil. I will be requesting the Energy and Commerce Committee to adopt my amendment during their consideration of the Clean Air Act this year, and I urge my colleagues to support this commonsense reform.

The text of the amendment follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 110(a)(2)(I) of the Clean Air Act is amended by adding at the end of the section "or unless such construction or modification shall result in the reduction of emissions of such pollutant from an existing stationary source.".●

CONGRESSIONAL SALUTE TO ST. FRANCIS OF ASSISI ELEMENTARY SCHOOL, HASKELL, N.J.

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. ROE. Mr. Speaker, this week Catholic Dioceses throughout our Nation will be celebrating Catholic Schools Week and in my congressional district, State of New Jersey, St. Francis of Assisi School, Diocese of Paterson, located on Father Hayes Drive, Haskell, N.J., will be commemorating this annual observance having as its theme, "Choosing a Tradition—Catholic Schools". With special ceremonies throughout the week bringing together their students, faculty, and parents in a common bond of communion and understanding, working together in the hopes of giving today's youth the fullest and most complete educational experience which will better prepare them for living in our complex world.

Mr. Speaker, one of the highlights of the week's program will be a special testimonial dinner—called Tradition Night—honoring their most esteemed former pastor, Father Hayes, and their distinguished first principal, Sister Anne. Their recollections and commemoration will span three decades as they reflect on the history of St. Francis Church and St. Francis of Assisi School.

With your permission I would like to insert at this point in our historic journal of Congress a brief history of the church and school and the outstanding good works of the revered clergy and highly capable sisters who diligently worked, in service to God and to our people, in bringing spiritual leadership and quality education to their parishioners. The brief history of the church and school as provided to me by Sister M. Concepta, FSR, chairperson of Catholic Schools Week, reads, as follows:

GROUND BROKEN FOR NEW CHURCH

Working continuously to raise money for the erection of a larger church for a rapidly-growing parish, Father Hayes acquired ground on Ringwood Avenue for a new church that would be unique in design and expressive of the people's love of God. Dignity and reverence were paramount in the House of God he planned for Wanaque.

On October 1, 1950, Father Hayes broke ground for the new St. Francis Church. On that day, Benediction of the Most Blessed Sacrament was held outdoors. On December 16, 1951, the cornerstone was laid, and the Most Reverend Thomas A. Boland officiated at the dedication.

FIRST MASS IN NEW CHURCH

On Monday morning at 9:30 A.M., December 17, 1951, the Most Reverend Thomas A. Boland offered the first Mass in the new St. Francis Church. The first Sunday Masses were celebrated in the new church on December 23, 1951, by Father Hayes and Father Murray. The building was designed by Brother Cajetan Baumann, O.F.M.

Father Hayes next devoted himself to drawing up plans for a new Catholic school, also to be designed by Brother Cajetan, to accommodate the hundreds of new families moving into the new housing developments in Wanaque. These plans had reached the hands of the bidders when Father Hayes was called to be Guardian and Superior at St. Joseph's Seraphic Seminary in Callicoon, New York. The Mayor and Council drew up a resolution to name the street adjacent to the new church "Father Hayes' Drive" in memory of the good he had done in the borough during his six years of spiritual leadership here. He quickened faith through his deep sincerity in performing the offices which brought God close to the people. The lives of many were enriched by this understanding priest and holy man.

NEW ST. FRANCIS SCHOOL

On June 25, 1952, Father Godfrey Weitekamp, O.F.M., who had served over seven years in mission work in Georgia, was appointed Pastor of St. Francis Church. This Jubilee Year begins the fourth year of his fruitful labors in Wanaque and it is in his capable hands, the task has fallen of suitably celebrating the fifty years that God in the Blessed Sacrament has reposed on the altars of St. Francis Church in the Borough of Wanaque. Two months after his arrival on August 17, 1952, ground for the new school was broken and on the Feast of the Purification, February 2, 1953, the children moved into the new St. Francis School. Archbishop Boland gave this building his blessing as his last official act in the Diocese of Paterson on January 8, 1953.

A near-by order of teaching Sisters, the Capuchin Franciscan Sisters of the Infant Jesus, took over the education of the Catholic children in this borough in September, 1952, at which time there were 240 children enrolled. Reverend Mother M. Veronica, O.M. Cap., provided the rapidly growing school with the needed faculty of sisters, headed by Sister M. Anne, O.M. Cap. principal. The teaching staff at this jubilee time consists of Sister M. Gesuina, Sister M. Elizabeth, Sister M. Assunta, Sister M. Paschal, Sister Kathryn Marie, Miss Naomi Gilpatrick and Mrs. Julia Kane. Sister M. Anne—Principal.

In June, 1955, there were 364 children in St. Francis School and for the first time, one teacher for each of the nine grades. There were 70 children in the 1955 kindergarten graduating class and 23 in the eighth grade graduating class. A Mothers' Club was organized that, along with other organizations, worked untiringly with the pastor not only for the welfare of the parishioners, but to materialize the dream of four buildings on the St. Francis grounds, devoted to the service of God.

Mr. Speaker—

Whereas the cultural, historical, and economic achievements, even the basic health, well-being and longevity of a State and Nation depend in large measure upon how well we educate each generation charged with the trust of carrying out its responsibilities and traditions;

Whereas expanded educational opportunities are necessary to meet the educational needs of our young people and permit those of our teaching profession who have acquired the most modern, technological and scientific knowledge available to translate their professional acumen effectively and meaningfully into an educational program that will provide optimum service to the youth of America;

Whereas there is a desperate need to wholeheartedly support the continuing and increased investment in educational development in our Nation through the dedication and fullest utilization of all available resources—public and private—to effectively reconcile our objectives and provide an educational system compatible to our total resources that can achieve the quality of education and way of life that we seek for ourselves and future generations to enjoy and reach even greater heights of fulfillment and purpose;

Whereas this year's national observance of "Catholic Schools Week" is being celebrated during the week February 1 to February 7 and the theme is "Choosing a Tradition—Catholic Schools"; and

Whereas Catholic Schools Week affords all of us time to think about the needs, the importance, and the hopes for education to satisfy the high idealism of our young people and an opportunity to reaffirm our commitment to the excellence and quality of the educational opportunity offered to every individual in our Nation.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and best of wishes to the clergy, faculty, students and parents of St. Francis of Assisi School and join with them in observing the period February 1 through February 7, 1981, as Catholic Schools Week.●

SCIENCE EDUCATION: AN AREA WHERE MORE RESOURCES ARE JUSTIFIED

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. BROWN of California. Mr. Speaker, as we prepare to receive the second administration budget request of fiscal year 1982, each Member of Congress will undoubtedly examine each budget category from his or her own level of awareness and overall perception of what constituents want. One area which may unfortunately fall below the threshold level of perception, or otherwise seem relatively unimportant, is science and engineering education. As one who has followed this subject for nearly two decades, I am quite familiar with the trends over the years and the critical role Congress has played during this time.

The truth is, in spite of consistent congressional support and our insistence on greater attention to science and engineering education than the administration, whether Republican or Democrat, has wanted, the U.S. posture in science education has slipped. Our Nation's slip in productivity seems to be linked to our slippage in training technically competent people and our Nation's level of scientific literacy is lower than that of countries like Japan, who are now our chief economic rivals.

It would be wise if this Congress examined each budget proposal of the Carter and the Reagan administrations with care. Among those areas deserving specific attention is the status of science and engineering education. We owe this country's future an adequate intellectual base to deal effectively with the needs of the future.

Mr. Speaker, at this time I commend a recent editorial from Science magazine which describes this issue in much better terms than I have. The editorial follows:

[From Science, Jan. 23, 1981]

SCIENCE EDUCATION: RHETORIC AND REALITY

(By William D. Carey)

In 1980 the federal government seemed, at last, to have discovered the low estate into which science education in this country has fallen. The Secretary of Education and the acting director of the National Science Foundation (NSF) delivered to the President, at his request, an assessment in a report which did not whitewash the facts. Headlining their recommendations was a call for "A new national commitment to excellence in science and technology education for all Americans."

That was in October. By Christmas, hopes for federal leadership in the "new commitment" were jolted by the Administration's markup of the 1981 budget of the NSF, with a cutback in support for science education. Never mind that the report to the President had warned that "there has been, over the past fifteen years or so, a shrinking in our national commitment to excellence and international primacy in science, mathematics, and technology." When budget imperatives confront the needs for science education, the budget prevails. Science education continues its decade-long record as NSF's habitual loser.

In the past 12 years, the total budget of NSF has more than doubled in current dollars, while in constant dollars the funding of science education has suffered a two-thirds erosion. In 1970, funds for science education amounted to 27 percent of NSF's total budget, but for 1981 the science education share is down to 7.5 percent. If all were well with the state of science and engineering education, there might be nothing to complain about. But if the Secretary of Education and the acting director of NSF are right in what they report, there is a great deal to complain about. The meaning of the budget action is that the government has chosen to disregard its own findings on the predicament of science and engineering education.

Budget policies are seldom models of economic or political logic, as we have come to realize. But there is this much to be said of them: they are symbolic proxies for the nation's values, expressed in consensus terms. They serve to signal, however imperfectly, the government's view as to how national priorities should be ordered. What we must ask, then, is what inputs go to construct this process of ordering. When a President is sufficiently aroused to call for a fitness report on science and engineering education in the United States, and is given bad news, it would be reasonable to suppose that even painful budget choices would take the findings into account. Instead, the latest budget actions have brought science education in NSF to its smallest share of resources in the last 30 fiscal years. If state and municipal

governments, trapped between rising costs and taxpayer revolts, take their cues from the federal government and economize at the expense of science education in the schools, the road back to "excellence" will indeed be a long one.

President Carter will soon send his budget for 1982 to the Congress, whereupon President-elect Reagan will promptly recall it and substitute his own. If the passion for squeezing government's "controllable" outlays should take advantage of the vulnerability of the science education budget, lumping it in with other discretionary programs that make up the celebrated "coast-to-coast soup line," matters would become desperate very quickly. The Reagan Administration has the opportunity, without compromising prudent economic policies, to reorder priorities and set a positive course toward rebuilding America's excellence in science and engineering education.●

TONY CUNHA: DISTINGUISHED SERVICE TO AGRICULTURE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. COELHO. Mr. Speaker, 1980 was the last of 37 years that Tony Cunha devoted to serving agriculture at three different universities. In retiring from his post as dean of the school of agriculture at California State Polytechnic University, Pomona, he leaves behind a distinguished career as a visionary agriculturalist, a scholar in the truest sense of the word, and a reputation as grand master of the academic fields in which he so diligently studied.

My colleagues in the House who have an interest in agriculture would find his record of accomplishment fascinating. Tony Cunha was raised as I was—on a dairy farm in Los Banos, Calif. He went on to learn agricultural sciences at California Polytechnic State University in San Luis Obispo, then at Utah State where he began work in animal nutrition. His Ph. D. followed, from the University of Wisconsin. At Washington State University he taught for 4 years before moving on to chair the Department of Animal Science at the University of Florida—a position he held for 25 years. From there he was made dean of the school of agriculture at California State Polytechnic University in Pomona, where he now serves as dean emeritus and university consultant in agriculture.

By no means were Tony Cunha's contributions confined to the classroom. In 1962 he served as president of the American Society of Animal Science. Six years later the Morrison Award, a cash payment of $2,000, was presented to him for distinguished research in animal nutrition. Gamma Sigma Delta awarded him $500 in 1976 for internationally distinguished service to agriculture, and he holds no fewer than 39 other campus, State, national, and worldwide honors recognizing his achievements.

There is more to the Tony Cunha story. He has edited or contributed to the publication of 20 books and over 1,200 professional articles. He has lectured extensively and observed in dozens of foreign countries different methods of livestock production. For 5 years he chaired the Animal Nutrition Committee of the National Academy of Science National Research Council. At about that time he also was a member of the Board of Agriculture and Renewable Resources, and he chaired the Swine Nutrient Requirements Committee for 10 years. Furthermore, while teaching at the University of Florida he received an appointment as distinguished service professor and is now distinguished service professor emeritus of the institution.

Tony Cunha's credentials do not stop there. He helped organize the first two World Conferences on Animal Production. He served as a member of the White House Conference on Food, Nutrition, and Health, and on four national committees making recommendations on future programs to increase animal food production, three of which he chaired. And a few years ago he was appointed to the Joint Committee on Research for the Board of International Food and Agricultural Development.

I hold Tony Cunha's views on public policy for agriculture and world trade in the highest regard. One cannot direct but the highest measure of respect for his philosophy on global food issues and the management of farm operations for the broadest economic benefit. It is with great pride, Mr. Speaker, that he is a leader in California's agriculture community—the principal interest I am privileged to represent in Congress. For his distinguished service to academia and his commitment to the advancement of agricultural and animal sciences, a special tribute and the very best wishes upon his retirement as dean.●

CONGRESSIONAL TERM LIMITATION BILL

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. BEDELL. Mr. Speaker, today I am reintroducing a constitutional amendment that will provide long-needed reform of the terms of service for Representatives and Senators.

This joint resolution lengthens a Representative's term from 2 to 4 years and limits House Members to 12 years and Senate Members to 18 years of consecutive service. In addition, it would divide the House of Representatives into two classes so that fully one-half of the House is elected every 2 years.

There is growing sentiment in the Congress and at the Nation's grassroots level that a limitation on congressional terms would improve the performance of the legislative branch through greater consistency and responsiveness. It is my view that a congressional term limitation in conjunction with an increase in the Representative's term of service would greatly improve the operation of Congress by making the political process more democratic and by insuring a steady and orderly turnover of personnel in the House and Senate.

I urge my colleagues to take a serious look at this issue.

The text of the joint resolution follows:

H.J. RES. 150

Joint resolution proposing an amendment to the Constitution of the United States to provide four-year terms for Members of the House of Representatives and to limit the number of consecutive terms that Representatives and Senators may serve, and for other purposes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE—

"SECTION 1. The House of Representatives shall be composed of Members chosen for a term of four years by the people of the several States. Immediately after the Members shall be assembled in consequence of the election for the term beginning on the date on which this article takes effect, they shall be divided as equally as may be into two classes. The seats of the Representatives of the first class shall be vacated at the expiration of the second year, and of the second class at the expiration of the fourth year, so that as close to one-half of the Members as the division into two classes allows may be chosen every second year.

"SEC. 2. A person who is a Member of the House of Representatives for three consecutive terms of four years each may not be a Member during the two-year period beginning immediately after the end of the third such term.

"SEC. 3. A person who is a Senator for three consecutive terms of six years each beginning more than one year after the ratification of this article may not be a Senator during the two-year period beginning immediately after the end of the third such term.

"SEC. 4. No person shall be elected as Senator who, on the date on which such election is held, is a Representative with more than one year remaining in his or her term unless such person has, before such date, submitted a resignation as Representative, such resignation to be effective no later than noon of the first January 3 occurring after the date on which such election is held.

"SEC. 5. This article shall take effect at noon of the first January 3 which occurs more than one year after the date of the adoption of this article and on which terms of Representatives begin.".●

TRIBUTE TO DAVID LILIENTHAL

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. GORE. Mr. Speaker, when David Lilienthal died last week at the age of 81, the country lost one of its finest, most dedicated, and most articulate public servants.

As a young lawyer and administrator, David Lilienthal attracted the attention of President Roosevelt, who in 1933, chose him to serve on the Board of Directors of the Tennessee Valley Authority. His dedication to this bold experiment in regional development brought him widespread accolades and made him a natural choice as TVA Director in 1941. During his 12 years with TVA, he maintained an enduring belief in democracy and the good that TVA could do for the people of the valley. At the same time, he was committed to a cautious, sensible approach to resource development.

His successes and his talents made him a natural choice of President Truman to serve as Chairman of the Atomic Energy Commission. During his confirmation hearings, his loyalty to the country was unfairly attacked, and he responded with an eloquent and impassioned rebuttal. The "Lilienthal Credo" as it became known, was the subject of numerous editorials and was compared with the noblest declarations in the history of man. The following is an excerpt:

I believe—and I conceive the Constitution of the United States to rest upon, as does religion—the fundamental proposition of the integrity of the individual; and that all government and all private institutions must be designed to promote and protect and defend the integrity and the dignity of the individual; that that is the essential meaning of the Constitution and the Bill of Rights, as it is essentially the meaning of religion.

Any form of government, therefore, and any other institutions which make men means rather than ends, which exalt the state or any other institutions above the importance of men, which place arbitrary power over men as a fundamental tenet of government, are contrary to that conception, and, therefore, I am deeply opposed to them . . .

One of the tenets of democracy that grows out of this central core of a belief that the individual comes first, that all men are the children of God, and that their personalities are therefore sacred, carries with it a great belief in civil liberties and their protection, and a repugnance to anyone who would steal from a human being that which is most precious to him—his good name—either by imputing things to him either by innuendo or by insinuation. And it is especially an unhappy circumstance that occasionally that is done in the name of democracy. This, I think, can tear our country apart and destroy it if we carry it further.

I deeply believe in the capacity of democracy to surmount any trials that may lie ahead, provided only that we practice it in our daily lives.

And among the things we must practice is that while we seek fervently to ferret out the subversive and antidemocratic forces in the country, we do not at the same time, by hysteria, by resort to innuendo, and smears, and other unfortunate tactics besmirch the people—cause one group and one individual to hate another, based on mere attacks, mere unsubstantiated attacks upon their loyalty.

Mr. Speaker, Mr. Lilienthal was a rare individual who enriched the lives of all around him. Tennesseans will always have a special place in their hearts for him.

The Board of the Tennessee Valley Authority wrote an eloquent tribute to David Lilienthal which I would also like to share with my colleagues.

STATEMENT BY TVA BOARD ON DEATH OF DAVID LILIENTHAL

David Lilienthal's death is a very personal loss to all of us at TVA. His dedication to the principle that technology can help to make men free without despoiling the natural environment, was a source of lasting inspiration to everyone involved in government.

Lilienthal's faith in democracy was a special source of inspiration to TVA, both during his 14 years on the TVA Board and in subsequent years. He stated his own belief so well in "TVA: Democracy on the March":

"The physical job is going to be done; of that I think we can be sure. But . . . if the people are denied an active part in this great task, then they may be poor or they may be prosperous but they will not be free."

Under his leadership as a founding Director from 1933 until 1941, TVA became known as one of the most exciting experiments in government in our history. Under his leadership as Chairman from 1941 until 1946, TVA was recognized as one of the most successful.

Even after he retired from government, Lilienthal never lost his intense interest in the future of the Nation and especially of TVA. On a return visit to the Tennessee Valley in 1979, he declined to look backward, instead exhorting TVA employees not to give up their commitment to the original dream of TVA—a better life for the people of the Tennessee Valley.

It is for his steadfast devotion to the principle of the greater good of mankind and for the way he carried it to fruition at TVA, as Chairman of the Atomic Energy Commission, and later as a vocal advocate of sensible development of the world's resources that David Lilienthal will be best remembered.

David Lilienthal stood out as a giant. We extend our deepest sympathy to his family and his many close friends.●

THE TIMES AND THE POST BACK THE PRESIDENT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. MICHEL. Mr. Speaker, if I awake tomorrow and find that the Sun has risen in the West and that roses are blooming in my front yard, I will not be surprised for truly we live in an age of miracles. This, at least, is how I interpret the fact that the Washington Post and New York Times published editorials, on the same day, supporting President Reagan's decision to decontrol oil. I know we are supposed to have a new beginning, but this is going a bit far. After all, both of those newspapers found the candidacy of Ronald Reagan to be something between a bad joke and cosmic disaster. Now, suddenly, without warning, they are warmly embracing precisely those policies which he has long stood for.

I welcome this age of miracles, but I must say its all happened very quickly.

I ask unanimous consent to insert in the RECORD "Decontrol, at Last" from the Washington Post and "Yes, Decontrol; But Now What?" from the New York Times, both published on Thursday, January 29, 1981.

The articles follow:

DECONTROL, AT LAST

President Reagan was absolutely right to decontrol oil and gasoline prices, quickly and without qualification. It is an essential step toward a rational energy policy. You can dismiss all of those tendentious claims about the added cost to the consumer. The added cost to the consumer will probably be in the range of zero. More than five-sixths of the country's crude oil supply is decontrolled. Home heating oil was decontrolled five years ago. As for gasoline, competition is holding actual retail prices well below the legal ceilings. For the country as a whole, these controls have brought nothing but harm, and the end of them will bring nothing but benefit.

The controls were wrong in theory when President Nixon imposed them in 1971. They were demonstrably wrong, as much costly experience already showed, when Congress insisted on perpetuating them in 1975. President Carter wisely began the process of decontrol last spring. The schedule was a gradual one running into next fall, when the law will expire altogether. Mr. Reagan has now sped up that final process by eight months.

Why were controls wrong? Because they disguised the dangerously high cost of oil to the American economy. The control system required refiners with cheap, price-controlled domestic oil to subsidize other refiners' imports. That held the price to American consumers far below the cost of the imports. Americans used a lot and kept the flow of imported oil high. That seriously damaged the country's balance of payments and eroded the value of the American dollar.

The high level of American imports helped create the very tight market that en-

abled the exporting nations to double their prices in 1979. By now, the price to the American consumer is undoubtedly higher than it would have been in the absence of any price controls at all. As an attempt to protect the American economy from higher oil costs, the controls have been an unmitigated failure.

Prices have been rising, inevitably, even under the controls. They aren't going to rise any faster in the absence of controls, unless another world shortage develops. Decontrol may even slow the rise a little. The control system contained a number of hidden subsidies—including the usual fat subsidy for the independent refiners—that will now lapse, saving the public a little money.

At worst, in another international shortage and panic like the one in 1979 following the Iranian revolution, prices will indeed rise. How much? It depends on the scale of the shortage. There could be a squeeze on the supply line as early as this spring, if the war continues between Iran and Iraq. But in return for higher prices at the gasoline pump, you will get insurance against a return of the gasoline lines. Those lines were created by the price ceilings, and the cumbersome allocation rules that they required. Having been through two memorable episodes of gasoline lines, most Americans would surely prefer the next time around to pay in money rather than time, anger and anxiety.

YES, DECONTROL OIL; BUT NOW WHAT?

President Reagan is right to end the price controls on oil immediately, eight months ahead of schedule. The effect of that decision will be to raise the cost of fuel by an additional 5 to 10 cents a gallon. But price increases are a necessary if unpleasant part of the process of adjusting to energy scarcity.

Decontrol alone does not, however, constitute an adequate oil policy. It is not likely to protect the economy against temporary shortages like those experienced in 1974 and 1979. Nor will it significantly reduce dependence on foreign oil imports in the long term.

The price controls imposed on domestic oil and refined fuels after the 1973 Arab oil embargo were intended to deny American producers the fruits of the OPEC monopoly. They did offer some price relief, but they also reduced the incentive both to conserve oil and to explore for more. Equally damaging was the tangle of price regulations created by controls, delaying modernization in the refining industry and providing billions in unearned, if legal, profits for refiners and retailers who know their way around Washington.

President Carter wisely pronounced the control system a failure last year and ordered it phased out by next September. President Reagan is now on the verge of speeding the pace. The danger is that he will listen to advisers who believe that decontrol and repeal of the "windfall" tax are all that is needed for an energy policy. Unleash industry, they contend, and it will find all the energy America needs.

But a free market alone cannot possibly eliminate dependence on the OPEC nations. Higher oil prices have helped to reduce imports over the last three years, both by cutting demand and increasing exploration. Still higher prices will surely help in the same way. Decontrol will have succeeded even if it did no more than arrest the downward spiral in domestic production. But few analysts believe that America could become self-sufficient in liquid fuels at anything like current prices.

At least in theory, freely priced oil could prevent chaos caused by gasoline shortages, as in the summer of 1979. Once dealers are free to charge even a dollar or two more per gallon in a time of critical shortage, they would ration the available gas far more effectively than did the gasless Sundays and long lines. But it is hard to believe that American motorists would long tolerate such enormous price increases. The public resents the trend of oil company profits. An emergency that increased their profits tenfold would quickly produce demands for more formal rationing or much higher oil taxes.

Oil decontrol, in other words, is no magic bullet. To minimize import dependence, Government intervention must supplement market forces. Heavy taxes on gasoline, rebated dollar for dollar to the public, would probably accomplish the most with the least economic dislocation. No one would get rich at the public's expense. Yet those who needed to use their cars would have adequate access to fuel; those who didn't would have a powerful incentive to conserve.

There are other means to the same end, such as tariffs on oil imports or tougher fuel economy standards for automobiles. But one prerequisite for a debate on their relative merits is leadership from the top. The sooner President Reagan accepts the reality of energy scarcity the sooner that debate can begin.●

COAST-TO-COAST DROUGHT AFFLICTING UNITED STATES

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. WHITEHURST. Mr. Speaker, in a newsletter which I sent to my constituents in 1979, I pointed out that water could well be our next crisis, and the nationwide drought in recent months has clearly proven the accuracy of that prediction. I am including at this point in the RECORD a news article from the February 2, 1981, edition of the Washington Post which further documents this precarious situation.

In the 96th Congress, I introduced a resolution calling for the establishment of an Ad Hoc Committee on Water Resources, but no action was taken. Because matters have clearly worsened, I have reintroduced my resolution; it is now House Resolution 38, and I would urge my colleagues to join me in this effort. The lack of water has now become a national issue, and it is now nearly past time to establish some sort of national water policy. For further background, let me refer my colleagues to page 28224 of the October 12, 1979, RECORD, and page 29701 of the October 25, 1979, edition. I feel very strongly that this is an issue that we cannot afford to continue to ignore.

Thank you, Mr. Speaker.

COAST-TO-COAST DROUGHT IS UNIQUE IN ANNALS OF WEATHER RECORDING

MEMPHIS.—For the past four months, a single weather pattern has gripped virtually the entire United States, causing a coast-to-coast drought unique in the annals of weather recording.

Water emergencies have been declared all along the East Coast; farmers from Colorado to Pennsylvania are seeing damage to winter crops and are fearful about their spring ones; ski resorts, despite some snow in the past few days, have reported disastrously low levels, even bare ground in several areas that usually have 60 or 70 inches.

The drought's most visible effects are in the Midwest. The Mississippi River, which draws water from 40 percent of the United States—from the Rockies to the Appalachians and from Canada to the Gulf—dropped off the water gauge at Memphis in early January.

Officials installed additional gauges, but by the 10th of the month, the river had sunk below the lowest water level ever recorded at the city. And it continued to drop until last week when it hit 24 feet below normal, the lowest since records began to be kept when Mark Twain used to pilot vessels past Memphis more than 110 years ago.

The low water has struck fear into the hearts of the river pilots. Scores of towboats and barges have run aground in the mud and sand between Illinois and Louisiana, closing the river to traffic at least six times since Christmas and for up to five days at a time.

"I've just come from a meeting with many of the captains of these boats and some of them have been on the river 25 years or more. They say they have never seen anything like it—drought, yes, but never continuing for such a long time," said Les Sutton, president of Dravo-Mechling Barge Co.

"If the drought continues, I can imagine things just gradually getting worse and worse, with river closures of up to a week or longer, and finally the [Army] Corps of Engineers will just not be able to maintain the channel at all," he said.

The Mississippi barges normally carry over half the grain, 20 pecent of the crude oil, and 15 percent of the coal transported in the United States each year. In the past month, 126 towboats and 1,455 barges have run aground even though barge owners have reduced loads by 15 to 20 percent to lessen the draft of their vessels.

The economic losses to the barge transport industry are estimated in the millions of dollars, some of which is being passed through to food, chemical, oil, and manufacturing companies, which are suffering losses of their own in some cases because of the fouled river traffic.

The weather system causing the drought is one of the most unusual national patterns ever recorded. Many meteorologists feel it marks the end of a 40-year cycle, the end of the extremely good weather the nation has experienced since the Dust Bowl days. They believe that the United States is in for severe and highly erratic weather conditions like those that brought record snow, cold, and drought in three of the past four years.

"This is a very unusual, a unique weather pattern for the nation," said Roland Loffredo, chief hydrologist with the National Weather Service. "I've never seen anything like it and I don't think anyone else has either.

"Rain and snowfall is below normal in virtually every area of the United States—I've never seen a pattern so broad. In the Midwest, the rainfall is up to 15 inches or more below normal," Loffredo said.

According to several meteorologists who have analyzed the situation, there are two reasons for the current weather pattern, both extremely unusual:

First, there are two very large and very persistent high-pressure systems that have planted themselves over the West Coast and Rocky Mountains and remained there for four months. In America such long-lived weather centers were almost unheard of until 1977, when a similar one blocked the West Coast for months. Last summer, another pressed down on the Midwest and part of the East, causing record high temperatures and continuing the water deficit that began the previous winter.

Second, the "jetstream"—a bundle of powerful steering currents that move at speeds up to 300 miles per hour at 30,000 feet above the earth—is not where it normally is. This is important because its high-speed wind currents drive storm systems before them as they meander across the continent.

Normally the jetstream would wander straight through the middle of the country from west to east, pushing storms into a position where they could pick up moisture from the Gulf of Mexico and, as they spin clockwise, deposit it on the Midwest and East.

When the jetstream alters course the meteorological results are dramatic.

In 1977, it skipped up and crossed Canada instead of the United States, dropping down south only when it reached the Great Lakes. This left the West in extreme dryness while the Midwest and East experienced severe Arctic cold mixed with snow created when the icy air met moisture moving northward from the Gulf of Mexico.

This year, because of the very long-lived high-pressure system sitting on the West Coast, the jetstream jumped again up into Canada. However, this time it has not turned south at the Great Lakes. It has continued across to the north and straight to the Atlantic Ocean.

So one great engine that drives the nation's storms is missing us almost completely.

One good dose of rain and snow did blast its way across the West last week, dumping up to nine inches of snow over parts of the Midwest over the weekend.

"That will be great for the ski resorts for about two weeks," said a spokesman for the National Weather Service in Denver. "But that is the only storm that has broken through the dry pattern dominating the nation's weather." By the middle of this week the Washington area should receive some rain from that system, but probably not enough to appreciably affect low river levels, ground water levels, or reservoir depletion.

"That one storm has passed through . . ., and we've gone right back and set up the very stable high pressure area that has caused the drought. It looks like we are going right back into the dry weather, and possibly for some time to come," the spokesman said.

And even a good dose of rain won't go far toward replenishing the Mississippi. "If it rains 24 hours a day from now until next week," said an Army Corps of Engineers spokesman, "that won't even bring it [the river] up to its old record [low]."

The fear of those who own boats and barges on the Mississippi, and the fear of the thousands of farmers whose lands lie in the Mississippi basin, is that this drought will not confine itself to the winter in which it can do limited damage. They fear it will remain through February and even into March or April.

"Everything now depends on having heavier-than-normal rains in the late winter and spring," said Loffredo. "We are already at the bottom limits on our reservoirs and river levels. And we are still operating at a deficit from the dry conditions last summer, and even last winter. So we have to try to rebuild the water levels of three winters ago.

"If we don't get those rains, the situation will get very serious. Very serious," he said.

The National Weather Service, is now predicting rain below normal levels for all the United States in the next 30 days, except for a patch of the West including Texas, Arizona, New Mexico, and part of Colorado.

This prediction, if it turns out to be correct, means that the drought will continue through February, bringing the country toward a major climatic disaster in the spring.

Some farmers have already reported that winter wheat appears stunted, and if the drought continues through the winter, a large percentage of their crops will be lost. To grow well in the spring, winter wheat must be planted in a moist soil, and then get a good snow cover to protect the sprouts from temperatures below zero degrees Fahrenheit, which can kill them. The current crop in most places had too little soil moisture to begin with, and now has little or no snow cover. Under these conditions the crop may be killed at temperatures even several degrees above zero.

In the Washington area, the Occoquan Reservoir has dropped from a 100-day supply of water to less than 40 days' worth. Another supply of fresh water for Washington residents, the Potomac River, has slumped to the second-lowest level in the 50 years that records have been kept. The Potomac is flowing at 1.3 billion gallons per day; normal flow is over 7 billion gallons.

If the drought continues, the river by next month could drop to 700 million gallons a day—the danger level in terms of its ability to supply Washington with water.

The Chesapeake Bay had a record low inflow of fresh water in January, only about 20 percent of normal.

Normally, at this time of year, 55.3 billion gallons of fresh water flow into the bay every day; in January the average was 11.5 billion per day. This dribbling flow into the bay represents the rainfall and stream conditions over the entire 65,000-square-mile area of the Middle Atlantic states, and it was the lowest since records began to be kept 30 years ago.

As a result the salt front, where the ocean's salt water meets the flowing fresh water of the bay, has begun to move. No longer held back by the force of fresh water flowing from rivers into the bay, the salt front has now moved 28 miles inland.

Similar drought conditions exist throughout the East, with record lows being set on streams in New Jersey, especially the Delaware River, which fell to 25 percent below the lowest level ever recorded. Reservoir levels that feed New York City have fallen to less than two-thirds of capacity.

Notices of fines totaling $4.2 million have been sent to thousands of businesses and residences in New Jersey in an effort to enforce the state's water rationing plan. The residents of wealthy Greenwich, Conn., have been asked to cut their water use by more than half, as that community is now left with less than an 18-day supply.●

THE GOOD NEWS DEPARTMENT

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. COELHO. Mr. Speaker, many of my colleagues may have seen the article in Sunday's New York Times business section about the condition of U.S. exports. In fiscal year 1981 our agricultural exports are expected to reach a record high of $48.5 billion according to the Economics and Statistics Service of the U.S. Department of Agriculture. This represents a 20-percent gain over the previous year's figure which valued farm shipments from the United States to our foreign trading partners at $40.5 billion.

For California's agriculture community, which I am most proud to represent here, our farm exports belong in, what one California economist called, the good news department of our trade picture. From a news article written by John Johnson of the Fresno Bee, which I will include in the RECORD following my remarks, a better than average year is predicted for California farm exports. It is interesting to note that if California were a separate nation, it would be exceeded only by the United States, itself, in cotton exports.

The contribution of my home State's farmers to our overall business in world trade is important to the entire country, especially when we take into account our sizable imports of foreign oil.

With our economy in desperate need of brightening, there is much we can do to expand California's good news department.

Thank you, Mr. Speaker.

The article follows:

FARM EXPORTS HELP KEEP STATE AFLOAT

A third of California's agricultural products last year ended up in South Korean garment shops, in Japanese fruit bowls and on the shelves of European nut lovers.

In fact, according to an economist from Security Pacific National Bank, farm exports are helping the state keep its economy from sinking under rising foreign oil prices.

In the first half of 1980, California agricultural exports amounted to $2.7 billion, a 35 percent increase over the first half of the previous year, according to Gladys Moreau.

Her export forecast for 1981, delivered at a Fresno City and County Chamber of Commerce luncheon Wednesday, was for another good year, although not as good as this year. The reason is that the 1980 cotton crop is not as good as the 1979 "bumper crop," she said.

Another factor is the continuing worldwide economic slowdown, which means a reduction in buying power abroad.

But Moreau still predicted a 25 percent increase in the value of foreign exports—better than an average year.

Calling agricultural exports the "good news department" of America's foreign trade, Moreau pointed out that farm ex-

ports recently produced a $1.6 billion surplus for California. That alone offset nearly half of the state's overall deficit, which she attributed to imports of expensive foreign oil.

"If agriculture was not doing so well, the state would really be in trouble," she said.

California's five major export crops are cotton, fruit and nuts, grains, oil and fats and meat and meat products.

"If California was a nation, it would be second in the world (behind the rest of the United States) in cotton exports," she said.

She said the outlook for cotton internationally remains good, in part because oil price increases are forcing up the cost of synthetic, oil-based materials. There also has been a fashion revival of interest in cotton clothing.

Much of America's cotton winds up in garment houses of nations with cheap labor, where it is made into clothing and resold.

California exports 90 percent of the nation's nuts, mostly walnuts and almonds, many of which wind up on European tables.

But California's biggest customers abroad are Asian countries, which account for 75 percent of the state's farm exports. By contrast, Europe receives only 18 percent of the farm exports, Moreau said. But that represents an increase of 7 percent over last year, which is a hopeful economic sign, according to Moreau.

Questioned about the future, she said grains will be in demand, because many nations cannot feed themselves.

But there are some uncertainties in Japanese trade, she said. The Japanese are among California's best customers in fruit and meat products.

On the one hand, Japan has lifted some trade restrictions on American farm products. But on the other, if overt pressure is brought on the Japanese to reduce their exports of small cars to take the pressure off Detroit, there could be retaliation.

Moreau said she doubts anything that drastic will occur, however. She said Japan probably will quietly, and voluntarily, reduce auto exports.●

IS IT TIME TO SWITCH OFF TAX DOLLARS FROM PUBLIC TELEVISION?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. MICHEL. Mr. Speaker, syndicated columist Patrick J. Buchanan recently raised serious questions about the future of public television. Given the fact that the Reagan administration is committed to cutting the Federal budget drastically, is there any reason why tax dollars should any longer support public television? Buchanan offers a convincing argument that the Reagan administration should take a long, hard look at public tax-supported financing of public television. We are going to be debating subjects like this so I thought it would be worthwhile to bring this column to your attention.

Mr. Speaker, I insert "Time To Switch Off Public Television" by Patrick J. Buchanan, the Chicago Tribune, January 29, 1981:

TIME TO SWITCH OFF PUBLIC TELEVISION

(By Patrick Buchanan)

WASHINGTON.—Early on in the Reagan administration the proposition that federally created agencies are immortal may be tested.

In a still-secret report to budget director Dave Stockman, the transition team for public radio and TV makes the unanimous recommendation "that federal funding for the Corporation for Public Broadcasting be phased out."

The arguments arrayed for pulling the plug on CPB, and letting its creatures, the Public Broadcasting System and National Public Radio, sink or swim are familiar but more compelling when Congress is considering a cut in food stamps.

First, says the secret report, CPB has few functions to justify the $8 to $10 million in administrative overhead it gobbles up annually in its handsome headquarters office on 16th Street, a door or two down from the Soviet Embassy. Three of every $5 it gets annually from Congress are disbursed to local PBS stations according to a mechanical formula which could be handled by a first generation computer.

Second, federal funding—which provided almost every dime of CPB's money—has ceased to be the major source of funds for public broadcasting, which now leans on corporations, foundations, states, local governments, universities, and individuals.

Third, the outstanding public television shows—such as Sesame Street and the MacNeil-Lehrer Report—have never been primarily dependent upon federal subsidy.

Most important, argues the transition team, technology is making moot the original argument for taxpayer subsidies to public television. With cable TV coming on stream, cassettes, video discs, and direct satellite transmission, public television is no longer the "alternative" to commercial fare, but, rather, a redundancy, a superfluity with a dubious claim to further taxpayer support.

(While an earlier draft of the transition report recommends putting CPB through cold turkey—i.e., zero funding, as soon as possible—the final report recommends a phasing out beginning in fiscal 1983, to give public television time to adjust to a competitive environment.)

"The Reagan administration has a unique opportunity," the report reads. "It is possible and feasible in the 97th Congress to lift the federal tax burden of public broadcasting and begin to put it on a stable, long-term, self-sustaining basis—free of government involvement and control."

While the annual taxpayer subsidy to public TV, less than $200 million in a budget approaching $700 billion, is relatively small, the administration's decision will be a test of its willingness to take on a powerful, articulate constituency which will not surrender its subsidized entertainment without a fight.

In the winter issue of the scholarly Wilson Quarterly, communications professor Stuart Shorenstein asks—and appears to answer in the negative—the question: "Does Public Television Have a Future?"

His arguments parallel those of the confidential transition report:

"To be blunt, PBS has neither the freedom nor the resources to compete with the commercial networks in news or public affairs programming. It has no overseas bureaus, no central news desk, no equivalent of the networks' evening news programs. PBS barely covered the 1980 Republican and Democratic conventions. Even the best of public TV's news shows, like the "MacNeil-Lehrer Report," do not approach the popularity or the visual range of CBS "60 Minutes."

"Ratings are not PBS' strong point either. PBS' prime-time ratings share is about 3.5 per cent; even the most popular shows on public TV such as the periodic National Geographic specials have never reached more than 16 per cent of television households. A commercial show with that rating would be cancelled at once."

"Public television's dilemma is that if it can't attract large enough audiences, many of its funding sources—e.g., corporations, foundations, and the federal government, not to mention the audience itself—may dry up; if it gears its programming to the ratings game, it will betray the principles on which it was founded. . . ."

For 18 years, the taxpayers have been subsidizing public broadcasting. Time enough to put it on its feet. As the transition report notes:

"Citizens should be allowed to see, hear, and pay for what best meets their needs and desires. There is no more basis for the federal government to play a leading role in this process than there is for the government to play a similar role in the publication of novels or textbooks or in theatrical productions." Amen.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, February 3, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 4

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Labor-Management Services Administration, the Pension Benefit Guaranty Corporation, and the Employment Standards Administration of the Department of Labor.
1114 Dirksen Building

Environment and Public Works
To hold hearings on the prospective nomination of Ray A. Barnhart, of Texas, to be the Federal Highway Administrator of the Department of Transportation.
4200 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on proposed legislation to extend the temporary limit on the public debt.
2221 Dirksen Building

10:30 a.m.
Special on Aging
To hold hearings on the estate tax impact on older women.
1224 Dirksen Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain programs of the U.S. Army Corps of Engineers.
S-128, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Occupational Safety and Health Administration and the Mine Safety and Health Administration of the Department of Labor.
1114 Dirksen Building

Finance
Business meeting, to consider proposed legislation to extend the temporary limit on the public debt.
2221 Dirksen Building

4:00 p.m.
Office of Technology Assessment
The Board, to hold a general business meeting.
EF-100, Capitol

FEBRUARY 5

10:00 a.m.
*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Labor Statistics, departmental management programs, and the President's Committee on Employment of the Handicapped of the Department of Labor.
1114 Dirksen Building

Armed Services
To resume hearings on proposed fiscal year 1982 authorizations requests for Navy and Marine Corps programs of the Department of Defense.
212 Russell Building

Energy and Natural Resources
To hold hearings on the nomination of Donald P. Hodel, of Oregon, to be Under Secretary of the Interior.
3110 Dirksen Building

Judiciary
To hold hearings on the nomination of Edward C. Schmults, of Connecticut, to be Deputy Attorney General.
2228 Dirksen Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain programs of the U.S. Army Corps of Engineers.
S-128, Capitol

FEBRUARY 6

10:00 a.m.
Joint Economic
To hold hearings on the employment-unemployment situation for January.
2128 Rayburn Building

FEBRUARY 17

9:30 a.m.
Banking, Housing and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on S. 144, to promote the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Services Administration of the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings to review those programs administered by the Department of Transportation.
1318 Dirksen Building

Rules and Administration
To hold hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain programs of the U.S. Army Corps of Engineers.
S-128, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Center for Disease Control of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 18

9:30 a.m.
Banking, Housing and Urban Affairs
International Finance and Monetary Policy Subcommittee
To continue hearings on S. 144, to promote the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

Rules and Administration
To continue hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain programs of the U.S. Army Corps of Engineers.
S-128, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services
1114 Dirksen Building

Rules and Administration
To continue hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Alcohol, Drug Abuse and Mental Health Administration of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 20

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Resources Administration of the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Panama Canal Commission; and the St. Lawrence Seaway Development Corporation of the Department of Transportation.
1318 Dirksen Building

FEBRUARY 23

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Assistant Secretary for Health, scientific activities overseas, and retirement pay program for commissioned officers of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 24

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Care Financing Administration of the Department of Health and Human Services.
1114 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed legislation authorizing funds through fiscal year 1985 for the airport development aid program.
235 Russell Building

Rules and Administration
Business meeting, to consider committee resolutions requesting funds for operating expenses for 1981, and other legislative and administrative committee business.
301 Russell Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from the Disabled American Veterans.
318 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Human Development Services of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 25

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Social Security Administration of the Department of Health and Human Services.
1114 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed legislation authorizing funds through fiscal year 1985 for the airport development aid program.
235 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Office for Civil Rights, policy research programs, and departmental management programs of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 26

9:30 a.m.
Special on Aging
Organizational business meeting, to consider its rules of procedure for the 97th Congress, and other pending committee business.
Room to be announced

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain departmental management programs and the Office for Civil Rights of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Coast Guard of the Department of Transportation.
1318 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

FEBRUARY 27

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

MARCH 2

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for elementary and secondary educational programs of the Department of Education.
1114 Dirksen Building

MARCH 3

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the American Battle Monuments Commission, Army Cemeterial Expenses, the Office of Consumer Affairs, and the Consumer Information Center.
1224 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for impact aid programs, and emergency school aid programs of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General of the Department of Transportation; and the National Transportation Safety Board.
S-126, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for library and learning resource programs and vocational and adult education programs of the Department of Education.
1114 Dirksen Building

MARCH 4

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for educational, rehabilitation, and research programs for the handicapped of the Department of Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain student financial assistance programs of the Department of Education.
1114 Dirksen Building

MARCH 5

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain school improvement programs, special institutions, and Howard University of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration of the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Education, fund for the improvement of postsecondary education, educational statistics, educational research and training activities overseas of the Department of Education.
1114 Dirksen Building

MARCH 10

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Building Science, Federal Home Loan Bank Board, National Credit Union Administration, and the Office of Revenue Sharing (NYC).
1224 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Administration, Research and Special Programs and the Office of the Secretary of the Department of Transportation.
S-126, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 11

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Railroad Retirement Board, domestic operations programs of ACTION, and the Soldiers' and Airmen's Home.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

MARCH 12

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Civil Aeronautics Board, Interstate Commerce Commission, and the Washington Metropolitan Area Transit Authority (Metro).
1318 Dirksen Building

MARCH 16

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration of the Department of Transportation.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Railroad Passenger Corporation (Amtrak).
1318 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

APRIL 1

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Emergency Management Agency, and the Selective Service System.
S-126, Capitol

APRIL 8

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol.

APRIL 22

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

APRIL 29

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

MAY 12

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

MAY 20

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

JUNE 2

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

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UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS

FIRST SESSION

VOLUME 127—PART 2

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, FIRST SESSION

SENATE—*Tuesday, February 3, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met in executive session at 10:15 a.m., on the expiration of the recess, and was called to order by the Honorable MACK MATTINGLY, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Father in heaven, we come to Thee today in gratitude for the gracious love and provision which Thou hast lavished upon us.

As we enter this week of hard work, with decisions to make that often have cosmic implications, help us to keep our priorities in order.

None of us is here by accident. Behind the diligence of staffs, supporters, and our own individual campaign efforts, behind the votes of the people, we recognize divine appointment, for Thou hast said: "Promotion cometh neither from the East or West or South. But God is the judge: he putteth down one and setteth up another." Grant us the grace to exercise our accountability to Thee.

We know how often families are casualties to the demanding business of government and the often seductive forces of power and privilege and position which we enjoy. Help us as husbands and wives to submit to each other out of reverence for the Lord. Help us as husbands to love our wives as Christ loved His church and laid down His life for her. Help us to be good models whom our children may safely follow.

Help us to be accountable to the people who gave us our mandate and to the world which looks to this body for responsible leadership.

Help us to be good stewards of our health—to care for our hearts and minds and bodies with proper food and exercise and rest.

We ask this in the name of Him who is incarnate love. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 3, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MACK MATTINGLY, a Senator from the State of Georgia, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. MATTINGLY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized, as in legislative session.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WELCOME TO THE REVEREND RICHARD C. HALVERSON, CHAPLAIN OF THE U.S. SENATE

Mr. BAKER. Mr. President, I wish to take this opportunity to welcome the distinguished Chaplain of the Senate on his first official appearance here and his delivery of the invocation to the Deity for us. I bid him welcome.

As Alfred Lord Tennyson wrote in his work, "The Passing of Arthur"—

More things are wrought by prayer
Than this world dreams of.
Wherefore, let thy voice rise
Rise like a fountain for me night and day.

We in this Chamber have been fortunate to raise our voices in daily prayer for a good many years, Mr. President. And in all actions, successful or not, public or personal, we have been the better to have begun each day with bowed heads, beseeching the guidance of the Lord.

And I am supremely confident that Reverend Halverson, the pastor of the Fourth Presbyterian Church of Bethesda, will continue to steer our hearts, minds, and deeds to the light and the path of our Father.

I would like to express my appreciation and that of the Senate to the congregation of the Fourth Presbyterian Church for sharing their distinguished pastor with us, and I am certain I speak for every Member of the Senate in wishing Reverend Halverson well.

Mr. President, I yield to the distinguished Senator from Oregon not more than 4 minutes.

Mr. HATFIELD. I thank the distinguished majority leader for yielding.

WELCOME TO SENATE CHAPLAIN RICHARD HALVERSON

Mr. HATFIELD. Mr. President, it is my great privilege this morning to welcome Dr. Richard Halverson on the first day of his official duties as the U.S. Senate Chaplain. Proverbs 21: 21 states that "He who pursues righteousness and kindness will find life and honor." I know of no man in this city over the last quarter of a century who more emulates the wisdom of Solomon in this regard. It is unusual to find in this hectic age a person both upright and kind—and Chaplain Halverson being that person is supremely suited to be our pastor and friend for the challenges ahead.

Dr. Halverson was born in Pingree, N. Dak. He graduated from Wheaton College in 1939, and Princeton Theological Seminary in 1942. His LL.D. degree was received from Wheaton in 1958. Since 1958 he has served as pastor of the Fourth Presbyterian Church in Bethesda, Md. Previous to this prestigious call he was the minister of leadership education at Hollywood, Calif., Presbyterian Church, 1947–56; pastor of Coalinga, Calif., Presbyterian Church, 1944–47; and director of the Forest Home Conference Center while he served the Linwood

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Presbyterian Church in Kansas City, Mo., 1942–44.

As many of us know firsthand, he has also been active as an associate of the Fellowship Foundation's prayer breakfast movement since 1956. He has been a part of our Senate family as a close friend and pastor through our regular contact with him at the Wednesday morning gatherings in the Vandenberg Room. Dr. Halverson has been more than just an outstanding and compelling expositor of scripture to us. He has been a close friend and faithful brother to whom we have turned and entrusted our deepest thoughts and concerns, whether we be Catholic, Protestant, or Jew.

As many know, Chaplain Halverson is the chairman of the board of World Vision, one of the finest and most effective world relief organizations. His compassion for those who suffer from injustice or tragic circumstances both here and abroad has grown in part from his world travels during which he has seen firsthand the suffering of those in war torn and impoverished lands. There are some who do not see that the problems are that great or that important, because they do not have the eyes to see or the hearts to understand. There are others who see and feel but cannot respond, because they have isolated themselves from the suffering of others. And then there are those, like Chaplain Halverson, who do their part in serving "the least of these My brethren."

Dr. Halverson has written 10 books. Two of the most widely read are "Living Fellowship—A Dynamic Witness," and "Man to Man," which is a compilation of his biweekly devotional letter, "Perspective." Several of the most compelling of these I am submitting for printing in the RECORD.

Dr. Halverson and his faithful helpmate, Doris, have three children, Chris, Steve, and Debby, and three grandchildren.

Whenever my family and I have worshipped at Fourth Presbyterian Church, we have heard Dr. Halverson greet the congregation with, "It is such a pleasure to be with you this morning." We return that greeting to you today, Chaplain Halverson. It is a great pleasure for all of us to be with you here this morning. May God bless you richly in your ministry here amongst us.

You honor us greatly by accepting our invitation to be our chaplain, for you have lived a life of ministry as you have quietly and unostentatiously never forgotten whom you represent. You have given your life to more than ecclesiastical forms or institutional religion or buildings. You represent the person of Christ and His love to us. Welcome to your new parish.

Mr. President, I thank the majority leader for yielding me these very brief moments. I ask unanimous consent that the material I spoke of be printed in the RECORD as designated.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PERSPECTIVE

JUNE 4, 1980.

Dear Friend: Man builds institutions . . . God is building a Fellowship! Man builds monuments to himself . . . God is building an eternal family. Man organizes to build a name for himself . . . That's Babel! (Genesis 11). God is building a perfect city of everlasting love . . . That's redemption! Man's institutions divide and alienate . . . God's plan is to reconcile and unite.

In God's redemptive purpose all institutions will be destroyed—including ecclesiastical institutions . . .

But mankind will be one!

"For he has made known to us in all wisdom and insight the mystery of his will, according to his purpose which he set forth in Christ as a plan for the fullness of time, to unite all things in him, things in heaven and things on earth."—Ephesians 1:9–10.

"And I saw the holy city, new Jerusalem . . . and I heard a great voice from the throne saying, 'Behold, the dwelling of God is with men.

"'He will dwell with them, and they shall be his people, and God himself will be with them;

"'. . . he will wipe away every tear from their eyes, and death shall be no more, neither shall there be mourning nor crying nor pain any more . . .'"—Revelation 21:2–4.

Blessings and love,

RICHARD C. HALVERSON.

PERSPECTIVE

NOVEMBER 9, 1977.

DEAR FRIEND: If you're going to fight . . . Fight for the relationship—not against it! Fight for reconciliation—not for alienation. Fight to preserve the friendship—not to destroy it. Fight to win your spouse—not to lose him/her. Fight to save your marriage—not to cash it in. Fight to solve the problem—not to salve your ego! If you're going to fight . . . Fight to win . . . not to lose! Lasting relationships are not negotiated . . . they are forged.

That means heat and pressure.

It is commitment to a relationship which sustains it . . . not pleasant feelings.

Treat a relationship as negotiable—it is easily lost.

Consider it non-negotiable—a way is found to make it work.

Authentic intimacy comes only through struggle.

"Love is patient and kind; love is not jealous or boastful; it is not arrogant or rude.

"Love does not insist on its own way; it is not irritable or resentful; it does not rejoice at wrong, but rejoices in the right.

"Love bears all things, believes all things, hopes all things, endures all things . . . Love never ends."—1 Corinthians 13:4–8.

Blessings and love,

RICHARD C. HALVERSON.

PERSPECTIVE

AUGUST 16, 1978.

DEAR FRIEND: AMERICANISM MAY BE IDOLATRY!

If I am uncritical of my country—one very basic ingredient is missing from my allegiance.

"My country right or wrong" may be the mark of loyalty . . . or it may betray abdication from personal responsibility.

Blind acceptance of my country's wrongs is as treasonable as collaboration with her enemies.

Either way I am contributing to her destruction!

Romantic, sentimental, childish attitudes toward America do not constitute allegiance.

Mature, critical, constructive attitudes do!

The process whereby romantic acceptance is turned into constructive citizenship is disillusionment.

Just as my childish belief in a Santa Claus who descended the chimney to deliver presents carried in a sleigh drawn by reindeer was dissipated through disillusionment . . .

So my childish views of American history must be dissolved and replaced by the truth about her faults and failures . . .

If I am to be a faithful, responsible citizen.

Many of those who professed to believe in the self-evident truth that "all men are created equal and that they are endowed by their creator with certain unalienable rights . . ." were slave holders . . .

Who refused to practice what they professed and therefore denied what they said they believed.

True allegiance does not require me to approve such hypocrisy!

Nor does it free me from the obligation to do whatever I can to change the immeasurable evil which has issued from it.

"Rulers are not a terror to good conduct, but to bad. He (the ruler) is the servant of God to execute his wrath on the wrongdoer."—Romans 13:3, 4.

Blessings and love,

RICHARD C. HALVERSON.

PERSPECTIVE

APRIL 26, 1978.

DEAR FRIEND: "The hurrier I go . . . the behinder I get!"

The plight of the man who lets enthusiasm victimize him.

He doesn't possess zeal . . . zeal possesses him!

Mistaking hysteria for urgency, a man may run off in all directions at once . . . his energy and effort so diffused that its force is spent long before a purpose is achieved . . .

Like hitting a target with a head of cabbage.

Acting in haste—without taking time to let his zeal soak in prayer and counsel—his projects peter out . . . abortive because premature!

Without the seasoning, maturing process of prayerful reflection, ideas—no matter how good—generally lack the strength of fulfillment.

Patience is more than a human virtue . . . it is of the Spirit of God . . . and it is of the essence of Christian greatness.

Let the idea spawn . . . it will produce off-spring!

Heed the counsel of one of the most profound devotional writers. He knew the "mind of Christ" and speaks out of deep, seasoned, tempered wisdom.

"Never act in a panic, nor allow man to dictate to thee. Calm thyself and be still. Force thyself into the quiet of thy closet until thy pulse beats normally and the scare has ceased to disturb.

"When thou art most eager to act is the time when thou wilt make the most pitiable mistakes.

"Do not say in thine heart what thou wilt or wilt not do, but wait upon thy God until He makes known His way.

"So long as that way is hidden, it is clear that there is no need of action . . . and that He accounts Himself responsible for all the result of keeping thee where thou art."—F. B. Meyer

"They that wait upon the Lord shall renew their strength: They shall mount up with wings as eagles, they shall run and not be weary, they shall walk and not faint."—Isaiah 40:31

Blessings and love.

RICHARD C. HALVERSON.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, how much time do I have remaining under the standing order?

The ACTING PRESIDENT pro tempore. The majority leader has 3 minutes remaining.

Mr. BAKER. Mr. President, I believe there is a requirement for time on the other side of the aisle. I am prepared at this point to yield that 3 minutes to the control of the distinguished minority leader so he may honor that request if he wishes.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader.

THE GRAIN EMBARGO

Mr. ROBERT C. BYRD. Mr. President, in the past several days President Reagan and Secretary of State Haig have engaged in some tough talk with regard to the Soviet Union. They are on the right track, and I applaud their efforts. Let us make certain that this tough talk is backed up by our actions.

On February 2, Secretary of Agriculture John Block repeated his opposition to the grain embargo imposed on the Soviet Union by the United States, and indicated that he will recommend to the President that the embargo be lifted. I understand that a special meeting of the Cabinet has been scheduled to consider this question. I have written a letter to the President reiterating my strong support of the embargo, and conveying to him my serious reservations about any proposed termination of it.

Our Government must clearly show that the United States has the will, and the firmness of purpose, to deal effectively with complex international problems. In this light, it is imperative that the grain embargo be maintained.

President Carter imposed the grain embargo by Executive orders which became effective on January 7, 1980, and were subsequently renewed by him 1 year later. The facts that led President Carter to impose the embargo are well known.

In late December 1979, the Soviet Union invaded the independent nation of Afghanistan. This was the first time since the end of the Second World War that the Soviet Union had directly invaded a previously independent and unoccupied nation. Such unabashed aggression is by its nature antithetical to the principles of all free nations. The Soviet action has had a direct effect on the strategic balance of South Asia and the Near East. Pakistan, a pivotal nation, is threatened by the Soviet military action. By entering Afghanistan, the Soviet Union has put its aircraft within striking range of the vital oil facilities and resources of the Persian Gulf. This is a grave development for the United States, which depends on the uninterrupted flow of oil from the gulf region for one-quarter of its supplies. Our European and Japanese allies are even more dependent on the Persian Gulf region for their oil supplies.

None of these facts has changed since the imposition of the embargo in 1980. The people of Afghanistan remain under the military subjugation of the Soviet Union. The grain embargo remains. An appropriate response to Soviet aggression.

The purpose of the embargo should be clarified, and that is, to levy a cost on the Soviet Union for aggressive behavior. The embargo was imposed because "business as usual" with the Soviets could not be condoned in light of the invasion of Afghanistan. The embargo should not be seen as ineffective if it fails to force the Soviet Union to end its adventure in Afghanistan. Rather, the effect of the embargo should be measured against more realistic goals: Those of forcing the Soviet Union to recognize the seriousness of its actions in the eyes of the world, and hindering the Soviets' pursuit of a variety of economic and political gains. In this context, the embargo has been quite effective.

The evidence shows unmistakably that serious costs have been incurred by the Soviet Union as a result of the embargo. The Defense Intelligence Agency has estimated that the Soviets have expended more than $1 billion over normal levels for grain from suppliers other than the United States since the embargo began. In short, the Soviets are using their scarce foreign exchange to pay gouging prices for poorer quality grain. These high prices have been paid out of desperation for any additional source of supply. Despite vigorous Soviet efforts to make up the shortfall caused by the sales suspension of 17 million tons of American grain, they have been unable to do so.

Soviet President Brezhnev himself admitted this fact in a speech to the Central Committee of the Communist Party in October, 1980. Brezhnev reviewed the shaky state of Soviet agriculture, and implied that the situation would worsen. He was correct, for the 1980 Soviet grain harvest is estimated by the U.S. Department of Agriculture at 185 million tons—50 million tons under the planned level of 235 million tons, and about 10 million tons under the current projection of actual Soviet needs for this year. As a result, the reserves of grain in the Soviet Union have been reduced to levels that are vulnerable even to moderate supply disruptions. The leverage of the embargo increases under these circumstances.

The average Soviet citizen knows full well the effect of the embargo, and did not need a warning from President Brezhnev that bad times may be ahead. Bad times are already present for Soviet consumers. The rations of meat in the Soviet Union are averaging 20- to 25-percent lower than in other Warsaw Pact nations, including Poland. That fact is not lost on the Soviet leadership, nor on the people of the Soviet Union.

At present, it is these incremental pressures and pains that are the true value of the embargo. In the longer run, its value can be seen clearly as a bargaining chip. It cannot be a pleasant prospect for the Soviet leadership to contemplate a substantial reduction in their national standard of living in 1981 because of the weather. A poor harvest this year could drive their reserves down to crisis levels. A domestic problem of this magnitude may bring about restraint against foreign adventures. This is the cutting edge of the embargo.

The 5-year grain agreement between this country and the Soviet Union expires on September 30, 1981. The United States is fulfilling its obligations under international law by providing the base level of 8 million tons of grain to the Soviet Union. The Soviets have moved as rapidly as they can to purchase and transport this amount to the Soviet Union. Since October, when the fifth year of the agreement began, the Soviets have imported 3.8 million tons of grain from the United States, and intend to import another 2.8 million tons by the end of February. Before 6 months of the fifth agreement year have elapsed, the Soviet Union will have lifted almost its entire allotment from this country.

Moreover, the Soviets should understand that their aggression could adversely affect any future discussion of a long-term grain agreement.

The effect of the grain embargo on our own farmers has been minimal and transitory. Farm exports exceeded $40 billion in 1980, an all-time record. The Commodity Credit Corporation acted swiftly last year to purchase contracts for grain originally destined for the Soviet Union. As a result, grain prices are currently at higher levels than before the embargo was imposed. The gradual introduction of the commodities intended for the Soviet Union has preserved the price of grain.

World grain supplies are expected to be relatively low this year. If the embargo is suddenly lifted, inflationary increases in grain prices are likely to occur. A general rise in the cost of all food to the American consumer would follow, as occurred late in 1973 and 1974. In that instance, massive sales of grain to the Soviet Union depleted American stockpiles to low levels. Removing the embargo could similarly trigger an inflationary wave.

I hope that President Reagan will consider these factors in his deliberations on the status of the grain embargo. In seeking to discourage and condemn reprehensible actions by the Soviet Union, the embargo promotes the vital interests of the United States.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I yield now to the Senator from Mississippi, including the time yielded to me by the majority leader.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi.

Mr. STENNIS. Mr. President, how much time do I have?

The ACTING PRESIDENT pro tempore. The Senator has 13 minutes.

Mr. BAKER. Mr. President, will the distinguished Senator yield briefly to me?

Mr. STENNIS. I am happy to yield to the distinguished majority leader.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that, following the special orders that have been provided for earlier, there be a period for the transaction of routine morning business not to extend beyond 20 minutes, in which Senators may speak for not more than 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Mississippi is recognized.

A PLAN FOR OUR ECONOMY AND SOLVING THE BUDGET CRISIS

Mr. STENNIS. Mr. President, I respectfully thank the two leaders for yielding to me at this time and making these arrangements.

Mr. President, I shall not detain the Senate for very long, of course. I have recently attended the hearings conducted by our esteemed friend from Oregon (Mr. HATFIELD), chairman of the Senate Appropriations Committee. These proceedings heard from the noted and outstanding economists of the Nation regarding our financial structure, the inflation, and the need for a balanced budget and what steps could be taken. I want to commend again the chairman of the committee for holding these hearings and I want to share with the membership something of the testimony and give my impressions on this very vital matter.

Mr. President, I am greatly concerned as to the immediate situation regarding the intolerable interest rates that our people are having to pay, from the smallest to the largest, for the day-to-day endeavors that they have to engage in to make a living, to pay their debts, to adjust to new situations. On my recent visit to Mississippi, I called for one gentlemen—he did not call me; I called for him to please come by the office. Modest, honest, successful in a small business for years and time tested in every way, he had withstood the storms and the ups and downs of our economy.

He told me that he had to pay $3,000 a month in interest, alone—$3,000 a month in interest alone—for the current, on-the-ground, small stock of automobiles that he had on hand. I asked him what that would do to his business.

He said, "Well, after some months, I will go bankrupt."

It impressed me very much because I know that man was telling me the truth.

Mr. President, I am not fully versed in the science of economics, but it is only commonsense that small businesses cannot survive at these interest rates. A new business cannot start on such rates. Paying these kinds of rates means that many businesses now fairly successful will be forced into bankruptcy. The records bear this out. Dun and Bradstreet reported that business bankruptcies were already higher last fall than even during the worst of the terrible 1974–75 recession. The loss of jobs and real earning power which follow business failures will damage and will of course continue to damage our economy severely. No individual, no small business, no large business, or no new business can get ahead paying 20 percent interest. This also applies to a young couple starting out with plans for a home, a savings account, and a family.

These high interest rates reflect the serious state of our economy. The rates and the effect they are having on our economy are of great concern to me as they are to many of my colleagues.

I came here then to these hearings, attended all of them, and put forward the question always to these economists:

What about these interest rates and what should be done in addition to what is being done now?

They had no criticism of Mr. Volcker. They did not try to lay the blame on someone else. But they were unable to come up with a single concrete suggestion as to any quick or medium-length program that would meet this problem of the uncommonly high interest rates with which no one can live.

They were all expressly asked the question if they favored any kind of control of prices, wages, or interest rates in this problem. They said that they were not—they were not—in favor of any such move. They all said, in substance, that there had to be an adjustment of our fiscal affairs so as to eliminate the huge budgets, to bring in line our outgo and our income.

This impressed me very much, that not one of these gentlemen could make a suggestion that they were willing to try to move or to risk their reputation on.

I was more and more convinced by their testimony as a whole in the 4 days of the hearings that the Congress and the President must take a strong leadership role in a concerted fight against this inflation and must demonstrate to the American people that the Government and its leadership is determined to make a hard, painful, far-reaching decision to gain control of the economy, and that would have to include reduced Government spending.

I believe that we now still have time to meet this situation, but we are at a point of crisis, where something must be done. I am not an economist, but as a practical matter, I think the economy cannot continue with these twin devils of high inflation and high interest rates. I clearly see that stability is absolutely essential.

Last year, interest rates bounced from 10 percent up to 20 percent twice in a 12-month period. This is without precedent. How can anyone plan for the future? How can anyone meet conditions when outstanding notes come due—whether it is for a home or for past debts or whatever, whether it is an individual, a small business, or a large business?

I know of a successful small corporation, a good business, with sound practice, successful for 30 years, which has to pay 19 percent interest now for their current operation.

These things that have happened have taken a terrible toll on business confidence. I am not just talking about the businessman. I am talking about everyone, because everyone is in business to a degree, the business of making a living.

All the American public, including the ordinary businessman and responsible people from all groups, have lost a great deal of their confidence in the economy and in the Government's ability to cope with the situation.

That is the gravest part of the matter, as I see it. There have been too many disruptions in our economy—the two oil price shocks in this decade, the two deep recessions which occurred in 1974 and last year, and greater and greater Government deficits have simply shaken the confidence of the American public. They do not know what to believe or which way to turn.

Witness after witness told the committee that the main cause of the inflation was psychological—that the public expectations of further inflation was the driving force and cause of the double digit inflation rate which our economy has experienced. Nearly all of the witnesses urged that the Congress take control with a stronger hand on Government spending—there was a strong consensus that Government spending should be reduced and the budget brought into an approximate balance within 2 or 3 years.

I am not an extremist on this. I always have said that it could not be done in 1 year. It would damage the machinery of our economy to try to stop this thing instantaneously, almost like a runaway car. Stopping it all of a sudden means a crash and breaking up everything. So it is with our economy.

All agreed that we could not balance the budget in 1 year, but that if we effectively worked and actually moved toward a balanced budget that the financial markets would respond and interest rates and inflation would be reduced.

We have not been idle in the past. I am talking about the Congress and the former President. A great deal was done here last year, but much of it was not consummated. Conditions now are different. There is no election pending. We have time now to analyze and to plan. We must go deeper here.

I have been on the Appropriations Committee a long time. Perhaps I had not fully realized that about 75 percent of the total budget outlay now is not subject to effective review on an annual basis through the appropriations process alone. The entitlement portion of the budget—and that certainly is a portion that has a place—will now require an in-depth review and the exercise of political courage for some reasonable reductions to be made.

To reduce Government spending we will need to look at the entire budget across-the-board. As we all know, a great portion of our annual spending comes about from the so-called fixed portion of the budget. I mean by that the payments which are mandated by current law. These are the most rapidly growing part of the budget. They cannot be changed by the appropriations process alone, but only by amendments to the authorizing legislation.

I do not favor an all-out fight now to abolish all these programs. I say it is necessary to review them; I favor an across-the-board modest reduction aimed at controlling inflation and killing high interest rates. Such an across-the-board reduction would be fair, would be moderate, and yet the total dollars saved under this method would go a long way in meeting the demands for destroying this excessive inflation and these high deficits.

Mr. President, let me emphasize how difficult I believe this process will be and why I believe that the strongest possible and most concerted effort must be made if we are to succeed. For example, last spring when it became clear that Government spending was going to go out of control, the leadership of both Houses, and the administration, met for 8 days with the objective of choosing a method to balance the budget. We worked hard, we made some tough decisions, and when I came away from the meetings I was confident that this working group had honestly tried to put together a working plan to hold Government spending in line. We made substantial progress, but there was not enough emphasis on indexed entitlement programs, and there was not sufficient consideration given to adopting an across-the-board reduction that would have had small impact on individual programs but would have, in sum total, been an appreciable reduction. The summer brought unexpected events and continued inflation and unemployment, which took a heavy toll on spending, particularly in those programs indexed to inflation and unemployment.

So now, even after that special effort and diligent work to reduce the fiscal 1981 budget, we will still have a deficit of nearly $60 billion.

I emphasize that that came after this tremendous effort on the part of a great many Members of the House and the Senate, and then the President of the United States.

Inflation strikes in many places. It forces individuals into higher and higher tax brackets, taking even more money from our households, forcing our working families to go further into debt and giving up any savings they may have managed to put aside. The decline in personal savings has devastated the capital markets and dried up one major source of the funds which are needed to provide housing, modernize our industries and invest in new enterprises.

The lack of investment funds for our economy has contributed to a serious decline in productivity and has hurt the ability of many of our main businesses to compete in international markets Automobiles and steel are good examples of businesses that need modernization and improved productivity.

During the hearings last week there was considerable discussion of how we can get the economy going again. On this particular point there was a wider range of views. Some advocated a 3-year tax cut, the so-called Kemp-Roth plan, which would give a tax cut to individuals, but others advocated targeted tax cuts for businesses that would stimulate investment. There were differences as to whether we should have a tax cut first without a guarantee of Government spending cuts, or whether we should reduce expenditures first and then look for a tax cut.

Last year, prior to the November 1980 election, I spoke on our Nation's economic problems and gave my position on adopting a "mere tax reduction." It was clear then, as it is now, from my experience, that we must pass the expenditures cuts first, or at least along with a tax cut, if we expect to reduce government spending. I believe it is virtually a legislative impossibility to pass meaningful expenditure reductions after a tax cut has been put into law. Such a bill would lack the votes, even with President Reagan's support, along with the support of many of us in the Congress.

However, I believe that a reduction of taxes to stimulate investment will be timely if it is a part of a program to fight inflation and coupled with a reduction in Government spending. That is not new for me. I announced that on the floor and in my mail and elsewhere before the 1980 election. That is the commonsense viewpoint, as I see it. Those two will have to travel along together.

Individuals also should have personal income taxes reduced in some degree as soon as possible to compensate for the personal income lost and other special burdens they carry.

But it seems to me that after we actually review and understand this massive economic problem that demands broad treatment, for us to merely move in and toss in a 3-year tax reduction plan, and little more, is greatly inadequate. In fact, it would be an abdication of our responsibilities as Members of Congress to do the easy thing of reducing taxes and then largely back off for 2 or 3 years and "wait and hope" for good results.

We might keep trying, but I do not think it is possible to pass a meaningful spending reduction measure if we already have written into the hard law a guaranteed 3-year tax reduction that is going to bring in less and less revenue, when those expenditures are still left on the books, and they will continue to rise rather than be reduced. Like it or not, the two must go together.

That will be my position—driving all the time to eliminate waste, wherever found and however difficult to identify.

To be explicit, I regard this grave inflation menace so seriously that I will work to move forward and support a plan, whatever its source, if I think it will produce desired results. I advocate the following: A review of all major expenditures with a view of making reductions wherever reasonably possible, especially in the field of annually recurring expenditures. This review would include consideration of across-the-board reductions in so-called entitlements, including the indexed ones that automatically accelerate substantially more expenditures each year. One possible course is to revise the "index" which determines the amount of the automatic increases. After a consideration of the full picture as outlined, and the making of whatever reasonable reductions in Federal spending as may be required, and an all-out drive against waste, a timely tax reduction plan should follow. Let the adjustments in expenditures and the benefits of tax reductions work hand in hand and for the betterment of the entire problem.

Finally, I believe President Reagan has a great opportunity to set our economy on a new course. I believe he will try. I am convinced of that, after listening to him and talking to him in person. I am very hopeful that he takes a firm leadership position and holds on with great determination to his announced objectives of bringing inflation under control and revitalizing the economy. I will give him my support wherever I can, and I urge my colleagues to join me in giving intensive consideration to his budget when it is delivered to us for legislative action. I believe the American people sense the serious state of our economy and they are looking to the President and to the Congress for the hard decisions that are necessary to afford the leadership demanded by present conditions. The people have the capacity. Their record proves it.

Today, the United States, militarily and economically, is the strongest nation ever to exist in the history of the world. No other nation compares.

We do not have any margin to spare; but if we keep our military preparations ongoing, with our technology, our skilled workers, and our great American spirit which is still alive, we can rise to these challenges, whatever they are.

However, there is no time to lose. There is no easy way to find. Politically, it will be a painful way for us, but we must remember our economy makes it painful for our people, for those whom we represent.

So, Mr. President, I am ready, in my humble way, in my way to do what I can to bring about these results. I think the responsibility is on all of us. It makes no difference whether we just got here last month or when we came. Let us not look for an easy way. There is no magic in this thing. It will have to come the hard way, but it is the price that we are willing to pay and the reward to our people will be great and the security of our Nation will be made certain.

I thank the leadership very much for this time, and I yield the floor.

ORDER OF PROCEDURE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Rhode Island (Mr. CHAFEE) is recognized, as in legislative session, for not to exceed 15 minutes.

Mr. STEVENS. Mr. President, is there another special order?

The ACTING PRESIDENT pro tempore. There are two additional special orders to follow.

Mr. STEVENS. Mr. President, I ask unanimous consent that the special order for Senator CHAFEE be placed at the bottom of the list.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, what is the next special order?

The ACTING PRESIDENT pro tempore. The Senator from Arkansas.

Mr. BUMPERS. Good.

The ACTING PRESIDENT pro tempore. The Senator is recognized.

Mr. BUMPERS. Mr. President, how much time do I have?

The ACTING PRESIDENT pro tempore. Not to exceed 15 minutes.

THE CRIMINAL JUSTICE CONSTRUCTION REFORM ACT

Mr. BUMPERS. Mr. President, on January 21, 1981 Senator DOLE introduced S. 186 entitled the Criminal Justice Construction Reform Act. Very briefly, this bill provides for technical and financial assistance to State and local governments to undertake comprehensive criminal justice construction programs. Under this legislation, State and local government entities would be eligible to receive Federal grants for construction and modernization of criminal justice facilities; the grants would be used to improve State prison facilities, rural courthouses, detention centers, halfway houses, reformatories, and community-based facilities. To the extent allowed under State law, convict labor could be used in the construction process.

The bill authorizes two alternative funding sources for the necessary construction funds: First, State and local entities would be authorized to sell revenue bonds to generate funds; it is our hope that the tax advantages of these bonds would make them attractive to investors. Second, the bill calls for a direct Federal appropriation of up to $6.5 billion spread over the next 7 years; these Federal moneys, I emphasize, would not be made available to supplant State or local funding efforts, but only to increase the amounts of funds available for construction and renovation of these facilities.

Mr. President, in these inflationary times when all of us agree that we must make every effort to cut unnecessary spending, a legitimate question, and one which ought to be addressed straightforwardly, is why we are introducing a bill which calls for the expenditure of even more Federal money. The answer is that the needs of States and local governments for additional funding in this area are critical; one need look no further than the recent tragedy which occurred at New Mexico Penitentiary for evidence of the volatile potential existing in many State prisons, and I can tell you that without some kind of Federal assistance the kind of underfunding and overcrowding which led to the New Mexico riot is not going to be resolved.

One does not have to go any further back than the New Mexico penitentiary riots last year for the evidence of the volatile potential existing in New Mexico State prisons, and I can tell Senators that there are more New Mexico riots looming on the horizon unless some action is taken.

Mr. President, the current problems that are being experienced by the Arkansas prison system provide a graphic illustration of what I am talking about. Now, the single most important fact about the Arkansas prison system is that, due primarily to progressive leadership by a series of Arkansas Governors over the last 10 years—and I might add parenthetically that I was one of those progressive Governors—the Arkansas prisons are light-years ahead of where they were in the 1960's.

The improvements can only be described as striking and dramatic. The Arkansas prisons have gotten a lot of adverse national publicity and at one time we were alone in this. Now we are joined by almost every State in the Nation in that category. Some of our criticism was certainly legitimate, accurate, and as usual, some of it was not. But overall, the prison system is much better now than it has ever been. The prisoners are, for the most part, humanely treated. They are well fed, and some of those bizarre, outrageous incidents of 15 years ago have largely been eliminated, although it would be unfair to say that by the very nature of a prison system, we will ever totally eliminate all of those.

The Arkansas Board of Corrections has provided dedicated and creative leadership, and we have had a series of progressive prison administrators. I hope and have every reason to expect that the future leadership will continue to be progressive and innovative.

I might digress by saying Winston Churchill said one time that you can tell more about a society by the condition of their prisons than any other single institution.

Mr. President, having said all of this, it will be misleading to imply that the Arkansas prisons still do not have very serious problems, as do most States. We have been under a Federal court injunction for years, and I think it is a safe statement that the conditions there still do not meet minimum constitutional standards.

Now why is this so? Why—with so many people dedicated to providing decent prison facilities—why can not the prison be brought up to minimum constitutional standards?

The answer, Mr. President, is lack of money. Arkansas is not a wealthy State, and there simply is not enough money to construct and staff a prison facility which would meet minimum constitutional standards. The current physical plant at the Cummins unit of the Arkansas prison is woefully inadequate to meet current needs. The Arkansas Department of Corrections tells me that the facility ideally should house about 900 inmates; they claim that the absolute maximum should be 1,350. Mr. President, yesterday 1,644 inmates were being held at the Cummins unit, which is 744 more than should be. The prison is literally bursting at the seams. I want to point out that most of these prisoners are not doing time for petty theft; they are rapists, robbers, burglars, grand larcenists, and murderers. Many of these inmates are rough characters, and when you get 1,644 of them in a facility designed for 900, you are sitting on a time bomb.

The incidence of violence, including rape of other inmates, increases dramatically; inmates become angry and frustrated due to lack of privacy and crowding, and guards become overtaxed, less effective, and generally more edgy. Mr. President, the State of Arkansas simply does not have the money to construct the facilities to adequately house these prisoners; the State has other pressing needs which cry out for more money—education is a good example—and I do not see on the horizon the money necessary to provide a constitutional prison system in the State of Arkansas.

City and county jails in Arkansas are in a similar condition. There are 150 local jails in Arkansas, and anywhere from one-half to two-thirds of them do not meet minimum standards. Overcrowding is the rule rather than the exception; and multiperson cells are common. Now, Mr. President, it is important to keep in mind that when we talk about prisoners incarcerated in city and county jails, we are talking mainly about persons who are being held for trial; these individuals have not been found guilty of any crime. The average stay for these persons is about 6 months, and they are there because they cannot make bail in most instances.

In April 1979, and these are the latest figures I could come up with, there were 1,063 incarcerated in county facilities and 371 in city facilities in Arkansas; and these persons are being housed in buildings designed for about half that many. Now, Mr. President, the city and county officials in Arkansas are trying to deal with this problem; they know that many of these facilities would not survive a court challenge, and in the last few years 59 jails have closed voluntarily because of this. But those which are still open need financial help.

The situation on the national level is just as alarming. Although State prison populations nationwide have leveled off somewhat, over the past 5 years the prison population has increased by about a third. Corrections authorities in many States house some prisoners in local jails because of overcrowding in State-operated facilities. As of April 1, 1980, prisons in 32 States were under court order to end overcrowding. Chief Justice Warren E. Burger in his 1980 annual yearend report recognized these problems and issued the following challenge:

> What these events reaffirm is that our criminal justice system is in need of fundamental change; specifically, we must focus more attention on the conditions of incarcerated persons. As I noted in my February 3, 1980, State of the Judiciary Address, just one day after the New Mexico tragedy, and I reemphasize here "we have a system of justice that provides each criminal defendant the most elaborate due process, free counsel, and the most expansive trials known anywhere; yet when the trial is over we simply cast the guilty into nineteenth century penal institutions." I said then, and repeat here, "to put people behind walls and bars and do little or nothing to change them is to win a battle but lose a war. It is wrong. It is expensive. It is stupid." I intend to press this subject in 1981.

Mr. President, I am as committed as anyone to cutting Federal spending and balancing the Federal budget, and I intend to vote accordingly on various spending measures. We cannot sit idly by, however, and allow these needs to go unmet. Congress must address these problems because the States are having trouble solving them. You know as well as I do that funding prisons is not popular back home; many Americans inaccurately perceive these overcrowded prisons as country clubs where the inmates do nothing but sit around and watch TV while they wear clothes, eat food, and sleep on beds, provided at taxpayers' expense.

When I became Governor of my State, I had fallen victim to all that coffee shop talk, and after 3 months in the Governor's office, I went to visit our prisons, and what I saw there kept me sleepless for about 6 nights. I invite anybody to take a similar trip. I promise you you will be disabused of any such notions.

But my point is that this erroneous perception is there, and we will not be getting much mail from the folks back home urging us to pass this bill. And, I can tell you, those who hold elective office at the State and local level would have a much tougher time politically than we will have if this kind of bill were being voted on at a local level.

Well, I will not go on, Mr. President, but I want to point out that the exponential increase in the crime rate in this country demands that criminals, particularly the repeaters, be taken off the streets. I do not propose an argument here on the economic, social, and cultural reasons for crime—that is another subject—but I simply want to state what we all know, that we are bonding repeaters because we do not have any place to put them. We are paroling and commuting inmates prematurely in order to make room for the newly sentenced criminals, and in order to comply with court orders to eliminate overcrowding.

It is a revolving door and society is paying a very high, precious economic price—much greater than the cost of this bill—and a price in grief and fear which is incalculable in dollars.

To do nothing in the face of what we all know to be the facts is a gross abdication of our responsibility.

Mr. President, I plan to introduce one or two more bills this session dealing with an effort to reduce the crime rate in this country. I consider it one of the very highest priority problems of the 1980's. We cannot continue to allege that we are the freest nation on Earth and simultaneously be held captive to our fears of being a victim of a criminal act.

So, in closing, I urge all of my colleagues to join Senator DOLE and me in urging the passage of this bill.

Mr. President, I yield back the remainder of such time as I have remaining.

ORDER OF PROCEDURE

The ACTING PRESIDENT pro tempore. The Senator from Virginia (Mr. HARRY F. BYRD, JR.) recognized for not to exceed 15 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, I yield 3 minutes to the distinguished Senator from Rhode Island (Mr. CHAFEE).

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

S. 391—INTELLIGENCE IDENTITIES PROTECTION ACT OF 1981

Mr. CHAFEE. Mr. President, I want to thank my distinguished colleague from Virginia for yielding to me these 3 minutes.

Mr. President, I rise today to reintroduce the Intelligence Identities Protection Act of 1981, and to ask this body for its speedy consideration and passage.

As many of my colleagues will recall, this legislation was reported from the Senate Intelligence Committee last August by an almost unanimous vote of 13 to 1. It was subsequently referred to the Senate Judiciary Committee where it was eventually reported out with several amendments. Unfortunately, the press of events before our national elections prevented this bill from coming to the floor before the 96th Congress adjourned, and it did not ever come to a vote.

The purpose of the Intelligence Identities Protection Act is to strengthen the intelligence capabilities of the United States by prohibiting the unauthorized disclosure of information identifying certain American intelligence officers, agents, and sources of information. In short, the bill places criminal penalties on those enemies of the American intelligence community engaged in the pernicious activity of "naming names."

Mr. President, in my judgment, governmental protection of the identities of American intelligence officers, agents and informants is an idea whose time has come. In fact, it is long overdue. The Republican Party platform for 1980 contains a plank supporting legislation "to invoke criminal sanctions against anyone who discloses the identities of U.S. intelligence officers." Mr. William Casey, recently confirmed as Director of Central Intelligence, has indicated to me in both public and private that he supports this type of legislation. The ongoing Democratic administration supported this bill last year. In fact, our bill was the only formulation actively supported by the Justice Department. In a letter to the Senate Intelligence Committee dated July 19, 1980, former Deputy Attorney General Renfrew stated that this formulation of intelligence identities protection—

> Substantially alleviates the constitutional and practical concerns expressed by the Justice Department with regard to earlier versions of the bill. . . .

Support for this legislation also comes from a broad bipartisan base of Senators with extensive knowledge and experience in intelligence and national security affairs. I am particularly pleased that the chairman of the Senate Committee on Intelligence, BARRY GOLDWATER, is an original cosponsor of this bill. He is joined by an impressive array of my distinguished colleagues on both sides of the aisle who have supported this legislation in the past, and who have agreed to cosponsor this bill with us again today.

Mr. President, passage of this legislation is essential if this country is to restore at least a modicum of effectiveness to its clandestine service and operations. Its passage will begin to show that this Nation intends to reverse the adverse trend of recent years, and will work to rebuild an efficient, effective, responsive and professional intelligence community to serve as the first line of defense in today's unstable and hostile world. Finally, Mr. President, the expeditious passage of this legislation is vital to the lives and safety of those Americans who serve this Congress and this Nation on difficult and dangerous missions abroad.

Mr. President, from the time George Washington dispatched Benjamin Franklin to France in 1776, the Government of the United States has sent American citizens abroad on difficult and dangerous missions in pursuit of the goals of our Nation. Franklin's secret mission to France was instrumental in securing European support for the fledgling American Revolution, and he risked being hanged for treason by the British if captured.

It was fortunate for our Nation that Franklin was not apprehended on his way to France by the two British warships sent to intercept him at the mouth of the Delaware River. It was also fortunate for our Nation that the treachery of another American, Dr. Edward Bancroft, who served as Franklin's principal secretary and as a double agent for the British, was unable to destroy his vital mission for America. For Franklin would eventually secure the treaties of amity and commerce, and of alliance, with France which provided sustenance and support to our newborn Nation.

Mr. President, the growth of this great Republic over the course of two centuries has not diminished our need for clandestine operatives and operations abroad. Now, more than ever, we need to know what is going on in the world so that our leaders can make informed decisions. That is why, in 1947, the assignment of clandestine agents abroad was institutionalized by President Truman with the formation of the Central Intelligence Agency, and a permanent cadre of covert agents was created. Intelligence collection and the assignment of American agents—our fellow citizens—to posts abroad have had the support of every administration and every Congress, including this one that is in session, since 1947.

In the last 5 years, however, certain Americans have made a profession of ferreting out the identities and publishing the names of our agents, with the result that their lives and the lives of their families and friends are placed in jeopardy.

In December 1975, Richard S. Welch, CIA station chief in Athens, Greece, was brutally murdered in front of his home as he returned from a Christmas party at the American Ambassador's residence. Welch's assassination occurred within a month of the time that he was publicly

identified as CIA station chief in the Athens Daily News. The information for the News story came from Philip Agee's Counterspy magazine.

I have a special feeling for this brutal murder because the Welch family comes from Rhode Island. Richard Welch grew up in Providence where he was an honor student at Classical High School, and a member of the track team. He went on to Harvard, graduating in 1951 magna cum laude with a degree in Greek and classical languages. Welch's mother and wife were both from Rhode Island, and a brother and sister still live there today. His uncle, Joseph S. Wholey, was the probate judge in Smithfield and former clerk of the family court.

The first point I am trying to make in all of this is that Richard S. Welch was not some thick-thumbed goon in a trenchcoat, as CIA officers are so often characterized, but a well-educated, able, and intelligent family man. He gave up what could have been an easy life at home in Rhode Island for an important, though dangerous, series of assignments overseas. He believed in the primary mission of the CIA, which is to collect foreign intelligence so that U.S. policymakers can make informed judgments at home. He died for these beliefs because a small clique of treasonable individuals make their living by "naming names."

A second, and equally important point, is that it has been more than 5 years since Richard Welch was brutally murdered, and yet the Congress has done nothing legislatively to address the problem of "naming names." At the time of the Welch assassination, Counterspy magazine claimed it had leaked the names of 225 alleged CIA agents. Now, 5 years later, Louis Wolf of the Covert Action Information Bulletin can boast that he has helped to disclose the names of more than 2,000 American intelligence officers stationed around the world.

This same Louis Wolf was responsible for revealing the names of 15 alleged CIA officers in Kingston, Jamaica, last July. Within 48 hours of the announcement, the home of one of the men named, Richard Kinsman of the U.S. Embassy, was fired upon with submachine guns and an explosive device. Four days later, another assassination attempt was made—this time on Jessie Jones of the U.S. Agency for International Development, who had also been named by Wolf.

Newspaper reports from Jamaica have stated that the names, addresses, telephone numbers, and automobile license plate numbers of all 15 people named by Wolf were distributed throughout Kingston on wall posters. As a result of this situation the U.S. Embassy was forced to relocate all persons and families named. The cost of this unexpected relocation must be measured in more than taxpayers dollars; it must be measured in the jobs evacuated, the experience lost, the children traumatized and the lives disrupted.

It is difficult for those of us here in this country, most of whom have never served in a foreign service post abroad, to visualize what it must be like to see anti-American hysteria and violence stirred up through the vicious and irresponsible acts of people like Louis Wolf. The helplessness and frustration which these Americans and their families must feel are beyond my abilities to describe. However, these feelings were poignantly described in a letter from Mrs. Kinsman to me last summer, and I ask unanimous consent, Mr. President, that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 16, 1980.

DEAR SENATOR CHAFEE: The incident in Jamaica of July 4th which threatened the lives of my family and particularly my husband, Richard Kinsman, after his "exposure" by an American as Chief of Station for the C.I.A. was, to say the least, deplorable. I take strong issue with those who suggest that Congress should hesitate to censor such anti-intelligence propaganda, and I was enormously heartened to read (in Jamaica's Daily Gleaner) that you will seek to introduce legislation in Congress which will prohibit further exposures of our country's intelligence officers.

Only in the United States, Senator Chafee, are a Louis Wolfe and the editors of a Covert Action Magazine free to travel to a foreign country to hold a press conference and appear before an entire nation on television for the purpose of implicating fellow Americans as intelligence agents. Only in the United States are they free to distribute pamphlets with the names, photographs, local addresses, telephone numbers and car registration numbers of these American agents and foreign service officers. And finally, after having set up their fellow citizens for harassment and possible death, they are free to return to this Land—sleek and smug behind the safety of our great Constitution—free to continue their traitorous objectives, free to write, free to speak and free to vote.

To question and criticize the activities of our Nation's agencies among ourselves and within our boundaries is all very well and good. But to flaunt our country's liberties in order to expose and endanger the lives of our foreign service officers overseas under the pretext of certain "ideologies" is completely sinister and un-American. It is difficult for me to understand why our country's laws continue to protect these unprincipled few (Phil Agee, Louis Wolfe, etc.)—and moreover, why American lives must be jeopardized in exchange for their rights.

I question also how far our Central Intelligence Agency must compromise its effectiveness for the sake of a Louis Wolfe's constitutional liberties. Where do America's priorities really belong in this controversy?

As an American who loves my country and values my freedom, I urge you, Senator Chafee, to pursue legislation which will defeat those factions in America who are dedicated to destroying our intelligence agencies, and who deliberately seek to harm American officers and their families serving our Nation abroad.

Sincerely yours,

MRS. N. RICHARD KINSMAN,
U.S. Government Evacuee.

Mr. CHAFEE. Mr. President, this is an intolerable situation. The Congress has a responsibility to place criminal penalties on those who are in the business of exposing our agents without, at the same time, threatening the critic of intelligence policy or the journalist who might reveal the name of an agent in the course of a news report.

We in no way want to threaten a critic of our foreign policy or our intelligence policy. We in no way want to inhibit journalists who might reveal the name of an agent in the course of a news report. Those are not the people we are trying to get at. In my judgment, and the judgment of most experts who have carefully examined the legal provisions of this legislation, the Intelligence Identities Protection Act of 1981 meets the dual standard of protecting freedom of the press and freedom of speech and, at the same time, protecting the lives of our agents.

Mr. President, the opponents of this bill claim that its passage would threaten any journalist or editor who decides to publish "lawfully obtained information about intelligence agencies." This is latently false and misleading. The Intelligence Identities Protection Act would criminalize, under very limited circumstances, only the unauthorized disclosure of information identifying certain individuals engaged or assisting in the foreign intelligence activities of the United States. The legislation does not assault the first amendment. It does not threaten public discussion. It will not stifle debate about our country's foreign policy or intelligence activities, and it would not prevent the exposure of allegedly illegal activities or abuses of authority.

Disclosures of intelligence identities by persons who have not had authorized access to classified information would be punishable only under specified conditions, which have been carefully crafted and narrowly drawn so as to make the act only applicable to those engaged in an effort or pattern of activities designed to identify and expose intelligence personnel.

Not only has the crime been narrowly drawn in the Senate bill, but a series of elaborate defenses against prosecution have been erected to protect the journalist and intelligence critic. For example, in a prosecution, the Government would have to prove each of the following elements beyond a reasonable doubt:

First, that there was an intentional disclosure of information which did in fact identify a "covert agent";

Second, that the disclosure was made to an individual not authorized to receive classified information;

Third, that the person who made the disclosure knew that the information disclosed did in fact identify a covert agent;

Fourth, that the person who made the disclosure knew that the United States was taking affirmative measures to conceal the covert agent's classified intelligence affiliation;

Fifth, that the disclosure was made in the course of a pattern of activities that was intended to identify and expose covert agents; and

Sixth, that the person making the disclosure had reason to believe that his activities would impair or impede the foreign intelligence activities of the United States.

Mr. President, what further defenses

against prosecution could be asked for by those who claim they have first amendment concerns? What more can be done to protect the legitimate journalist and critic of intelligence policy than to provide this long and detailed sequence of specific defenses?

A careful examination of the issues and a weighing of the clear and present danger to our Nation's intelligence capabilities resulting from unauthorized disclosures of intelligence identities against the carefully and narrowly drawn prohibition in the Intelligence Identities Protection Act has resulted in overwhelming approval of this legislation last year by the Senate Intelligence Committee. Members of this committee have closely examined the contending arguments and have concluded that this legislation can help prevent damage to our crucial intelligence sources and methods of collection without impairing civil or constitutional rights.

I believe that the vast majority of the American people know that an effective intelligence service is essential to national survival in an increasingly unstable world. Passage of the Intelligence Identities Protection Act will be an important protection for our intelligence officers in the field who daily sacrifice the comforts of home to serve their country under difficult and dangerous circumstances, and to those around the world who risk liberty and life itself to cooperate with our country in keeping our leaders, and those of the free world, well informed.

Mr. President, I urge my colleagues to act on this vital piece of legislation before more names are named, before more lives are threatened, and before more missions are destroyed.

In closing, Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

S. 391

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intelligence Identities Protection Act of 1981".

SEC. 2. (a) The National Security Act of 1947 is amended by adding at the end thereof the following new title:

"TITLE VI—PROTECTION OF CERTAIN NATIONAL SECURITY INFORMATION

"PROTECTION OF IDENTITIES OF CERTAIN UNITED STATES UNDERCOVER INTELLIGENCE OFFICERS, AGENTS, INFORMANTS, AND SOURCES

"SEC. 601. (a) Whoever, having or having had authorized access to classified information that identifies a covert agent, intentionally discloses any information identifying such covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such covert agent and that the United States is taking affirmative measures to conceal such covert agent's intelligence relationship to the United States, shall be fined not more than $50,000 or imprisoned not more than ten years, or both.

"(b) Whoever, as a result of having authorized access to classified information, learns the identity of a covert agent and intentionally discloses any information identifying such covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such covert agent and that the United States is taking affirmative measures to conceal such covert agent's intelligence relationship to the United States, shall be fined not more than $25,000 or imprisoned not more than five years, or both.

"(c) Whoever, in the course of a pattern of activities intended to identify and expose covert agents and with reason to believe that such activities would impair or impede the foreign intelligence activities of the United States, discloses any information that identifies an individual as a covert agent to any individual not authorized to receive classified information, knowing that the information disclosed so identifies such individual and that the United States is taking affirmative measures to conceal such individual's classified intelligence relationship to the United States, shall be fined not more than $15,000 or imprisoned not more than three years, or both.

"DEFENSES AND EXCEPTIONS

"SEC. 602. (a) It is a defense to a prosecution under section 601 that before the commission of the offense with which the defendant is charged, the United States had publicly acknowledged or revealed the intelligence relationship to the United States of the individual the disclosure of whose intelligence relationship to the United States is the basis for the prosecution.

"(b)(1) Subject to paragraph (2), no person other than a person committing an offense under section 601 shall be subject to prosecution under such section by virtue of section 2 or 4 of title 18, United States Code, or shall be subject to prosecution for conspiracy to commit an offense under such section.

"(2) Paragraph (1) shall not apply in the case of a person who acted in the course of a pattern of activities intended to identify and expose covert agents and with reason to believe that such activities would impair or impede the foreign intelligence activities of the United States.

"(c) It shall not be an offense under section 601 to transmit information described in such section directly to the Select Committee on Intelligence of the Senate or to the Permanent Select Committee on Intelligence of the House of Representatives.

"(d) It shall not be an offense under section 601 for an individual to disclose information that solely identifies himself as a covert agent.

"PROCEDURES FOR ESTABLISHING COVER FOR INTELLIGENCE OFFICERS AND EMPLOYEES

"SEC. 603. (a) The President shall establish procedures to ensure that any individual who is an officer or employee of an intelligence agency, or a member of the Armed Forces assigned to duty with an intelligence agency, whose identity as such an officer, employee, or member is classified information and which the United States takes affirmative measures to conceal is afforded all appropriate assistance to ensure that the identity of such individual as such an officer, employee, or member is effectively concealed. Such procedures shall provide that any department or agency designated by the President for the purposes of this section shall provide such assistance as may be determined by the President to be necessary in order to establish and effectively maintain the secrecy of the identity of such individual as such an officer, employee, or member.

"(b) Procedures established by the President pursuant to subsection (a) shall be exempt from any requirement for publication or disclosure.

"EXTRATERRITORIAL JURISDICTION

"SEC. 604. There is jurisdiction over an offense under section 601 committed outside the United States if the individual committing the offense is a citizen of the United States or an alien lawfully admitted to the United States for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act).

"PROVIDING INFORMATION TO CONGRESS

"SEC. 605. Nothing in this title may be construed as authority to withhold information from the Congress or from a committee of either House of Congress.

"DEFINITIONS

"SEC. 606. For the purposes of this title:

"(1) The term 'classified information' means information or material designated and clearly marked or clearly represented, pursuant to the provisions of a statute or Executive order (or a regulation or order issued pursuant to a statute or Executive order), as requiring a specific degree of protection against unauthorized disclosure for reasons of national security.

"(2) The term 'authorized', when used with respect to access to classified information, means having authority, right, or permission pursuant to the provisions of a statute, Executive order, directive of the head of any department or agency engaged in foreign intelligence or counterintelligence activities, order of any United States court, or provisions of any rule of the House of Representatives or resolution of the Senate which assigns responsibility within the respective House of Congress for the oversight of intelligence activities.

"(3) The term 'disclose' means to communicate, provide, impart, transmit, transfer, convey, publish, or otherwise make available.

"(4) The term 'covert agent' means—

"(A) an officer or employee of an intelligence agency or a member of the Armed Forces assigned to duty with an intelligence agency—

"(i) whose identity as such an officer, employee, or member is classified information, and

"(ii) who is serving outside the United States or has within the last five years served outside the United States; or

"(B) a United States citizen whose intelligence relationship to the United States is classified information, and—

"(i) who resides and acts outside the United States as an agent of, or informant or source of operational assistance to, an intelligence agency, or

"(ii) who is at the time of disclosure acting as an agent of, or informant to, the foreign counterintelligence or foreign counterterrorism components of the Federal Bureau of Investigation; or

"(C) an individual, other than a United States citizen, whose past or present intelligence relationship to the United States is classified information and who is a present or former agent of, or a present or former informant or source of operational assistance to, an intelligence agency.

"(5) The term 'intelligence agency' means the Central Intelligence Agency, a foreign intelligence component of the Department of Defense, or the foreign counterintelligence or foreign counterterrorism components of the Federal Bureau of Investigation.

"(6) The term 'informant' means any individual who furnishes information to an intelligence agency in the course of a confidential relationship protecting the identity of such individual from public disclosure.

"(7) The terms 'officer' and 'employee' have the meanings given such terms by sections 2104 and 2105, respectively, of title 5, United States Code.

"(8) The term 'Armed Forces' means the Army, Navy, Air Force, Marine Corps, and Coast Guard.

"(9) The term 'United States', when used in a geographic sense, means all areas under the territorial sovereignty of the United States and the Trust Territory of the Pacific Islands.

"(10) The term 'pattern of activities' re-

quires a series of acts with a common purpose or objective.".

(b) The table of contents at the beginning of such Act is amended by adding at the end thereof the following:

"TITLE VI—PROTECTION OF CERTAIN NATIONAL SECURITY INFORMATION

"Sec. 601. Protection of identities of certain United States undercover intelligence officers, agents, informants, and sources.

"Sec. 602. Defenses and exceptions.

"Sec. 603. Procedures for establishing cover for intelligence officers and employees.

"Sec. 604. Extraterritorial jurisdiction.

"Sec. 605. Providing information to Congress.

"Sec. 606. Definitions.".

● Mr. BENTSEN. Mr. President, I am pleased to join Senator CHAFEE and several of my colleagues in sponsoring legislation designed to protect the identities of our intelligence officers.

I am new to the Select Committee on Intelligence, Mr. President, but not to the important issue of protecting the identities of our intelligence officers and agents from unauthorized disclosure.

I was the first Member of the Senate to introduce agent identity protection legislation back in 1975; I have remained actively interested and involved in this problem ever since. Just a year ago I had the privilege of testifying before the Intelligence Committee on my bill (S. 191) intended to protect the confidentiality of the identities of certain CIA employees.

In one of his first policy pronouncements after becoming Secretary of State, General Haig stressed that combating international terrorism would be a major policy priority of the Reagan administration.

I think that is a commendable objective, and I want to help. I would suggest that one of the first places to start is with a stronger, more secure, more effective intelligence capability. Our intelligence officers are in the front line in the battle against terrorism. They operate in a dangerous, risky environment. And when their names, their addresses, their license plate numbers are brought to unauthorized public attention by a cadre of anti-intelligence zealots who have undertaken a vendetta against the CIA, America's security suffers accordingly. Lives of brave people who perform important work are placed in jeopardy. Questions are raised about our ability to protect sources and work with friends to stem the tide of terrorism.

I sincerely believe, Mr. President, that this type of legislation is urgently required. I recognize that, even with the first amendment safeguards that have been built into this legislation, some will question sanctions against those who expose intelligence agents without access to classified information.

I am prepared to consider these objections in the context of committee hearings, but I am also determined to get on with the urgent business of protecting the lives and credibility of those who serve America in the dangerous environment of intelligence.

Mr. President, I can understand why some people in this democracy would be opposed to certain actions or policies of our intelligence agencies. But I find it very difficult to understand why an individual would make a conscious effort to learn the identity of an agent, from classified or open sources, and then seek retribution by making that information public. I think we need legislation to insure that our agents cannot be identified, compromised, and endangered with impunity.

If we can accord this measure of protection to the men and women who provide much of our early warning capability against terrorists and our adversaries, then I believe we can reinforce our own security and strengthen the cause of freedom throughout the world.●

Mr. CHAFEE. Again I want to thank my distinguished colleague from Virginia for yielding me this time, and I thank the Chair.

RECOGNITION OF SENATOR HARRY F. BYRD, JR.

The ACTING PRESIDENT pro tempore. The Senator from Virginia.

CONSTITUTIONAL AMENDMENT TO PROVIDE FOR A BALANCED BUDGET

Mr. HARRY F. BYRD, JR. Mr. President, I am today proposing an amendment to the Constitution which would require a balanced budget and a limit on Federal spending except in times of national emergency. There will be other proposals along this line. I want to say for the record that I am not concerned whether my proposal is adopted or some other proposal is adopted. I think it is important that there be a mechanism to force some discipline on the Congress of the United States.

By coincidence, the news wires in the anteroom of the Senate Chamber a few moment ago reported the results of a poll taken by the New York Times and the Columbia Broadcasting System. The result of this poll shows that Americans in overwhelming numbers, 70 percent, think balancing the budget is more important than a large tax cut.

Mr. President, I have great confidence in the collective judgment of the American people. Along with this 70 percent of the American population, I am convinced of the importance of the Nation's balancing its budget.

This Government has had only two balanced budgets in 20 years; it has not had a balanced budget in 12 years. As a result, we have high inflation which will get worse unless Government spending is brought under control.

Mr. President, someone must pay for this spending. Congress has gone on over a period of years as if no one has to pay for it. But it is paid for either through direct taxation, which is high, or by the cruel and hidden tax of inflation which hits hardest those on fixed incomes and those in the lower and middle economic groups.

There is no longer a debate as to whether or not fiscal restraint is needed.

All our leaders pledged themselves to this goal. The question before the President is now to achieve restraint. Some place all responsibility on the new administration and the new Congress.

I have great confidence in the sincerity of our new President; and I look forward to working with him and with my colleagues to get control of Federal spending. At the same time, I recognize the power of the pressure groups which will be laboring to maintain the skyrocketing growth rate in Government spending, which has ranged from 10 to 17 percent over the last several years.

Mr. President, as an example of how difficult it is going to be to get Federal spending under control, just a few days ago the Director of the Office of Management and Budget proposed, and it became public knowledge through a leak to the news media, that there be a reduction in foreign aid. In the current year the foreign aid being provided by the American people to 100 different countries totals some $6 billion.

President Carter in his last budget recommends that that go to $8 billion. The Director of the Office of Management and Budget proposed that that $8 billion be cut by $2.6 billion. Within 48 hours after the proposal by the Director of the Office of Management and Budget, David Stockman, the pressure for foreign aid began to build, and the press now reports that the Office of Management and Budget no longer will seek a reduction of $2.6 billion in foreign aid but will seek a substantially smaller reduction.

Well, Mr. President, if the administration and the Congress cannot resist pressure from those who favor more foreign aid, how can the administration and the Congress resist pressure to reduce in domestic areas of the budget?

I believe that we need to establish a firm legal commitment—a firm legal commitment—to a balanced budget and a ceiling on Federal expenditures.

Some would seek to accomplish this by simple statute—that is, by passing a bill rather than amending the Constitution. I have had some experience with that, and to advocates of this approach, I can only say, "Good luck." I was the sponsor of a provision enacted in October of 1978 which banned deficits in fiscal year 1981 and thereafter. It was passed by an overwhelmingly majority in both the Senate and the House. It was signed into law by President Carter. That law has simply been ignored. Congress, in effect, has violated its own law. So I think that dramatizes the need for a constitutional amendment.

I do not rule out any and all statutory approaches to our fiscal problems—in fact, last week I introduced three measures to tighten procedures under the Congressional Budget Act—but it has been demonstrated that no simple statute can guarantee fiscal restraint.

In opposition to a balanced budget amendment, it has been argued that "we ought not to put fiscal policy in the Constitution." In my view, the goal of a balanced budget is not a fiscal policy but rather fiscal integrity.

By the same token, deficit spending is not a policy, either. It is a gimmick—a bonanza for politicians who can vote for billions for spending programs without the discomfort of voting the taxes to pay

for them. They let the payment come in the form of more inflation.

Also, it is important to note that my proposed constitutional amendment permits the setting aside of the balanced budget requirement and the spending limit by a two-thirds vote of the Senate and the House. Thus those who feel that emergency circumstances—not limited to war—demand a deficit in a particular year need only persuade two-thirds of the Congress of the merits of their case.

Will it be difficult to make this case successful? Frankly, let us hope so.

I have set the limit on Federal spending for any fiscal year at 20 percent of the previous calendar year's gross national product. Thus the amount of permitted expenditures is not dependent on any projection of future gross national product.

It is a stiff requirement, I admit, but I feel that it should be stiff. Under normal circumstances, it could reasonably be anticipated that about 5 years would be required for congressional approval of my amendment and ratification by the States. That is adequate leadtime to adjust the budget to the more reasonable level which I am proposing.

In the last Congress a balanced budget constitutional amendment was approved by the Subcommittee on the Constitution of the Senate Committee on the Judiciary. It was defeated by a single vote in the full committee—defeated by only one vote in the Judiciary Committee last year.

However, since that time there has been an election which has significantly changed the political and philosophical atmosphere in Washington. Because of this, chances for a balanced budget are enhanced in the present Congress.

The need is great. In the current year our spending is $83 billion above 1980, and that increase comes on top of an $85 billion increase for 1980 over 1979. Accumulated deficits have been so great that the national debt will pass one trillion dollars next year, and the interest on it will consume $106 billion—more than half the cost of national defense.

We cannot continue on this course. Nor, if we succeed in controlling spending now, can we run the risk of once again sinking into irresponsibility. Congress has demonstrated—Congress has demonstrated conclusively—that it cannot discipline itself. There must be a constitutional rein on spending.

Mr. President, I send to the desk a joint resolution. I ask unanimous consent that it be printed in the RECORD and appropriately referred.

The PRESIDING OFFICER (Mr. DURENBERGER). Without objection, it is so ordered.

The joint resolution follows:

S.J. RES. 26

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid for all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several states within five years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. Beginning with the first fiscal year after the ratification of this article, the Congress shall assure that the total outlays of the Government during any fiscal year, not including any outlays for the redemption of bonds, notes or other obligations of the United States shall not exceed the total receipts, not including receipts derived from the issuance of bonds, notes or other obligations of the United States.

"SEC. 2. Beginning with the first fiscal year after the ratification of this article, the Congress shall assure that the total outlays of the Government during any fiscal year shall not exceed 20 percent of the gross national product during the calendar year immediately preceding the beginning of such fiscal year.

"SEC. 3. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress, that either Section 1 or Section 2 of this Article may be set aside for the fiscal year designated in such concurrent resolution. Both Section 1 and Section 2 may be set aside for the specified fiscal year, provided that a separate concurrent resolution setting aside each Section is agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress.

"SEC. 4. The Congress shall have power to enforce this Article by appropriate legislation.".

Mr. HARRY F. BYRD, JR. Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. If the Senator will withhold, the Senate will now proceed to morning business.

Is there further morning business?

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOHN T. McEVOY

Mr. HOLLINGS. Mr. President, I present a resolution commending the services of the former director of our Budget Committee staff, John T. McEvoy. This is to be coordinated with our new chairman, Senator DOMENICI, who is presenting a similar resolution relative to Mr. Boyd, who served as the minority staff director.

Quite to the point, John McEvoy worked for us as the director of the staff for the District of Columbia Committee, and had other responsibilities. I watched him closely in the role as director of the Budget Committee staff, and I have never seen a more capable, more dedicated staff director on this Hill in the past 14 years. He had a touch for getting right to the heart of the problem, working in a bipartisan fashion, working with both sides of the Capitol, with the House Members, with our Budget Committee members here on the Senate side, and developed the most professional group I had ever seen working together.

I think that was the one significant factor in taking that committee from Senator Muskie, that we were able to keep everybody on board, and, generally speaking, it is still the McEvoy staff today.

Mr. President, I send the resolution to the desk and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 58) commending John T. McEvoy.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 58) was agreed to.

The preamble was agreed to.

The resolution with its preamble reads as follows:

S. RES. 58

Whereas the Senate wishes to express its appreciation to John T. McEvoy, who has served the United States Senate since 1965;

Whereas John T. McEvoy served as Staff Director of the Senate Committee on the Budget from 1977 through 1980, and as Chief Counsel of the Committee on the Budget from 1974 through 1976;

Whereas John T. McEvoy served as Staff Director and Chief Counsel of the Senate Committee on the District of Columbia from 1969 to 1972;

Whereas John T. McEvoy has discharged the difficult duties and responsibilities of his positions with the greatest efficiency and devotion which have earned for him our respect and affection: Now, therefore, be it

Resolved that John T. McEvoy is hereby commended for his long, faithful, and exemplary service.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to John T. McEvoy.

ADM. JAMES B. STOCKDALE

Mr. HOLLINGS. Mr. President, I have the privilege of knowing Adm. James B. Stockdale, the Medal of Honor winner and senior American prisoner of war in Hoa Lo prison, the "Hanoi Hilton" in Vietnam.

Admiral Stockdale served as our president at the Citadel, and I became one of his friends and supporters there.

I note with regard that he is now at Hampden-Sydney College in a special professorship.

Mr. President, now that the hostages are home and the immediate crisis is behind us, analysis is turning more to the lessons we can learn from the experience we have just been through. The need for policies which discourage this kind of terrorism is clear, and toward that end policymakers and citizens alike are turning their attention.

Last week on the op-ed page of the Washington Post there appeared a column which I believe merits the attention of anyone seriously pondering the problem. It was written by Adm. James

B. Stockdale, who brings to his writing not only a penetrating intellect, but also 7½ years' experience as the senior American prisoner of war at Hoa Lo prison—known more widely as the "Hanoi Hilton."

In his article, Admiral Stockdale takes issue with a number of assumptions widely held in the policymaking councils of Government, but which, according to the admiral, contradict reality and actually interfere with the kind of policy required by the situation. Whether you agree or disagree with Admiral Stockdale's analysis, it compels attention. It is written from the perspective of one who "has been there." I happen to believe there is much in what he writes, but I am happy to let Admiral Stockdale argue the merits of the case, and this he does with clarity, cogency, and, I believe, real compassion.

Mr. President, the outpouring of emotion this country experienced last week makes it clear that we speak as one people determined not to allow repetition of the recent ordeal. Now we must translate feeling into policy. Toward that development, Admiral Stockdale makes a studied and admirable contribution, and I commend it to my colleagues. For this reason, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HOSTAGES AS "EXTORTIONIST THEATER"

As an eight-year beleaguered and bludgeoned captive of Hanoi who spent most of that time in solitary confinement, I have in recent months been bombarding audiences from the eastern seaboard to Ohio to California with the message that America has been inviting future hostage disasters by so naively providing both actors and audiences in support of the new worldwide art form, "Extortionist Theater"—most recently successfully produced by Iran. Every outlaw power and terrorist group in the world surely took note of how Jimmy Carter's queasiness about the threat or use of force, and our national demand for continuous TV hostage soap opera, provided the positive and negative terminals of a power source into which they could plug a few American captives for profit and prestige. We got ourselves into this tempting and vulnerable position by backing into what became a national stance roughly attuned to a misguided popular sentiment that fell out of highly questionable if not false assumptions about the basic nature of the captivity problem. On my road show, I contrasted some of these assumptions with the reality I knew behind barbed wire and proceeded to tear them apart. The sample below will give you an idea of what I mean.

False Assumption No. 1: "We must not hammer the captors or they'll take it out on the captives." Ask any of the 400 Americans in the prisoners' organization in Hanoi and they'll tell you that our North Vietnamese jailers were never more sweet than right after Col. Bull Simon's Son Tay helicopter rescue attempt (when he shot up a couple hundred of them, and they in turn, for security reasons, felt obliged to bring us leaders out of solitary and put all prisoners together in better living conditions in the big prison downtown), or during the B52 bombings in December 1972 when formerly abusive guards dropped their posturing and meekly broke precedent by bringing us tubs of hot coffee each dawn). Our bones got broken as often as not during America's sporadic bombing pauses when we were showing national "good will." Does the Iranian experience correlate with this? I think it does. Being nice to the enemy so he'll be nice to your captives is still a bush-league idea.

False Assumption No. 2: "We as a country are doing best by the captives if we support the infusion of 'a little bit of home' into their lives by sending visitors, at least during the Christmas season." Rev. Do-Good, or even William Sloane Coffin and Ramsey Clark, some Americans believe, are better than nobody. To fully realize the evil these people do, the damage they wreak on the morale and self-respect of the captives, one has to appreciate the tremendous ennobling and uplifting effect the overcoming of shared hardships has on a band of prisoners over time. In Hanoi, the greater the degradation and torture and the more years we withstood this together the deeper grew the bonds of mutual respect and love for each other. Our world literally became our band of brothers, and personal pride and reputation among our peers our total life's investment. Captors became symbols of tinhorn fakery.

Imagine now the stage of Extortion Theater onto which enter "the friendly representatives of the people back home"—all of whom are necessarily admitted as supplicants, as apologists. Moreover, these visitors are psychologically committed to dragging the captives before cameras as actors in the supplicant role. "Let the people at home see you" or "The intelligence people want to see you," they probably say. Though feeling humiliation, few captives can muster the emotional energy to take on these American finks as enemies. Each has enough enemies to concentrate on even though these so-called friends are on the make, and they destabilize and damage the prisoner's life. Sometimes these finks damage his most prized possession: his reputation. Ramsey Clark came to Hanoi and incited American prisoners of war to violate their Code of Conduct and got a few takers. When does he account for that and for the disinformation he spread about the situation in Iran?

False Assumption No. 3: "Any release is a good release; if they'll agree to return 5 out of 52 next week encourage it." Thank goodness this is often identified as a poor bargaining idea as seen from Washington; what our politicians and countrymen in general need to understand is the true and total perniciousness of early releases as seen from within that band of brothers behind barbed wire. Each person who walks out ahead of the others leaves behind him a trail of lifelong grudges and broken unity, and he installs within himself a time bomb of depressive remorse.

The early release idea also has the potential of providing the producers of Extortionist Theater with a grand finale act featuring the captives scrambling for places in line to go home by scoring high in an anti-American propaganda production contest. Hanoi had something like that in mind for us POWs, but I and others finessed that finale with strict orders to all Americans that there would be no exception to the Code of Conduct's prohibition against accepting parole. I also outlawed the accepting of amnesty. After our release, my constituents demanded justice in the form of prosecution of the few who bugged out in violation of my orders. Funny thing, though; I couldn't find anybody in Washington who understood the problem.

These problems and a dozen more like them need to be understood if we are going to truly shut down Extortionist Theater on "a never again" basis. This country has to get itself in hand, get its actors off the stage and get our audiences ready to shed not tears but rotten eggs and at least a credible threat of bombs and bayonets the minute the next bunch of punks tries to pull our chain by taking prisoners.

A MARKET FOR HEALTH

Mr. WALLOP. Mr. President, one of the reasons we now have a Republican Senate is our advocacy of new ideas and our reaffirmation of old values. Basic to our approach is the concept that people are best able to fulfill their destinies in a free environment. From an economic perspective, we are seeking to return to the principle of free and open markets as a means to unfetter industry, expand jobs, and improve the quality of life.

This process involves the deregulation of industries which formerly had been burdened and protected by Government regulation. For instance, in the 96th Congress we deregulated the airline and trucking industries. Though the return to a competitive atmosphere had been a shock to some, it has been a health development for our economy.

One industry which remains heavily regulated is health care. The Government is involved in the development of health resources, in the planning of health systems, in the delivery of services, and in the payment for personal care. The industry itself diverges from the principles of supply and demand. While there are numerous suppliers of medical services, the demand is often not controlled by the consumer, but rather by the provider. This has turned the whole concept of a free market on its head.

Recently, a new approach has been proposed to establish a market-oriented health system. This competitive approach is in response to the existing regulated system.

Several prominent members of the administration, such as Richard Schweiker, Secretary of Health and Human Services, and Dave Stockman, Director of the Office of Management and Budget, are proponents of competition. Senators DURENBERGER, HATCH, and EOREN have sponsored procompetition proposals. It is an innovative idea which will be the wave of the future for health care. Rather than expanding Federal control over health through such outdated ideas as national health insurance, we can obtain the goal of adequate health care at a reasonable price through competition. I look forward to the debate on this policy.

I ask unanimous consent that several articles discussing the current problems in health policy and the competitive approach be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

ONE ECONOMIST'S "PRO-COMPETITIVE" PLAN FOR HEALTH CARE

No field of endeavor in the United States is more complex, intricate, and surprising than that of the health-care delivery system. It seems to combine elements of Immanuel Kant's "Categorical Imperative" with Conan Doyle's "Sherlock Holmes," and Lewis Carroll's "Alice in Wonderland."

Consider the experience of Alain C. Enthoven, PhD., Stanford U.'s Marriner S. Eccles, Professor of Public and Private Management, and the leading theoretician for a "pro-competitive" as opposed to a "pro-regulatory" approach to the delivery of health care.

Former Health, Eduaction, and Welfare Secretary Joseph Califano called Dr. Enthoven to Washington in the spring of 1977 to work out a proposal for a universal health insurance program.

The result was Dr. Enthoven's Consumer Choice Health Plan, which seemed perfectly tailored for former President Carter's liberal campaign promise to enact a comprehensive national health insurance program.

Despite its tailoring, the plan was rejected by the Carter administration, and now Dr. Enthoven looks hopefully to President Reagan's conservative administration for Consumer Choice Health Plan support.

Furthermore, he is encouraged by presidential appointments such as that of Richard Schweiker as Secretary of Health and Human Services, and David Stockman as director of the Office of Management and Budget, both of whom have expressed support for elements of his plan.

Only in the health care delivery field could such disparate expectations be engendered by a single proposal. Only in medicine are the elements of private sector service, and public sector responsibility so closely interwoven.

Essentially, Dr. Enthoven's plan aims to provide a type of socialistic medicine for the consumers of health care built upon a type of free market competition among the providers of health care.

He asserts that the freedom of choice concept, which assures patients the right to select the physicians they want, and which has been the linchpin of the health-care delivery system in this country from its inception, actually leads to anti-competitive behavior.

The insurance reimbursement systems developed since the 1930s encourages physicians to compete among themselves only on the issues of quality or preference, and not on the issue of price, he points out.

In place of that system, Dr. Enthoven wants one in which quality and price are inextricably locked. His model is best realized in the state of California, which has a number of physician group practice plans, such as the Kaiser Foundation Health Plan, competing for patients with service plans, such as Blue Cross-Blue Shield and individual practice plans.

"As a strategy, Consumer Choice Health Plan has a lot to offer everyone," Dr. Enthoven says. "A broad spectrum ought to agree on it. It endorses private enterprise competition, but makes government see that everyone is adequately covered."

He thinks the Reagan Administration will be attracted to his plan not only because it favors competition over regulation in the health-care delivery system, but also because it offers the hope of gaining control over escalating health-care costs.

"What's happening now is that the tax burden is excessive," Dr. Enthoven says. "Reagan says we've got to cut taxes to restore incentives. It's a basic economic need.

"But there's also pressure to increase defense spending, which is another genuine need. There has been a loss of skilled technicians in the services, and the whole system has been weakened.

"So the question is, How are we going to get from here to there? And the answer is that the out-year entitlements will have to be changed. One place to change is health.

"Physicians have to recognise this," Dr. Enthoven says. "The government will control these health-care costs. Taxpayers are paying 40 percent of the total now, a figure approaching $100 billion each year. We'll either have competition bills in Congress, or we'll have direct controls by government."

Dr. Enthoven's plan would effect a number of radical changes in the delivery system. First it would break the health-insurance tie to employment by assuring continuous enrollment in health plans of choice, regardless of job status.

This would be effected by basic changes in tax subsidies for health insurance. Premiums would be based on "actuarial costs" for given individuals, rather than an employee group experience.

Furthermore, employer contributions to health insurance would be reported as taxable income, with tax credits offered employes to offset additional taxes.

The unemployed or working poor would receive vouchers for health care, with government contributions based on a scale sliding from full support down to the standard percentage tax credit for fully employed taxpayers.

Additional mechanisms would fold Medicare beneficiaries, and other special categories, into the system. Since tax credits and premiums would be based on national actuarial averages, a method for flattening out regional differences over a period of time would be instituted.

The plan also calls for open enrollment for health-care plan subscribers, guided by government-supplied information, for community rating, and for a list of basic health services to be offered by all plans. Some plans could be enriched by offering additional services along with copayments or deductibles.

Dr. Enthoven describes the probable results of enactment of his program in "Health Plan", his book on the subject:

"Gradually, competitive pressures would have their effect. People would gradually change to more economical health plans. Less economical health plans would have to find more effective cost controls.

"Newly trained physicians in specialties in excess supply in a given area would find no health plans interested in contracting with them, and they would have to look for work in areas where their services were needed.

"Primary-care physicians would assume more of the responsibility for the total costs of care for their patients, and specialists whose costs were judged by such primary-care physicians to be excessive would find themselves obliged to negotiate lower fees in order to retain their referrals.

"Individual practice associations would tighten utilization controls, and more carefully balance the specialty mix of their participating physicians to the needs of their enrolled populations. Prepaid group practices would continue to grow."

Without question, the traditional fee-for-service physician is the villian in Dr. Enthoven's scenerio.

"Why do physicians like the fee-for-service system?" he asks. "Because it is compatible with the maximum amount of freedom and independence for the physician.

"There will have to be a loss of physician freedom to control the costs of health care," he asserts.

One of the puzzles of the health-care system in the United States relates to its apparent inertia. A national health insurance system has been debated since the time of President Truman. A number of different interests, including those represented by the American Medical Association, have offered plans for NHI, but no plan has been adopted.

In recent years, deficiencies of the system have been debated by employers, economists, legislators, government administrators, hospital administrators, insurers, and physicians. Very little has been said by health consumers, also known as patients.

Could it be that they are satisfied?

Much has been said about physicians as controllers of the health-care delivery system. It has been noted that while they are not the main recipients of health-care costs, they are the primary generators of costs.

Could it be that they are generating costs in the interests of their patients?

Dr. Enthoven stands in awe of the accomplishments of medical art, science, and technology. A skiing accident virtually crippled him some years ago. His physicians tried to manage the problem medically for a period of time, and finally suggested he undergo a laminectomy, a surgical procedure to correct the problem.

As Dr. Enthoven recalls, the operation restored freedom of movement to him. Before that, he had been bent over, dependent on a cane. Afterwards he was able to move like anyone else.

America has been in the forefront of such development in recent decades. Furthermore, the benefits of the art, science, and technology of modern medicine are more liberally extended in America than any other country, an increasingly important consideration for an increasingly aging population that hopes medicine will assure a high quality of life through restorative procedures aimed at mitigating the effects of arthritis and other degenerative diseases associated with aging.

Could it be that the unique freedom and independence available to physicians attracts the best and the brightest to their ranks, and that their discipline helps assure a uniquely high level of health care?

Dr. Enthoven thinks that his plan is in tune with historic movement, that it is responsive to the desire of many younger physicians to practice in multispecialty groups. He points out that close collaborative efforts among specialists can assure patients of a high level of care.

But could it be that patients hang onto the old system of health-care delivery because they trust their own personally picked physicians as they trust no others?

Most observers would agree that health care could be delivered more economically than it is in the United States. Europeans deliver care in a uniquely different way. When patients are hospitalized in England or France, they lose contact with their family physicians. The hospital staff takes over the management of their care, and they lose the personal advocacy of their own attending physician. What they gain in efficiency, they may lose in quality.

The question finally turns on a sense of values. The coronary bypass operation costs as much as an expensive automobile, and now the question before society is: Which do you value more?

In societal terms, the question is: What percentage of gross national product should we devote to health care? In 1950, the percentage hovered around 5 percent. Today it hovers around 10 percent.

Dr. Enthoven concedes, "There's no magic number. The right number is the number people want it to be."

During the past decade the question has been: Can we contain the percentage of GNP devoted to health care without containing the expanding benefits to be derived from the health-care system? That's a question that Presidents Nixon, Ford, and Carter circled without confronting. No one seems willing to alter radically the system by which health care is delivered.

Could it be that no one wants to change it because it seems to serve its constituents, the patients, well?

WHY HEALTH CARE IS A COSTLY DISGRACE

(By William R. Rassman, M.D.)

The health-care system is a disaster. It is supervised by well-meaning but ignorant bureaucrats, inept and incompetent nursing administrators, and legislators who, with the welfare of their constituents in mind, unknowingly force the price of health care out of sight. The physician has withdrawn and turned inward in order to survive an ever-

expanding medical bureaucracy. The result is a system that rewards inefficiency, discourages innovation, and penalizes cost-conscious providers of health care and consumers.

It is unfortunate that physicians are trained solely in the science and art of medicine. At no time does the physician acquire, either formally or informally, any exposure to economic realities. His study of economics is confined to learning by trial and error the mathematics of medicare, medicaid, and insurance carriers. This process often turns the physician into an embittered introvert.

The health-care system is designed to capture the consumer dollar. Except for the limited but expanding health maintenance organizations, successful health-care services solicit business and profit from that business, whether such profit is warranted or not. This system is undermined by both the consumer and the provider of services. The former, trying desperately to stave off illness, infirmity, or death, seeks the latter for treatment and/or reassurance. In moderation this situation is acceptable and affordable; in excess it becomes the disaster we live with today.

In the health-care field, doctors, dentists, chiropractors, nurses, pharmaceutical houses and druggists, therapists, insurance carriers, and hospitals profit from the expanded use of their services. Each depends on the other to feed the fear of failing health. As a result, the cost of health care runs into the hundreds of billions today. In a country where a vitamin deficiency is a rare disease, we lay out well in excess of $1 billion for its annual cure. Our affluent society will spend any amount on any promise, real or imaginary, to assure perpetual health and/or immortality.

INDUSTRY IS A LOSER

Every illness reinforces the fear of losing one's health, and the system that treats the disease rewards its abusers. A person who develops pneumonia, for example, is most frequently educated as to its greatest risk, not as to its usual benign course with adequate treatment. More often than not, the patient is hospitalized for an extended period of time at a profit to the health-care industry. The dread of becoming sickly drains the patient's energy well in excess of the disease. Upon discharge from the hospital, there is a prolonged convalescence. The insurance industry, which covers the abuse initially, also profits from the perpetuation of the disability. Industry and society become the losers. The consumer appears to have received the very best care. His or her health appears to have been saved. The patient regards the doctors and nurses as the champions of health and blesses the insurance carrier for averting economic ruin.

In many cases, an $80 illness with a loss of 3 to 5 days of work has been turned into a $1,000-plus illness with 3 to 10 times that loss of work. The consumer demands the best and the most expensive. The physician is trained to give it. To do less would place the physician at odds with his colleagues, with his education, and with his own economic health. To do less would bring the health-care industry to its knees, increase unemployment, and lessen the patient's physician image. Industry and the consumer bear the highest price. The inflationary effects of lost work days and fictitious disabilities have jacked up the cost of every service and product sold on the U.S. market and drained the consumer's pocketbook.

WIDESPREAD IGNORANCE

Apart from, but closely tied to, the monetary area, the greatest toll is the quality of the care that the public receives. We pay premiums for the best in medical care but receive only an illusion of it. Poorly organized, the hospitals throughout country, spend countless dollars on the administrative side of medicine at the expense of quality medical care and thousands of lives each year. But these lost lives are buried according to federal guidelines—with proper hospital records and with complete medicare and Blue Cross services "paid in full."

This system affects everyone who pays taxes or an annual health-care premium. Legislators see the system's flaws in the rising annual cost of health care. But they do as legislators always do—they try to legislate the flaws away and thereby expand the bureaucracy. The bureaucrats act on the legislation and make the bureaucracy tighter. Nursing administrators, separated from patients and illness for years, try ineffectively to handle a chronic shortage of nurses by writing new rules.

If there is a single criminal, it is widespread ignorance. The teaching of bodily functions is as absent from a public school education as are economic subjects from a doctor's curriculum. We seem to stress the impractical and theoretical at the expense of information that might serve daily use. The national education system and the medical profession must bear the responsibility for this omission together.

The national system of health care needs a major overhaul. It must be deregulated. It must reward efficiency and penalize abuse. It must incorporate the knowledge of the physician so that the public is served and its health is not sacrificed. It must look for tangible results on health and costs together. Education and health maintenance programs should be basic to the overhaul. With more than $200 billion annually spent on health care and its spinoffs, it stands side by side with today's energy crisis.

A New Candidate for Allocating Resources to Health Care

(By Clark C. Havighurst, JD)

Only two applications for the nasty and thankless job thus advertised have been received. Both came on letterheads bearing the name "The Private Sector," but a minute's scrutiny disclosed that the applicants had very different qualifications for the position. One applicant, who volunteered to serve without pay, had impressive technical credentials and presented strong references from close friends of the employer. The other applicant, whose backers (mostly PhDs) have never cut a cost or removed an appendix, had only a scanty record of past employment in the health care industry, and clearly intended to use nonexperts to make many crucial decisions. The employer has been reliably reported to be leaning toward the latter applicant. Many wonder why.

The first of our hypothetical applicants is, of course, the health care establishment, a loose affiliation of organized medicine, the hospital industry, commercial and nonprofit insurers, and so forth. Acting through such mechanisms as the Voluntary Effort and PSROs, this candidate generally defends the industry's past performance while promising to behave even more responsibly in the future. In effect, the industry offers to police itself, thus assuring that all care is "necessary" and that all fees and charges are "reasonable."

In contrast, our second applicant is not a person or a group but is instead a process—"competition"—which allocates resources in accordance with consumers' demands. These demands are transmitted to producers (providers) not by regulatory fiat but by means of price signals and the appearance and disappearance of market opportunities. Lately, competition has attracted interest as a leading candidate for the resource-allocation job, replacing regulation—which until recently seemed the only prospect, not because its performance was impressive but because it had friends in high places. This article will elaborate on competition's credentials.

WHAT ABOUT THIRD PARTIES?

Consumers need financial protection against large expenses, but the prevailing types of health coverage do not exhaust the possibilities. Competition's sponsors think that there are alternatives that can significantly change the economic incentives of patients and providers and thus result in lower costs.

HMOs are only the most familiar of many possible alternatives to conventional open-ended third-party plans. Other options include insurance plans that have significant deductibles and copayments or that embody carefully administered exclusions from coverage that leave the patient to pay for services that fall in the many gray areas between essential and unnecessary care. Plans that limit the patient's free choice of fee-for-service provider seem particularly promising, since competition can motivate plans to find and enlist the participation of the most efficient providers. Both consumers and efficient providers could benefit from such arrangements.

FUTURE DIFFERENT FROM PAST?

While the market for health insurance has been competitive in some respects, there are reasons to think it has not responded to consumers' true wishes. For one thing, the tax law, by excluding employer health plan contributions from employee taxable income, encourages workers to pay as many medical bills as possible through insurance; out-of-pocket payments to cover deductibles or coinsurance must be made with after-tax dollars. A ceiling on the tax exclusion for employer contributions, such as has been proposed in Congress, would cause people to be more selective in their insurance purchases.

Increased experimentation in the design and administration of financing mechanisms is also likely. Before the recent election, employers and unions were beginning to seek more cost-effective coverage; they can be expected to be even more demanding now, since it is clear that, under the new Administration, government will no longer claim responsibility for controlling health care costs and will look instead to the private sector. Moreover, antitrust enforcement has improved the climate for insurer innovation by reducing the risk that organized providers will retaliate against plans that undertake new ways of doing business.

WILL CHANGES BE SWEEPING?

One cannot predict reliably what changes competition will in fact bring. Indeed, if we knew precisely what people want, we could legislate that result and be done with it. Because competition is not a means to a specific end but is a process for discovering and giving effect to consumer preferences, the magnitude of its effect depends on how well or poorly the system is currently performing. Fortunately, there is no need for agreement on this issue before competition is embraced as the appropriate policy choice. The decision to strengthen competition and consumer choice is simply a decision to submit the matter once and for all to "the people."

CAN CONSUMERS CHOOSE?

It is probably fair to say that consumers are ignorant and irrational about medical care—as they are about most things. But in a competitive market they have the chance to pool their resources and to hire agents to help them make decisions. Employers and unions can help by selecting a short menu of health plans from which the individual employee chooses. Health plans, on the other hand, can help individual consumers choose high-quality but cost-conscious providers. Health plans can also do much to clarify the choices required—such as by a predetermination of benefits scheme that lets patient and

doctor know in advance the precise coverage available. Finally, the physician helps the patient make the final choices, employing technical expertise in advising on the expenditure of the patient's resources.

Ignorant and irrational though he may be, the consumer is our best candidate for the decision-making job. Regulators are also ignorant and irrational since they cannot know what consumers want badly enough to pay for and are unable, in an intensely political and symbol-ridden environment, to bring cold rationality to bear. The health care industry, on the other hand, has a conflict of interests that must surely disqualify it for the job of allocating resources between health care and other uses.

WHITHER PRIVATE PRACTICE?

It will flourish. Although conventional insurance will probably change so as to make patients more conscious of many costs, most patients will ultimately rely on physicians to help them decide how their money can best be spent. I would venture that most care would still be provided on a fee-for-service basis and that most key decisions will be made within the doctor-patient relationship. Although there will necessarily be a renewed necessity for professional advice on how to manage disease within sometimes stringent resource constraints, the doctor's duty will run exclusively to his patient. It is hard to see how the cost problem could be placed in better hands.

Theory and Practice in Minneapolis-St. Paul

(By Walter McClure, Ph. D., Linda Krane Ellwein, and David Aquilina)

Competition is rapidly developing in the health care system of many communities, but Minneapolis-St. Paul appears to have made the most progress toward a competitive medical market.[1] Seven HMOs now compete vigorously with each other and with fee-for-service physicians in the Twin Cities. Over 360,000 people are enrolled in the area's HMOs—about 19 percent of the metropolitan population. Since 1974, HMO membership has grown by an average of 30 percent each year. While several communities have higher HMO enrollments than Minneapolis-St. Paul, none has greater provider involvement. Approximately 80 percent of the area's physicians and most of the hospital's participate in one or another of the HMOs. Also, more employers appear to be offering HMOs on an equitable, multiple-choice basis to employees here than elsewhere.

DIVERSITY IN PREPAID PLANS

The striking organizational diversity of the Twin Cities' HMOs demonstrates that a variety of prepaid plans can develop successfully in a community. St. Louis Park Medical Center, once a wholly fee-for-service multispecialty group practice, sponsors MedCenter, which also contracts with other physician groups. The Nicollet-Eitel Health Plan is a joint venture of Eitel Hospital and the Nicollet Clinic, another multispecialty group. SHARE, originally sponsored by a railroad employee mutual benefit association, is an independent, community-based plan with salaried physicians. It is currently the area's only federally qualified HMO. Group Health Plan, the Twin Cities' oldest and largest HMO, is a consumer cooperative with salaried physicians. Coordinated Health Care contracts with St. Paul Ramsey Hospital, a public general hospital, for staff physicians and hospital services and has established affiliations with four other physician groups for primary care. HMO Minnesota, the Blue Cross-Blue Shield plan, contracts with independent physician groups and solo practitioners. Physicians Health Plan, initially developed by the Hennepin County Medical Society but now a separate corporate entity, is an IPA with more than 1,500 physicians.

Many large Twin Cities firms now have more than half of their employees enrolled in HMOs (Table 1). Most major employers offer three or more prepaid plans in addition to a conventional insurance plan. Employers contribute roughly the same dollar amount to whichever option is selected, with the employee paying any balance due on the premium. Thus, HMOs compete directly with each other as well as with traditional insurers and providers, and employees have an incentive to be cost-conscious when choosing a health plan.

Footnotes at end of article.

TABLE 1.—HMO ENROLLMENT IN SELECTED TWIN CITIES FIRMS

Company	Open enrollment period	Number eligible[1] employees	Percent enrollment	Number HMO's offered
Minneapolis Star & Tribune	1/80	2,400	76	3
Hennepin County	1/80	7,026	74	4
General Mills	1/80	2,880	72	3
Prudential	6/80	2,574	72	3
Deluxe Check	11/79	1,096	64	3
Honeywell	5/80	19,080	62	6
Super Valu	3/80	1,000	60	4
City of Minneapolis	1/80	4,500	50	3
Dayton-Hudson	2/80	6,900	44	3
Control Data	1/80	15,000	40	5

[1] The number of employees eligible for HMO health benefits, not the total number of employees.

Source: Linda Krane Ellwein, "Health Care Trends: Minneapolis-St. Paul Summary Highlights," InterStudy (August 1979, updated 1980).

INCENTIVES FOR COST-EFFECTIVENESS

According to market theory, the presence of strong, reputable health care plans competing in a fair market with traditional physicians (i.e., where all consumers have an equitable, multiple choice of plans) should create strong incentives for physicians to practice effectively.* Initially such incentives should be strongest on physicians in the health care plans because they must win consumers, offering comprehensive benefits and quality service, and maintaining competitive premium prices. Reputable and efficient physicians will attract consumers to their plans, whereas inefficient physicians will find themselves losing patients. Eventually, as sound, efficient plans win ever-increasing numbers of consumers, even traditional physicians not participating in health care plans must become cost-effective to halt the loss of patients to health care plans.

How well does the evidence in Minneapolis-St. Paul bear out these theoretical incentives on prepaid plan and traditional physicians? The evidence that competition has created cost-effective incentives on HMO physicians seems strong. Competition has clearly forced HMO physicians in Minneapolis-St. Paul to control utilization and costs tightly, particularly hospital services. In 1977, area HMOs hospitalized members at an average rate of 544 days per 1,000 (compared to 880 days for comparable Blue Cross-Blue Shield insured groups), and in 1979 the HMOs achieved an average utilization of 452 days per 1,000 HMOs with large numbers of solo practitioners. Physicians Health Plan and HMO Minnesota, reduced their hospital days per 1,000 by 21 percent and 25 percent respectively. In 1977, the average monthly cost-per-enrollee in Twin Cities HMOs was 27 percent below the average for all federally qualified HMOs, even though Minnesota law requires HMOs to provide more benefits than does federal law.[2] From 1947 to 1978, the SHARE plan held its monthly per-member cost constant, despite a 38 percent increase in the Twin Cities' consumer price index.

*Technically we define a health care plan as a prepaid plan, organized in any way, in which participate a discrete set of providers who are not so numerous or influential as to command monopoly power in their service area. It is such health care plans which generate competition in a fair market with other providers. Most HMOs, though not all, meet this definition. Many other kinds of plans besides HMOs also meet it. Because HMOs are most commonly known and in the wish to avoid being overly technical, we have simply used the term HMO to stand for all such plans throughout this article.

TABLE 2.—HOSPITAL DAYS PER 1,000 ENROLLEES: TWIN CITIES HMO's

	1977		1978		1979	
	Days/1,000	Percent change	Days/1,000	Percent change	Days/1,000	Percent change
Group Health	497	−2.0	482	−3.0	465	−3.5
MedCenter Health Plan	418	[1] +36.6	355	−15.1	370	+4.2
Nicollet-Eitel Health Plan	454	−24.6	447	−1.5	332	−25.7
Coordinated Health Care	720	0	624	−13.3	553	−11.4
SHARE Health Plan	389	−13.5	423	+8.7	412	−2.6
HMO Minnesota (metro average)	690	−1.3	468	−32.2	523	+11.8
Physicians Health:						
Plan	[2] NA	NA	511	−20.2	507	NA
HMO metro average	544	[2] −6.3	473	−13.1	452	−4.4

[1] MedCenter's 1976 data does not include psychiatric and chemical dependency days. Thus, the 1977 percentage reflects changes in reporting, not utilization.
[2] Calculation excludes 1976 and 1977 MedCenter data due to reporting changes.

NA—Less than 1 percent change.

Source: L. Ellwein, "Summary Highlights" and "Statistical Report on HMO's in Minnesota" (St. Paul, Minnesota.)

MORE BENEFITS AT LOWER COST

The HMOs have contained costs sufficiently to be able to provide many employee groups with more comprehensive benefits at lower premiums than regular insurance. For example, all six HMOs initially offered by Honeywell to its employees in April, 1978 had lower premiums and broader benefits than the company's Blue Cross-Blue Shield insurance plan. Consequently, 33 percent of Honeywell's employees immediately switched to HMO membership. Currently, 62 percent of the firm's employees are HMO members, up from 45 percent in 1979. Indeed, the rapid growth of HMOs in the area shows that consumers will readily accept prepaid plans if they have sound, reputable providers and if they offer attractive benefits and premiums.

As a result of competition, employers can offer their employees a choice of health benefit options, allowing consumers to select plans that provide convenient access to care and more benefits at a lower cost. Through the HMO premium, which now functions as the price mechanism for provider competition, physicians are able to identify their relative efficiency to consumers and gain patients on that basis. HMO hospital utilization rates imply that many Twin Cities physicians have substantially changed their practice patterns. Since the overwhelming majority of physicians have chosen to continue to participate in HMOs, it seems that most do not perceive more conservative hospital utilization to be detrimental to quality patient care.

PROMISING PRELIMINARY EVIDENCE ON COSTS

The evidence that competition has begun to have an impact on community-wide utilization and costs, while promising, must be regarded as preliminary. The increasingly competitive health care system has developed only recently in the Twin Cities. In 1971, Group Health was the area's only HMO, and all seven have been operational for only five years. Thus, the market is still evolving and it is too early to expect definitive results.

But even at this early stage it appears that physician practice patterns are changing as a result of effective market forces, and they may be affecting community utilization trends. Since 1974, total hospital admissions and patient days have declined, despite substantial increases in inpatient psychiatric care and chemical dependency, attributable mainly to expanded insurance coverage recently mandated by Minnesota law. Excluding psychiatric and chemical dependency inpatient days for local residents, which increased 6.9 percent and 30 percent respectively, hospital inpatient days decreased 11.3 percent from 1976 to 1978.[4] Overall from 1974 to 1979, admissions-per-1,000 fell 6.9 percent while inpatient days-per-1,000 decreased 4.4 percent. Regarding costs, in 1978 total hospital expenditures and per capita expenditures in the Twin Cities rose 9.5 percent and 9.4 percent respectively, compared to national averages of 12.6 percent and 11.6 percent.[5] Since 1975, the medical care component of the CPI has consistently increased more slowly in Minneapolis-St. Paul than in most other cities, despite sharp increases in the overall CPI during the past four years (Table 3). While it seems unlikely that competition is the sole cause of these trends—they had begun to some degree before competition took hold and have been observed to some extent in other cities—according to local providers competition is now a substantial factor in their continuing strength here.

TABLE 3.—ANNUAL PERCENT CHANGE IN CONSUMER PRICE INDICES (1975–79)

	Annual percent change			
	All items		Medical care component	
Year	Minneapolis-St. Paul	U.S. city average	Minneapolis-St. Paul	U.S. city average
1975	8.5	9.1	10.7	12.0
1976	6.2	5.8	7.8	9.5
1977	7.1	6.5	8.1	9.6
1978	9.1	7.7	8.1	8.4
1979	11.9	11.5	6.8	9.9

Source: L. Ellwein, "Summary Highlights."

MANY ISSUES YET UNRESOLVED

As the competitive health care system in Minneapolis-St. Paul continues to change and develop, many issues are yet to be resolved. Questions center on whether or not reductions in physician supply and hospital beds will be precipitated by sustained competition; whether or not competing HMOs will serve the poor and elderly if given the opportunity and correct incentive to do so; whether or not low hospitalization rates and constructive competitive behavior will persist over time; and whether or not government will eliminate regulations which conflict with market forces.

Problems can and should be expected, particularly in the initial stages. For example, some HMOs may experience cost-control problems and temporarily falter or even fail. Although one function of a market is to discipline or, if necessary, weed out weak competitors, it may shake confidence in competition. There may also be problems with selection, such that one HMO might temporarily get a mix of lower- or higher-risk enrollees than other HMOs. Or, as traditional providers increasingly feel the pinch of HMO competition, they may attempt to raise prices and increase utilization as well as services for those patient populations—Medicare, Medicaid, small employers—which do not as yet have a multiple choice of health plans. If equitable, multiple-choice arrangements are extended to all consumers, the theory predicts that, given time, the market should gradually bring such problems under control. Whether or not multiple choice will be extended to all; whether or not the market will be given time to work; and whether or not it will work as predicted within a reasonable time, only time itself—and hard work—will tell.

These qualifying statements aside, the direction of competition in the Twin Cities is encouraging. Thus far, it appears that physicians practicing under positive incentives created by a structurally sound, private competitive market can contain costs while providing quality care.

FOOTNOTES

[1] Christianson, J. and McClure, W.: Competition in the Delivery of Medical Care, N Engl J Med, October 1979

[2] McClure, W.: On Broadening the Definition of and Removing the Regulatory Barriers to a Competitive Health Care System, J Hlth Pol, Fall 1978.

[3] Data Management Branch, Office of Health Maintenance Organization, DHHS: Quar Rep, December 1977.

[4] Metropolitan Health Board, Regional Summary-Hospital Patient Origin: 1974, 1976, 1978.

[5] Appel, G.: Statement of the Council of Community Hospitals and the Minnesota Hospital Association; Hearings before the Senate Finance Committee, 96 Cong, Sess 2, March 1980.

THE DREAM OF RAPHAEL LEMKIN

Mr. PROXMIRE. Mr. President, whatever progress we make is usually dependent on individual efforts. In fact, it is always people, of course, who make the progress. In making progress to outlaw genocide, one person's name stands out, a man named Dr. Raphael Lemkin. He was a prominent jurist from prewar Poland. Dr. Lemkin was the man who coined the term "genocide," meaning, of course, a program of deliberate murder and destruction of an entire ethnic or racial group—the classic example being Hitler's genocidal destruction of Jews in World War II and pre-World War II Europe.

Dr. Lemkin was a Jewish refugee from Nazi persecution. He was one of only 2 survivors out of a Polish Jewish family numbering 70 persons, who were destroyed by the holocaust—starved to death, worked to death, gassed to death, shot, deliberately murdered.

Dr. Lemkin emigrated to the United States, where he became a special adviser on foreign affairs to the War Department and a respected scholar. This man dedicated his life to establishing genocide as an international crime that must be banished from civilized society. He was a major factor in winning the support of the Western powers at the Genocide Convention and having it ratified by the United Nations General Assembly. It is interesting that one of the other people who cooperated with him and worked so hard to achieve this was the father of Senator CLAIBORNE PELL.

Mr. President, this was a historic accomplishment by single individual who, at that time, did not represent any government, but his relentless struggle for a great idea has resulted in tremendous progress for the fulfillment of a noble dream.

What progress has Dr. Lemkin made? Well, when he died 21 years ago, over 80 countries had ratified the convention. Today, that number stands at 85. Every major country in the world, except the United States of America, has ratified the Genocide Convention. Of course, as we know, every President since Harry Truman, Republican and Democrat, has called for it. I was delighted to see that the Secretary of State, Alexander Haig, in his confirmation hearing, supported the Genocide Convention and said it was a matter of serious embarrassment to us that we had not ratified it.

The one country which Dr. Lemkin looked to for moral leadership in the postwar era, the United States of America, balks at ratification—balks at a treaty outlawing the planned, premeditated murder of an entire race.

Mr. President, I do hope that with the support of the Reagan administration, this Senate—and it is the only body which has to act. The House does not have to act, no other body has to act, but the Senate does have to act. Certainly, it will be a fitting testimony to an extraordinary man and to our own cherished tradition if we were to finally join the contracting parties and ratify the Genocide Convention.

Mr. President, I yield the floor.

EXTENSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that the time for morning business be extended by 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

DR. RICHARD C. HALVERSON

Mr. ARMSTRONG. Mr. President, today, the Senate welcomes as its new Chaplain one of the most distinguished clergymen of America, Dr. Richard C. Halverson. Most of the Members of this body are already acquainted with Dr. Halverson and know that he has served with great distinction as a member of the Hollywood Presbyterian Church in Hollywood, Calif., and for the last 23 years as senior minister of the Fourth Presbyterian Church in Bethesda, Md. Perhaps less known is the leadership he has provided to World Vision, of which he is chairman of the board, an organization to which he has devoted himself with great effectiveness and great persistence in feeding hungry people around the world and ministering to their needs.

Dr. Halverson is a distinguished author. He has written a number of books. For more than two decades, he has written a newsletter which is circulated to a large number of people around the world. He is, in every way, truly a man of great distinction.

But, Mr. President, while I think it is an honor to welcome Dr. Halverson to the Senate because of what he has accomplished, I would like to express my own feeling of personal enthusiasm for the new task which he undertakes, which is based not so much on what Dr. Halverson has accomplished, but on the person he is—a man of great personal warmth and understanding. His life exemplifies the indwelling of the Holy Spirit—a life of love, joy, peace, patience, kindness, goodness, faithfulness, gentleness, and self-control, just as the Holy Scripture has suggested.

Mr. President, there are people all over this country who are praying that soon, the Senate will be filled with true believers, that there will be a majority of believers elected to this body and the other body, and that the Government will be filled with those believers. I honor those prayers, but it is my reading of history that God does not tend to work through majorities: That, on the contrary, it is usually his purpose to work through small numbers of people—often through only one man or woman in a difficult circumstance.

We recall that when God was preparing to destroy Sodom because of its wickedness, Father Abraham did not say, "Will you save my city if I can elect a majority of believers to the city council?" He said, "Will you save the city if there are just a handful of believers?" Again and again, that same pattern has been created throughout history.

When, in God's good time, it was the moment for slavery to be abolished in England, it was a handful of members who devoted themselves to a life of prayer and advocacy who abolished this evil.

When the time came in the moment of God's plan to bring the gospel to the new world, again it was not thousands who came, or even hundreds, but often just a handful, often through great sacrifice and hardship.

Over and over again, through secular and Biblical history, God has worked through small numbers of men.

Mr. President, it is my conviction that Dr. Halverson is such a man, a man who has yielded to the Lord for his purposes. It is my belief and my prayer that, through him, this body and its entire constituency will be blessed. I hope that all Senators will join me in wishing him well in the new ministry which he undertakes, beginning today.

I hope that they will join my family and me in praying that, as he does so, Dr. Halverson will be granted extraordinary perception and insight and great spiritual strength, and that his love of Christ will be contagious and will be spread through all of those with whom he has contact, that he will be blessed with a long and fruitful ministry of the Senate and that thereby, the Senate, the staff, their families, and all will be blessed.

EXTENSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, there are two other Senators seeking recognition in morning business. I ask unanimous consent that that period be extended for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. WEICKER. Mr. President, I ask unanimous consent that the following members of the staff of the Select Committee on Small Business be allowed the privilege of the floor during the introduction of the omnibus Small Business Capital Formation Act of 1981: Robert J. Dotchin, James J. O'Connell, Alan L. Chvotkin, and Thomas Cator.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROBERT S. BOYD

Mr. DOMENICI. Mr. President, I send a resolution to the desk and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 59) commending Robert S. Boyd.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOMENICI. Mr. President, this resolution has been cleared with everyone in the Senate.

We all know that the budget process is alive and surviving and kicking. When it started, there were many who did not believe it would be around.

If Senator Bellmon were here today, I am sure he would say that, while he received great commendation for his part in maintaining this process, the minority staff director, Bob Boyd, who joined the staff in February of 1975 and was its minority counsel through all its years until now, deserves a great deal of the credit for its success.

We all know that a rather significant bipartisan effort existed; and many believe that without it we would not have the process today—the process which many look to with great enthusiasm in these changing times as part of a process to make major and bold changes in our fiscal policies.

So, today, I ask the Senate to adopt a resolution which indicates our appreciation to Bob Boyd for his many years of service to the committee and to the Senate and to the American people. He will be leaving to take a job in the financial community. We wish him well.

Speaking as one who served on that committee for most of the years he was the minority counsel, I am confident that if this fiscal process works—a process we want to use now to make major changes in our approach to the Federal Government's fiscal policies—much credit will be due to him for his untiring efforts as minority counsel.

Mr. President, I ask that the Senate adopt the resolution which is pending at the desk.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 59) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 59

Whereas, the Senate wishes to express its appreciation to Robert S. Boyd, who has served the United States Senate as the first Minority Staff Director of the Committee on the Budget; and

Whereas the said Robert S. Boyd at all times has discharged the difficult duties and responsibilities of his office with high efficiency and abiding dedication; and

Whereas his unsurpassed fidelity and his unfailing dedication to his career have earned for him our affection and our esteem: Now, therefore, be it

Resolved, That Robert S. Boyd be hereby commended for his faithful and exemplary service to his Country and to the United States Senate.

Sec. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to Robert S. Boyd.

THE CHAPEL OF THE FOUR CHAPLAINS

Mr. BAKER. Mr. President, today marks the 38th anniversary of an act of heroism on the part of four U.S. Army chaplains during the sinking of the SS *Dorchester* in World War II. After the war, a Chapel of the Four Chaplains was established in Philadelphia to commemorate this event, and an annual banquet is held to honor individuals for outstanding service to the Nation. Dr. Karl B. Justus, executive director emeritus of the Military Chaplains Association, has written a fine article about the four chaplains, their story, and the ongoing work of the chapel. I am happy to share Dr. Justus' article with my colleagues today, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CHAPEL OF THE FOUR CHAPLAINS

Today, 3 February, 1981, marks the 38th anniversary of the sinking in the North Atlantic of the troop transport, SS *Dorchester*, not far from the coast of Greenland. It is fitting and appropriate that the date of 3 February, 1943, be remembered for all time for on that occasion history recorded the most dramatic, unforgettable example of heroism, supreme sacrifice and brotherhood that America, and the world, has ever known.

The SS *Dorchester*, laden with 900 young American soldiers, close enough to Greenland so that her convoy had departed, plowed her way through wintry, storm-tossed waters toward a destination she would never reach. A Nazi U-Boat, stalking the *Dorchester* undetected, fired a torpedo that struck the vessel amidship and exploded in the boiler room. Some troops died instantly; others were trapped below decks; still others, thrown from their bunks, rushed up the ladders to the main deck. There, in the cold and dark of night, confusion and terror gripped the minds and hearts of the young soldiers. In the mad exodus, some had lost or left their life jackets below.

In the midst of this frantic scene moved four men of God, Army Chaplains, George L. Fox and Clark V. Poling, Protestant Chaplains; John P. Washington, a Catholic Priest, and Alexander D. Goode, a Rabbi. With a calmness borne of inner strength, the Chaplains moved about quietly to encourage and comfort the fear-filled troops as the stricken vessel rapidly began to sink. Finally, as men went over the side, the Chaplains saw four soldiers without life jackets. Without a second thought the Chaplains gave their life jackets, their only hope for self-survival, to those soldiers. As the storm-tossed deck sank beneath the waves, the four chaplains stood with arms linked together—each in his own way praying to the One God—and quietly went down with the ship.

As long as time shall last, this dramatic event will be told from generation to generation as the greatest example of the brotherhood of man for, truly, as the four chaplains are remembered, "this was their finest hour" as they laid down their lives for their friends.

After World War II a renowned minister, Dr. Daniel Poling, the father of Chaplain Clark Poling, founded and established the Chapel of the Four Chaplains in Philadelphia, Pennsylvania. From the time of its dedication in April, 1951, by the late President Harry S. Truman, Dr. Walter H. White, Senior Chaplain of the Chapel since its founding, has been the key figure in the building and extension of the Chapel's program—conveying brotherhood, ecumenicity based on "unity without uniformity," and understanding through schools, churches and synagogues and community organizations.

Tonight at the Marriott City Line Hotel in the City of Brotherly Love, several hundred citizens will gather for the annual banquet of the Chapel in memory of the famed Four Chaplains, a further effort to memorialize them and keep alive the magnificent ideal they represent. Each year some of this nation's outstanding citizens are honored for their service to the nation—and among them are some of America's finest sons and daughters.

On the occasion of this evening's banquet, two of America's outstanding soldiers will be honored. General William Childs Westmoreland, United States Army, Retired, will be awarded the Chapel of Four Chaplains Gold Medallion. General Westmoreland, statesman, distinguished professional soldier, Commander of our Armed Forces in Vietnam at the peak of the fighting, is being recognized for his long service to our Country.

The other honoree is Chaplain (Major General) Kermit D. Johnson, Chief of Chaplains, United States Army, who will be awarded the Chapel's Rabbi Louis Parris Hall of Heroes Gold Medallion. Chaplain Johnson initially began his career as an Infantryman. After the Korean War, while continuing his service in the U.S. Army Reserve, he decided to study for the ministry. Following his formal study and ordination, he again entered upon active duty—this time as an Army Chaplain. His has been a distinguished military career as a "Soldier of God" for which the Chapel honors him tonight.

In the past year, plans, ideas and long-cherished dreams to promote the dramatic story of the Four Chaplains at a higher, wider level throughout the nation have been gaining momentum. It is hoped that in the year 1981 these plans will take shape with the promised help and interest of some of America's leading citizens and certain national service organizations, Civitan being one since it has sponsored Clergy Recognition Week in the nation during February—mainly growing out of a Civitan program in memory of the Four Chaplains.

At the forefront of the Chapel's wider efforts have been three men in particular who, through their individual and joint efforts, have brought to the Chapel—to be honored in the past year at special Vesper ceremonies—some of the country's most distinguished citizens from the areas of government, veterans organizations, educators and religious leaders, business men and service organizations' leaders.

These men are: Mr. Lucien Katzenberg, Jr., a distinguished, successful businessman in Philadelphia who, as a Trustee of the Chapel, has given much time and money over a long period of years to advance the central ideal of the Chapel. Another, Mr. John L. Koenig, also a Trustee of the Chapel who, as a U.S. Marine veteran, and as an Energy Public Affairs Consultant, has worked tirelessly for the Chapel; and the third is Dr. Karl Bennet Justus, Executive Director Emeritus of The Military Chaplains Association, a veteran Navy Chaplain of World War II, who has devoted most of the last two decades to the military chaplaincy in America and to the building of brotherhood and understanding in the nation and who, now, is working as a consultant for the Chapel in concert with Mr. Katzenberg, Mr. Koenig and Dr. Walter White.

As the Four Chaplains are remembered on this date in many parts of America, it seems desirable and appropriate "Lest We Forget" that they be remembered as a part of this day's Congressional Record.

TIME LIMITATION AGREEMENT—NOMINATION OF FRANK C. CARLUCCI TO BE DEPUTY SECRETARY OF DEFENSE

Mr. BAKER. Mr. President, this request has been cleared on both sides of the aisle. I have just conferred with the minority leader, and I believe that with one addition which I will state the agreement is without controversy.

Mr. President, I ask unanimous consent that when the nomination of Frank C. Carlucci is pending before the Senate it be subject to a time limitation of 2 hours, divided as follows: 1 hour divided and controlled by Mr. TOWER and Mr. STENNIS, 1 hour under the control of Mr. HELMS, plus 15 minutes under the control of the Senator from New York (Mr. MOYNIHAN).

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, the distinguished majority leader is referring to a time agreement that would be 2 hours and 15 minutes in its totality, am I correct?

Mr. BAKER. The minority leader is correct, and it provides specifically for 1 hour for the Senator from North Carolina, plus 15 minutes for the Senator from New York, and then another hour equally divided between the Senator from Texas (Mr. TOWER) and the Senator from Mississippi (Mr. STENNIS).

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. PROXMIRE. Mr. President, what is this unanimous consent for?

Mr. BAKER. This is the Carlucci nomination.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side.

Mr. BAKER. Mr. President, I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank all Senators.

JOINT REFERRAL OF NOMINATION OF VICE ADM. B. R. INMAN TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

Mr. HATCH. Mr. President, I ask unanimous consent that the nomination of Vice Adm. B. R. Inman, U.S. Navy to be Deputy Director of Central Intelligence and to have the rank of admiral while serving be referred jointly to the Committee on Armed Services and the Select Committee on Intelligence, with each committee restricted to the consideration of that portion of the nomination in its jurisdiction.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENT OF LABOR

NOMINATION OF RAYMOND J. DONOVAN TO BE SECRETARY OF LABOR

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the nomination of Mr. Raymond J. Donovan to be Secretary of Labor.

The nomination will be stated.

The legislative clerk read the nomination of Raymond J. Donovan, of New Jersey, to be Secretary of Labor.

The PRESIDING OFFICER. Time for debate on this nomination is limited to 4 hours, to be divided among and controlled by the Senator from Utah for 2 hours, the Senator from Massachusetts for 1½ hours, and the Senator from Wisconsin for one-half hour.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

I. INTRODUCTION

Mr. HATCH. Mr. President, today the Senate will fulfill its constitutional mandate on the nomination of Raymond J. Donovan to be the next Secretary of Labor. On January 29, following 2 days of extensive hearings, based upon what I believe has been the most thorough and exhaustive background investigation ever conducted by the Federal Bureau of Investigation on a Cabinet nominee, the Committee on Labor and Human Resources reported Mr. Donovan's nomination to the full Senate. The vote of the committee at the executive session on January 29 was yeas 11, nays 0, and 5 members voting present.

Because of the concerns of some members of the committee over certain allegations regarding Mr. Donovan, I agreed to the request that a report to the Senate be prepared by the committee. I believe such a report was unnecessary, and is highly unusual, if not unprecedented, in the case of Cabinet nominations. However, I aquiesced out of a desire to proceed with this nomination in a bipartisan manner and to accede to every reasonable request of those members of the committee.

I feel—and I hope Senator KENNEDY, the ranking minority member, shares this feeling—that I have done everything in my power to deal with every concern expressed by the members of the committee.

Each Member received yesterday, in addition to a complete record of the confirmation hearings of January 12 and 27, 1981, a report of the Committee on Labor and Human Resources on the Nomination of Raymond J. Donovan of New Jersey to be Secretary of Labor, together with additional views of Senators KENNEDY, PELL, EAGLETON, RIEGLE, and METZENBAUM.

One further item, Mr. President. When the printed report of the committee was delivered by the Government Printing Office, it was determined that four paragraphs had been inadvertently omitted from the additional views. In order to remedy this deficiency, an addendum to the report was immediately prepared and distributed to each Member of the Senate. I can assure you, Mr. President, that this oversight by the Government Printing Office was simply that—an oversight.

II. BACKGROUND AND QUALIFICATIONS

On December 16, 1980, then President-elect Reagan announced his intention to nominate Raymond J. Donovan of New Jersey to be the Secretary of Labor. In due course, that announcement was received by the Senate and referred to the Committee on Labor and Human Resources. Raymond J. Donovan has been the subject of extensive investigation by the committee.

Mr. Donovan is 50 years of age and resides in Short Hills, N.J. He is and has been since 1959 associated with Schiavone Construction Co., 1600 Paterson Plank Road, Secaucus, N.J. At the present time, he serves as executive vice president of Schiavone Construction Co.

Mr. Donovan is a unique product of the American experience. He is one of 12 children of David and Eleanor Donovan. He received his grammar school education in Bayonne, N.J. He then spent 3 years of high school and 2 years of college at St. Joseph's Preparatory Seminary in Holy Trinity, Ala., and 2 years of college at Notre Dame Major Seminary in New Orleans, La.

Mr. Donovan at one time intended to become a priest in the Roman Catholic Church. Through his attendance at seminary, he has the equivalent of a bachelor's degree, with a major in philosophy and a minor in theology.

After leaving Notre Dame in 1952, Mr. Donovan supported himself in the insurance business as a salesman and later as an assistant bond department manager. In 1957 Mr. Donovan was married to the former Catherine Sblendorio. From September 1958 to January 1959, Mr. Donovan worked for the Norton Insurance Agency of Englewood, N.J., as bond department manager. One of Mr. Donovan's duties at that time was to become familiar with contractors in the area in order to secure their bonding business for his employer. One of the men that Mr. Donovan met during the course of his business was Ronald Schiavone, who in 1956 had started the Schiavone Construction Co. with $20,000 that he had saved during his career as a civil engineer. Although Mr. Schiavone was operating out of the bedroom of his home at the time, in February 1959 Mr. Donovan left his position at the Norton Insurance Agency and invested his total savings—some $5,600—in Schiavone Construction Co. Since that time Mr. Donovan and Mr. Schiavone and the other officers of this company have guided it to a great success. In these past two decades Schiavone Construction Co. has performed approximately one billion dollars' worth of contracts.

Mr. Schiavone, the president of Schiavone Construction Co., graduated from Dartmouth College and received a masters degree in civil engineering, also from Dartmouth. Joseph DiCarolis, senior vice president—field operations, is a graduate of Princeton University with a degree in civil engineering. Richard Callaghan, senior vice president—internal engineering and design, is a graduate of Cornell University with a degree in civil engineering. Morris J. Levin, secretary—corporate counsel, has a degree in civil engineering from Brown University and is a graduate of Seton Hall Law School, admitted to practice in the State of New Jersey.

During the time Mr. Donovan served at Schiavone Construction Co., he worked on a day-to-day basis not only in the financial and business end of the company, but in the labor-management relations field. During this period he conducted negotiations and dealt with union representatives on a variety of problems. Mr. Donovan is not, therefore, a theorist in the field of labor relations. Mr. Donovan is a man with practical, on-the-job training; a man uniquely qualified by his background, his education, his commitment to the President, and by the fact that the President trusts him implicitly, to be Secretary of Labor.

III. FIRST HEARING

Pursuant to its normal procedure and prior to the committee's first hearing on Mr. Donovan's nomination, the FBI conducted a background investigation which covered Mr. Donovan's entire adult life since graduation from high school. During this investigation some 49 persons, consisting of current and former supervisors, coworkers, business associates, and social acquaintances were interviewed. They attested to his loyalty, responsibility, the fact that he is hardworking, dynamic, capable, and responsible, and they all recommended him for a position of trust and responsibility. During the initial background investigation the FBI noted that the central files of the FBI contain no pertinent information on Raymond J. Donovan. It did note that Schiavone Construction Co. is the indirect subject of a current FBI investigation based on allegations that a union president misused pension and welfare funds and received kickbacks of laundered money for awarding "sweetheart" contracts. The Schiavone Construction Co. and Raymond Donovan are not targets of this investigation and the FBI has found no criminal wrongdoing with regard to them.

In a supplemental FBI report dated January 7, 1981, the Director of the FBI advised the committee that two allegations had come to the Bureau's attention regarding Schiavone Construction Co. The first allegation was that in 1967 Schiavone Construction Co. made a payment to the Kantor Supply Co., reportedly a dummy company involved in illegal money laundering activities. The second allegation was that Schiavone Construction Co. had been criminally extorted by an officer of Teamsters Local 282 in New York City.

During the January 12 hearing before the Committee on Labor and Human Resources, Mr. Donovan was questioned extensively by all members of the com-

mittee present on his personal background, his attitude toward the problems in the Department of Labor, and subsequently answered in writing, a number of questions propounded by committee members pertaining to Mr. Donovan's views on the problems he will face at the Department of Labor. This material may be found on pages 182–224 of the hearing record.

The committee also delved deeply into the Kantor Supply Co. allegation and the allegation concerning extortion of the Schiavone Construction Co.

The Kantor Supply Co. allegation is based on an allegation by Irving Kantor, a now deceased organized crime figure, who said that at the behest of Joe Biancone, another organized crime figure, Kantor set up a money laundering operation called the Kantor Supply Co. According to Mr. Kantor, he would deliver blank invoices to various companies who would then remit a check payable to Kantor Supply Co. although no goods or services had been ordered from, nor had any been delivered by, Kantor Supply Co.

Kantor testified in connection with the grand jury proceedings in 1970 that on one occasion he gave a blank invoice to Schiavone Construction Co., and implied that he had picked up a check at the same time. The Schiavone Construction Co. records indicated that a check had been issued to Kantor Supply Co., on August 30, 1967, in the amount of $13,000. An internal memo filed with this check stated the check was for the right to dump landfill material at a particular site in connection with work Schiavone Construction Co., was doing on the New Jersey Turnpike. The memo authorizing the payment was initialed by Mr. Donovan. It now appears that Mr. Kantor may not have owned the property where he claimed to have dumping rights, although the ownership rights are still unclear.

Mr. Donovan testified that he had no involvement in the selection of the site and that payment was made after the dumping had been completed.

To date Schiavone Construction Co. has never been asked to remove fill from any site where it dumped, nor has it in this case. So far as Schiavone Construction Co. and Mr. Donovan are concerned, this transaction was in the regular course of business, and it was not until several years later that any questions were raised about it.

It is interesting that when Mr. Donovan and Mr. Schiavone read in a Newark newspaper that there was an investigation concerning the Kantor Supply Co., their reaction was immediate. Mr. Schiavone and Mr. Donovan sought a meeting with the U.S. attorney and explained the background of the $13,000 check. They explained that Schiavone Construction Co. had never done any work for the city of Newark. The U.S. attorney was operating on the assumption that Kantor Supply Co. money was being used to unduly influence public officials in the city of Newark.

Schiavone Construction Co. officers, including Mr. Donovan, volunteered to be interviewed and they were interviewed. Schiavone Construction Co. also made available voluntarily any materials that it had in the way of books, checks or records. The U.S. attorney later subpenaed the company's books and records, and three large truckloads of materials were supplied. All were reviewed by the U.S. attorney and by the Internal Revenue Service. After 3 years of examination, the Schiavone books and records were returned by the U.S. attorney, and the IRS sent a "no change" letter signifying that the company's taxes had been accurately and fully paid.

The testimony by Mr. Donovan and the facts brought to the attention of the committee mandated our conclusion that Mr. Donovan had no specific knowledge of this transaction and had no reason to question it at the time. Schiavone Construction Co. did, in fact, dump fill, as it had contracted to do, and whether or not Kantor Supply Co. may have been a conduit for political payoffs to Newark officials, Schiavone Construction Co., since it did no work in the city of Newark, stood to gain nothing from such a payoff. The committee concluded that the Schiavone Construction Co. was, at most, an innocent participant in Mr. Kantor's nefarious scheme.

The second allegation considered at the January 12 hearing was the hiring by Schiavone Construction Co. of Joseph Murray, the chauffeur for Harry Gross, the business agent with Teamsters Local 282 in New York City.

In 1977, while Schiavone Construction Co. was working on the 63rd Street subway excavation job on a two shift basis, a decision was made to experiment with a third shift. As soon as the third shift began, Mr. Gross demanded that a working Teamster foreman be assigned to the shift. This was initially refused by Schiavone Construction Co. Thereafter, when the decision was made to continue the shift on a permanent basis, Mr. Gross again made his demand. Joseph DiCarolis, the vice president in charge of field operations, sought the advice of William Finneran, the executive director of the General Contractors of America, the heavy construction trade association for metropolitan New York City of which Schiavone Construction Co. was a member. Mr. Finneran's office advised Mr. DiCarolis that Schiavone Construction Co. was a party to a multiemployer bargaining agreement with Local 282 and that one of the provisions of that agreement stated, "If the job is a multishift job, there shall be a WTF (Working Teamster Foreman) for each shift." Based on this advice, Mr. DiCarolis acceded to Mr. Gross' demand.

The man chosen by Local 282, Mr. Murray, was paid but he did not work. Ordinarily, a working Teamster foreman is responsible for assuring that only Teamster drivers come to a job site, policing the collective bargaining agreement and conducting safety checks on the trucks. None of these duties inure to the benefit of the contractor; they inure to the benefit of the union. In this instance, no hauling could be done at night because of the antinoise restrictions in New York City; therefore there was nothing for Mr. Murray to do. Nevertheless, Schiavone was required to place him on the payroll, and did so.

Mr. Gross is currently under investigation by the U.S. attorney in New Jersey. Mr. DiCarolis and two other Schiavone Construction Co. employees were subpenaed to testify before a grand jury concerning Mr. Gross. The other two employees appeared briefly to identify documents, and Mr. DiCarolis testified for approximately 5 minutes and recalls that he said Schiavone Construction Co. had not been extorted. Mr. Donovan became aware of the grand jury shortly before the January 12 hearing because Mr. DiCarolis had not felt that the matter needed to be brought to the attention of Mr. Donovan.

Subsequent to the January 12 confirmation hearing, Senator KENNEDY and I were advised by Judge Webster that allegations concerning Mr. Donovan and the Schiavone Construction Co. had been made by a protected witness of the FBI, Ralph Michael Picardo. I therefore directed the FBI to use every resource at their command to run down each allegation that had been made which was material to Raymond Donovan's nomination and to keep Senator KENNEDY and me fully apprised of all developments.

In carrying out its portion of the investigation, the FBI utilized 62 special agents, 8 supervisory personnel, and other support personnel, comprising 1,400 man hours in interviewing people and correlating information. This took place in 14 field offices as well as FBI headquarters. The FBI contacted 20 informants and protected witnesses—12 in New York and 8 in New Jersey. As an example of the thoroughness of the FBI investigation, the FBI utilized 26 special agents, including three special agent accountants, one of whom was a CPA, in reviewing the records of the principal Schiavone enterprises.

These agents examined 20 cash disbursements journals, 90,000 cancelled checks and an equal number of invoices for the period 1965–70. Records were available at Schiavone Construction Co. to cover the entire period in question—1965–66. As testified by Mr. Francis M. Mullen, Executive Assistant Director, Investigations, Federal Bureau of Investigation, the prospects of the FBI having missed any records relating to the transactions alleged by Mr. Picardo were "extremely remote."

In my opinion, and the opinion of at least 10 other Senators on the committee, Mr. President, the FBI investigation of the allegations made against Mr. Donovan by Mr. Picardo and the other sources was as thorough, as detailed and as extensive as could be asked. Although there was a limited amount of time in which to conduct this investigation, Mr. Mullen stated that shortage of time was not an inhibiting factor. The FBI simply used more resources to accomplish the task in the shorter period of time.

Ralph Michael Picardo is a paid informer who is presently under the FBI's protection. At one time Mr. Picardo was protected by the U.S. Marshal's office, but because of complaints that he made against the U.S. Marshal's office, he is presently being handled by the FBI, which pays him maintenance expenses and provides protection. Mr. Picardo has lived a life of crime. He is the first person to admit it. He was charged with contempt of court in 1968, passing bad checks in 1969, theft from interstate shipment in 1969, and murder in 1974. In 1974 Mr. Picardo was convicted of murder in the second degree and was sentenced to serve 15–20 years in prison. During that period, an attempt was made on Mr. Picardo's life, and thereafter Mr. Picardo became a protected informant and witness for the Federal Government.

Mr. Picardo has testified in four cases for the FBI and is deemed by the FBI to be a "reliable" informant. It should be pointed out that the FBI defines a "reliable" informant as an individual who over a period of time furnishes information which is later verified. It has been pointed out that when Mr. Picardo testified previously, his testimony was corroborated by someone else or something else. As I will point out later, Mr. President, in this particular instance none, I repeat none, of Mr. Picardo's charges against Mr. Donovan could be corroborated, despite the massive investigation by the FBI.

The allegations against Mr. Donovan and Schiavone Construction Co. were considered in a detailed hearing by the Committee on Labor and Human Resources on January 27, 1981. At the commencement of that hearing Senator KENNEDY made available for the record a copy of the January 23, 1981 report of the FBI which may be found on pages 233–251 of the hearing record. It should be pointed out that in a few instances names were excised from the report in order to protect the confidentiality of the informants, and in one case, which I will discuss later, full paragraphs were stricken from the report prior to its being placed into the record.

The allegations considered by the FBI and examined at the January 23 hearing consisted of allegations by Mr. Picardo as well as a number of allegations from other sources. Because of the limited time, Mr. President, I do not propose to respond in detail to all of the allegations, but I would commend to the attention of my colleagues pages 25–27 of the committee report, which summarizes some of these allegations and sets forth the findings of the FBI and the committee in regard to the allegations. I will point out, however, that each and every allegation made against Mr. Donovan was explored, discussed, probed, and I believe resolved in his favor in that hearing. No allegation was shied away from; no issue was ducked; no question was left hanging.

Some of the allegations of Mr. Picardo and the other anonymous sources were not subject to resolution by normal investigative techniques. I will deal with those allegations a bit later, Mr. President. Some of Mr. Picardo's allegations were, however, subject to investigative scrutiny by the FBI, and in each and every instance these allegations proved to be false.

For example, Mr. Picardo stated that he believed Schiavone paid for "labor peace" during the construction of the Port Authority landfill in 1971 or 1972, which subsequently became the Newark Airport. As the FBI report and Mr. Donovan both point out, Schiavone Construction Co. did not do work on the Port Authority landfill in 1971 or 1972. Mr. Picardo, I submit, was flat-out, dead wrong. Not mistaken, not just close; but completely and totally wrong.

In another instance, Mr. Picardo states that in late 1969 or early 1970 he was told by Salvatore Briguglio—now deceased—that Moscato Contractors was run by organized crime elements and were subcontractors for Schiavone Construction Co. frequently as a means of assuring "labor peace." Mr. Donovan denies any knowledge of Moscato Contractors, and an FBI search of the Schiavone Construction Co. active and inactive vendor cards found no card for a Moscato or Moscato Contractors. In addition, the FBI Newark field office could not even find a Moscato Contractors operating in New Jersey, let alone find a connection between Moscato Contractors and Schiavone Construction Co. Again, I submit, a specious, false, and thoroughly disproved allegation.

In another instance, Mr. Picardo indicated that in 1968 when he was part owner of the Taylor Trucking Co., Taylor Trucking Co. would often haul the same shipment of precast concrete to a Schiavone construction site as many as 20 times, receiving payment for the shipment on each occasion. Mr. Picardo alleged that these overpayments were a means of buying "labor peace." Mr. Picardo stated that this story would be corroborated by another witness of Utica, N.Y., if he could be located. This other witness was located by the FBI and recalled phony invoices for precast concrete slabs used for curbs on the Long Island Expressway and for the construction of a building at Lake Success. He further stated that it was common knowledge that "ghost loads" were being billed for the Long Island Expressway. However, he stated he could not furnish any specific information because he never saw any paperwork or payoffs relating to them.

Mr. Donovan pointed up in his testimony that Schiavone Construction Co. has never done work on the Long Island Expressway, nor was it involved in any building at Lake Success. As a matter of fact, Schiavone Construction Co. does not erect buildings.

Mr. Picardo further claimed that Schiavone Construction Co. received public contracts through a man he believed to be a State senator named Musto. William Musto, State senator of the State of New Jersey and the current mayor of Union City, is the subject of a current FBI investigation. The FBI found no evidence to support Mr. Picardo's allegation. Mr. Donovan pointed up that Schiavone Construction Co. has never done work in Union City, N.J., and in fact does not do work for municipalities. Another specious allegation.

The foregoing allegations by Mr. Picardo are the only allegations he made that were susceptible of corroboration by normal investigative techniques. In each case the FBI followed the leads supplied by Mr. Picardo; in each case these leads turned out to be useless and the allegations proved to be false.

The more troublesome aspect of Mr. Picardo's allegations involve his tale during the period 1965–66 while he was employed by Salvatore Briguglio, a now deceased organized crime figure. Picardo states he called on Schiavone Construction Co. approximately 10 times, and on each occasion would give a blank invoice in exchange for a check drawn on a Schiavone account for approximately $500. Mr. Picardo states that on three or four of these occasions he was given this check by a man he called "Ray".

I do not intend to belabor the many instances in which the threads of Mr. Picardo's fabric was unravelled during the hearing an January 27. However, this one point I do feel merits elaboration. Mr. Picardo's physical description of the man he knew as "Ray" included the detail that "Ray" wore plastic framed glasses. I specifically asked the FBI to requestion Mr. Picardo on that point and I specifically asked my chief counsel to ask Mr. Picardo that detail. Mr. Picardo sticks to that version. The fact of the matter is this. Ray Donovan has never worn plastic framed glasses in his entire life. He only began to wear silver metal framed glasses 4 years ago. Previously he only wore reading half-moon glasses at home when he was reading. These were half lens glasses with black metal frames. Mr. Picardo's story unwinds with the telling.

Mr. Briguglio and Mr. Donovan are the only people who could verify this allegation by Mr. Picardo. Mr. Briguglio is dead, Mr. Donovan denies emphatically even knowing Mr. Picardo and denies emphatically that he was ever extorted or that Schiavone Co. was ever extorted.

The FBI in an effort to corroborate this story, conducted a massive investigation of the books and records of the Schiavone Construction Co., as I previously indicated, and was unable to find any checks payable to the companies Mr. Picardo stated he utilized in submitting fraudulent invoices. It is Mr. Picardo's story that suggests that checks and invoices were the scheme utilized. As pointed out in questioning by Senator EAGLETON, in this sort of shakedown the normal procedure would be to use cash. Nevertheless, Mr. Picardo stated that checks on the "Schiavone" account were utilized, and the FBI, despite hundreds of man-hours of searching some 90,000 checks and invoices, was unable to find any checks or any invoices during the period in question and cannot therefore corroborate in any way Mr. Picardo's allegation. I ask my colleagues to judge closely this allegation given the amount of time and effort put into its investigation.

Another allegation made by Mr. Picardo was that in 1971 or 1972 he saw the person he now identifies as Ray Donovan having lunch at Archer's

Restaurant with Salvatore Briguglio and Tommy Eboli. He stated further that he was told several days after the lunch that the person he saw with Mr. Briguglio and Mr. Eboli was "Ray, one of the executives from Schiavone."

Mr. Briguglio, as previously pointed out, is deceased. Tommy Eboli is also deceased. Information reported to the FBI indicated that Archer's Restaurant, Fort Lee, N.J., was reputed to be a meeting place for individuals associated with organized crime. Mr. Donovan, the only living witness to this event other than Mr. Picardo, emphatically denies knowing Mr. Briguglio or Mr. Eboli and, of course, denies having lunch with them at Archer's or any place else. Mr. Donovan states he did at one time have lunch at Archer's with his partners, and he recalls that while there he saw Phil Rizzuto, the baseball player. I ask you to weigh the reliability of this allegation given the weight of the false allegations from the same source.

The last series of allegations which the committee had to deal with and which, as I will later point out, caused difficulty to those members who provided additional views, had to do with a statement in the FBI report that "sources" indicate that Schiavone Construction Co. is "mobbed up." And further that Schiavone Construction Co. is closely alined with organized crime elements through its contacts with Jopel Construction Co., headed by William Masselli. One of these same sources alleged that Mr. Donovan was acquainted with organized crime figures through Mr. Masselli, both socially and through business.

The FBI pointed up that these informants were generally considered to be reliable but most, if not all, were criminals. None of the informants was able to give any further particulars as to the charges. No names, no dates, no places, no times. Only hearsay. The representatives of the FBI who supervised the investigation in a conference with Senator KENNEDY and me, indicated that it is not unusual for informers to report rumors and unfounded hearsay which, so far as they know, is correct simply because they have heard it.

It is noteworthy that of the 20 sources contacted by the FBI in the New York area, only three sources had heard anything about Schiavone Construction Co. and Raymond Donovan. The other 17 sources had no adverse information at all. It is also noteworthy that the FBI was unable to further investigate these charges simply because they are nonspecific and generalized in nature.

Mr. Donovan, in his testimony, stated that Schiavone Construction Co. has done business with Jopel Construction Co. and that Jopel Construction Co. is a minority business enterprise so certified by the New York Transit Authority. Further, that Schiavone Construction Co. first became aware of Jopel Construction after a subcontractor about to go bankrupt had asked that Jopel take over its contract with Schiavone Construction Co. Mr. Donovan stated that he knows Mr. William Masselli from having seen him on the job site at most three times in his life; that he has never had any social contact with Mr. Masselli, and was unaware until he saw the FBI report that Mr. Masselli had any ties with organized crime.

The other difficult allegation which the committee investigated was a report by a protected witness of the FBI, one Patrick Kelley, which was made orally to the FBI and reported to me and to Senator KENNEDY prior to the commencement of the hearings. The FBI also testified about this allegation during the hearing. According to the FBI, on January 26, Mr. Kelley telephonically advised the FBI that he had heard that the Schiavone Construction Co. had ties with the Genovese crime family and further that he had heard Ray Donovan's name in a conversation pertaining to bid rigging.

Although Mr. Kelley did provide the FBI with the names of several individuals who were present during the conversation, Mr. Kelley could provide no names, no dates, or no contracts to corroborate Schiavone ties to the Genovese family or to attempted bid rigging. Nor did he indicate that the other named individuals could do so. The FBI, as the investigative arm of the executive branch, made an institutionalized decision at that time, that Mr. Kelley's leads were general and nonspecific in nature and did not merit further investigation. With all due respect to any member of this body who feels otherwise, as chairman of the Committee on Labor and Human Resources, I am not prepared to second guess the FBI and ask them to expend another 1,400 hours in pursuing puffs of smoke floating about New Jersey and New York. Their decision, as embodied in this letter to me, dated February 2, 1981, is sufficient for me, and I believe for any other fair-minded U.S. Senator. This letter reads as follows:

DEAR MR. CHAIRMAN: In response to your letter this morning regarding the investigation of Raymond J. Donovan and the information furnished to the FBI by Patrick Kelley, I wish to make you aware of the following:

Patrick Kelley originally came to the FBI's attention in connection with the background investigation of Mr. Donovan, as a result of information furnished by representatives of your Committee. It was pointed out that Mr. Kelley, who is in the witness security program, ran a major construction company in New Jersey for some years, knows of mob activities of many kinds involving construction companies throughout Northern New Jersey and would know about the activities of the Schiavone Construction Company (SCC) and Raymond J. Donovan.

After several unsuccessful attempts to reach Mr. Kelley, he telephonically contacted the FBI on the afternoon of January 26, 1981. He advised that SCC has a reputation for having connections with organized crime elements; however, he was unable to identify anyone at SCC who had those contacts. He stated he did hear Mr. Donovan's name mentioned only once. This was during a meeting he attended with three other individuals during which road contracts in New Jersey were being discussed. One of these individuals, whose last name he could not recall, mentioned Mr. Donovan's name in connection with bid-rigging to obtain these contracts. Mr. Kelley furnished no additional information concerning this meeting and did not identify the contracts involved or the time during which they were sought, nor did he elaborate on Mr. Donovan's role. When questioned further, Mr. Kelley could not provide any additional information regarding Mr. Donovan.

The information obtained from this interview was furnished orally to representatives of your committee, who originally provided the information to the FBI and was also commented upon during testimony on January 27, 1981, before the Committee. A review of the files of the Newark and New York offices gives no indication that Mr. Donovan, acting alone or on behalf of SCC, was involved in bid-rigging concerning contracts.

As I stated during my testimony before the Committee on Labor and Human Resources on Tuesday, January 27, 1981, the FBI conducted a background investigation which I believe was more than adequate to determine Mr. Donovan's suitability for the position of Secretary of Labor. No additional information has come to the attention of the FBI which would warrant further effort in a criminal or applicant-type investigation. As I have indicated, both in my testimony and in prior communications to you, the preponderance of information developed was entirely favorable to Mr. Donovan.

Sincerely yours,

FRANCIS M. MULLEN, Jr.,
Executive Assistant Director, Investigations, Federal Bureau of Investigation

IV. DISCUSSION

The Raymond J. Donovan confirmation hearings could well have come directly from the pen of Alan Drury in writing "Advise and Consent". The hearing has been replete with informed sources, convicted murderers, informants and the denizens of an underworld which each of us knows exists, but with which we are unfamiliar. This has been a trying experience for the members of the committee, but it has been a particularly trying experience for Raymond J. Donovan and his family, as well as the officers and employees of the Schiavone Construction Co.

As I have participated in this process, Mr. President, I have often been reminded of the wisdom of our forefathers when they adopted the sixth amendment to the Constitution of the United States, which provides that an accused shall enjoy the right to be confronted with the witnesses against him. In this case, Ray Donovan—though, admittedly, not an "accused" in the sixth amendment sense, has not had the advantage of confronting the witnesses accusing him. In fact, with the exception of Mr. Picardo and a few others mentioned in the FBI report he does not even know the names of those who have made charges against him. He has never met them, has never had the chance to test their knowledge and, because these are protected informants, he will never have that opportunity.

The Committee on Labor and Human Resources has likewise been denied the normal tools for ascertaining the truth—the ability to cross-examine, the opportunity to observe the demeanor of a witness and the chance to test his knowledge. We also have been confronted with a phenomenon in this hearing, Mr. President, which I have not experienced during my entire Senate experience—namely, that an allegation once made, no matter how remote, no matter that it is based on rank hearsay, no matter that it is utterly conclusionary, can never be totally discarded because, at least some Senators argue, it cannot be disproved.

An obvious example of this dilemma is Mr. Picardo's statement that he was told

by Salvatore Briguglio in late 1969 or 1970 that Schiavone Construction Co. was making direct cash payoffs to Briguglio and that he was receiving them from "Ray, the boss at Schiavone." Mr. Donovan, of course, denies that he knew Mr. Briguglio; he denies as well making any payment to Mr. Briguglio, cash or otherwise. But under the reasoning of some Senators, this does not disprove the allegation. Since Mr. Briguglio is dead, there is simply no way the FBI, Mr. Donovan, or this committee can proceed further, and yet some members would argue that this casts a cloud on Ray Donovan, a cloud that casts a question on his ability to serve as Secretary of Labor.

Those members of the committee who voted favorably on Mr. Donovan's nomination have refused to accept this litany of despair. We do not feel that unsupported, hearsay, conclusionary, allegations made by a convicted murderer or unnamed source should overcome all the other evidence that the committee had to consider.

This committee has had the benefit, as I have pointed out, of a massive FBI investigation. The FBI further testified that a review of all of their court ordered wiretaps over a 10-year period directed at organized crime in the New Jersey area, which included the trucking industry, revealed no mention of Raymond Donovan or the Schiavone Construction Co.

The committee had the knowledge that the supervisory official of the FBI, which had ongoing investigations into Jopel Construction, into the Gross matter, and access to untold amounts of information concluded from their investigation, and I quote Mr. Mullen as late as January 29:

I stand by the results of this investigation, which surfaced no information which would reflect unfavorably upon Mr. Donovan in any manner.

In addition, both the FBI Director and the FBI testifiers testified that they felt that their investigation had resolved itself in favor of Mr. Donovan. Furthermore, those who testified for the FBI said that had there been a criminal investigation they would have discontinued it a long time ago for lack of evidence.

In addition to the FBI investigation, the committee had the benefit of a long and intensive examination of Mr. Donovan, a man who has never been arrested, has never been charged with any crime, has never been the target of any investigation, and who has never appeared before a Federal or State grand jury. Mr. Donovan, unlike Mr. Picardo, who refused to testify publicly before the committee or in an executive session, freely took an oath and freely answered all the questions put to him by all members of the committee. We had the opportunity to see him, to test his knowledge, to expose him to cross-examination, and I think it is fair to say, Mr. President, that Mr. Donovan passed these tests with flying colors.

One additional fact—letters of support for Mr. Donovan were received from Judge Frederick B. Lacey, U.S. District Court for the District of New Jersey; Lawrence A. Whipple, senior judge, U.S. District Court for the District of New Jersey; and a telegram from Judge Herbert J. Stern, U.S. District Court for the District of New Jersey. These letters are pertinent because U.S. District Court Judges do not normally participate in confirmation proceedings. The letters from these three judges are particularly important because Judge Lacey and Judge Stern were both U.S. attorneys who conducted investigations of construction firms in New Jersey, including the Schiavone Construction Co. and both support Ray Donovan's confirmation. Judge Whipple had the occasion during a bankruptcy proceeding, in which Schiavone Construction Co. was a proponent, to observe the testimony of Raymond J. Donovan, who testified on behalf of the company. As Judge Whipple points out in his letter of January 26, 1981, which is found on page 325 of the hearing record:

During the course of this proceeding there was raised a question of a current Grand Jury investigation of the books and records of Schiavone Construction Co. which conceivably could affect the ultimate outcome of the reorganization proposals. I inquired of the then United States Attorney, Herbert J. Stern and requested information as to the status of the investigation. Mr. Stern visited my chambers and informed me that the company had in effect a clean bill of health and accordingly I noted on the record of that proceeding that fact. It was my opinion then and is now, that Schiavone Construction Co. was a company that could be depended upon and was a reputable and reliable proponent in the reorganization proceeding.

Yes, Mr. President, the committee has had hard, solid evidence, and every bit of that evidence has led to the conclusion of the 11 members who favorably reported Mr. Donovan's nomination to the Senate.

I respectfully disagree, Mr. President, with one member of the committee who observed that in his opinion Mr. Donovan did not have a "towering reputation" in the labor field. Mr. Donovan is not from the groves of academe. Neither has he published widely on the subject of labor-management relations. But this is not to suggest for a moment that he is not qualified by real, honest-to-goodness on-the-job training to become one of the great Secretaries of Labor.

Mr. President, I do not feel that only academics—or only union leaders, for that matter—can well serve at the Department of Labor. I think Mr. Donovan, though he probably would describe himself as a common man, is uncommonly qualified and for that reason I support him wholeheartedly.

I am sure many of my colleagues are aware that after our hearing on January 27 Mr. Picardo appeared on the "Today" show on NBC network television and in an interview restated some of his allegations. This may well have been good theater, Mr. President, but it was hardly becoming of a man who had refused to testify before the committee unless certain impossible conditions were met. And Mr. Picardo stated nothing on the "Today" show that he had not been previously thoroughly investigated by the FBI. After I learned of Mr. Picardo's appearance, I inquired of Mr. Mullen about the appearance, and received from him a letter dated January 29, which reads as follows:

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATCH: In response to your inquiry this morning regarding Ralph Picardo's appearance on the Today Show which occurred this morning, I wish to make you aware of the following information:

Mr. Picardo's appearance was undertaken by him without the support or concurrence of the FBI. Mr. Picardo made arrangements for his appearance on his own, and while we cannot prevent him from dealing with the media he is doing so entirely on his own accord.

I have observed Mr. Picardo's appearance and wish to restate that the background investigation of Mr. Raymond Donovan, conducted by the FBI, was thorough and complete, and the short time frame did not detract from the overall investigation inasmuch as we utilized substantial resources. I stand by the results of this investigation which surfaced no information which would reflect unfavorably upon Mr. Donovan in any manner. No new information has come to my attention since my testimony before the House Committee on Labor and Human Resources on Tuesday, January 27, 1981, to mitigate any statements made during my testimony.

Sincerely yours,

FRANCIS M. MULLEN,
Executive Assistant Director,
Investigations.

I can think of no more fitting conclusion to my remarks than to reemphasize a point Mr. Mullen made in that letter; namely, "... this investigation ... surfaced no information which would reflect upon Mr. Donovan in any manner." Mr. President, Mr. Donovan has survived the most grueling investigation of any Cabinet nominee, certainly in my lifetime. He deserves not only the support, but the admiration of the Senate, and it is my hope that very shortly we will show him by our votes that he is believed by this body so that he may go forward and carry on the great duties that await him.

Mr. President, I think it would be a shame, all things considered, the extent of the investigation, the extent of the committee work, the extent of the opportunities to observe and examine Mr. Donovan, if we took the word of hearsay testimony and the word of a convicted murderer over that of Mr. Donovan.

I think there is no question that all of us who believe that Mr. Donovan should receive this nomination are relying heavily upon the total investigation and what the FBI has found. There is no question about it.

On the other hand, I believe everybody there who observed Mr. Donovan personally had to feel as I did, that this is an exceptional individual and we believe an honest person.

I think it is time to bring this matter to a close.

Certainly there are others who want to speak to it, but at this time I ask for the yeas and nays on this nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. Mr. President, I also ask unanimous consent that various letters be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. DISTRICT COURT,
DISTRICT OF NEW JERSEY,
Newark, N.J., January 26, 1981.

Hon. ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR HATCH: I am presently serving as Senior Judge in the United States District Court for the District of New Jersey, having been the former Chief Judge of this Court. During my tenure as District Judge, I was assigned the imperial "400" case, a reorganization matter in which Schiavone Construction Co. was one of many proponents. I had the opportunity to observe and reflect on the testimony of Raymond J. Donovan who was one of the majority stockholders and an officer of the company. Mr. Donovan testified at great length and was exposed to vigorous cross-examination by other attorneys representing proponents and by attorneys representing the Securities and Exchange Commission. His veracity and truthfulness was never questioned and he impressed me as an honest, credible and truthful witness.

During the course of this proceeding there was raised a question of a current Grand Jury investigation of the books and records of Schiavone Construction Co. which conceivably could affect the ultimate outcome of the reorganization proposals. I inquired of the then United States Attorney, Herbert J. Stern, and requested information as to the status of the investigation. Mr. Stern visited my chambers and informed me that the company had in effect a clean bill of health and accordingly I noted on the record of that proceeding that fact. It was my opinion then and is now, that Schiavone Construction Co. was a company that could be depended upon and was a reputable and reliable proponent in the reorganization proceeding.

In my judgment, based upon my experience over the years in innumerable criminal and civil trials, that Mr. Donovan as a witness is one in whose word and testimony I would believe. It may be also noted that the books, corporate records and financial statements of Schiavone Construction Co. were examined in minute detail, marked in evidence and at no time was there any indication of any improper holding of stock by unnamed parties or any improper or illicit dealings by officers of the company.

I am available to testify on behalf of Mr. Donovan at any time before your Senate Committee, but again I reiterate, that this man has a reputation in the community beyond reproach. I unhesitantly recommend him for confirmation as Secretary of Labor.

Very truly yours,

LAWRENCE A. WHIPPLE,
U.S. District Judge.

U.S. DISTRICT COURT,
DISTRICT OF NEW JERSEY,
Newark, N.J., January 26, 1981.

Hon. ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR HATCH: I have been asked to address this letter to you.

While United States Attorney, engaged in directing the City of Newark prosecution and grand jury investigation, I suggested, and the grand jury authorized, issuance of subpoenas to virtually every large construction firm in Northern New Jersey, for production of records and testimony of their principals. In some instances criminality was uncovered; and in certain cases, we encountered "stonewalling" or resistance. Such was not true of Schiavone Construction Co. or its principals from whom my office received complete cooperation.

To my knowledge, Mr. Raymond J. Donovan is a responsible businessman who enjoys a reputation for honesty and integrity in the State of New Jersey and elsewhere.

Sincerely,

FREDERICK B. LACEY.

JANUARY 26, 1981.

Hon. ORRIN G. HATCH,
U.S. Senator, Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, D.C.

At the request of Joseph Nolan, attorney for Schiavone Construction Company, I am confirming that during my tenure as United States Attorney for New Jersey, 1971 to 1973, the books and records of the Schiavone Construction Company were examined by members of my staff and investigative agents. No evidence of any wrongdoing was found.

Sincerely,

HERBERT J. STERN,
U.S. District Judge.

BUILDING AND CONSTRUCTION
TRADES DEPARTMENT,
Washington, D.C.

Hon. ORRIN G. HATCH,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

On behalf of the Building and Construction Trades Department of the AFL–CIO we urge you to expedite the confirmation of Mr. Donovan as Secretary of Labor. There are many urgent matters pending at the Labor Department of vital interest to workers which will not be processed without a Secretary of Labor. It is our information that although Mr. Donovan does not concur in all of our views that he is a reasonable and fair person with a great deal of integrity, therefore, we again ask you to expedite his confirmation so that the business of the Labor Department can be conducted without delay.

Sincerely,

ROBERT A. GEORGINE,
President.

JANUARY 12, 1981.

Senator ORRIN HATCH,
Dirksen Office Building, U.S. Senate,
Washington, D.C.

DEAR SENATOR HATCH: I sincerely trust that Mr. Donovan will be confirmed for the appointment to serve as Secretary of Labor. My organization leaders in New Jersey indicate that he has genuine insight and sensitivity with reference to the self help principles and the need for employment training that we know to be most cost effective.

I feel certain that the Senate should concur in the judgment of the President-elect that Mr. Donovan will serve effectively in the public interest. Thank you.

Sincerely,

REV. LEON SULLIVAN,
Chairman, CIC of America.

INTERNATIONAL UNION OF
OPERATING ENGINEERS,
Washington, D.C., January 26, 1981.

Hon. ORRIN G. HATCH,
Chairman, Labor and Human Resources Committee, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR HATCH: I am taking the liberty of writing to you in support of the confirmation of Raymond Donovan as Secretary of Labor.

Mr. Donovan brings an abundance of practical experience and managerial skills to the Executive Branch of our Government. In particular, I refer to his labor relations experience. Mr. Donovan enjoys an excellent reputation both in the business community and organized labor.

The leaders of our local unions, as well as other unions in the building trades who have dealt with him in labor matters, advise me that he is honest, fair and a man of great integrity.

In the decade ahead it is apparent that the construction industry will play a key role in the literal rebuilding of America and in establishing a sound and healthy economy. I firmly believe that Mr. Donovan has much to offer in contributing to the achievement of this goal.

In summary, I endorse without qualification Mr. Donovan's confirmation.

Sincerely,

FRANK HANLEY,
General Secretary-Treasurer.

BROWN, CONNERY, KULP, WILLE,
PURNELL & GREENE, ATTORNEYS
AT LAW AND PROCTORS IN ADMIRALTY,
Camden, N.J., January 26, 1981.

Re Raymond J. Donovan Labor Secretary Designate

Hon. ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR HATCH: I served as Chairman of the New Jersey Commission of Investigation from January 1974 to February 1979. The Commission has the responsibilities of publicly exposing wrongdoing by fact-finding investigations and of recommending new laws and other remedies to protect the integrity of the political process.

The paramount statutory responsibilities vested in the Commission are set forth in Section 2 of its statute. This section provides:

2. The Commission shall have the duty and power to conduct investigations in connection with:

(a) The faithful execution and effective enforcement of the laws of the state, with particular reference but not limited to organized crime and racketeering.

(b) The conduct of public officers and public employees, and of officers and employees of public corporations and authorities.

(c) Any matter concerning the public peace, public safety and public justice.

The public record confirms that the Commission functioned aggressively in response to this mandate.

I can state for the record that I know of no improper or illicit dealings on the part of Raymond J. Donovan or Schiavone Construction Co. To my knowledge, Mr. Donovan is an honest and credible businessman, who enjoys an excellent reputation.

I will be happy to amplify any statements personally if you feel it necessary.

Respectfully yours,

JOSEPH H. RODRIGUEZ.

ALLENHURST, N.J.,
January 26, 1981.

Re Raymond Donovan, U.S. Secretary of Labor Designee.

Hon. ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, D.C.

DEAR SIR: Please be advised that the undersigned enthusiastically and without reservation recommends to your Committee the confirmation of Mr. Raymond Donovan as United States Secretary of Labor.

It has been my happy experience to know Ray as a close personal friend for a period of time in excess of fifteen years.

We have mingled socially and our families have been together on many special occasions.

During these many years, I have never heard anything which would impinge upon the good name or reputation of Mr. Donovan. He is a man who lives by his personal word and I would trust him implicitly in any situation. He possesses the highest degree of integrity and honesty—is a dedicated family man—and loves his Country.

In order for you to know my background, may I respectfully inform you that I am an Attorney at Law, licensed to practice in the States of New York and New Jersey—a former Professor of Business Law at Fordham University and St. Peter's College (New Jersey)—and recently (January 1, 1981) retired as a Superior Court Judge of New Jersey, after serving nine years on the Judiciary. Naturally, my endorsement of Raymond Donovan is as a private Citizen.

In my opinion, the Citizens of the United States will be well served if Raymond Donovan, is, in fact, confirmed as our next Secretary of Labor.

Respectfully,

MAURICE A. WALSH, Jr.

SHRINE OF SAINT JOSEPH,
Sterling, N.J., January 26, 1981.

Senator ORRIN G. HATCH,
Chairman, Senate Labor and Human Resources Committee, Senate Office Building, Washington, D.C.

DEAR SENATOR HATCH: I hereby testify from long, personal knowledge, that Mr. Raymond Donovan is a man of deep personal and professional integrity and honesty. A deeply religious man, he is fully committed to his Faith and to its moral principles.

Over the many years that I have known him, he has shown always strength of character and moral stature. His personal and family life, as well as the conduct of his business and other affairs, have been distinguished by his character and moral principles. Combined with these qualities is a mind and intelligence of substances and depth. His administrative abilities are evident as his success in the management of his business affairs most amply manifest.

The above qualities taken together with the warmth of his personality, his interest in and concern for those who must labor for their and their families' substance, make him ideally suited for the task our President asked of him.

From 1967 on, for a period of twelve years, I served as Custodian General of a Missionary Society (Missionary Servants of the Most Holy Trinity). During that period of time, Mr. Donovan has been a member of our Lay Advisory Board. For the last six years he has served as Chairman of the Board.

In his capacity as member, and later as Chairman, he has served us and our work unstintingly, giving generously of his time, energy, and wise counsel. In all of this he has shown time and again, personal commitment and deep concern for the poor and disadvantaged whom we serve in this Country through our ministry.

The Federal Government, and we the People whom it serves, are fortunate to have men of caliber willing, at great personal sacrifice, to give of themselves in service and devotion to the American People.

I highly recommend Raymond Donovan as such a one. He will bring distinction to the Office of Secretary of Labor. Our Country and its working men and women will be well served by a man of such integrity, wisdom and prudence.

With sentiments of personal esteem, I remain,

Yours sincerely,

REV. STEPHEN QUINN.

Mr. KENNEDY. Mr. President, I yield myself such time as I may require.

I regret that I am unable to support the nomination of Raymond J. Donovan to be Secretary of Labor. Mr. Donovan is obviously a nominee of ability, and in many respects he has had an admirable career. From modest beginnings, he has risen to the top of his profession, and he now occupies a high position in the construction industry. He has received generous commendations from many who know him, including well-known and respected persons in many different areas of endeavor.

However, the Cabinet position to which Mr. Donovan has been nominated carries one of the highest obligations in public service. The Secretary of Labor is responsible for the well-being of millions of American workers and their families. He must possess a high degree of independence and sensitivity on issues which intimately affect the quality of life for the Nation's working men and women. Although the record demonstrates Mr. Donovan's success in business, I believe the record fails to show that the nominee possesses that degree of independence and sensitivity essential in a Labor Secretary at this critical period in our Nation's history.

In the past two decades, Mr. Donovan has been one of the leading officers in one of the leading firms in the construction industry in New Jersey. During much of that period, the industry has been beset by unusual pressures from corrupt individuals to engage in activities that impair effective labor relations and undermine the very administration of law enforcement and criminal justice. In that environment, the record before us, even accepting Mr. Donovan's testimony and rejecting the specific allegations against him, fails to demonstrate a sensitivity on his part that would permit him to function in his Cabinet post with full effectiveness.

For example, Mr. Donovan testified that he had senior executive responsibility in his firm for labor relations, but he also testified that he was never informed when a subordinate officer and close colleague, who worked in the adjoining office, was called before a Federal grand jury investigating labor organizations in connection with the firm's work on a subway project in New York City. Surely, even if we fully credit Mr. Donovan's testimony, we must believe that a responsible construction firm, concerned about its integrity, would be managed so that grand jury appearances of high level employees are reported immediately to the chief officer of the firm with responsibility in the relevant area. Yet, Mr. Donovan testified that he had no knowledge of these events.

In connection with the firm's work on a New Jersey Turnpike project, Mr. Donovan approved the payment of a $13,000 check to what was later shown to be a fictitious supply company set up to channel cash to organized crime figures. In spite of the large amount involved, no bills or invoices from the supply company were found in the records of Mr. Donovan's construction firms—no invoice, lease or any other written document from the company with which Schiavone was doing business.

How often are thousands of dollars authorized for expenditure without any written documentation from the seller, Mr. President? Is that not a system which lends itself to abuse, where thousands of dollars are authorized and expended to people, who walk in off the street, offering services, with no check of their legitimacy? Is there not a higher obligation by the Schiavone Company so they do not end up being induced to dump on municipal lots where they should not? This kind of sloppy administration is an exception to the norms of any legitimate business transaction. Surely, a responsible officer concerned about the integrity of his company would have taken appropriate steps to insure adequate documentation of significant transactions.

Other allegations against Mr. Donovan raise similar questions and demonstrate a similar lack of sensitivity and perception in dealing with critical issues. During the course of the hearings, we heard testimony about a group of six individuals, who are considered to be reliable sources for the Federal Bureau of Investigation. None has any motives to mislead the FBI in this case. Each is independent of the other, and they made some general charges and some specific ones. Mr. Donovan denies each of them.

Accepting his denials, one must conclude that six individuals with reliable track records, some having been key witnesses in successful prosecutions, independently of one another, manufactured general and specific allegations against the Schiavone company. Why would they do it? There is no readily apparent answer. But even conceding that they are wrong, and even accepting the sworn testimony of Mr. Donovan, we do have the two instances which I have referred to—one involving the Kantor Supply Co., and the other in connection with the 63d Street subway construction project. I shall include the complete report in the RECORD, Mr. President.

I ask unanimous consent that the additional views of Senators KENNEDY, PELL, EAGLETON, RIEGLE, and METZENBAUM be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDITIONAL VIEWS OF SENATORS KENNEDY, PELL, EAGLETON, RIEGLE, AND METZENBAUM

I. INTRODUCTION

The nomination of Raymond J. Donovan to be Secretary of Labor presents a complicated case and a difficult decision. It is almost unique in the history of presidential nominations to the Cabinet because of the number and gravity of the allegations against Mr. Donovan. These allegations are even more disturbing because they come in areas over which the Secretary of Labor has direct jurisdiction—the integrity of labor organizations, the soundness of union pension funds, and the Department's important role in the co-ordinated federal effort against organised crime. Mr. Donovan, in sworn testimony before the committee, vigorously denied each and every allegation.

For over a month, both the Majority and the Minority of the Committee have worked to resolve these allegations on the basis of a complete investigation and with fairness toward Mr. Donovan. The Federal Bureau of Investigation has been unable either to corroborate or to disprove the many serious charges against Mr. Donovan. As members of the Committee, we believe that our colleagues in the Senate are entitled to a thorough review of the available information before deciding how to vote on this nomination. That is why we requested a Committee report on this nomination, and why we have agreed that the full hearing transcript be printed and available to all members.

In this section of the report we have attempted to summarize those areas which are most troublesome to us.

II. SUMMARY OF MAJOR ALLEGATION AND QUESTIONS

A. IRVING KANTOR CASE

In a deposition given to the Newark, N.J., U.S. Attorney's Office on January 2, 1970, Irving Kantor, dying of amyotrophic lateral sclerosis, stated:

1. That he created a phony company called Kantor Supply for the purpose of receiving checks in return for false invoices—invoices for services never rendered.

2. That he cashed the checks, kept 5 percent for himself and turned the rest over to people who we now know were associated with organized crime.

3. That these people *directed him* to go to the Schiavone Construction Company to deliver a blank invoice and pick up a check, which he did.

Kantor's deposition makes it clear that his business with the Schiavone Company was similar to all the other transactions in the phoney account. The reasons for all these transactions, according to Kantor's trial testimony, was "certain contractors had to pay cash to his (Mr. Joe Bioncone's) boss" (organized crime figure, Tony Biordo).

The check in question in this case was in the amount of $13,000 and it was approved for payment by Raymond J. Donovan and deposited in the phoney Kantor Supply account.

Mr. Donovan testified that the money was payment for the right to dump materials on a site in close proximity to an ongoing construction job on the New Jersey Turnpike. He testified that the $13,000 was the going rate, the dump site was used and that the transaction was a legitimate business expense. He testified that the arrangements would have been made by the field superintendent, in the routine course of doing business, and would have required only a routine phone approval, by one of Schiavone's executives.

The superintendent on the job at the time, Mr. Charles Keener, acknowledges the initial contact was made through him, but states that the full arrangements for completing the deal were made at Schiavone headquarters. He did not recall who at the headquarters was involved.

It has subsequently been shown that Irving Kantor did not own the lot for which he was paid $13,000; that no written contract or lease for use of the property existed; that no documents of any kind from the Kantor Supply Company—no bills, no invoices, were in the Schiavone Company's records. The only documentation available is the check signed by Mr. Schiavone, and an internal document indicating Mr. Donovan approved the payment.

It is now believed that the lot upon which the materials were dumped was a Municipal lot, owner by the city of Newark.

The question involved in the Kantor case is whether the Schiavone Construction Company made a $13,000 payoff, approved by Mr. Donovan, in order to illegally dump material on a municipal lot and thus save the considerable cost of transporting the material to another lot further from the job site, or whether the $13,000 was paid to dump on a lot which Schiavone believed was owned by Irving Kantor, who falsely represented to them that he owned the lot.

B. 63D STREET CONSTRUCTION PROJECT

On January 10, 1981, Mr. John Keeney, Deputy Assistant Attorney General, Criminal Division, Department of Justice, approved as entirely accurate the contents of the following memorandum prepared by staff of this committee:

"As part of an ongoing investigation of a Teamster Local in New York City, three employees of the Schiavone Construction Company were questioned and appeared before a grand jury. The three employees are:

1. Joseph DiCarolis, Senior Vice-President.

2. Mario Capagrasso, Job Superintendent at the 63d Street subway project, New York City.

3. James LaBrel, Superintendent of 11:00 p.m., 7:00 a.m. shift at 63d Street subway project, New York City.

The Justice Department reports that these employees informed them that a "ghost" employee, Mr. Joseph Murray, was placed on the payroll from November 1977 to June 1978. This was done pursuant to a meeting between Harry Gross, the business agent of the Teamsters Local, and Mr. DiCarolis. At that meeting Gross demanded that Mr. Murray be placed on the payroll on the 11:00 p.m. to 7 a.m. shift, as a price for labor peace. The Department reports that Mr. Murray was Mr. Gross' chauffeur.

The Department further reports that Mr. Gross had ghost employees placed on the payrolls of three other companies. Mr. DiCarolis had never been subpenaed to appear before a grand jury.

In testimony before the Committee Mr. Donovan stated that:

1. Mr. DiCarolis is a close personal friend as well as a close business colleague whose office is adjacent to his own.

2. Mr. DiCarolis never informed him that he, DiCarolis, had been subpenaed to appear before the grand jury; never informed him that other employees appeared before the grand jury; never informed him that records at the 63rd Street job site were subpenaed by the Justice Department.

3. Mr. DiCarolis recently told him that he had not been extorted but had been simply complying with the terms of a collective bargaining agreement in hiring Mr. Murray. That agreement requires a teamster working foreman to be the first person hired when a new shift is begun. Mr. Donovan stated that Mr. DiCarolis checked with Mr. William Finneran, General Manager of General Contractors Association and that Mr. Finneran told him the contract required him to hire whomever the Union designated—in this case, Mr. Murray.

4. He personally checked with Mr. Finneran who verified this. On page 153 of the hearing transcript Mr. Donovan stated:

. . . I talked to Mr. Finneran on Saturday at his home in White Plains. He recalls the conversation and recalls the advice, totally in the context of him being asked to give advice, not in a theoretical way, but in a practical way.

"Bill, is this what it called for and do we have to put this guy on." That's his memory. He can't pin down the date of that conversation.

The Justice Department told the Committee staff however that Mr. DiCarolis never mentioned the General Contractors Association to the U.S. Attorney's office nor the fact that Mr. Murray was hired simply to fulfill a collective bargaining agreement. In fact Mr. John Kenney approved the contents of the following memorandum prepared by committee staff:

According to the Justice Department, Mr. DiCarolis, in his discussion with the U.S. Attorney's office, made no mention of the General Contractors Association (G.C.A.) as his reason for giving in to Gross's demand that he put a working teamster foreman on the 11:00 p.m. to 7:00 a.m. shift. Mr. DiCarolis told the government attorneys that because of the noise factor, New York City laws prohibit the use of trucks on job sites after 11:00 p.m. He said he cited this to Mr. Gross indicating that since no trucks were used, no teamsters would be used and there was therefore no requirements for a teamster working foreman. He told the government attorneys that when Gross persisted in his demands, he relented to maintain labor peace.

Further, Mr. William Finneran told committee staff that he did not receive a call from Mr. DiCarolis on this matter, but believes his associate Ted King did and told him about it. Mr. King told committee staff he doesn't remember the call, but that he couldn't be sure that he hadn't received one.

Finneran stated he told Donovan that he believed someone had been called, and if they were they would have read Mr. DiCarolis the contract which requires having a Teamster working foreman on any shift. Mr. Finneran advised committee staff that he would advise any contractor not to pay for someone who was not coming to work.

Mr. Donovan acknowledged that Mr. Murray never came to work.

The questions raised by this incident are:

Was the Schiavone Company a victim, along with other companies, of an extortion scheme requiring a ghost employee who never came to work to be placed on the payroll or was the company simply carrying out a collective bargaining agreement?

Why did Mr. Donovan inaccurately testify about his conversation with Mr. Finneran?

Is it reasonable to believe that Mr. DiCarolis, a close personal friend and business associate, in an office adjacent to Mr. Donovan's, did not inform Mr. Donovan of the first Grand Jury subpoena he had ever received, particularly since it concerned Schiavone business?

C. RALPH PICARDO

On January 14, 1981, the Committee received the following information from William H. Webster, Director of the Federal Bureau of Investigation:

A protected government witness, who has provided reliable information in the past and has furnished valuable testimony in three successful prosecutions, advised on January 13, 1981, that he became involved with the Schiavone Construction Company (SCC), Secaucus, New Jersey, in late 1967 or early 1968. This witness stated he visited SCC on fifteen to twenty different occasions to pick up payments for "labor peace" in the guise of billings for truck rental which never took place. This witness stated he delivered the bills and received payment from an individual whom he identified as Raymond Donovan.

Bureau Findings: Cannot be corroborated or disproved; Eboli and Briguglio are both deceased.

3. *Allegation:* Mr. Picardo states that Briguglio told him that he was receiving direct cash payoffs from "Ray, the boss of Schiavone".

Bureau Findings: Cannot be corroborated or disapproved.

4. *Allegation:* Mr. Picardo stated that his truck company, Taylor Trucking, hauled slabs for the Precast Concrete Company to a Schiavone work site. "Mr. Picardo stated that Taylor Trucking would often haul the same slab of precast concrete to the SCC site as often as twenty times, receiving payment for the haul on each occasion. He stated he would be paid directly by Precast Concrete, as would Armand Faugno, who was selling "labor peace" at that time to Precast Concrete. The money to make these payments was obtained from the overpayments by Schiavone Construction Company to Precast Concrete for goods not received."

Michael Anthony Gretchin, a driver for Mr. Picardo, told the FBI that Picardo usually referred to the individual at Schiavone as "Ray" but used the name Donovan once. (Picardo states he didn't know Ray's last name at that time.) According to the FBI Report:

Gretchin stated, that for bookkeeping purposes, he was paid for driving Picardo by being a ghost driver for loads that were not shipped. The ghost loads were on Coastal Trucking and concerned precast concrete items for the Long Island Expressway.

Mr. Donovan testified that his company did no work on the Long Island Expressway.

Bureau Findings: The FBI testified they could neither corroborate nor disprove the allegations with regard to the Precast Concrete Company's dealings with Schiavone.

The FBI testified at the Committee hearings that Mr. Picardo has been a reliable informant and has been an important witness in four successful prosecutions. They intend to use him again as an important witness in an upcoming prosecution. They can detect no motive for Mr. Picardo to intentionally mislead them in this case. Finally, the FBI testified that although they had not corroborated Mr. Picardo's allegations, they had not disproved them either.

D. FIVE OTHER FBI INFORMANTS AND SOURCES

Five other FBI sources, all of whom are described as reliable, who are independent of one another, and who have no known motives to mislead the FBI in this case, have made very similar general allegations against the Schiavone Company. These sources allege that the Schiavone Construction Company is, as reported in the FBI report, "mobbed up", that is, that executives of the Schiavone Company allegedly have social and business contacts with organized crime figures.

The FBI testified that these general allegations may or may not be true, that they could neither corroborate nor disprove them.

Three of these sources made specific allegations as well.

According to the FBI Report:

One source indicated the upper management of SCC is closely aligned with organized crime elements through its contacts with Jopel Construction headed by William Masselli, who is an alleged self-admitted "soldier" in an organized crime group. This source alleges Mr. Donovan is acquainted with organized crime figures through Masselli on a business and social basis.

The FBI can neither corroborate nor disprove these allegations.

Another one of these sources, contacted by the FBI after their report to the committee was completed, alleged that the Schiavone Company had a reputation of having ties with the Genovese organized crime family. This source mentioned the following three members of the Genovese family as having ties with the Schiavone Company.

1. Joey Adams
2. Peter LaPaco
3. Tino Fiumara

This source further alleged that he heard Raymond Donovan's name mentioned in a conversation as a contractor who obtained state contracts by bid rigging on behalf of the Schiavone Company. Also present at the alleged conservation were Sam Malfitano and an employee of his named Mike.

The FBI reports it has conducted no investigation of the allegations from this source who is acknowledged by the FBI to be reliable. A former Justice Department official who dealt closely with this source describes him as extremely reliable.

Another one of these five sources said he was advised that two other individuals were "bagmen" for Sal Briguglio and made pickups from Raymond Donovan. This source further alleges that he is aware of payoffs from the Schiavone Construction Company to Anthony Provenzano and Sal Briguglio. This source also reports having seen Briguglio at Sid Allen's restaurant with an individual later identified to him by Briguglio as "thick with Donovan."

One of the two other alleged bagmen is dead. The other denied these allegations to the FBI. The FBI has neither corroborated nor disproved these allegations.

E. TRUCKING INDUSTRY NEGOTIATOR

A trucking industry negotiator told the Committee staff that on two separate occasions at two different restaurants he saw Sal Briguglio having lunch with another individual identified for him as "a Schiavone representative".

ADDITIONAL VIEWS OF SENATOR RIEGLE

In addition to joining in the additional views of Senators Kennedy, Pell, Eagleton, and Metzenbaum, I would like to include in this report the remarks I made when voting present on Mr. Donovan's nomination in Committee on January 29, 1981:

REMARKS OF SENATOR RIEGLE WHEN VOTING PRESENT IN COMMITTEE

I think it is clear from what has been said so far that this is a matter that we are all struggling with in our own way. It is not a clear-cut matter, at least in my mind. I think for those of us who experience the confirmation process, and this is the second time for me and I know for some colleagues it is the first time—others like Jennings Randolph have been through this a number of times—this is an area where there are precedents in law and our early national history about our advise and consent authority that requires a great deal of thought and independent judgment as to exactly how it is to be exercised.

This situation is different but it has some parallels. I do think that a confirmation vote, is a ratifying vote, speaking personally, and I will have to, in my own mind, feel clear about casting a ratifying vote. I have to be able to feel comfortable and sound about adding a positive and affirmative statement of my own to that of the judgment of the President who submitted this nominee.

I think the issue, the larger issue, has perhaps not been spoken about as much as a lot of the details that relate to it. I see two reasons why this is a matter of enormous consequence for the country.

One is that the Labor Department is an essential department within the gvoernment. It is the place where the problems and realities of working men and women across the United States are dealt with and handled, and it is essential that the person in that job be someone of extraordinary ability as well as someone where there is absolutely no material reason to have any question about them in any fashion at all. It is an important department. It does not get as much public attention perhaps as some of the others, but that makes it no less important in my mind.

The second point I would raise is the potential risks to the country if in fact any of the allegations that were made in this case had foundation. We have not had an absolute, clear-cut disposition one way or the other as I have listened to the FBI testify in this matter as recently as our last hearing here.

But the thing that concernes me—and I particularly want to share this with my Republican colleagues; I once served on that side, so I do not feel completely removed from your circumstance—the thing that concerns me is the possible risk to the country if we ever were to err in judgment wherein either organized crime or any element of organized crime or anyone who was susceptible to organized criminal elements should ever penetrate the Cabinet of the United States or the inner circle of the Presidency of the United States. If that ever were to occur, I think it would be a very dangerous breach of the national security.

I am not suggesting that this is the case with this nominee. I am suggesting that is my worry and my concern.

Senator Eagleton has made the point—and I agree with it—that if this nominee were a person of towering reputation and stature in this field over a period of years, I would give that considerable weight. That is not the case here. That is not in any way to take away from Mr. Donovan's other qualifications: the fact that he has worked hard; that he has been successful in the private sector; that he is a family man. These are certainly admirable aspects of his makeup and circumstances and things that one would expect, I think, in any Cabinet officer.

But in the absence of the kind of towering reputation in the labor field, I think we must look even more carefully when any doubts are raised.

Like some others who have spoken here, I want to reserve a final judgment in this matter until we actually are at the point on the Senate Floor where the debate is finished and we are ready to vote. I want to read the Committee record carefully. I think this is one time that our colleagues in the Senate should be urged to read the record. They should have, I think, sufficient time to study the record and I hope they will.

To conclude my thoughts, I must say that I am troubled about this nomination. I have tried to spend as much time here in the Committee during the course of the testimony, both when Mr. Donovan has been present and other witnesses have been present, to try to assess what has been said by everyone who has testified here. I do think that we are at a point now where the issue has to transfer from this Committee's jurisdiction to the Senate Floor. I think we have gone as far as we usefully can at this point and I think it is now a matter for decision by the Senate as a whole.

I still have material, unresolved doubts in my mind and they may never be satisfied.

But I want to continue to review this matter with great care and reserve a final judgment until we are on the Senate Floor. But I would hope that the reservations that some of us have will be a signal to the country and to our colleagues that this is a matter that requires very close attention and the most careful consideration, and I trust that it will receive that.

Mr. KENNEDY. Mr. President, because I give both of these cases such heavy priority and because I believe that the testimony that was given by Mr. Donovan himself, referring to both of these cases, shows, really, insensitivity to one of the important areas to which a Secretary of Labor is going to have to give important priority, I am led to the conclusion of a "nay" vote on this nomination.

First of all, in the Irving Kantor case, in a deposition given to the Newark, N.J., U.S. attorney's office on January 2, 1970, Irving Kantor, dying, stated that he created a phony company called Kantor Supply for the purpose of receiving checks in return for false invoices, invoices for services never rendered; that he cashed the checks, kept 5 percent for himself, and turned the rest over to people we now know were associated with organized crime; that these people directed him to go to the Schiavone Construction Co. and deliver a blank invoice and pick up a check, which he did. Kantor's deposition made it clear that his business with Schiavone was similar to all the other transactions in the phony account. The reasons for these transactions, according to Kantor's trial testimony, was "that certain contractors had to pay tribute to his (Joe Bioncone's) boss." (organized crime figure Tony Biordo).

The check in question in this case was in the amount of $13,000 and it was approved for payment by Raymond J. Donovan and deposited in the phony Kantor Supply account.

Mr. Donovan testified that the money was payment for the right to dump materials on a site in close proximity to an ongoing construction job on the New Jersey Turnpike. He testified that the $13,000 was the going rate, the dump site was used and that the transaction was a legitimate business expense. He testified that the arrangements would have been made by the field superintendent, in the routine course of doing business, and would have required only a routine phone approval, by one of Schiavone's executives.

The superintendent on the job at the time, Mr. Charles Keener, acknowledges the initial contact was made through him, but states that the full arrangements for completing the deal were made at Schiavone headquarters. He did not recall who at the headquarters was involved.

It has subsequently been shown that Irving Kantor did not own the lot for which he was paid $13,000; that no written contract or lease for use of the property existed; that no documents of any kind from the Kantor Supply Co.—no bills, no invoices, were in the Schiavone Co.'s records. The only documentation available is the check signed by Mr. Schiavone, and an internal document indicating Mr. Donovan approved the payment.

It is now believed that the lot upon which the materials were dumped was a municipal lot, owned by the city of Newark.

So we have a situation, Mr. President, where apparently, any individual could come up to the superintendent who was working on the job, and say that he had a lot on which dumping would be welcomed. There was no review of whether that individual did, in fact, own the lot, or any investigation about the individual whatsoever. That superintendent called back to the headquarters and got approval for the payment of a check for some $13,000, a decision made internally. Mr. Donovan made the statement that he could not remember the instance, but he may or may not have approved it. The internal document within the Schiavone Co. does bear the initials of Mr. Donovan; and eventually, the fill was dumped on that lot, which eventually was shown to be a municipal lot.

No bill was given or sent by the Kantor Supply Co. No invoice was received. The only document was an internal document of the Schiavone Co.

We have to ask ourselves about the payment of $13,000. We know now that it was basically paid into a phony account that was used by organized crime figures. We know that on the basis of sworn testimony.

We have to ask ourselves whether that is the way to do business. Mr. Donovan has indicated that that is the way of doing business in the construction business with regard to dumping fill. But we have to ask ourselves whether that is the way in which any company or any corporation should be doing business, with that sizable amount, $13,000, and whether that is the best way of doing business.

Quite clearly, in a climate and in an atmosphere, as we have seen, where a number of construction companies have been the targets of organized crime, not only in northern New Jersey but also in other parts of the country, doing business in this way would make such a company a target for organized crime. That is why I believe that instance is of importance and is of concern, even accepting the explanations that were given by Mr. Donovan during the course of the hearings.

The second instance was the 63d Street construction project.

On January 10, 1981, Mr. John Keeney, Deputy Assistant Attorney General, Criminal Division, Department of Justice, approved as entirely accurate the contents of the following memorandum prepared by staff of this committee:

As part of an ongoing investigation of a Teamster Local in New York City, three employees of the Schiavone Construction Company were questioned and appeared before a grand jury. The three employees are:

1. Joseph DiCarolis, Senior Vice-President.
2. Mario Capagrasso, Job Superintendent at the 63d Street subway project, New York City.
3. James LaBrel, Superintendent of 11:00 p.m., 7:00 a.m. shift at 63d Street subway project, New York City.

The Justice Department reports that these employees informed them that a "ghost" employee, Mr. Joseph Murray, was placed on the payroll from November, 1977 to June, 1978. This was done pursuant to a meeting between Harry Gross, the business agent of the Teamsters Local, and Mr. DiCarolis. At that meeting Gross demanded that Mr. Murray be placed on the payroll on the 11:00 p.m. to 7:00 a.m. shift, as a price for labor peace. The Department reports that Mr. Murray was Mr. Gross' chauffeur.

The Department further reports that Mr. Gross had ghost employees placed on the payrolls of three other companies. Mr. DiCarolis had never been subpenaed to appear before a grand jury.

This was the first time he ever was subpenaed.

In testimony before the committee Mr. Donovan stated that:

1. Mr. DiCarolis is a close personal friend as well as a close business colleague whose office is adjacent to his own.

2. Mr. DiCarolis never informed him that he, DiCarolis, had been subpenaed to appear before the grand jury; never informed him that other employees appeared before the grand jury; never informed him that records at the 63rd Street job site were subpenaed by the Justice Department.

This was in spite of the testimony that was given by Mr. Donovan that he had prime responsibility within the company for labor-management relations and for all labor matters relating to that company.

3. Mr. DiCarolis recently told him that he had not been extorted but had been simply complying with the terms of a collective bargaining agreement in hiring Mr. Murray. That agreement requires a teamster working foreman to be the first person hired when a new shift is begun. Mr. Donovan stated that Mr. DiCarolis checked with Mr. William Finneran, General Managers of General Contractors Association and that Mr. Finneran told him the contract required him to hire whomever the Union designated—in this case, Mr. Murray.

4. He personally checked with Mr. Finneran who verified this. On page 153 of the hearing transcript Mr. Donovan stated:

". . . I talked to Mr. Finneran on Saturday at his home in White Plains. He recalls the conversation and recalls the advice, totally in the context of him being asked to give advice, not in a theoretical way, but in a practical way.

" 'Bill, is this what it called for and do we have to put this guy on.' That's his memory. He can't pin down the date of that conversation."

The Justice Department told the committee staff however that Mr. DiCarolis never mentioned the General Contractors Association to the U.S. Attorney's office nor the fact that Mr. Murray was hired simply to fulfill a collective bargaining agreement. In fact Mr. John Keeney approved the contents of the following memorandum prepared by committee staff:

According to the Justice Department, Mr. DiCarolis, in his discussion with the U.S. Attorney's office, made no mention of the General Contractors Association (G.C.A.) as his reason for giving in to Gross's demand that he put a working teamster foreman on the 11:00 p.m. to 7:00 a.m. shift Mr. DiCarolis told the government attorneys that because of the noise factor, New York City laws prohibit the use of trucks on job sites after 11:00 p.m. He said he cited this to Mr. Gross indicating that since no trucks were used, no teamsters would be used and there was therefore no requirements for a teamster working foreman. He told the government attorneys that when Gross persisted in his demands, he relented to maintain labor peace.

Further, Mr. William Finneran told committee staff that he did not receive a call from Mr. DiCarolis on this matter, but believes his associate Ted King did and told him about it. Mr. King told committee staff he does not remember the call, but that he could not be sure that he had not received one.

Finneran stated he told Donovan that he believed someone had been called, and if they were they would have read Mr. DiCarolis the contract which requires having a Teamster working foreman on any shift. Mr. Finneran advised committee staff that he would advise any contractor not to pay for someone who was not coming to work. Mr. Donovan acknowledged that Mr. Murray never came to work.

The questions raised by this incident are:

Was the Schiavone Co. a victim, along with other companies, of an extortion scheme requiring a ghost employee who never came to work to be placed on the payroll or was the company simply carrying out a collective bargaining agreement?

Why did Mr. Donovan inaccurately testify about his conversation with Mr. Finneran?

Is it reasonable to believe that Mr. DiCarolis, a close personal friend and business associate, in an office adjacent to Mr. Donovan's, did not inform Mr. Donovan of the first grand jury subpena he had ever received, particularly since it concerned Schiavone business, and particularly since it related to labor relations?

The issues raised by Mr. Donovan's nomination are serious and complex. They are virtually unprecedented in the history of Senate consideration of nominees to the Cabinet. In reaching my decision today, I have sought to examine the material available to us in the most favorable light for Mr. Donovan. But by that standard, I cannot vote to confirm his nomination.

Mr. President, what I have tried to do in the consideration of this nomination is to recognize that there have been a number of individuals who have been reliable sources for the FBI, some of whom continue to provide testimony which will be used in trials and all of whom are recognized as reliable. They have made statements; they have made allegations. Some have been specific with regard to Mr. Donovan; some have been general with regard to the company and Mr. Donovan's activities in the company.

Mr. Donovan has denied those statements and those comments, and he has done so in sworn testimony before the committee.

I do not rest my vote on those allegations and those charges. I believe that if those were the only allegations and the only charges and given the results of the investigation by the FBI it is entirely appropriate to give the benefit of the doubt to the nominee.

There may be others in the Senate who might draw different standards on it, but with regard to my own position I am willing to give the benefit of the doubt to the nominee since the allegations have not been substantiated, although a case can certainly be made that they have not been disproved either. Yet they may be of sufficient concern to Members who they feel they would have to vote "nay" on this nomination particularly given the fact of the extremely important responsibilities that a Secretary of Labor does have in reviewing union pension funds and other criminal justice activities such as labor racketeering, that fall within the jurisdiction of Department of Labor.

But what I basically rest my vote on are the two instances which I have mentioned here—the testimony of Mr. Donovan himself and the explanation that he has given with regards to those instances which I think indicate a flawed sensitivity to the dangers of the criminal activity. The failing to establish within his own company procedures or processes which would flag any threat to the basic and fundamental integrity to the company and whereby company officials would be alerted to such a threat.

It does seem to me that a Secretary of Labor should have that degree of sensitivity, knowledge, understanding, and perception if he is going to manage one of the most importat jobs in our Government, such as the Secretary of Labor.

Mr. President, I retain the remainder of my time.

Mr. HATCH. Mr. President, I yield 7 minutes to the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, it is my privilege, today, to speak on behalf of Raymond J. Donovan, President Reagan's nominee for the Cabinet Office of Secretary of Labor. I have chosen to speak for Mr. Donovan only after serious consideration and examination of the evidences gathered at the hearings conducted by the Labor and Human Resources Committee.

First, as one who is new to the Senate, I feel the weight of this choice and it is responsibility with a special awareness. I count this decision and stance as one of my most important in these first days of office.

Second, I think that we all recognize that the American people are, at this time, trying to build up faith and trust in their Government once again. If we were to make a mistake and err in judgment in this, or any of our Cabinet confirmations, the consequences of disappointment and cynicism would be painful for us all.

Third, my position as chairman of the Subcommittee on Labor makes this particular confirmation especially important to me. The person holding this position must be someone who we can trust and someone who has unquestioned integrity.

Mr. Donovan brings certain business qualifications which are almost unequalled. He has proven that a person can rise up and make the American dream a success. He is a person who has taken a small investment and turned it into a large successful business enterprise, and he not only helped himself but also helped many individuals who he now employs.

I believe Mr. Donovan's firm, as reported in the committee, employs something like 1,500 individuals. These individuals each are probably making in excess of $20,000 per year.

I think it is vitally important that the Secretary of Labor be able to represent and benefit both sides, the management side and certainly the labor side.

I think Mr. Donovan's insight in this area will be exceptional.

Throughout the testimony and the charges that were made, one of the important things that came out of the hearings was the involvement of admitted extortionists and even a convicted murderer like Mr. Picardo with some labor union which was shocking to myself and I believe to my colleagues on the committee.

I am hopeful that one of the top priorities of the Labor Committee will be an investigation into these kinds of allegations of widespread labor abuse and what their potential effects would be on business and consumers.

For this reason, I believe it is imperative that the Secretary of Labor be someone who will work wholeheartedly with the committee in this effort.

For the record, I shall read Mr. Donovan's testimony on this from the hearing.

The chairman of the committee said to Mr. Donovan:

Do you believe the Government's focus on organized crime's influence on the labor movement is overstated, understated, or just about right at the present time?

Mr. Donovan said:

I don't know the extent of these investigations, so I couldn't comment on whether it's overstated or understated.

I would say this, that if this type of crime exists, it should be rooted out and, as Secretary of Labor, I assure you that I will root it out.

The chairman then said:

Then do you see yourself as an active secretary in regard to pursuing organized crime's influence on the labor movement?

Mr. Donovan replied:

Yes; on the grounds of morality, but also on the grounds that they are impeding the right of the wage earners of this country.

The chairman then said:

And I presume that if there are companies that are involved in organized crime, that you would be just as interested in pursuing investigations pertaining to them as well?

Mr. Donovan said:

That is correct, Senator.

So here we have a man who has been nominated by President Reagan and reviewed by our committee to be Secretary of Labor. At a time when trust in the basic institutions of our Nation is so crucial, I feel that in this confirmation decision, it would be especially destructive to ignore one of our basic premises of justice * * * that a man is innocent until proven guilty. In this situation, Mr. Donovan has testified before us of his innocence, he has opened up all his companies financial records for review, and he has been thoroughly investigated by the FBI. All of these have testified to nothing other than his innocence and good character.

No supportive evidence has been found or produced that would incriminate Mr. Donovan in any way whatsoever.

I believe the essential question is who do we believe, Mr. Donovan and the FBI, or unnamed sources or sources that refuse to come before the committee and testify?

To conclude my statement, I feel that not to confirm Ray Donovan as Secretary of Labor would do an injustice to ourselves and to those we represent.

To look at a man and declare him guilty because of some convicted criminal's allegations would be a miscarriage of justice. We would make a mockery of our heritage and discredit ourselves before Mr. Donovan and before the people of this country.

Mr. President, at this time I compliment Senator HATCH, the committee chairman, for his sensitive effort in the investigation and also that of the FBI. Mr. Webster's group had 27 individuals thoroughly reviewing and investigating all the allegations that were made and could find nothing to Mr. Donovan's detriment.

I cast my vote in support of Mr. Raymond Donovan to be our new Secretary of Labor, and I urge my colleagues to join me in his confirmation.

The PRESIDING OFFICER (Mr. DANFORTH). The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I understand I have 30 minutes and I yield myself 30 minutes.

I have a short statement which will take me about 2 minutes to deliver, but before I do that I want to say to my good friend, the chairman of the committee and manager of the nomination, Chairman HATCH, I am going to have a series of questions to ask him about the nominee.

Mr. President, Mr. Donovan may or may not be Snow White. What concerns this Senator is whether or not under his secretaryship of the Department of Labor we can have the kind of viable, strong, effective labor movement this country needs. Economic democracy is not simply a matter of being able to vote in an election. Economic democracy is being able to have a union that will represent employees and will enable them to have a real voice in their salaries, their wages, their working conditions.

It is so important that the Secretary of Labor provide that kind of leadership in this country because we have had a declining representation in the work force by organized labor for many years. In 1953 almost 30 percent of the work force was in organized labor. By 1970 it had declined to 25 percent; by 1978 to 22 percent. It has been going down steadily. One of the reasons for it, of course, is many parts of the country have an open shop, deny the right of a union to have security with a union shop.

That is one thing that concerns me about this nominee. But, Mr. President, I think we should recognize that while the President of the United States was elected as a conservative—and he is a conservative—he is also, as he has said many times in the campaign, the only President who has ever been the president of a union.

I think President Reagan appreciates the strength in a society having a strong union movement. I think anybody who was skeptical about that should reflect on what has happened in Poland in the last year. The biggest event of 1980, in my judgment, in Poland, was the tremendous strength and courage shown by the union movement, and certainly if there is a beginning of freedom in that country it is going to come from the fact that there is another site of power besides government, and that is the union movement. It is equally important in our country.

Mr. President, the nominee for Secretary of Labor, Mr. Raymond Donovan, when approved, will run a very, very large Department.

The Budget Authority proposed for fiscal year 1982 is $37 billion. The outlays for fiscal year 1982 are estimated at $34.5 billion, an estimate based on a very optimistic figure for unemployment and unemployment benefit payments. It could be very much higher.

This is a department which in fiscal year 1981 will employ 22,300 people. The new budget is proposing an increase in personnel for the Department to 22,600, or a 300 increase.

This Department runs a vast array of public programs. It has a large network of employment and training programs including CETA, which is often controversial and about which many questions have been raised.

It pays out billions in unemployment benefits.

It prepares the unemployment figures, and compiles the Consumer and Producer Price Indexes upon which social security payments, retirement benefits, and wage contracts depend.

It spends $242 million a year for salaries and expenses for the Occupational Safety and Health Administration, one of the most controversial of all Federal agencies.

It enforces the mine safety laws and regulations, the black lung program, the minimum wage laws and regulations, and other programs.

It generates as many or more regulations than almost any agency of the Government and is responsible for vast amounts of paperwork in the surveys of its agencies and in the enforcement of its programs.

In other words this agency epitomizes virtually every issue that President Reagan and his administration ran on in the last election.

Here is a big spending bureaucracy—$34.5 billion; with thousands of employees—22,600; which puts out reams of regulations for OSHA, mine safety, and minimum wage; and which is one of the three or four agencies which generate the most paperwork.

I therefore looked forward to the answers to the questions which I submitted to Dr. Donovan, and to every other one of the President's nominees, inquiring what he was going to do to carry out President Reagan's campaign promises to cut the budget, cut personnel, and vastly reduce the burden of regulations and the onerous nature of paperwork.

I did ask him those questions. Now I want to ask the chairman of the committee, the manager of the nomination, the Senator from Utah (Mr. HATCH) about the answers to these questions.

I first asked Mr. Donovan where he would cut his budget for fiscal year 1982, and what his budget priorities would be if he were required to make cuts of 10 percent or more, and here is what he said:

> It would be inappropriate for me to comment specifically on these matters at this time. In general I believe that specific reductions can be made within the Department in areas where programs are less effective or less well focused on those truly in need.

Mr. President, for an administration which was going to hit the ground running it is indeed a most vague and general reply.

May I ask the chairman if, in his additional testimony, Mr. Donovan gave any indication of what specific cuts he might make in the Department of Labor budget?

Mr. HATCH. Of course, his testimony can speak for itself. In the record we have filed I believe he did indicate he would try to run a tight ship at the Department of Labor, and that his sympathies were with the distinguished Senator from Wisconsin in cutting down on unnecessary expenses and budgetary expenditures.

Mr. PROXMIRE. Did he make any more specific information—provide any more specific information in personal conversations? I know the distinguished chairman worked very hard on this nomination, as well as other nominations, and had a number of conferences with the distinguished Secretary-designate.

In those conversations was there any indication where he would cut the budget?

Mr. HATCH. Yes; in a number of conversations he has indicated to me he is a fiscal conservative, that he believes the Department of Labor needs to be run in a fiscally conservative way; that he will try to cut out waste, fraud, mismanagement; and if there is any corruption, cut that out, and that he will act in an all-around responsible managerial way.

He cited to me personally on more than one occasion the extensive experience he has had as a manager of his own business, and which is not insignificant, because his business has completed, as I recall, about $1 billion in contracts completed, and still has around some $700 million of contracts in esse, doing about $150 million a year. So he is familiar with large amounts of money, with management systems, with computer systems, and with the need to tighten up and stop unnecessary spending. He has indicated he will try to do that.

In addition, although not directly related but, perhaps, nevertheless, indirectly related, he has indicated that he is as interested as the distinguished ranking minority member and I am in trying to cut down the fraud and abuse and criminal activity of both business and labor unions which can rip off the working men and women of America. So I presume there will be an effort along those lines to investigate criminal elements within the business and labor movement in America.

Mr. PROXMIRE. I very much appreciate the answers, and I believe the Senator from Utah is doing an excellent job with, unfortunately, limited information.

Mr. HATCH. I thank the Senator.

Mr. PROXMIRE. I really regret that the nominee was unable to specify any area. For example, Secretary Schweiker, Secretary Pierce, and others were able to cite specific areas where they would make reductions and indicated they had a goal that they would move toward.

In this case the nominee just gave us generalities, which are reassuring, I guess, to some people, but to me they are the kind of generalities that every Secretary of Labor we have ever had would make.

Mr. HATCH. Well, he has expressed—maybe I am not doing the nominee justice—his desire to cut back in the abuse of funds in, I think, a number of areas. I think he has been very guarded, since the Department of Labor is a very complex and very difficult Department to administer, in coming out with any specific major programs.

He has, for instance, indicated to me personally that since the GAO has estimated that the Davis-Bacon Act, for instance, is costing somewhere between $700 million to $3 billion we estimate in

unnecessary taxpayer costs, that he will certainly look at that.

He is certainly going to look at OSHA, he is certainly going to look at EMSHA, and he is going to look at all of these various functions and tighten them up.

Another area where I have had some indications is in the misuse of funding with regard to unemployed compensation. These are areas that he is going to have to get into. He had very little materials at the time of his examination to be really able to say much more specifically what he is going to do.

Mr. PROXMIRE. Mr. President, I am disappointed because the President campaigned for a long time on making these cuts. He has appointed a man obviously of ability, a man who has been a very successful businessman. It would seem to me that somebody who had been associated with dealing with unions, as he has, would have some, and the Labor Department would have some, definite ideas of where to make reductions.

I asked him about personnel cuts. I asked:

> What is your goal for cutting total employployment in your department? Where, how many, and when would these cuts take place?

He replied that he would examine that in relation to program policies. I gather that means if the policies and programs he had to carry out would need additional people, then he would try to get additional people. I found that to be a very general and unsatisfactory answer.

But I want to ask the chairman of the committee if Mr. Donovan, either in his testimony before the committee or in personal conversations, gave the committee any indication of where he might cut the personnel of the Labor Department or even if he could get along without the 300 additional people which the Carter administration had recommended be added to the Labor Department?

Mr. HATCH. Mr. President, I cannot say that that was part of the testimony before the committee, but I can say, personally, that he indicated he will tighten up the Department in every way he can.

He does feel, if I interpret our conversation correctly, that there are areas of overlap; that there are areas where employees are not needed; and that there are areas where a change in legislation would alleviate the need to have as many employees as they have.

I cited the Davis-Bacon Act in particular. The Davis-Bacon Act, as we know, sets the prevailing wage rates all over the country.

He is not prepared to say that he would do away with the Davis-Bacon Act or do away with some people, or would like to do away with OSHA or, for that matter, any other function of the labor bureaucracy, but he has said he will look those over very carefully and try to save the money that the GAO has said could be saved.

Mr. PROXMIRE. Mr. President, let me call to the chairman's attention what he said to me in response to a question. I asked him this:

> According to several newspaper accounts, the Labor Department cited your company for failing to comply with the Davis-Bacon law, the federal statute that requires the paying of prevailing wages to workers on federally financed construction projects. Mr. Donovan, do you favor the retention of our current Davis-Bacon statute? If not, what modifications do you propose to make, or do you favor the total abolition of this law?

Here was his answer:

> Again, I discussed this at the hearing. I do not believe that repeal of Davis-Bacon is necessary but I do feel that substantial improvements in the fairness with which the law is enforced can be obtained by administrative changes. I agreed at my hearing to discuss those changes with the committee at the appropriate time.

Mr. HATCH. I think that is a fair and correct statement of what he said before our committee.

Mr. PROXMIRE. Of course, that might take more money.

Mr. HATCH. Well, it may. On the other hand, he said the same thing with regard to OSHA before our committee, that he does not feel it appropriate to repeal OSHA, but it might be tightened up administratively.

I also interpreted from his demeanor and the way that he answered these questions before our committee that, by tightening up and administratively changing these functions, he meant to save the taxpayers money, and that included having a program at least as good, if not better, to have personnel tightened up as well.

Mr. PROXMIRE. One of the problems of this agency, as the Senator well knows, this department, is the enormous amount of regulations and the burden those regulations impose. I asked him this:

> What Department regulations will you end or curtail? What is your timetable for achieving these cuts in regulation?

Here was his answer:

> The Labor Department operates its programs and enforces its laws under a vast number of regulations. I do not doubt that some are overly detailed, burdensome, unnecessarily costly or simply not needed. I will be reviewing the regulatory process and the major regulations. It is not possible now to say with certainty that a timetable for reduction in regulatory burden will be developed by March 1.

That seems to me to be not only unable to respond as to any regulations that he would repeal or modify, but not by March 1, more than a month away from the time I asked this question, did he feel he would be able to come up with a timetable—not answer, but a timetable as to how he would reduce this burden of regulation.

May I ask the chairman of the committee if, in his public testimony or private conversations, Mr. Donovan gave any specific answers as to where he would cut excessive regulation.

Mr. HATCH. Mr. President, if I were in Mr. Donovan's shoes, I would have answered it exactly the same way, even though I have done almost nothing in many respects, from the committee standpoint, that deals with all of these matters in the last 4 years and, frankly, for a long time before that. Because I think he is just being conscious with regard to very complex programs and an agency that he has not had any real basic contact with up until now. He is not a person who has served in the Labor Department and, therefore, he is being cautious, I think, in his answers.

Mr. PROXMIRE. As a businessman, he is obviously familiar with these regulations.

Mr. HATCH. As a businessman.

Let me cite one instance he has definitely said he has tried to tighten up and make less combative, and that is the area of OSHA. He feels that—if I am interpreting him correctly in stating what he has basically said to me personally—that OSHA has been a combative, oppressive, overregulating agency. He feels OSHA should become a companion to business and labor and a cooperative companion to alleviating unsafe work place conditions in America. He believes that can be done within the framework of better regulations, rather than overregulation as has been the case in the past.

Mr. PROXMIRE. Mr. President, let me ask the chairman about OSHA specifically. Here is my question to him, followed by his answer. I said:

> Mr. Donovan, your own construction company, Schiavone Construction Company of Secaucus, New Jersey has been cited for violations 135 times over the last six years by the Department of Labor's Occupational Safety and Health Administration with 57 of these violations being determined as serious. In light of your company's record, could you explain your views on the role of OSHA and what changes you intend to make in its programs?

Now, here is a situation where, as I say, his company was not violated once or twice or 10 or 15 times, but 135 times, 57 of which were considered to be serious. Here was his answer:

> My views on OSHA were gone into in detail at the hearing. In general I believe the OSHA law is obviously important and necessary to protect the health and safety of workers, but that enforcement policy could be modified to be less adversarial and achieve much better results.

So he, again, failed to be specific. He is very, very general, although here is a man who has had the most intimate and direct and, I suppose, embarrassing association with OSHA. He has been found to be in violation repeatedly, and yet he has no idea how it should be improved.

Now, I sympathize with a person who has been in violation if they feel and they can show why their violations are violations that are inconsequential and that if they abide by the law they would be very costly. But he does not indicate any changes he would make.

Mr. HATCH. Mr. President, the indication he gave to us is that he would change OSHA to become more cooperative in labor and business in resolving workplace safety.

Here we have a company that is 22 years in existence and that has done $1 billion worth of work. There are not many construction companies that have done that much, not only in New Jersey but throughout the country; $700 million under construction right now and $150 million a year in the heavy-duty con-

struction business, and that is one of the most dangerous businesses there are.

These people have done sewer projects, tunnels, all kinds of highway construction projects, and so forth. They have dealt with a wide variety of employees and presently have almost 1,500 employees working for them. So the fact that they have been cited or have had difficulties with OSHA is certainly not unusual in the field that they are in.

Mr. PROXMIRE. I think that is right. But, again, as I say, these violations, it seems to me, are somewhat surprising for a man who is to be Secretary of Labor. The important thing is he does not have any idea how to change it. I have checked with competent people and they tell me that is not a good record for a company their size. They may be right or wrong, but you would think that being cited over and over again 57 times for serious violations, they would say, "These are violations of regulations which are unreasonable and wrong." If that is the case, we ought to know it.

Mr. HATCH. I will say this: If I have interpreted him correctly, he feels that OSHA has been an oppressive agency, a combatant agency, confrontational in its approach toward business, and that many of the regulations OSHA has issued have been ridiculous in nature.

It was not our intent as a committee, nor will it ever be, to go into every detail concerning OSHA regulations with regard to approving the confirmation of anybody.

Frankly, if we started doing that on each of the items over which the Department of Labor has control, we would never finish the confirmations. I might add, Mr. Donovan feels like we almost never finished it right now.

Mr. PROXMIRE. I am only taking 30 minutes.

Mr. HATCH. Mr. President, I do not mean on the floor. I mean it has taken the longest of any Cabinet-level official.

Mr. PROXMIRE. I realize that. That was not on the substance of his job, though. That was not directly related to it. It may or may not have been a good inquiry, but I am not making a criticism of that.

Mr. HATCH. I have no criticism of the Senator's suggestions. I think they are valid. Certainly, I hope that the new Secretary of Labor, assuming Mr. Donovan is confirmed here today, will get into these regulations and do a banner job of doing what is right for the people of America.

Mr. PROXMIRE. Mr. President, I might also say the nominee was very vague and nonspecific when I asked him what paperwork he could cut out.

Mr. HATCH. If the Senator will yield, I do not know of any Senator in this body who has not been vague and without substantive suggestions on what to do about paperwork.

As the Senator knows, when they set up the Commission on Paperwork, it wound up with more paperwork than most agencies.

Mr. PROXMIRE. That is correct.

When I asked for a timetable by March 1, he was evasive as to whether he could even get around to getting at the job by March 1, indicating what he would look at what he thought they might consider eliminating or reducing.

I appreciate the fact that it is very difficult, but it seems to me that does not excuse the Secretary of Labor from saying he does not have any ideas on how to cut paperwork. That is not the Senator's job or my job, but it is his job.

Mr. HATCH. If the Senator will yield, I agree it would be nice if some of us had the answers to that, but I will repeat that no one in this august body has an idea on that. I think it would have been well to have been able to give the Senator a due date. Personally, I find him more acceptable for being cautious on a matter like that, knowing the wide parameters that that involves.

Mr. PROXMIRE. One suggestion that I have is the suggestion, after working with GAO, that we should do away with every single form over a period of 5 years. We would schedule a certain number of forms to go out each month. Otherwise, they would have to be justified. Some of these forms just go on and on and on.

Mr. HATCH. I agree.

Mr. PROXMIRE. One of the programs that has been most heavily criticized at the Department of Labor has been the CETA program. It and the Labor Department have been the recipients of two of my "Fleece of the Month Awards," once when the officials of Ventura County, Calif. spent $385,000 to take a survey or census of the horses, cats, and dog population in the county. When we inquired about whether such spending had an important priority, the CETA or Labor Department regional office in San Francisco told us they did not interfere with what a city or county wanted to do with the funds. What Ventura County wanted Ventura County got.

Here is the question I asked him about CETA along with his reply:

Question. Mr. Donovan, I have been one of the many critics of our current Comprehensive Employment and Training (CETA) programs. What proposed changes would you offer to improve the operation of these costly and wasteful programs?

Response. CETA is a large number of complex and varied programs. There is little doubt that some, especially the subsidized jobs programs, have been justly criticized. I do not think that all CETA programs can be characterized as costly and wasteful. A detailed examination of the CETA programs and delivery systems will be an early priority.

I ask the chairman, did Mr. Donovan at any time indicate anything more specific than that very vague and general answer saying that he would look at the problems? Did he indicate any notion where he might make reductions?

Mr. HATCH. He said:

CETA is one of the most important pieces of legislation administered by the Department of Labor. I will refrain from making preliminary judgments on any provisions at this time until I become better informed on how effective the various titles have been in carrying out their objectives.

I am sure that I and my staff will be working closely with members of the committee and with those on the House Committee on Education and Labor as we strive to improve the employability of our disadvantaged citizens and to make the labor market work more effectively for individuals with employment handicaps.

With regard to private sector involvement, he said:

I do view employer and union participation as vital to the success of the employment and training efforts under Title VII. I cannot comment at this time on what percentage of CETA funds should be allocated to PSIP

CETA, ALTERNATIVES TO THE PROGRAM

As with CETA in general, I would like to withhold specific program recommendations until I have had a better opportunity to review our total effort. I would like to withhold my evaluation of targeted jobs tax credits, workfare and direct wage subsidies for a later time. I believe I have already touched on the issue of a subminimum wage for youth.

Generally, I look favorably on on-the-job training programs and apprenticeship.

Basically, that is what he said before the committee with regard to CETA.

Mr. PROXMIRE. But I think that was a very general response.

Mr. HATCH. It was.

Mr. PROXMIRE. There is one other area I would like to ask the distinguished Senator about. I asked the nominee about right-to-work legislation. I am very concerned about right-to-work legislation. In our State, both the Republican Party and the Democratic Party oppose the right to work and favor the union shop. They think the open shop is a mistake and feel that the right to work destroys union security and makes it very difficult for unions to grow in this country. One of the reasons why I pointed to this decline in union membership, the relationship to the work force, has been because this is something we all ought to be concerned about. Our unions are not getting stronger, but weaker. The overwhelming majority of our unions are honest and responsible. Some of them are bad actors.

By and large, this is an essential part of our economic democracy. I asked:

Your nomination was applauded by Reed Larson, President of the Right to Work Committee which has been seeking a constitutional amendment outlawing union membership as a condition of employment. According to a report which appeared in the Washington Post on Wednesday, Dec. 17, 1980, Carter Clews, a spokesman for a Right to Work Committee, is quoted as saying the following about you, "We submitted specific questions to him through his friend—questions about where he stood on issues important to us. He comes down in our favor on every one." Mr. Donovan, what is your position with regard to a constitutional amendment outlawing union membership as a condition of employment? Do you favor changing Section 14b-Taft-Hartley Act from, allowing to requiring, states to have right to work laws?

His response was:

I do not favor a constitutional amendment outlawing union membership as a condition of employment. I do not favor changes in section 14b.

That seems to directly contradict the responses he reported in the Washington Post as having given to the top right-to-work people. It concerns me about whether he has changed his position or what his position at the present time really is.

Mr. HATCH. I do not think the conclusions of the distinguished Senator from Wisconsin are accurate. The fact

is that Mr. Donovan and his company have been union employers for all of their 22 years. The only time they have employed any nonunion people has been when union tradesmen were unavailable. That was with union permission.

Second, this is one of those rare occasions in the lives of all of us where not only does he have the support of Reed Larson of the National Right-to-Work Committee, but of a number of unions, including Bobby Georgine.

Mr. PROXMIRE. The unions are going to have to live with him. They know he will be confirmed. They are tough and realistic people.

Mr. HATCH. That is why I am a little bit shocked to find that the distinguished Senator from Wisconsin is believing that unions are already out of business today because they are tough people who do understand these things. But keep in mind, he not only has the support of Mr. Larson and the National Right To Work Committee, but he has the support of Bobby Georgine, who used to be the president of my union, the International Wire and Wood Lathers Union. He also has the support of the Operating Engineers, the Building and Construction Trades Department of the AFL–CIO, and others.

All I can say is he has said before our committee that he is not for a national right to work law, but he is also not for repeal of 14b, which permits States to make a determination as to whether or not they can enact a State right to work law or not. I think he was accurate with regard to his statements in that matter.

He also expressed his belief that the union movement is important, as the Senator from Wisconsin has expressed and with which I agree. It would be a tragedy if this country did not have a union movement to represent the segment of the workers that they represent in this country.

Mr. PROXMIRE. Mr. President, my time is almost up. Let me finish by saying that I commend my good friend, the chairman of the committee, for his responses to these questions, but, frankly, I cannot go for this nominee. I do not know enough about the charges that have been debated in great detail.

Frankly, I cannot vote for this nominee because he has been totally unresponsive to the questions I asked. It is a big department, generating an enormous amount of paperwork, with many regulations, 22,000 employees, and a $34 billion budget. He cannot indicate where he would make reductions. On the basis of that record, concerning OSHA and open shop, I am concerned that we would have a weakened labor movement. For those reasons, I will have to vote against the nominee.

Mr. HATCH. Mr. President, if I can respond, I am disappointed that the Senator from Wisconsin feels that way. On the other hand, I know that he does a lot of work on this floor and has to make up his own mind, as all of us do. I respect his right to do so, as ranking member of the minority on the committee.

The PRESIDING OFFICER. All time of the Senator from Wisconsin has expired. Who yields time?

Mr. KENNEDY. Mr. President, I yield such time as the Senator from Michigan desires.

Mr. RIEGLE. Mr. President, I thank the Senator for yielding.

Mr. President, colleagues, this is a complex and difficult matter that is before us today. I think the time that the committee has taken and the content of the committee record shows that we have been dealing with this and struggling with it for some period of time. I think each Senator ought to carefully review this record and try to make his or her own judgment about it. As a matter of fact, it was the view of the committee and the chairman that we bring the matter to the floor at a time which would allow the committee hearings to be printed in their entirety and available for Members to review. I think that was an important step and I think it reflects, in part, the gravity of this particular matter.

I think that, in many ways, this nomination tests the advise and consent responsibility far more than most, because it involves difficult matters of judgment, where all the facts that we might wish to have are not necessarily present. That is why I think each Member has to try to familiarize himself or herself with the information here as we in the committee, of course, had the opportunity to do during the hearings and cross examination, and with the materials that were made available to us.

There are two items here that I think elevate this nomination to a different level of concern and importance. One has to do with what has gotten intense public attention—namely, allegations that have been made by FBI informants, a couple of them known by name, others anonymous informants, but, nevertheless, termed by the FBI as reliable informants. They have, one way or another, suggested certain criminal wrongdoing, either by Mr. Donovan or by his company or both, or some association with criminal elements.

The FBI came to the committee with these charges. As a matter of fact, the committee was on the verge, I believe, of completing its work some time ago when that information was brought to us by the FBI—as, properly, it should have been. That set in motion an effort to examine these allegations, to try to find out what facts could be found and what the truth might be. Within the time that we have had, and I think it has not, by any means, been an excessive period of time, an effort has been made to run these matters down. The information about that is contained in the record. I shall make some other references to it before I finish.

In any event, that certainly is a very unusual situation, highly sensitive, important. It needs to be handled with great care and with great thoroughness and is quite out of the ordinary.

Mr. President, I think the most important aspect of these charges and allegations that have been made lies not just in the content of the specific allegations, although, clearly, they carry their own important weight in terms of the specific allegation that is made. I am more concerned, myself, about the possible implications of ever finding ourselves in a situation where anyone who had criminal contact, criminal association, any kind of link in any way to organized crime elements, was in any kind of vulnerable position to be subjected to possible influence or harassment by those elements. I think the possibility of ever allowing that situation to arise in terms of someone going into the Cabinet of the President of the United States is a matter of national security of the highest order.

We expend enormous sums of money, as we need to, in terms of our defense expenditures and our foreign policy expenditures, to protect against any kind of subversion from outside our country. It is as important that we be equally vigilant with respect to any possibility of something of that kind happening from within our country, from enemies within, whether it be organized crime or anyone else. When that question is raised—when it is raised—when the allegations are made, the FBI comes in and indicates to us that informants that they find reliable have made charges that raise this issue, then we have no choice but to proceed with the greatest care and the greatest deliberation in trying to find out exactly what the facts of the matter are.

If we were ever to err in our judgment by allowing that kind of breach of national security, that kind of penetration into the Cabinet of the United States, then we would have, I think, done enormous damage to our country and to our future.

So that question, which is a question that is there, has been there over the years, will be there in the future, with respect to who comes forward as a Cabinet nomination, regardless of administration, regardless of party, is an issue that has to be looked at in its own right and not overly personalized. Our task, I think, is to depersonalize it and set those matters aside—set aside party, set aside the individual, set aside the geography—and to think only in terms of the question of the seriousness of the charges and what their inference might be and how accurate those charges might be.

So we have gone that road as best we can. The FBI has done its work within the limits of the time available to it. They have come back to us and, in essence, have said the following:

They cannot prove these allegations. They cannot find tangible evidence to support these allegations that have been made. On the other hand, they also are clear in saying that they cannot disprove these allegations. Of course, it needs to be said that it is tougher to disprove in this case than it probably is to prove. But who is to say, depending upon the situation and depending upon the facts in the particular allegation?

In any event, the hard evidence that could resolve this matter absolutely and with finality, one way or the other, is not at hand. I wish it were. But it is not at hand today, as we stand here.

When we pressed the FBI, as we did repeatedly, on their belief in the credibility of their informants, which now number seven or eight different instances—some say six, but it is six or more—they said to us the following:

The six informants are each independent of the other, in the judgment of the FBI. They are not connected to one another and, therefore, they are separate independent sources.

Second, in each case they see these sources as reliable sources, sources that in the past have been accurate, have been dependable in the evidence they have provided, and in one or two instances, were key figures in cases that were brought where successful convictions were obtained in court.

So, again, having no way to judge these persons other than by virtue of what the FBI has to say about them, we have had to rely on their assessment of the credibility or possible credibility of these witnesses.

Therefore, we are left with the situation in which the hard evidence is not available, and yet we have this pattern—unique, to my knowledge; I do not know of any other situation like it which has arisen in the 200-year history of this country—where we have that kind of informant information brought forward on a voluntary basis by a number of sources said by the FBI to be reliable.

So there we stand. How does one, then, come down on this issue?

In addition, the other issue that has to be weighed here with some care, totally apart from what I have just spoken of, is the question of formal, professional background and qualifications for this assignment. Of course, that goes to the question, I suppose, of how one views the Secretary of Labor, the importance of that Department, the importance of the functions of that Department. I happen to think that that is an essential Department in our Government, one of the most important.

It is the place where the problems and realities of working men and women have to be dealt with each day. I believe that in that assignment we should have people of towering reputation and credentials.

What do I mean by that? I mean someone who is well known in this field, not just necessarily in a small area, but someone who has distinguished himself enough that he would have something of a regional reputation in the field, if not a national reputation; someone who has well-defined opinions on the key issues in this field; perhaps someone who has spoken about it in the past or someone who has written articles about it; someone who is clearly acknowledged to be one of the top people in this field in the country.

If we were to have that—and we do not have that in this case—I would think that would be a significant fact in my mind. It would be something I would put weight on. We do not have that here.

What we have is a man who is highly successful in his firm, successful in the private sector, a family man—admirable and important accomplishments—things we would expect in any Cabinet officer—but a person very largely unknown in this field by most people in the field, regardless of party, regardless of region, regardless of philosophy.

I recall that when the nomination was first made, a number of people were surprised because this person was not well known to them. That is another part of this case that needs to be stated.

The next question that arose in my mind was the degree to which the President of the United States, on the basis of his intimate, personal knowledge and perhaps close contact over the years with this particular nominee, would have the kind of proximity and relationship to be able to know, on a personal basis, some things about the nominee that would not necessarily be apparent just by the record or the list of accomplishments that one might see, in the field of labor issues, labor law, and so forth. As nearly as I have been able to determine, there is not a close personal relationship there.

Mr. Donovan performed an important responsibility in the Reagan-Bush campaign, and there is clearly an association on that basis. That is a different situation from that which one might find, say, in the case of William French Smith, with whom the President obviously had a kind of long-time and close familiarity, which would lend a certain additional element to the nomination, and that is not present to the same degree in this case.

I believe that everybody who cares about this nomination should read this hearing record carefully because of a number of matters that arose and were mentioned—I mean not just issues of substance but charges that were made and the circumstances surrounding them—to try to reach their own judgment as to what those say and do not say.

I have struggled with this, as have my colleagues who voted "Present" in the committee the other day. It is a complex and troubling situation. I must say to my colleagues that, having thought about this subject over the weekend for many hours—and I believe this is true of all colleagues on the committee, on both sides—I still have material, unresolved doubts in my mind. I do not want to have them. I would much prefer not to have them. To the extent that they may eventually go away, that would be a burden lifted at least from this Senator's feelings about the matter. But the issues are serious enough that they must be dealt with, in a sense, apart from personalities.

That is where the hard part comes in, when we are called upon to make these decisions and to cast these votes. In that connection, I suppose I am most concerned with the possibility—it may even be a probability—that in casting a vote against this nominee, that vote would be misunderstood by the public and by the press in terms of what it was intended to convey or mean.

I am very sensitive about the fact and I am concerned about the fact that given the nature of the allegations that have been made in this case it would be very easy to draw the inference that a vote against was somehow a vote that said that the allegations that have been made here were true. I indicate flatly to everyone who is within the sound of my voice that my vote should not be interpreted that way.

The allegations are unproven. The FBI has indicated that they were unable to either prove or disprove the allegations.

So we do not have a nice crisp sharp definitive kind of resolution of that matter that it would be so much better for us to have if that were possible.

So we have to make the judgment in this case individually on everything else we have short of that. So I have attempted to do so which is my duty under the Constitution as it is the duty of all of us.

I think this has not been a pleasant experience for anyone, cerainly not for Mr. Donovan, his family, or members of the committee. It is not comfortable today. And who knows how long it will be before it ever is, if it ever is?

This nominee is going to be confirmed today and I wish him well in undertaking and discharging these important new duties.

Regardless of how we each may vote here and how we resolve these issues and questions in our own mind, that is today's business. Tomorrow's business is different.

Once this confirmation has occurred it is time for him to start doing his job and for us to do it together and to do it cooperatively, all of us, regardless of how we may have voted and whatever our final judgment in the matter. I certainly intend to do so. I intend to work with this nominee, this Cabinet officer, constructively, cooperatively, openly, and directly, in the same way that I have tried to deal with these matters with him in the committee.

We carry different responsibilities in these matters and we all have the obligation to discharge them as best we can.

I thank the Senator for yielding.

Mr. HATCH. Mr. President, I yield such time as he may need to the distinguished Senator from New Jersey and as soon as he is finished such time as he may need to the distinguished Senator from North Carolina.

Mr. WILLIAMS. I thank the Senator from Utah.

Mr. President, at the outset I wish to state something of a personal nature about the chairman of our committee, the Senator from Utah who has most recently become the chairman of the Labor and Human Resources Committee.

This was the first major matter to come before our committee, the nomination of Ray Donovan to be Secretary of Labor, and I said at the hearings, and I wish the record to reflect it now, I commend the manner in which the Senator from Utah has discharged his responsibility as chairman of the committee.

This has been, I believe, the most investigated nomination in terms of background study and inquiry. It has broken all records, I understand, and it was under the overall committee direction of the Senator from Utah. He did it with skill, fairness, and completeness and that has been observed and editorialized about.

I ask unanimous consent to have printed at this point in the RECORD an editorial from the Newark Star Ledger that does applaud the committee and its work and thoroughness in this nomination hearing and in exercising our advise and consent responsibility.

There being no objection, the editorial was ordered to be printed in the RECORD, as follow:

[From the Star Ledger, Jan. 29, 1981]

VIEWPOINT—RIGOROUS REVIEW

One of the major criticisms of the nominating process for Cabinet members is that the Senate hearings on appointees are not sufficiently searching. The reviews of nominees' backgrounds and the questioning at hearings are perfunctory, more or less a pro forma proceeding.

The confirmation of Bert Lance, President Carter's choice to head the Office of Management and Budget, is frequently cited as an egregious example of Senate laxity, the failure to undertake rigorous probes before nominations are clear for confirmation.

Mr. Lance resigned under heavy pressure after allegations surfaced about his free-wheeling style as president of two Georgia banks before he entered government service.

The laissez faire attitude that marked the confirmation of Mr. Lance and a number of other Cabinet nominations was markedly missing in the Senate committee confirmation hearing on President Reagan's nomination of Raymond J. Donovan as Labor Secretary.

Mr. Donovan was subjected to a rigorous grilling and a full-scale FBI review of his business activities and the operations of his New Jersey construction company.

Despite the questionable sources of the accusations, the Senate committee directed the FBI to undertake a thorough and wide-ranging investigation. A task force of 70 agents interviewed 124 persons and examined thousands of documents but did not find any evidence to support the allegations.

Mr. Donovan was understandably bitter, characterizing the accusations as "unfounded, scurrilous and groundless." However, there are positive aspects to the meticulous review of his nomination. It provided an independent perspective that refuted attacks on his character and integrity . . . and the allegations should now be laid to rest.

Moreover, the comprehensive Donovan inquiry was done before, not after, his confirmation, serving to remove any residual doubts of a reprise of the lamantable Lance affair. It established the appointee's fitness to serve as a member of the Reagan Cabinet.

Mr. WILLIAMS. The editorial's conclusion is that the nominee should be confirmed but it speaks well of the committee's work, and I commend the chairman and of course the thoroughness of our ranking minority leader also.

Mr. HATCH. I thank my dear friend from New Jersey.

Mr. WILLIAMS. Mr. President, the past few weeks have undoubtedly been extraordinarily difficult for the nominee, Ray Donovan. Over a period of many years Secretary-designate Donovan has built up a reputation in my home State, New Jersey, for integrity and dependability. This reputation is founded both on his effectiveness as a businessman and on numerous charitable endeavors which have aided so many of the people of New Jersey and indeed the Nation.

Now, however, Ray Donovan's integrity and veracity have been called into question because of a series of well publicized charges emanating from the most questionable sources possible. None of these accusations has been substantiated, but the mere airing of them has served to delay the confirmation of Ray Donovan and, at least temporarily, to call into question his fine reputation. Needless to say, the past several weeks have been a nightmare for Ray Donovan and his family.

It is my hope that this whole process of accusation and investigation has at last come to an end; that we will vote today to confirm Ray Donovan and allow him to move on to the vital business of representing the working people of this country.

Both the majority and minority reports contain detailed discussions of the various allegations made against Mr. Donovan and the FBI's investigation of them. I think it would be redundant for me to reiterate each of these accusations and the FBI's findings in relation to them.

However, looking at the allegations in broader perspective, particularly Mr. Picardo's, we can see that they fall into three general categories.

First, there is information supplied by Picardo which the FBI found to be inaccurate. For example, Picardo's description of the Donovan office—where he supposedly bought "labor peace" from Picardo—was not only not corroborated by any other witness, it was contradicted by those familiar with the location and set-up of Donovan's office.

The second and broadest category contains allegations which are on their face demonstrably false or ludicrous and could easily be tested by a cursory investigation. For example, Picardo stated that Schiavone Construction was "known in the construction community as being the only construction company in the State of New Jersey and if you also were in the construction business you were a subcontractor to Schiavone."

Ray Donovan vehemently denied this and the FBI evidently felt that the claim was too insubstantial to look into. My own staff checked into it and found that Schiavone was not only not the dominant firm in the State, it was not even in the top five. According to the prominent construction industry periodical Engineering News, Schiavone was, during calendar year 1979, the eighth largest construction company in New Jersey in terms of the dollar value of contracts awarded. It was awarded contracts worth approximately $56 million. The largest construction company in New Jersey was awarded contracts worth over $3 billion.

Picardo and others have made numerous similar allegations which Donovan denies. The bulk of these charges involve claims which could be pursued and, if true, easily verified. By and large the FBI found such matters not worth pursuing. However, because these matters are so readily verifiable, it would be utterly illogical and self-defeating for Ray Donovan to lie about them. Any such falsehood by Donovan could be easily revealed. Indeed, title 18, section 1621 of the United States Code specifies criminal sanctions be applied to anyone who gives false testimony under oath to a competent tribunal such as our committee. It strains credulity to think that Ray Donovan would risk his livelihod and freedom, as well as his chances for confirmation, by lying about such matters. On the other hand, I think it notable that none of Ralph Picardo's allegations were made under oath.

Finally, there is a third category of accusations. These are the basic charges. Did Ray Donovan meet with Ralph Picardo? Did he buy "labor peace"? The FBI was unable to substantiate any of these allegations. Yet, they have not been conclusively disproven and it appears that there is no way they can be.

This proving of the negative we all know is the most difficult and impossible thing in the world to do.

These unverified and unverifiable accusations are the crux of the case against Ray Donovan. They lie at the center of a matrix of clear falsehoods constructed by Ralph Picardo and others against Ray Donovan and, given the lack of proof, the believability of these charges hinges on the relative credibility of Ray Donovan and his accusers.

Ray Donovan, as I stated before, is a reputable businessman with an enviable reputation for honesty and dependability. For this reason many of the construction tradesmen from my State have come out in support of Mr. Donovan despite the fact that they have fundamental philosophical differences with him.

Ralph Picardo is a confessed murderer, extortionist, and arsonist. He has also been found guilty of falsifying records, kiting checks, and passing worthless checks. Commission of any one of these crimes would alone be sufficient reason to question one's veracity.

Mr. Picardo, though, did all these things and more. For him, deceit and betrayal have been a way of life. What reason do we have to rely on his credibility? Why should we give him a veto power over Ray Donovan's career and life?

I cannot imagine that any of us would seriously claim that Ralph Picardo is trustworthy. However, many of my colleagues have wondered why he would lie about Ray Donovan. Mr. Donovan himself was asked this at his hearing and was at a loss to come up with an answer. I am similarly without insight. However, I simply do not believe that this body should be terribly concerned with understanding the mind and motivations of a murderer. Deceit and betrayal are clearly habitual with this man, and I do not believe we have to probe any further into his motivations.

In short, the question before the Senate, over and above the pending nomination of Mr. Donovan, is whether this body shall meet its responsibilities and decide the nomination on the facts in the record before us.

The record as put forth in the committee report is an abundant statement of the situation. Our members can rely on it to decide the issue. Our decision should be based on this record rather than upon the innuendo and the easy slanderings of informants too cowardly to come forward and speak, under oath, before the man they accuse.

Have we learned nothing from our history of two and three decades ago?

In every court in this land, juries are told to weigh the testimony of these types of people with great caution and skepticism. Yet here we do not even have their sworn testimony.

Mr. President, I know Mr. Donovan well. I feel honored and proud to vote in favor of his nomination. My vote is based on the record before us. I say he deserves nothing less than this vote of confirmation which is, for me, a vote of full confidence. I believe he will serve as Secretary of Labor with honor and with distinction.

It is true, as the Senator from Wisconsin developed, that the basics of the business of Secretary of Labor were not fully explored with Mr. Donovan. One of the reasons was because the hearing process was pretty much occupied—we were pretty much occupied with—this flood of suggestion from unknown, unseen, unheard people out there in that misty land of informers and others associated with informers.

So we did not get into the tough questions of CETA, OSHA, and ERISA, and some of the other things that I, as a former chairman of the committee, would liked to have done, because I think in that process it would have been helpful to Mr. Donovan to know the depths of our feeling on all of the matters that are before our Labor Committee. These are necessary matters for us to thrash through, consider, fight for or reject as we join the mission of trying to make the working people of this country's lives better through the opportunities given us in our roles in Federal Government.

I thank the chairman of the committee for the time he gave me to make this statement in support of Ray Donovan.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER (Mr. CHAFEE). The Senator from Alaska.

Mr. STEVENS. I ask unanimous consent, Mr. President, that the Senator from Utah yield to the Senator from North Carolina such time as he desires, not to exceed 15 minutes.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. EAST. Mr. President, it is my pleasure, in my first speech to the U.S. Senate, to speak on behalf of the nomination of Ray Donovan to be Secretary of Labor.

I, too, as has the distinguished Senator from New Jersey, would like to commend Senator HATCH for taking the most difficult and troublesome Cabinet nomination we have had and conducted extremely fair and extensive hearings, which he has done with great competence, and it reflects greatly not only upon himself but, in my judgment, upon the entire U.S. Senate.

We had extensive hearings. The findings seem to boil down to this: Mr. Donovan is competent for this job. Mr. Donovan was not questioned upon the issues in terms of being deficient in his position there. The whole cloud surounding this nomination centered around charges from the underworld about alleged connections with underworld figures.

In response to that, the Federal Bureau of Investigation dispatched 26 agents to explore these charges. These charges all came back unsubstantiated.

Mr. President, I ask you as a matter of elementary fairness what else can you do? To contend, as some do, that a cloud still exists over Ray Donovan is, as Senator WILLIAMS has suggested, and as I noted in the committee hearings, to give a veto power over Cabinet appointees to the underworld because all they have to do is surface some informer who says that so and so did this and that and the other thing. The FBI checks it out, but you say, "Never mind, that does not count. I go on the basis of suspicion, cloud, innuendo."

What you are really doing, I repeat, is giving veto power to the underworld on any potential nominee who comes before the Senate. In fact, the problem goes deeper because, in effect, what you are doing is giving the power to advise and consent to the underworld. You are relinquishing it to them. In my judgment, we are ignoring our constitutional responsibility and obligation.

I repeat what more would you ask as a matter of elementary fairness that a man do? He is charged, the FBI investigates and finds nothing. Would you still hold it against him? I doubt if the American people would, and I see no reason why the U.S. Senate should.

Beyond that, I think it raises serious problems about civil liberties and the rule of law under the U.S. Constitution where a man, again with the character and background of a Picardo, can come out, make accusations found to be unsubstantiated, and ruin the career of a distinguished, able, and accomplished American.

Let me ask you if you were in Mr. Donovan's position, would you not feel that way, that civil liberties were jeopardized and that the rule of law seemed to be jeopardized? I think so.

Ultimately here you get down to the simply most fundamental thing about the American system of justice, elementary fairness. What is reasonable and fair?

I leave you with this thought: If this Senate should—which it will not, I believe—turn down Ray Donovan, I would leave you with this as a U.S. Senator looking forward to this continued problem of confirming people to serve in public life, how are you going to get good people to offer themselves to serve in Government where if their name is presented and then someone again like a Picardo surfaces and says this kind of thing, the FBI clears you, but they still say there is a cloud of doubt over you? You will not be able to get qualified people to serve in these jobs.

Those people who are against Mr. Donovan's confirmation and who will oppose him in this vote today I feel very strongly owe a very extensive explanation as to how they justify it, as a matter of elementary fairness, as a matter consistent with civil liberties and the rule of law under the U.S. Constitution. They have an enormous burden to bear.

It is my pleasure, then, to speak on behalf of Mr. Donovan and to inform my colleagues that I intend to vote for his confirmation and I urge them to do likewise.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. Mr. President, will the Senator from Tennessee yield to me?

Mr. BAKER. Mr. President, I am happy to yield such time as the distinguished Senator from New Jersey may require.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I thank the majority leader.

Mr. President, as I said when I introduced Raymond Donovan to the Labor and Human Resources Committee, President Reagan honors Mr. Donovan and New Jersey with this nomination.

I did not know Mr. Donovan personally before the President nominated him in December. Since then, however, I have talked at length with him and with a good number of New Jersey residents who have been well acquainted with him for many years. On the basis of those discussions I can report that Mr. Donovan's reputation for character and integrity is excellent. The committee's record is also filled with favorable comments from many New Jersey citizens—including a former head of the State special commission on investigations and three Federal district court judges, two of whom were U.S. attorneys.

Mr. Donovan and I do not share the same views on all policy areas, and we probably will disagree on some significant decisions during his tenure as Secretary. But I believe we will work together because in his career Mr. Donovan has earned a reputation for fairness and honesty, a reputation he can put to good work for the country as Secretary of Labor.

Mr. Donovan's nomination has received great scrutiny, to put it mildly. I am pleased that all of the allegations, which were investigated intensively by the FBI, were not substantiated.

It is appropriate to keep in mind that during the committee hearings the Secretary-designate totally denied them. During the committee's examination, the Secretary-designate was asked to speculate about the reasons for the controversy and he referred to the "New Jersey syndrome," suggesting that although allegations against him were groundless, they were accorded undeserved credibility because of suspicions about the construction industry generally and the construction industry in New Jersey particularly.

I understood what he was getting at, and I think a lot of other people did, too. After all, for years the television comedian and the talk show host have been making jokes about New Jersey—its air, its water, its people, its government. These largely unfounded remarks disturb me greatly.

The point is that public perceptions of a situation often do not square with the facts. Distorted perceptions should be corrected whenever and wherever possible.

In fact, Mr. Donovan's nomination gives me the opportunity to correct the misimpressions that too frequently are associated with our State and to point out many of its outstanding features.

One reason why pictures of New Jersey are distorted is because much of what people know, they see on television. Because New Jersey lacks the commercial VHF TV station of its own, it is seen by the rest of the world—as well as many of its own residents—through the eyes of television stations based in New York and in Philadelphia. It is one of only two States in the country with such a problem. New Jersey residents know more about what is happening in New York City and Philadelphia than they do about the events in Trenton or Newark. Too frequently the only time New Jersey is seen on commercial TV is to cover a major disaster or crime—the big story. Small wonder people develop the misimpressions they do.

Another reason why pictures of New Jersey might be distorted is because we New Jerseyites have not told our story loud enough about what is good about New Jersey. Today I will try to correct that.

New Jersey is a State of incredible diversity. It is the most densely populated State in the country, yet two-thirds of its land area is still flat farmland, heavy forest, and rolling hills. Over 7,900 farms and a million acres of pineland wilderness are as much New Jersey as Newark, Jersey City, and Trenton. Seven and a half million people reside in New Jersey and one-quarter of the Nation's population lives within a 250-mile radius. Our freight transport complex is the greatest in the country. Our two ports, Newark-Elizabeth and Camden are among the most active in the Nation—we are the containership capital of the world.

New Jersey's work force is also one of the Nation's most highly trained. There are more scientists and engineers per capita than any other State. We also lead the Nation in privately funded research and highest concentration of research facilities—over 10 percent of all research and development dollars are spent there. We have more than 725 industrial research laboratories in addition to those affiliated with our many universities, such as Princeton and Rutgers.

Our students are trained at 21 4-year and 22 2-year colleges. Worker productivity is among the highest in the country. We have the Nation's third largest concentration of corporate headquarters—90 of the 100 largest corporations in America are located in New Jersey. New Jersey is: first in pharmaceuticals; second in chemicals; fifth in rubber and plastics; sixth in instruments and related products; seventh in food and food products; stone clay and glass products; leather and leather products; apparel; and miscellaneous manufacturing; eighth in electrical machinery; printing and publishing; ninth in paper and allied products and textiles; and tenth in fabricated metals. New Jersey is also tenth in export of manufactured goods and second in export of steel and iron scrap.

Our State has also a magnificent 128-mile coast line complete with lovely barrier islands and the country's biggest recreational fishing industry. This leads to an important tourist industry which thrives not only along our coastal communities but along the beautiful Delaware River, as well.

So, Mr. President, I am pleased and proud that today's confirmation process gives me the opportunity to dispel a little bit of the "New Jersey syndrome" frequently affecting the way other people see New Jersey.

Mr. President, I am confident that Ray Donovan will represent the best of New Jersey and will be a credit to the President, to our country, and to New Jersey. I will proudly vote for his nomination.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which was published in the Record, Hackensack, N.J., on February 2, 1981.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From The Record, Hackensack, N.J., Feb. 2, 1981]

THE "JOISEY" FACTOR

"If you're in the contracting business in this country, you're suspect. If you're in the contracting business in New Jersey, you're indictable. If you're in the contracting business in New Jersey and you're Italian, you're convicted."

Raymond J. Donovan, President Reagan's nominee to be secretary of labor, was facing yet another grilling before the Senate's Labor and Human Resources Committee last week when his temper finally got the best of him. Accused by an FBI informant (who refused to appear before the committee) of having made union payoffs in exchange for labor peace at his construction firm, Mr. Donovan stated publicly what a great many New Jerseyans have been thinking privately for years.

We don't know whether there's a grain of truth to the allegations against Mr. Donovan. (The committee apparently didn't think so; by an 11-0 vote, with five Democrats abstaining, it approved his nomination and sent it to the full Senate for a confirmation vote this week.) But we do know what it's like to say, "I'm from New Jersey."

"Joisey"? You from "Joisey?" What kinda cancer you got? Seen any good chemical-dump explosions lately? Jimmy Hoffa buried near you? Imagine the grief Mr. Donovan must take when he tells people he's not only from New Jersey; he's from Secaucus—and he owns a company called Schiavone Construction! It's as good as identifying himself as a hit man for the mob.

We doubt that Mr. Donovan's past business dealings have been brought into question simply because he owns a construction firm, or because he hails from New Jersey, or because his business partners are of Italian descent. But we suspect that more than a few people have judged him guilty on these very grounds. What he said to the committee last week needed to be said. And we're glad he said it.

The PRESIDING OFFICER (Mr. RUDMAN). Who yields time?

Mr. KENNEDY. Mr. President, I am prepared to yield to the Senator from Ohio what time he might need but I just want to indulge myself for 1 minute and say that I love New Jersey as well as the distinguished Senator from New Jersey. I have nothing but the fondest recollection of the voters of New Jersey, particularly during the Presidential primary this past year.

So I just want to let all of us know that the Senator's ringing words were welcomed by not only the Senate but I am sure by the good citizens of that State, which is well represented by their two Senators.

Mr. BRADLEY. Mr. President, I look forward to supplying the Senator with a gross of these New Jersey tomatoes for his lapel.

Mr. KENNEDY. Mr. President, I would rather have them for my dinner table.

Mr. President, I yield to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, the nomination before us today confronts this body with extremely difficult choices.

One choice—and the one I would much prefer to make—would honor the President's prerogative of selecting his own Cabinet and give to Mr. Donovan the benefit of the doubt with regard to the allegations that have been made against him.

But the second choice, Mr. President, is to raise the question of whether we can in good faith confirm a nominee to an office of high public trust about whose background there remain so many serious questions and doubts.

It is important that we review the public record of the hearings held in connection with the confirmation.

According to an FBI report submitted to the Committee on Labor and Human Resources, no fewer than six sources.

The Washington Post story today revealed an additional source, so there are seven sources—all described by the FBI as reliable, have alleged that Mr. Donovan has had contact with individuals involved in organized crime. A reliable source, by the way, has been defined as a person whose information is accurate and can be collaborated approximately 90 percent of the time.

If we had such reports from one or two individuals, it would perhaps be possible to dismiss them. But when seven different reliable informants independently provide the same general information, I do not believe that we can afford to ignore the possibility that a real problem might, in fact, exist.

No one would suggest that all seven of these informants were engaged in a master conspiracy to make up these stories. How, then, did it happen that all the sources, each having specific kind of story to relate, would have come forth with such allegations?

Mr. Donovan has denied any wrongdoing, and he is entitled to the benefit of the doubt. He has denied any relationship or liaison with organized crime figures. He has withstood the tough questioning of committee members. And, in

all fairness, he should be commended for his perseverance.

But it is also true, Mr. President, that the committees' consideration did not fully answer the questions raised about Mr. Donovan. The FBI, to be sure, "did not develop information to substantiate the allegations made against Mr. Donovan." But the Bureau was also unable to disprove many of the serious accusations—and their failure leaves this Senator, for one, with lingering doubts regarding the nominee.

It should be pointed out that although the FBI was not able to find a corroborating witness, and according to reports that I have received three of those possible witnesses met their deaths. The fact is the FBI was not able to disprove the allegations.

There are many pending questions, among them whether Schiavone Construction knowingly hired a "ghost employee" and was involved in an extortion scheme.

Whether Mr. Donovan inaccurately testified about his conversation regarding this situation with Mr. Finneran, a general manager of General Contractors Association.

Whether it is reasonable to assume that three Schiavone employees, one of whom was a close personal friend and business associate whose office was adjacent to Mr. Donovan's, would not inform the nominee of a grand jury subpena regarding Schiavone business.

That, indeed, strains the credibility of the testimony heard before our committee.

We must also ask about allegations that the Schiavone Construction Co. made a $13,000 payoff with Mr. Donovan's approval in order to illegally dump material in a municipal lot.

We must also ask whether a new allegation is true, that the Schiavone Construction Co. has ties with the Genovese organized crime family.

These are lingering questions—questions that have not, in my judgment, adequately been answered.

I am concerned, Mr. President, about voting for a Cabinet member whose confirmation would undermine public confidence in public officials.

I can only say that with all of the accusations that have been made, it is difficult to say that one does not have lingering doubts.

Some of these arguments that have been made are compelling, in this Senator's opinion. They weigh heavily against Mr. Donovan's confirmation.

But there will be a number of Senators who will argue that no wrong-doing has been proven, that we should protect due process and individual civil rights—that a man is innocent until proven guilty. Therefore, we should vote to confirm the nominee.

Mr. President, I want to address myself to that subject. We are not sitting as a jury in a criminal case where a man must be proven guilty beyond a reasonable doubt. We are not even sitting as a jury in a civil case where, in order to prevail, you must have a preponderance of the evidence.

No, we are sitting as the U.S. Senate with a solemn obligation to advise and consent to the appointment of a nominee to a Cabinet-level position.

It is our role to decide whether the nomination should be confirmed. And whether it is in the Nation's interest.

This Senator does not believe that it is.

This Senator believes that there is no greater problems facing our Nation today than the lack of confidence that the people have in their Government and in the people who hold public office, whether by appointment or by election.

I do not believe that we should add to their doubts, that we should raise more concern. That we should confirm a man who has raised so many doubts in the minds of the committee, as well as, the minds of the American people.

I came here this session determined in my own mind to vote to confirm all of the President's nominees unless there were strong and convincing reasons not to do so. I have voted to confirm all of the nominees with the exception of one.

I do not believe it is our role to act as judge and jury as to whether Mr. Donovan has been involved in criminal activities. It is our role to decide whether his nomination is in the Nation's interest.

I do not believe that we should vote against a nominee solely based on his or her philosophical views. Therefore, I have voted to confirm all but one of the nominees to date.

In this case, I believe that there are compelling reasons to question the merit of Raymond Donovan's nomination as Secretary of Labor.

Do I need to say what is an obvious fact. The whole question of organized crime in certain small elements of the labor movement is a matter of major concern to our country? Do I need to point out that there are investigations which the Department of Labor and the Department of Justice are engaged in respect to racketeering in the labor movement?

How can we, under those circumstances, justify coming to the floor of the United States Senate and putting into office, confirming for Secretary of Labor, a man who raises more questions of the same kind?

The cloud of suspicion and doubt that strikes at the heart of the candidate's potential credibility in office is, in my opinion, sufficient reason for this Senator to vote nay. With all of the doubts that have been raised, I believe that the President of the United States could find another, more appropriate, appointee. I believe that confirming Mr. Donovan would unduly burden the President and his new administration.

In this time of economic crisis and declining confidence in public officials in our Government, I believe it would be a disservice to the public, the President, and this Nation for an official who will play such an important role to be tainted by doubt or suspicion.

Under those circumstances, Mr. President, I do not rise to urge any other Member to vote one way or the other, but this Senator will feel that he is performing his responsibilities as a Member of this body by voting nay in connection with Mr. Donovan's confirmation.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HATCH. Mr. President, I yield to the distinguished Senator from Florida such time as she needs.

Mrs. HAWKINS. Mr. President, I rise to support the nomination of Mr. Raymond Donovan to be Secretary of Labor. As a member of the Senate Labor and Human Resources Committee, I have listened to hour after hour of debate concerning Mr. Donovan's qualifications and background. I have carefully reviewed the Federal Bureau of Investigation's report on the allegations made by Mr. Ralph Picardo, a convicted murderer currently being held under the FBI's protected witness program. Throughout the Labor and Human Resources hearings on the confirmation of Mr. Donovan, I have observed Mr. Donovan and listened to him rebut allegations against his character and that of his company, the Schiavone Construction Co.

The investigation by the Senate Labor and Human Resources Committee into the fitness of Mr. Donovan to assume the important position of Secretary of Labor has been the most exhaustive of all investigations into President Reagan's Cabinet nominations. The Federal Bureau of Investigation utilized 26 special agents, in 14 field offices, who spent 1,400 manhours interviewing 124 witnesses. The Schiavone Construction Co. voluntarily opened up 15 years worth of books and records to the FBI. Mr. Donovan personally cooperated in the FBI's investigation of his personal life from the time he graduated from high school.

The Federal Bureau of Investigation thoroughly investigated all charges made by Mr. Picardo and others. Despite their exhaustive investigation and the efforts of the Senate Labor and Human Resources Committee, the FBI was unable to come up with any evidence to corroborate any of the allegations made against Mr. Donovan or the Schiavone Construction Co. In fact, the FBI report was able to disprove many of the allegations and found glaring discrepancies in others. For example:

1. Mr. Picardo originally stated that he had made about ten pick-ups from Mr. Donovan. He later amended his statement to say that he only dealt with "Ray" on three or maybe four occasions.

2. Mr. Picardo stated that he went up a flight of stairs to reach "Ray's" office. The F.B.I. reported that before 1968, Mr. Donovan's offices were located at street level. No steps were involved. Today, his offices are located down from the foyer entrance level.

3. Mr. Picardo stated that "Ray" wore plastic glasses. Mr. Donovan testified that he had only begun to wear metal frame glasses full time within the last six months. He also stated that the glasses that he occasionally used to read were aluminum half glasses.

4. It was alleged that the Schiavone helicopter flew candidates Reagan and Bush around New York and Pennsylvania without reporting the cost of the helicopter as a campaign contribution. The F.B.I. reported that the Reagan-Bush Committee paid in full for its use of the SCC helicopter.

5. It was alleged that Schiavone construction company worked on the Newark Federal Building with a subcontractor named Valentine Electric and that Valentine Electric was connected to organized crime. The F.B.I. determined that Schiavone did no work on the Newark Federal Building and that Schiavone has never dealt with Valentine Electric.

6. It was alleged that Ray Donovan consorted with known criminal elements during a NFL football game. The F.B.I. dismissed this allegation out of hand because they had been monitoring the junket and knew that Mr. Donovan did not attend.

7. It was alleged that Thomas Dinorsica, also known as Tommy Adams, was on the Schiavone Construction Company payroll while he was in prison. The F.B.I. check of the Schiavone payroll found no mention of Dinorsica or Adams.

8. Mr. Picardo claimed that Schiavone Construction Company received public contracts through the influence of a New Jersey State Senator named William Musto. The F.B.I. could find nothing to associate Mayor Musto of Union City, New Jersey, with Schiavone or Mr. Donovan. Schiavone Construction Company has never done work in Union City and does not seek municipal contracts.

9. Mr. Picardo stated that Schiavone paid for "Labor Peace" for the construction of the Port Authority landfill job in 1971 or 1972. The F.B.I. determined that Schiavone never worked on this job.

Mr. President, I shall not burden the valuable time of the Senate with a recital of the allegations that have been disproved by the Federal Bureau of Investigation. The Senate Labor and Human Resources Committee has extensively investigated all charges and allegations against Mr. Donovan since the first hearing on January 12, 1981. I am sure that all Senators have carefully read the 378 page hearing record on Mr. Donovan's confirmation.

It is sufficient to point out that neither the Federal Bureau of Investigation nor the Senate Labor and Human Resources Committee were able to find any corroborative evidence of the various allegations made against Mr. Donovan or his company, Schiavone Construction Co. Indeed, Mr. Francis Mullen, Jr., who led the FBI investigation, stated that had the investigation been a criminal one, they would have abandoned it long ago.

I also seriously question Mr. Picardo's motives in refusing to appear before the Labor and Human Resources Committee out of fear for his life.

On many pages in the record of Mr. Donovan's hearings, we are urged as committee members and the FBI constantly tells us to be careful, that Mr. Picardo is in jeopardy of his life. Yet Mr. Picardo agreed to appear on a national network television program the morning of the committee's confirmation vote of Mr. Donovan.

Several Senators refrained from favorably reporting Mr. Ray Donovan's nomination out of committee because of the inability of the Federal Bureau of Investigation to disprove each and every allegation made by criminal informants. In an attempt to determine the truth, the committee examined in detail each charge that was specific enough to suggest further inquiry and each charge that lent itself to resolution by investigative techniques. The allegations that remain are so vague that they do not lend themselves to be proved or disproved. They involve such vague charges as the allegation that the Schiavone Construction Co. was "mobbed up." The Senate Labor and Human Resources Committee and the FBI have exhausted all resources available to them in an attempt to corroborate these vague charges. They were unable to find any evidence to corroborate the vague allegations made by criminal informants.

It is now the responsibility of the individual Senators to make a judgment on the validity of the allegations made against Mr. Donovan and the Schiavone Construction Co. based upon the hearing record before them.

I shall cast my vote in favor of the confirmation of President Reagan's nominee, Raymond Donovan, to be Secretary of Labor. I am convinced that the Labor and Human Resources Committee and the Federal Bureau of Investigation have fully investigated all allegations against Mr. Donovan and have found no evidence to challenge his fitness to serve in the high office of Secretary of Labor. If evidence appears later to challenge Mr. Donovan's fitness to serve the Government, it will not be due to a lack of diligence on the part of the Senate Labor and Human Resources Committee. I doubt if many Senators would be willing to open up the last 15 years of their personal and business life to such close scrutiny.

Before I end my statement, Mr. President, I want to take this opportunity to applaud Senator HATCH for his efforts as chairman of the Senate Labor and Human Resources Committee. I can find no fault with Senator HATCH's fair and objective handling of this difficult issue. Senator HATCH painstakingly went through each and every allegation made against Mr. Donovan and his company, no matter how vague the allegation or unreliable the source. He gave each Senator ample opportunity to question the witnesses to the Senator's satisfaction. I thank the chairman for the fairness and objectivity he demonstrated throughout the confirmation process.

I urge my fellow Senators to vote for the confirmation of Mr. Donovan's nomination.

Mr. HATCH. Mr. President, I yield such time as he needs to the distinguished Senator from Indiana.

Mr. QUAYLE. I thank the distinguished chairman.

Mr. President, today we are asked to confirm the nomination of Raymond J. Donovan as Secretary of Labor. The Committee on Labor and Human Resources has spent many, many hours investigating and questioning Mr. Donovan. We have heard from other witnesses including those who participated in the intensive investigation of unfounded allegations against Mr. Donovan.

We are asked to confirm a man from New Jersey who comes from a working class family—who was orphaned as a teenager—attended Holy Trinity Seminary in Alabama and graduated from Notre Dame Seminary in New Orleans in 1952. Ray Donovan has achieved success in the heavy construction industry which is highly competitive.

He terms his success in the business world as the realization of the American dream. In 1959, he joined Schiavone Construction Co., a company with assets of less than $20,000, with an initial contribution of $5,600 from his own savings. Today, this firm is the 277th largest construction operation in the Nation.

During his time at Schiavone Construction Co., Mr. Donovan has devoted a great deal of his time to labor-management relations, including negotiations and union relations. According to one union official, Mr. Donovan has a reputation as being "demanding but fair."

With this background, it is evident that Mr. Donovan possesses the skills to lead and manage the Department of Labor with its approximately 24,000 employees.

Once Mr. Donovan's name was submitted to this body for its advise and consent, the Committee on Labor and Human Resources, under the leadership of our able chairman the Senator from Utah (Mr. HATCH), undertook full-scale hearings and investigations into the background and qualifications of the nominee.

Serious allegations have been made against Mr. Donovan which prompted the committee to request the Federal Bureau of Investigation to conduct a thorough investigation into the issues raised.

On January 27, 1981, Mr. Francis M. Mullen, Executive Assistant Director of Investigations, appeared before the committee and reported—

This investigation has been the most extensive of any current Cabinet nominee. We have reviewed every allegation that has been provided to us and have conducted additional investigation whenever the allegations were sufficiently specific to warrant it. This additional investigation did not develop information to substantiate the allegations made against Mr. Donovan.

The FBI interviewed a total of 124 individuals, and the investigation took over 1,400 man-hours to complete. Officials at Schiavone Construction Co. cooperated to the fullest extent providing company records for examination by the FBI. The special agents examined 20 cash disbursement journals, 90,000 canceled checks and an equal number of invoices for the period in question.

No records were located to substantiate the allegations made against Mr. Donovan.

During the committee hearing on January 27, I questioned the FBI witnesses to verify that there was no specific information to collaborate the charges of misconduct made against Mr. Donovan. Mr. Mullen as I have stated, said that there was no information to substantiate the allegations.

Mr. President, it is important that we consider who are those who have made the allegations against Mr. Donovan. The chief accuser is a convicted murderer with a record as an extortionist and an embezzler. Other accusers also possess criminal records.

The bottom line is that the FBI could not substantiate any of the charges. Today, as we act on this important Cabinet nomination, either we believe the Federal Bureau of Investigation and the denials of wrongdoing by Ray Donovan, or we choose to believe the unsubstantiated allegations of a convicted murderer and other hoodlums.

I fear, as has been said by Senator WILLIAMS and Senator EAST, that what we may be doing is giving an inordinate amount of influence and prestige to a bunch of bums.

The argument has been made that a cloud has been cast over Ray Donovan. There is no doubt about it—a cloud has been cast over this nominee. But who has cast this cloud? This body has to determine who has cast the cloud on the integrity and the honesty and the character of Ray Donovan. The cloud has been cast by a bunch of hoods and criminals.

In my opinion, Ray Donovan has emerged from extensive hearings and thorough investigation as a better person, as a man who is prepared to serve America with integrity, fairness, and dedication.

Mr. Donovan is perceived to be an outsider who has not been to Washington. He has been here for a while, and he certainly has a greater understanding of the inner workings of Washington now than he had before he came here. He did not seek this job. President Reagan asked him to be the Secretary of Labor.

I hope this whole ordeal not only has strengthened the character of Mr. Donovan, and I am sure it has, but also that it has strengthened the character of his family, which I am sure is stronger after this exhausting and excruciating examination and very unfair allegations and public conduct and character assassinations that have not been substantiated.

I believe Ray Donovan. I believe the FBI. I will proudly cast my vote to confirm Ray Donovan's nomination as the next Secretary of Labor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield such time as he may require to the Senator from Georgia.

Mr. NUNN. I thank the Senator from Massachusetts.

Mr. President, it is with great regret but nevertheless a firm conviction that I must vote against the nomination of Raymond J. Donovan to be Secretary of Labor.

By doing so I do not mean to cast judgment on the veracity of the various allegations that have surfaced regarding Mr. Donovan and his construction company or on his personal integrity. I do believe, however, that any person confirmed as Secretary of Labor must be above suspicion, especially of any activity which bears even a hint of organized crime or labor racketeering.

The Department of Labor bears a heavy duty to detect, investigate, and bring about the prosecution of offenses over which it has jurisdiction under the Landrum-Griffin Act, the Taft-Hartley Act, the Employee Retirement Income Security Act, and other statutes with special application in the labor-management area.

These duties include the detection and prosecution of crimes such as payoffs, kickbacks, embezzlement of union and trust funds, extortion, and other related criminal activities. These are the types of crime in which organized criminals and labor racketeers specialize. They all victimize the millions of labor union members who must rely on the Department of Labor to protect their dues, their pension funds, their health and welfare benefits, and the very integrity of their unions.

The Permanent Subcommittee on Investigations, of which I was honored to serve as chairman in the 96th Congress and as vice chairman or acting chairman before that, has had a continuing interest in how the Department has performed this duty.

The subcommittee has been active in this area since the days when our distinguished colleague, the late John L. McClellan of Arkansas, investigated corruption in the labor-management area in the 1950's. Although those inquiries led to a much broader look at organized crime in America, the subcommittee has continued its work on labor racketeering in particular.

In 1976 our subcommittee uncovered a massive labor union insurance fraud scheme involving the laborers and Teamsters Unions. As a follow-up to that investigation, we held hearings in 1978 on the Labor Department's efforts to enforce the labor laws and to assist the Justice Department's organized crime program. Those hearings showed that the Labor Department's efforts, especially those aimed at organized crime and labor racketeering, had been a hollow, half-hearted exercise, and there is nothing new about that. It has been going on for a long number of years.

At that time, the Labor Department promised a new cooperative effort with the Justice Department. As a result of our inquiry, a special organized crime unit was established by the Department's Inspector General, and the number of Labor Department investigators assigned to the Organized Crime Strike Force was greatly increased. We were told by Secretary Marshall that an important investigation of the Teamsters Central States Pension Fund was proceeding, and that the Department would turn over all criminal evidence it found to the Justice Department.

The Teamsters Union has been of special interest to the subcommittee since Senator McClellan's historic investigations revealed the influence of organized crime on this huge and influential organization. The Teamsters Central States Health and Welfare Fund was a victim of the insurance fraud scheme we discovered in 1976.

The huge Central States Pension Fund has been the subject of allegations of serious mismanagement or misconduct almost since the fund was created in 1955. Among these were allegations that millions of dollars of fund assets were invested in enterprises controlled by organized crime, and that large loans were freely given to associates of known organized crime figures.

The Labor Department promised our subcommittee a thorough and comprehensive investigation. After a civil suit was brought by the Department against the fund's trustees in 1978, Secretary Marshall promised that the investigation would then focus on "third parties"—that is, on a search for evidence from persons outside the fund such as borrowers and persons associated with those borrowers.

Last fall, just in September of last year—and I hope all my colleagues on the other side of the aisle will pay careful heed to the timing of this investigation—we had a very thorough investigation of the Department's investigation of the Teamsters Central States Pension Fund. What we found was very disturbing. Not only was the investigation fraught by problems of management and competency, it had failed to turn over any significant criminal evidence to the Justice Department.

Officials of the Department apparently decided to forego their responsibilities under ERISA to investigate criminal activities. As a result, criminal leads were never vigorously pursued by the Department's Special Investigations Staff, and cooperation with the Justice Department dried up.

In other words, the Department's performance of its duties once again left much to be desired.

Our subcommittee, now under the chairmanship of our distinguished colleague from Delaware (Mr. ROTH), is engaged in an investigation of corruption in the International Longshoremen's Association (ILA), and we expect to hold extensive hearings beginning on February 17.

We have been looking into this investigation now for over 12 months, most of which I was chairman.

One look at the ILA indicates that in the last 2 years more than 100 persons, including ILA officials and corporate executives, have been convicted of various racketeering, obstruction of justice, extortion, tax evasion, and labor law violations. Many of these persons were convicted of conspiracy to control the waterfront industry through a pattern of racketeering, including payoffs, kickbacks, buying and selling contracts, extortion, threats, and intimidation.

As I said earlier, the Labor Department has prime responsibility to detect and prosecute these very criminal activities, yet it was not the Department which conducted this investigation and prosecuted these people. These cases were made by the FBI and the Justice Department.

The subcommittee has expanded on the Justice Department's outstanding work. We expect to show in our hearings a much more pervasive influence and control of the waterfront industry by organized crime, working through the ILA, than was presented by the Department in the various criminal trials.

As Federal District Judge Leonard B. Sand of the southern district of New York said when sentencing one of the defendants—

> The evidence . . . has clearly shown the existence of an unholy alliance among corrupt officials of the International Longshoremen's Association, past and present, seemingly respectable waterfront company executives, and professional full-time racketeers.

A disturbing aspect of this case, and one which we intend to explore, is the continuing influence of the convicted union officials over the ILA, both directly and indirectly. In spite of this clear pattern, to my knowledge, the Labor Department has taken little real or active interest in this case.

If I am incorrect on this assumption, I will certainly desire to be corrected.

Mr. President, as a distinguished Federal prosecutor said not too long ago that "organized crime in labor is probably the most serious problem in the criminal field." The work of the Permanent Subcommittee on Investigations has convinced me that this assessment is more than likely true. It also has convinced me that the Labor Department's efforts to combat this menace have fallen far short of what they should be and what they must be in the future.

I am not at all sure that the Labor Department institutionally is the proper agency to investigate criminal activities in the labor-management area, since its primary constituency consists of the very people it must investigate. However, that conclusion is certainly not one that all people share at this time. Until we have had a chance to address this more fundamental issue in detail, we must insist that the Labor Department officials from the Secretary on down, be above the slightest suspicion of any involvement whatsoever with organized criminals, labor racketeers, or their associates.

Mr. President, the hearings of the Permanent Subcommittee on Investigations last fall, which will be printed and released with a report in the next few weeks, are replete with convincing evidence that the Labor Department investigators now on the scene investigating this very day are discouraged and demoralized because of the perception that top officials in the Labor Department are not interested in working vigorously in pursuing criminal law violations by both labor officials and by business officials who are corrupted.

This is the case now and has been the case even under Secretary Ray Marshall, a man whose integrity and character are in no way questioned, and I wish to make that abundantly clear. I do not question the former Secretary's integrity or character. What we are describing here is a pervasive problem within the whole institution of the Department of Labor. And I ask my colleagues in the Senate what signals will we be sending to the people in the Labor Department who are now investigating the Teamsters pension fund? What signals are we going to be sending by this vote today? What signals will we send to those in the Labor and Justice Departments investigating the International Longshoremen's Association?

Our job here in the Senate is not that of a court or a jury. We are not charged with the responsibility of judging Mr. Donovan's guilt or innocence of the charges made, and I repeat, I make no such judgment here today. We are charged, and it is our duty under the Constitution, with determining under the current circumstances, with the serious allegations that have been made, under the circumstances with the Labor Department having many matters now pending involving the very unions that these allegations have been made about, under those conditions and under those circumstances and with the background of Labor Department investigations that has been so dismal over the last couple of decades, whether considering all those facts, Mr. Donovan should be heading the Department of Labor.

Millions of working men and women have a stake in the Labor Department. They must know that the Department will do everything within its power to insure that their unions are not corrupt and welfare benefits are protected from plundering by racketeers. They can have this confidence only if they have undiluted trust in the top leadership of the Department of Labor.

With all the clouds that have hung over the Department during the past decade, we should not add another by confirming Mr. Donovan.

Mr. HATCH. Mr. President, I remark to the distinguished Senator from Georgia that Mr. Donovan has made it very clear that he has pledged to work with us in the Senate to root out crime and underworld corruption.

I yield now to the distinguished Senator from West Virginia such time as he needs.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, over the past 4 or 5 weeks the nomination of Raymond Donovan to be Secretary of Labor has been pending before the Labor and Human Resources Committee.

It has been my responsibility to serve on this committee since 1959—the 86th Congress. Over this period of time I have served as a member of the Labor and Human Resources Committee, and as a member and chairman of the Environment and Public Works Committee, and the Committee on Veterans' Affairs, and on other Senate committees. I have participated in scores and scores of hearings on nominations pursuant to the constitutional mandate of the Senate to advise and consent with the President of the United States on nominations.

Mr. President, the scrutiny given by the committee—and when I speak of the committee I speak of members of the committee, members on both the majority and minority sides—has been, perhaps, the most thorough I have witnessed as a committee member during my years of responsibility in the Senate.

The committee conducted 2 full days of hearings. Over 13 hours of testimony and questioning Mr. Donovan, the nominee, and representatives of the Federal Bureau of Investigation yielded the extensive, in-depth transcript and report all Members have before them.

The chairman of our committee, Mr. HATCH of Utah, and the ranking minority member, Mr. KENNEDY of Massachusetts, have, in my opinion, cooperated to assure a fair, well-reasoned, and bipartisan investigation of the nominee and of the allegations raised with respect to the nominee.

As the bequest of all the members of the committee, under the lead of Senators HATCH and KENNEDY, the Federal Bureau of Investigation launched an intensive investigation of matters brought to the attention of the committee. Sixty-two agents expended over 1,400 man-hours in interviewing individuals, reviewing records, and correlating information.

One hundred and twenty-four witnesses were interviewed by the Bureau in this process. The investigation encompassed 14 field offices as well as the FBI headquarters.

In testimony before the committee, the executive assistant of Bureau characterized the investigation as being both thorough and exhaustive. This investigation was in addition to the investigation conducted by the committee staff and, in great part, in conjunction with it. It was with this background, Mr. President, that the members of our committee met in executive session and voted to report the nomination to the Senate for consideration of all Members.

At that session, on January 29, on the basis of the information before the committee, I voted to report the nomination of Mr. Donovan.

Several members of the committee, in accordance with their right, chose to vote "present".

They indicated, and very properly so, that they needed additional time in which to analyze certain testimony and to study it very carefully before casting a vote "yea" or "nay" on the nomination.

I am sure that all of the members of the committee, including the Senator now speaking, have utilized the last several days to further study the voluminous testimony that was before the committee.

In this process I have not found any substantiated reason to vote against the nomination of Ray Donovan.

I shall support the nominee on the rollcall. I shall do it believing that what I do will be right. I add that I hope it will prove to be so.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, I am now managing Senator KENNEDY's time. I yield 2 minutes to Senator CRANSTON from California, and I will then use such time as I may need.

Mr. CRANSTON. I thank the Senator very much.

Mr. President. I intend to vote to confirm the nomination of Raymond J. Donovan to be Secretary of Labor.

Disturbing allegations have been made about Mr. Donovan by some FBI informants which suggest that he may have been associated unlawfully with individuals identified by the Bureau as being in-

volved in organized crime activities. But I am equally troubled by the dubious nature of the sources of the allegations and the inferences of guilt by association.

The allegations against Mr. Donovan have not been substantiated by the FBI or by the committee. I am not convinced either that Mr. Donovan has totally removed all shadow of doubt about his conduct—but, I repeat, there has been no solid evidence that his conduct has been other than honest and above board.

The proper course for the Senate, I believe, is to approve Mr. Donovan's nomination.

If, as some of my colleagues believe, the allegations require further investigation those investigations should be undertaken by the Department of Justice as would be the case had they been raised subsequent to Mr. Donovan's assumption of office as Secretary of Labor.

Mr. President, I have seen, as we all have, fine careers damaged and even ruined by allegations which never were proven in a court and never supported by substantial corroborating evidence. In one case I am personally familiar with Herman Silas, whom I recommended to be U.S. Attorney for the Eastern District of California was forced to resign because an FBI informer alleged that he had taken a bribe. No evidence that I know of ever was offered other than the evidence of several lie detector tests. Mr. Silas failed two tests and passed a third. He was required to take the tests or face being asked for his resignation. Mr. Donovan I note refused to take a lie detector test.

I support Mr. Donovan's right to refuse because I distrust the results of such examinations.

We live today in a time of suspicions which too often turn out to be correct. We cannot afford to deny our suspicions or to pretend that they do not exist. But we can and should demand a high standard of proof and a thorough investigation before we act upon our suspicions.

I do not think that we have been offered sufficient proof to reach a conclusion regarding the truth of the allegations about Mr. Donovan. In that case a vote to confirm is not a judgment about the allegations. It is simply a decision to approve him for the job of Secretary of Labor. Any investigation into the allegations should and will continue unaffected by this vote.

For these reasons I will vote "aye."

The PRESIDING OFFICER (Mr. SCHMITT). The Senator from Missouri.

Mr. EAGLETON. Mr. President, in my years in the Senate, no nomination has troubled me as much as Mr. Donovan's.

I believe very strongly that any President, regardless of party, must be given the widest possible discretion in designating his Cabinet. The President faces the awesome responsibility of leading the country. Both history and logic dictate that he should be entitled to assemble the team of men and women whom he wants to help him do that job. In the past, I have voted to confirm Cabinet nominees about whom I had some misgivings simply because the President wanted them and I thought he was entitled to have them. This deference to the President's Cabinet choices should not be absolute, but it should be very strong.

As the minority report notes, the Donovan nomination "is almost unique in the history of Presidential nominations to the Cabinet because of the nature and gravity of the allegations." The allegations charge that Mr. Donovan and Schiavone Construction Co., of which he is executive vice president, have engaged in various practices which violate the law, such as making illegal payments to secure "labor peace," submitting to extortion and bid rigging. The allegations also charge generally that Mr. Donovan or Schiavone Construction Co. have close ties with various organized crime figures. These are some of the most serious charges that could be leveled against a prospective Cabinet member.

In response to the committee's concerns about the allegations, the FBI has conducted an intense investigation of the charges against Mr. Donovan. The FBI apparently spared no expense, but has operated under extraordinary time constraints, in the glare of publicity in a politically charged atmosphere. While the Bureau has vouched for the reliability of its informants who have leveled charges against Mr. Donovan, the FBI has neither corroborated nor disproved most of the major allegations involved in this case. Frankly, given the time pressures, this is not a surprising outcome. It is almost impossible to corroborate within a short period of time serious allegations of the sort leveled here. In fairness to Mr. Donovan, it is almost impossible, given any period of time, to disprove allegations of this sort.

The basic issue then is whether Mr. Donovan should be confirmed for the Cabinet in light of the numerous serious—albeit uncorroborated—allegations from six independent sources identified as reliable by the FBI which have surfaced linking Mr. Donovan or Schiavone Construction Co. with organized crime and illegal conduct.

Having carefully reviewed the FBI report, I find many of the allegations against Mr. Donovan to be unconvincing. The credibility of Mr. Donovan's chief accuser, Ralph Picardo, is suspect, and many of the details of his story were shown to be inaccurate. Thus, in my mind, the statements of Mr. Picardo standing alone would not be sufficient to cause me to vote against Mr. Donovan. However, Mr. Picardo's statement does not stand alone. There are at least six other independent—albeit uncorroborated—allegations by other informants deemed reliable by the FBI. Therefore, it is the Picardo statement, plus the statements of the six other reliable, informants, plus the Kantor matter, plus the 63d Street matter, plus two other aspects of Mr. Donovan's testimony before the committee—which I will describe later—all of which in the aggregate cause me to oppose Mr. Donovan's confirmation.

As to Mr. Donovan's testimony before the committee, I have the following to say. I find it difficult to believe Mr. Donovan's testimony that he was unaware until recently that Joseph DiCarolis, the senior vice president at Schiavone Construction Co. and a close, personal friend of Mr. Donovan's, was subpenaed to appear before a grand jury and produce Schiavone's business records for that grand jury in connection with an investigation of a teamsters local in New York City.

I am further troubled by an apparent discrepancy in Mr. Donovan's testimony to the committee in the course of the January 12 hearing. At that hearing, in connection with the allegations surrounding the 63d Street construction project and the "ghost employment" of Mr. Murray, Mr. Donovan testified to the committee that he had talked with Mr. William Finneran, executive director of the General Contractors' Association, on the preceding Saturday and that Mr. Finneran recalled a conversation with Mr. DiCarolis at the time of Mr. Murray's hiring clarifying the status of Mr. Gross' request to put a man on the payroll who did not actually do any work.

Mr. Finneran subsequently told the committee staff that he told Mr. Donovan that he did not receive a call from Mr. DiCarolis on this matter, but believed that his associate had received the call and told him about it. The inaccuracy of Mr. Donovan's testimony on the substance of so recent a telephone conversation is particularly troubling to me.

Obviously, all of the foregoing does not prove beyond a reasonable doubt or a substantial doubt that Mr. Donovan is guilty of any criminal wrongdoing. But the sum aggregate of the material adduced at the committee hearings does leave me with some significant doubts about Mr. Donovan and Schiavone Construction Co., and the question becomes whether those doubts are serious enough grounds to oppose Mr. Donovan's confirmation. I think that they are, for several reasons.

First, most close observers of Government, both here in Washington and outside, subscribe to the view that there is a hierarchy among Cabinet positions. In such a hierarchy, the position of Labor Secretary would fall within the lower echelon. To some people, this might suggest that a nominee for Labor Secretary might be acceptable despite concerns which would dictate a "no" vote if the same person had been named to a more powerful Cabinet position.

Given the allegations surrounding Mr. Donovan, I doubt whether the Senate would confirm him if the President had nominated him to be Attorney General of the United States. The possibility that the Nation's chief law enforcement officer might have, or has had, some times to organized crime would be unacceptable to the Senate. Yet, the Secretary of Labor occupies one of the most important law enforcement positions in this country. He cooperates closely with the Attorney General in Government strike force efforts against organized crime and racketeering. He has played a crucial role in taking the lead in investigations of the possible misuse of workers' pension funds, such as the inquiry into wrongdoing by the Central States Pension Fund and organized crime. He has the prime responsibility for enforcing the Landrum-Griffin Act. As the minority report notes—

> These allegations [against Mr. Donovan] are even more disturbing because they come in areas over which the Secretary of Labor has direct jurisdiction: the integrity of labor organizations, the soundness of union pension funds and the Department's important role in the coordinated effort against organized crime.

Under these circumstances, the fact that the Labor Secretary is not of the "super Cabinet" rank does not justify the confirmation of Mr. Donovan.

Second, in certain circumstances, a person's qualifications for a position are so exceptional and unique to warrant confirmation even where various doubts about the nominee's past exist.

When President-elect Reagan nominated General Haig for Secretary of State, there were many Democrats who expressed concern about Haig's role in Watergate, bombing of Cambodia, and the wiretaps of newsmen and Government officials in 1969. However, General Haig's exceptional qualifications to be Secretary of State far outweighed those doubts for most Senators, including this one.

The doubts about Mr. Donovan are obviously much different. But the Haig case is instructive in this sense. If the allegations about Mr. Donovan had not surfaced, I would have voted for his nomination without any particular enthusiasm. He is a successful businessman, but he brings no special qualifications or experience to the position of Labor Secretary. As a member of the Labor and Human Resources Committee since 1969, I have worked closely with every Labor Secretary—Democrat and Republican. In my mind, discounting the allegations completely, Mr. Donovan does not measure up to the standard of excellence set by some very distinguished recent occupants of the position: Ray Marshall, William Usery, John Dunlop, and George Schultz. Since the allegations have surfaced, in balancing the cost and benefits of confirming Mr. Donovan, I find a real potential for very substantial costs—or risks—and very little benefit. His qualifications are not so compelling that we should overlook or downplay the allegations. If anything, in light of his limited qualifications, the allegations assume an especially significant proportion.

Third, ultimately, I believe that it is necessary to balance the possibility that some of the allegations against Mr. Donovan might be true against the seriousness of the allegations if they actually prove to be true.

In this case, we are talking about the possibility that a Cabinet Secretary might have a compromising relationship with some elements of the organized crime community. If this relationship existed and were undetected, the lawful process of government could be seriously damaged. If such a relationship were subsequently detected, it could have a devastating, detrimental effect on the public's already diminished confidence in our Government. The dangers inherent in this kind of a relationship—if it exists—are so enormous we should avoid them even if the possibility of the "worst case" materializing is judged to be relatively low.

The Senate is going to confirm Mr. Donovan as Labor Secretary. Obviously, I join with all other Members in hoping that the allegations against Mr. Donovan are what he considers them to be; namely, baseless and scurrilous. I hope that the nominee will prove to be a distinguished Cabinet member. However, because of the seriousness of the allegations, and because the FBI investigation has not resolved my doubts in a satisfactory fashion, I feel compelled to vote against his confirmation.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HUMPHREY. Mr. President, I yield 4 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of President Reagan's nomination of Raymond J. Donovan of New Jersey to be Secretary of Labor.

While I have not had the pleasure of prior personal acquaintance with Mr. Donovan, I have become familiar with his reputation as a successful, hard working, smart businessman who is knowledgeable and experienced in labor-management relations. He has played a key role over the past two decades in building the Schiavone Construction Co., into a multimillion dollar-volume firm, a company that increased its sales by an incredible $150 million last year, and is now one of the Nation's largest construction businesses.

As executive vice president of his company, Mr. Donovan has specialized in handling matters involving financial institutions and labor-management relations. He has earned the respect and admiration of his peers for his knowledge, ability, dynamism, and good character. Mr. President, those in the ranks of both business and labor who have worked with Raymond Donovan over the years regard him as hard-nosed, confident, and fair. Having once worked as a unionized employee, he understands the problems and concerns of the working man, can talk their language effectively, and has a feeling of compassion for people that temperes his toughness as a businessman.

Mr. President, I am pleased that the Secretary of Labor-designate has expressed his support for State right-to-work laws. He has indicated his willingness to take a careful look at the Davis-Bacon Act, which I have long felt should be repealed or substantially revised. In general, he approaches the position to which he has been nominated with an appreciation for the important responsibilities of the office, with enthusiasm, and with an open mind.

Of course, Mr. President, I am not unmindful of the serious allegations that have been made against Mr. Donovan by several sources, including Mr. Ralph Ricardo, a paid FBI informant with a long criminal record including a murder conviction. I have carefully followed the news accounts of these charges and the intensive FBI investigation which was conducted at the request of the chairman and ranking member of the Senate Labor and Human Resources Committee. I am familiar with the substance of the committee hearings held before and after the Ricardo accusations and with the favorable committee report which we have before us today.

Mr. President, with respect to Mr. Donovan, the FBI has conducted the most thorough investigation of any Cabinet nomination by President Reagan, having interviewed a total of 124 persons, examined 20 cash disbursement journals of Schiavone Construction Co., and scrutinized 90,000 canceled checks and invoices. Not a scintilla of evidence has been found to substantiate or corroborate the charges of union payoffs or possible linkage between Mr. Donovan (or his firm) and organized crime.

Mr. President, in my judgment, it is most unfair to hold Mr. Donovan responsible for the inability of the FBI to absolutely disprove the serious charges raised against him by a man whose character and reputation are highly suspect. Moreover, since there is absolutely nothing in the hearing record, and no evidence that has come to light since the hearings of which I am aware, to corroborate these allegations, I believe the Senate is bound to dismiss them. Mr. Donovan has vigorously and unhesitatingly denied these charges. He has an excellent reputation and character in all respects, is well qualified for the position, and has the ability to be an outstanding Labor Secretary. I, therefore, hope that the Senate will vote to confirm him for this position.

In closing, Mr. President, I commend the able chairman of the committee (Mr. HATCH) for the outstanding work he has done in this matter.

Mr. HUMPHREY. Mr. President, it is with pleasure that I rise to support the confirmation of Raymond J. Donovan to be the next Secretary of Labor. Mr. Donovan is the choice of President Reagan, and I believe that the President's choice will bring a new vision and a new direction to the Department of Labor.

Mr. Donovan has achieved the American dream. Several decades ago, he invested his entire savings of $5,600 in a new construction company. That company, the Schiavone Construction Co., based in Secaucus, N.J., has prospered and performed about $1 billion worth of contracts during the last 20 years, and now has a backlog of $700 million worth of contracts.

Businesses do not grow and prosper by themselves. Success requires a great deal of hard work, many sleepless nights and innumerable personal sacrifices. Success requires sound management and cool heads. Mr. Donovan has succeeded. He did not do it all alone. He worked alongside of Ron Schiavone, the president of Schiavone Construction Co. I am proud to note that he is a graduate of Dartmouth College in my own State of New Hampshire. Ron Schiavone and Ray Donovan have both succeeded and they are a credit to our free enterprise system.

Ray Donovan knows the Federal Government must be reformed if this Nation is to survive. He once stated that "We must get back to work, in both the business and labor communities, and get

Government out of the forced partnership that has been pushed upon it. A good place to start would be to look at the regulations on both industry and labor that have added to our noncompetitive position in such things as auto manufacturing and steel."

In his testimony before the Labor and Human Resources Committee, Mr. Donovan further noted that:

My preference is not going to be measured by the number of rules or regulations issued, but the results achieved. I am interested in results whether it be in the area of better management relations, better health and safety, equal access to the workplace, or a more rapid transition from unemployment to work. In my view, it is results, not programs, that count.

Mr. President, I really think that these comments are right on the mark, and I believe that Mr. Donovan would work well with President Reagan as he attempts to bring more commonsense to the Federal Government.

Mr. Donovan is a courageous man. He, his family, and friends have had to cope with the media show engendered by allegations raised by unsavory individuals. In view of the importance of the office which Mr. Donovan would occupy, these allegations required a thorough investigation. Such a thorough investigation was conducted. The FBI devoted over 1,400 agent hours and the IRS spent 29,000 man-hours. Neither of these agencies is noted for being anything but thorough and ruthlessly professional. In addition to the FBI and the IRS, the Senate Committee on Labor and Human Resources, ably chaired by my friend, the Senator from Utah (ORRIN HATCH) asked very tough questions and conducted its own thorough review. Absolutely nothing was found to substantiate any of the allegations made against Ray Donovan or his company.

It would have been easy and readily understandable for Mr. Donovan to withdraw his name from consideration. He, his family, and friends suffered greatly while faceless individuals and known criminal elements attempted to besmirch Mr. Donovan's good name. That Ray Donovan persevered during these difficult times is truly impressive. In the end, all the investigations simply confirmed that Ray Donovan is a successful businessman, who is labeled tough, but fair, in his labor negotiations and who is an outstanding citizen.

In short, after careful consideration of all the issues involved, I find every reason to support President Reagan's choice to be Secretary of Labor. To do otherwise would, in my view, mean that we had abandoned this Government of the people to the whims of certain criminal elements. I, therefore, urge my colleagues to join me in confirming Raymond J. Donovan as Secretary of Labor. I look forward to working with Ray Donovan in the difficult times ahead. And I think that Ray Donovan looks forward to working with the Congress. In his testimony before the Labor and Human Resources Committee, he had this to say about his future dealings with the Congress:

Although this is the first time I have ever appeared before this distinguished group, I am hopeful that it is only a beginning of what we both will eventually judge to be a productive and pleasant relationship. Certainly no Secretary of Labor can perform his function in a sensitive and competent manner if he is unable to relate to the Members of Congress charged with the responsibility of passing legislation which the Secretary of Labor must administer. I would like to take this opportunity to pledge to you that I will do everything I can to work in a cooperative fashion with you and to seek your counsel on major questions affecting the Department of Labor. I cannot promise I will always take your advice, but I can promise that I will weigh it seriously.

Mr. President, these words of Ray Donovan confirm once again that President Reagan has made a wise selection, and I urge my colleagues to confirm this nomination.

Mr. President, I simply want to say, in closing, that I think Mr. Donovan has proven himself to be a very brave man indeed. It is a wonder to me that somewhere during the proceedings during which he was dragged through the mud, he did not simply rise from his seat and say, "To hell with it. I do not need this, my family does not need it, nor do my associates." But he stuck with it, and he has, in my view, been exonerated by the FBI and the committee, itself.

Mr. President, some Members of the Senate feel that enough allegations have been raised that this nomination should not be confirmed, even though those allegations have not been proven by the FBI. I am afraid that what these Members are proposing is that we allow Presidential nominees to be vetoed, in effect, by any person or number of persons, any single person or party who, for their own reasons, based or otherwise, decide they do not like a particular nominee.

If Mr. Donovan's nomination was defeated on this basis, some very low individuals would have achieved the torpedoing of his nomination. I think that would be a bad precedent to set. I thank the Chair.

Mr. KENNEDY. Mr. President, I yield myself such time as I may use.

I should like to propound a question to the Senator from Utah, if I may, as we conclude the consideration of the nominee. That is, should the Committee on Labor and Human Resources or the members of the committee receive allegations of the nature and the substance of those that have previously been referred to the FBI, what would be the intention of the chairman of the committee?

Mr. HATCH. As far as I am concerned, if there are substantial allegations, I think we would have to refer them to the FBI to check out and to do away with. As the Senator knows, this has been a very difficult set of hearings, a very difficult set of investigations. The Senator knows his investigators and my investigators have worked together in a bipartisan way to try to resolve this. I think we have looked at every possible problem there has been. Some of them are unresolvable.

I think what it comes down to is a good-faith effort on our parts to make sure that the people of this country are protected and that any allegations of a serious nature should be referred to the FBI. I shall continue to do that as we have relied on the FBI in the past.

Mr. KENNEDY. Mr. President, I thank the chairman of the committee. It will certainly be my intention, and I know I speak for our colleagues, to make this a bipartisan or nonpartisan effort. I welcome those assurances from the chairman of the committee that, should there be brought to the attention of the committee those kind of allegations or charges, in fairness to the individual or the Cabinet member, we shall have them resolved by the Bureau the best that we can.

Mr. HATCH. As my dear friend knows, Mr. President, we have tried to do that in the past and will do that in the future, not only for the present, for Mr. Donovan, but for the committee and for our country as well. I think it is something that has to be done.

I might, in that regard, stress that the FBI role in this matter has been crucial. We have relied heavily upon them. They have basically said two things: That their examination has resolved itself in favor of Mr. Donovan; secondly, that if this had been a criminal investigation, they would have discontinued it long ago.

They have, I think, vigorously gone after the things we have asked them to investigate.

Before I yield to the distinguished Senator from Illinois, there is one other thing. That is that I think Mr. Donovan has made a very important set of points to us before the committee. I asked this question:

Do you believe the Government's focus on organized crime's influence on the labor movement is overstated, understated, or about right at the present time?

Mr. DONOVAN. I don't know the extent of these investigations, so I couldn't comment on whether it's overstated or understated.

I would say this, that if this type of crime exists, it should be rooted out and, as Secretary of Labor, I assure you that I will root it out.

The CHAIRMAN. Then you do see yourself as an active Secretary with regard to pursuing organized crime's influence on the labor movement?

Mr. DONOVAN. Yes; on the grounds of morality, but also on the grounds that they are impeding the right of the wage earners of this country.

The CHAIRMAN. And I presume that if there are companies that are involved in organized crime, that you would be just as interested in pursuing investigations pertaining to them as well?

Mr. DONOVAN. That's correct, Senator.

The CHAIRMAN. I might mention, as chairman of the Labor Committee, it is my intention to perform extensive oversight of many Department of Labor-related programs, and I shall be making a number of specific requests for internal Department of Labor documents.

Now, what is your attitude toward congressional oversight of executive branch activities at the Department level, and in particular, in this area of criminal activity and other improper activities?

Mr. DONOVAN. I welcome it.

The CHAIRMAN. Would you cooperate with the committee as we go into these matters?

Mr. DONOVAN. I assure you that I will.

I think it is important to note that Mr. Donovan has made a good impress on on the committee and I believe certainly has more than adequately answered the allegations that have been made against him. Unfortunately, in these matters, where people step down to take public official positions, we do have allegations that seem to come out of the woodwork. In this particular case, we have had an overabundance of them. As I have said earlier, I think most of them have been done away with by proof and on the others, we have to accept Mr. Donovan's word. I do.

At this point, Mr. President, I yield such time as he needs to the distinguished Senator from Illinois.

Mr. DIXON. I thank the chairman of the Committee on Labor and Human Resources for yielding me a very brief time for a statement, Mr. President.

I am voting affirmatively for the President's nomination of Raymond J. Donovan as Secretary of Labor. However, I cast this vote with reservations. Allegations made against Mr. Donovan have not been substantiated. This being the case, I think it would be unfair to vote nay. The FBI has investigated and has not been able to corroborate the charges made—charges which have been outlined in some detail in the report of the Committee on Labor and Human Resources.

In the absence of such verification, Mr. President, I feel compelled to give Mr. Donovan the benefit of the doubt. Although I am casting my vote in the affirmative, I am left with a continuing sense of unease.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH. Mr. President, I am prepared to yield back the remainder of my time.

Mr. KENNEDY. Mr. President, I yield 30 seconds to the Senator from Rhode Island.

Mr. PELL. Mr. President, the issue before the Senate this morning presents me with a difficult choice, a choice between believing one or another of two incredibly divergent bodies of information. In fact, in my 20 years in the Senate I do not recall having to resolve such direct and fundamental conflicts as in the information before me.

On the one hand, the Committee on Labor and Human Resources has listened to the testimony of Mr. Donovan. He impressed me as an honest man and his vigorous defense of his reputation was very credible to me.

On the other hand, the committee received grave allegations about Mr. Donovan made by as many as eight different sources. Most, if not all, of these sources have connections with organized crime, but they are otherwise seemingly unconnected.

I realize that neither the FBI nor the committee has been able to substantiate any of these allegations. But I am also aware of no evidence which suggests any reason why these sources would falsely accuse Mr. Donovan.

I am concerned that we not unjustly accuse a man based upon purely hearsay evidence but I am also deeply concerned about the serious nature of the allegations which have been made against Mr. Donovan.

The Secretary of Labor has a vital role in the Federal Government's efforts to combat organized crime. There is no proof to link Mr. Donovan with any criminal conduct. However, there is a cloud of smoke surrounding his nomination which could seriously impair his ability as Secretary of Labor to protect the interests of the working men and women of our country.

This choice is a particularly difficult one for me. I have thought long and hard about this matter.

In my view, there is a cloud of doubt about Mr. Donovan which causes an unnecessary and unacceptable risk in confirming him. Therefore, I intend to vote against his confirmation.

I pray that time will show my worry unfounded and that Mr. Donovan will give our Nation the service we wish.

Mr. DECONCINI. Mr. President, the allegations that have been raised regarding Mr. Donovan, and the Federal Bureau of Investigation's apparent inability to either contradict or confirm at least some of those allegations places me in somewhat of a quandary—for I would like to support the President's nominee. I know that the Labor and Human Resources Committee's staff, its chairman, Senator HATCH, and ranking minority member, Senator KENNEDY, and other members of the committee have spent innumerable hours wrestling with the charges that have been made—yet no clearcut answers have emerged.

I concur with several of my colleagues who have expressed concern that while the nominee possesses exemplary management skills gained in the private sector, is a successful businessman as evidenced by his company's dramatic increase in business over the past two decades, and has participated in community oriented activities, he is relatively inexperienced with many of the programs that he as Secretary of Labor must administer. In most cases I would not consider this issue to be of great significance in determining whether or not to support the nominee for most Presidential nominees, including this one, possess the mental capabilities to quickly attain the requisite skills for administering an agency such as the Labor Department.

However, when considered in conjunction with doubts by existing allegations, and that these allegations relate to areas which the Secretary of Labor has jurisdiction—such as the Department's role in fighting organized crime—greater weight must be given to all facets of the nominee's record.

Perhaps if more time were available for the FBI and the committee to investigate the allegations would be repudiated. However, I know that the administration and the Senate majority wish to have the Cabinet members confirmed as expeditiously as possible. Thus, with this cloud of uncertainty, along with the previously mentioned concerns, dominating the record at the time that the Senate is meeting its constitutional obligation of advice and consent, I must oppose the confirmation of the nominee.

● Mr. LEVIN. Mr. President, I have been deeply troubled by the record which has emerged in the hearings on Mr. Donovan's nomination to serve as Secretary of Labor. I have reviewed the FBI report of their investigations, I have read the committee report, and I have looked at the hearing record as well. Based on that material, if I were to vote on my sense of smell, I would vote "no." But I have been an attorney too long to allow myself to make decisions on that basis. My training teaches me that allegations of wrongdoing need be proven, not just made, and in this case the proof is not adequate.

While I feel compelled by the lack of proven allegations to vote in favor of the nominee, I believe there should be a continuation and completion of the FBI investigation into the various charges which have been made. I trust that those of my colleagues who were skeptical enough to vote "no" will consider initiating such a request so that, one way or another, no unnecessary cloud will cover the term of office of the Secretary of Labor.●

Mr. MITCHELL. Mr. President, the maxim of our system of justice which holds that every person is presumed innocent unless facts to the contrary are established, leads me to cast an affirmative vote for the nomination of Raymond J. Donovan to be Secretary of the Department of Labor.

I do not do so without some serious misgivings; although the fact of guilt has not been proven, the FBI has been unable to disprove the many allegations made in connection with this nomination.

Allegations linking organized criminals and their activities with one of the highest offices in our Government present the Senate with a serious situation.

The post of Cabinet member is one of the highest honors our Government has to offer. It places the officeholder in the President's inner circle. Through its stewardship of a major agency, it reflects one of our Government's highest priorities.

In this instance, the post in question heads the department to which the working men and women of the country look for the protection of their legitimate interests. The Department of Labor has a mandate as broad as any in Government and, no less than any other agency's, its Secretary must be able to discharge his duties without there being any cause to doubt his integrity.

The very serious allegations aired during the confirmation hearing on Mr. Donovan cannot help but concern all Members of the Senate.

It is doubly unfortunate that the FBI was unable to dispel completely any basis for these allegations: It is unfortunate for the sake of Mr. Donovan himself, whose reputation has not been enhanced; and it is unfortunate for our Government, because policymaking positions ought to be in the hands of individuals of unquestioned integrity.

As a former judge, I cannot and will not disregard the most basic tenet of our system of justice: Guilt must be proven beyond a reasonable doubt. Innocence must be presumed in fact as well as in theory.

It is perhaps regrettable that in the discharge of his responsibility the President has felt the need for assistance in his Cabinet by a nominee over whom so many questions hang. But that is the President's decision, and under our system of government he is entitled to make that decision.

In the discharge of my responsibility, I will consent to the nomination—but I will advise that the serious nature of these charges makes it imperative that the President recognize that he has a special responsibility to act promptly should future action be necessary. If evidence later indicates that perjury—or any other criminal act—has been committed by Mr. Donovan in connection with this nomination, or prior thereto, I expect the President to immediately discharge Mr. Donovan and to refer the matter to the Department of Justice for appropriate proceedings. This is a serious expectation—but I believe charges of this gravity demand a serious response.

My vote for this nominee does not reflect approval of the notion that "not proven guilty" is a sufficiently high standard for an aspirant to Cabinet rank. It reflects my judgment that allegations which have not been corroborated are an insufficient basis on which to deny the President his choice of a Cabinet officer.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield back the remainder of my time.

Mr. HATCH. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back——

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

The question is, Will the Senate advise and consent to the nomination of Raymond J. Donovan, of New Jersey, to be Secretary of Labor? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), and the Senator from Montana (Mr. MELCHER) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 80, nays 17, as follows:

[Rollcall Vote No. 19 Ex.]

YEAS—80

Abdnor	Glenn	Moynihan
Andrews	Goldwater	Murkowski
Armstrong	Gorton	Nickles
Baker	Grassley	Packwood
Bentsen	Hatch	Percy
Biden	Hatfield	Pressler
Boren	Hawkins	Pryor
Boschwitz	Hayakawa	Quayle
Bradley	Heflin	Randolph
Bumpers	Heinz	Roth
Burdick	Helms	Rudman
Byrd, Harry F., Jr.	Humphrey	Sarbanes
Chafee	Inouye	Sasser
Cohen	Jackson	Schmitt
Cranston	Jepsen	Simpson
D'Amato	Johnston	Specter
Danforth	Kassebaum	Stafford
Denton	Kasten	Stennis
Dixon	Laxalt	Stevens
Dole	Levin	Symms
Domenici	Long	Thurmond
Durenberger	Lugar	Tower
East	Mathias	Wallop
Exon	Matsunaga	Warner
Ford	Mattingly	Weicker
Garn	McClure	Williams
	Mitchell	Zorinsky

NAYS—17

Baucus	Hart	Nunn
Byrd, Robert C.	Hollings	Pell
Chiles	Huddleston	Proxmire
DeConcini	Kennedy	Riegle
Dodd	Leahy	Tsongas
Eagleton	Metzenbaum	

NOT VOTING—3

Cannon	Cochran	Melcher

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. HATCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so order.

Mr. KENNEDY. Mr. President, I ask unanimous consent to proceed for just 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator may proceed for 1 minute.

Mr. KENNEDY. While there are Members of the Senate here——

The PRESIDING OFFICER. Will the Senator suspend? May we have order in the Senate, please?

Mr. KENNEDY. I want to indicate to my colleagues and to acknowledge the leadership of the Senator from Utah on this particular Presidential nomination.

I want to join in congratulating Mr. Donovan and to give him the assurances that we will look forward as members of the committee, and I, as a Member of the Senate, to working closely with him.

I want to thank the Senator from Utah, the chairman of the Committee on Labor and Human Resources, for the way in which this nomination was handled.

It has been a difficult nomination for a variety of reasons and from a variety of different points of view, but he has handled it with great statesmanship, and I think all of us want to acknowledge the role he has played.

I want to congratulate Mr. Donovan on winning the nomination this afternoon.

Mr. HATCH. Mr. President, I would likewise compliment the distinguished Senator from Massachusetts for the great deal of cooperation he gave and for the bipartisan effort we were able to put together in considering this matter, and again I would likewise extend my congratulations to Secretary Donovan at this time.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, what is the business now before the Senate?

DEPARTMENT OF DEFENSE

NOMINATION OF FRANK C. CARLUCCI, OF VIRGINIA, TO BE DEPUTY SECRETARY OF DEFENSE

The PRESIDING OFFICER. The clerk will state the next nomination on the Executive Calendar.

The legislative clerk read the nomination of Frank C. Carlucci, of Virginia, to be Deputy Secretary of Defense.

Mr. BAKER. Mr. President, is there a time limitation on this nomination?

The PRESIDING OFFICER. The Senator is correct. There is a time limitation.

LEGISLATIVE PROGRAM FOR THE REMAINDER OF THE WEEK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may proceed for not to exceed 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I take this time to inquire of the distinguished majority leader as to what the program will be for the rest of the day and for the rest of the week, if he is able to tell us.

Mr. BAKER. Mr. President, will the distinguished minority leader yield to me for a moment? I am happy to respond to his request. The business now before the Senate is the nomination of Frank Carlucci. There is a time agreement on that nomination. If my memory serves me correctly it is 2 hours and 15 minutes.

Following on after that I expect we will reach the hour of 6:15 p.m. or thereabouts, and I hope the Senate will recess over until Thursday.

On Thursday, Mr. President, I hope we will be in a position to consider other nominations which are on or may reach the Executive Calendar, and following after that it would be my expectation or my hope as well that we would receive a message from the House in respect to the extension of the debt limit.

If that is the case then I would expect the Senate to proceed to the consideration of that House-passed message or a companion measure.

I would fully expect the Senate would be in late, perhaps as late as 10 o'clock or later, on Thursday in order to try to deal with that measure, and to be in session on Friday as well.

The necessity of that, of course, is

obvious since we are advised that the requirements of the Treasury Department are such that they say we must dispose of this issue before the Senate goes out, if indeed it does go out, for the Lincoln Day recess.

So I would hope we could complete consideration of the debt ceiling matter on Thursday afternoon, Thursday evening and on Friday.

If that is the case, and if we have disposed of it, then we would go out, assuming that a recess resolution is adopted, at the close of business on Friday, and return then on the opening of business on the 16th.

Mr. ROBERT C. BYRD. If the Senate has not completed action on the debt limit extension by the close of business on Friday, is it the intention of the distinguished majority leader to have the Senate in on Saturday or Monday or would the Senate go over until the following Monday?

Mr. BAKER. Mr. President, I appreciate the inquiry, but an absolute surplus of optimism requires that I answer the minority leader by saying I am confident we can finish consideration of the debt limit extension by Friday afternoon or Friday evening. Of course, if we cannot, we will have to reconsider, but I express my absolutely deep optimism.

DEPARTMENT OF DEFENSE

NOMINATION OF FRANK C. CARLUCCI TO BE DEPUTY SECRETARY OF DEFENSE

The Senate resumed consideration of the nomination.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The parliamentary situation is the nomination of Mr. Frank C. Carlucci to be Deputy Secretary of Defense. We are under a unanimous-consent agreement. The Senator from Texas has 30 minutes.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time consumed be charged against no one's time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, today we are considering the nomination of Mr. Frank C. Carlucci to be the Deputy Secretary of Defense. This is an enormously important position, although it is called a sub-Cabinet position, Deputy Secretary of Defense.

Mr. STENNIS. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senator will suspend, the Senate will come to order. Staffs will slow down in their meanderings around the Chamber, and we will have order.

The Senator from Texas.

Mr. TOWER. The Deputy Secretary of Defense has responsibilities that are at least commensurate, if not greater, than those of many Cabinet officers. It is on his shoulders that the day-to-day responsibility for the operation of the Department of Defense falls. I believe that the President of the United States has made a wise selection in nominating Mr. Carlucci for this important position.

Very importantly, he has the complete confidence of our new Secretary of Defense, Mr. Weinberger. Mr. Carlucci has a distinguished record of public service, having served as a Foreign Service officer where he particularly distinguished himself as Ambassador to Portugal in very difficult and trying times and represented American interests there—indeed, I think the interests of the alliance—in a very credible and significant way.

He has also served his country as an officer in the U.S. Navy and other positions in the executive branch. He served in the Office of Management and Budget, he has served as deputy in the Department of Health, Education, and Welfare, and brings, of course, a considerable amount of administrative experience to this particular job.

I think that the important thing is that he knows his way through the power structure in this town. He knows his way through the maze of the bureaucracy. And I think, therefore, by virtue of that experience, he can accomplish a great deal early in his tenure as Deputy Secretary of Defense.

Mr. President, I urge the Senate to act favorably on the nomination of Mr. Carlucci.

Mr. President, I yield 2 minutes to the distinguished Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I rise in enthusiastic support of this nomination of Mr. Carlucci to be Deputy Secretary of Defense. I think it is an excellent appointment and I congratulate the President on this choice.

Mr. Carlucci is an extremely able man, with many, many years of distinguished service with our Government.

As has been mentioned by the Senator from Texas, his career in the Foreign Service was most able. I have had the privilege during the past 4 years to work closely with Mr. Carlucci, during which time I have served on the Intelligence Committee and Mr. Carlucci has been a Deputy Director of Central Intelligence. There he has conducted himself with brilliance. He is thoughtful; he is bright. He is not only intelligent—we see lots of intelligence around this Capitol—but I think in addition he is a very wise person.

Some have suggested that he has not worked closely with the military in the past; that he does not know weapons systems; that he has not been in the manufacturing business; and that he has not been high in the echelons of the Pentagon in the past.

Well, Mr. President, I have had a chance to observe the Pentagon activities at a pretty close range for 4 years and I think that the characteristics that Mr. Carlucci brings to this job are the type of characteristics that are needed there.

As the distinguished Senator from Texas just mentioned, he knows his way around the Government service. He knows the inner workings of the bureaucracy. He has wisdom and judgment so that he will call forward the many talents that are available to him. He will soon learn the different weapons systems and the technical parts of the job, but most of all he will bring this wisdom and this decisiveness. What you need over there is somebody who can make up his mind and make it up quickly, and certainly Mr. Carlucci can do that.

I think it is a splendid appointment and I support it wholeheartedly. I thank the distinguished Senator from Texas for yielding me that time.

The PRESIDING OFFICER. Who yields time?

Mr. GOLDWATER. Will the Senator yield me a few minutes?

Mr. TOWER. I would prefer that the distinguished ranking member be permitted to speak at this point, if the Senator from Arizona could withhold for a moment.

Mr. GOLDWATER. Yes.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I understand that I was given some time to have control of.

The PRESIDING OFFICER. The Senator from Mississippi has 30 minutes.

Mr. STENNIS. I yield myself 3 minutes, Mr. President.

Mr. President, our committee went into this nomination with thoroughness. The nominee is well known in Government circles here in Washington, where he has a reputation of being a "can-do" man, a hard worker, with a good background of knowledge accumulated, with talent and with considerable drive, you might say, and purpose, as he follows his duties. He has also had some experience in diplomacy.

I base my judgment largely on the experience that he has had, not directly in the military, but he is well versed in the Government activities and he is a fast learner and a hard worker. He will grasp the special problems, I think, in the Department of Defense with thoroughness and with rapidity and will be in a position where he can be of great service to the Secretary of Defense. And this has grown to be such a vast job, a vast amount of work in decisionmaking, consideration of problems and facts that go with it, that the Secretary of Defense needs someone to whom he can delegate not only the day-to-day responsibilities, but the higher level responsibilities of the office, delegated to a degree.

I understand that these gentlemen have worked together and understand each other and really represent major aspects of a team.

So I am satisfied with the nomination and hope and believe that it will work well.

I have no further comments. I yield the floor, Mr. President.

Mr. TOWER. Mr. President, I yield 3 minutes to the distinguished Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. I thank my chairman.

Mr. President, I have heard it reported that conservatives are opposed to Mr. Carlucci's appointment. While there may be doubts in some people's minds about my conservatism, I still cling to it and refuse to budge one inch from it and I want to back Mr. Carlucci.

I think the big problem here with the people who are reportedly opposing Mr. Carlucci is they do not know him. Having served in the CIA, he is not a man that would be known, although he was our Ambassador to Portugal. He has done a wonderful job for our country as Ambassador. In fact, I think I can safely say if it had not been for his efforts we would have lost Portugal to the Soviet interests.

He has had a long experience in government. He brings to the Department of Defense something that I think can be used very well, and that is managerial experience and the understanding of the intricate operation of government in this town.

In fact he made a good comment while we were questioning him before the committee. He said:

> While I do not bring to the post of Deputy Secretary either direct Pentagon experience or experience in the Defense industry, I do bring a knowledge of the Soviets' work, what their capability is, and how our military strength might be applied in pursuit of our foreign policy goals. It seems to me that this should be the starting point for the planning process that leads to our procurement, manpower, and training program.

I think that, if he had said nothing else, Mr. President, is an indication of Mr. Carlucci's thinking, an indication of his background, an indication of his great desire to do for our country that which so badly needs being done; namely, build up a military strength, while not overwhelmingly strong compared to others, at least strong enough for us to stand on our own two feet and not have to be shoved around and spat upon by countries such as we have just experienced.

I have no difficulty at all as a conservative Member of this body in backing Mr. Carlucci, and I would hope that my colleagues would look upon him favorably. I think he will do a fine job for our country. His background is exactly what we need. The fact that he does not have military experience does not bother me because we have had many a man in the Pentagon who has done outstanding work, who probably did not know one end of a rifle from another. But they have done good work because they had management experience. They understand the Government and they understand what it takes to get along in this town to get the job done. Mr. President, I intend to back him and I urge my colleagues to do the same. I yield the floor.

The PRESIDING OFFICER (Mr. D'AMATO). Who yields time?

Mr. TOWER. Mr. President, I yield to the Senator from Virginia such time as he may require.

Mr. WARNER. Mr. President, I thank the distinguished chairman of the Armed Services Committee.

I wish to join with my fellow conservative, Senator BARRY GOLDWATER, in unqualifiedly supporting the nomination of Mr. Carlucci.

As the distinguished Senator from Arizona will recall, it was my privilege to introduce Mr. Carlucci before the Senate Armed Services Committee. He is a resident of Virginia and, therefore, a constituent. I did not lightly take this obligation to introduce him. Quite to the contrary, it was a privilege for me to do so because I had known the nominee for over a decade, both personally and professionally in Government service.

During the period of time that I served in the Pentagon, on several occasions we had the opportunity to work together on some of the most sensitive issues brought before the Department of Defense.

I respect the concerns expressed by some of our colleagues regarding this nomination. I join with the distinguished Senator from Arizona in observing that I think those concerns arose initially from a lack of knowledge. But since that time our colleagues in a very diligent way have informed themselves about the nominee; have taken the opportunity to meet with him personally. I am hopeful today that there will be expressions of support from some of those who initially had concerns.

This distinguished American brings to the office a very unique and broad base of experience. It will enable him to assume extraordinarily heavy burdens and responsibilities as Deputy Secretary of Defense.

In my conversations with him some 2 weeks ago, I asked him would he represent to me, as he did to the distinguished chairman of the Armed Services Committee, that as he counseled with the Secretary of Defense respecting appointments to the key policy positions in the Department, would they consider persons who have a clear record of experience and accomplishment in the defense area? That commitment was given and it has been fulfilled in large measure. Already the Senate has confirmed the nominations of two distinguished Virginians, the Secretary of the Army, Jack Marsh, a former Member of the U.S. Congress, and as Secretary of the Navy, John Layman, a man with unquestioned credentials in the area of national defense.

I look forward to the opportunity this afternoon to join my distinguished chairman as we engage in colloquy with Members of the Senate regarding this nomination. I am confident we can remove any lingering concerns about the nominee and then proceed to a vote which I hope will overwhelmingly confirm this distinguished American as Deputy Secretary of Defense.

Mr. TOWER. Mr. President, I yield 1 minute to the Senator from Maryland.

Mr. MATHIAS. I thank the Senator from Texas.

Mr. President, it was recently my privilege to attend the Atlantic Conference which this year was convened in Portugal. While I was in Portugal I was reminded very forcefully of the remarkable job that Frank Carlucci had done for the American people as U.S. Ambassador to Portugal. I think it is in no small part due to his skill, his sensitivity, his knowledge, and his intelligence that we have today in Portugal a strong and a vigorous NATO partner. It is a remarkable achievement for a man who has served as Frank Carlucci has served, in a number of important posts. More recently I have observed his work at close range in the Central Intelligence Agency. I think his entire life has fitted him admirably to assume the duties outlined for him as Deputy Secretary of Defense.

I am happy to join with the distinguished Senator from Virginia and the distinguished Senator from Arizona in urging Senators to vote to confirm his nomination.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time consumed be charged against the time under the control of the distinguished Senator from North Carolina (Mr. HELMS).

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I have the honor and personal satisfaction to rise on this occasion to speak in support of the confirmation to the office of Deputy Secretary of Defense of one of the truly distinguished public servants of this generation, Mr. Frank C. Carlucci.

For a long time, Mr. President, there prevailed a lamentable stereotype of men and women who entered the Foreign Service of the United States as persons who had chosen an agreeable, even soft, life of social amenities and political abstractions. The hard realities of life of the second half of the 20th century have certainly dispelled that notion forever. Just this past week the Nation has witnessed one of the great, moving events in American life: the return of the men and women held in illegal imprisonment by the Government of Iran for 444 days. They were led out of that country by a Foreign Service officer, Mr. L. Bruce Laingen, the Chargé d'Affaires, who several times was individually given the option to leave that captivity. He refused, he declined to leave, until he could lead his entire Embassy staff—as he described it thereafter, his Embassy-in-exile—out with him. That is an example of personal courage, fortitude, discipline, and professionalism that has been equaled by other FSO's in our time, some of whom did not come back—Ambassador Dubs, Ambassador Noll, Ambassador Melody.

The outstanding courage of these men has been equaled in situations of the greatest personal danger on two continents by Frank Carlucci of the U.S. Foreign Service, most recently the Deputy Director of Central Intelligence of the United States.

I have had the honor, Mr. President, to know Ambassador Carlucci over a period of some 15 years and have found him throughout an exemplar of those qualities one would wish to see in an American Ambassador, in a second-ranking officer of our intelligence community, and in the role of a Presidential appointee to the Department of Health, Education, and Welfare to which he brought an understanding of American life that served him so well as a representative abroad of the United States.

Mr. Carlucci's record is, of course, well known to the Senate and, I think, admired by it. I shall draw attention only to three aspects of his career.

The first is his experience as a Foreign Service Officer in the Congo, the nation now known as Zaire. There, in the course of a sudden unexpected assault upon a group of American officials by a mob with the specific purpose of attacking and injuring American officials because they were American officials, Frank Carlucci maintained control of what, for a lesser man, would have been an uncontrollable situation.

This was not an experience that a person could anticipate, could have prepared for in the specific. One prepares for these moments by a personal formation of character, responsibility and courage.

In that crisis in the Congo, Frank Carlucci instructed the naval enlisted man who was driving the vehicle in which he was riding to stay with the vehicle. He personally helped the other Americans away and then managed that situation to a successful, quiet conclusion—only to find, when it was all over, that he had been stabbed in the back and had not even noticed, in the melee of the moment. Let me reassure Mr. Carlucci that the assault on him will not be repeated today on the floor of the U.S. Senate, despite what might be some forebodings.

Later in his career, at a moment of the utmost peril to the North Atlantic Alliance, it fell to Mr. Carlucci to be the U.S. Ambassador to Portugal when the long dictatorship of Dr. Salazar had come to an end. This was the time when the colonial empire of Portugal was collapsing, when enormous numbers of expatriate Portuguese nationals were returning, and this was the time when a very deliberate, and deadly assault upon the regime was launched by the totalitarians of the left—by the Communist forces, most specifically. The result was civil war and then the prospect of extraordinary instability on the Iberian Peninsula, on the southern flank of NATO, at the very center of North Atlantic concerns.

Only a master of a forceful and foresightful diplomacy could have helped bring that nation through to the stability which it finally attained, the stability of a democratic society, a society which clearly associates itself with the values and the purposes of the western democracies. Ambassador Carlucci did that.

In the annals of diplomacy of the last generation, there has not been, to my view, an equivalent feat—a feat, as I say, of forceful and farsighted diplomacy, vigilant of the interests of the Nation and of the western alliance, sensitive to the concerns of his host country.

It is not without some relevance to the position for which he is now being considered by the Senate that, following his service in Lisbon, he received from the Department of Defense the Distinguished Civilian Service Award for his tenure in those perilous years, 1975 to 1977. I ask the forbearance of the distinguished Presiding Officer so that I may read into the RECORD at this point several passages from the citation which was presented to Ambassador Carlucci on that occasion.

The Department of Defense thanked him for "the soundness and integrity of his advice and counsel to the Department of Defense."

Mr. President, it is not unusual for a person receiving that award to have the soundness of his counsel acknowledged but it is significant that the Department of Defense chose to single out the integrity of his counsel, for nothing is more difficult in turbulent times like that than for an Ambassador to say what he thinks to be so, even when his counsel may be unwelcome. It is only in the aftermath of long and difficult crises that this quality of integrity can shine out in one man's advice.

He was praised, for his "extraordinarily effective action during a period of revolution in Portugal when the nature of that country's relationship with the United States and to the North Atlantic Treaty Organization was at stake."

The citation called his work "instrumental in preserving the relationship in the face of formidable obstacles."

Once again, Mr. President, a reference to the personal courage of the man. He was praised for his "dedication, even at the risk of personal danger." To those of us who were aware at the time, and I had the honor to be American Ambassador in another place at that time, that personal danger was pervasive and it was deadly.

There were not many persons the totalitarian left in Portugal would rather have seen come to a most dismal end. As Ambassador, Frank Carlucci knew this. He could have left. He stayed. When he did finally return to the United States, his mission had been accomplished.

Mr. President, after having served the Republican administration in that instance, he was chosen, very wisely, by the newly elected Democratic President to become the second-ranking officer of the U.S. intelligence community. I have been a member of the Select Committee on Intelligence from that time. I have had numerous opportunities to judge Mr. Carlucci's work. We in the committee have the specific responsibility of oversight for it. He has performed again with perfect honor. Once again, if we were to give out citations from our committee, I do not doubt that there would be unanimous judgment that if there was one quality to his counsel, it was its integrity.

Again the party has changed, and a new President has chosen him for what must be judged the highest office he will have yet held, that of Deputy Secretary of Defense.

In a long institutional experience in these matters, I cannot think of anyone who has come to the office of Deputy Secretary better equipped to understand the ultimate purpose of the Department of Defense, which is the protection and the advancement of American interests in the world at large. That has been his discipline; that is his profession. He has performed it superbly.

His nomination is altogether worthy of confirmation by the U.S. Senate. The President and the Secretary of Defense are to be commended for their choice in the first instance. I cannot doubt that he will be approved overwhelmingly.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time consumed be charged to the time under the control of the Senator from North Carolina (Mr. HELMS).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is ordered.

Mr. HELMS. Mr. President, on January 20 I was regretfully in the position of voting against a nominee submitted to the Senate by President Reagan, a man who probably would have been well qualified for any other Cabinet post, but about whom I had some concern in connection with his nomination as Secretary of Defense. That nominee, of course, was Mr. Caspar Weinberger. I also stated at that time that I would feel obliged to vote against the nomination of Mr. Frank C. Carlucci III as Mr. Weinberger's deputy.

Mr. President, Secretary Weinberger has made clear that he considers Mr. Carlucci as part of a package deal, essential, as he sees it, to the proper functioning of his secretaryship. A little history may be in order.

Mr. Carlucci first worked for Mr. Weinberger when the latter became Director of the Office of Management and Budget in 1971. Mr. Carlucci first became Associate Director of OMB, and, within 10 months, was made Deputy Director, the No. 2 slot.

In February 1973, Mr. Weinberger became Secretary of the Department of Health, Education, and Welfare. His first action was to insist that Mr. Carlucci follow him, and Mr. Carlucci did so, becoming Under Secretary for HEW. In hearings before the Senate Select Committee on Intelligence in January 1978, Mr. Carlucci described what happened as follows:

> I do not consider myself attached to any particular organization. I consider myself a career government servant. . . . To the best of my knowledge, I was selected for the job of Undersecretary of HEW by Secretary Caspar Weinberger, who made a strong recommendation to the President. I had worked for Mr. Weinberger when he was Director of OMB. I had been his Deputy then, and he

asked me to accompany him to HEW. My own understanding is that there was some resistance in the White House to my moving to HEW, but that Mr. Weinberger made a sufficiently strong pitch to the President that my appointment was accepted.

Now that Mr. Weinberger has become Secretary of Defense, he once again expresses his strong preference for Mr. Carlucci as his personal Deputy.

So much for the history.

Mr. President, after the strong mandate from the people on November 4, for a change in direction of our defense policy, one would think that President Reagan's Cabinet officers would be seeking associates who are committed to changing the direction of our defense policies, and who would repudiate the assumptions and operations of the past. Mr. Weinberger, however, has gone out of his way to find a Deputy who carries with him the burden—perhaps unconsciously—of the failed policies of the past.

Indeed, Mr. Carlucci is a nominee who prides himself upon being a career professional, who has always kept his skirts free and clear above the supposedly dirty field of politics. Mr. Carlucci has been a lifetime Foreign Service officer—indeed, even a career minister, the highest rank of the Foreign Service. He is a member of the Council of Foreign Relations, that is to say, the very epitome of the foreign policy establishment.

Even when Mr. Carlucci worked for Republican administrations, he expressed disdain for using the legitimate mechanisms of the law to impose policy decisions upon the bureaucracy. Indeed, it was a point of pride for him that Secretary Weinberger, with his assistance, made no attempt to impose political or philosophical principles upon HEW, which even then with a rogue elephant out of control. As he told the select committee in 1978:

> I might point out, though, in HEW my recollection is that we had a higher percentage of career people appointed to Assistant Secretary level jobs or the equivalent than in the history of the agency.

Mr. President, this is a somewhat strange boast from an individual at a policymaking level of the Government. All of the Assistant Secretary level slots are, in fact, political appointments, in recognition of the fact that different political parties are presumed to have different philosophies of government; and that in giving the executive branch to one party or the other, the people expect that the approach to government will change. I am not talking about a "spoils system" approach to government. I am talking about the acknowledgment that policy decisions are made by individual Government officials. Moreover, policy decisions are not made just on the basis of "merit" and "efficiency," but according to the principles which those individual officials embrace.

The practical effect of Mr. Carlucci's policy at HEW was to perpetuate the philosophies of the "career" people in disregard for the principles which the American people had endorsed in the polls.

I have studied carefully every shred of evidence available to me, and it is my judgment that Mr. Carlucci's own words indicate his recognition that the previous administration had no reluctance about appointing party loyalists to policy levels in HEW to implement their prevailing philosophy; yet Mr. Weinberger and Mr. Carlucci made no attempts to change the direction of that agency, using the perfectly legitimate tools that are built into the system. It should be noted that very often so-called "career" people are high ranking members of the other party who held appointed jobs that they were able to convert into civil service status. But in any case "career" means an HEW activist committed to the goals of the welfare state. Retaining and indeed promoting such bureaucrats to the top policy levels in HEW is evidently one of the accomplishments of the Weinberger-Carlucci administration of HEW that Mr. Carlucci wanted to be placed prominently on the record.

Mr. President, it is a reasonable question to inquire, therefore, whether Messrs. Weinberger and Carlucci expect to follow a similar policy at the Department of Defense. The distinguished junior Senator from Virginia, who is my friend, has assured us that the Secretary and the nominee "are looking at people with a solid Defense background for key policy positions in the Office of the Secretary of Defense." I am sure that such is the case, just as at HEW they appointed bureaucrats with solid HEW background to the Assistant Secretaryships there in 1973. But, the question is whether these officials with solid Defense backgrounds will be careerists who are expert at the failed policies of the past, or whether they will be experts who have a different philosophy and the desire to turn things around.

It is noteworthy that Mr. Carlucci has cast himself in the role of a nonpolitical public servant who is able to serve any President or any party with any philosophy with equal alacrity. When he was seeking to become Deputy Director of the CIA in 1978, he had absolutely no compunctions about joining the Carter administration in a policy role even though the dismal actions of President Carter's policies were already evident then.

In January 1978 President Carter had already signed away the Panama Canal; begun to move against Rhodesia; canceled the B-1; began to cut back unilaterally on other deployment and development of key strategic systems; and was plunged headlong into the negotiations that would lead to the abortive SALT II.

Having joined the Carter administration, Mr. Carlucci sat through the destabilization of Iran, the exile of the Shah, the derecognition of the Republic of China on Taiwan, the signing of SALT II, the detention of the hostages in Tehran, the ousting of President Somoza and the installation of the Sandinistas in Nicaragua, the promotion of land reform in El Salvador resulting in the death of 10,000 people, and the rise of Soviet nuclear superiority. Throughout all these tragic scenes, Mr. Carlucci sat as a good civil servant, who had but to resign to protest. He did not.

Instead Mr. Carlucci portrayed himself as a technician, untouched by sordid political concerns. At his CIA hearing, he testified:

> Like most Americans I have my political preferences, but as a career civil servant, I have never expressed them in public. During my years in domestic agencies, I consistently turned down requests to make political speeches or even to appear at political events.

He also asserted that when he served as Director of the Office of Economic Opportunity he made grants on the basis of what he called "merit," even when he knew that the White House did not favor the grants; but "merit," especially in an agency so heavily sensitive to ideology as OEO, is an extremely subjective thing.

The point is, the so-called "merit" grants advocated by Mr. Carlucci often went to leftwing groups—even though such "merit" grants were against White House policy. What seemed to rankle Mr. Carlucci is that, as an appointed policymaker, he was expected to take direction from the President. One exchange on this point is the 1978 hearing which is particularly remarkable:

> I was invited to a meeting sometime in 1972 where a presentation was made to agency heads on the desirability of making as many grants as possible to groups favorable to the Administration. . . . I did not hear anything illegal being urged on the agency heads at that meeting. Nevertheless, I found the entire procedure distasteful and resolved never to attend a similar meeting in the future. . . .
>
> I tried to make my decisions on the basis of merit . . .

I might say parenthetically his concept of "merit" is that of an unelected bureaucrat. He said:

> I tried to make my decisions on the basis of merit even when this entailed making grants that I knew the White House did not favor.

Mr. President, evidently he saw it as a question of who was running the store, who was setting policy. In his mind, he was.

Even though Mr. Carlucci admitted that the policies being urged by the Nixon administration were completely within the law, Mr. Carlucci took it upon himself to override that policy on the basis of his own subjective perception of "merit."

It is particularly interesting to examine exactly what some of these grants were that Mr. Carlucci made on the pretext of merit. He cited them himself in 1978:

> I can cite grants, for example, Senator, that I made when I was Director of OEO, as I said in my statement, which I know were not looked upon favorably by the White House. The Antioch Law School, for example, is a case in point. The legal services program of Hines County where the State Republican chairman objected, and where I overrode the Governor's veto to institute a program is another example. . . . There are other cases. There was the community action agency in Oakland, California, and there is the rather well known case of a California rural legal assistance program.

Well, now, Mr. President, let us look a little deeper.

This rather well-known case of the California rural legal assistance program is especially pertinent because Mr. Carlucci's adversary in this matter was none other than the then Governor of California, Ronald Reagan. The project was one of the more notorious horror stories in the OEO legal assistance program, and also one of OEO's largest grantees. It specialized in assistance to prisoners to overturn the prison discipline systems, and in aid to Cesar Chavez and the United Farm Workers of America. The story is best told in Mr. Carlucci's own words in 1978:

> About the time I was nominated to be Director of OEO, Governor Reagan vetoed the California rural legal assistance program, which was considered to be one of OEO's better legal assistance programs and was solidly supported by the organized bar. The Governor produced a lengthy report. I think it was close to 500 pages, detailing charges against the program. I, as Director of OEO, had the statutory authority to override the Governor's veto.
>
> I think it is fair to say that the Governor made representations at the White House level to see that his veto was sustained. I took the position that I was the one with the statutory authority, and that I would look into the charges and make a judgment. I succeeded in working out a temporary grant, a 6-month grant, with Governor Reagan, while we could look into the charges. I then appointed a commission consisting of three former State supreme court justices who held hearings on the program throughout the State of California.
>
> During the process, I think it is fair to say that there was considerable pressure on me, most of which was exerted either through the then Vice President, Spiro Agnew, or through the then Attorney General, John Mitchell. I can recall on one occasion telling or sending a message to Mr. Mitchell through one of his subordinates that I was running OEO and I did not work for him, that I worked for the President, and if he wished to give me any orders, those orders had to go through the President.
>
> Similarly, at one point I went to John Ehrlichman in the White House and said that I was Director of OEO. If I was to continue as Director of OEO, I wanted the authority to negotiate with Governor Reagan on his program, without being undermined. Otherwise, I saw no point to my remaining Director of OEO.

Mr. President, I have quoted this passage at length from the 1978 hearings so that not only the context but the full flavor of Mr. Carlucci's attitude toward elected officials and to Cabinet officers higher than he in the administration may be correctly deduced. At each point, he speaks with the supreme assurance that he, as a professional, as a career civil servant, has the expertise to overrule what he considers to be political pressure.

Mr. President, that may sound good to some, but underlying all of this is the fact that the only way the people can speak in this country is through their elected representatives.

Many times on this floor we hear Senators get up and decry faceless bureaucrats, people who are not subjected to the will of the people. Here we have a nominee with a record, as I will develop shortly, of saying, in effect, "I am supreme and what the people have asked for when they went to the polls really does not matter."

I am not going to call it arrogance. The Chair and other Senators will have to put their own interpretation on it, but I will ask the question, how far will this go in the Defense Department? Whose judgment will prevail? Will the White House judgment prevail? Will the judgment of the President of the United States, who ran on a platform dedicated to rebuilding this country's national defense capability, prevail? That is the question.

Let me go back, however, to those OEO grants. What was really at stake in Mr. Carlucci's OEO grants was not whether the legal services program was going to be politicized but whether it was going to be held accountable to the taxpayers. For what he was using the taxpayers' money to finance was left of center, even Marxist, advocacy in revolt against the policies of elected officials and legislative representatives—in short against the will of the people, as expressed in our system. If we do not believe in this system, Mr. President, we ought to change it.

Thus by using neutral, supposedly nonpolitical mechanisms at OEO and HEW, Mr. Carlucci was actually an effective protagonist of social revolution. Some may want that. But the fact remains that he was not answerable to the people. Not surprisingly, his diplomatic career reflects the same predilections. When he served in the Congo, for example, he had the close confidence of Prime Minister Patrice Lumumba, the pro-Soviet leader who destroyed the pro-Western government of Moise Tshombe in the Republic of Katanga.

Mr. Carlucci was able to get Lumumba to release a number of prisoners from jail—a worthy feat for a diplomat, were it not that he seemed to have an affinity for the far left, because he subsequently also established a warm relationship with Lumumba's successor, Cyrille Adoula, another socialist who vowed that he was committed to the permanent class struggle.

The same technique of preempting Marxist-Leninism by backing Marxist leaders was evident in his activities as Ambassador to Portugal. Mr. Carlucci now speaks rather grandly of how he saved Portugal from communism. I did not engage in any debate with him. It seems to me that the record is fairly clear that he did so by giving the full backing of the U.S. Embassy to the far left Socialist, Mario Soares, while giving every appearance of spurning Mr. Sa Caneiro, the leader of the far more moderate Social Democratic and Social Democratic center groups.

In 1976, the magazine Washingtonian wrote of Mr. Carlucci in the period:

> Carlucci steps carefully among the land mines of his diplomatic assignment. His supporting a predominantly Socialist government, many of its coalition-cabinet members Marxists. Despite this coloration, this current government is rightfully thought of as Centrist. It sits in the middle of a political spectrum that swings from the Maoist left (Mao might flinch) to the extreme right (some Fascists have literally donned the black shirt). The American-supported government's economic program is, however, to the left of that of Allende's Chile, which we sought to destroy only two years ago.

Mr. Carlucci's policy may have been in the center of the socialist spectrum, but yet it was far to the left of Allende. It left no room for traditional values.

After Mr. Carlucci left, the Portuguese were able to vote down Mr. Soares, the exponent of what is known as "Eurocommunism;" but Mr. Sa Caneiro died tragically in a plane crash only a few weeks ago. And I think that it is evident that Portugal's moderates have not yet recovered from Mr. Carlucci's ambivalent effort and, Mr. President, ambivalent is the most charitable word that comes to mind.

So while posing as a technocrat, Mr. Carlucci expunges politics to promote an ideological goal—his goal. Technocrats are necessary to the functioning of government, of course, just as plumbers are necessary to the functioning of plumbing. Yet one should never put a plumber in charge of the architecture of a building.

On the other hand, there seems to be a fact of life that in the bureaucracy one stays alive by sidestepping responsibility for policy decisions, preferring collective failure to individual success. One's friends are fellow technocrats, or "careerists," and one's loyalty is to the career system that makes employment possible. But more is involved in Mr. Carlucci's case than just the bureaucratic mentality. For an activist, the bureaucratic technique is a way of disguising one's philosophy.

Mr. Carlucci was quoted in the Washingtonian as saying:

> It's easy to think that putting out fires should be a priority in a new job. But, in fact, choosing your staff should always be first. People make all the difference.

Mr. President, left-wing ideology is itself a kind of technology, a technology for manipulating society through preconceived doctrines. Because this technology of the intellect is in rebellion against traditional society and existing values, its practitioners form common cause with one another against the less enlightened. A technocracy is inevitably leftist because it seeks to alter the social structures through state power. Only when technocrat comes up against traditional political power does he bristle, because politics can generate strength to oppose his designs.

Thus the methods, goals, and assumptions of the technocrats consistently implement the leftist program, while remaining aloof from public discussion of political philosophy. Although when seeking to enter a Democratic administration in 1978 Mr. Carlucci maintained that his political preference should not be expressed in public, he nevertheless expressed his distaste for giving political—that is to say philosophical—direction to the grant program at OEO under President Nixon. At the same time, he implemented technical approaches to the

grant process which he knew would undermine the President's position.

It is in this light that his testimony on January 13, 1981, needs to be examined. Throughout the hearings on his nomination as Deputy Secretary of Defense, Mr. Carlucci refused to be pinned down on any issues which touched upon political philosophy. Each time he was asked pointblank about such issues, he adroitly redefined the question so that it could be answered in nonpolitical terms and on a much more restricted basis.

When the distinguished Senator from South Carolina, Mr. THURMOND, asked Mr. Carlucci whether he agreed with the Republican platform's call for military superiority to assure our national security and preserve peace throughout the world, he dismissed the question rather slightingly:

> Senator Thurmond, one can get into a lot of debate about the buzz words that are used in this business. Secretary-designate Weinberger referred to an imbalance that exists in our strategic forces. I think that is the case.

That is what he said.

Mr. President, any political party platform, including the Republican platform of 1980, is essentially a philosophical statement, but for Mr. Carlucci, such statements are, as he put it, "buzz words." The notion that the Soviets have obtained an imbalance in strategic forces is precisely the kind of static, technical analysis that misses the real point and the real problem; namely, the Soviets' dynamic drive for superiority. The failure to concede the dynamism in the Soviet efforts rests at bottom on the assumption that Soviet expansionism is merely a historical development which can be deterred by increasing our technological strength and our perceived willingness to use that strength. This sterile analysis was evident in the passive rhetoric of Mr. Carlucci's description of the rise of that Soviet strength. He said:

> Numerous and serious adverse balances have arisen. More significantly, the trends are running against us. This creates a dangerous situation which must be reversed immediately.

Balances? Balances? Imbalance? What are we talking about, Mr. President?

Well, in his words, these adverse balances "have arisen"—and I am using his words—as though he were rather impassively describing a natural phenomenon. In point of fact, an "adverse balance" is not a balance at all. It is a mindset that thinks of military strategy in terms of technical analysis and it fails to grasp the significance of that. The significance being that history is made by individuals and by the will of individuals. So we are not dealing with impersonal "trends" when we talk about the development of the Soviet war machine. We are talking about a calculated plan, created by human intellects, driven by an antagonistic philosophy.

Moreover, the Soviet plan has met with American leaders who have gone on talking about balances and even adverse balances even though the moment of balance has long since past. So what we have is a mindset which refuses to acknowledge that the Soviets have anything else in mind but an equilibrium necessary for self-defense.

This nostalgia for that long outdated ideology of the foreign policy establishment was most evident when Mr. Carlucci responded to the distinguished senior Senator from South Carolina. He said:

> The indicators are such that whether you call it superiority, or essential equivalence, one can never make an absolute judgment . . . The prime concern is that the trends are running against us.

What was most evident in Mr. Carlucci's testimony was the sense of helpless futility, as though the United States were caught in the flood of irreversible trends. Despite lip service to the notion that these trends must be reversed, Mr. Carlucci still appeared to be a captive of the theory of the United States as a helpless giant.

In talking about defending the Persian Gulf, for example, Mr. Carlucci said:

> It seems to me that it is highly desirable to have bases around the world. We had a number of bases in the 1950's and the 1960's. But the political reality is that our ability to have bases around the world is diminishing, and we have to live with that political reality.

Once again the implication is that no one in the United States is at fault for the decline in U.S. leadership, and particularly not the career professionals who conduct our foreign policy. The reason we can no longer have bases around the world is directly related to the U.S. withdrawal from strategic areas, such as Taiwan, Korea, Panama, the Caribbean, and South Africa, at the same time that we allowed the Soviet concept of a strategic drive for superiority to be countered only by our own blind adherence to the concept of a static balance.

For too many years, the career foreign policy establishment—under Presidents and Secretaries of State of both parties—has kept sacred as an article of faith the belief that military superiority is of no strategic value, and that it would be irrational for either the Soviets or the United States to seek superiority. The doctrine of "essential equivalence" still lurks in the establishment's mind as the only decent method of operation, and "superiority" is an impractical, political buzz word.

Therefore, even when Mr. Carlucci is talking about reversing the trends, he is talking about returning to "essential equivalence," to the cherished notion of "balance," not to superiority.

In talking about SALT II, Mr. Carlucci gave the impression in the hearings that he was against the treaty, even though he had refused to take any position on it as Deputy Director of the CIA. Thus he said:

> Let me clarify that as a senior official in the intelligence business, I did not take a position on SALT. I did not take a position either for or against the treaty. I made no public statements. I did not testify. I did not lobby. I had nothing to do with SALT, other than to sit in on the briefings that were given to Admiral Turner in preparation for his testimony. The committee will recall that he confined his testimony to giving an assessment of the intelligence community's ability to monitor each SALT provision.

This is the kind of bureaucratic distinction upon which career public servants base their career. Mr. Carlucci's private position, however, was somewhat different:

> My personal view is that the SALT II treaty was based on a set of defense programs that were projected at the time the treaty was negotiated. Hence, it might well have been appropriate to freeze in what the Senate Committee Report refers to as certain asymmetries.

Mr. President, as a matter of fact, the Armed Services Committee report on SALT nowhere refers to "certain asymmetries." What the report said was the following:

> Unwarranted notions about Soviet cooperation, the unfounded assumption that SALT treaties reflect Soviet restraint and forebearance, and overly optimistic hopes that the Soviet threat to our security is being lessened are inconsistent with the facts and undermine efforts to summon the resolve to arrest the decline in our military posture. In our judgment, the SALT II treaty presently before the Senate fails to meet the criteria laid down in 1972 when the Congress adopted an amendment to the resolution authorizing the interim agreement that called for equality in any future SALT treaty.

Furthermore, Mr. President, by a 10 to 0 vote, the committee adopted the following conclusion:

> After extensive examination of the military implications of the treaty, the Committee concludes that the SALT II treaty, as it now stands, is not in the national security interests of the United States of America.

Clearly, Mr. Carlucci was attempting to minimize the impact of the committee's report by downgrading the forceful rhetoric of that conclusion. That conclusion, Mr. President, was frequently quoted by the President of the United States during his recent political campaign.

But a careful reading of his testimony results in an even more startling conclusion: Mr. Carlucci is saying in that quotation that the SALT II treaty was an effort by the Carter administration to substitute a SALT treaty for an adequate defense program. He is giving his personal opinion that SALT II was "appropriate" under the circumstances where the American people did not have the will to be strong. Despite all the intelligence information available to him as Deputy Director of the CIA, Mr. Carlucci continued to associate himself with an administration that adopted a policy of defeat. Instead of resigning to oppose that policy publicly, he took the position that it was not his responsibility to express an opinion.

Now that Mr. Carlucci is seeking to join the Reagan administration, he must try to reconcile his past position with the present view of that administration. When he served President Carter, he says he thought that SALT II was appropriate under the Carter policies; but now he has discovered a change that makes SALT II no longer necessary:

> Since that time, we have had very substantial change in attitude in this country. We have had the Afghanistan invasion. SALT II has been withdrawn from consideration. Our country has given President-elect Reagan a very strong mandate to restore our defense capability. If you intend to restore your defense capabilities, you do not want to be frozen in to certain asymmetries. I think that the essential point in the Senate Armed Services Committee report is just that, we need to have the flexibility to build up our Defense establishment.

Of course, Mr. President, that was not the essential point in the report. The essential point was that the treaty itself was deficient and unequal. The Armed Services Committee came to that conclusion before the invasion of Afghanistan, and before President Reagan received his mandate. The committee did not need to wait for those changes in circumstances to perceive the danger of SALT II, but apparently Mr. Carlucci did.

Moreover, Mr. Carlucci took strong exception to a key point in the Armed Services Committee's report on SALT II. The report said:

> It is beyond the capacity of our national technical means of verification to establish sufficiently the facts about SALT compliance with a number of important terms of the SALT II treaty. The treaty, therefore, cannot be said to be verifiable, or even adequately verifiable. However confident we might be that the Soviets would not cheat, or that the consequences of their cheating would be minimal, or that they would not cheat to a degree that would alter the strategic balance, the fact remains that there are a number of provisions of the treaty, the compliance with which we cannot even expect adequately to monitor, much less verify.

The distinguished Senator from Iowa (Mr. JEPSEN), asked Mr. Carlucci pointblank, "Do you disagree with that?" Mr. Carlucci did disagree with the conclusion of the committee, for his answer was: "I think we have a very substantial monitoring capability." Of course reasonable men can have reasonable differences; but given such opinions, it is not surprising that he thought SALT II was "appropriate" before Afghanistan.

Indeed, his estimate of the CIA's capability was higher than that of the Republican platform, as endorsed by the President in the campaign. The platform read as follows on the CIA:

> At a time of increasing danger, the U.S. intelligence community has lost much of its ability to supply the President, senior U.S. officials, and the Congress with accurate and timely analyses concerning fundamental threats to our nation's security. The morale and public confidence have been eroded, and the American citizens and friendly foreign intelligence services have become increasingly reluctant to cooperate with U.S. agencies. As a result of such problems, the U.S. intelligence community has incorrectly assessed critical foreign developments, as in Iran, and has above all underestimated the size and purpose of the Soviet Union's military efforts.

Once again, the distinguished Senator from Iowa asked Mr. Carlucci whether he agreed with that estimate, and Mr. Carlucci replied:

> I believe that the CIA is a highly effective intelligence organization, with some of the most dedicated people in Government in it. I believe they perform well, and I believe they give us excellent intelligence.

Mr. President, this was clearly not a straightforward answer. The distinguished Senator pressed him again on whether or not he disagreed with the platform, and he once again tried to divert his answer. After the third attempt by the Senator, Mr. Carlucci replied: "I disagree with certain parts of it, yes." No doubt his confidence in the CIA as it existed under his leadership as Deputy Director had an effect on his estimates of the Soviet threat, and the nature of the trends running against us. But his weakness here is the same weakness noted before, namely, his confidence in the professional career establishment as against the judgment of the political sphere.

Mr. President, if I might venture a conclusion, a tentative conclusion, to be sure, I would say that Mr. Carlucci appears to look upon our relations with other nations as a process devoid of content or philosophy. Once one enters upon the process, one is guided by the rules and logic, or lack of them, of compromise and concession, without regard to the fundamental principles of this Nation.

I do not think that is what the American people were saying on November 4. I am confident that is not what Ronald Reagan was saying to the voters in his campaign for the Presidency last year. I do not believe people voted to disregard the fundamental principles of this Nation, and I do not think Ronald Reagan ever advocated that.

When the distinguished Senator from Alabama (Mr. DENTON) began to explore Mr. Carlucci's attitude toward possible conflicts that might arise between one's personal views and supporting an administration's policy, the Senator received a reply which is startling in its simplicity. It certainly makes it very hard to define; his own principles or his philosophy. For Mr. Carlucci said:

> My own philosophy is that we all have to compromise in the governmental process. That is what it is all about.

Compromise in this desperate hour in our history?

This philosophy is what makes the Carlucci appointment a keen disappointment.

The appointment process by its very nature is an uneven one, but many Americans thought that there were some standards below which the process could not fall. Yet Mr. Carlucci will undoubtedly be approved for one of the most important jobs in the administration ostensibly for carrying out the Reagan philosophy.

I think so often that the No. 2 job, Mr. President, may be even more important on many occasions and in some respects than the job of Secretary of Defense itself.

Let us go back to the hearings before the Armed Services Committee in January.

When the distinguished Senator from Washington (Mr. JACKSON), asked Mr. Carlucci how the responsibilities of managing the huge procurement programs, and research and development would be divided, Mr. Carlucci for once was candid. This area, of course, is the most sensitive for the issue of revitalizing our defense capability, for procurement and research are at the center of restoring military and technical superiority. Mr. Carlucci replied:

> The way Secretary-designate Weinberger and I intend to operate, and the way that we have operated in the past, is that we have virtually interchangeable responsibilities. We don't divide up the pie, so to speak. Matters come to me in the first instance, and then I decide whether to send them on to him.

Does this mean, Mr. President, that Mr. Carlucci will be the permanent acting Secretary of Defense?

I think all of us would hope not. I will go further than that. I hope I am wrong in reaching these conclusions about Mr. Carlucci's philosophies. He is a nice man. He is obviously a very intelligent man. It is painful to me to oppose any nominee. Yet I hope that we do not have an assured technocrat substituting his own ideas for the policy of the Reagan administration.

Ronald Reagan was elected President of the United States based upon philosophies and assurances that he, himself, gave to the American people. They did not vote for Mr. Carlucci. They did not vote for Caspar Weinberger. They voted for Ronald Reagan and what Ronald Reagan said he believed in. They did not vote for some faceless bureaucrat, who is not answerable to the people; who, indeed, is not even known to the vast majority of the people by name or by identification.

That is my concern. That is the reason I am here speaking this afternoon in what may well be a futile gesture. But at least I want it on the record that in my judgment the American people have made a decision. They have selected the philosophy of Ronald Reagan on economic matters, on defense matters, on all matters. I do not want those philosophies to be watered down by someone who has never been and never will be answerable to the people.

If Ronald Reagon is wrong, let it be charged against him, but let the charge be that he made an error of judgment, not, as the case so often has been in years gone by, that the bureaucracy overruled him.

The time, Mr. President, is now, to express one's conclusions based upon the public record so that people can focus on this problem. I hope it can be said

that it is far better to define the issue in this way than to let it fester behind the operations of the Department of Defense, or any other department.

Nothing could matter less, Mr. President, than the opinion of Senator HELMS. What really counts is what happens hereafter in the Defense Department. It is on the basis of that that people will ultimately judge.

I say again that if my concerns are not in order, I will be the first to stand on this floor and admit that my concerns are not in order.

But, having them and feeling them, I felt obliged to come here today and make it a matter of record that I am a concerned Senator.

Mr. President, I ask unanimous consent that the entire article from the Washingtonian magazine of April 1976 which I have quoted from earlier be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. As the Chair knows, the Washingtonian magazine is a respected journal, not known for its bias in its features, and in this article, entitled "Where Is Carlucci?" by Marie Ridder, the magazine throws rather interesting light on his support of socialism in Portugal.

Mr. President, I reserve the remainder of my time. I thank the Chair.

EXHIBIT 1

WHERE IS CARLUCCI?

(By Marie Ridder)

The noonday view of Lisbon's harbor was spectacular from the crowded, airy porch. Cool drinks were passed by waiters immaculate in white jackets. The host was Frank Carlucci III, American ambassador to Portugal. The guests in their dark business suits looked like prosperous lawyers and doctors, but they were members of Portugal's Supreme Revolutionary Council and not one of them would have accepted an invitation to lunch at the American Embassy ten months before. They probably would not have been asked.

These guests had, 18 months before, toppled the 50-year-old facist regime of Antonio de Oliveira Salazar. It had seemed so simple in 1974: Happiness would come with the elimination of Salazar's repressive government. But the revolutionaries couldn't agree on Portugal's future. Now, a year and a half later, some were Communists and others, like Foreign Minister Melo Antunes, had put together a left-of-center Socialist program.

However, divided among themselves, these men had shared a common reluctance to be seen at the American Embassy. After Chile, Vietnam, and Cuba, no one wanted to be tarred with the brush of association with Uncle Sam. Their relaxed presence at this lunch showed the success of a particular ambassador and the advantage of a change in American points of view.

America has come a long way from the rigid, John Foster Dulles view that all radical revolution is a threat to the United States. Dulles once refused to shake hands with a Communist named Ho Chi Minh. Now an American ambassador entertains the revolutionary left in his home. That may be the beginning of the end to a foreign policy Senator Frank Church says is "controlled by our fears and not our faith," one that has left us "the sentinel of the status quo. We need," he says, "a foreign policy that is willing to accept the grays, to be tolerant of the emerging, and to be patient with those somewhere in the middle." Americans must be realistic: Only 25 of the 143 members of the United Nations are considered to be democracies.

French Socialist leader Francois Mitterand who harbored the Portuguese Socialists during the long night of Salazar told me, "Portugal may signal a change in America's attitude, a new tolerance for different approaches to democracy. Unhappily, the American image has been tarnished by your foreign policy, not only in Vietnam but all over the world. The old image of the US as the champion of free thought and free action has been supplanted by one that sees the US creaking along with old-fashioned ideas and out-dated policies. Unhappily we see you as constantly bolstering the right, sometimes facists, often militarists. The Portuguese are wary of becoming another Chile. But in fact, the US has come, not rapidly, but come nevertheless, to an understanding of Portugal. And that fact has been appreciated."

Secretary of State Henry Kissinger considers Portugal of great importance to East-West relations. He has been concerned that a Communist Portugal could upset the delicate balance of "detente." A year ago he told associates, "It might be too late to save Portugal from the Communists." Immediately after the Revolution of the Flowers, Kissinger began to take a gloomy view of the Portuguese situation. Mitterand says of this period, "What is so extraordinary is that everyone, particularly the United States, began worrying about freedom for the Portuguese at precisely the point they had finally achieved those freedoms."

Kissinger discounted the optimistic reports of the American ambassador in Lisbon, a political appointee, Stuart Nash Scott. A New York Republican lawyer, a friend of Richard Nixon's, he nevertheless reported that the Portuguese were capable of developing a democracy. There was, he told Washington, a real opposition to a Communist takeover. Kissinger put those reports down to naivete and appointed his own man.

He chose Frank Carlucci, 44, an experienced diplomat, fluent in Portuguese, a contemporary of the new leaders. Kissinger was surprised that Carlucci's reports were the same as Scott's—at odds with the Secretary's pre-formed opinions.

In Washington, Carlucci has been able to keep at bay those in the State Department and on the Hill who want to stir the Portuguese potpourri. He knows this small country, the size of Indiana, is a point of interest for a wide variety of non-Portuguese reasons. Last summer, for example, the President said that Senate investigations of the CIA prevented us from sending funds to the Portuguese Socialists—though it seemed to have no effect on funds going to South Africa for Angola. Conversely, several Senators are convinced the CIA has financed rightwing Portuguese groups in exile. Others, like Frank Church, cite Portugal as an example of a country we should help.

Frank Carlucci asks the Portuguese how they would like to be helped. He insists that the Portuguese make their own plans for some 80 million dollars in AID loans. And he keeps an eye open for any American personnel or money not under the control of the US Embassy. Unlike many heads of mission, he knows what the other hand is doing.

Carlucci joins a group of able younger career officers—Wells Stabler in Spain and Jack Kubisch in Greece are two others—whom Kissinger has sent to trouble spots. Gerald Ford came to office unhampered by promises of ambassadorships to large givers, so the Secretary of State has had a freer hand in making appointments.

But Kissinger, pessimistic about the Western European countries' ability to make decisions and stick to commitments, practices a form of personal diplomacy; his indifference to traditional diplomatic procedures has discouraged many Foreign Service officers. One recently resigned ambassador says Kissinger's lack of faith in European Socialist governments led to his mistrust of, and inability to help, the Portuguese moderates. Consequently our Portuguese policy since the revolution has been an untidy mixture of despair and overeagerness to participate.

It is possible that Kissinger's aloofness is just what the Portuguese Socialists needed and wanted. The U.S. has funneled some funds to the Socialist leader Mario Soares through Western European countries. Probably not much, some say not enough, but as one looks at the crazy quilt of Portuguese politics the last 18 months, it's possible to say we may have played it all just right. A prominent Socialist leader said of Carlucci: "I appreciate the fact he has never given me advice, that is, in the way a father would give advice to a son, but has been available to share my concerns, to worry with me that the extremes to the left and the right will overwhelm this fragile government."

Carlucci steps carefully among the land mines of his diplomatic assignment. He is supporting a predominantly Socialist government, many of its coalition-cabinet members Marxists. Despite this coloration, the current government is rightfully thought of as Centrist: It sits in the middle of a political spectrum that swings from the Maoist left (Mao might flinch) to the extreme right (some Fascists have literally donned the black shirt). The American-supported government's economic program, is, however, to the left of that of Allende's Chile, which we sought to destroy only two years ago.

For Carlucci, as for most Americans who worked abroad after World War II, this is a new kind of mission. Because of the radical complexion of the duly elected government, he must be ready to offer, but be careful not to press, what has become a fatal stigma in many parts of the world—American friendship. That's a large gulp for an American diplomat brought up in that brief, happy time between the Marshall plan and Vietnam.

One must, therefore, come to Portugal without thinking in terms of absolute American power but to guard our options. Portugal is important to the United States because it is a member of NATO and because either a Communist or extreme right wing takeover could influence the delicate balance of a Spain without Franco or a troubled Italy.

The newest name for what once was called the domino theory is the epidemic theory. Carlucci points out that Portugal and Spain share a large, indefensible border, that what happens to one Latin people can influence another.

Deputy Chief of Mission Herbert Okun says, "We should try as best we can to prevent outside influence, whether it be monies from Russia or monies from the very few, very rich Portuguese in exile from interfering in this process. The Portuguese are trying to find a new modus vivendi. It is an attempt of a people who had been without self-government for 49 years to find their own way."

"For once," he adds, "we're on the side of the good guys."

Okun characterizes the months since the April Revolution "as the longest revolution in history or the slowest floating crap game in Europe."

The first few months were a time of pure joy. The future had at last arrived. But it soon became apparent that love, enthusiasm, and goodwill were insufficient to govern a country.

The Communists who had maintained an underground organization throughout the dictatorship were the only group with a disciplined following and a specific program. They prepared for takeover. They organized the unions, befriended the military, took over the farms, the press, and the bureaucracy. By last summer it looked as if the Communists had won. But they had misjudged the Portuguese people.

By September 18, when the sixth government was formed, the Socialists had succeeded in forcing the Communists out of the government. They had, however, inherited the economic chaos, military insubordination, and a confused and disillusioned people. The Revolution never had a defined goal or strong leader. It meandered, mostly left.

Premier Jose Pinheiro de Azevedo's regime can be called "government under extreme pressure." Portuguese say it is their "last chance to avoid civil war" in a country with a strong conservative backing in the north and a dedicated group of Communists in Lisbon and the agricultural Alenteje.

It is said of the Premier that he is a man "who stands tall in a deep hole." He has survived six months of strikes, a left wing military coup, and a serious economic crisis. He and the country's president, Francisco Costa Gomes, are dedicated to keeping a parliamentary democracy afloat.

Clearly, it has not been an easy time to be the American ambassador. Since the beginning the Portuguese have proclaimed their desire to be independent of outside influences. Only the Communists have openly courted help. The Russian Embassy has escalated a tiny staff to some 150 people. Russian engineers and Russian buyers and sellers have turned up in great numbers. The Communist-controlled press extols their generosity while daily condemning the U.S. ambassador as a tool of the CIA and warning the public that Portugal could easily become a second Chile.

What the Soviets and Americans have in common is that they both have replaced elderly ambassadors with young, energetic, Portuguese-speaking emissaries. The change was so startling a Portuguese newspaper asked editorially, "Have we changed? What is the new attraction of Lisbon?" A Socialist leader, having been wined and dined on consecutive days in the American and Soviet embassies, noted, "How remarkable the reaction on both sides was so similar."

News from Lisbon on the front pages or television invariably pictures some new confrontation. The media cruise the city looking for street demonstrations or tanks. There are confrontations, but so far only three soldiers have been killed. The rhythm of everyday life goes on.

The open informality of the U.S. embassy reflects the low key, no-nonsense character of its ambassador. All the staff speaks Portuguese. "It's easy," says Carlucci, "to think that putting out fires should be a priority in a new job. But, in fact, choosing your staff should always be first. People make all the difference."

Portugal is an opportunity to watch a people attempt to form a new society. It offers a chance to watch a revolution while remaining comfortable. Restaurants are excellent and cheap. Hotels are empty because tourists nervously avoid the country. Public transportation is good and the Portuguese airline flies on time. The mail and the telegraph work better than at home.

Portugal is flooded with refugees from Angola. Many of them, living in camps outside the city, jobless, allowed to bring only a crate of treasured possessions, are embittered at the lack of support Angola has received. For them, Lisbon is not a happy place.

But for Americans, Lisbon remains a sunny city, where cafes serve marvelous port, where a sunset stroll or short ride takes one to breathtaking views and glorious beaches.

There is some debate as to whether Kissinger or Donald Rumsfeld, an old chum from the wrestling team at Princeton, chose Carlucci for Portugal. "Does it matter?" asks Carlucci. "I can hardly imagine it was a big thing between them."

It does not matter now because by the time Carlucci was appointed to Portugal he had proved himself a public servant of extraordinary talent. His career in the Foreign Service has been gilded with awards for superior service but has, nevertheless, suffered from the very initiative that has won the awards.

Carlucci has had reason to be disillusioned. The hero of one of his first assignments—in the Congo—was Clare Timberlake. But Timberlake was relieved of his post and given a dead-end job as a teacher in an Army War College. Carlucci says, "I assumed at the time, and have never had reason to change, that Tim was ruined because he called it as he saw it—perhaps too loudly."

In 1965, Frank Carlucci himself fell victim to a comedy of African errors. He was expelled by Zanzibar on the grounds that he was plotting to overthrow the government of this new third world nation.

The evidence? Carlucci was overheard telephoning his superior about plans to celebrate the new African nation's first anniversary. "Bring in some big guns," said the young officer, hopeful that Soapy Williams, Assistant Secretary of State for African Affairs, might attend.

The deliberate misinterpretation of that conversation was acknowledged by the prime minister of Zanzibar, who was using this incident as a chance to parade his power over the great USA. Washington appreciated that fact but Carlucci nevertheless was made to pay. He sat around Washington without an assignment for months. The Director General of the Foreign Service, Joseph Palmer, told him he would have to "fit into the system. You have a tendency to freewheel."

When assignments were offered, Carlucci was not permitted to accept them. Palmer was waiting for a place in some large embassy where Carlucci would be buried. "He kept waiting for an opening for a transportation officer," Carlucci says.

Jack Tuthill, later Carlucci's boss in Brasil, paraphrases Mark Twain. "God protects fools and our Foreign Service. One can hardly imagine why such an able guy endured this."

Carlucci still cannot understand what he had done that marked him as so upsetting an influence. But if anonymity is the hallmark of success, he failed early, first by rescuing Americans stranded in terrorized Stanleyville, and then by making friends among the leadership in his assigned area.

In early 1963 President John Kennedy gave a dinner for the new President of the Congo—Abdoula. On JFK's right sat the flamboyant African head of state. On his left, Secretary of State Dean Rusk. As the guests seated themselves, Abdoula turned to Kennedy. "Where," he asked, "is Carlucci?"

"Where is Carlucci?" asked Kennedy. "Who is Carlucci?"

"Who is Carlucci?" went down the table, from the Secretary to the Undersecretary to Assistant Secretary in charge of African affairs to the desk officer until finally somewhere far below the salt, someone said. "Oh yes, Frank Carlucci." He rushed to call Carlucci's home where the young political officer, just returned from the Congo, was dining with his family. He couldn't, he said, dine at the White House because he had no black tie. The Presidential answer came back: "The hell with what he's got on. Tell him to hurry."

Abdoula embraced Carlucci and relaxed. He began a steady stream of conversation in his native tongue. Carlucci, translating to Kennedy, summarized a lengthy monologue with the words, "Mr. Abdoula says the Congo has lots of problems." Kennedy thanked him for his brevity.

It was a Kennedy appointee, a non-Foreign Service ambassador, Lincoln Gordon, who finally prevailed on Palmer to send Carlucci to Brazil. But even then the Director General specified that Carlucci be assigned to the already overstaffed political section. Not many months later Carlucci emerged as a Special Assistant to the Ambassador.

Carlucci was told to cut embassy personnel by at least 30 percent. "We had special AID study groups, special military study groups . . . we had colonels coming out of our ears," he recalls.

"Frank's Operation Topsy eliminated a lot of military brass, the caddies at the golf course, and the drivers in the carpool. It also abolished Frank's job," recalls Herbert Okun.

It did not contribute to Carlucci's anonymity. The Foreign Service handed him yet another award and was about to put him out to pasture at MIT. He was passing through Washington on his way to Boston when Rumsfeld asked him to take a leave of absence from the Foreign Service to become Director of OEO. Carlucci hesitated because he knew little of domestic politics. But he took the job, possibly for the same reasons he stayed in the Foreign Service. In a recent speech to the American Club in Lisbon, he said, "Institutions are slow to change but that does not mean that with constant pressure they can't be changed."

"There are a few ways an individual can effect change," he adds. "He can be elected to political office or he can work for the government."

From OEO a succession of jobs catapulted him through the hierarchy to become deputy director of OMB and then to the post of Under Secretary of HEW. "Carlucci," says Charlie Cooke, an HEW colleague, "believes in the professional in government. He believes the government can be made to respond to professionalism. He has made it do so."

Talking to Carlucci one is reminded of Great Britain's concept of a civil servant, a man who pursues an honorable career in service to the government. Sometimes he can mold policy until it becomes his own. But within the boundaries of what he considers acceptable he can perform equally effectively for either a Tory of Labor government. The institution he serves is paramount. The concept can only work in a country where the differences in public policy are minimal. Thus Carlucci wrote a Nixon Administration Health Bill but could probably write a somewhat different one for a Democrat with the comment that the differences are less important than the similarities.

Why did Carlucci leave his job at HEW, one that entitled him to a place at Cabinet meetings and gave him a chance to contribute to the social policies of the nation? Be-

cause he did not see this era as one with a chance for any victories. "I am not sure," he says, "that this is a period when effective action will be taken on the two issues I consider most important—Comprehensive National Health Insurance and a guaranteed annual income. They are both essential. They will come, but not immediately."

"I am," he adds, "a Foreign Service officer. This may be the most interesting assignment in the world today."

He denies substantial disagreement with Kissinger, saying, "The Secretary follows events in Portugal in exacting and excruciating detail. If we have looked at these events differently it is because my primary interest is in the internal affairs of the country; his in the overall picture. It is the job of an ambassador to develop his own point of view and then share it with the Secretary, so he in turn can have as broad a spectrum of knowledge as possible."

Carlucci's current advice to the US government is to hang loose. He feels that this Lisbon government is surviving better under severe strife than we had reason to hope, that Premier Azevedo is more decisive than we expected him to be. He says provisional President Francisco Costa Gomez has become a fine politician. "It's not a good time to make future predictions," he says. "We have no choice but to be optimistic."

Portugal's turmoil could continue for years. It was 1912 to 1926 when the Portuguese last attempted democracy. Portugal had ten governments in that period. The coups were non-violent but resulted in financial chaos for the country.

This is a harsher time, one in which Portugal's political alignment is of more intense interest to East and West. It may be a long period of high tension.

It may also be a period of change in American foreign policy. State Department officials are reluctant to specify how much our new view of ourselves has influenced our activities abroad. "Five years ago," an Assistant Secretary says, "we would surely have had soldiers in Angola. Now we try to find alternatives, but as long as the Russians back their side, it is difficult to say whether any softening in American approach is good or bad."

The Department of State has clearly stated that the United States is against a Communist takeover of any Western European country. "But," says Deputy Assistant Secretary of State James Lowenstein, "we make a distinction between Socialists, even those who are Marxists and members of the Communist Party."

We have, under men like Carlucci, begun to develop a greater tolerance for the emerging, radical, non-Communist left. Portugal may be the first test of this new sensivity but it won't be the last. "Most of the Western world is moving to the left," Mitterand told me. "If the United States wants to avoid being left behind it must hear what new things are being said. Portugal is a good place to begin."

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. HELMS. I yield.

Mr. WARNER. Mr. President, the statement to be made by the distinguished Senator from South Carolina may be charged to the time under the control of Mr. TOWER.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, the Armed Services Committee has carefully considered the nomination of Frank C. Carlucci III to be Deputy Secretary of Defense and has recommended approval by a 16 to 0 vote.

In private conversations with me, and in public testimony, Mr. Carlucci displayed a clear recognition of the Soviet threat as well as the goals of the Soviet Union as demonstrated in their promotion of communism throughout the world. This understanding undoubtedly is a product of his service as Deputy Director of the Central Intelligence Agency. In addition, Mr. Carlucci also made unequivocal statements in favor of increased defense spending to rebuild our military forces.

Further, I am reassured by his statement—

Our Army Reserve Forces are what can only be described as in critical shape.

And he described this situation as "one of our most urgent problems." The understanding demonstrated by these answers indicates support to correct them.

Mr. President, in closing, I support President Reagan's nomination of Mr. Carlucci for this key position and feel it is important to move ahead with this confirmation process in order that solving our military problems can get under way.

Mr. President, I only reached this conclusion after I talked to Mr. Carlucci in person and received his views on these various matters of importance to our national defense and became convinced that he will work with President Reagan and Secretary Weinberger to carry out their policies and will cooperate with them to the fullest.

I thank the Senator very much and I wish to thank my able friend from North Carolina for yielding to me.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I am prepared to yield back the remainder of my time if the Senator from Mississippi is prepared to yield back his and the Senator from North Carolina is prepared to yield back his.

Mr. STENNIS. Mr. President, that is agreeable to me. I yield back my time.

Mr. CRANSTON. Mr. President, I strongly support the nomination of Frank Carlucci to the very important post for which his name has been submitted to the Senate.

I have known Frank Carlucci for a number of years. Our relationship began with a confrontation of sorts which was presently resolved. Over the years I have come to have very great respect, very high admiration for the abilities of Frank Carlucci.

He and Caspar Weinberger will make a magnificent team in the Department of Defense. I am delighted that his name was submitted, and I am delighted that he will be confirmed to that important post, and I wish him well in it.

Mr. TOWER. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not.

Mr. TOWER. They have not?

The PRESIDING OFFICER. They have not.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I yield back the remainder of my time.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is, Will the Senate advise and consent to the nomination of Frank Carlucci to be Deputy Secretary of Defense? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON) and the Senator from Montana (Mr. MELCHER) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 91, nays 6, as follows:

[Rollcall Vote No. 20 Ex.]

YEAS—91

Abdnor	Garn	Murkowski
Andrews	Glenn	Nickles
Armstrong	Goldwater	Nunn
Baker	Gorton	Packwood
Baucus	Gramley	Pell
Bentsen	Hart	Percy
Biden	Hatfield	Pressler
Boren	Hawkins	Proxmire
Boschwitz	Hayakawa	Pryor
Bradley	Heflin	Quayle
Bumpers	Heinz	Randolph
Burdick	Hollings	Riegle
Byrd, Harry F., Jr.	Huddleston	Roth
Byrd, Robert C.	Humphrey	Rudman
Chafee	Inouye	Sarbanes
Chiles	Jackson	Sasser
Cohen	Jepsen	Schmitt
Cranston	Johnston	Simpson
D'Amato	Kassebaum	Specter
Danforth	Kennedy	Stafford
DeConcini	Laxalt	Stennis
Denton	Leahy	Stevens
Dixon	Levin	Thurmond
Dodd	Long	Tower
Dole	Lugar	Tsongas
Domenici	Mathias	Wallop
Durenberger	Matsunaga	Warner
Eagleton	Mattingly	Weicker
Exon	Metzenbaum	Williams
Ford	Mitchell	Zorinsky
	Moynihan	

NAYS—6

East	Helms	McClure
Hatch	Easten	Symms

NOT VOTING—3

Cochran	Cannon	Melcher

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, if I may have only a brief moment, it appears that there are a number of Senators in the Chamber who may have statements or other business to transact. I ask unanimous consent that as in legislative session there now be a brief period for the transaction of morning business not to exceed 30 minutes in duration in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

CRUDE OIL DECONTROL: THE IMPACT ON CONSUMERS

Mr. PELL. Mr. President, within hours of President Reagan's decision to decontrol crude oil and gasoline, fuel prices posted by some major refineries surged as much as 5 to 6 cents a gallon on home heating oil, gasoline, and diesel fuel. Company spokesman for one refiner said this increase in the cost of products was "a direct result of the decontrol order by President Reagan." Most other major refiners have since Wednesday, January 28, posted similar, although smaller, increases in their prices for crude oil products.

Mr. President, the price increases by major refiners is in direct contradiction to the assertion by Energy Secretary James B. Edwards that decontrol would result only in a small cost to consumers. The impact, to the contrary, is significant. It is already having a severe detrimental effect upon consumers, particularly those in Rhode Island who rely upon home heating oil and whose energy costs are already 26 percent higher than the cost to heat their homes in the 1979–80 winter season.

In announcing the decontrol action, Secretary Edwards said that the action would increase local fuel costs by 3 to 5 cents a gallon. "I hope it doesn't cost consumers anything, but there may be some small cost," he said.

The truth is that the action is costing consumers plenty.

In Rhode Island, for example, the order by President Reagan resulted in a 5-cent increase in the cost of No. 2 home heating oil within the period of 1 week alone. As of January 26, the average price for No. 2 oil in Rhode Island was $1.20 a gallon and it rose to $1.259 a gallon as of February 3. The price for gasoline rose, from a statewide average of $1.29 a gallon for regular to $1.32 a gallon, and from $1.32 a gallon to $1.43 a gallon for unleaded.

Mr. President, in my view, the administration and Secretary Edwards completely misjudged the impact that immediate decontrol of gasoline and crude oil would have upon consumers across the country. The decontrol process should have followed the schedule proposed by President Carter, especially for crude oil. That process would have ended controls in an orderly manner by September of this year. As a result of this premature action, badly needed funds will be drained from families to oil companies and the U.S. Treasury—an estimated $8 to $16 billion for oil companies and an estimated of $3 to $10 billion for the U.S. Treasury.

I believe, Mr. President, that in view of the abrupt price increase for crude oil products and the severe winter weather this year, we have a responsibility to return some of these windfall revenues from decontrol to the consumers.

It is a matter of simple justice. Decontrol is really an added tax on the consumers. The Reagan administration may be intent on using this financial bonanza to balance the Federal budget, but I believe we must have some concern also about the family budgets that have been suddenly and abruptly unbalanced by the inflation of home heating costs.

That is why I have introduced legislation to provide energy tax relief to consumers. The measure I have proposed, S. 329, would give consumers a tax credit of up to $300 to offset the increased costs of home heating, caused in large part by Government policy changes.

I hope that my colleagues will join me in support of this legislation.

Mr. President. I ask unanimous consent that articles from the Providence Journal, the Washington Post, the New York Times, and the Wall Street Journal, which discuss the refiners' price increases following decontrol be printed in the RECORD immediately following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

SEVERAL REFINERS RAISE FUEL PRICES

Several major refiners raised wholesale fuel prices yesterday, a day after President Reagan ended price controls in the oil industry eight months ahead of schedule.

The largest increase was posted by the Standard Oil Company of California, the nation's fourth-largest oil company. Its Chevron USA division raised wholesale gasoline prices 6 cents a gallon and heating and diesel fuel prices 5 cents a gallon. A Chevron spokesman said the rise was "necessary because of the increased costs of crude oil resulting from the Government's decontrol program."

Other refiners increasing wholesale prices by one-half cent to 3 cents a gallon, depending on region and fuel type, included the Exxon Corporation, the Mobil Corporation, the Shell Oil Company and the Sun Company.

Exxon raised wholesale prices of gasoline, home heating oil and diesel and jet fuel as much as 3 cents a gallon. Shell raised heating oil and diesel fuel prices 1 cent a gallon west of the Rockies and 3 cents a gallon elsewhere.

Shell and Sun said their moves did not result from the President's action. Exxon said its rise reflected past increases in the cost of crude oil.

FUEL PRICES SURGE UP TO 6 CENTS A GALLON IN WAKE OF PRESIDENT'S DECONTROL ORDER

(By Steve Mufson)

Fuel prices surged as much as six cents a gallon in the wake of President Reagan's order to decontrol crude oil and gasoline prices.

Standard Oil Co. of California increased its wholesale prices on gasoline by six cents a gallon and on heating oil by five cents a gallon, effective today. A company spokesman said the increases were "a direct result" of decontrol that had been ordered by the President on Wednesday.

David Stockman, director of the Office of Management and Budget, said Tuesday that "this is an ideal time to do it (decontrol prices)" because of current adequate fuel supplies. He estimated gasoline prices would rise from three to five cents a gallon at the pumps over the next few months because of Mr. Reagan's action. In announcing the decontrol move, Energy Secretary James Edwards echoed Mr. Stockman, predicting that prices would rise between "three cents and a nickel."

Meanwhile, many other oil companies were also boosting prices on gasoline or heating oil or both. Most insisted, however, that there wasn't any connection between the increases and President Reagan's decontrol action. They said that the increases stemmed from the higher costs to refiners for both domestic and foreign crude oil supplies. These costs have been climbing in recent months.

Even so, in the two days since the President's order, at least nine major oil companies in addition to California Standard have decided to increase the price of either gasoline, heating oil or both. The increases by the other companies range between one cent and three cents a gallon.

President Reagan's decontrol order immediately raised domestic crude oil prices to world levels and thus ultimately raises the average cost of crude oil for U.S. refiners by $4 a barrel. While that could translate into a 10-cent-a-gallon price increase, it isn't yet clear how much of that increase will be passed through to consumers or when. Plentiful supplies of gasoline and heating oil as well as sluggish demand for oil products might hold prices down, industry members have been saying.

Nevertheless, oil companies moved with rare unanimity to raise prices in the past couple of days. Exxon USA, a unit of Exxon Corp. and the nation's leading seller of gasoline and heating oil, raised its gasoline prices by three cents a gallon east of the Rocky Mountains and two cents a gallon in the Rocky Mountains and West Coast regions. Exxon also raised heating oil prices three cents a gallon except on the West Coast where it raised prices 1½ cents.

Exxon's increases were effective yesterday. The company claimed that the price boosts weren't related to the President's decontrol order. A company spokesman said "we don't know and we can't speculate about when the impact of the order will be felt on prices."

Texaco Inc. and Sun Oil Co. have decided to boost gasoline and heating oil prices today but haven't yet disclosed by how much.

Shell Oil Co., an affiliate of the Royal Dutch/Shell Group, raised heating oil prices yesterday by three cents a gallon east of the Rocky Mountains and by a penny on the West Coast.

Atlantic Richfield Co. increased gasoline prices three cents east of the Rocky Mountains and a penny on the West Coast, effective today.

Standard Oil Co. (Ohio) boosted gasoline and heating oil prices by three cents a gallon at 12:01 a.m. today.

Conoco Inc. raised its gasoline and heating oil prices a penny a gallon in eight states in the South and Southwest.

Mobil Corp. increased heating oil prices Wednesday by a penny a gallon in the Northeast and by two cents a gallon in other parts of the East.

Union Oil Co. of California raised gasoline prices on the West Coast and the Rocky Mountains by a penny a gallon yesterday.

SOME ENERGY EXPERTS PREDICT $1.53-A-GALLON GASOLINE HERE BY JUNE

(By Phil McCombs)

Washington area gasoline and heating oil prices increased more than a nickel a gallon during the last three weeks, and oil analysts predict that the Reagan administration's removal of controls on gasoline and domestic crude oil prices last Wednesday will add another 10 cents to local prices in the next few months.

This analysis by energy experts tends to contradict the assertion by Energy Secretary James B. Edwards at his press conference on Wednesday that decontrol might increase local fuel costs by 3 to 5 cents. "I hope it doesn't cost [consumers] anything, but there may be some small cost," Edwards said.

Some analysts predicted the average cost of gasoline could reach $1.53 per gallon by June.

Gulf, Sunoco and Texaco, which together supply a quarter of the gasoline used in the Washington area and a good deal of the heating oil, yesterday raised prices on those products here between ½ cent and 3 cents a gallon. Exxon and Amoco, which supply about half the gasoline market here, raised gasoline prices 3 cents and 2 cents a gallon respectively earlier in the week.

Spokesmen for all these companies except Texaco said price increases by the Organization of Petroleum Exporting Countries last December, and not decontrol, had caused these latest price increases. The OPEC increases still have not been completely passed through to consumers. Texaco's statement yesterday was ambiguous on whether decontrol helped spur its latest increase.

"Undoubtedly there will be more increases now that we've had decontrol," a Sunoco spokesman said.

Although Energy Secretary Edwards said that decontrol means the federal government will reap $3 to $4 billion from the windfall profits tax, officials in the District of Columbia, Maryland and Virginia said that decontrol will increase their losses of gasoline tax revenue in their jurisdictions.

This will happen because decontrol will tend to raise fuel prices, which will in turn promote conservation by price-sensitive consumers—the whole point of immediate deregulation. Since D.C., Maryland and Virginia all have a set tax per gallon rather than a percentage tax, fewer gallons sold means less revenue.

Fuel conservation driven by higher prices helped make gasoline tax revenues in the District drop $3.2 million or 15 percent between 1979 and 1950, according to Billy D. Cook, an analyst in the city's Department of Finance and Revenue. Cook projects that gasoline tax revenues will drop another $1.4 million next year as conservation continues.

Maryland collected $14 million less in 1980 than in 1979 for the same reason. In Virginia, revenues went up a little but only because the gasoline tax went from 9 to 11 cents a gallon in mid-year.

A Washington Post price survey shows that the average price of a gallon of gasoline here now is $1.36.9, an increase of 5.4 cents a gallon or 4 percent over the price recorded just three weeks ago. Home heating oil here went up 6.9 cents or 6 percent during the same period to an average of $1.23.4 a gallon.

These sharp price increases took place during a time when the American Petroleum Institute reports that worldwide and U.S. stocks of crude oil and petroleum products remain higher than normal—a circumstance that oil analysts say should slow the pass-through of the increased cost of decontrolled oil to consumers.

That slowdown means that the 8 to 10 cents a gallon that decontrol adds to the refiner's cost may not be completely passed through to consumers until next spring or summer, experts say. However, they say, 3 or 4 cents of that may be passed through fairly soon.

"Look for a gradual phase-in [of the increase]. Most of it will be passed through by early June," said Mark Emond, editor of the Lundberg Letter, a respected petroleum marketing newsletter.

A U.S. Energy Department analyst who asked not to be identified said that decontrol means, "You'll be seeing no abrupt rise in prices, but a gradual increase up to what the market will bear."

Domestic crude oil prices were being gradually decontrolled in a program that would have fully decontrolled them by Oct. 1 this year. The Reagan administration's action simply moves that process forward several months and means that consumers will sooner be paying the higher prices that they wouldn't have had to pay until October.

In other words, analysts say, consumers would have been paying the 8 to 10 cents a gallon extra by October in any case, so that the net increase in their fuel bills will not be high because the Reagan administration moved forward the date of total decontrol.

But the price of gasoline should indeed be high by the summer driving season when increases caused by decontrol are added to increases from OPEC price rises and continually inflating refiner operating costs that oil companies try to pass through.

Lundberg's Emond estimates that all these factors will make gasoline 16½ cents a gallon more expensive by June. That figure, added to the current average Washington price, would make the average price here in June $1.53.4 a gallon.

Experts said yesterday that while the Iran-Iraq war has cooled and those countries are again exporting crude oil, a new blowup in the Middle East could send prices skyrocketing at any time by drying up world oil supplies.

GASOLINE AND OIL PRICES EXPLODE

(By Thomas S. Mulligan)

PROVIDENCE.—A three-pronged onslaught has driven gasoline and fuel oil prices to all-time highs.

Jack Prost, oil price decontrol and OPEC are the three prongs, according to Santo Amato, the state's emergency fuel allocation officer.

The cold weather—there have been 36 percent more degree days of cold this winter than last—has resulted in a very quick reduction of the region's fuel oil reserves, and once those are exhausted, retailers must look to their domestic suppliers or OPEC, Amato said.

The effects of OPEC's Jan. 1 price increase and of President Reagan's Jan. 28 order for an immediate end to government oil price controls are being felt simultaneously right now, he said.

To wit:

Mobil raised its gasoline and fuel oil prices by 5 cents a gallon across the board, effective today. Getty's 4-cent increase took effect yesterday, and Sunoco's 4-cent hike came over the weekend, Amato said.

Rhode Island's average price of a gallon of No. 2 fuel oil was $1.25 yesterday, up from $1.21 last Thursday. The fuel cost $1.02 when the season started, Amato said.

Yesterday, for the first time, a gasoline price of more than $1.50 per gallon turned up during one of Amato's surveys of Rhode Island service stations. The dubious record was set by an East Greenwich gas station that was charging $1.51 for unleaded premium, Amato said.

Fuel supplies are very good at the moment. Even though the degree days (the difference between the day's average temperature and 65 degrees) are up 36 percent, the demand for No. 2 fuel oil has increased by only 16 percent, Amato said.

Conservation is mainly responsible for the smaller-than-expected demand, Amato said, adding that the number of oil-to-gas conversions has been too small to significantly affect that statistic.

DONALD WILLS DOUGLAS

Mr. GOLDWATER. Mr. President, this morning's papers carried very sad news of the passing of Donald Douglas, of California.

I have known his family as long as I can remember. In fact, I can remember my very first interest in aviation stemmed from going into the Douglas hangar in Santa Monica, Calif., to watch him build some of his first aircraft.

Mr. Douglas built the Navy around-the-world aircraft that in 1924 made its successful trip around the world. He is responsible for the DC-2 followed by the DC-3 aircraft. He was really the grandfather of American commercial aviation. There were over 10,000 of the DC-3's—or as we knew them in the war the C-47's—made, and 3,000 of them are still flying. They also constructed the DC-10 and made many, many other contributions to aviation.

Mr. Douglas was 88 years old. He was not young by any stretch of the imagination. But the contributions he made to aviation the world over will be remembered forever and ever.

I just wanted to express my feelings for him and to express my condolences to his family.

I thank the Chair.

LEWIS LEHRMAN

Mr. BAKER. Mr. President, a great many theories have been espoused as to the source of America's current economic morass. An equal number of theories as to how we shall recover have been similarly voiced.

On either score, I have neither read nor heard of such an erudite and concise analysis of our economic outlook than that offered by Mr. Lewis Lehrman in the January 18, 1981, editions of the Washington Post.

As my colleagues are well aware, Mr. Lehrman is a most distinguished business leader in New York City and a highly recognized and respected analyst of American economic and foreign policy.

In his Post article, Mr. Lehrman explores the causes of and suggests remedies for the unacceptable inflation rate in the United States.

I am encouraged to note that at least one of the suggestions he made in the

Post article, the decontrol of oil prices, has already been enacted.

I would commend Mr. Lehrman's work to my colleagues' attention and, therefore, request unanimous consent that the text of his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW TO END INFLATION

(By Lewis E. Lehrman)

The budget should be balanced, the Treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled. . . .

—Marcus Tullius Cicero, 106 B.C.

Inflation is the transcendent issue of our times. Inflation is to our generation what depression was to our parents and grandparents. Inflation, if not stopped, will revolutionize our nation and its social institutions.

There are at least two separate schools of thought about how to end inflation:

First, there are professional policy analysts who believe that overdemanding working people create inflation by spending too much money. President-elect Reagan captured the perversity of this elitist view when he asked why it is inflationary when working people spend money—but not inflationary when the goverment spends it. In the past, these same analysts have recommended a remedy for inflation: simply reducing the number of working people, i.e., recession and unemployment, in order to reduce or "fine tune" private demands for goods and services.

A true understanding of inflation begins with a second and entirely different view of its causes and origins.

In this view, the correct one, the government causes inflation, not the oil sheiks, not the oil companies, not greedy labor or avaricious big business. Inflation is a monetary and a financial disorder, engendered by the federal government. This interpretation explains why working people voted on Nov. 4, 1980, to reduce the size of government, not to restrict further the world of work and enterprise.

In this view of inflation, the remedies logically follow from the analysis of the defects. The remedies constitute a coherent economic policy:

(1) Reduce as rapidly and humanely as possible the federal budget deficit, especially on current account. Reorganize the government capital account, including federal credit programs, such that government demand for credit is substantially less than the volume of total savings available in the market.

(2) Reform the tax structure and restore work incentives in order to encourage the production of new goods, which will help to balance supply and demand conditions and thereby to mitigate inflation. The tax legislation must reduce marginal income tax rates and capital gains rates. Tax reform must abolish the insane distinction between taxes on savings and taxes on wages (so-called "unearned" and earned income). Savings are, in part, stored wages and must be taxed the same way, or savings will evaporate.

(3) Renovate the regulatory policy. Decontrol of energy prices would be the symbol of serious intent to sweep away excessive impediments to commerce and economic growth.

(4) Encourage the Federal Reserve System to moderate creation of money and credit, such that the supply of new credit is strictly consistent with the demand for credit by producers who need it to create new goods and services during the same market period.

(5) Commit, publicly and unequivocally, to a free and open world trading order under American leadership. The indispensable conditions for achieving such an open world order are twofold. At the earliest possible moment, perhaps January 1982, the president should announce his intention to restore a stable dollar to the world by creating a gold-based currency. Second, the president should call for an international monetary conference, to be held in January 1983, to reform the world monetary system, to uphold an open trading system, to contain the rising tide of protectionism.

Each of these five policies is, by itself, necessary. But, alone, each will be unavailing. Therefore, all should be done together, for only together will the new economic policy be sufficient.

The new financial policy to end inflation would rely on the creation of real economic growth and more jobs—not on unemployment and reduced demand—in order to produce more goods, not less.

In Britain, Prime Minister Margaret Thatcher has chosen instead the course of austerity—restrictive monetary policy, public sector deficits and timid tax policies—along with the painful consequences of unemployment and bankruptcy. What pathos there is in this apostle of the free market, presiding over the disassembling of British industry and almost 9 percent unemployment—the worst level since the Great Depression.

President-elect Reagan can avoid the Thatcher trap. But he must move soon and with profound understanding and conviction about the course to be followed.

There are six months in which to decide and to act. There is a way out of the maze of inflation. But in this particular crisis, the economic stabilization plan must not be characterized, as in past emergencies, by price and wage controls. On the contrary, the new program for economic renewal will deal with the crisis by a systematic reformation of economic institutions. Economic recovery must rely upon a reawakened nation, market institutions, free prices, mobile factors of production and a stable currency.

It is true that, in the absence of sound policy, we shall survive the crisis too. It is the lot of businessmen and working people to accommodate and to survive. But to what end? Eight percent unemployment? Twenty percent interest rates permanently? Ten percent inflation rates? Bankruptcy? Wage and price controls?

It cannot be that these are the results we desire. Our goal is an end to inflation. President Reagan was elected to do it—and now he must.

THE REVEREND EDWARD L. R. ELSON

Mr. MOYNIHAN. Mr. President, it is good that our predecessors in this distinguished body saw fit to appoint a chaplain. To him falls a task of great importance, for he is the one who daily directs our attention from the profane to the sacred, from the secular to the eternal.

For 12 years, the Reverend Edward L. R. Elson has borne that responsibility, prodding us always in a gentle and eloquent tone to look beyond the daily preoccupations that lay claim to our every waking moment. He has succeeded in what for many would have been an impossible and frustrating job.

Before Reverend Elson came here on January 9, 1969, he had already distinguished himself as a churchman. As pastor of Washington's National Presbyterian Church since 1946, he was widely respected for his abilities in the pulpit, his administrative talents, his scholarship, and his deep commitment to public service. In 1959, Christian Century, a quite prestigious magazine, bestowed on him a very special honor indeed, calling him "one of six outstanding representatives of the contemporary pulpit."

As Senate Chaplain, the 39th we have had, Reverend Elson has done much more than offer the daily prayer, as required by rule 3.3 of the standing rules for conducting business. He has always been available to answer informational requests, as well as to give counsel on some of the greater issues of the day.

Last April, Jim Castelli, the Washington Star's religion editor, noted that our good chaplain "is steeped in history and tradition." And so he is. He baptized Dwight D. Eisenhower in 1952, the only minister in our history to have brought that sacrament of Christian initiation to a man about to become our Commander in Chief. He has preached to more Secret Service officers than any other clergyman, and he went on special international missions for Presidents Eisenhower, Kennedy, and Johnson.

I understand that Reverend Elson is especially proud that he brought the first woman minister to the Senate in 1971. There were other firsts as well: The first Roman Catholic nun, and the first American Indian "holy man." His invitations to these people tell us something about his openness to others, his sensitivity to other religious traditions, and his willingness to be a creative pioneer.

As he takes his leave today, we offer him our thanks for his service, his spirit, and his friendship. We are all better for having had him here over these years, and I dare say that we will miss him. For myself, I wish him great happiness in the years ahead, and hope that he will return here from time to time to bring us his words and inspiration that we will always need.

DR. MARTIN LUTHER KING, JR.

Mr. MOYNIHAN. Mr. President, on January 15, I joined with more than 5,000 people in Buffalo's Lafayette Square to honor Dr. Martin Luther King on what would have been his 52d birthday. We came together to rededicate ourselves to the principles of racial equality, integration, and justice. Dr. King's life was an inspiration; his words a beacon of hope; his actions an exemplar of steadfastness and determination; his death a national tragedy. Many who scarcely knew him are daily influenced for good by what he did, what he said, what he stood for.

For Dr. King achieved something that few others have. He created a movement that was both visionary and pragmatic, spiritual and political, vigorous yet nonviolent. It has succeeded. It is succeeding. It confounded those who thought segregation and discrimination to be immutable facts of American life. It struck down century old barriers. It gave hope and concrete improvement to millions. It proved that oppressed persons can or-

ganize themselves, lead themselves, and advance themselves. It gave new meaning to equality as it eroded the walls of inequality. And it demonstrated that this could be accomplished without violence or hatred.

Martin Luther King, Jr. was a force for reconciliation and healing. Just as his memory endures undiminished, so does the need for the forces it evokes. Walter Lippmann wrote:

> The final test of a leader is that he leaves behind him in other men the conviction and the will to carry on.

By that standard, as by others, Dr. King was a leader.

In Buffalo, I saw evidence that his inspiration lives on. Among the speakers were two youngsters, Anna Lynn Furst and Derick Houston. Both must have been infants when he died, but they understand his message, and are influenced by it. Their words are eloquent beyond their years. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

DR. MARTIN LUTHER KING, JR.

(By Anna Lynn Furst)

Members of the clergy, distinguished citizens, and fellow students of this city: We are here to celebrate the birth of Doctor Martin Luther King, Jr.

Dr. King was a man who devoted his adult life to the principles of brotherhood and equality. Not just brotherhood within the black population and not just brotherhood within the white population, but brotherhood within America. Equality for all Americans.

Dr. King played an essential role in helping blacks to achieve the equality promised them almost one-hundred years before the civil rights movement even started. Before the 1950's and 60's, the United States had been extremely slow in removing the glaring racial injustices thrown upon one group of our American population.

Our country needed a man like Dr. King to revive the hopes of blacks. He went about this in a very brave and noble way. He said that blacks must not drink from the cup of bitterness and hate, but must conduct themselves with dignity and discipline. Though the end to his struggle may never have been in his sight, he persevered. He was sentenced to jail and he was deluged with criticism. He saw blacks being killed for no reason and he saw blacks being denied equal education. For an ordinary man, that could only hinder his cause, but it made Dr. King's stronger and revived even more hope within his followers.

Though a great deal was still to be accomplished after his death, without him, America would not have received the rude awakening it needed.

And that is why we are here today, to commemorate a man whose unselfish motives were only for good, only for the benefit of all human beings.

It is indeed a great honor for me to have been chosen to represent the high school students in the city of Buffalo in paying tribute to a truly great American and an even greater human being.

A TRIBUTE TO DR. MARTIN LUTHER KING, JR.

(By Derick Houston)

When we think of Rev. Martin Luther King, Jr. we think of those who came before him who symbolized his leadership and spirit—Sojourner Truth, Frederick Douglass, Abraham Lincoln, Mary McLeod Bethune, Paul Lawrence Dunbar, and William DuBois.

We are reminded of his contemporaries such as Mohandas Gandhi, Andrew Young, John F. Kennedy, Robert Kennedy, Roy Wilkins, Whitney Young.

Today we see his dreams of universal brotherhood and his belief in God's wish that each man reach his full potential being carried on by people such as Rev. Jesse Jackson, Benjamin Hooks, Rev. Ralph Loew of the Chautauqua Institute and our own Rev. Bennett Smith as well as many educators, public spirited citizens, and community leaders. Many of these people, including you in the audience, are here today.

When I think of Rev. Martin Luther King, Jr. I think of the March from Selma to Montgomery, Alabama, the March to the Lincoln Memorial in Washington, D.C. the moral wrongs of the Viet Nam War, Operation Bread Basket, The Southern Christian Leadership Conference, nonviolent demonstrations, the philosophy of nonviolence and the winning of the Nobel Peace Prize.

When I as an eighth grade student think of Rev. Martin Luther King, Jr. I think of him as a man of honor, trustworthiness and vision, a friend of mankind and a model to look up to.

The Rev. Dr. Martin Luther King, Jr. was an author and educator who stood for universal excellence and for being responsible as a citizen of the world.

When we think of the achievements of Dr. Martin Luther King, Jr. we are reminded of the quote from President John F. Kennedy who said, "Ask not what your country can do for you, ask what you can do for your country."

I and my friends at School 80 took a pledge to excel which was written by the Rev. Jesse Jackson. This pledge exemplifies Dr. King's philosophy of the achievement of excellence that students must aspire to so that they can be responsible citizens. The pledge to excel reads:

We will take the opportunity to learn all that we can about life. We will help our school and community by exercising discipline and by becoming a positive thinker. We will sacrifice some of our wants of today, so that we may satisfy most of our needs of tomorrow. We will learn the secrets of success and practice them daily. We must be motivated to accept responsibility because nobody will save us from us but us.

We all have the "Force" to achieve as Obi-Wan-Ken-Obi said in the movie Star Wars, to achieve and develop to our full potential. Let all of us adults and children pledge to do our best, to leave this world a better place because we were here and to do this in the name of Rev. Dr. Martin Luther King.

THE UNITED STATES AT THE UNITED NATIONS, 1977–80

Mr. MOYNIHAN. Mr. President, almost from the moment the United Nations was created, Americans have disagreed over how we should conduct ourselves in that organization. Its affairs have always been of the most intense interest to us, not merely because of the large American role in creating the U.N., but because it embodied a great deal that the United States hoped to achieve in the world. Only of late. with the appearance of a majority in the General Assembly that seemed hostile to democratic principles, have some of us tried to shrug off the U.N. as a peripheral arena of world politics.

This has not been my view. and for the current number of Commentary magazine I have written an analysis of the ideas that have for the past 4 years held sway over American policy at the U.N. It is more than a discussion of ideas, however; it records their consequences as well. Unfortunately, the record is not a happy one. In this period, the hostility to American purposes that we had seen before in the General Assembly became increasingly powerful in the Security Council as well—in other words, in the body that matters within the U.N. This happened in large measure owing to American acquiescence, with the result that the Security Council itself became the instrument for an assault on the principal achievement of President Carter's foreign policy—the Camp David peace treaties.

This piece treats past policy, but it looks to the future as well, for the United States has now to deal with the United Nations as we find it. We must deal with the burden of a series of resolutions that come close to denying the legitimacy of Israel as a state; they represent, at the same time, a major obstacle to the American pursuit of peace in the Middle East. To dismantle the indictment of Israel, and to retake the initiative in pursuit of peace will require the most disciplined and patient diplomacy.

I ask unanimous consent that this article, "Joining the Jackals: The U.S. at the U.N., 1977–1980," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOINING THE JACKALS

(By Daniel P. Moynihan)

A defeat so overwhelming as that which Governor Reagan inflicted on President Carter soon takes on the air of the inevitable. Before it does it may be useful to record that those who were defeated in no way looked upon the outcome as fated. To the contrary, the view in the White House was that things were going well until March 1, when Ambassador Donald F. McHenry voted in favor of a particularly vicious anti-Israel resolution in the Security Council of the United Nations, followed three weeks later by the appearance of Secretary of State Cyrus R. Vance before the Senate Foreign Relations Committee in which he refused to disavow the vote. Thereafter, in this view, everything spun out of control. The Carter administration left Washington convinced—and proclaiming—that defeat was brought on by malevolent incompetence at the U.S. Mission to the United Nations and the inability of the Secretary of State to control the Mission. What they did not proclaim and only dimly understood was that they themselves had put in place the ideas which helped bring them down; that indeed in that sense the outcome was fated.

Set forth by President Carter and others, the sequence of events was as follows. Senator Edward M. Kennedy's challenge to the President began poorly. On March 18 the two met in Illinois, the first industrial state to hold a primary. The President won handily. If Kennedy could be beaten a week later, in New York, his candidacy would collapse. A private poll conducted by Dresner, Morris & Tortorello Research in late January and early February showed the President leading the Senator 54 percent to 28 percent among probable Democratic primary voters in New York, with only 13 percent undecided. Yet in the end, Kennedy won, 59 percent to 41 percent.

In a gracious gesture, after the results were in, Lieutenant Governor Mario M. Cuomo, who headed Mr. Carter's campaign in New York, called the President to apologize. "No," said Mr. Carter as reported in the New York Times, "it was the United Nations vote." In an interview with Meg Greenfield of the Washington Post on March 27, Mr. Carter, speaking of an incumbent's problems in running for reelection, repeated the point:

> . . . Then to make a mistake like we did on the UN vote and have the Secretary of State testify a few days before the election. . . .

The same theme was sounded, finally, in a postmortem by Steven R. Weisman and Terence Smith of the Times after the national election:

> This blunder, in which the administration first voted in favor of a March 1 resolution rebuking Israel on settlements in Arab-claimed territory and then disavowed it, cost the President dearly among Jewish voters in the March 18 [sic] New York primary. Senator Kennedy carried the state and attracted new contributions to his campaign, which carried on through the last batch of primaries on June 3.
>
> "New York was our chance to knock Kennedy out of the box early," said Mr. [Robert S.] Strauss, the campaign chairman. "We blew it with that vote."

Jody Powell told the Times reporters that in consequence, "We sure as hell spent a lot of time and money fighting him that would have been better spent against Reagan."

Now it will be clear that there are many reasons President Carter lost the election, of which the UN vote was only one and scarcely the most important. What is important, however, is that the administration had looked upon its United Nations record as a huge success. Other policies had failed, and that proved costly. But this had succeeded, and proved costly. When the fall of a President is involved, and possibly also the fall of a party, some notice should be taken. For I do not conceal my judgment that so long as the ideas underlying the Carter administration's UN policy are dominant within the Democratic party, we Democrats will be out of power.

In normal circumstances UN affairs play a marginal role in United States foreign policy, the simple reason being that American foreign policy is normally preoccupied with the Soviet Union, and the UN, with its profusion of small, even mini, states, is the last setting in which two powers would wish to conduct their affairs. But four years ago, to the incoming Carter administration, the main attraction of the UN as a setting in which to conduct foreign policy was precisely the prominent role Third World nations play in UN affairs, and the North-South axis of the place. This was a setting in which the cold war could at last be put behind us. In his first major foreign-policy address, given at Notre Dame on May 22, 1977, President Carter reported that the United States had overcome its "inordinate fear of Communism," and proposed that the two powers now join in a cooperative effort to improve North-South relations, specifically through economic assistance to the developing nations. In the meantime, the name of the UN Ambassador was promoted to second place on the directory of the State Department building, immediately below that of the Secretary.

In his Notre Dame speech, as in his appointments, President Carter brought together two strains in Democratic thinking on foreign affairs. The first was the old tradition of liberal internationalism—the extension of domestic standards of social justice to the world at large—exemplified by President Harry S. Truman's Point Four program or President John F. Kennedy's Alliance for Progress.

But there was another and newer strain of thought, one much at odds with the traditions of Truman and Kennedy. This was the view that had emerged in the course of the Vietnam war to the effect that the United States, by virtue of its enormous power, and in consequence of policies and perhaps even national characteristics that were anything but virtuous, had become a principal source of instability and injustice in the world. We were, in short, a status-quo power, and the status quo we were trying to preserve was abominable. By contrast, a more positive future was available to mankind if it could break out of the American dominion. Much has been written of this, and one need not expand. For my part the most evocative and excruciating memory of the onset of this point of view was the day that a group of former Peace Corps volunteers, protesting the war, ran down the American flag at Peace Corps headquarters in Washington and ran up that of the Vietcong.

Through the 1970's this view grew in strength within the Democratic party. It was most often to be encountered when issues of defense were involved. In an article written in November 1980, R. James Woolsey, who served with distinction as Under Secretary of the Navy in the Carter administration, described how leaders of many of the interest groups that claim to represent the traditional Democratic constituencies have convinced themselves over the last decade or so that they must be the enemies of increased American military power.

He explained why these constituencies had come to feel this way:

> "What you spend on tanks you can't spend on schools or welfare, nor can you keep it. This is, however, an ageless problem of government. . . . Perhaps more important, the agony of Vietnam introduced a new element and led the interest-group spokesmen and many liberal Democratic politicians to attack the *existence* of American military power as a way to curtail its exercise. Throughout much of the 1970's, the halls of the Senate Office Buildings, for example were jammed with young staff members looking for a weapons system to have their Senator oppose. They, and their friends in the executive branch, are now typing up their resumés in no small measure because the voters understood what many of the elected officials did not—that caution in using military power is wise, but unilateral restraint in obtaining it in the face of a massive build-up by a potential enemy is extremely dangerous."

There was a precise corollary to this doctrine of self-denial in defense, and it flowed from the idea that the political hostility which the United States encountered around the world, and especially in the Third World, was, very simply, evidence of American aggression or at least of American wrongdoing. The aggression could be military, but just as often it would be diagnosed as economic (the role of the multinational corporation) or ecological (plundering the planet to sustain an obscenely gross standard of living). Often it would be presented as nothing more specific than *not* being "on the side of history" or "the side of change." No matter, the prescription was the same. If the United States denied itself the *means* of aggression, it would cease to be aggressive. When it ceased to be aggressive, there would be peace—in the halls of the United Nations no less than in the rice paddies of Southeast Asia.

As tanks and missiles were the instrument of military aggression, so ideas were the means of diplomatic aggression—specifically that array of attitudes, judgments, and prejudices which led Americans to suppose they represented on balance a successful society. one model of how developing societies, if fortunate, might turn out, and in the interval a fair standard by which to measure the merits of other societies.

Here, in the interest of what lawyers call full disclosure, let me acknowledge that, from the first, those members of the Carter administration responsible for policy at the UN, and more generally for relations with the developing nations, regarded my own brief tenure as U.S. Permanent Representative at the UN in 1975–76 as the prime example of American diplomatic aggression.

This was notably the view of C. William Maynes, who left the Carnegie Endowment for International Peace to become President Carter's Assistant Secretary of State for International Organization affairs. It was the view of the Ambassadors who came and went at the U.S. Mission beginning with Andrew Young and ending with Donald McHenry. In an interview published in September 1980, contrasting his performance with mine, Ambassador McHenry said:

> "I don't believe in confrontation politics. I don't believe in name-calling. I do believe in communicating with them (i.e., Third World nations), in stating my views, listening to theirs, respecting their views, expecting them to respect mine."

A few weeks later, on October 1, 1980, taking issue with a New York *Times Magazine* article entitled "How the Third World Runs the UN," he returned to this theme:

> The article was reminiscent of the speeches about the "Tyranny of the Majority" that one of my predecessors used to deliver when he represented our country at what he later called "A Very Dangerous Place."*

Yet there was a fateful avoidance of reality in the new administration's view: a denial that there is genuine hostility toward the United States in the world and true conflicts of interest between this nation and others—an illusion that a surface reasonableness and civility are the same as true cooperation.

To be sure, if there are conflicts of interest among states, there are also truly shared interests, and even genuine friendships. The world, alas, is complex, and although the new men of the Carter administration professed to understand complexity where others had missed it, they were in fact great simplifiers. They trivialized the sources of real conflict between the United States and other nations, and they exaggerated our ability to resolve them to everyone's satisfaction.

Again, one notes a parallel with the approach of the new administration to defense and foreign policy. One of the first (and fateful) decisions of President Carter was to appoint Paul Warnke as negotiator for the strategic-arms-limitation talk with the Soviets. Warnke in his celebrated article "Apes on a Treadmill" had set forth the thesis that the Soviets essentially imitate American behavior in defense matters. Thus just as the

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* It would be hard to pack more misinformation into a single sentence. It was President Gerald R. Ford, in an address at the opening of the General Assembly in the fall of 1974, who warned the UN against "the tyranny of the majority"; at the close of that session Ambassador John A. Scali repeated the warning. If I ever used the phrase, which I do not recall doing, it was only to cite them. As for "A Very Dangerous Place," in 1978 I published a memoir about the UN with a passage on the first page: "I had first gone to Washington with John F. Kennedy and then stayed on with Lyndon Johnson. There I learned as an adult what I had known as a child, which is that the world is a dangerous place—and learned also that not everyone knows this." My editor thought *A Dangerous place* would be a good title; but I was not referring to the UN. As seamen are taught of the sea, the UN is not inherently a dangerous element, but is implacably punishing of carelessness.

United States could turn enmity into friendship merely by avoiding "confrontation politics" in its dealings with the Third World, so the United States could change Soviet behavior simply by changing its own.

But if these ideas had a parallel structure, they did not prove equally durable. Although President Carter had campaigned in 1976 on a pledge to cut the defense budget, his promise did not survive the first encounters with reality—the reality of conflicting interests and genuine danger. Instead, it was buried, and (admittedly modest) increases in defense spending commenced. The same readiness to retreat from unrealistic approaches was evident in the area of human rights (and indeed, here the administration's retreat was almost overeager). But if in these areas reality obliged the administration to think better of the ideas by which it had hoped to guide policy, no such perceptions ever managed to penetrate our approach to the United Nations. We would unilaterally change the whole international atmosphere simply by avoiding "confrontation politics." The United States would make amends for its past failures by a greater responsiveness, by greater openness, by at last understanding the problems of others and their perspectives. Thus the psychological arrogance that lay behind the seeming humility of our new relations with the Third World—it was we who still determined how others behaved—remained intact.

At the UN the arrogance of this view was particularly risky, for those convinced of the abuse of American power found themselves representing the United States at a time when our power was in fact much reduced. Whether American interests could, even so, be protected would depend on how well this decline was perceived, on the suppleness of the new tactics that would be brought to bear, and above all on the ability to sense failure when it struck one across the face. The new administration was conducting an experiment of a sort; much would depend on whether it could tell the difference between good results and bad.

Before defeat in the 1980 election forced a different conclusion upon them, the Carter people were of the opinion that the experiment had been a brilliant success. From the 1980 Democratic platform—prepared in cooperation with the staff of the National Security Council—one learned that when the administration came to power in 1977, relations with the Third World were at their nadir. The United States appeared hostile and indifferent to the developing world's aspirations for greater justice, respect, and dignity. All this has changed.

Testifying before a House Subcommittee on March 27, 1980 (two days, mind, after the New York primary), Assistant Secretary Maynes spoke even more glowingly of changes that had come over the UN: ". . . the UN has become the crossroad of global diplomacy.

". . . [It] now appears to be less unfriendly and dangerous a place than some have led us to believe. It is also possible that we will find there a greater spirit of cooperation than before—not just in condemning the lawless but also in advancing the rule of law. But these promises may come to naught unless we adopt a more mature stance toward the UN itself.

"We must remind ourselves that the United States needs the UN at least as much as it needs us."

One might have thought this assessment would be reflected in votes in the General Assembly or the Security Council. But it was not. Worse, the ideas of the new administration stood in the way of seeing opportunities to be seized and understanding problems to be met.

This was perhaps to be expected. The heavy emphasis on North-South relations, after all, was surely a way of coping with, or at least diverting attention from, the difficult realities of the post-Vietnam world. "American imperialism" had been defeated. Our defeat had been caused, to be sure, by overreaching and after a point it could not perhaps have been avoided. But its consequences, all the same, would have to be lived with, and adjusted to; foremost among them would be a major opening for, and stimulus to, *Soviet* imperialism. Susan Sontag has recently acknowledged how little she and others in the anti-war movement had understood this equation:

"It was not so clear to many of us as we talked of American imperialism how few options many of these countries had except for Soviet imperialism, which was maybe worse. When I was in Cuba and North Vietnam, it was not clear to me then that they would become Soviet satellites, but history has been very cruel and the options available to these countries were fewer than we had hoped. It's become a lot more complicated."

But the perception of such complexity was beyond the powers of the U.S. Mission to the UN under the Carter administration. Its members could not see the signs of a new phase of Soviet policy: military support for Ethiopia in 1977, coups in both Afghanistan and South Yemen in April 1978, the invasion of Cambodia in December 1978. Unable to explain all this or to fit it to the purposes they had set themselves, American diplomats at the UN grew increasingly silent.

It also emerged that our representatives had little sense of the UN Charter as law that had to be upheld, and to be expounded. A superb opportunity came in the fall of 1977 when the Soviets switched sides in the Horn of Africa. Abandoning Somalia, they actively entered the war in the Ogaden, an ethnically Somali territory, on the side of Ethiopia. Of a sudden the Somalis were pounding on our doors begging for help, pleading for us to understand the "nature of the Soviet threat," Soviet "neocolonialism," the "Soviet plot to encircle the Gulf," the "Soviet contempt for human rights and the rights of small nations."

Now it happens that in 1975 the principal sponsor of the resolution that declared Zionism to be a form of racism was none other than Somalia (acting in its then capacity as an especially fawning satellite of the Soviets). After the resolution was adopted, I rose in the General Assembly and addressed the following words directly to the Somalis:

"Today we have drained the word 'racism' of its meaning. Tomorrow terms like 'national self-determination' and 'national honor' will be perverted in the same way to serve the purposes of conquest and exploitation. And when these claims begin to be made . . . it is the small nations of the world whose integrity will suffer. And how will the small nations of the world defend themselves, on what grounds will others be moved to defend and protect them, when the language of human rights, the only language by which the small can be defended, is no longer believed and no longer has a power of its own?"

With the Somalis bleating in terror, pleading for help, did the U.S. Mission to the UN make a single reference to their behavior in 1975, and our response? None. This would have been to engage in "confrontation," a practice of the discredited past.

The United States helped found the UN, mostly wrote the Charter, has largely paid for the place. U.S. representatives have an obligation to insist that there are standards written into that Charter. Occasionally we would stand up for them. In 1978 William J. vanden Heuvel, the U.S. representative to the UN in Geneva, actually objected to the appointment of a KGB officer as director of personnel for UN activities in that city. (The appointment was a clear violation of article 100 of the Charter.) But there were few such instances. Not even when UNESCO, that embouement of a decent liberal optimism, set about developing an international regime for state control of the press under the insolent euphemism of "A New World Information Order" did we engage in "confrontation." No, never. And so it went.

But the crucial turning point came with Camp David, which involved an irony worthy to be called tragic. Perhaps the most impressive achievement of Henry Kissinger as Secretary of State had been to cooperate with Anwar Sadat in maneuvering the Soviets out of Egypt. Together Sadat and Kissinger had had to stand against the efforts of Soviet policy to scuttle the new pro-American alignment of Egypt and the step-by-step peace negotiations, which had scored a major success with the second disengagement agreement of May 1975. The Zionism-is-racism resolution in November of the same year was itself one part of this sabotage campaign.

That the UN and its Third World majority could be manipulated for the purposes of an assault on American policy was much more poorly apprehended after Kissinger's departure. In fact, in its desire to dissociate itself from the past, the Carter administration set out to bring the Soviets back. The still startling Soviet-American communiqué (issued jointly but plainly Soviet-drafted) of October 1, 1977 proposed to reconvene the Geneva Conference, a meeting under UN auspices at which the two nations would be cochairmen and to which all interested parties would be invited. To Sadat the meaning of this was clear; a veto in the hands of the radical forces, immediate stalemate, ultimately perhaps his overthrow. And so to avoid going to Geneva, he went to Jerusalem (where, he had every reason to know, a deal was waiting to be struck with the Begin government). This set in motion the events that ended with the Camp David accords of 1978, and the Egyptian-Israeli peace treaty of 1979—Carter's single greatest achievement, albeit purchased only by a reversal of his original "Geneva" approach and by shifting negotiations over the Middle East away from the UN.

Inevitably forces at the UN would resent this. Thus it is not too much to say that the supreme test of the Carter policy at the United Nations was whether that body would leave him alone to make peace between Israel and its neighbors. Had his diplomats, through their new approach, acquired sufficient influence with the far-flung nations of the Third World to persuade them to stay out of disputes with which most of them had in any event only the remotest connection?

The answer was not long in coming. First, the remaining Arab states, with Iraq only momentarily absent, convened a "confrontation summit" in Damascus to fight the Camp David settlement. Iraq soon was brought in, and before the year was out leaders of all Arab states except Egypt had met in Baghdad to form a "relection front" against Egypt and Israel. Simultaneously the Soviet Union (returning to the tactics it had used in 1975 to counter its expulsion from Egypt) escalated its campaign to delegitimate Israel by identifying it with the Nazis.

Having been sounded in 1971 with a two-part article in Pravada entitled "Anti-Sovietism is the Profession of Zionists," this theme was steadily elaborated and diffused. (The original Pravada article, for example, asserted that the massacre at Babi Yar had been a collaboration of Nazis and Zionists.) Once the idea had been set, it proceeded to be popularized on television, in novels, and finally in children's publications. Thus the October 10, 1980 issue of Pionerskaya, Pravda, a tabloid-size weekly for children aged nine to fourteen who belong to the Soviet youth organization, Pioneers:

"Zionists try to penetrate all spheres of public life, as well as ideology, science, and trade. Even Levi jeans contribute to their operations: the revenue obtained from the sale of these pants are used by the firm to help the Zionists.

"Most of the largest monopolies in the manufacture of arms are controlled by Jewish bankers. Business made on blood brings them enormous profits. Bombs and missiles explode in Lebanon—the bankers Lasars and Leibs are making money. Thugs in Afghanistan torment schoolchildren with gases—the bundles of dollars are multiplying in the safes of the Lehmans and Guggenheims. It is clear that Zionism's principal enemy—is peace on earth.

". . . The United Nations described Zionism as a form of racism and racial discrimination. More and more people today are beginning to realize that Zionism is present-day fascism."

This propaganda seemed to possess the Soviets internationally as well as at home, and they began to insist that other nations join in the campaign to treat Israel as an outlaw state, indeed a nonstate, an entity without the rights of statehood. It began to work. In 1978 Cuba became head of the "nonaligned nations." A summit meeting of these states in Havana between September 3 and 7, 1979 adopted a resolution that declared:

"The heads of state or government reaffirmed that racism, including zionism [sic], racial discrimination, and especially apartheid constituted crimes against humanity and represented violations of the United Nations Charter and of the Universal Declaration of Human Rights [Paragraph 237, Final Declaration of the Conference]."

In June 1980 at the ministerial meeting of the Organization of African Unity, held in Freetown, Sierra Leone, Israel was referred to in official documents merely as the Zionist entity." And on October 8, 1980 the Soviets signed a Friendship Treaty with Syria of which Article 3 declared:

"The High Contracting Parties, guided by their belief in the equality of all peoples and states, regardless of race and religious beliefs, condemn colonialism, racism and zionism [sic] as one of the forms and manifestations of racism, and reaffirm their resolve to wage relentless struggle against them."

This was perhaps the clearest statement to date of the Soviet Union's opposition to the very existence of the state of Israel, but its essential purpose had been evident for at least a decade.

No less evident was what the United States Mission to the United Nations should have done. The Arab nations were split; the United States was, in effect, allied with the largest of them, Egypt, and in the cause of peace in the Middle East. The Soviet Union, though it might declare that "thugs in Afghanistan" were "tormenting schoolchildren" for the profit of Zionists, had established itself beyond all question as a brutal conqueror of Third World peoples and as an anti-Semitic regime of near demented proportions. The moment to fragment or silence the opposition was at hand.

Faced with this assault on the UN Charter, on peace, on decency—and, not so incidentally, on the President of the United States—what did our people do? They took the other side.

To persons whose deepest conviction was that Third World nations were hostile to the United States because of our own neocolonial behavior; whose strong disposition was to believe that the Soviet Union in almost all instances supported the true liberationist forces in the former colonial world while the United States, on the wrong side of history, backed brutal but doomed dictatorships—the events from 1977 to 1980 could make no sense. It became ever more difficult for such people to understand and support their own government's policy. For had not the Camp David framework, its peaceful appearances notwithstanding, called forth a more sustained disagreement between the U.S. and the Third World than even the "confrontationist" policies of the past? To understand this one had to entertain the possibility that the opposition we encountered there was not a matter of long-held grievances against our abuses of power. One had to entertain the possibility that there were those whose great fear was that in seeking peace we might succeed.

Confused, and after a point not altogether straightforward, the strategy of our diplomats in New York, backed up in the Department of State, started to undergo a subtle and disastrous transformation. They had begun with the proposition that if the United States put itself on the "right" side of history, we would find the nations of the world, most of which of course were "new," coming over to our side in turn. Unaccountably, however, they were still not on our side. To the contrary, some were actively seeking to undo the greatest diplomatic achievement the administration had to its credit, and none—not one—was objecting to or trying to impede such efforts. Evidently, then, we must still be on the wrong side. Reasoning thus, our diplomats prepared themselves to vote for the Security Council Resolution of March 1, 1980 and (though this was certainly not their intention) to help bring down the administration they served.

The chain of resolutions passed in condemnation of Israel by the Security Council in 1979–80 forms a complex story. Yet to follow it only a single point needs to be understood. It is that, as a direct result of American policy, the Security Council was allowed to degenerate to the condition of the General Assembly.

Under the UN Charter the General Assembly reaches decisions by majority vote, but its decisions are purely recommendatory (Article 10). By contrast, the Security Council has power. In situations where it determines that there is a "threat to the peace, breach of the peace, or act of aggression," the Council "shall make recommendations, or decide what measures shall be taken. . . ." These include "such action by air, sea, or land forces as may be necessary. . . ." The Security Council, in a word, may make war. And for that reason the Security Council does not operate by majority vote. Any permanent member may veto any action, simply by voting No. However, in the face of the increasingly vicious Soviet-Arab assaults that followed Camp David, the United States began to abstain. I have represented the United States on the Security Council; I have served as President of the Security Council. I state as a matter of plain and universally understood fact that for the United States to abstain on a Security Council resolution concerning Israel is the equivalent of acquiescing.

The first abstention in the sequence we are now tracing occurred on March 22, 1979 when the Council, in a resolution directed against Israel established a three-member commission "to examine the situation relating to establishments in the Arab territories occuppied since 1967, including Jerusalem." The phrasing here was ominous: "Arab territories . . . including Jerusalem." Jersualem is the capital of Israel. How could its capital be in the territory of others?

Equally ominous, although at this point restrained, was the reaffirmation of earlier Council statements that the Fourth Geneva Convention "is applicable to the Arab territories occupied by Israel since 1967, including Jerusalem" and the strict injunction upon Israel "as the occupying Power, to abide scrupulously by the 1949 Fourth Geneva Convention." Now, the Fourth Geneva Convention on the Protection of Civilian Persons in Time of War is one of a series of treaties designed to codify the behavior of Nazi Germany and make such behavior criminal under international law. This particular convention applied to the Nazi practice of deporting or murdering vast numbers of persons in Western Poland—as at Auschwitz—and plans for settling the territory with Germans. The assertion that the Geneva Convention also applied to the West Bank played, of course, perfectly into the Soviet propaganda position that "Zionism is present-day fascism."

Within a year the new commission had submitted two reports. In response to these, on March 1, 1980, a resolution (465) was submitted to the Council that was as viciously anti-Israel—and as destructive of the Camp David accords—as any that had ever been encountered or could readily be devised. Israel was found to be in "flagrant violation of the Fourth Geneva Convention": the first nation in history to be found guilty of behaving as the government of Nazi Germany had behaved. It was determined that all measures taken by Israel to change the physical character, demographic composition, institutional structure or status of the Palestinian and other Arab territories occupied since 1967, including Jerusalem, or any part thereof, have no legal validity. . . .

In a word, according to Resolution 465, Israel is an outlaw state, guilty of war crimes. (Not the Vietnamese invaders of Cambodia, or the Soviet in Afghanistan. Israel!) Its alleged capital is not its capital at all—"Jerusalem or any part thereof"—and it is in illegal occupation of territory now for the first time designated "Palestinian."

Here, then, was the triumph of everything the Soviets and the "Rejectionists" had stood for: the repudiation of everything Sadat, and for that matter Begin and Carter, had sought. Yet the United States voted in favor of this resolution. Shortly thereafter the administration stated that this had been a "mistake." It was no mistake at all. Resolution 465 reflected the view of the majority of members of the United Nations, and the U.S. Mission there had simply come to accept that view. Their conception of the world, by now shared in Washington, gave them no alternative.

Once the vote was cast there came the shock of recognition, in Washington at least, that this was what that conception led to. But still they clung to it. The White House, sensing the disaster and the dilemma, did not want any testimony given before Congress. The State Department insisted, and so on March 20 the New York Times reported:

VANCE REBUFFS CALL FOR FULL DISAVOWAL OF UN'S ISRAEL MOVE

Yet it was more than that. Vance would neither disavow the episode nor acknowledge it. He could not bring himself to admit consequences he could not desire of a policy he could not repudiate.

The operative paragraphs of Resolution 465 began by stating that the Security Council:

1. Commends the work done by the Commission in preparing the report. . . .;

2. Accepts the conclusions and recommendations contained in the above-mentioned report of the Commission;

Yet Vance in his testimony on March 20 suggested that nothing, really, had happened, that voting for the resolution did not imply support for the commission report which had occasioned it.

Senator Paul R. Sarbanes of Maryland went directly to this point:

Senator SARBANES. Mr. Secretary, the resolution that was passed and for which we voted, accepts the conclusions and recommendations contained in the report of the

commission established by Security Council Resolution 446.

Do I take your assertion to be that the word "accepts" there means nothing more than "receives"?

Secretary VANCE. You do correctly understand.

Senator SARBANES. Why wasn't the word "receives" used? I would understand the word "accepts" to carry with it some element of subscribing to the conclusions in the recommendation.

Secretary VANCE. No; it was merely intended to connote receives. Accepts—they hand them to me, they are accepted.

I joined in the questioning:

Senator MOYNIHAN. Very frankly, . . . Mr. Secretary, I am concerned with our reputation for plain dealing.

Did anyone at the U.S. Mission to the United Nations tell you that in a Security Council resolution, the word "accepts" should be read to mean "receives"?

Secretary VANCE. Yes; I have been told that.

Senator MOYNIHAN. You have been told that?

Secretary VANCE. Yes.

Senator MOYNIHAN. Sir, I once served as U.S. Permanent Representative there. I can tell you that I could not conceive telling a Secretary of State that the word "accepts" should be read to mean as in a letter, "Dear Sir, I have received your letter of" so and so.

The first paragraph, the preambular paragraph of a Security Council resolution starts out always, "Taking note of." This is the paragraph that says, "We have received."

"Accepts," on the other hand, is a slight variation on the word "endorse." It would be the only way it would have been understood in my time there, sir.

I think you have been misinformed, sir, and I think you have been done a disservice.*. . .

Something quite extraordinary was happening here. It is of course possible that the members of the U.S. Mission had simply not told the truth to the Secretary of State. (They had evidently been less than candid on some other questions concerning the resolutions—informing him, for example, that references to Jerusalem had been excised from the text when they had not.) But how could a lawyer of Cyrus Vance's ability believe such an untruth save that at high and low levels alike the men of our government were deceiving themselves? The Carter administration had failed in its objectives at the UN; but to admit that failure was to cast in doubt the view of the world that justified the very existence of the administration. And to protect itself from having to face this failure, the administration had begun to undermine Camp David itself—its one great success.

The March 1 vote, then, was a disaster and should have stimulated a reappraisal of the route by which the administration had traveled to it. Israel had been permanently damaged, and (unless their perceptions are perilously dulled) other allies of the United States permanently warned. Yet no more was said than that it was a mistake, and only a partial mistake at that. The administration never thought its way through the matter. Those publicly most identified with these policies had already begun to leave—first Ambassador Young, then Assistant Secretary Maynes, and finally Secretary Vance himself. But the policies persisted. By the end of the Carter administration the pattern had become all but impossible to overcome. One can measure it this way: on nine substantive votes on the Middle East taken in the Security Council between January 1979 and August 1980 the United States abstained seven times.

Just once we cast a veto—striking down a Tunisian resolution of last April 30 which called for the creation of a Palestinian state. This resolution, one might note, unlike the one we voted for on March 1, did refer to "secure and recognized boundaries"—the language of Resolution 242—but only for the Palestinian state. Not for Israel.

To be sure, we occasionally made our unhappiness known. In August 1980, for example, Secretary of State Edmund S. Muskie went to New York and defended the American approach to a Middle East peace settlement based on the Camp David accords:

"Let me . . . repeat our belief that this constant recourse to debates and resolutions that are not germane to the peace process—and even harmful to it—should stop."

A salutary sentiment, but what must the other members have thought? For Secretary Muskie was asking on behalf of the United States for the end of a process that it was perfectly within our power to end. If we believed such resolutions to be harmful to the peace process, we were free to veto them. We were free to deny them the force of law they acquire when they pass. The same point could be made of such American statements on the March 1 resolution as this one by President Carter:

"While our opposition to the establishment of the Israel settlements is long-standing and well known, we made strenuous efforts to eliminate the language with reference to the dismantling of settlements in the resolution."

Yet when the strenuous efforts failed, the U.S. Permanent Representative had only to raise his hand, to vote No, and the resolution would have failed.

Having committed itself, however, to solidarity with the majority at the UN, the Carter administration could not bring itself to exercise the veto. Thus in our flight from "confrontation" did we end not by understanding the perspectives of others, but by adopting them.

In so doing, we have acquiesced in a very great deal.

After March 1 the application of the Fourth Geneva Convention became a routine of Security Council resolutions. It was invoked in Resolutions 460 (May 8, 1980), 469 (May 20, 1980), and 471 (June 5, 1980), all three of which dealt with Israel's expulsion of two Palestinian mayors in the wake of terrorist attacks on Israeli civilian settlers. Where once there was the routine affirmation of Resolution 242, we now have routine indictments of Israel for Hitlerian crimes.

The U.S. abstained even when Israel's sovereignty itself was at issue. The last Security Council resolutions in this cycle of attacks on Israel were adopted in the summer of 1980 and dealt specifically with Jerusalem. Resolution 476 of June 30, 1980 warned Israel about its pending legislation on the annexation of East Jerusalem. One might well question the prudence of this Israeli law—and many have done so—but it was something else again to find that in Resolution 476 (as in its successor Resolution 477 of August 20) Israel had become the "occupying power" of its own capital. Both resolutions, in fact, seemed to include the entire city of Jerusalem within this charge. And Resolution 477 went still further: it declared the Basic Law on Jerusalem, by then passed, to be null and void. It declared in effect that Israel was not entitled to fix the location of its own capital city, and called—in a wholly unprecedented step—on member states to withdraw their embassies from this capital (which all did).

An epilogue of sorts took place in the third week of December 1980, as the Carter administration and the 35th General Assembly began winding down. On Monday, December 15, the General Assembly adopted five resolutions on the Middle East more virulent and anti-Semitic than perhaps anything the U.N. had yet seen. The debate was obscene. Thus the Ambassador of Jordan speaking of the Ambassador of Israel:

"The representative of the Zionist entity is evidently incapable of concealing his deep-seated hatred toward the Arab world for having broken loose from the notorious exploitation of its natural resources, long held in bondage and plundered by his own people's cabal, which controls and manipulates and exploits the rest of humanity by controlling the money and wealth of the world."

The occasion was the receipt of the most recent Report of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, a body established by General Assembly resolution on November 10, 1975, the same day Zionism was declared to be a form of "racism and racial discrimination."

The first of the resolutions was breathtaking:

Security Council Resolution 242 of 22 November 1967 does not provide an adequate basis for a just solution for the question of Palestine.

One of the more dishonest (and debilitating because profoundly misleading) assertions of the U.S. Mission during the Carter years was that the 1975 Zionism resolution was somehow brought about by the United States. Having resisted, America was judged to have provoked. That resolution passed 67 to 55 with 15 abstentions. This resolution, potentially far more destructive, was adopted 98 to 16 with 32 abstentions.

The United States said nothing. No American delegate went to the podium to offer the smallest demur. Next, a resolution denounced the Camp David accords, declaring that the General Assembly "Expresses its strong opposition to all partial agreements and separate treaties which constitute a flagrant violation of the rights of the Palestinian people, the principles of the Charter. . . . [etc]."

The United States said nothing. The last of the resolutions reasserted Israeli violation of the Fourth Geneva Convention. This time the United States, by abstaining, said all there was to say.

There was something of note in the sponsors of the resolutions. The familiar Soviet-leaning or Soviet-dominated nations were present: Afghanistan, Cuba, Lao People's Democratic Republic. But present also were Nicaragua and Zimbabwe, two Third World nations with which the Carter administration had presumably established relations of friendship and respect.

As for North-South relations, on Wednesday of that week Ambassador McHenry acknowledged that the General Assembly's Special Session on economic development which had convened in September has come to nothing. Finally, on Friday, December 19, the United States voted for a Security Council resolution condemning Israel for the expulsion of two Arab mayors (an expulsion which followed upon parliamentary debate, trials before an independent judiciary, and the usual processes of a possibly wrong-headed but stubbornly democratic society).

* A brief review of UN documents will make clear that "accept" has the everyday meaning of "endorse." After the first commission report was submitted in July 1979, it became the subject of Security Council Resolution 452, in which the Council voted to "accept" its recommendations. The members of the commission easily understood what this meant. They wrote in their second report (which in turn became the subject of Resolution 465) that they had taken particular steps "bearing in mind that the Security Council, in Resolution 452 (1979), had *accepted the recommendations* contained in the commission's first report . . ." (emphasis added).

Ambassador McHenry explained that the Fourth Geneva Convention "prohibits deportations, whatever the motive of the occupying power."

In an editorial entitled, "Joining the Jackals," the Washington Post, which had supported the President for reelection, described this American vote against Israel in the Security Council on that Friday as representative of "the essential Carter." Now the President himself was being held to account.

American failure was total. And it was squalid. These men, in New York and Washington, helped to destroy the President who appointed them, deeply injured the President's party, hurt the United States, and hurt nations that have stood with the United States in seeking something like peace in the Middle East. They came to office full of themselves and empty of any steady understanding of the world. The world was a more dangerous place when at last they went away.

Those who now take office must deal with the aftermath of this massive failure of policy. The Security Council resolutions are time bombs. Ticking. The case has all but been made that Israel is an outlaw state, and indeed the General Assembly has now called on the Security Council to consider imposing sanctions against it. It will take the toughest-minded diplomacy to dismantle the indictment now in place—thanks to the Carter administration; thanks to those who brought the Democratic party to such confusions. The new administration will have to deal also with the whole question of the Third World. It should be clearer now that hostility toward the West, toward the United States, is abiding and, it may be, burgeoning.

Yet it remains for the United States to evolve a mode of dealing with the UN majority, and this in some measure turns on what kind of countries we think them to be. Irving Kristol has put the matter at its bleakest:

"The radical-nationalist ideologies of these nations, so far from being a prelude to the liberal-constitutionalism we revere, are a kind of epilogue. They—or at least their ruling elites—have seen our present and reject it as their future. So long as we refuse to confront this reality, we do not have a clear vision of the world the U.S. inhabits. And so long as there is no such clear vision, there can be no coherent foreign policy."

My own view is more sanguine: consider India, Sri Lanka, Trinidad and Tobago, Jamaica. There are others—many others. Still, with the experience of these four years, we should at least have learned that foreign policy cannot be conducted under the pretense that we have no enemies in the world—or at any rate none whose enmity we have not merited by our own conduct. For it was this idea more than anything else, perhaps, that led the Carter administration into disaster abroad and overwhelming defeat at home.

ENERGY AND THE DEVELOPING NATIONS

Mr. PERCY. Mr. President, the most recent increases in OPEC oil prices passed with the usual murmurs of distress about the ever-rising cost of petroleum. While we are coming to understand the effects of high oil prices on our economy in the form of inflation, unemployment, and other ills, we still do not fully comprehend how expensive oil will affect that portion of the globe put in the most dire straits by $35 to $50 a barrel oil: the developing world. In much of the Third World, oil bills have all but arrested economic development in the past few years.

In the United States we can consider a combined energy strategy of conservation and production that should allow us to keep our oil consumption constant. In the Third World, that is not an option. Development, as traditionally conceived, will demand some 3 to 4 million barrels a day of additional oil by 1990. That oil will have to come out of a world supply which most analysts feel will at best remain in tenuous equilibrium with the developed world's oil demand through the end of this century.

The United States has two vital interests in the energy problems of the developing world. First, there is our continuing concern about improving economic conditions in the poorer nations of the world. Economic development is a necessary foundation for the stability and political development that we in this country have so long sought to foster in the third world. If the developing nations continue to spend much of their scarce foreign exchange on imported oil, then a future of economic growth and improving social conditions will remain forever beyond the grasp of many nations.

Second, improving the developing world's energy future directly improves our own. In all likelihood, the United States will remain a substantial oil importer for most of this decade. Our allies, who do not have the tremendous potential domestic energy resources that we do, will remain dependent on imported oil for an indefinite time to come.

As the developing world comes to demand more oil from the international oil market, pressure for price escalation will become more intense. While the rich nations of the world will surely be able to outbid the poor for the oil they need, this prospect is both unpleasant and expensive. Our commitment to help solve the Third World's energy problems will test not just our compassion for the world's poor, but our farsightedness in serving our own national interest as well.

Our assistance in solving the energy problems of the developing world must come in several different forms. We can start by assisting the poorer nations in developing their indigenous sources of conventional oil and gas. Many nations have deposits of conventional fossil fuels that are too small to provide the potential exports that attract the multinational oil companies, yet are large enough to aid in meeting domestic needs. We can share some of the expertise developed within our Government in exploring new and enhanced production areas—tertiary oil recovery, oil shale, tight gas, and so on.

Next, we can share with the developing world some of America's great energy wealth. We have enough coal within the United States, including my own State of Illinois with the Nation's largest reserves, to fill our needs as well as those of many other nations through the end of this century and beyond. All we have to do is find a way to get it efficiently from the ground to the nations that can use it. With coal, the problem is not supply—we could double production in Illinois overnight—but demand.

Private industry should be able to create the markets it needs. But before the private sector can act, the Government needs to assist in improving America's transportation infrastructure of roads, railroads, and ports, to a degree that will assure we can get our product on a cost-competitive basis to its potential markets overseas.

As we develop new technologies for our own use in the solar and renewable energy fields, we should always look to how they might be adapted to the needs of the Third World. Today, the developing world depends on wood for a substantial part of its energy needs. Unfortunately, the increasing demands of population combined with the gradual deforestation of many areas of the world mean that wood will soon be in short supply for many nations. We can assist in the development of conservation and reforestation programs for the lesser developed nations. Finally, we need to reevaluate the full panoply of our foreign assistance programs. The world has changed drastically since the first tenfold oil price increase in 1973–74. I am sure that all of our assistance programs have reoriented their priorities to reflect that change.

Energy in the developing world can no longer be considered as just a foreign assistance issue. Energy problems make us feel what we have long said in a variety of contexts: We live in an interdependent world. Energy problems in the Third World will likely lead to energy problems in our world. Energy in the developing nations must become part of a combined U.S. energy policy that stresses working through the international system to solve our domestic problems. There can be no isolationism in American policy in the 1980's so long as we, our developed allies, or the developing nations that we would like to see establish stable, strong economies continue to import oil.

An article recently appeared in the International Herald Tribune that concisely sums up the current energy problems of many Third World countries. I ask unanimous consent that Jonathan Power's article "Third World Nations Caught Between Old, New Energies" be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIRD WORLD NATIONS CAUGHT BETWEEN OLD, NEW ENERGIES

(By Jonathan Power)

OTTAWA.—The Third World countries are not by world standards great energy users, but their energy needs are growing at such a rate that they appear to face even more serious problems of adjustment than the industrialized countries. The OPEC meeting in Bali was another painful turn of the screw.

A superficial glance may suggest to some that their requirements are small enough to be manageable. After all, it takes a year for the average Third World person to consume as much energy as the average North American does in a day. The average North American uses about 1,000 times as much commercial energy as the average Nepalese and 300 times as much as the average Upper

Voltan. The average Dutchman, who is the average European, although less rapacious than the North American, consumes 266 times as much as the average Ethiopian and 31 times as much as the average Pakistani.

The truth is, however, that oil-importing developing countries have been increasing their energy consumption at a faster rate than have the industrialized countries. During the 1960s and early 1970s, Third World energy consumption grew by 8 percent a year. It stagnated in the next two years but after 1975 resumed growing at about 5.5 percent annually.

This year, oil import bills of developing countries are estimated to be slightly less than $70 billion. Leaving on one side the impact of disrupting events like the fall of the shah and the Iran-Iraq war. OPEC will want to see prices rise until they reach the cost of coal gasification. This means that by 1990, the Third World oil bill could be over $266 billion.

In an ideal world of brave and imaginative diplomatic agreements, it might be reasonable to suppose that this process of rising prices might be ameliorated. After all, it is stated OPEC policy to try to create an oil regime where prices increase smoothly rather than in sharp jumps, where developing countries get priority in the marketplace, and where OPEC loans at commercial rates of interests are available. There will also be more OPEC aid. In the real world only some of this is likely to come to pass.

None of these measures, moreover, will gainsay the fact that too many developing countries have programmed their modernization on a course that is quite simply suicidal. Whatever the terms of relief, they just cannot afford an oil-based economy. Or to put it more soberly, as did a report prepared by leading energy experts for the recent meeting in Ottawa of the North-South round table, "It makes little long-term sense for a developing country to make a transition to oil just at the time it must undertake a transition from oil to successors."

It is going to be a rough period for the developing countries. Not only are they trapped by the rising price of oil. They are hamstrung by the diminishing supply of traditional fuels. Sixty percent of their population (2.5 billion people) live in the rural areas, where the principal fuels are firewood, crop residues and animal dung.

In Africa, for example, firewood accounts for more than four-fifths of the total energy used. It is not used merely for home cooking and heating, but for rural industries. In Tanzania, vast quantities are used for curing tobacco and in Mali for smoking fish. In Brazil, charcoal is used in large amounts for steel production.

MEAGER INCOME

According to one estimate, the amount of wood used in the developing countries in a year (and this excludes China) "would stand at least 20 feet high and 20 feet wide and extend completely around the equator." Given present rates of deforestation, Senegal will be bare of trees in 30 years, Ethiopia in 20 and Burundi in seven. Much of the world is running out of trees. The prices of firewood and charcoal are skyrocketing, even faster than the price of oil. Many families spend a sizeable fraction of their meager income on firewood. Others walk miles every day to find wood.

In short, the Third World countries are trapped between the old and the new. They cannot afford imported oil, and they are dangerously near to having exhausted their wood at home.

For the urban and industrial area where people and businesses will find it difficult to do without oil, the developing countries need to step up the rate of oil exploration at home. The experts of the North-South round table argued that large numbers of developing countries can expect to become small to medium oil producers.

The big oil companies are not always interested in locating smaller fields that will have an output significant in international terms but important for local markets. The World Bank has recently launched a large loan program to make this possible.

However, the vast majority of the people of the Third World live far from a town. They desperately need a form of renewable energy, not piped to them in some expensive grid system, but one they can make use of on their own doorstep. This, in the jargon, is called "soft energy"—bio-gas, methanol, wind and solar power. Such a development can only come with a technological leap that enables these systems to be mass-produced on an economic scale.

Amazingly, although there are experiments here and there, not one Third World country has made a decision to give priority to developing "soft energy." Meanwhile, more of the imported "hard stuff" will be the undoing of developing countries.

THE REVEREND RAYMOND C. BAUMHART OF CHICAGO'S LOYOLA UNIVERSITY

Mr. PERCY. Mr. President, it is with great pleasure that I rise in tribute to the Reverend Raymond Baumhart, who celebrated his 10th anniversary last summer as president of Chicago's Loyola University, and who will be honored here in Washington this weekend at the Loyola alumni dinner.

A native Chicagoan, Father Baumhart was ordained a priest in the Society of Jesus in 1957. Since his ordination, he has enjoyed a career in academic life of extraordinary achievement and service to his church, his community, and countless numbers of students.

He was the first priest ever to receive a doctoral degree in business administration from Harvard University and, over the years, he has combined his business expertise with his pastoral skills in unique and productive ways. He has written extensively on business ethics; he serves on the board of directors of the Jewel Companies and Continental Illinois Bank; he has served on the Council of Better Business Bureaus.

Most Chicagoans, however, know him as the leader of one of our outstanding educational institutions. During this first decade of his presidency, Father Baumhart has steered Loyola University through a period of significant physical growth, a major reorganization and upgrading of its administrative capabilities, and an expansion of academic coursework that all have strengthened the university's position as a major Jesuit education institution and national center for medical research.

A recent Loyola publication indicates that Father Baumhart has led Loyola to these accomplishments while consistently operating with a balanced budget in the face of staggering inflation rates and unending economic pressures. From my own personal experience as a trustee of another great Chicago institution, the University of Chicago, I can testify to the extraordinary skills required to bring about such an achievement.

The real measure of an educator, however, is felt in the quality of his students and the mark they make in the world. In this respect, Father Baumhart once again has every reason to be proud. Loyola graduates have entered all walks of life strengthened and inspired by the example he has set. In Father Baumhart's own words:

> Loyola's constant aim is to present society with competent men and women who are intellectually aware, whose lives express the values which they embrace, and who spend themselves in service to their fellow man.

There is no question that Loyola's "constant aim" has been met under his very able and distinguished leadership.

CONFERENCE OF LEAGUE FOR THE ADVANCEMENT OF STATES EQUAL RIGHTS

Mr. HATCH. Mr. President, our recent history has seen an increase in sectional conflicts unparalleled since the Civil War years. Some of these pressures are political, as population shifts West and South. Some of them are economic, as energy consuming States attempt to protect themselves against what they see as unfair competition from energy-producing States. Still others result from the disparity in land ownership between East and West. It remains a little-known fact, in the East, at least, that the vast majority of the land of the 17 Western States is not privately owned, but is held in Federal ownership.

The result of this disparity is often antagonism, as land uses are dictated by policies adopted in Washington, often by those with little familiarity with Western problems, always by those influenced by a citizenry that visits our Western wonderlands, but does not live there permanently. Western miners, ranchers, sportsmen, and water users come to feel that their interests are subsidiary to those for whom our land is a playground, not a workplace.

One manifestation of these sectional conflicts is the sagebrush rebellion. Unfortunately, the rebellion is not clearly understood, in either the East or the West. That is at least partly because the rebellion is not a single thing, but a political-emotional response to a situation, with different meanings for different people and groups.

In an effort to explore and better define the rebellion, the League for the Advancement of State Equal Rights held a conference in Salt Lake City, Utah, which I had the opportunity to attend. The conference lasted several days, and offered to all interested parties and groups an opportunity to meet, to discuss and define the issues on which all can agree and on which none can agree. I found the conference most fruitful, and at such time as the proceedings are published, which I hope will be soon, I hope all Senators will take the time to read them, in an effort to gain insight into what is happening in the West.

Mr. President, the Salt Lake City radio station KLUB broadcast three editorials, commenting on the LASER conference, and on the issue of the sagebrush rebellion. I found their comments insightful and informative. In particular, KLUB seems to have a sense of the importance of the issue, and of the folly of trying to

ignore it. As they noted in the second of these three editorials, neither the governor of Utah nor the Federal land managers attended the conference, and their absence marred what was otherwise a tremendously productive exchange of views. To quote KLUB directly, "there is little to be gained by ignoring the sagebrush rebellion." That is also true for us. I urge all Senators to consider these thoughtful editorials, and to that end I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

PUBLIC AFFAIRS BROADCAST DECEMBER 8, 1980
SAGEBRUSH REBELLION—I

Recently the League for the Advancement of States Equal Rights, better known as LASER, held a conference here in Salt Lake City to explore the issues surrounding the so-called "Sagebrush Rebellion." The conference attracted four Senators, at least ten Congressmen, and some State legislators from virtually every county in the West.

It was immediately obvious there is little unity among its supporters as to exactly what the "Sagebrush Rebellion" is. As we see it, there are at least four groups. There are the radicals, who want private ownership of all public lands. There are those who simply want to see more local control over the land, and who therefore support transfer of title over at least some federal land to the States. There are the environmentalists, who pretty much like the way land control has been going for the last few years. And there are the economists, who would apply market tests to both wilderness withdrawal and grazing rights.

In addition to these fairly well-defined groups, there is the rest of us: confused about the issue, but aware of its importance, and seeking additional information. In that respect, the LASER conference was most welcome. It provided a real opportunity for all the parties to talk to each other, and to us. Whether or not the "Sagebrush Rebellion" is going anywhere, it is essential that we all understand where different groups want to take it. Tomorrow we will look at another important phase of the conference.

PUBLIC AFFAIRS BROADCAST DECEMBER 9, 1980
SAGEBRUSH REBELLION—II

Yesterday we spoke about the Sagebrush Rebellion, and the contribution of the recent conference in Salt Lake City towards a greater understanding of it. That contribution was not as complete as it might have been, however, because of the failure of two of the interested parties to participate. We can best identify those parties by asking two questions:

First, Where was the governor? It seems to us the state of Utah has real interest in the Sagebrush Rebellion, and an obligation to watch it—to be involved in its formulation. Nothing is to be gained, as we see it, by boycotting meetings and discussions on the future of land management in the West. The environmentalists attended the conference, and made their contribution to the debate. But Utah was not represented as a state.

Second, Where were the Feds? We understand that officials in the federal land management agencies were explicitly instructed to stay away from the LASER conference. That is a short-sighted and counter-productive attitude. Certainly it is not pleasant to subject yourself to stringent criticism, and there was certainly stringent criticism of the feds at the conference. At the same time, some of the criticism was ill-founded, and could have been tempered or countered by the presence of knowledgeable officials of the Forest Service or Bureau of Land Management.

There is little to be gained by ignoring the Sagebrush Rebellion. We urge the governor and federal agents to accept their responsibilities, and participate in the debate. Tomorrow we will discuss the meaning of the rebellion.

PUBLIC AFFAIRS BROADCAST DECEMBER 10, 1980
SAGEBRUSH REBELLION—III

For the past two days we have discussed certain aspects of the Sagebrush Rebellion in connection with the recent conference held in Salt Lake City. Today we would like to comment on what it all means.

It means, we think, that there are enormous sectional conflicts building in the United States. A majority of Alaskans recently voted to reconsider Statehood. All over the West, states are asserting a claim to land held by the Federal government. Producer states fight consumer states in Congress over energy regulations. And recent maps of presidential electoral results show the South and West dominant, with that dominance to increase after the upcoming re-apportionment.

These pressures might all be manageable in good times, but these are not good times. The economy is faltering. Individuals question the worth of what they do. Ethnic and linguistic differences are courted and accentuated by politicians. The potential is there for serious conflict, even for violence, over control of land and resources.

In that respect, we think the LASER conference made a real contribution. If our countrymen back East start listening to what is said at conferences like this one, and, in referenda, like the Alaskan one, we have a better chance of accommodating the various interests, and avoiding real dissension. We repeat what we said yesterday about the importance of these issues. They will not go away, and it is essential for all of us, and our elected officials, to join the debate before it grows into a schism that could consume us all.

LET'S HEAR IT FOR THE ELECTORAL COLLEGE

Mr. HATCH. Mr. President, once again, despite the usual dire predictions, our Nation's electoral system worked this past year to effect the efficient transfer of Presidential authority. Although this fact is not likely to be persuasive to those whose conception of Democratic rule is a purely arithmetical one, I do think that it is occasionally worth mentioning that our much-maligned system has again performed its constitutional task admirably.

Most visible of the strengths exhibited this election by the electoral college was its contribution toward the preservation of a strong two-party system, and the prevention of large numbers of electorally potent splinter parties. The Independent candidacy of Representative John Anderson lost much of its momentum, as had the candidacy of Governor George Wallace 12 years earlier, as voters increasingly came to perceive votes for his candidacy as being wasted votes. Under a system of direct election, third and fourth and fifth party candidates would be provided incentives since each vote cast for such candidacies would make it more difficult for any major party candidate to receive sufficient votes to avoid a Presidential election runoff.

One of the major achievements of this past Congress, in my opinion, was the decisive rejection of the proposal to amend the Constitution to provide for direct election of the President and Vice President. At this point in the RECORD, I ask unanimous consent to insert a short article by an individual whose testimony on this matter contributed significantly to this result. Prof. Walter Berns, the author of the following item originally appearing in the Wall Street Journal, is currently a resident scholar at the American Enterprise Institute.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Jan. 8, 1981]

LET'S HEAR IT FOR THE ELECTORAL COLLEGE

(By Walter Berns)

Where the Electoral College is concerned, nothing fails to succeed like success. Once again it produced in 1980 a clear and immediately known winner; once again it gave us a constitutionally legitimate President. Once again it served to discourage third-party candidates, thus strengthening the two-party system which has served this country so well. And once again, in succeeding rather than failing, it failed to silence its critics.

The Washington Post didn't even wait for the votes to be counted before remounting its familiar assault on our method of choosing a President. In its November 5, "Morning-After" lead editorial, the Post again complained of an "absurdly dangerous" method of presidential selection, of the possibility that "runaway electors exercising their constitutionally given free choice [might] plunge the nation into political chaos," of a "relic" that will sooner or later "self-destruct," and of a "bomb waiting for the right circumstances to go off." (And all this when the only sound some of us heard was the popping of Republican champagne corks!)

As usual, these written complaints were accompanied by variations of that humorous Herblock cartoon, two since the election—the umpteenth one in the series—showing the Electoral College as the white-haired old man with the ear trumpet saying, as he strains to hear the results, 'Don't expect me to get this right, bub," or words to that effect.

BIASED ELECTORAL COLLEGE

As in the past, the old man did get it right in 1980, but by doing so may only have added to the complaints that we can expect to hear in the future: The Electoral College is, so the critics will say, biased in favor of one of the two major parties. Worse (but this sotto voce), it now has a built-in bias in favor of candidates of the Republican Party.

Tom Wicker sounded this alarm in his New York Times column of November 28, and repeated it on December 19. "Earlier this year," he wrote on the 28th, "the Electoral College came under its quadrennial scrutiny because John Anderson's independent campaign threatened to deny any candidate an electoral majority and throw the decision into the House of Representatives. That didn't happen, but the election produced other reasons—particularly for the Democrats—to take a hard look at this political anachronism."

Whereas it used to be said that the system favored the Democrats, who could be expected to win the populous Eastern states with their large blocs of electoral votes, a "hard look" at the new political geography shows 17 Western states, typically underpopulated, typically Republican, and each casting, among its electoral votes, two votes

that represent nothing more than the fact that it is a state. These two "extra" votes may be constitutional, but, say the critics, it is not democratic; Presidents, like the legislators in the Supreme Court's reapportionment decisions, should "represent people, not trees or acres." To represent people, Presidents must be elected directly by the people.

Why has the Constitution not been amended to permit direct popular election, or, as the Post asked the question, why does the nation continue to tolerate the Electoral College? Because, in fact, "there is no national consensus on what should replace it." True enough; but there is also no consensus that it should be replaced. As some of us have made a career of telling what used to be Birch Bayh's Subcommittee on the Constitution, there are good reasons why Presidents should not be chosen by direct popular vote.

The framers of the Constitution knew this and we ought to know it. They knew that we were—and we still are—a nation of minorities; they knew that we were—and we still are—a union of states with diverse interests (with different kinds of trees and acres, if you will). And they knew—and we have reason to know—that a President chosen by a simple numerical majority of the people might neglect the legitimate interests of those minorities and states.

"If the majority be united by a common interest," said Madison in Federalist 51, "the rights of the minority will be insecure." The American idea of democracy cannot be expressed in the simple but insidious formula, the greatest good for the greatest number. What the greatest number regards as its greatest good might very well prove to be a curse to those who are excluded from it. The American idea, which is expressed in the Declaration of Independence and embodied in various provisions of the Constitution, is that government is instituted to secure the rights of all. It was the considered judgment of the framers that a system of indirect rather than direct popular elections would be likely to produce Presidents politically free to do their constitutional duty, which was and is to secure the rights of all.

Admittedly, the Electoral College does not work exactly as the framers intended, but, in combination with our party system and the winner-take-all practice instituted by the laws of every state except Maine, it has worked in a manner approximating the intention. In practice, the electors are not independent, but neither are they simply dependent on the people at large.

Since the days of Martin Van Buren, the inventor of the modern party system, electors have been instructed by the political parties which, despite the proliferation of presidential primaries, continue to screen the candidates and, to that extent, to narrow the range of choice available to the voters. What is significant here is that, unlike the typical voter, who must depend on impressions gained from the press, party leaders are likely to have first-hand knowledge of the strengths and weaknesses of the candidates; furthermore, they will be more likely to take account of the variety of interests within the country.

In fact, they will be required to do so: Because of the Electoral College, popular votes are counted (or aggregated) not at the national level (where a minority interest is likely to be less visible) but at the state level, where the vote of any particular minority looms larger. So long as a minority is not distributed evenly throughout the country, but is concentrated in particular states, it is in its interest to oppose direct popular elections; most civil rights leaders have understood this. Is there, then, not something to be said for an electoral system that threatens to penalize a party and its candidate for failing to respect the rights of respectable minorities?

A THREATENING SYSTEM

Of course, it is possible that some minority might be over-represented, just as it is possible that (because each state, regardless of its population, has at least three electoral votes) some states might be over-represented. But the critics have not been able to demonstrate that this has happened. What is demonstrable is that the presidential candidates have had to pay attention to the rights of minorities and the interests of states (with their peculiar trees and acres): Only twice in the 20th Century (the elections of 1960 and 1976) has the candidate with an electoral majority failed to win a majority of the states. Is there not something to be said for a system that threatens to penalize sectional candidates?

These arguments are not likely to convince the critics who think that political legitimacy can be conferred only by simple popular majorities and would design their electoral systems accordingly. To the extent that they live in the Northeast, however, which is suffering a relative loss of population and a real loss of representation in the House of Representatives, they might be moved by an appeal to their political interests narrowly defined.

Mr. Wicker, for example, acknowledges that the electoral power of the "Republican" Sun Belt will increase as its population increases. The time might come when "Democratic" Rhode Island, Connecticut, and—who knows?—even New York with its peculiar trees and acres might need those two "extra" electoral votes. At that time he might be more inclined to appreciate that a President has the constitutional duty to represent everyone: those who vote for him, those who vote against him and even those who do not bother to vote.

CRIPPLING PACE

Mr. HATCH. Mr. President, the principle of "affirmative action" has once again reared its extremely ugly head in the area of Federal Government hiring. In the waning days of the Carter administration, it reached agreement with a number of "public interest" groups on a consent decree that would insure that minority groups, such as blacks and hispanics, were hired by the Government in precise proportions to the group's representation in the population as a whole. In achieving this end, the Government would scrap its present PACE (professional and administrative career examination) examination, the entry examination for Federal Government professional employees. The Government would be required to experiment with new tests until one were discovered that would insure that equal proportions of racial and ethnic groups were hired. Whether or not such a test then had much to do with identifying Federal job performance would apparently be a secondary matter.

At this point in the RECORD, I ask unanimous consent to insert an excellent editorial on this subject from Barron's, as well as several editorials appearing in other newspapers. The Barron's editorial by Mr. Peter Brimelow is an outstanding summary of the background events leading to the PACE controversy.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Barron's, Jan. 19, 1981]

CRIPPLING PACE—IN GETTING A GOVERNMENT JOB, RACE OUTSCORES MERIT

(By Peter Brimelow)

This week in Washington, the incoming Republicans finally get to pry the grasp of the Carter Administration from the helm of the ship of state. In key respects, they are going to find it lashed to its present course. In fact, it is growing increasingly clear that the Democrats have been lashing away frantically ever since Nov. 4, while their successors have been strutting about inspecting their new quarters and preening at their reflections in the chronometer.

In this frenzy of suit-filing, regulation-issuing and general statist activity, one episode stands out. Ten days ago, Associate Attorney General John H. Shenefield, on the Administration's behalf, signed a consent decree designed to settle an affirmative action suit charging racial discrimination against the federal government's own Office of Personnel Management. Under the terms of the agreement, which Reagan transition officials vainly sought to delay until they took office, the federal government is committed to abolish the Professional and Administrative Career Examination (PACE). PACE will be replaced with some method of assessment aimed at ensuring that the numbers of Hispanics and blacks getting jobs is roughly proportionate to those applying: in other words, a quota.

PACE is the most important government service exam. It determines who should enter federal employment at the GS5–GS7 level, which currently commands $12,266 to $17,776 a year. These include responsible positions like customs inspectors, immigration and revenue officers and the like. They form the backbone of the public service. PACE itself dates only from 1975, when it was introduced in lieu of the old Civil Service Exam, with the specific purpose of seeing to it that more minorities qualified for jobs. However, in 1979, while 42 percent of whites taking PACE obtained a passing grade of 70 percent or more, only 13 percent of Hispanics did so, and a mere 5 percent of blacks. A score of over 90 is usually needed to secure a post: this was achieved by 8.5 percent of the whites, 1.5 percent of the Hispanics, and 0.3 percent of the blacks. To the NAACP Legal Fund and the Lawyers' Committee for Civil Rights, such results could only mean that the test itself was biased. Accordingly, in January 1979, they sued the government on behalf of a group of blacks and Hispanics who had failed to pass the previous April.

It would be pointless here to review the various arguments which can be made in defense of PACE. The idea, for example, that it represented a conscious conspiracy to discriminate against blacks and Hispanics is obviously absurd. Whatever else may be said about U.S. bureaucrats as a species, they can scarcely be accused of being anti-minority. They would choke on their Kennedy buttons at the very thought. Yet this is what the consent decree implicitly concedes. Similarly, in normal circumstances, the fact that many studies have shown PACE to be an accurate indicator of future job performance would be crucial. It requires a doctrinaire mindset to believe that a test could work so well for the majority, and yet with minorities still yield the by-no-means-marginal discrepancies that are at issue here.

But the point is that circumstances are not normal. In this country today, arithmetic is destiny. A system of racial (and sexual) quotas has been fastened on the American people with the speed and cunning of a policeman handcuffing a drowsy drunk. For as many American institutions as the Federal government can reach, neither the absence of intent to discriminate nor the efficacy of methods like aptitude testing in helping them pursue their own affairs offers

protection. If they are adjudged to be employing the wrong numbers of women and certain favored minority groups (the "protected classes"—Chinese, for example, but not Armenians), the full weight of the bureaucracy descends, and a legal and administrative ordeal begins in which the accused is viewed as guilty until proved otherwise. All of this has come about with astonishing rapidity in the 12 years since the Nixon Administration first conceded the principle of quotas, to its eternal shame, in its Philadelphia Plan settlement of racial disputes within the construction industry. Associate Attorney General Shenefield's action in the PACE case is merely the latest, though not the least offensive, step.

Those 12 years have seen race relations in America become a sort of socialist Enterprise Zone. Politics are squarely in command, and all sorts of absurd authoritarian nostrums are swallowed unquestioningly. There is no need here to point out what an aberration this is in American history. Nor is there need to illustrate at length how disastrous quotas are in practice and principle alike. As it happens, illustrating this disaster is an area of academic endeavor virtually dominated by Professor Thomas Sowell, the acerbic black economist who teaches at UCLA. Sowell repeatedly has emphasized the fallacy of assuming, in the face of all American experience, that in the absence of discrimination, all social groups will distribute themselves across the universe of opportunities in the same way. More complex forces are at work.

However, sociology is unnecessary. The kind of race-conscious quotas envisaged in the PACE consent decree and all other affirmative action programs are quite simply illegal. They are contrary to the letter of the 1964 Civil Rights Act, its spirit as carefully established by scrupulous colloquy on the floor of the Senate at the time of its passage, and substantial subsequent precedent. And we have the testimony of Sen. Daniel P. Moynihan (D., N.Y.), writing in the December 1980 issue of Harper's Magazine, that classification by race was not what was meant when, as Assistant Secretary of Labor in the Administration of Lyndon Johnson, he helped draft the implementing Executive Order on Equal Employment Opportunity. "This was just the sort of thing we assumed we were working against."

The incredible truth is that the federal bureaucracy has literally turned the 1964 Civil Rights Act inside out. What forbade race-conscious action by the government—except for strictly defined remedial purposes—is now interpreted as mandating it, in favor of the "protected classes," even where no discrimination ever existed. The bureaucracy has been able to do this partly because it won the endorsement of minority group leaders who switched so smoothly from urging no discrimination prior to 1964, to discrimination in favor of their constituencies afterward, that nobody noticed the fundamental shift in their position.

But the ultimate reason that quotas have continued to spread is the U.S. Supreme Court. That tribunal avoided confronting the conflict between the affirmative actors' ambition and the manifest intention of the 1964 Act as long as it could. The first such case, *Defunis* v. *Odegaard*, was declared moot on a technicality in 1974. Four years later, the Court split badly in *Regents of the University of California* v. *Bakke*, declaring rigid, numerical quotas illegal, but suggesting that federally aided institutions could take some "notice" of race. This contradiction was resolved in 1979, when the liberal majority in the Court took a deep breath and said (in *Steelworkers* v. *Weber*) that discrimination in the form of "voluntary" quotas against whites was acceptable after all.

Unlike the Civil Rights rulings of the Warren era, the Court split on Weber. In a dissent of unparalleled bitterness, Justice Rehnquist condemned the majority's opinion as Orwellian in its attitude to truth. Last year, again over strong protests, the Court majority, in *Fullilove* v. *Klutznick*, ruled that Congress could "set aside" portions of federal public works funding exclusively for minority contractors, despite the Equal Protection guarantee of the Fourteenth Amendment.

All of which proves that Supreme Court justices are human. Whatever they decided on Affirmative Action would be revolutionary. Either quotas would continue to spread in what had previously been a free society, or the fast-growing new class of affirmative action administrators and beneficiaries would be suddenly cut off at the knees. Momentum (and the justices' friends) lined up with the latter. However, it remains an unedifying episode. And the justices recognize it in the desperation with which they avoid directly admitting what they have done. Quotas are acceptable if not "rigid," if "voluntary," if "remedial," none of them logically tenable distinctions, all invitations to further litigation.

There is a tendency in the business world to view affirmative action as merely an irritating tax, part of the tribute to be rendered unto Caesar. Even apart from its costs in terms of added inefficiency, and its addition to the "regulatory burden" (see *Barron's*, Dec. 15, 1980), this is a fundamental mistake. The cast of mind that wants to know what color your employes are is inherently totalitarian, and will not rest until all aspects of society are under state control. Moreover, quotas are a zero-sum game, and the white majority—particularly the white male—loses.

The PACE case will provide an early test of the Reagan Administration. Attorney General William French Smith is a socially prominent lawyer who unfortunately was associated with the University of California when it operated the quota system attacked by Bakke. It seems unlikely that he would want to rock the boat by attacking quotas, even if there are reefs on the horizon. Nevertheless, he should immediately tell U.S. District Court Judge Joyce H. Green, who has taken the PACE consent decree under advisement, that the deal is off. Public opinion polls have repeatedly shown majorities of blacks, as well as whites, opposed to quotas. Smith can afford the risk that some Bohemian Grove waiter will spit in his soup.

Now that the Supreme Court has held that the 14th Amendment is no barrier to racial preference, the principle of Equal Protection may have to be shored up with another Constitutional Amendment if the country is not to dissolve into factions squabbling over the spoils. The Chairman of the Senate Judiciary Committee's Constitution subcommittee, Sen. Orrin G. Hatch (for whom the writer, until joining *Barron's*, served as economic counsel), plans shortly to hold hearings on the issue.

Under the current statute, there is no room for compromise on the issue of quotas. They are incompatible with the 1964 Civil Rights Act. They must be abolished. Some say that the power to discriminate racially (for example, in hiring social service workers for inner cities) would add a flexibility helpful to ethnic accommodation. Perhaps so—but the fault lies with the 1964 Act, and the solution must be amendment, not selective enforcement. The utlimate question raised by affirmative action is not one of race relations. It is whether this is a government under law.

[From the Wall Street Journal, Dec. 16, 1980]

RETURN OF THE SPOILSMEN?

Remember the good old days of the spoils system, when most federal jobs were handed out by the winning politicians? Thanks to whatever was the 1883 equivalent of Common Cause, we have come a long way from that, to the point where some 90 percent of federal toilers are part of the civil service system. The spoils system aided party and government discipline but the civil service system is cleaner and fairer, most people seem to believe.

Now, however, with the ascendancy of affirmative action, we are hearing of a new philosophy which has the merits of neither. It calls for applying racial quotas to government jobs in pretty much the same way the government has applied racial quotas to industry hiring. It's tearing apart those poor social reformers who have embraced "merit" hiring for federal workers and affirmative action for everyone else.

All this has come to a head in a dispute over the Professional and Administrative Career Examination (PACE), which replaced the Civil Service exam in 1975 for higher level workers, such as customs agents, claims adjusters and the like, earning $12,000 to $17,000. PACE was intended to give minority workers a better shot at these jobs. But the NAACP legal fund and the Lawyers' Committee for Civil Rights filed a suit in Washington saying PACE also was discriminatory. The case is not scheduled for trial until next June, but word recently leaked out that another of the Carter administration's famous consent agreements might be in the works to establish a quota precedent before the Carterites depart Washington. In essence, the government would agree to hire personnel in rough proportion to the ethnic and racial mix of the candidates who took the PACE exam, regardless of the relative score.

Raw statistics show a gross imbalance in test performance between whites and minorities. Seventy is considered a "passing" grade on the exam, but because of the keen competition, a score in the 90s is generally needed to land a good federal job.

Data from 1978 show that of white test-takers, 42.1 percent achieved scores of 70 or above and 8.5 percent were in the 90s. By contrast, 5 percent of blacks got scores of 70 or above, and only 0.3 percent were in the top bracket. Hispanics fared somewhat better, with 12.9 percent in the 70-or-above range and 1.5 percent on the top rung.

In an effort to prove the test's "validity," costly follow-up studies were conducted in a half-dozen of the 118 job categories connected with the exam. The studies showed a strong correlation between performance on the test and on the job. Of course, the studies did not gauge the performance of those who failed to get jobs, the plaintiffs point out.

Intra-government battling has erupted over the threat to alter the PACE exam. Agencies such as the Internal Revenue Service like the exam because it turns out good "numbers crunchers." But some social service agencies claim the exam does not provide enough minority candidates for work in, say, central cities. In fact, the Social Security Administration now uses a different test geared to its specific needs.

Justice and OPM officials deny they are seeking a last-gasp consent decree precedent but admit that staff recommendations are "on the desk" of Associate Attorney General John H. Shenefield. Not unexpectedly, the Reagan transitioners are not happy about being locked into such a deal.

Several thoughts occur. When there are 200,000 applicants for 5,000 federal openings a year, comparative pay and benefits obviously are too high. The competition problem and the federal budget would be aided by bringing them in line with industry.

Last anyone be depressed by the minority showings on the PACE tests, it should be noted that they do not reflect the true quality of the minority labor force. Because there is affirmative action in industry and not in

government, industry is snatching many of the best qualified minority workers before they consider government work.

Finally, whatever the merits of the case, we doubt that the Constitution intends the Executive Branch to pass laws through consent agreements. If there is any such plan afoot, we hope it fails.

[From the Washington Post, Dec. 11, 1980]

DON'T RIG THE TEST

There is something that goes profoundly against the grain about the notion of fiddling with a supposedly objective test until it passes the "right" people. This would be the effect of the consent decree that government attorneys are hurrying to negotiate with a group of black and Hispanic complainants who charge that PACE (Professional and Administrative Career Examination), the entry exam for professional positions in the federal government, discriminates against minorities. The agreement would not simply require that any racially or ethnically based or non-job-related questions be eliminated—an obviously reasonable requirement. It would go much further than this to require that the government experiment with new tests for each job type until one is found that guarantees that roughly the same proportion of blacks, whites and Hispanics pass the test as decide to take it (never mind whether the test then measures anything to do with job performance). This would continue until blacks and Hispanics constitute 20 percent of the work force in the 118 job categories covered by the exam.

The exam in question was in fact developed and introduced in 1975 with the specific purpose of meeting legal challenges to other employer-used tests. Agencies have been relatively happy with the quality of the people they have gotten by way of the exam, although some have complained that they cannot find enough minority candidates among test-passers. Only 5 percent of blacks and 13 percent of Hispanics taking the exam pass (compared with 42 percent of whites), and very few of these have scored in the range from which most of those who pass are hired.

Government lawyers are eager to settle the case because they think it is not worth the time and money to try to establish and defend the usefulness of the exam for 188 job categories and that, even if this were done, an existing internal government regulation could require them to abandon it in favor of other procedures that would produce a more racially and ethnically balanced group of passers. They also point to the fact that the exam is now used to recruit less than 30 percent of the employees hired, because agencies now rely more on "upward mobility" promotions from lower-level federal jobs to fill these jobs without a test. So they are ready to yield.

We think this would be wrong. If it is agreed that it is good to have a federal work force that is more or less representative of major groups in our society, there are a lot of other ways to achieve this—ways that not only are more likely to give us the better quality, more efficient bureaucracy we need in this complicated and money-tight day and age, but are much less demeaning to all involved. You can, for example, do as the Social Security Administration has done—give up the idea of a broad-based qualifying test for advancement through the whole range of federal jobs and use instead a special selection procedure geared to each occupation—customs inspector, tax collector and so on. And you can develop compensatory education programs to make sure that everyone has a fair chance to qualify, and set up outreach procedures so that all qualified and possibly interested persons are given a chance to compete.

But if you want or need a government service composed of persons chosen on the basis of a test, you should not rig the test to produce a certain result or otherwise cynically tinker with the qualifying process.

TIME TO END THE SOVIET GRAIN DRAIN

Mr. GRASSLEY. Mr. President, I think we have had ample time to realize that the Soviet grain embargo is not working. It was reimposed by the previous administration. It is my understanding that the new President, President Reagan, and the Cabinet are now considering the lifting of that grain embargo.

I urge that that grain embargo be lifted not only for the reason of the President's commitment to the farmers of America during the last election but, more importantly, because that grain embargo is not working.

Mr. President, there is growing resentment among American farmers, who have too often been sacrificed to compensate for bungled leadership in Washington. This week the Cabinet will consider the pros and cons of lifting the Soviet grain embargo, as pledged during the 1980 campaigns. I urge President Reagan and his Cabinet to deliver on that pledge, for reasons outlined in the following article I have written for the Cherokee Daily Times of Cherokee, Iowa:

TIME TO END THE SOVIET GRAIN DRAIN

America's year-long grain drain on the Soviet Union has so far failed to seriously disrupt the Soviet diet, but has certainly left a bitter taste in the mouths of American farmers.

Reports trickling out of Moscow at Christmas indicated Russian consumers were amply supplied with holiday loaves, and were munching away on their beloved black bread. Muscovite bakeries were kept in business by Australian, Canadian, European and Argentine farmers, who eagerly snatched up aborted U.S. grain sales to the Soviets.

American farmers are the ones who have reaped a bitter harvest from an ill-designed marriage of farm and foreign policy, which now offers one more reason for by-passing economic warfare in the future. As history proves, economic sanctions rarely succeed in coercing other nations to cave in to outside political demands.

Even small, landlocked, politically ostracized Rhodesia withstood the British-American trade boycott of its controversial regime. In fact, the embattled minority government somehow managed to increase its productivity until overwhelmed by internal guerrilla warfare—not by external economic pressure. Only when the targeted nation or population group can be physically isolated from alternative sources of goods and services, as through a blockade or severance of transportation lines, do such tactics produce significant political gains.

However, some embargo enthusiasts point to Iran as proof of the effectiveness of economic sanctions, such as the freezing of Iranian dollars in U.S. banks, and the American ban of grain sales to Russia. As this argument goes, it was Iran's desperation to regain multi-billions of dollars frozen in U.S. banks that finally unshackled the U.S. hostages.

But Iran's "hostage" dollars cannot be viewed in isolation from other factors. The Iranians face an economy reduced to shambles, they're riddled by internal strife and anarchy, they're debilitated by their war with Iraq, and they were confronted with an incoming U.S. Administration unlikely to treat them gently. With that scenario, it's unrealistic to claim that external economic pressure was the overwhelming factor which forced an end to criminal detention of U.S. diplomats. Without being compounded by such complex socio-political and economic pressures, the grain embargo against Russia is like aiming a pea shooter at an elephant.

Pragmatism alone demands an immediate end to the Soviet grain embargo. Such tactics may appear tough, and may stimulate patriotic fervor at home, but in reality are mostly cosmetic and rarely effective in resolving international power struggles.

In fact, the embargo has been somewhat masochistic, delivering a self-inflicted wound to our own economy. American farmers were already facing depression conditions in early 1980, when their own government impulsively severed them from a major market. Adding insult to injury, the Carter Administration failed to coordinate the embargo with allies, who promptly pulled an economic coup by moving in on a major market for U.S. grain.

Tragically the Soviet embargo deflected attention from a prime factor behind the Soviet cannibalization of Afghanistan, which was America's own incoherent, inconsistent, weak-willed foreign policy. For years the U.S. has pursued foreign policies based on apology, retreat, and self-abasement, and such trends have provoked an onslaught of challenges to this nation and its people. Rather than being rooted in the reality of American power, the embargo was a pitiful substitute for strategic and moral strength—a frantic attempt by a vulnerable giant to strike back at global bullies.

In the long term, that strike may leave a bruise or two. Analysts now claim that within the next year, the embargo, coupled with disastrous crops in Russia, could finally take its toll on the Soviet diet and economy. But such selective politicization of the agricultural market unjustly batters one small slice of the U.S. population.

American farmers should not forever be sacrificed to compensate for international tensions nurtured by bungled leadership in Washington. Any price paid for America's geopolitical successes, failures, or stalemates must be fully shared by 220-million residents—not borne by a minuscule 2.8 percent who are farmers.

So this is one farm-country Senator calling for a moratorium on politically motivated agricultural embargoes, except in the case of genuine national emergency or war. Now that the White House is occupied by a leader of resolve and will, we must telegraph a message to the world that our foreign policy will rest upon more than a tiny 2.8 percent segment of our population.

And, we must guarantee that we will counteract the Soviet lust for global domination more effectively than by shooting ourselves in the foot.

It's time for this slumbering giant to flex its bulging muscles, and to guarantee swift and sure retribution for any aggression unleashed against this nation and its people.

Fortunately, we now have a President who promises precisely that.

FOOTBALL'S GRAND OLD MAN

Mr. PERCY. Mr. President, just a few days ago the National Football League presented its season's grand finale, the Superbowl. The cities of Oakland and Philadelphia were well represented on the gridiron. As for the Chicago Bears, I guess the phrase, "wait until next year," applies once more.

On the morning of Superbowl Sunday, I read an article about a man who is very dear to Chicago football fans, George

"Papa Bear" Halas, a pioneer of the National Football League and coach for 40 years of the Chicago Bears. He was appropriately recognized for his contributions to football and the city of Chicago.

George Halas is a winner. He is the winningest coach in the history of football and a man whose creation—the National Football League—has become an American institution. More importantly, he is a man who has brought much happiness to Americans, particularly Chicago Bear fans, and I, being a loyal Bear fan, can attest to this.

At age 85, George Halas continues his efforts to better the game he loves so much. He is an inspiration to all American sports enthusiasts. Therefore, Mr. President, I ask unanimous consent that the article "'Papa Bear' Remembers When Pro Football Wasn't So Super" which appeared in the January 25 edition of Parade magazine be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"PAPA BEAR" REMEMBERS WHEN PRO FOOTBALL WASN'T SO SUPER

(By Ron Rapoport)

Eight times a year, George Halas—the winningest coach ever in the history of football—sits in his private box high above Soldier Field and cheers lustily for the Chicago Bears, the team he coached for 40 years.

If he takes his eyes off the artificial surface of the playing field, Halas—the venerated "Papa Bear"—can gaze upon the 60,000 or more fans filling every available seat of the newly refurbished stadium. Or he can look at the television cameras which, because the game is practically certain to be a sellout, are sending images of the Bears to approximately half the households in the Chicago area. And he can think about how the game has changed in his lifetime.

Today is Super Bowl Sunday, but Halas remembers when there was no Super Bowl—in fact, no National Football League. At 85, he is the last survivor of a group of men who posed for the camera in 1920 on an automobile running board in a showroom in Canton, Ohio, after forming an organization that would became the NFL. From that perspective, the scene below him is almost beyond belief.

Where once he had to rush about trying to scare up a few thousand dollars to keep the Bears alive, today they, like every other team in the NFL, are worth at least $20 million.

Where once players' salaries averaged $100 per game, today many of the players are earning six figures annually.

Where once fans viewed professional football with profound indifference, today most tickets to Bears home games are snapped up long before the season begins.

"It isn't the same thing," Halas says of the modern version of the game he helped found. "The big crowds, the new stadiums, television—the fact that you get $5 million a year for doing nothing, just to display our game."

Halas' perspective is unique in the history of sports. Though it has been 13 years since he retired as coach of the Bears, and though he turned the day-to-day operation of the club over to general manager Jim Finks in 1974, he remains active as the team's president and board chairman, and in NFL councils as well.

"He's a living Abner Doubleday or Dr. James Naismith," says NFL Commissioner Pete Rozelle, referring to the legendary founders of baseball and basketball. "The only difference is he's still around to see all the changes. In fact, he's played an active role in the evolution of the game. But he has to be amazed at the changes. You can tell that he does make comparisons with the past."

Finks points out what those years mean that separate Halas and his fellow owners and executives:

"So many guys have gotten into the game in the last 10 or 15 years, and the way it is now is all they've ever known. You can count on two hands the guys with 20 years in the league, and that only takes you back to the 1960s. All they know is it's been on TV, and the stadiums are generally full. The days of getting out and hustling season tickets, of begging cities to take you for pre-season games—they can't identify with that. And how many guys in the league can remember traveling to games by anything other than planes?"

Asked if he ever feels like the last survivor of a particular breed, Halas replies wistfully, "I don't know of anyone else. I wish there were."

While Halas marvels at professional football's climb from its precarious early days to its present exalted status, he is not happy with everything he sees. Whereas in the 1920s and 1930s there was not enough money, Halas worries that now there may be too much.

"A couple of owners, with all their money and their great desire to have a championship team, may go out of bounds as far as salaries are concerned," he says of those clubs that have huge corporate assets at their disposal. "The families that own teams are in trouble."

For Halas, such troubles would be nothing new.

In the early 1920s, when he first took over the Bears from their original backer, Decatur, Ill., businessman A. E. Staley (the team was then known as the Staleys), the country was going through a recession. Halas had little more than a name, the rights to some players and $5000 that Staley gave him "out of the goodness of his heart."

For years, the team made little money, and when a partner needed to sell his half interest early in the Depression, it was all Halas could do to raise $38,000 to buy him out. "I borrowed $5000 from a player and the rest from friends," he recalls. "That was the only way to get money. The banks were closed."

Even when the Bears won the NFL title in 1932, he says, they lost $18,000. Halas had to pay off such stars as Red Grange and Bronko Nagurski with notes.

Halas is also disturbed by professional football's increasing potential for violence. As a long-time member of the NFL rules committee, he seems almost to long for the days when changes were made only to open up the game and make it more interesting rather than to make it safer.

"In those days, we didn't have dangerous weapons like the present-day helmet," he says. "With the leather helmet, there didn't seem to be the possible violence there is now. But the huge mask on the headgear, and its hardness, give the feeling of security that causes players to use it as a weapon."

While he's still intensely involved with football, Halas has mellowed. Just about everybody who remembers him in his coaching days has noticed it. There is more patience now, almost a sweetness, as he recalls the past—a striking contrast with the Halas of old, who could chastise a player or berate a referee with the best of them.

"In the early days, our relationship wasn't so good," says Rozelle of the period after he was first named NFL commissioner in 1960. "He was such a crusty, aggressive person. Once, after I just got the job, he popped off about something, and I called him into my office. I felt like I was just a little kid—I was 33 or 34—and here I was dealing with the man who had invented pro football. But if he asked for authority, he also gave it. He knew it was important to have a strong commissioner, and I think he played a major role in my being accepted."

Halas has outlived not only all the men who helped him organize the game, but also his wife and his son, George Jr., who was president of the Bears when he died last year. Today, Halas lives alone in a spacious apartment on Chicago's lakefront. A registered nurse, Sam Watson, comes in daily to help him with the exercises he has had to do since surgery in 1978 to remove a blood clot from his right leg. He has used a cane since then, but moves about smartly nonetheless.

Halas still takes an active role in many of the team's affairs. He attends practice once a week and handles complaints about tickets, requests for autographs, pictures, donations and interviews. He's always on the lookout for new ways to promote his beloved Bears.

Recently, for instance, Halas became enchanted with the voice of tenor Luciano Pavarotti. He made some remarks at a charity dinner honoring Pavarotti and hopes to persuade the singer to return the favor by recording the team's theme song, "Bear Down, Chicago Bears."

Halas is something of a social whirlwind. He is in great demand at civic and charitable affairs. In addition, he and seven old friends regularly get together with their wives and girlfriends. They call themselves the Super Eight. Halas looks forward to their meetings because, he says, "you can pour your heart out. You can say anything."

Another event dear to his heart is the annual Bears alumni dinner, when former players party at a hotel ballroom after a game.

Halas loves all this mingling. "There'd be no fun in slowing down," he says. "About the only thing I miss is the action on the field."

Proof that Halas intends to keep up his hectic pace may have come one morning last fall when a new employee showed up for work in the Bears business office in Chicago's Loop.

"I've worn one secretary out," Halas says with a grin. "So now for the first time I'm going to have two."

GEORGE HALAS NAMES THE SIX MOST IMPORTANT CHANGES IN PROFESSIONAL FOOTBALL SINCE ITS INCEPTION

1—Rules. Two of the most important rules changes came out of the 1932 game between the Chicago Bears and Portsmouth that determined the league championship. Bronko Nagurski faked a plunge into the line, then backed up and threw a two-yard pass to Red Grange, who scored the winning touchdown. Portsmouth coach Potsy Clark insisted that Nagurski hadn't been five yards behind the line of scrimmage when he threw the ball as the rules then required. The next season, the rule was changed, allowing the ball to be passed from any spot behind the line.

Also, because the sidelines that day were very close to the stadium wall, the idea of placing the ball on a hash mark 10 or 15 yards in from the sidelines whenever a player went out of bounds grew out of that game. Both these rules changes played a key role in opening up the game to more offense.

2. Stadiums.—Every team in the league now plays in a new or modernized stadium designed specifically to accommodate football, such as the Astrodome in Houston, Tex.—the first indoor super stadium, opened in 1965. Gone are the days when teams would play in parks built only for baseball or on unimproved fields that were often little more than vacant lots.

3. Equipment.—The evolution of the helmet is the most significant equipment change. The Bears' Bill Hewitt, who played

in the 1930s, used to take off his helmet whenever he thought Coach Halas might not be looking. Since 1943, a league rule has required every player to wear one at all times. The old helmets were leather, while today's helmet is so hard that players often use it to make tackles. Thus a piece of protective equipment sometimes causes injuries. "The helmet needs to be redesigned so it can't be used as a weapon," Halas says. "I'm working on it."

4. Television.—TV has both provided professional teams with huge amounts of revenue and spread awareness of the game far beyond the confines of the stadiums. Close-up interviews make "personalities" of players and enable them to discuss details of the game. When the Bears play at home, there may be 64,000 fans in Soldier Field, but another 1.5 million people in the Chicago area will be watching on television.

5. Attendance.—A crowd of 2500 or 3000 was the norm for most Bears games in the 1920s, while a big rival, such as the Chicago Cardinals or Green Bay Packers, might draw up to 10,000. Today, the Bears and nearly every other NFL team could easily sell enough season tickets to fill each seat before the first game is played. "We hold back 5000 tickets for every game," says Halas. "A lot of people don't have the money for season tickets, but we are interested in the guy who can only afford a single game, too."

6. Salaries.—Today players can price themselves right out of the league, Halas says. Detroit Lions superstar running back Billy Sims, for example, earns an estimated $500,000 per year. In the 1920s, the Bears had a limit of $1800 per game to be divided up among the 18 players on the team. If one player was paid $125, another had to settle for $75. "I used to tell players that football was only a stepping stone," says Halas. "I told them that if they got a better job, they should take it and quit playing football."

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 22, 1981, the Secretary of the Senate on January 30, February 2, and February 3, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on January 30, February 2, and February 3, 1981, are printed at the end of the Senate proceedings.)

1982 BUDGET OF THE DISTRICT OF COLUMBIA—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 29

Under the authority of the order of the Senate of January 22, 1981, the Secretary of the Senate on January 30, 1981, received the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting the 1982 Budget of the District of Columbia.

I am informed that the proposals for Federal payments to the District of Columbia reflected in this document are consistent with those shown in the 1982 Budget of the United States submitted to Congress by President Carter on January 15, 1981.

RONALD REAGAN.

THE WHITE HOUSE, *January 30, 1981.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-293. A communication from the Clerk of the United States Court of Claims, transmitting, pursuant to law, the Court's Judgement order in the case of The Consolidated Federal Tribes of the Colville Reservation v. the United States No. 181-C; to the Committee on Appropriations.

EC-294. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the military family housing maintenance function at Luke Air Force Base, Arizona, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-295. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the family housing maintenance function at Malmstrom Air Force Base, Montana, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-296. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the vehicle operations and maintenance function at Wright-Patterson Air Force Base, Ohio, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-297. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the family housing maintenance function at Peterson Air Force Base, Colorado, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-298. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the military family housing maintenance function at Hurlburt Field, Florida, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-299. A communication from the Deputy Assistant Secretary of the Army (Installations and Housing), transmitting, pursuant to law, the annual report of the Department of the Army for contracts awarded without formal advertisement for fiscal year 1980; to the Committee on Armed Services.

EC-300. A communication from the Director of the Selective Service System, transmitting, pursuant to law, the report of the Selective Service System for the period April 1 through September 30, 1980; to the Committee on Armed Services.

EC-301. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the commissary shelf-stocking and custodial services function at Carswell Air Force Base, Texas, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-302. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to Spain for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-303. A communication from the Acting General Counsel of the Department of Energy, transmitting, pursuant to law, notices of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-304. A communication from the Acting Assistant Administrator of the National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, notice of the designation of certain waters in the lower Florida Keys as a marine sanctuary; to the Committee on Commerce, Science, and Transportation.

EC-305. A communication from the Chairman of the United States International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the United States International Trade Commission for fiscal year 1982; to the Committee on Finance.

EC-306. A communication from the Chairman of the Federal Mine Safety and Health Review Commission, transmitting, pursuant to law, the compliance of the Agency with the Government in the Sunshine Act during 1980; to the Committee on Governmental Affairs.

EC-307. A communication from the Archivist of the United States, transmitting to the Secretary of the Senate a report on the Archives' work on Senate and House records during the quarter ending September 30, 1980; to the Committee on Governmental Affairs.

EC-308. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Effectiveness of U.S. Forces can be Increased Through Improved Weapon System Design"; to the Committee on Governmental Affairs.

EC-309. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a monthly report listing the reports of the General Accounting Office for the previous months; to the Committee on Governmental Affairs.

EC-310. A communication from the Mayor of the District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the capital improvements program of the District of Columbia; to the Committee on Governmental Affairs.

EC-311. A communication from the Acting Commissioner of the Immigration and Naturalization Service, transmitting, pursuant to law, copies of orders entered in 1,598 cases under section 212(d)(3) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-312. A communication from the Chairman of the Federal Mine Safety and Health Review Commission, transmitting, pursuant to law, the Freedom of Information activities of the agency during 1980; to the Committee on the Judiciary.

EC-313. A communication from the General Counsel of the Council on Wage and Price Stability, transmitting, pursuant to law, the agencies' report on activities under the Freedom of Information Act for 1980; to the Committee on the Judiciary.

EC-314. A communication from the Secretary of the Department of Education, transmitting, pursuant to law, final regulations of the Department on special impact aid provisions for local educational agencies that claim entitlements based on number of Indian children residing on Indian lands; to the Committee on Labor and Human Resources.

EC-315. A communication from the Acting Director of ACTION transmitting, pursuant to law, a copy of a final regulation of the agency relating to prohibitions on electoral and lobbying activities; to the Committee on Labor and Human Resources.

EC-316. A communication from the Acting Director of the United States Office of Personnel Management, transmitting, pursuant to law, an interim report on the effects of age discrimination in employment on the Federal civil service; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-14. A petition from a citizen of Arlington, Virginia relating to a suit filed to alleged corruption, fraud, and waste in the Department of Labor; to the Committee on Governmental Affairs.

POM-15. A resolution adopted by the Board of Supervisors of the County of San Luis Obispo, California, favoring the repeal of section 1937aa.1a of the United States Code, containing the language minority requirements of the Federal Voting Rights Act of 1965, as amended; to the Committee on the Judiciary.

POM-16. A petition from a citizen of Dallas, Texas, transmitting a copy of a judgment rendered by the United States District Court, Southern District of Indiana, affecting former railroad employees; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TOWER, from the Committee on Armed Services, without amendment:

S. Res. 60. An original resolution authorizing expenditures by the Comittee on Armed Services; referred to the Committee on Rules and Administration.

By Mr. SIMPSON, from the Committee on Veterans' Affairs, without amendment;

S. Res. 61. An original resolution authorizing expenditures by the Committee on Veterans' Affairs.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

Mr. PERCY. Mr. President, from the Committee on Foreign Relations, I report favorably a nomination list of Foreign Service information officers which has previously appeared in the CONGRESSIONAL RECORD and ask, to save the cost of printing them on the Executive Calendar, that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of January 5, 1981, at the end of the Senate proceedings.)

By Mr. HATCH, from the Committee on Labor and Human Resources:

Raymond J. Donovan, of New Jersey, to be Secretary of Labor (Ex. Rept. 97-3).

By Mr. GOLDWATER, from the Select Committee on Intelligence:

Vice Adm. B. R. Inman, U.S. Navy, to be Deputy Director of Central Intelligence, and to have the rank of admiral while so serving.

By Mr. TOWER, from the Committee on Armed Services:

Vice Adm. B. R. Inman, U.S. Navy, to be Deputy Director of Central Intelligence, and to have the rank of admiral while so serving.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WALLOP (for himself, Mr. BUMPERS, Mr. PRYOR, Mr. SIMPSON, Mrs. KASSEBAUM, Mr. CANNON, and Mr. GOLDWATER):

S. 351. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to the surface mining of stone, clay, and sand work; to the Committee on Labor and Human Resources.

By Mr. PACKWOOD:

S. 352. A bill to amend the Internal Revenue Code of 1954 with respect to the definition of political contribution; to the Committee on Finance.

By Mr. JEPSEN:

S. 353. A bill to amend the Older Americans Act of 1965 to provide special emphasis for employment opportunities for the elderly with skills relating to home repair, to provide for demonstration projects under which private business is encouraged to employ the elderly with skills relating to home repair, and to provide assistance to the elderly for the installation of security devices in their residences, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DIXON (for Mr. PERCY):

S. 354. A bill to amend the Export Administration Act of 1979; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PRESSLER:

S. 355. A bill to amend the title V financial assistance program, the Railroad Revitalization and Regulatory Reform Act of 1976, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. THURMOND:

S. 356. A bill for the relief of Gunter Herbert Kromp and Velma Jean Kromp, his wife; to the Committee on the Judiciary.

S. 357. A bill for the relief of Anup and Lauleen Mody; to the Committee on the Judiciary.

S. 358. A bill for the relief of Gert Richard Heber; to the Committee on the Judiciary.

S. 359. A bill for the relief of Reina Estela Olvera; to the Committee on the Judiciary.

By Mr. WEICKER (for himself, Mr. DURENBERGER, Mr. HUNN, Mr. BAUCUS, Mr. PACKWOOD, Mr. ANDREWS, Mr. GLENN, Mr. HATCH, Mr. HAYAKAWA, Mr. HUDDLESTON, Mr. PRYOR, Mr. JEPSEN, Mr. TOWER, and Mr. THURMOND):

S. 360. A bill to amend the Internal Revenue Code of 1954 to improve productivity and employment by promoting capital investment in small business, and for other purposes; to the Committee on Finance.

By Mr. THURMOND:

S. 361. A bill for the relief of Emi Ohta; to the Committee on the Judiciary.

S. 362. A bill for the relief of Frans Nicolaas Mustert; to the Committee on the Judiciary.

By Mr. JEPSEN:

S. 363. A bill to amend the Older Americans Act of 1965 to assure that the nutrition projects under that Act may include meals in a congregate setting or home delivered meals, or both, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DOMENICI:

S. 364. A bill to authorize the Chief of Engineers to undertake repairs and renovations to certain water diversion structures of historical character, and for other purposes; to the Committee on Environment and Public Works.

By Mr. ZORINSKY:

S. 365. A bill for the relief of Kazimiera Chrostek; to the Committee on the Judiciary.

By Mr. LAXALT:

S. 366. A bill for the relief of Mercedes Navarro; to the Committee on the Judiciary.

S. 367. A bill for the relief of Kuan Sheng Fong a/k/a Pete K. S. Fong; and Shyr Yuh-Yu Fong a/k/a Nancy Fong, his wife; and Suen Wei Fong, a/k/a Sylvia Fong, his daughter, and I. Chun Fong a/k/a Victor Fong, his son; to the Committee on the Judiciary.

S. 368. A bill for the relief of Evelyn Nunes; to the Committee on the Judiciary.

S. 369. A bill for the relief of Ludina V. Dave; to the Committee on the Judiciary.

S. 370. A bill for the relief of Cecilia Dagmang; to the Committee on the Judiciary.

S. 371. A bill for the relief of Wilma Tupas Beltran; to the Committee on the Judiciary.

S. 372. A bill for the relief of Doctor Mahmooda Haquani; to the Committee on the Judiciary.

S. 373. A bill for the relief of Angelica C. Estela; to the Committee on the Judiciary.

S. 374. A bill for the relief of Rosita A. Genio; to the Committee on the Judiciary.

S. 375. A bill for the relief of Irma A. Gunda; to the Committee on the Judiciary.

S. 376. A bill for the relief of Gisella Maria Johanna Dunfield; to the Committee on the Judiciary.

S. 377. A bill for the relief of Estrellita Tapans; to the Committee on the Judiciary.

S. 378. A bill for the relief of Elena Padua; to the Committee on the Judiciary.

S. 379. A bill for the relief of Lily T. Paragas; to the Committee on the Judiciary.

By Mr. GLENN:

S. 380. A bill to amend title 38, United States Code, to extend by twelve months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended; to the Committee on Veterans Affairs.

By Mr. BAUCUS:

S. 381. A bill to amend title 28 of the United States Code to establish within the Department of Justice an Office of Audit and an office of Professional Responsibility; to the Committee on Governmental Affairs.

By Mr. SCHMITT:

S. 382. A bill to amend title 5, United States Code, to improve procedures for the promulgation of agency rules; to the Committee on the Judiciary.

By Mr. ANDREWS (for himself and Mr. BURDICK):

S. 383. A bill to provide for the reinstatement and validation of United States oil and gas lease numbered M 16402 (ND) Acq; to the Committee on Energy and Natural Resources.

By Mr. ARMSTRONG:

S. 384. A bill entitled the "Federal Expenditure Control Act of 1981"; to the Committee on the Budget and the Committee on Governmental Affairs, by unanimous consent pursuant to the order of August 4, 1977.

By Mr. INOUYE (for himself, Mr. MATSUNAGA, and Mr. RANDOLPH):

S. 385. A bill to amend the Rehabilitation Act of 1973 to provide for comprehensive study of the rehabilitation needs of the Pacific Basin, emphasizing the need for

trained rehabilitation personnel, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 386. A bill to direct the Secretary of Education to identify and address the unique needs of immigrants in the United States taking into account that immigrants are concentrated in a select number of identifiable titles, and for other purposes; to the Committee on Labor and Human Resources.

S. 387. A bill to direct the Secretary of Labor to identify and address the unique needs of immigrants in the United States taking into account that immigrants are concentrated in select number of identifiable cities, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATCH (for himself and Mr. TOWER):

S. 388. A bill to reinstate the tax treatment with respect to annuity contracts with reserves based on a segregated asset account as they existed prior to issuance of Revenue Ruling 77-85; to the Committee on Finance.

By Mr. HATCH:

S. 389. A bill for the relief of Howard B. Schmuts; to the Committee on the Judiciary.

By Mr. DOLE (for himself, Mr. DANFORTH, Mr. BENTSEN, Mr. DURENBERGER, Mr. BOSCHWITZ, Mrs. KASSEBAUM, Mr. MATSUNAGA, Mr. BAUCUS, and Mr. SYMMS):

S. 390. A bill to amend the Trade Act of 1974 to provide for an additional Deputy United States Trade Representative; to the Committee on Finance.

By Mr. CHAFEE (for himself, Mr. GOLDWATER, Mr. BENTSEN, Mr. DANFORTH, Mr. DOMENICI, Mr. GARN, Mr. GLENN, Mr. HAYAKAWA, Mr. JACKSON, Mr. LAXALT, Mr. LUGAR, Mr. NUNN, Mr. PRESSLER, Mr. ROTH, Mr. SCHMITT, Mr. SIMPSON, Mr. WALLOP, Mr. THURMOND, Mr. HATCH, and Mr. HUDDLESTON):

S. 391. A bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying agents, informants, and sources and to direct the President to establish procedures to protect the secrecy of these intelligence relationships; to the Committee on the Judiciary.

By Mr. HARRY F. BYRD, JR.:

S.J. Res. 26. Joint resolution to amend the Constitution to provide for a balanced budget; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WALLOP (for himself, Mr. BUMPERS, Mr. PRYOR, Mr. SIMPSON, Mrs. KASSEBAUM, Mr. CANNON, and Mr. GOLDWATER):

S. 351. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to the surface mining of stone, clay, and sand work; to the Committee on Labor and Human Resources.

AMENDMENT OF FEDERAL MINE SAFETY AND HEALTH AMENDMENTS ACT OF 1977 RELATING TO SURFACE MINING OF STONE, CLAY, SAND, OR GRAVEL

Mr. WALLOP. Mr. President, I am today introducing along with Senators BUMPERS, PRYOR, SIMPSON, KASSEBAUM, GOLDWATER, and CANNON the 1981 version of legislation intended to bring some commonsense to efforts to protect the safety and health of workers involved in surface mining operations.

Under current Federal laws, all mining operations are required to comply with the safety and health standards of the Mine Safety and Health Act. While the objective is one which I support, the means to achieve the objective are an onerous burden on the surface mining industry. Therefore, to relieve what a reasonable person can only regard as a frivolous and inflationary regulatory burden, we are proposing to transfer sand, gravel, and stone surface mining operations from the Mine Safety and Health Administration to the Occupational Safety and Health Administration.

Those who know me may be surprised that I have proposed increasing the regulatory responsibilities of OSHA. Let me point out that I have never objected to sensible and necessary public regulatory activity. That is precisely why I am sponsoring this legislation, to make some sense out of our efforts to insure safe working conditions for surface mines.

America's mining industries have been regulated by the Federal Government for more than 70 years. Congress has taken an active legislative role in controlling the health and safety of this Nation's miners. Since 1910 and the passage of the act which created the Bureau of Mines within the Department of the Interior, eight legislative efforts have been made to monitor the mining industry. They include the enactment of the Federal Coal Mine Health and Safety Act in 1941, the Federal Metal and Nonmetallic Mine Safety Act of 1966, the Federal Coal Mine Health and Safety Act of 1969, and the establishment of the Mining Enforcement Safety Administration in the Department of the Interior in 1973. In 1977 the passage of the Federal Mine Safety and Health Amendments Act repealed the Metals Act of 1966 and amended the Coal Act to encompass all types of mining operations with no variance regardless of type of mine involved. This change was made by merely adding "other mines" after each section in the 1969 Coal Act.

Deep mine coal operations are extremely dangerous. Wyoming has not been spared the tragedy of coal mine disasters. Tough safety and health standards are needed. However, it makes little sense to apply the same deep mine safety requirements to surface mining operations. For instance, the MSH Act requires safety training for mine employees. However, the training is directed to underground operations. For a surface miner, such training is a waste of time and money. Such standards create frustration among those affected, and weakens public support for the standards. At the same time, the standards create severe inflationary pressures on the surface miners. The costs, of course, are borne by the consumers. In 1979, I calculated that the effect on Wyoming surface miners of MSHA coverage would add 10 percent to the cost of the finished product. But, unnecessary costs also hamper expansion of surface mining operations, thus decreasing jobs and economic growth.

Our proposal is one approach to eliminating a problem while pursuing a worthwhile public purpose. It is not the only solution. For instance, we could amend the MSH Act to establish a multitrack safety and health system to reflect the differences between surface, underground, and coal mines. In the 96th Congress, Chairman GAYDOS of the House Labor Subcommittee indicated that amending MSH Act may be desirable. This may well be the point where we end up.

Last year, we were successful in obtaining Senate approval for the proposal being reintroduced today. Unfortunately, the House did not accept our amendment, despite the strong bipartisan support in the Senate. I would urge both the House and Senate Labor Committees to promptly act on this matter.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 351

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(h)(1) of the Federal Coal Mine Health and Safety Act of 1969, 30 U.S.C. 802(h)(1), as amended by the Federal Mine Safety and Health Amendments Act of 1977, is amended by inserting after "preparation facilities." the following new sentence: "Such term shall not include the surface mining of stone, clay, sand or gravel.".

Mr. PRYOR. Mr. President, I am pleased to join Senator WALLOP, Senator BUMPERS, and others in introducing legislation to relieve the stone, clay, sand, and gravel industries from the burdensome and excessive regulations now being imposed by the Mine Safety and Health Administration. It is similar to legislation we introduced during the last Congress and passed in the Senate as an amendment to the ERISA bill. Unfortunately, the amendment was later dropped by the House of Representatives.

At the time the sand, gravel, stone, and clay industries were brought under the jurisdiction of the Mine Safety and Health Administration in 1977, few recognized that these industries were primarily small mom-and-pop ventures. Ordinarily, sand and gravel operations have fewer than 7 employees, and crushed stone quarries have fewer than 11 employees. The duties performed and hazards present for such surface mining operations are vastly different than for deep underground mines. These small operations should not be held to the standard for large and highly technical industries. We must seek to remedy this inequitable situation.

This legislation would remove these industries from the jurisdiction of the Mine Safety and Health Administration and place them under the standards of the Occupational Safety and Health Administration. The safety and health of the employees will continue to be carefully protected, and the program will be administered in a more appropriate manner.

As this Congress moves forward, it is my hope that we will explore this issue in depth and thoroughly review the Mine Safety and Health Administration regulations as they pertain to the sand,

gravel, clay, and stone industries. I will continue to work toward this end and seek the support of my colleagues.

● Mr. BUMPERS. Mr. President, today Senator WALLOP introduced a bill to exempt the surface mining of stone, clay, sand, or gravel, from regulation under the Mine Safety and Health Act. This bill is similar to S. 625, which passed the Senate on June 29, 1980, as an amendment to S. 1076, the ERISA bill, but it was dropped in conference. S. 625 had 42 cosponsors in the Senate, and a House bill similar to S. 625 had 218 cosponsors. Despite the broad base of support, neither the House nor the Senate bill was enacted into law during the 96th Congress.

Additionally, Mr. President, this issue received a great deal of attention in both Houses during the appropriations process in the final days of the 96th Congress. On August 27, 1980, the House of Representatives, during consideration of H.R. 7998, the Labor/HEW appropriations bill, adopted an amendment which prohibited the Mine Safety and Health Administration from using any funds to regulate these surface mining industries. As you know, Mr. President, the Labor/HEW appropriations bill was never considered by the Senate Appropriations Committee, and Congress was forced to pass two continuing appropriations resolutions. The first resolution expired by its terms on December 15, 1980; that date, Congress passed a second resolution appropriating funds for many Government programs until June 5, 1981.

During consideration of this second continuing appropriations resolution, which was numbered House Joint Resolution 644, the Senate Appropriations Committee at my behest adopted language similar to that which was included by the House in the Labor/HEW bill, to wit, that the Mine Safety and Health Administration was prohibited from using its funds to regulate the surface mining industries in question. When the continuing resolution came to the Senate floor on December 10, 1980, this amendment survived floor attack and was included in the continuing appropriations resolution which was passed by the Senate a few days later. This amendment and others, however, were stripped from the bill in order to reach agreement with the House on the pay cap issue.

Mr. President, I am setting out this history in some detail so that our new Members will realize that this surface mining exemption passed the Senate twice, and the House once, during the 96th Congress. It has broad support in both Houses and similar bills have already been introduced in the House of Representatives this session. It is our hope that the Senate Labor and Human Resources Committee will give this bill its attention, so that the will of the Congress on this issue will not again be frustrated as it was last session.

Now, Mr. President, I would like to explain briefly the substance of this bill and the policy reasons which support its passage. The bill simply exempts the surface mining of stone, clay, sand, or gravel, from regulation by MSHA; and the legal effect of this exemption is that these surface mines would automatically be regulated by the Occupational Safety and Health Administration.

When Congress passed the Mine Safety and Health Act of 1977, it was responding to public alarm over the continued incidence of coal mining disasters. Fresh in the minds of many Congressmen and Senators was the tragedy that occurred at the Scotia mine, where 23 miners and 3 Federal inspectors lost their lives. Congress reacted by combining all coal, metal, and nonmetal mining operations under one authority, the Federal Coal Mine Safety and Health Act of 1977. It created the Mine Safety and Health Administration (MSHA), a new office under the Department of Labor, to coordinate the safety, training and enforcement functions and it equipped the new agency with an impressive array of powers with which to execute the act. For the 5,452 coal mines which had previously been regulated under the Coal Act of 1969, the changes incorporated in the 1977 act are important, though not drastic. For the 15,847 metal and nonmetal operations which had been under the authority of the Metal and Nonmetal Act of 1966, however, the changes are indeed overwhelming.

So, although the 1977 act was a valuable step forward in some respects, in other respects, especially as it relates to the operations of surface mines, it signified the epitome of poorly conceived policy. That act was primarily aimed at coal mining, which everyone agrees is a dangerous business, but swept in with the regulation of coal mining was the regulation of all other kinds of mining, too, regardless of whether those other kinds of mines had safety records that bore any similarity to the safety records of underground mines.

The surface mining of stone, clay, sand, or gravel, simply stated, has little similarity to the mining of coal; yet, these businesses, most of which have fewer than 10 employees, are subject to the same onerous standards, regulations, and enforcement mechanisms mandated for the coal mining industry. Now, Mr. President, this just does not make sense either as a matter of logic, or as a matter of policy.

I want to set out a few statistics which graphically illustrate why these surface mining businesses do not belong under MSHA's jurisdiction. In the sand and gravel business, for example, 6,000 of the 7,600 operations employ fewer than 10 persons, and 3,000 of these employ fewer than five persons. By any standard, these are small businesses, and they are having a rough time withstanding the administrative and regulatory burden imposed upon them by MSHA.

On December 3, 1980, ABC World News Tonight reported on Elmer Kanecht's sand and gravel business in Springfield, Ill. In 1978, MSHA began fining this sand and gravel business; among other things, Mr. Kanecht was ordered to post a speed limit sign on a private access road used only by himself and his two employees. To bring this small business into compliance with the other requirements MSHA imposed would have cost Kanecht in 1 year more than $30,000, and that year, he had grossed $34,000. So, Kanecht went out of business, even though he had had a 10-year perfect safety record. Other examples could be cited; MSHA is regulating some of these small businesses to death, and some of them simply can not stay in business.

Mr. President, another critical fact is that these industries are relatively safe. During the first 6 months of 1980, the accident rate for sand and gravel was 4.48 injuries per 200,000 man hours. For crushed stone, the rate was 6.19. By comparison, the figure for all coal mining was 10.4. These surface mines are safer than many other industries which are not as heavily regulated; for example, sand and gravel mines have better safety records than the industry which manufactures clocks, watches, and watchcases; it is better than the health services industry; and it has a better safety record than social services. Now, Mr. President, mines which have better safety records than social services have no business being regulated by MSHA.

Some of my colleagues may think it strange that these surface mines would actually prefer to be regulated by OSHA. I think this fact illustrates the seriousness of the problem from the perspective of the industries; MSHA is giving them such a hard time that they actually prefer OSHA, which, as all of us are aware, has also been severely criticized in this body. All of us want the mining industry to be safe, and MSHA should come down hard on a mine that is not; no one can disagree with this. My point, however, is that these surface mines are safe, and they should not fall under MSHA's jurisdiction.

If this bill is enacted, Mr. President, the surface mining of stone, clay, sand, or gravel, will automatically fall under the regulatory authority of OSHA under current law. OSHA currently has regulatory authority under Federal law for all employees working for employers operating in interstate commerce, and, by the way, that is just about everyone; OSHA's authority does not extend, however, to employees with respect to which other Federal agencies such as MSHA are exercising regulatory authority. By removing MSHA's authority for regulating these surface mines, OSHA will have jurisdiction as a matter of law.

Mr. President, I urge my colleagues to give serious attention to this bill. It is a measure for which the time has come. This same idea has passed the Senate twice and the House once, and I suggest that it is long overdue. If we learned anything from the November elections, we should have learned that the American people want us to take reasonable steps to lessen the regulatory burden. This measure will do just that, and it will do it in a way which will not sacrifice worker safety in the least. I hope my colleagues will join Senator WALLOP and me and the other cosponsors of this bill in rectifying this problem before MSHA regulates the stone, clay, sand, and gravel businesses out of existence.

Mr. President, I ask unanimous consent that this statement appear in the RECORD.●

By Mr. PACKWOOD:

S. 352. A bill to amend the Internal Revenue Code of 1954 with respect to the definition of political contribution; to the Committee on Finance.

CONTRIBUTIONS TO CANDIDATES

● Mr. PACKWOOD. Mr. President, today I am introducing legislation which will make unmistakably clear the intent of Congress to maximize participation in the democratic process by actively encouraging individuals to make contributions to the candidates, parties, and political organizations of their choice. In the past, Congress has recognized that tax credits for political contributions offer just such encouragement. These tax credits were first created with the enactment of the Revenue Act of 1971 and were expanded in the 1976 Revenue Act.

The enactment of the bill I am now introducing was made necessary by a February 12, 1980, private letter ruling by the Internal Revenue Service disallowing the tax credit for what the agency considers "negative campaigns."

I am strongly opposed to such action for several reasons. First, the Service has made an initial determination based upon a very narrow interpretation of statutory language which is highly ambiguous and which allows quite an opposite conclusion. Second, this agency has improperly failed to reflect congressional intent in formulating its conclusion; in fact, the effect of the ruling would be at odds with the intent of Congress. Lastly, I strongly believe that such an administrative action may be in violation of our constitutionally guaranteed rights of political expression.

EXPLANATION OF PROVISIONS

The issue has been raised by the Internal Revenue Service's limited view of the meaning of section 41(c)(1)(B) of the Internal Revenue Code. This section defines the term "political contribution" as one which is given to a candidate, party or political organization for use "to further the candidacy of such individuals for nomination or election" to an elective public office.

The IRS maintained, in the private letter ruling requested by the Democratic Senatorial Campaign Committee (DSCC) and the Democratic National Committee (DNC), that contributions made to the National Conservation Political Action Committee (NCPAC) for use in its target 1980 program were not used to further the candidacy of any candidate within the meaning of section 41. Therefore, reasoned the IRS, individual taxpayers would not be eligible to claim a tax credit for such contributions.

The bill I am now introducing simplifies the statutory language and thus eliminates the possibility for such an exclusionary ruling. In short, the bill insures that the tax credit for political contributions will be available to everyone and will encourage them to make contributions to the candidates, parties, and political organizations of their choice.

FEDERAL ELECTION REFORM

The passage of the Federal Elections Act of 1971 made clear Congress' commitment to prevent the improper use of money in elections. Another important objective was to insure that it is always possible for interested citizens to seek elective office even though they may not have access to large amounts of money with which to run their political campaigns.

The act sought to accomplish these goals in several ways: by restricting the amount of money spent in Federal elections; by limiting the amount of money contributed to candidates for Federal office; by requiring the disclosure of virtually all contributions and expenditures; and by establishing the Federal Election Commission with broad enforcement powers to implement the new law.

There is no question that Congress intent was good and proper, but it is also undeniable that these reform measures were, in part, oblivious to the constitutionally guaranteed rights of freedom of political speech, expression and association. So ruled the Supreme Court in landmark cases such as Buckley against Valeo.

It is interesting to note that at the time Congress "cleaned up" the electoral process through the legislative restrictions of the 1971 act, it also considered alternative proposals to "open up" the process.

To encourage individuals' involvement in the political system as a matter of public policy is important. Congress has rightly recognized the usefulness of tax credits for political contributions in promoting greater participation. In fact, action taken by the House and Senate in the Revenue Act of 1978 expanded the income tax credit for political contributions—the maximum amount was doubled. I was one of the principal sponsors of these provisions. Persons making a political contribution can now claim a credit equal to one-half of the amount of the donation up to $50—$100 in the case of a joint return.

RECENT ADMINISTRATIVE ACTION

Last year, action considered by both the Internal Revenue Service and the Federal Election Commission threatened to severely curtail the availability of the tax credits and to allow them only for certain administratively approved political contributions.

After the IRS made the preliminary determination that political contributions to "negative campaigns" would not qualify for the credit, the DSCC and DNC, on April 3, 1980, filed a petition for rulemaking with the Federal Election Commission. They sought the promulgation of a rule requiring that a notice of the IRS ruling appear on all solicitations for contributions by political committees conducting so-called negative campaigns. Fortunately, the Commission voted unanimously, 6 to 0, to deny the petition on September 25, 1980.

As of this date, however, the IRS ruling remains unchanged. On May 15, 1980 I wrote to then Treasury Secretary G. William Miller to express my opposition to the ruling and to request that a corrective ruling be announced.

The Treasury Secretary responded to me on June 18, 1980 and, in short, refused to move on this matter, citing the fact that the Treasury would be "reluctant to interfere in the administration of the Code."

In addition to introducing this bill today, I have written to the new Secretary of the Treasury, Donald T. Regan, again requesting the issuance of a corrective ruling and seeking the Treasury's support for this bill. I ask unanimous consent that a copy of my letter to Secretary Regan, as well as a copy of former Secretary Miller's reply to me of last June, be printed in the RECORD at the conclusion of my remarks.

1980 ELECTIONS

The petitioners sought the IRS ruling because several "liberal" Senators were principal targets of NCPAC's target 1980 campaign. While NCPAC generally accepts contributions to help conservative candidates, the target 1980 campaign was administered separately for the purpose of opposing "liberal" candidates.

I completely understand the concern that certain of my colleagues may have about the effectiveness of campaigns designed to challenge them in their bid for reelection. I understand because I too was threatened in 1980 to be targeted for defeat by certain "conservative" single interest organizations. Most notable among those that chose to oppose my reelection were those groups who disagree with my "pro-choice" position on the issue of abortion.

I have long supported election reforms which I believed would bring about the increased participation of millions of Americans, diminish the influence of single interest groups and which would strengthen the political parties.

But the course of action chosen by the DSCC and the DNC is wholly unacceptable. While we may be working toward the same goals, I find the path pursued by them to be completely at odds with the shared objective of enhancing participatory democracy. In my view, this is a classic case of where the end clearly does not justify the means.

The aim of the DSCC and DNC was to diminish the influence of those organizations which jeopardized the reelection of incumbent Senators. The strategy was to lessen the groups' effectiveness by reducing the flow of money into their coffers. Administrative action was sought which, in effect, discouraged political contributions to NCPAC and other groups who would wage similar anti-incumbent campaigns.

So, by request, the IRS entered the picture and subsequently determined that contributions to NCPAC's target 1980 effort are not used "to further the candidacy of any candidates." Thus, tax credits would not be permitted for these donations.

STATUTORY AMBIGUITY

As mentioned earlier, the IRS ruling is based on its interpretation of section 41(c)(1)(B) of the Internal Revenue Code. This section defines the term "political contribution" as a donation or gift of money to:

> Any committee, association, or organization (whether or not incorporated) organized and operated exclusively for the purpose of influencing, or attempting to influence, the nomination or election of one or more individuals who are candidates for nomination or election to any Federal, state or local elective public office, for use by such committee, association or organization to further the candidacy of such individual or individuals for nomination to such office.

Also, a "candidate" is defined in this section as:

> With respect to any Federal, state or local elective office an individual who—(A) publicly announces before the close of the calendar year following the calendar year in which the contribution or gift is made that he is a candidate for nomination or election to such office, and (B) meets the qualifications prescribed by law to hold such office.

The IRS, in reaching its conclusion that contributions to so-called "negative campaigns" do not meet the test of furthering the candidacy and therefore do not qualify for the tax credit, has taken an extremely narrow interpretation of this section. In my view, these definitions are ambiguous enough to permit an opposite conclusion.

Clearly, a so-called negative campaign would meet the criteria of being "operated exclusively for the purpose of influencing * * * the nomination or election of one or more individuals who are candidates" for public office.

But does such a campaign "further the candidacy" of one of the individuals involved? As a matter of commonsense, it seems that any expenditure against one candidate does, in fact, further the candidacy of that candidate's opponent. That is, waging a campaign to oppose the reelection of an incumbent constitutes an expenditure to boost the chances for election of his challenger or challengers. Further, it defies commonsense to think that any organization would, after careful evaluation, concentrate its resources, financial or otherwise, on opposing an incumbent if it did not think that some candidate, explicitly identified or not, would benefit from their efforts and possibly mount a successful challenge to the incumbent.

Moreover, even in those cases where there is no obvious challenger to an incumbent at the time a "negative" expenditure is made, such an expenditure could still be considered as "furthering the candidacy of a candidate."

For example, let us assume money is spent in 1981 to oppose an incumbent and no political challenge has been begun by another candidate. Let us also assume that a political opponent does surface in 1982. The money spent in 1981 would still be considered to "further the candidacy" of the person who waited until 1982 to announce because, according to this section, a candidate is someone who "publicly announces before the close of the calendar year following the calendar year in which the contribution or gift is made that he is a candidate for nomination of election to such office."

Thus, I do not think it unfair to conclude that the IRS' narrow interpretation of the statute is clearly debatable and its ruling is highly arbitrary. The bill I am now introducing eliminates this ambiguous language to clarify this matter permanently.

CONGRESSIONAL INTENT

Further, I believe the IRS has improperly failed to reflect the intent of Congress in coming to a conclusion based on ambiguous statutory language. I believe that the IRS private letter ruling is in direct conflict with congressional intent.

Tax credits for political contributions were first provided for as part of the Revenue Act of 1971. This particular provision was added as an amendment offered by our former colleague from Rhode Island, Senator Pastore, on the floor of the Senate.

During debate on his amendment Senator Pastore informed the other Senators that it was his intent to "provide an incentive for the small contributor" and that he believed that this mechanism was "an opportunity for the ordinary citizen to work his will in an area that all too often has been the special province of the large contributor or the vested interest."

The IRS fails to recognize the role of "negative" contributions as a legitimate part of broad citizen participation in campaigns. For example, "negative" campaigning may be the only way to initiate the process of an electoral choice in a district or State served by a well-ensconced, powerful incumbent. Congress did not intend "negative campaigning" to dominate or to be favored. On the other hand, there is no evidence that it was to be discouraged or driven out by IRS interpretation.

Further, the IRS position creates definitional uncertainty. Defining "negative campaigning" is difficult. Even the IRS—which seeks to impose the term on us—has not made an attempt to fully define it. This requires citizen participants to constantly seek to appraise the "negativeness" of their actions. The resulting confusion will chill free participation in campaigns and it will reduce the amount of political speech. These results are clearly contrary to the intent of Congress.

On May 5, 1977, I testified before the Senate Committee on Rules and Administration on the topic of political campaign financing. That same day I, along with Senators BAKER, NUNN, and TALMADGE, introduced legislation liberalizing the tax credit for political contributions. This legislation was reported by the Senate Finance Committee on May 18, 1977. The concept embodied in the bill could be summarized by an excerpt from my remarks upon its introduction:

> What we should be doing in this Congress is not trying to figure out how we can limit and eventually prohibit free choice in private contributions to campaigns. We should be trying to figure out how we can encourage private contributors.

Congress recognized that tax credits for political contributions offer such encouragement. The Senate Finance Committee adopted an amendment to the Revenue Act of 1978 which doubled the maximum amount of the tax credit for political contributions. A tax credit can now be taken on one-half of a contribution up to a maximum of $50, or $100 in the case of a joint return. This provision was sanctioned by a House-Senate conference committee and was signed into law.

The Senate Finance Committee report gives the best indication of the rationale behind the provision:

> The Committee believes that the credit for political contributions can be an effective means of encouraging individuals to participate actively in the electoral process by donating to the candidate or party of their choice. The credit, in effect, reduces the cost of an eligible contribution to the donor. In addition, it has the same value at all income levels, and is available regardless of whether the individual itemizes deductions. Moreover, since the credit is small, it probably has the greatest incentive effect with respect to contributors of moderate amounts.
>
> To further expand individual participation in the electoral process, through the encouragement of political contributions, the Committee believes that it is appropriate to increase the maximum amount of the credit for political contributions.

Thus, in making the tax credits available for political contributions, Congress moved to actively encourage greater participation in the electoral process and the public discussion of political issues. In contrast, the IRS letter ruling would result in a disallowance of the tax credit and would actually discourage participation.

As a member of the Senate Finance Committee, and as one of the principal authors of that legislation, I believe that discouraging participation by curtailing the availability of the tax credit for political contributions is totally at odds with the intent of Congress.

The bill I am introducing now will make it unmistakeably clear that Congress intends to make the tax credit available to everyone for contributions they make to candidates, parties and political groups of their choice.

CONSTITUTIONAL CONFLICT

Mr. President, I believe that there are serious constitutional issues raised here as well.

In *Buckley* v. *Valeo*, 424 U.S. 1 (1976), the Supreme Court held that broad citizen participation in the electoral process is vital. I believe that the IRS ruling is contrary to this philosophy.

In the Buckley case, the appellants argued "by analogy" to the religion clause of the first amendment that public financing of campaigns, however meritorious, violated the first amendment. The Supreme Court had held that the religion clause—"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof"—require the state to remain neutral in matters of religion.

The Court held that the analogy was inapplicable because "instead of abridging, restricting, or censoring free speech," it promoted the use of public funds "to facilitate and enlarge public discussion and participation in the electoral process, goals vital to a self-governing people."

I believe that the Court may react differently to the same argument, as applied to the IRS private letter ruling. It would be totally inconsistent with the goals of "facilitating and enlarging public discussion and participation." Its net effect will be to discourage political contributions and involvement.

The IRS interpretation rewards "positive" contributions and fails to reward "negative" contributions. In a relative sense, then, the so-called negative campaign contributions of individuals would be burdened by the imposition of an administrative restriction on the availability of the tax credit. This would be at odds with the protections granted under the first amendment, as evidenced in the Court's ruling in *Speiser* v. *Randall*, 357 U.S. 513, 536 (1958):

Plainly a community may not suppress, or the state tax, the dissemination of views because they are unpopular, annoying or distasteful. (citations omitted) If the Government may not impose a tax on the expression of ideas in order to discourage them, it may not achieve the same end by reducing the individual who expresses his views to second-class citizenship by withholding tax benefits granted to others. When government denies a tax exemption because of a citizen's belief, it penalizes that belief.

This principal has been reaffirmed in other of the Supreme Court's decisions. In Buckley it was noted that:

The Court's decisions on *Mills* v. *Alabama* . . . and *Miami Herald Publishing Company* v. *Tornillo* . . . held that legislative restrictions on advocacy of the election or defeat of candidates are wholly at odds with the guarantees of the First Amendment.

Presumably, administrative restrictions are not privileged. This idea was further elaborated upon in the Buckley decision, where the Justices observed:

It is argued that the ancillary governmental interest in equalizing the relative ability of individuals or groups to influence the outcome of elections serves to justify the advocacy of the election or defeat of candidates imposed by . . . expenditure ceilings. But the concept that government may restrict the speech of some elements of our society in order to enhance the relative voices of others is wholly foreign to the First Amendment, which was designed to secure "the widest possible dissemination of information from diverse and antagonistic sources," and "to assure unfettered interchange of ideas for the bringing about of political and social changes desired by the people." (*New York Times Company* v. *Sullivan*, 376 U.S. 254 (1964), at 266, 267, quoting *Associated Press* v. *United States*, 326 U.S. 1, 20 (1944).

Mr. President, I am pleased to say that the American Civil Liberties Union has joined me in opposing the IRS determination on constitutional grounds. The arguments of the ACLU are articulated clearly in a letter to me of May 6, 1980 from Mr. Arthur Eisenberg on behalf of that organization. I would like to share the contents of that letter with my colleagues, and I ask unanimous consent that the letter be printed in full at the conclusion of my remarks.

CONCLUSION

Mr. President, I have spoken here today in opposition to the administrative action taken by the Internal Revenue Service. I believe this action to be wrong. It fails to reflect the intent of Congress and seriously jeopardizes our constitutionally protected rights of political expression.

It is absolutely vital that this issue be addressed. I am hopeful that Treasury Secretary Regan will announce a corrective ruling and that this important piece of legislation wins enactment at the earliest possible date. I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill and the letters were ordered to be printed in the RECORD, as follows:

S. 352

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subparagraph (B) of section 42(c)(1) of the Internal Revenue Code of 1954 (defining political contribution) is amended by striking out "to further the candidacy of such individual or individuals for nomination or election to such office" and inserting in lieu thereof "for such purpose".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to taxable years ending after December 31, 1971.

COMMITTEE ON FINANCE,
Washington, D.C., January 30, 1981.

Hon. DONALD T. REGAN,
Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: I write to you to express my strong objections to an Internal Revenue Service private letter ruling issued on February 12, 1980.

The particular ruling to which I refer made a preliminary determination that contributions to so-called "negative campaigns" would not qualify for the standard tax credit under 26 U.S.C. 41. A "negative campaign" was arbitrarily defined as one which is for the purpose of defeating specified candidates for elective office.

I strongly disagree with the conclusion reached by the Service for several reasons. First, the position of the Internal Revenue Service is based upon a narrow interpretation of highly ambiguous statutory language. In my view, the statute allows quite an opposite conclusion.

Secondly, in light of the vagueness of the language in the statute, I feel that the Internal Revenue Service has improperly failed to reflect the intent of Congress in making its determination. In fact, the effect of the ruling would be to discourage participation in the electoral process; such action is totally at odds with Congressional intent.

Lastly, I believe, as does the American Civil Liberties Union, that administrative action stemming from this ruling may be in violation of our constitutionally-protected rights of political expression.

On May 15, 1980 I wrote to then-Secretary of the Treasury G. William Miller to express these objections to the private letter ruling and to request that a corrective ruling be announced as soon as possible to minimize the harm this may have on Congressional efforts to broaden citizen participation in the democratic process.

I was disappointed when Secretary Miller refused to make such a corrective ruling. I have attached a copy of his reply to me, dated June 18, 1980, for your consideration.

I intend to introduce legislation to clarify the statutory language so that the intent of Congress will be clear: to encourage greater individual participation in the electoral process and the public discussion of political issues.

I am hopeful that the Department of the Treasury will now issue a corrective ruling and that the legislation I introduce to clarify this matter once-and-for-all will have your support.

I appreciate your consideration in this and look forward to hearing from you.

Cordially,

BOB PACKWOOD.

THE SECRETARY OF THE TREASURY,
Washington, D.C., June 18, 1980.

Hon. BOB PACKWOOD,
U.S. Senate, Washington, D.C.

DEAR BOB: Thanks for your letter of May 15 concerning the recent Internal Revenue Service private letter ruling on tax credits for political contributions to so-called "negative campaigns."

As you know, the Internal Revenue Service has a long-standing practice of issuing rulings stating the Service's position on the application of the internal revenue Code to particular factual situations. The issuance of private letter rulings falls within the ambit of the Service's responsibility for administering the tax laws and unlike regulations, does not require concurrence by the Secretary.

Commissioner Kurtz has carefully reviewed this matter and believes that the Service's ruling is the proper interpretation of the wording of the statute supportable by the legislative history.

In the absence of a clearly erroneous interpretation, or conflict with a major tax policy goal, the Treasury is reluctant to interfere in the administration of the Code.

Your letter also raises broader constitutional issues based upon the statute as applied by the Service. Under the circumstances, these would seem primarily questions for the courts.

Of course, if Congress wishes to provide a tax credit for contributions to "negative campaigns," a change in the statute is always the appropriate way to do so.

Best wishes.

Sincerely.

G. WILLIAM MILLER.

NEW YORK CIVIL LIBERTIES UNION,
New York, N.Y., May 6, 1980.

Hon. BOB PACKWOOD,
Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR PACKWOOD: The Internal Revenue Service, in a letter ruling dated February 12, 1980, has taken the position that, pursuant to Section 41 of the Internal Revenue Code, persons will not be given tax credits for political contributions to those organizations that merely criticize or oppose candidates where such organizations do not affirmatively promote rival candidates. The IRS ruling rewards electoral advocacy where the speech promotes the election of candidates and it penalizes political statements that exclusively oppose the election of candidates.

I am writing on behalf of the American Civil Liberties Union and its New York State affiliate, the New York Civil Liberties Union, to express our deep concern with this recent IRS ruling. We are concerned, first, that this ruling serves to reinforce a statutory regime, under Section 41 of the Internal Revenue Code, in which the federal government is penalizing and, in effect, censoring political speech based upon the content of the speech and the political affiliation of the speakers. In this respect, Section 41, as interpreted by the IRS, plainly conflicts with our First Amendment tradition, a tradition that is built upon the proposition that government cannot disfavor political speech or organizations that it deems unworthy but must, instead, remain neutral with respect to the expressive or speechmaking activity of all its citizens. We are also concerned that this ruling renders Section 41 excessively vague and, therefore, violates First Amendment "vagueness" principles.

In order to fully demonstrate the constitutional difficulties presented by the recent IRS ruling, it may be useful, at the outset, to briefly sketch the statutory formulation set forth in Section 41 of the Code, and to identify how Section 41 will apply in a variety of situations.

Under Section 41 of the Code, tax credits can be taken for political contributions in three general circumstances: First, for direct contributions to "a candidate for nomination or election to any federal, State, or local elective . . . office." 26 U.S.C. 41(c)(1)(A); Second, for contributions to national, state, or local committees of a national political party.[1] 26 U.S.C. 41(c)(1)(C), (D), (E); Third, where a contribution is given to any "organization . . . operated exclusively for the purpose of influencing . . . the election of one or more candidates . . . [where the contribution is given] for use by such . . . organization to further the candidacy of such individual or individuals." 26 U.S.C. 41(c)(1)(B).

It was subsection 41(c)(1)(B) that was the subject of the February 12 IRS ruling. And in interpreting this subsection, IRS emphasized the language of the provision which suggests that in order to qualify for a tax credit the contribution must be made "to further (s) candidacy. . . . . " (emphasis supplied). In seizing upon the requirement that contributions under 41(c)(1)(B) must be made in "furtherance" of a candidate's election, the IRS ruling combines with the statutory language of 41(c)(1)(C), (D), and (E) to establish various categories of political speech, some of which will be favored with a tax credit others of which will not. The categories depend entirely upon two criteria: The content of the speech and the popularity of the political organizations engaging in the speech. For example, under the specific circumstance of the February 12 IRS ruling, contributions to a political action committee such as the National Conservative Political Action Committee (NCPAC) that engages in negative[2] political campaigning are not entitled to tax credits. But, contributions to the national committee of the Republican or Democratic Party would be entitled to tax credits, even if the Republican or Democratic national committees were to engage in precisely the same sort of negative political campaigning as that undertaken by NCPAC. Similarly, contributions to the national committees of the Socialist Party, U.S.A.[3] would not be eligible for a tax credit where the Socialist Party engages in precisely the same sort of negative campaigning as that undertaken by the Republicans and Democrats because that organization does not qualify as a committee of a national political party, as defined by 26 U.S.C. 41(c)(3).

The disparity in treatment under Section 41 is thus manifest. The Republican and Democratic political parties (and other major political parties) can engage in both affirmative and negative political campaigning. Smaller or less popular political parties are penalized for engaging in negative political campaigning as are all political action committees that are not organized as political parties. This disparity of treatment—based as it is, both upon the content of the political speech and the popularity of the political parties undertaking to speak—violates the First Amendment.

The Supreme Court has repeatedly insisted that "[a]bove all else, the First Amendment means that government has no power to restrict expression because of its message, its ideas, its subject matter or its content." *Police Department* v. *Mosely* 408 U.S. 92, 95 (1972). Moreover, the First Amendment is offended as much by statutory disincentives as by direct prohibitions based upon content or subject matter. As Justice Douglas pointed out in *Speiser* v. *Randall*, 357 U.S. 513, 536 (1958) (concurring opinion):

"'Plainly a community may not suppress, or the state tax, the dissemination of views because they are unpopular, annoying or distasteful.' [citations omitted] If the Government may not impose a tax upon the expression of ideas in order to discourage them, it may not achieve the same end by reducing the individual who expresses his views to second-class citizenship by withholding tax benefits granted others. When government denies a tax exemption because of the citizen's belief, it penalizes that belief. That is different only in form, not substance, from the 'taxes on knowledge' which have had a notorious history in the English-speaking world. . . "

The First Amendment's prohibition against governmental favoritism regarding the content of speech extends to a prohibition against the state favoring or disfavoring certain speechmakers because of their political affiliation or favoring others because of the popularity or social utility of their ideas. This basic theme has been consistently articulated by the Supreme Court. Thus, in *NAACP* v. *Button* 371 U.S. 415, 445 (1963), the Court observed:

"The Constitution protects expression and association without regard to the race, creed or political or religious affiliation of the members of the group which invokes its shield, or to the truth, popularity or social utility of the ideas and beliefs which are offered."

This theme has been most frequently invoked where the state has either created a public forum or where a governmental entity is supervising First Amendment access to a public facility. For example, when a municipality regulates speechmaking access to the streets, sidewalks, parks, or a public auditorium, it cannot make content-based judgments about who may or may not speak or what may or may not be said. It is axiomatic that in such circumstances the First Amendment's command of governmental neutrality limits the municipality to judgments based only upon "time, place, or manner." *Cox* v. *Louisiana* 379 U.S. 536, 558 (1965); *Niemotko* v. *Maryland* 340 U.S. 268 (1950); *Fowler* v. *Rhode Island* 345 U.S. 67 (1953).

The constitutional requirement of governmental neutrality has also been applied to the imposition of tax exemptions. For example, California enacted a statute requiring that any person seeking a property tax exemption must sign a statement on the tax return declaring that such person does not advocate the unlawful overthrow of government. Persons refusing to subscribe to such a statement were denied tax exemptions. In *Speiser* v. *Randall*, *supra*, the Supreme Court invalidated the California enactment. The *Speiser* decision, is most often cited, for the proposition that vague statutes and procedures affecting First Amendment freedoms are suspect because they force persons to "steer far wider of the unlawful zone" than is necessary. *Id.* at 526. In fact, at the heart of the *Speiser* decision is the notion that government may not use its tax laws to favor certain political positions and disfavor others.

In *Police Department* v. *Mosley* 408 U.S. 92 (1972) the Supreme Court held a Chicago ordinance unconstitutional where the ordinance prohibited all forms of peaceful picketing within 150 feet of a public school except for picketing arising out of a labor dispute. The *Mosley* decision rested upon the observation that the Chicago ordinance selectively granted the right to picket based upon the content of the speech and the labor affiliation of the speakers. In this regard, the Court declared, *supra*, at 96:

"[U]nder the Equal Protection clause, not to mention the First Amendment itself, government may not select which issues are worth discussing or debating in public facilities. . . . 'There is an 'equality of status in the field of ideas,' and government must afford all points of view an equal opportunity to be heard. . . ."

Section 41, as presently interpreted by the IRS, thus, violates the neutrality principles underlying the Supreme Court decision in *Speiser* and articulated by the Court in *Mosley*. Section 41 favors the most popular political parties over the smaller parties. And it rewards certain kinds of political statements while penalizing other attempt at electoral advocacy.

While the primary thrust of our concern is with the violation of First Amendment "neutrality" principles presented by the February 12 IRS ruling, we are also concerned that the ruling raises First Amendment "vagueness" and "overbreadth" problems. The First Amendment is not only offended by governmental favoritism. It is also violated by laws that are imprecise and that, therefore, sweep too broadly with respect to express activity. The dangers inherent in vague or overly broad statutes that affect speech are threefold: First, the individual who is subject to the statute will be uncertain as to that speech which is proscribed and that which is not; Second, public officials who must enforce the laws will be similarly confused about the reach of the statute; Thirdly, vague and overly broad statutes will confer excessive discretion upon public officials who may wish to use the statutes to single out unpopular views for discriminatory enforcement. See *Gooding* v. *Wilson* 405 U.S. 518 (1972). The IRS attempt to distinguish "affirmative" from "negative" electoral advocacy suffers from all of the vices inherent in a vague and overly broad statute. It is entirely unclear how and where one would draw the line between an "affirmative" and "negative" political campaign. And for this reason, as well, we believe the present IRS interpretation of Section 41 renders it unconstitutional.

In sum, Section 41, as presently interpreted and applied by the IRS, suffers from considerable constitutional imperfections. We, therefore, urge that you undertake all appropriate legislative action in an effort to rectify these deficiencies.

Sincerely,

ARTHUR EISENBERG.

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[1] A national political party is defined as a political party whose presidential candidate appears on the ballot in ten states. Where the contribution is made during a presidential election year, the determination of whether a party qualifies as a national political party is made by examining the election ballots in that presidential year. Where the contribution is made during a nonpresidential election year, the determination of whether a party qualifies as a national political party is made by examining the election ballots in the preceding presidential election.

[2] Negative political campaigning was described in the IRS letter ruling as "an independent expenditure program directed in opposition to the nomination and election of several identified . . . candidates for elective public office." IRS letter of February 12, 1980, Index No. 0041.00-00 at p. 1.

[3] The Socialist Party, U.S.A. with a venerable political tradition, dating back to the presidential candidacies of Eugene Debs, would not qualify as a national political party under 26 U.S.C. 41(C)(3) because its presidential candidate appeared on the ballot in only seven states during the 1976 election.

By Mr. JEPSEN:

S. 353. A bill to amend the Older Americans Act of 1965 to provide special emphasis for employment opportunities for the elderly with skills relating to home repair, to provide for demonstration projects under which private business is encouraged to employ the elderly with skills relating to home repair, and to provide assistance to the elderly for the installation of security devices in their residences, and for other purposes; to the Committee on Labor and Human Resources.

OLDER AMERICANS AMENDMENTS OF 1981

● Mr. JEPSEN. Mr. President, at a time when this country's natural resources

seem to be shrinking, it is unfortunate that we are overlooking one great national resource—the elderly. Millions of trained and experienced older Americans make up a significant reservoir of talent in this country. For this reason, I am reintroducing a measure I originally introduced in the 96th Congress which was not considered then because of time constraints.

This new bill amends the Older Americans Act to provide special employment opportunities for the elderly. In addition, it would provide assistance to the elderly for the installation of security devices in their residences.

America cannot afford policies that deliberately ignore people still capable of making significant contributions to the productivity of this Nation. If we do, we stand to create an even bigger problem as the number of young workers shrinks in comparison to the growing number of dependent older beneficiaries who must be supported.

With unemployment reaching record levels, it will be difficult, but not impossible, to encourage older Americans to continue working. There are jobs they can fill, and they want to work. Unfortunately, Federal policies discourage them from doing so.

When I say jobs, Mr. President, I am not talking about "make-work" jobs, but real jobs. Jobs where older Americans can use their skills and experience to help train younger workers. Jobs where older Americans can make a contribution to the improved productivity of this Nation. Jobs that they can take pride in holding.

We do a great deal of talking in this country about the work ethic. We place a great deal of emphasis on the importance of working and of making a contribution to society. For the most part, work and its relation to self-worth is an ideal which is deeply engrained in an older person's mind. Why is it, then, that just because someone reaches an arbitrary age, society says: "You can't work anymore. You can't contribute to society. You're too old to be retrained." What we're really saying is, "You're not useful anymore."

Mr. President, I am not saying we should force people to keep working if they do not want to, but we should make every effort to encourage those who do.

My bill will not totally solve this problem, but it will send a clear signal to all workers, young and old, that the Federal Government recognizes the vital role older Americans can continue to play in our society. Furthermore, it shows them that there is some meaning behind these words. I urge my colleagues to join me in this effort.●

By Mr. DIXON (for Mr. PERCY):

S. 354. A bill to amend the Export Administration Act of 1979; to the Committee on Banking, Housing, and Urban Affairs.

AGRICULTURAL EXPORT PROTECTION ACT OF 1981

Mr. PERCY. Mr. President, today I am introducing along with my distinguished colleague from Illinois, Senator ALAN DIXON, the Agricultural Export Protection Act of 1981. The sole purpose of this legislation is to prohibit restrictions on the export of agricultural products to any country for foreign policy or national security reasons, unless such an embargo is in conjunction with an across-the-board ban on all trade with that country. Never again would the agricultural sector of our economy be singled out by Presidential order alone to bear a disproportionate share of the burden made necessary by difficult foreign policy decisions.

On January 4, 1980, when President Carter, in response to the brutal invasion of Afghanistan, canceled contracts for the sale of 17 million metric tons (MMT) of U.S. corn, wheat, and soybeans to the Soviet Union he signaled a willingness on the part of this country to use food as a "tool" or "weapon" in furthering U.S. foreign policy objectives. This was, to my knowledge, the very first time the United States had embargoed or suspended sales of agricultural products to any major trading market for foreign policy purposes. I am confident this action was not taken lightly, but it has had, nonetheless, a tremendous impact on the farming community in this country.

President Carter exercised his authority under the Export Administration Act of 1979, as amended, to impose Government restrictions on U.S. exports for both foreign policy and national security reasons. According to the act, the Congress had a 30-day disapproval mechanism for any foreign policy controls placed on the export of agricultural products. However, by exercising the authority for national security controls as well, the President effectively avoided a congressional review and possible veto of his action.

On January 2, 1981, President Carter, in one of his last official acts as President, extended the partial embargo on grain shipments for another year. This action is currently under extensive review by the new administration.

It is not my purpose here to debate or discuss the pros and cons of whether the grain embargo should be extended or rescinded. This is an action that the President must consider and has the sole authority to execute. In addition, I believe there is wide recognition that there exist circumstances in which the economic benefits and the presumption against Government interference with participation in international commerce by U.S. citizens are outweighed by the potential adverse effect of particular exports on the national security, foreign policy, or economy of the United States. While the general need for export controls has been consistently reaffirmed by successive administrations and Congresses, the way in which controls are administered has generated considerable controversy.

The so-called grain embargo has engendered a great deal of rhetoric, especially during the recent Presidential campaign; it has been the subject of heated debate all across America. The debate centers not on this particular action alone, but on the whole question of the use of food as a tool in the conduct of foreign policy.

Representing our Nation's largest agricultural exporting State, I have felt a special responsibility to monitor this particular foreign policy action. The farming community in Illinois and the agricultural machine industry centered in Illinois, have been particularly outspoken on the subject of grain embargoes, including this one. This past year, I have met with farm families, in their homes, to discuss this issue and other matters of particular interest to farmers. In addition, at two meetings of my agricultural advisory committee last year the grain embargo was the major topic of discussion.

From these discussions, one message is communicated loud and clear. Upon reflection, it is an understandable concern and one that leads me to this action today. The tens of thousands of Illinois farmers, and their fellow farmers across the country, are patriotic Americans. They support a strong national defense and a strong America. However, the American farmer is puzzled and confused about a society that restricts trade in their product while allowing business as usual in the trade of other nonagricultural goods, particularly, when it is their product alone that meets basic human needs.

I am introducing today the Agricultural Export Protection Act to amend the Export Administration Act in such a manner as to preclude in the future, the restriction of agricultural exports in other than a total trade embargo. If for some foreign policy or national security reason agricultural products were singled out for export control, the prior approval of both Houses of Congress would be required. There is every justification for congressional involvement when a sudden change of policy is made with respect to agricultural commodity exports. In effect, the adoption of this legislation would say to all farmers and their customers around the world that if we embargo agricultural products for foreign policy reasons, one group will never again be asked to bear the full burden of such an action.

Mr. DIXON. Mr. President, I am pleased to join my distinguished senior colleague from Illinois, Senator PERCY, in introducing legislation requiring the President to get congressional approval before implementing any future selective embargoes of agricultural commodities for foreign policy reasons.

The bill amends the Export Administration Act to prohibit the President from imposing an embargo on agricultural exports to any country for foreign policy reasons unless the Congress first adopts a concurrent resolution approving the embargo, or unless the ban on agricultural exports is part of a total embargo on exports to a country.

It also clarifies that the President does not have authority to embargo agricultural exports for national security reasons; Congress never intended the national security embargo authority to apply to food. The bill does not change the President's authority to embargo agricultural commodities if those commodities are in short supply in the United States.

The need for the legislation is clear. American Presidents, both Democratic and Republican, have imposed three embargoes of agricultural commodities in the last years. Two of the embargoes were designed to insure adequate supplies of grain in the U.S. market at reasonable prices; the third, which is still in effect, is designed to punish the Soviets for their invasion of Afghanistan. There has been considerable controversy over the question of whether any or all of these embargoes succeeded in the short term. Over the longer term, however, I think that the answer is much more clear; the embargoes were, and are, generally poor public policy for a number of reasons.

First, embargoes feed the general impression that the United States is impulsive and an unreliable supplier of goods and services. The result has been that increasingly, nations come to the United States for the purchase of food and other goods and services only as a last resort.

It is particularly important that the United States be seen as a reliable food supplier because of the increasing inability of many of the world's states to grow their own food. Total world grain exports, for example, have risen to over 14 percent of total world grain consumption, up from less than 10 percent 20 years ago.

Foreign countries unable to find other suppliers try to safeguard their purchases from the United States by entering into bilateral agreement with the U.S. Government. Some experts believe that if we continue down this path, we could end up with as much as 65 percent of our supplies allocated under agreements. Another bad crop year, another year of drought, could result in skyrocketing prices, leaving the Government with almost no alternative but to impose further export controls.

Even in the face of rapidly rising worldwide demand for food, however, the United States cannot complacently assume the continuation of its predominant position in world agricultural markets. The United States is the world's largest food exporter, regularly supplying more than half the world's grain exports. But U.S. soybean growers, to cite just one example, face growing foreign competition. Expansion of Brazilian soybean production has enabled Brazil to capture a large share of the world market for soybeans and soybean meal.

Embargoes, or even the possibility of embargoes, make it more difficult for our farmers to meet increased foreign competition. They act to increase the volatility of the marketplace, making it difficult for farmers to plan intelligently. They can result in a period of depressed prices for agricultural commodities, undermining farm income. American farmers are extremely efficient producers, but they operate on a thin margin of profit. A drop in prices due to an embargo can act to make their entire year's work unprofitable.

Embargoes can also have adverse impact on the U.S. balance of payments. They can act to weaken the dollar, already under serious assault. They require taxes and Treasury borrowings to finance. In short, the economic costs include inflation, economic stagnation, and unemployment, the full extent depending in part upon the uncertain duration of the embargoes.

Mr. President, I am not suggesting that an embargo is never sound public policy. I do believe, however, that farmers should not be singled out as targets for export controls except under exceptional circumstances. Agricultural exports are too important to the U.S. economy for decisions on embargoes to be made without prior congressional approval.

The legislation Senator PERCY and I have introduced today will not prohibit the President from ever imposing an embargo on the export of agricultural commodities to any country. It simply says, that if the President wants to embargo only agricultural commodities for foreign policy reasons, Congress must first pass a concurrent resolution of approval. In view of the problems caused by embargoes, I believe it is entirely reasonable to require congressional approval before, rather than after, an embargo is implemented. Further, as I stated earlier, the President would retain his authority under existing law to embargo agricultural exports to a country as part of a total embargo without first seeking congressional approval.

The legislation we are introducing today is sound and does not unduly restrict the President's authority. Although it does not deal with embargoes proposed for short-supply reasons, it does represent a step forward. It helps provide additional assurance to the American farmer that the United States is committed to increasing agricultural exports. I urge its speedy enactment.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 354

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 7(g) of the Export Administration Act of 1979 is amended by adding at the end thereof the following:

"(4)(A) If the authority conferred by section 6 of this Act is proposed to be exercised to prohibit the export of one or more agricultural commodities to any foreign country other than in connection with a prohibition of all exports to such country, such prohibition may become effective only after the Congress adopts a concurrent resolution approving such prohibition.

"(B) The authority conferred by section 5 of this Act may not be exercised to prohibit the export of one or more agricultural commodities to any foreign country.".

(b) Section 7(g)(3) of such Act is amended by adding at the end thereof the following: "'This paragraph does not apply to any prohibition of exports described in paragraph (4)(A).".

By Mr. PRESSLER:

S. 355. A bill to amend the title V financial assistance program, the Railroad Revitalization and Regulatory Reform Act of 1976, and for other purposes; to the Committee on Commerce, Science, and Transportation.

FINANCIAL ASSISTANCE TO RAILROADS

Mr. PRESSLER. Mr. President, I am pleased to introduce this legislation which places Federal financial assistance to railroads in its proper perspective. When title V of the Railroad Revitalization and Regulatory Reform Act of 1976 (4-R Act) was passed, Congress intended that Federal financial assistance to the railroad industry should go to those railroads with meritorious projects for which funds could not be generated in the private money market. Under the original law, the Federal Government would serve only as a bank of last resort. Unfortunately, Mr. President, the legislation has been subsequently amended, and now all railroads are able to receive funds for rehabilitation and improvement financing.

While I have no philosophical objection to helping the Nation's railroad industry obtain desperately needed funds to undertake rehabilitation and improvement projects, I believe the serious issue of financial priorities must be reevaluated in light of these fiscally austere times. The Federal Government is not, and should not be, the prime source of funding for all railroad rehabilitation and improvement financing. Rather, we should insure that the limited funds available are channeled to those rail systems that have exhausted all opportunities in the private sector and who otherwise would not be able to undertake essential improvement programs.

Mr. President, I am not suggesting that blank checks be made out to all rail systems. My bill proposes that those railroads with "meritorious projects" who have difficulty generating funds in the private money market should receive priority status by the Secretary of Transportation when compared to other railroads who have the financial posture to generate capital on the private market. I want to emphasize to my colleagues that my legislation does not subject the Government to the possibility of a default. Existing law already provides that all these financial assistance loans must be secured by the assets of the borrowing corporation or the estate, if it should be a railroad in bankruptcy. Further, the law already provides that if it is a railroad operating under section 77 of the Bankruptcy Act, the Federal Government shall have a lien on the estate which is superior to the claims of all creditors of the estate.

Finally, I should like to point out that those carriers operating under section 77 of the Bankruptcy Act should be given priority consideration for financial assistance by the Secretary of Transportation. A bankrupt railroad, Mr. President, was specifically the class of railroad originally contemplated to receive the most immediate attention when the 4-R Act was originally passed in 1976. Accordingly, the legislation that I am introducing reemphasizes the original intent of the 4-R Act financial assistance programs.

I should now like to point to a situation in which the title V financial assistance program as originally designed by

the 4-R Act proved to be the key factor in helping to "turn around" a bankrupt carrier. The Boston & Maine Railroad, located in the Northeastern United States, is a carrier operating under section 77 of the Bankruptcy Act. This railroad just announced that in calendar year 1980 it had its best financial performance in over 20 years. The career attributes a large part of this success to the improved condition of their physical plant which was made possible with the title V Federal loan program. I should like to quote a porton of a letter recently sent to the Commerce Committee by the president of the Boston & Maine Railroad on this point:

A key element in improving our operational and *financial* performance is the renewed condition of our physical plant, including extensive rehabilitation of the east-west mainline. *It would have been impossible for us to have raised the capital for our heavy rights-of-way rehabilitation in the private market.* Our $26 million FRA loan under Title V of the 4R Act was critical to the rehabilitation program and *infinitely improved our prospects for emergence from bankruptcy.* The government's interest in repayment of the loan in the reorganized railroad is fully protected and is provided for as an intricate part of the reorganization plan. (Emphasis added)

Mr. President, the message from the Boston & Maine Railroad is one of the reasons I believe we must target Federal assistance to railroads needing the most help. It is indicative of the situation that the Milwaukee II, in my own State of South Dakota, is faced with. Specifically, a Milwaukee Road line that goes through the northern part of my State is a substantial part of the Milwaukee II's present structure. If the railroad can raise the funds to rehabilitate this line, it could prove to be an integral element in the midwestern railroad structure and continue competition in the area. Unfortunately, the struggling Milwaukee II has to compete with many financially successful railroads to fund this particular project. Those financially successful railroads should seek funding sources in the private sector where they have a much better commercial posture than the troubled Milwaukee II. Even if the Milwaukee should close its operations at some date, the so-called Miles City main line through South Dakota will eventually be an integral part of some future rail system. The coal movements which will be coming out of Montana and Wyoming in the coming years will need rail service to all points of the country. The Miles City line would be an excellent transportation source for this precious coal which is in demand throughout the country as an alternative source of energy.

In a nutshell, Mr. President, my legislation intends to put the railroad financial assistance program "back on track." I urge my colleagues to support this bill. I look forward to working with the chairman of our full committee, Senator PACKWOOD, and the chairman of the Subcommittee on Surface Transportation, Senator DANFORTH, in this effort.

By Mr. WEICKER (for himself, Mr. DURENBERGER, Mr. NUNN, Mr. BAUCUS, Mr. PACKWOOD, Mr. ANDREWS, Mr. GLENN, Mr. HATCH, Mr. HAYAKAWA, Mr. HUDDLESTON, Mr. JEPSEN, Mr. PRYOR, Mr. TOWER, and Mr. THURMOND):

S. 360. A bill to amend the Internal Revenue Code of 1954 to improve productivity and employment by promoting capital investment in small business, and for other purposes; to the Committee on Finance.

OMNIBUS SMALL BUSINESS CAPITAL FORMATION ACT OF 1981

Mr. WEICKER. Mr. President, I am today introducing, for myself and Senators DURENBERGER, NUNN, BAUCUS, PACKWOOD, ANDREWS, GLENN, HATCH, HAYAKAWA, HUDDLESTON, JEPSEN, PRYOR, THURMOND, and TOWER, the Omnibus Small Business Capital Formation Act of 1981. This comprehensive bill proposes to make important improvements in U.S. tax laws to enable our Nation's smaller businesses to attract and retain the capital they require to survive in this very perilous economic environment and thus continue to play their vital role as our country's principal source of new private sector jobs and innovation.

I ask unanimous consent that a fact sheet we have prepared be printed in the RECORD at this point. I will explain the bill in a moment.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

[Fact Sheet]

OMNIBUS SMALL BUSINESS CAPITAL FORMATION ACT OF 1981

The provisions of the Omnibus Small Business Capital Formation Act of 1981 fall into five broad categories:

I. Capital Formation.—to improve the ability of small business to attract needed capital from external sources of financing by providing greater incentives for investors.

A. Investment tax credit for investments in new stock issues of small businesses. A 10 percent tax credit (up to $1,000 per person) would be provided for an investment in stock issued by businesses with less than $25 million in net worth.

B. Authorize the creation of a new financing instrument, the "Small Business Participating Debenture" (SBPD). The SBPD would be a hybrid security, with elements of equity and debt capital. SBPD's issued by eligible firms (net worth less than $25 million) would bear a relatively low stated rate of interest, but also could involve a distribution of the company's earnings, which would be taxable to the investor at the preferential long term capital gains rate.

C. Capital gains tax reduction for individuals and corporations, with maximum rates reduced from 28 percent to 21 percent, for investments in small businesses.

D. Capital gains "rollover." Gains resulting from the sale of an investment in a small business would not be recognized if reinvested in another qualifying small business within 18 months.

E. An increase in the maximum number of shareholders permissible for Subchapter S corporation election from 15 to 100. This would improve the access of small businesses to new sources of capital.

F. Broker-dealer Reserve. Would permit dealers "making a market" in small business equities to attract better management by encouraging the use of stock options for key employees. Bill would include conditions set forth in H.R. 5829 as reported by Senate Finance committee in 1980.

V. Inventory Accounting for Small Business.—inflation has effect of creating illusory profits for firms on "first in—first out" (FIFO) inventory accounting, since reported "cost of goods sold" are based on original, lower inventory prices as opposed to more recent, inflated inventory prices. Lower "cost of goods sold" means higher taxable incomes and tax liabilities. Conversion to more realistic "last in—first out" (LIFO) method is very complicated and costly for smaller business. Under the bill:

A. Cash accounting (immediate expensing) would be permitted for businesses with total annual sales of $1 million or less.

B. Tax penalty associated with conversion to LIFO, which results from requirement to take back into income all previously written down inventories, would be payable over 10 year period.

C. Bill would delay until after December 31, 1980, compliance with Revenue Procedure 80-5 and Revenue Ruling 80-60, which require taxpayers to take back into income the value of erroneously written down inventories (Thor Power Tool case), to give small business more time to comply.

Mr. WEICKER. Mr. President, for too long we have paid lip service to small business—which constitutes 97 percent of all businesses in the United States and is responsible for over 7 million of the 9 million new jobs (75 percent) created in the past 10 years. We have talked a lot about small business being an "endangered species" in this era of conglomerate business; horizontal and vertical integration; runaway inflation; stifling interest rates; and economic stagnation. But the fact remains, Mr. President, that we have had much talk but little concrete action.

SMALL BUSINESS: CHRONIC CAPITAL SHORTAGE

Small business in this country has endured for decades under a highly discriminatory tax policy that only aggravates its comparative disadvantage relative to larger enterprises in retaining and having access to capital. Tax deductibility for depreciation is too complex and favors larger capital intensive enterprises; advantageous LIFO accounting rules require costly tax accounting counsel; investment tax credit incentives apply mainly to new capital; and corporate tax rates are not progressive enough to permit adequate capital retention.

On this point, Drs. Hans Stoll and James Walter of the Wharton School, have recently concluded ("Tax Incentives for Small Business"—1980) that:

Certain aspects of the tax law are discriminatory. Specifically, the present corporate income tax fails to give due consideration to intersize differences in the ability of corporations to generate cash flows internally and to gain reasonable access to the capital markets. While small businesses receive some tax benefits . . . that narrow the gap relative to large corporations, the characteristics of many small firms . . . have the effect of raising effective tax rates as compared to large firms.

And, more recently, our deteriorating economic situation has compounded the tax inequities and has begun to have catastrophic effects on the viability of small business. Sources of external capital—on which smaller businesses depend for working capital purposes—have either dried up or become prohibitively costly, and inflation has driven up costs and eroded the cash flows that are the lifeblood of small business. It should be no surprise, therefore, that bankruptcies and absorptions are on the rise, particularly for small business, and the prospects for the foreseeable future are exceedingly grim.

Clearly, our discriminatory tax policy and our economic "stagflation" are a lethal combination that together have nearly shut off the capital lifeline of small business in the United States. In my judgment, Mr. President, we are approaching a watershed for small business; either we will begin urgently to make the tax system more conducive to the attraction and retention of small business capital, along the lines of the bill we are introducing today; or, alternatively, we will continue our policy of benign neglect of the small business capital shortage, in which case we will have more absorptions by the corporate octopus, fewer private sector jobs, and less innovation—it is that simple. In short, we cannot go along as we have and take for granted that the backbone of our free enterprise system will continue to be able to make the contributions it has for so long, because it will not be able to.

I submit, Mr. President, that the appropriate committees of the Congress ought to move with all deliberate speed to give consideration to the omnibus measure we are introducing today to foster improved capital formation and retention among smaller businesses. This is a consensus bill that has the support of a number of the leading small business organizations, including the National Federation of Independent Businesses, the National Small Business/Legislative Council, the National Association of Small Business Investment Companies, the National Association of Wholesalers/Distributors, and the Small Business Association of New England.

It is a carefully tailored and balanced approach to relieving the highly unjust burden of taxation that has become such a major obstacle to small business capital formation and retention. And, most importantly, it recognizes the evolutionary nature of small business development, with its very distinct phases of capital needs and sources, a fact so fundamental to understanding the unique capital problems of smaller business today.

Mr. President, last year the President convened a White House Conference on Small Business and charged it with responsibility for developing recommendations for ameliorating the problems of small business. The final report of the conference, issued in April 1980, confirms the overriding importance of the capital shortage problems of smaller businesses in our country. The report concludes:

The delegates' chief preoccupation was with problems of finding and retaining capital. Capital from outside sources is always more difficult to obtain for small businesses than for large ones, yet small companies—particularly young and expanding ones—rarely have sufficient earnings to support their growth. Current economic conditions have exacerbated the problems.

There was so much interest in capital problems that the delegates would unquestionably have voted several of (the) proposals among their top recommendations if the conference rules had not required them to narrow their selections to five recommendations. All of the five that they finally chose received heavy support and ranked among the nine highest priority proposals at the Conference.

Mr. President, I hope my colleagues will have a chance to examine the final report of the White House Conference on Small Business, so that they might have the benefit of studying the recommendations adopted. Unfortunately, the report belongs in the "more talk" category, not the "action" category. And that is the reason we are introducing the Omnibus Small Business Capital Formation Act of 1981 today. There has been enough study, conferring and analysis. Let us begin to act—to implement what is by now a consensus finding: That tax relief to encourage small business capital formation and to permit more capital retention is long overdue and will be of enormous benefit to our economy.

EXPLANATION OF THE BILL

Mr. President, I would like now to discuss the provisions of our bill in greater detail. The Omnibus Small Business Capital Formation Act of 1981 is divided into five sections: Capital formation; capital retention; estate and gift taxes; employee stock options; and inventory accounting.

As I pointed out earlier, the fundamental premises of this bill are: First, that tax relief to preserve and attract small business capital is essential for U.S. employment and productivity growth; and second, that such tax relief must be based upon the evolutionary process involved in the sources and uses of small business capital. In the formative stages of development of such enterprises, small businesses rely very heavily on personal and individual capital and venture capital companies. As enterprises mature, they command greater access to commercial bank debt capital and, ultimately, to public financing in debt and equity markets.

A properly tailored omnibus tax bill must take account of this evolutionary process to be of benefit to smaller businesses located all along the various stages of the financing spectrum. There should be a recognition of the need to permit greater capital retention among those firms which must rely on internally generated capital. But provision must also be made to create investment incentives for those firms attempting to have access to external capital—particularly equity capital in this high interest environment; and, finally, overarching all else, there must be simplicity and ease of compliance for small business taxpayers. These are the considerations we have been mindful of in the preparation of this bill.

CAPITAL FORMATION

Of profound importance to the smaller businesses of our country, Mr. President, is their ability to raise capital from ex-

basis. This provision would enable smaller businesses to attract better management by encouraging the use of stock options for key employees. Bill would include conditions set forth in H.R. 5829 as reported by Senate Finance committee in 1980.

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CAPITAL FORMATION

Of profound importance to the smaller businesses of our country, Mr. President, is their ability to raise capital from ex-

ternal sources. Access to external capital—debt or equity—is the central determinant of whether or not a small business will be able to expand; to increase employment; to innovate; to take advantage of the greater productivity associated with economies of larger scale production. Often, break-even points are such that small businesses will not be able to realize profits at all until they reach a stage of operations that can only be financed by outside capital.

The "catch-22" in all this, of course, is that small businesses are denied access to important sources of debt capital or can get it only at exorbitant rates; and are too obscure or too risky to attract individual or institutional equity investors. They find it difficult to obtain equity capital because they are not generating enough capital internally, but they will not self-generate adequate capital until and unless individual and institutional investors are given the incentives to make equity capital available to small business.

The facts bearing out this contention are legion. Well known, of course, are the data which show that from 1969 to 1977, new equity capital raised by companies having a net worth of under $5 million dropped from $1.3 billion and 698 issues to $42 million and 13 issues. While there has been some recovery since 1977, the grim economic situation we now are in can only reinforce the endemic nature of this problem.

A joint industry government committee on small business financing examined these problems very carefully in 1979 and concluded:

> It is the contention of this Committee that the lack of adequate tax incentives has both discouraged and, in some cases, prevented investment in small business by both individual and institutional investors.
>
> One result of tax structure disincentives is the very limited access of small businesses to public securities markets and the subsequent overreliance on short and long term debt for financing innovation, modernization and expansion.

The committee looked into Federal Trade Commission figures for manufacturing corporations and found a very disturbing rise in debt dependency for small businesses, as a result of the inaccessibility of equity capital. The data show that in 1968, for all corporations, total liabilities represented 44 percent of the balance sheet total and stockholders equity accounted for 56 percent. The figures were analogous for companies with assets under $5 million. By the end of 1978, however, while there was only a slight change in the liabilities/equity mix for all corporations, smaller corporations experienced a sharp balance sheet deterioration, with liabilities going up to 55 percent and stockholders equity dropping to 45 percent—down 12 percentage points in 10 years.

The conclusion of the committee about this declining equity/debt ratio is obvious:

> The smaller firms who have yet to gain access to the normal capital markets are the hardest hit. Traditionally, their available sources of capital are borrowings or earnings and as their equity/debt ratios decrease, borrowing becomes increasingly more difficult.

Essentially the same conclusion was reached in 1977 by an SBA-appointed blue-ribbon task force on venture and equity capital, under the chairmanship of William T. Casey, the new Director of the Central Intelligence Agency. The Casey commission concluded:

> It is a matter of acute concern that, in the face of clearly emerging needs and the documented benefits to the U.S. economy, a set of impediments have developed that are preventing smaller businesses from attracting the capital without which they cannot perform their traditional function of infusing innovation and new competition into the economy. Unless those impediments are overcome, the ability of the economy to compete in the world and meet the needs of the American public will be seriously eroded. It is alarming that venture and expansion capital for new and growing small business has become almost invisible in America today.

And so, Mr. President, my cosponsors and I are proposing a number of critically needed improvements in our Nation's tax laws to enable smaller businesses to fare better in attracting equity capital investment. Each of the provisions in this section of our bill would create a new or improved incentive for equity investors to select small businesses for their investments, helping to reduce the dangerous overreliance of many small businesses on debt capital and offering an important new opportunity for growth and development to the smaller businesses of our country—so they can continue their vital role as our principal source of new jobs, innovation and competition.

INVESTMENT TAX CREDIT

Section 101 of the Omnibus Small Business Capital Formation Act of 1981 would provide for a 10-percent tax credit, up to $4,000 per person, for investment in the stock of small and medium-sized corporations. This credit is intended to encourage the participation of individual investors in the capital markets and thus help to solve this enormous equity capital shortage problem for America's smaller business.

The credit would be available only for equity investments in the primary public offerings of firms with net worth under $25 million per year. The credit would not be limited to initial public offerings, but would be available for all offerings provided the size limitations are satisfied.

Mr. President, this is a very carefully targeted incentive. It will not represent a windfall to speculators who fully intended to purchase these equity issues anyway; it will focus benefits mainly at the middle income investors; and the incentive is available only for small business investments.

The justification for enacting this equity investment tax credit is that it will provide a special incentive to both individual and institutional investors to look carefully at small business equity offerings. The decline in the participation of individual investors in the market and the preponderance of institutional activity, together with the slippage of regional broker/dealers, have made it very difficult for smaller businesses to attract interested investors. In addition, recent Federal regulations and interpretations have had a chilling effect on institutional portfolio managers' interest in small business equities.

Accordingly, we believe it highly desirable as a matter of public policy that the U.S. Government should afford this marginal—though important—incentive to purchasers of new equity issues of smaller businesses.

And we are not kidding ourselves that the 10-percent credit will be the decisive consideration in determining whether or not to buy small business equities. But it will help to focus the interest of investors in small business and, most importantly, will give the targeted firms the parity they now lack in competing for the investment dollar with banks, the U.S. Treasury, the "Fortune 500," and the commodities in this highly inflationary and uncertain economic environment. Indeed, Mr. President, it is principally on this basis that we offer this proposal to influence, as it were, the free market allocation of capital.

To the extent that this credit succeeds in channeling more equity capital toward smaller businesses that are not now attracting it, small businesses will be placed on a firmer financial footing and be better equipped to generate the jobs and innovation we all agree are required for the 1980's and beyond.

Mr. President, section 101 is similar to S. 655 which was introduced in 1979 and to S. 3320, introduced during the 95th Congress. It has been studied in Congress and elsewhere, and I believe is an idea whose time has come. The White House Conference on Small Business agreed, Mr. President, and made this tax credit idea one of their top 15 recommendations, asserting:

> Because of the high inflation rate, most sophisticated investors are increasingly looking for immediate tax advantages. Such a credit would provide an incentive for investors and would help balance small companies' excessive debt/equity ratios.

SMALL BUSINESS PARTICIPATING DEBENTURE (SBPD)

Section 102 of our bill would provide the tax incentives necessary to bring into being a new, hybrid type of financing instrument that would enable small business to tap external financing sources they cannot presently reach.

The SBPD would be a debt obligation, in that it would bear a fixed rate of interest, be redeemable at a predetermined price on a future date certain and involve no ownership interest. But it would also have equity characteristics, in that purchasers would receive a share in the company's earnings during the holding period, which would be taxed as capital gains. The stated rate of interest received on the SBPD would be taxable to the investors as ordinary income, but amounts received as a distribution of the company's earnings would be taxable to the investors at the preferential long-term capital gains rate.

The issuing company would be permitted to deduct both the interest paid on the instrument and the portion of profits distributed to the holders of SBPD's.

Now, Mr. President, I have been urging enactment of this idea since I first introduced it, in slightly different form, as S. 1481, in July 1981. In January 1980, the nearly 1,600 delegates to the White House Conference on Small Business voted the SBPD concept as one of their top 10 recommendations. The idea has been endorsed by numerous small business organizations, including the National Small Business Association, the National Association of Small Business Investment Companies, the Council of Small and Independent Business Associations, and the Small Business Legislative Council.

The reason for this widespread endorsement is clear: The SBPD is tailored to fit the unique financing requirements of many small businesses. It is designed specifically for the small business seeking to expand which cannot or prefers not to go the route of a large public equity offering, either because potential investors have reservations about the liquidity of such securities or because small business entrepreneurs prefer not to dilute ownership. The debt route, of course, is prohibitive today for many smaller businesses or, where feasible, must be secured by receivables, inventories or plant and equipment.

In today's high interest debt markets and liquidity-oriented equity markets, therefore, conventional financing vehicles are unsuitable for smaller businesses. It is for this reason, Mr. President, that we propose creation of this new, hybrid vehicle that would open up an important new opportunity for external capital to our smaller businesses.

Mr. President, the SBPD would have the status of a debt security with a stated rate of interest, but would also provide an inducement for the investor by returning to him a share of the company's earnings during the period the SBPD is outstanding. Because the SBPD would provide for a specific redemption date, the issuing company would effectively be paying a premium for the use of the capital, but only for the period of use.

Pursuant to this legislation, a SBPD could only be issued by a domestic trade or business, whether or not incorporated, which has a net worth of less than $25 million. The size limitation imposed on the issuing business is based on the findings made by the 1977 SBA task force on venture and equity capital.

Because the legislation is designed to provide capital for businesses without access to the equity capital markets, only companies which do not have securities outstanding which are subject to SEC regulation would be eligible to issue SBPD's. Additionally, no company may have issued and outstanding, at one time, SBPD's with a face value in excess of $1 million. These size and dollar amount limitations are generally applied by treating the members of a controlled group as one taxpayer.

Pursuant to the legislation, a disposition would be deemed to have occurred if the SBPD is redeemed by the issuing company or if the taxpayer becomes a "related party" to the issuer.

The Chairman of the White House Commission on Small Business, Arthur Levitt, Jr., has articulated the case for enactment of this legislation.

> SBPD's offer exciting possibilities. They are essentially debt instruments with an equity feature, but they are not convertible and do not carry any attached warrant. Rather, interest payments would be variable, keyed to a company's profits. The SBPD combines the best characteristics of debt with the best characteristics of equity.
>
> When a company is struggling in its early years, the interest rate could be set low: when the company begins making money, it would pay additional interest from net income just as it would pay in dividends. The terms would be negotiable, allowing rates and payments of principal to vary according to different companies' needs and growth potential.
>
> Small companies would get the advantages of a low initial interest rate and, later, dividend-type payouts that can be deducted against taxes as an interest expense—all without giving up a portion of equity to outsiders.
>
> Investors, or lenders, would get the opportunity to participate in earnings growth, could treat the interest income as preferential capital gains, and eventually would get their money back without having to find a buyer for the security, as they would have to do if they held stock.
>
> SBPD's offer ways around numerous roadblocks in today's debt and equity markets. They would provide a greater incentive for individual investors to provide equity capital, and large companies may find it more attractive to provide more liberal trade credit for their small business suppliers and customers.

I hope very much, Mr. President, that my colleagues will consider this new and promising idea, and let us have the benefit of their support.

CAPITAL GAINS TAX REDUCTION

Section 103 of our bill proposes to reduce the maximum capital gains tax rate from 28 percent to 21 percent, by increasing the present exclusion for determining capital gains subject to taxation from 60 percent to 70 percent, but only in the case of those gains that result from investments in small business securities.

Under present law, enacted in 1978, individuals may exclude from taxation 60 percent of their net long-term capital gains, applying their ordinary income tax rate to the remainder. Thus, the maximum tax rate applied to the entire capital gain is 28 percent. Corporations may elect the preferential capital gains rate of 28 percent or, if less, may treat the gain as ordinary corporate income and pay their applicable corporate tax rate.

Our bill proposes that, in the case of capital gains resulting from the sale of small business securities, the maximum rate shall be reduced to 21 percent, by raising the present law exclusion of 60 percent to 70 percent.

Now, Mr. President, we believe a further reduction in capital gains taxes is vital to unlock capital and channel it into a new, job-creating and productivity-improving investment. As I pointed out above, the capital shortage problem for small business in America today is chronic and of epidemic proportions. Savings rates as a percent of personal income have collapsed in the past decade, reaching an all-time low of 3½ percent in late 1979, compared to over 20 percent in Japan.

The great advantage of further capital gains tax reduction over other alternatives is that it bears directly on both the incentive to free up existing capital investments and the projection of the after-tax effective gains accruing from future investments. Following the 1978 capital gains tax reductions, there was a sharp jump in new equity offerings and in private partnership venture capital investments, both direct results of the capital gains tax cuts. Clearly, a further capital gains tax reduction targeted at small business investments, would go a long way toward bringing much-needed new capital to our smaller businesses. Indeed, the joint industry/government committee to which I referred above, expressed its support for establishing a small business capital gains tax edge:

> The recent reduction in the capital gains tax rate is laudable but financing for small business would be encouraged further if the tax rate for gains in equity investments in such businesses were further reduced.

The advantage of limiting capital gains tax reduction to smaller businesses is that we would be providing the incentives to invest where the greatest public policy benefits could accrue—that is, to the principal creators of new jobs and innovation in our country, our smaller businesses.

As a result, the revenue losses associated with capital gains tax reduction would be far less than would be expected from a general capital gains tax cut. The Office of Advocacy at SBA estimates that an 80-percent exclusion for small business investments would cost only a fraction of a general increase in the exclusion—perhaps less than $200 million—an important consideration in our present budget deficit situation.

So, Mr. President, I hope our colleagues will be able to support this targeted capital gains tax reduction, as a most sensible approach to unlocking previous equity capital and channeling it to where it will do the most good for our Nation.

CAPITAL GAINS ROLLOVER

Section 104 of our bill would permit sellers of small business stock to sell their interest for cash and defer any capital gains tax they may owe as a result of the sale, provided they reinvest the proceeds from the sale in another small business within 18 months of the date of sale. This tax treatment would be very similar to what is now available to homeowners who purchase another house within 18 months.

Mr. President, it is critically important that my colleagues understand the intent of section 104. We are not trying to create some sort of artful new tax dodge for small business investors. We are trying to preserve those smaller busi-

nesses that are now being absorbed through corporate reorganizations.

The reason for this is simple: The Internal Revenue Code tax-free reorganization rules permit an owner of a small business to exchange his interest for stock in a larger corporation and enjoy nonrecognition of any gain resulting from the merger. If he sells out for cash, however, he must pay capital gains taxes. In other words, an entrepreneur can defer taxes right now, but only by selling out to another corporation in a stock transaction. Clearly, the tax law favors absorptions by larger businesses, and is a principal reason for the decline of small business in America.

Mr. President, we are seeking to promote small business continuity and, at the same time, moderate what seems to be an ineluctable tendency toward excessive concentration in U.S. business today. If this capital gains "rollover" idea were adopted, a small-business owner could sell out his interest and reinvest in another, and not incur any immediate tax consequences—precisely the advantage he now gets if he exchanges his interest for stock.

This proposal has broad and enthusiastic support, Mr. President. The National Association of Small Business Investment Companies has made the capital gains "rollover" its "top priority"; the White House conference listed this as recommendation No. 4; and the American Institute of Certified Public Accountants, after a 3-year review of tax matters affecting small business, cited the 'present tax law's bias in favor of a major publicly held corporation," in recommending tax deferred sale of small business enterprise investment to encourage "the continued viability of privately held businesses."

In addition, tax deferral of small business capital gains will help tremendously in keeping capital available to our small businesses. The opportunity to rollover capital gains if reinvested in another small business will be a powerful incentive to direct freed-up capital to new and developing smaller businesses.

This view is supported by Drs. Stoll and Walter, in their recently published "Tax Incentives for Small Business." They conclude:

> Deferral of the capital gains tax, conditional upon the reinvestment of realized gains in selected at-risk investments . . . has the added advantage of motivating continued investment in small business. Tax deferral of capital gains, subject to their reinvestment in selected small business categories, generally augments further the available supply of equity funds.

Mr. President, I realize that capital gains rollover, like the credit in section 101 and the SBPD, is a relatively new concept, and for that reason, faces an uncertain fate in the tax-writing committees of Congress this year. But I know our new chairman, the Senator from Kansas (Mr. DOLE), and the gentleman from Illinois (Mr. ROSTENKOWSKI) will not let the newness of these ideas impede an evaluation on their merits. I commend these three propositions to their careful study, and I know they will give them every possible consideration.

SUBCHAPTER S REVISION

Section 105 of the Omnibus Small Business Capital Formation Act proposes to increase the permissible number of subchapter S shareholders from 15 to 100, so that this very advantageous capital-raising vehicle may be of even greater benefit to small business.

Very briefly, Mr. President, under subchapter S of the Tax Code, qualifying corporations may pass net income or loss through to the stockholders, who report it as ordinary income or losses. This avoids the double taxation of corporate income and permits shareholders to deduct corporate losses against other personal income.

However, at the present time, subchapter S companies may have only 15 shareholders, which limits their usefulness to new companies, especially those seeking the start-up capital that is rarely available from banks or public offerings. We believe that raising the permissible limit to 100 shareholders would provide the potential for a greater infusion of new capital into small businesses, which typically take 5 to 10 years to develop into profitable concerns.

In short, Mr. President, section 105 of our bill would widen the scope of this unique capital-raising vehicle, and permit the extension of its advantageous tax treatment to far more small businesses. As Arthur Levitt, the chairman of the White House Conference on Small Business, testified before the Small Business Committee:

> By expanding the limit to 100 shareholders, this vehicle could attract a great deal of capital for a wide variety of new enterprises.

I cannot say with any certitude, Mr. President, that 100 is the optimum number to which to raise the present cap. I know the staff of the Joint Tax Committee recommended 25 last year, and that this was the figure in H.R. 5829, as reported by the Finance Committee. Personally, I believe that figure is too low, and hope the committee will be more flexible in broadening the scope of subchapter S applicability. I know they will want to take into account a very succinct conclusion of the securities dealers' joint Industry/Government Committee:

> Since our inflationary economy necessitates increasing amounts of capital investment for the profitable operation of a small business concern, (Subchapter S) limitations have an adverse impact on the growth of small business corporations. The shareholder limitations hinder business growth and planning by requiring the investment burden and risk to be spread among a small number of shareholders.

BROKER-DEALER RESERVE

Mr. President, section 106 of our bill is very similar to the provision reported by the Senate Finance Committee in H.R. 5829 last September. This would permit dealers and certain specialists making a market in small business securities to defer the recognition of gain of up to a total of $1 million of the gains from the sale of small business stock and place this amount in a reserve earmarked for market-making activities in small business securities.

One of the major obstacles small businesses face in attracting equity investment is the perceived illiquidity of such securities. Often the companies are unknown and their long range prospects impossible to predict with a reasonable degree of accuracy. For this reason, investors are reluctant to invest in such securities unless they can be assured of subsequent marketability. Indeed, in order for a securities dealer to sell a new offering of a small business equity security, the dealer must be willing to come in and support that security in the after market by purchasing those shares which others are unwilling to buy.

This provision of our bill, therefore, would create an incentive for dealers and specialists to establish a market making reserve for small business securities, and thus assure potential investors of the liquidity of such investments.

The committee report on H.R. 5829 is very clear about the benefits of this provision:

> The committee believes that by allowing security dealers to defer the recognition of gain on small business stock in which they make a market, it will encourage dealers to make markets for unlisted securities of smaller corporations. The committee believes that this will make new capital markets available to small businesses.

I hope very much the Senate Finance Committee this year will reaffirm its support for this proposal to aid in the marketability of small business equities.

CAPITAL RETENTION

Mr. President, the various proposals to help smaller businesses attract more equity capital are, as I indicated at the beginning of my statement, aimed primarily at those firms which are at the point in their development where they have a reasonable prospect of "going public" and moving from a state of dependence on internally generated funds to having the ability to tap external sources. As vital as this opportunity may be for such companies and indeed, for our country, it may not help relieve the capital shortages of the majority of smaller businesses, that is, those that do not yet have a prospect of "going public," and thus expect to have to rely either on high cost, secured debt or internally generated capital.

In short, Mr. President, if we are going to remove the present tax obstacles to small business survival in this stagnant, high inflation, high interest rate economy, we will need to do much more than create incentives for equity investment. Specifically, we will need to permit our smaller businesses to retain a larger share of what they now earn, so they can plow these resources back into new investments in jobs and innovation creating production. This is by far the most efficient way to enable our Nation's smaller businesses not only to remain viable enterprises in this decade but also to carry on their traditional role as our main job creators and innovative sources of free enterprise.

The Omnibus Small Business Capital Formation Act of 1981 recognizes the fact that capital preservation and capital attraction are equally important; that each is relevant for small business depending upon the stage at which it is operating along the life cycle of business enterprise financing. Accordingly, our

bill includes a number of important provisions to reduce the present tax burden for small businesses, both directly—by reducing corporate income tax rates; and indirectly—by enhancing the opportunity of smaller businesses to take advantage of depreciation deductions and investment tax credit.

Our contention in proposing the following, Mr. President, is that inflation and the monetary policy means adopted to reduce it are wreaking havoc on our smaller businesses. Credit is either unavailable or available only at a prohibitive rate of interest. And real, after tax earnings are collapsing because anti-inflation policies are reducing economic activity generally, while costs continue to soar. Moreover, inflation makes historical depreciation deductions irrelevant when it comes to replacement and creates illusory taxable profits which disappear when inventories are replaced at current prices.

Larger scale businesses have many ways to deal with stagflation, Mr. President, either by borrowing at prime interest rates or in the commercial paper market or by reaching into retained earnings available for just such periods. In addition, they can take advantage of a whole array of favorable tax provisions including the various fast write-off methodologies and LIFO accounting rules. But smaller businesses rarely can avail themselves of these advantages, so they limp along under straight-line depreciation and historical cost inventory valuation, both of which amount to further turns of the financial vise which is squeezing the economic life right out of them.

Mr. President, I strongly urge my colleagues to study this section of our bill very carefully. If we do not enact some tax relief this year to enable small business to retain more capital, I am convinced we will make it unlikely that many potentially sound businesses will survive in the present and prospective economic environment. So, Mr. President, I submit the following provisions as our best judgment of how to rifle tax relief for capital investment directly into the majority of our smaller businesses—not just because they are deserving of tax relief, but because their financial strength is central to the revitalization of the U.S. economy.

CORPORATE INCOME TAX RATE REDUCTIONS AND BRACKET CHANGES

Section 111 of our bill would increase the number of tax brackets from five to seven, to make corporate taxes more progressive, and would reduce present tax rates, particularly for smaller businesses.

Present law:

Taxable income:	Tax rate
$0 to $25,000	17
$25,000 to $50,000	20
$50,000 to $75,000	30
$75,000 to $100,000	40
Over $100,000	46

Under the bill:

Taxable income:	Tax rate
$0 to $25,000	15
$25,000 to $50,000	17
$50,000 to $75,000	25
$75,000 to $100,000	30
$100,000 to $150,000	35
$150,000 to $200,000	40
Over $200,000	44

Mr. President, the arguments in favor of this proposal are so meritorious that I need not dwell on them at great length.

First, rate reduction and further graduation was the top recommendation of the White House Conference on Small Business. Fully 67 percent of the delegates cited this as the greatest single need of our Nation's smaller businesses. Clearly, the small businesses themselves realize that of all the possible measures to encourage survival today, direct income tax rate reduction is most beneficial.

Second, and I believe most persuasive, is the fact that since 1978, when the present rates and brackets were enacted, inflation has accelerated and effectively wiped out the benefit of the earlier rate reduction and graduation. In 1979, prices rose by over 13 percent, and in 1980, by over 12 percent, bringing to over 25 percent the combined price increase since 1978. Therefore, tax rate reduction and further graduation can be justified on the basis of the need to stay even with inflation, quite apart from any increased capital retention objectives.

In addition, Mr. President, further graduation, that is, the brackets under the maximum corporate tax rate on incomes over $200,000, is necessary to target the greatest benefit from rate relief on the smallest businesses. The case for this action was succinctly put by the Senate Finance Committee last year when it reported out a comparable additional graduation:

> Aware of the special problems encountered by small businesses in raising money in equity markets and in borrowing funds for investment, the committee believes that additional graduation in the corporate income tax structure for smaller amounts of taxable income is necessary to encourage capital formation by small businesses.

And so, Mr. President, I hope very much that the Ways and Means Committee in the House and the Finance Committee in this body will see fit to recommend to their respective Houses the kind of graduation and rate relief we are proposing today. I am convinced it is our very best hope for relieving the crushing burden of inflation on smaller businesses; for getting them safely through the economic difficulities that clearly lie before us; and for preserving the capital the private sector needs to invest and modernize our free enterprise system.

CAPITAL COST RECOVERY

Section 112 of our bill proposes accelerated and simplified depreciation tax treatment in order to obtain more realistic depreciation allowances for U.S. business. Specifically, we propose replacing the present scheme based on useful life and various permissible methodologies with a 5-year depreciation class for all equipment investments and a 3-year depreciation class for vehicle investments. A 10-percent investment tax credit would be available for investments in the 5-year class and a 6-percent credit would be available for investments in the 3-year class.

Up to $100,000 of equipment investment per year would qualify for the 5-year class without regard to any phase-in period in the legislation. My colleagues will recognize this proposal as the "5-3" parts of the well-known "10-5-3" bill introduced in the last Congress. We make no recommendation for depreciation of structures in our bill, preferring to leave this aspect to our colleagues on the Finance Committee.

Mr. President, by now, most of us are quite familiar with the problems of present tax law as it pertains to depreciation of plant and equipment. Essentially, the prescribed depreciation deduction schedules, based on concepts of useful life, do not permit capital cost recovery adequate to reflect the effect of inflation on replacement costs. Even with permissible variances, including the asset depreciation range system and various double declining balance methodologies, our capital cost recovery regulations are rooted in historical, irrelevant cost regimes. Consequently, depreciation deductions taken over useful life turn out to be far less than actual replacement costs.

For smaller businesses, this problem is far more pronounced, since the value of deductions is related to the firm's tax rate brackets, and since most rely upon a straight line methodology over the useful life of plant and equipment. Depreciation deductions taken in the first years of service, therefore, are the same as deductions taken in the last years, so the irrelevancy of historical cost accounting is exaggerated. Rules for ADR and the more recent attempts to make depreciation deductions more realistic are generally too complex to be of any use to small business.

The critical goal here, Mr. President, must be to accelerate depreciation deductibility—to permit plant and equipment to be written off more rapidly—so as to make depreciation deductions correspond more closely with actual replacement costs. In addition, whatever means are adopted must have ease of compliance. They must be simple enough to permit all taxpayers to avail themselves of them. Otherwise, like so much else in the Tax Code, they will be of little use for small business.

Arthur Levitt put it very well when he testified before the Small Business Committee on small business capital problems last March. Mr. Levitt said:

> The (White House Conference) delegates second most popular recommendation was for a capital cost recovery system to replace the present Asset Depreciation Range regulations. The major advantage to small business of a simplified depreciation system would be its ease of calculation and, I would suggest, its greater relevance to depreciation in a time of raging inflation. I believe that a faster, simplified depreciation system, specifically tailored to the needs of small business, is essential and should be a major legislative priority.

Mr. President, I do not wish to go on at length about the relative merits of "10-5-3" or "5-3" or "10-7-4-2," reported by the Finance Committee last year. It is clear to me that the new administration will be proposing landmark modification of what most of us now agree is an antiquated, irrelevant depreciation tax scheme. The House Ways and Means Committee and the Senate Finance Committee will receive the Reagan administrations proposals and, after due deliberation, make recommendations to their respective bodies.

What concerns me is that whatever scheme we finally enact had better be relevant for small business. Most of them are not capital intensive; most invest in relatively short lived assets; most do not have top accountants and tax attorneys under retainer; and those in the lowest corporate tax brackets get relatively little benefit out of depreciation deductions anyway. If the new regime is not a simple, tailored improvement in the law, most small businesses will continue straight line depreciation and continue failing to recover sufficient deductions to be able to maintain capital investment. Moreover, if there is no coupled tax credit incentive, there is a danger that small business could be worse off than under existing law.

So, Mr. President, I hope the bill we introduce today will help focus attention on the urgent need to enact, not just depreciation reform, but depreciation reform meaningful for smaller businesses—and I submit that the place to start is with the "5-3" concept we have proposed in our bill.

ACCUMULATED EARNINGS LIMITATION

Section 113 of our bill would raise the amount of permissible accumulated earnings from the present level of $150,000 to $300,000.

The Tax Code places this limit on retained earnings specifically to prevent businesses from avoiding double taxation of earnings by not paying out dividends to shareholders. This policy, of course, has generated numerous costly and time-consuming taxpayer appeals from IRS challenges, particularly among businesses who future capital needs are uncertain and which do not pay out dividends.

In 1975, the then-existing limit of $100,000 was raised to $150,000. Since then, inflation has completely eroded the real value of the 1975 increase, so that today a further adjustment is warranted. Moreover, as it is highly unlikely that this arbitrary ceiling will be removed altogether, Congress may not look at this ceiling again for another 5 years. Accordingly, our bill proposes to raise this ceiling to $300,000, to enable smaller businesses to take advantage of future capital investment opportunities by retaining sufficient earnings without engendering protracted controversy with IRS.

TAX CREDIT FOR INVESTMENT IN USED PROPERTY

Mr. President, one of the most glaring examples of how the Tax Code discriminates against smaller businesses is the provision which limits the applicability of the 10-percent investment tax credit when the investment is in used equipment. An investment in used equipment qualifies for the tax credit, but only to the extent that the investment is less than $100,000.

It is difficult for me to understand why the distinction between new and used equipment was made in the first place when the investment tax credit was enacted in 1964. The credit applies to an unlimited investment in new equipment, but only up to $100,000 of used equipment. Smaller businesses must rely more heavily on "hand-me-down" equipment, simply because they do not always generate enough earnings or have access to enough capital to be able to afford new equipment. But the tax law favors "new," as opposed to "used," and thus forces smaller businesses making major reinvestment plans either to buy new or forego the credit.

Mr. President, the evidence accumulated by the Senate Small Business Committee in respect of substantial small business dependence on used equipment, particularly in this high technology environment, suggests that as a matter of simple equity for our Nation's small businesses the existing ceiling on used investment should be increased, if not removed entirely. Accordingly, our bill proposes to raise the ceiling from $100,000 to $250,000.

I wish we could propose to eliminate the ceiling entirely, Mr. President. Personally, I share the view of the Machinery Dealers National Association, which testified before the Senate Finance Committee last year, and stated:

> The investment tax credit law does not treat "all firms equally", but rather creates a blatant discrimination against small businesses. I don't believe Congress ever debated the issue of whether it should enact a tax policy that discriminates in favor of large businesses and against small businesses, but it did adopt such a policy by placing a ceiling on used equipment tax credits. The removal of the used equipment ceiling will give all businesses an equal opportunity for the use of the investment tax credit and will amount to a targeted change in our tax laws for the benefit of small businesses which in time will benefit our overall economy.

But I am a realist, and believe it is unlikely that the ceiling will be repealed this year. So, Mr. President, as a matter of elementary justice and for the improved productivity of our economy, I urge on the Finance Committee to adopt on upward adjustment in the used equipment tax credit ceiling to bring it to no less than $250,000. In addition, I would hope consideration could be given to a phased elevation of the ceiling, to reach $500,000 by 1985.

INVENTORY ACCOUNTING

Mr. President, subtitle D of our bill includes three provisions designed to afford a measure of tax relief for smaller businesses in the vital area of inventory accounting.

Thanks to Congressman HENRY NOWAK of New York, chairman of the House Small Business Committee Subcommittee on Access to Equity Capital, who held hearings on this matter last year, attention is at last being focused on the need to make permissible inventory accounting procedures more relevent for small business.

During a time of high inflation, Mr. President, the accounting for inventories can be a principal determinant of whether or not small business tax liabilities accurately reflect real increases in taxable income. Indeed, for labor intensive small businesses, inventory costs are far more important than depreciation deductions and are the principal investment activity.

The fact is that most small businesses are paying far more tax than they should, because their inventory accounting methodologies fail to make proper adjustment for the effect of inflation in producing illusory, though taxable, profits. This occurs because inventory systems based on historical costs of inventory, such as the first-in-first-out method (FIFO), yield artificially low "cost-of-goods sold" figures and, therefore, artificially high nominal taxable incomes. Businesses thus incur high tax liabilities, but replace those inventories at current prices, causing some of the previous nominal taxable income to vanish.

This is why, Mr. President, many larger businesses are converting over to the more realistic "last-in-first-out" (LIFO) methodology, so as to make reported inventory costs more relevant to actual replacement costs. But the vast majority of smaller businesses will not convert to LIFO, because the LIFO rules are very complex and because there are various one-time additional tax penalties associated with conversion. Thus, they are forced to operate under a most inequitable system of inventory tax regulations, which have little relevance for their true inventory costs and which materially damage their ability to retain earnings for capital investment and productivity growth.

The House Small Business Committee hearings on inventory accounting highlighted this problem for small business. The committee states in its report, dated October 2, 1980, the following:

> Tax simplification of the inventory accounting methods, like depreciation reform, aids capital formation by increasing the internal cash flow of a business.
>
> There is, however, a fundamental difference in these two types of tax reform. Accelerated depreciation reform focuses on the needs of capital intensive small businesses. On the other hand, inventory accounting reform aids the vast majority of small businesses, which are primarily labor intensive.

Accordingly, Mr. President, we are proposing today three measures to enable our Nation's smaller businesses to have more realistic inventory accounting for tax purposes.

First, we would permit the smallest businesses—those with sales of less than $1 million per year—to use cash accounting, that is, to expense their inventories as these are purchased. In this way, the FIFO/LIFO distinction would be obviated and the tax deduction would be exactly equivalent to the real cost of the inventory. For these small firms, it would be unnecessary to wait until goods were sold before deducting the inventory cost. I realize the problems some may have with this idea—particularly as it represents a departure from the generally accepted accounting principle that income and the costs of producing that income should be reported contemporaneously, that is, properly matched. Yet we permit small farms to use the immediate expensing method, and for the very same reasons that we ought to permit other small businesses to use it: Simplicity and equity.

In short, Mr. President, I believe we must accept the risks of some income distortion and vigorously pursue potential tax shelter abuse, as prices worth paying to give our smallest businesses a fair chance at realistic inventory accounting in this very severe inflationary situation.

Now with respect to the revenue losses associated with cash accounting—which will be considerable—the Joint Tax Committee will have shortly a revenue estimate for this and the other parts of our bill, and I intend to put that in the CONGRESSIONAL RECORD when available. But, in reference to cash accounting, we will have primarily a one-time effect, as small businesses convert from the accrual method to the cash basis. As a result, out-year revenue costs could be expected to be much less than the first year impact. I might add, Mr. President, that we are following the present effort to simplify LIFO rules to enable more small businesses to adopt LIFO. I encourage that effort as a matter of utmost urgency and hope it will prove successful. I doubt whether IRS will retain much credibility in this area if the LIFO rules are not soon made feasible for small business.

Second, Mr. President, and as a way of facilitating conversion to LIFO, our bill proposes to give taxpayers 10 years to pay off the additional tax liability associated with taking back into income all previous inventory write-downs, which are not permissible under LIFO. The burden of paying this additional tax immediately is often an obstacle to such conversion.

And third, Mr. President, our bill proposes to delay until this year compliance with the IRS regulations promulgated in the wake of the Thor Power Tool decision, which determined that many previous inventory write-downs were in error and must be taken back into income. This is similar to a provision in the tax bill reported by the Finance Committee last year and will give more time for compliance.

ESTATE TAX REFORM

Mr. President, title II of our bill deals with various estate and gift tax reforms that are very familiar to my colleagues and are long overdue. The basic problem is that the continuity of small business is jeopardized by very onerous tax laws that, unfortunately, often fall most heavily on those least able to pay. The experiences of survivors being forced to dispose of estates in order to afford estate taxes are well knows to us all, Mr. President, and I believe we have an emerging consensus on the need to make major improvements and inflation adjustments in the estate and gift tax laws.

Briefly, our bill would raise the present estate tax exemption to $600,000, along the lines of a very gifted proposal made last year by Senator DURENBERGER; provide for an unlimited gift and estate tax marital deduction; increase the annual gift tax exclusion to $6,000 per donee; make certain changes in the special use of valuation rules for closely held businesses; set the value of gifts made within 3 years of a decedent's death at the value at the time of the gift rather than at the date of death; and permit the 5-year deferral/10-year installment election for payment of estate taxes, provided that at least 35 percent of the gross estate or, alternatively, 50 percent of the taxable estate is a closely held business.

EMPLOYEE STOCK OPTIONS

Finally, Mr. President, the Omnibus Small Business Capital Formation Act of 1981 includes a proposal recommended by the Senate Finance Committee last year, on the basis of a bill introduced by the Senator from Oregon (Mr. PACKWOOD).

The proposal would create a new incentive to establish employee stock option plans to enable smaller businesses to attract key management personnel. More specifically, our proposal would change current tax laws to provide that where an employee exercises a stock option, he shall incur no tax consequences on any "paper spread" between option price and market price. And when the employee sells the stock, capital gains tax treatment would apply to any gain between option price and selling price, provided that the employee met certain conditions as are set forth in the bill.

We hope this provision is enacted, Mr. President, because it will give businesses an opportunity to attract the best managerial talent, a sine qua non for small business success.

CONCLUSION

Mr. President, this concludes my remarks on the Omnibus Small Business Capital Formation Act of 1981.

I wish to say only that I hope this bill will receive careful scrutiny by my colleagues in the Senate and in the House, and of course, by the members of our tax-writing committees and their respective staffs. I commend the bill also to the new administration, which I believe can be especially sensitive to the concerns of the small businesses of our country. And, I hope too, that our bill will be considered carefully by the Treasury Department officials who are working now on the administration's major tax package.

I must confess, Mr. President, that I am deeply concerned that we will receive a tax bill about mid-February that will contain only two parts: Individual rate cuts and accelerated depreciation. I agree that both of these are needed, Mr. President, but we should not delude ourselves into thinking that these are all that are necessary if we are really going to revitalize our very sick economy. Small business, as I have said many times, is the backbone of this economy; it is the principal source of our new jobs and innovation; it holds the key to unleashing the dynamism that is inherent in our free enterprise system; and it is in very deep trouble for all of the reasons I have just described.

So, Mr. President, I am saying that we must have a tax bill tilted toward the sectors of our economy that need the most help and, most importantly, that are going to deliver the most bang for the Federal revenue bucks that will be foregone. I fear that a general, nondiscrete tax bill, that dilutes the benefits very broadly over the entire economy, without regard to the special circumstances and unique potentials of small businesses, will not only compound the problems they face in surviving the stagflation of the 1980's, but also will miss the mark as to the real needs of our economy.

Last, Mr. President, I invite my colleagues to consider joining us as cosponsors of this bill, even if they have reservations about one or more of its provisions. The point is that we all are sensitive to what is ailing one of the key sectors of our economy, and we intend to do all we can to bring our shared concerns before the tax-writing committees of the Congress. So I urge my colleagues in the Senate and the House to let us have the benefit of their strong support for one, some, or all of the provisions of this bill, so they can be recorded as having stood up for the small businesses of their States and our country, at this time of their greatest need.

Mr. President, I yield the floor.

● Mr. DURENBERGER. Mr. President, 200 years ago a group of our forefathers held a small get together called the Boston Tea Party to protest taxes on English tea. These small business people dumped tea into the harbor even though the English Government was offering it at a special below-market price on behalf of its monopoly. However, true to the entrepreneurial spirit, those colonists just wanted to be left free to do business as the market dictates.

Throughout our history this same kind of man and woman sailed the Yankee Clippers, invented the light bulb, and flew the first airplane. They provided the ingenuity, the hard work, and the jobs that fueled our economic system. Thank God these people still abound today because they provide the vast majority of new jobs and technological innovations we need to prosper.

It is time we acknowledge with more than just words these profound contributions of small business to our society. It is time to remove the unreasonable burdens placed on the shoulders of the small businessmen and women across this country by our outmoded, inequitable tax system.

In recognition of the importance of small business and its role in our economy, I am proud to join in introducing the Omnibus Small Business Capital Formation Act of 1981. The cosponsorship of this bill by Mr. WEICKER and Mr. NUNN, chairman and ranking minority member of the Small Business Committee, respectively, and Mr. BAUCUS, who is on both the Small Business and Finance Committees attests to the significance of this legislation.

This bill will greatly reduce the tax burden that robs small business people of the incentive to build upon a successful business and to reinvest in it. Additionally, the bill will simplify certain sections of the Tax Code that are now so complicated they are virtually useless to small business.

Small business deserves a far better fate than a complicated, counterproductive tax system that discourages entre-

preneurs from reaching their full potential. President Reagan rightly identified these people as American heroes, and we will do well to help them succeed.

Small business employs 54 percent of our present work force and creates 85 percent of all new jobs in the economy. Small business generates 45 percent of our gross national produce (GNP) and produces over 50 percent of all new inventions, innovations, and patents. The rate of innovation per dollar of investment is up to 24 times greater in small companies than in large ones, a fact that is extremely important in this time of need for greater productivity.

The social and economic importance of the small business community has become increasingly clear in recent years. And there is a growing awareness among small business people of their collective strength. A dramatic demonstration of that recognition came in the White House Conference on Small Business, from which many aspects of this legislation were drawn. In my own State of Minnesota, many of the WHCSB participants continue to meet and explore ways to keep their agenda in the forefront of the minds of the people and Congress. This pattern is being repeated in States throughout the Nation.

Throughout this process we have learned all too well of the barriers that the Federal Government has built in the way of business people. We have found the cost of regulation to be 7-to-10 times greater proportionately for small business. Congress started to address the overregulation problem last year with the passage of the Regulatory Reform Act, the paperwork reduction legislation, and the equal access to justice bill. I intend to see these bills implemented effectively and vigorously from my position on the Governmental Affairs Committee.

The regulatory burden is very real and deserves proper redress, but it is not nearly as significant as the tremendous restraints imposed by our tax system. The overwhelming need to unleash the most vital, creative element of our economic structure is the reason behind this legislation. We must restore a tax system that allows small business to grow and innovate. I am not talking about favoring one segment of the economy over another. I am talking about restoring equality and fairness.

The class life asset depreciation range method of recovering capital is just one example of the present inequity in our tax system. This method, which is generally known as ADR, is a tremendous benefit to those companies that can take advantage of its complex rules. IRS figures show 94 percent of the biggest companies use ADR while only one-half of 1 percent of companies with less than $5 million in assets use it. As a result large companies deduct depreciation at almost twice the rate as smaller businesses.

The corporate income tax rate is generally punitive, and especially so at the lowest end of the spectrum where a larger number of small businesses are clustered. The White House conference report indicates that more graduation in the tax brackets is the single measure that would most help all small corporations.

For some reason we have constructed an estate tax system that creates untold hardship and devours countless hours of planning that could be used much more productively in expanding or maintaining a business. This estate tax burden provides relatively little revenue while also preventing both the small entrepreneur and the family farmer from passing their legacy on to their heirs.

Inflation caused by continued Government overspending has created illusory profits for firms utilizing "first in, first out" (FIFO) inventory accounting. Though basically forced by Government-fed inflation, the current tax system makes such a conversion very complicated and costly for smaller enterprises.

All of these inequalities and more mandate a need for the provisions of the Small Business Capital Formation Act of 1981, which contains reforms in five broad areas. The bill deals with capital formation, capital retention, estate tax reform, employee stock options, and inventory accounting for small business. I would like to outline some of the more important aspects of concern in each area.

The ability to attract capital is essential for small businesses to survive and expand, but the present tax system largely fails to provide adequate avenues for small business to accumulate the needed funds. This legislation reduces the capital gains tax for individuals and corporations for investments in small business. The maximum would be decreased from 28 to 21 percent. History has shown that a rollback of the capital gains tax rate will produce greater investment. This provision should substantially boost investment in small business.

Another major proposal for capital formation allows capital gains "rollover" if the proceeds from the sale of one small business are reinvested in another qualifying small business within 18 months. This is a tremendous inducement for investors and individuals to keep their money invested in the small business arena. It encourages the best entrepreneurs to stay in the small business field by providing a place to invest their gains if they have been successful and decide to sell for some reason.

An investment tax credit for investment in new stock issues of small businesses with less than $25 million in net worth should permit a much broader range of investors to become involved in small business financing. This provision would allow a 10-percent tax credit—up to $1,000 per person—for such an investment.

Other capital formation aids in the bill include an increase in the permissible maximum number of shareholders in a subchapter S corporation, authorization of a new financing instrument called the "Small Business Participating Debenture," which is a hybrid security combining both equity and debt, and creation of a broker-dealer reserve that provides certain tax incentives for brokers dealing in small business securities.

The numerous barriers to small businesses in obtaining outside sources of capital make it imperative that these firms be allowed to retain as much of their earnings as possible. In the area of capital retention this legislation makes a number of major changes including the following reductions and bracket changes in the corporate income tax rate.

Present

Taxable income:	Tax rate (percent)
$0 to $25,000	17
$25,000 to $50,000	20
$50,000 to $75,000	30
$75,000 to $100,000	40
Over $100,000	46

Proposal new

Taxable income:	Tax rate (percent)
$0 to $25,000	15
$25,000 to $50,000	17
$50,000 to $75,000	25
$75,000 to $100,000	30
$100,000 to $150,000	35
$150,000 to $200,000	40
Over $200,000	44

Additionally, this bill would provide for accelerated and simplified depreciation tax treatment for more realistic capital cost recovery. This bill proposes utilizing the Capital Cost Recovery Act's "5–3" classifications which cover equipment and vehicles respectively. This is important to all business people but essential to small enterprises that find the ADR system too complicated and costly to use.

The bill would allow accumulated earnings to increase from $150,000 to $300,000 before imposition of the accumulated earnings tax. The used property investment tax credit ceiling would be raised to $250,000 from the present $100,000 level.

A variety of changes in estate tax law are set forth in this bill. The entire issue deserves rethinking and an overhaul. This bill starts us along that path. It increases the estate tax exemption from $175,000 to $600,000, provides an unlimited gift and estate tax marital deduction and allows a $6,000 per year donee gift tax exclusion instead of the present $3,000. In addition, changes are made in payment of estate taxes and the valuation of gifts within 3 years of the decedent's death.

The legislation also proposes several changes in special use valuation rules for farmland and closely held businesses. It broadens the participation criteria for the "material participation" test, expands the special use valuation rules in several cases, and reduces from 15 to 10 years the period for recapture if qualified property is converted to a nonqualified use. Other improvements are made in the recapture rule also.

All of these are necessary, equitable changes that rightly allow a small business or family farm to be passed from one generation to the next without a crippling estate tax burden. The current system drains countless hours and costs the owners of small enterprises thousands of dollars for a marginal return to the Treasury.

Under this legislation employee stock options would again be a viable form of compensation. Employees would be free to exercise stock options without tax consequences as opposed to the current situation in which employees must pay ordinary income tax on the difference between the option and market prices of the stock. This change will give small businesses an excellent tool for attracting and keeping good management, a key to the future prosperity of the small business community.

The final section of this legislation deals with the effects of inflation on the various methods of accounting used by small business. Inflation creates illusory profits for firms using FIFO accounting, which means unfairly high taxable income and tax liabilities. Presently, conversion to LIFO method of accounting is costly and complicated and thus not reasonably available to many small businesses. The Small Business Capital Formation Act of 1981 acts in three ways to lower the barriers in the present law.

First, cash accounting—immediate expensing—would be allowed for businesses under $1 million in annual sales.

Second, the tax penalty for converting to LIFO would be payable over a 10-year period.

Finally, the bill would postpone until after December 31, 1980, the IRS ruling requiring taxpayers to take back into income the value of erroneously written down inventories to give small business more time to comply.

The need for this legislation is overwhelming. It will restore appropriate and fair incentives to the most dynamic sector of our economy. The small entrepreneur creates most of our new jobs, most of our innovations, and produces a huge segment of our GNP. This is not new aid or another Government bailout program. The Omnibus Small Business Capital Formation Act of 1981 gives back the freedom to achieve, grow, and prosper that is absolutely necessary if our economy is to reach its full potential.●

● Mr. NUNN. Mr. President, as ranking Democratic member of the Senate Small Business Committee, I am introducing, together with the chairman (Mr. WEICKER), members of the Small Business and Finance Committees, and others of my colleagues a comprehensive "Omnibus Small Business Capital Formation Act of 1981" as a lifeline for the creation, growth, and survival of small business in the turbulent 1980's.

THOROUGH OVERHAUL OF SMALL BUSINESS TAX PROVISIONS WILL BENEFIT THE ECONOMY

As a long-time committee member, I have witnessed at close range, the tremendous benefits that have flowed to our economy and society from the $2 billion of small business tax relief enacted since 1975. For example, in the 5 subsequent years (1976–80), a total of 12½ million jobs were created by small businesses. During that same period, the number of enterprises has grown by more than 1 million, to a total of over 15 million, of which approximately 97 percent are classified as "small business."

Despite this progress, however, the Nation and its business community confronts a tough new era—inflation has eaten into the capital of both producers and customers; vital fuels and materials, which were formerly abundant, are now costly, and/or scarce; pressing national needs in such areas as defense, transportation and retirement security exert powerful claims on the resources that are available, and competition from abroad is becoming more intense, not only for world markets, but for our own domestic market.

Although small businesses individually are most vulnerable to these difficulties, the small business community as a whole is our secret weapon for coping with these problems. This community contains people of vision, ability, and ingenuity who create and sustain enterprises which are dedicated to solving many of our worst problems. If they succeed, our Nation will succeed.

The framework within which these entrepreneurs operate—the private enterprise profit system—is the greatest engine for material progress that the world has ever seen. However, that engine is now throttled down by a number of basic elements of our tax system—most notably the rate structure, depreciation, inventory accounting, and estate tax limitations—that evolved during quieter less-demanding times, and are now obsolete.

In my opinion, we must have a thorough overhaul of the Tax Code to gear our system to revived productivity, maximum efficiency, and a fresh burst of enterprise for the decade ahead.

If Government can relieve the special and acute problems of new, family-owned, small and independent businesses, we will have gone a long way toward realizing those goals. Small business is disproportionately hurt by these structures of the Tax Code, and because it is such a large and significant part of economic activity, resolving these problems will add great strength and dynamism to the economy.

MAJOR FEATURES OF THE BILL

The "omnibus" bill we are proposing today recommends fundamental structural improvements in the tax laws and regulations governing the raising of capital for the creation, expansion, profitability, and continuity of independent enterprises.

We know that the smaller the business, the less likely it will be able to attract capital. Because of this, retained earnings are the primary source of funds for small business expansion.

The rate of corporate tax determines what will be retained at the end of the year. These "retained earnings" are the largest source of capital for small business. Therefore, the bill would improve the progressivity of the corporate rates up to $200,000 of taxable income. It would cut the bottom bracket from 17 percent to 15 percent—up to $25,000. The next bracket—$25,000 to $50,000—would be reduced from the present 20 percent to 17 percent. Income from $100,000 to $150,000 would be taxed at 35 percent—instead of the current 46 percent—while the tax on income from $150,000 to $200,000 would drop to 40 percent—also from 46 percent. The top bracket would also fall from 46 percent to 44 percent. In short, an equitable tax system should allow smaller firms to retain more of what their efforts have earned in the marketplace, because it is unlikely that they can find capital elsewhere. By doubling—from $100,000 to $200,000—the level beneath which the lower rates would apply, our bill takes a major step in this direction.

In the complex depreciation area, we propose a sweeping simplification by cutting the number of classifications of machinery and equipment from about 130 to 2. This change alone will eliminate the need for about 100 pages of tax regulations. Most equipment could then be depreciated over a period of 5 years, compared to an average of over 10 years under present rules. Motor vehicles could be written off over 3 years.

In addition, investment credit benefits would be increased to 10 percent for the 5-year bracket and 6 percent for the 3-year bracket, a major capital recovery advantage compared to 6⅔ and 3⅓ percent under present law.

The area of inventory accounting, which is even more complicated, was explored in committee hearings last year. As a result we are advancing several proposals designed to simplify the present tangle of rules which are incomprehensible to all but the most highly trained experts. Our studies show that currently, only 3 percent of the business population is able to utilize the "last-in/first-out" accounting (LIFO) allows for adjustment for rising costs. With inflation running at about 10 percent a year, the unavoidability of LIFO accounting is a major drag on small business and the economy.

Our proposals in this area include:

Cash accounting: Permitting firms with less than $1 million in sales to take an immediate deduction for the current value of their inventory so they would not be required to account for it in future years.

Mitigation of the present tax penalty associated with electing LIFO accounting, by allowing the tax due to be spread over 10 years rather than being payable in a lump sum the first year; and

A postponement of the requirements of the Thor Power case for 2 years, so small businesses least likely to be informed of these requirements, will have until 1981 to comply.

The bill also proposes to extend the estate tax reforms initiated by the committee which were enacted in 1976 and 1978. That legislation raised the Federal estate tax exemption from $60,000 to $425,000 for spouses and $175,625 for children and other heirs. But inflation is again making those limitations out of date.

In my view, estate tax laws were conceived to prevent huge aggregations of wealth that could have adverse effects on society. But, the estate tax law of today increasingly imperils the transfer of family businesses from one generation to another. We just do not believe that the estate tax should apply to the average estate of a farmer or small business owner.

Accordingly, the proposals in this bill are to adjust the Federal exemption upward for inflation to $600,000; to make

all transfers between husband and wife free of federal estate or gift taxes; to increase the annual gift tax exemption from $3,000 to $6,000 for each child—or other recipient—and to make several additional technical improvements in this law.

STRENGTHENING CAPITAL FORMATION

We also advance a series of proposals which are designed to strengthen the processes of capital formation and retention at their most critical points. These include:

Providing a 10-percent credit—up to $1,000—for investing in the equity—ownership—securities of a small business;

Creating a new security called a "Small Business Participating Debenture" to permit a bonus for making capital available in return for the debt securities of a small business;

Reducing the maximum rate of capital gains taxes on funds invested in small businesses from the present 28 to 21 percent;

Permitting a "rollover" of the proceeds of a sale of a small firm if they are reinvested in another small business within 18 months;

Substantially increasing the investment credit for the purchase of used machinery;

Increasing the permitted number of shareholders in a subchapter S corporation from 15 to 100. These corporations give a favorable treatment to the losses that are probable in the early years of a business start-up, and thus attract capital at this critical stage;

Furnishing a marginal incentive for securities brokers to support the trading in securities of smaller and lesser known businesses;

Reviving the stock option as a tool for a cash-poor small firm to attract talented management, by permitting payment of the tax on any gain to be paid when the stock is sold rather than when it is purchased.

SCOPE OF THE BILL

Our intention with these proposals is to include the major promising recommendation of small business organizations and of the White House Conference on Small Business. For example, the above list includes 5 of the top 10 recommendations of the conference, which dealt with capital formation.

We have viewed our role as being responsible for the presentation of small business tax proposals to the Congress so they can be considered as a part of the deliberations on tax policy which will certainly take place this year.

The administration has indicated that it considers tax reduction to be the centerpiece of its economic package. We want the tax-writing committees, the Finance Committee in the Senate and the Ways and Means Committee in the House, to have these recommendations before them in a form they can act upon when they take up that package.

Those committees will then have the tasks of screening, evaluating, costing and refining our proposals. We are the advocates and they will make the final decisions.

We have not addressed in this bill the broader questions of individual tax reductions or the relationship of tax cuts to other fiscal and monetary policies.

However, this bill will make the small business communities' proposals available to the committees at the right time then, we intend to follow through by bringing to the attention of these committees the persuasive arguments in favor of this small-business tax agenda.

SMALL BUSINESS IS THE HEART AND SOUL OF THE ECONOMY

Small and independent enterprise is a vitally important part of the American economy. "Small Business," as defined by the Small Business Administration, accounts for—

More than 90 percent of all new jobs;

Half of the existing employment;

More than 40 percent of the gross national product;

Half of all major industrial innovations;

An influence for human scale, personal service, and high quality in our neighborhoods, communities, and national life; and

A door of opportunity, open to all who dream the "American Dream" of business ownership.

LEADERSHIP OF THE SMALL BUSINESS COMMITTEE IN THE TAX FIELD

In the area of taxes, the Small Business Committee over the last several years has been the spearhead of reviewing and reforming the tax laws to take account of the special problems of the small business community. Our hearings and proposals since 1975 have resulted in many breakthroughs for small business, including:

An increase of the corporate surtax from $25,000 to $100,000, making all rates below $100,000 more progressive than they have ever been. This is saving small businesses over $2 billion per year, and individual companies between 23 percent and 47 percent of what they previously paid in federal corporate taxes;

An increase of the investment tax credit from 7 percent to 10 percent, and nearly tripling it for many small firms by increasing the eligibility of used machinery for that credit from $50,000 to $100,000;

Reforming the federal estate tax in 1976 for the first time in 35 years by tripling the exemption given tax from $60,000 to $175,000; broadening the marital deduction, so a total of $425,000 can pass to a surviving spouse free of federal tax; and providing 15 years for payment of taxes due on a farm or small business; and

Reducing the tax rates on capital gains from a maximum of 49 percent to a maximum of 28 percent, which stemmed from our 3 years of hearings on capital formation. During the 12 months after that change, nearly a half-billion in fresh venture capital was mobilized to finance small business.

SUMMARY

Mr. President, we on the Small Business Committee will do all we can to continue these initiatives and advocacy in favor of major tax changes for small business. The introduction of today's bill is the first step of this 97th Congress. We will continue to do everything possible to gain serious consideration and adoption of as many of the provisions of this bill as possible—so that small business will emerge with a fair share of the tax reductions that are ultimately enacted. If this can be accomplished, our entire economy and all of our citizens will benefit.

This bill has been intentionally targeted to needs of small businesses. It is silent, however, on the large issue of personal tax cuts, and the coordination of those cuts with a meaningful reduction in Federal spending. Since the passage of the Nunn-Chiles-Bellmon amendment in 1978 by the Senate, I have strongly endorsed the principle that tax reductions must be met with corresponding budget cuts. I will continue to work for this principle in the 97th Congress.●

● Mr. GLENN. Mr. President, it is with great pleasure that I rise to join my colleagues in sponsoring S. 360, the Omnibus Small Business Capital Formation Act of 1981. The bill's purpose is clear, simple, and straightforward—namely, to change our country's tax laws in a way that will permit smaller businesses to retain and attract badly needed capital. More specifically, S. 360 would, among other things, lower capital gains taxes, graduate and reduce corporate tax rates, accelerate and simplify depreciation schedules, reduce gift and estate taxes, and liberalize certain provisions contained in subchapter S of the Internal Revenue Code.

It is difficult to overstate the importance of the goal this bill seeks to achieve. Quite simply, the fact is this: Unless we in the 97th Congress are willing to open the capital lifeline to smaller firms, many of them will perish. That would be a tragedy this Nation could ill afford, especially when it is recognized that small business has long been the mainspring of the American economy.

Lest that statement be thought exaggerative, let me cite a few statistics. Small business accounts for 43 percent of the gross national product, 53 percent of all business receipts, 55 percent of all private sector jobs, and more than 50 percent of all industrial inventions and innovations. That last figure is particularly significant. Since economists estimate that up to half of America's economic growth is based on innovation, smaller firms are responsible for up to 25 percent of our economic growth. Perhaps even more stunning is small businesses' record with respect to job creation. The Massachusetts Institute of Technology has found that between 1960 and 1976, 97 percent of all new jobs were created by small enterprises and that 52 percent of those jobs were generated by independent firms with 20 or fewer employees. In short, Mr. President, it is high time we recognized that the economic role played by America's 14 million smaller businesses is every bit as important as that of big business or organized labor.

Just over a year ago, the White House Conference on Small Business was held in Washington. That Conference, attended by almost 2,000 small business people from every State in the Union, concluded its work by producing a list of 15 major recommendations for legislative and administrative action on serious problems facing smaller firms. It

should surprise no one in this Chamber that lack of capital emerged as the No. 1 issue on the list; in fact, of the top 15 recommendations, 5 were capital formation proposals.

In the 12 months that have elapsed since the White House Conference, Congress has managed only modest progress. In response to the Conference's call for regulatory reform, for example, the Regulatory Flexibility Act and the Paperwork Reduction Act of 1980 were signed into law late last year. Other bills, such as those providing equal access to justice and enhancing the SBA's Office of Advocacy, also were enacted before the change of administrations. Commendable as these actions are, they are hardly sufficient. In the area of regulation, for example, the two measures I cited are a far cry from the truly comprehensive regulatory reform advocated by the Conference. As a coauthor of the original "Sunset" legislation, let me say that I hope the 97th Congress will be more willing than its predecessors to tackle the regulatory issue in a truly meaningful fashion.

More to the point, Mr. President, our efforts to date in the crucial areas of capital formation and tax reform have been woefully inadequate. Although many of the provisions of S. 360 were also contained in a bill (H.R. 5829) approved by the Senate Finance Committee late last year, that measure was not considered by the full Senate prior to adjournment.

Meanwhile, economic conditions—including spiralling inflation and soaring interest rates—have steadily exacerbated the capital plight of smaller businesses. This has proven especially true for the almost half million minority-owned enterprises in this Nation which suffer from a chronic shortage of investment capital even in the best of times. For these reasons, it is vital that Congress provide effective relief as soon as possible.

In that connection, let me be clear about where I stand on the legislation my colleagues and I introduce today. I endorse S. 360 because of my wholehearted support for the key concepts contained within it—concepts like reduced capital gains taxes, accelerated and simplified depreciation schedules and estate tax reform. That does not mean, however, that I am unalterably wedded to every provision now contained in the bill.

Indeed, I reserve the right to amend, modify, or delete certain provisions in the bill as circumstances require. I am concerned, for example, that even though a complete cost estimate for S. 360 is not yet available, the revenue loss from this measure is likely to be quite high. Given the necessity of working toward a balanced Federal budget, I believe that we must carefully examine the budgetary implications of any and all future legislation. As cost estimates for this bill become available, it may be that some of its provisions cannot be approved immediately—or that others are too expensive to be sustained in their entirety.

Similarly, Congress may ultimately decide that another depreciation schedule—whether it be the "10-5-3" proposal which I cosponsored or an alternative formulation such as "2-4-7-10"—is better suited to business needs than the "5-3" proposal contained in this bill. It is even conceivable that Congress could pass a tax measure so far reaching and radical in nature that passage of additional tax cuts would be fiscally irresponsible.

But these considerations aside, I believe that S. 360 represents a good faith effort to deal with the most pressing issue facing smaller enterprises today. It constitutes a recognition of the special role played by small business in our economy—and it proffers concrete proposals that address the equally special needs of these firms. Because the bill is consistent with the recommendations of the White House Conference—and because it serves to focus the attention of Congress on small business—I am proud to cosponsor S. 360. Clearly, Mr. President, the tendency to overlook the needs of small business must cease—not simply as a matter of economic justice—but because it is vital to the very survival of our free enterprise system. I urge my colleagues to give this bill the careful attention it deserves.●

Mr. HAYAKAWA. Mr. President, because the problem of capital formation and retention is one of the major problems confronting small businesses in our country, the Senate Select Committee on Small Business began public hearings in February 1978, and continued them after the White House Conference on Small Business, which took place in January 1980.

The committee actively pursued its efforts to improve the situation in the form of statements to the Senate, recommendations to the President, and nearly 40 days of public hearings. Private organizations and public agencies joined in this effort and, as a result, several bills were developed some of which were enacted, including a reduction of the maximum tax on capital gains from 49 to 28 percent. Expert witnesses from the financial and small business communities testified that first, small businesses need assistance and relief from Government policies and regulations and second, capital formation is the prime area of need.

I am pleased to be an original cosponsor of the Omnibus Small Business Capital Formation Act of 1981, which is being introduced in the Senate today, because I believe it is a thoughtful approach to at least some of the solutions we must find if we are committed to keeping small businesses alive and well.

This bill represents a bipartisan effort to alleviate the capital formation ills that beset small businesses. The importance of capital formation to small firms was expressed by White House Conference delegates when they submitted the top 15 priorities to the President. Of these, five had to do with capital formation.

The bill before us today is not the first attempt, of course, to improve the capital formation climate for small businesses. It has been recognized that any meaningful improvement in capital formation conditions required action on several fronts such as income and capital gains taxes, reforms, securities deregulation, and other areas. As mentioned in the committee's 31st annual report, the following legislation was achieved by the committee in the capital formation area during 1980:

Twelve bills on various corporate income tax matters were formulated by the committee, and after hearings by the Senate Finance Committee, were amalgamated into a combined bill (S. 2998). The Finance Committee approved nine of the eleven sections, as well as a depreciation provision. These were incorporated into the major bill of the year, the "Tax Reduction Act of 1980" (H.R. 5829) which did not come before the full Senate for action.

Three bills on estate tax assistance for the continuity of family farms and businesses were combined into S. 2967 but this was not considered by Finance Committee.

Four bills on the securities aspects of capital formation formulated by the Committee were united in the Small Business Securities Acts measure (S. 2990) which was joined with H.R. 7554 and enacted into law as the most comprehensive securities reforms for small business in 40 years (P.L. 96-477).

The Omnibus Small Business Capital Formation Act of 1981 falls into five broad categories: capital formation; capital retention; estate tax reforms; employee stock options; inventory accounting. I am confident the bill will receive careful scrutiny when it is considered in committee and I hope that the momentum established by the introduction of this important legislation will be maintained.

Mr. President. I respectfully request that my statement be inserted in the RECORD in appropriate sequence relating to this bill. Thank you.

Mr. PRYOR. Mr. President, today I join with several of my colleagues in introducing the Omnibus Small Business Capital Formation Act of 1981.

As inflation and interest rates continue to rise, sources of capital for the small businessman have steadily disappeared. He or she is in a severe struggle not just to expand business, but to keep the present operation's ledgers in the black.

To ease this shortage of capital, we are proposing several changes to the current tax laws which are aimed at enabling small- and medium-size businesses to retain and attract the capital necessary for their survival.

Basically, we have broken down the thrust of the bill into five main categories: First, capital formation provisions to stimulate outside investor financing; second, capital retention provisions to permit the small businesses themselves to retain a greater share of internally generated capital; third, estate tax reforms; fourth, employee stock options which could be exercised without tax consequences as there are now; and fifth, a reform of the inventory accounting system currently required of small businesses.

Although this bill bears the label "omnibus," we do not claim it offers all the answers, or perhaps not even the best ones, for helping our small businesses out of the financial plight in which they now find themselves.

However, discussion and action upon this legislation will serve to focus our attention on one of the most serious problems our Nation faces today—an economic climate which threatens the survival of the thousands of small businesses across the Nation which form the very backbone of our free enterprise system.

By Mr. JEPSEN:

S. 363. A bill to amend the Older Americans Act of 1965 to assure that the nutrition projects under that Act may include meals in a congregate setting or home delivered meals, or both, and for other purposes; to the Committee on Labor and Human Resources.

ADMINISTRATIVE CHANGES IN MEALS-ON-WHEELS PROGRAM

Mr. JEPSEN. Mr. President, I am reintroducing a bill today which would codify some administrative changes made in the Meals-on-Wheels program last year. This legislation would allow a local Meals-on-Wheels program to receive Federal funds without having to serve meals at congregate sites.

For the benefit of our new colleagues who may not be aware of this problem, I ask that an article by Mr. Michael Balzane, "Self-Help Gets a Swift Kick," be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SELF-HELP GETS A SWIFT KICK

(By Michael Balzano)

"*Resolved* . . . that in recognition of the selfless service performed, the president is hereby authorized and requested to issue a proclamation designating the week of September 16 through 22, 1979, as 'National Meals-on-Wheels Week' . . ." With these words, the Congress prepared to celebrate the 25th anniversary of a typically American phenomenon.

But only a few weeks earlier HEW's Administration on Aging (AOA) unveiled draft regulations for a new federal home-delivered meals program; if left unchanged, these regulations threaten to drive Meals-on-Wheels right off the road.

Some birthday present! By any standard, these thousands of neighborhood programs constitute the very model of what has always been valued most in this country; tens of thousands of volunteers identifying a genuine community need, amassing private resources, and meeting that need—with a minimum of bureaucratic fuss and a maximum of effective service.

Every day for 25 years now, and often twice a day, these local, private, non-profit programs deliver hot meals (and often essential ties with the outside world) to the home bound. Most of them are old—but they need not be 60 years of age or older. Many pay some or all of the cost of the meals; others pay none. Local churches and charities make up the deficit. The programs are tailored to virtually individual situations—and apparently they work.

In 1972, responding to no less worthy a need but quite a different one, Congress amended Title VII of the Older Americans Act to authorize a so-called congregate nutrition program. These programs serve a hot meal to senior citizens (60 and over) five days a week in a group—congregate—setting. There is no means test or charge for the meals, voluntary contributions are accepted. Last year these congregate centers served some 500,000 meals a day at an annual cost to the taxpayers of more than $300 million.

So, for about six years now, there have been two nationwide networks providing meals to the elderly, each with a legitimate, different, and apparently complementary purpose; voluntary meals-on-wheels programs serving the homebound, and federal Title VII programs serving the physically mobile. The one was a citizens' effort, locally designed, flexible, and privately supported; the other, necessarily encumbered by federal regulation ranging from the nutritional content of the meals to equal opportunity requirements for the hired staff. The one represented no appreciable drain on the U.S. Treasury, the other a considerable one.

In 1978, Congress began debating the creation of a national, federally funded, home-delivered meals program. It was principally concerned with the nutrition needs of the homebound elderly and saw in meals-on-wheels a logical vehicle for getting the job done.

The legislation was supported by both the National Association of Title VII Project Directors, representing existing federal grantees, and by the National Association of Meals Programs (NAMP), representing a number of meals-on-wheels programs. But the two groups disagreed on how the funds should be channeled. The Title VII directors argued that their network of congregate centers should operate the federal meals-on-wheels services—with the private programs participating only under the authority of Title VII grantees, not as direct recipients of federal grants.

NAMP's case, in contrast, was that the local voluntary programs were already in place, had a proven track record, needed money to meet a growing demand with which charitable contributions were not keeping pace, and ought to be eligible to receive federal grants. They should remain reasonably autonomous, free of burdensome federal regulations, and serve as conduits—draining off almost nothing in overhead—for federal aid to those who need it. What NAMP had in mind was a partnership, not absorption.

Another sort of concern was expressed by local programs that did not themselves want federal funds but feared the impact of a new federal meals-on-wheels program growing out of the Title VII centers. They assumed—quite rightly as it turned out—that the two different services would operate under the same guidelines—that meals would be free and that their own "pay if and what you can" principle would not be able to withstand that competition.

As passed by Congress on October 18, 1978, the meals-on-wheels bill was incorporated into amendments to the Older Americans Act that greatly expanded social services for the elderly. Still, NAMP had solid grounds for believing that it was the intent of Congress to expand meal service to the homebound by using local voluntary meals-on-wheels programs as the main vehicle. Many members of the Senate and House authorizing committees said it was, including the chairmen, Senator Thomas Eagleton and Representative John Brademas: "In awarding funds, first consideration must be given to organizations like Meals on Wheels . . ." (Letter to The Washington Star, July 21, 1978).

Moreover, Congress provided two separate authorizations, one for the existing congregate programs and another for home-delivered meals. This was taken as a signal of congressional intent that meals-on-wheels programs would be eligible for direct grants from the area agencies and not subsumed under the authority of Title VII projects. Finally NAMP was assured by the commissioner on aging that the regulations would specifically protect the local voluntary programs from being forced out of business by Title VII competition.

On July 31, 1979, the draft regulations finally appeared in The Federal Register. The key provision states: "The area agency may only award funds for home delivered meals to a service provider that also provides congregate meals." This flatly rules out all but a handful of the voluntary meals-on-wheels programs from eligibility for direct federal grants—since, by definition, it is not their purpose to serve congregate meals. It also eliminates the possibility of funding any home-delivered meals services in areas where no congregate meal center exists.

So much for congressional intent and signals, and so much for the commissioner's assurances!

A NARROW READING

Now, assuming some rationality in the universe and honorable intentions all around, the question has to be, Why? Why these provisions in the regulations? In a July 12, 1979 letter to NAMP, the commissioner on aging justified them as mandated in the statute itself. He cited a clause that says, with respect to nutrition services: "Each project will provide meals in a congregate setting, except that each such project may provide home delivered meals . . ." Admittedly, this language is susceptible—especially if read in isolation—of the commissioner's interpretation that home-delivered meals may only be provided in addition to, rather than instead of, meals in a congregate setting. But to give it such an interpretation in the face of the legislative history is to conclude that the Congress actually accomplished the precise opposite of what it intended.

If the Congress fails to challenge AoA on its narrow translation of this ambiguous clause, some questions remain: Will the voluntary meals-on-wheels programs be utilized at all under the new law? And are there any provisions, as promised, to protect those local programs that do not want federal funds from inevitable Title VII competition? AoA says yes: "The nutrition services provider must purchase home delivered meals from an organization, where one exists that (i) Demonstrates proven ability to provide home-delivered meals effectively and at reasonable costs . . ." Officials at AoA argue that the intent of this provision is to require Title VII nutrition projects to purchase meals from the voluntary programs. Well, not quite: the wording is such that any organization, even a profit-making catering service, could qualify to provide the meals.

More important by far, reducing the relationship to the terms-and-conditions for "purchasing" meals—as the proposed regulations would—scarcely suggests the partnership that NAMP had in mind. Most of the local programs do a lot more than just provide meals. In addition to screening applicants, the volunteers help their clients establish eligibility for other kinds of assistance, arrange transportation, run errands, write letters, and deliver a host of other services. If participation in the federal program means simply delivering meals, many local groups will want no part of it.

So what future will they have? The experience of Twin Cities Area Meals-on-Wheels of Benton Harbor, Michigan, may be instructive. This four-year-old problem used to serve 40 homebound people two meals a day operating at a monthly deficit of $350 (offset by charitable contributions). The program's director said this to me in a letter dated August 9.

"Approximately three months ago we started receiving phone calls from clients saying, 'I didn't get a meal.' The people who were calling were not in our program. Upon investigation, we found that a duplicate program sponsored by Title VII was developing in this area and many of the clients didn't even know where their meals were coming from. Since that time we have found a gradual decrease in the number of clients who are requiring our services. This decrease has (reduced us) to approximately 20 meals per day and it is prohibitive for us to continue to maintain a half-time person, a telephone, an office and the various other overhead items to maintain a program that only serves 20 meals per day."

It seems clear that if the existing Meals on Wheels services choose not to participate in the new federal program—or are not chosen to participate—they probably will not make it. (The board in Benton Harbor, for one, already has decided to terminate its program.)

All of which constitutes a sorry reward for local voluntary initiative. Congress apparently did not carefully assess the impact of the legislative language. And, this failure has doubtless been compounded by an outbreak of extreme bureaucratic literalness in construing the statute and writing the regulations. Unless a way can be found to fund the voluntary effort directly, the law and the regulations are likely to have the unintended consequence of destroying the thousands of community-based programs that have been serving the homebound for so long at just about zero cost to the taxpayer.

SELF-HELP REPUDIATED

Given all the congressional accolades and assurances, why did the private Meals on Wheels programs fare so poorly? One reason surely is that NAMP, an all-volunteer organization, backs the funds and lobbying skills to do battle with the federal legislative/regulatory process, whereas the Title VII organization is amply supplied with both.

A more interesting question is how did another new federal program pass the seemingly suspicious eye of a budget-conscious Congress? The answer is that, during the more visible period of the bill's congressional hearings, the motherhood-and-apple-pie Meals on Wheels vehicle was driven through a Proposition 13 Congress without a roadblock. Then when the bill reached the conference committee, all references to Meals on Wheels were removed. Congressional staff aides working closely with AoA bureaucrats helped to fashion the language that would enable AoA to interpret the law precisely as it did. The members of Congress were simply caught off guard. So the result is that the government ends up repudiating the philosophy of self-help and citizen responsibility!

What is at issue in all this is the nature and purpose of government, and of the federal establishment in particular. It is fair to assume that most Americans continue to believe that the central government's principal responsibility is to undertake great enterprises—to put people on the moon, to protect the nation from its enemies, to establish broad standards of public policy—and that, otherwise, it should do only that which individuals and voluntary groups, localities and states, cannot do as well for themselves.

On this assumption, it would seem that policy-makers have an obligation to fashion an approach for getting meals to the homebound that finds room for worthy national purposes, effective local enterprise, and a productive partnership between them. Surely this falls within the range of human ingenuity.

Mr. JEPSEN. Mr. President, while it is true that the situation described in Mr. Balzano's article has been corrected by the Administration on Aging, there is no guarantee that a future administration would not reverse this position. Consequently, permanent legislation is needed to insure its future existence.

It is clear, Mr. President, that congressional intent has consistently been in favor of helping small community programs. Had the Administration on Aging's original proposal been adopted, small community operated Meals-on-Wheels programs would have been forced to radically change their program or shut down.

I am confident that the present administration will continue to support local programs, but in order to insure the future viability of these programs, I urge my colleagues to join me in making this change permanent.

By Mr. DOMENICI:

S. 364. A bill to authorize the Chief of Engineers to undertake repairs and renovations to certain water diversion structures of historical character, and/or other purposes; to the Committee on Environment and Public Works.

REPAIRS TO CERTAIN WATER DIVERSION STRUCTURES

● Mr. DOMENICI. Mr. President, I am today introducing legislation that was approved last year by the Subcommittee on Water Resources of the Senate Committee on Environment and Public Works. This legislation, however, was never reported to the Senate, as we were unable to complete action on a full water resources bill.

It is a bill designed to assist many small farm families in northern New Mexico. This legislation will assist them in upgrading their water diversion systems, which are known as acequias and are actually political subdivisions under the laws of New Mexico.

But this bill also has importance for purposes of historical preservation. Many of these acequias date back to the 18th century and were significant in the development of the West. They should be preserved for historical reasons and should be preserved and upgraded in the interest of the many families who depend upon them as a livelihood.

This bill makes two changes in existing law. First, it establishes a new system for assisting acequia districts. This portion of the bill authorizes an expenditure of $40 million—to be matched by $10 million that would be provided by the State of New Mexico—to assist in the improvements to these acequia systems.

Second, section 4 goes well beyond the needs of New Mexico. It expands the present law authorizing emergency work by the corps, allowing the corps to rehabilitate water diversion structures, as well as the other types of structures now permitted by law. In 1946, the Congress authorized the Army Corps of Engineers to undertake emergency bank repair work. Seven years ago, in 1974, the Congress expanded this emergency bank repair program of the corps, increasing the annual program to $10 million a year, and raising the individual project limitation to $250,000. Section 4 raises those limits to $15 million yearly, and $350,000 per project. In addition, this amendment adds "water diversion structures" to the "churches, hospitals, schools, and other nonprofit public services" that were included in this program as a result of the 1974 amendments.

These changes are needed because of the flood damage that occurs to small dams and irrigation systems. This will allow the corps to go forward and to rebuild such structures in modern condition, not just rebuilding them as they had been. Such a change would make this emergency repair program far more effective.

Mr. President, I ask unanimous consent that a copy of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 364

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that the irrigation ditch system in New Mexico, known as the acequias, dates from the eighteenth century, and that these early engineering works have significance in the settlement and development of the western portion of the United States.

(b) The Congress, therefore, declares that the restoration and preservation of the acequias has cultural and historic value, as well as economic value to the region.

SEC. 2. The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to undertake, without regard to economic analysis, such measures as are necessary to protect and restore the river diversion structures and associated canals attendant to the operations of the community ditch and acequia associations in New Mexico that are declared to be political subdivisions of the State of New Mexico: *Provided,* That the State of New Mexico shall pay 20 per centum of the cost of any work undertaken under this section: *And provided further,* That not more than $1,000,000 shall be expended for the preservation and protection of any existing diversion structures or associated canal without the submission to the Congress of a report by the Secretary of the Army, acting through the Chief of Engineers, and its approval by a resolution adopted by the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.

SEC. 3. For the fiscal year ending September 30, 1982, and thereafter, the sum of $40,000,000 is authorized to be appropriated for the purposes of section 2 of this Act, to remain available until expended.

SEC. 4. Section 14 of the Act approved July 24, 1946 (60 Stat. 653), as amended, is further amended by striking out "$10,000,000" and inserting in lieu thereof "$15,000,000", by inserting after the words "other nonprofit public services," the words "water diversion structures,", and by striking out "$250,000" and inserting in lieu thereof "$350,000".●

By Mr. SCHMITT:

S. 382. A bill to amend title 5, United States Code, to improve procedures for the promulgation of agency rules; to the Committee on Governmental Affairs.

REGULATORY REDUCTION AND CONGRESSIONAL CONTROL ACT

● Mr. SCHMITT. Mr. President, I am today introducing the Regulatory Reduction and Congressional Control Act, which I previously introduced in the last Congress.

This bill would establish a 60-day period in which there would be an opportunity for congressional disapproval of proposed agency rules. The bill, however, carefully avoids imposing the excessive burden of mandating the review of all rules. It simply opens up the rulemaking process to appropriate, but limited participation by the elected representatives of the people. Regulatory law-making as exercised by the executive branch must become more responsive to the Congress,

particularly when its costs have grown to be so great.

Inflation has finally become recognized as our Nation's number one problem, and the significant contribution that Federal regulation has made to inflation has become well known. Regulation is the fastest growing contributor to inflation. The landmark study of Prof. Murray Weidenbaum of the Center for the Study of American Business at Washington University in St. Louis demonstrates that regulatory costs imposed by the Federal Government on the private sector alone amounted to approximately $103 billion for fiscal year 1979. This figure is approximately equal to one-fifth of the Federal budget but is not subject to any systematic procedure of congressional scrutiny.

It is interesting to note in this regard that 34 States have taken steps to improve the legislative oversight of rulemaking on the State level. The laboratory of State experience has provided the Congress with an opportunity to select from among many alternative procedures for legislative review of regulations. State legislators have testified that where such procedures are available, the quality of legislative oversight has significantly improved. Simply the existence of the authority to disapprove proposed rules also seems to have resulted in a more responsive executive branch. This is true even in those States where the legislatures have seldom if ever used their authority to disapprove a proposed or existing regulation. The States are far ahead of Congress in this regard, and it is high time for the Congress to assume its responsibility for the quality and quantity of regulatory law.

Growing public awareness and concern about regulation demands that the Congress examine this problem in detail and pass legislation establishing an orderly and certain process for congressional oversight of the rulemaking process. The bill I am introducing today is designed to accomplish this purpose.

MAJOR PROVISIONS

The major provisions of the bill as reintroduced today are as follows:

First, Federal departments and agencies will be required to make a preliminary economic review of all proposed rules in order to develop a preliminary estimate of any costs these rules may impose on the private and public sectors of our economy.

Second, at the time of final publication, the proposed rule would be transmitted to each House of Congress for referral to the appropriate standing committee. Whether the committee evaluates the rule or not is entirely discretionary. It is important to note that the bill does not require any congressional action whatsoever.

The bill simply provides that proposed regulations will be made available to the Congress before going into effect. All regulations will go into effect automatically after 60 calendar days of continuous session unless one House of Congress has adopted a resolution of disapproval, in which case the rule will not go into effect for an additional 30 days to give the other House an opportunity to act on the resolution. Whether a proposed rule should be evaluated or made the subject of a hearing is a matter for the committee to determine. It need not do anything.

Third, on those occasions when the committee determines that a proposed rule is inconsistent with law or congressional intent, or that a proposed rule represents an excessively costly approach to the problem being addressed, a resolution of disapproval may be reported. In addition, a Member may introduce a resolution to disapprove a proposed rule which would be referred to committee. Should committee fail to take any action on a resolution of disapproval after 45 calendar days of continuous session from the date of its introduction, a motion may be made to discharge the committee from further consideration of a resolution if supported by one-fifth of the Members of the House in which it was introduced. In such a case, the resolution of disapproval would be become privileged business on the floor of either House.

If a resolution of disapproval is passed by one House, it will be sent to the other House of Congress, where, if no further action is taken within 30 days, the proposed rule will be disapproved. However, the other House retains the right to reject the resolution of disapproval, in which case the rule will go into effect. This procedure, unlike the strict one House veto, allows both Houses of the Congress to be involved in any action on a proposed rule.

Fourth, should a rule be disapproved, the department or agency will be encouraged to take a different approach to the problem being addressed and to promulgate another proposal for public comment and congressional review. This procedure is not designed to unnecessarily interfere with the regulatory process, but to insure that regulatory law follows legislative intent and the will of the people.

Fifth, existing rules will also be subject to congressional review. These rules will be subject to a resolution of reconsideration under procedures which are similar to those used for proposed rules. Passage of such a resolution will require, within 180 days, the reformulation of the rule according to the procedures outlined above.

NEED FOR LEGISLATION

This legislation will provide Congress with a valuable tool for assuring that executive branch rules are a true expression of congressional intent.

Let me review for a few moments the reason that this legislation is required. Recent years have witnessed an unprecedented eruption of regulations and regulatory bureaucracies which impact on almost every facet of the lives of the citizenry.

The American citizen, the small businessman, and Government itself are staggering under an increasingly heavy load of regulations. People have a general perception that the regulatory bureaucracy is out of control. There is a mandate to the Congress to do something about reestablishing control of the regulatory process and to reform existing regulations.

The size of this massive burden can be appreciated by recognizing that at the Federal level there are 44 independent regulatory agencies plus 1,240 boards, commissions, et cetera. These organizations employ over 100,000 individuals responsible for controlling the lives of our citizens. The cost to the taxpayers to finance these Federal bureaucracies is equally large, growing from just over $2 billion in 1974 to an estimated $3,500,000,000 in 1977. The total cost to the economy has been estimated to be as much as $200 billion annually when costs to both the public and private sectors are considered.

There is little question that in recent decades Congress has increasingly given up much control over the "making of law" to the regulatory agencies. This loss of constitutional congressional authority has occurred through the passage of legislation that calls for the "promulgation" of rules and regulations that supposedly will cure some social ill. Subsequent congressional oversight over the rules and regulations so "promulgated" has been inconsistent. While there have been a few examples of good congressional oversight, most has been lost in the press of other duties. Thus, the constitutional concept of the separation of powers between the legislative and executive branches of Government has been seriously blurred and compromised.

Mr. President, the concept of returning to the elected representatives of the people the control over governmental decisionmaking has become a familiar one in recent years. Several years ago the Congress passed the Congressional Budget and Impoundment Control Act to reassert its control over the Federal budget process. The legislation which I am introducing today would likewise employ a set of procedures to reestablish congressional control in the area of regulatory rulemaking by executive branch agencies.

It has been contended that with an administration in power that is committed to less regulation, the Congress has little need for increased control over the regulatory apparatus. This is a relatively shortsighted view that overlooks the fundamental conflict between the bureaucracy and the legislative branch concerning the exercise of regulatory authority. The crucial question facing the Congress is which branch of Government will retain ultimate control over the use of authority granted to the Congress by the Constitution; and subsequently, delegated by the Congress to an assortment of Federal agencies and departments. The regulatory policies of this administration or any other have little bearing on this underlying and fundamental question. The legislation I am introducing, however, answers this question emphatically that it is the Congress that will be responsible for the exercise of delegated lawmaking authority.

A further important point addressed by this bill is that while the public may be spared 4 or more years of activist regulatory policies under the current administration, there is no guarantee that a future administration will not once again seize on its regulatory authority as a means of imposing nonlegislated policies on the American public. The existence of a congressional veto procedure would insure that this usurpation of congressional authority cannot ever again occur.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 382

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Regulatory Reduction and Congressional Control Act of 1981".

(b) It is the finding of the Congress that the steady usurpation of quasi-judicial and legislative powers by Federal departments and agencies represents a clear and dangerous challenge to the constitutional provisions establishing the separation of powers among the three equal branches of the Federal Government. In making this finding, the Congress has determined that—

(1) there is an urgent requirement for a legislatively approved uniform procedure to oversee the rulemaking activities of the executive branch of the Federal Government, and such a uniform procedure will preserve and protect the constitutional doctrine relating to the separation of powers among the three equal branches of the Federal Government;

(2) there is an urgent need for the legislative branch to supervise the Federal agencies in the exercise of the limited judicial and legislative powers which have been delegated by the legislative branch to the executive branch;

(3) the often arbitrary exercise of the powers granted to the executive branch has seriously eroded the confidence of the citizens of the United States in the executive branch and thereby has weakened the confidence of the citizenry in our system of Federal Government;

(4) there is a need for greater participation by the public in the decisionmaking progress which occurs during the exercise of the properly mandated regulatory powers of the executive branch, and such public participation can best be accomplished by making Federal agencies more responsive to the need of citizens for information and participation in regulation activities;

(5) the citizens of the United States are in need of protection from the often unnecessary, arbitrary, and capricious actions of Federal agencies, particularly when such actions result in significant economic burdens; and

(6) the legislative branch of the Federal Government, the branch of the Government which is closest and most responsive to the needs and will of citizens, must reassert on behalf of the people the constitutional right of the people to be secure from unreasonable and arbitrary actions of the executive branch which result from the usurpation by the executive branch of the powers granted by the people to the judicial and legislative branches of the Federal Government.

IMPROVEMENTS IN REGULATORY PROCEDURES

SEC. 2. (a) Section 551 of title 5, United States Code is amended—

(1) by amending paragraph (4) to read as follows:

"(4) 'rule' means the whole or part of an agency statement of general or particular applicability resigned to implement, interpret, or prescribe law or policy or to describe the organization, procedure, or practice requirements of an agency and includes—

"(A) the approval or prescription for the future of rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services or allowances therefor, or of valuations, costs, or accounting, or practices bearing on any of the foregoing; and

"(B) any amendment, revision, or repeal of such an agency statement.";

(2) by striking out the word "and" in paragraph (13);

(3) by striking out the period at the end of paragraph (14) and inserting a semicolon and the word "and"; and

(4) by inserting immediately after paragraph (14) the following new paragraph:

"(15) 'emergency rule' means a rule which is temporarily effective prior to the expiration of the otherwise specified periods of time for public notice and comment under this subchapter and which was duly promulgated by an agency pursuant to a finding that delay in the effective date thereof would—

"(A) seriously injure an important public interest,

"(B) substantially frustrate legislative policy and intent, or

"(C) seriously damage a person or class of persons without serving any important public interest.".

(b) Section 553(b) of such title is amended by striking out clause (B) and inserting in lieu thereof the following:

"(B) when the agency for good cause finds that public notice and comment are unnecessary due to the routine nature or matter or insignificant impact of the rule, or that an emergency rule should be promulgated.

An agency which finds that clause (A) or (B) of this subsection applies to a rule shall publish in the Federal Register with the final rule a statement of such finding and a brief description of reasons for such finding. The provisions of clauses (A) and (B) of this subsection shall not preclude an agency from—

"(i) inviting persons representing different points of view to submit comments,

"(ii) creating an advisory committee to report, or

"(iii) using such other devices to obtain suggestions,

regarding the content of proposed rules prior to notice of rule making.".

(c) Section 553 of such title is amended by redesignating subsection (e) as subsection (f), by striking out subsections (c) and (d), and by inserting immediately after subsection (b) (as amended by subsection (b) of this section) the following new subsections:

"(c) Except as provided in subsection (e) with respect to an emergency rule, and after notice required by this section, the agency shall give interested persons not less than 60 days to participate in the rule making through submission of written data, views, or arguments with or without opportunity for oral presentation. The agency may extend the 60 day period if the agency determines that such period is insufficient to permit diligent interested persons to prepare comments or that other circumstances justify an extension of such period. After consideration of the relevant matter presented, the agency shall incorporate in the rules adopted a concise general statement of their basis and purpose. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection.

"(d)(1) Unless a longer period of time is required by law or provided in the rule—

"(A) a rule may become effective immediately—

"(i) if the rule grants or recognizes an exemption to or relieves a restriction from a rule; or

"(ii) if the agency finds, under clause (A) or (B) of subsection (b) of this section, that such subsection does not apply to the rule; and

"(B) any other rule shall take effect in accordance with section 603 of this title.

"(2) Any rule adopted by an agency which is subject to section 603 of this title shall be considered a recommendation of the agency with respect to the adoption of a rule until the recommended rule becomes effective under such section.

"(e) If an agency adopts an emergency rule, the agency shall commence rule making proceedings in accordance with subsections (b) and (c) of this section, except that the period for public participation in the rule making shall be limited to 45 days, and within 15 days after the close of the period for public participation the agency shall issue a recommended final rule to take effect as provided under subsection (d). Unless earlier withdrawn by the agency, earlier disapproved by resolution of Congress pursuant to chapter 6 of this title, or earlier set aside by court action, an emergency rule shall expire on the 90th day of continuous session of Congress (calculated in accordance with section 605 of this title) after the date by which a recommended final rule is required to be promulgated under the preceding sentence.".

CONGRESSIONAL REVIEW

SEC. 3. (a) Title 5 of the United States Code is amended by inserting immediately after chapter 5 the following new chapter:

"Chapter 6—CONGRESSIONAL REVIEW OF AGENCY RULE MAKING

"Sec.
"601. Definitions.
"602. Summary statement; preliminary economic analysis.
"603. Congressional review of agency rules.
"604. Reconsideration of agency rules.
"605. Procedures for consideration of resolutions.

"§ 601. Definitions.

"For purposes of this chapter—

"(1) the term 'agency' has the same meaning as in section 551(1) of this title, and includes the functions excluded from the definition of such term under subparagraph (H) of such section;

"(2) the term 'rule' has the same meaning as in section 551(4) of this title;

"(3) the term 'emergency rule' has the same meaning as in section 551(15) of this title;

"(4) the term 'major rule' includes any rule which the agency, based upon a preliminary review of the economic impact of all proposed rules, estimates—

"(A) will result in increased costs—

"(i) for the national economy, in excess of $100,000,000 in any 1 year or in excess of $150,000,000 in any 2 year period, or

"(ii) for any economic sector, industry, or level of government, in excess of $50,000,000 in any 1 year or in excess of $75,000,000 in any 2 year period;

"(B) is likely to lessen substantially competition, limit market entry, restrain market information, or tend to create a monopoly or monopolistic market power in any line of commerce in any section of the country in any case in which commerce in the relevant market exceeds $100,000,000 per year;

"(C) will result in a direct change in total employment—

"(i) for the national economy, of two-tenths of 1 per centum in total employment, or

"(ii) for any specific industry, regional economy, level of government or category of employees, of ten thousand or more jobs;

"(D) will affect products or services having an annual wholesale or retail value in excess of one-twentieth of 1 per centum of the gross national product;

"(E) is likely to cause serious harm to the public health, safety, and welfare;

"(F) will provide a civil or criminal penalty or forfeiture in excess of $1,000 per offense or $100 per day; or

"(G) will require an inspection of the premises by an agency or representative thereof acting in an official capacity;

"(5) the term 'resolution of disapproval' means a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: 'That the disapproves the recommended final rule promulgated by dealing with the matter of , which rule was transmitted to the Congress on , the first blank being filled with the name of the resolving House, the second blank being filled with the name of the agency issuing the rule, the third blank being filled with the title of the rule and such further description as may be necessary to identify it, and the fourth blank being filled with the date of transmittal of the rule to the Congress; and

"(6) the term 'resolution for reconsideration' means a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: 'That the directs to reconsider its rule dealing with the matter of which is found at , the first blank being filled with the name of the resolving House, the second blank being filled with the name of the agency issuing the rule, the third blank being filled with the title of the rule and such further description which may be necessary to identify it, and the fourth blank being filled with the citation to the rule in the agency records.

"§ 602. Summary statement; preliminary economic analysis

"(a) With the publication of each proposed and recommended final rule, including each emergency rule and major rule, an agency shall prepare and publish—

"(1) a summary statement, written in clear English that is understandable to the lay person, of the problem requiring remedial Federal action for which the rule is being proposed or recommended; and

"(2) a preliminary economic analysis of the rule which estimates to the extent practicable, the costs imposed by the rule upon the various sectors of the economy affected.

"(b) The summary statement and preliminary economic analysis required under subsection (a) of this section shall be published—

"(1) in the case of a proposed rule, with the text of such proposed rule on the date such rule is published in the Federal Register; and

"(2) in the case of a final recommended rule (whether or not preceded by a proposed rule), with the text of the recommended final rule on the date such rule is published in the Federal Register.

"§ 603. Congressional review of agency rules

"(a) The provisions of this section do not apply to—

"(1) a rule of agency organization, practice, and procedure;

"(2) a rule relating to agency management or personnel; or

"(3) a rule granting or recognising an exception or relieving a restriction.

"(b) An agency shall transmit a copy of the complete text of each recommended final rule issued by the agency and the summary statement and the preliminary economic analysis prepared pursuant to section 602 of this title to the Secretary of the Senate and the Clerk of the House of Representatives on the day on which the recommended final rule is published in the Federal Register, and shall designate as a recommended major rule any recommended final rule which meets any of the criteria specified in section 601(4) of this title. A recommended final rule of an agency shall not become effective if within 60 days of continuous session of the Congress after the transmittal of the recommended final rule to the Congress, one House agrees to a resolution of disapproval concerning the rule and at the end of 30 additional such days after the date of transmittal of the resolution of disapproval to the other House, such other House has not adopted a resolution disapproving such resolution.

"(c)(1) Each committee of the Senate and the House of Representatives having legislative jurisdiction over the subject matter with which a recommended final rule is concerned may review any recommended final rule and the accompanying materials transmitted to the Senate and the House of Representatives under subsection (b) of this section for the purpose of determining whether—

"(A) the estimated costs of implementing the recommended final rule would exceed the benefits expected to be derived from the rule; or

"(B) the recommended final rule contains any provision which—

"(i) violates provisions of existing law;

"(ii) is in conflict with judicial decisions;

"(iii) goes beyond the mandate of the law which the rule is designed to implement;

"(iv) is redundant, overlapping, or inconsistent with provisions of another rule;

"(v) would seriously injure an important public interest; or

"(vi) is inconsistent with congressional intent.

"(2) If a committee of the Senate or the House of Representatives determines, with respect to a recommended final rule, that its estimated costs exceed its expected benefits or that it contains a provision which meets the criteria described in paragraph (1)(B) of this subsection, the committee may report a resolution of disapproval of such rule. A committee may report a resolution of disapproval of a rule based on such factors (other than the factors specified in subparagraphs (A) and (B) of paragraph (1)) as the committee finds appropriate.

"(3) This subsection does not affect the right of any Senator or Member of the House of Representatives to introduce a resolution of disapproval with respect to a rule.

"(d) If a resolution of Congress disapproves a recommended final rule which was being promulgated subject to a statutory time limit for rule making, the adoption of the resolution shall not relieve the agency of its responsibility for adopting a recommended final rule, but any statutory time limit shall apply to such renewed rule making only from the date on which the resolution was adopted.

"(e)(1) If a recommended final rule of an agency is disapproved by the Congress, the agency may issue a recommended final rule which relates to the same acts or practices as the disapproved rule. Such recommended final rule—

"(A) shall be based upon—

"(i) the rule making record of the recommended final rule disapproved by the Congress; or

"(ii) such rule making record and the record established in supplemental rule making proceedings conducted by the agency in accordance with section 553 of this title, in any case in which the agency determines that it is necessary to supplement the existing rule making record; and

"(B) may reflect such changes as the agency considers necessary or appropriate.

"(2) An agency, after issuing a recommended final rule under this subsection, shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives in accordance with subsection (b) of this subsection, and such rule shall only become final in accordance with such subsection.

"(f) Congressional inaction on or rejection of a resolution for disapproval shall not be deemed an expression of approval of such rule.

"§ 604. Reconsideration of agency rules

"(a)(1) Each committee of the Senate and the House of Representatives having legislative jurisdiction over the subject matter over any rule of an agency which is in effect may periodically review the rule for the purpose of determining whether—

"(A) the costs of the rule exceed the benefits being derived from the rule; or

"(B) the rule contains any provision which meets the criteria described in section 603(c)(1)(B) of this title.

"(2) If a committee of the Senate or the House of Representatives determines with respect to any rule of an agency which is in effect, that its costs exceed its benefits or that it contains a provision which meets the criteria described in section 603(c)(1)(B) of this title, the committee may report a resolution for reconsideration of such rule. A committee may report a resolution of reconsideration for a rule based on such factors (other than the factors specified in subparagraphs (A) and (B) of paragraph (2)) as the committee finds appropriate.

"(3) This subsection does not affect the right of any Senator or Member of the House of Representatives to introduce a resolution for reconsideration with respect to a rule.

"(b) If either House of the Congress adopts a resolution for reconsideration of a rule which is in effect, the rule shall lapse within 180 days after the date on which the resolution is adopted unless recommended again by the agency. Unless excepted by section 553(a) of this title, the agency shall, not less than 60 days prior to again recommending such a rule, give notice of a proceeding to consider its recommendation. The notice and proceeding shall comply with subsections (b) and (c) of section 553 of this title, except that the provisions of section 553(b)(3) of this title shall not be available to the agency and the agency shall hold a hearing for oral presentations. Any rule recommended pursuant to this subsection within 180 days of the passage of the resolution for reconsideration shall take effect as provided in section 603 of this title, and during the period for congressional review provided in that section the reconsidered rule may remain in effect.

"§ 605. Procedures for consideration of resolutions

"(a) The provisions of this section, paragraphs (5) and (6) of section 601 (a), subsection (c) of section 603, and subsection (a) of section 604 are enacted by Congress—

"(1) as an exercise of the rule making power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval, resolutions disapproving a resolution of disapproval in the other House, and resolutions for reconsideration; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(b) Resolutions of disapproval, resolutions disapproving a resolution of disapproval in the other House, and resolutions for reconsideration, shall, upon introduction, be immediately referred by the presiding officer of the Senate or of the House of Representatives to the committee of the Senate or the House of Representatives having legislative jurisidiction over the subject matter of the rule to which the resolution relates.

"(c)(1)(A) If the committee to which a resolution of disapproval has been referred does not report such resolution within 45 days of continuous session of Congress after the date of transmittal of the recommended final rule to which such resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a resolution disapproving a resolution of disapproval has been referred does not report such resolution within 20 days of continuous session of Congress after the date of transmittal of the resolution of disapproval from other House, it shall be in order to move to discharge the committee from further consideration of the resolution disapproving the resolution of disapproval.

"(C) If the committee to which a resolution for reconsideration has been referred does not report such resolution within 45 days of continuous session of Congress after the date of introduction of such resolution, it shall be in order to move to discharge the committee from further consideration of the resolution.

"(2) Any such motion to discharge must be supported by one-fifth of the Members of the House of Congress involved, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a resolution of disapproval, a resolution disapproving a resolution of disapproval in the other House, or a resolution for reconsideration, as the case may be, has been reported with respect to the same rule); and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to the motion is not in order.

"(d)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a resolution of disapproval, a resolution disapproving a resolution of disapproval in the other House, or a resolution for reconsideration shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a resolution with respect to a rule, it shall be in order at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order.

"(3) Debate on a resolution with respect to a rule shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not in order. An amendment to, or motion to recommit the resolution is not in order.

"(e) For the purposes of this chapter—

"(1) continuity of session is broken only by an adjournment sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of calendar days of continuous session.".

(b) The table of chapters for part I of title 5, United States Code, is amended by inserting immediately after the item relating to chapter 5 the following:

"6—Congressional Review of Agency Rule Making . . . 601".

(c) The provisions of chapter 6 of title 5, United States Code, shall supersede any other provision of law governing procedures for congressional review of agency rules to the extent such other provisions are inconsistent with such chapter.

EFFECTIVE DATE

SEC. 4. This Act and the amendments made by this Act shall become effective on December 1, 1982.●

By Mr. ARMSTRONG:

S. 384. A bill entitled the "Federal Expenditure Control Act of 1981"; to the Committee on the Budget and the Committee on Governmental Affairs, by unanimous consent pursuant to the order of August 4, 1977.

FEDERAL EXPENDITURE CONTROL REFORM ACT OF 1981

● Mr. ARMSTRONG. Mr. President, the changes in Presidential impoundment authority made by the Congressional Budget and Impoundment Control Act of 1974 place severe restrictions on the ability of the President to manage properly the financial affairs of the Federal Government. At a time of great tension between the legislative and executive branches, the Congress acted unwisely to overturn authority and precedent which had served the country well.

The history of Presidential impoundments (what we now call "rescissions") indicates that, in most instances, impoundments have been made to achieve sound management. Whether to prevent deficiencies in accounts, to respond to changed circumstances unforeseen by the Congress, or to prevent duplicate payments from being made, Presidents have used, for the most part, impoundment authority wisely and judiciously with proper regard for the prerogatives of the Congress over appropriation of funds.

Examples of such use of impoundment authority abound:

In 1803, Thomas Jefferson impounded funds meant for gunboat construction after the Louisiana Purchase prevented an imminent conflict;

Martin Van Buren impounded funds which would have resulted in duplicate pension payments;

President Grant prevented expenditure for water projects meant for purely private use;

In 1945, President Truman impounded funds for construction of veterans hospitals until the geographical need could be determined;

President Johnson, in order to achieve congressionally mandated budget ceilings, impounded 2 percent of all payrolls, 10 percent of all non-Vietnam defense spending, and 10 percent of all other nonentitlement Federal spending.

As most of my colleagues will remember, the restrictions which are now in force, restrictions which require congressional approval of Presidential rescission, came at the end of a long and sometimes bitter struggle with the Nixon administration over a series of impoundments made by the President in order to reduce spending. The Congress objected to the severity of the impoundment which it felt virtually eliminated congressionally mandated programs.

While the problem of excessive executive discretion may have been a real one, Congress overreacted and has restricted the President's power unduly. In virtually every State in the Union, the Governor has not only power to prevent spending, but the more powerful line item veto. These powers play an integral part of the Governor's duty to maintain constitutionally mandated balanced budgets. The President of the United States, an executive with far greater responsibilities for the economic well-being of the nations, should have available similar tools.

The changes made in impoundment authority in the Budget Act have virtually ended Presidential discretion over Federal spending. Under current law, the President is required to send requests for rescission of budget authority to the Congress. The Congress then has 45 days in which to draft and enact a bill approving all or part of the President's request. If the Congress fails to act, the President is required to make the funds available for obligation. With this requirement, it is no wonder that congressional inaction has resulted in the approval of only 15 percent of all Presidential rescission requests since 1976. The vast majority of these requests have never reached a vote.

In the face of this record, sending up of recissions has limited appeal. In fiscal year 1980, a year of near record deficit, inflation, and economic chaos, the President sent up only $1.6 billion in rescission requests. The Congress reacted by rejecting through inaction $1.1 billion. Thus, out of a budget of $579.6 billion, a scant $500 million, eight one-hundredths of 1 percent of the total, was saved through the decision of the President that better management could be achieved.

Mr. President, the record clearly indicates the need for change. Therefore, I am introducing the Federal Expenditure Control Reform Act of 1981 which will amend the Budget and Impoundment Control Act to allow the President more flexibility in achieving needed savings.

This bill is quite simple. Under its provisions, the President would continue to notify the Congress of his intent to rescind appropriated budget authority. The Congress would then have 45 days in which to pass a resolution disapproving the rescission. This basic change, to Congressional approval, will alter the climate for Presidential action by requiring a positive, considered action by the Congress in order to require that outlays be made. Thus, the President will be allowed the managerial flexibility required for efficient Government without infringing on the constitutional rights of the Congress to control the public purse.

Mr. President, I believe the case is clear. In this time of reordering the priorities and management of Government, the Congress should act quickly to return to the executive branch one of its most effective tools of management, the ability not to spend the taxpayers money.●

By Mr. INOUYE (for himself, Mr. MATSUNAGA, and Mr. RANDOLPH):

S. 385. A bill to amend the Rehabilitation Act of 1973 to provide for compre-

hensive study of the rehabilitation needs of the Pacific Basin, emphasizes the need for trained rehabilitation personnel, and for other purposes; to the Committee on Labor and Human Resources.

REHABILITATION NEEDS OF THE PACIFIC BASIN

● Mr. INOUYE. Mr. President, today, on behalf of Senators RANDOLPH and MATSUNAGA and myself, I am introducing legislation that would direct the National Institute for Handicapped Research of the Department of Education to conduct a comprehensive study of the rehabilitation needs of the Pacific Basin, especially emphasizing the need for trained rehabilitation personnel.

I was very pleased that at the end of the 96th Congress, during our conference deliberations on the continuing resolution for the Department of Education for fiscal year 1981, the House and Senate conferees became aware of the many unique needs of the Pacific Basin. In fact, it was unanimously agreed that there is such a pressing responsibility that the Department of Education should give this matter a high priority during its planning for new initiatives.

Our Government has, over the past decade, established a positive and, in my judgment, highly productive relationship with the various governmental entities in the Pacific Basin. However, I am afraid that in taking a closer look, and especially in focusing on the health and social welfare needs of the inhabitants of the Pacific region, we would find that we have not been as generous or farsighted as we would like to believe. Rather, we have unfortunately been rather lax. For example, the number of infectious diseases still prevalent and the incidence of certain disease entities, such as childhood leukemia or high blood pressure, far exceeds that which any of us would consider tolerable. Further, I understand that especially in the area of rehabilitation medicine, that the necessary facilities and trained personnel are virtually nonexistent. Accordingly, the legislation that Senators RANDOLPH, MATSUNAGA, and I are introducing today would direct the Department of Education to prepare a comprehensive evaluation of the needs of the Pacific Basin with the hope that we will be able to develop a truly national strategy for long-term action. It is our sincere expectation that during subsequent committee hearings on this measure that the Governors of American Samoa, Hawaii, Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific will have the opportunity to actively assist us in developing an innovative approach.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 385

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pacific Basin Rehabilitation Needs Study Act".

SEC. 2. The Congress finds that—

(1) 1981 has been declared the International Year of the Disabled and over the past decade the Federal Government has established a multitude of legal and honorable relationships with the various governmental entities in the Pacific Basin;

(2) transportation, communication, and rehabilitation facilities are rudimentary and the geographic distances involved extraordinary;

(3) in the Marshall Islands nearly half of the individuals 50 or over have diabetes;

(4) the incidence of childhood leukemia on Ponape and Kosrae is ten times the expected rate;

(5) the incidence of high blood pressure in Guam and the Northern Mariana Islands is 35 percent of individuals over 30 years of age;

(6) there are major drug abuse and alcoholism problems, and in the Trust Territory suicide is the primary cause of death for adolescents at a rate for their age group which is the highest in the world;

(7) leprosy, yaws, filariasis, and tuberculosis are still prevalent and remain a serious health threat to the children of the Pacific Basin;

(8) there is an extreme lack of qualified rehabilitation and health personnel, with an absence of any ongoing training programs; and

(9) the long range plan of the National Institute for Handicapped Research expressly cites the pressing rehabilitation needs of the Pacific Basin region.

SEC. 3. Section 202 of the Rehabilitation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(j)(1) The Director, through the Institute, shall conduct a comprehensive study and evaluation of the rehabilitation needs of the Pacific Basin, including the need for trained rehabilitation personnel.

"(2) In carrying out the study and evaluation required by this subsection the Director shall consult with the chief executives of American Samoa, Guam, Hawaii, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, and the head of the Alcohol, Drug Abuse and Mental Health Administration and the Bureau of Health Manpower of the Department of Health and Human Servics.

"(3)(A) The Director shall prepare and submit to the Congress not later than one year after the date of enactment of this section a report on the study and evaluation required by this subsection, together with such recommendations as the Director deems appropriate.

"(B) No recommendation may be made pursuant to subparagraph (A) of this paragraph unless the appropriate chief executive approves of the recommendation relating to inhabitants of the territory of that chief executive.".●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 386. A bill to direct the Secretary of Education to identify and address the unique needs of immigrants in the United States taking into account that immigrants are concentrated in a select number of identifiable cities, and for other purposes; to the Committee on Labor and Human Resources.

S. 387. A bill to direct the Secretary of Labor to identify and address the unique needs of immigrants in the United States taking into account that immigrants are concentrated in select number of identifiable cities, and for other purposes; to the Committee on Labor and Human Resources.

EDUCATION GATEWAY CITY ACT AND LABOR GATEWAY CITY ACT OF 1981

● Mr. INOUYE. Mr. President, today, I am introducing two bills which, if enacted, would direct the Departments of Labor and Education to conduct a thorough study of their efforts to address the unique employment and educational needs of our Nation's immigrants.

All of the evidence that I have seen, clearly suggests that within our Nation, there are highly ascertainable pockets of "high immigrant impact" in which these future citizens tend to reside. In fact, I understand that 10 cities presently receive nearly 40 percent of all immigrants and that six States account for nearly 70 percent of the total immigrant population. Further, there is every indication that future immigrants will continue to gravitate toward the same locations. As a result, as a provision of the Health Services and Centers Amendments of 1978, we had a particular provision included that directed the Department of Health and Human Services to focus on their present efforts to insure high quality health services and to report back to the Congress any legislative recommendations that they might have. That report was indeed a most significant document and it clearly stated that these individuals do in fact have a number of unique problems that can be satisfactorily addressed if they are done so in a reasonable and timely fashion.

Accordingly, I feel that it is now time to direct both the Departments of Labor and Education to complete work on similar documents in their jurisdiction.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 386

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education Gateway City Act of 1981".

SEC. 2. The Congress finds that—

(1) Our Nation's immigration policies are established by the Federal Government and are not under the control of State or local officials;

(2) the report issued pursuant to the Health Services and Centers Amendments of 1978 indicated that there are identifiable areas of high concentrations of immigrants, and 10 cities which represent only about 10 percent of the total United States population currently are receiving nearly 40 percent of all immigrants, and 6 States account for almost 70 percent of the immigrants;

(3) there is every indication that future immigrants and refugees will also settle in these same cities and States; and

(4) such report also indicated that these future citizens did indeed have very real and often unique local problems that can imposed a significant burden on the local public health authorities and that cultural and language barriers were extremely important.

SEC. 3. (a) The Secretary of Education shall conduct a thorough study to identify and assess efforts to be made by the Department of Education to respond to the unique education needs of immigrants in the United States.

(b) In carrying out the study required by this Act, the Secretary shall consult with the Commissioner of Immigration and Naturalization, with leaders in industry in the cities having high concentrations of immigrants, with elected officials from cities having high concentration of immigrants, and with representatives of immigrants.

SEC. 4. The Secretary of Education shall prepare and submit to the Congress not later than one year after the date of enactment of this Act a report on the study required by this Act, together with such recommendations, including recommendations for legislation, as the Secretary determines will address the needs of immigrants in cities having high concentrations of immigrants.

S. 387

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Labor Gateway City Act of 1981".

SEC. 2. The Congress finds that—

(1) our Nation's immigration policies are established by the Federal Government and are not under the control of State or local officials;

(2) the report issued pursuant to the Health Services and Centers Amendments of 1978 indicated that there are identifiable areas of high concentrations of immigrants, and 10 cities which represent only about 10 percent of the total United States population currently are receiving nearly 40 percent of all immigrants, and 6 States account for almost 70 percent of the immigrants;

(3) there is every indication that future immigrants and refugees will also settle in these same cities and States;

(4) immigration accounts for 12 percent of the actual growth in the labor force each year; and

(5) such report also indicated that the immigrants did indeed have very real and often unique problems that can impose a significant burden on the local public health authorities and that cultural and language barriers were extremely important.

SEC. 3. (a) The Secretary of Labor shall conduct a thorough study to identify and assess efforts to be made by the Department of Labor to respond to the unique employment needs of immigrants in the United States.

(b) In carrying out the study required by this Act, the Secretary shall consult with the Commissioner of Immigration and Naturalization, with leaders in industry in the cities having high concentrations of immigrants, with elected officials from cities having high concentration of immigrants, and with representatives of immigrants.

SEC. 4. The Secretary of Labor shall prepare and submit to the Congress not later than one year after the date of enactment of this Act a report on the study required by this Act, together with such recommendations, including recommendations for legislation, as the Secretary determines will address the needs of immigrants in cities having high concentrations of immigrants.●

By Mr. HATCH (for himself and Mr. TOWER):

S. 388. A bill to reinstate the tax treatment with respect to annuity contracts with reserves based on a segregated asset account as they existed prior to issuance of Revenue Ruling 77–85; to the Committee on Finance.

INVESTMENT ANNUITIES

Mr. HATCH. Mr. President, this proposed legislation is very important not only because it rights a tremendous injustice in the administration of our tax laws, but because it is important to the authority and integrity of the U.S. Senate and the laws of our country. It is a matter of tax laws, but more importantly, also a matter of who makes the law. The Internal Revenue Service has in the specific instance pertaining to this matter usurped that authority in the face of opposition of the U.S. Senate, a U.S. district court decision and the expressed will of the House Committee on Ways and Means.

The specific matter at hand pertains to IRS Revenue Ruling 77–85 that reversed over 70 consistent public and private rulings that covered a time span of more than a decade. This ruling not only strangled an innovative annuity industry to the detriment of the well-being of our Nation's citizens, this ruling, and the IRS actions related thereto constitute a documentable case of arbitrary, capricious, and illegal acts that cannot be acceptable nor tolerable to the Senate.

The merits of this proposed amendment are clearly reflected in the various courts' pronoun ements. The U.S. District Court, District of Columbia declared that:

Revenue Ruling 77–85 is an erroneous and unreasonable interpretation of the internal revenue code, and in view of this fact that substantial deference to the agency's expertise is not warranted by the facts of the case, the court will declare the ruling to be unlawful and beyond the services' statutory authority.

Revenue Ruling 77–85 is unlawful, erroneous, unreasonable, and beyond the services' statutory authority in that its determination that the policyowner, rather than the issuing life insurance company, is the owner of the investment annuity custodial account assets.

The services' decision in Revenue Ruling 77–85 was not contemporaneous with the enactment of section 801(g)(1)(b), does not reflect a longstanding agency position, and is inconsistent with earlier pronouncements and even one subsequent announcement of the agency. Accordingly, substantial deference to the services' expertise is unwarranted in the instant case.

Substantial deference to the services' expertise is also unwarranted because the service was improperly motivated by consideration of tax reform when it issued Revenue Ruling 77–85.

While the appellate court never addressed the merits of this matter, because it based its findings upon a jurisdiction question, the appellate court stated:

This is not a situation where there are no remedies, however. Congress keeps a watchful eye on developments in this tax field and will listen to citizens with a grievance or plea.

Predictably, the failure of Congress to remedy our citizens' very serious grievances and pleas arising from the illegal Revenue Ruling 77–85 emboldened the IRS to issue Revenue Ruling 80–274 that totally destroyed another important segment of the annuity industry, the so-called savers' annuity. The IRS bottomed their new ruling (80–274) upon Revenue Ruling 77–85 that the court had adjudged as being illegal, unreasonable, beyond the IRS' authority and ignorant of the law. (See citation above.) This bill reinstates the taxation of annuity contracts as it existed prior to the IRS' issuance of Revenue Ruling 77–85 and thereby also provides the needed remedy for annuities subject to Revenue Ruling 80–274 because Revenue Ruling 80–274 was bottomed on Revenue Ruling 77–85.

The true victims of these illegal, unreasonable IRS actions are our Nation's citizens who are being illegally denied most innovative and useful annuities that were developed in the public interest. Thus, this is a situation that warrants remedial action by the Senate, action that will also restore the authority of the Congress in the writing of our tax laws—a most important matter that commands our immediate and resolute action.

● Mr. TOWER. Mr. President, I am pleased to cosponsor legislation introduced by Senator HATCH, designed to rectify an injustice caused by the Internal Revenue Service's sudden departure from longstanding procedure in the taxation of investment annuities. This bill is identical to H.R. 743, introduced in the House by Congressman BARBER CONABLE, and to S. 3082 that I introduced in the 96th Congress. Hearings were held on S. 3082 by the Finance Committee Subcommittee on Taxation and Debt Management. Senate procedural constraints subsequent to the hearing precluded further Senate action in the 96th Congress.

This bill would reinstate the tax treatment of annuity contracts with reserves based on a segregated asset account as they existed prior to the issuance of Revenue Ruling 77–85. This ruling was subsequently held unlawful by the U.S. District Court, District of Columbia, on the ground that it constituted an illegal, arbitrary, and conscious act beyond the statutory authority of the IRS, based on an unreasonable interpretation of the Internal Revenue Code. The appellate court, while not addressing the merits of the district court's decision, did invite Congress to provide relief, which this bill is designed to accomplish.

From 1963 to 1965, when the IRS issued basic rulings on the subject of variable, or investment annuities, all relevant departments of the national office of the IRS insisted that an innovative form of annuity upon which the Service had been asked to rule was purely and simply a variable annuity pursuant to the separate account laws that had previously been enacted in 1962.

During the ensuing 12 years after 1965, the IRS reaffirmed its basic position over 70 times, including the issuance of Revenue Ruling 68–488 pertaining to deferred annuities. On March 9, 1977, the IRS issued Revenue Ruling 77–85, which completely reversed its longstanding rulings upon which an important segment of the life insurance industry had relied. The result was, and continues to be, devastating to this segment of the industry.

Several Members of Congress protested this action to the Treasury and the IRS. On April 29, 1977, the Senate passed, by a vote of 57 to 26, an amendment to H.R. 3477, the Tax Reduction and Simplification Act of 1977, which would have deferred the effective date of Revenue Ruling 77–85 for 1 year in order to permit Congress to study the matter and to consider any appropriate legisla-

tion. Unfortunately, this amendment was not adopted in subsequent negotiations on H.R. 3477 by the House-Senate conference committee.

Immediately after the conference committee completed its work, one insurance company, the originator of the investment annuity and whose entire business was destroyed by the IRS's sudden flip-flop of position on this matter, sued the Internal Revenue Service in Federal District Court for the District of Columbia for arbitrary, illegal, and capricious acts.

On November 9, 1977, the court ruled that Revenue Ruling 77-85 was indeed unlawful and beyond the statutory authority of the IRS. Judge Charles R. Richey expressed the "confident assumption" that the IRS would proceed to rectify its error without the need for the issuance of an injunction.

However, the IRS refused, stating that it would appeal any injunction issued and would retroactively tax any annuities sold during the interim of the appellate process, should the IRS prevail on appeal.

The President's 1978 tax program proposed the taxation of all nonqualified deferred annuities in the same way as that imposed upon the investment annuity by revenue ruling 77-85, which, of course, had been declared unlawful by Federal district court.

The President's 1978 tax proposals relating to all annuities were wisely rejected by the House Ways and Means Committee during its consideration of H.R. 12173, to override revenue ruling 77-85, which was approved by committee by a vote of 22 to 14. Due to a procedural constraint at that time, however, H.R. 12173 was not incorporated in the tax bill reported by the committee.

The appellate court declared that it did not have jurisdiction and, therefore, reached no decision on the merits of the case. The appellate court added language, however, inviting Congress to fashion appropriate relief:

> This is not a situation where there are no remedies, however. Congress keeps a watchful eye on developments in the tax field, and will listen to citizens with a grievance or plea.

Shortly after the introduction of S. 3082 last year to remedy this serious grievance and to reaffirm the law clearly ignored by revenue ruling 77-85, the IRS, without giving interested parties the opportunity to be heard, issued revenue ruling 80-274. This ruling wiped out the important "savers' annuity" segment of the annuity industry at great economic loss. Revenue ruling 80-274 contains no rational legal analysis and cites as its authority revenue ruling 77-85, which, as indicated above, was declared by the district court upon its merits as being unreasonable and in contravention of well-established law. The passage of the legislation introduced today reinstates the tax treatment with respect to those annuities subject to revenue ruling 80-274.

Mr. President, the entire matter, quite frankly, is a classic case of the will of Congress being frustrated and subverted by agency action in influencing the legislative process. The advocates of these annuities have a serious grievance which, in my mind, requires a prompt congressional remedy. I believe that the action by the IRS in issuing the manifestly unreasonable and unsupportable revenue rulings 77-85 and 80-274 deserves the attention of the Senate in order to restore these annuities to their proper place, taxwise, under the law and to resolve the severe inequities which have resulted from the Internal Revenue Service's arrogant disregard for sound judicial authority.●

By Mr. HATCH:

S. 389. A bill for the relief of Howard B. Schmutz; to the Committee on the Judiciary.

RELIEF OF HOWARD B. SCHMUTZ

Mr. HATCH. Mr. President, I would like to speak in behalf of my constituent, Mr. Howard Schmutz. In 1973, the National Park Service withdrew a grazing permit on the Grand Canyon National Monument which led to the end of a family cattle operation dating back as early as 1860. The Park Service withdrew this grazing permit on the Grand Canyon National Monument, now the Grand Canyon National Park in the area of Tuckup Canyon where John Schmutz, the grandfather of Howard Schmutz, began this family operation long before December 22, 1932 when the monument was established.

The compensation fee of $129,000 is for the lost value of two springs, known as the Cottonwood and Tuckup Allotments, located in the area designated by the special use permit. Let me stress that this compensation is not for the value of the land or the cattle, but for the lost value of the beneficial use of the springs.

John Schmutz was one of the pioneers of the Grand Canyon area when he discovered the springs in an unsurveyed area and staked a claim to the water rights on January 1, 1914. This claim was filed and recorded on January 19, 1914, in Book II, page 163, in the records of Mojave County, Ariz.

John Schmutz transferred his water rights to his son Marcel Schmutz who continued the family cattle operation until his death in 1973. At that time Howard Schmutz inherited the operation but was denied the continuation of the grazing permit for a 30-square mile area surrounding the springs. Mr. Howard Schmutz recognizes the right of the Federal Government to cancel the permitted use of Government land and only asks compensation for the springs which by law are considered real property in the West where water often determines the value of land.

The National Park Service and the Bureau of Land Management as well as the Arizona State Land Department raised questions as to whether Mr. Howard B. Schmutz did, in fact, have a vested interest in these two springs at the time the NPS designated the land for public use.

On April 8, 1971, the Arizona State Land Department informed Mr. Schmutz that they had no record of his claim to old water rights prior to June 12, 1977, and that they would not issue a certificate of water right. They advised Mr. Schmutz that he would have to update his ownership on his own and present evidence of such ownership to them for recordation at some future date.

It was the opinion of the field solicitor of the NPS in a letter dated June 21, 1977, that if copies of the recorded deeds could be furnished this evidence would establish an unbroken chain vesting colorable title in Mr. Howard B. Schmutz. This evidence was presented to the Western Region in a letter signed by Howard Schmutz on June 25, 1977. This clearly evidences a vested property right to Howard Schmutz and his heirs.

In answer to a request by my office, the western region of the NPS provided an appraisal of the claimed water rights. It is the opinion of the appraiser that the value of the two springs amounts to $75,000. The NPS based this appraisal on two things: Sales evidence showing that the value of a grazing unit was approximately $1,000 per animal unit, and the opinion of an appraiser that the carrying capacity of the Tuckup and Cottonwood Allotments is 75 animal units cow-year long.

This opinion is based on an appraisal made from an airplane while flying over Tuckup Canyon. As you will note in the committee report, the Park Service had already estimated the carrying capacity to be 129 cattle in the special use permit. Therefore, just compensation is $129,000 and not $75,000.

In spite of the established vested property rights, Mr. Schmutz was advised in a letter from the acting director of the U.S. Department of the Interior, Office of Hearings and Appeals, that no provision of law or any regulation would allow the Department to compensate him for the Springs. Had an administrative mechanism for compensation been established at the time the Grand Canyon National Park was formed, my constituent could have been compensated for being denied beneficial use of the springs. May I add that in previous discussions with the western region of the National Park Service, it was also their opinion that Mr. Schmutz should have received some compensation.

On May 3, 1977, the Office of Hearings and Appeals recommended that the only vehicle to accommodate the desire of Mr. Schmutz to be compensated would be private legislation.

The right of the Government to take away the beneficial use of the springs is not in question; However, the right to do so without compensation is not just, especially since these two springs have been vital to the cattle operation of this family for generations.

Mr. Schmutz first asked for the help of Congress in a letter to my predecessor Senator Moss dated November 22, 1973. Private legislation was introduced in the 95th Congress but did not come up for hearings. It was introduced again at the beginning of the 96th Congress and was reported out of the Senate Judiciary Committee with no dissenting votes cast in opposition. When Congress adjourned it was on the agenda of the House Judiciary Committee but was not acted upon. The House Judiciary Committee staff has assured me that this bill will be acted on early in this new session.

Mr. Howard Schmutz is 63 and suffers from Parkinson's disease and has suffered long enough from the ordeal for trying to receive just compensation. I hope my colleagues in the Senate will act expeditiously and favorably to pass this bill once again.

By Mr. DOLE (for himself, Mr. DANFORTH, Mr. BENTSEN, Mr. DURENBERGER, Mr. BOSCHWITZ, Mrs. KASSEBAUM, Mr. MATSUNAGA, Mr. BAUCUS, and Mr. STEVENS):

S. 390. A bill to amend the Trade Act of 1974 to provide for an additional Deputy United States Trade Representative; to the Committee on Finance.

INCREASE OF NUMBER OF DEPUTY UNITED STATES TRADE REPRESENTATIVES

● Mr. DOLE. Mr. President, today I am introducing legislation, cosponsored by eight of my colleagues to increase from two to three the number of Deputy U.S. Trade Representatives. I discussed the possibility of such an increase with the new U.S. Trade Representative both before and during his confirmation hearings. It is my understanding from our conversations and his testimony that Ambassador Brock believes this increase could be accommodated within the present staff levels of that office. No additional positions would be required. Their total authorized personnel ceiling would remain at slightly over 100, keeping it one of the smallest but most effective organizations in the entire Federal Government.

The present structure of the Office of the U.S. Trade Representative was created in the Trade Act of 1974. Pursuant to section 141 of that act in addition to the Trade Representative, two Deputy Trade Representative positions were created and it was provided that the individuals confirmed in these positions would hold the rank of ambassador. Therefore, legislative authority is required before an additional deputy position can be created.

Mr. President, this additional deputy is needed to continue and enhance the ability of the U.S. Trade Representative to coordinate and implement our trade policy. The growing importance of trade and the increasing complexity of the issues in our trade policy clearly requires that the Trade Representative's Office have additional executive leadership.

In 1975, the year the Trade Act of 1974 became law, total U.S. merchandise trade was $200 billion. In 1980 it was almost one-half a trillion dollars. As a percentage of GNP total trade increased from 7 percent in 1975 to 8.3 percent in 1980, an increase of almost 20 percent.

This growth in trade has necessarily increased the number and complexity of issues facing the U.S. Trade Representative. As a result certain areas of our trade may not have received the attention or detailed consideration they otherwise would have received. For some time I, along with other Senators representing agricultural States, have felt that our agricultural trading interests were not being accorded the priority which they were due. Too often our agricultural trade has taken a back seat to other trade or diplomatic considerations. While this legislation would not require that the new Deputy Trade Representative position be established solely to deal with agricultural issues, it is my hope that position will enable USTR to give more attention and weight to the international trade needs of our agricultural interests.

This legislation is especially important with the upcoming textile negotiations. It is clear that one of the present two Deputy Trade Representatives will be extensively involved in these critical negotiations. The time and attention which will be required in this effort by the deputy stationed in Geneva gives increased importance to meeting the present need for an additional deputy.●

By Mr. CHAFEE (for himself, Mr. GOLDWATER, Mr. BENTSEN, Mr. DANFORTH, Mr. DOMENICI, Mr. GARN, Mr. GLENN, Mr. HAYAKAWA, Mr. JACKSON, Mr. LUGAR, Mr. NUNN, Mr. PRESSLER, Mr. ROTH, Mr. SCHMITT, Mr. SIMPSON, Mr. WALLOP, Mr. THURMOND, Mr. HATCH, and Mr. HUDDLESTON):

S. 391. A bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying agents, informants, and sources and to direct the President to establish procedures to protect the secrecy of these intelligence relationships; to the Committee on the Judiciary.

AGENT IDENTITIES PROTECTION ACT

(The remarks of Mr. CHAFEE and Mr. BENTSEN on this legislation appear earlier in today's RECORD.)

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MATHIAS, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 7

At the request of Mr. THURMOND, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 7, a bill to amend title 38, United States Code, to provide a new educational assistance program for veterans and persons who serve on active duty with the Armed Forces after September 30, 1981, and for persons who perform service in the Selected Reserve of the Ready Reserve of an Armed Force after such date, and for other purposes.

S. 20

At the request of Mr. SASSER, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 20, a bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy.

S. 32

At the request of Mr. CHAFEE, the Senator from Alabama (Mr. HEFLIN), the Senator from Michigan (Mr. RIEGLE), and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 32, a bill to grant a Federal Charter to the Italian American War Veterans of the United States of America.

S. 43

At the request of Mr. SASSER, the Senator from South Dakota (Mr. ABDNOR) was added as a cosponsor of S. 43, a bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State or local governments in carrying out or complying with such bill or resolution.

S. 46

At the request of Mr. THURMOND, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 75

At the request of Mr. WALLOP, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 75, a bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations.

S. 93

At the request of Mr. MATHIAS, the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 93, a bill to designate the birthday of Martin Luther King, Jr., a legal public holiday.

S. 141

At the request of Mr. BENTSEN, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 141, a bill relating to tax treatment of qualified dividend reinvestment plans.

S. 154

At the request of Mr. PRYOR, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 154, a bill to amend title 37, United States Code, to authorize special pay to a member of a uniformed service who performs duties that are unusually hazardous or performed under unusually severe working conditions.

S. 170

At the request of Mr. MOYNIHAN, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Michigan (Mr. RIEGLE), the Senator from Montana (Mr. BAUCUS), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 170, a bill to amend the Internal Revenue code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 203

At the request of Mr. PRYOR, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 203, a bill to redesignate the Department of Agriculture as the Department for Agriculture.

S. 255

At the request of Mr. MATHIAS, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 258

At the request of Mr. BOREN, the Senator from Nevada (Mr. CANNON), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of S. 258, a bill to authorize the President to present on behalf of the Congress specially struck gold medals to certain former hostages and the survivors of certain deceased U.S. servicemen.

S. 259

At the request of Mr. GOLDWATER, the Sentaor from North Carolina (Mr. HELMS), the Senator from Vermont (Mr. STAFFORD), and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 259, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 and older.

S. 293

At the request of Mr. THURMOND, the Senator from South Dakota (Mr. ABDNOR), the Senator from Utah (Mr. GARN), and the Senator from Idaho (Mr. McCLURE) were added as cosponsors of S. 293, a bill to amend the Food Stamp Act of 1977 to prohibit any household from participating in the food stamp program if such household has one or more members on strike as a result of a labor dispute.

S. 294

At the request of Mr. GLENN, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 294, a bill to establish an Interagency Committee on Arson Control to coordinate Federal anti-arson programs, to amend certain provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes.

S. 317

At the request of Mr. BENTSEN, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 317, a bill to amend the Internal Revenue Code of 1954 to provide faster tax deductions for depreciation and larger investment tax credits in order to help combat inflation and increase the United States position in world trade.

S. 321

At the request of Mr. BENTSEN, the Senator from Arkansas (Mr. PRYOR), the Senator from Arizona (Mr. GOLDWATER), the Senator from Kentucky (Mr. FORD), the Senator from Arizona (Mr. DECONCINI), the Senator from New York (Mr. D'AMATO), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 321, a bill to amend section 265 of the Internal Revenue Code of 1954 with respect to the deduction, by certain financial institutions, of interest paid on deposits of public funds where those deposits are secured by tax-exempt obligations.

SENATE JOINT RESOLUTION 3

At the request of Mr. PRYOR, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of Senate Joint Resolution 3, joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

SENATE JOINT RESOLUTION 20

At the request of Mr. SASSER, the Senator from Kentucky (Mr. FORD), and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of Senate Joint Resolution 20, joint resolution to designate the month of April 1981 as Gospel Music Month.

SENATE CONCURRENT RESOLUTION 4—CONCURRENT RESOLUTION RELATING TO THE INTERNATIONAL YEAR OF DISABLED PERSONS

Mr. DOLE (for himself, Mr. HATFIELD, Mr. RANDOLPH, Mr. STAFFORD, Mr. MOYNIHAN, Mr. BAUCUS, Mr. BENTSEN, and Mr. HEINZ) submitted the following concurrent resolution; which was referred to the Committee on Labor and Human Resources:

S. CON. RES. 4

Whereas a new era in recognition of human rights and universal respect for these rights has begun;

Whereas the United Nations General Assembly has declared 1981 as the International Year of Disabled Persons;

Whereas the United States has made great strides during the last decade in improving the lives of 35 million American citizens with physical and mental disabilities;

Whereas there is still much to be done to open doors for disabled persons;

Whereas the United States recognizes the need for further progress in strengthening public understanding and awareness of the needs and aspirations of disabled persons; and

Whereas the United States Council for the International Year of Disabled Persons is coordinating public and private participation during the International Year of Disabled Persons: Now therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should take all steps within his authority to implement, within the United States, the objectives of the International Year for Disabled Persons (1981), as proclaimed by the United Nations General Assembly Resolution 31/123 of December 16, 1976, as well as the goals of the Federal Interagency Committee which coordinates the activities for the International Year of Disabled Persons within the Federal Government.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

● Mr. DOLE. Mr. President, today, along with Senators HATFIELD, RANDOLPH, STAFFORD, MOYNIHAN, BAUCUS, BENTSEN, and HEINZ, I am introducing a concurrent resolution on the international year of disabled persons, in 1981. My Kansas colleague, Congressman WINN, is introducing a companion resolution in the House. We are submitting these resolutions this week, in conjunction with the activities of the U.S. Council for the International Year of Disabled Persons and the Federal interagency committee. This week represents a kickoff for the activities that will follow during the course of this year in many communities throughout the United States. It is our hope that this resolution will serve to focus attention on the significance of 1981, as the 97th Congress proceeds to the legislative business of this session.

Since there is still a lot to be done to assist the needs of handicapped individuals within our society, I ask my colleagues to keep in mind possible legislative initiatives that could be taken to further assist disabled Americans in their efforts to join the mainstream of our society. Although we have made great strides in improving the lives of 35 million Americans, we can still create new opportunities for them.

PUBLIC AND PRIVATE SECTOR COOPERATION

Congress can pass laws that affect the handicapped in their everyday personal and professional lives, and it is always anticipated that such efforts on the part of the public sector will promote in a constructive way an understanding and awareness of the needs of disabled persons, as well as their potential contributions to the society in which they seek to participate. However, ultimately, it is up to the private sector to recognize the unutilized human resources available within our population and to harness these previously unleashed energies and talents to the good of the entire society.

In conjunction with this year, I would like to cite the tremendous cooperation and coordination that exists between the public and private sector here in Washington, D.C., working on behalf of the international year of disabled persons is the U.S. Council for the IYDP, which is a private organization that came into being in order to carry out the objectives of this special year. This dedicated group of individuals is working very closely with its counterpart in Government, the Federal interagency committee for the IYDP. These two organizations symbolize the efforts that ideally should be taking place throughout our society. Government can play an important role in promoting the interests of disabled Americans, but it is really up to the private sector to implement the signals given out by Government.

PROGRESS TO COME

Mr. President, we are now at a time in our Nation's history, when we can look back over the past decade and see the progress that has been made in recognizing the needs of 35 million disabled Americans, and addressing those needs. However, we cannot rest here and commend ourselves on the good work that has been done. There is much that remains to be done, and we must keep moving along the path we have begun.

During the last 10 or so years, we have witnessed the removal of many architectural and transportation barriers, which had previously put handicapped citizens at a disadvantage. They have experienced a vast improvement in mobility accompanied by increased opportunities to join the mainstream of our society. They have been able to participate in

the work force and demonstrate what they are capable of doing, instead of having the emphasis placed on their limitations.

Despite all this progress in a positive direction, our society still has a long way to go in terms of overcoming certain attitudinal barriers that continue to exist. It is my hope that, working together, Government can send the right signals to further enhance opportunities for disabled Americans who deserve to have doors opened for them.

GOALS IN CONGRESS

Mr. President, as we set the goals we hope to accomplish during the 97th Congress, we should keep in mind any legislative opportunities that arise on the floors of both Houses of Congress, which could result in further progress for 35 million Americans who happen to be physically or mentally disabled. Once their path to opportunity has been facilitated, these individuals can join the mainstream of our society and demonstrate what they are capable of doing.

As members of Congress, we can accelerate the integration of our Nation's disabled citizens. Actions that we make on the Senate and House floors can have a tremendous impact on the quality of the lives that handicapped individuals lead in communities across the country. We should do everything in our power to continue to open doors that will permit full participation within our society. This year represents a new beginning for all of us in Congress. Let us accept the challenges that lie ahead and work to enhance the possibility of new beginnings for all of our country's citizens, keeping in mind that 1981 has been designated the "International Year of Disabled Persons", and that we should pay special attention to the needs and potential of handicapped Americans.●

SENATE CONCURRENT RESOLUTION 5—CONCURRENT RESOLUTION RELATING TO THE IMPRISONMENT OF DR. VIKTOR BRAILOVSKY

Mr. LUGAR submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 5

Whereas the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantee to all individuals the right to freedom of thought, conscience, and religion, the right to hold opinions without interference, the right to freedom of expression, and the right to emigrate;

Whereas the Final Act of the Conference on Security and Cooperation in Europe commits the signatory countries to respect individual rights and fundamental freedoms, in particular to "deal in a positive and humanitarian spirit" with the applications of persons wishing to emigrate to rejoin relatives;

Whereas the Soviet Union signed the Final Act of the Conference on Security and Cooperation in Europe, is a party to the Universal Declaration of Human Rights, and has ratified the International Covenant on Civil and Political Rights;

Whereas Dr. Viktor Brailovsky was dismissed from his position in the Soviet Union as a computer scientist at the Institute of Electronic Control Machines in 1973 as a result of requesting permission to emigrate;

Where Dr. Viktor Brailovsky has been continually harassed by Soviet authorities for the past eight years;

Whereas Dr. Viktor Brailovsky has been arrested numerous times, imprisoned, and refused emigration;

Whereas Soviet officials have searched Dr. Brailovsky's home and confiscated invaluable scientific papers and Jewish cultural materials;

Whereas Dr. Viktor Brailovsky organized the Moscow Seminar for Jewish Scientists and published the unofficial Jewish journal, Jews in the U.S.S.R., for which he was arrested and kept under investigation in April of 1980;

Whereas Dr. Viktor Brailovsky bravely led a group of over 230 other Soviet Jewish refuseniks in an appeal to President Leonid Brezhnev for free emigration of Soviet Jews on the eve of the Madrid Conference in November, 1980;

Whereas Dr. Viktor Brailovsky was arrested and imprisoned in connection with this activity and his other efforts to encourage free emigration;

Whereas Dr. Viktor Brailovsky was in ill health when arrested and has not been receiving proper medical treatment for a serious liver ailment while in prison;

Whereas Soviet authorities have suspended questioning of Dr. Brailovsky and have brought no formal charges against him after two months of interrogation; and

Whereas Dr. Brailovsky is in need of immediate and adequate medical attention: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President, acting directly or through the Secretary of State, should—

(1) continue to express at every suitable opportunity and in the strongest terms the opposition of the United States Government to the imprisonment and treatment of Dr. Viktor Brailovsky;

(2) urge the Government of the Soviet Union to—

(A) release Dr. Brailovsky from prison and provide him with proper medical care, and

(B) permit Dr. Brailovsky and his family to emigrate to Israel to join his brother and his family, in accordance with the Final Act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights; and

(3) inform the Government of the Soviet Union that the Government of the United States, in evaluating its relations with other countries, will take into account the extent to which such countries honor their commitments under international law, especially commitments with respect to the protection of human rights.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President with the request that he further transmit such copy to the Ambassador of the Union of Soviet Socialist Republics to the United States.

SENATE RESOLUTION 60—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON ARMED SERVICES

Mr. TOWER, from the Committee on Armed Services, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 60

Resolved, That in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXI of the Standing Rules of the Senate, the Committee on Armed Services is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,563,400, of which amount not to exceed $35,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

● Mr. TOWER. Mr. President, I rise to report a resolution agreed to by the Committee on Armed Services authorizing expenditures for the committee for the year beginning March 1, 1981, and ending February 28, 1982.

In addition, I ask unanimous consent that the organization of ad hoc subcommittees approved today by the Committee on Armed Services be printed in the RECORD following the resolution.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COMMITTEE ON ARMED SERVICES AD HOC SUBCOMMITTEE ORGANIZATION

SUBCOMMITTEE ON MILITARY CONSTRUCTION

Senator Thurmond (Chairman); Senator Warner; Senator Humphrey; Senator Denton; Senator Hart (Ranking); Senator Jackson; Senator Cannon; and Senator Exon.

SUBCOMMITTEE ON TACTICAL WARFARE

Senator Goldwater (Chairman); Senator Thurmond; Senator Warner; Senator Jepsen; Senator Cannon (Ranking); Senator Byrd of Virginia; and Senator Levin.

SUBCOMMITTEE ON STRATEGIC AND THEATER NUCLEAR FORCES

Senator Warner (Chairman); Senator Thurmond; Senator Goldwater; Senator Cohen; Senator Quayle; Senator Jackson (Ranking); Senator Cannon; Senator Nunn; Senator Hart; and Senator Exon.

SUBCOMMITTEE ON PREPAREDNESS

Senator Humphrey (Chairman); Senator Goldwater; Senator Jepsen; Senator Levin (Ranking); and Senator Jackson.

SUBCOMMITTEE ON SEA POWER AND FORCE PROJECTION

Senator Cohen (Chairman); Senator Humphrey; Senator Quayle; Senator Denton; Senator Byrd of Virginia (Ranking); Senator Nunn; and Senator Hart.

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

Senator Jepsen (Chairman); Senator Cohen; Senator Quayle; Senator Denton; Senator Exon (Ranking); Senator Byrd of Virginia; and Senator Nunn.●

SENATE RESOLUTION 61—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

Mr. SIMPSON, from the Committee on Veterans' Affairs, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 61

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed seven hundred forty-eight thousand, six hundred thirty dollars ($748,630.00).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. SIMPSON. Mr. President, I am pleased to report a Senate resolution authorizing expenditures by the Committee on Veterans' Affairs for the 12-month period beginning March 1, 1981. The budget reflected in this resolution was unanimously adopted by the Veterans' Affairs Committee and represents more than a 10-percent reduction in authorized committee expenditures from the budget authorized last year.

I would point out to my colleagues that the Veterans' Affairs Committee has been operating on a straight-line budget for the past 4 years and has exercised extremely prudent budgetary management in its activities. Yet the committee does intend to absorb the reduction I have already mentioned without any critical reduction in its ability to satisfy its legislative duties. The Veterans' Affairs Committee has more than met its responsibility under Public Law 96-500. To correct the economic difficulties this Nation faces, we in the Congress must show a determination to control our own internal budgetary process, as painful as that may be, before we can expect or require other segments of society to exercise a similar degree of austerity.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Select Committee on Intelligence may have permission of the Senate to meet beginning at 2 p.m. this afternoon, notwithstanding the session of the Senate, to consider the nomination of Adm. B. R. Inman to be Deputy Director of Central Intelligence.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

REV. RAYMOND BAUMHART

● Mr. DIXON. Mr. President, this week in Washington, alumni of Loyola University of Chicago, a great urban institution, are honoring Rev. Raymond Baumhart, who has served as president of the University since 1970.

I wish to add my voice to theirs in offering a tribute to Father Baumhart, under whose stewardship Loyola has flourished, enriching immeasurably the urban society it serves.

Father Baumhart is a man of two worlds: the spiritual and the secular. During his tenure, the needs of each has been well-served by the university.

His commitment to the Jesuit and Christian character of the university resulted in the creation of the office of the university ministry, which now administers one of the largest and most influential programs of its kind in the United States.

His commitment to the university's effective functioning in the secular world led to the creation of the office of the chancellor, the principal conduit through which Loyola maintains communications with the constituency it serves.

Father Baumhart has built upon the proud tradition of this century-old institution of learning. It is an institution that has provided the city of Chicago with many of its most prominent citizens, and which continues, under his splendid leadership, to contribute daily to a vast community.

Mr. President, I commend Father Baumhart and his accomplishments to my colleagues, and I wish him continued success and much good luck.●

EXTENSION OF AUTHORIZATION OF APPROPRIATIONS FOR HEAD START PROGRAM

Mr. BENTSEN. Mr. President, I am pleased to join Senator CRANSTON as a cosponsor of S. 181, a bill to extend until 1986 the authorization of appropriations for the Head Start program.

At a time when many are questioning the wisdom of Federal involvement in educational services, I appreciate the opportunity to lend my support to a program that has proven to be one of the most effective and successful educational efforts ever undertaken with Federal assistance.

Launched in 1965, Head Start has provided educational, medical, dental, social, and nutritional services to 7.5 million children between the ages of 3 and 5 and to their families. Equally important, Head Start centers across the Nation have offered productive work opportunities to nearly 70,000 child development specialists and have utilized the talents of more than 109,000 volunteers, most of whom are parents of the very children enrolled. This year in my State alone, it is anticipated that more than 18,200 young Texans and their families will be able to participate in this worthwhile program.

The Head Start philosophy, Mr. President, is predicated on the belief that all children share certain needs and that children from economically deprived backgrounds, in particular, can benefit from comprehensive preschool programs than enable them to acquire necessary skills prior to entering school. Head Start staff members concentrate on improving each child's basic communication skills, self-esteem and self-discipline, and on teaching the fundamental concepts which underlie instruction in the elementary grades.

To supplement their children's classroom experience, parents are encouraged to become directly involved in planning and operating the Head Start program. Predictably, the results of this effort to include the entire family have paid off—with parents reinforcing the skills introduced by Head Start teachers.

The early charges that Head Start preparation tends to "fade" when a child enters elementary school have proven to be incorrect. Instead, the program has produced tangible educational benefits. When compared to economically disadvantaged children of similar intellectual potential, the Head Start graduates show improved performance on intelligence and general ability tests, have fewer grade failures and special class placements, and achieve higher overall reading and mathematical scores on standardized examinations.

On another dimension, the Head Start program has reached millions of poor American children with much needed health care. In 1979, for example, more than 80 percent of the children enrolled were given full health screenings and, when necessary, nearly all received needed medical attention. In addition, Head Start children receive immunizations at a rate far higher than the national average for children of low income families. Because much of the health care administered in concert with Head Start activities is preventive in nature, long term reliance on publicly supported medical care may be reduced—in short, program evaluators believe that early preventive health care is proving to be cost effective.

Head Start has also made a substantial impact on parents of children enrolled in the program. As partners in the educational experiences of their children, many parents have acquired and honed skills that enable them to remain active members of their communities. Furthermore, in 1979 it was estimated that some 12,000 parents who began as volunteers in the Head Start program have gone on to college and/or to careers in the field of child development.

Finally, I would like to add that in my view, Head Start, in many ways represents the very best about this Nation—the joining together of diverse peoples in a common effort to provide our young children an opportunity to learn. Thanks to Head Start, more than 7.5 million children have been accorded an opportunity that might not otherwise have been available to them. This is the sort of partnership between the Government and the people, the sort of investment in our future that makes eminent good sense for America.

The program's record of achievement clearly indicates that it is possible to give children from low income families a better and healthier start in life, and that this early assistance has long lasting benefits. Mr. President, at a time when we are searching for ways to cut the Federal budget, it is important that we be mindful of the good and effective programs that have earned our continued support—I believe that Head Start is such a program.●

CELEBRATION OF FREEDOM HONORING THE RETURN OF THE FORMER HOSTAGES TO MICHIGAN

● Mr. LEVIN. Mr. President, today Michigan celebrates the return of Charles Jones and Joseph Subic, Jr.

We do not know, we cannot know, what these men and their families suffered. But we do know, we must know, what their suffering meant to us. It was in many was a symbol of our time: Our powerlessness to protect our families and our interests in a world suddenly gone insane.

When we celebrate with the Jones and Subic families, we celebrate not only their reunion, but our own reaffirmation as a country of the worth of freedom and the possibility of progress. Their return is our return to a sense of hope and faith.

As we celebrate, let us also take a moment to rededicate ourselves to striving purposefully to achieve the courage and the unity which was thrust by fate upon Charles Jones and Joseph Subic, Jr., and to which they so well responded.

Let us take a moment to remember those hundreds of thousands of Americans whose sacrifices in recent decades languish unremembered because they were made at the "wrong" time or the "wrong" place.

Let us take a moment to reflect on the limits of power and reason in a world which at times seems bent on its own destruction.

Let us also remember the steadfastness of purpose of those who lost their lives in an effort to return Charles Jones and Joseph Subic, Jr. and their colleagues to freedom.

And let us acknowledge the debt, now blurred in our tears of joy, a debt which history will more clearly see is owing, to a President who confronted a crisis of a type no other leader has had to face in modern history and who resisted courses of action which might have resulted in today's gathering being a memorial service instead of a homecoming.

Charles Jones and Joseph Subic's behavior in captivity and their actions since their return have provided us in Michigan with a special sense of commitment which sustains us, and a sense of brotherhood which unites us. They lived through bad times, they survived and returned to us. Through them let us discover that we also have the strength and the conviction to live through these times and emerge stronger and with deeper convictions.

Much as we love them, let us when they are ready, set them free from the bonds our pride in them has created, just as they were freed from their bonds in Iran. Let us not keep them as captives of the crowd as they were captives of the mob.

They and their families, who with nobility and dignity shared their fears and suffered their pain, have given us the strength to go on. Let us use that strength to let them go on with the business of their lives and with being free and proud Americans.●

THE REPEAL OF SECTION 222

● Mr. SCHMITT. Mr. President, I am pleased to join Senator GOLDWATER in sponsoring S. 271, the International Record Carrier Competition Act of 1981. It repeals section 222 of the Communications Act of 1934. Section 222, which concerns permissive mergers of telegraph carriers, is essentially a weighty holdover from a time when Western Union had a monopoly over record services. Today, section 222 acts as one of the major impediments to fostering competition in international record services by restricting Western Union to domestic markets.

The modern telecommunications market is vastly different from the monopolized environment of 1943 when section 222 was adopted. In 1979, the Federal Communications Commission (FCC) ended Western Union's monopoly over domestic services. Other carriers are ready and able to compete with Western Union. Moreover, additional Commission actions have expanded other domestic carrier entry into international markets. Conversely, the existing international record carriers (IRC's) have been allowed expanded domestic operations. Thus, we have no further need for a law that arbitrarily divides markets.

Repeal of section 222 would not affect the FCC's authority to oversee the industry to assure full and fair competition in the international market. Section 3 of S. 271 expressly requires Western Union to interconnect on fair and reasonable terms with the IRC's. It, therefore, mirrors section 201 of the existing law. Furthermore, sections 202 and 214 provide the FCC with adequate authority to require that Western Union not discriminate among the carriers in the distribution of unrouted traffic and to place conditions on the certification of facilities to insure Western Union's compliance. Repeal of section 222 alone will not mandate Western Union's entry into the international market. Section 214 of the Communications Act requires a Commission determination as to the timing and conditions of entry.

Customers of international record services are bound to profit from the added competition afforded by this measure—in lower prices and greater service innovation.

I have long believed in the merits of this measure. In the last Congress I cosponsored S. 611 and S. 2827, both of which contained provisions to repeal section 222. I also supported, in full committee, an amendment to H.R. 6228, the Communications Cross Ownership Act of 1980 that sought repeal of section 222. We were able to enact and have signed into law S. 3261, Public Law 96-590, which removes restrictions on Western Union to allow it to serve Hawaii, which was considered an "international point" under the Communications Act.

I think enactment of this measure is long overdue. I urge its expeditious consideration and enactment.●

REVENUE PROCEDURE 80-55 WILL HAVE ADVERSE EFFECT

● Mr. D'AMATO. Mr. President, today I am joining my colleagues Senator BENTSEN and Senator DIXON in cosponsoring legislation, S. 321, that would permit financial institutions to deduct as a business expense interest paid on time deposits, which are secured by pledges of tax exempt securities. This bill is necessary in light of the Internal Revenue Service's recent announcement of Revenue Procedure 80-55, under which this exemption would be withdrawn.

I agree with my colleagues that section 265 of the Internal Revenue Code was never intended to apply to these transactions, which have been going on routinely since that section was added to the code in 1954.

This rule, if put into effect on June 1, 1981, would have an adverse effect on the municipal bond market, which already is severely depressed. It would increase further the borrowing costs of State and local governments, ultimately increasing the burden on local taxpayers. In addition, it would further cut State and local revenues by reducing the amount of interest which could be earned on the deposits of these governments.

Mr. President, the Internal Revenue Service's action would have a severe impact on New York State. I include in the RECORD, a recent letter to me, from Edward V. Regan, State Comptroller of New York, which I believe assesses the potential damage well.

DEAR SENATOR D'AMATO: A recent IRS Rule (Revenue-Procedure 80-55), effective January 10, 1981, essentially provides that commercial banks holding the time deposits of municipalities, which are collateralized by tax exemot obligations, can no longer use the interest payable on the deposits for tax deduction purposes.

This ruling suggests that the collateralization of such deposits is much the same as banks borrowing for the purpose of obtaining such time deposits and, therefore, conflicts with the IRS code.

The effects of this ruling on state and local government depositors could be quite severe. In New York State where banks have historically used their tax exempt obligations as collateral to back up the short-term deposits made by governmental units, it would appear the ruling could have a fourfold effect.

First, banks may decide to purchase fewer

tax exempt obligations because they can no longer deduct for tax purposes the interest they pay public depositors. Second, by purchasing fewer tax exempt obligations, banks would have less collateral and, presumably, would reduce the amount of time deposits they would accept from local governments. Third, the interest payable on such time deposits would probably be reduced because of the loss of tax deduction status. Fourth, cost to your government and, therefore, the taxpayers would be increased because of higher interest rates brought about by an anticipated drop in the number of interested purchasors of tax exempt obligations. Commercial banks are now carefully reviewing what their position will be on accepting time deposits in view of the ruling.

We have met with the New York State Association of Counties, the Association of Towns, the Conference of Mayors and the School Boards Associations who are supportive of our position that this Ruling must be withdrawn in order to continue the banking relationship that we have enjoyed for many years.

Sincerely,

EDWARD V. REGAN.

Mr. President, it is my belief, and the belief of my colleagues, that legislation is the proper relief to make sure this rule is not put into effect, because by so doing, it would avoid needless and costly court battles. The continuance of the present practice under the code, will assure that bond markets in New York and elsewhere have the capacity to improve and expand. It is my privilege to join with my colleagues in cosponsoring this legislation.●

S. 30 MEANS 30 DAYS TO PAY

● Mr. SASSER. Mr. President, earlier last month I introduced S. 30, the 30-day payment bill, as it has come to be called. Both the language and purpose of this bill, "The Late Payments Act of 1981," are quite clear.

It provides that the Federal Government pay its bills on time—within 30 days of the receipt of an invoice. If the Federal Government is overdue on its bills, it should pay interest, as do nearly every American individual or business in cases in which bills are overdue.

Frankly, such a bill should not be necessary. The U.S. Department of the Treasury's fiscal requirements manual requires that Federal departments and agencies insure that payments to contractors are made when due.

However, the Treasury Department itself admitted in a memorandum circulated last September that "many payments are still made 60–90 days late."

Mr. President, such a record has a devastating impact on small businesses, which simply do not have the cash flow capability nor the administrative resources or personnel necessary to cope with long-overdue accounts receivable.

I suggest that there is room for improvement in the Federal Government's record of paying its bills on time and that S. 30, with its stipulation that interest be charged on overdue bills—is just the type of stimulation needed to remedy this problem.

If any of my colleagues have doubts about the extent or depth of this problem, I would like to share with you some information. Prepared recently at my request by the National Audio Visual Association, it provides some rather startling evidence of the poor record of the Federal Government in recent years in paying its bills on time.

I submit for the RECORD this information.

The material follows:

EXAMPLES OF SLOW PAY BY FEDERAL AGENCIES

One engineering firm is owed $800,000 by the Federal government. Payment is 60 days in arrears, costing the firm $8,000 a month.

A contractor with the Department of Health and Human Services is owed more than $90,000 and payment should have been made more than 6 months ago.

A Washington, D.C. government contracting firm had to wait 10 weeks to get paid by the Department of Health and Human Services.

A southeastern military installation has owed a nearby dealer $16,000 for more than 60 days and part of the $16,000 is 12 months overdue. The dealer reports that if an invoice is not filled out correctly, the Federal agency makes no effort to have it completed or to notify the dealer. The government just doesn't pay at all. Many telephone calls have been made to get action.

On November 4, 1980, a military installation in Alaska owed an Alaska dealer for one invoice issued June 12, 1980 and for one issued August 6, 1980.

A northwestern U.S. dealer reports Federal buyers refuse to pay on anything until every item on a lengthy purchase order is received.

An OMB report citing a GAO finding states: The Department of Housing and Urban Development "was cronically late in processing tax bills and making tax payments" to localities on housing properties. "This resulted in exorbitant penalties and even loss of some properties for nonpayment." (This was reported in the Wall Street Journal.)

A GAO report states: 39 percent of the government's bills were paid late. Bills paid late were paid an average of 74 days after the invoice date.

PAYMENTS MADE MORE THAN 30 DAYS AFTER INVOICE DATE[1]

Federal department or agency[2]	Percent of invoices paid more than 30 days late	Percent of dollars paid more than 30 days late
Commerce	23.1	70.5
Interior	30.4	43.6
Environmental Protection Agency	33.1	35.8
Housing and Urban Development	33.3	36.8
Army	34.9	15.9
Transportation	62.6	74.4
House Education and Welfare	69.4	75.0
Civil Service Commission	69.6	33.6
General Services Administration	73.6	56.3

[1] Does not include cases in which a reason was identified as to why payment was not extended within 30 days.
[2] Based on sample of 58 payment centers, 3,263 invoices worth $5,500,000.

Extracted from GAO Report FGMSD-78-16, Feb. 24, 1978.●

QUOTAS IN THE AUTO INDUSTRY

● Mr. LEVIN. Mr. President, today our colleagues Senator DANFORTH and Senator BENTSEN announced their intention to file legislation in the near future which would impose a quota on Japanese imports. As they describe it, the legislation would, for 3 years, restrict the Japanese to a level of 1.6 million cars per year.

While I personally would favor even more stringent limitations, I am delighted to see action of this kind being taken. Last year, Senator RIEGLE and I indicated when the Senate was considering our resolution authorizing the President to negotiate an agreement with the Japanese, that if voluntary action was not taken soon the Congress would be prepared to support mandatory action.

Senator DANFORTH and Senator BENTSEN have proven by their actions that we were correct in that prediction.

I am pleased to see movement in this area. I know that Senator DANFORTH and Senator BENTSEN, as members of the Finance Committee, were impressed by the depths of the depression in the auto industry which was revealed in their hearings last month. The legislation they described today is their response to that condition. It is a response that I support and that I hope the Senate will act on—quickly.●

THE FIGHT AGAINST WASTE SHOULD NOT WASTE EXISTING TALENT

● Mr. EAGLETON. Mr. President, a very interesting article in today's Washington Post serves to underscore the gravity of President Reagan's decision to remove the 15 Inspectors General who had been leading the present war on Government fraud, waste, and mismanagement.

The Post's analysis of the work done by some of the existing Inspectors General shows that they have developed an extensive working knowledge of their agencies and the potential for waste and fraud offered by agency practices. Inspectors General rooted out numerous abuses which, though varied in cost and scope, were all equally inimical to the essential goal of a lean, efficient Federal Government.

Mr. President, I agree with the Post's observation that the Inspectors General know "where a lot of bodies are buried" and that this knowledge could be very useful to the administration's "much-heralded search for waste, fraud and mismanagement in Federal programs." I cited this consideration in a letter I sent to the President on January 22. While it acknowledged the President's statutory power to remove the Inspectors General, my letter expressed concern that wholesale removal of them was inconsistent with the administration's clear commitment to combat fraud and waste.

My letter stated in part:

Based on my experience with the Inspectors General, I can say without exaggeration that it would take many months, or even years, before an appointee could begin to approximate the performance of some of the experienced IGs who have been serving. For that reason, I fear that the indiscriminate removal of all IGs, without a careful case-by-case review, long before capable replacements can be chosen, will inflict a real setback in the battle against fraud and waste.

The letter concluded by urging that President Reagan set an important precedent that "the determining factor for these critical positions is excellence in performance, not political party affiliations."

Mr. President, I remain hopeful that

such a precedent will be set. In announcing the decision to remove the Inspectors General, President Reagan indicated that they could reapply for appointment to their jobs, and aides said the administration desired to appoint IG's who would be "meaner than junkyard dogs" in fighting Government abuse. I am confident that if the administration were to conduct a careful review of the performance of existing IG's, it would find that some of them possess not only the requisite meanness but also a crucial additional advantage: as "old" dogs, they will not waste valuable time learning where the yard or the junk is located.

Mr. President, in this regard, I submit for the RECORD the article entitled, "Fired U.S. Waste-Fighters Bare Government Foulup," which appeared in the February 2, 1981, Washington Post, along with a copy of my January 22, 1981, letter to President Reagan.

The material follows:

FIRED U.S. WASTE-FIGHTERS BARE GOVERNMENT FOULUPS

(By Charles R. Babcock and Patrick Tyler)

There are 15 men and women out there in the federal bureaucracy who could tell President Reagan where a lot of bodies are buried as his administration begins its much-heralded search for waste, fraud and mismanagement in federal programs.

They make up the corps of inspectors general at major federal agencies. But, instead of debriefing them, Reagan fired them all last week.

Inez Smith Reid, the inspector general at the Environmental Protection Agency, for instance, could talk about the $133,000 worth of unused airline tickets dating back to 1972 that she found under a secretary's desk during a recent audit.

Thomas F. McBride, the former Watergate assistant special prosecutor who was inspector general at the Agriculture Department, could detail the widespread use of food stamps as an underground currency to buy drugs, illegal weapons and cars.

June Gibbs Brown, the IG at the Interior Department, might volunteer her discovery that a youth camp director in Missouri ordered 1,072 pairs of leg chaps, 3,736 pair of work gloves, 122 stepladders and 1,509 desk calendars, all for a camp that was scheduled to enroll 136 youngsters.

The IGs' tales of waste and fraud range from the trivial to the enormous, from the Energy Department employe who was caught running up $100 in long-distance telephone bills between his office and a pornographic story "hotline" in the Midwest to the mortgage bankers in Puerto Rico who set up phony housing sales to siphon off millions from the Department of Housing and Urban Development.

When Reagan abruptly fired the IGs last week, some Democratic sponsors of the 1978 inspector-general legislation criticized the move as politicizing the fledging corps. Congress' intent, they said, was to create independent, nonpolitical offices in the major executive departments, though the president has right to replace the IGs.

Reagan aides did say the fired inspectors can reapply for their jobs in the new administration if they think they can meet the new president's challenge to rip into waste and fraud like a "junkyard dog." Several IGs are trying to stay on.

During his presidential campaign, Reagan continually declared the elimination of "waste and fraud" a top priority. He tied the success of his entire tax-and-budget-slashing recovery program to finding and cutting tens of billions of dollars in fraud and waste from government programs.

When asked during his televised campaign debate with President Carter how he would cut spending while cutting taxes and increasing the defense budget, Reagan replied, "I believe there is enough extravagance and fat in government."

He cited the Carter Cabinet secretary who once estimated that there was $7 billion of fraud and waste in the Department of Health, Education and Welfare alone, and the General Accounting Office estimate of the "tens of billions of dollars that is lost in fraud alone."

While hard figures on the magnitude of waste and fraud are elusive, several members of the outgoing class of Carter inspectors general agreed in interviews that they barely dented the problem. They also contend that, while fraud is prevalent, mismanagement and inefficiency do the greatest damage to taxpayers' wallets.

Like good bureaucrats, the inspectors say that they would do better if they only had more help, that they don't have enough auditors and investigators to police the multi-billion-dollar programs. Some say they have been hampered by backbiting in their own offices, lack of support from Cabinet officers, or the difficulty of merging sometimes incomatible audit and investigative staffs.

But their biggest complaint is that program managers in the various agencies aren't held accountable for correcting the problems the IGs uncover.

"Cabinet officers need to start demoting and firing program managers for inattention and negligence to waste and fraud issues," said Agriculture's McBride.

Donald L. Scantlebury, director of the GAO's accounting and financial management division, which investigates waste and fraud for Congress, is sympathetic to the IGs' frustration. "I think the [IG] concept is working out well," he said. "But it's a little early to expect dramatic results."

The idea of putting independent inspectors inside the Cabinet agencies was resisted by the executive branch for years. The first inspector general's office was set up at Agriculture in 1962 after internal audits failed to uncover the schemes of Texas fertilizer swindler Billy Sol Estes. But Agriculture Secretary Earl L. Butz abolished the office during the Nixon administration.

The first statutory inspector general was established after a House investigation found that HEW had only 10 investigators to oversee a $118 billion program. A 1978 law set up IGs in 13 additional agencies. The Department of Energy got an inspector general a year later. Because of hiring freezes, however, only about 5,200 of an authorized 5,900 slots for auditors and investigators have been filled.

The Defense Department, which doesn't have an inspector general, does have 18,000 auditors and investigators to oversee a $185 billion budget. By contrast, the Department of Health and Human Services, HEW's successor, has only about 700 auditors and 100 investigators to watch over a $260 billion budget.

Several of the inspectors general regard the required semiannual report to Congress as their greatest weapon against unrepentent federal program managers. "Without that statute we wouldn't last eight seconds," one outgoing IG said.

Some of these reports are filled with undecipherable statistics, while others are highly readable chronicles of program abuse. McBride's latest report, for example, tells of two Greenville, S.C., men who sold five cars and trucks, 32 firearms and some marijuana to undercover agents in return for food stamps. In Gary, Ind., the assistant fire chief was convicted of selling $11,000 in food stamps for $7,000 cash to undercover agents from McBride's office.

Paul R. Boucher, IG at the Small Business Administration, said in a report early this year that five farmers who received $1.4 million in SBA disaster aid loans at 3 percent interest diverted some of the funds to 10 percent interest certificates of deposit, and bought stocks and taxfree municipal bonds with more of the funds.

Richard B. Lowe III, who has been acting IG at the gigantic HHS, said he was upset to learn that the Social Security Administration doesn't have adequate controls to prevent employes with access to computers from diverting benefit checks to themselves.

The greatest cheaters, according to the audits, are not individual welfare or health care recipients, but doctors and pharmacists and other providers of services who overbill the government. A recent HHS audit screen detected abuse in laboratories in the Los Angeles area that led to an FBI undercover investigation called "Labscam" and several kickback indictments.

EPA's Reid, with only 95 auditors, has been trying to police the nation's largest public works project—the $30 billion sewerage construction effort designed to clean up the nation's rivers—and she says she loses sleep over the vast areas of EPA operations she couldn't even look at.

"Because of poor management, the federal government is losing millions, perhaps billions of dollars," she said.

When Energy Department inspector general J. Kenneth Mansfield looked into a synfuels pilot plant built by Ashland Oil, he found that firm had put up a $1 million brick administration building instead of the prefabricated model called for by DOE. As it happened, the elaborate new building was adjacent to an Ashland refinery.

Too late to recover the government's loss, Mansfield called for sweeping management changes on the project, some of which were adopted.

Several of the outgoing IGs voiced the concern that Reagan's pledge to cut billions in waste will fall on its face unless their successors get more help.

To put a serious dent in waste, they said, the president will have to increase support for the program, especially within the Office of Management and Budget and in some agencies where sub-Cabinet administrators have starved the inspectors' budgets, cut travel funds to do audits, refused to place all auditors directly under the control of the inspectors and, in some cases, attempted to head off investigations.

"I personally would not want to continue [in the job] without a commitment that the agency wanted this kind of work done or that they intended to suoport it," said Interior's Brown. She said she found then-Secretary Cecil D. Andrus a pleasure to work for, but that he was seldom there to back her up when program chiefs ignored her audit findings or refused to recoup challenged expenditures.

Reid said that then-EPA Administrator Douglas Costle never returned her memos. "To this day I don't know what his feeling was about the program," she said.

The day after the Energy Department's Mansfield released a report critical of a top aide to former Energy Secretary Charles W. Duncan, Jr., Duncan called the surprised inspector into his office and asked him to consider a job in Paris, even though the department had no office there.

Most of the fired inspectors have been on the job less than two years, and some of them said they were deeply wounded by Reagan's action.

"I really like my job and want to keep it," said former prosecutor Boucher at SBA, who in the waning hour of the Carter administration blew the whistle on a presidential assist-

ant who got Carter to sign an order quadrupling the size of a minority aid program even though Congress had forbidden it.

A career man in Carter's Senior Executive Service, Boucher sent in his reapplication for the job to Reagan Thursday.

One inspector general summed up his view of Reagan's firing this way:

"Everybody wants a strong IG operation until it starts investigating them. The administration may start out thinking they want junkyard dogs and what they may end up getting is French poodles."

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, D.C., January 22, 1981.

Hon. RONALD W. REAGAN,
The President,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: I am writing to express my concern about your decision to remove the 15 Inspectors General serving in the various executive departments and agencies.

The legislation creating the offices of Inspector General (which I sponsored) recognizes the President's power to remove the IGs. But the legislation also gives the Inspectors General a unique role in the Executive Branch. These officials do not have programmatic responsibilities; rather they supervise, coordinate and conduct audits and inspections in an effort to improve economy, efficiency and effectiveness in the executive agencies. Given the importance and sensitivity of these duties, the statute creating Inspector General offices is careful to provide several safeguards to assure aggressive, independent IG performance, regardless of the Administration in power.

Given your clear commitment to combatting fraud, waste and mismanagement in the federal government, I am sure that you will insist on having highly-qualified people in these crucial IG positions. I strongly believe, however, that the need for well-qualified, effective IGs can best be served by a case-by-case review of the performance of the men and women who have been serving as Inspectors General, and I am hopeful that the willingness you have stated to consider the present IGs for reappointment will in practice lead to such a careful review.

I believe that you and your Cabinet Secretaries would find that, as a group, the Inspectors General are extraordinary public servants: non-partisan, experienced, fully-committed to the war against fraud and waste, with great knowledge of the departments and the programs they are monitoring. Based on my experience with the Inspectors General, I can say without exaggeration that it would take many months, or even years, before an appointee could begin to approximate the performance of some of the experienced IGs who have been serving. For that reason, I fear that an indiscriminate removal of all IGs, without a careful case-by-case review, long before capable replacements can be chosen, will inflict a real setback in the battle against fraud and waste.

Because this is the first change of administration since the enactment of the Inspector General legislation, your handling of this matter will establish an important precedent. By retaining those Inspectors General who have served with distinction, you can establish clearly that the determining factor for these critical positions is excellence in performance, not political party affiliations. Such action on your part would further enhance the stature of the Inspectors General, increasing their ability to spearhead a concerted effort to reduce fraud, waste, and mismanagement in government.

Sincerely,

THOMAS F. EAGLETON,
Ranking Minority Member.●

LINCOLN NATIONAL LIFE PERPETUATES LINCOLN HERITAGE

● Mr. QUAYLE. Mr. President, as we prepare to observe the birthday of President Abraham Lincoln, it is appropriate to bring to my colleagues' attention a series of significant events sponsored in Washington by a constituent concern, the Lincoln National Life Insurance Co. of Fort Wayne, Ind.

Since its founding over 75 years ago, Lincoln National Life has demonstrated a deep commitment to the perpetuation of the heritage of our 16th President. In celebration of Abraham Lincoln's birthday, the company is to be congratulated as it continues to make a real and continuing effort to live up to the character of the Lincoln name.

To perpetuate the legacy of the great humanitarian, Abraham Lincoln, the company will underwrite the "Lincoln Lectureship Series" at Gallaudet College, the national school for the deaf. The college was established by an act of Congress which was signed by President Lincoln in 1864.

The "Lincoln Lectureship Series," endowed this week, will provide a forum for some of our Nation's prominent scholars and statesmen to share their ideas with the American people. The theme for the series will be based on President Lincoln's famous ideal, as expressed in the Gettysburg address:

> Four score and seven years ago our fathers brought forth to this continent, a new nation, conceived in liberty and dedicated to the proposition that all men are created equal.

On February 5, 1981, Lincoln National Life will provide Washingtonians a first-time opportunity to view an important collection of fine cartoons, posters, and memorabilia on loan from the company's Louis A. Warren Lincoln Library and Museum in Fort Wayne. Entitled "By the People, For the People," the exhibit will be on display through March 31 in the rotunda of the Cannon House Office Building.

I hope that many Senators and their staffs will take the opportunity to view this outstanding collection. It exemplifies the character and times of President Lincoln.

America, this body, and countless people owe a great debt to President Abraham Lincoln. He left the world immeasurably better than he found it, and his contribution to this great Nation and the Capital City has enobled us all.

I commend the Lincoln National Life Insurance Co. and its leadership for its hard work in bringing this fundamental part of our heritage to Washington this week.●

SOME PROPOSALS TO REVITALIZE MONTANA'S ECONOMY

● Mr. BAUCUS. Mr. President, a new administration has taken over in Washington at a time of considerable economic difficulties. Interest rates are still between 18 and 20 percent. Unemployment, low productivity—particularly when compared with other countries such as Japan and West Germany—and a tax system that seems to discourage new investment and increased productivity plague our economy.

Increasingly, Americans recognize that we must take steps to improve the business environment and improve productivity. I have undertaken a number of measures designed to assist the Montana businessman, farmer, and rancher and to revitalize our economy. Let me briefly outline what those measures have been to date.

SMALL BUSINESS OMNIBUS TAX BILL

First and foremost, I am an initial cosponsor of the Omnibus Small Business Capital Formation Act of 1981. This was introduced today. I believe it will be a key piece of legislation and will help insure that small businesses receive the attention they should get. Let me briefly outline the principal points of this piece of legislation. I believe we can pick and choose the best aspects of it that are helpful to Montana and to small businessmen everywhere, and make a particular effort to assure passage.

The provisions of this bill address most of the problems of the small business community, but I intend to take it back to the small business community in Montana for review and analysis. I, too, have some misgivings about certain aspects of the bill, and shall want to listen closely to testimony during hearings.

In some instances, for example in the inventory accounting for small business, the revenue loss may be too great. Nonetheless, let me review the principal aspects of the bill.

CAPITAL FORMATION INCENTIVE

Capital formation is undoubtedly one of the greatest problems facing the small business men or women. I believe measures such as those presented in this bill are responsive to that need. Tax credits for investment and the creation of the small business participating debenture should make it easier for obtaining equity and debt capital.

A reduction in capital gains taxes for small business likewise will help, although this may be taken care of by some proposals that might be forthcoming from the Administration. For example, reducing personal income tax rates will have an effect on capital gains taxes, also.

Access to capital should be improved by changes in the subchapter S regulations and a broker dealer reserve system should enhance the marketability of small business stock. However, here, too, I caution that we have to be careful that we are not creating a new tax-deferred reserve system, which many other individuals and businesses will seek for their own purposes as well, creating unacceptable revenue losses and enormous policy problems.

The bill also permits small businesses to rretain a greater share of internally

generated capital. Changing the graduation of corporate tax rates will be helpful, as will be some form of accelerated and simplified depreciation tax treatment. However, the latter is particularly expensive, and once again, will have to be meshed with a number of existing proposals. Raising the ceiling on used property investment tax credits responds to small businesses' needs, as does increasing the amount of permissible accumulated earnings.

ESTATE TRANSFER PROVISIONS

Estate tax reforms obviously are necessary when the current system forces the small family farmer to sell his farm because he is unable to pass it from one generation to the other and also pay the taxes he owes. Real reform is needed here, and I shall be open to any number of suggestions as to how we might improve the situation. It is interesting that the total revenue loss, if one were to eliminate inheritance taxes completely, would be only $7 billion, and yet that $7 billion must generate more paperwork and regulations and confusion and unhappiness than anyone can imagine.

INVENTORY ACCOUNTING IMPROVEMENTS AND EMPLOYEE STOCK OPTIONS

Changes in inventory accounting for small business has been a subject many people have struggled with and it has still not been resolved. It is complicated and a high-cost item in terms of revenue loss. Nonetheless, I do not believe we should address the issue once again to see if we can find a better way to help small business keep its books.

Finally, the bill permits employees to exercise stock options without tax consequences, which should help small businesses attract better management by encouraging the use of stock options for key employees.

As a member of the Small Business Committee and of the Finance Committee, I look forward to the debate on the various proposals presented by this measure. I am convinced that we in the Senate must pass a good part of this measure, if the small business community in America is to continue to thrive and prosper.

I believe such a measure is particularly important at this time, as the administration studies ways to revitalize our economy. Too often, massive programs do not respond to the needs of many people interested in the subject; often tax measures aimed at the business community end up being helpful to big business. Small business somehow seems to get lost in the maze.

It is my intention to make sure that this bill is not lost. With over 40 percent of our GNP produced by small business, it is essential that we maintain its vitality. Yet so many tax laws and regulations, which can be easily handled by big business, overwhelm small businesses; ultimately they threaten to result in substantial losses, if not bankruptcy.

GOVERNMENT CONTRACTS FOR MONTANA SMALL BUSINESSES

Secondly, I am planing two important conferences for small businesses in Montana. One way to improve the economic outlook is to expand the source of markets for our goods. That is, if we can find more people to sell to and encourage them to buy, we shall bring more money into Montana. And, when we seek new markets, we should not forget the Federal Government itself.

About one-quarter of the Nation's productive output is now consumed by the Federal Government. A quarter of this total—more than $1 of every $20 spent for all purposes in this country—is spent by the Department of Defense, either on salaries or contracts. In fiscal year 1979, these outlays amounted to over $108 billion. Less than $200,000 of this amount—two-tenths of 1 percent—found its way to Montana's economy. Thus, Montana ranked 47th among the 50 States in DOD funds received. By any standard, there is considerable room for improvement.

Selling to the Federal Government is not unlike selling to any other potential new market. However, the U.S. Government has established a policy to encourage Government contracts awards to small firms. This is true of both direct awards and of awards for which some large firm is the prime contractor. The first important step in dealing with the Federal Government is to identify potential markets within it. This requires that Montana businessmen acquaint themselves with such tools as the Commerce Business Daily and other available information about the scope and type of Federal contracts. Every business—including small business—must compete for these contracts and awards must be made to the lowest bidder. But, on the other hand, we must make sure Montanans get their fair share of these contracts.

I shall be sponsoring a major procurement conference in the State early this summer to acquaint Montana businessmen with the opportunities for receiving awards of Federal contracts and to inform them of the procedures and processes to receive these contracts. This conference will lay the groundwork for establishing of relationships and financial arrangements, which will prove both profitable for both the individuals involved and for the State economy as well.

INVESTMENT CONFERENCE FOR MONTANA

Montana's economy has been severely affected by recent decisions made by both the Federal Government and the private sector, and it must respond to the problems caused by these decisions through a variety of actions. The State must have a well-planned and coordinated approach to economic development.

Another way to improve Montana's economic climate is by attracting new and increased investment. To accomplish this, we need to find innovative and effective ways to stimulate investment in the State. Therefore, I am planning to sponsor a second conference this summer on "Attracting New Industry and Investment to Montana."

The confernce will bring together Federal, State, and local officials concerned with investment and economic development with leaders from the private sector and potential investors. Discussions and working sessions will be held on a number of subjects dealing with economic development, including ways to improve coordination between the State policies on taxes, zoning, environmental regulations, et cetera. An overall objective of the conference will be the formation of working groups to come up with specific proposals and initiatives that will encourage the kind of investment Montana needs.

FOREIGN INVESTMENT AND TRADE—THE MONTANA CONNECTION

The last 2 years on the Finance Committee have brought out for me, in sharp relief, the importance of trade and foreign investment to our country.

It is hard to believe or even to be concerned about trade when the subject seems so distant. Yet, when you think about it, every day we deal with matters impossible without that trade. In part, we are in bad shape economically, because, as a nation, we have not been paying enough attention to trade.

Investment is the same; for years we have benefited from large U.S. investments overseas, bringing money home to us, giving us a return on funds going overseas. So, we cannot put on blinders when foreigners seek to do the same thing. If Toyota wants to build a plant in the United States, it means jobs and large expenditures of money in our country. The profit may be repatriated abroad, but we, too, will have benefited, as do foreigners from U.S. investments in their countries. But, we must be careful that those investments do not permit foreigners to control our economy.

We in Montana know that; we sell much of our product abroad and are that much better off for it.

There is a lot more we could do that is imaginative and would contribute to a healthy Montana economy.

For example, some of our banks could consider establishing bank free trade zones. Just north of our border is one of the richest places in the world—Alberta. Many there might like to have a nearby bank offering a free trade zone for financial transactions. As it is now, they probably have to go to New York or Chicago for such services. As a result, the investment money goes elsewhere than Montana.

What is a bank "free trade zone?" It is an international banking facility, which permits foreign deposits free of reserve requirements and allows the facility to borrow money free of reserve requirements from depository institutions located outside the United States. It offers a number of other benefits, all of which are designed to attract investment capital from abroad to our area.

The Federal Reserve System is in the process of seeking comment on proposed rulemaking for such facilities. Each State must also amend its laws to make them possible. New York has already done so, since it has seen the opportunity to enhance its reputation as a world banking center.

We cannot compete with that, but we, perhaps, could offer a regional facility attractive to such countries as Canada. We should think it over.

TOURISM

While speaking of trade, mention must be made about tourism which is

one of Montana's most important industries and is, in fact, a trade item. Last year, I sponsored a conference in Great Falls on trade and tourism in Canada. I continue to think that we can work much more closely with our neighbors, including neighboring States, to promote tourism in the region. The potential is enormous, and I shall continue to do whatever I can to lower trade barriers between the United States and Canada and to help form a solid basis for regional tourism promotion.

Improved customs and immigration service is certainly one way to achieve this objective and I intend to work with the Montana tourism industry to help in that area and in any other area which it feels would be beneficial to it.

GOVERNMENT GUARANTEED LOANS FOR SMALL BUSINESSES—AN EARLY WARNING

Finally, let me mention my interest in reviewing the Government-guaranteed loan programs. I suspect Montana does not receive its full, fair share, and, because of that suspicion, I asked my staff to do some research on these programs.

Currently, the Economic Development Administration is involved in three planning districts in Montana. In addition, there are title IX status grants due to severe job losses from the Malmstrom Air Force Base cuts and the Anaconda Co. shutdown.

The growth council of Great Falls has received two grants: One for $200,000 and a second for $500,000 which is a revolving growth fund grant. In addition, Anaconda has received a $100,000 grant for planning and implementing an approach to dealing with job losses in the Anaconda area.

Presently, there are no public works grants in Montana. Three had been nearing final approval but fell through for various reasons. There are several business loans guaranteed by EDA, but the figures are unavailable.

The Small Business Administration indicates that, in 1980, there were 531 regular SBA loans in Montana, 468 of which were guaranteed. The 531 loans represent $54.1 million; the 468 loans that were guaranteed represent $55.1 million.

There are 13 member institutions in the Federal Home Loan Bank in Montana. These institutions had advances as of the end of 1980 that total $52,808,000.

In spite of these relatively low funding levels, I feel these programs are absolutely essential to the well-being of Montana's economy. I am particularly concerned about the preliminary remarks by the new Director of OMB, Mr. David Stockman, upon assuming his new post, that Government-guaranteed loan programs should be dramatically reduced. Such a proposal, if enacted, would, in my judgment, severely impact on the prospects of revitalizing Montana's sagging economy.

Those are a few ideas. I want to follow-up on them. Tax proposals; promotional conferences; increased trade; more Government procurement in Montana; more Government guaranteed loans, if possible; more tourism; and more information on how to expand business. Other ideas may emerge, and, obviously, not all plans can be implemented at once.

But at least let us try.●

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended not beyond the hour of 7 p.m., and that Senators may speak therein without limitation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, there will be no more rollcall votes today.

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS ON THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday there be orders for the recognition of Senators BAKER, HATFIELD, STEVENS, TOWER, SYMMS, MATSUNAGA, and CRANSTON of 15 minutes each to follow on after the recognition of the two leaders under the standing order.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later the following occurred:)

Mr. BAKER. Mr. President, I ask unanimous consent that the special orders entered for Thursday be changed to the order of sequence as follows: the first Senator to be recognized will be the Senator from Hawaii (Mr. MATSUNAGA), followed by Senator CRANSTON, Senator SYMMS, Senator HATFIELD, Senator BAKER, Senator STEVENS, and Senator TOWER.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9:15 A.M., THURSDAY, FEBRUARY 5, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday the Senate convene at 9:15 a.m.

This request has been cleared on both sides of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM FOR THURSDAY NEXT

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate reconvenes on Thursday next, and following after the recognition of the two leaders under the standing order and the recognition of Senators under the special order, the Senate resume consideration of the Executive Calendar and that the order of business at that time be the consideration of Adm. B. R. Inman to be Deputly Director of Central Intelligence.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I modify that request. I believe Admiral Inman will be before us in two capacities: that for confirmation as admiral, and also as Deputy of Director of Central Intelligence, one nomination from the Armed Services Committee and reported from the Armed Services Committee, and the other from the Intelligence Committee, and I modify my request by asking that both nominations may be considered in sequence as the first order of business when we return to the consideration of the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER EXTENDING DEADLINE ESTABLISHED BY SENATE RESOLUTION 109 FROM FEBRUARY 1, 1981 UNTIL APRIL 1, 1981

Mr. BAKER. Mr. President, as in legislative session, I ask unanimous consent that the deadline established by Senate Resolution 109 of the 96th Congress, a resolution to direct the Select Committee on Ethics to undertake a comprehensive review of the Senate Code of Official Conduct and Provisions for its enforcement and implementation by which the Select Committee on Ethics is to report the results of its study of the Senate Code of Official Conduct and make recommendations for its revision be extended from February 1, 1981, until April 1, 1981.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, Mr. HEFLIN has discussed this request with me, and there is no objection.

Mr. BAKER. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT THE READING OF WASHINGTON'S FAREWELL ADDRESS OCCUR ON FEBRUARY 16, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that the reading of Washington's Farewell Address this year occur on February 16, instead of February 22, as provided in the order of the Senate on January 24, 1901.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. BAKER. Mr. President, as in legislative session, there are certain matters on the calendar. I wonder if the minority leader is in a position to agree to the consideration of those items at this time?

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side to proceeding with the items on the general orders calendar.

Mr. BAKER. Mr. President, I thank the minority leader.

INCREASE IN MEMBERSHIP OF THE JOINT COMMITTEE ON PRINTING

The bill (S. 272) to increase the membership of the Joint Committee on Printing, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 272

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101, title 44, United States Code, is amended to read as follows:

"The Joint Committee on Printing shall consist of the chairman and four members of the Committee on Rules and Administration of the Senate and the chairman and four members of the Committee on House Administration of the House of Representatives.".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

The resolution (S. Res. 35) authorizing expenditures by the Committee on Rules and Administration was considered and agreed to, as follows:

S. RES. 35

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Rules and Administration is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (3) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,273,800, of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEMBERS ON THE PART OF THE SENATE OF THE JOINT COMMITTEE ON PRINTING AND THE JOINT COMMITTEE OF CONGRESS ON THE LIBRARY.

The resolution (S. Res. 36) providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee of Congress on the Library, was considered and agreed to, as follows:

S. RES. 36

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

JOINT COMMITTEE ON PRINTING: Mr. Mathias of Maryland, Mr. Warner of Virginia, and Mr. Cannon of Nevada.

JOINT COMMITTEE OF CONGRESS ON THE LIBRARY: Mr. Mathias of Maryland, Mr. Hatfield of Oregon, Mr. Baker of Tennessee, Mr. Pell of Rhode Island, and Mr. Williams of New Jersey.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NOLA E. CLARK

The resolution (S. Res. 37) to pay a gratuity to Nola E. Clark, was considered and agreed to, as follows:

S. RES. 37

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Nola E. Clark, widow of Francis E. Clark, an employee of the Architect of the Capitol assigned to duty on the Senate side of the Capitol Grounds at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JOSEPH A. CROSS

The resolution (S. Res. 38) to pay a gratuity to Joseph A. Cross, was considered and agreed to, as follows:

S. RES. 38

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Joseph A. Cross, widower of Florence K. Cross, an employee of the Senate at the time of her death, a sum equal to three months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I thank the minority leader. That completes the consideration of the calendar of business under general orders.

It is my understanding that the distinguished minority leader intends to make his presentation to the Senate on the history of the Senate. If I might have the attention of the minority leader for a brief moment, I would ask if it might be agreeable to the minority leader that at the conclusion of his presentation we might provide for the Senate to stand in recess under the order previously entered?

Mr. ROBERT C. BYRD. Mr. President, that would be agreeable.

Mr. BAKER. Mr. President, I make that request at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the minority leader for his cooperation.

THE UNITED STATES SENATE

CAPITOL POLICE

Mr. ROBERT C. BYRD. Mr. President, during the spring and summer months as many as ten thousand persons visit the Capitol Building each day. They come from every state in the Union and from all parts of the world to see for themselves this structure which has become the symbol of the highest ideals of representative government. Those of us who have visited legislative bodies in other nations never cease to marvel at the wide access that visitors enjoy to this seat of government.

Many come with specific issues or grievances that they wish to discuss with those of us whom they have elected to be their representatives. Others simply want to explore, at first hand, this great citadel of democratic government. Just as our visiting citizens have a right to the widest possible freedom of movement and expression in these halls, so do we, their representatives, have the right to conduct our business without undue delay and without fear of restraint or reprisal.

To maintain this often delicate balance, we are fortunate to have the assistance of a dedicated and well-trained Capitol Police force. Today, in my continuing series of statements on the United States Senate, I plan to discuss the development of the Capitol Police from a one-man watchforce in 1801 to its current position as a highly-professional law enforcement organization.

For the first twenty-five years of Congress' residence in Washington, the Capitol was under the protection of a single guard whose charge was simply "to take as much care as possible of the property of the United States." The first guard, Mr. John Golding, and his immediate successors, lacked the customary police authority to make arrests. We must assume that the solitary guards had frequent occasion to wish that they could call on more than simply the force of their individual personalities. We do know that from time to time, the guard had to seek assistance from a detachment of Marines stationed nearby.

By late in 1824, as the construction of the Rotunda neared completion, the number of visitors to the Capitol had increased significantly and, accordingly, so did the need for police protection. The arrival of one of the Nation's greatest foreign friends, the Marquis de La-

fayette, must have placed a great burden on the Capitol guard. On December 10, 1824, as Lafayette became the first foreign dignitary to address a joint congressional session, the guard complained bitterly of his difficulties in expelling from the building "disorderly persons, vagrants and drunks." A fire in the Capitol's library, at Christmastime in 1825, demonstrated the growing necessity for increased surveillance. Fortunately, no one was hurt and only a few books were damaged. The ensuing investigation pointed clearly to the need for systematic professional protection to avoid the recurrence of what might surely have been a disaster.

Action finally came in 1827 when President John Quincy Adams directed that a regular watch force be established. That force consisted of four men—two for daytime duty, one for the nighttime, and one relief man. A year later, on May 2, 1828, the City of Washington's police regulations were extended to include the Capitol and adjacent grounds. Accordingly, the year 1828 appears prominently on the shoulder patch of today's Capitol Police force signifying the date of its "founding." For the next quarter century, however, the force remained small, consisting of a captain and three men. They worked fifteen-hour shifts when Congress was in session and ten hours at other times. Although not required to wear uniforms, the police were directed to be "neat and tidy and present a gentlemanly appearance at all times; to be stern with violators of the laws, but courteous to officials, citizens, and strangers." Due to the force's small size, its area of responsibility was confined to the Capitol building and the walks and drives immediately adjacent to it. In addition to providing general security inside the building, the police served as tour guides and were, by all accounts, knowledgeable and helpful, just as they are today.

A major source of irritation for the police came from the hack drivers who, in their zeal to pick up passengers, refused to keep their carriages within designated areas. The greatest difficulty, however, lay beyond the walkways, over the course of the Capitol grounds.

Although the grounds were surrounded by a large iron fence, the gates of which were closed each evening, their many secluded areas offered ample opportunity for holdups and other crimes. In those days the grounds to the east of the building, covered with more than six hundred trees, sloped upwards to a height of eight feet from the building to the eastern boundary line. First Street was then graded seven feet below the boundary so that it was difficult, if not impossible, to see the Capitol or most of its grounds from the street. During daylight hours a single watchman, usually an elderly man unsuited for arduous duty, patrolled the grounds. At night, it was every man for himself.

During most of the nineteenth century, the Capitol Police had to rely on the District of Columbia's fifteen-member "Auxiliary Guard" to control demonstrations and stop disorderly conduct on the grounds. Unlike the Capitol Police, the Auxiliary Guard did have uniforms, which were grey with flowing capes and a profusion of brass buttons. The "AG", as they were known, were armed with fearsome wooden sticks topped with iron spearheads. The weapon was said to resemble an ancient javelin. Both the Capitol and the city forces were provided with "whirligig rattles" instead of whistles. When twirled, these rattles reportedly emitted a most unearthly noise.

The need for an expanded force became acute by 1851. During that year, construction began on the Capitol extension which was to consist of wings housing our current Senate and House chambers. When completed later in the decade, the extension would more than double the available working space in the building, making it virtually impossible for a handful of men to guarantee the security of members and visitors alike.

As 1851 drew to a close, another fire broke out in the congressional library. This time the damage achieved disastrous proportions. When the blaze was finally contained, more than 35,000 of the library's 55,000 books were destroyed, including two-thirds of Thomas Jefferson's original collection. In a building containing 45,000 gas jets and hundreds of candles, the likelihood of additional fires was exceedingly great.

A year later, in 1852, the Capitol Police force, described as "an ununiformed squad of ancient watchmen" was enlarged to include a captain and eight men. It was then that the term "Capitol Police" first appeared in the statutes, and one might consider 1852 as the real beginning of the evolutionary process through which the small guard force grew into a professional police organization. By 1854, the police, armed with heavy hickory canes, had begun to wear uniforms, possibly borrowed from the military. Not until the start of the Civil War in 1861, however, were they authorized to wear badges, symbolic of their police authority.

The increased activity that came in the wake of the wartime emergency, as well as the continuing construction work on the Capitol extension and the new dome, necessitated further expansion and the issuance of more detailed regulations for the police. Although supplemented by military troops, stationed in and around the building, the force was increased to constitute three six-man watches. Each watch was on duty twelve of every thirty-six hours, with an hour's relief for meals. At that time, the Capitol building was open to the public from sunrise to sunset. Children under the age of twelve were not permitted on the grounds, or in the building, unless, in the language of the regulations, they were accompanied by "parents or some discreet person."

In 1867, as the country slowly struggled to recover from the tragedy of the Civil War, responsibility for the Capitol force was transferred from the Commissioner of Public Buildings to the Sergeants at Arms of the Senate and the House. As one of their first acts, those officials authorized the design of new uniforms to distinguish the police from the members of the general public, many of whom were attired in old military garb, and to instill a sense of esprit among the men. Salaries were raised to $1,000 per year and three men were added to help with the increased flow of visitors to the top of the then recently-completed dome.

With the expansion of the force came the inevitable criticism that it was getting too large and that its membership, which included a large number of Civil War veterans, was not suited to the heavy responsibility of protecting the Capitol. Mark Twain was one of the force's most prominent critics. In February 1868, he speculated that "the days of the picturesque, blue-uniformed, brass-buttoned Capitol Police are numbered." He argued that they cost the government $80,000 per year and were not worth the money. Mark Twain reported that the force's members "have grown fat and comfortable dozing in chairs and scratching their backs against marble pillars." He suggested that protection be provided, when necessary, by regular Army troops.

At the time Mark Twain made his observations, the services of the police were very much in demand. On February 24, 1868, the House voted to impeach President Andrew Johnson. From early March until late May, the Senate sat as a court of impeachment. This unprecedented event drew huge crowds from across the Nation. The police provided added security, screening visitors to ensure that only those with proper credentials were admitted to the Senate galleries. Senators found it difficult to move in and out of the chamber, despite the best efforts of the police to keep the corridors clear.

In 1873, the Capitol Police Board was established, adding the Architect of the Capitol to the force's governing body. The board assumed responsibility for a force consisting of one captain, three lieutenants, twenty-seven privates, and eight watchmen. In addition, it supervised a newly-created and separate guide force. The guides were allowed to offer their services to the public for not more than fifty cents an hour.

A year later, in 1874, Congress appropriated $200,000 for a major redesign of the troublesome and unsightly Capitol grounds. Up to that time the grounds shoddy appearance confirmed Lord Bacon's observation that "men come to build stately sooner than to garden finely." The soil consisted of poor clay which "turned to powder in dry weather and to mortar in wet." The west front of the building had been particularly neglected. From the earliest years, it had been assumed that the city would develop to the east. Consequently, little attention was paid to the western portion of the Capitol until 1873 when Congress acquired seven acres on Capitol Hill's western slope. The Senate and House retained nationally-prominent landscape architect Frederick Law Olmsted to prepare a suitable plan for both the east and west grounds of the building. As work proceeded on Olmsted's plan, Congress adopted a resolution, "to

prevent any portion of the Capitol grounds and terraces from being used as a playground, or otherwise, so far as may be necessary to protect the public property, turf, and grass from destruction and injury." Congress also moved to keep the public from climbing on the exterior statues and walls by making the offense punishable by a $100 fine and sixty days in jail.

Fire continued to plague the building during the last quarter of the nineteenth century. In 1876, a gas explosion ripped through the Senate wing, killing the building's chief carpenter and seriously injuring the superintendent of the Senate folding room. Five years later, another explosion damaged the Senate side of the Capitol.

The most serious, and the last, gas explosion occurred at 5:13 p.m., on November 6, 1898, in the vicinity of the first-floor room now restored as the old Supreme Court Chamber. Two bicycle policemen, stationed at Second and C Streets, Southeast, heard the explosion and saw a sheet of flame rise from the windows along the east front at the basement level. The police officers saved valuable moments by quickly sounding the alarm. Just before the blast, a policeman inside the building detected the smell of gas. As the Capitol was honeycombed with gas pipes, that odor was not considered uncommon. Nevertheless, the officer set out to investigate. Just as he left the Senate side and headed toward Statuary Hall, the accumulated gas, which had leaked from the service pipes beneath the crypt, ignited. The force of the explosion heaved upward the very floor that the officer had just crossed. The resulting fire raced up an elevator shaft adjacent to the Supreme Court chamber, causing considerable damage on both the first and second floors.

Although approximately $25,000 damage occurred to the building and its furnishings, the severest loss was a priceless collection of manuscript copies of Supreme Court decisions for the period 1792 to 1832. The court itself was not slowed by the calamity. It met the following day in the District of Columbia Committee room on the second floor of the Capitol, now known as the Lyndon B. Johnson Room. That room is located across the hall from the Democratic leader's offices, which, in those days, used to house the Senate Finance Committee and the Official Reporters of Debates. By 1900, electricity had replaced gas for purposes of illumination and, thereafter, all gas lines to the Capitol were closed to avoid what was then becoming an altogether too frequent occurrence.

Less than seventeen years later, another explosion rocked the Capitol. On that occasion, however, it was hardly accidental. On July 2, 1915, at 11:40 p.m., Erich Muenter, a former German language instructor at Harvard University, stood in front of Union Station, his eyes fixed intently on the Capitol. At that moment, an ignition device set off three sticks of dynamite which Muenter earlier had placed behind the Senate's telephone switchboard located adjacent to the west wall of the Senate Reception Room. The explosion caused major damage to the room, smashing windows, chandeliers, and mirrors. Officer Frank Jones, a 30-year-veteran of the Capitol Police force, was stationed at the Senate Door on the first floor. The severity of the blast nearly knocked him off his chair. The only other policeman on duty in the Senate wing was Officer George Gumm. Only ten minutes earlier, Officer Gumm had closed a window in the Reception Room just inches from where the dynamite lay concealed. Meanwhile, Mr. Muenter, pleased with his dramatic protest against United States aid to Great Britain in World War I, quickly boarded the midnight train to New York City.

On the following day, the *Washington Star* carried two banner headlines. The first recounted the Capitol bombing and reprinted an anonymous letter in which the writer expressed the hope that the explosion would "make enough noise to be heard above the voices that clamor for war and blood money." The writer, expressing his opposition to America's faltering efforts at neutrality, concluded that "this explosion is the exclamation point to my appeal for peace." The other Page One news story told of the shooting of financier J. P. Morgan, Jr., at his Long Island estate. Morgan was not seriously hurt and his assailant was arrested. His attacker's motive was to strike a symbolic blow against J. P. Morgan and Company, Great Britain's chief purchasing agent in the United States for war munitions and supplies. Morgan's assailant was none other than Mr. Muenter, who, several days later, committed suicide in jail.

Explosions and bombings aside, the life of a Capitol policeman at the end of the nineteenth and into the twentieth centuries contained a large measure of boredom. This was a particular problem late at night, after the building had closed and the members and visitors had departed. Perhaps this situation accounts for a variety of ghost stories that have been told down through the years.

One of the oldest stories is recounted by newsman John Alexander in his book of Washington ghost tales. It concerns the infamous denizen of the Capitol's lower reaches, "Demon Cat." As the story goes, Demon Cat always waits until its victim is alone. The animal's prey are generally members of the Capitol Police force. One victim told of encountering the infamous cat on a winter's eve. As it walked toward the policeman, the cat began to swell.

The guard felt paralyzed as he stared into the glowing, piercing eyes that came closer and closer and grew larger and larger. The animal swelled to the size of a giant tiger, yet never lost its unmistakable cat-like form. Its purring changed to a ferocious snarl. There was a deafening roar as the monstrous animal leaped—with claws extended—toward its victim. The guard couldn't move. His feet seemed nailed to the floor. He covered his face with his arms as the giant animal seemed just inches away from landing on him. He screamed.

Nothing happened. The Demon Cat vanished into thin air as the man screamed.

The trembling guard stood alone, the corridor deserted, the silence pierced only by his breathing. His limp body was covered in a cold, clammy sweat. He felt drained. The narrow marble hallway now reminded him of a tomb. The guard shuddered, tried to pull himself together, and headed back to his desk. For some reason he just didn't feel like finishing his rounds.

This grisly feline was blamed for an elderly guard's fatal heart attack and the cat is reputed to appear only on the eve of a national tragedy, or upon the changing of presidential administrations!

There are other stories of footsteps echoing through darkened halls, belonging, perhaps, to long-since departed members of the police force, still faithful to keeping watch over their posts. In the 1890's, a policeman entered Statuary Hall, the former House chamber, at midnight and allegedly interrupted the entire ghostly membership of a much earlier Congress in solemn deliberation. Shortly thereafter, in the same chamber one New Year's Eve, as the clock struck twelve, the marble and bronze statues were reported to have drifted off their pedestals in order to dance. A terrified guard fled from the chamber and into the still night air. On the following day, he recounted the eerie event to his supervisor. The captain immediately ordered the private to take an extended rest. I have heard, however, that even in recent times, the police tend to avoid Statuary Hall on New Year's Eve!

In 1896, twelve privates were added to the force and seven watchmen's positions were abolished. The outbreak of the Spanish-American War, two years later, served as reason for adding eighteen more privates. Although they were intended to be temporary, in 1901, they became part of the permanent force. So, at the beginning of this century, the Capitol Police force had grown impressively. Including a newly established detective force, it amounted to sixty-seven men. Half the privates were selected by the Senate and half by the House. Of this number, four officers were assigned to the Dome due to its popularity among the tourists. During the height of the season, more than 2,000 persons each day climbed the 390 stairs for a breathtaking view of the surrounding city of Washington. The grounds were, at that time, patrolled day and night by a bicycle squad to give chase to those who drove their two-wheelers at high speeds and to catch, and send to the pound, all unlicensed dogs.

In 1902, the *Washington Star* pronounced the force's evolution complete. In that paper's judgment, the Capitol Police was "the finest body of indoor policemen in the world." Each member of the force was then attired in a natty dark blue regulation army frock coat and was armed with a billy club, pliable handcuffs called "nippers", and a distress whistle. They carried revolvers only when on "important service" or when assigned to the grounds at night.

Apparently not all of the officers liked their "natty" uniforms, for a number of appropriations acts of that period included the admonition that "the officers, privates, and watchmen of the Capitol Police shall, when on duty, wear the regulation uniform."

By 1911, the force was again the target of strong criticism because of its continuing expansion. Several years earlier the Senate and House had opened their new office buildings, those which we know today as the Russell and Cannon Buildings. Together, they required an additional twenty-six officers. For some reason the House took only ten while the less populous Senate claimed sixteen. One senator noted that was because the 391 House members were more orderly than the 92 senators.

The House, following the lead of its Democratic Caucus, reported a bill in 1911 to reduce the size of the force by fifty percent. The measure's proponents argued that most of the recent increase had been intended as temporary due to the Spanish-American War. Senator Clarence Watson of West Virginia agreed with the reduction plan. He noted the presence of many "sleepy-eyed officers sitting around who would never be allowed in a real business institution." He claimed that they were "of no use to anybody, even themselves, except to draw their salaries." Democratic Senator John Sharp Williams of Mississippi concurred, accusing the policemen, whom he believed to be the appointees of the Republican majority, of being "political hangers on." He said "to them we entrust the care of this great national property, and they attend to it with such little efficiency that although there are sixty-seven of them hanging around between here and the House somewhere, somebody came in here the other day and ruthlessly cut one of the pictures in the Capitol all to pieces." Senator Williams was referring to an incident on December 19, 1911, in which a vandal cut a thirty-inch long strip out of the "Battle of Lake Erie" painting, located in the marble stairway to the east of our chamber. In 1955, that same painting suffered a similar outrage.

Unfortunately, the paintings and statuary in this building have frequently been the target of mindless mutilation, a fact which presents a strong argument for an adequate and vigilant police force. Senate Appropriations Committee Chairman Francis Warren expressed the sentiment of a majority of his colleagues in 1912 when he told them he would rather pay the price of a sufficient police force than to risk the consequences of less protection.

After extensive debate in 1912, the Senate decided not to concur in the House's force reduction plan. Senators realized that the younger men, who had been recently hired, would have to be the first fired. That would have left a core of Civil War veterans, most of whom were in their late sixties, the men who were the very targets of the complaints about inactivity. Few senators were willing to take the action necessary to fire these old war veterans, from both the Union and Confederate armies. Their heroic deeds in days gone by were familiar to the senators, many of whom had served as their comrades in that bloody and tragic struggle. The veterans were allowed to remain, and the records of the Senate Democratic Conference indicate that as late as 1918 there were still a few Civil War veterans guarding our doors.

Back in those days, the police were given fifty days of annual leave. One senator thought he saw a way to save funds by reducing the number of leave days to thirty. His plan foundered, however, when another senator explained that those fifty days were from the entire year, barely giving the men each Sunday off! Even today, the official policy of the Capitol Police Board is that leave is a privilege rather than a right. The police manual notes that the "requirements of the force must at all times come first."

The police had great responsibilities on the eve of the First World War. They had to protect the Capitol, then valued at $17 million. The grounds had been expanded to cover fifty-nine acres, and an estimated one million visitors traversed these halls each year. Among the particularly sensitive posts were one in Statuary Hall, to guard against chronic vandalism; the Senate gallery, where two officers worked to reduce congestion; the upper dome, "for the preservation of order, to protect the Dome from defacement, and to guard sightseers from dangerous places."

In addition, there was a turnkey who locked and unlocked each of the Capitol's thirteen doors. Several years earlier, the turnkey in the House Office Building lost his key and every lock in the building had to be replaced. A final important post was the northeast grounds, where a patrol was assigned "to protect the lawns from trespassers and the roadways and plaza from invasion by unauthorized vehicles and from fast driving of all kinds."

As I noted earlier, World War I created the need for additional security. The bombing of the Reception Room in 1915 was directly related to the war. In 1917, when the United States entered the conflict, the Senate attempted to add fifty men for the duration of the emergency. The House, however, refused to go along with the Senate's plan. One Representative interviewed the chief and quoted him as saying that fifty percent of the force was absolutely inefficient due to the patronage system of appointment. He argued that "a large number of the force are entirely unacquainted with the duties of policemen. They do not know how to make an arrest, and a large number are physically incapable of performing the duties of their office."

In 1935, at a time when the area of the Capitol grounds had just been increased from 59 acres to 126 acres, the chief of police appealed to the Senate and House for twenty-four men to supplement his 132-man force. He reported to the House Appropriations Committee that his force was severely handicapped due to the large number of underaged or elderly policemen, and the lack of service standards. He estimated that one-third of the force did all the work. At that time, the men ranged in age from nineteen to seventy-five. One officer was 6'2" and weighed all of 120 pounds. During the previous year, the police had made 600 arrests and there were 112 automobile accidents. One of the force's two automobiles, a four-year-old Ford with 40,000 miles to its credit, was constantly out of service, leaving the other vehicle to make all the rounds, day and night.

The chief recommended that the force adopt the standards of the Metropolitan Washington Police Department and require all new men to be between the ages of twenty-one and fifty. He indicated he would be happy to have World War I veterans because "they know how to shoot and know how to take orders." The House Sergeant at Arms supported the chief's request and added that he saw no need for the additional men unless they complied with the standards. He noted that standards would make the work of the congressional patronage committees easier, allowing them to turn down the unqualified candidates of influential members. Subsequently, both houses agreed to allow the Capitol Police Board to establish specific qualifications. Today, candidates for appointment must be within the twenty-one to fifty-year age bracket recommended earlier. Officers must have a high school education and may not be less than 5'4" nor more than 6'5" in height and of proportional weight.

In setting those standards, the Police Board was well-aware that the Capitol has unfortunately been the setting for periodic acts of violence. As early as 1835, a deranged person attempted to assassinate President Andrew Jackson during his visit to the Capitol. As the president left the Rotunda and headed toward the east front stairs, the man pointed a percussion pistol at him from a distance of less than ten feet. The pistol failed to fire and, as Jackson started to lunge toward his assailant, the man pulled the trigger of a second pistol. It also misfired. Jackson felt certain that Senator George Poindexter of Mississippi was responsible for the attempt on his life, but a special Senate investigating committee found no evidence to substantiate that claim. Several of the president's enemies suggested that due to the improbability of two loaded pistols misfiring, the attempt had been staged to build popular sympathy for Jackson.

Violence has also been directed against members of Congress, requiring increased police protection. Slightly more than a half century after the attempt on President Jackson's life on February 28, 1890, there occurred a confrontation between a former House member, William P. Taulbee, and Charles Kincaid, a correspondent for the *Louisville Times*. Kincaid had charged that the former Kentucky representative had been involved in unsavory dealings. Taulbee encountered the journalist twice during the same day and, on both occasions, pulled his enemy's ear. The second time, Kincaid drew a revolver and shot Taulbee in the head. There are those, even today, who claim that the stains on the marble stairs in the House wing mark the spot where a newsman first drew congressional blood. I have also heard that there is, among the Hill's journalists, a "Kincaid Society," but I did not attempt to learn more of its objectives.

On March 5, 1921, retiring Nevada Senator Charles B. Henderson, who was cleaning out his office in what is now the Russell Building, was shot in his right forearm. The gunman was a disgruntled constituent who had been nursing a land claim grievance for three decades. Senator Henderson was not seriously hurt and the assailant was arrested.

On the night of February 15, 1924, Senator Frank Greene of Vermont and his wife were walking on Pennsylvania Avenue, a short distance from the Capitol grounds. Just as Senator Greene passed the entrance to an alley, he was hit in the head by a stray bullet from a gun battle between bootleggers and revenue agents. Although the wound had no apparent effect on his intellect, it left him with a severe speech impairment, kept him from participating in debate for the remainder of his Senate term, and ultimately led to his death.

Eight years later, on December 13, 1932, a twenty-five-year-old department store clerk entered the House gallery, waving a loaded pistol in the air. He dangled one foot over the railing and demanded the right to speak. There followed a mad scramble for the cloakrooms. Minnesota Representative Melvin Maas, who had been trained as a psychologist, gently talked the man into turning over his weapon. When asked later by a reporter whether he had experience in handling deranged persons, Mr. Maas observed, "Why not? I've had six years in Congress."

On July 12, 1947, just before noontime, Senator John Bricker of Ohio left his suite in the Senate Office Building and headed for the old monorail subway for a ride to the Capitol. As he boarded the car, a man with a 22-caliber target pistol fired at him twice from a distance of fifteen feet. Neither shot hit Senator Bricker, who had the presence of mind to duck under the car's front seat and to tell the operator to "step on it." Arriving at the Capitol end of the subway, the senator nonchalantly headed for the chamber, stopping only to phone his secretary and neglecting to mention the incident. Meanwhile, the subway car operator returned to the office building terminal, only to find the assailant waiting and very much alone. The gunman quickly fled in a taxi and, thanks to the combined efforts of the Metropolitan and Capitol Police forces, he was arrested within the hour. The man had recently lost his patronage position as a Capitol policeman. (The fact of his previous employment led several cynics to observe that the danger was minimal of his being able to hit the Senator.) The assailant, when questioned as to his motive, said that he was just trying to "refresh" Senator Bricker's memory about a savings and loan association's failure fifteen years earlier in which the man had lost a considerable sum of money.

For as long as there has been an organized Capitol police force, there have been public demonstrations to test that body's training and experience. Many of us recall the Vietnam-era protest marches and rallies that ebbed and flowed across this federal city. More recently, farmers traveled with their families, and often with their tractors and livestock, from the Nation's heartland to deliver to their government a message of concern and frustration. Almost without exception, the Capitol Police have handled these demonstrations with, in the words of the police manual, "coolness and firmness," mindful of the participant's constitutional rights and protection under our laws.

Earlier demonstrations were not always managed with such professionalism and restraint. A good example of this was the march on Washington in the spring of 1894 by General Jacob Coxey and his "army" of five hundred men, women, and children. Coxey, a successful Ohio farmer and businessman, provided an outlet for the frustrations of thousands of unemployed Americans who were victims of the economic distress that gripped the Nation following the Panic of 1893.

On March 19, 1894, Senator William A. Peffer of Kansas introduced two bills embodying Coxey's scheme for national economic recovery. They provided for an elaborate system of public works projects financed by a large new issue of paper money. At that point, Coxey announced his plans to assemble a contingent of 100,000 persons to march from Ohio to Washington as a "living petition" to Congress for his proposals.

On a biting cold Easter morning, Coxey set out with one hundred followers and a forty-seven-man press escort for what was certain to be a well-publicized, if arduous, journey. One observer noted that the "army" consisted "for the most part of men who inspired more sympathy than respect." As Coxey moved toward his ultimate destination, officials in Washington prepared for the worst. Some feared a howling mob of tens of thousands who would attempt to seize the government's supply of gold, silver, and paper currency. Sharpshooters prepared to defend the Treasury Building. Fifteen hundred Army troops were alerted for duty. At the Capitol, two hundred special police were sworn in and the guard in and around the building was doubled.

Senator Peffer and other sympathizers sought in vain to secure adoption of a resolution to establish a special Senate committee to receive petitions from "bodies of citizens visiting Washington" in an effort to curb what he believed was the prevailing notion that the Senate was an "American House of Lords" out of touch with the needs of the people.

When Coxey arrived in Washington, he obtained a parade permit, but was informed that it was illegal to parade on the Capitol grounds, to walk on the grass, and to "display flags, banners, or devices designed or adapted to bring into public notice any party, organization or movement."

Reference to this law did not deter Coxey. Asserting the constitutional rights of free speech and assembly, he gave his "troops" orders to prepare to march.

On May Day 1894, Coxey's Army was joined by twenty thousand generally-sympathetic spectators who lined Pennsylvania Avenue in anticipation of the protest's climactic moments. They were not disappointed. As Coxey approached the Capitol, he found the grounds encircled by a solid phalanx of mounted police. He and two companions left the main body of marchers and headed toward the Senate wing. Mounted police galloped in pursuit, followed by an agitated and curious crowd. Coxey, alone, succeeded in reaching the Senate's front steps where he was surrounded. His request to speak denied, he threw a written statement of protest to nearby reporters, and was quickly led away by the police. The excited crowd of onlookers surged forward, causing the police to charge into their ranks. Fifty spectators were either trampled or beaten. Coxey and the other leaders were soon released and he returned to his headquarters to issue "Special Order Number 1." In it, he proclaimed that:

> Liberty lies weltering in her own blood in the Nation's Capitol City to-night, stabbed in the home of friends and supposed guardians. Free speech has been suppressed and police clubs have taken the place of the scales of justice . . . Brothers, we have entered upon the beginning of the end.

After the May Day drama, Coxey and several key followers were tried for violation of the 1882 Capitol Grounds Act. They were found guilty of trampling the Capitol's grass and Coxey spent twenty days in jail for his trouble.

Although most members of Congress disagreed with Coxey's specific remedies for the Nation's economic difficulties, many deeply resented the treatment he and his followers were accorded. Ohio Congressman Tom Johnson expressed this attitude in denouncing as disgraceful the fact that "the representatives of this Nation should have no better reception for a peaceful body of poor, unemployed men, no matter how erroneous their economic views, than to meet them with the upraised clubs of police."

Nearly four decades later, another "army" made a dramatic march on Washington. Conscripted by the Great Depression's agents of unemployment, starvation and despair, 25,000 World War I veterans and their families traveled here in the spring of 1932 from all parts of the Nation. They came to urge Congress to amend a 1924 act that would have provided veterans' bonuses in 1945. The members of this rag-tag "Bonus Expeditionary Force" wanted their bonuses, amounting to $500 apiece, immediately.

From May until late July, the "Bonus Marchers" lived in camps along the Anacostia River, in abandoned buildings, in garbage dumps, and even in the shadow of this building, near the Library of Congress. Congress adjourned on July 16 without responding to the veterans' demands. As the summer's heat intensified, so too did concern within the Hoover White House that matters might soon get out of hand. Up to that point, the marchers had conducted themselves with restraint. This prompted Will Rogers to observe that they held "the record for being the best behaved of any hungry men assembled anywhere in the world."

The available evidence indicates that the Capitol and Metropolitan Police acted with sympathy towards the veterans. The latter arranged to serve hot meals to the marchers for a nominal cost. Police Superintendent Pelham Glassford counseled the White House to

let the demonstration run its course. President Hoover, however, feared that course might prove to be contrary to the Nation's best interests. Accordingly, on July 28, 1932, he ordered the Metropolitan Police to clear out marcher-occupied buildings on the present site of the National Gallery of Art. In the ensuing encounter, the police killed four veterans. This led President Hoover to order his chief of staff, General Douglas MacArthur, to use whatever force was necessary to remove the marchers from the area. Cavalry troops and tanks arrived from Fort Myer. As the mounted soldiers charged into the demonstrators, one of those trampled was Senator Hiram Bingham of Connecticut, himself a veteran of the World War.

Throughout the remainder of that sad day, the demonstrators were chased, clubbed, gassed, and shot in what Major Dwight Eisenhower, who was then serving as MacArthur's aide, observed was a reaction to a political manifestation rather than to a military threat. By day's end, the marchers' Anacostia camp lay a smoldering ruin. The battered veterans were given police escorts through the neighboring states of Maryland and Virginia to insure that they would not regroup and return.

Although the Capitol Police played no direct role in this sad drama, they witnessed the tragic consequences of an over-reaction to an essentially peaceful protest. Senators William Borah, Hiram Johnson, and Hugo Black, in particular, were outraged by the Army's heavy-handed use of force. They undoubtedly agreed with Representative Fiorello La Guardia's telegram to the president, that "Soup is cheaper than tear gas bombs and bread is better than bullets in maintaining law and order in these times of Depression, unemployment, and hunger."

Over the past twenty-five years, several demonstrations have taken the form of direct assaults on Congress. They have necessitated tightening of security and further expansion and professionalism of the Capitol Police.

On March 1, 1954, four terrorists belonging to a Puerto Rican nationalist group invaded the House of Representatives' gallery and fired approximately thirty shots in the direction of the 143 members then present. Five representatives were wounded and, fortunately, they all recovered.

As a result of that outrage, five plainclothes policemen from the Metropolitan force were stationed in the public galleries of each chamber and visitors since that time have been required to check all packages before entering the House and Senate galleries. Shortly after the attack, the Committee on House Administration, of which I was then a member, met to consider legislation to institute stringent recruitment and training procedures in the then mostly patronage-dominated force. At that time, new recruits were issued revolvers without having had any formal training, although the majority were war veterans. Captain William Broderick told us that he considered only 35 to 40 of his 157-member force qualified to continue serving once the proposed reforms were instituted. He indicated that it took at least two years to train a man to be a professional policeman, and by that time, the patronage appointee had usually moved on to other employment.

Although security was tightened after the 1954 attack, the broader package of reform proposals was not immediately adopted. The Capitol Police came to rely more heavily on the Metropolitan department's professionals for assistance as needed. In 1958 Congress added twenty men to the force to provide security for the newly-opened office building which was subsequently named for Senator Dirksen. By that time the Capitol Police force was headed by a chief and other high-ranking officers who had been permanently-detailed from the Metropolitan force. That arrangement continued until February 1, 1980, at which time these key positions were brought under the exclusive control of Congress.

One event that I remember particularly well occurred in this chamber on September 11, 1967. A few minutes after the Senate convened, five spectators threw from the galleries a number of anti-Vietnam war leaflets. The message in the leaflets promised "sustained disruptions of government apparatus" until the United States withdrew from Vietnam. The demonstrators were arrested and removed.

On the following day, I noted that such action constituted "a threat to substitute anarchy for law and order." I suggested that it was "a contemptible effort at coercion, one that strikes at the foundations of the orderly processes that protect the rights of all Americans, including the group that made the threat." I reminded my colleagues that there was at that time no statute on the books that specifically prohibited demonstrations inside the Capitol. Shortly thereafter, Congress passed and the president signed an act to make such disorderly activities, including forcible entry into the Senate and House Chambers and surrounding rooms, a felony punishable by a fine of up to $5,000 and/or imprisonment of up to five years. I regretted then, as I do today, the necessity for such strict measures, but events before and since have made them essential.

On March 1, 1971, exactly seventeen years after the attack in the House Chamber, a violent explosion ripped through a ground floor rest room in the oldest portion of the Senate wing, not far from the site of the 1898 gas explosion. The device had a force equivalent to twenty pounds of dynamite. Fortunately no one was injured. The damage, amounting to $200,000, consisted of cracked walls, broken windows, weakened floors, and injuries to artwork. A group known as the Weather Underground immediately claimed credit as a symbolic protest against United States policies in Southeast Asia. To date, no one has been brought to justice for that craven act.

Before the bombing, police did not routinely check staff and visitors to the Capitol for weapons or other potentially dangerous devices. In its wake, a number of steps were taken to improve the building's security. As we are all aware, everyone who enters the Capitol and the office buildings, with the exception of members, must allow the police to examine handbags, briefcases, and packages. All employees have been issued photo-identification cards. A closed-circuit television system was installed. With more than one hundred cameras, it permits around-the-clock monitoring of all areas of the building, including the most obscure back halls. The tunnels from the Capitol power plant have been wired with an alarm system. A hazardous device unit was established within the Capitol Police force to respond to bomb threats and to search the grounds as necessary. Electronic metal detectors have been installed at all gallery entrances. I understand that they have produced at least nine guns and twenty-seven knives in recent years. Finally, the size of the police force was expanded from 622 in 1971 to a total current authorization of 1,167 for three shifts. Of that number, less than one percent are patronage employees. The first two female officers on the Capitol Police force were hired on September 16, 1974. After first becoming plainclothes police, Nancy B. Yount was promoted to detective in 1978, and Patricia K. Rinaldi in 1979.

Since 1965, the professionalization of the Capitol Police has been presided over by Chief James M. Powell. At the time of his appointment, Chief Powell was a captain in the Metropolitan Police Department and chief of security on the Senate side of the Capitol. Chief Powell has had a dramatic career in police work. During World War II, as a detective, he broke up a gas ration stamp racket. In 1949, he helped to capture two gunmen who held up the Baltimore and Ohio Express Train. A year later, then Captain Powell was the first plainclothesman on the scene after two Puerto Rican nationalists attempted the assassination of President Truman. Captain Powell and his assistant apprehended one of the assailants. During the 1960's and 1970's, Chief Powell commanded the United States Capitol Police during a period of great national unrest, which included the Poor People's campaign and march on Capitol Hill, and the May Day demonstrations of 1971. We are all very appreciative of the firm but restrained control of these demonstrations which the Capitol Police maintained, providing maximum security and protection for Members of Congress and the Capitol building and grounds.

Today, all members of the force must undergo rigorous training, both in marksmanship and in the latest law enforcement methods. That training includes a special sixteen week program. Of that time, eight weeks are spent at the Federal Law Enforcement Training Center in Glynco, Georgia, with periodic refresher courses. Capitol Police officers must qualify annually on the firing range, a part of the local training area often affectionately referred to as "Rayburn U", located in the basement of the Rayburn House Office Building.

Mr. President, if John Golding, the first Capitol guard, were able to return here today, he would undoubtedly be envious of his successors. No longer merely guards, today's Capitol Police are equipped with the latest in uniforms, weapons, and technical proficiency. With equal dexterity they can be counted upon to control demonstrations and guide bewildered visitors with sensitivity and effectiveness. I think it is particularly appropriate that the Capitol Police manual gives equal emphasis to both functions. When one considers that some seven to ten million people visit the Capitol building each year, one appreciates their tasks all the more.

I think that all members of the Senate, and the Senate staff have found the Capitol Police to be good friends. They are the first to greet us when we arrive each morning, and as we leave at night. Senate work often spills into the late evening and early morning hours, and it is particularly reassuring to see the Capitol Police on those dark nights. The Capitol Police can be counted upon to find a parking space for a hurried staff member at mid-day; to produce a coathanger to open a car door, when the owner has locked his keys inside; to point out a tire going bald and in need of replacement; or to discuss the results of last Sunday's Redskin game. They are a dedicated and valiant group of men and women and we are fortunate to have their service.

I thank the Presiding Officer and the officers of the Senate, the pages and all for their patience. I yield the floor.

RECESS UNTIL 9:15 A.M. THURSDAY, FEBRUARY 5, 1981

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 9:15 a.m. Thursday, February 5.

Whereupon, the Senate, in executive session, recessed at 6:58 p.m. until Thursday, February 5, 1981, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate January 30, 1981, under authority of the order of the Senate of January 22, 1981:

COUNCIL OF ECONOMIC ADVISERS

Murray L. Weidenbaum, of Missouri, to be a Member of the Council of Economic Advisers, vice Charles L. Schultze.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Donald I. Hovde, of Wisconsin, to be Under Secretary of Housing and Urban Development, vice Victor Marrero.

DEPARTMENT OF JUSTICE

Edward C. Schmults, of Connecticut, to be Deputy Attorney General, vice Charles B. Renfrew.

OFFICE OF MANAGEMENT AND BUDGET

Edwin L. Harper, of Missouri, to be Deputy Director of the Office of Management and Budget, vice John Patrick White.

Executive nominations received by the Secretary of the Senate February 2, 1981, under authority of the order of the Senate of January 22, 1981:

DEPARTMENT OF THE INTERIOR

Donald P. Hodel, of Oregon, to be Under Secretary of the Interior, vice James Alfred Joseph, resigned.

DEPARTMENT OF THE TREASURY

R. T. McNamar, of California, to be Deputy Secretary of the Treasury, vice Robert Carswell.

W. Dennis Thomas, of Maryland, to be a Deputy Under Secretary of the Treasury, vice Gene E. Godley, resigned.

Executive nominations received by the Secretary of the Senate February 3, 1981, under authority of the order of the Senate of January 22, 1981:

AGENCY FOR INTERNATIONAL DEVELOPMENT

M. Peter McPherson, of Maryland, to be Administrator of the Agency for International Development, vice Douglas J. Bennet, Jr., resigned.

CENTRAL INTELLIGENCE

Vice Admiral B. R. Inman, U.S. Navy, to be Deputy Director of Central Intelligence, and to have the rank of admiral while so serving.

DEPARTMENT OF AGRICULTURE

Richard E. Lyng, of Virginia, to be Deputy Secretary of Agriculture, vice James H. Williams.

DEPARTMENT OF STATE

James L. Buckley, of Connecticut, to be Under Secretary of State for Coordinating Security Assistance Programs, vice Matthew Nimetz, resigned.

Richard T. Kennedy, of the District of Columbia, to be Under Secretary of State for Management, vice Benjamin H. Read, resigned.

Walter J. Stoessel, Jr., of California, to be Under Secretary of State for Political Affairs, vice David D. Newsom.

Richard Fairbanks, of the District of Columbia, to be an Assistant Secretary of State, vice J. Brian Atwood, resigned.

Robert Carl McFarlane, of Maryland, to be Counselor of the Department of State, vice Rozanne L. Ridgway.

DEPARTMENT OF STATE

The following-named person for appointment as a Foreign Service officer of class 1, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

O. Rudolph Aggrey, of the District of Columbia.

For appointment as a Foreign Service officer of class 2, a consular officer, and a secretary in the diplomatic service of the United States of America:

John H. Trattner, of Maryland.

For promotion from a Foreign Service officer of class 3 to class 2:

Dwight N. Mason, of New Jersey.

For promotion from a Foreign Service officer of class 4 to class 3:

Ray L. Caldwell, of Florida.

For promotion from a Foreign Service officer of class 5 to class 4:

Margot Ellen Reiner, of New Jersey.

For appointment as Foreign Service officers of class 4, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Oliver Pastrano Garza, of Texas.

G. Jonathan Greenwald, of Virginia.

For appointment as Foreign Service information officers of class 4, consular officers, and secretaries in the Diplomatic Service of the United States of America:

William Bach, of Illinois.

Kyra V. Eberle, of New York.

For promotion from Foreign Service officers of class 6 to class 5:

Donald Keith Bandler, of Pennsylvania.

Francis Edward Matthews, of Pennsylvania.

For appointment as a Foreign Service officer of class 5, a consular officer, and a secretary in the Diplomatic Service of the United States of America:

Kenneth R. Audroué, of California.

For appointment as Foreign Service information officers of class 5, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Barbara A. Haith Scarlett, of California.

Gilbert K. Sherman, of Maryland.

For appointment as Foreign Service officers of class 6, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Robert L. Fretz, of Florida.

Sally L. Harman, of Virginia.

Constance Elaine Huggins, of Ohio.

Stephen W. Kennedy, of California.

Lisa Ruth Layne, of New Jersey.

William T. Monroe, of Connecticut.

Ronald W. Mortensen, of Wyoming.

Roger Dwayne Pierce, of the District of Columbia.

David Francis Rogus, of New York.

Edward J. Wehril, of Texas.

For appointment as Foreign Service information officers of class 7, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Karen Aguilar, of Virginia.

Ruby Apsler, of Washington.

Rayna Aylward, of Illinois.

Philippe I. duChateau, of Virginia.

Ellen M. Fish, of Massachusetts.

Stephen Eric Gangstead, of Iowa.

Janet E. Garvey, of the District of Columbia.

Merianne Glickman, of Illinois.

Theodore H. Jabbs, of North Carolina.

Haynes Richardson Mahoney III, of Massachusetts.

James A. Morgan III, of Florida.

John Allen Quintus, of Virginia.

Mark A. Taplin, of Virginia.

Paula Jane Tarnapol, of Connecticut.

Maureen S. Taylor, of Rhode Island.

For appointment as Foreign Service information officers of class 8, consular officers, and secretaries in the Diplomatic Service of the United States of America:

Jan Hartman-Sevilla, of Florida.

Harriet C. McGuire, of Ohio.

Paul Overby, of Missouri.

Foreign Service Reserve officers to be consular officers and secretaries in the Diplomatic Service of the United States of America:

Alan B. Ammerman, of Florida.

Kay L. Anske, of Texas.

Richard Hanson Appleton, of California.

Marshall F. Atkins, of Tennessee.

Heidi August, of California.

Susan I. Aulds, of Texas.

Algis Avizienis, of Illinois.

Désirée A. Baker, of Illinois.

Jeffrey Jay Baron, of the District of Columbia.

James Warren Bean, of Colorado.

Milton A. Bearden, of Texas.

Bartholomew B. Bechtel, Jr., of Virginia.

James Howard Benson, of Virginia.

Gale Ellen Berghoefer, of Virginia.

John L. Berntsen, of Wisconsin.

Carlos Bi~les, Jr., of Puerto Rico.

Stephen J. Blake, of Illinois.

Robert Walter Boehme, of New Jersey.

Betty I. Boothe, of Texas.

Pamela E. Bridgewater, of Maryland.

Steven Alan Browning, of Texas.

Frances E. Butler, of Florida.

Martha Larselere Campbell, of New Hampshire.

Xavier Castellanos, of California.

Mary Paul Smith Cherney, of Texas.

Richard Jon Chidester, of Texas.

Karen R. Clark, of California.

Lawrence Ellis Cohen, of Pennsylvania.

Margaret E. Colvin, of the District of Columbia.

Robert S. Connan, of the District of Columbia.

Christopher D. Costanzo, of Virginia.

Elizabeth Link Cummings, of Virginia.

Terrence J. Daru, of Florida.

William Craig Davidson, of Colorado.

William Fairbairn Davnie III, of North Dakota.
Christopher William Dell, of New Jersey.
Marc L. Desjardins, of New York.
Richard Gaines de Villafranca, of Illinois.
Philo L. Dibble, of the District of Columbia.
Paul Martin Doherty, of Massachusetts.
Bruce Edward Donnelly, of Illinois.
Mary Ann Dube, of Maryland.
Anthony A. Dudley, of North Carolina.
Carmen Martinez Ellis, of Florida.
Janice L. Elmore, of Virginia.
James F. Entwistle, of Virginia.
Michael R. Evans, of Utah.
Teresa Matthews Evans, of Virginia.
Gardel MacArthur Feurtado, of Virginia.
Sharon K. Flack, of Texas.
William D. Fleming, of Pennsylvania.
William Payne Francisco III, of Texas.
Roger Alan Frazier, of Virginia.
Jack P. Gatewood, of Texas.
John M. Gieseke, of California.
Doreen Tam Gianville, of Massachusetts.
George Allen Glass, of New Jersey.
Ellen Goff, of Washington.
Ted K. Gong, of California.
David Laurence Gossack, of Washington.
Diane Granzow, of Ohio.
Todd Richard Greentree, of California.
Robert L. Grenier, of Virginia.
Eva Jane Groening, of New Jersey.
Eigil V. Hansen, of New Jersey.
Mary-Margaret Harris, of Virginia.
Joe H. Harton, of Virginia.
Theresa Ann Hebron, of Missouri.
Carol C. Heiheck, of Alabama.
Richard Arthur Herold, of Illinois.
Steven Don Hill, of California.
Heather M. Hodges, of Ohio.
Robert Michael Holley, of Florida.
Lyman L. Hubbard, Jr., of California.
Clarence Alexander Hudson, Jr., of Indiana.
Ravic Rolf Huso, of Virginia.
Maria M. Hull, of California.
Dennis W. Imwold, of Maryland.
Paul W. Isaacson, of Maryland.
Peter Kincaid Jensen, of New Hampshire.
Frances Thornton Jones, of North Carolina.
James C. Kaddaras, Jr., of Massachusetts.
Ann Midori Kambara, of California.
James R. Keith, of Virginia.
William M. Kendall-Johnston, of California.
Kristie Anne Kenney, of Virginia.
Michael David Kirby, of Massachusetts.
Peter J. Kirsch, of Maryland.
Richard E. Kitchen, of Virginia.
Anne M. Koenig, of California.
Howard M. Krawitz, of Michigan.
Kay R. Kuhlman, of Virginia.
Charles F. Lamm, of Florida.
Kathleen Carr Lang, of Virginia.
Wade P. Leahy, of Arizona.
Edward Alex Lee, of the District of Columbia.
Frank M. Lemay, of the District of Columbia.
Robert L. Luaces, of New York.
Paula Reed Lynch, of Indiana.
Margaret E. Lyons, of Maryland.
Paul T. Maddocks, of New York.
George Stephen Malleck, of Connecticut.
Steven Scully Maloney, of Maryland.
Matthias Mans, of New Mexico.
Linda Anne Marcus, of New York.
Robert Nielsen Marquardt, of California.
Awilda R. Marques, of the District of Columbia.
Marcia M. Marsh, of Texas.
Valentino E. Martinez, of New Jersey.
Glenn Lincoln McCurdy, Jr., of Virginia.
Joseph Sherwood McGinnis, Jr., of Pennsylvania.
Craig W. McKee, of Iowa.
Robert W. Merrigan, of Oregon.
Donnie Paul Minyard, of Oklahoma.
Lawrence Mire, of California.
Ernesto López Molina, Jr., of Arizona.
Ann Clark Montgomery, of New Jersey.
Katherine R. Montgomery, of Pennsylvania.
Héctor Emilio Morales Colón, of Puerto Rico.
Kathleen Murphy, of California.
Patricia A. Murphy, of New York.
Joseph Adamo Mussomeli, of New Jersey.
Nancy Jeanne Neubert, of Vermont.
Douglas Bruce Neumann, of California.
W. Ross Newland, of Virginia.
Bradley D. Nichols, of Virginia.
Janet Mildred Nixon, of the District of Columbia.
Richard B. Norland, of Iowa.
Harry John O'Hara, of Texas.
Dennis J. Ortblad, of Washington.
Thomas Stephan Pabst, of California.
Mary Johnson Parr, of Florida.
Patricia Blanche Payne, of Illinois.
Isaac P. Pearson, of Pennsylvania.
Walter Neill Sherrod Pflaumer, of Pennsylvania.
Eric L. Qualkenbush, of Virginia.
Carlos Kenneth Quinones, of Connecticut.
Jacqueline Ratner, of New York.
Frank Rey, Jr., of Florida.
Lloyd Macauley Richardson, of New Hampshire.
Charles E. Robertson III, of Virginia.
Carol Ann Rodley, of Maine.
Catherine Anne Rolla, of Texas.
Mario Ruggia, of Texas.
Douglas Poe Ryan, of New York.
Susan Elizabeth Salem, of Florida.
Jamari Salleh, of New York.
Robert M. Sargent, of Maine.
David Michael Satterfield, of Maryland.
Fabio Marino Saturni, of the District of Columbia.
Lynn Roger Schiveley, of California.
Kyle R. Scott, of Arizona.
Robert Hayes Seibold, of Pennsylvania.
Michael D. Sellers, of Pennsylvania.
Richard Morey Sherman, of Virginia.
Marc J. Sievers, of New York.
Theodore John Slusarcsyk, Jr., of Texas.
Robert H. Small, of New Hampshire.
Renny Travers Smith, of New Jersey.
Thomas James Snead, of New York.
George G. Snider, Jr., of Virginia.
Patty Lynne Specht, of California.
John V. G. Spilsbury, of the District of Columbia.
Ann L. Stanford, of Washington.
Andrew W. Steinfeld, of the District of Columbia.
Antonia E. Stolper, of Connecticut.
Judith Anne Strotz, of Virginia.
Vandoster L. Tabb, of Florida.
Robert Osgood Tatge, of New York.
Holcombe Harper Thomas, Jr., of South Carolina.
Cameron S. Thompson, of Massachusetts.
Nadia Tongour, of California.
Craig Stuart Tymeson, of Florida.
Frank C. Urbancic, Jr., of Indiana.
Paul Biggs van Son, of Florida.
Sharon English Woods Villarosa, of Florida.
Joan Swift Wadelton, of New Jersey.
Lawrence Arthur Walker, of Illinois.
Robert Merwin Watts, Jr., of Connecticut.
Eric R. Weaver, of Maryland.
David Alan Weiss, of the District of Columbia.
Elizabeth Wilcox, of New York.
Alec Wilczynski, of California.
Gary B. Wilkinson, of Virginia.
Robert Eric Williams, of Illinois.
Barney P. Yun, of New York.
James Peter Zumwalt, of California.

Foreign Service Reserve officers to be consular officers of the United States of America:
Robert L. Graninger, of Arizona.
Carroll G. Hollman, of Virginia.
Rudy G. Jackson, of California.
Robert C. Montoya, of Maryland.

Foreign Service Reserve officers to be secretaries in the Diplomatic Service of the United States of America:
John C. Fry, of Maryland.
Frank M. Fulgham, of Maryland.
Richard W. Getzinger, of Maryland.
Marion L. Kellogg, of Hawaii.
Joseph LaPalombara, of Connecticut.
James L. Malcomson, of Arizona.
Gerald H. Zarr, of the District of Columbia.

Foreign Service staff officers to be consular officers of the United States of America:
Carolyn I. Carr, of Texas.
Robert Edward Jacobson, Jr., of California.
Ruth S. Taylor, of West Virginia.
Mary F. Witt, of California.
Charles B. Woodward, Jr., of Virginia.

For appointment as Foreign Service information officers of class 7, consular officers, and secretaries in the Diplomatic Service of the United States of America, effective September 26, 1980:
Michael T. Scanlin, of Maine.
Daniel Alan Spikes, of Florida.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 3, 1981:

DEPARTMENT OF LABOR

Raymond J. Donovan, of New Jersey, to be Secretary of Labor.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF DEFENSE

Frank C. Carlucci, of Virginia, to be Deputy Secretary of Defense.

HOUSE OF REPRESENTATIVES—*Tuesday, February 3, 1981*

The House met at 12 o'clock noon.

The Reverend Martin A. Canavan, S.T.L., J.C.L., of the Ukrainian Catholic Seminary, Washington, D.C., offered the following prayer:

Eternal Father, Lord of the nations, we come before You in humility, adoring Your greatness, and praising and acknowledging Your goodness toward each and every one of us and to these United States.

As we commemorate the Proclamation of Ukrainian Independence, we thank You for the freedom, independence, and strength You have bestowed on our country; and pray that You graciously and generously shower Your gifts of wisdom and courage on our President and the Congress that they may always preserve and develop this great gift of freedom and all the other blessings You have bestowed upon us as a nation.

Rejoicing in Your goodness to us as Americans, we come before You, Father, in humble prayer and petition for the freedom of Ukraine and all other nations and peoples on Earth who are unable to live freely and independently. We ask You in Your great mercy to hear our prayer and answer it swiftly and favorably. For You, Father, are the Giver of all that is good and true in our lives as individuals and as a nation—and to You and Your Son, Jesus Christ, and the most Holy Spirit, we give our praise, honor, and adoration—today, always, and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE REVEREND MARTIN A. CANAVAN

(Mr. STRATTON asked and was given permission to address the House for 1 minute.)

Mr. STRATTON. Mr. Speaker, I am very happy to welcome the Very Reverend Martin A. Canavan, of the Ukrainian Catholic Seminary of the city of Washington, here this morning as our guest chaplain.

This is the high point today for the celebration of the 63d anniversary of the freedom of the Ukraine. Father Canavan originally comes from Pennsylvania. He was educated at Catholic University and the Pontifical Gregorian University in Rome. He was a pastor for some time in Philadelphia, and now is serving as spiritual director at St. Josaphat Ukrainian Catholic Seminary.

As Members are aware, the actual anniversary of the independence of the Ukraine is on the 22d of January, but because of our preoccupation with the inaugural festivities it was thought best to defer that celebration until today. Later today, the gentleman from Illinois (Mr. DERWINSKI) and I will be having a special order to commemorate this Independence Day, and we trust that the Members will all participate in expressions of sentiment on this very important occasion. I am delighted that Father Canavan could be with us, and I express our appreciation for his presence here.

ANDERSON BILL TO SAVE MONEY AND ENERGY

(Mr. ANDERSON asked and was given permission to address the House for 1 minute).

Mr. ANDERSON. Mr. Speaker, midway through the 96th Congress, I introduced legislation providing an allowance of 4 cents per mile to Federal employees who use their bicycles while on official business. I reasoned that these employees can now receive 22.5 cents per mile for using their automobiles on those same trips.

We will reimburse somebody 22.5 cents for each mile he spends in downtown stop-and-go traffic, polluting the air, using up gasoline, and adding to the urban congestion. But if this person wants to make the same trip on his bicycle, and we all know that bicycles can move just as quickly as cars in a city, he receives nothing.

It just made good sense to me that we should not discourage the use of bicycles by refusing to reimburse the employee the cost that he experiences in the wear and tear of the bike, while he is using it in the Nation's behalf. I had seen evidence that 4 cents per mile was about how much it costs to operate a bicycle, and that is the same amount the California State government reimburses its employees, so that is what I pegged the figure at.

Because this idea was a new concept, and one deserving of study and deeper thought, our colleague from California, Hon. JOHN BURTON, who chairs the Government Operations Subcommittee with jurisdiction over such matters, requested that the General Accounting Office delve into the issue.

On January 19, the Comptroller General released the GAO study, and I am pleased to say that it endorses this concept. As a matter of fact, it does so in an unusually straightforward manner—

> Federal employees should be reimbursed for official travel by bicycle.

It went on to say, referring by number to the legislation I wrote in the last Congress, and which is identical to the bill I am introducing today:

> The cost of owning and operating a bicycle, based on data provided by several sources and on rates currently being paid by several government bodies, falls between 3 and 5 cents per mile. The 4-cents-per-mile proposal introduced in the 96th Congress (H.R. 6160) would, therefore, be a reasonable rate for reimbursing Federal employees using their bicycles on official travel.

Mr. Speaker, I do not know to what extent bicycles would be utilized given enactment of this legislation. But I do know that for every mile an employee uses his bicycle rather than his car, our Nation saves a little bit of gasoline, the residents of the city will breathe air that is a little cleaner, and the American taxpayer will save 18.5 cents.

I invite our colleagues to join me in cosponsoring this legislation.

STEVE LAUTERBACH DAY IN DAYTON, OHIO

(Mr. HALL of Ohio asked and was given permission to address the House for 1 minute.)

Mr. HALL of Ohio. Mr. Speaker, last month we as a nation celebrated the return of the 52 Americans who had been held hostage in Iran. Now, as the ex-hostages are returning to their home communities, we can honor these brave men and women in a more personal and meaningful way.

One of those ex-hostages is Steve Lauterbach, a native of Dayton, Ohio, in the Third Congressional District. Steve was serving as an administrative officer at the U.S. Embassy in Tehran before the takeover by Iranian students.

All of us in Dayton shared with Steve's parents a sense of hopelessness and anguish over the senseless and outrageous actions in Iran. While Steve was a captive, he received over 100 letters from friends and family back home in the Dayton community.

The residents of the Third Congressional District and I are proud of Steve, who has served his country at great personal sacrifice. I feel a great

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

joy for Steve and his family who are reunited after his long ordeal.

On Thursday, his fellow Daytonians will show their love and appreciation for Steve. At a small ceremony in Dayton's historic Arcade Square, the mayor of Dayton will present him with a resolution from the city commission declaring Thursday, February 5, as Steve Lauterbach Day in Dayton.

The city will place a city and Federal flag on permanent display in the arcade, in Steve's honor. Also, the Chaminade-Julienne High School band, representing Steve's alma mater, will open and close the ceremonies.

This is our way of saying, "Welcome home, Steve." It is good to have you back.

YELLOW RIBBONS IN TALLADEGA, ALA.

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. NICHOLS. Mr. Speaker, the Talladega County Courthouse in Talladega, Ala., stands amid the strong and protective branches of many sturdy oak trees. During hot summer days, many of our local citizens seek refuge from the heat under the tree's shade. But for the past year, the trees have also served as a reminder that some Americans were not free to walk the streets, visit family and friends, or enjoy those basic freedoms and liberties afforded all Americans. The reminder, of course, were yellow ribbons tied to each tree and they signaled Talladega's concern for our American hostages in Iran.

Mrs. Mary Dale Harrison, with the cooperation of county probate judge, W. Forrest Killough, placed the ribbons around the trees last January and her greatest joy was "taking down the ribbons and giving thanks to God Almighty that they are home safe."

All Americans have now given thanks for the hostages safe return. In cities and towns across America, our countrymen joined with the good people of Talladega to pray for our hostages and for their efforts and patriotism; I would like to take this opportunity to pay special tribute. How different the hostages return may have been had it not been for people like Mrs. Harrison to remind us of their plight.

For the reading of my colleagues I submit to the RECORD of this legislative body an article from the Talladega Daily Home about Talladega County's celebration for the return of the hostages:

TALLADEGANS CELEBRATE HOSTAGE RELEASE

TALLADEGA.—Approximately 600 people faced the cold late Wednesday afternoon to join in a flag-waving, patriotic sing-along "Thanksgiving" ceremony staged at the Talladega County Courthouse celebrating the release of the American hostages from Iran.

The idea of the ceremony was suggested late Tuesday afternoon by Jane Dever.

Ms. Dever said, "I wanted our community to be a part of the whole nation (in celebrating)."

Local government officials and civic leaders made brief remarks filled with references to American pride, and thanks for the safe return of the Americans.

Dr. William Garcia of Talladega College led the crowd in singing "America the Beautiful," "God Bless America" and the national anthem.

But amidst the jubilation there were times of somberness.

Local attorney Ralph Gaines said, "As we are singing and rejoicing as a community the release of the hostages, we must not, we cannot forget the eight brave servicemen who volunteered and gave their lives last April in the rescue attempt.

"Everything has a price . . . those eight men knew they were going on a high risk mission, yet because they wanted their fellow Americans to be free, they gave the ultimate."

Gaines then read the names of the eight killed in the desert of Iran in that attempt when their helicopter crashed into a C-130 transport.

"We must remember those men," he added.

Talladega Mayor Larry Barton then had the Christmas lights on the trees surrounding the courthouse turned on.

"When someone is coming to visit, or coming home," he said, "you usually leave a light on for them. We're turning on the lights to let the hostages know we're proud they're coming home."

Barton said the lights will remain burning until the Americans are back in this country.

The yellow ribbons, now a national symbol for the hostages' plight, will also remain tied around the trees surrounding the courthouse until the hostages are once again back in the United States.

Mary Dale Harrison, who placed the ribbons around the trees last January, said, "I'm real glad it's over and I'll be glad when they get back to the U.S. . . . so I can take down the ribbons and give thanks to God Almighty that they're home safe.

"I never did give up because I knew someday they'd be home."

OLIN "TIGER" TEAGUE

(Mr. KAZEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KAZEN. Mr. Speaker, the integrity and courage that "Tiger" Teague displayed in battle and in public service established his place in our Nation's history as well as in the minds and memory of all of us who served with him in this House.

He was a most extraordinary man, repeatedly wounded in World War II, elected to the Congress while still recuperating from wounds, yet always courageous and courteous as he served his Nation in uniform and then in public office. He was truly an inspiration to all who knew him—a man who could be ferocious in principles but a master of bipartisan diplomacy as he became the principal architect of our Nation's gratitude to our veterans. Even as I honored his combat record that won him decorations from our Nation and our allies, I always admired his determined diligence to reward other veterans while maintaining vigilant protection of all our citizens.

He was a member of the Veterans' Affairs Committee throughout his 32 years of service in this House, was chairman for 18 years, and remained a power on that committee when he left that chairmanship to become chairman of our Science and Technology Committee to play a prominent role in sending men to the Moon and unmanned exploration vehicles farther into outer space that most men dreamed possible.

His voluntary retirement from this House in 1978 left a void that no man could hope to fill, but the inspiration of his service here shall remain for years to come. My wife, Connie, and I shall always treasure our friendship with Tiger, his beloved wife, Freddie, and their children, Jim, Jack, and Jill. We have said our last goodby to Tiger, but his qualities and character will remain with us and inspire us as he did while he was with us.

THE REMOVAL OF AMBASSADOR ROBERT WHITE

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, I am deeply concerned about the removal of Ambassador Robert White from his position as Ambassador to El Salvador and the manner in which he is being treated by this administration.

I am concerned for many reasons. Among them are his concern for human rights and land reform, which gained him few friends among the few ruling, wealthy families; and his insistence that there be a serious investigation concerning the brutal murders of four American missionaries, two of whom were from my city of Cleveland.

I hope, if this administration is not particularly interested in human rights, at least it be concerned with serving justice on behalf of our own citizens. What are they finding out regarding the murders of our American citizens? Or, will they go on rewarding those who murder our own people?

TEXAS WINES ARE COMING—A CHALLENGE TO CALIFORNIA

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, a Washington Post article of last Sunday confirms what many of us have suspected for a long time: That the best of California wines are equal to or superior to their French counterparts. California wines have finally come into their own.

But I would caution the California winemakers not to become too complacent. A challenge is coming to them from an unexpected source—Texas.

The University of Texas system has been engaged in an experimental viticulture and wine project for more than 5 years now, and the results are beyond everyone's fondest dreams. Grapes grown on university lands in far west Texas—particularly at Bakersfield, Fort Stockton, and Van Horn—are producing some very outstanding wines. Now, I did not say Bakersfield, Calif.; I said Bakersfield, Tex.

I am not an expert, but the professionals tell me that the UT experimental chenin blanc, French colombard, and emerald riesling can hold their own with any comparable California wine. And we are just getting started.

Who knows where it will end? California, look out. Texas is coming on fast.

And that is not just sour grapes, either.

PERMISSION TO FILE REPORT TO PROVIDE TEMPORARY INCREASE FOR NATIONAL DEBT

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the bill to provide a temporary increase for the national debt.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. BLILEY. Mr. Speaker, reserving the right to object, has this been cleared with the minority?

Mr. ALEXANDER. I have not spoken to the minority.

Mr. BLILEY. Mr. Speaker, I reserve the right to object.

Mr. ALEXANDER. Mr. Speaker, I would advise that this matter has been cleared by unanimous consent by the Committee on Ways and Means.

Mr. BLILEY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

ADOPTION EXPENSES TAX DEDUCTION BILL

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, today I am reintroducing the adoption expenses tax deduction bill. This legislation will amend the Internal Revenue Code to allow individuals a deduction for certain expenses incurred in connection with the adoption of a child. Deductible adoption expenses include necessary adoption agency fees, court costs, attorney fees, and related expenses.

Similar bills have been introduced in past Congresses to provide for adoption expenses tax deductions but my bill differs from these in that it provides for such deductions only when the adoption has been arranged by a public welfare department or similar State or local public social service agency with the legal responsibility for child placement or by a not-for-profit voluntary adoption agency authorized or licensed by the State or local government to place children for adoption.

This stipulation on placements is an important step forward in the protection of the welfare of the child. The child's welfare should always be the primary consideration in placements. Independent adoption placements may be made by physicians, ministers, or attorneys in States which have not yet enacted authorization or licensing requirements. Yet, in these States, the child may also be placed by someone thoroughly unqualified to do so. These lax State laws allow for abuses by black-market operators. The victims of these placements are not only the children, but the birth parents and adoptive parents whose emotional and financial welfare may be traumatized.

The practices of black-market operators are not a small problem. The 96th Congress held hearings to examine the growth of this black-market business following the drastic reduction of adoptable children. To encourage States to enact legislation prohibiting nonlicensed adoptions and to prohibit deductions for those placements made without the best interests of the child in mind, I have included this clarification of adoptions eligible for deductions.

The adoption process is lengthy, time consuming, and often expensive. Technical procedures and high costs are disincentives to parents hoping to adopt a child. This bill would encourage prospective parents in the adoption process. It will also aid in the placement of foster children into permanent homes and the placement of children with special needs.

The costs of foster care under aid to families with dependent children is estimated to have exceeded $400 million this past year. These costs would be greatly reduced were children placed in adoptive homes. In addition, many special-needs children are hard to place and the search for qualified and caring adoptive parents for these children is costly and lengthy. This bill would provide an incentive for the adoption of these children whose chances for placement are less than average.

I have drafted this bill after lengthy discussions with public welfare agencies, the National Committee for Adoption, the Child Welfare League in New York, and other groups interested in the welfare of children.

I hope that the House will act quickly to pass this legislation and I urge my colleagues to join in support of these goals by cosponsoring this legislation.

APPOINTMENT AS MEMBERS OF TECHNOLOGY ASSESSMENT BOARD

The SPEAKER. Pursuant to the provisions of section 4(a), Public Law 92-484, the Chair appoints as members of the Technology Assessment Board the following Members on the part of the House:

Mr. UDALL of Arizona; Mr. BROWN of California; Mr. DINGELL of Michigan; Mr. WINN of Kansas; Mr. MILLER of Ohio; and Mr. EVANS of Iowa.

APPOINTMENT AS MEMBERS OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER. Pursuant to clause 6(e), rule X and clause 1(a) rule XLVIII, the Chair appoints as Members of the Permanent Select Committee on Intelligence the following Members of the House: Mr. BOLAND of Massachusetts, chairman; Mr. ZABLOCKI of Wisconsin; Mr. ROSE of North Carolina; Mr. MAZZOLI of Kentucky; Mr. MINETA of California; Mr. FOWLER of Georgia; Mr. GORE of Tennessee; and Mr. STUMP of Arizona.

The Republican Members will be subsequently announced.

□ 1215

INTRODUCTION OF BILL FOR RELIEF OF JEFFERSON COUNTY MENTAL HEALTH CENTER, LAKEWOOD, COLO.

(Mr. WIRTH asked and was given permission to address the House for 1 minute.)

Mr. WIRTH. Mr. Speaker, I am introducing today a bill for the relief of the Jefferson County Mental Health Center, located in Lakewood, Colo. The center provides mental health services for a tricounty area. Unfortunately, the center has suffered a series of administrative misunderstandings with the Internal Revenue Service that can only be remedied through legislation.

The problem developed over the payment of social security taxes by the center. The Jefferson County Mental Health Center, a nonprofit organization, is exempt from employee participation in the social security pro-

gram. However, the employees at the center elected to participate in the program.

Proper forms were filed with the IRS and FICA taxes were deducted and paid beginning in 1963. However, in the course of an IRS review of the center, it was decided by the IRS that the proper form of employee withholding had not been filed.

The IRS informed the center that because of a lack of the proper forms, the center had been wrongfully withholding the FICA taxes. The IRS told the center to reimburse the employees for FICA taxes withheld and that the IRS would reimburse the center.

The Jefferson County Mental Health Center reimbursed 133 employees for a total of $74,128. Shortly thereafter, the IRS informed the center that proper forms had originally been filed and had now been located. Consequently, the IRS said it would not reimburse the center for money it had already returned to employees.

By this time it was too late to get the money back from the employees who had spent the money or were no longer employed by the center.

The IRS cannot remedy this unfortunate situation because it does not have the authority to expend funds without a legal obligation to do so or a statutory authorization. This bill provides that the Secretary of the Treasury determine the amounts withheld and treat these amounts as tax overpayments which are then reimbursable to the center.

The House passed this bill late in the 2d session of the 96th Congress. Unfortunately, the Senate did not have time to consider this legislation, and thus it died in the last Congress. Having come so close to final passage last year, the bill deserves expeditious approval by the 97th Congress. A companion bill will be introduced in the Senate by my colleague, Senator HART. I hope this legislation can be enacted without delay so as to correct the inequities that have arisen as a result of administrative misunderstandings between the IRS and the Jefferson County Mental Health Center.

DAVE STOCKMAN IS RIGHT ON THE MARK

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, after less than 2 weeks at work, Budget Director Dave Stockman, has already incurred the wrath of special interest groups by attacking the runaway Federal budget. Mr. Stockman has thrown down the gauntlet by challenging this Congress to live up to its commitment to cut Federal spending immediately.

Some of Mr. Stockman's recommended budget cuts in foreign aid were made public last week, and as we might expect, this proposal was greeted unfavorably by the foreign aid lobby. But, as Mr. Stockman says, if we are serious about cutting the Federal budget, then all programs must be scrutinized. Before we begin trimming domestic programs, we had better be prepared to reduce the dollars that flow out of this country in the form of foreign aid.

As the ranking minority member on the Appropriations Subcommittee on Foreign Operations for the past 4 years, I found many foreign aid programs that could and should be reduced. Mr. Stockman's suggested foreign aid cuts are an excellent starting point. I will be more specific on this in a special order later today.

Regardless, the fact remains that Mr. Stockman has taken the initiative in cutting the budget. No one said that it would be easy, but reducing runaway spending is a most important challenge facing this Congress. I intend to support Dave Stockman in his effort to stop the hemorrhaging Federal budget. Clearly, foreign aid is an appropriate beginning.

A TRIBUTE TO BRYAN ELLIS AND STEVE CROWLEY, KILLED IN DEFENSE OF AMERICAN EMBASSY IN PAKISTAN

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, 1 week ago today Washington opened its arms to greet the returning American hostages. I shared in the overwhelming sense of joy, thanksgiving, and relief felt by all Americans.

I could not, however, help but remember two other heroic Americans struck down in the series of tragedies which befell the United States in November 1979—Army WO Bryan Ellis and Marine Cpl. Steve Crowley who gave their lives in brave defense of the American Embassy in Pakistan. These two men displayed a level of courage in keeping with the finest traditions of the U.S. armed services.

In this time of great national rejoicing, let us not forget the tremendous sacrifice these men have made. Let us commit ourselves to re-creating a foreign policy which will restore to the United States a sense of respect throughout the world. We must never again tolerate an international climate in which angry mobs dare to threaten the safety of American citizens, while host governments sit by idly, unwilling to take timely countermeasures.

Let us learn from the tragic deaths of Warrant Officer Ellis and Corporal Crowley, as we offer to their families our sincerest sympathies and deepest gratitude for the sacrifices they have been called on to make.

INTRODUCTION OF LEGISLATION TO PROVIDE EMERGENCY ASSISTANCE TO U.S. AUTOMOBILE INDUSTRY

(Mr. DUNN asked and was given permission to address the House for 1 minute.)

Mr. DUNN. Mr. Speaker, the U.S. auto industry is at a critical juncture.

For only the second time since its founding in 1908, General Motors, the Nation's largest and most financially secure automobile company, has reported a loss of $763 million for 1980. GM sales were down 13 percent over 1979.

Together the big three U.S. automakers, GM, Ford, and Chrysler, face immediate losses in excess of $4 billion at a time when they face expenditures of nearly $70 billion in retooling expenses to produce more fuel efficient cars.

This is why I have introduced legislation, H.R. 1519, to provide emergency assistance to the auto industry. My bill would provide a limited tax credit toward the purchase, during a 6-month period, of a new American automobile, and an additional credit toward interest paid on a new car loan. The bill also allows faster depreciation and extended carryback provisions for auto manufacturers and their suppliers during a period of 5 years.

H.R. 1518 directs the President to revise and eliminate costly auto regulations, thus allowing the industry to be more competitive. My bill requires that this be done in 90 days. I urge support of the bill.

C-SPAN COMES TO THE LEHIGH VALLEY

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, today for the first time, more than 140,000 of my constituents in the Lehigh Valley area of Pennsylvania are able to view their U.S. Congress in session. At this moment, Service Electric Cable TV is inaugurating the Lehigh Valley's first official telecast of C-SPAN, the Cable Satellite Public Affairs Network.

John Walson, Sr., the company's founder, created the Nation's first cable TV system in 1948. Since then, Mr. Walson has played an important role in many of the innovations that today make public services like C-SPAN possible. Now, with the addition of C-SPAN to its Lehigh Valley system, his company is demonstrating the significant contributions that cable TV can make to the communications field.

I know the citizens of the Lehigh Valley who have access to this service join me in welcoming C-SPAN and the bringing of the proceedings of Congress into peoples' homes. This is a step toward a better-informed public and, as a result, better government.

TRIBUTE TO ART GODI

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUMWAY. Mr. Speaker, to be elected to the presidency of the California Association of Realtors is a great honor, and I am pleased to announce that that honor has been earned by my lifelong friend, Mr. Art Godi. At this time, I would like to ask that my colleagues join with me in recognizing the many accomplishments which have convinced the association's membership that Art was the very best man to fill this responsible post.

Art is uniquely qualified to serve as President of the Association. He has received numerous awards within his chosen profession, including Realtor of the Year—1969—from the Stockton Board of Realtors, and the Stewart B. Mathews Award for an outstanding real estate article in the United States in 1969. He has been extremely active within the California association, having assumed numerous chairmanships and vice-chairmanships over the years. He has also served as director of the National Association of Realtors, and has served on more than a dozen Realtors National Marketing Institute Committees. Art has twice been a U.S. delegate to International Real Estate Federation conventions, and he has been a member of the American chapter of that federation since 1962. The owner of his own real estate company, Art is thoroughly familiar with every facet of his profession. What is more, he is able and willing to share his knowledge: He teaches, writes, and otherwise educates others concerning his field of endeavor in a most effective manner.

Art Godi's contributions are hardly limited to real estate, however. He has consistently remained active in community and political affairs, and has demonstrated leadership ability since he was elected student body president of both Stockton College and Stanford University. He has been active with the chamber of commerce, the Congress of Community Progress, the Commonwealth Club of California, the board of directors of the Better Business Bureau, and the North Stockton 20-30 Club. I am convinced that no matter how thorough I attempt to be in this tribute, I will inadvertently omit at least one of Art's able contributions to his community, his profession, and to those who are privileged to know him.

Above and beyond all else, Art is dedicated to preserving and advancing the free enterprise system, and to enhancing all the qualities which have made our Nation great. He fully understands that each individual must exercise freedom of choice, and that the role of government must not be obstructive.

In short, Art Godi is an outstanding individual on every plateau. He embodies leadership, integrity, intelligence, community involvement, and the ability to utilize all his attributes effectively. I am delighted to congratulate Art and his family upon the occasion of this impressive achievement. He has more than earned the respect of his colleagues in the association, and I am certain that my colleagues will join with me in paying tribute to this outstanding individual.

MODERATE LEADERS LEND SUPPORT TO PRESIDENT DUARTE OF EL SALVADOR

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, Christian Democrat leaders from nations throughout Latin America met in Caracas last week. At the end of their meeting, they issued a document supporting the Government of El Salvador's President Duarte.

These moderate leaders from Latin America stated they support Duarte in his struggle to democratize El Salvador against elements of the oligarchy on the right and the totalitarian left.

They emphasized President Duarte's call for elections as proving that—

> The government he heads is temporary and that he is determined to create, within a short time, the conditions for the people to express themselves with absolute freedom.

This is compared to Nicaragua.

At a time when American foreign policy options are very limited in Latin America, I believe it is wise for us to follow the lead of other moderate leaders in our support of President Duarte of El Salvador and democracy and economic stability.

A PLEA FOR EXIT VISAS FOR SOVIET JEW VIKTOR BRAILOVSKY AND HIS FAMILY

(Mrs. FENWICK asked and was given permission to address the House for 1 minute.)

Mrs. FENWICK. Mr. Speaker, let me say to the Members of the House that I would like to bring to their attention the case of a Soviet Jew, Viktor Brailovsky.

In 1973 the Brailovsky family asked for exit visas, and then the harassment and the trouble started. In November, Mr. Brailovsky had published a little mimeographed paper asking that the Jews be allowed, if they wished, to leave the Soviet Union. He is now in prison with a very serious liver ailment.

I would like to urge strongly that all Members of the House write to the Soviet Ambassador here asking that Viktor Brailovsky get medical treatment, that his wife, Irina, be allowed to visit him, that Brailovsky and his wife, along with their son, Leonid, who is 20, and their daughter, Dalia, who is 7, be allowed exit visas to leave the Soviet Union. Viktor Brailovsky's only crime is to have published this paper concerning the Jews, and I think it is outrageous that he is being treated in this fashion.

TRIBUTE TO THE LIFE OF RALPH G. HAYS

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, it is my distinct privilege today to give this tribute to the life of Ralph G. Hays, a dear friend of mine from Henderson, Ky., who died Saturday, January 24, 1981, at his home following a long struggle with cancer.

Ralph Hays was a strong, proud American, dedicated to the principles that have made our country great.

Prior to his death, Ralph Hays was serving his fourth term in Henderson as a city commissioner. He was long instrumental in city and county planning and zoning regulations. One of Ralph G. Hays' most cherished desires was to "move in quiet ways" to help the youth of his beloved city. He was a distinguished citizen who worked for many new recreational facilities for the young people of Henderson. He was honored last year by the local chamber of commerce as the Distinguished Citizen of the Year.

Surviving are his wife, Mrs. Buena Hays; three daughters, Becky Hays of Henderson, Yvonne H. Cross of Denver, Colo., and Donna Jean Hays of Henderson; and one son, Jere Hays of Henderson.

Other survivors include his mother, Mrs. Emma Hays of Henderson; one sister, Betty Warren of Louisville, Ky.; and one brother, Bill Hays of Henderson.

Obviously, this Member of Congress was very much a friend and admirer of Ralph G. Hays. However, I speak for thousands in Kentucky who were also friends and admirers of this fine gentleman.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. ALEXANDER) laid before the House the

following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *February 2, 1981.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House received in the Clerk's Office at 3:57 p.m. on Monday, February 2, 1981 and said to contain a message from the President dated January 30, 1981, wherein he transmits the Budget of the District of Columbia for Fiscal Year 1982.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

BUDGET OF THE DISTRICT OF COLUMBIA, 1982—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-17)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting the 1982 Budget of the District of Columbia.

I am informed that the proposals for Federal payments to the District of Columbia reflected in this document are consistent with those shown in the 1982 Budget of the United States submitted to Congress by President Carter on January 15, 1981.

RONALD REAGAN.

THE WHITE HOUSE, *January 30, 1981.*

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include therein extraneous material, on the subject of the special order today by the gentleman from Illinois (Mr. HYDE).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

□ 1230

FREE VIKTOR BRAILOVSKY

The SPEAKER pro tempore (Mr. ALEXANDER). Under a previous order of the House the gentleman from New York (Mr. FISH) is recognized for 60 minutes.

GENERAL LEAVE

Mr. FISH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, I have asked permission for this very special order to bring to the attention of the Congress and the public the serious condition of a jailed leader of the Soviet refusenik movement, Dr. Viktor Brailovsky.

Dr. Brailovsky was arrested last November 13 on trumped-up charges of "slandering the Soviet state." After 8 years of continuous harassment and persecution by Soviet authorities, including numerous imprisonments, interrogations, unannounced searches of his home, and the failure of officials to allow the family to emigrate, Dr. Brailovsky's health has been dangerously deteriorating. When he was arrested and jailed last November, he was suffering from a liver ailment that required close medical attention. According to official letters received by his wife as late as December 31, 1980, Dr. Brailovsky was receiving proper treatment. However, his wife has subsequently learned that his prison interrogation has been suspended due to his serious medical condition. He must receive immediate care or his condition will worsen.

Dr. Brailovsky has been a leader in the Soviet Jewish emigration movement. Despite being under investigation for publishing an unofficial Jewish cultural journal, Dr. Brailovsky bravely led a group of 237 other refuseniks in signing a letter to President Brezhnev last November protesting the refusal to grant exit visas to these individuals. Written on the eve of the Madrid Conference, the appeal had the unexpected effect of leading to Dr. Brailovsky's arrest. It is an affront to the free world and the principles of the Helsinki accords that such an outrageous action could occur.

Dr. Brailovsky is a brilliant scientist. A leader in the field of cybernetics, Dr. Brailovsky has published over 30 documents and been granted 4 patents. As a teacher and researcher at the Institute of Electrical Control Machines until he requested an exit visa and lost his job in 1972, Dr. Brailovsky is widely respected in his field. His wife, also a distinguished doctor of computer science, lost her job as well at that time.

Dr. Brailovsky continued his work by organizing the Moscow Seminar of Jewish Scientists. Every Sunday, prominent Soviet and Western scientists would gather at the Brailovsky home to discuss recent advances in their respective fields. At age 45, Dr. Brailovsky is looked upon as a father figure to many of the younger Soviet refusenik scientists. Without his leadership, the seminar has not met since November 9, and the group has become frightened by the authorities. Recent attempts to hold the seminar have led to threats by the KGB that those remaining will join Dr. Brailovsky in jail.

Aside from his scientific contributions, Dr. Brailovsky was the key to the publication of the unofficial Jewish cultural journal, "Jews in the U.S.S.R." As the only remaining of the five original editors, Dr. Brailovsky became solely responsible for the dissemination of translated excerpts from Western Jewish books and articles, Soviet Jewish history, and Jewish poetry and studies. Others have attempted to carry on this work, but Dr. Brailovsky's leadership is sorely missed.

Dr. Brailovsky has suffered unduly over the past 8 years. In early 1973, Dr. Brailovsky joined eight of his colleagues in a hunger strike to protest the lack of free emigration by Soviet Jews. He was imprisoned for 15 days in 1974 after an attempt to hold an international session of his Moscow seminar. He was also arrested in 1976 for participating in a sit-in demonstration.

In 1976, Dr. Brailovsky was granted permission to leave the Soviet Union. A devoted husband and father, he would not leave without his wife and their two children. In December of that year his home was searched by the KGB. Books on Jewish culture in the U.S.S.R., Jewish and Israeli music tapes, and valuable historical documents were confiscated. Again, in December 1978 the KGB seized material, this time invaluable scientific papers relating to the Moscow seminars. The work of many important Moscow scientists was lost.

In April 1980, Dr. Brailovsky was again arrested, in connection with his publication of "Jews in the U.S.S.R." Kept under investigation and continually harassed, he nonetheless felt compelled to join the November appeal to the conscience of the Soviet leadership to allow him and his family to emigrate. For his wish of freedom, Dr. Brailovsky now may face the same dark fate that others such as Anatoly Shcharansky have suffered.

After several years of apparent conciliation and cooperation in the emigration of Soviet Jews, the Soviet authorities have begun to shut the doors to freedom for many Soviet Jews who simply wish to join the rest of their families outside the Soviet Union. I believe we must take strong action to indicate our displeasure at this latest plan to prevent emigration. The case of Dr. Brailovsky presents an excellent opportunity for the new Reagan administration to indicate its support of

the Soviet Jewish movement and to initiate contacts with Soviet authorities to urge renewed positive action on requests for exit visas.

Mr. Speaker, I will continue to help lead the fight against oppression in the Soviet Union. Soviet Jews such as Dr. Brailovsky and his family cannot endure their present circumstances forever. These people continue to demonstrate extraordinary courage in the face of overwhelming difficulties. The current Madrid Conference present the United States with a firsthand opportunity to let the world know of our concern for Viktor Brailovsky. We must also show our compassion for the thousands of others who suffer in Soviet prision camps, face job reprisals, and professional disgrace, and are forced to live away from their promised, cherished land of Israel.

I thank my colleagues for joining in this special order and for their cosponsorship of a concurrent resolution I will introduce today urging that Dr. Brailovsky receive proper medical attention and that he and his family be permitted to leave the Soviet Union.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. FISH. I would be happy to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker. I wish to commend the gentleman from New York (Mr. FISH) for his efforts on behalf of Dr. Viktor Brailovsky. I believe it is the responsibility of every Member of Congress to continue to bring to the attention of the Soviet Government the concern we in America have for Soviet refuseniks. These lovers of freedom in a closed society are a thorn in the side of the Communist regime and we must make sure to continue the irritation.

The story of Dr. Brailovsky's attempts to emigrate to Israel is not a new one; he is one of many scientists who has been ostracized from his work and community because of his request. But this gentleman is now in prison and being denied necessary medical attention because of his repeated attempts to publicize the situation of Jews in the Soviet Union.

We must use our influence in the world arena to shine a bright light on the cruel treatment of Soviet citizens by their Government. I urge my colleagues to join with me in supporting this effort and the resolution on behalf of Dr. Brailovsky.

Mr. FISH. I thank my colleague, the gentleman from California (Mr. LAGOMARSINO) very much for his comments.

Mr. SMITH of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. FISH. I will be very pleased to yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. Mr. Speaker, let me join my distinguished colleagues in the House in protesting the treatment of Dr. Viktor Brailovsky by the Soviet authorities.

There is no reason at all for this treatment of Dr. Brailovsky. What was his crime? He asked to leave the Soviet Union, together with his wife and children. He was refused permission to go by the Soviet authorities. Since this refusal, Dr. Brailovsky has been active in the work of the Jewish emigration movement. He is the editor of the unofficial journal, Jews in the U.S.S.R. In the eyes of Soviet authorities this compounded his crime. Now Dr. Viktor Brailovsky is under arrest for "slandering the Soviet state," a crime that carries 3 years imprisonment in the labor camps. Dr. Brailovsky has a liver condition, which has not been properly treated during his imprisonment. His wife Irina has no official word on him.

Viktor Brailovsky is the most recent victim of Soviet persecution. His case epitomizes the antisemitism that is official state policy in the Soviet Union today. The Jews of the Soviet Union are persecuted, harassed, imprisoned, their day-to-day existence made miserable, their rights ignored—all because of their race and religion. Not since the infamy of Hitler's Germany has there been such a record.

Viktor Brailovsky was finally given his chance to leave the Soviet Union in 1976—provided he left his wife and children behind. This was the cruel and heartless gesture of the Soviet authorities.

No more tyrannical regime exists in the world today, among the major powers, than that of the Soviet Union. Moscow encourages unlimited terror throughout the world, and is the mainstay of such despots as Kim Il-Sung in North Korea, of Idi Amin in Uganda, of Colonel Qaddafi in Libya. At home Moscow wages unrelenting war against its own people, a war launched by Stalin, and carried on by the successors trained under him.

Anyone who doubts that the Soviet Union is carrying on a program of rampant antisemitism need only look at official Soviet publications. Here is what the newspaper of the Young Pioneers, the Journal of the official Soviet Youth Organization, wrote on October 10, 1981:

> Most of the largest monopolies in the sale of arms are controlled by Jewish Bankers. Business based on blood brings their enormous profits, bombs and missiles explode in Lebanon—The bankers Lazar and Lievs are making money. Thugs in Afghanistan torment schoolchildren with gases—bundles of dollars are multiplying in the safes of the Lehmans and Guggenheims.

I might say the only thugs in Afghanistan using poison gas are Soviet occupation forces.

Soviet communism is the nazism of today. The kind of ravings found in Soviet publications are worthy of the disordered minds of Dr. Goebbels and Julius Streicher. Cartoons carried by Soviet magazines are so vile and revolting some are unprintable in our country.

The plight of Viktor and Irina Brailovsky and their children should remind us poignantly of the plight of Soviet Jews. In 1979, 50,000 Jews were allowed to leave the Soviet Union. In 1980 this figure had fallen to 21,000.

In 1974 the Congress wisely adopted the Jackson-Vanik amendment, which refused the Soviet Union most-favored-nation status until free emigration was allowed. The Soviet Union has not fulfilled that clause. There is little likelihood we will grant the Soviets the most-favored-nation status they so badly want, but we certainly ought not to do so.

It seems to me, Mr. Speaker, that antisemitism is growing in virulence in the Soviet Union.

I believe all who respect and honor human rights have an obligation and duty to protest all antisemitism, whenever and wherever it exists.

Indeed the 20th century is forever stained and darkened by the memory of the holocaust. We must not allow this to happen again—nor can we allow any government or regime to promulgate policies that can lead to such a thing happening again.

Today's special order concerns Dr. Brailovsky, but many others are suffering persecution. We must raise our voices on behalf of all who want freedom.

In the last century, Russia cherished its great writers, cherished them even when they opposed the government. Russia rang with the praises of Tolstoy, Chekhov, Dostoevsky, Pushkin, Gogol, Turgenev. But now, when the greatest writer of our age, Aleksandr Solzhenitsyn, dares criticize the Government of the Soviet Union, he is harassed, arrested, exiled. So much for the glory of Russian literature. The Soviet regime respects nothing but its own power.

But Solzhenitsyn is not silent. His brilliant speech at Harvard in 1978 reminds us in the West how precious our freedom is, how menacing communism is to the very soul of the West. We should heed his warning, now, and those who scoffed and sneered at Solzhenitsyn should be silenced by the triumph of his prophecies.

Mr. Speaker, the Jews of the Soviet Union are not alone in their sufferings. The Baptists are persecuted, the Catholic Lithuanians are persecuted, the Uniates of the Ukraine are persecuted, the Jehovah's Witnesses are persecuted, the Moslems of Central Asia are persecuted, the Buddhists are persecuted in Siberia. Soviet Russia is truly what Lenin called tsarist Russia, "A prisonhouse of nations."

Mr. Speaker, John Donne said:

> No Man Is An Island . . . Whatever Touches Mankind Touches Me.

Mr. Speaker, I am glad we had this special order. I am proud to take part in it. We must continue our vigil on behalf of Jews, Christians, and others who are persecuted for seeking freedom and liberty.

Mr. FISH. I thank the gentleman from New Jersey (Mr. SMITH) very much for his eloquent statement.

Mr. NELLIGAN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I will be pleased to yield to the gentleman from Pennsylvania.

Mr. NELLIGAN. I thank the gentleman from New York (Mr. FISH) for yielding. It is with pride and pleasure that I add my name to the concurrent resolution which the gentleman from New York (Mr. FISH) will introduce today.

Mr. Speaker, the treatment of the 2 million Jews in the Soviet Union—and especially of the thousands of "refuseniks"—continues to be a matter of concern for me.

This sense of apprehension has been heightened in recent weeks because of the case of Dr. Viktor Brailovsky, a leading Russian refusenik who is editor of a Jewish cultural publication.

Dr. Brailovsky and his family have been trying to get out of the Soviet Union since 1972. In a typical Soviet ploy, he was granted a visa in 1976, but his wife and children were denied it. So he remained.

Brailovsky was jailed late last year, apparently for signing a document drafted by 200 refuseniks concerned about abuses of human rights in the Soviet Union.

The official Soviet investigation into his case has been halted after nearly 3 months—with no indication when it will be completed.

According to his wife, Brailovsky has contacted a serious liver ailment that may be the cause of the delays. It is unclear whether he is receiving proper medical attention.

I am hopeful that action on the concurrent resolution will insure that Brailovsky receives the proper attention, and that he will ultimately be allowed to leave the country with his family.

At the same time, quick passage will also make it clear that there has been no lessening of Congress, and the American peoples' concern for the treatment of Soviet Jews.

Mr. FISH. I thank my colleague for his contribution. I express my gratitude to the many Members of the Congress who joined in this special order in an expression of our very deep concern over this matter.

● Mr. COUGHLIN. Mr. Speaker, I join my colleagues today in an expression of mutual concern on behalf of Dr. Viktor Brailovsky, a prominent Soviet scientist and leader of the Soviet Jewish emigration movement.

Since 1972, when Viktor Brailovsky and his wife, Irina, first sought permission to emigrate from the Soviet Union, they have been subject to continuous harassment. Last November, after yet another appeal requesting the free emigration of Soviet Jews, Viktor Brailovsky was imprisoned. While in prison, his physical condition has deteriorated drastically. Now, because of his failing health, our appeal on behalf of Dr. Brailovsky is all the more urgent.

According to the Helsinki agreement in 1975, the Soviet Union agreed to accelerate the processing of exit visas for all minorities, especially in those cases where family reunification is an issue. In 1980, the number of Soviet Jews granted permission to emigrate sharply declined from previous years. Freedom of religion is guaranteed in point 7 of the so-called third basket of the accord, yet Viktor Brailovsky and others continue to be mistreated in violation of the agreement. Not only do the actions of the authorities violate humane considerations, but they also violate Soviet internal law.

Along with many others, I believe that only world opinion can force the Soviet Union to abide by the Helsinki Agreement that it has signed, and live up to the responsibilities of all signatory nations. The lives of Viktor and Irina Brailovsky and thousands of men and women like them depend on our efforts, whether these take the form of letters to the "Prisoners of Conscience," messages to Soviet officials, phone calls, or other actions. Remembering that no one's rights are truly secure unless everyone's rights are protected, we owe it not only to the Brailovskys and others who suffer like them, but to ourselves. It is important to let Soviet officials know that the preservation of individual rights and freedoms, as spelled out at Helsinki, remains vital to all Americans.●

● Mr. MOFFETT. Mr. Speaker, I would like to draw the attention of the Members of the House of Representatives to the plight of Dr. Viktor Brailovsky, an internationally known scientist who now resides in a Soviet jail for a yet to be specified charge. It is clear, however, that his "crime" is his active, unwavering support for Soviet Jews and their right to emigrate.

Dr. Brailovsky has been an eminent leader in the Soviet Jewry movement. He has been editor of the unofficial journal Jews in the U.S.S.R., and was once arrested because of his connection to it. In 1972, he and his wife attempted to emigrate, but their efforts were thwarted. In fact, Viktor Brailovsky lost his job as a result of his desire to emigrate. Dr. Brailovsky has held the prestigious Moscow Sunday Seminar at his home for the last 4 years. And, last November, he and 200 other refuseniks wrote a letter to Soviet President Brehnev requesting the free emigration of Soviet Jews.

It is my firm belief that we cannot idly stand by and permit this abdication of human rights to continue. I strongly urge all of my colleagues to support Viktor Brailovsky's case, as only a strong protest will convince the Soviet Union of our concern over their emigration and human rights policies, particularly as they apply to Soviet Jews.●

● Mr. ANDERSON. Mr. Speaker, although President Reagan has hailed America as on the road to "a New Beginning," unfortunately, the Soviet Union is continuing its persecution of individuals whose sole desire is to practice their Jewish heritage. Yet another victim caught in the cruel web of Soviet domination and denigration is Dr. Viktor Brailovsky.

Viktor Brailovsky has been trying to emigrate with his family since 1972. As usual, as soon as he requested permission to leave, the harassment, investigations, and proclamations that he was privy to state secrets resulted in firm denial of his request. The pattern of treatment that Dr. Brailovsky has received at the hands of the Soviet bureaucracy and the KGB has now become typical, and I suggest to my colleagues that we take a close look at what has happened to Viktor Brailovsky and his family since the decision to request permission to emigrate to Israel was reached.

After the denial to their request came in January 1973, 4 months after application had been made, both Viktor and his wife, Irina, became involved in the Jewish emigration movement, and soon after Viktor organized the "Moscow Seminar of Jewish Scientists." Those Jewish scientists who had been refused permission to emigrate, and unemployed because of this, met together on Sunday afternoons, in the Brailovsky home, in order to discuss the various advances being made in their respective scientific area. Since none could do this alone, having limited access to scientific studies and journals, together they were able to maintain some kind of tie with the scientific community. Western scientists who were in the Soviet Union soon learned of these meetings, and the two groups were able to meet and discuss together. This input by foreign scientists is what probably kept these men and women as up to date in their respective fields as possible. However, since Dr. Brailovsky's arrest, these meetings no longer take place, thanks to the KGB.

Viktor Brailovsky also participated in a 17-day hunger strike that year, to give attention to the denial of emigration to Jews who wished to do so. The following year, 1974, found Viktor imprisoned for over 2 weeks, for having tried to conduct an international session of the seminar.

Finally, in 1976, the exit visa that had been eagerly awaited was approved. But, Mr. Speaker, it was valid only for Dr. Brailovsky, and he refused to leave the Soviet Union without his wife and two children. Soon after this refusal to leave, Viktor was arrested at a demonstration, but soon released. His home was searched by the KGB, and books dealing with Jewish history and culture, along with Hebrew language music tapes, were confiscated. Harassment continued, and during Anatoly Shcharansky's detainment before trial, Viktor was detained and interrogated for 12 hours. In 1978, Viktor and Irina's home was again searched by the KGB, and scientific materials were taken. By this time, Irina too was denied an exist visa.

In April 1980, Viktor Brailovsky was arrested again, and was told that this time, the investigation was aimed at his participation in the cultural publication, "Jews in the U.S.S.R." Along with several others, all of whom now live in Israel, Viktor was an editor of this journal, which contained articles on Jewish history and traditions. But again, he was released, if only for a short time, since it was in November 1980 that the signatories to the Helsinki accords were going to meet in Madrid. On the eve of that meeting, Viktor signed a letter, along with 237 others, demanding that Leonid Brezhnev issue them exit visas. Two days later, he was arrested, and he has not yet been released.

Viktor Brailovsky has been arrested for "defaming the Soviet state." Under Soviet law, Mr. Speaker, a person cannot be held for more than 2 months without going to trial, yet Viktor remains in Butyrskaya Prison to this day. What aggravates this situation is Viktor's poor health. He suffers from a liver ailment, and his wife believes that he has not been receiving his medicine.

As a matter of fact, the investigation into Viktor's alleged crimes has been dropped for the time being, and we believe that this is because his health has deteriorated so rapidly that were the Soviets to bring him to trial now, all the world would see the mistreatment of Viktor Brailovsky at the hands of the Soviet Union.

It is for these reasons that we in Congress have gathered here today, proclaiming to the Soviet Union that we are aware of their inhumanity to Viktor Brailovsky and his family. I assure them that we, as Members of Congress, will not let up in our efforts to free those whose inherent right it is to be free, as well as continue to monitor the Soviet Union's actions in various other arenas. I strongly urge the Soviet Union to allow Viktor Brailovsky to emigrate to Israel with his family.●

● Mr. KEMP. Mr. Speaker, civilized countries treat their men and women of science with respect, honoring them for their contributions and dedication to broadening knowledge in their fields. Civilized countries recognize the importance of intellectual freedom and the disastrous ramifications of repression for everyone involved. Civilized countries do not abuse the very men and women who constitute the finest minds in the land. A civilized country would not have arrested Dr. Viktor Brailovsky as the Soviet Government 3 months ago.

But why not arrest him? He was spreading the disease of valor among those Soviet Jews who dread and fear their state, and this germinating freedom of spirit must be quashed at any cost. The notion that there is something to be gained by protestation is one to be swiftly and terribly denied in the Soviet Union, and Dr. Brailovsky's abusive treatment is meant to demonstrate the refusal of the Soviet Government to validate any of these efforts. Against such odds, who will or can do anything to break the cycle constituted by the denial of exit visas for Soviet Jews and their resulting activism and arrest for what was once a quiet and lawful effort? Will not the Soviets finally discourage all emigration attempts and carry out their systematic program of discrimination against Jews and other minority and religious groups in the Soviet Union?

The answer is an emphatic "no." The people of the Soviet Union have shown enormous strength and determination in fighting this repression and with our help and support, they can prevail. We need to utilize all the tools we have available to fight the abuse of human rights in the Soviet Union and to free the innocent victims of Soviet retribution.

President Reagan has set the stage for a new foreign policy, a policy of strength which recognizes the importance of linkage. The Soviet Government must realize that they cannot abuse the people of that country with impunity, and that the free countries of the world will call them to account for their inhumanity not just with words but with deeds as well. Much has been speculated about the interest in human rights in the Reagan administration, but I submit that President Reagan's policies will further the cause of human rights in the Soviet Union more so than in any previous administration. We will see a rededication to the cause of freedom throughout the world, along with increased esteem for the United States and its leadership role in encouraging freedom and human rights.

I want to express my gratitude to Congressman FISH for coordinating this special order in behalf of Dr. Brailovsky and want to join him in this rededication to the cause of free emigration for Soviet Jews. I urge my colleagues to each make a contribution toward this effort and let your voices be heard in defense of the basic human rights of all peoples.●

● Mr. YATRON. Mr. Speaker, we cannot protest strongly enough to the Soviet Government our concern about their own citizens who are badly treated and harassed. It is the responsibility of everyone who enjoys the benefits of freedom to let their voice be heard when an injustice is committed. This is clearly the case with the Soviet Government's treatment of Dr. Viktor Brailovsky, a prominent scientist and leader to the Soviet Jewish emigration movement.

Dr. Brailovsky has been imprisoned since November, but his harassment by the Soviet Government began 8 years ago. In that time, he has lost his job, been arrested and jailed many times, and his home has been searched and valuable papers of his were confiscated. Until he lost his position, Dr. Brailovsky was considered a leading authority in the area of cybernetics.

Through his wife, it has been discovered that Dr. Brailovsky's health is deteriorating and that he needs immediate medical care. It is tragic that other countries must appeal to the Soviet Government to provide humane treatment to one of their citizens. I am hopeful that all the Members of Congress will join in asking the Soviet leadership to grant proper medical treatment to Dr. Brailovsky and to permit both he and his wife to emigrate to Israel.●

● Mr. ANNUNZIO. Mr. Speaker, I rise to join my colleagues in urging Soviet authorities to release Viktor Brailovsky from prison and allow him and his wife and children to emigrate to Israel.

Mr. Brailovsky and his wife, Irina, sought to leave the Soviet Empire in 1972, but were refused permission because Mrs. Brailovsky had access to "secret" information as peculiarly defined by the Communist overlords. In 1974, Viktor Brailovsky was imprisoned for 15 days because he wanted to hold an international session of the Moscow Seminar of Jewish Scientists.

In 1976, Mr. Brailovsky finally received the needed permission to leave oppressive Soviet territory, but was cruelly denied the opportunity to take his family along with him, so he rejected the offer. Later that same year, he was arrested in Moscow, his home was subsequently searched, and much of his property relating to Jewish history and culture was stolen by authorities.

In 1977, Mr. Brailovsky was interrogated for 12 hours at a prison; in 1978, his wife was again cruelly denied permission to emigrate, and, later that year, more of his property was stolen by Government officials acting in the

name of the law. Late last year, he was placed in prison. He remains isolated from his family, his wife is not allowed to visit him, and his brutal captors refuse him proper medical treatment.

Mr. Speaker, every possible step should be taken by our Government to see that officials of the Soviet Communist Empire begin to show some respect for human dignity and allow the Brailovsky family, and thousands of others like them to live in the country of their choice.●

● Mr. WAXMAN. Mr. Speaker, just 1 week ago, America welcomed home 52 hostages after a seemingly endless 444-day ordeal. But the release of the 52 from Iran did not signal the end of political repression nor the dawn of religious freedom throughout the world. We need look only to the north of Iran for ample evidence of officially sanctioned physical and mental mistreatment. Today in the Soviet Union, close to 200,000 Jews are hostages in a sense, persecuted because of their religious beliefs and forbidden to emigrate to freedom in Israel.

Mr. Speaker, I wish to bring to the attention of my colleagues the plight of one such refusenik, Dr. Viktor Brailovsky. On the eve of the Madrid Conference, the Soviet Union jailed Dr. Brailovsky, a prominent scientist and leader of the Soviet Jewry emigration movement. While Dr. Brailovsky was ostensibly arrested for "slandering the Soviet State," in actuality, his true crime was simply his wish to live in freedom in Israel.

A noted cyberneticist, Dr. Brailovsky lost his job and faced continual harassment and frequent arrests by Soviet officials from the moment in 1972 that he first made clear his desire to emigrate to Israel. Although stripped of his professional status, Dr. Brailovsky refused to allow Soviet suppression to interfere with his dedication to science and his intellectual fervor. He proved that while the authorities could attempt to restrain his professional actions they could never suppress his ideas nor his determination. Undaunted, he continued to blaze paths in other scientific fields, such as mathematical statistics, publishing frequently in American journals. He also organized the Moscow Seminar for Jewish Scientists—a group of Soviet scientist refuseniks who met every Sunday at Dr. Brailovsky's home to discuss the latest advancements and achievements in their fields.

Determined that other Soviet Jews should not lose their self-identity nor forget their Jewish culture, Brailovsky also edited an unofficial journal called Jews in the U.S.S.R. The magazine, which contains articles on Jewish history, Jewish poetry and prose, and excerpts from Western books and articles has long been a target of suppression for the Kremlin. Last April, Dr. Brailovsky and his wife were arrested in connection with the publication, and while they were eventually released, both remained under investigation. On November 13, Viktor Brailovsky was again arrested for leading 230 other refuseniks in an appeal to President Brezhnev requesting the free emigration of Soviet Jews. Since his apprehension, Dr. Brailovsky's health has considerably worsened. His wife has been denied permission to visit him and her inquiries as to his physical condition remain unanswered. Despite his rapidly deteriorating health, Dr. Brailovsky still faces the possibility of up to 3 years in a labor camp for his crimes.

How ironic that his arrest should occur on the eve of the Madrid Conference whose very purpose it was to review the Helsinki accords. How ironic that a government which signed these provisions respecting human rights merely 5 years ago, should take a major step backward with the arrest of Dr. Viktor Brailovsky. How disheartening that a man should be incarcerated and punished—denied every right of human decency, merely for his desire to leave for his promised land and for his refusal to be silenced.

Viktor Brailovsky's pain is ours as well. As his health deteriorates, we must give him the quality of emotional support that can only come from a country which itself has been held hostage. We must join together and demand that he receive the proper medical attention. We must join together to see that he is granted his freedom.

Mr. Speaker, as America rejoices in the homecoming of our brave 52, I hope that we will not forget those men and women whose political imprisonment continues. Viktor Brailovsky's case stands out for his courage and dedication, yet throughout the Soviet Union, there are thousands of Jews, who, like our 52 Americans are held hostage—persecuted and forced to live away from their promised and cherished land of Israel. We must not let the Brailovskys of the Soviet Union be silenced. We must see to it that they are freed.●

● Mr. BRODHEAD. Mr. Speaker. I wish to join with many of my colleagues in calling attention to the plight of the Soviet scientist Viktor Brailovsky and urging that he and his family be permitted to emigrate to Israel.

The story of the harassment of Viktor Brailovsky and his family by Soviet authorities began in 1973, when he and his wife Irina were refused permission to emigrate from Russia. The latest development in this story was his arrest on November 13, 1980. Ironically, this arrest was 2 days after the opening of the Madrid Conference on the Helsinki accords, at which the United States has repeatedly called upon the Soviet Union to protect the human rights of its citizens, including the right to emigrate as guaranteed under the Helsinki agreement.

For the Brailovskys, the years since 1973 have been a record of repeated arrests for expressing their support of liberalized emigration policies, confiscation of scientific papers as well as materials relating to Jewish culture and religion, inability to receive permission to teach, and arbitrary and repeated denials of their right to emigrate. And it is particularly distressing to realize that although the case of Viktor Brailovsky has received considerable publicity, the Brailovsky family is just one of many Soviet refusenik families that must endure injustice of this type.

The Brailovskys are being forced to suffer as an example to others in the Soviet Union—especially Jews—who wish to exercise basic human rights. Those of us in Congress who support the cause of human rights for all people must let the Soviet Union know that we strongly oppose the persecution of the Brailovskys and the repression that it represents. We must renew our call upon the Soviet Union to honor the commitment it made at Helsinki and assure that Soviet Government that we will be monitoring their efforts in this area closely. At this time, therefore, I strongly urge that the Soviet Union begin a reform of its policies by freeing Viktor Brailovsky and permitting him and his family to emigrate to Israel.●

● Mr. FAUNTROY. Mr. Speaker, I want to thank my distinguished colleague, Congressman HAMILTON FISH, JR., for requesting the special order to bring to the attention of our Nation the plight of Dr. Viktor Brailovsky, a political prisoner, and prominent Soviet scientist and leader of the Soviet Jewish emigration movement. Dr. Brailovsky was incarcerated last November and is suffering from poor health. He is in need of immediate medical attention for a critical liver ailment and I urge the Soviet authorities to comply with basic humanitarian requirements and provide the needed medical treatment.

Dr. Brailovsky is like many others around the world, a victim of state terrorism consisting of human rights violations directed against those, who, speak out with and on behalf of the poor and the oppressed.

Dr. Brailovsky has been the victim of years of persecution. His crime has been writing on the true plight of Soviet Jewry and seeking to exercise his human right to emigrate from the Soviet Union. For this he has been subject to numerous jailings and his home has been violated on two occasions by the KGB.

Most recently he was arrested and then released in April 1980 for his publication of a cultural journal, Jews in the U.S.S.R. Since April he has been kept under constant investigation. In November, he joined a group of over 200 other refusniks in a formal appeal to President Brezhnev requesting the free emigration of Soviet Jews in compliance with the requirements of the Helsinki Final Pact.

It is an honor to join in cosponsoring Congressman FISH's resolution stating concern for Dr. Brailovsky's health and urging the Soviet leadership to provide proper treatment. Dr. Brailovsky should also in accord with article 13, paragraph 2, of the Universal Declaration of Human Rights and the Conference on Security and Cooperation in Europe: Final Act—Helsinki Final Act—be permitted to emigrate with his family and join his brother in Israel.●

● Mr. LEBOUTILLIER. Mr. Speaker, I rise to call the attention of the U.S. House of Representatives to the plight of Dr. Viktor Brailovsky, a prominent Soviet scientist and leader of the Soviet Jewish emigration movement.

On November 13 of the last year, Dr. Brailovsky was arrested and incarcerated in Moscow's dreaded Ubtyrakaya Prison, a prison notorious for its role in the political purge of the 1930's and the postwar period. Since that time Viktor's health has dangerously deteriorated. His wife, Dr. Irina Brailovsky, who is also a distinguished doctor of computer science, states that Viktor is not being provided with adequate medical care for treatment of a liver ailment. Moreover, she has been denied permission to visit him and her inquiries regarding his health remain unanswered.

Mr. Speaker, Dr. Brailovsky, his wife and family have all been subjected to continuous harassment by Soviet authorities from the time they first submitted their application to emigrate to Israel in October 1972. From the very outset, Viktor lost his job and shortly thereafter was informed that his request to emigrate was denied on grounds that he had access to "secret information" as a computer scientist at Moscow University.

Arrested and jailed several times since, the Brailovskys' home has been searched twice with valuable scientific studies, Jewish cultural papers, and tapes of Jewish and Israeli music confiscated by the KGB. Last April Viktor was arrested in connection with his publication of the unofficial Jewish cultural journal, Jews in the U.S.S.R., and although released, he remained under constant surveillance. Finally, on November 11, 1980, Brailovsky joined 237 other "refuseniks" in signing an appeal to President Brezhnev demanding exit permits to go to Isreal. Just 2 days later, he was arrested for allegedly "slandering the Soviet state"—a crime punishable by up to 3 years imprisonment—and placed in prison where he is currently detained.

Mr. Speaker, this tragedy is yet another example of what occurs on a regular basis in the Soviet Union. While we in the United States often take many of our freedoms for granted, nothing can be assumed there.

One freedom in particular we tend to assume is the freedom to emigrate. So close is this to our national spirit that when Emma Lazarus wrote her inscription for the Statue of Liberty she called upon the nations of the world to send "your tired, your poor, your huddled masses yearning to breathe free" and "the wretched refuse of your teeming shore."

The spirit of openness contained in these passages says much about us as Americans. It says first of all that we are a land of immigrants. And it says that we naturally expect that those who desire to come to our shores will be allowed to come. What is not recognized in these lines, however, is that the Soviet Union has intertwined the freedom to emigrate into one of the most perverse political systems ever to darken the human record. What we in the United States assume as a natural inalienable right is flagrantly disregarded in the Soviet Union.

On August 1, 1975, in Helsinki, Finland, the heads of 32 European nations, the Soviet Union, the United States, and Canada, signed a document which declared their mutual "respect for human rights and fundamental freedoms." This document declared that "in the field of human rights and fundamental freedoms, the participating states will act in conformity with the purpose and principles of the Charter of the United Nations and with the Universal Declaration of Human Rights. They will also fulfill their obligations as set forth in the international declarations and agreements in this field including inter alia the International Covenants on Human Rights, by which they may be bound."

One of the many principles laid in the Universal Declaration of Human Rights was that "everyone has the right to leave any country, including his own * * *."

Mr. Speaker, no one was more pleased with the Helsinki agreement than Leonid Brezhnev. Addressing the audience, the Soviet Communist Party leader solemnly urged that the principles of Helsinki be "put to practical use and made a law of international life not to be breached by anyone." He also said that:

> We note with deep satisfaction that * * * these principles are imbued with respect and care for man, so that he can live in peace and look forward to the future with confidence.

Since that time, Mr. Brezhnev's own words and actions have made it quite clear that the Soviet Union does not intend to comply with the human rights provisions of the Helsinki accords. In a major address to a national trade union congress on March 21, 1977, Mr. Brezhnev bitterly assailed U.S. support for Soviet dissidents as unwarranted "interference in our internal affairs." He warned that—

> Normal development of relations on such a basis is unthinkable * * *. We will not tolerate interference in our internal affairs by anyone and under any pretext.

Rhetoric aside, there can be little doubt what atheistic Soviet communism thinks about human rights.

Mr. Speaker, I am gravely concerned about the plight of Viktor Brailovsky. We in this Chamber would be false to our own political values and traditions if we were to stand silent in the face of this kind of political oppression. For in the long hard march of mankind, America has been fortunate to occupy a special place in history. We have traditionally stood against the forces of tyranny, injustice, and vice. And we have been honored to offer the world a shining symbol of human freedom. Let us continue that tradition and let out with one voice a cry of protest against this yet another example of tyranny against the spirit of man. In conscience we can do no less.●

● Mr. PEYSER. Mr. Speaker, a few months ago scientist Viktor Brailovsky was arrested on a charge of "defamation of the Soviet State and public order." His alleged crime was editing a magazine, Jews in the U.S.S.R.

Viktor Brailovsky, a doctor of computer science, along with his wife Irina, simply decided to emigrate to Israel 8 years ago. At that time the Soviet authorities denied their application for an exit visa on grounds that Viktor was privy to secret scientific information. This denial would deter many individuals but the Brailovskys waited, renewing the request to emigrate from time to time. According to Irina, "secrecy in science cannot be eternal."

In 1979 Viktor's ban for a visa was lifted but his wife was informed that she could not leave for the same reason that her husband had been denied the opportunity to go to Israel: Purported knowledge of State secrets. It was after this latest development that the family decided that Viktor and his son would emigrate, leaving Irina, her daughter and aged mother in the Soviet Union. They would join Viktor as soon as possible. Just as this most difficult decision was made, the Soviet officials once again denied all members of the Brailovsky family exit visas. Unable to leave, yet determined not to be silenced, Viktor actively urged his fellow Soviet Jews to develop a religious and cultural identity.

In the U.S.S.R. a man who declares his wish to emigrate loses the right to continue his profession. Consequently, Dr. Brailovsky was fired from his job and was termed a "refusenik."

During his years as a refusenik he wrote many theoretical scientific works, four of which were published in American scientific journals. He also joined with other Soviet Jewish physicists, chemists, and mathematicians, who were also denied permission to leave the Soviet Union, and conducted weekly scientific seminars which were held in the Brailovsky's Moscow apartment.

In addition to these seminars Viktor also served as an editor of the journal, Jews in the U.S.S.R. This journal did not pursue political aims but, simply, devoted its pages to Jewish history, culture, and religion. It was clear that Soviet authorities tried to suppress the publication of this magazine as evidenced by a repeated series of searches conducted in the homes of Jewish activists in Moscow, Leningrad, and Riga. Materials intended for publication in the journal were confiscated and Viktor and Irina were summoned for interrogation by the KGB.

On November 11, 1980, the opening day of the Madrid Conference, Mr. Brailovsky, along with 237 other refuseniks, signed an appeal to President Leonid Brezhnev requesting exit visas. It is interesting to note that he was arrested on November 13.

Since the time of his arrest, Viktor's health has deteriorated drastically and, if officially charged, he could remain in labor camp for 3 years.

The arrest of Viktor Brailovsky shows the world that the Soviet Government is trying desperately to dismantle the entire Soviet Jewish culture movement. Moreover, according to the National Conference on Soviet Jewry, the Soviet Jewish emigration rate declined sharply in 1980, by as much as 90 percent in some areas of the U.S.S.R. This further emphasizes the Soviet Union's complete disregard for basic human rights.

As a signatory of the United Nations Universal Declaration on Human Rights and as a party to the Helsinki Final Act, the Soviet Union had indicated its commitment to internationally recognized human rights. It is up to us as Members of Congress to raise our voices and to fight for the freedom of all oppressed citizens of the Soviet Union. Let us not forget Viktor and Irina Brailovsky. May they be allowed to join their loved ones in freedom.●

● Mr. LEHMAN. Mr. Speaker, I would like to thank my distinguished colleague, Congressman HAMILTON FISH, for giving us this opportunity to discuss the urgent situation of Viktor Brailovsky. Brailovsky, a prominent scientist, was arrested on charges of slandering the Soviet state—a crime punishable by up to 3 years imprisonment. He is at this moment in a Soviet prison.

Since his arrest 2 months ago, Viktor Brailovsky's health has worsened. According to his wife, Dr. Irina Brailovsky, Viktor is not receiving adequate medical care for treatment of a liver ailment. In fact, Mrs. Brailovsky has recently discovered that her husband's condition has deteriorated drastically, and in addition she has been denied visiting rights. It is imperative that Dr. Brailovsky receive immediate and adequate treatment before his condition worsens still further.

In October 1972, Viktor and Irina Brailovsky, both doctors of computer science, first applied for permission to leave the U.S.S.R. In January 1973, their request was denied because Irina had had access to secret information as a computer scientist at Moscow University. Since their refusal, Viktor and Irina have been involved with the Jewish emigration movement and Viktor was an organizer of the Moscow Seminar of Jewish Scientists. To protest the absence of free emigration of Jews, in 1973 the Brailovskys, along with eight other scientists, held a 17-day hunger strike. The following year, in 1974, Viktor and other activists were imprisoned for 15 days for attempting to hold an international session of the seminar.

In 1974, Viktor was granted permission to emigrate, but he refused to leave without his wife, son Leonid, and daughter Dalia. October of the same year, Viktor was arrested at a Moscow sit-in demonstration and later released. In December, the Brailovsky home was searched in connection with the start of the Moscow Cultural Symposium. Many books on Jewish culture were confiscated along with tapes of Jewish and Israeli music.

Two years later, in October of 1978, the rector of Moscow University stated that the university had no objection to Irina's emigration and would inform the officials. Despite this, she was once again denied an exit visa. The following month, Viktor was refused a teacher's certificate by the local Ministry of Education. On December 21, 1978, the KGB conducted an 8-hour search at the Brailovsky home confiscating scientific papers and materials relating to the Sunday seminars.

On April 10, 1980, Viktor was arrested and told he was being investigated in regard to the unofficial magazine Jews in the U.S.S.R. On November 11, 1980, the opening day of the Madrid Conference, Brailovsky, along with 237 other refuseniks, signed an appeal to President Brezhnev demanding exit permits. And lastly, on November 13, he was arrested for allegedly slandering the Soviet state, and is now imprisoned awaiting trial which if convicted, would mean a 3-year term in a labor camp.

We must strongly reaffirm to the Soviets our determination to speak out against continued human rights violations and the perversion of the Helsinki commitments which the Soviets have so blatantly disregarded. I hereby reassert my commitment and will urge the Reagan administration to help Soviet Jews whose human rights are violated and who wish nothing more than to live with their families in the place of their choice.●

● Mrs. HOLT. Mr. Speaker, the case of Dr. Viktor Brailovsky reminds us once again of the cruelties practiced by the Soviet totalitarian state. What were the offenses for which he has been imprisoned?

He was active in Jewish cultural affairs, organized the Moscow Seminar for Jewish Scientists, published a journal called "Jews in the U.S.S.R.," and led an appeal to Chairman Brezhnev for free emigration of Soviet Jews.

It is difficult for us to comprehend a system in which such activities are deemed to be criminal, but it is important for us to understand the nature of totalitarian rule. In the Soviet Union, any activity not sanctioned by the Communist Party is discouraged and subject to severe penalty.

The case of Dr. Brailovsky is but one among many. He has been subjected to 8 years of harassment, losing his job, arrested and jailed a number of times, having his papers confiscated by the KGB.

Now he is imprisoned, and we learn that he is not receiving proper medical treatment for a serious liver ailment. I am honored this day to pay tribute to this brave man and join the call for proper medical treatment and for his right to emigrate with his family.●

● Mr. DAUB. Mr. Speaker, I strongly support the concurrent resolution offered by my distinguished colleague, the gentleman from New York (Mr. Fish) which urges the Soviet Union to honor its commitment to international law and to its own Constitution by allowing Dr. Viktor Brailovsky to receive proper medical care and permitting his family and him to emigrate to Israel.

Article 42 of the Soviet Constitution of 1977 guarantees that "citizens of the U.S.S.R. have the right to health protection" and cites that nation's commitment to "reduce the incidence of diseases and insure citizens of a long and active life." I call upon the Soviet Government to give meaning to these words by providing Dr. Brailovsky with the medical treatment he critically needs.

I further call on the Soviet Government to recognize the final act of the Conference on Security and Cooperation in Europe. As a signator to this document, the Soviet Union has agreed to respect individual rights and fundamental freedoms, and its commitment to these principles can be demonstrated by allowing the Brailovsky's to emigrate.

The imprisonment and treatment of Dr. Brailovsky contravenes the basic tenets of universal human rights, and I am privileged to join in supporting this resolution.●

● Mr. HALL of Ohio. Mr. Speaker, the plight of Soviet Jews is one which should concern not only the Jewish community, but all of humanity because it involves the denial of a basic freedom. When a man such as Dr. Viktor Brailovsky is forbidden to leave a country which has never accepted him or his people because of their religious beliefs, there is a gross injustice.

Dr. Brailovsky is a Jewish computer scientist living in the Soviet Union. When he first applied for permission to emigrate from the Soviet Union to Israel in October 1972, permission was denied. The Soviet Government claimed that his wife, Irina, also a computer scientist, may have obtained "secret information" while working at Moscow University. Since then, Dr. Brailovsky, and his family have suffered 8 years of continuous harassment by Soviet authorities because of his role as editor of the journal, Jews in the U.S.S.R., and his involvement with the Jewish emigration movement and Moscow Seminar of Jewish Scientists, which Dr. Brailovsky organized.

During this period of harrassment, Dr. Brailovsky lost his job, was arrested and jailed numerous times, and his home was searched twice resulting in the confiscation of valuable scientific and Jewish cultural papers. Dr. Brailovsky continued his work in science despite the Government's harassment.

In a recent newspaper article by Mrs. Brailovsky entitled "Let My Husband Go," she wrote:

> In our country, a man who has declared his wish to emigrate loses the right to continue with his normal professional pursuits.

According to Mrs. Brailovsky, after "the authorities failed in their attempts to frighten him, to crush him morally and to entangle him in the sticky cobweb of the KGB," they imprisoned Dr. Brailovsky as a final resort.

Dr. Brailovsky now suffers from a serious liver ailment putting him in dire need of immediate and adequate medical treatment. Though Soviet authorities have assured Mrs. Brailovsky that her husband has received medical attention, she has learned that his condition has seriously deteriorated. Could this mean that Soviet doctors cannot sufficiently treat a liver ailment? Obviously not.

Officially, Dr. Brailovsky was arrested for "slandering the Soviet State." However, the only crime committed was Dr. Brailovsky's effort to keep his national heritage alive after being denied permission to emigrate to the land of this heritage. I now ask, "Is this a crime?"

For centuries Jews all over the world have been hoping, "Next year in Jerusalem." For Dr. Brailovsky and the many Soviet Jews like him, it should be, "This year in Jerusalem." No man should be sentenced to death for this dream. This may be Dr. Brailovsky's sentence if he is not given proper medical treatment while he suffers in a Soviet prison.

Therefore, I join my colleagues in cosponsoring a House concurrent resolution expressing the sense of the Congress that Dr. Viktor Brailovsky should be provided proper medical care and granted permission to emigrate to Israel, and urging the President to protest the continued suppression of human rights in the Soviet Union.●

● Mr. GREEN. Mr. Speaker, there are literally hundreds of thousands of people who wish to leave the Soviet Union. Through blatant repression, and in violation of the Helsinki accords, these dissidents are forced to stay in the Soviet Union. One such dissident, who is an outstanding individual, is Viktor Brailovsky.

In 1972 Dr. Brailovsky sought to emigrate. He was turned down and since that time has been constantly harrassed by Soviet officials. Dr. Brailovsky is recognized as an outstanding scientist, yet to punish him for his desired freedom he lost his job. He has been arrested and jailed on many occasions. His home has been searched and ransacked at the will of the Soviet Government.

Now, Dr. Brailovsky's condition has grown even worse. He sits in a jail in the Soviet Union with a very serious liver condition. Without immediate medical attention the life of this courageous man is endangered.

Clearly, this treatment violates the Helsinki accords. Dr. Brailovsky would like to leave the Soviet Union to join his family in Israel. Thus, the Soviet Union is expressly ignoring those aspects of the Helsinki accords that deal with family reunification.

Mr. Speaker, this is outrageous. As a brilliant, courageous, and dignified man, Dr. Brailovsky deserves to be treated as such. To think that the Soviet Union will not allow him to leave is distressing. To think that the Soviet Union will not allow him medical treatment is intolerable.

I am pleased to cosponsor legislation calling for the emigration of Dr. Brailovsky. This dissident, like all others, has a basic human right to freedom.●

● Mr. BINGHAM. Mr. Speaker, the case of Dr. Viktor Brailovsky should concern us all. In a pattern all too familiar Dr. Brailovsky has been subjected to 8 years of continued harassment by Soviet authorities leading up to his imprisonment on November 13, 1980. What is Viktor Brailovsky's crime? In 1972 Dr. Brailovsky, his wife, and their two children, applied to emigrate to Israel. For that crime, the Brailovskys have faced every kind of harassment.

Dr. Brailovsky is a remarkable man. He organized the Moscow Seminar for Jewish Scientists, a group which met weekly to discuss advances in the sciences. In the area of cybernetics, Dr. Brailovsky had received international recognition. Perhaps most important, Dr. Brailovsky was an editor of Jews in the U.S.S.R., a journal devoted to Jewish culture in the Soviet Union and abroad. It was a nonpolitical journal, only concerned with Jewish culture in all its aspects. Nevertheless the journal has been ruthlessly suppressed by the Soviet authorities. Material intended for publication has been confiscated. All editors of the journal, except Brailovsky, have been permitted to emigrate to Israel. Brailovsky waits in prison. I urge the Soviet authorities to permit Brailovsky and his family to emigrate to Israel immediately. Attached is a piece from the Los Angeles Times of December 5, 1980, which testifies to the courage of Viktor Brailovsky:

> LET MY HUSBAND GO
>
> (By Irina Brailovsky)
>
> Moscow.—On Nov. 13 my husband, Viktor Brailovsky, was arrested on a charge of "defamation of the Soviet state and public order." Today he is confined in Moscow's Butyrskaya Prison, notorious for its role in the political purge of the 1930s and the post-war period.
>
> Why?
>
> My husband is 45 years old. I am the same age. We are both Muscovites born and bred. Viktor was graduated from the Energetics Institute, chose a career in science and worked in an academic institute. His specialities are in mathematical statistics and cybernetics. He is the author of 40 scientific works. In 1978 my husband was elected a member of the New York Academy of Sciences. He is also a member of American and British mathematical societies.
>
> We have two children—a 19-year-old son and a 6-year-old daughter.
>
> Eight years ago we reached a decision that many Jews in our country are making these days. We decided to emigrate to Israel.
>
> That same year, 1972, the authorities denied our application for an exit visa. The reason given was that my husband supposedly was privy to secret scientific information. We waited, renewing our request from time to time. After all, secrecy in science cannot be eternal.
>
> The years passed. In the spring of 1976, we learned that the ban on my husband's departure had been lifted. But we were simultaneously informed that now I could not be allowed to leave. The reason was the same: purported knowledge of state secrets. (I had been graduated from the mechanics-mathematics department of Moscow State University, and had stayed on to work for the university in applied mathematics.)
>
> After long and painful indecision, we decided that Viktor would leave with our son while I remained behind with my daughter and my aged mother. With this decision, we went to the visa office. But no visa was forthcoming. We wrote a new declaration; once again we obtained all the necessary papers, but these only seemed to disappear in the bureaucratic maze.
>
> Finally, I was able to find out from the rector of my university, Anatoly Logunov, and from two deputy rectors that a special committee had considered my case and had

concluded that I had never been involved in secret work. That was two years ago.

Logunov, as a highly placed Soviet bureaucrat—a member of the Communist Party's Central Committee, a deputy to the Supreme Soviet, a vice president of the Soviet Academy of Sciences—knew perfectly well that he was duty-bound to send the commission's report, which he himself had signed, to the visa office or the Committee for State Security (KGB). He knew very well that our fate and the fate of our children depended on it. Yet he did not forward this report, nor has he to this day.

It became clear that all the claims of safeguarding state secrets were an empty pretext. They just did not want to let us go.

In our country, a man who has declared his wish to emigrate loses the right to continue with his normal professional pursuits. This applies with particular force to an intellectual. If he is a writer, his work is no longer published. If he is a scientist, he is removed from science. My husband lost his position as soon as he breathed his first word about wishing to leave the Soviet Union.

But Viktor Brailovsky would not reconcile himself to the lot of a renegade. He continued with his creative work. Cut off from computer technology, he turned to another field of mathematical statistics and, working with pencil and paper, was able to strike out productively in an underexplored direction.

During his years as a refusenik, he wrote a series of theoretical scientific works, four of which have already been published in American scientific journals.

A scientist cannot exist without a scientific atmosphere or contact with his colleagues. With a group of comrades in misfortune—physicists, mathematicians and chemists who also had been denied the right to emigrate—Viktor Brailovsky took part in the work of the Moscow Sunday Seminar. He became the moving spirit of this seminar, which, since 1977, took place regularly in our apartment.

That, apparently, was my husband's crime. On Nov. 23, for the first time in the eight years of the seminar's existence, a scheduled Sunday session was barred by the authorities. Police and KGB agents blocked the entrance to the building and prevented seminar members from entering.

Viktor Brailovsky was arrested because he wanted to remain true to himself; he did not want to deteriorate spiritually or to submit to the order that he abandon his scientific calling. He was arrested because he hung on and helped others to hang on—dozens of our friends. He was arrested because he remained a pure and honorable man.

My husband is in prison for a reason simple enough to be understood by a child: The authorities failed in their attempts to frighten him, to crush him morally and to entangle him in the sticky cobweb of the KGB.●

● Mr. McGRATH. Mr. Speaker, I would like to take this opportunity to join my colleagues in expressing my dismay over the plight of Viktor Brailovsky.

This case is just one more example of the wanton disdain which the Government of the Soviet Union holds for the basic rights of individuals and international agreements respecting those rights. Soviet actions, including persecution of those who wish to emigrate and imprisonment of such individuals on fabricated charges, are an outrage. Such activities are carried on in complete disregard of the fact that the Soviet Union is a party to the Helsinki accords and many other international documents upholding human rights.

As Members of this representative body of the leader of the free world, we must continue to speak out against the conduct of the Soviet Government. The particular case of Viktor Brailovsky should be brought to the attention of the entire international community.

I sincerely hope that every Member of this House will join in forwarding a strong protest to officials in the U.S.S.R. over the treatment of Brailovsky who has not been permitted to receive visits from family members and is in need of immediate medical attention. The leadership in the Kremlin must be aware that the eyes of many concerned individuals abroad are focused on their activities.●

● Mr. LENT. Mr. Speaker, it is an honor and a privilege to join in this special order in behalf of Dr. Viktor Brailovsky. I commend my colleague the gentleman from New York (Mr. FISH) for introducing the concurrent resolution expressing the sense of the Congress that proper medical care be provided this unfortunate target of the Soviet Government's cruel persecution of its Jewish citizens. I am proud to be a cosponsor of this resolution. I strongly urge every one of my colleagues in the House of Representatives to join in cosponsoring this resolution. I trust it will get quick approval in both the House and the Senate. The need for swift action is urgent. Word from Dr. Brailovsky's wife, Irina, is that the noted scientist's physical condition has deteriorated since his arrest last November because he has not been receiving proper treatment for a serious liver ailment.

Mr. Speaker, the story of Dr. Brailovsky's persecution at the hands of Soviet authorities is a tragic one. Here is a brilliant scientist whose work in cybernetics and mathematics has received worldwide attention. He is a member of a number of British and American mathematical societies, and was elected as a member of the New York Academy of Sciences. He is the author of 40 scientific works.

Yet today this widely known scientist is confined in a Moscow prison made notorious for its role in the political purges of the Stalin era. His arrest last November—ironically just as the Madrid Conference on Human Rights got underway—was the culmination of years of persecution. Dr. Brailovsky seeks only the freedom to practice his religion in the country of his choice—Israel. Yet, from 1972, when he and his wife applied for permission to emigrate, he has undergone continual harassment and ever increasing persecution.

As always with those who apply to leave the Soviet Union, Dr. Brailovsky and his wife—who holds a doctorate in computer science herself—were denied the right to continue their professional careers. However, while they continued to seek permission to emigrate, Dr. Brailovsky also did everything he could to continue his creative efforts in mathematics. Although cut off from computer technology by the Soviet authorities, Dr. Brailovsky went to work with pencil and paper exploring new directions in another field of mathematics. In the 9 years since his formal career was severed, Dr. Brailovsky has, nonetheless, continued to enhance his reputation by writing a series of theoretical scientific works, some of which have been published in American journals.

Nor was this all. Dr. Brailovsky joined a group of fellow scientists who had been denied the right to emigrate and who were barred from pursuing their professional careers. They organized the Moscow Sunday Seminar, discussing latest developments in various fields of science. Noted scientists from other nations who were visiting in Moscow were invited to lecture on new developments. Dr. Brailovsky became a moving spirit in these seminars, and from 1977 they were held in the Brailovsky's Moscow apartment.

And Dr. Brailovsky did still more, though he knew well the terrible risks he was running. He helped edit and publish an underground journal, Jews in the U.S.S.R., devoted to compiling and publishing information about the status of Soviet Jews, as well as articles on Jewish history, culture, and religion.

These activities brought the full force of the Soviet persecution and harassment down upon the Brailovskys. There have been arrests and interrogations by the KGB, the Soviet secret police. Their apartment has been entered and searched. Finally, on November 11, 1980, the opening day of the Madrid Conference on Human Rights, Dr. Brailovsky joined 237 other refuseniks in signing an appeal to Soviet leader Leonid Brezhnev, demanding exit permits. Dr. Brailovsky was seized and thrown into prison 2 days later, charged with "slandering the Soviet State." And there this courageous man is confined today, in desperate need of proper medical treatment.

My colleagues, we must make every effort to get help to Dr. Brailovsky. I call upon you to join in supporting this resolution, so the leaders of the Kremlin will feel the full weight of congressional protest, and will understand that persecution of Soviet Jews is an abomination to us all, as well as a violation of the human rights provision of the Helsinki accords, which the Soviet Union agreed to in 1975. We who enjoy freedom must help those who have sacrificed so much to win it.●

● Mr. BARNES. Mr. Speaker, world opinion is clearly on the side of prominent Soviet scientist Viktor Brailovsky and his wife, Irina, an equally distinguished computer scientist, both of whom have sought for more than 8 years to leave their homeland and be reunited with family in Haifa, Israel.

But as is so tragically true in this and other similar cases, the Soviets refuse to respond in a positive manner to international expressions of outrage and injustice. Instead, as the Madrid Conference convened in November 1980 to review both human rights adherence to and violations of the Helsinki Accords of 1975, the U.S.S.R. jails a formidable citizen and accomplished author, lecturer, researcher, and inventor on the charge of "defamation of the Soviet State and public order."

Following Dr. Brailovsky's confinement in Moscow's Butyrskaya Prison, I joined some 60 Members of Congress last fall who protested this action to Soviet Chairman Leonid Brezhnev and who asked for his immediate release and the family's right to emigrate. The Soviet reaction to this congressional petition was classic: the letter was ignored.

Mr. Speaker, Dr. Brailovsky was obviously jailed because he was a leader of the Soviet Jewry emigration movement, publisher of the magazine, Jews in the U.S.S.R., and because as a brilliant, though renegade, scientist he organized the Moscow Sunday Seminar with other unemployed physicists, mathematicians, and chemists to regenerate a scientific atmosphere in which to explore new ideas.

Despite several arrests, jailings, hunger strikes, sit ins, and KGB searches since 1972, Dr. Brailovsky managed to continue his creative work, his wife says, producing theoretical scientific works that have been published in American journals. In 1978, Dr. Brailovsky was elected a member of the New York Academy of Scientists. And the Committee of Concerned Scientists, Inc., has aided his attempts to leave the Soviet Union.

I commend my colleague, Representative HAMILTON FISH, JR., for this special order on behalf of the Brailovskys and their two children: Leonid, age 19, and Dalia, age 6. I am also honored to be among the cosponsors of his resolution that asks for proper medical care for Dr. Brailovsky, who suffers from a severe liver disease, as well as for freedom for the family. And I sincerely hope that this 97th Congress will seek new ways to convince the Soviets to expand the emigration movement and to urge our President to continue to repudiate the suppression of human rights.●

● Mr. OTTINGER. Mr. Speaker, I rise to condemn the arrest and imprisonment of Dr. Viktor Brailovsky, an eminent Soviet scientist and the leader of the Soviet Jewish emigration movement. I also rise to strongly support the resolution introduced by our distinguished colleague and my good friend, Representative HAMILTON FISH, which calls on the Soviet Government to allow Dr. Brailovsky and his family to emigrate to Israel.

Dr. Brailovsky was arrested last November because of his leadership in the emigration movement and because he would not allow the Soviet system to shackle his commitment to freedom of scientific expression. According to his wife Irina, Dr. Brailovsky has a serious liver condition which has drastically deteriorated during his confinement. He requires immediate medical treatment. Unfortunately, the Soviet authorities have denied Dr. Brailovsky adequate treatment, and have gone so far as to deny Mrs. Brailovsky permission to visit her husband and information on his health.

Dr. Brailovsky has been prosecuted for 8 years for his active work, not only on Soviet emigration but also in behalf of the entire scientific community. He is the author of 40 scientific works, and in 1978 was elected a member of the New York Academy of Science. He is also a member of American and British mathematical societies. Dr. Brailovsky has applied his research to various fields including medical diagnosis, oil chemistry, and solar activity. Following the loss of his job after he and his wife requested permission to emigrate in 1972, Dr. Brailovsky organized the Moscow Seminar of Jewish Scientists. Each Sunday, at his home, eminent Soviet refuseniks and Western scientists congregated to discuss recent advances in their respective fields. Since his arrest, the KGB has been active in preventing further seminars.

Clearly, the arrest of this prominent scientist is the only way Soviet authorities can control his commitment to the plight of his colleagues and thousands of people who wish to leave the U.S.S.R. In an article for the Los Angeles Times, Irina Brailovsky concluded that:

> Viktor Brailovsky was arrested because he wanted to remain true to himself; he did not want to deteriorate spiritually or to submit to the order that he abandon his scientific calling. He was arrested because he hung on and helped others to hang on—dozens of our friends. He was arrested because he remained a pure and honorable man. Mrs. Brailovsky went on to write that, My husband is in prison for a reason simple enough to be understood by a child: the authorities failed in their attempts to frighten him, to crush him morally, and to entangle him in the sticky web of the KGB.

Mr. Speaker, Dr. Brailovsky has made invaluable contributions to international science. The Soviet authorities are attempting to quash the indomitable spirit that made those contributions possible. I deplore the arrest of Viktor Brailovsky, and I demand he receive the medical attention he so urgently needs. I urge my colleagues to join me in support of this resolution, calling on the Soviets to allow Dr. Brailovsky to emigrate to Israel with his family.●

● Mr. FRENZEL. Mr. Speaker, Viktor Brailovsky is a Soviet Jew who, like so many thousands of other Jews in the Soviet Union, has committed no crime other than to have asked permission to emigrate from the Soviet Union and join his brother in Israel.

Viktor, Irina, his wife, and his two children have been seeking permission to emigrate since 1972. However, their requests have been refused on the grounds that Irina Brailovsky, a computer expert, had access to state secrets.

Viktor Brailovsky and his family have been subjected to repeated government harassment ever since their first emigration request was denied. The Brailovskys have lost their jobs, and Viktor has repeatedly been subject to arrest.

In November, Viktor Brailovsky was once again arrested, and charged with slandering the Soviet state. His slander consisted of signing an appeal to President Leonid Brezhnev for an exit visa, in accordance with the Helsinki agreement which was being reviewed at the Madrid Conference. If convicted, he could be sentenced to up to 3 years in a Soviet labor camp, even though his health is already poor.

I urge the leaders of the Soviet Union to release Viktor Brailovsky, so that he may obtain proper medical treatment for his serious liver ailment. I also remind them of the Soviet Union's delegation to live up to its half of the Helsinki agreement, and permit the Viktor Brailovsky family, and all others who wish to do so, to emigrate to Israel.●

● Mr. GLICKMAN. Mr. Speaker, I have been speaking out on behalf of Soviet dissident scientist, Viktor Brailovsky for over 4 years now. Today, I do so with even greater urgency. Viktor is being held in jail and is being denied medical treatment he desperately needs for a serious liver ailment. His arrest stemmed from his participation in the editing of a journal of Jewish life in Russia which was not officially sanctioned.

Brailovsky, a noted Soviet physicist, has been continuously harassed since he and his family first applied for an exit visa to Israel 9 years ago. In spite of this cruelty, Viktor has courageously maintained an active role in the refusenik community. He sponsored

weekly scientific seminars for dissident scientists like himself until his arrest in addition to his work on the journal which led to his present incarceration.

I call on the Soviet Government once again to stop its inhumane treatment of Viktor Brailovsky and permit him the medical attention he requires. I also urge, in the strongest terms possible, that the Soviets release Viktor and allow him to join his family. Continuation of such action by the Soviets against Viktor and others like him only adds to the barriers to improvement in East-West relations.●

● Mr. SOLARZ. Mr. Speaker, I would like to take this opportunity to state my strong support for Viktor Brailovsky, his wife, and their children in their attempt to emigrate from the Soviet Union to Israel. Their plight exemplifies the persecution of Soviet Jews and the problems they encounter in obtaining emigration visas from Israel.

In October 1972, Viktor and Irina Brailovsky, both doctors of computer science, first applied for permission to leave the Soviet Union. In January 1973, their request was denied because the Government felt that Mrs. Brailovsky had had access to secret information as a computer scientist at Moscow University. After this refusal, the Brailovskys became involved with the Jewish emigration movement, and Dr. Brailovsky was an organizer of the Moscow Seminar of Jewish Scientists. In 1974, Dr. Brailovsky and other activists were imprisoned for 15 days for attempting to hold an international session of the seminar. In 1976, Dr. Brailovsky was granted permission to emigrate alone, but he refused to leave without his wife and children.

Since that time, Dr. Brailovsky has repeatedly been arrested and harassed by the Soviet Government. In 1976, he was arrested at a Moscow sit-in demonstration; in 1980, he was arrested in regard to the unofficial magazine Jews in the U.S.S.R. In both 1976 and 1978, his home was searched; and books on Jewish history and culture and Jewish and Israeli music tapes were confiscated, as well as some scientific materials.

Most recently, Dr. Brailovsky was arrested after he, along with 237 other refuseniks, signed an appeal to President Brezhnev demanding exit permits on November 11, 1980, the opening day of the Madrid Conference. On November 13 he was arrested for allegedly slandering the Soviet state; and if officially charged, this could mean up to 3 years of labor camp. Dr. Brailovsky suffers from a serious liver ailment, and since his imprisonment, his health has deteriorated rapidly. He is in need of immediate treatment. He should be released and allowed to leave with his family for Israel.

It is evident that the Soviets' handling of the Brailovskys' case is not in accord with the international conventions they have signed. The Helsinki agreement clearly states that nations are to make it their aim to facilitate freer movement and contacts among persons.

I am outraged and disturbed by the Soviets' arbitrary and inequitable system which denies basic human rights to its Jewish citizens who wish to emigrate. The situation in the past year has worsened greatly—in 1980, emigration dropped 58 percent from what it was in 1979.

I urge all of my colleagues to continue to fight here in Congress and to speak out against the continued oppression experienced by the Soviet Jews. Soviet Jews should be accorded the full range of human rights the Helsinki Agreement recognized, and particularly the right to free emigration.●

● Mr. HOLLENBECK. Mr. Speaker, as a cosponsor of the House concurrent resolution expressing congressional concern for Dr. Viktor Brailovsky, I rise to join my colleagues in urging the Soviet authorities to comply with previously agreed international accords and provide Dr. Brailovsky with the medical attention his condition demands before allowing him to emigrate to Israel.

It is my understanding, through timely information updates provided to me by the National Conference on Soviet Jewry, that since his arrest 2 months ago Viktor Brailovsky's health has deteriorated. He is not receiving adequate treatment for his liver ailment. He has not been permitted any visitors and his wife has yet to receive any answers to her inquiries concerning his health. Needless to say, all of these denials are in direct violation of the final act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights. Once again, I call upon the Soviet authorities to fulfill their obligations under these accords.

Much to my personal dismay, we all realize that Dr. Brailovsky's predicament is far from unique. Arrested on trumped up charges of slandering the Soviet State, Brailovsky, a prominent refusenik scientist, could receive up to 3 years imprisonment. In actuality, his crime revolved around his role as editor of the unofficial journal, Jews in the U.S.S.R., and as a leading Jewish emigration activist.

While I realize that the Soviets detest interference in what they consider their own internal affairs, they must be made to realize that certain truths transcend mere territorial boundaries and demand an international outcry. I know that I will not relent in my efforts to ease the plight of those, like Dr. Brailovsky, who have been denied their fundamental rights as human beings, and I am sure that a majority of my colleagues in this distinguished Chamber share this same commitment.●

● Mr. LANTOS. Mr. Speaker, I would like to join my colleagues in protesting the illegal imprisonment of Viktor Brailovsky, a leading Jewish activist in the U.S.S.R. and a world-renowned mathematician.

His story, like those of so many other refuseniks, illustrates the brutality of the Soviet regime which continually tramples on basic human rights.

Viktor and his wife, Irina, first applied for permission to leave the U.S.S.R. in 1972. They were refused permission the next year, and Viktor was dismissed from his position at Moscow University. Viktor then joined an informal scientific seminar for unemployed Jewish scientists waiting to emigrate. From 1978 until his arrest 2 months ago, Viktor and Irina hosted these seminars in their apartment.

In 1976, the authorities granted him a visa; however, his wife and children were denied permission. Unwilling to leave his family, Brailovsky continued his activities in the Jewish emigration movement. He edited the samizdat—unofficial—journal, Jews in the U.S.S.R. until its publication was stopped in 1979. Throughout this time, he was repeatedly arrested and his home searched. The KGB confiscated his scientific materials, as well as his books on Jewish culture and history.

His latest arrest came just 2 days after the opening of the Madrid Conference to review the Helsinki agreement. He is being held on alleged charges of slandering the Soviet state, which carries a term of 3 years in a labor camp. His wife reports that he is seriously ill and not receiving medical treatment.

In fact, Mr. Speaker, his only real crime is his desire to join his family. His arrest, in flagrant violation of all standards of international law, is evidence of the total disregard of the Soviets for the Helsinki agreement.

I am today sending a letter to the chief medical officer at the Butyrki prison demanding that Brailovsky be given proper medical treatment. We must not let the Brailovskys of the Soviet Union be silenced. I urge my colleagues to join with me in insisting that the Soviets grant him his freedom and his rights.●

● Mr. DOUGHERTY. Mr. Speaker, I am encouraged by the worldwide outcry on behalf of Soviet dissidents at the Madrid Conference this fall. We have begun seriously to express our concerns to the Soviet Union about their complete disregard for human rights. Unfortunately, civil liberties remain scarce, particularly for those who wish to leave the Soviet Union.

This special order today focuses attention on the plight of the Brailovsky family, which was brought to my attention by a Philadelphia area synagogue committed to their safety. For 8 years he, his wife Irina, and their two children have bravely endured harassment by Soviet authorities. Dr. Brailovsky's work in science and in the Soviet Jewish emigration movement has earned him only imprisonment since last November. Currently he suffers from a serious liver ailment which has been aggravated by his being jailed and for which he is not receiving adequate medical attention.

Like so many others in the Soviet scientific community, Dr. Brailovsky symbolizes the state of abuse endured by thousands of Jews who wish to emigrate. Let me take this opportunity to express my concern for Dr. Brailovsky's health and for the safety of his family. We have learned the value of freedom through the triumphant return of our hostages. Now let us hope that other oppressed people throughout the world may also soon share this joy.

● Mr. FAUNTROY. Mr. Speaker, today I joined my distinguished colleague, Congressman HAMILTON FISH, JR., in a special order on behalf of Dr. Viktor Brailovsky of the U.S.S.R.

The human rights violations being perpetrated against Dr. Brailovsky are, unfortunately, being carried out against other individuals in other parts of our world. In this regard, I want to call my colleagues' attention to a similiar situation which exists in the country of Haiti.

In late November the Haitian regime of president for life, Jean Claude Duvalier, instituted a reign of terror against agronomists, journalists, teachers, and others working with and on behalf of the poor in Haiti. Hundreds have been jailed, many are in hiding, and some with vision have been placed forcibly in exile.

Such state terror tactics close off peaceful efforts at development and portent a vacuum that can all too readily be filled by hostile powers seeking to co-opt the popular demand for reform and social justice.

In this regard I think it instructive to include in the RECORD a letter from Mr. Yvens Paul, a popular Haitian journalist now in hiding which speaks eloquently to the tragedy being inflicted upon the Haitian people by a regime of terror.

Dr. Brailovsky and Yvens Paul are brothers victimized by state terror, the former by state terror of the extreme left, the latter by state terror of the extreme right.

I believe both these cases demonstrate our national interest, as well as the moral requirement, for keeping human rights a prominent factor in our foreign policy formulation.

The above-mentioned material follows:

[From the Miami News, Tuesday, Jan. 6, 1981]

TWO HAITIANS SEEK THEIR FREEDOM

(By Ivens Paul)

My house at Thorland was invaded on Nov. 28 by police in plainclothes who then kidnaped Carlo Dantus, drummer for the Konbit Petit Kay (KPK) theater group.

All my personal papers and working papers were taken away. The men shot at me. This has worsened my health, which has been poor since the tortures inflicted on me Oct. 16 and 19 during my arrest and detention at the Casernes Dessalines.

Ill though I am, I have been obliged to live in hiding since the end of November, in deplorable conditions of hygiene and without medical care. I chose to live in these conditions, without enough food, in order not to be again an innocent victim of the government's systematic destruction of the Haitian democractic movement.

I am writing after atrocious suffering, exacerbated by false accusations of police and the twisted information given out by Radio Nationale.

Four persons supposedly guilty of setting two fires in the capital were presented on the national media: Gabriel Herard, Frantz Dessous, Raoul Acean and Michel Francois (known as Tiotio). Tiotio is a double agent, a government spy who tried to compromise me by bribes at Radio Cacique. Such offers have been made to other independent journalists.

I solemnly declare that we never had any other objective than to transmit news, and truly educate the masses of Haitian people. In the name of human rights, I affirm that the pretexts used by the authorities are unjust. They are part of a long-term maneuver by the political power system.

Day after day I encountered the pawns sent by our government to preach communism. This is an old ploy, well-known. We were all fiercely determined not to fall into their trap. I am certain that the police have no proof against any of my colleagues jailed or deported under the pretext that they are tied to the communist movement.

We are not communists. We are humanists who sacrificed ourselves to bring some light into the darkness that weighs heavily and for too long on our country. It is that effort that earned for us the esteem of so many listeners, readers, admirers.

But it was time for the party to end. The clock struck the hour, and despotism and demagoguery enjoyed their usual victory—without regard for the most elementary human rights, despite Haiti's agreement to international human rights conventions, in contradiction to Haitian law, without respect for the laws of God.

No! I raise my voice again to denounce the illegal acts of the police, who came without warrants into my house, Radio Haiti Inter, Radio Cacique, into the homes of all my colleagues and fellow victims. They were kidnaped, arrested without cause, deported.

I protest this brutality.

I protest the dishonest scenarios presented by the government press to deceive people. For example, I was accused on Radio Nationale of having plotted with people I never met, such as Nicole Magloire and Jean-Jacques Honorat.

Another example: The confessions of Gabriel Herard, Frantz Dessous and Raoul Acean—who has been held in jail since Oct. 16—could have been extracted from them only under severest threats from the political police. As for Michel Francois, his arrest is just a part of the staging.

Our law does not give the police the right to act as judges or justices of the peace. They may ask questions and submit reports, along with any evidence such as firearms. But only the judicial authorities have the right to conduct trials. If we are accused of conspiring against the government, why not bring us before the Tribunal of State Security created to handle such cases?

I do not want this statement to be used to persecute my family, my friends or the actors of the KPK, all of whom are grieved by my absence.

On the contrary, I would like to emerge from hiding, be with those who are close to me, and seek medical assistance.

I would voluntarily appear before a civil judge, in the presence of the public and of honest journalists, if the government would:

Return my passport, work materials and personal belongings.

Release Carlo Dantus, the drummer.

Give a precise explanation of each of these cases: those of journalists, members of political parties and every other individual abandoned without hope of help in the cells of the Casernes Dessalines, the National Penetentiary or elsewhere for political reasons. Among them are: Jacques Price, Sylvio Claude, Marie-France Claude, Cervio Claude, Francois Dominique, Gabriel Herard, Bienvenu Theodore, Viviane Nicolas, Yves Richard, Frantz Dessous, Raoul Acean, Jacques St. Lot, Ernst Benjamen, Augustin Auguste (age 70), Eben-Ezer Jean, Delmont Chouboute, Guy Robert Joseph, Wilfrid Nicholas, Hilaire Joseph, Bien Aime Joseph, Jacques Jean Baptiste.

Reopen Radio Haiti Inter and revoke the exile of citizens Gregoire Eugene, Jean-Jacques Honorat, Nicole Magloire and Yves Richard and journalists Marc Garcia, Elsie Etheart, Richard Brisson, Michele Montas, Jean-Robert Herard, Pierre Clitendre, Anthony Pascal (Konpe Filo), Liliane Pierre-Paul, Henry Alphonse and Harold Isaac.

If my demands are accepted, I ask to be notified through the media, and ask that negotiation be undertaken by the Venezuelan, Brazilian and American chargé d'affaires.

I hope for the happiness of my country, and for the triumph of truth and justice.●

Mr. FISH. Mr. Speaker, I yield back the remainder of my time.

THE LATE HONORABLE EMANUEL CELLER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 60 minutes.

GENERAL LEAVE

Mr. RODINO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Honorable Emanuel Celler.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, a giant of a man in spirit and wisdom, a man whose presence dominated this Cham-

ber for most of his 50 years here—Emanuel Celler—is dead. I rise to pay tribute to him.

Manny Celler, my friend for so many years, served the Nation and the Congress for 25 terms, but his service is better measured in eras. He was first elected from his Brooklyn district in 1922, during the years of the money boom. He was here through the depression years and the New Deal. He saw the rise of fascism, World War II, the cold war, the Korean war. He left here at the end of 1972 when the Nation was in the final throes of the Vietnam agony. He served with nine Presidents: Harding, Coolidge, Hoover, Roosevelt, Truman, Eisenhower, Kennedy, Johnson, and Nixon; and it should be noted he not only served with but closely advised and counseled many of those nine Presidents.

It is significant to realize that Manny Celler's lifetime has spanned about 50 percent of the history of our Republic and he served in Congress for almost a third of the entire history of the Republic.

Manny Celler's half-century here were years of achievement that will stand unsurpassed. More than 300 laws bear his name. But it is for his 22 years as chairman of our Judiciary Committee—a record that may never be surpassed—that a grateful nation will long remember Manny Celler. It was during those years that Manny Celler, with skill, perseverance, and dedication, pushed through Congress four constitutional amendments and five civil rights laws—every significant civil rights law passed in this century. It was in those 22 years that Manny Celler was truly the architect of a social revolution.

Let me list those laws and amendments so that we can appreciate the true measure of this man: The Civil Rights Act of 1957; the Civil Rights Act of 1960; the Civil Rights Act of 1964; the Voting Rights Act of 1965; the Fair Housing Act of 1968; the constitutional amendment allowing the citizens of the District of Columbia to vote in Presidential elections; the constitutional amendment outlawing poll taxes in Federal elections; the constitutional amendment on Presidential disability and succession; and the constitutional amendment lowering the voting age to 18.

Mr. Speaker, as you will recall, after passage of the 1964 act, the House, in a rare tribute, gave Manny Celler a standing ovation. Those were exciting years. The issues were difficult and passions high. Through it all, Manny Celler was a fierce and untiring leader in causes he knew were just and right. It was my privilege to serve at his side. During those many years, during those many battles, Manny Celler generously referred to me as "my right hand." It is an appellation I am proud of and one that I will cherish all my years.

Because he was such a truculent and tenacious advocate for just causes, with a manner sometimes gruff, it could be forgotten that he was a gentle man, a master of words and wit and humor; a humor that was, as often as not, directed at himself. His supply of jokes was inexhaustible. For this, those of us less facile were grateful, for he generously tolerated our plagiarizing his humor for our own purposes.

As he had a way with men, so did he also with children. It was a warm and frequent scene to see Manny Celler gather children about him and charm them with his feats of magic.

Another enviable feature of this multifaceted man was his love of literature and his appreciation of the arts. His appetite for reading was legend, his skill with a sketch pad formidable. He loved the opera, as I do, and I will ever remember the joyous times we spent at the Met drinking in the lilt and grandeur of the music of the masters.

Emanuel Celler was a complete man.

All the tough issues are not behind us. Difficult challenges are ahead, challenges that we in Congress must not avoid, duties that we cannot shirk. It is well then today that we honor Emanuel Celler; that we look back at the man and the principles that were his beacon as he charted the course of history and use them as our guide for the future, for they are timeless in their simplicity, their strength and their applicability.

For the many who were not able to personally attend the funeral, I am going to insert at this point in the RECORD, the remarks—the eulogy—of Judge Irving Ben Cooper which he delivered so memorably on January 18, 1981.

REMARKS OF JUDGE IRVING BEN COOPER

Rabbi Weidner; the family of Congressman Emanuel Celler: Jane, Sidney, Sue, Jill, Jeffrey, Jennifer and the third great grandchild on the way; each of the other members of his family; devoted friends, ladies and gentlemen:

We have gathered here not only to mourn a great loss but to celebrate an exemplary life. This is one of those very rare occasions when words seem inadequate—even hollow. It is much harder to express genuine appreciation than it is to find fault. Where are the words that properly belong here and now? It is impossible when the eyes are blinded by tears. So I shall let my heart speak out.

Our beloved Emanuel Celler pointed the way. He had attained liberation from the self; he gave an excellent account of his existence; his life was devoted to fruitful thinking, a mind well-stored, the spirit enriched and beautified by renunciation, dedication and a boundless loyalty to life. How refreshing and inspiring in a world careless of human, ethical and spiritual values. No noisy fame was terminated when he left us a few days ago, for he lived and worked quietly and with a modesty in which he wrapped his uncommon ability.

I hasten to assure you that no recital of his enduring accomplishment will be offered here. They constitute solid, incontrovertible facts and are an everlasting part of any accurate record of his country. This remarkable group gathered here know it by heart. The New York Times touched on it yesterday. "To get the great civil rights legislation of the 1950's and 1960's took marches, tragedy and determination. Without [him] it would have been impossible to enact the historic statutes striking down discrimination in public accommodations, education, employment, voting and housing. The acts [over a period of ten years] all bear the imprint of [his] conscience and canny parliamentary skill. Emanuel Celler was a champion, as well, of other progressive causes such as antitrust law; he was the proud coauthor of the Celler-Kefauver anti-merger act of 1957."

Those who really knew and loved him know what impelled this indelible record and so very, very much more. You, too, were able to discern that he counted his days not by clock-ticks but by heart-throbs, the throbs of a heart sensitive to the sighs, the wails, the laments of men and women stricken, broken and bereaved.

His labors of love were not sporadic or occasional but constant and habitual and always sustained by a profound sense of the kinship of human pain and suffering and sorrow. Through his benign and far-seeing leadership countless men and women have given in turn of their substance and their selves to extending a helping hand to others. They learned how to do it—and do it well—from him. That alone will keep his memory ever green.

His accomplishments were spiritually inspired. He had faith in the triumph of right over might. He was a servant of his duty and not of his ambition. His vast experience taught him that when it comes to influencing others, "example is not the main thing; it is the only thing."

He took his religion into the thick of the world and put it to work there. He boldly entered the open lists—to win or lose. He respected the faith of others and genuinely believed in the common brotherhood of man. His very being was saturated with the entreaty of Micah: "Do Justice, love mercy and walk humbly with thy God."

Just listen to him: "Sometimes, in my eagerness, I would like to tear the curtains apart to see what our world has become in, say, one hundred years. Will there be compassion and justice and mercy and peace? Will man honor man and, in so doing, honor God? I think so. The seeds are planted—now it is up to us and those who follow us to keep the soil moist, to let the air and the sun in, to prune and to weed so that these seeds bear the brightest of fruit."

Those of us who were privileged to be his intimates witnessed the love, the devotion, the intertwining of heart with heart that were the give and take between Mannie Celler and his beloved Stella, his heavenly wife of 51 years, and his devoted daughters Jane and Judy. Stella forever hovering over him with the tenderest of care and his daughters filled with the pride of his ethically high standards which they well knew he not only spoke about but practiced without let-up. We all beheld the rare beauty that filled his eyes as he would frequently speak briefly but with a full heart—yes, of gratitude—of his three women! And of Sidney who both Mannie and Stella regarded as their son. He gave them the comfort and security of his boundless love and there was plenty over for the legions he cared for.

We can testify to the deep affection and constant concern he evinced for the welfare of every member of his family. No matter what the relationship—near or far—each had a claim on him; that was the way he saw and met it. All relatives were unanimous in hailing him their cherished asset; he was the revered leader of them all. And I would be sadly remiss if I failed to mention one, not a blood relative, but regarded by all a member of the family, dear Mary Dougherty who, for half a century, served him lovingly, faithfully, selflessly. A salute is also due Hattie for decades of devoted assistance to the Congressman and his family.

Our beloved Congressman searched out the truth relentlessly, fearlessly, exhaustively and exhaustingly. He carried himself with dignity and humility. An ardent advocate, a determined and resolute fighter when the occasion demanded, equally important he was a natural peace maker, for he possessed not only an understanding mind but a deep understanding heart—a rare combination, indeed.

He had an inner devotion to causes he regarded meritorious. The late Mr. Chief Justice Harlan Fiske Stone observed:

"I have no thought that men are made moral by the mere formulation of rules of conduct no matter how solemnly bar associations may pronounce them or that they may be made good by mere exhortation. But men serve causes because of their devotion to them."

That was our Mannie—serving causes solely because of his devotion to them.

He looked life full in the face. What do we do about it? Pretend ugly facts do not exist? Say we are too busy with ourselves? Falsely reason that no one person can alleviate all human suffering and therefore it is better to do nothing at all? These excuses are not only available, they are popular.

And what inspiration we get when we contemplate how he made the crushing torments of others his own personal problems! He always realized, and translated that realization into action, that poverty of mind and spirit is as awful as poverty of the body; that, in indifference to misery and helplessness, lies disaster. He firmly and unalterably believed that in a fuller, richer, real democracy everyone counts; he knew the significance of imbuing each person with a sense of belonging.

He saw "the necessity of denouncing with unwearied and even troublesome perseverance a single act of oppression." Others have been surcharged the same way. It was Mr. Justice Oliver Wendell Holmes who wrote, "I have had to deal with cases that made my blood boil and yet seemed to create no feeling in the public or even in most of my brethren."

Our Congressman Celler saw and properly interpreted much: he witnessed the unabridged confessions of the ashamed, the tortured, the heart run riot; he recognized the successful and those waiting for success, the arrogant and the meek, the parasitic and the selfish; he flinched at the powerless oppressed and the overpowering catered to and waited upon by unending lines; he knew that with many, insolence came with security; he recognized those without plans or objective, shutting out the future as a penny held close to the eye shuts out the sun; those who prefer, as John Dewey told us, being good fellows rather than good men. He saw and was crushed by the unfulfilled promises to the struggling; he was saddened by those who have never learned that education, as Abraham Lincoln warned us, is not given for the purpose of earning a living; it is learning what to do with a living after you earn it. Yes, he was fully aware of people who have no resources in themselves and cannot find happiness anywhere.

He grew angry in the cause of decency; he was a man with whom a principle is not a thing you talk about, but a thing you do something about; a man who realized that it is difficult to fight for principles but much more difficult to live by them. Yes, he was a man angry in his convictions; a man unable to compromise with injustice; a man placed among us as a standard against which we can measure our own integrity. He was a man who served with honor and not for honor. His sense of dedication spurred us on.

The more he saw of this waste of human resources, the more he held firm to his principles of what makes life really worth the living.

Desperately needed are such as he who come especially in times of great crisis, do the needed jobs, restore order, carry on quietly, contributing something preciously vital and beyond measure.

He had contempt for those who from time to time in our lives, and throughout the ages, come charging with colors flying and shining shield raised high. The fickle crowd may for a while cheer them as heroes, but the triumph is usually brief and they leave us nothing but "the echo of a name and a suit of rusty armor."

He did not confuse bigness with greatness, price with value, standard of living with standard of life. He appeared to realize that the essence of wisdom is to accept one's limitations and to make the most of one's potentialities; that without moral courage all virtue is merely a manner of speech; and that moral courage is harder than physical courage by as much as the reach of the mind far outdistances the reach of the body. I am sure he knew that "it takes durable values to make life endurable."

He lived what he preached, without compromise, without stint—and he proved by his career that there is nothing more adventurous, more dangerous than to practice what one preaches.

But how soft and tender he became when children were involved—his special and sacred concern. He was determined to teach children to understand the mind of others; to weigh their interests alongside their own without bias of any kind; pointing out what Santayana said, it is "not wisdom to be only wise;" urging them to get rid of false estimates and set up the higher ideals; to convince them that in our social order the ladder of opportunity is not so high above the ground that you must have a ladder of influence to get to the lowest rung.

It was his conviction that children should know the significance of life that is "content with small means; to seek elegance rather than luxury, and refinement rather than fashion; to be worthy, not respectable, and wealthy, not rich. * * *"

He believed with his mentor, Ralph Waldo Emerson, that "the true test of civilization is not in the census nor in the size of the cities, nor in the crops—but in the kind of man a country turns out."

And in Emerson's best essay on friendship we find the beauty and strength and quality of Mannie's devotion to friends. To be the beneficiary of such a friendship was to be possessed of a special benediction. His friends were exceptional and varied, among the great and the simple, the eminent and the humble. He found pleasure in the successes of others and had a strong passion for making his friends admire his friends.

The Congressman too had a sharp taste, a piercing eye for sham, an acid tongue when occasion warranted. But he had gusto, he genuinely liked what he praised and he cared infinitely more for the men and women he liked than he worried about those he did not like.

As insatiable as was his love of quality music and masterful books, so was his search for humor. As he put it, "humor is a great release from turmoil and trial. It is the red thread in the grey linen of life." One of my favorites from his endless collection appeared in The New York Times last Friday: "The many sides of Emanuel Celler came together when he was asked once to assess Congressional success. He spoke with the knowledge of experience, the tolerance of the grand old man, the ear for the colorful of the good phrasemaker: 'To be a successful Congressman,' he said, 'one must have the friendliness of a child, the enthusiasm of a teen-ager, the assurance of a college boy, the diplomacy of a wayward husband, the curiosity of a cat and the good humor of an idiot.'"

As to his estimate of old age: He summed it up this way: "You know age is but a state of mind—some are old at 20—others are young at 80—and remember, old trees bear fruit—and while the candle burns, there is work to be done. I am sure that we all feel there is much good that we can do in the remaining years of life." And thereafter? Here's his answer: his favorite quotation from Robert Browning, "No work begun shall ever pause for death!"

As a poor boy in London, I recall watching the street lamplighter light the evening lamps. He would place his ladder, climb and light the lamp, take down the ladder and go to another, and so on down the street until at last I could see the lamplighter no more, but could tell the way he went by the lamps he has lighted. So it was the Congressman Emanuel Celler. He was constantly lighting the lamps of truth and righteousness. And when the time came for him to move from the scene of action, those of us who remain, though he be lost from our physical view, can tell the way he went through life by the lamps which he lighted along life's pathway.

By his life's work, our Mannie well merits the epitaph originally inscribed upon the tomb of James Abram Garfield, 20th President of the United States.

Life's race well run,
Life's work well done,
Life's crown well won,
Now comes rest.

Our dearly beloved mentor and friend, Congressman Emanual Celler, by act and deed throughout his superlative life, always carried on and went forward in a spirit best examplified by the lines of Theodore Parker:

But give me, Lord, eyes to behold the truth;
A seeing sense that knows the eternal right;
A heart with pity filled, and gentlest ruth;
A manly faith that makes all darkness light.
Give the power to labor for mankind;
Make me the mouth of such as cannot speak;
Eyes let me be to groping men and blind;

A conscience to the base; and to the weak
Let me be hands and feet; and to the foolish, mind;
And lead still further on such as the Almighty seek.

□ 1245

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from New York.

Mr. FISH. I thank my chairman for yielding, and, Mr. Speaker, I am delighted that he is putting Judge Irving Ben Cooper's eulogy in the CONGRESSIONAL RECORD because it gives a real sense of the breadth and scope of the life of Emanuel Celler. Subsequently, in a special ceremony in the eastern district of New York, the chief judge made the point, as the gentleman has in his remarks today, of the enormous contribution to Federal court jurisdiction that Emanuel Celler made.

Mr. Speaker, I well recall his courtesy to me as a freshman member on the Committee on the Judiciary back in 1969, and he will long be remembered for the obvious pride he had in the Committee on the Judiciary and will be remembered for his dignity, his wisdom, his wit, as well as his leadership.

Mr. RODINO. I thank the gentleman for his remarks.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I want to commend the distinguished chairman of the Committee on the Judiciary for taking this time to salute the onetime distinguished dean and chairman of the New York State delegation, Manny Celler.

I know that no one in this Chamber worked more closely with him or knew him more closely than did the distinguished gentleman from New Jersey.

Because of the timing of the passing of former Chairman Celler, there were complications, in terms of paying tribute to him. The gentleman was on hand for the funeral ceremonies. A number of us were not available at that time. The gentleman from New York (Mr. ADDABBO) took a special order, I believe on the 17th or 18th of January, to honor Congressman Celler, and at the end of that week there was also a service held in the Federal courtroom in Brooklyn, on the suggestion of Governor Carey, at which many of Congressman Celler's former associates from the New York delegation and elsewhere were present.

I think it is unfortunate that perhaps not all of these remarks are going to be collected at one point in the RECORD, but we do remember, certainly I remember him in very much the same vein as the gentleman from New Jersey, as a person of great interests, of great wit, and of, certainly, magnificant achievements on the floor of this House during the 50 years that he served in this body. He certainly will be remembered and will be missed, not only by the people of New York, but by the people of the Nation.

Mr. RODINO. I thank the gentleman very much for his remarks.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the very distinguished chairman for yielding to me briefly, and I wish to thank the gentleman for this period in which we evoke the memory of his predecessor, a man who transcended the purely New York or the regional significance but had a great deal of meaning to every one of us in all parts of the Nation even before some of us got to the Congress. Emanuel "Manny" Celler, in my book, is more in the tradition of a jurist. Had he sat on the bench, I think he would have made history as such other famous judges as Learned Hand, also of New York, Justice Brandeis, Justice Holmes, great jurists in their own right. He was a seminal thinker and a great legislator. He was what I call a jurist turned law writer. My own personal association with him antedated my coming to Congress in our efforts down in my State to try to abolish the payment of the poll tax as a prerequisite for voting. And when I did come to the Congress the first resolution I introduced as soon as I lowered my hand from being sworn in was a resolution to abolish the poll tax, and I will everlastingly be grateful to Chairman Celler because I talked to him, he took an interest, and it was less than one and a half Congresses later that we had the successful effort, as the chairman knows, because he took a big hand in that.

So these are the things that come to my mind, and I felt that the least I could do would be to join the distinguished chairman, Mr. RODINO, in evoking the memory of such a distinguished American as Chairman Celler.

Mr. DANIELSON. Mr. Speaker, I join my chairman, PETER RODINO, and the many other friends of Emanuel Celler in memorializing him today. Manny Celler was an outstanding chairman of the House Committee on the Judiciary and his influence on the work of that committee will be felt for a long time to come. But Emanuel Celler was not only a great chairman of the Judiciary Committee, he was also a very great American. He was thoroughly steeped in the philosophy of the Anglo-American system of jurisprudence and in his work he always sought to impart the best traditions of that system. He was always concerned about the need for fairness in the application and enforcement of our laws and worked long and diligently to achieve and maintain the proposals of equal justice under law and the insurance of due process of law for everyone.

The American people and the House of Representatives are fortunate to have had Emanuel Celler as one of the most active Members of the Congress for a period of 50 years. It is hard to realize it but he was a Member of the House of Representatives for more than a quarter of the time that our Nation has been in existence.

I feel that I am fortunate to have had an opportunity to work with Manny Celler for a time on the Judiciary Committee and I will always cherish the memory of that service.

● Mr. BOLAND. Mr. Speaker, Manny Celler was one of the greatest statesmen to have inhabited the Halls of Congress. Each of us who had the honor of serving with him is now and will always be indebted to Manny for his leadership and scholarly counsel.

Similarly, the people of the United States owe Manny a special debt of gratitude for his many contributions to the quality of life in America. As chairman of the House Judiciary Committee, a position he held for 22 years, Manny was instrumental in the passage of numerous civil rights laws and four constitutional amendments. He did much to improve the antitrust laws and the immigration laws. His effective chairmanship of the Judiciary Committee was marked by open mindedness, fairness, and integrity.

On the floor of the House, Manny Celler was an able orator, with tremendous powers of persuasion. His mastery of the English language combined with his sagacity and colorful manner guaranteed him an attentive audience whenever he addressed the House.

After Manny's retirement from the House in 1973, he returned to his law practice. He remained energetic, alert, and productive until his death on January 15, 1981. His death marked the end of one of the most remarkable careers in American political history. Throughout his career, Manny served the people of Brooklyn and the entire Nation with dedication and diligence. The solutions to many problems facing us today will be more difficult to find without the benefit of Manny's wisdom.

I am pleased to have this opportunity to express my own appreciation of Manny's tireless efforts to promote justice. I join my colleagues in honoring Manny Celler, and in expressing to his family our sympathy in their hour of sorrow.●

● Mr. WHITTEN. Mr. Speaker, I would like to join my colleagues in honoring a long-time friend and colleague, Manny Celler, with this tribute today.

Manny Celler was not only an outstanding lawyer and possessed a brilliant mind, but in debate he would take a positive and determined stand. However, he was always gracious and kind, and I never saw him get upset about anything that transpired on the floor of this House. Younger Members and older Members, whether they agreed or disagreed about the issue at point, would always be treated like gentlemen by Manny Celler and, as a result, he was always treated in the same manner. He set a fine example for the younger Members, not only because of his long length of service, but in the way he conducted himself during that period. I know that all of us profited by serving with Manny Celler.

We also extend sympathy to his family and his loved ones and announce again that the country has lost a fine citizen.●

● Mr. ANNUNZIO. Mr. Speaker, I rise to join my distinguished colleague, Hon. PETER W. RODINO, JR., chairman of the House Judiciary Committee, in paying tribute to Hon. Emanuel Celler, who represented the people of the 16th District of New York, located in Brooklyn, for half a century from the beginning of 1923 through the year 1972. His death is a sad loss, and he will be remembered for his vigorous dedication to the cause of genuine political freedom for all Americans.

When he left the House of Representatives at the end of the 92d Congress, Manny Celler was the dean of the House, and I had had the privilege of serving with him 8 years. The respect and esteem in which he was held by his colleagues in both Houses of Congress and from both parties reflect the sentiments of the Nation as a whole. To millions of people he embodied the ideals and aspirations of American democracy as very few men or women in this or any century.

During his brilliant career in Congress, Congressman Celler was a staunch supporter of President Roosevelt's New Deal programs, and consistently opposed the mandate and the existence of the House Un-American Activities Committee. In 1949, he became chairman of the House Committee on the Judiciary, and there began the long struggle for stronger national laws to enforce the civil rights of all of America's citizens.

Chairman Celler won major victories with the passage of the 1957 and the 1964 Civil Rights Acts, and as the chief sponsor and manager of all our country's crucial civil rights laws of the modern era, he achieved, continued success through the decade of the sixties in becoming one of America's notable and effective civil rights proponents.

Manny Celler was a dedicated and devoted American, and a Congressman of outstanding ability, deep compassion, and courage. During the 50 years he served in Congress, he witnessed some of the greatest moments in the history of mankind, and experienced, in a very real sense, the triumphs and tragedies of our Nation. He retired with the assurance that through his efforts mankind had benefited, and there is no tribute higher than this.

Mrs. Annunzio and I extend our deepest sympathy to Emanuel Celler's daughter, Jane, and to her family.●

● Mr. REUSS. Mr. Speaker, it is with much regret that I note the passing, on January 15, of a great Congressman and the former dean of this body, Emanuel Celler. Manny Celler leaves a legislative legacy of awesome dimensions.

Manny Celler became chairman of the Judiciary Committee in 1949 and, except for the years when the Republicans controlled the House, held the post from then until his retirement in 1972. Under his enlightened and compassionate stewardship, that committee began to churn out the civil rights legislation which had been so studiously ignored for almost a century.

In 1957, Manny Celler wrote the first comprehensive civil rights legislation enacted by Congress in 82 years. He was the author of the even more comprehensive Civil Rights Act of 1960. His greatest achievement was not merely the authorship of needed civil rights reforms, but his skill and dedication as a legislator which allowed those bills to be passed.

In 1964, he guided to passage the landmark civil rights legislation which stands as one of the great and lasting accomplishments of the Kennedy-Johnson administration. His outstanding floor leadership on that bill earned him a standing ovation from supporters and opponents alike upon its passage. Emanuel Celler's contributions toward the achievement of civil rights in this country were seminal, and he will forever stand as a giant among the many who have served in this body.●

● Mr. SCHEUER. Mr. Speaker, no Member of this body held the Chair of the House Judiciary Committee as long as Manny Celler did; and very few did as much to advance the passage of the first comprehensive civil rights legislation ever enacted by Congress. Manny will be remembered in history, not only for that contribution to the betterment of our society, but for countless additional achievements as a great Congressman and a great American.

On a less grandiose level but in some respect, an equally important one, Manny Celler was one of the most effective advocates for his constituents that Brooklyn, N.Y., has ever had. For half a century, Manny went to work in Washington on behalf of the citizens he represented; and for half a century, those citizens returned him at 2-year intervals to carry on that effective and tireless work.

All Americans owe Manny an enormous debt of gratitude. The people of Brooklyn are still more deeply in his debt; and those of us who knew him and benefited from his counsel and his leadership are perhaps the most indebted of all.●

● Mr. MINISH. Mr. Speaker, in a half century of service in the House of Representatives, and almost a quarter century as chairman of the House Judiciary Committee, Manny Celler of Brooklyn made his mark on much of the most significant legislation of the 20th century. His earliest involvement in politics dated back to the progressive era, and he brought the most admirable qualities of that time as a legacy to those of us who came along after him.

There is no disputing Emanuel Celler's love for and knowledge of the law, which he practiced from 1912 almost up to the present. He was better able to construct and guide significant legislation, I think, because he added to an encyclopedic knowledge of legal theory a keen insight into human nature: His remarkable personality and the experience of 50 years service in the political arena made Manny Celler a national asset as a legislator. While it is almost impossible to pick out single accomplishments and still do justice to such long and honorable public service, I suppose that what people remember most clearly is how Manny steered the necessary but controversial civil rights legislation of the early 1960's through the House. Only his combination of fearlessness and knowledgeability could have gotten some of those bills through intact, and he performed his duty honorably and well. Yet we must not forget that his masterful performance at that time was just part of a long progressive record from the Teapot Dome through the New Deal to our time. As time brought him power and seniority, Chairman Celler used these assets wisely for the good of the country.

It is no surprise to those who knew him that this remarkable personality continued to practice law actively until just before his death at the age of 92. Age could not break his zest and energy because he was not the sort of person to let it. The same tough determination which helped him to continue his education and to support himself after the loss of both parents within a few months carried him through his long public service and down to his last days.

Manny Celler loved the Congress, in which he served so well. In turn, he has left us an example and a legacy of which we can be proud.●

● Mr. ROSENTHAL. Mr. Speaker, I was extremely saddened the other day

to read of the death of my very dear friend and former colleague, Emanuel Celler, and I want to take this opportunity to pay tribute to him and his outstanding record of service to his country and to his fellow man, and to his State of New York.

Manny Celler served in the House of Representatives for 50 years—a half a century—and during that time rose to one of the most powerful and influential positions in this body, that of chairman of the Committee on the Judiciary, where he shepherded some of the most important legislation enacted in the history of our country in the fields of civil rights, immigration and antitrust. Without his expertise, ability, and influence the Congress would not have been encouraged to adopt such strong proposals, and the country and our citizens would have been deprived of some of their inherent rights provided by the Constitution.

As dean of the House he was beloved and respected by all who knew him, and rightly so. He knew how to maneuver, how to act, and react, how to bring pressure to bear when it was necessary, how to negotiate and compromise, and, most important of all, how to make and keep friends.

When I was elected to the House from the neighboring Borough of Queens, Manny had already been in Congress almost 40 years. He gave most generously of his time and advice, and he was always available to me when I needed his sage advice and counsel, which was quite often during the first days of my service.

He was a remarkable and beautiful man, and a warm and decent human being, always ready to do battle for a just cause, and always ready to help a friend. His kind are too few in this world we live in, and he will be sorely missed by all of us who loved him and admired him for what he was—a highly principled individual, absolutely and completely dedicated to his country and to the people he served for such a long, long period of time. He took his oath of office seriously, discharged his duties and responsibilities with distinction, and his contributions to the quality and integrity of the Congress are unequaled.

I am proud to have been his friend, and to have had the privilege of serving with him in this House.●

● Mr. EDWARDS of California. Mr. Speaker, I would like to thank the gentleman from New Jersey (Mr. RODINO) for arranging today's special order to pay tribute to Emanuel Celler.

When I first became a member of the House Judiciary Committee, Manny Celler was my chairman. I am proud to be able to say that he was also my friend and my mentor. He was truly one of the great chairmen in the history of our committee, and it was an honor and a privilege to serve with him.

Manny exemplified some of the best qualities any legislator can have—a strong sense of commitment and determination, a passion for justice, and an abiding respect for the law and our Constitution. His example and the knowledge that he shared with all of us who served with him have greatly aided me in my work here in Congress.

As my colleagues know, Manny was one of the key forces behind the passage of the great Civil Rights Acts of the late 1950's and 1960's. It has been my privilege to chair the Judiciary Committee's Subcommittee on Civil and Constitutional Rights, and in that capacity to be able to carry forward Manny's efforts to promote the full realization of civil rights for all of our country's citizens.

I would like to insert for the RECORD, two of the many articles which appeared in the press to pay tribute to Manny Celler. I hope my colleagues will find them of interest.

The articles follow:

EMANUEL CELLER

When Rep. Emanuel Celler of Brooklyn was rounding out his half-century in the House (he served longer than anyone but Carl Vinson of Georgia), he knew better than to criticize the seniority system. Combined with his staying power, it gave him charge of the Judiciary Committee for a total of 22 years and made him one of the most influential congressmen of the century. Besides, he claimed, other systems of doling out congressional power (by the whim of the Speaker, or logrolling among the members) were also subject to abuses.

Mr. Celler, who died Thursday at the age of 92, could have served even longer if he had not run afoul of the women's movement. His obstruction of the Equal Rights Amendment, which he thought would cause more trouble than it would solve, was one of the counts against him when he was narrowly beaten in a 1972 Democratic primary by Elizabeth Holtzman. Organized feminists remained unforgiving. They picketed a farewell dinner given him by civil rights groups.

The dean of the House was a genuine hero of the civil rights movement whatever the ERA people might think. He took credit for having written and floor-managed all of the major rights bills since 1957. A grandson of German-Jewish immigrants, he labeled as his "worst" experience in Congress the passage of the 1924 Immigration Act. Forty-one years later, he sponsored the bill repealing that law.

He shepherded several constitutional amendments through the House, including the one enfranchising District residents in presidential elections. He opposed efforts for a prayer-in-schools amendment to override court decisions against the practice.

Mr. Celler also was an advocate of stronger anti-trust legislation, and regularly made the sports pages as one who wanted the laws applied to professional sports. He had worked fruitlessly to keep the Brooklyn Dodgers from abandoning the borough. Another of Mr. Celler's lost causes was gun control.

Through more victories and reverses than most Hill observers can remember, Mr. Celler never lost his zest for legislative battle. A faster-changing Congress could well use more of his durable sort.

[From the New York Times, Jan. 16, 1981]

EMANUEL CELLER, FORMER BROOKLYN CONGRESSMAN, DIES AT 92

(By Maurice Carroll)

Emanuel Celler, who served a half-century in the House of Representatives, died yesterday at his home in Brooklyn. He was 92 years old.

Mr. Celler, one of the most influential New Yorkers who ever served in the House, was defeated in the 1972 Democratic primary in a stunning upset by a political unknown, Elizabeth Holtzman. Only days before his defeat, Mr. Celler had described his opponent as "irritating as a hangnail, which nail I am going to cut off."

The defeat ended one of the longest political careers in the state's history. Mr. Celler continued to practice law until shortly before his death from pneumonia.

When Mr. Celler, 34 years old, brash and bouncy, was first elected to the House, Warren G. Harding was President. The year was 1922.

LED ON CIVIL RIGHTS BILLS

Seven Presidents and 42 years later, Mr. Celler, still bouncy but his brashness mellowed by the years, became the dean of the House. The distinction, he said, had "crept up on me unawares."

Seniority brings power in Congress, and as Mr. Celler's service lengthened, his political sway grew. He became chairman of the Judiciary Committee in 1949, and, except for the years when Republicans controlled the House, held the post from then on.

His committee handled civil-rights legislation in the years of the nation's major advances in that area. In 1957, he wrote and shepherded into law the first comprehensive rights legislation enacted by Congress in 82 years.

He was the author of the more comprehensive 1960 Civil Rights Act, and in February 1964, he guided to passage for the Johnson Administration a law retaining virtually all the elements of a draft that President Kennedy had submitted the year before.

"I feel like I've climbed Mount Everest," Mr. Celler said wearily after the 1964 bill passed, 290 to 130, and the House gave him a standing ovation.

PARLOR TRICKS AND PUNGENCY

In his later years, he remained a peppery, combative, always colorful and anecdotal debater, but his grandfatherly figure—bandy-legged, slope-shouldered, only a thin patch of white covering his tanned dome—came to be matched by a grandfatherly manner.

In private his bright blue eyes twinkling, he played parlor tricks for children, converting linen napkins into rabbits. In public he had the habit of finding stories and pungent phrases to dramatize his points.

During one of his periodic squabbles with Rep. Michael Feighan, the No. 2 Democrat on the Judiciary Committee, Mr. Celler listened, glowering, to a Feighan denunciation of him during a House debate. Then he said icily, "To what the gentleman from Ohio says, I give the thunder of my silence."

Emanuel Celler was born May 6, 1888, in a frame house at Sumner Avenue and Floyd Street in the Williamsburg section of Brooklyn. His father, Henry, owned a whisky business. There was a 25,000-gallon tank in the basement. Young Manny helped paste "Echo Springs" labels on his father's products.

HEARD WILLIAM JENNINGS BRYAN

His introduction to politics came young, as it did for many in that era, when the clubhouse was a neighborhood social center, the party-sponsored picnic and boatride were major social events and Tammany Hall—in most years—ran the city. In 1896, Henry Celler, a Democratic district leader, hoisted his son to his shoulders to watch William Jennings Bryan speak in Arion Hall. Or so the Congressman remembered, more than half a century later.

The father's business failed at about the time that Manny was graduated from Boys High in 1906. Then, soon after he entered Columbia College, his father died. Five months later, his mother died.

"I became head of the household," Mr. Celler wrote in this 1953 autobiography, "You Never Leave Brooklyn." He went on: "Following his failure, my father had given up his business and become a wine salesman. I took up his route. I went to college in the mornings and sold wine all afternoon until 7 o'clock in the evening."

The schedule did not halt his education. He was graduated from Columbia in 1910 and Columbia Law School in 1912. Two years later, he married Stella B. Baar. By then, he had settled down to law practice in Brooklyn.

FIRST CAMPAIGN IN 1922

In 1922, A Democratic leader asked if Mr. Celler would like to be the party's nominee for Congress from the 10th District, an honor but hardly a prize. The district had never sent a Democrat to Congress.

But the young lawyer enlisted friends, relatives and neighbors and went to work in the old New York style of block-by-block door-knocking and speech-making. He traveled the district speaking from the tailgate of an open truck. A burst of fireworks would be set off and, when a crowd gathered, he recalled, "you'd get up and harangue them."

He won by 3,111 votes.

Over the years, reapportionments stretched, squeezed and shifted the district boundaries, but Brooklyn became ever more Democratic, and the Celler victory become a biennial certainty.

"What did you say my opponent's name is?" Mr. Celler asked one pre-election day in 1966. "Please don't think I'm being immodest," he added quickly. "I just haven't heard who it is this year."

A LIBERAL FROM THE START

From the start, he had been the liberal that his upbringing, and his district, dictated. He supported the major New Deal and Fair Deal programs. He was among the small band that opposed the House Un-American Activities Committee, he pressed antitrust legislation and he regularly scored high on the liberalism ratings compiled by the Americans for Democratic Action.

In 1967, feeling itself faced with the obligation to discipline Harlem's flamboyant Representative Adam Clayton Powell, the House leadership entrusted the first step of the task to a special committee headed by Mr. Celler.

"As a good soldier," he said, "I am willing to take on the task." Someone wished him well. He winced. "I'm entitled to commiserations, not congratulations," he said.

The Celler committee recommended that Mr. Powell be censured, fined and stripped of the seniority that had earned him a committee chairmanship, recommendations that seemed to steer the tricky path between the need to satisfy the public outcry for action against Mr. Powell and the need to devise punishments that would not lay the ground for a court challenge.

HOUSE IGNORED RECOMMENDATION

If the House followed the committee's carefully fashioned plan, Mr. Celler said, Mr. Powell would have no "right of appeal except to the Lord Almighty."

The House did not. The members ran away from their leaders, voting to exclude Mr. Powell and setting up the very clash between Congress and the courts that the Celler committee had tried to avoid.

Over the years, Mr. Celler conducted a variety of investigations. Among the subjects: insurance companies, organized baseball, the steel industry, television.

Like most New York members of Congress, he commuted back to his home city on weekends. He also conducted an active law practice, which Miss Holtzman made an issue in the 1972 campaign.

WIFE DIED IN 1966

His 51-year marriage ended in March 1966 with the death of his wife, and he began spending more time in Washington, where he had one of the biggest and most comfortable offices in the huge Rayburn Building and where he lived in the Mayflower Hotel.

Part of Mr. Celler's endless store of anecdote and analogy came from voluminous reading. He favored biography and the classics. Part stemmed simply from a natural talent for the pungent phrase.

A regular opera-goer, he thought the old Metropolitan Opera House was a monstrosity and, protesting one day at the sudden formation of groups to save it from demolition, he said: "Why the sudden urge? Is it publicity? Some of them probably think Puccini is a name for spaghetti and that Richard Wagner was a baseball player."

It was with apparent spontaneity when he complained that American policy in the Middle East amounted to "Suezcide."

HIS FORMULA FOR SUCCESS

The many sides of Emanuel Celler came together when he was asked once to assess Congressional success. He spoke with the knowledge of experience, the tolerance of the grand old man, the ear for the colorful of the good phrasemaker.

"To be a successful Congressman," he said, "one must have the friendliness of a child, the enthusiasm of a teen-ager, the assurance of a college boy, the diplomacy of a wayward husband, the curiosity of a cat and the good humor of an idiot."●

● Mr. KASTENMEIER. Mr. Speaker, I was saddened to learn of the death of our former colleague, Emanuel Celler, and I would like to join my colleagues in paying tribute to his memory.

When I came to the House of Representatives in 1959 and was assigned to the Judiciary Committee, my chairman, Manny Celler, already had acquired a well-known and well-deserved reputation. Throughout his congressional career, Manny Celler was an advocate of progressive causes and legislation that benefited society. He will be particularly remembered for his leadership role in the writing of the great civil rights laws that were enacted during the 1960's, for his insistence upon the freedom of the marketplace through his pursuit of the breakup of great corporate giants which preyed upon the American economy, and for his devotion to the defense of civil liberties of American citizens.

Manny Celler served 50 years in the House. He was chairman of the Judiciary Committee for 22 years. He also was the dean of the House. We, who served with him, remember him as a wise and kindly man. He was incredibly witty and he had a treasury of anecdotes to fit any occasion. He also was capable of outrage when discussing issues which concerned him deeply. Above all, Manny Celler was a man of great eloquence, particularly when he rose on the House floor to defend the rights of those American citizens who were disadvantaged, mainly because of race, creed, or color.

Chairman Celler had an unusual sense of character. His public life was exclusively dedicated to the House which was the instrument through which he could express has values. And although he was the senior Member of the House, he also took an interest in the activities of junior Members and he generously offered us his wisdom and counsel.

Anyone who knew Manny Celler will remember him warmly. It was a privilege to serve with him, to know him, and to honor his memory.●

● Mr. ANDERSON. Mr. Speaker, I thank our colleague, Mr. RODINO, for arranging this time for us so that we may pay our last respects to a man who was truly an institution here in Congress. I speak of the Honorable Emanuel Celler. I would like to take a few moments to recall the life and accomplishments of this great man, and of the many years of service that Emanuel Celler gave to the people of his district, the House of Representatives, and the Nation.

Although born to a family of meager financial means, Emanuel Celler combined his studies with honest, hard work, and graduated from Columbia College as well as receiving the law degree from Columbia University Law School in 1912. Just 10 years later, elected to the House of Representatives, Manny embarked upon a journey that was to enable him to contribute to the well-being of the people of this Nation probably more than anyone could dream of.

Evidence of this, first and foremost, was his continued reelection to this body. Emanuel Celler never forgot the people who sent him to Washington, and their needs were his primary consideration. Side by side with his caring for his constituents was Manny's need and desire to serve all the people. His niche was established on the House Judiciary Committee, and as its chairman for 22 years, Manny was the key to the civil rights legislation which became law. Equal employment opportunities, equal education benefits, the

right for 18-year-olds to vote, all fell under Manny's domain, and he fought for these things with fervor and zest. Manny Celler was instrumental in giving all Americans a better environment in which to vote, work, and study.

Mr. Speaker, among the many great men and women who have served their Nation here in Congress, I hold none in higher esteem than Emanuel Celler. His determination to bring to the people that which should be theirs, as well as a host of other contributions, makes me regard him as my mentor. We all benefited from having Manny serve with us, and he remains forever an inspiration to all.

My wife, Lee, joins me in extending our deepest condolences to the entire Celler family, as well as the residents of Brooklyn's 16th Congressional District. Manny will be missed by us all, but neither he nor his many accomplishments will ever be forgotten.●

● Mr. STOKES. Mr. Speaker, I would like to thank the gentleman from New Jersey (Mr. RODINO) for reserving this time so that Members of the House of Representatives can pay tribute to perhaps this body's greatest champion of justice, human decency, and civil rights—the Honorable Emanuel Celler. As we all know, Mr. Speaker, Emanuel Celler died Thursday, January 15 at the age of 92.

It is only fitting that we pause at this juncture to pay homage to a man who during his 50 years in Congress gave hope and a fair chance to those who were hopeless and shackled for so many years by this society's prejudices and inequities. Undoubtedly and appropriately, history will credit Emanuel Celler as the chief architect and primary advocate of the major civil rights legislation in this Nation.

Mr. Speaker, Emanuel Celler was the undisputable guiding force who took the struggle for equality and civil rights from the demonstrations, sit-ins and marches in our Nation's streets to the Halls of Congress. He then became the tower of strength and conscience needed to push major civil rights legislation through both the House and the Senate at a time when his efforts were given only a token chance of success.

Courage, foresight, compassion, and leader amongst leaders—all of these words characterize the man who in 1957 wrote and shepherded into law the first comprehensive civil rights legislation in the Congress since Reconstruction. Emanuel Celler went on to become the author of the more comprehensive 1960 Civil Rights Act.

Refusing to rest on what many people called remarkable achievements in the area of civil rights, Emanuel Celler through his position as chairman of the House Judiciary Committee went on to serve as the major strategist for the passage of the 1964, 1965, and 1968 Civil Rights Acts. During this time, Mr. Celler was engaged in many floor battles on behalf of the legislation. Mr. Speaker, many of my colleagues may recall at the age of 75, Emanuel Celler waged an impressive battle on behalf of the 1964 Civil Rights Act. Armed with his legendary oratory and wit, he led a 2-week debate that held together the farthest reaching civil rights bill ever written. The measure covered desegregation in education, employment, public accomodations, and other basic aspects of life.

After the house passed each civil rights bill, Mr. Celler went on to tackle the Senate Judiciary Committee which at that time was dominated by southerners who traditionally kept legislation of this kind bottled up in committee. In every instance, he pressured the Senate to pass the bills despite the opposition of some of the Senate Judiciary Committee members and the threat of filibusters and other tactics.

In addition to his achievements in the area of civil rights legislation, Mr. Celler is noted for his work with four constitutional amendments. The first amendment allowed the citizens of the District of Columbia to vote in Presidential elections. The second amendment effectively banned the levy of poll taxes in Federal elections. The third was an amendment on Presidential disability and success. The fourth lowered the voting age to 18.

Additionally, Mr. Celler was associated with over 400 laws which passed the House including a measure abolishing the use of national origins in setting immigration quotas and the Celler-Kefauver Antitrust Act of 1950 which tightened existing laws.

Mr. Speaker, Emanuel Celler was a bulwark of human decency in this Congress and in this Nation. His achievements in the area of civil rights legislation stand as a lasting monument to his greatness as a legislator and human being.●

● Mr. SCHUMER. Mr. Speaker, I join my colleagues today in honoring one of the most outstanding legislators of the 20th century, a man whose district I am now proud to represent. When Emanuel Celler died of pneumonia on January 15, 1981, he left behind a stunning legislative record in the areas of civil rights, antitrust legislation, and immigration laws, as well as a colorful reputation as an anecdotal orator and a man of pungent wit.

The grandson of German Jewish immigrants, Manny Celler first came to Congress in 1922 as a brash 34-year-old who had wrested the 10th Congressional District of New York from the tight hold of the Republicans, pledging "It's time for a change." With that slogan, Mr. Celler launched an exemplary legislative career that was to last half a century, during which he earned national significance as a political powerhouse and a staunch defender of civil rights.

Mr. Celler's defense of constitutional liberties and his efforts to protect the right of the individual from institutional abuses dominated his legislative career from its earliest days and continued to characterize his legislative service thoughout his 25 terms in office. Mr. Celler demonstrated his opposition to the abuses of monopolies by calling for an investigation of the American Telephone & Telegraph Co. in his first decade of service. By the end of his congressional career, he had conducted investigations into such varied companies as the steel industry, organized baseball, and insurance companies, always combining principled dedication with political finesse. As early as 1938, Mr. Celler opposed the methods of the House Un-American Activities Committee, sensing potential danger to constitutional liberties, and in 1966 he was 1 of 24 House Members who voted against that committee's appropriation. In the first major debate of his career, Mr. Celler opposed the establishment of the national origins quota system under the Johnson Immigration Act of 1924, and 41 years later, he sponsored a bill that repealed that law.

Having secured through seniority the chairmanship of the Judiciary Committee in 1949, Manny Celler became a crucial political figure as the Nation awakened to the need for civil rights legislation. His Civil Rights Act of 1957 was the first comprehensive civil rights bill to be enacted by Congress in 82 years. In 1964, Mr. Celler waged the legislative battle of a lifetime, during which he steered the far-reaching Civil Rights Act of 1964 through a 2-week debate in the House and successfully protected it from formidable political foes in the Senate. Recognizing this substantial achievement, the House awarded Mr. Celler a standing ovation after its 290-to-130 vote in favor of passage, and Mr. Celler, in his descriptive way, acknowledged, "I feel like I've climbed Mount Everest."

Manny Celler's extraordinary legislative accomplishments will figure prominently in the history of the past 59 years, and his incisive yet grandfatherly manner will become a cherished memory for residents of my district, and for all who knew him. It is my hope that his lifelong example of political integrity, determination, and legislative skill will be well remembered by the people of this Nation to whom he dedicated his life.●

● Mr. JACOBS. Mr. Speaker, Emanuel Celler was one of the giants of the House. And he was my first committee chairman.

Thoughts of Churchill would not go away when one was in the presence of

Manny Celler. His English was precise, his grasp of history immense and his concern for justice—the word which is big enough to hold the terms, "human rights", "civil rights" and "fairness"—was awe inspiring.

Those of us who knew and loved Manny Celler know that his majestic being will live on larger than all of Mount Rushmore.●

● Mr. COUGHLIN. Mr. Speaker, it is with a deep sense of loss that I join my colleagues in paying tribute to a former colleague and respected friend, Manny Celler, who passed away on January 15 of this year.

All of us who had the privilege of knowing Manny were deeply saddened at the news of his death. Manny's 50 years of service on the House, as the Representative of the 16th District of New York, leaves a record of accomplishments and achievements that is unlikely to be equaled. His efforts on behalf of the poor and disadvantaged will long be remembered by grateful Americans from all walks of life. As chairman of the Judiciary Committee for 22 years, Manny was in large measure responsible for the passage of the most important civil rights legislation ever considered by the Congress. The landmark 1964 Civil Rights Act, among others, was enacted largely due to Manny's skillful guidance and his tenacity in securing its passage.

I am honored to have had the good fortune to serve on the Judiciary Committee under Manny's leadership during his last term in office, and I extend to his family my most sincere condolences on their loss.●

● Mr. WASHINGTON. Mr. Speaker, I join my colleagues in remembering a great former Member of the House, Emanuel Celler. While I did not have the opportunity of serving in Congress with Mr. Celler, his 50 years in the House of Representative established an outstanding record and earned the respect and confidence of his associates.

As a liberal Democrat, he stood in the forefront in the civil rights era. In 1949, when Mr. Celler took over the chairmanship of the House Judiciary Committee the luck of seniority gave him jurisdiction over civil rights. His appointment came at a time when the anti-civil rights Senators bottled up all the civil rights legislation. Never afraid to differ with his colleagues and peers, he mustered strong majorities in the House and generated pressure to pass the 1964 Civil Rights Act.

A man who worked tirelessly as a legislator, his political energy was channeled to raise the quality of life for those who needed help the most, he had the ability to look perceptively beyond the facts and paperwork to understand the hopes and fears of human beings.

He always spoke with the knowledge of experience. We will miss his courage and wisdom.●

THE 63D ANNIVERSARY OF UKRAINIAN INDEPENDENCE, JANUARY 22, 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 60 minutes.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order on today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, January 22 of this year marked the 63d anniversary of the independence of the Ukraine. As we have done regularly for many years, Members of the House have participated in special orders to salute this important anniversary date, to express the hope for a speedy return of the independence of the Ukraine, and to salute, encourage, and commend those Americans of Ukrainian descent.

Of course, as we are aware, because of the various festivities associated with the inauguration of President Reagan, the House was not in session on January 22, and so the gentleman from Illinois (Mr. DERWINSKI) and I selected today instead to render our comments and observations on this most important anniversary.

The Ukraine is, of course, one of the most important of the captive nations, whose plight this Congress annually recognizes pursuant to a resolution adopted more than 20 years ago. It is perhaps true that because the independence of the Ukraine survived for only a relatively short time, between the fall of the czar and the military takeover of the Ukraine by the Bolshevik Government under Lenin, people tend to forget that the Ukraine was indeed at one time a free area with a separate political identity of its own, even though since 1918 it has been incorporated into the territory of the U.S.S.R.

After all, the Baltic States of Estonia, Latvia, and Lithuania are also incorporated within the territory of the Soviet Union. But their independence, which was established as part of the treaty which took czarist Russia out of World War I, continued until the Soviet counterattack against the Nazi forces in World War II, some 22 years later.

Actually the Ukraine has also had a long and distinguished history, with a distinct identity of its own, both geographically and ethnically. In fact, so important was the area, especially in the richness of its agricultural production, that for centuries it has been the target for aggression on the part of whatever European power might believe itself at the moment to be in the ascendancy—by Poland, by Sweden, by Prussia, by Nazi Germany, and of course by the Bolsheviks. Yet throughout all of these invasions and occupations, including the current one, the people of the Ukraine have maintained their fierce love of freedom, their bold sense of independence, and their own individual identity.

In the spring of 1978 our House Armed Services Committee made a 10-day trip to the Soviet Union, the last 3 days of which were spent in the Ukraine, in its capital of Kiev. Although now politically a part of the Soviet Union, it was perfectly obvious to all of us on the trip that the Ukrainian people were a very special breed—more open, more friendly, and much more insistent on their own special identity. It was clear to all of us that not even the harsh controls employed by the Soviets through the KGB could impose the kind of cautious hesitation upon Ukrainians that one encountered on the part of citizens in other parts of the U.S.S.R.

For example, at the time we were visiting the Ukraine, the U.S. Department of Commerce was making plans for holding a trade and agricultural show in the Ukraine. Before our group left the United States we had learned that explanatory pamphlets that the Department had printed up to hand out to visitors to the Kiev trade show had been printed in Russian, rather than in the Ukrainian language—a very important and always a very sore point for any Ukrainian citizen.

We were advised that this failure to print the information in the Ukrainian language, rather than in the hated Russian language, would doom the success of the show. I brought these facts to the attention of the Department before we left, and by the time we reached Kiev the Department had reissued its information pamphlets in the Ukrainian language as well as the Russian language.

Considering what happens in the Soviet Union, that was a very positive assertion of independence on the part of the Ukrainian people, which illustrates the point I have been making.

Fortunately, Mr. Speaker, the oppression which the Soviet masters have imposed on the people of the Ukraine has had a very strong and positive impact on these United States. We have been most fortunate in inheriting the drive, the skills, and the rugged independence of those Ukrainians who could no longer put up with life without the freedom they valued so highly.

As a result, hundreds of thousands—nay, millions—of Americans of Ukrain-

ian descent have made over the years extremely valuable contributions to the growth and development of the United States; and their children and their children's children have continued those great contributions.

We salute these brave Ukrainian American people in this anniversary year and we honor them for their achievements.

At the same time, Mr. Speaker, we must not forget the plight of the people still living in the Ukraine. They share the same hope for freedom and independence in their individual lives that the people of Poland—another captive nation—have been demonstrating so dramatically this past year.

Surely we can hope that this same small breath of fresh air, this same small bright ray of sunshine of freedom, will also break through in the Ukraine in the days ahead.

This is not just a rhetorical statement, Mr. Speaker. Who could have thought just a year ago that what has been happening in Poland could have ever happened behind the Iron Curtain? If it can happen in Poland, it can certainly happen in the Ukraine.

So on this 63d anniversary of the brief but brilliant freedom of the Ukraine, let us simply make this prayer—"God speed the day when the sunshine of freedom shall indeed come once again to the Ukraine."

Under leave to extend my remarks, Mr. Speaker, I include two impressive statements by Dr. Lev Dobriansky, president of the Ukrainian Congress Committee of America.

The statements follow:

HEROES WELCOME TO METRINKO AND ALL OF OUR RETURNEES

DEAR MR. AND MRS. HARRY METRINKO: In this period of glad tidings and on behalf of the entire Ukrainian American community we rejoice with you on the release and homecoming of your beloved son Michael. This is an historic moment for a heroes welcome for him and all the returnees. I feel an even deeper affinity because of Michael's Georgetown background. With all of Gods blessings.

Sincerely,

LEV E. DOBRIANSKY,
President, the Ukrainian Congress Committee of America.

WHY OBSERVE UKRAINIAN INDEPENDENCE DAY?

With the 97th Congress, I extend in behalf of this national committee and myself our warmest felicitations for your most successful leadership in the years ahead. Hopefully, I also look forward to work with you in an area which seems alien to our people and yet is very basic to our national security as well as to our American ideals and principles. UCCA represents the convictions and values of our 2 million Americans of Ukrainian ancestry, small in percentage but long in ideas and experience.

For a quarter of a century Members in every Congress have observed the Independence of Ukraine. This is its 63rd anniversary. Upon the collapse of the Tsarist Russian Empire, the Ukrainian National Republic was established on January 22, 1918, highlighting another phase of independence for the Ukrainian nation. By 1920 it was destroyed in the first wave of Soviet Russian imperialism that in a succession of waves has reached in our day into Afghanistan. January 22nd is the date, but because of our Presidential Inauguration and its aftermath, this singular commemoration has been scheduled for the first week of February.

As Americans, why do we observe this historic event of declared national independence in the area of our prime enemy? The clear answer is seen in these few facts: (1) our America was primarily born in severance from an empire, and those nations today, like Ukraine, seeking independence from the Soviet Russian empire cannot but magnetize our instinctive, spiritual affinity (2) in fact, Ukraine is the largest non-Russian nation both within the USSR and all of Eastern Europe, with a population and territory easily comparable with France (3) its long record of opposition to Soviet Russian domination, marked today by widespread human rights dissidence, is documentarily incomparable in contemporary times and (4) its strategic position in relation to Poland and others in Moscow's outer empire and to the Mideast and South-Asia adds substantially to its Achilles Heel status in the last remaining, major empire.

Through our VOA, Radio Liberty and many other media your address on these and other facts during the "63rd" will doubtlessly go a long way in intensifying our natural alliance with the 50 million Ukrainian nation. It will certainly signal the dire need for policy in this direction. To this day we have no strategy for Ukraine and the other captive non-Russian nations in the USSR—not to irritate or provoke Moscow into any hot war, but to preclude any such confrontation by meeting their primary challenge on the ideological plane. Though we have to recoup our military posture across-the-board, this is not the decisive answer to the Soviet Russian challenge. To put it simply, when we had clear-cut military superiority, Moscow advanced nevertheless. Hopefully, the new Administration will address itself to this most basic problem.

Under the co-sponsorship of Representatives Samuel S. Stratton and Edward J. Derwinski, the "63rd" commemoration will be held in the House on Tuesday February 3. Following this in the Senate (Room 207) a reception will be held under the co-sponsorship of Senators Charles H. Percy and Paul S. Sarbanes on Wednesday February 4. I most warmly invite you to speak out on this fundamental issue of national independence in your respective chamber and to join us at the reception. For, in truth, we haven't begun to realize the opportunities that face us in terms of peace and expanded freedom.

Your participation in this event will be greatly appreciated and with all best wishes,

Sincerely,

LEV E. DOBRIANSKY,
Georgetown University.

Mr. STRATTON. Mr. Speaker, I now yield to my distinguished friend, the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I am pleased to join this afternoon with my colleague from New York, Mr. STRATTON, in cosponsoring this special order in recognition of the 63d anniversary of the Proclamation of Ukrainian Independence. Today, we direct attention to the plight of the people of the largest non-Russian country in Eastern Europe being held captive by the Soviets. The people of the Ukraine continue to be victimized within the Soviet borders by the repressive internal policies of the Communist leaders.

We must continue to champion the rights of national, individual, cultural, and religious freedoms for all peoples held captive. The Ukrainian people are among the millions of those who are looking to the United States to live up to that commitment.

Mr. Speaker, I wish to insert several articles which appeared in the Ukrainian Catholic Daily, published in Philadelphia, Pa., which provide background information on this anniversary and on the conditions in the Ukraine. These articles appeared in the January 19 edition of that newspaper.

ANNIVERSARY OF UKRAINE'S FREEDOM AND INDEPENDENCE (A BRIEF HISTORY)

January 22 is the anniversary of one of the most important dates in the modern history of Ukraine that of the rebirth of the independent Ukrainian state.

With the fall of the Russian and Austro-Hungarian empires, both of which controlled Ukrainian territory at the time, the Ukrainians, who for centuries had been resisting foreign domination of their country, took a decisive step towards insuring their national freedom. On January 22, 1918 the Ukrainians declared their full and unqualified independence from all foreign powers.

The Ukrainian Revolution took on, at once, an essentially national character. A Central Council (Central Rada) was established in Kiev and became the center of the Ukrainian liberation movement. It organized the Ukrainian National Army, established Ukrainian schools, introduced Ukrainian administrative and judicial system, and prepared a Ukrainian Constituent Assembly. By these actions it established a full-fledged independent state: the Ukrainian National Republic.

After a heroic struggle lasting three years, the Ukrainian National Republic, as we all know, succumbed to the numerically superior military forces of Communist Russia.

The alien Communist power destroyed the Ukrainian national state and replaced it with a puppet and subservient government with the name of the "Ukrainian Soviet Socialist Republic." Even though it became a charter member of the United Nations in 1945, it is not a true government of the Ukrainian people, but an instrument of the Russian Soviet colonial empire, which enslaves and brutally persecutes the Ukrainian people.

Ukraine, with a population of 50 million, embraces 289,000 square miles, making it the largest country in Europe, in population it ranks fifth, and its natural resources make Ukraine one of the richest European countries. Its capital, Kiev, was the center of eastern European trade and culture long before Moscow was built. Despite its size and wealth, Ukraine is practically unknown; for most people it is "just a part of Russia." This gross misconception stems from the common practice of using the terms "Russia" and "Soviet Union" synonymously.

This is incorrect because Russia is only one of the republics which make up the Union of Soviet Socialist Republics.

Ever since the conquest of Ukraine by Communist Russia in 1920, the Ukrainian people have suffered political and cultural repression, economic exploitation, and all-encompassing Russification. Both the Ukrainian Orthodox and Catholic Churches were destroyed brutally. In an enforced collectivization of Ukraine's agriculture in 1932–33, some 7 to 10 million Ukrainians were starved to death, by the government sponsored famine. During and after World War II, hundreds of thousands of Ukrainians were deported, exiled or annihilated for their support of the Ukrainian Insurgent Army (UPA) and the Organization of Ukrainian Nationalists (OUN), both of which fought against the Nazis and then the Soviet Russian occupation of Ukraine.

On the 63rd anniversary of the proclamation of Ukraine's independence on January 22, 1918 and the 62nd anniversary of the Act of Union on January 22, 1919, whereby all Ukrainian lands were united into one sovereign and independent state of the Ukrainian people, the true ideal of Ukrainian Independence lives on in the hearts and minds of the Ukrainian people, as attested to by writings, memoranda, appeals and trials of Ukrainian patriots-dissidents in Ukraine. In mid-1979, 18 prominent Ukrainian political prisoners and members of the Ukrainian Helsinki Group, appealed to the U.N. to take appropriate steps for Ukraine's secession from the USSR, which they called an "occupation government" installed by Communist Russia. In early 1980 an appeal from the "Ukrainian Patriotic Front" supporting the statement of other Ukrainian dissidents called for the secession of Ukraine from the Soviet Union.

At this time, when the free world is stunned by the Soviet seizure of Afghanistan and Moscow's readiness to move into Poland, the anniversary of Ukraine's Independence is a reminder of the fact that Moscow's aggression and conquest of independent nations is not a novel development.

In past years many U.S. senators and congressmen, governors and mayors paid tribute to the Ukrainian people on the anniversary of Ukrainian Independence in official proclamations and statements, thus giving encouragement and hope to Ukrainians in their struggle for the rebirth of Ukraine's freedom and independence to which they are rightfully entitled under the law of God.

We hope that American officials will again voice their support of Ukrainian aspirations in this crucial year during which the world at-large is threatened by the forces of darkness more than ever before.

UKRAINIAN CONGRESS COMMITTEE OF AMERICA.

JANUARY 5, 1981.

APPEAL OF THE UKRAINIAN CATHOLIC HIERARCHY ON THE OBSERVANCE OF UKRAINIAN INDEPENDENCE DAY

On January 22, 1918, the Ukrainian people through their legitimate government, the Ukrainian Central Rada in Kiev, proclaimed a sovereign and independent state of the Ukrainian people. The Ukrainian independent state, as we all know, after three years of heroic struggle in its defense, succumbed to the numerically superior military forces of Communist Russia.

The alien Communist power destroyed the Ukrainian national state by replacing it with a puppet regime under the name of the "Ukrainian Soviet Socialist Republic." This "government" is not a true government of the Ukrainian people, but an instrument by which the Soviet Russian colonial government oppresses and persecutes the Ukrainian people.

But the true ideal of Ukrainian independence lives on in the hearts and minds of the Ukrainian people in captive Ukraine: witness the writings, memoranda, appeals and trials of dissidents in present-day Ukraine.

The anniversary of Ukrainian independence has been solemnly observed by Ukrainians in the free world ever since the destruction of the independent Ukrainian state.

This tradition has been kept alive especially in the United States, not only by Ukrainian American communities, but also by the U.S. Congress, and the many governors and mayors who issue annual proclamations in their states and cities in honor of Ukrainian independence.

Just as the 4th of July commemorating American independence is a day important in our history, so too for us of Ukrainian descent and origin is the 22nd of January. Blessed as we are here in the United States with the fullness of independence and freedom, it is incumbent upon us to commemorate the declaration of freedom in Ukraine, the country of our fathers and forefathers.

Therefore we direct our parishes, schools and all other institutions in the United States to observe January 22 as our national holiday. All Ukrainian Catholic schools should be closed on that day, and appropriate programs, concerts and other public gatherings are to be held in our communities. Likewise, the Ukrainian blue-and-yellow flag, along with the American stars and stripes, is to be hoisted on all Ukrainian buildings to let our fellow Americans know that we are observing the 63rd anniversary of Ukraine's declaration of independence.

Our observances of January 22 in America will certainly be known in Ukraine via international broadcasts. Our brothers and sisters in captive Ukraine will thereby be encouraged in their ongoing struggle against the oppressor and for the rebirth of a new independence which they, under the law of God, rightfully deserve.

Archbishop Myroslav, Apostolic Administrator of the Archeparchy of Philadelphia; Bishop Basil, Eparch of the Eparchy of Stamford; Msgr. William Bilinsky, Administrator of the Eparchy of Chicago.

Following these articles is a commentary by Bui Anh Tuan, a columnist for the News World newspaper in New York City. His column of January 14 concentrates on the lack of information that is reaching the United States on the true situation in the Ukraine and in other captive nations.

AMERICAN LEFTIST DISINFORMATION PLOT AGAINST UKRAINE SHOULD END

(By Bui Anh Tuan)

By a happy coincidence, this year's 63rd anniversary of Ukrainian independence will be commemorated two days after President Ronald Reagan officially brings his "mandate for change" into the White House. No contemporary U.S. leader is more aware of the fate of captive peoples inside the USSR than Reagan. That's why two million Ukrainian-Americans and millions of their supporters throughout the world are asking: "Will the Reagan avalanche, with its pledges and expectations, finally be able to bury the fiendish American leftist disinformation plot over Ukraine?"

Last year, as well as the years before last, each January 22 was an occasion for congressional conservatives to pay tribute to Ukraine's incessant struggle for national independence and human rights, and to denounce Soviet illegal occupation of that country of 47 million people whose cultural heritage predates the birth of the United States by some 800 years. As usual, they urged the United States to do something, anything, for Ukraine.

But as usual, their pathetic appeals were just water off a duck's back. The commemoration rite has become so boring, and so hollow, that last January nearly all these eloquent statements of support were not delivered by their authors in person on the floor of Congress! Unfortunately, that's the way it was.

PLOT OF SILENCE

But, for all its flaws, that timid show of solidarity was already encouraging news. At least some 40 statements baring Soviet crimes in Ukraine were inserted in the CONGRESSIONAL RECORD between January 22 and 30, 1980. As for American leftists and liberals, they have, purely and simply, blacked out all reports in connection with the true situation in Ukraine.

So, the first thing American conservatives can do this year for Ukraine is to expose that plot of silence. We must tell the Left, loud and clear, that their all-too-familiar disinformation tactic no longer works. We must tell the liberals that it is high time for them to draw a patriotic line between the liberalism which serves our system of checks and balances and the one which serves the interests of Soviet imperialism.

The liberals have lectured Reagan on the need to pursue the Carter human rights policy. Well, human rights is what Ukraine has needed and still needs.

Ukraine—the largest nationality group within the Soviet colonial empire, which is being forced to produce one-fifth of the Soviet Union's grain and one-fourth of its meat and dairy products—needed human rights long before America's most vocal human rights advocates were even born. "The entire history of Soviet-dominated Ukraine," the Ukrainian Congress Committee of America stated, "is a ghastly record of inhumanity, out-right persecution, terror and genocide; Russification and denationalization plus violations of human rights, on a scale not known in the history of mankind, has occurred."

Those with "Clergy and Laity Concerned" used the human rights label to defeat the Republic of Vietnam. Now, they focus on Latin America, also in the name of God. They have said not a word about Ukraine.

Why is it that, in His name, they failed to see that half of the registered Protestant community in Ukraine were forced to demand emigration because of religious oppression, and that of 53,000 churches in 1917 only 11,000 are left?

THE UKRAINIAN STATE

The Ukrainian state was founded on January 22, 1918, following the end of Czarist rule. That independence was recognized by many nations, including Lenin's Russia. But soon later the same Leninists invaded Ukraine, imposing on it an alien totalitarian police-state regime.

A single political trial in South Korea, the death of a group of terrorists in El Salvador, and the 17-month imprisonment of an Argentinian sculptor-human rights activist have made the headlines. However, not a word has been printed about thousands of arrests and murders in captive Ukraine.

Ala Horska, poetess and literary critic, was murdered by the KGB in Kiev, capital of Ukraine. Volodimir Iwasiuk, music composer, was murdered in Lwiw. Members of the Ukrainian Helsinki groups were given harsh sentences during show trials.

Others have been tortured, incarcerated, and confined in psychiatric asylums were drugs and chemicals are administered. Vivid symbols of Ukrainian resistance to Soviet domination such as Rudenko, Stus, Romaniuk, Matusewych, Marynovich, and Lukyanenko . . . have been relegated into oblivion in the West. So have been Vins, Moros and other heroes of Ukraine's struggle for human rights who are now in the United States.

After 30 years in Soviet prisons, Yurij Shukhevych is still there. His crime is to refuse to denounce the memory of his father who led a Ukrainian army against both the Nazis and the Soviet forces occupying Ukraine in World War II.

For decades, disinformation agents aided by liberal cat's paws have flimflammed America. Let's hope that next week's commemoration of Ukrainian independence which marks the beginning of the new Reagan era, will also mark the end of that lingering disinformation evil.

In addition, I wish to insert a resolution adopted by the Illinois General Assembly. On the occasion of the convening of the 13th Congress of the Ukrainians of America in October 1980, the Illinois General Assembly passed House Resolution No. 1007, which commends the Ukrainian Congress Committee of America and its president, Dr. Lev Dobriansky, for the dedicated efforts of that organization on behalf of Ukrainian Americans and their relatives in the Ukraine.

[State of Illinois, 81st General Assembly, House of Representatives]

HOUSE RESOLUTION NO. 1007

Whereas, the diverse contributions to American life made possible by the variety of our cultural and ethnic origins are a major source of our strength as a Nation; and

Whereas, it is in keeping with the best American traditions that those of our citizens who share a proud common heritage should voluntarily join together in free association, to honor that heritage and to advance shared interests; and

Whereas, citizens of Ukrainian descent throughout America have maintained an inspired interest in the sophisticated culture and language of their former homeland; and

Whereas, for the past 40 years the Ukrainian Congress Committee of America has been instrumental in uniting Americans of Ukrainian descent, and has provided them with an excellent forum for exploring their common concerns and expressing their strong religious and community feelings; and

Whereas, the members of the Illinois Ukrainian Congress Committee of America have contributed richly to the valuable ethnic diversity of Illinois, and have played an active and important role in the varied cultural activities of our State; and

Whereas, their burning dedication to freedom and incessant demand for basic human rights has made the people of the Ukraine an inspiration to the Free World and a constant obstacle in the path of Russian Communist imperialism; and

Whereas, the 13th Congress of Ukrainians of America will convene in Philadelphia, Pennsylvania on October 10, 1980; therefore, be it

Resolved, by the House of Representatives of the Eighty-First General Assembly of the State of Illinois, That we express our concern for the faith and future of the Ukraine, and our appreciation for the many contributions to our State and our Nation by Americans of Ukrainian descent; and, be it further

Resolved, That a suitable copy of this preamble and resolution be presented to Dr. Lev Dobriansky, President of the Ukrainian Congress Committee of America, with our best wishes on the occasion of the 13th Congress of Ukrainians of America.

Adopted by the House of Representatives on November 13, 1980.

Mr. Speaker, the Ukrainians and other captive peoples have paid a drastically high price for voicing their opinions in favor of basic human rights, cultural and religious freedom, and their opposition to the repression and harassment to which they are subjected. We, in the United States, must continue to speak out in the defense of those in the Ukraine and in other oppressed nations held captive by Soviet rule, so that their shattered dreams of freedom will once again become reality.

Mr. STRATTON. I thank the gentleman for his remarks and I appreciate his cooperation on this important occasion.

● Mr. HERTEL. Mr. Speaker, January 22, 1981, marked the 63d anniversary of the independence of Ukraine. It is a date that recognizes the 60-year struggle the Ukrainian people have waged to reclaim their independence from Russian occupation armies which crushed the flowering Ukrainian National Republic and enslaved her people.

Americans and free people throughout the world cannot afford to forget the plight of oppressed Ukrainians. It is a tribute to the spirit of mankind and the ideals of freedom and liberty that Ukrainians have continued to fight for human rights. It is a tragedy that Ukraine's heroic struggle has remained largely unknown although it involves 50 million people embracing 289,000 square miles of rich natural resources. The world must not dismiss Ukraine as just another part of the Soviet Union. For centuries the Ukrainians have resisted foreign domination and persisted, despite brutal persecution, to maintain a sense of national identity. We must strive to support efforts for national self-determination for all oppressed nations. Our support of Ukrainian independence will show that the spirit of freedom can never be extinguished by generations of oppressive tyrants.

The Ukrainian people in the free world celebrated January 22 as their greatest holiday. American cities and States from coast to coast have proclaimed the 22d of January as Ukrainian Independence Day. Therefore, it is in the common spirit of liberty and justice that the American people and particularly the U.S. Congress, join Ukrainian people all over the world in giving moral support to Ukrainians in their struggle for human rights and freedom.●

● Mr. FISH. Mr. Speaker, today marks the 63d anniversary of Ukrainian independence. It is one of great significance for freedom-loving peoples everywhere, and especially Ukrainians living under Soviet domination and oppression. This day also we in the United States can push for strict adherence to the human rights provisions of the Helsinki agreements.

We are all to familiar with the events that led to the fall of the Ukrainian Republic in 1920, when the Red army led by Trotsky finally defeated the galiant and proud defenders of the republic. The Russian tactics of subversion and blatant aggression became the tools of Soviet domination of Eastern Europe. Today, we see the same approach being used by the Soviet Union in its outrageous activities in the invasion and control of the independent republic of Afghanistan.

Mr. Speaker, the Congress and the President are keenly aware of the importance of human rights in the Ukraine and all parts of the world. I have already spoken on the floor of the House today regarding the imprisonment and mistreatment of an eminent Soviet Jewish scientist, Dr. Viktor Brailovsky, whose only crime was his desire to leave the Soviet Union and emigrate to Israel.

While over 2 million Americans are proud of their Ukrainian heritage and live freely in our society, over 47 million live under continuing oppression in their homeland without guarantees of civil rights, without self-government, still fiercely proud of a cultural heritage that predates the establishment of the United States by 800 years.

Mr. Speaker, I join all of my colleagues today in their hope that some day freedom will return to the Ukraine and other nations living under the dark cloud of Soviet rule.●

● Mr. PEYSER. Mr. Speaker, it is an honor and a privilege for me to join with my colleagues in commemorating the 63d anniversary of the independence of the Ukraine. We are here to celebrate and recognize the 50 million captive Ukrainians in the Soviet Union who continue to struggle against aggressive Soviet domination.

The independent Ukrainian National Republic was established by democratic popular vote and national self-determination on January 22, 1918, and was one of the first to proclaim freedom for its people in the area of the traditional Russian empire. Despite its

heroic struggle for over 4 years the Ukraine succumbed to the overpowering forces of Communist Russia. In 1921 a large part of the Ukraine, constituted as the Ukrainian Soviet Socialist Republic, with 32 million Ukrainians, went under Soviet rule and in 1922 became part of the U.S.S.R.

The Ukrainian people in this area are fully aware of the severe, legal, political, and administrative limitations within the U.S.S.R. The people living in this fertile and native land are forbidden to celebrate this date of great historical importance that we recognize and commemorate each year. The Soviet regime prohibits any observance of the anniversary of the Ukraine's independence and it has expeditiously eliminated this date from the annals of the recent history of the Ukraine. Instead, the Kremlin imposed its own anniversary of the establishment of the Ukrainian Soviet State, a date where Moscow brought the Communist puppet government to the Ukraine.

The Soviet secret police, the KGB, have ferreted out a number of clandestine Ukrainian anti-Soviet organizations. Ukrainian intellectuals have been sentenced at secret trials. These arrests are directed at destroying the essence of the Ukrainian national identity. Despite the oppression by Moscow, the spirit and freedom and need for independence of the Ukrainian people is very much alive. These individuals are fighting for their survival as a distinct historic, ethnic, cultural, and political entity. In destroying Ukrainian independence, the Russians did not destroy the soul of the Ukrainian people nor their national ideals and undying yearning for freedom.

Soviet domination over the Ukraine and other captive nations has gone on for many years. The Soviet attack in Afghanistan, in defiance of the provisions of the SALT I agreement, shows the world that their aggressive tactics continue today. The Soviet design for world dominance and expansionism evidenced itself in Afghanistan and a threatening shadow is cast in Poland today. As the Polish people are fighting for basic human rights such as freedom of the press, speech, and religion so do Ukrainians in their struggle to exist as free, independent people. We must reassure those people, who are not accorded their basic human rights, that we do remember them and that we must continue to fight against Soviet repression and domination.

The Ukrainian people, the largest non-Russian group in the U.S.S.R., have not given up hope of regaining their independence. Let us, at this time, continue to show our hope for those courageous people who have been forced to live without freedom.

I am proud to pay tribute to those who still recognize the sovereignty of the Ukraine. As a free nation, we must not forget that the Ukrainian people fight daily to achieve the basic human freedoms they so richly deserve and that we cherish today.●

● Mr. COUGHLIN. Mr. Speaker, I join my colleagues today to commemorate the 63d anniversary of the Ukraine's independence.

Marked today by a long record of opposition to Soviet domination, dissidents from the Ukrainian community continue to battle at great personal risk for those rights which have been denied them since 1920. Nonetheless, despite Soviet domination, the proud spirit of freedom continues to flourish in the Ukraine and the support and commitment of millions throughout the world have not abandoned the just cause of Ukrainian self-determination.

During this time of continuing international turmoil, it is particularly crucial that we, as Americans, reaffirm our commitment to freedom and human rights worldwide. Within the past year alone, the world has witnessed yet another blatant act of Soviet aggression—and the Soviet Union has claimed yet another victim of Soviet domination.

A nation founded on the primacy of individual liberties, the United States must never allow its vigilance and dedication to human rights falter or diminish. Our commitment to personal dignity and national integrity must continue to be exercised as an inspiration to all those who struggle against cruel and harsh oppression. The United States must not forget the plight of the Ukrainians and the millions of others who have been silenced by Soviet repression.

As a Congressman who has strongly supported resolutions to protest continuing violations of human rights, I salute the Ukrainian-American community for its untiring efforts on behalf of the Ukraine. Such determination cannot fail.●

● Mr. DWYER. Mr. Speaker, today, the House of Representatives pays tribute to the Ukrainians, who, 63 years ago, valiantly sought and gained their independence. We salute that proud, resolute people just as we most recently hailed the liberation of our former hostages—freedom fighters, then and now—heroes in their own right.

In New Jersey's 15th District, there is a special regard for the Ukrainians who must struggle still to be free under the cloud of the Soviet bloc. Here, where tens of thousands of Europeans have made their homes—freely—the heritage left behind is never long forgotten.

For our Ukrainian compatriots abroad, we in the 15th District maintain a constant vigil of hope that ultimately they too can be free. They deserve nothing less.●

● Mr. PEPPER. Mr. Speaker, today we observe the 63d anniversary of the Ukrainian nation, which has since become reenslaved inside the modern Russian empire.

There are about 40 million people, who resisted the Soviet takeover during the bloody civil war precipitated by the Russian revolution of 1917, and who still find, today, that the Soviet Government denies them basic, fundamental rights such as freedom of worship, political expression, free association, free movement, freedom from cruel and unusual punishments, and many more.

Let me commemorate the independence of this brave country, which is now held in the hammerlock of Soviet political repression, having first been subjected by the tsars of old Russia, whose spirit lingers on in the Soviet regime of today.

I am introducing today a resolution calling upon the Soviet tsars to permit their brave Ukrainian people a resurrection of free expression of the various religious faiths by which the people may be comforted and heartened. I urge your support and interest for this simple resolution, which might mean a great deal for the people of the Soviet breadbasket, the fertile and once free Ukraine.

H. CON. RES. 53

A concurrent resolution to seek the resurrection of churches and religious freedom in the Ukraine

Whereas the Charter of the United Nations, as well as its Declaration of Human Rights, sets forth the objective of international cooperation "in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion . . ."; and

Whereas in the Constitution of the Union of Soviet Socialist Republics article 124 unequivocally provides that "In order to insure the citizens' freedom of conscience, freedom of religious worship, and freedom of antireligious propaganda is recognized for all citizens"; and

Whereas not just religious or civil repression but the absolute physical extermination of churches, among them the Ukrainian Orthodox, Catholic, Jewish, Pentecostal, Baptist, Seventh Day Adventist, and other denominations, in a nation of over forty-five million brutally violates the basic human rights cited above: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the President of the United States of America shall take immediate and determined steps to—

(1) call upon the Government of the Union of Soviet Socialist Republics to permit the concrete resurrection of churches of all the various denominations, such as the Ukrainian Orthodox, Jewish, Baptist, Catholic, Pentecostal, and others in the largest non-Russian nation both within the Union of Soviet Socialist Republics and in Eastern Europe; and

(2) utilize formal and informal contacts with Union of Soviet Socialist Republics officials in an effort to secure the freedom of religious worship in churches as provided for in the Soviet Constitution; and

(3) raise in the General Assembly of the United Nations the issue of Stalin's liquidation of these churches and its perpetuated effect upon the posture of the Union of Soviet Socialist Republics in the light of the United Nations Charter and the Declaration of Human Rights.●

● Mr. HORTON. Mr. Speaker, it is again my privilege to participate in a special order focusing attention on a brief moment of freedom in the history of the Ukraine.

On January 22, 1918, the Ukrainian National Republic was established. Just 2 short years later, units of the Soviet Red army crushed the last elements of opposition and erected a repressive government structure that has maintained Soviet dominance to this day. While infrequent reports appear in the West about Ukrainian dissidents and their efforts to gain freedom, it is clear that the world must continue to promote their cause with ever increasing ardor and determination.

The struggle to dramatize the plight of the Ukrainian people and the other captive peoples in the non-Russian nations in the U.S.S.R. takes on particular importance today in light of Soviet aggression in Afghanistan. Their latest demonstration of disregard for sovereignty and freedom is a grim reminder that left unchecked and undeterred by a militarily strong United States, their ability to expand still further will persist unchallenged. I am encouraged, therefore by the Reagan administration's dedication to a strong defense.

The Ukrainian people are a strong and intensely proud people who, like so many others living in captive nations, look to the United States—through the Voice of America, Radio Liberty, and other sources—and the West for support. Through the observance of their brief experience of freedom from Russian domination, the United States can play an important role in perpetuating their hope and struggle for independence.●

● Mr. BIAGGI. Mr. Speaker, on January 22, 1981, the Nation and the world observed the solemn anniversary of Ukrainian Independence Day. On this occasion, we pause to assess the state of life today in the Ukraine and in other Soviet dominated regions of the world—and our assessment finds that the oppressive influence of the Soviet Union is as strong as ever.

It was 63 years ago when the independence of the Ukraine was declared by the Ukrainian Central Rada. The experience with freedom was a short-lived one—Just 4 years later, the Soviet Communists ruthlessly seized control—installed a puppet government—and have maintained control ever since. The hopes of freedom were dashed by the realities of genocide and persecution.

During these past six decades, the Ukrainian people have had to endure Nazi occupation, then the horrors of Stalin with his purges that resulted in the deaths of millions of Ukrainians. In the past two decades, the Ukrainian people have endured several stages of "Russification" which attempts to impose Soviet influence over every phase of life.

Tragically in this year, we find the situation in the Ukraine to be anything but free. According to Andrei Sakharov, the Ukrainian people comprise only 20 percent of the Soviet population yet they make up 50 percent of all Soviet political prisoners. Furthermore, prison sentences handed down to Ukrainian political prisoners are generally twice as long as those dispensed to other political prisoners.

Yet despite all the adversities, the spirit of the Ukrainian people continues strong—and their yearning for freedom undaunted. It is a struggle which we as the greatest freedom-loving peoples of the world should actively associate ourselves with.

The new administration is properly focusing its early attention on the Soviet Union. We must be concerned about their continued policies of aggression. They remain in Afghanistan. They are lurking, waiting for an opportune moment to crush the Polish labor movement through an invasion. Internally, the numbers of visas granted to Soviet Jews dropped dramatically between 1979 and 1980. The number of captive people under Soviet control continues to grow.

On this occasion, let us continue our hopes that the struggle by the Ukrainian people for freedom can at long last be won—so the next anniversary of Ukrainian Independence Day can be a celebration instead of a somber observance.●

● Mr. OTTINGER. Mr. Speaker, in the last session of Congress, I introduced legislation which recognizes the very significant role Eastern Europeans have played in American society, and reaffirms our Nation's dedication to the acceptance of refugees from Eastern Europe. Today, as we celebrate the 63d anniversary of the independence of the Ukraine, I am reintroducing that legislation.

The history of the Ukrainian people is replete with outstanding achievement, and includes a long record of opposition to Soviet dominance and Soviet human rights abuses. Upon the collapse of the Tsarist Russian Empire, the Ukrainian National Republic was established on January 22, 1918. By 1920, that independent republic was destroyed by Russian aggression. Since that time, the people of the Ukraine have withstood a barrage of Soviet police state administration, constant KGB terror, religious persecution, intensified russification of Ukrainian education and culture, exploitation of Ukrainian economy and industry, and the regular persecution of Ukrainian dissidents courageous enough to speak out against Soviet dominance.

I praise the Ukrainian people for their brave fight against Soviet violations of human rights. I do not believe, however, that the fight should be theirs alone. We in Congress must recognize the gravity of the conditions prevalent in the Ukraine and throughout Eastern Europe and express our support for these courageous people. We must also demand that Soviet authorities cease and desist the continuation of repressive policies and we must ask the United Nations to focus on this critical issue.

Many Ukrainians wish to flee the repression and join nearly 2 million compatriots here in the United States. Ukrainians and other Eastern Europeans who have settled in the United States have immeasurably enhanced the cultural wealth of our society. In the arts, education, business, and medicine, immigrants from Eastern Europe have made important and valuable contributions. While we have admitted refugees from Eastern Europe, they have never received the generous treatment recently accorded to Cubans and Indochinese; Eastern Europeans who do arrive on our shores frequently have great difficulty adjusting to their status.

The resolution which I am introducing today expresses the sense of Congress that refugees from Eastern Europe, who are also the victims of Communist tyranny, ought to be given the same generous treatment as those from Cuba and Vietnam. The people of the Ukraine have faced 63 years of persecution and repression. We must insure that they, and their fellow Eastern Europeans who come to our shores, are afforded every benefit which they deserve. I urge my colleagues to join me in cosponsoring this resolution.●

● Mr. ANDERSON. Mr. Speaker, as the Soviet Union is in the forefront of the affronts registered against many ethnic groups, we cannot forget the grave wrong that was committed by the Soviet Union against the people of the Ukraine. The denial of basic human freedoms by the Soviets has, unfortunately, become an everyday occurence, and the Ukrainian people are among those denied.

It was 63 years ago this past week, that the people of Ukrainia declared themselves an independent and sovereign state. In the city of Kiev, the Proclamation of Independence of the Ukrainian National Republic was issued. Later, Kiev became its capital.

But at the very time that the Ukrainian people were rejoicing in their new-found independence, the Government of the Soviet Union was plotting to rob them of their country. A carefully organized military campaign to absorb the Ukraine into the boundaries of the Soviet Union was begun, and it was to last for over 3 long and bitter years.

Unable to resist any longer, the Ukrainian nation was forced to succumb, and was conquered by the Russian Army. The territory and the people were incorporated as part of the Soviet Union, although the Ukrainian people have never disavowed their national heritage. They continue to be the largest, non-Russian ethnic group within the U.S.S.R.

The desire of the Ukrainian people to be free again has spanned these 60-odd years without interruption. During World War II, the Ukrainian partisans army was formed to fight both the Nazis as well as the Red army, all toward the sole end of obtaining their freedom once again.

Mr. Speaker, the Ukrainian people will never rest until they have regained what is rightfully theirs—their own national homeland, under their own administration. It is for this desire that we commemorate the declaration of Ukrainian independence, with the fervent hope that this dream will someday soon become a reality.●

● Mr. GRADISON. Mr. Speaker, I am very pleased that my colleagues SAM STRATTON and ED DERWINSKI have taken this special order to highlight the plight of the Ukraine, one of the largest of the captive nations with a longstanding devotion to freedom. A group of citizens in Cincinnati, organized as the Ukrainian Society of Greater Cincinnati, have been working to alert Americans to the plight of captive nations and, in particular, Ukrainian prisoners of conscience in the Soviet Union. They are a part of a larger group of Cincinnatians—the Joint Committee of Soviet Occupied Nations—which has worked to publicize this noble cause.

I have been closely involved with the cases of three Ukrainian prisoners of conscience and I wanted to share their plight with my colleagues.

Vasyl Omelianovych Romanivk was arrested at age 19 for being characterized as a nationalist churchgoer. Romanivk's father and brother died in 1944; his father in Siberia from hunger and ill-treatment, his brother in the Ukraine running from his home. Vasyl Romanivk took a theological correspondence course to become a cleric.

During the 1960's, Reverend Romanivk stressed ideas of religious pride and led the fight against corruption in the church. For his preaching, he was charged in 1972 under article 62 of the Criminal Code of the Ukrainian S.S.R.

In prison, Reverend Romanivk has participated in hunger strikes as a protest. It is reported that he has been denied access to a Bible. Reverend Romanivk has applied for papers to emigrate after he is released.

Mr. Shukhevych was arrested and imprisoned at the age of 14 for 10 years. He since received two additional 10-year sentences. Shukhevych was born in Luiu, Ukraine in 1934. His father, Gen. Taras Shukhevych-Chuprynka, was the commander in chief of the Ukrainian Insurgent Army.

It was reported that Yuriy Shukhevych was released in 1956 because of the fact that he was a minor when first arrested. However, he was sent back to Vladimir Prison because the Prosecutor-General Roman Rudenko termed him "the son of a nationalist leader." This seems to be his only offense. In 1979, Shukhevych renounced his Soviet citizenship and joined the Ukrainian Public Group To Promote the Implementation of the Helsinki Accords.

Vyacheslav Chornovil received a degree in journalism from Kiev University in 1960. The Ukrainian Society of Greater Cincinnati traces his problems to his refusal to testify at the trial of some 30 Ukrainian intellectuals in 1966. He had a book published in the West entitled "The Chornovil Papers" which precipitated his arrest and imprisonment for slandering the Soviet state in 1967. He was arrested again in 1972.

Mr. Chornovil is a true believer in human rights and in 1979 he became a member of the Ukrainian Public Group To Promote the Implementation of the Helsinki Accords. Chornovil is currently living in exile in the Yakutsk A.S.S.R. He renounced his Soviet citizenship on March 1, 1975, and applied to leave the country.

Through the works of groups such as the Ukrainian Society of Greater Cincinnati and the Joint Committee of Soviet Occupied Nations, and the continued attention of the Congress, the Soviet Union will know that freedom-loving peoples will never forget their cruel subjugation of nations such as Ukraine.●

● Mr. McHUGH. Mr. Speaker, it is my privilege today to join in celebration of the 63d anniversary of the Ukraine's Declaration of Independence.

This is a day on which Ukrainians throughout the world commemorate the innumerable sacrifices of their countrymen on behalf of the Ukraine's right to a free and independent existence. There are over 2 million Ukrainian Americans in this country, and I am immensely glad that many of them reside in New York's 27th Congressional District, which I am privileged to represent. At the same time that they preserve their homeland's precious cultural, historical, and spiritual heritage, they continue to make invaluable contributions to the flourishing of democracy in the communities of their adopted country.

I salute them for their perseverance, I rejoice with them in the vitality of their spiritual values and their dedication to freedom, and I urge all my fellow citizens to observe carefully their example—for those who take freedom for granted cannot be motivated to preserve its blessings.

In particular on this occasion, I commend the great energy and contributions of the members of the Ukrainian Congress Committee of America. This organization, with branches throughout America, is a national representative body of American citizens of Ukrainian descent. It embraces over 1,200 Ukrainian American organizations, clubs, fraternal lodges, veteran and youth societies, women's and sports groups, as well as cultural, social, church, and political organizations. It is a dedicated and eloquent advocate of freedom and independence for the Ukraine, which has been under the forcible domination of the Soviet Union since 1922. During that period of time, the Soviet record has been an infamous saga of genocide, ethnocide, cultural suppression, religious persecution, economic exploitation, and wanton violation of human and national rights.

As we join this year in commemorating the day on which the people of the Ukraine achieved a freedom that lasted all too short a time, we are reminded of the anguish that engulfed our own country over the past 14 months as several dozen of our fellow citizens were imprisoned by international criminals in Iran, who do not respect principles of international law and cooperation. During this past year, Mr. Speaker, we have also been able to observe the chilling reality of Soviet expansionist intentions in the brutal Soviet invasion of Afghanistan. Yet, given the sordid example of Soviet tyranny over the Ukraine and so many other captive nations, we should not be surprised. What is now important is that we take to heart the lessons which current history teaches us about international treachery—which we have recently experienced in our dealings with Iran and which the people of the Ukraine have for so long suffered at the hands of the Soviets. It is now our vigilance and firmness which must put those lessons into practice, both for our own security and the survival of liberty in a volatile world.●

● Mr. McGRATH. Mr. Speaker, today we commemorate the 63d anniversary of Ukrainian Independence Day. In the midst of these turbulent times of international crises fostered by Soviet aggression and expansionism, it is fitting that we pause for a moment and reflect on our own fortune as citizens of this great Nation. At the same time, we should consider those whose freedom was deprived by a brutal Communist takeover in 1922.

Since that year, the citizens of the Ukrainian National Republic have been subjected to a constant program of repression and denial of basic human rights inspired and carried out by the Government of the Soviet Union. The slaughter of hundreds of thousands of innocent people, the attempts to denigrate and destroy Ukrainian language, culture, and religion, and other official policies enforced by the Soviets, have been courageously endured and steadfastly opposed by the people of the Ukraine. Those who have attempted to protect Ukrainian institutions have been systematically persecuted by the Soviets in flagrant disregard for international agreements respecting human rights of all nationalities such as the Helsinki Final Act.

Today as the military forces of the U.S.S.R. continue their ruthless incursion into Afghanistan and threaten the infant Polish labor movement, let us not forget the captive nations such as the Ukrainian National Republic who remain in the grip of Soviet communism. I urge every Member of this body to redouble his or her resolve to protest the activities of the Soviet Government to coerce people of many nations into a single Russian Communist State. We must use every appropriate forum to support the Ukrainian people in their quest for true independence from Soviet domination.●

● Mr. McCLORY. Mr. Speaker, one of the facts which many Americans tend to forget is that the political entity we refer to as the Soviet Union or Russia is in fact an empire that has absorbed and suppressed many other nations and ethnic groups. While the Russians are the largest single group in this empire, they do not make up much more than half of the total population of the Soviet Union.

After the Russians, one of the largest nationalities in the Soviet Union is the Ukrainians. The Ukraine has a long and proud history. Although it has been united with the Russians, it also has known independence.

Its cultural history is distinctive and brilliant. The Ukraine has historically been close to a diversity of European influences, just as it is relatively close to the main body of Europe geographically.

Ukrainian culture is also ancient. Its capital, Kiev, was the site of a brilliant civilization over 1,000 years ago. In fact, in 1988 many Russians and Ukrainians will celebrate the bringing of Christianity to Russia by St. Vladimir, the Duke of Kiev.

That celebration will not be joined in by the militantly atheistic Soviet State, which represses religion just as it represses all forms of national culture which threaten its political hegemony. It is appropriate, then, that we take today to pay tribute to the courage and historical achievements of the Ukrainian people.

Mr. Speaker, I commend my colleagues, SAM STRATTON and ED DERWINSKI, for taking this special order and I join with them in honoring the people of the Ukraine as well as all Americans of Ukrainian descent.●

● Mr. LENT. Mr. Speaker, January 22, 1981, marks the 63d anniversary of independence for the people of the sovereign state of the Ukrainian Republic. I am pleased to be part of this memorable celebration which commemorates a most significant event. As a nation of people who enjoy personal liberty, we should not be complacent about the greatness of our country or the many freedoms it offers us. The people of the Ukraine are struggling to secure the rights and freedoms that we as a nation fought for and won over 200 years ago. We should join together in saluting the Ukrainians to demonstrate that they are not forgotten by those of us who cherish the freedoms of a free society. Standing firmly and proudly, the people of the Ukrainian Republic have courageously battled continuous Soviet domination. The Ukraine, which is the largest non-Russian nation within the U.S.S.R. and all of Eastern Europe, has a strong and commendable record of opposition to the aggressive imperialism of Soviet Russia. The Ukrainian Congress Committee of America, Inc., serves an admirable function by drawing attention to the plight of those who live through this terrible ordeal.

The Ukrainian spirit remains undaunted and strong in spite of the adverse conditions these people valiantly struggle against. The Ukrainians nurture a flickering flame of freedom that cannot be snuffed out by acts of Soviet imperialism. For their courage and constancy, they deserve our support.●

● Mrs. HOLT. Mr. Speaker, we sometimes forget that the Soviet Union is an empire of many nationalities dominated by the Russians, and the non-Russian people have never abandoned their longing for independence.

It is time for this House to again remind the world of Russian imperialism. The largest nationality under Russian imperial rule is the Ukraine, and today we commemorate the brief period of independence enjoyed by the Ukraine from 1918 to 1920.

When the czarist empire collapsed in 1918, the Ukrainians declared their independence and governed themselves until the Soviet Russian empire swallowed their country in 1920.

But the spirit of independence has never died in the Ukraine. Incidents of dissent continue to arise, and the people cherish their language, their culture, and the hope of independence.

Mr. Speaker, as we celebrate the 63d anniversary of Ukrainian independence, let us express faith that these people and the other captive nations of the Soviet empire will someday be free.●

● Mr. BLANCHARD. Mr. Speaker, I rise to join in this special order commemorating the 63d anniversary of the proclamation of Ukrainian independence.

The fall of the Russian czar was a great moment in Ukrainian history. It was an opportunity for the men and women of the Ukraine to form their own free government. But that joy, that taste of freedom, was shortlived. The government that began so valiantly on January 22, 1918, was wiped from the face of the Earth by the coming to power of the Communist regime.

The freedom enjoyed by the people of the Ukraine between 1918 and 1923 when the Soviets took control will be years always worthy of celebration. At the same time the Soviet domination of the Ukrainian people should never be accepted or tolerated by any freedom-loving individual.

I will continue to hope that freedom will return to the people of the Ukraine and I urge my colleagues to join me in lending support to their cause.

At this point I insert in the RECORD some material recently sent to me by Dr. Anthony Zukowsky, the president of the Metropolitan Detroit Branch of the Ukrainian Congress Committee of America:

UKRAINIAN CONGRESS COMMITTEE OF AMERICA,
Detroit, Mich., January 17, 1981.

HON. JAMES J. BLANCHARD,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BLANCHARD: As the 97th U.S. Congress begins its sessions, we would like to call your attention to the fact that, in January, Ukrainians, all over the free world, will celebrate the Proclamation of the Independence of Ukraine.

January 22, 1981 will mark the 63rd Anniversary of the Proclamation of the Independence of Ukraine and the 62d Anniversary of the Act of Union, whereby all Ukrainian lands were united into one independent and sovereign nation. Both, the Independence of Ukraine and the Act of Union, were proclaimed by a duly elected parliament in Kiev, the capital of Ukraine, on January 22, 1918 and in January, 1919.

This sovereign Ukrainian nation was immediately recognized by a large number of nations, including France and England. Diplomatic relations were established with them. Recognition was granted, also, by Soviet Russia. But, despite the fact that the Soviet government had officially recognized Ukraine as an independent and sovereign state, communist forces attacked Ukraine both by military aggression and by subversion from within.

For three and one-half years the Ukrainian people waged a gallant struggle in defense of their country, alone and without aid from the western nations and unfortunately were overpowered by numerically stronger and better equipped Russian Bolsheviks. They destroyed the Ukrainian National Republic and created a communist puppet government known as the Ukrainian Soviet Socialist Republic.

The entire history of the Soviet-dominated Ukraine is a ghastly record of inhumanity, outright persecution and genocide and in last year's Russification and violation of human and national rights, on a scale not yet known in the history of mankind.

In summing up, the colonial rule of Soviet communism, in Ukraine, can be characterized by the following:

A. During the sixty years of Moscow rule in Ukraine, literally millions of Ukrainians have been annihilated by man-made famines, deportations and executions.

B. Both the Ukrainian Orthodox Church and the Ukrainian Catholic Church were ruthlessly destroyed and their clergy, along with hundreds of thousands of their members, were arrested, persecuted and many killed.

C. All aspects of Ukrainian life are rigidly controlled and directed from Moscow.

D. Permanent violations of human and national rights was instituted in Ukraine. Thousands of Ukrainians have been charged with "anti-Soviet propaganda and agitation," arrested, tried and sentenced to long terms. Many have been tortured and confined to psychiatric asylums where drugs and chemicals are forcefully administered.

All members of the Ukrainian public group to promote the implementation of the Helsinki Accords were arrested, tried and sentenced to from seven to ten years, among them such prominent members as Mykola Rudenko, Oleksa Tykhy, Mykola Matusewych, Myroslaw Marynowych and Lew Lukianenko.

The Russian-Communist enslavement of Ukraine has brought much suffering to the people of Ukraine. In spite of this oppressive yoke, Ukrainians have never accepted foreign domination and are continuing to struggle for human rights, freedom and national independence. The new breed of young and adamant fighters for human and national rights gives us hope that Ukraine will be free again.

The Ukrainian people, in the free world, are celebrating the memorable January 22nd as their greatest holiday. Also, for many years, the 22nd of January has been proclaimed, in our American cities and states from coast to coast, as Ukrainian Independence Day.

Therefore, it is in the common spirit of liberty, faith and justice that the American people, and especially the U.S. Congress, join Ukrainians all over the world in giving moral support to the Ukrainian people in their struggle for Human Rights, Freedom and National Independence for Ukraine.

Sincerely,

DR. ANTHONY ZUKOWSKY,
President, Detroit Branch.

ANNIVERSARY OF UKRAINE'S FREEDOM AND INDEPENDENCE

A BRIEF HISTORY

January 22 is the anniversary of one of the most important dates in the modern history of Ukraine: that of the rebirth of the independent Ukrainian state.

With the fall of the Russian and Austro-Hungarian empires, both of which controlled Ukrainian territory at the time, the Ukrainians, who for centuries had been resisting foreign domination of their country, took a decisive step towards insuring their national freedom. On January 22, 1918 the Ukrainians declared their full and unqualified independence from all foreign powers.

The Ukrainian Revolution took on, at once, an essentially national character. A Central Council (Central Rada) was established in Kiev and became the center of the Ukrainian liberation movement. It organized the Ukrainian National Army, established Ukrainian schools, introduced Ukrainian administrative and judicial systems, and prepared a Ukrainian Constituent Assembly. By these actions it established a full-fledged independent state: the Ukrainian National Republic.

After a heroic struggle lasting three years, the Ukrainian National Republic, as we all know, succumbed to the numerically superior military forces of Communist Russia.

The alien Communist power destroyed the Ukrainian national state and replaced it with a puppet and subservient government with the name of the "Ukrainian Soviet Socialist Republic." Even though it became a charter member of the United Nations in 1945, it is not a true government of the Ukrainian people, but an instrument of the Russian Soviet colonial empire, which enslaves and brutally persecutes the Ukrainian people.

Ukraine, with a population of 50 million, embraces 289,000 square miles, making it the largest country in Europe; in population it ranks fifth, and its natural resources make Ukraine one of the richest European countries. Its capital, Kiev, was the center of eastern European trade and culture long before Moscow was built. Despite its size and wealth, Ukraine is practically unknown; for most people it is "just a part of Russia." This gross misconception stems from the common practice of using the terms "Russia" and "Soviet Union" synonymously. This is incorrect because Russia is only one of the republics which make up the Union of Soviet Socialist Republics.

Ever since the conquest of Ukraine by Communist Russia in 1920, the Ukrainian people have suffered political and cultural repression, economic exploitation, and all-encompassing Russification. Both the Ukrainian Orthodox and Catholic Churches were destroyed brutally. In an enforced collectivization of Ukraine's agriculture in 1932-33, some 7 to 10 million Ukrainians were starved to death by the government-sponsored famine. During and after World War II, hundreds of thousands of Ukrainians were deported, exiled or annihilated for their support of the Ukrainian Insurgent Army (UPA) and the Organization of Ukrainian Nationalists (OUN), both of which fought against the Nazis and then the Soviet Russian occupation of Ukraine.

On the 63rd anniversary of the proclamation of Ukraine's independence on January 22, 1918 and the 62nd anniversary of the Act of Union on January 22, 1919, whereby all Ukrainian lands were united into one sovereign and independent state of the Ukrainian people, the true ideal of Ukrainian Independence lives on in the hearts and minds of the Ukrainian people, as attested to by writings, memoranda, appeals and trials of Ukrainian patriots-dissidents in Ukraine. In mid-1979, 18 prominent Ukrainian political prisoners and members of the Ukrainian Helsinki Group, appealed to the U.N. to take appropriate steps for Ukraine's secession from the USSR, which they called an "occupation government" installed by Communist Russia. In early 1980 an appeal from the "Ukrainian Patriotic Front" supporting the statement of other Ukrainian dissidents called for the secession of Ukraine from the Soviet Union.

At this time, when the free world is stunned by the Soviet seizure of Afghanistan and Moscow's readiness to move into Poland, the anniversary of Ukraine's Independence is a reminder of the fact that Moscow's aggression and conquest of independent nations is not a novel development.

In past years many U.S. senators and congressmen, governors and mayors paid tribute to the Ukrainian people on the anniversary of Ukrainian Independence in official proclamations and statements, thus giving encouragement and hope to Ukrainians in their struggle for the rebirth of Ukraine's freedom and independence to which they are rightfully entitled under the law of God.

We hope that American officials will again voice their support of Ukrainian aspirations in this crucial year during which the world at-large is threatened by the forces of darkness more than ever before.

UKRAINIAN CONGRESS COMMITTEE OF AMERICA.

JANUARY 5, 1981.●

□ 1300

RUSSIAN GRAIN EMBARGO SHOULD BE CONTINUED

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. PEYSER) is recognized for 60 minutes.

Mr. PEYSER. Mr. Speaker, the topic that I wanted to bring out today—and it could not be more timely, because my understanding is that the President and his Cabinet are meeting tomorrow to discuss the issue—is the continuation of the grain embargo against the Soviet Union. This was the embargo that was put in place by President Carter at the time that the Soviet Union invaded Afghanistan.

At that point, Mr. Speaker, the entire world was justifiably deeply disturbed and upset at the move that the Soviet Union had made, and in finding a response that was very meaningful the United States reached the decision that it would embargo the balance of the grain shipments that had been agreed upon to sell to the Soviet Union. We also, at that time, put in place several embargoes on technological equipment, and if the members will recall, we, in effect, embargoed the U.S. participation in the Moscow Olympics.

Now, since that time there have been efforts made right here in the House of Representatives to lift the embargo. Last fall an effort was made, and the House in its wisdom defeated that effort by nearly 100 votes. There are those today, of course, who sincerely feel that the embargo should be lifted at this time.

President Reagan is finding himself in a very difficult situation—but no one ever told him that the Presidency was going to be easy—whereby in his campaign he very clearly stated that it was his intention to lift the grain embargo when he became, or if he became, President. Well, now he has

become President, but with the Presidency has suddenly come both increased information of the impact of the grain embargo on the Soviet Union and also the responsibility of what the lifting of the embargo means to not only the Soviet Union, but to the rest of the world.

First, let us discuss for a minute, Mr. Speaker, as to the meaning of the lifting of the embargo at this time, and the kind of message it conveys. The Soviet Union today still has 80,000 combat troops in Afghanistan. A colleague of ours has just recently returned from China, and was at a meeting with the Foreign Minister of that country. The Foreign Minister said to him, "Are you going to legalize the invasion of Afghanistan by lifting the embargo?"

That is exactly how it would be viewed. I do not want to keep an embargo forever. That is certainly not my intention, and would not be. I think an editorial yesterday in the New York Times spoke very clearly to this point, that we should not be talking about the fact that we are going to embargo the Soviet Union forever, but to lift the embargo, as I said in this one instance of one government's reference to it, but other governments around the world would say, "What is the matter with the United States?"

The big problem that they have been discussing over the years has been that we do not seem to have a foreign policy. We say one thing one day, and then a little time goes by and we say something else even when the situation has not changed.

Now, the argument that I hear is that some of the countries that are saying, "Stay with the embargo," are selling grain to the Soviet Union. Well, I cannot control that, nor can this Congress, but certainly we can take the action that allows our own integrity and our own honesty in the situation to prevail, and I think this is of the greatest importance.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I will be glad to yield.

Mr. FINDLEY. I thank the gentleman, and I thank him for bringing this topic to this Chamber. I can recall when he served as a member of the House Agriculture Committee, that time as a Republican. Now, he is on the other side of the aisle, and perhaps has a little different view of certain things like this.

I am struck by the gentleman's comment as to the response of the outside world should we choose to eliminate the embargo, and the gentleman relates that to the presence of Soviet troops in Afghanistan. Now, I am almost led to the conclusion from the thrust of the gentleman's remarks that he would think it unwise ever to lift the embargo so long as Soviet troops remain in Afghanistan. Is that a fair conclusion?

Mr. PEYSER. I would say that if circumstances do not change from where they are today, that that would be a fair conclusion. However, if the Soviet Union in its dealings with the United States on, say, the opening of rearmament talks or on other areas that would serve the United States well, and wished to use the shipment of grain as a bargaining point, I would certainly say that I think our State Department and the Executive and the President himself should give consideration at that time to a lifting of the embargo.

But, I am talking about where we are today, and today we have no indication of the Soviet Union's willingness to do anything in the area of disarmament; to do anything to help the United States, and they still have these 80,000 troops in Afghanistan.

Mr. FINDLEY. If the gentleman will yield further——

Mr. PEYSER. I will be glad to yield.

Mr. FINDLEY. The gentleman can conceive of circumstances in which he thinks the embargo should be terminated, notwithstanding the fact that Soviet troops remain in Afghanistan. Is that a fair statement?

Mr. PEYSER. I say that that is possible, depending on the circumstances at the time that we would reach that decision. I am saying that it would be possible, if the Soviet Union in this very real world that we are living in, were to make moves and steps that the United States felt were in its advantage, and would serve the purpose of peace in the world; but short of that, I would say that as long as the Afghanistan situation remains alive, with nothing else to counter it, that the embargo should stay in place.

Mr. FINDLEY. I do not wish to intrude heavily on the gentleman's time, but will the gentleman yield further?

Mr. PEYSER. I will be glad to yield. We have plenty of time. I will be glad to yield.

Mr. FINDLEY. When the embargo was first announced, I voiced my concern, my opposition. One of the concerns I had was that President Carter was, in a sense, sending a boy to do a man's job. The grain embargo could cause inconvenience and cost to the Soviet Union, but it was unlikely to be viewed by the Soviet Union as a lever, as an influence large enough to alter its attitude on a major foreign policy undertaking like the invasion of Afghanistan. In other words, it was not a club that would cause the Soviets to back away from this major undertaking. It was more like a powder puff.

I still see it that way, and I would like to make the observation—perhaps the gentleman would like to comment on it—I would be inclined to think that the Soviet Union will invade Poland to save its own purposes within the Warsaw Pact whether we have a grain embargo or not. I doubt that the existence or the absence of a grain embargo would weigh not 1 ounce on either side of that decision by the Soviet Union. I wonder if the gentleman would agree with me on that point?

Mr. PEYSER. Well, I would unfortunately have to strongly disagree with the gentleman on that point. You see, I feel that one of the things that has kept the Soviet Union at this point from invading Poland was the reaction of the world—not just the United States—the reaction of the world at the time they invaded Afghanistan. I believe they were quite shocked to see the reaction of the world expressed in the United Nations in opposition to them; the Third World countries and practically every country speaking in strong opposition.

Now, coupled with that was the action of the United States in moving on something like the grain embargo and on moving on the technological embargo of equipment. I think that it is important not to think for a minute that this has had no impact on the Soviet Union.

Mr. FINDLEY. It may well have had an impact, but what effect has it had on Soviet policy?

Mr. PEYSER. I think the effect it has is that the Soviet troops today: First, have not invaded Poland; second, I recognize that they might if the circumstances in Poland get to such a degree that they will then waive all other considerations, and they could very well make the invasion.

I happen to believe that the grain embargo has been a specific way of showing the Soviets that we mean something. We have said it, and it has cost them. When you look at the figures we are now getting on things like their cattle production, which has been cut back substantially because of the lack of feed grains, because of the bad crops they have had, practically running over 2 years; with their next year's grain production at 180 million metric tons instead of 235 million metric tons that they had anticipated; where they are out in the world almost paying, incidentally, far more for this replacement grain; where they have paid in the last year over $1 billion of their hard currency to try to replace, and they have not fully replaced it.

The figures we got, the argument on this issue, were based on the fact that they had only replaced 45 percent of the grain we were going to be committed to give them. I think we have had a real impact, and it was very worthwhile.

Mr. DASCHLE. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from South Dakota.

Mr. DASCHLE. Mr. Speaker, I thank the gentleman for yielding. I want to commend him for taking this time before the House today to address this issue.

I want to address a point that was raised both by the gentleman from Illinois and the gentleman from New York in regard to what it was that the Soviets reacted to. I do not believe that the Soviets reacted at all to the embargo itself. Rather, I think they reacted to those other world pressures, political that they were, upon the Soviets placed by the entire world within the United Nations, within various other elements.

We have the ability to put upon the Soviets the kind of pressures that they felt. But when it comes to the embargo itself, I would argue very strongly with the gentleman from New York that food should not be a weapon at all. In this case, it has not worked. As a matter of fact, I think the Soviets are laughing all the way to the grain bin when it comes to the hard-learned lesson we have had to suffer for the last year.

The gentleman from New York was talking about the cost to the Soviets in terms of hard currency. He used the figure of about a billion dollars. But the cost to the U.S. Government, according to the Department of Agriculture, was $3.4 billion last year. When we estimate the actual cost to the farmer and to the Government, I have seen estimates of up to $10 billion.

The export price of grain in December 1979 was $120 a ton for corn. By April, that fell to $112 a ton. As a measure of comparison, let us look at Argentina. With Argentina, we saw that $120-a-ton corn rise by April to $160 a ton. We had a $48-a-ton disparity between United States and Argentinian grain.

When we talk about grain and the cooperation we received from our allies, I think we can point to Argentina, Australia, and even to a certain extent Canada, and the lack of cooperation we have had there.

So the net result—the net result of this grain embargo to the Soviet Union during the last crop year was dismal. Out of the 35 million tons they were supposed to get, according to the Department of Agriculture, they received all but 4 million tons—31 million out of 35 million tons over the last year were delivered. This year, with the 34 million tons they are expected to receive, they are going to receive 34 million tons, so if we take that 4 million tons, the cost to the Federal Government was about $1 billion—not the total cost, but the cost per ton to the American taxpayer and to the farmer across this country. What kind of policy is that?

I think the action taken in Afghanistan was inexcusable. I think we need to find areas where we can show the Soviet Union that we are absolutely abhorred by the kind of intervention in another country. But for us to use the embargo which, as the gentleman so eloquently pointed out, is not a weapon at all, clearly demonstrates that we again have stubbed our toe very seriously in our foreign policy.

I think the time to remove that embargo is now and there is an element of fairness in this. The Reagan campaign was laced with arguments, very well put, that the embargo needed to be removed. There are millions of people in this country who at least in part made their decision on whom they were going to vote for on the basis of those arguments. It is only a question of truth and fairness that now the administration is in office, they remove that impediment to proper foreign policy, to proper agricultural policy, and to a fair shake for the U.S. farmer.

Mr. PEYSER. Mr. Speaker, I thank the gentleman from South Dakota (Mr. DASCHLE), and before responding specifically to the gentleman, I yield to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, I appreciate the gentleman's yielding.

Mr. Speaker, President Reagan is expected to make a decision this week on whether or not to continue the embargo on exports of agricultural commodities to the Soviet Union. This issue is not a simple one; it is not black or white. I urge him not to forget why the embargo is so strongly opposed in the agricultural sector, but, at the same time, I hope he does not let himself be trapped by the rhetoric of last fall's campaign.

Clearly, my record shows that I am no advocate of trade restrictions of whatever type. They create blockages in the international economic system which time and again have meant problems for Americans. I also trust it is clear that I, like all Americans, strongly disapprove of Soviet expansionism. The Soviet move into Afghanistan last year was a travesty, and the potential threat the Soviets now pose to Poland is something we must see does not become a reality.

The President's options as far as what to do about the future of the embargo are not limited to continue or not to continue. Clearly, he cannot ignore the need to alleviate the burden on farmers which he so strongly emphasized during the campaign. But he also needs to remember the theme of consistency in foreign policy which he found lacking in the Carter administration during the campaign.

President Reagan's recent statements about the Soviet Union have been tough, they indicate that we are posturing ourselves in a hardline position vis-a-vis the Soviets. Lifting the embargo without condition at this point would send just the opposite signal. While the administration is talking about reasserting U.S. resolve and muscle around the world, completely lifting the embargo would add to the image of fragmentation and weakness. The Soviets would likely disregard the rhetoric and our allies would be left totally confused.

Fortunately, President Reagan does have another option. He can lift the embargo with conditions. We are all aware that in many ways the embargo has been circumvented. All too many of our allies have not cooperated in stopping their own grain sales to the Soviets. And, when a decision was made by our Government last summer that affiliates of U.S. grain companies could continue sales to the Soviets, the impact of the present embargo was severely minimized and the inequity it imposed on American agriculture was made even more blatant. At that point, I came to the conclusion that we should terminate the embargo.

But, especially in light of the precarious situation in Poland, I think we should lift the embargo conditionally. In announcing his decision, President Reagan should make stridently clear his willingness to reimpose the embargo—in a more effective and equitable fashion—should the Soviets continue their aggressive posture in whatever part of the world. For example, should the Soviets put even one toe inside Poland, they should realize that we will cut off these shipments. This is clearly within his authority under the Export Administration Act.

And he needs to address the problems which the embargo has created. The burden has fallen entirely on the farm sector. That is simply not fair.

In the hurry to put the embargo into place last year, the Carter administration devised an ineffective, bureaucratic program of commodity purchases to help the American farmers who all of us realize were shouldering the economic burden. The program has not worked. Perversely, the preeminence of American agriculture made this embargo a meaningful weapon, and our agricultural producers have been dealt its harshest and most demonstrable blow.

Current law requires an increase in loan rates when an embargo is imposed for reasons of short supply. That would moderate price fluctuations and maintain market levels. But, since this embargo was imposed for foreign policy reasons, that requirement was not activated. Instead, the unworkable and inadequate purchase program was put into place.

We need to extend the application of that price protection provision to all embargoes when the farm bill is reworked this year. Specifically we need

to insure that farmers receive 90 percent of parity loans in the event of an embargo. And, in the meantime, this President who in his campaign recognized rhetorically the hardship which the embargo was causing our farmers has an obligation to see that such price protection is put into place administratively and without delay.

So, as I see it, President Reagan's decision is not simply one of to continue or not to continue the embargo. And it should focus immediately on the need to see that any burden caused by such an embargo is shared by all Americans.

Mr. GLICKMAN. Mr. Speaker, I thank the gentleman from South Dakota (Mr. DASCHLE) raises some interesting issues here. I came out against the embargo predominantly because I felt the bureaucratic nightmare that resulted from the implementing of it and the unfairness of the embargo were outrageous. I still do not like the embargo, and I do not like the fact that farmers were given so little priority in the area of market protection.

But after watching the President call the Russians thieves, liars, and cheats and after seeing what conceivably is going to be the policy of this administration, I say that we have got to decide what is a rational policy to pursue in this area and still protect the farmer.

I have a third option. The gentleman may have talked about this before. That option is that there is a possibility—and we have checked this under the Export Administration Act—that we could lift the embargo conditionally. The President can keep what I call conditional ad hoc authority over all sales over and above whatever the embargo limits are.

For example, he could announce that we would lift the embargo, but should the Soviets put even one toe inside Poland, they should realize that we would immediately cut off shipments.

The reason why I say that is because I think, in all fairness to the President, what we have seen as his extreme position on the question of relieving the embargo is because of his interest in free trade.

I agree with that. These embargoes do not work. The Russians are getting most of the grain they would like to receive from everybody involved, and our agriculture is hurting in this country. But at the same time we have to recognize that this administration is taking a very strong anti-Soviet policy, and after our President calls them every name in the book, then to say, "You can have it all" would probably be an unusual signal to the world, and one that I think is perhaps not particularly prudent right now.

So what I say is this: I say that he ought to lift the embargo but, pursuant to his authority under the Export Administration Act, do so conditionally with strings, and to this extent: to the extent that the Soviets engage in any specific behavior—and he may have to outline the kind of specific behavior he is talking about—that any shipments that would be lifted would be immediately stopped. And in addition, of course, we need to pursue in our own farm legislation methods to protect our farmers in future embargoes, such as 90 percent of parity loans.

But I submit that we may have ourselves in a situation here in which we have campaign rhetoric on both sides that may not result in the best kind of both farm policy and foreign policy.

I want to see this embargo lifted, but let me say that I have taked with many of my farmers and they say that they want to see it lifted, but after hearing the Russians called thieves, liars, and cheats and worse, they ask, what are we going to do? That is not sending a proper signal.

So, Mr. Speaker, all I am saying is that I think we have an obligation to lift the embargo, but, based on the Export Administration Act, I think we can lift it conditionally.

Mr. PEYSER. Mr. Speaker, I thank the gentleman from Kansas, and I yield further to the gentleman from South Dakota (Mr. DASCHLE).

Mr. DASCHLE. Mr. Speaker, let me take just 1 minute because I want to address a point that I think we may have been forgetting. That is that we do not have a complete embargo today. The President may have called them liars and cheats already, yet on the same hand we are exporting many goods to them right now. That is one point raised by the farmers frequently. We should put on a complete embargo if indeed we have one at all. We are not doing that, so in essence we are in the position the gentleman from Kansas has already outlined.

Mr. GLICKMAN. Mr. Speaker, if the gentleman will yield further, we made the decision last year in the House that we would not cut off the Russians entirely from purchasing goods. I believe that was the McDonald amendment that was defeated.

We have a question of symbolism here. One is that the farmers got the shaft in the embargo, and that is clear. There was not any market protection mechanism for them, and I think they were improperly singled out.

Second, the rest of the world, particularly Western Europe and Eastern Europe, may be getting the shaft from the Russians, so somehow we have to combine those two things and come up with some sort of sensible policy to protect our farmers which at the same time does not make Ronald Reagan look like a fool to the rest of the world.

As much as I would like perhaps to see our party predominate in the executive branch, it does not predominate now for 4 years. So I am saying that perhaps we do have a conditional embargo here, and I am saying that symbolically we could devise a policy that says, "It is lifted, but, fellows, you step one toe in Poland, and it slams on back again, and maybe worse." That is just a possible suggestion.

Mr. PEYSER. Mr. Speaker, I would like to respond to those remarks, but first I will yield to my friend, the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, I thank the gentleman for his generosity in yielding.

I am very pleased to hear what the gentleman from Kansas (Mr. GLICKMAN) has said. The Export Administration Act clearly gives the President the authority to act as he suggests, but the 5-year grains arrangement with the Soviets does the very same thing because it provides that whenever the Soviet Union should seek to secure commodities beyond the 8 million ton level, they shall make their wishes known in a conference with officials of the U.S. Government, which means that the partial lifting or the interruptible lifting or the flexible lifting of the embargo would be accomplished by terminating it. And that would actually give the President greater leverage than whatever leverage does exist in grain sales.

Mr. GLICKMAN. And to come back again?

Mr. FINDLEY. Yes, to come back again and talk about other issues in connection with this request for sales or to terminate the whole thing, or, even more broadly, terminate the grain sales when Soviet behavior does its worst.

I have never been a fan of using food exports as a tool of international politics. They are very limited in their potential, for one thing, and probably in such circumstances, when the President shall decide yes or no on a particular sale of commodities, there are very few things that could influence Soviet behavior on a rather modest level. And why not use that, inasmuch as we have an international Soviet grain arrangement in place today?

Let us use it to the maximum. The best way to achieve that is to lift the total embargo that now exists on sales above 8 million tons on the interruptible or flexible basis the gentleman from Kansas recommends. I think that makes a lot of sense.

Mr. PEYSER. Mr. Speaker, I thank the gentleman from Illinois (Mr. FINDLEY), and I will yield further in just a minute. However, I do want to respond for just a minute.

Part of what was interjected here is the fact that the President during the campaign made very strong statements on what he would do, and, therefore, because he made those statements and the people elected him, he should go ahead and do it.

Now, I do not really think that that is what the American public thinks. I think the American public recognizes that he could have, with all the best of intentions, while he was campaigning, felt the grain embargo should be lifted, but upon assuming the Presidency—and many of us who have run for public office have found this kind of a problem—he suddenly becomes aware of a couple of things.

One is that in this great moving world of ours situations have changed. We really did not have the Polish situation to the point it is today when the President was campaigning last September and October. The President now has learned some things.

It is interesting for me to note the position of the Secretary of State, Mr Haig, who the President went to great lengths and battles, frankly, to get in place as Secretary of State, because, as we know, it was in the early stages a hotly challenged appointment, but President Reagan said he wanted General Haig. The Secretary of State, Mr. Haig, now does not support the immediate lifting of this embargo.

This is the man who the President has fought for to have in place to play a role in directing foreign policy. And now we have just seen in this last week that Mr. Stockman, one of our former colleagues, ventured into the foreign affairs world by putting an announcement out that he was going to recommend the cutting of foreign aid drastically. Then we saw Mr. Haig immediately move into this situation and demand who was running foreign policy. Mr. Stockman has since backed down from his position, as well he should.

But the point is that we have, as far as I know, the only member of the President's Cabinet today who supports the position of lifting the grain embargo, and that is in the person of the Secretary of Agriculture, Mr. Block.

I would like to caution my friends in the agricultural areas, because I think their people are just as patriotic and just as strong to do what is right for America, if not more so, than anybody else's. I think the battle they fight to see that their product is released so a greater area of profit may be realized by them may not really be reflecting their thoughts, because if the President reaches the decision, as I am convinced he will—and we will know very quickly whether I am right or wrong—from the talks I have had with people within the administration, I am convinced the President is not going to lift the grain embargo.

What I am doing here today, with nearly 70 other Members who have joined with me, including the chairman of the Committee on Foreign Affairs, who has long been opposed to the lifting of the embargo, and some of the very top Republicans on the committee who have also been opposed to lifting the embargo, is to point out the President is going to make a courageous decision because of the campaign and is not going to lift the embargo, and I think very properly so.

Mr. FITHIAN. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I am glad to yield to my friend, the gentleman from Indiana.

Mr. FITHIAN. Mr. Speaker, I thank the gentleman from New York for yielding, and I thank him especially for giving all of us an opportunity to engage in this colloquy.

Let me hasten to agree that the agricultural community is as patriotic as any segment of the American population. As my friend, the gentleman from Illinois (Mr. FINDLEY), well knows, because he comes from another strong farm bureau State, that organization and other farm organizations came out in support of the President's position when the embargo was announced, and that was an act of patriotism.

Their experience with embargoes can hardly be questioned. They experienced one under Ford and Butts on soybeans, and, prior to that, on other grains under other administrations. In each and every case they were harmed seriously economically. But I believe one of the reasons that they exerted and exhibited this kind of patriotism to which my friend, the gentleman from New York, alludes is that the President made an all-encompassing promise that the farmers will not bear this burden alone, and that it would be equally distributed among our people.

The fact of the matter is that for two or three reasons that did not turn out to be the case. First of all, the administration, as is typical of all administrations in the attempt to put on an embargo, with the problem of secrecy and all the other things that are needed, did not have the flexibility to negotiate with our other supplier nations to make it effective. So while this was being contemplated, we were not in a position to negotiate with Australia, Canada, and others, and did not do so, and while the embargo was in place those nations went ahead and concluded long-term grain agreements.

The second point I would like to make is that of the unfairness of which the President obviously was aware in the impending election when he said that all would bear equally, but it simply did not pan out. It works out to the long-term detriment of one segment of our economy. Each time we single out one segment's trade with another nation, any segment that is so easily dependent on foreign trade, once we single that out and impair for whatever reason the normal flow of goods, we raise the question in all of the foreign markets as to whether the United States is and will continue to be a reliable source of supply. Then we answer that question with an overwhelming "no," that we are not any longer a reliable source of supply. And this was no exception to that.

Staying just within the general farm and agribusiness related portion of the economy, I would point out to my friend, the gentleman from New York (Mr. PEYSER), that while we stopped grain sales, we did nothing to stop the sale of phosphates and fertilizers so the Russians could grow more grain. We did nothing to stop the sale of manufactured agricultural implements to assist the Russians, nor did we do anything to stop the sale of manufactured goods of other kinds, other things which most of us really believe—and I refer to the high technology items—would have actually done more damage to the Russians in the first place.

I have a kind of a theory about that, I will say to the gentleman from New York (Mr. PEYSER). I believe that the organized and more powerful interests in our economy are able to translate their viewpoints to Washington with a great deal more effectiveness than a very small minority, less than 3 percent of the people in the country, can accomplish. So those with large organized business interests are able to carry on their trade and their profitability, insure the integrity of their marketing situation, and insure continued relations regardless of how they feel about Soviet foreign policy.

There is still an argument with regard to the ineffectiveness of this particular embargo. My friend, the gentleman from South Dakota (Mr. DASCHLE), pointed out correctly that the Russians essentially got the grain they were trying to get. The Argentines appreciate, I am sure, the 65 cents to 95 cents per bushel on corn in terms of advantage over the world market, so the long-term impact on the market was not nearly what anybody expected it to be.

□ 1330

The point I would make to my friend, the gentleman from New York (Mr. PEYSER), is from this Member's standpoint, I think the interruption in basic commodity sales abroad is bad policy—always bad policy. You always come out on the short end of the stick and always end up hurting your own people more than you do the Russians in this case. However, if any future administration deems it necessary and goes ahead with it anyway, and we do not have the votes here to stop it, I think one could see the logic then of

saying that all should bear the burden equally, which means that we would stop sales of other kinds of products to the Russians. This was not done. I do not know whether we have the votes here on the floor of the House to do it—we did not the last time—but perhaps another try would make that better. I am just hopeful that the President will take a look at the fact that the Russians are still in Afghanistan, that they are still exerting their pernicious influence around the globe, and that in essence in terms of change or behavioral change of the Russians, the embargo was a failure and it continues to be a failure.

I would think, just as the gentleman has called upon the President to have the courage to change, I would call upon the President to have the courage of his convictions and commitments if there have been no great fundamental alterations. The Polish crisis was already brewing while he was making these statements in October. One can hardly stretch the Russian grain embargo to the point where one could attribute that to the reasons for the Russians not acting in Poland. I think without going into this, it is prima facie that there is a whole host of reasons why the Russians have not gone into Poland, and we believe and hope that those conditions prevail.

But I would hope that the usual syndrome within the administration of OMB, the State Department, and others who have little or no appreciation for the farm economy of this country—and I am not singling this administration out; they had very little appreciation of the farm economy in the Carter administration; I did not see any evidence of it in the Ford administration or the Nixon administration before that—and I would hope that that same kind of coalition within the Government is not this time powerful enough to overrule the President's reasonably good sense of things when during the campaign he pledged to the American people and to the American farmers, and carried farm State after farm State partly as a result, that he would lift the embargo.

I would call upon the President of the United States to uphold his commitment to the American farmers. We are asking him to make all kinds of sacrifices. We will go into a farm bill, and we will have all kinds of difficulty getting a decent farm bill. And I understand that, but I would hope that the President and this new administration would not back into what I think would be a continuation of a sad and sorry mistake in this economy.

The agricultural sector has perhaps appropriately been termed "the soft underbelly of the Soviet economy." Year after year, rigid, ineffective management, capricious weather, and the disincentives to productivity inherent in the Marxist system have combined to create a totally unpredictable pattern of harvests.

When the Soviet Union brutally invaded Afghanistan in December of 1979, the Carter administration responded within weeks by embargoing 17 million metric tons of grain destined for Soviet ports. However well-conceived the intention may have been to concentrate on the weakest link in the Russian economy, the sad fact remains that this decision was made without a prior assessment of the impact such action would have on our own farming community. That impact is known to us all by now: Our farmers suffered a drastic reduction in total income, while food prices kept pace with double-digit inflation.

Farmers have justifiably continued to protest the embargo; such policy sets a bad precedent. It is bound to harm long-range sales prospects, as it will drive traditional customers to other more reliable suppliers.

From the standpoint of foreign policy, the embargo was poorly administered from the outset. The announcement was made unilaterally, without first seeking international cooperation to successfully isolate the Soviets and shut them out of the market. Our action shook the confidence of our allies—while the embargo was in effect, Canada, Australia, and Argentina all concluded long-term grain agreements with the Soviet Union.

Aside from the demonstrable ineffectiveness of the embargo—85,000 Soviet troops are still dug in in Afghanistan—the inconsistency and unfairness of this policy has especially rankled the agricultural community. Although we withheld grain from the Russians, we continued to sell them farm machinery, phosphates and fertilizers, and a variety of manufactured goods. Clearly, the burden of this action was not equitably distributed across the American economy.

An ironic footnote to this whole affair deserves our attention. Although we have been quick to employ trade restraints on basic commodities which can be obtained elsewhere on the world market, we have blithely continued to provide the Soviet Union with samples of American high technology. For your review, I am having inserted in the CONGRESSIONAL RECORD an article which addresses this serious dilemma. By making available American technology—often produced only after years of painstaking and costly research and development—we allow the Soviets to have models which they can effortlessly duplicate domestically. The absurdity of this situation is clear.

My policy has always been one of opposition to embargoes. However, should any embargo become a policy initiative, it should in fairness and in quest of effectiveness be an across-the-board prohibition of all trade, including a cessation of scientific and technological exchange. The worst type of policy is one which singles out a special commodity for embargo, while other businesses are permitted to continue trade as usual.

I hope those of you who presently support the continuation of this unjust policy will weigh these remarks and consider the article I have submitted before you cast a vote on this issue.

The article follows:

SELLING RUSSIA THE ROPE

(By Arnaud de Borchgrave and Michael Ledeen)

For nearly two decades the West has been financing two separate defense budgets: its own, and a steadily increasing part of the Soviet bloc's. Some of president-elect Ronald Reagan's closest advisers insist that the new administration take the lead in establishing more stringent controls on the flow of information and advanced technology to the Soviet Union and other Warsaw Pact countries. But even though Reagan's counterparts throughout NATO countries and Japan agree with the diagnosis, they will be very reluctant to reduce high-technology trading with the communist nations.

In one of his most oft-quoted remarks, Lenin predicted that the capitalist countries would provide the Soviet Union the rope with which it would hang the West. And today, in the words of Senator Henry Jackson—

"* * * our export control system is a shambles. The United States and its allies have been selling the rope to the Soviets. What we haven't sold, we have been giving away in educational, governmental, and technical exchange programs. What we haven't sold or given away, they have been stealing."

In the last 10 years alone, Western countries have sold the Soviets $50 billion worth of goods, including machine tools; power lines; sophisticated technology that has gone into missiles and tanks; command, control, and communications systems; spy satellites; and radar. The Russians also have been able to purchase complete factories, designed and built by Western companies and financed with Western credits, that produce a substantial part of their military stockpile. Restraints on Western shipments to the Soviets actually have weakened in recent years. This is partly because the people and institutions that are supposed to regulate this traffic are generally ill equipped to judge the possible impact of technology transfer; and it is partly because of a blind faith in the virtues of East-West trade.

Last year, for example, Datasaab of Sweden sold the Soviet Union an air traffic control system that is able to detect any kind of airborne object (even if there is no radio signal), and also can determine if the object is a hostile aircraft or missile. The Datasaab system can calculate the flight path of the object, and can predict its location at a specific moment in the future. In short, the "air traffic control system" sold to the Soviet Union has many characteristics uniquely suited to military purposes. This Swedish system, destined for Moscow airport, contains American integrated circuitry and was sent to Moscow with American approval, even though some Pentagon officials expressed concern.

In 1972 the U.S. government approved the sale of 164 Bryant Centalign-B grinders to the Soviet Union. These machines manufacture tiny ball bearings to remarkably precise specifications—a 25-millionth of an inch. Such bearings are indispensable for advanced missile guidance systems. The Russians first had requested the Bryant system in 1960, when the Eisenhower administration approved the sale. President Kennedy's experts concurred the following year, but the president himself canceled the sale after a congressional investigation highlighted the enormous military potential of the technology. One expert told the Senate that:

"Our manufacture of these small devices is no secret—even the manner is not difficult to determine—but the capability to do it well and economically has taken years to develop and should not be sold to a potential adversary. . . . The situation is not one of selling our adversary a club—but machines which help to produce better clubs faster and cheaper."

Ten years later the Russians finally obtained approval from the Nixon administration, on the grounds that the Byrant technology allegedly could be duplicated by other countries (such as Switzerland). The $20 million deal was a bonanza for the Soviets, for it enabled them to produce a new generation of highly accurate ICBMs. The United States now face the possibility of having to spend tens of billions of dollars to defend its own land-based missiles against this new Soviet threat. "It is hard to believe," Lawrence Brady, former deputy director of the Office of Export Administration, told a Senate Committee, "It is hard to believe that machines comparable in quality and scale of production could have been acquired elsewhere, when the Soviets waited 11 years for Bryant to obtain an export license."

Sometimes it may be hard to see the military potential of the sales to the Soviets. But even when the military implications have been all too clear, the American government—like those of other Western countries—has failed to move. In 1977, for example, the government learned that many missile launchers were being produced at the Zil truck factory in Moscow, and that thousands of Zil trucks were being sent to military camps. Earlier, the Zil-131 truck had been used in Vietnam to move material down the Ho Chi Minh trail. Yet the United States continued to license sales of computers, computer parts, and even a laser system for use by Zil at both is truck factory and its laboratory in Moscow. American experts were able to establish that trucks from the massive American-built Kama River project were being used for military purposes, and here again there was no action to stop licenses for further support. American participation in the Kama River project—located in Naberezhnye Chelny in the Urals—was finally suspended when Kama trucks were found involved in the Soviet invasion of Afghanistan.

The Kama and Zil cases showed the failure of one of the major theories of detente—that the Soviet Union would become enmeshed in a network of agreements and interlocking interests with the West. Instead, in Senator Jackson's words, the Carter administration "behaved like a brain-damaged spider caught in its own web, unable to extricate itself."

Other Western countries have been similarly obtuse. For example, the West Germans have exported to Russia computer-controlled, multiple performance machines to treat titanium, thus facilitating the development of the most modern generation of Soviet missiles and the new monster Soviet submarine that is almost twice the size of the American Trident. And when the United States tightened export controls after the Soviet invasion of Afghanistan, the French announced plans to have their leading steel manufacturer, Creusot-Loire, build a $350 million electric steel plant in the Soviet Union.

Giovanni Agnelli, head of Fiat, has argued, "It is impossible to prove—with the exclusion of a few high-technology areas—that East-West trade adds more to Soviet power than it contributes to the well-being of the Western economies." Officials in the Commerce Department and in most European ministries of foreign trade seem to agree. But many military experts disagree. So do a striking number of émigrés and defectors from the Soviet bloc. They say Western technology is crucial to the growth of Soviet power. Dr. Igor S. Glagolev, a senior research member of the Soviet Academy of Science until October 1976, when he was granted asylum in the United States, told us that, "Soviet society would be confronted with intolerable strains without all the assistance they have received from Western countries." The Soviets buy much Western technological know-how, but they also get much of it free by exploiting the openness of the West. Roughly 80 percent of all requests to the federal government under the Freedom of Information Act regard industrial and scientific information. Some of these requests come from the Soviet bloc. Various federal departments are deluged with requests regarding patents, manufacturing methods, and engineering designs, and they often have no way to check the true source of the requests. "When I think of the hundreds of bits of information I release each year," a top Pentagon official said, "I shudder to think about the overall picture the Russians are able to obtain of our activities."

Soviet experts attend Western scientific conferences, take specialized course in Western universities, and have access to advanced research projects in Western laboratories. Western researchers have no such opportunities in the Soviet Union. It is interesting to compare the research projects of the 45 graduate students and "young faculty" from the Soviet Union studying here and the equivalent number from the United States studying in the Soviet Union in 1980. Almost all the Soviet projects in America are highly technical in nature (including such subjects as "interaction of ions and plasmas with solid surfaces," "automatic control as applied to space ships," and "principles of analog computer design . . ." while the American scholars in Russia are working on almost exclusively humanistic subjects like "Soviet Tort Law," "A Comparative Semantic Analysis of Verbal Aspect in Russian and Serbo-Croatian," and "Musical Genres in Russian Music."

The Soviets have used sleight-of-hand to stir up enthusiasm for, and reduce objections to, East-West technology transfer. For example, in mid-1972 the Russians put on an exhibition of their latest computer hardware in Moscow. According to Eugene Douglas, an executive of the Memorex Corporation, "Much of the equipment was not operation-ready. Some models were no more than empty shells, dummy machines displayed for effect." These "Potemkin computers" were intended to serve two purposes. First, they were meant to convince Western companies that there was—in the Soviets' own slogan—an "enormous untapped Soviet computer market." Second, they were meant to suggest that the Russians had made such substantial advances in computer technology that there were no longer any national security grounds to deny them our own computer technology. Once the first licenses were granted, all the other computer companies rushed to compete for the new market, thus enabling the Soviets to obtain even more information without actually making costly purchases: they simply asked representatives of one company what set their product apart from those of their competitors.

KGB agents have been caught in Western Europe and the United States attempting to recruit Western computer experts. Belgian computer engineers were contacted by KGB agents in an attempt to obtain microfiches of up-to-date computer designs, and one West German and an American were arrested in America in the mid-1970's in a similar case. More recently, Soviet specialists visiting the Boeing plant in Seattle, Washington, were found picking up metal filings from the floor of the factory by means of special adhesive soles on their soles. Boeing employees watched the Soviets take the metal pieces from their shoes and put them in their pockets. Expressions of concern from Boeing executives were pooh-poohed by State Department officials, who insisted that the Russians be permitted to carry out their visits.

The Russians have even begun to get Western technology by buying controlling interests in Western companies. One of these is Unitronex, located in Des Plaines, Illinois, just outside Chicago: Unitronex is partially owned by a Polish computer-electronic complex known as Unitra, and deals with some of the most advanced computer technology available in America today. None of this is illegal; American companies with foreign communist shareholders are permitted to do business just like any other American firm. According to sources in the Pentagon and the intelligence community, companies like Unitronex can gain access to advanced technology that might be denied for export.

There are now over 25 of these companies in the United States, a development that reportedly prompted a paper on the subject by the National Security Council this past summer. When the NSC study was subjected to an inter-agency review, the Pentagon urged that the names of these companies be published, so that everyone would know who they were. But State Department officials suggested that the government refrain from interference, and stressed the importance of good relations with the Soviet Union.

One of the basic themes of Soviet propaganda in favor of access to Western high-technology transfer is that such access could help the Russians develop their own energy supplies, and thereby reduce their temptation to launch a military strike in the Persian Gulf. This has been one of the central themes in the debate over the so-called "Dresser deal." In 1978 Dresser Industries of Dallas, a leading manufacturer of oil drilling equipment, obtained export licenses to build a $144 million plant to manufacture oil drilling bits in the Soviet Union, and for a computer-controlled electron beam welder that could be used in manufacturing the bits. The licenses were approved by both the Commerce and Defense depart-

ments, but Senator Jackson's Permanent Subcommittee on Investigations challenged the decision. In testimony before Jackson's subcommittee in October 1978, J. Fred Bucy, head of Texas Instruments and chairman of the Special Defense Science Board Task Force, identified the central question:

"There is no policy as to whether the United States considers it to be a good thing or a bad thing to help the Soviets develop their energy resources. Until that decision is made, it seems to me that we need to preserve the option, either to help them or not help. It is my personal feeling that if this drill bit factory goes through, we have, in essence, given that option away."

The Carter administration postponed final approval of the Dresser plan for two years, and the matter apparently was resolved shortly after the presidential elections when National Security Adviser Zbigniew Brzezinski—speaking for the president—announced that the Dresser factory should not be built for the Soviets. Carter's decision leaves the basic issue unresolved; president-elect Reagan will have to address the broader question of whether the West wishes to assist the Soviet energy program.

There is an international organization for controlling exports to the Soviet bloc, known as COCOM—the Coordinating Committee—that includes Japan and all NATO countries except Iceland. COCOM lists certain technologies that cannot be sent to the Soviet bloc without a special exemption. Before the Carter administration, most of the exemptions were granted to West European countries. In recent years, however, the United States has accounted for more than 60 percent of the special cases, thus making it difficult for the American government to demand a tougher stand from our allies. Exports to the East account for only a small part of American foreign trade, but they are far more significant to the Europeans.

The latest European breakthrough is West Germany's swap of technology for Soviet natural gas. The Soviets are attempting to involve most of Western Europe as part of the package, which amounts to some $12 billion. A group of Belgian banks is negotiating with the Soviets for a one billion dollar line of credit, and the country's largest bank has asked the Belgian government to guarantee the credit. The Soviets would use these credits to buy pipe and pipe-laying tractors of extraordinary size (currently under negotiation with the Caterpillar Corporation in Washington), and other equipment, and would repay with natural gas. If this package goes through, West Germany eventually will come to depend upon the Soviet Union for 30 percent of its natural gas, while the Soviets will have all the technology necessary to develop their own resources, and even build a pipeline into the Persian Gulf area.

Reagan favors a policy of linkage in dealing with the Soviets, and technology transfer is expected to play a major role in this policy. Reagan hopes to be able to reduce Soviet adventurism in the third world by threatening to withhold sophisticated technology. But there can be no linkage without full cooperation by all members of COCOM. Technology transfer is one more potentially divisive issue for the already strained Western alliance.

Arnaud de Borchgrave was chief foreign correspondent for Newsweek. Michael Ledeen is executive editor of the Washington Quarterly.

Mr. PEYSER. I appreciate the gentleman's thoughtful statement, and I also appreciate the sincerity of it.

I would like to make an observation regarding the agriculture community. When the gentleman was making the point of the comparative weakness of the 3 percent of the people involved in the agriculture area against big industry who can fight their cases very well, I would like to say, as a compliment to Members on both sides who represent the agriculture community in this Congress, that they have been highly effective in the maintenance of agriculture programs, support programs, target programs, targeting price on various commodities. That they have been highly successful means to me that they are a very effective and outspoken group in this House, but when it reached the question of the embargo, there were 135 votes that voted to lift the embargo, and something is vastly out of line there when you get the activity of being able to pass major agriculture bills, which, incidentally, I supported this past year—one of the few that I have supported in recent years—but they are there to do the job. I am saying I think many of the Members of this House who have voted with the agriculture community, when it comes to the issue of this embargo see something that is far broader. They see the United States of America having made a commitment that was our President's commitment that said, "We will not tolerate what the Soviet Union has done, and one of the best responses is to stop this kind of trade that is so important to them." And I allow that it is important to the Soviet Union. I have just finished a meeting on this matter in researching some of the problems in the Soviet Union, and we find out they are faced with several problems today.

They have major labor shortages, surprisingly enough. They have energy problems, even though they are the biggest oil producers in the world. Their technological programs have been failing miserably, and they have a major agriculture problem. The one consistent problem they have had has been in agriculture. They have had 5-year plans, and 3-year plans, and none of these plans fulfill what they anticipate doing.

I think that we must stand by our guns on this issue merely to show the world that we mean what we say, and, too, to show the Soviet Union that when the President, as someone just said—the gentleman from Kansas (Mr. GLICKMAN) I believe—the President had called the Soviets thieves and other things, that we now do not in effect go to bed with them, because it would make us look absolutely ridiculous. So I believe we must stand with this, and I believe, incidentally, if we put this to a vote in the House—which I hope to be able to do within the next 2 to 3 weeks, assuming the President has not, as I do not believe he will, lifted the embargo at that point—hopefully, within the next 2 or 3 weeks to have a chance for the House to vote, and I think we will see the House vote again to maintain the embargo.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. In trying to balance this out, I will yield to the gentleman, my friend from Illinois (Mr. FINDLEY).

Mr. FINDLEY. I thank the gentleman for yielding. I am struck by a recent comment. The gentleman links the hardship of inconvenience caused to the Soviet Union by the grain embargo with the outrageous action of the Soviet Union in Afghanistan. We are now in the last year of the 5-year grains arrangement. In order to really show our determination on this point, would the gentleman suggest that we now renew that arrangement and that we terminate all the grain sales?

If the basic embargo has been some form of notice or signal or punishment to the Soviet Union, would not a total embargo be even a greater signal to the Soviet Union? In other words, if Soviet troops are still in Afghanistan when the 5-year grains arrangement terminates, would the gentleman recommend that we not have a follow-on arrangement?

Mr. PEYSER. I would say in September when I think the grain deal ends—and I think it is this fall in September—the 5-year period, that prior to that time our State Department would have met with the Soviets and would have reached some agreements or understandings that our State Department and our President felt were the right steps to take in order to be able to continue to deal with the Soviet Union in grain.

However, I would say this, that if the circumstances in September were identical with the circumstances today, in other words, no type of agreements or meetings with the Soviet Union on any of these other issues that are most important, and the Soviet Union remains active in Afghanistan with their combat troops, then I would say if none of those things had happened, then I would support a continuation of—not then an embargo because there would be nothing left to embargo—but the suspension of that most needed item in the Soviet Union.

Mr. FINDLEY. Would the gentleman permit me to respond to that?

Mr. PEYSER. I certainly will.

Mr. FINDLEY. I just have one further question. The gentlemen heard the colloquy involving the gentleman from Kansas (Mr. GLICKMAN) and my own comments about changing the terms of the embargo to an interruptible or flexible basis. Would the gentleman agree with us that this would open up new opportunities which do not exist today for a President to deal face to face with the Soviet Union on matters of interest to them, and perhaps open up the possibility, minor though it may be, to influence Soviet behavior?

Mr. PEYSER. I would say in answer to the gentleman that I am perfectly willing, if the President of the United States feels that a meeting with the Soviets to discuss this temporary type of lifting based on certain other factors was acceptable to the President, then I, too, would be willing to support that. But it is predicated on that kind of a meeting, not the unilateral lifting now of the embargo and simply then saying I hope we can work something out with the Soviet Union because I see no reason to trust that the Soviet Union is going to do that if we take the action first.

Mr. FINDLEY. But if the grain embargo is terminated today, the Soviets could not buy 1 bushel of corn or wheat without the concurrence of the U.S. administration; does the gentleman recognize that?

Mr. PEYSER. I recognize that, which seems to me another reason not to be overly concerned whether the President does anything with the embargo until he has basically made up his mind whether we are going to trade with them at all on this issue. I think the major decision that must be made is whether it is in the best interests of world peace for the United States in its foreign policy dealings to lift the embargo unilaterally, and I would say it is not.

Mr. ROBERTS of Kansas. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Kansas.

Mr. ROBERTS of Kansas. I thank the gentleman for yielding. I also want to thank my distinguished colleague, the gentleman from New York (Mr. PEYSER), for having this special order.

I am privileged to represent 57 counties out on the high plains which in my district, the big First District of Kansas, grows more wheat than any other State. What my producers do not understand is why we are singling out the farmer's grain as a tool in foreign policy on an exclusive basis. The practical effect in farm country—I am not so sure what the practical effect has been in terms of Afghanistan or Poland, or in terms of foreign policy—I can tell you has been a dollar loss at the elevator in terms of market price. It has been a huge debt load for the farmer to carry. We have had some increase in our market prices, but it has been due to the dry weather—certainly nothing that has been done by anything from Washington.

What my producer cannot understand is why his product alone is singled out for this foreign policy tool, more especially when the Soviets are buying grain from other countries and the embargo is in effect circumvented.

I would just like to associate my remarks—and I will have a statement to follow—with those of my colleague from Kansas who made the point that if the grain embargo is lifted, any new U.S-U.S.S.R. grain sales agreement could insure higher—above 8 million tons—thresholds for Soviet purchases so as to moderate the swings in demand and thus protect U.S. commodity markets as well as strengthen U.S.S.R. dependency on U.S. production. It also should be pointed out that any sales of grain to the Soviets beyond the 8 million tons in 1981 can be negotiated on terms acceptable to the United States, including linkage to any future military actions. Then we have a handle on it. It seems to me that that is the way to go.

Mr. PEYSER. I thank the gentleman for his comments. They certainly are speaking to the problems that his constituency faces, and I appreciate that and I understand it. I am sympathetic with it. I think what we are dealing with here is a problem or a situation that faces the entire United States and the future of U.S. foreign policy at a very early stage of this new administration.

It is, indeed, unfortunate, and I will not challenge any of the gentleman's statements that it has created some hardships in the community that he represents. I accept that, and I am sorry for it, but I feel that anytime that you are dealing with something that affects the entire country, where a segment of the population might possibly be hurt, or a segment of an industry might possibly be hurt, that we in the Congress here, and certainly the President, must act in what we see as the best interest of the entire country and the entire problem. I guess the thing that I keep coming back to is the United States has been plagued with a feeling abroad of weakness in our foreign policy.

I have been very actively involved in NATO and with the North Atlantic Alliance, and I have met with the leaders over there on this issue. They look to anything that shows that the United States is finally standing firm and strong on an issue.

□ 1345

Now, believe me, it does not mean our allies are always right, because our allies in NATO have not been putting in, I do not believe, what they should be putting in, and there are a lot of other problems. But they are people in the Western World who have gotten very concerned over the United States over the last 3 or 4 years and, unquestionably, this is one of the items that defeated President Carter, that feeling that the United States is not strong, we are not respected, we must get our strength and integrity back. And I happen to believe that. And so I think for today—and the gentleman from Kansas before stated very plainly—the difficulties of what has already been said by President Reagan, attacking the Soviet Union most vigorously—they have not been attacked that way by an American President. In fact, I do not know when anyone has spoken that bluntly about what they viewed the Soviet Union, and then in the next breath to say that we are now going to lift the grain embargo I think would make the President and our foreign policy and our supporters around the world really wonder what we were talking about. And that is my concern.

Mr. DASCHLE. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from South Dakota.

Mr. DASCHLE. I appreciate the remarks made by the gentleman from New York and, as we close out this colloquy, I think there are really a couple of points that I would like to make sure are clear in the RECORD.

First of all, the gentleman from Kansas has pointed out that it is a matter of concern to those of us from farm States, but by no means is it a parochial issue; by no means is it related only to agriculture. This is a national issue. In my opinion, this is a national mistake.

Second, it is a question of credibility. Credibility for the President and credibility for this country. When we talk about credibility for this country I do not think there is any doubt in any country's collective mind that we are not fooling anyone any more. We know and they know that the Soviets have received the grain that they need. We know and they know that we are already exporting 8 million tons of grain this year to the Soviet Union. We know that they know that grain is going to be shipped to the Soviets in any case.

So when it comes to credibility, I think that the most credible thing that we can do is to recognize what everyone knows, and that is that the embargo has not worked.

Finally, when it comes to the credibility of the President, the gentleman said earlier that he expects people now to have doubts about their leaders when they come into office, that they can change their mind. Well, I think that the people are tired of being promised one thing and then discover later that once the candidate is in office, they have a position entirely different. I believe very strongly that the American people will feel conned once again if indeed that promise made in the rhetoric and the heat of the campaign is not kept. We do not have the right to change promises made intentionally time and time again. I think it is absolutely impor-

tant that we keep the promises that we make in a campaign as we hold public office.

Mr. PEYSER. I thank the gentleman for his remarks.

Mr. FITHIAN. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Indiana.

Mr. FITHIAN. Mr. Speaker, the gentleman's side may prevail on this. Should the gentleman prevail on this, I wonder, as a Representative of an urban State, whether or not the gentleman would support a policy which would truly spread the burden equally, which would, for example, make it necessary for all administrations, this one and future administrations, to raise the loan rate on any embargoed products to a specified percentage of parity if they are going to impair the overseas shipment in sales and thereby destroy a portion of the market. Would the gentleman be susceptible to agreeing to that as an element of fairness to American farmers?

Mr. PEYSER. Mr. Speaker, I would like to respond to my friend and say that if such a situation again comes about, where embargo of food products, whatever they may be, or, for that matter, any major embargo, that it is an obligation of this Government to see that that action does not destroy or sorely affect any segment, and it should be spread throughout the country.

I would find absolutely no problem in that because I do not think that that was the intent, certainly, of President Carter, to sting the grain producers. If in fact they have been hurt by this, it was not a planned hurt. But the point I am saying, to answer the gentleman's question, I would support such a concept, and I think it would be fair and I think the American people would support it.

I would like to touch one other point, and then I will certainly come back to the gentleman, a point we have not touched on, and it is one that I think bears a great deal of thought for Members of this Congress.

At the same time that we passed the grain embargo in this House, we voted for registration for the draft. This was another program put in place because of the Afghanistan invasion. Now, I happened to vote against the registration because I felt the registration program being proposed did absolutely nothing. It provided millions of names on pieces of paper with date of birth and no classification, no examinations, and, according to Selective Service itself, might make a difference of 13 or 14 days in the calling up of any personnel.

But it certainly caused a lot of disruption among the young people in our country and a kind of concern that I do not think it should have caused.

However, the Congress did pass that, and in its wisdom this became signed into law. So we now have in law a registration for a draft. My youngest son just happened to register a week ago.

Now, it seems to me that if we are now going to lift a grain embargo, and we have said to the young people of this country, "Look, you register, because we have a major problem with the Soviet Union," and by registering they are potentially exposing themselves to a draft, which means they are potentially exposing their lives in an international situation of military conflict, how can we ask our young people to do this and then lift the grain embargo, which, to me, plainly says that we feel very strongly about these issues but when a few dollars get in the way of it we are going to let the dollars come back into it but let us keep our young people up there? I think this is a terrible potential reaction of young people in this country if we were to lift the grain embargo today.

Mr. ROBERTS of Kansas. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Kansas.

Mr. ROBERTS of Kansas. I thank the gentleman for yielding.

Mr. Speaker, I would certainly agree with the gentleman's basic point, in terms of example of our young people, but I do not think that is the equation. I know that in terms of U.S. industrial machinery shipments, such as those extended by our corporations in building a new Soviet natural gas pipeline into West Germany, that raises the same kind of question. What my farmers want to know is, why is their product singled out and then, in terms of results, the troops are still in Afghanistan?

I would only add that certainly the situation has changed, with the Soviet troops poised on the Polish border, and no farmer, no producer, no stockman in my district wants to stand in the way of the national interest. But I would also point out to the gentleman that it is in our national interest to keep our food and fiber production machine viable. And in terms of cost of production, my farmers in the high plains still see their price far below the cost of production. As of today, the price of Hard Red Winter in Dodge City, Kans., is $3.86. That is below the cost of production. We cannot continue with this.

I would also point out, in closing, that perhaps the vote total that the gentleman has referred to, in terms of 135 votes, when that was cast during the last session of Congress, I do not really think that was a vote up or down on the embargo so much as it was some votes cast in opposition as to the method; because as I look back on that vote, I think it was an amendment to an appropriation bill, and there was a lot of feeling on both sides of the aisle that that was not the way to do this.

I might also just simply say that there has been a cost to our Nation. Of course, the defense agencies have placed the embargo's cost to the Soviets at about $1 billion, but in terms of lost tax revenue and in terms of the direct outlays alone by the USDA, it has cost our country twice as much, and it still has not worked. I think we should lift the embargo. I think we should establish direct linkage with the Soviet Union, in terms of our foreign policy, and enter into very tough negotiations. I would think that that would be understood by our young people, our senior citizens, and everybody who is on the receiving end of the farmers' food and production machine.

President Reagan and his Cabinet are meeting this week to determine whether our grain embargo has outlived whatever usefulness it might have served during the past year. To me, there is no doubt that it has.

True, the embargo on grain sales did cause the Soviets inconvenience and expense. Perhaps our response to the Soviet invasion of Afghanistan has influenced the Soviet response to the labor situation in Poland. I would hope so, for there seems to be little else that it has accomplished.

In his recent "Dear Colleague" letter, Mr. PEYSER cited Defense Intelligence Agency estimates that the embargo had cost the Soviets $1 billion in the past year, and that costs would continue to rise. In a response, I pointed out that our Government had spent more than that in direct outlays alone. The net cost of retendering grain contracts was estimated by the General Accounting Office to be somewhere in the neighborhood of half a billion dollars. Direct purchases from farmers cost the Government almost $1 billion. And, market price declines cost farmers millions more, leading to losses in tax revenues for the Government.

Because of the selective nature of the embargo, farmers feel that they were singled out to bear the burden of our response to the Soviet invasion, with nothing to show for their sacrifices. Farmers feel that the embargo represents a symbolic, rather than a real, response to Soviet aggression. They feel that any embargo, to be effective, must be all inclusive. President Reagan, himself, said in his recent press conference that the choice was between ending the embargo and expanding it. Certainly expanding the embargo would reduce what little influence we have over Soviet policy toward Poland. With all shipments cut off, they would have nothing to lose by invading that country.

I submit that the embargo, as implemented, was a mistake. We unfairly

placed the burden of our foreign policies on the shoulders of a small segment of our population. True, the Government took some actions to alleviate the effects of this selective action, but many of these actions were a day late and a dollar short. If the embargo was, indeed, a mistake, then we will not correct it by continuing it.

Thank you.

Mr. PEYSER. I thank the gentleman very much for his thoughts, and I want to thank all of those Members who have participated today in this, because, to me, this is both timely and important that we do this today, with the Cabinet meeting tomorrow that is presumably going to reach some decision on this matter. We, I am sure, started out with different opinions, and we are undoubtedly still with different opinions, but at least we have explored many of the issues and avenues of the pros and cons. It obviously is my hope, as I said earlier, that the President will say—and I really believe that it will be an act of courage far greater than lifting the embargo: "Not now. Let us study it so that we know the full implication; let us see where we are going on this issue; let us see if we can get the kind of response from the Soviet Union that we need to guarantee world peace." If he does that, I think he is certainly off to a flying start in his new Presidency.

● Mr. ROE, Mr. Speaker, I rise today in support of this very important resolution urging President Reagan to continue the grain embargo against the Soviet Union.

Over the past year the Soviet Union has embarked on a new program of aggression around the world. The brutal invasion of Afghanistan by Russian soldiers last year should serve as a warning to all nations that the Soviet Union has not changed from its original goal of controlling the world through the use of force and intimidation.

Look for any trouble spot in the world and you will find that the Soviets are deeply involved in trying to expand their sphere of influence at any cost.

Today, Soviet tanks and soldiers stand ready to crush the legitimate rights of Polish workers who have asked their Government for nothing more than decent wages and fair working hours.

While the Russians love to boast of their mighty military powers, they do have a major Achilles' heel. While the population of Russia is increasing at a very rapid rate, the Soviets cannot produce enough food to meet that growth.

Russia has, in the past decade, become one of the largest food importers in the world. And the United States was, up to the point of the embargo's initiation, the largest supplier of wheat to the Soviet Union.

To now resume the grain shipments to the Soviets would be ludicrous. Perhaps more so than at any time, food has become as important a weapon as guns and bullets.

We have the Russians in a very tight spot and they know it. There are many reports filtering out of the Soviet Union of the early slaughter of cattle because there is not enough grain available to feed their herds.

And despite reports from some sources, no other nation in the world but the United States can provide the Russians with the quantities of food they need to meet their nutritional demands.

The Russians must be made to know that if they wish to play the bully they will have to pay dearly for that privilege.

Mr. Speaker, last summer the young athletes of this Nation gave up the chance of a lifetime, to participate in the Olympic games, because of the Russian invasion of Afghanistan.

To now resume the shipment of food to the Soviets while that aggression is still taking place would be an insult to all Americans.●

● Mr. WATKINS. Mr. Speaker, while suspension of grain trade with the Soviet Union may have had immediate foreign policy benefits, continuation of the grain embargo will only seriously affect one group—the American grain producer.

Since the embargo of American exports to the Soviet Union began on January 4, 1980, American farmers have borne the expensive burden of suspending trade to a major customer.

While other facets of the economy continued to function without noticing the financial hardships of the embargo, farmers fretted over mounting bills and attempted to continue operating in spite of a $1 per bushel slash in their markets.

It would be naive and uninformed to assume that the embargo did not have an adverse effect on American farmers, who faced skyrocketing production costs and plummeting incomes last year.

A major incentive to produce was removed from the agricultural scene with the 1980 embargo. We must give grain producers a new incentive this year.

A prolonged drought throughout the Grain Belt, double-digit interest rates and increased debt loads are enough to make anyone quit. But American farmers persist. However, continuation of the embargo could be the final financial burden that will begin to take its toll on American farms.

I think we all agree that the grain embargo did cause the Soviets some expense and inconvenience.

However, the Russians have been able to import 31 of the 34 million metric tons of grain they had planned to import.

And the Soviet troops are still in Afghanistan.

Even though the U.S. Government spent $3 billion in an attempt to minimize the grain embargo, farm income declined 40 percent in the second quarter of 1980. The grain embargo figured heavily in that decline.

Although prices did recover, many farmers in Oklahoma consider the early part of the year as a critical grain selling time in which they must pay land and production expenses.

Farmers were totally unprepared and unaware of the impact of a halt to grain trade with the U.S.S.R. Many farmers had no choice but to sell at drastically reduced prices. Other farmers were able to hold their grain until the market improved.

While the U.S. Government paid $3 billion to offset the effects of the embargo, it is estimated that the embargo cost the U.S.S.R. only $1 billion last year.

In addition to losing $1 per bushel on grain, farmers in my district still face an unsteady and unpredictable position in the highly competitive foreign market for agricultural products.

The Soviet Union had an extremely poor harvest this year, which would be a strong argument in favor of continuing the embargo.

However, we must closely analyze the dramatic shift in the world grain trade pattern since last year.

This year, it is estimated that the U.S.S.R. will import a record 34.5 million metric tons of grain even with the U.S. sanction. The partial participation in the embargo by Canada, Australia, and the European community is eroding rapidly.

While the United States refuses to sell its grain, other grain producing powers are rapidly filling the void.

Trade sanctions will not work unless we have a unified effort from all grain producing nations. Grain is flowing freely from other large exporters. The Soviets are able to import grain in record levels. They are not doing without.

Meanwhile, we are losing valuable world markets.

More than 10 years of Government and private efforts went into developing the Soviet market for U.S. grain. Agricultural products have contributed substantially to improving the U.S. balance of trade since extra world markets were developed.

If agricultural products are returned to a free market, we can hopefully continue to improve our balance of trade.

Agriculture, one of America's most efficient producers, should no longer be punished by this trade sanction.

It is time to get the U.S. economy moving again. And one sure economic stimulator is a healthy agriculture.

Farmers throughout the Third District of Oklahoma and across the Nation are among the most patriotic people in the world. When the grain embargo was announced, Oklahoma farmers took the lumps—by themselves. And they continue to be adversely affected by the dark cloud hanging over their markets.

In future trade sanctions, all facets of the U.S. economy should share in the burden. No other phase of the U.S. economy was or ever has been singled out as a foreign policy tool like grain producers were in 1980.

It would be easy to say that the recent strength in grain prices indicates that the embargo did not affect grain prices. However, recent price strength is due to a prolonged drought, which cut agricultural production in half in Oklahoma.

If current world situations prevail, we may have to give serious consideration to using U.S. products as international bargaining tools. However, every phase of the U.S. economy should share in the responsibility.

Discontinuation of the grain embargo is extremely important in this period of economic uncertainty. We must provide some incentives for the people who produce America's No. 1 product.

Ending the Soviet grain embargo would be an added and welcomed incentive for the U.S. agricultural community.

Thank you for considering my views.●

● Mr. LANTOS. Mr. Speaker, recent remarks by Mr. Block, the newly appointed Secretary of Agriculture, indicate that the administration is considering discontinuing the Soviet grain embargo. I speak to urge the administration to stiffen the embargo rather than weaken it.

This is an important time to demonstrate clearly to the Soviet Union that the position of the United States is firm and unwavering with respect to the Soviet invasion of Afghanistan and all other travesties against human rights currently perpetuated by the U.S.S.R.

To withdraw the embargo at this time would be a mistake which would give the U.S. Government the appearance of hesitancy, lack of assurance, and inability to follow through with conviction. Further, evidence from bipartisan sources indicates that the effects of an embargo will be dramatically felt in the Soviet Union during the coming year as severe grain shortages and increased prices for grain products make a deep impact on the Soviet economy. If the embargo has been less than effective up to now, for a variety of reasons, forceful maintenance of the embargo for the next year should make our message clear. The use of food as a weapon is regrettable; but it is, without question, a more rational weapon than guns in the struggle to restrain the flagrant Soviet transgressions of international norms and human rights.

We must reassure American farmers that the price of this political strategy is not borne inequitably by them. The price stabilization programs, potential for crop acreage diversion programs, along with increased foreign markets in Europe, South America, and Asia have reduced the negative impact on the farm community. However, we should consider the grain embargo only one political tool in our expression of outrage about Soviet policy. Other trade policies need examination.

This is a critical period for maintaining a strong and unified position with respect to Soviet disregard for the rights of individuals and nations. In this field, the embargo, as in others we should work for more cooperative and united efforts with other nations. With Canada, Australia, and Argentina in particular we should move toward friendly cohesion to develop a coordinated food strategy vis-a-vis the Soviet Union.●

REV. RAYMOND C. BAUMHART

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. HYDE) is recognized for 15 minutes.

● Mr. HYDE. Mr. Speaker, I have taken a special order today so that my colleagues might join with me in paying tribute to Loyola University's outstanding leader, Rev. Raymond C. Baumhart in recognition of his 10 years of extraordinary leadership as its president.●

● Mr. ERLENBORN. Mr. Speaker, on Saturday of this week, the alumni of Loyola University of Chicago will pay tribute to the beloved man who has served for 10 years as the university's president, Rev. Raymond C. Baumhart.

The occasion is significant to me for two reasons: As an alumnus of Loyola, I have watched with pride as my alma mater has prospered under Father Baumhart's remarkable leadership during these difficult times for institutions of higher learning; and as a Member of Congress, I respect the intellectual and reasoned contribution he has made to our congressional deliberations on a host of issues.

Father Baumhart has given generously of his time and many talents to Loyola's administration, to its students, and to society. He deserves this special celebration, and I want to join other alumni and Illinoisans in saying thank you to this rare and good man.●

● Mr. ROSTENKOWSKI. Mr. Speaker, I rise in tribute to the distinguished president of Loyola University of Chicago, Rev. Raymond C. Baumhart.

In his 10 years of service as president of Loyola, Father Baumhart has enriched this university as a superb institution of education and medical research. He has clearly demonstrated his skills as an administrator while carrying out his personal commitment to the religious and educational development of others.

The list of his personal achievements clearly illustrates that Father Baumhart is a man of both hard work and commitment. Having received degrees in theology as well as philosophy, Father Baumhart was the first priest to receive a doctoral degree in business administration from the Harvard University Graduate School of Business Administration.

Additionally, he has written extensively on business ethics. Father Baumhart wrote the book "An Honest Profit: What Businessmen Say About Ethics in Business," and he coauthored "Cases in Business Ethics." His articles have appeared in various publications including the Harvard Business Review and Social Order.

Chicago's corporate community has recognized the great value of Father Baumhart's business judgment, and accordingly he is a member of the board of directors of the Jewel Cos. and Continental Illinois National Bank.

But exceeding even his personal achievements has been Father Baumhart's unwavering commitment to the Jesuit belief of the development of the whole person. As he has often stated, intellectual competence is essential and without it one cannot be effective. However, a student's social, moral, and spiritual growth must accompany intellectual competence for one to be of genuine service to our society.

Mr. Speaker, Father Baumhart has contributed and continues to contribute intellectual and spiritual leadership not only to Loyola University but to the entire Chicago community.●

● Mr. YATES. Mr. Speaker, it is a pleasure to pay tribute to Rev. Raymond C. Baumhart, Loyola University's outstanding president, on the 10th anniversary of his presidency.

The entire Chicago community is fortunate to have such a gifted educator. Father Baumhart is an excellent administrator, a strong community leader, and a gifted writer. He brings insight, dedication, and social responsibility to his varied activities. He has served with distinction, enriching the lives of countless students and contributing to the health and well-being of our community.

We wish Father Baumhart well on his 10th anniversary, and we look forward to many more years of his fine leadership.●

● Mr. DERWINSKI. Mr. Speaker, as an alumnus of Loyola University of Chicago, it is a special pleasure for me to join this afternoon in honoring Father Raymond Baumhart, S.J., for his 10 years of outstanding service to the university as its president. Father Ray has earned the great respect and admiration not only from the academic and theological communities, but from students and laymen as well.

During the past decade of Father Baumhart's presidency, student enrollment has grown to make Loyola of Chicago one of the largest Jesuit universities in the United States and the second largest private university in Illinois. Loyola has become a center of education in the fields of law, medicine, the sciences, business, and the arts as a result of Father Baumhart's dedication to continually improving the educational facilities.

As one who is privileged to know Father Baumhart, he quickly earned my respect for his competence, diligence and resourcefulness in administering to the spiritual as well as educational needs of Loyolans. Father Baumhart possesses that rare quality of instilling an appreciation for the value of education and the development of spiritual awareness. His faith and devotion to his chosen vocation is a source of great inspiration to all who know him.

Father Baumhart has earned a most honored reputation as a scholar, teacher, author, and administrator. In addition to his present duties, Father Ray plays an active leadership role as chairman of the board of the Association of Jesuit Colleges and Universities and is a member of the executive committee of the Federation of Independent Illinois Colleges and Universities.

I know that I speak for all the Members who attended Loyola who know Father Raymond Baumhart, S.J., in expressing our sincere gratitude and appreciation for his leadership as an effective and dedicated educator during this productive period at Loyola University of Chicago. I join in offering my prayers for his good health as he continues God's work.●

● Mr. O'BRIEN. Mr. Speaker, for 10 years Loyola University of Chicago has benefited from the leadership of its president, Father Raymond C. Baumhart of the Society of Jesus. I wish to bring attention to the achievements of this remarkable man.

Father Baumhart distinguished himself at an early age. He served his country during World War II as an officer in the Naval Supply Corps. He earned a bachelor of science degree from Northwestern University and then three separate degrees from Loyola. As a young Jesuit, he taught high school students in Cincinnati. He also was the first priest to receive a doctor in business administration degree from Harvard University. The same path breaking spirit that led him to Harvard later inspired him to become an internationally recognized scholar in the field of business ethics.

Father Baumhart's administrative career began at Loyola in 1963, when he took the post of assistant dean in the school of business administration. He went on to serve as dean of that school and, later, executive vice president of the university. In July of 1970 Father Baumhart became president of Loyola, at the age of 47.

Under his guidance Loyola has flourished. New buildings have been constructed. More students have matriculated than at any time in Loyola's history. Large and generous bequests have been made to the university. New chairs in various departments have been founded. The research done at the university has achieved an unprecedented scope, investigating topics from the neurology of hearing to the Epistles of St. Paul.

Through his many years at Loyola Father Baumhart has always maintained that the university exists to educate the whole person.

Father Baumhart has said:

> There is more to an education at the university level than graduating large numbers of men and women proficient in economics, history, psychology, and a dozen other subjects.

Therefore, he has worked to make all learning done at the university value oriented. Under his administration the university planning committee formulated two documents which enunciate this policy, the "Mission Statement" and the "Statement of Values and Ethics."

Father Baumhart is a committed Chicagoan. He is mindful of Loyola's role in the Chicago community. He has maintained and expanded Loyola's many relationships with its neighbors. He has been an ambassador of good will for the university throughout the city.

In recognition of Father Baumhart's many achievements I am proud to join with other Loyola alumni and friends in celebrating his 10 years of guidance over the university, and in wishing him many more years of accomplishment.●

NUCLEAR INSPECTION TOUR OF THE FAR EAST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 10 minutes.

● Mr. CORCORAN. Mr. Speaker, as I indicated in a statement filed in the CONGRESSIONAL RECORD earlier this year, from January 8 through 18 I traveled to the Far East to inspect various nuclear power and waste facilities. This tour involved 5 days in Japan and 5 days in Taiwan. While the primary purpose of this visit, especially in Japan, was to learn about the status of the commercial use of nuclear power in these foreign countries, I also used the occasion to talk with the officials of these Governments about other matters of foreign and domestic policy.

The overwhelming impression I have of these countries is their successful economic growth and the purposeful linkage of that objective with developing independent sources of energy. Both countries have expanded their economies using the free enterprise system as much as possible and keeping State planning restrictions to a minimum. What this means for the stability of their currencies, unemployment rates, and the continued improvement in the standard of living for the Japanese and the free Chinese people, I will defer to the economists for detailed analyses. But there is no doubt that in general, both countries are in very good shape economically, despite having small land masses and very few natural resources of their own.

Mr. Speaker, although there are many factors contributing to the success stories of these two allies of the United States, as you know, my responsibilities on the Energy and Commerce Committee would cause me to look carefully at their energy policies. Having done so, I believe that these energy policies—keyed to making Japan and Taiwan independent of the OPEC oil cartel—constitute a major reason for the current good health of the Japanese and the free Chinese.

The time spent in Japan was devoted to examining the country's nuclear power developments. Japan presently has 22 nuclear powerplants in operation, with an installed capacity of 15,000 MWe, thereby making it the second largest nuclear power producer in the world. Nuclear power supplies approximately 13 percent of Japan's total electricity and accounts for about 4 percent of its total energy supply. By 1990, Japan's goal is to almost triple the percentage of nuclear power in its energy mix.

As in other countries, there is some opposition to nuclear projects, especially from local populations of proposed nuclear sites. Nevertheless, I believe there are three fundamental reasons why Japan will move forward with its nuclear programs: First, there is a strong consensus in the Government and among the Japanese people in favor of nuclear power because of its critical linkage to their domestic economy and international trade; second, the nuclear industry is well-staffed, and well-financed. It is better integrated with the other Japanese economic sectors—banks, universities and government—than any other Japanese energy producer. The Japan Atomic Industrial Forum is made up of a large cross section of Japan's economic interests going far beyond reac-

tor manufacturers. Accordingly, one can expect an expanded public relations campaign designed to educate the public to the positive aspects and benefits of nuclear power; and third, nuclear power represents the closest energy-independent source that Japan can attain. Toward this end, Japan has a vigorous research and development program in all aspects of the nuclear fuel cycle beginning with exploration for uranium through waste disposal. The principal Japanese organization for undertaking these programs is the Power Reactor & Nuclear Fuel Development Corp.—PNC. PNC is actively engaged in reprocessing spent nuclear fuel at its Tokai-Mura facility, which I visited. Close to a hundred tons of spent fuel have been reprocessed at this facility. Moreover, at the same site, a plutonium fuel fabrication plant is in operation. PNC also has responsibility for the design, construction, and operation of Japan's "JOYO" fast-breeder research reactor. Plans are underway for construction of the 300-MWe MONJU fast breeder prototype reactor and a target date for operation has been set for December 1987. The total cost of construction will be approximately 400 billion yen—$200 million. Twenty percent of the total cost—80 billion—will be borne by the private sector.

Taiwan has an equally, if not more ambitious nuclear program for the future, although due to the difference in industrialization with Japan, it, of course, has far fewer nuclear powerplants now in operation. Nevertheless, by the end of this century, the goal of the free Chinese is to have about half of their electricity emanating from nuclear power.

Their existing powerplants have been built by General Electric and Westinghouse. However, for the first time, the Taiwan Power Co. is now seriously considering purchasing a system bid by a company other than one from the United States. The company in question is a French one. In answer to my inquiries about this possible change in what has heretofore been an exclusively "buy American" policy on nuclear matters, I was given the following answer: recent uncertainties about the consistency and reliability of U.S. commercial nuclear power export policies.

My visit to Taiwan was more general in nature than in Japan, so that the itinerary included more than just nuclear matters. As a result, I was able to talk to President Chiang Ching-Kuo, Premier Sunyun Suan, and several of the Cabinet Secretaries about developments in their areas of responsibility of interest to the United States.

Along with inspecting one of their nuclear powerplants in the Republic of China, I had the unique opportunity to spend a day on the island of Quemoy, where the state of military readiness is indeed something to see. I also met with representatives of the American Institute in Taiwan, the American Soybean Association, and the American Chamber of Commerce to learn more about current conditions in Taiwan, especially following the U.S. derecognition decision in 1978.

As you know, Mr. Speaker, a legislative factfinding trip is more important for what one learns than for what one sees. While I saw some new things—since I had never been to the Orient before—among other things, what I learned in Japan and Taiwan that has particular significance for current U.S. export and energy policies was twofold: First, in order to get out from under the thumb of the OPEC oil cartel, both countries are offsetting oil as an energy source with nuclear power; and second, not only are we losing business for our people because of the inflexible Nuclear Nonproliferation Act of 1978, but more importantly we are losing control over the sensitive material—plutonium—which becomes more accessible with the development of advanced nuclear technologies around the world. Both Japan and Taiwan would rather work with the United States on constructing nuclear reactors, purchasing enriched uranium, reprocessing the spent fuel, safeguarding the sensitive material, and managing the wastes involved, but for reasons of energy independence, they will go elsewhere if rigid U.S. policies force them elsewhere.

With particular reference to Japan, I would urge my colleagues in the House to read "The Risen Sun," an article by Isaac Shapiro in the winter issue of Foreign Policy magazine pointing out recent changes taking place in Japan which suggest a revival of Japanese nationalism and growing independence in international affairs like the neonationalist movement in France during the 1960's.●

DAVE STOCKMAN IS RIGHT ON THE MARK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. YOUNG) is recognized for 10 minutes.

● Mr. YOUNG of Florida. Mr. Speaker, after less than 2 weeks at work, Budget Director Dave Stockman, has already incurred the wrath of special interest groups by attacking the runaway Federal budget. Mr. Stockman has thrown down the gauntlet by challenging this Congress to live up to its commitment to cut Federal spending immediately.

Some of Mr. Stockman's recommended budget cuts in foreign aid were made public last week, and as we might expect, this proposal was greeted unfavorably by the foreign aid lobby. But, as Mr. Stockman says, if we are serious about cutting the Federal budget, then all programs must be scrutinized. Before we begin trimming domestic programs, we had better be prepared to reduce the dollars that flow out of this country in the form of foreign aid.

As the ranking minority member on the Appropriations Subcommittee on Foreign Operations for the past 4 years, I found many foreign aid programs that could and should be reduced. Mr. Stockman's suggested foreign aid cuts are an excellent starting point, however, we may be able to go even further in reducing some of these programs.

Regardless, the fact remains that Mr. Stockman has taken the initiative in cutting the budget. No one said that it would be easy, but reducing runaway spending is the most important challenge facing this Congress. I intend to support Dave Stockman in his effort to stop the hemorrhaging Federal budget. Clearly, foreign aid is an appropriate beginning.

As an example, one of the suggested Stockman cuts would substantially reduce the U.S. contribution to the International Development Association (IDA), which is the soft loan window of the World Bank. A soft loan is for 50 years with a 10-year grace period. There is no interest charge, rather only a less than 1 percent administrative charge. IDA extends these credits to the so-called least-developed countries. It is important to remember that Mr. Stockman is not suggesting that the United States should pull out of IDA, but rather we should reduce our contribution to it.

This proposed reduction is in reference to the IDA VI replenishment which the Carter administration negotiated. Under the terms of this replenishment, the U.S. share would be $3,240 million or 27 percent, to be paid in three annual installments of $1,080 million, fiscal year 1981–83. There were many of us in the Congress, including both Democrats and Republicans, who advised against such a large U.S. contribution to IDA VI. Consequently, the Carter administration was never able to obtain either the required authorization bill or the appropriation of $1,080 million in fiscal year 1981 as the first installment to IDA VI. The Carter administration in its last days did submit a fiscal year 1981 supplemental appropriation request for these funds and has resubmitted the authorization bill for consideration by the 97th Congress.

There are some who feel that President Reagan and the 97th Congress must enact the necessary legislation for IDA VI because it represents an internationally negotiated commitment which the United States should honor. I would point out that the U.S. Government's participation in the IDA VI negotiations was undertaken with the full knowledge of all participating nations that these negotiations were contingent upon the United States obtaining both the authorizing and appropriating legislation from the U.S. Congress. This condition was spelled out in the communication delivered by the the U.S. representative participating in the replenishment negotiations when indicating preliminary U.S. acceptance of the terms of IDA VI. Consequently, since the 96th Congress never enacted either the required authorization or the appropriations necessary for U.S. participation in IDA VI, neither the Reagan administration nor the 97th Congress are required to lend support for this questionable initiative.

More importantly, as a result of the current economic crisis confronting our Nation, we must pay close attention to all new proposals which have the effect of increasing Federal spending. In addition, we must be wary of any new proposal which appears to have a minimum impact on short-term outlays but can be extremely expensive in the longer term outlay picture. IDA VI is just such a creature. Projected outlays for IDA VI in fiscal year 1981 are only $18.8 million, but by fiscal year 1983 they are projected to swell to $269 million. For the 3-year period of fiscal year 1984 through fiscal year 1986, IDA VI will cost the United States in outlays approximately $1.43 billion. In this regard it is important to keep in mind that the Reagan administration's most critical period for gaining control over the Federal budget by bringing it into balance is not the fiscal year 1981–82 period, but rather it will be the fiscal year 1984 to fiscal year 1986 period.

There are others who argue that we should support IDA VI because it is good for American business as a result of IDA procurement contracts being awarded to American firms. I do not accept this view. In the first place, while the United States has provided cumulatively 33 percent of all IDA resources, we have received only 15 percent of all IDA procurement of goods and services. In fact, over the last year the United States only received 10.8 percent of IDA's procurement contracts. By way of comparison, Japan provides only 9.9 percent of IDA's resources yet receives nearly 16 percent of all IDA contracts. West Germany provides 12 percent of IDA's resources and receives in return nearly 14 percent of IDA procurements. The United Kingdom provides 12.2 percent of IDA resources and receives 13.8 percent of IDA procurements. In the second place, there are many more cost-effective ways for our Federal Government to assist American business in promoting exports than having to borrow money in order to give it to IDA in the hope that some of our firms will receive procurement contracts.

There are others who would argue that we should support IDA VI because it represents an effective form of cost sharing in assuming the responsibility for helping developing countries. In part this is true because the U.S. share of IDA VI represents a reduction as other countries assume greater roles. However, I would hasten to point out that no other nation comes close to either the U.S. share of the IDA VI replenishment or our historical support for this institution. The truth is that the United States has done far more than its fair share in helping countries less fortunate than our own. In addition, I must point out that while the United States is being asked to provide $3.2 billion, for IDA VI, all of the OPEC countries combined will be contributing less than $700 million to IDA VI. These are the same OPEC countries which are expecting an annual surplus from oil sales in excess of $120 billion in 1980 alone. These are the same OPEC countries whose continued policy of price increases for petroleum is bringing about untold hardship to the governments in the least developed countries. While OPEC's price gouging is doing severe damage to our own economy, it is doing far greater harm to the fragile economies of these developing countries. For this reason alone, I believe it would be a wise and prudent course of action for the United States to insist on renegotiation of the IDA VI replenishment with the expressed purpose of obtaining a reduction in the U.S. contribution and a significant expansion of OPEC financial support for IDA VI.

Another argument frequently heard in support of IDA VI is how critical this replenishment is to the foreign policy of the United States. Clearly, continued U.S. participation in IDA is in our interest. Both Dave Stockman and myself agree with this view, however, that is not the issue. What we are arguing for is a much needed reduction in the level of U.S. support for this particular institution. In terms of promoting U.S. foreign policy through IDA, one has to look carefully at who receives IDA funding. Approximately 41 percent of all IDA lending has gone to one country—India. IDA has provided soft loans to India totaling over $8.3 billion. When you add in Bangladesh, Pakistan, and Indonesia, you can account for nearly 60 percent of all IDA lending worldwide. One has to ask whether 60 percent of the U.S. contribution—$6.4 billion not including the $3.2 billion for IDA VI—going to these four countries is in the foreign policy interest of the United States? In addition, what have we gotten in return for this investment in terms of improved relations with these countries? The fact is that IDA recipients do not consider it U.S. assistance. In the case of India, they seem to go out of their way to distance themselves from U.S. foreign policy. One example of this is in the area of nuclear proliferation—India has already exploded a nuclear device but is unwilling to sign the Nuclear Nonproliferation Treaty. Finally, one should be aware that these same countries receive substantial amounts of additional aid from not only other multilateral institutions, to which the United States is invariably the largest single contributor, but from our many and varied bilateral programs as well.

Any discussion of IDA is not complete without reference to the growing body of evidence that all of the IFI's, including IDA, are expanding far too rapidly. Over the past 4 years I have addressed this issue repeatedly. I have highlighted the concerns expressed in the House Appropriations Committee's investigative staff report on the international financial institutions which was completed in March of 1979. There are a number of other reports which essentially deliver the same message. The quality of the project being funded by IDA is suffering due to the insistent demand for moving projects regardless of need or absorptive capacity of the loan recipient countries.

There is absolutely no question in my mind that IDA can and should do with far less resources. OMB Director Dave Stockman has signaled a willingness on the part of the new administration to fight for restraint in IFI growth, I only hope that we in the Congress have the courage to stand with him in the face of the cries from special interests.●

UKRAINE INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. RITTER) is recognized for 5 minutes.

● Mr. RITTER. Mr. Speaker, I am pleased and honored to participate in this special order to commemorate the 63d anniversary of independence for the Ukraine. As many of you know, the Ukrianian State was founded on January 22, 1918, and survived for several years before the totalitarian regime of the Soviets succeeded in overrunning the Ukraine and imposing on the Ukrainian people the same oppressive and ruthless control that exists today in so many other captive nations.

I have lived in the Soviet Union and observed firsthand some of the abuse and persecution that is heaped upon the Ukrainian people by the Soviet Government. I have observed their independent and indomitable spirit and their strong will to survive, hoping that one day they will truly be free people.

It is very appropriate today to pause and reflect on the condition of these brave people of the Ukraine, to realize that in spite of enormous adversity, there exists deep in their hearts a spirit of independence and freedom. We must help keep that spirit alive and do all we can to speed the time when these people will truly be free. We must insist and keep insisting that the Soviets adhere to the letter and spirit of the Helsinki accords and provide the basic human rights guaranteed by that agreement. We must continue to draw attention to the world community of the persecution and abuse and harsh treatment these captive nations receive at the hands of their oppressors.

Through us, we must insure that the Ukrainian spirit of freedom never dies, that the hopes and dreams of freedom for that nation will be fulfilled. It is not only our responsibility but our duty to do what we can to help them.●

VETERANS EDUCATIONAL ASSISTANCE ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 10 minutes.

● Mr. MONTGOMERY. Mr. Speaker, last week, Congressman HAMMERSCHMIDT and I introduced H.R. 1400 which would establish a veterans' education and training assistance program for certain individuals serving in the Armed Forces.

This proposal is in response to the apprehensions of many Members regarding the failure of the military to achieve its recruitment quotas, and to recruit and retain quality personnel. If approved, the bill will enhance the capability of the Armed Forces to recruit and retain quality personnel, and at the same time, provide education and training assistance to all high school graduates who serve a minimum period of at least 3 years in the Armed Forces. H.R. 1400 also has a number of provisions to enhance recruitment and retention of personnel for the Selected Reserve and National Guard.

As I indicated in my statement when H.R. 1400 was introduced, President Reagan told the delegates to the National Convention of the American Legion on August 20, 1980:

> We must provide the resources to attract and retain superior people in each of the services. We should take steps immediately to restore the G.I. bill, one of the most effective, equitable, and socially important programs ever devised.

Hopefully, the budget amendments for fiscal year 1982 to be submitted by President Reagan next month will include funds to establish a veterans' educational assistance program which will be part of President Reagan's legislative program for fiscal year 1982.

Available information indicates that the best of all possible worlds is one in which the recruit and service member can avail themselves of preservice, inservice, and postservice benefits and provisions for certain eligible service members to transfer their unused educational benefits to their dependents. I believe the provisions of H.R. 1400 will accomplish these purposes, and will provide a tremendous boost to the Armed Forces in its efforts to recruit and retain the kind of personnel the military forces needs to carry out its mission all over the world.

It is anticipated that there will be hearings on H.R. 1400, and similar proposals, in the near future. All Members are invited to join with me in cosponsoring this most important legislation.●

STATEMENT ON JOINT RESOLUTION TO ESTABLISH A COMMISSION ON PRESIDENTIAL NOMINATION PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, it is apparent to many of us that our Presidential nominating process is out of control and badly in need of reform. Last year we endured primaries in 37 States and hundreds of district and county caucuses in the remaining States.

The length of the preconvention campaign has been exhausting for both the candidates and voters. Aside from the preprimary campaigning, which actually began almost 2 years ago, we have had primaries running from New Hampshire in February to the last set of elections in June. The money involved greatly benefits the wealthier, well-known candidates. The early primaries have taken on an exaggerated importance and as a result, people in California, Ohio, New Jersey, and other late primary States were unable to choose from the full range of candidates. The decreased choices in the late primaries is a major fault with simultaneous, but geographically scattered, primaries that are staged through a 6-month period.

I am introducing a resolution to establish a Commission on Presidential Nominations to provide an urgently needed review of the Presidential nomination process. A similar resolution in the 96th Congress received broad bipartisan support in both the House and the Senate.

The Commission would analyze the current and alternative methods for the nomination of Presidential candidates, the selection of delegates to national nominating conventions, campaign financing, the selection process for Vice President, the effects of the news media, voter participation laws and regulation, and races by independent candidates for President.

The 20 members of the Commission would be appointed—6 each by the President pro tempore of the Senate—on the recommendation of the majority and minority leaders—the Speaker of the House, and the President, and would include the chairpersons of the two national parties serving ex officio. Members of Congress, elected and appointed State officials, and other citizens would be eligible. Its findings and recommendations would be reported within a year of the resolution's enactment in order to allow the Congress to act well in advance of the 1984 elections.

Mr. Speaker, we Americans go through this handwringing with regularity. After each Presidential election, the media, the voters, and the candidates all sag a bit and complain wearily that: First, something ought to be done about it or, second, ask why nothing has been done about it. This is always as far as it goes.

We can change all of that with this resolution that Congresswoman SNOWE and I have introduced today. It merits the attention, and support, of every bone-weary voter, reporter, and candidate who has ever gone through an American Presidential campaign.●

ASSASSINATION OF FEDERAL DISTRICT JUDGE JOHN W. WOOD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise because it has been said that the reason I have gotten up repeatedly on several subject matters in the last 2 years almost has been possibly because I would get some political mileage and particularly last year being an election year.

Of course, I never worry about it because you will always have that attitude, particularly about politicians that seek reelection every 2 years. And the truth, anyway, eventually, comes out. But I certainly would find very little political mileage in seeking this forum, with television cable coverage such as it is, when my district does not benefit from that kind of cable television service; in other words, my district is not one of the beneficiaries of it, so I would be a mighty poor politician to think I could use this as an instrumentality.

What motivates me is the fact that this is the only forum and the only tool that can effectively be used in registering the voice that one has here as a Member of the House.

I spoke out on what continues to be, in my opinion, the No. 1 issue confronting our Nation. That is the murder and assassination of the Federal District Judge John W. Wood in

San Antonio, Tex., 2 years ago on May 28.

□ 1400

Now, I have spoken out, as I have said repeatedly before, before the assassination of Judge Wood. Just 6 months before that almost to a day, there was the attempted murder of Assistant District Attorney James Kerr. And the murder of Judge Wood is unprecedented in the annals of American judiciary. We just simply have not had that kind of crime committed before.

The murder of Judge Wood is a clear declaration of war, insolence on the part of organized crime, which says that it can commit this kind of crime, flout the law, flout the enforcement officials, and challenge the whole structure of our U.S. Government, from the legislative to the judiciary to the executive, particularly the law enforcement branch, in the most serious way. So, we find that even up to this point the judiciary and the officers thereto are under U.S. marshal surveillance. It has cost the taxpayers millions of dollars to provide that while those who perpetrated the crime, as I have said, walk the streets with their heads insolently held high and feeling some protection and safeguard from prosecution, much less conviction.

I spoke out in a sort of a summation, in a very discouraged way, late in the summer; in fact, almost the beginning of autumn, on this floor. I had circulated a dear colleague letter with respect to a resolution expressing the sense of the House that we would urge the President to declare a priority in this crime by giving notice to the Justice Department that he would approve up to $3 million as reward money for information leading to the arrest and the conviction of those who attempted to kill James Kerr and those who had killed Judge Wood. The reason I did that was not because I felt that that amount or that approach was something I was cooking up, but I have had intimate contact with law enforcement level officials on all levels—local, State, national, for many years; even before I thought I would be in politics. I myself have been in law enforcement. I was chief juvenile probation officer for Bexar County for several years a long time ago, and I have nothing but sympathy and a sense of showing the problems and the degree and extent of the tremendous insoluble problems that are thrust upon our policemen and law enforcement agents to solve cases when actually we are making it almost impossible for them to do so.

This is the case with organized crime, as I have said—King Crime, as I call it.

Now, I have been told that the meager amount of reward available now—not public money, but private money subscribed to by some business elements in the San Antonio area, was insufficient; that there was one case in Houston, the neighboring city, in which there was an individual who, in exchange for absolute protection and more than the reward money that up to now has been available, would provide definite information, but was very fearful of his life. In fact, he said bluntly that he was not about to risk his life for $75,000 or $50,000.

The $3 million figure was a figure that we felt and that these law enforcement agents felt would be realistic, and if we did not appropriate it—and my resolution did not call for an appropriation but just said to the President, "Look, Mr. President, we think you ought to give this national priority, this crime. It has reached that point. Will you please let the Justice Department know that if they can effectively do so, you will have available to them up to $3 million for that purpose; namely, leading to the arrest and the conviction of those responsible."

Well, as I was talking, three of my colleagues on the other side of the aisle got up and very magnanimously said, "We did not know about this even though you circulated a letter, but we want to pledge to you support. We will be glad to do anything we can."

Well, that lifted my spirits because, for the first time, I saw that maybe I could get an effort to get a simple House resolution to a vote, because I am convinced that if we bring it to a vote, it will pass, because we are not appropriating money, but just a sense of the House. Well, a few minutes after that these same gentlemen looked me up and said that they would have to withdraw their support because they received a call from a colleague who, incidentally, represents the area in which the killing and the attempted killing took place. These gentlemen said, "You know, we would like to but we do not want to get into any kind of political fight. We do not know why he is calling us in very, very angry tones for us to disassociate ourselves from you."

I cannot to this day understand why either, for I had, and certainly at that time did not have, any kind of quarrel, or difference, particularly on this level where I have always gone on the basis that I am here to legislate. I am not here to fight. I do not duck a fight, but I do not look around for fights. I came up here to legislate, and it takes all my available strength and knowledge and ability, with all its limitations, just to try to perform as a legislator. So, I still do not know why.

It discouraged me, but I want to report to the House that I am ready to resume, and I am going to start asking for support on this money because in the meantime there has been no break in the case. It has been exactly where it has been all along. We had a lot of newspaper publicity because we had some news stories about some would-be culprits who are in jail in Houston and have been making statements and charging all kinds of violations of constitutional rights. But there is no breakthrough in either one of the cases.

I say to you that our whole system shows its clear vulnerability. I have said and charged before that organized crime has taken over completely from the highest level in our governmental circles and business circles to the lowest; from the national to the local. It is just a fact, as I see it, and the murder of Judge Wood is so unprecedented, so outrageous, that to think that almost 2 years later we do not even have an indictment; we do not even have an arrest; we do not even have a viable lead, is absolutely incredible; and I think is something that I should not cease to talk on.

Second, I also spoke out on the matter of the expulsion of former Representative Myers, and all in its wake, the Abscam procedures, in which again we have the first threat to the independence of the legislative branch, the first branch, by the executive. If the tactics used in Abscam fail to escape the minute attention, the thoroughgoing review by either the House or the Senate, let me tell you that the days of the independence of the legislative body are gone, gone if they have not already. I think they have.

No such thing could ever have happened in England with the Parliament having passed a resolution of contempt against that branch of the Crown's government had they attempted such a thing the way the thing was done. Now, the reason that there is so much confusion, and because we are all against corruption, we are all against dishonesty, and Americans take it for granted that we are honest. At least when I run, I have taken it for granted that my opponents and everybody else are honest because we take it for granted, and therefore we should react violently and with the greatest of indignation to wrongdoing, but the issue here is not wrongdoing. The issue now is the independence of the representative branch of government.

The third thing I spoke out on was more recent, and again unfortunately I could not make any points with the Carter administration. It has to do with the thing that I think is going to trip this country up in the Western Hemisphere in the worst possible way, namely, El Salvador. I spoke out on April 1 for the first time. I was concerned about the safety of our diplomatic mission. Since then, Americans have been killed. Fortunately, it has

not been the Ambassador, but the chances are that that too will happen rather than that it will not. In the meanwhile, we are being jockeyed into a position that no matter what this Government does, it is going to be wrong.

I suggested on April 1 to President Carter that he immediately exert American leadership collectively in the Western Hemisphere through the OAS, the Organization of American States. I feel now that that may be too late, but it is the only way because even if the right thing to do is to intervene unilaterally, it will be wrong from a historical and a practical purpose.

So, I am sorry that whatever I spoke out on that was to no avail. I will speak out on that again in the future because I think there are still points I want to make.

The last thing I want to speak on is a resolution I introduced. It has to do with Iran. I think it is absolutely unbelievable that on both sides, neither the Senate nor the House has looked to the clear constitutional duty imposed under the express powers conferred on the Congress by the Constitution in article I, section 8, clause 10—the last half of clause 10. Everybody has looked at the first half, and especially when the Government started, because piracy and the question of litigation of prizes was the big thing, but everybody has overlooked the second half where clearly the men who wrote the Constitution visualized this unprecedented act of outlaw and brigandage by Iran when they imprisoned our diplomatic personnel. That has not happened since before the Middle Ages, but the duty is on us under the Constitution to define that crime and to provide the punishment therefor.

You might say, "Punish how?"

There are many ways. The President did the right thing. He went to the United Nations; he went to the International Court of Arbitration and Justice, the World Court. All of them said that we were right, and so now to sit by because the hostages have been released and say, "That's it," I think is an egregious error and one that invites rather than diminishes a chance for future occurrences of this type.

Iran must be made to pay. By war? No. There are other means, but we have got to define it because otherwise even those actions taken thus far are questionable under international legal interpretations. But, if we define them, we will be right.

HOUSE RESOLUTION 43—A RESOLUTION OF THANKS FOR THOSE WHO HELPED IN THE RELEASE OF THE HOSTAGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr Speaker. I am sure that every resident of the 15th District of Michigan joins me in welcoming home 52 great Americans. I am proud to be a cosponsor of House Resolution 43—a resolution of thanks to some of the individuals who worked relentlessly until the final peaceful solution was reached. This resolution pays appropriate tribute to former President Jimmy Carter, former Secretary of State Edmund Muskie, and former Deputy Secretary of State Warren Christopher. Without their efforts, especially in those final few days, we might not have had a solution.

This resolution also offers our appreciation to the Algerian negotiators who played such an important role. They helped us prove that there are peaceful methods of solving international conflicts. Their commitment to negotiate brought this serious situation to a conclusion, and allowed our fellow citizens to come home.

Our sense of pride must be tempered, however, as we remember with sorrow those who lost their lives in the attempted rescue of our former hostages. Eight brave Americans died in a faraway hostile country, in a sandstorm. There is not a person in this country who is going to forget their heroic efforts.

Again, Mr. Speaker, I am proud to be a cosponsor of such a special resolution. I am happy that this measure welcomes the former hostages back to freedom in the United States. May their lives and those of their families be filled with peace.●

CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET, THE TIME HAS COME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I am reintroducing legislation which proposes an amendment to the Constitution of the United States requiring that the budget be balanced. I have been fighting for a balanced budget ever since I came to Congress over 6 years ago.

At first, calling for a balanced budget was like a voice in the wilderness. Now, that voice crying in the wilderness has become a roar because it has become the collective voice of the American people, the administration, and, I believe, a majority of our colleagues.

The American people know that you cannot continue to outspend your income year after year without at some point reaching the day of reckoning. We have reached that point, and we have the support of the public to balance the budget.

We must now balance the budget in order to create a psychological climate which repudiates the past irresponsible spending habits of our Government and sets the stage for dealing with our most serious domestic problem, inflation.

What makes inflation such an intractable problem is that there are a number of causes, and we must deal with each of them—Federal deficit spending (which we are now attacking); excessive Federal regulation of the private sector that drives up costs and prices; price increases which do not reflect production costs; wage increases without increased productivity; price increases for basic and vital commodities such as oil, over which we have no control; and the inability to increase our productivity which may well be the most important factor in our inflation rate.

Let us remember who inflation hurts the most when we come to the hard choice about making spending cuts. Sure, it inconveniences the wealthy because they have to spend more for goods and services. But it strikes harder at the middle class who are struggling to make ends meet. And it is the poor and the elderly, those on fixed incomes, who are devastated by inflation. The very poorest people rarely even benefit from the social programs we have to cut. The poor have no elasticity in their budgets. They cannot make the "sacrifice" of a second car or a third television set. When food prices go up, they eat less. When transportation costs go up, they stay at home. When heating fuel prices jump, they are cold.

Remember those people and remember the hard-working, unsubsidized middle-income people, who pay most of the taxes, when you are confronted with the hard choice of voting for spending cuts called for by a balanced budget.

The balanced budget will strengthen the economy because only with a balanced budget can we reduce the national debt and eliminate Government deficits which means less Government borrowing in the private money markets. That, in turn, will mean more money will be available to private lenders and borrowers, and that translates into more housing starts, more capital expansion, more credit for farmers.

Here we begin to boost productivity and attack one of the root causes of inflation. If we are going to stimulate productivity in the private sector, we have got to put an end to Government competition for the limited funds available for private sector investment.

The Federal Government is also in competition with the private sector for goods and services. If the standard definition of inflation is "too many dollars chasing too few goods," then the excessive Federal spending of the past years has contributed to that inflation. It is time to put an end to inflationary programs which increase the amount of money in circulation, but do nothing to stimulate the investment cycles which improve productivity in the business sector and result in jobs and greater balance between prices and costs of production. A balanced budget will mean a cut in real spending by the Federal Government and a decrease in these nonproductive programs.

Further to stimulate investment and productivity, a balanced budget with reduced spending and reduced deficits can and should be tied to tax cuts. A tax cut, tied to a balanced budget, means that people will have more money to spend and invest—again, another boost for productivity.

We have not had a balanced budget since 1969. Since that time, the Government has spent like a drunken sailor, money that we did not have to spend.

We were, in effect, charging fur coats to our grandchildren. We are paying the price for our recklessness now in astronomical interest rates, double-digit inflation, swollen governments at all levels, and a regulatory morass created to administer the spending of the money we did not have.

Some people have said that Congress alone is the cause of increasing Federal spending. Congress certainly has played a role in the sad history and now that is being changed this year. But I think it important to point out that each and every year since 1970, the Congress has appropriated fewer of the taxpayers' dollars than the Presidents have requested. I repeat, in each year Congress spent less than the President requested and that goes for President Nixon and President Ford, as well as President Carter.

A balanced budget means that we are finally putting a stop to the spending spree. We are creating a psychological climate which repudiates the past and says to ourselves, to the stock and bond markets, to our trading partners, to the rest of the world, that we will put our fiscal house in order, that we will restore faith in the value of the dollar, that we will increase productivity, that we will decrease our national debt, that we will begin to act in a fiscally, monetarily, economically sound way. We will begin to set a climate of careful management of our income, careful husbanding of our resources, careful planning and tighter control of our budget.

We must send the message to the spenders in Congress and to the American people that a balanced budget is essential and attainable, and is the only way to restore fiscal sanity to our economy.

I urge my colleagues to join me in this effort to balance the budget.●

SOCIAL SECURITY BENEFITS FOR DISABLED SPOUSES, WIDOWS AND WIDOWERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. OBERSTAR) is recognized for 5 minutes.

● Mr. OBERSTAR. Mr. Speaker, for several years now, we have been cautioned that social security commitments may be greater than the willingness or ability of future workers to support the program. As a result, the 1977 Social Security Amendments sharply reduced future retirement benefits. Last year, disability benefits were reduced by as much as 30 percent for young disabled workers. This year there has been talk about eliminating the minimum benefit and denying benefits to children of retired, disabled, or deceased workers who wish to go to college or vocational school after they are 18 years of age.

In this atmosphere, it is somewhat like rowing against a tidal wave to continue to call attention to unfairness in present law. Nevertheless, I believe any review of the social security program must include a reexamination and a restatement of program principles. My own review has led me to the introduction of H.R. 1266 to amend the Social Security Act to provide benefits for disabled spouses of annuitants, full benefits for disabled widows and widowers, and to remove the recency of work test for all fully insured individuals.

The premise of the Social Security Act is that workers who are aged or disabled are entitled to a wage replacement benefit. An additional benefit is added for aged spouses or for a younger spouse if there are young children to be cared for. Survivors' benefits are payable to dependent children and to the parent providing care if the children are under 18. A spouse who is not yet retirement age or who is not caring for children is not eligible for a benefit as he or she is expected to be able to enter the labor market. This expectation is neither realistic nor in keeping with the principles of the act if the spouse is disabled.

My bill provides that the disabled spouse of any annuitant will be treated under the law as if he or she had reached age 65. That is, unreduced spouse benefits would be payable from the first month the wage earner was entitled to a benefit.

A second provision similarly authorizes unreduced benefits to disabled surviving spouses at any age.

In 1967, when widows' benefits were first provided to women over age 50, the drafters of the legislation took a cautious approach. Questioning the ability of vocational experts to judge the wage earning potential of persons who had never been a part of the work force, the bill decreed that widows would be judged by medical criteria alone. If the experience of wage earner claims is applicable, approximately 25 percent of severely disabled widows are rejected because their age, education, and experience are not considered.

The irony of this stricter test of disability is twofold. First if a widow is found so severely disabled as to qualify for a benefit, her annuity is still actuarially reduced for each month she is under 65. Second, if on the basis of medical impairments alone she is not considered disabled, she can exhaust all her resources and then qualify for SSI because since 1974, the same State agencies which, presumably, are unable to apply vocational factors to disabled widows have been applying those factors to SSI applicants whether or not they have ever been a part of the work force.

The final provision of my bill eliminates the requirement that disability benefit applicants must be insured in 20 of the 40 calendar quarters ending with the onset of disability. This so-called recency of work test unfairly discriminates against women who are in and out of the labor market due to child care and homemaking responsibilities. It penalizes persons whose work careers alternate between public employment and employment covered by social security. It also discriminates against persons with chronic or degenerative diseases who are often denied the opportunity for employment long before they are able to meet the strict disability criteria of the law.

Disability benefits are based on average indexed earnings over a working lifetime. Under the new disability law, fewer years of low or no earnings can be dropped out of the computation when averaging wages and no dependents benefits are now paid to disabled individuals with a significant number of years with zero earnings. Under these circumstances, I believe it is time to change the insured requirement for disability from one-quarter out of two to one out of four, which is the measure for fully insured status.●

BOB GIBSON INDUCTED INTO THE BASEBALL HALL OF FAME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. DAUB) is recognized for 5 minutes.

● Mr. DAUB. Mr. Speaker, on the 15th of January 1981, the Baseball Hall of Fame inducted into its league of legends one of the greatest pitchers in the history of the game—Bob Gibson. I think it a tribute to the man

and his achievements that not only was he an overwhelming choice for induction, he received this honor in his first year of eligibility—a distinction shared by only 11 other players. Elected by 84 percent of the total ballots cast, Gibson's competition included such greats as Don Drysdale, Gil Hodges, and Harmon Killebrew.

I am privileged to call this to the attention of the House and to share with my colleagues a brief synopsis of his career.

Gibson pitched just over 3,884 innings in his 17 years with the St. Louis Cardinals. He struck out 3,117 batters, making him one of only four pitchers to retire more than 3,000 batters. He amassed 251 wins while losing only 174 and attained a remarkable earned run average of 2.91.

In five seasons he distinguished himself by winning 20 games. Of the nine World Series games he pitched, seven straight victories are to his credit. He is the only pitcher to have won the seventh game of the World Series twice.

In the 1968 World Series opener against the Detroit Tigers, Bob Gibson struck out 17 batters—a record that still stands. He has received the Most Valuable Player Award and is a two-time recipient of the Cy Young Award. Now, as a fitting tribute to a brilliant baseball career, Bob Gibson is immortalized in the Hall of Fame.

Ron Fairly once said of Bob Gibson:

There are players that play the game of baseball that attempt to live up to standards. This man sets them.

Mr. Speaker, the House is not just a Chamber privileged with legislative authority. It is also privileged to recognize true excellence across the Nation. In my mind, the name Bob Gibson is synonymous with excellence. I ask the entire House to join in honoring Bob Gibson upon his receiving the crowning award of his profession—induction into baseball's Hall of Fame.●

LEADING THE WAY IN PROTECTING AMERICA'S FARMLAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. PEASE) is recognized for 5 minutes.

● Mr. PEASE. Mr. Speaker, America's farmland is a natural resource of profound national and international importance. This land enables our people to be among the best fed in the world and, at the same time, to contribute more than any other nation toward fighting world hunger. It is no secret that our agricultural economy is the envy of the world, and American farmers through their productivity make the biggest contribution toward redressing our serious balance-of-payments problems. But forces are at work within our society and isolated decisions about agricultural lands with potentially grave consequences are actually being made now at a time when the crucial importance of this resource is practically invisible to most Americans. Consider the following:

Secretary of Agriculture Bob Bergland said:

In my lifetime, we have paved over the equivalent of all the cropland in Ohio. Before this century is out, we will pave over an area the size of Indiana.

One million acres of prime American farmland has been converted to nonagricultural use per year during the past decade.

Three to five million acres per year is the rate at which all U.S. farmland is being converted to nonagricultural use.

Since we are a largely urban society, many of us may ask: "In a country as big as America, why should we be concerned if the total acreage of farmland is declining?" The seriousness of the threat posed by current trends of vanishing farmland was graphically illustrated by Washington correspondent George Anthan in a series of articles published last July in the Des Moines Register:

Everytime a baby is born in the United States, agriculture loses 1½ acres of cropland. The connection isn't direct—it's a mathematical comparison of population and land-loss trends—but it dramatizes a problem; our population is growing, our available farmland is shrinking, and our per-acre crop yields are leveling off.

Anthan lists the following projections for the year 2000 if current farm land losses continue:

All food produced in the United States will be consumed here;

Consumer food prices will be pushed sharply upward. This will be a real price increase, not just an inflation increase;

Food exports no longer will be available to help offset massive trade deficits, such as payments for foreign oil. This almost certainly would have a major negative effect on our national economy, and

The hungry people of other nations will be on their own for food supplies.

To make matters worse, foreign investors are buying more and more American farmland. They even get a break on capital gains taxes that Americans do not get. A GAO report issued last July found that in a survey of all land purchases in 55 counties between January 1, 1977, and June 30, 1978, of the 3 million acres that changed hands, 248,146 acres—8 percent of the total—was purchased by foreign investors from at least 30 countries.

Many other countries do much more than America to preserve ownership of land among their own citizens, particularly farmland. For example, most of the OPEC countries have laws prohibiting foreigners from buying any public or private lands within their borders. I am including with this statement a chart demonstrating how much easier it is for foreign investors to buy American farmland than is the case in many countries including our allies, such as Japan.

Concern for our shrinking farmland is growing. Unfortunately, as is too often the case, some U.S. Government agencies are working at cross purposes. Although the 1969 National Environmental Policy Act, an August 1976 memorandum by the President's Council on Environmental Quality, and the U.S. Department of Agriculture's current land-use policy all ask Federal agencies to analyze the effects of their activities on prime farmland and to make a special effort to protect these lands from conversion to other uses, the General Services Administration (GSA) has not gotten the message. Even now, while the national agricultural lands study which was initiated in June 1979 with 11 Federal agencies participating, under the co-chairmanship of the U.S. Secretary of Agriculture and the Chairman of the Council on Environmental Quality, is underway and due to be released very soon, the GSA has continued to sell prime farmland for nonagricultural uses.

Specifically, in 1979, GSA sold at public auction or transferred to local governments and nonprofit organizations approximately 14,340 acres of land valued at $165 million—some of it prime farmland—with little regard for returning to agricultural use surplused Federal land. As you might imagine, those Americans who were farming the land prior to its acquisition by the U.S. Government find it very difficult to reacquire the same land when it is surplused and they have to compete in public auction with foreign investors and/or commercial developers.

At this juncture, when the Federal Government's role in support of State and local government efforts aimed at retaining farmland is still evolving, it makes sense for the Congress to take a qualified step to encourage returning farmland no longer needed by the U.S. Government to farm production in American hands. I have prepared a bill to achieve this limited and timely purpose.

My bill amends the Federal Property Act of 1949 to state that, with respect to surplus Federal lands to be disposed of by GSA which were in agricultural use at the time they were acquired by the U.S. Government, prior owners or tenants who lease from prior owners would be given first right of refusal to buy back their farmland at fair market value as determined by independent appraisal. In simplest terms, under my bill persons who were farming certain lands and who sold their property to the U.S. Government would be given the right to buy their land back prior to it being

auctioned in public, provided they agree to return the land to agricultural use for the lifetime of the prior owner or tenant, whichever applies.

This legislation will insure that the U.S. Government protects our vital interest in keeping prime American farmland in agricultural use and primarily in American hands. It is fair and prudent that the U.S. Government set an example by giving American farmers the right to buy back their land at fair market value once the U.S. Government no longer has a use for it.

GSA should have no difficulty in administering this bill should it become law, since there already exists legal precedence for granting first right of refusal on farmland surplused by the Federal Government. Throughout the 1940's, such a priority was established under Federal law by the Surplus Property Act.

Finally, to underscore the importance of the Federal Government taking the lead in addressing the problems resulting from vanishing farmland, I am inserting the following for the RECORD:

First, a list showing how several other countries regulate the use of their public and private lands; and

Second, a compelling article from the July 1, 1980, edition of the New York Times by M. Rupert Cutler, the former Assistant Secretary of Agriculture for Natural Resources and Environment, in which he calls attention to our need to act to avert a crisis developing because of the rapid loss of agricultural land.

COMPARATIVE LEGAL REQUIREMENTS GOVERNING PURCHASES OF LAND BY FOREIGN NATIONALS IN SEVERAL DIFFERENT COUNTRIES

Iraq, Kuwait, Qatar, Libya, and Saudi Arabia: These nations prohibit foreigners from purchasing public or private land.

Portugal, Belgium, and United Kingdom: No restrictions are placed on aliens who wish to purchase public or private land.

Argentina: Aliens are required to register with the government if purchasing public or private land.

Austria: All Austrian states restrict foreign ownership of agricultural and forestry land, and the majority of them restrict alien ownership of all public or private land. Aliens must obtain a permit from the state government to purchase public or private land that is available to foreigners.

Brazil: Aliens are not allowed to own land along national borders. Aliens are not allowed to own agricultural land without permission from the government. Foreigners are allowed to purchase all other public or private land that is for sale.

France, West Germany: Aliens are allowed to purchase public or private land if there exists a reciprocal relationship with the country the alien is from.

Guatemala: Foreigners must obtain a permit from the government before purchasing public or private land. Aliens cannot buy land within 3 kilometers of oceans, lakes, or rivers. Foreigners cannot buy land 50 kilometers of a border line, unless they obtain special permission from the government.

Mexico: Foreigners can purchase public and private land with permission from the government. Under no circumstance may an alien acquire direct ownership of lands or waters within a zone of 100 kilometers along the frontiers and 50 kilometers along shores of the country.

Japan: Foreigners may acquire public and private land after obtaining the approval of the government.

Canada: Strict screening procedures are used by the government to check aliens who wish to buy public or private land. The Canadian provinces also impose their own restrictions on foreigners who want to buy public or private land.

Switzerland: Aliens must obtain a permit from the government. Foreigners are not allowed to buy land near military installations.

Sources: "Foreign Investment in U.S. Agricultural Land—How it Shapes Up." G.A.O., July 30, 1979. "Land Ownership by Nonresidents in Certain Foreign Countries," Carleton W. Kenyon, Law Library of Congress, November 28, 1979.

[From the New York Times, July 1, 1980]

THE PERIL OF VANISHING FARMLANDS

(By M. Rupert Cutler)

WASHINGTON.—America is on the brink of a crisis in the loss of agricultural land that may soon undermine our ability to produce sufficient food for ourselves and other nations of our hungry world.

Every day in the United States, four square miles of the nation's prime farmland are shifted to uses other than agriculture. Visualize a strip of land a half-mile wide stretching from New York to California. That's a million acres—the amount of prime farmland irreversibly lost to agriculture every year through urban sprawl.

Florida, producer of half the world's grapefruit and one-fourth of the world's oranges, will lose all of its unique and prime lands in less than 20 years if the current conversion rate continues. New Hampshire and Rhode Island also are destined to lose all of their prime agricultural land.

The status and availability of our agricultural lands are being examined in the National Agricultural Lands Study, being carried out by a Federal inter-agency task force led by President Carter's Council on Environmental Quality and the Department of Agriculture. Ten other Federal agencies are participating.

The study's projection for an imminent wipeout of unique and prime farmlands in Florida, New Hampshire and Rhode Island is based upon its analysis of the Agriculture Department's 1967 conservation-needs inventory and the Soil Conservation Service's 1977 national-resource inventories, which showed acres converted to urban, industrial, transportation and water uses in every state.

If conversion continues at the 1967–1977 rate, grave losses are foreseen in other states. West Virginia will lose 73 percent of its prime farmland in less than a generation; Connecticut, 70 percent; Massachusetts, 51 percent; Maryland and New Mexico, 44 percent; Vermont, 43 percent; Utah, 35 percent Virginia, 24 percent; Washington, 23 percent; and Pennsylvania, 21 percent. New York and California, both top agricultural producers, will lose 16 and 15 percent, respectively, and New Jersey, 9 percent.

Why should we be concerned?

Prime farmland is the best land for farming. It is flat or gently rolling, and susceptible to little soil erosion. It is our most energy-efficient land, producing the most food with the least fuel, fertilizer and labor.

Prime, flat acres are also the easiest, least expensive to build upon. Despite soaring costs, the land is still a speculator's bargain in many regions. But the nation and the world may pay a devastating price for today's quick profits on development dollars.

Consider this observation by Allen Hidlebaugh, resource inventory specialist in the inter-agency task force: "Even in America's agricultural heartland—the Corn Belt states—there is cause for concern. We anticipate a total of 3.2 million acre prime farmland loss in Iowa, Illinois, Indiana, Ohio and Missouri combined if present trends continue to the year 2000. The annual loss will equal 480 million bushels of corn—at $2.50 a bushel a permanent loss of $1 billion a year every year by the century's end."

Florida's State Commissioner of Agriculture, Doyle Connor, says: "Every time a highway or retirement homes are built on Florida farmland, we increase the likelihood of our dependence on other nations for food. Already the U.S. is importing vegetables from Mexico and South America. Today we are experiencing deprivation because of our dependence on foreign oil. Is the next deprivation food?"

What is the solution? With varying success, 48 states are attempting to protect their agricultural land. Sophisticated and effective farmland-retention programs are under way in Oregon and Wisconsin. New York is the first state to have organized agricultural districts, thereby protecting more than six million acres—well over half the state's best agricultural land. At high cost, Connecticut, Massachusetts and New York have purchased the development rights of prime farmland. Zoning and preferential taxation are in effect in many states; usually this merely delays rather than prevents conversion.

Because there is no national policy to protect prime farmlands, some Federal agencies have recognized a need for action. In 1978, the Agriculture Department and the Environmental Protection Agency adopted policies limiting the adverse impacts of their actions on prime farmlands. Other Federal agencies are developing similar policies.

An approach worth serious consideration may be a requirement that a Federal project include the cost of acquiring the development rights of agricultural lands that are equal in productive capacity to land lost through the project's action. In all likelihood, this would result in the selection of project sites with little or no adverse impact on prime farmlands.

Perhaps the greatest need of all is for public education. People must fully understand the irreplaceable value of prime farmlands, and the ominous meaning of the war between the bulldozer and the plow. When farmland goes, food goes. Asphalt is the land's last crop.

[M. Rupert Cutler is Assistant Secretary of Agriculture for Natural Resources and Environment.]●

ESTABLISHING PACKERS AND STOCKYARDS ADMINISTRATION AS AN AGENCY WITHIN THE DEPARTMENT OF AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, today I am introducing legislation to establish the Packers and Stockyards Administration as an agency within the Department of Agriculture. According to the language in the bill, the Packers and Stockyards Administration will, as an agency within the Department, be responsible for enforcing the Packers and Stockyards Act of 1921, as amended, and be supervised directly by the Secretary of Agriculture.

Mr. Speaker, to those of my colleagues who are aware that already a unit of USDA's Agricultural Marketing Service exists as "Packers and Stockyards," my bill may appear unnecessary—in fact, even undesirable given our general concern that the number of Government agencies be reduced. However, I believe that the establishment, by specific legislative mandate, of the Packers and Stockyards Administration, is essential to assuring that the provisions of the Packers and Stockyards Act of 1921, as amended, are effectively enforced.

From enactment of the Packers and Stockyards Act of 1921 until 1958, responsibility for carrying out the provisions of the act was delegated to an enforcement unit as USDA which assumed different names and different positions within the Department of Agriculture's hierarchy. With passage of the Packers and Stockyards Act Amendments of 1958, however, the Secretary of Agriculture was instructed to "maintain within the Department of Agriculture a separate enforcement unit to administer title II of this act." Unfortunately, this language proved insufficient to assure that the act would be properly enforced by an agency with a measure of independent status, yet supervised by the Secretary, rather than one relegated to the depths of the Department's layered bureaucracy.

After nearly a decade of prodding by the Congress and the distinguished chairman of the Committee on Appropriations, Mr. WHITTEN, the Department of Agriculture, in 1967, recognized the importance of maintaining an effective enforcement body and established the Packers and Stockyards Administration. The Packers and Stockyards Administration, as a separate enforcement unit, effectively and responsibly carried out the provisions of the act during a period when significant changes in the livestock industry tested that agency's authority and resources.

However, to the dismay of many of us concerned with the well-being of the livestock industry, the Department of Agriculture in 1977 took action to strip the Packers and Stockyards Administration of its title and stature and instead ordered it to its present position as a subsidiary of the Agricultural Marketing Service.

I can understand, Mr. Speaker, that in his zeal to streamline the organizational chart for the Department during a period of renewed emphasis on responsible Government management, a USDA bureaucrat probably felt the shifting of this small but important agency was wise and prudent. Unfortunately, I do not feel that this move proved to be in the best interests of the livestock industry. At a time when challenges facing the industry demanded more effective enforcement of the 1921 act than ever before, Packers and Stockyards was, without reason, made part of a larger agency with which it shares no common purpose.

The bill I am introducing today contains language identical to legislation I introduced in the last Congress in an attempt to get the Department to move on its own accord to establish Packers and Stockyards as a separate enforcement body. The intent of that legislation was supported by both the American Farm Bureau Federation and the National Cattlemen's Association.

In the course of several meetings with USDA officials on this matter during 1980, I was told that the Department agreed that Packers and Stockyards should be independent and that the necessary steps would be taken administratively to effect this change. In fact, all the necessary paperwork was drawn up and approved at the various administrative levels and was sent to the Secretary for his signature. Unfortunately, final approval did not come before the election and it was decided by the outgoing administration that the matter should be left up to the new Secretary. However, I am hopeful that the intent of this legislation will win the support of Secretary Block and the new officials at the Department.

As I have indicated, Mr. Speaker, the purpose of my legislation is simple and direct—to create a separate Packers and Stockyards Administration that is closely supervised by the Secretary of Agriculture. I am confident that my colleagues will recognize the need for this legislation, and I urge that they lend it their full support.

The text of the bill follows:

H.R. 1575

A bill to amend the Packers and Stockyards Act, 1921, to establish the Packers and Stockyards Administration

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 407(b) of the Packers and Stockyards Act, 1921 (7 U.S.C. 228(b)), is amended to read as follows:

"(b) The Secretary shall establish and maintain as an agency within the Department of Agriculture the Packers and Stockyards Administration which shall be headed by an Administrator who shall be appointed and supervised by the Secretary. The Secretary shall enforce and administer this Act through the Packers and Stockyards Administration.".

"IF THE FLYING PUBLIC KNEW ABOUT THIS!"—A WMAQ RADIO NEWS SPECIAL REPORT

(Mr. HYDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HYDE. Mr. Speaker, WMAQ radio in Chicago recently aired a special report entitled, "If the Flying Public Knew About This!," which focuses on some of the major problems that remain unsolved within our aviation system.

Though much of the material in this documentary pertains to O'Hare Field in Chicago, the problems are by no means restricted to that airport—deficiencies in the air transport system abound nationwide, and daily endanger the lives of unsuspecting Americans traveling the "friendly skies."

The intention of this documentary is to lay the facts before the public, and they are scary indeed. Alleged discrepancies in temporary certifications of FAA technicians; the continuing computer outage problems; the alleged failure of the FAA to keep up with state-of-the-art advances in increasing both air worthiness and crash worthiness for the Nation's air carriers; and the alleged lack of top professionalism within the FAA itself.

Not only do I frequently fly in and out of O'Hare Field, but it is part of my congressional district. I am shocked and angry that conditions exist that could bring about a major air or ground collision that would endanger the lives of hundreds of innocent victims.

I think it is imperative that Congress and the public be aware of the major problems outlined in this documentary, and that immediate steps be taken to rectify them.

I am pleased to share this outstanding documentary, and strongly commend it to the attention of my colleagues:

"IF THE FLYING PUBLIC KNEW ABOUT THIS!"—A WMAQ RADIO NEWS SPECIAL REPORT

(Written, researched, and produced by: Harry Mantel. Reported by: Walt Hamilton)

INTRODUCTION

"If the Flying Public Knew About This!" closely examines some serious charges against the Federal Aviation Administration for its failure to provide maximum safety for the flying public. Essentially, the FAA is accused by the Chairman of the National Transportation Safety Board of failing to keep up with "state-of-the-art" in air crash worthiness, or, the ability to minimise crash impact and fire casualties.

This special report examines charges of FAA technicians that the Federal Aviation Administration at O'Hare Airport, in Chicago, has approved the scheduling of untrained personnel in key positions of responsibility. The final part of this radio documentary centers on an issue of air safety still unresolved at O'Hare Airport, that is said to be a potential hazard for aircraft landing in instrument flying conditions.

The intention of this report is to bring current and new charges of FAA mismanagement into sharper focus. People heard in this report, in order of their appearance, are:

Tom Couch, FAA Electronics Technician, O'Hare Airport.

Dan Wood, FAA Radar Technician, O'Hare Airport.

Howard Johannsen, President of Professional Airways Systems Specialists (PASS).

Jim O'Connor, FAA Controller, O'Hare Airport.

Warren Zentz, FAA Computer Technician, O'Hare Airport.

Congressman Elliott Levitas, Member of the Subcommittee on Oversight and Review of the Committee on Public Works and Transportation, House of Representatives.

James King, Chairman, National Transportation Safety Board.

George Low, Chairman, Committee on FAA Airworthiness Certification Procedures, National Research Council.

Congressman Robert Whittaker.

Ken Patterson, FAA Chief of Great Lakes Traffic.

Senator Birch Bayh, Chairman, Senate Appropriations Subcommittee on Transportation.

Congressman Norman Mineta, Chairman, Subcommittee on Oversight and Review.

Del Mott, Director of Safety, Association of Flight Attendants.

Jean Griffen, Flight Attendant.

Anthony Broderick, FAA Technical Adviser to the Associate Administrator for Aviation Standards.

John O'Brien, Manager, Engineering Operations, Airline Pilots Association.

(Sound: Jets landing.)

COUCH: "Now I'm the Operations Officer. And I am totally incompetent of handling that job. I have had no training at resetting the radar, resetting the computer. I don't know the names of the systems, I don't know where they are. I'm out of my field. If the flying public knew about this, wow!"

WALT: That's Federal Aviation Administration employee Tom Couch, an electronics technician, telling of doing a job at O'Hare Field, he knew nothing about.

WOOD: "But the problem is no one has ever questioned the FAA. Everyone has taken the FAA's word for everything as the authority on all of the equipment, on all of their staffing, their training, all their facilities."

WALT: Radar technician Dan Wood; he's another employee of the Federal Aviation Administration.

JOHANNSEN: "The FAA in the past is what I called a 'band-aid' operation. We have seen too many occurrances of problems, and then the rushing after the problem, after the accident, the death and destruction, to find some cure, how can we prevent that in the future. But there's never been that, well let's see what we can do about it now to prevent an occurance."

WALT: That was Howard Johannsen, President of the Professional Airways Systems Specialists, called PASS. His union represents many FAA technicians; the people who maintain the radar, navigational, computer and communications equipment, all so vital to guiding big jet aircraft to and from busy O'Hare Field.

O'CONNOR: "The most critical point is the transition period from the time you lose the computer to the time you revert to the old system. You've got 60 Journeymen here that know how to move airplanes, and you just can't move airplanes under the old system as you did the new system, with the computer. You've also got Journeymen here that have no knowledge of working without the computer."

WALT: That was Jim O'Connor, an FAA controller. Like Couch and Wood, he works at O'Hare International Airport. Known as the world's busiest. I'm Walt Hamilton. What you've just heard are some major complaints against the FAA. Not all the complaints were made by FAA employees, or people working under FAA regulations. You'll hear complaints against the FAA . . . in the next few minutes, from the Chairman of the National Transportation Safety Board and from a Committee of the National Research Council. Its 'blue ribbon' investigation followed the crash of flight 191 at O'Hare, in May, 1979. We began looking into the complaints from FAA technicians and others the following January. What we found might startle you, or make you angry . . . That you're not as safe as you think.

Warren Zentz is a computer technician at O'Hare, and President of his PASS union local:

ZENTZ: "The worst possible failure of any equipment at O'Hare is a total radar failure. O'Hare has a large amount of traffic—even on Christmas Eve—the most recent failure. There were many, many airplanes in the sky. Perhaps 7 on final, or 7 being vectored for final. During a power-power outage, our radar site did fail, both channels failed. The controllers immediately—they have procedures—they really went into their radar failure procedures. They had to rely upon only memory where these aircraft were. They had no eyes, so to speak. They did not know exactly where these aircraft were."

WALT: This was Christmas Eve, 1979. About a month later, in February, a report critical of the FAA was released by the General Accounting Office. That report was requested by two Congressmen a month after the San Diego mid-air collision in 1978. 137 people were killed in both aircraft, and 7 on the ground. The GAO report concluded: The American taxpayer and the flying public were not getting full value from the Federal Aviation Administration. In June 1980, Congressman Elliott Levitas of Georgia told a congressional subcommittee the GAO report was a "scathing indictment of FAA".

LEVITAS: "The conclusion of the GAO was that the FAA does not have an effective system for identifying safety hazards, does not have a comprehensive planning process to address safety issues, does not have an adequate system for planning and approving individual safety programs, does not have a proper system of controls to govern the implementation phase of safety program nor does it have a sufficient evaluation of safety programs and projects. I have previously suggested that's a scathing indictment of FAA."

WALT: That same month, Chairman Phillip Handler of the National Research Council sent a report to the Secretary of Transportation. He said the "blue-ribbon" committee formed to investigate aircraft safety, found significant faults in a system that has operated with a good safety record. One major criticism in the report was "increasing technical domination of the FAA, by the industry it regulates, or . . . the industry has better people. It urged the FAA to upgrade the technical quality of its staff as soon as possible. A few weeks earlier the Chairman of the National Transportation Safety Board, Jim King, in a rare public attack by the NTSB Chairman, told a congressional sub-committee that a nylon escape slide had melted from radiant heat, given off by a burning jetliner that was aborted on takeoff at Los Angeles a year earlier. 186 passengers and 14 crew members evacuated the burning plane, but 2 people were killed. King said better fire-resistant materials were available long ago . . .

KING: "Why did it take a fatal accident for FAA to learn that emergency slides failed in common emergency conditions and that better products have been available for years. Why doesn't the FAA keep abreast of the state-of-the-art and then incorporate research and new improvements as they become available?"

WALT: Those nylon escape slides that melted from the radiant heat still are used on aircraft today. The National Transportation Safety Board can only recommend to the FAA, it cannot order the FAA to act on its recommendation.

George Low was chairman of the committee of 13 national aviation experts which was established following the flight 191 crash in Chicago. Low has "blue-ribbon" credentials; he directed man's first flight to the moon when he worked for NASA. He now is President of Rensselaer Polytechnic Institute.

LOW: "What has happened over the last 5, 10, 15 years, is that the cost of serving our government has become enormous, and therefore, at all levels, whether it's the beginning level, the middle level, the upper level, at all levels, the government no longer attracts the best technical people, probably also not the best business people, non-technical people, into its own ranks. That needs to be changed."

WALT: So it appears that safety can suffer . . . without competent people. Case in point: The total radar failure we've mentioned, that occurred at O'Hare Field in Chicago, on Christmas Eve, a year ago. Technicians Tom Couch and Warren Zentz told us what they believe happened:

COUCH: "Well, this particular radar failure, you're talking about, was an FAA supervisor pushed the wrong button. Did he not?"

ZENTZ: "The radar did not come back the way it was supposed to come back. We have procedures for power failures. The radar is supposed to come back after a power failure. We do have an engine generator at that site. The engine generator did start. Something happened. Something major happened to that radar and it did fail."

COUCH: "If you could see the look on the controller's face—if the flying public could see what the controller goes through when the radar fails. . . ."

ZENTZ: "The operations officer sits at a console with the radar remote control buttons at his fingertips. The tower did experience the power outage as the radar site did. It was three minutes later—I was the person that finally pressed the button to bring the radar back up. As Tom says, the controllers were very, very excited about this because O'Hare is a dual-input site. We did have another radar—we have one radar display in the I.F.R. room which is orientated approximately 14 miles south of O'Hare Field. And the controllers—every controller in the

I.F.R. room at the time rushed to that scope."

WALT: Radar technician Dan Wood told us nothing was wrong with the equipment. We were told the man who was supposed to bring the radar back, after the power failure, with an emergency generator was not properly trained to do it. Wood, as vice President of his union, complained to FAA management, that they had temporarily certified a technician improperly. This is what his management told him:

WOOD: "It is their prerogative to give certifications to whoever they think is qualified. Well, in this case they said that this man was indeed qualified, and the next day they gave him a certification exam to prove it. Well, he failed the certification exam the following day. So that didn't prove it."

WALT: Dan Wood claims that technicians are intimidated by the FAA management into accepting temporary certification, to avoid paying overtime to a certified technician. All this was Christmas Eve, 1979. Just 2 weeks later, a meeting emptied important O'Hare control points of supervisors. Warren Zentz and Tom Couch told us what happened:

ZENTZ: "On January 15th, they had a management by team action meeting and there wasn't a supervisor left in the house. Technicians were appointed to be operations officers, the same position that was responsible for the radar outage."

COUCH: "I was one of them."

ZENTZ: "Tom Couch was one of them."

COUCH: "I am no more capable of resetting that radar or that computer than I am of performing brain surgery. January 15th is the day they had that meeting, that I was appointed to be one of the operations officers. And of course if you turn this down, you're a bad guy. So off I go between midnight and eight in the morning, now I'm the operations officer. And I am totally incompetent of handling that job. I have no training at resetting the radar, resetting the computer, I don't know the names of the systems, I don't know where they are. I'm out of my field. If the flying public knew about this, wow! If an instrument landing system would have failed I don't believe I would have known how to reset it. I could have punched a lot of buttons. There are 12 instrument landing systems at O'Hare. That's an insurmountable figure. And there is a monitor panel for each one. Well, if I would have had to call an ILS technician from the field, sometimes that could take 20 minutes, it's a big airport. Now picture the pilot making an ILS approach and the glide slope fails. And here I am trying to punch buttons, and I punch them at random."

WALT: The FAA at O'Hare responded to what you just heard, saying, individuals are asked to fill the position of maintenance operations officer and are not appointed, and that Couch could have turned down the request if he didn't feel qualified. The FAA added that qualified technicians are on duty 24 hours a day to advise the operations officer. It denied technician Dan Woods charge that technicians are intimidated into taking on responsibilities beyond their capability. The individual can refuse temporary certification, if he or she doesn't feel qualified.

(Sound: Controller Voices.)

WALT: We've heard some serious complaints against the FAA. Others accuse our air traffic control system of mismanagement. Congressman Bob Whittaker of Kansas:

WHITTAKER: "I began to get interested in the reliability of the air traffic control system back early November of last year when we had the near miss over the Leesburg Center just outside Washington, and at that time in order to get better briefed on the background, I requested the opportunity to tour the Leesburg Center and which I did. And the outcome, the outgrowth of that tour, was that I was told, I was given information that simply did not measure up to what I knew the facts to be."

WALT: Congressman Whittaker made a very serious attack on the FAA's ability to safely control air travel in the United States, when he addressed a convention of airways technicians in Chicago last May.

WHITTAKER: "I became convinced in looking back over committee testimony that FAA has for a decade at least enjoyed the reputation of whatever they say is accepted as gospel. They have never been questioned about the reliability of their equipment, or what they're telling the American public or the Congress of the United States. And they have been able to sidestep the really hard questions that have been posed to them, and avoid answering in documented form."

WALT: Congressman Whittaker asked the Attorney General to investigate the FAA for falsifying documents. He claimed the number of computer outages or failures at air traffic control centers was as much as four times what the FAA had testified to Congress; the computers used to prevent mid-air collisions. Whittaker claimed he had documents that showed at least one computer failure every 63 minutes in the United States.

WHITTAKER: "There have been near misses that have occurred just within the last week that have been denied by the FAA, until we have forced them to admit it. Back in March there was a near miss over San Diego that at first, when we asked about it, they said it didn't occur. When we persisted in it, they finally said that 'Well, yes there was a computer outage at the time, but there was no incident,' and only when we asked for the voice tape and the computer profile of that specific time, did they finally admit 'Well, yes, Congressman, there was in fact a near miss that did occur,' and then they have the audacity to thank me for pointing out a near miss."

WALT: Congressman Whittaker's charges were denied by the FAA's chief of Great Lakes Traffic, Ken Patterson. Patterson said the Congressman was misinformed and that the FAA never falsified documents given Congress on computer outages.

PATTERSON: "What the Congressman apparently is doing here is lumping together actual failures or outages with what are known as unscheduled startovers. The latter is a self-correcting action by the computer to rid itself of incorrect data. These generally last less than 10 seconds or less time than it takes the radar scope to make one full sweep. Each center averages about six startovers and one outage a week. And we're talking about 20 centers in the United States."

WALT: But the rash of public attacks continued. Last October, Indiana Senator Birch Bayh, who was chairman of the Senate Appropriations Sub-Committee on Transportation, said the FAA would not get the 2.8 billion dollars it requested to replace its computerized traffic control system. Not, Bayh said, until the FAA improved the management of its present system.

BAYH: "We feel that the FAA has a real management problem and in order to address this we asked some rather specific questions to the FAA, which seemed rather elementary, but the answers were not forthcoming. For example, since I happen to be a Senator from Indiana, we asked why it was the Indianapolis center had one of the highest computer outages of all the centers for last year, some 17 hundred minutes."

WALT: Senator Bayh said the FAA told him that was not the case. But it turned out the Indianapolis Center's computer outages ranked third behind New York's La Guardia airport and Chicago's O'Hare.

BAYH: "We have been suspicious about the amount of homework, the foundation work the study work that's gone into what they really do need. And I don't think we should short change dollars and end up with two or three hundred people being killed out here in a sudden ball of fire. By the same token, if we're going to invest this kind of money, it seems to me we ought to know we should invest it and that when we invest it we get a safer system that can be efficiently managed, not the kind of system we have right now that is inefficient."

(Sound: Jets taking off.)

WALT: Let's move on from the dangers of computer breakdowns, to surviving an airliner crash.

MINETA: "I suppose the big thing that got us started was the crash of the DC-10 in Chicago. And so out of that then came some specific interest about this whole issue of not only crash prevention, but also crash survivability because those are the two broad areas that we have to deal with in transportation safety."

WALT: That was California Congressman Norman Mineta. He says Congress is interested first in preventing airline crashes, and second, if a crash occurs, what can be done to reduce the chance of injury or death. Mineta is Chairman of the House sub-committee that is investigating the FAA's progress in improving aircraft cabin safety regulations.

MINETA: "Just as they feel they are about ready to go with a new piece of equipment after having gone through testing, getting the issue in the Federal Register, and doing a lot of things, someone will say hold it, there's a new device that's better than the one you're about to market, or about to put out in the field and we think you ought to hold up on this thing. And this kind of stop and go is a problem that does plague FAA."

WALT: Congressman Mineta told us only last week that FAA's "stop and go" research is still not working. He said the FAA may never get the ultimate answer for crash survival. He said his four years working for aircraft safety have met sharp resistance from the FAA.

MINETA: "But it's this kind of thing that I think the Oversight and Review, which is the investigative committee for Public Works and Transportation— it's this kind of leverage that the O and R committee has on the FAA. Because they will then be able to direct their attention and, so to speak, put the heat on the FAA regarding a certain subject matter."

WALT: One of the major frustrations with the FAA, Mineta said, is the strengthening of the passenger seats. (The G forces he talks about here are multiples of numan body weight.)

MINETA: "And I pointed out it seems a little ludicrous that for automobile seats you have 20 G's forward and for airline seats its 9 G's. Now, the FAA had been looking at that, but I had written a letter to them indicating that this is the area I wanted to get into. They all of a sudden started cranking-up their engineering and

regulatory people to take a look at that before the hearings I held in June."

WALT: Another sharp critic of the FAA's lack of progress in improving aircraft cabin safety is the National Transportation Safety Board. Its batting average for getting its recommendations adopted runs about 80 percent. While the Board cannot force the FAA to do anything, it can create the climate for the Congress to order the FAA to account for its progress. In 1974, the Safety Board was specifically authorized to conduct independent accident investigations. The Board's members are appointed by the President and report only to the Congress. At last June's hearing, the Safety Board's Chairman, Jim King, ripped the FAA's failure to update seat strength standards, which, he said, were for an old airplane of the forties and early fifties, the DC-3, much slower than a jet aircraft.

KING: "When these work standards were promulgated, the DC-3 was the workhorse of the US air transport fleet with an approach speed of about 90 mph. Today our jets have an approach speed of about 140 mph and . . . keep in mind that the speed and weight are geometric in the equation in a crash impact. Well, we have seen many technological changes as over the past 30 years, there have been virtually no improvement in passenger seat strength."

WALT: Chairman King testified the Safety Board had recommended strengthening aircraft seats since 1969. And he said the FAA consistently rejected the Board's recommendations. He said during their accident investigations, "it was often apparent that aircraft occupants could have survived the impact if their seats had remained attached to the cabin floor." And, "time after time," King said, "we discover that the most fragile participant in the accident is not the human body, but the seat." He said most of the passenger seats failed in the crash of a turboprop carrying 45 passengers that landed on a street in Albany, New York eight years ago (March 3, 1972). King said most of the seats, with their occupants still belted in them, were thrown forward into the cargo compartment, all piled on top of one another. Fourteen passengers died. King went on to attack the FAA's failure to improve cabin fire safety. He charged the FAA's research lagged years behind the Air Force:

KING: "We believe that several solutions are available for the implementation rather than for further research, for instance there are fireproof materials available that can serve as fire blocking layers in seat cushions. Some 4 or 5 years ago the Air Force developed a modified apoxy resin canopy for fighter aircraft which protects the pilot from external fire for at least 5 to 10 minutes. Only now, is the FAA going to research the application of this material for cabin windows, to prevent melting of the windows and allowing flames to penetrate the cabin."

(Sound: Jets landing at O'Hare.)

WALT: Safety Board Chairman King also attacked the FAA for inadequate cabin lighting in a smoke-filled burning aircraft.

KING: "We know that lighting is more effective closer to floor level and that the technology is now available, and by the way, has been for many years, to provide lighting directional indicators at floor levels to guide passenger exits. Let me pause here Mr. Chairman, when you talk about a fire in a aircraft, what happens is the smoke goes immediately to the ceiling so that you lose virtually 100 percent of the lighting including the emergency markers. So that if you stand up and try to exit in smoke, you're going to be lost. So that having the lower lighting actually serves two purposes. It brings your head down so you can see it (the difference in my height, if I stand up in a cabin fire can be 400' between my head and my knees). So if I am stooped over, my chances of survival are actually enhanced. And now I have a legitimate guidepost to go along and there is no reason why this can't be done and couldn't have been done some time ago. Similarly, technology is available to provide adequate breathing and vision devices for both crew and passengers. An important and longstanding recommendation which the FAA is not even considering."

(Sound: Jets landing at O'Hare.)

WALT: Chairman King flew to Chicago at our request last week to elaborate on his complaints against the FAA's lack of progress in improving aircraft cabin safety. We sat with Chairman King in an empty wide-bodied jet aircraft at O'Hare Field. He is concerned about the lack of a safe seat for flight attendants.

KING: "FAA for years resisted giving the flight attendants what I call a good safe seat. Now, for us at the NTSB what we wanted to do was to create an environment for that person who's a flight attendant, to quite frankly survive the accident, optimize their chance of surviving an accident uninjured. Why? They, most people don't realize that the flight attendants are highly trained professionals in relation to emergency procedures, and more than likely they'll be the only people helping the passengers, because the flight crew has got all kinds of things they're going to do in evacuating an aircraft. And it's critical that the plane be evacuated within 90 seconds."

WALT: Chairman King emphasized that "off-the-shelf technology" has been available for years to provide stronger aircraft seats.

KING: "They're giving them a seat that doesn't fail downward . . . many of us have gotten on planes that seem where they have these bench type seats that fold down . . . we wanted those strengthened so they didn't fail very readily . . . now I don't view that as unreasonable . . . I don't view that as something that's pie in the sky . . . we're talking about off-the-shelf technology that's years old . . . and yet the battle for these seats for flight attendants went on for years . . . and it's a philosophical attitude we're struggling with, not the products, not the design, and not necessarily even the financial aspects . . . it's just that there's been a resistance philosophically to change."

WALT: Chairman King said the human body can withstand much more force than the passenger seat. Only recently, he said, has the FAA agreed to strengthen aircraft seats.

KING: "The question we have is when we know that the body tolerances go to 45 G's, we know that the aircraft . . . most of our new aircraft . . . will take in excess of 20 G's . . . why can't we have the seats somehow permit people to survive when the shell of the aircraft can survive? And we're concerned about that . . . for example, our most recent accident with an air carrier was in Nebraska Valley, Nebraska, where 13 people died . . . of the 13 people, eleven of them died because their seats failed."

WALT: Were they thrown out of their seats or . . .

KING: "The seats collapsed . . . the seat went with them . . . some, the belts let go because they were attached to the seat, but in every case they died of secondary impacts . . . hitting against other things in the aircraft. So, if those seats had stayed fixed to the floor, most of them would have survived."

WALT: We learned from Chairman King that the FAA has failed to require seats made from other materials than deadly polyurethane.

KING: "The thing about the seat itself, it's the largest potential fire mass in the aircraft, other than the fuel, inside the cabin area. And the present material produces a very substantial smoke, toxic gas and flame. And with the flame of course is heat. So we get all the negative things. And as I suggested earlier, you really have very short time. If you're ever in an aircraft that's crashed, or is having a fire in an emergency, leave everything. That's the one thing we found on a profile, if you want to see who the survivors are, if you want to be a survivor, I'll tell how you can do it: Whatever the sequence is, leave everything. Don't look for a thing and get out of the aircraft."

WALT: Chairman King said a new seat material has just been developed by NASA that resists burning and does not give off toxic gases. King faulted the FAA for lagging behind NASA in research, and for not using available products, for example, that could prevent aircraft windows from burning quickly. He said a melting cabin window enables a jet fuel fire in the wings to invade the cabin. It is critical to evacuate the aircraft within 90 seconds, and some of these products that could delay the fire are already on the shelf, he said, but are not required by the FAA.

KING: "There are products available. As I've said they've been around for five years. We're now, quote, in the final stages of FAA looking at tests by the way that NASA has done, and my question is with a very large research and development program that FAA has, why can't we stay at the state-of-the-art? And we shouldn't have to wait for a major tragedy or a near tragedy to say, alright, let's start our research. When we see the products coming down, many of them from the military, the technology in the military is extremely helpful in civil aviation. And so what's the applicability of this to our situation? Can we draw some use from it? There's no reason everyone has to go out and reinvent the wheel."

WALT: The problem at FAA, he said, was not with the people who did the research. The problem was getting the research (as he put it) "translated into action".

KING: "The people who do their work in scientific areas are some of the most competent in the world, if not the most competent. They know what the problem is. And they have scenarios that would help. But somehow, as I said, within the organization it doesn't get translated into action. If you ask me why, I don't know. But I'm persuaded that if the American people understand that it is there, they'll create the climate in which change will occur."

WALT: Well, then we asked Chairman King if the FAA Administrator, Langhorne Bond, was the problem:

KING: "Administrator Bond has been responsive, but he's been told one thing by his organization, and it isn't until we get into congressional hearings, and quite frankly, we have some very shrill conversations as we've had over the past few years, that he then goes down and digs it out himself and says, 'you know, you've been misleading me,' that we should have timetables on this re-

search that's been going on, that facts have been known, that studies have been done. Superb studies have been done within FAA, but somewhere it gets lost in the middle of its management scheme."

WALT: Chairman King and Congressman Mineta's subcommittee agree that the results from the FAA's research programs emerge at a snail's pace. King and Mineta both told us they don't want cabin safety programs delayed any longer.

KING: "But you can still build that system one piece at a time and that's been our problem. FAA's position has been we don't fix it piecemeal. If we can't get the ideal seat, if we can't get the ideal cushion material, if we can't get the ideal fabrics and wall panelings, then we don't think anything should be in. The question is where have they moved ahead where they've had known technology? I'm talking about now. It's interesting in crash worthiness. We haven't seen it. Now I must admit they've started to move on all areas. The Congress has become very interested in this, and because of the Congress's interest, the FAA has become considerably more responsive."

WALT: Chairman King's earlier complaints about the attendants jump seat were echoed by the Association of Flight Attendants Director of Safety, Del Mott. She says the organization has been fighting the FAA for years over the jump seat.

DEL MOTT: "There are very few people in the aviation world that have not heard of our problems that are related to the flight attendant jump seat. Yes, in fact, we have taken the matter in writing and verbally to the Federal Aviation Administration, the National Transportation Safety Board, to the Flight Safety Foundation, and to the airlines themselves. I don't think there's anybody that we've missed in the aviation community concerning that one subject. Because we're very concerned about being able to get our passengers off the airplanes. But obviously we have to be concerned about our own lives, too."

WALT: Del Mott has been a flight attendant for 20 years. She told us that she first sat in the closet, then in the washroom, now in the cabin. The flight attendants are also unhappy that the FAA is now permitting carriers to fly greater distances over water without life rafts. Del Mott also said she is upset over the FAA's intention to reduce the number of flight attendants aboard an aircraft.

GRIFFEN: "A little boy who had been sitting in the middle of the cabin had been dragged by some manner all the way underneath all the seats to the last row of seats. We have no idea how he was able to get there, he was alive at the time, and we could not free him. We couldn't get him loose from underneath the seats. In the end 18 passengers survived and 45 were killed. By that time the smoke was so thick that we had to leave."

WALT: By chance we interviewed flight attendant Jean Griffen on the same date eight years after she was nearly killed in Chicago's Midway Airport crash. Today, Griffen still flies for the same airline. As she just pointed out on that day, December 8th, 1972, a little boy without proper seat restraints was dragged underneath the seats and trapped. (We don't know whether he survived.) We do know that the National Transportation Safety Board for years has urged the FAA to provide seat restraints for small children.

GRIFFEN: "In your training, I think that we have a very excellent training program, you are told that in evacuation you have ninety seconds, which isn't a very long time to get everybody out. The sounds that I heard at the time of the crash were the same sounds that we had been—had listened to in training—the sounds of metal and everything. But one thing I hadn't expected was to see the shambles of the interior of the airplane, to see the seats collapse and the overhead bins collapsed. I think that your feeling is that you will have ninety seconds, that you can get to everybody, that everybody who survives the impact will be able to get out, that they're not going to be tangled in the wreckage, that they're not going to be hampered by the cabin interior collapsing on them."

WALT: Jean Griffen and Del Mott were together when we taped this interview. We asked Del Mott if there have been any major improvements in aircraft cabin safety since the crash that nearly killed Jean Griffen.

DEL MOTT: "No there haven't. She made another statement also which concerned the galley components, in other words, pieces of the galley that come out. That is something which is only now—her accident was in 1972, this is 1980—that is only now being addressed in the regulations. Now as far as the overhead racks, it always bothers me when I go out to an accident site and I see what occurs with those overhead racks even though they're closed. Because they do collapse, they do come down."

WALT: As you can see, there is enormous frustration experienced by people in their dealings with the FAA. The flight attendants, the Congress and Senate, FAA technicians, controllers, airline pilots and the National Transportation Safety Board. Chairman Jim King:

KING: "We're a small agency. What we've done is, we take accidents which, by the way, are not usual, and we'll take these rare accidents and say here are some of the scenarios you could look at and examine, and learn from. And one of these problems is that they'll look at them, and as I've said again, the professional staff will look at them, say yes that's a legislative scenario, will work on it, and then we don't see the change. And that's the area that I think is most, most aggravating."

WALT: King's frustration starts in the 1961 crash of a DC-8 in Denver. He testified to Congress the FAA has not delivered the promise it made 19 years ago. That promise, he said, was to act on the toxic combustion of the materials used in aircraft interiors.

KING: "I must say that 19 years after the Denver accident, I just felt that enough promises for studies have been given to us and to the American people. I just feel that someone ought to stand up and say let's have a timetable. I think we've been patient. I think we've been decent. I think we've been responsible. But I think there's a time when people say we've given our money. We relied on the lead agency, in this case the FAA to have basic safety concerns, and they haven't been met. And I don't think it's unreasonable at this stage of the game for someone like myself to be out saying 'when are you going to do it? Let's give us a timetable, and if you can't will you turn it over to someone who can?'"

WALT: Congressman Mineta's subcommittee met again last September and asked FAA Administrator Langhorne Bond what the FAA was doing about aircraft cabin fire safety. Administrator Bond said there were no quick and easy solutions to the problem. He said a special group of aviation experts, called the SAFER Committee, supported his conclusions, saying whatever the FAA was doing was right. Congressman Mineta disagreed. He said he was not impressed with the Safer report.

KING: "Again if we're sounding shrill, or sometimes frustrated, it's because we are. And sometimes, as I put it, we're a tiny organization. We're dealing with an agency of 57 thousand. So how does the ant get the elephant's attention? I think sometimes by shouting a little louder maybe than he should. But in this case, child restraints. We go back on the same 19 and 20 year discussion that we had earlier, and that was each time there was an accident we were assured there would be a seat coming forth. And finally, in Portland, Oregon, two years ago, we had more children on an aircraft that came down . . . this was a DC-8 on approach that ran out of fuel, came into a neighborhood and there we are. . .and again the FAA says to us we're going to have to study child restraints. Now at that time, quite frankly, I said, 'when are you going to have a child restraint?' The highway mode has got a child restraint that will stand up under, what, 20 G's. Why can't you just take that and apply the technology? Do you really have to go back to the wheel and figure out the spokes in the hub? Can you take something like that and just adapt it? Well, I must say this month we're looking forward to seeing a proposed rule-making that will finally make it possible to protect young children who are traveling with their parents. Because most parents do not have any understanding. We see this all the time in aircraft; mothers and fathers holding on to their young ones sitting in their lap. There is no way on God's green earth that if you experience anything over 4 G's you can ever hold onto your child."

WALT: Chairman King acknowledged the FAA has finally agreed to provide restraints that could save children's lives. The agreement came under the Safety Board's pressure. The FAA also agreed under pressure of Congressman Mineta's subcommittee that passenger seats will be strengthened. King reported no progress with the FAA in the issue of making the aircraft cabin flameproof.

(Sound: Jet landing.)

WALT: FAA's Anthony Broderick replies to the issue of cabin fire safety by examining the figures on those who die only from post-crash fire. Broderick is Technical Advisor to the Associate Administrator for Aviation Standards.

BRODERICK: "In congressional testimony earlier this year, the Administrator pointed out something which I think is instructive. And that is that the total number of people, for example in the subject of fires, who survive aircraft accidents, but who perish because of the post-crash fire, average something like thirty people a year for the big jet airplanes. Thirty people a year. Now, we can compare that number to virtually any other form of transportation and see that no matter how much research we do and how much research we implement, we are not going to have a large effect on saving human lives. Even, if we had perfect post crash fire survivability. Now, what is the average made up of? Unfortunately, it's made up of a few sensational accidents."

WALT: The FAA's Broderick offered some facts the flying public should know. We believe they are accurate.

BRODERICK: "Aircraft transportation is the safest form of transportation in the world. We transport the equivalent of the entire

population of the United Stats on a round trip from Washington to Boston every year. It's 250 billion passenger miles. The aviation transportation system in this country is so good, so fantastically safe, the people have an amazingly high expectation. It should be perfect. And anytime there is any flaw seen in the system, people are outraged. Now, I don't think that's necessarily wrong, because we are trying indeed for the ultimate goal of no accidents and no injuries."

WALT: It may appear, according to Broderick, that we have been pursuing the wrong story about FAA. That we should have examined the other, positive side of the coin.

BRODERICK: "I guess the point I'm trying to make is that an aircraft accident, unfortunately, is a sensational event. Okay, it receives intense media interest because it appears on every list you'll ever want to see of great disasters because of usually a large number of people are involved. People, however, fail to recognize the incredible safety record involved. And I don't blame them, and we don't in the FAA bemoan that fact."

WALT: Earlier we said that a "blue ribbon" committee of the National Research Council has spent six months investigating the FAA's certification procedures of aircraft. This followed the DC-10 crash at Chicago's O'Hare airport when one engine tore loose from the giant plane. Although the investigation was limited to certification and not crash survivability, the committee did report many deficiencies within the FAA. Chairman George Low said the bottom line was simply that the FAA, like many government agencies, does not attract the best technical people. What Low was saying was that when he directed man's first landing on the moon, his people at NASA were the best. Well, we asked him what about the selection of the FAA's administrator:

LOW: "We suggest that the present system of selecting the administrator is somewhat hit or miss. It depends so very much on whether the Secretary of Transportation wants a real professional person or whether he may in the future at some time, without even talking about the past, use that position for a political plum, if you will. We think we should take the job that controls the safety of the flying public of the United States out of the hands of that 'luck of the draw', if you will, and instead, the Secretary of Transportation and the President should have to select the administrator from a pool of candidates suggested by a high level board (we call it, I think, an aviation safety board) established of people with impeccable credentials of all walks of life, of all parties, of labor, of management who will have the interest of that industry in heart only, who will recommend the best possible people for that job. After all, our lives depend on it."

WALT: When we talked with George Low, he was on his way to Washington to serve on President-elect Reagan's transition team for NASA. We asked the former deputy administrator of NASA whether a better working relationship between NASA and the FAA could improve aircraft safety?

LOW: "I think NASA is a highly capable agency to do some of the research, not all of it, but some of the research that the FAA needs done. You talked about fire proofing, you talked about seats, NASA is highly capable in all of those areas. I think at the working level it works very well. What we recommend in our report is that there should be more formality in this arrangement so that again, the FAA knows what it is going to get from NASA and NASA knows what it should provide for the FAA."

WALT: George Low said that his committee did criticize the FAA for not organizing its research efforts and for not driving to a conclusion. That was the same criticism made by the National Transportation Safety Board and the House Oversight and Review Subcommittee. Another conclusion for George Low: He's high on the airplane.

LOW: "I want to reiterate that the business is very, very safe today. Only 16 fatal crashes caused by the airplane alone in the history of jet aviation. Which is more than 20 years now. We are concerned, I'm concerned, that unless the government agency that controls that safety, the FAA, becomes more streamlined and is able to attract better technical people, we will not be able to retain that safety record. So the bottom line has to be that our recommendation should be looked at very hard, either by the present administration or by the next. And we feel strongly should be adopted as a group."

(Sound: Jet planes landing.)

O'BRIEN: "What is in effect now in Chicago are at least two ILS systems that don't have any glide slope monitors—external monitors—and we are getting into the snow season now, so we could run into what is considered a potentially hazardous situation."

WALT: That was John O'Brien of the Airline Pilots Association. For the past year we have, with O'Brien, looked into that potential danger, caused by the FAA shutting down glide slope alarms, at O'Hare Field. The glide slope, or glide path, alarms protect an aircraft on final approach from coming in too low, on an instrument landing, and crashing into an obstacle near the airport. A former airline pilot, John O'Brien, now manages the engineering operations for the pilots union.

O'BRIEN: "Now the reason there's a monitor there, and the monitor tolerances are set up to certain tenths of a degree, the signal when it's flight-checked is allowed to vary in height by a very small amount. . . . However, once it varies in this case more than four-tenths of one degree . . . you do not have adequate clearance above terrain or obstacles out in the approach path . . . so, indeed you could have an accident . . . an accident involving the airplane flying into an obstacle."

WALT: O'Brien told us it's necessary to have the 'near field monitor' checking the glide path, going out from the ILS (Instrument Landing System) or antenna. Now, bear in mind that the pilot flies his airplane entirely by his glide slope instruments, down through the clouds to the runway, in instrument weather conditions. We asked O'Brien what could cause the radio beam of the glide slope to bend, and endanger the landing aircraft:

O'BRIEN: "In front of the actual ILS antenna itself, there is a clear area out there where the ILS signal is actually reflected off the ground. Now if something contaminates that clear area, for example, snow or water or a vehicle, a truck or whatever, then the signal that's radiating from the antenna becomes disturbed and it may cause it either to be completely blocked or it might change its angle from the desired angle."

WALT: O'Brien says the FAA turned off the glide slope alarms at O'Hare, after huge piles of snow caused many false—nuisance—alarms two winters ago. The false alarms forced the planes to make missed approaches. This fouled up departure and arrival schedules, at the world's busiest airport. O'Brien says that he has not received any satisfactory answer from the FAA in Washington why near-field monitors were not turned back on at O'Hare. We asked the FAA in Washington the same question, and got no answer. We asked the FAA in Chicago for an answer, we're still waiting.

O'BRIEN: "From a pilot's point of view, we believe that the ILS system should have an external monitor and we believe that the FAA program to reduce nuisance warnings is, indeed, a valid program. But we can't feel that the way Chicago is handling it is a safe method at all, since they have their monitors turned off. And we are getting into the snow season now, so we could run into what we consider a potentially hazardous situation."

WALT: Those words, 'hazardous situation,' are typical of what we've tried to point out for the better part of an hour, in this survey of what we believe are major complaints against the FAA, complaints that have a great deal to do with improving the national aviation system. We acknowledge the Federal Aviation Administration for its superior performance and safety record while at the same time we have reported on the alleged deficiencies within the same system. One conclusion of the National Research Council, in its report to the Secretary of Transportation, can be boiled down to this: 'The technical sophistication of the FAA must not stand pat . . . it must keep pace with the advancing state-of-the-art.'

(Sound: Jets taking off and controllers.)

"If the Flying Public Knew About This" was written, researched and produced by Harry Mantel.

Principal Engineering by: Tom Schnecke.

Other Engineering by: Connie Abel, George Adams, Mike Berry, Shelly Flannery, Marvin Goldsher, Jesse Moore, Al Osterhoff, Walt Peters, Bob Petrillo, Mike Pratts, Al Randall, Ken Steininger, Dave Wolfe, and Don Witt.

Our Thanks to Reporters: Bob Roberts, Al Swanson.

And Special Thanks to NBC Washington Stations WRC and WKYS.

I'm Walt Hamilton.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BLILEY) to revise and extend their remarks and include extraneous material:)

Mr. HYDE, for 15 minutes, today.

Mr. CORCORAN, for 10 minutes, today.

Mr. YOUNG of Florida, for 10 minutes, today.

Mr. RITTER, for 5 minutes, today.

Mr. JEFFRIES, for 15 minutes, February 4, 1981.

Mr. DAUB, for 5 minutes, today.

(The following Members (at the request of Mr. DASCHLE) to revise and extend their remarks and include extraneous material:)

Mr. MONTGOMERY, for 10 minutes, today.

Mr. UDALL, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

Mr. OBERSTAR, for 5 minutes, today.

(The following Members (at the request of Mr. FITHIAN) to revise and extend their remarks and include extraneous material:)

Mr. PEASE, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HYDE, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $3,315.

(The following Members (at the request of Mr. BLILEY) and to include extraneous matter:)

Mr. WIRTH.

Mr. WOLF.

Mr. TAUKE.

Mr. PORTER in two instances.

Mr. MCCLORY.

Mr. HILLIS.

Mr. FRENZEL in five instances.

Mr. LAGOMARSINO in four instances.

Mrs. SNOWE.

Mr. MCCLOSKEY.

Mr. WEBER of Minnesota.

Mr. RINALDO.

(The following Members (at the request of Mr. DASCHLE) and to include extraneous matter:)

Mr. BINGHAM in 10 instances.

Mr. EDWARDS of California in two instances.

Mr. MAZZOLI in two instances.

Mr. PEPPER.

Mr. MILLER of California in 10 instances.

Mr. BROOKHEAD.

Mr. OTTINGER.

Mr. SKELTON in five instances.

Mr. KASTENMEIER.

Mr. HALL of Ohio.

Mr. FORD of Michigan.

Mr. WASHINGTON.

Mr. HUBBARD.

Mr. O'NEILL.

Mr. FITHIAN.

Mr. LANTOS in two instances.

Mr. DASCHLE.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 14 minutes p.m.), the House adjourned until tomorrow, Wednesday, February 4, 1981, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

451. A letter from the Comptroller, Washington Gas Light Co., transmitting the company's balance sheet as of December 31, 1980, pursuant to section 313 of title 43, District of Columbia Code; to the Committee on the District of Columbia.

452. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting the third annual report on domestic travel restrictions imposed by the United States and foreign governments, pursuant to section 126(c) of Public Law 95-426; to the Committee on Foreign Affairs.

453. A letter from the Acting Assistant Secretary for Congressional Relations, transmitting notice of a delay in the submission of one of the country reports on human rights practices required by section 116(b) and 502B(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

454. A letter from the Acting Administrator of General Services, transmitting the first report on the general causes and purposes of travel in agencies spending more than $5 million annually on the transportation of people, certain cost data, and inefficient travel practices, pursuant to section 3 of Public Law 96-346; to the Committee on Government Operations.

455. A letter from the Acting Administrator of General Services, transmitting a followup report on the recommendations contained in the final report of the National Commission on Neighborhoods dated March 19, 1979, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

456. A letter from the Administrator, Panama Canal Commission, transmitting a report, including financial statements, covering the Commission's operations during fiscal year 1980, pursuant to section 1312 of Public Law 96-70; to the Committee on Merchant Marine and Fisheries.

457. A letter from the Chairman of the Board of Governors, U.S. Postal Service, transmitting the annual report of the Postmaster General for fiscal year 1980, pursuant to 39 U.S.C. 2402; to the Committee on Post Office and Civil Service.

458. A letter from the Secretary of Commerce, transmitting the annual report of the Economic Development Administration for fiscal year 1980, pursuant to section 707 of the Public Works and Economic Development Act of 1965, as amended; to the Committee on Public Works and Transportation.

459. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing the construction of an annex to the Federal Courthouse in Charleston, S.C., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

460. A letter from the Acting Director, Office of Personnel Management, transmitting an interim report on the effects of the Age Discrimination in Employment Act Amendments of 1978 on the Federal civil service, pursuant to section 15(g)(2) of the Age Discrimination in Employment Act, as amended (92 Stat. 192); jointly, to the Committees on Education and Labor and Post Office and Civil Service.

461. A letter from the Secretary of Energy, transmitting notice of a delay in submission of the first detailed energy targets required from the President by section 301(a) of Public Law 96-294; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

462. A letter from the Comptroller General of the United States, transmitting a report on the Small Business Administration's pilot programs to improve delivery of the guaranty loan program (CED-81-25, Feb. 2, 1981); jointly, to the Committees on Government Operations, and Small Business.

463. A letter from the Chairman, U.S. Nuclear Regulatory Commission, and the Administrator, U.S. Environmental Protection Agency, transmitting a report on the feasibility of epidemiologic investigations of the health effects of low-level ionizing radiation, pursuant to section 5(d) of Public Law 95-601, as amended (94 Stat. 792), and section 308(a) of Public Law 96-295; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 1553. A bill to provide for a temporary increase in the public debt limit (Rept. No. 97-1). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROSTENKOWSKI (for himself and Mr. CONABLE):

H.R. 1553. A bill to provide for a temporary increase in the public debt limit; to the Committee on Ways and Means.

By Mr. ADDABBO:

H.R. 1554. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

H.R. 1555. A bill to amend section 303 of the Communications Act of 1934 to require that radios be capable of receiving both amplitude modulated (AM) and frequency modulated (FM) broadcasts; to the Committee on Energy and Commerce.

H.R. 1556. A bill to amend the Flammable Fabrics Act to prohibit the manufacture for sale in commerce of articles of interior furnishing intended for use in any public facility unless such articles conform with requirements established by the Consumer Product Safety Commission designed to make such articles fire resistant; to the Committee on Energy and Commerce.

H.R. 1557. A bill to provide for a study by the Secretary of Transportation, in consultation with the Secretary of Defense and the Secretary of the Treasury, concerning measures necessary to insure the security of firearms, ammunition, and explosives being transported in interstate commerce; to the Committee on the Judiciary.

H.R. 1558. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend various provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; to the Committee on the Judiciary.

H.R. 1559. A bill to establish a grant program for the acquisition of medical equipment and supplies for the treatment of aircraft accident burn victims; to the Committee on Public Works and Transportation.

H.R. 1560. A bill to provide for certain research and demonstration respecting the disposal of sludge, the reclamation of waters damaged by sludge and sewage, assistance to State and local governments for the removal of sludge and other solid waste from waters and shoreline areas and to provide that grants for waste treatment works shall be made only if such works provide for environmentally sound sludge management; to the Committee on Public Works and Transportation.

H.R. 1561. A bill to amend the Congressional Budget Act to require the Congressional Budget Office, for every bill or resolution reported in the House or Senate, to prepare and submit (along with its regular estimate of the Federal cost involved) an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution; to the Committee on Rules.

H.R. 1562. A bill to amend the Small Business Act or restrict the authority of the Small Business Administration to deny financial assistance to small business concerns solely because the primary business operations of such concerns relate to the communication of ideas; to the Committee on Small Business.

H.R. 1563. A bill to amend the Small Business Investment Act of 1958; to the Committee on Small Business.

H.R. 1564. A bill to amend title 38 of the United States Code to make certain veterans entitled to wartime disability compensation for disabilities and diseases caused by or attributable to exposure to atomic or nuclear radiation during their period of active service; to the Committee on Veterans' Affairs.

H.R. 1565. A bill to amend title 38 of the United States Code in order to provide outpatient dental services and treatment to any veteran who has a service-connected disability rated at 60 percent or more; to the Committee on Veterans' Affairs.

H.R. 1566. A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of aid to families with dependent children, and recipients of assistance or benefits under certain other Federal and federally assisted programs will not have the amount of such benefits, aid, or assistance reduced because of post-1974 increases in monthly social security benefits; to the Committee on Ways and Means.

H.R. 1567. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 1568. A bill to amend the Social Security Act to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program; to the Committee on Ways and Means.

H.R. 1569. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; jointly, to the Committees on Ways and Means and Energy and Commerce.

H.R. 1570. A bill to amend the Social Security Act to require automatic sprinkler systems in all nursing facilities and intermediate care facilities certified for participation in the medicare or medicaid program, and to provide for direct low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ADDABBO (for himself and Mr. FISH):

H.R. 1571. A bill to permit collective negotiation by professional retail pharmacists with third-party prepaid prescription program administrators and sponsors; to the Committee on the Judiciary.

By Mr. ADDABBO (for himself and Mr. MITCHELL of Maryland):

H.R. 1572. A bill to establish a Minority Business Development Administration in the Department of Commerce, to clarify the relationship between such Administration and the Small Business Administration, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Small Business.

By Mr. AKAKA:

H.R. 1573. A bill to compensate those persons who served as enlisted members in the Philippine Scouts and the insular force of the U.S. Navy during World War II for the difference between their actual pay and allowances authorized for other enlisted members of the Regular Army and Regular Navy of corresponding grades and length of service; to the Committee on Armed Services.

By Mr. ANDERSON:

H.R. 1574. A bill to amend title 5 of the United States Code to provide for an allowance of 4 cents per mile to Federal employees for the use of bicycles while engaged on official business, and for other purposes; to the Committee on Government Operations.

By Mr. BEDELL:

H.R. 1575. A bill to amend the Packers and Stockyards Act, 1921, to establish the Packers and Stockyards Administration; to the Committee on Agriculture.

By Mr. CLAY:

H.R. 1576. A bill to amend title 5, United States Code, to promote public safety by encouraging the employment of highly qualified air traffic controllers by establishing a salary classification system providing compensation commensurate with responsibility, by establishing a reasonable maximum number of weekly work hours, and by establishing a special retirement plan, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CORRADA:

H.R. 1577. A bill to extend the revenue sharing program to provide fiscal assistance to territories of the United States; to the Committee on Government Operations.

By Mr. DASCHLE:

H.R. 1578. A bill to amend title 38, United States Code, to allow veterans with service-connected disabilities who are eligible for military retired pay for nonregular service to receive compensation for such disabilities from the Veterans' Administration and to receive such retired pay without reduction in either such compensation or such retired pay; to the Committee on Veterans' Affairs.

By Mr. DERWINSKI:

H.R. 1579. A bill to amend the Internal Revenue Code of 1954 to increase to $10,000 the amount of savings interest which may be excluded from gross income by individuals and to make such exclusion permanent; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 1580. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives to encourage the building and rehabilitation of rental housing; to the Committee on Ways and Means.

By Mr. FRENZEL (for himself and Mr. SWIFT):

H.R. 1581. A bill to amend the Internal Revenue Code of 1954 to provide tax-saving incentives for savings accounts established for the purpose of purchasing a home; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 1582. A bill to provide a bonus payment of $10,000 for each veteran of World War I; to the Committee on Veterans' Affairs.

By Mr. HANSEN of Idaho:

H.R. 1583. A bill to amend Public Law 94-400 to require that the Secretary of the Interior maintain the confidentiality of information gathered from victims of the Teton Dam disaster, and for other purposes; to the Committee on the Judiciary.

H.R. 1584. A bill to provide for certain benefits for the U.S. citizens held hostage in Iran; jointly, to the Committees on Foreign Affairs, Post Office and Civil Service, Armed Services, Veterans' Affairs, and Ways and Means.

By Mr. HANSEN of Utah (for himself, Mr. EVANS of Iowa, Mr. BROWN of Colorado, Mr. SMITH of Oregon, Mr. BENEDICT, Mr. LEBOUTILLIER, Mr. MORRISON, Mr. GREGG, Mr. DUNN, and Mrs. SCHNEIDER):

H.R. 1585. A bill to reduce the pay of Members of Congress by 8 percent; to the Committee on Post Office and Civil Service.

By Mr. HILLIS:

H.R. 1586. A bill to amend the Occupational Safety and Health Act of 1970 to require the Secretary of Labor to prepare an economic impact analysis in connection with the promulgation of occupational safety and health standards; to the Committee on Education and Labor.

H.R. 1587. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions, to lower certain age limits from 21 years to 18, and to eliminate certain recordkeeping provisions with respect to ammunition; to the Committee on the Judiciary.

H.R. 1588. A bill to exempt the exchange of certain technological information relating to motor vehicles from the application of the antitrust laws; to the Committee on the Judiciary.

H.R. 1589. A bill to designate the Veterans' Administration medical center in Indianapolis, Ind., as the "Richard L. Roudebush Veterans' Medical Center"; to the Committee on Veterans' Affairs.

H.R. 1590. A bill to amend title 38, United States Code, to establish a minimum pension of $600 for veterans of a period of war who have permanent and total non-service-connected disabilities and who are entitled to receive pension and for the surviving spouses of such veterans who are entitled to receive pension; to the Committee on Veterans' Affairs.

H.R. 1591. A bill to provide a program of emergency unemployment compensation for areas experiencing high rates of unemployment; to the Committee on Ways and Means.

By Mr. HILLIS (for himself and Mr. KILDEE):

H.R. 1592. A bill to amend the adjustment assistance programs under the Trade Act of 1974 in order to impose fees on articles causing injury to domestic workers, firms, and communities sufficient in amount to reimburse the Federal Government for the cost of such programs; to the Committee on Ways and Means.

By Mr. HUCKABY:

H.R. 1593. A bill to amend the Farm Credit Act of 1971 to limit the moving of the principal offices of district banks from certain cities; to the Committee on Agriculture.

By Mr. LAGOMARSINO:

H.R. 1594. A bill to provide survivors' annuities under chapter 83 of title 5, United States Code, to certain widows and widowers; to the Committee on Post Office and Civil Service.

By Ms. MIKULSKI:

H.R. 1595. A bill to amend the Internal Revenue Code of 1954 to provide for individuals a refundable tax credit for amounts paid or incurred for television subtitle equipment for use by hearing-impaired individuals; to the Committee on Ways and Means.

By Mr. OBERSTAR (for himself, Mr. FRENZEL, Mr. SABO, Mr. VENTO, and Mr. SMITH of Alabama):

H.R. 1596. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child; to the Committee on Ways and Means.

By Mr. PEASE:

H.R. 1597. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to require, prior to disposal, that notice and first right of refusal be given to certain previous holders of surplus real property suitable for agricultural uses; to the Committee on Government Operations.

By Mr. PERKINS (for himself, Mr. CLAY, Mr. BIAGGI, Mr. WEISS, Mr. KILDEE, Mr. KOGOVSEK, Mrs. COLLINS of Illinois, Mr. MATTOX, Mr. GIBBONS, Mr. WHITEHURST, Mrs. CHISHOLM, Mr. SUNIA, Mr. MITCHELL of Maryland, Mr. BINGHAM, Mr. ROE, Mr. AKAKA, Mr. OBERSTAR, Mr. GONZALEZ, Mr. VENTO, and Mr. PEPPER):

H.R. 1598. A bill to amend the Elementary and Secondary Education Act of 1965 to provide comprehensive elementary school guidance and counseling programs for elementary students through States and local educational agencies; to the Committee on Education and Labor.

By Mr. PICKLE (for himself and Mr. HAYES):

H.R. 1599. A bill to repeal the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. SCHULZE (for himself, Mr. LENT, Mr. ROE, Mr. OBERSTAR, Mr. CAMPBELL, Mr. ARCHER, Mr. ROTH, Mr. WHITEHURST, Mr. CHAPPELL, Mr. JEFFRIES, Mr. MARKS, Mr. LUJAN, Mr. PEPPER, Mr. STANGELAND, Mr. MONTGOMERY, Mr. BROYHILL, Mr. GRADISON, Mr. PANETTA, Mr. BOWEN, Mr. ROBERT W. DANIEL, JR., Mr. DERWINSKI, Mr. HOWARD, Mr. HUBBARD, Mr. PATTERSON, Mr. DOUGHERTY, Mr. GLICKMAN, Mr. LEACH of Iowa, Mr. DORNAN of California, Mr. DE LA GARZA, Mr. CLINGER, Mr. BURGENER, Mr. LIVINGSTON, Mr. YATRON, Mr. WALKER, Mr. WILSON, and Mr. DANNEMEYER):

H.R. 1600. A bill to aid in the creation and expansion of American small business enterprise through the enactment of tax reform and relief amendments to the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. ROE:

H.R. 1601. A bill to authorize the President to award the Congressional Medal of Honor to the eight servicemen who died in the attempt to rescue the Americans who were held hostage in Iran; to the Committee on Armed Services.

By Mr. SEIBERLING:

H.R. 1602. A bill to require aircraft manufacturers to remedy design and manufacturing defects in civil aircraft, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MARLENEE (for himself, Mr. BARNARD, Mr. ROUSSELOT, Mr. SWIFT, Mr. HORTON, and Mr. HANSEN of Idaho):

H.R. 1603. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that the provisions of such act shall not apply to surface sand, or gravel mining operations, stone mining operations, clay mining operations, or certain surface construction projects; to the Committee on Education and Labor.

By Mr. SEIBERLING:

H.R. 1604. A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1975; to the Committee on Ways and Means.

H.R. 1605. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to reduce social security taxes and apply the proceeds thereof exclusively to the financing of the old-age, survivors, and disability insurance program, with the medicare program being hereafter financed from general revenues (earmarking a portion of Federal income tax receipts for that purpose) rather than through the imposition of employment and self-employment taxes as at present; to the Committee on Ways and Means.

By Mrs. SNOWE:

H.R. 1606. A bill to encourage public participation in rulemaking by Federal agencies; to the Committee on the Judiciary.

By Mr. WEAVER:

H.R. 1607. A bill to authorize the Secretary of Agriculture to convey certain Federal lands in the State of Oregon and for other purposes; to the Committee on Agriculture.

By Mr. ADDABBO:

H.J. Res. 152. Joint resolution to authorize and request the President to issue a proclamation designating November 30, 1981, as "National Postal Workers' Recognition Day"; to the Committee on Post Office and Civil Service.

H.J. Res. 153. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Prevention Day; to the Committee on Post Office and Civil Service.

H.J. Res. 154. Joint resolution authorizing the President to proclaim the first Sunday in September after Labor Day as "National Grandparent's Day"; to the Committee on Post Office and Civil Service.

H.J. Res. 155. Joint resolution to authorize and request the President to issue a proclamation designating May 3 through May 10, 1981, as "Jewish Heritage Week"; to the Committee on Post Office and Civil Service.

By Mr. LAGOMARSINO:

H.J. Res. 156. Joint resolution designating the 20th of January as "Freedom Day"; to the Committee on Post Office and Civil Service.

By Mr. LEVITAS:

H.J. Res. 157. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mrs. SNOWE:

H.J. Res. 158. Joint resolution requiring the President to call a Convocation on American Federalism; to the Committee on Government Operations.

By Mr. UDALL (for himself, Mrs. SNOWE, Mr. MURPHY, Mr. SWIFT, Mr. ROSENTHAL, Mr. SCHEUER, Mr. KASTENMEIER, Mr. DYMALLY, Mr. GIBBONS, Mr. KAZEN, Mr. FASCELL, Mr. BRODHEAD, Mr. WEAVER, Mr. STUDDS, Mr. WILLIAMS of Montana, Mr. HOWARD, Mr. KOGOVSEK, Mr. BUTLER, Mrs. SCHROEDER, Mr. OTTINGER, Mr. DWYER, Mr. FORD of Tennessee, Mr. EDGAR, Mr. COELHO, Mr. RATCHFORD, Mr. MITCHELL of Maryland, Mr. PEASE, Mr. WEISS, Mr. AUCOIN, Mr. WASHINGTON, Mr. TRAXLER, Mr. NOWAK, Mr. SMITH of Iowa, Mr. HALL of Ohio, Mr. PRICE, Mr. FAZIO, Mr. REUSS, Mr. BEDELL, Mr. CONABLE, Mr. TAUKE, Mr. MCKINNEY, Mr. MCCLORY, Mr. DERWINSKI, Mr. ERDAHL, Mrs. FENWICK, Mr. PRITCHARD, Mr. SAWYER, Mr. BEVILL, Mr. BEILENSON, Mr. BONIOR of Michigan, Mr. DE LUGO, Mr. DASCHLE, Mr. JOHNSTON, Mr. ERTEL, Mr. LAFALCE, Mr. DIXON, Mr. WOLPE, Mr. SYNAR, Mr. HAMILTON, Mr. MOFFETT, Mr. PANETTA, Mr. PEPPER, Mr. CONYERS, Mr. LUNDINE, Mr. HEFTEL, Mr. CARNEY, Mr. STARK, Mr. SEIBERLING, Mr. NELSON, Mr. DOUGHERTY, Mr. HUGHES, Mrs. ROUKEMA, Mr. JEFFORDS, Mr. PORTER, Mr. RHODES, Mr. DICKS, Mr. APPLEGATE, Mr. YATES, Mr. SIMON, Mr. MCCLOSKEY, Mrs. BOGGS, Mr. BEARD) Mr. MINETA, and Mr. FORD of Michigan):

H.J. Res. 159. Resolution to establish a Commission on Presidential Nominations; to the Committee on House Administration.

By Mr. BROWN of Ohio:

H. Con. Res. 49. Concurrent resolution requesting Securities and Exchange Commission to report on foreign acquisitions of U.S. firms; jointly, to the Committees on Energy and Commerce and Foreign Affairs.

By Mr. FISH (for himself, Mr. ALBOSTA, Mr. ANDERSON, Mr. AUCOIN, Mr. BARNES, Mr. BINGHAM, Mr. BRODHEAD, Mr. BROWN of California, Mr. DIXON, Mr. DOUGHERTY, Mr. ERTEL, Mr. EVANS of Delaware, Mr. FAUNTROY, Mrs. FENWICK, Ms. FIEDLER, Mr. FRENZEL, Mr. GLICKMAN, Mr. GOLDWATER, Mr. GORE, Mr. GREEN, Mr. HALL of Ohio, Mr. HOLLENBECK, Mrs. HOLT, Mr. HUGHES, Mr. KEMP, Mr. LAGOMARSINO, Mr. LEBOUTILLIER, Mr. LEHMAN, Mr. LENT, Mr. MATSUI, Mr. MCDONALD, Mr. MOFFETT, Mr. NELLIGAN, Mr. NELSON, Mr. PORTER, Mr. OTTINGER, Mr. PEPPER, Mr. PEYSER, Mr. ROSENTHAL, Mr. SCHEUER, Mr. SHAMANSKY, Mr. SMITH of New Jersey, Mr. SOLARZ, Mr. WAXMAN, Mr. WEBER of Ohio, Mr. WOLPE, Mr. YATES, and Mr. YATRON):

H. Con. Res. 50. Concurrent resolution expressing the sense of the Congress that the Soviet Union should provide proper medical care for Dr. Viktor Brailovsky and permit him and his family to emigrate to Israel, urging the President to protest the continued suppression of human rights in the Soviet Union, and for other purposes; to the Committee on Foreign Affairs.

By Mr. OTTINGER:

H. Con. Res. 51. Concurrent resolution expressing the sense of the Congress with respect to persons fleeing Eastern European countries; to the Committee on the Judiciary.

By Mr. FITHIAN:

H. Con. Res. 52. Concurrent resolution expressing the sense of the Congress that the President should seek the support of other nations for the establishment of an International Office of Diplomatic Security within the Secretariat of the United Nations; to the Committee on Foreign Affairs.

By Mr. PEPPER:

H. Con. Res. 53. Concurrent resolution to seek the resurrection of churches and religious freedom in the Ukraine; to the Committee on Foreign Affairs.

H. Con. Res. 54. Concurrent resolution expressing the deep concern of the Congress about the deprivation by the Soviet Union of the right of Christians to freedom of religion and, in particular, about the situation of the seven Pentecostals now living in the U.S. Embassy in Moscow, and their families; to the Committee on Foreign Affairs.

By Mr. WINN (for himself, Mr. FAZIO, Mr. LAGOMARSINO, Mr. PEYSER, Mr. FORD of Tennessee, Mr. BAILEY of Missouri, Mr. O'BRIEN, Mr. SANTINI, Mr. GRISHAM, Mr. LEDERER, Mr. SCHEUER, Mr. MATTOX, Mr. WOLPE, Mr. BARNES, Mr. PASHAYAN, Mr. WHITEHURST, Mr. VENTO, Mrs. CHISHOLM, Mr. ATKINSON, Mr. COELHO, Mr. PANETTA, Mr. SOLARZ, Mr. KOGOVSEK, Mr. IRELAND, Mr. ROBERTS of Kansas, Mr. LONG of Maryland, Mr. KILDEE, Mr. CLINGER, Mr. RODINO, Mr. DOWNEY, Mr. BONKER, Mr. MCHUGH, Mr. FRENZEL, Mr. MCDADE, Mr. DOUGHERTY, Mr. BONIOR of Michigan, Mr. PEPPER, Mr. JEFFORDS, Mr. ERDAHL, Mr. HUGHES, Mr. WALKER, Mr. BOLAND, Mr. DUNCAN, Mr. FISH, Mr. DUNN, Mr. LUNDINE, Mr. BROWN of California, Mr. MAZZOLI, Mr. LUNGREN, Mr. ROE, Mr. SMITH of New Jersey, Mr. GLICKMAN, and Mr. YATRON):

H. Con. Res. 55. Concurrent resolution expressing the sense of the Congress with respect to implementing the objectives of the International Year of Disabled Persons (1981); to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

8. The SPEAKER presented a memorial of the Senate of the State of Washington, relative to the release of the American hostages held by Iran; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 1608. A bill for the relief of Frieda Simonson; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 1609. A bill for the relief of Lum Mei-Kum Moy and Hoi-Ping Moy; to the Committee on the Judiciary.

H.R. 1610. A bill for the relief of Sing Chuen Yuan Lin; to the Committee on the Judiciary.

H.R. 1611. A bill for the relief of Guadalupe Antonio Pino; to the Committee on the Judiciary.

H.R. 1612. A bill for the relief of Andreas Pluemer; to the Committee on the Judiciary.

H.R. 1613. A bill for the relief of Kai Hung Pun, also known as Wah Poon; to the Committee on the Judiciary.

H.R. 1614. A bill for the relief of Barry David Tombs; to the Committee on the Judiciary.

H.R. 1615. A bill for the relief of Norman Tam; to the Committee on the Judiciary.

H.R. 1616. A bill for the relief of Joaquin Rodriguez-Munguia; to the Committee on the Judiciary.

H.R. 1617. A bill for the relief of Wu Feng Jun Yu, and Kinh Quoc Ngo; to the Committee on the Judiciary.

H.R. 1618. A bill for the relief of Romeo Sanchez Vita (also known as Romeo Sanchez Perez); to the Committee on the Judiciary.

H.R. 1619. A bill for the relief of Anastacio Tortona; to the Committee on the Judiciary.

H.R. 1620. A bill for the relief of Chan Chee; to the Committee on the Judiciary.

H.R. 1621. A bill for the relief of Rose Fu (also known as Chung Lok); to the Committee on the Judiciary.

H.R. 1622. A bill for the relief of Marie Georgette Claire Danielle Bouchard Bihr; to the Committee on the Judiciary.

H.R. 1623. A bill for the relief of Maria de Jesus Castro; to the Committee on the Judiciary.

H.R. 1624. A bill for the relief of Theresa Macam Alcalen; to the Committee on the Judiciary.

H.R. 1625. A bill for the relief of Philip Patrick Walker; to the Committee on the Judiciary.

H.R. 1626. A bill for the relief of Roberto Santiago Galos, his wife, Flora Justina Borjas de Galos, and their children, Giselle Sofia Margarita Galos, Denise Rinee Galos, and Leonie Desiree Claudia Galos; to the Committee on the Judiciary.

H.R. 1627. A bill for the relief of Kornelia Stakiri; to the Committee on the Judiciary.

H.R. 1628. A bill for the relief of Ralph Lafi Alisa Toelupe; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 1629. A bill for the relief of James A. Ferguson; to the Committee on the Judiciary.

By Mr. HANSEN of Idaho:

H.R. 1630. A bill for the relief of Ammara Deits; to the Committee on the Judiciary.

By Mr. NELSON:

H.R. 1631. A bill for the relief of Lee R. Gilbert; to the Committee on the Judiciary.

By Mr. SHAMANSKY:

H.R. 1632. A bill for the relief of Ms. Delphi Panisa; to the Committee on the Judiciary.

H.R. 1633. A bill for the relief of Ms. Daana Alyares; to the Committee on the Judiciary.

H.R. 1634. A bill for the relief of Ms. Clarita Guerrero; to the Committee on the Judiciary.

By Mr. WIRTH:

H.R. 1635. A bill for the relief of the Jefferson County Mental Health Center, Inc., and of certain current and former employees thereof; to the Committee on the Judiciary.

By Mr. YOUNG of Missouri:

H.R. 1636. A bill for the relief of Dr. Noel F. and Maria L. Villanueva; to the Committee on the Judiciary.

H.R. 1637. A bill for the relief of Karl Josef and Karoline Steinbrecher; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 15: Mr. COLLINS of Texas, Mr. JOHNSTON, Mr. WON PAT, Mr. LAGOMARSINO, Mrs. BOUQUARD, Mr. PEPPER, Mr. MURPHY, Mr. HANSEN of Utah, Mr. HINSON, Mr. PRITCHARD, Mr. PRICE, Mr. ANTHONY, Mr. KINDNESS, Mr. DANNEMEYER, Mr. FORSYTHE, Mr. MOTTL, Mr. DERWINSKI, Mr. MCDADE, Mr. GUYER, Mr. LOTT, Mr. BADHAM, Mr. SENSENBRENNER, Mr. ROE, Mr. HUCKABY, and Mr. CARMAN.

H.R. 247: Mr. BAILEY of Missouri, Mr. GREGG, Mrs. SCHNEIDER, Mr. NEAL, Mr. DREIER, Mr. SKEEN, Mr. JOHNSTON, Mr. BENEDICT, Mr. SMITH of New Jersey, Mr. MCGRATH, and Mr. MORRISON.

H.R. 556: Mr. STARK, Ms. FERRARO, Mr. ABDNOR, Mr. JOHN L. BURTON, Mr. MITCHELL of New York, Mr. JACOBS, and Mr. KEMP.

H.R. 713: Mr. KEMP, Mr. WHITTAKER, Mr. DERWINSKI, Mr. BROOMFIELD, Mr. ROTH, Mr. LAGOMARSINO, Mr. PRITCHARD, Mr. BROYHILL, Mr. LATTA, Mr. SAWYER, Mr. PINDLEY, Mr. FRENZEL, Mr. COATS, Mr. WEBER of Minnesota, Mrs. HOLT, Mr. PARRIS, Mr. SHUMWAY, Mr. BUTLER, Mr. MADIGAN, Mr. GUYER, Mr. SOLOMON, Mr. WHITEHURST, Mr. DUNN, Mr. GREGG, Mr. CAMPBELL, Mr. CLINGER, and Mr. DAVIS.

H.R. 911: Mr. FOWLER and Mr. ROUSSELOT.

H.R. 1100: Mr. WHITTEN, Mr. SPENCE, Mr. HEFNER, and Mrs. HOLT.

H.R. 1138: Mr. SPENCE and Mr. HEFNER.

H.R. 1139: Mr. SPENCE and Mr. HEFNER.

H.R. 1141: Mrs. HOLT.

H.R. 1147: Mrs. HOLT.

H.R. 1177: Mr. BADHAM, Mr. SCHEUER, Mrs. COLLINS of Illinois, Mr. BAILEY of Missouri, Mr. HINSON, Mrs. BOUQUARD, Mr. LOWRY of Washington, Mr. FORD of Tennessee, Mr. WON PAT, Mr. YATES, Mr. YOUNG of Missouri, Mr. FASCELL, Mr. MOFFETT, Mr. MITCHELL of Maryland, Mr. DASCHLE, Mr. STEENHOLM, Mr. PRITCHARD, Mr. BILILEY, Mr. SHUMWAY, Mr. GREEN, Mr. RODINO, Mr. ROE, Mr. ERTEL, Mr. CAMPBELL, Mrs. HOLT, Mr. GARCIA, Mr. JEFFORDS, Mr. VENTO, Mr. ROBERT W. DANIEL, JR., Mr. SEIBERLING, Mr. FAUNTROY, Mr. COELHO, Mr. FRANK, Mr. BEDELL, Mr. NEAL, and Mr. HORTON.

H.R. 1325: Mr. STUMP, Mr. JOHNSTON, Mr. WINN, Mr. WEBER of Minnesota, Mr. WHITEHURST, Mr. STANGELAND, Mr. BILILEY, Mr. FORSYTHE, Mr. MCCLORY, Mr. SHUMWAY, Mr. WALKER, Mr. BUTLER, Mr. PARRIS, Mr. ROBERTS of Kansas, Mr. KRAMER, Mrs. HOLT, Mr. ROBERT W. DANIEL, JR., Mr. EMERY, Mr. KINDNESS, Mr. LOEFFLER, Mr. HARTNETT, Mr. MONTGOMERY, Mr. FRENZEL, Mr. BETHUNE, and Mr. MARRIOTT.

H.R. 1373: Mr. ENGLISH, Mr. KOGOVSEK, Mr. DYSON, Mr. BEDELL, Mr. ERDAHL, Mr. RALPH M. HALL, Mr. FRENZEL, Mr. HATCHER, Mr. HARTNETT, Mr. DAUB, Mr. WILLIAMS of Montana, Mr. BAILEY of Missouri, Mr. WOLPE, Mr. BROWN of Ohio, Mr. COLLINS of Texas, Mr. WATKINS, and Mr. JEFFORDS.

H.R. 1400: Mr. SPENCE and Mr. HEFNER.

H.J. Res. 84: Mr. DE LA GARZA, Mrs. BOUQUARD, Mr. RAHALL, Mr. SAWYER, Mr. COURTER, Mr. STENHOLM, Mr. CRAIG, Mr. GINN, Mr. FOUNTAIN, Mr. BROWN of California, Mr. KILDEE, Mr. MITCHELL of New York, Mr. CLINGER, Mr. MCCOLLUM, Mr. MINISH, Mr. YOUNG of Alaska, Mr. CAMPBELL, Mr. ZEFERETTI, Mr. DOUGHERTY, Mr. PRENZEL, Mr. ERDAHL, Mr. SYNAR, Mr. LONG of Maryland, Mr. CARNEY, Mr. ANDERSON, Mr. DOWNEY, Mr. YOUNG of Missouri, Mr. MARRIOTT, Mr. YATRON, Mr. ROBERT W. DANIEL, JR., Mrs. FENWICK, Mr. ROSENTHAL, Mr. GREEN, Mr. HOPKINS, Mr. ANNUNZIO, Mr. MADIGAN, Mr. HUGHES, Mr. VANDER JAGT, Mr. RATCHFORD, Mr. KOGOVSEK, Mr. RICHMOND, Mr. ADDABBO, Mr. FISH, Mr. MURPHY, Mr. KASTENMEIER, Mr. SCHEUER, Mr. PEYSER, Mr. FAZIO, Mr. DONNELLY, Mr. BERGLAND, Mr. KAZEN, Mr. WEISS, Mr. KRAMER, Mr. HORTON, Mr. WOLPE, Mr. OBERSTAR, Mr. SHELBY, Mr. RODINO, Mr. BAILEY of Missouri, Mr. FLORIO, Mr. JOHNSTON, Mr. HOLLENBECK, Mr. WEAVER, Mr. BOWEN, Mr. PEPPER, Mr. FORD of Tennessee, Mr. COUGHLIN, Mr. HOWARD, Mr. LUNGREN, Mr. FROST, Mr. GRISHAM, Mr. MARKS, Mr. MCHUGH, Mr. VENTO, Mr. SMITH of Alabama, Mr. DWYER, Mr. NOWAK, Mr. EARLY, Mr. ATKINSON, and Mr. SUNIA, Mr. VOLKMER, Mr. GEJDENSON, Mr. SHAMANSKY, Mr. SHUMWAY, Mr. SMITH of New Jersey, Mr. GOLDWATER, Mr. MAZZOLI, Mr. GORE, Mr. MCGRATH, Mr. JACOBS, Mr. LAFALCE, Mr. D'AMOURS, Mr. LANTOS, Mr. JEFFORDS, Mr. BARNES, Mr. HIGHTOWER, Mr. STANTON of Ohio, Mr. DAUB, Mr. PASHAYAN, Mr. ROBINSON, and Mr. SANTINI.

H.J. Res. 113: Mr. ROBERT W. DANIEL, JR., Mr. SHELBY, and Mr. STANGELAND.

H. Res. 30: Mr. MOTTL, Mr. LANTOS, Mr. PEPPER, Mr. GRAY, and Mr. NEAL.

PETITIONS, ETC.

Under clause 1 of rule XXII,

22. The SPEAKER presented a petition of the city council, New York, N.Y., relative to declaring January 15 as a national holiday in honor of Martin Luther King, Jr.; which was referred to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1553

By Mr. RHODES:

—Add the following new section:

SEC. . (a) Section 1011 of the Impoundment Control Act of 1974 (31 U.S.C. 1401) is amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) 'rescission resolution' means a concurrent resolution which only disapproves, in whole or in part, the rescission or reservation of budget authority proposed to be rescinded or reserved in a special message transmitted by the President under section 1012, and upon which the Congress completes action before the end of the first period of 45 calendar days of continuous session of the Congress after the date on which the President's message is received by the Congress;".

(b)(1) Section 1012(b) of the Impoundment Control Act of 1974 (31 U.S.C. 1402(b)) is amended by striking out "Any" and inserting in lieu thereof "Except as provided in subsection (c), any".

(2) Section 1012 of the Impoundment Control Act of 1974 (31 U.S.C. 1402) is amended by adding after subsection (b) the following new subsection:

"(c) DISAPPROVAL OF RESCISSION OR RESERVATION.—Any amount of budget authority proposed to be rescinded, or that is to be reserved, as set forth in such special message transmitted to both Houses of Congress on or after October 1, 1980, and before October 1, 1981, shall not be made available for obligation unless, within the prescribed 45-day period, the Congress has completed action on a rescission resolution disapproving the rescission or reservation of such amount of budget authority.".

(c) Section 1017 of the Impoundment Control Act of 1974 (31 U.S.C. 1407) is amended—

(1) by inserting "or resolution" after "rescission bill" each place it occurs in subsections (a) and (b)(1), in paragraphs (1), (2), (3), (4), and (5) of subsection (c), and in paragraphs (1), (2), (3), (4), and (5) of subsection (d);

(2) by inserting "or resolution" after "such a bill" both places it occurs in subsection (d)(2); and

(3) by striking out "concurrent" in the second sentence of subsection (d)(3).

(d)(1) The fourth sentence of section 211(h)(6)(A) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 721(h)(6)(A)) is amended—

(A) by striking out "section 1011(5)" and inserting in lieu thereof "section 1011(6)"; and

(B) by striking out "(31 U.S.C. 1401(5))" and inserting in lieu thereof "(31 U.S.C. 1401(6))".

(2) The third sentence of section 216(c)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726(c)(2)) is amended—

(A) by striking out "section 1011(5)" and inserting in lieu thereof "section 1011(6)"; and

(B) by striking out "(31 U.S.C. 1401(5))" and inserting in lieu thereof "(31 U.S.C. 1401(6))".

EXTENSION OF REMARKS

HOUSE CONCURRENT RESOLUTION 52 AND TERRORISM AGAINST DIPLOMATS

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FITHIAN. Mr. Speaker, I am inserting today for the benefit of my colleagues an article taken from the Washington Post of February 1, 1981. The article, written by Don Oberdorfer, is a persuasive argument in favor of the establishment of international mechanisms to deal with terrorism against diplomats. Just such a mechanism would be established by House Concurrent Resolution 52, which I recently introduced in the 97th Congress.

The article follows:

WHY THE HOSTAGE CRISIS HELD US ALL HOSTAGE

Despite what Americans believe they know, the seizure and abuse of diplomats as well as private citizens abroad is far from unprecedented; it has been a rather regular occurrence during historical periods of turbulence and revolution. The victims have been American, Russian, British and a variety of other nationalities in a dismayingly long tradition.

Why then did the seizure, confinement and eventual release of 66, later 52, American hostages in Tehran strike this country with thunderclap force, becoming a crisis of an overwhelming and all-absorbing nature? Why did the Carter administration concentrate on this beyond all else in a dangerous world, to the extent of more than 100 meetings of the National Security Council or its crisis coordinating committee within the first six months? And why are Americans likely to remember this travail and release on the scale of great events, such as the beginning or ending of a full-scale war or the death of a president?

Many factors, foreign and domestic, were involved, but two reasons stand out beyond all others:

First, the plight of the hostages in Iran seemed to sum up and symbolize a sense of vulnerability and ineffectiveness in relation to the rest of the world which had been growing in this country since the fall of Saigon in 1975, and was rooted in the more distant past.

The nation which had emerged from World War II far and away the most powerful as well as the most admired was increasingly frustrated and buffeted by outside forces beyond its control. National adjustment to a more modest role is often painful. The taking of a U.S. embassy, a symbolic seat of nationhood, seemed to seize the nation as well as its diplomatic and military personnel by the throat.

Second, and closely related to the first, is a new fact of our age with profound significance: the ability of human beings with the right equipment to bounce sounds and images off satellites in space and transmit them widely and instantly to millions of others across the globe. In this weird world in which we live, fragments of experience from afar can be hurled into the national consciousness with incredible velocity and impact. The effect is all the greater when the event is not only dramatic and symbolic but also intensely personal, involving the suspended fate of identifiable people.

The world stage was not lit nor the cameras rolling in 1796, when the United States signed an early day "agreement of Algiers" and paid $992,463.25 for the ransom of the passengers and crew of two American ships which had been seized and held by the dey of Algiers for 11 years. The payment of ransom by nations was commonplace in those days.

Nor was there much commotion beyond a limited circle in 1829 when a mob of several thousand Persians, egged on by mullahs, sacked the Russian legation in Tehran, slaughtered nearly all 38 of Moscow's diplomatic personnel and dragged the body of the Russian envoy through the streets. The Russian offense, in Persian eyes, was to give asylum to two girls and a eunuch from the harem of the shah and his family. There was no retribution.

In China in 1948–49, following the communist victory in the civil war, authorities in Mukden penned up the 10 diplomatic personnel of the U.S. consulate plus their Chinese staff and a hapless German who had stopped by to visit the library. This confinement under rigorous conditions lasted for more than a year, six months of this period without any contact with the outside world. Nobody remembers this now.

Another Chinese episode during the Maoist Cultural Revolution was perhaps the closest contemporary parallel to the recent events in Tehran. In 1967 the British chancery in Peking was sacked and burned by quasi-official Red Guards, several British diplomats were beaten by a mob and subsequently all British diplomats were detained in their compound for four months by government order. At about the same time the Soviet embassy in Peking was repeatedly attacked and harassed, with the Russians counting some 80 government-backed "provocations" within 1967 against their diplomatic mission or personnel, and another 120 "spontaneous outrages."

From 1968 to 1979 the State Department counted 273 terrorist incidents of all sorts against U.S. diplomatic interests overseas. The Rand Corporation's most recent listing of international terrorist acts against all countries since 1968 runs to 1,400 incidents. Nearly 100 diplomats have been assassinated or kidnaped in that period.

A Rand report issued a few days ago said terrorists or other militants have seized embassy facilities of various countries on 43 occasions since 1971, with five of these incidents involving U.S. embassies. "Seizing embassies became a common form of protest and coercion in the 1970s," according to Brian M. Jenkins of Rand.

The takeover of the U.S. embassy in Tehran, in this light, involved the seizure of the largest number of diplomatic personnel, and for the longest time, of any single contemporary incident. These are distinctions which made it noteworthy, as did the ambiguous quasi-governmental nature of the hostage-keeping, but in themselves they hardly explain why this became the "Iran crisis" which shook the United States and involved most of the world.

In Washington's inner circle as well as on the outside, the events of Nov. 4, 1979, were very personal. The high officials along with the rest of the country saw the television pictures of screaming crowds waving their fists outside the embassy while the blindfolded hostages were paraded inside. "I knew this was going to be overwhelming," said Capt. Gary Sick, the NSC staff aide on Iranian matters. "In the White House situation room within the first 24 hours I made a commitment, almost like taking vows, that until those people were out that would be the total priority in my life. We discussed it at the dinner table, and my family understood. From then on, seven days a week became totally routine and 16-hour days were normal."

When all the elements of the United States government were mobilized, due to the intense personal interest and commitment of President Carter and the topmost layer, Sick was receiving 1,000 pages of cables, memoranda and reports per day across his desk, more than he had time even to skim between White House meetings.

The president himself, as disappointment piled upon disappointment and the Soviet invasion of Afghanistan added to the air of crisis, seemed a changed man to those around him. "This hostage thing is preying on his mind. It's almost like it haunts him," said Robert Strauss, his campaign manager, three months into the long ordeal.

The overwhelming, almost single-minded governmental concentration on the event both arose from and intensified the concentration of the press and public. "The emotion level of the American people, the pain, anger and frustration that they felt and that we felt, was not something the administration had control over," recalled NSC aide Sick. "Anybody who suggested in those early months that this should be played down would have been laughed at. No public figure could stick his nose out of his office without being swamped in the national feeling. The immediacy of it penetrated the consciousness and overwhelmed us."

The question persists: Why was this so? No armies were marching, as they were in Afghanistan. There was a physical threat to several dozen of the 225 million Americans, but no physical threat to the United States. Moreover, it became apparent after a few weeks to nearly everyone, as passion in the United States intersected and interacted with passion in Iran, that a quick resolution was unlikely.

Part of the reason was the raw nerve touched upon by Jeff Gralnick, executive producer of ABC Television's "World News Tonight" program, who hit upon the gripping title of "America Held Hostage" for a series of late night specials on Iran. Many Americans completely identified their country's fate with that of the hostages. For some, the identification was so intense and personal they told members of hostage families, that they were unable to sleep well as

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

they tossed at night worrying about what would happen next.

It is too simple to single out instant international mass communications via satellite and television, as the only reason for the puzzling disparity between the scale of the event and the scale of its repercussions. Yet this fact, which made the daily drama part of the life of nearly every American from president to private citizen separates the "hostage crisis" in Iran from all that went before. If Vietnam was the nation's first television war, the ordeal of the Tehran embassy was the first televised international crisis.

It has been suggested by many most recently by Ronald Reagan that the United States and Iran actually were embroiled in something akin to war, and that those in the captured embassy could be better considered "prisoners of war" than hostages to militant captors. If so what a strange kind of war, with journalists reporting daily both from the high command at home and from the enemy camp, using transmission facilities furnished and controlled by the other side.

And what of the content of the reports? It would be wrong to say that journalists did the bidding of the militants, except in rare cases. Even that small minority of reports planned by the captors to propagandize Americans backfired, stoking public anger in this country instead of sympathy for the Iranian cause.

The greater problem in the majority of both television and print reporting was lack of context. Lacking prior experience or knowledge of Iran, its access sharply limited or cut off, goaded by competition for the most obvious and dramatic stories, the press tended to focus tightly on the Americans and their immediate plight, without much emphasis on or explanation of the internal Iranian setting which brought about the event and made it so difficult to resolve.

With some notable exceptions, the press was trapped in the technology and, deadline pressures of a story which took on a life of its own. For example, the hostages in the embassy were rarely seen, but the networks trained their cameras day after day on the shouting, fist-shaking mobs on the street just outside. A study by Associate Professor David L. Altheide of Arizona State University reported that the network evening news programs, in 10 sample periods over eight months, beamed Iranian crowds and demonstrations into American homes on 60 occasions, compared to only three interviews with unofficial, non-demonstrating Iranians who might have explained what the crowds were screaming about.

And what for the future? What does the "hostage crisis" and the reaction to it portend?

The greatest underlying question is how a democratic country with worldwide interests and responsibilities can cope with a world of trouble and turbulence in the 1980s. Will the leadership and people of the United States find a way to respond to outrageous actions without becoming, in the common phrase, hostage to events?

President Reagan's pledge of "swift and effective retribution" in case of threats to Americans abroad is clearly meant to provide deterrence against attack as well as reassurance to a deeply troubled people. Yet, given the profusion of incidents throughout the world, there seems little likelihood that Reagan's warning will turn back the tide of disorder.

There is little evidence that the Iranians who seized the embassy and its personnel, or other terrorists who have dramatized their causes with violent acts, acted on a calculation of personal risk. In fact, the likelihood of direct engagement by the United States could spur some groups to greater risks for greater glory and more radical outcomes.

A prophetic report written for the Air Force in 1977 by Guy J. Pauker, a noted political scientist, projected "a period of increased social instability" in the 1980s, including the possibility of a breakdown of international order he called "a world order crisis." Pauker foresaw difficult decisions for the United States. "In some instances, it may have to give priority to world order considerations, while in other situations it may have to defend narrowly defined national interests," he wrote.

"In deciding to use military force for the protection of limited national interests, a great power which is also a democracy has to be responsive to a wide range of considerations. Should the U.S. government be prepared to project its power into all parts of the world where Americans may wish to travel, trade, study or engage in any other normal and peaceful activity, in order to protect them? If not, where should one draw the line?" Pauker asked.

A journalist who has observed government and public opinion during the Iranian drama emerges with few sure answers for future tests. But I have these suggestions:

First, the government should be prepared to meet the unexpected and intolerable with contingency plans for quick response, political as well as military, as troubles arise. The greatest impact as well as the greatest chance to affect the course of turbulent events is in the early hours of a crisis, when it is also most difficult to plan and see ahead.

Second, the press and the people, as well as those citizens who are also government officials, should keep their cool in the face of provocation. This would provide the maximum flexibility for a national response which will be tailored to the reality rather than the emotional impact of the problem.

Third, everyone should become aware as soon as possible of the context and circumstances of a thunderbolt from abroad, without necessarily accepting the premises of those who have hurled it. Americans must understand as well as feel what is going on.

Finally, and perhaps most immediately important, the government, press and people of the United States have an urgent need to examine and reflect upon the events and impressions of the past 14 months. For all the courage of the hostages and the euphoria and unity of homecoming, this country cannot afford a repetition of what it has just been through. Yet, unless I miss my guess, many dangerous and dramatic trials, some within camera range, are ahead in the troubled decade of the 1980s.●

TAXPAYER FINANCING OF ELECTIONS: A MONSTER

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FRENZEL. Mr. Speaker, the New York Times of January 18 carried an article by Joseph Sullivan, describing the disastrous problems that have resulted from New Jersey's taxpayer financing of gubernatorial elections. The headline, "Byrne's Brainchild Begins To Look Like a Monster" says it all.

According to the article, two points are clear about the New Jersey program:

First, the program is tremendously expensive. The cost for this election cycle will be 250 percent greater than the original estimates. That should not be surprising because opponents of taxpayer funding of elections, like myself, have been warning about costs for nearly a decade.

Second, the system is politically disruptive. It has literally created, and promoted, candidacies which would never see the light of day if they had to rely on their own attractiveness to the electorate for fundraising.

There will be more and more such articles as the 16 States which use taxpayers' money to pay campaign expenses begin to experience the problems that caused New Jersey's "monster." Predictably, if the programs are fair, available to all comers in both primary and general elections, they are going to be needlessly and unaffordably expensive.

My hope is that the Congress and other States which have not fallen into the "free money" trap, benefit from the New Jersey experience. The peoples' money has no place in the financing of elections.

[From the New York Times, Jan. 18, 1981]

JERSEY'S PUBLIC CAMPAIGN FINANCING BRINGS CANDIDATES OUT OF THE WOODWORK

BYRNE'S BRAINCHILD BEGINS TO LOOK LIKE A MONSTER

(By Joseph F. Sullivan)

TRENTON.—When he was first elected in 1973, Governor Byrne made enactment of a public campaign financing law his top priority. Since then he has watched the law grow to cover the gubernatorial primaries as well as the general election and has seen the field of potential candidates in this year's race swell to 20.

To the Governor, who cannot run for a third term, it is as though a favored child has turned into a monster. It seems like anyone with political ambition is getting ready to make the race and, as a result, the upcoming primary will not only be the most expensive gubernatorial primary ever held in New Jersey, but possibly in the nation. "Maybe I've made the job seem to easy," Mr. Byrne said, "or maybe we've made the primary financing law too broad."

Last week the Governor proposed some changes that would make the law considerably less broad by making it harder for minor candidates to secure state funds. It is doubtful, though, that any changes could be made in time for this year's race.

In order to qualify for public financing in New Jersey's gubernatorial primary, a candidate must first raise $50,000 on his own. From then on, the candidate is eligible for $2 in public funds for every $1 raised privately, as long as the private funds come in contributions no larger than $800. The ceiling on state contributions is approximately $600,000, so a candidate needs to raise

$350,000 privately to attract the maximum amount of state aid. (Since the spending limit is $1,050,000, candidates can raise another $100,000 in unmatched funds if they wish.)

The New Jersey Election Law Enforcement Commission originally estimated it would need about $4 million to provide matching funds for the 1981 primary. But 11 Democrats and nine Republicans have either already declared their candidacies or at least filed with the commission as possible candidates, so the cost to the taxpayers may well exceed $10 million. Since only a small percentage of New Jersey's 3.5 million voters usually participate in the primaries, some observers have estimated that it will cost the state $10 for each vote cast.

In addition to the financial problems spawned by the law, there are political problems, too. The larger the field, the more attractive the race becomes to minor candidates, who reason they will need only about 25 percent of the votes cast to have a chance of capturing their party's nomination. For example, Richard B. McGlynn of Millburn, a former judge and ex-member of the State Board of Public Utility Commissioners, has estimated he will need only about 75,000 votes to become the Republican candidate.

Even if the chances of winning the nomination are remote, there is another reason for a minor candidate to hop on the ballot and get state funds: It is a cheap way to build recognition for a future race.

Mr. Byrne was a former prosecutor and a judge who had never run for public office when he became a candidate in 1973. He abhorred the maneuvering for campaign funds and reportedly would leave campaign strategy meetings when the talk turned to money. When he was elected he said he wanted his first campaign for governor to be the last in which special interest groups could attempt to buy influence through large campaign contributions.

He succeeded in getting a general election financing bill through in 1974 and, at the urging of the newly-created Election Commission, agreed to support extending it to the primary, though this provision wasn't adopted until after Mr. Byrne won reelection. Now, however, the proliferation of candidates has so alarmed the Governor that last week he proposed that the $50,000 "threshold" for each candidate be raised to $150,000 or $200,000, and that some sort of runoff be included to ensure that the winner of each party's nomination achieved broad support.

TOO LATE TO CHANGE?

Assemblywoman Barbara W. McConnell, the Flemington Democrat who became the first female candidate for governor last week, said the Legislature had already considered a threshold of $150,000 during its debate on the law, but decided on the $50,000 limit so as not to deny any citizen an opportunity to run for governor. And in any event, leaders like David Norcross, the state Republican chairman, who opposed the public financing law, say it is too late to make changes for the June contests.

According to Lewis B. Thurston, the executive director of the Election Commission, three candidates, Mayor Thomas F. X. Smith of Jersey City, Mayor Lawrence F. Kramer of Paterson and Mr. McGlynn, already have submitted financial records indicating they qualify for matching funds under the law as it stands. Commission auditors are expected to rule on the applications by the end of the month and the first checks could be due by then.

This could create another problem, since the Legislature has yet to appropriate money to cover the checks. Faced with the growing number of candidates, the State Senate last year passed a bill authorizing payment of the matching funds but containing no specific amount. The Assembly wants to include an amount, but can't agree on how much.

Whatever happens, most observers agree that New Jersey is not finished with its pioneering experiment. Indeed, the state's experience with public funding during this year's gubernatorial campaign may very well shape new approaches for the next one, four years hence.

WHERE NEW JERSEY LEADS, 16 STATES FOLLOW

Since 1974, when New Jersey became the first, 16 other states have adopted some form of public campaign financing.

They are Hawaii, Idaho, Iowa, Kentucky, Maryland, Maine, Massachusetts, Michigan, Minnesota, Montana, North Carolina, Oklahoma, Oregon, Rhode Island, Utah and Wisconsin.

While most of these states limit public financing to the general gubernatorial election. Massachusetts and now New Jersey have followed Michigan's lead and extended it to primaries for that office as well.

Some states also provide limited financing for other races. In Wisconsin and Minnesota, candidates for statewide office and the state legislature are eligible to receive public funds; in Maryland and Hawaii, the coverage even extends to some local offices.

The states also have different ways of collecting and allocating the money used to underwrite campaigns.

Some ask taxpayers to add a contribution to their state income tax payment, while others use a checkoff system like the Federal one that lets the taxpayer choose whether to commit a specified amount of his tax payment—usually $1—to a public campaign fund. Since this does not increase the taxpayers' liability, it is the most popular.

Eight states, including New Jersey, give the money, usually on a matching basis, to the candidates, while eight others give it to the political parties.

Oklahoma does both, providing a modest amount for the parties while giving most directly to the candidates.

Other states are known to be considering establishing their own public campaign financing programs. Among those that have asked New Jersey officials for advice are California, Florida, Louisiana, and New York.●

RUDY ROPER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SKELTON. Mr. Speaker, an era is coming to an end in my district. Since I was first sworn in as a Member of the House of Representatives in 1977, it has been my pleasure to represent the dean of Missouri's mayors. Rudy Roper, mayor of Sugar Creek, Mo., will finish a 40-year term of office in April of this year.

It is a high tribute to Mayor Roper that his community elected him to twenty 2-year terms as mayor. During that era he presided over many community improvements and helped guide the community through some difficult times.

There is a statement that "the best politics is doing a good job." Mayor Roper obviously has done a good job. The community has recognized his efforts and rewarded him with votes of confidence for a period far exceeding those received by his early contemporaries.

It is a pleasure for me to have Mayor Roper as a constituent. I congratulate him on his years of service and his return to the highest office an American can hold—that of citizen.●

HUMAN RIGHTS AND FOREIGN POLICY

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. EDWARDS of California. Mr. Speaker, by way of promoting debate on the subject of human rights and our foreign policy, I recommend a thoughtful essay on the subject by our colleague, the gentleman from Washington, Mr. BONKER, which appeared in the New York Times on December 22 of last year. The article follows:

SERVING HUMAN RIGHTS

WASHINGTON.—I hope that President-elect Ronald Reagan's statement that "all of us in this country are dedicated to the belief in human rights" and his warning to South Korea not to execute Kim Dae Jung, the opposition political leader, will signal authoritarian regimes everywhere that he will not tolerate their odious policies.

Yet speculation grows daily about the fate of human rights in the incoming Reagan administration. Many are counseling him publicly to undo the human-rights policy that was born of Congressional initiatives and that has been an integral part of foreign policy.

The peril of such advice is the possibility that it will be misinterpreted around the globe. Repressive regimes already are boasting that they will no longer be judged by the United States' standard of democracy and human decency. To abandon our human-rights policy would be a terrible blow to freedom everywhere. In a turbulent world, the forces of liberty are desperately struggling for survival. Dictatorial regimes, whether friend or foe, reject the concept of a free and open society. They uphold values that are as inimical to our country's long-term national interests as those of our avowed enemies.

Human-rights violators do not make reliable allies, as is evidenced by the Soviet Union's close relations with Argentina and Bolivia, both with hardline right-wing regimes. The era of simpler times, when brutal dictatorships were tolerated as long as they professed anti-Communism, has passed.

Our history has shown that we stand for more than expediency and strategic interests in pursuing our global objectives. By

maintaining a strong human-rights policy, as President Carter has, we show ourselves responsive to the yearnings of human beings for dignity and freedom. Countries should be put on notice that if they expect our aid, they cannot engage in political executions, torture, and other monstrous practices.

It is in our self-interest to work for long-term stability in the third world if we are to achieve our political and economic goals. The alternative is to find ourselves at the mercy of dictators. Our recent experiences have demonstrated that we gain only the enmity of the people who are the victims of repression.

It has never been lack of weapons, but rather internal discord and disregard of basic rights that threaten repressive governments, and often our security interests. It was not our human-rights policy that brought about the downfall of Shah Mohammed Riza Pahlavi in Iran; nor did it precipitate the exit of Anastasio Somoza Debayle of Nicaragua and Emperor Haile Selassie of Ethiopia. Rather, it was the lack of even a minimal level of decency and justice in those nations and our uncritical support of such governments that has estranged us from successor regimes.

The advocacy of human rights is the moral imperative in our foreign policy that sets us apart from the Soviet Union. As the beacon of liberty around the world, our nation must pursue policies that help to shape a more decent world. Dare we do less?

Despite its shortcomings, supporters and critics agree that our human-rights policy has saved lives, brought about the release of political prisoners, reduced torture, and given hope to those who remain oppressed.

Still, much needs to be done. Summary executions continue. The number of disappeared and missing persons is close to 30,000 worldwide, and brutality in many countries is the norm rather than the exception.

We in the 96th Congress held numerous hearings on human-rights violations covering both Communist and non-Communist nations. Witness after witness testified that whenever the United States supported improvements in human rights, the situation changed for the better. With these hearings we promoted a human-rights policy that has integrity and that can be applied fairly.

Furthermore, the Congress stands especially proud of its human-rights efforts. Virtually all of the human-rights initiatives have come from the Congress, with broad bipartisan support—for example, by law we have established the human-rights bureau in the State Department, the annual State Department report on human-rights conditions in every country, and the cutoff of economic and military aid to repressive regimes.

As long as there is hunger, unemployment, disease, repression, and the absence of peaceful change, our ultimate goal of a true peace cannot be achieved. As the next President, Mr. Reagan is among the few in history privileged to promote justice through human rights, a goal that is strikingly reminiscent of what the Prophet Isaiah admonished us to do 3,000 years ago: "Stop all wrongdoing. Remove all evil. Learn to do good, search for justice, help the oppressed."●

WHAT TO DO ABOUT EL SALVADOR

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. LAGOMARSINO. Mr. Speaker, the political and civil unrest in El Salvador presents a grave challenge to the Reagan administration as it takes office and attempts to deal with a potentially explosive issue in this hemisphere.

A recent commentary by Ernesto Betancourt in the Washington Post, January 27, examines the elements of a sober, yet realistic approach to American policy toward El Salvador.

The recommendations made by Mr. Betancourt, I believe, are worth serious consideration and should be examined further by those of us in Congress and by the Reagan administration.

I hope my colleagues will give careful consideration to this approach.

[From the Washington Post, Jan. 27, 1981]

WHAT TO DO ABOUT EL SALVADOR

(By Ernesto F. Betancourt)

The crisis in tiny El Salvador could shape President Reagan's policy toward Latin America and the Caribbean before Secretary of State Haig has time to formulate it. It is increasingly clear that the Soviets, through their proxy Castro, are supporting an early challenge to test the will and skill of the new administration as well as the new mood of U.S. public opinion implicit in the November election results.

If the response is dominated by narrow views, we may well be on the way to a security setback. Reagan will be saddled with a Bay of Pigs or a mini-Vietnam. Such an entrance will bring glee to Castro and his Soviet mentors. On the other hand, if we draw on the lessons of the past and the realities of the present, this could be the turning point in the struggle for an area that is basic to our national security.

Our present predicament in El Salvador and the region in general is the result of several factors. One is underestimation of the strategic importance of the Caribbean and Central America because of the small size of the countries involved. Another is the naive policy of the Carter administration. Self-righteous moralism is not a substitute for security as a basis for development. The result has been a power vacuum—eagerly filled by an expansionist Soviet-dominated satellite. Instead of development, we caused a capital outflow that has fueled the Miami real estate boom.

The setting for this struggle is societies, like El Salvador, in which expanded education, communications and transportation have created increased expectations among a growing population. At the same time, a total absence of energy resources has made both Central America and the Caribbean islands, except Trinidad, extremely vulnerable to oil price increases. Under such circumstances, the masses are easy prey to radical propaganda. The frightened members of the establishment, oligarchy—or whatever one's ideological bent finds a satisfying label—tend to resort increasingly to repression. They want to prevent what they logically perceive as a mortal threat to their interests. Castro and the Soviet Union prey like vultures in such an environment. However, in formulating a response, it is important to keep in mind that, with or without the Castro-Soviet subversion, the structural stress in these societies will persist.

A realistic policy to protect our national interest in the region, therefore, should provide security, based on an approach that includes offensive and defensive components, and development that includes both growth and reform components. Such was the essence of our two previous successful efforts to contain Soviet overt or covert expansion: the Marshall Plan and the Alliance for Progress Naturally, as in those two efforts, it will also require an equal commitment of national leaderships in the region.

In this last respect, there is a ray of hope for the Reagan administration. For throughout the Caribbean and Latin America there is a growing consensus that such an effort is needed to stem this new threat. Granted, there are those who would like us to pick up the tab, in lives and money, to preserve their privileges. Others want us to subsidize the extermination of pro-U.S. authoritarians to be replaced by pro-Soviet totalitarians.

So far, Venezuela and Mexico, as well as Costa Rica, Barbados, the Dominican Republic and Jamaica, give indications of increasing awareness of the problem faced by the region. In El Salvador, the present leadership reflects this middle-of-the-road approach.

The implementation of such a comprehensive policy embracing both security and development elements has been articulated very clearly by Jamaica's Prime Minister Edward Seaga. After leading his people to a dramatic victory of democracy over Castro-Soviet subversion—which has not been sufficiently appreciated in the United States—he has proposed a Marshal Plan for the Caribbean and Central America. So far, his proposal has not met with any response from the United States.

Such a broad strategy would provide the framework for the Reagan administration response in El Salvador. Regardless of the short-comings of the land reform effort there and the violations of human rights that unquestionably are taking place, the Duarte government embodies the security and development elements of the required response. To deny military aid to El Salvador because of human rights, violations, ignoring that they are being carried out by both the left and the right, will be utmost folly. On the other hand, to encourage the notion that aid will be made available so the landowners can roll back the land reform and push hundreds of thousands of peasants to side with the left will be equal folly.

While the emergency in El Salvador is dealt with, the broader response to the idea advanced by Seaga should be formulated.

The offense component of the security aspect of the policy should aim at making Castro's subversive efforts very costly to him. No military action against Cuba is needed. However, those fighting Cuban mercenary forces in Africa should be encouraged and assisted when consistent with other national security interests. The failure of Cuba's economy under Castro should be divulged by all available media. Economic concessions granted by the Carter administration should be reviewed and canceled when appropriate.

Military assistance in hardware and training should be made available to national defense forces to boost their ability to resist subversive and terrorist efforts. This in itself will reduce the size of the forces willing to resort to violence as a means of social change.

The Organization of American States machinery for regional security and non-intervention should be used to provide diplomatic and legal underpinnings for such collective effort. It is important to avoid an effort that may be perceived as being U.S.-dominated. This may be helped substantially if a country like Canada, with a heavy interest in the English-speaking Caribbean, can be persuaded to join the Inter-American System as a full-fledged member. Brazil could also play a role since, as a donor, it shared with Mexico and Venezuela the concern for the security threat to the region. Nicaragua and Grenada should be given a choice, but it should be clear that we will not help those who support threats to our security.

Parallel to the security umbrella provided by such an effort, the present Consortium for Caribbean Development, under World Bank aegis, could be expanded to include Central America. Furthermore, the consortium could serve to avoid adding a duplicate bureaucratic machinery and to accelerate implementation. An expanded program of bilateral U.S. aid could be added to reinforce our commitment. This, in turn, could also serve to ensure that our national security interests are given due weight when it is not possible to do so through multilateral mechanisms.●

ANTHONY "PAT" PATRICCO, HUMANITARIAN AWARD WINNER

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. RINALDO. Mr. Speaker, the contributions of our private citizens to the common good of America take many forms and happen every day in countless communities across this land. Men and women, young and old, of all faiths are contributing to the well-being of their communities in many ways—raising funds for charities, aiding the handicapped, teaching the blind and deaf, working with youth, and caring for the needs of the poor and the aged in our society.

It is one of the great assets of the United States that we have volunteer organizations that reach out to our people in many generous ways with compassion, enthusiasm, and kindness. Organizations like the Phil Portnoy Association in Union, N.J., have encouraged citizen participation by aiding people who experience misfortune in their lives and by annually selecting someone in the community for its Humanitarian Award.

This year's recipient is Anthony "Pat" Patricco of Union, N.J. For nearly a quarter century, "Pat" Patricco has been a good friend to the families and youth of Union. He has served as president of the Little League and as a coach during that period, developing the talents and spirit of thousands of youngsters who have played in the Union Little League. For some of the more talented ones, it has meant the start of careers in baseball and scholarships to college. In every case, youngsters have benefited from the competition and the opportunity for enjoyable recreation.

"Pat" Patricco has passed the torch to the next generation. In fact, his son, Steve Patricco, is now a coach in the Union Little League.

Through service with the Union Township Board of Education, where he served as a vice president, the Exchange Club, and Union Council 4505, Knights of Columbus, "Pat" Patricco has given extraordinary service to the community, and is deserving of the honor of being named "Humanitarian" by the Phil Portnoy Association.●

A NEW McCARTHYISM?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. BINGHAM. Mr. Speaker, in the New Republic of January 31, Morton Kondracke warns that there is a whiff of McCarthyism in the air and the smell is getting stronger every day. In Kondracke's words:

Elements of the political right—and not just the kooks either—are seemingly not content to have thrashed liberals at the polls or to have trounced the left—temporarily, at least—in the marketplace of ideas. They are returning to the dismal old practice of alleging that the opposition acts not out of honest error, but out of disloyalty to this country.

This is a very dangerous trend and one that must and will be resisted. Those of us who recall the old McCarthyism are not going to sit back and allow the country to go down that road once again. I commend Mr. Kondracke's piece to my colleagues and to other readers of the CONGRESSIONAL RECORD:

HERE WE GO AGAIN—SEARCH FOR SUBVERSION

(By Morton Kondracke)

There is a whiff of McCarthysim in the air, and the smell is getting stronger by the day. Elements of the political right—and not just the kooks, either—are seemingly not content to have thrashed liberals at the polls or to have trounced the left (temporarily, at least) in the marketplace of ideas. They are returning to the dismal old practice of alleging that the opposition acts not out of honest error, but out of disloyalty to the country. Has American influence in the world declined in recent years? Has the Soviet Union built up its military power to equal and sometimes surpass that of the United States? Is revolution spreading in Latin America? According to some on the right, all this has not happened by accident, by the play of historical forces, or even because of post-Vietnam exhaustion and a failure of American will. No, it's because the American press is infiltrated by Russian agents who "disinform" the public, spread communist propaganda, and "spike" (that is, kill) stories warning of the Soviet threat.

US failure to match the Soviet build-up, according to the right, stems partly from consistent underestimation of Soviet activity by the CIA. And that, in turn, is not just the result of bad analysis, but because the agency is infested (possibly at the highest level) by Soviet spies, or "moles," in the currently popular slang. In fact, not only is the CIA infested, but also the highest levels of the US government. According to rightist distribes, Soviet "agents of influence" may include Henry Kissinger and the number-two man on Jimmy Carter's national security council staff.

And, in the best-developed conspiracy theory of all, President Carter's Latin American policy was not the result of naiveté or excessive devotion to human rights considerations. Rather, according to some on the right, Somoza fell to the Sandinistas and Castroism is running free in Central American because US policy was concocted at the Institute for Policy Studies, which is not only a left-wing think tank, but a communist front.

What should America do? According to the right-wing Heritage Foundation and some hard-line Republican senators, U.S. counterintelligence ability needs to be vastly upgraded. The FBI needs to be free to tap, follow, and burgle whomever it wants, not burdened by any rule that it must show grounds to suspect criminality. There needs to be a centralized federal subversive file. And Congress needs to reestablish its old internal security committees, even though it now has standing intelligence committees that it never had in the old days. In fact, no sooner had Strom Thurmond become chairman of the Senate Judiciary Committee than he created a subcommittee on security and terrorism. The chairman of that panel, Senator Jeremiah Denton of Alabama, promises that it won't indulge in "witch-hunts," but that's a term in need of definition. I'd guess that Denton will be under immediate pressure to start probing the Institute for Policy Studies, rather than the Ku Klux Klan.

Where does President Reagan stand on all this? He certainly seems a moderate enough fellow, and he has not surrounded himself with incendiary conservatives. But a Scripps-Howard reporter, Dale McFeatters, has dug up this 1977 Reagan quotation, which is not reassuring: "We need a public demand for the reinstatement of a committee such as the onetime House committee to investigate un-American activities. A domestic assault on communism today would be premature. We need the factual evidence a congressional investigation would provide."

The raw meat for congressional "investigation" is available in a large and expanding body of literature on the right, some of it appearing lately in respectable journals. But the most drawn-out version, appropriately, is in a piece of trashy fiction called The Spike, written by Arnaud de Borchgrave, formerly of Newsweek, and Robert Moss, a columnist for the London Daily Telegraph. The book's jacket terms it "a work of fiction that exposes what may be going on behind closed doors in the White House, Western newsrooms and at 2 Dzherzhinsky Square, the headquarters of the KGB." What the authors hint is going on is almost everything right-wing mole maniacs have been alleging: the New York Times, the Washington Post, and other major organs of the American press are crawling with Soviet "agents of influence"—witting and unwit-

ting—who distort the news to indict U.S. intelligence and the Pentagon and underplay the Soviet threat. The director of Central Intelligence is a Soviet spy who is dogged and eventually undone by the agency's counterintelligence chief. This part is a fictional rerun of the wars between William Colby, former CIA director, and his archenemy, James Angleton. Other conscious Soviet agents in the book include the deputy director of the National Security Council staff, which parallels rightist accusations against Carter's man, David Aaron, once a Senate aide of Walter Mondale. In The Spike, the American vice president is a dupe. In real life, no one has produced the slightest shred of evidence that David Aaron is anything but a liberal—and one who, in fact, moved rightward during his White House exposure to world realities.

Another set of serious allegations are nonfiction assertions of Soviet penetration of the CIA. In his book, Legend, for example, Edward J. Epstein argues that Lee Harvey Oswald was a Soviet agent, but that proof was covered up because of clever Soviet planting of "disinformation" supplied by phony defectors and because of the presence, high in the CIA, of a Soviet "mole." No one is named, but James Angleton's charges against Colby—all unproved—have been so widely repeated that Colby has been led to deny them publicly. In the dizzy world of former spies and counter-spies, each man has defenders who cite evidence supposedly supplied by KGB defectors. One former CIA man suggested to me in an interview last week that one such defector had even fingered Kissinger as having been an agent ever since his days as an Army sergeant after World War II.

Kissinger long has been a favorite target of the Reagan right, having been author of the detente policy with the Soviet Union and the lead negotiator of SALT treaties. The right also has long accused Kissinger of concealing data showing that the Soviets cheated on SALT. But some right-wingers have gone beyond claiming Kissinger did this to protect detente. "I can easily believe that Kissinger is a Soviet agent-of-influence," one former Republican Senate aide said last week.

In an article written last year by right-wing New Hampshire Republican senator Gordon Humphrey, it is noted that in 1975 the Soviet Union asserted that some of its concealment practices would not interfere with US ability to monitor SALT by satellite. "How they could have known or argued such a position remains an unexplained mystery," Humphrey wrote. "Could they have penetrated US intelligence with 'moles'?"

Obviously the Soviet Union would plant moles if it could. It has done so at high levels in other countries, and lately it has done so at low levels in this country, as recent espionage trials attest. A good case can be made that CIA security procedures are lax and that its intelligence-estimating ability is weak. But all that argues for strengthening the agency internally and for more effective oversight by the Senate and House intelligence committees. No one has produced anything but unsupported allegations that high-ranking officials are secret Soviet "moles." In the absence of any proof, right-wing finger-pointing at officials whose policies they dislike is likely to undermine public confidence in political leaders, which doesn't do a thing for national strength and unity. If I were the head of the KGB, in fact, I'd be inclined to plant a mole squarely in a right-wing senator's office, just to sow discord among the American people.

It's doubtful that the right will ever go witchhunting after Henry Kissinger in any serious way. If neo-McCarthyism goes that far, nobody will be safe from the loyalty police. But a more vulnerable target is the Institute for Policy Studies in Washington, a center for "alternative," "progressive," and new left ideas and organizing for the past 17 years. IPS has been a target of the radical right from the beginning—chiefly of Representative Larry McDonald of Georgia, a board member of the John Birch Society. Lately, attacks on IPS have come from more respectable sources, including National Review, Midstream, and Washington Quarterly.

In The Spike, IPS is in this disguise as the "Institute for Progressive Reform," which the book describes as "the controlling center for a network of Soviet agents of influence who fanned out into Congress, the media, the academic world and even the White House." In Midstream, published by the Theodor Herzl Foundation, Rael Jean Isaac claims IPS "can fairly be described as an enormous intelligence operation practicing both covert action and subversion." Isaac proves nothing of the kind and certainly doesn't try to in any way that can be called fair. Her research seems to have come mainly from a publication called Information Digest, published by John Rees, an associate of Congressman McDonald. Nevertheless, the article has been reprinted widely, even by establishment publications such as Barron's and groups such as the National Committee on American Foreign Policy, which listed Hans Morgenthau as its chairman. Shortly before his death, Morgenthau quit the committee briefly in protest, charging it had participated in "a slanderous attempt to smear a perfectly respectable, however minority, point of view." Meanwhile, an article in National Review characterized IPS as "the perfect intellectual front for Soviet activities which would be resisted if they were to originate openly from the KGB." The Heritage Foundation lists IPS, along with "anti-defense and anti-nuclear lobbies," as organizations in need of investigation by a revived internal security apparatus.

There is much about IPS's world view and the activities and sympathies of some of its associates that is foolish, erroneous, even contemptible. A major source of its funds, for example, is the Samuel Rubin foundation, whose president, Peter Weiss, is married to Cora Weiss (Samuel Rubin's daughter), who ran a group deeply sympathetic to North Vietnam's cause in the Indochina war. One of IPS's founders, Marcus Raskin served on the board of Counterspy, a publication whose purpose was to name CIA agents and undermine the agency's effectiveness. When Britain expelled the world's foremost agent-namer, Philip Agee, the IPS's Transnational Institute in Amsterdam gave him a haven for a month. I would have let him catch pneumonia in the street.

IPS scholars, while a disparate and independent lot, tend to have sympathy for third world "liberation" movements. Some have warm attitudes about Castro's Cuba, the Sandinistas in Nicaragua, and the Palestine Liberation Organization. The IPS consensus is strongly against US military intervention abroad, against right-wing dictators (though not left-wing ones), and against large corporations, especially multinationals. It tends to take the revisionist line about the origins of the cold war and the nuclear arms race, blaming the US as much as the Soviet Union.

In other words, IPS is a left-wing organization, which is what it claims to be. But that does not make it a KGB front. And, with an annual budget of just one million dollars (versus five million of the Heritage Foundation and $10 million for the American Enterprise Institute), IPS scarcely constitutes a threat to national security. During the Nixon years, in fact, the FBI and CIA launched major investigations of IPS, looking for evidence of connections to the Weather Underground and North Vietnam. In a lawsuit, the FBI admitted it had found no evidence of criminal activity and was ordered to seal IPS's file.

To the extent that it makes contact with third world revolutionaries and makes their ideas available to the US press, the government, and the public, IPS actually ought to be considered a valued national resource. The nation suffered in the 1940s and 1950s when the right wing silenced Asia experts who urged accommodation with the Chinese Communists. Had these experts been listened to instead of pilloried, the US might have avoided the Vietnam War (which we entered out of fear of Chinese expansionism) and might have hastened the Sino-Soviet split.

Another right-wing propaganda effort under way these days is intended to discredit advocates of a noninterventionist US policy in Latin America. According to Lyndon LaRouche's US Labor party, various right-wing columnists, and the national commander of the American Legion, Jimmy Carter's policies on Latin America—his attempted rapprochement with Cuba, the Panama Canal treaties, human rights campaigns against Argentina and Bolivia, and withdrawal of support from Somoza—were written at the Institute for Policy Studies. And IPS, of course, was fronting for Havana and Moscow.

This campaign has been abetted even by the prestigious Center for Strategic and International Studies of Georgetown University. The Autumn 1980 issue of the Center's publication, Washington Quarterly, contains a lead article called "Castro's Specter," alleging that "Jimmy Carter's foreign policy in Central America and the Caribbean had been put together over a period of time by individuals who have rejected traditional foreign policy concepts and formulated a foreign policy that has provided leftist-oriented movements, homegrown and Cuban supported, with opportunities for advancement unprecedented since World War II."

The article, by Roger Fontaine, Cleto DiGiovanni Jr., and Alexander Kruger, alleges that Carter policy was heavily influenced by IPS, which in turn was influenced by Orlando Letelier, a Chilean Socialist, ambassador, and minister under President Salvador Allende. Letelier was imprisoned by the Chilean junta that overthrew Allende. After his release, he worked at IPS until he was assassinated by Chilean agents on a Washington street in September 1976. And Letelier, the article suggests (as do most right-wing attacks on IPS), was a paid agent of Cuban intelligence.

The evidence for this is the contents of Letelier's briefcase at the time of his death—especially a letter from Havana written by Beatriz Allende, daughter of Salvador and wife of a Cuban diplomat (or intelligence official), advising Letelier he would receive $1,000 per month from the Chilean Socialist party, of which Beatriz Allende

was treasurer. The Washington Quarterly article says,

"Letelier may have been involved with pro-Communist, anti-Chilean government propagandising and lobbying in the United States and abroad while associated with the IPS solely on behalf of Allende exile groups in Cuba and elsewhere. There is no available proof that [Letelier] was under the direction of the Cuban government and its intelligence service or that he was directly receiving funds from them. However, it is simply not in the nature of the Cuban intelligence service to overlook the types of opportunities presented to it by Letelier, particularly in view of his contacts in Washington. He would have been a useful 'agent of influence.'"

The article said:

"There is also no proof or even indication that the IPS . . . was aware of Letelier's Cuban contacts. There are indications, however, that at least some of the working group members, like Letelier, were strongly and actively committed to advancing leftist causes."

And also:

"However noble or naive these [IPS] policy recommendations were, it would be difficult to argue that the Soviets and Cubans would not find some of them parallel to their own interests. Although the latter may well choose to let events take their own course, in the case of IPS's Latin American policy recommendations there are suggestions that the Soviets and the Cubans have had the opportunity to exert influence."

It's impossible to prove that Letelier was not a Cuban agent, but the US attorney who investigated his assassination said in court that the FBI had found no evidence that he was. IPS officials claim that after Allende's overthrow, extensive fundraising was carried out for the Chilean Socialist party in Western Europe and funneled back to Beatriz Allende in Havana. So the money Letelier got need not have been Cuban. In any event, $12,000 per year does not buy a lot of subversion. There is no evidence that IPS officials were aware of Allende's Cuban connections, but they all were aware of his socialist and anti-junta activities, which he undertook openly. According to IPS officials, though, Letelier had little or nothing to do with IPS's report on Latin America. According to former administration officials, the IPS study had little influence on Carter's Latin policy, even though some of the ideas were similar and even though some Carter officials attended IPS discussion group meetings.

The last thing the United States needs is a new round of McCarthyism. It does need a stronger defense, better intelligence gathering, and even safeguards against Soviet espionage. The conservatives have won the argument on those points, and thanks to them for it. But a free society stays free by having debate continue, and there are many points still unresolved. We cannot have a free debate if the right wing tries to discredit its opposition with charges of disloyalty, as is now happening again.●

INDIVIDUAL HOUSING ACCOUNT ACT OF 1981

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FRENZEL. Mr. Speaker, today I am introducing two bills which address two acute needs within the housing industry, as well as those of potential homebuyers and renters.

The Individual Housing Account Act 1981, which I am cointroducing with Congressman SWIFT, addresses the need for a savings plan that allows potential homeowners to save toward the purchase of a home without incurring the tax penalties that currently reduce the effectiveness and viability of passbook savings plans.

Our bill enables those interested in purchasing a home to establish an individual housing account, set up specifically for the purpose of encouraging savings toward homeownership. An individual—or couple—could contribute up to $4,000 annually for a maximum of 10 years—maximum total savings would be $20,000—which would be tax-deductible on an annual basis, and the interest on which would be tax free. Money contributed to the account could be used only toward the purchase of a home, and would automatically become taxable income if used for another purpose.

It is my hope that the use of individual housing accounts will not only make homeownership more than just a dream for thousands of young people interested in purchasing their first home, but that it will also have the effect of reversing the present trend of an outflow of savings from our financial institutions. The country is short of housing and short of savings. IHA's are calculated to relieve both shortages.

The second bill I am introducing today, the Residential Rental Housing Tax Incentive Act of 1981, addresses the very real need for private sector participation in the rental housing market.

The extreme shortage of available, affordable rental housing has emerged as one of the most severe aspects of the current housing crisis, as the following data indicates:

The national vacancy rate is down to 5 percent, the lowest figure in the 24 years that such data has been collected;

An estimated 60 percent of the little new rental housing that was constructed in 1980 was subsidized or insured by the Federal Government; and

Mortgage and home purchase prices for single family homes remain at historical highs, increasing the pressure for alternative housing.

Despite the statistics that point to heavy demand for rental housing, private development has virtually ground to a halt. The reason is fairly simple: the increasing costs of financing, building material, labor and land, together with lagging rents and rising costs, have made multifamily housing a poor investment.

My bill is designed to restore the financial viability of private residential rental housing development through a number of tax incentives which encourage both new construction and the rehabilitation of existing housing. Specifically, they include:

A 10-year straight-line depreciation schedule for new construction of residential rental housing, and a 20-year straight-line schedule for existing units;

A repeal of the tax-code provision that mandates construction period interest and taxes be amortized over 10 years, as it applies to residential rental housing; and

A broadening of the tax provision that currently allows a rapid amortization of rehabilitation expenses for low-income rental housing, and an increase in allowable expenditures under this provision to reflect current costs involved with rehabilitation.

I encourage the support of my colleagues for both of these much-needed pieces of legislation, and welcome your cosponsorship.●

U.S.S. "GEORGE PHILIP"

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. LAGOMARSINO. Mr. Speaker, one of the Navy's newest surface warfare ships, the guided missile frigate U.S.S. *George Philip* (FFG-12), will arrive at Port Hueneme, Calif., Friday, February 6. The ship will be open to the public.

George Philip's visit will be held in conjunction with its ship qualification trials on the Pacific missile range off Point Magu. Naval Ship Weapon Systems Engineering Station is providing support during the 2-week trials which started February 1.

Cmdr. James L. Turnbull, commanding officer of *George Philip*, grew up in Ventura County where he attended elementary and secondary schools and was graduated from Nordhoff Union High School in 1957. He is the son of Mr. and Mrs. Archie Turnbull of Ojai, and is married to the former Linda Lee Dobbs of Ventura.

On behalf of the Members of the House and my constituents in Ojai and Ventura County, I welcome Commander Turnbull and his men to our area and wish them the best of luck in their mission.●

ONE DAY IN IRAN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SKELTON. Mr. Speaker, recently, seventh grade students from the Sedalia Middle School in Sedalia, Mo., were asked by their teacher, Mrs. Margie Davis, to express their reactions to the release of the American hostages. The students came up with illustrations, poems, and letters. I was very impressed with the letters and poems that were sent to me by the students, but in particular, I wish to share this poem, written by Michelle Cooper, with my colleagues.

ONE DAY IN IRAN

Working as usual one day in Iran,
Militants of that country took a stand.
Americans in prison was the cry of the land.
Iran lifted praises for Khomeini, a mad, mad man.

As time passed we all grew weary.
For the fate of their freedom look dreary.
Our peaceful talks had not prevailed.
Even our rescue attempt had failed.

Four hundred forty-four days of the past,
America's fifty-two are free at last.
January 20th will mark that glorious day,
Our prayers were answered what else can I say.●

THE SOCIAL SECURITY REFINANCING AMENDMENTS OF 1981

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SEIBERLING. Mr. Speaker, one of the most important problems facing the 97th Congress is the financial condition of social security. The old age and survivors insurance trust fund, battered by inflation, which boosts outlays, and unemployment, which cuts receipts, is expected to be depleted by mid-1982.

There have been five social security payroll tax increases since 1971, with the January increase hiking the maximum payment by 23 percent. Indeed, raising the payroll tax to help the system is self-defeating. To a businessman, who must match employee contributions dollar for dollar, the payroll tax is simply a labor cost to be recovered through higher prices. These higher prices are picked up by the Consumer Price Index and trigger higher benefits, which Congress again tries to fund by raising payroll taxes.

In 1979, the quadrennial Advisory Council on Social Security recommended that Congress sever the link between payroll taxes and medicare financing, a proposal which I have introduced as the Social Security Refinancing Amendments of 1981. Just last month, the National Commission on Social Security made a similar recommendation.

My bill would eliminate that portion of the payroll tax currently used to fund medicare. The payroll tax would then be reduced to 5.5 percent—a 17-percent reduction from the current 6.65 percent—and held there until 2005, when it would rise to 7.5 percent. For the OASDI trust funds, these rates would bring a revenue increase over current law and would eliminate the likelihood of a shortfall in the 1980's.

To fund medicare, the bill establishes an "earmarked" portion of personal and corporate income taxes. Each taxpayer would be notified on his annual tax return of the percentage of his tax which will be used to pay medicare benefits. Use of this earmarked income tax, a recommendation of the 1979 Council, guards against the temptation to increase medicare benefits without informing the public how much those increases will cost.

Income tax funding of medicare would be ideal for our current economic situation because it would reduce inflation and increase employment by lowering business payroll tax costs. It would also reflect the fact that there is no relation, as there is with all other components of social security, between the amount of payroll tax a worker pays and the medicare benefit he may become entitled to when retired.

Since I think workers need tax relief as well as employers, I do not propose higher income taxes in my bill to fund medicare. Even if future economic developments do necessitate tax increases, they would be income taxes, which means that they would not be regressive, would not show up in price indexes which trigger benefit increases, and thus would not cause the inflation which the payroll tax does.●

U.S. FOREIGN AID CUTS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. EDWARDS of California. Mr. Speaker, I would like to bring to my colleagues' attention the irony of two articles I read recently in the Washington Post and the Wall Street Journal.

The article in the Post describes new OMB Director Dave Stockman's plans for reducing our Federal budget outlays. According to the article, Mr. Stockman will be keying on our foreign aid programs. I imagine Mr. Stockman feels these programs lack a constituency here in the country and are easy targets for cuts. Apparently, Mr. Stockman intends to reduce the 1982 budget proposal for foreign aid by $2.6 billion. The OMB has established priorities which favor bilateral aid over multilateral aid programs and indicate that security assistance has priority over development assistance. Among the programs which they intend to reduce is the International Development Association.

The article in the Wall Street Journal describes the perilous situation being created by increased Third World indebtedness:

> The nine largest American banks had $38.6 billion on loan to developing countries, excluding the oil exporting states, at the end of 1979, according to the latest Federal Reserve figures. Moreover, these banks' capital totaled only $21.9 billion.

In the past, the stability of this system has been assured through organizations like the International Monetary Fund and the International Development Association which make loans, with the encouragement of private banks, to hard-pressed developing nations. Suddenly, American commitment to these organizations is declining while their importance is increasing.

If it is not the banks which come to the administration expressing the logic of this system, perhaps it will be the American contractors who conduct billions of dollars of trade annually—in nonmilitary goods—based on American aid programs who will inform the new administration of the leverage which these funds provide in terms of American exports and jobs.

I am well aware that in this time of budgetary constraint we cannot please all the people all the time. But I do take exception to an administration which states its intention to make budget cuts across the board, and then proceeds to eliminate foreign assistance programs which benefit Americans as well as the needy in the world, to the advantage of military assistance and economic support funds which are destructive and questionable tools of foreign assistance.

I commend the articles to my colleagues' attention:

HUGE CUTBACK PROPOSED IN FOREIGN AID

(By John M. Goshko)

President Reagan's budget director, David A. Stockman, has proposed the biggest cutback of the U.S. foreign aid program since its inception in the aftermath of World War II. It would slice enormous chunks out of every phase of development assistance, tie it closely to American political interests and make it subsidiary to military aid.

A plan completed Tuesday by Stockman's Office of Management and Budget calls for slashing the $8 billion fiscal 1982 foreign aid proposal submitted to Congress by former president Carter by $2.6 billion to bring it down to $5.47 billion. A copy of the OMB proposal has been obtained by the Washington Post.

To accomplish the cuts, Stockman's plan calls for drastically trimming every facet of nonmilitary aid: direct bilateral assistance to Third World countries, contributions to multilateral development banks, international organizations such as U.N. agencies, the Food for Peace program and the Peace Corps.

If pursued by the Reagan administration, the Stockman proposals are certain to trigger an outburst of fierce opposition from foreign aid supporters in Congress and the traditional U.S. foreign policy establishment, which regards the programs as one of the most important tools for influencing events.

In particular, some informed sources said yesterday, it is likely to provide the first test of strength between Secretary of State Alexander M. Haig Jr., who is surrounding himself with foreign policy moderates, and those on the far right side of the Reagan administration whose first emphasis is on draconian budget cutting and an unabashed "America First" approach to the conduct of foreign affairs.

Haig's reaction to the Stockman plan is not known. But, the sources noted, if he accepts it in anything resembling its present form, he will be beginning his stewardship of the administration's foreign policy effectively deprived of what all of his Republican and Democratic predecessors in the postwar period regarded as one of their most important policy tools.

Haig tentatively is scheduled to meet with Stockman and other senior administration officials tomorrow to discuss the aid question. At a news conference yesterday he paid obeisance to the need for budgetary austerity, but noted pointedly that foreign aid "can sometimes be a very cost-effective way" of ensuring the success of American policy goals.

Entitled "Foreign Aid Retrenchment," the OMB document sets out as its underlying assumptions that "every major program should take some reduction," that "bilateral aid has priority over multilateral aid programs" and that "security assistance has priority over development assistance."

It goes on to conclude, "The primary impact of this proposal would be to eliminate or reduce U.S. participation in a range of multilateral organizations which are not responsive to U.S. foreign policy concerns . . . The reductions in aid would mainly affect the poorer countries of Africa and the Asian subcontinent.

"Bilateral development aid," it continues, "could be concentrated on a small number of countries of key importance to the United States, perhaps at the loss of influence in countries of lesser importance."

The Stockman proposals specifically argue that the United States should curtail sharply its contributions to the International Development Association, which is managed by the World Bank and which makes low-interest loans to the world's poorest countries. Although the United States recently pledged $3.24 billion to the IDA for the 1981-83 period, the plan calls for Reagan to revoke the pledge and reduce the U.S. contribution by half.

In regard to other multilateral development banks, Stockman proposes that in 1981 the United States revoke its three-year pledge of funds to the African Development Bank, in 1982 stop replenishing funds of the International Fund for Agricultural Development and in ensuing years phase out its support for such other institutions as the Inter-American Development Bank and the Asian Development Bank.

The plan advocates big cutbacks of voluntary contributions to international organizations, and refusal to pay any unreasonable increased assessments. It specifically suggests U.S. withdrawal from the U.N. Educational, Scientific, and Cultural Organization (UNESCO) because of its "pro-PLO [Palestine Liberation Organization] policies and its support for measures limiting the free flow of information."

In respect to the Food for Peace program (PL 480), Stockman's proposal would eliminate U.S. loans to needy countries to cover food purchases from America. It would continue to put U.S. surplus food into the hands of voluntary organizations such as CARE and Catholic relief agencies.

In addition to calling for cuts in bilateral assistance administered by the Agency for International Development ($686 million below the Carter-proposed budget for fiscal 1982), the plan says that the Peace Corps' volunteer levels should be cut by 25 percent, a move that would force it to reduce its activities sharply and eliminate service in some countries where it now is represented.

The program treated most leniently in the Stockman plan is the Economic Support Fund, which is intended to promote stability in areas where the United States has special security interests.

In addition to continuing special exemptions for Israel and Egypt, the plan would increase ESF funding for certain regions, but it would eliminate a $100 million contingency fund that the State Department argues is necessary to deal with unforeseen situations.

THIRD WORLD'S DEBTS, TOTALING $500 BILLION, MAY POSE BIG DANGERS

(By Richard F. Janssen)

It doesn't show on any maps, but there's a new mountain on the planet—a towering $500 billion of debt run up by developing countries, nearly all of it within a decade.

Is the debt mountain also a volcano?

Certainly, there are enough rumblings to worry bankers and government officials. Countries ranging from Nicaragua to Turkey to Zaire already have had to stall on repayments. Financial trouble now is erupting in others, such as Poland and Bolivia, and there's mounting nervousness about the biggest international borrower, Brazil. The dangers are casting a cloud over large commercial banks and possibly over economies throughout the world.

"Anything that grows so fast in an uncertain and shaky world must raise questions," says Alexandre Lamfalussy, chief economist at the Swiss-based Bank for International Settlements, which monitors debt trends for central banks. (The $500 billion total includes loans from banks, governments and other external lenders to governments of nearly 100 countries, as well as government-guaranteed foreign loans and loans to be disbursed as projects proceed; but it excludes credits with an original maturity of less than one year.) Mr. Lamfalussy says the extent to which big commercial banks in the U.S. and other industrial countries have become burdened with loans to poor countries "somehow makes me uneasy."

A PESSIMISTIC VIEW

To some analysts in less sensitive positions, the situation looks starkly ominous, threatening a chain reaction of country defaults, bank failures and a general depression matching that in the 1930s. "The Third World has overborrowed," declares Thomas Balogh, an Oxford economist. In a 1980 analysis for London-based Lloyds Bank, he warned that "any default might have a domino effect" that could lead to "a catastrophe."

Although few observers rule out such dire possibilities, many expect a less cataclysmic outcome: Banks will have to wait longer for many loans to be repaid, and their growing skittishness will force poor countries to scrape by on less credit. Official agencies such as the World Bank and the International Monetary Fund will fill some of the credit gap, but the poor nations will suffer setbacks in living standards, face more political and military upheavals, and possibly run into more protectionist barriers as they desperately attempt to increase exports.

At the very least, the debts will impose a further drag on the already-sluggish economies of industrial countries. "I don't see a real crisis of defaults," says Karl-Otto Poehl, head of West Germany's Bundesbank. But, the central banker cautions, the combination of ever-costlier oil with credit that becomes "more difficult and more expensive" can chew up so much of a poor country's export earnings that it will have little leeway to import Western goods.

High-level confidence that a cataclysm will be averted doesn't indicate that bankers generally are unworried, of course. Before being tapped to head the World Bank, A. W. Clausen of Bank of America acknowledged that the problems were getting so much "stickier" that some sort of official "insurance" ought to be available to protect commercial banks from Third World risks. But no one has leaped forward to offer such coverage.

At the IMF, a 140-nation agency that helps financially shaky countries, Managing Director Jacques de Larosiere agrees that the surge in Third World indebtedness is a "serious element" in the world economy. Paying off debts now takes an average 15% of developing countries' exports, up from 12% in 1973, he says, adding that for some nations, the situation is much worse and "worrisome indeed."

POLAND'S PROBLEMS

Right now, Poland is the most prominent example. It has $24 billion of foreign debt and a debt-service burden that is believed to equal nearly all of its current export earnings, which are being reduced by the nation's labor unrest. Advisers to the Solidarity labor movement are talking about the need for a repayments moratorium lasting several years as well as about arranging fresh credits. Although technically Poland isn't a developing country, the current upheaval there is the sort of surprise usually considered more likely in less stable Third World nations.

Appraising the risks faced by U.S. lenders in all these countries, observers cite one simple but ominous statistic: The nine largest American banks had $38.6 billion on loan to developing countries (excluding the oil-exporting states) at the end of 1979, according to the latest Federal Reserve figures. Moreover, these banks' capital totaled only $21.9 billion. So, in theory at least, they could all be forced into insolvency if only about half of their Third World loans were thrown into default and had to be written off.

Privately, senior U.S. bankers insist that the Federal Reserve never would let that theory be played out. "They go on the assumption that they aren't going to be let go down the drain, at least if they're big," observes Nathaniel Samuels, advisory director at Lehman Brothers Kuhn Loeb Inc. Third World governments tell themselves much the same thing—that they will be sustained by the international system—Mr. Samuels

notes, but he adds, "The system is getting a little stretched."

Moreover, says Irving S. Friedman, senior international adviser at First Boston Corp., "Banks aren't in the business of making poor loans." He says they are paying more attention to "country risk" analysis and setting voluntary ceilings on their own loans to any given country. And, bankers say, the Federal Reserve Board and other U.S. supervisory agencies are prodding them to be cautious.

DANGER TO BANKS

To the worriers, one of the most nagging concerns is that big banks themselves have become "hostages" to debtor nations. "If you borrow a million dollars from a bank and can't repay, you are in trouble; but if you borrow a billion dollars and can't repay, the bank is in trouble," Jack Guttentag and Richard Herring, professors at the University of Pennsylvania's Wharton School, wrote in a recent paper. Faced with a threat of default by a major borrower and thus with the bank's failure, a bank has little choice but to lend "still more in order to allow the borrower to continue servicing the debt," they contend.

Asked about widespread talk that this might already be going on, most bankers bristle and call it unthinkable. The few who do acknowledge that it is happening call the practice both commonplace and harmless. Poor countries rapidly developing their domestic industries "have to pay back by borrowing again," calmly responds Robert Holzach, chairman of Zurich-based Union Bank of Switzerland. As long as each country and each bank keep the credits "in proportion to their own sizes," he says, he will have "no fear whatsoever."

But other financial executives worry that too little of the borrowing is being used in ways, such as building factories, that will help poor countries earn the money that they eventually will need to repay the debts. To the extent that they are borrowing to finance imports for consumptions, such as food and oil, rather than for productive capital investment, "the economy is on the road to ruin," warns Kurt Richebacker, chief economist at Frankfurt's Dresdner Bank.

Indeed, Ashby Bladen, senior vice president for investments for Guardian Life Insurance Co. of America, finds it "wildly improbable" that developing countries will be able to increase their exports "anywhere near as fast as their oil bills and debt-service costs are rising." So they must "either go right on borrowing heavily" or see their imports and living standards plummet, he reasons in his recent book, "How to Cope With the Developing Financial Crisis."

The interest-rate rise of the past year or so does have "serious implications" for the debt problem, says Rimmer de Vries, senior vice president at Morgan Guaranty Trust Co. A decade ago, he estimates, the 12 largest Third World borrowers needed only 6% of their export earnings to pay interest owed abroad, but by 1980 interest took 16% of such earnings and this year "could jump to 20%." Usually, the interest rate on existing bank loans is changed every six months in line with rates on new credits.

A LAG IN RECYCLING?

Meanwhile, the continuing increases in oil prices by members of the Organization of Petroleum Exporting Countries also are intensifying the pressure on the Third World to keep borrowing. Partly because of OPEC price increases, nonoil poor countries face a combined international-payments deficit of $85 billion this year, up from $75 billion last year, according to Morgan Guaranty estimates.

Ever since oil prices started soaring in 1973, commercial banks have provided about half the credit needed to cover such deficits, Mr. de Vries figures. But, like most experts, he questions how much more the banks can do to "recycle the OPEC surplus." He also complains that OPEC nations' own lending to hard-pressed poor countries is still "too modest." OPEC leaders themselves say they are stepping up their foreign aid, but often argue that they help mainly by letting their oil be used up and that the banks are better suited to take the risks of making loans.

Also stirring some worry is the possibility that poor countries could use their existing bank debts as a political lever against the rich. To resist protectionist moves against their products, for example, poor countries "might choose to renege on their debts," Lawrence B. Krause speculates in a Goldman Sachs research report. Such defaults would put banks in "an untenable position" and could cause "a world crisis," he says, although he adds that this disaster isn't likely because Western governments recognize how dangerous protectionism could become.

And while bankers generally believe that poor countries, for political reasons, wouldn't risk their credit-worthiness by deliberate defaults, some slightly unsettling signals have been noted. Unless they get a lot more foreign aid, "it will be difficult for many low-income countries to honor their debt obligations," Togba-Nah Tipoteh, Liberia's economics minister, cautioned at last fall's IMF meeting.

RISKY REPAYMENTS

Given the risk of revolution arising from enforced austerity, it mightn't even make sense for some of them to keep trying, says David T. Kleinman, a professor at Fordham University and a consultant on doing business in the Third World. He says a government facing "unbearable" oil and debt payments could choose default and rely on cash trade for a decade or more until it can afford foreign credit again. Eventually, the country could attract loans by installing a more "respectable" new regime.

Discussing banks that seem particularly exposed to Third World problems, analysts often cite New York's Citibank. Of the bank's 1979 net income, its annual report shows $262 million came from the Caribbean, Latin America, Asia, the Mideast and Africa—considerably more than the $193 million from North America (the 1980 figures aren't completed yet, but the overall situation isn't likely to have changed much, a spokesman says).

Among countries, Brazil is often mentioned in worried tones, mainly because of the size of its borrowings from U.S. banks—about $16 billion as of mid-1980, or about one-third of Brazil's total foreign debt of approximately $50 billion. And Citibank alone, its 1979 annual report shows, had $4.2 billion sunk in Brazil, exceeding the $3.6 billion of shareholders' equity in the parent Citicorp.

COMPARISONS CRITICIZED

But such comparisons greatly exaggerate the funds at risk in case of an international crisis because they include an undisclosed amount of purely domestic business in Brazil, retorts Jack D. Gunther, the bank's senior adviser for international operations. Anyway, he says, "we feel better than most people seem to" about the ability of Brazil, and of other major developing-country debtors, to "overcome unexpected difficulties." Such countries tend to be better managed now than in past decades, he adds.

In probably the most comprehensive attempt to allay concern, a Citibank study finds only a small chance for "simultaneous default by a number of developing countries." Such a default could hardly happen unless a sustained cutoff of Mideast oil first causes a world depression, the bank contends, arguing that "in our age of inflation" governments are extremely unlikely to allow such "prolonged deflation."

But with commercial banks generally growing more skittish and governments granting foreign aid only grudgingly, more hope is being pinned on the World Bank and the IMF. However, the World Bank is geared to financing long-term projects such as steel mills, and the IMF itself is strapped for funds so badly that it is seeking to raise about $8 billion this year from OPEC nations—an effort that has been bogged down for months in Mideast power politics.●

THE MEDIA AND THE HOSTAGE FAMILIES

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. MURTHA. Mr. Speaker, it is my opinion that the unsung heroes of the recent situation in Iran were the hostage families that suffered for many months during this very difficult period.

The Ragan family of Johnstown was one of those families that endured the many months of uncertainty and concern. During that time, there was also a great deal of attention focused on the hostage families by the news media.

The Ragan case is the only one I know in detail, but I would like to congratulate the news media for their handling of the Ragan family. The media was sensitive to the privacy desired by the family. The family preferred not to be interviewed or appear on camera and the media was understanding of that request. The media honored the limitations asked by the family and tried to be reasonable in their dealings. This was a tremendous help to the family during a difficult period.

This was a difficult time for all the elements involved in the hostage drama, but I would like to congratulate the news media for their sensitive, understanding reaction to the Ragans.●

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. McCLOSKEY. Mr. Speaker, on January 29, I delivered a speech on the House floor discussing a slanderous and untrue publication by the so-called New Solidarity International Press Service (IPS), accusing a House staff member, Charles Fager, of being a KGB-linked spy. The International Press Service, an organization directed by Lyndon LaRouche, Jr., distributed these charges to all offices on the Hill. The International Press Service uses the short title IPS.

A legitimate new agency, Inter Press Service, shares the same initials as Mr. LaRouche's news agency although the two are not connected.

Inter Press Service was founded in 1964 as a Latin American news agency and has evolved into one of the largest wire services in the world. It now occupies a position in the forefront of the "New International Information Order" at the United Nations and UNESCO and is the only major international news agency from the Third World which is not government-owned, managed, or controlled.

It is my hope that other Members and individuals contacted by Inter Press Service (IPS) will not confuse this worthy organization with Mr. LaRouche's IPS, the so-called New Solidarity International Press Service, which apparently will continue to publish Mr. LaRouche's demented and paranoid ideas on the KGB, CIA, and his goals for a socialist state in America.●

PROPOSED H.R. 913 WILL ELIMINATE U.S. INCOME TAX FOR AMERICANS WORKING ABROAD

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FRENZEL. Mr. Speaker, last week I introduced legislation which would have a significant impact on the hundreds of thousands of Americans working outside of the United States, and which would have a positive effect on the U.S. trade balance. My bill, H.R. 913, would amend sections 911 and 913 of the Internal Revenue Code to eliminate all U.S. income taxes on earnings of Americans abroad.

In 1978, the Congress realized, in what has come to be known as the Ribicoff amendments, that it had made a dreadful mistake in reducing the foreign exemption in 1976. It was apparent that we had shot ourselves in our collective foot in the 1976 act.

In our excessive zeal for tax reform, we forgot about the way our actions would affect our competitiveness abroad. Worse, our own mistakes were compounded by some grotesque Treasury rules that imputed high income for expenses of living in miserable circumstances abroad.

The 1978 amendments took care of some of the very worst Treasury rulings and helped to compensate Americans abroad for extraordinary living expenses. But they carried with them an awfully high price in administrative complexity and cost.

The real problem—and the problem which my bill addresses—is that the United States is the only major trading country to tax the earned income of its citizens who are working outside of its borders. Thus for U.S. companies, U.S. nationals are far more expensive to employ than are foreign nationals.

Therefore, the goods and services of U.S. companies abroad are not competitively priced unless the U.S. companies hire foreign nationals. The problems are extreme for services, such as construction, which have a high American supervisory labor cost component which cannot be easily replaced by foreign nationals.

As a result of the 1976 act, there has been a substantial dropoff in the number of Middle-Eastern construction contracts that are being awarded to American firms. During the period from June 1975 through April 1978, for example, U.S. firms received $8.9 billion in construction contracts, or approximately 10 percent of the $86 billion which was awarded during this period. However, from May 1978 through June 1979, after the Foreign Earned Income Act of 1976 had taken effect, U.S. contracting firms received only $346 million in contracts in the Middle East, which was a mere 1.5 percent of the more than $21 billion that was available.

Sections 911 and 913 of the Internal Revenue Code also poses cost difficulties for any U.S. firms who want to have Americans selling American exports in foreign countries. The 1976 changes are forcing Americans to be brought home in droves, as their employers cannot afford the extra expense the tax code imposes. These Americans have been replaced by foreign nationals. The foreign nationals are undoubtedly good people, but experience proves that they do not order American products instinctively as an American would, and they do not instinctively place American interests first.

In short, since 1976, a number of my colleagues in Congress have realized the implications of the 1976 act, and have warned that export business was being lost because of the unwise tax policy in sections 911 and 913 of the code. More of my colleagues are realizing that the cost of the continuing trade deficits, and the effect on unemployment here at home, far outweigh the $600 million static revenue loss the IRS has estimated total repeal of the foreign earned income tax would cost.

The time is now to pass H.R. 913, to do away with U.S. taxation on income which is entirely earned abroad. Passage of H.R. 913 is necessary if the Yankee traders are again going to be able to go abroad and compete fairly. I urge all of my colleagues to join me in supporting this vital legislation.●

SOVIET AID TO GUERRILLAS IN SALVADOR DOCUMENTED

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring the following article on El Salvador to the attention of my colleagues. It appeared in the Washington Star on January 23, 1981:

[From the Washington Star, Jan. 23, 1981]

SOVIET AID TO GUERRILLAS IN EL SALVADOR DOCUMENTED

(By Cord Meyer)

President Reagan has hardly had time to savor the triumph of his inauguration before being faced by the Kremlin with a severe test of his intentions and competence in the complex crisis brewing in El Salvador.

Documents captured early last month from the Communist Party of El Salvador reveal the full extent of the Soviet-orchestrated program of covert military support for the communist guerrillas. This evidence helped persuade a hesitant Carter administration to authorize as one of its last acts a $5 million grant of guns and ammunition to the Salvadoran government.

While American and Salvadoran officials haggle over how best to surface this damning proof of Russia's intervention in Central America, an executive summary of what the documents contain gives highlights.

According to this record of how the Salvaduran communists successfully negotiated a series of arms deals with half a dozen communist states, the Soviets made the decision last June to step up the flow of arms to the guerrillas. Castro acted as the middle man.

SOURCES DISGUISED

Frequent visits of Salvadoran communist leaders to Havana to participate in mass propaganda meetings provided convenient cover for the negotiations. An attempt was made to disguise the source of the weaponry. For example, the Soviet client regimes in Vietnam and Ethiopia were designated as the main arms suppliers, since Vietnam holds large stocks of captured American weapons and the Ethiopian regime inherited a similar stockpile from the days of the American alliance with Haile Selassie. East Germany, Czechoslovakia and Hungary provided uniforms, communication gear and medical supplies.

Vietnamese-supplied American weapons began to arrive on the Pacific Coast of Latin American in September, and from there

were transported through clandestine channels to the fighting front.

The documents make clear that the Sandinista regime collaborated in allowing Nicaraguan territory to be used as a transshipment point. Training in the more advanced weaponry is being provided in Cuba, where Salvadoran guerrillas are being put through training courses, 300 at a time, before being infiltrated back into El Salvador.

In addition to large quantities of ammunition, the weapons shipped through a bewilderingly complex supply network included automatic rifles, heavy machine guns, mortars and rocket launchers.

Although the Carter administration more than a month ago had access to this hard evidence of Soviet intentions to escalate the violence, Carter did not react until last week when the scale of the guerrilla offensive demonstrated that the new arms supplies had actually reached the battlefield.

There is also an intelligence report that one of the Salvadoran guerrilla groups, the Popular Forces of Liberation, deliberately murdered the three American nuns on Dec. 2 in a successful attempt to lay the blame for the murder on the government. As described in the report, their purpose was to place the government of Christian Democrats and reformist officers "in the worst possible light" and to provoke the termination of American assistance.

CARTER FELL INTO THE TRAP

If this is in fact the true explanation of the murder, the guerrilla plotters to some extent succeeded. The Carter administration fell into the trap by suspending American aid. Coming just before the launching of the guerrilla offensive, this aid suspension was a blow to the morale of the Salvadoran government. It was only in the nick of time that Carter reversed himself in response to urgent pleas from Salvadoran President Jose Napoleon Duarte that his ammunition was nearly exhausted.

After such vacillation in the face of what must now be seen as a major move in Russia's geopolitical offensive, it would be difficult for Reagan not to improve on his predecessor's handling of the Salvadoran crisis. Steady military assistance to the centrist Salvadoran government will be widely supported in this country and by many wavering Latin nations once the proof of communist involvement is laid on the table.

But military assistance is only half the story. Unless the new Reagan administration quickly resolves its internal ideological differences by firmly supporting the Salvadoran government's current program of land reform, the peasants will have nothing to fight for, and the guerrillas may win by default.●

RUFUS BURRUS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SKELTON. Mr. Speaker, it is a pleasure for me to take this opportunity to bring to your attention the contributions of an outstanding citizen. Rufus Burrus, an attorney in Independence, Mo., has served his community and his profession honorably and well for many years.

In a public expression of appreciation, the Independence Public School District will recognize Mr. Burrus' 50 years of service to the district.

Also, in the near future, Mr. Burrus will be celebrating his 60th anniversary on receiving his license to practice law. He served as president of the Missouri Bar Association from 1949 to 1950. Mr. Burrus has already received 50-year pins from the Masonic Lodge, Scottish Rite Bodies, York Rite Bodies, and the Ararat Shrine. It is widely known that as an officer in the U.S. Army Reserve he served as President Truman's battalion adjutant and was also a close friend and legal adviser to the President.

Through the years, Mr. Burrus has served the community and the school system during some difficult times as a legal adviser and concerned citizen. He has earned the respect and friendship of the city's leading citizens.

For someone who has contributed so many years of service, please allow me, Mr. Speaker, to use this means to join Mr. Burrus' friends in congratulating him on receipt of his well-earned recognition by the people of Independence.●

THE DEFECTIVE AIRCRAFT REMEDY ACT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SEIBERLING. Mr. Speaker, existing consumer laws provide reasonable redress for defective consumer products. However, for the owners of airplanes, there is little opportunity for such redress without resorting to lengthy and expensive litigation. Aircraft owners must meet the rigid safety standards required by the Federal Aviation Administration, or else lose their airworthiness certification. If their airplanes are defective, they face considerable expense in complying with routine airworthiness directives issued by the FAA. Since existing warranties on nonmilitary aircraft are very limited, it is difficult for aircraft owners to recover even part of the cost of effecting repairs required by a Federal agency, even when those repairs may be necessitated by a manufacturer's design or manufacturing defect.

With this in mind, I am reintroducing legislation I first introduced in the 96th Congress designed to help aircraft owners recover some of the expenses incurred in complying with airworthiness directives in cases where the safety problem is the result of a design or manufacturing defect. My bill, the Defective Aircraft Remedy Act, requires the Secretary of Transportation to determine whether the issuance of an airworthiness directive is the result of a safety problem caused by a design or manufacturing defect. If so, the bill requires the manufacturer either to repair the defective part without charge within a specified time, or to reimburse the owner for the cost of the parts used in the repair. The bill requires owners who opt to make their own repairs to notify the manufacturer that they have done so not more than 30 days after receiving notice that a defect exists, and requires the manufacturer to reimburse owners who have elected to do their own repairs. Reimbursement would have to be made within 90 days after the manufacturer receives notice from the owner that repairs have been completed, or within 90 days after a final determination has been made that a safety problem is design or manufacturing related. The bill excludes labor charges as a reimbursable expense, and imposes a time limit on a manufacturer's liability of 1 year from the finding that a defect exists.

The bill also sets requirements for prompt notification by the manufacturer of discovered defects, and sets penalties for failing to make such notification. The Secretary is given the authority to reduce or eliminate the fines where necessary.

When introduced in the last Congress, the Defective Aircraft Remedy Act generated a good deal of interest among airplane owners and manufacturers. The bill is not intended to interfere in any way with existing aviation safety procedures. However, I am hopeful that the introduction of the bill will lead to a satisfactory resolution of aircraft warranty problems.●

RETENTION AND RECRUITMENT OF RESERVE FORCES AND NATIONAL GUARD

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. DASCHLE. Mr. Speaker, I am today reintroducing legislation that I believe is very important for the Congress to approve. It affects the ability of this country to maintain a strong Ready Reserve and National Guard system. Specifically, it affects the ability of the United States to recruit qualified personnel for the Guard and Reserves.

Current law prohibits a Reserve retiree from receiving both a Reserve pension and disability compensation payments without one being reduced by the other. Thus, there is little financial incentive for military personnel to continue service in the Reserves or Guard. Such a policy thwarts efforts to strengthen the Reserves, which will be our second line of defense should NATO forces be overrun in Western Europe. At a time when

both the Guard and Reserves are struggling to reach their recruitment quotas, the consequences of this shortsighted policy could be devastating.

Former active duty military personnel are precisely the kind of soldiers needed for the Reserves and Guard. These people already have the training and technical abilities necessary to run the sophisticated equipment that will be used to repel the Soviet/Warsaw Pact invasion.

This legislation would remove this impediment and encourage already trained and qualified individuals receiving disability pay to consider Reserve or Guard service after they leave active duty. The status quo does not even offer these men the option.

In conclusion, this legislation is not as glamorous as the development and deployment of sophisticated new weapons systems. But in its own way, it is equally as important, for without qualified personnel to run these systems, our Reserve and Guard troops will be unable to adequately meet the challenges they are likely to face in the years ahead. Following is the text of the bill:

H.R.1578

A bill to amend title 38, United States Code, to allow veterans with service-connected disabilities who are eligible for military retired pay for nonregular service to receive compensation for such disabilities from the Veterans' Administration and to receive such retired pay without reduction in either such compensation or such retired pay

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3104(a) of title 38, United States Code, relating to duplication of benefits, is amended—

(1) by striking out "Except" and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection and except"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Compensation under chapter 11 of this title and reserved retired pay pursuant to section 1331 of title 10 may be paid concurrently to any person.".

SEC. 2. Section 3105 of title 38, United States Code, relating to waiver of retired pay, is amended—

(1) by striking out "Any" and inserting in lieu thereof "Except as provided in subsection (b) of this section, any"; and

(2) by adding at the end thereof the following:

"(b) Any person who is receiving reserve retired pay pursuant to section 1331 of title 10 and who is otherwise eligible to receive compensation under chapter 11 of this title shall be entitled to receive such compensation without a waiver of all or any part of such retired pay.".

SEC. 3. The amendments made by this Act shall apply to payments of compensation and retired pay for months after September 1981.●

THE STRENGTH OF THE AMERICAN ECONOMY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. MILLER of California. Mr. Speaker, the troubled economy is the foremost concern of every citizen in this country and of each Member of the House of Representatives. We are all aware of the severe impacts of inflation and recession, of the long unemployment lines, and of the shrinking purchasing power of the dollar which affects all Americans.

We will most probably direct more attention to the repair of the economic system than to any other issue during the 97th Congress, as we should. It is, therefore, essential that, before we set out to redo the economy, we have a realistic concept of the true state of its condition.

A recent article by the former Chairman of the President's Council of Economic Advisers, Prof. Walter W. Heller, provided us with a perspective which, while not minimizing the seriousness of our economic ills, reminds us that the patient is not on its deathbed either. In fact, Professor Heller found, our economy not only continues to lead our major industrial competitors in virtually every standard of measurement, but shapes up rather well in comparative areas such as Government deficit as a percentage of GNP, labor costs, and Government spending.

Professor Heller is optimistic about the resilience of the American economy and I share his belief. We have begun to take important and overdue steps, such as regulatory reform, which will stimulate new development. We will have to carefully study the creation of special tax incentives in targeted industries and regions. As Dr. Heller points out, we should take these steps from the perspective that we are making a strong economy even stronger and more competitive.

The article from the Wall Street Journal, December 31, 1980, follows:

ECONOMIC RAYS OF HOPE

(By Walter W. Heller)

"Tis the season to be jolly. But does an economy—beset with double-digit inflation, record interest rates, a looming $60 billion federal deficit, and a grinding energy problem—give us much to be jolly about?

Surprisingly, it does—well, not exactly jolly. But looking beneath the surface, one finds the U.S. economy in spite of its grievous and pressing problems is stronger than we think. That implies a companion theme: that there are a great many things people "know" that just aren't so.

Since it is fashionable to say that the U.S. economy is losing ground in the World and that we are no longer Number One, let me start with a few international perspectives on the U.S. economy.

Standard of Living

The U.S. standard of living has slipped behind that of our major competitors, right? Wrong. When exchange-rate distortions are stripped away to reveal the actual per capita flows of goods and services, the U.S. still stands head and shoulders above the rest of the world. A painstaking study by a Wharton School team of economists led by Prof. Irving B. Kravis enables us to make this comparison. With the 1978 U.S. living standard as a benchmark, the closest competitors among other major nations were France and Germany, at just over two-thirds of our standard, while Britain and Japan weighed in at just under three-fifths.

STILL IN FRONT

Productivity

We have fallen behind our trading partners, right? Wrong. The American worker is still the most productive in the world. If we ignore Satchel Paige's dictum and look behind us, we do indeed see others gaining on us. Twenty years ago, the French or German manufacturing worker produced half as much, the Japanese one-fourth as much, as the typical American worker. By 1979, Japanese productivity had risen to two-thirds, and the German and the French to four-fifths, of the U.S. level. Still, the battle to boost U.S. productivity in the Eighties is to maintain rather than regain the lead.

Labor Costs

Here lies the real reason we are losing our competitive edge in the world, right? Wrong. Last month's Citibank survey showed once again that the rise in U.S. labor costs is the slowest in the industrial world. In U.S. dollars, average hourly compensation in manufacturing rose from $4.89 to $10.16 in the U.S. between 1970 and 1979. It rose from $2.30 to $11.56 in Germany, from $2.05 to $9.19 in France, from $1.65 to $5.85 in Britain, and from $1.11 to $5.92 in Japan. In national currencies (that is, screening out the impact of dollar depreciation), Data Resources studies show that, in spite of faster productivity gains abroad, unit labor costs on a dollar basis rose only 6.3% a year in the U.S. from 1970 to 1979 compared with 13.4% in Germany, 12.5% in France, 11.8% in Britain and 15.6% in Japan.

Foreign Trade Position

Nonetheless, it is true that we are losing our competitive edge, isn't it? No. From the spring of 1977 to the spring of 1980, the volume of American exports increased one-third, considerably faster than the overall volume of world trade. In dollar terms, our merchandise exports rose from $115 billion in 1976 to an annual rate of $225 billion in the third quarter of 1980. But that's mostly agriculture, right? Wrong. Exports of manufactured goods rose from $77 billion in 1976 to an annual rate of about $140 billion in the first nine months of 1980. Clearly, our competitive position has strengthened.

The Dollar

In the light of all these comparisons, why should the dollar be weak as a kitten? It's not. With our international current account in virtual balance this year in spite of huge oil imports, with funds from more turbulent parts of the world seeking safe haven in the United States, and with very high interest rates, the dollar is strong. It has risen more than 10% against the German mark in the last year. Even measuring it against a basket of currencies including the very

strong British pound and Japanese yen, it has risen by 8% over the past year.

Government Spending

Our government claims so much more of our total output than in other countries that we end up with lower private consumption levels, right? Wrong. Only in Australia and Japan do governments spend a smaller percentage of gross domestic product than the 34% spent by our federal, state and local governments in this country. France weighs in at 40%, Germany at 42%, Britain at 44%, the Netherlands at 51%. And as to that "crushing burden of taxes," only Japan among our major competitors comes in below the U.S. figure of 29% of GDP. France is at 39%, and Germany and Britain at 37% and the Netherlands at 46%.

Spending Trends

But government spending in the U.S. has been skyrocketing in the past few years, hasn't it? Yes and no. Transfer payments soared in the '70s. According to the Advisory Commission on Intergovernmental Relations, per capita government spending (adjusted for inflation) did rise to a peak of $1,605 in 1978. But then it dropped to $1,580 in 1979 and is dropping farther to $1,540 in 1980. Isolating federal non-defense spending, the commission finds that real per capita outlays peaked in 1978, fell significantly in 1979 and are falling again in 1980. In cutting civilian spending and boosting defense outlays, the Reagan administration will be continuing rather than reversing a trend. The reversal took place two years ago.

Deficits

But nobody runs government deficits as big as ours, right? Wrong. Total government deficits have been running at just above 1% of GNP in the U.S. (1977–79), 3% in Germany and 6% in Japan. Of the seven leading industrial countries, the U.S. has had the lowest ratio of overall government deficits to GNP.

Government Debt

How can that be when government debt is rising faster than any other kind of debt in the U.S.? It's not. The federal debt today is roughly three times its size in 1950, while consumer installment debt is roughly 14 times; mortgage debt, 16 times; corporate debt, 13 times; and state-local debt, 14 times its 1950 level. Even with the unprecedented run-up of federal debt in the 1970s, corporations, consumers and homeowners substantially outdistanced Uncle Sam in percentage expansion of their debt.

Federal Work Force

If spending and deficit figures are right, how is it that the federal civilian work force has been climbing so steadily? It hasn't. It has shrunk from 1,987,000 in 1970 to 1,867,000 in September 1980. Under the Carter partial freeze on hiring it has shrunk 71,000 in the past five months.

It is worth re-emphasizing the point here is not to Pangloss over the painfully high inflation, unemployment and interest rates that beset the U.S. economy. The point, rather, is to remind ourselves that we lead from strength, not from weakness.

The Soggy Seventies

Yes, but look at that miserable record of the 1970s: slipping productivity advances, sliding growth rates, slowing investment and sagging real income and buying power. Right? Only partly:

Much of the erosion on these fronts has a very short history, namely, the past two years when efforts to slow inflation sapped the strength of expansion in 1979 and generated a recession in 1980. Real buying power did fall.

For the decade, however, the surprise is that per capita real income rose 23%, and real consumption 25%. Even after it dropped in the 1980 recession, per capita real income was running at an annual rate of $4,448 in the third quarter of 1980, compared with $4,200 when Mr. Carter took office. Much, though not all, of the advance in the 1970s can be traced to the 26% growth in the civilian labor force from 1969 to 1979.

Surprisingly also, per capita output rose 2% annually in real terms from 1969 to 1979, not dramatically less than the 2.5% rise from 1957 to 1969.

Under the heading of "keeping up with inflation," another surprising fact: the latest Department of Agriculture figures show that food took roughly 15% of before-tax income in 1979, only slightly more than the over-14% level in 1970.

The Ailing Eighties

Roaring inflation, soaring interest rates, searing energy shortages, aging industrial capital and poor labor performance are some of the factors said to threaten us with an economic Dunkirk in the Eighties. But as President-elect Reagan and the Congress tackle these tough problems, they will find that some important trends are working for them, not against them.

First, and perhaps most important, demographic trends should be a plus on the economic front:

Workers in the 25–44 age group—the prime age group in terms of increasing skills and experience, motivation and ambition—will increase from less than 50 million today to more than 60 million at the end of the decade.

Simultaneously, the influx of inexperienced teenagers and women into the labor force will slacken. The 1980s will see only half the 26% increase in the labor force of the 1970s.

CAPITAL SPENDING OUTLOOK

As capital investment steps up in the 1980s, productivity should be given another boost. We were substituting labor for capital in the Seventies, but we will be reversing that process in the Eighties. Favorable government investment policies will reinforce that demographic thrust. More generous depreciation will surely be a part of the 1981 tax cut. Moreover, in the latter half of the Eighties, the high-spending members of the post-war baby boom will be graduating into the higher saving ages.

Further, the genuine efforts already under way to cut back economic regulations and stimulate competition and to cut the costs of social regulations will be paying off in the 1980s. Stronger competition and lower regulatory costs will provide at least some modest help in the fight against inflation.

The battle to regain our economic momentum and subdue inflation will be long and tough. But no country can draw on greater underlying strengths than the United States in fighting that battle. The challenge to the Reagan administration and the Congress will be to martial those strengths, capitalize on them not just for private profit but for the common good, and restore faith and confidence in the American economy.●

MINNESOTANS SAY "LIFT GRAIN EMBARGO"

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. WEBER of Minnesota. Mr. Speaker, today I introduce to the floor of this House of Representatives a resolution from the Minnesota Agri-Growth Council, Inc. Their resolution, I believe, represents the feelings of most rural Americans. And I know that such resolution reflects the feelings of Minnesota agriculture. I urge the Congress, as well as our new President, to work quickly to lift the Soviet grain embargo and to make a commitment to rural Americans that embargoes will not be placed on agricultural products unless a true national emergency exists.

MINNESOTA AGRI-GROWTH COUNCIL, INC., 1980 RESOLUTION

Whereas governments have consistently pledged that they would not interrupt the market process and export sales; and

Whereas this country's recent history of grain embargoes has proven economically devastating to the producer and support industries; and

Whereas agricultural embargoes are totally ineffective as a punishment tool in foreign policy;

Therefore let it be resolved, That the Minnesota Agri-Growth Council, Inc. does hereby support the pledge of President-elect Ronald Reagan to lift the current grain embargo to Russia with immediate speed.

Be it further resolved, That government at every level recognize the fact that agricultural embargoes such as the grain embargo do not work and severely cause adverse damage to the image of the United States and create consternation with our customers. Agricultural embargoes should not be imposed in the future.

Thank you, Mr. Speaker.●

TREASURY REGULATIONS ON THE ENERGY TAX ACT OF 1978

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FRENZEL. Mr. Speaker, on September 19, 1980, the Treasury Department issued proposed regulations to implement the Energy Tax Act of 1978, Public Law 95–618. Unfortunately, the regulations as they were proposed did not accurately reflect the intent of the Congress with respect to the tax credit for the installation of specially defined energy properties.

In the proposed regulation, the Treasury took the position that the specially defined energy properties must be installed in a commercial building, and must be used to reduce energy in a specific manufacturing or commercial process, in order to be eligible for the energy tax credit. The Treasury ruled that energy properties installed in a commercial building not involved in manufacturing, such as a retail store, would not be eligible for the energy tax credit.

The ruling was issued in spite of the fact that the report language issued by the Ways and Means Committee, as referred to by the conference committee report, stated that the specially defined energy properties eligible for the energy investment tax credit shall consist of "equipment added to an existing building or process to conserve energy."

The report also stated that items included in the list of specially defined energy properties are—

automatic energy control systems, which are equipment used to control energy usage for environmental space conditioning * * * which automatically minimize such energy usage.

The report language obviously intended for these specially defined energy properties to be installed in commercial buildings, as long as they were used to conserve energy. The language does not contain any references which would limit the application of the tax credit to commercial processes only.

The facilities in the Treasury's ruling were brought to its attention by myself and many other Members of Congress, as well as by many experts in energy tax law in the private sector. Unfortunately, when the Treasury chose to take one last stab at lame-duck legislating, it reissued the regulations in final form, substantially unchanged from their proposed form. This was in spite of all of the objections the Treasury had received on the regulations during the 4-month comment period and during the public hearings.

My first advice is for the new Treasury to rework the regulations. Since that may take a widely in order to clarify the intent of Congress for the Treasury with respect to eligibility for energy tax credits, I have introduced a bill, H.R. 1378. My bill expands the section of the Internal Revenue Code dealing with specially defined energy properties to include all commercial activities, not simply commercial process.

I think that this legislation is necessary if the energy tax credits Congress enacted in the Energy Tax Act of 1978 are to be used to their full potential. This bill is also necessary to remind the Treasury that it is the Congress, not the Treasury, that controls tax policy. Treasury's function is to collect the taxes the Congress levies, not invent taxes of its own.

I urge all of my colleagues to join me in supporting this important legislation, so that our country can maximize the energy savings which were the purpose of the Energy Tax Act of 1978.●

WORLD WAR I VETERANS' BONUS BILL

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. GONZALEZ. Mr. Speaker, once again I am introducing a bill to give all World War I veterans who served from April 6, 1917, to November 11, 1918, a bonus of $10,000. This would be in a lump sum and amounts to about $208 per year for each year since 1918. I do not believe that the price tag is too large to pay a belated thanks to those now in their eighties and older who came to the aid of our Nation in time of need. In a small way this will compensate those veterans who have never received the wide range of benefits that have been available to veterans of other wars.

It has been some time now since the United States was engaged in World War I and many of those veterans who fought in this war are no longer with us. Those who are still alive are particularly the hardest hit not only because of their age, but due to our serious economic conditions today. Many are living on fixed incomes and even though a bonus may not make them rich, it will enable them to live out their golden years with the pride and respect they deserve.

I received many letters from all over the country in support of my bonus bill last year, especially from the veterans and their families. They were very grateful that such legislation was introduced on their behalf as many of them are in VA hospitals or confined to their beds at home and are worried about their expenses. I am strongly committed in helping these individuals and that is why I am reintroducing my bonus bill today.

Mr. Speaker, we have provided very little for these veterans. Surely the Government should be willing to help out those who put their lives on the line 64 years ago. It is important today to recognize the role these elderly of our society have played in making our country what it is today. I cannot think of a more meaningful way than to honor the World War I veteran through this financial reward.●

POW'S AND MIA'S FROM VIETNAM—OUR REMAINING HOSTAGES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. BIAGGI. Mr. Speaker, as this Nation understandably basks in the happiness achieved with the safe release of our 52 hostages from Iran, let us not forget the hundreds if not thousands of our fellow Americans who are missing in action or made prisoners of war.

When we look back at the Iranian hostage ordeal, we vividly remember how long 444 days seemed. But as an article in yesterday's New York Daily News pointed out:

There are hundreds of families who have waited longer than 444 days.

Mary Carol Lemon has been waiting for 2,765 days.

Anne Graf has been waiting for 4,015 days.

Herman Sarno has been waiting for 10,950 days.

They are relatives of the MIA's, the men missing in action in Asia.

We must never abandon our commitment to achieving the safe release of a full accounting of our POW's and MIA's. They have served their Nation with honor—they have sacrificed so that others could be free. The Reagan administration should renew contacts with all governments where there are American POW's and MIA's and renew the effort.

We have learned firsthand from our released hostages about how important a united American populace was to them. So too did the families of the 52. We need to show a renewed national resolve on behalf of our POW's and MIA's. Their safe release or full accounting must always remain a national priority.●

SPEAKER JOHN W. McCORMACK, A GREAT FRIEND OF MEDICAL EDUCATION

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. O'NEILL. Mr. Speaker, this morning I received a message from the Society for Medical Education, St. John's Medical College, of Johnnagara, Bangalore, India. As you know, during his tenure in the House of Representatives, Speaker John W. McCormack was devoted to the improvement of American health care, and was a great friend of American medical education.

His dedication to health care extended to all of the peoples of the world, and one institution through which his concern was manifested was St. John's Medical College.

I submit the remarks of St. John's Medical College on the passing of Speaker McCormack.

Thank you.

RESOLUTION

This meeting of the Executive Committee of the C.B.C.I. Society for Medical Education, wishes to place on record its sense of

bereavement and heartfelt condolences and sympathies on the sad demise of Mr. John William McCormack, former Speaker of the House, U.S.A., who had been responsible to a very large extent in the building up of the St. John's Medical College Hospital and in securing grants for the hospital to continue to serve the poor and needy in perpetuity.

C. M. FRANCIS, MBBS, Ph. D.,
Dean.●

CHANGES NEEDED IN THE TRADE ACT OF 1974

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SEIBERLING. Mr. Speaker, the January 1981 report of the Department of Transportation on the future of the U.S. auto industry paints a bleak picture of the prospect for reversing the current trend of job losses. In fact, the study suggests that as many as 500,000 manufacturing jobs may be lost over the next 10 years, almost all of them located in a handful of States and cities in the Northeast-Midwest region. The study also finds that it will take the industry at least 5 years to return to full competitive strength, and that the industry will have to spend up to $70 billion to produce a supply of the fuel-efficient cars the auto-buying public is now demanding.

The DOT study concludes that, if we are to reverse the disastrous decline of our domestic auto industry, we are going to have to develop a spirit of cooperation between labor, industry, and Government. One of the steps which Government can take to aid in the recovery of the auto industry is to increase support for worker retraining and for community redevelopment. Indeed, if the auto industry loses anything like the number of jobs the DOT study predicts, it will be absolutely vital for the Federal Government to provide adequate retraining assistance.

In May 1979, the House passed H.R. 1543, legislation to amend the Trade Act of 1974. H.R. 1543 would have amended chapters 2, 3, and 5 of title II of the Trade Act of 1974, Public Law 93-618, for trade adjustment assistance to workers and firms in order to improve the operation of these programs. The bill sought to broaden the coverage of workers and firms who may become eligible for adjustment assistance benefits due to import competition, remove certain inequities in existing law with respect to such coverage, liberalize adjustment assistance benefits to workers and firms, accelerate the certification process and delivery of benefits, and introduce industrywide technical assistance and studies. Most significant, H.R. 1543 sought to broaden coverage to include independent companies manufacturing key parts for import-impacted firms. Unfortunately, the bill was never considered by the Senate during the 96th Congress.

I am today introducing legislation to make further changes in the Trade Act of 1974. My bill contains the text of H.R. 1543, as passed by the house in the 96th Congress, with several key amendments which were not included in that bill. These amendments are as follows:

New section 103(b), which would make eligible for trade adjustment assistance benefits workers who have lost their jobs because their parent firm shuts down a U.S. plant and opens a foreign subsidiary producing essentially similar parts or products.

New section 103(c), which would extend trade adjustment benefits to employees of independent auto dealers. In the event that a dealership sells both domestic and imported cars, the employees of the dealership would not be eligible for benefits if less than 75 percent of the annual sales of the dealership are domestic cars.

New section 106(b), which would permit authorized sick leave—or absence from work due to work-related injury—to be counted toward the work requirement in the qualifying year. This section would also require the Secretary of Labor to reconsider applications by workers who were previously denied certification because they failed to meet the work requirement due to illness or injury in the qualifying year.

Each of these new sections redresses what are, in my view, serious inequities in the current law governing trade adjustment assistance. Section 103(b) would make eligible, for the first time, workers who lose their jobs because corporations decide to take advantage of cheaper labor in other countries. It seems to me that these workers are the victims of the actions of multinational corporations and should be eligible for retraining under the provisions of the Trade Act of 1974.

Section 103(c) would remedy an inconsistency in the administration of the current law. In general, employees of auto dealerships are ineligible for trade adjustment benefits. However, the Department of Labor has granted TRA certification to employees of dealerships which are wholly or mostly owned by the major auto companies. Members of Congress are left in the unfortunate position of trying to explain to employees of independent auto dealerships why they are ineligible for TRA, while the employees of a dealership down the street have been certified because their dealership is owned by one of the major auto companies. This illogical result is unjust to the employees of independent auto dealerships and should not be allowed to continue.

Section 106(b) would rectify one of the most unfortunate inconsistencies in the current law governing TRA. Under current law, an employee of an import-impacted firm must work at least 26 of the 52 weeks immediately preceding layoff in order to qualify for adjustment assistance benefits. The law does not permit sick leave to be counted toward the work requirement. In my own congressional district, I have a constituent who worked for one of the tire companies for more than 20 years before being laid off due to import penetration. Because my constituent had the misfortune to be injured on the job in his qualifying year, he was unable to work enough to meet the 26-week work requirement and was thus ruled ineligible for TRA. Other workers in the same plant, with less than one-seventh the length of employment of my constituent, were able to collect TRA benefits. I have heard from others all over the country in similar predicaments.

I recognize that Congress continues to face serious budgetary constraints, and I agree that it is vital for us to work to reduce the Federal deficit. However, it is clear that it will take many years to resolve the problems of the auto industry. In the meantime, we must act to provide adequate assistance to retrain those industry employees who lose their jobs during the current crisis. A section-by-section analysis of my bill follows:

SECTION-BY-SECTION ANALYSIS OF LEGISLATION INTRODUCED BY CONGRESSMAN SEIBERLING TO AMEND THE TRADE ACT OF 1974

Section 101 does not amend the Trade Act of 1974. It requires the Secretary to reconsider promptly certain petitions for certification filed between October 3, 1974 and November 1, 1977 if these petitions were rejected because the petitioners failed to meet certain eligibility criteria. Section 101 also permits workers who did not file petitions between April 2, 1975 and November 1 1977 to file following the date of enactment of the bill.

These provisions are necessary because there is substantial evidence that the Department of Labor inadequately publicised the TRA filing limits.

Section 102 permits the Secretary of Labor to file petitions for certification on behalf of any group of workers. This provides an additional method of filing.

Section 103(a) amends current eligibility criteria for TRA by permitting certification when workers have become separated from their jobs, or are threatened to become totally or partially separated. This section also makes eligible workers in independent firms or subdivisions supplying essential parts or services to be certified when the firm to which the parts or services are provided is certified as import-impacted. These are key changes in current law, which restricts certification to subsidiaries of the import-impacted firm (thus excluding independent suppliers).

Section 103(b) extends eligibility for TRA to workers who have lost their jobs because the parent corporation shuts down a U.S. plant and opens a foreign one which manufactures essentially similar products. The Secretary of Labor would be required to determine whether the closing of a U.S. plant is directly related to the opening of a foreign subsidiary plant.

Section 103(c) extends TRA benefits to employees of independent auto dealers. In the event that an independent auto dealer sells both foreign and domestic cars, the employees of the dealership shall be certified if domestic sales of the dealership accounted for not less than 75% of total sales.

Section 104 requires the Secretary of Labor to cooperate with the Secretary of Commerce in providing information relative to petitions for certification for TRA eligibility. The Section also prohibits the issuance of any TRA payments to workers certified under the provisions permitting certification when there is a threat of a decline in sales as provided for in Section 103 until the decline in sales has actually taken place.

Section 105 requires the Secretary of Labor to provide whatever assistance is necessary to workers preparing petitions for certification for TRA.

Section 106(a) makes three changes in the qualification for TRA. Current law requires a worker to have at least 26 weeks of work in adversely affected employment in the 52 weeks immediately preceding layoff. That work must be with a single firm or subdivision of the firm. 106(a) makes a worker eligible with 26 of 52 weeks of employment or 40 of 104 weeks preceding layoff. The single firm or subdivision requirement is eliminated. However, to be counted toward the work requirement, each week of employment must have been with firms eligible for TRA. (i.e. import-impacted).

Section 106(b) permits sick leave and absence from work due to work-related injury to be counted toward the work requirement in the eligibility year for qualifying for adjustment assistance benefits. This section also requires the Secretary of Labor to reconsider applications for certification for TRA from workers who were previously denied eligibility because they failed to meet the work requirement due to illness or injury in the qualifying year.

Section 107 amends the time limit on trade readjustment allowances to extend the maximum benefit period for a worker in an approved retraining program from 26 weeks to 52 weeks beyond the basic 52 week period. Thus, the maximum total benefit period for trainees would be extended from 78 to 104 weeks.

Section 108 provides for the establishment of a variety of experimental and demonstration projects to improve techniques for retraining workers.

Section 109 increases the job search allowance from a maximum of $500 to a maximum of $600.

Section 110 increases the maximum relocation allowance from $500 to $600, and makes more flexible the current time limits on when a worker may receive a relocation allowance.

Section 111 amends certain definitions in the Trade Act of 1974. Essentially, the change in definition makes eligible for TRA a worker in non-adversely affected employment who is "bumped" from his job by a more senior worker who transfers from adversely affected employment to the "bumpees" job.

Section 201 makes changes in the eligibility criteria for firms seeking adjustment assistance, and permits TRA to be given to a supplying firm meeting certain specific criteria.

Section 202 amends the criteria by which the Secretary of Commerce provides technical assistance to firms in preparation for economic adjustment in response to import penetration.

Section 203 amends the manner in which the Secretary of Commerce may make loans to import-impacted firms.

Section 204 amends current law with regard to the conditions for financial assistance to firms (essentially dealing with interest rates on direct loans).

Section 205 expands the requirement of the Secretary of Commerce to provide full information to firms about firm adjustment assistance.

Section 301 establishes the Commerce-Labor Adjustment Action Committee to facilitate the coordination of adjustment assistance programs.

Section 302 adds provisions to the Trade Act of 1974 to authorize grants for industrywide technical assistance and studies. The Secretary of Labor is authorized to make grants up to $2 million annually for the development and evaluation of programs designed to improve worker adjustment assistance. The Secretary of Commerce is authorized to make grants of up to $2 million for the development and evaluation of programs designed to improve economic efficiency.

Section 303 establishes the effective date of the bill as October 1, 1979. In order to provide the Department of Labor with sufficient time to promulgate regulations, certain sections of the bill would not become effective until 60 days after enactment, but the bill would still apply to workers separated from employment on or after the effective date of the bill.●

THE WINE INSTITUTE'S JOHN DE LUCA

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. MILLER of California. Mr. Speaker, I am enclosing for the information of my colleagues a recent profile of John De Luca, president of the Wine Institute, from the December 1980 issue of the Executive. Mr. De Luca has done a fine job in bringing the California wine industry to the prestigious position in the world that it occupies today. I congratulate Mr. De Luca on his success, and wish him and his organization continued success in the coming years.

The information follows:

WINE INSTITUTE'S JOHN A. DE LUCA

(By Scott Winokur and Steven Ludwig)

As San Francisco's deputy mayor between 1968 and 1975, John A. De Luca was the No. 2 man "running one of the most demanding, complex and challenging cities of the world," he recalls.

"All phases of city policy and day-to-day operations were entrusted to me. In urgent form, I had to deal with police and minority matters, with development and planning issues, with problems relating to housing, recreation, pollution, transportation, utilities, energy conservation, neighborhood arts, library services, culture and education.

"I was confronted many times with racial, student and neighborhood demands. Sometimes, they were accompanied by threats and disorders. Always they required direct talks and long and patient resolution. The demonstrating during the San Francisco State crisis of 1968-69 brought me to campus for student and faculty negotiations over many weeks. And I played a central role in dealing with some 35 strikes and disputes in the public and private sectors."

He was then-Mayor Joseph Alioto's right-hand man and had the job of translating Alioto's policies into actions. His activities increased as the mayor quickly moved onto the national political scene and then became embroiled in a variety of scandals, all of which took away from Alioto's time in the office. De Luca recalls that his role became so significant that several columnists griped, "Who the hell elected John De Luca mayor of this town?"

These days the cordial, affable executive seems more relaxed than he must have during the hectic, harrying days as Alioto's alter ego. Since 1975, the short, somewhat stocky De Luca has been president of the Wine Institute, the non-profit trade association of California vintners and wine-growers headquartered on Post Street.

In effect, he's the official spokesman for a $2 billion industry that produces almost 90 percent of the wine made in the U.S. and 70 percent of all the wine imbibed in this country, including imports.

The association, with a budget of about $2.6 million, promotes the state's wine industry interests via a variety of educational, legal, lobbying and interstate and international negotiating activities. Its 50-person staff also conducts extensive economic studies and works on problems of energy, environment, quality control, sanitation and safety.

De Luca has brought stability and increasing influence to what was a deeply troubled organization in the pits when he arrived five years ago.

The institute was formed in 1934 and helped revive California's wine industry in the aftermath of prohibition, boosting labeling standards and educating Americans to wine's joys.

Then the grapes hit the fan in 1975. In a major recessionary shakeout, several small vintners faced bankruptcy and a grape glut challenged the entire industry.

Some 20 wineries withdrew from the group, including second-ranking United Vintners. That firm reportedly left because it felt membership in a trade group presented bad connotations amid its antitrust hassles with the government (United recently finally won that case and De Luca hopes it will return to the association's fold now). Smaller wineries also were threatening to quit because they felt the institute favored the big guys.

Using the political and administrative skills honed in his earlier career, De Luca has quieted internal squabbling, carefully sees to it that all vintners' interests—large groups and small—are represented and has boosted membership from 164 to 373.

These days, his hassles involve the outside world rather than problems within the group or industry. For instance, he and the institute are combatting new federal requirements that mandate vintners provide ingredient information on their labels. These new rules reflect a lack of understanding, De Luca claims: "Wine is not produced from ingredients, a little bit of this, a little bit of that. It's not a concoction. It's the product of the natural fermentation of grapes."

Also, he's out bucking for changes in states' laws governing the sale of wine. "You

cannot distribute this product in the United States the way other products are distributed," he notes. "You can have legitimate legal discrimination. Instead of running afoul of antitrust violation, you can have people—two- or three-man boards—sit down and fix prices for a whole state and determine what goes into a store and what doesn't go into a store."

The intent of such systems is to avoid alcohol abuse, De Luca explains, and their origins date back to the post-Prohibition era. But he still sees such systems as hampering fair trade and is fighting for change.

De Luca enjoys wines, drinks two glasses daily with meals, but denies being an oenologist: "I probably am the least informed president that the Institute has had when it comes to the actual knowledge of wine."

However, he adds, wine was part of his culture and he helped his father make wine at home. De Luca's father was from Italy, his mother was born in the U.S. but raised in Italy and the two met and married in Sicily.

The father's initial admiration for Mussolini soured in the early 1930s and, for a combination of political, personal and economic reasons, he left the country and went to Honduras for two years. He wanted to enter the U.S. but couldn't qualify—until his wife returned to the U.S. as a citizen and "called" him here.

John De Luca was born in New York in 1933 and raised there through his mid-teens. The family struggled through the Depression, with the senior De Luca working as a journalist, in a mattress factory and then a machine shop ("He took anything he could get," says De Luca) and the mother working in New York's garment district.

In the late 1940s, the family emigrated to California and De Luca's father entered the electronics business, concentrating on radar work.

"The one recollection I have from both of my parents (his father died a couple of years ago, his mother is still alive) was a great insistence on education," De Luca reminisces. "And my dad said, 'There isn't anything economic that I can give you. But I'll do everything in my power to make sure you go to school, don't worry about working.'"

De Luca attended UCLA and obtained a bachelor's degree in political science in 1955, graduating Phi Beta Kappa. He went on to garner a master's in Soviet studies from Harvard University, studied at the University of Rome's Middle East Institute in 1959-60 as a Fulbright Fellow, the Gramsci Institute of Rome in 1962 as a Foreign Ministry Fellow and in 1967 obtained a Ph.D. in political science from UCLA as a Charles Fletcher Scott Fellow.

His journey through the groves of academe also involved stints as a teacher of Soviet affairs and French government at UCLA in the late 1950s and early 1960s. He also was an assistant professor in international relations at San Francisco State University in 1964-65 and an assistant professor in government at UC Davis in 1965.

Amid these academic pursuits, De Luca slipped in practical experience during his European period. He was a guide at the American National Exhibit in Moscow in 1959, trying to sell American voting machines to the Russians. At the exhibit, he witnessed the famous "kitchen debate" between Vice President Nixon and Soviet Premier Khrushchev.

He traveled with U.S. plastics and medicine exhibits through various Soviet cities in the early 1960s and briefly was detained in the Ukraine for "conduct unbecoming a guest in the Soviet Union."

De Luca recalls, "I was a guide for the exhibits and I was speaking in the middle of local squares. People asked me questions about life in America, the political process, the black situation. I'd come off hours and as I'd go to a restaurant or be walking in a park, someone who had seen me that day would come over and start a conversation—and suddenly there would be 20, 30, 40, 100 people.

"I remember once addressing several hundred people in Stalingrad—now Volgograd—and I brought up the so-called 'cult of personality,' what Khrushchev was saying about Stalin. I told them 'You guys have the problem all wrong. You're not talking about the cult of personalities in the Soviet Union. Your real problem is the cult of the party and what it means.'"

Professional hecklers from Soviet intelligence confronted him in debate there and then brought charges that he had slandered the Soviet system. "Petitions were sent in for me to cease this kind of 'agitation' or 'propaganda,'" De Luca says. He was detained briefly, then went on to head the American delegation to a 1962 International Conference of College Youth in Italy before returning to the U.S. to resume his learning/teaching activities.

In 1965, he quit his UC Davis post to become a White House Fellow for one year, becoming involved in national security affairs with McGeorge Bundy, Bill Moyers and Walt Rostow.

Staying on in Washington, D.C., he served as a special assistant to Sen. Frank Church (D-Ida.) from September 1966 to May 1967, again concentrating on foreign affairs.

In the summer of 1967, when De Luca was about to return to San Francisco as a lecturer in international affairs at the Stanford Research Institute, he was introduced to Joe Alioto. De Luca had asked associates to put him in touch with influential Californians and Alioto was one such wheeler-dealer.

"My first introduction to him was as general counsel of the Rice Growers," De Luca says. "I didn't know he was a lot of other things—a very famous antitrust attorney, a man who had served on the San Francisco Redevelopment Agency, been chairman of the Board of Education, had a very rich cultural life, was on a number of boards."

De Luca also didn't know Alioto was planning to run for mayor but Alioto did and was intrigued by the young man: "He told me I came from a background and experience that was very interesting. He said he wanted to know more about Washington, the White House staff, Joe Califano, Jack Valenti."

In addition, De Luca's wife's first cousin married Alioto's son. So the links between the two men were forged that led Alioto to offer De Luca the post of executive secretary when he became mayor in 1968.

De Luca was surprised: "I was not known here, I was not one of the local people, and I asked Joe why he wanted me. He said, 'You have this invaluable Washington experience. I see myself as mayor needing to know the Washington scene. So many of the solutions to the problems of San Francisco are tied in to Washington. The more successfully I handle the Washington arena, the more successful I will be in behalf of San Francisco.'"

De Luca helped Alioto with introductions to leading Washington Democrats, including President Johnson and Vice President Humphrey. "That was a magical relationship that established itself independently of me," he notes, pointing out that Alioto nominated Humphrey at the 1968 Chicago convention and was considered a possible running mate that year. And later he was the "white hope" who might knock Ronald Reagan out of California's governorship.

De Luca dropped his "doctor" title, rolled up his sleeves and waded into running the mayor's office, in effect serving as deputy mayor (the title officially was executive secretary and later was changed to executive deputy to the mayor).

His responsibilities were heavy from the beginning and grew as Alioto became an instant national celebrity and was away from the city a great deal. This was further compounded when Alioto's attention was diverted by a maelstrom of political and legal squabbles, including reports alleging Mafia connections and suits charging fee-splitting when he acted as an antitrust attorney.

Recalling the Look article about Mafia links, De Luca looks back in sorrow: "That was the decisive turning point of Joe's administration and his life." Until then, he feels, they had been able to develop a positive thrust. The hassles "stopped all these other things because Joe was put on the defensive."

In the meantime, De Luca feels he and Alioto accomplished a lot for San Francisco before clouds overshadowed the administration. They revamped the budgetary process, the way city government is run and San Francisco's approach to handling today's urban challenges, De Luca claims.

His relationship with Alioto was close, with De Luca serving as the alter ego who saw to it that what Alioto wanted was accomplished. Although the press sometimes castigated De Luca as the city's "unelected mayor," Alioto never blanched at De Luca's growing power.

"Joe was so self-confident and was so secure that he never worried about those charges," De Luca says. "He was so busy, so preoccupied, he was doing an excellent job as mayor, and a lot of things just gravitated to me. Rather than resent and stop it, he encouraged it because, I think, he felt intuitively that that was the best way."

Although De Luca was totally loyal to Alioto, he stresses it wasn't "blind loyalty." He frequently confronted the mayor on issues and actions, but Alioto's decision would be final—and De Luca then would be the strong lieutenant who carried out orders.

He ran into Alioto recently in Philadelphia, De Luca says, and for the first time since both left the mayor's office, they reminisced about the old days. "He told me, 'You were very tough on me, John. You're the only guy who really consistently challenged me.' And that's the way I felt my loyalty to him would serve best—not to answer automatically 'yes' to what he said."

The later scandals put Alioto on the defensive and detracted public attention from his achievements, De Luca feels. "But 10, 20, 30 years from now, historians will appraise Joe in higher terms than perhaps his contemporaries because they will be able to see this point (his accomplishments) in sharper focus." Alioto as mayor was a "true Renaissance man. . . . trying to bring San Francisco into a position to cope with modern, urban America," De Luca asserts.

With the end of the Alioto administration, De Luca accepted an offer to head the Wine Institute. "I was very excited by the

change," he says. For one thing he would become his own man.

Acting on someone else's behalf is "not the same thing as having to formulate your own speech, having to project your own values, having to project your own point of view," De Luca says. "So that part of me which had been developed in the classroom, the part that had to come up with original themes in dissertations and so forth, leaped at the new challenge."

Also he enjoyed the idea of working for people with grass-roots outlooks and traditions, "I had just come from an experience where the values of the work ethic, being one-on-one with nature, having great pride and independence very frankly had been mitigated or muted.

"But suddenly here were people who were looking at the harvest, looking at the weather. Their great emphasis was not in terms of food stamps or whether they were going to get unemployment benefits, but in terms of how they were going to handle the harvest. It was very refreshing, like digging into a reservoir of values that were for me more integral to my thinking than I had imagined."

During his first year and a half in office he visited 260 wineries: "My hope was that—because I was not known and I came out of a different environment—I would become familiar with everyone and everyone would come to know me on a personal basis. I visited the small wineries as well as the large ones and that was doubly helpful, both for my exposure to them and for them to realize that I was going to represent everyone's interests."

He and his staff have been in the forefront of battles over labeling regulations and states' controls. He feels his days with Alioto helped lobbying efforts against new labeling rules: "I knew a lot of these guys in the California Congressional delegation from my City Hall days. We have educated them and blunted the steamroller."

As a result, new federal labeling requirements are not as "odious" or "punitive" as originally proposed, De Luca believes, but they still contain ingredients that are distasteful—such as requiring a list of ingredients. He hopes the new regulations, due to go into effect in 1983, will be altered further by Congress in the upcoming session.

He also has led the way in contesting state laws governing pricing and distribution of wines. "As long as we have this legacy of Prohibition, we have these states that look upon wine as a sin to be taxed," he says. Some 18 states have legislation and regulations that control where, how and/or when wine will be sold, such as Pennsylvania where De Luca recently opted to get involved in litigation against the state's Liquor Control Board.

Nationally, De Luca feels the public is on industry's side. "Consumers are the ones going to their legislatures and saying, 'Change the laws.' In Montana, for instance, they passed an initiative two years ago permitting wine to be sold in food stores and grocery stores, where there had been only a state store system previously."

So, although not as frenetic as his City Hall job, heading the Wine Institute presents its own challenges and opportunities for De Luca. "Wine is a 6,000-year-old product but, ironically, I feel I'm in on the ground floor and can make a difference," he asserts.

He sees wine becoming "a natural part of our lifestyle. Not too many decades ago, it was perceived essentially as a drink of older Americans, typically those of Italian, French or Spanish extraction who drank red wine and were on one of the coasts, California or the East Coast.

"Contrast that today with the sense that it is not tied to any geography, not tied to any ethnic or economic group. Also, visibly the dynamism in the industry is coming from women, who not only are drinking wine but also making the choices about what's on the dinner table. And wine has become part of the whole approach to physical self-improvement—jogging, watching your weight, exercising and nutrition."

Wine also has broadened in its appeal, De Luca notes. Affluent, previously hard-liquor people are sipping wine during "the cocktail hour" that has become "the wine hour," and beer-guzzlers are opting for pop wines such as Annie Greensprings or Strawberry Hill.

And the market outlook still holds tremendous promise, he adds, because U.S. per capita consumption is only about two gallons and more than double that in such states as California, compared with European countries that register per capita consumption of 25 to 30 gallons.

"There are still areas in the U.S. where many people are not drinking wine, like the South, the Midwest, rural areas," De Luca says. He looks forward to a day when wine nationally becomes a natural part of meals, European style.

Meanwhile, there is periodic speculation that De Luca is becoming restive with his wine industry chores. A man of tremendous energy and impressive background, De Luca often is seen as over-qualified for his job.

He denies rumors that he may leave soon: "First of all, I am committed to this position. I am truly excited by the challenge of this job. It seems to integrate everything I've done before. My university background, my local government background, my national background, my international background, they're all called into play every single day.

"Very few people truly realize that, as president of the Wine Institute, I am very active in politics with the Congress, with different states. I am very active with the university world with research at Davis and Fresno State."

He has been offered top-level corporate jobs and, a few years ago, there was a groundswell of support to put him in charge of the University of California.

"My plans are to stay with this industry indefinitely," he rejoins. "I find this a stimulating position, very challenging, and I feel like I'm growing every single day. And I'm with an industry still in its infancy."

Also it has given De Luca a pleasant lifestyle. "The industry has been good to me and my family," he says. De Luca resides in Belmont with wife Josephine, daughters Gina and Carla and son Perry, and the family often visits wineries as guests of honor, hobnobbing with wine leaders who are "some of the most fascinating people I've ever met."

And, adding lustre to his position, De Luca finds that these wine magnates increasingly are turning to the Wine Institute to spearhead industry progress. They realize their industry is highly fragmented and they cannot join together for united action on legal, political and international fronts without incurring governmental wrath.

Thus, De Luca observes, "The people whom I serve are looking to me and the Wine Institute for that leadership."●

FOUNDATION TAX LAW

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FRENZEL. Mr. Speaker, charitable organizations have existed for many centuries in many varieties. Like every major civilization, the United States has encouraged and institutionalized philanthropy as a means to promote human welfare. Our charitable institutions, including foundations, have served our society well.

Unfortunately, the effectiveness of foundation philanthropy in the United States is now threatened. The requirements placed on foundations by the Tax Reform Act of 1969 are hindering, rather than helping, the cause of charitable giving.

As a result of the Tax Reform Act of 1969, foundations are required to distribute for charitable purposes 5 percent of the foundation's net worth, or the foundation's net investment income, whichever is greater. This payout formula may have made a great deal of sense when it was developed in the strong dollar and low inflation years of the 1960's, but it is now causing real distress for most foundations.

Because foundations are required to distribute all of their investment income, they do not have the opportunity to reinvest any portion of their investment earnings back into the foundation. Therefore, the net worth of the foundation's assets may remain stable on paper, but, because of inflation, in real terms it is declining at an accelerating rate. As the real value of the foundation's assets declines, the value of the dollars the foundation has available to distribute for charitable purposes declines with it.

In an inflationary economy, high interest rates dictate that prudent managers shift assets to high income instruments for the greatest total safe return on the portfolio investments of foundations. The law, however, requires that all income be paid out. That means the foundation managers have only a Hobson's choice. Either they take a lower return on their investment, or they take a higher return and pay it out. Either way they are giving away their capital. That is, of course, detrimental to the long run aims of the foundation and its beneficiaries.

In order to rectify this situation before it erodes the ability of foundations to carry on their charitable works, I have introduced a bill, H.R. 1387, which makes several changes in the tax laws pertaining to private foundations. The most important of these changes would remove the requirement that foundations distribute

all of their net investment income. The bill would require only that 5 percent of the foundation's net assets be distributed, leaving the rest to be reinvested in the foundation, preserving the foundation's asset base for future generations. Those foundations which wished to distribute a greater percentage could, of course, do so.

The bill also seeks to correct an inequity which currently exists in the law with respect to the tax treatment of contributions to public charities as opposed to contributions to private foundations. Under present law, individuals may only deduct their full contribution to a private foundation if it is less than 20 percent of the individual's gross income. Contributions to public charities, however, may be made for up to 50 percent of an individual's gross income and still be eligible for a full deduction. In addition, excess contributions—for more than 50 percent—made to a public charity may be carried forward for up to 5 years, while contributors to a private foundation have no such option available. My bill would remove all of these distinctions between contributions to private foundations and contributions to public charities, so that contributions can be made to both on an equal basis.

The bill also contains a number of other changes in the foundation laws. I invite my colleagues to examine this bill carefully, and to make suggestions for changes in the bill or in the law. I hope many will support it, so that our great system of private foundation philanthropy will be able to continue to do the charitable and educational work for which it is renowned.●

MR. JACK BOYES

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SKELTON. Mr. Speaker, it is with great pride that I inform my colleagues of a noteworthy act of mercy undertaken by one of my constituents, Mr. Jack Boyes of Kansas City, Mo.

On August 16, 1980, Mr. Boyes, trained in Red Cross cardiopulmonary resuscitation, was summoned to assist a choking victim. Going to the victim's aid, Mr. Boyes determined that he could not breathe and began a sequence of first aid maneuvers for relief of foreign body obstruction of the airway. When the obstruction was relieved Mr. Boyes began CPR. He continued his efforts until the arrival of an ambulance. Without doubt, the use of CPR by Mr. Boyes cited herein saved the victim's life.

Mr. Speaker, I would like to commend Mr. Boyes for his voluntarily learning Red Cross life sustaining skills, for his heroic action in the situation, and to congratulate him on receiving the Red Cross Certificate of Merit.●

DOE ALCOHOL FUELS PROGRAM

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. TAUKE. Mr. Speaker, I would like to insert in the RECORD a letter from the Iowa Energy Policy Council, which makes a number of recommendations to help improve the Department of Energy's alcohol fuels loan guarantee program.

These comments are similar in many respects to ones I have expressed to officials at DOE during recent meetings on the subject. My concerns included the following: First, the timing of the announcements made last October naming those firms selected for competitive negotiations; second, the speed by which the whole process was handled; and third, the criteria used in future selection processes, particularly the role of policy and technical factors.

My purpose in calling the meeting with DOE officials was to allay or confirm suspicions I had that improprieties were involved in the selection process and to insure that all firms competing for the loan guarantees are given fair and equal treatment.

Because alcohol fuels provide this Nation with a viable alternative energy source, it is incumbent upon us in the Congress to insure that the push for greater use and production of the fuels continues. And it is also incumbent upon us to insure that Federal participation in this effort be effective and responsible, particularly with applications for the next round of DOE loan guarantees scheduled to be accepted next month.

The recommendations made in the following letter will help us achieve that end.

IOWA ENERGY POLICY COUNCIL,
Des Moines, Iowa, January 7, 1981.

Mr. STEVE MORGAN,
Contracting Officer, Department of Energy, Office of Alcohol Fuels, 1000 Independence Ave., SW., Washington, D.C.

DEAR MR. MORGAN: The Department of Energy's (DOE) Office of Alcohol Fuels has extraordinary influence in the development of the nation's alcohol fuels industry. Alcohol fuel, without federal subsidies is presently only marginally competitive and, as a result, financial institutions are wary of risking scarce capital on proposed alcohol fuel plants. Federal loan guarantees, which tend to calm these skittish financial markets, thus determine the fate of most proposed alcohol plants.

It is extremely important that the Office of Alcohol Fuels recognize its responsibility and operate accordingly. Responsible actions of the Alcohol Fuels Office should be guided by the following aphorisms.

(1) Give potential applicants proper notice and time to apply. The initial rulemaking did not do this. The Alcohol Fuels office gave applicants 12 days from the date of final rule filing to apply. That is neither proper notice of application guidelines nor an appropriate length of time to apply.

(2) Thoroughly review each application. DOE spent 8 days reviewing over 50 highly technical, complex applications. As you noted to me in a phone conversation, the speed of that review exceeded all others in your 8-year history at the Department.

(3) Tell the public what you are doing. Eight days after the close of the initial solicitation, the DOE announced that negotiations were being entered into with 7 companies. Yet you indicated to me that DOE had entered into the "factfinding" stage only. Nevertheless, prior to reaching the negotiation stage with the first group, DOE announces the selection of nine more plants for "detailed negotiations." How do you square that with your "fact-finding" claim?

(4) Don't compound your mistakes. The initial solicitation process was of questionable propriety. Yet, instead of resolving those questions, the DOE doubled the amount of loan guarantee money disbursed under that questionable solicitation. And, worse yet, the DOE acted to disburse over $500 million in loan guarantee money without prior OMB approval.

(5) Consider the economics of the feedstock. DOE's own "Alcohol Fuels Policy Review" concluded that corn and milo are the most economical of alcohol fuel feedstocks. DOE should place a priority on projects which will produce alcohol at the most competitive market prices.

(6) Consider the location of the alcohol market and the feedstocks. The location of plants in areas where feedstocks must be imported and the alcohol and by-products exported due to lack of a market in the area is clearly an undesirable arrangement in terms of energy and transportation costs. States such as Iowa which produce the feedstock, utilize the by-product extensively, and have pioneered marketing of the alcohol through significant tax incentives (Iowa now uses almost 15 percent of gasohol consumed nationwide while comprising only 1.5 percent of the nation's total gasoline needs) should be given high priority when considering the siting of plants to receive assistance. SERI's newly published "Guide to Commercial Scale Ethanol Production" concurs, plants should be situated to take best advantage of feedstock crops grown in the near locale to enhance the economics of production.

(7) Consider the energy balance of the plant. Alcohol production processes which do not displace imported energy should be given low priority. There have been rumors that some plants may use imported molasses as a feedstock.

(8) Consider the energy and economic needs of each state in which an alcohol plant is to be located. The nation's energy bill is not distributed proportionally among the states. States such as Iowa which must import nearly all their energy needs are hardest hit by energy dependence; states such as Louisiana which export three times as much energy as they use are not as economically crippled by high energy costs. Thus, the drain on Iowa's economy will continue if alcohol must be purchased from energy-rich Louisiana, while Louisiana's exports continue to grow. Federal policy should wherever possible attempt to equalize states' energy bills, or at least help most of those states suffering most. It should not drain taxes from hard hit economies to pump into relatively healthy energy-exporting economies, particularly where abundant resources can be developed in the poorer state.

Many of these concerns were expressed to the Office of Alcohol Fuels during the rulemaking process. However, I felt the need to repeat them since DOE did not fully consider comments on the rules and plans to issue new rules in February.

I would appreciate your comments.

Sincerely,

DOUGLAS E. GROSS,
Director, Fuels Division.●

ROBERT C. CARTER

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. HUBBARD. Mr. Speaker, I would like to take this opportunity to congratulate my longtime friend, Mr. Robert C. Carter, president and general manager of the Kentucky New Era in Hopkinsville, Ky., upon his winning the Kentucky Press Association's Freedom of Information Award for 1980.

Bob Carter's impressive accomplishments as a newspaper executive convince me that the KPA has made an excellent choice for this annual award. Carter is a past president of the KPA and has served a number of years as the organization's legislative chairman.

The announcement of the award was made during KPA's recent midwinter conference. The Kentucky Press Association is made up of weekly and daily newspapers from throughout the State.

Again, let me express my congratulations to Bob Carter for his leadership in areas related to freedom of the press.●

CONGRATULATIONS TO CHARLES L. DEEGAN AND TROOP 374 ON THEIR 25TH ANNIVERSARY

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. RUSSO. Mr. Speaker, on February 7, Troop 374 of the Boy Scouts of America will celebrate its 25th anniversary with a reunion dinner in Chicago Heights. As worthy of praise as this achievement is, there is something even more remarkable about this occasion. It marks not only the quarter-century point for the troop, but also of the dedicated service of its original and only Scoutmaster, Charles L. Deegan.

Since 1956, when he first became the troops' Scoutmaster, Mr. Deegan has served the young men of his community with great distinction. His personal integrity and devotion to these boys, truly tells us something about the man and his values. Under his tutelage, over 100 boys have reached the distinguished rank of Eagle Scout. An amazing accomplishment indeed, and one in which Mr. Deegan may take great pride. His impact on the boys, and all of those who have had the pleasure of knowing him, is impossible to gage, but they undoubtedly are better people because of it.

It is only fitting that a man of Mr. Deegan's outstanding character should be involved in a worthwhile endeavor like Scouting. Scouting's ability to foster friendship, teach civic responsibility, and develop self-reliance make it a solid foundation upon which young men can build for the future. During this period, a caring and committed mentor is invaluable. Over the past 25 years, Charles L. Deegan has been just such a man. His tireless efforts are well appreciated and not forgotten.

I gladly join with those gathered in Chicago Heights in honoring this rare and admirable man, and wishing him all the best in the future. He most certainly deserves it.●

JIM MOORE'S OPEN LETTER TO THE CONGRESS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. McCLORY. Mr. Speaker, many of us in this body were shocked and saddened by the tragic and senseless killing of one of our beloved House photographers—Pen Wilson.

Pen died of a single gunshot wound on Christmas Eve 1980 on a downtown street in Washington.

Without describing in detail this stark tragedy, I wish at this time to present to my colleagues a heartfelt and meaningful letter addressed to all of us by a man who was perhaps the late Pen Wilson's closest friend and associate—Jim Moore.

Mr. Speaker, I urge and earnestly hope that all of us may absorb the full meaning embodied in these touching and challenging words by Jim Moore—and I would hope that the response on the part of this body may be reflected in our actions so that Pen and others, who have met senseless death from handguns—will not have died in vain.

Mr. Speaker, I am attaching hereto Jim Moore's open letter to the 97th Congress, which follows:

AN OPEN LETTER TO THE 97TH CONGRESS

To the Congress—my friends and colleagues, those of long standing and those newly met:

As we all get under way this new year and new session, I would like to touch upon the life of a friend of ours who cannot be here to enrich our lives and join us in our efforts to serve the people of this great country. Many of you knew Pen Wilson—if not by name, at least on sight—as one of the House photographers. He was the one with the ready smile and the bright blue eyes that transformed life into an image on paper, ready for framing and mounting in any one of tens of thousands of homes in America.

He took photographs of your visitors—the bands, the school groups, the visiting firemen, the dignitaries big and small—and amiably brought them around you, coaxed out their smiles, and took the picture that you later signed and passed on as a simple, but often effective, souvenir.

He joined you in committee, crouching down in front with his camera, searching out your best side, waiting for the decisive moment as you testified or examined a witness. Those pictures made it into countless hometown papers, without his credit but with his great satisfaction that he was accomplishing something worthwhile in a job that was not always the most exciting. He loved his profession, and he enjoyed your company. The glow of the Capitol dome at night thrilled him just as much as it moves all of us who still work beneath it. One of his last pictures, in Roll Call, is of the building at night. It is as serene as his death was violent.

Early in the morning of last Christmas Eve, Pen was shot and killed during a robbery attempt on a downtown Washington street. There is no accounting for it. There is no way to describe the horror of it, the stupidity, the sheer terror of such a moment in the winking out of life with the passage of a bullet through flesh. Platitudes will not suffice. They are of little comfort to his wife and family, and they will not reverse the course of that awful projectile.

Pen was a man who loved life for all its variety and challenges. I think he tested its limits once in awhile as he put himself to the test: he tried skydiving, he learned to scuba dive, he wanted to see what he could do with his energy and drive. He wanted to try so many things. He was cheated by the darker side of life, by someone who apparently has so little regard for humanity that killing a man for a few dollars is somehow justifiable.

There are some lessons in life that I wish did not have to be learned at the expense of life itself. Before last Christmas, I was as concerned as any of you about the increase in violent crime, especially gun-related crimes. Pen and I talked about gun control almost every time a new article appeared in the papers. He was on the side of control; I felt inclined to disagree. Control to me seemed an exercise in futility, and, since I was an avid NRA participant as a boy, the concept of controlling weapons seemed to smack a little of Big Brother.

I have never been so wrong in my life, or in Pen's life. Certainly there is a place for some kinds of guns, but there is no way to justify the access that the man who shot Pen had to his gun. There must be a better way to approach the problem, to begin to contain the awful trend we are witnessing every day. The answer will not appear written in stone. It will not be given to us by a greater power except the power of our conscience, the innate sense of right versus mortal and moral wrong.

It will take the collective will of the people, reflected in the membership of these two great chambers, to judge with clear vision the value of any life against the

life-destroying potential of easily available handguns.

I miss Pen. I know many of you who knew him well have your own experiences that will keep him alive in your minds' eyes. Those who only knew him in passing probably still recall something pleasant that he did to touch you in his unique way. His death diminishes us all just as the death of any man diminishes society; but in Pen's case it is brought so close to our homes and our jobs that to ignore the lesson at our doorstep would be an insult to all the nameless, faceless victims who never had the chance to gain the attention of the men and women in this Congress.

I don't wish to seem a pedant, nor am I an ideologue taking advantage of my friend's death to promote a new bill or an old cause, striking out like a hypocritical zealot with a new religion. I just have had my fill of death and dying for the moment. We owe something to ourselves to bring peace to the streets and communities of this country and we owe it to the memories of Pen and all the others too suddenly deprived of a chance to live out their lives with their families and friends.

George Washington put it clearly when he said: "A slender acquaintance with the world must convince every man that actions, not words, are the true criterion of the attachment of friends." We are all friends here and across the nation. We have Pen to remember for his friendship that he willingly and generously gave. In considering the future for all our friends still here, consider the memories of our friends, known and unmet as well, who now depend on us to make something better of life.●

COMMUTATION OF KIM DEATH SENTENCE POSITIVE SIGN IN UNITED STATES-SOUTH KOREAN RELATIONS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. PORTER. Mr. Speaker, President Chun Doo Nwan of South Korea is a visitor to this Nation's Capital this week, and it is a time to review the current status of South Korean-United States relations. On several occasions I and others in Congress denounced on this floor the mock trial and death sentence of Kim Dae Jung by President Chun's government. The recent commutation of his death sentence is therefore a positive sign.

We should be under no illusion, however, that the sparing of Kim's life signals a return to democratic processes in South Korea. Those Members who have spoken on the House floor on this important issue of South Korean relations as they affect our national interests in Asia will continue to watch carefully the evolution of political freedoms under the Chun government. At a time when U.S. assistance has to be cut back around the world, and priorities brought even more sharply into focus, a nation's support for democratic principles as well as strategic importance to the United States will be weighed heavily in the balance.●

TRIBUTE TO FRANK HOOD

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. HILLIS. Mr. Speaker, Friday, February 6, will mark the end of one of the longest and most distinguished public relations careers in the Federal Government—that of Frank Hood, the Veterans' Administration's Director of Information Services.

For more than 23 years, Frank Hood has served eight VA Administrators with a devotion and impartiality that have no equal.

Frank is a product of that famous journalistic training ground, the Kansas City Star, as well as the Associated Press, and in turn, he has trained a small army of public information men, including three former Civil Service Commission public relations directors and a deputy press secretary at the White House. The Executive Director of the President's Committee on Employment of the Handicapped is also one of his proteges and, incidentally, one of his many admirers.

Those admirers of his are not limited to the executive branch of the Government, either. Anyone in the Congress who has come in contact with Frank has invariably been treated with the utmost fairness and courtesy. Quite honestly, I do believe he does not know how to treat anyone otherwise.

In an age when distrust of Government and its officials seems to be rampant, Frank Hood has stood as a beacon of forthrightness and honesty. He is truly a public servant in the very best sense. I am proud to have known him, and as he leaves his post, I wish him all the best in a well-deserved retirement.●

OLIN "TIGER" TEAGUE—A REAL AMERICAN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. ANDERSON. Mr. Speaker, it is with deep sadness and regret that I address my colleagues today concerning the unhappy news of the death of Olin "Tiger" Teague. His multitude of achievements benefiting the people of this Nation will not be forgotten by any of us.

Tiger Teague was a true product of America—a Texan who served his country valiantly during World War II, sustaining many wounds and spending much time recuperating in hospitals. For his bravery and dedication to duty he received many awards and decorations, including the Silver Star with two clusters, the Bronze Star, the Purple Heart with two clusters, and the Croix de Guerre with Palm. He was the most decorated soldier ever to have served in this House of Representatives, and became the champion of veterans of all wars.

Elected in 1946 to the 79th Congress, immediately after the end of the Second World War, Tiger chose to serve on the Veterans' Affairs Committee. In this capacity he served admirably, and eventually became the committee's chairman. Tiger increased the education benefits available to veterans, and was the author of the Korean war veterans bill. His determination that our Nation's fighting men be given just opportunities to gain an education, buy a home, or find employment, translated into programs that every veteran was able to benefit from.

Olin Teague also served as chairman of the House Committee on Science and Technology, and was the guiding force behind our modern space program which eventually brought man to the Moon. Were it not for Tiger Teague, the vast advances achieved in science through the program, and the benefits thereof which we enjoy today, might not have happened.

The people of Texas' Sixth District loved Tiger as much as we did, returning him to office time and again; it was not until 1978, at the end of the 95th Congress, that Tiger chose to retire. His 32 years of congressional service to his country, along with the trying years of service in war, clearly distinguish Olin Teague as a true American. I am proud to have been able to serve with him here in the House, as he was a shining example to all. My wife, Lee, and I, extend our sincerest condolences to Olin's wife Freddie, his three children, James Teague, Maj. John Teague, and Jill Cochran, and all the people of his district. Tiger's energy, forthrightness, and memory will live on in the great legacy which he has left us all.●

CONDOMINIUM CONVERSIONS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. ROSENTHAL. Mr. Speaker, the recent trend toward converting rental housing to cooperatives and condominiums appears to be continuing as evidenced by the recent release of a Council of Governments study of the Metropolitan District of Columbia area. I feel it is important for my colleagues to keep abreast of such significant movements of our Nation's housing stock and I am including the Washington Post article of February 3, 1981, which addresses this phenomenon:

CONDOMINIUM CONVERSIONS UP 21.8 PERCENT IN AREA

(By Lewis M. Simons)

The number of condominiums throughout the metropolitan area rose by 21.8 percent in a single year—the largest increase ever—with the greatest jump taking place in suburban Fairfax County, according to a new study by the Metropolitan Washington Council of Governments (COG).

The increase was largely attributed to the continuation of the housing trend that swept the Washington area in the 1970s, the conversion of rental units to condominium ownership. Of the 15,102 condominium units added to the Washington market during the period, the study said, 11,922 were rental units that had been converted. The remainder were newly built.

The most striking finding in the survey—which covers the period July 1, 1979, to July 1, 1980—was that the construction of new rental apartments fell to virtually nothing while conversions were eating into existing rental stocks at a higher rate than in any previous year.

In contrast to the large number of rental units that were converted, only 2,862 new rental units were constructed throughout the metropolitan area, according to COG's William Davies. Of that, about 70 percent was government-subsidized, low-income housing.

"As far as the individual is concerned who needs to rent but does not qualify for subsidized housing," Davies said, "you can honestly conclude that nothing was added to the market" in the study year.

Generally, the conversion of former rental apartments to condominiums carries much greater social impact than new condominium construction because in many cases conversions squeeze out the relatively poor, the elderly and those on fixed incomes.

The conversion phenomenon, once characterized, as "condomania," as it swept through formerly rent-controlled apartment buildings in upper Northwest Washington and other rental apartment bastions, still is one of the hottest issues on the local housing scene. Landlords contend that the economics of the market make the rental business unprofitable; tenants and their political champions say that landlords' "greed" is forcing growing numbers of tenants who cannot buy their dwellings onto the street.

Even where they are restricted by tough regulations, as in the District of Columbia, landlords are continuing to press for converting their buildings. "A few years ago," Davies said, "it used to be that conversions and new construction shared the condominium market about 50-50." Today, he noted conversions easily have surpassed newly built condominiums.

In the last decade, according to the survey, the construction of new apartments outdistanced conversions throughout the region, 65,398 to 47,880. Most of that apartment building—70.3 percent—occurred between 1970 and 1974. Since 1974, only 19,380 rental apartments have been built; 30,344 apartments were converted.

The study shows that Fairfax County experienced the highest growth rate in rental apartments converting to condominiums—60.7 percent—while in the District of Columbia the increase in conversions was 54.4 percent. In absolute terms, though, the District of Columbia converted the largest number—4,319 apartments—while 2,390 were converted in Fairfax.

As of July 1, 1980, the metropolitan Washington area contained 84,240 condominiums—21.8 percent more than existed in the region the year before. Of these, 48,011 were a result of rental apartments being converted and 36,229 were new construction.

Noting that data for July-to-July periods prior to 1977 did not exist, the COG survey found that a comparison with previous calendar years "shows that this 12-month period surpassed all other annual periods of conversion activity [and] that the conversion trend is continuing to increase its momentum. The study also noted that "not since 1975 has the Washington metropolitan area experienced a decline in conversion activity from the previous year's level."

WASHINGTON AREA CONDOMINIUM CONVERSIONS AS OF JULY 1, 1980

Jurisdiction	New construction	Conversion	Total
District of Columbia	3,571	12,253	15,824
Alexandria	4,303	3,947	8,250
Arlington County	1,986	6,866	8,852
Fairfax County	12,374	6,328	18,702
Falls Church	20	200	220
Fairfax City	0	680	680
Loudoun County	1,162	418	1,580
Prince William County	1,337	86	1,423
Montgomery County	5,863	9,725	15,588
Rockville	33	1,065	1,098
Gaithersburg	918	744	1,662
Prince Georges County	4,663	5,898	10,561
Metropolitan total	36,229	48,011	84,240

Fairfax County led the metropolitan area in new condominium construction during the period of the COG survey by adding 987 units to its previous stock of 11,387 units built as condominiums. The new total, 12,374, gives Fairfax County 34 percent of the region's new condominium construction. Combined with the 6,328 units converted in the county to date, the total of 18,702 condominium units puts the county first in the area.

The District of Columbia added 680 new condominiums. The city now has 3,571 units built as condominiums—since the first one ever seen in the metropolitan area was built here in 1968—and 12,253 converted units. The total of 15,824 puts the city in second place behind Fairfax County and just ahead of Montgomery County, which has 15,588 total units.

According to COG's study, 2,225 units were built in Montgomery during the 1979-1980 period and 312 new units were built. The overall condominium growth in the county represented an increase of 29.7 percent over the previous one-year period.

Arlington County experienced a total growth of 37.5 percent: 1,872 units converted and 680 new units built.

Throughout the metropolitan area, according to the study, condominiums continued to sell very well. Of the converted units, 70.2 percent had sold, as had 78.5 percent of the new units. The study found that the most popular form of new condominium construction was the "single family attached structure," or town house, which accounted for 45.1 percent.●

ESSAY ON THE RIGHT TO LIFE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. MAZZOLI. Mr. Speaker, I would like to commend to the attention of my colleagues in the House of Representatives the following essay by Schu Montgomery, a resident of my congressional district in Kentucky. Schu's fine essay won first place in the college-level student contest sponsored by the Right-to-Life Program Journal.

Schu beautifully expresses the principles that comprise the heart of the prolife movement in his essay—including the idea that such activities must encompass all facets of human life, not just in the protection of the life of the unborn child.

RESTORING THE PARAMOUNT RIGHT TO LIFE

(By Schu Montgomery)

We, the people of these great United States of America, are on the verge of restoring the most basic, most cherished right of any civilized society—the right to life of unborn children. The Paramount Human Life Amendment can assure this restoration.

This amendment alone would establish the principle and guarantee that each human being from the moment of fertilization is vested with the right to life regardless of age, health, or condition of dependency.

But the key to reclaiming the right to life can only be achieved through unity—unity of belief and unity of action.

Unity of belief means we must unite in convincing our elected officials that all preborn children—even those that come into the world through rape and incest—have the right to life. We must unite in proclaiming to these same men and women that human beings with physical and mental handicaps are also welcome in our society. We must also unite in persuading the servants of the people that the integrity of the right to life requires there be no exceptions in the law.

To paraphrase one of the Life Principles, in the rare situation in which the life of mother and baby are mutually in jeopardy, all available ordinary means and reasonable efforts should be used to preserve and protect both lives. A "life of the mother" exception can only invite unwarranted abuse from the unscrupulous claiming a supposed threat to life.

Unity of action means we must continue to act as one people—committed to the truth, honest in our representation of that truth, and humble but firm in our explanation of the truth. The truth we must give witness to is the right to life—the right upon which all other rights depend. This right is God-given. It is absolute. No one—not the government, not I, nor anyone else, has the authority to usurp the right to life.

Once we are united, we must realize that although the Paramount Human Life Amendment will insure protection for our innocent brothers and sisters, there will still be human problems.

We must work to insure positive programs that meet the spiritual and material needs of the pregnant woman. We must emphasize adoption as a loving alternative. We must

inspire our young people to accept the dignity and worth of all human beings. We must reaffirm to all people—especially the young—that the creative power to engender new life is a responsible commitment to family-building, not a relationship casually assumed. Only with the combined efforts of family, church, and school can reverence for life be instilled into the hearts and minds of a society so desperately in need of spiritual values.

Eight long years have gone by since the infamous Supreme Court decision legalizing abortion. In that time, pro-lifers have not had it easy. But, then, no cause truly worth fighting for has been easy. Pro-lifers have been vilified, slandered, and even assaulted. But what could be more worthwhile than sacrificing for others? What could be more just than defending the defenseless?

The Pro-Life Movement is a human struggle. And it is more. Like the agonizing journey to Calvary and the solace extended amid an impoverished Calcutta, we, too, can meet the challenges of life—with prayer, with hope, with love.●

OLIN "TIGER" TEAGUE

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. FORD of Michigan. Mr. Speaker, I was sorry to learn of the death of my former colleague Olin "Tiger" Teague. There are numerous veterans organizations in my district that will never forget Tiger's work. I can assure you, he took his work seriously. As the chairman of the Veterans' Affairs Committee, he was the strong voice that helped guide the GI bill of rights through Congress. Year after year, he worked for veterans and their organizations to obtain increased health benefits and improved medical facilities and care at VA hospitals.

"Health care second to none," was his goal for VA medical facilities throughout the United States, and he focused his efforts on the development of legislation required to bring this about.

Olin Teague worked in many other important areas. For 8 years he served as chairman of the House Science and Aeronautics Committee. He kept space programs on schedule during that time and his committee played a major role in putting a man on the Moon.

I was happy to have known Tiger Teague and to have worked with him in Congress. He was a fine soldier and statesman and we will remember him for his dedication to public service.●

AIR TRAFFIC CONTROLLER'S ACT OF 1981

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. CLAY. Mr. Speaker, today I introduced a bill, the Air Traffic Controller's Act of 1981, to promote public safety by encouraging the employment of highly qualified air traffic controllers by establishing a salary classification system, weekly work hours, retirement plan, and collective-bargaining system.

For too long now this Nation's air traffic controllers have gone without a fair and comprehensive review of the conditions of employment. It is imperative that the Congress consider the requests of the air traffic controllers to insure that their working hours are not excessively long, that their compensation is commensurate with responsibility and experience, and that their retirement program recognizes the unusual occupational hazards of such employment. In addition, the quality and safety of the air traffic control system is assured by providing sufficient qualified air traffic controllers to handle the ever-increasing number of aircraft, that modern and effective equipment is provided to assure the integrity of the air traffic system, and that the rights of air traffic controllers are clarified so that they may bargain collectively on matters of mutual concern.

Section 1 cites the bill as the "Air Traffic Controller's Act of 1981."

Section 2 defines the terms "air traffic controller" or "controller" for purposes of title 5, United States Code.

Section 3 establishes a wage classification system for air traffic controllers.

Section 4 provides for a basic workweek and other requirements of employment for air traffic controllers.

Section 5 establishes the right of controllers to bargain collectively over wages, hours, and other terms and conditions of employment.

Section 6 creates a retirement program for air traffic controllers.

Section 7 authorizes the exclusive representative of air traffic controllers to bargain collectively over annual and sick leave.

Section 8 provides that the act shall take effect 90 days after enactment.●

RUBEN LEVIN: DISTINGUISHED JOURNALIST

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. KASTENMEIER. Mr. Speaker, it is with great sadness that I take this opportunity to speak of Ruben Levin, who died Thursday, January 29, 1981, here in Washington.

Ruben was not only an admired ally, but a good personal friend, who came to my assistance early in my congressional career, and has remained a friend for more than 20 years.

Mr. Levin was a newspaperman of high ethics, and his voice in Labor newspaper was the voice of our country's railway workers from the time he joined the paper in 1938.

His long list of honors includes the Eugene V. Debs Foundation Award in 1975, for a series of articles entitled "The Emasculation of Federal Regulatory Agencies." He also received the Sidney Hillman Foundation Award in 1956, and the University of Wisconsin award for Distinguished Service to Professional Journalism in 1965. The International Labor Press Association bestowed on him the title of "Dean of Labor Editors."

Ruben was born in Poland on August 2, 1902, and moved with his family first to Manitowoc, Wis., and then to Milwaukee. He entered the University of Wisconsin in my congressional district to study electrical engineering, but changed his course to journalism, earning his way through school by reporting for Madison's Capital Times. After graduation in 1926, he worked for 3 Milwaukee newspapers and later for 10 other dailies in the United States and Canada. He wrote also for the European edition of the New York Herald in Paris.

In 1968, Ruben was designated associate editor of Labor; one of his first projects in labor cooperation was the founding of Labor Press Associates, a news service for union publications, which he served as chairman.

Ruben was a past president of the Association of Railroad Editors and a member of the Washington Histadrut Unit of the Temple Sinai Brotherhood, the National Labor History Society, the Chautauqua Society, the Labor Relations Research Association, the National Consumers League, the American Civil Liberties Union, and the Newspaper Guild.

The Ruben Levin byline appeared regularly on articles in the Nation, the New Republic, and Forum. He wrote the annual reviews of worldwide labor development for the Encyclopedia Yearbook and for Americana Encyclopedia.

His writing was characterized by precise logic, by concise composition, by careful word choice; he was an oft-quoted foe of all forms of bureaucratic jargon.

Ruben is survived by his wife, Bertha, of Chevy Chase; two children, David of Hong Kong and Jonathan of Richmond, Va. His only daughter, Hilda Tanenholtz, died in 1979. He is also survived by four grandchildren: Deborah and Isaac Levin of Hong Kong, and Eric and Bruce Tanenholtz, of Rockville, Md.

The mark of Ruben Levin will remain for the work he accomplished, and he will be long remembered by the friends who admire what he stood for. He was a true liberal, dedicated to his beliefs, and forever loyal to his friends.●

TRIBUTE TO OLIN E. TEAGUE

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. MONTGOMERY. Mr. Speaker, the Committee on Veterans' Affairs has received many, many inquiries following the passing of Hon. Olin E. Teague. They come from former Members of Congress, employees of the Veterans' Administration, and hundreds of veterans throughout this land whose lives were touched by this good and great man. All cannot be printed, but Mrs. Teague and the family are aware of the love and affection so many people have for Mr. Teague.

There follows some brief comments of our former colleague, Hon. William Jennings Bryan Dorn. Mr. Dorn served with Mr. Teague as a member of the Committee on Veterans' Affairs for more than 25 years:

With the passing of Olin E. Teague, our Nation has lost one of its most distinguished and best loved citizens. Veterans across our land have lost their greatest friend.

Tiger Teague was a war hero. He was a combat officer in the tradition of Texas A&M University, whose Corps lost more officers during World War II than any other throughout the Nation. However, he was a fighter for peace as well as in war.

Mr. Teague was a natural born leader—a leader highly respected by his men and his colleagues. He was elected Chairman of the Committee on Veterans' Affairs and continued to serve in that capacity until 1973 when he was elected Chairman of the Committee on Science and Technology. The respect of his colleagues was best shown when he was elected Chairman of the Democratic Caucus in 1971 and re-elected unanimously in January 1973.

Olin Teague touched the lives of million of people. Of course, he accomplished more for our Nation's veterans than any other American. Veterans and nonveterans alike will long remember him in South Carolina. He was directly involved in establishing the Veterans Administration hospital in Charleston and helped establish the new medical school at the University of South Carolina. He made it possible for the medical care staff of VA hospitals to be affiliated with all of the great medical schools throughout the country and provided assistance to the medical school at Charleston.

Olin E. Teague deserves much credit for having established the modern facilities at Augusta. The Augusta facility will one day be leading the country in caring for the needs of our older veterans.

Mr. Teague touched the lives of millions of people throughout the world because of his dynamic leadership in the space program. More than any single individual, Olin Teague is most responsible for us having put a man on the moon. The technology spinoffs resulting from our space flights have made us the world leader in computer and guidance technology and food preparation, as well as many other practical breakthroughs.

The elderly had a special meaning to Mr. Teague. He established the VA nursing care program and modernized the pension program for our older, needy veterans. He placed a high priority on VA's medical and prosthetic program. He recognized the need to educate our young veterans returning from service. Millions of young men and women have received their education and training under Teague sponsored G.I. Bill programs.

Millions more have homes of their own, having purchased them through the veterans' home loan programs.

These are but a few of the things Olin Teague did to enhance the lives of our young and old alike. He was a very compassionate and caring man. All of us have been enriched, and our country is better by Tiger having come our way.●

TRIBUTE TO OLIN E. TEAGUE OF TEXAS

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. SAM B. HALL, JR. Mr. Speaker, there was only one "Tiger" Teague. The Lord created him and threw the mold away. We will not see his likes again.

He was one of the most honorable and decent men it has ever been my privilege to know, and as time passes, students of the Congress will realize what a profound and lasting impact he had on this body.

We can eulogize Tiger Teague in a thousand ways, but when the final chapter summarizes his life, it will conclude with the epitaph that he was a fighter—a fighter for what is good and right about this wonderful country of ours that he loved and believed in so strongly.

He grew up in rough times and never forgot it. He never lost his perspective, and when honor and fame accrued to him as a participant in the highest councils of national endeavor, it only intensified his desire to help others and cast aside personal ambition. When his wartime injuries finally took their toll on him physically, Tiger just rolled up his sleeves and charged ahead, often in a wheelchair and crutches, but so what, he still charged. He never made excuses or felt sorry for himself, because he was too busy accomplishing goals that a hundred people collectively would never dare undertake.

Much has been said about his unbelievable contributions to America's veterans and America's space program. Perhaps a modern Tolstoy will come along and write another "War and Peace" using Tiger as the theme as a result of his wartime exploits and peacetime accomplishments in behalf of veterans and the exploration of space. But the book would miss the mark if it failed to adequately portray the essential Tiger Teague: The Tiger Teague who loved his family, his job, and his country with as much devotion and enthusiasm as any man who ever lived. He was a complete person, devoid of rancor and spite, but possessed of boundless energy. He had a temper that only surfaced when others around him failed to commit their total resources to the common good. He lived by the motto: "When going gets tough, the tough get going."

This past weekend I visited Tiger's graveside. The location commands a beautiful view of the Nation's Capital. His final resting place is right next to a marker reserved for another of America's greatest heroes—Gen. Omar Bradley. This is the way Tiger would want it: two soldiers, defenders of freedom in war and peace, together forever.

Texas has its heroes. Texans thrive on their heroes. We are proud of our heritage and Tiger Teague is a symbolic link to the likes of Travis, Bonham, and Houston. He was an Aggie's Aggie who loved Texas A. & M. and Texas A. & M. loved him. This great institution has produced some of our Nation's greatest leaders, and the Tiger is among them.

He walked among the mighty, yet spent his time helping the less fortunate. He was a man of God, humble in his appreciation for the success that descended upon him. Like the epic Roland of old, he blew a mighty trumpet that commanded respect, yet he was fair and considerate in all deliberations. He smote the enemies of America in combat, yet no man fought harder for peace and harmony among all people. He was Tiger Teague, and those of us who were privileged to know him shall never forget him. Like Lincoln, he now belongs to the ages.

To his dear wife and children, I extend my deepest sympathy and my profound thanks that we could share with you this extraordinary and remarkable man.●

PRESIDENTIAL NOMINATION COMMISSION

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mrs. SNOWE. Mr. Speaker, today Congressman UDALL and I have introduced a joint resolution calling for a study of the Presidential nomination process. We think it is clear that the

current system needs reforming. It is a long, exacting, arduous process that includes 37 primary elections and thousands of precinct, district, and statewide caucuses and conventions.

This resolution would establish a Commission on Presidential Nominations to study the process and make recommendations within a year. The Commission would investigate how States conduct primaries, alternate nominating systems such as regional primaries, independent candidacies, the news media's impact, campaign financing, and the related rules of the national parties. The Commission would not make any changes, merely suggest options. The 20 member Commission would be bipartisan and representative with Federal, State, and local members participating.

Regardless of party or persuasion, I think many of us can agree that it is time that we examined this process, so we can act before 1984. As the New York Times said in an editorial:

> What usually stands in the way of the reform is the natural reluctance of Congress to act on such matters in a politically charged election year and sheer inertia with regard to them at any other time. It is time to break into that cycle. It should be possible for Congress to take a hard look at the process.

I could not agree more with that statement. Unfortunately the editorial was written 4 years ago during the 1976 elections. Congress has yet to act. It is high time we changed that.

We now have 83 cosponsors. I urge my colleagues to support this effort.●

HOSTAGE AGREEMENT

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. MAZZOLI. Mr. Speaker, I join my colleagues and, indeed, the entire Nation in welcoming home the 52 freed American citizens. I am most grateful that our prayers have been answered and that they have been safely returned.

The Nation's outpouring of heartfelt support for these 52 heroic men and women is virtually unrivaled even in a land which loves ceremony and celebration.

The spontaneous displays of emotion I witnessed on the streets of Washington and at the White House—where Members of Congress assembled to honor the freed hostages—will remain with me forever.

Particularly, was I proud to shake the hand of returnee Thomas Ahern. Tom and I are classmates—Notre Dame, class of 1954—and friends, though we have not seen one another since our graduation. Tom's conduct, fortitude, and courage have brought much credit to himself, his family and his Nation.

However, the poignancy of his homecoming and of his fellows was sharpened by the revelations of the physical and mental suffering they endured while in captivity. Iran's violations of international law and precepts of basic human rights cannot—and will not—be forgotten by any humane, freedom-loving country.

Mr. Speaker, I hope the new administration evaluates with the utmost of care each term of the agreement which brought about the release of the Americans. We are not obligated to honor terms of an agreement which was concluded under threats and duress. Therefore, we should honor only those portions which serve our national interest, and we should reject the rest.

To those who say that failure to abide by each item of the agreement would diminish our national honor, I say, "bosh." Our honor is served not by giving into the demands of terrorists and brigands, but by rejecting such demands.●

A FEDERAL BAILOUT FOR TMI?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. BINGHAM. Mr. Speaker, in the Los Angeles Times of February 2, 1981, Robert A. Rosenblatt reminds us that the story of the near catastrophe at Three Mile Island is far from over. Cleanup of the crippled reactor will cost at least $1 billion. The utility which owns TMI, Metropolitan Edison, is on the brink of bankruptcy. Ratepayers in Met Ed's service area have seen their utility bills rise 25 percent since the accident and stockholders in Met Ed's parent company, General Public Utilities, have seen their shares drop from $18 a share at the time of the accident to $4 to $5 today.

According to Rosenblatt, there is now a movement afoot to dump the Three Mile Island problem on the Federal Government. Industry spokesmen are already calling for a Federal bailout of the Pennsylvania utility. Legislation is being discussed which would burden the taxpayers nationwide with the costs of the TMI disaster.

This is outrageous. The nuclear industry is constantly assuring us that nuclear power is not only our safest source of electrical energy but also the least expensive. Yet now at TMI we see that we must factor the costs of replacement power for down reactors and the costs of reactor cleanups into any economic analysis of nuclear power. Mr. Speaker, I urge my colleagues to read this excellent article. I intend to follow this matter very closely.

The article follows:

COSTS HIGH AT THREE MILE ISLAND

WHO WILL PAY CLEANUP?

(By Robert A. Rosenblatt)

WASHINGTON.—A small lake of radioactive water still stands on the floor of the reactor building at Pennsylvania's Three Mile Island, site of the worst accident in the history of peacetime nuclear power.

For reasons of health and safety, the water and the crippled reactor core must be cleaned up and the nuclear waste safely buried—monumental tasks with a minimum price tag of $1 billion.

The question is: Who is going to pay the bill?

Congress will struggle with the issue this year, debating whether taxpayers in California, New York and the rest of the nation should help pay for an accident in Pennsylvania. If the money doesn't come directly from Washington, it may be supplied by the nation's electric utilities. But that solution, too, would ultimately transfer the financial burden to all Americans in the form of higher electric bills.

Because an accident like Three Mile Island was unprecedented, no one foresaw the extraordinary costs. Insurance coverage, with a maximum of $300 million, was woefully inadequate. Metropolitan Edison, operator of Three Mile Island, has already spent two-thirds of the insurance money it collected from a consortium of companies, and has slowed down activities to stretch out the last $100 million and keep the cleanup process going through the end of 1982.

The Three Mile Island Unit 2 power plant has been shut down since the accident on March 28, 1979. A valve failure, compounded by human error, produced the incident, which was unparalleled in the era of nuclear power generation. Accidentally closed valves prevented cooling water from circulating and the reactor heated to a dangerously high level, with uranium fuel in the core partly melting.

Before the reactor eventually was brought under control, the reactor core had been severely damaged, and dangerous volumes of radiation had been emitted into the building housing the reactor. The plant has been shut ever since.

ON BRINK OF BANKRUPTCY

Strained by the cost of getting replacement power and paying interest on money borrowed to build the Three Mile Island units, Metropolitan Edison teeters on the brink of bankruptcy. The company says it will be unable to pay its bills in April unless the state of Pennsylvania grants its emergency rate relief.

Customers of Metropolitan Edison have seen their utility bills rise 25% since the accident as the company buys costly power from other firms to distribute to them. The Pennsylvania Public Utility Commission won't allow the company to charge its customers for the costs of cleaning up Three Mile Island or to retire the bonds used to pay for building the nuclear unit.

So all eyes have now turned to the federal government as a possible financial savior.

More is at stake than the fate of Metropolitan Edison. The future of nuclear power in the United States may well depend on the policies established to clean up Three Mile Island and to handle the financial costs of any future accidents.

A SCAR ON INDUSTRY

Three Mile Island's financial quandry is "a scar on industry, a wound that has to be healed," said Carl Walske, president of the Atomic Industrial Forum, a nuclear industry trade association.

"There is a mess that must be cleaned up because of health and safety reasons," said Walske.

"All these players have to sit around a table and hammer out a deal," he continued, referring to the company, the state of Pennsylvania, the electric utility industry and the federal government.

An ordinary industrial plant that was shattered by an accident could be closed relatively cheaply. Remaining structures might be torn down, guards and watchdogs might be posted to keep out intruders.

Such a solution is impossible for Unit 2 at Three Mile Island. The radioactive water in the containment building might leak out, polluting the Susquehanna River. The damaged uranium fuel rods are still spewing out radiation within the reactor vessel.

"For better or worse, we're pioneers" in the task of cleaning up after an unprecedented accident, said Philip Fine, manager of public information on nuclear matters for General Public Utilities, the parent company of Metropolitan Edison.

The parent company says its shareholders and customers should not be squeezed any further. The company hasn't paid a dividend since the third quarter of 1979. The stock was priced at $18 a share at the time of the March 1979 incident, and has now slumped to the $4–$5 range.

General Public Utilities says it doesn't have the profits to pay for the cleanup and can't borrow the money because of its precarious financial situation. And the Pennsylvania Public Utility Commission forbids the utility from charging its customers to pay for the cleanup. Loading the $1-billion cost on Metropolitan Edison customers would boost their monthly electric bills 50% and virtually cripple business activity in the service area, according to a spokesman for the state commission.

BURDEN PLACED ON UNITED STATES

"The Congress of the United States has to act," the commission spokesman said "It's a case of pay-for-it-now or pay-for-it-later."

If the federal government doesn't provide aid, and the Metropolitan Edison goes under, the ultimate responsibility will fall on Washington anyway, the spokesman said. The utility and state regulators argue that the federal government promoted nuclear power and should accept the burdens that come with the benefits.

Rep. Allen E. Ertel (D-Pa.), chairman of a group of Pennsylvania congressmen working on the issue, doesn't accept this argument.

"The federal government takes care of air traffic control, sets up inspection for aircraft and provides funding for airports, but if an airplane crashes, that doesn't mean the federal government will pick up the tab," he said.

Ertel said the Pennsylvania Public Utility Commission "came down here and tried to drop a hot potato in our laps" by calling for federal aid. "They said the company would go bankrupt and ran a parade of horrible ifs before us."

Ertel said the electric utility industry, "which has a very decided stake in keeping a nuclear option," should help pay the bills for cleaning up Three Mile Island. The industry can justify contributing funds on a research-and-development basis since it will be learning how to clean up an accident, he said.

The Pennsylvania congressional delegation is considering several legislative solutions, including creation of a mandatory insurance fund for electric utilities operating nuclear power plants. This would provide expanded coverage beyond the insurance already in effect.

Another possibly is a federal loan guarantee, similar to the legislation now keeping Chrysler Corp. alive. The government might provide a guarantee for notes issued by General Public Utilities to raise money for the cleanup. The Treasury would repay the notes if the company defaulted. Such a mechanism is the only way the company might raise new money from a public fearful of the company's financial futures.

CRITICAL POINT NEAR

Edison Electric Institute, the utility trade association, has a group of top executives studying the Three Mile Island issue but hasn't decided on legislative proposals it plans to lay before Congress.

"We realize we'll be reaching a critical point in the next few months," said Fred Weber, the institute's director of government relations.

Tax credits for utilities that contribute funds to help clean up Three Mile Island are under consideration as a legislative possibility, Weber said. The credit would allow a company to deduct a full dollar for every dollar contributed. Currently, donations of this kind would be considered only ordinary business expenses, providing tax writeoffs of 48 cents for every dollar.

But Weber is not sure the industry would agree on tax credits as the answer. Some companies aren't making money, he says, and couldn't use tax credits.

RATES IN MIDDLE RANGE

The state of Pennsylvania must "play ball" by getting more money from the Metropolitan Edison customers if Congress is to be persuaded to provide help, Weber said.

Even with its higher costs after the accident, Metropolitan Edison's rates for its electricity are in the middle range of those charged by companies in its geographic region. Thus, members of Congress from districts where electric bills are higher might feel little inclination to vote for financial aid to the Pennsylvania utility and its customers.

The issue of federal aid to clean up Three Mile Island will cut both ways with the new Ronald Reagan Administration.

"It is common knowledge they are pro-nuclear" an official of the Pennsylvania Public Utility Commission said. "On the other hand, fiscal restraints are in effect and they won't want to add to the budget deficit."●

REMARKS ON INTRODUCTION OF LEGISLATION ON THE INTERNATIONAL YEAR OF DISABLED PERSONS

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. WINN. Mr. Speaker, the United Nations has declared 1981 as the International Year of Disabled Persons (IYDP), establishing as a theme the full participation of disabled citizens in the lives of their respective countries.

It has urged each member state to formulate objectives and programs to accomplish those objectives, bearing in mind, of course, that such programs must remain appropriate to the society and stage of development.

While Americans can take great pride in the progress we have made over the last 10 years in improving the quality of life for the approximately 35 million Americans with physical and mental disabilities—progress which has established this Nation as the world leader in increasing opportunities for the disabled—much work remains to be done. Our participation in the observance of the International Year of Disabled Persons will go far, I believe, toward increasing public awareness of the unique needs of our disabled citizens and to increase the active involvement of the general population to help increase those opportunities.

Today I am reintroducing my legislation, with cosponsors, which recognizes this very important International Year of Disabled Persons, as well as the two primary groups involved in its promotion: The U.S. Council for the IYDP and the Federal Interagency Committee. My Kansas colleague in the Senate, Senator ROBERT DOLE, has introduced identical legislation. Our legislation reads as follows:

Whereas a new era in recognition of human rights and universal respect for these rights has begun;

Whereas the United Nations General Assembly has declared 1981 as the International Year of Disabled Persons;

Whereas the United States has made great strides during the last decade in improving the lives of 35 million American citizens with physical and mental disabilities;

Whereas there is still much to be done to open doors for disabled persons;

Whereas the United States recognizes the need for further progress in strengthening public understanding and awareness of the needs and aspirations of disabled persons; and

Whereas the U.S. Council for the International Year of Disabled Persons is coordinating public and private participation in the IYDP: Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the President should take all steps within his authority to implement, within the United States, the objectives of the International Year of Disabled Persons (1981), as proclaimed by the United Nations General Assembly Resolution 31/123 of December 16, 1976, as well as the goals of the Federal Interagency Committee which coordinates the activities for the International Year of Disabled Persons within the Federal Government.

The U.S. Council for the IYDP is a nonprofit organization formed by private initiative to promote the United Nations observance. It urges the nearly 1,800 communities, States, corporations, and national organizations it represents to make meaningful com-

mitments during this year to achieve the long-term goals of and for disabled citizens. These groups, under the umbrella of the U.S. Council for the International Year of Disabled Persons, are striving to continue our progress in the areas of opportunities for the disabled that have established America's leadership as a defender of human rights and a nation advanced in biomedical research, accident and disease prevention, and technological application.

The Federal Interagency Committee, the second organization involved in coordinating the International Year of Disabled Persons, was established by the direction of the White House domestic policy staff, to coordinate U.S. policies to maximize cooperation and minimize overlap in Federal programs. It seeks as well to promote awareness of the needs of the disabled in identifying and developing all Federal programs.

Both the U.S. Council and Federal Interagency Committee have embarked on a joint mission to promote full participation in the life of our society by America's citizens with physical and mental disabilities. Their goals include:

Expanded educational opportunity;

Improved access to housing, buildings, and transportation;

Greater opportunity for employment;

Greater participation in recreational, social, and cultural activities;

Expanded and strengthened rehabilitation programs and facilities;

Purposeful application of biomedical research aimed at conquering major disabling conditions;

Reduction in the incidence of disability through accident and disease prevention;

Increased application of technology to ameliorate the effects of disability; and

Expanded international exchange of information and experience to benefit all disabled persons.

As a nation committed to human rights, to the dignity of all citizens, to equality of opportunity, especially in areas over which our citizens have had no control, we cannot fail to set the example that we traditionally have set in this endeavor, and to take the lead as we always have, symbolized in this case by our full participation in and observance of the International Year of Disabled Persons.●

HOUSE OF REPRESENTATIVES—*Wednesday, February 4, 1981*

The House met at 3 p.m.

The Reverend James M. Demske, S.J., president, Canisius College, Buffalo, N.Y., offered the following prayer:

Let us pray:

God of all nations and God of our hearts, God of Abraham and Isaac and Jacob and our Lord Jesus Christ, look with favor on these men and women, Your servants and the servants of our Nation.

Make them worthy of those giants of the past who have inhabited these hallowed Halls, men and women who have led these United States to greatness for more than 200 years, giants on whose shoulders they now stand.

Teach them to do the right, to love the good and to walk humbly with You and their fellow citizens.

Teach them to grasp the opportunity of a new beginning, to create in our beloved land a new spirit of unity, a higher sense of purpose, a willingness to sacrifice for the common good of us all.

Help them to lead us in the great enterprise of establishing a world of justice and compassion, of strength and purpose, of peace and prosperity.

Help them to know that their work is Your work, that their efforts are really a collaboration with You in the building of Your kingdom on Earth.

Lord, help and inspire and guide us all, both now and forever.

We ask these blessings in Your holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

A MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 272. An act to increase the membership of the Joint Committee on Printing.

FATHER JAMES M. DEMSKE, S.J.

(Mr. NOWAK asked and was given permission to address the House for 1 minute.)

Mr. NOWAK. Mr. Speaker, it is a special pleasure to welcome to the House Father James M. Demske, S.J., the president of Canisius College, who offered the opening prayer at today's session.

Father Demske is the 22d president of Canisius College, which is his alma mater as well as mine, located in our hometown of Buffalo, N.Y., in the 37th Congressional District which I am privileged to represent.

In addition to being a good friend, Father Demske is also a constituent of mine. I know that our fellow alumni from Canisius, my colleague from New York, JOHN J. LAFALCE, and the Doorkeeper of the House, the Honorable James T. Molloy, join me in bidding Father Demske a warm welcome.

In July, it will be 15 years that Father Demske has been at the helm at Canisius. He has kept it on a steady course, maintaining its impeccable academic standards and reputation as a community treasure. In the process he has enhanced his reputation as an outstanding educator, author, and innovative administrator, in addition to exercising his musical talents in his spare time. Most importantly, for Father Demske Canisius College is no ivory tower. He has worked successfully to insure that his urban college is an active part of the mainstream of modern life in the city—not above it or apart from it. It is a privilege, therefore, to welcome one of Buffalo's most creative, thoughtful, and vibrant citizens, Father James Demske.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1553 TO PROVIDE FOR TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 97-2), on the resolution (H. Res. 54) providing for consideration of the bill (H.R. 1553) to provide for a temporary increase in the public debt limit, which was referred to the House Calendar and ordered to be printed.

RULES OF COMMITTEE ON RULES FOR 97TH CONGRESS

(Mr. BOLLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BOLLING. Mr. Speaker, pursuant to clause 2(a) of rule XI, I submit for printing the rules of the Committee on Rules for the present Congress, which were adopted at the committee's organizational meeting on February 3:

RULES OF THE COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, 97TH CONGRESS

RULE 1—APPLICABILITY OF HOUSE RULES

The Rules of the House of Representatives are the rules of the Committee on Rules (hereafter in these rules referred to as the "Committee") so far as applicable, together with the rules contained herein.

RULE 2—SCHEDULING AND NOTICE OF MEETINGS AND HEARINGS

Regular meetings

(a)(1) The Committee shall regularly meet at 10:30 a.m. on Tuesday of each week when the House is in session.

(2) A Tuesday meeting of the Committee may be dispensed with if, in the judgment of the Chairman of the Committee (hereafter in these rules referred to as the "Chair"), there is no need for the meeting.

(3) Additional regular meetings and hearings of the Committee may be called by the Chair or by the filing of a written request, signed by a majority of the members of the Committee, with the Staff Director of the Committee.

Notice for regular meetings

(b) The Chair shall notify each member of the Committee of the agenda of each regular meeting or hearing of the Committee at least 48 hours before the time of the meeting or hearing and shall provide to each such member, at least 24 hours before the time of each regular meeting or hearing—

(1) for each bill or resolution scheduled on the agenda for consideration of a rule, a copy of (A) the bill or resolution, (B) any Committee reports thereon, and (C) any letter requesting a rule for the bill or resolution; and

(2) for each other bill, resolution, report, or other matter on the agenda, a copy of (A) the bill, resolution, report, or materials relating to the other matter in question, and (B) any report on the bill, resolution, report, or other matter made by any subcommittee of the Committee.

Emergency meetings and hearings

(c)(1) The Chair may call an emergency meeting or hearing of the Committee at any time on any measure or matter which the Chair determines to be of an emergency nature; provided, however, that the Chair has made an effort to consult the Ranking Minority Member.

(2) As soon as possible after calling an emergency meeting or hearing of the Committee, the Chair shall notify each member of the Committee of the time and location of the meeting or hearing and shall particularly make an effort to consult the Ranking Minority Member of the Committee or, in such Member's absence, the next ranking minority party members of the Committee.

(3) To the extent feasible, the notice provided under paragraph (2) shall include the agenda for the emergency meeting or hearing and copies of available materials which would otherwise have been provided under subsection (b) if the emergency meeting or hearing was a regular meeting or hearing.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

RULE 3—MEETING PROCEDURES

In general

(a)(1) Meetings and hearings of the Committee shall be called to order and presided over by the Chair or, in the Chair's absence, by the Ranking Majority Member of the Committee present as Acting Chair.

(2) Meetings and hearings of the Committee shall be open to the public unless closed in accordance with clause 2(g) of rule XI of the Rules of the House of Representatives.

(3) The five-minute rule shall be observed in the interrogation of each witness before the Committee until each member of the Committee has had an opportunity to question the witness.

(4) When a recommendation is made as to the kind of rule which should be granted for consideration of a bill or resolution, a copy of the language recommended shall be furnished to each member of the Committee at the beginning of the Committee meeting at which the rule is to be considered or as soon thereafter as the proposed language becomes available.

Voting

(b)(1) No measure or recommendation shall be reported, deferred, or tabled by the Committee unless a majority of the members of the Committee is actually present.

(2) A rollcall vote of the Committee shall be provided on any question before the Committee upon the request of any member of the Committee.

(3) A record of the vote of each member of the Committee on each rollcall vote on any matter before the Committee shall be available for public inspection at the offices of the Committee.

(4) Notwithstanding subsection (f)(3), the members of the Committee, or one of its subcommittees, present at a meeting or hearing of the Committee or the subcommittee, respectively, may, by majority vote, limit the duration of debate, testimony, or Committee or subcommittee consideration with respect to any measure or matter before the Committee or subcommittee, respectively, or provide for such debate, testimony, or consideration to end at a time certain.

Media coverage of committee and subcommittee proceedings

(c)(1) The Committee and each of its subcommittees may permit, by majority vote for each day of an open meeting or hearing of the Committee or of that subcommittee, respectively, the coverage of that meeting or hearing, in whole or in part, by television broadcast, radio broadcast, or still photography.

(2) Any media coverage under this subsection shall be subject to all the requirements and limitations set forth in clause 3 of rule XI of the Rules of the House of Representatives, and the provisions of subparagraphs (1) through (13) of paragraph (f) of such clause are hereby incorporated as part of the rules of the Committee applicable to such coverage.

Quorum

(d)(1) For the purpose of hearing testimony on requests for rules, seven members of the Committee shall constitute a quorum.

(2) For the purpose of hearing and taking testimony on measures or matters of original jurisdiction before the Committee, three members of the Committee shall constitute a quorum.

(3) For the purpose of the Committee's ordering a measure or recommendation reported, closing any of its meetings or hearings to the public, sitting in executive session, or issuing a subpoena, a majority of the members of the Committee shall constitute a quorum.

Subpoenas and oaths

(e)(1) Pursuant to clause 2(m) of rule XI of the Rules of the House of Representatives, a subpoena may be authorized and issued by the Committee, on its own initiative or on behalf of any subcommittee thereof, in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present.

(2) The Chair may authorize and issue subpoenas under such clause during any period in which the House has adjourned for a period of longer than three days.

(3) Authorized subpoenas shall be signed by the Chair or by any member designated by the Committee, and may be served by any person designated by the Chair or such member.

(4) The Chair, or any member of the Committee, may administer oaths to witnesses before the Committee.

Hearings on rules

(f) The following procedures shall apply, as determined by the Chair, acting on behalf of the Committee, in cooperation with the Ranking Minority Member of the Committee, to Committee meetings and hearings on rules:

(1) A measure or matter before the Committee which is determined to be non-controversial as to both type of rule and substantive content may be scheduled for consideration by the Committee without any hearing.

(2) A measure or matter before the Committee which is determined non-controversial as to substantive content but controversial as to type of rule may be the subject of a Committee hearing at which the principal proponents and opponents of the rule will be provided an opportunity to testify only as to the type of rule to be granted.

(3) A measure or matter before the Committee which is determined to be controversial as to substantive content by at least six members of the Committee will be the subject of a Committee hearing at which all interested Members of Congress who are proponents or opponents of the measure or matter will be provided a reasonable opportunity to testify.

General oversight responsibility

(g)(1) The Committee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within its jurisdiction.

(2) Upon direction of the Chair, the Committee shall meet to discuss and formulate oversight plans for each new Congress, as described in clause 2(c) of rule X of the Rules of the House of Representatives.

RULE 4—SUBCOMMITTEES

Application of House and committee rules

(a)(1) As provided by clause 1(a)(2) of rule XI of the Rules of the House of Representatives, subcommittees of the Committee are a part of the Committee and are subject to its authority and direction.

(2) Subcommittees of the Committee shall be subject (insofar as applicable) to the Rules of the House of Representatives and, except as provided in this rule, to the rules of the Committee.

Establishment and responsibilities of subcommittees

(b)(1) There shall be subcommittees of the Committee as follows:

(A) *Subcommittee on the Legislative Process*, which shall have general responsibility for measures or matters related to relations between the Congress and the Executive branch.

(B) *Subcommittee on the Rules of the House*, which shall have general responsibility for measures or matters related to relations between the two Houses of Congress, relations between the Congress and the Judiciary, and internal operations of the House.

In addition, each such subcommittee shall have specific responsibility for such other measures or matters as the Chair refers to it.

(2) Each subcommittee of the Committee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within its general responsibility.

Reference of measures and matters to subcommittees

(c)(1) In view of the unique procedural responsibilities of the Committee—

(A) no special order providing for the consideration of any bill or resolution shall be referred to a subcommittee of the Committee, and

(B) all other measures or matters shall be subject to consideration by the full Committee except for those measures or matters referred by the Chair to one or both subcommittees of the Committee.

(2) The Chair may refer a measure or matter, which is within the general responsibility of one of the subcommittees of the Committee, jointly or exclusively to the other subcommittee of the Committee where the Chair deems it appropriate.

(3) In referring any measure or matter to a subcommittee, the Chair may specify a date by which the subcommittee shall report thereon to the Committee.

(4) The Chair or a majority of the members of the Committee may recall for full Committee consideration any measure or matter referred to a subcommittee of the Committee.

Subcommittee membership

(d) The size and ratio of each subcommittee shall be determined by the Committee at its organizational meeting at the beginning of each Congress. Members of the Committee shall be appointed to subcommittee by the Chair in accordance with the rules applicable to each party.

Subcommittee leadership

(e)(1) The majority party members of the Committee shall have the right, in order of full Committee seniority, to bid to be the chairman of one of the subcommittees of the Committee. Any such bid shall be subject to approval by secret ballot of a majority of the members of the majority party caucus of the Committee. If such members reject a member's bid to chair a subcommittee, the next most senior majority member of the Committee may bid for the chair as in the first instance.

(2) The Ranking Minority Member of the Committee shall designate one of the minority party members appointed to each subcommittee of the Committee to serve as ranking minority member for that subcommittee.

Subcommittee meetings and hearings

(f)(1) Each subcommittee of the Committee is authorized to meet, hold hearings, receive testimony, mark up legislation, and report to the full Committee on any measure or matter referred to it.

(2) No subcommittee of the Committee may, without the Chair's approval, meet or hold a hearing at the same time as a meeting or hearing of the full Committee is being held.

(3) The chair of each subcommittee shall schedule meetings and hearings of the subcommittee only after consultation with the Chair.

(4) A member of the Committee who is not a member of a particular subcommittee of the Committee may sit with the subcommittee during any of its meetings and hearings, but shall not have authority to vote, cannot be counted for a quorum, and cannot raise a point of order at the meeting or hearing.

Quorum

(g) A quorum of each subcommittee of the Committee shall consist of a majority of the members of the subcommittee for purposes of closing a meeting or hearing of the subcommittee to the public or for ordering a measure or recommendation reported to the full Committee. For all other purposes, one-third of the members of a subcommittee shall constitute a quorum. Any vacancy in the membership of a subcommittee shall not affect the power of the remaining members to execute the functions of the subcommittee.

Records

(h) Each subcommittee of the Committee shall provide the full Committee with copies of such records of votes taken in the subcommittee and such other records with respect to the subcommittee as the Chair deems necessary for the Committee to comply with all rules and regulations of the House.

RULE 5—BUDGET AND TRAVEL

Budget

(a) The Chair, in consultation with other members of the Committee, shall prepare for each session of Congress a budget providing amounts for staff, necessary travel, investigation, and other expenses of the Committee and its subcommittees.

Travel

(b)(1) The Chair may authorize travel for any member and any staff member of the Committee in connection with activities or subject matters under the general jurisdiction of the Committee. Before such authorization is granted, there shall be submitted to the Chair in writing the following:

(A) The purpose of the travel.

(B) The dates during which the travel is to occur.

(C) The names of the States or countries to be visited and the length of time to be spent in each.

(D) The names of members and staff of the Committee for whom the authorization is sought.

(2) Members and staff of the Committee shall make a written report to the Chair on any travel they have conducted under this subsection, including a description of their itinerary, expenses, and activities, and of pertinent information gained as a result of such travel.

(3) Members and staff of the Committee performing authorized travel on official business shall be governed by applicable laws, resolutions, and regulations of the House and of the Committee on House Administration.

RULE 6—STAFF

In general

(a)(1) Except as otherwise provided in this rule, a Staff Director of the Committee, professional and clerical staff of the Committee, and investigating staff of the Committee compensated from funds provided by any expense resolution, shall be appointed, and may be removed, by the Chair and shall work under the general supervision and direction of the Chair.

(2) Except for any staff appointed by the ranking minority party member of a subcommittee (pursuant to subsection (c)) or by any other minority party member of the Committee (pursuant to subsection (b)), all professional and clerical staff provided to the minority party members of the Committee under paragraphs (a)(2) and (b)(2), respectively, of clause 6 of rule XI of the Rules of the House of Representatives, shall be appointed, and may be removed, by the Ranking Minority Member of the Committee and shall work under the general supervision and direction of such Member.

Associate staff

(b) Each member of the Committee is authorized to designate one person, whom the Chair shall appoint to the professional or clerical staff of Committee and who shall work under the general supervision and direction of the member. The type of staff to which such a person is appointed shall be determined by the Chair, in the case of a person recommended by a majority party member, and shall be determined by the Ranking Minority Member of the Committee, in the case of a person recommended by a minority party member.

Subcommittee staff

(c)(1) The chair and ranking minority member of each subcommittee of the Committee are each authorized to designate one person, whom the Chair shall appoint to the professional staff of the Committee and who shall work under the general supervision and direction of the Chair or the ranking minority member, respectively, of the subcommittee.

(2) The Chair may assign investigating staff of the Committee compensated from funds provided by any expense resolution to assist in work of a subcommittee of the Committee to the extent the Chair determines it to be appropriate, and any such staff to the extent so assigned shall work under the general supervision and direction of the Chair of the subcommittee.

Compensation of staff

(d)(1) Subject to paragraph (2), the Chair shall fix the compensation of all professional, clerical, and investigating staff of the Committee, as provided by clause 6(c) of rule XI of the Rules of the House of Representatives.

(2) Except upon the Chair's recommendation to the Committee, compensation paid to associate staff appointed under subsection (b) shall not exceed a maximum rate of pay per annum determined by the Committee at its organizational meeting at the start of each new Congress, except that such maximum rate of pay shall be subject to adjustment by the Chair within the term of a Congress in accordance with section 5 of the Federal Pay Comparability Act of 1970 (2 U.S.C. 60a–2).

Certification of staff

(e)(1) To the extent any staff member of the Committee or any of its subcommittees does not work under the supervision and direction of the Chair, the member of the Committee who supervises and directs the staff member's work shall file with the Staff Director of the Committee (not later than the tenth day of each month) a certification regarding the staff member's work for that member for the preceding calendar month.

(2) The certification required by paragraph (1) shall be in such form as the Chair may prescribe, shall identify each staff member by name, and shall state that the work engaged in by the staff member for the member of the Committee with respect to the month in question met the requirements of clause 6 of rule XI of the Rules of the House of Representatives.

(3) Any certification of staff of the Committee, or any of its subcommittees, made by the Chair in compliance with any provision of law or regulation shall be made (A) on the basis of the certifications filed under paragraph (1) to the extent the staff is not under the Chair's supervision and direction, and (B) on his own responsibility to the extent the staff is under the Chair's supervision and direction.

RULE 7—COMMITTEE ADMINISTRATION

Reporting

(a) Whenever the Committee authorizes the favorable reporting of a bill or resolution from the Committee—

(1) the Chair or Acting Chair shall report it to the House or designate a member of the Committee to do so, and

(2) in the case of a bill or resolution in which the Committee has original jurisdiction, the Chair shall allow, to the extent that the anticipated floor schedule permits, any member of the Committee a reasonable amount of time to submit views for inclusion in the Committee report on the bill or resolution.

Any such report shall contain all matters required by the Rules of the House of Representatives (or by any provision of law enacted as an exercise of the rulemaking power of the House) and such other information as the Chair deems appropriate.

Records

(b)(1) There shall be a transcript made of each regular meeting and hearing of the Committee, and the transcript may be printed if the Chair decides it is appropriate or if a majority of the members of the Committee requests such printing.

(2) The minutes of each executive meeting of the Committee shall be available to all Members of the House of Representatives in compliance with clause 2(e)(2) of rule XI of the Rules of the House of Representatives.

(3) The Committee shall keep a record of all actions of the Committee and of its subcommittees. The record shall contain all information required by clause 2(e)(1) of rule XI of the Rules of the House of Representatives and shall be available for public inspection at reasonable times in the offices of the Committee.

Calendars

(c)(1) The Committee shall maintain a Committee Calendar, which shall include all bills, resolutions, and other matters referred to or reported by the Committee and all bills, resolutions, and other matters reported by any other Committee on which a rule has been granted or formally requested. The Calendar shall contain (A) the number, a brief description, and the name of the principal sponsoring Member of each such

bill or resolution, (B) the name of the committee or committees which reported such bill or resolution (in the case of measures on which a rule has been granted or formally requested), and (C) such further information as the Chair may direct. The Calendar shall be published periodically, but in no case less often than once in each session of Congress.

(2) The staff of the Committee shall furnish each member of the Committee with a list of all bills or resolutions on which a rule has been formally requested but not yet granted. The list shall be updated each week when the House is in session and shall contain (A) the number, a brief description, and the name of the principal sponsoring Member, of each such bill or resolution, (B) the name of the committee or committees which reported such bill or resolution and the dates of such reports, (C) the date on which a rule was formally requested, and (D) a description (if any) of the rule requested by each such committee.

(3) For purposes of paragraphs (1) and (2), a rule is considered as formally requested when the chairman of a committee which has reported a bill or resolution (or a member of such committee authorized to act on the chairman's behalf) (A) has requested, in writing to the Chair, that a hearing be scheduled on a rule for the consideration of the bill or resolution, and (B) has supplied the Committee with an adequate number of copies of the bill or resolution, as reported, together with the final printed committee report thereon.

Other procedures

(d) The Chair may establish such other Committee procedures and take such actions as may be necessary to carry out these rules or to facilitate the effective operation of the Committee and its subcommittees.

RULE 8—AMENDMENTS TO COMMITTEE RULES

The rules of the Committee may be modified, amended, or repealed by a vote of a majority vote of its members, but only if written notice of the proposed change has been provided to each such member at least 48 hours before the time of the meeting at which the vote on the change occurs.

PERMISSION FOR EACH COMMITTEE OF HOUSE TO HAVE UNTIL FRIDAY, FEBRUARY 27, 1981, TO PUBLISH COMMITTEE RULES

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that each committee of the House may have until Friday, February 27, to publish committee rules in the RECORD in compliance with clause 2(a) of rule XI.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, there is no unusual procedure in this?

Mr. BOLLING. The rule requires each committee to publish its rules within 30 days after the Congress convenes. That period will expire after today and many committees will need additional time because of the late start in organizing committees this year. This request simply extends today's deadline to the end of this month.

Mr. ROUSSELOT. Late start?

Mr. BOLLING. Late start.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FATHER JAMES M. DEMSKE, S.J.

(Mr. LAFALCE asked and was given permission to address the House for 1 minute.)

Mr. LAFALCE. Mr. Speaker, I, too, want to welcome Father Demske here this afternoon, and join in the remarks of my distinguished colleague from New York, HENRY NOWAK.

I, too, graduated from Canisius College, of course many, many years after Father Demske and Congressman NOWAK did, but I have come to know and admire, respect, and very, very much appreciate the friendship of Father Demske over the years. As a mark of the esteem in which he is held in our community, we have got at least two other great universities in the city of Buffalo, the University of Buffalo itself and State University of New York College at Buffalo. Both of them in different years have named Father Demske as the Man of the Year.

We have two newspapers in Buffalo, the Courier Express and the Buffalo Evening News. In two different years they have named him as Buffalo's Man of the Year, so, indeed, we are very, very proud to have him here in the Halls of the House of Representatives today.

A CLOSER LOOK AT STUDENT LOAN COSTS

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I rise to voice my deep concern regarding discussions of major reductions in the guaranteed student loan program.

While I know that the rising costs of the student loan program make it an attractive target for budget cuts, I must urge my colleagues to look closely at the reasons for the sharp increase in costs.

By far the greatest cause of the recent jump in student loan costs has been high interest rates. The only other significant factor behind the cost increase has been a gradual growth in the number of students participating—with the vast majority of new students coming from the middle-income families who most need Federal student aid.

The most effective approach to rising student loan costs would be a return to affordable interest rates. We certainly cannot afford to slash student aid budgets without concern for the ability of middle-income Americans to pursue a college education.

□ 1510

AMERICA HELD HOSTAGE

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, the American hostages are free, and all Americans are thankful. But now we find an attempt to hold America itself hostage.

Last week, the Oil Minister of Saudi Arabia implied that his country would cut its oil production unless the United States changed its Middle East policy. Saudi officials and their American spokesmen are now warning that unless Saudi Arabia receives every sophisticated, offensive weapon it seeks, America will have failed this latest test of friendship, and Saudi Arabia will retaliate.

Well, Mr. Speaker, like most Americans, I am tired of America being tested by countries that rely on the United States for their very existence. We should be putting those countries like Saudi Arabia to the friendship test.

Has Saudi Arabia supported American peace efforts in the Middle East? Has Saudi Arabia renounced PLO terrorism? Has Saudi Arabia assisted the United States in building up our vital strategic petroleum reserve?

The answer to all these questions, of course, is a resounding "no." Oil supply, oil price, and American interests are all being held hostage by Saudi Arabia.

I fully understand the need for defending Saudi security, but I question the need to appease Saudi threats.

Therefore, Mr. Speaker, as the administration moves toward a decision on the sale of offensive equipment to the Saudi kingdom, I call on it to reject the sale. We must remember that friendship—and the test of friendship—must work in both directions.

JUDICIAL TENURE BILL

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PEASE. Mr. Speaker, the functions of the Federal judiciary in our constitutional government are critical. The power residing in the justices of the Supreme Court and the Federal judges is great. The importance of the independence and integrity of the Federal judiciary cannot be overestimated. The size of the Federal judiciary has far outgrown that contemplated by the Founding Fathers. And there exists a compelling need to reinforce public confidence in the character and the professional conduct of Federal judges.

All of these factors point toward the need for legislation to establish within the judicial branch of government a system for dealing with allegations of misconduct or disability among Federal judges.

I venture to guess that most of us at one time or another have heard from disgruntled constituents, litigants, and attorneys concerning Federal judges. For lack of anywhere else to file their complaints, they come to us. Today I am introducing a bill that would fill this void by creating a system whereby allegations about Federal judges could be filed with a responsible, judicial body that has both the means and the ability to investigate and take appropriate action.

Briefly, this bill establishes a procedure within the Federal judiciary for investigation and resolving allegations that a Federal judge is not conforming to good behavior or is suffering from a permanent mental or physical disability that seriously interferes with the performance of his official duties. This is accomplished through a two-tiered judicial disciplinary system which investigates and takes appropriate action on complaints filed against a judge of the United States. Allegations could only be considered if they related to the conduct or condition of a judge which are connected with the judicial office or which prejudice the administration of justice by bringing the judicial office into disrepute. Complaints filed by persons unhappy with a judge's procedural rulings or stemming from personal disagreements with the merits of a judge's decision could not be considered.

An investigation of a complaint against a judge could result in the involuntary retirement, removal, or censure of the judge or the dismissal of the complaint.

There is a school of thought which contends that Federal judges can only be removed from office by impeachment for bribery, treason, or other high crimes, and misdemeanors. On the other hand, a competing school of thought argues that the good behavior clause of article III, section 1 of the Constitution needs to be defined by law so as to provide supplementary grounds for removing Federal judges from office.

Much scholarly debate has centered on these divergent constitutional interpretations. Ample historical and legal precedents have been cited in defense of each interpretation. Now is the time for the Congress to give thoughtful consideration to the approach provided in this bill as a way of establishing the constitutional parameters under which the conduct and conditions of Federal judges can be evaluated. The public is criticising the Federal judiciary as never before, so the need for arriving at a delineation of the constitutional standard of good behavior is greater now than ever before.

Personally, I am persuaded there are strong arguments in defense of the constitutionality of this bill. It does not undermine the separation of powers doctrine, in my opinion, since that doctrine refers to the independence of the judiciary as an institution from the two other branches of Government. It does not refer to the independence of judges from their peers. After all, under the procedures established in this bill, judges suspected of misconduct or disability would be judged by other Federal judges.

This bill is also practical. The system that would be established for handling allegations of misconduct or disability among Federal judges parallels those already in use in 47 States, the District of Columbia, and Puerto Rico.

In reintroducing this bill today, I hope to elicit support from my colleagues for what I feel is a responsible approach to coping with a growing public concern. The following newspaper articles bear witness to the need for the 97th Congress to consider several issues related to judicial conduct and disability.

[From the Americans for Legal Reform, Sept. 3, 1980]

JUDGES WHO SHOULD NOT JUDGE

It has been estimated that 10% of the nearly 850 federal judges are unfit for public service on account of senility, alcoholism, abuses of power, corruption, or misconduct. The "checks and balances" of our constitution are simply not addressing the increasing public dissatisfaction with this growing problem. Impeachment, the one mechanism for disciplining judges, has been used successfully only eight times in U.S. history. The most recent one was 40 years ago!

In the past few years the media and groups such as HALT have focussed more and more attention on judicial behavior. Reform is clearly needed to "check" federal judges without lessening the integrity of their politically sensitive, and therefore sound, positions.

Congress is slowly acting on judicial tenure. The Senate passed the Judicial Conduct and Disabilities Act in 1979. This measure allows any person alleging judicial misconduct to file a complaint with the Judicial Council of the Judicial Circuit in which the complaint arises. This Council of federal judges can implement a number of sanctions short of impeachment, ranging from a private censure to a request that a judge voluntarily retire. The Senate Act allows the complainant and judge to appeal the Judicial Council's action to a Court on Judicial Conduct and Disability.

On the House side, Judicial Tenure legislation is still in the formative stages. What appeared to be a dead issue in the Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice regained momentum through the efforts of HALT's staff. By providing facts and information demonstrating significant public concern, arguing the relevance of independent review of unfit judges, and stressing the original intent of prompt and efficacious disciplinary procedures, HALT has been instrumental in keeping this legislation alive.

In Subcommittee, the House is now discussing a draft similar to the Senate Act with a few significant differences. Unlike the Senate version, the House draft gives the Chief Judge of the Judicial Council the power to accept or reject each complaint. If he accepts the complaint, the Chief Judge appoints a fact-finding body that recommends action to the full Judicial Council of the Judicial Circuit wherein the complaint arises. The complainant may appeal the Chief Judge's action of dismissal, but only to the Judicial Council—of which the same Chief Judge is a member!

The House Bill allows for rejection of complaints without further investigation, but requires a fact-finding committee to investigate them. By making investigation inherently more difficult than rejection, the House version makes dismissal not only more likely, but harder to effectively review.

HALT is now working on reconciling the House and Senate versions of Judicial Tenure and proposing amendments to the House for subcommittee implementation.

The first change needed is limitation of the Chief Judge's power of dismissal. Discretionary power is necessary to eliminate unwarranted complaints, but only upon the consideration of the full Council.

Also crucial is the inclusion of a public participant in the fact-finding body that decides on the merits of the complaint. Presently the review bodies are composed entirely of federal judges.

The third amendment that HALT is actively lobbying for is the public's right to peruse the disposition and facts surrounding these complaints after final action is taken.

The House Bill is a compromise measure worthy of support as a first step in setting up procedures for judicial discipline. By writing your representative, House Judiciary, and Subcommittee members in support of strong judicial tenure legislation, federal judges will at last be held accountable for unethical or incompetent behavior on the bench.

[From the New York Times]

TO REMOVE A FEDERAL JUDGE FOR MISCONDUCT

To the EDITOR:

Permit me to dissent from your editorial "Protecting Judges—and the Public" (Jan. 22), which views proposals that Federal judges be removable by a judicial council as posing "severe constitutional problems" and considers that "modern scholars, impatient with the purposely cumbersome impeachment process, have spun out defenses for the constitutionality of quicker removal." Your views seem to me mistaken.

Impeachment was made "purposely cumbersome" because it was conceived for the removal of the President; "other officers" were added to the impeachment clause at the last minute, almost as an afterthought. Whether "other officers" included judges, who were the object of a special provision, is at least debatable.

Soon it was determined that "other officers" could be removed by the President without resort to impeachment. Judges were protected from similar removal by

tenure "during good behavior," a technical phrase imported from the common law, where tenure was terminated on bad behavior declarable by judges, without resort to impeachment. In short, "good behavior" tenure was accompanied by removal of judges. Impeachment may be regarded as an additional remedy if the judiciary fails to clean house or in the flagrant case.

To insist on impeachment of judges is to seal misbehaving judges into office, because Congress simply will not take three to five weeks off from momentous affairs to try a judge for bribery or the like. This is not a matter of speculation but of historical record. What you acknowledge to be the "cumbersome impeachment process" Senator William McAdoo, after an attempted judicial impeachment, found to constitute "a standing invitation for judges to abuse their authority with impunity"—because Congress is loath to paralyze its lawmaking function in order to remove a petty crook.

Insistence that removal of judges by a judicial council constitutes a "serious threat to judicial independence" attributes less than ordinary fortitude to judges. What upright judge would regard the "prospect of censure by judicial elders" as "intimidating"? His fortitude would not desert him because a fellow judge might be removed for bribery or habitual drunkenness or neglect of duty.

In an earlier editorial (July 20, 1978) you posed the peril that removal by judges could "intimidate merely weak judges who must decide whether to desegregate schools in hostile communities." They are now subject to reversal of their desegregation decisions but have not been deterred from handing down such decisions in "hostile communities."

The implication that a district judge will suspect that the 12-judge panel will remove him for deciding in favor of desegregation is unworthy both of the judge and of the removing panel. We entrust issues of gravest moment to appellate courts. Are we to distrust them when they adjudicate whether a judge is unfit for office?

To object to a trial of a judge for misconduct by his judicial peers is to throw doubt on the fairness of the judicial process. Surely if it is good enough in matters of life or death for the common man, it is good enough for judges. Finally, it is a strange taste which prefers an impeachment by Congress, often swayed by political passions, often inattentive to the evidence, to a hearing by judges who sit and listen and are schooled to evaluate evidence and to strive for its dispassionate appraisal.

RAOUL BERGER.

CONCORD, MASS., *January 24, 1979.*

(The writer was Charles Warren, Senior Fellow in American Legal History at the Harvard Law School from 1971 to 1976.)

[From the Elyria Chronicle-Telegram]

FEDERAL JUDGES ABOVE THE LAW?

A U.S. district judge in New Orleans has clouded the Ethics in Government Act of 1978 by issuing a temporary injunction exempting federal judges from its provisions.

Judge Robert Collins issued the order Tuesday shortly before the deadline for thousands of federal government officials, including judges, to file statements of their personal finances.

Public disclosure is an important national trend requiring most federal and state officials from the executive, legislative and judicial branches to disclose their private finances.

The district judge's ruling likely to be appealed by the Justice Department and may eventually end up at the Supreme Court where the justices will be called on to make a decision directly involving them.

Six southern judges contended in the case before Judge Collins that the ethics law was "an unconstitutional encroachment upon the separation of powers in the federal government."

If this argument holds up, it seems that Congress would be unable to pass any law affecting the federal judiciary which the judges didn't like. They don't seem to object when Congress raises their pay or increases their retirement benefits.

Most judges have abided by the law without challenge. It is fortunate that none of the Supreme Court justices has used the lower court ruling to escape making their financial statements public.

If the case reaches them, it is hoped that a majority can see that a ruling which places federal judges above the law will make the entire judiciary "look bad."—Nashville Tennessean.

[From the Washington Post, Apr. 23, 1978]

WHAT CAN BE DONE ABOUT UNFIT JUDGES?

ONLY FOUR HAVE EVER BEEN REMOVED FROM THE FEDERAL BENCH

(By Clark Mollenhoff and Greg Rushford)

Late in the afternoon of Friday, Dec. 12, 1975, Chief Judge Willis W. Ritter of the U.S. District Court in Utah notified U.S. Attorney Ramon M. Child to be ready to try 23 criminal cases by the following Thursday.

It was an impossible order. Three of the first four cases were criminal tax prosecutions involving approximately 100 witnesses, many of whom lived outside Utah. Even if subpoenas could be prepared and served and the Christmas travel crush surmounted, an airline strike made it impossible to get the witnesses to Salt Lake City in time. Child asked for 21 more days to prepare.

But the judge refused, and for several weeks the frustrated U.S. attorney and his staff struggled to try the cases properly. Ritter dismissed four cases outright that Thursday morning because the government witnesses were not present.

These decisions were later reversed by the 10th U.S. Circuit Court of Appeals in Denver, which declared that Judge Ritter's behavior "was utterly unreasonable and constitutes a gross abuse of discretion." It was not the first unreasonable action by Ritter, whose controversial career spanned nearly three decades until his death last month. Nor is his case an isolated example.

While there is no reason to doubt the ability or integrity of the vast majority of our nearly 700 federal judges, some unquestionably are unfit to serve, whether because of abuses of power, misconduct, corruption, senility, alcoholism or other reasons. The problem is that it is impossible to remove such judges from the bench short of going through the cumbersome impeachment process.

Attorney General Griffin Bell, himself a U.S. circuit judge for more than 14 years, told a Senate Judiciary subcommittee last September that "there is an urgency" about the need to create a workable mechanism to remove unfit judges. "Not every judge who perhaps should be impeached can be impeached," Bell added. "Congress does not have that much time."

Presumably referring to several criminal investigations conducted by the Justice Department against federal judges in the past two years, Bell also said, "Not everyone who perhaps should be can be indicted. There are some things that judges might do that might cause me to think that they ought to be indicted. However, that is a serious business, particularly since you have got to indict somebody in their own court."

Testifying after Bell, John A. Sutro, chairman of the American Bar Association's standing committee on judicial selection, quoted a 10-year-old statement by Chief Justice Warren Burger, then a Court of Appeals judge, that "I would not presume to say many United States judges now in active service are not physically able to perform their work adequately, but every observer knows there are more than a few." Sutro said Burger's announcement "unquestionably is true" today as well.

Bell and Sutro were both endorsing the judicial tenure bill which the Senate Judiciary Committee is expected to approve this spring. The legislation, sponsored by Democratic Sens. Sam Nunn of Georgia and Dennis DeConcini of Arizona, would create within the judiciary a commission to investigate complaints against federal judges, who are appointed for life, and it would also create a special court to hear cases of misconduct or inability to serve. The court could dismiss the complaint or censure, involuntarily retire or remove the judge from office.

Only nine federal judges in our history have been impeached, and only four have been convicted and removed from office, the last more than four decades ago. This is chiefly because the impeachment process is so cumbersome and time-consuming.

A House Judiciary Committee report in 1940 termed it a "governmental absurdity" when applied to a single judge. Last fall Democratic Rep. Robert W. Kastenmeier of Wisconsin, a leading Judiciary Committee sponsor of judicial tenure legislation, said that "although instances of judicial misconduct are often brought to our attention, the Judiciary Committee's heavy workload makes it difficult, if not impossible, for us to set aside all other legislative activity to conduct an impeachment inquiry."

Impeachment also carries political liabilities. Federal judges by tradition are appointed under the patronage of Senators. The resulting close judicial ties to Congress, as former Maryland Sen. Joseph Tydings acknowledges, make dealing with the unfit judge "a very sticky political thicket." In past impeachment trials the final votes were often divided on partisan grounds.

A more fundamental and still-unresolved issue is the belief that an unfit judge still could be immune to impeachment. Harvard's Raoul Berger, a prominent impeachment authority, for example, contends that a judge may breach the constitutional "good behavior" standard by "abuse of office, neglect of duty, nonattendance and the like." But the constitutional grounds for impeachment are treason, bribery and "other high crimes and misdemeanors," a more exacting standard. Berger says that "while all high crimes and misdemeanors might constitute a breach of good behavior, not all breaches of good behavior amount to high crimes and misdemeanors."

Rising to the occasion

The career of Judge Ritter reveals how difficult it is to curtail even bizarre judicial conduct, or what Washington attorney and author Joseph Borkin has called the "morbid legal tradition" of not moving against unfit judges.

Ritter, a Phi Beta Kappa from the University of Chicago and Harvard, was a law professor when appointed to the bench in 1949 by President Truman. Ritter was a strong individualist who frequently took the side of the "little guy" against the federal government.

From the moment he was appointed, Ritter became embroiled in squabbles. One of the more famous was his 1951 threat to jail a group of federal postal workers with whom the court shared office quarters; he was angered by their noisy elevators. Last year he ordered U.S. marshals to jail some noisy courthouse workers. But it was Ritter's injudicious attitude toward the law which became the most serious problem.

Salt Lake City lawyers who were friendly to Ritter almost always won the cases they tried in his court. One Utah attorney says that Ritter's "attitude toward justice was based on tremendous personal emotions. If he didn't like you, you would lose, and in effect be disbarred from representing clients in Utah. The only way justice was reached was when two lawyers appeared before Ritter and he liked them both; then he would rise to the occasion."

Over the years the 10th Circuit Court in Denver fought Ritter's excesses by reversing many of his decisions. The circuit's Judicial Council took control of the assignment of cases in Ritter's court. (Each of the nation's 11 regional judicial circuits has a council headed by the chief judge and empowered to supervise court administration).

But Ritter continued to try cases, and his conduct became a Utah scandal. By the late 1960s U.S. attorneys and their staffs were in frequent contact with the Justice Department "about the Ritter problem," says a former prosecutor. "But we learned how reluctant Washington is when discussing legal moves against a federal judge. We were always told to try to live with the situation."

After the 1975 Christmas trial episode, U.S. Attorney Child urged the Justice Department to file a petition with the 10th Circuit Court to bar Ritter from trying federal cases. But the Ford Justice Department did not approve such a strong step.

In the meantime, the Ritter problem intensified. In 1976 Ritter didn't wait until Christmas. For eight months prior to October he set no criminal cases for trial. Then, on Oct. 5, he scheduled 50 trials beginning four days later. When Child obtained an order from the Judicial Council directing Ritter to schedule trials with at least 15 days' notice, the judge held no criminal trials at all for the first six months in 1977.

Arbitrary and erratic authority

Finally, Washington agreed with Child that piecemeal methods would no longer contain Ritter. Solicitor General Wade H. McCree, a former 6th Circuit judge from Detroit, painted a damning portrait of Ritter last July in a six-page letter to the 10th Circuit's chief judge, David T. Lewis.

The solicitor general stated bluntly that for 28 years Judge Ritter's conduct had been "inimical to the standards of judicial conduct that ought to be observed." Step-by-step countermeasures, McCree said, "cannot be truly effective so long as Judge Ritter continues to exercise arbitrary and erratic authority in individual cases. The power of a trial judge is too great and the opportunities for abuse of that power too frequent to allow effective appellate supervision in the run of cases."

McCree told Judge Lewis that Ritter had "paralyzed" the administration of criminal justice, and said he would petition Lewis for a writ of mandamus to bar Ritter's participation in any federal cases. But in a paragraph reflecting the legal establishment's sensitivities, McCree wrote:

"I have deferred authorizing the filing of these formal requests, however, because I am concerned that the publicity attendant on requests might go far toward bringing the administration of justice into disrepute. They would publish, for the world to see, a story of judicial indiscretion that ought not lightly be broadcast, and the attendant publicity would place both the court of appeals (in passing upon the requests) and the Department of Justice (in presenting them) in unfortunate positions: any legal action, for any reason, would be a subject for public scrutiny and to questions about motivation."

The solicitor general told Judge Lewis an experience from his service on the 6th Circuit. A judge's behavior, although "not by any stretch of the imagination as improper" as Ritter's, became intolerable. The circuit's chief judge, after consulting with his fellow judges, "approached the district judge informally" and asked him to step down "before it was necessary to institute public proceedings that could only hurt his reputation and stature in the community." The offending judge retired.

McCree asked Lewis to consider applying similar pressure on Ritter. But Lewis made no such attempt because he felt it would be fruitless.

Finally, on Oct. 5, 1977, McCree and Child petitioned the 10th Circuit to remove Ritter from all federal cases. Ritter died March 4 while the 10th Circuit was considering the petition.

Justice Department investigations

Before Ritter's death, the Justice Department also had investigated whether he had defrauded the government. For four months in 1974 Vickey Jolley, Judge Ritter's clerk and secretary, allegedly was absent from work following an auto accident, but Ritter instructed the clerk of the court to continue paying her full salary. For another six weeks in 1975, and at various unknown times since 1970, Jolley allegedly was absent from work but continued to receive her full salary.

The Justice Department dropped this aspect of the investigation for lack of evidence directly inculpating Judge Ritter. Child complained that the investigation wasn't aggressive enough, and he later stepped down as U.S. attorney to practice law in Salt Lake City.

At least three other federal judges have been investigated by the Justice Department in the past two years.

In one case a cloud over the judge's reputation was removed only because he himself requested the investigation. Robert E. Varner, 56, a former Montgomery, Ala., bar association president, was appointed to the federal bench in 1971 by President Nixon. Varner was suspected of judicial misconduct amounting to bribery. The allegation stemmed from a four-year probation sentence Varner imposed on James Payton Judge III, who pleaded guilty to interstate transportation of stolen property. Before the sentencing Judge Varner had purchased 630 acres of land at $300 an acre from the defendant's great aunt. After questions were raised in the Alabama press about whether the lenient sentence was in exchange for the land deal, Varner asked the 5th Circuit Judicial Council in New Orleans to investigate.

On June 10, 1976, the council issued a report criticizing Varner for not having stepped down in the case. But it found the charges of misconduct "groundless," even though the land price was "possibly favorable." The council noted that there was no evidence of collusion and that the relationship between the offender and his great-aunt was distant. Moreover, federal prosecutors had recommended the sentence of probation. That recommendation appeared "thoroughly responsible, and made probation the advisable and likely sentence," the council said.

The Justice Department agreed and did not seek to indict Varner.

No official acknowledgment has been made that John V. Singleton Jr. was even investigated or why. Singleton, 60, a Houston lawyer and longtime associate of John Connally, was appointed by President Johnson in 1966 to the Southern District of Texas in Houston.

A Houston television station reported on June 9, 1977, that a federal grand jury was "believed to be looking into allegations concerning" Singleton, and that "apparently this grand jury has been investigating banking matters involving Judge Singleton for some time." Justice Department sources confirmed that Singleton had testified before the grand jury but refused to elaborate on the nature of the testimony or to confirm reports that the department had sought an indictment.

The Singleton case raises important questions. Singleton's rulings have often angered Justice Department officials. In 1970, for instance, Organized Crime Strike Force officials were upset when the judge reduced a two year prison term for New Orleans mobster Carlos Marcello, who had assaulted an FBI agent, to six months. Is the judge the target of a vendetta by unknown Justice officials who simply resent his liberal (by Texas standards) record?

When a judge is accused of some conduct serious enough to justify calling him before a grand jury, should there be a public explanation? If the suspected conduct was not indictable, should the Justice Department have notified the House Judiciary Committee of possible misconduct which might violate the constitutional "good behavior" standard? The committee has not been so notified.

Judge Singleton has declined to comment.

The speedy confirmation

Another federal judge known to have been the subject of a Justice Department criminal investigation is Herbert A. Fogel, 48, a former political fundraiser and Philadelphia law partner of former Senate minority leader Hugh Scott. Fogel was appointed to the Eastern District of Pennsylvania in 1973 by President Nixon.

He was investigated for his actions as a private attorney before his appointment to the bench, and his case raises serious questions about the judicial confirmation process.

Fogel was the lawyer for and part owner of the Gateway Corp., which won a controversial February 1971 contract from the General Services Administration. The contract was worth $78 million for 30 years' rent to federal offices in a Gateway building in West Philadelphia.

Because Gateway's winning bid was $27 million higher than the lowest bid submitted to GSA, and because key GSA officials were also close to former Sen. Scott, the contract raised eyebrows. In March 1972, the General Accounting Office, Congress' watchdog, reported the award had been "improper" because Gateway had failed to comply with various criteria in its bid submission.

Despite widespread publicity surrounding the Gateway case, the Senate Judiciary Committee confirmed Fogel in a routine 10-minute hearing in February 1973. Republican Sen. Roman Hruska of Nebraska, who chaired the hearing, asked Fogel no question about Gateway. The only other senators present were Pennsylvania's Richard Schweiker and Scott, who took up most of the 10 minutes with effusive praise of the nominee.

But a civil lawsuit brought by a losing bidder, John W. Merriam, brought out additional facts about Gateway. Judge Fogel admitted in a sworn deposition that he had backdated documents submitted to GSA, and Justice launched a criminal investigation in 1975. Although the exact date is still obscured in secret grand jury proceedings, sometime in late 1975 or early 1976 Fogel refused to cooperate with a grand jury by invoking his Fifth Amendment rights against self-incrimination.

The Justice Department dropped the investigation in 1976, but the Carter administration revived it last year. Attorney General Bell wrote Rep. Allen Ertel of Pennsylvania on Oct. 19 that he was reviewing the evidence to see if the case should be referred to the House Judiciary Committee for impeachment proceedings or "other possible alternatives."

Bell never referred the case to the committee and he will not comment on what he meant by "other possible alternatives." But on Jan. 20 Fogel announced his resignation, effective May 1. The announcement came eight days after two former Philadelphia policemen who were convicted of robbery filed a petition in federal court accusing Fogel and two other federal judges of being "owned" and on their lawyer's "payroll." Those charges are currently under investigation.

Unexamined complaints

Each year dozens of complaints against federal judges go unexamined for lack of an appropriate investigative mechanism.

Judicial councils in the regional federal circuits have no investigative staffs and are not capable of dealing with complex cases. Although a review committee established by the policy-making Judicial Conference of the United States has been diligent and effective in resolving simpler conflict-of-interest and ethical questions, it too is not equipped to deal with difficult cases.

Nor is the Supreme Court able to police the federal judiciary, as illustrated by one 1976 complaint lodged with it by a Pennsylvania businessman named John A. Nard. Nard complained about alleged political corruption by several federal judges in Pennsylvania, but Supreme Court Clerk Michael Rodak Jr. replied: "I regret to inform you that this court has no authority to institute or conduct investigations as mentioned in your letter. Neither can we suggest an investigative body."

It is precisely such mechanisms that would be set up by the pending judicial tenure legislation, which has also been endorsed in principle by the Judicial Conference. Indeed, the value of such a procedure has already been demonstrated at the state level. Since adopting such legislation in 1961, California has become the model for over 44 state judicial tenure commissions. Rather than face formal hearings, 67 California judges have resigned since 1961. Five others have been censured by the California Supreme Court, and three more have been removed from office.

KEEP UDAG

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, I am deeply disturbed to hear press reports that the administration wants to kill the urban development action grant program—one of the most successfilled, innovative programs we have. As chairman of the Subcommittee on Housing, I am giving notice that I believe it would be an egregious wrong to kill this productive and useful program, which has enjoyed support from both parties.

To eliminate the urban development action grant program immediately flies in the face of bipartisan support for this most effective urban grant program. Since its inception in 1977 the UDAG program has achieved a success beyond the expectations of many of us who participated in the legislative effort that culminated in the final adoption of the UDAG program. It is a simple, well-administered, and highly successful Federal-grant program to our most distressed urban communities. To simply wipe it out at the command of OMB Director Stockman will, in my opinion, do serious damage to the credibility of President Reagan's commitments during his campaign to continue a Federal commitment to assist distressed urban areas.

OMB Director Stockman, while a Member of the House, strongly opposed the UDAG program and carries his prejudices toward the UDAG program in his new capacity as the President's chief budget cutter. I would suggest that Mr. Stockman might visit some of our large urban communities that have received urban development action grants and walk the streets and talk to both business people and citizens to see the promise and the initiative that the UDAG program has offered in terms of new investment to our distressed cities being made by the private business sector in conjunction with Federal UDAG funds. To casually dismiss these efforts in a wave of the budget-cutting wand fails to comprehend the difficult economic circumstances that our urban communities are experiencing.

If these press reports are correct, that the $675 million authorized by my subcommittee and appropriated by the Congress last year are to be eliminated, I plan on summoning Secretary of HUD Samuel Pierce and OMB Director David Stockman before the Subcommittee on Housing and Community Development promptly for their justification of such an unfortunate decision.

INTRODUCTION OF GUAM PRESIDENTIAL VOTE BILL

(Mr. WON PAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WON PAT. Mr. Speaker, it is my great pleasure to again introduce legislation which seeks to give the American citizens of Guam and other U.S. territories the right to vote in future Presidential elections.

The passage of this legislation has been one of my highest priorities since I first came to Congress in 1973. I am joined in this quest for equality for the American residents of the territories by their congressional representatives. While I fully recognize the extreme difficulty this legislation faces in its way to becoming public law, nevertheless, my pride as an American citizen will not let me rest until my fellow citizens in the terrritories share a basic right of democracy; the right to participate in the selection of who will lead our Nation as President and Vice President.

What I ask today is not a radical change in the American system of government. Rather, I ask only that this Nation correct a serious flaw in our laws which deny certain Americans the ability to vote for the President solely on the grounds that they choose to reside in Guam or another American territory. It is ironic that should these same citizens decide to live in one of the 50 States they can enjoy the Presidential franchise. Surely, on a matter of such major importance to the rights of all Americans to have a free voice in the selection of our Chief Executive, their choice of residence should not be used to forbid them a voice in their Government.

The denial of a vote in Presidential elections to residents of Guam and other American territories is an arbitrary act which I do not believe would have the blessings of the Founding Fathers of this great country. Nor do I believe that it is in the best interests of the United States to exclude our fellow Americans from participating in Presidential elections on the basis of such spurious grounds as residence.

Speaking for my own constituents in Guam, I can say without hesitation that we want to vote for our future Presidents. We are proud of our American citizenship and truly desire to see an end to the present situation which, in effect, puts us in the category of second-class citizens. Throughout our Nation's history, Congress has put an end to all the various mechanisms which have been used to deny Americans the franchise: Slavery, landownership, literacy tests. All of these are now history. Let us proceed to put the final block to full citizenship to rest by extending the Presidential vote to Americans living in the U.S. territories.

Last November, the people of Guam chose to add to local ballots the names of the major Presidential candidates. This was done for the first time in the island despite our recognition that our tally would not count in the national selection process. Nevertheless, we went ahead because we were no longer content to stand aside while the rest of America goes to the polls and votes for our future president. President Reagan is our President. His actions affect the people of Guam every bit as much as they do in New York or San Francisco. The time has come for Congress to give territorial Americans the vote for President and Vice President.

Over 2,000 years ago, the Greek philosopher, Aristotle, perhaps had the final word on democracy when he said:

> If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be best attained when all persons alike share in government to the utmost.

This is all we who live in American territories really ask—the right to share in this Nation's Government to the utmost. Thank you.

WOMEN'S RIGHTS DAY

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, today is Women's Rights Day. Women today do not have to stand outside the polling place in ankle-length skirts while men cast their ballots inside. In this Chamber and in the other House votes are cast by a growing number of women. Whatever the field of endeavor, it is no longer strange to find a woman working in what was once thought the world of men.

But we are reminded every day of how far women still have to go before achieving real equality. Few leading business executives are women, as are few Members of Congress. Women earn an average of just 59 cents for every $1 men are paid. And women must contend with repeated attacks against the woman's right to choose, and assert her own reproductive freedom. Eight years ago the Supreme Court upheld the constitutional right of every woman to have an abortion in the early stages of pregnancy. Since that decision we have seen the steady erosion of that right by congressional efforts blocking access to abortion services for poor women in need of medicaid assistance. The fight has now expanded once again to threaten the right of all women to a safe abortion and indeed, the so-called prolife forces are now widening their campaign to attack many of the most effective and widely used methods of contraception.

Today, on Women's Rights Day, we should remember such basic issues in the march for equal rights and equal opportunity for each sex. I hope each of my colleagues will think for a moment of just one woman he, or she may know who has been denied full participation in our society due primarily to her sex. And we can all think of men, I am sure, who have suffered from the sometimes stifling grasp of role models they had assumed fit them, but instead brought misunderstanding and pain to their personal and professional lives.

Women's rights for women, but also for men. Let us remember that today and every day.

THANKS FROM AMERICAN SAMOA

(Mr. SUNIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SUNIA. Mr. Speaker, under Public Law 95-556 and Public Law 95-584 of 1978, the territory of American Samoa was granted a seat in the House of Representatives in the Congress of the United States. The territorial legislature has passd a unanimous resolution with Senate Concurrent Resolution 1 which speaks to that point.

I am thanking the U.S. Congress for granting that seat to the territory.

Mr. Speaker, the certification is as follows:

LEGISLATURE OF AMERICAN SAMOA

CERTIFICATION

SENATE CHAMBER,
January 13, 1981.

I certify that Senate Concurrent Resolution No. 1 passed this date in the Senate during its 1st Regular Session of the 17th Legislature of American Samoa.

(MRS.) SALILO K. LEVI,
Secretary of the Senate.

HOUSE CHAMBER,
January 14, 1981.

I certify that Senate Concurrent Resolution No. 1 passed this date in the House of Representatives during its 1st Regular Session of the 17th Legislature of American Samoa.

PULELEITE M. F. TUFELE,
Chief Clerk,
House of Representatives.

SENATE CONCURRENT RESOLUTION NO. 1

A senate concurrent resolution commending and thanking the United States Congress for the new nonvoting delegate to the U.S. House and thanking all who worked for that goal

Whereas on 5 January 1981, Delegate Fofó I. F. Sunia was sworn in as the Territory's first non-voting Delegate to the U.S. House under Public Law 95-556 and Public Law 95-584 (1978); and

Whereas this has been a long and arduous struggle for many years through many Fono's and Congresses by many interested and dedicated individuals; and

Whereas special praise should go to former Delegate A. P. Lutali under whose Delegate's administration the bill was eventually passed and signed into law by the 95th Congress; and

Whereas of course, the Governor at that time, Peter Tali Coleman and his administration are to be thanked for their efforts; and

Whereas our many friends in Congress, both in the House and Senate—to them we extend our heartfelt gratitude over this expression of trust and confidence in our evolving political maturation—but in passing we must thank Congressman Phillip Burton and his aide Enk F. Hunkin for their unique contributions to this endeavor; and

Whereas we always owe special thanks to Senator "Spark" Matsunaga and the rest of the Hawaii Congressional Delegation—Senator Daniel Inouye, Representative Dan Akaka, and Representative "Cec" Heftel—for all their ever present assistance; and

Whereas we would like to also extend our blessings and wish him Godspeed to the newly elected as well as former Delegate, High Talking Chief Fofo I. F. Sunia, for through his initial efforts the Territory of American Samoa will grow and be recognized within Congress, the United States, and even the world—to him and his staff go our best wishes; Now, therefore, be it

Resolved by the Senate of the Territory of American Samoa, the House of Representatives concurring, That, the entire United States Congress is most humbly and generously thanked and commended for the honor they have bestowed on our Territory by elevating our representation in Congress to that of a full-fledged non-voting Delegate to the U.S. House of Representatives; and be it further

Resolved, That High Talking Chief Fofó I. F. Sunia is commended for the manner in which his campaign was run and the fact that he will be American Samoa's first Delegate to Congress with all the importance that special event entails; and be it further

Resolved, That the following are especially commended and thanked for their tireless efforts to accomplish the task of managing the appropriate bills through the 95th Congress and previous attempts:

Hon. Senator Henry M. Jackson
Hon. Representative Morris K. Udall
Hon. Representative Phillip Burton
Hon. Senator "Spark" Matsunaga
Hon. Senator Daniel K. Inouye
Hon. Representative Dan Akaka
Hon. Representative "Cec" Heftel
Secretary of the U.S. Senate
Clerk of the U.S. House of Representatives
Mr. Enk. F. Hunkin, Staff Attorney to the U.S. House Subcommittee on National Parks & Insular Affairs
Hon. Former Delegate A. P. Lutali
Hon. Delegate Fofó I. F. Sunia; and
Hon. Peter Tali Coleman, Governor of American Samoa; and be it further

Resolved, That the Secretary of the Senate is directed to transmit copies of this resolution to: the Honorable Secretary of the Interior; the Honorable Senator Henry M. Jackson; Honorable Representative Morris K. Udall, Chairman, U.S. House Committee on Interior and Insular Affairs; Honorable Representative Phillip Burton,

U.S. House Subcommittee on National Parks and Insular Affairs; Honorable Senator "Spark" Matsunaga; Honorable Senator Daniel Inouye; Honorable Representative Don Alaka; Honorable Representative "Cec" Heftel; Secretary of the U.S. Senate; Clerk of the U.S. House of Representatives; Mr. Erik P. Hunkin, Staff Attorney to the Subcommittee on National Parks and Insular Affairs; Honorable Former Delegate A. U. Fuimaono; Honorable High Chief A. P. Lutali, former Delegate to the U.S. Government; Honorable High Talking Chief Fofó I. F. Sunia, Delegate to the U.S. House of Representatives; and to Honorable Peter Tali Coleman, Governor of American Samoa.

ILLEGAL POLITICAL AND LOBBYING ACTIVITIES OF LEGAL SERVICES CORPORATION

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SENSENBRENNER. Mr. Speaker, today I have asked the General Accounting Office and the Department of Justice to investigate what I believe to be illegal political and lobbying activities that have been carried out by the Legal Services Corporation.

These activities are detailed in two memorandums written on Legal Services Corporation letterheads. The memorandums focus on efforts by the Corporation to lobby the Reagan administration and the 97th Congress. The memorandums state that the Corporation expected greater difficulty in dealing with the new administration and Congress and termed the situation "a struggle for our own survival," while proposing a political plan of action on the National, State, and local levels.

In addition to the investigation, I have also asked Dan Bradley, President of the Legal Services Corporation, to turn over supporting memorandums and documents to aid in the probe.

Copies of these memorandums can be obtained from my office. I include the texts of my letters to Dan Bradley, Elmer Staats, and William Smith for the RECORD.

WASHINGTON, D.C., *February 4, 1981.*

Hon. WILLIAM FRENCH SMITH,
Attorney General of the United States, Department of Justice, Washington, D.C.

DEAR MR. SMITH: I am hereby requesting the Department of Justice to investigate the possible misuse of appropriated funds by the Legal Services Corporation (LSC).

It appears that appropriated monies have been used for political and lobbying purposes.

As evidence, written on LSC letterhead, I submit the two enclosed memoranda dated December 10, 1980, and December 29, 1980. They were written by Alan W. Houseman, Director of the LSC's Research Institute.

These documents clearly detail a plan for lobbying and political activity by the Legal Services Corporation, its employees and grantees to influence legislation reauthorizing that agency which the 97th Congress will be considering.

I look forward to your prompt attention to this matter.

Sincerely,

F. JAMES SENSENBRENNER, Jr.,
Member of Congress.

WASHINGTON, D.C., *February 4, 1981.*

Mr. DAN BRADLEY,
Legal Services Corporation, Washington, D.C.

DEAR MR. BRADLEY: Enclosed are two memoranda written by Alan W. Houseman, Director of the Research Institute of the Legal Services Corporation. These memoranda, written on Legal Services Corporation letterhead, clearly detail the lobbying and political activities which have been and will be carried out by the Corporation, its employees, and grantees in an effort to influence legislation reauthorizing the Legal Services Corporation that the 97th Congress will consider.

I am hereby requesting copies of all memoranda drafted by the Legal Services Corporation staff which concern legislative and/or political activities.

Additionallly, I am requesting that the lobbying and political activities that were enumerated in the memoranda of December 10th and December 29th be immediately terminated.

Additionally, an investigation should be conducted to determine whether further administrative action needs to be taken against any of the employees involved which, according to the December 10th memorandum, could be quite extensive.

I will be looking forward to your prompt attention to this matter and to your early reply.

Sincerely,

F. JAMES SENSENBRENNER, Jr.,
Member of Congress.

WASHINGTON, D.C., *February 4, 1981.*

Mr. ELMER STAATS,
Comptroller General of the United States, Washington, D.C.

DEAR MR. STAATS: I am hereby requesting the General Accounting Office to investigate the possible misuse of appropriated funds by the Legal Services Corporation (LSC).

It appears that appropriated monies may have been intended and used for lobbying and political purposes by the LSC, which is expressly prohibited from doing so by the Legal Services Corporation Act (42 USC, Section 2996e, Section 2996f).

As evidence, written on LSC letterhead, I submit the two enclosed memoranda, dated December 10, 1980 and December 29, 1980. They were written by Mr. Alan W. Houseman, Director of LSC's Research Institute.

These documents clearly outline a plan for lobbying and political activities by the Legal Services Corporation, its employees and grantees, to influence legislation reauthorizing that Agency which the 97th Congress will be considering.

I look forward to your prompt attention to this matter.

Sincerely,

F. JAMES SENSENBRENNER, Jr.,
Member of Congress.

LEASE OF DULLES INTERNATIONAL AIRPORT TO VIRGINIA

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WOLF. Mr. Speaker, today I am introducing legislation to authorize the Secretary of Transportation, through the Federal Aviation Administration—FAA—to enter into negotiations for the lease of Dulles International Airport to the Commonwealth of Virginia. While I hope that this legislation will eventually lead to a leasing arrangement for Dulles between the Secretary and the Commonwealth, it is intended to allow flexibility to both parties in the decisionmaking processes.

Located on 10,000 acres of land in the Commonwealth of Virginia and built with many of the world's most advanced safety systems, Dulles International Airport offers unlimited potential benefits to both Virginia and the Nation. In concert with hundreds of other airports throughout the country, Dulles could become a key interchange point in this country's system of air transportation and a gateway for air passenger and cargo traffic to and from all parts of the world. If fully utilized, it could become a major center of business development and thereby generate new employment for thousands of individuals. As a foreign trade zone, it could effectively complement the Virginia Port Authority in promoting exports and encouraging investment from abroad.

Unfortunately, Dulles' tremendous economic potential has so far been wasted. Designed to serve more than 14 million passengers annually, Dulles served less than 3 million passengers in 1980—a drop of over 20 percent from the previous year. With fewer flights and fewer airlines using Dulles than ever before, the airport is at a critical stage in its long history.

One major reason for this gross underutilization of Dulles is the fact that it is owned and operated by the Federal Government through the Department of Transportation's Federal Aviation Administration. Unlike other airport-operating authorities, the FAA is restricted from marketing and advertising the airport to airlines, businesses, and the general public.

In contrast, the State of Maryland—which took over the ownership and operation of Baltimore-Washington International Airport—BWI—in 1972—has created an aggressive marketing and promotion program for that airport with an annual budget of almost $1 million. Largely as a result of this effort, BWI now handles almost one-half of the total aircargo moved through the three Washington area airports and has increased its passenger traffic more than 25 percent since the State took over its operation. The State of Maryland's promotion of BWI is an excellent example of how a State can turn an underutilized operation into a successful air traffic system. In view of the Commonwealth of Virginia's vital interest in Dulles' future, I believe it can play a similar role in the promotion of Dulles as a key hub airport providing service between Virginia, the Nation, and the world.

But there is another equally important benefit that would result from this legislation; one which goes beyond the successful utilization of an economic resource and the improvement of this country's air traffic system. The 1980 elections were a mandate for a reduction in the size of Federal Government and an increase in State and local influence over those resources closest to the people. In his inaugural address, President Reagan reaffirmed this mandate when he said:

> It is my intention to curb the size and influence of the Federal Establishment and to demand recognition of the distinction between the powers granted to the Federal Government and those reserved to the States and to the people.

Mr. Speaker, I believe that the transfer of control over the operation of a major airport is in total harmony with this principle.

I would like to again emphasize the fact that this legislation does not bind either the Secretary or the Commonwealth of Virginia to a leasing arrangement, but instead provides them with the opportunity to work together to determine what is best for Dulles Airport. I urge my colleagues to lend it their full support.

□ 1320

WOMEN'S RIGHTS DAY

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, today is Women's Rights Day. The idea behind Women's Rights Day is to provide a constructive program which enables American women to reaffirm their commitment to women's issues.

In my mind, one of the most important women's issues is that of economic security for elderly women. Because women outlive men by an average of 7.8 years, the majority of older Americans are female.

Considering only their numerical dominance, the needs of older women merit attention. In addition, there are significant differences between older women and men that indicate the need for special attention to the particular situations in which so many older women live.

Large numbers of older women are widows and many live alone. Many of these women do not know how the Federal tax laws discriminate against them until they become widowed. The economic problems for women upon the death of the husband are often devastating. Income from the husband's employment, upon which the wife may be dependent, is lost. The financial resources of the couple may have been greatly diminished or totally exhausted by the high cost of the husband's final illness and death. And, if the wife inherits property from her husband, she may be forced to pay confiscatory taxes on that property.

Mr. Speaker, I have introduced legislation, H.R. 917, to establish a long-deserved measure of equity between spouses in our Federal estate tax laws. Under current law, if a husband and wife hold property in joint tenancy and the husband dies first, the estate value of the property is assumed to be that of the husband and is subject to estate taxes.

The wife is forced to prove that over her lifetime she personally has contributed money or money's worth to the estate. Most wives cannot produce canceled checks with their names on them or mortgage receipts.

It is not right that the wife, especially the farm wife, who works all her life alongside her husband to build an estate should have to prove that she has contributed to its formation.

The estate tax affects not only farmers and small business owners but also millions of working Americans who have accumulated a modest estate over a lifetime. My bill seeks to make changes that would give due recognition to the contribution each spouse makes in building a family's business or savings.

The bill permits a husband to leave an unlimited amount of property to his wife and deduct the value of this property from the total value of the estate.

The key to allowing widows to keep the small business or family farm is to structure the estate tax in such a way as to provide liquidity for these operations so that estate tax does not cause their forced sale.

My bill seeks to achieve this result by raising the level of the estate tax exclusion to $500,000 by 1985 and by revising the deferred payment provisions in the estate tax law.

My bill recognizes once and for all the importance of a working spouse in a family enterprise. By providing for an unlimited marital deduction, the proposal establishes a long deserved measure of equality between spouses.

TAX CUTS MUST BE LINKED TO SPENDING REDUCTIONS

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, next week President Reagan is expected to propose to the Congress a far-reaching economic recovery program. Two of the primary features of that program will be a major tax cut and a package of spending reductions to be incorporated in a reconciliation bill. I think most of the Congress would agree that a targeted tax cut is necessary at this time to help revitalize the economy. And there is certainly agreement on the need to enact significant spending cuts. But today we are receiving mixed signals from the administration as to the necessity of actually linking a tax cut with spending reductions.

The American people have let it be known without much doubt that they see a balanced Federal budget as one of the primary tools in the fight against inflation. Indeed, a recent New York Times/CBS News poll indicates that 70 percent of the people would prefer a balanced budget to a large tax cut. Most economists, too, agree upon a balanced budget as an important economic goal for the Nation.

The Congressional Budget Office tells us that we are already looking at a combined budget deficit for fiscal years 1981 and 1982 of $88.6 billion. Frankly, that is probably a low estimate. With the need to move toward a balanced budget so clear, I don't believe the American people will accept any action that moves the 2-year-deficit figure well beyond the $100 billion range.

Given these facts, I am very concerned about the contrary views being expressed by some members of the administration. In particular, Treasury Secretary Regan's statements in recent days suggest that he believes tax cuts should precede spending reductions. Yet the tax proposal to be introduced by the administration is likely to reduce revenues, and raise the deficit, by at least $30 billion and probably a great deal more over the next several years.

I believe we must link any tax cut to spending reductions in order to avoid an increase in the Federal deficit. In addition, I do not think the tax cut should exceed the spending reductions that are enacted. This is the only way to insure that we stay on the course toward a balanced budget.

Despite Secretary Regan's statements, it seems to me that the President and Dave Stockman, Director of the Office of Management and Budget, do support linkage of spending and tax cuts. President Reagan stated very clearly in his first press conference that a tax cut must be combined with spending cuts. And Mr. Stockman has also said that the tax and spending cuts will be an integral part of the same package.

I agree with this intent to link spending and tax reductions, but I think the House of Representatives has to make a clear statement that it will only consider these packages to-

gether, or, as Mr. Stockman puts it, as an integral part of the same package.

Therefore, I am introducing today a resolution expressing the sense of the House that the two packages should be combined. Specifically, my resolution establishes the goal of requiring that any tax bill with the effect of reducing revenues that is reported out of the Ways and Means Committee in the months ahead should be made a part of the first budget reconciliation bill of this Congress. In addition, the resolution states that the revenue loss from the tax bill should not exceed the spending reductions contained in the legislation. While this resolution would not be binding on the Congress, I intend to work in the Budget Committee and on the floor of the House to combine the tax cut with a reconciliation bill and to prevent the tax cut from surpassing the spending reductions in the bill.

Mr. Speaker, it is imperative that our Nation not retreat in the fight against inflation. Only a steady drive toward a balanced budget will help us bring about the economic stability that the American people so desperately need. Paul Volcker, the Chairman of the Federal Reserve Board, has cited the dangers of enacting tax cuts without completing action on the necessary spending reductions. My resolution will help to prevent the Congress from taking any precipitate action that could result in massive deficits, a new dose of inflation, and even higher interest rates. I hope that my colleagues will join me in sponsoring this vital proposal.

Following is the text of my resolution:

H. Res. 55

Resolution expressing the sense of the House that all internal revenue bills providing a decrease in revenues to the Treasury should be made part of the first reconciliation bill of the 97th Congress, and that the aggregate revenue loss from such revenue bills should be limited to the aggregate net spending reductions under such reconciliation bill

Whereas one of the primary goals of the American people today is to restore economic stability to the Nation;

Whereas the President, a majority of Congress, economists, and the people agree that reducing the Federal deficit is one of the vital tools for achieving economic stability;

Whereas the projected budget deficit over the next two years is approaching $100 billion;

Whereas the Congress is being asked to enact a major tax cut proposal which could increase the budget deficit by at least $30 billion in the next two years; and

Whereas the vast majority of the American people believe that tax reductions should not be made without comparable spending reductions: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) all internal revenue bills—

(A) which are reported from the Committee on Ways and Means during the 97th Congress and before the first reconciliation bill is reported from the Committee on the Budget during the 97th Congress, and

(B) which result in a decrease in revenues to the treasury,

should be made part of such reconciliation bill, and

(2) the aggregate revenue loss from such revenue bills shall not exceed the aggregate net spending reductions under such reconciliation bill.

THE SOVIET GRAIN EMBARGO

The SPEAKER. Under a previous order of the House, the gentleman from Kansas (Mr. JEFFRIES) is recognized for 15 minutes.

Mr. JEFFRIES. Mr. Speaker, a special order was called yesterday to discuss the embargo on sales of U.S. grain to the Soviet Union. More specifically, this time was set aside with the thought in mind that the embargo should not be lifted.

Mr. Speaker, I disagree. The embargo should be lifted immediately. It has failed in its purpose of punishing the Soviets for invading Afghanistan. Instead, it has succeeded primarily as a means of punishing American farmers. It is as if we slapped ourselves in the face and said, "Take that, Soviet Union."

The time has come to end this charade and to provide relief to our farmers.

Let me review for a minute this hapless embargo.

On January 4, 1980, in response to the Soviet invasion of Afghanistan, President Carter canceled contracts for the sale of 17 million tons of U.S. corn, wheat, and soybeans to the Soviet Union. On January 2, 1981, President Carter officially extended the embargo on grain shipments for another year. In addition to canceling the 17 million metric tons of grain sales, the administration also suspended the sale of grain sorghum, seeds, soybean meal, meat, poultry, dairy products, and some animal fats. Later the sale of several fertilizers was halted as well.

This embargo has clearly caused harmful uncertainty and confusion. Objectives were clouded by changing policies during the first year of the embargo regarding what was and was not allowed to be sold to the Soviets by U.S. companies. The effectiveness of the embargo was obliterated after President Carter allowed the delivery of 8 million metric tons of U.S. grain which he felt was obligated under the 1975 United States-Soviet grain agreement. The decision to ship this load of grain seriously affected the impact of the embargo, as it added a loophole which helped neutralize the embargo's effectiveness.

Another event which led to the lack of credibility associated with the embargo was President Carter's decision on June 20—without lifting the embargo—to allow the grain companies' subsidiaries to sell non-U.S. grain to the Soviet Union. This determination threatened to destroy the effect of the partial embargo, weaken the administration's objectives, and produce the impression that the embargo was no longer a reality and that it should be terminated.

One key question is in connection with the amount of grain the Soviets have been able to buy from other suppliers. Many of the leading grain producing countries were tempted by the high prices offered by the Soviets, and have gone ahead and sold more than their usual amount of grain to them. To meet these new demands, they drew down surplus stocks in 1980 to meet Soviet needs. In addition, they diverted grain from the traditional customers to the Soviet Union and thus restructured the world trade patterns in doing so.

While there has indeed been some distortion in the Soviet economy due to the embargo, the Soviets have, by and large, been able to obtain most of the grain they need. Instead, repercussions of the embargo have been felt principally by the American farmer. Leaving the question of duration unclear has had a negative impact on the farmer, as it has created uncertainty about the market conditions over the next year. Farmer's reactions to the producer held reserve program, which was heavily utilized to offset the embargo's effects, have been negative for chiefly two reasons. First, they felt a sense of humiliation in taking their grain off the market in return for a loan from the Government, and second, they would rather sell the grain to the Government at parity prices or prices that would provide the farm sector with real purchasing power. In fact, many farmers believe the only effect of the embargo has been lower farm prices.

With these factors and events in mind, I believe it is clear the grain embargo has proven to be more of an economic problem for our country than for the Soviet Union. It is also clear that we failed in our objective. The Soviets are still in Afghanistan.

Rather than embargo grain or boycott Olympics, perhaps a more effective solution would have been to provide arms and aid to the Afghani rebels, much as the Soviets supplied the North Vietnamese invaders of South Vietnam. But in any event, continuance of the present embargo is an exercise of futility. It should be abandoned promptly.

WOMEN'S RIGHTS DAY

The SPEAKER pro tempore (Mr. SMITH of Iowa). Under a previous order of the House, the gentleman from Nebraska, (Mr. DAUB) is recognized for 5 minutes.

● Mr. DAUB. Mr. Speaker, on this fourth day of February 1981, we recognize Women's Rights Day to pay tribute to the women of America. Never before in our Nation's history have women attained the degree of equality that now exists. However, though women have choices today that were virtually nonexistent only 10 years ago, barriers still exist.

This is an appropriate time to ask my colleagues to join me in addressing the significant problems still confronting women—problems such as assuring equal pay for equal work; obtaining the equal credit that is guaranteed by law; making certain adequate child care is available to the working mother; reforming the income tax that penalizes those families where both spouses must work. As Members of the 97th Congress, we can and must address these and many other of the serious problems that are impeding women from their full participation and contribution to society.

Mr. Speaker, the women's movement has raised our consciousness, furthered individual opportunity, and changed our way of life. I am proud to ask the entire House today to join in honoring and encouraging the women of America in their progress toward equality.●

PRODUCTIVITY AND PROFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, a number of major American companies currently are engaged in a great shell game with their shareholders and the American public. They are paying out dividends with cash they do not have, and they are jeopardizing the long-term health of our economy for the short-term benefit of a few.

Last September 15, in the CONGRESSIONAL RECORD, I noted that much of the debate over the decline in industrial productivity in this country has been misdirected. The problem, I contended, stems in large part from the fixation many corporate managers seem to have on short-term profits instead of long-term growth. With more and more of the capital assets of America controlled by large institutional investors, management increasingly is concerned with current payouts, rather than reinvestment in modernization and research.

A classic illustration of this point can be found by looking at our ailing auto industry. For example, last year the General Motors Corp. suffered a loss of over three-quarters of a billion dollars and had negative discretionary cash flow of almost $5 billion. Nevertheless, the company continues to issue its quarterly dividends.

Last week, a CBS news special on the Japanese auto industry included an interview with Masaga Hanai, chairman of the board of Toyota. Asked why, in his opinion, the U.S. auto industry was falling behind its Japanese competitors, he responded:

> In this respect, it would seem that the management people in the United States are too busy with the pursuit of the short-term profits or with the need to satisfy shareholders eager for dividends. That is, they take less care about yearly investments needed to make profits in the future.

Mr. Hanai is not speaking only of GM, of course. In 1980, Ford Motor Co. showed record losses of almost $1½ billion. Yet they, too, managed to keep up their quarterly dividend payment without interruption. Ford's treasurer, John Sagan, recently gave this explanation for why they did not withhold a dividend and reinvest the money in the firm:

> We certainly would want to think of ourselves as being an investment quality company that provides a return to the owners of the business. If you drop the dividend entirely, you obviously don't have investment quality.

The editors of Business Week magazine view the situation from a somewhat different perspective, however. In an editorial in the February 9 issue of Business Week, they offer this observation:

> The auto industry is in trouble primarily because the managers of U.S. (auto) companies played for huge short-term profits rather than long-term strength.

This brings us to the point that the pressure of seeking immediate returns has replaced concern for the long-term health of an enterprise in the minds of today's investors who, increasingly, are the asset managers for banks, pension funds, mutual funds, and so forth. Necessary reinvestment in productive assets and technological innovation may be sacrificed, but that does not seem to disturb these institutional investors.

The auto industry is not alone in this practice of paying out dividends when it should be husbanding its cash for reinvestment. An article in the February 2 issue of Forbes magazine, entitled "Are More Chryslers in the Offing?" makes this point rather dramatically. Commenting on the recent trend by many blue chip companies toward short-term profit maximization instead of reinvestment for long-term growth, the Forbes article states:

> We're probably coming to the end of what could be called "The Time of the Bottom Line". For a long time now most corporate attention has been focused on the profit-and-loss statement, on earnings per share. But a company can show a very nice earnings per share and still go bankrupt. Penn Central is only one example. Chrysler Corp. showed a huge profit in 1976. A mask of profitability can easily be superimposed upon a mess of insolvency.

This is consistent with a theme that first surfaced last year at hearings conducted by the House Small Business Subcommittee on Antitrust, which I chaired. In the course of our study of conglomerate mergers and their effects, we found that much of the economic activity of some of our Nation's largest corporations—assets rearrangement, liquidation of profitable operations, mergers, acquisitions and divestitures—seems to be directed at maintaining a high stock price and sustaining the illusion of health and profitability. Unfortunately, it appears that these efforts increasingly are incompatible with the goals of increasing productivity and stimulating technological innovation.

Many feel that a principal reason for the trend away from an emphasis on long-term growth and productivity and toward short-term profit maximization can be traced to the various incentives now given to corporate management. The Forbes article notes:

> Emphasizing earnings while ignoring cash flow actually rewards companies for putting off needed capital investment. The smaller the depreciation charge, the higher the earnings. In turn, higher earnings produce better stock prices. Finally, the stock price is often reflected in a fatter pay check for the CEO. Is that one important reason for the notoriously low level of capital spending in the U.S.? CEO's are only human.

Witnesses who testified at the Antitrust Subcommittee's merger hearings also seemed to believe that when professional managers replace entrepreneurs in top leadership positions of American industry, the emphasis of economic activity tends to shift from long-term capital investment and research to short-term profit taking. Securities and Exchange Commission Chairman Harold Williams told the subcommittee that when mergers and acquisitions are concerned:

> The immediate results of a takeover are particularly attractive to a corporate executive who seeks the ego satisfaction, prestige, and remuneration associated with size and the appearance of growth.
>
> In contrast, the impact of investment spending on earnings, and the deferred nature of its rewards, may not seem to be of benefit to current managers or fit with their short-term horizon in office.

Finally, Mr. Speaker, I wish to return to the Forbes article I mentioned earlier. Forbes reports that the financial analysts at Kidder, Peabody reviewed 20 of the 30 companies on the Dow Jones industrial index, calculating cash flow positions and taking into account the effects of inflation and of historic depreciation schedules. They found that 14 of the 20 companies surveyed last year paid out dividends with cash that they did not have. Here, we are talking about more than just the automobile manufacturers.

United States Steel and Bethlehem Steel both have been closing plants and laying off large numbers of workers lately. Both somehow managed to

pay out dividends of $1.60 per share in 1980, despite the Kidder, Peabody estimate that they had a combined discretionary cash flow of negative $2 billion. United States Steel even announced an increase in its dividend rate last week.

International Harvester, a company that made news recently by forgiving more than $1 million in loans to its chief operating officers, had a negative discretionary cash flow of over $1 billion last year. Yet, Harvester paid a dividend of $1.20 on each share of common stock in 1980.

I urge my colleagues to consider this information and ponder its troubling implications for the long-term health and growth of our economy. For your use and information, I am inserting at this point in the RECORD a table of the data developed by Kidder, Peabody:

THE AWFUL TRUTH

The extent to which major corporations are neglecting their plant and equipment, and paying dividends with cash they don't have, becomes painfully clear by looking at cash flow.

Kidder, Peabody & Co. recently calculated cash flow numbers for 20 of the 30 companies that make up the Dow Jones Industrial Average. Although many people think of cash flow as a simple addition of pretax earnings and depreciation, Kidder goes a giant step further. It recalculates the depreciation figure to take into account the ravages of inflation on historical depreciation schedules.

With this adjustment, 11 of the 20 companies came out of Kidder's computer with negative distributable cash flow for 1980. (That's the number showing how much money a firm really has control over, to spend on either growth or dividends.) On a cumulative basis for 1975 to 1979, 8 of these firms showed negative distributable cash flow.

You'd think that companies with negative distributable cash flow wouldn't continue giving dividends. Not so. In fact, the discretionary cash flow figure—distributable cash flow minus dividends—shows that 14 of these firms were paying dividends in 1980 with cash that, by Kidder's hard test, they do not have.

Some firms, of course, may be letting their plants run down deliberately—in effect, liquidating those assets—preparing to move into new, more lucrative businesses. But such decisions in specific cases hardly explain away the broadly negative results of Kidder's calculations.

[In millions of dollars]

Company	Net income (estimated)	Distributable cash flow	Discretionary cash flow
1980			
Alcoa	$445.0	$56.3	−$57.7
American Brands	189.0	104.3	42.1
American Can	96.7	−165.7	−225.5
Bethlehem Steel	95.0	−398.2	−469.2
Du Pont	578.0	−35.3	−455.3
General Electric	1,496.0	852.4	152.4
General Foods	[1]262.0	133.8	73.9
General Motors	[2]880.0	−4,088.1	−4,907.1
Goodyear	159.0	−498.2	−561.3
Inco	200.0	−86.5	−166.5
IBM	1,500.0	5,290.6	3,790.6
International Harvester	[3]−397.3	−948.9	−1,030.9
Johns-Manville	73.7	−51.7	−119.7
Marcor	431.0	293.8	113.8
Owens-Illinois	177.3	7.3	−40.7

[In millions of dollars]—Continued

Company	Net income (estimated)	Distributable cash flow	Discretionary cash flow
Procter & Gamble	[4]542.0	319.5	38.4
Sears, Roebuck	[4]475.0	−229.6	−649.6
Union Carbide	885.3	−154.4	−368.4
United States Steel	353.0	−1,333.7	−1,672.7
United Technologies	390.0	96.4	−79.6

[1] Year ending March 1981.
[2] As reported, year ending October 1980.
[3] As reported, year ending June 1980.
[4] Year ending January 1981.

[In millions of dollars]

Company	Net income as reported	Distributable cash flow	Discretionary cash flow
1975–79 (cumulative total)			
Alcoa	$1,221.1	−$185.4	−$493.0
American Brands	878.6	495.4	−29.1
American Can	533.7	−141.6	−390.6
Bethlehem Steel	462.6	−1,660.8	−2,082.2
Du Pont	2,997.6	1,016.1	−517.0
General Electric	5,345.8	1,396.6	906.8
General Foods	925.1	146.5	−268.0
General Motors	13,894.1	5,393.5	−2,127.6
Goodyear	861.7	−1,144.4	−1,445.3
Inco	646.3	−515.6	−986.6
IBM	13,229.3	10,500.5	11,972.1
International Harvester	1,065.1	−170.8	−475.1
Johns-Manville	430.6	46.5	−140.7
Marcor	1,451.1	1,056.2	446.2
Owens-Illinois	528.0	−16.7	−184.7
Procter & Gamble	2,285.5	1,455.2	475.4
Sears, Roebuck	3,786.6	1,272.5	−437.0
Union Carbide	2,158.5	39.8	−819.6
United States Steel	673.4	−4,883.1	−6,622.6
United Technologies	1,030.6	694.1	254.5

NATIONAL COIN WEEK RESOLUTION INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, today I have introduced a resolution that would authorize the President to issue a proclamation designating April 19 to April 25, 1981, as National Coin Week. I urge my colleagues in the House to join with me as cosponsors.

Millions of Americans in all parts of the country are coin collectors. Thousands of coin shops are scattered about in our towns and cities. The Americans who engage in this hobby help preserve valuable mementos of our Nation's past. Coins educate Americans of their history. Few Americans who have ever held a penny or a quarter in their hand can fail to know Lincoln and Washington.

Americans are very interested in coins and their Nation's coinage. Approximately one-half million Americans sent in orders last year to purchase silver dollars offered for sale by the General Services Administration, even though the prices begin at $45 per coin. Every year the mint sells millions of sets of uncirculated and proof coins, even though it does no advertising.

The theme for National Coin Week this year is "Coins: An Enduring Reflection of Man." Coins show the hopes and aspirations of the nations that issue them. All coins issued in the first days of our Republic displayed the head of Liberty, reflecting our newly won freedom and the Nation's determination to stay free. The appearance of the motto "In God We Trust" on 2-cent pieces in 1864 reflected the terrible strain of the Civil War and the Nation's reaffirmation of our faith in God.

National Coin Week has been celebrated every year for the past 57 years. This year, local coin clubs will put on exhibitions and educational displays throughout the country. Many of these displays will highlight topics of interest to the community where the clubs are located.

Mr. Speaker, National Coin Week is a celebration worthy of recognition by the Congress. I hope all Members will join me as cosponsors to this resolution.●

DOMESTIC VIOLENCE PREVENTION AND SERVICES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Ms. MIKULSKI) is recognized for 5 minutes.

● Ms. MIKULSKI. Mr. Speaker, today is a proud day for me. It is a day when women have come to the Capitol from all over the country to talk about the unfinished agenda awaiting the Congress and the President. And it is a day when I am reintroducing one of the most important parts of that agenda—the Domestic Violence Prevention and Services Act.

This desperately needed legislation passed the House twice in the 96th Congress by virtual 3 to 1 margins. Were it not for a threatened filibuster in the last days of the Congress by a small group of rightwing Senators, this bill would now be law.

As a result, thousands of women who live in terror of their lives still have no place to go. The longer enactment of this legislation has to wait, the greater financial hardship shelters find themselves in, and the more the need grows for their services. Wife-beating is a national epidemic, and we must take this modest first step if we are to begin making a dent in the problem.

Opponents have claimed this legislation represents Government interference in the family. Yet, the greatest threat to the health of the American family comes from violence—and this bill, with its emphasis on voluntarism and the values that have made America great, will actually serve to strengthen the family.

Opponents have claimed that this legislation will be an additional, unnecessary Government expense. Yet, this fiscally responsible bill represents only two one-hundred-thousandths of the total budget. The administration

has announced that stopping terrorism and violence is one of its top priorities—but if we don't start ending terrorism in the home, how are we ever going to stop it in the world? Surely, there is no more important priority for Government than this.

We must say that no longer will the woman who has to flee her home in the middle of the night in fear of her life and that of her unborn child, get to the shelter to find the doors have been closed because there was no money to pay the rent. We must say that no longer will the policeman be killed because he had to answer a family disturbance call. We must say that no longer will grandfather have to submit to physical and mental torture in silence and anguish. And we must say that no longer will the narrow, misnamed forces of reaction, representing only a few, thwart the will of the people.

So today, I call on my colleagues to join with Congressman GEORGE MILLER; Congresswoman LINDY BOGGS; a broad range of church, police, legal, labor, business, and women's groups; and myself in cosponsoring the Domestic Violence Prevention and Services Act, and working to insure its passage. I can think of no legislation for which there is a greater, more urgent need—and one in which we can do so much for so many at such little expense.●

EXPORT TRADING COMPANY ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 20 minutes.

● Mr. LAFALCE. Mr. Speaker, amid all the genuine concern over Federal budget deficits, there is another deficit which is equally as alarming. During the past 4 years, this country has amassed an estimated $147.1 billion in trade deficits; and that distressing pattern could very well continue throughout the 1980's, unless drastic action is taken.

One avenue for that drastic action could be restrictions on imports, but recourse to trade protectionism would be very ill-advised and would be exceedingly counterproductive in the end. If this country established tariff barriers against the goods and services of other countries, those countries would swiftly retaliate; and the end result would be relentless trade wars. The last example of worldwide trade wars helped deepen and prolong the Great Depression and helped lay the groundwork for the Second World War.

The other avenue for that drastic action is positive and effective encouragement for U.S. exports of goods and services. Today, I, my distinguished colleague from Florida (Mr. GIBBONS), and my distinguished colleague from Mississippi (Mr. HINSON) are introducing the Export Trading Company Act of 1981. A very similar bill received the unanimous endorsement of the Senate last fall, and a companion bill has already been introduced this year in the Senate with 54 cosponsors.

Mr. Speaker, this bill is not a panacea for this country's trade deficits, but it is a necessary first step toward increasing U.S. exports and reducing the chronic trade deficit. The purpose of this bill is to facilitate the formation and operation of U.S. export trading companies and the expansion of U.S. export trading services. At the present time, many small businesses, medium-sized companies, and smaller agricultural cooperatives do not export, despite the fact that their goods and services would be very competitive in world markets. The major reason for that failure is the lack of experience in world trade and the lack of access to financial, technical, and informational services.

The Department of Commerce has conservatively estimated that there are at least 20,000 small- and medium-sized firms that could be exporting but are not doing so. This bill would help correct that lamentable situation by creating viable entities which could provide the vital types of assistance in the private sector of the economy. Without that assistance, the United States will continue to neglect billions of dollars in potential export business, because small- and medium-sized corporations cannot afford the costs and risks associated with developing opportunities to market their goods and services abroad.

Title I of this bill would: First, increase the financial leverage of all exporters by directing the U.S. Export-Import Bank to develop an improved guarantee program to back commercial loans to U.S. exporters; second, direct the Secretary of Commerce to promote export trading companies by providing information about those companies to U.S. producers; third, permit financial institutions to make limited and strictly regulated investments in export trading companies; fourth, authorize additional appropriations to the Small Business Administration and the Economic Development Administration for increased loans and loan guarantees for export trading companies.

Title II would amend the Webb-Pomerene Act of 1918 to clarify the antitrust provisions applicable to export trade associations and export trading companies. It would also establish a reasonable certification process which would enable these associations and companies to obtain antitrust preclearance for specified export trade operations. That provision would facilitate exports by allowing companies to determine in advance which export trade activities would be exempt from antitrust suits and which would not be. The existing provisions of the Webb-Pomerene Act have long been an irritant to U.S. exporters, because of conflicting interpretations of its provisions.

I believe that the most important provision of this bill is its approval for participation in export trading companies by financial institutions. Without that participation, an export trading company bill would be little more than a sense-of-Congress resolution.

At the present time there are three basic legislative prohibitions against investments in export trading companies by financial institutions. First, the Edge Act prohibits an Edge Act corporation from investing in any corporation "engaged in the general business of buying or selling goods, ware, merchandise or commodities in the United States." Second, the Glass-Steagall Act generally prohibits a National or State bank from acquiring for its own account "any shares of stock of any corporation." Third, the Bank Holding Company Act generally prohibits a bank holding company from engaging in nonbanking activities or from owning or controlling shares of any company that is not a bank.

The Export Trading Company Act would override those specific prohibitions, but only in the case of export trading companies. I want to emphasize that this would otherwise leave intact the general prohibitions. I also want to emphasize that this would not establish a new precedent. For example, the Small Business Investment Corporation Act of 1958 allowed financial institutions to become financially and corporately involved in the area of small business because of a compelling need for capital for small businesses. Export trading companies are a very similar case to small business investment corporations.

The Export Trading Company Act contains strict provisions to insure that bank involvement in these companies does not lead to conflicts of interest, unsound banking procedures, or unfair methods of competition.

As a further safeguard, the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board would be authorized to strictly regulate financial institutions which participate in export trading companies. Investments by financial institutions could not exceed 5 percent of the institution's capital, and all controlling investments and all investments over $10 million would be subject to prior approval and conditions imposed by the respective Federal bank regulatory agency.

Mr. Speaker, I believe that these restrictions will effectively protect the fiduciary integrity of banks, bank holding companies, and Edge corporations, while permitting them to provide suitable assistance to export trading companies. This would not only help increase U.S. exports, but it would also allow U.S. financial institutions to compete on a more equal basis with their foreign counterparts. At the present time, foreign banks do control trading companies, as, for example, Barclays Bank, Ltd., which owns a trading company in this country.

I realize that these provisions constitute a conscious change of historical policy of separating banking from commerce; but I also realize that the inadequate rate of U.S. exports demands such a dramatic departure under carefully controlled conditions.

As I stated earlier, this bill is not presented as a panacea for this country's international trade problems. However, it would be an important first step toward solving those problems and eliminating the trade deficit. I hope that all of my colleagues will join with me to support this worthy bill.●

PRIVATE PENSION SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. FERRARO) is recognized for 10 minutes.

● Ms. FERRARO. Mr. Speaker, today I am introducing legislation to remedy some of the inequities and inadequacies women face under the private pension system. My bill will amend the Internal Revenue Code and the Employee Retirement Income Security Act (ERISA) to provide greater protection to women under private pension plans. Although the private pension system is regulated by the Federal Government under ERISA, there remain inequities that women, in particular, face.

Private pensions are an integral part of the retirement income system for workers in this country. According to a recent study by the President's Commission on Pension Policy, however, only 42 percent of the private sector employees in this country were covered by a pension plan in 1979. For women workers, the figure is even lower—around 32 percent. And, of course, being covered by a pension plan does not guarantee a benefit at retirement. Because of typical career patterns for women, it is less likely that a woman covered by a pension plan will ever be vested than it is that a man will reach vesting. Furthermore, current pension laws offer scant protection for the rights of women to survivor annuities from pension plans contributed to by their husbands. The pension is viewed as the property of the worker, and the contribution of his spouse to his career is virtually ignored.

The importance of insuring equitable pension benefits cannot be overstated. As the Commission noted, individuals who receive pension benefits are significantly better off at retirement than those who do not—so much so that the existence of one pension benefit often was the difference between poverty and nonpoverty. With unmarried women comprising 72 percent of the elderly poor, the time has come to remedy the private pension system so that it responds to these women's needs and recognizes their contributions.

The legislation I am introducing proposes practical, inexpensive solutions to some of the most serious problems women face in the private pension system. For example, although women's labor force participation rates are increasing, those participation rates are still highest for women aged 18 to 24. Under current Federal pension law, however, a person cannot participate in a pension plan until age 25. While workers are eligible for coverage retroactive to age 22 if they remain with the same employer until age 25, this policy frequently leaves women workers without pension protection for a major portion of their careers. My bill lowers the minimum age requirement from 25 to 21 to allow these women—and all workers—to participate in a pension plan continuously from age 21.

Working women also suffer under the current breaks-in-service rules. Despite the increased incidence of women working, women are still responsible for the maintenance of their families, especially the rearing of children. These family responsibilities tend to interrupt a woman's working life. Therefore, I am proposing that a parent should receive vesting, benefit, and participation accrual credits for a 1-year approved maternity or paternity leave, as is currently the case with military service.

As spouses, women also face many barriers to receiving survivor's benefits. The notion that the pension is the property of the worker alone has contributed to the lack of financial protection many widows experience. The President's Commission on Pension Policy viewed pensions as the property of the family and recognized the woman as wife, mother, and homemaker to the earning of the pension. I have proposed four changes to make the law recognize these contributions.

First, my bill will require that survivor protection be automatic for married spouses unless the spouse consents in writing to waive the option. This waiver must be either notarized or witnessed by a plan representative. Currently, participants may elect out of a joint and survivor option without notifying their spouse.

Second, my bill provides that survivors of employees who die before retirement with a vested benefit will receive the survivors benefit to which they would have been entitled if the employee died after retirement. Under current law, survivor benefits can be denied a spouse if the participant dies before retirement.

Current law also provides that if an employee dies from nonaccidental causes within 2 years of electing a joint and survivor option, the survivor option can be withdrawn. My bill eliminates this provision and guarantees that a pension that has been earned is paid to the survivor.

Finally, my bill provides that pension benefits can be assigned to divorced spouses upon order of a divorce court. ERISA currently contains language prohibiting assignment of benefits to anyone other than the participant. My bill would amend this prohibition to allow State divorce courts to assign a portion of pension benefits earned during a marriage to a spouse as part of a settlement.

In addition to the amendments to ERISA, I am proposing two amendments to the current law regarding individual retirement accounts (IRA's). As inflation rages on, more and more Americans are finding themselves financially strapped during their retirement years. I am proposing that a married individual with no income or with an income lower than that of his or her spouse be allowed to use the spouse's income to calculate the amount the individual could contribute to an IRA. As another means of encouraging people to save for their retirement, I am proposing that alimony payments be included in a person's total income for purposes of determining their maximum allowable contribution to an IRA.

Mr. Speaker, this bill is a practical, cost-effective approach to some of the problems women face under the private pension system. In a time when the incentive to prepare for retirement is overshadowed by the realities of inflation and economic hardship, we must make all reasonable efforts to help people achieve financial security for their retirement.●

THE PAUL VOLCKER RETIREMENT ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota (Mr. DORGAN) is recognized for 5 minutes.

● Mr. DORGAN of North Dakota. Mr. Speaker, when an elected official does not measure up to the expectations of his or her constituents, that official finds himself or herself out of office after the next election.

And when the head of a private business leads that business into losses, the business head is removed.

Performance and accountability go together.

Yet the Chairman of the Federal Reserve Board, the individual in this Nation who is most responsible for one-half our economic policy—our monetary policy—is not accountable to anyone. No matter how much hardship the Fed's policies inflict upon the American people, the President and Congress can do virtually nothing about it.

Today, I am proposing that we change that. I am introducing a very simple measure which would enable the Congress, by a three-fifths vote of each House, to remove the Fed Chairman from that office.

Mr. Speaker, the high interest policies over which the current Fed Chairman, Mr. Paul Volcker, has presided, have been a disaster for the American people. They have brought an epidemic of small business bankruptcies, scorched the auto and homebuilding industries, burdened farmers with 45 percent more interest payments than they had 1 year ago, increased the Federal deficit, worsened inflation and generally have made life miserable for millions of Americans.

The lawmakers who wrote the Federal Reserve Act in 1913 never intended for the Fed and its Chairman to have this kind of power. President Woodrow Wilson, who guided the act through Congress and signed the act, warned that—

> The contol of the system of banking and of (issuing money) * * * must be vested in the Government itself so that the banks may be the instruments, not the masters, of individual initiative and enterprise.

Mr. Speaker, I propose that we take President Wilson's advice.

We need a long and hard debate over the structure and policies of the Federal Reserve System. My bill is intended to sharpen this debate.

The extension of my remarks explains the Paul Volcker Retirement Act and the reasons for it, in more detail.

Thank you, Mr. Speaker.●

ANNIVERSARY OF THE UKRAINIAN DECLARATION OF INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

● Mr. ADDABBO. Mr. Speaker, it is with great pleasure that this body today commemorates with all Ukrainians the 63d anniversary of the Ukrainian Declaration of Independence and Self-Determination.

In taking the time to acknowledge this important date in history, we are celebrating the strength, wisdom, and character of the Ukrainian people, a people who have courageously maintained their individual and collective identities in the face of Soviet oppression. Indicative of their spirit, the more the Soviet Union takes steps to suppress their cultural, historical, and intellectual traditions, the stronger all Ukrainians have become.

As we observe the Ukrainian anniversary of independence, we must take the time to remember that it was the Ukraine to be the first nation to fall into the grasp of Soviet imperialism, an imperialism which has been characterized by broken promises in countless treaties signed in good faith by numerous nations. It is an imperialism which has been continuously seeking to expand the sphere of influence of the Soviet Union, and in most recent months, into Afghanistan and possibly in the future, well into the Persian Gulf. The United States must continue to demonstrate its role as the champion of all free people of the world, but more importantly, it must continue to support the people of the Ukraine and all other people who live under Soviet oppression, in their goals for political as well as religious freedom.

With all this in mind, we join the Ukrainian people in paying homage to their never ending goal of freedom, human rights, and the true national independence of the Ukraine.●

RECOGNIZING SRI LANKA'S NATIONAL DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. FOLEY) is recognized for 5 minutes.

● Mr. FOLEY. Mr. Speaker, I have the pleasure to rise today, February 4, to recognize the National Day of Sri Lanka. Today marks the 33d anniversary of Sri Lanka's nationhood. It also represents the third year in office for His Excellency, J. R. Jayewardene, the First Executive President of Sri Lanka.

Sri Lanka's success in meeting basic human needs, and recognizing fundamental human liberties, stands as an example within the community of developing and developed nations alike. Life expectancy and literacy remain remarkably high, as does the index which measures the quality of life overall.

This nation has been subject to many of the difficulties which are normally associated with the transition to independence from European dominance. Its economy has labored under the usual disadvantages of an undue dependence on a small number of commodities, which are vulnerable to abrupt price shifts in the international market. However, through an innovative economic development plan which involves agricultural self-sufficiency, energy independence, and the attraction of foreign investment for industrial development, Sri Lanka is facing up to these problems.

For the richly diverse and independent country of Sri Lanka, today will be a day when the past is reviewed with pride, and the future anticipated with confidence. Our two countries have enjoyed a long and happy relationship. I have every hope and expectation that they will continue to do so in the upcoming years. It is a pleasure to extend my congratulations to the entire country of Sri Lanka on this important date.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. BROWN of Colorado) to revise and extend his remarks and include extraneous material:)

Mr. DAUB, for 5 minutes, today.

(The following Members (at the request of Mr. MOAKLEY) to revise and extend their remarks and include extraneous material:)

Mr. BEDELL, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Ms. MIKULSKI, for 5 minutes, today.
Mr. LAFALCE, for 20 minutes, today.
Ms. FERRARO, for 10 minutes, today.
Mr. DORGAN of North Dakota, for 5 minutes, today.
Mr. ADDABBO, for 5 minutes, today.
Mr. FOLEY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MOAKLEY) and to include extraneous matter:)

Ms. MIKULSKI.
Mr. ZEFERETTI.
Mr. MONTGOMERY.
Mr. FLORIO.
Mr. NOWAK.
Mr. FORD of Michigan.
Mr. NATCHER in two instances.
Mr. HAMILTON.
Mr. DYSON.
Mr. MAVROULES.
Mr. VENTO in two instances.
Mr. YATRON.
Mr. PEPPER.
Mr. LUNDINE in two instances.
Mr. LAFALCE.
Mr. DORGAN of North Dakota.
Mr. BEILENSON.
Mr. FOUNTAIN in two instances.
Mr. APPLEGATE.
Mr. MOAKLEY in two instances.
Mr. HAWKINS.
Mr. LANTOS.

Mr. McDONALD in five instances.
Mr. WEISS in 15 instances.
Mr. WON PAT.
(The following Members (at the request of Mr. BROWN of Colorado) and to include extraneous matter:)
Mr. HINSON.
Mr. GEISHAM.
Mr. MOORHEAD.
Mr. McCLOSKEY in two instances.
Mr. PORTER.
Mr. GREEN.
Mr. WOLF.
Mr. ROUSSELOT in three instances.
Mr. GILMAN.
Mr. FINDLEY in two instances.
Mr. DERWINSKI in three instances.
Mr. KINDNESS.
Mr. SMITH of New Jersey in three instances.
Mr. COLLINS of Texas.
Mr. FIELDER.
Mr. BEREUTER in two instances.
Mr. RUDD in three instances.
Mr. HANSEN of Idaho in three instances.
Mr. HYDE.
Mr. McCLORY.

ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 32 minutes p.m.), the House adjourned until tomorrow, Thursday, February 5, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

464. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting a report on the performance of Defense Department commercial and industrial-type functions, pursuant to section 502(c) of Public Law 96-342; to the Committee on Armed Services.

465. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report reviewing economic relations between the United States and Taiwan in 1980, pursuant to section 12(d) of Public Law 96-8; to the Committee on Foreign Affairs.

466. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

467. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on NASA's disposal of foreign excess property during fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

468. A letter from the Clerk, U.S. Court of Claims, transmitting a certified copy of the court's judgment order No. 363, The Lower Sioux Indian Community in Minnesota against The United States; to the Committee on Interior and Insular Affairs.

469. A letter from the Acting Commissioner, Immigration and Nationalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

470. A letter from the Acting Commissioner, Immigration and Nationalization Service, Department of Justice, transmitting a copy of the order suspending deportation under the authority of section 244(a)(2) of the Immigration and Nationality Act, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

471. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report on the North Atlantic Treaty Organization's Acquisition and Cross-Servicing Agreement, for fiscal year 1981, pursuant to section 2330 of 10 U.S.C.; jointly, to the Committees on Armed Services and Foreign Affairs.

472. A letter from the Comptroller General of the United States, transmitting a report on the performance of fiscal intermediaries in processing claims and providing other services under the Department of Defense's civilian health and medical program of the Uniformed Services (HRD-81-38, Feb. 2, 1981); jointly, to the Committees on Government Operations and Armed Services.

473. A letter from the Comptroller General of the United States, transmitting a report on accounting changes that are needed in the Railroad industry (AFMD-81-26, Feb. 4, 1981); jointly, to the Committees on Government Operations and Energy and Commerce.

474. A letter from the Comptroller General of the United States, transmitting a report to the Secretary of Health and Human Services to improve the identification and monitoring of assets of Supplemental Security Income Recipients (HRD-81-4, Feb. 4, 1981); to the Committees on Government Operations and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 54. Resolution providing for the consideration of H.R. 1553. A bill to provide for a temporary increase in the public debt limit (Rept. No. 97-2). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BREAUX (for himself and Mr. FORSYTHE):

H.R. 1638. A bill to provide for the control of illegally taken fish and wildlife, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CORRADA:

H.R. 1639. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to carry out a project along the Martin Pena Canal in the area of San Juan, Puerto Rico; to the Committee on Public Works and Transportation.

By Mr. DORGAN of North Dakota:

H.R. 1640. A bill to amend the Federal Reserve Act to provide that the Chairman of the Board of Governors of the Federal Reserve System may be removed from such position by the adoption of a concurrent resolution by a three-fifths vote of both Houses of the Congress; to the Committee on Banking, Finance and Urban Affairs.

By Ms. FERRARO:

H.R. 1641. A bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to provide greater protection to women under private pension plans; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. FITHIAN:

H.R. 1642. A bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes; to the Committee on Ways and Means.

By Mr. GRISHAM:

H.R. 1643. A bill to prohibit the use of Federal housing assistance with respect to certain aliens; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HANCE (for himself, Mr. PICKLE, and Mr. LOEFFLER):

H.R. 1644. A bill to repeal the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. HANCE:

H.R. 1645. A bill to terminate the Department of Energy; jointly, to the Committees on Government Operations and Rules.

By Mr. HAWKINS:

H.R. 1646. A bill to extend the authorization of youth training and employment programs and improve such programs, to authorize intensive and remedial education programs for youth, and for other purposes; to the Committee on Education and Labor.

By Mr. KINDNESS (for himself and Mr. SAM B. HALL, JR.):

H.R. 1647. A bill to revise title 18 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. LAFALCE (for himself, Mr. GIBBONS, and Mr. HINSON):

H.R. 1648. A bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally; jointly, to the Committees on Foreign Affairs, Banking, Finance and Urban Affairs, and the Judiciary.

By Mr. LUNGREN (for himself and Mr. MAZZOLI):

H.R. 1649. A bill to amend title 28 of the United States Code to provide for reassignment of certain Federal cases upon request of a party; to the Committee on the Judiciary.

By Mr. LUNGREN (for himself, Mr. BADHAM, Mr. DANNEMEYER, Mr. RAILSBACK, Mr. BURGENER, Mr. BUTLER, Mr. DERWINSKI, and Mr. WHITEHURST):

H.R. 1650. A bill to amend the Immigration and Nationality Act to establish a program to permit nationals of Mexico to enter the United States to perform temporary services or labor; to the Committee on the Judiciary.

By Ms. MIKULSKI (for herself, Mr. MILLER of California, and Mrs. BOGGS):

H.R. 1651. A bill to provide for Federal support and encouragement of State, local, and community activities to prevent domestic violence and assist victims of domestic violence, to provide for coordination of Federal programs and activities relating to domestic violence, and for other purposes; to the Committee on Education and Labor.

By Mr. MILLER of California:

H.R. 1652. A bill to amend the Clean Air Act; to the Committee on Energy and Commerce.

By Mr. NEAL:

H.R. 1653. A bill to amend the Federal Reserve Act to control the growth of the money supply and promote stable prices, reasonable interest rates, and maximum employment; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1654. A bill to provide that the interest rate on federally insured mortgages under section 203(b) of the National Housing Act shall be the rate charged for uninsured mortgages; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1655. A bill to limit the acquisition and use of motor vehicles; to the Committee on Government Operations.

H.R. 1656. A bill to increase the rates of duty on certain tobacco and to prohibit the payment of substitution drawback with respect to imports of such tobacco; to the Committee on Ways and Means.

By Mr. NOWAK:

H.R. 1657. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to permit States to pay extended benefits on the basis of area triggers; to the Committee on Ways and Means.

By Mr. PEASE:

H.R. 1658. A bill to establish a procedure, in addition to impeachment, for the removal of certain members of the judiciary of the United States whose conduct is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution of the United States, to establish additional procedures for the retirement of certain disabled members of the judiciary of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. RUDD:

H.R. 1659. A bill to enhance U.S. intelligence-collecting capabilities by prohibiting the unauthorized disclosure of information concerning individuals engaged or assisting in foreign intelligence or counterintelligence activities, and for other purposes; jointly, to the Committees on Intelligence, Post Office and Civil Service, and Veterans' Affairs.

By Mr. RUDD (for himself, Mr. BEVILL, Mr. DANIEL B. CRANE, Mr. JEFFRIES, Mr. LOTT, Mr. MOLLOHAN, and Mr. MOTTL):

H.R. 1660. A bill to repeal the Metric Conversion Act of 1975 (89 Stat. 1007; 15 U.S.C. 205a et seq.); to the Committee on Science and Technology.

By Mr. VANDER JAGT:

H.R. 1661. A bill to amend title II of the Social Security Act to provide that child's insurance benefits may not be paid to a stepchild on the basis of an insured individual's wage record for any period in which such individual neither has custody of the child nor is responsible for his or her support; to the Committee on Ways and Means.

By Mr. WEISS (for himself, Mrs. CHISHOLM, Mr. MILLER of California, Mr. GIBBONS, Mr. MOFFETT, Mr. RICHMOND, Mrs. SCHROEDER, Mr. WALGREN, and Mr. DIXON):

H.R. 1662. A bill to require certain information be provided to individuals who take standardized educational admission tests, and for other purposes; to the Committee on Education and Labor.

By Mr. WEISS (for himself, Mr. ADDABBO, Mr. CORRADA, Mr. SHAMANSKY, Mr. RICHMOND, Mr. SOLARZ, Mr. RINALDO, Mr. VENTO, Mr. MITCHELL of Maryland, Mr. WALGREN, Mr. SCHEUER, Mr. KILDEE, Mr. YATRON, Mr. PRICE, Mr. HOWARD, Mr. GUARINI, Mr. SIMON, Mr. ROE, and Mr. TRAXLER):

H.R. 1663. A bill to establish an office in the National Institutes of Health to assist in the development of drugs for diseases and conditions of low incidence; to the Committee on Energy and Commerce.

By Mr. WOLF (for himself, Mr. WAMPLER, Mr. ROBINSON, Mr. TRIBLE, and Mr. BLILEY):

H.R. 1664. A bill to direct the Secretary of Transportation to enter into negotiations with the State of Virginia to lease Dulles International Airport to the State of Virginia, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. YOUNG of Florida:

H.R. 1665. A bill to amend title 10 of the United States Code in order to provide that no veteran may be denied care or treatment under the CHAMPUS program for any service-connected disability solely because care or treatment for such disability is available at Veterans' Administration medical facilities; to the Committee on Armed Services.

H.R. 1666. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

H.R. 1667. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

H.R. 1668. A bill to require public disclosure by certain recipients of Federal funds of information required to be kept by such recipients as a condition of receiving such funds; to the Committee on Government Operations.

H.R. 1669. A bill to require candidates for Federal elective office to resign any elective public office the term of which ends after the beginning of the term of such Federal office before filing in the general election for such Federal office; to the Committee on House Administration.

H.R. 1670. A bill to amend section 700 of title 18, United States Code, relating to desecration of the flag of the United States; to the Committee on the Judiciary.

H.R. 1671. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

H.R. 1672. A bill to amend the Marine Mammal Protection Act of 1972 in order to prohibit the issuance of general permits thereunder which authorize the taking of marine mammals in connection with commercial fishing operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 1673. A bill to provide that pay adjustments for Members of Congress may take effect no earlier than the beginning of the Congress next following the Congress in which they are approved; to the Committee on Post Office and Civil Service.

H.R. 1674. A bill to eliminate automatic cost-of-living pay adjustments for Members of Congress; to the Committee on Post Office and Civil Service.

H.R. 1675. A bill to amend title 38, United States Code, to provide that remarriage of the widow of a veteran after age 60 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 1676. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives for the modification of certain facilities and vehicles so as to remove architectural and transportational barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 1677. A bill to amend title II of the Social Security Act to reaffirm the fact that benefits payable thereunder are exempt from all taxation; to the Committee on Ways and Means.

H.R. 1678. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 1679. A bill to require the Secretary of Transportation to prescribe regulations requiring certain modes of public transportation in interstate commerce to reserve some seating capacity for passengers who do not smoke; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

H.R. 1680. A bill to amend title XVI of the Social Security Act to provide that certain aliens may not qualify for supplemental security income benefits unless they not only are permanent residents of the United States but have also continuously resided in the United States for a period of 5 years, and to provide that an alien may not be admitted to the United States unless a citizen of the United States agrees to provide support to such alien for a period of 5 years after admission, and for other purposes; jointly, to the Committees on Ways and Means and the Judiciary.

By Mr. ANNUNZIO (for himself and Mr. BAILEY of Pennsylvania):

H.J. Res. 160. Joint resolution to provide for the designation of April 19 to April 25, 1981, as "National Coin Week"; to the Committees on Post Office and Civil Service.

By Mr. PHILLIP BURTON (for himself, Mr. WON PAT, Mr. DE LUGO, and Mr. SUNIA):

H.J. Res. 161. Joint resolution proposing an amendment to the Constitution of the United States to provide a Presidential vote for the insular areas; to the Committee on the Judiciary.

By Ms. MIKULSKI:

H.J. Res. 162. Joint resolution designating the week beginning March 8, 1981, as "Women's History Week"; to the Committee on Post Office and Civil Service.

By Mr. WON PAT:

H.J. Res. 163. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.J. Res. 164. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.J. Res. 165. Joint resolution proposing an amendment to the Constitution of the United States to provide that Members of Congress who have been convicted of a felony and who have exhausted all judicial appellate procedures shall cease to hold office; to the Committee on the Judiciary.

H. Con. Res. 56. Concurrent resolution calling for full freedom and independence for the Baltic States; to the Committee on Foreign Affairs.

H. Con. Res. 57. Concurrent resolution expressing the sense of the Congress that the United States should seek, through diplomatic channels, the withdrawal of certain personnel of the Soviet Union from Estonia, Latvia, and Lithuania and the release by the Soviet Union of political prisoners of Estonian, Latvian, and Lithuanian descent; to the Committee on Foreign Affairs.

By Mr. PANETTA:

H. Res. 55. Resolution expressing the sense of the House that all internal revenue bills providing a decrease in revenues to the Treasury should be made part of the first reconciliation bill of the 97th Congress, and that the aggregate revenue loss from such revenue bills should be limited to the aggregate net spending reductions under such reconciliation bill; to the Committee on Ways and Means.

By Mr. BOLLING (for himself and Mr. QUILLEN):

H. Res. 56. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Rules; to the Committee on House Administration.

By Mr. YOUNG of Florida:

H. Res. 57. Resolution to reaffirm the use of our national motto on coins and currency; to the Committee on Banking, Finance and Urban Affairs.

H. Res. 58. Resolution to reaffirm the use of the phrase, "Under God," in the Pledge of Allegiance to the flag of the United States; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. YOUNG of Florida:

H.R. 1681. A bill for the relief of Andre Bartholo Eubanks; to the Committee on the Judiciary.

H.R. 1682. A bill for the relief of Dr. Virgilio Follosco Floresca and Thelma Pulido Floresca; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. CHAPPELL.

H.R. 55: Mr. EDWARDS of Alabama.

H.R. 146: Mr. DUNN.

H.R. 374: Mr. RICHMOND, Mr. BOLAND, Mr. MOAKLEY, Mr. YATES, Mr. ADDABBO, Mr. FAUNTROY, Mr. MARKEY, Mr. PEPPER, Mr. BARNES, Mr. NOWAK, Mr. DORNAN of California, Mr. MILLER of California, Mr. ST GERMAIN, Mr. ROSENTHAL, Mr. JACOBS, Mr. OTTINGER, Mr. BEARD, Mr. STARK, Mr. CLAY, Mr. BINGHAM, Mr. WEISS, Mr. JOHN L. BURTON, Mr. HOLLENBECK, Mr. EDWARDS of California, Mr. MCKINNEY, Ms. MIKULSKI, Mr. KEMP, Mr. COLLINS of Texas, Mr. WAXMAN, Mr. GRAY, Mr. PANETTA, Mr. GRISHAM, Mr. EDGAR, Mr. REUSS, Mr. YOUNG of Missouri, Mr. MINISH, Mr. DIXON, Mr. RATCHFORD, Mr. MITCHELL of Maryland, and Mr. MINETA.

H.R. 1003: Mr. TAYLOR, Mr. BROWN of Ohio, Mr. MITCHELL of New York, Mr. GUYER, and Mr. HINSON.

H. Con. Res. 43: Mr. RALPH M. HALL, Mr. HINSON, Mr. MCDADE, Mr. HOWARD, Mr. MARRIOTT, Mr. HANSEN of Idaho, Mr. FAUNTROY, Mrs. FENWICK, Mr. DUNCAN, Mr. LAGOMARSINO, Mr. WHITEHURST, Mr. LUNGREN, Mr. WINN, Mr. BOWEN, and Mr. ROSE.

H. Res. 13: Mr. LAGOMARSINO, Mr. ADDABBO, Mr. ROE, Mr. BARNARD, Mr. HYDE, Mr. CONYERS, Mr. CORRADA, Mr. ANDREWS, Mr. SCHUMER, Mr. WINN, Mr. SOLARZ, and Mr. JAMES K. COYNE.

H. Res. 50: Mr. HOLLENBECK, Mr. OBERSTAR, Mrs. COLLINS of Illinois, Mr. TRAXLER, Mr. WEISS, Mr. LAFALCE, Mr. CLAY, Mr. KASTENMEIER, Mr. RANGEL, Mr. HOWARD, and Mr. NOWAK.

PETITIONS, ETC.

Under clause 1 of rule XXII,

23. The SPEAKER presented a petition of the city council, Philadelphia, Pa., relative to an urban development action grant application; which was referred to the Committee on Banking, Finance and Urban Affairs.

EXTENSIONS OF REMARKS

DEFENSE ECONOMIC ADJUSTMENT ACT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. WEISS. Mr. Speaker, a formidable obstacle to effective arms control initiatives is the belief that cutbacks in defense spending will cause serious economic dislocation in communities. The cause of world peace and mutual disarmament is hindered by such fears that the conversion of military facilities to peaceful purposes will result in significant job losses and industrial disruption.

To counter these claims and to facilitate a smooth transition from unnecessary defense activity to essential human service production, I recently introduced the Defense Economic Adjustment Act. This legislation lays out a sound and reasonable method of encouraging arms limitation and promoting both economic expansion and, with it, the national welfare.

My bill would provide economic assistance to those communities, industries, and workers affected by significant reductions in defense expenditures. The legislation would create a Defense Economic Adjustment Council in the Executive Office of the President and would establish an economic adjustment trust fund to finance conversion of defense facilities to peaceful production. Alternative use committees would be formed under the bill to undertake careful economic planning and research in affected communities. Workers displaced by reductions in defense contracts would receive financial assistance and employment training by this bill.

The Defense Economic Adjustment Act is an essential step toward a more secure world and a more prosperous United States. I urge my colleagues to join me in supporting this effort to accomplish the urgent goals of arms limitation and socially and economically beneficial production.●

ON RACIAL AND RELIGIOUS BIGOTRY

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. ROUSSELOT. Mr. Speaker, as I am sure you know, our country in recent months has been suffering from a resurgence of racial and religious bigotry, vandalism, and crime.

In my own district, in the San Gabriel Valley suburbs of Los Angeles, several acts of anti-Semitic vandalism and destruction have taken place in the past few months.

Nazi swastikas and anti-Semitic graffiti have desecrated synagogues, Jewish-owned businesses, and homes. Temple Beth David, of Temple City in my district, suffered extensive and tragic destruction in an arson fire during the Jewish festival of Hanukkah in December. Two self-professed members of the American Nazi Party have been arrested and are scheduled for trial for this horrible act.

Jews and gentiles alike are alarmed by these and other desecrations of houses of worship, Jewish institutions and Jewish cemeteries. Public officials, clergymen and leaders of other ethnic and religious groups have shown their outrage as well.

America is the greatest country in the world because she has blended the genius and talent of the many peoples who have made up the mosaic of our Nation. Only in a free republic can this happen successfully. And freedom of the expression of religious beliefs is a part of that mosaic. We cannot allow racial and religious hatred to destroy what we have in America.

It is time that we, as elected representatives, provide significant leadership for our country by speaking out in condemnation of this disturbing trend.

I urge my colleagues to review the following article that appeared in the Los Angeles Jewish Community Bulletin of the Jewish Federation-Council of Greater Los Angeles, Jan. 12, 1981:

A sharp increase in assaults and vandalism against Jewish institutions, houses of worship, cemeteries and private property occurred last year, compared to 1979, according to a nation-wide survey conducted by the Anti-Defamation League of B'nai B'rith.

The findings revealed 377 reported anti-Semitic incidents in 1980 as against 129 in '79. These included firebombings, swastika daubings, anti-Jewish graffiti and other acts of vandalism in 29 states and the District of Columbia.

The largest number of incidents—120—was reported from New York State, with 69 in New York City's five boroughs and 39 in Nassau and Suffolk counties. New Jersey came next with 69, Massachusetts with 34, California with 27, Michigan 21, Illinois and Rhode Island with 12 each.

In addition, there were 112 anti-Semitic incidents involving bodily assaults against Jews, harassments or threats by phone or mail directed at Jewish institutions, their officials or private Jewish citizens.

Mr. Speaker, I would also like to share with my colleagues a letter I sent to Rabbi Alan R. Lachtman after the demolition of the sanctuary in his Temple Beth David of the San Gabriel Valley:

I was appalled to learn that temples in my district in recent months have been defiled with swastikas on the synagogue walls, broken windows and other acts of violence. I am outraged at the recent demolishing of your sanctuary. It is not only shocking but it must be considered a malicious affront to the avowed precepts of our nation.

The Hispanic-Jewish Action Committee is to be commended for its immediate response to this act of racist and anti-Semitic activity. It is my understanding that a letter writing campaign has been launched by them to encourage citizens in the San Gabriel Valley to indicate their displeasure at the destruction of houses of worship.

I have read with pride the open letter to the community by Father Craig Cox, President of the Temple City Ministerial Association, pledging support to your temple and opening the doors of worship to the Jewish community until it once again has full use of its facilities.

This action is indeed an indication of the true Christian/Judeo brotherhood spirit. I join Father Cox and the Hispanic-Jewish Action Committee in letting our Jewish friends know that they have our support and concern during this period of crisis.●

ALVIN NELSON LOSKAMP, A CIVIC LEADER

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. MOORHEAD. Mr. Speaker, there is an old Chinese proverb which suggests, "It is better to light a candle than to curse the darkness." An unfortunate aspect of the contemporary scene is that many of us seem to spend our time cursing the darkness rather than lighting candles.

This, however, is not the case with Alvin Nelson Loskamp, a civic leader and a source of civic pride in the city of Burbank. He is an achiever and an optimist. He is a man who gives of his time and energies and expertise. He chooses not to waste his time cursing darkness but instead seeks to light candles.

Since moving to Burbank in 1970, Mr. Loskamp has held numerous positions of leadership in the community. Most recently, he was the president of the Burbank Chamber of Commerce, on whose board of directors he served for 4 years.

He has also been president and a member of the Burbank Planning Board, the Burbank Bar Association, the YMCA, the Burbank Noon Lions

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Club, and the alumni association of the Loyola Law School of Los Angeles. Further, he is a member of Phi Alpha Delta law fraternity and the Los Angeles Alumni Chapter Justice.

Within each of these organizations, he has made significant contributions. He has not stood still, complaining loudly, about the current condition. Rather, he has become involved deeply with his society. As a result, we have all benefited.●

SOVIET JEWRY EFFORTS MUST CONTINUE

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. GREEN. Mr. Speaker, I am sure that all my colleagues are painfully aware of the harsh policies the Soviet Union has imposed on Soviet Jews wishing to emigrate. The number of people allowed to emigrate has declined and the treatment of those forced to stay has deteriorated. The recent issue of Currents, a monthly publication from the Greater New York Conference on Soviet Jewry, provides an interesting look at this problem. The article points out that even though 1980 was not a good year for Soviet Jews we must look forward; 1980 should not result in us giving up on our efforts. Instead, we must press ahead with greater fervor. I am sure that my colleagues will find this article quite useful and, as a result, I have included it in the RECORD.

TRENDS IN SOVIET JEWISH EMIGRATION

The dramatic decline in the number of Soviet Jews permitted to emigrate in 1980 was one facet of widespread Soviet crackdown on dissent. While Western attention focused on Afghanistan, the Persian Gulf, and Poland, the Soviet authorities sent Andrei Sakharov into internal exile, made sweeping arrests of Helsinki monitors and other "troublemakers" before the Moscow Olympics, created new procedural obstacles to Jewish emigration, and detained one of the leading Jewish activists, Viktor Brailovsky.

As 1981 begins, international tensions show no sign of easing, and the Soviets' internal crackdown shows no sign of abating. Between East and West, the level of competition has increased, the level of cooperation has decreased, and the spirit of accommodation has almost completely vanished. For Soviet Jews, the picture is now bleaker than it has been since the early 1970's, before the advent of detente.

However, the discouraging trends of 1980 should not overwhelm the positive accomplishments of the Soviet Jewry movement in the past ten years. In 1971, there was little expectation that a quarter of a million Jews would be permitted to leave the Soviet Union in the course of the decade. The combination of the politics of detente and the successful efforts of organizations such as the Greater New York Conference on Soviet Jewry to influence Western leaders by mobilizing broad-based, non-partisan, grassroots support demonstrated the ability of concerned Americans to influence Soviet policy. The frustrations of 1980 were greater because of the achievements of 1979. The lesson of 1980 must be that Western concern and Western pressure have to be even greater in 1981.

The urgency of the issue of Soviet Jewish emigration has not diminished. Regardless of the fluctuations in annual emigration totals, the Western world cannot rest while the right of any Jew to leave the Soviet Union is denied unreasonably. The West cannot simply accept decreased emigration as one of the by-products of the new "Cold War."

The right to leave one's country has been a recognized part of international law since the United Nations General Assembly adopted the Universal Declaration of Human Rights in 1948. As Nobel Peace Prize winner Andrei Sakharov stated in 1971: "The freedom to emigrate . . . is an essential condition of spiritual freedom. A free country cannot resemble a cage, even if it is gilded and supplied with material things."

Soviet authorities granted 58 percent fewer exit visas to Soviet Jews in 1980 than in 1979. New barriers in the emigration process caused this sharp decline. They include:

restricting eligibility of visa applicants by accepting Israeli invitations from first-degree relatives only;

arresting key emigration and culture activists to intimidate potential visa applicants;

closing OVIR offices frequently;

confiscating or delaying delivery of invitations;

insisting on typed documents accompanied by a notarized statement of parental approval of emigration;

varying regulations from city to city to confuse refusenik spokesmen.

These regulations have deterred many thousands of Soviet Jews from applying, have caused a substantial drop in requests for invitations and have significantly increased the number of refuseniks.●

TRADE DEFICIT

HON. JON HINSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. HINSON. Mr. Speaker, the United States is on the threshold of recording the largest annual trade deficit in its history. To reverse the unfavorable trend of the last few years, a national export policy to reestablish the competitiveness of U.S. businessmen in international markets is essential. Legislation to facilitate and promote the formation of export trading companies and associations would provide one vital element of such a policy. I am pleased today to join with my colleagues Mr. LAFALCE of New York and Mr. GIBBONS of Florida in introducing the export trading company bill, legislation which revises laws and policies, particularly in the banking and antitrust areas, which have discouraged the establishment of export trading companies.

Our competitive position in world markets is at stake. There is a critical need to convince businessmen and the public that the country needs to export to maintain our standard of living. Companies that export increase employment opportunities in the United States, reduce the trade deficit, and add to the value of the dollar. Opportunities for more sales of U.S.-made products and services should be created. The world market for goods and services is growing—faster than our own domestic market—and we should be more involved in it rather than seeking to reduce our involvement in it.

The Commerce Department reports that only 10 percent of the 250,000 U.S. manufacturing firms export their products and that total U.S. exports account for the lowest percentage of gross national product of any industrialized nation. Also 95 percent of U.S. manufacturing firms are small- or medium-sized companies which employ less than 1,000 persons.

Our success in global competition is determined not just by the resources and efforts of individual enterprises, but also by the entire structure of our business system and the framework of laws and policies in which businesses operate. The purpose of this bill is to strengthen the international competitiveness of the United States by providing small- and medium-sized U.S. firms increased opportunities to export.

By authorizing the Export-Import Bank to provide financial assistance in the form of direct loans or loan guarantees to export trading companies and by authorizing the Department of Commerce and the Small Business Administration to provide startup and operating assistance to these companies, this legislation will remove a number of the structural obstacles and disincentives to exporting which are difficult for the independent firm to overcome.

By extending the antitrust provisions under the Webb-Pomerene Act to the export activities of export trading companies, as this legislation does, we can abate certain business uncertainties and enable export trading companies to establish a close relationship with domestic manufacturers to exploit the traditional U.S. strength in producing new and innovative products.

By allowing for participation in export trading companies by financial institutions, perhaps one of the most important features of this bill, U.S. banking organizations through their systems, skill, and experience will be able to provide one-stop export services to U.S. firms. Furthermore, by addressing entry and aggregate investment limitations, by establishing certain restrictions of banking organization investors and ETC's, and by providing substantial regulatory flexibility to the Federal financial supervisory agencies to control investments by banking organizations in ETC's, the Export Trading Company Act insures the necessary safeguards against conflict of interest, unsound banking practices, or unfair methods of competition.

Increased exports sales would benefit the entire economy, and I urge support for this legislation which represents a positive step toward insuring our Nation's ability to earn its keep in world markets.●

NATIONAL COMMISSION ON SOCIAL SECURITY FAVORS USING INCOME TAX TO PARTIALLY FINANCE SOCIAL SECURITY-MEDICARE SYSTEM

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. WEISS. Mr. Speaker, social security is one of our Nation's most important institutions.

In one form or another, it touches the lives of almost every American family.

More than 9 out of 10 persons 65 years or older either receive or are eligible to receive social security benefits.

About 115 million individuals work in social security covered employment. In return, they are building retirement, survivor, and disability protection for themselves and their families.

Social security, of course, is much more than just a retirement program for older Americans. In a very real sense, it is family security for younger and middle-aged workers, as well as their spouses and children.

These facts underscore the importance of social security. A program as large and as vital as social security must be built upon the soundest financial foundation. Social security must also continue to remain soundly conceived, equitable, and responsive to changing developments in our society.

A few weeks ago, the National Commission on Social Security submitted a summary of recommendations aimed at bolstering this vital system.

I am pleased that the Commission urged that general revenues should be used to finance one-half of the cost of medicare hospital insurance. I would hope that this would be only the first step toward greater general revenue financing of social security.

Partial general revenue financing for the social security-medicare system is a concept that I have long supported because: General revenues would make social security financing more progressive; the current payroll tax has clearly passed its limits of political acceptability; and general revenues would make it possible to ease the payroll tax burden both for employers and employees.

For these reasons, I plan to sponsor legislation during this Congress to provide partial general revenue financing for social security and medicare.

I am deeply concerned, however, about two Commission recommendations that would cut back social security protection. The first would raise the eligibility age for full social security benefits from 65 to 68 beginning in the year 2001. This proposal would have an especially harsh impact upon persons forced to take early retirement because they have exhausted their unemployment benefits or they have a disabling condition which may not meet the stringent requirements for social security benefits. It would be most harmful for minorities because of their shorter life expectancy. There are more effective and equitable alternatives to encourage people to work to more advanced ages than to raise the social security eligibility age. For example, the social security earnings limitation could be liberalized, the delayed retirement credit could be increased, or mandatory retirement could be abolished.

I am also opposed to the Commission recommendation to limit the social security cost-of-living adjustment to the lower of rising prices or wages. I favor taking strong steps to control inflation, but I believe that this can be achieved without thrusting the elderly into the front ranks as inflation fighters. Instead of calling for cutbacks in social security protection, we should explore options to improve their income position.

Nearly 400,000 persons 65 or older were added to the poverty rolls in 1979. This represents the largest increase for the elderly since poverty statistics were first tabulated nearly 20 years ago.

Poverty is, of course, a bare-bones existence under the Government's definition—less than $3,472 a year for a single aged person in 1979 and less than $4,364 for an elderly couple.

The Census Bureau poverty statistics for 1980 will not be known for several months. However, many experts are projecting another poverty increase for older Americans in 1980.

A recent article in the Washington Post provides an excellent description of the major recommendations of the National Commission on Social Security.

Mr. Speaker, I commend this article to my colleagues, which I include in the RECORD at this point.

[From the Washington Post, Jan. 13, 1981]

HILL ADVISERS SUGGEST USING INCOME TAX FOR SOCIAL SECURITY

(By Spencer Rich)

Congress' own special advisory committee on Social Security yesterday recommended a financing proposal that Congress has resisted for 45 years: using income tax revenues to help fund the Social Security system.

The National Commission on Social Security, set up by Congress in 1977, also proposed that the normal retirement age for benefits be raised from 65 to 68 gradually after the turn of the century.

In addition, it said that to save money in times of very high inflation, benefits should not automatically be increased exactly as much as the cost of living, as they are now. This concept and a retirement age increase have already been discussed on Capitol Hill as possible ways to cut system costs.

The commission said in its report to Congress yesterday that half of Medicare hospital costs should be financed from income tax revenues starting in 1983. It said that this, combined with a few benefit adjustments, would allow a slight decrease in scheduled payroll taxes and still keep the system on a sound financial footing for the next 40 years.

If half hospital costs under Medicare came from income tax revenues, the commission said, the overall Social Security payroll tax, which has just risen to 6.65 percent each on employers and employes and is scheduled to rise to 7.65 percent each in stages by 1990 and stay at that level, could be held slightly lower. The commission estimated that with help from income taxes, rates could range from 6.3 percent to about 7 percent at various times from 1990 to 2020. However, after 2024 it would have to go up to 9 percent each to maintain solvency.

The commission also made these recommendations to help strengthen the system:

Social security coverage should be made compulsory in 1982 for all federal, state and local government employes not now covered by any retirement system, and for the president, vice president, Cabinet members, Social Security commissioner and members of Congress and employes of nonprofit organizations. In 1985, all new government employes joining civil service should be included on a mandatory basis. But persons already in jobs covered by civil service retirement could stay in that program.

Congress should retain the rule that reduces benefits if the retiree earns more than $5,500 a year, but should grant a small tax credit to help compensate for benefits lost. The earnings limit has been criticized by some, including President-elect Ronald Reagan.

Congress should repeal reductions in disability benefits voted in the last Congress. It should write catastrophic insurance into Medicare, limiting total out-of-pocket health payments by a Medicare client to $2,000 a year.

Congress should boost the welfare payment for the aged, blind and disabled under the supplemental security income program, now $238 for a single person and $358 for a couple, by 25 percent, eliminate food stamps for this group and eliminate the assets test for benefits. It should also require all states to extend Medicaid to anyone with income under two-thirds of the poverty line or whose medical outlays reduced income to that level or lower.

NO FEDERAL HOUSING FOR ILLEGAL ALIENS

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. GRISHAM. Mr. Speaker, today I am introducing legislation to prohibit illegal aliens from receiving Federal housing assistance. Preliminary inquiries conducted by the General Accounting Office indicate that there are large numbers of illegal aliens currently receiving housing subsidies.

The extent of this problem was first revealed through GAO interviews with various resident managers of public housing projects in southern California. One manager of a 487-unit project estimated that illegal aliens comprised 36 percent of the population of the project. Another manager of a 685-unit project estimated that 100–125 units were occupied by illegal aliens.

The difficulty in obtaining hard facts as to the extent to which illegal aliens are taking advantage of public housing assistance is precisely the reason this problem exists at all. Unlike other Federal agencies which deliver subsidy programs, such as AFDC, SSI, medicaid, food stamps, and CETA, the Department of Housing and Urban Development lacks the statutory authority to inquire into the citizenship status of persons applying for Federal housing subsidies. As a result, no data concerning the occupancy of subsidized units by illegal aliens is maintained by public housing agencies, public housing managers, or HUD.

The clear purpose of the various Federal housing subsidy programs is to provide decent, safe, and sanitary housing to low-income families. Obviously, Federal housing assistance is in high demand. The long waiting lists for existing public housing units illustrate that many eligible persons are not currently receiving needed assistance. Given the limitations on the amount of funds available for Federal housing programs, I see no reason why assistance should be provided to illegal aliens to the detriment of otherwise eligible low-income families.

The bill I have introduced would correct this problem by amending section 214 of the Housing and Community Development Act of 1980. This legislation would prohibit the Secretary of HUD from making financial assistance available for the benefit of any alien unless he or she is a resident of the United States and is lawfully present in the United States. HUD programs affected by my bill include the United States Housing Act of 1937, which established both the traditional public housing and the section 8 rental housing assistance programs, sections 235 and 236 of the National Housing Act, and section 101 of the Housing and Urban Development Act of 1965. Section 214 currently limits only nonimmigrant student aliens from receiving the benefits of these programs.

Mr. Speaker, I urge my colleagues to join me in bringing the same limitations to our Federal housing assistance programs that already exist in other Federal subsidy programs. At the same time, we can insure that the benefits from these programs remain available to those who are most in need.●

CRIMINAL CODE REVISION

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. KINDNESS. Mr. Speaker, over the last 10 years, the U.S. Congress has been grappling with the question of how our Federal criminal laws should be revised. There is clearly a need to rationalize the different types of conduct we define as criminal with appropriate penalties for that behavior, to more clearly delineate the respective law enforcement responsibilities of the Federal Government on the one hand and State and local governments on the other, and to bring some needed certainty to the sentencing process.

The 96th Congress made significant progress in this effort, with legislation being reported for the first time from the House Judiciary Committee. That legislation, H.R. 6915, was hailed not only for the amount of painstaking work that went into it but also for the balance it achieved between the legitimate needs of Federal law enforcement authorities and the protection of civil and constitutional rights.

Unfortunately, time ran out in the 96th Congress and so today I am introducing the same bill as reported from the House Judiciary Committee last year with the hope that we will pick up where we left off last year, making such corrections as are necessary and proceeding to enactment in this Congress.●

THE MILITARY'S FATAL FLAWS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. GINGRICH. Mr. Speaker, the failure of the American military in Vietnam, and the *Mayaguez*, and Iranian rescue missions tells us something: The U.S. military is not working.

It is not able to do what we have it for—fighting and winning wars. Clearly our survival requires finding out why.

Richard Gabriel's analysis, which follows, points us in the right direction. He argues that the military fails to meet its mission for three reasons.

First, the military's outlook has been distorted, narrowed, and made rigid by the cult of managerialism.

Second, the armed services substitute technological innovation for tactical and strategic thought.

Third, the current military ethos is a plodding stand-pat bureaucratism rather than an inventive and daring entrepreneurial search for American survival.

His short essay is powerful. I urge all my colleagues to look at the problem Richard Gabriel sees.

MILITARY DISPLAYS BAD FLAWS

(By Richard A. Gabriel)

American military forces have been committed to action three times since 1960—and each time they have failed us. The failures in military decision-making and execution in Vietnam are well known. Less publicized, but equally obvious, are the operational failures in the Mayaguez operation. And most recently, we have had the failure of the raid in Iran.

Perhaps military forces simply get out of practice between engagements. More likely, they develop bad habits born of bureaucratic self-interest and the pressure to build a successful career. Rather than accurately assessing the real conditions under which military forces must operate, our military men tend to accept courses of action which can advance their careers, please their political superiors, or protect their institutional interests. Of all this shortsightedness, the Iranian raid provides a classic example.

Only eight helicopters were launched from the Nimitz. Given the long distances they would have to fly, the failure to anticipate the rate of mechanical breakdowns—and the failure to compensate for them—was a major error in planning. The military's own experience with the RH-53 Sea Stallion should have warned them that mechanical failure would be a major consideration. In normal fleet operations, the RH-53 on the average is considered "mission capable" only 47 per cent of the time—and "fully mission capable" only 17 per cent of the time. Indeed, during the rehearsals for the raid two helicopters suffered mechanical failures. That the initial estimates of seven and then eight helicopters was accepted as adequate for the final plan was a mistake that doomed the mission from the start.

Another basic flaw was the manner in which the operation was rehearsed. It was both over-rehearsed, and not rehearsed enough. No less than 24 rehearsals were carried out prior to execution. But only four of those involved most elements of the force, and even these did not exercise all elements of the force. Some elements of the plan were rehearsed as many as 20 times—but never in conjunction with other elements. Thus the force became fragmented and isolated. Few members of the team knew more than their own narrow tasks, and even fewer has a grasp of the overall plan.

As a consequence, both cohesion and coordination of the force were placed at risk. The emphasis on compartmented rehearsal reduced the capacity of the force for innovation, flexibility and daring. When events turned out not to go exactly as planned, there was no ability to improvise. For example, the need for six helicopters was predicated on the lift capacity required to extract the five hostage "packets" and the rescue force. Yet five helicopters would still have had sufficient lift capacity if the hostage packets were consolidated into four larger groups. Despite this, the plan called for six machines. When the "objective" conditions of the plan were not met, no thought was given to improvising by consolidating the packets. The way in which the mission plan was rehearsed produced a force rigidly tied and committed to an anticipated scenario so that its ability to deal with changing circumstances was lost.

The plan violated the principle of simplicity—especially in its reliance upon gimmickry, technical skills and non-military elements to compensate for a realistic assessment of battle conditions. While it is certainly true that any plan would have had to contain elements of the unconventional, the Iranian plan seemed particularly unrealistic in that some of its important elements ran contrary to basic military experience and design. The plan was far too complex. For example:

The requirement that the guards around the embassy compound not be killed but "neutralized" by technical means served no military purpose.

The packet plan was not justifiable in military terms and added another unnecessary risk.

The division of forces to rescue three high-ranking hostages in the foreign ministry put the larger mission in peril.

The assault force—chosen largely on the grounds that it would have been difficult to keep the infrastructure of a larger force secret in the planning stages—was too small to begin with.

The decision of the planners to refuel at Desert I with all aircraft engines running seems a foolish and needless risk to have run. The rationale for this decision—the fear that once shut down, some aircraft engines could not be restarted—was marginal, compared to the risks associated with refueling six helicopters; in the dead of night; with no lights; with their engines running; creating localized dust storms and severe air turbulence through which the helicopters would have to fly in order to refuel. Moreover, the noise of ten aircraft with their engines running must have been deafening. As events turned out, the failure to execute the refueling maneuver proved crucial.

SYSTEMS WITHOUT SENSE

Finally, the command and control structure of the plan violates basic military experience. In typical "system" fashion, the operation was conceived and assembled in components, each with its own commander. At Desert I there were no less than four commanders: the rescue force commander, the air group commander, the helicopter force commander, and the on-site commander. Incredibly, the Joint Task Force Commander was not on the ground with his elements; instead he was located aboard ship in the Persian Gulf. Direct radio links back to the White House divided command authority even further.

In short, no one with the actual team had overall operational control. No one had the ability or authority to innovate in the face of changing circumstances. And, as could be expected, no one assumed responsibility beyond his own narrow area specified in the plan. In these circumstances, rigid adherence to pre-arranged scenarios was the most likely course of action. It was also the one that was followed.

The Iranian rescue raid is a classic example of an operation planned and executed by a bureaucracy. It placed many military requirements second to others. It was over-officered, but under-focused in command responsibility. It was over-rehearsed, in systems fashion, to the point of inflexibility. As a result of the planners' excessive cloak of secrecy, there was no one left to critique the plan except those who formulated it. It relied far too heavily upon technological gimmicks. Finally, it rested heavily upon pre-agreed "objective" conditions to dictate decisions, and thus removed responsibility for failure from those who executed it.

One finds in the planning and execution of the Iranian rescue mission clear indicators of the glaring weaknesses that characterize much of American military planning and execution. For example:

The trend toward managerialism, toward the bureaucrat who follows prearranged rules and avoids judgment. Even the language of the plan reflected the tendency to avoid judgment and to "revalidate prior agreements" made by planners.

An excessive reliance upon technology and gimmicks as substitutes for assessing realistic battle conditions and costs. This reliance is further evidenced in such notions as "invisible paint" for our bombers or using the "aluminum bridge" to sustain forces in Europe.

An oversensitivity to institutional and civilian considerations, to the point where military expertise is compromised or ignored. It is increasingly difficult for the military to make its point in the planning process on the basis of evidence and its experience. Politics is primary.

A bureaucratic style of decisionmaking that neutralizes and discourages dissent by making it costly to the career of the dissenter once plans have gathered momentum within the bureaucracy. As a consequence, operational plans are often unrealistic but adopted anyway, because they are "acceptable" from the perspective of institutional interests.

A tendency toward overofficering any project, while at the same time limiting the judgment of officers by diffusing responsibility through pre-arranged agreements. This tendency toward "resource management" is a major characteristic of American military planning and execution.

All these shortcomings are to be found in one degree or another in the Iranian mission plan. That they should have been found in so small an operation suggests that they will certainly characterize any larger operations our military may have to undertake—probably with all too similar results. In this sense the failure of the Iranian raid was the logical consequence of a planning and execution style that needs serious reform.●

THE ECONOMY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. WEISS. Mr. Speaker, during the past 2 years, the rate of inflation has ranged between 12 and 13 percent, and over 7 percent of the work force has been unemployed. Clearly the economic stability of this Nation is in serious jeopardy.

Two effective methods of dealing with this double-barreled problem of high inflation and rising rates of unemployment are to increase Federal funding for domestic services, and impose mandatory controls on prices, wages, profits, rents, and interest rates.

Unfortunately, instead of advocating controls, and expanding budgets for health care, employment, and human service needs, the Carter administration and the Congress failed to enact wage and price controls and Federal funding in these areas has been drastically reduced.

A reduction in essential Federal spending will not substantially curb inflation. The Congressional Budget Office recently found that a reduction in the Federal budget of $20 billion would reduce the annual rate of inflation by only one-tenth of 1 percent. Difficult economic conditions will instead be aggravated not only for the people of New York, but all areas of the country which suffer under a staggering rate of inflation. Indeed, for each 1-percent increase in the rate of unemployment, the Congressional Budget Office estimates that Federal, State, and local expenditures will increase by over $44 billion.

A fair and strict administration of controls, which has worked well in the past, could help break the price spiral, and lessen the widening gap between wages and the cost of living. Every sector of the economy is being damaged by this continuing, overwhelming rate of inflation. Food and health costs are soaring, prices for other goods and services grow almost at the same rate, and the purchasing power of the dollar continues to decline. The National Center for Economic Alternatives estimates that the annual rate of inflation for necessities—food, shelter, medical care, and energy—is at 13.7 percent. And those who can afford the least, people with low, moderate, and fixed incomes, suffer the most.

During the 96th Congress, the President did respond by implementing a voluntary wage and price standard program, but these clearly did not work. Double-digit inflation has now become the norm.

The President must have the authority to impose mandatory controls. Only a mandatory system can reestablish economic equilibrium, and eliminate the newly popular practice of constantly raising interest rates.

Passage of the Budget Control Act in 1974 was heralded as an important step by the Congress to impose discipline in the budgetmaking process. In recent years, however, this new budget procedure has become increasingly rigid, with more and more power concentrated in the Budget Committee. And this is at the expense of other

committees, and the programs they authorize.

The Budget Control Act provides that the Congress must pass two budget resolutions which provide sufficient Federal funds to meet the needs of the populace.

Recent budget resolutions, however, have not met this goal. Their passage instead has been contingent upon an agreement for a balanced Federal budget, notwithstanding hefty increases in military spending. I support a balanced budget, and believe it could have a positive impact on inflation. I do not believe it is the great panacea for the economic problems of the Nation. Flexibility must be provided within these two resolutions to meet the current needs of the economy, and the people. The Federal Government must not be straitjacketed by a balanced budget which causes economic instability and human suffering.

In the 96th Congress, restricted by this demand for a balanced budget, reductions were made in social programs such as the manpower training program, CETA—the Comprehensive Employment and Training Act—school lunch programs, social security disability benefits, and others. As economic conditions deteriorated the need for these programs increased and additional funding should have instead been provided. Military outlays meanwhile increased $10 billion. Serious thought must be given to the effectiveness of the current process, and possible revision.

Initially, a realistic assessment must be made of Federal spending. One method is to adopt common accounting methods which are used by most State, city, and private industry spending plans. The Federal budget, unlike these other sectors, makes no distinction between capital outlays and operating expenses. Borrowing to pay for a capital project is a standard way of maintaining a physical plant, making additions, or improvements. But running a deficit to meet operating costs, such as salaries, and regular program expenses, is not sound fiscal policy. I have therefore introduced a bill to divide future budgets into capital and operating sections.

The 97th Congress, and the entire Nation, confront an enormous challenge. Can the Federal deficit be reduced without the impoverishment of social programs? Can the Federal budget be balanced and a tax cut accomplished this year? Finally, can economic stability be restored? These issues, and many others, which will determine the future of this Nation will be debated by the 97th Congress.●

IN RECOGNITION OF MISS SANDY SHOEMAKER

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. FLORIO. Mr. Speaker, I would ask my colleagues to join with me today in recognizing the exemplary achievement of a constituent of mine, Miss Sandy Shoemaker, a ninth grade student at Pitman High School.

Miss Shoemaker has recently won an essay contest on the topic "What My Family Means to Me." These essays were submitted by students from a number of south Jersey school districts as part of the Festival for Families, an event sponsored by the Church of Jesus Christ of Latter-day Saints in connection with National Family Week.

At this time I would like to add my congratulations, as well as those of my colleagues, to Miss Shoemaker for her fine performance, and I insert her winning essay into the CONGRESSIONAL RECORD:

WHAT MY FAMILY MEANS TO ME

(By Sandy Shoemaker)

A family is a very important thing to a person whether he is an only child or has many brothers and sisters. A family can supply many things to a person. It can supply love and caring when needed.

It also supplies the necessities such as a house to live in, clothes to wear, and food to eat. A family makes it possible to travel places where a person and his friends cannot go alone. One can do different things with one's family.

My family is important and very special to me. I have five people in my family and all of them are special in many ways. My parents have put up with me and have taught me right from wrong.

Sometimes they can be over-protective and not let me do things most people my age do, but that just shows that they care what happens to me. From this concern I gain a feeling of security which affects me positively in life.

My parents raised me from an infant and they will care for me until I am old enough to set out in the world on my own. They have always taught me right from wrong and all of the other things I have to know about the world around me.

I also have two brothers and from them I gain a few things. The older of the two is 13 and I meet friends of his. I also make friends with their families.

My younger brother is seven and he reminds me what it is like to grow up and go through the learning process. He learns from all of us and we have fun with him. Even though we may fight at times, we still appreciate each other.

When we do things as a family, we have good times. We go walking and jeep riding in the woods, go out to dinner and vacation together. My dad knows all about the woods because he grew up learning about it.

Without my family I wouldn't have experienced as many pleasant things. But even more than that, I would have missed the chance to learn as much as I have from my family members.●

THANKS, THEY MADE IT BACK

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. DYSON. Mr. Speaker, much has been said of the return of the American hostages. Television and newspaper coverage of the event portrayed the incredible expression of the American people's concern for the safety and well-being of the hostages. The House is considering having congressional gold medals struck in honor of the hostages and we have also introduced a resolution expressing the thanks of the House to former President Carter, former Deputy Secretary of State Christopher, and the Government of Algeria. But, the greatest contributions that have been made to the country's expression of gratitude, both to the safe return of the hostages and to the former President, have been made by the many thousands of people here in the United States who joined in the celebration of the hostages safe return.

I insert into the RECORD an editorial by John Wilmer Cronin, in the January 21 Harford Democrat. Mr. Cronin's editorial is representative of the kind of responses that so many people in the First District of Maryland have felt, thanks to former President Carter's efforts:

THANKS, THEY MADE IT BACK

President Carter leaves the White House, perhaps with sadness in the hearts of many, who realized that he was an honest man, earnestly attempting to do what he could for a nation and the world. He met the challenge of a nation governed by religious fanatics who broke all of the traditions of civilized nations, entered the U.S. Embassy, placing all representatives and employees of the United States in the position of prisoners and hostages. President Carter was finally successful, although an hour or two after his presidency ended, in having the hostages released, without the use of force, which could have involved this country in a war, perhaps the most disastrous in which it had ever engaged.

Perhaps his program of diplomacy gave this country the excuse for placing our Navy and other limited forces in patrolling the Persian Gulf, where there still may be need for additional forces to defend our desperately needed supply of oil.

No doubt his continuous insistence on human rights in this country and throughout the world will be proven in history as one of his greatest contributions to the United States and the world.

In his farewell to the nation he emphasized three paramount issues with which America must continue to grapple in the years ahead—the threat of nuclear holocaust, the quality of the world in which we live; the need to persevere in insuring human rights and equality for all, and above all else, he warned us against the increasing threat of "single-issue groups and special-interest organizations."●

THE NEW ADMINISTRATION: THE CABINET AND THE INAUGURAL ADDRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. HAMILTON. Mr. Speaker, I insert my Washington report for Wednesday, February 4, 1981, into the CONGRESSIONAL RECORD:

THE NEW ADMINISTRATION: THE CABINET AND THE INAUGURAL ADDRESS

My impression of the Reagan Cabinet is that it is an able, efficient, pragmatic, hard-working, and rather conventional group. It is overwhelmingly white, male, and professional. Each member possesses a solid reputation in his own field of endeavor. The cabinet is also "mainstream" Republican. Its two top-ranking members, Secretary of Defense Weinberger and Secretary of State Haig, are major figures from the Nixon Administration. Other key appointees of the administration are old and loyal friends of the President (Attorney General Smith), persons with appeal beyond Mr. Reagan's natural political base (Chief of Staff Baker), persons in tune with the President's conservative campaign rhetoric (Secretary of Interior Watt), a surprise selection (United Nations Ambassador Kirkpatrick, who is a Democrat), and an audacious one (Budget Director Stockman, who is young and strongly identified with specific views on the economy). These appointments show Mr. Reagan to be a balancer of interests within his party.

Like many of his predecessors, the President promises a revival of "cabinet government" in which the entire cabinet would be used as a sounding board when the time comes for critical decisions. It would function like a corporate board of directors, helping Mr. Reagan with the formulation of basic policy. Cabinet members would not be representatives of their traditional constituencies, nor would they run their departments independently. This concept of managing the executive branch has eventually been rejected by most Presidents, but each should be given the chance to organize and administer the bureaucracy in the manner he prefers. Cabinet members of experience and stature can be used beyond the areas of their respective departments, and they should be able to contribute to Mr. Reagan's judgment on important issues. I have some questions about the members of Mr. Reagan's economic team. They are not personally close to the President, and I am not sure how the team will function, where the responsibilities will fall, or who will emerge from it as Mr. Reagan's key economic advisers.

I believe that the President's principal White House aides (Messrs. Meese, Baker, and Deaver) will come to have extremely powerful positions in the Reagan Administration. Despite his emphasis on cabinet government, Mr. Reagan will rely on them more and more as his term in office progresses.

At this stage, no one knows how the cabinet will perform. By wanting its members to work as a team, Mr. Reagan is setting a high standard for it. The first steps of the new administration have been deliberate, even cautious. High posts in various departments remain to be filled. Budgetary revisions intended for congressional action are being delayed. The President seems to have decided that bold, forceful action need not be taken right away. He may change his mind later, but we will have to wait and see.

Many of us in Washington were struck by Mr. Reagan's detachment from the process of choosing the cabinet. In my view, it is important for the President to dispel any public perception of disengagement from any aspect of his administration. He must commit himself fully and vigorously to the task of governing. He must be, and be seen to be, firmly in control.

In an inaugural address remarkably free of rhetoric, Mr. Reagan dwelt on the same theme that elected him to office. He clearly hopes it will become the hallmark of his administration. To the President, the cause of America's ills is the size of the government. He wants to rein the government in and reduce its influence in American life, thereby giving a troubled nation hope that it can become as great as its citizens want it to be. Mr. Reagan rejects any suggestion that we are in an "era of limits" or that we are suffering from a "national malaise." He stresses the importance of robust economic growth. In the view of the President, America is a special nation where freedom has unleashed the genius of the people and resulted in great accomplishments. Although he frequently refers to President Roosevelt, Mr. Reagan does not accept the legacy of the New Deal—the idea that government must intervene to achieve justice and social progress for the people. His faith is that with private enterprise unshackled, America will experience an economic revival.

The expression of foreign policy in the speech was not belligerent. Rather, the President spoke of the need to rely on the moral strength of "free men and women." He wants America to serve freedom by example, not by imposition of doctrine. Mr. Reagan is very impressed by the heroism of ordinary Americans. In a passage that was particularly moving to me, he described that heroism as the source of American greatness. The President seeks to reverse what he sees as the vulnerability of the nation's defense and a policy of vacillation and retreat around the globe. He calls for a "margin of safety," not superiority, in America's strategic affairs.

During the inauguration there was a sense of optimism both in Washington and throughout the country. It was heightened by the release of the hostages. The inauguration was a time of renewed faith in ourselves and our nation. All of us know that our problems will not be solved quickly, but we take heart in Mr. Reagan's aspirations and wish him the very best.●

IN TRIBUTE TO CARL T. NOLL

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. MONTGOMERY. Mr. Speaker, it was with great sadness that I learned of the death of Carl Noll, the head of the VA's National Cemetery System. Mr. Noll had served his Government faithfully, providing unique and invaluable assistance for servicemen, veterans, and their families during a 35-year period that spanned three major wars and armed conflicts.

Perhaps one of the most valuable assistance programs our Government can provide to those who have served in defense of our Nation is the right to an honorable and proper burial. In this final demonstration of respect we show our gratitude, not only for their service, but also our willingness to insure that that service and sacrifice will never be forgotten. During his career, Mr. Noll had served with the U.S. Army as a civilian directing programs and services which cared for the combat dead from World War II, Korea, and Vietnam. He joined the Veterans' Administration in 1973 when the National Cemetery System was transferred to the VA from the Department of the Army. He became Deputy Director to the Department of Memorial Affairs in 1975, and was named to the top position in 1977 as the Director of the 107 cemeteries within the system.

During his tenure, Mr. Noll was instrumental in the first expansion of the cemetery system in nearly a quarter of a century. Since 1973 seven new cemeteries have been added in a new regional design across the country. This expansion saw the development of 4,831 acres and an additional 2 million grave sites. It is a credit to Mr. Noll's skill as an administrator that this growth went forward on schedule and with the utmost attention to detail. It is also a testament to his outstanding management ability that he was able to maintain quality services at a time of shrinking budgets and personnel levels within his Department and the VA as a whole.

Mr. Noll came to Capitol Hill on a regular basis to testify on the status of the memorial affairs programs under his direction. As the former chairman of the House Veterans' Affairs Subcommittee on Compensation, Pension, Insurance, and Memorial Affairs, I can personally attest to his good judgment and sound advice.

Mr. Noll was a charter member of the Government Senior Executive Service, and among his many achievements and awards, he was a recipient last year of the President's Meritorious Rank Award. Earlier this year he received the Exceptional Service Award, the highest honor the VA can bestow. The Veterans' Administration and our Government will sorely miss a public servant of such quality. The Congress and the American people, especially the thousands of bereaved families he assisted throughout his career, will always be in his debt.●

CURTAILING IMPORTS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. ZEFERETTI. Mr. Speaker, one of the major factors contributing to our economic woes is the rising number of imports in many areas of manufacturing. This trend is particularly evident in America's textile and apparel industry. The textile and apparel trade, which is the largest of the Nation's manufacturing industries, is vital to the economy of the United States. Including the business related to the garment industry, nearly 3 million of our workers depend on the textile, apparel, and fiber trades for employment.

The doleful state of the apparel industry has been aggravated by tariff loopholes that reward the export of U.S. jobs and the exploitation of foreign labor. Technically known as items 806.30 and 807.00 of the Tariff Schedules of the United States, these provisions allow garments that are cut in the United States and assembled in another country to escape American import duties. These loopholes have cost at least 500,000 U.S. jobs directly. Indirectly these loopholes have been a forerunner for the transfer of production abroad, at additional loss of hundreds of thousands of jobs yearly. In the 11-year period from 1965 through 1976, the dollar volume of imported apparel entering the United States under these items increased a staggering 14,880 percent. During the same period the dollar volume of our own garment industry shipments increased by only 64 percent.

A company can qualify under item 807 by opening a small cutting room anywhere in the United States. The garments are cut, then shipped to, say, the Dominican Republic where workers are paid 30 cents an hour. They return as American goods. The Dominicans are exploited and Americans are put out of work.

Mr. Speaker, the immediate repeal of these items in our Tariff Schedules is in the best interests of both the worker whose job is in jeopardy and the consumer who pays exorbitant markups on foreign-made products. I have again introduced legislation which repeals items 806.30 and 807.00 to slow down the foreign assault on this crucial American industry. H.R. 660 would take the cheap profits out of the flight of jobs. It would eliminate our part in the exploitation of foreign workers. The result will mean more jobs for American workers, more production for American industry, and more strength for the American economy.●

CONSUMER TIPS ON APPLYING FOR SOCIAL SECURITY RETIREMENT BENEFITS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. WEISS. Mr. Speaker, social security is the economic mainstay for the vast majority of older Americans.

Nearly three out of four aged individuals who receive social security and more than one out of two similarly situated elderly couples depend upon social security for at least half of their support.

Many older Americans, however, experience problems when they apply for social security because they do not know what records to bring to their district office to establish their entitlement to benefits.

Some encounter delays in receiving their monthly benefits. Others actually lose payments because they wait too long to complete their applications.

Elderly persons can minimize these problems if they keep these pointers in mind.

First, those who want to receive benefits at an earlier age should apply about 3 months before retiring. The earliest age that a worker can receive retirement benefits is 62.

Second, it is usually wise to call the local social security office to find out what proof is necessary. People ordinarily make an application at a district office in their community. However, applications can be made by mail in some areas. If necessary, a social security representative can go to the applicant's home.

Third, retired workers should bring first, proof of age and second, their W-2 statement for the preceding year. If they were self-employed, they should bring their income tax return for the previous year, including schedules C and SE, and proof of payment of the self-employment tax if they received no Federal income tax refund.

An original or certified copy of a birth certificate is the best proof of age. Other evidence, though, is permissible if no birth certificate is available. Some examples include:

A baptismal certificate, preferably within 5 years of birth;

Insurance policies;

School, employment, or military records;

Marriage certificates; or

Voter registration cards.

Fourth, if a retired worker wants to provide benefits to an eligible spouse and children on his or her earnings records, it is necessary to provide documentation of the dependents' age and relationship.

Finally, Social Security usually needs about 6 to 8 weeks to process an application. A check ordinarily arrives the third day in the month following the benefit month. A check for June, for example, arrives on July 3.

People who follow these consumer tips can help to assure that their monthly checks are received in a timely manner.●

TO SAVE A CHILD

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. SMITH of New Jersey. Mr. Speaker, recently a series of articles appeared in a major Trenton newspaper, the Trentonian; this series, entitled, "To Save a Child," was written by Ed Leefeldt and Mary Coleman Coffey, and concerns the problems of foster care and child abuse in our society.

Mr. Speaker, the series graphically depicts the plight of two battered children who must be removed from the care of their mother and given to a foster family. It shows how the State of New Jersey can protect a child, when the child suffers abuse from his or her parents.

Five grounds exist in New Jersey law for removing a child from his or her parents: abandonment, abuse, failure to thrive, neglect, or incest. We are forced to depend on our hard-pressed caseworkers to investigate each case and make their decisions, determining whether to remove a child or otherwise.

Yet being a foster parent is not the easiest thing in the world, Mr. Speaker. New Jersey law treats foster parents in a position comparable to that of vendors, with no set interest in the child.

Mr. Speaker, many, many people want children and cannot have them. There are many children who need the loving care of adoptive parents. There are many couples who would find a void in their life filled by the adoption of a child. On both sides, love, warmth, and life would be found.

As children grow older, Mr. Speaker, it is harder to find foster parents. Teenagers looking for foster homes rarely, if ever, find them.

Mr. Speaker, in order that my distinguished colleagues can reflect on these grave matters, I am submitting the following article, the first in a five-part series, for their consideration. The remaining articles in this series are equally enlightening. Any of my colleagues or fellow citizens who should like to read these articles, are invited to obtain copies from my office.

The article follows:

[From the Trentonian, Dec. 9, 1980]

TO SAVE A CHILD

(By Ed Leefeldt and Mary Coleman Coffey)

This story is based on true events that occurred in the authors' experience. The characters are not any one family. Names and identifying information have been changed to protect those involved.

Addie Davis is a survivor of the city. She has seen teenage junkies nod their way to eternal sleep in the back alley. She has stepped over the sprawled legs of the bodies that collect in the downstairs hallway on cold nights, not caring if they are drunk or dead. She has fought off a mugger with her nail file.

In her 62 years she has learned the basic lesson: Mind your own business. Don't go out of your way to help anyone. It won't be appreciated. You'll probably make enemies. It may be a set-up.

But she can't help hearing the banging, the crash of broken glass and the child's scream that comes from the third-floor apartment above her. She looks up, hesitates, but now the September night is quiet.

Then someone half-runs, half falls down the stairs of the tenement. Then, again, nothing. She hesitates once more, slowly opens the door into the dark landing, and goes upstairs.

The door to the third-floor apartment is open, the bottom panel kicked out. Inside a naked light bulb swings on a chain, casting weird shadows on an over-stuffed couch, an upturned kitchen table, and a television set with its screen kicked in, the sound still blaring. A second lamp lies on the floor, and its glare blinds her. It takes a few seconds before she sees them, sobbing in the darkest corner.

"Oh, you poor babies . . ." she whispers.

The emergency room is quiet at 2 a.m. when Addie and the two kids rush in. Addie is holding 10-year-old Melinda in her arms, dragging four-year-old Kismet behind her. Melinda is holding a wet rag to the gash over her eye.

The emergency room nurse pries the rag loose, swabs out the cut and calls an intern. He closes it with eight stitches. She makes a note to have Melinda's vision checked. Then she picks up the wall phone and dials the OCAC.

The New Jersey Division of Youth and Family Services (DYFS) responds to all cases of child abuse. Last year it handled over 47,000.

They reach DYFS in many ways. Mothers committed to mental hospitals; kids left parentless by death or desertion; an unwed mother who wants to give up her child, or a complaint of sexual abuse by a mother or daughter against a father.

Sometimes parents will file "status offenses" such as incorrigibility against their own children to have them put away in the JINS (Juveniles in Need of Supervision) shelter—even though they have committed no crime. After a stay of up to six months, when the parents refuse to take them back, the judge dumps them on DYFS.

But DYFS also gets complaints from neighbors, relatives, hospitals, schools and police who witness cases of abuse. Some call DYFS direct through a toll-free hotline number.

The number leads to OCAC (the Office of Child Abuse Control), a white clapboard house on the Whitehorse-Mercerville Road in Hamilton Township. There, amid piles of books, papers and files, sleepy-eyed DYFS caseworkers on overtime man the bank of telephones.

When an emergency call comes in, it is relayed to the SPRU (Special Response Unit), where a caseworker is on duty at nights and on weekends.

SPRU workers frequently get calls at 2 a.m., the hour when the bars close and people go home and beat hell out of their kids. Sometimes they ride with police while the radio crackles: "Father has gun. Is holding it on children." Other times they go alone into the worst sections of town, walking into the middle of drunken family bloodlettings to drag out the innocents and the casualties—kids with their clothes ripped open and their faces swollen shut.

The case then goes to the division's Crisis Intervention Unit. Because child abuse is so serious, each DYFS office is required by law to investigate all complaints within 72 hours (24, if there is a specific complaint of danger).

Crisis intervention workers are the shock troops of DYFS. They must argue their way into ghetto and upper-class homes, confront angry and anguished parents, strip children to see if they have been bruised or battered, and convince parents to turn them over—or get a court order if they refuse.

They must be part bully and part priest, part friend and part judge, part inquisitor and part Good Samaritan. They carry with them the awesome power of the state to invade a home and remove the most valuable thing in a person's life. They also bear the weight of their own feelings and the legacy of their own childhoods. The burnout rate is high. Most of them last an average of two years.

Pat Beauclair is a Crisis Intervention worker. She arrives at the district office at 9 a.m. the morning after Melinda is stitched up. She dresses informally in jeans and a wool pullover, her auburn hair combed down over her shoulders, a swatch of freckles across the bridge of her nose. Dress styles are informal at DYFS, and Pat feels she can get more out of people if she doesn't look like an authority figure. She wears a gold heart medallion around her neck. "Better than wearing it on your sleeve," she jokes.

Pat is 26 and the survivor of one bad marriage, but looks much younger. She invariably gets carded at bars. She is regarded as one of the best of the 60 case workers in her district office.

Pat's supervisor calls her in. The Tradesmith file, just started, sits on the desk. Pat gets a quick briefing.

After the call from the nurse, the local SPRU worker went to the hospital. Melinda was admitted for further treatment; a hold was placed on her to prevent her release without DYFS approval. The SPRU worker interviewed Addie Davis. She had nothing to say, not uncommon for a middle-aged ghetto woman dealing with The Man.

Melinda would say only that her mother hit her for no reason. "I was watchin' television when she came up and hit me," the girl sobbed. When the SPRU worker pressed for details, she was silent. "Protecting mother," the case notes read. Also not uncommon.

Within an hour the hospital located the girls' grandmother, Mrs. Essie Burns, and the younger daughter, Kismet, was released to her.

Now it is Pat's case. She likes her work. There is the unraveling of a mystery: what did happen on the third floor of that brick row home and why? There is the chance to get out on the street and meet people, and the opportunity to do something useful instead of just pushing paper as she did in her two previous state jobs.

But she knows that most of her questions will never be answered, even if there are answers. She knows that the solutions she offers will be passed through higher echelons, changed and compromised to meet the demands of parents, lawyers, judges and bureaucrats.

And she knows that the kids, who should be helped by DYFS, could be lost in the paperwork of a top-heavy bureaucracy and end up as a footnote in a file drawer, a statistic in an annual report.

The starting point is the hospital. Melinda is watching a TV game show in the children's ward. She gets most of the answers right, even the ones Pat has trouble with. But she won't talk about her mother—or what happened last night.

Then Pat visits the Tradesmiths' third-floor walk-up. The place is as Addie Davis found it. The door, its bottom panel kicked out, is still open: the sightless TV is still on. The apartment is stifling. The gas jets and oven are on—the landlord was not providing heat. There are two bedrooms, bare mattresses in both of them. Ripped shades shadow the windows.

The cupboards are empty except for a box of stale crackers and a half bottle of Hiram Walker. There is no evidence that children live here; no toys, no books, no crayons, no pictures on the wall. Anyone, even a mother on welfare, can get toys from Goodwill or the Salvation Army.

Unless her money is going somewhere else.

The next stop is the grandmother's house. On the way Pat detours to Melinda's school. She finds what she expected. Melinda is bright—her I.Q. is 125. She is a good student, but lately her grades have fallen, and she has become lonely and introverted. She goes to the library and reads all the time, her teacher says.

The grandmother opens the door reluctantly. Pat's white face means authority has come to call. Essie Burns' home is clean and the furniture has plastic slip covers. There are pictures of John F. Kennedy and Martin Luther King on the wall. A small yard in back ends with an old maple and a treehouse. The smell of pork chops pervades the house. There is a corner for toys and books where Kismet is busy coloring.

Pat steps through the doorway. "I'm Pat Beauclair and I'm a caseworker with the Division of Youth and Family Services," she says.

Essie moves back and looks at her disapprovingly. "I knew you was the state before you opened your mouth," she says. "Well, I guess you want to see my daughter."

Essie leads her to the kitchen. There, sitting at the table, is Melinda's mother, Wanda Tradesmith. Pat has come face to face with a child abuser.

She is beautiful. Her hair is pulled back. It emphasizes her high cheekbones. She is small and slender. But at 26 she looks older than her years. The first thing Pat notices are her eyes. They are blank. Pat checks to see if her pupils are dilated. They aren't.

Essie dominates the conversation. "Now child," she says, "you don't have to tell her anything!

Pat takes an unoffered chair and sits down beside Wanda. "I'm trying to help, Mrs. Tradesmith. We are trying to find out what happened to your little girl."

Again the blank stare, flavored slightly by fear. "I don't know how my kids got hurt," says Wanda slowly. "Melinda must have fallen down the steps."

"Where were you when it happened?"

"I went out," says Wanda. "I . . . I went out for something."

The questioning is useless. Pat is known for her skill in easing parents into admitting they have struck their children ("It must be very hard for you to manage . . ."), but none of it works.

Then Pat sees something only a woman would notice. Wanda's blouse does not go with the rest of her outfit. In fact, it looks as though it was borrowed from her mother. It is long-sleeved, even though the day is warm, and has elastic at the cuffs.

"Are you taking any drugs?" Pat asks.

Wanda reacts by reaching for her arms and pulling the sleeves down. "No," she says unconvincingly. "I mean no physical harm, the caseworker's job is to undress the child to see if she has been bruised or beaten.

"What for?" asks Essie bluntly. "She's not your kid. I don't want you touchin' her. Why are you messing with other people's children?"

Pat gets tough. She warns Essie that, if she has to, she can bring back a warrant—and the police. Essie shrugs reluctantly.

"Your kind's all alike," she tells Pat. "You start out smiling, but sooner or later you show your back teeth." In Essie's list of evils, Pat ranks somewhere between the loan company and the landlord.

Pat takes Kismet into the bedroom with Essie along and examines her, paying particular attention to the wrists and ankles. If they are tender, it could mean previous breaks where a parent twisted arms or legs. She checks the back of the legs for "switching." People frequently use an electric cord to beat their child. She looks at the upper arms where finger mark bruises could show the child was grabbed and shaken. She checks for bite marks and cigarette burns.

"You found nothing, right?" the grandmother challenges Pat. "I knew it. My family's all right. Melinda just had a little accident."

Pat rushes out. What happened to Melinda was no "little accident." Children who fall down the stairs don't have bruises on only the left side of their face. Wanda is a drug addict, Pat thinks. The barrenness in both her house and her eyes show that she lives in an artificial reality. Coming down off her high with no smack around to regain it, Wanda slipped into psychosis and struck out at everything around her—her television, her home, even those she loves.

And there is every reason to believe it will happen again.

Pat goes back to the office. Trying to ignore the other 40 cases clamoring for attention, she spends the better part of a day typing out an affidavit telling what she saw, a complaint of child abuse, and a court order for the judge to sign.

The order will place both Melinda and Kismet in the legal custody of the state.●

BUDGET-HACKERS TAKE AIM AT THE DEFENSELESS POOR

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. BINGHAM. Mr. Speaker, in the Los Angeles Times of Tuesday, February 3, Marian Wright Edelman, president of the Children's Defense Fund, argues against budget cuts at the expense of the poor. Mrs. Edelman points out that poor children, and especially black children, will be the helpless victims of budget cuts in the health and welfare areas. According to Mrs. Edelman:

Twice as many black as white women now lack prenatal care at almost every stage of pregnancy, and there is a high correlation between a lack of such care and infant mortality and illness. A black infant is twice as likely as a white infant to die during the first year of life. Growing up, black children are more likely to be sick. One of seven black children under age 15 lacks a regular source of health care. Two out of every five black children from ages 5 to 9 in central cities are not immunized against polio, tetanus, diphtheria, and whooping cough.

This is an appalling situation which can only become worse if the social welfare area is hit heavily by the budget cutters. Marian Wright Edelman has distinguished herself over the years by her effective work for poor people and especially for suffering children. I commend her article to all my colleagues:

BUDGET-HACKERS TAKE AIM AT THE DEFENSELESS POOR

(By Marian Wright Edelman)

When the Reagan Administration's budget-cutters wield their axes, an utterly defenseless group—children, especially black children—will be among their prime targets.

Even now, before the cuts start, black children are twice as likely as white children to suffer from poverty, parental unemployment, inadequate schooling and poor health.

Many black children already are ineligible for services that they badly need. Millions more are not receiving services for which they are eligible, simply because programs fail to adequately deliver services to the black community. Capricious eligibility standards and poor administration of benefits keep black families from getting the help that they need before their problems become serious, requiring costlier solutions.

A result of this deplorable situation is that a black child today has nearly one chance in two of being born into poverty, is more than 2½ times as likely as a white child to live in dilapidated housing and is twice as likely to be on welfare.

What is being created is a growing permanent "underclass" in American society. It should come as no surprise to anyone that young people unfairly treated grow up lacking respect for the premises of equality espoused by adults. Their alienation and resentment are built-in time bombs that threaten all of us. And the prospects are not good.

Almost 41% of all black children are recipients of Aid to Families With Dependent Children, a federally funded program whose payments are already abysmally low. The national average, which typically covers a mother and two children, is $241.35 per month, or $2.74 a day per person. Moreover, despite rhetoric about the importance of keeping families together, many states deny support to families unless no unemployed father lives in the home.

Richard S. Schweiker, the new secretary of health and human services, has proposed turning AFDC into a bloc grant to states and tightening eligibility requirements. Both these policies would take children off the AFDC rolls, and could reduce payments ever further.

Health care is another area that could suffer with social-program cuts. Twice as many black as white women now lack prenatal care at almost every stage of pregnancy, and there is a high correlation between a lack of such care and infant mortality and illness. A black infant is twice as likely as a white infant to die during the first year of life. Growing up, black children are more likely to be sick. One of seven black children under age 15 lacks a regular source of health care. Two out of every five black children from ages 5 to 9 in central cities are not immunized against polio, tetanus, diphtheria and whooping cough—diseases that we know how to prevent.

Eligibility for Medicaid and the services that it offers varies from state to state. In 17 states, Medicaid does not cover prenatal care during the first pregnancy. In more than half the states, a family in which the father lives at home is ineligible.

Medicaid's preventive program to find and stem children's health problems before they become serious serves only about one-fourth of all eligible children. Other support services that would enable parents and children to use this and other federal and state programs are poor.

If Medicaid eligibility requirements become even stiffer, or if AFDC eligibility is tightened, poor black and pregnant women will receive even fewer services and less timely medical care than they do now. They will cost the taxpayers thousands of dollars in unnecessary last-minute treatment in hospital emergency rooms.

The other crucial area at stake for poor children is nutrition. On any given day, among 6-to-11-year-old black children, one in 10 eats less protein than the established minimum standards. One in five black children does not get enough calcium; two in three do not get enough iron.

Approximately one out of every two black AFDC families does not receive free school lunches for their children; more than one in four do not get food stamps—this, despite the fact that their income would make them eligible for these programs.

Schweiker and John Block, the secretary of agriculture, have suggested cutting back the food-stamp program by reducing the number of beneficiaries. Senate Finance Committee Chairman Robert Dole (R-Kan.) wants to do this without depriving the really "needy." One would hope that the many poor black children and their families who depend on food stamps to eat will qualify for Dole's needy list.

There are specific federal budget cuts and changes that can be made without denying people important benefits. For example, a black child is three times as likely as is a white child to be labeled educable mentally retarded. Besides being unfair to the child, this overrepresentation is costly to taxpayers. Also, when Congress considers reauthorizing the Vocational Education Act, it should ensure that funds are targeted at youths with the highest risk of unemployment.

Reforms such as these can set us on the road to fiscal soundness. But scissors-happy public officials should eschew belt-tightening that is more show than substance. Each year that black children lack adequate food, health care and other items needed for survival will cost the nation billions of dollars in lost productivity and expensive remedial efforts. We must factor that future cost into

any ostensible "savings" that we hope to achieve now at the expense of the poor.●

A DECISION ON GENERAL JONES

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1980

● Mr. MAVROULES. Mr. Speaker, one of the first decisions President Reagan and the Secretary of Defense must make is whether Gen. David Jones should remain as Chairman of the Joint Chiefs of Staff.

To request the resignation of General Jones—or to put it more bluntly, to fire him—would be a serious mistake. General Jones, confirmed by the Senate to his present position, should complete the remaining months of his 2-year term.

When the general's term is completed, President Reagan will be free to nominate his own candidate as Chairman.

Conservative critics of General Jones point to his actions on SALT II, the Panama Canal Treaty, and his failure to break with Jimmy Carter after the Presidential decision on the B-1.

The general termed SALT II "a modest but useful step," and was joined in this position by Adm. Thomas Hayward, Chief of Naval Operations, and Robert H. Barrow, Commandant of the Marine Corps.

All three military leaders tempered their support for the treaty with a corresponding commitment to a massive revitalization of our military capabilities.

To quote the General's testimony before the Senate on the proposed SALT II treaty:

> None of us is totally at ease with all the provisions of the agreement. . . . We believe, though, that the risks in this area are acceptable, provided we pursue vigorously challenges to questionable Soviet practices, improvements in the capability of our monitoring assets, and modernization of our strategic forces.

On the merit of the treaty itself, General Jones, speaking for the Chiefs of Staff, stated:

> We believe it is essential that the nation and its leadership view SALT II as a modest but useful step in a long range process which must include the resolve to provide adequate capabilities to maintain strategic equivalence coupled with vigorous efforts to achieve further substantial reductions.

This is a careful and very qualified statement. It represents, not so much an opinion, but instead, an assessment of conflicting options.

The Panama Canal treaties were controversial but, with the advice and consent of the Senate, including the vote of the Senate's majority leader, were ratified.

I question whether critics are upset with General Jones or simply looking for another chance to challenge the policies of the Carter administration.

One editorial on this subject states:

> Military misjudgments of Presidents, when they occur, are their own. They are not the responsibility of the Joint Chiefs or their Chairman. To suppose otherwise is incompatible with the principles of civilian control of the military.

Whether the Chairman of the Joint Chiefs agrees or disagrees with the President, it is essential that the Chairman implement the decisions and policies of the President with sound and professional judgment. In critical times, or under normal circumstance, it is not the responsibility of the Chairman, not the Joint Chiefs, to second guess the President.

Under the Constitution, the role of second guessing the President is a power reserved to the legislature.

Behind closed doors, the Chairman is free and should persuasively express himself on all subjects. But, once the debate is over and the question decided, personal reservations must be put aside. We have only one President. Whether it be Jimmy Carter or Ronald Reagan, their orders as Commander in Chief must be followed to the letter.

At issue here is not the worthiness of one military officer, but rather, a constitutional process. Civilian leaders, and an elected Commander in Chief make the policy decisions on defense. The professional military offers their recommendations and advice, but their constitutional role is to implement the decisions, not make them.

General Jones should complete his 2-year term.●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. WEISS. Mr. Speaker, in recent years the House and Senate Committees on Aging have published checklists of itemized deductions to alert older and younger taxpayers about tax relief measures which can assist them.

The committees hearings have provided compelling and disturbing evidence that large numbers of elderly persons pay more taxes than the law requires.

This year the Senate committee has prepared another useful summary to assist taxpayers, whether they are old or young.

This checklist can be helpful in other ways as well. A taxpayer, for example, may be able to determine whether it would be more advantageous to itemize deductible expenses or simply claim the standard deduction.

Even individuals who have already filed their tax returns may find the summary to be beneficial if they overlooked an allowable deduction. They may obtain a refund by filing an amended return—Form 1040X—for the year in question. However, the amended return must be filed within 3 years after the original return was due or filed, or within 2 years from the time the tax was paid, whichever was later.

Many Americans have found these summaries to be important safeguards in protecting them from overpaying their Federal income tax. It is with the expectation of providing still further assistance to our constituents that I call this summary to the attention of my colleagues in the House.

Mr. Speaker, I ask unanimous consent that portions of the checklist of itemized deductions be printed in the RECORD.

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor), acupuncture services, ambulance hire, anesthetist. Arch supports (prescribed by a doctor). Artificial limbs and teeth, back supports (prescribed by a doctor), braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs, chiropodist, chiropractor, Christian Science practitioner, authorized, convalescent home (the entire cost, if the main reason for being there is to get medical care), crutches.

Dental services (e.g., cleaning, X-ray, filling teeth), dentures, dermatologist, eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist, hearing aids and batteries, home health services, hospital expenses, insulin treatment, invalid chair, lab tests, lip-reading lessons (designed to overcome a handicap).

Medicare A, voluntarily paid, if you are 65 or older and not entitled to social security

benefits. Medicare B, supplementary medical insurance.

Neurologist, nursing services (for medical care, including nurse's board paid by you).

Occupational therapist, ophthalmologist, optician, optometrist, oral surgery, osteopath, licensed.

Pediatrician, physical examinations, physical therapist, physician, podiatrist, psychiatrist, psychoanalyst, psychologist, psychotherapy.

Radium therapy, sacroiliac belt (prescribed by a doctor). Seeing-eye dog and maintenance, speech therapists, splints, surgeon.

Telephone/teletype special communications equipment for the deaf. Transportation expenses for medical purposes (actual or 9¢ per mile plus parking and tolls; but not general repair and maintenance expenses, insurance, or depreciation in either case; or actual fares for taxi, buses, etc.).

Vaccines, vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs, whirlpool baths for medical purposes. X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your credit card, the expenses are deducted in the year the charge is made regardless of when the bill is paid.

TAXES

Real estate, general sales, State, local, or foreign income, and personal property.

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonoperating foundations, veterans organizations, fraternal societies, or nonprofit cemetery companies, are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct general repair and maintenance expenses, insurance, or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Personal loan.

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store taxable income-producing property records.

Fees paid to investment counselors (if the fees relate to investments that produce taxable income.)

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer to keep your job or in order to get the job.

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

POLITICAL CAMPAIGN CONTRIBUTIONS

You may claim a credit (line 38, Form 1040, or line 12a, Form 1040A) for campaign contributions; The amount of tax credit is one-half of the political contribution, with a $50 ceiling ($100 for couples filing a joint return).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

OTHER TAX RELIEF MEASURES

Additional Exemption for Age

Besides the regular $1,000 exemption, you are allowed an additional exemption of $1,000 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $1,000 because of age.

Credit for the Elderly

You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for schedules R and RP.●

FUTURE HOMEMAKERS OF AMERICA—1981

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. NATCHER. Mr. Speaker, as we delve into a new and promising decade, so does the Future Homemakers of America organization as it prepares to celebrate National FHA/HERO Week, February 8 to 14, with its theme, "Know How for the 80's."

In its 35 years of existence, Future Homemakers of America has established itself as a vital and integral part of America's youth community. Organized in 1945, the organization was born into a climate that nourished anew the importance and meaning of family life, for in that year, the year of 1945, America's men—her husbands, fathers, sons, and brothers—were returning home from World War II, and her heart and eyes were focused upon her families. Now, 35 years later, with the added advancement of this age, our family patterns have changed; the interest of our family and each of its individual members has expanded. However, the FHA program chose to be guided by this change—not extinguished by it. The role of the homemaker is changing, and the FHA/HERO (home economics related occupations) is part of that change.

FHA/HERO projects encourage democracy and cooperative action in the home and the community. It encourages individual and group involvement in helping to achieve worldwide brotherhood; it encourages a greater understanding between our youth and adults; it encourages decisionmaking and responsibility. All of these goals are put into action when we consider the many programs that FHA/HERO chapters have carried out in your community and mine. They work with children, peers, adults, and the elderly of all ages, races, and status. They work in day care centers, schools, and hospitals. They supervise playgrounds and tutor the hard of hearing. They assist in immunization programs, vocational home economics education, elderly visitation and care programs. They give their time and service in love of their fellow man.

As we embark on our journey into this new decade, may the experiences gained up till now only lend themselves to an increased "Know How for the 80's."

I am honored to be part of the FHA/HERO organization as an honorary member, and on this anniversary occasion I would like to applaud your outstanding efforts and to extend my best wishes to each one of you as you meet the challenges which await you.●

UKRAINIAN INDEPENDENCE: THE 63D ANNIVERSARY

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. NOWAK. Mr. Speaker, it is a pleasure to participate in the observance of the 63d anniversary of the establishment of the independence of Ukraine.

The Soviet invasion of Afghanistan has shocked the world since we last marked the independence of Ukraine and adds special meaning to our commemoration today. In effect, the Soviets have added to the list of captive nations by their aggression in the last year.

Prof. Lev E. Dobriansky of Georgetown University, president of the Ukrainian Congress Committee of America, Inc., detailed the significance of our continuing observance of Ukrainian independence in a recent letter to me. I would like to share his comments with my colleagues at this point in the RECORD.

UKRAINIAN CONGRESS
COMMITTEE OF AMERICA, INC.,
New York, N.Y., January 23, 1981.

DEAR REPRESENTATIVE: With the 97th Congress, I extend in behalf of this national committee and myself our warmest felicitations for your most successful leadership in the years ahead. Hopefully, I also look forward to work with you in an area which seems alien to our people and yet is very basic to our national security as well as to our American ideals and principles. UCCA represents the convictions and values of over 2 million Americans of Ukrainian ancestry, small in percentage but long in ideas and experience.

For a quarter of a century Members in every Congress have observed the Independence of Ukraine. This is its 63rd anniversary. Upon the collapse of the Tsarist Russian Empire, the Ukrainian National Republic was established on January 22, 1918, highlighting another phase of independence for the Ukrainian nation. By 1920 it was destroyed in the first wave of Soviet Russian imperialism that in a succession of waves has reached in our day into Afghanistan. January 22nd is the date, but because of our Presidential Inauguration and its aftermath, this singular commemoration has been scheduled for the first week of February.

As Americans, why do we observe this historic event of declared national independence in the area of our prime enemy? The clear answer is seen in these few facts: (1) our America was primarily born in severance from an empire, and those nations today, like Ukraine, seeking independence from the Soviet Russian empire cannot but magnetize our instinctive, spiritual affinity, (2) in fact, Ukraine is the largest non-Russian nation both within the USSR and all of Eastern Europe, with a population and territory easily comparable with France, (3) its long record of opposition to Soviet Russian domination, marked today by widespread human rights dissidence, is documentarily incomparable in contemporary times and (4) its strategic position in relation to Poland and others in Moscow's outer empire and to the Mideast and South-Asia adds substantially to its Achilles Heel status in the last remaining, major empire.

Through our VOA, Radio Liberty and many other media your address on these and other facts during the "63rd" will doubtlessly go a long way in intensifying our natural alliance with the 50 million Ukrainian nation. It will certainly signal the dire need for policy in this direction. To this day we have no strategy for Ukraine and the other captive non-Russian nations in the USSR—not to irritate or provoke Moscow into any hot war, but to preclude any such confrontation by meeting their primary challenge on the ideological plane. Though we have to recoup our military posture across-the-board, this is not the decisive answer to the Soviet Russian challenge. To put it simply, when we had clear-cut military superiority, Moscow advanced nevertheless. Hopefully, the new Administration will address itself to this most basic problem.

I most warmly invite you to speak out on this fundamental issue of national independence in your respective chamber. . . . For, in truth, we haven't begun to realize the opportunities that face us in terms of peace and expanded freedom.

Your participation in this event will be greatly appreciated and with all best wishes,

Sincerely,

LEV E. DOBRIANSKY,
Georgetown University.

Mr. Speaker, as with our annual observance of Captive Nations Week, our remembrance of an independent Ukraine is one way—an important way—we can lend moral support to the ongoing efforts of our freedom-loving brothers and sisters across the world.

By constantly reminding the world of the state of captivity under which these people exist, we provide a source of hope to help fuel opposition to such tyranny, as evidenced by continuing resistance in Afghanistan, widespread dissidence on human rights issues in Ukraine, and the still unfolding events in Poland.

I join with my colleagues in the sincere hope that these efforts will lead to achievement of our human rights goals for all peoples and that one day soon we will be celebrating a truly independent Ukraine.●

FOREIGN AID: ENLIGHTENED SELF-INTEREST

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. DIXON. Mr. Speaker, the recent proposal by the Director of the Office of Management and Budget (OMB) for a $2.6 million reduction in the 1982 fiscal year aid submission has the potential to do serious harm to America's foreign policy interests. A reduction on the magnitude suggested would severely limit the flexibility available to our foreign policymakers, undercut and possibly even destroy certain international lending institutions which serve to keep many underdeveloped countries afloat economically, and raise doubts in the world about our pledges across a wide range of negotiations.

Since the end of the Second World War and beginning with the extraordinary success of the Marshall plan, bilateral economic assistance has been recognized by all administrations as a valuable tool in the implementation of our foreign policy. It has been used to reward friendly governments, to promote stability, and to influence the political course a government might choose in a direction which would accord with our own interests. While the history of our assistance efforts includes episodes of failure, on balance our investments have been wisely made and our policy objectives achieved.

Jamaica, whose Prime Minister was honored by the President here last week, represents a concrete recent example of a nation where an increasing drift toward the political left and economic chaos has been offset, at least in part, by our intelligent extension of bilateral economic aid. This aid has helped guide Jamaica to a more centrist course and away from a dangerous dependency on Cuba.

The present crises in Central America also present clear opportunities for the application of economic and food assistance in a way which could contribute to the restoration of peace and stability. No one can question that continuation or interruption of our aid commitments to the governments in El Salvador and Nicaragua are matters of serious moment there or doubt that our decisions can affect policy courses chosen by the juntas which rule in those countries.

Multilateral development banks have often provided a cost-effective and efficient means by which the United States could help developing countries help themselves and it is in the area of curtailments in our contributions to these institutions where the OMB proposal has the potential to do the most widespread harm, all of it in the Third World. The action suggested by OMB would adversely affect development prospects in a large number of countries at a time of greatly growing need. Certain regional development banks like the African Development Bank, the Inter-American Development Bank, and the Asian Development Bank would, over time, be cut off from U.S. funds altogether. Par-

ticularly sensitive is the suggested reduction by half in our contributions to the International Development Association where it is generally conceded a U.S. revocation of its pledge would lead to the organization's collapse. What would that mean? As the OMB documents notes, "* * * the reduction in aid would mainly affect the poorer countries of Africa and the Asian subcontinent."

How can we explain this action to ourselves or to others? What message do we convey to the world by a rejection of altruism as an element of our foreign policy? What would be the impact on Africa for example, where two-thirds of the world's poorest people live and which contained a refugee population of 5 million at the end of 1980? How does a withdrawal from the community of aid donors of the degree proposed by OMD square with the American tradition of responsible humanitarianism? Can we believe that an abdication of our role as providers of assistance now will serve our long-term interests?

Enlightened aid giving with appropriate regard for the needs of the world's destitute serves pragmatic ends as well. Economic assistance to poor and developing nations, when viewed in the larger sense, is never a give away. This excerpt from an editorial in the Christian Science Monitor for November 11, 1980, is relevant and persuasive on this point:

> . . . humanitarianism also serves the national interest. The industrialized countries of the West have a growing stake in the development of third-world nations—as suppliers of raw materials, as trade partners and markets, as fellow earth inhabitants in addressing such global problems as nuclear proliferation, pollution, population growth. As West German Foreign Minister Genscher has said, "Our peace and prosperity depend upon whether or not we succeed in overcoming hunger in the third world and in achieving development based on stability.

Mr. Reagan believes the U.S. must have a strong export policy. He is right. An it bears mentioning in this regard that in 1978 almost 40% of total U.S. exports went to developing nations; and of that amount a high 36% went to non-OPEC nations. If American exports to the third world are to continue booming, however, it is necessary that the third world continue to develop as well. That is why foreign assistance is so essential; when effective and properly administered, it promotes economic growth for everyone.

Continued foreign economic assistance, both bilateral and multilateral, at reasonable levels is very much in America's self-interest. As an early initiative of the new administration, severe cutbacks in this assistance as proposed by OMB limit the flexibility of our policymakers and send a dangerous signal to the world. They represent an abandonment of responsibility which is both unworthy and unwise.●

RELATIONSHIP BETWEEN U.S. SKI TEAM AND SUBARU OF AMERICA, INC.

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. APPLEGATE. Mr. Speaker, several days ago, I approached this House with a matter that concerned me a great deal. The U.S. ski team, whose purpose it is to support America, has for some time been using the Japanese produced Subaru automobile as their official car. This disturbed me as I represent an area heavily dependent on steel products that goes into the production of American cars. I felt that to promote a foreign made product over one produced here, considering the large numbers of unemployed auto workers and those in related industries, would be wrong.

I wrote to the U.S. ski team and asked them to reconsider their position. In response to my request, I have received a letter from the administrative secretary, Lisa Hovey. For the consumption of the Members of this House and in fairness to the team, I wish to have the text of the reply printed following these remarks.

While the letter is quite interesting, I would like to call particular attention to the third paragraph in which Ms. Hovey points out that the ski team had solicited the American auto manufacturers on the matter of an official car, but there was apparently no interest on the part of any domestic producer. I would, indeed, welcome any response on this from any of our auto producers.

Mr. Speaker, the reply that I received follows:

U.S. SKI TEAM,
Park City, Utah, January 26, 1981.

Hon. DOUGLAS APPLEGATE,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. APPLEGATE: Your letter of January 6, 1981 concerning the relationship between the U.S. Ski Team and Subaru of America, Inc. has been referred to me. I appreciate your concern and would like to take this opportunity to introduce you to the U.S. Ski Team, our methods of funding and our relationship with commercial sponsors.

As one of the few national ski teams in the world not funded by government subsidy, the U.S. Ski Team has developed commercial licensing programs in order to generate the revenues necessary to finance our athletic endeavors. Our licensing agreement provides that in exchange for a supply of product and an annual licensing fee, the Ski Team grants a corporation the right to use our name, registered logo, and athletes for advertising and promotional purposes.

The U.S. Ski Team has solicited the automobile manufacturers in this country in pursuit of an "official car" supplier. We had hoped to support the U.S. automobile industry and in turn have them support us. However, none of them were interested in entering into a licensing agreement with us.

Subaru of America, Inc., on the other hand, approached us for a relationship. They have entered into a four year contract as the official car of the United States Ski Team. In return for making that claim they supply our national ski team with 32 Subarus, 8 Chevrolet and Dodge vans and 4 Chevrolet trucks (Subaru purchased these vehicles from the American manufacturers for the team). They also pay us a six figure licensing fee each year of the contract.

The United States Ski Team represents youth, sport and patriotism, but it also represents the American ideal of free enterprise. The travesty here is not that the U.S. Ski Team "picked" a Japanese made car as the official vehicle, but rather that a foreign automobile manufacturer was the only manufacturer interested in supporting our national ski team.

Subaru of America, Inc. has been a loyal and generous supporter of our organization and we are proud to have them as a sponsor. In time, we hope the American manufacturers will also make the decision to support the U.S. Ski Team so that we may also support them. In the meantime, we are forced to accept funding from foreign industry so our American athletes can proudly defend and represent the United States in international ski competitions.

Sincerely,

LISA HOVEY,
Administrative Secretary.●

THE LACEY AND BLACK BASS ACTS

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. BREAUX. Mr. Speaker, I am today introducing legislation to amend the Lacey and Black Bass Acts, acts which deal with the interstate transportation of illegally taken fish or wildlife. This legislation is almost identical to H.R. 5604, which passed the House under suspension of the rules with no opposition on July 30, 1980. A similar bill was reported out of the Environment and Public Works Committee in the Senate but was not considered on the Senate floor.

The current Lacey and Black Bass Acts restrict the importation and interstate transportation and sale of illegally taken fish and wildlife. These two statutes serve as the major Federal effort to assist other States and foreign nations in the enforcement of their wildlife statutes. The theory of these statutes is simple. The Federal Government should attempt, where it can, to prohibit interstate transportation of fish and wildlife products when the products are taken in violation of a State or foreign law.

Each of these acts has a long history. The Lacey Act was one of our first Federal wildlife laws, passed in 1900 to combat the so-called pot-hunter, those people who killed large amounts of wildlife for sale. It was viewed then, and should be viewed now, not as increasing the Federal role in managing wildlife, but as a Federal tool to aid the States in enforcing their own laws concerning wildlife. The Black Bass Act of 1926 was based on the same philosophy as the Lacey Act. It provided Federal sanctions against interstate transportation of black bass taken, purchased, sold, or possessed in violation of State law. The Black Bass Act was subsequently expanded to cover all fishes, and in 1969 was amended to encompass foreign commerce. Although both of these acts have been amended throughout the years, a number of problems have developed that have limited their effectiveness as wildlife enforcement tools. In addition, having two statutes with differing enforcement and penalty provisions makes little sense when the problems encountered in the control of illegal commerce in fish are nearly identical to those encountered in the control of illegal commerce in wildlife.

This bill would correct the present insufficiencies in both the Lacey and Black Bass Acts and combine them into one statute to simplify administration and enforcement and promote public understanding. This legislation would make the following substantive changes in the law:

First, the legislation would raise both the civil and criminal penalties of the current laws. The $200 maximum fine in the current Black Bass Act is no deterrent to those who can make $100,000 per year trafficking in illegally caught salmon. The legislation would establish a two-step civil penalty remedy for violations. A modest maximum civil penalty of $500 is provided as a strict liability penalty. For violations committed by a person who in the exercise of due care should know he is in violation of the law, the legislation provides the maximum civil penalty be raised to $10,000 per violation to enable the Government to cope with those violations in which the profits are so great that the deterrent must reflect reality. The legislation also provides maximum criminal penalties of $20,000 or 5 years imprisonment, or both, per violation.

Second, the present Lacy Act contains a criminal culpability standard which renders its criminal penalties virtually useless. The legislative history of the act can be read to require the Government to show that the defendant had knowledge of the act itself as well as the State or foreign laws being violated. The amendments change this culpability standard to make clear that the Government need only prove knowledge of the facts or elements of a violation and not knowledge of the act itself.

Third, the current Black Bass Act does not prohibit interstate transportation of fish into a State that prohibits their entry. As an example, California strongly objects to shipments of live white amur carp into California from Arkansas. California has no remedy against the shipper in Arkansas, and the Federal Government cannot intervene in California's behalf under the present law. This problem is solved by the proposed legislation.

Fourth, it is desirable to extend protection to species of wildlife not now covered by the Lacey Act. States and foreign governments are encouraged to protect a broad variety of species. Legal mechanisms should be supportive of those governments. For example, in 1969 coverage of migratory birds was removed from the Lacey Act. Such protection should be restored to provide a more adequate remedy for some violations involving massive numbers of birds.

Fifth, because of the resource management responsibilities of Indian tribes on tribal land, the legislation proposes that, like the current Black Bass Act, the provisions of the act apply to fish and wildlife taken in violation of Indian tribal law or regulations relating to management of tribal land.

Sixth, the legislation adds rare plants that are the subject of State conservation laws to the coverage of the Lacey Act. This provision would provide Federal enforcement assistance to States that have adopted laws regulating the taking and sale of rare plants. This provision is structured in such a way that it focuses attention on only those plants that have been recognized as being in a specially precarious biological condition.

Finally, both the current Lacey and Black Bass Acts contain rigid language concerning the marking of packages and containers in interstate commerce that contain fish and wildlife products. It has become necessary to depart from this language for a number of reasons. One is the potential for theft of valuable furs or other merchandise for which an alternative marking has been provided. Another example is the tropical fish business in which a single shipment may contain a hundred species. Marking of kinds and numbers on the outside of the package is impractical and available packing lists or invoices suffice. Still another example is the commercial fish business in which a shipment may consist of numerous packages or containers. The present law, if strictly enforced, would conflict with industry practices. For these reasons the legislation proposes that marking be done in accordance with regulations promulgated by the Secretary which may be more flexible and accommodate current industry practices.

The only change that I have made in the legislation is to omit the legislative veto of regulations contained in the House-passed bill. Congressman FOASYTHE, who originally recommended such a veto, has agreed that we should leave it out of the bill we introduce. We will, however, examine the need for a legislative veto when we consider the legislation in committee.

This legislation would not constitute a broadening of Federal authority under the act, but merely would allow the Federal Government to provide more adequate support for the full range of State, foreign, and Federal laws that protect wildlife. With the exception of the marking provisions, none of the substantive provisions of the act stand on their own. In order to prosecute a case under both the current Lacey and Black Bass Acts and this revision, it is necessary to first prove that there has been a State, foreign, or another Federal violation.

Mr. Speaker, the need for this legislation becomes more apparent with each passing day. Not only do we need it to protect the ever-diminishing wildlife resources of the world, we need it to protect our own poultry industry. Last fall there were several outbreaks of Newcastle's disease, an extremely contagious disease that affects domestic fowl. It is usually caused by diseased imported birds. The Department of Agriculture quarantines birds brought in legally, but the large volume of smuggled exotic birds pose a real threat. Without substantial penalties to deter smugglers, the enforcement effort is meaningless. This bill, by providing a meaningful penalty structure, will provide that deterrence.●

MONKEY WRENCH IN THE MIDDLE EAST

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. BINGHAM. Mr. Speaker, in the Washington Post of February 3, Philip Geyelin reported that our European allies are about to reveal a master plan for Arab-Israeli peace. According to Geyelin, the plan calls for, among other things, Israel's withdrawal from all the occupied territories, Israeli negotiation with the PLO, an international or binational Jerusalem, and the reduction of Israeli and Arab forces to be replaced by a United Nations peacekeeping force.

Such an absurd proposal, if it were in fact to be used, would represent not only a European attack against Israel, but also against the United States. The Camp David approach, which the Europeans would abandon, is the favored approach of both the former Carter administration and now more importantly, of the new Reagan administration. It would hardly behoove our allies to attack Camp David even before the new administration has had a chance to use that framework in the

cause of Arab-Israeli peace. I would remind the Europeans that the Camp David process has worked remarkably well and that their own proposal is, in Philip Geyelin's apt phrase, "an obvious nonstarter." I would also suggest that the submission of this type of proposal would indicate that some of our allies are so anxious to maintain the oil flow that they would prostrate themselves before the oil producers and yield to any Arab demand, no matter how extreme. I commend this piece to my colleagues and other readers of the RECORD:

MONKEY WRENCH IN THE MIDDLE EAST

The Europeans are winding up to throw another, bigger monkey wrench into the works of the "Camp David Framework" for settling the Arab-Israeli conflict.

Of course, that's not how they would put it. As with last summer's "fact-finding" tour of the Mideast by Luxembourg's foreign minister, Gaston Thorn, the Europeans will insist they are only trying to help fill a dangerous vacuum with their latest "initiative." But "monkey wrench" would be the inescapable effect on Camp David of a new "peace plan" that was secretly agreed to in considerable detail by the nine (now 10, with the inclusion of Greece) members of the European Economic Community last December.

The plan goes well beyond fact-finding: it's a blueprint for a whole new framework. No point was seen in pushing it publicly while the United States was changing presidents. But now, with the new, untested Reagan administration in charge, a heavy campaign is about to get under way.

British Prime Minister Margaret Thatcher and her foreign minister, Lord Carrington, are said to be ready to make a big pitch when they come to Washington toward the end of February. France is another loud advocate of anything-but-Camp David, and French Foreign Minister Jean Francois-Poncet, who is due in town about the same time, will doubtless add his voice.

There are also reports that Foreign Minister Herman J. duMarchie Sarvass of the Netherlands, who has replaced Luxembourg's Thorn as EEC chairman, is angling for an invitation to Washington to help break the ground for Thatcher—and planning a tub-thumping tour of the Middle East as well.

The Europeans will argue that they mean Camp David no harm but that it's going nowhere and that their formula offers a promising alternative. Yet the plan they have come up with, as it has been described to me by diplomats in a position to know, is far removed from anything that any foreseeable Israeli government could conceivably accept. So much so, in fact, that you have to wonder whether the Europeans are not a lot less interested in settling the Palestine question than they are in ingratiating themselves with Arab producers of petroleum and Arab customers of European industries.

Consider the principal features of the European master plan for Arab-Israeli peace.

Item: Israel would be required to withdraw from all the territory it has occupied since the 1967 war, including not only the West Bank and Gaza but the Golan Heights and East Jerusalem, over a two-year "transitional period." This goes far beyond requirements of the carefully ambiguous language of the basic "peace" document, U.N. Resolution 242.

Item: With only a few exceptions, all Jewish settlements implanted on occupied territory since 1967 would have to be removed.

Item: In the course of the "transition" period, a referendum would somehow be conducted of all of the estimated four million former inhabitants of Palestine—worldwide. They would be asked to choose between creation of an independent Palestinian state, or a federation arrangement with Jordan and/or Israel.

Item: As a matter of principle, Palestinian refugees would have the right to return to their original homeland, including what is now Israel, or receive appropriate compensation.

Item: Armed forces, both those of Israel and its Arab neighbors, would be reduced and a U.N. peace-keeping force would be established—with the Europeans participating.

Item: The city of Jerusalem would either be completely internationalized or divided between Israel and Jordan, with international status accorded to the old city.

You will instantly recognize that these terms (which would include direct dealings with the PLO) violate just about every tenet of Israeli policy. Prime Minister Menachem Begin takes fierce pride of authorship of the much more modest "automony" plan. It would gradually grant a measure of self-rule to the West Bank and Gaza over a five-year period, with just about everything else held up for further negotiation. Even Begin's heavily favored opponent in this year's elections, Labor Party leader Shimon Peres, has accepted this Camp David "autonomy" approach.

More to the point, so has the Reagan administration.

So why are the Europeans pushing what looks like an obvious non-starter? Not only Israeli officials but some American authorities, as well, see it largely in terms of transatlantic power politics—a bid for European influence in the Middle East at the expense of the United States. "A reduced American role in the peace-making means less American influence across the board—and greater economic, commercial and political opportunity for Europe," says one knowledgeable diplomat.

True or not, if Thatcher and other European leaders play out their new initiative, it will put the Reagan administration's foreign policy makers to an early and, one would suppose, unwanted test. Sworn to sweeten Alliance relations, they will be caught between that worthy aim and their equally firm devotion to the security interests of Israel.●

BOY SCOUTS OF AMERICA—1981

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. NATCHER. Mr. Speaker, the Boy Scouts of America, the first and largest youth organization to be chartered by Congress, is preparing to celebrate, during the week of February 8 through February 14, their 71 years of existence since the year 1910. This anniversary week will mark the end of another year of achievement and the beginning of a new one for our Scouts.

Last year's theme, "Scouting—the Better Life," has been incorporated into this year's theme, "Volunteers Who Help To Lead in Scouting—the Better Life," as Scouts from Florida to Hawaii pay homage to those individuals who have rendered their services to Scouting over the past 71 years.

The impressive growth and accomplishments of Scouting would not be possible without the services of thousands of men and women who give unstintingly of their time and effort to make this fine organization work. The high caliber of the people who dedicate themselves to the Scouting movement is noteworthy, as we owe them a debt of gratitude for the outstanding job they are doing.

Another event scheduled this year by the Boy Scouts of America is their 10th National Scout Jamboree, to be held the week of July 29 through August 4 at Fort A. P. Hill, Va. Fort A. P. Hill is 100 miles from the site where Cornwallis surrendered to George Washington in the last major battle of the Revolutionary War. From that time, our Nation prospered and grew into one of the great nations of the world.

During the course of this Scout jamboree, emphasis will be placed on the skills of Scouting, the Nation's heritage, physical fitness, conservation, and the spirit of brotherhood.

Numerous other events scheduled to take place through the course of the year are public speaking contests, sailing championships, law enforcement conferences, and Scouting energy days and environmental days.

With every passing year, our Boy Scouts continue to be among out greatest assets, and I consider myself both fortunate and privileged to have this opportunity to again congratulate them and wish each and every one of them continued success in all their future endeavors.●

PROUD TO BE POLISH

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. DERWINSKI. Mr. Speaker, in light of recent developments in Poland, a great respect for the strong determination of the Polish people is being demonstrated by all freedom-loving peoples and especially by Americans of Polish decent. As a first-generation American of Polish ancestry, I was especially pleased to note an editorial commentary by Jeff M. Hulewicz which appeared in the New York Times of February 2, which I insert at this point:

PROUD TO BE POLISH

(By Jeff M. Hulewicz)

SCOTTSDALE, Ariz.—The courage that the Poles have demonstrated by standing up to the Russians is being applauded everywhere. Nowhere is this approval being expressed more strongly than in the United States. As a second-generation American of Polish ancestry, I can personally attest to this fact. Everywhere I go, there seem to be infectious outbursts of pride among Poles. On a personal level, after years of enduring witless Polish jokes and hearing my last name badly mispronounced, I am experiencing something strange and new: a sense of dignity in my Polish heritage.

Just the other day, a co-worker approached me and said: "That's really something about what those Polish people are doing, isn't it? My prayers are with them. You're Polish aren't you?"

My usual response to questions about my nationality always was a meek "yeah" followed by a quick change of subject. Although I never denied or tried to hide the fact, the endless derogatory jokes had conditioned me to feel embarrassed about being Polish. But this time I felt a flush of satisfaction when I answered: "Why, yes, I am Polish."

Such feelings have been a long time in coming. Growing up Polish in America has been for many a trying experience. After always hearing that the people of your country or origin are supposedly dimwitted, even when the joke is made in a light-hearted manner, you almost begin to believe it yourself. Unlike most fads such as hula hoops and streaking, Polish jokes seem to be a tradition that is passed on from generation to generation. I have been hearing them for at least 15 years.

Over the years, I have developed several defense mechanisms for dealing with the Polish joke. At first, I would get angry. But this only seemed to encourage the person who told the joke. This person knew that he had gotten my goat and would delight in it and learn more Polish jokes. When the indignation approach didn't work, I tried getting even. I would take the current Polish joke and switch the nationalities involved. This didn't offer me any relief, either. I would just feel as if I had descended to the vulgar level of the offending "comedian." After exhausting every possible avenue of escape, I finally decided to be a good sport. I would laugh along with everyone else and hope that no one in the group remembered I was Polish. However, this strategy often backfired when someone recalled, and the howls of laughter quickly dissolved into muffled titters and embarrassed, insincere apologies.

Ever since the Polish workers' labor victories began, I have yet a fourth response to Polish jokes. When I hear one, I simply shrug and say: "Tell that one to the Russians. I don't think they find the Poles to be a laughing matter anymore." This almost invariably results in total agreement and quick contrition.

Another disadvantage associated with being Polish is the constant mispronounciation and misspelling of the last name. The combination of "cz" at the end of my name manages to tangle the tongue of even the most practiced elocutionist. It has been pronounced in every possible way except the right one. And the misspellings are even more numerous. I used to envy the way a Smith or Jones could breeze through life without ever having to correct pronunciations and spellings of their names. Not any more.

I hope the struggle in Poland will be resolved peacefully and positively. And I don't mean to make light of its seriousness by relating my trivial problems in comparison. But I can't ignore the heartening implications these developments have had in my life. Bravo, Poland!

[Jeff M. Hulewicz edits technical-training publications for an airplane-engine manufacturer.]●

UKRAINIAN INDEPENDENCE DAY

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. HYDE. Mr. Speaker, On January 25 the Ukrainian Congress Committee of America, Illinois division, was kind enough to name me "Man of the Year" at a banquet celebrating Ukrainian Independence Day.

I am very proud of this honor and pleased to provide my remarks on that occasion:

REMARKS BY CONGRESSMAN HENRY J. HYDE

My dear friends, I am greatly honored to be named your "Man of the Year." It is a distinction I shall always be proud of. Though I do not share your ethnic heritage, I do share your hatred of the most dehumanizing and cruel governmental system ever devised by man—Soviet communism.

On Jan. 22, we celebrate Ukrainian Independence Day and our minds and hearts go back to 1918, when, with the collapse of the Tsarist government and the subsequent seizure of power by the Bolsheviks, the Independent Republic of Ukraine was declared.

We all know the sad and bloody history of the times that followed—where Bolsheviks turned Ukraine into a battleground—and where the famine of 1921-22 devastated the land even more.

In 1922 the Ukrainian Soviet Socialist Republic was forced on these brave people—one is reminded of the crown of thorns being forced onto the head of a suffering Christ—and there followed one of the darkest chapters in the history of mankind—the death by starvation of from 3 to 5 million Kulaks, when Stalin forcibly collectivized the farms.

Stalin, who once said, "A single death is a tragedy, a million deaths is a statistic," proceeded to pile up the grisly statistics in a manner the like of which was not to be seen again until Dante's inferno sent us Pol Pot who also, in the name of St. Karl Marx turned the gentle land of Cambodia into a graveyard.

Today, these same anti-human forces are at work in Ukraine where the cultural elite are purged, religion is suppressed and russification of the language is advanced with demonic vigor.

But the tradition of Ukrainian independence—a tradition that goes back centuries before Catherine the Great—will not be stamped out nor obliterated. As early Christianity flourished in direct proportion to the zeal of its persecutors, so does the spirit of freedom surge in the hearts of all who endure Soviet threats, persecution, cultural and political manipulation, propaganda, discrimination and suppression. We are here today to re-assert our relentless dedication to freedom and independence for Ukraine and all the captive nations and to call upon freedom loving people everywhere to join the struggle for human dignity that history has made our burden and our glory.

We hear so often that the Soviet Union is only seeking peace, and our own halting efforts at strengthening our military capabilities are a threat to that peace. But peace is a word of many colors—the peace of the victor is not that of the vanquished. The brave Afgan people now know that too well. There is the peace of the prison and of the grave and the peace of the slave. Such peace is beneath the contempt of honorable men.

Those of us who have known war—counted its wounded and buried its dead—have wept over its smoking cities and scorched earth, its hungry young and its homeless old—do not cherish peace any less—but we must insist that if the price of this peace is submission to the dehumanization of communism, then it is a price we will not pay.

Our capacity for self-deception was never more clear than on August 1, 1975, when we and 34 other nations signed the Helsinki accords. Have not the Soviets told us incessantly that only those acts are moral which further the class struggle? We had no right to expect them to respect the basic rights of man set forth in these accords. But we believe what we want to believe, and so once more the hopes and prayers of the people in the captive nations go unfulfilled. We lament this—and we shall remember.

We must understand that the grand fallacy of Marxism is its doctrine of historical determinism—its notion that the future is determined, not by ideas and individuals—but by the iron laws of its own definition of history and the immutable dictates of dialectical materialism.

But in 1967—The 50th anniversary of the Communist revolution (and the 100th anniversary of the invention of barbed wire) Aleksandr Solzhenitsyn finished writing his tragic epic, "The Gulag Archipelago."

Solzhenitsyn's 3 volumes of recollections of resistance, of the heroic rebellion of those who refuse to be only victims must be read if one is to learn the depths of horror the Communist system is all too capable of.

What caused this Soviet captain, in the forests of East Prussia in the year 1945 to begin to doubt and then reject the Soviet system—a system into which he was born and in which he lived? This one man—this single event—this "light from the East"—surely wasn't contemplated—wasn't even thinkable—in the Soviet system. But the moral squalor, the barbarism of the worker's paradise of Marx, Lenin, Stalin and now Breshnev has been laid out in a casket of its own contrivance by Solzhenitsyn and a few others for all the world to see and to shudder.

It is a disturbing and ironic fact, however, that the inherent cruelties of communism as a system of government—whether Soviet or that of Mao Tse tung, Ho Chi Minh or Pol Pot—so often fail to sink in to the consciousness of our political leaders. In April 1976 the President of the United States at Notre Dame University announced that we Americans had gotten over our "inordinate fear of communism." President Carter's dangerous euphoria was shattered by the invasion of Afghanistan—an awakening that was too long in coming.

The West has too many writers and leaders who think that Soviet leaders share the same values, perspectives and goals that we do. The writer George Will has remarked that "rivers of blood and mountains of other evidence, constantly expanding" confirm the view that the Communist system

"presupposes and produces coarse cruel leaders".

Will has written in the June 12, 1978 issue of Newsweek:

"The alarming and sorrowful fact is not that evidence for the correct view is scanty, but that such evidence must be produced so constantly, in such abundance, with such genius, and at such terrible cost, in order to convince the West, which is eager to disbelieve. The unimaginable bravery and suffering of Soviet dissidents is indispensable to the West because it forces the Soviet regime to advertise its essential nature, and Solzhenitsyn's relentless light from the East illuminates the indissoluble connection between the internal aims of the terrible and forbidding men who constitute it."

You here today—and countless other defenders of freedom—remind us in America that freedom is not easily won nor painlessly maintained. Teach us, by your example and your unremitting love of liberty and self determination to cherish our own freedom all the more—and to be willing to pay whatever price we must to maintain that freedom for ourselves and our children.

Our 52 former hostages, held by Iranian barbarians for 444 agonizing days, have returned to American soil but a few hours ago. They will teach us vividly of what you have been quietly and persistently reminding us for so many years—that freedom is under attack and on the defensive in many places in the world.

The "light from the East" now shines on the brave Polish labor leaders who, with enormous courage, are struggling for more human dignity against a system that denies humanity itself.

The brave Afgan rebels are fighting with knives and rocks and any sort of weapons they can find—fighting our fight against Communist totalitarianism.

Can we in America learn from all of this?

A writer with the gift of prophecy once said that we in the West stand on the only island of freedom that is left in the whole world * * * there is no place to flee to * * * no place to escape to. We defend freedom here or it is gone. There is no place for us to run, only to make a stand. And if we fail, I think we face telling our children, and our children's children, what it was we found more precious than freedom. Because I am sure that someday—if we fail in this—there will be a generation that will ask."●

ABOLISH THE U.S. METRIC BOARD

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. RUDD. Mr. Speaker, I am today reintroducing a bill to repeal the Metric Conversion Act of 1975 and abolish the U.S. Metric Board, in order to halt further Federal promotion and imposition of changeover to metric measurement in the United States.

The overwhelming majority of Americans do not want their customary U.S. system of weights and measures to be replaced by metric units, which are foreign to many people and no better for everyday use than our own familiar measuring units.

Voluntary use of the metric system has been an option in the United States since 1866. Our Nation had operated well under this dual system of customary and metric measurement for more than 100 years before the Metric Conversion Act, and there is no good reason for the Federal Government to be embarked on an effort to promote a changeover to metric.

The U.S. Metric Board—created by the 1975 law—is supposed to be neutral on the use of customary or metric measurement. The intent of Congress was for the Board to help coordinate conversion only when a private sector industry made a voluntary decision to change over to metric and asked for Federal Government assistance. However, the Board's members and staff—frequently drawn from the American National Metric Council—a metric advocacy group—have frequently used their positions within this Federal agency to promote and advocate metric conversion.

One member of the Metric Board who is opposed to promotional activities of the Board is the Honorable Thomas A. Hannigan, a labor union representative.

Addressing the First National Council on State Metrication last year, Mr. Hannigan said:

Legislative history of the Metric Conversion Act clearly reveals that Congress repeatedly rejected a policy of the Federal Government facilitating and encouraging conversion. The [General Accounting Office] reports that the 1975 Act and its legislative history show that national policy is not to prefer one either to predominate on the basis of the voluntary actions of those affected, thus the role of the U.S. Metric Board is not to advocate conversion but to assist various sectors if and when they choose to convert. * * * Clearly, a national decision to convert to the metric system has not been made.

Unfortunately, Mr. Hannigan's voice within the Metric Board has been ignored by zealous metric proponents anxious to put the force and resources of the Federal Government behind metrication.

For instance, the Metric Board held hearings in 1979 on the feasibility of converting gasoline pump sales to liters rather than gallons. The Board was attempting to take advantage of rapidly rising gas prices, then approaching $1 per gallon, which confronted retail gas dealers with the prospect of having to replace gas pump computers on a wide scale. The Board got behind a propaganda campaign for metric sales by the liter as a supposedly less expensive alternative—of course ignoring the enormous cost ramifications of such a decision throughout the petroleum industry, as well as dislocations and confusion for the motoring public.

In this and other examples, the Metric Board totally ignored the findings of the General Accounting Office, whose 5-year study released in 1978 outlined the tremendous costs associated with conversion to the metric system. Cited within the GAO report was the example of the impact on the petroleum industry.

The GAO reported that conversion to the metric system will cost many billions of dollars, which would ultimately have to be paid by American consumers. Additionally, metric conversion is of little usefulness to the great majority of American citizens and business—particularly small business.

Another example of the Metric Board's recent promotional activities was the establishment of the Interagency Committee on Metric Policy, a committee of official representatives from the various Federal departments and agencies who meet together to discuss ways to implement increased metric usage and conversion through Government operations. The ICMP operates with Metric Board support, but outside the Board's jurisidiction, making this interagency group virtually unaccountable to the agencies involved or the Congress.

The Interagency Committee on Metric Policy even went so far as to issue regulations in the Federal Register on January 8, 1980, instructing all Federal agencies to adopt and promote the use of metric measurements in their own activities, in Federal procurement and contracting, and so forth. This action was totally beyond the authority granted to the Federal Government under Public Law 94-168, the so-called Metric Conversion Act.

A good example of the way that metric usage is being imposed on the public under these regulations is recent action by the U.S. Department of Transportation to require metric specifications on highway construction. The Department recently advertised for bids on a highway project in the Eugene, Oreg., Register-Guard, using metric measurements. The advertisement even announced that the project will be constructed using SI metric specifications, which means that companies wanting to do the work must convert to metric—voluntarily, of course.

This, in effect, is mandatory imposition of metric on the public through the actions of Federal Government agencies, and is far beyond the purview of the enabling legislation which created the U.S. Metric Board.

At a time when President Reagan is seeking efficient ways to tighten the Federal budget, Mr. Speaker, I would suggest that the U.S. Metric Board and its Interagency Committee on Metric Policy could easily be among the first unnecessary Government agencies to go. It provides no essential services to the public.

In fact, despite its $2.7 million annual budget, the Metric Board has failed to assist the public to become familiar with the meaning and applicability of metric measures in daily life, and has failed to coordinate voluntary metric conversion initiated in the private sector involving private industry and the Federal Government—two of its three responsibilities required by law.

What functions the Board could provide can and are being done by the private sector without this agency's help. The Metric Board has disregarded its charge for volunteerism and is nothing more than an unwanted metric advocacy organization. It should be abolished outright.

Mr. Speaker, I invite cosponsors for my bill to abolish the Metric Board and to terminate the Federal Government's promotion and imposition of metric conversion. I would like to include the text of the bill at this point in the RECORD:

H.R. 1660

A bill to repeal the Metric Conversion Act of 1975 (89 Stat. 1007; 15 U.S.C. 205a et seq.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Metric Conversion Repeal Act of 1981".

FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) the majority of the American people do not favor conversion from customary United States weights and measures to the metric system, despite United States involvement as an original signatory party to the 1875 Convention—Weights and Measures (20 Stat. 709), and the fact that voluntary use of metric measurement standards in the United States has been authorized by law since 1866 (Act of July 28, 1866; 14 Stat. 339);

(2) the Metric Conversion Act of 1975 (89 Stat. 1007; 15 U.S.C. 205a et seq.) has conveyed to the American public and to the business community the erroneous impression that United States conversion to the metric system is national policy, which it is not;

(3) no country in the world has converted its economy to the International System of Units (SI), the wavelength-based metric system adopted by the General Conference of Weights and Measures in 1960 and cited as the optional system of metric measurement in the Metric Conversion Act of 1975.

(4) the United States Metric Board, created by the Metric Conversion Act of 1975, exists as an unnecessary promotional vehicle within the Federal Government, using the resources and power of the Government to influence and encourage conversion to the metric system throughout the United States in violation of the intent of Congress;

(5) Federal bureaucratic imposition of metric conversion has been fostered by the U.S. Metric Board's ad hoc Interagency Committee on Metric Policy (ICMP), which has promulgated Federal Metric Policy and Guidelines (Federal Register, Jan. 8, 1980) instructing all Federal agencies to implement increasing metric usage through Government procurement, contracting, and other policy initiatives in violation of the intent of Congress;

(6) several Federal departments and agencies have provoked widespread public opposition by attempting to impose use of metric measurement on highway signs, in weather reporting, in marketing beverages and other products, and through school curriculum materials, also not in keeping with the intent of Congress that use a metric measurement by any sector in the United States be strictly voluntary, as provided under the 1866 statute, and not imposed by the Federal Government;

(7) according to an exhaustive study by the Comptroller General of the United States, the cost and disruption of metric conversion to the American people would be enormous, while the purported benefits of such conversion are nonexistent or questionable in practically every area;

(8) standardization and rationalization of measurements, and other purported benefits ascribed to metric measurement, have occurred throughout the world under the customary system without metric conversion;

(9) there is no evidence that a solely metric system would be better for the United States economy, and United States economic activity and world trade have not been hampered or injured by a dual system of customary and metric measurement according to the Comptroller General's report;

(10) the U.S. Metric Board has failed to "assist the public . . . to become familiar with the meaning and applicability of metric measures in daily life," and has failed to coordinate metric conversion initiated in the private sector involving private industry and the Federal Government, two of its three responsibilities required by law;

(11) it is in the interests of the United States to eliminate Federal Government entities or programs, such as those continuing and expanding beyond the intent of Congress under the Metric Conversion Act of 1975, when it is clear that such entities or programs are detrimental or unnecessary to public need.

(b) The Congress declares that it is the policy of the United States—

(1) to continue a dual system of customary and metric measurement in the United States, as dictated by the needs and desires of the private sector, and to prevent Federal Government promotion or imposition of metric conversion;

(2) to pursue a vigorous effort to avoid wherever possible undue or harmful socioeconomic dislocations as the result of Federal Government programs or actions, such as those needlessly imposed by efforts being advanced under the Metric Conversion Act of 1975; and

(3) to eliminate Federal Government entities or programs that would cause undue socioeconomic dislocations, or whose existence or objectives are not supported or needed by the American people.

REPEAL OF METRIC CONVERSION

SEC. 3. The Metric Conversion Act of 1975 (89 Stat. 1007; 15 U.S.C. 205a et seq.) is repealed.●

KOREA MOVE PLEASES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. DERWINSKI. Mr. Speaker, one of the first positive foreign policy moves that the new administration initiated was to cement U.S. relations with the South Korean Government by inviting President Chun Doo Hwan to Washington. As a result, we may expect more cordial military and trade relations between our Government and that of the South Koreans.

An outstanding publication serving my congressional district in south suburban Chicago, the Southtown Economist Newspaper, recognized this fact in an editorial in their January 29 edition. I insert it at this point:

KOREA MOVE PLEASES

The action of South Korean President Chun Doo Hwan in commuting the death sentence of Kim Dae Jung, the opposition political leader, to life imprisonment removes a major obstacle toward restoring warm and cordial relations between the United States and South Korea.

President Chun also has announced the end of martial law, another pleasing move, and has set the stage for his visit with President Reagan in Washington on Feb. 2.

The United States has maintained a force of some 40,000 troops in South Korea, which faces a continuing threat from the fanatic North Korean Communists against which such a bitter war was fought in the early 1950s. We have much in common with the South Koreans, one of our strong partners for peace in the Far East, as well as one of our leading trade partners.

Moves toward a return to a democratic government in South Korea indeed are welcome. We hope there are many more such steps in the months ahead.●

PROTEST PSYCHIATRIC REPRESSION IN SOVIET UNION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. LANTOS. Mr. Speaker, a remarkable series of reports appeared in last weekend's Washington Post describing the grim reality of life in the Soviet Union and the official use of psychiatric repression against dissidents. The report, written by Post foreign service reporter Kevin Klose, comes from the Ukrainian mining city of Donetsk.

I commend the entire three-part series to my colleagues. In his final report, Klose details the use of punitive political psychiatry to control dissent. This new variety of torture allows the Soviets to claim any undesirable person "insane" and imprison him or her in a psychiatric hospital without charges or trial. Even more frightening is the use of potent drugs on the "patients." I hope all of my colleagues will read the following article:

SOVIETS FIND NICHE FOR LABOR GAMBLE: PSYCHIATRIC JAIL

(By Kevin Klose)

DONETSK, U.S.S.R.—Alexei Nikitin said he never thought of himself as a man looking for trouble or as a man with a mission. At

first, he said, he only wanted to right a wrong.

But when he took up the cause of fellow workers who had been cheated of wages and who worked without adequate safety precautions in the pit, Nikitin came into a conflict with the authorities in this coal-mining city. He eventually was judged insane and kept in psychiatric hospitals and prisons for seven of the last 10 years. This is his story. Soviet authorities have refused to discuss his case.

Freed in May from a police-run mental hospital, where Nikitin said he was injected with hallucinatory drugs meant to bring on a robot-like submissiveness, Nikitin was examined by Dr. Anatoli Koryagin, a psychiatrist from Kharkov who has aided political activists imprisoned on grounds of alleged mental illness. Koryagin pronounced the mining engineer perfectly sane.

"He is totally healthy," Koryagin said in an interview last week, adding that he had studied Nikitin exhaustively using every available and accepted test of modern psychiatry.

In contrast to the enormous successes achieved by Poland's Lech Walesa in establishing trade unions to defend workers free of party control, the harsh treatment meted out to Nikitin underscores the futility of similar labor activism under Soviet conditions.

Nikitin, 40, is a stocky, balding mining engineer who spent most of his working life at the Butovka-Donetsk works, one of 49 coal mines in this eastern Ukrainian city of 1 million residents.

But apparently because of his stubborn pursuit of vindication, he lost his family, as well as his freedom. He has seen that there are many ways to break the human spirit and that after 63 years in power, the Soviet state knows many of them.

Nikitin's early biography is the stuff of state propagandists—10th child of a collective farm peasant, pioneer and League of Young Communists, member with good grades. He spent two years in military service, earned a degree in electro-mechanical engineering from Donetsk Polytechnic Institute, married and had one daughter. He also belonged to the Communist Party.

"I was raised in the idea that the party really serves people in the best spirit. I never listened to foreign radio stations. I read Soviet newspapers and assumed they were truthful," he remarked during a series of exhaustive interviews here several weeks ago.

By the mid-1960s, Nikitin was working full time at the Butovka mine. He was a trade union and party activist seemingly headed for some of the privileges and power available to successful bureaucrats. But life was not that simple or satisfying. Party meetings seemed meaningless, for workers' concerns were deflected or rudely shoved aside by the leaders.

"I began to understand that all questions were decided in advance," he said.

As his views matured, he began to stand up for men arbitrarily fired.

"I had nothing against the Soviet Union," he explained. "From childhood, I defended the downtrodden and humiliated, out of my Russian heart. I had always helped people in trouble."

He warned of a possible disaster from lax safety precautions, such as improper use of explosives and inadequate tunnel shoring. Mine leaders rebuffed him, he asserted, talking "only of the need to fulfill the plan. They said, 'Victors aren't judged. Nothing else is important.' "

When he pressed higher, Donetsk Central Committee officials said: "How could you, a simple engineer, predict an explosion? We sent experienced safety engineers to the mine, and we trust them."

The showdown with mine director Viktor Savitch, an in-law of a powerful Donetsk party member, came in June 1969, when Nikitin and 19 other miners complained about unpaid bonuses, a practice that continues here today.

Savitch threw the petitioners out of his office. With 129 others, Nikitin sent a collective letter to Communist Party Central Committee headquarters in Moscow. Moscow bounced the letter back to the Donetsk party, which promptly expelled Nikitin. In February 1970, he was fired from his job. Threatened with similar reprisals, most of the others renounced their signatures.

Repeated attempts to contact Butovka mine officials to get their side of this story have been unsuccessful.

Unable to find permanent work, Nikitin did odd jobs and searched for vindication repeatedly in Moscow, being shunted to the Soviet Supreme Court, the national legislature, procurator's office, Central Committee and back again. In turn, each claimed no knowledge of his case.

There were always new forms to be completed, long lines for officials who then proved to be "unavailable." Or they told him to "settle this in the local organization," which had originally fired him.

In the endless queues, Nikitin found himself part of the hidden army of "truth-seekers," a decisive czarist-era term, come to Moscow in fruitless search for justice.

Once, he got to see Politburo member Arvid Pelshe, now 81, the gaunt Latvian who heads the party's Control Commission to review such complaints. Pelshe's severe expression and utter silence, Nikitin said, "betrayed a desire to punish." An assistant proclaimed, "Your appeal is not satisfied."

Meanwhile, his marriage rapidly deteriorated under what he believes were pressures from party officials on his wife, herself a party member, and her relatives. After months of domestic tension because of his inability to find a good job and his single-minded pursuit of getting his name cleared, his wife left him, taking their five-year-old daughter. Nikitin has not seen them since and has not tried to contact them, for fear it would only bring trouble to his child.

Clinging to hope of finding a meaningful response somewhere, the stubborn Nikitin next took an extraordinary step for a Russian. He slipped into the Norwegian Embassy in Moscow with written appeals to the United Nations and world labor agencies. The diplomats took his petitions and showed him out.

"I am a Russian, and I was raised in a patriotic family," Nikitin said. "I deeply love my people, our land, our folk songs. But I began to believe that to live in this country is impossible. There is unlimited control by the authorities, without any law. This happened to me because I started to defend workers without official permission."

A short time later, he was seized by Moscow police, sent to City Psychiatric Hospital No. 14 for brief observation "to frighten me," then shipped back to Donetsk.

There, the city party leader, a man named Kubishkin, had jeered: "You defend the people! You're a literate fellow, you've read history. Well, in history, it's written that those who tried to lead the masses [such as Cossack rebel heroes Stenka Razin and Yemelyan Pugachev], they cut their heads off!"

One morning in late December 1971, when the Butovka night shift was leaving and the morning crews had not yet descended, Nikitin recalled, a powerful blast shook the mine. Families and friends rushed to the shaft, some of them screaming, "Nikitin warned you!" KGB security agents and police assembled and, without violence, cleared the grounds.

Seven miners had died, and more than 100 were injured. There is no known public mention of the mishap in Soviet records. The official media does not make public such matters except when many have died, or when foreigners lose their lives, thus forcing the authorities to acknowledge that an accident has occurred.

An effort last week to verify the story failed when a secretary in the office of the chief safety engineer of the Ukrainian Coal Production Ministry in Donetsk said on the telephone that none of her superiors was available for comment and that all were out of town until further notice. She refused to give the names of the officials and abruptly hung up.

When former Butovka workers began seeking out Nikitin to tell him he had been right after all, he knew his own days of freedom were numbered. On Jan. 13, 1972, police arrested him at a relative's apartment where he was sleeping. He was charged with spreading anti-Soviet propaganda.

He sat undisturbed until June 19, when he was suddenly driven in a padlocked vehicle to a forbidding place he had never known existed: the Dniepropetrovsk Special Psychiatric Hospital, established in 1968 by the Interior Ministry inside the double, barbed wire-topped walls of the city's prison. It is one of 13 such police-run hospitals for criminally insane known to exist in the Soviet Union.

He learned the charge of antistate activities had disappeared. He was now diagnosed as dangerously insane, even though he had never been seen by a psychiatrist.

As attendants dressed him in black prison trousers and striped prison shirt, he was told, "Dear comrade, you're going to be here for life."

"How do you know this is for life?" Nikitin recalled asking.

"Little friend, they've decided you're a fool and you've got a political offense. So don't worry, you're here for life."

It took the hospital prison two weeks, by Nikitin's recollection, to conform their opinions to this judgment. He said he was subjected to interviews by three white-jacketed men who said they were psychiatrists. One of them customarily took off his doctor's outfit at the end of daily sessions to reveal a KGB colonel's uniform underneath, Nikitin said.

After two weeks of tests, he was diagnosed as "psychopathological—simple form," he said.

Nikitin was confined to a 26-by-20 foot room where 30 men lived, with not enough beds for all. Yellowed from long incarceration, the inmates had contorted limbs and faces, lolling tongues and vacant stares from compulsory drug treatments. The room was alive with groans, cries, sobbing and aimless murmurs.

"It was horrible to look at them," Nikitin said.

He spent four years there. The most dreaded treatment was injection of sulphazin, a form of purified sulfur that brings on intense fever, excruciating pain, convulsions and disorientation.

In their authoritative 1977 work, "Russia's Political Hospitals," Sidney Bloch and Peter Reddaway report that sulphazin was used for psychiatric treatment in the West in the 1930s, "but fell into disfavor when it was shown to have no therapeutic effect. Sulphazin has no place in contemporary medicine, and certainly does not feature in Western pharmacopoeias."

They add, "Its application as a punitive measure has been cited by many dissenters."

According to Nikitin, the drug was an effective punishment in the prisons because "if they torture you and break your arms, there is a certain specific pain and you can somehow stand it, but sulphazin is like a drill boring into your body that gets worse and worse until it's more than you can stand—it's impossible to endure."

He remembers seeing inmates injected with sulphazin "groaning and sighing with pain, in horrible convulsions, cursing with everything in their hearts, cursing the psychiatrists and Soviet power."

Nikitin said that the doctors, nurses and orderlies seldom failed to threaten the use of various drugs against patients who were caught discussing political matters and that he thus came to know the names of each of the substances used.

He said that in addition to sulphazin, used to control and disorient the patients, he was forced to take aminazin [largactil or thorazine in the West] and haloperidol [serenace and haldol in the West]. Both are used to treat severe schizophrenia and other mental disorders and frequently disrupt normal body movements.

He said he believes that up to 85 percent of all the inmates were sane. Most were murderers, he said, "convinced they were imprisoned to be used as guinea pigs in experiments." Some of these men, who frequently admitted their crimes, dreamed of getting their hands on an AK47 assault rifle.

"'Give me that *balalaika*,' and I'll settle with them,' they said."

He also met Ukrainian nationalists, Baptists who had circulated religious tracts and a Soviet marine who said he had shot several pursuing Soviet soldiers while trying to escape to Israel from Egypt when he was stationed there.

Nikitin also found other worker activists like himself there, including Vladimir Klebanov, a former Donetsk miner, who was imprisoned after trying to organize the first independent trade union in modern Soviet times in 1977.

In March 1976, Nikitin was released and he returned to Donetsk. He moved in with a relative and tried to have himself declared an invalid because of his drug treatments. Officials refused to sign any documents admitting he had ever been at Dniepropetrovsk, he said.

Again, he could find no permanent work, and he returned to Moscow and the Norwegian Embassy, where he sought political asylum in February 1977. The embassy refused.

When Nikitin left, he was arrested and within days, sent back to the prison hospital. He spent three more years there and at a Donetsk psychiatric hospital, a Health Ministry facility and was released from there in May.

Last autumn, Nikitin went to Moscow to see friends, and during that time, invited me and Western colleague to visit him in Donetsk, where he offered to show us his city, tell us of his life in detail and have us meet other mine workers willing to speak candidly of their lives.

We came to Donetsk in early December and found him living with one of his relatives in a small, spotless apartment in a run-down building in a small community of miners here. We spent 3½ days with him and said goodbye on Dec. 8.

Four days later, Nikitin was arrested again. According to reliable sources, authorities arrived in an ambulance at the apartment on Denisenko Street in Donetsk where Nikitin was staying and ordered him taken to Donetsk Psychiatric Hospital No. 2 to undergo a new psychiatric evaluation.

"Something was done to him," the sources said, and instead of vigorously defending himself, Nikitin was said to have fallen into a sudden unconsciousness. He was "swaddled like an infant" by the orderlies and loaded into the ambulance.

These sources are convinced Nikitin was drugged. They said that when the engineer's relatives finally got to see him a few days later at the hospital, they found him in poor condition, unable to eat, dazed and suffering from an extremely high temperature after a series of injections he said he had been forced to take.

Since then, the family has not heard from him or been allowed to see him again and they do not know his whereabouts. Soviet authorities refuse to discuss the case.

Observers here believe that the Kremlin, agitated by the Polish crisis and uncertain of its long-term impact on the cowed Soviet labor force, has no intentions to permit open calls for independent trade unions here. Psychiatric imprisonment seems almost tailor-made for the authorities in dealing with dissident workers.

By using this form of repression, they preclude the possibility of dissidents using the courts to question overall economic goals or such practical issues as food shortages, workplace safety and arbitrary firings. It also eliminates the need to call witnesses and thus spread the knowledge about dissatisfaction.●

THE PAUL VOLCKER RETIREMENT ACT

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. DORGAN of North Dakota. Mr. Speaker, Paul Volcker. Many Americans would not recognize the name. He is not an elected official. But he has played a big role in our lives. He has led the Federal Reserve Board on a series of roller coaster monetary policies resulting in 20 percent interest rates, a dramatic increase in business failures, and an American economy that is suffering seizures between recessions.

Double-digit inflation is slowly burning our economy at the stake, and Paul Volcker is carrying the wood, and I think it is time to put a stop to it.

That is the reason I am introducing a bill that I refer to as the Paul Volcker Retirement Act. It is time we talk about some changes at the Federal Reserve Board, and I think it is appropriate to start talking about changing the Chairman.

Who does Paul Volcker report to? Nobody—and that is the problem.

Mr. Volcker, the Chairman of the Federal Reserve Board, has, in my opinion, led the Federal Reserve down a stairway of trouble that has compounded rather than relieved the problems in the American economy. Their actions have caused dramatic increases in small business failures, scorched the housing and automobile industries, heightened inflation, and generally made life worse for most Americans.

Why is Paul Volcker still in charge of the Federal Reserve Board? Because unlike most other public officials, he is not held accountable to the President who appointed him, to the Congress, or to the people of this country. He has failed and we—the people's representatives—can do virtually nothing about it.

I want to change that. It is time for a coordinated fiscal and monetary strategy in this country, and as a way to begin discussing what we have to do to accomplish that, I am introducing legislation that would provide a means for holding the Chairman of the Federal Reserve Board accountable for his performance by providing a means for his removal.

WHO'S IN CHARGE?

Imagine a football team that has two signal callers. One tells the quarterback to call a pass play, while the other tells the line to pull out for an end sweep.

No way to run a football team, you say. You are right. It is no way to run an economy either, but this is precisely what we do now in this country.

Of the two principal tools of economic policy, only one—fiscal policy, or Government taxing and spending—is under the control of the elected Representatives of the people. The other tool, monetary policy—the size of the money supply—is managed and controlled by the Federal Reserve Board and the American banking community. This system of having one American economy, but two signal callers on economic policy is just not working.

Fed Chairman Paul Volcker is calling the signals for the Fed, and it is time to make him listen to the wishes of the American people.

While the Federal Reserve Board itself may be obscure to most Americans, the effect of the Reserve's actions are decidedly concrete. The fortunes or misfortunes of farmers, business persons, consumers, and units of government often hinge directly on the actions of the Federal Reserve Board, and of late, the Fed's actions have meant misfortune for most Americans.

A CASE OF THE WRONG MEDICINE

High interest rates are breaking the back of the domestic auto industry, forcing over 1,600 auto dealers to close, and putting hundreds of thousands of auto-related workers out of work. Thirty percent of the homebuilders in the country went out of business in the last 2 years, which resulted in another 757,000 building trades workers being tossed out on the street. Family farmers are paying 45 percent more in interest charges this year than they were last year and they cannot afford it.

If policies of the Federal Reserve System were truly "wringing inflation out of the economy," to cite the bankers' favorite metaphor, that would be one thing. But in practice, the Volcker-Fed high interest rates have done just the opposite. They have helped wrap inflation snugly into the economy. High interest rates have become part of the price of cars, houses, tractors, and washing machines that we buy. Just ask Mr. Iacocca, or ask any farmer.

Worse, high interest rates mean the Treasury has to shell out more to finance deficits. These deficits, at the same time, grow larger, because, when Volcker and company throw their wet blanket on the U.S. economy, tax receipts go slack. Then Treasury borrows more, at the higher interest rates, to plug the gap, and the downward spiral of self-defeating economic policy spins out.

It is time for us to stop entrusting a full half of the Nation's economic policy to an insulated clique of big bankers and money brokers called the Federal Reserve System.

SOME HISTORY

The lawmakers who wrote the original Federal Reserve Act in 1913 labored to insure the Fed would never become what, in fact, it has become—a powerful central bank accountable to no one.

More important, the Reserve System was designed for an economic world that does not exist today. In 1913, the Federal Government took no general responsibility for the health and productivity of the U.S. economy. In this setting, the Federal Reserve was designed primarily as a custodial institution, acting to stabilize what has been a maverick and volatile banking system.

For that limited, custodial function, some political insulation might be tolerable, if not advisable.

Since World War II, however, the scene has changed radically. Though they disagree on the particulars, neither Republicans nor Democrats disclaim the role of a national economic policy in promoting productivity, growth, profit, and national well-being.

In this new setting, the insulated, big-banker-controlled Federal Reserve System, with its tight grip on half of the Nation's economic policy, is an anachronism, and a dangerous one.

INDEPENDENCE OR ACCOUNTABILITY?

Proponents of this system say that the Fed's autonomy is a virtue, that an independent Fed is necessary to keep pristine matters of money out of the sordidness of politics. To say that a Federal Reserve System controlled by big bankers is independent is surely a curious use of that word. Would we say that an Interstate Commerce Commission controlled by railroad presidents was an independent ICC? That a Department of Agriculture owned and operated by multinational grain dealers was an independent Department wonderfully removed from politics?

The money supply is a public issue just like taxing and spending are public issues. Some groups think the money supply should be expanded; others think it should be contracted. And as long as someone must decide between them, that decision will be the people's business.

The problem today is that the Fed is deciding public issues without being accountable to the public.

When the Federal Reserve Act was under consideration in 1913, President Wilson said, emphatically:

The control of the system of banking and of (issuing money) must be public, not private. * * * It must be vested in the Government itself so that the banks may be the instruments, not the masters of individual initiative and enterprise.

It is time that we followed President Wilson's advice.

I submit that a little job insecurity does wonders where entrenched power is concerned, and I am proposing a little job insecurity for Mr. Volcker and his sucessors. Specifically, I am proposing that Congress, by a simple 60-percent vote of both Houses, have the power to remove the Chairman of the Federal Reserve Board.

Such a step would not, of course, solve this Nation's monetary problems. Nor would it, alone, correct the fundamental weakness in the way our central bank operates. But it would make the Fed Chairman listen. It would give the people of this Nation a silent seat in the closed room in which the Fed's Open Market Committee meets to decide how much money we will have.

If Congress is to insist, as many say it should, upon a "legislative veto" over every item or regulatory minutiae which issues forth from the FTC and other regulatory agencies, should it not likewise insist upon at least some check over the Federal Reserve System which determines half the Nation's economic policy?

In summary, it is time to begin a serious debate about the performance and structure of the Federal Reserve Board, and this debate should begin with a discussion of the performance of Board Chairman Paul Volcker.●

OTTINGER PRAISES THE READER'S DIGEST FOR ENLIGHTENED ARTICLE ON ENERGY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. OTTINGER. Mr. Speaker, the debate over energy policy will continue in the 97th Congress and in the new administration. Many books and articles have been written which have sought to shed light on the difficult energy policy choices and assist us and the American people in gaining greater understanding of the nature of the problem. I am particularly pleased that the Reader's Digest has published an article entitled "Which Path to Our Energy Future?" by James Nathan Miller. With its wide circulation and loyal readership the Reader's Digest article will expose many people for the first time to the potential of energy conservation and solar energy technologies. I commend this article to my colleagues and include an excerpt in the RECORD:

[From the Reader's Digest, January 1981]

WHICH PATH TO OUR ENERGY FUTURE?

(By James Nathan Miller)

The problem is not shortage. It's how we select the best, most economic combination of existing fuels and new technologies to carry us to a solar/fusion era, just over the horizon, when the world should have all the cheap, clean energy it will ever need.

The present synfuels program is not the answer.

It's staggering in its size—the biggest peacetime project the United States Government has ever undertaken. Jimmy Carter proudly called it "greater than the sum total of the interstate highway system, the Marshall Plan and the space program combined." It's the "synfuels" project, now gearing up to spend at least $88 billion (and probably far more) to create from scratch an industry capable of manufacturing America's gas and oil.

But there's another way of describing this massive effort. It may well be the most wasteful program in the country's history, and it could cause the nation to repeat a profoundly serious mistake in energy planning that we made a quarter of a century ago, whose effects haunt us to this day. To understand what's involved, start with a brief look at what the program is supposed to accomplish.

According to its backers, the synfuels project will make America independent of Arabian oil—a "declaration of energy independence," in Carter's words. Its $88 billion—if Congress appropriates that entire sum—will subsidise industry efforts to synthesize oil and gas from two resources that the United States owns in enormous abundance: coal and oil shale. By 1978, says the synfuels law, American companies will produce one quad[1] of synfuels a year, and by 1992 an enormous four quads.

"There's not a chance of meeting these deadlines," says Gordon MacDonald, chief scientist for the Mitre Corporation, a leading scientific study group in Washington. Practically no one in Washington or in the energy industry thinks we can come anywhere near the law's production targets. Consider a few of the problems involved:

Several mountain ranges in the Rockies are saturated with oil—more oil than the Arab nations possess. But how do we get it? A plant capable of mining the needed quantities of rock and melting out the oil would be one of the world's largest industrial facilities. Today, we have only a half dozen small pilot plants. There are thousands of unanswered questions about how to scale these operations up to commercial size.

It takes at least eight years to build a conventional electric-generating plant. No one knows how long a shale-oil plant will take. Indeed, the government hasn't even signed a contract for such a plant; it's just now beginning to spend hundreds of millions of dollars for "feasibility studies." Even when the first plant is finished it will produce only 50,000 barrels of oil a day. This means ten such huge plants will be needed to meet the 1987 target of a single quad, and a host of studies show that just this first quad's worth of construction will require one third of the nation's current industrial construction capacity.

But building the plants is just part of the project. Dams will be needed to provide water, and pipelines to take the oil to refineries. Billions of dollars will be required to improve the nation's coal-handling railroads, and new highways and towns will have to be built for the 200,000 people brought to the sparsely settled Rockies to get the project started.

Isn't there a quicker, surer way of achieving oil independence? In fact, there is, and it's called conservation. Every major energy study of the past three years has pointed to dozens of methods for improving the efficiency of our cars, houses, offices, factories.[2] Energy experts now agree that conservation could cut our oil imports in half by 1990—an eight-quad saving—and eliminate them altogether by the turn of the century.

Where, then, should we turn to resolve our energy future? In fact, there are several sources to choose from. The most promising involve technologies that aren't yet perfected; when they are perfected (in some cases this is very close), they will produce energy that is clean, virtually free and theoretically limitless. But that's at the end of the energy rainbow; to get us there we will have to rely on more conventional fuels. Let's look at the "future fuels" first.

WIND FARMS

When the sun heats the earth's surface, the warmed air rises and new air is sucked in to replace it. The result is wind. At 22 m.p.h., each square yard of wind carries enough energy to light five 100-watt bulbs; in all, there is an estimated 3000 quads' worth of energy in the winds that blow across the United States each year.

Many observers feel that in the next few years windmills will be the first solar technology to take off in a big way. Last year a windmill firm signed a $340-million contract to supply the Hawaiian Electric Company with electricity from 33 windmills, each with blades as high as a 30-story building. By 1984 they are expected to provide about eight percent of the electricity for the island of Oahu and the city of Honolulu. With constant winds, Hawaii is the first state to go the windmill route. But there are comparable winds on the coasts and plains of the mainland, and utilities in California and New England are now considering similar wind farms.

Take the experimental windmill that went into operation last fall for the Bonneville Power Administration in Oregon. Paid for by the government and built by Boeing, its 300-foot blades (the world's largest) spin a generator that produces 2.5 million watts (enough to power a large office building) whenever the wind blows at 17 m.p.h. The cost of this power will be about eight cents a kilowatt hour—two cents more than for a brand-new generating plant. But the windmill needn't worry about rising fuel costs since wind is free, and its construction expense will almost certainly drop as Boeing graduates to large-scale production.

SUPER CELLS

When the paper-thin, four-inch-wide silicon eyeball of a photovoltaic cell looks directly at the sun, its surface electrons become agitated, and a little more than watt of electricity dribbles from its terminals. You can buy one of these cells today at electronic-equipment stores, but there wouldn't be much point. At the present minimum price of $7 a watt, it would cost $700 to buy the ten-square-foot array of cells needed to light a single 100-watt bulb.

Researchers at Massachusetts Institute of Technology's Energy Laboratory calculate that the price will have to come down to about $2 a watt before it will begin to pay homeowners to install these cells on their roofs. Then, if you lived in sunny Phoenix, Ariz., a $6,000 investment in solar cells would give you a 300-square-foot array that would generate all your electricity when the sun was shining. (When it wasn't shining, your house would switch automatically to the utility's power.) That $6,000 would be your only cost for this electricity over the cells' estimated 20-year life. In addition, you'd be able to recoup part of the investment (up to 40 percent currently) through tax credits, and still more by selling some of the power. During peak sunlight hours, when your rooftop was giving off more electricity than you needed, excess power would automatically feed back to the utility—for which you'd get credit on your bill.

In 1954, when the photovoltaic cell was invented by Bell Telephone Laboratories, it cost $1000 a watt. Three years ago, the cost was down to $15 a watt. Today several companies are in a neck-and-neck race to perfect an approach that will cut the price to below $1. When that happens, the era of the tireless super cell will be here.

FLOWER POWER

Every year, the croplands, pastures and forests of America soak up between 25 and 50 quads' worth of energy through the process of photosynthesis. In effect, these annual charges of energy convert about half the country's land area into a gigantic storage battery containing 650 to 1000 quads of energy. How much of this so-called biomass can we turn into fuels? Probably a great deal, but the question of exactly how much is a matter of "on-the-one-hand, on-the-other-hand" speculation.

On the one hand, despite all you hear about running our cars on alcohol distilled from grain, a massive new industry would be required to produce this fuel in significant quantities. Last year, for instance, "gasohol" (10 percent alcohol, 90 percent gasoline) was sold at filling stations in 28 states—but it replaced less than 0.1 percent of our gasoline consumption.

On the other hand, it takes only half an acre to produce the alcohol component of enough gasohol to run the average car for a year. This means that we have enough unused farmland (about 90 million acres) to produce all the alcohol needed to fuel 100 million cars with gasohol.

But on still another hand, nobody knows at what point the diversion of crops to industrial use would start raising the price of food. So many unpredictables are involved—population growth, export demand, farm technology, etc.—that economists can't even agree among themselves about the long-term potential.

SOLAR STRUCTURES

In the last dozen years, architecture has gone through a quiet revolution in the way it can use the sun's energy. Today an architect is able to eliminate about 35 percent of a house's future heating bill without adding a cent to its construction cost—merely by orienting the structure and its main windows to within 15 degrees of due south. When other features are added—triple-glazed windows, insulating curtains, rock walls that store heat, etc.—it may be possible to knock another 35 percent off the fuel bill for only a few thousand extra dollars.

This is what's known as "passive" solar design—passive because it uses no moving parts and lets the sun do all the work. If you take a passive solar house and add water-filled glass panels on the roof, then use pumps and fans to spread the water's heat around to radiators, storage systems, etc., you have an "active" system. (As with photovoltaic cells, investment in these solar techniques produces a 40 percent tax credit.)

The long-term savings that could be reaped by putting such techniques into our homes and offices are enormous. About 1.5 percent of America's housing is replaced each year, which means a 30-percent turnover between now and the end of the century. If this 30 percent contained all the new solar techniques, combined with the best insulation, these new houses alone could save an annual four quads by the year 2000.

That's the good news. The bad news is that only two or three percent of our new homes could be called "solar" in design. "Just go through any new housing development," says Bruce Baccel, a Department of Energy (DOE) solar-design specialist, "and count the houses oriented toward the south. That will give you an idea."

What's wrong? For one thing, the building industry is made up mainly of small, old-fashioned contractors; together with materials makers, they fight any changes in archaic building codes that actually outlaw some of the best new materials and design techniques. But the main blame has to fall on DOE, the agency that's supposed to get the building codes changed and inform both builders and the public about the potential of solar design. Last year an exhaustive Congressional study concluded that DOE's lack of enthusiasm for conservation and solar techniques was "crippling" their development. "We know what we can do," says

[1] A quad is a quadrillion British thermal units, equal to the oil carried by 170 supertankers; in 1979, America's total energy consumption came to 79 quads, and our oil imports totaled 16 quads.

[2] See "The Energy Crisis: There Is an Easy Answer," Reader's Digest, June '80.

one official at DOE's Solar Energy Research Institute, "but they won't give us the budget to tell anyone."

FUSION'S FIRE

The process that creates new atoms by melting them together instead of splitting them apart is called fusion. We already know how to do this, in an uncontrolled way, with the fusion bomb. But the bomb merely illustrates the difficulty of controlling fusion inside a reactor. The heat given off in the bomb explosion is between 10 million and 100 million degrees Fahrenheit, and there seems to be no way of fusing atoms without generating these unimaginable temperatures. Optimists think that a fusion process in which the heat can be contained at a local generating plant may be achieved in the first half of the next century.

So if you look far into the future—say, to the year 2050—what you see is the end of the energy rainbow: an era in which perfected solar and fusion technologies will provide all the energy the world will need. From that perspective, the present debate takes on a new meaning. It's not over what our permanent fuel will be for the future, but over the choice of a "transitional" fuel or fuels to span the gap between the end of oil and gas abundance [3] and the beginning of the solar/fusion era. Almost everybody's choice as the key transitional fuel is coal.

BLACK GOLD

The United States possesses gargantuan reserves of coal—6000 quads known to be recoverable, with a potential for 15,000 more. And these reserves can do anything oil and gas can do. They can be converted to a gas and piped to our stoves and furnaces, turned into a liquid synfuel to run our transportation system or burned to produce electricity.

Now the bad news. Coal has always been our dirtiest fuel from mine to chimney top, and in the last decade scientists have discovered two new pollution problems. In Scandinavia, Canada and the northeastern United States, fish spawns and other aquatic life have been wiped out by rain that's laden with sulfuric and nitric acid. The Scandinavians say their acid comes from England's coal-burning generators, and the northeast pollution is blamed primarily on generators in the Ohio River Valley.[4]

Even more ominous is a discovery made at an observatory in Hawaii. Readings of the earth's upper atmosphere show an alarming buildup of carbon dioxide. Some scientists suspect much of it comes from coal- and oil-burning plants. They also fear that if the buildup continues at its present rate, it could slow down the venting of the earth's heat into space and, by the end of this century, warm earth's atmosphere by several degrees. This could mean a noticeable melting of the polar ice cap, leading to raised ocean levels and inundation of coastal areas around the globe.

NEED FOR NUCLEAR

Despite its abundance, coal alone won't get us across the gap. For the short term, we will still need the nuclear plants we have today, operating under the strictest safeguards.

As anyone who can read a bumper sticker knows, nuclear energy has a good side and a bad side. The good side is that our nuclear plants work and are competitive with coal plants. The bad side is the much-publicized safety question. And there's an even worse controversy brewing for their future: the battle over a plan to shift to a new kind of atomic plant, the so-called breeder reactor.

The breeder's advantage is that when it burns uranium it converts the uranium to plutonium—which it can then use as a fuel. Thus it actually breeds more fuel than it consumes. The problem is that plutonium is one of the world's most toxic substances. An invisible speck of it causes cancer in laboratory animals, and the speck keeps its virulence for 20,000 years. Each breeder would produce several hundred pounds of plutonium a year, which would have to be transported from the reactors to processing plants and back again.

Moreover, if a terrorist group got hold of as little as 20 pounds of it they'd be able to produce an atomic bomb.

When you consider all the energy sources available for the long pull, it's obvious that our problem is not an energy shortage. On the contrary, we have a whole spectrum of sources to choose from. The critical question is this: given the different economic uncertainties and environmental side effects of the choices, what combination of technologies makes the most sense? This brings us, finally, to the mistake we made 25 years ago.

In 1954, Lewis Strauss, chairman of the Atomic Energy Commission, said that atomic reactors might someday produce such an abundance of energy that electricity would be "too cheap to meter." The industry's trade group, the Atomic Industrial Forum, now admits that many industry officials felt this was unrealistic. But they didn't share their feeling with the public. As a result, Strauss's phrase—along with safety assurances from government and industry—convinced Congress that nuclear plants were the energy source of the future, and that they should receive virtually all of the government's energy-research subsidies.

After a decade or so, it became apparent that we were subsidising an industry with severe problems. But by that time so many billions of dollars has been spent that the process had become self-fulfilling: Because Congress assumed that nuclear energy was the only new energy source worth backing, it became the only new energy source.

Were there other new sources Congress could have backed? For one, the photovoltaic cell was invented in the same year that Strauss made his "too-cheap-to-meter" prediction. If Congress had given solar cells a fraction of what it invested in nuclear development, the United States would now possess a solar-energy industry ready to expand as rapidly as needed—and unemcumbered by the economic and environmental problems that plague the nuclear industry.

The parallel between that chain of events and the present synfuels situation is striking. We are now building a new industry whose economics and technology are not known and whose effects on the environment could be severe. And while we gear up for this massive commitment, we are allowing conservation and solar technologies to develop at a far more leisurely pace, even though they show at least as much economic promise and almost certainly carry fewer environmental risks. In other words, we are poised on the brink of another self-fulfilling process.

Fortunately, it's not too late to step back. The synfuels program has not yet grown big enough to develop an irresistible momentum. Only $20 billion of the proposed $88 billion has been authorized—and only a fraction of that has been spent.

So write your Representative in Washington. Tell him that Congress should immediately begin debate on how to (a) scale down the synfuels program, and (b) scale up conservation and solar programs.

It's still possible for America to develop a balanced energy policy for both the short-term crisis and the long-term problem. The basic question is not whether we have the fuels to cope with our energy dilemma. It's whether our political system has the foresight to use the fuels we do possess in the wisest way.●

[3] Experts agree that our oil reserves will continue to decline. Recent discoveries, however, indicate that we may have far more natural gas than anyone imagined. These discoveries will be the subject of a future Digest article.

[4] See "Acid Rain: Scourge From the Skies," page 109.

A GUIDE TO HEALTH INSURANCE FOR PEOPLE WITH MEDICARE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. WEISS. Mr. Speaker, enactment of medicare in 1965 represented a major legislative achievement for older Americans.

Today medicare provides valuable protection for elderly and disabled persons against the high cost of hospitalization and other covered medical services.

But, gaps in coverage still exist, including reimbursement for out-of-hospital prescription drugs, physical checkups, eyeglasses, dentures, hearing aids, and others.

In addition, older and disabled Americans are subject to deductible and coinsurance charges for most covered services under medicare.

Many senior citizens have purchased private health insurance to fill in the medicare gaps.

In fact, the House Committee on Aging estimates that about two out of every three persons 65 or older have medigap policies.

This coverage helps to supplement medicare protection for most elderly persons.

However, some insurance agents use pressure tactics and other unscrupulous practices to induce senior citizens to purchase insurance policies of questionable value or inappropriate for their needs.

The House Committee on Aging estimates that older persons spend about $4 billion for medigap protection, and one-fourth of this total—or $1 billion—is for unnecessary or duplicative coverage.

The Congress recently enacted, with my support, legislation to help assure that supplemental health insurance policies provide effective protection for aged consumers.

The new law establishes a voluntary certification program. States are responsible for developing a certification

program which: First, complies substantially with the National Association of Insurance Commissioners' model regulation; and second, imposes minimum loss ratios of at least 75 percent for group medigap policies and 60 percent for individual and mail order policies. A loss ratio compares benefits paid by insurance companies to premiums paid by the insured.

If States do not establish a satisfactory program by July 1, 1982, a Federal certification program will become applicable.

To provide further protection for consumers, the Health Care Financing Administration and the National Association of Insurance Commissioners have developed a Guide to Health Insurance for People with Medicare.

This pamphlet provides helpful tips on shopping for private health insurance and practical information about medicare. The full pamphlet can be obtained from my office or directly from the Health Care Financing Administration, Department of Health and Human Services, Washington, D.C.

I am including, however, an updated summary of present medicare benefits for the use of my colleagues in advising their constituents in this important matter.

WHAT MEDICARE PAYS AND DOESN'T PAY

Medicare is divided into two parts—hospital insurance (Part A) and medical insurance (Part B). This page describes Part A benefits and page 7 describes Part B benefits. The chart on page 5 gives brief outlines of both Part A and Part B. Please refer to Your Medicare Handbook or any Social Security Office for more information.

Medicare does not pay the entire cost for all covered services. You pay for deductibles and co-payments. A deductible is an initial dollar amount which Medicare does not pay . . . a co-payment is your share of expenses for covered services above the deductible.

MEDICARE HOSPITAL INSURANCE BENEFITS (PART A)

WHAT MEDICARE PART A PAYS

When all program requirements are met, Medicare Part A will help pay for medically necessary in-hospital care . . . and after a hospital stay, for medically necessary inpatient care in a skilled nursing facility or for home health care.

Part A covers all services customarily furnished by hospitals and skilled nursing facilities. Part A does not cover private duty nursing, charges for a private room unless medically necessary, or convenience items such as telephones or television. Part A also does not cover the first 3 pints of blood you receive during an inpatient stay (but you cannot be charged for blood if it is replaced by a blood plan or through a blood donation in your behalf).

BENEFIT PERIODS

Medicare Part A benefits are paid on the basis of benefit periods. A benefit period begins the first day you receive Medicare covered service in a hospital and ends when you have been out of a hospital or skilled nursing facility for 60 days in a row. If you enter a hospital again after 60 days, a new benefit period begins. All Part A benefits (except for lifetime reserve days you have used) are renewed. There is no limit to the number of benefit periods you can have.

INPATIENT HOSPITAL CARE

Part A pays for all covered services for the first 60 days of inpatient hospital care in a benefit period except for $204, the current Part A deductible. For the next 30 days, Part A pays for all covered services except for $51 a day. Every person enrolled in Part A also has a 60-day lifetime reserve for inpatient hospital care which can be drawn from if more than 90 days are needed in a benefit period. When lifetime reserve days are used, Part A pays for all covered services except for $102 a day. Once used, lifetime reserve days are not renewable.

SKILLED NURSING FACILITY CARE

A skilled nursing facility is a special kind of facility which primarily furnishes skilled nursing and rehabilitation services. It may be a separate facility or a part of a hospital. Medicare benefits are payable only if the skilled nursing facility is certified by Medicare. Most nursing homes in the United States are not skilled nursing facilities and many skilled nursing facilities are not certified by Medicare.

Part A pays for all covered services for the first 20 days of medically necessary inpatient skilled nursing facility care during a benefit period. For the next 80 days, Part A pays all except $25.50 a day.

Medicare Part A will not cover your stay in a skilled nursing facility if the services you receive are mainly personal care or custodial services, such as help in walking, getting in and out of bed, eating, dressing, bathing and taking medicine.

HOME HEALTH CARE

Part A pays the entire cost of up to 100 medically necessary home health visits, after a hospital stay, for each benefit period. These visits must be used within 1 year from your most recent discharge. Part A covers part-time services of a visiting nurse or physical or speech therapist from a Medicare certified home health agency. If you receive any of these services, Part A can also cover part-time home health aide services, occupational therapy, medical social services and medical supplies and equipment. Part A does not cover full-time nursing care, drugs, meals delivered to your home or homemaker services that are primarily to assist you in meeting personal care or housekeeping needs. Beginning July 1, 1981, Medicare will pay for unlimited medically necessary home health visits. In addition, the prior 3-day hospitalization requirement will be eliminated, and occupational therapy will be a primary service to qualify for home health care.

MEDICARE—HOSPITAL INSURANCE BENEFITS

PART A

For covered services—Each benefit period

Service

Hospitalization: Semiprivate room and board, general nursing and miscellaneous hospital services and supplies. Includes meals, special care units, drugs, lab tests, diagnostic X-rays, medical supplies, operating and recovery room, anesthesia and rehabilitation services.

Benefit: First 60 days; medicare pays all but $204; you pay [1] $204.

Benefit: 61st to 90th day; medicare pays all but $51 a day; you pay [1] $51 a day.

Benefit: 91st to 150th day; [2] medicare pays all but $102 a day; you pay [1] $102 a day.

Benefit: Beyond 150 days; medicare pays nothing; you pay all costs.

A Benefit Period begins on the first day you receive services as an inpatient in a hospital and ends after you have been out of the hospital or skilled nursing facility for 60 days in a row.

Posthospital skilled nursing facility care * * * In a facility approved by Medicare. You must have been in a hospital for at least 3 days and enter the facility within 30 days after hospital discharge.

Benefit: First 20 days; medicare pays 100 percent of reasonable costs; you pay [1] nothing.

Benefit: Additional 80 days; medicare pays all but $23.50 a day; you pay [1] $23.50 a day.

Benefit: Beyond 100 days; medicare pays nothing; you pay [1] all costs.

Medicare and private insurance will not pay for most nursing home care. You pay for custodial care and most care in a nursing home.

Posthospital home health care:

Benefit: Up to 100 visits, unlimited (July 1, 1981); medicare pays 100 percent of reasonable costs; you pay [1] nothing.

Blood:

Benefit: Blood; medicare pays all but first 3 pints; you pay [1] for first 3 pints.

PART B

For covered services—Each calendar year

Service

Medical expense: Physician's services, inpatient and outpatient medical services and supplies, physical and speech therapy, ambulance, etc.

Benefit: Medicare pays for medical services in or out of hospital. Some insurance policies pay less (or nothing) for hospital outpatient medical services or services in a doctor's office; medicare pays 80 percent of reasonable charge (after $60 deductible); you pay $60 deductible [3] plus 20 percent of balance of reasonable charge (plus any charge above reasonable) [4]

Home health care:

Benefit: Up to 100 visits unlimited (July 1, 1981); medicare pays 100 percent of reasonable charge (after no $60 deductible (July 1, 1981) $60 deductible); you pay subject to deductible nothing (July 1, 1981).

Outpatient hospital treatment:

Benefit: Unlimited as medically necessary; medicare pays 80 percent of reasonable charge (after $60 deductible); you pay subject to deductible plus 20 percent of balance of reasonable charge.

Blood:

Benefit: Blood; medicare pays 80 percent of reasonable charge (after first 3 pints); you pay for first 3 pints plus 20 percent of balance of reasonable charge.

EXPENSES NOT COVERED BY MEDICARE

Medicare does not cover certain kinds of care. Most private insurance does not cover them either. Among them are:

Private duty nursing.

[1] These figures are for 1981 and are subject to change each year.

[2] 60 Lifetime Reserve Days may be used only once; days used are not renewable.

[3] Once you have had $60 of expense for covered services in a calendar year, the Part B deductible does not apply to any further covered services you receive in that year.

[4] You pay for charges higher than reasonable charges allowed by Medicare unless the doctor or supplier agrees to accept Medicare's reasonable charge as the total charge for services rendered.

Skilled nursing home care costs (beyond what is covered by Medicare).

Custodial nursing home care costs.

Intermediate nursing home care costs.

Home health care (above number of visits covered by Medicare). Unlimited (July 1, 1981)

Physician charges (above Medicare's reasonable charge).

Drugs (other than prescription drugs furnished during a hospital or skilled nursing facility stay).

Care received outside the U.S.A.

Dental care or dentures, checkups, routine immunizations, cosmetic surgery, routine foot care, examinations for and the cost of eyeglasses or hearing aids.●

TRIBUTE TO OLIN E. TEAGUE

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. FOUNTAIN. Mr. Speaker, my good friend Tiger Teague was the embodiment of true courage. He was a larger than life American hero. Since the 1940's, as a highly decorated and severely wounded battlefield commander in World War II—he was awarded three Silver Stars, three Bronze Stars, and three Purple Hearts—Tiger exemplified the very heart and soul of American bravery and honor.

Although he wore a built-up shoe and bore the suffering of numerous other scars from the battlefields of Europe, Tiger was the rare sort of person who endured his pains uncomplainingly and with great dignity.

As a legislator, Tiger Teague was a tough infighter for the causes for which he felt great concern; and thus, he was a natural as the chairman of the Veterans' Affairs Committee.

As a compassionate man, Tiger fought hard to help shepherd through the GI bill of rights and important educational benefits for the veterans of Korea and Vietnam.

And in a time when patriotism was out of fashion, this great American patriot's sincere concern for the families of those who were prisoners of war or missing in action during the Vietnam conflict was unfailing.

Mr. Speaker, Tiger's hard work for countless numbers of American veterans was tremendously effective.

Fortunately, Tiger's valued leadership was not confined solely to the Veteran's Affairs Committee. As a man of great vision, it was appropriate that Tiger was appointed to the Space Committee.

And it was appropriate that he chaired the crucial Subcommittee on Manned Space Flight. This subcommittee, under Tiger's tireless leadership, was instrumental in our ascendancy in space travel, culminating when Americans first set foot on the Moon.

Mr. Speaker, I am proud to have served in the House of Representatives with Tiger Teague. I join my colleagues who have expressed their grief at his passing, and my prayers go out to his lovely wife Freddie and their children. But, while we are all saddened by the loss of a dear friend, we are much the better for having known such a dedicated, responsible, and courageous American as Tiger Teague.●

POSITION ON INCREASING THE FEDERAL DEBT LIMIT

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. LUNDINE. Mr. Speaker, because of a longstanding commitment in my district, I will not be present tomorrow to vote on the resolution increasing the Federal debt limit. I made this district commitment after assurances from those who set the House calendar that the debt limit vote would occur today rather than tomorrow, and I regret that the schedule has been changed. Generally, I have supported debt limit increases in the past and I would probably vote in favor of the extension pending tomorrow.

I am struck, however, by the extraordinary irony in Mr. David Stockman's appearance before the Ways and Means Committee yesterday on behalf of a debt limit increase. Not long ago, when Mr. Stockman was still a Member of this body, he was a consistent opponent of debt-limit resolutions. As such, Mr. Stockman was a party to the irresponsible, partisan game playing which has occurred whenever a debt-limit increase was necessary.

We all know that the real decisions about Government deficits are made when we approve budgets and appropriations bills. We all know, therefore, that increasing the debt limit is nothing more than a financial adjustment which is required by actions which Congress has previously taken. It amounts to paying the bill on services for which we have already contracted.

I, for one, have long since grown tired of watching the Republican members of this body refuse to pay America's bills and then use that as a campaign issue on which to grandstand each November. Now that Mr. Stockman has become head of the Office of Management and Budget and must assume responsibility for making the Government work, I am pleased that he has adopted a more responsible position on this issue. I sincerely hope that the Republicans in the House will follow suit.

If, however, we encounter only a continuation of the old game playing with the debt limit, I know of at least one Member who is prepared to give Republicans what they profess to want. Treasury Secretary Regan has informed us that there will be other debt-limit increases required before the year is out, and I will be prepared to vote against some of those increases, should the Republicans renew that tack in the coming months.●

THE PATIENT HONING OF GILLETTE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. MOAKLEY. Mr. Speaker, I would like to share an article that appeared in Forbes magazine, February 16, 1981, on the Gillette Co., whose international headquarters are located in Boston, Mass. The article focuses on the success Gillette has achieved in the wide range of consumer products it offers to both the American public and the international community.

The text of the article follows:

THE PATIENT HONING OF GILLETTE

(By Robert J. Flaherty)

Has Gillette finally broken out of the earnings doldrums and become a blue chip worth buying again? Merrill Lynch says yes. L. F. Rothschild says no. Most of Wall Street sits firmly on the fence, pleading, like the analyst at Bear Stearns, "Gillette is a tough company to call."

That it is. But the closer you look at the changes taking place in the $2.2 billion [sales] company, the more convinced you become that the turnaround is real. On the surface, the record is certainly not promising. Earnings hit $2.83 in 1974 and didn't make it to $3.14 until 1978. Net margins shrank from a generous 9.8% in 1970 to a mediocre 5% in 1977. The stock has mostly hovered around 25 or 30 since 1974, and touched a 15-year low of 17⅞ as recently as last March. Lately it has been about 27⅞ again. But what really frightens most analysts, because of its unpredictability, is a long history of disappointing acquisitions and product failures.

Still, margins have begun a comeback, and there have been two good earnings gains back to back: to $3.67 in 1979 and to about $4.10 in 1980. Another gain to maybe $4.50 is in prospect for 1981. Just how dramatic it will be depends heavily on the depth and length of the recession.

To understand whether those gains are mirage or reality, you must know what has been going on underneath the surface at Gillette for the past decade and a half. In the early Sixties, Gillette was one of the premier blue chips. It had a seemingly permanent lock on the American razor blade market, one of the most profitable large businesses on earth. The company had earned enormous success with its Blue Blades promotion, beating down Schick and Personna, and was sitting fat and happy up in Boston, raking in the chips and settling into a highly prosperous, if stodgy, middle age.

The halls were filled with studious M.B.A.s analyzing everything to within an inch of its life, and of course generally finding little that needed to be changed. Gillette's return on equity routinely ran to 30% and up. A price/earnings ratio of 22 seemed about right.

Then, Wilkinson Sword and its stainless steel blade burst upon this blissful scene like a thunderbolt from a clear blue sky. The king of blades was completely unprepared for the onslaught, despite its carefully polished image of technical excellence. In the bitter marketing struggle that ensued, what was needed was not studious M.B.A.s, but someone with the instincts of a gut fighter. Fortunately for Gillette there was such a person on hand. His name was Vincent C. Ziegler.

Ziegler, then 54, was the antithesis of what much of the corporate culture admired. Not only was he no M.B.A., he was a college dropout who had begun as a used-car salesman, worked his way up through Chrysler, then through Hiram Walker and finally, starting in 1946, through Gillette. Ziegler's big coup had been the Blue Blades promotions in the Fifties, keeping him at the top of Gillette's North American razor operation, which is to say in charge of most of the company. He was an instinctive ally of the sample-case salesman, as opposed to the marketing mandarin at headquarters, and he never hesitated to say so. He pallied around with Stephen Griffin, also a nongraduate, who was Gillette president until the first of this month. Ziegler felt a certain distance from some of the rest of the second and third lines of management. "In the Boston area you are bound to accumulate them," he would say to Griffin of those M.B.A.s he considered timid and uncreative.

Ziegler did not quite rout Wilkinson Sword, but he fended it off enough to recover much of Gillette's lost market share. His strategy was simplicity itself. He waited until he was sure he had a better stainless blade, then pushed it with promotional budgets in the multimegaton class. The company was impressed. ("Actually it was never a problem of the dimensions everybody spoke about back in those days," he would laugh long afterward. "Miami, Los Angeles and New York were the only three areas where the pressure was on.") Ziegler became chairman and CEO in 1966.

So far, so good. Return on equity stayed around 30 percent for the balance of the Sixties. But then Ziegler embarked on a series of diversifications and acquisitions for which he has been much criticized ever since. While Gillette had a couple of fair-size sidelines—Paper Mate pens, acquired in 1955, and Toni home permanents, acquired in 1948—and internally developed Right Guard deodorant, all together they added up to 48 percent of sales, and only 30 percent of profits. Ziegler proceeded to spread out in almost every conceivable direction at once. He:

Aggressively expanded the international razor distribution into practically every corner of the world.

Forced International into aggressive introduction and sale of Gillette toiletry products.

Pushed Paper Mate pens overseas.

Bought Braun, a German electric shaver and appliance company.

Bought S. T. Dupont, a French manufacturer of luxury items and expensive lighters and used it to introduce the Cricket disposable lighter.

Acquired Eve of Roma high-fashion perfume, Buxton leather goods, Sterlion hospital razors, Jafra Cosmetics, Welcome Wagon, Inc., companies that made wigs and plant care products as well as six other outfits.

Brought out a series of Toni hair coloring products, which failed.

Brought out Earthborn shampoos, which failed; Nine Flags colognes, which failed; an electric hair untangler called "Purr," which, you guessed it. . . .

Tried making digital watches, hand-held calculators, smoke alarms and fire extinguishers—losers all.

And talked out loud about diversifying into such things as soft drinks and geriatric products, and even considered an acquisition of Becton, Dickinson, the hospital supply outfit.

Not surprisingly, corporate overhead soared as Ziegler added battalions of accountants and managers to oversee his global empire and his myriad tiny acquisitions. The acquisitions, mostly for cash, were individually inexpensive, being very small companies. But all in all they added $100 million in debt and $10 million pretax in annual interest costs to the corporate burden.

As corporate margins shrank, Ziegler took a chance and cut back on the advertising budget to bolster profits. This did not hurt the Paper Mate pen operation, which was stagnating from a lack of new ideas rather than ad dollars. The razor blade operation, then headed up in the U.S. by Joseph F. Turley, now Gillette president, adapted by putting all its ad chips behind one product, its new Trac II twin-blade shaving system, with dramatic success. But the toiletries, full of new products and lacking the overwhelming consumer franchise that blades enjoyed, became a disaster area. By the end of 1975, when Ziegler retired, earnings' return on equity had slipped to under 18%.

But Vin Ziegler had also been busy building a top management team that suited him. Despite his prejudice against M.B.A.s, he did it mainly through promotion from within. He switched his mostly young executives from post to post, country to country, trying to blood them, constantly searching for the right combination of man and job. Here Ziegler built well.

The shining star was Paul Cuenin, a brilliant executive who had lost a leg in World War II, but had overcome the handicap with his business accomplishments. "Yeah," said Ziegler once, "I used to express the worry to Cuenin that new shaving competition was going to give us even worse trouble than we thought. He was a very wise young man and he said that men don't make rapid changes in product usage and the name Gillette is a pretty strong name. Furthermore, it takes a pretty sizable capital investment to get into this kind of business. People who have the distribution capability usually aren't used to these tremendous machines. He was right." Cuenin was going to be Ziegler's successor, but in 1970 he died of a heart attack on a business trip to Germany, at the age of 48.

Forced to look for another successor, Ziegler reluctantly turned outside the company, hiring a new hotshot product man away from Norton Simon. This was Edward "Cranapple Ed" Gelsthorpe, whose name had become legend in some circles for coming up with new products like the idea of mixing cranberry juice and apple juice. Thus the Cranberry Association could sell cranberries the other 11 months of the year. Gelsthorpe was a maverick, an unconventional personality even more alien to the staid atmosphere inside Gillette than was Ziegler. Torpedoed by the organization, Gelsthorpe left after 15 months as president.

Which put Ziegler back on square one. This time Ziegler reached again into the Gillette organization for an executive who seemed in most ways entirely his opposite. Colman Mockler was patrician and thoughtful in manner where Ziegler was, well, the image of a successful used-car salesman. Mockler's background was financial not sales, and he had gone to Harvard and the Harvard Business School. But there was no overlooking Mockler's ability. He had gotten off to an auspicious start at Gillette in 1967, down in the depths of the company's financial department, and by the mid-Sixties revamped the company's international accounting system. By the 1970s he was financial executive vice president, very near the top of the ladder. He was boosted up to vice chairman as a sop, when passed over for Gelsthorpe.

When Mockler took over the reins in 1976 it was hard on the heels of the OPEC oil shock and the 1974 recession, fine excuses to call a halt to Gillette's era of acquisition. There was no opposition.

The centerpiece of Mockler's strategy was to cut costs dramatically and pour the money saved into ad and product development budgets. It meant a shift of $70 million.

First, Mockler set out to cut all the marginal products and businesses accumulated under Ziegler. Some were marginal only because they didn't fit. Gillette simply did not have the hang of selling high-fashion perfumes, for example, so Eve of Roma went. Welcome Wagon turned out to be a fine vehicle for the local dry cleaning establishment but not, as Ziegler had thought, for setting up a nationwide network for peddling things like homeowners' insurance. Leather goods needed very different distribution channels. The hospital razors went to the wrong market. "You don't advertise Sterlion razors to the patient," remarks Gillette Treasurer Milton Glass. "You know, 'ask for it by name when you enter the surgical ward' sort of thing!"

Second, Mockler slashed corporate overhead. This year, though sales have doubled since 1974, Gillette has no more employees than it did in 1974.

Third, and perhaps more important, Mockler went after cost-cutting in the divisions with a messianic zeal. Every Gillette operation has had to cut its direct costs at least 4% a year. That may not sound like much but it adds up. And Mockler doesn't plan to ease up until overall direct costs are cut 40%. The company is already halfway there. Mockler figured Gillette's technical people, led by new Vice Chairman Alfred M. Zeien, would be particularly helpful in finding ways to reduce the production costs. He was right. It turned out, for example, that if Gillette's old South Boston factory were properly reautomated, it could turn out every cutting edge Gillette needed to produce domestically (this year, 1.5 billion) and keep direct labor costs under 5% for the shaving division.

Mockler also decentralized the company for the first time in its postwar history, giving his executives free rein in managing their businesses and selling their products. There was a price for this new freedom, of course. By his own estimate, Mockler found himself spending 55% of his time during the

first two years simply tinkering with the organizational chart, trying to find the best matches between man and job. Of the top 50 jobs in the company, 38 went to new incumbents during those two years. But remarkably few throats were cut. Nearly all the changes merely involved shuffling and reshuffling the executives Ziegler had groomed. "Every minute devoted to putting the proper person in the proper slot is worth weeks of time later," Mockler says.

Mockler's skillful pruning also revealed some of Ziegler's important winners. One of them was Braun, the German small appliance maker. Among other things, it produced electric shavers, a much more popular item in Europe than in the U.S. Braun was doing $69 million in sales in 1967, the year Ziegler bought it and took it worldwide. Between Ziegler and Mockler, it has since mushroomed into $500 million a year, even though an old antitrust decree prohibits Gillette from introducing its shavers into the U.S. market until 1984 and Braun profits could be better.

Today Gillette has a huge overseas distribution network and production base that accounts for half or more of the company's operating profits. Where once the company depended almost entirely on the U.S. market for earnings, its products now go regularly to 1 billion customers in 200 nations and territories.

As Mockler's executives began to reap the cost-cut benefits in their advertising budgets, they were not shy in putting them to use. Take razors. The safety razor division, did not sit around waiting for the next Wilkinson Sword. The French parent of Bic Pen Corp., the latter an upstart, one-eleventh the size of Gillette, had introduced in Europe its Westernized version of the Japanese bathhouse razor. The idea of a disposable razor was catching on big.

So Gillette launched its version, called Good News, in the U.S. before Bic could move in. Suddenly Sam Schell, who took over the division in late 1976, discovered a whole new market—women. The psychology of being able to shave your legs with a seemingly cheap razor that you're only supposed to use once, and then throw away along with the unwanted hair—that proved irresistible. Schell found himself generating the first sustained big unit growth in the domestic blade market in a decade. He introduced the next-generation double-blade razor, the Atra, with a movable head to reduce nicks. He followed up with a disposable version called the Swivel. And lately, an improved ladies' disposable in feminine pink, called Daisy, at two for 49 cents. Bic came into the U.S. all right, but in recent months Gillette has captured a 70 percent share of the U.S. disposable market.

Thanks to Zeien's increases in capacity for low-cost production, Gillette has been able to develop the widest price range of products in its history. Add up the Daisy, the Good News, the Swivel, the traditional stainless steel blades and the old Blue Blades, the much-ballyhooed Trac II (with two cutting edges to slide down the face in close tandem, giving an allegedly closer shave), the Atra and the Just Whistle (a reusable razor for women), and Gillette has over 60 percent of the total U.S. market. Schell believes he can increase market share and maintain pretax margins over 33 percent.

Don't miss the significance of all this. Gillette hasn't. "Quality at a low price," says President Joe Turley. "Gillette was not able to do that before. Now we can." That means Paper Mate pens won't suffer again what the Bic Pen people did in the late Fifties. Paper Mate, of course, was the standard product in the middle-price, retractable, refillable ball-point pen market. In pens, it was the Chevy. But Bic owned the disposable, cheaper-by-the-dozen stick pen business—the Volkswagen. This new intruder took business away from Paper Mate, dropping its market share from more than 50% to 30% at its low.

Mockler enabled Paper Mate to rethink the pen business. It didn't need to stay in its niche anymore. Paper Mate boss William Holtsnider successfully launched a competitive stick pen and Gillette broadened the sales of the line of luxury pens brought with Ziegler's French acquisition, Dupont. Gillette also launched Eraser Mate, a pen with erasable ink, at $1.98 and the more expensive TW 200. (What would you have paid for one of these in high school?) Now, Holtsnider has just come out with Eraser Mate 2, the stick pen erasable selling for 98 cents. He can even dream now. Would you believe a Paper Mate pen using chip technology? You wouldn't? Draftsmen and commercial artists, who would dearly love a single pen that could remember to change width and intensity of line in midstroke, could be the first big market for it. Meanwhile, Paper Mate's operating margin has swelled from 10% in 1974 to 19% last year. Since 1975 domestic writing sales have gone up 2½ times, and pen profits 4½ times. All the while Bic's margins and market share have been dropping.

The next big boost to profits could come from the toiletries division. Already it has reversed its disastrous decline of the early Seventies, when the scare about fluorocarbons from aerosol cans polluting the atmosphere sank Gillette's aerosol-oriented Right Guard deodorants, and advertising cuts sank potentially valuable new products.

For this business Mockler merged two sagging divisions and made a flamboyant Canadian named Derwyn Phillips head. Phillips made a pact with his wife that she shouldn't expect to see much of him for two years; he practically set up housekeeping in the office. "Every brand in the joint was grossly underspent, judged by competitive standards," he recalls. "We could have been indicted in years past for developing products the consumer didn't want."

Although Phillips knew he would have big bucks from the cost-cutting program at his disposal, he had the wits to concentrate: 225 product ideas have become 27 products. Depressed by some big bets—$18 million for Dry Idea roll-on antiperspirant and $30 million behind Silkience shampoo—operating profits were only 9% of sales last year. But the worst seems over. Phillips figures from now on he'll gain a profit point a year at least until he hits 15%.

Or maybe the next big profits boost will come from a business created under Ziegler and retained under Mockler: disposable lighters. The original idea of acquiring Dupont in France was to exploit what became the Cricket lighter. Mockler is still convinced it was a good idea. The Cricket was an instant success when it came out in 1972. It was almost instantly profitable too, until Bic Pen came along with a competitor and started a long-term price war that has meant years of red ink for the Cricket, and a 60% market share for, ah, Flick My Bic. Bic had used the same strategy as in pens: Attack Gillette in its vulnerable high-cost underbelly. Now Gillette is ready to play that game too, with a redesigned Cricket Jr. that cuts manufacturing costs 38% and comes out this year in the U.S. The price war has stimulated volume a bit: Worldwide unit sales of disposable lighters have risen from 45 million in 1971 to 800 million in 1980. Let smaller and weaker Bic tire of its war of attrition, and Gillette can start calculating the profits on several hundred million lighters rather than the losses.

Is the long-awaited turnaround finally at hand? There was no quick payoff from all of Mockler's changes because the cost-cutting was feeding the business. But that payoff got under way two years ago and it shows no signs of slackening.

Mockler is budgeting another $150 million capital spending program, as large as last year's, aimed at cutting production costs still further and expanding overseas operations. A Gillette blue- and stainless-blade factory is being planned near the Pyramids, and management is dickering for entry into India, where the blade market is the same unit size as in the U.S., and perhaps into China.

Mockler figures he'll face a pleasant decision sometime in 1982. By then his capital spending needs should fall sharply, and Gillette should be enjoying a cash-flow surge. Should it go to reduce his debt, now higher than most competitors' at 26.7% of capital? Or to make acquisitions? Or some of both?

Mockler, who won't be 65 until 1996, anticipates years of increasing margins, returns and earnings per share. However, he refuses to put any finite number on his long-range plan because he says none exists. "I can't predict the future," he remarks. "We are now trying to do those things that will give us sustained growth rather than those things which will give a burst, then a slack."●

FAMILY VIOLENCE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. MILLER of California. Mr. Speaker, today I am introducing legislation to address a serious and growing concern among families throughout this Nation: Violence and victimization among family members. This legislation is identical to the compromise hammered out by a House-Senate conference committee last year and overwhelmingly approved by the House. The Domestic Violence Prevention and Services Act provides for Federal support and encouragement of State, local, and community activities to prevent domestic violence and to assist victims of abuse. It requires coordination of Federal program activities which could be better utilized to serve battered families.

I have been working for 4 years to develop these solutions to the problems of battered women and children in the homes of America. Together with my colleagues, Congresswomen MIKULSKI and LINDY BOGGS, with whom I am again introducing this legislation, I have worked tirelessly to gain wider recognition of the grave

extent of domestic violence affecting men and women of every income level, social class, and geographical area.

Our proposal enjoyed wide bipartisan support from over 100 Members of the House. There was also broad organizational endorsement from groups representing interests as diverse as the police, health and mental health professionals, attorneys, churches and religious organizations, coalitions of family organizations, women's groups, and shelter operators. The list of more than 80 organizations includes the General Federation of Women's Clubs, the YWCA, the National Conference of Catholic Churches, Rural America, the International Brotherhood of Police Officers, the American Nurses Association, and the American Bar Association.

The Domestic Violence Prevention and Services Act authorizes a limited 3-year program of grants to assist States and public and nonprofit private organizations in the development of services for victims of domestic violence. The majority of the funds appropriated would be allotted to States to supplement inadequate State and local resources. Major responsibility for funding community-based services and administering the program rests where it justly belongs—at the local level. Furthermore, the bill requires that Federal funding of each local program must be matched by contributions from the community so that the Federal investment will serve as a catalyst for local investment and resources.

The conference agreement which is being reintroduced today builds on the most recent evaluation by the Inspector General of the Department of Health and Human Services which confirms that community-based shelter programs lead to better utilization of community and other governmental resources, consolidation and coordination of services by existing public and private agencies, and innovative approaches to working with battered spouses and their families. The major problems identified by the Inspector General are that the number of shelters is too low and that where shelters do exist they are embryonic and tenuous. Our fiscally responsible legislation would provide minimal matching assistance to enable these emergency family support programs to establish firmer financial footing, without becoming dependent on Federal aid.

I urge my colleagues to join with me today to support the millions of victims of family violence who currently have no place to turn for refuge and protection. As a member of the Subcommittee on Select Education, I will continue to seek help for the men, women, and children who find themselves in these life-threatening circumstances without any resources, and I hope the House continues to vote its strong bipartisan support for this legislation as it twice did in the last Congress.●

EDUCATIONAL TESTING ACT OF 1981

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. WEISS. Mr. Speaker, I am today reintroducing, along with my colleagues Mrs. CHISHOLM, Mr. MILLER of California, Mr. GIBBONS, and a number of cosponsors the Educational Testing Act of 1981. This legislation was the subject of extensive hearings during the 96th Congress, which highlighted the acute need for passage of a Federal truth-in-testing bill.

The hearings provided substantial evidence that a handful of testing companies exercise enormous power over the educational and occupational future of millions of Americans. Despite this influence over vital aspects of individuals' lives, the testing industry operates in a most unaccountable fashion. Like utilities, testing corporations perform a public function. Unlike utilities, they are almost totally exempt from public scrutiny.

Test results can change the course of a person's life, but that person cannot now examine the test and the correct answers afterward to learn from his mistakes or to rectify any mistakes in scoring.

At the same time, the way in which tests are prepared and their accuracy are not publicly known. Such information is treated by the testing industry as if it were classified material. Neither test taker nor researchers interested in assessing the tests are given meaningful access.

Yet the tests these groups offer are the one national standard for evaluating applicants to institutions of higher learning in this country. Grades given by schools in different sections of the Nation may reflect widely varied educational systems. But the tests provide a benchmark, a measure interpreted as a reliable standard, according to admissions officers themselves. The tests accordingly are of very great importance and any evidence of bias or lack of accountability is of very great concern.

The President's Commission on Privacy in 1977 shared this concern, and their observation about the testing companies struck to the heart of this issue. The Commission noted that:

> • • • although such organizations deal directly with individual applicants, and collect and process mountains of information about them, they are less accountable to the individuals on whom they keep records than any other type of recordkeeping institution in higher education.

This bill would neither dictate what should or should not be asked on a test, nor alter in any way the admissions criteria developed by colleges, graduate, and professional schools. It merely seeks to open up the testing process in the interests of goals the testing agencies also say they hold dear: Accountability, and long-range improvement in validity and fairness.

The legislation is basically a disclosure measure. It would require national testing organizations to provide the Secretary of Education with the results of any studies or statistical analyses they prepare on their tests, and the actual questions, answers, and scoring procedures used on each particular test they administer within 30 days after test results are released. Testing organizations would also be required to share with the Secretary information about their fee structures and expenditures. A statement of purpose and methodology would be required to appear on the test itself, in clear language, similar to that required by truth-in-lending laws.

Finally, and just as important, our bill would permit test takers to obtain copies of their answer sheets and the correct answers from the testing agency.

In my opinion, allowing test takers to obtain tests and answers is a matter of basic fairness. I agree with the conclusion 2 years ago of the National Institute on Education's Conference of Research in Testing, that full disclosure is a "fundamental human right and necessity."

Disclosure is also of great importance to research on test validity, providing material for realistic appraisal and routes to improvement. Openness should bring increased credibility through public-spirited examination by a wide variety of experts.

Two courses of events contributed to the introduction of this bill: Increasing evidence that the tests do contain bias against certain groups and enactment of two State laws designed to open up the testing process.

The first such legislation was passed in California in 1978. That bill, S.B. 2005, required a test sponsor to disclose information about the limitations and appropriate use of tests; income and costs related to test administration; and general material about the test's content.

New York State enacted its own truth-in-testing law 1 year later. This measure, more comprehensive than the California bill, closely resembles the legislation I am reintroducing today. Its central provisions required release of specific test questions, answers and individual test takers' answer sheets, and of research information about testing that was previously not available to the public or outside researchers. Questions not

used in computing the raw score were exempted from disclosure, as in this Federal legislation.

Several studies have recently indicated the possible presence of bias in these tests, and showed that test results can be improved through preparation.

One study, by David White of the National Conference of Black Lawyers, indicated that an average of 120 points separated scores of black and white students taking the law school admissions test (LSAT). The highest possible score on the LSAT is 800.

Two studies from the University of California at Berkeley show further cause for concern. One shows that students with family incomes below $6,000 scored 92 points lower on the scholastic aptitude test (SAT) than those from families earning $30,000 or more a year. The second study found that high school students with high grade point averages but low SAT scores did just as well in college as students with high SAT scores.

In addition, data compiled by the Federal Trade Commission in 1979 and later studied by the National Education Association showed that preparatory courses for the standardized exams do tend to improve scores. This conclusion contradicted the long-stated denial by testing agencies that coaching was effective. Indeed, in December 1980 a high official at the Educational Testing Service conceded that coaching could be more effective in raising scores that ETS had previously acknowledged.

These events reinforced my strong concern for openness in testing, and demonstrate that truth-in-testing is rooted in a solid foundation of concern for the integrity of testing, for individual rights, and for educational equality. The extensive hearings held by the Subcommittee on Elementary, Secondary, and Vocational Education during the 96th Congress have reinforced these concerns and made the need for passage that much stronger. During these hearings additional evidence of test bias was presented. We also learned that a very high percentage of new questions appear on many of the standardized tests, undercutting the argument that disclosure of every test would require formulating many more questions than are now developed at great expense and lower test quality.

The hearings also confirmed the positive effects of truth-in-testing for students. It would help students understand their scores in light of test margin of error and the test's success in predicting future performance. It would additionally help students detect their areas of weakness. And it would lessen inequities among students created by expensive coaching schools by giving everyone equal access to information about the test and the questions themselves—not widen the gap between students.

Bias would be eliminated in question selection, not by Government decrees, but by this increased accessibility and the informed dialog that would ensue. Hard examination of the exam itself will serve to increase its validity, a goal we all strive for.

Legislators in some 20 States in addition to New York and California share my belief in the value of truth-in-testing, and have introduced similar bills. I applaud their efforts, but it is clear that passage of varying State laws may make it difficult, if not impossible, for testing companies to offer national tests and still comply with all the different State statutes. Passage of a Federal standard will eliminate the dangers of this varied legal landscape.

I am optimistic about the future of truth-in-testing. It is a nationwide movement with nationwide force, a vital reform of a process that cries out for openness. It addresses the need for improvement in tests which in 1977 the testing expert Oscar Buros marked as showing "very little improvement" over the 50 years he had observed them. In an area such as testing, which has been subject to relatively little public scrutiny yet exerts a powerful influence over millions of citizens, the reform for openness is long overdue.

I urge my colleagues to join me and the other sponsors of this bill in passing this important legislation.

The bill follows:

H.R. 1662

A bill to require certain information be provided to individuals who take standardized educational admissions tests, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Educational Testing Act of 1981".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress of the United States finds that—

(1) education is fundamental to the development of individual citizens and the progress of the Nation as a whole;

(2) there is a continuous need to ensure equal access for all Americans to educational opportunities of a high quality;

(3) standardized tests are a major factor in the admission and placement of students in postsecondary education and also play an important role in individuals' professional lives;

(4) there is increasing concern among citizens, educators, and public officials regarding the appropriate uses of standardized tests in the admissions decision of postsecondary education institutions;

(5) the rights of individuals and the public interest can be assured without endangering the proprietary rights of the testing agencies; and

(6) standardized tests are developed and administered without regard to State boundaries and are utilized on a national basis.

(b) It is the purpose of this Act—

(1) to ensure that test subjects and persons who use test results are fully aware of the characteristics, uses, and limitations of standardized tests in post-secondary education admissions;

(2) to make available to the public appropriate information regarding the procedures, development, and administration of standardized tests;

(3) to protect the public interest by promoting more knowledge about appropriate use of standardized test results and by promoting greater accuracy, validity, and reliability in the development, administration, and interpretation of standardized tests; and

(4) to encourage use of multiple criteria in the grant or denial of any significant educational benefit.

INFORMATION TO TEST SUBJECTS AND POSTSECONDARY EDUCATIONAL INSTITUTIONS

SEC. 3. (a) Each test agency shall provide to any test subject in clear and easily understandable language, along with the registration form for a test, the following information:

(1) The purposes for which the test is constructed and is intended to be used.

(2) The subject matters included on such test and the knowledge and skills which the test purports to measure.

(3) Statements designed to provide information for interpreting the test results, including explanations of the test, and the correlation between test scores and future success in schools and, in the case of tests used for postbaccalaureate admissions, the standard error of measurement and the correlation between test scores and success in the career for which admission is sought.

(4) Statements concerning the effects on and uses of test scores, including—

(A) if the test score is used by itself or with other information to predict future grade point average, the extent, expressed as a percentage, to which the use of this test score improves the accuracy of predicting future grade point average, over and above all other information used; and

(B) a comparison of the average score and percentiles of test subjects by major income groups; and

(C) the extent to which test preparation courses improve test subjects' scores on average, expressed as a percentage.

(5) A description of the form in which test scores will be reported, whether the raw test scores will be altered in any way before being reported to the test subject, and the manner, if any, the test agency will use the test score (in raw or transformed form) by itself or together with any other information about the test subject to predict in any way the subject's future academic performance for any postsecondary educational institution.

(6) A complete description of any promises or covenants that the test agency makes to the test subject with regard to accuracy of scoring, timely forwarding or score reporting, and privacy of information (including test scores and other information), relating to the test subjects.

(7) The property interests of test subject in the test results, if any, the duration for which such results will be retained by the test agency, and policies regarding storage, disposal, and future use of test scores.

(8) The time period within which the test subject's test score will be completed and mailed to the test subject and the time period within which such scores will be mailed to test score recipients designated by the test subject.

(9) A description of special services to accommodate handicapped test subjects.

(10) Notice of (A) the information which is available to the test subject under section 5(a)(2), (B) the rights of the test subject under section 6, and (C) the procedure for appeal or review of a test score by the test agency.

(b) Any institution which is a test score recipient shall be provided with the information required by subsection (a). The test agency shall provide such information with respect to any test prior to or coincident with the first reporting of a test score or scores for that test to a recipient institution.

(c) The test agency shall immediately notify the test subject and the institutions designated as test score recipients by the test subject if the test subject's score is delayed ten calendar days beyond the time period stated under subsection (a)(8) of this section.

REPORTS AND STATISTICAL DATA AND OTHER INFORMATION

SEC. 4. (a)(1) In order to further the purposes of this Act, the following information shall be provided to the Secretary by the test agency:

(A) Any study, evaluation, or statistical report pertaining to a test, which a test agency prepares or causes to be prepared, or for which it provides data. Nothing in this paragraph shall require submission of any reports or documents containing information identifiable with any individual test subject. Such information shall be deleted or obliterated prior to submission to the Secretary.

(B) If one test agency develops or produces a test and another test agency sponsors or administers the same test, a copy of their contract for services shall be submitted to the Secretary.

(2) All data, reports, or other documents submitted pursuant to this section will be considered to be records for purposes of section 552(a)(3) of title 5, United States Code.

(b) Within one year of the effective date of this Act, the Secretary shall report to Congress concerning the relationship between the test scores of test subjects and income, race, sex, ethnic, and handicapped status. Such report shall include an evaluation of available data concerning the relationship between test scores and the completion of test preparation courses.

PROMOTING A BETTER UNDERSTANDING OF TESTS

SEC. 5. (a) In order to promote a better understanding of standardized tests and stimulate independent research on such tests, each test agency—

(1) shall, within thirty days after the results of any standardized test are released, file or cause to be filed in the office of the Secretary

(A) a copy of all test questions used in calculating the test subject's raw score;

(B) the corresponding acceptable answers to those questions; and

(C) all rules for transferring raw scores into those scores reported to the test subject and post-secondary educational institutions together with an explanation of such rules; and

(2) shall, after the test has been filed with the Secretary and upon request of the test subject, send the test subject—

(A) a copy of the test questions used in determining the subject's raw score;

(B) the test subject's individual answer sheet together with a copy of the correct answer sheet to the same test with questions counting toward the test subject's raw score so marked; and

(C) a statement of the raw score used to calculate the scores already sent to the test subject if such request has been made within ninety days of the release of the test score to the test subject.

The test agency may charge a nominal fee for sending out such information requested under paragraph (2) not to exceed the marginal cost of providing the information.

(b) This section shall not apply to any standardized test for which it can be anticipated, on the basis of past experience (as reported under section 7(2) of this Act), will be administered to fewer than five thousand test subjects nationally over a testing year.

(c) Documents submitted to the Secretary pursuant to this section shall be considered to be records for purposes of section 552(a)(3) of title 5, United States Code.

PRIVACY OF TEST SCORES

SEC. 6. The score of any test subject, or any altered or transferred version of the score identifiable with any test subject, shall not be released or disclosed by the test agency to any person, organization, association, corporation, post-secondary educational institution, or governmental agency or subdivision unless specifically authorized by the test subject as a score recipient. A test agency may, however, release all previous scores received by a test subject to any currently designated test score recipient. This section shall not be construed to prohibit release of scores and other information in a form which does not identify the test subject for purposes of research leading to studies and reports primarily concerning the tests themselves.

TESTING COSTS AND FEES TO STUDENTS

SEC. 7. In order to ensure that tests are being offered at a reasonable cost to test subjects, each test agency shall report the following information to the Secretary.

(1) Before March 31, 1983, or within ninety days after it first becomes a test agency, whichever is later, the test agency shall report the closing date of its testing year. Each test agency shall report any change in the closing date of its testing year within ninety days after the change is made.

(2) For each test program, within one hundred and twenty days after the close of the testing year the test agency shall report—

(A) the total number of times the test was taken during the testing year;

(B) the number of test subjects who have taken the test once, who have taken it twice, and who have taken it more than twice during the testing year;

(C) the number of refunds given to individuals who have registered for, but did not take, the test;

(D) the number of test subjects for whom the test fee was waived or reduced;

(E) the total amount of fees received from the test subjects by the test agency for each test program for that test year;

(F) the total amount of revenue received from each test program; and

(G) the expenses to the test agency of the tests, including—

(i) expenses incurred by the test agency for each test program;

(ii) expenses incurred for test development by the test agency for each test program; and

(iii) all expenses which are fixed or can be regarded as overhead expenses and not associated with any test program or with test development;

(3) If a separate fee is charged test subjects for admissions data assembly services or score reporting services, within one hundred and twenty days after the close of the testing year, the test agency shall report—

(A) the number of individuals registering for each admissions data assembly service during the testing year;

(B) the number of individuals registering for each score reporting service during the testing year;

(C) the total amount of revenue received from the individuals by the test agency for each admissions data assembly service or score reporting service during the testing year; and

(D) the expenses to the test agency for each admissions data assembly service or score reporting service during the testing year.

REGULATIONS AND ENFORCEMENT

SEC. 8. (a) The Secretary shall promulgate regulations to implement the provisions of this Act within one hundred and twenty days after the effective date of this Act. The failure of the Secretary to promulgate regulations shall not prevent the provisions of this Act from taking effect.

(b) Any test agency that violates any clause of any provision of this Act shall be liable for a civil penalty not to exceed $2,000 for each violation.

(c) If any provision of this Act shall be declared unconstitutional, invalid, or inapplicable, the other provisions shall remain in effect.

DEFINITIONS

SEC. 9. For purposes of this Act—

(1) the term "admissions data assembly service" means any summary or report of grades, grade point averages, standardized test scores, or any combination of grades and test scores, of an applicant used by any postsecondary educational institution in its admissions process;

(2) the term "Secretary" means the Secretary of Education;

(3) the term "postsecondary educational institution" means any institution providing a course of study beyond the secondary school level and which uses standardized tests as a factor in its admissions process;

(4) the term "score reporting service" means the reporting of a test subject's standardized test score to a test score recipient by a testing agency;

(5) the term "standardized test" or "test" means—

(A) any test that is used, or is required, for the process of selection for admission to postsecondary educational institutions or their programs, or

(B) any test used for preliminary preparation for any test that is used, or is required, for the process of selection for admission to postsecondary educational institutions or their programs,

which affects or is conducted or distributed through any medium of interstate commerce, but such term does not include any test designed solely for nonadmission placement or credit-by-examination or any test developed and administered by an individual school or institution for its own purposes only;

(6) the term "test agency" means any person, organization, association, corporation, partnership, or individual which devel-

ops, sponsors, or administers a standardized test;

(7) the term "test preparation course" means any curriculum, course of study, plan of instruction, or method of preparation given for a fee which is specifically designed or constructed to prepare a test subject for, or to improve a test subject's score on, a standardized test;

(8) the term "test program" means all the administrations of a test of the same name during a testing year;

(9) the term "test score" means the value given to the test subject's performance by the test agency on any test, whether reported in numerical, percentile, or any other form.

(10) the term "test score recipient" means any person, organization, association, corporation, postsecondary educational institution, or governmental agency or subdivision to which the test subject requests or designates that a test agency reports his or her score;

(11) the term "test subject" means a individual to whom a test is administered; and

(12) the term "testing year" means the twelve calendar months which the test agency considers either its operational cycle or its fiscal year.

EFFECTIVE DATE

SEC. 10. This Act shall take effect one hundred and eighty days after the date of its enactment.●

CARL T. DURHAM

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. FOUNTAIN. Mr. Speaker, I would like to draw the following address to the attention of my colleagues. It honors the accomplishments and memory of the late Carl T. Durham, a distinguished Member of the House for 22 years representing the Sixth District of North Carolina.

This address was given by Gilbert S. Goldhammer, consultant to the House of Representatives Subcommittee on Intergovernmental Relations and Human Resources, which I have the honor to chair. It was the keynote address on December 1, 1980, when Mrs. Louise Durham presented her husband's portrait to his alma mater, the University of North Carolina at Chapel Hill School of Pharmacy, as part of the centennial celebration of pharmaceutical education on the campus of that illustrious university. The portrait unveiling commemorated the Honorable Carl T. Durham's outstanding contributions in both pharmacy and health care nationwide.

The address was as follows:

THE DURHAM-HUMPHREY AMENDMENT—A PERSPECTIVE

It is indeed a pleasure for me to participate in this notable occasion to honor the memory of Congressman Durham and his noteworthy contributions to the pharmacists of this nation during the period of his tenure as a member of Congress. Before I begin my talk, I want to tell you that before I left Washington I spoke with Congressman L. H. Fountain, who, as you know, has just been reelected for a fifteenth term to represent the Second Congressional District of North Carolina, including Chapel Hill. From our conversation I can say that he is here with us, albeit in spirit only, to participate in this remembrance. He and Mrs. Fountain were personal friends of Mr. and Mrs. Durham during the period they both served in the Congress. Mr. and Mrs. Fountain greatly cherish that friendship.

Congressman Durham was best known to those, who like myself, were FDA officials at the time, for his sponsorship of a 1951 amendment to the Federal Food, Drug and Cosmetic Act known as the Durham-Humphrey Amendment. It was intended to govern the dispensing of prescription drugs which hitherto had not been covered by law. It was the result of the workmanship of two skilled and dedicated professional pharmacists serving the Congress—Congressman Durham on the House side and Senator Hubert Humphrey on the Senate side. Because of their skillful management of the bills they introduced in their respective houses, they were able to bring together the diverse, and often conflicting, groups involved—namely, the drug manufacturers, the druggists, the physicians, the FDA, and the consumers—and obtain their agreement. The law had the immediate effect of resolving the confusion and uncertainty plaguing the Nations' pharmacists concerning the legal requirements for dispensing prescription drugs.

What was the situation in 1951 that motivated Congressman Durham to introduce his bill and press for its enactment?

To find the answer one must go back to the Federal Food and Drug Act of 1906, and its successor, the Federal Food, Drug and Cosmetic Act of 1938. First let me say that both statutes were enacted under the powers of Congress granted by the Constitution to regulate interstate commerce. Before a drug becomes subject to the Federal law it must have been shipped in interstate commerce, or have been delivered for introduction into interstate commerce. A purely local transaction is beyond the jurisdiction of the Federal laws. Such transactions are regulated by the appropriate State and local regulatory agencies.

The 1906 Federal law was brief, compact, easily understood and easily enforced. Its brevity and simplicity makes that law a curiosity—a museum piece—for it stands in stark contrast to today's Federal food and drug laws which are notable for their complexity, expansiveness, and difficulty of enforcement. Whereas the 1906 act required just a few pages of regulations for its efficient enforcement, the current laws have required several thousand pages. Despite that, the enforcement of the law is still not efficient, in my opinion.

For its time, the 1906 law was a good one which served the public well. I had the good fortune of participating in enforcing that law for a period of time after I joined the FDA in 1935 to begin a career with that organization that covered more than three decades.

But times change and conditions change, and laws which are appropriate at one stage of history are not appropriate for another. The law cannot be static—it must adjust to new problems by periodic updating. Actually, by 1935 it was already apparent that the 1906 law had become inadequate and needed change.

For instance, the 1906 law said very little about dangerous drugs. Although it outlawed the addition to food products of poisonous or deleterious substances which might render the foods injurious to health, there was no similar provision applicable to drugs. Practically all drugs contain poisonous or deleterious substances which might render them injurious to health, and thus all drugs are inherently potentially dangerous. To prohibit poisonous substances in drugs would, in effect, outlaw all of them. FDA in those days concerned itself primarily with false and fraudulent labeling claims of effectiveness, and false labeling statements of the strength and purity of drugs shipped for dispensing by physicians in their practice, or by druggists. FDA did not attempt to regulate the practice of medicine or pharmacy. They did not check on druggists to determine whether prescription drugs were being dispensed without prescriptions, although many druggists freely engaged in the practice. These were regarded as local transactions. The 1906 law provided no authority to FDA to control the retail dispensing of prescription drugs either with or without a prescription.

When the 1938 act was passed, many of the deficiencies in the old law were corrected. But, again, the new law made almost no mention of drugs to be sold on prescription only, and failed to define drugs which should be dispensed only on prescription. However, Congress did adopt the following provision which helped force many of the dangerous over-the-counter drugs on the market prior to that time into the category of prescription drugs:

"A drug is deemed to be misbranded if it is dangerous to health when used in the dosage or with the frequency or duration prescribed, recommended, or suggested in the labeling thereof."

This enabled the Food and Drug Administration to proceed against those over-the-counter drugs that were dangerous to health when used in accordance with the labeling directions, and insist that such dangerous drugs be used only under the supervision of a physician.

In the early 1940's FDA made a momentous decision. The problems associated with the indiscriminate sales of dangerous drugs to the public, particularly the barbiturates, and the growing toll of accidental deaths and injury from barbiturate overdoses, required FDA to stretch the law to heed the urgings of local authorities who could not cope with the problem, and from health officials and consumers generally, to involve itself in attempting to control the abuses so prevalent at the time. For the first time in its history, FDA agents began to gather evidence against druggists, physicians, and others who sold the dangerous drugs without prescriptions and outside the legitimate practice of medicine without genuine doctor-patient relationships. Hundreds of prosecution actions were brought against druggists and others who sold these drugs to the public without restrictions, and many, many, pharmacists suddenly found themselves criminals in the eyes of the courts. Some were fined but others were jailed, depending upon the flagrancy of the offenses. To make its program work, FDA devised regulations which had the effect of greatly stretching the law. It was a calculated risk. The courts, after all, would have their final word.

But in 1947, in a case against Jordan James Sullivan, Columbus, Georgia, trading as Sullivan's Pharmacy, the U.S. Supreme Court upheld the FDA regulations which served as a basis for the action and FDA's

authority was established. The lid was off after the Sullivan decision, and FDA did its utmost to enforce the law, primarily against druggists, but also others selling dangerous drugs indiscriminately. Furthermore, in about 1950, FDA declared its intention to expand its operations to include unauthorized refills of prescriptions.

By 1951 the industry was in turmoil. There was great confusion because druggists were unclear as to what the law required. There was no clear definition in the law which would tell the druggists which drugs required a physician's prescription for sale. The label declarations on the drugs they received from the manufacturer or wholesaler could not be relied on for this information, because many nonprescription drugs bore prescription legends, while many prescription drugs did not bear such legends.

Clearly, the druggists needed help. The Food and Drug Administration needed help, too, to clarify the law and delineate and specify the law's requirements so that the manufacturer, the physician, and the pharmacist would know how to comply. The aid of Congress was enlisted and the result was the Durham-Humphrey Amendment. The report of the Durham Committee which accompanied the amendment when it went to the floor of the House for debate and vote, had this to say, in part, about the purpose of the bill:

"This bill amends the Federal Food, Drug and Cosmetic Act to accomplish two broad objectives—(1) To strengthen the protection of the public health against dangerous abuses in the sale of potent prescription drugs: (2) To relieve retail druggists and the public from burdensome and unnecessary restrictions on the dispensing of drugs which may be safely used without supervision by a physician.

"The bill * * * is designed to solve these labeling and dispensing problems in the following ways: (1) By providing for a clearcut method of distinguishing between 'prescription' drugs * * * and 'over-the-counter' drugs * * * and by requiring that drugs be so labeled as to indicate to the retail druggist and the general public into which of these two classes they fall. * * * Lack of uniformity among manufacturers in interpreting the present law and regulations has led to great confusion in the labeling of drugs for prescription sale and for over-the-counter sale."

The Durham-Humphrey amendment made a number of other changes. However, it is sufficient to say that one very important end result was that for the first time retail pharmacists had clear guidelines, spelled out by statute, for a course of action in dispensing drugs which would not subject them to the penalties of the law.

FDA continued to bring cases against retail druggists after 1951, but it was limited to those who opted consciously and knowingly to risk the penalties for a few quick bucks. Unfortunately, every profession and every field of endeavor, no matter how noble, have their share of bad apples. But for the drug industry as a whole, the intent of the law was now clear and understandable.

Of course, that amendment passed in 1951. We are now in the '80's. The passage of time has again brought changes in the drug field to which FDA has once again reacted, with resultant seemingly inevitable problems for retail druggists. The difficulties now facing them concern a subject that was completely unheard of in 1951, namely, patient package inserts—or patient labeling—furnished by pharmacists with the dispensed drug and providing warnings and cautionary statements to fully inform the user of the possibility of certain specified injuries, and even death, by the use of the drug. No one can quibble with FDA's efforts to protect consumers, but are warnings against hazards of use provided by the druggist when he dispenses a drug prescribed by a treating physician the best way to inform the patient? What will the effects be on the patient of such cautionary statements? Will there be more harm than good from such patient labeling? Should it be the physician only who should adequately instruct the patient concerning the use of the drug and its dangers at the time he writes the prescription and hands it to the patient? Is the Federal Government preempting the physician by making patient labeling with warning mandatory?

On the economic front we may question whether patient labeling will not increase the cost of prescription drugs to the patient. If so, by how much?

I don't think I need to elaborate further on the nature of this problem before this audience. Congressman Fountain is well aware of the problem and has received many letters from retail druggists and their trade associations, not only from North Carolina, but from many other parts of the country. Many have requested an investigation of FDA policies. Congressman Fountain, as many of you know, is chairman of a subcommittee which has oversight responsibility for FDA and has been active over the years as a "watchdog" to make sure FDA is operating efficiently, economically, and fulfilling its mission as set forth by Congress. He has, over the years, chaired many hearings covering FDA's enforcement philosophy and policy, which have resulted in improved enforcement to the benefit of both the public and industry.

Congressman Fountain had decided in October 1979 to hold hearings to define the problems and to probe the legal questions associated with such patient labeling. However, he decided to await the verdict in a case then pending in the U.S. District Court in Wilmington, Delaware, brought by the Pharmaceutical Manufacturers Association and the National Association of Chain Drug Stores, Inc., which concerned the legality of FDA's 1977 regulation requiring patient labeling for products containing estrogenic hormones. Ultimately, the Delaware Court upheld the legality of the regulation. Only last month its decision was affirmed by the U.S. Third Circuit Court of Appeals in Philadelphia on an appeal by the National Association of Chain Drug Stores. The association has already filed a petition for a rehearing by the Appellate Court.

I would like to add a brief thought on the impact of the decision on the Durham-Humphrey Amendment. That amendment specifically and with deliberate forethought, in my opinion, exempted drugs dispensed by filling or refilling written or oral prescriptions from the general requirement for warnings. However, to be eligible for the exemption, the dispensed drug must bear a label containing the name and address of the dispenser, the serial number and date of the prescription or its refilling, the name of the prescriber, and, if stated in the prescription, the name of the patient and the directions for use and any cautionary statements contained in such prescription.

Knowing the history of the Durham-Humphrey Amendment, and having a sense of what Congress was attempting to do because of my association with FDA at that time, there is no doubt in my mind that Congress specifically intended to exempt all drugs dispensed on prescription from carrying cautions and warnings, except those which the prescribing physician asked for. The exemption plainly indicates, in my opinion, that Congress believed that the question of informing patients concerning the purposes, directions for use, side effects, and hazards of prescribed drugs is the responsibility of the treating physician. He should make the determination of what the patient should be told and what, for the good of the patient, in his expert opinion, should be withheld. It was not intended that the bureaucracy take on that function.

However, in 1970 the then-FDA Commissioner informed Congressman Fountain during an oversight hearing that the practice of medicine has become too impersonal and that reliance can no longer be placed on the patient-doctor relationship to provide the information the patient needs about the drugs prescribed. If that is so, should we accept that situation, or should we strive to restore a satisfactory physician-patient relationship?

It is difficult for me to believe that Congress would provide such a clear exemption under the Durham-Humphrey Amendment intending that another section of the law which Congress wrote at a different time—thirteen years earlier—and in a different context, could be used—and I quote in the words of the Appellate Court's decision—as "A separate passageway through which FDA may require warnings and cautionary statements."

However, the Appellate Court has ruled, thus nullifying to a significant degree this Durham-Humphrey Amendment exempting provision. And so, for the present, the industry must resign itself to the realization that FDA may under certain circumstances require warnings despite the express exemption of the Durham-Humphrey Amendment. FDA will now have a free hand in the enforcement of its most recent and broader PPI regulations recently published. Unless the Court of Appeals grants a rehearing and reverses itself, or the Supreme Court reverses the lower court, the regulations are now law and will have to be obeyed.●

THE ACTION GRANT PROGRAM

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. LUNDINE. Mr. Speaker, I was disappointed to read in this morning's newspapers that in his conversations yesterday with the Nation's urban leaders, President Reagan indicated that he was considering recommendations to severely restrict or terminate HUD's urban development action grant program. The administration's reported alternative for the program is a shift in funding to the community development block grant program.

Such action would be extremely unwise. The action grant program, one of the most innovative approaches to community revitalization in many years, has proven itself as an effective means of mobilizing resources to meet

urgent local needs at minimal cost to the Federal Treasury. The program illustrates the kind of results and savings that can be produced by mobilizing the tremendous potential of local initiative.

The action grant program has had a significant impact on revitalization efforts throughout my own district in New York. During the past 2 years, more than $9 million in grant funds have been received by Jamestown, Elmira, Olean, Hornell, and other small cities which previously had only a limited capacity to meet urgent public needs. Action grants enabled these communities to mobilize more than $30 million in private investment to provide urgently needed industrial expansion and commercial revitalization. These projects alone created thousands of new permanent jobs while saving many jobs that would otherwise have been lost.

I would think that the ideas underlying this program would closely coincide with the President's philosophic orientation. Instead of simply offering Federal dollars to local communities to finance projects, the UDAG program provides, on a highly competitive basis, the funding needed to make local public and private initiatives feasible. Project selections are based upon a potential to maximize private investment and job creation while minimizing Federal costs and involvement.

During the first 2 years of the program, HUD awarded 521 grants to 382 cities representing $967 million in Federal investment. These funds generated $5.2 billion in private sector commitments and an additional $862 million in State and local funding. This leveraging factor is an extremely important element of the UDAG program. During these years the program generated more than $6 in local public and private support for every dollar provided by HUD.

These 521 projects also produced a total of 375,000 new jobs, nearly the equivalent of the number of jobs estimated to be lost if Chrysler were permitted to collapse. Roughly two-thirds of this figure were permanent job opportunities, with the remainder shorter term construction jobs. Projects to provide or expand industrial capacity alone accounted for over half the new permanent jobs provided by these projects in smaller cities like those in my district.

The capacity of the program to leverage private investment and create new jobs has increased during the past year. The first round of action grant awards for fiscal year 1981, which HUD announced last month, provided 73 grants which are expected to mobilize $1.25 billion in private investment, generating $7.52 in private funding for every Federal dollar. These grants are expected to finance 23,544 new jobs while retaining 6,318 current positions.

I would hope that these reports are inaccurate and that the President has no intentions of eliminating the action grant program. It seems totally inconsistent with the emphasis the Reagan administration has placed on economic revitalization and increased industrial productivity to eliminate one of the few Federal programs which has proven effective in meeting these goals in hundreds of communities across the Nation. Certainly there must be other ways of reducing Federal spending without completely eliminating the very programs best designed to meet urgent national needs.

If there are flaws in the current UDAG program or if the President wishes to continue the principles of the program in another format, I stand ready to assist him. As a member of the Banking Committee's Housing and Community Development Subcommittee, I would make every effort to revise and improve this program and urge my colleagues to do likewise.

But if the President does intend to destroy the program, I stand ready to use this same forum to fight him and to make every effort to save this vital and needed program.

The administration's suggested alternative of shifting some of the action grant money to HUD's block grant program seems to me both a more costly and ineffective approach. Given the small amount of funding involved and the hundreds of communities participating in the block grant program, such an effort would be like carrying a bucket of water to a parched grainfield. It would have to be spread so thinly that very little would result. Lost would be the important targeting and leveraging potential which characterizes the action grant program.

I urge the President to seek another means of reducing Federal costs than eliminating this relatively small, but extremely useful program. The problems confronting the Nation require innovative solutions. The action grant program represents the kind of imaginative and cost-effective approach to problems that should not be eliminated, but expanded into other areas of Federal activity.●

HEALTH CARE ISSUES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. WEISS. Mr. Speaker, today I am submitting for the RECORD my legislative summary of health care and social services issues during the 96th Congress:

HEALTH CARE ISSUES

One of the major disappointments of the 96th Congress was its failure once again to enact a comprehensive national health insurance program. Although soaring health care costs are a substantial contributor to the nation's inflation rate, recent attempts in the Congress to balance the federal budget by cutting social programs make passage of a strong health insurance policy more difficult. As a co-sponsor of the original Kennedy-Corman health insurance legislation, I remain a strong supporter of a comprehensive program which would ultimately cost less and deliver far better health care for millions of Americans than our present fragmented system. I will continue my efforts in the 97th Congress for enactment of this vital legislation.

Another disappointment resulted from Congress' failure to approve effective hospital cost containment legislation. Attempts by the House to pass a program of mandatory national cost controls produced only a rubber stamping of existing voluntary efforts to keep health expenditures down. It is essential that Congress enact a strong bill to control one of the chief causes of the spiralling inflation rate. Such legislation must ensure high quality care and wage protection for hospital workers.

The crisis in health care is no more evident than in the threat posed in recent years to skilled nursing homes in New York State. The situation is partially a result of serious disagreements between State and Federal health authorities over Medicaid rates of payment to such facilities and the application of Federal regulations limiting those rates. I will continue my efforts in Congress to insure that vital services for the elderly and the facilities themselves are maintained at full capacity.

The 96th Congress did vote to extend and revise federal funding of community mental health programs and authorized $85 million for 1981 increasing each year to $270 million in 1984. The Mental Health Systems Act will provide grants and services to priority populations such as the chronically mentally ill, severely disturbed adolescents and children, and the elderly. Strong emphasis was given to expanding State and local control in mental health care and incentives are provided for greater community involvement. For example, the role of the State Mental Health Authority would be extended by requiring the Authority's review of new grants made under the Act. In addition, important strides were made regarding the rights and legal protections of mental health patients. This includes the right to appropriate and humane treatment and to the confidentiality of and access to medical records. The legislation contains a recommended bill of rights and encourages the establishment of advocacy systems by the States to protect the rights of mentally ill persons.

Also included in the Mental Health Systems Act were provisions for the National Center for the Prevention and Control of Rape to study related issues such as the effectiveness of existing laws, the treatment of rape victims, the causes and effects of rape, and sexual assaults in prisons. Federal funds will be made available to private nonprofit organizations to help meet the costs of providing counseling for rape victims and their families and in assisting them in getting mental health, medical and legal services.

The 96th Congress moved again toward even more restrictive provisions for Medicaid funding of abortions. Debate continued in the House and Senate on this sensitive issue in connection with the passage of several major pieces of legislation. The Departments of Labor and Health and Human Services are currently funded under a Continuing Appropriations Resolution which provides Medicaid funding for abortions only when the life of the woman is endangered and in cases of promptly reported rape and incest. This language has grown more regressive in recent years and no longer provides abortion funding even for women who would suffer severe and long lasting physical health damage if the pregnancy were carried to term. The targets for the "Hyde Amendments" have expanded and abortion riders were passed on appropriation bills funding the Departments of Defense and Justice, the Peace Corps and the District of Columbia, among others. I believe the denial of Medicaid funding to be economic discrimination and an infringement on a woman's right to privacy in this personal decision. I will continue to work actively in the 97th Congress to assure all women access to safe, legal abortion services.

Legislation was signed into law which would reauthorize federal assistance to alcohol and drug abuse programs. This included grants to States for research and treatment programs and made the drug problems of women, the elderly and adolescents a special priority for federally supported activities. The bill requires States to coordinate their treatment and prevention services for drug abuse with those of alcohol abuse and to promote programs in the workplace through local governments and private businesses. In addition, a new study commission on alcohol problems was created to recommend national alcohol abuse policy to the president.

The Health Planning and Resources Development Amendments also cleared the Congress. The legislation modifies the operation of health planning agencies and strengthens the link between policymaking at the Federal level and at the State and local levels. Assistance and loan guarantee programs in the bill also make monies available for improvements and modernization of health care facilities.

Because of the severe lack of reliable consumer information on contraceptive products, I introduced the Contraceptive Labeling and Advertising Act. Manufacturers would be required to label all drugs and devices with effectiveness ratings, specific directions for use, and advice that a health professional be consulted on the most appropriate method of contraception. Hearings before the House Commerce Subcommittee on Health are expected early in the first session of the new Congress.

Legislation which assures the safety and nutrition content of infant formula products was approved by the 96th Congress and a second bill is being considered in the House Foreign Affairs and Commerce Committees. The Infant Nutrition Act, the bill still under consideration, would restrain U.S. companies' activities in the many areas of the world where low incomes, poor water, and widespread illiteracy make the use of the products hazardous to infant health.

The Child Health Assurance Program, passed by the House but not acted upon by the Senate, would have extended greater Medicaid coverage to low income children and to needy women during and after pregnancy. The legislation set the national eligibility for women at 80 percent of the poverty line and would have added 220,000 women to the program for pre and post natal care. CHAP's emphasis on preventive and primary care rather than more expensive treatment later on, was expected to save 40 percent of children's health costs.

Legislation to postpone a ban on saccharin for 18 months had been passed by the 95th Congress. Although this food additive has been shown in laboratory testing to be cancer-causing, the House voted overwhelmingly in 1979 to permit diet foods and soft drinks sweetened with saccharin to stay on the market for two more years.

Domestic violence legislation was passed by the House and established a much needed program of federal aid for spouse abuse shelters and other community based services. The bill also encouraged state and local governments to develop longer range plans to combat the high incidence of domestic violence nationwide. Though this legislation was not approved by the Senate, I will continue my efforts in the 97th Congress to provide federal assistance for victims of domestic abuse.

In the attempt to reduce federal expenditures, an ill-considered proposal was put forth to tax Social Security benefits. These benefits are not gifts from the government, rather they are earned by working people who already contribute a part of their income to finance the system. I believe that taxing the actual benefits would be a form of double taxation that is both unfair and unnecessary. I am pleased to report that last year the House passed, with my support, a resolution by an overwhelming majority which opposes any form of taxation on Social Security benefits. Bolstering the Social Security system and examining the alternate means of financing will be a priority task of the new Congress.

During the 96th Congress I introduced three bills which sought to improve the living conditions of former mental patients and to provide Federal assistance to the communities in which they reside. Former mental patients, thousands of whom have been "deinstitutionalized" in recent years under changing Federal and State policies, are often the most vulnerable members of our society. Government at all levels has not provided the comprehensive follow-up services which are indispensable for insuring that these former patients can function as independent, productive citizens. The first bill would provide Medicaid assistance to patients in mental institutions regardless of their age. At present, only patients between the ages of 22 and 64 are eligible for coverage. The second bill would increase Federal payments to States for services in the community to assist former patients. Aid would be provided for sheltered employment, alternative housing, counseling and therapeutic treatment. A third bill would assure that Supplemental Security Income payments would be continued for three months after a person enters an institution enabling the patient to maintain their home or apartment. In addition, it would eliminate the benefit reduction under SSI that now occurs when a former patient is receiving some financial support from other persons with whom they are residing.●

IN COMMEMORATION OF THE NATIONAL DAY OF SRI LANKA

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1980

● Mr. McCLORY. Mr. Speaker, today, February 4, marks the national day of Sri Lanka. This year, Sri Lanka will be celebrating the 33d year of the regaining of independence. In addition, 1981 will be a special year of commemoration in Sri Lanka because it marks to 50th anniversary of the institution of a universal adult franchise. This democratic system has been the basis of all elections held in Sri Lanka, formerly Ceylon, since 1931.

Sri Lanka has achieved a commendable record in modern times of being a successful multiparty democracy. Seven general elections have been held since 1948 and in six of these the government in power has been voted out of office. Few other nations can match this record of political tolerance and democratic procedure.

Sri Lanka has set economic development and improving the lot of its people as high priority national goals. One innovative program recently adopted sets up free trade zones as an attraction for foreign investment. Through these and similar programs, the government is making progress on its commitment to economic growth.

Mr. Speaker, I am pleased to salute the people of Sri Lanka and to wish them well as they celebrate national day.●

IS THE ALL-VOLUNTEER ARMY READY TO FIGHT?

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. McCLOSKEY. Mr. Speaker, last December, the Washington Star published a series of articles on the current state of readiness of the All-Volunteer Army—AVF. The first two of those articles are inserted in the RECORD today for review in connection with the forthcoming debate on renewal of the draft versus retention of the AVF versus adoption of the National Youth Service—NYS.

[From the Washington Star, Dec. 15, 1980]

THE REPORT NO ONE WANTS TO TALK ABOUT

CAN THE U.S. ARMY FIGHT?

(By John Fialka)

After eight years of experimentation, the all-volunteer U.S. Army is faltering under the burden of increasingly severe manpower, morale and management problems. The Army's own internal studies indicate that it may now be dangerously unprepared for combat.

The problems faced by the Army, as the Reagan administration takes command of the Pentagon, are deep seated. They present strong evidence that not all of the nation's major defense problems are going to be solved by simply spending more money.

The deterioration of the Army's manpower situation has been measured and reported repeatedly by the Army in a complex, worldwide system of opinion sampling and surveys. Aimed at assessing the attitudes of officers and men, the program is known as the Human Readiness reporting system.

That system, according to sources in the Army and Defense departments and on Capitol Hill, was quietly dismantled last January when the Secretary of the Army, Clifford L. Alexander Jr., read and angrily rejected the dismal conclusions of the latest report: "Human Readiness Report No. 5."

The sources, several of them highly placed, said that Alexander was so angry that he barred anyone in the Army from talking about the report. He has also imposed the same restriction on himself.

The most devastating portrait of the all-volunteer Army to emerge from the Army's own statistics, the study says that the concern over the competence of the junior noncommissioned officers has grown steadily since 1975.

It says the feeling is strongest among officers of combat units, especially in Europe where the Army has two corps—about 215,000 men—that are supposed to be the most combat-ready U.S. military units in the world.

There is considerable evidence that the officers are not alone in their concern. Among enlisted men who were asked by the Army whether their unit would "do a good job" in combat, there has also been a steady decline in optimism since the mid-1970s.

The lowest levels of optimism are indicated by junior enlisted men in Europe, where only 39 percent agreed that their units would do well in combat.

The study was prepared by the Army's Human Resources Directorate and signed by the man who was the unit's director last year, Maj. Gen. Walter F. Ulmer Jr., a former commandant at West Point.

Late last fall, the study and Ulmer found themselves on a collision course with Alexander. According to Army sources, the result was not only the shelving of Ulmer's report but the abolition of the entire "Human Readiness" reporting system, which has collected survey information and published annual reports based on it since 1974.

"There will be no Human Readiness Report No. 6," explained one well-placed Army source, who pointed out that in the normal course of events that study should have been ready this summer.

He said that the study raised Alexander's anger partly because it linked soldierly competence to intelligence and education levels, a sore point with the Secretary of the Army. Alexander ordered intelligence scores removed from the field files of 400,000 soldiers last summer to prevent their use in personnel decisions by combat officers.

The source said that "pressure" was put on Ulmer to rewrite the conclusions of the report but that Ulmer—an officer who is regarded by his peers as an extremely stubborn and courageous man—did not rearrange the data to fit the much rosier view projected by Alexander.

In a classified letter accompanying the report, Ulmer notes that it draws on an accumulation of five years of data from questionnaires regularly given to thousands of officers and enlisted men throughout the Army.

"That the current report indicates a gradual decline in human readiness during the last 18-24 months will no doubt cause some controversy," Ulmer wrote. "Many of the problem areas discussed already are controversial and our 'measures' of them will be a subject of debate.

"I am convinced, however, that the data used for this report are acceptably reliable and permit a reasonably accurate assessment about trends in active Army human readiness. These trends are consistent with, and reinforce, findings from other recent studies and analyses."

Ulmer has since been given command of the 3rd Armored Division in Germany and he could not be reached for comment.

Through his Army spokesmen, Alexander repeatedly warned a Washington Star reporter that he would only consent to an interview on Army manpower problems if Human Readiness Report No. 5 were not discussed. Later Alexander grudgingly consented to the interview, but he adamantly refused to answer any questions about the report.

ALEXANDER QUASHES REPORT THAT SHOWS ARMY MANPOWER SITUATION DETERIORATING

"Why don't you get away from the report?" said the departing secretary of the Army. Calling the document "outdated," he added, "I can't comment about the report, because I thought we are not going to be discussing the report at this time. I haven't reviewed the report and don't intend to at this time for this interview."

Maj. Gen. Robert A. Sullivan, the Army's chief of public affairs, said no other Army official would talk about the report, which he called "unscientific." Asked repeatedly for evidence that would show how the report's conclusions are either outdated or scientifically unsupportable, Sullivan and other Army spokesmen have not been forthcoming.

"This," explained one of them wearily, "is a very, very sensitive subject."

The controversial report states that three key indicators of "unit climate," or the attitudes of enlisted men, have been declining since 1976. Unit morale, measured on a worldwide basis, has dropped steadily, with the lowest readings showing up among enlisted men in Europe.

Troop motivation, or the willingness of soldiers to "work hard to get things done," has shown a similar decline since 1976, with the exception of units stationed in Korea, where indicators of motivation were driven sharply upward after the ax-murder of two American officers in the demilitarized zone in August 1976. Soldier motivation, the study states, is "lowest in Europe."

"The percent of commanders and other officers serving in troop units who state that motivation, discipline and morale are a problem in their unit has increased steadily since 1977," the study says. "About 10-15 percent more currently cite each of these as problems than was the case in 1977."

While reportable incidents of crimes and disciplinary problems have dropped sharply since the beginning of the all-volunteer force, the study says that part of the decline is related to the "prudent use of the various expeditious discharge programs" that simply remove the soldier from the Army, rather than apply punishment.

According to Army statistics, 35.2 percent of new soldiers are now leaving the Army before their first three-year terms are completed.

Interestingly, the study notes that the Army's drug problem, which hit a high point during the late 1960s and early 1970s, appears to be dropping. In its place, however, is an increasing concern about alcoholism, especially among Army units in Europe.

Army commanders listed alcohol abuse as their second most serious problem—coming just a few percentage points behind their concern about junior NCO leadership. Marijuana abuse ranked in fourth place among 13 problem categories, and the use of hard drugs ranked last.

The central concern of the study—that officers are most concerned about what they see as declining competence of their corporals and younger sergeants—points up an extremely serious problem because it affects the "cohesion" of small units, or their ability to stick together under fire. Military analysts have long regarded unit cohesion as one of the prime measures of the fighting potential of an army.

The study suggests that the officers' worries about their men may be mirrored by their troops in another ominous statistic. Among first-term soldiers, the percentage of those who believe their officers "care about their welfare" has dropped from 50 percent to 40 percent in three years. The percentage of first-termers who believe that most of their officers are competent "has declined from over 60 percent to less than 45 percent."

The study notes another probably related statistic: The percentage of young captains and lieutenants who agree to stay in the Army after their first tours of duty has "declined substantially," with the sharpest rate of decline being in front-line combat units.

In 1975, 70 percent of the younger officers in combat units opted to stay on. By 1979, only 44 percent would make that decision. Among regular Army officers, the study noted, the percentage resigning after their first term doubled during those four years.

Among West Point graduates, generally regarded as the cream of the U.S. Army officer corps, the number of younger officers "voting with their feet," or opting out of the all-volunteer Army after their first term, was still higher, rising from 10 percent in 1975 to 25 percent in 1978.

The flap over the intelligence and education levels of enlisted troops first surfaced last spring when it was revealed that another major Army research effort, called the Army Training Study, concluded that there was a definite relationship between low intelligence scores and the inability of tank and air defense missile gunners to hit targets. (The Army Training Study also was shelved by Army officials.)

Secretary Alexander, testifying before the House Armed Services Committee in June, flatly rejected the thesis, "No one, no expert, has been able to state what difference it makes," he said, referring to intelligence scores.

Human Readiness Report No. 5, based on five years worth of Army behavioral data, takes the intelligence argument one step further. Scores of the Enlisted Efficiency Report, the basic annual "report card" for enlisted soldiers, and AWOL (absent without leave) records show that education level and mental aptitude often are accurate predictors of how well a soldier will perform in his unit, the report says.

"There is evidence that these indicators do in fact measure potential for military performance (not precisely, but not trivially either) and it would be imprudent to ignore

them in the absence of other measures," the study says.

It notes that since 1976 the mental aptitude of the average Army male recruit has dropped by 5 percentage points. Twenty-eight percent of soldiers training at Forts Benning, Dix, Knox and Leonard Wood, it says, "read at or below the seventh-grade level." About a third of this group, it adds, actually read "at or below the fifth-grade level."

The Army, in its official response to The Star's request for a comment on the study, said that "numerous actions and programs initiated since that time have had an impact on a number of aspects of the issues treated by the study, altering many of the conditions observed and the analysis and conclusions made by the author."

Alexander, who announced last week that he is resigning, effective Jan. 20, is certain that intelligence scores and the matter of having or not having a high school degree has no bearing on the performance of his soldiers.

Recently, he explained, he visited the Army's sergeant-majors academy, training grounds for the cream of the non-commissioned officers in the Army, and asked how many of the trainees were high school dropouts. Nearly half raised their hands.

Later, Alexander noted, a group of sergeant-majors visited him in his office, and he asked how many scored in Category IV, the Army's lowest intelligence category.

"Over a third of them admitted they did, as a matter of fact. They raised their hands," Alexander said.

He cited their response as proof of his success in office. He appears to be serene in his confidence that after four years of running the Army he has won the manpower debate, regardless of what the reports he has shelved may say.

The data, he says, "does not amount to a hill of beans. It is quite irrelevant."

U.S. Posts Dismal Record in NATO Competitions

CAN THE U.S. ARMY FIGHT

(By John Fialka)

The U.S. Army must prepare its units to fight outnumbered, and to win.—Excerpt from FM 100-5, the Army's basic field manual.

Soldiers from the best, most combat-ready U.S. Army units have run up a dismal record of losses in recent competitions against other NATO armies in Europe.

Handpicked U.S. armor crews have been outgunned and outmaneuvered repeatedly by crews from the Netherlands, Belgium, Great Britain, Canada and West Germany in competitions designed to simulate armored warfare on the plains of Central Europe.

The results of the competitions—obtained by The Washington Star through the Freedom of Information Act and from NATO sources—are not widely known in the United States, not even among senior Pentagon officials. That is not, however, the case in Europe, where the Army's failures are causing politicans and military men alike to discount heavily U.S. rhetoric about defense readiness.

The record begins in 1977, when U.S. tank crews finished sixth out of six in NATO's most prestigious competition, a tank gunnery contest called the Canadian Army Trophy. They were beaten by the Canadians, West Germans, Belgians, British and Dutch, in that order.

In 1979 the Army overhauled its training program and fielded another team of elite tank crews. That year it finished fourth out of five, beaten by West Germany, Belgium and Great Britain.

For NATO cavalry units, the big contest is a German-sponsored event, called the Boeselager Armored Cavalry Competition, four crews were beaten by six West German crews and teams from Canada and the Netherlands.

Spokesmen insist that these competitions do not indicate the Army's overall readiness and skills because other NATO units allegedly relieve their competition teams from daily chores and give them special training.

Secretary of the Army Clifford L. Alexander Jr. dismissed the scores as "marginal differences between crack units." He added, "Now I don't know of the particular events you're talking about, but I assume that they were all crack units."

U.S. allies, however, take a different view.

"We do not look at this with schadenfreude (gloating)," said one German armored division commander. "Our safety and our lives depend on that (the American) army."

The German general would only agree to discuss the matter with a reporter if his identity were withheld. He said his impressions were not entirely based on the contests, but on a recent conversation with a German civilian, a foreman at a tank shooting range who has been in the business for 23 years.

The civilian, a connoisseur of precision tank gunnery, had this to say about the American crews that now train regularly at his range: "Forget the Americans. We don't talk about the Americans anymore. They use a tremendous amount of ammunition. They claim a remarkable number of hits. And then when we go out to renew the targets we see that the number of hits they claim is completely wrong. They simply missed the targets."

The general went on to admit that his private doubts about the competence of the American Army might be unfounded and that the contest results might be anomalous.

But, he explained, because the doubts are widely shared by officers of other NATO armies, the doubts themselves have military significance.

"Reputation and prestige are very important things, even if it may be wrong," the general said. "Part of the deterrence is credibility, and if an army doesn't have any credibility any more, that is bound to be a factor in deterrence."

One of the few senior West Germany military men willing to talk openly about the dismal U.S. competitive showing is Gen. Franz-Joseph Schulze, former NATO commander of 80,000 allied soldiers in Germany's central region.

"The last time, the American unit participating in the competition (the Canadian Cup) took the matter rather well. They had the feeling that at least they had knowledge of where the deficiencies were," explained Schulze.

"It was more serious the time before. There was such a disappointment that it was difficult for me to convince the 7th (U.S.) Army that they had to continue, that it would not be right for them to withdraw from the competitions," added Schulze, who retired a year ago.

After the 1979 contest, Schulze recalls, he walked among the tank crews and discovered that while it took the German crews an average of 2.3 seconds to identify targets, the American crews in the competition were taking twice that long.

In modern combat, accuracy and quickness may mean the difference between life or death. In a duel against the best anti-tank weapon—another tank—a near miss doesn't count. A successful tank "kill" requires a direct hit.

It takes approximately six seconds for the second-best anti-tank weapon, a wire-guided missile, to hit its target. Assuming the tank gunner sees the telltale back blast when the missile is fired, he can save himself only if he can fire and hit the enemy missile crew within that six seconds.

For younger American officers, filled with the can-do enthusiasm radiated by Secretary Alexander and enforced by the official Army doctrine of "fight outnumbered and win," a defeat at the hands of the Belgians, the Dutch, the Canadians, the British and then West Germans can be a shocking experience.

Consider this story, by the lieutenant colonel who was in charge of the U.S. tank crews picked for the 1977 Canadian Cup contest.

The officer, now a full colonel who commands a desk in the Pentagon, agreed to talk about the contest only if his name was withheld.

That summer, 12 of the U.S. Army's newest heavy tanks were loaded on special railroad flatcars in Bavaria and shipped to Bergen-Hohen, a desolate but well-equipped tank gunnery range in Northern Germany.

Along with the tanks went the 12 best four-man tank crew teams from a unit that had been designated the best U.S. tank battalion in Europe.

For the colonel, tanks were a lifelong passion. He was sure he knew good tankers, and he was extremely confident of the men he had picked. They would show the other members of the NATO alliance a thing or two.

The Canadian Cup contests, held at Bergen-Hohen since 1963, are the Olympics of NATO. For almost two generations, the measure of steel in a Central European army has begun with the quality of its tanks and the skill of its crews.

The stakes for the 1977 contest were high. There had been persistent rumors among the other NATO armies that the quality of the U.S. soldier had deteriorated since the All-Volunteer Army experiment began in 1972.

A tank victory would put that to rest.

The colonel's team had over $7 million worth of military hardware. Each M-60A1 tank, equipped with the latest diesel engine and the last word in night vision devices, costs $600,000.

Confident as he was the colonel knew he faced serious obstacles. At that time U.S. Army tank units did not train regularly at Bergen-Hohen because they were primarily located in southern Germany, near a less sophisticated gunnery range on the Czech border called Grafenwoehr.

While U.S. training at Grafenwoehr emphasized firing at stationary targets, the NATO units at Bergen-Hohen performed simulated tank battles between numbers of maneuvering tanks, the kind of battles that most military planners envision if the tank-heavy forces of the Warsaw Pact ever cross the West German border.

But the colonel had done his best to drill his men on the differences between the two ranges, and they were all fired up for the

contest. In other words, they were totally unprepared for the disaster that followed.

As his tanks maneuvered in teams of three down the range, the young colonel stood watching on the sidelines with his heart in his mouth. Targets were popping up over a mile away. They were small, six-by-six foot targets, enemy tank silhouettes. They appeared with a telltale puff of smoke, as if a tank round had been fired.

"My guys were just not seeing some of the targets," recalls the colonel. "I was standing there jumping up and down yelling things like 'over there!' 'Over There!' but of course they couldn't hear me. They were on their own. One gunner missed nearly all of his targets. I still can't explain that. I thought he was really good, one of my best."

Some people who know the American colonel say he was shattered by the experience. He admits that he still broods about it. "Before that," he told a reporter, "I had never come in second place in anything in my life."

Schulze and several other German senior officers suspect that one of the things that is showing up in the tank contests is a fundamental difference between the West German and the American Army. The West German army is a draftee force, drawing on a full spectrum of intelligence ranges. The 18-year-old German male has a 70 percent chance of being drafted, but he will not appear as a gunner or the commander of a tank unless he scores in the upper 40 percent range of intelligence tests.

He is also tested for mechanical aptitude and the psychomotor skills that allow quick target recognition and response. Furthermore, West Germany tries to keep tank crews together, while U.S. crews are constantly shifting.

In the U.S. Army, a majority of tank gunners and commanders ranks below the upper 40 percentile range of intelligence, according to a 1978 Army survey called the Army Training Study.

The survey of 1,288 tank crewmen, found that many of the gunners and commanders rapidly forgot what they had learned in training and that field training in Europe did not improve their situation. According to the survey, tank crew proficiency among U.S. units in Europe was 40 percent lower than combat ready requirements and was 50 percent lower in U.S.-based armored units.

The Army's official position, as dictated by Secretary Alexander, is that such studies are "irrelevant," and Alexander's message has been heard down through the chain of command.

Brig. Gen. Frederic J. Brown, who was the director of the study, is now the chief training officer for the 8th Mechanized Infantry Division in Baumholder, Germany. He refused to discuss the implications of the study during a recent interview, saying he could only discuss his current assignment.

Brown's current job is critical because the 8th Division is the unit that would defend the Fulda Gap, one of the main invasion routes from the east into West Germany.

Because the Warsaw Pact forces have a 4-1 superiority in tanks, Brown admitted that the requirements for the survival of a U.S. tank crew in any battle to defend Fulda Gap are very stiff. They require tanks to hide in depressions of the terrain and then pop out to hit and "kill" as many as three enemy tanks at once.

"I expect the crews to get three target hits and get back down—all in 15 seconds," said Brown, asserting that for some of his crews, those who have studied the border terrain, the assignment "is a piece of cake."

"Of course," Brown added, "not all of them can do that."●

PROBLEMS OF DRUGS OF LIMITED COMMERCIAL VALUE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. WEISS. Mr. Speaker, I am introducing today with a number of cosponsors, a bill to establish within the National Institutes of Health a new office to stimulate the development of drugs for serious diseases that afflict relatively small numbers of people. At present, these drugs are not being developed or marketed because they are unprofitable for potential producers. This legislation was introduced during the 96th Congress by Representative Elizabeth Holtzman and received the strong support of many Members of the House and of public and private organizations concerned with health issues. As a cosponsor of the bill in the last Congress, I would like to take this opportunity to commend her outstanding leadership in focusing efforts in this area.

Over the past few years the problem of drugs of limited commercial value—called orphan drugs—have received increased attention by the Department of Health and Human Services, private groups, and drug companies. While the problem has been studied at length, no coordinated attempt to solve it has emerged.

The problems are numerous. It is a cold fact of life that for most pharmaceutical companies there is just not sufficient profit in developing drugs for rare diseases to justify the high development costs. Compounding this situation are issues of legal liability, complex and costly Food and Drug Administration drug approval requirements, shortage of research funds, concerns over the patentability of certain compounds, lack of coordination of research and information on rare diseases, and the small size of the possible test population. In response, this bill seeks to establish a framework under which these problems can be addressed and to provide funds which would support research where there is a proven potential and to remove impediments to further development of promising drugs.

The bill would establish within the National Institutes of Health an office to further these purposes. The Director would be the Director of the Office of the National Institutes of Health and would be advised by a board composed of representatives of the public, pharmaceutical manufacturers, the medical profession, and scientists involved in the development of new drugs.

The bill confines the term "drug of limited commercial value" as one which may provide an advance in the diagnosis, prevention, or treatment of the disease and is commercially unavailable.

The Director of the Office would have a wide variety of methods for providing financial assistance for new drug development. These include loans, grants, contracts, purchase of liability insurance, undertaking studies to determine the scientific and therapeutic need for these drugs, coordinating efforts of public and private entities in drug development, and collecting and making available information on possible sources of financial assistance.

In order to receive assistance, applicants must show that there is a scientific basis for the proposed drug. Should the developed drug produce substantial profits, the bill provides for recapturing them for the Federal Government.

This bill will aid many who suffer from rare diseases, people whose suffering continues not because an effective treatment cannot be found, but because its production is deemed unprofitable. I invite the support and sponsorship of all my colleagues for this important legislation.

A list of additional sponsors and a copy of the bill follows:

ADDITIONAL SPONSORS

Mr. ADDABBO, Mr. CORRADA, Mr. SHAMANSKY, Mr. RICHMOND, Mr. SOLARZ, Mr. RINALDO, Mr. VENTO, Mr. MITCHELL of Maryland, Mr. WALGREN, Mr. SCHEUER, Mr. KILDEE, Mr. YATRON, Mr. PRICE, Mr. HOWARD, Mr. GUARINI, Mr. SIMON, Mr. ROE, and Mr. THAXLER.

H.R. 1663

A bill to establish an office in the National Institutes of Health to assist in the development of drugs for diseases and conditions of low incidence

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF OFFICE

SECTION 1. (a) There is established in the National Institutes of Health the Office of Drugs of Limited Commercial Value (hereinafter in this Act referred to as the "Office"). The Office shall be under the direction of a Director who shall be the Director of the National Institutes of Health.

(b)(1) There shall be in the Office an advisory council to advise the Director with respect to the Director's functions under this Act. The members of the advisory council shall be appointed by the Director. The membership of the advisory council shall not exceed nine members and shall include representatives of the pharmaceutical industry, medical profession, scientists involved in the development of drugs, and public interest groups.

(2) The advisory council shall, as appropriate, make recommendations to the Secretary of Health and Human Services respecting changes to shorten the time required for drug approval under the Federal Food, Drug, and Cosmetic Act.

FUNCTIONS OF THE DIRECTOR

SEC. 2. (a) The Director of the Office—

(1) may provide financial assistance to entities for the development of drugs of limited commercial value;

(2) may undertake the development of such drugs;

(3) may purchase for the developers of such drugs liability insurance for claims by the users of such drugs if the Director determines that the drugs would not be developed without such insurance;

(4) shall undertake studies to determine the scientific potential and the therapeutic need for the development of specific drugs of limited commercial value and the economic requirements involved in the development of such drugs;

(5) shall coordinate the efforts of public and private entities engaged in the development of such drugs and shall make recommendations to Federal entities with respect to their programs for the development of such drugs; and

(6) shall collect and make available information respecting public and private sources of financial assistance for the development of drugs of limited commercial value.

(b) The Director of the Office shall compile and keep current a list of drugs of limited commercial value. The Director shall publish guidelines for the submission of recommendations to the Director for inclusion of a drug on such list.

REQUIREMENTS FOR ASSISTANCE

SEC. 3. (a) No financial assistance may be provided under section 2(a)(1) unless an application therefor has been submitted to and approved by the Director. Such an application shall be in such form and submitted in such manner as the Director may require and shall contain—

(1) the scientific basis for the development of the drug with respect to which the financial assistance will be provided, the proposed therapeutic use of the drug, and the significance of such use;

(2) a detailed statement of—

(A) the basis for the determination by the applicant that the drug cannot be developed without financial assistance under section 2(a)(1);

(B) the expected expenses to be incurred in the development of the drug and the expected revenues from the drug during the ten-year period (or such other period as the Director shall specify) beginning on the date the drug is approved under the Federal Food, Drug, and Cosmetic Act;

(C) any unpredictable legal liability, shortages of personnel, facilities, or materials, special consultations, reviews, or tests, packaging, shipment, storage, or other distribution problems, or any other special or unusual circumstance affecting the development of the drug; and

(D) any drug development undertaken under previous financial assistance under section 2(a)(1);

(3) assurances satisfactory to the Director that the applicant is qualified to develop the drug and is capable of developing the drug in a cost effective manner.

(b) Financial assistance provided under section 2(a)(1) shall be subject to such terms and conditions as the Director may prescribe to protect the financial interests of the United States and to assure that funds paid out will be efficiently and effectively used. The Director may require that—

(1) any agreement entered into for financial assistance will, at the option of the Director, be subject to revision to reflect changed circumstances; and

(2) the recipient of funds will reimburse the United States for all or part of such funds (as specified by the Director) if the revenue from the drug developed with such funds exceeds such level as the Director may specify at the time the funds are first made available.

RECORDS AND AUDITS

SEC. 4. (a) Each entity which receives funds under section 2(a)(1) shall establish and maintain such records as the Director shall by regulation or order require. Such records shall include records which fully disclose (1) the amount of funds received and the disposition made of such funds by such entity, (2) the total cost of the project or undertaking for which such funds were made available, and (3) such other records as will facilitate an audit conducted in accordance with generally accepted auditing standards.

(b) Each entity which receives funds under section 2(a)(1) shall provide for a biennial financial audit of any books, accounts, financial records, files, and other papers and property which relate to the disposition or use of the funds and such other funds received by or allocated to the project or undertaking for which the Federal funds were made available. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the Federal funds received, each such audit shall be conducted in accordance with such requirements concerning the individual or agency which conducts the audit, and such standards applicable to the performance of the audit, as the Director may by regulation provide. A report of each such audit shall be filed with the Director at such time and in such manner as the Director may require.

(c) The Director may specify, by regulation, the form and manner in which the records required by subsection (a) shall be established and maintained.

(d)(1) Each entity which is required to establish and maintain records or to provide for an audit under this section shall make such books, documents, papers, and records available to the Director or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of such entity upon a reasonable request therefor.

(2) The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to carry out the purposes of this subsection.

DEFINITION

SEC. 5. For purposes of this Act, the term "drug of limited commercial value" means a drug for a disease or condition of low incidence which drug—

(1) is or may be unique or provide an advance in the diagnosis, prevention, or treatment of the disease or condition; and

(2) is commercially unavailable because—

(A) the estimated revenue from the sale of such drug is not sufficient for the development of the drug by private drug companies without Federal financial assistance;

(B) the estimated revenue from the sale of such drug is not sufficient for a private drug company to assume the cost of establishing the safety and efficacy of the drug for purposes of section 505 of the Federal Food, Drug, and Cosmetic Act; or

(C) exclusive rights to the development of the drug cannot be obtained.

EVALUATION

SEC. 6. The Director shall report to Congress not later than two years after the date of the enactment of this Act on the effectiveness of this Act in furthering the development of drugs of limited commercial value.●

NATIONAL WOMEN'S HISTORY WEEK

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Ms. MIKULSKI. Mr. Speaker, it is with great pleasure that I reintroduce a joint resolution designating the week of March 8, 1981, as "Women's History Week." It is especially appropriate to reintroduce this bill which aims to reclaim and rediscover the rich, proud history of American women on this day which is an historic event in itself. For today is Women's Rights Day in Congress, for which women have come from all over the country to make sure that the progress made by and for women in the last decade will not fade in the next. Today, women everywhere in this Nation will celebrate the gains we have made, and dedicate ourselves anew to the many challenges we face. Today, we pledge even more strongly our commitment to women's equity in employment, in education, in health care, in domestic relationships, in retirement, and in our old age. We look forward to celebrating Women's History Week in March with a deep sense of pride in the contributions women have already made to the life, thought, and institutions of this great Nation. We intend to continue this proud tradition into the future.

Mr. Speaker, I insert the resolution in the RECORD:

H.J. RES. 162

Joint resolution designating the week beginning March 8, 1981, as "Women's History Week"

Whereas American women of every race, class, and ethnic background helped found the Nation in countless recorded and unrecorded ways as servants, slaves, nurses, nuns, homemakers, industrial workers, teachers, reformers, soldiers, and pioneers;

Whereas American women have played and continue to play a critical economic, cultural, and social role in every sphere of our Nation's life by constituting a significant portion of the labor force working in and outside of the home;

Whereas American women have played a unique role throughout our history by providing the majority of the Nation's volunteer labor force and have been particularly important in the establishment of early charitable philanthropic and cultural institutions in the country;

Whereas American women of every race, class, and ethnic background served as early leaders in the forefront of every major progressive social change movement, not only to secure their own right of suffrage and equal opportunity, but also in the abolitionist movement, the emancipation movement, the industrial labor union movement, and the modern civil rights movement;

Whereas despite these contributions, the role of American women in history has been consistently overlooked and undervalued in the body of American history: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning March 8, 1981, is designated as "Women's History Week", and the President is requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

WOMEN'S RIGHTS LOBBY DAY

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. OBERSTAR. Mr. Speaker, Women's Rights Lobby Day is an opportunity to reaffirm the fundamental commitment of this Nation that the rights of any citizen shall not be abridged because of sex. Today's observance of the need to rededicate our efforts to assure equal rights comes at an important juncture in America's history.

More women are serving in this 97th Congress than in any previous Congress. Yet not enough were elected. No woman has served on the U.S. Supreme Court and none has been President. The U.S. Senate counts only two women among its Members. Equality cannot be achieved when women are politically and economically disadvantaged.

Most of us are aware of the inequalities which exist between men and women in our country. Women earn an average of 58 cents for every dollar earned by a man. Women continue to face obstacles in pursuit of career opportunities. Inequitable laws and prejudicial attitudes affecting the treatment of women in the courts, employment, homeownership, social security, retirement, and childrearing need to be reformed.

I remain committed to the goal of ratification of the equal rights amendment. I am pleased that the Minnesota State Legislature acted early to ratify the amendment. Just over 1 year remains for the ERA to be ratified. We must redouble our efforts to secure the ratification by three more States of this guarantee of equality.

The 97th Congress dawns in a new decade and under a new administration—one that claims to be in favor of equal rights for women, but one that does not support the equal rights amendment. I challenge this new administration and this new Congress to work for the reforms espoused during the Presidential election campaigns. We must persist in changing those laws and regulations which perpetuate obstacles and stereotypes and which foster continued discrimination against a major segment of our population.

In this Congress and in past Congresses I have introduced legislation to reform laws blocking the achievement of equality by women. Recently, I reintroduced legislation in the 97th Congress to end discrimination against women in both the Railroad Retirement Act and the Social Security Act. Proposed amendments to each would grant full spouse or widow's benefits to disabled women. Amendments to the Railroad Retirement Act would continue benefits to remarried widows and would provide benefits to divorced spouses of railroad workers.

In the near future, I plan to introduce legislation addressing inequities women face in the armed services entrance standards and legislation supporting alternatives to abortion, including aid to unwed mothers, and prenatal and postnatal maternal and child health care assistance. I continue to support those programs which aid the welfare of women such as the Domestic Violence Prevention and Services Act and the child health assistance program.

I applaud the efforts of the women from across the country who have arrived in Washington to participate in the hearings and to lobby for women's rights. I also congratulate the Congresswomen's Caucus for inviting experts and spokespersons from so many fields to testify and highlight the needed changes in the law and the attitudes of society.

Our work toward the goal of equal opportunity for all must not start and stop on this day. This day of education should cause us to renew and reaffirm with increased vigor our commitment to equal rights for all persons in American society.●

WORLD FREEDOM DAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. DERWINSKI. Mr. Speaker, an annual event in Taipei, Taiwan, Republic of China, is World Freedom Day. This commemoration encompasses a series of programs and rallies which are held in support of freedom for those peoples held captive under communism. It is important for us to note the grassroots spirit that emanates from the people of the Republic of China. In view of this tremendous significance, I wish to insert the "Declaration of Freedom" from the rally held in Taipei on January 23:

DECLARATION

1981 WORLD FREEDOM DAY RALLY OF THE REPUBLIC OF CHINA, TAIPEI, JANUARY 23, 1981

Together with freedom-fighters from all the world regions, we the representatives of the Republic of China's various circles have today assembled in Taipei to further promote the "World Freedom Day" Movement. This symbolizes the 'mighty strength of freedom and justice that will, like thunder and gale, ever more sternly challenge Red tyranny and bring unlimited light to the future of anti-Communist endeavor.

The dark current of international appeasement in the 1970s fanned the fires of Communist aggression and expansion, pushing the free world toward wars. But the fully exposed evil characteristics of Communists and their communization ambition made free nations wake up from delusions and see unequivocally that so long as Red forces persist, threats to man's freedom will not cease.

Results of these experiences and lessons are:

—The strength of all those who love freedom became converged. Voices are unanimous that freedom no longer permits infringement by Communists. Opposition has been raised to Moscow's aggressive moves and threats against East Europeans, Latin Americans, and Africans, to the Red Chinese enslavement and oppression of Chinese mainland people, and in particular to the insidious Soviet suppression of the Polish workers' campaign for freedom.

—The steps of all those who love freedom became orderly. Voices are unanimous that world peace no longer permits destruction by Communists. Opposition has been raised to Moscow-directed proxy wars, to Chinese Communist infiltration and subversion against free nations, and in particular to the Soviet invasion of Afghanistan and the accompanying mounted threats of war to free nations.

—The will power of all those who love freedom became enhanced. Voices are unanimous that free nations no longer will stand Communist deceit. Opposition has been raised to Moscow's unending armament drive, to further pursuance of the evil-breeding policy of "alliance with Chinese Reds for the checking of Russians," and in particular to imposition of pressures on free nations with double-standard human rights policies.

The 1980s will be the decade to decide the rise and fall of free forces and Red forces. The "World Freedom Day" Movement must continue towards its established lofty goal, guiding man's struggle for freedom and assuring stepped-up development of the new anti-Communist situation.

We are convinced that man's freedom, national unity and world peace are indivisible. If mankind is to have adequate human rights and freedom, national integrity must be free from destructive forces. If the world is to rid itself of troubles and wars, man's strength for freedom must be pooled and brought against Red tyrannies for their decisive end.

We are convinced that peace, security and prosperity are not possible in the absence of freedom. If all the world regions are to be genuinely peaceful, the independence and security of all free nations must be positively assured. If all people of the world are to enjoy lasting well-being in prosperity, man's strength for freedom must be pooled and brought against Red trouble-makers for their decisive end.

We are convinced that history, culture and ethics are the lifelines of peoples, that land, people and sovereignty are the fundamental elements of nations, and that man's common wishes are for harmony, progress and happiness. If each and every people is to live long in harmonious, progressive and happy society, with freedom for all from fear and want, man's strength for freedom must be pooled and brought against Communism and Communist systems for their decisive end.

That tyranny shall perish is the rule of history, repeatedly proven down through the centuries. The rift and struggle of the international Communists and the rise and growth of those who stand for freedom conclusively indicate that the split Red bloc will fall apart.

We have seen the development of liberalization campaigns within the Soviet Union and the growth of East European drives toward national independence. The Polish workers are vehemently challenging Communism. The Afghans are resolutely opposed to aggression. These are large-scale demonstrations of national potentialities. Moscow has nuclear weapons but will be engulfed and washed away by the surge for freedom.

We have seen the Chinese Communist regime, one that rules with totalitarian force, torn apart and pushed to the verge of a total collapse by the endless cycle of internal power struggle. The recent trial of the Lin Piao and Chiang Ching cliques has further exposed the crimes and ugly faces of the rulers. The internecine dispute will bring another ruthless series of purges and struggles. The bankrupt "four modernizations" will seriously aggravate the social confusion. People on the Chinese mainland will rise for ever fiercer steps against Communism and for freedom. The Red Chinese regime will be crushed under the weight of free forces.

We have seen that although the Communists of Korea, Vietnam, Cambodia and Cuba are ambitiously attempting to have their bellicose ways and fish in the troubled waters of the world, free nations have risen for the cause of anti-Communism, are forging unity for common defense, and will keep on checking Red expansion on many fronts. The collapse of the Communist pillars will be accompanied by the defeat of those Red lackeys before the battle formation of the freedom camp.

We also have seen the United States reviving her stand for freedom and justice, as indicated in President Reagan's inaugural warning to the "enemies of freedom" that as for peace, the United States will negotiate for it, sacrifice for it, but will not surrender for it—now or ever. We earnestly hope that President Reagan will give full play to his determination to defend freedom, reverse the situation of the 1970s when the Russians and the Chinese Communists were allowed to deal as they wished with free nations, and furthermore take active steps to repulse willful Red international united front moves.

We furthermore have seen the Republic of China making rapid progress through adversities, growing vigorously in unity and stability with effective democratic constitutional rule. Our successful national construction has brought increasingly better life to the people and enhanced the confidence of our compatriots, including those abroad and those behind the mainland enemy line, that our anti-Communist national revival mission will succeed. Our brilliant accomplishments are in sharp contrast with the backwardness, autocracy, poverty and chaos under the tyrannical Red Chinese rule. Quite clear is the inevitability of the regime's defeat by all the Chinese who stand for freedom.

International developments are rapidly unfolding. Freedom forces are growing remarkably. This is an opportune moment for the Republic of China to pool strength for freedom and justice and carry out her mainland recovery mission. The growth of the "World Freedom Day" Movement is a forceful support to our anti-Communist national mission.

At this advantageous juncture, all the Chinese and other freedom-fighters of the world shall strengthen unity and strive on as follows:

We must make the "World Freedom Day" Movement ever more effective, spread our voices condemning the Chinese Communists for their crimes against the nation and people, bring together all those of Chinese blood at home and abroad who oppose slavery, and push further political landing to destroy the Peiping rebels.

We must, as we make the "World Freedom Day" Movement ever more effective, spur an all-out anti-Communist revolution of our 900 million compatriots on the mainland. We must help them destroy Communist tyranny and tear down the Iron Curtain from behind it.

We must, as we made the "World Freedom Day" Movement ever more effective, bring together all the other freedom-loving and justice-respecting nations and peoples, particularly the United States of America, and strive with them for Asian-Pacific common security and for the freedom of the region's inhabitants.

We must, as we make the "World Freedom Day" Movement ever more effective, assure that the new U.S. Administration abides by President Reagan's pledge to strengthen historic ties with all those neighbors and allies who share America's ideal of freedom, and see that the United States returns to normalized relations with the Republic of China, abandons the mistaken policy of "allying with the Chinese Reds for the checking of the Soviets," and suspends all forms of aid—weapons, other military supplies, knowhow or economic assistance—that may help the Chinese Communists grow and join hands with the Soviets for treacherous steps against Americans.

Fellow countrymen and all the freedom-fighters of the world: The opportunity of our Chinese mainland compatriots' return to freedom is growingly riper. The future of the free world is increasingly brighter. Let us strive together ever harder. Let us put a decisive end to Communist slavery and rule of force. Let us make the 1980s begin a lasting era of victorious freedom.●

DR. VIKTOR BRAILOVSKY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. WEISS. Mr. Speaker, the plight of jailed Soviet refusenik Dr. Viktor Brailovsky raises issues of concern to all Americans. Public discussion of these matters will help all of us better understand the urgency of Dr. Brailovsky's situation, and of others who suffer the same treatment.

When Dr. Brailovsky was arrested by Soviet authorities November 13, 1980, the historically poor response to the rights of Jews by the Soviet Union dipped still lower. Brailovsky first began speaking out against Soviet harassment of Jews wishing to emigrate in 1972 after his application to leave with his family had been denied. His knowledge of so-called scientific secrets was cited as the reason his exit visa was denied. As a result of this experience, Brailovsky began working on the unofficial journal, "Jews in the U.S.S.R.," which is devoted to Jewish history, culture, and religion in the Soviet Union, Israel, and around the world. He also became active in refusenik programs and was a leader of the Moscow Sunday Seminar, created to facilitate discussion of scientific and other matters among Soviet Jews who had been prevented from emigrating.

When he was granted permission to leave in 1976, his wife—also a scientist—was denied the right to emigrate for the same reason her husband had been prevented from leaving 4 years earlier. He refused to leave without his family. Soviet authorities later admitted that Irina Brailovsky had never been involved in secret work. This attempt to separate the Brailovskys violates the Helsinki accords and is a gross abuse of fundamental international human rights. The claims of safeguarding state secrets used by Soviet authorities were nothing more than a smokescreen to hide injustices in Soviet emigration policy. The mistreatment of Viktor and Irina Brailovsky, which I have merely outlined briefly, opens on to a broader picture of abuse of rights and mistreatment of Soviet Jews.

All the world knows of the injustices suffered by Soviet Jews, who constantly struggle with Soviet authorities for freedom to practice their religion and for the basic human right of freedom to emigrate. Only in the last 12 years have Jews been able to emigrate without indiscriminate opposition and harassment by Soviet authorities. And even now that an official process for emigration has been established, the Soviet Government continues to make emigration a difficult and exhausting ordeal, often practically unobtainable for Jews. And there is no clearly foreseeable end in sight to this struggle.

This is why Viktor Brailovsky's ordeal is important to us. This courageous man has been singled out by Soviet authorities for daring to stand up to injustice. Brailovsky now is languishing in a Moscow prison, apparently poorly cared for and in failing health. His wife has not been allowed to visit him, and her inquiries regarding his health have been ignored.

The case of Viktor Brailovsky deserves close attention by all Members of Congress. So long as the rights of Soviet Jews are abused, there can be no assurance of freedom or justice in the Soviet Union.●

SRI LANKA'S ANNIVERSARIES

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. YATRON. Mr. Speaker, February 4 is a day of great importance to the people of Sri Lanka. Not only is this day the 33d anniversary of their independence, but it is their 50th anniversary of the granting of universal adult franchise. In 1931 elections were held at the national level in Sri Lanka for the first time. Since that date, all elections in the country have been held on this basis. Today, every citizen of Sri Lanka has the right to vote when they reach the age of 18.

The people of Sri Lanka—meaning resplendent land—are committed to establishing a growing economy while maintaining democratic liberties and providing a wide spectrum of needed government services. In recent years, great gains have been made in the fields of political development and awareness, education, health, and other basic needs. Their economy has made significant gains due to the liberalization of trade and a concentration of major development projects.

I know my colleagues will join me in congratulating the people of Sri Lanka on their 33d anniversary of independence and in wishing them every success in the future. They are certainly to be commended for their continued dedication to democracy and liberty.●

THE FUTURE OF METRO

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. WOLF. Mr. Speaker, the Metro public transit system provides vital service to communities in the Washington metropolitan area. I fully support the present system and its expansion into more communities because I believe that local taxpayers who fund Metro deserve an integral and efficient service for their tax dollars.

I would like to bring to the attention of my colleagues a recent article in the Washington Post that discusses the possibility of local governments in Virginia and Maryland replacing Metrobus with county-owned or chartered bus systems. Local governments are considering this possibility because they can no longer afford to subsidize transit workers' costly labor contracts that are usually a product of binding arbitration.

As the article indicates, the binding arbitration provision in the Metro compact has not only failed to fulfill its purpose of preventing transit strikes, it has also taken away Metro's right to bring up the issue of its ability to pay during the collective bargaining process. As a result, Metro's labor costs have skyrocketed and the burden on local taxpayers and users of public transportation has drastically increased.

Mr. Speaker, it is essential that Metro remain a financially healthy, unified system for the communities that support it. For this reason, I will soon introduce legislation that provides congressional consent for the elimination of the binding arbitration requirement from the Metro compact.

The article follows:

[From the Washington Post, Feb. 1, 1981]

SUBURBS SPURNING METRO BUS SERVICE

(By Douglas B. Feaver)

Montgomery County is forsaking federal aid and spending $12 million of its own money for 155 new buses to expand its neighborhood Ride-On system and retain the option of replacing Metrobus service in the county. Ride-On is not small potatoes; it carries 20,000 passengers a day.

Fairfax County is studying how to replace Metrobus service east of Shirley Highway and south of the Capital Beltway with county-owned or chartered buses.

Prince George's County is talking to private bus companies to see if they would like to replace Metrobus on some routes, perhaps with a county subsidy.

These events have been spurred by the costly contract Metro has with its 5,000 unionized transit workers and, may spell the beginnings of a major change in transit here. Instead of one Metro system to serve D.C. and the Maryland and Virginia suburbs, there could well be Metro's subway and five or six different bus systems, each marching to a different local drum.

Fares, schedules, availability of information and the quantity and quality of bus service differ confusingly from section to section of Metro's service area today. One only can imagine it getting worse with many little systems, doing different things at different times, charging different fares, but each ultimately centered on a subway station.

As local governments consider their alternatives, the questions they face are these:

The price of leaving Metro would be to do without federal aid for the purchase of buses, building of garages and salaries of drivers. Would enough be saved in labor costs over the long term to offset that price?

Would the escape from the types of costs and problems Metro faces be real, given the probability that labor will organize county-owned bus operations?

That is half the story. On another front, state Sens. Adelard Brault (D-Fairfax) and Thomas Patrick O'Reilly (D-Lanham) are pushing bills in the Virginia and Maryland legislatures that would amend the law requiring Metro and its unions to settle disputes through binding arbitration. In the opinion of Metro management and local government analysts, the provision gives the union a great advantage.

It was vigorously sought by the Amalgamated Transit Union in 1972, when Congress was writing legislation to permit Metro's takeover of four privately owned area bus companies. The purpose was to guarantee the absence of transit strikes in the nation's capital.

It has not done that. There have been several wildcat strikes, including one that tied up the city for eight days during a heat wave in 1978. But the provision has deprived Metro of the classic management right to insist it will pay no more than a certain figure. Exercise of that right, of course, would imply willingness to accept a strike.

Walter Bierwagen is international vice president of the Amalgamated Transit Union, a former leader of Local 689, which represents most of Metro's transit workers, and a skillful Capitol Hill lobbyist. "The greatest things we have achieved have been in negotiation or in arbitration," he said. "I can't think of anything significant we have won out of a strike situation."

A change in the binding arbitration requirement would have to be adopted by the Maryland and Virginia legislatures, the D.C. City Council and Congress. Only in Virginia would passage of something perceived as antilabor be automatic.

But this is the year of Ronald Reagan and of the new conservative Congress, the year of mounting budget problems in the District of Columbia, which pays dearly for Metro service, and the year of heavy cutbacks in the rural Maryland highway program because of heavy transit demands on the state transportation fund from both the Baltimore and Washington areas.

Metro General Manager Richard S. Page has decided to push for the change, but it is not certain he will be backed by the Metro board, some of whose members talk tough in public but become panicky at the prospect of a transit strike.

"Lots of people say this is not the practical thing to do," Page said. "I didn't think it was either, but times have changed. I'm not anti-union; I am anti-compulsory arbitration. . . . I believe in collective bargaining, because in collective bargaining one of the primary issues that must be considered is the employer's ability to pay. . . . It was not considered in this [most recent] arbitration, and I don't think compulsory arbitration permits it to be considered. . . ."

As a result of the arbitration award in January, Metro's bus drivers and subway train operators make $22,000 a year before overtime. While inflation continues, their raises come without regard to local government budgets. They automatically get a raise four times a year, and it matches the rate of inflation for the first 9 percentage points, then matches approximately two-thirds of each additional point.

Local and state governments are paying more than $110 million in subsidies for Metro this year and are being asked to pay about $160 million next year. Almost two-thirds of that subsidy is for bus service. The salary protections for Metro's employes exceed those for schoolteachers, policemen and firemen and thus raise difficult fairness issues for local governments.

While some of the talk about leaving Metro is political saber rattling, much of it is real. Montgomery County's Ride-On has demonstrated the success of a locally controlled and operated bus system that concentrates on neighborhood service and feeds a regional subway system. Ride-On's ridership has shown a 10 percent increase in the past year.

In 1980 it cost Montgomery County $20.50 per hour (without subtracting fares) to operate Ride-On and $37 per hour to operate Metrobuses on Montgomery County routes. Ride-On cost 80 cents per passenger per trip to operate; the passengers paid an average of 28 cents. Metro cost 95 cents per passenger per trip; passengers paid an average fare of 51 cents.

The salaries for Ride-On drivers start at $12,900 per year and reach a maximum of $17,443. Ride-On can use as many part-timers and substitutes as it wants. These are categories unions traditionally oppose.

Metrobus drivers start at $16,827 and in 30 months are eligible for the maximum, before overtime, of $22,432. With bonuses for night work, snow days, overtime, charters and the other goodies, many take home $25,000. Last year, 142 drivers made $28,000 or more and two drivers made more than $40,000.

Total part-timers at Metro cannot exceed 10 percent of the full-time force, and there is no such thing as a substitute; Metro must employ enough drivers at full-time salaries to run the schedule even if there are several absences.

Thus, savings are possible in labor. What about other costs?

By buying its own buses, Montgomery County is foregoing $9.6 million in federal aid. On the other hand, county taxpayers avoid two federal strings; they do not have to guarantee that the buses will not take jobs away from unionized employes (Metro drivers) and they do not have to equip every other bus with a wheelchair lift.

"I regard Ride-On as a positive, constructive adjunct to Metro," said Montgomery County Executive Charles Gilchrist, before dropping the other shoe. "Inevitably, as the cost of Metro increase, I think Ride-On does become significant as a potential alternative to a greater or lesser degree."

In addition to the loss of federal aid, there is another reason the long-term savings of Ride-On might not be as real as the short-term ones. Both the Amalgamated Transit Union and the American Federation of State, County and Municipal Employees are attempting to unionize Ride-On drivers.

Despite right-to-work laws, bans on collective bargaining and other devices that governments, particularly in Virginia, devise to keep public employes in line, aggressive unions have found ways to recruit and bargain. Local governments will have to ask themselves if there is really a gain if they leave Metro and wind up with a more vigorous, more militant labor union (AFSCME) than the one they have now (ATU).

John F. Herrity, chairman of Fairfax County's board of supervisors, said his biggest problems with Metrobus are work rules such as those that limit part-timers and forbid substitutes. He hopes to avoid them in the county's plan to replace Metrobus south of the Beltway and east of Shirley Highway, the area that will feed the future Huntington subway station.

Prince George's County Executive Lawrence J. Hogan gets at the gut issue for many politicians. "Within a few years, a Metrobus driver is going to make $42,000," Hogan said. "That's absurd. The public is not going to stand for it."

Talk by suburban governments about leaving Metrobus has traditionally bothered District of Columbia politicians. Sterling Tucker, former chairman of the D.C. City Council, put it best. "We would have what's left," he said.

Metro has been stuck with the cost-of-living protection clause guarded by binding arbitration since it began running the buses in 1973. It happened like this:

In December 1972, with service deteriorating rapidly, Congress approved a $70.8 million grant for Metro to take over four area bus systems, but required Metro to honor existing labor contracts and to use binding arbitration.

The contract was expiring between the drivers and mechanics at the D.C. Transit System, the biggest of the four companies, and a strike appeared imminent. Congress permitted Metro to observe the negotiations but not to participate. The union pursued full cost-of-living protection as its first priority, and the company resisted for a while. But with no financial stake other than to remain whole until the takeover, D.C. Transit agreed to Local 689's demand for the clause.

Metro labor relations specialist Peter Sheehan was the official observer, and he sat by helplessly, although he protested the union's cost-of-living proposal.

"I have felt like a castrated bull in a cow barn," Sheehan's notes say he said after the settlement was reached. "I would like to have done something, but haven't got the equipment. Considering the situation [Metro] finds itself in, it seems fair to say that you have resolved the differences between you in a fair and equitable manner . . ."

Senior staff members at Metro, including General Manager Jackson Graham, considered rejecting the contract because of the clause, but the debate never reached the board in public session. The pressures to accept the contract were too great. The money for the takeover, complete with federal strings, was in the bank. Transit service in the Washington area was disintegrating, and the first small subway line was still at least three years away.

There was another factor. "Cost-of-living wasn't as big a deal at that time," Graham said in a recent interview. "We were talking only about 5 or 6 percent annual inflation." In a recent quarterly adjustment. Metro had to pay its drivers the equivalent of an 18-percent increase.

Metro has tried to modify or eliminate that cost-of-living clause in every subsequent contract, and the issue always has gone to arbitration. The recent contract guarantees full quarterly cost-of-living protection for the first 9 percentage points of inflation before there is any reduction in full percentage protection. That contract contains the first modification of the cost-of-living clause since the takeover.●

REBUILD U.S. DEFENSES NOW

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. FINDLEY. Mr. Speaker, even before the United States rebuilds its defenses through increased spending, there is talk of avoiding those spending increases through arms control negotiations. This, of course, was the policy pursued in the seventies which has now left us militarily inferior to the U.S.S.R. While the United States believed that SALT I had brought the nuclear arms race under control and steadily decreased the percentage of its GNP devoted to defense, the Soviets increased defense spending and built a strategic military arsenal many believe to be superior to our own.

The first priority of the Reagan administration and of the 97th Congress should be to enhance U.S. defense forces to provide a margin of safety for the United States. Only when we are sure that we have arrived at that point can we then discuss East-West arms control negotiations or defense budget cuts.●

VIKTOR BRAILOVSKY, WORLD RENOWNED SCIENTIST

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. GONZALEZ. Mr. Speaker, it has again come to my attention that a Russian refusenik, Viktor Brailovsky, a world renowned scientist, has endured serious hardships and undue suffering after making a formal request for permission to leave the U.S.S.R. and emigrate to Israel with his family. Their first request came in October 1972, and in January 1973, the Brailovskys received their first refusal.

Viktor lost his teaching position at Moscow University in 1973, and subsequently joined a scientific seminar for unemployed Jewish scientists awaiting permission to emigrate. In 1976, the Soviets used a common tactic of granting permission to Viktor to emigrate, but he refused to leave without his wife and children. Since 1972, he has been harassed repeatedly with several arrests and home searches. The searches resulted in the confiscation of books on Jewish culture and history. He was arrested again in April 1980 for his role as an editor of the unofficial journal, Jews in Russia. Although released, he remained under investigation for allegedly slandering the Soviet State. If officially charged it could mean up to 3 years of imprisonment in a labor camp.

Still imprisoned, this long-time refusenik and prominent scientist has become seriously ill. The investigation has stopped since his condition has deteriorated so greatly.

Brailovsky's real crime is his desire to emigrate, with his wife and two children, to Israel. His plight is evidence that the Soviet Government is not adhering to the provisions of the Helsinki accords.

Those who want cultural and religious freedom, such as the Brailovskys, should not be silenced and forced to subsist in such an environment as the Soviet Union. Therefore, a constant vigil and awareness of the predicament facing Soviet Jews who wish to emigrate must be maintained. The 100,000 who have asked permission to emigrate must be allowed to practice their basic human rights. To stop such oppression many steps must be taken—we must first begin by recognizing and showing our concern for Viktor Brailovsky. Everything within

our power must be done to assure that countries who are part of the Helsinki accord abide by their word and prevent such atrocities and harassment carried out by the Soviet Union.●

THE ECONOMICS OF AUSTERITY—OR JOY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. LaFALCE. Mr. Speaker, the postelection period has been characterized by wide swings from uninhibited euphoria to dark calls for a Dunkirk economic emergency. Although this has provided the media with grist for undernourished mills during this traditionally news-short period, it has contributed very little to a comprehensive examination of what the issues really are and what are possible solutions.

Fortunately, Prof. Herbert Stein, Chairman of the Council of Economic Advisers under Presidents Nixon and Ford, has provided a sobering assessment and analysis of the real issues and possible solutions to our real economic problems in the December 30, 1980 edition of the Wall Street Journal. I want to particularly emphasize Professor Stein's warning: "But economists who are candid will admit that they don't really know what is best. If they understand the problem, politicians, political philosophers, and editorial writers will also admit they do not know the answers but have only opinions." Such humility may be painful, but it is necessary for a constructive approach to this Nation's serious economic problems.

The article, entitled "The Economics of Austerity—or Joy," follows:

THE ECONOMICS OF AUSTERITY—OR JOY

(By Herbert Stein)

We are all conservatives now—since November 4. And now it is necessary, of course, to have two or more schools of conservatism, since universal agreement would be intolerable. In the field of economic policy, the press has identified two schools for us. They are variously described as demand-siders versus supply-siders, old-time religionists versus new populists, expansionists versus contractionists, believers in the economics of austerity versus believers in the economics of joy.

These labels both exaggerate and confuse the real issues. Clarification begins, I believe, with recognizing the distinction between the real world and the nominal world—between the world of the volume of output and inputs on the one hand, and the world of the value of the output and inputs in changing prices, which in our experience means rising prices.

In what mainly concerns economic policy today we have a big real-world problem and a big nominal-world problem. The real-world problem is that real output per hour of work has been growing too slowly. From 1973 to 1979 it rose at an annual rate of only 0.7%, compared to 2.9% per annum between 1948 and 1973. This slowdown curtails the ability of people to enjoy higher living standards and most of the other things they expect from an effective economy.

CHIEF CAUSE OF RECENT INFLATION

The nominal-world problem is that total expenditures for the purchase of goods and services—by consumers, businesses and households—have been rising too rapidly. This total—which equals nominal gross national product—rose at an annual rate of 10.4% from 1973 to 1979, compared to 6.7% per annum from 1948 to 1973. This rapid rise of nominal GNP is primarily responsible for the recent high rate of inflation.

Thus, we have two requirements. We want to speed up the rise of productivity. On this we are all agreed, and in this sense we are all expansionists. We want to slow the rise of nominal GNP. On this we are all agreed, and in this sense we are all contractionists.

To some degree the pursuit of either of these two objectives helps achieve the other. Speeding the growth of productivity will help reduce the amount of inflation. Reducing the rate of inflation will help to speed the growth of productivity. Insofar as this is true there is no conflict between the two objectives.

There would also, I believe, be agreement about some of the measures needed to achieve the two objectives. There would be widespread agreement about the need to reduce tax rates as a way to accelerate productivity growth and about the need for monetary restraint as a way to slow down the rise of nominal GNP and so reduce the inflation.

But conflicts do exist between the two objectives. The appraisal of these conflicts accounts for most of the main issues of policy today, including how far and how fast to proceed with tax reduction and with monetary restraint. Three issues are most important:

Question 1. If the revenue loss from tax rate reduction outruns the reduction of government expenditures, so that budget deficits remain large or increase, will that prevent an anti-inflation program from succeeding? This is partly a question of the relation between the budget deficit and Federal Reserve policy. Conventional wisdom holds that the Fed can restrain inflation only if assisted by fiscal policy. Empirical studies of the relation between the Federal budget deficit and the policy of the Federal Reserve are inconclusive. There does not seem to be any economic reason why a budget deficit should force the Fed into more monetary expansion than it wants. There may, however, be political or psychological reasons.

Another relation between the budget deficit and the anti-inflation side of the policy is possible. The anti-inflation effort is more likely to succeed if it is generally expected to succeed than if it is not. If the private sector interprets the prospects of continued large deficits as a sign that the inflation will continue, that will obstruct the anti-inflation effort, even though that interpretation has no valid economic foundation.

Question 2. If a reduction of tax rates increases the budget deficit will the result be to speed the growth of productivity or to slow it? A reduction of tax rates will increase the incentive to invest and to save and will also increase the after-tax incomes out of which savings come. This stimulates productivity. On the other hand, the deficit "crowds out" private investment, and that tends to slow productivity growth. Whether the positive or the negative effect predominates will depend on the character of the tax cut. The positive effect is more likely to predominate if the cut applies to the 70% top rate on personal income or to the taxation of corporate profits than if it applies to the bottom 14% rate of personal income tax. But whether the net effect of the broad-based tax cuts now under consideration is positive or negative is uncertain.

Question 3. Is it possible to slow the growth of nominal GNP at a rate that will produce a satisfactory and credible decline of inflation without causing a decline in the rate of growth of productivity? The conventional view of the disinflationary process runs like this: Slowing down monetary growth slows the growth of nominal GNP. The rise of prices and wages does not, however, slow down as much as the rise of nominal GNP, because of existing contracts and continuing inflationary expectations. As a result there is a period during which *real* demand, and therefore real output, grow more slowly. After a time the behavior of prices and wages does respond more to the slowdown of demand, the inflation rate falls, and real output regains its former growth path.

In fact, output may grow more rapidly after this transition than before, as the lower inflation creates an atmosphere more conducive to increasing productivity. But during this transition the rise of productivity will be retarded, because capacity utilization and profits will be down, and for other reasons. The duration of this transition is uncertain.

There is a more optimistic scenario. It starts with tax cuts and regulatory reform increasing the rate of productivity growth. Given the rate of wage increase, this reduces the rise of unit labor costs, which in turn reduces the rise of prices. With prices increasing more slowly wages will also increase more slowly and this will further reduce the rate of price increase. Observation of the fact that prices are rising more slowly will generate expectations of an approach to greater price stability, and this change of expectations will help the process along.

This process has to be accompanied by gradual restraint of monetary expansion and of the rise in nominal GNP, so that the process is not derailed by the emergence of excess demand. But the engine of disinflation in this process is the acceleration of productivity, which initiates a downward spiral of cost increases, rather than restraint of money and demand to enforce a decline of cost increases. In this scenario there need be no transitional recession and no transitional retardation of productivity growth.

The trouble with this scenario is that the disinflationary trend will be quite shallow if, as seems probable, the acceleration of productivity comes slowly. The result will not be to generate great confidence that we are on the way to a significantly and permanently lower inflation rate. This skepticism will be heightened if the government's policy is interpreted as implying extreme aversion to tolerating any increase of unemployment, because that aversion has been the Achilles' heel of anti-inflation policies in the past. It may be too late for the degree of gradualism implied by this scenario.

Differences of opinion about these issues can lead to a number of strategies for policy, which may be summed up in a matrix of two instruments—tax cuts and monetary restraint—and two modes of their use—hard commitment and gradualism.

Strategy A: Hard commitment to large, prompt tax cuts and tentative gradualism on monetary restraint. If large tax cuts, implying large budget deficits, do not interfere with anti-inflationary policy or retard productivity, and if the country can stand a very slow reduction of the inflation rate this is the proper policy combination. It will presumably do what can be done to accelerate productivity growth and will tailor monetary policy to accommodating the rate of cost decline that results.

Strategy B: Gradualism on tax cuts and hard commitment to monetary restraint. Tax cuts would be confined to those likely to have the highest payoff in productivity, for fear that large deficits would obstruct monetary restraint and crowd out private investment. Monetary policy would be committed to getting the inflation rate down to a negligible level in a visible period, not longer than four or five years, regardless of the transitional costs in unemployment, lost output and retarded productivity growth. This would reflect the belief that further gradualism and apparent indecision about inflation will lead to an inflationary explosion.

TREADING A TIGHTROPE

Strategy C: Gradualism on both tax cuts and monetary restraint. There would be another effort by monetary policy to walk the narrow path between accelerating inflation and a transitional recession, and tax cuts would be limited in order to avoid the possible adverse effects of deficits on monetary policy and inflationary expectations in this context.

Strategy D: Hard commitment on both monetary restraint and tax cuts. This policy would involve the same commitments on the monetary side as in strategy B, and for the same reasons. It does not however, accept the notion that large budget deficits need to divert monetary policy from this restrictive course. It prefers to push forward with tax cuts now to lay the groundwork for a later revival of productivity growth, even though the rigorous anti-inflation policy means that there will have to be a transitional period of slow growth first.

Economists will have different opinions about the issues outlined here and different preferences among the four strategies. I would rank the strategies in the order B, D, C, A. But economists who are candid will admit that they don't really know what is best. If they understand the problem, politicians, political philosophers and editorial writers will also admit they don't know the answers but have only opinions. The first requirement of a constructive discussion is to try to decide what the issues are, and not to sort people into irrelevant categories.●

FREE VIKTOR BRAILOVSKY

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Ms. FIEDLER. Mr. Speaker, I am happy today to join with my colleague from New York (Mr. FISH) in denouncing the treatment being given to Dr. Viktor Brailovsky. This scientists, whose only crime was that of wishing to leave the oppression and tyranny of the Soviet Union, languishes today in a Soviet jail gravely ill.

While we, as Americans, hail the return of our hostages from Iran, we should be ever mindful that there are many other hostages held in many other places in this world. Our compassion for them should be no less than our compassion for our countrymen.

I am happy today to join with my colleagues in sponsoring the concurrent resolution calling for the immediate release of Dr. Brailovsky and calling for the strongest possible actions on the part of the United States to insure that those who wish to leave the clutches of oppressive regimes be allowed to do so.●

FREE VIKTOR BRAILOVSKY

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. HYDE. Mr. Speaker, I want to join my colleagues in the House in expressing my concern over the plight of Dr. Viktor Brailovsky, the prominent Soviet scientist and leader of the Soviet Jewish emigration movement, who has been imprisoned since last November. According to his wife, Dr. Irina Brailovsky, the doctor is not receiving adequate medical attention and care for a serious liver ailment and his health is deteriorating rapidly.

Dr. Brailovsky has been subjected to 8 years of continuous harassment by Soviet authorities. He has lost his job and been arrested and jailed numerous times; his home has been ransacked by the KGB.

In an article published in the Los Angeles Times of December 5, 1980, Mrs. Brailovsky writes:

> Viktor Brailovsky was arrested because he wanted to remain true to himself; he did not want to deteriorate spiritually or to submit to the order that he abandon his scientific calling. He was arrested because he hung on and helped others to hang on—dozens of our friends. He was arrested because he remained a pure and honorable man.
>
> My husband is in prison for a reason simple enough to be understood by a child: The authorities failed in their attempts to frighten him, to crush him morally and to entangle him in the sticky cobweb of the KGB.

This case reminds us, yet again, of the cruelties practiced by the Soviet totalitarian state. We have a grave responsibility to speak out for Dr. Brailovsky and others like him and help focus world attention on the inhumane and oppressive activities of the Soviets who make a mockery of the human rights provision of the Helsinki accords.●

WESTWOOD WELCOMES HOME THE FORMER HOSTAGES

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday February 4, 1981

● Mr. MOAKLEY. Mr. Speaker, the outpouring of good will to our fellow Americans who had been held hostage in Iran for 444 days has reaffirmed our sense of patriotism. I would like to share with my colleagues the town of Westwood, Mass., a resolution welcoming home the 52 former hostages.

The resolution follows:

RESOLUTION

Whereas, fifty-two Americans, who in the course of their occupations, were in the American embassy on the day that Iranian students took over that building, and were held hostages by that nation for four hundred and forty-four days;

Whereas, these Americans suffered humiliation and degradation at the hands of their captors;

Whereas, eight servicemen gave their lives in April, in a rescue attempt to free their fellow Americans, for whom we offer our prayers;

Whereas, on January 20, 1981, on the four hundred and forty-fourth day of captivity, negotiations were completed and the fifty-two American hostages were flown to freedom;

Whereas, in the words of former President Jimmy Carter, "We've kept the faith with our principles and our people . . . we have reached this day of joy and thanksgiving" . . . and with the words of President Ronald Reagan, "Let us renew our faith and our hope . . . we have every right to dream heroic dreams". Be it *Resolved*, That we, the Board of Selectmen of Westwood, Massachusetts, for ourselves, and on behalf of all the residents of Westwood, offer our prayers and give joyous welcome home to America to our fifty-two fellow Americans. And be it further

Resolved, That this resolution be placed in the official records of the Town of Westwood, and copy be forwarded to our Congressman with the request that it be read into the Congressional Record of the United States of America.●

SUBCOMMITTEE GROWTH

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. COLLINS of Texas. Mr. Speaker, as we come closer to approving investigative committee budgets, let's reexamine the proliferation of staff and the increased number of subcommittees. This increase over the past decade has overloaded Congress with too many staff, diffused the legislative focus and removed Members from the prime issues. Decisionmaking has been delegated to the staff of these specialized subgroups. It is no wonder we have been unable to achieve a coher-

ent energy, economic, or defense program. We have fragmented the system and destroyed our ability to establish public policy.

Committees and subcommittees have grown from 130 in the 92d Congress to 170 in the 96th Congress. As the number of standing full committees has remained fairly constant, it is the subcommittees which are growing by leaps and bounds. Subcommittees are too narrowly conceived. More equitable, reasonable policies would be produced by broadly based panels. We must consolidate in order to achieve the best utilization of our time and to eliminate overcrowded schedules.

In the entire 95th Congress, the Subcommittee on Investigations—Post Office and Civil Service Committee—met only 16 hours. The Banking Subcommittee on Historic Preservation and Coinage held meetings which lasted 17 hours. In the 95th Congress, also, the Select Subcommittee on WASPS was in session 18 hours. The Subcommittee on International Development met for 20 hours.

Not only have the subcommittees increased in number, but their majority/minority ratios are inequitable. For a case in point, examine the Committee on Post Office and Civil Service. Of a total of 14 investigative staff assigned to the general committee, 10 are classified as majority and 4 are classified as minority. But look at what happens in the subcommittees. The 8 subgroups of the Post Office Committee employ 37 investigative staff. Of these, not a single one is designated as a minority staff. Thirty-seven to zero is not fair.

Let's cut Government spending. The best place to start is with the temporary, supplementary, investigative staff which create legislation to perpetuate these subcommittees. Let's make a strong stand to eliminate staff duplication and save all Americans hard-earned tax dollars.●

THE ELECTORAL COLLEGE: ONE EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. BEREUTER. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial that appeared in the Lincoln Journal. Titled, "One Good Electoral College Result," it offers an opposing view to those who would be eager to junk the electoral college in favor of a direct election of the President.

In our eagerness to reform, let us not overlook some of the strengths of our present system. The Lincoln Journal editorial states the case well.

The article follows:

[From the Lincoln Journal, Dec. 9, 1980]

ONE GOOD ELECTORAL COLLEGE RESULT

Mr. Gallup's latest finding that two of every three adults would vote to abolish the Electoral College should be tempered with this additional knowledge:

Twelve years ago, eight of 10 would have so voted, according to the Gallup Poll at the time.

What we seem to have here is a moderating of the public fever for direct election of the American president, not an increase in the reform temperature.

Always, constitutional reformers point out the potential dangers of an Electoral College breakdown, of no candidate securing a simple majority necessary for election. Or the risk that some candidate may gain a narrow national ballot majority or plurality, but still fail of Electoral College victory.

What is not said nearly as frequently is what would be lost in having direct popular elections of the president.

One such property is the definiteness of result. That is a condition of enormous importance in a political democracy because it deals with the issue of legitimacy.

In a multi-candidate field, the victor more than likely will be the one with the greatest plurality. Simple majorities are hard to fashion in a fractured land, such as America has become.

The common wisdom is that Ronald Wilson Reagan won a landslide triumph on Nov. 4. In the Electoral College, he captured 90 percent of the prospective 538 votes. That's a landslide, sure enough.

The common wisdom is that Ronald Wilson Reagan won a landslide triumph on Nov. 4. In the Electoral College, he captured 90 percent of the prospective 538 votes. That's a landslide, sure enough.

But the truth also is that 49 out of every 100 voters last month preferred someone other than the former governor of California. Almost half the country didn't want and didn't vote for the Republican nominee.

Yet the size of the Electoral College margin leaves no doubt about the clear-cut, sharp result and Reagan's constitutional authority to hold executive office for four years.

Winner-take-all elections obviously can be faulted in the sense the minority, no matter how great, is totally shut out by the result. Within their party machinery, Democrats have sought to minimize that in presidential primary processes.

The result may be more diverse representation in preliminary affairs for the Democrats, but it's hard to argue that another result is a political party of increased and emboldened factions which have had vast troubles finding a unifying core.

There are other justifications—"liberal" as well as "conservative"—for keeping the Electoral College structure. If the move to liquidate the college really was serious, those reasoned arguments could be trotted out. But the need isn't present, happily, despite Mr. Gallup's latest finding.●

UNITED STATES-GERMAN RELATIONS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. FINDLEY. Mr. Speaker, I am very proud to call to the attention of my colleagues the following observations on United States-German relations by one of my constituents, Larry D. Kuster of Jacksonville, Ill.

Mr. Kuster is a capable young lawyer who gives unselfishly of himself to his family, friends, and community. He is, in every sense of the word, a young leader. The American Council on Germany, in fact, selected Larry to participate in the 1980 German-American Young Leaders Conference held in Tutzing, Bavaria, in the Federal Republic of Germany last August. He has since prepared a summary of the issues discussed in the bilateral conference which is a cogent, insightful analysis of the problems in United States-German relations and the prospects for their resolution. Since good United States-German relations are extremely important to this country, I have excerpted two sections from Larry's paper to place in the RECORD. I strongly urge all those interested in our ties with Bonn to read this analysis.

DEFENSE POLICIES IN THE EIGHTIES

(By Larry D. Kuster)

The discussion started on the premise that the shift in military power over the last 10 years has been away from the U.S. toward the Soviet Union. This shift has been in all phases of the military, conventional and nuclear.

One exchange at this session demonstrated the extent of this shift and the general decline of U.S. power. A question was raised by an American about the most effective way in which the U.S. should spend its defense dollars. This person queried whether it would be better to spend our funds on programs like the Rapid Deployment Force rather than $30 billion on the MX Missile program. The German response was quick. It was in unison. It was intense. "The only thing the United States has got is its nuclear deterrent! It must spend its money on programs like the MX Missile." This exchange is one of my most vivid recollections of the conference. It demonstrated to me the thin defense line upon which we walk.

This exchange also emphasized the debate between the U.S. and West Germans over how resources should be spent for defense. The West Germans seemed willing for the FRG to assume a greater share of the NATO defense budget but within definite limits. Any increase in West German military spending had to be coordinated within Britain and France so that they increased in rough parity. If this parity is not maintained, the Germans expressed the fear that the specter of German militarism might arise again in the minds of other NATO countries. These fears might do more harm to the Western alliance than the added defense capability.

The Germans, however, expressed some concern about the commitment of the U.S. to defend Western Europe. If the Germans and other allies increase their defense spending too drastically and assume a substantially greater percentage of their overall defense, the U.S. might further weaken its commitment in terms of ground and air forces stationed in Westen Europe.

One indication of this concern about America's commitment centered around the draft. The Germans found it difficult to understand why the U.S. did not have a peacetime draft. The Americans responded that this was an outgrowth of our historical perspective as well as the post-Viet Nam period. The American consensus appeared to be that the peacetime draft would probably return in several years. The political climate was not currently right for institution of a peacetime draft in the U.S.

America's commitment was called into question in another area, the vacillation of U.S. foreign policy. The Germans gave an example of how harmful this vacillation can be. When the U.S. was considering the development of the neutron bomb, the Bonn government was convinced to participate in the program. After a fairly difficult effort on the part of the Bonn government to allocate German resources for the program, Washington decided not to go ahead with the program. This U.S. decision undercut those in Germany who want higher defense spending and procurement of new weapons systems.

The Germans, however, seemed to stress that FRG debate over increased defense spending and its policy of Ostpolitik did not mean a policy of Self-Finlandization was being followed.

CONCLUSION

At the close of the conference, one American participant made a salient observation. Thirty-five years earlier many of the parents of the participants were locked in a great world war. Germany and the U.S. were bitter enemies. For the sons and daughters of the earlier combatants to meet and amiably discuss their nation's problems is a hallmark of how much the world has changed.

The constant evolution of our nations' interests and situations was reflected in every discussion. Some of these interests coincide. Others do not. The most dramatic change is the way in which the Germans view themselves. As one German commented, "For the first time in thirty years the average German believes he is somebody again." This view of self-esteem reflects the assertiveness of the Bonn government's actions in foreign affairs. It is a view which American policy makers must take into account in dealing with the German government and developing our common response to the Soviet Union.

To expect the Germans to follow us blindly belies their accomplishments and integrity as a people. But while the realities of the world force the U.S. to re-evaluate its role in the world vis-a-vis its allies, at the same time these realities limit the options of our allies, especially the West Germans. As long as the Soviet Union poses a real or imagined threat, they have need for us and we have need for them. The most disturbing trend would be a gradual weakening of West Germany's economic dependence on the western world and a greater dependence on the east.

What role West Germany is to play in the world is not clear. The role of junior partner to the U.S. no longer fits, while the role of equal partner is not possible. The economic realities and German public opinion do not support global responsibilities. For the foreseeable future, one can expect for there to be periods in which relations between Washington and Bonn are strained while the period of adjustment continues.

The economic success of West Germany is solid but its future may not always be smooth. The FRG survives economically as an import/export nation. It has neither the large domestic market nor the potential natural resources of the U.S. The German competitive edge depends upon careful marshaling of its resources and productivity of its workers. Several Germans indicated concern over maintaining their country's productivity. A comment which has been heard in the U.S. for some time was echoed by these Germans when they said, "The only thing the German worker wants is shorter hours, more holidays and higher wages." Another concern expressed was the growing cost of social welfare benefits in the FRG. The danger is that the country could spend more in this area than it can afford.

There is no doubt that the U.S. could learn much from the West Germans in how they have handled their economy. The danger, however, is adopting too generously the German policies and trying to superimpose them on the larger and more diverse U.S.

These factors of geographic size and ethnic diversity of the U.S. pose real conceptual problems for both Americans and Germans. It often seemed difficult for Germans to conceive of the distances in this country, especially in terms of commuting. Likewise, the American response was how small everything was in Germany.

The difficulty of achieving a consensus in the U.S. on a matter of public policy was not appreciated by the Germans. Frequently, throughout the conference, Germans said, "We have reached a consensus on this subject." There seemed to be a real need on the part of the Germans to find consensus in every area. The Americans, on the other hand, did not seem to recognize the need for consensus building within this country on important public policy matters.

One last observation focuses on the general approach of the Germans and Americans in discussing various topics. As a general rule the Germans seemed polite and guarded in their criticisms of American policy. The Americans generally were outspoken, frank and direct in their comments about both U.S. and German policies.

The tendency of the "American" to speak his mind no doubt frequently leaves the impression of brashness. While this outspokenness may be so perceived, it represents a security on the part of Americans that we can say what we feel, when we feel it, wherever we are. Such tendency can, of course, be carried too far. Nevertheless, we take for granted 200 years of an evolving liberal tradition. Our German counterparts, while secure in a liberal democracy, do not have the strength of our tradition. We, as Americans, should not forget such an important asset.●

INTRODUCTION OF YOUTH EMPLOYMENT ACT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. HAWKINS. Mr. Speaker, today I am introducing a bill to extend and consolidate the youth employment programs authorized under title IV-A of the Comprehensive Employment and Training Act. During the 96th Congress the House passed similar legislation, H.R. 6711, by a vote of 337 to 51. This bill—H.R. 6711—expanded existing youth employment programs and provided a new program of assistance to local education agencies for remedial education and other programs to improve the employability of youth. Unfortunately, no action was taken by the Senate on this measure before the adjournment of the 96th Congress.

The legislation authorizing youth employment programs under title IV-A of CETA expired at the end of fiscal 1980. These programs are currently operating under the authority of the resolution continuing appropriations for fiscal 1981.

Recognizing the confusion, hardship and inefficiency which result from the uncertainty surrounding the authorization and funding of our major Federal youth employment programs, I am introducing this measure early in this session so that final action can be taken before the expiration of the continuing resolution on June 5, 1981.

The measure I am introducing today is a modified version of H.R. 6711, as passed by the House. The major difference is that the revised bill does not authorize a separate program for education. In the absence of a major commitment of funds for a new education initiative I believe it would be dishonest for us to hold out hope for the economically disadvantaged and minority youth who suffer the most from inadequate education and preparation for the world of work. My bill does, however, expand upon the requirement in current law for a reservation of funds for joint education/CETA programs. Twenty-five percent of the prime sponsor's funds would be set aside for such joint efforts. The bill explicitly provides that alternative education programs, as well as public education agencies would be included in the 25-percent setaside.

Other major provisions of the bill include:

Extending the authority for title IV-A programs through fiscal year 1985.

Consolidating the existing youth programs into a single program with a uniform definition of economically disadvantaged. Yet, flexibility is provided to serve other youth in need. Twenty percent of the funds are made available for youth who do not meet the income eligibility, but who face substantial barriers to employment such as handicapping condition, drug abuse, language barriers or other similar barriers to employment.

Authorizing the youth incentive and supplemental work project to fund part-time and full-time employment of eligible youth in selected poverty areas to encourage return to or completion of high school or equivalent education.

Removing the requirement under title IV-A of CETA for a maintenance of effort for youth in other titles of CETA. This change is being proposed to address the concern that other target groups are not being adequately

served and that prime sponsors are being held to an unnecessarily rigid service level for youth.

The bill also retains the current authority for forward funding of youth employment programs. The committee has repeatedly been told by program operators that inadequate notice of funding has prevented appropriate coordination with education activities and proper planning for effective delivery of training services.●

INVESTIGATE THE TRILATERAL COMMISSION AND THE COUNCIL ON FOREIGN RELATIONS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. McDONALD. Mr. Speaker, I have long felt that the policies advocated by the Council on Foreign Relations and the Trilateral Commission were not in the best interests of the United States. The American Legion, during its national convention in August of last year agreed and passed a resolution calling for an investigation of these two organizations and their influence on U.S. policy. I applaud the initiative of the American Legion and commend the text of the resolution to the attention of my colleagues. I strongly support this effort:

American Legion Resolution 773 Concerning the Trilateral Commission and the Council on Foreign Relations

Whereas international friendship depends on trust, mutual respect and integrity; and

Whereas the present Administration has placed the United States in a position where our friends now question our will and our determination; and

Whereas the present Administration strongly promoted the giveaway of our Panama Canal; and

Whereas President Carter in strong support of the SALT treaty appointed Trilateralist Paul Warnke to be our chief negotiator of a second SALT treaty which would perpetuate the military superiority of the Soviets; and

Whereas the present Administration is dominated by a disproportionate number of elitist members of the Council on Foreign Relations and its offspring, the Trilateral Commission; and

Whereas the Council on Foreign Relations and Trilateral Commission have espoused and promulgated domestic and foreign policies which are judged to be inimical to America's best interests: Now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Boston, Massachusetts, August 19, 20, 21, 1980, that we demand in the best interests of our country that the Congress of the United States launch a comprehensive investigation into the Trilateral Commission and its parent organization, the Council on Foreign Relations, to determine what influence has been and is being exerted over the foreign and domestic policies of the United States.●

DR. VIKTOR BRAILOVSKY

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SENSENBRENNER. Mr. Speaker, I am proud to join my colleagues today in bringing the terrible injustice suffered by Dr. Viktor Brailovsky to public attention, and to voice my sincere concern for the plight of all Soviet Jews.

In 1979, a total of 51,000 Jews emigrated from the Soviet Union. In 1980, this number was cut in half to approximately 25,000. This decrease is a result of the Soviets' stepping up their efforts to hinder emigration. In order to apply for emigration, one must not only have an affidavit of invitation from the sponsor country, but the invitation must come from a first degree relative, that is, father, mother, sister, brother, son, or daughter. However, while emigration is falling off, the number of refuseniks is growing. These families are harassed and threatened repeatedly merely because of their desire for freedom.

Dr. Viktor Brailovsky is a typical example of such harassment. Upon his initial request to emigrate in 1972, he lost his job. His home was searched twice and his personal papers, invaluable to science, were confiscated. After losing his job, Dr. Brailovsky organized the Moscow Seminar of Jewish Scientists who met to discuss recent advances in their various fields. As a result of his leadership in the Soviet emigration movement and his request for free emigration for Soviet Jews, he was imprisoned on November 13, 1980. In ill health, he has been refused proper medical care. Dr. Brailovsky's case is another glaring example of the denial of legal and human rights, in direct violation of the Helsinki accords.

While reassessing our relations with the U.S.S.R., we must address these issues, human rights and equitable emigration system in the Soviet Union. In addition, we should call upon the other nations of Western Europe to help us in our efforts to enforce compliance to the Helsinki accords by the Soviet Union.●

UKRAINIAN INDEPENDENCE DAY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FORD of Michigan. Mr. Speaker, I am proud to help mark the 63d anniversary of Ukrainian Independence Day, which we are celebrating at this time.

What the Afghans experienced on December 7, 1979, the Ukrainian nation suffered shortly after January 22, 1918. Alone and without aid from Western nations, the Ukrainian people waged a gallant struggle to defend the sovereignty of their country, but were ultimately overpowered by numerically stronger and better equipped armed forces. If Afghanistan, like the Ukraine, becomes yet another captive nation, its people can expect reprisals for any resistance to Soviet rule and the subversion and destruction of their heritage as a free country.

I take this opportunity to mention one of the great Ukrainians of our day. I speak of Mykola Danylovych Rudenko who was the founder of the Ukrainian Public Group to Promote Observance of the Helsinki accords. Mr. Rudenko formed this monitoring group in November 1976, and a year later, after police searches and harassment, he was arrested. Rudenko was sentenced at a closed trial on July 1, 1977, to 7 years in strict regimen labor camps followed by 5 years of internal exile under article 62 of the Ukrainian Criminal Code, anti-Soviet agitation and propaganda. He is in extremely poor health. Although the Soviets signed the Final Act at Helsinki, the human rights provisions of the Final Act have never—not even for 1 day—been observed in Ukraine.

At this time when the right to national self-determination is being threatened in other areas of the world, we will not forget the Ukrainian struggle of 63 years ago, or overlook the ongoing question of the Ukrainian people. I pay tribute to them and to their never ending goals of freedom, human rights, and independence.●

CUTTING FEDERAL BUDGET: THE EDITORS SPEAK UP

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. BEREUTER. Mr. Speaker, as those of us in Congress prepare to receive President Reagan's recommendations for budget-cutting, I think it is appropriate to examine what the editorial writers have to say about specific proposals. I have just read a most interesting editorial in the Lincoln Journal that I would like to share with my colleagues.

Titled "Reagan Budgeters May Cut Back on the Development Bonds Bloat," the editorial gives credit to OMB Director Dave Stockman who has shown a willingness to examine some of the off-budget programs that have ballooned beyond our expectations. In this particular instance, the editorial discusses industrial and housing development bonds which have become very popular in my own State of Nebraska.

I believe the editorial makes some good observations—points certainly worthy of our serious consideration as we prepare to make the very tough decisions that lie ahead. I include the editorial at this point in the RECORD:

[From the Lincoln Journal, Jan. 24, 1981]

REAGAN BUDGETERS MAY CUT BACK ON THE DEVELOPMENT BONDS BLOAT

The federal budget which Jimmy Carter left behind for Ronald Reagan's drastic reduction surgery is being credited as worthwhile for at least one reason. It contains an unusually candid explanation how we got into such a fiscal fix.

One small part of that explanation is of immediate concern here. It has to do with "off-budget" programs by which the federal government subsidizes interest rates—to students, small towns, farmers, et al.—and abides the marketing of an enormous number of tax-exempt state and local securities, costing Uncle Sam billions in lost tax revenue annually.

David Stockman, the eat-'em-alive conservative who is now Reagan's director of the Office of Management and Budget, has taken special aim at these credit subsidies. On this score, the Journal conditionally admits to some sympathies with Stockman.

Consider the industrial and housing development bonds which Nebraska and virtually all other states presently float. Their justification is that economic competition forces them to do so.

The "beauty" of these public debt instruments is that they are merchandised as government securities—even though none of the money goes for government projects and the governments involved explicitly forswear all financial responsibility in the event of default. But being state or local government bonds, there is no federal tax liability on the interest income.

That being so, the bonds can be and are sold at interest rates well below those attached to essentially identical bonds peddled by a private corporation struggling to finance new facilities.

Alas, in America, excess tends to quickly overtake anything that's a good deal. So you aren't stunned to learn that great abuses have been found in the industrial-development bond area.

The McDonald Corp., a private outfit the last time we looked, reportedly financed 53 new restaurants in Ohio and Pennsylvania in 1979 using tax-free local government bonds. Minnesota's governments are said to have issued $673 million worth of these bonds the same year, underwriting everything from dentist offices to racquet clubs.

Minnesota also is the state where tax-increment financing has gone out of control.

Last year Nebraska expanded its venture in the field. It issued public housing bonds, supposedly to help contractors and the low- and moderate-income get out of the slums. Actually, the bond issues temporarily rescued the depressed real estate industry, while helping sweeten the accounts of bond firms and bond lawyers. That a number of Nebraskans also improved their housing situations is true, too.

Now, with the blessing of Gov. Thone, which is surprising, Sens. Loran Schmit and John Decamp are pushing a further expansion of the idea: they want to sell public bonds to provide backstop money for lending to farmers.

How droll, watching "conservative" politicians demanding that government get off the people's backs while simultaneously working creatively to exploit government for what they want to achieve.

The federal objection to this situation is at least twofold.

The avalanche of industrial-development bonds is, as was said earlier, costing the national government billions in lost tax revenue. That contributes to the national deficit.

The other objection—Stockman's—is that state and local governments, acting as frontmen for private operators in the issuance of the development bonds, directly increase inflation. They do this by increasing competition in the money markets. The competition pressures other private firms who also want a shot at the limited capital funds. The inevitable result in this kind of rat race is higher interest rates, a known inflationary component.

Sic 'em, Stockman.●

A CUBAN'S LETTER: NO HUMAN RIGHTS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. PEPPER. Mr. Speaker, today, as the Congress is faced with difficult decisions affecting the welfare of our country and the well-being of our constituents, we should be sure to pay special attention and not lose sight of the plight of those less fortunate than us who suffer every day under the unbearable conditions brought about by a Communist regime. Of particular note, is the woeful situation that exists on the island of Cuba. Few can imagine the extent to which those, held against their will, suffer at the hands of a government that believes solely in the institution of fear as a method of functioning.

The following letter, which appeared in a recent edition of the New York Times, serves as a useful reminder to us all that there are indeed many less fortunate than ourselves. This letter has come to us by way of a newly arrived Cuban refugee and describes all too well the abhorrent conditions that exist under Castro's Cuba. I submit this letter to my colleagues in the hopes that it may further enlighten people of the horribleness that permeates the air on this once, so-called, jewel of the Caribbean.

A CUBAN'S LETTER: NO HUMAN RIGHTS

First of all let me tell you that I am a dissident; however, (I don't know where is exactly the majority) because here in Cuba is impossible to live if you are not a communist, if you do not think like a communist or if you don't act like them; the word communist and what it means in Cuba is impossible to describe in a letter, you ought to live here—I don't hope so—to understand me better. Could be the communism be good in another place—I don't think so—but here in its concept is a terrible thing. The ideas in some way are good, the philosophy is in the same way pretty and fascinating, but the practice is a farce till the point nobody can imagine. Here we have no human rights, no peace and no even the right to subsist, if you are not an actor ready to play their comedy trying to show the world that we are free and owners of our decision and future; thousands—even me—had played this play during twenty one years but no more for me, and no more for more than two millions like me that want to run away to any place where we can be persons and no machines or robots. I wish to go to the U.S.A., because a big part of my family is there; if not our only right is a place in the cemetery, and be careful.

That's the Cuban tragedy, the tragedy of "our" communist country, and in a little part, my tragedy; Of course.

Here everbody is afraid of everyone and you can't believe in no one, because they—the leaders of this government—use to make everyone watching one another, so can't believe in nobody as I told before.

Here we can't think in a different way of the official one. If you do so, you are taking a big risk. We have not nothing to fight against this system, but the pen. I am not a politican and not even an international well known man, so my pen is not strong, but this is the truth and the truth gives it the strength. As Marti said:

"The word was made to tell the truth and not to hide it."

Well I do not know what is going to happen to me and my family—if we are going to be in jail, to be dead or if at last we will be free. We need your help and the U.S.A. help in the general concept. And for me and my family we need your help to go the U.S.A. please.

Would you be so kind to give this story—that is our nowadays history—to the President of the United States of America?

I do not know if it is possible that He can do something for me and my family; however me—an insignificant person—will be very grateful about the efforts He can do for me and my family. Thanks a lot.

Please try to send this letter to the President; this is not a personal one, but an open letter to whole the world and of course to Him.

I am so much sorry because of the disturbance that this letter make to you and to the President.

Finally only one last word that express all what I tell you.

Help.●

FAMILY ENTERPRISE ESTATE AND GIFT TAX EQUITY ACT

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. FITHIAN. Mr. Speaker, I am today introducing the Family Enterprise Estate and Gift Tax Equity Act, a bill which will overhaul the Nation's outmoded estate tax laws. The bill was originally drafted and introduced in the 96th Congress by Senator Gaylord Nelson, of Wisconsin, whose expertise and diligent work over the years on reforming Federal estate and gift tax law is gratefully acknowledged.

The measure I am introducing today would provide estate tax relief to more than 95 percent of our Nation's family

owned farms and businesses, allowing them to continue their many contributions to the American economy—creating more jobs, advancing technology and innovation, and increasing our productivity. The major features of the bill are:

An increase from $175,000 to $500,000 in the amount of property that may pass free of Federal estate and gift taxes;

A provision which exempts from estate and gift taxes all property inherited by or transferred to a spouse;

A provision which doubles the amount of property which an individual may give tax free annually to another individual from $3,000 to $6,000; and

A simplification of the so-called special-use-valuation rule for farms and closely held businesses to take into consideration the problems of those who are disabled, receiving old age benefits, elderly spouses, minors, and students.

Clearly, there is a need to reduce estate taxes.

Inflation has driven up the value of many assets, particularly land, to record high levels.

Thirty or forty years ago productive agricultural land could be purchased for less than $100 per acre. At these levels farms and businesses could pass from one generation to another with few estate tax problems. By way of comparison, the national average price for acreage in 1979 was $559, ranging from a low of $100 per acre in New Mexico to a high of over $2,000 an acre in New Jersey.

In 1942, the estate tax applied to only 1 estate out of 60. But, by 1976, this had increased to 1 out of 10, significantly broadening the application of the law. Because of inflation, the same farm or business that was worth $60,000 in 1942 has come to be valued at about $250,000.

In 1976, extensive changes were made in the estate tax law to accommodate for inflation and reduce the estate tax burden. These included:

A tripling of the amount of property that may pass free of Federal estate taxes from $60,000 to $175,000;

An exemption of up to one-half the value of the family farm or small business for surviving spouses in recognition of their working contribution to the enterprise; and

A provision—commonly referred to as the special-use valuation rule—which allows farms and closely held businesses to be valued for estate tax purposes on their value as farms or small businesses. Prior to this reform, the property was valued at its highest and best use, which often meant that land farmed for many years might be highly taxed on the basis of what it would be worth as a shopping center or housing development.

The development of the special-use rule for the valuation of farms and small business is particularly noteworthy. As the following table demonstrates, it significantly reduced the amount of Federal estate tax on these enterprises.

ESTATE TAX SAVINGS RESULTING FROM THE MAXIMUM ACTUAL USE VALUATION REDUCTION

Taxable estate [1]	Estate tax bracket on top dollar (percent)	Estate tax savings	Savings as percentage of taxable estate
$750,000	37	$177,500	24
$1,000,000	39	190,000	19
$1,250,000	41	200,000	16
$1,500,000	43	210,000	14
$2,000,000	45	225,000	11
$2,500,000	49	245,000	10
$3,000,000	53	265,000	9
$3,500,000	57	285,000	8
$4,000,000	61	305,000	8
$4,500,000	65	325,000	7
$5,000,000	69	345,000	7
Over $5,000,000	70	350,000	7

[1] Taxable estate equals the adjusted gross estate minus any marital deduction, assuming no taxable gifts had been made since 1976.

However, as beneficial as they are, the reforms of the past 5 years do not go far enough. At the time these changes in Federal estate and gift tax law were made 5 years ago, no one anticipated the continuing record high inflation levels.

An example of the effect of inflation is the Federal estate tax exclusion. In 1976, the exclusion was increased, through the mechanism of an estate tax credit, to a maximum of $175,625, or a credit of $47,000 in 1981. Today, just to compensate for inflation, the $175,000 exclusion should be adjusted upward to over $250,000.

Unfortunately, the likelihood is that inflation will continue for many years in the future. This means that an asset which today is worth $70,000 at an inflation rate of 9 percent for the next 20 years would be worth over $420,000 with no real increase in value.

The sad fact is that double-digit inflation pushed family businesses which were too small to pay estate taxes into extremely high tax brackets. The result has been that heirs of these enterprises have been forced out of business in order to pay stiff Federal estate taxes.

Inflation and the increase of economic concentration through conglomerate mergers has seriously imperiled the maintenance of family farms and businesses of all kinds. Our existing tax structure has the effect of subsidizing the growth of big business usually at the expense of small and independent enterprise. Present tax laws encourage those who own an interest in small business to sell out to large companies because the acquiring company may exchange its stock for the stock of the small business. The entire transaction is tax free. What we are witnessing today is a major threat to the very survival of our free and independent enterprise system.

Family owned businesses are an integral and vital component of our economy and society. As a source of entrepreneurial spirit and for their many contributions in the fields of technology, innovation, and social advancement, family owned small businesses must be preserved and protected. The family business is a source of pride which gives the family a personal sense of freedom, accomplishment, and pride in ownership. The perpetuation of the family business in America is of significant importance to the survival of free enterprise that has built the foundation of our country and economy. The increase from $175,000 to $500,000 in the amount of property which may pass free of Federal estate taxes will greatly reduce the unfair tax burden now confronting family-run small businesses and farms.

Another significant change called for in this legislation pertains to the special-use valuation provisions for family farms and machines, previously mentioned.

Unfortunately, many restrictions placed on those wishing to use special-use valuation prevent this provision from being fully effective. The material participation restriction requires a farmer to materially participate in the management of the farm for 5 out of the 8 years prior to death. Unfortunately, this leaves many farmers with the difficult choice between retiring and collecting social security benefits that are rightfully theirs, or continuing to work so that they can qualify for the special-use valuation.

The original law also prevents farmers who become disabled in the course of their labors from qualifying for the estate tax break. This bill would address these problems by applying the material participation test with reference to the 8 years immediately preceding the year in which they become eligible for old age benefits or in which they become disabled. This change will provide estate tax relief to many farmers who are disabled or wish to retire. Other changes are called for in this bill that will help preserve the family farm and keep scenic, productive farmland in agriculture.

In addition to making substantial changes in the special-use-valuation provisions that benefit small farmers and family owned businesses, this bill would provide tax relief to the average taxpayer by increasing the annual gift tax exclusion from $3,000 to $6,000. Again, we have an example of how inflation has a profound effect on taxes.

In 1943 the Congress reduced the annual gift tax exclusion to $3,000. Compared to the purchasing power of $3,000 in 1943, $3,000 now has the purchasing power of only $810. If Congress were to give the gift tax exclusion the same purchasing power it had

when the $3,000 level was established it should be set at approximately $14,000. The legislation we introduce today provides only a first step toward reaching the goal of restoring the purchasing power of the annual gift tax exclusion.

The proposal also recognizes once and for all the importance of a working spouse in a family enterprise. By providing for an unlimited marital deduction, the proposal establishes a long deserved measure of equality between spouses.

The unlimited marital deduction would also remove the fear on the part of many couples that they must trace gifts made over a lifetime of home and car purchases, stock or land exchanges, in an effort to calculate their estate and gift tax liabilities. This legislation will not only add simplicity to the estate tax laws as they relate to exchanges between husbands and wives, but it would also give due recognition to the contribution each spouse makes in building a family's business or savings. A 100-percent deduction means that a husband and wife would be able to transfer property without facing the estate tax burden. This bill would give legal truth to the often expressed attitude of married couples that the property is "ours" whatever the Federal Government may say or try to devise.●

UKRAINIAN INDEPENDENCE DAY

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SENSENBRENNER. Mr. Speaker, in the past year we have seen the Soviet Union continue its struggle for domination of Afghanistan and daily read of Soviet threats to the Polish workers to stifle their efforts for independent unions. The extent of repression within the U.S.S.R. and internal discontent is brought to our attention frequently by prominent dissidents. In the midst of these much publicized events, we sometimes tend to forget the tyranny exercised against the peoples of the once independent Ukraine. For this reason, I would like to join my colleagues in commemorating the 63d anniversary of the independence of Ukraine.

It was January 22, 1918, that Ukraine declared its autonomy from the long period of Russian hegemony. Their independence was short lived, falling to Soviet domination by 1920. However, the Ukrainian people have never lost their desire for freedom. They continue their resistance against the Soviet occupation. In their fight, they look to the United States as a source of moral support and strength. As a nation which stands for the principles of the protection of individual human rights and the independence and the sovereignty of nationalities, we Americans must do all we can to preserve the national consciousness of Ukrainians. In our attempt to promote the respect for and the freedom of the people of Ukraine, I endorse the continuation of the present U.S. policy of refusing to recognize the Soviet occupation of Ukraine.

It is good to be reminded today that this noble country, which once was free, is now the subject of the violent repression of the Soviet Union. The 2 million Ukrainians living in this country certainly have not forgotten this fact. For it is only by remembering their repression that we can strive to alleviate the conditions of this satellite of Soviet hegemony and prevent further encroachment. And, perhaps, one day we will be commemorating another day of Ukrainian independence.●

AN AMERICAN HERO IN KENYA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. VENTO. Mr. Speaker, I would like to share with my colleagues this article about the courage and bravery of a young Peace Corps volunteer from Minnesota. I think you will agree that Kevin Ciresi's actions are a wonderful tribute to the strength of the human spirit. The article by Ozzie St. George appeared in the January 27, 1981, issue of the St. Paul Pioneer Press.

PEACE CORPS MAN CITED FOR SAVING SEVEN

(By Ozzie St. George)

A Peace Corps volunteer from Eagan who plunged into the flaming wreckage of the Norfolk Hotel in Nairobi, Kenya, to help rescue victims of a New Year's Eve terrorist bombing has been cited for his courage.

Kevin Ciresi, 23, the son of Mr. and Mrs. Sam A. Ciresi, 3296 Sibley Memorial Highway, Eagan, is credited with saving seven persons. The bomb blast and ensuing fire killed 20 persons, injured nearly 100 and destroyed the Norfolk, a famous resort hotel since 1904.

Cora Lee Turbitt, Peace Corps director in Kenya, wrote Ciresi to commend him for his courage. She called his action "the very essence of bravery" and said she is "exceedingly proud to have you in the Peace Corps."

Copies of her letter went to Richard Celeste, overall Peace Corps director in Washington, and William Harrop, U.S. ambassador in Kenya.

Ciresi, a 1979 graduate of the College of St. Thomas who plans to go to medical school, worked at Miller and St. Joseph's hospitals and in the Ramsey County medical examiner's office before joining the Peace Corps last October. He was completing a crash course in Swahili in Nairobi at New Year's.

In a taped letter to his parents, he said he and a friend were having dinner a short distance from the Norfolk when they "heard an explosion, guessed it was a bomb and ran right over there."

For a time, Ciresi said, "I was the only one there with any medical training at all." He put this training to use amid the flames and wreckage inside the Norfolk, "doing triage"—that is, deciding which of the injured could be saved and should be rescued and which were beyond help—while carrying seven of the former to safety himself.

Ciresi's father, a Target Stores director and proprietor of the Q Restaurant in the Lowry Medical Arts Building, said he and his wife, Monica, were afraid at first that Kevin might have been staying at the Norfolk.

"But then," he added, "knowing Kevin, we knew he'd be there anyway if he were anywhere close."

At present, Kevin is in Kisii, Kenya, teaching high school biology and chemistry—in Swahili.●

AGENTS' PROTECTION BILL

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. RUDD. Mr. Speaker, our Nation's critical intelligence-gathering capability has been severely reduced in recent years. Despite all of the modern technology—including satellite and computerized information—utilized by our intelligence agencies, a significant portion of our intelligence effort must rely on human informers and agents.

This human intelligence effort is increasingly threatened by the deliberate disclosure of the identities of our undercover agents. Publication of these names not only terminates the effectiveness of these agents, but endangers their lives as well.

The most infamous example was the identification in "Counter Spy"—published by former CIA employee Philip Agee—of Richard S. Welch as the station chief for the Central Intelligence Agency in Athens, Greece. Shortly after this disclosure, Welch was assassinated.

Nor is this an isolated disclosure. Agee has published the names of some 1,200 alleged CIA personnel.

Another anti-intelligence publication, Covert Action Information Bulletin, has also been initiated with Agee's assistance. Its function is the same as that of "Counter Spy"—to crusade against the CIA and other U.S. intelligence agencies, and to publish information and identities of purported CIA officers and informers, thus ending their effective service and exposing them to possible retaliation by kidnapers or assassins.

The most recent example—and a major impetus for this legislation—was the identification in 1980 by Covert Action Information Bulletin of 15 CIA agents serving in Marxist Ja-

maica. Again, this revelation was followed by a July 4, 1980, machinegun attack on the home of the CIA station chief, although fortunately he and his family were unharmed.

It should be clearly recognized that these publications' ultimate intent is nothing less than the total elimination of the intelligence-gathering capacity of the U.S. Government.

Indeed, those associated with these publications and supporting organizations held a national organizing conference to stop Government spying September 22-24, 1978, at the University of Michigan, Ann Arbor, sponsored by the Campaign To Stop Government Spying.

The objectives of the Campaign To Stop Government Spying were announced as continued worldwide publication of anti-U.S. intelligence information, suits directed against Government agencies and private companies whose security departments cooperate with law enforcement and intelligence agencies, use of the Freedom of Information Act for forced disclosure of Government intelligence information, and political efforts to end all U.S. domestic and foreign intelligence operations.

The House should be aware that there is a well-orchestrated attempt to totally abolish not only the effectiveness, but the very existence, of our Nation's intelligence system.

These efforts are a conscious part of an international effort designed ultimately to destroy our Nation's ability to stop Marxist-oriented revolutionary activities and terrorism, and to provide defensive countermeasures to protect our own people.

We must act surely and swiftly to protect our intelligence community from these assaults. Certainly, swift and sure penalties must be meted out to any person who discloses the identity of an intelligence officer, who performs under already dangerous conditions.

I am reintroducing in the 97th Congress a bill—the Intelligence Agents Protection Act of 1981—which would prohibit the disclosure of information identifying an intelligence agent to an unauthorized person. Penalties under this bill would be a $100,000 fine and/or 20 years in prison for anyone convicted of this offense.

Furthermore, the bill would provide a $50,000 fine and/or 10 years in prison for any person who falsely identifies an individual as an intelligence agent.

The bill does not limit prosecution to those individuals having or having had authorized access to classified information, but rather includes anyone publishing or otherwise revealing the identity of an intelligence agent.

Injunctive relief is provided within my bill to require the Attorney General to take action to prevent the publication of such identification if its imminent publication is known.

The House Committee on the Judiciary and the Permanent Select Committee on Intelligence reported legislation addressing the disclosure of agents' identities during the last Congress. I believe that this issue must receive early consideration during the 97th Congress.

I offer this approach as one which deals sternly with those who would endanger the lives of those who serve in sensitive intelligence positions.●

JOHN LENNON: THE BEATLE LEGACY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1981

● Mr. McDONALD. Mr. Speaker, now that some time has elapsed since the passing of John Lennon and the great stir in the media has waned, it is necessary to share some facts and comments which may have been little mentioned at the time. The following articles "The Lennon Legacy" by John F. McManus, and "Which Was the Greatest Tragedy: Lennon's Life or His Death?" by Bob Spencer, published in The North Side News, Atlanta, Ga., January 8, 1981, demonstrate clearly that the eulogies given in the press and the actual facts which John Lennon's life and music represent are in fact quite different. Far from being an "orchestration of a generation's best hopes and fondest dreams," his life and the music of the Beatles led an entire generation astray. Beatlemania was a 20th century siren to many of the youth of the sixties leading their lives and ideals to drugs, promiscuity, and disrespect for time-tested standards. So that the record may stand corrected on these little known facts and balance be given to a biased media picture, I commend the following to the attention of my colleagues:

THE LENNON LEGACY

(By John F. McManus)

BELMONT, MASS.—There can hardly be anyone left in the United States who is unaware that Beatle John Lennon has been murdered. Over and over again, we have been told that the man stood only for peace and joy. Typical of the gushing tributes to his memory was the following from Time magazine:

"The world wide appeal of the Beatles had to do with their perceived innocence, their restless idealism that stayed a step or two ahead of the times. . . . (Their) songs became, altogether, an orchestration of a generation's best hopes and fondest dreams."

THEY ATTACKED EVERYTHING

The truth is that the Beatles waged a frighteningly successful war on the values of Western civilization. Our own nation has reaped a sordid harvest from the seeds planted by Lennon and his companions. If the editors of Time had taken time to refer to their own magazine for September 22, 1967 they would have seen the Beatles' album "Sgt. Pepper's Lonely Hearts Club Band" characterized as "drenched with drugs"; the song "Lucy in the Sky with Diamonds" identified as an inducement to the hallucinogenic LSD; and, the Beatles themselves indicted for their attitudes about "drugs, the war in Vietnam and religion."

At the height of Beatlemania in the 1960s, retired popular songwriter Peter Udell commented that the lyrics in popular music may be hard for adults to fathom, but "the kids understand them." What young America understood told them to "turn on (with drugs), tune in (to new attitudes about sex), and drop out (of church, society, etc.)." Was this really our nation's "best hopes and fondest dreams"?

In "Yellow Submarine," the Beatles suggested the use of a yellow submarine-shaped barbiturate. "Strawberry Fields Forever" referred to the fact that marijuana has often been planted in a strawberry field. And "Magical Mystery Tour" urged rolling up one's sleeve for a needle.

NOTHING SACRED

The Beatles freely admitted that their "Penny Lane" had sexual implications. Other tunes with indecent sexual overtones included "Finger Pie," "I'm Only Sleeping," and "Baby You Can Drive My Car." Lennon and his Yoko Ono would later appear naked on the cover of their album "The Two Virgins."

In his publication "A Spaniard in the Works," Lennon's many blasphemies included the description of a character meant to be Jesus Christ as "a garlic-eating, stinking little yellow greasy fascist b*****d Catholic Spaniard," The Beatles hit "Eleanor Rigby" amounted to the hoped-for-death of the Catholic Church.

Inducements to teenagers to run away from home and join the New Left revolution appeared in the Beatles' "She's Leaving Home." They cast all subtlety aside in "Back In The U.S.S.R." as they praised the Soviet Union.

BEATLES LED THE WAY

Silent vigils to honor John Lennon's memory attest to his powerful hold on too many Americans. Many of his fans protest that they only liked his music and were never affected by its varied messages. Statistics about drug abuse, promiscuity, etc., suggest otherwise. The Beatles, led by John Lennon, blazed a trail for today's purveyors of popular music.

A dozen years ago, University of Rochester Professor Howard Hanson noted in an address to the American Psychiatric Association that music "can be soothing or invigorating, ennobling or vulgarizing, philosophical or orgiastic. It has powers for evil as well as good." One man who was deeply affected by the Beatles, who experimented with the drugs they condoned, is Mark David Chapman, Lennon's murderer. Indeed, music possesses powers for evil as well as for good.

(Neither the editor nor any of the staff at The North Side News is a member of The John Birch Society. The editor feels however that the features produced by the society often expose inequities in government which go otherwise unreported.)

WHICH WAS THE GREATEST TRAGEDY: LENNON'S LIFE OR HIS DEATH?

(By Bob Spencer)

As I listened to the reports of the death of John Lennon, it occurred to me that although any murder is terrible, in this case, the real tragedy was not in his death, rather, it was in his life. The Rock and Roll editor of ABC News said that the Beatles shaped a generation of young people. How true, but how tragic.

MUSICAL REBELLION

The Beatles represented rebellion against authority, both musically and morally. They promoted release from restraints, both musically and morally. They developed a style of music which broke with that which is constructive. Their music screamed out against order.

Their greatest accomplishment was the exploitation of gullible, impressionable young people. What they sang and what they did appealed to the rebel in youth. They realized that the more exaggerated and socially repugnant they became the greater their popularity. Using the media as their tool, they fashioned a mind-set in teenagers which glorified reaction to and revolution against the moral standards and lifestyles of the Judaeo-Christian culture.

CHILD-PARENT STRIFE

The results of the Beatlemania were to move the drug sub-culture from the basement to the mainstreet, to produce a public toleration of immodesty and illicit sex, to drive a wedge into the homes—dividing parents and children into opposing and warring camps.

As I listened to the interviews of prominent figures who likened Lennon's life and death to that of John F. Kennedy, I wondered why the reporters did not seek out interviews with the parents who watched their children be drawn into the wasteland of the hippies.

BROKEN HEARTS

Why did they not interview the psychiatrists, family counsellors and drug treatment experts who have tried to pick up and put back together the pieces of minds blown apart by drugs and homes destroyed by rebellion? And the broken hearts of parents and friends will never be healed.

Many commentators praised Lennon's "peace" activities as though this would atone for the evil spawned by him and his associates. They neglected to inform us that his activities were on behalf of and in support of a Marxist "peace" with the United States surrendering its sovereignty and freedom to Lennon's socialist comrades.

THE BIBLE SAYS

The Bible says: "Whatever things are true, whatever things are honest, whatever things are just, whatever things are pure, whatever things are lovely, whatever things are of good report; if there be any virtue, and if there be any praise, think on these things." (Philippians 4:8) In his lifestyle, music, philosophy and influence John Lennon failed this test of value and usefulness. His death will soon be forgotten, but his life will continue to yield its unholy fruits because of the many people he helped to influence. Indeed the tragedy of John Lennon was his life.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, February 5, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 6

10:00 a.m.
Joint Economic
To hold hearings on the employment-unemployment situation for January.
2128 Rayburn Building

FEBRUARY 17

9:30 a.m.
Banking, Housing and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on S. 144, to promote the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Services Administration of the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings to review those programs administered by the Department of Transportation.
1318 Dirksen Building

Rules and Administration
To hold hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain programs of the U.S. Army Corps of Engineers.
S-128, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Center for Disease Control of the Department of Health and Human Services.
1114 Dirksen Building.

FEBRUARY 18

9:30 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To continue hearings on S. 144, to promote the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 271, to repeal the statute barring Western Union from entering international markets.
235 Russell Building

Rules and Administration
To continue hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain programs of the U.S. Army Corps of Engineers.
S-128, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

Rules and Administration
To continue hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Alcohol, Drug Abuse and Mental Health Administration of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 20

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Resources Administration of the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Panama Canal Commission; and the St. Lawrence Seaway Development Corporation of the Department of Transportation.
1318 Dirksen Building

FEBRUARY 23

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Assistant Secretary for Health, scientific activities overseas, and retirement pay program for commissioned officers of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 24

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on the Iranian asset settlement.
5302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Care Financing Administration of the Department of Health and Human Services.
1114 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed legislation authorizing funds through fiscal year 1985 for the airport development aid program.
235 Russell Building

Rules and Administration
Business meeting, to consider committee resolutions requesting funds for operating expenses for 1981, and other legislative and administrative committee business.
301 Russell Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from the Disabled American Veterans.
318 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Human Development Services of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 25

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Social Security Administration of the Department of Health and Human Services.
1114 Dirksen Building

Banking, Housing and Urban Affairs
To hold hearings on the conduct of monetary policy.
5302 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed legislation authorizing funds through fiscal year 1985 for the airport development aid program.
235 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Office for Civil Rights, policy research programs, and departmental management programs of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 26

9:30 a.m.
Special on Aging
Organizational business meeting, to consider its rules of procedure for the 97th Congress, and other pending committee business.
Room to be announced

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain departmental management programs and the Office for Civil Rights of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Coast Guard of the Department of Transportation.
1318 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

FEBRUARY 27

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

MARCH 2

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for elementary and secondary educational programs of the Department of Education.
1114 Dirksen Building

MARCH 3

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the American Battle Monuments Commission, Army Cemeterial Expenses, the Office of Consumer Affairs, and the Consumer Information Center.
1224 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for impact aid programs, and emergency school aid programs of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General of the Department of Transportation; and the National Transportation Safety Board.
S-126, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for library and learning resource programs and vocational and adult education programs of the Department of Education.
1114 Dirksen Building

MARCH 4

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for educational, rehabilitation, and research programs for the handicapped of the Department of Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain student financial assistance programs of the Department of Education.
1114 Dirksen Building

MARCH 5

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain school improvement programs, special institutions, and Howard University of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration of the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Education, fund for the improvement of postsecondary education, educational statistics, educational research and training activities overseas of the Department of Education.
1114 Dirksen Building

MARCH 10

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Building Science, Federal Home Loan Bank Board, National Credit Union Administration, and the Office of Revenue Sharing (NYC).
1224 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Administration, Research and Special Programs and the Office of the Secretary of the Department of Transportation.
S-126, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 11

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Railroad Retirement Board, domestic operations programs of ACTION, and the Soldiers' and Airmen's Home.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, the National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

MARCH 12

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Civil Aeronautics Board, Interstate Commerce Commission, and the Washington Metropolitan Area Transit Authority (Metro).
1318 Dirksen Building

MARCH 16

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration of the Department of Transportation.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Railroad Passenger Corporation (Amtrak).
1318 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

APRIL 1

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 and for the Federal Emergency Management Agency, and the Selective Service System.
S-126, Capitol

APRIL 8

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol

79-059 O 1984 — 19 — (Vol. 127 Pt. 2)

APRIL 22

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

APRIL 29

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

MAY 12

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

MAY 20

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

JUNE 2

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

SENATE—*Thursday, February 5, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met in executive session at 9:15 a.m., on the expiration of the recess, and was called to order by the Honorable S. I. HAYAKAWA, a Senator from the State of California.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Gracious God, at a time when the people's level of expectation is high, grant to Thy servants in public life the wisdom to do the work of legislation, administration, and justice for the common good.

When criticism comes from the people who expect miracles and from those of the press who look for weakness, give to Members of the Senate, their families, and their staffs the grace of patience and love. Help them to heed criticism that is constructive and to grow by it. Help them to be compassionate and forgiving toward the critics who would tear down and destroy. Grant to them courage to live above hostility and to be faithful to their task when circumstances are discouraging and negative.

Brace them in Thy strength against the enervating effects of frustration and futility. Give them the confidence that "God works in everything for good to them who love Him and are called according to His purposes."

Bless them, Lord, with love and laughter and life, through Him who by His death gives life to all who believe. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 5, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable S. I. HAYAKAWA, a Senator from the State of California, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. HAYAKAWA thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized, as in legislative session.

Mr. BAKER. Mr. President, I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, as in legislative session, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I inquire of the Chair if there are special orders for this morning.

The ACTING PRESIDENT pro tempore. There are several of them.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, as in legislative session, I ask unanimous consent that, following the speeches provided for by special orders, there be a period for the transaction of routine morning business not to extend beyond 1 hour, in which Senators may speak for not more than 15 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, after the time allocated to the two leaders under the standing order and the special orders and morning business, what will be the business before the Senate?

The ACTING PRESIDENT pro tempore. The nomination of Vice Adm. B. R. Inman, to be the Deputy Director of Central Intelligence, and to have the rank of admiral while so serving.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, I have no further need for my time under the standing order. I am prepared to yield it now to any Senator or to the distinguished minority leader if he requires additional time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized, as in legislative session.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader.

Mr. President, I would be happy if the Senator would yield me some of his time. I want to yield it to Mr. PROXMIRE.

Mr. BAKER. Mr. President, I am happy to yield the time I have remaining under the standing order to the distinguished minority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader.

Mr. President, I yield such time as he may require to Mr. PROXMIRE.

Mr. PROXMIRE. Mr. President, I thank my good friend, the minority leader.

SENATE APPROPRIATIONS COMMITTEE HEARINGS ON THE ECONOMY

Mr. PROXMIRE. Mr. President, last week the Senate Appropriations Committee had a series of hearings on the economy. It was most appropriate. Chairman HATFIELD deserves great credit for having called these hearings where he invited the most distinguished witnesses on the economy to appear. We had a message that was very clear and I would like to present that this morning.

Mr. President, you had to be blind, deaf and dumb, especially dumb—as well as obtuse to miss the message before the Appropriations Committee last week. We heard from the top economic figures in the Reagan administration and the top economists—including liberal officials appointed to key economic jobs by Democratic Presidents. And what did they tell us? They all sang the same song. The key was C sharp, C for cut. And the lyric? One word: The same—cut. The only variations I heard were slash, abolish, eliminate. Of course, Secretary Regan and OMB Director Stockman sang the song. What is new? And it was not surprising when Federal Reserve Board Chairman Paul Volcker joined in the chorus as did such regulars as Alan Greenspan and Michael Evans. But how about Otto Eckstein? Mr. President, do you know who Otto Eckstein is? Do you know who appointed him to the Council of Economic Advisers? President Lyndon Johnson.

Eckstein has a fine reputation as an economist. No one would accuse him of being a doctrinaire anything, particularly a doctrinaire small Government man. But Otto was right there with the rest bellowing out the chorus—"Cut, cut, cut, cut, cut". And, Mr. President, if there is a guru for the spenders, that guru would have to be that brilliant, former Chairman of John Kennedy's Council of Economic Advisers—Walter Heller. Walter has the marvelous knack of writing like George Bernard Shaw; and thinking big—especially when it comes to Government projects—has been his forte.

I think he is the finest sheer writer on economics that we have in the country today and, of course, he is an eminent economist.

But there was a vote of confidence from the economic profession that was about as overwhelming as it could be. What was that overwhelming sentiment? It was this:

Under present circumstances the right economic medicine for this country today—as I say, of economists of all persuasions and of all backgrounds and of

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

all record experience agreeing—the right medicine for this country today begins with spending reductions.

He is not afraid of recommending big spending and has done it regularly. And he certainly must be rated as one of the most respected economists in the country. Now, what did Walter Heller recommend? Listen. Said Walter: "There are many areas of the budget where cuts are desirable and possible." Coming from Greenspan that would not surprise me. Coming from Heller, I was startled.

Mr. President, nothing in economics comes out unanimously. Rudy Oswald of the AFL-CIO did not throw in the sponge. Oswald favored continued spending, as he always has and as the AFL-CIO has done, and that made him all alone. So reducing spending did not simply enjoy a vote of confidence from the economic profession.

Spending reductions have become the order of business as anyone who can count to 19 or 20 and look at the prime rate must recognize, or for the advanced student count to $935 billion and look at the national debt.

Here was a message—not just for the Appropriations Committee. We are no longer the only game in town on spending. In recent years the Finance Committee has come on like the Marines with social security, medicare, revenue sharing, and tax expenditures generally. And certainly the entitlement programs falling under the jurisdiction of the authorizing committee have helped shove the budget sky high. So the message came through—like a thunder clap—absolutely unmistakable: Cut spending, cut spending. A healthy economy depends on cutting spending. Does the reducing of the interest rate depend on Volcker or whoever happens to be chairman of the Fed? No. Then what does it depend on? Answer: on reducing spending. Should reducing inflation depend on wage-price controls? Answer: a unanimous: "No."

None of the economists said that wage-price controls would work under present circumstances or were desirable.

Should it depend on tighter monetary policy? Answer: No. A tighter monetary policy absent rigorous spending reduction means simply higher interest rates. Should reducing inflation depend on increasing production and supply by stimulating tax cuts? Answer: Yes, but only, only if the tax cuts are accompanied by bigger and deeper spending cuts, and I mean accompanied at the same time. With the exception of the new Treasury Secretary, Mr. Regan, the expert witnesses all argued that tax reductions without spending reductions are a sure and swift forerunner of much worse inflation. Dr. Eckstein put it this way—after reading the testimony of Secretary Regan who argued for tax cuts first, said Eckstein: "The Reagan administration is looking at a $100 billion deficit." A hundred billion dollar deficit, Mr. President. Do you know what that would mean? It would mean 20 percent inflation and a 30 percent prime. It would paralyze and then destroy this great economy of ours.

Mr. President, we can whimper and wail and dream up alibis. We can kite the national debt to $985 billion, as this body will do in the next day or two. We can denounce the Federal Reserve. But high interest rates and inflation will continue on, unless we cut spending, and cut it ruthlessly and everywhere—no exceptions, except for national defense.

Will people in this country suffer from these cuts? Of course people will suffer. We will have to cut funds for education for health, for transportation, for housing, for the cities.

I think, unfortunately, that too many people are given the impression that we can make these reductions by cutting waste and fraud and not hurting anybody, and not reducing any programs. Nonsense. No way. There is no way we can make these cuts without sacrifices on the part of many, many people, without cruel sacrifices in some cases.

Will these cuts do the job in a year or two? No way. We must continue and persist in these reductions year after year, at least through the decade of the eighties.

Mr. President, we have to realize that this increase in spending has put us on this inflationary, high interest rate path, and has been going on not for a year or 10 or 20 years, but for 50 years, ever since the early 1930's.

So we have one very clear obligation, a difficult obligation, an historic obligation, certainly a challenging obligation, and that is to cut spending, cut it sharply, and cut it everywhere in sight. We must get on with the job and get on with the job now.

APPROPRIATIONS COMMITTEE HEARINGS

Mr. ROBERT C. BYRD subsequently said: Mr. President, I rise to join the distinguished senior Senator from Wisconsin (Mr. PROXMIRE) in his remarks. It is commendable for the Appropriations Committee, under the chairmanship of the able and distinguished senior Senator from Oregon (Mr. HATFIELD) to have conducted such thorough and far-reaching oversight hearings. Undoubtedly, these hearings will be helpful in setting the stage for the work of the Appropriations Committee this session. I am impressed that so many of the new members of the committee took the time to participate in the hearings. I commend the content of the hearings to all of the Members of the Senate and their staffs who have a desire to stay abreast of the constantly shifting economy.

● Mr. SPECTER. Mr. President, during the past week, the Senate Appropriations Committee heard testimony from a wide variety of witnesses on the state of the economy and the Federal budget. Testimony was received from the Secretary of the Treasury, Director of the Office of Management and Budget, Chairman of the Federal Reserve Board, Director of the Congressional Budget Office, two panels of distinguished economists, the Comptroller General and various public witnesses. Both the chairman and the committee staff are to be commended for their efforts in organizing the hearings and the caliber of the witnesses.

The hearings focussed on two central themes.

First, given the present rates of taxation, tax cuts are needed to encourage investment and improve productivity. Without any congressional action to reduce taxes, there will be $30 billion in built-in, new taxes this year, including payroll tax hikes, inflation produced increases in personal income taxes and the windfall profits tax. Evidence presented at the hearings supported the principle that tax cuts would expand the economy and would likely yield an increase in Federal revenues, even with lower tax rates which would be applied to a much larger base.

Specifically, tax reductions will increase savings and funds for investment, thus increasing capital formation and lowering interest rates. With the current slack in the economy and weak demand, the economy will expand and production increase. Productivity, the key determinant of real growth and inflation, should improve significantly. A critical, early priority of this Congress must be the enactment of the requisite tax reductions.

Second, reductions in Government spending are important if the economy is to improve, with maximum care that any budget cuts enacted by the Congress take into account basic social and human needs. Waste, fraud, and mismanagement must be the first focus of reductions and nonessential programs the second priority for cuts. Across-the-board reductions and selective dismemberment of programs whose political constituencies are weakest must be avoided. In the next few weeks it is essential that the Congress, the administration, and the various interest groups target cuts which can be made without reductions in basic human services.

Deciding what should be the magnitude and nature of these cuts is a problem complicated by the unanimous consensus that the Carter budget significantly understates the size of the deficits for both fiscal year 1981 and fiscal year 1982. Even taking into account additional revenues that might be received as the result of a tax cut, significant reductions must be considered even to stay within the projected deficits in the Carter budget.

These two steps—tax cuts and spending reductions—are necessary to curb the inflationary expectations which have dried up savings, decreased productivity, led to greater and greater budget deficits, and stagnated the economy. With appropriate deliberation, we must take these two actions quickly in order to achieve the significant improvement in the economy which our Nation needs.●

MADISON, WIS.—A MODEL SCHOOL DISTRICT IN EDUCATING THE HANDICAPPED

Mr. PROXMIRE. Mr. President, the current issue of the Department of Education's magazine American Education features an article on the fine job the Madison, Wis., school district is doing

in serving the needs of its handicapped children.

The article points out that:

Madison has been continually cited by ED's Office for Civil Rights as being among a half-dozen school districts in the country doing a sound job of educating the handicapped according to the new federal guidelines that mandate equal opportunities for public education for all children regardless of handicap severity.

There are real concerns over the costs, paperwork, and confusion generated by the sweeping mandate contained in the Education of All the Handicapped Act. Therefore, it is important to review how one school district is successfully dealing with the problem.

I ask unanimous consent that the article, entitled "Taking the Tough Route of Fairness," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAKING THE TOUGH ROUTE OF FAIRNESS

In a corner of the gym, 26 seven-year-olds were learning the skill of catching a big rubber ball. Up and catch, up and catch, up and . . . whoops. "Look at me," one child calls to the teacher. "Look at me," another signs to her friend. So many are signing that it is impossible to pick out the six hearing-impaired youngsters except for a few who wear conspicuous ear-pieces.

Little Peggy runs over to two adult observers standing quietly in a corner, asking their names. A classmate joins her, asking "Can you sign?" When the observers say no, Peggy tries to teach them to sign their names.

Before she joins the other children, Peggy says, "We're having a Halloween party tomorrow and the handicapped kids are coming to our class." Then she is off to practice her catching skill.

The handicapped kids. That's how Peggy refers to the four classes of severely and profoundly retarded and multiply-handicapped youngsters who attend the Glendale Elementary School of the Madison (Wisconsin) Metropolitan School District. Ranging in age from four to 18 years, most of those children function below a two-year-old level. The hard-of-hearing kids in Peggy's class? Nobody—not even the kids themselves—thinks of these youngsters any more as being handicapped.

A MODEL SCHOOL DISTRICT

Madison has been continually cited by ED's Office for Civil Rights as being among a half-dozen school districts in the country doing a sound job of educating the handicapped according to the new federal guidelines that mandate equal opportunities for public education for all children—regardless of handicap severity. A sweeping mandate, the guidelines have caused confusion and, in some cases, division among populations of many cities and towns.

In Madison schools, the handicapped are getting the chance to learn. To understand why, it is necessary to understand first of all the lake-surrounded city of about 160,000 in south-central Wisconsin. Madison is not only a marketplace and shopping center for the rural population that surrounds it; it is the state capital. In addition, fully one-fourth of its population is the student body of the University of Wisconsin's sprawling campus. Chief among several small factories is an Oscar Mayer food-processing plant.

The broad mix of students, professors, plant workers, and farmers—elsewhere sometimes a divisive factor—tends to make Madison an accepting community that takes tolerantly in stride the political, economic, and culture differences among its citizens. It's not surprising that the city leads not only in de-institutionalizing its handicapped residents but in providing them with housing, transportation, and access to public facilities.

GETTING AN EARLY START

Well before the federal mandate took effect in 1980, Madison schools had begun landmark programs for the handicapped. An early identification program, started as far back as 1974 with the help of the university's school of education, actively seeks out handicapped children from birth on. Hospitals, pediatricians, and social workers all refer parents to the program.

Once identified, infants between birth and 22 months come into the schools regularly with their parents—anywhere from almost daily to biweekly, depending on need—for individual or small-group education and training sessions. Parents, the primary educators of infants, are taught tasks and games that will make the most of each child's resources. Home visits reinforce learning and, most important, provide a great deal of support for the parents themselves.

By the time these handicapped children come into Madison's early childhood classes, which serve special education children from about age two, their skills as well as their disabilities have been identified. Early identification, contend special educators, can be a critical factor in how much these youngsters will be able to learn in school. By the time the children reach kindergarten, about one out of three is ready to go into a regular classroom program—thanks to early identification program.

THE DIFFERENCE IS SUPPORT

The hearing-impaired program of total communication for schoolage children (signing, finger-spelling, speech) is even older, begun in 1971 as a self-contained classroom within a regular school. Helped by university researchers, the school district has shaped a sound program. In Glendale School, where most of these hearing-impaired elementary children are taught with the full range of communication techniques, most are fully integrated into regular classrooms.

Three conditions help the integration. Nearly every teacher these hearing-impaired children come in contact with speaks and understands sign language. The children and their nonhandicapped classmates take classes together in signing and finger-spelling. Finally, team teaching enables a special education teacher to sign for these youngsters whenever a regular teacher is instructing them.

The emphasis for all students in these integrated classes is total communication. By the time they reach middle school, the needs of the hearing-impaired have generally been pared down to some help with new vocabulary, emotional counseling, and—where necessary—an itinerant interpreter in their academic classrooms. By this time, their educational and, equally important, social integration into normal school life is a fact.

THE SEVERELY HANDICAPPED

But perhaps the real test for a school district is how much it can help the severely or profoundly retarded and multi-handicapped. For these youngsters—who, until recently, spent their lives behind institution walls—Madison's program is particularly admirable. As early as 1968, many of these youngsters lived at home or in community-based group homes and came to a segregated school building, Badger School, along with moderately and somewhat severely retarded students, for therapy and training. At the same time, the school district was becoming increasingly committed to the belief that interaction between handicapped and nonhandicapped students benefits both groups. Thus gradually the moderately and severely retarded were moved into regular schools. As that happened, students with greater and greater handicaps were accepted into Badger School.

When Badger was closed in 1977, profoundly disabled students were moved into regular education buildings. The move was not a budget-cutting decision or an enforced, gun-at-the-temple mandate by civil rights authorities—as has happened in many school districts. It was a natural phase in the school district's own commitment to the philosophy of "one instructional program for all, with appropriate options, in the least restrictive environment," in the words of its superintendent, Donald Hafeman.

For these students, many labeled uneducatable in the past, the rewards have been inestimable. An 18-year-old functioning at about an 18-month-old level is beginning to pattern her behavior after the six-year-olds she sees in the lunchroom every noon. A 14-year-old who normally seems to recognize nothing "gets a twinkle in his eye when he goes to music class with the regular kids." Several dozen youngsters from regular classes volunteer to come in to feed, play with, or help by just watching these students, if needed. Their questions, "Is it catching?" "Will he die?" "What's wrong with her?" are answered honestly. They have learned not to cringe, not to fear.

THE WIDE RANGE OF DISABILITIES

Madison has among the 34,000 students in its public schools every one of the special kinds of students that have been identified as handicapped—the disadvantaged (Title I), the learning disabled, the emotionally disturbed, the autistic, the hearing-impaired, the visually-impaired, the physically impaired, the speech or language impaired, the pregnant teenagers, the mildly or moderately mentally retarded, and the multiple-handicapped and severely or profoundly mentally retarded. Madison's handicapped youngsters number about 2,000 and the school district has a plan for each. Every group or category has an assigned program coordinator and an impressive team of support personnel: teachers, aides, and specialists such as audiologists, physical therapists, occupational therapists, psychologists, and social workers. Combined with the special services it receives, each group spends at least a part of its day with students in the regular program.

At LaFollette High School, for example, kids chatter amiably about the two students in wheelchairs who drag-raced down the hall, while a special education teacher tells that nearly a dozen regular teachers—in the art department, industrial arts, and the business courses—on their own initiative returned to school for some special ed coursework.

GETTING A FAIR CHANCE

At another high school, a senior tells how she herself moved to Madison this year for its learning disabled program, which found her a "real eight-hour job, not a three-hour one like I had in my old school's CETA program."

In Schenk Middle School, two students assigned to the trainable mentally retarded class, until this year were in a class for the profoundly retarded. "I moved them up because I thought they could learn from these kids' example," teacher Patty Rogan says, "and they have."

Rogan's students have "jobs" across the street at a local church. They "punch in" for work by marking a line after their names on a chart. Those unable to hold a pencil (a fine-motor skill) insert a peg (a large-motor

one) after their names on a special handmade board.

The philosophy behind Madison's program is clear: Broad goals are the same for every student, regular or special. Each is placed in an age-appropriate situation, with age not necessarily defined in rigidly chronological terms. A profoundly retarded student of 18 who measures at less than two years is in a different setting from one who functions at the six-year-old level. Trainable mentally retarded teenage students who are small for their age may be kept in the middle-school setting until about age 16, when they move to high school to remain until age 21.

HOW THE PROGRAM WORKS

Every moderately and severely retarded student is instructed in four curricular areas: vocational, community, leisure recreational and domestic. With these in mind, educators make a thorough assessment of each individual's strengths and weaknesses and then plan a program. Within each disability, children are grouped according to how much they seem able to learn in each area. A learning-disabled or emotionally disturbed child, therefore, may be placed in a regular academic class with a regular or modified academic program. In that class the student's special education teacher may act as an observer or as advisor to the teacher, or may actually work with the teacher to prepare modified tests and tests.

Or, at the other end of the spectrum, the child may be placed in a self-contained learning disabled or emotionally disturbed class integrating into the regular program only during lunch, music, phys ed, and whatever other activities the student can handle.

In middle school, the student may take specially designed career courses that teach self-sufficiency skills such as checkwriting and skills needed for job preparation. By eighth grade—if everyone including parents are in agreement—the youngster will spend some time at a job site learning work skills. Twenty-seven Madison workplaces have already joined the schools in providing occupational training, and disabled young people from most subgroupings have been placed in these job sites.

For an educable mentally retarded student, the goals may be the same as for the learning disabled student; but the teaching strategies and content change in that self-sufficiency and occupational skills are given more attention earlier. For a trainable mentally retarded student, instructional strategies are again altered to meet learning needs. One mother described how her trainable mentally retarded son was taught to use a calculator and to go grocery shopping and to a restaurant. "He punches the numbers from a food package or a menu item into the calculator," she explains. "Then he presses the add button and the calculator tells him how much money the items total to." Students go marketing and to restaurants week after week until they fully understand how to handle these tasks.

WHERE THE MONEY COMES FROM

Such programs are expensive, but the school district is aggressive at finding funds for them. First of all, the state department of public instruction reimburses 70 percent of the costs of teachers and of transportation for all special education students. "It comes to about 60 percent of our total special education costs," says Dr. Lee Gruenewald, director of the Madison district's department of specialized educational services. Gruenewald says it costs the district between $6,000 and $8,000, on average, per year per student. But, he points out, it can cost the state $20,000 a year or more to keep a handicapped person in an institution.

The federal government provides only about $175 per exceptional student for special education costs through various aid formulas. But, in addition, the school district has federal demonstration, research, and training grants. Specifically, Public Law 94-142 funds have been used for staff development, audiology tests, and other services, and for running the early identification program. With the University of Wisconsin, the district received a joint contract from ED's Office of Special Education and Rehabilitative Services to develop curricular materials and teaching strategies for the education of moderately and seriously retarded students in a natural environment. From that project has come the remarkable community-centered program.

PROBLEMS COME WITH PROGRESS

There are still problems, even in this model school district. Although Gruenewald says, "We've got the best, most caring special ed teachers I've ever seen," he admits that stress is inescapable and teacher burnout is a problem here as elsewhere. While staff replacement is less of a problem with the university right next door, the emphasis is not on hiring new teachers but on finding better ways to support the staff.

Most of Madison's regular teachers accept special students in their classes, many of them going out of their way to help design programs and materials for these youngsters. Even the most severely handicapped have been accepted into the schools. "In fact, when the severe-and-profound students started coming into the schools, our emotionally disturbed and learning disabled youngsters suddenly seemed less aberrant, and all the teachers' reservations about them vanished," reports one special education administrator.

There are still a few holdouts like the regular teacher in one high school who failed three learning disabled girls because, despite their passing work, she expected they'd fail. But there are checks and balances, too. A resource teacher assigned to monitor these students was on top of the situation. She will go down and talk about goals with the teacher and, if the problems cannot be resolved, the students' schedules will be changed.

Like many school districts, Madison's declining student population has led to school consolidation in the past several years, and the exceptional education advisory committee—a consortium of specialized parent groups—is concerned that some special education students have been transferred from building to building too often. "Let's face it, a class of six kids is easier to move than a class of 27," one administrator concedes. One building principal, though, wouldn't allow his severely handicapped class to be moved to another school because he felt their presence was educationally valuable for the nonhandicapped students.

THE PAPER BURDEN FOR TEACHERS

From the teachers' point of view, paperwork presents the biggest problem right now. The Individualized Education Programs (IEPs) that teachers must fill out at the beginning of each school year have become gigantic stumbling-blocks for many. One problem may be finding mutually convenient times to meet with parents and other team members.

But at the heart of the matter, contend some teachers, is the fact that the triplicate forms are all so official. They need parental signatures and one copy must be filed with central administration. The legality of it all intimidates some teachers, whose strengths are in dealing with children, not in writing reports. No one would advocate doing away with IEPs. Most Madison teachers feel they are genuinely useful in setting year-long goals for each handicapped child. Many would like released time or some other compensation for the long hours spent filling them out.

"We're refining the assessment process this year," says Gruenewald. He hopes this will reduce problems in both the process and the paperwork load.

While much has been accomplished in the school district in educating all its handicapped students, Gruenewald cites some goals still to be met. He hopes for better transition programs and more community involvement so that independent and semi-independent living will be possible for all the handicapped, school age and through maturity. He will continue to push for deinstitutionalization of severe cases and to refine administrative work in the direction of one unified instructional program with appropriate modifications—in the healthy interest of bringing together special and regular education as much as possible.

Equally important Gruenewald intends more staff training for both special and regular teachers to sharpen skills in assessment and program strategies, with emphasis on discovering how all children learn and under what conditions each one learns best.

While these may sound like ambitious goals, particularly during belt-tightening times, Madison's concern with educating all its handicapped children is real, having begun long before laws were passed to ensure these children's rights. It is reasonable, then, that its schools should be models for the rest of the nation.

THE TRAGEDY OF EAST TIMOR

Mr. PROXMIRE. Mr. President, in this Chamber often concerned with international matters, with worldwide ramifications, today I think we should focus on the story of a small Pacific tropical island far removed from the concerns of the civilized world.

The tiny island of East Timor has had a stormy recent history. I think it is important when we consider the Genocide Convention.

In 1975, Portugal withdrew from the small island after centuries as colonial landlord of its territory. Soon, Portugese Timor was proclaimed independent as East Timor.

Its neighbors, Indonesia, feared its independence and overran the island on December 7, 1975, and proceeded to establish a blockade to cut off food and supplies.

Mr. President, most of us associate genocide with simply the cruel, premeditated, hideous destruction of the Jews in Europe before and during World War II by Adolph Hitler. But genocide is something that has been with us for hundreds of years and has persisted as recently, as I pointed out today, as the 1970's.

Over the course of the year after 1975, in 1976, Indonesia overran the island, established a blockade, and cut off food supplies. Nearly one-half or 270,000 of East Timor's 600,000 citizens died as a result of the blockade. Think of that. Half of all the citizens in the entire little country perished. It is a sad story.

It reminds us how easy it is for us to treat human tragedies in remote settings lightly when they are far removed from our own problems. We must stop such cruel assaults on civilian populations by ratifying the Genocide Convention.

Mr. President, there is no earthly reason why this body should continue to blockade that convention, the only major country in the world that is doing so.

Secretary of State Haig has called upon us to ratify the Genocide Convention, as have Secretaries of State in every previous administration since the Genocide Convention was adopted at our behest by the United Nations back in 1949.

For 32 years, we have waited for this, or the country has waited for it, the world has waited for it. For 32 years, the U.S. Senate, only the U.S. Senate, has held it up, in opposition to every President from Truman to Reagan.

APPROPRIATIONS COMMITTEE CUTS THE PRESIDENT'S BUDGET

Mr. ROBERT C. BYRD. Mr. President, the Appropriations Committees of the Senate and House of Representatives have an enviable record of spending control. Throughout 36 of the past 37 years, during Republican as well as Democratic administrations, the Appropriations Committees have demonstrated their utility in achieving spending control by cutting the President's budget requests.

Mr. President, the Appropriations Committees do not review the entire budget as proposed by the President. Only about 60 percent of the President's budget comes before the Appropriations Committee each year. The remainder of the President's budget is dealt with by the other committees of Congress. Nonetheless, as I have already indicated in 36 out of the last 37 years, the appropriations enacted into law in bills from the Appropriations Committees have been under the President's budget. This, I believe is an often overlooked fact. It should remind all who read this record that the Appropriations Committees are fully prepared to continue to deal responsibly with control of Federal expenditures.

Mr. President, I ask unanimous consent that a table showing the estimates in the President's budget as compared with the amounts enacted during the years 1943 through 1979 be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

REGULAR ANNUAL, SUPPLEMENTAL, AND DEFICIENCY APPROPRIATION BILLS, COMPARISON OF ESTIMATES AND AMOUNTS ENACTED

Calendar year	Estimates	Amounts enacted	Increase (+) or decrease (−)
1943	$115,041,366,395	$110,634,660,785	−$4,406,705,618
1944	63,513,471,020	61,257,906,152	−2,255,564,868
1945	62,453,310,868	61,042,345,331	−1,410,965,537
1946	30,051,108,870	28,459,502,172	−1,591,607,693
1947	33,367,507,923	30,130,762,141	−3,236,745,782
1948	35,409,550,523	32,699,846,731	−2,709,703,792
1949	39,545,529,108	37,825,026,214	−1,720,502,894
1950	54,316,658,423	52,427,926,629	−1,888,731,794
1951	96,340,781,110	91,059,713,307	−5,281,067,803
1952	83,964,877,176	75,355,434,201	−8,609,442,975
1953	66,568,694,353	54,539,342,491	−12,029,351,862
1954	50,257,490,985	47,642,131,205	−2,615,359,780
1955	55,044,333,729	53,124,821,215	−1,919,512,514
1956	60,892,420,237	60,647,917,590	−244,502,647
1957	64,538,110,610	59,589,731,631	−5,048,378,979
1958	73,272,859,573	72,653,476,248	−619,383,325
1959	74,859,472,045	72,977,957,952	−1,881,514,093
1960	73,845,974,490	73,634,335,991	−211,638,498
1961	91,597,448,053	86,606,487,273	−4,990,960,780
1962	96,803,292,115	92,760,154,459	−4,043,137,656
1963	98,904,155,136	92,432,923,132	−6,471,232,004
1964	98,297,358,556	94,162,918,996	−4,134,439,560
1965	109,448,074,896	107,037,566,896	−2,410,508,000
1966	131,164,926,586	130,281,568,489	−883,358,106
1967	147,804,557,929	141,872,346,664	−5,932,211,265
1968	147,908,612,986	133,339,868,734	−14,568,744,252
1969	142,701,346,215	134,431,463,135	−8,269,883,080
1970	147,765,358,434	144,273,528,504	−3,491,829,930
1971	167,874,624,937	165,225,661,865	−2,648,963,072
1972	185,431,804,552	178,960,106,864	−6,471,697,688
1973	177,959,504,255	174,901,434,304	−3,058,059,951
1974	213,667,190,007	204,012,311,514	−9,654,878,493
1975	267,224,774,434	259,852,322,212	−7,372,452,222
1976	282,142,432,093	282,536,884,665	+394,282,572
1977	364,867,240,174	354,025,783,783	−10,841,459,391
1978	348,506,124,701	337,859,466,730	−10,646,657,971
1979	388,311,676,432	379,284,865,429	−9,026,810,983

CAUTION ON KEMP-ROTH

Mr. ROBERT C. BYRD. Mr. President, the numerous witnesses that appeared before the Appropriations Committee—Treasury Secretary Regan; OMB Director Stockman; Federal Reserve Chairman Volcker; and CBO Director Rivlin, among others—agreed that tax cuts must go hand in hand with budget cuts. Subsequent witnesses sounded a note of caution, however. Budget reductions of the magnitude required to offset a tax reduction are difficult to achieve.

Tax reductions, however, tend to be easy to enact. The great danger is that Congress will be stampeded into cutting taxes too much and too fast and "just bet somehow it will all work out." Maybe it will not. Economist Otto Eckstein predicted that if the Congress votes a more realistic defense budget, enacts a capital formation tax reduction, and then piles a Kemp-Roth tax cut on top of all that, the deficit would be between $100 and $115 billion in fiscal 1983. The scenario would—in the words of Federal Reserve Chairman Volcker—cause us to be "swamped by inflation and high interest rates."

BLACK LUNG CUTS VERSUS KEMP-ROTH CUTS

Finally, Mr. President, there is the matter of equity and compassion in balancing the need for expenditure reductions against the need for personal income tax reductions. I believe the point is best made by citing an example.

I am reminded there are currently in fiscal year 1981, 209,000 black lung beneficiaries receiving $584,000,000 in payments. This is an average payment, then, of $2,794 per year; or $232 per month; $54 per week, $7.65 per day.

Some of the witnesses appearing before the Committee on Appropriations suggested that indexed programs such as black lung benefits should be cut back by either eliminating the indexing or changing the indexing so that it advances slower than the Consumer Price Index.

Of course, it is going to be difficult to explain to a black lung beneficiary who is trying to keep body and soul together on $7.65 a day that his Government believes that his meager benefits should be curbed to pay for a $1,000 Kemp-Roth tax cut to an individual already making $40,000 a year.

ORDER OF PROCEDURE

VITIATION OF TWO ORDERS FOR RECOGNITION

Mr. ROBERT C. BYRD. Mr. President, there are two orders for the recognition of Mr. CRANSTON and Mr. MATSUNAGA. I ask unanimous consent that that time be vitiated and placed under my control.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask that the time be charged against the time under my control.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER RESERVING REMAINDER OF TIME OF MINORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may reserve the remainder of my time. I believe I have about 10 minutes remaining.

The ACTING PRESIDENT pro tempore. The Senator has 9 minutes and 30 seconds remaining.

Without objection, it is so ordered.

ORDER TRANSFERRING TIME TO THE CONTROL OF SENATOR SCHMITT

Mr. SCHMITT. Mr. President, I ask unanimous consent that the time allotted to Senators HATFIELD, BAKER, STEVENS, TOWER, and SYMMS be under the control of the Senator from New Mexico.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE ECONOMY

Mr. SCHMITT. Mr. President, the Appropriations Committee of the Senate has completed an historic series of hearings on the economy and the impact of the committee's ability to control Federal spending and increase service and programs under its jurisdiction.

The distinguished chairman of the committee, Senator HATFIELD, has pro-

vided this opportunity for all members of the committee to hear a broad range of distinguished witnesses on the subject of the basic economy and what can be done to repair the damage to it that has occurred over the many years previous.

The extraordinarily substantive participation of Secretary of the Treasury Regan and Director Stockman, the Director of the Office of Management and Budget, was extremely useful in preparing the committee and my Labor, Health and Human Services and Education Subcommittee for viewing our task in the context of overall fiscal policy. In addition, the independent perspectives of Federal Reserve Board Chairman Paul Volcker and many other private and Government witnesses gave us the background from which our basic budget strategies can be established.

This overall fiscal review by the committee has been absent in recent years. Its absence, I believe, has contributed to the lack of a workable fiscal policy in the Congress. It can be said that the Budget Act and the normal appropriations process under which we have been working in recent years are fundamentally incompatible, that the intent of the Budget Act was to have concurrent budget resolutions that basically put into general perspective the actions of the Appropriations Committee and other committees of the Congress.

Unfortunately, the lack of appropriations action on many bills prior to the second concurrent budget resolution has clearly shown the process has not worked.

It is my belief and, I think, the belief of the chairman and the majority on our committee, that it can work if the Appropriations Committee begins to exercise its traditional role.

Mr. President, in the course of these hearings it became apparent that there is a general fiscal strategy on which most witnesses could agree, and which would represent only modest modifications to the strategy the Reagan administration is apparently considering.

Let me commend this fiscal strategy to the Senate as follows:

First. Enact significant tax incentives, retroactive to January 1, 1981, to encourage new capital formation and thus new productivity, lower costs of production and create new jobs.

Second. Enact a general income tax cut of about $30 billion for calendar year 1982, $40 billion for 1983 and $50 billion for 1984 with indexing of tax rates to inflation in following years.

Third. Enact cuts in Federal spending that reduce the growth of Federal spending to zero by the end of fiscal year 1982 and reduce the annual amount of Federal borrowing—deficit plus presently off-budget borrowing—from $138 billion in fiscal year 1980 to $130 billion in fiscal year 1981, $90 billion in fiscal year 1982, $50 billion in fiscal year 1983 and zero in fiscal year 1984.

Fourth. Stop the growth of regulatory costs by the end of fiscal year 1981 and build in a 10-percent annual rate of decrease in these costs by the end of fiscal year 1982.

Fifth. Adopt some alternative to the current use of the CPI for indexing benefits under various entitlement programs.

Mr. President, let me go back and discuss in more detail each of these elements of strategy.

First, enact significant tax incentives, retroactive to January 1, 1981, to encourage new capital formation and thus new productivity, lower costs of production, and create new jobs. There is general approval of some kind of investment incentive tax cut. Secretary Regan, as lead witness, sought "an improved tax climate for capital formation" so as to "(equip) our growing labor force with more and better plants and machinery" and achieve significant gains in productivity.

OMB Director Stockman proposed "orderly reduction of Federal tax rates." Among private witnesses' testimony, economist Otto Eckstein gave first place to the need for "an acceleration of capital formation to allow industry to modernize its plant and equipment" and increase the quantity per worker. In his forecast, he presumed "corporate tax cuts retroactive to January 1, 1981," and "lower-effective depreciation lifetimes by roughly 40 percent." Economist Walter Heller proposed that the 1981 tax cut should be restructured "to put much more emphasis on tax incentives for investment and cost cutting." Economic forecaster Michael Evans presented, as the first two items in his "optional tax reduction package, a 40-percent reduction in depreciation lives for plant and equipment and an increase in the exclusion of long-term capital gains income from 60 percent to 70 percent."

Second, enact a general income tax cut of about $30 billion for calendar year 1982, $40 billion for 1983 and $50 billion for 1984 with indexing of tax rates to inflation in following years. While Treasury Secretary Regan was not specific in his endorsement of "reduction in tax rates for individuals," he made this point on the matter of timing: "This tax program cannot wait until budget outlays are reduced." OMB Director Stockman also noted—

> That diminished budget growth, lower tax rates, reduced regulatory burdens and declining money growth, must be enacted simultaneously.

In the testimony of economic experts, Alan Greenspan did not outline his tax cut preferences in his prepared remarks, but in exchanges with committee members favored the Roth-Kemp tax cuts. Michael Evans specifically proposed "a 10-percent across-the-board reduction in personal income tax rates for each of the next 3 years," as well as "reduction in the marriage penalty and lower taxes for Americans living abroad" citing "improve(d) incentives to work and labor productivity and efficiency" as justification. Evans claimed that the 30-percent reduction in tax rates "need not increase the budget deficit or raise inflation provided that Government spending is held in line."

Third. Enact cuts in Federal spending that reduce the growth of Federal spending to zero by the end of fiscal year 1982 and reduce the annual amount of Federal borrowing—deficit plus presently off-budget borrowing—from $138 billion in fiscal year 1980 to $130 billion in fiscal year 1981, $90 billion in fiscal year 1982, $50 billion in fiscal year 1983 and zero in fiscal year 1984. The issue on Federal spending was well put by Chairman Volcker, who said—

> I see no escape from the central proposition that, to make room for tax reductions and for private credit demands—both required to support economic growth and productivity gains—Federal expenditures and off-budget credit programs will have to be cut back sharply from current projections. The problem is not limited to the current fiscal year. The time has come to take a hard look at the built-in spending programs that are not readily—or at all—controllable by the annual appropriation process. This process of spending control should begin immediately, with the aim of achieving very substantial gains over a period of several years. The need is all the more urgent in the light of the broad consensus that defense spending must rise.

Chairman Volcker went on to express the sentiments of most witnesses by saying—

> I also know that it is easy (and right) for me to say that the decisions about what should be cut back are properly yours and the President's, not mine. But I also must emphasize that, in the interests of a healthy economy and moderating tensions in financial markets, I see no alternative to large spending cuts. In that connection, I need not linger over the desirability of prudent tax reduction and restructuring. As things stand, Federal taxes are absorbing a rising share of aggregate personal and corporate income, and the sheer size of that tax burden adds to costs and impairs incentives. But I must convey to you my conviction that decisions for substantial tax reduction must not run ahead of the harder decisions to achieve large cuts in spending programs. If these decisions are not in harness, the potential benefits of tax reduction could all too easily be swamped by inflationary forces and congested credit markets, damaging the very incentives and investment sought.

Fourth. Stop the growth of regulatory costs by the end of fiscal year 1981 and build in a 10 percent annual rate of decrease in these costs by the end of fiscal year 1982. Treasury Secretary Regan included "lightening the regulatory burden" in his economic recovery plan, but did not elaborate on this item in his prepared remarks.

OMB Director Stockman, likewise, did not elaborate, although he endorsed the general concept of regulatory reduction and control. The administration, however, by its recent actions to freeze the issuance of new regulations and rescind costly and burdensome education regulations, shows that actions speak louder than words. The administration has also indicated its support for increased congressional control over new regulations through the legislative veto process.

Fifth. And finally, adopt some alternative to the current use of the CPI for indexing benefits under entitlement programs. The Federal programs that are subject to indexation, of which social security payments are the greatest single component, account for over 50 percent of the Federal budget. The use of the Consumer Price Index (CPI) has in the recent past substantially overstated the actual rise in the cost of shelter because it includes the increasing cost of purchasing a home and also the increasing rate of interest on presently contracted mortgages—for the people who actually have bought a home. Nevertheless, there is no assurance that the CPI will continue to overstate the cost of homeownership, for example, if mortgage interest rates were to decline; in fact under such conditioning the CPI may begin to understate the true rate of inflation.

The use of the CPI for full 100-percent indexing is subject to more general objections: First, any "fixed-weight" price index is incapable of taking account of changes in spending habits that cause consumers to buy less goods whose prices are rising most rapidly; and second, there is overcompensation if those high-priced goods are imports, for example, petroleum, because benefits that compensate for full cost of living changes are not sustainable for the economy as a whole.

Mr. President, there is a need to adopt some alternative system of indexing. Options mentioned to the committee include:

The use of an alternative index, for example, CPI-X1, as proposed by the outgoing Carter administration, which compensates for the interest rate problem. Even if this is a "technically better index," it is still likely to suffer the same disadvantages as the CPI at some future time.

The use of the lower of the cost of living index or a wage-level index.

The reduction of the level of assistance, either by placing a cap on programs or by applying an automatic partial adjustment, for example, 85 percent of total adjustment.

And finally, a change in eligibility criteria.

Mr. President, the five actions summarized here would appear to offer the best balance in simultaneously reducing taxes, spending and regulatory costs. They certainly represent a general consensus that this Senator saw among the witnesses appearing before the Appropriations Committee. At the same time, the timing of these actions must be such as to maximize increases in growth, employment, confidence and long-term revenues while minimizing the short-term conflict between tax cuts, spending cuts and reductions in interest rates still pushed by excessive Federal borrowing.

Mr. President, let me turn now to a summary of our witnesses' estimates of the rates of inflation, unemployment, GNP growth, and interest for fiscal years 1981 and 1982. Our final budget must build in realistic estimates of these rates or our efforts to control spending are doomed to failure in advance.

INFLATION

There was little divergence by the witnesses on the estimates for 1981. In the absence of oil disturbances or grain shortages, the GNP deflator is expected to rise about 10.4 percent, according to Eckstein, or 9 to 9½ percent, according to Evans, and the Consumer Price Index 11.5 percent, according to Eckstein, or 11 to 12 percent, according to Evans. Other witnesses under questioning tended to support these figures. Both of these witnesses offered conditional estimates, however, of a slight decline in inflation in 1982 but declined themselves to be specific.

UNEMPLOYMENT

It was estimated by Eckstein that the unemployment rate would decline to 7.6 percent in the fourth quarter of 1981, after a mild downturn earlier this year, and would be 7 percent in the fourth quarter of 1982. Evans, more bullish, offered an estimate of 7 percent by the end of 1981 and an acceleration of the decline thereafter in 1982. The Congress assumptions had better be on the pessimistic side if we are going to really find control possible in the budget.

GNP

The 1981 estimates were affected primarily by whether the witness envisaged a mild downturn early in the year. Alan Greenspan saw no "evidence of a broad across-the-board weakening." Evans regarded real growth as "sluggish in the first half of 1981" without an actual decline, but expected a 4- to 5-percent annual rate in the second half. Eckstein foresaw a later acceleration in growth, with a real increase of only 0.8 percent from fourth quarter 1980 to fourth quarter 1981, but 3.9 percent in the following 4 quarters.

So, generally, Mr. President, with respect to the growth of the economy, even without actions by the Congress, the witnesses before the committee were mildly optimistic. Certainly their testimony indicated that, with the proper tax policy, spending rate restrictions, and regulatory reform, growth rate can increase.

INTEREST

There was wide divergence in the estimates of future interest rates ranging from a rapid decrease to 13- or 15-percent prime rate in 1981 by Mr. Evans to continued high rates by most other witnesses. Chairman Volker's declared intention to maintain the Federal Reserve Board's tight money policy may be our best indication of what is to come: That is, prime rates near 20 percent until Congress and the administration can restore economic confidence by strong and effective action.

TAX CUTS, SPENDING CUTS, AND REGULATORY REFORM

Mr. President, this synthesis of recent economic and budgetary ideas, which the Appropriations Committee of the Senate has received, shows a remarkable consensus.

Congress would ignore that consensus not only at its political peril but at the peril of the Nation. I am pleased to say that the committee, under the distinguished chairmanship of Senator HATFIELD, has made a good start for playing its pivotal role in restoring tax spending and regulatory commonsense to the Federal Government.

Mr. President, I suggest the absence of a quorum and ask that the time be charged to the time available to the committee.

The PRESIDING OFFICER (Mr. STAFFORD). Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. SCHMITT. Mr. President, I ask unanimous consent that the remainder of the time under my control be yielded to the Senator from Oregon (Mr. HATFIELD), the distinguished chairman of the Committee on Appropriations of the Senate.

The PRESIDING OFFICER. The Chair informs the Senator that he has the right and he may yield that time to the Senator from Oregon.

APPROPRIATIONS COMMITTEE ECONOMIC OVERVIEW HEARINGS

Mr. HATFIELD. Mr. President, I appreciate very much the opportunity to join with the Senator from New Mexico (Mr. SCHMITT) in sharing with the Senate the experience of the Committee on Appropriations over 4 days of hearings that were held relating to the economy and the Federal budget.

Mr. President, there was a brief conversation that I held with the Senator from New Mexico (Mr. SCHMITT) one day in the early part of this session, when we were talking about the organization and the duties and responsibilities that we were about to assume as the majority party in relation to our membership on the Appropriations Committee.

Senator SCHMITT suggested that we might have an oversight hearing, an overview of the economy, inviting various and sundry experts, as well as representatives of the administration, to make known their views. He indicated that he thought it would be a most important and fruitful hearing.

It had immediate appeal to me. It was also about this time that the Senator from the State of Wisconsin (Mr. PROXMIRE), the ranking Democratic member of our Appropriations Committee, discussed this matter with Senator SCHMITT. Out of this consensus, it seemed the right thing to do. I am convinced now that this will be, in the minds of the members of the Committee on Appropriations, probably one of the most meaningful hearings we shall have held during this entire Congress. So I am in debt to the creative mind and the ag-

gressive persistent character embodied in Senator SCHMITT. He is indeed one of the most valued members of that committee and I lean very heavily upon him.

During the 4 days of the hearings, Mr. President, we received testimony from an excellent selection of witnesses. I should like to name some of the distinguished men and women who appeared before our committee: Treasury Secretary Donald Regan, OMB Director David Stockman, Federal Reserve Board Chairman Paul Volcker, CBO Director Alice Rivlin, distinguished economists such as Walter Heller, Alan Greenspan, Otto Eckstein, and Michael Evans; GAO Comptroller General Elmer Staats; former CEA Chairman Charles Schultze, former OMB Associate Director Bowman Cutter, and representatives of the NAACP, AFL–CIO, Chamber of Commerce, the Heritage Foundation, and the National Federation of Independent Businesses, among others. All in all, I think anyone would admit it was a most impressive group.

I believe that, in all my 14 years in the U.S. Senate, I have not heard a hearing in which each witness presented such a high degree of careful thought and ideas and expertise, each one making such a valuable contribution to our proceedings, as in this particular hearing. I think all of us have had the experience of seeing quite a variation in quality of testimony in various and sundry hearings, but in this particular hearing, there was a consistent high level of excellence represented in each person's testimony.

I think, also, it is very important to note at this moment that we had excellent attendance of the committee members at all 4 days of hearings. I thank each member of the Appropriations Committee, both Republican and Democratic, for their participation. I think it does augur well for the role of the Appropriations Committee and this Congress as we seek to conquer the common enemy—that is, inflation, high interest rate, and all the other factors that constitute our economic problem.

We had as many as 15 members of our committee attending at one time. I think that is an outstanding achievement, an indication of high interest in this subject.

In calling the overview hearings, the Appropriations Committee revived a long-standing but recently neglected tradition, with the new twist of considering not only that part of the budget within the committee's jurisdiction, but also attempting to view all fiscal policy and the national economic situation which it affects and by which it is affected. I believe it is fitting and proper for the committee to have done so; for, despite the very significant functions of the Budget Committee under the Budget Act, and the expanded role of authorizing committees in the creation of Federal spending programs outside the jurisdiction of the Appropriations Committee, the committee and the 13 annual appropriations bills it must produce to fund the operations of our Government remain the focus of congressional and public attention in determining which Federal programs are to be funded, and at what levels.

In the prepared statements of the witnesses and the hearing record generated by the questions of the committee members, a considerable amount of significant information was gathered. I will not attempt to recite all that data now. Instead, I ask unanimous consent that several of the prepared statements of the witnesses be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HATFIELD. Mr. President, the entire hearing record will be printed and distributed to all Members as soon as possible; but in today's RECORD, which will be available tomorrow, the Members may have a preliminary view of the dimension and the extent to which these hearings went into the economic situation.

My main conclusion from the hearings is this: Congressional creation of spending programs requiring payments mandatory under the law beyond the annual scrutiny of Congress is depriving Congress of its constitutional control over the Federal purse and the effect on the economy that results. Seventy-six percent of the fiscal year 1982 budget proposed by President Carter is classified as "relatively uncontrollable" due to entitlement programs, prior-year obligations, interest on the national debt, and other payments mandated by laws the Congress has enacted. In the past 2 fiscal years, according to OMB Director Stockman, actual spending by the Federal Government has exceeded estimates by nearly $100 billion. That fiscal overrun was not caused by an urgent national need to which Congress responded with a massive infusion of the taxpayers' dollars, but by an array of so-called "uncontrollable" programs that are driven by changing economic conditions, poorly constructed eligibility criteria, and administrative decisions governed more by short-term political considerations than by long-term economic policy.

John Maynard Keynes dismissed the long-term effects of deficit financing with the remark, "In the long run, we are all dead." But by continually postponing the day of reckoning, we have accumulated in the past 10 years a Federal deficit of more than a half trillion dollars. That has happened despite a growing public consensus and a congressional awareness that the Federal budget deficit and the high interest rates that result are poisoning our economy; robbing businesses of the capital they need to grow and the taxpayer of the income he needs to shelter and provide the needs of a family, and to have hope for the future.

I realize that many of the entitlement programs Congress has created over the years were established to insure that the poor, the old, and the sick, and not only the prosperous, would be able to enjoy shelter, food, and hope. In my years of Government service I have supported those programs. I have no intention of abandoning that commitment now, and I do not expect the new administration or this Congress does, either.

Ever-increasing Federal spending will not honor that commitment, however; it will cheapen it. The number of Americans whose hope dwindles with each announcement of higher prices and higher taxes grows larger every time Congress and the President appear unable or unwilling to control the tendency to throw money at problems without regard to consequences.

Defense spending is a case in point. Ever since the New Deal, Republicans have chastized Democrats for attempting to solve domestic social problems by spending more Federal dollars. The accusation has been that they treat symptoms, not causes. I believe the new Republican majority of the Senate and the Reagan administration will be equally chastized if they say to the American people that the security of our Nation will be guaranteed by the amount of money lavished on the Department of Defense. Our national security has never been dependent on the amount of money we spend to protect ourselves; it is dependent on the value of what we protect. The Puritans who came to this country in 1620 sought to establish a "city on the hill" not by force of arms, but by force of purpose. President Reagan has called for a renewal of this purpose, to build anew our city on the hill. We will not build that city, or convey its purpose to our fellow citizens in the other nations of this world, if we neglect what we are defending by spending too much time and money on defense. In their testimony, Secretary Regan and OMB Director Stockman agreed with this principle.

The Preamble of the Constitution of the United States speaks of national security: It charges the Government to "secure the blessings of liberty to ourselves and our posterity," and for that reason this Government was created. Our Nation thrives on opportunity, but opportunity cannot thrive if tomorrow's goals are sacrificed to pay today's bills. The people cannot be secure in the blessings of liberty if they cannot be confident that the Government they have created and paid for with their tax dollars is unsure of itself, and unable to control the amount of those tax dollars it spends.

What is needed, I believe, is a clear commitment by this Congress and the administration to the principle that no program is uncontrollable, whether by virtue of statute or politics, and that we will not only take effective action now when budget-cutting fever is running high, but that we will persevere in our commitment over the long term. If we do so, then we can restore the people's confidence in the future, and the predictability needed for a stable economy.

I am not arguing for predictability and control achieved by a constitutional amendment, or by a statute requiring that Federal spending not exceed a certain percentage of the GNP. I do not propose that the Budget Act undergo radical surgery, that the President be given impoundment powers, that entitlement programs be abolished, that the Consumer Price Index be restructured, that the Appropriations Committee have jurisdiction over all spending, or that defense spending be reduced to zero.

What I believe the Appropriations Committee hearings and the November elections have said is something less simplistic, more nebulous, and more important. What I am proposing is that the Congress must be more judicious, more deliberate, more consistent, and convey to the people we serve that like the authors of the Constitution, we want to secure the blessings of liberty not just for ourselves, but for our posterity. In the Appropriations Committee and here on the floor of the Senate, I will do my best to achieve those goals.

EXHIBIT 1

WITNESS LIST—ECONOMIC OVERVIEW HEARINGS

January 27, 1981—10:00 AM, 318 Russell Senate Office Building:

Donald T. Regan, Secretary of the Treasury.

David Stockman, Director, Office of Management & Budget.

Paul Volcker, Chairman, Federal Reserve Board.

Alice Rivlin, Director, Congressional Budget Office.

January 28, 1981—10:00 AM, 318 Russell Senate Office Building:

Alan Greenspan, President, Townsend-Greenspan, Inc., New York City.

Otto Eckstein, President, Data Resources, Inc., Lexington, Massachusetts.

Walter Heller, Regents Professor of Economics, University of Minnesota.

Michael Evans, President, Evans Economics, Washington, D.C.

January 29, 1981 (Panel I)—10:00 AM, 1114 Dirksen Senate Office Bldg.:

Alice Rivlin, Director, Congressional Budget Office.

Janet Norwood, Commissioner, Bureau of Labor Statistics.

Elmer Staats, Comptroller General of the United States.

January 29, 1981 (Panel II)—10:00 AM, 1114 Dirksen Senate Office Bldg.:

Rudolph Penner, Director, Tax Policy Studies, American Enterprise Institute.

Elmer Staats, Comptroller General of the United States.

Charles Schultze, Former Chairman, Council of Economic Advisers.

W. Bowman Cutter, Former Executive Director for Budget, Office of Management & Budget.

January 30, 1981—10:00 a.m., 1114 Dirksen Senate Office Building:

Richard W. Rahn, Vice-President and Chief Economist, U.S. Chamber of Commerce.

Rudolph Oswald, Director of Economic Research, AFL–CIO.

William S. Johnson, Director of Federal Legislation, National Association of Independent Business.

Eugene McAllister, Walker Fellow in Economics, The Heritage Foundation.

William A. Shaker, Executive Vice-President, The National Tax Limitation Committee.

William Worthen, Legislative Director, The National Tax Limitation Committee.

Althea Simmons, Director of the Washington Bureau, NAACP.

TESTIMONY OF THE HONORABLE DONALD T. REGAN, SECRETARY OF THE TREASURY, BEFORE THE SENATE APPROPRIATIONS COMMITTEE

Mr. Chairman and members of the committee: It is a pleasure to be here today to discuss with you the current condition of the economy, the administration's view on how that came to pass, and our hopes that the administration, the Congress, and this committee might work together to find a solution to our economic problems.

Since this is my initial foray into the halls of Congress as Secretary of the Treasury, I think it may be appropriate to indicate an immediate observation I have coming from the private sector and my Wall Street background. Since arriving in Washington some 30 days ago, and having been the Secretary of the Treasury for all of three and one-half business days, I have been struck by the obsession that people have with economic forecasts in spite of their consistent failure. However, my concern is that a wide variety of public policy makers seem to be analyzing and utilizing individual numbers as if they have come down from the mount on stone tablets rather than from some computer with software programmed by a mortal of flesh and blood.

While I am continually impressed with the highly talented career people in government, I am equally uneasy about the way government collects its data, how it is analyzed, and how it is utilized to make policy decisions. Indeed, during my tenure here I promise to make a concerted effort to improve the quality of analyses and the data that we provide you. So at this point, I do have to express some skepticism as to the precision of the individual figures often picked up by the press and played up in the national headlines as opposed to the more important longer term trends that are so often ignored.

Rather than relying on specious forecasts, our approach will be to develop economic scenarios which embody the president's program for revitalizing the economy. Making these scenarios reality will depend on the success with which we—the administration and the Congress—implement the President's program and gain the help of the Federal Reserve.

With this in mind, let me turn to the current situation and give you just a few numbers, while continuing to emphasize the importance of turning around the long term trends that confront us.

CURRENT SITUATION

The economy is struggling through a very difficult and dangerous period. We have an economy making a valiant effort to stay on its feet under increasingly burdensome taxes, regulation, inflation, and government spending. As these trends continue, there will be no straw that breaks the camel's back, no sudden collapse. The beast is far too smart for that. At some point, it will simply settle into the sand and refuse to move, until a lighter burden provides sufficient incentive for forward progress.

I am not here to give you a detailed forecast. Forecasters are not exactly a unanimous bunch. The only certainty I have is that private forecasters expect 1981 to be an uncertain year.

Depending on your favorite forecast, 1981 will see negligible, slight, or modest real growth, in a variety of quarterly patterns, with either negligible, slight, or modest progress on some or all of unemployment, inflation, and interest rate trends. Each forecaster is certain of his own permutation and combination of all of the above.

However, the most important point is that the present condition of the economy is unsatisfactory, and several more years of it are unacceptable. Let me review why:

Unemployment on a quarterly average has been stuck in the 7.4 to 7.6 percent range for the last three quarters, and traditional forecasts of traditional policies predict no major improvements for several years.

Inflation has accelerated in 1980, with an increase in the gross national product deflator of 9.9 percent (fourth quarter 1980 over fourth quarter 1979), and 11.2 percent for the last quarter, compared to 8.1 percent in the corresponding period a year earlier and 6.1 percent in 1977 (fourth quarter over 1976 fourth quarter).

The Consumer Price Index showed only slight improvement over 1979, rising 12.4 percent from December 1979 to December 1980, accelerating to a 12.8 percent rate during the fourth quarter, down only slightly from the 13.3 percent from December 1978 to December 1979. Again, traditional forecasts of past policies predict no major improvement for several years.

These distressing developments for workers and consumers were accompanied by unprecedented turmoil in financial markets. The last two years have witnessed startling and wrenching swings both in monetary growth rates and interest rates. Last spring's slowdown in monetary growth was accompanied by a sharp drop in interest rates across the board. Unhappily the surge of monetary expansion in the summer and fall rekindled inflation expectations which were promptly reflected in soaring interest rates. They have had severe consequences for investment and productivity, and particularly the interest sensitive sectors of the economy, such as autos, housing, and consumer durables. This simply cannot continue.

Over the last dozen years, economic policy has been used to fight short-term swings in economic activity rather than to promote long-term growth. Those short-term policies have clearly not succeeded.

When we have fought recession in the past, we have usually increased federal spending and monetary growth. The result has been more inflation, higher taxes, less saving and investment, and in reaction a reduced rate of long-term growth of productive capacity, productivity, and real wages.

Each effort to fine tune the economy in the short run has extracted a terrible price in terms of our long-term objectives. These consequences were unintended. And what is worse, they were unexpected. Traditional theories have proven inadequate and caused the drift into the current low-incentive, slow-growth stagflation economy.

The fact is, Mr. Chairman, that we must reexamine the very basis of the prevailing theories of economic cause and effect which have been used to make policy these many years. The economic rules of thumb of the post-war period have been proved wrong by the overwhelming empirical evidence of the last three decades. The time has come to reexamine all of our assumptions about fiscal policy, monetary policy, taxes, and productivity. If we fail to do this now we will not serve the American people well, and the message of the November election will have been ignored.

We must continually question each action, each theory, each econometric model, each analysis, and each data series used for economic policy-making. What we need is a new approach to building a strong, vigorous, fiercely competitive economy both domestically and internationally that will carry America into the 21st century.

The first step is to stop trying to fix things in the short run, and concentrate on providing a climate or environment for long-range solutions. Our economic malaise did not come in a month or a year, and it cannot be cured in a month or a year. What is needed is to reform our thinking toward the long-term solutions that are necessary. Consistent policy is a prerequisite. We may not know all the problems yet, let alone all the answers. But we do know that what we have been doing is very, very wrong, and that trends are moving against us.

It is no longer possible to claim, as prevailing theories have done for years, that there is any long-term trade-off between inflation and unemployment. The data show that the trends of unemployment and in-

flation are steadily higher. In fact, inflation is a major cause of slow growth and unemployment.

Inflation has retarded growth by adversely affecting the incentives of businesses and individuals to work, save, and invest by greatly increasing risk, uncertainty, and real marginal tax rates. This results in reduced real rewards for saving, investing, and working. Thus, inflation strikes at businesses and individuals through the tax code and the financial markets.

For businesses, inflation increases tax liabilities by causing the real cost of equipment and inventory to be substantially understated for tax purposes, with a corresponding overstatement of real profit. This sharply increases the tax rates faced by business, reducing both the desire and the ability to invest, as rates of return and cash flow both suffer. For example, from 1960 to 1969, the rate of return on net stocks of reproducible capital (equipment, residential and nonresidential structures, and inventories, all valued at replacement cost) was 6.6 percent after taxes. By 1977 to 1979, the rate of return was down to 3.4 percent, in large measure due to higher inflation. Only recently as the securities and exchange commission (SEC) has begun to require the largest firms to report their real profits on an inflation-adjusted basis, has the full magnitude of the problem become clear. This SEC action was a clear government recognition of the problem of relying on historical data in a highly inflationary economy.

For individuals, inflation and the progressive tax code combine to push taxpayers into higher tax brackets, even when they have received no increase in real income. Over the last decade the percentage of tax returns that fell into or above the 25 percent, 30 percent, 35 percent, 40 percent, and 50 percent brackets at least tripled. The result is a reduced after-tax reward for additional effort. This is particularly true for saving, since today marginal tax rates on interest and dividend income reach the prohibitive levels of 50 to 70 percent.

For both businesses and individuals, inflation has sharply increased tax rates on capital gains. Much of what we tax as a capital gain, when adjusted for inflation, is a real capital loss. For many taxpayers, the capital gains tax exceeds the real capital gain, resulting in a tax rate in excess of 100 percent of the real profit. The response to the 1978 reduction in the tax on capital gains clearly indicates the potential for increasing the willingness of individuals to invest in American business once confiscatory taxation is reduced. Such measures also open the door to a surge of venture capital into those rapidly growing firms on the leading edge of new technology.

In the money markets, inflation is the major component of the high nominal interest rates we see today. As high as these rates are, they do not encourage saving because after taxes and inflation they do not represent a large real reward to investors. At the same time, considerable damage is being done to long-term projects, as firms and consumers face serious cash-flow problems meeting current interest charges. In addition, because of great uncertainty over future inflation, interest rates, and cash flow, it becomes nearly impossible to calculate the profitability of long-term projects. Increased risk means less investment and slower economic growth.

Government spending has contributed its share to our inadequate levels of real growth in recent years. From fiscal year 1972 to fiscal year 1981 (prior administration estimates), total Federal outlays have grown 12.0 percent per year, while GNP has risen only 10.5 percent per year. Defense outlays have risen only 8.4 percent, and are little changed in real terms from fiscal year 1972. Payments for individuals, however, have grown at a 14.6 percent rate, and are up 60 percent in real terms.

In part, this rise in transfer payments reflects a weaker economy in which reduced economic opportunity has generated increased welfare and unemployment spending. However, in large part, this rise in total spending and transfers has helped cause the unsatisfactory economic situation.

Those who pay taxes to cover the increased Federal spending find the rewards to work effort and saving sharply reduced. Some of those who receive transfers, and who might otherwise be induced to accept work, find there is insufficient difference between after-tax wages and tax-exempt transfers to make a return to work worthwhile. The proper and humane way out of this paradox is to restore the reward to work effort and to generate increased economic opportunity through tax rate reduction, thereby reducing the need and demand for assistance. Furthermore, in light of demographic changes and changes in the composition of the labor force, it may be proper to reexamine some of the concepts of unemployment on which many of our programs are based.

In fact, we intend, and we strongly solicit your support and assistance, to conduct a rigorous examination of every spending program to insure that it does not reduce economic growth by diverting resources from more productive uses in the private sector. When spending leads to deficit finance, it diverts scarce private sector saving from financing investment to financing the Federal debt. Insofar as this puts pressure on the Federal Reserve to increase money growth, it contributes to inflation, which further weakens the real economy.

This administration is committed to reducing the budget deficit. Control of spending is the most important step the Government could take to reduce the deficit and free-up private sector saving for investment and growth. However, tax rate increases to balance the budget would be counterproductive. The adverse impact of higher tax rates on saving and investment would wholly negate the benefits of a reduced deficit. We see this today, as tax rate increases are occurring automatically at record rates due to inflation without any action on the part of the Congress or the President.

During 1977–1980 nominal GNP grew by 38 percent, but Federal spending (not counting off-budget items) increased by 44 percent and individual income tax revenues rose by 55 percent. In spite of the growth in revenues, the budget deficits over the period totaled $136 billion. The large addition to the public debt did not result from tax cuts, but from Federal spending growing faster than the growth of the economy. The new administration intends to rely on the growth of the private economy, rather than on the growth of the Federal budget, to provide full employment.

The prior administration's budget for FY 1982, which we will be revising, projects tax revenue increases of 16.8 percent in FY 1981, 17.2 percent in FY 1982, 13.7 percent in FY 1983, 14 percent in FY 1984, and 14.1 percent in FY 1985. Nominal GNP, however, is projected to be growing at much slower rates—10.8 percent in FY 1981, 13.0 percent in FY 1982, 12.4 percent in FY 1983, 11.9 percent in FY 1984, and 11.2 percent in FY 1985. President Carter's budget projects that taxes as a percent of GNP continually rise over the period. In contrast, we hope to lower the tax burden as a percent of GNP by achieving higher real economic growth.

WHAT SHOULD BE DONE

This administration has two major goals: A major reduction in inflation and a resurgence of economic growth. It is our firm belief that these goals are not only compatible, but inseparable. We further believe that those are the goals of the Congress and the American people.

We are absolutely determined to fight inflation and insure a growing prosperity with a three-pronged approach which will:

1. Reduce the growth of Federal spending and lead to a balanced budget;
2. Reduce the oppressive tax rates on the American people; and
3. Restore a stable monetary policy.

The spending and tax changes will require close cooperation with the Congress. The monetary program is the job of the Federal Reserve. In fact, the President and the Congress will be unable to achieve their basic goals unless the Federal Reserve provides stable, moderate, and predictable money growth.

To achieve these dual goals requires the appropriate use of a variety of policy weapons, each trained on the target it is best designed to hit. We cannot achieve real growth by putting all policies on "stop" to fight inflation. We cannot fight inflation by putting all policy tools on "go" to stimulate growth.

We cannot think of fiscal policy as a monolithic block revolving around a supposedly stimulative deficit, where spending cuts and tax increases are supposed to go together to fight inflation, and spending increases and tax cuts are supposed to go together to fight recession. Spending policy and tax policy are separate tools with varied uses. This is not the time for traditional programs which think of policy in traditional ways.

The administration will shortly propose a bold, innovative economic recovery plan integrating the classical economic principles of sound budget policy, sound tax policy, and sound money. The plan will be a clear break with past policy. The principal elements of the plan will include slowing budget growth, reducing tax rates, curbing and stabilizing monetary growth, and lightening the regulatory burden. This program is designed to reduce the uncertainty and long-term inflationary expectations that are gripping the public and paralyzing the economy. The result will be a speedy recovery of the financial markets, accelerated real growth, and reduced inflation, as saving and investment rise, deficits fall, and the market system works more efficiently.

A stronger economy will put us in far better shape to bear the adjustment to higher cost energy. When the economy is weak, our dependence on foreign oil is a difficult burden. If the economy were efficient, dynamic, and competitive, we would be better able to cope with our energy problems. Exports would be stronger to pay for needed imports. Meanwhile, we would be generating more investment capital to work toward greater energy independence. And finally, wages and incomes would be higher, helping our people to meet higher energy costs.

In fact, the entire economic package should strengthen the dollar at home and abroad. Declining inflationary expectations and rising U.S. productivity should boost confidence in the dollar and strengthen its vis a vis other currencies. It will attract foreign capital by making the U.S. a better place in which to invest. A strong dollar will pay substantial dividends in reduced import prices, including oil.

This plan will require close cooperation among the Congress, the Federal Reserve, and the Executive Branch. We have already started this consultation process with the Congress and the Federal Reserve, and hope to accelerate this process in the days ahead.

Inflation is primarily a monetary phenomenon. Stable prices are impossible if money growth rates outstrip the growth of goods and services year in and year out, as they have done, on average for more than a decade. The major contribution of the Federal Reserve must be to bring down the growth rates of the monetary aggregates, reducing inflation, inflationary expectations, and interest rates. There is no alternative to this fundamental reform. The President's tax,

spending, and regulatory program cannot succeed unless inflation is brought under control.

Mr. Chairman, let me emphasize our recognition of the crucial role that the Federal Reserve plays in helping the President provide an environment in which sustained economic growth can once more take place. Because the economic program we will be proposing is a comprehensive, integrated package that includes consistent appropriate levels of money supply management, the role of the Federal Reserve is crucial. To that end, the President, who recognizes this, as one of his first official acts in Washington has already met with Chairman Volcker of the Federal Reserve. I too have been meeting with Chairman Volcker on a regular basis.

While we recognize the independence of the Federal Reserve, and its special relationship with the Congress, we are extremely pleased by the constructive, cooperative climate of our initial meetings and the opportunity to work with Chairman Volcker on our mutual problems and their long-term solutions.

While stable, predictable, and moderate monetary policy will primarily reduce inflation, it will have salutary effects on the real economy as well. Lower inflation will reduce pressure on Federal spending and the deficit, as debt service and cost-of-living adjustments are lowered. The interaction of inflation and the tax code will become less distorting and the harmful effects on saving, investment, and real growth will abate. In short, a firm Federal Reserve policy, widely understood and believed, will expand production and employment, not curtail them.

Spending restraint is an essential ingredient. It is needed to free-up resources for the private sector to invest, to lower the deficit, and restore confidence to the financial markets. It is particularly essential to alter the built-in "uncontrollables," many of which erect significant barriers to effective participation in the labor force.

Finally, tax policy must be used to restore incentives for work, saving, and investment. This will require reducing marginal tax rates for individuals and improved capital recovery provisions for business to encourage the acquisition of financial assets, plant and equipment, and to spur labor force participation and the acquisition of skills and education.

Each of the elements of this program is essential and each must be promptly undertaken. We must not make the mistake of assigning a higher priority to balancing the budget than to revitalization of the economy. We simply cannot fix the budget prior to fixing the economy. The budget cannot be dealt with in isolation: The hemorrhaging of the budget is an outcome of the economy's poor performance. A weak economy feeds Federal income support programs, inflation spurs increases in indexed transfer and entitlement payments, and high interest rates increase Federal outlays in servicing the debt. To provide the real basis for bringing the budget under control, we must markedly improve the performance of the U.S. economy. To this end, the key element in the President's program is reduction in tax rates for individuals and an improved tax climate for capital formation. This tax program cannot wait until budget outlays are reduced. The economy is now in a precarious position. If we promptly and certainly launch the right tax program, we can confidently look for real economic progress which will contribute importantly to balancing the budget. If we are unsure and hesitant about tax policy, we can confidently expect the economy to fall back into a renewed recession with accentuation of our budget difficulties.

One of the most distressing symptoms of the economy's ailments has been the failure to achieve any significant gains in productivity and real wage rates. We cannot overcome this sickness by more Government spending. Recovery must occur in the private sector. It will depend in large part on equipping our growing labor force with more and better plants and machinery. The expansion of total income which this increase in production potential will make possible is an essential ingredient of a constructive strategy for balancing the budget.

Both spending restraint and tax policy are aimed chiefly at bolstering growth in the real economy. Yet both will assist the Federal Reserve to reduce inflation. They will reduce costs and expand the supply of goods and services, helping to hold the line on prices. Spending restraint will lower the deficits, and tax rate reduction will encourage the savings needed to finance a deficit without inflationary money creation.

Thus, tax rate cuts, budget cuts, and monetary control are complementary policies. When enacted, this program will increase real growth and reduce inflation at the same time. Consequent reductions in transfer payments and recession-related spending will substantially reduce budget deficits. Again, we assume that monetary policy is appropriately managed.

The economic revitalization program must also address the problem of regulation. It is the intention of this Administration to cut through the regulatory tangle, to streamline and simplify wherever possible. The Vice President's Task Force on Regulation has already been established. The Treasury Department is a part of that task force. It is my goal to see to it that IRS regulations will be issued quickly, simply, clearly, and concisely. Rulings and regulations will be written to implement rather than to make tax policy.

The success of these policies can be enhanced by immediate and clear announcement of a multiyear commitment, and by a cooperative and determined spirit among the Congress, the Federal Reserve, and the Executive. The subsequent collapse of inflationary expectations and the resulting release of the talent and energy of the American people will make this truly a better climate for the American people.

REMARKS OF DAVID A. STOCKMAN

Mr. Chairman and Members of the Committee: During the past decade or so one of the most disappointing aspects of economic policy and economic performance has been the breakdown of fiscal policy, a continually deteriorating process which in my judgment has been one of the principal contributing influences to the stagnation of economic growth and the associated rise in national inflation. The contemporary malaise of fiscal policy has produced permanent budget deficits which have subsequently grown into permanently larger budget deficits. The permanent deficit has engendered continuous increases in inflationary expectations and consequently large increases in market interest rates. Further, the incidence of permanent budget deficits has substantially interfered with the proper conduct of monetary policies and accordingly must be considered as a key influence on the unnecessarily large rate of money supply growth which has occurred during the past 10 years.

During the recent period of accelerating growth in Federal expenditures and deficits, the strong economic performance resulting from the more fiscally prudent early 1960's has given way to the more recent quagmire of stagflation which has characterized the 1970's and spilled over into the early 1980's. During the 1960's real output growth advanced at an average annual rate of 4.2%, whereas during the 1970's real GNP growth declined to slightly more than 3%, thereby recording a loss of real output growth of nearly 30%.

In the case of the nation's capital stock, the performance is just as disappointing. Real capital growth averaged 4.5% during the 1960's but fell to 3% during the 1970's, a loss of growth of nearly one-third. The formation of new capital, predicated of course on a continuous supply of new savings and investment, is the crucial determinant of national productivity. With this in mind it is not surprising that the decline in real capital growth has been mirrored by a decline in the rate of productivity. During the 1960's output per manhour expended to a 2.6 average annual rate while in the 1970's this rate fell to an average annual rate of increase of 1.4%, representing a decline of over 40% in the productivity rate during the past decade.

Along with the decline in the growth of real output, real capital and productivity, the average inflation rate jumped from 2.5% during the 1960's to 6.5% during the 1970's, an increase of 160%. Also, the average 3 month Treasury bill rate during the two periods moved from 4.0% to 6.3%, while average Treasury bond rates shifted from 4.7% to 7.5%.

In the past few years the economic situation has eroded even more dramatically. During the period from 1979 through 1980, real output growth increased by less than 1% and productivity actually declined by about 1.5%. During these past two years it should be noted that total Federal outlays jumped at an average annual rate of nearly 16%, with transfer payments leading the way with an average annual rate of growth of more than 18%. These economic and budget trends demonstrate a direct link between the expansion of the Federal budget and an associated rise in Federal deficits and borrowing requirements on one hand, and a sustained reduction in savings and investment, productivity, real output and physical potential on the other.

During the past four years, from FY 1977 through FY 1981, Federal new cash borrowing has increased at an average annual rate of $58.4 billion. By way of contrast, through the first half of the 1970's Federal new cash requirements increased at an average annual rate of $35.2 billion, and during the 1960's the government's new borrowing requirement increased at an average annual rate of only $4.5 billion. Hence, the recent performance represents a sizeable increase in net credit demand when compared with the first half of the decade and a staggering increase when compared with net credit demands in the 1950's.

Moreover, as a proportion of total credit market activity, the data indicates that the government has substantially increased its share of financial savings. During the 1960's the Federal debt held by the public as a proportion of total credit market debt stood at a modest 7.0%. During the 1970's however the government credit share jumped to 14%. These explosive Federal credit demands have had a debilitating effect on investment and economic growth. Hundreds of billions of dollars of scarce productive resources have been removed from the private sector to be used by the considerably less efficient and less productive government sector. The vast proportion of Federal spending financed through credit market activity has been channeled into non-productive uses, the bulk of which constitutes transfer payments.

In earlier years it could have been argued that spending was directed more toward investment where, for example, during the first half of the 1960's Federal investment as a proportion of total Federal expenditures registered about 40%. During the 1970's however government investment as a ratio of total government spending fell to 15%, a sizeable drop-off. Therefore, far from generating more investment, more growth and more productivity, the announced policy goals, recent fiscal trends have served instead as a major depressant on investment and all forms of economic growth.

In classical economic terms this process is characterized as capital consumption, but what would be far more desirable is a much

different fiscal policy aimed at capital expansion. The classical economists have labeled this capital consumption process of excessive government spending and borrowing as a transmission of "fiscal inflation." Moreover, to paraphrase Adam Smith, "what is always good and right for a small family should be no different for a great kingdom." In the present case, however, unlike any prudent family, the U.S., through the breakdown of its fiscal policy, has embarked on the dangerous path of consuming its own capital and living off its own savings. And it seems clear that part of the erosion of public confidence today stems from the ever widening gap between government budget practices and family budget practices.

Elsewhere, the erratic nature of fiscal policy is evidenced by frequent changes in fiscal year outlays and revenue estimates. During fiscal year 1980, for example, the first budget resolution indicated cash outlays of $532 billion. During the second resolution outlays were raised to $547.6 billion. During the third resolution the ante was raised again to $572.65 billion, and finally Federal expenditures were raised to $579.6 billion, representing a 9-percent increase totaling $48 billion.

In fiscal year 1981 the situation was much the same. The first resolution was $613.6 billion, the second resolution indicated a spending level of $632.4 billion and the current estimate has been raised to $662.7 billion, an overrun of $49.1 billion or 8 percent above the initial projection. When taken together the budget process governing fiscal years 1980 and 1981 produced a total overrun of nearly $100 billion.

ESTIMATES OF FISCAL YEAR 1980 AND 1981 OUTLAYS

[Dollar amounts in billions]

	Fiscal year—	
	1980	1981
First Budget Resolution	$532.0	$613.6
Second Budget Resolution	547.6	632.4
Third Budget Resolution	572.7	NA
Final estimate	579.6	662.7
Overrun	47.6	49.1

As a consequence of fiscal management of this sort, where spending projections are constantly revised and each revision seems always substantially higher than the last, we have created a significant decline in confidence of the management of the nation's finances. This loss of confidence in financial management is not merely an academic issue, but, it is a very real problem in the minds of participants in all sectors of the economy, labor, business and financial people and household members alike. Frequent announcements from Washington regarding increased budget growth and borrowing needs have created a damaging psychology of intensified inflationary expectations.

These expectations have fostered numerous behavioral and structural changes in the economy, and these behavioral and structural changes have in no way contributed to general economic health. Rather, the intensification of inflationary expectations and the acceleration of actual inflation rates have produced in general terms a drying up of financial savings, a decline in the value of money and a depressing influence on productivity and real output.

The loss of confidence generated by profligate budget policy is mirrored by the rise of inflationary fears and sensitivities. This stems directly from the breakdown of the budget process and the inability of policy makers to deliver on their fiscal promises. Taken together, all this has undermined the vitality of economic growth and the quality of economic performance. And the qualitative notion is important because, in some ways, even as damaging as the quantitative or statistical effects of budgetary excess, it is the psychological effects of the budget breakdown which in the end are the most enduring.

A restoration of confidence is an essential ingredient if there is to be any reversal in recent economic performance. But confidence is always a psychological phenomenon. And although there may be numerous ways to improve confidence, we can all agree that one of the most important factors in changing the current atmosphere of skepticism would be a more stable, reliable and dependable budget process.

Turning again to more specific examples of the loss of fiscal control and credibility, the problem is again illustrated by the many changes in official estimates for the FY 1981 deficit which have occurred since the original 1976 estimates were first published. Initially a budget surplus of $75.5 billion was estimated on a Presidential policy basis. The surplus estimate was subsequently revised to $26.1 million in 1978, $8.6 billion in 1979, then a deficit of $1.2 billion, then a deficit of $15.8 billion, and finally a deficit of $55.2 billion. This represents a swing of $130.7 billion during five years. It is not only a change in magnitude, but even more important it represents a major change in direction and policy. Without beating a dead horse, it is necessary to reiterate the principle that unreliable budgetary announcements erode confidence and reinforce the negative psychology which has seemed to permeate every nook and cranny of our economy in recent years.

ESTIMATES OF THE FISCAL YEAR 1981 BUDGET DEFICIT

[Dollar amounts in billions]

	Budget surplus or deficit
January Budget Document:	
1977	+$75.5
1978	+26.1
1979	+8.6
1980	−1.2
1981	−15.8
1982	−55.2
Swing	130.7

Looking briefly at the budget deficits themselves, it is interesting to note that the trend of rising deficits has occurred despite the incidence of continuous and sizeable tax increases. As regards the tax increases, it must be noted that the sharpest increases have accompanied the slump in economic growth of the past 10 years. Just to benchmark the growing burden of taxation, in FY 1955 tax receipts as a proportion of GNP registered 17.3%, slightly below the 1965 ratio of 17.9%. By 1973 however the ratio had jumped to 19%, and current estimates indicate that the ratio is expected to rise to 21.4% in FY 1981, 22.4% in FY 1982, 22.8% in FY 1984 and 24.0% in FY 1986.

In addition to the rise in average tax rates, the economy has also experienced a significant rise in marginal tax rate for a median income family with four persons. These rates include that burden of social security tax increases for both employers and employees. In 1965, median income of $5,000 experienced a marginal tax rate of 23%, and 10 years later with a median income revalued at $8,000 the marginal rate was unchanged at 23%. However, by 1975 a median family income of $16,775 was subjected to a marginal tax rate of 32%. In 1981 a median income of $28,793 will be taxed at about a rate of 35%, and it is projected that by 1985 a median income of $41,389 will be taxed at a whopping rate of 43%, an increase of 34% over the 10 year period.

MARGINAL FEDERAL TAX RATES FOR MEDIAN INCOME FAMILY OF 4 PERSONS[1]

		Tax rates (percent)	
	Income	Income tax	Income tax plus FICA
1955	$5,017	20	23
1965	8,083	17	23
1975	16,775	22	32
1981	28,793	24	35
1985 (projected)	41,389	32	34

[1] Income and taxes include both employee and employer shares of FICA. Rates including FICA reflect threshold effects of the wage cap. Itemized deductions are assumed to equal 23 percent of adjusted gross income.

The data on average and marginal tax rates suggest two broad points. First, we are incurring sizeable budget deficits even with substantial increases in the tax burden. Second, there appears to be a close association between the heightened tax burden occurring during the 1970's and projected throughout 1980's and the deteriorating base of economic growth which has occurred in the 1970's and is usually forecasted to continue into the 1980's. Despite all the best and most loudly proclaimed intentions, it would again appear that rather than improving economic performance, fiscal policy has instead become a major impediment to economic growth.

The increases in spending, deficits and tax rates produced by incorrect fiscal policies appear to be a major inhibiting influence on economic growth during the 1970's. In turn, the slowdown in economic growth has undermined efforts to create a disciplined and reliable budget. In effect the budget has become a captive of the economy rather than its manager, and it is becoming clear that one of the chief barriers to the realization of a balanced budget is the disappointing performance of the economy.

All this stands traditional Keynesian fiscal theory right on its head. The standard theory suggests that by changing tax, spending and other fiscal parameters it becomes possible to shift the course of the economy, but the new reality is the economic deterioration which is changing the course of the tax, spending and other fiscal parameters. By way of example, during the past year nearly all branches of government, along with the public, reached a consensus to restrain fiscal and monetary policies in order to curb inflation and record interest rates. Partly as a consequence of present policy and partly as a consequence of the dramatic rise in oil prices—a development not wholly unrelated to past fiscal and monetary policies—the economy experienced a deep recession during the winter and spring months of 1980. One of the consequences of this recession was a sharp increase in the rate of unemployment and a sizeable loss of production throughout the economy. As a result, the loss of production and jobs triggered a significant expansion of permanently authorized and automatically released government assistance programs. The budgetary trigger produced a major increase in both the level and rate of growth of Federal outlays despite the best intentions of policy makers to curb government spending. At the same time, the slump in business conditions induced a falloff in tax revenues.

The recessionary combination of rising outlays and diminished receipts enlarged the budget deficit and the Federal borrowing requirement by a considerable magnitude even though all participants, in both political parties, and in both the executive and legislative branches, sincerely opposed such a development. Meanwhile, as financial markets observed the budgetary movement and the resultant rise in Federal credit demands, interest rates again began to adjust higher.

Quite clearly financial markets were anticipating renewed future inflation as a consequence of the hemorrhaging Federal budget and the sharply increased net borrowing requirements. So inflationary expectations were reignited, and interest rates were driven higher.

Complicating matters the Federal Reserve attempted to stabilize rising interest rates through repeated liquidity injections during the spring and summer months. This merely exacerbated the inflationary psychology and drove interest rates still higher. As a result of these various influences the interest expense of the Federal debt began to skyrocket. Heightened interest expense payouts of course served only to expand cash outlays, deficits, inflationary expectations and so forth. And this rounded out the now familiar vicious circle whereby the economic slump expanded the budget, the enlarged budget absorbed more scarce resources from the economy, the resources were put to non-productive and inefficient use, and economic and investment growth was consequently retarded at the very moment when unfettered growth renewal was most important.

The vicious circle of more spending, more deficits, more inflationary fears, rising interest rates, worsened economic performance, then more spending, more deficits and so on seems an interminable and insoluble problem. None of the standard Keynesian policy models, with government as the central instrument for economic improvement, seem to work. We appear caught in a quagmire which is undermining national morale and vitality. But by now it should be evident that past fiscal policy has substantially inhibited all forms of economic growth, and the very failure to achieve economic growth has compounded the inhibiting effects of the incorrect fiscal policy. Yet by itself this is an unacceptable conclusion. Not only is the fiscal malaise unacceptable, but the atmosphere of defeatism surrounding the policy process is similarly unacceptable.

Contrary to popular belief, it will be possible to break the vicious circle, to restabilize fiscal policy and to regenerate economic growth through a combination of new policy proposals consistent with the classical economic principles of sound budgets, sound tax policies and sound money. Further, these principles argue strongly that the surest, most effective and quickest route to a balanced budget lies with a restoration of incentives for savings, investment and work effort in order to produce sustainable and non-inflationary economic growth during the 1980's. With this in mind, it will be possible to create a credible and reliable future economic agenda to restore financial market stability, increase investment and economic growth, reduce the rate of inflation and strengthen the value of the dollar.

Programmatically, I propose immediate and substantial reform of the Federal spending code, orderly reduction of Federal tax rates, prudent relief of Federal regulatory burdens and dependable reduction in the rate of growth of the nation's money supply. These four points, diminished budget growth, lower tax rates, reduced regulatory burdens and declining money growth embody an integrated and complementary policy regime. This approach must be enacted simultaneously in order to achieve the desirable and likely effects of improved investment and economic growth, accompanied by lower inflation and interest rates, all leading to a balanced budget. Such a policy should be announced clearly and immediately so that Washington can send unambiguous signals throughout the U.S. and the world economy of a major change in the principles and the framework of financial and economic policy.

Clear signals will make an important and immediate contribution to the restoration of confidence so necessary to improve the general economic climate, and central to the objective of new economic credibility and a balanced budget is the commitment to economic growth. To achieve this goal will require a considerable correction of the policy failures of the past 15 or so years. As part of the recodification of the budget area it will be necessary to come to grips with the ever-growing portion of the Federal budget dominated by entitlements and permanent authorizations. These permanent authorizations accounted for 35.9% of total outlays in fiscal year 1967, rose to 49.3% of total outlays in fiscal year 1972 and by fiscal year 1981 jumped to 60.6%, a 69% increase in slightly less than 15 years.

Unexpended authorized programs already in the pipeline have become so enormous that severe authority reductions in fiscal year 1981 and fiscal year 1982 will be necessary if we are to persuade the public of a serious attempt to restrain budget growth, deficits, government borrowings and inflation. The rapid growth of new direct loan obligations through the Federal Finance Bank also must be sharply curtailed, and the reduction must include FFB loan assets, FFB direct loans as well as on budget direct loans.

Additionally, aggregate Federal spending growth must be placed on a path which falls somewhat below the GNP deflator. This suggests a significant rate of decline for nondefense spending in future years and it also suggests that the government spending share of GNP must be reduced from the all time high of 23.3% expected in fiscal year 1981 to less than 20% during the next several fiscal years.

Other spending reforms and budgetary recodification will be needed to reverse the deeply embedded expectation that government budgets are out of control and the inflationary outlook is hopeless. But regarding future inflation expectations, nothing would be more helpful than a clear understanding that budgetary expansion is an economic growth impediment, not a stimulant. It is time to unmask the optical illusion that government spending is somehow a force of economic growth. Instead, rigorous and honest analysis indicates that Federal spending absorbs valuable resources from the economy, manages these precious resources in a highly inefficient and non-productive fashion, and the excessive budget trends of recent years have acted on the economy in the same fashion as an increase in taxes. Indeed, government spending is itself an important indication of the national tax burden, and the combination of rising marginal tax rates and expanding Federal budgets have served both to reduce economic growth and sustain massive budget deficits.

And finally, the program to restore economic growth, a balanced budget and new sense of national confidence will not be possible unless other key economic policy reforms are enacted simultaneously. The budget is only one element in the program. Complementing budget reform are additional proposals to reduce tax rates, to lessen regulatory burdens and to stabilize monetary policy. These reforms encompassing the budget, taxes, regulatory burdens and monetary policy should be viewed as one comprehensive package to restore confidence, to enhance economic growth and to improve the quality of American life.

STATEMENT BY PAUL A. VOLCKER

I am pleased to participate in this hearing and to outline some of the key issues for economic policy in 1981 and beyond. The inauguration of a new President and the installation of a new Congress provide a prime opportunity to reassess Federal budgetary trends, and in particular, the role that fiscal policy can play in solving the economic problems that confront us. Coming from the Federal Reserve, I will naturally want to focus special attention on the interrelations among fiscal policy, monetary policy, and conditions in the capital markets.

I have spoken often of the importance of breaking the inflationary momentum that grips our economy. That seems to me the pre-eminent objective of economic policy, partly because prospects for sustained growth rest on success in that effort.

As you know, inflationary pressures remain intense today even though the level of economic activity is little higher now than it was in early 1979, unemployment has been high for almost a year, and appreciable excess capacity persists in many important industries. Indeed, the underlying inflation rate today appears at least as high, and probably higher, than a year ago. Declining productivity has compounded the effects of growing wage increases in pushing up unit labor costs. Moreover, as we look to the months ahead, the possibility of a renewed surge in energy and food prices represents a serious source of concern.

I believe that the public is acutely aware of the dangers of continuously escalating prices and recognizes that combating inflation must be our top economic priority. That perception is an important first step in moving toward price stability. But the general perception will be meaningless unless it is accompanied by a sustained commitment to concrete policies that will, in fact, reduce inflation, even when those policies entail risks and strains for particular groups or for the economy as a whole in the short run. Given the deeply ingrained patterns of inflationary behavior and expectations that now characterize our attitudes and our institutions, we should not assume that changes in those behavior patterns or expectations will come easily. To underestimate the challenge would be to miss the opportunity to set the economy on a new direction. In the wake of missed opportunity we would only face more prolonged, and ultimately more painful, adjustments.

Conversely, if we truly face up to the job, and successfully turn the corner on inflation and inflationary expectations, then I believe that progress will come more readily. The baleful interactions among inflation, low savings, congested capital markets, low growth, deteriorating productivity and budgetary deficits can potentially give way to a benign process of mutually reinforcing growth, investment, and a return to price stability.

As part of that process, the Federal Reserve has been, and will continue to be, guided by the need to maintain a disciplined monetary policy. Our various "targets" for monetary and credit growth are an important means of expressing that intent.

At the beginning of last year, we adopted objectives for the monetary aggregates that were generally agreed to be broadly appropriate with the need to encourage a return to a more stable economic environment. Over the course of the year, growth of the various measures of money and credit was—on balance—close to or only slightly above the upper ends of the announced ranges. With the quick and surprisingly strong recovery in business activity in the latter part of the year, the expansion of money and credit was not sufficient to meet all the demands for financing the combination of real growth and rising prices. Even though monetary aggregates for a time exceeded targeted growth, interest rates returned to historically high levels, placing heavy burdens on the more credit-sensitive areas of the economy and threatening the continuation of the recovery.

Looking at that immediate situation, the point can and has been made that high interest rates and strained capital markets may dim prospects for business expansion and private job creation that would otherwise be desirable. Certainly, housing, some smaller businesses, and others particularly dependent on credit feel particularly strong

pressures. But the problem cannot usefully be viewed in the single dimension of monetary policy, and our sights must extend beyond the next few months.

I see no alternative to continued restraint of excessive money and credit growth if we are to break the inflationary momentum. If that momentum is not broken, interest rates will remain high indefinitely. In that connection, expectational factors can be particularly important. To the extent that economic trends and public policies are perceived as consistent with more inflation rather than less and government financing needs are expected to remain high, savings are discouraged and borrowing encouraged. In an already inflating economy, the net result of trying to bridge the gap by excessive money and credit creation would be to validate the inflationary expectations and inflationary trends that give rise to the problems in the first place. The way to get interest rates lower, and keep them there, is to deal with inflation first.

The events of the past several months demonstrate clearly that heavy reliance on monetary policy in that effort focuses the immediate strains and risks on financial markets and those most dependent upon them. Strong complementary actions in other areas are essential for a balanced effective program to produce the earliest possible impact on inflationary behavior and to clear the way for sustained, full, and broad-based expansion in real activity.

The first—and perhaps the most important—of these other instruments in the fiscal posture of the Federal Government. As recently as last spring, a substantial effort was made by the Administration and the Congress to reduce the growth of expenditures and to restore budgetary discipline. In spite of that effort, trends in Federal spending continue to exceed growth in the inflating nominal GNP. For instance, the budget submitted by the outgoing Administration projected Federal spending (including off-budget outlays) of over 24 percent of the GNP during the current fiscal year, fully one percentage point higher than last year and appreciably above any earlier year of the post-war period. To be sure, a significant part of this year's higher spending and the enlarged deficit reflects higher unemployment. But the underlying trend reflected in "out year" budget projections—which have almost always fallen short of subsequent reality—remains excessive, even without taking account of needed tax reductions.

I see no escape from the central proposition that, to make room for tax reductions and for private credit demands—both required to support economic growth and productivity gains—Federal expenditures and off-budget credit programs will have to be cut back sharply from current projections.

The problem is not limited to the current fiscal year. The time has come to take a hard look at the "built-in" spending programs that are not readily—or at all—controllable by the annual appropriation process. This process of spending control should begin immediately, with the aim of achieving very substantial gains over a period of several years. The need is all the more urgent in the light of the broad consensus that defense spending must rise.

I know the task is difficult in the best of circumstances—and those difficulties are multiplied by the institutional setting in which you work, where the focus has been more on the current or next fiscal years effects of appropriations than on the longer term budgetary consequences of the so-called entitlement programs.

What must justify the effort is its central importance. I have some sense of what you know more directly—that every Federal program has some legitimate purpose and a well-entrenched constituency; that particular groups—including those that clearly support reductions in the aggregate—will argue that its program is the exception; that one man's concept of fluff and fat is another man's perceived sacrifice; that a general consensus on a broad objective can dissolve in the process of allocating cuts. I also know that it is easy (and right) for me to say that the decisions about what should be cut back are properly yours and the President's, not mine. But I also must emphasize that, in the interests of a healthy economy and moderating tensions in financial markets, I see no alternative to large spending cuts.

In that connection, I need not linger over the desirability of prudent tax reduction and restructuring. As things stand, Federal taxes are absorbing a rising share of aggregate personal and corporate income, and the sheer size of that tax burden adds to costs and impairs incentives. But I must convey to you my conviction that decisions for substantial tax reduction must not run ahead of the harder decisions to achieve large cuts in spending programs. If these decisions are not in harness, the potential benefits of tax reduction could all too easily be swamped by inflationary forces and congested credit markets, damaging the very incentives and investment sought. And, appraisals of the beneficial effects of tax reduction on economic growth, and therefore the revenue "feedback," need to be realistic in the light of experience.

Beyond the budgetary process itself, but often related to it, are the myriad of government programs that tend to raise costs or insulate sectors of the economy from market forces. Indeed, I believe a substantial part of the inflationary bias built into our economy over the past quarter century comes from such programs.

I recognize that some of those programs reflect a conviction that, within our market-oriented system those experiencing financial and business reverses not entirely or primarily of their own making are entitled to an economic "safety net." There is a legitimate view that—at a time of economic pressure and strain—the dependence of one sector of the economy or another may at times require cushioning pressures of the weakest links in the system so that its problems do not infect others. Other programs reflect valid concerns about the environment, health, and safety. What is so necessary is to achieve a better balance between those continuing objectives and the requirements of a well-functioning competitive economy, and particularly examination of those regulations and policies that may not even serve well their immediate objectives.

Accomplishing these goals will require an enormous effort by the Congress and the Administration in the months and years ahead. We are talking about changing behavior patterns that are grounded in an assumption that inflation will continue—an assumption that has been years in the making. Achieving that change is not a simple process. But neither is it beyond our collective capacity, working together with the understanding of what is at stake. The result will repay the effort many times over. It is that understanding that is critical to success, and that I hope will underlie your deliberations and actions in the weeks and months ahead.

STATEMENT OF ALICE M. RIVLIN

Mr. Chairman, I am pleased to appear before this Committee as you prepare to consider appropriation requests for fiscal year 1982 and proposed supplementals and rescissions for the current fiscal year.

As the Congress reexamines the 1981 budget and begins work on 1982, the serious difficulties of the current economic and budgetary situation are apparent.

Federal spending has grown rapidly in the last several years. Unified budget outlays grew by 17.4 percent in 1980, and they are expected to grow by over 14 percent in 1981. Total outlays would grow by another 12 percent in 1982 under President Carter's spending proposals. Outlays as a percentage of GNP are projected at 23 percent for 1982 in the Carter budget, a full 2 percentage points higher than the goal set by President Carter when he took office.

Budget deficits have persisted in good years and bad. The federal budget has not been in balance since 1969. During the last six years, the cumulative budget deficit has been $306 billion. If spending by the Federal Financing Bank (FFB) and other off-budget entities is included, the total budget deficit since 1975 has been $368 billion. The 1981 budget is now projected to have a deficit of at least $55 billion—$78 billion if off-budget outlays are included. As a result of these deficits, as well as a further deficit in 1982, the federal debt is projected to exceed $1 trillion during the next fiscal year.

Half of the growth in outlays since 1975 has been in Social Security and other payments for people. Most of these payments are mandatory entitlements under current law, and are indexed directly or indirectly for inflation. They now consitute almost 50 percent of the budget. CBO projects that these payments will grow by $240 billion over the next five years under current law, as the retired population expands and adjustments are made for increases in the cost of living.

Increased benefit payments coupled with desired and built-in spending, will make it extremely difficult to slow spending growth. CBO's preliminary projections of federal outlays over the next five years suggest that spending growth will average at least 10.5 percent a year under current policies. Both the Congress and the new Reagan Administration have expressed a strong commitment to expand the rate of defense spending, which under current policy is already projected to increase by an average of over 12 percent annually. The growth in benefit payments for individuals is projected to average 11.5 percent. Reductions in entitlement benefits and other nondefense spending programs have proved very difficult to achieve in the past.

The current outlook for a sluggish economy and continued high inflation means that only drastic action by the Congress can reduce spending growth and budget deficits. Most economists expect slow economic growth during the next year, and some project a renewed recission in the first part of 1981. This would have the effect of maintaining relatively high levels of spending for unemployment compensation and reducing federal revenues. Inflation is expected to come down only slowly; thus, spending for indexed benefit programs will continue to grow at a healthy clip. The longer-term outlook for the economy is very uncertain; an escalation of inflation because of large oil price increases, another year of bad crops, or more severe unemployment could worsen the budgetary outlook.

This is a grim outlook for the budget. It presents a serious dilemma for the Congress in pursuing the goals of sustained tax cuts, real growth in defense spending, and a balanced budget within the next few years. Achieving these goals will require sizable cuts in nondefense spending programs.

In past years Appropriations Committees consistently have been able to reduce the President's requests for annual appropriations. But the growth in indexed benefits and other mandatory spending has allowed an increasing share of the federal budget to escape the annual competition with other programs for federal dollars.

During the past 10 years, the relative control over federal outlays that can be exerted through the annual appropriations process has fallen sharply. In fiscal year 1970, the Appropriations Committees could exert control on 59 percent of federal outlays. By 1980, this control had fallen to 41 percent, of which about half was for defense spending. If the growth of federal spending is to

be reduced in the future it is clear that committees of the Congress that have jurisdiction over entitlements and other mandated spending will have to play a greater role in achieving budgetary savings.

In the remainder of my statement, I will discuss in more detail the budget and economic outlook for both the current fiscal year and 1982.

THE CHANGING OUTLOOK FOR THE 1981 BUDGET

Less than one year ago, the Congress planned to balance the budget in fiscal year 1981. The latest estimates from the Carter Administration suggest that the 1981 budget could have a deficit of over $55 billion, almost the same size as the 1980 budget. Most of the deficit can be attributed to higher spending than was contemplated by the first resolution, not to lower revenues. As shown in Table 1, the first resolution set an outlay target of $613.3 billion. President Carter's 1982 budget submitted 12 days ago estimates 1981 outlays at $662.7 billion, almost $50 billion higher.

TABLE 1.—FEDERAL BUDGET TOTALS FOR FISCAL YEAR 1981

[In billions of dollars]

	First Budget Resolution	Second Budget Resolution	President Carter's budget
Revenues	613.8	605.0	607.5
Outlays	613.3	632.4	662.7
Surplus or deficit (—)	.5	—27.4	—55.2
Budget authority	697.2	694.6	726.5
Debt subject to limit	934.4	978.6	987.3

Most of the increase in 1981 spending estimates resulted from events over which the Congress has little or no control under current laws. While the first resolution was being debated, the economy declined more than expected as a result of tight monetary policy and credit controls. During the April-June quarter, the economy declined in real terms at a 9.9 percent annual rate, the sharpest single-quarter contraction of the post-World War II period. This pushed up unemployment to higher levels than expected, and triggered extended unemployment insurance benefits. The automobile industry was particularly hard hit, and trade adjustment benefits were provided to unemployed auto workers. As a result, unemployment benefit costs rose sharply in 1980, and are projected to remain at fairly high levels in 1981. This accounts for over $7 billion of the increase in estimated spending from the first resolution.

Higher interest rates during the last several months account for an even larger part of the increase in 1981 estimated outlays. Net interest costs are now projected to be over $8 billion higher than assumed for the first resolution. The increase in interest rates also means that the cost of student loan insurance will be higher, that fewer federal loan assets will be sold to the public, and that federal assistance to failing thrift institutions will be more than expected a year ago. This adds another $3 billion to the 1981 outlay estimates.

Spending for various indexed benefit payments and other transfer programs that are affected by inflation and high unemployment is now projected to be almost $8 billion higher than estimated for the first budget resolution. The largest increases are for federal employee retirement benefits and health care services, partly as a result of the failure of the 96th Congress to achieve the cost savings contemplated for these programs in the first resolution.

Defense spending is also up about $7 billion from the level assumed for the first budget resolution. Part of this increase results from a larger October 1980 pay raise for both military and civilian employees than was assumed for the resolution. Most of the increase, however, is the result of higher spending rates for procurement of weapon systems, together with stepped-up defense activities and fuel costs.

Unexpected events also cause increases in federal spending. For example, disaster assistance and Corps of Engineers spending will be about $2 billion higher in 1981 than expected because of Mt. Saint Helens and other natural disasters last year. The heavy influx of Cuban/Haitian entrants last year will also cause 1981 spending for refugee assistance to be higher than expected a year ago. The recent Penn Central settlement will add another $2.1 billion to federal spending in 1981.

On the revenue side, expected receipts have fallen off slightly because of lower incomes than were assumed for the first budget resolution. Current law revenues for 1981 are now projected to be about $605 billion. President Carter's 1982 budget proposes a net tax increase of $2.5 billion in 1981, largely as a result of his proposal for a 10-cents-per-gallon increase in the federal gasoline tax. The second budget resolution approved in November, however, assumed a 1981 tax cut that would reduce fiscal year 1981 receipts by $10 billion. If such a tax cut were passed, with little or no reductions in spending and no other tax changes, the 1981 budget deficit could approach $70 billion. Some spending reductions can still be made in 1981, but time is rapidly running out to achieve savings of any great magnitude.

THE ECONOMIC OUTLOOK

The Carter Administration's budget estimates for fiscal year 1982 are based on a forecast of weak economic growth for a recovery period with very modest improvement in inflation. This view of the economic outlook is generally in line with the consensus forecast of business economists (see Table 2). Nevertheless, the economic outlook is very uncertain.

An acceleration of inflation and record interest rates in the last quarter of 1980 have caused most forecasters to predict a sharp slowdown, if not a decline, in economic growth together with rising unemployment during the first half of 1981. Some economists expect that the economy will bounce back vigorously after midyear, partly because of the enactment of tax cuts. Others believe that economic growth will be very weak during the next few years, given the momentum of inflation and the expectation that the Federal Reserve will pursue stringent monetary policies until the rate of inflation shows a substantial improvement.

Inflation generally is expected to remain at double-digit levels in 1981, with some moderation during 1982. The unemployment rate is generally projected to drift higher in the first half of 1981 and then decline slowly for the next 18 months. Interest rates are expected to be volatile but to remain at relatively high average levels throughout the forecast period.

TABLE 2.—CARTER ADMINISTRATION'S ECONOMIC FORECAST, CBO'S PRELIMINARY PROJECTIONS, AND THE FORECAST RANGE OF 4 COMMERCIAL FORECASTERS, 1981-82

	Carter administration forecast [1]	CBO preliminary projections [2]	Range for commercial forecasts [3]
Nominal GNP (percent change):			
1980:4 to 1981:4	12.3	12.8	11.3 to 12.6.
1981:4 to 1982:4	12.6	14.1	12.1 to 15.4.
Real GNP (percent change):			
1980:4 to 1981:4	1.7	2.2	1.0 to 3.2.
1981:4 to 1982:4	3.5	4.6	3.7 to 5.8.
Inflation (percent change in GNP deflator):			
1980:4 to 1981:4	10.4	10.3	8.1 to 10.2.
1981:4 to 1982:4	8.8	9.7	8.0 to 10.7.
Consumer Price Index (percent change):			
1980:4 to 1981:4	12.6	10.0	10.5 to 12.4.
1981:4 to 1982:4	9.6	9.7	8.8 to 10.4.
Unemployment rate (percent):			
1981:4	7.7	7.9	7.1 to 8.2.
1982:4	7.4	7.1	6.1 to 8.2.

[1] Budget of the U.S. Government, Fiscal Year 1982, p. 3.
[2] CBO's preliminary projections, prepared in late November, for analyzing the Carter administration's budget. CBO is currently working on its forecast for 1981-82.
[3] The models and dates of forecasts are: Chase Econometrics, Inc., Jan. 7, 1981; Data Resources, Inc., Dec. 24, 1980; Evans Economics, Jan. 7, 1981; Wharton Economic Forecasting Associates, Inc., Dec. 3, 1980.

Note: The forecasts are not directly comparable because of differences in economic and policy assumptions and differences in forecast dates.

Comparisons of the Carter Administration's forecast with other economic forecasts should, however, be interpreted with caution. Different fiscal policy assumptions underlie the various forecasts. In particular, all of the commercial forecasts assume some cuts in individual income taxes in 1981, and none assume an increase in the gasoline tax or withholding of taxes on interest and dividends, which are incorporated in the Carter Administration forecast. Three of the four commercial forecasts expect economic growth to be from 1.0 to 1.8 percent in 1981. That is close to the Carter Administration's estimate, but these forecasts would likely be below the Carter Administration's if they used the same assumptions for tax policy.

THE 1982 BUDGET OUTLOOK

The budget outlook for 1982 is little better than that for the current year. The growth in revenues under current law is expected to accelerate to 17.2 percent in 1982, for an increase of $104 billion, as a result of legislated increases in Social Security taxes, continued high inflation that pushes people into higher tax brackets, real economic growth, and increases in corporate and other taxes. CBO's preliminary projections for 1982 outlays under current policies show a falling off in spending growth to about 12.5 percent. The projected deficit under these assumptions declines to about $34 billion, as shown in Table 3.

The budget presented by President Carter stresses increased spending for national defense; tax cuts and spending increases to encourage capital formation and increased industrial productivity; and various measures, including a 10-cents-a-gallon increase in motor fuel taxes, to encourage energy conservation. To help offset the rise in Social Security taxes, the Carter budget proposes that individuals and employers be given an 8 percent income tax credit. Various budget reductions and proposed legislative savings would offset most of the recommended spending increases above current policy levels.

TABLE 3.—FEDERAL BUDGET TOTALS FOR FISCAL YEAR 1982

[In billions of dollars]

	CBO baseline projections	President Carter's 1982 budget	CBO restimate of Carter budget
Revenues	708.5	711.8	711.8
Outlays	742.9	739.3	745.0
Deficit (—)	—34.4	—27.5	—33.2

The net effect of the Carter budget proposals would be a small increase in both revenues and outlays above CBO's baseline projections. CBO's analysis of President Carter's budgetary proposals, which was prepared at the request of the House Appropriations Committee and is being released today, suggests that they would result in a $33.2 billion budget deficit in 1982, compared to the $27.5 deficit estimated by the Carter Administration.

All of these budget estimates are based on relatively optimistic assumptions about the economy during the next two years. As I mentioned earlier, there is a great deal of uncertainty about how the economy will perform over this period. Two of the most important sources of uncertainty are inflation and monetary policy. Another sizable boost in oil prices above those assumed in the forecasts, or a year of bad crops, would substantially alter the outlook for the worse. With respect to monetary policy, the Federal Reserve faces the very difficult challenge of reducing inflation. Many believe that its policies are likely to choke off or delay the projected economic recovery.

Most of the risks for the budget seem to be on the pessimistic side; that is, if economic growth is slower than forecast, revenues could be much lower than currently projected and outlays higher. The size of the budget deficit will also depend to a large extent upon how large a tax cut is enacted and how much the built-in growth in federal spending can be reduced.

About half of the projected $83 billion increase in estimated outlays in CBO's baseline projections for 1982 can be attributed to cost-of-living adjustments and to the growth in recipients of various benefit payment programs that are directly or indirectly indexed for inflation. These account for $40 billion, or 48 percent of the projected increase in total outlays between 1981 and 1982 under current policies. Defense spending, other than for retired pay and projected pay raises, is estimated to increase by $10 billion in 1982 as a result of decisions made by the 96th Congress. Net interest costs are also projected to rise about $10 billion in 1982. The remaining increase is almost entirely accounted for by discretionary inflation adjustments for defense and other federal programs, and by projected pay raises for federal civilian and military employees. These adjustments would add an estimated $21 billion to outlays in 1982.

Given these built-in increases, and the pressures for increased defense spending, it will be very difficult to reduce 1982 outlays much lower than $740 billion. This does not mean that I consider such reduction an impossible task. On the contrary, I believe that considerable reductions can be made in federal spending, but that it will take a massive effort on the part of all the committees in the Congress. It is not a task that can be done by the Appropriations Committees alone, for the reasons I made clear in my introductory remarks. The CBO will shortly present a report to the Budget Committees that discusses a large number of possible actions the Congress can take to reduce the growth in federal spending.

Unless significant cuts are made in outlays in 1982, the budget deficit could easily exceed $70 billion if taxs are cut by $40 billion or more as contemplated in the second budget resolution. If the economy performs more poorly than forecast, because of poor crops or higher than projected oil price increases or a more restrictive monetary policy, the 1982 deficit could be even higher.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. SCHMITT. Mr. President, I once again compliment the distinguished Senator and chairman of the Appropriations Committee for his actions as well as his statement today.

It is clear that we are going to have an objective and clear thinking approach to chairmanship of this important committee, and it is also clear that he is inspiring subcommittee chairmen to move forward rapidly to insure that we are prepared for the evaluation of whatever proposals the new administration may make and to apply the necessary windage, as he has described, on those proposals.

Certainly no program in the Federal Government must be considered as immune from the scrutiny of our committee, of Congress, or of the administration.

The only way that we are going to see true economic reform, true economic recovery, and true adherence to the principles that he has just stated and restated so articulately is to apply an across-the-board view of the activities of the Federal Government and where they, in fact, are activities that are truly constitutional in their purpose, that is, they adhere to the intent of the Constitution, and that other activities must be reserved for other means of accomplishment.

It does not mean we can turn the clock around and turn the whole wagon around in one fell swoop, as the expression goes, but it means that we can begin, and I think the chairman has stated that so clearly not only by word today but by his actions in committee.

Certainly, I join and appreciate the opportunity to serve with him, and I appreciate his very kind remarks earlier in his statement.

Mr. HATFIELD. Mr. President, I wish to respond briefly, but before I do I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, that was a very thoughtful speech that the Senator from Oregon made today. I enjoyed it, and I will study it very carefully.

Mr. HATFIELD. Mr. President, I appreciate the remarks made by the Senator from New Mexico (Mr. SCHMITT).

I wish to underscore again by agreement that we have and a likemindedness that we enjoy here on this issue that when he speaks to the issue we are not going to be able to totally reform and make the needed changes within the next few weeks and months. In fact, in all probability, the ultimate goals that we hold in common and which I feel the Reagan administration similarly holds in common, will be achieved through not a single fiscal year but by an economic blueprint that will probably entail at least a 4-year program.

I think that one of our difficulties in the past has been that we have annualized our mentality in approaching this whole budget question. We have thought in increments of 12 months, not recognizing that some of the problems we are trying to deal with have a 50-year history and a cumulative impact.

I think we can say that we are reaping the whirlwind of some of the economic decisions that were made in the depression years of 1933 and 1934. Those decisions may have served well the needs of that day but they have lingered on through an inordinate period of time. We have not only remnants but we have programs that were created at that time in full force with all of the legislative, administrative, and regulatory embroidery that has occurred during that 30-year period.

So we are dealing with forces here that have had that kind of acceleration and escalation over a long period of time.

But I also feel very strongly, to underscore another one of the statements made by the Senator from New Mexico, that as we review these programs, whether they be entitlements or whether they be programs that are budgeted on through the appropriations process, we must apply the same demand for efficiency. We must use the same magnifying glass as we carefully review the track record in terms of cost effectiveness of all programs across-the-board, whether they be programs dealing with food stamps, educational grants, aid to the needy, housing programs, water projects, all of which the Senator and I are deeply committed and involved and concerned about, but it must include as well those others that we are equally concerned about but perhaps less directly involved in by the fact of our committee assignments, such as the programs of defense.

I have for a long while felt that the Defense establishment has enjoyed a sort of special sacrosanct status in terms of appropriations and allocations of resources, and yet when we go back to that record we find that in contractual work there have been consistent overruns, some going as high as 400, 500, or 600 percent overruns.

Therefore, it seems to me that we have to be just as concerned about the efficiency of that agency as we are the others.

As the Senator knows, if we take a temporary target of $650 billion and extrapolate the defense expenditures of $150 billion and extrapolate entitlements, as the Senator knows, the Appropriations Committee has about $100 billion remaining in terms of actual maneuvering room in budgetary allocation and resource distribution.

I think, also, that the American people are willing to tighten their belts to whatever status they occupy in this great mosaic of the American Nation, provided they are convinced that every other segment of our population is making some adjustment and belt tightening as well.

So, I think we have the responsibility on this Appropriations Committee to demand that same care in the use of the taxpayer's dollar in all agencies.

I do not focus only on the Defense Department because there are other sacrosanct agencies around this Federal Government. Some run social programs. The Senator from New Mexico mentioned the school lunch program, and that is another program that no one challenges.

I happen to be one of the most enthusiastic supporters of the school lunch program. But I see private schools in which free lunches are provided, even though those same schools may be charging $1,500 tuition, which I think indicates that the families of the students at those schools have adequate financial resources

to pay for the lunches themselves. This weakens the entire program, when maybe some of the public schools in some of our worst ghettos really need a higher per pupil resource for providing school lunches.

In other words, I think we have illustrations that we can show the committee and this Senate out of these hearings and other data that we will acquire that every single agency of Government, without question, without exception, can undergo better and closer scrutiny than they have been receiving in the past by the Appropriations Committee.

Mr. SCHMITT. Mr. President, if the Senator will yield, I think we are well on our way to doing that not only in discussions but in informal hearings. The Senator from Oregon mentioned the school lunch program. There are many discussions I have had in the last few weeks as well as the last few years with educators in New Mexico that have convinced me that even though the aims of that program are extraordinarily worthy——

The PRESIDING OFFICER. The Chair informs the distinguished Senators that Senator HATFIELD's time has expired.

There is a special order for the Senator from Idaho (Mr. SYMMS). The Chair does not see him here at this time.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the Senator from Oregon and the Senator from New Mexico be allowed to use 5 minutes of Senator SYMMS' time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. The school lunch program, with worthy aims, is probably one of the basic ways we teach discrimination today because by the eligibility requirements we have in that program we are teaching kids that there are some kids who get free lunches, some who get 90 percent, and some who get 30 percent, and they know. You cannot hide it from them. All you have to do is to eat with them in their cafeterias, which I have done, and they know exactly the situation.

Not only that, there is a tremendous administrative burden that is borne by the States and the educational system to administer the program.

Another thing we discussed is not just the development and the production of the MX missile systems, which many, including myself, think is necessary, hopefully, as the last missile system for a national defense major intercontinental ballistic missile system, but when you look at the deployment advocated by the last administration, we are looking at tens of billions of dollars, which would be an extravagant use of money. There are much more efficient ways to utilize that system for our national defense.

This last week of hearings in which my Subcommittee on Labor, Health and Human Resources has begun its detailed look at the various programs, we have already seen within the CETA program that there is no comparison between the effectiveness of programs like the Job Corps, other vocational education programs and self-help programs which have come generally under the CETA banner; although they have had problems, they are extraordinarily effective; whereas the jobs programs has almost no effectiveness in solving the hard-core structural unemployed problems, hard-core individuals and, particularly, youths in this country.

Yesterday we explored OSHA and the mine safety and health program. There we see a sharp contrast between the effectiveness of those two programs. The mine safety and health program seems to be gradually working the bugs out. They are into training and planning and prevention now far more than they are into enforcement apparently, whereas over in the OSHA area they are still primarily in the enforcement area, and they still do not seem to be solving the basic problems of health and safety in the workplace; whereas in the mines we are starting to see a steady decline in accident rates.

So we have to look at those things. We are already gaining insight by which we can emphasize or deemphasize the various programs, and not only actually save the amounts in the budget and reduce the level of Federal spending, but we can improve services. That should be our aim, to do both, and I firmly believe we can do that.

I thank the Senator again for his cooperation in this matter.

Mr. HATFIELD. Mr. President, the Senator from New Mexico has focused upon some excellent examples which have emerged from the very early hearings he is holding, and in one of the busiest and most overburdened subcommittees of our Appropriations Committee. We are fortunate to have his energy at our disposal in carrying out our responsibilities.

I would add one last thought in the minute we have remaining. It seems to me that we must recognize the social security system has financial problems. The unemployment compensation fund has had difficulties and, as he has said, we must strengthen programs for those who are really the targets and who are really the ones in need of the resources.

We have proliferated and we have frittered away through criteria or lack of criteria of eligibility a lot of those dollars going to people who were less in need, and denying those who are the truly needy who were supposed to be the initial recipients and the continuing recipients in some instances.

So we must not only cut back where we can but also strengthen as he has indicated, the programs for those truly in need.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. ABDNOR). The Senator from Tennessee.

Mr. BAKER. Is there further morning business? Have the special orders been concluded?

The PRESIDING OFFICER. They have not. There is still time remaining.

Mr. BAKER. Mr. President, I am advised that the Senator from Idaho (Mr. SYMMS) does not require the time allocated to him under the special order, and I yield it back.

The PRESIDING OFFICER. Does the Senator from West Virginia care to use his remaining time?

Mr. ROBERT C. BYRD. I do not. I yield it back.

The PRESIDING OFFICER. All time is yielded back.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 1 hour with Senators permitted to speak therein up to 15 minutes each.

THE REVEREND EDWARD L. R. ELSON, CHAPLAIN, U.S. SENATE

Mr. JACKSON. Mr. President, I want to take this occasion to pay a short tribute to the Reverend Edward Elson.

Those of us who have known Chaplain Elson during all of the 12 years of his service in the Senate are especially going to miss him. We have stood together during difficult times for the Nation. With undiscourageable faith he has encouraged the democratic values and the humanitarian spirit which are the special mark of the American people.

Dr. Elson was ordained on April 27, 1930 in the Presbyterian Church of Santa Monica, Calif. in which he served as assistant pastor until September 1931. From 1931–41 he was pastor of the Presbyterian Church of La Jolla, Calif.

Commissioned a chaplain in the U.S. Army Reserve in 1930 he was on extended active duty in the Army from early 1941–46 serving in the European Theatre. He has been awarded sixteen military decorations including the Legion of Merit, the Bronze Star Medal, the French Croix-de-Guerre avec Palme, and three other foreign decorations.

In 1946 he became pastor of the National Presbyterian Church in Washington, and led in the final establishment and the erection of the new National Presbyterian Church and Center. In January 1969 he became Chaplain of the U.S. Senate.

Dr. Elson served two terms as president of the Washington Federation of Churches, two terms as president of the Military Chaplains Association and two terms as National Chaplain of the Disabled American Veterans.

It has been a great satisfaction to count Dr. Elson as loyal friend and wise counselor. I join with my Senate colleagues in wishing him the very best in the years ahead in whatever challenging tasks he undertakes.

AUTHORIZATION FOR COMMITTEE ON ENERGY AND NATURAL RESOURCES TO CONTINUE MEETING UNTIL 1 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to continue to meet on Thursday, February 5, 1981, after 11:15 a.m. until not later than 1 p.m. for a hearing and business meeting on the nomi-

nation of Donald P. Hodel as Under Secretary of the Department of the Interior.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business?

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SRI LANKA

Mr. BOSCHWITZ. Mr. President, February 4 was the anniversary of the independence of Sri Lanka. Following four centuries of Portuguese, Dutch, and British rule, Sri Lanka had to address the demands and responsibilities of independence. While facing many of the problems of other newly independent societies of Africa and Asia, the people of Sri Lanka have managed to avoid most of the difficulties. The often difficult problem faced with transfer of power has been accomplished on six occasions each following the precepts of their constitution.

While a nation of limited resources, Sri Lanka also has managed to improve the standard of living of its people. Food consumption has increased by about 15 percent to 2,200 calories per capita; life expectancy has risen to 68 years; and infant mortality has declined to 43/1000.

Equally impressive has been the willingness of the Sri Lanka Government to institute necessary reforms to maintain its economic growth. After two decades of state-directed development, the economy faltered. By the mid-1970's previous gains were being undermined by an economic decline in deteriorating public services. With the return to power in July 1977 of the United National Party under the leadership of J. R. Jayewardene, immediate measures were taken to remedy the growing economic ills. President Jayewardene took steps to free the economy from government domination and to encourage private investment. Excessive government controls were eliminated, consumer subsidies were reduced, production incentives established, and private sector savings encouraged.

The Sri Lanka Government also has sought private international investment and international assistance to build the Sri Lankan economy. Considerable success has been achieved. In 1976 they had a net loss of nearly $4 million in the private sector investment. This year the private capital flow is expected to be nearly $60 million. Sri Lanka has also benefited from substantial increases in loans and grants from a consortium of Western democracies and international financial institutions.

Sri Lanka is setting an example for much of the developing world by pursuing a policy of greater political and economic freedom and less government interference in the lives of its people. I commend President Jayewardene and the people of Sri Lanka on the success of these policies and honor them upon the completion of 32 years of independence.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, the request I am about to make has been cleared with the distinguished minority leader, I understand.

I ask unanimous consent that the time for the transaction of routine morning business, under the terms previously provided, be extended until the hour of 12:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. DANFORTH and Mr. BENTSEN in connection with the introduction of legislation are printed under "Statements on Introduced Bills and Joint Resolutions.")

THE DEBT CEILING INCREASE

Mr. MOYNIHAN. Mr. President, in this quiet morning hour I take the opportunity to speak to the question of the increase in the debt ceiling which we are going to be discussing later today and on which we will be voting.

I wish to explore just several aspects of this question, acknowledging that it has been politicized in a way that I think has not been to the advantage of Government or much less our understanding of Government in the Nation and with the hope that after the debate that now ensues we can perhaps reach some agreement between the parties that we are not going to behave like this in the future.

The point is that in making a political issue out of an elemental obligation of Government the majority party in this body has brought about very considerable confusion. I believe, in the public mind as to just what is involved here. The basic confusion is to associate the increase in Federal spending with an increase in the debt ceiling as if increasing the ceiling leads to an increase in spending rather than the reverse.

The responsibility of the U.S. Government to pay its debt to meet its obligations is elemental, and a refusal to allow the debt ceiling to increase is in effect a proposal to cancel debt, to repudiate debt. One can easily see it as a proposal appropriate to the councils of the Bolsheviks in Petrograd in 1918 or indeed the Ayatollah Khomeini in Tehran in 1979. But one does not associate the idea of repudiating the debt of the United States with the Republican Party and one does not associate it with any responsible party.

But beyond that I wish to speak to a specific which has been very little understood and perhaps we should be more open about, and that is to say that a very considerable portion of the American debt in recent years comes about simply because the Federal Government has agreed to provide financing for what are entirely private purposes or essentially private purposes in States with quintessentially Republican representatives in this body.

For example, take the Farmers Home Administration which helps farmers buy feed, fertilizer, and seed for the 1981 growing season, which provides for the construction of single-family homes and sewage treatment facilities in towns of fewer than 10,000 persons, and which has activities all across the Great Plains. This year the Farmers Home Administration will make loans to farmers and to small towns. In order to make those loans, the Farmers Home Administration must borrow from the Federal Financing Bank which must borrow in turn from the Treasury, which must borrow from the public. The total debt of the Farmers Home Administration will increase by $12.4 billion—to do good things, to build single-family houses and sewage treatment plants and to buy seed for the coming crop season. That is a lot of money $12.4 billion. A billion minutes ago St. Peter was 10 years dead. If I may say, very precious little of that money comes to the State of New York. It is to the contrary. And there is a cost to that money, the Federal interest cost, and New Yorkers have unknowingly perhaps but not unwillingly been making those payments to help the Farmers Home Administration. The Senator from New York has had to stand on the floor and vote to keep those obligations while Senators from the States that have enjoyed the benefit had the pleasure of voting against the obligations and not just voting against them but saying anyone who voted for them was doing something irresponsible.

May I point out that rural electric and rural telephone systems involved the Federal Financing Bank last year in some $4.2 billion. Almost none of it was spent in my State. Almost all of it was spent in the States of those Senators who chose to vote no in keeping those obligations, seeing that those rural electrical systems do not go bankrupt and that those rural telephone systems do not fail to meet their obligations. Those are the Senators who voted no and who said to vote yes was irresponsible.

The problem is that no one back home connected that rural electrification project with his Senator's vote and we did not either, which was perhaps our mistake.

The Tennessee Valley Authority is a program of which any New Yorker might be proud because it was first proposed by President Roosevelt, but it is not in New York. It is in a place called the Tennessee Valley.

Now, this year there will be added $2.5 billion to the Federal debt in the form of the acceptance of bonds issued by the Tennessee Valley Authority. What that means is that the Tennessee Valley Authority can borrow money at a lesser rate than it would on the open market, and build enterprises in the Tennessee Valley, in that region, which benefit those people and, in turn, however, the Federal Government has to borrow money to lend to them through the Federal Financing Bank.

In the confirmation hearings on David Stockman, who is now, of course, the Director of the Office of Management and Budget, my very good friend, the distinguished junior Senator from Tennessee, said—

> Surely, you do not believe the Federal Financing Bank should be restricted in its activities when it is so important to the TVA and the people of my State?

And David Stockman responded that well, yes, he believed in helping the TVA. He also believed in double-entry bookkeeping. He said what you save here somebody pays over there, and he said that the people of New York and Massachusetts—he volunteered those examples—are paying to subsidize activities in the Tennessee Valley.

Yet when we had to vote on the debt limit last June 26, I am sorry to say that it was not possible to find anybody from the State of Tennessee voting to extend the debt limit. They want the TVA to borrow $2.5 billion through the Federal Financing Bank and the U.S. Treasury, but they certainly do not want to be held responsible for meeting those obligations.

I think that is an unfair distribution of burden. If all the benefits are there and all the burdens are here, well, perhaps, we can do without the TVA.

I know a distinguished Member of this body who in 1964 suggested it be sold. I will not name him, but he knows who he is. In point of fact, he is present.

I did not think that was such a good idea in 1964, but age and experience are opening me to new perspectives.

It is not bad; I am willing to let the Government borrow for the TVA, but I do not know why I should be driven from the Senate for doing so.

At this point, Mr. President, I would with some reluctance, but I see no alternative, put into the RECORD a newsletter published by the National Republican Senatorial Committee entitled "Targets of Opportunity" issued about this time last spring. The newsletter said, "Look out, a good opportunity is coming up."

It said: "the Democrats will vote for an increase in the national debt later this spring," and it is a good chance to jump on them.

Well, we did vote for it later that spring, because we wanted the Tennessee Valley Authority to be able to borrow from the Federal Government and build at a lower cost to the region. Can it be that nobody from Tennessee wanted that? No one from Tennessee voted for it, which I regret.

Mr. President, I ask unanimous consent that this paper be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TARGETS OF OPPORTUNITY

SMOKESCREENS, HOGWASH, MIRRORS, INFLATION, SPENDING AND THINGS THAT FLY IN THE NIGHT

If you want to learn more, read on. . . .

By now you've probably seen your Democratic opponent's press release about how he voted last week for a balanced budget, to decrease taxes and to limit spending.

He will probably be home from April 4th through the 15th waving his press release about how fiscally responsible he is.

How do you, as a Republican challenger, answer these claims?

The purpose of this target is to give you a bit of history and some facts to refute those claims. If government spending is going to be the major issue this year, then you would be well advised to get on board. The Democrats have already created "their bus" and will attempt to ride it to victory.

The first thing you might do is get your hands on the Congressional Record of Tuesday, March 25, and set aside a few hours to read the debate on SJR 380, the Roth Resolution aimed at limiting 1981 spending to 21 percent of the gross national product. Notice how Majority Leader Byrd, Budget Chairman Muskie and Democrats used every parliamentary tactic to keep the Roth Resolution from coming to an "up-or-down" vote.

Rumor has it that the Democratic leadership was so desperate to hold the Democrats in line that Committee assignments were threatened. The tactics worked because only four Democrats broke rank, to vote with Republicans on the crucial vote to table the Muskie "smokescreen" substitute. It lost 45–52, so four more votes would have changed the outcome.

Of the Democrats up for reelection this year, only Stone and Talmadge voted with the Republicans, so the rest are fair game. On final passage of the Muskie, "House of Mirrors" substitute only Stone held his ground. Magnuson switched to vote with the Republicans against the Muskie substitute.

Some Facts . . .

The Roth Resolution would limit fiscal 1981 spending (October 1, 1980–September 30, 1981) to 21 percent of GNP, or, according to Senator Roth to $596 billion. Muskie said 21 percent would amount to $584 billion.

President Carter and the Democrats want to "balance the budget" at $613 billion. In fiscal 1980 spending was set at $547.6 billion, a figure which will almost certainly be changed within the next few months. We are predicting an increase of about $20 billion more than the figure that was agreed on last December in the final binding budget resolution.

The Democrats want to use about $58 billion more in taxes, including the new Windfall Profits Tax (passed March 27), increases of at least $387 on every worker in increased social security taxes beginning 1981 (right after the elections), Carter's new oil import fees (they will increase the gasoline prices 10 cents per gallon) and taxflation (see Target No. 5) to balance the budget.

The Republicans, by holding spending to a lower level, hope to root out waste, fraud and abuse, and return surpluses to taxpayers to provide some equity against inflation.

The difference in the Roth approach ($596 billion) and the Muskie approach ($613 billion) is $17 billion that could go for tax relief.

As you read this bulletin, the Democrats on the Budget Committee are running a preview of what they will do next Spring regardless of what the spending limit is—they are busting through the spending limits they agreed on only 100 days ago. They are showing their disregard for any statutory limit and their lack of commitment to budget restraints.

Senator Roth has pledged he will continue to offer his substitute throughout this session. Only when the Democrats become worried enough politically will they come over to the Roth side.

Interest on the national debt in the 1981 budget is $85.2 billion. Over 20 percent of that, or about $17 billion will be paid to foreign nationals. Yet the Democrats will vote for an increase in the national debt later this Spring if new taxes do not offset the increase in spending for 1980.

Three times on March 27, the Democrats on the Budget Committee had a chance to vote for fiscal restraint in spending that is going on right now. They rejected two attempts to hold the 1980 spending at the previously acceptable $547.6 billion level. Then they rejected a compromise to increase that level by over $10 billion.

An example of the hypocrisy which is going on is Gary Hart.

More facts . . .

On March 25th, Senator Hart voted for the Muskie substitute thereby endorsing the idea of new taxes, including the Windfall Profits Tax, to balance the budget at $613 billion.

Then on March 27th, he voted against the Windfall Profits Tax thereby removing that source of revenue. The Windfall Profits Tax passed by a wide margin.

Within hours, in Committee, he opposed holding the line on the 1980 budget twice, and even opposed increasing it by only $10 billion. He had voted only 100 days earlier for the $547.6 billion level.

Others may fall into the same category. And other votes can be identified to make a case against your opponent's fiscal irresponsibility.

Excerpts from the March 25, 1980 Congressional Record, pp. S2911–S2950:

Senator ROTH. This substitute (Muskie's) to balance the budget with higher taxes will not stop inflation. But it will allow the big spenders and the big taxers off the hook.

This proposal is nothing but a smokescreen substitute—a smokescreen to hide the attempt to balance the budget with paper spending cuts and enormous tax increases.

Senator MUSKIE. In short, achieving the 21 percent of GNP target suggested by Senate Resolution 380 (Roth's) may be theoretically possible in 1981. But to seriously attempt it would be unacceptable to most Americans and most Members of the Senate.

Senator PERCY. The Resolution before us will require cuts of about $25 billion in next year's budget. The $13 billion in cuts the President has recommended are not sufficient—without a tax increase—to bring the budget into balance. It is time we told the American people this truth and ceased play-

ing games with them. This President plans to balance the budget with tax increases when taxes are already at their highest level since World War II.

Senator WEICKER. This balanced budget is going to be achieved principally by the application of massive new revenues, and how that will solve inflation is beyond me.

Senator MCCLURE. We here today propose a clear, decisive, definitive step to take charge again of that Government, and I long to have the people know what we, on this side think and say and want to do to bring that Government under control, at long last.

Anticipated Senate Floor Votes

Some interesting Senate floor votes on the railroad industry during the week of March 31 could provide some targets of opportunity.

Monday, March 31: No action.

Tuesday, April 1: The Senate will take up the railroad deregulation bill under a time agreement.*

The purpose of the bill is to reform economic regulation of railroads by revising ratemaking provisions, changing the structure of the railroad industry, clarifying ICC's powers, and making other changes. Amendments are expected.

Wednesday, April 2: Possible consideration of a bill designed to expedite the issuing of patents.

Thursday, April 3: Although the Easter recess is from April 4 through the 14th, it's likely that the Senate will also be out on April 3.

Special note: Sometime next week all campaigns will receive the "Issues '80" book from Senator Heinz. This material was prepared by the House Republican Conference Committee and contains some dynamite issues including the "Misery Index" and the "Dollar's Decay."

This book is must reading! We were lucky to receive a limited number of copies. It will help win elections.

SENATE COMMITTEE MEETINGS AND HEARINGS

Democratic opponent, date, committee.

Hollings, Magnuson, Eagleton, Inouye, Bumpers: March 31.—Appropriations Committee. State, Justice, Commerce and the Judiciary Subcommittee hearings on the proposed budget estimate for the Chrysler loan guarantee program.

Inouye, Leahy: April 1.—Foreign Operations Subcommittee hearings on proposed budget estimates for fiscal year 1981 for foreign assistance programs.

Magnuson, Hollings, Hart: March 31–April 3.—Budget Committee. Mark-up session continues on the First Budget Resolution for fiscal year 1981.

Nelson, Eagleton, Cranston: April 1.—Labor and Human Resources. The full committee continues its oversight hearings on OSHA.

Cranston, Talmadge, Stone, Durkin: April 2.—Veterans' Affairs Committee. Hearings on the recruitment and retention of qualified health-care professionals to staff the Veterans' Administration's health care facilities.

Nelson, Long: April 3.—Finance Committee. Subcommittee on Social Security will hold hearings on the Social Security retirement test.

Eagleton, Glenn: April 3.—Governmental Affairs Committee. Hearings on a bill to establish a Commission on the international application of antitrust laws.

The Senate will be in recess from April 4 to April 14, 1980.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that, along with my previous submission, there be printed in the RECORD the voting record of the debt-limit vote that came in June.

There being no objection, the vote was ordered to be printed in the RECORD, as follows:

SENATE VOTING RECORD No. 257

Bill No.: H.J. Res. 569.

Subject: Passage of the bill which extends the public debt limit through February 28, 1981 at an increased amount equal to $525 billion, which combined with the $400 billion permanent level, makes a total public debt of $925 billion. (See also Vote Nos. 159, 173–175 on prior extensions.)

Note: H.J. Res. 569 became Public Law 96–286, approved June 28, 1980.

H.J. Res. 569: Vote Nos. 255–257.

Result: Joint resolution passed.

YEAS (54)

Democrats (46 or 84%):

Baucus, Bayh, Bentsen, Biden, Bradley, Bumpers, Burdick, Byrd, Robert C., Chiles, Church, Cranston, Culver, Durkin, Eagleton, Exon, Ford, Glenn, Gravel, Hart, Hollings, Huddleston, Inouye, Jackson, Johnston, Leahy, Levin, Long, Magnuson, Matsunaga, McGovern, Melcher, Metzenbaum, Mitchell, Morgan, Moynihan, Nelson, Pell, Randolph, Riegle, Sarbanes, Stennis, Stevenson, Stewart, Stone, Tsongas, Williams.

Republicans (8 or 21%):

Bellmon, Chafee, Danforth, Javits, Mathias, Packwood, Stafford, Weicker.

NAYS (39)

Democrats (9 or 16%):

Boren, Byrd, Harry F., Jr., DeConcini, Heflin, Nunn, Proxmire, Pryor, Sasser, Zorinsky.

Republicans (30 or 79%):

Armstrong, Baker, Boschwitz, Cochran, Cohen, Dole, Domenici, Durenberger, Garn, Hatch, Hatfield, Hayakawa, Heinz, Helms, Humphrey, Jepsen, Kassebaum, Laxalt, McClure, Percy, Pressler, Roth, Schmitt, Schweiker, Stevens, Thurmond, Tower, Wallop, Warner, Young.

NOT VOTING (7)

Democrats (4):

Cannon—2, Kennedy—2, Ribicoff—2AY, Talmadge—2.

Republicans (3):

Goldwater—3, Lugar—2, Simpson—2AN.

Explanation of absence: 1—Official Business, 2—Necessarily Absent, 3—Illness, 4—Other.

Symbols: AY—Announced Yea, AN—Announced Nay, PY—Paired Yea, PN—Paired Nay.

ANALYSIS OF ISSUE VOTED ON:

Party cohesion:

Democrats—84 percent.

Republicans—79 percent.

Measure of Party Support on Issue as Voted on:

For (54):

Democrats—46 or 85 percent.

Republicans—8 or 15 percent.

Against (39):

Democrats—9 or 23 percent.

Republicans—30 or 77 percent.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield to my friend from Arizona.

Mr. GOLDWATER. I have been enthralled sitting here listening to my good friend from New York. It seems like I was sitting some place 16 or 17 years ago.

The peculiar thing here about the Tennessee Valley Authority is you will recall that when the Hoover Commission was formed in the late 1940's, they made recommendations. One of the recommendations was—

Sell the Tennessee Valley Authority if you can only get a dollar for it.

The argument, I think today, is a very sound one. If I lived in Tennessee I would want my State to own the Tennessee Valley Authority or have some private company own it that could pay my State taxes for operating it.

That would help my people. It would help build schools, it would help build roads. But, no, as the Senator suggests they continue to borrow money. He did not mention the interest rate. I am not sure what the rate is, but I do not think it is 20.5 percent.

Mr. MOYNIHAN. The rates are lower, may I say, because they borrow from the Federal Treasury, and get that subsidy.

Mr. GOLDWATER. The Senator is so absolutely right in his arguments. I agree with everything the Senator has said.

I think if we are going to get on top of this inflation problem, if we are going to ever hope to balance the budget, we are going to have to begin to say to some of our privileged Americans—

We have gone far enough. Now it is time you go it on your own.

It is going to be rough, it is going to be tough, but I would rather have it rough and tough on a relatively few people than rough and tough on 230 million people.

As a Republican I want to thank my Democratic friend for preaching the gospel to my party. I hope we listen.

(Mr. SYMMS assumed the chair.)

Mr. MOYNIHAN. I thank my friend, the distinguished chairman of the Intelligence Committee.

There is a story of the English clergyman Sidney Smith, who met a friend in Fleet Street one day and he said—

I am just on my way to St. Paul's to pray for you, but with very little expectation of success.

I do not know whether the majority party in this body can be converted but, Mr. President, I do not mind so much voting to allow borrowing by the Tennessee Valley Authority and the rural electric co-ops and telephones and sewage systems in small towns in Kansas and Nebraska, but I do kind of resent the people for whom one is voting trying to get rid of those of us in the Senate who vote for them.

The majority party had better watch out. If they succeed and drive us from this body one by one there will be nobody to vote for their programs in the future. They do not vote for them. They insist that we do, and they will look up one day and there will not be anybody in this body who will vote for the TVA, and then how will they explain that back home?

Prudence, gentlemen and ladies. You need us over here, and that is why, Mr. President, I ask unanimous consent at this point in the RECORD that we print a statement by the National Conservative Political Action Committee which targets 20 Senators—I have to tell you I am one of them—for 10 grievously wrong votes in the last Congress, and among these grievously wrong votes was the June 26 increase in the national debt of $46 billion.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

*An agreement between the Majority and Minority Leaders on when the vote will be taken, how long the debate will be, how many amendments will be considered, etc.

NCPAC LOOKS AHEAD TO 1982

WASHINGTON, D.C.—With the 1980 election exactly one week old, the National Conservative Political Action Committee (NCPAC) today announced a list of 20 liberal senators as "potential" targets for the 1982 Senatorial elections.

John T. (Terry) Dolan, Chairman of NCPAC, in announcing the list, said: "These politicians have consistently opposed tax cuts, voted against balanced budgets and against a strong national defense. And of course, almost all of these Senators voted to give away America's Panama Canal."

Among those Senators on the target list were Ted Kennedy of Massachusetts, Howard Metzenbaum of Ohio, Don Riegle of Michigan, Paul Sarbanes of Maryland, and Harrison Williams of New Jersey.

Dolan said that the final list of targeted Senators would be determined after analyzing election and polling results and polling NCPAC's contributors to determine the most important targets. NCPAC also intends to explore the possibility of attempting to defeat the Senators in primaries as well as in general election contests. The possibility of targeting key liberal leaders in the House of Representatives like Morris Udall, Majority Leader Jim Wright and Phillip Burton is also being considered.

Dolan added that there was nothing "personal" about the campaign against the liberal Senators. "We feel that they are loyal Americans with good intentions who are simply wrong. Wrong because the policies they support have given America record inflation, unemployment and high interest rates. Wrong because the policies they support have weakened America's national defense. And wrong because these 20 Senators simply do not represent the mainstream of American politics or the states they represent."

Dolan said that no determination has been made about budgets for the targeting program, but said that the amount would certainly exceed the $1.2 million NCPAC spent on its independent effort in 1980.

Senators	Panama Canal (1)	Kemp-Roth (2)	New York City bail-out (3)	B-1 bomber (4)	Aid to Nicaragua (5)	Neutron bomb (6)	$88 billion tax increase (7)	Salt II (8)	Increase national debt (9)	Department of Energy (10)
Kennedy	5.5	Wrong	Wrong	Wrong		Wrong				
Riegle	7.75	Wrong	Wrong	Wrong		Wrong	Wrong	Wrong	Wrong	Wrong
Metzenbaum	8.25	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong
Sarbanes	9.0	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong
Williams	12.0	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong		Wrong	Wrong
Jackson	15.75	Wrong	Wrong	Wrong	Wrong	Right	Wrong	Wrong	Wrong	Wrong
Burdick	17.5	Right	Wrong	Right	Wrong	Right	Wrong	Wrong	Wrong	Wrong
Moynihan	19.0	Wrong	Wrong		Wrong	Right	Wrong	Wrong	Wrong	Wrong
Melcher	21.75	Right	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong	
Matsunaga	22.75	Wrong	Wrong		Wrong	Wrong	Wrong	Wrong	Wrong	Wrong
Stafford	24.5	Wrong	Wrong	Wrong		Right	Wrong		Wrong	Wrong
Chafee	24.5	Wrong	Right		Wrong	Wrong	Wrong	Wrong	Wrong	
Weicker	34.75	Wrong	Wrong	Wrong	Right	Wrong	Wrong	Right	Wrong	Wrong
Proxmire	34.75	Wrong	Right	Wrong	Wrong	Right	Wrong	Right	Right	Wrong
Byrd	38.75	Wrong	Wrong	Wrong	Wrong	Right	Right	Wrong	Wrong	Wrong
Sasser	41.0	Wrong	Wrong		Right	Wrong	Right	Wrong	Right	Wrong
Cannon	49.0	Wrong	Wrong	Right	Right		Right	Wrong		Wrong
DeConcini	50.25	Wrong	Wrong		Right	Wrong	Wrong	Right	Right	Wrong
Bentsen	53.0	Wrong	Wrong	Wrong	Right	Wrong	Right	Wrong	Wrong	Wrong
Chiles	55.75	Wrong	Wrong	Wrong	Wrong		Right	Wrong	Wrong	Wrong

LIBERAL SENATORS UP IN 1982: VOTING RECORD ON 10 KEY ISSUES

1. Panama Canal giveaway. April 18, 1978. CQ 119.
2. Kemp-Roth tax cut. Oct. 6, 1978. CQ 447.
3. New York City bail-out—almost $7 billion in "loans." Dec. 6, 1975. CQ557.
4. Against building B-1 bomber. July 18, 1977. CQ 297.
5. $75 million in aid to Nicaragua, January 1980. CQ 17.
6. Against producing neutron bomb. July 13, 1977. CQ 280.
7. $88 billion tax increase in 1981, and $47 billion deficit in 1980. June 12, 1980. CQ 200.
8. Withdrawing SALT II from Senate consideration. Jan. 22, 1980. CQ 2.
9. Increase national debt another $6 billion to $925 billion. June 26, 1980. CQ 254.
10. Create Dept. of Energy at cost of $10 billion its first year alone. May 18, 1977. CQ 148.

Mr. MOYNIHAN. One could make an argument for or against these activities, but I do not think it is good politics, in the best sense of that word, for us to so misrepresent the nature of the national debt that one feels comfortable asking for the defeat of those Senators who have stood on this floor and said: "We will meet the responsibilities of the Federal Government. We will not repudiate our debt and we will not abolish those programs very important to the Members on the opposite side of the aisle, who have never been required at home to associate those things they value in rural electrification, the TVA, and so forth, with the borrowings of the Federal Government which makes those things possible."

Mr. President, I ask unanimous consent that a summary of the Federal Financing Bank's acquisitions, as included in a special annex of the President's budget message, be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

TABLE F-4.—FFB ACQUISITIONS

[In millions of dollars]

Agency or program	1980 actual	1981 estimate	1982 estimate
Purchase of loan assets from:			
Overseas Private Investment Corporation (FAP):			
New acquisitions			
Net outlays	−4	−5	−5
Outstandings	33	28	23
Farmers Home Administration CBO's (USDA):			
New acquisitions	11,381	16,070	7,531
Net outlays	6,881	12,420	6,056
Outstandings	37,961	50,381	56,437
Rural Electrification Administration CBO's (USDA):			
New acquisitions	689	516	624
Net outlays	689	516	624
Outstandings	1,912	2,428	3,052
Medical facilities guarantees (HHS):			
New acquisitions			
Net outlays	−4	−4	−5
Outstandings	164	160	155
Health maintenance organizations (HHS):			
New acquisitions	39	52	76
Net outlays	26	51	59
Outstandings	105	156	215
Small business development company loans (SBA):			
New acquisitions			
Net outlays	−15	−15	−15
Outstandings	89	74	59
Other agencies and programs:			
New acquisitions			
Net outlays			
Outstandings	177	177	177
Subtotal, purchase of loan assets:			
New acquisitions	12,110	16,637	8,230
Net outlays	7,572	12,962	6,713
Outstandings	40,442	53,405	60,118
Direct loans (purchases of loans guaranteed by agencies):			
Foreign military sales credit (FAP):			
New acquisitions	2,380	2,600	3,000
Net outlays	1,932	2,010	2,220
Outstandings	7,280	9,219	11,439
Rural Electrification Administration (USDA):			
New acquisitions	2,498	4,258	5,129
Net outlays	2,498	4,258	5,129
Outstandings	8,424	12,682	17,810
Guarantees of SLMA obligations (DEd):			
New acquisitions	1,070	1,095	1,923
Net outlays	1,070	1,095	1,923
Outstandings	2,345	3,440	5,363
Electric hybrid vehicles (DOE):			
New acquisitions	1		
Net outlays	1		
Outstandings	1	1	1
Low-rent public housing (HUD):			
New acquisitions	119	1,458	957
Net outlays	119	1,457	942
Outstandings	119	1,576	2,517
Community development grants (HUD):			
New acquisitions	45	270	272
Net outlays	34	249	230
Outstandings	46	295	527

TABLE F-4.—FFB ACQUISITIONS—Continued

[In millions of dollars]

Agency or program	1980 actual	1981 estimate	1982 estimate
New communities (HUD):			
New acquisitions			
Net outlays	−5		
Outstandings	34	34	34
Loans to territories (Interior):			
New acquisitions	9		
Net outlay	9	(*)	(*)
Outstandings	66	66	66
Railroad program aids (DOT):			
New acquisitions	1,222	545	325
Net outlays	161	210	318
Outstandings	1,142	1,352	1,670
Public building trust's[1] (GSA):			
New acquisitions	42	110	6
Net outlays	40	109	−1
Outstandings	458	567	566
Satellite leases (NASA):			
New acquisitions	107	102	144
Net outlays	107	102	144
Outstandings	530	632	776
Small business investment companies (SBA):			
New acquisitions	149	360	360
Net outlays	142	342	330
Outstandings	478	820	1,150
TVA's Seven States Energy Corporation:			
New transactions	2,436	3,437	4,502
Net outlays	585	277	257
Outstandings	585	862	1,119
Subtotal, direct loans (purchase of loans guaranteed by agencies):			
New acquisitions	10,079	14,236	16,616
Net outlays	6,792	10,109	11,493
Outstandings	21,536	31,646	43,139
Subtotal, all direct loans and purchases of agency loan assets:			
New acquisitions	22,188	30,873	24,846
Net outlays	14,365	23,072	18,206
Outstandings	61,978	85,050	103,257
AGENCY BORROWING ADDENDUM			
By on-budget agencies:			
Export-Import Bank:			
Net change	2,114	2,582	3,067
Outstandings	10,067	12,649	15,716
Tennessee Valley Authority:			
Net change	1,810	2,200	2,100
Outstandings	8,935	11,135	13,235
National Credit Association:			
Net change	90	210	300
Outstandings	90	300	600
By off-budget Federal entities:			
U.S. Railway Association:			
Net change	36	−258	30
Outstandings	482	224	255
Postal Service:			
Net change	−67	−232	−67
Outstandings	1,520	1,288	1,221
Agency borrowing:			
Net change	3,983	4,503	5,430
Outstandings	21,094	25,596	31,027

[1] Certificates of beneficial interest.

Mr. MOYNIHAN. Mr. President, I thank the Chair. I believe my time has now expired.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MOYNIHAN. Mr. President, I thank the Chair for his gracious patience as I think I probably used more than a few minutes extra.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. JEPSEN assumed the chair.)

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the distinguished Senator from Idaho, Mr. SYMMS.

(The remarks of Mr. SYMMS and Mr. JEPSEN in connection with the introduction of legislation are printed under "Statements on Bills and Joint Resolutions.")

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. SYMMS). The Chair, on behalf of the Vice President, pursuant to the order of the Senate of January 24, 1901, as modified February 3, 1981, appoints the Senator from Kansas (Mrs. KASSEBAUM) to read Washington's Farewell Address on February 16, 1981.

THE EXPORT TRADING COMPANY ACT OF 1981, S. 144

Mr. JEPSEN. Mr. President, I rise in support of the Export Trading Company Act of 1981, S. 144, introduced by my distinguished colleague from Pennsylvania (Mr. HEINZ). I am pleased to be a cosponsor of the bill.

As Senator HEINZ indicated in his statement January 19, our trade deficit is getting progressively worse; in fact, it could run to $50 or $60 billion this year. Although this bill will not solve all of our trade problems, it is a step toward lowering this deficit—a deficit not owed to the American people, but to our foreign trade partners. This bill will promote the export trade so vital to the economy of Iowa, as well as the Nation's economy.

Title 1 of the proposed legislation promotes export trade by increasing the financial leverage of exporters. Passage of this act would permit banks to make a limited investment in export trading companies. An improved guaranteed program to support commercial loans would be developed by the Export-Import Bank. Furthermore, title 1 directs the Secretary of Commerce to promote export trading companies by providing information about these companies to producers.

Title 2, a revision of the Webb-Pomerene Act of 1918, permits companies to obtain preclearance for specific trade export operations. This gives a company clear knowledge about activities that will become subject to antitrust action. I urge my colleagues to become familiar with the numerous benefits offered in the specifics of this bill.

In Iowa, our export trade situation is much healthier than in most other States. The percentage of Iowa manufacturing companies that export is twice that of the national average. Presently, 750 companies in Iowa are exporting manufactured goods. More importantly, 300 more companies have expressed interest in exporting. They have not done so for a variety of reasons, but hopefully this bill will eliminate many of the obstacles they face.

One purpose of this bill is to encourage small- and medium-sized companies to join together and form viable export trading companies and associations. Because of current law, many companies are inhibited by antitrust fears. Furthermore, the bill would allow small- and medium-sized companies to combine capital and spread out risks. This would improve their ability to compete in the export market.

Finally, passage of this legislation would allow the banking community to become involved in export trade. Specifically, this would provide the much-needed financial resources and expertise to export trading companies and associations so that they may participate in the competitive export market.

Iowa's export business accounted for approximately 15 percent of the gross State product in 1978. If the national percentage could match Iowa's, then our country would be operating at a $136.4 billion surplus of trade.

Mr. President, I feel that much of Iowa's success in the export market can be attributed to the trade missions, seminar, and referral services performed by the Iowa Development Commission. This bill encourages the use of intermediaries to provide similar marketing and financial tools to small- and medium-sized businesses. This type of service has worked well in Iowa, and I am confident it will work just as well on the national level.

S. 144 is a step toward lowering our ever-increasing trade deficit by providing a means for small- and medium-sized businesses to participate in the competitive export markets. I welcome the support of my colleagues in the passage of this needed legislation.

CHEMICAL WEAPONS: BUILD UP OR DISARM?

Mr. COCHRAN. Mr. President, the issue of whether the United States should manufacture binary chemical weaponry is the subject of continuing controversy. The 96th Congress took a step toward the manufacture of these weapons by funding an initial $3.15 million for construction of a production facility at Pine Bluff, Ark. Congress refused, however, to appropriate an additional $19 million for the equipment of the facility. The new Congress and the Reagan administration will very likely have to face the issue again this year.

As I noted during the debate last year, any decision to proceed with the Pine Bluff facility will have a major impact on other defense priorities, on our top NATO objective of deploying new theater nuclear weapons in Europe, and on the ongoing United States-Soviet negotiations on chemical weapons. That decision will have to be made in the midst of considerable debate over alleged Soviet use of lethal chemical weapons in Afghanistan as well as uncertainty over the Russian capacity to wage chemical warfare.

The chemical weapons controversy has been extensively explored in an excellent article in Chemical and Engineering News. The article helps to provide a more complete understanding of this critical issue.

Mr. President, I ask unanimous consent that the article "Chemical Weapons: Build Up or Disarm?" from the December 1, 1980 issue of Chemical and Engineering News be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

CHEMICAL WEAPONS: BUILD UP OR DISARM?

(By Lois R. Ember)

In an antiphonal response to alleged Soviet use of lethal chemical weapons in Afghanistan and to other events, Congress recently voted $3.15 million to begin construction of a binary weapons production facility at Pine Bluff Arsenal, Ark. An amendment to the 1981 defense appropriations bill for $19 million to equip that facility almost survived final conference committee wrangling.

Almost. But for two days the next chairman of the Senate Appropriations Committee, Mark O. Hatfield (R.-Ore.), inveighed against setting a precedent in haste. He argued that little debate and no hearings had been held on the chemical weapons issue, that our NATO allies had not been consulted, that no budget request had been made by the Administration, and that the implications for arms control had not been considered. His arguments, which echo those of Harvard University biochemist and chemical-weapons expert Matthew Meselson, prevailed—at least for the moment.

Hatfield also is bothered by other concerns. One, that in a chemical war the greatest casualties would be sustained by unprotected civilians—a concern the West Germans are said to share. And two, that the weapons would become enticing munitions for developing countries that are unable to produce nuclear weapons, and for terrorists.

The conference hearings were held in closed session, but it is possible to speculate that telling arguments centered on the cost, need for, and utility of nerve-gas munitions that would have been produced at the Pine Bluff facility.

Gordon M. Burck, formerly an analyst with the Center for Defense information, Washington, D.C., and now a consultant with MathTech Inc., Arlington, Va., says the $22 million that this Congress could have approved would have been only a down payment on a $170 million binary weapons plant. In 1984, this plant would have manufactured a binary version of an existing weapon—the 155-mm artillery shell filled with nerve gas Sarin (or GB). At a later date, 8-inch shells containing the nerve gas VX would have been produced. Burck estimates the cost of these binary replacements at $3 billion to $4 billion.

According to Meselson and another academic expert, Julian Perry Robinson of the University of Sussex, the U.S. has stockpiled a vast supply of GB and VX artillery shells. These are perfectly usable. But neither they nor their binary cousins have any military utility unless they are "forward deployed," Hatfield argues. "The problem," Meselson says, "is that almost all of our stockpile of ground-fired chemical munitions (artillery and mortar shells) is in the U.S., and we can't get it out of here because our NATO allies won't let us put it over there."

Indeed, most of the U.S.'s estimated 37,000 tons of chemicals (mustard and the two nerve gases) are stored at 11 sites in the continental U.S. But there are also small stockpiles at two sites in West Germany and on Johnston Island in the Pacific.

Setting aside the question of Soviet chemical capability, the issue of U.S. need for a new family of offensive chemical weapons and a production facility to fulfill that need is likely to resurface next year. Soon after the $19 million was stripped from the money bill, Sen. John Stennis (D.-Miss.), soon to become ranking minority member of the Appropriations Committee, characterized the deletion as a temporary postponement and not a derailing action. Sen. John Tower (R.-Tex.), who will become chairman of the Senate Armed Services Committee, is already on record as favoring binary arms.

What may change next year is the debate over the nature of the production facility. Some experts feel that the first phase of a multiphase chemical arms program should focus on bombs, not artillery shells. Military analyst Amoretta M. Hoeber of Systems Planning Corp., Arlington, Va., a consulting firm with several defense contracts, is one who believes this. She says bombs offer "flexibility in basing and use, they can be used both at the front lines and on air bases, ports, and storage sites."

Whether shells or bombs, the binary munition will produce the same organophosphorus nerve gases developed decades ago by the Germans and the British; only the packaging changes. Despite a more than twofold increase in R&D funds since 1978, the search for new lethal nerve gases, especially among the carbamate insecticides, has proved futile.

Under the binary concept, two nonlethal precursors react after firing to form the lethal nerve gas GB or VX. There is no evidence in the published literature that the Soviets have developed a binary system for their main nerve gas Soman (GD).

Binaries are being promoted because they are safer than unitary nerve gas munitions to produce, transfer, store, and discard. Yet the Army has handled the unitary weapons safely for decades. And the components that react to form the lethal nerve gases in the binaries are not harmless. Methylphosphonyldifluoride (DF), a precursor to the nerve gas GB, is as toxic as strychnine, and vapors of ethyl 2-(diisopropylamino)-ethylmethylphosphonite (QL), a precursor to VX, cause gastric distress, breathing difficulties, and a skin rash.

These safety features, however, presumably offer a psychological balm to military commanders who have a deep and abiding abhorrence of chemical weapons, which they view as too unpredictable and capricious. Presumably these features also make chemical weapons more acceptable to the NATO allies in whose countries the U.S. would like to deploy them.

Both presumptions are questionable. Nonetheless, binaries are seen as the only way the U.S. can politically re-enter the chemical arms race with the U.S.S.R., a race it dropped out of in 1969 when production of all chemical weapons was halted. Binaries are, in effect, a technological fix to the political, diplomatic, and environmental quagmire of rearmament.

Binary weapons have been on the military's drawing boards since 1949, and were ready for production in the 1970's. But even before this latest setback, the Army's persistent requests since 1974 for funds to build a binary arms facility at Pine Bluff Arsenal had been rebuffed repeatedly. Several Congresses and three Presidents have denied or deleted these requests from the budget. The reason was the fear that U.S. resumption of chemical arms production would further hamper strained bilateral U.S./U.S.S.R. chemical weapons treaty talks that have been in progress in Geneva since 1976.

That fear, argument if you will, is still valid today. Why then has the controversial and recurrent issue of chemical warfare risen Phoenixlike from the hot crucible of cold war? Why did this Congress pre-empt the President's prerogative to set defense policy?

According to the Defense Department and its military apologists, world events past and present have reached critical mass. These events have heightened tensions and tightened the spring that eventually will catapult the U.S. into renewed chemical arms production. Unless, of course, the U.S. and U.S.S.R. agree on a chemical arms accord that they can present for negotiation to the multilateral Committee on Disarmament also meeting in Geneva.

Among the events most frequently cited are the alleged Soviet release of lethal chemicals in Afghanistan; the 1979 anthrax epidemic that killed scores in the Urals city of Sverdlovsk; the capture of Soviet-supplied chemical weapons and equipment after the 1973 Mideast War; and the use of poison gases in Laos and Cambodia by Vietnam, the Soviet proxy in that region. Also, opponents of chemical rearmament add, binary weapons, long under development, are now ready for mass production.

The Soviets are said to have superiority over the U.S. in chemical stockpiles, testing facilities, training activities, equipment (but not personnel protective gear), and force structure. This has convinced some that the U.S. ought to build up its chemical stockpiles and better train its troops to fight in a chemical environment. However, the events often cited as reasons for a chemical rearmament weaken under close scrutiny.

For example, last December Soviet troops and tanks tramped into Afghanistan. Soon from rebels and refugees came reports that the Soviets had used lethal gases to flush out the resistance fighters from the craggy nooks of the Afghan landscape. Although it is likely that the Soviets used chemical weapons there, neither the Pentagon nor the State Department claims hard evidence that the weapons contained lethal gases. More likely, the Soviets used nonlethal crowd-control agents, similar to those the U.S. deployed in Vietnam. There is better, but not absolute, evidence that lethal gases were used by Soviet proxy forces in Southeast Asia.

What happened in Sverdlovsk remains a mystery. Still unresolved is whether the anthrax outbreak was due to the gastric variety, which the Soviets claim, or the inhalation variety—the result of an accident at a germ warfare production plant—which U.S. intelligence sources suspect. If the vector of death was inhalation, then the Soviets have violated the 1972 biological weapons ban treaty to which they are a signatory. Such a flagrant violation would call into question their sincerity in negotiating a viable chemical arms treaty.

Despite these 1979 events, the military was already galvanized. Nothing so stirred the Defense Department out of complacency, says department spokesman Lee DeLorme, than the chemical warfare paraphernalia and equipment captured by the Israelis from the Soviet-supplied Arab forces during the 1973 Mideast War. The captured goods supposedly indexed the massive dimensions of the defensive and offensive measures the Soviets had taken to shore up their chemical warfare capability at a time when U.S. interest and capabilities were flagging.

Critics of chemical rearmament acknowledge a better Soviet defensive posture. But they point out that the Soviets sustained the greatest chemical-related casualties and fatalities during World War I, the only time lethal chemicals have been used on a large scale. That war experience and U.S. buildup of chemical arms in the 1950's and 1960's may have sparked the Soviets' increased attention to protective measures and training in a chemical environment, the critics reason.

Soviet offensive capability is another matter. A thorough search of unclassified documents and extensive talks with knowledgeable officials have led critics Meselson, Burck, and William M. Arkin, a senior analyst with the Center for Defense Information, to conclude that there is no "hard evidence" that the Soviets have built up their offensive chemical capability in the past decade. No hard evidence that the Soviets "have or have not produced lethal chemical munitions since the U.S. stopped production" of these weapons in 1969, wrote Meselson in a recent letter to the *New York Times*. "No evidence

that the Soviet Union finds chemical weapons to be central to its conduct of military operations, and that it has integrated offensive chemical weapons into its military force structure and can't operate without them." Arkin, a former Army intelligence officer, tells C&EN.

"There is widespread belief within the department that the Soviets have an enormous chemical capability, DeLorme says, "and that they have continued over the years to increase and to modernize that capability." Yet he admits that the equipment found after the 1973 Mideast War was primarily defensive or protective in nature.

But then he counters: "When you couple the pervasiveness of their protective equipment with the level of training that they do (the fact that they train with "live" agents), plus an understanding that they view chemicals as simply another conventional weapon, I think you are led to the conclusion that they have a tremendous capability and it is part of their doctrine to use that capability."

Two arguments thread simultaneously through discussions of relative U.S./U.S.S.R. chemical warfare capabilities: the need for a strong defensive posture, and the requirement for a "credible" offensive chemical deterrent. These arguments must be untangled and examined separately.

There is unanimity that the U.S. has allowed its defensive posture to lag, and that money would be well spent on R&D to improve protective equipment and antidotes to nerve agents, and to increase training in a chemical environment.

The U.S. has begun to rectify these deficiencies. Defensive R&D expenditures have increased substantially over the past few years. The Army has set up a chemical warfare training school at Fort McClellan, Ala. And even NATO ally Britain has recently opened a 3000-acre chemical weapons test and training range near Porton Down.

These stepped-up measures are important. Meselson argues repeatedly that chemical arms are less effective than conventional high-explosive weapons in inflicting casualties once the enemy takes effective defensive measures; that is, "suits up." The Center for Defense Information concludes that "the military significance of chemical weapons in the face of an enemy's defensive capacity is not very great." Even Hoeber, who argues for a stronger chemical warfare posture, agrees with the need for good defenses.

There is no agreement, however, on whether the U.S. has a credible chemical deterrent. Opponents of an arms buildup contend that the present offensive stockpile in in U.S. is and has acted as a deterrent against the widespread use of lethal chemical weapons. Presumably, U.S. military doctrine of no-first-strike use of chemical weapons but retaliation-in-kind if attacked with such weapons, plus its stated intention to use nuclear weapons if it were losing a conventional war has acted as a deterrent, they argue. Finally, some critics argue that rather than raising the nuclear threshold, a renewed U.S. chemical buildup might have the effect of lowering it.

Advocates for a buildup contend that the U.S. does not have a credible chemical deterrent, and this lowers the nuclear threshold. For example, undersecretary of Defense for research and engineering William Perry says that the U.S. has "barely enough chemical weapons" to retaliate against an enemy's first-strike use of lethal poisons. DeLorme says, "We don't have sufficient stock to fight a chemical war." Without the ability to deter the Soviets from using chemicals in a European land war, the argument goes, the U.S. and its NATO allies would be forced to resort to nuclear weapons early, or face the chemical destruction of their forces.

This fall, the Defense Science Board reviewed the U.S. chemical warfare capability. The chemical weapons task force, chaired by Massachusetts Institute of Technology chemist John Deutch, concluded that there was a chemical threat, that there was a Soviet offensive capability that needed to be responded to, and that the U.S. needed a retaliatory capability to negotiate an effective arms-control agreement.

In short, the Deutch panel felt that to deter the Soviet use of chemical weapons, the U.S. could not rely on its stockpiles of conventional or nuclear weapons. Rather, to counter a chemical attack, the U.S. must have a sufficient supply of chemical weapons to force Soviet and Warsaw Pact troops into their protective gear, and to pose a threat to their airbases and other support operations, the panel said.

To improve its chemical warfare posture, according to the panel, the U.S. should "demilitarize" the existing stockpile of unitary nerve gas arms, replace some of these with binary weapons, and improve protective measures and troop training. In particular, the panel recommended more research on the nonlethal, long-term effects of nerve agents, and on the development of antidotes to these agents.

Contrary to the opinions of Meselson and Burck and a 1974 statement of the American Society, the Deutch panel did not think that the safety of binary weapons would make their use more appealing to terrorist groups.

George Washington said that "to be prepared for war is one of the most effectual means of preserving peace." Apparently the Deutch task force would also add "and achieving arms control agreement." It felt that conversion of the U.S.'s nerve gas stockpile to binary weapons would more than likely hasten agreement on chemical weapons disarmament. Others disagree.

Four years ago, at an ACS symposium on binary weapons and chemical disarmament, Robert Mikulak of the Arms Control & Disarmament Agency said: "Congress has been asked but has not yet authorized construction of a binary production facility. I think the reasons are important. Large in the Congressional consideration, as I understand it, is concern about the possible effect of binary production, or even preparing for such production, on chemical weapons arms control negotiations. In my view, these Congressional concerns are well founded. To push ahead with binaries now would not help us to reach an effective chemical weapons agreement. Quite the opposite, in fact; one result might well be to revive pressures for an immediate and poorly verified prohibition."

Arkin agrees with Mikulak. For one thing, he does not see how building up a binary capability will significantly improve U.S. offensive capability "because we don't integrate chemical weapons into our forces anyhow." For another, Arkin feels that "production of chemical weapons at this time would be divisive in terms of arms control prospects." His Center for Defense Information fails to see a connection between renewed U.S. emphasis on chemical production and the willingness of Soviets to negotiate a treaty on chemical weapons. "What is holding up the treaty now is verification, not questions of stockpile or deterrent capabilities," Arkin says.

The military, however, believes that a chemical arms buildup is a prime deterrent to chemical warfare, and a prerequisite to arms control talks. Charles H. Bay, commander of Dugway Proving Ground, Utah, writes in Parameters, the journal of the Army War College, that such a buildup "is needed to influence the Soviet negotiating position, to reduce the risk that a war in Europe might include the use of chemical weapons, and to better cope with such an eventuality if it occurred. The need for an improved deterrent and retaliatory chemical weapons stockpile does not conflict with the desirability of chemical weapons disarmament."

Hoeber, whose opinions are likely to influence the defense policies of the Reagan Administration, supports Bay's views. She writes: "It is important not to confuse a national policy of no-first-use and a national goal of effective arms control with the need to be able, first, to cope with the imposition of a toxic environment, and second, to respond in kind if and as long as that remains a U.S. policy option. The U.S. should not curtail chemical warfare activities out of a 'spirit of the negotiations' and, in negotiating, should not continue to unilaterally constrain its security choices."

All major nations of the world are parties to the 1925 Geneva Protocol. This treaty prohibits the use in war of chemical weapons, but it does not prevent the peacetime production of these weapons. Some nations accept the protocol as an absolute prohibition; others, including the U.S., U.S.S.R., Britain, and France (the only other nation besides the U.S. and the U.S.S.R to have a militarily significant chemical arms stockpile), reserve the right to retaliate in kind if the protocol is violated by an enemy.

The weaknesses of the Geneva Protocol permitted the massive chemical warfare preparations of both the U.S. and U.S.S.R. Presumably, however, an assessment of its military utility and a repugnance for chemical warfare in general brought the two nations together. They have been meeting in Geneva since 1976 to negotiate an accord that would ban the development, production, and stockpiling of chemical weapons. Any initiative that resulted from these talks then would be presented to the multilateral Committee on Disarmament, which has been meeting separately to hammer out an agreement acceptable to its 40 members.

Progress has been made in the bilateral talks, but a major roadblock remains: verification or the means to assure that no country can create and hide a militarily significant stockpile of chemical arms.

The last bilateral talks were held in July. Then the two countries agreed in principle on the need for on-site inspection. No future talks have been scheduled. And arms control negotiator Mikulak says that progress made in the last few sessions has been only "modest." Therefore, reaching agreement on a bilateral accord is not likely anytime soon.

Most opponents of chemical rearmament feel as Arkin does. "The fact that the Soviets have been at the negotiating table since 1976 indicates that they must be concerned about the control of chemical weapons," he says. Bay and defense analyst Hoeber, however, disagree with this position. They view the long-standing treaty talks as a Soviet ruse to keep the U.S. chemical warfare posture inferior to theirs.

Hoeber writes: "Allowing a potential treaty which is merely under discussion . . . to determine the U.S. posture at this stage makes a travesty of the arms control negotiation process." She says talks are meaningless "if the Soviets can halt U.S. efforts to redress Soviet advantages merely through their continuing presence at the negotiating table, with no noticeable reins on their own programs."

Hoeber sees only one motivation for the Soviets' interest in negotiating a chemical arms ban: deception or a propaganda ploy. The Soviets' objective? "Continued debilitation of U.S. efforts to redress the balance, thus cementing an assymetry in their favor," Hoeber contends.

She wrote these words in 1978, and times change. The death of SALT II and at least the hint of some mincing steps toward negotiating a new strategic arms limitation treaty make "the prospects for arms control on chemical weapons pretty good," Arkin says. "First, because the military significance of the use of chemical weapons is questionable—giving up these weapons doesn't create national security issues; and, second, in the coming years both sides will want to do things that will build confidence (in the other side) in their ability to conduct arms control," he elaborates.

Meselson agrees. "If President Reagan needs a new way of controlling soaring defense costs, of achieving better coordination with our European allies, and of getting a more realistic, workable arrangement with the Soviets, a chemical arms treaty could fit in," Meselson says. To date neither Reagan nor his advisers have broached the subject.

There is no doubt, though, that the Reagan Administration will have to confront the issue early and head-on. Next year, the U.S. and U.S.S.R. will be back at the negotiating table, and the controversial issue of binary weapons production will again be introduced in Congress.

This year, a $19 million item to purchase equipment to outfit a binary production facility was able for two days to stall approval of a $160 billion defense appropriations bill. Next year, Congressional debate is likely to be as heated and as emotional. Chemical warfare is a highly charged issue, both psychologically and militarily.

Clothed in protective gear, a soldier becomes a concrete symbol of man's primordial fear: the specter of death. Without such protection, the wraith becomes reality. In a chemical war, unprotected civilians are likely to be the casualties. Both the U.S. and U.S.S.R. know this. Perhaps one of the reasons for building up our offensive capability now is to present a veiled threat to the Soviet population in a chemical version of MAD, mutually assured destruction.

Certainly, the Congressional insertion of the $19 million did not evolve from an analysis of the state of our current stockpile and its deterrent capability. Such analyses are currently under way, and one coordinated by the National Security Council is expected to be ready to influence the next budget exercise.

According to Arkin. "The genesis of the decision to build binary weapons is much more connected to expressing our displeasures with the state of the military balance, with our supposed theories of the use of weapons, and with Soviet behavior in Afghanistan."

Hints of the winds of war sweep the globe. With startling regularity, adversary troops are massing along common borders. Soviet troops stand at alert, ready to nip in the bud the bloom of Polish trade unionism. Chemical weapons—positioned on the middle rung of an escalatory ladder that eventually leads to nuclear weapons—cannot be considered lightly or in isolation.

Abraham Lincoln once exhorted us to "think anew and act anew" with changing situations. He said: "The dogmas of the quiet past are inadequate to the stormy present." In reconsidering a national policy on chemical weapons in the full context of U.S. defense needs, Lincoln's words should be heeded anew.

CONCLUSION OF MORNING BUSINESS

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Does the Chair know of any other Senators who care to speak?

The PRESIDING OFFICER. Is there further morning business? If not, the morning business is closed.

Mr. ROBERT C. BYRD. Mr. President, do I still have 10 minutes reserved to me? If I do, I will yield it back.

The PRESIDING OFFICER. The Chair believes the time has been yielded back.

CENTRAL INTELLIGENCE

NOMINATION OF VICE ADM. B. R. INMAN, U.S. NAVY, TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE, AND TO HAVE THE RANK OF ADMIRAL

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Executive Calendar No. 2, the nomination of Vice Adm. B. R. Inman, U.S. Navy, to be Deputy Director of Central Intelligence, and to have the rank of admiral while so serving. The nomination will be stated.

Mr. GOLDWATER. Mr. President, before the clerk states the nomination, I ask unanimous consent that we withhold on that business and that the Senate go into executive session to consider the promotion of the same gentleman that this other matter pertains to.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, what is the request?

The PRESIDING OFFICER. The Chair will say to the Senator from Arizona we are in executive session.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that we go into executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I ask that the clerk state the nomination of Vice Adm. B. R. Inman, U.S. Navy.

The PRESIDING OFFICER. The nomination will be stated.

The assistant legislative clerk read the nomination of Vice Adm. B. R. Inman, U.S. Navy, to be Deputy Director of Central Intelligence, and to have the rank of admiral while so serving.

Mr. GOLDWATER. I ask unanimous consent that the Senate approve the promotion of Admiral Inman.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, is there going to be a rollcall vote on the nomination?

Mr. GOLDWATER. On this one, no.

Mr. MOYNIHAN. On the nomination.

Mr. ROBERT C. BYRD. Mr. President, I wonder if we could have a chance to get the word out so if there is a request for a rollcall vote——

Mr. BAKER. Mr. President, may I inquire, is the nomination on the Executive Calendar which has now been laid before the Senate the nomination of Vice Admiral Inman to be Deputy Director of the Central Intelligence Agency, or a nomination to be Deputy Director of Central Intelligence with the rank of admiral?

The PRESIDING OFFICER. It is the latter.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate first proceed to the consideration of the nomination of Admiral Inman to the rank of admiral and to proceed after that to consider the nomination of Admiral Inman to be Deputy Director of Central Intelligence. That is two separate items on the calendar.

Mr. GOLDWATER. If the Senator will yield, that is just what we have done. Now we go back to regular session and the Chair has already ordered the consideration of calendar order something—I do not remember the number.

Mr. BAKER. To make sure we fully understand the parliamentary situation at this moment, Mr. President, the first item of consideration at the moment will be the promotion of Admiral Inman to the rank of full admiral.

The PRESIDING OFFICER. That has been ordered by unanimous consent.

Mr. BAKER. Following after that nomination will be the nomination of Admiral Inman to be Deputy Director of Central Intelligence.

The PRESIDING OFFICER. That is correct.

Mr. BAKER. Mr. President, I have an idea there may be a request for a rollcall vote on the second nomination to be Deputy Director of Central Intelligence. I ask unanimous consent that it be in order at this time to ask for the yeas and nays on that nomination.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. I ask for the yeas and nays on the nomination, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I thank the Senator from New York, the Senator from Arizona, and the Chair for their indulgence.

Mr. ROBERT C. BYRD. Mr. President, has the first nomination been agreed to?

The PRESIDING OFFICER. Not at this time.

Mr. ROBERT C. BYRD. I believe I reserved my right to object.

I certainly have no objection to that and I just want to make sure that we were going to give adequate notice to our respective sides with respect to a rollcall vote.

I have no objection.

NOMINATION OF VICE ADM. B. R. INMAN TO BE ADMIRAL

The PRESIDING OFFICER. The question comes first on confirming the nomination of Vice Adm. B. R. Inman to be admiral.

Mr. GOLDWATER. I ask unanimous consent that that be favorably voted on.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NOMINATION OF VICE ADM. B. R. INMAN TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

Mr. GOLDWATER. Now may we go back to the regular business?

The PRESIDING OFFICER. The next item of business is the nomination for Vice Adm. B. R. Inman to be Deputy Director of the Central Intelligence Agency.

Mr. GOLDWATER. Mr. President, I shall not take long on this matter.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield to the distinguished majority leader.

Mr. BAKER. Mr. President, I ask unanimous consent that the rollcall vote on this nomination occur at 1:30 p.m. today.

Mr. ROBERT C. BYRD. Reserving the right to object, Mr. President, I do so only to thank the majority leader for making this request. There is a Member on my side who had to leave the office, I understand, because of an emergency and he will not be back until 1:30 p.m. today. So I appreciate having that time set.

I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, today we are considering the nomination of Admiral Inman to be Deputy Director of Central Intelligence. President Reagan made a wise choice in nominating Admiral Inman for this position. The Senate Intelligence Committee thought so too, as they voted unanimously to approve him.

At the nomination hearing, I told Admiral Inman that he had my vote even before I heard his testimony. If there ever was such a thing as the right man for the right job at the right time—he is that man.

I might say, Mr. President, in the years that I have been engaged in intelligence work, I have never known a man as adept in this field as Admiral Inman. He is respected all over the world as one of the finest intelligence men available, so we are very fortunate to have him move over.

Just last week, at the Bill Casey hearing, I urged, along with my colleagues, that he go after Admiral Inman for this job, so this nomination is good news to me. He is a man of outstanding qualifications and integrity. We are lucky to have him and the Nation will be better for it.

Mr. President, I urge my colleagues to act favorably on the nomination of Admiral Inman.

Mr. President, I ask unanimous consent that a background paper on the admiral appear at this point in the RECORD.

I ask unanimous consent that the statement of Vice Adm. Bobby R. Inman appear at this point in the RECORD; and ask unanimous consent that a statement for completion by Presidential nominees appear at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BOBBY RAY INMAN

April 4, 1931, born in Rhonesboro, Texas.

1950, B.A. University of Texas at Austin.

1952, Commissioned Ensign, U.S. Navy. Joined the USS Valley Forge. Served in Korean theater.

1953–1955, served in European theater. Became aide to the Deputy Commander in Chief of Naval Forces Eastern Atlantic and Mediterranean.

1955–1972, Held operational assignments on USS Mullinix and USS Roanoke. Subsequently served as Chief of Naval Operations Intelligence Briefer; Operations Intelligence Analyst at Ft. Meade, Maryland; and Assistant Naval Attache, American Embassy, Stockholm, Sweden.

1972, Graduated from National War College.

1972–1973, Executive Assistant and Senior Aide to the Vice Chief of Naval Operations, Washington, D.C.

1973–1974, Assistant Chief of Staff for Intelligence on the Staff of the Commander in Chief of the U.S. Pacific Fleet.

1974–1976, Director of Naval Intelligence, Department of the Navy.

1976, Promoted to Vice Admiral.

1976–1977, Vice Director for Plans, Operations and Support, Defense Intelligence Agency.

1977–Jan. 1981, Director of the National Security Agency.

Decorations, Navy Distinguished Service Medal; Defense Superior Service Medal, the Legion of Merit, the Meritorious Service Medal; the Joint Service Commendation Medal; the Navy Unit Commendation Ribbon and the Meritorious Unit Commendation Ribbon; the Navy Occupation Service Medal, Europe Clasp; National Defense Service Medal with bronze star, Korean Service Medal with four stars; Vietnam Service Medal with one silver star and one bronze star and the United Nations Service Medal; the Korean Presidential Unit Citation Badge; the Republic of Vietnam Gallantry Medal, First Class; the Republic of Vietnam Armed Forces Meritorious Unit Citation and the Republic of Vietnam Presidential Unit Citation.

STATEMENT OF VICE ADM. BOBBY R. INMAN, U.S. NAVY

Mr. Chairman and members of the committee: It is a distinct pleasure to appear before this Committee on this occasion. I have been nominated by the President to serve as the Deputy Director of Central Intelligence. You are all generally aware of my background and my most recent assignment as Director, National Security Agency. However, it may be useful for me to review that background and experience in light of this nomination.

As a native of the state of Texas, received the degree of Bachelor of Arts from the University of Texas at Austin in 1950. Shortly after joining the Naval Reserve in 1951 and being commissioned as an Ensign in 1952, I joined the USS VALLEY FORGE, then participating in operations in the Korean area. Later, I served in various administrative assignments in the European theater. Following release from and then return to active duty with the Navy, I served in various shipborne operational assignments and in several intelligence assignments functioning as an intelligence analyst and as the Assistant Naval Attache, American Embassy, Stockholm, Sweden.

Subsequent assignments included service as the Fleet Intelligence Officer on the staff of the Commander Seventh Fleet; attendance at the National War College; Executive Assistant and Senior Aide to the Vice Chief of Naval Operations; Assistant Chief of Staff for Intelligence to the Commander in Chief, U.S. Pacific Fleet; Director of Naval Intelligence; and Vice Director for Plans, Operations and Support, Defense Intelligence Agency. Since 5 July 1977, I have had the pleasure of serving as Director, National Security Agency.

Although my current assignment has involved me heavily in the collection and production of intelligence information, the majority of my experience during 21 years of service in the field of intelligence has been as an analyst and as a manager. The variety of my assignments has provided me with a unique perspective on the need to balance the production and analytic facets of the intelligence mission and to provide for the needs of the Nation's policymakers both in the Executive and the Congress.

I am in complete agreement with Mr. Casey in his statement to this Committee that it is vital that this Nation have a strong and effective intelligence organization with a wide range of capabilities and the flexibility to adapt and focus them on whatever exterior threats or problems confront the nation. While I face the coming years with optimism, it is tinged with a realization—based on my years of experience in various parts of this business—of the immense task we face. I have frequently recalled a statement made by a senior intelligence officer in 1977 with respect to the current and future intelligence environment, when he pointed out:

"There are more things about which we need intelligence data, but there is the prospect that intelligence may be harder to obtain."

Recent events have re-emphasized the increasing conflict of these real world facts. Today a greater portion of the world's nations withhold information concerning their activities, plans and intentions. There is less free and open access of the character that we value as a people and a Nation. At the same time there is greater competition for and control of available resources. As a result there is a significantly greater need for a variety of intelligence information that extends beyond the historical orientation on military and political information. Equally significant is the growing mobility of our principal adversaries with the accompanying threat of the use of power in the third world to challenge our long term economic, political, and military interests. The growth in the use of various forms of terror adds a destabilizing factor that requires modifications to the traditional means of prioritizing intelligence coverage and allocating intelligence resources. The increasing sophistication of technology and of its use by our adversaries further complicates our ability to collect raw data and refocus analytic effort. At the same time, there are recurrent efforts around the world to spread disinformation about our intelligence activities and discredit our intelligence agencies designed to reduce the willingness of individuals and entities to work with us.

In order to meet these challenges, we must foster within our Government an environment that affords the Intelligence Community the resources necessary to provide a sufficient variety of modern collection methods including technical and human capabilities, to continuously maintain a technical base of information, to focus upon any particular crisis of the moment while maintaining our worldwide watch, and to meet the users' needs for information concerning a wide variety of interests. This requires that we focus our attention in the budget process on the resources needed to maintain the whole system rather than on what can be cut based on the lack of current interest in a particular area. It means that we must recruit and retain personnel of great skill to design, build, operate, process, analyze and report finished intelligence, and to assist the users of intelligence information in understanding what can be and has been provided.

In order to assure that finished intelligence information is the best available, it is my view that there is a real benefit from encouraging strong multi-discipline centers of expertise within the intelligence community. No one agency has a monopoly on talent or sources and competition spurs each to maintain higher standards of performance and service. Guidance in the form of standards and in the allocation of community services is needed and is a useful function, and all duplication of functional activities should be examined regularly to

ensure that it is productive redundancy. What is needed is a healthy competitive Community that enjoys the confidence of the Government's policymakers and of the Nation.

We now have a wealth of experience concerning the guidelines under which intelligence agencies operate. A fine tuning of those guidelines, especially the detailed procedures that implement those guidelines, may be in order. However, on the whole the guidelines and the Foreign Intelligence Surveillance Act have evolved into a system that provides procedural protections for the rights of individuals and flexible guidelines for intelligence agencies. Although there is some work to be done in the area of emergency authorization to provide flexible responses to crisis situations, and perhaps some need for review of the counterintelligence aspects, I believe that the overall system is working and is not in need of a major overhaul.

My predecessor as the DDCI served both as the day-to-day manager of the CIA and as an active participant in Community affairs. It is my expectation that I will serve in a similar capacity and I have discussed the matter with Director Casey, who agrees. It is his expressed desire that I pay particular attention to the DCI's community responsibilities and I will spend a good deal of my time on that.

Congress and the Executive Branch have worked closely in the past few years to establish a solid foundation for cooperation. This past year that foundation was incorporated into the National Security Act of 1947 as a new section 501 covering congressional oversight. This new section maintains the balance between the two branches while providing a mechanism for permitting Presidential flexibility where sensitive operations are involved. Director Casey has already stated his position on this matter to you. This Committee and I have been cooperating on these matters under Executive Order and now under Section 501 for the past three and one-half years and can assure the Committee that I am in agreement with Director Casey's statement to you "to cooperate fully in facilitating the oversight through which Congress can ensure that the intelligence community operates within the limits of the law."

If confirmed, I look forward to working productively with Director Casey and this Committee on the problems facing the Intelligence Community and the Central Intelligence Agency.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Inman, Bobby Ray.

Address: 4526 Butler Street, Ft. George G. Meade, Md. 20755.

Position to which nominated: Deputy Director of Central Intelligence.

Date of nomination: January 24, 1981.

Date of birth: April 4, 1931.

Place of birth: Rhonesboro, Texas.

Marital status: Married.

Full name of spouse: Nancy Carolyn (Russo) Inman.

Names and ages of children: Thomas 18, William 15.

Education (Institution; dates attended; degrees received; dates of degrees):

Tyler Junior College, 1946–1948, AA, June 1948.

SMU, 1948–1949.

University of Texas, 1949–1950, BA, June 3, 1950.

National War College, 1971–1972.

HONORS AND AWARDS

Military:

National Security Medal.

The Navy Distinguished Service Medal.

Defense Superior Service Medal.

The Legion of Merit.

The Meritorious Service Medal.

The Joint Service Commendation Medal.

The Navy Unit Commendation Ribbon.

The Meritorious Unit Commendation Ribbon.

The Navy Occupation Service Medal, Europe Clasp.

National Defense Service Medal with bronze star.

Korean Service Medal with four stars.

Vietnam Service Medal with one silver star and one bronze star.

The United Nations Service Medal.

Korean Presidential Unit Citation Badge.

The Republic of Vietnam Gallantry Medal, First Class.

The Republic of Vietnam Armed Forces Meritorious Unit Citation.

The Republic of Vietnam Presidential Unit Citation.

College: Phi Alpha Theta, Phi Theta Kappa.

Memberships:

Organization; Office held (if any); Dates.

Boy Scouts of America, none, 1943–1946.

U.S. Naval Historical Foundation, none, 1975.

U.S. Naval Institute, none, 1972.

U.S. Naval Academy Alumni Association, none, 1979.

Council on Foreign Relations, none, 1978.

Ex-Student's Association, 1950–1953.

University of Texas, none, 1978.

Employment record:

Sales clerk, assistant salesman, father, intermittently 1944–1950.

Teacher, Longview, Texas, Public School System, 1950–1951.

Officer Candidate, U.S. Navy, Newport, R.I., Nov. 51–Mar. 52.

Naval Officer, U.S. Navy, Mar. 52–Present.

Government experience: U.S. Navy 1951–Present.

Published writings: None.

Political affiliations and activities: None.

Qualifications: Twenty-two years experience as an Active Duty Intelligence Officer, with management responsibilities as Director of Naval Intelligence, Vice Director of Defense Intelligence Agency, and Director of National Security Agency.

Financial Disclosure and Potential Conflict of Interest:

1. Please describe any employment, investment, association, or activity which might create or appear to create, a conflict of interest in the position to which you have been nominated. None.

2. As far as it can be foreseen, state your plans after competing government service. Please state specifically any agreements or understandings, written or unwritten, concerning employment after leaving government service, in particular concerning agreements, understandings or options to return to your current position. Undetermined; no commitments.

3. Describe the financial arrangements you have made or plan to make, if you are confirmed, in connection with severance from your current position. Please include severance pay, pension rights, stock options, deferred income arrangements, and any and all compensation that will or might be received in the future as a result of your current position or your past business or professional relationships. None required.

4. Please list below all corporations, partnerships, foundations, trusts, or other entities toward which you have fiduciary obligations or in which you hold directorships or other positions of trust. None.

5. Have you been an attorney for, or a representative or registered agent of, a foreign government, or any entity under the control of a foreign government? In your present position are you formally associated with individuals who are attorneys for, or representatives or registered agents of, foreign governments or entities? If the answer to either or both questions is yes, please describe each relationship on a separate sheet. No.

6. List all securities, real property, partnership interests or other investments or receivables with a market value in excess of $1,000. Residence in Arlington, Va. (rented); U.S. Savings Bonds; Certificate of Deposit, Navy Federal Credit Union.

7. List all loans, mortgages, or other indebtedness in excess of $1,000. Mortgage on Residence, Arlington Trust Co. (for daughter of former owner), $88,862; Loans, Navy Federal Credit Union, $5,610.

8. Please describe all gifts of pecuniary value in excess of $500 received in the past five years. None.

9. Please list any legal actions in which you are presently either a plaintiff or defendant, and any legal actions in the last five years in which you have been a plaintiff, defendant, or witness. Numerous lawsuits as Defendant related to duties as Director, National Security Agency.

10. Describe any business relationship, dealing or financial transaction (other than taxpaying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated. None.

11. List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy. List specifically any appearance before any committee of the Congress, and any other effort in any capacity to influence an action of a committee of Congress.

None. I have participated in many hearings and discussions with Members of Congress pertaining to assigned duties as a U.S. Naval Officer in various Intelligence Community assignments.

12. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items. Not applicable.

13. List sources and amounts of all income received during the last five years, including all salaries, fees, dividends, interest, gifts, rents, royalties, patents, honoraria, and other items exceeding $500. (If you prefer to do so, copies of U.S. income tax returns for these years may be substituted here, but their submission is not required.)

	1976	1977	1978	1979	1980
Salary	35,674.94	42,336.08	47,264.04	48,651.84	50,612
Fees, royalties					
Dividends					
Interest	1,272.13	1,347.31	1,392.06	1,353.50	1,426
Gifts					
Rents	6,900.00	7,800.00	7,800.00	7,800.00	7,800
Other—exceeding $500					
Total	43,847.07	51,483.39	56,456.10	57,805.34	59,838

14. Add schedule itemizing each individual source of income which exceeds $500. If you are an attorney, accountant, or other professional, attach schedule listing all clients and customers whom you bill more than $500 worth of services during the past five years.

All interest is derived from savings with Navy Federal Credit Union and U.S. Savings Bonds. All rental income received from residence in Arlington, Va.

Other information:

15. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? No.

16. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination. None.

17. Please provide the Committee with the names and current addresses of five individuals whom you believe are in a position to comment upon your qualifications for the office to which you have been nominated.

Vice President George P. Bush, the White House, Washington, D.C.

The Honorable Harold Brown, Apt. 802, 1015 33d St., N.W., Wash., D.C.

The Honorable James Schlesinger, Georgetown Univ., CSIS, Wash., D.C.

The Honorable Charles Duncan, 2700 Post Oak Road, Houston, Texas.

Adm. James L. Holloway, III, USN (Ret), 1694 Epping Farms Lane, Annapolis, Md.

18. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

19. Are you willing to provide such information as is requested by such committee? Yes.

CONFIDENTIAL FINANCIAL STATEMENT—NET WORTH

Provide a complete, current financial net worth statement which itemizes in detail all assets (including bank accounts, real estate, securities, trusts, investments, and other financial holdings) all liabilities (including debts, mortgages, loans, and other financial obligations) of yourself, your spouse, and other immediate members of your household.

ASSETS

Cash on hand and in banks, $750.
Real estate owned—add schedule,* $205,700.
Autos and other personal property, $90,000.
Cash value—Life insurance, $30,000.
Savings (NFCU, Bonds), $7,000.
Total assets, $333,450.
Contingent liabilities, none.

LIABILITIES

Real estate mortgages payable—add schedule,* $59,902.
NFCU Loan, $5,510.
Total liabilities, $94,472.
Net worth, $238,978.
Total liabilities and net worth, $333,450.

GENERAL INFORMATION

Are any assets pledged? (Add schedule.) No.

Are you defendant in any suits or legal actions? Not in personal capacity.

Have you ever taken bankruptcy? No.

Mr. GOLDWATER. Mr. President, I am happy to yield to my friend from New York.

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*Schedule: Residence in Arlington, Va., (value estimated from recent tax evaluation plus inflation factor).

Mr. MOYNIHAN. Mr. President, it is characteristically gracious of my distinguished chairman to give me this opportunity to join with him in making this unanimous report recommending this nomination by the President to the Senate.

As the chairman has noted, for 4 years now, Vice Admiral Inman—dare I say Admiral Inman, the nomination to admiral having been confirmed, has served as the Director of the National Security Agency.

In the widest range of issues which come to the Intelligence Committee and which it is our responsibility to understand for the Senate, as it were; which include the most complex technological intelligence issues the Nation faces; which probe some of the most significant subjects such as the issue of verification of the Strategic Arms Limitation Treaties—with respect to all these issues, we have found in Admiral Inman an altogether cooperative, inventive, energetic officer, fully responsive to the oversight responsibilities of this Congress, but not only responsive.

Hamilton once described good government as energy in the executive, and Admiral Inman has shown energy in this enterprise which has not failed to impress each of us who dealt with him. It speaks to our judgment that we report his nomination unanimously and that, as the chairman said, the first advice we gave to the President's nominee for Director of Central Intelligence was to get Bobby Inman as his Deputy.

I should like to diverge, if I may, Mr. President, just one moment to comment on a matter which both reflects upon the nominee and speaks to the emerging regime of understanding and cooperation between the intelligence community on the one hand, and the Congress and the public, on the other, which I think one sees developing.

The adversary relationship of 10 years past is giving way. It is giving way to cooperation in part because there have been imaginative persons such as Admiral Inman in the community.

As we know, Mr. President, the National Security Agency has among its many concerns, and central to its concerns, the matter of cryptology. It is a very long time from that day in the 1930's when Henry L. Stimson, discovering that we had some code experts working on foreign codes, said, "A gentleman does not read another gentleman's mail," and abolished the enterprise. Fortunately, a few people kept on, and we had the Japanese code when the time came.

This has always been an affair of closely-held secrets. Yet, simultaneously, cryptology is an intellectual discipline that has become incredibly more complex in some ways, more simple in others, through the development of the high-speed computer. It is now possible to encrypt language and technical data in ways that never could have been done, mechanically or even electromechanically. The computer makes some permutations and combinations available that were beyond anybody's power until very recently.

This, of course, is basically a field of mathematics; and, as one would expect, mathematicians have grown interested in the subject. Inevitably, there came a point at which the interests of the scientific community began to get very close to the activities of the intelligence community; and the possibility for distrust, for anger, for disruption, for heaven knows what mischief, was certainly there.

However, rather than give the order—if I may use the terminology—to repel boarders when it appeared that they might be encroaching on the NSA, Admiral Inman, in effect, welcomed them aboard. He gave a public speech in early 1978, and was interviewed in Science, the journal of the American Association for the Advancement of Science, and asked the scientific community, "How can we work together? Certainly, our interests cannot be divergent. Why should we not try jointly to resolve any conflicts between us and to learn more about this?"

Partially as a result of the admiral's speech, the American Council on Education asked how they might respond; and a development is now underway to see whether a panel, funded by the National Science Foundation, can establish a cooperative procedure involving the academic world, the NSA, and other activities in Washington.

That is nice going. That shows how to make an opportunity out of something which 10 years ago would have been turned into a dreary confrontation, with a loss of time and energy and reputation to all concerned.

That is only an example, but not the least important, of why we now ask of Admiral Inman that he be the deputy for the whole of the inteligence community, sharing the particular responsibility, enacted by statute last year, of reporting in the most precise and full manner to the Intelligence Committees of the House and the Senate.

This reporting is a very extensive matter. It requires of the chairman and the vice chairman a very great deal of time. It is worth it to the Senate. Certainly, there was no hesitation on our part, for the period we were given this assignment, to do it. We feel altogether confident that in Admiral Inman we have a person who understands the spirit in which this legislation was adopted and will adhere to it—not because he has to, but because he wishes to.

This is his view of what our relationship should be, as well as ours, and this bodes well in all respects for the fashioning of intelligence in the very difficult years which the United States clearly faces in international relations in this first half of the 1980's.

I should like to add a personal word of congratulation to the admiral. As of 12:30 p.m., I believe, he became one of the youngest admirals in the history of

the U.S. Navy, a history not without its glory, and, in the annals of naval enterprises, the oldest continuously organized command in the history of navies, except for the British.

I warm to that thought, Mr. President. With the single exception of the Admiralty in London, no navy on Earth has had such a long, continuously unbroken command as the U.S. Navy.

In that history, this is one of the youngest men to attain the rank of full admiral, a distinction which even the very distinguished Senator from New Mexico (Mr. SCHMITT) has not attained in his otherwise incomparable career.

Mr. GOLDWATER. Mr. President, I thank the vice chairman for his comments. They certainly were well put and proper.

I conclude by noting that the intelligence community of our country has gone through some very trying times in the last 10 years. There are about 19 different members of the intelligence family. They do not work as closely together as some people would like, and I doubt that they ever could work too closely.

The Central Intelligence Agency, in particular, came under great criticism during the days of the so-called Church committee, to the end that we lost many of our senior people. Losing senior people in intelligence is important, because these men and women have reached the point of experience at which they are able to assess the intelligence we gather.

As a result of this unfortunate publicity, the very word "intelligence" has taken on a sinister reputation in this country, and I am happy to say that it seems to be over. We are now receiving many applications from young people to work in intelligence; and if this continues, we will be able to rebuild the older group who did the assessing.

As I have said many times—not trying to defend the actions of the CIA, because some of them, I have to admit, were outside the metes and bounds that have been prescribed—the most serious charges against the CIA resulted in orders from their Commander in Chief, the President, both Republicans and Democrats. When the Commander in Chief tells you to do something, you do it, whether it is supposed to be done or not.

As a result, newspapers jumped on the CIA, the press generally jumped on the CIA, and the business of intelligence became public property.

Mr. President, this is the only country I know of in which the public knows as much about our intelligence as our American people know.

Certainly with the KGB in Russia there is nothing known by the Russian people.

Under the English system, which I personally think is one of the best in the world, the information is not known even to other members of the intelligence group. My good friend from New York and I, as close friends as we are, could be working on the same case and never know it. That to me is the essence of intelligence, and I frankly hope that someday we can get back closer to that concept.

I do not think, frankly, that it is any business of any newspaper in this country or any television or radio station what transpires in the collection of intelligence or even in so-called covert actions for counterespionage. The committee which is set up by Senate Resolution 400, which the Senator from New York and I are members of, is privy to the covert actions that are to be done by the intelligence community.

I think I can safely report that intelligence gathering in this country is probably on a par with any other country, that intelligence assessment is not on a par with any other country, and the understanding of assessment of intelligence is not on a par with any other country.

But I wish to assure my colleagues that it is the purpose of the vice chairman and the chairman to do our best to see to it that when we leave the post that we occupy intelligence will have improved because we cannot run a country without knowing what the enemy is up to. We cannot run a business without knowing what the opposition is doing. We cannot engage in politics without peeking under the sheet once in a while to see what is going on.

So intelligence is a most necessary part of our daily lives and a necessary part of the pursuit of peace and the exercise of foreign policy.

Mr. President, I have no further comments to make on this subject, and we have unanimous-consent agreement to vote at 1:30 p.m.

So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, with just a few minutes remaining before the vote on the confirmation of Admiral Bobby Inman, I want to take a few moments to reiterate what has already been said, and to associate myself with the remarks made by the distinguished chairman of the Intelligence Committee, the Senator from Arizona, and the distinguished ranking minority member of that committee, the Senator from New York, in regards to the qualifications of this particular appointee for the job to which he has been nominated.

I have served on the Intelligence Committee since its inception, and prior to that the Senate committee that investigated the intelligence operations of this country.

During that length of time, like others who have spoken, I have found no one more qualified and more diligent in undertaking his tasks, and more suited for the position for which he has been appointed, than Adm. Bobby Inman. He is a man of uncommon intellect, a man of great energy, a man who appreciates the need for good, sound, efficient, and effective intelligence; a man who has been involved in some of the most complicated factors of that intelligence operation.

So, I would like to add my endorsement and urge my colleagues to give Admiral Inman a resounding vote of confidence and approval in the confirmation vote that is to follow in just a few minutes.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, for the past several years it has been my privilege to serve as a member of the Select Committee on Intelligence, and in that capacity I have had an opportunity to observe very closely the work of Admiral Inman as Director of the National Security Agency.

I believe he has performed his duties at NSA in as professional and exemplary manner as any public servant with whom I worked in my 20 years as a Member of the Congress. He is intelligent and sensitive. He is totally committed and totally dedicated. I feel that though his services will be missed at NSA, his talents as Deputy Director of Central Intelligence will be of great value.

I congratulate Admiral Inman on the expression of confidence in proposing him which is implicit in the President's nomination, but I also congratulate President Reagan on having available a public servant of the quality of Admiral Inman to go into the Central Intelligence Agency.

With the criticisms that have been made of our intelligence system I think we sometimes place blame at the wrong place.

We have a large intelligence system of highly professional people, supported by some of the greatest technology in the world. But the weak link, as I have observed it, is very ultimately the link between the producer of the intelligence and the consumer of the intelligence, between the intelligence services that produce the information and those in the executive branch who must act upon it.

In Admiral Inman, President Reagan will have an intelligence adviser with experience, with knowledge, and with a real sense of what is truly important and what demands the President's immediate attention. I hope that President Reagan will take full advantage of his competence and his talent.

Mr. BOSCHWITZ. Mr. President, I got to know Admiral Inman during the consideration of the SALT hearings. On numerous occasions various Members of

the Senate were briefed about the SALT hearings, about the SALT agreement and the various aspects of it so that I became familiar with a number of members of the intelligence community here in Washington and attended many hearings of many committees of which I was not a member, inasmuch as I thought that the SALT treaty was going to be the most important vote that I would make during my first 2 years in the Senate.

I got to know Admiral Inman. I visited his place of business. I visited his home. I got to know his family, and I was much impressed with his eminence in the field of intelligence, with his capabilities and with the integrity of the man that is now being considered and I am sure will be confirmed to the deputy position at the CIA.

Mr. President, I think that the Nation is going to be particularly well served by having a person as professional, as knowledgeable and as capable as Admiral Inman at the CIA. I think that the CIA has had its problems over the years and, together with the new Director, I think we have a team there that, better than any within my recollection, will have the opportunity of bringing new energy and new vitality to that Agency which is so necessary and so vital in the defense of American interest.

Mr. THURMOND. Mr. President, I rise in support of the nomination of Adm. Bobby Ray Inman as Deputy Director of the Central Intelligence Agency.

First let me state that Inman is a South Carolina name. I am not certain how his family ended up in Texas, probably via South Carolina. But in any case it was South Carolina's loss and a gain for Texas.

Mr. President, Admiral Inman is exceptionally well qualified for this post. He is intelligent, aggressive, a realist, and, most important, he understands the Soviet threat and the Communist mentality. This is vital when you have the responsibility of projecting Soviet goals and estimating their programs.

Admiral Inman brings to this position a highly distinguished military career. A graduate of the University of Texas, in 1950, he was commissioned an ensign in the Navy in 1952 and served in most major military theaters in the world.

Early in his career he entered the intelligence field and although he held other positions of great importance over the past 20 years, his career focused entirely in this area when, in 1973, he was named assistant chief of staff for intelligence for the commander-in-chief of the U.S. Pacific Fleet.

He soon moved up to Director of Naval Intelligence in 1974 and later to the post of Vice Director for Plans, Operations and Support in the Defense Intelligence Agency.

This assignment was followed by appointment as Director of Naval Intelligence in 1974 and later Vice Director for Plans, Operations, and Support in the Defense Intelligence Agency.

In 1977 he was named Director of the National Security Agency and it is from this position that he comes to the CIA.

Mr. President, Admiral Inman is imminently qualified for this assignment, and I urge early and favorable approval of his nomination.

The PRESIDING OFFICER. Under the previous order, the hour of 1:30 having arrived, the Senate will proceed to vote upon the confirmation of B. R. Inman to be Deputy Director of the Central Intelligence Agency.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from Colorado (Mr. ARMSTRONG) and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Montana (Mr. MELCHER), and the Senator from Michigan (Mr. RIEGLE) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "yea."

The VICE PRESIDENT. Have all Senators been recorded on this vote?

The result was announced—yeas 94, nays, 0—as follows:

[Rollcall Vote No. 21 Ex.]

YEAS—94

Abdnor	Glenn	Mitchell
Andrews	Goldwater	Moynihan
Baker	Gorton	Murkowski
Baucus	Grassley	Nickles
Bentsen	Hart	Nunn
Biden	Hatch	Packwood
Boren	Hatfield	Pell
Boschwitz	Hawkins	Percy
Bradley	Hayakawa	Pressler
Bumpers	Heflin	Proxmire
Burdick	Helms	Pryor
Byrd, Harry F., Jr.	Hollings	Quayle
Byrd, Robert C.	Huddleston	Randolph
Chafee	Humphrey	Roth
Chiles	Inouye	Rudman
Cochran	Jackson	Sarbanes
Cohen	Jepsen	Sasser
Cranston	Johnston	Schmitt
D'Amato	Kassebaum	Simpson
Danforth	Kasten	Specter
DeConcini	Kennedy	Stafford
Denton	Laxalt	Stennis
Dixon	Leahy	Symms
Dole	Levin	Thurmond
Domenici	Long	Tower
Durenberger	Lugar	Tsongas
Eagleton	Mathias	Wallop
East	Matsunaga	Warner
Exon	Mattingly	Weicker
Ford	McClure	Williams
Garn	Metzenbaum	Zorinsky

NOT VOTING—6

Armstrong	Dodd	Riegle
Cannon	Melcher	Stevens

So the nomination was confirmed.

The VICE PRESIDENT. The Chair recognizes the majority leader.

Mr. BAKER. I thank the Chair.

Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. MOYNIHAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has granted its consent to the nomination of Admiral Inman to be Deputy Director of Central Intelligence and as well that the Senate has confirmed the nomination of Admiral Inman to the rank of full admiral.

The VICE PRESIDENT. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 2:30 p.m., in which Senators may speak for not more than 5 minutes each.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WALLOP). Without objection, it is so ordered.

(The remarks of Mr. JOHNSTON, in connection with the introduction of legislation, and also the remarks of Mr. LONG and Mr. MCCLURE, are printed under Statements on Introduced Bills and Joint Resolutions.)

EXECUTIVE SESSION

Mr. MCCLURE. Mr. President, I ask unanimous consent that the Senate convene in executive session for the purpose of considering the nomination of Donald P. Hodel, of Oregon, to be Under Secretary of the Interior.

The PRESIDING OFFICER. Is there objection?

Mr. MCCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MCCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection to the request of the Senator from Idaho?

Mr. MCCLURE. Mr. President, I understand this matter has been cleared on the other side of the aisle.

Mr. BURDICK. The Senator is correct. It has been cleared on this side of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF THE INTERIOR

NOMINATION OF DONALD P. HODEL, OF OREGON, TO BE UNDER SECRETARY OF THE INTERIOR

The PRESIDING OFFICER. The clerk will state the nomination of Donald P. Hodel, of Oregon, to be Under Secretary of the Interior.

The assistant legislative clerk read the nomination of Donald P. Hodel, of Oregon, to be Under Secretary of the Interior.

Mr. MCCLURE. Mr. President, the Senate Energy and National Resources Committee conducted a hearing and a business meeting this morning to consider the nomination of Donald P. Hodel for Under Secretary of the Department of the Interior.

The committee in a business meeting voted unanimously to report this nomination to the full Senate. I must at this time thank the ranking member of the Senate Energy and Natural Resources Committee (Mr. JACKSON) for his complete cooperation in allowing us to expedite the Senate confirmation of Mr. Hodel. I am grateful also to the distinguished minority leader (Mr. ROBERT C. BYRD) for his complete cooperation in this matter.

I wish to assure my colleagues that as far as I can determine this nomination is without controversy. Mr. Hodel has the complete support of the Secretary of the Interior, the Senatorial delegation from his home State of Oregon, and the ranking member of the Committee of Energy and Natural Resources, (Mr. JACKSON).

Mr. President, as I stated this morning, the position of Under Secretary of the Department of the Interior can be equated to the executive officer's position under a captain of a large naval vessel. He makes the ship run.

In reviewing Mr. Hodel's past work record, civic and public interests, I am convinced that he has the capabilities of running the ship. His proven abilities as an administrator, consultant and manager qualify him to be the Under Secretary.

Mr. President, I would like to compliment Mr. Hodel and his entire family for their complete cooperation and contribution to what I think is in the national interest. They will and have made financial sacrifices in order that Mr. Hodel may serve the public in the Reagan administration. This situation is not unique. Although there may be a public perception that public service and public servants are overpaid and underworked and overperked, in truth the Cabinet officers, sub-Cabinet officers and others voluntarily take substantial financial reductions and losses to serve. I commend them for doing so and in Mr. Hodel's case, it was a family decision involving his mother and brother.

Mr. President, I urge my colleagues to confirm this nomination. I ask unanimous consent that the following documents, forms, and statement be printed at this point in the RECORD. They are: First, Mr. Hodel's biographical data; second, Mr. Hodel's statement for the Committee on Energy and Natural Resources and his financial disclosure statement; and third, a letter to me from the Office of Government Ethics stating that Mr. Hodel is in compliance with the applicable laws and regulations governing the conflicts of interest.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DONALD PAUL HODEL—PERSONAL DATA

2825 Dellwood Drive, Lake Oswego, Oregon.
Married (24 years).
Born: May 23, 1935.

EDUCATION

A.B. degree in Government, Harvard University (1957)

J.D. degree, University of Oregon Law School (1960)

EMPLOYMENT

Hodel Associates, Inc., 2825 Dellwood Dr., Lake Oswego, Oregon, which is engaged in the energy consulting business. President and a Director (1-1-78—present). (I am the employee with overall responsibility for rendering consulting services to the corporation's clients. A list of the clients of Hodel Associates, Inc. for the years 1979-80 is set forth on pages 2 through 9 of Schedule "D" of SF-278.

Cascade Water Power Development Corporation, 1105 Commonwealth Bldg., Portland, Oregon, which is engaged in small hydro development in Oregon. President (1-12-81—1-27-81, at which time resignation was tendered by me and accepted).

National Electric Reliability Council, Research Park, Terhune Road, Princeton, N.J., a non-profit organization concerned with reliability of electric power systems. Secretary-Treasurer and Director (1972-77); President and Director (1978-80).

Bonneville Power Administration, 1002 N.E. Holladay St., Portland, Oregon, a federal power marketing agency. Deputy Administrator (10-1-69—11-30-72); Administrator (12-1-72—12-31-77).

Georgia-Pacific Corporation, 900 S.W. Fifth Avenue, Portland, Oregon. Attorney-Legal Department (11-11-63—9-30-69).

Rockwood, Davies, Biggs, Strayer and Stoel (now known as Stoel, Rives, Boley, Fraser & Wyse), 900 S.W. Fifth Avenue, Portland, Oregon. Associate Attorney (8-60—11-10-63).

Huntington Rubber Mills, 7100 S.W. Macadam Avenue, Portland, Oregon. Miscellaneous summer work (Summers of 1957-63).

PARTICULARLY VALUABLE EXPERIENCES

Practicing attorney, first with a large law firm in Portland, Oregon (8-60—11-10-63), and then in the legal department of Georgia-Pacific Corporation (11-11-63—9-30-69).

Bonneville Power Administration—Deputy Administrator (10-1-69—11-30-72); Administrator (12-1-72—12-31-77). (B.P.A. is a federal power marketing agency whose activities have major impact upon the Pacific Northwest. Responsibilities included managing 3,500 employees and participating actively in policy development.)

National Electric Reliability Council—Secretary-Treasurer (1972-77); President and Director (1978-80). (N.E.R.C. is a non-profit organization composed of a broad spectrum of publicly and privately owned utilities, as well as federal power marketing agencies, which primarily is concerned with reliability of electric power systems).

Governor's Alternate Energy Development Commission of the State of Oregon—member (1979-80). (The Commission was established primarily to assess the potential alternate energy development in the State of Oregon and the ways in which the State could encourage such development).

Electric Power Research Institute—Director (1973-77). (E.P.R.I. is a non-profit organization composed of numerous publicly and privately owned utilities, as well as federal power marketing agencies and the Tennessee Valley Authority. As a director, I had the opportunity to participate in the development of policy regarding, and in the overall management of, the various research projects in which E.P.R.I. was engaged).

PARTICULARLY SIGNIFICANT HONORS

Department of the Interior Outstanding Service Award (gold medal) conferred by Secretary Morton for energy conservation activities (March 1974).

Distinguished Service Award of Northwest Public Power Association (June 1975).

Honorary Membership—Northwest Public Power Association (June 1978).

INFORMATION REQUESTED OF PRESIDENTIAL NOMINEES

The Rules of the U.S. Senate Committee on Energy and Natural Resources requires that each Presidential nominee considered by the Committee shall submit a financial statement sworn to by the nominee as to its completeness and accuracy. Under the rules all such statements must be made public by the Committee unless the Committee in executive session determines that special circumstances necessitate a full or partial exception to this requirement. The rules also provide that at any hearing to confirm a Presidential nomination, the testimony of the nominee and, at the request of any member, any other witness shall be under oath.

In order to assist the Committee in its consideration of nominations, each nominee is requested to complete the attached Statement For Completion By Presidential Nominees, which includes a Financial Statement.

The original and twenty (20) copies of the requested information should be made available to Honorable James A. McClure, Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510 (Attn: Staff Director) as soon as possible.

Name: Hodel, Donald Paul.

Position to which nominated: Under Secretary-Department of the Interior.

Date of birth: May 23, 1935.

Place of birth: Portland, Oregon.

Marital status: Married.

Full name of spouse: Barbara Beecher (Stockman) Hodel.

Name and ages of children: David B. Hodel (19), Philip S. Hodel (Deceased).

Education: U.S. Grant High School, Portland, Oregon, 9-49—6-53.

Harvard University, 9-53—6-57, A.B., June 1957.

University of Oregon, School of Law, 9-57—6-60, J.D., June 1960.

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

Hodel Associates, Inc., 2825 Dellwood Dr., Lake Oswego, Oregon, which is engaged in the energy consulting business. President and a Director (1-1-78—present). [I am the employee with overall responsibility for rendering consulting services to the corporation's clients. A list of the clients of Hodel Associates, Inc. for the years 1979-80 is set forth on pages 2 through 9 of Schedule "D" of SF-278 which is incorporated as part of this statement].

Cascade Water Power Development Corporation, 1105 Commonwealth Bldg., Portland, Oregon, which is engaged in small hydro development in Oregon. President (1-12-81—1-27-81, at which time resignation was tendered by me and accepted).

National Electric Reliability Council, Research Park, Terhune Road, Princeton, N.J., a non-profit organization concerned with reliability of electric-power systems. Secretary-Treasurer and Director (1972-77); President and Director (1978-80).

Bonneville Power Administration, 1002 N.E. Holladay St., Portland, Oregon, a federal power marketing agency. Deputy Administrator (10-1-69—11-30-72); Administrator (12-1-72—12-31-77).

Georgia-Pacific Corporation, 900 S.W. Fifth Ave., Portland, Oregon. Attorney-Legal Department (11–11–63—9–30–69).

Rockwood, Davies, Biggs, Strayer & Stoel (now known as Stoel, Rives, Boley, Fraser & Wyse), 900 S.W. Fifth Avenue, Portland, Oregon. Associate attorney (8–60—11–10–63).

Hunting Rubber Mills, 7100 S.W. Macadam Ave., Portland, Oregon. Miscellaneous summer work (Summers of 1957–63).

Military service: Enter all military service if not included above: service, dates, rank, type of discharge. None.

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

Department of the Interior Outstanding Service Award (gold medal)—conferred by Secretary Morton for energy conservation activities (March 1974).

Distinguished Service Award for Northwest Public Power Association (June 1975).

Honorary Membership—Northwest Public Power Association (June 1978).

Paul Patterson Memorial Fellowship (first recipient), University of Oregon Law School (1959).

National Scholarship—Harvard College (1953).

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Governor's Alternate Energy Development Commission, State of Oregon, member, 1979–80.

Electric Power Research Institute, Palo Alto, Cal., director, 1973–77.

Western System Coordinating Council, director, exec. comm., 1969–77.

U.S. National Committee, World Energy Conference, director, 1972–77, 1979–present.

Exeter Seal Society of Oregon, director, 1967–70.

Lutheran Family Service, Portland, Oregon, fund drive chairman, 1978–present.

Our Savior's Lutheran Church, Lake Oswego, Oregon, member, 1975–present.

United Way (Tri-County Chapter), Portland, Oregon, director; exec. comm., 1970–74.

Delaunay Institute for Mental Health, Portland, Oregon, director, 1967–71.

Institute of Public Affairs Research, Inc., Portland, Oregon, vice president; director, approx. 1972–77.

Donro Enterprises (an Oregon Christmas tree farm), secretary; director, approx. 1962–65.

Tridell Corporation (manufacturer of charcoal patio space heating units), Portland, Oregon, secretary; director, approx. 1960–61.

Oregon State Bar, member, 1960–present.

American Bar Association, member, 1964–79.

Multnomah Bar Association, member, 1967–present.

Federal Bar Association (Oregon), member, 1970–78.

Portland Federal Executive Board, Portland, Oregon, member, 1972–77.

City Club of Portland, member, 1970–present.

Arlington Club, Portland, Oregon, member, 1978–present.

Multnomah Athletic Club, Portland, Oregon, member, 1950–present.

Harvard Club of Oregon, Portland, Oregon, vice president, mid-1960's.

Junior Achievement Fund Drive, Portland, Oregon, member, 1971–72.

Oregon Law Review, University of Oregon Law School, student editor, 1959–60.

Phertan Sodality of 1808 (Harvard-Radcliffe Orchestra), Cambridge, Mass., member, 1953–55.

Portland Junior Symphony, Portland, Oregon, member, approx. 1951–53.

U.S. Grant High School, Portland, Oregon, student body president, 1953.

Republican State Central Comm. of Oregon, chairman, 1966–67.

Clackamas County [Oregon] Republican Central Committee, precinct organizer, 1963–64; secretary, 1964–65; chairman, 1965–66.

Reagan for President Committee, Portland, Oregon, tri-county chairman, 1968; steering committee, 1980.

Republican National Convention, alternate delegate (Oregon), 1968.

Published writings: List the titles, publishers and dates of any books, articles, or reports you have written:

"The Doctrine of Exemplary Damages in Oregon," 44 Oregon Law Review 175 (1965).

Student Case Note, 39 Oregon Law Review 199 (1960) [concerning extradition under Uniform Reciprocal Enforcement of Support Act].

Student Case Note, 38 Oregon Law Review 276 (1959) [concerning waiver of defenses by execution of renewal promissory notes].

Student Case Note, 38 Oregon Law Review 188 (1959) [concerning liability of seller's assignee for seller's breach of warranty].

"The Prophets of Shortage," a speech delivered to the City Club of Portland, Portland, Oregon (July 11, 1975), published in Utilities Fortnightly.

Various reports and documents prepared or supervised in official capacity as Administrator, Bonneville Power Administration (12/1/72–12/31/77), including annual reports, environmental impact statements, budgets and similar materials.

Qualifications: State fully your qualifications to serve in the position to which you have been named: See attached Exhibit 1.

Future employment relationships:

1. Indicate whether you will serve all connections with your present employer, business firm, association or organization if you are confirmed by the Senate:

Yes. Upon confirmation, all business connections and activities will cease, and Hodel Associates, Inc. will wind-up its affairs and liquidate under direction of spouse, who is Vice President and a Director. Interest in Hodel Associates, Inc. Profit Sharing Plan and trust will continue. See attached Exhibit 2.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization: No plans concerning future employment.

3. Has anybody made you a commitment to a job after you leave government? No.

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term? Not applicable.

(b) If you have been appointed for an indefinite term, do you have any known limitations on your willingness or ability to serve for the foreseeable future? No.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated: None.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated: All investments presently owned directly by me or by a testamentary trust in which I have 50 percent remainderman's interest are listed in SF 278, which is incorporated as part of this statement. After consummation of the divestitures referred to in attached Exhibit 3, none of the remaining investments presently are believed to involve potential conflicts of interest.

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated: None.

4. List and describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or for the purpose of affecting the administration and execution of national law or public policy:

As Administrator of Bonneville Power Administration, I had occasion to testify before Committees of the Congress and to meet with their staffs concerning annual B.P.A. appropriations and other legislation affecting B.P.A., such as B.P.A. self-financing, and, as President of the National Electric Reliability Council, I testified on July 16, 1979, before the Subcommittee on Energy and Environment of the House Committee on Interior and Insular Affairs concerning national and regional power needs. There have not been other activities of the kinds described in this question.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items: See attached Exhibit 3.

6. Explain how you will comply with conflict of interest laws and regulations applicable to the position for which you have been nominated. Attach a statement from the appropriate agency official indicating what those laws and regulations are and how you will comply with them: See attached Exhibit 3.

FINANCIAL DISCLOSURE REPORT

Reporting individual's name: Hodel, Donald P.

Position for which filing: Under Secretary, U.S. Department of the Interior.

Location of present office: 2825 Dellwood Drive, Lake Oswego, Oregon 97034.

Telephone No. (include area code): (503) 636–2653.

Presidential nominees subject to Senate confirmation: Senate Energy and Natural Resources Committee.

Do you intend to create a qualified diversified trust? No.

Certification: I certify that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.

Signature of reporting individual: Donald Paul Hodel.

Date: Jan. 22, 1981.

Comments of reviewing officials: Upon confirmation, all business activities of Hodel Associates, Inc. promptly will cease, and the corporation will proceed to wind-up its affairs and to liquidate. Mr. Hodel's salary will cease upon confirmation. Spouse's salary will cease upon completion of winding-up corporation's affairs. Mr. Hodel has engaged in no activities in behalf of, and has rendered no services to, Hodel Associates, Inc. since January 14, 1981. Upon confirmation, Mr. Hodel will resign from all "positions held" identified in Schedule "D," except Lutheran Family Service fund raising.

INCOME AND INTERESTS IN PROPERTY—DONALD PAUL HODEL

	Yes	No
Do you, your spouse, or dependent child receive income from, or have a financial interest in a trust?	X	
If "yes", have you reported the income from the trust? (No income)		X
If "yes" have you reported the assets of the trust?	X	
If "yes", is this trust an "excepted" trust?		X
or "qualified" trust?		X
Are there any interest in property or liabilities of a spouse or dependent child which you have not reported but which would be reportable, if held by you?		X

Identification	Income: Type of income: Dividends	Interest	Other (specify)	Category of amount or value: None (or less than $101)	$101–$1,000	$2,501–$5,000	$15,001–$50,000	Actual amount	Date	Interest in property (valuation of assets): Valuation method	$1,001–$5,000	$5,001–$15,000	$15,001–$50,000
Hodel Associates, Inc.,[1] Lake Oswego, Oreg.—50 percent stock			Salary				X	33,143		F		X	
(Spouse) Hodel Associates, Inc., Lake Oswego, Oreg.—50 percent stock			do							F		X	
(Dependent child) Hodel Associates, Inc., Lake Oswego, Oreg			Wages										
Cascade Water Power Development Corp., 1105 Commonwealth Bldg., Portland, Oreg			Consulting fees.			X		2,700					
Dayton Power & Light Com., Courthouse Plaza SW., Dayton, Ohio			Speech					1,000	4/10/80				
Omark Industries, 2100 South East Millport Rd., Milwaukie, Oreg			do					250	6/11/80				
Public Utilities Association of the Virginias, c/o Potomac Edison Co., Hagerstown, Md			do					1,000	5/23/80				
Public Utilities Executive Course, University of Idaho, Moscow, Idaho			Lecture fees					700	7/30/80				
Underwood, Jordan & Yulish, 230 Park Ave., New York, N.Y			Speeches					4,000	9/4/79; 2/12/80; 3/25/80; 4/11/80				
Van Gulik & Associates, 543 3d St., Lake Oswego, Oreg			Fees					463					
Hodel Associates Profit Sharing Trust,[2] Lake Oswego, Oreg			None							H		X	
(Spouse) Hodel Associates Profit Sharing Trust, Lake Oswego, Oreg			None							H		X	
Old Mill Marina (Garibaldi, Oreg., marina, moorage and recreational vehicle park) 1 percent limited partnership interest. Purchased for $25,000 in 1980			None							A-C			X
City of Gresham, Oreg., $10,000 par value bond		X			X					H		X	
Port of Morrow, Oreg., $10,000 par value bond		X			X					H		X	
State of Oregon Housing Finance, $5,000 par value bond		X			X					H	X		
American Guaranty Financial Corp., 257 shares common stock	X									H	X		
Bethlehem Steel, 100 shares common stock	X				X					H	X		
Douglas and Lomason, 100 shares common stock	X				X								
General Tire & Rubber, 102 shares common stock	X				X					H	X		
J. P. Stevens, 121 shares common stock	X				X					H	X		
New Idria, 1,000 shares common stock	X				X					H	X		
Oxford Industries, 100 shares common stock	X				X					H	X		
Sears Roebuck, 101 shares common stock	X				X					H	X		
Pettibone Mulliken Corp., $2,000 par value conv. sub. debenture		X								H	X		
Unimproved lot for single family residence, Lake Havasu City, Ariz. Owned jointly with spouse. Purchased for $10,000 in 1969			None							A-C		X	

[1] See Schedule D—"Positions Held" for description of business and listing of income sources for Hodel Associates, Inc.

[2] Trust owns vacant residential lot in Yachats, Oreg., and has $10,000 investment in Columbia Daily Income Co. money market fund.

Liabilities: None equal to or greater than $10,000.

POSITIONS HELD

Name and address or organization, type of organization, and position held:

Hodel Associates, Inc., 2825 Dellwood Drive, Lake Oswego, Oregon, energy consulting firm, president and director, from Jan. 1978 to present.

Hodel Associates, Inc., 2825 Dellwood Drive, Lake Oswego, Oregon, profit sharing trust for Hodel Associates, Inc., co-trustee, from Jan. 1979 to present.

Cascade Water Power Development Corporation, 1105 Commonwealth Bldg., Portland, Oregon, developer of small hydro projects, president and director, from Jan. 1981 to present.

National Electric Reliability Council, Research Park, Terhune Road, Princeton, New Jersey, nonprofit electric power system reliability, president and director, from Apr. 1978 to Apr. 1980.

U.S. National Committee, World Energy Conference, 1620 "I" Street, N.W., Washington, D.C., nonprofit professional associatant—doc., from Dec. 1979 to present.

Lutheran Family Service, 635 N.W. 18th Avenue, Portland, Oregon, nonprofit family counseling, fund drive chairman, from Jan. 1979 to present.

United States Department of Energy, 1000 Independence Avenue, S.W., Washington, D.C., Federal Department, consultant—Texas Joint Interconnection Study, ibid; consultant—d.c., from Dec. 1979 to present.

Central and South West Services, Inc., 2700 One Main Place, Dallas, Texas 75250, utility services company, intertie study, from Oct. 1980 to present.

City of Austin, Texas, P.O. Box 1088, Austin, Texas 78767, municipality, consultant, Texas Joint Interconnection Study, from Dec. 1979 to present.

City Public Service of San Antonio, P.O. Box 1711, San Antonio, Texas 78296, municipal utility, ibid., from Dec. 1979 to present.

Committee on Power for the Southwest, Inc., 400 South Broadway, Edmond, Oklahoma 73034, group of utilities, ibid., from Dec. 1979 to present.

Gulf States Utilities Company, 285 Liberty Avenue, Beaumont, Texas 77701, utility, ibid, from Dec. 1979 to present.

Houston Lighting and Power Company, P.O. Box 1700, Houston, Texas 77001, utility, consultant, Texas Joint Interconnection Study, from Dec. 1979 to present.

Lower Colorado River Authority, P.O. Box 220, Austin, Texas 78767, governmental, ibid., from Dec. 1979 to present.

Middle South Utilities, 225 Baronne Street, New Orleans, Louisiana 70161, utility, ibid., from Dec. 1979 to present.

Texas Utilities, c/o Texas Electric Service Company, P.O. Box 970, Fort Worth, Texas 76101, utility services company, ibid., from Dec. 1979 to present.

Boeing Engineering and Construction Company, P.O. Box 3707, Seattle, Washington

98124, engineering and construction, senior advisory board, technical integrator study, from May 1979 to present.

Boeing Environmental Products, P.O. Box 3707, Seattle, Washington 98124, alternate energy generating facilities manufacturer, consultant, wind power project, from Dec. 1980 to present.

Dallas Power and Light Company, 1506 Commerce Street, Dallas, Texas 75201, utility, consultant, from May 19, 1980 to May 19, 1980.

Electric Power Research Institute, P.O. Box 10412, Palo Alto, California 94303, nonprofit electric power research, advisor, emergency planning, from Aug. 1979 to Dec. 1979 and Aug. 1980 to Dec. 1980.

Fording Coal, Ltd., 205 Ninth Avenue, S.E., Calgary, Alberta, coal company, advisor, power marketing, from March 1980 to present.

Idaho Department of Energy, Boise, Idaho, State of Idaho agency, advisor, alternate energy commission, from Nov. 14, 1980 to Nov. 14, 1980.

Idaho Power Company, Boise, Idaho, utility, consultant, establishment of construction service company, from July 1978 to April 1980.

Montana Power Company, 40 East Broadway, Butte, Montana 59701, utility, ibid, from July 1978 to April 1980.

Pacific Power and Light Company, 920 S.W. Sixth Avenue, Portland, Oregon 97204, utility, consultant-establishment of construction service company policy adv. to senior mgmt. from July 1978 to April 1980 and April 1980 to present.

Portland General Electric Company, 121 S.W. Salmon Street, Portland, Oregon 97204, utility, consultant-establishment of construction service company from July 1978 to April 1980.

Puget Sound Power and Light Company, Puget Power Building, Bellevue, Washington 98009, utility, ibid., from July 1978 to April 1980.

Washington Water Power Company, 1411 East Mission Avenue, Spokane, Washington 99220, utility, ibid., from July 1978 to April 1980.

Manning Consultant, Ltd., 9990 Jasper Avenue, Edmonton, Alberta, utility consultants, consultant, Canadian Interconnection Study from Feb. 1980 to Feb. 1980 and Sept. 1980 to Present.

Western Electric Power Grid Study Secretariat, c/o Sherritt Gordon Mines, Ltd., 602 11th Ave., S.W. Calgary, Alberta, Government interconnection research task force, ibid., from Sept. 1980 to present.

Occidental Geothermal, 5000 Stockdale Highway, Bakersfield, California 93309, alternate energy development, advisor-marketing from Sept. 1979 to Oct. 1979 and Sept. 1980 to Oct. 1980.

Oregon Department of Energy, Salem, Oregon, State of Oregon agency, Member-Governor's alternative Energy Development Comm., from Oct. 1979 to Dec. 1980.

Portland General Electric Company, 121 S.W. Salmon Street, Portland, Oregon 97204, utility, arbitrator, from June 1980 to present.

Confederated Tribes of Warm Springs Reservation of Oregon, Warm Springs, Oregon, Indian tribes, arbitrator, from June 1980 to present.

Power Engineers, Hailey, Idaho 83333, utility engineering and consulting, advisor, power supply matters for Ferry County, Wn. P.U.D. No. 1, from October 1980 to present.

COMPENSATION IN EXCESS OF $5,000 PAID BY ONE SOURCE

Source and brief description of duties:

Hodel Associates, Inc., 2825 Dellwood Drive, Lake Oswego, Oregon, president, overall responsibility for rendition of consulting services to clients of Hodel Associates, Inc.

Clients of Hodel Associates, Inc.

1979—over $5,000:

Idaho Power Company, P.O. Box 70, Boise, Idaho 83707 (all six of these companies paid for a review of whether or not they should start a construction services company.)

Washington Water Power Company, 1411 East Mission Avenue, Spokane, Washington 99220.

Pacific Power and Light Company, Public Service Building, 920 S.W. Sixth Avenue, Portland, Oregon 97204.

Montana Power Company, 40 East Broadway, Butte, Montana 59701.

Portland General Electric Company, 121 S.W. Portland Street, Portland, Oregon 97204.

Puget Sound Power and Light Company, Puget Power Building, Bellevue, Washington 98009.

1980—over $5,000.

Pacific Power and Light Company, Public Service Building, 920 S.W. Sixth Avenue, Portland, Oregon 79204 (policy advice to senior management).

Central and South West Services, Inc., 2700 One Main Place, Dallas, Texas 75250 (consultant—Texas Joint Interconnection Study and d.c. intertie study).

RELATIONS WITH OTHER EMPLOYERS

Description of terms of any agreement or arrangement, parties, and date:

Informal agreement with Hodel Associates, Inc., of which reporting individual is president and co-owner, not to terminate Hodel Associates, Inc. Profit Sharing Plan and Trust, so that reporting individual and spouse may remain members of plan. As a consequence, vested account in profit sharing trust will not be terminated, Hodel Associates, Inc., proposed.

INCOME AND INTERESTS IN PROPERTY—DONALD PAUL HODEL

SUPPLEMENTAL, JANUARY 24, 1981

Mr. Hodel presently is a co-trustee, with his brother, Leslie E. Hodel, of a testamentary trust established under the Aug. 4, 1972, will of his father, Philip E. Hodel, who died June 3, 1978. As set forth in letter of Jan. 24, 1981, attached hereto as Supplemental Exhibit 1, Mr. Hodel has tendered his resignation as co-trustee, effective upon confirmation. The trust beneficiary is Rose Hodel Mr. Hodel's mother. During her life, she is entitled to all trust income and to so much of corpus as trustee determines necessary. Upon her death, remaining trust assets are to be divided equally between Mr. Hodel and his brother.]

Identification	Interests in property (valuation of assets)			
	Valuation method	$1,001 $5,000	$5,001–$15,000	$15,001–$50,000
TRUST HOLDINGS				
STOCKS				
Georgia Pacific Corp., 380 shares common	H		X	
Louisiana Pacific Corp., 120 shares common	H	X		
Phillips Petroleum Co., 100 shares common	H		X	
Standard Oil Co. of California, 100 shares common	H		X	
Washington National Corp., 30 shares	H	X		
Washington National Corp. No. 2, 27 shares	H	X		
Oregon State Board of Higher Education Bldg., $5,000 par value, 4.5 percent, due 2001.	H	X		
Oregon Veterans Welfare, $10,000 par value, 5.3 percent, due 1997.	H		X	
12 Federal Land Banks Consolidated, Series D, $12,000 par value, 8.15 percent.	H		X	
FUNDS				
Columbia Daily Income Co., Portland, Oreg. (money market fund).	H		X	
Corporate Income Fund 6th Intermed. Ser., c/o Merrill Lynch, Pierce, Fenner & Smith, Portland, Oreg. (corporate bond portfolio).	H			X
BONDS				
City of Ontario, Oreg., Hospital, $20,000 par value, 8½ percent, due 1988.	H			X
City of Portland, Oreg., G. O. Water, $10,000 par value, 2¾ percent, due 1984.	H		X	
Coos County [Oregon] Bay Area Hospital District $5,000 par value, 5.2 percent, due 1985.	H	X		
Municipal Investment Trust Fund 2d Intermed. Ser., c/o Merrill Lynch Pierce, Fenner & Smith, Portland, Oreg. (municipal bond fund).	H		X	
OTHER				
JMB Income Properties, Ltd. VII, Chicago, Ill., limited partnership, interest purchased for $20,000 on Apr. 2, 1980 (owns shopping centers and office buildings in Cedar Rapids, Iowa; Clackamas, Oreg.; Huron, S. Dak.; Philadelphia, Pa.; Schaumberg, Ill.	C			X

POSITIONS HELD

Name and address of organization, type of organization, and position held.

Cotrustee of testamentary trust under will of Philip E. Hodel, 2240 S.W. Sunset Boulevard, Portland, Oregon 97201, testamentary trust, cotrustee, from Jan. 1980 to present.

[See attached Supplemental Exhibit 1.]

SUPPLEMENTAL EXHIBIT I

JANUARY 24, 1981.

Mr. LESLIE E. HODEL,
Portland, Oreg.

Re: Philip E. Hodel Testamentary Trust.

DEAR LES: As you know, I will be nominated as Under Secretary of the Interior. The appointment will not become effective until confirmation by the United States Senate. To avoid any actual or potential conflict of interests, or even the appearance of conflict of interest, it will be necessary for me to resign as Co-Trustee of the Testamentary Trust established by Dad's Will. Accordingly, this letter constitutes my resignation, to be effective concurrently with Senate confirmation of my appointment as Under Secretary, as Co-Trustee of the trust established under the Last Will and Testament of Philip E. Hodel, dated August 4, 1972 (the "Trust").

Immediately upon the effective date of my resignation as Co-Trustee, please take such steps as may be necessary to change the name in which all assets of the Trust are held and/or the name in which any account is maintained in behalf of the Trust.

Article VI, paragraph "B" of the Will provides that, upon Mother's death, the Trust shall terminate and the remaining Trust assets, if any, shall be distributed free of Trust equally to you and to me. Prior to her death, I have no right to receive any income or corpus of the Trust. Except as set forth below, it is absolutely essential that you agree that, during the entire period of my tenure as Under Secretary, you will refrain from directly or indirectly furnishing me, my wife Barbara, or my son David with any knowledge or information as to any of the Trust holdings, or any of the sources of Mother's income from the Trust, or any transactions of the Trust. In the event of Mother's death during my tenure of office, you are not to distribute to me any portion of the assets of the Trust nor furnish me with any information concerning Trust assets without further, written instructions from me as to the distribution of those assets, the holding of which by me may be prohibited. At my request, you are to furnish Government agencies with a listing of assets of the Trust.

The applicable federal conflicts of interest statutes and regulations apparently have been interpreted by the Government to prohibit my continued holding of a fifty percent remainderman's interest in the Trust if the Trust owns certain types of securities or other property, specifically, securities of companies engaged in "underground or surface coal mining operations." You will receive a letter from the Deputy Department Ethics Counselor of the Department of Interior, who will inform you of the holdings of the Trust which are prohibited. You have agreed that, upon receiving such information, you immediately will sell all such securities. Mother has informed me of her consent to the sale. Please furnish me with written evidence of the sale, such as broker's confirmations or otherwise.

You also have agreed that, during the entire period of my tenure as Under Secretary, you will not permit the Trust to acquire any holdings in the securities or properties of companies engaged in underground or surface coal mining operations and that, when making purchases in behalf of the Trust, you will obtain the specific representation of the Trust's stockbroker that the subject investment will not fall within such category. Moreover, you have agreed that, if you should be informed at any future time during my tenure, that the Trust holds securities of a company which, subsequent to today, becomes involved in underground or surface coal mining operations, you will cause the Trust immediately to dispose of such securities.

I greatly regret having to resign as Co-Trustee because it leaves you with the sole burden of managing the Trust assets for Mother, and I certainly would have preferred not to ask you to dispose of Trust assets on my account. However, I have no alternative in the circumstances. Please sign and return to me promptly the enclosed duplicate copy of this letter whereby you acknowledge my resignation as of the date described above and agree to abide by my instructions as set forth herein.

Sincerely,

DONALD PAUL HODEL.

The undersigned acknowledges the resignation of Donald Paul Hodel as Co-Trustee of the Trust established under the Last Will and Testament of Philip E. Hodel, effective as of the date of confirmation of Donald Paul Hodel as Under Secretary of the Interior. The undersigned hereby agrees to abide by the instructions and agreements set forth in the foregoing letter.

Dated this 24th day of January, 1981.

LESLIE E. HODEL,
Co-Trustee.

Are any assets pledged? (Add schedule.) Personal residence is mortgaged to Pacific First Federal Savings & Loan Association, Portland, Oregon.

Are you currently a party to any legal action? No. By reason of Rule 25(d)(1), Federal Rules of Civil Procedure, I no longer am deemed a party to any action involving me in my former official capacity as Administrator of the Bonneville Power Administration.

Have you ever declared bankruptcy? No.

Have you filed a Federal income tax return for each of the last 10 years? If not, please explain. Yes.

Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit? No.

AFFIDAVIT

City of Washington, District of Columbia.

Donald Paul Hodel, being duly sworn, hereby states that he/she has read and signed the foregoing Statement for Completion by Presidential Nominees including the Financial Statement and that the information provided therein is, to the best of his/her knowledge and belief, current, accurate, and complete.

DONAD PAUL HODEL.

Subscribed and sworn before me this 30th day of January, 1981.

JOHN J. ECKERT,
Notary Public.

EXHIBIT 1

QUALIFICATIONS

PERSONAL DATA

2825 Dellwood Drive, Lake Oswego, Oregon. Married (24 years). Born: May 23, 1935.

EDUCATION

A.B. degree in Government, Harvard University (1957). J.D. degree, University of Oregon Law School (1960).

PARTICULARLY VALUABLE EXPERIENCES

Practicing attorney, first with a large law firm in Portland, Oregon (8–60 to 11–10–63), and then in the legal department of Georgia-Pacific Corporation (11–11–63 to 9–30–69).

Bonneville Power Administration—Deputy Administrator (10–1–69 to 11–30–72); Administrator (12–1–72 to 12–31–77). [B.P.A. is a federal power marketing agency whose activities have major impact upon the Pacific Northwest. Responsibilities included managing 3,500 employees and participating actively in policy development.]

National Electric Reliability Council—Secretary-Treasurer (1972–77); President and Director (1978–80). [N.E.R.C. is a non-profit organization composed of a broad spectrum of publicly and privately owned utilities, as well as federal power marketing agencies, which primarily is concerned with reliability of electric power systems].

Governor's Alternate Energy Development Commission of the State of Oregon—member (1979–80). [The Commission was established primarily to assess the potential alternate energy development in the State of Oregon and the ways in which the State could encourage such development].

Electric Power Research Institute—Director (1973–77). [E.P.R.I. is a non-profit organization composed of numerous publicly and privately owned utilities, as well as federal power marketing agencies and the Tennessee Valley Authority. As a director, I had the opportunity to participate in the development of policy regarding, and in the overall management of, the various research projects in which E.P.R.I. was engaged].

PARTICULARLY SIGNIFICANT HONORS

Department of the Interior Outstanding Service Award (gold medal) conferred by Secretary Morton for energy conservation activities (March 1974).

Distinguished Service Award of Northwest Public Power Association (June 1975).

Honorary Membership—Northwest Public Power Association (June 1978).

EXHIBIT 2

PROFIT SHARING TRUST

In 1979, Hodel Associates, Inc., established the Hodel Associates, Inc. Profit Sharing Trust. There is credited to my account an interest of approximately $12,856, and my wife has a credited interest of approximately $5,093. The trust owns a vacant residential lot, located in Yachats, Oregon, purchased in 1980 for approximately $22,000 and upon which approximately $15,620 is owed, and also has approximately $10,000 on deposit with Columbia Daily Income Company, Portland, Oregon, a money market fund. Notwithstanding liquidation of Hodel Associates, Inc., the profit sharing trust will remain in existence, and my wife and I intend to retain our membership and accounts therein. After the corporation makes its contribution for its fiscal year ending January 31, 1981, there will be no further contributions to this trust inasmuch as the business of Hodel Associates, Inc. will have ceased. If necessary, I will resign as the sole trustee of this trust.

EXHIBIT 3

POTENTIAL CONFLICTS OF INTEREST AND THEIR RESOLUTION

SF–278 describes investments owned personally by me and my wife, by the Hodel Associates, Inc. Profit Sharing Trust, and by a testamentary trust established under the August 4, 1972, will of my father, Philip E. Hodel, who died June 3, 1978. The testamentary trust beneficiary is Rose Hodel, my mother. During her life, she is entitled to all trust income and to so much of the corpus as the co-trustees determine necessary. Upon her death, the remaining trust assets, if any, are to be divided equally between my brother, Leslie E. Hodel, and myself.

My brother and I are the co-trustees of the testamentary trust. By a letter agreement between my brother and myself, dated January 24, 1981, and attached hereto as Exhibit 3–A, I have resigned as co-trustee, effective upon my confirmation.

Upon consultation with the Deputy Department Ethics Counselor of the Department of the Interior and an Assistant Solicitor of the Department, and after additional personal consideration, I have taken steps to dispose of my direct holdings of, and to assure disposition by the testamentary trust of, investments which presently (i) would be prohibited under applicable federal statutes and regulations, (ii) are believed to involve potential conflict of interest with my prospective duties as Under Secretary and/or (iii) are believed to involve the appearance of conflict or potential conflict of interest. These steps include:

(a) My directing my stockbroker to sell my direct holdings of 100 shares of Bethlehem Steel Corporation common stock, of 102 shares of General Tire & Rubber Co. common stock and of 500 shares of Lucky Friday Extension Mining Company capital stock (not listed on SF–278 because the $125 esti-

mated value is less than the $1,000 threshold reporting figure); and

(b) My obtaining from my brother, as co-trustee, his agreement, with which the life beneficiary (my mother) concurs, to cause the testamentary trust, immediately following my confirmation, to sell its holdings of 380 shares of Georgia-Pacific Corporation common stock, of 120 shares of Louisiana-Pacific Corporation common stock, of 100 shares of Phillips Petroleum Co. common stock, and of 100 shares of Standard Oil Co. of California common stock. The trust's stockbroker already has effected one of these sales. My brother has confirmed the foregoing arrangements by his letter to me dated January 29, 1981, a copy of which is attached hereto as Exhibit 3–B.

It is my intention, during my tenure as Under Secretary, not to acquire directly or through the Hodel Associates, Inc. Profit Sharing Trust financial interests known to me to involve actual or potential conflict of interest, or even the appearance of conflict of interest, with my official duties.

By reason of the letter agreement attached as Exhibit 3–A, the co-trustee of the testamentary trust has agreed that, during the entire period of my tenure as Under Secretary, the co-trustee will refrain from directly or indirectly furnishing me, my wife, or our dependent son with any knowledge or information as to any of the trust holdings, or any of the sources of my mother's income from the trust, or any transactions of the trust. If a matter came before me concerning a company whose stock at the time was held by the testamentary trust, there would be no potential conflict of interest in those instances when I had no knowledge of the trust's holding, as in the case of a stock acquired by the trust after January 24, 1981. The letter agreement also obligates the co-trustee to refrain from permitting the trust's acquisition of securities prohibited by the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. § 1211(f).

My understanding is that the Department Ethics Counselor of the Department of the Interior has been furnished with copies of SF–278, the letter agreement attached as Exhibit 3–A, and the confirmatory letter attached as Exhibit 3–B, and that, in the ordinary course, he also will possess copies of disclosure statements required to be filed by me annually pursuant to applicable statutes and regulations. In the event the Department Ethics Counselor informs me that any of my personal holdings or prior relationships, or any of the holdings of the profit sharing or testamentary trusts, create an actual or potential conflict of interest with my duties as Under Secretary, or even the appearance of a conflict of interest with such duties, or in the event I draw such conclusion myself, I shall consult with the Department Ethics Counselor and, in light thereof, then shall take such remedial steps as may be required by applicable statutes or regulations or which otherwise appear to me to be appropriate in the circumstances.

See letter from the Deputy Ethics Counselor of the Department of the Interior to Director, Office of Government Ethics, dated January 29, 1981, attached hereto as Exhibit 3–C. [Included as part of Exhibit 3–C is Attachment I thereto. Attachment II is not included herein because it consists of this Exhibit 3 and Exhibits 3–A and 3–B.].

EXHIBIT 3–A

JANUARY 24, 1981.

Re: Philip E. Hodel Testamentary Trust.
Mr. LESLIE E. HODEL,
Portland, Oreg.

DEAR LES: As you know, I will be nominated as Under Secretary of the Interior. The appointment will not become effective until confirmation by the United States Senate. To avoid any actual or potential conflict of interest, or even the appearance of conflict of interest, it will be necessary for me to resign as Co-Trustee of the Testamentary Trust established by Dad's Will. Accordingly, this letter constitutes my resignation, to be effective concurrently with Senate confirmation of my appointment as Under Secretary, as Co-Trustee of the trust established under the Last Will and Testament of Philip E. Hodel, dated August 4, 1972 (the "Trust").

Immediately upon the effective date of my resignation as Co-Trustee, please take such steps as may be necessary to change the name in which all assets of the Trust are held and/or the name in which any account is maintained in behalf of the Trust.

Article VI, paragraph "B" of the Will provides that, upon Mother's death, the Trust shall terminate and the remaining Trust assets, if any, shall be distributed free of Trust equally to you and to me. Prior to her death, I have no right to receive any income or corpus of the Trust. Except as set forth below, it is absolutely essential that you agree that, during the entire period of my tenure as Under Secretary, you will refrain from directly or indirectly furnishing me, my wife Barbara, or my son David with any knowledge or information as to any of the Trust holdings, or any of the sources of Mother's income from the Trust, or any transactions of the Trust. In the event of Mother's death during my tenure of office, you are not to distribute to me any portion of the assets of the Trust nor furnish me with any information concerning Trust assets without further, written instructions from me as to the distribution of those assets, the holding of which by me may be prohibited. At my request, you are to furnish Government agencies with a listing of assets of the Trust.

The applicable federal conflicts of interest statutes and regulations apparently have been interpreted by the Government to prohibit my continued holding of a fifty percent remainderman's interest in the Trust if the Trust owns certain types of securities or other property, specifically, securities of companies engaged in "underground or surface coal mining operations." You will receive a letter from the Deputy Department Ethics Counselor of the Department of Interior, who will inform you of the holdings of the Trust which are prohibited. You have agreed that, upon receiving such information, you immediately will sell all such securities. Mother has informed me of her consent to the sale. Please furnish me with written evidence of the sale, such as broker's confirmations or otherwise.

You also have agreed that, during the entire period of my tenure as Under Secretary, you will not permit the Trust to acquire any holdings in the securities or properties of companies engaged in underground or surface coal mining operations and that, when making purchases in behalf of the Trust, you will obtain the specific representation of the Trust's stockbroker that the subject investment will not fall within such category. Moreover, you have agreed that, if you should be informed at any future time during my tenure, that the Trust holds securities of a company which, subsequent to today, becomes involved in underground or surface coal mining operations, you will cause the Trust immediately to dispose of such securities.

I greatly regret having to resign as Co-Trustee because it leaves you with the sole burden of managing the Trust assets for Mother, and I certainly would have preferred not to ask you to dispose of Trust assets on my account. However, I have no alternative in the circumstances. Please sign and return to me promptly the enclosed duplicate copy of this letter whereby you acknowledge my resignation as of the date described above and agree to abide by my instructions as set forth herein.

Sincerely,

DONALD PAUL HODEL.

The undersigned acknowledges the resignation of Donald Paul Hodel as Co-Trustee of the Trust established under the Last Will and Testament of Philip E. Hodel, effective as of the date of confirmation of Donald Paul Hodel as Under Secretary of the Interior. The undersigned hereby agrees to abide by the instructions and agreements set forth in the foregoing letter.

Dated this 24th day of January, 1981.

LESLIE E. HODEL,
Co-Trustee.

EXHIBIT 3–B

JANUARY 29, 1981.

Re: Testamentary Trust.
Mr. DONALD PAUL HODEL,
c/o Office of the Secretary,
U.S. Department of the Interior,
Washington, D.C.

DEAR DON: To comply with requirements intended to enable your avoiding actual, potential or apparent conflicts of interests if your nomination as Under Secretary of the Department of the Interior is confirmed by the United States Senate, we have agreed upon various steps to be taken concerning the testamentary trust established by Dad's will, dated August 4, 1972. The first of these was our entering into a letter agreement, dated January 24, 1981, signed copies of which you have.

On January 26, 1981, you informed me that, according to the Deputy Department Ethics Counselor of the Department of the Interior, Phillips Petroleum Company is engaged in underground surface coal mining operations, so that, by reason of the Surface Mining Control and Reclamation Act, as interpreted by the Department, it would be unlawful for the trust, while you are a remainderman, to continue to hold its 100 shares of Phillips Petroleum Company common stocks. As co-trustee, I determined it would not be contrary to the best interests of Mother, as the life beneficiary of the trust to dispose of such shares, and she concurred. Accordingly, on January 27, I directed Merrill Lynch to sell that stock. A copy of the broker's confirmation of sale previously has been mailed to you for your records.

As I understand the matter, the Deputy Department Ethics Counselor has informed your attorney that no further divestitures by the trust are believed by him to be necessary under applicable statutes and regulations. Nevertheless, you have informed me of your own determination that further steps should be taken to assure that the trust's holdings do not constitute even the appearance of a conflict of interest with your future duties as Under Secretary.

This letter will confirm my agreement with you that, immediately following your confirmation as Under Secretary, the trust will sell the following securities presently held by it: 380 shares of Georgia-Pacific Corporation common stock, 120 shares of Louisiana-Pacific Corporation common stock, and 100 shares of Standard Oil Co. of California common stock. Broker's confirmations will be mailed to you promptly upon sale.

It is my opinion that, in view of your agreement to reimburse the trust for capital gains taxes and brokerage commissions, described below, the aforesaid additional sales of securities will not be contrary to Mother's best interests, as the life beneficiary of the trust. She concurs with my judgment.

Sales of these four securities will result in taxable capital gain to the trust in excess of $3,000. We will not know the resulting net increase in federal and Oregon income taxes to be paid in respect of 1981 until after the end of the tax year. This letter will confirm our agreement, made at your suggestion, that, inasmuch as the sales were prompted by a desire to accommodate you, you will reimburse the trust for the federal and Oregon income taxes and brokerage commission attributable to the sales. Whether you reimburse the trust substantially concurrently with its tax payment or give the trust your personal promissory note providing for deferred payment over a reasonable time is a matter which can be decided once the figures are ascertained.

If this letter accurately sets forth our understandings which supplement the letter agreement of January 24, please send me an initialled copy at your convenience.

Best wishes,

LESLIE E. HODEL.

The foregoing accurately states our understandings.

Date: January 29, 1981.

DONALD PAUL HODEL.

EXHIBIT 3–C

U.S. DEPARTMENT
OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 29, 1981.

MEMORANDUM

To: Director, Office of Government Ethics.
From: Deputy Department Ethics Counselor, U.S. Department of the Interior.
Subject: Opinion Memorandum for Donald Paul Hodel, Nominee for Under Secretary, U.S. Department of the Interior.

The financial statement filed by Mr. Hodel has been reviewed in accordance with the provisions set forth in 5 CFR 734.604(a).

In order to sign the certification it was necessary to address the following issues revealed by Mr. Hodel's financial disclosure report:

1. Mr. Hodel has ordered the sale of his 100 shares of stock in Bethlehem Steel Corporation.

This divestiture is necessitated by 30 U.S.C.A. 1211(f) which prohibits any federal employee who performs functions or duties under the Surface Mining Control and Reclamation Act of 1977 (the Act) from retaining financial interests in surface or underground coal mining operations. As Under Secretary Mr. Hodel will be subject to this prohibition. Bethlehem, through its subsidiary Bethlehem Mines Corporation, ranks among the nation's top 50 coal mining companies.

2. Another interest prohibited by the provisions in 30 U.S.C.A. 1211(f) is the 100 shares of stock in Phillips Petroleum Company. Mr. Hodel's interest in this holding derives from his 50 percent remainder interest in a testamentary trust. The attached Justice Department opinion (Attachment I) states that a remainder interest in a trust is a financial interest for purposes of the conflict of interest statutes. Supplemental Exhibit I attached to the SF–278 constitutes an agreement by Mr. Hodel to resign from his position as Co-Trustee of the trust upon his confirmation as Under Secretary. The trustee (Mr. Hodels' brother, Leslie Hodel) has, by his signature on the letter of agreement, consented to sell or otherwise dispose of those securities which are directly prohibited to the Under Secretary by the Act. The only securities now held in the trust which are so prohibited are the 100 shares of Phillips Petroleum Company stock.

As stated in the letter of agreement, I will inform the trustee in writing to sell or exchange the stock in Phillips Petroleum Company. Mr. Hodel already has directed the trustee to sell such shares and I am informed that the sale has already been accomplished.

3. The following four statutory prohibitions are extended by Departmental regulations to the Under Secretary and to other Secretarial officers:

(a) the Bureau of Mines (30 U.S.C. § 6),

(b) the Bureau of Land Management (43 U.S.C. § 11),

(c) the U.S. Geological Survey (43 U.S.C. § 31(a)), and

(d) the Bureau of Indian Affairs (18 U.S.C. § 437)

This extension is made to encompass those Department level officials who may exercise supervision over or influence decisions made by officials in each of the affected bureaus. By reason of such regulation, two of the holdings in the testamentary trust—Standard Oil of California and Georgia Pacific Corporation—are subject to the provisions of 43 U.S.C. § 31(a) and 43 U.S.C. 11 respectively. Attachment II to this memorandum sets forth the steps Mr. Hodel will take to divest himself of his 50 percent remainder interest in these two and other specific assets in the trust which may create even the appearance of conflict of interest. Mr. Hodel's agreement is totally acceptable to this Department and in fact exceeds the requirements of this Department which allow an exception to the regulatory extension for cause. See 43 CFR 20.735–§ 13(c).

4. The stock owned in General Tire and Rubber Company results in a financial interest in Frontier Airlines, General Tire, through its subsidiary RKO Teleradio Pictures, owns 60 percent of Frontier. Frontier Airlines is interested in providing jet service to Jackson Hole, Wyoming and the airport at Jackson Hole is on National Park Service land. In order to fly jet aircraft into Jackson Hole it will be necessary for the Park Service to issue regulations relaxing the proposed noise abatement procedures for Grand Teton National Park—a matter in which the Under Secretary could become involved. To avoid any problem with 18 U.S.C. 208 and Executive Order 11222, Mr. Hodel has ordered the sale of the stock held in General Tire and Rubber Company.

5. Mr. and Mrs. Hodel's agreement to dissolve Hodel Associates, Inc. consulting firm upon Mr. Hodel's confirmation as Under Secretary eliminates our concern about business relationships which the Department may have with the clients of Hodel Associates, Inc.

6. Finally, our review revealed that Mr. Hodel's property interests are not in close proximity to federal lands administered by the Department of the Interior and do not otherwise relate to the duties contemplated for Mr. Hodel.

The agreements, letter of resignation as co-trustee and arrangements stated in this memorandum have been negotiated with Mr. Hodel through his attorney, Donald Pearlman, of Keane, Harper, Pearlman and Copeland, Portland, Oregon.

Also enclosed are revised pages to the SF–278. The revisions made help to clarify items reported and correct typographical errors.

My certification is based on this analysis and on the resolutions as herein explained. Please call me at 343–3932 should you have any questions.

GABRIELE J. PAONE.

OFFICE OF GOVERNMENT ETHICS,
OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., February 4, 1981.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Donald P. Hodel, who has been nominated by President Reagan for the position of Under Secretary of the Department of the Interior.

We have reviewed the report and have also obtained advice from the Department of the Interior concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. The Department, in its memorandum to this Office dated January 29, a copy of which with its attachments is enclosed, sets forth in detail the steps Mr. Hodel has taken personally and through the testamentary trust of which he is a contingent beneficiary to bring himself into conformity with the relevant statutes and regulations of the Department involving prohibited assets. Additionally, the Department, in the comment section on Mr. Hodel's financial disclosure report, states that Mr. Hodel, upon confirmation, will resign from all the positions listed in Schedule D, with the exception of the Lutheran Family Service organization.

Based on the foregoing, we believe that Mr. Hodel is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

J. JACKSON WALTER,
Director.

Mr. HATFIELD. Mr. President, it was my pleasure to introduce Don Hodel earlier today at his nomination hearing to be Under Secretary of Interior. I joined with my distinguished colleague, Senator PACKWOOD in expressing my utmost confidence in Don Hodel because I am absolutely convinced he will be a magnificent Under Secretary of Interior.

Donald Hodel comes to this post with a distinguished career in the fields of energy, resource development, and power production. His experience as both deputy administrator and administrator of the Bonneville Power Administration has made his managerial expertise legendary and his grasp of issues superb.

As my fellow Senators know, the Bonneville project is of mammoth proportions involving private, local, State, and Federal entities and Don Hodel's ability to orchestrate such diversity is well known.

Mr. President, believing Don Hodel will be a real asset to the interests of our Nation, I urge the Senate to confirm his nomination immediately.

Mr. PACKWOOD. Mr. President, President Reagan's choice of Donald P. Hodel to be Under Secretary of the Interior is one of the finest nominations he has made. I have been privileged to know Don Hodel for many, many years—more than 30, to be exact. We knew each other in high school, and over the years our paths have crossed many times as we have pursued careers in public service.

Don Hodel has unquestionable abilities as a manager and administrator. His career has prepared him well for the issues he will face at the Department of the Interior. He served for 7 years as an attorney for the Georgia-Pacific Corp. before taking on the very great responsibility of managing the Bonneville Power Administration, first as deputy administrator for 3 years, and later as administrator for 4 years.

Mr. President, the people of this country are lucky that a man with the abilities of Don Hodel is willing to leave a highly successful life in Oregon for a possibly thankless job in Washington, D.C. We are fortunate to have him in Government.

Mr. JACKSON. Mr. President, I am pleased to support President Reagan's nomination of Donald Hodel to be Under Secretary of the Interior. I have known Don Hodel for the last 12 years.

From 1969 to 1978 he was Deputy Administrator and Administor of the Bonneville Power Administration, which is, of course, very important to my State and to the Pacific Northwest. During that time I worked closely with Don on a broad range of issues, including the legislation which established the self-financing mechanism for BPA's operations. He was an excellent Administrator who gained the respect of a wide variety of interest groups in the Pacific Northwest. While we did not agree on every issue, we were always able to carry on a dialog and usually arrived at a mutually acceptable solution.

The Under Secretary of the Interior should play a critical role in management of all facets of the Department's responsibilities. I feel certain that Don Hodel will take a balanced and reasonable approach to resolving the wide variety of resource development and preservation issues which will confront the Department during the next 4 years.

Mr. McCLURE. Mr. President, I move confirmation of the nomination.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Donald P. Hodel, of Oregon, to be Under Secretary of the Department of the Interior.

So the nomination was confirmed.

Mr. McCLURE. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

DEBT LIMIT EXTENSION

Mr. BAKER. Mr. President, has S. 393, the debt limit bill, been reported by the Committee on Finance?

The PRESIDING OFFICER. The measure has been reported, and it is on the calendar.

Mr. BAKER. That being the case, is that the status of the bill, that it is on the calendar?

The PRESIDING OFFICER. The House bill will be placed on the calendar.

Mr. BAKER. The House-passed bill having been just received, the status of that bill, H.R. 1553, is that it goes directly to the calendar. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BAKER. I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 1553.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, there will be no objection on this side to proceeding to the bill. This side will not ask that the Senate go over to a new legislative day in this instance. It is the desire to proceed with the action on the debt limit extension, and therefore, there is no objection to that.

Mr. BAKER. Mr. President, I thank the distinguished minority leader.

Am I correct, then, that upon the granting of the request just put, H.R. 1553 will be the pending business?

The PRESIDING OFFICER. Without objection, it is so ordered, and it will be the pending business.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 1553) to provide for a temporary increase in the public debt limit.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, inasmuch as both the majority leader and the minority leader are in the Chamber, I wonder whether there is any possibility of wrapping this up this afternoon.

Mr. ROBERT C. BYRD. Mr. President, if I may respond, there is not a possibility that the measure can be wrapped up this afternoon. There are some Senators who will want to speak on the measure today. There may be some amendments that will be called up. It may be that some of the amendments which are being discussed will not be called up. I believe that tomorrow would be the day on which we might reasonably expect final action on this matter.

We on this side of the aisle—and I in particular—would like to await the President's televised message to the Nation this evening, because it may be that an amendment or amendments might be shaped in respect to and in response to that message.

So I say to the distinguished Senator that I do not believe it will be reasonable to anticipate action today, but I do not believe there will be any reason not to anticipate final action tomorrow.

Mr. DOLE. The reason for the inquiry, if that is the case, is this: The Senator from Kansas does not insist on proceeding today. If we are going to make statements, we can talk today about the need for the increase. But I assume that once the President has delivered his message and we start fairly early in the morning, we could proceed quickly.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. BAKER. Mr. President, I thank the Senator from Kansas for his inquiry and the response by the distinguished minority leader.

The minority leader had indicated to me earlier that he felt that they could not give consent nor agree to a final disposition of this measure today. He suggested that it is likely that we could complete action tomorrow.

Mr. President, I say to my colleagues that it is unlikely that we will be in very long today. In a moment, I am going to suggest the absence of a quorum and, perhaps a little later, recess for a brief time so that certain negotiations which are underway might be completed so that we can ascertain the shape and form of tomorrow's debate.

It is my expectation that the Senate will recess over until an early hour tomorrow—I presently have in mind 9 a.m.—with the hope that this measure can be disposed of as soon as possible, perhaps by midday.

I know a number of Senators on both sides have travel arrangements, that involve airline reservations and the like, which would be difficult to rearrange if we went very late on Friday.

While that concern is certainly not a controlling feature, it is a matter of some importance. If other factors will permit and if a thorough, adequate consideration of this measure can be disposed of this afternoon and by early tomorrow, I hope then we can pass the adjournment resolution, which I expect from the House of Representatives shortly, to provide that we will go out until February 16.

Mr. President, for the moment I am prepared to suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield before that?

Mr. BAKER. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, what the distinguished majority leader suggests, I think, is a reasonable approach to this matter.

I express the hope that if Senators do have amendments to call up, if they can call them up this afternoon and dispose of them, it might be well to do so.

I probably will have an amendment. I do not know whether I will call it up today or wait until tomorrow to call it up. I would not want action to be completed on it today if I should call it up today, but there may be other amendments that could be called up today and disposed of.

I am thinking of possibly one or two

amendments that I have heard discussed on my side of the aisle. It might be if those Senators still intend to call them up at some point they might wish to present them today and perhaps they could be disposed of today.

It may very well be that those Senators will not call them up and in any event they may not want to call them up today and may prefer to go over until tomorrow.

I am not attempting to suggest anything other than if such amendments can be called up today, and I speak to Senators on my side of the aisle in particular, they may wish to do so.

But I say to the majority leader that the amendment that I anticipate calling up probably will not be offered until tomorrow but in any event I would not want to vote on it today.

Mr. BAKER. Mr. President, I thank the minority leader for that information.

I wonder if there is some possibility that we could establish a time certain to vote on this measure tomorrow.

Mr. ROBERT C. BYRD. Mr. President, it might very well be that a time certain could be established. I doubt that it can be established today. But I intend to meet with Members on this side of the aisle in due course and it may very well be that in the morning a time could be established.

Mr. BAKER. I thank the minority leader.

Mr. President, it is now only 2:55 p.m., and there is a fair amount of time available to the Senate this afternoon.

I urge Members who have statements to make or perhaps even amendments to offer that they might take advantage of the time we have this afternoon.

I will not, then, suggest an absence of a quorum at this time nor recess.

At this moment, I yield briefly to the Senator from Minnesota.

Mr. DURENBERGER. I thank the majority leader.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

IRAN

Mr. DURENBERGER. Mr. President, all Americans are overjoyed at the release of our 52 hostages on Inaugural Day. While we must not forget the three Americans who remain in Iranian jails, we can take great pride in those of our countrymen who have returned to freedom. These people—diplomats, military men, educators, and a businessman—conducted themselves with dignity and courage throughout their ordeal, and they brought great credit to themselves and to the United States. They show what is best about our country, and their behavior stands in marked contrast to that of their captors, who manifested the worst rather than the best of Iran.

The capture of our Embassy and the detention of our citizens is a clear case of terrorism. No other word is appropriate. Such behavior was rightly denounced by the United Nations and the International Court of Justice. The incident was all the more repugnant in that the terrorists were aided, supported, directed, and shielded by their own government. Seldom has there been so clear a case of vicious and unjustifiable state terrorism. Iran thus stands condemned before the entire international community.

All nations recognize that they have a common stake in the preservation of international law and diplomatic customs. As President Reagan has reminded us, we must therefore make it clear to all people that we will not tolerate international terrorism, just as earlier generations of Americans did not tolerate piracy. No one should doubt our will, our resolve, or our reach, and no one should count on our acquiescence in the face of threats to our citizens or to the international order. Failure to make this clear can only invite further acts of terror.

There are other lessons to be drawn from this incident, however. First, as events of the past year have vividly demonstrated, the Iranian people are themselves at the mercy of the terrorists who challenged the United States and who have in many cases infiltrated the current Iranian Government. Repression under the current regime makes a mockery of the ideals that led many Iranians to oppose the government of the Shah. As has happened too often throughout history, the children of a revolution have become its eventual victims.

There is thus increasing dissatisfaction among the great majority of Iranians with the erratic and cruel leadership of the current government. Indeed, the hostages themselves were used as a bargaining chip among the various radical factions which would rather compete for power than assist their countrymen. It has been only the overriding challenge of the current war with Iraq that has stifled dissent against the government, but the fact remains that the current government is living on borrowed time, and it is doing so despite rather than because of the wishes of the great bulk of the Iranian people. In other words, we should not hold the Iranian people to account for the brutality of their government and its terrorist bullyboys, for this is a government which the Iranian people themselves do not support. It represents, as some say of its predecessor, a tyranny of the few against the many.

Second, the country of Iran—rather than the current government—remains important to American interests. If, through the excesses of the current regime, the country of Iran should fall apart into several fiefdoms or be plunged into anarchy, we ourselves will suffer. The United States has, as it has always had, a pronounced interest in the stability of the Persian Gulf, and it will harm both us and our allies if Iran, or any other country, should degenerate into a state of permanent collapse. The collapse of Iran will create incentives for the intrusion of hostile powers into the region, whether directly or through radical stalking horses. Under such a situation, our interests in the geopolitical stability of the entire region would suffer severely.

Consequently, I endorse President Reagan's statement of January 28, 1981, in which he said that we do not seek revenge on the Iranian people for the barbarism of the Embassy terrorists. Such revenge would both punish the wrong people and bolster the power of those currently in the government. Moreover, proposals to summarily expel all Iranians from the United States would likewise be cruel and counterproductive. Vast numbers of the Iranians now residing in the United States are refugees from the terror at home, and to expel them would be to send them to their deaths. While we should always be prepared to deport those immigrants who violate our laws, we should not deport people merely because they are Iranian.

Beyond this, I believe that we must give close attention to the nature of our relations with Iran after the situation within that country has become more stable. Relations with the terrorists are out of the question. But relations with a later government may prove to be in our long-term interest, particularly if such a government can serve as a bulwark against Soviet adventurism or radical subversion.

Consequently, I believe it necessary, as Senator BAKER and others have suggested, to conduct extensive hearings about past and future relations with Iran. Such hearings should not be seen as a witch hunt. Rather, they can provide us with information about the hostage incident that will prove valuable in preventing any recurrence of such an incident. Moreover, hearings will provide guidelines for the future of United States-Iranian relations by clearly specifying where our interests lie and outlining the means by which to achieve them.

DEBT LIMIT EXTENSION

The Senate continued with the consideration of the bill (H.R. 1553).

Mr. DOLE. Mr. President, the Senator from Kansas is certainly willing to proceed.

I understand the distinguished Senator from Louisiana, Senator LONG, is on his way to the Chamber.

The remarkable vote in the House of Representatives on this issue, 305 yeas, 104 nays, and 1 present, I think is an indication of the necessity that we move on with this legislation.

I might add that 155 Democrats voted yea; 68 voted nay; and 150 Republicans voted yea; 36 voted nay.

So there is an indication in that some Republicans have changed their mind and that some Democrats have changed their mind which happens with every change of administration.

Some understand responsibility and some understand irresponsibility, and I will not characterize which is which group.

But in any event, it is my understanding that the Senator from Ohio may have an amendment to reimpose controls on domestic oil. I hope he offers that amendment so we will have a chance to express not only the media's view on controls but the Senate's view on controls.

We know where at least some in the media stand. We wish to see how the Senate stands.

So hopefully the Senator from Ohio will offer that amendment this afternoon and maybe we could have a vote, if not this afternoon, tomorrow.

I am not certain what the Senator from West Virginia may propose, but I have heard that it might be a figure less than the figure in the resolution, and if that is the case perhaps we could have some of that debate today and hopefully dispose of that tomorrow.

But while we are waiting for the Senator from Louisiana, I would like to note that the Senator from Kansas has voted both ways on increasing the debt ceiling over the years, not depending on who occupied the White House. I hope I will be able to persuade my colleagues on this side for the most part, and many on the other side, of the need to move rather quickly on the public debt limit.

It is ironic that the first legislative act that President Reagan was required to recommend was to ask Congress to increase the debt ceiling by $50 billion. I am certain that that is not a responsibility that pleased the new President, but he understands his responsibility, and I believe the testimony of Secretary Regan, the new Treasury Secretary, indicated rather clearly that this is or should be an adequate figure to get us through the fiscal year.

There are some who wish to reduce that figure so that we would have another opportunity to vote on the debt ceiling increase later this year. Frankly, that appeals somewhat to this Senator because then we could add on spending cuts, maybe the tax cut, if we found either the House of Representatives or the Senate not moving quickly enough in response to President Reagan's message tonight, and his message to Congress in the next 10 days, regarding the need of the American people for fast action not just on the tax cut but on budget reductions as well.

So our purpose today is to act promptly to protect the fiscal integrity of the Federal Government, and I know how strongly some feel about voting to increase the debt ceiling. They may feel so strongly that they do not think we should mail out social security checks or mail out military payment checks or veterans benefit checks. I do not think it will come to that because I understand those amendments to be offered certainly will not jeopardize that, but for those who just flatly say, "I will never vote to increase the debt ceiling because I did not vote for some of the spending programs," I think they miss the point if we look at what we need to pay out at the time the debt limit exceeded, whether it is social security, military pay, or whatever.

As the new chairman of the Senate Finance Committee, it had been my hope last December, in the lame duck session, that we would have taken action that would have extended the debt ceiling up through May or June of this year. In fact, the Senate was willing to go along with that, but in the late session the House was not willing to accommodate our request. That is why we are here very early in this new administration, this new session, with a rather unpleasant task.

I think we must recognize that our task would be more unpleasant if we delayed in carrying out our responsibilities to insure that the Government can honor its outstanding commitments.

It has been suggested that it is much like members of the family going out and spending money, and when at the end of the month the bills come in, the head of the household says, "I am not going to pay the bills because I did not agree with what they were spent for." That is sort of the case today.

Those in the Senate—the House may not agree with everything that public money was spent for, may not have voted for some of the programs, but the point is that the obligations have been assumed and we have the responsibility for seeing to it that the Government pays its bills.

I do not think anyone can pretend any surprise. There has been some indication of great surprise because we are called upon to extend the debt limit at this time. The Treasury Department estimated in December that the debt ceiling of $935.1 billion would be reached sometime in February, notwithstanding the fact that the limit nominally expires on September 30 of this year.

The Committee on Finance tried to secure a longer extension which would have carried through the end of March. But, as I have indicated, the House in the late stages of the session was unwilling to accommodate that position. As a result, late in the last session the Senate agreed to accept the House-passed limit of $935.1 billion, and that is where the limit stands today.

As the Senator from Kansas indicated, the new Treasury Secretary, Secretary Regan, testified before the Committee on Finance and indicated that he came before us with mixed feelings that this was his first official act and first official testimony, when he hoped it might be on some other purpose than increasing the debt ceiling.

But the fact is that our present debt ceiling procedure, which derives from the Second Liberty Bond Act of 1917, was intended to minimize the number of occasions on which Congress must act to authorize the issuance of Federal debt. Because of the explosive growth of Federal deficits in recent decades, the debt ceiling has been increased an inordinate number of times. The ceiling was raised on 13 separate occasions in the 1960's, and 18 times during the 1970's.

Worse yet, on three occasions in recent years the temporary limit has expired without timely legislative action to extend it and, as a result, the Treasury Department had to suspend sales of savings bonds and other securities. Such suspensions only undermine investor confidence, and make it likely that bidders for Government securities will demand a higher interest premium in the future to safeguard them against future disruptions. That means higher costs to the Treasury, when we are trying our best to reduce those costs.

That is why we ought to act promptly on Secretary Regan's request for a debt ceiling of $985 billion through September 30, 1981. I hope, with the cooperation of this administration and this Congress—and the President was less than 50 yards from here just yesterday asking for cooperation with the Congress, and I think he expressed the hope and expectation that that would happen—I hope this might be a new beginning down a different road, a road of fiscal responsibility, so that we will gain sufficient control over Federal spending and inflation so that the new debt limit will not be reached quite so soon.

If there ever was any signal the American people needed or any way to understand how seriously in trouble we are from the economic standpoint, the next time we stand on this floor, depending on what happens to the amendment of the Senator from West Virginia, it is very likely we will be asked to go into debt in excess of $1 trillion.

The Senator from Kansas is not certain just how much $1 trillion is, but it is a great deal of money, and it is a debt this Government will owe its creditors.

I suggest to those who cannot understand or may not fully understand why it is necessary to cut the budget for this program or that program or whatever program we may finally act upon, that fact itself, the magnitude of the national debt itself, should indicate to everyone in this country the seriousness of our economic plight.

So we will have an economic package within the next 2 weeks. The Reagan economic package will come to the Congress, and I believe, I strongly believe, we will have the cooperation of Congress, the House and the Senate, and that we will act responsibly, not just on tax reduction but on cutting the budget in a responsible way.

I suggest that in the meantime we should move ahead. We should extend the debt ceiling hopefully through the fiscal year by adopting a $985 billion figure. I urge my colleagues that it is time to act.

During the course of this debate I will be referring from time to time to statements made in previous years by Members of the Senate, responsible Members of the Senate, on how they view the debt ceiling and how they viewed the action on it by the Congress of the United States.

Over the years, as far as this Senator knows, it has been a bipartisan effort. Some people have played games with the debt ceiling. As long as they are not serious games there is no great concern. But I do believe if someone has a better way to proceed then he should be heard. If there are amendments, if the Senator from Ohio would like to proceed to offer his amendment to reimpose controls on oil, then I hope he would come to the floor and offer that amendment.

If there are other amendments others wish to offer, amendments on either side of the aisle, it is only 7 minutes after 3, and we have a great deal of time yet this afternoon, and we could use it to dispose of some of these amendments.

Finally, I will say, as I said in our committee session last week—and I believe it is a view shared by many on both sides of the aisle—if, in fact, we increase the debt ceiling, and if, in fact, we do not see any change on the part of this administration, if indeed we see business as usual with no real effort to reduce Federal spending, reduce inflation, reduce the interest rates, reduce Government regulation, then I would say that the next time we come to this floor asking for an increase in the debt ceiling it is going to be very difficult.

So if we are not prepared to convincingly demonstrate we have listened, then, perhaps, a Federal default will shock us into our senses. I do not want that to happen.

This Senator, however, is convinced the President will follow through. As I asked the President recently, "There are rumors around that you may lose your nerve." He said—

> I am not concerned about losing my nerve but I am concerned a bit about whether or not Congress will lose its nerve when it comes to spending reductions.

So the challenge is ours. The House has acted responsibly less than 1 hour ago, and I hope we might dispose of this matter in the next few hours, at least the debate, and then have the votes tomorrow.

Frankly, the Senator from Kansas has not seen the text of the President's speech he will make tonight to the Nation, but I doubt there will be anything in that speech to indicate the need to offer additional amendments to the debt ceiling. Someone may offer the speech of the President as an amendment to the debt ceiling or some other effort will be made.

In any event, I would be prepared to yield to anyone else who would like to speak at this time or, if not, suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

Mr. LONG. Mr. President, I support the pending measure, and I urge other Senators to vote for it.

I ask unanimous consent that there be printed in the RECORD at the end of my statement a series of tables on estimated gross and net Government and private debt.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LONG. These are tables that I have repeatedly asked the Treasury to provide, and they show information on the debt, both on a gross basis and a net basis, related to various factors. I have found that this information is very useful in seeing the public debt in its proper perspective.

For example, when we look at the net Federal debt as a percentage of total public and private net debt, we find that the Federal percentage declined from 58 percent in 1946 to 16 percent in 1979. Thus, the percentage that the Federal debt represents of the total is only about one-fourth of what it was at the end of World War II.

In 1946, total public and private debt was 189 percent of our gross national product. In 1979, total public and private debt was 178 percent of the gross national product. This is not much of a decline. But it is important to note that the composition has changed dramatically. Private debt has increased from 73 to 138 percent of gross national product—almost double—while Federal debt has declined from 110 percent of gross national product to 28 percent, only about one-fourth of its level at the end of World War II.

If we look at the gross national product per capita in constant dollars—and I think, Mr. President, that that is about the most logical way to look at it—we find that in 1972 dollars it has increased from $3,361 in 1946 to $6,723 in 1979—a doubling in constant dollars.

I am talking about the gross national product now, rather than debt. The gross national product per capita during that period of time has doubled.

I would like to add to this a comparison which is not in the charts, Mr. President. Public debt in 1946 represented 240 percent of wages and salaries in that year. In 1980, public debt was 68 percent of wages and salaries. This means that the American wage earner is 3½ times better off today than he was in 1946 in terms of comparing his earnings to the Federal debt.

I hope that Senators will take the time to examine these charts in order to be able to view the Federal debt in its appropriate economic perspective.

What that means to me, Mr. President, is that while it would be good to retire the Federal debt, pay it off completely, and while interest rates are much higher than I like to see them, the trend has been toward a lesser debt as a percentage of the wages and salaries of the American people or as a percentage of the gross national product. So the trend has been moving in the right direction.

It is true that some of this was the result of inflation and that is to be regretted. But I submit, Mr. President, that when we compare our situation to that of other nations throughout the world, the United States is doing very well indeed, because other nations have not been able to maintain as stable a purchasing power as the United States over a long period of time. We have not been required to move the decimal point over by two places, as the French were required to do, for example, and of course, while we have had our problems, we have been able to perform in a better fashion than the other large nations of the world.

So I think, Mr. President, that while of course I would like to see a balanced budget and I would like to see the debt reduced even in terms of current dollars, I think it is fair to recognize that this Nation is not about to come to an end. It is still a very strong Nation, and a very great Nation. It is my judgment that the new President is entitled to have the cooperation and the support of Congress, as I believe the people of the United States intended, while he organizes his administration and tries to find ways to bring spending under control.

EXHIBIT 1

ESTIMATED NET GOVERNMENT AND PRIVATE DEBT, BY MAJOR CATEGORIES

[Dollar amounts in billions]

Year	Private[1] Individual	Private[1] Corporate	Private[1] Total	State and local	Federal[2]	Total net debt	Percent Federal of total
1916	$36.3	$40.2	$76.5	$4.5	$1.2	$82.2	1.5
1917	38.7	43.7	82.5	4.8	7.3	94.5	7.8
1918	44.5	47.0	91.5	5.1	20.9	117.5	17.8
1919	43.9	53.3	97.2	5.5	25.6	128.3	20.0
1920	48.1	57.7	105.8	6.2	23.7	135.7	17.5
1921	49.2	57.0	106.2	7.0	23.1	136.3	17.0
1922	50.9	58.6	109.5	7.9	22.8	140.2	16.3
1923	53.7	62.6	116.3	8.6	21.6	146.7	14.9
1924	55.8	67.2	123.0	9.4	21.0	153.4	13.7
1925	59.6	72.7	132.3	10.3	20.3	162.9	12.5
1926	62.7	76.2	138.9	11.1	19.2	169.2	11.4
1927	66.4	81.2	147.6	12.1	18.2	177.9	10.3
1928	70.0	86.1	156.1	12.7	17.5	186.3	9.4
1929	72.9	88.9	161.8	13.6	16.5	191.9	8.6
1930	71.8	89.3	161.1	14.7	16.5	192.3	8.6
1931	64.9	83.5	148.4	16.0	18.5	182.9	10.2
1932	57.1	80.0	137.1	16.6	21.3	175.0	12.2
1933	51.0	76.9	127.9	16.3	24.3	168.5	14.5
1934	49.8	75.5	125.3	15.9	30.4	171.6	17.8
1935	49.7	74.8	124.5	16.1	34.4	175.0	19.7
1936	50.6	76.1	126.7	16.2	37.7	180.6	20.9
1937	51.1	75.8	126.9	16.1	38.2	182.2	21.0
1938	50.0	73.3	123.3	16.1	40.5	179.9	22.6
1939	50.8	73.5	124.3	16.4	42.6	183.3	23.3
1940	53.0	75.6	128.6	16.4	44.8	189.8	23.7
1941	55.6	83.4	139.0	16.1	56.3	211.4	26.7
1942	49.9	91.6	141.5	15.4	101.7	258.6	39.4
1943	48.8	95.5	144.3	14.5	154.4	313.2	49.3
1944	50.7	94.1	144.8	13.9	211.9	370.6	57.2
1945	54.7	95.3	150.0	13.4	252.5	405.9	62.3
1946	59.9	93.5	153.4	13.7	229.5	396.6	57.9
1947	69.4	109.6	179.0	15.0	221.7	415.7	53.4
1948	80.6	118.4	199.0	17.0	215.3	431.3	50.0
1949	90.4	118.7	209.1	19.1	217.6	445.8	48.9
1950	104.3	142.8	247.1	21.7	217.4	486.2	44.8
1951	114.3	163.8	278.1	24.2	216.9	519.2	41.8
1952	129.4	172.3	301.7	27.0	221.5	550.2	40.3
1953	143.2	180.9	324.1	30.7	226.6	581.6	39.0
1954	157.2	184.1	341.3	35.5	229.1	605.9	37.9
1955	180.1	215.0	395.1	41.1	229.6	665.8	34.5
1956	195.5	234.1	429.6	44.5	224.3	698.4	32.2
1957	207.6	249.1	456.7	48.6	223.0	728.3	30.7
1958	222.9	262.0	484.9	53.7	231.8	769.6	30.1
1959	245.0	287.0	532.0	59.6	241.4	833.0	29.0
1960	263.3	306.3	569.6	64.9	239.8	874.3	27.5
1961	284.8	328.3	613.1	70.5	246.7	930.3	26.6
1962	311.9	353.5	665.4	77.0	253.6	996.0	25.5
1963	345.8	383.6	729.4	83.9	257.5	1,070.8	24.1
1964	380.1	417.1	797.2	90.4	264.0	1,151.6	23.0
1965	424.6	463.2	887.8	98.3	256.4	1,252.5	21.3
1966	454.7	517.8	972.5	104.7	271.8	1,349.1	20.1
1967	489.1	562.6	1,051.7	112.8	286.4	1,450.8	19.7
1968	529.3	653.0	1,182.3	122.7	291.9	1,596.8	18.3
1969	566.2	754.7	1,330.9	133.3	289.3	1,753.4	16.5
1970	600.0	836.1	1,436.1	144.8	301.1	1,881.9	16.0
1971	667.5	911.2	1,578.7	162.7	325.3	2,067.3	15.8
1972	763.9	1,016.7	1,780.6	178.0	341.2	2,299.8	14.8
1973	854.4	1,166.5	2,020.9	192.3	349.1	2,562.3	13.6
1974	922.1	1,299.4	2,221.5	211.2	363.8	2,793.5	12.9
1975	994.4	1,365.4	2,359.8	222.7	446.3	3,028.8	14.7
1976	1,106.8	1,496.1	2,602.9	236.3	515.8	3,355.9	15.4
1977			2,502.9	253.2	572.5	3,338.6	17.1
1978			2,897.8	291.4	626.2	3,815.4	16.4
1979			3,320.1	305.1	663.6	4,288.8	15.5

[1] Private corporate debt includes the debt of certain federally sponsored agencies in which there is no longer any Federal proprietary interest. The debt of the following agencies are included beginning these years: FLB's in 1949; FHLB's in 1951; FNMA-secondary market operations, FICB's, and BCOOP's in 1968. The total debt for these agencies amounted to $0.7 billion on Dec. 31, 1947, $3.5 billion on Dec. 31, 1960, $38.8 billion on Dec. 31, 1970, $78.8 billion on Dec. 31, 1975 and $81.4 billion on Dec. 31, 1976.

[2] Borrowing from the public equals gross Federal debt less securities held in Government accounts (a unified budget concept).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

ESTIMATED PER CAPITA NET GOVERNMENT AND PRIVATE DEBT[1]

Year	Private[2] Individual	Private[2] Corporate	Private[2] Total	State and local	Federal[3]	Total net debt
1916	$356	$394	$750	$44	$12	$806
1917	375	423	798	46	71	915
1918	431	455	887	49	203	1,139
1919	420	510	930	53	245	1,228
1920	452	542	994	58	223	1,275
1921	453	525	978	64	213	1,256
1922	462	532	995	72	207	1,274
1923	480	559	1,038	77	195	1,310
1924	489	589	1,078	82	184	1,344
1925	515	628	1,142	89	175	1,406
1926	534	649	1,183	95	164	1,441
1927	548	682	1,240	102	153	1,494
1928	581	715	1,295	105	145	1,546
1929	599	730	1,329	112	136	1,576
1930	583	726	1,309	119	134	1,562
1931	523	673	1,196	129	149	1,475
1932	457	641	1,098	133	171	1,402
1933	406	612	1,018	130	194	1,342
1934	394	597	992	126	241	1,358
1935	391	588	978	127	270	1,375
1936	395	594	989	127	294	1,410
1937	397	588	985	125	304	1,414
1938	385	565	950	124	312	1,386
1939	388	562	950	125	325	1,401
1940	400	570	970	124	338	1,431
1941	415	623	1,038	120	420	1,579
1942	369	677	1,045	114	751	1,910
1943	356	696	1,051	106	1,125	2,282
1944	365	677	1,042	100	1,525	2,668
1945	389	607	997	95	1,798	2,890
1946	422	659	1,081	97	1,617	2,794
1947	480	757	1,237	104	1,532	2,873
1948	548	804	1,352	115	1,463	2,930
1949	604	793	1,396	128	1,453	2,977
1950	685	938	1,623	143	1,428	3,193
1951	738	1,058	1,796	156	1,400	3,352
1952	821	1,094	1,915	171	1,406	3,492
1953	894	1,129	2,023	192	1,416	3,631
1954	964	1,129	2,094	218	1,405	3,717
1955	1,085	1,296	2,381	248	1,384	4,013
1956	1,157	1,386	2,543	263	1,328	4,135
1957	1,207	1,448	2,655	283	1,297	4,235
1958	1,275	1,498	2,773	307	1,321	4,401
1959	1,378	1,614	2,992	335	1,357	4,684
1960	1,457	1,695	3,153	359	1,327	4,839
1961	1,550	1,787	3,338	384	1,343	5,064
1962	1,672	1,895	3,567	413	1,360	5,339
1963	1,827	2,027	3,854	443	1,361	5,658
1964	1,981	2,174	4,154	471	1,376	6,001
1965	2,185	2,384	4,569	506	1,371	6,446
1966	2,313	2,634	4,948	533	1,383	6,864
1967	2,461	2,831	5,293	568	1,441	7,301
1968	2,637	3,254	5,891	611	1,454	7,956
1969	2,794	3,773	6,567	658	1,427	8,651
1970	2,929	4,081	7,010	707	1,470	9,185
1971	3,224	4,401	7,625	786	1,574	9,984
1972	3,658	4,868	8,526	852	1,634	11,012
1973	4,081	5,544	9,605	914	1,659	12,178
1974	4,352	6,132	10,484	997	1,703	13,183
1975	4,693	6,444	11,136	1,051	2,096	14,293
1976	5,145	6,955	12,100	1,098	2,398	15,596
1977			11,540	1,213	2,640	15,394
1978			13,249	1,332	2,863	17,444
1979			15,051	1,383	3,008	19,443

[1] Per capita debt is calculated by dividing debt figures by population of conterminous United States. Beginning 1949, population includes Armed Forces overseas, Hawaii, and Alaska.

[2] Private corporate debt includes the debt of certain federally sponsored agencies in which there is no longer any Federal proprietary interest. The debt of the following agencies are included beginning these years: FLB's in 1949; FHLB's in 1951; FNMA secondary market operations, FICB's and BCOOP's in 1968. The total debt for these agencies amounted to $0.7 billion on Dec. 31, 1947, $3.5 billion on Dec. 31, 1960, $38.8 billion on Dec. 31, 1970, $78.8 billion on Dec. 31, 1975, and $81.4 billion on Dec. 31, 1976.

[3] Borrowing from the public equals gross Federal debt less securities held in Government accounts (a unified budget concept).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

NET GOVERNMENT AND PRIVATE DEBT RELATED TO GROSS NATIONAL PRODUCT

Year	Gross national product (billion)	Ratios of debt to gross national product: Private[1] Individual	Private[1] Corporate	Private[1] Total	State and local	Federal[2]	Total net debt
1929	$103.4	$70.5	$86.0	$156.5	$13.2	$16.0	$185.6
1930	90.7	79.2	98.5	177.7	16.3	18.2	212.1
1931	76.1	85.4	109.8	195.1	21.1	24.4	240.5
1932	58.3	98.0	137.3	235.3	28.5	36.6	300.3
1933	55.6	91.4	137.8	229.2	29.3	43.6	301.9
1934	65.3	76.3	115.7	192.0	24.4	46.6	262.9
1935	72.5	68.6	103.2	171.8	22.3	47.5	241.4
1936	82.7	61.2	92.0	153.2	19.6	45.6	218.3
1937	96.7	52.9	78.4	131.2	16.7	40.6	188.4
1938	85.0	58.9	86.3	145.2	19.0	47.7	211.6
1939	90.8	56.0	81.0	136.9	18.1	47.0	201.9
1940	100.0	53.1	75.7	128.7	16.5	44.9	189.9
1941	124.9	44.6	66.8	111.4	12.9	45.1	169.3
1942	158.3	31.6	57.9	89.4	9.8	64.3	163.4
1943	192.0	25.5	49.8	75.2	7.6	80.5	163.2
1944	210.5	24.1	44.8	68.8	6.7	100.7	176.1
1945	212.3	25.8	40.2	66.0	6.4	119.0	191.2
1946	209.6	28.6	44.7	43.2	6.6	109.5	189.3
1947	232.8	29.9	47.1	76.9	6.5	95.3	178.5
1948	259.1	31.2	45.7	76.9	6.6	83.1	166.5
1949	258.0	35.1	46.1	81.1	7.5	84.4	172.8
1950	286.2	36.5	49.9	86.4	7.6	76.0	169.9
1951	330.2	34.7	49.7	84.3	7.4	65.7	157.3
1952	347.2	37.3	49.7	86.9	7.8	63.8	158.5
1953	366.1	39.2	49.5	88.5	8.4	62.0	158.9
1954	365.3	43.0	50.3	93.2	9.7	62.6	165.5
1955	398.3	45.2	53.9	99.0	10.3	57.6	167.0
1956	420.7	46.5	55.7	102.2	10.6	53.4	166.1
1957	442.8	46.9	56.3	103.2	11.0	50.4	164.5
1958	448.9	49.7	58.4	108.1	12.0	51.5	171.5
1959	486.5	50.4	59.0	109.4	12.3	49.7	171.3
1960	506.0	52.1	60.6	112.6	12.9	47.4	172.8
1961	523.3	54.5	62.8	117.2	13.5	47.2	177.8
1962	563.8	55.4	62.7	118.1	13.7	45.0	176.8
1963	594.7	58.2	64.6	122.7	14.2	43.3	180.1
1964	635.7	59.8	65.7	125.5	14.3	41.6	181.2
1965	688.1	61.7	67.3	129.0	14.3	38.7	182.0
1966	753.0	60.4	68.6	129.2	13.9	36.1	179.2
1967	796.3	61.4	70.7	132.1	14.2	36.0	182.2
1968	868.5	60.9	75.2	136.1	14.1	33.6	183.8
1969	935.5	60.5	81.7	142.2	14.2	30.9	187.4
1970	982.4	61.1	85.1	146.2	14.7	30.6	191.6
1971	1,063.4	62.8	85.7	148.5	15.3	30.6	194.4
1972	1,171.1	65.2	86.8	152.0	15.2	29.2	196.4
1973	1,306.3	65.4	89.3	154.7	14.6	26.7	196.1
1974	1,412.9	65.3	92.0	157.2	14.9	25.5	197.7
1975	1,528.8	65.0	89.3	154.4	14.6	29.2	198.1
1976	1,691.6	65.5	88.5	153.9	14.0	30.5	198.4
1977	1,918.0			130.5	13.7	29.8	174.1
1978	2,156.1			134.4	13.5	29.0	177.0
1979	2,413.9			137.5	12.6	27.5	177.7

[1] Private corporate debt includes the debt of certain federally sponsored agencies in which there is no longer any Federal proprietary interest. The debt of the following agencies are included beginning these years: FLB's in 1949; FHLB's in 1951; FNMA-secondary market operations, FICB's, and BCOOP's in 1968. The total debt for these agencies amounted to $0.7 billion on Dec. 31, 1947, $3.5 billion on Dec. 31, 1960, $38.8 billion on Dec. 31, 1970, $78.8 billion on Dec. 31, 1975, and $81.4 billion on Dec. 31, 1976.

[2] Borrowing from the public equals gross Federal debt less securities held in Government accounts (a unified budget concept).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

ESTIMATED FEDERAL DEBT RELATED TO POPULATION AND PRICES

Year	Outstanding Federal debt: Gross[2]	Net[3]	Privately held net[4]	Per capita Federal debt[1]: Gross[2]	Net[3]	Privately held net[4]	Real per capita Federal: Gross[2]	Net[3]	Privately held net[4]
1929	$17.5	$16.5	$16.0	$144	$136	$131	$201	$265	$256
1930	17.3	16.5	15.8	141	134	128	292	279	266
1931	19.1	18.5	17.7	154	149	142	354	342	327
1932	22.0	21.3	19.4	176	171	155	451	437	396
1933	25.3	24.3	21.9	201	194	174	513	492	443
1934	33.3	30.4	28.0	264	241	221	657	600	551
1935	36.2	34.4	32.0	284	270	251	688	654	607
1936	40.3	37.7	35.3	315	294	275	752	704	658
1937	43.1	39.2	36.6	335	304	284	776	706	658
1938	45.6	40.5	37.9	351	312	291	837	744	695
1939	48.8	42.6	40.1	373	325	306	883	790	733
1940	52.2	44.8	42.6	394	338	321	934	802	761
1941	65.6	56.3	54.0	490	420	403	1,059	909	871
1942	113.7	101.7	95.5	840	751	705	1,661	1,486	1,394
1943	171.0	154.4	142.9	1,246	1,125	1,041	2,388	2,156	1,995
1944	233.6	211.9	193.1	1,682	1,525	1,390	3,156	2,863	2,608
1945	279.6	252.5	228.2	1,990	1,798	1,624	3,653	3,299	2,981
1946	260.4	229.5	206.1	1,835	1,617	1,452	2,841	2,504	2,248
1947	256.1	221.7	199.1	1,770	1,532	1,375	2,522	2,183	1,960
1948	252.6	215.3	192.0	1,716	1,463	1,304	2,384	2,032	1,811
1949	256.9	217.6	197.7	1,715	1,453	1,320	2,427	2,056	1,867
1950	256.5	217.4	196.6	1,684	1,428	1,291	2,252	1,909	1,725
1951	258.9	216.9	193.1	1,672	1,400	1,246	2,109	1,767	1,573
1952	267.0	221.5	196.8	1,695	1,406	1,249	2,119	1,758	1,562
1953	274.7	226.6	200.9	1,715	1,416	1,254	2,131	1,759	1,558
1954	278.0	229.1	204.2	1,705	1,405	1,252	2,128	1,754	1,563
1955	280.6	229.6	204.8	1,691	1,384	1,234	2,102	1,720	1,534
1956	277.2	224.3	199.4	1,641	1,328	1,180	1,993	1,615	1,436
1957	277.4	223.0	198.8	1,613	1,297	1,155	1,897	1,571	1,356
1958	284.5	231.0	204.7	1,657	1,371	1,179	1,876	1,523	1,319
1959	294.4	241.4	214.8	1,656	1,357	1,207	1,801	1,547	1,372
1960	294.1	239.8	212.4	1,628	1,327	1,175	1,823	1,486	1,316
1961	300.5	246.7	217.8	1,636	1,343	1,185	1,820	1,494	1,319
1962	308.0	253.6	222.8	1,651	1,360	1,194	1,815	1,495	1,313
1963	314.1	257.5	223.9	1,660	1,361	1,183	1,785	1,472	1,279
1964	323.4	261.0	227.0	1,685	1,376	1,183	1,801	1,470	1,251
1965	328.9	256.4	225.6	1,682	1,371	1,181	1,761	1,438	1,217
1966	339.6	271.8	227.5	1,728	1,383	1,157	1,753	1,403	1,174
1967	361.9	286.4	237.3	1,821	1,441	1,194	1,793	1,419	1,176
1968	371.3	291.9	238.9	1,850	1,454	1,190	1,733	1,357	1,110
1969	381.2	289.3	232.1	1,881	1,427	1,145	1,656	1,255	1,014
1970	400.0	301.1	238.0	1,956	1,470	1,166	1,613	1,214	959
1971	431.4	325.3	255.1	2,098	1,574	1,232	1,705	1,279	1,004
1972	469.2	341.2	258.9	2,201	1,634	1,232	1,732	1,281	1,013
1973	480.7	349.1	258.6	2,235	1,659	1,276	1,651	1,198	922
1974	504.0	360.8	290.1	2,373	1,703	1,322	1,532	1,096	851
1975	587.6	446.3	358.2	2,752	2,090	1,677	1,655	1,257	1,009
1976	661.8	515.8	416.5	3,090	2,408	1,945	1,773	1,376	1,110
1977	729.2	572.5	469.5	3,362	2,640	2,165	1,787	1,419	1,163
1978	797.7	625.2	516.4	3,677	2,863	2,366	1,797	1,411	1,164
1979	852.2	663.6	515.0	3,853	3,000	2,475	1,680	1,308	1,077

[1] Per capita debt is calculated by dividing debt figures by population of conterminous United States. Beginning 1949, population includes Armed Forces overseas, Hawaii, and Alaska.

[2] Total Federal securities includes public debt securities and budget agency securities.

[3] Borrowing from the public equals gross Federal debt less securities held in Government accounts (a unified budget concept).

[4] Borrowing from the public less Federal Reserve holdings.

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

PRIVATELY HELD FEDERAL DEBT RELATED TO GNP

[Dollar amounts in billions]

Year	Gross national product	Privately held debt[1]	Ratio of debt to GNP	Year-to-year price changes[2]
1929	$103.4	$16.0	15.5	
1930	90.7	15.8	17.5	−6.0
1931	76.1	17.7	23.3	−9.5
1932	58.3	19.4	33.3	−10.2
1933	55.8	21.9	39.3	.6
1934	65.3	28.0	42.9	2.1
1935	72.5	32.0	44.2	3.0
1936	82.7	35.3	42.7	1.3
1937	96.7	36.6	37.9	3.2
1938	85.0	37.9	44.7	−2.7
1939	90.8	40.1	44.2	−.4
1940	100.0	42.6	42.7	1.0
1941	124.9	54.0	43.3	5.8
1942	158.3	95.5	60.4	9.3
1943	192.0	142.9	74.5	3.2
1944	210.5	193.1	91.8	2.2
1945	212.3	228.2	107.5	2.3
1946	209.6	206.1	98.4	18.6
1947	232.8	199.1	85.6	8.7
1948	259.1	192.0	74.2	2.6
1949	258.0	197.7	76.7	−1.8
1950	286.2	196.6	68.7	5.9

PRIVATELY HELD FEDERAL DEBT RELATED TO GNP—Continued

[Dollar amounts in billions]

Year	Gross national product	Privately held debt [1]	Ratio of debt to GNP	Year-to-year price changes [2]
1951	$330.2	$193.1	58.5	5.0
1952	347.2	196.8	56.7	.9
1953	366.1	200.8	54.9	.7
1954	365.3	204.2	55.8	−.4
1955	399.3	204.8	51.3	.4
1956	420.7	199.4	47.4	2.9
1957	442.6	198.0	44.9	3.1
1958	448.9	204.7	45.7	1.8
1959	486.5	214.8	44.2	1.5
1960	506.0	212.4	42.0	1.5
1961	523.3	217.8	41.7	.7
1962	563.8	222.8	39.6	1.3
1963	594.7	223.9	37.7	1.7
1964	635.7	227.0	35.8	1.2
1965	688.1	225.8	32.8	2.0
1966	753.0	227.5	30.3	3.4
1967	796.3	237.3	29.8	3.0
1968	868.5	238.9	27.6	4.7
1969	935.5	232.1	24.9	6.1
1970	982.4	239.0	24.4	5.5
1971	1,063.4	255.6	24.0	3.4
1972	1,171.1	271.1	23.1	3.4
1973	1,306.3	270.4	20.7	8.8
1974	1,412.9	280.1	19.8	12.2
1975	1,528.8	358.2	23.4	7.0
1976	1,706.5	418.5	24.5	4.8
1977	1,918.0	469.6	24.5	6.8
1978	2,156.1	515.4	23.9	9.0
1979	2,413.9	546.0	22.6	13.3

[1] Borrowing from the public less Federal Reserve holdings.
[2] Measured by all item Consumer Price Index, December to December basis.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

CHANGES IN PER CAPITA REAL GROSS NATIONAL PRODUCT

Year	GNP in billions of 1972 dollars	GNP per capita constant 1972 dollars [1]	GNP per capita, change from year ago: Constant 1972 dollars	GNP per capita, change from year ago: Percent
1929	314.7	2,584		
1930	285.1	3,129	544	21
1931	263.8	2,123	−1,006	−32
1932	227.1	1,819	−303	−14
1933	222.1	1,769	−50	−2
1934	239.3	1,894	125	7
1935	261.0	2,051	157	8
1936	297.1	2,320	269	13
1937	310.8	2,413	92	4
1938	297.8	2,294	−118	−4
1939	319.7	2,443	148	6
1940	343.6	2,591	148	6
1941	396.6	2,962	370	14
1942	454.6	3,358	396	13
1943	527.3	3,842	483	14
1944	567.6	4,082	239	6
1945	558.6	3,980	−101	−2
1946	477.0	3,361	−618	−15
1947	463.3	3,236	−124	−3
1948	487.7	3,313	76	2
1949	490.7	3,276	−36	−1
1950	533.5	3,504	227	6
1951	576.5	3,722	218	6
1952	596.5	3,799	76	2
1953	621.8	3,882	83	2
1954	613.7	3,764	−117	−2
1955	654.8	3,946	181	4
1956	668.8	3,960	13	
1957	680.9	3,959		
1958	679.5	3,885	−73	−1
1959	720.4	4,051	165	4
1960	736.8	4,078	27	
1961	755.3	4,112	33	
1962	799.1	4,284	172	4
1963	830.7	4,390	105	2
1964	874.4	4,557	167	3
1965	925.9	4,765	208	4
1966	981.0	4,991	225	4
1967	1,007.7	5,071	80	1
1968	1,051.8	5,141	169	3
1969	1,078.8	5,323	82	1
1970	1,075.3	5,249	−74	−1
1971	1,107.5	5,349	100	1
1972	1,171.1	5,607	258	4
1973	1,235.0	5,869	262	4
1974	1,217.8	5,747	−122	−2
1975	1,191.7	5,581	−148	−2
1976	1,264.7	5,879	298	5
1977	1,371.7	6,325	446	7
1978	1,436.9	6,570	245	4
1979	1,483.0	6,723	153	2

[1] Per capita debt is calculated by dividing debt figures by population of conterminous United States. Beginning 1949, population includes Armed Forces overseas, Hawaii, and Alaska.

Note: Detail may not add to totals because of rounding. Real GNP is in constant 1972 dollars. Real per capita debt expressed in 1967 prices (i.e., Consumer Price Index for all items).

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, how do I get time? Is there any control over time?

The PRESIDING OFFICER. No.

Mr. CRANSTON. Mr. President, I and many other Democratic Senators have consistently voted to increase the debt ceiling in the past, and I and other Democratic Senators who have voted for debt ceiling increases have been attacked for these votes by the Republican Party generally and by our opponents specifically, in subsequent campaigns.

I survived the last election despite those attacks, attacks that I consider irresponsible, demagogic, false, and utterly distorting of the true intent of votes on the debt ceiling, in favor of raising the ceiling.

Some of my Democratic friends did not survive those and like attacks. I suspect that they shared my opinion of the true nature of the attacks on them with respect to that issue.

In the course of the debate on an earlier proposal to lift this ceiling, which occurred on June 26, Senator Robert Morgan of North Carolina addressed a series of questions to Senator RUSSELL LONG of Louisiana, then chairman of the Finance Committee, now ranking member of that committee. At that time, Senator LONG was handling the proposal to lift the debt ceiling.

Mr. Morgan asked him:

What I want to know is if we do not extend this debt limit beyond June 30, will the 35 million or so people who receive social security in this country be able to get their checks for July?

Mr. LONG. They could not be paid.

Mr. MORGAN. Why could they not be paid?

Mr. LONG. Because the debt limit would revert back to the permanent debt of $400 billion, and the Government could not borrow money to pay its debts. Therefore, there simply would not be enough cash available to pay them.

Mr. Morgan then asked what these people would do about their rent or utility bills and food if they did not get their social security checks. Would they have no money if that was their only recourse?

Mr. LONG said, "That is correct."

Mr. Morgan then asked about a lot of farmers in his State and elsewhere who have a considerable degree of dependence on farm support programs that assist farmers in agriculture and agricultural conservation practices. He asks if they could continue to farm without that assistance.

Mr. LONG said, "No."

Mr. Morgan asked about rural housing: "Would there be any money for that?"

Mr. LONG said that none would be available.

Mr. Morgan asked:

What about the military, the Army, will there be any money available to pay the Army?

Mr. LONG. The Army could not be paid, the Navy could not be paid, and the Air Force could not be paid.

Mr. Morgan asked about retired military people: "Would they be paid?"

Mr. LONG replied, "No."

Mr. Morgan asked:

In the opinion of the Senator, does a vote to increase the debt ceiling indicate to the Senator that we favor unlimited deficit financing? Is that the way it is interpreted by the Senator?

Mr. LONG. No, not in my judgment. In my judgment, it is simply a matter of voting to pay the bills which have been incurred. We have done all we could to hold spending down, but when the obligations have been incurred, it is my view that we have no choice but to pay them.

Mr. MORGAN. In other words, the time to talk about deficit financing and big government spending is when we deal with these appropriation bills and spend the money?

Mr. LONG. Let me compliment the Senator for analyzing it exactly correctly.

Mr. MORGAN. Does the Senator agree with me that, as a member of the Senate, once we have engaged in debate on these appropriations bills and—whether the Senate and the Congress agree with my personal views or not—in this democratic Congress of ours, where we go by the majority rule, once Congress and the President have, according to law, incurred these obligations, as a Member of the Senate. I have a moral obligation to do whatever is necessary to pay for those obligations?

Mr. LONG: I think so. That is how I feel about it, Mr. President.

Mr. Morgan was one of those who did not survive the recent election. Mr. Morgan was one of those who was attacked for the responsible vote he cast in favor of increasing the debt limit at a time following this colloquy. He was attacked for "favoring unlimited deficit spending," as a result of his casting his vote for increasing the debt ceiling at that time.

I do not know how I will vote in view of this record now that I am not in the majority party and now that there is a President of the other party in the White House rather than of my party. The responsibility that I had to meet when I was in the majority is not necessarily one that I feel I must meet at this stage unless there are adequate evidences of responsible action by the party that is now in the majority and unless I have a clear understanding of their attitude now toward this measure.

I do feel that the debt ceiling should be increased so that the unfortunate events that have been spelled out in the colloquy of last year between Mr. Morgan and Mr. LONG do not follow. The faith and credit of the Federal Government is involved in this. All the citizens of our country and many other people have a stake in the good faith and credit of our country. If we begin to default on our obligations, it would obviously have dire consequences not only for individuals and businesses but for our country in its relationship to other countries, and it would have a very adverse effect upon an economy that is already in very severe difficulty at the present time.

So for these reasons I wish to ask the distinguished Senator from Kansas, the chairman of the Finance Committee, the man who is in effect the Republican leader now in the Chamber handling this particular issue, a few questions.

The first question I wish to address to my friend from Kansas is the following:

Is it accurate to charge that I or any other Senator who votes yea on this measure favors unlimited deficit spending?

Mr. DOLE. Is that the question?

Mr. CRANSTON. Yes.

Mr. DOLE. I say, before responding to that question, that I have listened carefully to the Senator's discussion and I think I do not have much quarrel with it except I can recall an election I participated in where a very liberal member of the other party was my opponent. He was a Member of the House of Representatives, and he attacked me for voting for the debt ceiling as being irresponsible. He voted for all the spending and against the debt ceiling. One cannot beat a program like that.

So it works both ways.

The point the Senator from Kansas makes at the outset is it is not only Republicans trying to pin down Democrats. Frankly, in the 20 years I have been in Congress I am not certain how many extensions I voted for, but it was a great number on the theory that, as I said in my opening statement, it is much like the family. The head of the household gets the bill at the end of the month. He may not agree with all the purchases made but someone has to pay the bill or someone has an obligation to pay the bill, and that is how I view the process we are in now.

It is not that I may not agree with every program but included in those programs are social security, veterans benefits, and military pay. I think a responsible vote, very honestly, is a vote to increase the debt ceiling. That does not mean that I like deficit spending. It suggests that perhaps in the next few months and hopefully by next year we will see a change in direction because of the cooperative efforts of Republicans and Democrats in Congress and of the White House with President Reagan's assistance. Maybe we will not have to vote to increase the debt as much or as often in the future.

But I do not view it as an irresponsible vote. In fact I think very honestly the responsible vote is the vote to pay our bills.

Mr. CRANSTON. I appreciate the Senator's comments. I grant that this is a matter that has been used in the heat of campaigns by people in both parties. More recently it has been used far more by members of the party that is the majority party in this body, partly because only eight members of the Republican Party voted for the debt limit increase, I think, the last time it came around; most Democrats, some were in the House, voted for it. No Republican Member of the House voted for it upon a recent occasion. So obviously the Democrats were vulnerable, the Republicans were not, to the use of this for what I consider unscrupulous partisan purposes.

I would never use a vote cast by anyone on this issue in favor of raising the limit for an attack upon him charging him with being fiscally irresponsible, or something like that, because I think that would be unethical.

Does the Senator feel that anyone who votes for increasing the debt ceiling is thereby indicating that he is a big spender?

Mr. DOLE. The Senator from Kansas does not consider himself a big spender, and I intend to vote for it and have in the past. So I guess the self-serving answer is no.

But I think it is also the candid answer. What other choice is there? What if we all vote no? We are all very responsible. We all vote no, and the 17th or 18th of February rolls around and we are out of money. Then the 1st of the month rolls around and it is time for social security payments, veterans benefit payments, and military pay, and we can all parade around the Capitol telling everyone how responsible we are as they are trying to get in the Capitol to tell us what we have done insofar as their benefits are concerned.

I do not quarrel with those who are going to vote no. I assume some will, and I am very pleased that 150 Republicans voted aye today in the House of Representatives.

Frankly, I say to the Senator from California. I can understand the reason the Democrats wish to look back to what has happened over the years and how the Republicans have voted. But I do not think it is quite fair at this point because President Reagan has only been in office about 12 days, and this is really not his debt limit. It belongs to the past administration. So I think just as a matter of pride and responsibility every Democrat would want to clean up the tail end of the Carter administration by casting an aye vote and then when we get into the next or maybe even the third increase in the debt ceiling we would talk about partisanship.

I think an aye vote is a responsible vote. Some of my colleagues on this side will disagree. Some will not vote for the increase. I understand the Democrats may want to reduce it by $30 billion or $25 billion. If that is the case, they play into the hands of the Republicans because that will mean if we do not get some action on spending cuts by June we can put them all on the next debt ceiling increase.

I share the view expressed by the Senator from California.

Mr. CRANSTON. I thank the Senator.

I wish to ask him another question:

Is it fair to charge that a Senator who votes to lift the debt ceiling thereby has indicated that he is a Senator who favors bigger and bigger government?

Mr. DOLE. I do not think that is a fair charge, but having been in politics perhaps nearly as long as the Senator from California, what is fair and what is charged may not be relevant in politics. I think the fair charge would be to point out the specific program that a Senator may have voted for, to try to make the case against voting for that program, whether it is a farm program or a food program, or an oil program, or whatever.

But this, in the eyes of many, is a ministerial function we are carrying out. It is a bookkeeping act.

In fact if we follow the House of Representatives procedure we would do this at the same time we pass the budget resolution. I know it is a handy vehicle to offer amendments, and we have done it for years on the Republican side, sometimes successfully. By using the debt ceiling, we have repealed efforts to impose an additional tax on gasoline. But this in itself does not indicate anything except that we should pay our bills. If we were putting in more money than we needed, somehow that money would be transferred around for "bigger government" or more spending programs, but as the Senator from California knows that cannot be done.

Mr. CRANSTON. Is it accurate to charge that a Senator who votes in favor of lifting the debt ceiling thereby reveals that he is opposed to balancing the budget?

Mr. DOLE. That is not accurate, but again those charges can be made.

Mr. CRANSTON. Any charge can be made and often is.

Mr. DOLE. In fact it is more often than not in our business.

Mr. CRANSTON. I agree with the Senator from Kansas that the action of voting for and the action of lifting the debt ceiling or increasing the debt ceiling is ministerial. It is bookkeeping. It is mechanical. It does not reveal any judgment about the propriety of spending at any particular level for any particular purpose. It is just a recognition of the fact that the Government will grind to a halt and people will suffer and the economy will be damaged if we do not take this action.

So for those reasons I think it would be well to seek to find a way to make it less easy to deal with this issue in the unscrupulous political ways in which it has been dealt with.

I have heard various suggestions as to how that might be accomplished and what the Democrats, I think, are doing at this time is seeking to take a political action now that may lead to a situation where the burdens are clearly equally shared, if one looks back into history a ways and then to the present and the immediate future, where whatever responsibilities are exercised are exercised in a reasonably mutual way.

I hope that might then lead us to devise an approach which will make it more difficult to use this particular necessity for unfair partisan purposes, and I hope the Senator will join in any reasonable efforts which he favors.

Mr. DOLE. I have discussed this issue with former Treasury Secretary Miller and already with Secretary Regan, the new Treasury Secretary. They both felt pretty much the same. Anybody who has been in the Treasury lives in fear of the exercise we go through every 4, 5, or 6 months to increase the debt ceiling.

You cannot allow the issuance of savings bonds, you cannot mail out social security checks, you cannot mail out veterans' checks, and you cannot pay the military. As I have said, very honestly, I voted both ways on the debt ceiling over the years. But I have come to believe that if we are really concerned about a balanced budget, big spending and big government we need to find some other way to address these concerns rather than through the debt ceiling.

I do not suggest by that the debt ceiling in its present form is not a very convenient vehicle to which to add amendments. I understand we are going to have, an amendment to reimpose price controls on domestic crude oil, maybe an amendment to lift the grain embargo, maybe an amendment to reduce the amount of the debt limit.

I do not really object to those amendments being proposed but, perhaps, we should find a better way of dealing with them, as suggested by the Senator from California.

Mr. CRANSTON. I think it is unfortunate. I agree. But this also does provide an opportunity for anybody to get a vote on anything.

Mr. DOLE. The House has voted and has adjourned. They are going to stand by until 1 o'clock. If we change it, they are going home for the Lincoln Day recess. We will get back on the 16th or 17th.

When does the Secretary notify as to the auction, tomorrow? We already have this new Secretary, just barely installed, and we already have got him threatening about what will happen if we do not pass the debt ceiling increase. In fact, he told us in the committee he learned if there were overpayments made, and we do not give him the authority, then he would be personally liable. That is the thing that made him wonder about his confirmation hearing. He is not without some currency, but I do not know how many days he can stand this.

Mr. CRANSTON. The Senator stated that he has voted in the past on both sides of this issue. I believe I have never cast a vote against increasing the debt ceiling. If I wind up voting for the debt ceiling increase this time I am glad the Senator made some statements that will be helpful to me if I am attacked for that vote sometime in the future. If the printed word is inadequate, I will ask the Senator to come out to California the next time I am running again. [Laughter.]

Mr. DOLE. We will both be running at the same time, and maybe we can do a drop-in on Kansas on the way to California.

Mr. CRANSTON. I am glad the Senator will be on his way to California. [Laughter.]

UP AMENDMENT NO. 3

(Purpose: Extending the grain embargo to all products)

Mr. JEPSEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposes an unprinted amendment numbered 3:

At the appropriate place, insert the following new section:

SEC. (a). Notwithstanding any other provision of law, there is hereby imposed an embargo on the export of all goods or services to the Union of Soviet Socialist Republics.

(b) The embargo imposed by subsection (a) shall be in effect during any period during which the President imposes an embargo on the export of grain or any other agricultural product to such country (including the embargo in effect on the date of the enactment of this Act).

Mr. JEPSEN. Mr. President, this amendment is an amendment that very simply would require that all Americans share in the embargoing of all goods and services to the Soviet Union.

Since there are indications that there is some mixed feeling now about the lifting of the grain embargo. I feel it is only fair that if we are going to send a signal, that we send a real signal, and that we indeed embargo all goods and services and let all Americans join in rather than the 2 or 3 percent of the American public, the American farmer, in conducting our foreign policy.

Mr. President, a little over a year ago, President Carter imposed a unilateral embargo of grain sales to the Soviet Union in response to a step-up in Soviet aggression, especially in Afghanistan. The problem was that the grain embargo was about the only substantive action he took. Since the embargoed grain is only about 8 percent of the Soviet's projected needs, the impact on Russia was not great. On the other hand, the impact on the American farmer was catastrophic.

As I stated on January 4, 1980, President Carter shot the farmer in the foot and then said to Russia, "There, take that."

Recent rumors indicate that President Reagan may feel it is in the best interest of the United States not to lift the embargo at this time. Therefore, the amendment I am proposing today would require that, when there is an embargo on grain sales to the Soviet Union, there should then be an across-the-board embargo on sales of any item to the Soviet Union.

I am not reversing my policy on the embargo. On January 4, 1980, I said that if President Carter really wanted to "get tough" with the Russians he should take the following steps:

First, suspend all trade to the Soviet Union;

Second, recall Ambassadors and ask Russia to cut back on its diplomatic staff in this country;

Third, seriously consider withdrawal from the Olympic games; and

Fourth, increase our military aid to our allies in the Middle East.

I also stated what I still believe, that "America should never use food as a weapon." Farmers are proud and patriotic people but what this ineffective grain embargo has done is to make the farmer the whipping boy for Soviet aggression. My State of Iowa, with its high farm exports, bore the brunt of the grain trade embargo—but every U.S. farmer also became the victim. They could not understand why they had been singled out to "punish" the Soviets. And what an inadequate punishment it was. We have the facts to prove that.

On June 30, 1980, Lt. Gen. Eugene

Tighe, Director of the Defense Intelligence Agency testified, along with several top Soviet analysts, that the Soviet grain embargo had had almost no effect on the Soviet Union. According to the testimony, the Soviets will have a grain shortfall during 1980 of only 3 percent. The testimony continued:

It will not appreciably affect their economic growth rate . . . We observed that the Soviets very quickly replaced most of the grain that we embargoed from other western sources, mainly Argentina, although Canada did export some wheat after our embargo.

The U.S. Department of Agriculture also has data pointing to the minimal effect of the grain embargo on the Soviet Union. Last summer, the USDA projected meat consumption would decline only 1 to 2 percent—only 1 or 2 percent—last year as a result of the grain embargo.

I contend that anyone that says it would even decline 1 percent just cannot count. It takes a little over 9 months—something like 243 days—for the gestation period for a cow to have a calf. It takes somewhere between, depending on what kind of force feeding you are giving it, 14 and 17 months for that calf to become red meat on the table. When we were hearing these announcements about choking off the meat supply in Russia 3 or 4 months after the embargo was put on, when it takes 24 to 26 months to bring red meat to the table, I just simply responded that somebody cannot count.

I might also point out that the average Russian ate only a quarter of a pound less meat per month than last year, if we went to this 1 percent. My distinguished colleague from Texas, Senator JOHN TOWER, tags the embargo "the moral equivalent of a 'Big Mac attack.'"

Supporters of the grain embargo have suggested that while we cannot measure an appreciable difference in quality of life due to the embargo, there may be psychological impacts. The DIA analysts rejected this. It is all a matter of permanent record from very, very distinguished men of great expertise. They said:

I do not believe we have a measure of the psychological impact of the embargo to the Soviet Union.

While the embargo has not had the planned effect on the Soviets, I have here a chronological survey of events which happened because of the embargo. Let me take a few moments to walk through them with you.

On January 4, 1980, the President suspended all agricultural trade to the Soviet Union in excess of the 8 million metric tons of grain that the United States was committed to sell under the 1975 U.S.-U.S.S.R. grain agreement. The President also outlined a preliminary program designed to offset the potential adverse impact of the domestic farm economy. The President promised to look at several alternatives including a paid diversion program for farmers.

The President also indicated that same evening that consultations had been made with friends and allies around the world and they were in full agreement and support and cooperative in this, which, of course, turned out to be not so.

On January 6, 1980, the Commodity Futures Trading Commission suspended trading in grain futures for January 7 and 8 due to the confusion that was caused by the Soviet grain embargo of January 4. The psychological impact of the grain embargo drove the price of grain down substantially.

On January 7, 1980, the Assistant Secretary of Agriculture James Williams announced a series of measures to minimize the impact of the embargo on domestic prices and income. Among the proposals was a strong statement about the benefits of a paid-crop land diversion program.

On January 8, 1980, the Assistant Secretary of Agriculture James Williams announced a series of measures to minimize the impact of the embargo on domestic prices and income. Among the proposals was a strong statement about the benefits of a paid crop diversion program.

On January 9, export licenses for all agricultural products to the Soviet Union other than the 8 million metric tons of grain were suspended, effective January 7, 1980. It was also announced that all futures requests for export licenses would be judged on a case-by-case basis by the Department of Commerce. The administration proceeded with an inconsistent policy for granting export licenses for one product, denying it for the next.

On January 12—this is the meeting that was supposed to have taken place before the embargo was placed on—on January 12, 1980, representatives of the United States, Australia, Canada, the European Community, and Argentina met to discuss cooperation in withholding additional amounts of grain to the Soviet Union. Australia, Canada, and the European Community agreed to cooperate with the United States pledging not directly or indirectly to replace the 17 million metric tons of grain affected by the embargo. Reports continued to reveal that grain was in fact reaching the Soviet Union from these countries.

On January 14, 1980, representatives from the United States, Argentina, and Brazil met to discuss withholding additional sales of soybeans to the Soviet Union. Additional sales of soybeans could partially replace the 17 million metric tons of embargoed U.S. grain. Argentina and Brazil refused to restrict their sales. This was in direct contradiction to the President's assurance that these countries had been contacted and agreed to participate in the embargo. All a matter of record. This is fact.

On January 18, 1980, the President imposed a 1-million-metric-ton quota on Soviet ammonia imports for calendar year 1980. This reversed his earlier decision of December 11 to override the International Trade Commission recommendation that a 1-million-metric-ton quota be imposed for 1980.

On January 23, 1980, the American Farm Bureau Federation announced it had filed suit with the National Labor Relations Board against the International Longshoremen's Association for its refusal to handle ships with Soviet cargo. The suit resulted from the Farm Belt's frustration over the administration's inability to intervene.

On February 7, 1980, the administration announced that, as of February 4, certain nonstrategic agricultural commodities were removed from validated licensing control, enabling these commodities to be sold to the Soviet Union without prior approval by the U.S. Government. Commodities removed from restricted sales are those determined not to affect Soviet grain and meat supply. At the same time, a validated license or prior approval system was established for the export of phosphates to the Soviet Union. Farmers were confused and angered over these actions, because they were contradictory and forced grain producers to carry the major burden of the embargo.

On February 25, 1980, the President imposed an embargo on all U.S. exports of phosphates to the Soviet Union. The embargo covered marketable phosphate rock, all concentrates of phosphoric acid, and all concentrates of phosphate fertilizers for an indefinite period. U.S. exports of phosphates to the Soviet Union were valued at $97 million in 1979 and were expected to increase to $400 million in 1980.

On February 29, 1980, the Secretary of Agriculture announced that there would be no paid-crop land diversion program for the 1980 crops of corn, wheat, and other feed grains. This action was in direct contradiction to earlier statements made by President Carter, Secretary Bergland, and Assistant Secretary Williams. Farmers for 2 months were led to believe that there would be some kind of set-aside program or paid diversion program. This announcement was made too late and interfered with the marketing plans of farmers. At this time, the administration continued to show latent disregard for the plight of farmers.

On March 20, 1980, the Commodity Credit Corporation opened for purchase contract rights it had assumed for the 0.7 metric tons of soybeans affected by the embargo. The sales of these soybean contracts into the market depressed commodity prices and psychologically destroyed grain prices for weeks. This was at a time when farmers were still suffering from the impact of the grain embargo announced on January 4.

On April 15, 1980, the Secretary of Agriculture announced that corn farmers who did not participate in the 1979 feed grain set-aside programs would be allowed a limited amount of grain into the farmer-held grain reserve. I introduced legislation in January, immediately after the grain embargo was announced, to allow the Secretary to open the feed grain program. The administration and the Secretary of Agriculture insisted this was not necessary and opposed such action. This inconsistent and haphazard policy added to the destructive effects of the Soviet grain embargo.

On June 18, 1980, officials notified the U.S. grain exporting companies—and this takes the cake; this was really the crowning blow—that they could resume sales of third country grain to the Soviet Union.

What were they saying? They were saying—

Grain companies sell all the grain you can sell to the Soviet Union, just so you do not sell American grain.

This meant that grain companies could sell non-American grain to the Russians showing blatant indifference to U.S. grain producers.

I want to talk a little bit about a couple of the events just mentioned. The offer of aid to the grain companies means that Uncle Sam threw a lifesaver to these companies by helping them settle their grain contracts, but left thousands of farmers swimming in a sea of economic disaster.

That is exactly what happened. While they were settling those grain contracts, the United States bought up the grain contracts, kept them a short time, and later sold them back at much less than they paid for them. In the meantime who was helping the average farmer help settle his contracts with landlords, bankers, implement dealers, fertilizer and pesticide suppliers, elevators, seed salesmen, and others? Sure, Uncle Sam increased the loan rates to "eligible" formers, but the problem was only about 15 percent of Iowa farmers were eligible and only 23 percent of farmers across the country were eligible for this panacea, because marketing had been increasing and foreign exports had been increasing, and things looked pretty good. The farmers and the food producers were doing what they love to do and do best with the most efficient food production in the world. That is producing food at full measure. Many of them did not participate in the programs.

The National Farm Bureau has estimated the average price received by farmers for corn marketed during the 1979–80 marketing year was 12 cents per bushel lower because of the embargo. Wheat prices were 9 cents per bushel lower, and soybeans 32 cents per bushel lower. The total loss amounts to approximately $1.8 billion.

The months of January, February, and March are major grain marketing months for many producers. Research shows that corn prices were depressed by 24 cents per bushel during those months because of the embargo, soybeans were depressed 64 cents per bushel, and wheat was depressed 18 cents per bushel.

Producers who had to sell within a month after the embargo suffered even more than those who could wait until March.

The impact of the embargo is still being felt by producers because the higher carryover levels in the farmer held reserve have reduced the marketing opportunities for the 1980–81 marketing year.

Mr. President, in the annals of American diplomacy, the great Soviet grain embargo of 1979—a symbol of American resolve against Soviet aggression in Afghanistan—has already been recorded and will go down as a disaster. The embargo to date might have been worthwhile had Soviet troops been pushed from Afghanistan. But instead of punishing Soviet leadership, the embargo has punished American farmers.

The previous administration promised the family-sized farmer he would not bear the brunt of the embargo—another promise unkept. The desperate plight of farmers has brought them closer to total dependency of the Government. The future of free-market farming is doubtful. And it is not just the farmer who has worried about plunging prices. The embargo will have a negative effect on our balance of payments. This will lead to more inflation and that again hurts everybody.

There is no truly effective way to insulate the market from this economic impact. However, if this country insists on an embargo to the Soviet Union because national security is in jeopardy, then everyone—everyone—should be equally affected. Let us have a total trade and technological embargo on the Soviet Union. The current embargo is a failure. I have offered this amendment today in an attempt at an embargo that will be effective, one that requires sanctions on all exports and sacrifice from every sector of our economy since it evidently is deemed by some in the administration to be a signal, a strong signal, to send of our firm policy.

The economic grain embargo of 1980 has indicated to the farming and agricultural community of this country again an historic willingness on behalf of the State Department of these United States to implement foreign policy at the expense of one segment of our economy and our society.

A third-grade analysis would indicate simply this: Unless you have an absolute monopoly on any product that you are going to say you are going to withhold from somebody, unilaterally applying an economic sanction saying "We are not going to sell, give or send you any of this product" is sheer inaneness.

Mr. President, to apply an economic sanction unilaterally when you do not have a total monopoly on a particular product is not very difficult to either interpret or understand as being a total failure before you ever attempt to start it. In this particular instance, we unilaterally applied, even though it was said to be otherwise, an economic sanction in the form of an embargo on the export of grain to the Soviet Union.

The fact is that there were many other grain producing countries who were glad to step in and fill the void, picking up their exports, which they did. This was coupled with the inane announcement about 3½ months after the grain embargo, when the United States of America indicated to grain trading companies that it was OK to sell other grain so long as it was not our grain.

The Soviet Union, by the way, got every kernel of grain that it had under contract and ordered for the 5-year period. There was no letdown there. The Soviet Union was getting additional amounts of grain through the Iron Curtain countries, through other conduits, but it did necessitate changing from one boat to another, one barge to another, or one train to another.

With the announcement that the grain trading companies could sell grain to Russia from any country they wanted to, as long as it was not U.S. grain, all they did was expedite the shipment because then all they had to do was change labels.

Mr. President, there was great concern about the fairness of this, last year. The American farmer will take a back seat, the American agricultural people—and that includes a lot more people, by the way, for everybody's edification, than 2 or 3 percent. That is where they underestimated things.

Mr. SYMMS. Will the Senator yield?

Mr. JEPSEN. Yes, I shall in just a second.

The agricultural community is most patriotic. It will take a second seat to no one. This particular Senator is getting a little bit of a feeling of having had just about enough of the innuendo that maybe American farmers are not being patriotic, or those of us who are concerned about the grain embargo are not being patriotic and we do not understand.

We do understand. We understand very well. We understand that, to implement foreign policy, the State Department will stiffen the American farmer, as they have done for years and years.

Mr. President, I have more to say, but I shall yield to the distinguished Senator from Idaho, my distinguished colleague (Mr. SYMMS).

Mr. SYMMS. Mr. President, I thank the Senator from Iowa for yielding. I want to compliment the Senator this afternoon for his intelligent argument and his very articulate statement. I know, from my years in the other body, that the Senator from Iowa is known as a real spokesman for America and also for American agriculture. I thank him for his statement this afternoon.

When one thinks about the other options—linkage and so forth—with respect to the Soviet Union and Afghanistan and the other trouble spots around the world, I think the Senator's amendment will only add strength to the linkage question. It is something that I think, most certainly I hope, this administration will consider very seriously, to link the Soviet Union's actions with trade back from the United States and if a trade embargo is to be effective, most certainly, one segment of our society should not have to bear that burden.

In complimenting the Senator from Iowa, I have to think that, with that shot in the foot, as he so eloquently described the 1979 grain embargo, where the American farmer got shot in the foot and the Russians got the grain, the $1.2 billion cost is just how far a small percentage—say 10 percent of the $1.2 billion in an expenditure for rifles, for hand grenades, for antitank and antihelicopter weapons given to those freedom fighters in Afghanistan—how much more of an impact that might have made on the Soviet Union than to try to punish the American farmers for Soviet atrocities in Afghanistan.

I thank the distinguished Senator from Iowa for bringing this to the attention of our colleagues this afternoon. I wish to associate myself with his remarks and I shall support his amendment.

Mr. President, I yield back my time.

(Mr. NICKLES assumed the chair.)

Mr. JEPSEN. I thank my distinguished colleague from Idaho.

Mr. President, last year, we had a campaign for President of the United States in this country, climaxed by a rather sweeping mandate at the polls on November 4. During this campaign, other Senators in this body, and I were most vocal about the grain embargo and, in response to the various proposals and suggestions made by the then Secretary of Agriculture, Secretary Bergland—who, in my opinion, did not like the grain embargo any more than we did, but, respectfully, was a good soldier—defended it. He requested debates. But the American agricultural community in this country felt that they received—and, in my opinion, they did—the assurance that should this administration take office, as it did, the grain embargo would no longer be used on an isolated basis to implement foreign policy.

There was much talk and conversation about the fact that if, in fact, we were going to use economic sanctions against any nation, we should, if there were a grain embargo or agricultural products of any kind were embargoed from the free market, this embargo should be shared by all of our citizens in all parts of our economic society and all products and all goods and all services should be embargoed. That is what this amendment proposes.

It is very fair, it is commonsense, it certainly would be supported, in my opinion, by farmers, people in agriculture, throughout this country. They do not mind; they are ready, willing, and able to carry their fair share. But they do want a fair shake. They were assured, promised, that they would, indeed, have a fair shake.

There has been a lot of talk about signals, Mr. President, signals being sent. I suggest that there were some signals sent on November 4 by the American people—signals sent of good faith, of good will, of trust. The outcome of that election sent the signal also that people in this Nation were interested in a change of direction in the general conduct of our Government and our bureaucracy in its regulatory groupings, all the trappings that go on here in Washington.

Mr. DOLE. Will the Senator from Iowa yield?

Mr. JEPSEN. I shall yield in 30 seconds.

I suggest to those in the administration who believe that we must keep the grain embargo because of the signal it will send that the signal that we send to our own people is a signal that we must be even more concerned with at the present time in the new beginning. Consensus is what makes a democracy run—consensus by way of supporting policy, by way of credibility, by way of believability. So let us send a signal of good faith to the most productive part of our economy, through that band of Americans who say, "All we want, all we ask for, please, is a fair shake."

I am very pleased to yield to my colleague (Mr. DOLE) who was in the hustings with me, talking about the grain embargo. I believe we used some choice words, both separately and together.

Mr. DOLE. Mr. President, in fact, the Senator recalls that we had a little session down at the USDA one early morning, when we indicated that candidate Reagan had promised to lift the embargo if elected. I think the Senator from Iowa, the Senator from Kansas, and the Senator from South Dakota (Mr. PRESSLER) were there.

I am not certain—I missed some of the discussion, but I certainly am in accord with the statement made by the senior Senator from Iowa. Frankly, unless there is some foreign policy consideration that has escaped me—and there could be, obviously, with the Soviets threatening Poland, a need to focus on that part of the world. Otherwise, it seems clear to me that the only thing to do is to lift the embargo and then start some sales program to the Soviet Union on a selective basis.

Under the agreement which expires this year, they are required to do certain things and we are required to do certain things before we can sell grain to the Soviet Union.

I believe unofficial contacts already have been made which would indicate the Soviets interest not only in buying grain but also in buying grain byproducts—flour, grain products, and perhaps soybean meal. That, in itself, would mean additional shipments for this country.

There will be a meeting on the 17th of February, as probably has been noted, with the President and a number of Senators characterized as antiembargo Senators. I am not certain that is a correct characterization, but we are farm State Senators.

It is hoped that at that time we will have an opportunity to persuade the President to make some quick decision on this matter, because it will not be long when the crops will be coming up and purchasers will be looking for wheat, corn, and other grains that were not there; and if our farmers are not permitted to compete, we will lose our markets to some other country.

It seems to this Senator that the time for decision is now.

I believe that the Senator from Iowa touched upon farmers and patriotism. There is a feeling by some that the farmers only want to make a profit, that they are not concerned about the country, that they are less than interested in our national security. Nothing could be more inaccurate than to indicate or even suggest that. If farmers are persuaded that there is some good reason, if they are told that any embargo would apply across the board and that they would not be singled out for special treatment, I am certain that they would be willing to accept whatever might hapen, if it were in the best interests of this country and its security.

Under the Nixon administration, we had an embargo. The result was that we lost a lot of our soybean market to Brazil. Under the Ford administration, we had an embargo. The result was—at least, according to some—that Carter was elected because in some of the key farm States, the embargo made the difference between victory and defeat for President Ford. In the Carter administration, we had an embargo, and I believe that the only losers have been the American taxpayers, who will have to spend more than a billion dollars because of the embargo, and the American farmers, who have lost millions and millions of dollars in farm income.

I have yet to be convinced that the Russians have lost anything. We get all these reports that the Russians are hurting. It is not because of the embargo. We are talking about only 17 million metric tons at the outset. If they have had a shortfall, they may be suffering from that.

However, it is my understanding—and I believe the Senator from Iowa pointed this out in hearings late last year—that, according to CIA reports and others, they probably have been able to pick up all those 17 million tons, with the exception of 2 or 3 million tons from other sources.

So, to say that the embargo has had an impact is not an accurate statement. Whether the State Department said it last year or this year, it probably is the same material. They should freshen up the material. We have a new administration, and they should get new material, before they suggest that it has had a great impact on the Soviet Union. If, in fact, it has and that can be demonstrated, that is something President Reagan can consider.

I believe that the President, having made the statement and having made the pledge through some of us with the USDA—was it last June or July?—will keep that campaign promise, unless there is some overriding concern we are not aware of.

I thank the Senator from Iowa for calling this matter to the attention of the American people, to those of us on the floor who have a special interest, and to some who may have misinformation.

So far as I know, no decision has been made. The story reporting that a decision was made, in the view of this Senator, was not accurate. It probably was not intended to be inaccurate, but it is not accurate. It is the hope of many of us that the right decision will be made in the next couple of weeks.

I yield the floor.

Mr. SYMMS. I thank the Senator from Kansas for yielding.

Mr. President, I say to the Senator from Iowa that I learned recently that American wheat going to West Germany was being processed into flour and was going to the Soviet Union.

It is a psychological depressant on the price of wheat in the United States, but the Soviets are getting everything they need.

So I think there is absolutely no substitute in a foreign policy to have a very strong, powerful country.

I believe this is the underlying feature that the Senator from Iowa, along with the farmers he represents so ably, has brought out. What the farmers would like to have is a strong America which can stand up and defend itself when it needs to, and then we do not have to rely on 2, 3, or 4 percent of the productive part of our population and pick

them out, because perhaps they do not have enough votes, to put an embargo in place such as the one we witnessed in 1979.

I again praise the Senator for bringing up this matter.

Mr. ANDREWS. Mr. President, will the Senator yield?

Mr. SYMMS. I yield.

Mr. ANDREWS. Mr. President, it is important to point out that there has been more information on the subject of the grain embargo than about any other issue that has come up in the past several months.

We read in the same paper that said the President is not going to lift the grain embargo that one of the reasons is that it is such a success; that there is no meat in the stores or any increase in meat in the stores in the Soviet Union.

I have been a farmer all my life; and I am short of feed, I have to market those livestock.

The best way of explaining that the Soviets are getting adequate feed is the fact that there has not been any increase in meat supplies in the meat markets in the Soviet Union. They are buying the grain from other countries. They are taking care of their supplies in buying the grain from other countries.

They are lousing up the grain marketing patterns of the world, and they are crippling some of our ability to export not just to the Soviet Union but also to other long-term customers.

At the head of the lakes—Duluth, Superior, for instance—those docks were operating only one-third of the time during the shipping season because the small craft that come up the St. Lawrence Seaway were busily employed bringing grain to the Soviet Union from other smaller suppliers, and the large cargo carriers which generally load up at our Gulf Coast ports for shipment to the Soviet Union were not being employed. There is a much more efficient way of shipping grain.

Actually, the fact that the Soviet Union was not purchasing grain from the United States meant that in going into other areas of the world to buy their grain supplies, they were shorting the supply of food for Third World countries, the very people we try to help in foreign aid programs. We can help them more by making food available to them than by engaging in this type of counterproductive embargo.

If we are going to embargo, let us embargo across-the-board. If we are going to try to tell another nation that we do not like what they are doing in an aggressive way with one of their neighbors, let us have our NATO allies or other Western allies join us in an embargo across-the-board.

It is idiotic to embargo the products of the American farmers' fields but to allow the shipment, as we did for some months, of the fertilizer so that they can grow their own crops better and to allow continued shipments of Caterpillar tractors so that they can till their soil that much better.

I am sure that they would not be using the Caterpillar tractors, with which we are still supplying them, to tow around artillery pieces. They ostensibly are still using them to till their soil.

This embargo has more holes in it than any type of sieve any child plays with in a sandbox.

If we are going to embargo, again let me say, sure across the board, but let us make it effective. Let us embargo food last of all the other things that we put embargoes on.

I rise in support of my colleague from Iowa and I thank him for bringing this matter to the Chamber for debate today.

I hope that his words are being heard by the administration, and I also welcome the words of our colleague from Kansas, Mr. DOLE, in pointing out that what we read in the Washington Post this morning might very well be an error and we can all hope that it is an error and that the true statement of the President will be forthcoming later on and it will be much more in the proper vein than this report was.

The PRESIDING OFFICER. The junior Senator from Iowa is recognized.

Mr. GRASSLEY. Thank you, Mr. President.

Mr. President, I say to my colleagues in this body that I rise in support of this amendment.

I wish to thank the senior Senator from my State for the introduction of this amendment.

I wish to say that I really consider it a sad commentary that an amendment like this must be offered. I would prefer to say thank you to the administration for doing what obviously should be done, to lift the embargo or to make it all-encompassing of commercial as well as agricultural products so that the burden is shared by all 220 million Americans.

That is not the issue before us. The issue is whether or not this administration is going to keep its promise to the farmers of America. The issue is much broader than the question of either broadening the scope of the embargo or lifting it.

As far as I, the farmers of America, and hopefully all of the people of America are concerned, the issue is one of the keeping of campaign promises.

My memory goes back to a cool morning the last of September last year when the President was a candidate and came to a farm in Story County, Iowa, to speak to the farmers of America. He presented his case to the farmers explaining why a Republican administration should be elected and why a Democratic administration should be rejected.

On that farm he stated that the embargo was not working and that the consequences of such a foreign policy stance should be shared by all 220 million Americans if necessary. Whether it was clearly stated or implied, the audience felt we had a candidate running who was going to correct this injustice almost immediately upon taking office.

There is a perception that there was a compact made between a candidate for the Presidency of the United States, the farmers of America and hopefully all of the people of America that this policy correction was going to be made.

The basic issue is one of reestablishing credibility between candidates for office and the American people, and one way to accomplish this goal is for candidates for office to keep their word with the people.

The institutions of American Government are shaken when confidence in public officeholders is lessened. A larger principle is at stake besides just correcting an injustice for the American farmers by either lifting the embargo or broadening its impact. The larger issue is to increase the credibility that every citizen in this country has in the institutions of American Government, a confidence that is now at a low ebb. It is necessary to turn this trend around. This is best done by simply keeping those campaign promises where the situation has not changed.

In fact, the evidence is more certain than ever that the embargo is not serving its stated purpose and should be lifted.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. ABDNOR. Mr. President, I commend my good friend, the Senator from Iowa, for this amendment, a much needed amendment if the administration plans to go through with what we are hearing and reading in the newspaper.

I was pleased to hear the Senator from Kansas a few moments ago say that it is not necessarily true. I hope the administration will reasses their position and follow through with their campaign promise of doing away with the grain embargo..

It was almost a year and a month ago today that the previous administration invoked the embargo. It was a mistake at that time, and it is even a greater mistake today because we have had a year to assess this and to see the futility of invoking the grain embargo and what little good it has done.

One thing that my colleague, the Senator from North Dakota, did not mention was the fact that the futility of it was shown by the fact that it was poorly administered in the first place. It had to be pointed out at that time that while we were trying to preclude grain commodities from going to Russia we were still selling them the fertilizer to produce additional grain.

Nothing has changed to make the entire incident a bigger mistake since that time than we see it today with the results.

The people who are being hurt are not only the farmers of this Nation, but the taxpayers of this Nation. And a few months ago in one of the agricultural appropriations reports in the House of Representatives it was estimated that this has cost the Government $3 billion and if we do not lift this embargo these expenditures are going to continue on, and in addition to what harm it is doing to our balance of trade that we so badly need.

If we want to look to the individual group, the farmers themselves, in what we are doing to them in this tight bind they find themselves and in the economy today and see what inflation is doing to them, we are turning them loose. The Government is asking them to produce, produce and produce more, which they will do. We do away with all set-asides. There is some talk about doing away with

target prices, and we wonder where this will all end.

If the embargo is the thing we should do, then let us do a good job of it and put that embargo across all that this country produces and no longer carry on any trade with them, if that is what we are trying to accomplish and if we are really trying to bring Russia to her knees.

Again, I commend the Senator from Iowa for this timely amendment, and I do hope we all can support it.

I thank the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. PRESSLER. Mr. President, I also am joining in this effort as the author of an amendment to an appropriations bill that passed the Senate last September, to prohibit the use of funds for carrying out the grain embargo.

I wish to say that the Senate has already sent a clear signal to the President on this matter. Indeed, I was on a campaign plane with the now-President on a trip to South Dakota, in which the pledge to lift the grain embargo was mentioned.

Let me also say that I am introducing two other bills, one of which would call for a total embargo if we have an embargo, and another that would limit the President's future ability to use agricultural embargoes as a foreign policy tool, without some check from Congress.

I am also joining my colleague from Iowa in his amendment, and commend him for his efforts.

I ask unanimous consent to be listed as a cosponsor of the amendment of my colleague from Iowa.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. I thank the Chair.

I would like to ask my friend from Iowa if he would accept two amendments to his amendment, the first being in section (a), if he would accept the words at the end of the existing section "except as specifically excluded by the President" in order to permit, under unusual circumstances, the President to exclude one or more items from an overall embargo?

I happen to share the purpose, the feeling, that is behind the amendment of my friend from Iowa. I think the point is well taken.

I think there also may be occasions when the self-interest of the United States is so clear that the President ought to be permitted to specifically exclude an item from an overall embargo.

We cannot foresee all the circumstances under which that may be wished to be done, but I am wondering if my friend from Iowa would consider the possibility of one slight amendment to his amendment?

The other suggestion I would have would be a new section (c) which would require the President during the embargo period, the total embargo, which the Senator's amendment would bring into existence, to at least once every 6 months report to Congress relative to the adherence of the Soviet Union to international agreements, including the Helsinki Accords of 1975?

Mr. JEPSEN. Mr. President, will the Senator yield?

Mr. LEVIN. I would be happy to yield.

Mr. JEPSEN. Will the Senator give an example of the first amendment? As I understand it, the Senator wants to add the words "except as specifically excluded by the President." In other words, if an embargo were imposed on the export of all goods or services to the Soviet Union, they would be across the board except where the President would make some exception.

Mr. LEVIN. Specific.

Mr. JEPSEN. Would the Senator give an example of what he is referring to and how that would happen? I am not clear on that.

Mr. LEVIN. The Senator wants an example of the type of goods or the mechanism?

Mr. JEPSEN. Yes; just give me a for instance.

Mr. LEVIN. My friend from Arizona suggests perhaps American automobiles, but that was not what I had in mind.

Someone raised the possibility—and I do not know how valid it is, but the possibility was this—if there is a pipeline being built in fact from Russia to Europe for natural gas, that it could be to our advantage in terms of our own energy position for that pipeline to be completed, and we might want pipeline equipment to be exported because it could be so clearly in our self-interest that that pipeline be completed.

I am not sure that is a good example, by the way. It may be or may not be. But what I am suggesting is there might be occasions when the President sees the interests of this country so clearly require an export license, that he ought to be able to specifically certify that such an export is in our self-interest and an exclusion would, therefore, be made.

What this would do is just allow for the possibility. Whether my example is a good one or not I do not know, but I do believe there could be instances where the President should be able to say that our self-interest is so clear that an item be exported, and that he would specifically certify that as an exception to the blanket embargo which would otherwise be provided. Again I think the Senator is correct in the general thrust of his amendment.

Mr. JEPSEN. Would the Senator from Michigan accept modifying his particular amendment by adding the requirement that the President indicate the fact that the exception being made was for national security reasons, and then document why that was being done?

Mr. LEVIN. I think that is a fair change and I would accept that.

Mr. JEPSEN. Will the Senator from Michigan read back the amendment as modified, that portion of it, that first section?

Mr. LEVIN. Yes. With this amendment the change at the end of the first section would read "except as specifically excluded with written explanation by the President for national security purposes."

Mr. JEPSEN. I would be very pleased to accept that. I think that is a constructive amendment.

As the Senator knows, we have worked together in regard to the second part of this on many occasions in many areas and in many activities with regard to the type of international agreements, the Helsinki accords, the refusenika, the Christian dissidents, and I feel this particular amendment is such that I am afraid we are going to put some additional subject matter on the embargo which is a little too indirectly related; and I would choose not to accept the second one. The first one I would be pleased to accept.

Mr. LEVIN. Mr. President, if I may continue, I wonder whether or not the Senator might consider the paragraph (c) if there were no reference made to the embargo but simply stated that each 6 months for the next 2 years the President would report to us on the adherence of the Soviet Union to international agreements, in other words, without reference to the embargo?

Mr. JEPSEN. The Senator would accept that. He has no problem with that.

Mr. LEVIN. I thank my friend from Iowa.

I now send to the desk the final section which will read, "That during the next 2 years the President shall at least once every 6 months send to the Congress a review of the adherence of the Soviet Union to international agreements, including the Helsinki accords of 1975." I send that amendment to the desk, Mr. President.

The PRESIDING OFFICER. The Senator from Iowa has a right to modify his amendment. Does the Senator from Iowa accept the modification as offered by the Senator from Michigan?

Mr. JEPSEN. The Senator from Iowa does accept the modification.

Mr. LEVIN. I thank my friend from Iowa. I yield the floor.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (UP No. 3), is as follows:

UP AMENDMENT No. 3

At the appropriate place, insert the following new section:

Section 2.

SEC. (a). Notwithstanding any other provision of law, there is hereby imposed an embargo on the export of all goods or services to the Union of Soviet Socialist Republics, except as specifically excluded by the President for national security purposes.

(b) The embargo imposed by subsection (a) shall be in effect during any period during which the President imposes an embargo on the export of grain or any other agricultural product to such country (including the embargo in effect on the date of the enactment of this Act).

(c) During the next two years the President shall, at least once every six months, send to the Congress a review of the adherence of the Soviet Union to International agreements, including the Helsinki Accords of 1975.

Mr. BOREN. Mr. President, will the Senator from Iowa yield to me?

Mr. JEPSEN. Mr. President, I am pleased to yield to the Senator from Oklahoma.

Mr. BOREN. I thank my distinguished colleague. I want to commend my friend from Iowa for proposing this amendment. I think that he has stated the policies that should be stated. There are

many of us in this body and across the country who feel that we should have sent a strong message to the Soviet Union at the time of their aggression into Afghanistan, at the time in which they moved into that nation, seized control of its government, using many cruel and inhumane weapons, some reports even of the use of poison gas against helpless civilians.

I think all Americans want to send a strong message to the Soviet Union. But at the time there are many of us who feel that it is very unfair to ask that the total burden of American foreign policy be borne by a very small segment of our society; that the total thrust and cost of American foreign policy should be borne by the 4 percent of the people in this country who are farmers is certainly not fair.

If we want to send the Soviet Union a message, if we really mean it, then I think the Senator from Iowa is absolutely correct in saying that we should impose an embargo on all goods, not just on agriculture products, not just upon grain in terms of our dealings with the Soviet Union.

It is my hope that the President will either decide to remove the grain embargo and to rely upon other perhaps more effective means of sending messages to the Soviet Union, especially the quiet but deliberate and systematic buildup of the military strength of the United States, which of course is the most effective kind of message that we can send to the Soviets, a message based upon substance, a message which restores the balance of power in the world and makes them less likely to test us with aggressive action.

But if the President decides that the grain embargo should be maintained, it is my hope that he will make the change that is called for in the amendment of the Senator from Iowa.

Mr. President, I ask unanimous consent, with the sufference of my colleague from Iowa, that I be added as a cosponsor to his amendment. The amendment has my full and enthusiastic support, and I hope that it will be adopted by our colleagues in the Senate.

The PRESIDING OFFICER. Without objection. It is so ordered.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I am not going to speak on the amendment, but I am going to speak on the debt ceiling which I understand is before this body.

I rise today to oppose the increase in the debt ceiling to $985 billion, or an increase of $50 billion over the present ceiling of $935 billion.

While much has been made of the fact that in the recent past the political party out of power has played politics with the budget ceiling and that we on our side should therefore vote against the increase to get back at them and to show up those votes for what they were, I do not approach the subject from that partisan point of view.

Frankly, I voted against the increase in the debt ceiling when the President of the United States was President Carter, a Democrat, as I am, and when my party controlled the House and the Senate. What party is in power makes no difference. The problem is clear. We should have balanced the budget many months and years ago. We should have refused an increase in the debt ceiling during this entire period of runaway inflation, double digit interest rates, and the hemorrhaging of the Federal budget. That was the right policy. It would have put us on a pay-as-you-go basis and I think it is a responsible policy—I repeat, a responsible policy. As I am going to point out, that has gone almost unanswered in the past.

It has been the kind of sneaking assumption that the only votes against the budget ceiling were political opportunism votes, votes designed to fool the public. That is not the case. That is the right vote. That is the right vote. That would require us to balance the budget. I think that President Reagan has missed a golden opportunity—probably his best opportunity—to require the Congress to cut spending and to cut it promptly.

CONGRESSIONAL RESPONSIBILITY

The budget, however, is a congressional responsibility. Every aspect of the budget—spending, taxing, borrowing, the debt, and monetary policy—are all powers given to the Congress by Article I of the Constitution.

Article I says that "Congress shall have power to pay the debts."

It does not say the President. It does not say the Treasury. It says "Congress shall have power to pay the debts."

Article I also says that Congress shall have power to borrow money on the credit of the United States. Not many people realize that. I think today most people feel that is an executive power; that the Secretary of the Treasury is the great debt manager.

But the Founding Fathers did not give that responsibility to the President or to the Secretary of the Treasury, but to Congress. It is our duty. It is our responsibility. We are the ones who should bite the bullet.

Further proof that it is the peculiar duty of the Congress and responsibility to determine spending, taxes, credit, and deficit matters is clear from the very legislation we are amending.

The increase in the debt limit is an amendment to the Second Liberty Bond Act of 1917.

Until the First World War, anytime the Treasury wanted to borrow money on the credit of the United States, it came to Congress with a specific proposal for a specific bond issue which Congress either approved or voted down.

Starting with the First and then the Second Liberty Bond Acts of 1917. Congress delegated that authority and gave the Treasury a general ceiling on how much they could borrow rather than to aporove each and every bond issue.

The point is that the constitutional power to pay the debts and to borrow money on the credit of the United States is a congressional power and one we should start once again to exercise and to take responsibility for.

From those early beginnings 64 years ago when Congress granted the Treasury the authority to borrow up to $5 billion under the First Liberty Bond Act and then $7.5 billion under the second 1917 Liberty Bond Act, we have now delegated to the Treasury the authority to borrow $935 billion and they are asking today for $50 billion more.

I say that it is time to call a halt to delegation of authority and to force this administration, as we should have forced past administrations, to come to grips now with the Nation's No. 1 problem—namely, runaway, riotous, rampaging inflation.

DIMENSIONS OF THE PROBLEM

To paraphase a popular Reagan statement, "Raising the debt ceiling will not solve the problem." The debt is the problem. Here is why.

The debt is now $935 billion. That is the amount of money the Treasury has borrowed. The average length or maturity of the debt—all the debt—is about 1 year.

Why are interest rates so high? The answer is very clear. Every year the U.S. Treasury has to go into the credit markets and borrow on almost a trillion dollars. That cannot do anything but drive up interest rates, and it is a fundamental, motivating, driving dynamic force in driving up interest rates. And that is why homebuilding is in a depression, automobile sales are down; and farmers are desperate for money for their spring planting point. It is because the Federal Government is borrowing $935 billion a year from the money markets. Now it is proposed that we add another $50 billion to that amount.

That means higher interest rates, rising inflation, fewer housing starts and car sales, and more farmers and small businessmen going broke.

That is why I say the debt is the problem and we had better do something about it now.

OPPONENTS AND THE WORST CASE ARGUMENT

But every time we propose to balance the budget or propose to vote against increasing the debt limit, the opponents rise on the Senate floor and tell us that "Now is not the time. This is not the place," and that if we persist in our efforts the Government will come to a screeching, grinding halt. What a picture they paint. They argue that we will not be able to pay social security benefits. They say that our military force will not be able to function. That is absolute nonsense.

There is no question, as I am going to point out, that that is simply baloney.

Again, today, we will be confronted with the "Chicken Little" or the "sky is falling" school of political argument. The argument is familiar. We have heard it all before.

In April 1979, I proposed that on the first budget resolution we balance the budget for fiscal year 1980, instead of voting for a $29 billion deficit.

The "sky is falling" school argued that it could not be done, Government would come to a halt, and the proposal was defeated overwhelmingly. It got only 23 votes.

Last November 18 I proposed an $18 billion cut to balance the fiscal year 1981 budget. Again it was said that it could not be done, that the government would come to a halt, and that now was not the time and this was not the place.

But the consequences of failing to act last year and the year before have now resulted in a problem which is even worse.

Of course, if we act now to raise the limit to $985 billion it will be worse at the end of 1981 and in 1982.

We are now confronted with a fiscal year 1981 deficit of at least $60 billion and a request to increase the debt ceiling by $50 billion.

The longer we delay the worse the problem will get. Congress should rise to its responsibilities, cut spending, reduce the deficit and public debt, and get the Government out of the bond and credit markets because excessive Government borrowing is crowding out borrowing by or for housing, autos, farmers, and small businessmen.

THE CLEAR CHOICES

We have two choices: The first, to grant an $85 billion ceiling and a $50 billion increase, can only make matters worse. Interest rates will rise as the Federal Government borrows more and more. Housing starts will fall. The deficit will grow, revenues will fall. Prices will go up. Unemployment will rise and the Treasury will be back again to increase the debt ceiling over the trillion dollar mark.

Now, is there an alternative? I think there is.

What would happen if we voted this increase down? Would the sky fall? Would the Government come to a halt? Not on your life. Here is what would happen.

First of all, we are not talking about $50 billion. The Treasury has a cash flow problem, much as the cash flow problem each of us has in our personal checking accounts. When the salary check arrives we are in good shape. After the bills are paid, the checkbook balance is at a low level. This is true of the Treasury and especially so until the big tax receipts arrive on April 15.

What the Treasury faces is a schedule. They do not need $50 billion on February 15. On February 15 they will hit the $935 billion ceiling.

By the end of the month, the debt needs—assuming a unified budget with 1981 revenues of $600 to $605 billion and outlays of $660 to $665 billion—will rise to $943 billion.

What we are talking about, therefore, is an $8 billion cash flow problem by February 28. Not $50 billion, but $8 billion.

According to an informal analysis prepared for me by congressional budget experts, given the assumptions above, the debt deficit schedule looks like this:

[In billions of dollars]

	Ceiling
February 15	$935
February 28	943
March 31	953
April 30	958
May 30	966
June 30	962
July 31	966
August 31	978
September 30	992

Mr. President, some Senators, and it seems almost all the press, believe that we have no alternative, that nothing can be done to keep the Government running if we do not pass this debt extension.

There are things that can be done if the Senate votes "no" on the debt ceiling. Here is what can be done:

The Director of the OMB and the Secretary of the Treasury would have to call in every budget officer and every disbursing office tomorrow morning and tell them that before February 28 they would have to find $8 billion in cuts.

Some programs could be deferred. Some contract payments could be slowed down. Some orders for furniture, cars, and the millions of items the Federal Government buys day to day could be postponed. Some orders could be rescinded.

That would give them time to avoid the immediate cash flow problem. Believe me, if we vote down the debt increase this is what will happen. In fact, it is about time it happened.

The next step would be for President Reagan and Budget Director Stockman to send up to us the items they proposed to be deferred or rescinded under the Budget Reform Act.

Then we would be under pressure. Then it is not a matter of our trying to compromise it out and going to the lobbyists and saying, "How much will you take for me to cut a little bit here and a little bit there?" Then we would know we would have to cut. We would have no alternative. That kind of pressure would get some action out of this body.

If we give them another $50 billion now, Congress will be very slow to act on any proposal to defer or rescind. The interest groups will lobby us. The pressures will come. One reason this debt ceiling increase should be voted down is to help Congress resist the big spending pressures bound to come if we postpone once again coming to grips with the exploding budget by giving the administration another 6 months and another $50 billion.

The third thing Congress can do is to come forward with an additional reconciliation bill under the provisions of the Budget Reform Act. That is the way we can now start to control the uncontrollables and to amend, rescind, and repeal those parts of our permanent laws which have gotten us into this mess and which give us the excuse that spending is uncontrollable. This is one way we can act quickly to reduce some of the "entitlements" which have put the budget out of control.

Those are the steps I propose. This is the scenario which could bring action on this bloated budget and runaway inflation.

The steps are simple. To repeat:

First, OMB and the Treasury attack the short-term cash flow problem by slowing down payments, postponing purchases, and delaying immediate spending.

Second, the President and OMB send us enough deferral and rescission proposals under the Budget Reform Act to avoid the $50 billion increase. The total would not be $50 billion because interest rates would fall, reducing outlays on the debt and the slowdown in the schedule would produce a better cash flow. This is the way to put our feet to the fire and make certain that either the President's proposals or our alternatives get acted upon.

Third, we start to work now on another reconciliation bill to repeal, amend, and rescind some of those laws now on the books which are the cause of our problem and have put the budget out of control.

COUNTRY WOULD WELCOME ACTION

This is the action the people voted for last November. By getting the Government out of the bond markets to the tune of $50 billion additional funds, interest rates would come down. Funds would be available for housing, autos, farmers, and small businesses.

The economic effect would be stimulative. The psychological effect, I believe, would be dramatic.

Most economists, no matter how hung up they are on numbers, will agree that inflation is largely a psychological matter. It is a matter of persuading labor and business, and others, that the Government has a grip on inflation, that it is going to act. This kind of dramatic action would certainly provide precisely the kind of psychological believability to make it work.

Instead of the "sky falling" and the Government coming to a halt, we would make a creditable start to solving both our budget and inflationary problem.

Because I so strongly believe that if we do not take this action now we may never be able to take it at all, I will vote against raising the debt ceiling in order to force the hand of both Congress and the administration.

What I am proposing is a good faith, real alternative to raising the debt ceiling. It is the answer to the arguments of those who have thrown up their hands and said we must pass the debt ceiling increase or disaster will follow.

Disaster—painful, grinding, certain—will follow if we do raise the ceiling. It will take the form of higher interest rates, more inflation, bigger spending, and bigger deficits.

Mr. President, earlier today I received a message from another Senator who gave me a copy of a column that was in the Washington Star last night by two of the ablest, most distinguished reporters in the business—Jack W. Germond and Jules Witcover. These are extraordinarily intelligent and able men and they have done a fine job throughout the years. But they have been suckered by falling into the same trap that most of the press, most of the Congress, and too many of the people have fallen into. That, of course, is the trap that if we do not extend the debt limit, the Government will come to a halt.

These fine reporters are victims of the myth.

Let me quote a portion of the column printed in the Star and circulated to all Democratic Senators, the column written by Mr. Germond and Mr. Witcover.

If the ceiling were not raised, the government would quickly be in the position of being unable to pay its employees or to write the monthly Social Security checks. In other words, barring action to reduce spending or

increase taxes, there simply isn't any choice in the matter. And because those options are not immediately available, there isn't any serious doubt that the higher limit finally will be approved by Congress.

Mr. President, I ask unanimous consent that the entire article of Mr. Germond and Mr. Witcover be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUDGET CEILING "WORM" TURNS ON REPUBLICANS

(By Jack W. Germond and Jules Witcover)

The new secretary of the Treasury, Donald T. Regan, called on the new Senate minority leader, Robert C. Byrd, the other day. The Reagan administration is seeking to increase the ceiling on the federal debt by $50 billion, and Reagan was appealing for Democratic votes.

Those votes might well be there, Byrd made it clear, but only after the new Republican majority in the Senate provided a substantial majority of its own votes. If there proved to be, say, only 36 Republican votes—meaning less than half the 53 seats they now hold—there could be no assurance at all that the measure would pass. The time has come, he suggested, for the Republicans to bite the bullet.

What Byrd recalled very vividly was that the last time there was a roll-call vote on an increase in the debt ceiling, eight months ago, only eight Republican senators voted for it. That was—and this is—the kind of thing Bob Byrd doesn't forget: the eight votes represented only one fifth of those Republicans who were there to vote that day.

Moreover, after that vote, during the campaign last fall, the Democrats who had supported the increase found themselves being attacked by their Republican opponents as "big spenders" who made a career out of raising the debt limit. That is also the kind of thing Bob Byrd does not overlook.

The fact is that this has been the pattern in Congress for many years—Democrats supporting the increases while Republicans made hay out of refusing to do so. But one of the new realities of life for the Republicans, now that they have captured the White House and Senate and increased their ranks so substantially in the House, is that they are obliged to take the responsibility for some of the things they could avoid as a powerless minority.

The increase in the debt ceiling, which would rise to $985 billion under the new proposed limit, is one of the staples of political life in Washington. The amount required each year is determined, of course, by the flow of revenues, which have been reduced at the moment by the state of the economy, and by the demands on continuing federal programs, which have been increased by inflation.

If the ceiling were not raised, the government would quickly be in the position of being unable to pay its employees or to write the monthly Social Security checks. In other words, barring action to reduce spending or increase taxes, there simply isn't any choice in the matter. And because those options are not immediately available, there isn't any serious doubt that the higher limit finally will be approved by Congress.

But that hasn't stopped the Republicans from making political capital out of the debt ceiling votes in the past. On the contrary, they have piously voted against the increases, then gone to their constituents in the even-numbered years and used those votes as evidence of their commitment to fiscal prudence. Rep. Robert Michel, the new Republican minority leader in the House, reported the other day that only 60 of the 192 Republicans in the House have ever voted for the debt limit.

It is not surprising, then, that the Democrats are enjoying the dilemma of the new folks in charge.

Nor are the Democrats overlooking the irony in the situation of the new president. After years of wringing his hands in public about the runaway federal debt, Ronald Reagan found himself obliged to open his first press conference as president last week by announcing the proposed $50 billion increase. Moreover, barring some herculean efforts of cut spending, coupled with an improvement in federal revenues, there is reason to suspect that this president may be the one to have the honor, perhaps later this year, of asking for still another increase that would put the debt ceiling over $1 trillion. That is the kind of "first" no White House is likely to enjoy.

In his press conference statement, Reagan said the administration "took this action with great regret because it's clear that the massive deficits our government runs is one of the root causes of our profound economic problems."

"And," he added, "for too many years this process has come too easily for us."

What he didn't say, of course, is that it has come particularly easy for the Republicans, who could cast those negative votes without worrying about the responsibility for the next month's Social Security checks.

But now there are no more free rides. The worm has turned, just as it always does in politics.

Mr. PROXMIRE. Mr. President, if writers as astute and knowledgeable as these two gentlemen believe that, and I am sure they believe it sincerely, one may forgive the public and our colleagues for believing it, too. Frankly, I do not believe the public does believe it. They are ahead of us. They have had too much experience. They know that they have to balance their budget, whether a family budget or a small business budget. They know they have to do it, and they know they can do it, and they do it. They know we can do it if we have the will.

Mr. President, I know if we do not act on this, we will have to take serious action in other directions, including serious consideration of a constitutional amendment mandating a balanced budget unless two-thirds of the Senate vote to override it. Of course, that would be extraordinarily difficult to construct.

It would put fiscal policy into a straitjacket, which many would feel would be unfortunate.

Another alternative is an item veto for the President. That is something Governors have in many cases. It might be wise and constructive, but it would take a great deal of power out of our hands. Another would be to give the President the impoundment power the President had before Watergate. Again, that would mean a surrender on the part of Congress of much of the authority we have.

Mr. President, I feel very strongly that we have an option here that is a better option. That is to say "no" to raising the debt limit. In doing that, we would mandate the kind of decisive action now, when we are in a position, the best position, to act to balance the budget, to move toward fiscal responsibility and to get inflation under control.

Mr. President, I yield the floor.

Mr. HAYAKAWA. Mr. President, I wish to say a few words in support of the amendment offered by my distinguished colleague from Iowa (Mr. JEPSEN) to the bill on the debt ceiling.

Mr. President, I must certainly agree with the point that the Senator from Iowa raises with respect to the Soviet grain embargo. Why should we single out one sector of our society; namely, the grain farmers, to carry the burden of the embargo to the Soviet Union?

If we, the United States of America, are going to institute an embargo, it should certainly apply to all of our exports to that nation, and not simply agricultural goods. We have singled out the farmers of America to carry a burden so that we can send a political message to the Soviet Union.

But the message is an imperfect one, and I am not at all sure the Soviets are getting it. I must raise the question, if we are to prohibit American goods from being traded with the Soviet Union, does this not hurt our country just as much as it hurts them? Such an action hurts our balance of trade, it floods the American market with an oversupply of agricultural products, thus depressing prices, and we suffer economic losses just as much as the nation embargoed. In addition, I do not think that an embargo does much for our country because it raises the question: Are we a reliable trading partner, or are we not?

The full implications of the amendment of my distinguished colleague from Iowa are not discernible at this moment. If we are going to embargo trade with the Soviet Union, it involves embargoing an enormous range of goods from foodstuffs not embargoed to textiles to machinery to books to I do not know what else. The better solution would be, therefore, not to enlarge the embargo but to lift it now so that we no longer have this embargo of a specific kind of goods to the Soviet Union. In this way, Mr. President, we should at least have a consistent trade policy.

I thank the Chair.

Mr. JEPSEN. Mr. President, I ask unanimous consent to add as a cosponsor to this amendment, the distinguished Senator from Arkansas (Mr. PRYOR).

The PRESIDING OFFICER. Without objection, it is ordered.

Mr. JEPSEN. Mr. President, the Senator from Iowa would like to ask the Senator from Kansas if we might carry this amendment over until tomorrow. I have been advised that there are a number of Senators who wish to speak on this and to enter their names as cosponsors who, because of the shortness of notice and because of meetings that they are now in, cannot make it within the next couple of hours. They suggest that we lay this over and take it up when we first meet tomorrow.

Is that agreeable?

Mr. DOLE. Mr. President, the Senator from Kansas says to the Senator from Iowa that I know there is a great deal of interest in this. Our office has been flooded with calls from Members who wish to come and speak on the amendment. I think it would be a good idea to carry it over until tomorrow. We have notified the majority leader that, as far

as we are concerned, that should be the pending business in the morning. That is the wish of the Senator from Iowa, as I understand it.

Mr. JEPSEN. That is correct.

Mr. DOLE. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendment by Mr. JEPSEN be laid aside temporarily and that I may offer an amendment.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I reserve only for the purpose of providing an opportunity to state that the minority leader and I have conferred on this matter and, indeed, we support the request that the minority leader has just made.

The net effect of the action about to be taken will be to make the Byrd amendment pending tonight and provide, as I understand it, that after we dispose of the Jepsen amendment on tomorrow, the amendment to be offered by the Senator from West Virginia, the minority leader, will be the pending business.

I inquire: Is that the intention of the request of the minority leader?

Mr. ROBERT C. BYRD. The request itself would not automatically bring about that result. If that were the result, I would be agreeable to it. My request is that I merely be permitted to offer the amendment tonight and that tomorrow morning the Senate continue with the consideration of the amendment by Mr. JEPSEN, after which the amendment I offer would automatically be the pending amendment.

Mr. BAKER. Is that the request now of the minority leader?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UP AMENDMENT NO. 4

(Purpose: To decrease the level of the temporary debt limit from $585,000,000,000 to $558,000,000,000)

Mr. ROBERT C. BYRD. Mr. President, I offer this amendment on behalf of myself and Messrs. BRADLEY, CHILES, BUMPERS, HART, LEVIN, MATSUNAGA, INOUYE, BAUCUS, GLENN, and BOREN.

I ask unanimous consent that any other Senators who may wish to add their names to this amendment may have until 7 p.m. today to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for himself and others, proposes an unprinted amendment numbered 4:

On page 1, line 7, strike out "$585,000,000,000", and insert in lieu thereof the following: "$558,000,000,000".

Mr. ROBERT C. BYRD. Mr. President, for the record, the amendment which I offer today is very simple. It would reduce the level, to which the public debt could increase, from the $985 billion which President Reagan has requested and the Finance Committee has reported, to $958 billion.

The level to which the debt limit needs to periodically be increased is intimately tied to the spending and revenue policies established by the Congress and the administration.

The $985 billion figure requested by President Reagan is based on the spending and revenue policies of the Carter budget. Under those assumptions, the $985 billion figure would be adequate to insure that the Government could pay its bills through September 30, 1981.

It is difficult for me to understand why President Reagan would make a request to increase the debt limit based on President Carter's budget. Why is this request not predicated on President Reagan's spending and revenue assumptions?

If it were, his request could have been significantly lower. In his September speech of last year, he indicated that waste and fraud in fiscal year 1981 could be reduced by $13 to $18 billion. Moreover, as one of his first acts as President, Mr. Reagan decontrolled the price of oil and oil products. Decontrol will result in a significant increase in revenue which has not been factored into the President's request.

Those of us who support the amendment wish to see the President's spending and revenue assumptions in detail before we approve a $50 billion increase in the debt limit. For that reason the amendment that has been offered would provide for a level of public debt which will carry the Government well into March or perhaps even into April. By that point in time the Congress will have had a chance to study the President's budget assumptions which will be forthcoming on February 18. By that point in time we will have received the recommendations of various committees on the appropriate levels of spending programs and revenues within their jurisdictions.

The $23 billion increase in the debt limit which we are proposing in this amendment will give the President the opportunity to come back to Congress with a debt limit increase request which is based on his budgetary assumptions of February 18.

The debt ceiling provided in the amendment will give all Senators an opportunity to see what the President's spending and revenue assumptions are in detail before we approach a further increase in the debt limit.

Mr. DOLE. Mr. President, I think we can discuss this tomorrow, but I am just looking at the committee report. According to the best estimates this amendment would only permit us to get through the end of February. We do not really gain a great deal because the Treasury estimates this amendment would only permit us to get through the end of February. We do not really gain a great deal because in the estimates of the Treasury it is estimated the debt subject to limit with a $3 billion margin for contingency would be $955 billion. The amendment would take us down to $958 billion.

So we are talking about in the present circumstances running out of money the 17th, 18th, or 19th of February.

This amendment would extend that in February probably about 2 weeks, and there is no way that we are going to have the opportunity in that short time to analyze the President's economic package and the tax package spending cuts and do anything about it in Congress.

So I just suggest that we are talking about early February. The Treasury estimates that the debt will be $969 billion if we allow for contingencies of $3 billion by March 31. So we are talking about $958 billion, unless there is a mistake in the estimates. We really should not adopt this amendment. I do not think the Senate will adopt this amendment. It is a very short leash.

I again remind my colleagues on the Democratic side that they were suggesting along with many Republicans last year in the lameduck session increasing the debt limit far in excess of that now proposed by the distinguished minority leader.

The Senator from Kansas has indicated earlier that certainly everyone has a right to play games with the debt ceiling. Maybe it is the Democrats' turn this year. But I hope that we could defeat the amendment after some debate.

Mr. BAKER and Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, if the Senator from Illinois will withhold for a moment, if I understood the distinguished minority leader earlier he does not wish to speak further on the amendment this evening. I do not believe there are other requests to speak on this amendment at this time.

Mr. PERCY. Mr. President, I have an inquiry of the majority leader. Has a time certain been set for a vote tomorrow on the debt limit?

Mr. BAKER. Mr. President, I must say with regret to the distinguished Senator from Illinois that a time has not been set for a vote tomorrow. We have the statement by the distinguished minority leader that he expected we would finish the bill on tomorrow and my expressed hope that we could do it early tomorrow. But we have not yet arrived at a time certain to vote.

Mr. PERCY. Mr. President, I respectfully bring to the attention of our majority leader and the minority leader that one time that would be difficult tomorrow would be at the time of Mrs. Robert McNamara's funeral. A number of us wish to be there. That funeral time is set for 2 p.m. at the National Cathedral, and I hope that we will not have a vote between, let us say, 1:45 p.m. and 3:30 p.m. We could get back in time then. But I think so many of us have been associated with Bob McNamara for so many years that if we could possibly attend that fu-

neral service it would mean a great deal to us.

Mr. BAKER. Mr. President, I say to my friend from Illinois that we will make every effort to accommodate the wishes of those Senators who will attend those services. Tomorrow, of course, will be a difficult day because we must dispose of this issue and in my judgment before the day is out.

Mr. PERCY. I realize that, and I have every desire to cooperate.

Mr. BAKER. It is a day in which we are scheduled to recess over until the 16th of February for the Lincoln Day recess, but I can assure my friend we will do the very best we can.

Mr. PERCY. What time are we coming in, in the morning?

Mr. BAKER. At 9 o'clock.

Mr. PERCY. At 9 o'clock.

I would just hope that might be possible, but the Senator from Illinois understands the work of the Senate must go on.

Mr. BAKER. I thank the Senator.

Mr. PERCY. Mr. President, it is with the greatest reluctance, but a strong feeling of necessity that I intend to vote in favor of this legislation that we have been discussing today and hopefully will vote on early tomorrow. The bill before us raises the public debt limit from the present $935.1 billion to $985 billion, in line with previous obligations of the Federal Government. President Reagan recently sent his Treasury Secretary, Donald Regan, to Capitol Hill to urge passage of this legislation. In his statement, the Treasury Secretary said:

> Today I must ask your help in dealing with one of the most disheartening things that I have faced since my coming to office 12 days ago. Unfortunately, it is also one of the most necessary things if the President and this Congress are to honor the full faith and credit of the Government.

It is very appealing to stand here today and say I will vote against this measure, but it is fiscally reckless to do so. The debt ceiling we are voting today is simply an acknowledgment of previous Federal commitments. If we did not extend this limit today, then by mid-February, the Government would not be able to send out social security and payroll checks, could not honor defense contracts and would default on its securities. As the Treasury Secretary said, "if we can't borrow, we can't pay our bills."

So it is incumbent on us today to pass this bill and get on with the work that will slow government spending and eliminate the deficits that provoke these debt ceiling increases.

That effort to put the Federal fiscal house in order is just now beginning. President Reagan and this Congress have an extraordinary mandate to reduce spending and invigorate the economy. The President is speaking on national television tonight to outline some of his plans. Moreover, in just 2 weeks he will submit to Congress his revised budget for fiscal 1982. We can expect recommended budget cuts of over $10 billion for the present fiscal year and over $40 billion for fiscal year 1982. I strongly support this effort to restrain spending. It is the right medicine for inflation and is the right prescription for re-establishing fiscal responsibility. If we are successful in this regard, we will not need the full $50 billion that H.R. 1553 permits.

I point out, also, as our distinguished majority leader did yesterday at the Republican caucus, that this is a different situation for many of those Senators who have consistently voted against the debt limit.

We do now have a President who has a mandate from the country to cut expenditures. We have an absolute pledge by him that he will do so. We have a man who is the Director of OMB whose passion seems to be to bring this budget into balance. No one can question their intention to do that.

Heretofore, we were always worried as to whether they really intended to do it. Now there is a determined intention, in fact the only cries we heard are that the cuts are too deep. That is what many of the Members of this body are worried about.

So if they are worried about the cuts going too deep they certainly do not have to worry about the will to bring the budget into balance. Let us work within the budget process that this Congress overwhelmingly set up over 5 years ago, that has worked, with all of its faults, reasonably well. That is the discipline we should live within, and we should not now, at this particular time, make a mockery of the whole system by not permitting us to honor the obligations that the President of the United States and this Congress have authorized and appropriated.

All we would be doing is renouncing what we have already done ourselves, and we would be held up as a mockery, and everyone knows that eventually we would do it and, as the saying goes, eventually, why not now?

Let us do it. If we cannot do it tonight, let us do it tomorrow and get it behind us.

We will be also able to begin to reduce the public debt through a program of tax relief. A combination of business-related tax cuts to spur investment and productivity will move the economy off dead center. As the economic climate improves and jobs are created, Federal revenues will rise, thereby also cutting the Federal deficit. This will not happen overnight, but under President Reagan's plan, we should be able to reach a balanced budget by 1983. We will be pressing hard for tax reductions this year. They are as important to the long-range fiscal position of the Federal Government as are the spending cuts.

In closing, Mr. President, I would like to draw attention to the excellent remarks the Treasury Secretary made before the Senate Finance Committee just yesterday. He recommended that Congress change the way in which we set debt limits so that it becomes part of the overall budget process. I endorse this concept as a sensible step forward.

When I first came to Washington, there was no systematic method of congressional budgeting. Each spending bill was viewed separately, with no attention to the overall spending pattern. The budget process, which Senators Ervin, Muskie and I drew up in the then-Government Operations Committee has given us a workable approach to the budget. The system is by no means perfect, but it is a great improvement over the past procedures. The debt ceiling is a remnant of the old system, when the Federal fiscal picture was viewed piece-by-piece. It should be brought into the budget process as spending and revenues were 5 years ago.

Mr. MATHIAS. Mr. President, I listened with great interest to the distinguished Senator from Illinois, who just commented on the pending legislation, and I feel very much as he does that the answer of the problem of debt limitation lies in the reduction of expenditures and not in the denial of the increase in the debt limit.

I differ with him in saying that I am not reluctant to vote for the debt increase. The Nation looked over the menu, ordered the meal, enjoyed the meal, perhaps had a little indigestion as a result of it, perhaps it did not taste as good as we hoped it would, but we have eaten the meal and the bill is now due.

What we are in effect voting for is simply to pay the bill that is now due for the meal that has been consumed. There is not any other honest way to look at it. It is simply a matter of paying the Nation's bills, and I think we ought to do that cheerfully. But under the leadership of the majority leader of the Senate we are tightening our belts so that the important step to reduce expenditures will be taken right here in the Senate.

We are taking the first steps in leading the Nation in reducing the expenditures in the U.S. Senate by 10 percent. This will not balance the national budget, this will not solve our economic problems, but it is an important and symbolic step in that direction, and I hope every Member of the Senate will support the majority leader because that is the kind of action we have taken here in the Senate, and if that is the action taken throughout the Government that will make it unnecessary for us to go from generation to generation increasing the national debt.

So where we ought to be reluctant is in our spending. I do not think it is necessary to be reluctant about arranging to pay the honest bills that we have already incurred.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I wish to express my special thanks to the distinguished Senator from Maryland, the chairman of the Rules Committee, not only for his service in that role and as the Senator from Maryland, but also because of his diligence in trying to carry out the wishes of the leadership in the Republican caucus to set a good example to the rest of the Government by reducing the expenditures in the Senate.

It is not easy, it is not going to be easy in the future, and the Senator from Maryland is going to be the point man in that conflict as chairman of the

Rules Committee, and there will be days when that will be a difficult job, even an unpleasant job, and some of our good friends and colleagues may grow testy over the requirements that will be laid on them to accomplish that purpose. But I can think of no more responsible and effective leader in that fight than the Senator from Maryland, and I wish to express to him my appreciation for undertaking it.

ADDITIONAL COSPONSOR TO UP AMENDMENT NO. 3 TO H.R. 1553

Mr. BAKER. Mr. President, I ask unanimous consent that the Senator from Idaho (Mr. SYMMS) be added as a cosponsor to the Jepsen amendment, UP No. 3 to H.R. 1553.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 35 minutes in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROSTROPOVICH CELEBRATES SILVER MUSICAL ANNIVERSARY IN AMERICA

Mr. PERCY. Mr. President, of all the many political refugees to whom this country has given asylum, none has returned more joy to the people of America than Mstislav Rostropovich. As musical director of the National Symphony for the past 4 years, he has enriched our lives with his brilliant musical gifts both as conductor and cellist.

Beyond his musical talents, Mr. Rostropovich has been an advocate of human rights. In his native U.S.S.R., he refused to be muzzled in his advocacy of individual rights and was eventually stripped of his citizenship because of this.

Recently, Mr. Rostropovich began celebrating the 25th anniversary of his American debut by conducting and playing in the first of four performances at Carnegie Hall. It is his way of showing appreciation to America.

I would like to bring to the attention of my colleagues a January 18 New York Times article which illuminates Rostropovich as one of the world's most gifted artists as well as a man concerned with those suffering under repression.

Mr. President, I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article ordered to be printed in the RECORD, as follows:

ROSTROPOVICH—"I FEEL LIKE A NATIVE"

(By John Rockwell)

Given his recent emigration to the West, it might seem surprising that it has been 25 years since the Russian cello virtuoso Mstislav Rostropovich made his American debut at Carnegie Hall. The fourth of his four anniversary concerts there this year, on April 4, will fall on the exact day of his debut, in 1956. The series—with the same programs also being presented in Washington—begins in New York this Friday, when Mr. Rostropovich will appear at Carnegie both as soloist and conductor of the National Symphony, of which he has been music director for the past four years. The following Friday he returns to conduct the New York premiere of Penderecki's Te Deum and the Beethoven Violin Concerto, with Yehudi Menuhin. And on Feb. 8 he will lead the Choral Arts Society of Washington in Rachmaninoff's rarely heard Vespers.

All these concerts serve to remind us that although the drama of his flight from his native land is still recent, he has in fact, at 53 years of age, been before the American public for a good, long time. And that he should choose to observe his United States debut in such a festive fashion—instead of some other, earlier landmark from his career in Russia—indicates how important he considers his ties to the West.

The warm response received from the American press and public in 1956 did much to confirm his status in the eyes of the Soviet authorities. But that official favoritism rapidly evaporated when he began, in the late 60's, to speak out against the repressions of the Soviet regime. And he became a pariah when he allowed Aleksandr I. Solzhenitsyn, the Russian expatriate who now lives in Vermont, to reside for several years in his dacha outside Moscow. Gradually, Mr. Rostropovich's performing opportunities and those of his wife, the soprano Galina Vishnevskaya, were stripped away. Yet his successes in the West encouraged him, by then timorously, to venture abroad again, without engagements or any sort of official encouragement. The response here and in Europe to both his cello playing—he is still regarded as the pre-eminent cellist of his generation—and his conducting was so fervent after 1974 that his permanent residence here seemed a *fait accompli*, especially after the Soviets revoked his citizenship and that of his wife in 1978.

Thus Mr. Rostropovich, speaking the other day in his suite in the Watergate Hotel, has his heartfelt reasons for observing this anniversary above all others. (To be strictly accurate about it, it is not the very first anniversary he has observed publicly, however. Last May 15, he marked the silver anniversary of his marriage to Miss Vishnevskaya with a Paris concert that included himself and his wife plus their two daughters and their sons-in-law, all four of whom are musicians.)

"Now the time has come for me to think about my past," said Mr. Rostropovich energetically, speaking sometimes on his own and sometimes through an interpreter. "Shostakovich always celebrated the first performance of his First Symphony. He got a crowd of his friends together in a restaurant or a house, and we did much, much drinking.

"Before 1955, not one Russian artist had been in the United States. We toured in other countries, but the United States was a big enigma. Finally in the 1955–56 season, came the first three: Gilels and Oistrakh and then me in the beginning of 1956.

"I was nervous, incredibly nervous. In our country, it is very important, what the critics say. It is very important in the West also, but in our country, each newspaper was official. If critics say, you're bad, you must know everybody knows you're bad; there's no question. If you're really bad, but the newspapers say you're good, all people know officially that you're good!

"The night after my debut in Carnegie Hall, I didn't sleep all night. The first review was Howard Taubman in the New York Times. He was very polite and very nice. When the review was translated for me, it was like a load off my shoulders. The Ministerium of Culture was very content that they hadn't made a large mistake in sending me. So that American tour was truly the most important step of my life."

Today, Mr. Rostropovich spends more time in this country than any others, and says he "feels like a native here." But his actual residences are in Paris and Switzerland, and he leads the life of the modern-day, jet-setting international virtuoso. Yet he doesn't feel entirely comfortable as a Frenchman or a citizen of Switzerland or an internationalist, either. His attachment to his native country remains profound, as the automatic reference above to "our country" suggests.

"I think maybe I feel even more Russian now," he said. "Now, I have all Russia within me. I don't have all Russia outside. If you have it outside, then maybe you don't have as strong a feeling inside.

"When I left Russia, I was already 47 years old. So I need some Russian atmosphere. In my apartments in Paris and Switzerland, I keep many Russian things—Russian paintings, Russian porcelain. Inside, I'm very, very, very Russian.

"But there is another feeling, not less than this, which is that the whole earth is so small, like a home, a house. Therefore I can feel Russian but at the very same moment, international."

Mr. Rostropovich's journeys about the world are at least as much as a cellist as they are as a conductor. That is partly because he remains the supreme master of the instrument, despite his longtime restiveness with the limitations of its repertory. "I have already played practically everything for the cello," he says. But it is also because, for one reason or another, he does not do an extensive amount of guest conducting.

He explains this in part by saying that his preferred method of work is long-term, intensive involvement with an orchestra, as he has time to do in Washington. "We work here very seriously," he says. "I have my idea about orchestral sound, and I must have time to realize that. That's why I only guest conduct a few orchestras in Europe."

And despite his career at the Bolshoi and his well-received recordings of some Russian operas, Mr. Rostropovich's opera engagements are limited, too. "I think opera is very, very, very difficult," he says. "Now, people have much interest in stage directors, but I think the music is most important. Sometimes a conductor doesn't get enough rehearsal because the stage director is busy experimenting with the opera. I have now agreed to make 'Eugene Onegin' with the Paris Opera in 1982. But mostly, it satisfies me to make records of opera—or concert performances."

Another possible explanation for Mr. Rostropovich's limited guest conducting, however, is that he has not always proved himself comfortable with the technical demands of conducting, or with repertory outside his Russian specialties. An absolutely secure technique is a necessity for a guest conductor, who must shape an orchestra to his style within a limited amount of rehearsal time. Mr. Rostropovich is willing to concede that occasionally his hot-blooded temperament and the technical skills of conducting are not always exactly in tune.

"Conducting gives me much excitement," he says. "It's like boiling water. After a few performances, the boiling becomes a little cooler, and my contact with the orchestra becomes more objective. My best performances are exactly in between. If I become too cool, then it's not exciting. If sometimes I am too boiled, then maybe the orchestra doesn't take from me my temperature."

For all the travails of his gradual ostracism by the Soviets and his current exile, Mr. Rostropovich remains a life-affirming man, optimistic that he will one day return to Russia—on his terms.

"Yes, I will go back someday to Russia," he says. "But I will never apologize before anybody, ever. I am not guilty of anything.

I consider those guilty who took my citizenship. And I would go to Moscow only if there were at least an element of freedom for the people.

"Today, nobody in Russia believes in the Soviet system. I don't think even Breshnev believes in it; he knows its failure better than anyone else. It keeps going only through inertia. But the last 60 years have radically changed the Russian character. The people have become very apathetic."

In recent years, there has been such a flight of Russian intellectuals that the situation recalls the late 1930's, when the truest voices of German culture all seemed to live abroad. But unlike the German emigration, which was focused in the United States and in Los Angeles, especially, the Russian emigrants are spread all over the world.

"There is no organization among Russian intellectuals and artists in the West," Mr. Rostropovich says. "The people who have been dropped in this ocean of life are so busy trying to arrange their personal lives, that there is very little chance to organize a cohesive group.

"But there hasn't been a city in the world where I have not met at least one fellow Russian. And when we were all still in Russia, our activities were less there than they are now. Even when there was a high level of intellectual life there, we were powerless to act on the government. Who were the best composers in Russia? Shostakovich and Prokofiev. But Shostakovich and Prokofiev not only didn't have the power to head anything, to control things—they were being destroyed by the government.

"People with a lot of power often don't understand. They think they are able to direct everything in their own way. But they can't stop the blossoming of thought. There will always be composers who try. They may not be played anywhere, but they will still compose.

"When I decided to leave Russia, I couldn't bring myself to tell Shostakovich. I just went with my wife to his house, and I gave him a copy of my letter to Mr. Brezhnev. He read it, and immediately started crying. He said, 'In whose hands are you leaving me to die?'

"I told him, 'I am going because I want to record your work.' That is my mission in the West. I have come here mostly to work for Russian music. And I am proud a little of that."

LAVERN DUFFY: ONE OF THE SENATE'S MOST DEDICATED EMPLOYEES

Mr. PERCY. Mr. President, I think it is fair to say that last November 5, the day after the election, most of us were more than a little surprised by the sweeping results. For the first time in 26 years, control of the Senate was about to change hands. Very few of us were present in this Chamber when that last occurred.

LaVern Duffy is one of the most distinguished of those professionals who were here the last time a new majority party emerged. For almost 28 years, he has served as a trusted counsel on the Permanent Subcommittee on Investigations. In the 96th Congress, he held the title of general counsel, having also served as acting chief counsel from March to May 1979.

LaVern graduated from Marquette University, and served with the U.S. Marines in World War II during which he suffered serious wounds at Iwo Jima. He joined the subcommittee staff in 1953, and worked closely with the young minority counsel, Robert F. Kennedy. When the Democrats regained control of the Senate after the election of 1954, Bobby Kennedy became the chief counsel of the subcommittee. He conducted a thorough housecleaning of what was left of the McCarthy committee staff. Only two staff persons were asked to remain: one was LaVern Duffy.

Over the next several years, LaVern worked on some of the most significant—and most dangerous—investigations into labor racketeering that the subcommittee has even conducted. He was then—as he has been ever since—a tough, intelligent, and dedicated investigator, not swayed in the least by political considerations, and only interested in presenting the truth to the public. Bobby Kennedy, in his book, "The Enemy Within," had this to say about him:

> LaVern Duffy, not only one of our younger staff members, but one of our three or four best, had been in the Marines, and was badly wounded in the fighting in the Pacific. He was in charge of investigating the dynamittings and violence in Scranton, Pennsylvania.
>
> It was in the early days of the Committee. Several times Duffy answered the telephone and the voice on the other end warned: "You'd better leave Scranton, mister, or we're going to kill you."
>
> Joe Maher subpoenaed Roland McMasters; Jim McShane subpoenaed the witness for our juke-box hearing; LaVern Duffy did not leave Sranton.

LaVern is perhaps best known for his work in preparing Joseph Valachi for his appearance before the subcommittee in 1963. Until the public testimony of Joe Valachi, a longstanding member of organized crime, many, including Federal law enforcement officials, played down the power and influence of organized crime in society. Some even doubted its existence. Then, Valachi dramatically changed the public perception of organized crime. His awesome, and graphic, testimony of its tight-knit structure, initiation procedures, rules and customs, code of silence, and life of violence convinced the Nation once and for all that organized crime was very real, and very dangerous.

People may not realize the months and months of preparation necessary before someone like Joe Valachi gives public testimony. Every name, date, and place must be checked out and corroborated with local and Federal authorities. Endless interviews must be conducted with the witness so that the thousand stories of a nearly illiterate professional criminal can be presented as a coherent whole that the Congress and the public can understand. LaVern Duffy was the person primarily responsible for that investigation and for the testimony of Joe Valachi. The hard work and personal sacrifice involved were, to LaVern, simply part of the job.

During the past few years, LaVern has been instrumental in several subcommittee investigations focusing on the commitment of the Labor Department to join in the fight against organized crime and labor-management racketeering. As those investigations have shown, the strong commitment of the Labor Department has been lacking. Some changes for the better have been made, including a threefold increase in the personnel assigned to work with the organized crime strike forces of the Justice Department. But, I hope that with the incoming administration we will see a stronger stand in this area.

In these matters, as in all others, it has been a pleasure and, indeed, a privilege to work with LaVern. He takes an uncompromising approach when it comes to integrity, professionalism, fairness, and thoroughness. These qualities have earned him the highest respect of every majority and minority Senator and staff member. We never hesitated to look to him for advice and counsel.

I could go on and on listing the criminal convictions obtained as a result of LaVern's investigations of labor racketeering, and waste and mismanagement in Government, or noting the changes in the law that ultimately flowed from his work. But I want to conclude my remarks by congratulating him on his cautious, as well as effective, use of congressional authority. The Congress has immense investigatory powers to expose wrongdoing in order to correct the situation through oversight and/or legislation. LaVern has always vigorously pursued his duty and responsibility to root out fraud and waste, and expose misconduct. And to be sure, he has always conducted the meticulous and painstaking investigation and corroboration necessary to avoid needlessly harming a person's reputation by allowing a witness to make public accusations that cannot be backed up. He has done his best to insure that the Permanent Subcommittee on Investigations uses its powers wisely. For that, I thank him.

In his 28 years on the subcommittee, LaVern Duffy has never sought out public recognition for his fine work. A successful investigation has been enough of a reward for him. Indeed, he may even be embarrassed and uncomfortable by my turning the spotlight on him this one time. I just want him to know that my staff and I have enjoyed working with him all my years on the subcommittee, and I look forward to working with him in the 97th Congress.

A COURAGEOUS LEADER

Mr. PERCY. Mr. President, President Gaafar al-Nimeiry of Sudan is the leader of the largest country in all of Africa, one that features enormous variations in topography, climate, language, and culture. It is bordered by eight countries whose governments vary widely—from democratic Kenya to radical Libya. It has been courageously supportive of U.S. peace efforts in the Middle East.

In circumstances which might compel some leaders to tighten their political control, President Nimeiry has done just the opposite and sponsored a policy of political decentralization. In a New York Times article, Gregory Jaynes describes Nimeiry as "a President who has gone after reconciliation and unity with extraordinary zeal."

In 1972 Nimeiry brought about an end

to a 17-year civil war between the people of the northern and southern regions. The southern region was granted a high degree of autonomy. There has been no resumption of civil war since then. "Dissolving local political dissension has been a major goal for Mr. Nimeiry," the article states. His plan is to establish a number of semiautonomous regions in other parts of the country.

Mr. President, Gregory Jaynes' article of December 28 should be of interest to all my colleagues and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUDAN'S NIMEIRY GAMBLES IN LOOSENING REINS OF POWER

(By Gregory Jaynes)

KHARTOUM, SUDAN.—Earlier this year, just after the American attempt to rescue the hostages in Teheran had failed, there was a state dinner in Khartoum, one of those stiff affairs at which ministers customarily speak grandly of national achievements to come and the diplomatic corps expresses every confidence that the ministers' will will be done. However, the events in Iran soon consumed the conversation, and the ballroom was still stuck on that subject when a deputy minister under President Gaafar al-Nimeiry, rose at the dais.

He expressed his deepest sympathy to his American listeners. Then he said wistfully, "I remember when we tried to kill his Excellency in 1976." He told of the meticulous planning that went into the attempt to assassinate President Nimeiry and how it had been foiled when a tailwind set the President's plane down at Khartoum airport 30 minutes early.

The President was not present, but many of his staunchest supporters were—and none blanched. To anyone who follows African affairs, the first astonishing thing about this anecdote is that a man who plotted to kill the President has a seat in the President's Government; the second is the candor of the remark. Coup-conscious heads of state are not known for their ability to forgive. In Mr. Nimeiry's case, it is the source of his renown.

Sudan, the largest nation in Africa and as disparate in cultures and topography as any, with 1,009 spoken languages, a vast southern region that is really Central Africa and a vaster north that is really a turnstile to the Middle East, has a President who has gone after reconciliation and unity with extraordinary zeal. He recently announced a policy of decentralization that Western diplomats see as courageous. The process was born of necessity in 1972, a year after the President was first elected. (He had assumed power in a military coup in 1969.) Mr. Nimeiry settled a 17-year civil war between the largely Moslem north and the Christian and animist south. Five million southerners were given considerable autonomy, with their own elected 110-member assembly. The assembly elects a president of its high executive council; he appoints 14 members to his cabinet.

The capital of the south is Juba, and for eight years the southern legislators in Juba have done more squabbing than good. However, since the bitterness has for the most part been internal, and not aimed at the Khartoum regime, and because the civil war has not broken out again, the south's semiautonomy is seen as a success.

Now Mr. Nimeiry wants to carve out five more semiautonomous regions in the next two years. "Each region will have as much independence from the central Government as a state does in the United States," said an enthusiastic deputy minister in Khartoum. The plan, though, is not without its opponents. "It is too soon, too fast," said El-Fateh el-Tigani, permanent undersecretary in the Ministry for Information. Mr. Tigani said he felt there must be more education and development in outlying and backward regions before the people are told to tackle their own affairs. He cited the south, where fast-flying accusations of corruption and misuse of public funds have at times brought the assembly to a standstill.

"In view of Sudan's poor financial position," a West German diplomat wrote of decentralization, "it is already certain that even a federal structure will not speed up development. All that will happen is that responsibility will shift from Khartoum to the provinces, the bureaucracy will become bloated and personnel costs will rise. But regionalization could mollify local political discontent."

Dissolving local political dissension has been a major goal for Mr. Nimeiry since 1977. By that time he had survived several coup attempts, the closest shave having occurred in July 1970, the day his plane fortuitously landed early at Khartoum. One of the principal plotters in that try was Sadiq al-Mahdi, a descendent of Mohammed Ahmed, who wrested the Sudan from British and Egyptian control in 1881. Sadiq al-Mahdi's ancestors ran their own powerful Islamic state, followers of which are called Ansars and the movement, known as Mahdist, survives today, with Sadiq al-Mahdi at the helm. In 1977, Mr. Nimeiry announced a general amnesty, released 1,200 political prisoners, invited back all exiles, and among those who returned was Sadiq al-Mahdi. Since then he has served in several Government offices. The central Government is fairly packed today with figures who at one time opposed the President.

COME-ONE, COME-ALL STABILITY

It is a stable Government, according to Western diplomats, only because of Mr. Nimeiry's come-one, come-all policy. But by extending this policy to the provinces, in the form of semiautonomy, it is widely held that he is gambling dangerously. A Sudanese journalist remarked that the President "will only bring himself grief by decentralizing too early. We already have the south complaining constantly, and rightly I think, that they do not get the services that the north has," the journalist said. "The north has the railroad. The north has the two or three tarmac roads. Development is concentrated in the north. We can only be thankful that they bicker so much among themselves that no one has suggested they march against Khartoum." The journalist asked, "Who is to say that when these other regions get their public assemblies and their governors it will not turn into one secessionist fire after another? Then we will have chaos everywhere."

But a source close to the President insisted that "his instincts are right. He is not talking about participatory democracy. He is talking about bringing more people into the management of this country. People are telling him to take it a little slower. They tell him that he cannot expect to put all this in place in the next two years, particularly in lean times."

But the source continued, "The President is saying privately that he is doing this for political reasons, not economic. He is saying that if you phase it over many years, people will say it is just more talk from Khartoum. He is saying that the only way you can get peoples' attention, and get them motivated to work for their region and for Sudan, is to strike quickly, impose this plan and show you mean business. Khartoum will be responsible for foreign affairs and national defense. The President is determined to give local affairs to the people."

SRI LANKA'S INDEPENDENCE DAY

Mr. PERCY. Mr. President, February 4 marked the 32d anniversary of Sri Lanka's independence from colonial British rule. In those 32 years, Sri Lanka has been an inspiration to other nations of Asia, Africa, and elsewhere which strive to establish truly free and democratic societies. Since 1948 seven general elections have been held. Most remarkably, even though in six of these the government in power lost, the reins of authority were peacefully turned over to the opposition. The most recent national elections, in 1977, resulted in the victory of the United National Party under the leadership of Mr. Jayewardene, a distinguished member of the legislature for some 29 years.

Sri Lanka is also celebrating its 50th anniversary of universal adult franchise in 1981. The active political life in Sri Lanka is underlined by an average voter turnout of 80 percent or better during the past 16 years. This is a record which most Western democracies can envy. From the first general election in 1931, women have played a leading political role.

Sri Lanka's accomplishments are all the more remarkable considering the religious and ethnic diversity of the country. Buddhists, Hindus, Muslims, Christians, and Zoroastrians all practice their religion freely. Sinhalese, Tamils, Moors, Burghers, and Parsis all play an active role in Sri Lankan society. While communal differences continue, the remarkable fact is that the Sri Lankan government has managed to maintain a very free society and to protect the basic rights of the individual despite religious and ethnic diversity.

The Sri Lankan Government has made significant progress in improving the living standards of its people. These efforts have concentrated to a large extent on health and education which has resulted in significant changes. Life expectancy is now one of the highest in Asia, as is its rate of literacy. The rise in the general standard of living is all the more remarkable when placed against a population which has more than doubled since independence.

Despite this progress Sri Lanka remains heavily dependent on foreign assistance and loans to provide the capital for major development projects. The United States has joined a consortium of nations and international financial institutions including Canada, Great Britain, the Federal Republic of Germany, Sweden, Jordan, the World Bank, and IDA to fund the large Mahaweli irrigation program. Five dams are to provide the necessary water to irrigate nearly 290,000 acres and generate 500 megawatts of power. Hopefully, such projects can help the Sri Lankans reduce their dependence on imported food.

In the area of foreign affairs President Jayewardene has committed his nation to a policy of true nonalinement. The Sri Lankans have led those nonalined nations who have refused to allow their movement to turn away from the principles adopted at Bandung in 1955. Their consistent aim has been to promote respect for all nations of the world through

mutual cooperation and tolerance. She has displayed this commitment at the United Nations and in the nonalined movement.

On the anniversary of Sri Lanka's independence, we note that relations between the Jayewardene government and the United States have been close and we wish them to continue. We share a common commitment to economic liberalism, democracy, and freedom of all peoples.

REVISED REGULATIONS OF THE COMMITTEE ON RULES AND ADMINISTRATION FOR THE PAYMENT OF SEVERANCE PAY AND ACCUMULATED LEAVE

Mr. MATHIAS. Mr. President, due to the passage of Senate Resolution 46 on January 29, 1981, it is necessary for the Committee on Rules and Administration to issue revised regulations governing the payment of severance pay and accumulated leave. The initial regulations of the committee were issued on January 5, 1981, to implement Senate Resolution 573 passed by the Senate on December 16, 1980. Senate Resolution 46 made some important changes in the provisions of Senate Resolution 573, thereby necessitating these revised regulations.

The revised regulations will be printed in full at the conclusion of my remarks, but I wish to highlight the major provisions at this point.

SEVERANCE PAY FOR COMMITTEE EMPLOYEES

Committee employees, employees of the Vice President, the Secretary of the Senate, and the Sergeant at Arms are eligible for severance pay if they were terminated as a result of the transition to a new Republican Senate.

There are a number of important qualifications, however, for an employee to obtain severance pay:

The employee must have been employed by one of the above offices on January 2, 1981.

The employee must have been employed by the Senate for at least 183 days in 1980.

There are several important changes from the previous regulations promulgated by the Rules Committee:

The rate of pay on which severance will be computed is the employee's rate of annual salary on November 1, 1980, or, if such employee was not employed on such date, on the last date of Senate employment preceding November 1, 1980.

Reemployment by the U.S. Government or the District of Columbia during the 30-day period after termination from the Senate will result in a reduction of severance payment on a day-for-day basis.

There is now an ending date for severance certification. Employees must be terminated no later than March 31, 1981, to be eligible for severance payments.

An employee must wait for 30 days after his/her separation from the Senate, and then must submit a notarized statement to the Rules Committee stating that the employee has not accepted employment with the U.S. Government or the District of Columbia in the preceding 30 days or has accepted employment but not for the full 30-day period.

Blank forms, as well as notary services, are available in the Senate Disbursing Office.

All applications from employees must be in by the close of business, May 31, 1981.

ACCUMULATED LEAVE PAYMENTS

These provisions apply to former employees of defeated Senators or employees of the former President pro tempore of the Senate. Employees are eligible for up to 30 days leave credit if:

They were certified by their Senator or the President pro tempore.

Their employment in the Senate was terminated after November 1, 1980, and prior to January 6, 1981.

The employee must have been on the Senate payroll at least 183 days in 1980.

The payments will be based on the rate of annual salary as of November 1, 1980, or if such employee was not employed on such date, on the last day of Senate employment preceding November 1, 1980.

The employee must:

Submit an application for accumulated leave pay 30 days after termination and have it notarized.

As in the case of severance pay, the employee must state that he/she has not accepted employment with the U.S. Government or the District of Columbia for the 30-day period following termination from the Senate or has accepted such employment for only a portion of that 30-day period.

All applications for accumulated leave payments must be received by the Secretary of the Senate no later than the close of business, May 31, 1981.

Blank forms, as well as notary services, are available in the Senate Disbursing Office.

Mr. President, I ask unanimous consent that the revised Rules Committee regulations for the payment of severance pay and accumulated leave be printed in the RECORD at this point.

There being no objection, the regulations were ordered to be printed in the RECORD, as follows:

REGULATIONS OF THE COMMITTEE ON RULES AND ADMINISTRATION FOR THE PAYMENT OF SEVERANCE PAY AND ACCUMULATED LEAVE IN ACCORDANCE WITH SENATE RESOLUTION 573, 96TH CONGRESS, AGREED TO DECEMBER 16, 1980, AND SENATE RESOLUTION 46, 97TH CONGRESS, AGREED TO JANUARY 29, 1981.

SEVERANCE PAY

1. Under the provisions of S. Res. 573, and S. Res. 46, former Senate employees qualify for one month's basic pay as severance pay, based on the rate of annual salary on November 1, 1980 (or if such employee was not employed on such date, on the last date of Senate employment preceding November 1, 1980), if:

a. they were employed by a standing, select, joint, or special committee of the Senate, whose funds are disbursed by the Senate, or by the Office of the Vice President of the United States, the Secretary of the Senate or the Sergeant at Arms and Doorkeeper of the Senate,

(1) on January 2, 1981, and

(2) were employed by the U.S. Senate for at least 183 days during 1980, and

b. such employment as a Senate employee was terminated on or after January 2, 1981 but no later than March 31, 1981, solely and directly as a result of the reorganization of his/her office of employment, caused by a transition to a Senate in which a majority of Senators are members of the Republican Party.

c. Re-employment by the United States Government or the government of the District of Columbia during the 30-day period after qualifying termination will result in a pro-rata reduction in such employee's severance payment, on a day-for-day basis, regardless of disparities in the applicable old and new salaries.

2. Affected employees must be certified as qualified for severance by the Chairman and Ranking Minority Member of their respective Committees, or by the Vice President, the Secretary or the Sergeant at Arms, respectively.

3. Certification of qualification shall be submitted to the Rules Committee by the respective committee or office, on or before January 12, 1981 for all qualified employees terminated on January 2, 1981, and within 10 (ten) days of such displacement termination if it occurs after January 2, 1981.

4. It shall be the responsibility of each affected employee to insure that his/her respective office of employment timely submits his/her certification to the Rules Committee, in accordance with the provisions of subsection (b) of S. Res. 573 and paragraph 3 of these regulations. Certifications may be by letter, for one or more affected employees, signed by the Chairman and Ranking Minority Member of the Committee, or the Vice President, or the Secretary or Sergeant at Arms of the Senate, and stating that "such employees are certified as qualified for their appropriate severance payments in accordance with the provisions of S. Res. 573, agreed to December 16, 1980, and S. Res. 46, agreed to January 29, 1981, and the regulations of the Senate Rules Committee promulgated pursuant thereto." (See Attachment No. 1.)

5. To receive severance pay, it is the responsibility of the displaced staff member to submit to the Committee on Rules and Administration, as soon as possible after 30 days from the date of separation from the Senate, a notarized statement that will:

a. make application for such severance pay as the employee may be entitled to, and

b. certify that the employee:

(1) has not accepted further employment with the United States Government or the government of the District of Columbia (see Attachment No. 2), or

(2) has accepted further employment with (Name of Department and/or Agency), and noting the beginning date of such employment (see Attachment No. 2).

6. All applications for severance pay must be received by the Committee on Rules and Administration no later than the close of business, May 31, 1981. Application forms, like those attached hereto, will be available in the office of the Rules Committee, 305 Russell Senate Office Building, and in the Senate Disbursing Office, S145, U.S. Capitol Building.

7. Upon receipt of properly completed applications and certifications, the Rules Committee will transmit such forms, approved by the Chairman of the Committee, to the Senate Disbursing Office for processing and payment.

8. Election by an employee to take retirement after qualifying termination will not affect his/her entitlement to full severance payment.

ACCUMULATED LEAVE PAYMENT

1. Under the provisions of S. Res. 573, and S. Res. 46, former Senate employees qualify for a lump sum payment for accumulated leave not in excess of 30 days, based on the rate of annual salary on November 1, 1980 (or if such employee was not employed on

such date, on the last day of Senate employment preceding November 1, 1980), if:

a. they were employed in a Senator's office or in the President pro tempore's office for at least 183 days during 1980, and

b. such employment as a Senate employee was terminated after November 1, 1980 and prior to January 6, 1981, because the Senator's service as a Member of the Senate ceased, or the President pro tempore's service ceased.

c. Re-employment by the United States Government or the government of the District of Columbia during the 30-day period after qualifying termination will result in a pro-rata reduction in such employee's severance payment, on a day-for-day basis, regardless of disparities in the applicable old and new salaries.

2. Affected employees must be certified as qualified for accumulated leave payment by their employing Senator, and in the case of staff in the office of the President pro tempore, by the President pro tempore.

3. Certification of those employees qualified for accumulated leave payment shall be submitted to the Secretary of the Senate by the respective Senators and the President pro tempore.

4. To receive the lump sum accumulated leave payment, it is the responsibility of the former employee to submit to the Secretary of the Senate, as soon as possible after 30 days from the date of separation from the Senate, a notarized statement that will:

a. make application for such accumulated leave payment as the employee may be entitled to, and

b. certify that the employee:

(1) has not accepted further employment with the United States Government or the government of the District of Columbia (see Attachment No. 3), or

(2) has accepted further employment with (Name of Department and/or Agency), and noting the beginning date of such employment (see Attachment No. 3).

5. All applications for accumulated leave payments must be received by the Secretary of the Senate no later than the close of business, May 31, 1981. Application forms, like those attached hereto, will be available in the Senate Disbursing Office, S145, U.S. Capitol Building, and in the office of the Rules Committee, 305 Russell Senate Office Building.

6. Election by an employee to take retirement after qualifying termination will not affect his/her entitlement to the lump sum payment for accumulated leave.

ATTACHMENT No. 1

LETTER OF CERTIFICATION OF QUALIFICATION FOR SEVERANCE PAYMENT

Hon. CHARLES MCC. MATHIAS, JR.,
Chairman, Committee on Rules and Administration, U.S. Senate, 305 Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: As Chairman and Ranking Minority Member, respectively, of the Committee on _____, we hereby certify that the following employees are qualified for their respective appropriate severance payments, pursuant to the provisions of Senate Resolution 573, agreed to on December 16, 1980, and Senate Resolution 46, agreed to on January 29, 1981, and to the regulations pursuant thereto promulgated by the Committee on Rules and Administration.

(List Names)

Sincerely,

_____ _____
Chairman.

_____ _____
Ranking Minority Member.

ATTACHMENT No. 2

SEVERANCE PAYMENT APPLICATION

(Fill in Applicable Spaces)

Hon. CHARLES MCC. MATHIAS, JR.
Chairman, Committee on Rules and Administration, 305 Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I hereby apply for such severance payment as I am entitled to, pursuant to S. Res. 573, agreed to December 16, 1980, and S. Res. 46, agreed to January 29, 1981.

I certify that from (1) _____ to (2) _____ I have not been an employee of the United States Government or the government of the District of Columbia.

I certify that since (3) _____ I have been an employee of (4) _____.

_____ _____
Signature.

_____ _____
Typed or Printed Name.

_____ _____
Home Address.

_____ _____
Committee.

Subscribed and sworn to before me this — day of _____, 1981:

_____ _____
Signature of Notary Public.

My commission expires: _____.

(1) Date of separation from the Senate.

(2) Date of either the 31st day from the date of separation from the Senate, or the last day of unemployment since separation from Senate, whichever is earlier.

(3) Beginning date of further employment with the United States Government or the government of the District of Columbia.

(4) Name of Department and/or Agency.

ATTACHMENT No. 3

LUMP SUM ACCUMULATED LEAVE PAYMENT APPLICATION

(Fill in Available Spaces)

Hon. WILLIAM F. HILDENBRAND,
Secretary, U.S. Senate,
Washington, D.C.

Attn.: Stuart F. Balderson, Financial Clerk.

DEAR MR. SECRETARY: I hereby apply for such lump sum payment for accumulated leave as I am entitled to, pursuant to S. Res. 573, agreed to December 16, 1980, and S. Res. 46, agreed to January 29, 1981.

I certify that from (1) _____ to (2) _____ I have not been an employee of the United States Government or the government of the District of Columbia.

I certify that since (3) _____ I have been an employee of (4) _____.

_____ _____
Signature.

_____ _____
Typed or Printed Name.

_____ _____
Home Address.

_____ _____
Employing Office.

Subscribed and sworn to before me this — day of _____, 1981:

_____ _____
Signature of Notary Public.

My commission expires: _____.

(1) Date of separation from the Senate.

(2) Date of either the 31st day from the date of separation from the Senate, or the last day of unemployment since separation from the Senate, whichever is earlier.

(3) Beginning date of further employment with the United States Government or the government of the District of Columbia.

(4) Name of Department and/or Agency.

INTERIM REPORT OF THE U.S. COMMISSION ON PROPOSALS FOR THE NATIONAL ACADEMY OF PEACE AND CONFLICT RESOLUTION

Mr. MATSUNAGA. Mr. President, the U.S. Commission on Proposals for the National Academy of Peace and Conflict Resolution, authorized by Congress to study the various proposals for a National Academy of Peace, is now completing its 1-year study. It is expected that the Commission's final report will be published in about 5 weeks.

As Chairman of the nine-member Commission, I have been particularly pleased by the very favorable public response to the Commission's efforts to date. Between March 9, 1980, and July 23, 1980, the Commission held a series of 12 public seminars and collected over 7,000 pages of testimony. In addition, the Commissioners met with numerous other organizations and individuals and reviewed the existing literature in the field. An interim report was published by the Commission in September 1980 and it is gratifying to note that the demand for this document has far exceeded the supply. Because I am still receiving requests for copies of the interim report and many of my colleagues are as well, I ask unanimous consent to have the text of the brief report printed in the RECORD.

There being no objection, the text of the report was ordered to be printed in the RECORD, as follows:

INTERIM REPORT OF THE U.S. COMMISSION ON PROPOSALS FOR THE NATIONAL ACADEMY OF PEACE AND CONFLICT RESOLUTION

I. SUMMARY AND INTRODUCTION

The United States Commission on Proposals for the National Academy of Peace and Conflict Resolution, created for one year by Congress and the President, has completed the first half of its mandate to determine whether or not a National Academy of Peace and Conflict Resolution should be established. During its first seven months, the Commission met for over 230 hours and collected and analyzed over 7,000 pages of oral and written testimony, research findings, and meeting notes.

The Commission convened 12 public seminars in different regions of the country. Individual citizens and organizations across the nation testified that there is a need for a national commitment of resources in the area of peacemaking and conflict resolution training, research, and public information. Witnesses reported on the incidence of conflict and violence at all levels of society—international, national, and community. Individuals and representatives of various constituencies reported to the Commission on the connections between varying levels of conflict. In many cases international conflicts affect citizens' daily lives—in the work place, in the economy—and greatly influence community and national events. They cited the exorbitant price being paid, in tax dollars and human suffering, when social conflicts unnecessarily escalate and result in violence and destruction. Because of these factors, the Commission found a strong constituent interest in the concept of a Peace Academy.

Overwhelmingly, witnesses noted that in recent years teachable, cost-effective, nonviolent methods of resolving conflicts have been developed. These new methods and a rapidly developing body of knowledge are being applied and taught. Negotiation, mediation, conciliation, and arbitration are being used extensively and successfully in domestic labor disputes and in international trade and commercial disputes. Professional experts in conflict resolution are assisting in the peaceful settlement of environmental disputes and terrorist incidents. Private mediators are assisting in delicate international peace negotiations. The United States service academies are beginning to incorporate conflict resolution skill training in their curricula. Research is being done at universities on peaceful conflict resolution.

However, the Commission found little official or organized support for these efforts; existing institutions and mechanisms lack the resources to promote training and research in peacemaking and conflict resolu-

tion skills. There is no well-developed system for responding effectively to conflicts at any level before they erupt into destructive violence.

Many witnesses voiced their concern that international disputes over natural resources, the environment, international commerce, and the arms race have the potential for escalating into violence if current knowledge of peaceful conflict resolution is not more fully integrated into diplomacy, business, and policy planning. Concerns were expressed that without a significant, coordinated, and ongoing American effort in this area, the possibility of a nuclear war will increase rather than decrease in the years ahead.

The Commission has carefully reviewed the testimony and research findings on the question of whether the United States should establish a National Academy of Peace and Conflict Resolution. The Commission concurs with many of the serious and valid concerns raised relating to the establishment of this institution and will incorporate the full range of constructive input it has received and studied into its Final Report and recommendations.

The Commission has concluded that the implementation of a national program of training, research, and public information could potentially save American citizens billions of dollars, directly and indirectly, each year and reduce the level of international violence in both the long and short term. Complete documentation of these findings will be set forth in the Final Report.

In accordance with these findings, the Commission unanimously adopted a resolution at the Commission's July 24, 1980, business meeting to recommend to both Houses of Congress and the President in its Final Report that legislation be enacted creating a United States Academy of Peace.

The Final Report will be issued in January 1981 and will include a short summary of proceedings and specific legislative recommendations, a detailed review of the state of the art of conflict resolution, and the Commission's findings.

II. WHY A CONGRESSIONAL COMMISSION?

The U.S. Commission on Proposals for the National Academy of Peace and Conflict Resolution, created by Public Law 95–561, is the first Congressionally-mandated examination of nonviolent conflict resolution and its potential for incorporation into a national, institutional framework.

The first American President who saw the need for an institution to educate in the methods of peace, George Washington, said in a circular to the States on June 9, 1783 "There can be little doubt but Congress will recommend a proper Peace Establishment for the United States . . ."

Many concerned Americans have sought departures from prevailing procedures for policymaking. Among them was a proposal for an Office or Department of Peace. Its original authorship is still controversial, but two distinguished Americans of the 1790's, one black and one white, share honors. The proposal appeared in the fall of 1792 as an essay in the first edition of "Banneker's Almanack and Ephemeris for the Year of our Lord 1793" in Philadelphia. It began,

"Among the defects which have been pointed out in the Federal Constitution by its antifederal enemies, it is much to be lamented that no person has taken notice of its total silence upon the subject of an office of the utmost importance to the welfare of the United States, that is, an office for promoting and preserving perpetual peace in our country."

During the course of the 19th century, various publicists and legislators echoed proposals for a department of peace, peace agency, or educational institution.

Between the 84th Congress and the 90th Congress (1955–1968), no less than 85 bills were introduced in the House or Senate to create a Department of Peace, including provisions for an educational program. All told, from 1935 to the late 1960's, more than 140 bills on this subject were introduced as duplicates with different co-sponsors, plans or re-introductions over successive sessions.

In 1960, Senator Hubert Humphrey of Minnesota introduced a bill to create a National Peace Agency. In the late 1960's Representative Seymour Halpern of New York, Senator Vance Hartke of Indiana, and Representative Spark M. Matsunaga (now Senator) of Hawaii were active supporters of peace academy legislation.

In January 1977, Representative Andrew Young of Georgia and multiple co-sponsors introduced a bill in the House to establish the Commission, and Senators Randolph, Hatfield, and Matsunaga introduced an identical bill in the Senate.

Following hearings by the Senate Foreign Relations Committee, the Senate Human Resources Committee, and the House Committee on International Relations, Congress enacted the proposal into law as part of the Education Amendments of 1978. In 1979, Congress appropriated $500,000 for the one-year Commission study.

This landmark legislation reflected the conviction of Congress that in an era dominated by conflict at the international, national, and local levels, an investment in the investigation and exploration of the idea of a National Peace Academy would promote the national interest.

Conflict between nations and within our society is increasing at an alarming rate. Recent events abroad and at home, such as those in Iran and Afghanistan and the civil disturbances in Miami, coupled with the ongoing Middle East conflict and the continuing crisis in Northern Ireland, have made it clear that we must develop new and creative means to manage conflict before it escalates into destructive violence.

Vast resources have been expended in the quest for national security and global peace. The United States spent over $2 trillion on national defense between 1946 and 1980, with another $1 trillion projected between 1980 and 1985. It is not at all clear to what degree these vast expenditures have strengthened either the prospects for peace or the national security of the United States.

Committing the necessary resources to developing techniques capable of resolving conflicts effectively, nonviolently, and with social justice is the United States' greatest challenge. Broader use of peace and conflict resolution skills is the foundation upon which social justice, social and economic stability, and genuine national security can be built.

Historically, there has been bi-partisan support for efforts to improve America's peacemaking capability. President Dwight D. Eisenhower warned in his memoirs, Waging Peace, that there is an imbalance in our national means of seeking security and liberty and an undue reliance on methods of power and force in managing conflict. In his farewell address, President Eisenhower advocated a fervent search for "the proper meshing of the huge military and industrial machinery of defense with our peaceful methods and goals."

And President John F. Kennedy, in a speech delivered at American University in Washington, D.C., in 1963 said, "The pursuit of peace is not as drastic as the pursuit of war . . . But we have no more urgent task. Peace is the necessary rational end of rational man . . . based not on a sudden revolution in human nature, but on a gradual evolution in human institutions."

III. WHAT IS THE COMMISSION'S MANDATE?

The Commission is specifically mandated by Public Law 95–561 to undertake a study to consider:

Whether or not a National Academy of Peace and Conflict Resolution should be established;

The size, cost, and location of such an Academy, if any;

The effects which the establishment of an Academy would have on existing institutions of higher education;

The relationship which would exist between an Academy and the Federal Government;

The feasibility of making grants and providing other forms of assistance to existing institutions of higher education in lieu of, or in addition to, establishing an Academy; and

Alternative proposals, which may or may not include the establishment of an Academy, which would assist the Federal Government in accomplishing the goal of promoting peace.

In conducting the study, the Commission is further mandated to:

Review the theory and techniques of peaceful resolution of conflict between nations;

Study existing institutions which assist in resolving conflict in the area of international relations.

IV. WHO ARE THE COMMISSIONERS?

The Commission consists of nine members, three of whom were appointed by President Jimmy Carter, three by President pro tempore of the U.S. Senate Warren Magnuson, and three by Speaker of the U.S. House of Representatives Thomas P. O'Neill:

The Honorable Spark M. Matsunaga (D-Hawaii), Chair, United States Senator.

James H. Laue, Vice-Chair, Director, Center for Metropolitan Studies, University of Missouri—St. Louis.

The Honorable John M. Ashbrook (R-Ohio), United States Congressman.

Arthur H. Barnes, President, New York Urban Coalition, New York, New York.

Elise Boulding, Chair and Professor, Department of Sociology, Dartmouth College, Hanover, New Hampshire.

John R. Dellenback, President, Christian College Consortium/Coalition, Washington, D.C.

John P. Dunfey, President, Dunfey Hotels Corporation, Hampton, New Hampshire.

The Honorable Dan Glickman (D-Kansas), United States Congressman.

William F. Lincoln, Director, Center for Collaborative Planning and Community Services, Watertown, Massachusetts.

V. HIGHLIGHTS OF THE FIRST SEVEN MONTHS

A. Initial Organization and Directives:

The Commissioners have held seven business meetings. At the first meeting on December 12, 1979, Senator Spark M. Matsunaga was elected Chair and Dr. James H. Laue, Vice Chair.

Initial organizational steps were the appointment of William J. Spencer as Director of the Commission staff and David C. Johnsen, Deputy Director. Recruitment of staff began immediately, and office space was leased in downtown Washington, D.C.

The Commission decided that it would not attempt at the outset to determine whether or not a National Peace Academy should be established, but would rather begin by looking at alternatives which would accomplish the principal objective of resolving conflicts between nations with justice and equity.

It was the unanimous decision of the Commissioners that a review of the theory and techniques of peaceful resolution of conflict must necessarily include a study of the peaceful resolution of conflicts within a nation and its communities as well as between nations.

The Commission organized rapidly, and its staff convened several planning meetings involving the leadership of national organizations. The generous assistance of the Commission Chair and his office staff enabled the Commission to begin operation within days

of the President's final appointments to the Commission.

A ten-month timetable was established to structure the work of the Commission in its study of the nature of the problem, what institutions and agencies are addressing the problem, alternative proposals, and specific recommendations.

The Commissioners approved a staff Design Paper in March 1980 that reviewed the background of the Commission and outlined key areas of Commission work in the months to come.

B. Principal Activities:

The Commission decided that successful completion of its mandate would require a survey of existing material on conflict resolution as well as the organization of participatory programs that would provide publicity for the Commission's efforts and opportunities for specialists in the field and the general public to exchange ideas with the Commissioners and staff. The principal objective of all the Commission's work would be to provide a well-argued and well-documented answer to the basic question posed by the legislation: "Should there be a U.S. Academy of Peace and Conflict Resolution?" The two principal vehicles for providing answers to this question were to be research and public seminars around the country, drawing in each activity on the widely varying knowledge and perspectives of the Commissioners, staff, others in the field, and the general public.

C. Research:

Over the years a vast body of theory and practice in the field of conflict resolution has been developed, but due to a lack of both resources and an institutional framework, the value of this work has been minimized and there is a scattering and fragmentation of knowledge with a consequent diffusion of impact.

The Commission explored how the results of peace research and conflict studies might be better applied to the policy planning process in order to provide policy and decision makers with the necessary tools and skills for preventing or minimizing violence.

The Commission identified seven basic research areas in which survey efforts would be focused:

Violence and conflict in the United States and elsewhere in the world;

Strategies and techniques of peacemaking and conflict resolution;

Agencies and organizations active in teaching peacemaking and conflict resolution;

Development of the field of peace and conflict research;

Ethical and value considerations in peacemaking;

The role of research and of graduates of a peace academy in American society and elsewhere in the world; and

Institutional frameworks for the conduct of teaching and research on peacemaking.

Details on each of these research areas will be addressed in the Final Report.

D. Public Seminars:

The Commission designed a series of 12 seminars across the United States between March 9 and July 23, 1980, with the final public seminar to be held in Washington, D.C., in late July. The Commission decided that a nationwide public seminar program would solicit a broad range of views from citizens and experts on the concept of a National Academy of Peace and Conflict Resolution and simultaneously provide an opportunity for broad public exposure to the concept.

The Commissioners decided that a minimum of three members would be required in order to hold a public seminar and that in the absence of the Chair or Vice-Chair should designate another member to preside over meetings or public seminars.

The program was designed to gather information not only from expert witnesses but also from persons with considerable experience in local, regional, and international arenas. The format for the public seminars differed somewhat from traditional Congressional hearings. Each seminar was in itself an experiment in maximizing public participation and discussion on an important national issue.

A regional field representative was retained in each region to help the Commission plan the public seminar, identify potential witnesses in the community, and provide access to key local groups. Letters of invitation and background material were sent to approximately 8,500 individuals.

Each public seminar was divided into sessions with expert witnesses, guest speakers, small group discussions and reports, and "open mike" participation. Witness lists were carefully developed by Commissioners, staff, and regional field representatives. The Commission made special efforts to hear from witnesses who were skeptical or opposed to the Peace Academy concept as well as from those supportive of the idea in order to sharpen the debate.

Expert witnesses were chosen on the basis of their special expertise in peacemaking and conflict resolution and/or their roles as representatives of a constituency whose views were considered important to the Commission's work. Selected individuals were drawn from a wide range of backgrounds and experience, including international affairs, labor, business, state and local government, community and ethnic organizations, academia, and civil and human rights organizations. Guest speakers were individuals whose views were considered especially significant.

Witnesses were asked to deliver a summary statement and be prepared for a question and answer period following the formal testimony. They were asked to describe their background and experience in peacemaking and conflict resolution and to discuss whether or not a National Academy of Peace and Conflict Resolution should be established, the nature of such an academy if recommended, and possible alternatives to an academy. Witnesses were also asked to submit a written statement that enlarged upon their oral testimony.

The small group sections of the public seminars were designed to encourage discussion and direct community input into discussion of a National Peace Academy. Five broad areas of discussion were suggested as topics: (1) Energy, environment and economic conflicts; (2) Peace studies and peace research; (3) Civil rights and human rights; (4) Conflict resolution and mediation; and (5) The role of international governmental and nongovernmental organizations in peace and conflict resolution between nations.

The discussion leaders were asked to report to the Commissioners for each group regarding its assessment of existing inadequacies in conflict resolution and ways in which a Peace Academy would help meet the need. They also reported suggestions the groups wished to offer the Commission in its work.

The "open mike" section was designed to give other participants in the public seminars an opportunity to make their views known to the Commission. Commissioners took testimony from everyone who wished to offer it during this period, often staying beyond time for formal adjournment until all citizens were heard.

The formula for the public seminars was thus intended to provide maximum participation in the work of the Commission from the standpoint of international, regional, individual, and organizational perspectives. Additional organizational perspectives will be sought in the remaining months of the Commission's life.

E. Additional Outreach:

In its efforts to obtain maximum input and to make the work of the Commission better known, contact was made with many individuals and organizations outside the framework of the public seminars. Leadership meetings were held in Washington, D.C., with representatives of Hispanic and national women's groups and in Atlanta, Georgia, with civil rights leaders. The Commissioners and staff visited the United States Air Force Academy at Colorado Springs and the United States Military Academy at West Point, discussing the Peace Academy concept with administrators and faculty. A trip to the United States Naval Academy is scheduled for the fall.

The Commissioners and staff also participated in meetings of the International Studies Association and the International Society for Political Psychology. Formal interviews were held in New York with United Nations and non-governmental organization representatives, and a conference was held in Washington, D.C., with the heads of diplomatic and military institutions involved in training and research.

More than fifty additional meetings took place, including meetings with officials of the Department of State, the Foreign Service Institute, the Arms Control and Disarmament Agency, the International Peace Academy, members of the U.S. delegation at the United Nations, other United Nations delegations, members of the Federal Mediation and Conciliation Service, the Community Relations Service of the Department of Justice, the Institute for Mediation and Conflict Resolution, the Martin Luther King, Jr. Center for Social Change, and the American Arbitration Association.

VI. INITIAL FINDINGS

The Commission has been able to compile a comprehensive and useful set of documents on the basis of its research and public seminars. The research staff of the Commission, focusing on existing data and theories rather than creating or initiating new studies, evaluated available materials on the state of the art and skills and institutions currently existing. It also explored alternative ways of strengthening those skills and institutions, including a National Peace Academy. In addition, an analysis was done of the strengths and weaknesses of existing peace education, research and training throughout the country.

The Commission found that the overwhelming majority of the witnesses and participants in the public seminar program supported the concept of the establishment of a National Academy of Peace and Conflict Resolution.

The 300 witnesses who presented formal testimony included researchers, educators, practitioners of conflict resolution, representatives of international and national nongovernmental organizations, clergy and laity, political officials, and business, labor, diplomatic, and military representatives. The written and oral testimony presented at the public seminars provided over 7,000 pages of analysis and recommendations for consideration by the Commissioners. Unsolicited material, testimony, and research were received from individuals and groups who had learned of the Commission's work and who, although unable to appear in person, wanted to make their views known.

In their deliberations the members of the Commission carefully reviewed supportive and opposing viewpoints regarding the establishment of a National Academy of Peace and Conflict Resolution. Some witnesses expressed concern that the creation of a national institution might duplicate what is already being done in the field, cost too much money, and lead to excessive government intervention, threatening the American tradition of pluralism in education and research. Some feared that creating another appendage to the vast federal bureaucracy might suffocate existing and developing private sector programs and work to dis-

place conflict rather than work to resolve conflict with justice.

Others were concerned that a national institution might become too centralized, serve to create an elite corps, and be too close to the government to ask the hard questions such an institution should ask about issues of international and intranational conflict resolution.

While giving due weight to the legitimate concerns raised by witnesses, testimony and research findings indicate to the Commission that the implementation of a national program of research, training, and public information could potentially save American citizens billions of dollars, directly and indirectly, each year and reduce the level of international violence in both the long and short term.

The Commission believes that the results of peace research and conflict analysis studies have not been fully applied to the policy planning process. There is evidence that many valuable skills and techniques of conflict resolution are not being applied to a variety of conflicts of a commercial, economic, social, and political nature. At the same time there is a continued need for intensive and rigorous research on conflict.

In spite of the universal commitment of governments to the cause of world peace and in spite of the important role the United States plays in the attempted resolution of many actual and potential conflicts, the Commission finds little organized support for conflict resolution efforts. If there were a United States policy commitment to peaceful conflict resolution backed by an institutional mandate, the United States could achieve greater effectiveness in promoting peace, justice, and international stability. This commitment could serve as a symbol of a United States commitment to peace, thus bringing increased legitimacy to the field and providing a means of funding long-term research, education, and training in the area of conflict resolution.

In accordance with the Commission's research findings and a thorough evaluation of the public testimony, the Commission adopted on July 24, 1980, a resolution that its Final Report contain recommendations to both Houses of Congress and the President that legislation be enacted establishing a United States Academy of Peace.

VII. NEXT STEPS

The remaining four months of the Commission will be spent in further exploration of models for a United States Academy of Peace, including cost estimates, site location, relationship to the Federal Government and existing institutions, curriculum, student body, and faculty composition. An analysis will be done of how such an institution might better link decision makers with research and the practice of conflict resolution, support existing programs in the field, develop public information materials, and train professionals and private citizens in the techniques of peaceful resolution of conflicts. The overriding goal would be to reduce violence and promote just, constructive relationships internationally, within the United States, and in its communities and institutions.

A Final Report will be issued in January 1981 including a short summary of proceedings and specific legislative recommendations, a detailed review of the state of the art of conflict resolution, and Commission findings. As authorized and mandated by the Congress and the President, transcripts of the Commission's public record will be open to inspection following the presentation of the Final Report.

Respectfully submitted,

Spark M. Matsunaga, Chair, James H. Laue, Vice-Chair, John M. Ashbrook, Arthur H. Barnes, Elise Boulding, John R. Dellenback, John P. Dunfey, Dan Glickman, William F. Lincoln.

APPENDIX A—COMMISSIONERS' BIOGRAPHIC SUMMARIES

U.S. COMMISSION ON PROPOSALS FOR THE NATIONAL ACADEMY OF PEACE AND CONFLICT RESOLUTION

The Honorable Spark M. Matsunaga, Chair:

Senator (D-Hawaii) since 1976; Member, House of Representatives, 1962–76. Member, Senate Committees on Energy and Natural Resources, Finance, and Veterans Affairs; Chief Deputy Majority Whip; University of Hawaii, Ed.B.; Harvard Law School, J.D. Distinguished military career, retiring from the Army Reserve with the rank of Lieutenant Colonel. Author, Rulemakers of the House, 1976 (required reading in political science and government courses in 30 American universities).

James H. Laue, Vice-Chair:

Director; Center for Metropolitan Studies, and Associate Professor of Sociology, University of Missouri-St. Louis. Authority in the field of racial and community conflict resolution. Author of a number of monographs, articles, and training exercises. Former Director of Program Development for the Community Relations Service of the U.S. Department of Justice. Active as a practitioner and trainer, including current involvement as mediator in the Negotiated Investment Strategy Project in Gary, Indiana.

The Honorable John M. Ashbrook:

Member of Congress (R-Ohio) since 1960; House Education and Labor Committee, Judiciary Committee, and Select Intelligence Committee (oversight of CIA, FBI, NSA, and Defense Intelligence Agencies). Harvard College, B.S.; Ohio State School of Law, J.D.; Ashland College, Honorary L.L.D. Publishes the Johnstown Independent and three other central Ohio weekly newspapers. Recipient of the Freedom Award from the Order of Lafayette in 1970 for "Outstanding Leadership in Combatting World Communism".

Arthur H. Barnes:

Since 1975, President, New York Urban Coalition, a group serving as a catalytic force in bringing the resources of the private sector to bear on the problems of disadvantaged minorities in New York City. Formerly Vice President, Institute for Mediation and Conflict Resolution, an organization which mediates community disputes and teaches techniques of mediation, negotiation, and arbitration. Previously associated with Consolidated Insurance Companies for 31 years.

Elise Boulding:

Chair, Sociology Department, Dartmouth College. From 1967 to 1978 at the Department of Sociology and Institute of Behavioral Science at the University of Colorado, Boulder. Has undertaken numerous transnational and comparative cross-national studies on conflict and peace, development, family life and women in society. Worked internationally on problems of peace and world order both as a scholar and as an activist. Currently, member of the Governing Board of the United Nations University and a member of the U.S. Commission for UNESCO. Author of eight books and over six dozen articles, pamphlets and chapters in the areas of sociology and conflict and peace studies.

John R. Dellenback:

President, Christian College Consortium and Coalition, Washington, D.C. Formerly, Member of Congress from Oregon, Director of the U.S. Peace Corps, Oregon State Representative, college professor, practicing lawyer, businessman, and Naval officer. Serves on Boards of Trustees of Howard University and Lewis and Clark College. Yale University, B.S., Phi Beta Kappa; University of Michigan Law School, J.D. Holds honorary doctoral degrees from Biola College, Campbell University, Campbellsville College, Friends University, New Haven University, Nyack College, and Warner Pacific College.

John P. Dunfey:

Founder and President of the Dunfey Hotels Corporation, operating 23 hotels in the United States and Europe. Industrial developer, Maine and New Hampshire. Representative, African Trade Mission, Department of State, September 1979; Member, National Committee, "Americans for Salt II," to engender public support for passage; Member, National Committee to raise funds and encourage citizen support for Senate approval of Panama Canal treaty.

The Honorable Dan Glickman:

U.S. Representative (D-Kansas) since 1976. Member, Committees on Agriculture, Judiciary and Science and Technology. Chairman of the 95th Congress Members Caucus and a member of the Congressional Clearinghouse on the Future. Received J.D. degree from George Washington University, Washington, D.C. Serves on the National Alcohol Fuels Commission, the Democratic Caucus Ethics Committee, the Democratic Study Group, and the Environmental Study Conference.

William F. Lincoln:

Director, Center for Collaborative Planning and Community Services, Watertown, Massachusetts. Formerly Director, New England Office of Community Dispute Services of the American Arbitration Association, Boston. Professional practitioner in resolving disputes related to public schools, special education, student desegregation, adult correctional facilities, public housing, Native American affairs, anti-discrimination agencies, and community development. Lecturer, Harvard University Graduate School of Design, Department of City and Regional Planning; academic conference leader at Harvard and Antioch Law Schools.

APPENDIX B—COMMISSION STAFF

U.S. COMMISSION ON PROPOSALS FOR THE NATIONAL ACADEMY OF PEACE AND CONFLICT RESOLUTION

Present staff

William J. Spencer, Director.

David C. Jehnsen, Deputy Director.

Judith Bunnell, Associate Director of Field Operations.

Rev. Leslie H. Carter, Director of Program Operations.

Stephen Cloud, Research Associate.

Marjorie B. Dahlin, Special Assistant to the Director of Program Operations.

Mary J. Downs, Receptionist/Secretary.

Ruthe J. Farmer, Director of Administration.

Diana Jones, Executive Secretary.

Laurellet Kirby, Administrative Assistant.

Bernard Lafayette, Associate Director of Research.

Lee Lawrence, Public Affairs Coordinator.

Ann B. Richardson, Program Operations Analyst.

Short-term staff

Marianna Paige, Director of Communications.

Ina Risman, Research Coordinator.

Advisors

Eugene Martin, Management Specialist.

Douglas Reichert, Research Assistant.

Charles D. Smith, Attorney.

Charles E. Smith, Organizational Specialist.

Student interns

Mimi Gerdes, Research Assistant.

Jacquelyn Goldberg, Research Assistant.

Brian Lepard, Assistant.

Jeffrey Miller, Assistant.

William Pryor, Research Assistant.

Marcia Smith, Research Assistant.

Donna Lee, Assistant.

APPENDIX C—REGIONAL FIELD REPRESENTATIVE

U.S. COMMISSION ON PROPOSALS FOR THE NATIONAL ACADEMY OF PEACE AND CONFLICT RESOLUTION

Dr. Stuart Cook, Director, Institute for Behavioral Science, University of Colorado, Boulder, Colorado.

John T. Conner, 101 NW 23rd, Corvallis, Oregon.

Phillip Sgroi, 3741 Morgan, St. Louis, Missouri.

Jon K. Brown, 105 Woodland Avenue, Columbus, Ohio.

Russell Rhodes, 5926 Moss Bank Drive, Palos Verdes, California.

George Sommaripa, 17 Austin Street, Cambridge, Massachusetts.

Reverend Betsy Turecky, 14214 Edgecrest, Dallas, Texas.

Laura D. Blackburne, 116 East 27th Street, New York, New York.

Leon W. Hall, 68 Mitchell Street, SW, Atlanta, Georgia.

Bruce T. Grindal, Florida State University, Tallahassee, Florida.

Dr. Betty M. Jacob, University of Hawaii at Manoa, Honolulu, Hawaii.

Dr. Herman Jenkins, Office of the President, Queens College, 65–30 Casino Boulevard, Flushing, NY 11367.

APPENDIX D—PUBLIC SEMINAR SCHEDULE

U.S. COMMISSION ON PROPOSALS FOR THE NATIONAL ACADEMY OF PEACE AND CONFLICT RESOLUTION

University of Colorado, Boulder, Colorado, March 10, 1980.

Lewis and Clark College, Portland, Oregon, April 8–9, 1980.

University of Missouri-St. Louis, St. Louis, Missouri, April 21–22, 1980.

Capital University, Columbus, Ohio, May 5–6, 1980.

California Museum of Science & Industry, Los Angeles, California, May 12–13, 1980.

The State House, Boston, Massachusetts, June 2–3, 1980.

Southern Methodist University, Dallas, Texas, June 6–7, 1980.

City University of New York, New York, New York, June 16–17, 1980.

Martin Luther King, Jr., Community Center, Atlanta, Georgia, June 23–24, 1980.

Florida State University, Tallahassee, Florida, June 25, 1980.

State Capitol, East-West Center, Honolulu, Hawaii, July 7–8, 1980.

The Rayburn House Office Building and the Russell Senate Office Building, Washington, D.C., July 22–23, 1980.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of January 22, 1981, the Secretary of the Senate, on February 4, 1981, received the following message from the House of Representatives:

Pursuant to the provisions of section 4(a), Public Law 92-484, the Speaker appoints as members of the Technology Assessment Board the following Members on the part of the House: Mr. UDALL, Mr. BROWN of California, Mr. DINGELL, Mr. WIRTH, Mr. MILLER of Ohio, and Mr. EVANS of Iowa.

MESSAGES FROM THE HOUSE

At 2:45 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 272. An act to increase the membership of the Joint Committee on Printing.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1553. An act to provide for a temporary increase in the public debt limit.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 58. Concurrent resolution providing for an adjournment of the House from February 6 to February 17, 1981, and an adjournment of the Senate from February 6 to February 16, 1981.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent and placed on the calendar:

H.R. 1553. An act to provide for a temporary increase in the public debt limit.

HOUSE CONCURRENT RESOLUTION HELD AT DESK

The following concurrent resolution was held at the desk by unanimous consent:

H. Con. Res. 58. Concurrent resolution providing for an adjournment of the House from February 6 to February 17, 1981, and an adjournment of the Senate from February 6 to February 16, 1981.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-317. A communication from the Clerk of the United States Court of Claims, transmitting, pursuant to law, the Court's judgment order in the case "Lower Sioux Indian Community in Minnesota, et al. The United States"; to the Committee on Appropriations.

EC-318. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, the fiscal year 1981 report concerning the North Atlantic Treaty Organization Acquisition and Cross-Servicing Agreement; to the Committee on Armed Services.

EC-319. A communication from the Acting Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting, pursuant to law, a report on a study with respect to converting the motor vehicle maintenance activity at Fort Shafter, Hawaii; to the Committee on Armed Services.

EC-320. A communication from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, the annual report on the extent to which commercial and industrial-type functions were performed by Department of Defense contractors for fiscal year 1980; to the Committee on Armed Services.

EC-321. A communication from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a study with respect to converting the family housing maintenance function at Dyess Air Force Base, Texas, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-322. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, notice that the Department intends to exercise a provision of law for exclusion of the clause concerning the examination of records by the Comptroller General; to the Committee on Armed Services.

EC-323. A communication from the Acting Under Secretary of Defense (Research and Engineering), transmitting, pursuant to law, a report on funds obligated in the chemical warfare and biological defense research programs during fiscal year 1980; to the Committee on Armed Services.

EC-324. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report containing an analysis and description of services performed by full-time USG personnel as of September 30, 1980, for which reimbursement is provided; to the Committee on Armed Services.

EC-325. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the commissary shelf-stocking and custodial services functions at England Air Force Base, La., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-326. A communication from the Acting

Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the military family housing maintenance function at Castle Air Force Base, Calif., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-327. A communication from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the commissary shelf-stocking and custodial services function at McConnell Air Force Base, Kans., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-328. A communication from the Director of the Office of Legislative Affairs, Department of the Navy, transmitting, pursuant to law, notice of the intention of the Department of the Navy to donate surplus property to the Charleston, S.C., Chapter of the National Railway Historical Society; to the Committee on Armed Services.

EC-329. A communication from the Acting General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations for fiscal year 1982; to the Committee on Armed Services.

EC-330. A communication from the Secretary of Defense, transmitting, pursuant to law, the annual report of the Department of Defense for fiscal year 1982; to the Committee on Armed Services.

EC-331. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the fifth annual report of the Board of Governors on the Equal Credit Opportunity Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-332. A communication from the Comptroller of the Currency, transmitting, pursuant to law, the 1979 annual report of the Comptroller of the Currency; to the Committee on Banking, Housing, and Urban Affairs.

EC-333. A communication from the Secretary of Energy, transmitting, pursuant to law, notice of a delay in submitting detailed energy targets required by law; to the Committee on Energy and Natural Resources.

EC-334. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for construction of an annex to the Federal Courthouse in Charleston, South Carolina; to the Committee on Environment and Public Works.

EC-335. A communication from the Chairman and the Administrator of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report entitled "The Feasibility of Epidemiological Investigations of the Health Effects of Low-Level Ionizing Radiation"; to the Committee on Environment and Public Works.

EC-336. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to January 20, 1981; to the Committee on Foreign Relations.

EC-337. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the first of three reports on the travel of agencies spending more than $5 million on transportation of people; to the Committee on Governmental Affairs.

EC-338. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on September 16, 1980; to the Committee on Governmental Affairs.

EC-339. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on December 9, 1980; to the Committee on Governmental Affairs.

EC-340. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of a certain alien under section 244(a)(2) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-341. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens under section 244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-342. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Administrative Changes Needed To Reduce Employment of Illegal Aliens"; to the Committee on Labor and Human Resources.

EC-343. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "SBA's Pilot Programs To Improve Guaranty Loan Procedures Need Further Development"; to the Select Committee on Small Business.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Finance, without amendment:

S. 393. An original bill to provide for a temporary increase in the public debt limit.

By Mr. HATCH, from the Committee on Labor and Human Resources, without amendment:

S. Res. 62. An original resolution authorizing expenditures by the Committee on Labor and Human Resources; referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

Donald P. Hodel, of Oregon, to be Under Secretary of the Interior.

(The above nomination from the Committee on Energy and Natural Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. TOWER, from the Committee on Armed Services:

Verne Orr, of California, to be Secretary of the Air Force.

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: in the Regular Army, there are 26 appointments to the grade of major general (list beginning w/Charles P. Graham); in the Army of the United States, there are 63 temporary appointments to the grade of brigadier general (list beginning w/Bernardo Loeffke); and, Brigadier General Van Hixon for appointment as a Reserve commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, to the grade of major general. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. THURMOND, from the Committee on the Judiciary:

Edward C. Schmults, of Connecticut, to be Deputy Attorney General.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. RIEGLE (for himself and Mr. EAGLETON):

S. 392. A bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes; to the Committee on Finance.

By Mr. DOLE:

S. 393. An original bill to provide for a temporary increase in the public debt limit; from the Committee on Finance.

By Mr. LONG:

S. 394. A bill to amend the Internal Revenue Code of 1954 to provide reductions in individual and corporate income taxes, and for other purposes; to the Committee on Finance.

By Mr. WALLOP (for himself, Mr. BOREN, Mr. HARRY F. BYRD, JR., Mr. PERCY, Mr. HELMS, Mr. DOMENICI, Mr. SYMMS, Mr. BAUCUS, Mr. TOWER, Mr. HEFLIN, Mr. BENTSEN, Mr. HAYAKAWA, Mr. PRYOR, Mr. LUGAR, Mr. ANDREWS, Mr. DURENBERGER, Mr. THURMOND, Mr. ZORINSKY, Mr. MATHIAS, Mr. NICKLES, Mr. BURDICK, Mr. ABDNOR, and Mr. MATSUNAGA):

S. 395. A bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes; to the Committee on Finance.

By Mr. DANFORTH (for himself, Mr. BENTSEN, Mr. RIEGLE, Mr. GLENN, Mr. EAGLETON, Mr. LEVIN, Mr. METZENBAUM, and Mr. LUGAR):

S. 396. A bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983; to the Committee on Finance.

By Mr. JACKSON:

S. 397. A bill to authorize the appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. ARMSTRONG:

S. 398. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BENTSEN:

S. 399. A bill to amend the Congressional Budget Act of 1974 to require the Congress to establish, for each fiscal year, a regulatory budget for each Federal agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

S. 400. A bill to reduce duplicative and

conflicting Federal rules or regulations, and for other purposes; to the Committee on Governmental Affairs.

S. 401. A bill to reduce the costs of Federal regulations, and for other purposes; to the Committee on Governmental Affairs.

By Mr. ROBERT C. BYRD:

S. 402. A bill to place a sign memorializing the New River Gorge Bridge as the world's largest steel arch span bridge; to the Committee on Environment and Public Works.

S. 403. A bill for the relief of Sarah O. Loot, doctor of medicine, Jessie L. Loot, doctor of medicine, her husband and Brian O. Loot, her son; to the Committee on the Judiciary.

By Mr. SYMMS (for himself, Mr. JEPSEN, and Mr. BOREN):

S. 404. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. SIMPSON and Mr. DECONCINI):

S. 405. A bill to amend title 5 of the United States Code to require Federal agencies to analyze the benefits, costs, and other adverse effects of proposed rules, to provide for judicial review of any such analysis, to provide for periodic review of agency rules, and for other purposes; to the Committee on the Judiciary.

By Mr. ZORINSKY:

S. 406. A bill for the relief of Joseph Stephen McNeer; to the Committee on the Judiciary.

By Mr. ABDNOR:

S. 407. A bill to authorize a study of the feasibility of Federal development of the water resources of the I'Santi Unit of the Missouri River Basin located on the Flandreau Santee Sioux Reservation, South Dakota; to the Committee on Energy and Natural Resources.

By Mr. CHAFEE:

S. 408. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of earned income of citizens or residents of the United States earned abroad, and for other purposes; to the Committee on Finance.

By Mr. JOHNSTON:

S. 409. A bill to provide specific standby authority to deal with petroleum supply interruptions, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JOHNSTON (for himself, Mr. BENTSEN, Mr. TOWER, Mr. CRANSTON, Mr. LONG, Mr. BOREN, Mr. HAYAKAWA, Mr. COCHRAN, and MRS. KASSEBAUM):

S. 410. A bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants and to aid utilities in converting to alternate fuels; to the Committee on Energy and Natural Resources.

By Mr. JOHNSTON:

S. 411. A bill to amend section 203 of the Energy Policy and Conservation Act to provide the President with flexible authority to ration gasoline and diesel fuel; to the Committee on Energy and Natural Resources.

By Mr. TOWER:

S. 412. A bill to amend the Intergovernmental Cooperation Act of 1968 to improve coordination between Federal agencies and State and local governments and regional organizations regarding establishment of Federal development programs or projects and applications for Federal assistance and permits, and to provide for judicial review of Federal approval of such applications; to the Committee on Governmental Affairs.

By Mr. PRESSLER:

S. 413. A bill to extend the Older Americans Act of 1965 for 5 years; to the Committee on Labor and Human Resources.

By Mr. CHAFEE (for himself, Mr. GARN, and Mr. TOWER):

S. 414. A bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CRANSTON (for himself, Mr. RANDOLPH, Mr. MATSUNAGA, Mr. DECONCINI, and Mr. THURMOND):

S. 415. A bill to amend title 38, United States Code, to increase the maximum amount payable in Veterans' Administration specially adapted housing assistance, and for other purposes; to the Committee on Veterans Affairs.

By Mr. CRANSTON (for himself, Mr. RANDOLPH, Mr. MATSUNAGA, Mr. DECONCINI, and Mr. THURMOND):

S. 416. A bill to amend title 38, United States Code, to increase the maximum amount of the automobile assistance provided to certain severely service-connected disabled veterans, to extend eligibility for the provision of automobile adaptive equipment to certain other service-connected disabled veterans, and for other purposes; to the Committee on Veterans Affairs.

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, Mr. DECONCINI, and Mr. HART):

S. 417. A bill to amend title 38, United States Code, to provide a new educational assistance program for persons who enter the Armed Forces after June 30, 1981, to modify the December 31, 1989, termination date for the Vietnam-era GI Bill, and for other purposes; to the Committee on Veterans Affairs.

By Mr. PRESSLER:

S. 418. A bill to rescind the authority of the President to impose an embargo on United States export sales of agricultural commodities for foreign policy purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 419. A bill to amend the Export Administration Act of 1979, to provide for Congressional Veto of agricultural embargoes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. STAFFORD:

S. 420. A bill to authorize the U.S. Army Corps of Engineers to provide assistance to local communities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DECONCINI (for himself, Mr. SASSER and Mr. PRYOR):

S. 421. A bill to provide for reductions for fiscal year 1982 in obligations by the departments, agencies, and establishments of the executive branch of the Government; to the Committee on Governmental Affairs.

By Mr. GLENN:

S. 422. A bill to provide for the extension of the period for repayment of revenue bonds issued by the St. Lawrence Seaway Development Corporation to the Secretary of the Treasury from 50 years to 80 years, and for other purposes; to the Committee on Foreign Relations.

By Mr. DOMENICI:

S. 423. A bill to improve the operations of certain water resource projects submitted to the Committees on Public Works of the Congress; to the Committee on Environment and Public Works.

By Mr. MATSUNAGA:

S. 424. A bill for the relief of Peter M. Jordan and Donna R. Jordan, husband and wife, and their children, Laurelee Ruth Jordan, Julienne Margaret Jordan, Jayne Michelle Jordan and Peter Andrew Jordan; to the Committee on the Judiciary.

By Mr. PACKWOOD (for himself and Mr. HATFIELD):

S. 425. A bill to amend the Mortgage Subsidy Bond Tax Act of 1980 to exempt from the coverage of such Act certain General Obligation mortgage and bond issues of the State of Oregon; to the Committee on Finance.

By Mr. MATSUNAGA (for himself and Mr. BAUCUS):

S. 426. A bill to implement the United Nations Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property; to the Committee on Finance.

By Mr. BAUCUS:

S. 427. A bill for the relief of F. H. Stoltze Land and Lumber Co., Inc.; to the Committee on the Judiciary.

S. 428. A bill for the relief of the Mondakota Gas Company, of Billings, Mont.; to the Committee on the Judiciary.

S. 429. A bill for the relief of Charles V. Waldron; to the Committee on the Judiciary.

By Mr. PERCY (for himself, Mr. THURMOND, Mr. ABDNOR, Mr. PRESSLER, Mr. SYMMS, Mr. HUMPHREY, and Mr. TOWER):

S. 430. A bill to authorize a youth minimum wage differential under the Fair Labor Standards Act of 1938, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MATHIAS:

S. 431. A bill for the relief of Silva Bastajian; to the Committee on the Judiciary.

S. 432. A bill to establish a Commission on the International Application of Antitrust Laws; to the Committee on the Judiciary.

By Mr. DURENBERGER (for himself, Mr. BOREN, and Mr. BRADLEY):

S. 433. A bill to amend the Internal Revenue Code of 1954 to encourage competition in the health care industry, to encourage the provision of catastrophic health insurance by employers, and for other purposes; to the Committee on Finance.

By Mr. PELL (for himself and Mr. HARRY F. BYRD, JR.):

S.J. Res. 27. Joint resolution proposing an amendment to the Constitution of the United States relative to the commencement of the terms of Office of the President, Vice President, and for other purposes; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE:

S. 393. An original bill to provide for a temporary increase in the public debt limit; from the Committee on Finance.

PUBLIC DEBT LIMIT

● Mr. DOLE. Mr. President, I would like to report an original bill from the Committee on Finance that would have the effect of temporarily increasing the public debt of the United States to $985 billion through September 30, 1981. Based on Treasury Department estimates, enactment of this bill should cover the debt financing needs of the Government through fiscal year 1981.

I regret that the first legislation reported by the Committee on Finance in this new Congress must be concerned with the perennial problem of raising the public debt limit. The consequences of failing to raise the debt limit, however, are even more painful.

In this particular instance, we have known since we last raised the debt limit in December that we would need to reexamine the matter this month. The Treasury Department estimated in December that the debt ceiling of $935.1 billion would be reached sometime in February, notwithstanding the fact that the limit nominally expires on Septem-

ber 30 of this year. The Finance Committee attempted to secure a longer extension, which would have carried through the end of March, but unfortunately the House was unwilling or unable to accommodate that suggestion. As a result, late in the last session the Senate agreed to accept the House-passed limit of $935.1 billion, and that is where the limit stands today.

Mr. President, I appreciated the testimony of Secretary Regan on the need to raise the debt limit. Like him, I regret that his first official testimony before the Finance Committee involved a request for another extension of the debt limit. The fact is that our present debt-limit procedure, which derives from the Second Liberty Bond Act of 1917, was intended to minimize the number of occasions on which Congress must act to authorize the issuance of Federal debt. Because of the explosive growth of Federal deficits in recent decades, the debt ceiling has been increased an inordinate number of times. The ceiling was raised on 13 separate occasions in the 1960's, and 18 times during the 1970's. Worse yet, on three occasions in recent years the temporary limit has expired without timely legislative action to extend it. As a result, the Treasury Department had to suspend sales of savings bonds and other securities. Such suspensions only undermine investor confidence, and make it likely that bidders for Government securities will demand a higher interest premium in the future to safeguard them against future disruptions. That means higher costs to the Treasury, when we are trying our best to reduce those costs.

That is why we ought to act promptly on Secretary Regan's request for a debt ceiling of $985 billion through September 30, 1981. I hope that, with the cooperation of this administration and this Congress, we will gain sufficient control over Federal spending and inflation so that the new debt limit will not be reached that soon: That would indeed be a novel situation, and it is certainly a goal worth striving for. But the Treasury Department request is clearly reasonable in light of recent and present economic circumstances, and in view of the obligations the U.S. Government is bound to honor over the coming months.

Mr. President, we will soon have a package of economic proposals from the Reagan administration that we all hope will enable us to avert such frequent increases in the debt limit in coming years. I know that Secretary Regan has been hard at work on those proposals, and I look forward to working with him and his colleagues in the administration to make a fresh start on the Federal budget and the problems of managing the Federal debt. In his testimony to the Finance Committee, Secretary Regan stressed the commitment of this administration to break with the policies of the past which have caused frequent increases in the debt ceiling.

Mr. President, as I have said, I support this legislation to raise the public debt limit to $985 billion and encourage my colleagues to do likewise. I would like to tell this administration and my colleagues, however, that if the Congress does not take dramatic steps toward getting Federal Government spending under control between now and the next time we consider this matter, I will vote against future debt-limit increases. In my opinion the people of this country have spoken clearly on the question of excessive spending. If we are not prepared to convincingly demonstrate that we have listened, then perhaps a Federal default will shock us into our senses.

For the information of Members I would ask to have inserted at this point a description of the legislation reported by the Finance Committee with regard to the debt limit, and an explanation of the need for an increase in the debt limit at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DESCRIPTION OF LEGISLATION REPORTED BY FINANCE COMMITTEE

I. SUMMARY

This bill provides that the temporary public debt limit will be increased to $985 billion through September 30, 1981. Under the bill, the permanent limit will remain at $400 billion and the temporary limit will be increased to $585 billion. The increase raises the temporary limit by $49.9 billion over the present limit.

Under present law, the public debt limit is $935.1 billion, which consists of a temporary increase of $535.1 billion over the $400 billion permanent limit. This temporary limit will expire after September 30, 1981.

The $935.1 billion limit is consistent with the budget estimates in the first concurrent resolution on the budget for fiscal year 1981. The conference report on that resolution was passed by both Houses on June 12, 1980. The latest estimates of the fiscal year 1981 budget indicate, however, that a $49.9 billion increase in the debt limit is needed now for the rest of fiscal year 1981.

The present $935.1 billion temporary limit will meet the Treasury Department's estimate of its financial requirements through mid-February. At the close of business on January 30, 1981, the debt subject to limit was $935.075 billion.

TABLE 1.—STATUTORY DEBT LIMITATIONS, FISCAL YEARS 1947 TO DATE, AND PROPOSED LIMIT THROUGH FISCAL YEAR 1981

[In billions of dollars]

Fiscal year	Statutory debt limitation		
	Permanent	Temporary additional	Total
1947–54	275	--------	275.0
1955 through Aug. 27	275	--------	275.0
1955: Aug. 28 through June 30	275	6.0	281.0
1956	275	6.0	281.0
1957	275	3.0	278.0
1958 through Feb. 25	275	--------	275.0
1958: Feb. 26 through June 30	275	5.0	280.0
1959 through Sept. 1	275	5.0	280.0
1959: Sept. 2 through June 29	283	5.0	288.0
1959: June 30	283	5.0	288.0
1960	285	10.0	295.0
1961	285	8.0	293.0
1962 through Mar. 12	285	13.0	298.0
1962: Mar. 13 through June 30	285	15.0	300.0
1963 through Mar. 31	285	23.0	308.0
1963: Apr. 1 through May 28	285	20.0	305.0
1963: May 29 through June 30	285	22.0	307.0
1964 through Nov. 30	285	24.0	309.0
1964: Dec. 1 through June 28	285	30.0	315.0
1964: June 29 and 30	285	39.0	324.0
1965	285	39.0	324.0
1966	285	43.0	328.0
1967 through Mar. 1	285	45.0	330.0
1967: Mar. 2 through June 30	285	51.0	336.0
1968 [1]	358	--------	358.0
1969 through Apr. 6 [1]	358	7.0	365.0
1969 after Apr. 6 [1]	358	--------	358.0
1970 through June 30 [1]	365	12.0	377.0
1971 through June 30 [1]	380	15.0	395.0
1972 through June 30 [1]	400	50.0	450.0
1973 through Oct. 31 [1]	400	50.0	450.0
1973 through June 30 [1]	400	65.0	465.0
1974 through Nov. 30 [1]	400	65.0	465.0
1974: Dec. 3 through June 30 [1]	400	75.7	475.7
1975 through Feb. 18 [1]	400	95.0	495.0
1975: Feb. 19 through June 30 [1]	400	131.0	531.0
1976 through Nov. 15 [1]	400	177.0	577.0
1976 through Mar. 15 [1]	400	195.0	595.0
1976 through June 30 [1]	400	227.0	627.0
TQ: from enactment through Sept. 30, 1971 [1]	400	236.0	636.0
1977: from Oct. 1, 1976 through Mar. 31, 1977 [1]	400	282.0	682.0
1977: from Apr. 1 through Sept. 30, 1977 [1]	400	300.0	700.0
1978: from Oct. 1, 1977, through July 31, 1978 [1]	400	352.0	752.0
1978: from Aug. 3, 1978, through Mar. 31, 1979 [1]	400	398.0	798.0
1979: from Apr. 2 through Sept. 30, 1979 [1]	400	430.0	830.0
1980: through June 30, 1980 [1]	400	479.0	879.0
1981: through Feb. 28, 1981 [1]	400	525.0	925.0
1981: through Sept. 30, 1981 [1]	400	535.1	935.1
Proposed:			
From enactment through Sept. 30, 1981 [1]	400	585.0	985.0
After Sept. 30, 1981 [1]	400	--------	400.0

[1] Includes FNMA participation certificates issued in fiscal year 1968.

II. INCREASE IN THE TEMPORARY LIMIT ON THE PUBLIC DEBT

A. Present law

The current debt limit is $935.1 billion. This consists of a permanent limit of $400 billion and a temporary limit of $535.1 billion. The temporary limit expires on September 30, 1981, the end of the fiscal year. (A summary of statutory public debt revisions from fiscal year 1947 to date is presented in table 1.)

B. Current budget outlook

The $935.1 billion limit originated in the first budget resolution for fiscal year 1981. (See table 2 for a summary of budget estimates for fiscal year 1981 in the two budget resolutions and as recently revised in the fiscal year 1982 budget submission.) This resolution provided for a $500 million unified budget surplus (revenues of $613.8 billion and outlays of $613.3 billion), and the $935.1 billion debt limit was based on these estimates and was expected to be adequate through September 30, 1981.

Since then, budget prospects have changed significantly. The second budget resolution added almost $20 billion in outlays and provided for a tax reduction. It projected a deficit of $27.4 billion (revenues of $605.0 billion and outlays of $632.4 billion). A debt limit of $978.6 billion through fiscal year 1981 would have been consistent with these budget estimates.

The latest revised estimates of the 1981 budget, which are included in the Carter Administration's budget for fiscal year 1982, show revenues of $607.5 billion, outlays of $662.7 billion and a deficit of $55.2 billion. Even these estimates may prove too optimistic because they are based on a policy which includes net tax increases of $2.5 billion in fiscal year 1981. Moreover, the Congressional Budget Office has recently estimated that the Carter Administration's budget involves $600 million more spending and $1.6 billion less revenue than the Carter Administration's own estimates. Neither of these estimates, however, takes account of the additional windfall profit tax revenue expected to result from President Reagan's decision to derequlate oil prices in January instead of allowing the present phaseout of price controls to be completed in September.

A breakdown of the larger increases in

spending since the first resolution is as follows: spending resulting from higher unemployment than originally expected ($6 billion), spending resulting from higher interest rates than expected ($12 billion), additional defense spending ($8 billion), spending resulting from higher inflation than expected ($10 billion), and additional nondefense spending unrelated to changing economic conditions ($11 billion).

C. Administration request

The Reagan Administration has requested an increase in the debt limit to $985 billion through fiscal year 1981. The Treasury stated that this amount is based upon the revised budget estimates for this fiscal year that were submitted by the Carter Administration, not upon the Reagan Administration's economic program. An increase to $985 billion through the remainder of this fiscal year is requested to allow time for the President to submit his proposed revisions in outlays and receipts and enable Congress to pass the bills it believes are consistent with the proposals.

TABLE 2.—BUDGET TOTALS FOR FISCAL YEAR 1981, AS APPROVED IN THE 1ST AND 2D BUDGET RESOLUTIONS AND REVISED BY CARTER ADMINISTRATION IN BUDGET SUBMITTED FOR FISCAL YEAR 1982

[In billions of dollars]

	Budget resolutions for fiscal year 1981		Budget revisions for fiscal year 1981
	1st	2d	
Receipts	613.8	605.0	607.5
Outlays	613.3	632.4	662.7
Deficit (−) or surplus	.5	−27.4	−55.2
Appropriate debt limit through fiscal year 1981	935.1	978.6	987.3

The Reagan Administration has estimated the probable debt limit requirements at the end of each month from January through September. These estimates (which appear in table 3) show that the estimated debt would reach $937 billion on September 30, on the assumption that the operating cash balance would be a constant $15 billion. Adding an additional $3 billion to the projected debt limits for an allowance for contingencies would increase the required debt limit to $990 billion. Increased windfall profit tax receipts of $3 or $4 billion as a result of President Reagan's decision to decontrol oil prices in January will make a $985 billion limit adequate with no more than a slight reduction in the operating cash balance.

TABLE 3.—END OF MONTH PROJECTIONS OF PUBLIC DEBT SUBJECT TO LIMIT THROUGH FISCAL YEAR 1981

[In billions of dollars]

	Estimated debt subject to limit [1]	With $3,000,000,000 margin for contingencies
Jan. 31	935	938
Feb. 28	952	955
Mar. 31	966	969
Apr. 30	955	958
May 31	975	978
June 30	968	971
July 31	974	977
Aug. 31	983	986
Sept. 30	987	990

[1] Assumes constant $15,000,000,000 operating cash balance.

Source: Treasury Department.

D. Basis for committee action

The committee has been fully aware of the need to increase the temporary debt this month. Accordingly, following the Administration's request the committee has acted expeditiously to approve this bill and report it to the Senate.

As is shown in table 2, estimates of budget outlays have increased by $49.4 billion and receipts have fallen by $6.3 billion since approval of the first budget resolution. If Congress were to adjust the public debt limit to accommodate these changes, the temporary debt limit would be increased by $55.7 billion, from $935.1 billion to $990.8 billion.

Secretary Regan testified before the committee that a $985 billion temporary debt limit for fiscal year 1981 would be adequate in the present circumstance. The new Administration is planning to send to Congress a comprehensive economic program that will tighten federal spending, cut taxes and introduce some regulatory reform. The complete program is not yet ready for submission to Congress. Delaying the increase in the temporary public debt limit until the program has been submitted to Congress and has been acted on by Congress is not possible in the present circumstances.

If Congress does not act promptly to increase the $935.1 billion debt limit, the Treasury Department may not be able to refund outstanding debt in full as it matures. One source of the uncertainty is a statutory requirement to invest surplus trust fund receipts in a United States obligation, which action tends to reduce the debt limit margin available for refunding. Uncertainty about the Treasury's ability to deliver securities in the amount of the auction may discourage participation in the auction and lead to higher interest costs. The problems are imminent because there is an $8.5 billion issue schedule for delivery on February 17 and a $7.8 billion refunding of bills scheduled for delivery on February 19. In addition the revised budget estimates will require $14 to $18 billion higher in new borrowings. After the present debt level has been reached, additional expenditures could be paid for only from general fund revenues which are deposited into the operating cash balance.

Once the cash balance is exhausted, the Federal Government no longer would be able to meet its financial obligations and would stand in default. Then, the Treasury would not be able to refund maturing debt or issue U.S. savings and retirement bonds until lenders are assured that there would be sufficient legal authority to issue debt. Treasury also would not be able to make payments under all the programs that have been authorized and for which funds have been appropriated. These programs and activities include interest payments on the public debt, military and civilian payrolls, various individual entitlement programs, aid to State and local governments, and contracts with private firms and individuals for production of goods and performance of various services for the Federal Government. If an increase in the public debt limit were delayed past the end of February, approximately $8 to $12 billion in payments could not be made to individuals under the social security old age and survivors program, federal employee retirement systems and the railroad retirement system.

In addition, there could be repercussions in the form of permanently higher borrowing costs that would reflect uncertainty expressed by the money market about federal debt management practices and the prospect of another default.

III. APPENDIX—DEBT LIMITATION UNDER SEC. 21 OF THE SECOND LIBERTY BOND ACT AS AMENDED—HISTORY OF LEGISLATION

[In billions of dollars]

Sept. 24, 1917:

40 Stat. 288, sec. 1, authorized bonds in the amount of, $7.5.[1]

40 Stat. 290, sec. 5, authorized certificates of indebtedness outstanding revolving authority, $4.[2]

Footnotes at end of article.

Apr. 4, 1961:

40 Stat. 502, amending sec. 1, increased bond authority to, $12.[1]

40 Stat. 504, amending sec. 5, increased authority for certificates outstanding to, $8.[2]

July 9, 1918: 40 Stat. 844, amending sec. 1, increased bond authority to, $30.[3]

Mar. 3, 1919:

40 Stat. 13, amending sec. 5, increased authority for certificates outstanding to, $10.[2]

40 Stat. 1309, new sec. 18 added, authorising note in the amount of, $7.[1]

Nov. 22, 1921: 42 Stat. 231 amending sec. 18, increased note authority outstanding (established revolving authority) to, $7.5.[3]

June 17, 1929: 46 Stat. 19 amending sec. 5, authorized bills in lieu of certificates of indebtedness; no change in limitation for the outstanding, $10.[2]

Mar. 3, 1931: 46 Stat. 1506 amending sec. 1, increased bond authority to, $28.[1]

Jan. 30, 1934: 49 Stat. 343 amending sec. 18, increased authority for notes outstanding to, $10.[1]

Feb. 4, 1935:

49 Stat. 20, amending sec. 1, limited bonds outstanding (establishing revolving authority) to, $25.[2]

49 Stat. 21, new sec. 21 added, consolidating authority for certificates and bills (sec. 5) and authority for notes (sec. 18); same aggregate amount outstanding, $30.[3]

49 Stat. 21, new sec. 22 added, authorizing U.S. savings bonds within authority of sec. 1,

———

May 26, 1938: 52 Stat. 447, amending secs. 1 and 21, consolidating in sec. 21 authority for bonds, certificates of indebtedness, Treasury bills, and notes (outstanding bonds limited to $30,000,000,000). Same aggregate total outstanding, $45.[3]

July 20, 1939: 53 Stat. 1071, amending sec. 21, removed limitation on bonds without changing total authorized outstanding of bond, certificates of indebtedness, bills and notes, $45.[3]

June 25, 1940: 54 Stat. 526, amending sec. 31, adding new paragraph:

"(b) In addition to the amount authorized by the preceding paragraph of this section, any obligation authorized by secs. 5 and 18 of this Act, as amended, not to exceed in the aggregate $4,000,000,000 outstanding at any one time, less any retirements made from the special fund made available under sec. 301 of the Revenue Act of 1940, may be issued under said sections to provide the Treasury with funds to meet any expenditures made, after June 30, 1940, for the national defense, or to reimburse the general fund of the Treasury therefor. Any such obligations so issued shall be designated 'National Defense Series' ", $49.[3]

Feb. 19, 1941: 55 Stat. 7, amending sec. 21, limiting face amount of obligations issued under authority of act outstanding at any one time to $65.[3]

Eliminated separated authority for $4,000,000,000 of national defense series obligations, $55.[3]

Mar. 28, 1942: 56 Stat. 189, amending sec. 21, increased limitation to, $125.[3]

Apr. 11, 1943: 57 Stat. 63, amending sec. 21, increased limitation to, $210.[3]

June 9, 1944: 58 Stat. 272, amending sec. 21, increased limitation to, $260.[3]

Apr. 3, 1945: 59 Stat. 47, amending sec. 21 to read: "The face amount of obligations issued under authority of this act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate, $300,000,000,000 outstanding at one time", $300.[3]

June 25, 1946: 60 Stat. 316, amending sec. 21, adding: "The current redemption value of any obligation issued on a discount basis which is redeemable to maturity at the option of the holder thereof, shall be considered, for the purposes of this section to be

the face amount of such obligation," and decreasing limitation of, $278.[2]

Aug. 28, 1954: 68 Stat. 895, amending sec. 21, enective Aug. 28, 1954, and ending June 30, 1955, increasing temporary limitation by $6,000,000,000 to, $281.[2]

June 30, 1955: 69 Stat. 241, amending Aug. 28, 1954, act by extending until June 30, 1956, increase in limitation to, $281.[2]

July 9, 1956: 70 Stat. 519, amending act of Aug. 28, 1954, increasing temporary limitation by $30,000,000,000 for period, beginning July 1, 1956, and ending June 30, 1957 to, $276.[2]

Effective July 1, 1957, temporary increase terminates and limitation reverts, under act of June 28, 1956, to, $275.[2]

Feb. 26, 1958: 72 Stat. 27, amending sec. 21, effective Feb. 26, 1958, and ending June 30, 1959, increasing limitation by $5,000,000,000 $280.[2]

Sept. 2, 1958: 72 Stat. 1758, amending sec. 21, increasing limitation by $5,000,000,000, $285.[2]

Sept. 2, 1958: 72 Stat. 1758, amending sec. 21, increasing limitation to $283,000,000,000, which with temporary increase on Feb. 26, 1958, makes limitation $288.[2]

June 30, 1959: Stat. 156, amending sec. 21, effective June 30, 1959, increasing limitation to $295,000,000,000, which with temporary increase of Feb. 26, 1958, makes limitation on June 30, 1959, $290.[2]

Amending sec. 21, increasing limitation by $10,000,000,000, for period beginning July 1, 1959, and ending June 30, 1960, which makes limitation beginning July 3, 1959, $295.[2]

July 30, 1960: 74 Stat. 290, amending sec. 21, for period beginning on July 1, 1960, and ending June 30, 1961, temporarily increasing limitation by $8,000,000,000, $293.[2]

June 30, 1961: 75 Stat. 148, amending sec. 21, for period beginning on July 1, 1961, and ending June 3, 1972, increasing limitation by $13,000,000,000 to $298.[2]

Mar. 13, 1962: 75 Stat. 23, amending sec. 21, for period beginning on Mar. 13, 1962, and ending June 3, 1962, further increasing limitation by $2,000,000,000, $300.[2]

July 1, 1962: 76 Stat. 124 as amended by 77 Stat. 50, amending sec. 21, for period—

1. Beginning July 1, 1962, and ending Mar. 31, 1963, $303.[2]

2. Beginning Apr. 1, 1963, and ending June 24, 1963, $305.[2]

3. Beginning June 25, 1963, and ending June 30, 1963, $300.[2]

May 29, 1963: 77 Stat. 50, amending sec. 21, for period—

1. Beginning May 29, 1963, and ending June 30, 1963, $307.[2]

2. Beginning July 1, 1963, and ending Aug. 31, 1963, $309.[2]

Aug. 27, 1963: 77 Stat. 131, amending sec. 21, for the period beginning on Sept. 1, 1963, and ending on Nov. 30, 1963, $309.[2]

Nov. 26, 1963: 77 Stat. 342, amending sec. 21, for the period—

1. Beginning on Dec. 1, 1963, and ending June 29, 1964, $315.[2]

2. On June 30, 1964, $309.[2]

June 29, 1964: 78 Stat. 225, amending sec. 21, for the period beginning June 29, 1964, and ending June 30, 1965, increasing the temporary debt limit to, $324.[2]

June 24, 1965: 79 Stat. 172, amending sec. 21, for the period beginning July 1, 1965, and ending on June 30, 1966, increasing the temporary debt limit to, $328.[2]

June 24, 1966: 80 Stat. 21, amending sec. 21, for the period beginning July 1, 1966, and ending on June 30, 1967, increasing the temporary debt limit to, $330.[2]

Mar. 2, 1967: 81 Stat. 4, amending sec. 21, for the period beginning Mar. 2, 1967, and ending on June 30, 1967, increasing the temporary debt limit to, $336.[2]

June 30, 1967: 81 Stat. 99—

1. Amending sec. 21, effective June 30, 1967, increasing limitation to, $358.[2]

2. Increasing the temporary debt limit by $7,000,000,000 for the period from July 1 to June 29 of each year, to make the limit for such period, $365.[2]

Apr. 7, 1969: 84 Stat. 7—

1. Amending sec. 21, effective Apr. 7, 1969, increasing debt limitation to, $365.[2]

2. Increasing the temporary debt limit by $12,000,000,000 for the period from Apr. 7, 1969, through June 30, 1970, to make the limit for such period, $377.[2]

June 30, 1970: 84 Stat. 368—

1. Amending sec. 21, effective July 1, 1970, increasing debt limitation to, $380.[2]

2. Increasing the temporary debt limit by $15,000,000,000 for the period from July 1, 1970, through June 20, 1971, to make the limit for such period, $395.[2]

Mar. 17, 1971: 85 Stat. 5—

1. Amending sec. 21, effective Mar. 17, 1972, increasing debt limitation to, $400.[2]

2. Increasing the temporary debt limit by $30,000,000,000 for the period from Mar. 17, 1971, through June 30, 1972, to make the limit for such period, $400.[2]

Mar. 15, 1972: 86 Stat. 63, increasing the temporary debt limit by an additional $20,000,000,000 for the period from Mar. 15, 1972, through June 30, 1972, to make the limit for such period, $450.[2]

July 1, 1972: 86 Stat. 406, extending the temporary debt limit of $50,000,000,000 for the period from July 1 through Oct. 31, 1972, to make the limit for such period. $450.[2]

Oct. 27, 1972: 86 Stat. 1324, increasing the temporary public debt by $65,000,000,000 for the period from Nov. 1, 1972, through June 30, 1974, to make the limit for such period, $465.[2]

July 1 1973: 87 Stat. 134, extending the temporary debt limit of $65,000,000,000 for the period from June 30, 1973, through Nov. 30, 1973, to make the limit for such period, $465.[2]

Dec. 3, 1973: 87 Stat. 691, increasing the temporary debt limit by $75,700,000,000 for the period from Dec. 3, 1973, through June 30, 1974, to make the limit for such period $475.7.[2]

June 30, 1974: 88 Stat. 285, increasing the temporary debt limit by $95,000,000,000 for the period from June 3, 1974, through Mar. 31, 1975, to make the limit for such period, $495.[2]

Feb. 19, 1975: 89 Stat. 5, increasing the temporary debt limit by $131,000,000,000 for the period from Feb. 10, 1975, through June 3, 1976, to make the limit for such period, $531.[2]

June 30, 1975: 89 Stat. 246, increasing the temporary debt limit by $177,000,000,000 for the period from June 30, 1975, through Nov. 16, 1975, to make the limit for such period, $577.[2]

Nov. 14, 1975: 89 Stat. 693, increasing the temporary debt limit by $195,000,000,000 for the period from Nov. 14, 1975, through Mar. 15, 1975, to make the limit for such period, $595.[2]

Mar. 15 1976: 90 Stat. 217, increasing the temporary debt limit by $277,000,000,000 for the period from Mar. 15, 1976, through June 30, 1976, to make the limit for such period, $627.[2]

June 30, 1976: 90 stat. 793—

1. Increasing the temporary debt limit by $236,000,000,000 for the period from July 1, 1976, through Sept. 30, 1976, to make the limit for such period, $636.[2]

2. Increasing the temporary debt limit by $282,000 000,000 for the period from Oct. 1, 1976, through Mar. 3, 1977, to make the limit for such period, $662.[2]

3. Increasing the temporary debt limit by $300,000,000,000 for the period from Apr. 2, 1977, through Sept. 30, 1977, to make the limit for such period, $700.[2]

Oct. 4, 1977: 91 Stat. 1090, increasing the temporary debt limit by $352,000,000,000 for the period from the date of enactment through Mar. 31 1978, to make the limit for such period, $752.[2]

Mar. 27, 1978: 92 Stat. 185, extending the temporary deot limit of $352,000,000,000 from the date of enactment through July 31, 1978, to make the limit for such period, $752.[2]

Aug. 3, 1978: 92 Stat. 419, increasing the temporary debt limit by $398,000,000,000 from the date of enactment through Mar. 31, 1979, to make the limit for such period $798.[2]

Apr. 2, 1979: 93 Stat. 3, increasing the temporary debt limit by $430,000,000,000 from the date of enactment through September 30, 1979, to make the limit for such period $830.[2]

Sept. 29, 1979: 93 Stat. 589, increasing the temporary debt limit by $479,000,000,000 from the date of enactment through May 31, 1980, to make the limit for such period $879.[2]

May 30, 1980: 94 Stat. 421, increasing the temporary debt limit by $479,000,000,000 from the date of enactment through June 5, 1980, to make the limit for such period $879.[2]

June 6, 1980: 94 Stat. 439, increasing the temporary debt limit by $479,000,000,000 from the date of enactment through June 30, 1980, to make the limit for such period $879.[2]

June 28, 1980: 94 Stat. 598, increasing the temporary debt limit by $525,000,000,000 from the date of enactment through February 28, 1981, to make the limit for such period $592.[2]

December 19, 1980: 94 Stat.[2], increasing the temporary debt limit by $535,100,000,000 from the date of enactment through September 30, 1981, to make the limit for such period $935.1.[2]

TABLE II.—OUTSTANDING PUBLIC DEBT SUBJECT TO LIMITATION AT END OF FISCAL YEARS 1916–80, AND ON JANUARY 27, 1981

Fiscal year:	Millions
1915	$1,225
1917	2,976
1918	12,455
1919	25,485
1920	24,299
1921	23,977
1922	22,963
1923	22,350
1924	21,251
1925	20,516
1926	19,643
1927	18,512
1928	17,604
1929	16,931
1930	16,185
1931	16,801
1932	19,487
1933	22,539
1934	27,053
1935	28,701
1936	33,779
1937	36,425
1938	36,882
1939	40,371
1940	43,219
1941	49,494
1942	74,154
1943	140,469
1944	208,077
1945	268,671
1946	268,932
1947	255,767
1948	250,381
1949	250,965
1950	255,382
1951	253,283
1952	257,233
1953	264,220
1954	269,379

Footnotes at end of article.

Fiscal year:	Millions
1955	272,348
1956	270,619
1957	239,120
1958	275,395
1959	282,419
1960	283,827
1961	283,308
1962	296,374
1963	302,923
1964	308,583
1965	314,126
1966	316,293
1967	323,143
1968	[1] 348,534
1969	[1] 356,107
1970	[1] 372,600
1971	[1] 398,650
1972	[1] 427,751
1973	[1] 458,264
1974	[1] 475,181
1975	[1] 534,207
1976	[1] 620,556
Transition quarter	[1] 635,822
1977	[1] 699,963
1978	[1] 772,691
1979	[1] 827,614
1980	[1] 908,723
1981 [2]	[1] 935,075

[1] Includes FNMA participation certificates issued in fiscal year 1968 in debt of fiscal years 1968–79.

[2] Debt at close of business, January 30, 1981.

Source: Annual Report of the Secretary of the Treasury for fiscal year 1924, table 34, p. 544, for 1916–17; Annual Report for fiscal year 1962, table 507, for 1938 and 1939; Annual Report for fiscal year 1976, Statistical Appendix, table 21, p. 67, for 1940–76; Treasury Bulletin, April 1980, table FD–8, p. 23 for 1977 and 1978 and Monthly Statement of the Public Debt of the United States, September 30, 1980, and Daily Treasury Statement, January 30, 1981.

FOOTNOTES

[1] Limitation on issue.

[2] Limitation on outstanding.

[3] Not available.●

● Mr. DECONCINI. Mr. President, I am pleased to have this opportunity to join Senator DOLE in sponsoring a regulatory reform bill, and to commend him for taking badly needed action in this area. I would also like to commend Senator LAXALT as the chairman of the Regulatory Reform Subcommittee for his interest in this subject, as I strongly believe it is one that the American people are demanding we address. My constituents from Arizona have certainly so indicated.

This is a time in which our country needs greater accountability in Government and I believe that sponsoring legislation such as this is certainly a step in the right direction. I look forward to working with the other sponsors in their attempts to achieve this goal in the best manner possible.

I feel confident that this bill will be the first in a series of regulatory reform measures considered during this congressional session. This measure requires agencies to consider alternative means of achieving their goal before adopting a particular rule. It also provides for the expiration of rules and regulations 5 years after they are adopted and provides for some level of judicial review of rules adopted by the Federal agencies. While I do not see this one piece of legislation as the answer to all the problems in this area, I feel confident that its introduction will give us a framework from which to begin finding the solution to the problem of Federal agency accountability.●

By Mr. WALLOP (for himself, Mr. BOREN, Mr. HARRY F. BYRD, JR., Mr. PERCY, Mr. HELMS, Mr. DOMENICI, Mr. SYMMS, Mr. BAUCUS, Mr. TOWER, Mr. HEFLIN, Mr. BENTSEN, Mr. HAYAKAWA, Mr. PRYOR, Mr. LUGAR, Mr. ANDREWS, Mr. DURENBERGER, Mr. THURMOND, Mr. ZORINSKY, Mr. MATHIAS, Mr. NICKLES, Mr. BURDICK, Mr. ABDNOR, and Mr. MATSUNAGA):

S. 395. A bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes; to the Committee on Finance.

FAMILY ENTERPRISE ESTATE AND GIFT TAX EQUITY ACT

Mr. WALLOP. Mr. President, today I join with Senators BOREN, BYRD, PERCY, HELMS, BENTSEN, DOMENICI, SYMMS, BAUCUS, TOWER, HEFLIN, HAYAKAWA, PRYOR, LUGAR, ANDREWS, DURENBERGER, THURMOND, and ZORINSKY in introducing the estate and gift tax amendments of 1981. This legislation addresses certain inequities and eliminates unnecessary complications in the estate and gift tax laws. The legislation focuses on relieving the harsh consequences of inflation, especially as it interacts with the estate tax laws to force many family-owned farms and small enterprises out of business.

Unfortunately, little attention has been given to estate taxes in recent years. The focus in Congress has reflected the national concern over capital formation issues and the need to get our economy moving toward an era of inflation-free growth. Those are laudable goals, which I heartily support. But we cannot pursue the goals of capital formation or reindustrialization without making sure that other fundamental aspects of our economic strength are addressed. I am talking about small businesses and family farms. So much of the economic growth still depends on small business, and the productivity of agriculture, that we should not allow these institutions to be neglected.

To most people, it appears that estate taxes have very little to do with small businesses or farmers. After all, it is only natural that one generation passes away, and the next generation simply takes over the reins of management. In transition, an estate tax is paid, and life goes on as usual.

That is the theory of estate taxation. The realities of the situation are much more cruel. Too often, heavy estate tax burdens make it difficult or impossible for one generation of farmers, timber lot owners, or small businessmen to pass on their operation to the next generation. Even if the transfer is accomplished, heavy estate taxes can destroy the financial ability of the succeeding generation to invest in and improve small family operations. When estate taxes force farmers or family-owned businesses to sell out to larger farmers or larger corporations, then we have a Government policy that changes the economic landscape of this Nation.

Our estate tax laws are based on considerations of equity—they are relatively meaningless as a revenue raising device. In 1980 the revenues from estate taxes amounted to only about $6 billion out of a total Federal collection of $650 billion.

The sole policy goal of estate taxes is to "prevent the excessive accumulation of wealth from one generation to the next." Unfortunately, in to many instances the estate and gift taxes are not only preventing the excessive accumulation of wealth, they are actually interfering with the transfer of small businesses and farms from one generation to the next. They promote the transfer of wealth to corporate America.

When this occurs, we have estate taxes that are neither equitable, nor do they make economic sense. Whatever social goal they were designed to achieve may have once made sense, but today they are having the opposite result. What we need are estate tax laws that do not interfere with the national objective of encouraging the continuation of family farms and small businesses. We need estate tax laws that mesh with other tax efforts to eliminate disincentives to capital formation. Finally, there is a desperate need to approach these goals with an eye toward simplifying the estate and gift tax laws.

One final note, Mr. President. If a farm or small business falls into corporate hands, it will never again be subjected to inheritance taxes. Only a small proportion of its shares will be taxed based on values set by bookkeepers, not appraisers bent on high returns to the Government.

INCREASE IN UNIFIED CREDIT AND RATE CUT

Mr. President, this legislation proposes an increase in the unified credit so that gross estates valued up to $600,000 may pass free of Federal estate and gift taxes, and it makes an across-the-board 10-percent cut in estate tax rates. These changes in the estate tax laws will not only remove the administrative burden of estate taxes on many family-owned farms and businesses, but they will also protect all estates from the effects of the last several years of high inflation.

We are all familiar with the effects of inflation on income tax rates, but it is important to recognize that inflation has also triggered higher estate tax burdens on family estates. I submit, Mr. President, that these burdens were never intended by Congress. Allow me to draw your attention to a table prepared for hearings in the Senate Finance Committee by Mr. Thomas Eubank, an estate tax expert from Illinois. Mr. Eubank's table graphically illustrates the tax increases that have been imposed on all estates by the relentless increase of inflation. The table provides the example of a $250,000 estate on January 1, 1977, when our current estate tax rates became effective, and how that estate changes by January 1, 1984, over a brief period of 7 years. Mr. Eubank made

the modest assumption of a 10-percent inflation rate over those 7 years, and he also assumes that there is no change in value in the estate except for those increases commensurate with inflation. Under these circumstances, a $250,000 estate in 1977 will be a $500,000 estate in 1984. The estate tax on that estate will increase from $23,800 in 1977 to $108,800 in 1984, nearly a fivefold increase in only 7 years.

Mr. President, the benefits of the 1976 estate tax amendments will be lost unless Congress acts to increase the unified credit, cut the estate tax rates and create some compensation for inflation. This problem is addressed in the legislation we introduce today.

HOW INFLATION INCREASES ESTATE TAXES

Estate size[1] Jan. 1, 1977	Estate tax,[2] Jan. 1, 1977	Percentage of estate payable as tax, Jan. 1, 1977	Estate size[1] (col. 1 doubled)	Estate tax,[2] Jan. 1, 1984	Percentage of estate payable as tax, Jan. 1, 1984	Estate tax Jan. 1, 1984 in 1977 dollars (col. 5 halved)	Percentage increase in tax using 1977 dollars (increase from col. 2 vs. col. 7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$2,500,000	$976,800	39	$5,000,000	$2,503,800	50	$1,251,900	28
2,000,000	773,800	37	4,000,000	1,833,800	46	916,900	25
1,500,000	568,800	34	3,000,000	1,243,800	41	621,900	22
1,250,000	481,300	32	2,500,000	975,800	39	488,400	22
1,000,000	298,800	30	2,000,000	733,800	37	366,900	23
750,000	201,300	27	1,500,000	508,800	34	254,400	26
500,000	108,800	22	1,000,000	298,800	30	149,400	37
250,000	23,800	10	500,000	108,800	22	54,400	129

[1] Taxable estate plus adjusted taxable gifts.

[2] A unified credit of $47,000 is used in calculating the taxes in cols. 2 and 5, without allowance for any other credit.

WIDOW'S TAX REPEAL

Mr. President, another section in my bill adresses the so-called widow's tax by removing all limitation on the marital deduction for estate and gift tax purposes. Under present law there is currently an estate tax marital deduction for property passing from the decedent to the surviving spouse, but it is limited to the greater of $250,000 or one-half of the decedent's adjusted gross estate. There is also a gift tax marital deduction which provides for an unlimited deduction for transfers between spouses for the first $100,000 in gifts. Thereafter, the deduction allowed is 50 percent of the interspousal lifetime transfers in excess of $300,000.

Also under existing law, the limitation on the estate tax marital deduction is reduced by the amount of the marital deduction allowed for lifetime transfers in excess of 50 percent of the value of the transfers. However, experience has shown that the limitations on the marital deduction for estate and gift tax purposes are unsatisfactory. This is because it results in the imposition of a transfer tax on the movement of property from spouse to spouse and forces couples into an unnatural arrangement of recordkeeping of interspousal transfers.

The question addressed by this provision is: When one spouse dies before the other, should a tax be levied upon the estate of the first to die? Under present law, a farm wife who for years works alongside her husband finds upon his death that she is the victim of estate taxes, and finds it extremely difficult to prove that she has made a financial contribution to the farming operation. How totally insulting and unfair it is to have farm wives pay inheritance taxes on estates that they worked with their husbands to build.

This legislation will do away with the need to keep records of transfers between spouses for estate and gift tax purposes. Gifts between husbands and wives should be generated out of that most basic element of human nature—love—and should not be sullied with tax considerations and recordkeeping. A 100-percent marital deduction with no disqualification of community property would eliminate all of the concerns and bring to full fruition from a tax standpoint the often pressed attitude of husband and wife that the property is "ours" without regard to the technical legal ownership requirements.

The Federal estate tax recognizes the individual rather than the family ownership of property. The central rationale for an unlimited marital deduction is the belief that it is unreasonable to treat the surviving members of a family as receiving a capital gain when one member dies. Actually, the reverse is true. The death of either the husband or the wife leaves the remaining members of the family worse off. If the family includes children at home, the death of the mother will sharply increase the cost of maintaining the family because many of the services typically provided free by the mother must now be purchased. The death of the father will also sharply reduce the income available to support the family. Mr. President, my bill simply recognizes those facts of life.

Mr. President, the unlimited marital deduction should not lose revenue in the long run. In fact, when the unlimited marital deduction is used it may even increase revenue as a result of estate stacking, the combining of the two spouses' estates into one larger taxable estate. This suggests that some families may not wish to use the unlimited marital deduction, and that for some estates expert tax advisers would not recommend using the provision in this bill. I wish to emphasize that the unlimited marital deduction called for in this legislation is optional, enabling individuals to choose how to structure their estates.

SPECIAL USE VALUATION

Mr. President, we introduce this legislation just a few days after the publication of the final "Report of the National Agricultural Lands Study" undertaken by the Department of Agriculture. This study examined the adequacy of America's agricultural land base and determined the rate at which American farmland is being converted to nonagricultural uses. The study found that 3 million acres of American farmland are being converted each year to build shopping centers, highways, and houses. The disappearance of prime farmland has been particularly acute in the industrial States east of the Mississippi, particularly the Mid-Atlantic States which have lost 22 percent of their farmland to development.

The problem of farmland conversion will affect this Nation's ability to produce food, not only for ourselves, but for an expanding world population. We will have little hope of seeing gasohol contribute to our energy needs or meet the growing world food requirements if prime American farmland is converted to nonagricultural uses.

Mr. President, this legislation recognizes that the burden of estate taxes only creates a more difficult financial climate for American farmers. It recognizes that if the estate tax problems facing family farms is not addressed, we will see farmland converted to nonagricultural uses at an accelerated pace.

Mr. President, the need to give estate tax relief to farmers and ranchers stems from the low return they receive from their operation and the unique nature of their most important asset; land. Too often farmers find that they have a modest income throughout their lives yet upon death they will be viewed as millionaires, solely because their land has appreciated in value. The average return on agricultural land is approximately 3 percent of current value. But the per acre value of farmland has multiplied over 13 times between 1942 and 1980, compared to a fourfold increase in prices generally. No wonder individuals face difficulties in paying estate taxes when land prices have escalated so dramatically. A farmer simply cannot borrow money at 15 or 20 percent to pay off estate taxes on

land that generates a net rent of 3 or 4 percent per year—unless of course he is willing to sell part of his land. Land inflation combined with estate taxes threaten to force large-scale liquidations of properties now held by families that have an established record of efficient food and fiber production.

Mr. President, much of the increase in farm prices is attributable to the fact that in many areas, outside investors have purchased prime argicultural land, bidding up its price. In many instances, the entrance of nonfarmers into the farming business has been encouraged by tax-shelter opportunities inherent in the tax rules applied to farm operations. The challenge to Congress is to devise estate tax laws that work in harmony with the goal of preserving the family farm, without creating tax preferences that increase the flood of nonagricultural investors into farm and ranch land.

Too often, the market value of real property used for agricultural purposes is distorted by factors unrelated to its earning capacity as farmland. Under the estate tax law as it existed prior to 1976 the value of property was included in the gross estate of a decedent at the fair market value of the property on the date of the decedent's death. One of the most important considerations used in determining fair market value was the highest and best use to which the property could be put. The IRS interpreted "highest and best" to mean that use which would bring the most money if the property was sold.

By this practice, IRS agents would value a working farm not on the basis of its actual use as a farm, but on the basis of whatever use would bring the highest return at auction. Most of the time this meant that the IRS agent would envision a working farm as if it was simply a tract of land to be subdivided into one-quarter-acre lots for housing. The IRS routinely totally ignored the income stream that the farm, as a farm, generated. How many lots could be carved out? That was the determining factor for the IRS. Then multiply the number of imaginary lots by the average cost of a developed building lot in the area, and you have fair market value according to the tax collector.

In many cases, the greater estate tax burden generated by the unrealistic valuation makes continuation of farming or of operating a closely held business not feasible because the income potential from these activities is insufficient to service extended tax payments or loans obtained to pay the tax. Thus, the heirs are forced to sell the land for development purposes.

In 1976, the Congress recognized, at least to some extent, the value of the family farm. The Congress believed that when land is actually used for farming purposes or for other closely held business purposes, it is inappropriate to value the land on the basis of its potential "highest and best use" especially since it is desirable to encourage the continued use of property for farming and other small businesses. Also, where the valuation of land reflects speculation to such a degree that the price does not bear a reasonable relationship to its earning capacity, we in the Congress believed it unreasonable to require that this "speculative value" with respect to land devoted to farm or closely held businesses be included in an estate. For these reasons, the Congress in 1976 changed the law to provide for the special use valuation for estate tax purposes in situations involving real property used in farming or in certain other trades or businesses.

The special use valuation rules adopted in 1976 were a step in the right direction, but certain restrictions and limitations were adopted which detract from the practical applications and use of these provisions by bona fide ranchers and farmers. The provisions have simply not worked as well as they were intended. The special use valuation provisions are burdened by overadministration and overregulation, and in its attempts to prevent abuse, it has failed to help the ranchers and farmers who truly need estate tax relief.

This legislation also addresses the very special problems faced by owners of woodlots and timberlands as they try to use the special use valuation provisions. Woodlands is perhaps the most obvious area in which material participation and the special use valuation rules have not worked. Because of the long rotation periods which include intervals of management inactivity and the need for professional advice and service, material participation rules as written for other crop farming does not speak to timberland owners or tree farmers.

In contrast to other agricultural farming, the crop period for timber growing often spans 30 to 60 years. Many timber owners make only one timber sale in their lifetime, and for the timber stand, that one sale may be only a thinning improvement, or other intermediate cut. Tree farming and the management of timber does not require frequent or substantial work each year or even at 5- or 10-year intervals and thus they cannot comply with the regulation although this industry was clearly and specifically intended to benefit from this provision.

Mr. President, the legislation I am introducing today removes these obstacles so that the special use valuation legislation approved by Congress in 1976 can actually assist farmers, ranchers, and woodland owners in 1981.

INCREASE IN THE GIFT TAX EXEMPTION

This legislation makes an additional change in the area of gift taxation. Present law permits a person to exclude up to $3,000 given to another individual per year without having to pay gift taxes on the transfer. The present $3,000 exclusion has not been raised in 35 years. During that 35-year period inflation has more than quadrupled the cost of goods and property. This legislation will increase the gift tax exclusion to $10,000.

The case for an adequate annual gift tax exclusion was stated by the Finance Committee in 1932. It stated that the exclusion—

On one hand is to obviate the necessity of keeping an account of and reporting numerous small gifts, and on the other, to fix the amount sufficiently large to cover in most cases wedding and Christmas gifts and occasional gifts of relatively small amounts.

The need to increase the exclusion is also supported by the traditional practice of giving help to loved ones. Many parents make substantial transfers of funds to children to provide for college, an automobile, or for getting married and starting a home and family. In turn, many adult children try to help aged parents by providing food, clothing, shelter, and basic amenities. Under the laws of most States, these types of transfers are gifts, because the transferor has no legal obligation to provide for those parents or young adults. Although the Internal Revenue Service is not yet actively pursuing taxpayers in these situations, most estate tax experts believe that such transfers are gifts under the Federal estate and gift laws as they are written.

Mr. President, most people do not realize that when they give substantial gifts or make transfers valued over $3,000, they are subject to the gift tax. They do not realize this because it is inconceivable that people should pay a gift tax on a wedding gift, tuition payments, or the funds given to help support an elderly mother or father. Keeping the gift tax exclusion at $3,000 will continue to make many taxpayers lawbreakers. This legislation will bring the gift tax exclusion in step with the changing economic realities by increasing the exclusion to $10,000.

Mr. President, this legislation reflects the work of many Senators and the recommendations of estate tax experts received through a series of hearings in the Senate Finance Committee. These needed reforms in the estate tax laws should be addressed by the Congress without delay. I urge my colleagues to assist me in this effort to enact these needed reforms in the gift and tax laws.

I request unanimous consent that the bill be reprinted following my remarks in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Family Enterprise Estate and Gift Tax Equity Act".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. CHANGES IN RATE SCHEDULES.

(a) IN GENERAL.—Subsection (c) of section 2001 (relating to the rate schedule) is amended by striking out the table contained therein and inserting in lieu thereof the following new table:

"If the amount with respect to which the tentative tax to be computed is:	The tentative tax is:
Not over $25,000	10 percent of such amount.
Over $25,000 but not over $50,000	$2,500, plus 15 percent of the excess of such amount over $25,000.
Over $50,000 but not over $125,000	$6,250, plus 18 percent of the excess of such amount over $50,000.
Over $125,000 but not over $250,000	$19,750, plus 20 percent of the excess of such amount over $125,000.
Over $250,000 but not over $500,000	$44,750, plus 22 percent of the excess of such amount over $250,000.
Over $500,000 but not over $750,000	$99,750, plus 26 percent of the excess of such amount over $500,000.
Over $750,000 but not over $1,000,000	$162,250, plus 28 percent of the excess of such amount over $750,000.
Over $1,000,000 but not over $1,250,000	$232,250, plus 31 percent of the excess of such amount over $1,000,000.
Over $1,250,000 but not over $1,500,000	$309,750, plus 33 percent of the excess of such amount over $1,250,000.
Over $1,500,000 but not over $2,000,000	$392,250, plus 35 percent of the excess of such amount over $1,500,000.
Over $2,000,000 but not over $2,500,000	$567,250, plus 39 percent of the excess of such amount over $2,000,000.
Over $2,500,000 but not over $3,000,000	$762,250, plus 43 percent of the excess of such amount over $2,500,000.
Over $3,000,000 but not over $3,500,000	$977,250, plus 47 percent of the excess of such amount over $3,000,000.
Over $3,500,000 but not over $4,000,000	$1,212,250, plus 51 percent of the excess of such amount over $3,500,000.
Over $4,000,000 but not over $4,500,000	$1,467,250, plus 55 percent of the excess of such amount over $4,000,000.
Over $4,500,000 but not over $5,000,000	$1,742,250, plus 59 percent of the excess of such amount over $4,500,000.
Over $5,000,000	$2,037,250, plus 60 percent of the excess of such amount over $5,000,000.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 1980.

SEC. 3. INCREASE IN UNIFIED CREDIT.

(a) CREDIT AGAINST ESTATE TAX.

(1) IN GENERAL.—Subsection (a) of section 2010 (relating to unified credit against estate tax) is amended by striking out "$47,000" and inserting in lieu thereof "$124,750".

(2) CONFORMING AMENDMENTS.—

(A) Subsection (b) of section 2010 is amended to read as follows:

"(b) Phase-in of Credit.—

"Subsection (a) shall be applied by substituting for '$124,750' the following amount:

"In the case of decedents dying in:	
1981	$29,750
1982	55,750
1983	77,750
1984	99,750.".

(B) Subsection (a) of section 6018 (relating to estate tax returns by executors) is amended—

(i) by striking out "$175,000" in paragraph (1) and inserting in lieu thereof "$600,000"; and

(ii) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) Phase-in of filing requirement amount.—

"Paragraph (1) shall be applied by substituting for '$600,000' the following amount:

"In the case of decedents dying in:	
1981	$175,000
1982	300,000
1983	400,000
1984	500,000.".

(b) CREDIT AGAINST GIFT TAX.—

(1) IN GENERAL.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by striking out "$47,000" and inserting in lieu thereof "$124,750".

(2) CONFORMING AMENDMENT.—Subsection (b) of section 2505 is amended to read as follows:

"(b) PHASE-IN OF CREDIT.—

"Subsection (a)(1) shall be applied by substituting for '$124,750' the following amount:

"In the case of gifts made in:	
1981	$29,750
1982	55,750
1983	77,750
1984	99,750.".

(c) EFFECTIVE DATES.—The amendments made—

(1) by subsection (a) shall apply to the estates of decedents dying after December 31, 1980, and

(2) by subsection (b) shall apply to gifts made after such date.

SEC. 4. UNLIMITED MARITAL DEDUCTION.

(a) ESTATE TAX DEDUCTION.—

(1) IN GENERAL.—Section 2056 (relating to bequests, etc. to surviving spouses) is amended—

(A) by striking out subsection (c) and redesignating subsection (d) as subsection (c), and

(B) by striking out "subsections (b) and (c)" in subsection (a) and inserting in lieu thereof "subsection (b)".

(2) CONFORMING AMENDMENT.—Paragraph (5) of section 2057(e) (defining property passing from a decedent) is amended by striking out "2056(d)" and inserting in lieu thereof "2056(c)".

(b) GIFT TAX DEDUCTION.—

(1) IN GENERAL.—Subsection (a) of section 2523 (relating to gift to spouse) is amended to read as follows:

"(a) ALLOWANCE OF DEDUCTION.—Where a donor who is a citizen or resident transfers during the calendar quarter by gift an interest in property to a donee who at the time of the gift is the donor's spouse, there shall be allowed as a deduction in computing taxable gifts for the calendar quarter an amount with respect to such interest equal to its value.".

(2) TECHNICAL AMENDMENT.—Section 2523 is amended by striking out subsection (f).

(c) EFFECTIVE DATES.—The amendments made—

(1) by subsection (a) shall apply to the estates of decedents dying after December 31, 1981, and

(2) by subsection (b) shall apply to gifts made after such date.

SEC. 5. INCREASE IN ANNUAL GIFT TAX EXCLUSION.

(a) IN GENERAL.—Subsection (b) of section 2503 (relating to exclusions from gifts) is amended by striking out "$3,000" and inserting in lieu thereof "$10,000".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to gifts made after December 31, 1981.

SEC. 6. VALUATION OF CERTAIN FARM, ETC., REAL PROPERTY.

(a) DEFINITION OF QUALIFIED REAL PROPERTY.—Subsection (b) of section 2032A (defining qualified real property is amended—

(1) by inserting "by the decedent or a member of the decedent's family" after "qualified use" each place it appears in paragraph (1), and

(2) by adding at the end thereof the following new paragraphs:

"(4) RETIRED AND DISABLED DECEDENTS.—

"(A) IN GENERAL.—If, on the date of death of the decedent, the decedent did not otherwise meet the requirements of paragraph (1)(C) with respect to any property, and the decedent—

"(i) was eligible to receive old-age benefits under title II of the Social Security Act, or

"(ii) was disabled for a continuous period ending on such date,

then paragraph (1)(C) shall be applied by substituting 'the date on which the decedent became eligible to receive old-age benefits under title II of the Social Security Act or became disabled' for 'the date of the decedent's death'.

"(B) DISABLED DEFINED.—For purposes of subparagraph (A), an individual shall be disabled if such individual has a mental or physical impairment which renders him unable to materially participate in the operation of the farm or other business.

"(5) SPECIAL RULE FOR SPOUSES WHO ARE QUALIFIED HEIRS.—In the case of any qualified real property which was acquired by a qualified heir who is the spouse of the decedent and which does not otherwise meet the requirements of paragraph (1)(C) upon the death of such spouse, such real property shall be treated as meeting the requirements of paragraph (1)(C) if such spouse was engaged in the active management of the operation of the business at all times during—

"(A) the 10-year period ending on the date of death of the spouse, or

"(B) the period beginning on the date of death of the decedent and ending on the date of death of the spouse.

"(6) SPECIAL RULE FOR CERTAIN WOODLANDS.—In the case of real property used for a farming purpose described in subparagraph (C) of subsection (e)(5) which does not otherwise meet the requirements of subparagraph (A), (B), or (C) of paragraph (1), such real property shall be treated as meeting the requirements of any such subparagraph if, at all times during the 10-year period ending on the date of the decedent's death, such real property was owned by the decedent or a member of the decedent's family and used for such farming purpose.".

(b) DISPOSITIONS AND FAILURES TO USE FOR QUALIFIED USE.—

(1) 10-year holding period.—

(A) IN GENERAL.—Subsection (c) of section 2032A (relating to tax treatment of dispositions and failures to use for qualified use) is amended—

(i) by striking out "15 years" in paragraph (1) and inserting in lieu thereof "10 years", and

(ii) by striking out paragraph (3) and redesignating paragraphs (4) through (7) as paragraphs (3) through (6).

(B) CONFORMING AMENDMENTS.—Paragraph (2) of section 2032A (h) (relating to treatment of replaced property) is amended—

(i) by striking out in subparagraph (A) all that follows "involuntarily converted," and inserting in lieu thereof the following: "except that with respect to such qualified replacement property the 10-year period under paragraph (1) of subsection (c) shall be extended by any period, beyond the 2-year period referred to in section 1033(a)(2)(B)(i), during which the qualified heir was allowed to replace the qualified real property,", and

(ii) by striking out "(7)" in subparagraph (C) and inserting in lieu thereof "(6)".

(2) CESSATION OF QUALIFIED USE.—

(A) IN GENERAL.—Paragraph (6) of section 2032(c) (defining cessation of qualified use), as redesignated by paragraph (1), is amended to read as follows:

"(6) CESSATION OF QUALIFIED USE.—For purposes of paragraph (1)(B)—

"(A) IN GENERAL.—Real property shall cease to be used for the qualified use if—

"(i) such property ceases to be used for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) under which the property qualified under subsection (b), or

"(ii) except as provided in subparagraph (B) or (C), during any period of 8 years ending after the date of the decedent's death and before the date of the death of the qualified heir, there had been periods aggregating 3 years or more during which—

"(I) in the case of periods during which the property was held by the decedent (other than periods during which the decedent was an individual described in subsection (b)(4)(A)(i) or (ii)), there was no material participation by the decedent or any member of the family in the operation of the farm or other business, and

"(II) in the case of periods during which the property was held by any qualified heir, there was no material participation by such qualified heir or any member of his family in the operation of the farm or other business.

"(B) 10-YEAR ACTIVE MANAGEMENT.—If an eligible qualified heir elects, at such time and in such manner as the Secretary may prescribe, to have the provisions of this subparagraph apply to any real property—

"(i) the provision of clause (ii) of subparagraph (A) shall not apply to such property, and

"(ii) such property shall cease to be used for the qualified use if the fiduciary or the eligible qualified heir or any member of his family did not take part in the active management of the farm or other business at all times during the period beginning on the date of death of the decedent and ending on the earlier of—

"(I) the date of death of the qualified heir, or

"(II) the date which is 10 years from date of death of the decedent.

"(C) SPECIAL RULE FOR WOODLANDS.—The provisions of clause (ii) of subparagraph (A) shall not apply in the case of real property with respect to which the qualified use under which the property qualified under subsection (b) was use for a farming purpose described in subparagraph (C) of subsection (e)(5).

"(D) ELIGIBLE QUALIFIED HEIR.—For purposes of this paragraph, the term 'eligible qualified heir' means a qualified heir who, on the date of death of the decedent—

"(i) is the spouse of the decedent,

"(ii) has not attained the age of 21,

"(iii) is a student described in subparagraph (A) or (B) of section 151(e)(4), or

"(iv) was disabled (within the meaning of subsection (b)(4)(P)) for a continuous period ending on such date.".

(B) CONFORMING AMENDMENT.—Subsection (e) of section 2032A (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(12) ACTIVE MANAGEMENT.—The term 'active management' means the making of the management decisions of a business (other than the daily operating decisions).".

(c) REPEAL OF $500,000 LIMITATION.—Subsection (a) of section 2032A (relating to value based on use under which property qualifies) is amended to read as follows:

"(a) VALUE BASED ON USE UNDER WHICH PROPERTY QUALIFIES.—If—

"(1) the decedent was (at the time of his death) a citizen or resident of the United States; and

"(2) the executor elects the application of this section and files the agreement referred to in subsection (d)(2),

then, for purposes of this chapter, the value of qualified real property shall be its value for the use under which it qualifies, under subsection (b), as qualified real property.".

(d) EXCHANGE OF QUALIFIED REAL PROPERTY.—

(1) IN GENERAL.—Section 2032A (relating to valuation of certain farm, etc., real property) is amended by adding at the end thereof the following new subsection:

"(i) EXCHANGES OF QUALIFIED REAL PROPERTY.—

"(1) TREATMENT OF PROPERTY EXCHANGED.—

"(A) IN GENERAL.—If an interest in qualified real property is exchanged—

"(i) no tax shall be imposed by subsection (c) on such exchange if the interest in qualified real property is exchanged solely for an interest in qualified exchange property in a transaction which qualifies under section 1031(a), or

"(ii) if clause (i) does not apply, the amount of the tax imposed by subsection (c) on such exchange shall be the amount determined under subparagraph (B).

"(B) AMOUNT OF TAX WHERE PROPERTY RECEIVED IS NOT SOLELY AN INTEREST IN QUALIFIED EXCHANGE PROPERTY.—The amount determined under this subparagraph with respect to any exchange is the amount of tax which (but for this subsection) would have been imposed on such exchange reduced by an amount equal to that portion of such tax which is attributable to the amount of the interest in qualified exchange property received by the taxpayer.

"(2) TREATMENT OF QUALIFIED EXCHANGE PROPERTY.—For purposes of subsection (c)—

"(A) any interest in qualified exchange property shall be treated in the same manner as if it were a portion of the interest in qualified real property which was exchanged, and

"(B) any tax imposed by subsection (c) on the exchange shall be treated as a tax imposed or a partial disposition.

"(3) QUALIFIED EXCHANGE PROPERTY.—For purposes of this subsection, the term 'qualified exchange property' means real property which is to be used for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) under which the real property exchanged therefor originally qualified under subsection (a).".

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 2032A(f) (relating to statute of limitations) is amended—

(i) by inserting "or exchange" after "conversion",

(ii) by inserting "or (i)" after "(h)", and

(iii) by inserting "or of the exchange of property" after "replace".

(B) Paragraph (2) of section 6324B(c) (relating to special liens) is amended by inserting "and qualified exchange property (within the meaning of section 2032A(i)(3))" before the period at the end thereof.

(e) ELECTION REQUIREMENT OF SPECIAL RULES FOR INVOLUNTARY CONVERSIONS REPEALED.—Section 2032A(h) (relating to special rules for involuntary conversions of qualified real property) is amended—

(1) by striking out "and the qualified heir makes an election under this subsection" in paragraph (1)(A); and

(2) by striking out paragraph (5).

(f) METHOD OF VALUING FARMS.—Paragraph (7) of section 2032A(e) of the Internal Revenue Code of 1954 is amended to read as follows:

"(7) METHOD OF VALUING FARMS.—

"(A) IN GENERAL.—Unless the executor elects to have the value of the farm for farming purposes determined under paragraph (8), the value of a farm for farming purposes shall be determined by dividing—

"(i) the excess of the amount of the average annual gross rental value of the qualified real property used for farming purposes over the amount of the average annual State and local real estate taxes for such qualified real property, by

"(ii) the average annual effective interest rate for all new Federal Land Bank loans.

For purposes of the preceding sentence, each average annual computation shall be made on the basis of the 5 most recent calendar years ending before the date of the decedent's death.

"(B) APPLICATION.—Unless the executor so elects otherwise, subparagraph (A) shall apply regardless of whether the qualified real property or any portion thereof has in fact been rented or whether such qualified real property has been rented on a cash, crop shares, or other basis.".

(g) BASIS UPON RECAPTURE.—Paragraph (3) of section 1014(a) (relating to basis of property acquired from a decedent) is amended by inserting "(increased by the value of any interest in such property (determined for purposes of this chapter without regard to this section) with respect to which an additional estate tax is imposed under section 2032A(C)(1))" after "section".

(h) EFFECTIVE DATE.—The amendments

made by this section shall apply to the estates of decedents dying after December 31, 1981.

SEC. 7 ESTATE TAX TREATMENT OF TRANSFERS MADE WITHIN 3 YEARS OF DECEDENT'S DEATH.

(a) IN GENERAL.—Section 2035 (relating to adjustments for gifts made within 3 years of decedent's death) is amended by adding the following new subsection at the end thereof:

"(d) VALUATION OF GIFTS.—For purposes of subsection (a), the value of property included in the gross estate by reason of subsection (a) shall be the value of such property at the time of its transfer. The preceding sentence shall not apply to a transfer of an interest in property which is included in the value of the gross estate under section 2036, 2037, 2038, 2041, or 2042 or would have been included under any of such sections if such interest had been retained by the decedent.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to gifts made after December 31, 1980.

SEC. 8 ELECTION TO PAY GIFT TAX

(a) IN GENERAL.—Section 2505 (relating to unified credit against gift tax) is amended by adding at the end thereof the following new subsection:

"(c) ELECTION TO PAY GIFT TAX.—

"(1) IN GENERAL.—An individual may elect with respect to any calendar quarter not to have the credit allowed by subsection (a) apply with respect to gifts made during such quarter.

"(2) ELECTION.—Any election under paragraph (1) shall be made at the same time as the return required to be filed for such quarter under section 6019 is filed and shall be in such form and manner as the Secretary may by regulations prescribe.

"(3) EFFECT OF ELECTION.—For purpose of subsection (a) (2), the amount of any credit which does not apply by reason of an election under paragraph (1) shall not be treated as an amount allowable as a credit under this section.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to gifts made after December 31, 1980.

SEC. 9 COORDINATION OF EXTENSIONS OF TIME FOR PAYMENT OF ESTATE TAX WHERE ESTATE CONSISTS LARGELY OF INTEREST IN CLOSELY HELD BUSINESS.

(a) ELIGIBILITY REQUIREMENTS.—Paragraph (1) of section 6166(a) (relating to alternate extension of time for payment of estate tax where estate consists largely of interest in closely held business) is amended to read as follows:

"(1) IN GENERAL.—If the value of an interest in a closely held business which is included in determining the gross estate of a decedent who was (at the date of his death) a citizen or resident of the United States exceeds—

"(A) 35 percent of the value of the gross estate, or

"(B) 50 percent of the taxable estate, of such decedent,

the executor may elect to pay part or all of the tax imposed by section 2001 in 2 or more (but not exceeding 10) equal installments.".

(b) Coordination With Section 303.—

(1) IN GENERAL.—Subparagraph (A) of section 303(b) (2) (relating to relationship of stock to decedent's estate) is amended by striking out all that follows "gross estate" the first place it appears and inserting in lieu thereof "exceeds—

"(i) 35 percent of the value of the gross estate of the decedent, or

"(ii) 50 percent of the value of the taxable estate of the decedent.".

(2) CONFORMING AMENDMENT.—Subparagraph (B) of section 303(b) (2) is amended to read as follows:

"(B) SPECIAL RULE FOR STOCK IN 2 OR MORE CORPORATIONS.—For purposes of subparagraph (A), stock of 2 or more corporations, with respect to each of which there is included in determining the value of the decedent's gross estate more than 20 percent in value of the outstanding stock, shall be treated as the stock of a single corporation. For purposes of the 20-percent requirement of the preceding sentence, stock which, at the decedent's death, represents the surviving spouse's interest in property held by the decedent and the surviving spouse as community property or as joint tenants, tenants by the entirety, or tenants in common shall be treated as having been included in determining the value of the decedent's gross estate.".

(c) ACCELERATION OF PAYMENT.—

(1) AMOUNT OF DISPOSITION.—Subparagraph (A) of section 6166(g)(1) (relating to acceleration of payment in the case of disposition of interest or withdrawal of funds from a business) is amended by striking out "one-third" each place it appears and inserting in lieu thereof "50 percent".

(2) FAILURE TO PAY INSTALLMENT.—Paragraph (3) of section 6166(g) (relating to failure to pay installments) is amended to read as follows:

"(3) FAILURE TO PAY INSTALLMENT.—

"(A) IN GENERAL.—If any installment under this section is not paid on or before the date fixed for its payment by this section (including any extension of time for the payment of such installment), the unpaid portion of the tax payable in installments shall be paid upon notice and demand from the Secretary.

"(B) PAYMENT WITHIN 6 MONTHS.—If any installment under this section is not paid on or before the date determined under subparagraph (A) but is paid within 6 months of such date—

"(i) the provisions of subparagraph (A) shall not apply with respect to such payment,

"(ii) the provisions of section 6601(j) shall not apply with respect to the determination of interest on such payment, and

"(iii) there is imposed a penalty in an amount equal to the product of—

"(I) 5 percent of the principal amount of such payment, multiplied by

"(II) the number of months (or fractions thereof) after such date and before payment is made.

The penalty imposed under clause (iii) shall be treated in the same manner as a penalty imposed under subchapter B of chapter 63.".

(d) REPEAL OF SECTION 6166A.—Section 6166A (relating to extension of time for payment of estate tax where estate consists largely of interest in a closely held business) is hereby repealed.

(e) TECHNICAL AMENDMENTS.—

(1) Sections 303(b)(1)(C), 2204(c), and 6161(a)(2) are each amended by striking out "or 6166A" each place it appears.

(2) Paragraph (2) of section 2011(c) is amended by striking out "6161, 6166 or 6166A" and inserting in lieu thereof "6161 or 6166".

(3) Subsections (a) and (b) of section 2204 are each amended by striking out "6166 or 6166A" and inserting in lieu thereof "or 6166".

(4) Subsection (b) of section 2621 is amended—

(A) by striking out "sections 6166 and 6166A (relating to extensions" and inserting in lieu thereof "section 6166 (relating to extension", and

(B) by striking out "Sections 6166 and 6166A" in the subsection heading and inserting in lieu thereof "Section 6166".

(5)(A) Subsection (a) of section 6166 is amended by striking out paragraph (4).

(B) The section heading for section 6166 is amended by striking out "alternate".

(C) The table of sections for subchapter B of chapter 62 is amended by striking out the items relating to sections 6166 and 6166A and inserting in lieu thereof the following:

"Sec. 6166. Extension of time for payment of estate tax where estate consists largely of interest in closely held business.".

(6)(A) Subsections (a), (c) (2), and (e) of section 6324A are each amended by striking out "or 6166A" each place it appears.

(B) Paragraphs (3) and (5) of section 6324A(d) are each amended by striking out "or 6166A(h)".

(C) The section heading for section 6324A is amended by striking out "or 6166A"

(D) The table of sections for subchapter C of chapter 64 is amended by striking out "or 6166A" in the item relating to section 6324A.

(7) Subsection (d) of section 6503 is amended by striking out "6163, 6166, or 6166 A" and inserting in lieu thereof "6163 or 6166."

(8) Subsection (a) of section 7403 is amended by striking out "or 6166A(h)".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to the estates of decedents dying after December 31, 1980.

SEC. 10. DISCLAIMERS.

(a) IN GENERAL.—Subsection (c) of section 2518 (relating to disclaimers) is amended by adding at the end thereof the following new paragraph:

"(3) DISCLAIMERS INEFFECTIVE UNDER STATE LAW.—For purposes of subsection (b)(4), an interest shall be treated as passing without any direction on the part of the person making the disclaimer if—

"(A) the disclaimer meets the requirements of paragraphs (1), (2), and (3) of subsection (b),

"(B) the disclaimer does not result in the passing of the interest under the applicable State law, and

"(C) the person transfers the interest to the person to whom the interest would have passed had the person making the disclaimer died before the holder of legal title of such interest before the last date on which the disclaimer must be received under subsection (b)(2).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transfers creating an interest in the person disclaiming made after December 31, 1980.

Mr. HARRY F. BYRD, JR. Mr. President, one of the principal reasons for the breakup of family farms and small businesses today is the high level of estate taxes.

Farmers are struggling to retain ownership of their farms and to pass on intact to their heirs. Too often, however, their heirs must sell parts or all of their inheritance to pay estate taxes.

A small business may begin as a single idea in the mind of one individual entrepreneur. Through perseverance and hard work, this business, over an individual's lifetime, may grow to a successful enterprise. However, estate taxes at the death of this individual may require sale of the business, even though family members may want to continue the business as a family operation.

It is not surprising that last year's White House Conference on Small Business listed estate tax reductions in fourth place among its top 15 recommendations.

The key to providing the continuation of the small business and the family farm is to structure the estate tax in

such a way as to provide liquidity at the death of the owners of the enterprise so that the estate tax does not cause a forced sale.

This need was convincingly demonstrated in hearings of the Subcommittee on Taxation and Debt Management of the Senate Finance Committee which I chaired last year.

In these hearings, witnesses representing the small business community, farmers, tax lawyers and accountants, all agreed that significant changes in the estate tax law were required. The exclusion of $175,000 for estate taxes and the $3,000 gift tax exclusion were felt to be too low; technical difficulties in the special use valuation rules made the rules difficult, if not impossible to use. And, these witnesses also felt that the present marital deduction, which makes taxable more than one-half of an estate left to a spouse, was contrary to the natural inclination of many individuals, particularly those with small estates.

A major difficulty with the estate tax is that it is taxing gains arising through inflation rather than a gain in real value of an asset.

An asset, for example a home, which today is worth $70,000 at an inflation rate of 9 percent for the next 20 years would be worth $420,000 with no real increase in value.

As estate tax levied on such a gain has disastrous consequences. Furthermore, the inflation rate today exceeds 12 percent, well above the 9-percent rate used in my example.

If adjusted for inflation, the gift and estate tax exclusions now in the law would be much higher. The gift tax exclusion of $3,000 has been in the law since 1942. If adjusted to account for inflation, it currently should exceed $15,000. The $175,000 estate tax exclusion was enacted in 1976, and to account for inflation, should be today more than $265,000.

The bill which I am cosponsoring today seeks to address the need to revise the estate and gift tax laws.

It provides for estate tax rate reductions. It lowers the bottom estate tax rate from 18 percent to 10 percent, makes adjustments throughout the estate tax rates and reduces the top rate from 70 percent to 60 percent.

It provides for a phased-in increase in the estate tax exclusion from $175,000 to $600,000 by 1985.

It increases the gift tax exclusion to $10,000. It changes the law to conform the estate and gift tax with the way in which most Americans view the family unit. It permits the husband to leave an unlimited amount of property to his wife and deduct the value of this property from the total value of the estate.

The bill makes the special use valuation rules, which affect family farms and small businesses, more workable.

Finally it irons out many technical difficulties in the estate and gift tax law which were brought to the attention of the Subcommittee on Taxation and Debt Management.

This bill will be a benefit to all Americans, wage earners, homeowners, and the small businessman and family farmer.

I urge its speedy consideration.

● Mr. BOREN. Mr. President, I join with Senator WALLOP of Wyoming and Senator BYRD of Virginia in introducing a much needed revision of the Federal estate and gift tax law.

One of the most important issues talked about in our country is the deterioration of the independent family farm and family business. Many people work hard to build up their businesses for their children, and due to the burdens imposed by the present law, their heirs often have to sell the business to strangers in order to pay the estate tax. These Federal tax laws are creating formidable barriers to the continuation of independent ownership of independent businesses, industries, and farms.

I believe the most important reform contained in this bill is the repeal of the tax on property transfers between spouses. My first act as Governor of Oklahoma was to sign into law the repeal of our State's unfair inheritance tax between spouses. Now, I am hoping to take the Oklahoma experience and bring it to the Federal level.

Under the present Federal law, there is a limited marital exemption for property passing from the decedent to the surviving spouse and a limited marital deduction for transfers between spouses. These limitations and restrictions cause a husband or wife to worry about tax consequences every time they transfer property or make a gift from one to the other during their lifetime.

And frequently, the tax that has to be paid as a result of such a gift or transfer comes at the death of a spouse. At that time, significant sources of income may have disappeared if the spouse passing away was the main wage earner, and the only way to pay such taxes is to sell the property. My colleagues and I do not believe this is the proper place for our Government's tax burden to fall.

Another very important reform provided by this new legislation is to clarify and expand farmland valuation provisions originally provided for in the Tax Reform Act of 1976. Under the rules previous to 1976, when farmers died, their estates were taxed at their "highest and best use." With farmland values rising beyond the land's capacity for farming profits, the heirs were frequently in a position of selling off much of the land to pay the estate tax.

The 1976 act attempted to ease some of these burdens. The Congress believed that when land is actually used for farming purposes or for other closely held business purposes, it is inappropriate to value the land on the basis of its potential "highest and best use," especially since it is desirable to encourage the continued use of property for farming and other small businesses. Such a price did and does not reflect the actual earning capacity of the land.

For these reasons, the law was amended to provide for the "special use" valuation for estate tax purposes in situations involving real property used in farming or in certain other closely held businesses and trades. It is still a good idea, especially as inflation has dramatically increased the fair market value of the farm—in most cases over 300 percent over the last decade. Unfortunately, the provision was not drafted to make congressional intent clear. It also contained so many so-called safeguards that, combined with the regulations drafted for it by the Internal Revenue Service, it did not help those it was intended to help. Our legislation removes those roadblocks, so the "sperial use" valuation can work.

This bill also contains a 10-percent across-the-board reduction in the rates used for calculating Federal estate taxes, and an increase from $175,000 to $600,000 in the amount of property that may pass free of Federal estate and gift taxes. The reduction in the rates combined with the increase in the lifetime limit on the amount of property that may pass by gift or at bequest will provide needed relief to many modest estates that were formerly considered too small to pay estate taxes and have, due to inflation, been pushed into high tax brackets.

Another long-needed change in the estate and gift law is the $3,000 gift tax exclusion. Present law permits a person to exclude up to $3,000 given to another individual per year without having to pay gift taxes on the transfer. This exclusion has not been raised in over 35 years. Of course, the value of property has increased many times over during that time period. We believe a more equitable limit on taxation of such gifts should be set at $10,000.

Ironically, the inheritance tax was first devised to prevent large concentrations of wealth and economic power. Today, it often works in practice to cause more concentration. The small business or small farm often has to be sold to a large corporation because the family has to sell the property to pay the inheritance taxes when the head of the family dies.

Inheritance taxes are causing the number of small businesses and farms to decline. The number of farms has dropped over the last decade from 3 million farms with a farm population of around 10 million to 2 million farms with a population of 7 million. The individual who has worked hard to build a family business should be able to anticipate that he could pass it on to his family to operate instead of having them sell it to strangers in order to pay the inheritance taxes.

We must stop imposing unfair tax burdens which blunt incentives and sap the strength of the free enterprise system.●

Mr. PERCY. Mr. President, it is with great pleasure that I join today with my good colleague, the Senator from Wyoming (Mr. WALLOP) in introducing the Family Enterprise Estate and Gift Tax Equity Act of 1981.

It was not too long ago—1976—that Congress grappled with the issues of estate and gift taxes. The Tax Reform Act of 1976 made major changes in the way in which these taxes are levied and we

adjusted the estate tax exemptions at that time. This reform was certainly overdue. The Federal estate tax laws had not been updated since 1942 and the country and the economy had gone through remarkable changes in those 34 years. For example, a business worth $60,000 in 1942 had become equivalent to a $250,000 business by 1976. Inflation had pushed a small business or farm like this into the big tax leagues by 1976. Whereas only 1 of 60 businesses were subject to the estate taxes in 1942, 1 out of 10 were in this category by 1976.

So it was high time to update our estate and gift tax laws and the resulting 1976 law will always stand as a landmark.

Since enactment of the Tax Reform Act, however, inflation has proceeded at a pace beyond our expectations. Just this year—1981—the final phase-in of the 1976 law goes into effect. And yet inflation has already outpaced our expectations of just 5 years ago and it is time to adjust once again the estate and gift tax laws to take account of the erosion of buying power that has taken place in recent years.

The bill we are introducing makes important changes in the structure of estate and gift taxes. In a sense, it is an indexing bill. It brings the exemptions up to date so that their value is not continually whittled away. But this legislation will also make some important changes that should be made even if inflation were zero. I am speaking especially about administrative rulings by the Internal Revenue Service that have severely limited in Illinois the use of the 1976 law changes.

Primary among these rulings is one that pertains to the special use valuation for family farms. This is a complicated matter, but it is important to the continuation of the family farm in my State and many other Midwestern agricultural States.

The 1976 Tax Reform Act provided a formula for calculation of the special use valuation for farmland. Under this special use valuation, a farm could be valued on its income potential as a farm and not on its value as a subdivision or shopping center. The formula devised by IRS, however, makes the election of the special use valuation prohibitively difficult in Illinois, Kansas, South Carolina, and other States where farmland is cash rented.

Section 6 of our bill remedies this problem by permitting crop share rentals to be considered in the computation of special use valuation. It is similar to another proposal Senator DOLE and I introduced—S. 23—just a few weeks ago. I cannot stress how necessary this change is, just so Illinoisans can realize the full thrust of the 1976 law.

A second important change our legislation makes is with regard to the definition of "material participation." Section 6 of our legislation addresses this matter insofar as it allows the special use valuation to be applied in estate cases where the deceased rented the farm to members of his own family. It will reverse the present IRS ruling that does not allow use of this special tax treatment when a farm has been rented to a son or daughter.

Just a few months ago, one of my constituents who has written me about this summed up the situation quite well. He wrote—

> Thus a widow, for instance, who inherited a farm for life and started cash renting it to the decedent's son can be said to have triggered a recapture because she is not using the land for a qualified farm use, that is she is not "at risk." On the other hand, she would have kept her "equity interest" if she crop shared the land to decedent's son.

These words express as well as I could the need to act quickly to reverse an interpretation of the 1976 law that was not intended by Congress.

Mr. President, the third part of this bill that I would like to highlight is the unlimited marital deduction. Section 4 of our bill embodies this provision that will eliminate the imposition of any estate tax on property transferred between husband and wife. As long ago as 1969 the Treasury Department recognized the wisdom of taking this action. In one of its tax studies published that year, the Treasury recommended revision of the estate tax laws to modify the marital deduction. The report stated that "these changes would greatly simplify the transfer tax law by recognizing that most married couples regard themselves as a single economic unit within which individual title to property is not significant and by eliminating transfer tax consequences from shifts of property within that unit."

The bill we are introducing today will resolve these problems. It also addresses a wide range of other estate and gift tax issues that have become pressing for modest estates, farms, and small businesses. These tax questions can be a matter of life and death for Illinois farms and I urge my colleagues to bring this legislation to the Senate for a vote as soon as possible.

By Mr. DANFORTH (for himself, Mr. BENTSEN, Mr. RIEGLE, Mr. GLENN, Mr. EAGLETON, Mr. LEVIN, Mr. METZENBAUM, and Mr. LUGAR):

S. 396. A bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983; to the Committee on Finance.

QUOTA ON AUTOMOBILE IMPORTS FROM JAPAN

Mr. DANFORTH. Mr. President, I rise today to do something for which I have little enthusiasm, but something for which there is a compelling national need.

Senator BENTSEN and I are introducing legislation to impose a quota on the importation of automobiles from Japan. The quota would be set at a level of 1.6 million cars per year, for the next 3 years.

What has brought us to this moment, we two who consider ourselves strong proponents of free trade?

The reason is simple: The U.S. automobile industry is in a state of crisis. The three large U.S. automakers lost more their sales were at the lowest level in 19 than $4 billion last year, a year in which years. Nearly 200,000 auto workers have been laid off—most of them permanently.

At the same time, the U.S. automakers must invest an estimated $80 billion over the next 5 years to retool their plants for the production of the smaller, more fuel-efficient cars required in the future.

While the U.S. auto industry flounders, the Japanese auto producers thrive. Just 5 years ago, the Japanese exported 900,000 cars to the United States. Last year, they exported about 1.9 million—an increase of 111 percent. Their share of the U.S. market increased even more dramatically, from about 9 percent of the market in 1976 to about 22 percent of the market last year. So, in the face of a total market which declined more than 10 percent, the domestic producer's total sales dropped more than 23 percent, from 8.6 million cars to 6.6 million in 1980.

How did we get into this mess?

It is not my intention here to place blame on any particular party, but merely to point out that responsibility must be shared. Corporate management clearly made some wrong decisions in the mid-1970's. Organized labor pushed successfully to make U.S. auto workers the highest paid manufacturing workers in the country. Even the U.S. consumer played an important role by continuing to buy large domestic cars throughout the 1970's.

The Government itself was a major contributor to the current situation. Federal controls on domestic oil prices held gasoline prices artificially low, encouraging consumers to continue buying the larger cars and avoiding the smaller cars domestic producers were beginning to produce. This further delayed the conversion to small-car production.

Now we are in a situation where gasoline prices more than doubled in the last 2 years. Consumers are turning in droves to Japanese imports, and the U.S. automakers are struggling to make the incredibly expensive conversion. In the process, Chrysler is being kept afloat with Federal aid, Ford has some very serious problems, and General Motors lost money in 1980 for the first time in more than 50 years. The new administration last week took the necessary step of lifting all remaining controls from domestic oil and gasoline prices, but this, too, will exacerbate the short-run problems of the U.S. industry.

There is one more contributing factor to the plight of our auto industry—free access to the U.S. market. This is something in which this country should take significant pride. I am a firm believer in free trade, but I think it must be a two-way street. Unfortunately, the U.S. market is the last open auto market of any size in the world.

Most of the large Western European countries have reached formal or informal arrangements with Japan to restrain imports of Japanese cars into those countries. Most of those countries effectively limit the Japanese to less than 10 percent of their auto markets. Last week, meetings were held in Tokyo between representatives of the European Economic Community and the Japanese. The outcome of these meetings could well be further restrictions on Japan's auto

sales to Europe. Yet, the Japanese producers continue to expand their productive capacity at a rapid pace. It is clear that the U.S. market is their target.

Unfortunately, we do not enjoy similar access to Japanese markets. In fact, although the Japanese have traditionally had free access to our markets, we have had to negotiate our way painstakingly into theirs. It took years of negotiations with them just to earn the right to bid on contracts for a portion of their computer and telecommunications business. After many years, we have made only limited progress in gaining access to their markets for beef, citrus fruits, and other agricultural products. The Japanese know a great deal about barriers to free trade.

What should be done?

The answer is not simple. It will require cooperation and concessions from labor, management, and the Government. In the near future I expect that legislation will be introduced and enacted in the tax and regulatory areas which will help our industry to meet the staggering capital requirements of the next few years. During that time, it is imperative that the U.S. producers not suffer further erosion of their share of the U.S. market. That is an important factor in bringing me so reluctantly to the step being taken today.

The proposed quota is intended to do two things: Provide the U.S. industry a small degree of breathing room while it retools; and guarantee to the Japanese significant ongoing access to the U.S. market, thus preserving a degree of choice to U.S. consumers.

I am not so naive as to believe that there will be no negative side effects of this action. Any limit on consumer choice is bad; any limit on free trade is bad. The first breeds inflation, at least in the short run, and the latter invites further restrictions.

Unfortunately, the alternatives are even worse. The failure of a significant portion of the U.S. auto industry will also be inflationary, as Government is forced to pay billions in unemployment compensation, welfare, trade adjustment assistance, and aid to depressed areas. The possible social cost is difficult to comprehend, since one of six U.S. jobs is related to the auto industry. In the long run, I believe a quota, in concert with other initiatives, will be anti-inflationary, since it will assist our industry in becoming more productive and more competitive.

There is no denying that quotas, in general, constitute poor public policy. But these are extraordinary times. We all must recognize the critical condition of the U.S. auto industry, the fundamental importance of that industry to this economy, and the need to make some hard decisions to guarantee the continuing health of the industry.

The automakers seem ready to respond. They have already committed themselves to the largest private investment ever undertaken. Their efforts must not be in vain. All of America has a stake in the outcome.

Mr. President, this bill will be introduced with the following cosponsors in addition to myself: Senators BENTSEN, RIEGLE, GLENN, EAGLETON, LEVIN, and METZENBAUM. It is anticipated that in the days ahead there will be a significant number of additional cosponsors.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 396

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEFINITIONS.

For purposes of this Act—

(1) The term "automobile" means an on-the-highway, four-wheeled, passenger automobile provided for in item 692.10 of the Tariff Schedules of the United States (19 U.S.C. 1202).

(2) The term "entered" means entered, or withdrawn from warehouse, for consumption within the customs territory of the United States.

(3) The term "Secretary" means the Secretary of the Treasury or his delegate.

SEC. 2. QUANTITATIVE RESTRICTIONS DURING 1981, 1982, AND 1983.

During each of calendar years 1981, 1982, and 1983, the aggregate quantity of automobiles that may be entered from Japan may not exceed 1,600,000. The quantitative limitation imposed under this section for each of such calendar years may be applied by the Secretary on a calendar quarter or other intra-annual basis if the Secretary determines that such application is necessary or appropriate to carry out the purposes of this Act.

SEC. 3. ADMINISTRATION.

The Secretary shall take such action as may be necessary to ensure that the quantity of passenger automobiles which may be entered during calendar years 1981, 1982, and 1983, or any intra-annual period therein, does not exceed the limitation established for that year or period under this Act.

Mr. BENTSEN. Mr. President, I am pleased to join Senator DANFORTH, my colleague on the International Trade Subcommittee, in sponsoring legislation to limit temporarily the number of Japanese automobiles imported into this country. Together with our cosponsors, we seek a quota of 1.6 million units per year for 1981, 1982, and 1983, or approximately the average of Japanese imports for the 1978–79 period.

As we noted in our press conference on Tuesday, Senator DANFORTH and I take this action reluctantly. In recent years I have frequently voiced my deep concern about some aspects of the United States-Japan trade relationship. But until this week, those concerns have been contained within the limits of an abiding commitment to policies of free trade. I have considered and rejected the notion of quotas.

However, Mr. President, there are limits to any doctrine, and in this case those limits are exceeded. Last year, we had a $9–10 billion automotive trade deficit with Japan. That is a lot of money. It is equivalent to the Japanese defense budget for 1980. It is one-third of our total world trade deficit.

This action does not come easy for me, because I have opposed quotas for a long time, and I am a free trader; but I believe we have an extraordinary situation facing us.

We have a situation in which every other major trading country in the world has put some kind of limitation on the importation of Japanese cars. The French are talking about a 3-percent limitation. The Italians have a quota of 2,200 Japanese cars a year. The English and Japanese have agreed on a 10-percent limitation. Now the entire European Common Market is discussing with the Japanese this same 10-percent limit.

For 2 years we have negotiated with the Japanese, trying to get some voluntary restraints on the importation of their cars into this country. During that time, they have told us, "Have patience. We are working on it. We are going to do something about it." Meanwhile, they are working overtime to build cars. They have invested billions of dollars in increased production.

With import restraints in these other countries, where do you think this increased production will go? It is headed for these shores.

We have almost 200,000 auto workers unemployed in this country today; total unemployment in related industries probably exceeds 1 million. We all know what it means to be without a job in America. We can understand the depth and pain of 1 million intense personal tragedies. We can appreciate the cost involved in paying unemployment insurance and trade adjustment assistance to hundreds of thousands of workers who have lost their jobs through no fault of their own.

There are very few nations in the world, Mr. President, that would accept 200,000 unemployed as the price of maintaining a commitment to open markets. Can anyone seriously suggest that the Government of Japan, which practices predatory trade policies and protects groups like citrus growers and cattlemen with a vengeance, would stand idly by and watch 200,000 workers enter the rolls of the unemployed as evidence of their commitment to free trade?

As we look around the world at major trading nations like France, Great Britain, and Italy, we see increasing evidence of their unwillingness to have their automotive industries routed and destroyed by Japanese competition.

The British have a gentleman's agreement holding the Japanese to 10 percent of the market; the French are less generous, giving the Japanese a paltry 3 percent; the Italians take 2,200 Japanese cars per year. But the Japanese currently have 22 percent of our market, the world's largest. They have doubled their exports to the United States since 1976.

One does not have to be an economic genius, an expert in international trade to understand that the Japanese are spending billions. They are working overtime to increase their production of automobiles while facing closed or limited markets everywhere but America. It is no secret where this additional production will be marketed.

It is clearly intended for the American market, and it is coming on line when our producers lost over $4 billion last year, when they must spend some $80

billion to retool and modernize over the next 5 years, and when an industry absolutely vital to our security and future prosperity is at its most vulnerable.

Mr. President, it gives me no pleasure to say it, but I think we need quotas on Japanese imports, and we need them now. The sooner the better.

But we must also understand, right from the outset, that quotas are not a solution to the problems facing the U.S. automotive industry. Those problems are deeper and more complex than simple import penetration. They can only be solved through active, long-term cooperation among management, labor, and U.S. policymakers.

If U.S. producers seek to hide behind quotas to defer hard decisions or to increase prices, then the whole notion of temporary, emergency protection will lose its rationale. But if we can provide a breathing space with this legislation, if we can help our producers protect their market share and give them an opportunity to retool and regroup, if we can give supply side economics a chance to take hold, then 3 years of quotas could well help restore health and prosperity to the U.S. automotive industry. They could set the stage for recovery.

I want to emphasize, Mr. President, that Senator DANFORTH and I appreciate the depth and complexity of our economic problems in general and the issues troubling the auto industry in particular.

In an effort to encourage some of the basic, fundamental changes that can restore productivity and real growth to our economy, we have joined in supporting legislation designed to encourage investment in the most modern means of production through more rapid depreciation schedules. That is precisely the sort of investment the domestic auto industry needs to remain competitive.

As we look for policies that will give the American worker the most modern and effective means of production, we must also take a careful look at the regulatory cost we have dumped with such abandon on the shoulders of American industry, which is struggling with the pressures of inflation.

In short, Mr. President, we must look beyond the skirmish line of quotas and see the big picture. We must examine our automotive problems in the context of our overall economic problems. Then we must move promptly to encourage the supply side of the economy, cut back on the cost of regulation, and break down the adversary relationship between business, labor, and Government.

A friend said to me, "Don't you think the American people want to have a free choice of what kind of car they should buy?" I certainly agree with that. But unless we do something like this, there will be no free choice of American cars, because Chrysler will go down the tube, and then perhaps Ford. American Motors already has a foreign owner to a very substantial degree. Perhaps, finally, General Motors will remain. Otherwise, the choice will be limited to foreign cars.

So we have an exceptional, extraordinary situation that I believe, calls for extraordinary action.

This is something that can be resolved by the executive branch. I hope it will be. But if it is not, we should continue to move ahead on this proposed legislation.

My friends have said to me—

Don't the Japanese have free trade? Don't they have low tariffs on the cars we try to sell to them?

That is right. But that is not the whole story. A Toyota sells for virtually the same price in this country that it sells for in Japan. What happens to a Ford Fairmont or a Chevette? In Japan, it sells for almost twice what it sells for here.

It is not the tariffs, but it is all those subtle, invisible nontariff barriers that come into play as we try to sell our autos to them.

Trade is a two-way street, and free trade should be a two-way street.

So I am delighted to join my distinguished friend from Missouri in cosponsoring this piece of legislation.

Mr. President, the future of the U.S. automobile industry hangs in the balance: Hundreds of thousands of jobs are on the line. I urge my colleagues to join us in the effort to provide some temporary relief for an essential industry while we provide the incentives for the sort of investment that will enable American auto producers to return to their traditional position of preeminence in the world.

● Mr. LEVIN. Mr. President, I want to congratulate Senator BENTSEN and Senator DANFORTH for introducing this bill (S. 396). I believe, as they do, that we have spent too much time trying to send signals and messages to Japan. Now it is time we took some action.

While I personally would like to see even stronger action than that proposed here, I am proud to associate myself with this bill. The plain fact is that the crisis which confronts the auto industry is more than an economic crunch: It is a collapse of an entire life for the people and communities affected.

My home State of Michigan has always been the physical and spiritual home of the auto industry. And we are paying for that now in blood. My State is slowly bleeding to death. We have the highest unemployment rate in the Nation, 7 of the top 10 cities in terms of unemployment are in my State. We have close to 215,000 people who have already exhausted their unemployment benefits and now, if they are to survive, have to try and qualify for general assistance. And there are more of them coming in to the social service offices every day.

Mr. President, this bill—even if adopted today—would not solve the problems these people and this industry confronts. But it is a step. And it is a step which we can take without causing anyone any pain. The Japanese have enough workers on overtime to allow us to cut back their imports without throwing them out of work. And any increase in consumer costs which might—and I stress might—result from this plan would be more than offset by a reduction in government expenditures to support the American workers who are now unemployed.

We have debated this problem and debated this problem. And the people of my State—and every State since the auto industry is a basic component of our economy which affects every State and every region in this country—have suffered and suffered while we have debated. The time for debate has passed and the time for action is here. This bill is a responsible approach to a component of the problem. I congratulate Senator BENTSEN and Senator DANFORTH for introducing it and I hope that their action will result in prompt action here in the Congress and down Pennsylvania Avenue and in other capitals around the world.●

Mr. GLENN. Mr. President, I rise to join my colleagues, Senators DANFORTH and BENTSEN, in cosponsorship of S. 396, a bill to restrict the importation of Japanese automobiles. This bill would impose a quota of 1.6 million cars per year on Japanese imports for the period 1981–83, a time of retooling and transition for our domestic auto industry.

In the past, I have been reluctant to endorse action such as this because I believe strongly in the principles of free trade and am proud of America's leadership role in the liberalization of international trade. The recent surge of Japanese imports into our domestic auto market, however, has brought widespread injury to our economy that must be relieved. Auto imports increased from 18 percent of the U.S. auto market in 1978 to 28 percent in 1980, with Japan's share of this import market increasing from 70 percent in 1978 to 80 percent in 1980. This unprecedented penetration of our Nation's most important industry has taken a frightful toll on American workers and their communities.

By the end of 1980, more than 190,000 auto workers—24 percent of the auto work force—were on indefinite layoff. Projections for 1981 indicate that approximately 150,000 workers will remain on indefinite layoff throughout this year. In addition to the dislocation of our auto workers and their communities, our automakers are staggering under the burden of increased imports.

In 1980, Chrysler, Ford, and General Motors suffered losses totaling more than $4 billion. These losses are especially devastating in light of the more than $80 billion in retooling investments that our automakers must underwrite to complete their transition to the production of new, fuel-efficient models. This senseless hemorrhaging of our economy's life blood must be stopped and stopped now. Without the protection of import quotas provided by this legislation, our auto industry will have neither the time nor the resources to become fully competitive.

Now there are those of the Adam Smith school of thought who would respond to the plight of our auto industry with an attitude of "laissez-faire"—let the auto industry migrate overseas, let the invisible hand of the marketplace direct the allocation of our resources and employment. This attitude is shortsighted, naive and irresponsible. It is shortsighted because it fails to appreciate the tremendous interrelation of the auto industry with the rest of our economy. It is naive because it fails to understand the changing context of international trade within which our auto industry operates. It is irresponsible because it fails to consider the serious foreign policy implications of any further erosion of our industrial base. Let me briefly discuss these concerns.

I. INTERRELATION

The interrelation of our auto industry with the rest of our economy is a product of our Nation's industrial development and underlies our Nation's broad-based economy vitality. Automobile and truck production and services account for about 8½ percent of our GNP and approximately one-quarter of U.S. retail sales. Auto manufacturing consumes 21 percent of the Nation's steel production, 30 percent of its ferrous castings, 60 percent of its synthetic rubber, 11 percent of its primary aluminum and 20 percent of its machine tools. In total, more than 4 million people directly owe their employment to the automobile, including approximately 800,000 in direct manufacturing, 1.4 million in supplier industries and 2.6 million in sales and servicing.

Because of the large scale and broad scope of its activities the auto industry has played a central role in the definition and realization of our broadest national goals: full employment, broad-based industrial strength, high standard of living, technological innovation and national security. Correspondingly, the future of this industry holds the answers to important questions about America's future at home and abroad: About the kind of employment we can provide, about our ability to meet our energy and transportation needs, about our national security as defined by our industrial might, about our competitive position in the world economy.

II. INDUSTRIAL TRADE

On this last point, our competitive position in the world economy has deteriorated because we have failed to develop a foreign trade policy responsive to the changing context of international trade. Whereas private, multinational firms seeking the most efficient production and distribution of goods and services once dominated world markets, economic nationalism now prevails. In the critical areas of oil, steel, and autos, Government owned or directed, vertically integrated corporations shape the flow of trade as instruments of national policy with political rather than economic goals directing their action.

The postwar American challenge we issued to our trading partners was not met with a purely American response. Industrial development programs in Italy, France, Great Britain, Japan, and the developing nations are hybrids of the American model and their implementation has altered the evolution of world trade. I do not advocate the adoption of these economically nationalistic policies, but we cannot shape a coherent, effective foreign economic policy without recognizing their unsettling effects on world trade and American industries.

The import quotas proposed in S. 396 are a step in this direction. They tell our trading partners that our markets will not be fair game until the game is fair. Just as our Federal Government has a commitment to insure that competition among firms in our domestic market is fair, so does it have a responsibility to insure that American firms are not unfairly disadvantaged in world markets as a result of their commitment to free enterprise.

Through the Marshall Plan and other development assistance programs, the United States helped Europe, Japan, and the developing nations establish their industrial strength. We generously stood back while they nurtured their auto industries with financial assistance and protectionism. While we continue to provide the shelter of our defense umbrella, they strike out on economically nationalistic and independent trade policies. It is time now to adjust our policies to the new realities of the global market.

Just as we can no longer afford to be the world's policeman, neither can we afford to be its only willing customer for new cars—if for no other reason than that our national security interest cannot accept further erosion of our industrial and employment base.

III. NATIONAL SECURITY

Throughout most of this century, the auto industry has acted as a catalyst in the mobilization of our industrial strength and defense capability. Indeed, the most serious long-run implications of a laissez-faire approach to the problems of the auto industry may be the loss of opportunities for innovative interactions between small and large, high technology firms who supply the auto industry. With any decline in U.S. producers, there will be an inevitable shift in the locus of new product development and tooling to offshore production sites. This raises important implications for innovation in other sectors.

Historically, the automobile industry has created a vital market for innovative products that are developed by other sectors. In instance after instance, the automobile industry by virtue of its size and complexity has created the sort of unique specialty market that is needed to support the initial introduction of highly innovative products like computer-aided design, industrial robots, new materials such as special strength steels and plastics, the applications of lasers in production processes, and so forth.

The national and the geographic distance between customer and producer is very important in such innovative processes. The implications of migration in the locus of automotive design and development to offshore locations would severely weaken our electronics, plastics, high strength materials and other industries vital to our national industrial strength. Moreover, their loss would diminish our capacity to spawn and develop new industries, products and jobs, as well as our ability to mobilize our defense capability.

Equally important is the role our industrial might plays in defining our position in the world. Our strategic position could be gravely undermined were we to depend on others for our basic manufactured goods. As we have learned with our oil supplies, our national security can be threatened as much by a vulnerable position in international economic competition as by a direct military threat.

As I mentioned earlier, proponents of strict Adam Smith economies might respond to the plight of the auto industry with an attitude of "laissez-faire"—let the market transfer our resources from less competitive to more competitive industries. This view is shortsighted because it neglects the fact that until the energy shock of 1978, occasioned in part by the failure of our Government to establish a sound energy policy, our auto industry was fully competitive. This view is naive because it fails to understand that our industries' international competition is not purely economic, but rather political-economic in nature. This view is irresponsible because it fails to address such long-term questions as:

Where are the "more competitive industries" to replace the automotive industry? What new industries can offer employment to the millions now at work in the auto industry?

What new industries can replace this source of industrial strength and technological innovation for the other sectors of our economy? What new industries can provide the base for mobilization of our defense capability?

The issues I have outlined above reflect my concerns about the long-term implications of a failure to implement import quotas on Japanese autos. But the implementation of this short-term policy will do us little good unless we develop a long-term strategy to deal with the manifold problems of the auto industry. In my view, such a strategy must be based on the two-fold understanding that: First, our national industrial base faces unprecedented international challenges that are more than purely economic—that are, in fact, political-economic in nature, and second, our national industrial strength is and will continue to be affected by Government policies.

These factors require that we establish a more effective working relationship among the key sectors of our industrial economy—Government, business, and labor—so that we can meet the combined industry-Government competition mounted by our trading partners. While recognizing the important influence of Government policy, such a compact must be dedicated to achieving industrial vitality through independent, profitable enterprises directed so far as possible by free-market forces.

Second, we must insist that our economic policymakers look further ahead than is their custom, so that future problems may be seen before they reach epidemic proportions. In the auto industry, for example, recent studies have indicated that long-range changes in the demand for autos—and the way they are made and the new materials used in them—may have fundamental and severe impacts on auto workers, supporting industries and their communities. These impacts must be explored and evaluated if future crises are to be averted.

In short, we have to take a longer view

of where we think the U.S. auto industry will be in the mid-eighties rather than merely focus on its short-run trade problems. The trade problems are real, but they are not the only or even the major problem facing the auto industry. It is our failure to engage in long-term strategic thinking about the United States in a changing global context that has brought us our present difficulties.

Third, we must adopt the tax changes necessary to facilitate capital formation and stimulate investment in our Nation's industries. Actions we should consider include liberalizing depreciation rates to encourage modernization, providing incentives to stimulate savings and refundable tax credits under special conditions.

Fourth, we must enact regulatory reform—stripping away unnecessary regulations and insuring that necessary regulation is undertaken in a coherent and cost-effective manner.

And fifth, we must commit ourselves to much greater efforts in industrial research and development. Revolutionary economic challenges cannot be met with evolutionary technologies. Our trade competitors are mounting an all-out effort to be first on the market with hybrid and all-electric cars. This is one technology race we cannot afford to lose—and it is a race where the risks and capital investments are too great for us to win without greater industry/Government cooperation. We must act now—especially in the critical area of energy storage—to reestablish the United States as the world leader in auto technology. If we do not, we will find ourselves in this same unfortunate condition within a decade.

● Mr. RIEGLE. Mr. President, I am pleased to join in cosponsoring this bill to limit the number of Japanese autos to be imported into this country during the next 3 years.

This bill takes a significant step that has now been made absolutely necessary because the Japanese auto manufacturers continue to show their utter disregard for the damage being inflicted on the American auto industry. As the flow of Japanese auto imports has surged to record levels, Americans have explained that these trends pose a long-term threat to the U.S. economy. We had hoped that the Japanese car makers would show restraint. Instead they have continued a massive effort to penetrate and hold a greatly enlarged share of our market.

Mr. President, the Japanese are exploiting our open trade policies at a time when we are most vulnerable. U.S. auto companies badly need some breathing space. Our domestic auto industry has made an all-out commitment to a historic, $80 billion conversion of their plants and product lines to produce new, fuel-efficient cars and trucks.

The stakes are enormous for almost every part of our country. Auto manufacturing remains this Nation's premier industry. It creates 1 out of 12 manufacturing jobs in the United States. The health of the auto industry makes the difference between profit and loss for thousands of firms in many different industries.

Domestic auto sales have been in a deep slump for more than a year. Sales of U.S.-built cars in January were 20 percent below last year's already poor levels. That is weakening U.S. companies precisely when they need additional cash for new investment and it is keeping auto unemployment at record high levels.

The financial strain on U.S. auto firms makes the Japanese import pressure extremely dangerous. Japanese auto makers increased their annual sales rate here in the United States from 1.6 million units to 2.1 million units in little more than a year. The rate of increase has directly caused the layoff of more than 100,000 American workers and has already cost Americans over $3 billion in lost revenues, and higher spending for unemployment insurance, trade adjustment assistance, and other programs. If that increase were to continue, it would transfer $10 to $12 billion in capital from U.S. industry to Japanese firms over the next decade.

Unless we take firm action, the problem can get much worse. Japanese companies are expanding their production capacity at the same time that most markets for their cars are tightening. The Japanese Government recently announced its intention to increase commodity taxes. A move that will reduce car sales in Japan, free up productive capacity, and create new pressure for Japanese exports. Other countries are putting up effective resistance through quotas and silent negotiations to increased Japanese auto imports. In the next few years, Japanese auto firms will have even stronger incentives to ship cars to the United States.

Senators DANFORTH and BENTSEN clearly understand the magnitude of this threat and are proposing a careful, minimal and temporary reduction in auto imports. I still hope that the President and the Japanese Government can negotiate a detailed agreement that is in the best interests of both our countries. However, this bill establishes the maximum level of imports that any reasonable agreement must achieve.

I am pleased that the two leading Senators on the Senate Trade Subcommittee have taken this action today. It reflects a dramatic change in the mood of the Senate from just a year ago. It offers new hope that this Congress will respond effectively to the crisis facing our most important industry.●

By Mr. JACKSON:

S. 397. A bill to authorize the appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management and for other purposes; to the Committee on Energy and Natural Resources.

AUTHORIZATION FOR ACTIVITIES OF BUREAU OF LAND MANAGEMENT

● Mr. JACKSON. Mr. President, I am introducing today legislation which authorizes funds for the programs, functions, and activities of the Bureau of Land Management for fiscal years 1982–85.

This particular measure was transmitted to the Congress last October by former Secretary of the Interior Andrus. In accordance with section 318(b) of the Federal Land Policy and Management Act of 1976 (FLPMA), this request represents his estimate, without reference to external budget guidelines, of the amounts that can be efficiently and effectively utilized for the Bureau's programs.

While I realized that a revised request may be forwarded to the Congress in the near future, I think that it will be helpful to have this material available to all interested parties as we begin our work on the BLM's quadrennial authorization.

I ask unanimous consent that the bill, the transmittal letter, and some background information appear in the RECORD at this point.

There being no objection, the bill, letter, and background material were ordered to be printed in the RECORD, as follows:

S. 397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That pursuant to Section 318(b) of the Federal Land Policy and Management Act of 1976 (31 U.S.C. 1301 note), there are hereby authorized to be appropriated the following sums for activities and programs administered through the Bureau of Land Management:

(a) For management of lands and resources, excluding emergency firefighting and rehabilitation and for land acquisition, construction and maintenance: $425,000,000 for fiscal year 1982, $475,000,000 for fiscal year 1983, $525,000,000 for fiscal year 1984, and $570,000,000 for fiscal year 1985;

(b) For implementation of the Act of October 20, 1976 (31 U.S.C. 1601); such sums as are necessary for payments for fiscal years 1982, 1983, 1984 and 1985;

(c) Amounts equal to a percentage of the amounts in subsection (a) of this section for each fiscal year, not to exceed the percentage change in the United States Gross National Product Implicit Price Deflator, using the last quarter of Fiscal Year 1980 as the base.

SEC. 2. Subsection (b) of section 318 of the Federal Land Policy and Management Act of 1976 (43 USC 1701, 1748) is deleted and the following is substituted therefor:

"Consistent with section 607 of the Congressional Budget Act of 1974, beginning May 15, 1977, and not later than May 15, 1980, the Secretary shall submit to the Speaker of the House of Representatives and the President of the Senate a request for authorization of appropriations for all programs, functions, and activities of the Bureau to be carried out during the four-fiscal-year period beginning on October 1 of the calendar year following the calendar year in which such request is submitted. Not later than May 15, 1984, and every five years thereafter, the Secretary shall submit such requests for authorization of appropriations for all programs, functions and activities of the Bureau to be carried out during the five-fiscal-year period beginning on October 1 of the calendar year following the calendar year in which such request is submitted."

SEC. 3(a) Subsection (k) of section 204 of the Federal Land Policy and Management Act of 1976 (43 USC 1714) is hereby deleted and the following subsection (l) relettered as subsection (k).

(b) Paragraph (3) of new, relettered subsection (k) is hereby deleted.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., October 17, 1980.

Hon. WALTER F. MONDALE,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with section 318(b) of the Federal Land Policy and Management Act of 1976 (FLPMA), I am enclosing a request for the authorization of appropriations for programs, functions and activities of the Bureau of Land Management for fiscal years 1982–1985 covered under the statute. This request, in accordance with the law, represents my estimate, without reference to external budget guidelines, of the amounts that can be efficiently and effectively utilized for the Bureau's programs. As such, the requested authorization levels were necessarily developed outside the context of the Administration's budget and fiscal policy objectives. The Bureau's annual appropriations requests will, of course, be determined through the normal Congressional and Executive Branch budget process. The status of this request in relation to the overall program of the President is undetermined.

The requested levels, in millions of 1980 constant dollars, are:

1980 Appropriated, 318.

1981 Budget, 349.

Requested authorization levels 82, 425; 83, 475; 84, 525; and 85, 570.

This request marks the first time that the public has been asked to help shape broad objectives for the management of the public lands. These levels would allow the Bureau to respond to public land managmeent objectives and concerns over the four-year period and make substantial and balanced progress in implementing FLPMA's mandate in a professional manner, meeting all mandated schedules and Departmental priorities. By 1985, the Bureau will be in a better position to provide the high quality, responsive, and comprehensive program of management and services that will be required to meet demands in the latter half of the decade.

Key elements of the proposal are as follows:

Accelerate wilderness reviews to complete the process by 1987, rather than the 1991 deadline required by FLPMA. The acceleration process would expedite reviews in the Overthrust Belt and other areas with the potential for energy development in order to expedite protection of designated areas and to allow development in non-designated areas as rapidly as possible. The acceleration process does not assume that any wilderness reviews would be conducted in Alaska, pending the resolution of D-2 legislation.

Expand funding for rangeland management above the basic FLPMA authorization. These funds, together with amounts provided under the Public Rangelands Improvement Act and the Range Improvement Fund, would provide for a continued high level commitment for improving the productivity of public rangeland.

Meet leasing schedules for oil and gas leasing on the Outer Continental Shelf and for the coal program. Additional support is provided under the four-year period covered by the authorization, not only to meet the coal leasing schedule and the five-year OCS leasing schedule, but to initiate pre-lease activities and studies for OCS sales beyond FY 1985.

Provide support for other onshore energy programs, primarily to reduce the lease application backlog, emphasize leasing in the Overthrust Belt, and ensure proper administration of simultaneous oil and gas filings. Authorization levels provide funding for proposed legislation for NPR-A, geothermal and oil and gas leasing, and a prototype oil shale leasing program, as well as support for implementation of a permanent oil shale leasing program and a tar sands leasing program.

Meet FLPMA requirement to complete withdrawal reviews by 1991, review permits in the non-energy related area on a more timely basis, and continue efforts to reduce the non-energy case backlog. An amendment to FLPMA is proposed to repeal authorization earmarks of $10 million each for withdrawal processing and review. With regard to withdrawal review, data from the BLM indicate that it could cost considerably more than the current earmark to complete the program by 1991, and funding for both processing and review should be handled within the overall authorization level.

In addition to the draft bill, I have enclosed a table of assumed program levels which were used to arrive at an authorization request. In order to facilitate comparison, the authorization requests for FY 1982–FY 1985 are in 1980 dollars and do not take into account the impact of inflation. However, I have proposed language in the draft bill to mitigate the potential impact of inflation. Moreover, each year's authorization would include an undistributed contingency of 7 percent of the assumed program level to assure that the Bureau has the capability to respond to unforeseen program requirements.

A backup report entitled "Bureau of Land Management Four-Year Authorization" has been distributed to the Chairmen and staffs of the appropriate House and Senate Committees.

In addition to establishing the recommended authorization levels, the draft legislation would also amend FLPMA to provide for a five year authorization cycle. The amendment to subsection 318(b) of the Act would coordinate the long range planning cycle of BLM with that of the Forest Service and other land resource management agencies under the Resources Planning Act and Resource Conservation Act, as well as with the OCS sale planning schedule.

I firmly believe now is the time to invest in reducing backlogs, in protecting and enhancing past public investments, and in assuring the future productivity of public lands. We can do this by providing a level of management that meets the broad range of local, regional, and national concerns and needs and serves both public efficiency and public interest goals.

We recommended that the attached draft bill be referred to the appropriate Committee and that it be enacted.

Sincerely,

GUY R. MARTIN,
Assistant Secretary.

INTRODUCTION: OUTLOOK FOR PUBLIC LAND MANAGEMENT 1982–1985

The next four years are a critical period for public land management in the U.S. and for the Bureau of Land Management, the agency that manages the Nation's public lands and offshore resources. Both the demands on the public lands and resources, and the complexity of managing them for multiple use are increasing dramatically. Competition for the use of the lands and resources is also increasing, and the stakes are getting higher every year. As a result, the course of public land management in the next decade and beyond is likely to be characterized by unnecessary controversy unless there is a clear commitment now to a comprehensive public land management program.

The Department's Four-Year Authorization Request is both such a commitment and a crucial determinant of the Bureau's capability to respond to the Nation's commodity and non-commodity needs in the short term as well as into the next decade. The request includes increases that are fiscally responsible and adequate to enable the Bureau to provide more intensive and professional management of the public lands and more efficient and imaginative public service.

From the broad, national perspective, new energy production and distribution will be the most urgent demand on the public lands and the outer continental shelf (OCS); it is difficult to overstate the role that the BLM-managed lands must play in energy production and siting energy facilities.

People in the West are generally supportive of the orderly development of their energy and mineral resources, but they are justifiably concerned about the resulting impacts on their traditions, resource-based industries, environmental assets, and social values. The West is also looking to the Federal Government for a fundamental commitment to improve the management of the renewable resources of the public lands, with particularly strong interest in the restoration of the rangelands to increase livestock production and to protect and enhance wildlife. Similarly, coastal residents are concerned that effects of offshore oil and gas development be fully evaluated, and that adequate consideration be given to other uses of coastal resources in OCS lease sale decisions.

Both westerners and other concerned citizens and interest groups throughout the U.S. also have a high interest in such issues as protecting the Nation's heritage of archaeological and cultural resources, preserving the wilderness values of this part of the American frontier, and using the West's open spaces for recreation.

The Bureau of Land Management has designed a responsive and flexible decision-making and management system that can meet these local and national needs, respect western and other values, and carry out sensitively and professionally the requirements of the law. The Bureau must now move ahead with determination to implement good decisions and effective management of the Lands and the OCS. To implement such decisions, the Bureau must develop the necessary policies, plans, management infrastructure and funding. This is the time to invest in reducing backlogs, in protecting past public investments, and in assuring the future productivity of the public lands and the offshore resources. The investments requested in this authorization will provide a level of public land management that responds to western and national interests effectively, efficiently, and in a political environment of confidence and trust.

I. LEGISLATIVE REQUIREMENTS

Section 318(b) of the Federal Land Policy and Management Act (FLPMA) of 1976 requires that the Secretary of the Interior submit to the Congress every four years a request for authorization of appropriations for the programs of the Bureau of Land Management (BLM). The request sets funding ceilings for yearly appropriations and identifies the funding levels that ". . . can be efficiently and effectively utilized . . ." in executing Bureau programs.

This request, in accordance with the law, represents the Secretary's estimate, without reference to external budget guidelines, of the amounts that can be efficiently and effectively utilized for the Bureau's programs. As such, the requested authorization levels were necessarily developed outside the context of the Administration's budget and fiscal policy objectives. The Bureau's annual appropriations requests will, of course, be determined through the normal Congressional and Executive Branch budget process.

II. THE REQUEST'S DEVELOPMENT AND REVIEW

Before describing the requested authorization levels, it is important to highlight the thorough staff effort put forth on this request by several offices throughout the Department.

In developing this Four-Year Authorization Request, BLM took the initial step by creating the comprehensive "program development process" called for by President Carter in his Second Environmental Message, coordinating the process with the Forest Service's Resources Planning Act (RPA) program. The President's directive called for a process

that would set long range goals; analyze alternative programs and investment strategies; foster environmentally sound, fiscally responsible, and economically efficient investment, development, protection, and resource use decisions; and involve interested citizens and State and local governments. Using this process, BLM identified alternative authorization levels for individual programs, which were described generally in the Four-Year Authorization Report to Congress.

In October 1979, BLM began consulting with affected and interested States, local government officials, individuals, industries, and organizations to assess their desires and perceptions regarding the need and future of public land management. (A summary of these consultations is included in the appendix to the Four-Year Authorization Report to Congress.) Each BLM field office evaluated the impact of these public needs and perceptions and estimated the resulting workload—given current Departmental policies and practices, court decisions, and statutory deadlines.

BLM's field personnel then developed both the workload and pricing estimates for individual programs, which were evaluated by the BLM State Offices and by program officials in Washington. The estimates were compared with known pricing factors and workload trends, when available, and were subjected to the best judgment and analysis of experienced analysts and managers at several levels of BLM. Through this process, the estimates of individual program needs were tightened and refined.

In April, a draft Report describing three alternative funding levels for the Bureau's major programs was distributed, and was reviewed by the State Directors, the National Public Lands Advisory Council, the staffs of the Assistant Secretary for Land and Water Resources and the Assistant Secretary for Policy, Budget and Administration, other Interior and Federal agencies, State Governors, and interested individuals and groups. Their comments and the additional analyses they generated helped to further refine both the definition of needs and alternative investment strategies.

Over the last three months, intensive departmental staff review has identified a number of individual program efficiencies and cost savings that were not previously incorporated in the Report to Congress.

This development and review process has led to an authorization request, with supporting documentation, which is efficient and effective—planning for increases where justified, and incorporating cost reductions and efficiencies in program activities wherever feasible.

III. GENERAL DESCRIPTION OF THE RECOMMENDED LEVELS

The Secretary's request represents a substantially increased commitment to improved management, development, and protection of the resources of the public lands and the OCS. For most of the Bureau's programs, the recommended authorization levels, when viewed over the four-year period, provide sizeable funding increases when compared against actual appropriations for FY 1978–1981. Overall, the authorization request reflects about a 60 percent increase in BLM support over the four years as compared to amounts appropriated for BLM in the preceding four-year period. Historically, revenues generated from use of the onshore resources which the Bureau manages are two to three times as great as the funds spent on management of these resources. For the outer continental shelf lands, the ratio of receipts to management expenses is many times greater. There is good reason to expect that funding increases, which allow greater use of these resources and better service to the public, will cause a significant increase in these revenues.

The request calls for major increases to accelerate development of energy and minerals, rangeland improvements, completion of wilderness reviews, and protection of certain unique resources and values on the public lands. The Secretary's program priorities emphasize on-the-ground investments, more rapid implementation of mandated land use plans, and reduction of backlogs in lease and permit applications for use of the public lands, particularly in areas of heavy or potentially conflicting use. These authorization levels will also help assure that important public needs will not be hamstrung by delays caused by lagging support services such as land surveys, exchanges, and preventive maintenance of existing facilities. The major initiatives include:

More than doubling the number of sales per year—from three sales in FY 1978 to seven sales by FY 1984—as part of the Secretary's accelerated five-year schedule for oil and gas leasing on the Outer Continental Shelf.

Meeting the Secretary's coal leasing schedule under the new Federal coal management program. Under this initiative, the first regular comeptitive sales since the 1970 moratorium on coal leasing are scheduled for January 1981; sales are scheduled for two coal regions during FY 1982.

Expanding support to conduct a new competitive leasing program for private oil and gas exploration and development in the National Petroleum Reserve in Alaska.

Focusing resources on developing other sources of energy—such as geothermal, oil shale and tar sands. Under recent Secretarial decisions, the Department plans to issue the first lease sale under the prototype oil shale program in FY 1983 and the first lease sale under the permanent oil shale program by FY 1985. The first lease sale under the tar sands program is planned for FY 1983.

Accelerating the wilderness review schedule to complete the process by 1987, four years ahead of the 1991 deadline required by FLPMA, to expedite reviews in the Overthrust Belt and other areas with the potential for energy development, to more rapidly protect Congressionally designated wilderness areas, and to allow development in nondesignated areas.

Placing heavy emphasis on implementation of on-the-ground improvements for the public rangelands. Over $180 million will be invested in improvement projects, reducing the $39 million backlog in rangeland and wildlife management projects and placing over 114 million acres of rangeland under intensive management. In addition, by 1985 roughly 80 percent of the court mandated EIS's will be completed, and for the first time, we will have accurate inventory data on over 60 percent of the public range. Finally, we will have an ongoing inventory program to track trends in range conditions to provide us with information on the on-the-ground results of the program.

Protecting the cultural resources which have been identified on the public lands and preparing cultural inventories related to other programs such as energy and minerals and recreation.

Implementing the California Desert Plan, with particular emphasis on recreation, including ORV's, cultural resources, energy and minerals, and rangeland management

Reducing the time required to process routine land transactions from 360 days to 210 days or less by 1985. Immediate reductions of backlogged land transactions will occur and the backlog will be eliminated by 1990.

At the same time, the requested levels incorporate some difficult decisions that result from the natural tension between the desire to fund the ideal program, and the recognition of administrative limitations on rates of program expansion and of the overall need for some fiscal restraint. The specific program descriptions in section V below outline in more detail the Secretary's priorities. In general, decisions were:

To more precisely target the collection of the resource data that supports specific resource management decisions, thereby controlling costs, for example in programs such as rangeland inventory and the Outer Continental Shelf studies;

To moderate the rate of implementation activities in certain programs, owing to the particularly high costs of rapid implementation and/or the fact that they are not integrally tied to energy programs, range improvements, or critical resource protection activities (for example, construction of new administrative buildings, visitor service facilities, roads, campsites and other recreation facilities);

To moderate the rate at which service backlogs are reduced (e.g. processing of nonenergy mineral patent applications); and

To moderate recommended funding increases in programs where technological or personnel innovations stand a good chance of generating future cost efficiencies or personnel savings (e.g. data management)

After completion of the Four-Year Report, additional detailed analyses were performed on selected programs in the course of the Department's review to ensure that urgent public needs would be met in the most prudent, efficient, and effective manner possible. In some cases, such as Rangeland Management and Energy Onshore, these analyses significantly revised the assumptions that generated the original alternative levels in the Report to Congress. These variations are outlined in the individual program descriptions in Section V below.

The Department's authorization request in millions of 1980 constant dollars, is:

1980 Appropriated, 315.

1981 Budget Request, 349.

Requested Authorization Levels, 82, 425; 83, 475; 84, 525; and 85, 570.

As an annual ceiling on future appropriations, these authorization levels provide sufficient flexibility to meet changing needs and priorities. They do this by including:

A contingency fund (about 7 percent of the programmatic total) added to the cumulative annual totals for individual Bureau programs.

A provision in the proposed authorization legislation which would allow the authorization levels to increase to account for inflation during the four-year period, based on the Gross National Product Implicit Price Deflator. This provision is necessary because the requested authorization levels are given in 1980 constant dollars, rather than actual dollars, and do not include funds to compensate for inflation.

Also, a certain amount of flexibility is provided by the fact that the Bureau's programs are authorized in total for Management of Lands and Resources and Acquisition, Construction and Maintenance, rather than by individual programs. This will allow cost efficiencies or workload changes that reduce funding requirements in one program to compensate for additional requirements in other programs.

Such flexibility is necessary to provide a measure of protection against unforeseen program needs, and for reestimates in pricing and workload estimates when projecting several years into the future.

In contrast, the authorization levels for individual Bureau programs, which were arrived at through intense program analysis of the Bureau's identifiable funding needs, do not have a large measure of flexibility built into them. The cumulative annual total for fiscal years 1983, 1984, and 1985 have been recommended to OMB by the Department to serve as the basis for outyear planning targets for the Bureau. (A table listing the individual program targets accompanies the programmatic descriptions in Section V below.)

This authorization does not include about

$660 million of funds separately authorized and requested in other parts of BLM's annual budget. These authorities include $15 million for the Public Rangelands Improvement Act, approximately $13 million for the Range Improvement Fund (from grazing fees), about $57 million for the Oregon and California grant lands, about $120 million for Payments in Lieu of Taxes, about $455 million paid to States, counties, and local governments from receipts generated by BLM programs, and certain other smaller management and trust funds. In addition, it is assumed that any major new programmatic legislation that would have extraordinary effects on BLM programs would carry its own separate authorization.

IV. THE CHALLENGE OF FUNDING A COMPREHENSIVE AND INTERCONNECTED LAND MANAGEMENT PROGRAM

When compared to the analysis that supported the previous Four-Year Authorization Request (FY 1979–1982), the estimated funding needs outlined in this request represent a significantly greater understanding of three areas:

The dramatically increasing and often conflicting public demands for increased resource production, greater protection of the public lands, and improved management and services from the Bureau of Land Management;

The scope and cost of activities necessary to meet these demands; and perhaps most importantly

The complexity of the issues and the level of management that must be brought to bear in meeting FLPMA's multiple use and sustained yield mandates.

This Four-Year Authorization Request represents, for the first time, a full accounting of the resources required to manage complex and interrelated natural systems, while at the same time applying the principles of multiple use and sustained yield. When the Bureau makes a land use decision or takes a management action for one resource value, it necessarily affects both the natural system and all other values as well.

Full recognition of this central reality of public land management has had significant implications for the Bureau's budget planning in general and for this authorization specifically. Planning decisions for all values are inextricably linked and must be considered together when developing estimated investment needs and corresponding performance. The assignment of a high priority to one program, that affects a given piece of geography, has the effect of raising the priority of all associated activities on that piece of geography. This means that if coal leasing, for example, is placed on a priority schedule in the authorization, then cultural resource and endangered species inventories, grazing plans, wilderness reviews, cadastral surveys, and other related actions on the land affected by the coal leasing decision must be supported at a similar level.

Of equal importance are the funding ramifications of creating a management system that both provides a sufficient level of analysis to address these complex impacts, and that incorporates substantial public involvement. Successfully meeting burgeoning and volatile demands from a wide variety of interests requires a management system that is capable not only of addressing emerging critical issues, but also of handling the interdependency among issues.

That Congress recognized the size, scope, and complexity of this mandate is demonstrated by FLPMA's requirement to put in place a comprehensive, life-cycle land management system that includes:

Implementation of land use plans, particularly with on-the-ground improvements, to increase productivity and resource values on the public lands;

A land-use planning and decision process which provides a balance among a range of use alternatives and includes extensive public input, and which directs the implementation activities of the Bureau;

In depth and periodically up-dated inventories supported by monitoring of resource conditions on the public lands, which supply data to the planning process and determine the effectiveness of implementation activities;

Adequate support for service, operations and maintenance activities to meet public demands, and to protect existing investment, as well as new investments made through implementation activities.

The authorization request recognizes both the need to support the management system the Bureau has built to respond to this mandate, and the need to provide funding for the complex program linkages described above. These requirements were incorporated into the three alternative funding levels described in the Report to Congress,* and although the requested funding levels diverge from the original alternatives, the need to fund linked programs at comparable levels is still an integral part of the Secretary's request. Where tradeoffs or compromises have resulted in a request for an efficient and effective level at Level 1 for one program and Level 2 or 3 for another (as occurs in some support programs, for example), care has been taken to ensure that accelerated decisions and high priority energy and on-the-ground improvement programs have sufficient support to be achieved. Secretarial priorities are thus balanced and consistent across programs.

Secretarial priorities are clearly evident when looking at the authorization request by management category rather than by traditional program or budget categories. The Secretary made a conscious decision to hold constant, and eventually reduce, funding for inventories, land-use plans, and activity plans. In this way, the maximum amount of funds could be directed to critical on-the-ground improvements and service type activities. These priorities, reflected in the four-year trends for the individual management categories, are outlined below. (The funding by management category identified below excludes the 7-percent contingency funds included in the total authorization request).

Implementation

[In millions of 1980 dollars]

Fiscal year 1982	$46.4
Fiscal year 1983	61.3
Fiscal year 1984	79.6
Fiscal year 1985	99.5

There is a significant rise in implementation, as more and more plans are completed and an increasing emphasis is placed on on-the-ground improvements.

Activity planning

[In millions of 1980 dollars]

Fiscal year 1982	$61.0
Fiscal year 1983	65.6
Fiscal year 1984	61.8
Fiscal year 1985	67.1

Activity planning, which determines how the land use plans will be implemented, stays fairly constant during the four years. Minor variations in the total occur because activity planning in some large programs, such as coal, is decreasing while it is increasing in others, such as the other onshore energy programs.

Planning

[In millions of 1980 dollars]

FY 1982	$11.4
FY 1983	14.3
FY 1984	17.3
FY 1985	15.9

Land use plan preparation for the public lands peaks in 1984, primarily because of accelerated scheduling (for example, wilderness reviews, preparations of EIS's on livestock grazing, etc.), and then begins to decline.

Inventory

[In millions of 1980 dollars]

FY 1982	$117.6
FY 1983	117.3
FY 1984	127.7
FY 1985	119.3

Inventory activities remain fairly constant over the four years with the exception of 1984 when the need for studies in the offshore energy program related to lease sales beyond the Secretary's Five-Year Schedule causes a one-year increase.

Service, operations and maintenance

[In millions of 1980 dollars]

FY 1982	$161.1
FY 1983	185.1
FY 1984	203.3
FY 1985	230.8

Service, operations and maintenance activities increase steadily and substantially over the four-year period as increasing emphasis is given to public service and as more on-the-ground improvements and facilities are built which require maintenance. Also, a comprehensive preventive maintenance program will be initiated during the four-year period.

V. INDIVIDUAL PROGRAM DESCRIPTIONS

The requested authorization levels ensure a high level of performance on the issues of greatest national and regional concern—coal leasing; onshore and offshore oil and gas leasing as well as other energy resource development; rangeland management; wilderness; lands case processing; and public service. They also provide for improved performance in key administrative and technical support programs including cadastral survey, acquisition, and construction. A summary of anticipated performance in each program follows.

A. Planning and Inventory Coordination

[In millions of 1980 dollars]

FY 1981	14.7
FY 1982	14.7
FY 1983	17.6
FY 1984	20.9
FY 1985	19.7

The Planning and Inventory Coordination program provides funds for coordinating the Bureau's inventory activities, for preparing resource management plans for each of the Bureau's resource areas, and for monitoring the implementation of management plans once they have been adopted. At the requested level, the Bureau will be able to fully implement the planning regulations promulgated in September of 1979. This will involve, among other things, monitoring the implementation of approximately 100 management plans and coordinating the inventory work on 30–40 resource management areas. The requested authorization level also provides the Bureau with all the funds necessary to meet the planning schedule that was developed to fulfill existing grazing, timber, coal leasing, and wilderness review mandates. During the period covered by this authorization, all of the scheduled resource management plans will be completed for close to 100 out of a total of 156 resource areas on the public lands.

The apparent difference between the requested level and level 1 in the Report to Congress is due to an accounting change. In the Report, approximately $6 million/year was included in the Planning Program for acceleration of wilderness planning decisions. In the Secretary's recommended level, the $6 million is accounted for under the Wilderness Program.

B. Energy and Minerals

The Department's requested level provides for substantial increases in energy and mineral programs. Emphasis is placed on meet-

*Level 1 provided the greatest increases and Level 3 the lowest, although all three levels represented substantial increases over previous appropriation levels.

ing leasing schedules for coal and offshore oil and gas, initiating new or accelerated leasing efforts in non-conventional energy resources, and eliminating or reducing backlogs in leasing applications. Substantial, but less dramatic, increases in non-energy mineral programs will allow the Bureau to administer proposed new surface management regulations, and to respond to increases in demand for a variety of minerals, such as sand and gravel, from the Federal lands. It will also permit BLM to reduce backlogs in mineral patent applications.

No specific funds are included in this authorization for offshore non-energy mineral efforts. The Report to Congress identified a small amount of funds that could be used for a limited analysis of the needs for, and impacts of, an offshore mining effort. However, until the need for such a program is more clearly demonstrated, the decision to propose such an expenditure was deferred. Should the need for such a program become more certain, the contingency allowed in the Requested Level should provide the limited funding necessary to initiate a small scale or prototype non-energy minerals offshore leasing program.

Energy onshore—Coal

[In millions of 1980 dollars]

FY 1981	30.6
FY 1982	30.6
FY 1983	33.3
FY 1984	33.4
FY 1985	35.0

A new Federal Coal Management Program was adopted in 1979. The centerpiece of this program is the orderly scheduling of competitive lease sales. Planning and pre-lease sale activities will allow lands containing an estimated 30 billion tons of coal to be considered for leasing by 1985.

The requested level for the coal program is consistent with Level 1 in the Report to Congress, and will allow full and timely implementation of the Secretary's five-year coal leasing schedule. Planning, environmental assessment activities, and technical studies will be undertaken in support of the nine scheduled sales between FY 1982 and 1984 and the two anticipated sales for FY 1985. The requested level will also allow BLM to process:

247 lease applications and preference right lease applications, which is 100% of the estimated applications received;

25 lease exchanges, which is 100% of the estimated demand for exchanges;

429 lease adjustments, assignments, modifications and mining plan reviews, which is 100% of the estimated demand.

The Department is committed to increasing production of vital domestic energy resources. The requested level reflects the continued high priority given to the Federal Coal Management Program.

Energy onshore other than coal

[In millions of 1980 dollars]

FY 1981	18.4
FY 1982	28.6
FY 1983	33.4
FY 1984	39.0
FY 1985	44.2

In addition to the coal program, the Bureau has active leasing programs for oil and gas and geothermal resources, and is developing new programs for tar sands leasing and oil shale leasing. The Bureau is also beginning to respond, through cooperative programs with states, and other means, to initiatives directed at solar, wind and other unconventional energy generation technologies.

The requested level for these energy programs contains substantial increases—higher in total than Level 1 in the Report to Congress and also higher for most individual leasing programs. The requested authorization levels for these energy programs for FY 82–85 are 162% higher than their appropriations for FY 78–81. These increases will allow:

A 45 percent increase in the number of oil and gas and geothermal leases issued annually, from about 12,900 in FY 1981 to nearly 19,000 in FY 1985;

Reduction of the oil and gas lease application backlog by approximately 80 percent and reduction of the geothermal lease application backlog by about 75 percent;

Efficient administration of new procedures for simultaneous oil and gas filings;

Leasing of up to four prototype oil shale tracts by FY 1983, and conducting the first lease sale under the permanent oil shale program by FY 1985;

A new tar sands leasing program targeted to a first lease sale by FY 1983;

Competitive leasing in the National Petroleum Reserve in Alaska (NPR–A), also known as the Western Arctic Management Area (WAMA), when Congressional authorization is granted;

Increased emphasis on oil and gas leasing in the Overthrust Belt and initiation of onshore oil and gas leasing efforts in Alaska outside of the NPR–A; and

Diligent efforts to insure lessees' compliance with regulations and stipulations required to protect surface resources.

There are a number of new analyses and accounting changes that make it somewhat difficult to compare directly the requested levels and those in the Report to Congress.

Recently, new, more up-to-date analyses were completed describing both the future demand for oil and gas and geothermal leasing and the costs of processing leases. The requested levels incorporate these more up-to-date pricing and workload estimates. As a result, the authorization levels more closely meet the anticipated needs of the oil and gas leasing effort during the four-year period, including reduction of the lease application backlog. The geothermal program will remain stable at the requested level, which will allow the lease application backlog to be substantially reduced.

Since the Report to Congress was initially prepared, the Department has made more specific decisions regarding the nature and scope of the oil shale and tar sands leasing programs. In several important respects, these decisions differed from assumptions used to develop the levels in the Report to Congress. The decisions to initiate the tar sands leasing efforts by FY 1983 and to establish a permanent oil shale leasing program were not anticipated in the Report to Congress. Funding for these programs in the requested level is more than twice that anticipated in Level 1 in the Report to Congress, and fully meets the requirements of the developing programs.

The requested level includes $5.2 million annually for a leasing program in the NPR–A. No such funding was included in the Report to Congress.[1]

There is a final difference between the levels included in the Report to Congress and the requested level. In the Report, $2 to $3 million per year were included in the Onshore Energy category for mineral surveys in potential wilderness areas. The requested level includes these funds in the Wilderness Program.

In the decisions regarding the oil shale and tar sands programs and other recent initiatives that are reflected in this request, the Secretary and the Department have demonstrated a commitment to accelerating the development of domestic energy resources on the public lands. The funding increases embodied in the requested authorization levels for onshore energy programs other than coal underscores this commitment.

Energy offshore

[In millions of 1980 dollars]

FY 1981	53.8
FY 1982	53.8
FY 1983	54.8
FY 1984	63.8
FY 1985	59.8

The Bureau's offshore energy program for the four-year authorization period will be guided by the new Five-Year OCS oil and gas leasing schedule. The Secretary submitted this schedule to Congress as required by the OCS Lands Act Amendments of 1978.

A total of $232 million dollars over the four-year period has been provided in the Secretary's efficient and effective level:

$140 million for the environmental studies necessary to fully implement the five-year OCS oil and gas leasing schedule;

$40 million for environmental studies needed now to prepare for sales beyond those currently scheduled, and;

$50 million for administrative and environmental assessment activities to support the present schedule and to initiate activities for the post-five-year sales.

There are several factors which the Department believes should permit the costs associated with the OCS program to be held to a relatively stable level. First, the program as a whole is maturing and stabilizing. If proposed OCS Sale No. 53 is held in central and northern California, there will soon be no frontier regions remaining in the lower 48. Sales have been held in three Alaskan areas. New procedures instituted just prior to and after passage of the OCS Lands Act Amendments are in place. Finally, the environmental studies program has been operating since 1974, resulting in seven years worth of studies and data.

Judgments about the number and scope of environmental studies as it relates to sales beyond those presently scheduled, accounts for the major difference between alternative funding levels in the Report to Congress. The recommended level for this program is based on an analysis of required studies and the subsequent determination of the appropriate level of studies needed for outyear sales. The recommended level also includes funds for some studies not anticipated when the Report Levels were developed. For example, completed Endangered Species consultations have resulted in the need to expand Alaska endangered whale studies beyond those previously anticipated. It also provides for monitoring in controversial leasing areas.

Non-Energy Minerals—Onshore

[In millions of 1980 dollars]

FY 1981	9.6
FY 1982	10.5
FY 1983	12.5
FY 1984	14.0
FY 1985	15.9

The federal mineral estate consists of over 800 million areas of public and acquired lands and lands which have been patented, but for which subsurface mineral rights have been reserved by the federal government. Under the Mining Law of 1872, many of these mineral rights are developed by private industry and by individuals on claims, and ultimately on patents. In other cases, mineral rights are leased or materials themselves are sold in place.

While funding increases for the non-energy minerals program are not as large as they are in the energy area, the Department's requested authorization level for FY 82–85 is 58 percent greater than appropriations for FY 78–81 and is roughly comparable to Level 2 as described in the Report to Congress. However, the performance outputs in the Report to Congress and those made possible by the requested level are not directly comparable.

[1] Funding for NPR–A was included only in FY 1981 budget figures and not in the various FY 1982–85 levels.

Since the Report was prepared, substantial changes have been made to the proposed final version of surface management regulations for activities outside of wilderness study areas. These changes, which include threshold criteria to be met before a plan is required, will reduce the number of plans received and allow efforts to be concentrated on those operations with the most significant potential for impact. The recommended level should permit all of the plans of operation to be fully reviewed, and 65 to 85 percent of those with the greatest potential for adverse effects should receive field examination. This is a much higher performance level than anticipated for this level of funding in the Report.

This authorization level should insure that the patent application backlog does not increase in the four-year period, despite an expected increase in applications. It will allow the Bureau to respond to moderate increases in demand for minerals on Federal lands. It should result in over 3000 leases, material sales and free use permits processed annually by FY 1985, over a 20 percent increase from the estimated FY 1982 level. It will also allow a substantial amount of paleontological inventories to be conducted. These are required as a result of the Antiquities Act and NEPA for mining plans and other activities undertaken by the Bureau.

C. Renewable Resources

The renewable resource programs for FY 1982 through FY 1985 provide significant increases in funding to meet the Bureau's FLPMA mandates and ensure an integrated multiple-use program.

The rangeland program has a strengthened emphasis on on-the-ground implementation, as well as on monitoring the results of management actions. Forest management activities will focus on meeting demand for forest products and providing an information base for future actions on the Bureau's commercial forest lands. In all programs, sufficient inventories and activity planning will be done to ensure the efficient and effective utilization of funds. A maintenance program, coordinated with implementation actions, will be put in place to ensure that investments are fully protected.

By the end of FY 1985, the funding provided in these authorizations would make it possible to achieve a major improvement in the 55 million acres of rangeland currently in fair or poor condition and to make a major start in improving and stabilizing the remaining 115 million acres under allotment management plans. Herd area management plans will be completed on about 57 percent of the area where management of wild horses and burros is anticipated. Filings will be made on 47 percent of the total expected water rights needed by the Bureau. Over 1,200 timber sales will be made, constituting 90 percent of the anticipated demand for timber. Timber inventories will be completed on 50 percent of the commercial timber lands, and 70 percent of the needed forest management activity plans will have been prepared.

This is an ambitious, but realistic program. In the rangeland program, the strong emphasis on facility investment ensures that a major start will be made in increasing the long-term productivity of the rangelands. This investment will pay long-term dividends as management proceeds through future cycles.

Rangeland management

[In millions of 1980 dollars]

FY 1981	82.2
FY 1982	88.9
FY 1983	104.0
FY 1984	114.0
FY 1985	133.0

Rangeland management funding includes livestock grazing; wild horses and burros management; soil, water and air management; and wildlife habitat management. These four programs are considered together because of the strong interrelationships that result from basic dependencies on the soil, water and vegetation components of rangeland ecosystems. The total effects of all of these program actions must be considered in the integrated management of a healthy, productive rangeland.

A special analysis of the rangeland program was prepared to supplement the Four-Year Authorization Report. In this analysis, the Bureau and the Department considered all four programs' needs in the context of funding available from all authorization sources. In addition to funds available under the Four-Year Authorization, $15 million per year is authorized under the Public Rangelands Improvement Act of 1978 and the Department expects to request full funding under that Act. An estimated $13 million will be available annually from the portion of grazing receipts returned to the Range Improvement Fund. The alternative Rangeland levels in the initial Report to Congress were representative of the Bureau's total program needs regardless of funding source.

Total funding for Rangeland Management from all funding sources is summarized as follows.

[In millions of 1980 dollars]

	Fiscal year			
	1982	1983	1984	1985
Management of lands and resources (MLR)	88.9	104	114	133
Public Rangelands Improvement Act (PRIA)	15.0	15	15	15
Range improvement fund (RI)	13.0	13	13	13
Total	116.9	132	142	161

When all funding sources are considered, investment in rangeland management increases from a total of $338 million in the preceding four years of appropriations (FY 1978–1981) to $552 million in the Secretary's requested level for this authorization period, a 63 percent increase. Annual increases range from 7 percent in FY 1982 to 13 percent in FY 1985.

Nearly all of these increases are targeted to implementation and service, operations, and maintenance activities. Inventory costs for the four-year period remain level, the result of a conscious Secretarial decision to take a hard look at the Soil Vegetation Inventory Method (SVIM) costs and to hold to a level planning target (approximately $30 million/year) pending further analysis of these needs. Planning costs increase over the period from $12 million in 1982 to $13 million in 1985. Funding for Service, Operations and Maintenance activities rises from $40 million in 1982 to $54 million in 1985. Much of this increase will provide for an expanded monitoring program. Finally, implementation expenditures would rise dramatically over the four-year period, as evidenced in the table below.

Implementation funding

[In millions of 1980 dollars]

Fiscal year 1982	36
Fiscal year 1983	45
Fiscal year 1984	52
Fiscal year 1985	65

Reassessment of on-the-ground implementation needs during the review process showed that the estimates of total implementation needs in the range portion of the Report to Congress were somewhat high. As a result of this reassessment, the requested levels, while appearing in total to be at Level 3, actually provide a Level 1 implementation program for all the Rangeland programs. This includes approximately $120 million for rapid implementation of AMP's, following completion of livestock grazing EIS's, approximately $35 million for protection and improvement of important wildlife habitats, approximately $40 million for water quantity and quality improvements, and a 30 percent reduction in the $35 million wildlife habitat management plan implementation backlog.

The Secretary's requested levels will provide:

Grazing Management

24,600 livestock grazing permits issued annually

4,750 range improvements maintained

130 million acres (100 percent of areas under AMP) monitored

56 million acres inventoried

2,879 allotment management plans (AWP) completed

14.2 million acres improved

10,200 allotments supervised

Wild Horse and Burro Management

53,000 animals will be removed from rangelands

76 million acres inventoried

48 Herd Area Management Plans completed

Soil, Water and Air Management

860 structures maintained

67 million acres of soil inventories

134 million acres of water inventories

68 million acres of air quality inventories

6 Section "208" plans (BLM input) compiled and implemented

Implement 15 water yield improvement projects

Wildlife Habitat Management

6,250 improvements maintained

77 million acres inventoried

101 habitat management plans completed

37.5 million acres of habitat improved

11,300 miles of stream improved.

Improvement of rangeland condition is one of the Department's highest priorities, and this authorization is a significant commitment to restoring and enhancing the productivity of the public rangelands in an efficient and effective manner.

Forest management

[In millions of 1980 dollars]

Fiscal year 1981	9.3
Fiscal year 1982	10.0
Fiscal year 1983	11.0
Fiscal year 1984	12.0
Fiscal year 1985	12.8

Moderate increases are proposed which will maintain the present timber inventory and sales programs and allow for some additional funding for forest development and for reduction of the reforestation backlog. Inventories of non-commercial forest land will not be done, and roughly 50 percent of the estimated demand for Christmas trees, posts and poles, and fuelwood permits will be met. It is important to emphasize that these forestlands and woodlands are the least productive of the Bureau's lands for saw timber. Management for the Bureau's most valuable forest land, the Oregon and California Grant Lands, is funded through a separate account.

Forest Management

151,000 fuelwood permits issued

72,000 Christmas trees sold

151,000 posts and poles sold

2 million acres of commercial forest land inventoried

330 activity plans completed

440 million board feet of timber sold

42,800 acres of forest development (seeding, planting, thinning, etc).

D. Recreation and Environmental Areas

The Department's requested Level gives a high priority to protecting a number of the non-commodity resources on the public lands. Significant increases in funding are requested for the Wilderness Program to

accelerate the wilderness review required by Section 603 of FLPMA, and for the Cultural Resource Management Program to protect cultural resources threatened with destruction. The requested level for the Recreation Management Program provides increased funding for the California Desert and a number of the special recreation areas.

Recreation management

[In millions of 1980 dollars]

FY 1981	7.6
FY 1982	9.5
FY 1983	10.1
FY 1984	11.4
FY 1985	12.8

At the requested level, funding for the Bureau's Recreation and Visual Resources Management Program will increase by approximately 70 percent during the four years covered by this authorization. This Four-Year Authorization represents a 37% increase over FY 78–81 appropriations. With this increase in funding, roughly equivalent to level 3 in the Report to Congress, the Bureau will be able to:

Complete, for almost 90 percent of the contiguous Western United States, the off-road vehicle review required by Executive Order 11644;

Implement a comprehensive visitors services program in the California Desert.

Provide recreation information and personal assistance to visitors at a number of high-use river segments, trails, and other special recreation areas.

As a result of increased energy prices, demographic shifts associated with other resource development, and the emergence of new forms of recreation, rapid changes are occurring in the recreation use of the public lands. During the period covered by this authorization, the Bureau will continue to assess the magnitude of those changes and their effect on the demand for visitor services.

Wilderness

[In millions of 1980 dollars]

FY 1981	12.7
FY 1982	24.3
FY 1983	24.2
FY 1984	23.1
FY 1985	24.5

At the requested authorization level, the wilderness review required by Section 603 of the Federal Land Policy and Management Act will be completed for the contiguous Western United States by October 30, 1987—four years before the 1991 Congressional deadline. Where feasible, priority will be given to areas involving significant resource use conflicts—such as those involving oil and gas development in the Overthrust Belt. This accelerated review schedule will reduce existing uncertainties concerning the ultimate use and management of the public lands affected. It will also shorten the period during which wilderness study areas will have to be managed according to the Wilderness Interim Management Guidelines.

The authorization request for the Wilderness Program includes funds estimated to be necessary for wilderness related mineral surveys prepared by the Energy and Minerals Program and for wilderness management plan amendments prepared by the Planning Program. In the Report to Congress, these wilderness related costs, approximately $8 million per year, were charged to the affected programs and not to wilderness. The authorization request for the Wilderness Program will provide outputs consistent with Level 2 in the Report. Wilderness study areas will be regularly monitored for compliance with the interim management policy, and wilderness management plans for Congressionally designated areas will be implemented within four to six years.

Natural and cultural resources management

[In millions of 1980 dollars]

FY 1981	4.1
FY 1982	8.0
FY 1983	9.0
FY 1984	10.0
FY 1985	11.0

The substantial increase in funding requested for the Cultural Resources Management Program will significantly enhance the Bureau's ability to protect cultural resource sites threatened by vandalism and natural destruction such as erosion. At the requested level, roughly equivalent to Level 2 in the Report to Congress, the Bureau will complete intensive cultural resource inventories on approximately 15 million acres per year (100 percent of total estimated need).

Once these inventories are completed, a more accurate estimate can be made of the number of cultural resource properties which need protection plans, and the number of acres which need to be monitored for damage. Current estimates indicate that at the requested level, two thirds (200) of the cultural properties needing resource protection plans, and one half (1.7 million acres) of the acres needing monitoring for damage will be funded. Given the provisions of Section 106 of the National Historic Preservation Act of 1966, the completion of the inventories will also expedite the processing of use authorization permits for mining, transmission line rights-of-way, roads, and other land use changes.

The requested authorization level for the Natural History Resources Management Program, while modest in comparison to other programs, represents a fivefold increase in funding over the 1981 appropriation. This increase will significantly enhance the Bureau's contribution to the Federal Committee on Ecological Reserves, the Federal Research Natural Areas System, and the Department's National Natural Landmarks Program.

E. Lands, Rights-of-Way and Land Acquisition

Significant and rapid increases in demands for land actions (e.g., land sales, land exchanges, pipeline, road and powerline rights-of-way, use withdrawals, claims recordation, etc.) on the public lands over the last several years have created service delays, backlogs in processing, and increased costs in these programs. These problems have been taken into consideration in the authorization request, and their reduction and elimination has been emphasized in the requested level.

Recent court decisions, the emerging hazardous waste problem, and support for community and energy development will increase the demands during the next decade. In addition to the increased authorizations in the Secretary's request over the next four years BLM will be seeking out more efficient means to meet these increases, to improve service to the public, and to meet the statutory and Departmental priorities in these difficult years.

Lands and rights-of-way

[In millions of 1980 dollars]

FY 1981	36.1
FY 1982	38.7
FY 1983	40.7
FY 1984	43.6
FY 1985	45.6

The Secretary's requested level would authorize increases during the four-year authorization period of 33 percent above the FY 78–81 appropriations to expedite processing of the projected 8,000 to 12,000 new land actions requested of the Bureau each year. Emphasis has been placed on elimination of land casework backlogs and the reduction of the average time required to process each case. Priority was also given to Alaska Native Claim and Alaska State conveyances, and to withdrawal reviews, energy actions, and mineral actions.

Over the four years of the authorization period, the requested level will allow the processing of an estimated:

16,350 energy rights-of-way annually with the average processing time reduced from 350 days to approximately 210 days by 1985 (100 percent of demand);

23,500 non-energy cases annually (e.g., lands sales and exchanges, rights-of-way, land leases, use permits, etc.), a rate that would eliminate all backlogs (over 12,000 cases) by 1990;

12.5 million acres of Alaska Native Claims Settlement Act conveyances (92 percent of the total by 1985);

43.4 million acres of State of Alaska conveyances (93 percent of the total statutory conveyances) by 1985;

2,200 trespass cases, as well as preparation for an intensive unauthorized use abatement program to be completed by 1988;

700 pending or planned withdrawal requests (100 percent of estimated demand);

2,700 withdrawal reviews or 33 percent of total to be completed (this will complete the withdrawal reviews by 1991);

500,000 mining claims recorded or 100 percent of estimated demand;

300,000 claims filed or 100 percent of estimated demand.

The requested level is equal to Level 3 in the Report which will provide substantial progress in meeting national and local priorities. This recommendation was based, in part, on a continuing effort by BLM to identify potential efficiency improvements in processing of land cases. If the increases in efficiency are not as substantial as anticipated, or if annual caseloads continue to increase at current rates through FY 1982, BLM will be able to provide more funds for certain land actions to assure continuing progress, through the flexibility built into the authorization and appropriation processes.

Easement and land acquisition

[In millions of 1980 dollars]

FY 1981	1.8
FY 1982	1.9
FY 1983	3.9
FY 1984	4.4
FY 1985	7.5

The Bureau uses the acquisition program primarily to obtain easements for BLM and public access to Federal lands which are surrounded or locked-in by non-Federal ownership. Such easements are needed to install and maintain Federal land management investments and facilities and to open such lands for use by the public. Other uses include recreation site acquisitions such as camping sites for river rafting, and hiking or riding trail easements to provide sporting opportunities and to protect adjacent property.

The requested level provides substantial increases for the acquisition program, adding $2 million per year by 1983 and over $5 million per year by 1985, compared to the 1981 appropriation level. This authorization is

equal to Level 2 in 1983 and 1984 and Level 1 in 1985 in the Report.

These increases have been provided to reduce the backlog of easement acquisitions, to expedite the installation and maintenance of habitat improvements, to expand mineral leasing and timber management on public lands, and to open the over 20,000 parcels of locked-in Federal land to the public.

The requested authorization level will allow BLM to complete about 1,100 easement acquisitions, and to achieve substantial work on over half of the estimated 2,550 cases that are currently pending or will be referred over the four year period. The remaining cases will be in progress at the end of the period. This authorization level will allow the opening of many currently inaccessible public lands to grazing, hunting, fishing, and other recreational uses, to help meet increasing demands for resource uses with existing lands.

F. Support Programs

Technical and administrative support is important to the success of the Bureau's resource programs. The Construction and Maintenance programs, which have been neglected in the past, are authorized to receive significant increases at the Secretary's requested level during the four-year period. The Cadastral Survey program is also increased substantially in recognition of its critical importance. More modest increases are recommended for data management, fire management and enforcement and administration.

Cadastral survey

[In millions of 1980 dollars]

FY 1981	22.2
FY 1982	24.3
FY 1983	25.3
FY 1984	26.3
FY 1985	27.4

Increases are proposed in the requested authorization level which will enable BLM to complete surveys on nearly 25 million acres by 1985 approximately 80 percent of estimated demand). First priority will be given to surveys which are required to maintain the Alaska Native Claims Settlement Act and the Alaska State selection schedule. In the lower 48 states, priority will be given to surveying needed for key land exchanges, rights-of-way processing, energy and minerals actions, and verification of ownership to determine trespass and unauthorized occupancy and for situations where color of title questions exist.

Often the implementation of Bureau resource programs must await cadastral surveys to assure that management actions do not infringe on the ownerships of others. In recognition of the identified priority and the capability of some other agencies to conduct their own surveys (through recent Memoranda of Agreement), it is expected that the requested funding level will allow BLM to complete those surveys needed to implement legally required and economically feasible management actions, consistent with Level 2 in the Report to Congress.

Construction and maintenance

[In millions of 1980 dollars]

FY 1981	12.8
FY 1982	17.5
FY 1983	24.1
FY 1984	30.4
FY 1985	36.8

The requested funding level, for the 1982–1985 period, represents a significant increase in funding over previous levels. This will allow BLM to build projects that have been needed for many years, as well as to construct new facilities required to implement management plans which will be completed during the 1982–1985 period.

The Report to Congress estimated the total cost of potential administrative, transportation, and recreation facilities for this period to be over $100 million. The requested level provides more than $60 million, and will allow the Bureau to construct a substantial portion of its needed facilities, with priority given to those that are most critical to the efficient and effective management of the public lands. It should be noted that funding for construction of on-the-ground range improvements is included in the rangeland management programs.

Construction activities planned during the four-year period are expected to include:

Approximately 400,000 sq. ft. of building space including a multiple-use complex in Alaska, and warehouse and administrative facilities at the Boise Interagency Fire Center;

440 recreation sites including visitor information, sanitary and other facilities;

1,100 family units for camping and picnicking;

425 miles of road construction;

115 miles of trails;

22 bridges.

The requested level proposes substantial funding increases for maintenance of existing facilities. Included is the initiation of a maintenance survey which will enable BLM to develop a long-run preventive maintenance program that will reduce future maintenance costs, while protecting the public's investment in existing facilities. In addition, a more intensive program to improve energy conservation in existing facilities can begin.

Routine maintenance of recreation, sanitary, and transportation facilities would continue with greater emphasis on eliminating safety hazards for users of the public lands.

The requested level therefore provides a capability to achieve construction accomplishments midway between Level 3 and Level 2 and accomplish the outputs described in Level 1 of the maintenance program for the four-year period.

Data Management

[In millions of 1980 dollars]

FY 1981	16.3
FY 1982	18.3
FY 1983	20.5
FY 1984	23.0
FY 1985	25.8

Increases are provided in the requested level for FY 82–85 to fund data management support for the Bureau's resource, technical, and administrative programs. These increases would provide 45% more funding for Data Management than for appropriations during FY 78–81. The rapid change in computer and information systems technology, which can bring about cost savings and new efficiencies, makes it difficult to predict five years into the future, how much funding will actually be required for this program.

The Bureau is beginning a study to update the "Strategic Plan for Information Systems Management." The results of that update should provide a more accurate identification of funding requirements. The Bureau is also exploring the possibility of utilizing data and computer models developed by other agencies. It may be possible to utilize, at a relatively low cost, such information and analytic capability.

The outputs achieved at the requested level are consistent with those shown in Level 3 in the Report, and will support both existing operations and services to Bureau programs and field offices and the initiation of certain improvements.

The increased funding will allow the Bureau to:

Install supplemental data processing equipment in five additional field offices;

Place an estimated 29 terminals in Bureau field offices;

Extend remote sensing for lightning detection systems, automatic weather stations and other automatic monitoring capabilities.

Fire Management

[In millions of 1980 dollars]

FY 1981	9.3
FY 1982	9.3
FY 1983	10.0
FY 1984	10.6
FY 1985	10.9

The requested authorization level provides modest increases for fire management on the public lands. This program includes fire-related activities for planning, preparation and prevention such as prescribed burning and preparation of the Normal Fire Year Plan. The actual cost of fighting fires and rehabilitation of burned areas is funded through a yearly supplemental appropriation at the end of each fire season.

The requested level will provide outputs for the four-year period which are equal to those at Level 3 in the Report. This level of authorization will:

Decrease the number of fires of 10 acres or larger from 360 in 1981 to 300 per year by 1985;

Increase prescribed burning from 50,000 acres in FY 1981 to 78,000 acres in FY 1985;

Maintain the existing Automatic Lightning Detection System, but not to complete its implementation;

Complete many, but not all of the objectives of the Normal Fire Year Plan.

Enforcement and administration

[In millions of 1980 dollars]

FY 1981	7.0
FY 1982	8.6
FY 1983	9.2
FY 1984	9.7
FY 1985	10.2

The requested level provides increased authorizations for law enforcement and administrative support programs. The requested authorization will nearly double the present low level of funding for the law enforcement program, allowing the Bureau to better protect the resources on the public lands, primarily through cooperative agreements with local enforcement agencies. The request places program funding between Levels 2 and 3 in the Report to Congress, and would support the negotiation and maintenance of approximately 35–40 cooperative agreements. It also provides for more than 4800 criminal and civil investigations by BLM staff specialists over the four-year period.

Increases in administrative support programs and management authorizations are roughly proportional to the total increases in the requested level.

FLPMA 4-YR AUTHORIZATION—PLANNING ASSUMPTIONS FOR MANAGEMENT OF LANDS AND RESOURCES AND ACQUISITION, CONSTRUCTION, AND MAINTENANCE

(In millions of dollars)

	Actual fiscal year 1980 appropriation	Requested fiscal year 1981 appropriation	Planning assumptions (1980 dollars) Fiscal year 1982	Fiscal year 1983	Fiscal year 1984	Fiscal year 1985
Planning and inventory coordination	13.3	[1] 14.7	14.7	17.6	20.9	19.7
Energy centers:						
Coal	22.4	30.6	30.6	33.3	33.4	35.0
Other	12.4	18.4	28.6	33.4	38.0	44.2
Energy offshore	51.9	53.8	53.8	54.8	63.6	59.8
Renewable energy—Onshore	6.4	9.6	10.5	12.5	14.0	15.9
Grazing management[2]	31.5	33.1	38.6	43.3	54.3	70.6
Wild horses and burros[2]	5.2	6.7	6.7	6.7	6.7	6.7
Soil, water, and air[2]	19.2	22.5	23.6	26.0	28.0	29.5
Wildlife habitat management[2]	16.4	18.3	20.0	22.0	25.0	26.2
Forest management	9.6	9.3	10.0	11.0	12.0	12.8
Recreational resources management	8.0	7.6	9.5	10.1	11.4	12.8
Wilderness	10.0	[1] 12.7	24.3	24.2	23.1	24.5
National and cultural research management	2.9	4.1	8.0	9.0	10.0	11.0
Lands and rights-of-way	34.5	36.1	38.7	40.7	43.6	45.6
Acquisition	2.2	1.8	1.9	3.9	4.4	7.5
Cadastral survey	24.4	22.3	24.3	25.3	26.3	27.4
Construction and maintenance	14.1	12.8	17.5	24.1	30.4	36.8
Data management	15.0	16.3	18.3	20.5	23.0	25.5
Fire and aviation management	8.7	9.3	9.3	10.0	10.6	10.9
Enforcement and administration	5.2	7.0	8.6	9.2	9.7	10.2
Subtotal	[3] 314.7	[4] 348.6	397.5	443.6	499.6	532.6
7-percent contingency	NA	NA	27.5	31.4	35.4	37.4
Total	314.7	348.6	425.0	475.0	525.0	570.0

[1] For purposes of comparability, $1,000,000 requested in fiscal year 1981 under planning (for wilderness activities) has been shifted to wilderness because in fiscal years 1982–85, all wilderness activities will be funded under wilderness.

[2] Figures exclude PRIA authorization each year.

[3] Figure excludes $49,800,000 for fire suppression and rehabilitation and $6,300,000 PRIA appropriation.

[4] Figure excludes $4,800,000 for fire suppression and rehabilitation and $13,700,000 PRIA appropriation. ●

By Mr. ARMSTRONG:

S. 398. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes; to the Committee on Labor and Human Resources.

OVERTIME PAY TO FEDERAL CONTRACTORS

● Mr. ARMSTRONG. Mr. President, today I am introducing a short bill with major ramifications for the health of our economy. In the past 10 years, many companies in the private sector have determined that a 4-day 10-hour workweek is advantageous in many ways. Companies under contract with the Federal Government, however, are not allowed this option without substantial penalty. Simply, my bill requires that overtime be paid to Federal contractors for work after 40 hours in 1 week. Present law, regulating employees producing goods for the Government, requires the payment of overtime after 8 hours in any 1 day.

This bill is essentially the same as the one passed by the Senate when it was introduced by Senator Henry Bellmon in the 96th Congress. Several amendments, including this proposal, were dropped en masse in conference.

There are numerous advantages to the 4-day workweek, but the most significant is increased productivity which could save consumers millions of dollars each year. Our productivity growth rate has been declining for several years and 1981 is expected to be no better. The adoption of a 4-day workweek by the Norgren Co., in Littleton, Colo., is a good example of increased productivity and one of favorable employee reaction. Production increased significantly, while employee annual turnover was reduced from more than 40 percent to less than 16 percent. Absenteeism fell from 7 to 4 percent.

Also, this country's continuing energy problem could be alleviated by some degree if more firms choose to move to a 4-day workweek. Employees could save one round trip commute per week and reduce consumption of fuel, traffic congestion, and air pollution. It is evident to me that any help with these serious problems would be of major benefit to the Nation's cities. In addition, considerable savings could be realized should companies gear their heating and cooling requirements for buildings to 4 days instead of 5.

This is not an insignificant matter. The Bureau of Labor Statistics estimates that as many as 36 million employees could be restricted by these Federal regulations, while thousands of firms are continuing to adopt the more efficient 4-day workweek. Prior to 1970, less than 100 firms operated on a 4-day workweek. By 1973, 3,000 firms had shifted, and by the end of 1976 over 10,000 companies in the United States had adopted a 4-day work schedule.

In the past, the compressed workweek has been supported by a number of business and labor groups. For these reasons, I am hopeful that this legislation will be favorably considered by the Senate at an early date, and restore to American businesses serving the Federal Government the basic freedom of choice.●

By Mr. BENTSEN:

S. 399. A bill to amend the Congressional Budget Act of 1974 to require the Congress to establish, for each fiscal year, a regulatory budget for each Federal agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

S. 400. A bill to reduce duplicative and conflicting Federal rules or regulations, and for other purposes; to the Committee on Governmental Affairs.

S. 401. A bill to reduce the costs of Federal regulations, and for other purposes; to the Committee on Governmental Affairs.

REGULATORY REFORM

Mr. BENTSEN. Mr. President, during the last Congress, the Joint Economic Committee, under my chairmanship, developed a bipartisan program to bring inflation under control and restore our economy to a prosperous level of long-term growth. A major requirement for achieving these two important goals is the need to cut back on excessive and unnecessary regulation. Our current regulatory system is imposing substantial costs on American businesses and contributing to rising prices. We cannot reduce inflation nor boost productivity if we continue to impose regulations on the private sector which are often costly, duplicative, wasteful, or ineffective.

Today, I am once again introducing a regulatory reform package that incorporates recommendations offered in the Joint Economic Committee's anti-inflation program. It includes a regulatory budget which sets an annual limit on the compliance costs each Federal agency can impose on non-Federal sectors through their rules and regulations; a statutory requirement that agencies adopt the least costly way of achieving their regulatory objective; and a new requirement that the Federal Government identify and eliminate rules and regulations which overlap or conflict with each other.

During the 96th Congress I introduced a similar regulatory reform package. I am pleased that one of my proposals, requiring all regulatory agencies to prepare a complete economic analysis of their proposed regulations, was substantially incorporated in the Regulatory Flexibility Act, which became law. It was however, the only major regulatory reform bill enacted by the 96th Congress. We need to do more by building on our previous efforts.

Mr. President, the need to address the problem of excessive regulation has never been so apparent. The Joint Economic Committee in a special study on the state of the economy has reported these disturbing facts about the impact of excessive infringement by the Government on the private sector:

In 1976, the conventionally calculated Federal share of GNP was 21 percent. However, regulatory compliance costs—estimated at $66 billion that year—were not included in the GNP share calculation. Had they been, the Federal share of GNP would have been 23.5 percent.

In 1979, the Federal share of GNP as usually determined was again 21 percent. Had compliance costs, estimated at $98 billion, been included, the Federal share of GNP would have been 25 percent.

The regulated share of the economy has expanded from about one-tenth of gross national product (GNP) in 1965 to about one-fourth in 1979. In constant dollar terms this means that, in 1965, $93 billion worth of goods and services were produced under varying degrees of regulation. By 1979, the total had risen to $358 billion. This regulatory expansion carries profound implications for the ability of the economy to adjust to changing economic circumstances.

During the 1970's—at a time when the U.S. economy was stagnating—Government regulation experienced its greatest growth.

The small business sector bears a disproportionate share of the total regulatory burden. Unlike large enterprises, small firms cannot easily pass on regulatory costs to consumers. More seriously, regulatory overload may be inhibiting risk-taking and the formation of new businesses.

While Government regulation traditionally focused on economic—price and entry and natural monopoly—regulation, environmental and health and safety regulation has become increasingly important. Although the goals of social regulation are generally regarded as desirable, the existing regulatory system lacks the incentives to consider adequately the nonadministrative costs of Federal regulation. Although some recent efforts have been made to bring about a better accounting of costs, too many regulators still do not assess the full costs of regulatory compliance.

The regulatory reform package I am introducing today can reduce inflation and improve the productivity of the American economy if we prune out those unnecesary and wasteful costs that have become so much a result of our Federal regulatory system. I believe we can streamline the process without sacrificing the legitimate requirement of agencies to carry out their legislative mandates.

Currently, we have no means of controlling the costs regulatory agencies impose on the private sector. In 1980, the Joint Economic Committee's joint economic report made this observation about these costs:

"There is no limitation on the costs that regulatory agencies can impose on the private sector in their attempts to achieve their regulatory goals. The President cannot set limits, because most of the regulatory agencies are independent commissions or administrations. Congress does not set limits because we have not yet established a systematic way of doing it. The result is entirely predictable. The agencies have no incentive to consider private sector costs when they develop regulations, and so they have no incentives to minimize those costs. Regulations can turn out to be ineffective, unnecessary, wasteful, in conflict with other regulations, or duplicative of other regulations."

We cannot allow the status quo to prevail. We must move forward and tackle those critical areas in our regulatory system that are hampering the American entrepreneur. American business has become the whipping boy rather than a full partner with Government in meeting our requirements for a stronger and more vital economy.

Let me now outline the major provisions of the legislative reforms I am proposing today.

THE REGULATORY BUDGET

The regulatory budget requires the President and the Congress, each year, to put a cap on the amount of regulatory costs each agency can impose on the non-Federal sector. We can do this just as we have with the fiscal budget. It forces agencies to choose the least costly way of achieving their goals by establishing a formal mechanism, within the framework of the Congressional Budget Act, for limiting the burden of Federal rules and regulations. Each year, the President and the Congress would establish a maximum cost—a ceiling for each Federal agency. This ceiling would be fixed and inviolate, just as agency fiscal budgets are today. The cap would be determined after an extensive, broad-based series of hearing, administrative reviews and with ample opportunity for public comment and review.

THE REGULATORY COST REDUCTION ACT

This second component of my program would require both independent and executive branch regulatory agencies to meet their regulatory objectives in the most cost-effective manner available.

Congress has sadly failed to impose this requirement in most measures establishing new regulatory programs. As a result, regulatory agencies often issue regulations that employ excessive costly methods to achieve their goals. This is a tragic waste of our country's scarce resources. We need to clean up our environment, we need safe highways, we need to improve the healthfulness and safety of our workplaces. But if we do this wastefully and inefficiently, we are simply misusing valuable resources that could be used to achieve other vital goals, such as raising our standard of living, alleviating poverty, strengthening our defense or revitalizing our cities and rural communities. We may be a wealthy country but as our taxpayers and voters have recently told us, things at home are tight and there just is not any money to burn or squander.

Therefore, regulatory agencies should be required to minimize the cost of achieving their regulatory goals unless this consideration is overridden by a more important national goal. My bill will do this. All agencies will be required to examine all options for attacking a regulatory problem and choose the least costly alternative. They will be required to publish an extensive impact analysis in the Federal Register to back up their existing regulations, with the same goal in mind.

THE REGULATORY CONFLICTS ELIMINATION ACT

Mr. President, one of the charges leveled against King George III of England in the Declaration of Independence was that—

He has erected a Multitude of new Officers and sent hither Swarms of Officers to harass our People.

Ironically, millions of Americans make precisely the same charge against the Federal Government today, more than 200 years after the signing of the Declaration of Independence.

My legislation addresses this critical problem. It requires the Office of Management and Budget annually to report to Congress and the President on Federal agency rules or regulations which duplicate or conflict with others promulgated by other Federal agencies. At the beginning of each fiscal year, the President will submit his recommendations at the Federal level. These recommendations affecting Federal agencies would go into effect 60 days following their submission of rules disapproved by Congress. The Government Accounting Office would be required to evaluate the OMB report, the President's recommendations, as well as each agency's progress in implementing those recommendations.

The legislative efforts I have proposed today are not aimed at curtailing the legitimate efforts of Government to clean up the environment, protect consumers or improve worker health and safety. They are aimed instead directly at excessive, unnecessary, and unreasonable Federal regulation. It is simply outrageous for a small businessman to confront the impossible situation where complying with one regulation requires violating another. My legislation is designed to eliminate the irrationality of conflicting or overlapping regulations. I believe if these measures are adopted that we will move toward our historic mandate in the spirit of allowing our citizens the freedom to regulate their own lives.

These are recommendations that are offered in the Joint Economic Committee's anti-inflation program and include the regulatory budget which sets an annual limit on what the compliance costs are that could be put on by an agency.

We have a situation where we limit these agencies on how much they can spend of the taxpayer's money. We do that through the budget process. I think it is time we should limit them on how much they can make the people spend. So that is what this would do. This would put an economic cost on the regulation, how much that regulation is going to cost to put it in force and say, "all right, here is your budget for the year; this is how much you can make the people spend this year," and try to bring this under control.

Another one is to bring cost effectiveness into regulations.

We had situations on the clean air bill where we could say to the EPA. "Why did you do it this way? It costs a lot more to do it this way." And they would say, "cost is not our concern. That is not a part of the bill, not a part of the law."

So, when they propose a regulation and promulgate a regulation what they should have in mind at that time is that

we want to reach that objective, that standard, that goal for the people. That is a fine social objective. We want clean water. We want clean air. But what is the cost-effective way to accomplish that? And that is what one of these pieces of legislation would accomplish.

Mr. President, we talk a lot about regulatory reform and the folks back home sure talk a lot about it. I think the message is finally beginning to get through and I believe the mood is here to accomplish some of these things.

We saw at the end of the last administration a major piece of legislation enacted into law on paperwork.

These are some things that can complement that effort, and I urge the support of the Members of this body in that regard.

By Mr. SYMMS (for himself, Mr. JEPSEN, and Mr. BOREN):

S. 404. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes; to the Committee on Finance.

REPEAL OF THE ESTATE AND GIFT TAX

Mr. SYMMS. Mr. President, today the Senator from Iowa (Mr. JEPSEN) and I are introducing legislation to abolish the so-called estate and gift tax, more popularly known in the farming areas of the United States as the grave robbers and benevolence disincentive tax.

It has become increasingly apparent that although wealth is only a relatively small multiple of annual income and turns over by death only once in a generation, estate and gift taxes present complex legal, economic, and social problems. The various provisions of the Federal estate and gift tax laws produce complexities in the estate planning; encourage disposition of assets contrary to the best interest of taxpayers, beneficiaries, and the economy; and work gross inequities among taxpayers.

It is clear that the estate and gift tax laws were never intended primarily to produce revenue, and this is in fact the case today since less than 1 percent of the total revenues collected are derived from the estate and gift taxes. The fundamental purpose of the estate and gift tax laws were to tax the very wealthy very heavily, to limit undue concentrations of wealth and power in a few, to break up those concentrations, and to enhance the equality of opportunity. However, it is evident that the only conclusion that can be reached today is that the fundamental purposes of the estate and gift tax laws are not being fulfilled.

Due to the fact that the unified estate and gift tax credit is a fixed dollar amount and because of the steeply graduated estate tax rates, the ravages of inflation increases the burden of the estate tax just as it increases the burden of individual income taxes.

For example, due to inflation, the value of farmland has significantly increased in recent years and because the unified estate and gift-tax credit is a fixed dollar amount and the rates are steeply graduated, the estate and gift-tax burden has been substantially increased over the past years. As a result, although death taxes generally absorb a relatively small part of a farm estate, given the inflated value of a farm's assets, the imposition of the taxes often necessitates the raising of more cash than many farm families are likely to have. Most farm estates do not have sufficient liquid assets to pay estate settlement costs and death taxes because most farm estates usually contain a higher proportion of fixed or illiquid assets.

I believe the same argument can be made for small businesses. In fact, the estate tax burden imposed on estates composed of illiquid business assets threatens the existence of the small family enterprises. The burden of paying a tax when assets are illiquid may necessitate that the owner, or the executor of the estate, dispose of the business in order to generate the necessary cash to pay the tax. In some cases, the small family-owned enterprise is sold to, or merged with, a larger competitor, including domestic and foreign conglomerates. This has the consequence of not only eliminating the family business as a separate entity but also of increasing business concentration and perhaps severely affecting the degree of interfirm competition in the product markets. This result has additional economic, political and social consequences. First, it adversely affect the goal of estate tax as a fiscal instrument to redistribute wealth; if the estate tax is increasing business concentration, then wealth becomes redistributed in the hands of the wealthier. It has rendered the estate tax and the overall tax structure less equitable. Second, the destruction of small family businesses affects not only the family itself, but may be extremely disruptive to a local community. Such a community is better served by locally centered business than by a branch whose corporate headquarters is remote. Third, society as a whole benefits from a perpetuation of the family as a basic social and economic entity. Experts are required to plan an estate properly before it goes through the process and to administer one properly during the process. The process not only requires IRS personnel and money but the estate also incurs considerable expense in the process, an expense which is comparatively greater to smaller estates or at least those estates with substantial illiquid assets. As a result, I simply do not believe that the process of planning and settling an estate does anything for the national good.

Furthermore, Americans who acquire and hold property express themselves in the way they deal with it: using it, spending it, saving it, giving it away. The social order around us tends to honor our choices in the basic theory that private decisionmaking is better than public control. To hold property and to have wide discretion over it are closely associated with our concepts of freedom.

I do not believe that the right of succession and the freedom to dispose of property during life and at death should be limited by the State. The institution of succession serves a variety of values cherished by a free society. These include the reinforcement of family ties and responsibilities, economic and social pluralism, and encouragement of private philanthropy to improve the quality of life. At the most fundamental level, the institution of succession is a proper response of society to elemental motives, ranging from concern for one's immediate family to a desire to extend one's personality beyond death.

Examined from an economic perspective, the right to transfer wealth has the positive values of fostering incentives in the form of rewarding industry, ingenuity and creativity, encouraging capital formation through saving and investment, permitting continuity of ongoing enterprise, and supporting diversity in priorities.

It is clearly evident that the estate and gift tax laws do not in any way accomplish the objectives for which they were initially implemented. And, in fact, the abolition of the estate and gift taxes would contribute greatly to the objectives of equity in our tax laws and to individual productivity in our society.

Mr. JEPSEN. Mr. President, today I join with my distinguished colleague from Idaho, Mr. SYMMS, in reintroducing a bill to repeal the estate and gift tax.

During the 96th Congress, Mr. SYMMS led the fight for this measure on the House side while I pushed for action in the Senate.

I welcome the opportunity to work with him on this side of the aisle. With the support of President Reagan, we anticipate a favorable reception to our proposal. Both social and economic considerations urge the immediate abolition of the estate and gift tax.

The estate and gift tax became a permanent part of the Federal tax system in 1916. A powerful argument for its acceptance at that time involved the question of social justice. It was felt that large concentrations of entrenched wealth ran contrary to the spirit of a free society and that this tax could correct the threat, by breaking up substantial fortunes after one generation and redistributing wealth to the middle and lower rungs of the economic ladder. But, in 1981 we must ask the question: Have the original purposes of the legislation been fulfilled? Emphatically, the answer is no.

In fact, data from the Internal Revenue Service indicates that the estate and gift tax directly contradicts its historical mandate. The tax has not only failed to accomplish what it set out to do; in effect, it has aggravated the gap between the haves and have nots. The wealthy have been able to avoid the tax by careful estate planning while moderate-income families—independent farmers and small businessmen—bear the brunt. In fact, in 1979, more than 76 percent of inheritance tax returns processed by the IRS represented gross estates of less than $300,000.

Mr. President, I have been in the estate and business planning business for nearly a quarter of a century. I can attest to the fact that there are indeed two sets of tax laws in this country. There is one for those who plan and one for those who do not plan. Now they are one in the same and you cannot evade taxes, but you can avoid them. The sum result of the way the tax laws are constructed today, especially with regard to gift and estate tax laws, is the rich get rich and the poor get kids.

A very, very great injustice is being done to the continuation of the family farms in our area, the continuation of handing down family businesses, and all of the good disciplines and the tenor of the morality that these things provide.

The Federal estate and gift tax results not in the intended social equity but rather a painful inequity being imposed on family farms and small businesses throughout the United States. Painful because not infrequently—and the records bear this out—bankruptcy is the inevitable result.

The question in the 97th Congress is how much longer legislators can allow a law, contradictory in its own terms, to remain on the books.

The "trickle down" effect does not exist and, in fact, has never existed. In 1980, only 1¼ percent of aggregate Federal revenues were derived from the tax: A mere drop in the bucket. Obviously, the social benefits of the legislation are, in practice, nonexistent. The estate and gift tax has failed in both its impact and its benefit. The social equity premise has proven blatantly false. A brief look at the economic aspects of the tax explains why.

Over the past 40 years, the tax has contributed insignificant revenues to the Federal budget. The battle cry about redistribution of wealth has raised little more than rhetoric.

Given this evidence, commonsense favors its abolition. Although its contribution to Federal revenues is minimal, the actual impact on the economy is drastic because the tax involves a pure tax on capital. In other words, the estate and gift tax has a substantial and adverse effect in the critical areas of work, savings, and capital formation and replacement.

As Prof. Richard Posner recently put it:

> Since the accumulation of a substantial estate is one of the motivations that drive people to work hard, a "death" tax is indirectly a tax on work.

This tax is called a death tax by some because it directly drains several billion dollars per year out of the Nation's accumulated capital stock and, at the same time, discourages people from accumulating new capital. Why? Because the consumption of an individual's estate during his lifetime is the only way to beat the IRS. He has less incentive to invest in long-term projects. He is afraid to undertake any project that will not mature within their lifetime. Investors are encouraged to keep their assets as liquid as possible.

The reasoning is simple enough. An estate comprised mainly of real estate holdings—for example a farm—or a large block of stock in a single company—for example a small business—might have to be, and often is, sold at a substantial discount in order to get cash to pay the tax bill. Assets which are more liquid do not involve a penalty.

The estate tax affects all Americans and interferes with the efficient operation of the open market by discouraging work long-term savings and capital formation. Nobody gains. Everybody loses.

Why is the middle class particularly hard hit? Because the unified gift and estate tax imposes a fixed dollar amount and its rates are steeply graduated. This means that inflation increases the burden of the estate tax in the same way it increases the burden of the income tax. Consequently, in 1981, many people with relatively modest estates are assessed at levels that drive them out of a home or a business.

Presently, farmland in Iowa sells for $3,000 or more per acre, meaning that a modest 200-acre farm is worth $600,000. To pay estate tax, the inheritors often sell all or part of the farm even though the farmer who owned it may never have made more than $10,000 in his best year. Such a person can hardly be called rich.

Ironically, the very rich, who presumably should be hit the hardest by the tax, are generally able to avoid it. What we really have, in effect, are two estate taxes: A relatively light one for those who plan their estates carefully—generally the wealthiest members of society—and an extremely harsh estate tax for those who do not, generally those with modest incomes who are unaware that they even have a taxable estate. This is why almost every study on the subject concludes that estate tax has done nothing to alter the underlying distribution of wealth in the United States.

We have already seen a bill in this Congress to amend the estate tax by liberalizing brackets, special-use valuations and exemptions. It is argued that these changes suitably address all the problems I have just outlined.

That is not the case.

Anything short of repeal is a short term and superficial cure, an effective little bandaid. Whether rates are indexed or not, whether limits are increased or not, whether exemptions are comprehensive and equitable or not, is beside the point. Abolition is the only real answer.

Historically, poor people have lifted themselves out of poverty by building up capital within the family unit, so that each generation starts off in a better position than its predecessor. A father may work all his life to build a small business, hoping that his sons and daughters will be able to turn it into a large one. It is this kind of mettle and fortitude that made America great.

Today, high taxes on capital gains, income and estates make it difficult to leave ones' descendant any inheritance at all. In my view, that is contrary to all that America stands for, and must be abolished.

By Mr. DOLE (for himself, Mr. SIMPSON, and Mr. DECONCINI):

S. 405. A bill to amend title 5 of the United States Code to require Federal agencies to analyze the benefits, costs, and other adverse effects of proposed rules, to provide for judicial review of any such analysis, to provide for periodic review of agency rules, and for other purposes; to the Committee on the Judiciary.

REGULATORY REFORM ACT OF 1981

● Mr. DOLE. Mr. President, I rise today to introduce a bill, on behalf of Senators SIMPSON, DECONCINI, and myself, the Regulatory Reform Act of 1981, which proposes improvements in the procedure by which Federal administrative agencies promulgate regulations. Regulatory reform has long been the subject of public concern and debate. I believe I speak for many of my colleagues in noting that our constituents have repeatedly made the depth of their concern known to us on this matter.

Last Congress, several regulatory reform proposals were subject to close scrutiny in this body. Extensive hearings on these measures were held before both the Subcommittee on Administrative Practice and Procedure of the Judiciary Committee, of which I am a member, and the Governmental Affairs Committee. However, none of these measures were considered by the full Senate.

The Senator from Kansas recognizes, and I know the Members of the Senate also recognize, that the men and women who administer our laws in Federal agencies are dedicated and hard-working public servants. Certainly this bill in no way impugns the efforts of those individuals. Yet, they must work within a regulatory structure we establish. And it is this regulatory structure which is failing the citizens of this country. It is our responsibility to act without delay.

THE INFLATIONARY IMPACT OF FEDERAL REGULATION

At the outset we must recognize that what we have called "regulatory reform" encompasses not one, but many distinct problems of Federal regulation. And, like so many of the issues which confront us, the problems of Government regulation are related to other national problems. I believe that the problem of Government regulation significantly contributes to another major problem of our day—that of runaway inflation.

Regulations attempting to prescribe our behavior in an incredible range of areas pour out of Washington at a rapidly increasing rate. Yet one finds that the growing body of Federal regulations has been accompanied by a corresponding ignorance of the complete range of effects produced by such regulation. This ignorance has often resulted in unexpected costs and other adverse effects which threaten to undermine the salutory goals of appropriate regulation.

Billions of dollars of private spending are required to comply with literally thousands of detailed regulations. The 1978 Federal Register, through which these regulations are published, contained a total of about 61,000 pages, publishing about 7,000 new rules and about 32,000 other Government documents. The 1979 Federal Register was over 70,000 pages.

Just in this decade we in the Congress created seven new regulatory agencies,

including EPA and OSHA, and enacted 29 new major regulatory statutes. According to a study by the Joint Economic Committee, direct Federal regulatory agency expenditures rose from $2.2 billion in 1974 to $4.8 billion in 1979, a 115 percent increase in agency operating expense alone. Yet the costs of complying with Federal regulations are never reflected in an agency budget. Compliance with Government regulations imposes a sizable tax on business, yet this tax never benefits the Treasury of the United States.

Through regulation by administrative agency, we at least think we can see who will benefit by regulation and are moved by this vision to take action. Yet the burdens of regulation are so deceptively imposed that we have remained almost blithely unaware that the benefits of Government regulation are achieved only at a price. The price may be an actual dollar cost, such as increased consumer prices, or it may be a social cost, such as the dampening of individual initiative.

A study done by the Tax Foundation concluded that the cost to the consumer of complying with Federal regulations in 1976 was $62.9 billion. That amounted to more than $300 for every man, woman, and child living in the United States, and 20 times the $3.1 billion spent to operate the agencies that year. For 1979, it is estimated that $102.7 billion will be the cost to the consumer of complying with Federal regulations, or about $400 per person. A study conducted by the center for study of American business indicates that the cost of filling out Federal paperwork alone comes to about $25 to $32 billion annually.

In short, Federal regulation aggravates our already extreme rate of inflation by imposing costs on the private sector which raise prices without a corresponding rise in productivity. Indeed, as Dr. James Miller of the American Enterprise Institute has noted:

> Regulation often has a greater effect upon consumer welfare (than other inflationary factors) because it operates directly upon the real supply of goods and services.

Of course, while noting these extreme costs, we must also recognize that the benefits of appropriate regulation will not be achieved without cost. But at the same time the Federal Government must not embark on a program of regulation unconcerned by costs. Sadly, our present rulemaking structure is such that, in the words of Dr. William Lilley and Dr. James Miller writing in the public interest:

> A regulation is often promulgated whereby the final incremental improvement to achieve a stated objective yields small benefits relative to costs or great costs relative to benefits.

THE CAUSE OF THE PROBLEM: BROAD DELEGATIONS OF LEGISLATIVE AUTHORITY

In the recent past, we in the Congress have worked to give all Americans a clean environment, safe consumer products, a safe working place, protection from deceptive merchandising, and many other protections which in previous years were the responsibility of either the private sector or government at the local level—in the cities, counties, and States. We have pursued these goals by identifying a particular problem in legislation, stating in often general and ambiguous statutory terms the policy of Congress toward that problem, and then creating a Federal agency and authorizing it, again often in the broadest terms, to regulate the area in question.

By creating agencies with such broad authority, we have passed on to these agencies the authority to make, in the administrative regulations, the kind of policy judgments which properly we should make. We have delegated authority to the agencies to achieve multiple, and often inconsistent, objectives. We want agencies to reduce certain risks to health, safety, or environmental quality while avoiding, or at least minimizing, the adverse impact on the subjects of agency regulations, whether industry, consumers, or the Nation at large.

As a result of this delegation of authority, agencies must now make a range of conflicting, yet extremely significant, value choices about various aspects of our national life without meaningful guidance from the elected representatives of the people. Judge David Bazelon, a senior judge of the District of Columbia Circuit Court of Appeals, a court which deals with much of the litigation involving Federal agencies, has decried this failure of the legislative branch to give more direction to agency decisionmaking. In January 1977, Judge Bazelon wrote:

> Traditionally, in democratic societies, it is elected legislatures that make the hard value choices. . . . Increasingly, however, our legislatures have been delegating their value choices to administrative agencies—institutions which cannot resolve value conflicts through the relatively simple expedient of a show of hands.

Similarly, the Administrative Conference of the United States, in a report published in March 1979, observed—

> The agency problem of structuring discretion to accommodate multiple considerations in decisionmaking has not received sufficient congressional attention.

At this point in our history, I do not suggest that we can remove rulemaking authority from our Federal agencies. It would be impossible for Congress to make all the detailed decisions agencies must make on a regular basis. Consequently, the legislation I propose today takes no steps toward undermining an appropriate role for the administrative agency in our governmental structure. Rather, this bill is founded on my belief that we in Congress must fulfill our responsibility to shape the discretion of Federal agencies and provide the legal guides to channel agency actions along the sound policy course we set. Such action by the Congress would be welcomed not only by our frustrated citizens, but also by the agencies themselves who in an immediate and practical way suffer from the absence of clear congressional guidance in their daily work.

A BASIC REFORM: AN ADAPTATION OF COST—BENEFIT ANALYSIS

The Senator from Kansas believes that cost-benefit analysis is one technique we must adapt for administrative rulemaking in order to require an agency to evaluate the complete range of effects of a proposed rule. Moreover, President Reagan and his administration have strongly endorsed this approach to regulatory reform.

By shaping agency decisionmaking through a requirement that rulemaking include some sort of cost-benefit analysis, Congress can reestablish its dominant role as overall policymaker for our regulatory system. Hence, the bill that I am introducing today would require agencies to perform a kind of cost-benefit analysis of each proposed rule.

Cost-benefit analysis, in its traditional form as an accounting technique, saw its first widespread use in the late 19th and early 20th centuries when it was adopted by American municipalities to evaluate proposals for urban sewage systems. Over the course of the years it has been employed for a variety of public and private uses. In 1936, Congress approved cost-benefit analysis for water resource development projects, incorporating a requirement in the Flood Control Act of 1936 that acceptable projects demonstrate that "the benefits to whomsoever they may accrue are in excess of the estimated costs." At present, the name "cost-benefit analysis" no longer describes merely an accounting technique, with the implication of a solely mathematical procedure. Rather, as the 1979 report of the administrative conference points out, cost-benefit analysis now refers to—

> Any analytical method which organizes available information on alternative courses of action, and thereby displays possible trade-off opportunities to the decisionmaker.

Those concerned with the improvement of the regulatory process have increasingly focused on some sort of cost-benefit analysis as a sensible avenue of reform. Even in areas where the dollar cost of regulation does not reflect the spectrum of actual costs, such as in environmental and health regulation, expert opinion, including, for example, the National Academy of Sciences, has advocated the use of some form of cost-benefit analysis.

Quite simply, the principle of cost-benefit analysis reflects commonsense. However, encouraging agencies to perform such an analysis is not enough. Many observers have pointed out how effectively agencies have avoided performing such analyses. In October of 1979, a report of the Office of Management and Budget, evaluating the performance of "regulatory analyses" by certain agencies under Executive Order 12044, observed—

> Agencies try to avoid the requirement of a regulatory analysis, afraid that if they do an analysis, it will be the subject of public "sniping" or peer criticism.

Agencies have also avoided performing such analyses on more legitimate grounds. For example, the Clean Air Act of 1970 specifically instructs the Environmental Protection Agency to establish air quality standards based on considerations of public health. This requirement has been interpreted within the

EPA to mean that other considerations, like economic factors, cannot be considered.

Thus what is needed is a basic statutory provision requiring cost-benefit analysis. Consequently, this bill proposes amendments to our basic charter of administrative procedure, the Administrative Procedure Act.

The bill the Senator from Kansas introduces today requires a cost-benefit analysis which has been shaped by several obvious conclusions about what must be the reasonable policy for Federal regulation.

First, it is undeniable that a rational regulation must have an ultimately beneficial impact. To plot a course for this goal, an agency, just like any private enterprise, must evaluate and compare the anticipated benefits, costs, and other adverse effects of a proposed rule.

Yet Federal regulation presently has such a broad sweep through our lives that the impact of a regulation can take many shapes, ranging from a new expense imposed on a business, to protecting the natural beauty of a particular region. Thus, what is considered to be a benefit or a cost often cannot be described in numbers. As a result, any analysis of the anticipated benefits, costs, and adverse effects of a proposed rule cannot proceed solely on a mathematical basis but must involve the exercise of reasonable judgment by agency officials. In the words of the administrative conference, this means—

> Any analytical method which organizes available information on alternative courses of action, and thereby displays possible trade-off opportunities to the decisionmaker.

Second, it is critical that the public participate in any cost-benefit analysis. Obviously, the people who will be affected by a rule often have the best appreciation of its impact. Efficient and fair regulation requires that these people be heard and that an agency be able to take advantage of their expertise.

Finally, this bill is based on the conclusion that judicial review plays a vital role in the rulemaking process, acting as a reasonable check on the necessary discretion of agency officials. Any cost-benefit analysis must therefore be subject to judicial scrutiny to insure that an agency acts fairly and does not unreasonably ignore public comment on a proposed rule.

It certainly does not require any arcane sophistication to appreciate that this idea is simply commonsense. We all, individually, when deciding what we do in our daily lives, consider the tradeoffs of the alternatives with which we are presented. It may not be a formal process, but our minds certainly weigh what may be called the benefits and costs of how we choose to spend our time. Similarly, Federal agencies, or any organization public or private, must consider the ramifications of alternative courses of action. This measure simply requires Federal agencies to go through this process of identifying the advantages and disadvantages of their proposed regulations under public scrutiny and with public participation.

This bill does not set up any new procedure outside of the rulemaking process now followed by the agencies and set out in the Administrative Procedure Act. It simply requires agencies, in the context of the informal rulemaking process to identify what they consider to be the various costs and benefits of a proposed regulation. The public can then comment on the benefits and costs as identified by the agencies, as is now the procedure. Once this process is finished, an agency must evaluate what it considers to be the reasonably significant costs and benefits of its proposed regulation and reach a reasonable conclusion that the benefits will outweigh the costs. No precise mathematical analysis or quantification is required. This bottom line judgment is put squarely within the expertise of the agency. The agency's explanation of this analysis and its conclusions are put within the rulemaking record for the general judicial review required under the Administrative Procedure Act. No special judicial scrutiny is focused on this analysis.

This measure thus simply tries to set out some rational guidelines for the agencies to use when exercising the generally broad authority we in the Congress have delegated to them. This process is not alien to agency decisionmakers. Indeed, a rudimentary form of this analysis has been required since the Ford administration by Executive order.

Though this proposal is certainly not a cure all, it is well considered regulatory reform in its most basic sense. It addresses one specific regulatory problem which has been universally recognized—the excessive costs of Federal regulation. It proposes a streamlined remedy—a procedure for agencies to identify and avoid those excessive costs. In essence, it is an effort to improve our regulatory system by avoiding the often inadvertent, but excessive adverse effects of regulations, so as to make Federal regulations more beneficial to all Americans.

This is an obvious and practical step forward. This Senator urges all of his colleagues to support this measure as a long overdue rational reordering of the rulemaking process.●

By Mr. ABDNOR:

S. 407. A bill to authorize a study of the feasibility of Federal development of the water resources of the I'Santi Unit of the Missouri River Basin located on the Flandreau Santee Sioux Reservation, South Dakota; to the Committee on Energy and Natural Resources.

FEASIBILITY STUDY OF FEDERAL DEVELOPMENT OF I'SANTI UNIT OF THE MISSOURI RIVER BASIN

● Mr. ABDNOR. Mr. President, today I have introduced legislation to authorize the Water and Power Resources Service to study the feasibility of Federal development of the I'Santi Unit of the Missouri River Basin program. This proposed irrigation project would be located on the Flandreau Santee Sioux Reservation in South Dakota.

The legislation provides $300,000 over a 3-year period to study the potential to irrigate 1,500 to 3,000 acres of tribal lands and some additional contiguous non-Indian lands, as well as the potential to enhance the quality of domestic water supplies.

The Carter administration's fiscal year 1982 budget provides $75,000 to do an appraisal study of the whole reservation. This study will determine which land needs irrigation, how many acres are available to irrigation, and what domestic needs exist.

Since the appraisal report is to be completed in 1982 passage of this legislation this year will allow work to proceed in an uninterrupted manner in fiscal year 1983. Consequently, my colleague's support could help to bring new industry to this small but vibrant reservation in the near future.●

By Mr. CHAFEE:

S. 408. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of earned income of citizens or residents of the United States earned abroad, and for other purposes; to the Commission on Finance.

TAX LAWS AFFECTING AMERICANS LIVING AND WORKING OVERSEAS

● Mr. CHAFEE. Mr. President, today I am introducing S. 408, a bill to reduce the tax burden and simplify the tax laws affecting Americans who live and work overseas.

The current provisions in sections 911 and 913 of the tax code simply do not work as they were intended. In too many situations they have caused a substantial increase in the cost of employing U.S. citizens in foreign countries. As many of my colleagues are coming to realize, this is having a devastating impact on our competitive position in the export markets and resulting in a loss of jobs here at home.

Study after study has shown these effects to be real. A year ago, the President's Export Council found that the loss of Americans working abroad was responsible for a 5-percent loss of U.S. exports; an amount equal to $6 billion to $7 billion in business to U.S. companies. According to a Commerce Department study, each billion dollars of exports produces 40,000 jobs for workers in this country. So, Mr. President, we are talking about an unnecessary loss of 280,000 jobs.

A study by Chase Econometric Associates has documented an even more dramatic decline in U.S. economic activity which can be attributed to onerous tax policies affecting overseas Americans.

Organization Resources Counselors, Inc. has published a recent survey showing the severe decline since 1976 in the ratio of U.S. overseas workers to third country nationals among the employees of U.S. companies with foreign operations.

Among 257 companies surveyed in 1976, American citizens accounted for 73 percent of their employees abroad. By 1980, 306 companies surveyed showed an astounding decrease to just 37.2 percent.

The General Accounting Office, I am told, is now completing work on a report that will show similar results.

We can bemoan this situation for another year or two. Mr. President, and commission some more studies and come

up with some new numbers to show how deplorable it really is. Or, we can change the law and set things right.

The bill I am introducing today is much like S. 2283 which I sponsored last year, and resembles in many ways the provision passed by the Finance Committee last August.

S. 408 will permit Americans working abroad to exclude the first $50,000 plus half of the next $50,000 of earned income from U.S. taxes.

Housing costs which exceed about $5,000 a year would also be excluded from income tax. The cost of housing is generally the largest single living expense to Americans working overseas. Despite the housing deduction in the current law, however, many people still have to pay taxes on the allowances provided by employers to cover excessive costs.

Americans who are residents of a foreign country or have lived and worked overseas at least 11 months in any 12 consecutive month period would qualify for the income and housing exclusions under my bill.

In addition to the provisions contained in S. 408, I will be working with the Senate Finance Committee and the Internal Revenue Service to devise a simplified tax return filing procedure for individuals whose incomes fall below the exclusion level in the bill.

Mr. President, I welcome all my colleagues to join in cosponsoring this measure with me. The issue at stake is not simply cleaning up a messy provision of the Internal Revenue Code; it is removing a significant U.S. export disincentive so we can expand our commercial efforts overseas and provide jobs to American workers here at home.

I ask that the text of S. 408 be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PARTIAL EXCLUSION FOR EARNED INCOME FROM SOURCES WITHOUT THE UNITED STATES AND FOR FOREIGN HOUSING COSTS.

(a) IN GENERAL.—Section 911 of the Internal Revenue Code of 1954 (relating to income earned by individuals in certain camps) is amended to read as follows:

"SEC. 911. EARNED INCOME FROM SOURCES WITHOUT THE UNITED STATES; FOREIGN HOUSING COSTS.

"(a) EARNED INCOME EXCLUSION.—In the case of an individual who is—

"(1) a citizen of the United States and who establishes to the satisfaction of the Secretary that he has been a bona fide resident of a foreign country or countries for an uninterrupted period which includes an entire taxable year, or

"(2) a citizen or resident of the United States and who, during any period of 12 consecutive months, is present in a foreign country or countries during at least 330 full days in such period,

there may be excluded from the gross income of such individual, and exempt from taxation under this subtitle, amounts received by such individual from sources within a foreign country or countries (except amounts paid by the United States or any agency thereof) which constitute earned income attributable to services performed by such individual during the period described in paragraph (1) or (2), whichever is appropriate.

"(b) DEFINITION OF EARNED INCOME.—For purposes of this section, the term 'earned income' means wages, salaries, or professional fees, and other amounts received as compensation for personal services actually rendered, but does not include that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered. In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income-producing factors, under regulations prescribed by the Secretary, a reasonable allowance as compensation for the personal services rendered by the taxpayer, not in excess of 32 percent of his share of the net profits of such trade or business, shall be considered as earned income.

"(c) SPECIAL RULES.—

"(1) LIMITATIONS ON AMOUNT OF EXCLUSION.—The amount excluded from the gross income of an individual under subsection (a) for any taxable year shall not exceed an amount which shall be computed on a daily basis at an annual rate of compensation equal to the sum of—

"(A) $50,000, plus

"(B) 50 percent of the amount of compensation received by such individual in such taxable year which exceeds $50,000,

for each day of the taxable year during which such individual is present in a foreign country.

"(2) ATTRIBUTION TO YEAR IN WHICH SERVICES ARE PERFORMED.—For purposes of applying paragraph (1), amounts received shall be considered received in the taxable year in which the services to which the amounts are attributable are performed.

"(3) TREATMENT OF COMMUNITY INCOME.—In applying paragraph (1) with respect to amounts received from services performed by a husband or wife which are community income under community property laws applicable to such income, the aggregate amount excludable under subsection (a) from the gross income of such husband and wife shall equal the amount which would be excludable if such amounts did not constitute such community income.

"(4) REQUIREMENT AS TO TIME OF RECEIPT.—No amount received after the close of the taxable year following the taxable year in which the services to which the amounts are attributable are performed may be excluded under subsection (a).

"(5) CERTAIN AMOUNTS NOT EXCLUDABLE.—No amount—

"(A) received as a pension or annuity, or

"(B) included in gross income by reason of section 402(b) (relating to taxability of beneficiary of nonexempt trust), section 403 (c) (relating to taxability of beneficiary under a nonqualified annuity), or section 403 (d) (relating to taxability of beneficiary under certain forfeitable contracts purchased by exempt organizations),

may be excluded under subsection (a).

"(6) TEST OF BONA FIDE RESIDENCE.—A statement by an individual who has earned income from sources within a foreign country to the authorities of that country that he is not a resident of that country, if he is held not subject as a resident of that country to the income tax of that country by its authorities with respect to such earnings shall be conclusive evidence with respect to such earnings that he is not a bona fide resident of that country for purposes of subsection (a).

"(7) FOREIGN TAXES PAID ON EXCLUDED INCOME NOT CREDITABLE OR DEDUCTIBLE.—An individual shall not be allowed as a deduction or as a credit against the tax imposed by this chapter any credit or deduction for the amount of taxes paid or accrued to a foreign country or possession of the United States, to the extent that such deduction or credit is properly allocable to or chargeable against amounts excluded from gross income under this subsection, other than the deduction allowed by section 217 (relating to moving expenses).

"(d) HOUSING COST EXCLUSION.—

"(1) IN GENERAL.—In the case of an individual described in subsection (a), there shall be excluded from the gross income of such individual, and exempt from taxation under this subtitle, in addition to any amounts excluded and exempt under subsection (a), an amount equal to the housing cost amount.

"(2) HOUSING COST AMOUNT.—For purposes of this subsection, the housing cost amount is the amount by which an individual's housing expenses for the taxable year exceed 16 percent of the salary of an employee of the United States who is compensated at a rate equal to the annual rate paid for step 1 of grade GS-14.

"(3) HOUSING EXPENSES.—The term 'housing expenses' means the reasonable expenses paid or incurred during the taxable year by or on behalf of an individual for housing for the individual (and, if they reside with him, for his spouse and dependents) in a foreign country. The term—

"(A) includes expenses attributable to the housing (such as utilities and insurance), but

"(B) does not include interest and taxes of the kind deductible under section 163 or 164 or any amount allowable as a deduction under section 216(a).

Housing expenses shall not be treated as reasonable to the extent such expenses are lavish or extravagant under the circumstances.

"(4) SECOND FOREIGN HOUSEHOLD.—If an individual described in subsection (a) maintains a separate household outside the United States for his spouse and dependents and they do not reside with him because of living conditions which are dangerous, unhealthful, or otherwise adverse, then the words 'if they reside with him' in paragraph (3) shall be disregarded.".

(b) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart B of part III of subchapter N of chapter 1 of such Code is amended by striking out the item relating to section 911 and inserting in lieu thereof the following:

"Sec. 911. Earned income from sources without the United States; foreign housing costs.".

(2) Sections 43(c)(1)(B), 1302(b)(2)(A)(i), 1304(b)(1), 1402(a)(8), 6012(c), and 6091(b)(1)(E)(iii) are each amended by striking out "relating to income earned by employees in certain camps" and inserting in lieu thereof "relating to earned income from sources without the United States and foreign housing costs".

SEC. 2. EMPLOYEES LIVING IN CAMPS.

Section 119 of the Internal Revenue Code of 1954 is amended by adding the following new subsection:

"(c) EMPLOYEES LIVING IN CAMPS.—In the case of an individual who is furnished lodging in a camp by or on behalf of his employer, such camp shall be considered to be part of the business premises of the employer. For purposes of this section a camp constitutes lodging which is—

"(1) provided by or on behalf of the employer because the place at which such individual renders services is in an area where satisfactory housing is not available on the open market,

"(2) located, as near as practicable, in the vicinity of the place at which such individual renders services, and

"(3) furnished in a common area (or enclave) which is not available to the public."

SEC. 3. REPEAL OF DEDUCTION FOR CERTAIN EXPENSES OF LIVING ABROAD.

(a) IN GENERAL.—Section 913 of the Internal Revenue Code of 1954 (relating to deduction for certain expenses of living abroad) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart B of part III of subchapter N of chapter 1 of such Code is amended by striking out the item relating to section 913.

(2) Section 62 of such Code (relating to definition of adjusted gross income) is amended by striking out paragraph (14).

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1980.●

By Mr. JOHNSTON:

S. 409. A bill to provide specific standby authority to deal with petroleum supply interruptions, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JOHNSTON (for himself, Mr. BENTSEN, Mr. TOWER, Mr. CRANSTON, Mr. LONG, Mr. BOREN, Mr. HAYAKAWA, Mr. COCHRAN, and Mrs. KASSEBAUM):

S. 410. A bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants and to aid utilities in converting to alternate fuels; to the Committee on Energy and Natural Resources.

By Mr. JOHNSTON:

S. 411. A bill to amend section 203 of the Energy Policy and Conservation Act to provide the President with flexible authority to ration gasoline and diesel fuel; to the Committee on Energy and Natural Resources.

S. 409. STANDBY PETROLEUM AUTHORITIES ACT OF 1981

S. 410. PETROLEUM DISPLACEMENT ACT OF 1981

S. 411. REPEAL OF SECTION 203 OF ENERGY POLICY AND CONSERVATION ACT

Mr. JOHNSTON. Mr. President, I have three bills to introduce which I believe are exceedingly important.

The first has to do with a refinery policy and standby authority to deal with petroleum supply interruptions.

This bill incorporates two very important features dealing with energy policy. The first is to give to the President the standby authority to allocate petroleum supplies in the event of a severe petroleum supply interruption.

I very much approve and have been urging decontrol of crude oil supplies for some years. I am glad we were able finally to accomplish that.

However, it is exceedingly important in the event of a severe petroleum supply interruption for the President to have at his discretion the authority to allocate supplies in the event of such an interruption.

The first section of this bill gives to the President in his discretion that authority similar to that which presently exists in the Emergency Petroleum Allocation Act, that authority to allocate supplies of crude oil.

The second part, Mr. President, deals with crude oil access to refineries. Present law provides for two kinds of help to refineries. The first is what we call the refinery bias program, whereby small refineries, which are defined as 175,000 barrels per day or less, are given, in effect, a subsidy made up from all refiners directly for their own use. I do not continue that subsidy in this legislation.

The second kind of aid which refineries are given under the present law is what we call a buy-sell program. It is designed to assure access to scarce crude supplies for refineries which are short of petroleum.

The present law is somewhat flawed, I believe, Mr. President, in that the price at which some refineries are able to purchase that crude oil from other refineries can be too low. In other words, a refinery under the present buy-sell program is permitted to call upon other refineries which are not crude-oil short in times of shortage to purchase from them crude oil at their average acquisition cost.

Average acquisition cost in times of a volatile up-and-down market can be a great deal different from replacement cost. In some instances it can be as much as a $5 or $6 per barrel difference. I think, perhaps, the present program is too generous.

This legislation provides for a price in a buy-sell program which is the arithmetic mean or the arithmetic midpoint between cost and replacement cost. So I think it makes a good compromise in that respect.

The trigger, that is the circumstances under which this program would come into being, is very largely in the discretion of the President. It can be invoked only when the cutoff of supply threatens the Nation or threatens a region of the country which, because of inability of refineries supplying either nationwide or any region of the country, would threaten a basic economic or public health interest, and it is, as I say, a standby program to be invoked only when the President makes those difficult determinations, and then it applies only to the means between the actual cost to the seller refineries and the replacement cost.

It has another feature, Mr. President, which I think is very important. In order to qualify as a refinery buyer, those who are eligible to participate in the program, they must show that in the region where they supply refined petroleum products that they are supplying the kind of products that are needed and which are essential in their area.

It provides that the President, or the President acting through the Secretary of Energy, come up with a rulemaking to define those kinds of products which, for their region, are essential.

What this is designed to do, Mr. President, is to prevent, as we have under the present law, a simple topping plant, that is a refinery which has only distillation ability, what we refer to as the bias babies, it prevents them from being able to call on other more complicated, more expensive refineries to furnish them crude oil. Only those refineries which are producing the kind of product that is needed in their region or in the country are permitted to call upon other refineries for supplies of crude oil.

Mr. President, this is not a subsidy program for refiners. It is not meant to give a big bubble bath, as the Washington Post called it, of subsidy to very rich refiners. It is designed to provide minimal protection in time of supply interruption to refineries which are important to the country.

It is quite true that in total refining capacity we have more capacity in this country than we probably need today. But that refining capacity includes those refineries which are only distillation refineries, those which only make the first crack at the barrel, which are fairly inexpensive as refineries go.

We are short, Mr. President, woefully short, of the kind of complicated and expensive refining capacity which is necessary to make the lighter kind of products, gasoline and other light products, and particularly to refine that from the heavy, higher-sulfur crudes which are becoming more and more the kind of crude oil which is available today.

In the old days most crude oil was what we called sweet light. It was not very expensive to refine sweet light-crude oil into a whole range of lighter products.

Today most of the Middle Eastern crude is a heavy and a high-sulfur, crude. Alaskan crude is heavy and high-sulfur, and we do not have the kind of complicated refining capacity, the catalytic crackers, the reformers, the other kinds of very expensive, very sophisticated, very technologically advanced refining capacity that we need.

This kind of legislation will protect that 25 percent of our present refining capacity which is held by the independents, and which is important because of its expensive and technologically advanced status.

In my view, Mr. President, if we do not pass some kind of refinery legislation then in times of shortage some of our most desirable, most expensive, most technologically advanced refining capacity presently held by independents will simply go under; either they will go out of business or they will be taken over by the majors, and I think it is very clear that at least some of our refining capacity in this country ought to be held by independent refiners. It is helpful for the market, it is helpful for competition.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JOHNSTON. Yes, I yield.

The PRESIDING OFFICER. The Chair advises the Senator that the 5 minutes for the Senator from Louisiana have expired.

Mr. LONG. Mr. President, I ask unanimous consent that we have an additional 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I would ask the Senator is it not true that in the event the worst should happen and this Nation should be forced into a major war with a modern military power, such as is most obvious, the Soviet Union, if

that should develop into a nuclear contest, does it not stand to reason that all these big companies, these refineries, will be knocked out in short order, the major refineries close to the keyboard will be targeted and knocked out, does that not stand to reason?

Mr. JOHNSTON. Mr. President, I fear that my colleague is correct.

Mr. LONG. Well, every study I have seen on that matter indicates that that would be the case. These smaller refineries owned by independents would be the ones that would be the last to go; in other words, they are more dispersed, they are not as large, they are not as tempting a target. They are the lower yield to what one would obtain by firing a missile across the oceans to try to hit it from many thousands of miles away.

Would it not stand to reason, then, that these smaller refineries, smaller though they may be, might be all we would have left in the event of a nuclear exchange?

Mr. JOHNSTON. Mr. President, I think the Senator is correct.

A more immediate danger, however, is the fact that if the independent refiners cannot get crude or if they think they cannot get crude they are likely either to go out of business to be taken over by the majors, or not to expand or to improve their existing refining capacity to make the kind of investments that they need to make so that the country will have the kind of refining capacity which it needs. To the extent that we do not have the refining capacity that we need, it will be built in the Middle East.

I was on a program with the Secretary General of OPEC last year, and he said, very plainly and very diplomatically and in nice terms, that it was their intention in the Middle East to build refineries and to require the condition of receiving their crude oil that we purchase the products from them. That will surely happen if we do not build the refining capacity in this country of the kind we need.

If we do build that refining capacity, we will keep the jobs here and we will keep the refining capacity here. We become much more vulnerable to an oil cutoff to the extent that we cannot refine the product. It makes us more vulnerable than a simple cutoff of crude oil would.

Mr. LONG. Mr. President, I ask the Senator if it is not possible that the absence of the legislation of the sort that the Senator has introduced might leave us in a situation where members of OPEC, the Organization of Petroleum Exporting Countries, could, in effect, have the power of a death sentence on our independent refineries, or even on almost any refinery in times of shortage?

Mr. JOHNSTON. Even over the whole economy, in effect, because if they control the refineries, then they control the economy, because the economy runs on refined petroleum products.

Mr. LONG. And is it not so that the OPEC countries, or the leaders of those countries, particularly those who control the major exporting countries, such as Saudi Arabia, could, if they wanted to, pretty well decide who would stay in business in the oil refining area and who would not survive?

Mr. JOHNSTON. That is precisely correct.

Mr. LONG. Does the Senator really know of anybody who thinks that that would be a good idea, to give the ruling powers of Saudi Arabia or Nigeria or any other major exporting country, the power of life or death over the Americans who, in good faith, invested their money trying to make their contribution toward our energy problem?

Mr. JOHNSTON. I think the Senator, again, is entirely correct. I do not think anybody defends that kind of proposition.

Mr. LONG. Mr. President, I thank the Senator.

Mr. JOHNSTON. Mr. President, I thank my colleague.

Mr. President, I have two other bills to submit. One deals with the so-called off gas provision of the Fuel Use Act—that is section 301 of the Fuel Use Act—which presently prohibits gas-burning utilities from burning natural gas after the year 1990.

Mr. President, if this provision were left in the law, it would provide for one of two different alternatives. The first alternative, which is the most likely, is that, at great expense, these electric utilities would have to build entirely new facilities, in many instances, and switch to crude oil. Crude oil is in shorter supply in this country, or refined petroleum products which they might use, than is natural gas.

What this provision would do is to repeal that section 301, because by 1990 we will have deregulated natural gas supplies and we will, therefore, let the market allocate our supplies of natural gas.

Mr. President, the third bill repeals section 203 of the Energy Policy and Conservation Act, or should I say subsection (e) thereof.

Mr. President, as my colleagues are all aware, the Emergency Petroleum Allocation Act of 1973 expires on September 30 of this year. On that date practically all of the President's authority to provide for the allocation of crude oil or petroleum products, both in times of emergency or in times of normal supply as well, also expires. President Reagan's executive order of January 28 simply served to place price and allocation regulations in a standby status pending expiration of EPAA in September.

I completely support the President's decision to decontrol the petroleum industry.

As the former chairman and now the ranking member of the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources, I speak with some authority in saying "good riddance" to the price and allocation controls. These controls have been in effect far beyond the time which the Congress intended when they enacted temporary authority to address the energy emergency of 1973. Since then, in hearing after hearing we have been told by virtually every witness that Government controls on petroleum have outlived their usefulness and their intended lifetime. We have seen that even well-intentioned controls can have a pernicious effect on the market, and often cause the very shortages they are designed to prevent.

While President Reagan has converted the price and allocation controls on petroleum to a standby status, all authority for any Presidential role in the petroleum sector expires on September 30, 1981. I am introducing today legislation, the Standby Petroleum Authorities Act of 1981, which provides for a continuation of standby authority beyond September 30, 1981. Thus, in 1982 and beyond, the situation will be similar to the one that President Reagan has created with his own decontrol order, namely a free market, but with discretionary authority residing in the President to act in the event a catastrophic shortage of oil occurs.

I believe that price and allocation controls on petroleum have no place in times of normal supply, such as we are now experiencing. Currently, there are no shortages of petroleum products. And I have my doubts as to whether the circumstances of the last 2 years were such as to justify the continuation of price and allocation controls on petroleum. But I do believe that it is necessary that standby regulatory authority be available to permit the President to deal with truly catastrophic petroleum supply disruptions if that is his decision.

I am not taking this position because I am fond of price and allocation controls, quite the contrary. It is just that I know that if a truly severe petroleum disruption occurred, the Government could not stay on the sidelines. The people look to the Government to help manage a crisis that is a grave threat to the national economy. Certainly, the oil companies do not want to be left by default to manage the crisis. They are equipped with neither the means nor the desire to manage a national fuel shortage. Furthermore, they should not assume this role. They are expected to run their businesses so as to make a profit, not to dispense equity. Equity is the Government's business.

Moreover, it is far better that the Congress establish the ground rules for dealing with a petroleum supply interruption now, before the crisis occurs. Legislation enacted in the midst of an emergency is rarely administered in a rational way, as the history of the Emergency Petroleum Allocation Act of 1973 abundantly shows.

If a severe disruption in oil supply, such as a cutoff of Mideastern oil occurs, the President should have the emergency, temporary authority to insure, for example, that farmers can get diesel fuel, that homeowners can get heating oil, and that police, ambulances and firemen can get sufficient gasoline. And of course, an allocation order is of limited use unless coupled with some mechanism to specify the price of the petroleum products subject to the order.

During normal supply, the free market will allocate petroleum supplies efficiently. I deeply hope that normal supply will be maintained through the 1980's so that the President will never have to exercise this authority. But in the event that a breakdown in the system does

occur, the President must be equipped to act.

The legislation I am introducing provides wide discretion to the President. My objective at this point is to begin the debate on the subject. I am open to suggestion as to alternative ways in which this provision should work. One aspect of the proposal is unambiguous. The authority should have a very short lifetime, so that we do not have a repeat of the disastrous, overextended use of allocation and price controls under which we have endured now for 9 years.

The imposition of price and allocation controls on petroleum should be at or near the bottom of the sequential list of measures which the President has available to use during a petroleum disruption. Gasoline rationing deserves to be last in the sequence.

However, there is another authority which the President should have and which is provided in title II of the legislation I am introducing today. It is an authority that could be used long before the burdensome imposition of the full range of price and allocation controls becomes necessary. In fact, it might well forestall and possibly eliminate the need for price and allocation controls. That authority would enable the President to provide for access to crude oil by refineries who have been cut off from their suppliers. The objective would be to insure that no region of the country would become short of petroleum products because a refiner who supplied a significant share of that market was cut off from adequate sources of crude oil. It is far easier to insure that a refiner has crude oil to process into a variety of products for his region than for the Government to attempt to allocate the full range of refined petroleum products so as to supply that region.

Formerly, under the Emergency Petroleum Allocation Act of 1973, if an independent refiner is unable to obtain the crude oil he needs to serve his customers at reasonable prices, then other refiners who have their own sources of reasonably priced crude oil would be required to share their crude oil with the independent refiner. The legislative provision I am proposing today would activate a similar program, but only under specified "trigger" conditions, and the program would automatically revert to standby status unless a new showing related to these trigger conditions were made.

Besides providing regional supply protection, there is another important function of this crude oil access program. The program is designed to reduce the tendency of independent refiners who do not have their own sources of crude oil to buy in the spot market during a crude oil supply disruption. Increases in the spot market price paid by U.S. refiners tend to be followed by corresponding increases in the average OPEC price of crude oil. OPEC producers see crude oil prices being bid up in the spot market to higher prices than they are receiving under long-term contract and so they suspect they are underpricing their crude oil. Consequently, they raise their price and another round of the inflationary spiral is the result.

If independent refiners had some assurance of a stable supply of crude oil, then this would dampen their rush to the spot market during an impending crude oil disruption. If this is the result, the crude access program I am proposing may significantly reduce the rate of increase in OPEC oil prices.

There are some important differences between the crude oil access program and the program which existed under the EPAA.

First, the crude oil access program that I am proposing is an emergency program. That is, the program remains in a standby status until triggered.

No refinery is eligible to purchase crude oil under this program unless the President finds that an interruption in petroleum supplies to the United States exists or is imminent and that such interruption is likely to result in circumstances nationally or regionally which will significantly impair essential public service and economic activity. In addition, the President may trigger the program to provide crude oil access to an individual refiner only if that refiner meets certain criteria and only if, but for this program, the refiner would be forced to purchase the crude oil he needs at prices substantially above the average price of imported oil. I expect and would welcome considerable discussion of the trigger conditions of the bill. We may well have to make the description of the trigger far more explicit before the legislation is enacted.

Second, this program is available to all qualified refiners, not just small and independent refiners.

Third, not just any refiner will qualify to receive crude oil under this program during a supply interruption. The refiner must operate or have committed to investments in the kind of refining capacity which meets national needs—that is, capacity which produces refined petroleum products necessary to maintain essential public service and economic activity and which enhances the ability of the United States to use heavy, high-sulfur crude oils. Thus, the efficiency of the refinery and products it produces determine eligibility.

The goal of the program is the meeting of consumer needs, not the preservation of refining firms. My aim is to avoid a situation, for example, in which a large, efficient refiner who makes gasoline and other light products needed during a disruption is required to sell crude oil during the disruption to a small, skid-mounted topping plant that produces primarily residual fuel oil or asphalt.

Because this program conditions eligibility on the type of petroleum products produced by the refiner seeking assistance, it should serve as an incentive to domestic refiners to upgrade their facilities.

Mr. President, I expect this bill to serve as a vehicle for Senate debate on the role of the Federal Government in the petroleum sector and on the refinery policy we will adopt for the 1980's. We very much need to have that debate and have it soon. I intend to do all I can to get the process started.

The legislation which I am proposing today contains a third title which addresses the issue of the national security impact of U.S. dependence on refined petroleum products imports. The bill which I introduced in the last Congress, S. 1684, established a tariff on imported petroleum products. While I continue to support the use of a tariff to prevent the United States from becoming overly dependent on foreign refineries, I have decided in the interest of expediting consideration of this legislation not to propose such a tariff in this bill.

Rather, title III would require the Secretary of Commerce to initiate an investigation under the Trade Expansion Act of 1962 as to whether imports of refined petroleum products threaten national security. Under that act the Secretary must report the results of his investigation and his recommendations to the President. That act further provides that if the Secretary finds that the national security is threatened by the import of refined petroleum products, then the President must take appropriate action to restrict the imports. The mechanism for such restriction would likely be an import tariff.

Subtitle of title III, section 301 of the Powerplant and Industrial Fuel Use Act of 1978 (Public Law 95-620) generally prohibits the burning of natural gas as a primary energy source in an existing powerplant after 1990. Exemptions to this prohibition are allowed under subtitle B but all would-be applicants should recall the warning by the English naval officer escorting the notorious Milady of Alexander Dumas's "Three Musketeers" fame to Lord de Winter's castle when she asked under what order he was bringing her, "The measure is general, Madam, and you will search in vain to evade it." Therefore, with no hope of evasion of the general, nor inclusion under the specific and after a review of changed circumstances today, I believe the prohibition under section 301 should be reconsidered, then eliminated. My reasons follow:

First, it is necessary to reexamine the context in which the Fuel Use Act (FUA) was considered. President Carter's original energy plan in April 1977 virtually played taps over the future of our domestic gas industry. His accompanying background material noted a fourteen-percent production drop by 1985. Reserve estimates, governmental and private, placed our supply at approximately 208 trillion cubic feet (tcfs), just less than an 11-year supply at our then annual 19-tcf consumption rate. These studies, coupled with the frenzy in which the Congress had to deal with the harsh winter of 1967-77 culminating in the passage of the Emergency Natural Gas Act of 1977, led to the passage of the FUA in 1978.

At the same time as passage of the FUA, however, the successful passage of the Natural Gas Policy Act of 1978 (NGPA), with its immediate higher prices, gradual deregulation, and consolidation of the dual-market system, led to a boom in the exploration of natural gas. With its higher prices, a colorful panoply of gases for the first time became economically attractive—from

tight formation and coal seams gas to geopressured methane and gas from Devonian shale. The policy question then becomes: Does the success of the objectives of the NGPA cancel the necessity of the existing facility gas-burn prohibition under the FUA? More specifically, given the time period from the passage of the NGPA in November 1978 until today, can we determine from its utilization any positive trends in the gas industry which would justify an optimistic view of the future gas supply situation enough to eliminate the section 301 prohibition in the FUA?

I think the data shows such a trend. Consider: The American Gas Association (AGA) announced May 5, 1980, that total additions to reserves in 1979 were 14.3 tcf, an increase of 35 percent over the 10.6-tcf addition in 1978. These reserve additions, constituting close to three-fourths of 1979's 19.9-tcf gas production appears to be signaling a slowdown in the rate of decline of U.S. gas reserves and also a return to a reserves/production equilibrium. The cause of this gain last year over prior years was a direct result of increased drilling activity, for example, a 36-percent increase in March 1980 over the active rig count in March 1979. The 2,669 number, a 23-year high, points to the excitement in which producers are seeking to develop our gas resource base, which many prominent gas supply experts acknowledge has not yet been sufficiently probed.

The present NGPA, absent the forthcoming necessary debate over immediate decontrol, contains some incentives for a continuation of this trend. A particular example is the deregulation of gas below 15,000 feet provided in section 107. Active deep-well locations in the Anadarko Basin in Oklahoma last year numbered 214, a 36-percent increase over the number in March 1979. According to the January 1980 Foster report, as of November 1979, only 190 State agency filings had been made under section 107, representing less than 1 percent of the total filings under the act, but these filings accounted for more than 7.5 percent of the estimated annual volumes of gas being produced under NGPA well filings. Other exciting deep-gas prospects that portend higher gas volumes are the Tuscaloosa Trend and the deeper zones located in the overthrust belt.

A necessary corollary of increased prices has been the existence of a strong demand for gas in the interstate markets. Order 30 allowing utilities to burn gas under the public exemption exception under section 311(e) of the FUA and the transportation authority granted by the Federal Energy Regulatory Commission illustrate how higher prices and the assured market can encourage producers to drill for additional gas that will expand production and our reserve base.

Before FERC, a number of Ohio producers testified in the Commission's informal public conference on the availability and pricing of natural gas and alternative fuels on April 2, 1980, that in response to these two Federal actions, producer well activity increased 31 percent over the total drilled in 1978. Although most of these wells were development wells under section 103, it does show that those areas uneconomical to develop before are being produced along with the desirable end of finding additional reserves.

A vivid example of the improvement of the natural gas supply situation can be provided by the decline in overall interstate curtailments. The terrible curtailment problem that built from a low of 0.1 tcf in 1971 to an ominous high of 4.3 tcf in 1978 is now falling. Figures for 1980 show a drop in curtailment to 2.3 tcf and still falling, indicating the gas industry's capability to meet their seasonal and peak demands with a continuing trend toward moving any pipeline shortages. Existing curtailment plans would not be affected by any change in the FUA.

The second reason for removal of section 301 is to remove the incentive to use oil in existing boilers rather than gas. Since the FUA does not prohibit increased oil use, the inability to burn gas in 1990 put utilities in the anomalous position of burning oil if they face increased load requirements or are unable to complete scheduled new plants in time. A study by the Energy Information Administration for the Energy Regulation Subcommittee last year showed that a repeal of section 301 with the continuation of the ban on gas burns in new plants, would by 1990 lower oil imports by up to 700,000 barrels a day. Gas, albeit at a higher price would be available but the price would still be lower than the cost of premature retirement of existing plants; the cost to the Southwest alone, estimated by Don Jordan of Houston Power & Light to be $50 to $75 billion. The sensible policy then would be to allow gas burns until scheduled alternative fueled plants can come on line. The threat of reduced coal, nuclear, and alternative fuel usage for electric powerplants does not come from the flexibility of allowing the burning of gas but instead comes from the obstacle of the lack of present utility ability to finance new sources of electrical generation.

One gas executive for instance, has said that we can combine our policies of clean air and development of our coal reserves, by allowing an increased use of gas for generation of 5 percent which would enable us to burn 30 percent more coal annually by allowing gas burns during peak pollution periods. Creativity, not confrontation will allow us to accomplish both objectives.

In conclusion, I feel that in the context of information available to the Congress at that time, the FUA prohibition was not ill-conceived, but the available evidence today shows us the necessity for its repeal. I ask that three articles giving an overview of the natural gas situation today be printed, "Natural Gas: Available Today and Tomorrow," by Charles C. Ingram, Jr., Public Utilities Fortnightly, October 23, 1980, page 17, "Who Said the U.S. Is Running Out of Gas?", by Ann M. Reilly with Susan Antilla, Dun's Review, December 1980, page 96, "The Perfect Fuel," by Stephen Chapman, the New Republic, December 22, 1980, and for a view on the state of the utility industry in general an article from the Wall Street Journal of February 2, 1981, entitled "Big Financial Problems Hit Electric Utilities, Bankruptcies Feared."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Public Utilities Fortnightly]

NATURAL GAS: AVAILABLE TODAY AND TOMORROW

(By Charles C. Ingram, Jr.)

The natural gas industry entered the decade of the '80's with optimism and enthusiasm spurred by record well drilling activities, improved supplies of gas energy, and expectations of increasing supplies of natural and supplemental gas. The gas supply questions of the early '70's are being answered one by one as the nation comes to the realization that gas energy is the key to a successful national energy policy for the future.

The passage of the Natural Gas Policy Act in the fall of 1978 marked a turning point for the gas industry. This past year has demonstrated that, as former Energy Secretary James Schlesinger said, this nation is entering "the golden age of gas."

Gas well completions continue to climb, seismic activity has hit a 20-year high, and drilling will achieve an all-time high in 1980. Our confidence in continued strong supplies of domestic natural gas has been further buoyed by prospects for Mexican gas, increased supply from Canada, and pipeline gas from Alaska. When other supplemental supplies, such as synthetic gas from coal, gas from waste products, landfill gas, gas from ocean kelp, gas from geopressurized brine, gas from tight sands, and gas recovered from coal seams are added to the growing inventory—the long-range outlook for gas energy is excellent.

These known and potential supplies of gas energy have always been there, but the real problem has been the lack of a commitment by America to select the gas option as the premium choice for the nation's energy future. Because of the events of the '70's, I now believe America is choosing the gas option.

Congressional and regulatory actions long sought by the gas industry are being achieved one by one and the pessimistic attitude of some government officials of a few years ago has changed. Gas energy has become the centerpiece in the future energy planning for America—and increased gas energy supply is a crucial part of that planning.

The renaissance of gas has two ingredients. First, the recognition that the nation will continue to have substantial supplies of domestic natural gas—up to sixty years of recoverable conventional gas supplies remain to be discovered and produced in the United States. Second, the outlook for supplemental supplies of gas energy is excellent. Conservative estimates of production from supplemental sources show that it will be more than enough to offset an anticipated decline in lower 48-state production of conventional natural gas and will result in a net increase of total gas supply.

By the year 2000, supplemental gas—from new technologies, coal gasification, liquefied natural gas, and from Alaska, Canada, and Mexico—will provide over half of all gas consumed in the United States. Most supplemental gas supplies through the turn of the century will come from domestic sources, including the Alaskan pipeline, coal gasification, and Alaskan liquefied natural gas

(LNG). New technology gas from Devonian shale found east of the Mississippi river, tight sands gas from the Rocky Mountains of our western states, supply from geopressurized salt water along the Gulf of Mexico, land and marine biomass which can be converted into gas, and gas from urban waste—all will make a growing contribution.

According to the latest study by the American Gas Association Gas Supply Committee, the U.S. natural gas industry expects to provide up to 33 trillion cubic feet (Tcf) of gas for domestic consumption by the year 2000. No matter how the pie is sliced, the amount of gas available from lower-48 production and supplemental sources will total between 23 and 33 Tcf. Current total U.S. supply is about 21 Tcf per year.

The future supply situation is outlined on the basis of a U.S. self-sufficiency scenario, resulting in a potential supply of 23.1 to 30.1 Tcf; a North American focus, realizing a 26 to 32 Tcf supply; a scenario under which there would be moderate world imports, 24.3 to 30.3 Tcf; and a scenario emphasizing increased U.S. access to world gas supplies, 27.1 to 33.1 Tcf.

There are some similarities among all the scenarios. For example, in each of the assessments lower-48 natural gas supply is expected to level off at between 12 and 14 Tcf. Also, nonconventional gas supplies are expected to range between 1.0 Tcf and 2.5 Tcf under all four scenarios.

The main differences in the supply mix begin to show up when emphasis is placed on supply sources outside the U.S. LNG imports under self-sufficiency and North American focus modes total less than one Tcf a year throughout the remainder of the twentieth century. However, when moderate world imports or unlimited access to world gas supplies are considered, LNG imports rise to 2.5 Tcf and 4.0 Tcf, respectively.

This study, which took two years to complete, emphasizes that supplemental sources of gas currently provide less than 7 per cent of the total U.S. gas supply. However, this percentage will steadily increase over the next twenty years so that by the year 2000 supplemental sources are expected to contribute from 40 to 60 per cent of the total supply.

In my travels as AGA chairman, I have seen what the Japanese are doing to increase their use of gas through increased imports of liquefied natural gas. I have discussed increased use of gas in Germany with Europeans who are developing supply sources from coal gasification. I have talked with Canadians, Italians, and the Dutch about how we are maximizing use of domestic supplies of gas in the United States in order to decrease our dependency on foreign oil.

America has a leadership role to play in world energy planning. The gas option is not just a useful U.S. energy policy, it is a worldwide option which can help all the nations progress toward more stable economies.

The gas option allows for the utilization of all energies for those jobs and functions which each can do best and most efficiently.

Stated another way, gas would be used to supply heat energy to homes, commercial businesses, and industry; oil would be used primarily in transportation and electric generation in several applications. Such use of energy would lower the cost of fuel to all consumers, resulting in overall energy savings.

So as we encourage a change in the perceptions of American governmental leaders, we have a role in affecting the energy future of our world. But as in any endeavor, our first requirement is to start at home.

GAS SUPPLY—2000

[In trillion cubic feet]

Actual 1979	Scenarios			
	Sufficiency	North American focus	Moderate world imports	World conventional gas emphasis
Lower 48	12.0–14.0	12.0–14.0	12.0–14.0	12.0–14.0
Synthetic gas	.3	.3	.3	.1
Alaska	3.0	3.0	1.5	3.0
Canada	1.0	2.0	2.0	2.0
Mexico	.1	2.0	2.0	2.0
LNG	.7	.7	2.5	4.0
Coal gas	3.5	3.5	1.5–2.5	1.5–2.5
Tight formations	1.5–5.0	1.5–4.0	1.5–3.0	1.5–3.0
Nonconventional	1.0–2.5	1.0–2.5	1.0–2.5	1.0–2.5
Total	23.1–30.1	26.0–32.0	24.3–30.3	27.1–33.1

Supply projection by AGA Gas Supply Committee.

American consumers have always preferred natural gas because it is efficient, clean, and economical. Now that gas is available, the gas industry is faced with a marketing challenge to ensure that gas energy is used in the most efficient way and for the jobs it does best.

This year as chairman of the American Gas Association I have placed special emphasis on communicating with consumers in order that the gas industry could tell its story of increased supply. Also, gas utility companies all over America are listening to consumers to learn about their needs, their problems, and their ideas as to how the gas industry could better serve them.

This special effort has included speaking to a variety of groups across the nation, initiating special programs with government aimed at meeting consumer needs, working with consumer groups and their leaders, and holding consumer round tables—workshops where the gas industry listens more than it talks.

Consumers want to know more about new, more efficient gas appliances. They want to know about future supply and how that supply can be developed without harming the environment, and they want substantial information on the outlook for all energy prices.

Also this year, I have watched the gas industry look to new ideas for using gas as a means for utilizing our vast coal resources. Energy studies indicate that using small amounts of gas can accelerate the use of coal. By employing dual-fuel stationary equipment that would permit the utilization of gas in coal-fired boilers during peak pollution periods, much greater quantities of coal would be burned everywhere without additional detriment to the environment. The use of 5 percent more gas could enable us to burn 30 percent more coal annually in the United States. Through this use of gas, coal-burning facilities would be better able to comply with clean air laws.

The industry is also pursuing the construction of coal gasification facilities as a logical step in meeting goals of increased coal use worldwide. This is feasible technology which is at hand. Coal gasification is less costly than liquefaction and electrification and its environmental advantages far outweigh any other uses of this abundant fuel. Synthetic coal gas is about 40 percent more efficient, five to ten times cleaner, and produces up to 27 percent less carbon dioxide than coal electrification.

Moreover, a recent study performed by the Mitre Corporation for the American Gas Association shows that carbon dioxide, which is a by-product of high Btu coal gasification, could be used to enhance the nation's oil production by up to 1.3 million barrels per day, and could minimize the carbon dioxide emitted to the atmosphere. Carbon dioxide derived from natural sources is presently injected into oil wells to increase production. While this technique was responsible for only 6 per cent of enhanced oil production in 1979, the trend toward its use has been steadily increasing and a number of oil companies are planning carbon dioxide pipelines to oil fields. Obviously, this is another way one fuel can help enhance the production of another.

The gas industry is telling consumers that this clean, efficient energy is and will remain available, that it will continue to be their best energy buy, and that the gas industry can prove it.

My year as chairman also saw growing industry enthusiasm for using natural gas as a transportation fuel for fleet vehicles. The American Gas Association has performed studies which indicate that methane, which is the main component of natural gas, as a vehicle fuel costs the equivalent of 65 cents per gallon of gasoline while only producing one-third the air emissions. In fact, even using higher cost supplemental gas, such as supplies from gasified coal, would be the energy equivalent of gasoline at $1.08 per gallon.

Yes, this past year has marked the decade of the '80's as a time of rebirth for the gas industry. We have entered a new relationship with consumers, we are convincing the nation that the gas option is the choice of the future, but the next ten years will be years of critical decisionmaking.

The decade of the '80's will in fact determine the long-term future of the gas industry because of the key regulatory decisions which will be made concerning the development of supplemental supplies.

Next year and in the years to come the American Gas Association and gas distribution and transmission companies across the nation will continue to work for governmental decisions which will assure that gas energy continues to have an essential role in the nation's long-term energy future. The decade of the '70's was marked by the renaissance of gas energy; the '80's will be the decade of opportunity for our industry.

[From the Dun's Review]

WHO SAID THE U.S. IS RUNNING OUT OF GAS?

Only two years ago, the conventional wisdom held that America was rapidly running out of natural gas. So Congress, in an effort to spur exploration and production and to conserve remaining supplies, passed legislation phasing out price controls at the wellhead and discouraging industry and utility from using gas.

But those policies worked better than their framers had planned, and today the nation is swimming in gas. As a result industry leaders are now pushing for a letup in restrictions on consumption, and Congress will probably go along, at least to some extent, next year. Legislators and administrators were already moving in that direction before the elections, and the landslide victory of the Republican Party, with its free-enterprise views on energy, makes action all the more likely.

Under the present setup, explains Federal Energy Regulatory Commission Chairman Charles Curtis, there is a danger that poli-

cies designed to accommodate declining gas supplies will become "self-fulfilling prophesies," discouraging exploration and production by restraining market growth. "The positive trends in production and development activities suggest that the resource base itself may well prove to be greater than anyone anticipated at the time governmental demand management policies were developed. This suggests that the time has come for a critical reappraisal of these programs."

The two pillars of current gas policy are the Natural Gas Policy Act and the Powerplant and Industrial Fuel Use Act, both dating from 1978. The former provides for the gradual deregulation of wellhead prices for newly discovered gas, to be completed by 1985. It also mandates that industrial gas users be the first curtailed in times of shortages and requires them to pay "incremental prices," equivalent to the cost of oil, for all "new" gas purchased for big boilers, while residential, commercial and utility users pay lower prices. At the same time, the Fuel Use Act bans the construction of new gas-fired power plants or big industrial boilers and requires that all utilities stop using gas by 1990.

At the time of their passage, both bills made reasonably good sense because gas reserves were dwindling. From 1947, when the pipeline system was beginning to be set in place, until 1967, proven gas reserves in the United States expanded from 165 trillion cubic feet (Tcf) to 292 Tcf. But after 1967, reserves began declining steadily, so that by 1978 they had sunk to only 200 Tcf, about a ten-year supply. Simply put, the U.S. was using more gas than it was finding. With the exception of 1970, when the Prudhoe Bay discovery was registered, domestic production outpaced additions to reserves—that is, discoveries plus revisions (usually upward) in earlier reserve estimates—by an average 11 Tcf a year.

NEEDED: PRICE DECONTROL

Federal price controls were the culprit. Wellhead prices were held below 20 cents per 1,000 cubic feet (Mcf) during the 1960s and were still below 80 cents in 1977. This, combined with rising exploration costs, made it uneconomic to drill for gas except in shallow, generally unproductive fields. "The incentives to drill for deep and other hard-to-reach gas just weren't there," says chief economist Benjamin Schlesinger of the American Gas Association. "Everybody knew the gas existed, but nobody wanted to put it on line at such meager prices." As a result, additions to reserves fell dramatically, from 21 Tcf in 1967 to 10.6 Tcf in 1978.

At the same time, the controls made gas considerably cheaper than oil for both residential and industrial users. In 1970, for example, 1 million BTUs of home heating oil cost $1.33 compared to $1.06 for gas. For industrial customers, the savings were even greater: 73 cents per million BTUs for oil versus only 36 cents for gas. Understandably, gas demand rose smartly and production climbed to meet it, from 18 Tcf in 1967 to 22.6 Tcf in 1973.

At that point, however, limited supply became a drag on consumption. Concerned about declining reserves, utility commissions began to prohibit the conversions of home furances from oil to gas. And during the severe winter of 1976–77, the federal government cut off supplies of gas to industrial customers in the East and Midwest, forcing a number of plants to shut down.

Once burned, industry became twice shy, turning from gas to oil, and more or less accepting the 1978 limits on gas use by industrial and utility plants. "The gas supply situation looked so bleak then that industry decided there was no sense arguing about the new restraints," says Rick Richard, energy expert for Senator Bennett Johnston of gas-rich Louisiana.

Since the Natural Gas Policy and Fuel Use Acts became law, however, the gas supply picture has brightened dramatically. With wellhead prices averaging $1.14 per Mcf and running to $4.50 for deep gas—supplies found below 15,000 feet—explorers have practically stampeded into the field. In 1978, deep drilling alone jumped 46 percent following by a respectable 5 percent gain last year, while total drilling rose 19 percent in 1978 and 10 percent in 1979. This new "gaseous gold" rush in turn boosted reserve additions to 14.3 Tcf in 1978, up 35 percent from 1978 and a whopping 120 percent from 1973, with the biggest finds coming from deep wells in Louisiana, Oklahoma and the Rockies.

Of course, production is still greater than new reserves, but the gap shrank to only 5.3 Tcf last year, versus 16.1 Tcf in 1973, and gas industry gurus believe this trend will accelerate as prices are fully decontrolled. "We've finally turned the supply corner," says AGA President George ("Bud") Lawrence. "We have every reason to be optimistic about the future of United States gas supplies."

Potentially, U.S. gas supplies are enormous. The Colorado School of Mines estimates that in addition to 200 Tcf of proven reserves from conventional sources, the nation possesses about 1,202 Tcf in potential reserves. Most of this is in hard-to-reach areas; about 19 percent in Alaska; 20 percent in deep formations; and 34 percent below the ocean floor. Still, it is recoverable. "We have the technology," says Harry Kent, director of the school's Potential Gas Committee. "Reaching it is strictly a question of economics."

In addition to these so-called conventional sources—gas that is recoverable given existing prices and technology—there are "nonconventional" sources that potentially dwarf all others but may not be economically recoverable. These include Western tight sands, slow-producing formations in the Rocky Mountains, Devonian shale in Appalachia, coal seams and geopressurized acquifers in the Gulf region. Estimates of the potential gas supplies from these sources run as high as 1,700 Tcf, a heady but far from reliable figure. Then there is domestic synthetic gas, whose development the new Synthetic Fuels Corp. should boost, and foreign imports.

Assuming decontrol is completed on schedule and adequate demand exists, the American Gas Association believes that total annual U.S. supplies—both domestic and foreign—could range as high as 33 Tcf by the year 2000 versus 21 Tcf now. All of the additional supply, and more, however, will have to come from imports, Alaska, nonconventional and synthetic sources. Conventional production in the Lower 48 is likely to decline to the 12-to-14 Tcf range from today's 19.5 Tcf, the AGA estimates.

The future of nonconventional and synthetic sources depends on price and technology. For example, the Gas Research Institute estimates that with current technology and prices at $4.50 an Mcf, industry can produce 2.5 Tcf of gas from tight sands by the year 2000; but if technology is improved and prices rise to $6, production could hit 6 Tcf.

Though not as optimistic as the gas industry, government regulators also take a more positive view of the supply picture. "While we're not ready to say we've turned the corner on gas supplies, we're more encouraged that we ever thought we'd be about stabilizing production in the 19-to-20 Tcf range," says FERC policy spokesman Walter Schroeder. Like many others, Schroeder frets that by limiting demand the government is also limiting supply.

RIGS SHIFT FROM GAS TO OIL

And these fears appear to be justified. Last year, gas consumption fell 7 percent to about 19.5 Tcf, due primarily to lower industrial demand. As a result, pipelines now have more gas than they can sell, and producers are beginning to shift some of their rigs from gas exploration to oil. In the first eight months of 1980, oil well completions rose 37 percent above the same period in 1979, while gas completion rose only 2.5 percent, the American Petroleum Institute reports. Experts agree that this is due to the fact that oil now sells for a higher price than gas, partly because of oil decontrol, but also because of the depressed demand for gas.

Gas consumption in the industrial sector, which represents about 40 percent of the domestic market, fell 7 percent last year to 7.8 Tcf. The recession, of course, was an important factor here as it dampened demand for fuel generally. But of greater long-term significance were the price and supply disincentives that industrial users faced.

"In the 1960s and early 1970s, gas was so cheap that it was automatically the fuel of choice," says Edward Grenier, a Washington lobbyist representing industrial gas users. "That's not true today, partly because of incremental pricing, which has helped push gas prices above those of residual fuel oil, and partly because industry is still skeptical about the security of supplies."

In the utility sector, on the other hand, demand has not yet fallen. Indeed, consumption rose 9 percent in 1979, to 3.5 Tcf. But by 1990, according to the Fuel Use Act, all utilities that have not been able to get exemptions must be off gas, and this could cut total gas demand by as much as 18 per cent. As for residential demand, no major changes are foreseen. While the conversion of home furnaces from oil to gas is expected to continue, conservation will more than offset this upward trend.

Fearing that this depressed demand outlook will discourage exploration and production, a growing number of industry and government leaders are now pushing for an easing of the regulatory restraints on gas use. Last year, the Senate passed a bill that would have allowed utilities to run their gas-fired plants until the end of their book lives. The bill died in the House, largely due to the opposition of Energy Subcommittee Chairman Charles Dingell. But Dingell, who becomes chairman of the full committee next year, has expressed interest in reviewing the off-gas provisions in the new Congress. And with Ronald Reagan in the White House and the Senate in Republican hands, most Washington observers agree that some liberalization of the Fuel Use Act is a very good bet for next year.

Similarly, the gas industry, its industrial customers, the regulators and many in Congress believe that some substitute must be found for the government's current incremental pricing and curtailment policies. The House recently rejected by a resounding 369-to-34 vote a plan to extend incremental pricing to processed gas users. And the FERC itself has been thinking of asking Congress to eliminate the system entirely and of replacing existing curtailment policies with a free-enterprise alternative, a so-called "white market" for industrial gas.

This could be done by creating a commodities market, complete with futures trading, such as the one that exists for home heating oil. Its big advantage would be flexibility. In times of abundance, prices would drop, encouraging industry to switch from residual oil to gas, a very easy adjustment. In turn, slack demand for residual would in turn push refineries to upgrade that low-quality fuel into a higher grade product, which would reduce the need to import oil. On the other hand, in times of shortages prices

would rise, pushing low priority users out of the market and back to cheaper residual oil. "It's still just an idea," Schroeder concedes, "but it could be a more efficient way of achieving Congress's goal of allocating gas among industrial users."

While creating a futures market for industrial gas could be done administratively, repealing incremental pricing would require Congressional action, and that could be tough. Dingell has said that the incremental pricing provisions of the Natural Gas Policy Act cannot be changed without reassessing the entire legislation. And that would mean reopening the long and bitter debate over the decontrol of wellhead prices, with business pushing for an accelerated schedule and consumer groups demanding either an extension of controls or a windfall tax on gas profits.

ANOTHER BLOODY BATTLE?

The oil companies, which tend to take a conservative approach to gas issues, would prefer to avoid another confrontation over price controls next year. But others believe that changes in incremental pricing can be achieved without reopening the NGPA's controversial well-head pricing provisions. Says AGA's Lawrence: "To say you have to get into Title I [decontrol] to deal with Title II [incremental pricing] is laughable. Title I, which was a bloody battle, is working. But most people now recognize that Title II is just a bad idea, and the prospects for eliminating it are much improved in the wake of the election."

A lot, of course, depends on our new President. If Ronald Reagan, who called repeatedly during his campaign for faster decontrol of natural gas, decides to make revisions in the NGPA a priority, it is possible that incremental pricing could be repealed and price decontrol accelerated next year. But if he does not, Congress will probably postpone this consideration at least until 1982.

Still, the prospects for a pro-industry solution are clearly improved. "There is no question we are better off," concludes U.S. Chamber energy expert Steven Hellem. "The atmosphere is more positive than ever."—Ann M. Reilly with Susan Antilla.

[From the Republic, Nov. 22, 1980]

WHAT'S COOKING WITH GAS: THE PERFECT FUEL

As we near the end of the first decade of America's bondage to OPEC, the need to find a fuel (or fuels) of the future grows increasingly acute. The problems with oil are that it is expensive and likely to grow more so, and that our supplies are disturbingly susceptible to interruption. The Iran-Iraq war has dramatized the drawbacks of oil. If the flow of oil from the Persian Gulf were to be halted for any length of time, the result would be astronomical oil prices and sufficient economic disruption to throw the entire industrialized West into a depression. It is easy enough to find other sources of energy that are relatively inexpensive and abundant here at home—nuclear power, coal, and solar energy, to name the most obvious possibilities. But each has serious flaws too. Nuclear power presents the danger of catastrophic accidents, such as the one that nearly happened at Three Mile Island in 1979. Coal is dirty to burn, environmentally destructive to extract, and dangerous to mine—problems that can be solved, but not easily. Solar energy suffers from having other limited practical use (roof collectors which provide mainly space and water heating) or else extremely high costs (photovoltaic cells, whose practical uses are unlimited)

If only we had a fuel that was clean and safe, like solar power; cheap, abundant, and homegrown, like coal and nuclear power; and, as long as we're wishing, versatile like oil. If we had such a fuel, of course, we'd use it in a minute, and our energy woes would be, if not cured, at least eased considerably.

Well, the truth is that there is such a fuel, one that has been around for years. But instead of using this fuel to meet our current energy needs and provide a bridge to the fuels of the next century, the federal government has been pursuing policies that actively discourage its production and use. The fuel is natural gas. It is clean and safe, it is cheap, it is suitable for a variety of uses, and it is plentiful. It could do much to alleviate our energy crisis, if only we would let it.

Natural gas has a rags-to-riches past. During the oil boom years of the 1920s and 1930s, natural gas often was found along with or adjacent to oil deposits, but since there was no way to transport it, the gas was simply burned at the wellhead. Gas came into its own during World War II, when the need to export oil for the war effort forced the building of interstate gas pipelines to facilitate the use of gas as a substitute. In 1940 barely two trillion cubic feet of gas was sold in the US, but by 1955 the figure was up to 14 trillion cubic feet. Nowadays gas provides a full quarter of our energy needs. It is most commonly used for residential and commercial heating and assorted industrial purposes, but, contrary to some expert opinion, it can even be used to run automobiles.

As natural gas grew in importance in the postwar years, it also engendered controversy. The prices charged by utilities and pipeline owners have been regulated by the Federal Power Commission since 1938. But not until 1954, when the Supreme Court ruled that the FPC also had the power to regulate gas controls, but a storm of controversy provoked by a gas producer's attempted bribe of a senator caused President Eisenhower, who had favored the bill, to veto it.

What usually happens when the government imposes price controls on a commodity is that it becomes scarcer as producers who can't make money at the controlled price invest elsewhere, even as consumers are stimulated to consume more of the commodity than they would at a higher uncontrolled price. By 1968 it was clear that the FPC controls had produced precisely this result. That was the first year that total annual consumption of gas exceeded the amount of new gas found in the U.S. In 1971, recognizing the looming shortage, the FPC substantially raised the price producers could charge. But by then the damage had been done, and the next few years exposed it. The first shortage occurred in 1973, and severe ones struck in the winters of 1976–77 and 1977–78. In this case the effects of the controls were magnified by the absence of controls on gas sold in intrastate markets. The price in this unregulated market rose well above the controlled price, giving producers an incentive not to sell their gas in the regulated market.

Mostly because of these shortages, the lingering dispute about gas price controls gathered force during and after the 1976 presidential campaign. President Ford had tried in vain to get Congress to lift price controls on natural gas, and Jimmy Carter promised, in a letter to the governor of Texas, that he would succeed where Ford had failed. Once in office, however, Carter and his energy Czar, James Schlesinger, took a firm stand against the growing sentiment in Congress for decontrol, proposing instead that federal price controls be expanded to include gas sold in intrastate markets. The result was a bitter 18-month battle which finally, in October 1978, produced the Natural Gas Policy Act. It gave something to both those who favored controls and those who opposed them. The former got an extension of the existing controls to intrastate gas, and the latter got a gradual phaseout of the controls, which would expire in 1985. The bill also decontrolled the prices of certain types of hard-to-get gas, notably that found 15,000 feet or more below the earth's surface. The new law was nightmarishly complex, with more than two dozen different price categories, but it was about as good as one could have hoped for. It did the most important thing, lifting price controls, and the next most important thing, ending the absurd dichotomy between interstate and intrastate gas.

So far the NGPA has worked reasonably well. The higher prices allowed for conventional gas have stimulated a flurry of drilling and exploration. In 1976, 9,055 new wells were sunk in the US; last year there were 14,681. Another crucial matter is the ratio of new gas reserves to gas consumed. In 1979 the ratio reached an all-time low. But this year, gas experts say, the 13-year-old decline has reversed itself. In fact, some experts think the long-range prospects for finding large new domestic reserves of gas are better than those for oil. Recent drilling has led to speculation that the Overthrust Belt, a long geologic formation running through several western states, may harbor as much as 250 trillion cubic feet of gas, or more than 10 years' supply at the current consumption rate. Higher prices have also led to the reopening of old Appalachian gas fields given up years ago as uneconomical. One direction the NGPA has sent oil and gas producers is deeper, and the deeper you go, experts say, the better the odds of finding gas rather than oil.

The NGPA, however, is not entirely satisfactory. The prices are still set too low to induce sufficient conservation, because they have kept gas prices well below those of oil. Currently oil sells on the world market for about $33; the equivalent amount of gas sells for less than $16 in the US. The discrepancy is particularly glaring because of gas's many advantages over oil (it is cleaner, for example, and requires no storage expenses.) "It's like selling steak at one-third the cost of hamburger," says David Foster, president of the Natural Gas Supply Association, with only a little exaggeration. It also casts doubt on the prospect of full decontrol in 1985. The bigger the gap between oil and gas prices, the more painful the removal of controls will be, since gas prices can be expected to rise to roughly the level of oil prices. Better to raise the regulated price more rapidly in the next five years (or even to lift controls immediately) than to cause one great shock in 1985. This measure would soften the impact of decontrol and also provide further incentives for production. Some experts worry that the gap between oil and gas prices is already causing producers to ignore gas and spend all their money looking for oil. Letting gas prices rise to the market level will not mean appreciably higher consumer costs, since most of the cost of supplying gas lies in the pipelines required to move it from place to place. Currently most of the nation's gas pipelines have plenty of spare capacity. Hence an increase in the number of factories, offices, and homes using natural gas could cancel cut the effect of a wellhead price increase, since the huge overhead costs would be spread more widely. Most recent rate increases for natural gas can be blamed on the frequent curtailments of the last decade, which force a smaller number of gas users to pay the fixed costs. An increase in gas use, of course, is possible only with the higher production that decontrol may bring.

It's anyone's guess what the Reagan administration and a more conservative Congress will do about the NGPA. There surely

will be an effort to revise some pricing rules, and possibly even to remove controls right away. With Republicans in control of the Senate and the defeat of key supporters of continued price regulation, such as representatives Bob Eckhardt of Texas and Andrew McGuire of New Jersey, the chances of lifting controls would be better next year than they were in 1977. But many people in the industry don't want to reopen the issue of gas price regulation. "It's not in our interest to have another bloody battle," says one gas lobbyist. "We'd prefer just to let the controls be phased out on schedule."

Past and present price controls, however, are only one of the ways the government has impeded the transition to natural gas. The most celebrated, of course, was energy secretary Schlesinger's high-handed veto of a deal between Ute distributors and Mexico, which would have supplied about four percent of US gas needs, on the ground that the price was too high. Eventually he backed down and accepted an even higher price, but by then the Mexicans weren't willing to supply nearly as much gas as originally promised.

Schlesinger's ill-starred intervention could be dismissed as mere bungling, but other federal policies are more calculated. Until recently, the conventional wisdom in Washington was that we were rapidly running out of gas and hence had to wean ourselves from it. (In 1977 Schlesinger said the world's gas supplies should be regarded as "gone.") Several measures intended to reduce natural gas consumption (in favor of other energy sources) were written into law. The most important is a provision of the 1978 Fuel Use Act, which forbids the construction of any new natural gas boilers by utilities or industrial firms and requires existing ones to be converted to coal by 1990. This provision made a certain amount of sense at the time, since gas appeared to be running out. Now, however, gas doesn't appear to be running out.

Kevin Rooney, a legislative aide for the Edison Electric Institute, a utility trade association, says that the prohibition on gas boilers will force one Texas utility to use oil instead. (The Fuel Use Act also was supposed to phase out the use of oil by utilities, but here the law is so weak as to be ineffectual.) It is expected to increase its annual consumption of oil from about half a million barrels a year to about 32 million. The coal industry naturally supports anything that is likely to increase the demand for coal, as restrictions on natural gas use will, but in fact the cost advantage of coal over gas is great enough that most utilities have no interest in building gas boilers anyway. For many, though, the cost of converting existing gas boilers to coal is prohibitive, so they will simply switch to oil, a much cheaper conversion. This will only stimulate the national appetite for oil, hardly a sane policy for a nation so dependent on oil that it is prepared to risk nuclear war to protect its access to the Persian Gulf.

There are signs that Congress may correct this mistake. It has already largely corrected another one, a provision in the NGPA that required the Federal Energy Regulatory Commission to set higher prices for industrial users than for residential customers. This was also meant to avert a general shift to using natural gas instead of oil and coal. FERC submitted a proposal to Congress but made plain its doubts about the wisdom of the scheme. Congress obliged by vetoing the proposal. (Unfortunately an earlier plan, applying a higher rate to a much smaller class of utility and industrial users, was approved.)

Perhaps a bigger obstacle to greater industrial use of natural gas than its price is its availability. Under federally mandated curtailment plans, which are implemented when supplies are short, utilities are required to cut off industrial users first and residential customers last. Hence industrial users have had to bear the brunt of each of the shortages in the last decade. This federal policy is just the opposite of how the government handles oil shortages. In the latter, industrial users are protected against the loss of their supplies, with the shortage borne mostly by drivers. Another reason gas users are more vulnerable to shortages is that oil is easier for users or speculators to stockpile for emergencies. Gas is more expensive to store, and price controls have prevented the type of speculation that would hoard supplies for sale during shortages—the same price controls that cause the shortages. Even new industrial users who are willing to pay a premium for gas will be cut off first, which tends to dampen the enthusiasm for gas. A recent letter from FERC blamed the curtailment plans for the sluggish industrial market for gas:

"New long-priority gas customers confront an environment where they will be the first users kicked off the gas stream during periods of excess demand. . . . An oil user is not going to jeopardize his oil supplier relationship to obtain cheaper but insecure access to gas."

The letter, signed by Walter Schroeder, director of regulatory analysis at FERC, suggested that shortages be allocated proportionately among all industrial users, rather than cutting off the newest users completely. Under this scheme, industrial and commercial users would be able to buy and sell rights to gas, thus allowing gas to go where it is most valued. But if FERC and Congress are serious about encouraging natural gas use to reduce our dependence on oil, they also should be looking at the possibility of allocating some of the shortages to residential customers. A better approach, though, would be to lift the price controls on gas, which would greatly minimize the chance of more shortages.

It is easy to expect too much of natural gas in helping us out of the existing crisis. When all possible sources of gas are considered, the amount existing on this globe is truly fantastic. By the Wall Street Journal's estimate, the planet has 20 million years' worth of gas at the current rate of consumption. Numbers like this have led some observers to regard gas as the ultimate panacea. It is not. Most of the huge deposits of gas are much too costly to extract, even at today's energy prices. But there is plenty of natural gas for the foreseeable future, and probably beyond, as long as prices are allowed to rise to the level set by the market. There are hardly any fuels to compare with natural gas. As long as we've got it, we ought to use it.—STEPHEN CHAPMAN.

[From the Washington Post, Feb. 2, 1981]

PLUNGING POWER: BIG FINANCIAL PROBLEMS HIT ELECTRIC UTILITIES; BANKRUPTCIES FEARED

(By John R. Emshwiller)

NEW YORK.—Arkansas Power & Light Co. had plenty of cause to call off a planned $70 million bond sale recently.

Record interest rates had thrown the bond market into chaos and had already forced several utilities to postpone offerings. And with low ratings from major credit-rating services, Arkansas Power was faced with paying a 16.1% interest rate, one of the highest ever borne by a public utility.

But the subsidiary of Middle South Utilities Inc. completed the bond sale anyway, for one overpowering reason: It was running out of cash. "We needed money so badly we didn't have any option," says Edwin Lupberger, Middle South's vice president and chief financial officer.

Such predicaments have become all too frequent. Electric utilities, once considered pillars of financial strength, have turned into wobbling giants. And there is increasing concern that one or more may topple.

AN ARRAY OF PROBLEMS

Many electric utilities no longer generate enough cash earnings to even pay for their common-stock dividends, and they finance the payouts from sources such as depreciation, borrowings or the sale of more stock. Utilities have piled up tens of billions of dollars of debt to finance power-plan projects so huge and so costly that they threaten to overwhelm the financial capacity of the companies building them. Utility credit ratings are deteriorating steadily, and traditional sources of funds—particularly the long-term bond market—are drying up.

Indeed, some observers believe that a once-unthinkable event has become quite possible: A major U.S. utility could fall into bankruptcy. The cash bind is so serious that "some of these companies are eating themselves up," says Irvin C. Bupp, a Harvard Business School professor who has worked on utility financial issues.

No operating utility has ever gone bankrupt, and powerful protections have been erected over the years to keep that record intact. Spurred by the recognition that electricity somehow must be kept flowing to homes and factories, state regulators, bankers and others involved with a sick utility probably would arrange major emergency help to avoid an insolvency. The companies' strongest safeguard is their indispensability.

Yet people inside and outside the utility industry agree that safety margins have been narrowing, and some fear that a company might slip into an unresolvable cash crunch before remedial action could be taken. This danger, they add, rises significantly in times such as these, when credit is expensive. Many utilities "are walking a real financial tightrope," says John Attalienti, utility analyst for Argus Research Corp.

NO EASY ANSWERS

Solving utilities' financial problems will be extremely difficult. Utility executives plead for higher electricity rates, but other observers note that rates have risen sharply in recent years and have badly strained customers' tolerance for further increases. Conservationists contend that utilities must conserve cash by canceling some power-plant construction plans and promoting efforts to hold down energy use. Utility officials reply that heavy reliance on conservation would lead to future power shortages and jeopardize billions of dollars already invested in unfinished generating plants.

The industry's problems are so thorny partly because of fundamental, long-term changes in the economics of electricity. For years, continuing improvements in generating technology pushed down the cost of power and helped increase demand for it. In the process, utilities reaped healthy profits. "Those were our golden years," recalls W. C. Tallman, chairman of Public Service Co. of New Hampshire.

That era started fading in the late 1960s, and major signs of trouble first surfaced in 1974, when oil prices surged after the Arab embargo. U.S. utilities found themselves pinched for cash, and Consolidated Edison Co. of New York even omitted its dividend for one quarter—an action that shook the entire utility industry.

Then, the position of utilities improved for a while, partly because of hefty rate increases granted by worried regulatory commissions. But the industry's fundamental problems remained. And amid the current high inflation, sluggish economic activity and stagnant demand for electricity, utilities are falling into a new and deeper financial trough.

COST OF CONSTRUCTION

Probably the biggest burden weighing them down is the very thing that long brought them prosperity: building new power plants. Construction costs have grown astronomically in recent years. Bills for labor and materials climb relentlessly. Everchanging federal regulations, especially for nuclear plants, have forced utilities to redesign, at great cost, parts of many facilities to meet new rules. The sheer size and complexity of many projects—partly due, ironically, to the utilities' desire to save money by building ever-larger, ever-more-efficient plants—have sometimes overtaxed contractors' abilities. And building delays arising from such construction problems, from blocking actions by environmentalists or from utilities' inability to raise money further increase project costs.

The upshot: so many cost overruns at many projects that financial planning has become almost impossible. And when the total costs are eventually pinned down, they tend to be sickening. For instance, the price tag of a nuclear plant being built in Michigan has soared from $350 million to $3.1 billion.

Capital-spending estimates for the electric-utility industry over the next decade range up to $700 billion, about three times the current investment in all of its existing facilities. Many experts worry that financing huge construction programs while trying to meet other bills may be more than many utilities can handle. "I don't care how big a company is, some of these construction budgets hurt," says Argus Research's Mr. Attalienti.

Meanwhile, the average utility's ability to generate money internally has steadily weakened despite increased earnings.

Merrill Lynch, Pierce, Fenner & Smith Inc. calculates that electric utilities' per-share earnings increased 2.6 percent a year between 1969 and 1979. Yet, at the beginning of that period, the average utility could pay its common dividend out of net income and had some cash earnings left over. But by 1979, the average utility was having to dip into other sources, such as its depreciation fund or bank borrowings. "That isn't the textbook way to pay dividends," says John Kellenyi, utility analyst for Drexel Burnham Lambert Inc.

AN ACCOUNTING MATTER

One reason utilities' net income hasn't kept up with dividends is that an increasing share of reported earnings isn't cash but rather comes from an accounting credit known as the allowance for funds used during construction. This AFUDC allows a company to take credit for its investment in a power plant that it is building even though the company can't earn any cash return on the investment until the plant is completed and operating. In 1979, AFUDC accounted for about 14 percent of net income available to utilities' common shareholders; in 1980, it was about 50 percent.

Though a firmly established accounting principle, AFUDC doesn't help a company pay bills. Indeed, it can often hurt, executives say, by pushing up reported earnings and making it harder to get public acceptance for rate increases that would improve cash flow.

Utility executives concede that cash earnings don't justify current dividend levels, but they contend that the companies really don't have much choice. They explain that a dividend rate acceptable to investors is needed to enable a utility to sell common stock and that occasional stock sales are needed to keep the constantly increasing debt from reaching a disquieting proportion of total capital.

DOMINO THEORY

"The industry is caught in a box because selling common stock is the key to all other financing. Cut the dividend, and you could be pushing over the first domino," says K. L. Harrison, senior vice president for finance at Portland General Electric Co., the big Oregon utility.

To keep the dominoes standing, utilities plan to sell hundreds of billions of dollars of long-term debt and common stock over the next decade. But the very problems forcing them into so much outside financing are making them less and less attractive as investments.

Despite some recent gains, prices of utility stocks remain depressed. Most of the stocks are selling below book value, the per-share equivalent of all the money invested by current shareholders, plus retained earnings. By selling stock below book value, a utility progressively dilutes a shareholder's ownership and makes its stock even more unpopular.

And bond issues also are becoming tougher to sell as inflation frightens many investors away from long-term debt of any kind and as utilities' credit ratings steadily decline. In 1970, only 4 percent of American electric utilities got a BBB rating from Standard & Poor's Corp.—the lowest investment-grade rating and a level of creditworthiness that many institutional investors avoid. Today, about 30 percent are rated BBB.

SOME SPECULATIVE CASES

Moreover, the senior debt of four utilities is rated BB or lower, which means that the issues have "speculative" characteristics. Three of them are subsidiaries of General Public Utilities Corp., which owns the now-closed nuclear plant at Three Mile Island.

The other is United Illuminating Co., a utility based in New Haven, Conn. that is part owner of four nuclear reactors under construction. Its capital spending between 1981 and 1987 is projected at about $640 million, roughly equal to its assets at the end of 1979. An estimated 90 percent of that spending will have to be financed from outside sources.

Even if a utility scrapes together all the cash needed to complete its construction projects over the next few years, it may face a final hurdle: Utility regulators might refuse to let it charge customers for the investment. That happened recently when the Missouri Public Service Commission wouldn't permit Kansas City Power & Light Co. to include in its rate base a $165 million investment in a new coal-fired power plant. The commission decided that the plant wasn't needed yet because the company already had enough generating capacity. Although the utility has challenged the decision in court, Merrill Lynch immediately put all Missouri utilities on its sell list.

BIG POTENTIAL DANGER

Kansas City Power has been able to weather the ensuing financial storm, but analysts fear that a similar decision on a bigger power project could have far worse consequences. Such "second-guessing" by regulators "is becoming a big problem," says Leonard Hyman, a Merrill Lynch analyst. Like other observers, he is especially worried that a commission might refuse to include a new nuclear plant in a utility's rate base. "Though I don't think any commission would push that far, if it did, the company would have a difficult time surviving," he says.

Some observers contend, in fact, that most commissions have been trying to ensure the utilities' survival with the most obvious form of help: by increasing company revenues. Wall Street analysts estimate that last year's increases in utilities' base rates totaled $5 billion on an annual basis, topping the previous record of about $3.1 billion in 1975. They add that projected revenues went up an additional $3 billion a year in 1980 to cover higher generating-fuel costs. The total rise, about $8 billion, equaled about 10 percent of the industry's 1979 revenues.

However, analysts also estimate that restoring the companies even close to financial health would require rate increases of $5 billion to $8 billion a year beyond any increases designed to keep pace with rising costs. Given the "political realities" of already-unhappy utility customers, granting such increases "wouldn't be an easy thing to do," says Ernest Liu, an analyst at Goldman, Sachs & Co.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that these three bills be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bills are as follows:

S. 409

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS

(a) This Act may be cited as the "Standby Petroleum Authorities Act of 1981".

(b)—

Sec. 1. Short title; table of contents.
Sec. 2. Statement of findings and purposes.
Sec. 3. Definitions.

TITLE I—STANDBY PETROLEUM PRICE AND ALLOCATION AUTHORITY

Sec. 101. Findings and purpose.
Sec. 102. Definitions.
Sec. 103. Standby allocation.
Sec. 104. Implementation.
Sec. 105. Administration and enforcement.
Sec. 106. Effect on other laws.
Sec. 107. Reimbursement to States.
Sec. 108. Expiration.

TITLE II—CRUDE OIL ACCESS

Sec. 201. Findings and purposes.
Sec. 202. Definition.
Sec. 203. Standby program.
Sec. 204. Eligibility.
Sec. 205. Crude oil sales.
Sec. 206. Effect on other law.
Sec. 207. Penalties.
Sec. 208. Expiration.

TITLE III—INVESTIGATION AND REPORT

Sec. 301. Investigation and report.

STATEMENT OF FINDINGS AND PURPOSES

SEC. 2. (a) Congress finds and declares that—

(1) the national security and economic well-being of the United States require that the President have discretionary authority under specific and limited circumstances to allocate, and establish ceiling prices for, petroleum so as to minimize adverse effects on the public health, safety, and welfare during a severe petroleum supply interruption; and

(2) the national security and economic well-being of the Nation will be enhanced by the development and maintenance of a strong, competitive and technologically advanced domestic refining industry so that the petroleum products required to maintain public services and priority economic activities are available during periods of normal supply as well as during periods when petroleum supplies are interrupted.

(b) It is the policy of the United States and the purpose of this Act to—

(1) authorize the President, during a severe petroleum supply interruption, to exercise standby authority under specific and limited circumstances to allocate and set ceiling prices for available supplies of crude oil and refined petroleum products in a manner which achieves the objectives set forth in section 103(b)(1) of this Act;

(2) insure that the capability exists during any significant interruption in the availability of imported petroleum to supply essential national and regional requirements for

refined petroleum products, including transportation fuels and home heating oil, from domestic refineries;

(3) establish incentives so that an adequate, flexible and technologically advanced refinery capacity will be developed and maintained within the United States; and

(4) insure, to the maximum extent practicable, that domestic demand for refined petroleum products can be satisfied from refineries located in the United States.

SEC. 3. DEFINITIONS.

As used in this Act, the term—

(1) "domestic refiner" means a petroleum refiner whose total petroleum refinery capacity (including the refinery capacity of any person who controls, is controlled by, or is under common control with such refiner) is located within the United States.

(2) "independent refiner", during any calendar year, means a domestic refiner who as certified to the Secretary by such refiner obtained, directly or indirectly, in the previous calendar year, more than 70 percentum of his refinery input of domestic crude oil (or 70 percentum of his refinery input of domestic and imported crude oil) from producers who do not control, are not controlled by, and are not under common control with such refiner.

(3) "Secretary" means the Secretary of Energy.

(4) "small refiner", during any calendar year, means domestic refiner whose total refinery capacity as certified by such refiner to the Secretary (including the refinery capacity of any person who controls, is controlled by, or is under common control with such refiner) does not exceed 175,00 barrels per calendar day on January 1 of such year.

(5) "United States" means the several States, the Commonwealth of Puerto Rico and the District of Columbia.

TITLE I—STANDBY PETROLEUM PRICE AND ALLOCATION AUTHORITY

FINDINGS AND PURPOSE

SEC. 101. (a) Congress finds and declares—

(1) shortages of crude oil and refined petroleum products have occurred in the recent past and are highly likely to occur in the future;

(2) such shortages have created and will create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of crop plantings and harvesting, and curtailment of vital public services, including transportation of food and other essential goods; and

(3) such hardships and dislocations jeopardize the normal flow of commerce and constitute a threat to the public health, safety and welfare which can most effectively, efficiently and equitably be dealt with through prompt action by the executive branch of government.

(b) It is the purpose of this title to grant the President specific temporary authority to deal with shortages of crude oil and refined petroleum products or dislocations in the national distribution system. The authority granted under this title shall be exercised for the purpose of minimizing the adverse impacts of such shortages or dislocations on the American people and the domestic economy.

DEFINITIONS

SEC. 102. As used in this title the term—

(1) "severe petroleum supply interruption" means a national or regional petroleum supply shortage which the President determines—

(A) has resulted or is likely to result in a substantial shortfall nationally or in such region of gasoline, diesel fuel and No. 2 heating oil supplies for a period in excess of 30 days;

(B) is not manageable under other appropriate emergency authorities available to the President;

(C) is expected to persist for a period of time sufficient to seriously threaten the adequacy of national or regional stocks of gasoline, diesel fuel, and No. 2 heating oil; and

(D) is having or can reasonably be expected to have a major adverse impact on public health, safety or welfare or the national or regional economy.

(2) "international energy program" has the same meaning as is assigned such term in section (3)(7) of the Energy Policy and Conservation Act.

STANDBY ALLOCATION

SEC. 103. (a) Not later than 120 days after the date of the enactment of this title the President shall promulgate a standby regulation which when implemented will provide for the mandatory allocation of crude oil and each refined petroleum product, in amounts specified in (or determined in a manner prescribed by) and at ceiling prices specified in (or determined in a manner prescribed by) such regulation. Such standby regulation may only be implemented in accordance with section 104. Such regulation when implemented shall apply to all crude oil and refined petroleum products produced in or imported into the United States.

(b)(1) The standby regulation under subsection (a), to the maximum extent practicable, shall provide for—

(A) protection of public health (including the production of pharmaceuticals), safety and welfare (including maintenance of residential heating, such as individual homes, apartments and similar occupied dwelling units), and the national defense;

(B) maintenance of all public services (including facilities and services provided municipally, cooperatively, or investor owned utilities or by any State or local government or authority, and including transportation facilities and services which serve the public at large);

(C) maintenance of agricultural operations, including farming, ranching, dairy, and fishing activities, and service directly related thereto;

(D) preservation of an economically sound and competitive petroleum industry; including the priority needs to foster competition in the producing, refining, distribution, marketing, and petrochemical sectors of such industry, and to preserve the competitive viability of independent refiners and marketers;

(E) the allocation of suitable types, grades, and quality of crude oil to refineries in the United States to permit such refineries to operate to the extent practicable at full capacity;

(F) equitable distribution of crude oil and refined petroleum products at equitable prices among all regions and areas of the United States and sectors of the petroleum industry, including independent refiners and marketers, and among all users;

(G) allocation of refined petroleum products in such amounts and in such manner as may be necessary for the maintenance of, exploration for, and production or extraction of—

(i) fuels, and

(ii) minerals essential to the requirements of the United States,

and for required transportation related thereto;

(H) economic efficiency; and

(I) minimization of economic distortion, inflexibility, and unnecessary interference with market mechanisms.

(2) In specifying prices (or prescribing the manner for determining them), the standby regulation under subsection (a) shall provide for a dollar-for-dollar passthrough of net increases in the cost of crude oil and refined petroleum products at all levels of distribution from the producer through the retail level.

IMPLEMENTATION

SEC. 104. (a) The President shall implement the standby regulation under section 103 whenever the President determines that a severe petroleum supply interruption exists or is imminent or that such implementation is necessary to comply with obligations of the United States under the international energy program.

(b) The President may continue the regulation under section 103 in effect for no more than 90 days after implementation under subsection (a), except that the President, in his discretion, may extend the period of effectiveness of such regulation for an additional 30 days. Thereafter, the President may not continue such regulation in effect unless he complies with subsection (a).

ADMINISTRATION AND ENFORCEMENT

SEC. 105. (a)(1) Except as provided in paragraph (2), (A) sections 205 through 207 and sections 209 through 211 of the Economic Stabilization Act of 1970 shall apply to the regulation promulgated under section 103(a), to any order under this title, and to any action taken by the President (or his delegate) under this title, as if such regulation had been promulgated, such order had been issued, or such action had been taken under the Economic Stabilization Act of 1970; and (B) section 212 (other than 212(b)) and 213 of such Act shall apply to functions under this title to the same extent such sections would apply to functions under the Economic Stabilization Act of 1970.

(2) The expiration of authority to issue and enforce orders and regulations under section 218 of such Act shall not affect any authority to amend and enforce the regulation or to issue and enforce any order under this title, and shall not effect any authority under sections 212 and 213 insofar as such authority is made applicable to functions under this title.

(b) The President may delegate all or any portion of the authority granted to him under this title to such officers, departments, or agencies of the United States, or to any State (or officer thereof), as he deems appropriate.

(3)(A) Whoever violates any provision of the regulation under section 103(a), or any order under this title shall be subject to a civil penalty—

(i) with respect to activities relating to the production, distribution, or refining of crude oil, of not more than $20,000 for each violation;

(ii) with respect to activities relating to the distribution of any refined petroleum product (other than activities entirely at the retail level), of not more than $10,000 for each violation; and

(iii) with respect to activities—

(I) entirely relating to the distribution of any refined petroleum product at the retail level, or

(II) activities not referred to in clause (1) or (ii) or subclause (I) of this clause, of not more than $2,500 for each violation.

(B) Whoever willfully violates any provision of such regulation, or any such order—

(i) with respect to activities relating to the production or refining of crude oil, shall be fined not more than $40,000 for each violation;

(ii) with respect to activities relating to the distribution of any refined petroleum product (other than at the retail level), shall be fined not more than $20,000 for each violation;

(iii) with respect to activities relating to the distribution of any refined petroleum product at the retail level or any other person shall be fined not more than $10,000 for each violation;

(4) Any individual director, officer, or agent of a corporation or other business enterprise who knowingly and willfully authorizes, orders, or performs any of the acts

or practices constituting in whole or in part a violation of paragraph (3), shall be subject to penalties under this subsection without regard to any penalties to which that corporation or other business enterprise may be subject under paragraph (3).

EFFECT ON OTHER LAW

SEC. 106. (a) The regulation under section 103 and any order issued thereof shall preempt any provisions of any program for the allocation of crude oil or any refined petroleum product established by any State or local government if such provision is inconsistent with such regulation or any such order.

(b) There shall be available as a defense to any action brought for breach of contract in any Federal or State court arising out of delay or failure to provide, sell, or offer for sale or exchange crude oil or any refined petroleum product, that such delay or failure was caused solely by compliance with the provisions of this title or with the regulation or any order under this title.

REIMBURSEMENT TO STATES

SEC. 107. (a) The President may reimburse any State for expenses incurred by such State in carrying out responsibilities delegated to such State by the President under this title.

(b) Such reimbursements may be paid from any funds appropriated for the purpose of carrying out responsibilities under this title unless any appropriation Act specifically provides to the contrary.

EXPIRATION

SEC. 108. The provisions of this title shall cease to have effect on October 1, 1989, but such expiration shall not affect any action or pending proceeding, administrative or civil, not finally determined on such date, nor any administrative or civil action or proceeding, whether or not pending, based on any act committed or liability incurred prior to such expiration date.

TITLE II—CRUDE OIL ACCESS

FINDINGS AND PURPOSES

SEC. 201. (a) Congress finds and declares that—

(1) adverse effects on the economy, nationally and regionally, are likely to result during periods when U.S. petroleum supplies are interrupted;

(2) these adverse effects can be minimized if the U.S. develops and maintains a competitive, efficient and technologically advanced domestic refining industry; and

(3) during any such interruption, the Federal government has the responsibility to insure that available crude oil supplies are used to produce in an efficient and timely manner the refined petroleum products required to maintain essential public service and economic activities.

(b) It is the purpose of this title to authorize the President, acting through the Secretary, to—

(1) provide for ready access by qualified domestic petroleum refiners to crude oil to insure that, to the maximum extent practicable, during a petroleum supply interruption the refined petroleum products required to maintain essential public service and economic activities are available in each region of the United States; and

(2) provide reasonable assurance to qualified domestic petroleum refiners willing to commit to make appropriate improvements in the quality of their refining capacity that crude oil can be acquired at reasonable prices during such a petroleum supply interruption.

DEFINITIONS

SEC. 202. As used in this title the term—

"essential public service or economic activity" means with respect to any region of the United States

(A) protection of public health (including the production of pharmaceuticals), safety and welfare (including maintenance of residential heating, such as individual homes, apartments and similar occupied dwelling units), and the national defense;

(B) maintenance of all public services (including facilities and services provided by municipally, cooperatively, or investor owned utilities or by any State or local government or authority, and including transportation facilities and services which serve the public at large);

(C) maintenance of agricultural operations, including farming, ranching, dairy, and fishing activities, and service directly related thereto; or

(D) the maintenance of, exploration for, and production or extraction of—

(i) fuels, and

(ii) minerals essential to the requirements of the United States,

and for required transportation related thereto.

STANDBY PROGRAM

SEC. 203. (a) Within 120 days after the date of the enactment of this title the Secretary shall by rule establish in accordance with the provisions of this title a standby program which when activated will provide for ready access by qualified refiners to supplies of crude oil.

(b) The President shall direct the Secretary to implement the standby program under subsection (a) if the President determines that an interruption in petroleum supplies to the United States exists or is imminent, and that such interruption is likely to result in circumstances nationally or in any region of the United States which will significantly impair essential public service or economic activity.

(c) The President may also direct the Secretary to implement the standby program under subsection (a) with respect to any qualified refiner or refiners whenever the President determines that

(1) such refiner or refiners provide, during periods when petroleum supplies to the United States have not been interrupted, a significant quantity of refined petroleum products for essential public service or economic activity in a region of the United States;

(2) such refiner or refiners provide evidence convincing to the President of an inability to acquire crude oil at reasonable prices under reasonable conditions; and

(3) the percentage rate of operation of the refining capacity controlled by such refiner or refiners is, or will be because of an inability to obtain reasonably priced crude oil supplies, significantly below the average percentage rate of operation of all domestic refineries for a period of at least 90 days.

(d) The Secretary shall continue the program under subsection (a) in effect for no more than 90 days after any determination under subsection (b) or subsection (c). Thereafter, the Secretary may continue any action under subsection (b) or subsection (c) for an additional period of no more than 90 days in duration only to the extent that the Secretary determines, but for the availability of crude oil under this title, the conditions referred to in such subsection would continue to exist.

(e) Any qualified refiner may petition the President to make a determination under subsections (b) or (c). After notice and opportunity for a hearing, the President shall decide promptly whether to grant or deny the petition. The President may waive the requirement for a hearing under this subsection with respect to any determination under subsection (b) if the President finds that the urgency of the circumstances referred to in subsection (b) justifies such a waiver.

ELIGIBILITY

SEC. 204. (a) The Secretary shall by rule establish criteria the Secretary will use in deciding whether to designate a refiner as a qualified refiner under this title. In making such a designation the Secretary shall consider the national and regional need for particular types of petroleum refining capacity and the cost of supplying such capacity.

(b)(1) The Secretary shall upon application designate any domestic refiner as a qualified refiner under this title if based on information provided by such refiner the Secretary determines that

(A) such refiner meets the criteria established under subsection (a) or

(B) such refiner has provided a written commitment, including a commitment of funds, satisfactory to the Secretary, that the refiner through control of a new, expanded or retrofitted refinery or refineries will comply with subparagraph (A) within a time period specified by the Secretary.

(2) Notwithstanding paragraph (1), the Secretary may designate a domestic refiner as a qualified refiner under this title if the Secretary determines, based on information provided by such refiner, that, but for such designation, it is likely that essential public service or economic activity in a region or regions of the United States will be impaired during a petroleum supply interruption to an extent significantly greater than would otherwise be the case.

(c) Any refiner designated a qualified refiner under paragraph (b)(1)(B) shall make such progress reports with respect to any commitment under such paragraph as the Secretary may reasonably require. The Secretary may periodically review any designation under subsection (b), but may not rescind any such designation unless he determines, after notice and opportunity for a hearing, that the requirements for the designation are not being met or, in the case of a designation under paragraph (b)(1)(B), are not likely to be met within the time period set forth in the commitment under such subparagraph or any reasonable extension thereof.

CRUDE OIL SALES

SEC. 205. (a) The standby program under subsection 203(a) shall require that when such program is implemented under subsecions 203(b) or (c) a refiner who is not a small or independent refiner (hereinafter referred to as a "refiner-seller") will enter into a negotiation for the sale of crude oil to a qualified refiner designaetd by the Secretary in amounts which are sufficient to operate the refinery capacity controlled by such qualified refiner over a specified period at an average percentage rate no greater than the lesser of

(1) ninety-five percent of the average percentage rate of operation for the previous ninety days of all domestic refineries;

(2) ninety-five percent of the average percentage rate of operation for the previous twelve months of all refineries controlled by the qualified refiner purchasing the crude oil; or

(3) ninety-five percent of the average percentage rate of operation during the previous ninety days of all refineries controlled by the refiner-seller.

(b) The obligation of any refiner-seller to sell volumes of crude oil under this section during any period shall bear the same proportion to the total obligation of all refiner-sellers to sell volumes of crude oil as the total crude oil runs to stills of refineries under the control of such refiner-seller bears to the total crude runs to stills of all refiner-sellers during such period.

(c) The price per barrel charged by a refiner-seller to a qualified refiner and the characteristics of the crude oil sold in any

sale of crude oil during any period under this section shall be determined by negotiation between such refiner-seller and such qualified refiner, except that, in the event either the refiner-seller or the qualified refiner notifies the Secretary that the negotiation is not likely to be concluded within a reasonable period of time, the Secretary may establish terms and conditions, including a price, for such sale. The Secretary shall by rule prescribe a formula establishing a maximum price for sales of crude oil under this section, which price may not exceed the arithmetic mean of the refiner-seller's average per barrel price of crude oil imported during such period and the replacement cost per barrel, as determined by the Secretary, of the crude oil to be transferred under the sale. Such formula may include reasonable adjustments in the sales price to take account of the cost of transportation and handling and the sulfur content and viscosity of the crude oil to be transferred under the sale.

(d) Notwithstanding the provisions of subsection (b),

(1) The obligation of any refiner-seller during any period to enter into sales of volumes of crude oil under this section may be reduced by the Secretary to the extent that the Secretary determines that such obligation would—

(A) significantly reduce the supply of refined petroleum products required to maintain essential public service or economic activity in any region supplied by such refiner-seller;

(B) result in an average percentage rate of operation for refineries under control of such refiner-seller for the period referred to in paragraph (1) which is significantly less than the average percentage rate of operation of all domestic refineries;

(C) unreasonably impair the maintenance of prudent inventories of crude oil or refined petroleum products by such refiner-seller;

(D) otherwise result in a gross inequity or constitute an unreasonable burden on such refiner-seller; or

(E) otherwise be inconsistent with the purposes of this title.

(2) Any reduction in the obligation of refiner-sellers under paragraph (1) shall be allocated among all qualified refiners purchasing crude oil under this section in proportion to the volumes so purchased by each such qualified refiner.

EFFECT ON OTHER LAW

SEC. 206. (a) Nothing in this title affects the authority of the Secretary or the President to take actions under any other provision of this Act or under any other provision of law to provide for the allocation of crude oil or any refined petroleum product (or a manner determining such allocation) or determination of a ceiling price (or a manner of determining such a price) for crude oil or any refined petroleum product.

(b) Any rule, regulation or order under this title shall preempt any provisions of any program for the allocation of crude oil or any other refining feedstock established by any State or local government to the extent that such provision is inconsistent with such rule, regulation or order.

(c) There shall be available as a defense to any action brought for breach of contract in any Federal or State court arising out of delay or failure to provide, sell or offer for sale or exchange crude oil, refinery feedstock or any refined petroleum product that such delay or failure was caused solely by compliance with a rule, regulation or order under this title.

PENALTIES

SEC. 207. Whoever violates any rule, regulation or order under this title shall be subject to a civil penalty of not more than $10,000 for each violation.

EXPIRATION

SEC. 208. The provisions of this title shall cease to have effect on October 1, 1985, but such expiration shall not affect any action or pending proceeding, administrative or civil, not finally determined on such date, nor any administrative or civil action or proceeding, whether or not pending, based on any act committed or liability incurred prior to such expiration date.

TITLE III—INVESTIGATION AND REPORT

SEC. 301. Within thirty days after the date of the enactment of this title the Secretary of Commerce, in consultation with the Secretary and the Secretary of Defense, shall initiate an investigation in accordance with the provisions of section 1862 of title 19, United States Code, to determine the effects on the national security of imports of refined petroleum products. In carrying out this investigation the Secretary of Commerce shall hold public hearings affording interested persons opportunity to present information and advice relevant to such investigation. The report and recommendation of the Secretary under subsection (b) of 19 USC 1862 shall be transmitted to the President no later than one year and thirty days after the date of the enactment of this title and shall be published in accordance with subsection (d) of 19 USC 1862.

S. 410

Be in enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Petroleum Displacement Act of 1981".

SEC. 2. FINDINGS AND STATEMENT OF PURPOSE.

(a) FINDINGS.—The Congress finds that natural gas is a clean, economical fuel with the clear potential of displacing significant amounts of petroleum used as a primary energy source by existing electric powerplants and that allowing its use in existing powerplants will aid utilities in their transition to alternate fuels.

(b) STATEMENT OF PURPOSES.—The purposes of this Act are—

(1) to reduce petroleum consumption by existing electric powerplants.

(2) to improve air quality;

(3) to allow utilities the flexibility to continue their transition to alternate fuels and;

(4) thereby to benefit consumers of electrical power by restraining the cost of electricity.

SEC. 3. INCREASED PETROLEUM DISPLACEMENT

Section 301 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8431) is hereby repealed.

S. 411

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203 of the Energy Policy and Conservation Act (42 U.S.C. 6263) is amended by deleting subsection (e) and redesignating subsequent subsections accordingly.

Mr. McCLURE. Mr. President, I take this time only to state to the Senator from Louisiana that, with respect to the small refiners and the necessity for the allocation of supplies, I think there is widespread understanding of the necessity to have a standby provision that will allow us to allocate supplies in the event of a severe supply interruption.

The Senator from Louisiana knows, as does the Senator from Idaho, the difficulty of determining when that happens. How do we distinguish between a chronic supply situation that may become progressively tighter, as distinguished from one that does justify the interposition of governmental allocation? And we have experienced what happens under allocations in which both the problem becomes acute and becomes more acute when allocation is invoked and the fact that a government bureaucracy is interposed to determine what the allocation is and slows down the process of getting supply to the ultimate users and impel us to say that there has to be a severe supply interruption before it is invoked. I think the Senator from Louisiana would agree with the Senator from Idaho on that point.

Mr. JOHNSTON. Precisely, Mr. President. We thought about trying to put in the same kind of trigger we have in the gasoline rationing bill, which is a 20-percent cutoff. And then we thought better of that and thought that we could give this to the President, who is clearly on record as being against controls, as am I, and give him the discretion to determine when that supply is severe enough to warrant the imposition of controls, which I think would be very severe indeed.

But I think the Senator from Idaho would agree that this President can be trusted not to overuse that power. But it is a power that he ought to have if things get bad enough.

Mr. McCLURE. Well, certainly the Committee on Energy, which I have the privilege and the duty to chair, I am certain will be looking at this legislation that the Senator is proposing today and the general problem of how to assure an adequate supply to those refiners that do not have independent production capacity, to make certain that as we go through this period of adjustment, because of the deregulation of price controls and, hopefully, dismantling of the regulatory apparatus that supported the price controls, that there may be some market disruption or market changes.

It has been my determination that we ought not to assume the worst and try now to legislate for those situations because we fear they might develop, but to monitor very carefully what actually does happen as we move into a market-clearing system that is free from Government restraints and to leave the governmental authority and allocation to those severe emergencies which the Senator has described in his statement in the introduction of this legislation.

Mr. JOHNSTON. Will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. JOHNSTON. The Senator correctly describes my intent here. Let me say as an aside, Mr. President, that I think the Senate Energy Committee, the Senate, and, indeed, the country are very lucky to have the leadership of the Senator from Idaho for the Energy Committee. We have worked very closely on that committee in past years, not only the Senator from Idaho and the Senator

from Louisiana, but the Senator from Idaho and the entire committee. I believe we have produced better legislation because of his involvement. I welcome his chairmanship of that committee and look forward to working very closely with him.

I appreciate very much what I have heard as being the offer of early and in-depth hearings. This is a most complicated subject. I would be surprised if the bill would pass without a comma or a period changed. Indeed, it needs to be very carefully looked at. But I think it needs to be looked at early so that we do have in place some kind of stand-by mechanism.

Mr. McCLURE. I can say to the Senator that it is a matter of concern to the Senator from Idaho and it will be my intention for the committee to look at this field with a view to finding a legislative solution for the concerns he has expressed.

I can also say to the Senator from Louisiana that I am certain that the Congress will want to look at the Fuel Use Act to determine whether or not the conditions which were anticipated at the time the legislation was passed are still prevailing, or whether or not our judgments might indicate to us that some adjustment in that act might be prudent.

As the Senator knows, at the time that act was passed it was conventional wisdom in this country that natural gas was a declining, depleting resource, and there was not any way we could meet the needs of the population of this country in the use of natural gas. There was a shortage and it was growing more short every year. But the free market and intrastate markets, coupled with the action taken in the Natural Gas Act, made available those supplies which have been locked in intrastate markets to the entire national market, together with the determination to deregulate prices on a schedule that would get natural gas to the market.

This has led to increased supplies of natural gas in this country to the point where we can now say with some confidence that there is an adequate supply of natural gas for the foreseeable future in this country. As a matter of fact, we are now seeing drilling activities constrained because people do not have adequate markets if they should be able to discover more natural gas, a dramatic change in the situation. It ought to indicate to us that perhaps a change in policy is indicated by the facts as we see them now. I think the Senator from Louisiana would agree with that.

Mr. JOHNSTON. I believe the Senator makes an eloquent plea for the kind of legislation just introduced.

Mr. McCLURE. I will say to the Senator from Louisiana the committee will look at it and I hope we will take action with respect to the Fuel Use Act this calendar year, and I hope early rather than later in the year.

Mr. JOHNSTON. I thank my colleague.

By Mr. TOWER:

S. 412. A bill to amend the Intergovernmental Cooperation Act of 1968 to improve coordination between Federal agencies and State and local governments and regional organizations regarding establishment of Federal development programs or projects and applications for Federal assistance and permits, and to provide for judicial review of Federal approval of such applications; to the Committee on Governmental Affairs.

INTERGOVERNMENTAL COOPERATION AND JUDICIAL REVIEW ACT OF 1981

● Mr. TOWER. Mr. President, today, I am introducing legislation to amend section 401 of the Intergovernmental Cooperation Act of 1968. The purpose of this legislation is to improve coordination between Federal agencies and local, regional, and State organizations which review and comment on various applications for Federal assistance.

Under Office of Management and Budget circular A-95, State and regional planning agencies are charged with reviewing and making recommendations on proposals for Federal assistance. These applications run the gamut from Meals on Wheels to CETA programs. By Federal mandate, councils of Government (COG's) must submit to the appropriate Federal agency a formal statement as to the application's consistency with regional and/or State development plans or programs. Theoretically, if the COG or State planning agency forward negative comments, or suggests changes in the application prior to funding, the Federal agency must consider and respond to those recommendations.

Practically speaking, however, some Federal agencies all but ignore the COG reviews. Too often, only lip service is given to the review and comment process, with the Federal agency proceeding to approve the application without appropriate response to the reviewing organization. This is the situation my legislation addresses.

Councils of Government are voluntary organizations consisting of representatives of multi- and single-purpose governmental units. Most cities, counties, school districts, and other governmental bodies are members of COG's. By mandating that the COG's review applications for Federal assistance, the Federal Government tapped an important resource which was intended to insure proper and appropriate expenditure of taxpayers' moneys. From my own personal experience, I have seen the quality work produced by the COG's. Because of the tremendous expenditures in time and money spent on review and comment, it is imperative that we utilize the findings and recommendations of the COG's to the utmost.

To insure that Federal departments take seriously the work of the COG's and the various State review agencies, I urge the adoption of the legislation I have submitted. This bill will provide for judicial review of Federal agency decisions which are not consistent with local, regional, or State development plans and programs. Certainly nothing in this legislation precludes the Federal Government from implementing programs which, while not meeting local plans, are consistent with national objectives under which the Federal agency operates. Furthermore, the burden of proof would rest with the petitioner to overturn a decision by a Federal agency.

I am a firm supporter of the A-95 review and comment process. Adoption of this legislation will improve that process and strengthen our intergovernmental system.●

By Mr. PRESSLER:

S. 413. A bill to extend the Older Americans Act of 1965 for 5 years; to the Committee on Labor and Human Resources.

OLDER AMERICANS AMENDMENTS OF 1981

Mr. PRESSLER. Mr. President, I am today introducing a bill to reauthorize the Older Americans Act for 5 years. This legislation will extend needed services to the more vulnerable members of our society—the elderly.

As a member of the Senate Select Committee on Aging, I intend to participate in a series of hearings to explore the efficiency of the current programs authorized in this act. In the meantime, I hope this measure will serve as a vehicle for reviewing such programs. While we may wish to expand or reduce authorization levels upon such a review, the amounts established by this legislation allow for anticipated inflation rates.

Mr. President, the need for this legislation is evident. In 1980, there were an estimated 25 million people age 65 years and older living in the United States. The changing demographic profile of our Nation will result in an even larger number of older persons—a greater proportion of the population. By the year 2000, 31.8 million Americans or 12 percent of the population will be over the age of 65. We must be prepared to accept our responsibility to the elderly.

Over the past years, I have conducted numerous senior citizen seminars in South Dakota. As a result, I have familiarized myself with elderly programs and their effectiveness. I have discovered that too often, the programs in practice are not reaching those individuals most in need. For example, the Indian elderly continue to suffer from the lowest standard of living. And in our rural areas, social services and health care programs are often rendered useless due to inadequate transportation. During this reauthorization process, we must examine these issues as well as elderly abuse and crime and the attitude toward the elderly in the family and the country.

In my discussions with older people, I have found the fear of inadequate income to be the most critical problem of the elderly. Inflation and rising taxes are felt the hardest by the aged on fixed incomes. Having saved for years, the senior citizen finds his savings eroded by the cost of food, clothing, shelter, heat, and medical care. One quarter of our Nation's elderly live in or near poverty and the threatened bankruptcy of the social security system is now creating additional anxiety among senior citizens whose major source of income is social security and supplemental security income.

Such economic pressures are forcing the older American to make sacrifices in such critical areas as nutrition and health care. I realize that our Nation's economic problems reach far beyond the Older Americans Act. However, the health and social services programs of this legislation do provide a defense mechanism for our elderly population.

Second, older Americans are concerned about the cost and availability of health care. The increasing cost of long-term health care is a financial burden whether the elderly individual is confined to a nursing home, a hospital, or their own home. The Older Americans Act has provided alternatives to institutional care. Such programs include: First, the highly successful home health care program which allows the elderly to remain in their own home as long as possible, second, the congregate and home-delivered meals program which promotes health through good nutrition and reduces the isolation of old age, and third, the homemaker program where homemakers provide assistance with daily household chores and food activities.

Mr. President, I believe such programs foster a sense of independence in the retirement years. Having been a productive, active member of their community, the elderly's self-concept is often hurt by the feeling of dependence and insecurity. This loneliness and loss of productivity is the third most common problem for the elderly. To combat it—the volunteer and community service employment programs of the Older Americans Act. Trained and experienced older people represent one of our country's vast resources. Their extraordinary talents have been recognized through such programs as the Retired Senior Volunteer program, the Foster Grandparent program, the Senior Companion program and many others within communities. Such involvement has given the elderly a sense of fulfillment and the eagerness to enjoy life. Meanwhile, our Nation has benefited from the skills and expertise of its aged.

Mr. President, all of these programs must be strengthened and supported. But we must do so without burdening them with bureaucratic redtape and Government interference. The State and community senior citizen programs and centers must be allowed the flexibility to channel the right services to those in need.

Aging is inevitable. But it can also be frightening because of the great changes it can make in individual lives. We must do everything we can to make the lives of the elderly, who have contributed so much to our Nation, as comfortable and secure as possible. This reauthorization of the Older Americans Act allows us to renew our commitment to the elderly. We must first strengthen their financial capability; second provide them with affordable housing, health care and social services; and third permit them to remain in the mainstream of community life. In doing so, we allow our older Americans to live their remaining years in dignity.

Mr. President, I urge my colleagues to join in support of the legislation and I hope that the pertinent committees of the Senate will give full consideration to the subject. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 413

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Older Americans Amendments of 1981".

SEC. 2. (a) Section 102(1) of the Older Americans Act of 1965 (hereafter in this Act referred to as the "Act") (42 U.S.C. 3002(1)) is amended by striking out "Secretary of Health, Education and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services".

(b) Section 202(a)(1) of the Act (42 U.S.C. 3012(a)(1)) is amended by striking out "Department of Health, Education and Welfare" and inserting in lieu thereof "Department of Health and Human Services".

SEC. 3. Section 204(c) of the Act (42 U.S.C. 3014(c)) is amended—

(1) by striking out "and" after "1980"; and

(2) by inserting "1982, 1983, 1984, 1985, and 1986" after "1981,".

SEC. 4. (a) Section 303(a) of the Act (42 U.S.C. 3023(a)) is amended—

(1) by striking out "and" after "1980,"; and

(2) by inserting after "1981" a comma and the following: "$528,000,000 for fiscal year 1982, $575,000,000 for fiscal year 1983, $622,000,000 for fiscal year 1984, $665,000,000 for fiscal year 1985, and $705,000,000 for fiscal year 1986".

(b)(1) Section 303(b)(1) of the Act (42 U.S.C. 302(b)(1)) is amended—

(A) by striking out "and" after "1980,"; and

(B) by inserting after "1981" a comma and the following: "$440,000,000 for fiscal year 1982, $480,000,000 for fiscal year 1983, $518,000,000 for fiscal year 1984, $554,000,000 for fiscal year 1985, and $587,000,000 for fiscal year 1986".

(2) Section 303(b)(2) of this Act (42 U.S.C. 3023(b)(2) is amended—

(A) striking out "and" after "1980,"; and

(B) by inserting after "1981" a comma and the following: "$132,000,000 for fiscal year 1982, $144,000,000 for fiscal year 1983, $156,000,000 for fiscal year 1984, $167,000,000 for fiscal year 1985, and $177,000,000 for fiscal year 1986".

SEC. 5. Section 451(a) of this Act (42 U.S.C. 3037(a)) is amended by striking out "1981" and inserting in lieu thereof "1986".

SEC. 6. Section 508 of this Act (42 U.S.C. 3056f) is amended—

(1) by striking out "and" after "1980,"; and

(2) by inserting before the period at the end of the section "$495,000,000 for the fiscal year ending September 30, 1982, $540,000,000 for the fiscal year ending September 30, 1983, $583,000,000 for the fiscal year ending September 30, 1984, $624,000,000 for the fiscal year ending September 30, 1985, and $661,000,000 for the fiscal year ending September 30, 1986".

SEC. 7. (a) Section 603(a) of the Act (42 U.S.C. 3057c(a)) is amended—

(1) by striking out "and" after "1980,"; and

(2) by inserting "1982, 1983, 1984, 1985, and 1986," after "1981,".

(b) Section 608(c) of the Act (42 U.S.C. 3057g(c)) is amended—

(1) by striking out "and" after "1980,"; and

(2) by inserting "1982, 1983, 1984, 1985, and 1986" after "1981,".

By Mr. CHAFEE (for himself, Mr. GARN, and Mr. TOWER):

S. 414. A bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

CASH DISCOUNTS ACT

● Mr. CHAFEE. Mr. President, today, Senator GARN, Senator TOWER, and I are introducing the Cash Discount Act. It will benefit consumers by permitting merchants to offer unlimited discounts to cash-paying customers while at the same time continuing a provision of current law which prohibits merchants from penalizing their credit card customers.

As originally enacted, the Truth in Lending Act required cash discounts to be disclosed as part of the cost of credit for credit card customers. This requirement effectively precluded merchants from offering discounts to cash customers. Therefore, in 1974, the law was amended so that discounts for cash up to 5 percent would not have to be disclosed as a finance charge. While the intent was to remove impediments to the offering of discounts, few discounts are being offered and those that are must be limited to 5 percent.

The Cash Discount Act would remove the 5-percent restriction, thereby paving the way for merchants to offer much larger discounts to induce customers to pay by cash. It provides that any discount from the regular price shall not constitute a finance charge if it is available to all customers and its availability is disclosed.

While attempting to provide incentives for cash discounts, the present law specifically prohibits merchants from penalizing credit card customers through the imposition of surcharges upon purchases made by credit card or through open end credit accounts. Originally enacted in 1976 for a 3-year period, the prohibition was extended for 2 years in 1979. Now it is due to expire again on February 27. S. 414 would continue the surcharge prohibition for another 3-year period. This time period will give Congress the opportunity it needs to study this issue fully and to determine a permanent policy on surcharges and discounts.

Removing the restrictions on cash discounts is certainly in the best interest of the American public. If more and more merchants begin offering discounts and if discounts of greater than 5 percent become available, some of the inflationary pressures being exerted upon consumers may be alleviated. In addition, if the present artificial constraint is removed, the free marketplace will determine the level of cash discounts. Such competitive pricing of goods and services can only benefit the consumer.

While strongly favoring unlimited cash discounts, I believe it is unfair to consumers to add a surcharge to the regular price if that consumer wishes to pay by credit card. Credit cards offer distinct benefits, not the least of which is their convenience. Consumers should not be penalized for choosing to use that payment mechanism.

I am well aware of the argument that surcharges on credit card purchases are economically identical to discounts for cash purchasers. That may be true to the extent that in some cases the differential is mathematically the same. But, whether a merchant is permitted to add a surcharge to the regular price which is posted or tagged on an item rather than reducing or discounting that tagged or posted price is important as to its economic effect and its impact upon consumers and consumer behavior.

I am concerned that merchants might simply add to the regular price. This would result in credit card customers paying higher prices with no commensurate benefit for all other consumers. Further, the regular price could have the effect of misleading credit card users as to the item's true cost to them.

For these reasons, I am introducing a bill which would allow unlimited cash discounts while continuing the present prohibition against surcharges until we can finally adopt a permanent solution. It will provide substantial benefits for consumers without hindering their present ability to shop for the best deal in both merchandise and credit.

Provisions almost identical to these were reported by the Senate Banking Committee with no dissent late in the last Congress, the only deviation being that S. 414 provides a 3-year extension of the surcharge prohibition rather than a one year extension. Those provisions were never enacted because they were part of a larger omnibus bill which contained numerous controversial provisions. In addition, Congressman ANNUNZIO, chairman of the Consumer Affairs Subcommittee in the House, has introduced a bill with similar provisions on discounts and surcharges.

Mr. President, I should also add that S. 414 contains a technical amendment to clarify the intent of the 96th Congress when it enacted the Truth in Lending Simplification Act. Although the law does not require creditors to comply with the new provisions of the Truth in Lending Act until April 1, 1982, the law specifically permits creditors to comply earlier in accordance with regulations promulgated by the Federal Reserve Board. However, the statutory provisions do not make it clear that all the new provisions of the act apply to creditors who begin complying sooner than the required date. This has posed a problem with regard to the civil liability provisions of the act since they constitute a direction to the judiciary rather than the credit industry.

I am sure that it was the intent of the Congress that creditors who comply with the new provisions of the act should also be subject to the new civil liability requirements. Either all the provisions of the old act or all the provisions of the new act should apply for a single creditor or in a single transaction. This amendment clarifies such intent.

I intend to have prompt hearings on this bill, in order that the Senate can act upon it prior to the February 27th deadline. I hope my fellow Senators will support this measure, which will protect credit card users from extra charges or fees and provide the consumer with greater flexibility and choice, during the interim period of congressional review.●

By Mr. CRANSTON (for himself, Mr. RANDOLPH, Mr. MATSUNAGA, Mr. DECONCINI, and Mr. THURMOND):

S. 415. A bill to amend title 38, United States Code, to increase the maximum amount payable in Veterans' Administration specially adapted housing assistance, and for other purposes; to the Committee on Veterans Affairs.

SPECIALLY ADAPTED HOUSING ASSISTANCE FOR VETERANS

Mr. CRANSTON. Mr. President, I am introducing today, on behalf of Senators RANDOLPH, MATSUNAGA, DECONCINI, THURMOND, and myself, S. 415. This measure would increase from $30,000 to $35,000, effective October 1, 1981, the maximum amount payable by the Veterans' Administration in specially adapted housing assistance to certain veterans with total and permanent service-connected disabilities.

BACKGROUND

Under the program of specially adapted housing assistance for disabled veterans provided for in chapter 21 of title 38, United States Code—often referred to as the "wheelchair home" program—the VA assists veterans with certain permanent and total service-connected disabilities in acquiring suitable housing with adaptations made necessary by the nature of their disabilities. Under current law, these disabled veterans are eligible for a grant not to exceed 50 percent of the cost of the home and the necessary land, up to a maximum of $30,000.

Veterans eligible for housing assistance grants are principally quadraplegics, paraplegics, amputees, and others who require the use of a wheelchair, braces, or crutches to move about. Their disabling conditions may require ramps, special bathroom equipment, extra-large rooms and hallways, and other adaptations that are essential for their health and safety.

NEED FOR AN INCREASE

Mr. President, this bill would provide for an increase, effective October 1, 1981, in the maximum amount of specially adapted housing assistance from $30,000 to $35,000 in order to help keep pace with increased housing costs since the time of the last increase on October 1, 1978. The bill would also make certain technical changes in chapter 21.

When originally enacted in Public Law 80-702 in 1948, the specially adapted housing program provided for assistance of up to $10,000. At that time, the average cost of construction for a new single-family residence was $7,800. Housing construction costs have risen steadily since then, and the maximum amount of assistance has been increased on four occasions. The last increase was made by Public Law 95-476, which raised the maximum to $30,000, effective October 1, 1978. At that time, the average cost for the construction of a specially adapted home was estimated to be $66,000. Since then it appears, based on data provided by the National Association of Home Builders, that the average cost of such a home has risen to $75,700. By raising the maximum limit from $30,000 to $35,000, our bill would enable a majority of veterans who are eligible for this benefit to obtain assistance approximating 50 percent of the cost of the home and thus help meet the needs of this special group of veterans.

Preliminary estimates by the Congressional Budget Office indicate that the first-year—fiscal year 1982—cost of our proposal would be $2.6 million and the 5-year cost would be $12.4 million.

Mr. President, I ask unanimous consent that the text of S. 415 be printed in the RECORD at this point along with a document showing the changes that the measure would make in current law.

There being no objection, the bill and changes were ordered to be printed in the RECORD, as follows:

S. 415

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 802 of title 38, United States Code, is amended by—

(1) striking out "$30,000" and inserting in lieu thereof "$35,000";

(2) striking out "him" each place it appears and inserting in lieu thereof "such veteran"; and

(3) striking out "his" in clause (3) and inserting in lieu thereof "such veteran's".

CHANGES IN EXISTING LAW PROPOSED BY S. 415

Changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—VETERAN'S BENEFITS

* * * * *

PART II—GENERAL BENEFITS

* * * * *

CHAPTER 21—SPECIALLY ADAPTED HOUSING FOR DISABLED VETERANS

* * * * *

§ 802. Limitations on assistance furnished

The assistance authorized by section 801 of this title shall be limited in the case of any veteran to one housing unit, and necessary land therefor, and shall be afforded under one of the following plans, at the option of the veteran but shall not exceed [$30,000] *$35,000* in any one case—

(1) where the veteran elects to construct a housing unit on land to be acquired by [him] *such veteran*, the Administrator shall pay not to exceed 50 per centum of the total cost to the veteran of (A) the housing unit and (B) the necessary land upon which it is to be situated;

(2) where the veteran elects to construct a housing unit on land acquired by [him] *such veteran* prior to application for assistance under this chapter, the Administrator shall pay not to exceed the smaller of the following sums: (A) 50 per centum of the total cost to the veteran of the housing unit and the land necessary for such housing unit, or (B) 50 per centum of the cost to the veteran of the housing unit plus the full amount of the unpaid balance, if any, of the cost to the veteran of the land necessary for such housing unit;

(3) where the veteran elects to remodel a dwelling which is not adapted to the requirements of [his] *such veteran's* disability, acquired by [him] *such veteran* prior to application for assistance under this chapter, the Administrator shall pay not to exceed (A) the cost to the veteran of such remodeling; or (B) 50 per centum of the cost to the veteran of such remodeling; plus the smaller of the following sums: (1) 50 per centum of the cost to the veteran of such dwelling and the necessary land upon which it is situated, or

(ii) the full amount of the unpaid balance, if any, of the cost to the veteran of such dwelling and the necessary land upon which it is situated; and

(4) where the veteran has acquired a suitable housing unit, the Administrator shall pay not to exceed the smaller of the following sums: (A) 50 per centum of the cost to the veteran of such housing unit and the necessary land upon which it is situated, or (B) the full amount of the unpaid balance, if any, of the cost to the veteran of such housing unit and the necessary land upon which it is situated.

By Mr. CRANSTON (for himself, Mr. RANDOLPH, Mr. MATSUNAGA, Mr. DECONCINI, and Mr. THURMOND):

S. 416. A bill to amend title 38, United States Code, to increase the maximum amount of the automobile assistance provided to certain severely service-connected disabled veterans, to extend eligibility for the provision of automobile adaptive equipment to certain other service-connected disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' AUTOMOBILE ASSISTANCE AND ADAPTIVE EQUIPMENT AMENDMENTS OF 1981

Mr. CRANSTON. Mr. President, I am introducing today S. 416, the proposed Veterans' Automobile Assistance and Adaptive Equipment Amendments of 1981. Joining me as cosponsors are Senators RANDOLPH, MATSUNAGA, DECONCINI, and THURMOND. This measure would increase the amount of the automobile assistance allowance provided by the Veterans' Administration to veterans with certain severe service-connected disabilities and would extend eligibility for the provision of automobile adaptive equipment to certain other service-connected disabled veterans.

AUTOMOBILE ASSISTANCE ALLOWANCE INCREASE

The program of automobile assistance—now codified in chapter 39 of title 38, United States Code—was established by the Congress in Public Law 79-663, enacted in 1946. Under this program, veterans who have suffered the service-connected loss or loss of use of one or both feet, or one or both hands, or service-connected blindness are entitled to a one-time VA grant to assist them in purchasing an automobile.

Public Law 91-666, enacted in 1970 and which I authored, increased effective January 11, 1971, the maximum amount of the allowance payable toward the purchase of an automobile or other conveyance from the original allowance of $1,600 to $2,800. According to the Senate report accompanying the Senate version of H.R. 370—Senate Report No. 91-1232, page 14—this increase was enacted in order "to reestablish, to an effective degree, the comparability which originally existed between the cost of an automobile or other conveyance and the monetary assistance provided for its purchase."

In 1974, I again authored legislation, Public Law 93-546, to increase the amount of the allowance to $3,300, effective February 1, 1975. An increase to the current level—$3,800—was provided for by enactment of my proposal in Public Law 95-479, effective October 1, 1978. Since the effective date of this last increase, the Bureau of Labor Statistics' Consumer Price Index component for new automobiles had risen 16.98 percent as of the end of fiscal year 1980. According to Congressional Budget Office projections, this component will increase another 12.87 percent by October 1, 1981.

Hence, Mr. President, the measure I am introducing today would increase the automobile assistance allowance to $5,000 effective October 1, 1981—an increase of $1,200—so as to help insure that the value of this benefit keeps pace with inflation.

EXTENSION OF ELIGIBILITY FOR ADAPTIVE EQUIPMENT

Mr. President, in 1970, Public Law 91-666 also provided for the VA to furnish—in addition to the automobile assistance allowance—necessary adaptive equipment and installation, maintenance, and replacement for those eligible for the allowance. Pursuant to DVB circular 20-76-105 and D.M. & S. Circular 10-75-137, payment for the adaptive equipment is generally made by reimbursement to the veteran of the appropriate cost of the equipment.

Service-connected disabled veterans who have not actually suffered an amputation, but who have incurred serious injury resulting in the loss of use of an extremity are eligible for this payment. However, there are veterans who have incurred certain disabilities which can preclude them from safely operating a motor vehicle that has not been adapted but who are not so eligible under current law.

Specifically, service-connected disabled veterans who suffer from ankylosis—the stiffening of a joint as the result of abnormal bone fusion—of the knees or hips at so-called favorable angles do not meet the VA's criterion for the requisite determination that the veteran has suffered the "loss of use" of a lower extremity. VA data indicate that 2,512 veterans are in receipt of service-connected compensation for such a disability.

Although veterans who suffer from ankylosis of the knees or hips at an unfavorable angle meet the VA's "loss of use" criterion and are therefore eligible for adaptive equipment assistance, veterans who suffer from ankylosis at favorable angles do not qualify for either the automobile award or the adaptive equipment assistance. However, in some cases, these veterans may need special adaptive equipment—such as left-foot accelerators, power brakes, hand-held parking brakes, or automatic transmissions—before they can safely operate their motor vehicles.

In my view, it is appropriate that the Federal Government assist these veterans in bearing the cost of the adaptive equipment they need in order to operate a motor vehicle. Based on our research to date, this category of service-connected disabled veterans is the only category of such veterans who need automobile adaptive equipment and who are not considered to have lost or lost the use of one of their limbs. However, I would certainly want to explore this question further at hearings on the measure we are introducing today.

Our proposal, would extend, effective October 1, 1981, eligibility under specified circumstances for an adaptive equipment award to a veteran who is entitled to service-connected compensation for ankylosis of one or both knees, or one or both hips but who is not considered to have lost the use of a lower extremity. In such cases, the award would be made to provide such adaptive equipment to overcome the resulting disability as is necessary for the veteran to satisfy his or her State's drivers' licensing laws or regulations, or as is determined to be necessary by the VA's Chief Medical Director, to operate his or her motor vehicle safely.

This portion of the measure I am introducing today is based on resolution No. 515, "Liberalization of Automotive Adaptive Equipment for Certain Veterans," adopted by the Disabled American Veterans at their annual convention last summer. In this regard, I want to express my appreciation for the DAV's help and cooperation in developing this provision.

COST ESTIMATE

Mr. President, according to preliminary cost estimates received from the Congressional Budget Office, the first year—fiscal year 1982—cost of my proposal would be $1.7 million, $0.8 million for the increase in the automobile assistance allowance and $0.9 million for the extension of eligibility for adaptive equipment. The total 5-year cost is estimated to be $6.8 million.

I ask unanimous consent that the text of the bill along with a document showing the changes it would make in existing law be printed at this point in the RECORD.

There being no objection, the bill and the changes were ordered to be printed in the RECORD, as follows:

S. 416

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Automobile Assistance and Adaptive Equipment Amendments of 1981".

SEC. 2. Section 1902 of title 38, United States Code, is amended—

(1) by striking out "he" each place it appears and inserting in lieu thereof "the Administrator";

(2) in subsection (a), by striking out "$3,800" and inserting in lieu thereof "$5,000"; and

(3) in subsection (b), by—

(A) inserting "(1)" before "The";

(B) striking out "his" and inserting in lieu thereof "such person's"; and

(C) adding at the end the following new paragraph:

"(2) In the case of any veteran (other than an eligible person) who is entitled to compensation under chapter 11 of this title for ankylosis of one or both knees, or one or both hips, the Administrator, under the terms and conditions set forth in section 1903(a), (c), and (d) of this title and under regulations which the Administrator shall prescribe, shall provide such adaptive equipment to overcome the disability resulting from such ankylosis as is (A) necessary to meet the applicable standards of licensure established by the State of such veteran's residency or other proper licensing authority for the operation of such veteran's automobile or other conveyance by such veteran, or (B) determined to be necessary by the Chief Medical Director for the safe operation of such automobile or other conveyance by such veteran.".

SEC. 3. Section 1903(b) of title 38, United States Code, is amended by striking out "he" and inserting in lieu thereof "the Administrator" and striking out "his" both places it appears and inserting in lieu thereof "such person's".

CHANGES IN EXISTING LAW PROPOSED TO BE MADE BY S. 416

Changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—VETERANS' BENEFITS

* * * * *

PART III—READJUSTMENT AND RELATED BENEFITS

* * * * *

CHAPTER 39—AUTOMOBILES AND ADAPTIVE EQUIPMENT FOR CERTAIN DISABLED VETERANS AND MEMBERS OF THE ARMED FORCES

* * * * *

§ 1902. Assistance for providing automobile and adaptive equipment

(a) The Administrator, under regulations which [he] *the Administrator* shall prescribe, shall provide or assist in providing an automobile or other conveyance to each eligible person by paying the total purchase price of the automobile or other conveyance (including all State, local, and other taxes) or [$3,800], *$5,000,* whichever is the lesser, to the seller from whom the eligible person is purchasing under a sales agreement between the seller and the eligible person.

(b)(*1*) The Administrator, under regulations which [he] *the Administrator* shall prescribe, shall provide each eligible person the adaptive equipment deemed necessary to insure that the eligible person will be able to operate the automobile or other conveyance in a manner consistent with [his] *such person's* own safety and the safety of others and so as to satisfy the applicable standards of licensure established by the State of [his] *such person's* residency or other proper licensing authority.

(*2*) *In the case of any veteran (other than an eligible person) who is entitled to compensation under chapter 11 of this title for ankylosis of one or both knees, or one or both hips, the Administrator, under the terms and conditions set forth in section 1903(a), (c), and (d) of this title and under regulations which the Administrator shall prescribe, shall provide such adaptive equipment to overcome the disability resulting from such ankylosis as is (A) necessary to meet the applicable standards of licensure established by the State of such veteran's residency or other proper licensing authority for the operation of such veteran's automobile or other conveyance by such veteran, or (B) determined to be necessary by the Chief Medical Director for the safe operation of such automobile or other conveyance by such veteran.*

(c) In accordance with regulations which [he] *the Administrator* shall prescribe, the Administrator shall (1) repair, replace or reinstall adaptive equipment deemed necessary for the operation of an automobile or other conveyance acquired in accordance with the provisions of this chapter, and (2) provide, repair, replace, or reinstall such adaptive equipment for any automobile or other conveyance which an eligible person may previously or subsequently have acquired.

(d) If an eligible person cannot qualify to operate an automobile or other conveyance, the Administrator shall provide or assist in providing an automobile or other conveyance to such person, as provided in subsection (a) of this section, if the automobile or other conveyance is to be operated for the eligible person by another person.

§ 1903. Limitations on assistance; special training courses

(a) No eligible person shall be entitled to receive more than one automobile or other conveyance under the provisions of this chapter, and no payment shall be made under this chapter for the repair, maintenance, or replacement of an automobile or other conveyance.

(b) Except as provided in subsection (d) of section 1902 of this title, no eligible person shall be provided an automobile or other conveyance under this chapter until it is established to the satisfaction of the Administrator, in accordance with regulations [he] *the Administrator* shall prescribe, that the eligible person will be able to operate the automobile or other conveyance in a manner consistent with [his] *such person's* own safety and the safety of others and will satisfy the applicable standards of licensure to operate the automobile or other conveyance established by the State of [his] *such person's* residency or other proper licensing authority.

(c) An eligible person shall not be entitled to adaptive equipment under this chapter for more than one automobile or other conveyance at any one time.

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, Mr. DECONCINI, and Mr. HART):

S. 417. A bill to amend title 38, United States Code, to provide a new educational assistance program for persons who enter the Armed Forces after June 30, 1981, to modify the December 31, 1989, termination date for the Vietnam-era GI bill, and for other purposes; to the Committee on Veterans' Affairs.

ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE ACT

Mr. CRANSTON. Mr. President, I am introducing today S. 417, the proposed All-Volunteer Force Educational Assistance Act. Joining with me in introducing this legislation are the distinguished Senators from Hawaii (Mr. MATSUNAGA), Arizona (Mr. DECONCINI), and Colorado (Mr. HART).

The measure is drawn from the provisions of S. 3263, which I introduced in the 96th Congress on December 12, 1980. It would amend title 38, United States Code, to add a new chapter 30, All-Volunteer Force educational assistance, which would establish a new program of educational incentives designed to increase recruitment of qualified men and women into this Nation's Armed Forces and to assist in the retention of skilled and experienced personnel in the military.

When I introduced this legislation last year, I indicated my intent to solicit the comments and suggestions of interested experts and organizations, including Defense Department officials, educators, recognized experts, and veterans and military associations.

As a result of the responses I received, and in an attempt to refine the measure further, a number of important modifications have been made in the measure I am introducing today. I will address these changes in detail later in my statement.

Mr. President, as I noted in introducing S. 3263 last year, I remain deeply committed to, and strongly supportive of, the All-Volunteer Military Force. But there is widespread recognition that the benefits and compensation offered by the military must be improved in order to continue the effectiveness of the force.

The dismal experience of the armed services in recruiting and retaining qualified military personnel in fiscal year 1979 has been well documented. In that year, the Army achieved a land force level of only 453,000 persons—27,300 short of its authorized strength. The Navy had such acute personnel shortages that it opposed the Congress attempts to reactivate two naval ships. The Air Force experienced a shortage of more than 1,300 pilots.

Although all four military services met their numerical recruiting goals in fiscal year 1980, there was for the first time since 1976 an overall drop in the education level of new recruits evidenced by the drop in high-school-graduate recruits from 73 to 68 percent. As noted by Gen. David C. Jones, Chairman of the Joint Chiefs of Staff, in a report entitled "United States Military Posture for FY 1982," this decline "could have an adverse effect on overall force readiness, especially as the military continues to become increasingly dependent on high-technology equipment." Maintaining an appropriate level of high school graduates is also vital in terms of reducing first-term attrition from the active service since, as noted in the January 1981 report entitled "Resources for Defense" prepared by the Congressional Budget Office—

[R]ecruits with high school diplomas not only may be more capable in some ways, but also are more likely than nongraduates to complete their first term of enlistment.

The military posture report goes on to indicate that—

[T]here is also concern that the current numerical recruiting successes are transitory, since it is evident that recessionary pressures and attendant high unemployment rates contributed to reaching numerical objectives in 1980.

Further exacerbating the recruitment situation is the fact that over the next 5 years, the youth population is expected to decline significantly. According to CBO projections, the number of potential eligibles from which the military must recruit will decline by about 13 percent by 1986.

Moreover, retention of quality personnel is cited in the military posture report as "an even more serious problem" than recruiting. Although it is likely that the general trend toward skilled military personnel leaving the service may be slowed or reversed by recent pay increases, the situation remains particularly acute with respect to pilots, health professionals, and those individuals with highly specialized, technical skills.

As Secretary of the Air Force-designate Verne Orr pointed out in his testimony before the Senate Armed Services Committee on January 28, the reason that retention of pilots has improved recently is that the civilian airlines have stopped hiring temporarily. However, we cannot count on a bad economy, which has caused the recent downturn in pilot hiring, to support a good retention rate

of pilots and military personnel with other critical skills, such as nuclear-qualified naval personnel and engineers in all the services.

Congress has already taken aggressive action to make the All-Volunteer Force attractive to potential recruits and to its current members. Major pay increases were enacted last year by Congress—both across-the-board increases and special-pay increases for those with skills in acute short supply. The military compensation system, however, has always been made up of both pay and benefits, and I believe that educational benefits have a special, very significant role to play in increasing the numbers and quality of the people we attract to and retain in the armed services. Thus, I believe that educational incentives, if properly designed, can play a major role in helping to insure the success of the All-Volunteer Force.

BACKGROUND

On June 22, 1944, Public Law No. 346, 78th Congress, the Servicemen's Readjustment Act of 1944, was signed by President Franklin D. Roosevelt. This legislation, which came to be known as the GI bill, created a major educational and vocational assistance program for those who had served the Nation during World War II. Since 1944, the original GI bill and successor programs—the Korean-conflict and the post-Korean conflict, or Vietnam-era, GI bills—have provided education and training for more than 17.7 million veterans of World War II, the Korean conflict, the post-Korean period, and the Vietnam era. My own work with the current Vietnam era GI bill began in 1969 when I started my Senate service as chairman of the then Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare.

The first GI bill legislation that I authored was the Veterans' Education and Training Amendments Act of 1970, Public Law 91-219. Since then we have revised the current Vietnam-era GI bill program—which is codified in chapter 34 of title 38, United States Code—five times with laws in 1972, 1974, 1976, 1977, and 1980.

In 1976, Public Law 94-502 established, as a successor to the current GI bill, the chapter 32, post-Vietnam era veterans' educational assistance program—popularly known as VEAP. It was designed, in part, to achieve a reasonable balance between those who sought complete termination of GI bill benefits for persons entering the service after the end of the Vietnam era and those who supported continuation of the Vietnam-era GI bill without alteration. In some respects, VEAP might be viewed as a "5-year experiment" in developing an appropriate successor to the current Vietnam-era GI bill.

The chapter 32 program provides an educational assistance opportunity to those who entered the Armed Forces after December 31, 1976, and are thus not eligible for the current chapter 34 GI bill. The program, a contributory-matching one, was established to assist young men and women in obtaining an education they might not otherwise be able to afford and to promote and assist the All-Volunteer Force by attracting qualified men and women to serve in the Armed Forces.

Under VEAP, service members who are eligible for benefits may elect to contribute from $25 to $100 per month—modified from $50 and $75, respectively, by Public Law 96-466 last year—toward their VEAP accounts. After completion of the service member's initial tour of duty or 6 years of service, whichever is the lesser, the VA matches the service member's contribution on a 2-for-1 basis if the individual enrolls in an approved educational program. Under the law, the maximum contribution by a service member is $2,700 which, when matched with $5,400 of VA funds, provides a total of $8,100 for veteran's educational expenses which may be used in monthly payments of up to $225 for up to 36 months. In addition, the Department of Defense may make additional contributions to the service member's VEAP account, and the Department is currently testing a variety of additional VEAP incentives—or "kickers"—in order to assess their value as recruitment and retention devices.

The VEAP authority is scheduled to expire on December 31, 1981, unless the President makes a recommendation to the Congress that the program should be continued, neither the House nor the Senate adopts a resolution of disapproval of the President's recommendation, and the Department of Defense assumes budgetary responsibility for payment of the matching funds.

NEED FOR A NEW PROGRAM

However, Mr. President, evaluations of VEAP's success as a recruitment and retention device have been less than encouraging.

The Department of Defense in its June 1980 "Third Annual Report to the Congress on the Post-Vietnam Era Veterans' Educational Assistance Program," concluded that VEAP played only "a moderately important role in the enlistment decisions of some participants. * * *" The report suggested that there is a "need for a careful reassessment of the program's overall 'attractiveness' as an enlistment incentive." The VA, in its portion of the third annual report on VEAP, submitted on May 2, 1980, concluded that "early indicators lead to a less than optimistic view as to the programs viability."

Mr. President, these nonendorsements of VEAP were enlarged upon and reiterated by others at the June 19, 1980, hearing of the Committee on Veterans' Affairs which I called to focus on the role of educational incentives in the All-Volunteer Force. During the course of that hearing, the committee received much testimony citing the failure of VEAP as a recruitment tool and supporting the concept of a new program of educational incentives for the All-Volunteer Force—including testimony from the distinguished Senators from Colorado (Mr. ARMSTRONG), Maine (Mr. COHEN), and Virginia (Mr. WARNER), who have also introduced proposals addressing this issue. In addition, a most valued member of our committee and of the Armed Services Committee, the Senator from South Carolina (Mr. THURMOND), has introduced such legislation.

Dr. Charles Moskos, a well-known and widely-respected military sociologist, pointed in his testimony on the failure of all four services to meet recruitment goals, the severity of manpower shortages in the ground combat arms, and the low educational levels of new recruits. He stated:

> The major barriers to more effective recruitment have been the elimination of the GI bill in 1976 and concurrent expansion of Federal assistance to college students.

He concluded that:

> [T]o meet military manpower needs in the all-volunteer context and to pursue equity, there must be an immediate restoration of post-service educational benefits for active-duty military members * * *.

Moreover, it is clear that offering an attractive program of educational incentives is a more effective approach to enhancing the recruitment and retention of well-qualified personnel than military pay increases alone. As Dr. Moskos testified:

> Large raises in military pay for lower enlisted personnel were the principal rationale to induce persons to join the all-volunteer force. This has turned out to be a double-edged sword, however. Youth survey show that cash motivates less qualified youth (for example, high school dropouts) to join the armed services while having a negligible effect on college bound youth. Disproportionate emphasis on recruit pay, moreover, diverts compensation away from the career and technical force, precisely the areas where retention difficulties are most severe.

A June 1973 report to the Senate Committee on Armed Services prepared by the Brookings Institution, entitled the "All-Volunteer Armed Forces, Progress, Problems, and Prospects," stated that:

> Data suggests that for a large number of potential enlistees, a paid school option might well have greater appeal than high pay. Moreover, recruits attracted by educational incentives would enhance the overall quality of the All-Volunteer Force.

Mr. President, the role a program of educational incentives can play is also evidenced by the results of a survey of Army recruits conducted by the Army in 1975 prior to the time that eligibility for the current GI bill was terminated. The survey found that one of every four recruits definitely would not have enlisted without the GI bill. Another 36 percent of those surveyed were not certain whether they would have enlisted without the GI bill.

The concept of a program of educational incentives as a recruitment and retention device to strengthen our Nation's defense was supported at our hearing by the Fleet Reserve Association, the Air Force Sergeants Association, the Noncommissioned Officers Association, the National Association for Uniformed Services, the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and the American Veterans Committee. In addition, this sentiment was shared by those responding to my request for comment, including the following top Defense Department officials: Gen. David C. Jones, Chairman of the Joint Chiefs of Staff, Gen. E. C. Meyer, Chief of Staff of the Army, Gen. Lew Allen, Jr., Chief of Staff of the Air Force, Gen. R. H. Barrow, Commandant of the Marine Corps, and William D. Clark, Deputy Assistant Secretary of the Army for Manpower and Reserve Affairs

A TWO-TIER CONCEPT

Mr. President, my proposal would establish a two-tier approach. The first tier, the basic educational assistance program, would be available to all those entering the service—or reenlisting in the service—on or after July 1, 1981. Eligibility would be established by completion of 36 months of service after the date of such enlistment or reenlistment followed by discharge or release under conditions other than dishonorable or by completion of 24 months of service and entry into a commitment to serve 4 years in the Ready Reserve. The benefits in this first tier would be $9,000 in educational assistance, which would be paid at the rate of $250 a month for a maximum of 36-months' enrollment in a full-time program of approved education of training and paid at a proportionately reduced rate for less-than-full-time training.

The provision of the 2-year active duty and 4-year Ready Reserve option for establishing eligibility is the first of the modifications that was made in this measure. This option was developed in response to many of the comments I received—including all of the Defense Department officials whom I have just mentioned and Dr. Moskos—that a shorter enlistment period coupled with a Ready Reserve commitment would help meet some major, current specific military personnel needs. In this regard, we specifically took note of two comments of Deputy Assistant Secretary Clark in his letter in which he suggested a "24 month enlistment option with benefits earned at the same monthly rate" and "reduced-rate benefits for service in the Reserve Components." Further, Dr. Moskos, in his letter to me of January 5, stressed that "GI bill eligibility must be linked to reserve obligations."

With respect to the commitment to serve in the Ready Reserve, the measure would provide for the suspension of educational benefits when an eligible veteran is not satisfactorily carrying out this commitment. Benefits would be reinstated upon certification that the individual has again begun satisfactorily performing his or her Ready Reserve commitment.

In addition to the basic program, this legislation would provide a higher, second tier of supplemental educational assistance. Eligibility for this supplemental assistance would be limited to those who have completed the requisite service for the basic program, who have a high-school diploma or equivalency certificate prior to completion of the 3-year minimum service requirement, who have an honorable discharge, and who serve either a minimum of 6 years active duty or a minimum of 4 years on active duty and 4 years in the Ready Reserve. This Ready Reserve option would be subject to the same suspension and reinstatement provisions that I described in connection with the first-tier benefits.

Individuals meeting the eligibility criteria for the second tier would earn supplemental educational assistance at the rate of $375 a month for each month of continuous active-duty service beyond the 3 years required for the basic benefits.

For example, those who serve a total of 6 continuous years of active duty would earn the maximum supplemental educational assistance of $13,500, for a maximum total level of assistance of $22,500—$9,000 under the basic program and $13,500 under the supplemental. Those who serve at least a fourth year on active duty and make a commitment to serve 4 years in the Ready Reserve would earn $375 for each month of active-duty service in excess of the 36-month service requirement for basic assistance. For example, an individual who serves 5 full years on active duty and enters into a 4-year Ready Reserve commitment would earn $9,000 under the supplemental program—$375 for each of the 24 months of active duty after the first 36 months—in addition to the $9,000 under the basic program.

These supplemental benefits would generally be paid in the same way as the basic benefit—that is, at $250 a month for full-time pursuit—but could be paid, at the individual's choice, at a rate of up to $500 for enrollment in a full-time program of education and be combined with the basic benefit for a total maximum monthly assistance level of $750. At the $500 monthly rate, the maximum number of months for use of supplemental benefits would be 27 months, but the basic benefits would continue for a full 36 months.

Some of those commenting on our proposal have cited a need for a higher rate of benefits for those faced with greater educational and related expenses—such as high tuition and support of dependents. The provision in the bill entitling a veteran eligible for subchapter III assistance to use benefits at the rate of up to $750 per month is designed to recognize and be responsive to the needs of these individuals.

The requirement that an individual receive an honorable discharge in order to achieve eligibility for second-tier benefits is the second modification that has been made in this measure. This change has been made in response to the assertion of many commentors that this criterion for eligibility will serve to encourage more fully satisfactory service. In this regard, I note that virtually all the comments I received from officials in the Department of Defense stressed the desirability of inclusion of an honorable-discharge requirement. Specifically, General Barrow of the Marine Corps stated that—

> Requiring honorable service as a prerequisite to educational assistance would complement many other programs and efforts designed to encourage individual responsibility.

My proposal would require that, when an individual begins a period of active-duty service that would establish eligibility for the second tier of benefits—that is, service beyond the 3 years of active duty that earns entitlement to basic educational assistance—he or she be advised of the honorable discharge requirement. I have included this provision so as to insure that no servicemember be in a position of potentially losing his or her eligibility as a result of being unaware of the requirement for an honorable discharge.

In incorporating an honorable-discharge requirement in the supplemental assistance program only—and thus continuing to provide for eligibility for the basic assistance program on the traditional basis of a discharge under other than dishonorable conditions—I am keeping in mind the oft-noted lack of uniformity among and within the Services in the awarding of three types of administrative discharges—honorable discharge; general discharges, which are characterized as discharges under honorable conditions; and discharges under other than honorable conditions.

Many of the difficulties in this area including inadequate procedural safeguards, were most recently reported and analyzed in the January 15, 1980, General Accounting Office report (FPCD-80-13), entitled "Military Discharge Policies and Practices Result in Wide Disparities: Congressional Review Is Needed." In light of the reported disparities and due process shortcomings in the awarding of honorable discharges and in light of the comparative youthfulness and inexperience of those who would satisfy the 2- or 3-year active service requirement for the first-tier, basic benefits, I do not believe that it would be fair to condition entitlement to basic educational assistance on the receipt of an honorable discharge.

In the case of second-tier, supplemental benefits, it seems more appropriate to require an honorable discharge. The individuals involved would already have acquired eligibility for the basic benefits, would have more exposure to and experience in dealing successfully with military standards of performance and conduct, and could be expected both to have a full awareness of and ability to meet the requirements of an honorable discharge. Nevertheless, I remain concerned that, despite the very adverse financial consequences in the event the individual is awarded a nonqualifying discharge, not all such individuals would, under current service procedures as described in the GAO report, have the opportunity for a predischarge hearing on the issue of the nature of the discharge that they are being awarded.

Thus, I believe that the character-of-discharge requirements for any All-Volunteer Force educational assistance program and the procedural protections available to the servicemembers involved require intensive consideration during any hearings and deliberations on such a program, and I plan to give these matters very careful consideration.

AUGMENTATION AND TRANSFERABILITY

Mr. President, there are two additional areas in which I have made modifications that are important to stress.

First, our proposal would provide discretion under certain circumstances, in both tiers of the program, for benefit levels to be augmented by the individual service branches for the purpose of helping to overcome difficulties in the recruitment or retention of specific categories of personnel. Consistent with guidelines developed by and with the specific approval of the Secretary of Defense, as to a specific category, the services could target the provision of augmented benefits on certain areas where critical shortages of personnel are being experienced—such as in the combat arms area in the Army. The amount of the augmentation would be limited to the amount specifically appropriated by the Congress to the Secretary of Defense for this purpose.

This provision is based on the recommendations made by General Meyer and Deputy Assistant Secretary Clark in their letters to me. In this regard, Deputy Assistant Secretary Clark noted:

> Supplementing [the entitlement] selectively will enable us to better address critical recruiting and retention problems. The Army must have the supplementation authority to gain the necessary flexibility for the enlistment of personnel into difficult-to-fill skill positions.

The augmentation provision is designed to take into account the views of those I discussed previously who have suggested that higher rates of benefits would be appropriate in the cases of individuals facing higher education-related expenses.

Second, with respect to the ability of a servicemember to transfer his or her unused benefits to a spouse or child, the legislation contains several modifications from S. 3253.

Instead of being made available on an across-the-board basis to all those who serve 12 or more continuous years of active duty after January 30, 1981, transferability would be made available only on a discretionary basis—as in the case of benefit augmentation—in order to help overcome recruitment and retention problems as to specific categories of personnel. Thus, the services would be provided with another tool to use, in accordance with guidelines developed by the Secretary of Defense, in targeting resources on specific areas where problems may exist—particularly where retention of skilled military personnel is vital.

This measure also reduces from 12 years to 10 years the length of the minimum continuous period of active duty that the individual must serve in order possibly to earn the right to transfer these benefits to his or her dependents. In this regard, I note that the proposal developed by the Army suggests that the critical point for the decision to make service in the Armed Forces a career is the completion of 10 years of service. In accordance with the Secretary of Defense's guidelines, however, the length of service required for eligibility for transfer to dependents could be adjusted upward and could include service prior to July 1, 1981.

Finally, this measure provides that, when entitlement has been transferred to a dependent, all payments to the dependent be made from funds appropriated to the Department of Defense. This would insure that the direct cost of dependents' benefits not be reflected in the VA budget and is responsive to concerns voiced by certain veterans' organizations about the extent of the VA's financial responsibilities under this new program.

I want to emphasize, with respect to both the provision permitting augmentation and the provision relating to transfers to dependents, that our proposal would give the Secretary of Defense overall responsibility for development of appropriate guidelines for the implementation of the augmentation and transfer provisions by the Service branches.

In addition, with respect to augmentation, the approval of the Secretary of Defense would specifically be required before any branch could increase the level of benefits, and the augmentation authority would be subject to the availability of appropriations made specifically for this purpose to the Department of Defense—not those made to various services. It is my intention in these provisions, to provide the Secretary of Defense, not just with the authority needed to provide for flexible recruitment and retention tools, but with the means to forestall the occurrence of costly, wasteful "recruiting wars" between the various branches of the Armed Forces and to assure that the criteria that are developed for any augmentation and transfer take into account the real needs of the specific service branch.

CONTRACTUAL NATURE OF PROGRAM

Mr. President, I want to stress that our proposal is for an essentially contractual program—a very different concept from the World War II, Korean conflict, and current, Vietnam-era GI bills. Under this proposal, the basic benefits are payable only to those who satisfactorily complete the necessary service requirement. Those who leave the service without completing the minimum service requirement would receive no educational benefits at all—regardless of the reason for leaving, even if the reason is medical disability.

In this connection, however, I point out that those who are given medical early discharges—or who otherwise are given early discharges and develop ratable service-connected disabilities—and who need training or education to overcome the handicap of their service-connected disability would be entitled to educational and vocational assistance through the VA's rehabilitation program under chapter 31 of title 38, a program just revised, improved, and expanded in Public Law 96-466.

DELIMITING PERIOD AND ADMINISTRATIVE PROVISIONS

With respect to both tiers of the program, individuals would generally have 10 years following discharge or release from active duty in which to use their benefits—generally the same period as under the current chapter 34 GI bill. In-service use of benefits would be permitted following completion of the applicable minimum-service requirement.

The VA would be charged with the responsibility of administering the program, and the administration would be similar to the administration of benefits under the current GI bill.

With respect to funding of the program, the VA would be responsible for the cost of basic assistance benefits paid to the servicemember or veteran and the Department of Defense would be responsible for the cost of the supplemental assistance benefits paid to the servicemember or veteran and, as I have just noted, any benefits transferred and paid to dependents.

Every 2 years, the Secretary of Defense and the Administrator of Veterans' Affairs would be required to report to the Congress on the extent to which benefit levels are adequate to achieve the twin purposes of promoting recruitment and retention and defraying educational expenses, on the continuing necessity for the program, and on its administration.

The proposal would repeal the provisions in current law that could provide—through Presidential initiative without congressional disapproval—for the continuation of eligibility for the VEAP program for new recruits beyond December 31, 1981, but those who are participants in that program could continue their participation in it and would not be adversely affected in the event of such repeal. Individuals now on active duty and participating in VEAP who reenlist in order to establish eligibility for the new chapter 30 program would be automatically disenrolled from VEAP participation and be refunded all contributions they had made to their VEAP accounts.

PROMOTION OF RECRUITMENT AND RETENTION

Mr. President, the goals of promoting recruitment and retention in the military will be served by this legislation in a variety of ways. First, the benefits will encourage many individuals to enlist in the military for the first time. Recruiters will welcome this powerful tool to encourage people to enlist in order to finance their educations through military service.

Second, this educational program is designed to encourage entrants into military service to complete their initial terms of service. The costs to the military are very high when military personnel—especially first-term personnel—fail to complete enlistments. Military dropouts, like school dropouts, are expensive to society. The armed services must make a large outlay of funds to train and pay a new recruit but realize little return on that investment when the enlistee fails to complete his or her term of service. This bill would deal with the problem in two ways. Most important, no benefits would accrue to a person who fails to complete the 3-year minimum service requirement, or, in the case of the Ready Reserve option, fails to complete 2 years of active duty and to enter into a 4-year reserve commitment.

Also, it would encourage the enlistment of high school graduates—since a high school graduate will be eligible for both the basic as well as the supplemental educational assistance benefits—and, as I noted previously, experience has

shown that high school graduates are far more likely to complete their terms of service than are non-high-school graduates.

Third, this educational assistance program would provide incentives for active-duty personnel to remain in the military. Current active-duty personnel will have a very substantial incentive to reenlist in order to begin to earn the benefits which would be made available under the new program. Additionally, the program is designed to become increasingly attractive beyond the initial 3-year term of service during which the basic benefits are earned and would therefore encourage individuals to remain in the service for longer periods.

In particular, the program would encourage service personnel to serve for up to 6 years in order to earn maximum entitlement to the higher, supplemental educational assistance benefits. It would also provide an incentive for those serving in certain categories where particular recruitment or retention problems have been found to serve until the critical midcareer stage so as to earn educational benefits that may be transferred to their children and spouses by remaining in the service for 10 or more years.

Studies have shown that if military pay and benefits can encourage military personnel to stay 10 to 12 years, they are much more likely to serve until retirement age in order to earn full pension benefits. In recent years, the toughest retention challenge has been to keep people in as long as 10 to 12 years.

Fourth, as I have noted, by permitting the service branches, under the supervision of the Secretary of Defense, selectively to augment benefit levels and to permit transfer of benefits to dependents, the proposal provides flexibility and ample latitude to permit the Armed Forces to target on specific personnel and skills needs while seeking to avoid costly and inequitable competition among the services.

MODIFICATION OF THE 1989 TERMINATION DATE

Mr. President, another new provision in this measure would modify the 1989 termination date for the current GI bill. This provision is identical to that which passed the Senate on September 4, 1980, in section 506 of S. 1188, the proposed "Disabled Veterans' Rehabilitation Act of 1980," but to which the House would not agree. On September 26, 1980, when the Senate approved the compromise GI bill legislation—later enacted as Public Law 96-466, the Veterans' Rehabilitation and Education Amendments of 1980—I stated my intention to pursue vigorously enactment of that provision this year.

Under the current Vietnam-era GI bill, no chapter 34 educational assistance benefits may be paid after December 31, 1989. This termination date, which was added to chapter 34 in 1976 by Public Law 94-502, was designed generally to permit those who entered the service prior to December 31, 1976—the general termination date for entry into the service for current GI bill benefits eligibility—to complete their initial enlistments and then have a 10-year period in which to use their GI bill benefits.

I have been concerned by reports from persons now on active duty with eligibility for the GI bill suggesting that they will leave the service in order to utilize their GI bill benefits prior to the 1989 expiration date. Testimony by the Department of the Army at the Veterans' Affairs Committee hearing I chaired last June 19 tended to confirm these reports as more than a scattered phenomenon.

Additionally, General Barrow, Commandant of the Marine Corps, in his letter to me, stated that a porvision along these lines "would provide a necessary incentive [to remain in the service] for the group of service members eligible for educational assistance" under the current GI bill.

Our bill would address this problem by modifying the 1989 termination date to provide that a veteran who is discharged after December 31, 1979, would be entitled to educational assistance until either the end of the 5-year period beginning on the date following his or her initiation of a program of education under the GI bill after discharge if such initiation occurs within 2 years after discharge or release from active duty, or December 31, 1989, whichever is later.

The following are examples of how this provision would apply in certain cases:

First, a veteran discharged on January 1, 1982, would have until December 31, 1989, to utilize his GI bill benefits. This represents no change from current law.

Second, a veteran discharged on January 1, 1985, if she begins her first post-service program of education by December 31, 1986, would have 5 years from the date on which she begins that program of education to use GI bill benefits. Thus, if she begins a program of education on September 1, 1986, GI bill benefits would be available through August 31, 1991. If she did not begin a program of education on or before December 31, 1986, the December 31, 1989, cut-off date would apply.

Third, a veteran discharged on December 31, 1990, would have until December 31, 1992, to begin a program of educational assistance. If he began his first post-service program of education on September 1, 1992, he would have until August 31, 1997, to utilize his or her benefits. If he did not begin a program of education prior to December 31, 1992—that is, within 2 years after discharge—entitlement to educational benefits would be lost.

Our intention in including this modification of the current chapter 34 termination date is to remove any incentive for experienced and well-qualified military personnel to refuse to reenlist—or otherwise to leave the service well before December 31, 1989—in order to use their GI bill benefits before that date. For every service member who is retained in the service, the need for new recruits and the accompanying costs of training are reduced, the cost of maintaining our Nation's Armed Forces declines, and the defense of our Nation is strengthened.

I believe these factors substantially outweigh the administrative considerations behind fixing and continuing a date certain for terminating the current GI bill. I should point out that the necessity for this modification would be substantially reduced if a program along the lines of the new chapter 30 program we are proposing is enacted.

COST ESTIMATE

Mr. President, based on the most recent preliminary estimate from the Congressional Budget Office, the cost of our proposal would be $46.4 million in fiscal year 1985, the first full year in which basic benefits would be paid. Subsequently, the cost would increase to approximately $885.1 million by fiscal year 1995. It should be stressed, however, that this estimate assumes that there would be no augmentation of benefit levels by the Department of Defense and that all entitlement not used by the veteran or service member concerned would be transferred to dependents. At this time, I am advised by CBO that development of a cost-estimate taking into account these two provisions will require additional study and consultation with Defense Department officials. When such a cost estimate is available, I will make it known to my colleagues and to the public.

CONCLUSION

Mr. President, as I have noted, my proposal is designed to contribute to the recruitment and retention of well-qualified personnel in the All-Volunteer Force, and I believe it is fashioned in such a way as to do so in an equitable, efficient, and cost-effective manner. I intend to seek enactment of legislation along the lines of this proposal this year.

This legislation is a principal focus of mine as ranking minority member of the Veterans' Affairs Committee. The chairman of the Veterans' Affairs Committee, the Senator from Wyoming (Mr. SIMPSON), has assured me that he shares my interest in this issue and the consideration of legislation in this area will be one of the first orders of business for the committee this year.

Mr. President, I ask unanimous consent that the text of the bill, a document showing the changes that the bill would make in current law, and copies of the letters I have received in response to my request for comments be printed in the RECORD at this point.

There being no objection, the bill, changes, and letters were ordered to be printed in the RECORD, as follows:

S. 417

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "All-Volunteer Force Educational Assistance Act".

SEC. 2. (a) Title 38, United States Code, is amended by inserting before chapter 31 the following new chapter:

"CHAPTER 30—ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE

"Subchapter I—Purposes; Definitions

"Sec.
"1401. Purposes.
"1402. Definitions.

"Subchapter II—Basic Educational Assistance

"1411. Entitlement to basic educational assistance.
"1412. Payment of basic educational assistance.

"Subchapter III—Supplemental Educational Assistance

"1421. Entitlement to supplemental educational assistance.
"1422. Payment of supplemental educational assistance.

"Subchapter IV—Transfer of Entitlement; Periods for Use of Entitlement; General and Administrative Provisions

"1431. Transfer of entitlement to dependents.
"1432. Expiration of period during which entitlement may be used.
"1433. Suspension of educational assistance.
"1434. Exclusion of certain service for purpose of earning entitlement.
"1435. Extension to permit completion of term.
"1436. Program requirements.
"1437. Appropriations.
"1438. Additional amounts of assistance.
"1439. Reporting requirements.

"Subchapter I—Purposes; Definitions

"§ 1401. Purposes

"The purposes of this chapter are (1) to promote and assist the All-Volunteer Force program of the United States by establishing an improved program of educational assistance for those men and women who enter active duty in the Armed Forces after June 30, 1981, to help in the recruitment and retention of well-qualified men and women, and (2) to provide those men and women with assistance in obtaining an education that they might not otherwise be able to afford.

"§ 1402. Definitions

"For the purposes of this chapter:

"(1) The term 'basic educational assistance' means educational assistance provided under subchapter II of this chapter.

"(2) The term 'dependent' means—

"(A) a child of an eligible veterans; and

"(B) the spouse of an eligible veteran.

"(3) The term 'educational institution' has the same meaning provided in section 1652(c) of this title.

"(4) The term 'eligible veteran' means any person who—

"(A) entered a period of active duty in the Armed Forces after June 30, 1981,

"(B) after entering such period of active duty (i) served on active duty for a period of three or more consecutive years, or (ii) served on active duty for a period of two or more consecutive years and has agreed in writing to serve and has been accepted for service in the Ready Reserve of a component of the Armed Forces for a period of four or more years, and

"(C) (i) was discharged or released from such period of active duty under conditions other than dishonorable, or (ii) has served three or more consecutive years of an obligated period of active duty which began after June 30, 1981, and has not been discharged or released from such period of active duty.

"(5) The term 'program of education' has the same meaning provided in section 1652 (b) of this title.

"(6) The term 'supplemental educational assistance' means educational assistance provided under subchapter III of this chapter.

"SUBCHAPTER II—BASIC EDUCATIONAL ASSISTANCE

"§ 1411. Entitlement to basic educational assistance

"An eligible veteran shall be entitled to basic educational assistance, in the maximum amount of $9,000, payable in accordance with the provisions of this chapter.

"§ 1412. Payment of basic educational assistance

"(a) The Administrator shall pay to each eligible veteran who is pursuing an approved program of education under this chapter basic educational assistance pursuant to this section to help meet, in part, the expenses of such veteran's subsistence, tuition, fees, supplies, books, equipment, and other educational costs.

"(b) The Administrator shall pay to an eligible veteran basic educational assistance (1) at the monthly rate of $250 if such veteran is pursuing an approved program of education under this chapter on a full-time basis, or (2) at an appropriately reduced rate, as determined under regulations which the Administrator shall prescribe, if such veteran is pursuing an approved program of education under this chapter on less than a full-time basis.

"Subchapter III—Supplemental Educational Assistance

"§ 1421. Entitlement to supplemental educational assistance

"(a) Except as provided in subsection (b) of this section, an eligible veteran who has received a secondary school diploma (or equivalency certificate) and who—

"(1) (A) has served after June 30, 1981, six or more consecutive years of active duty in the Armed Forces, and (B) (i) was honorably discharged or released therefrom, or (ii) has served six or more consecutive years of active duty in the Armed Forces and has not been discharged or released from such veteran's current period of active duty; or

"(2) (A) has served four or more consecutive years of active duty after such date but less than six, (B) has been honorably discharged or released therefrom, and (C) has agreed in writing to serve and has been accepted for service in the Ready Reserve of a component of the Armed Forces for a period of four years or more after such discharge or release,

shall be entitled to supplemental educational assistance in the amount of $375 for each consecutive month in excess of thirty-six consecutive months that such veteran served on active duty after June 30, 1981, up to a maximum total amount of $13,500, payable in accordance with the provisions of this chapter.

"(b) No part of any period of active duty that occurs prior to the period of active duty by which the veteran concerned qualifies as an eligible veteran under section 1402(4) of this title shall be counted for purposes of subsection (a) of this section.

"(c) On or before the first date on which a person who has entitlement to basic educational assistance enters a period of active duty that could serve, in whole or in part, to entitle such veteran to supplemental educational assistance, the Secretary concerned shall advise such person in writing of the requirement, in subsection (a) of this section, of being honorably discharged or released in order to be eligible for supplemental educational assistance.

"§ 1422. Payment of supplemental educational assistance

"(a) The Administrator shall pay to each eligible veteran who is pursuing an approved program of education under this chapter supplemental educational assistance pursuant to this section to help meet, in part, the expenses of such veteran's subsistence, tuition, fees, supplies, books, equipment, and other educational costs.

"(b) (1) Except as provided in paragraph (2) of this subsection, the Administrator shall pay to an eligible veteran supplemental educational assistance (A) at the monthly rate of $250 if such veteran is pursuing an approved program of education under this chapter on a full-time basis, or (B) at an appropriately reduced rate, as determined under regulations which the Administrator shall prescribe, if such veteran is pursuing an approved program of education under this chapter on less than a full-time basis.

"(2) An eligible veteran who is pursuing an approved program of education under this chapter on a full-time basis shall be paid supplemental educational assistance at such monthly rate between $250 and $500 as such veteran may elect in accordance with regulations which the Administrator shall prescribe. In such regulations, the Administrator, with the concurrence of the Secretary of Defense, may establish increments of assistance which the veteran may elect to be paid supplemental educational assistance as the Administrator considers necessary for efficient administration.

"(3) Supplemental educational assistance shall be paid to an eligible veteran concurrent with the payment of basic educational assistance to such veteran if such veteran so elects.

"Subchapter IV—Transfer of Entitlement; General and Administrative Provisions

"§ 1431. Transfer of entitlement to dependents

"(a) (1) Notwithstanding any other provision of law, if the Secretary concerned, in accordance with regulations which the Secretary of Defense shall prescribe to implement this section, determines it to be necessary in order to obtain or retain the services of sufficient numbers of qualified active-duty personnel in specific categories of such personnel, such Secretary concerned may authorize an eligible veteran who has served ten or more consecutive years of active duty, including such service as the Secretary concerned has specified in one or more such categories, to transfer to one or more of such veterans' dependents all or any part of such veteran's entitlement to basic and supplemental educational assistance. Entitlements transferred under this section shall be increased in accordance with amendments to this chapter.

"(2) A transfer of entitlement under this section may be made, changed, or canceled by an eligible veteran at any time before the expiration of the period within which such veteran may use such veteran's entitlement under this chapter.

"(3) In regulations relating to transfers of entitlement under this section, the Administrator, with the concurrence of the Secretary of Defense, may place such limits upon the making, changing, and cancellation of transfers as the Administrator considers necessary for efficient administration.

"(b) A dependent to whom entitlement is transferred under this section is entitled to educational assistance under this chapter in the same manner as the veteran from whom the entitlement was transferred would be entitled.

"(c) If a veteran has transferred entitlement under this section to one or more dependents, the basic educational assistance and supplemental educational assistance payable under this chapter shall be divided (1) in such manner as such veteran shall specify, or (2) if such veteran is deceased or is otherwise unable or unwilling to specify the manner in which such assistance shall be divided, on a pro rata basis except as otherwise determined under regulations which the Administrator shall prescribe.

"(d) Notwithstanding any other provision of this chapter, no assistance shall be paid under this chapter to a person divorced from the veteran on whose service such person's entitlement is based.

"§ 1432. Expiration of periods during which entitlement may be used

"(a) Except as provided in subsections (c) through (e) of this section, the period during which an eligible veteran may use such veteran's entitlement to educational assistance under this chapter expires at the end of the ten-year period beginning on the date of such veteran's last discharge or release from active duty.

"(b) Except as provided in subsection (e) of this section, the period during which a

dependent with entitlement transferred pursuant to section 1432 of this title may use such entitlement expires at the end of the ten-year period beginning on whichever is the later of—

"(1) in the case of a spouse of a veteran (A) the date that such veteran has completed ten consecutive years of active duty occurring after June 30, 1981, or (B) the first date on which such veteran would be eligible to use entitlement under this chapter pursuant to subsection (c) of this section if such veteran had not transferred all of such veteran's entitlement under this chapter; or

"(2) in the case of a child of a veteran (A) on the date such child reaches eighteen years of age, or (B) the first date on which such veteran would be eligible to use entitlement under this chapter pursuant to subsection (c) of this section if such veteran had not transferred all of such veteran's entitlement under this chapter.

"(c) In the case of any eligible veteran who has been prevented, as determined by the Administrator, from pursuing a program of education under subchapter II or III of this chapter within the ten-year period prescribed by subsection (a) of this section, because—

"(1) such veteran had not met the nature of discharge requirement of such subchapter before (A) the nature of such discharge or release was changed by appropriate authority, or (B) with respect to educational assistance under subchapter II of this section, the Administrator determined, under regulations prescribed by the Administrator, that such discharge or release was under conditions other than dishonorable, or

"(2) such veteran's discharge or dismissal was, under section 3103 of this title, a bar to benefits under this title before the Administrator determined that such discharge or dismissal is not a bar to such benefits,

such ten-year period shall not run during the period of time that such veteran was so prevented from pursuing such program of education.

"(d) In the case of a veteran eligible for educational assistance under the provisions of this chapter who, subsequent to such veteran's last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, the ten-year period described in subsection (a) of this section shall not run (1) while such veteran is so detained, or (2) during any period immediately following such veteran's release from such detention during which such veteran is hospitalized at a military, civilian, or Veterans' Administration medical facility.

"(e) In the case of any person who is an eligible veteran or a dependent to whom entitlement under this chapter has been transferred pursuant to section 1431 of this title and—

"(1) who was prevented from pursuing such person's chosen program of education prior to the expiration of the ten-year period for use of entitlement under this chapter otherwise applicable under this section because of a physical or mental disability which was not the result of such person's own willful misconduct, and

"(2) who applies for an extension of such ten-year period within one year after (A) the last day of such period, or (B) the last day on which such person was so prevented from pursuing such program, whichever is later,

such ten-year period shall not run with respect to such person during the period of time that such person was so prevented from pursuing such program and such ten-year period will again begin running on the first day following such person's recovery from such disability on which it is reasonably feasible, as determined under regulations which the Administrator shall prescribe, for such person to initiate or resume pursuit of a program of education with educational assistance under this chapter.

"§ 1433. Suspension of educational assistance

"The payment of educational assistance under this chapter shall be suspended in the case of any eligible veteran who fails to serve satisfactorily in the Ready Reserve of a component of the Armed Forces during a period of Ready Reserve service that such veteran is committed to serve in connection with establishing entitlement to such assistance. The payment of such assistance shall be reinstated upon receipt of certification from the Secretary concerned that such veteran is serving satisfactorily as a member of such Ready Reserve.

"§ 1434. Exclusion of certain service for purpose of earning entitlement

"For the purpose of section 1402 of this title, the term 'active duty' does not include any period during which an individual was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, served as a cadet or midshipman at one of the service academies, or served under the provisions of section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard, or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve.

"§ 11435. Extension to permit completion of term

"(a) If a person is enrolled under this chapter in an educational institution regularly operated on the quarter or semester system and the period during which such person may use such person's entitlement under this chapter would, under section 1432 of this title, expire during a quarter or semester, such period shall be extended to the termination of such quarter or semester.

"(b) If a person is enrolled under this chapter in an educational institution not regularly operated on the quarter or semester system and the period during which such person may use such person's entitlement under this chapter would, under section 1432 of this title, expire after a major portion of the course is completed, such period shall be extended to the end of the course or for twelve weeks, whichever is the lesser period of extension.

"§ 1436. Program requirements

"Except as otherwise provided in this chapter, the provisions of sections 1663, 1670, 1671, 1673, 1674, 1677, 1681(c), and 1683 of this title and the provisions of chapter 36 of this title, with the exception of section 1780(a)(6), shall be applicable to the provision of educational assistance under this chapter.

"§ 1437. Appropriations

"(a) Payments for entitlement earned under subchapter II of this chapter and not used by a dependent pursuant to a transfer under section 1431 of this title shall be made from appropriations made to the Veterans' Administration.

"(b) Payments for (1) entitlement earned under subchapter II and used by a dependent pursuant to a transfer under section 1431 of this title, and (2) entitlement earned under subchapter III of this chapter, shall be made from appropriations made to the Department of Defense.

"§ 1438. Additional amounts of assistance

"Subject to the availability of appropriations made to the Office of the Secretary of Defense specifically for the purposes of this section, if the Secretary concerned, in accordance with regulations which the Secretary of Defense may prescribe to implement this section, determines it to be necessary and appropriate in order to obtain or retain the services of sufficient numbers of qualified active-duty personnel in specific categories of such personnel, such Secretary concerned may, if the Secretary of Defense approves in the cases of particular categories, increase the amount of basic or supplemental educational assistance, or both, payable on account of active-duty service performed in one or more such categories and the monthly rate or rates at which such assistance may be paid.

"§ 1439. Reporting requirements

"The Secretary of Defense and the Administrator shall submit to the Congress at least once every two years separate reports on the operation of the programs provided for in this chapter and shall include in each such report (1) information indicating (A) the extent to which the benefit levels provided under this chapter are adequate to achieve the recruitment and retention purposes of this chapter and of providing an adequate level of financial assistance to help meet the cost of pursuing a program of education, and (B) whether it is necessary for the purposes of maintaining adequate levels of well-qualified active-duty personnel in the Armed Forces to continue to offer the opportunity for educational assistance under this chapter to persons who have not yet entered active-duty service, and (2) such recommendations for administrative or legislative changes regarding the provision of educational assistance under this chapter as the Secretary or Administrator, respectively, consider appropriate.".

(b) The tables of chapters at the beginning of such title and at the beginning of part III of such title are each amended by inserting above the item relating to chapter 31 the following new item:

"30. All-Volunteer Force Educational Assistance ---------- 1401".

SEC. 3. Section 1508(f)(1) of title 38, United States Code, is amended—

(1) in subparagraph (A), by inserting "30 or" before "34" the first place it appears and striking out "chapter 34" the second place it appears and inserting in lieu thereof "either chapter 30 or chapter 34"; and

(2) in subparagraph (B), by inserting "30 or" before "34".

SEC. 4. Section 1623 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(e) In the event the participant becomes entitled to basic educational assistance under subchapter II of chapter 30 of this title, such participant shall be disenrolled from the program under this chapter effective the last day of the month in which such participant becomes entitled to such assistance.".

SEC. 5. Section 1795 of title 38, United States Code, is amended—

(1) in subsection (b)—

(A) by striking out "of this section" and inserting in lieu thereof "of subsection (a) of this section or under chapter 30 of this title"; and

(B) by inserting at the end the following new sentence: "Computations made for the purposes of this subsection with respect to chapter 30 of this title shall be based on counting one-forty-eighth of the maximum total amount of assistance payable under such chapter 30 of this title as one month of assistance under such chapter."; and

(2) by adding at the end the following new subsection:

"(c) (1) A person who is an eligible veteran as defined in section 1402(4) of this title for purposes of chapter 30 of this title shall not be afforded educational assistance under any provision of chapter 34, 35, or 36 of this title.

"(2) The entitlement of any person to

educational assistance under chapter 30 of this title shall be reduced by one dollar for each dollar of assistance that has been paid to such person under chapter 34, 35, or 36 of this title.".

SEC. 6. Section 408 of the Veterans' Education and Employment Assistance Act of 1976 (Public Law 94-502, 90 Stat. 2383, 2397) is amended—

(1) in subsection (a), by (A) striking out "(a)(1)" and (B)) striking out all after "December 31, 1981" and inserting a period in lieu thereof; and

(2) by striking out subsection (b) in its entirety.

SEC. 7. Section 1662 of title 38, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting before the semicolon in paragraph (1) a comma and "and before January 1, 1990"; and

(B) by adding at the end the following new paragraph:

"(3) An eligible veteran whose last discharge or release from active duty occurs after December 31, 1979, shall not be entitled to educational assistance under this chapter after (A) the expiration of the five-year period following the date on which such veteran first begins to pursue a program of education under this chapter after such discharge or release if such date occurs no later than two years after such discharge or release from active duty or (B) December 31, 1989, whichever is the later."; and

(2) by striking out subsection (e) in its entirety.

SEC. 8. The provisions of this Act shall be effective on the date of the enactment of this Act.

CHANGES IN EXISTING LAW MADE BY S. 417

Changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—VETERANS' BENEFITS

* * * * *

PART III—READJUSTMENT AND RELATED BENEFITS

CHAPTER	SEC.
30. All-Volunteer Force Educational Assistance	*1401*
31. Training and Rehabilitation for Veterans with Service-Connected Disabilities	1500
32. Post-Vietnam Era Veterans' Educational Assistance	1601
34. Veterans' Educational Assistance	1650
35. Survivors and Dependents' Educational Assistance	1700
36. Administration of Educational Benefits	1770
37. Home, Condominium, and Mobile Home Loans	1801
39. Automobiles and Adaptive Equipment for Certain Disabled Veterans and Members of the Armed Forces	1901
41. Job Counseling, Training, and Placement Service for Veterans	2001
42. Employment and Training of Disabled and Vietnam Era Veterans	2011
43. Veterans' Reemployment Rights	2021

Chapter 30—ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE

Subchapter I—Purposes; Definitions

Sec.
1401. Purposes.
1402. Definitions.

Subchapter II—Basic Educational Assistance

1411. Entitlement to basic educational assistance.
1412. Payment of basic educational assistance.

Subchapter III—Supplemental Educational Assistance

1421. Entitlement to supplemental educational assistance.
1422. Payment of supplemental educational assistance.

Subchapter IV—Transfer of Entitlement; Periods for Use of Entitlement; General and Administrative Provisions

1431. Transfer of Entitlement to dependents.
1432. Expiration of period during which entitlement may be used.
1433. Suspension of educational assistance.
1434. Exclusion of certain service for purpose of earning entitlement.
1435. Extension to permit completion of term.
1436. Program requirements.
1437. Appropriations.
1438. Additional amounts of assistance.
1439. Reporting requirements.

Subchapter I—Purposes; Definitions

§ 1401. Purposes

The purposes of this chapter are (1) to promote and assist the All-Volunteer Force program of the United States by establishing an improved program of educational assistance for those men and women who enter active duty in the Armed Forces after June 30, 1981, to help in the recruitment and retention of well-qualified men and women, and (2) to provide those men and women with assistance in obtaining an education that they might not otherwise be able to afford.

§ 1402. Definitions

For the purposes of this chapter—

(1) The term "basic educational assistance" means educational assistance provided under subchapter II of this chapter.

(2) The term "dependent" means—

(A) a child of an eligible veteran; and

(B) the spouse of an eligible veteran.

(3) The term "educational institution" has the same meaning provided in section 1652 (c) of this title.

(4) The term "eligible veteran" means any person who—

(A) entered a period of active duty in the Armed Forces after June 30, 1981,

(B) after entering such period of active duty (i) served on active duty for a period of three or more consecutive years, or (ii) served on active duty for a period of two or more consecutive years and has agreed in writing to serve and has been accepted for service in the Ready Reserve of a component of the Armed Forces for a period of four or more years, and

(C) (i) was discharged or released from such period of active duty under conditions other than dishonorable, or (ii) has served three or more consecutive years of an obligated period of active duty which began after June 30, 1981, and has not been discharged or released from such period of active duty.

(5) The term "program of education" has the same meaning provided in section 1652 (b) of this title.

(6) The term "supplemental educational assistance" means educational assistance provided under subchapter III of this chapter.

Subchapter II—Basic Educational Assistance

§ 1411. Entitlement to basic educational assistance

An eligible veteran shall be entitled to basic educational assistance, in the maximum amount of $9,000, payable in accordance with the provisions of this chapter.

§ 1412. Payment of basic educational assistance

(a) The Administrator shall pay to each eligible veteran who is pursuing an approved program of education under this chapter basic educational assistance pursuant to this section to help meet, in part, the expenses of such veteran's subsistence, tuition, fees, supplies, books, equipment and other educational cost.

(b) The Administrator shall pay to an eligible veteran basic educational assistance (1) at the monthly rate of $250 if such veteran is pursuing an approved program of education under this chapter on a full-time basis, or (2) at an appropriately reduced rate, as determined under regulations which the Administrator shall prescribe, if such veteran is pursuing an approved program of education under this chapter on less than a full-time basis.

Subchapter III—Supplemental Educational Assistance

§ 1421. Entitlement to supplemental educational assistance

(a) Except as provided in subsection (b) of this section, an eligible veteran who has received a secondary school diploma (or equivalency certificate) and who—

(1) (A) has served after June 30, 1981, six or more consecutive years of active duty in the Armed Forces, and (B) (i) was honorably discharged or released therefrom, or (ii) has served six or more consecutive years of active duty in the Armed Forces and has not been discharged or released from such veteran's current period of active duty; or

(2) (A) has served four or more consecutive years of active duty after such date but less than six, (B) has been honorably discharged or released therefrom, and (C) has agreed in writing to serve and has been accepted for service in the Ready Reserve of a component of the Armed Forces for a period of four years or more after such discharge or release,

shall be entitled to supplemental educational assistance in the amount of $375 for each consecutive month in excess of 36 consecutive months that such veteran serves on active duty after June 30, 1981, up to a maximum total amount of $13,500, payable in accordance with the provisions of this chapter.

(b) No part of any period of active duty that occurs prior to the period of active duty by which the veteran concerned qualifies as an eligible veteran under section 1402(4) of this title shall be counted for purposes of subsection (a) of this section.

(c) On or before the first date on which a person who has entitlement to basic educational assistance enters a period of active duty that could serve, in whole or in part, to entitle such veteran to supplemental educational assistance, the Secretary concerned shall advise such person in writing of the requirement, in subsection (a) of this section, of being honorably discharged or released in order to be eligible for supplemental educational assistance.

§1422. Payment of supplemental educational assistance

(a) The Administrator shall pay to each eligible veteran who is pursuing an approved program of education under this chapter supplemental educational assistance pursuant to this section to help meet, in part, the expenses of such veteran's subsistence, tuition, fees, supplies, books, equipment, and other educational costs.

(b) (1) Except as provided in paragraph (2) of this subsection, the Administrator shall pay to an eligible veteran supplemental educational assistance (A) at the monthly rate of $250 if such veteran is pursuing an approved program of education under this chapter on a full-time basis, or (B) at an appropriately reduced rate, as determined under regulations which the Administrator shall prescribe, if such veteran is pursuing an approved prgoram of education under this chapter on less than a full-time basis.

(2) An eligible veteran who is pursuing an approved program of education under this chapter on a full-time basis shall be paid supplemental educational assistance at such monthly rate between $250 and $500 as such veteran may elect in accordance with regulations which the Administrator shall prescribe. In such regulations, the Administrator, with the concurrence of the Secretary of Defense, may establish increments of assistance which the veteran may elect to be paid supplemental educational assistance as the Administrator considers necessary for efficient administration.

(3) Supplemental educational assistance shall be paid to an eligible veteran concurrently with the payment of basic educational assistance to such veteran if such veteran so elects.

Subchapter IV—Transfer of Entitlement; Periods for Use of Entitlement; General and Administrative Provisions

§ 1431. Transfer of entitlement to dependents

(a) (1) Notwithstanding any other provision of law, if the Secretary concerned, in accordance with regulations which the Secretary of Defense shall prescribe to implement this section, determines it to be necessary in order to obtain or retain the services of sufficient numbers of qualified active-duty personnel in specific categories of such personnel, such Secretary concerned may authorize an eligible veteran who has served ten or more consecutive years of active duty, including such service as the Secretary concerned has specified in one or more such categories, to transfer to one or more of such veterans' dependents all or any part of such veterans' entitlement to basic and supplemental educational assistance. Entitlements transferred under this section shall be increased in accordance with amendments to this chapter

(2) A transfer of entitlement under this section may be made, changed, or canceled by an eligible veteran at any time before the expiration of the period within which such veteran may use such veteran's entitlement under this chapter.

(3) In regulations relating to transfers of entitlement under this section, the Administrator, with the concurrence of the Secretary of Defense, may place such limits upon the making, changing, and cancellation of transfers as the Administrator considers necessary for efficient administration.

(b) A dependent to whom entitlement is transferred under this section is entitled to educational assistance under this chapter in the same manner as the veteran from whom the entitlement was transferred would be entitled.

(c) If a veteran has transferred entitlement under this section to one or more dependents, the basic educational assistance and supplemental educational assistance payable under this chapter shall be divided (1) in such manner as such veteran shall specify, or (2) if such veteran is deceased or is otherwise unable or unwilling to specify the manner in which such assistance shall be divided, on a pro rata basis except as otherwise determined under regulations which the Administrator shall prescribe.

(d) Notwithstanding any other provision of this chapter, no assistance shall be paid under this chapter to a person divorced from the veteran on whose service such person's entitlement is based.

§ 1432. Expiration of period during which entitlement may be used

(a) Except as provided in subsections (c) through (e) of this section, the period during which an eligible veteran may use such veteran's entitlement to educational assistance under this chapter expires at the end of the ten-year period beginning on the date of such veteran's last discharge or release from active duty.

(b) Except as provided in subsection (e) of this section, the period during which a dependent with entitlement transferred pursuant to section 1432 of this title may use such entitlement expires at the end of the ten-year period beginning on whichever is the later of—

(1) in the case of a spouse of a veteran (A) the date that such veteran has completed ten consecutive years of active duty occurring after June 30, 1981, or (B) the first date on which such veteran would be eligible to use entitlement under this chapter pursuant to subsection (c) of this section if such veteran had not transferred all of such veteran's entitlement under this chapter; or

(2) In the case of a child of a veteran (A) on the date such child reaches eighteen years of age, or (B) the first date on which such veteran would be eligible to use entitlement under this chapter pursuant to subsection (c) of this section if such veteran had not transferred all of such veteran's entitlement under this chapter.

(c) In the case of any eligible veteran who has been prevented, as determined by the Administrator, from pursuing a program of education under subchapter II or III of this chapter within the ten-year period prescribed by subsection (a) of this section, because—

(1) such veteran had not met the nature of discharge requirement of such subchapter before (A) the nature of such discharge or release was changed by appropriate authority, or (B) with respect to educational assistance under subchapter II of this section, the Administrator determined, under regulations prescribed by the Administrator, that such discharge or release was under conditions other than dishonorable, or

(2) such veteran's discharge or dismissal was, under section 3103 of this title, a bar to benefits under this title before the Administrator determined that such discharge or dismissal is not a bar to such benefits,

such ten-year period shall not run during the period of time that such veteran was so prevented from pursuing such program of education.

(d) In the case of a veteran eligible for educational assistance under the provisions of this chapter who, subsequent to such veteran's last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, the ten-year period described in subsection (a) of this section shall not run (1) while such veteran is so detained, or (2) during any period immediately following such veteran's release from such detention during which such veteran is hospitalized at a military, civilian, or Veterans' Administration medical facility.

(e) In the case of any person who is an eligible veteran or a dependent to whom entitlement under this chapter has been transferred pursuant to section 1431 of this title and—

(1) who was prevented from pursuing such person's chosen program of education prior to the expiration of the ten-year period for use of entitlement under this section because of a physical or mental disability which was not the result of such person's own willful misconduct, and

(2) who applies for an extension of such ten-year period within one year after (A) the last day of such period, or (B) the last day on which such person was so prevented from pursuing such program, whichever is later,

such ten-year period shall not run with respect to such person during the period of time that such person was so prevented from pursuing such program and such ten-year period will again begin running on the first day following such person's recovery from such disability on which it is reasonably feasible, as determined under regulations which the Administrator shall prescribe, for such person to initiate or resume pursuit of a program of education with educational assistance under this chapter.

§ 1433. Suspension of educational assistance

The payment of educational assistance under this chapter shall be suspended in the case of any eligible veteran who fails to serve satisfactorily in the Ready Reserve of a component of the Armed Forces during a period of Ready Reserve service that such veteran is committed to serve in connection with establishing entitlement to such assistance. The payment of such assistance shall be reinstated upon receipt of certification from the Secretary concerned that such veteran is serving satisfactorily as a member of such Ready Reserve.

§ 1434. Exclusion of certain service for purpose of earning entitlement

For the purpose of section 1402 of this title, the term "active duty" does not include any period during which an individual was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, served as a cadet or midshipman at one of the service academies, or served under the provisions of section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard, or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve.

§ 1435. Extension to permit completion of term

(a) If a person is enrolled under this chapter in an educational institution regularly operated on the quarter or semester system and the period during which such person may use such person's entitlement under this chapter would, under section 1432 of this title, expire during a quarter or semester, such period shall be extended to the termination of such quarter or semester.

(b) If a person is enrolled under this chapter in an educational institution not regularly operated on the quarter or semester system and the period during which such person may use such person's entitlement under this chapter would, under section 1432 of this title, expire after a major portion of the course is completed, such period shall be extended to the end of the course or for twelve weeks, whichever is the lesser period of extension.

§ 1436. Program requirements

Except as otherwise provided in this chapter, the provisions of sections 1663, 1670, 1671, 1673, 1674, 1677 1681, and 1683 of this title and the provisions of chapter 36 of this title, with the exception of section 1780 (a)(6), shall be applicable to the provision of educational assistance under this chapter.

§ 1437. Appropriations

(a) Payments for entitlement earned under subchapter II of this chapter and not used by a dependent pursuant to a transfer under section 1431 of this title shall be made from appropriations made to the Veterans' Administration.

(b) Payments for (1) entitlement earned under subchapter II and used by a dependent pursuant to a transfer under section 1431 of this title, and (2) entitlement earned under subchapter III of this chapter, shall be made from appropriations made to the Department of Defense.

§ 1438. Additional amounts of assistance

Subject to the availability of appropriations made to the Office of the Secretary of Defense specifically for the purposes of this section, if the Secretary concerned, in accordance with regulations which the Secretary of Defense may prescribe to implement this section, determines it to be necessary and appropriate in order to obtain or retain the services of sufficient numbers of qualified ac-

tive-duty personnel in specific categories of such personnel, such Secretary concerned may, if the Secretary of Defense approves in the cases of particular categories, increase the amount of basic or supplemental educational assistance, or both, payable on account of active-duty service performed in one or more such categories and the monthly rate or rates at which such assistance may be paid.

§ 1439. Reporting requirements

The Secretary of Defense and the Administrator shall submit to the Congress at least once every two years separate reports on the operations of the programs provided for in this chapter and shall include in each such report (1) information indicating (A) the extent to which the benefit levels provided under this chapter are adequate to achieve the recruitment and retention purposes of this chapter and of providing an adequate level of financial assistance to help meet the cost of pursuing a program of education, and (B) whether it is necessary for the purposes of maintaining adequate levels of well-qualified active-duty personnel in the Armed Forces to continue to offer the opportunity for educational assistance under this chapter to persons who have not yet entered active-duty service, and (2) such recommendations for administrative or legislative changes regarding the provision of educational assistance under this chapter as the Secretary or Administrator, respectively, consider appropriate.

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CHAPTER 31—TRAINING AND REHABILITATION FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES

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§ 1506. Allowances

(a)(1) * * *

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(f)(1)(A) In any case in which the Administrator determines that a veteran is entitled to rehabilitation under this chapter, to the extent that such veteran has remaining eligibility for and entitlement to educational assistance benefits under chapter *30 or* 34 of this title, such veteran may elect, as part of a vocational rehabilitation program under this chapter, to pursue an approved program of education and receive allowances and other forms of assistance equivalent to those authorized for veterans enrolled under *either chapter 30 or* chapter 34 of this title, if the Administrator approves the educational, professional, or vocational objective chosen by such veteran for such program.

(B) In the event that such veteran makes such an election, the terms and conditions applicable to the pursuit of a comparable program of education and the payment of allowances and provisions of assistance under chapter *30 or* 34 of this title for such a comparable program shall be applied to the pursuit of the approved program of education under this chapter.

(2) A veteran who is receiving an allowance pursuant to paragraph (1) of this subsection may not receive any of the services or assistance described in section 1504(a)(3), (7), and (8) of this title (other than an allowance and other assistance under this subsection).

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CHAPTER 32—POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE

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Subchapter II—Eligibility; Contributions; and Matching Fund

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§ 1623. Refunds of contributions upon disenrollment

(a) Contributions made to the program by a participant may be refunded only after the participant has disenrolled from the program or as provided in section 1624.

(b) If a participant disenrolls from the program prior to discharge or release from active duty, such participant's contributions will be refunded on the date of the participant's discharge or release from active duty or within 60 days of receipt of notice by the Administrator of the participant's discharge or disenrollment, except that refunds may be made earlier in instances of hardship or other good reason as prescribed in regulations issued jointly by the Administrator and the Secretary.

(c) If a participant disenrolls from the program after discharge or release from active duty, the participant's contributions shall be refunded within 60 days of receipt of an application for a refund from the participant.

(d) In the event the participant (1) dies while on active duty, (2) dies after discharge or release from active duty, or (3) disenrolls or is disenrolled from the program without having utilized any entitlement, the participant may have accrued under the program, or, in the event the participant utilizes part of such participant's entitlement and disenrolls or is disenrolled from the program, the amount contributed by the Secretary under the authority of section 1622(c) remaining in the fund shall be refunded to the Secretary.

(e) In the event the participant becomes entitled to basic educational assistance under subchapter II of chapter 30 of this title, such participant shall be disenrolled from the program under this chapter effective the last day of the month in which such participant becomes entitled to such assistance.

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CHAPTER 34—VETERANS' EDUCATIONAL ASSISTANCE

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Subchapter II—Eligibility and Entitlement

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§ 1662. Time limitations for completing a program of education

Delimiting Period for Completion

(a)(1) No educational assistance shall be afforded an eligible veteran under this chapter beyond the date 10 years after the veteran's last discharge or release from active duty after January 31, 1955, *and before January 1, 1980*; except that, in the case of any eligible veteran who was prevented from initiating or completing such veteran's chosen program of education within such time period because of a physical or mental disability which was not the result of such veteran's own willful misconduct, such veteran shall, upon application made within one year after (A) the last date of the delimiting period otherwise applicable under this section, (B) the termination of the period of such mental or physical disability, or (C) the effective date of the Veterans' Rehabilitation and Education Amendments of 1980, whichever is the latest, be granted an extension of the applicable delimiting period for such length of time as the Administrator determines from the evidence, that such veteran was so prevented from initiating or completing such program of education. When an extension of the applicable delimiting period is granted a veteran under the preceding sentence, the delimiting period with respect to such veteran will again begin running on the first day following such veteran's recovery from such disability on which it is reasonably feasible, as determined in accordance with regulations which the Administrator shall prescribe, for such veteran to initiate or resume pursuit of a program of education with educational assistance under this chapter.

(2)(A) Notwithstanding the provisions of paragraph (1) of this subsection, any veteran shall be permitted to use any of such veteran's unused entitlement under section 1661 of this title for the purposes of eligibility for an education loan, pursuant to the provisions of subchapter III of chapter 36 of this title, after the delimiting date otherwise applicable to such veteran under such paragraph (1), if such veteran was pursuing an approved program of education on a full-time basis at the time of the expiration of such veteran's eligibility.

(B) Notwithstanding any other provision of this chapter or chapter 36 of this title, any veteran whose delimiting period is extended under subparagraph (A) of this paragraph may continue to use any unused loan entitlement under this paragraph as long as the veteran continues to be enrolled on a full-time basis in pursuit of the approved program of education in which such veteran was enrolled at the time of expiration of such veteran's eligibility (i) until such entitlement is exhausted, (ii) until the expiration of two years after the date of enactment of this paragraph or the date of the expiration of the delimiting date otherwise applicable to such veteran under paragraph (1) of this subsection, whichever is later, or (iii) until such veteran has completed the approved program of education in which such veteran was enrolled at the end of the delimiting period referred to in paragraph (1) of this subsection, whichever occurs first.

* * * * *

(3) An eligible veteran whose last discharge or release from active duty occurs after December 31, 1979, shall not be entitled to educational assistance under this chapter after (A) the expiration of the five-year period following the date on which such veteran first begins to pursue a program of education under this chapter after such discharge or release if such date occurs no later than two years after such discharge or release from active duty or (B) December 31, 1989, whichever is the later.

* * * * *

Savings Clause

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[(e) No educational assistance shall be afforded any eligible veteran under this chapter or chapter 36 of this title after December 31, 1989.]

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CHAPTER 35—ADMINISTRATION OF EDUCATIONAL BENEFITS

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Subchapter II—Miscellaneous Provisions

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§ 1795. Limitation on period of assistance under two or more programs

(a) The aggregate period for which any person may receive assistance under two or more of the laws listed below—

(1) parts VII or VIII, Veterans Regulation numbered 1(a), as amended;

(2) title II of the Veterans' Readjustment Assistance Act of 1952;

(3) the War Orphans Educational Assistance Act of 1955;

(4) chapters 32, 34, 35, and 36 of this title, and the former chapter 88;

may not exceed forty-eight months (or the part-time equivalent thereof.

(b) No person may receive assistance under chapter 31 of this title in combination with assistance under any of the provisions of law cited in clauses (1), (2), (3), and (4) *of subsection* (a) of this section or under *chapter 30 of this title* in excess of forty-eight months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits under chapter 31 of this title are necessary to accomolish the purposes of a rehabilitation program (as defined in section 1501(5) of this title) in the individual case. *Computations made for the purposes of this subsection with respect to chapter 30 of this title shall be based on counting one-forty-eighth of the maximum total amount of assistance payable under such chapter 30 of this title as one month of assistance under such chapter.*

(c)(1) A person who is an eligible veteran as defined in section 1402(4) of this title for purposes of chapter 30 of this title shall not be afforded educational assistance under any provision of chapter 34, 35, or 36 of this title.

(2) The entitlement of any person to educational assistance under chapter 30 of this title shall be reduced by one dollar for each dollar of assistance that has been paid to such person under chapter 34, 35, or 36 of this title.

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PUBLIC LAW 94-502—OCT. 15, 1976

* * * * *

TITLE IV—POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE ACT

* * * * *

SEC. 408. [(a)(1)] No individual on active duty in the Armed Forces may initially enroll in the educational assistance program provided for in chapter 32 of title 38, United States Code (as added by section 404 of this Act) after December 31, 1981. [, unless—].

[(A) before June 1, 1981, the President submits to both Houses of Congress a written recommendation that such program continue to be open for new enrollments; and

[(B) before the close of the 60-day period after the day on which the President submits to Congress the recommendation described in subparagraph (A), neither the House of Representatives nor the Senate adopts, by an affirmative vote of a majority of those present and voting in that House, a resolution which in substance disapproves such recommendation.

[(2) For purposes of computing the 60-day period referred to in paragraph (1)(B), there shall be excluded—

[(A) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die, and

[(B) any Saturday and Sunday, not excluded under the preceding subparagraph, when either House is not in session.

The recommendation referred to in paragraph (1)(A) shall be delivered to both Houses of Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House is not in session and to the Secretary of the Senate if the Senate is not in session.

[(b) If new enrollments after December 31, 1981, in the educational assistance program provided for in such chapter 32 are authorized after the application of the provisions of subsection (a), then effective January 1, 1982, section 1622(b) of title 38, United States Code, is amended by striking out "Veterans' Administration" and inserting in lieu thereof "Department of Defense."]

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AIR FORCE SERGEANTS ASSOCIATION,
Washington, D.C. December 31, 1980.

The Honorable ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for sending me your proposed legislation on the Educational Assistance Program Act of 1980 and the opportunity to once again give my analysis of the proposed legislation you will introduce in the 97th Congress.

I thoroughly enjoyed the opportunity to testify before you and the distinguished members of your committee on S. 3263, and I compliment you on your personal efforts on behalf of our Armed Services people. As to my comments on the bill, I offer the following:

A. The basic premise of the bill is good and should enhance the retention of the type of people needed for our All-Volunteer Forces.

B. I do, once again, question the transferability clause in the bill, as it certainly favors the officers, while it does little for the enlisted members of the Military Services. The officers already have their college degree, while the majority of the enlisted men and women have not had the opportunity nor the means to obtain their higher educational pursuits. Secondly, I do not understand why we are extending such benefits beyond the individual man or woman who signs the contract for service in our Defense Forces. I can foresee all kinds of problems entailed with the transferability clause. Permit me to so elaborate.

1. What are we doing for the single individual, who is the least expensive to the government, has very few distractions from his assigned duty and is better prepared to serve anywhere our service missions so dictate?

2. In view of the decisions being rendered by the courts today, what protection does the individual service member have once the educational benefit is transferred and there is a subsequent divorce? Undoubtedly, the courts would favor the spouse or child retaining the transferred educational benefits.

3. For those individual service members having more than one child, how does he or she make the decision as to which child shall be favored with the transferability of educational benefits?

4. What obligation does the spouse or child have toward service in our Armed Forces after they have benefited from the educational program? That is a problem we now have with those students obtaining government loans, getting their education, failing to repay the government, yet still have no obligation to serve our nation in any capacity.

While the transferability feature will certainly be most appealing to many in our Armed Services, I question the Congress ever passing such legislation that will ultimately be extremely costly, for the return anticipated.

I would further ask for your consideration and that of your colleagues, as to why we can't get back to the basic principles that have always enabled us to have good people in our Armed Services. Take care of the individual who signs the contract to serve. Provide him or her with a G.I. Bill that is simple, similar to the one now in effect. The responsibility of the family must continue to rest with the individual servicemember, and not become a ward of the government. After all, the services are doing so much more than they ever did for the families of service members while in many instances they fail to give too much consideration to the single individuals.

On behalf of all those I so proudly serve, I would think of nothing the 97th Congress could do to enhance retention in our Armed Services than to pass a simple G.I. Educational Bill, that will not be overly costly to the government, yet would sustain the force with adequate manpower resources over the long haul.

Having knowledge of the educational bill your distinguished colleague Senator Bill Armstrong also plans to enter in the Senate, and the somewhat different bill, I understand that will be forwarded by the Department of Defense, I have concern over any of the bills actually being approved during the coming year.

Again, I thank you for the opportunity to comment on your bill and I stand ready and willing to discuss the issue with you or members of your staff at any time convenient.

With all good wishes, I remain.

Sincerely,

DONALD L. HARLOW,
CMSAF, Ret., Deputy Executive Director.

JANUARY 5, 1981.

The Honorable ALAN CRANSTON,
U.S. Senate, Committee on Veterans' Affairs,
Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for your letter requesting comments on S. 3622, re an AVF GI Bill. I think your bill is a major step in the direction of saving the AVF. As you know, for the past few years I have been in the forefront of those advocating just such a GI Bill over the opposition of the Office of the Secretary of Defense. My comments will be brief inasmuch as the inclosed article presents most of my findings and thoughts on the AVF and an AVF GI Bill.

1. An AVF GI Bill must compete with present and projected federal educational aid to college students (over $5 billion annually). Unless such aid is linked to a national service obligation, no GI Bill (unless extraordinary) will attract a cross-section of youth.

2. One ought not preclude two-year enlistments for GI Bill eligibility. Sure it would be nice to have three-year and over-volunteers, but a short enlistment will attract more of a cross-section.

3. GI Bill eligibility must be linked to reserve obligations. Without larger numbers of prior-service personnel, there is no way to salvage the Army reserves in the AVF. (We might also consider a "little GI Bill" for those who serve six months on active duty followed by five or six years of reserve duty.)

4. S. 3623 is to be commended in that it imaginatively proposes that GI Bill benefits can be transferred to a soldier's dependents under certain circumstances. We need more discussion on ways to make a GI Bill consistent with needed retention in the career force, e.g., "Banking" one's GI Bill sum in an interest-bearing account for careerists only, allowing for a "sabbatical" in order to train career personnel in technical and scientific specialities.

5. That only those who successfully complete their tour ought be eligible for GI Bill benefits is a stipulation long overdue. S. 3623 should be a model bill in this regard.

I realize that many of the above points cannot be handled solely by the Veterans' Committee. This makes the task of saving the AVF difficult, but still possible.

Sincerely,

CHARLES C. MOSKOS.

AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES,
Washington, D.C., January 8, 1981.

Ms. BARBITTE POLLEE,
Professional Staff Member, Senate Committee on Veterans Affairs, Russell Senate Office Building, Washington, D.C.

DEAR BARBITTE: I am responding to Senator Cranston's letter of December 19, asking for comments on S. 3263. My colleagues and I also have had several meetings at One Dupont about this bill, the draft Armstrong bill, and other possible G.I. alternatives. As you know, Mike Kelly has called upon most of us. In fact, I would like to comment a bit on the Armstrong bill, too, since I gather that will have strong support.

My first point is that we feel, as we always have, that it would be very valuable both to the military and to the national well-being to revive a peacetime G.I. Bill. Millions of people have benefited from the past bills, people who otherwise would probably never had a chance for further education and better opportunities. We have testified in the past for continuation of a peacetime bill, and were sorry when this was not politically possible.

We are also conscious of the serious problems the military faces in recruitment and retention. They have been well spelled out in recent Washington Star articles and elsewhere.

AASCU has a special interest in military education and upgrading because we administer the Servicemembers Opportunity Colleges (SOC), under contract with DOD, through which several hundred colleges, public and private, two-year and four-year, provide education to the armed services and permit people to work toward AA or BA degrees. I enclose a brochure on this program, which is an outgrowth of the Carnegie-sponsored Program for Veterans and Servicemen on which I worked with Jon Steinberg some years ago.

I have several comments about the Cranston bill and Armstrong bill, some of which are views shared with my colleagues, especially those in the public college sector.

The Cranston bill: I think our principal concern is that the payments may be too low. I realize that you feel that peacetime servicemen should perhaps not get the same benefits as wartime men, but the costs of college (and subsistence) have risen fast in the last few years. If the payments are to be a true incentive to enlistment for college-potential people, they probably will have to be higher than $250 a month.

Our second concern is that, unlike the Armstrong bill, you do not deal with the retention problem. I believe the parts of that bill which provide in-service education, with the possible transfer of benefits to spouses and children, are an incentive to retention. So are the education leaves, an idea I know DOD favors. However, I am not sure these ideas, especially the Career Serviceperson's Education Assistance Program (a modified VEAP), are adequate to meet this need. Perhaps a program which involves a smaller or no contribution by the serviceman would be better; but I believe that something should be done to address retention as well as recruitment. I know DOD would agree.

The Armstrong Bill: We see same problems with the Armstrong bill. One is that a separate tuition payment of up to $2,500 a year, in addition to a $250 monthly subsistence allowance, can encourage abuse. Colleges may raise their tuition and fees or "play games" with fees in order to obtain more money. This was the experience with the World War II bill, as you know, in which many public, private, and profit-making schools raised their tuitions or added extra fees to obtain more money.

Kelly told me that profit-making schools would not be eligible for his bill, but a careful reading by all of us reveals that they are indeed eligible. Even if they were excluded in the bill, their lobbying power in Congress is such that they probably would be included—in the House if not in the Senate.

Kelly also has proposed, in response to private college concerns, that rather than a flat maximum of $2,500 the bill might pay say 80 percent of tuition up to $3,000. We believe that this is simply a way of punishing the very large number of veterans who would probably choose public colleges anyway—as over 80 percent of all students do now.

It would not encourage anyone to go to a private college, we believe, if he were told that he could get 80 percent of $800 tuition at a public (i.e. $640) as opposed to $2400 at a $4000-a-year private. But many private college people appear to believe that paying somewhat less than full tuition will make public colleges "less attractive" to veterans and private colleges somehow more attractive. This is a variation on arguments about half-cost in BEOG, paying a percentage tuition tax credit rather than a flat grant, etc. All of these ideas are simply intended to make public colleges less attractive without really helping private colleges; but Kelly has indicated he will probably go this route, in order to win private college support for the bill.

The most important consideration here is to help the military recruit better people, and give such people educational benefits. Paying a percentage like 80 percent does nothing to help this purpose, and it is likely to discourage recruitment. Over 80 percent of all students attend public colleges anyway, and it is likely for many reasons that many veterans would do so.

The fact that many will be married, working part-time, commuting, and seeking job-related training is likely to encourage many to go to a public college, often in commuting distance, rather than a residential four-year college. However, the Higher Education Act now provides large additional sums in grants, work-study, and loans, for which veterans who wanted a more expensive education could apply. I also assume that the current G.I. loans and work-study would probably continue.

You should know that the public college sector is especially concerned about this percentage idea.

I would add that allowing a percentage of tuition and fees could also lead to abuse. For one thing, "fees" are hard to define. We are told by college business officers that different colleges use literally hundreds of different fees for various purposes. By adding additional fees, colleges could collect more revenue. Many colleges also charge differential tuition. They charge lower tuition to students they want, or who cannot afford full tuition; but they would presumably be reimbursed on the "list price" tuition, whatever they actually charged; a flat maximum would avoid some of these problems, if you don't pay a flat rate per month.

In any case, since the Committee will have to review the Armstrong bill and perhaps similar bills as well as the Cranston bill, I wanted to alert you to some of these concerns. We also have shared them with Mike Kelly.

We do appreciate the Senator's interest in new legislation in this area. We would like to help in any way we can. Please call on us again.

Sincerely yours,

JOHN MALLAN,
Vice President for Governmental Relations.

VETERANS ADMINISTRATION,
January 8, 1981.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: This is in reply to your letter dated December 19, 1980, requesting our views on your new bill, S. 3263, 96th Congress, a measure "To amend title 38, United States Code, to provide a new educational assistance program for persons who enter the Armed Forces after June 30, 1981."

The intent of your proposal is to provide a new GI Bill educational program for the present All-Volunteer Armed Forces. I am in accord with you that the existing educational programs as they relate to the volunteer military personnel need to be closely studied and a new, more effective program devised.

To that end, my staff has begun a review of existing programs in the light of the needs of the current Armed Forces. However, we do not contemplate being able to formulate suitable alternatives to existing programs before the incoming administration assumes office. I believe that a decision on a suitable program and policy in this area should be deferred to allow us to complete our review and to allow the new administration to provide us with its guidance on this important matter. Therefore, I do not believe it would be appropriate for me to comment upon S. 3263 by January 12, 1981, as you have requested.

I sincerely appreciate your interest in receiving our views on this important and needed program.

Sincerely,

MAX CLELAND,
Administrator.

NON COMMISSIONED OFFICERS
ASSOCIATION OF THE UNITED
STATES OF AMERICA,
Washington, D.C., January 9, 1981.

The Honorable ALAN CRANSTON,
Committee on Veterans' Affairs,
Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for inviting NCOA to comment on your proposed "All Volunteer Force Educational Assistance Program Act." The introduction of such a bill demonstrates your sincere desire to provide for our nation's veterans. It also demonstrates your commitment to improved recruiting and retention in the All Volunteer Force. NCOA applauds your efforts.

There are three general areas which concern NCOA in the development of any new education program. They are length and character of service required; amount of educational assistance payments; and, provisions for transferability to dependents.

The Association favors a program that includes as its first requirement an honorable discharge. Your bill requires a minimum service period of three years. While NCOA believes a two year service commitment would be adequate, we would support legislation that requires three years.

The amount of any educational assistance payments should be uniform, in our opinion. As you recall, NCOA supported a proposal last year which called for some disparity in the educational earnings of service members based on occupational specialty. Since that time we have reassessed this view. As a result, the Association believes that a successful G.I. Bill will allow for equal earnings and payments to persons completing a fixed period of service. We will not, at this point, support a tiered earning program or a program which pays separate tuition and subsistence allowances.

Accordingly, the Association supports the provisions of current law providing the circumstances and amounts of payments for the Vietnam Era G.I. Bill. Using this schedule of payments will alleviate regulatory problems and lead to a very immediate understanding of the bill. This simplicity and uniformity can only enhance the bill's effectiveness, acceptance and success. We also believe it would be among the least expensive options of payment proposals.

Finally, NCOA strongly opposes provisions providing for direct transferability of education benefits to a dependent. We do not believe such a program is fiscally desirable or supportable. However, we are sensitive to the needs and desires of the Armed Forces and its members; perhaps more than most organizations since 83 percent of our members are on active duty.

In order to accommodate their needs and desires, NCOA will support a "contributory" dependents educational assistance program. Using the existing VEAP program as a model, we would allow a service member to begin contributing to an education fund after completing six years of service. No matching funds or payments would be made until the member has completed ten years of service under our proposal. We also hope to improve some of the withdrawal and vesting provisions of VEAP model for the dependents education program. Notwithstanding that, we believe a contributory program would fulfill the need of a dependents education program and still preserve the integrity of "veterans benefits."

In conclusion, NCOA is now working with Senator Cohen on improvements to his bill, S. 48. It is our desire to incorporate into S. 48 or a new bill the several recommendations

we have made here. However, we look forward to working with you during the coming year to provide what consensus shows to be the most appropriate new G.I. Bill for the All Volunteer Force.

With highest commendation and deepest thanks, I am,

Sincerely,

RICHARD W. JOHNSON, Jr.,
Assistant Director for Legislation.

CHAIRMAN OF THE JOINT
CHIEFS OF STAFF,
Washington, D.C., January 10, 1981.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: I appreciate the opportunity to provide my views on the proposed "All-Volunteer Force Educational Assistance Program Act of 1980."

The details of S. 3263 and other similar proposals have not yet been carefully analyzed by the Joint Chiefs of Staff. However, the Chiefs are on record in support of a noncontributory education program for members of the Armed Forces as a means to assist in meeting manpower requirements.

The bill you have proposed has a number of features which I personally support: cost-free educational assistance to members of the Armed Forces, supplemental assistance for continued service, and provision for eligible Service members to transfer unused benefits to their dependents. The following additional features are offered for your consideration:

a. Provide benefits (at reduced level) for service in the Reserve Components.

b. Increase the basic monthly stipend to more accurately reflect basic educational programs. As an example, the monthly stipend for a single veteran under the Vietnam-era GI Bill is $342.

c. Make eligibility conditional upon receipt of an honorable discharge or medical discharge for a Service-connected disability.

Your efforts on educational assistance are greatly appreciated. I look forward to a successful program that will fill a variety of needs and be an important recruiting and retention incentive.

Sincerely,

DAVID C. JONES,
General, USAF.

DISABLED AMERICAN VETERANS,
Washington, D.C., January 12, 1981.

Hon. ALAN CRANSTON,
Ranking Minority Member, Senate Veterans Affairs Committee, Russell Senate Office Bldg., Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for your letter of December 19, 1980 wherein you requested our comments and suggestions regarding your bill S. 3263—The All Volunteer Force Educational Assistance Act of 1980.

Initially, I must state that the DAV supports and acknowledges the need for a strong and viable military to insure our national security.

Furthermore, we also recognize the fact that the All Volunteer Force is in serious trouble and has had great difficulty in attracting and retaining high quality personnel.

As proposed, S. 3263 seeks "to promote and assist the All Volunteer Force Program of the United States by establishing an improved program of educational assistance for those men and women who enter active duty in the Armed Forces after June 30, 1981, to help in the recruitment of well-qualified men and women, and to provide those men and women with assistance in obtaining an education that they might not otherwise be able to afford."

Clearly, S. 3263, as set forth in its purpose, is intended as a recruitment and retention device to assist the ailing All Volunteer Military Force.

A glaring deficiency we have noted in the proposal is one of providing a mechanism that would enable the military service departments to offer immediately the supplemental educational assistance and transferability provisions of the bill, as a means of retaining those men and women who are presently serving in the Armed Forces.

Due to the serious retention problems the All-Volunteer Force is experiencing at the present time, we believe such a provision could be helpful in resolving some of these retention problems in the immediate future.

Another point, which was apparently just an oversight, is that the bill does not preclude the dual receipt of educational benefits under the proposed Chapter 30 and the present Chapters 31 and 35 of Title 38, U.S. Code. I am certain that you did not intend that individuals who might gain eligibility for two educational programs would be able to receive benefits from both.

Senator Cranston, the DAV supports the purpose and premise upon which this legislation is founded. We believe your proposal is particularly attractive and could very well go a long way to resolving some of the recruiting problems experienced by the Department of Defense.

Those provisions of your bill which would provide supplemental educational assistance to the service member and transferability to their dependents are by far one of the most attractive proposals to help solve the retention problems of the military services.

However, as I stated in my testimony before the Senate Veterans Affairs Committee on June 19, 1980, the DAV is adamantly opposed to the VA "footing the bill" for any proposal to establish new programs of educational assistance for the purpose of improving and strengthening the All Volunteer Military Force.

As proposed, S. 3263 would require the VA to be responsible for the cost of administering the program, as well as the cost of the basic educational assistance. The Department of Defense would only be responsible for the cost of the supplemental educational assistance.

Your remarks, appearing in the Congressional Record of December 12, 1980, make perfectly clear the nature of this program and its relationship with past VA educational readjustment programs, and I quote—"In closing, I want to stress that my proposal is for an essentially contractual program—a very different concept from the World War II, Korean Conflict, and current, Vietnam Era GI Bill."

Eligibility and entitlement for the All Volunteer Force Educational Assistance Program is based upon a contractual agreement between the Department of Defense and those individuals entering and serving in the peacetime All Volunteer Military Force. As such, in our considered opinion, the Department of Defense must be responsible for bearing the entire cost of this defense-oriented program.

In addition to the foregoing conclusions regarding the funding of this program, I think it is important to keep in mind the philosophical basis upon which veterans' educational readjustment benefits have been traditionally provided in the past. Failing to do so would undermine the fundamental purpose of past and present educational readjustment programs and could bring an enormous storm of protest from Vietnam Era GI Bill critics and groups.

The DAV has no objections to the VA administering the program or even placing the program in Title 38, U.S. Code for ease of such administration, but we do object to the VA "picking up the tab."

The Veterans Administration, as you well known, has suffered severe reductions in personnel in the Department of Veterans Benefits in recent years. And it appears, at the present time, that these reductions in personnel will continue unless Congressional action is taken to restore the losses.

During your deliberations regarding S. 3263, I hope you will keep this important point in mind.

I trust you and your colleagues will find our comments and suggestions helpful regarding this important matter and, again, I wish to express our sincere appreciation to you for providing us this opportunity to comment on the provisions of S. 3263.

Sincerely yours,

STEPHEN L. EDMISTON,
Administrative Assistant.

DEPARTMENT OF THE NAVY,
HEADQUARTERS U.S. MARINE CORPS,
Washington, D.C., January 13, 1981.

The Honorable ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: I appreciate the opportunity to provide my views on the proposed "All Volunteer Force Educational Assistance Program Act of 1980."

The bill you have proposed has a number of features that I strongly support: cost-free educational assistance to members of the Armed Forces, incrementally higher benefits for continued service beyond three years, and provision for eligible service members to transfer unused benefits to their dependents. The following modifications would, in my judgment, provide an educational assistance program that most effectively meets our needs.

a. Entitlements tied to length of enlistment, by providing one month of benefit for one month of service through the third year (at which time full entitlements would be earned), would enhance educational opportunities for in-service use by the service member. Honorable service concluded prior to the end of the third year would entitle the service member to that portion of the benefits earned.

b. All funding and administration accomplished by the Veterans Administration would clearly establish responsibility for the educational assistance program in one agency, leaving other direct methods of encouraging enlistment and retention a responsibility of the Department of Defense.

c. A right of transferability of unused benefits, made to dependents after appropriate service, would provide a strong incentive to continue active service. Rather than the procedure proposed in the "All Volunteer Force Educational Assistance Program Act of 1980," we would prefer that after ten years' active service, the service member would have the right of transferability of unused benefits to dependents, if the service member remains on active duty, or until the service member enters retirement status at which time the service member or dependents have ten years to use the benefit.

d. An entitlement for Selected Reserves of up to one-half of the active duty benefit would improve manning of reserve forces.

e. A change to Chapter 34 of Title 38 United States Code providing for benefits up to ten years after separation would provide a necessary incentive for the group of service members eligible for educational assistance under that Act.

f. Requiring honorable service as a prerequisite to educational assistance would complement many other programs and efforts designed to encourage individual responsibility.

Along with pay comparability, an effective educational assistance program would return great dividends in gaining and keeping men and women who have characteristics that we need in the Marine Corps. Its additional long-term impact on our society in bringing out the abilities of individuals who otherwise might not have the advantage of other opportunities makes the investment doubly attractive.

I trust that the foregoing information will be of use to you. If I may be of assistance to you in the future, please do not hesitate to call on me.

Sincerely,

R. H. BARROW,
General, U.S. Marine Corps, Commandant of the Marine Corps.

THE AMERICAN LEGION,
Washington, D.C., January 14, 1981.

Hon. ALAN CRANSTON,
Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your correspondence dated December 19, 1980, with which you enclosed a copy of S. 3263 for the purpose of soliciting our comments thereon. We have enclosed a copy of Resolution No. 36, approved by our National Executive Committee during its October 1980 meeting, which places The American Legion in a position to support legislation providing education incentives for individuals enlisting in the Active and Reserve forces. Unfortunately, we are unable to respond to all provisions within the bill since several of them involve features which remain as subjects of discussions within our organization's staff.

However, we would like to specifically comment on one provision of S. 3263. Section 1436 provides that payments for entitlement earned under subchapter II of the measure shall be made from appropriations made to the Veterans Administration, and payments made for entitlement earned under subchapter III shall be made from appropriations made to the Department of Defense. It is the recommendation of The American Legion that any such education incentive program be funded as a Department of Defense function since the purpose is for the recruitment and retention of Armed Forces personnel, but be administered by the Veterans Administration, as that agency currently has staff experience in administering such a program.

The American Legion appreciates the opportunity to review and comment on your proposal.

Sincerely,

MYLIO KRAJA, *Director,*
National Legislative Commission.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., January 14, 1981.

Hon. ALAN CRANSTON,
Ranking Minority Member, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for having afforded us the opportunity to comment on your "All Volunteer Force Educational Assistance Act of 1980," which you intend to reintroduce in the near future.

First, permit me to state we are generally supportive of any program to enhance the recruitment and retention of higher caliber personnel for our all-volunteer military establishment. However, the legislation in question is alien to the concept and philosophy of veterans' benefits and would establish precedents which would be costly and difficult to duplicate for the millions of veterans another war or conflict would generate. To be specific, I refer to the two-tiered benefit, the transfer of entitlement to the veteran's dependents and allowing the 10 year delimiting date to toll from the date of retirement, among others.

In addition to the foregoing, our position has been and remains that educational benefits for peacetime veterans who enlist of their own volition should be paid in full from the Department of Defense appropriation and administered by the Veterans Administration. Under the instant bill, the Basic Educational Assistance allowance would be payable to each beneficiary from the Veterans Administration appropriation which remains inadequate to carry out the existing mandates of Congress.

Several bills have already been introduced with respect to peacetime educational benefits and at this point in time, we are not in a position to commit ourselves to which would be the most beneficial and acceptable.

With best wishes and kind regards, I am

Sincerely,

DONALD H. SCHWAB,
Director, National Legislative Service.

U.S. ARMY,
THE CHIEF OF STAFF,
January 15, 1981.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: I appreciate the opportunity to provide my views on the proposed "All-Volunteer Force Educational Assistance Program Act of 1980." Your bill embodies many features I support, especially cost-free educational assistance and a provision for eligible servicemembers to transfer unused benefits to their dependents. I do, however, suggest some additional features including benefits at a reduced rate for service in the Reserve Components, eligibility based on an honorable discharge, an increase in the monthly entitlement and a capability to supplement it.

Increasing the entitlement will assist in meeting today's high cost of education and make us more competitive with other federally funded programs which do not have a national service obligation. Allowing the Service Secretaries to selectively supplement the monthly entitlement will permit us flexibility in enlisting personnel into difficult-to-fill skill positions, especially in the combat arms.

I have enclosed a chart comparing your Bill provisions with the Army's initial position, its revised position developed in an attempt to reach Service unanimity and supporting rationale. I believe that a Bill containing these features will assist in solving many of our manpower needs. Thank you for your interest and support in this matter. Please do not hesitate to contact me if there is any other information you need.

Sincerely,

E. C. MEYER,
General, U.S. Army, Chief of Staff.

COMPARISON OF ARMY EDUCATION INCENTIVE PROPOSAL WITH CRANSTON BILL (S. 3263)

Basic Army proposal	Revised Army position (to obtain service unanimity)	Cranston bill	Rationale for Army position versus Cranston bill (S 3263)
Features:			
1. Noncontributory; all personnel; in-service use after 1 yr.	Concur with proviso for transfer from chs 32 (Vietnam era bill) and 34 (VEAP) for in-service personnel with service obligation.	Noncontributory to all personnel (2-tier prog concept); 1–basic assistance; 2–supplemental assistance.	Acceptable, if basic is higher.
2. Administered and funded by VA; basic benefit funded by VA.	Same	Basic VA funded. VA administered; supplemental DOD funded. VA administered.	Acceptable.
3. Earning rate of 1½ mo per month; total of 36 mo.	1 mo benefit/1 mo service 36 mo	1 mo basic benefit for 1 mo service—36 mo. 1 mo supplement benefit for each month beyond 36 mo.	Acceptable, except for needed provision for 2-yr enlistee to earn benefits and return to selected Reserve and help fill large Reserve component needs/shortfall.
4. Monthly entitlement of $405 for full-time use.	3 yr. ($300 mo); 6 yr. ($600 mo)	Basic—$250 per mo. $9,000 maximum (3 yr); supplement—$375 per mo. $13,500 maximum (6 yr); Both—possible for 6 yr service $625 per month, $22,500.	Basic entitlement is too low to be an incentive to attract HS diploma graduate college-oriented youth who are necessary to man the force, primarily in combat arms MOS's. The entitlement must be sufficient to compete with other federally funded programs that do not have any national service obligation.
5. Service can supplement stipend to aid recruiting and retention.	Same	No provision	Army must have this flexible option to selectively solve recruiting and retention problems.
6. Transfer unused benefits to dependents (transfer point established by service secretary).	Transfer after 10 yr service while on active duty or after retirement.	After 12 yr of service	Transfer point should be flexible, but not earlier than at 10-yr point. This feature is a retention incentive and would assist in solving the Army's retention problem at the mid-career level.
7. Option to establish contributory education fund for dependents.	Withdrawn	No provision	N/A.
8. Reserves entitled to ½ AD benefit fund for dependents.	Same with part-time use provision	Only through supplemental program after 36 mo of active duty.	Benefit necessary to address severe Reserve component personnel shortages.
9. Benefits to be used within 10 yr from incentive.	Same	10 yr from separation	Same.
10. Honorable discharge after completion of service.	Same	Honorable or general discharge	An incentive as a reward for honorable service to reduce attrition of 1st-term enlistees.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., January 15, 1981.

Hon. ALAN CRANSTON,
Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your letter of 19 December 1980 concerning your legislation S. 3263, the "All-Volunteer Force Educational Assistance Program Act of 1980."

In general, I believe that educational incentives can play a valuable role as a recruitment and retention tool for the Armed Services. But designers of new education programs for the military must in their planning take into account those education programs which are already available to both the civilian and military populations. The drawing power of generalized military educational assistance today is much different from what it was even five years ago because of the rapid growth in other education programs. Consequently, any new military educational benefit package must recognize the interests of both military and education constituencies and the full spectrum of federal programs in this area, as well as the realities of the federal budget.

As you know, the Department of Defense is currently testing several educational benefit proposals mandated by the Congress. We hope to answer several important questions about educational assistance: What is the proper benefit level? What retention provisions would prove attractive? Should the program be contributory or noncontributory? I believe it is premature to design any new program before our test results are complete. We plan a final report to the Congress in about one year's time.

Regarding your specific legislation, S. 3263, I have several comments.

a. Outlay level: An estimated 300,000 new enlistees receiving a $9000 educational entitlement means a potential $2.7 billion annual outlay. This price tag would not include the supplemental educational benefit to be funded by the Department of Defense. I question the merit of adding such large outlays in addition to the $10 billion currently authorized for federal loan/grant programs.

b. Retention: I support the efforts in the bill to provide retention incentives. The transfer provision is similar to one that we will test in the FY 81 test program, to learn whether it is truly a retention incentive. My presumption is that people will use the transfer provision, but there is as yet no data to support such a notion. And I am uncertain whether the transfer provision is a strong enough incentive to retain a member past the twelve year point.

c. Benefit Value: At this time there are differing views on what should be the proper benefit level and the value of specific educational incentives, e.g., transferability, in-service use cash-out. Some favor a general entitlement; others believe educational benefits should be targeted as in the FY 81 test package. Such questions are being addressed in our current test.

I hope that these comments are helpful. I appreciate your continued support of and concern for the All-Volunteer Force, and I believe we are in agreement that educational benefits for the military might indeed improve the quality and attractiveness of the AVF.

Sincerely,

ROBERT B. PIRIE, Jr.,
Assistant Secretary of Defense (MRA&L).

DEPARTMENT OF THE ARMY,
OFFICE OF THE UNDER SECRETARY,
Washington, D.C., January 19, 1981.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: Some thirty-five years ago, along with millions of others, I participated in the G.I. Bill, which has been called the most successful educational program in the history of our Nation. I can think of no veterans' or educational assistance program, past or present, which can match the impact that the G.I. Bill has had on the Armed Services, our educational institutions, and the American society.

It appears that the American people and Congress are again prepared to support some form of G.I. Bill as a reward for, and as an inducement to, honorable service. As a citizen, long-time educator, and as the departing Under Secretary of the Army, I want to express my personal support for your efforts to reestablish the G.I. Bill.

Although I support the concept, I would like to offer my personal views on what features the new G.I. Bill should contain. As a minimum, the entitlement should be divided into tuition assistance and a monthly living allowance. Tuition assistance should be scaled to minimize the dramatic cost differential between public and private institutions. Public junior colleges may charge only a very minimal matriculation fee of $200 to $300 per year; state universities generally charge a student $500 to $1,000 per year; most private, independent institutions must require a tuition charge of $2,000 to $5,000 per year. Thus, without a differential, almost all veterans would feel compelled to opt for an education at a state institution. I recommend a two-tiered grant of the cost of state college tuition (not to exceed some average cost) and a separate annual entitlement, not to exceed $2,500, for those enrolled in independent colleges or universities.

General "Shy" Meyer has championed a proposal to allow a transfer of an educational entitlement from a soldier to his dependents after a specified period of service. I concur in his recommendation. It would be an invaluable retention tool targeted to retain those soldiers who value education the most by rewarding them for remaining in the service of their country.

Educational benefits as a reward for honorable service are compatible with our Nation's view of military life as an act of service. The G.I. Bill, in all its iterations, has recognized that there was a social contract between the Nation and its soldiers that was more than a paycheck. The Nation gains, as well as the individual, from such an arrangement.

Sincerely,

ROBERT H. SPIRO, Jr.,
Under Secretary of the Army.

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE CHIEF OF STAFF,
Washington, D.C., January 19, 1981.

Hon. ALAN CRANSTON,
Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your letter of 19 December 1980, in which you ask for our comments on S3263, "The All Volunteer Force Educational Assistance Program Act of 1980." I very much appreciate your concern for enhancing the capability of the services to both attract well qualified men and women into the armed forces and to assist in their retention. A program such as that described in your Bill could well mean the difference between continuance of the All Volunteer Force concept and return to some form of conscription.

The major features of S3263 parallel quite closely those of proposed legislation under development by an inter-service working group. This group has achieved consensus on eight of ten provisions targeted at achieving the very purpose of your Bill. The inter-service proposal envisages a two-tiered approach as does yours—with a slightly higher initial amount—as well as a transferability feature, so long as the military member agrees to career status. The inter-service proposal also contains a provision for a basic educational entitlement at a reduced rate for entry into the ready reserve (Guard or Reserve).

I have asked my staff experts to contact Ms. Polzer and provide her with greater detail regarding the differences that exist between S3263, the inter-service proposal and the Air Force position in this latter regard. Thank you for the opportunity to comment on this important legislation.

Sincerely

LEW ALLEN, Jr.,
General, USAF, Chief of Staff.

DEPARTMENT OF THE ARMY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, D.C., January 19, 1981.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: I am pleased to respond to your request for comments and suggestions on S. 3263, the proposed "All-Volunteer Force Educational Assistance Program Act of 1980." Your proposal contains features that clearly meet Army needs, such as cost-free educational assistance to Service personnel and the provision to transfer unused educational benefits to eligible dependents.

Other features I offer for your consideration include eligibility based on an honorable discharge, reduced-rate benefits for service in the Reserve Components, a higher monthly entitlement and the capability for Service Secretaries to supplement the entitlement. Increasing the entitlement will assist in better meeting current educational costs and permit the Services to compete with other federally funded educational programs. Supplementing it selectively will enable us to better address critical recruiting and retention problems. The Army must have the supplementation authority to gain the necessary flexibility for the enlistment of personnel into difficult-to-fill skill positions and also creates a new recruiting market for college bound youth for the combat arms. Your Bill requires a minimum of 36 months military service. The Army needs a 24 month enlistment option with benefits earned at the same monthly rate.

I am enclosing a chart comparing the features of your proposal and those desired by the Army. The chart also contains changes in the Army position in an effort to gain unanimity among the Services as well as the rationale for the features we desire. Hopefully, provisions such as these in a Bill will go far in resolving many of our recruiting and retention problems. If there is any other information you desire regarding my views, please do not hesitate to call me.

Sincerely,

WILLIAM D. CLARK,
Deputy Assistant Secretary of the Army (Manpower and Reserve Affairs).

COMPARISON OF ARMY EDUCATION INCENTIVE PROPOSAL WITH CRANSTON BILL (S. 3263)

Basic Army proposal	Revised Army position (to obtain service unanimity)	Cranston Bill	Rationale for Army position versus Cranston Bill (S. 3263)
Features:			
1. Noncontributory; all personnel; in-service use after 1 yr.	Concur with proviso for transfer from chapters 32 (Vietnam era bill) and 34 (VEAP) for in-service personnel with service obligation.	Noncontributory to all personnel (2-tier prog concept); 1—basic assistance; 2—supplemental assistance.	Acceptable, if basic is higher.
2. Administered and funded by VA; basic benefit funded by VA.	Same	Basic VA funded, VA administered; supplemental DOD funded, VA administered.	Acceptable.
3. Earning rate of 1½ mo per month; total of 36 mo.	1 mo benefit/1 mo service 36 mo	1 mo basic benefit for 1 mo service—36 mo; 1 mo supplement benefit for each month beyond 36 mo.	Acceptable, except for needed provision for 2-yr enlistee to earn benefits and return to selected Reserve and help fill large Reserve component needs/shortfall.
4. Monthly entitlement of $400 for full time use.	2 yr. ($300 mo); 6 yr ($600 mo)	Basic—$250 per mo, $9,000 maximum (3 yr.); supplemental—$375 per mo, $13,500 maximum (6 yr); Both—possible for 6 yr service $625 per month, $22,500.	Basic entitlement is too low to be an incentive to attract HS diploma graduate college-oriented youth who are necessary to man the force, primarily in combat arms MOS's. The entitlement must be sufficient to compete with other federally funded programs that do not have any national service obligation.
5. Service can supplement stipend to aid recruiting and retention.	Same	No provision	Army must have this flexible option to selectively solve recruiting and retention problems.
6. Transfer unused benefits to dependents (transfer point established by service section.)	Transfer after 10 yr service while on active duty or after retirement.	After 12 yr of service	Transfer point should be flexible, but not earlier than at 10-yr point. This feature is a retention incentive and would assist in solving the Army's retention problem at the mid-career level.
7. Option to establish contributory education fund for dependents.	Withdrawn	No provision	N/A.
8. Reserves entitled to one-half AD benefit fund for dependents.	Same with part-time use provision	Only through supplemental program after 36 mo of active duty.	Benefit necessary to address severe reserve component personnel shortages.
9. Benefits to be used within 10 yr from separation.	do	10 yr from separation	Do.
10. Honorable discharge after completion of service.	do	Honorable or general discharge	An incentives as a reward for honorable service to reduce attrition of 1st-term enlistees.

● MR. HART. Mr. President, today I join with my colleague from California (Mr. CRANSTON) in sponsoring The All-Volunteer Educational Assistance Act of 1981. This measure will provide for the establishment of a new educational assistance program for veterans of military service. The purpose of this bill is to increase the recruitment of qualified men and women into the armed services and to help in the retention of skilled and experienced military personnel by offering a new GI educational assistance program upon completion of a specified period of honorable military service.

As a member of the Senate Armed Services Committee, I have supported the concept of the All-Volunter Military Force. However, I am very much concerned about the critical manpower problems facing the Nation's Armed Forces. The shortage of mid-level skilled personnel is seriously affecting this Nation's ability to meet its military commitment around the world. The Congress, in the last session, reaffirmed that commitment in providing for a major increase in military compensation, special pay incentives for skilled military personnel and other improved benefits for members of the armed services.

I believe this legislation will enhance significantly the attractiveness of military service for qualified young men and women. In addition, a new educational assistance program, as proposed by my distinguished colleague from California, would provide specific incentives that would encourage service members to extend their enlistment period by an additional 3 years.

Senator CRANSTON, as former chairman of the Senate Veterans Affairs Committee, has considerable expertise, experience and an understanding of the complexities of Veterans Administration educational programs. That experience is reflected clearly in the thoughtfulness and quality work embodied in this bill. Senator CRANSTON, as a strong advocate of the American veteran, has shown considerable insight into the military manpower problems facing the defense establishment.

Mr. President, I am aware there are several measures that have been introduced which provide for a new GI education assistance program for military veterans. I am convinced there is a need for this Congress to enact a measure that is equitable and will meet the prescribed goal of improving the quality of our military force structure. In my judgment, this legislation meets that criteria and I urge all Members to support it.●

By Mr. PRESSLER:

S. 418. A bill to rescind the authority of the President to impose an embargo on United States export sales of agricultural commodities for foreign policy purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 419. A bill to amend the Export Administration Act of 1979, to provide for Congressional Veto of agricultural embargoes; to the Committee on Banking, Housing, and Urban Affairs.

PROTECTION OF AGRICULTURE FROM FOREIGN POLICY

Mr. PRESSLER. Mr. President, today I am introducing three pieces of legislation which are necessary to protect agriculture from the effects of foreign policy decisions. Our farmers are paying too much of our foreign policy bill. Food has too often been used as a foreign policy tool without regard to the impact it has on farmers, small business, and agricultural communities. The legislation I am introducing will correct this inequity.

First, I am introducing a bill that would prevent the President from using agricultural embargoes as a foreign policy tool. An embargo for foreign policy purposes is not only ineffective—it does not allow the United States to be a reliable supplier. Our producers suffer when the United States is not a reliable supplier because of the stability producers need to plan their investment and operations. It also hurts our ability to take advantage of growing export market potential. Indeed, an embargo of U.S. agricultural commodities is an inducement for other suppliers to produce and sell more to meet the demand created by the embargo.

Mr. President, I have taken it upon myself to attempt to learn as much as I can about the international grain trade. I had the privilege of visiting China last fall. The Chinese said that one of the most important things about a reliable supplier was that the supplier did not periodically place embargoes on grain for political reasons, because a country that has hungry people wants to have an adequate and reliable supply of food.

The second bill I am introducing today on this subject, providing for a congressional veto, a followup to the position of the House of Representatives and conference committee during consideration of the Export Administration Act in 1979.

Prior to the enactment of the 1979 Export Administration Act, there existed a provision for congressional veto of export controls. The House version of the 1979 bill retained language providing for a congressional veto, continuing an export control safeguard which had been in effect since 1969. However, the Senate version of the 1979 Export Administration Act did not include a congressional veto provision. Subsequently, the conference committee dropped the House provision with the result that there is no congressional veto authority over export controls imposed for foreign policy purposes.

But the members of that conference committee stated the following in their report—

> In agreeing to eliminate the House provision for congressional veto by concurrent resolution of new forms of export controls for foreign policy purposes, the conferees emphasized their expectation that the executive branch would consult fully with Congress prior to employing any such controls, and agreed to give further consideration to a congressional veto mechanism in subsequent legislation in the event prior consultation on foreign policy controls proved inadequate under the provisions of this act.

Our distinguished colleagues will recall that on September 26, 1980, the Senate voted to adopt an amendment which I had offered to end appropriations for enforcement of the grain embargo. In a sense, what the Senate did at that point was to express a veto of the embargo, contrary to the 1979 position of the Senate in opposing the House-passed provision for a congressional veto of export controls.

Thus, the Senate may now be ready to seriously consider amending the 1979 act. My bill does exactly that by authorizing Congress to exercise a veto on export controls imposed on agriculture commodities for foreign policy purposes.

Finally, I am introducing a resolution expressing the sense of the Senate that a total embargo on U.S. export sales should be imposed whenever an agricultural commodity embargo is in effect.

Mr. President, in principle I do not like trade embargoes. I share the desire of a great many of our colleagues and friends that the United States should be more competitive in international trade and reduce the balance-of-trade deficit. Should an embargo be imposed, however, it should not be selective but should be borne by all segments of the economy. During the current embargo, we have continued to sell all manner of goods and manufactured items to the Soviets, including farm machinery which the Soviets use to grow their own grain.

Mr. President, the Soviet embargo is a dramatic example of our current policy, and exactly the type of situation my legislation addresses. We are all familiar with the Soviet embargo and its intended and actual effects: First, it has not succeeded in provoking the withdrawal of Soviet troops from Afghanistan; second, there is not adequate proof that the Soviets are suffering economically; third, it has forestalled billions of dollars of sales of U.S. exports, primarily grains; and fourth, American farmers have borne an unfair share of the burden of lost sales.

Let me also say that Argentina has taken up most of the slack in selling to the Soviets and, as has been pointed out here, we have continued to sell the Soviets material to grow their own grain while, at the same time, we have an embargo affecting one aspect of the American economy.

My point is this: That if we are to have an embargo, let us have a total embargo on everything.

It has now been 13 months since the Soviet grain embargo was first imposed. As I have noted, last fall the Senate adopted my amendment to stop funding for enforcement of the embargo. Campaign promises to lift the embargo were made in abundance, by members of both parties. The new administration has not yet decided whether or not to rescind the embargo.

I have been informed by the White House that a meeting on the embargo will be held in about a week. I hope the President has not made up his mind, as the Washington Post indicated this morning. I hope he keeps his campaign promise and his campaign commitment. Conditions have not changed. Yet, our farmers are still suffering. I urge my colleagues in the Senate and the administration to give my legislation prompt consideration and their strong support.

Mr. President, I ask unanimous consent to have the legislation printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 418

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any restrictions heretofore or hereafter imposed by the President on the export or reexport of United States agricultural commodities to any country under the authority of Section 6 of the Export Administration Act of 1979 are terminated effective on the date of enactment of this Act.

S. 419

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 6 of the Export Administration Act of 1979 is hereby amended by the addition of the following new subsection:

(l) CONGRESSIONAL VETO.—Notwithstanding other provisions of this Act, any export controls on agricultural commodities imposed under the authority of this Section shall cease to be effective upon the adoption of a Congressional concurrent resolution of disapproval within 60 days of Presidential notification of the Congress as provided in Subsection (e) of this Section.

By Mr. STAFFORD:

S. 420. A bill to authorize the U.S. Army Corps of Engineers to provide assistance to local communities, and for other purposes; to the Committee on Environment and Public Works.

SMALL COMMUNITIES WATER RESOURCES ASSISTANCE ACT OF 1981

● Mr. STAFFORD. Mr. President, during the 96th Congress, as well as during the preceding one, this Senator sponsored legislation that would authorize the U.S. Army Corps of Engineers to assist local communities in a variety of ways. Much of this legislation was passed by the Senate in the 95th Congress. Much of it was approved in committee during the 96th Congress. But, in each case, it failed to be enacted by the full Congress as there was no omnibus water legislation.

I am today reintroducing this legislation, modified to reflect some minor changes made in committee last year. Let me outline the basic features of this bill:

Section 2 concerns a seasonal problem that afflicts many areas of our Nation, and might be termed "ice flooding." When a sudden thaw follows a buildup in river ice, flooding is often produced by "ice dams," which accumulate at bridge abutments or other impediments in the river.

Ice flooding and ice damage occurs in many areas every winter. The danger of ice buildup can sometimes be handled effectively through the authority of the Corps of Engineers to perform emergency work. But these efforts often come too late, or may involve costly, last-minute activities such as the use of explosives.

With systematic and coordinated planning, I am convinced we can develop methods to control river ice, to improve ice breakup techniques, and to provide this information to affected communities. The Army Corps of Engineers is the proper organization to undertake this work.

Section 2, therefore, establishes a new authority for the corps to spend up to $5 million a year to assist communities in controlling river ice before it becomes a problem, rather than after the problem causes damages.

Section 3 of this bill authorizes the corps to assist local communities in designing new hydroelectric facilities at existing dams, industrial sites, millraces, and similar facilities. Many areas of the Nation, particularly in the Northeast, have the opportunity to develop significant and reliable sources of power, using old damsites. While the Department of Energy and the corps are working together on a program to retrofit larger dams owned by the corps and others, I believe we also need to examine and develop the potential at smaller sites.

I should point out that this section does not provide funds for actual construction work. Rather, it will enable the corps to help small communities with technical assistance in design of such retrofit projects. This, too, is funded at $5 million yearly.

Section 4 establishes a new, small program to control streambank erosion, which is a most troublesome water-related problem for many areas of the Nation. Streambank erosion cuts away at property, undermines homes, and produces severe siltation. At times of heavy rainfall, erosion often uproots trees, which then block streams and produce significant flooding.

During the 93d Congress, the Streambank Erosion Control Evaluation and Demonstration Act of 1974 was enacted, authorizing a number of demonstration projects. This bill would provide a supplemental authority, allowing the Army Corps of Engineers to assist local government and individuals in planning to combat serious streambank erosion. By making the corps' expertise available to local communities and property owners, this bill should enable the public more effectively to help itself.

The section also would make available $50 million in interest-free loans to

assist individual and communities in providing more effective erosion control. Frankly, I cannot state that the dollar figure necessarily reflects the broad national need. Also, there may be a valid need to impose a modest interest charge on such loans. But I believe that a pressing need exists for streambank erosion control. I would hope that hearings can be held on this legislation, hearings that will focus attention on the need and benefits from a stepped-up effort to control streambank erosion.

Section 5 directs Federal agencies to expedite the licensing of small hydroelectric projects, defined as those of 25 megawatts or less. In addition, there is a requirement for a General Accounting Office study of the implementation of this directive.

Mr. President, I ask unanimous consent that the text of bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 420

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Communities Water Resources Assistance Act of 1981."

RIVER ICE CONTROL

SEC. 2 (a) The Secretary of the Army, acting through the Chief of Engineers (hereinafter referred to as the "Secretary"), shall undertake a program of research to increase his capability to control river ice, and to assist communities in breaking up such ice that would otherwise be likely to cause or aggravate flood damage or severe streambank erosion.

(b) The Secretary is further authorized to provide technical assistance to local units of government to implement local plans to control or break up river ice. As part of such authority, the Secretary is authorized to acquire and loan necessary ice-control or ice-breaking equipment to local units of government.

(c) For the purposes of this section, the sum of $5,000,000 is authorized to be appropriated to the Secretary in each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984 and September 30, 1985, to remain available until expended.

(d) No later than March 1, 1985, the Secretary shall report to the Congress on activities under this section.

IMPROVEMENTS AT FORMER INDUSTRIAL SITES

SEC. 3. (a) The Secretary shall, upon the request of local public officials survey the potential and methods for rehabilitating former industrial sites, millraces, and similar types of facilities already constructed, for use as hydroelectric facilities. The Secretary, shall upon request, provide technical assistance to local public agencies and electric cooperatives in designing projects to rehabilitate sites that are surveyed, or qualified for survey, under this section.

(b) There is authorized to be appropriated to the Secretary, to implement this section, the sum of $5,000,000 for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, to remain available until expended.

STREAMBANK EROSION CONTROL

SEC. 4. (a)(1) The Congress finds that streambank erosion destroys property, both public and private, creates and aggravates flooding, increases sedimentation in the Nation's rivers, adds to the needs for disaster assistance in many areas, and creates significant financial and environmental losses to the Nation.

(2) The Congress, therefore, declares that it is in the national interest to assist communities and individuals, in lessening, and when possible preventing, the erosion of streambanks, particularly when such erosion threatens, or can be expected to threaten, public and private facilities and structures.

(b)(1) The Secretary shall provide technical assistance in methods to retard streambank erosion to any person or agency requesting such assistance, if the applicant is experiencing, or can be expected to experience, erosion threatening dwellings or loss of property. The Secretary may also provide assistance to an applicant who would be likely to be affected by flooding downstream from property threatened by erosion: *Provided,* That the owner of such property agrees to allow the applicant to perform such erosion retarding work.

(2) For the purposes of this subsection, the sum of $2,000,000 is authorized to be appropriated to the Secretary in each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, to remain available until expended.

(c)(1) The Secretary is authorized to provide loans, to be repaid within 10 years, of up to $10,000 to any public or private group or agency or individual for the purpose of stabilizing streambanks when erosion of such streambanks threatens, or can be expected to threaten, any facility or structure, or produce or seriously aggravate the danger of flooding. Plans for any work to be undertaken with a loan under this subsection shall be submitted to the Secretary. Approval by the Secretary of such plans shall be a commitment of the Secretary to such loan. Notwithstanding the first sentence of this subsection, any loan to a public agency may be for a period of twenty years and for a sum up to $25,000. Loans granted under this section shall be free of interest. Repayment shall be required in equal installments.

(2) For the purposes of this subsection, the sum of $50,000,000 is authorized to be appropriated to the Secretary for the fiscal year ending September 30, 1982, and thereafter, and shall remain available until expended.

LICENSING OF FACILITIES

SEC. 5. (a) Any agency of the United States with the authority and responsibility to grant or review any license or permit needed to utilize hydroelectric power at newly proposed or existing facilities, with anticipated installed capacity of twenty-five megawatts or less, shall make every effort to simplify the application procedures and to expedite the consideration of any license or permit that may be necessary for the construction or operation of such facility, or the sale of power from such facility.

(b) The Comptroller General of the United States shall report to the Congress within one year of the enactment of this Act on the implementation of this section, his evaluation of any continuing institutional problems involved in hydroelectric development at newly proposed or existing facilities, and his assessment of the need for additional congressional action to facilitate hydroelectric development at such facilities.●

By Mr. DECONCINI (for himself, Mr. SASSER, and Mr. PRYOR):

S. 421. A bill to provide for reductions for fiscal year 1982 in obligations by the departments, agencies, and establishments of the executive branch of the Government; to the Committee on Governmental Affairs.

GENERAL GOVERNMENT CONTROL AND EFFICIENCIES ACT OF 1981

Mr. DECONCINI. Mr. President, today Senator SASSER, Senator PRYOR, and I are introducing the General Government Expenditure Control and Efficiencies Act of 1981, that would reduce expenditures and affect savings in fiscal year 1982 of $3.9 billion in travel, consultant services, audiovisual activities, public relations, and advertising; and collection of Federal debts. I ask that statements by both Senator PRYOR and Senator SASSER be allowed to follow my introductory remarks in today's RECORD.

Mr. President, between January 26 and 30, the Senate Appropriations Committee held 4 days of hearings on the issue of the economy and its effect on the budget for fiscal years 1981 and 1982. The committee heard from two of the top ranking administration officials—Secretary of the Treasury, Donald Regan, and Office of Management and Budget Director, David Stockman; four eminent economists—Walter Heller, Otto Eckstein, Michael Evans, and Alan Greenspan; Chairman of the Federal Reserve Board, Mr. Paul Volcker; and a number of distinguished outside witnesses, including Elmer Staats, head of the General Accounting Office, and Mrs. Alice Rivlin, head of the Congressional Budget Office.

Although their approaches to whipping the economy back in shape differed in some respects, they were nearly unanimous in their call for a substantial decrease in Federal spending. The legislation that I am introducing today hopefully will be the first of many expenditure reduction and economy measures that will challenge both the new administration and the Congress to make the tough unpopular budget cuts that we all agree are essential in order to cut off one of the root causes of the current inflationary spiral.

This legislation would authorize a total of $3,900 million in reductions in the fiscal year 1982 budget of the United States as submitted to the Congress by former President Carter in January of this year.

These economies would be made in the following areas:

First, Government travel:—$750,000,000.

Second, consultant services, consultant contracts, and special consultant studies:—$1,000,000,000.

Third, audiovisual/filmmaking activities:—$250,000,000.

Fourth, public relations, public affairs, public information and advertising activities:—$150,000,000.

Fifth, debt collection: Direct OMB to achieve savings of $1,750,000,000 from more aggressive collections.

These reductions or savings were not merely drawn out of a magic hat with the hope that some of them might be attainable. No, indeed. Each and every one of these "general government" expenditure reductions has had a day in court through intense study and review by the General Accounting Office; various authorizing committees of the Congress, the Appropriations Committees of the Congress, or outside reviews by ad hoc research and spending limitation committees and panels. They represent a consensus, if you will, of those activities that, during years of tight budget restraint, occupy a lower priority than other more essential Federal activities. Let us take a look at each of these areas and talk briefly about why I feel that a good case can be made for these sharp cutbacks in fiscal year 1982.

TRAVEL: —$750,000,000

According to the Office of Management and Budget (OMB), the Federal Government plans to spend $4,841,000,000 on travel in fiscal year 1982 (Carter budget), an increase of more than $800,000,000 over the current fiscal year 1981 estimate for travel for the executive branch, the Judiciary, and the Congress. This does not include the current administration's reduction in travel for fiscal 1981, the size of which is not yet determined.

It is also estimated that the Federal Government spends another approximately $4,000,000,000 for so-called nonpersonnel travel (moving supplies, materials, etc.) so my proposed reduction of $750,000,000 would constitute less than a 10-percent reduction in the total Government travel and transportation budget for fiscal 1982.

Abuses in travel have been well-documented and I will not go into the myriad of examples that have surfaced over the past few years. Senator SASSER of Tennessee has taken the lead in exposing waste and abuse in the Federal travel business and I am pleased to have the distinguished Senator as a cosponsor of this bill.

There is no question that some Federal travel is essential. For example, disabled veterans are entitled to receive transportation assistance in getting to and from VA hospitals to receive medical care. Law enforcement officials in the area of drug enforcement must be allowed to pursue, apprehend, and intercept drug traffickers who attempt to carry illegal narcotics into the country by land, sea, and air.

These are not the elements of the Federal travel budget that this legislation intends to address. However, much of the Federal travel budget is fraught with unnecessary, low-priority trips that should be curtailed and eliminated. For example, according to the draft report of the interagency travel management improvement project, more than 25 percent of Federal travel goes for conference attendance, speech presentations, training attendance, information meetings, and other nonessential activities that could be sharply reduced without affecting necessary military and nonmilitary travel requirements.

Reports from the General Accounting Office, congressional hearings, and other sources have indicated that as much as 15 percent of the trips taken during a given period of time did not meet OMB criteria for need, and that, in one survey taken by Senator SASSER, 53 percent of 241 trips were authorized by the person taking the trip.

Agency "retreats" to conferences in such glamorous jet-set cities as Las Vegas, Honolulu, and other resort cities are not uncommon. Federal agencies must be forced to approve only those trips that are essential to the mission of the agency—and the best way I know to force that type of discipline is to cut the Federal travel budget and cut it sharply. This legislation would do just that.

CONSULTANT SERVICES, CONSULTANT CONTRACTS, AND SPECIAL STUDIES: —$1,000,000,000

Another area of waste and abuse that has been well-documented is the area of consultant services, contracts, and studies. My bill would reduce the Federal consultant services budget request for fiscal 1982 by $1,000,000,000.

Perhaps the most shocking commentary on the issue of Federal expenditures for consultant services is that we really do not have a firm figure for what is actually spent. Imagine a large corporation, such as IBM or AT & T, not knowing how much they spent on outside experts or consultants. The stockholders would go through the roof. And the taxpayers must be going through the roof when they learn that the Federal Government may be spending as much as $2.4 billion a year on outside experts, consultant contracts, and special studies by consultants that often end up on the proverbial dusty shelf, unused, and worthless. That was the estimate that Senator Warren Magnuson, former chairman of the Senate Appropriations Committee, gave last year as he attempted to reduce consultant spending for fiscal year 1981.

The Office of Management and Budget, using a much narrower definition of what constitutes a consultant, has estimated that the Federal Government only spends $400,000,000 on such assistance. But Senator DAVID PRYOR, who has been the champion of the Senate in exposing waste and abuse in the Federal consulting business, held hearings in his Subcommittee on Civil Service and General Services that indicated over half of the Department of Energy's $11 billion budget alone was spent on outside consultants and contractors. The General Accounting Office, various congressional committees, and other outside groups have done their own evaluations of the Federal consultant "machine" and found a number of common abuses, such as failure to use competitive procurement practices in securing consultant services; excessive rates of compensation for consultants; outside consultants performing policymaking or other managerial functions that should be performed inhouse by Federal employees; and rampant duplication of studies which often are never used. There is no question that consultant services should be cut and cut substantially.

Again, my proposed reduction will force Federal agencies to reassess their need for outside experts, apply more stringent guidelines for going "outside" for assistance to supplement their inhouse work force, and use consultants only when such expertise is absolutely critical to the mission of the agency. The National Tax Limitation Committee, under the direction of Milton Friedman, noted economist, has suggested savings of $2 to $3 billion in consulting services annually. My "modest" reduction of $1 billion should not affect the critical consulting requirements of the Federal Government next year.

AUDIOVISUAL/FILMMAKING AND PRODUCTION: —$250,000,000

A little publicized fact that probably escapes the notice of the average American taxpayer is that the Federal Government, according to the National Audiovisual Center in GSA, spends approximately $450 million to $500 million a year on audiovisual activities, including over $53,000,000 on motion picture, T.V., and video tape and audio production activities. The Department of Defense alone spends well over $410,000,000 a year on audiovisual production, duplication, equipment and supplies. The National Audiovisual Center also reports in its fiscal 1979 report on audiovisual activities that the Federal Government owned or leased 1,519 audiovisual facilities, totaling 8.9 million square feet of space in fiscal 1979. The Department of Agriculture alone owned or leased 62 such facilities, the Veterans' Administration, 181 facilities, and the Department of Defense, 1,074 audiovisual facilities. In fiscal 1979, 11 departments and 23 agencies owned or leased their own facilities. Since 1978, the Office of Management and Budget has been attempting to force agencies to consolidate or even eliminate audiovisual facilities that may be underutilized or nonessential to the Government's missions. It does not appear that OMB's directives as outlined in Circular A-114 have had much effect to date. Therefore, I am proposing a reduction of $250,000,000 in the audiovisual, filmmaking, duplication, and equipment budget for fiscal year 1982.

Now, it is true that many of these Government-sponsored productions are used for training films for the military and other Federal agencies, and for useful public information on health, science, and history. But in a year when we need to make every dollar count and make economies wherever possible, these activities would seem to be a good candidate for sharp reductions.

Here are some of the films and productions that have been produced with the taxpayer's money over the past several years:

Tent Flaps and Flapjacks: Portrays the recreational opportunities in the national forests in the northcentral states.

Squirrel Cage Rotor Principles: Describes the laws of magnetism and induced electromotive force, explains how in squirrel-cage rotors electrons flow up magnetic poles.

Silver Fox Rodeo: Shows the Navy Attack squadron at work and play. Also shows enlisted personnel and officers flying over the Sierras, riding broncos and wild burros, and milking wild cows.

Signs of Profit: Depicts the dreams of a farmer and his wife; explains how these dreams for bettering farming are not so far off if the farmer has the incentive to work for them.

Blondes Prefer Gentlemen: Shows proper and improper etiquette on a dinner date.

Twenty-six audiocassettes on teaching Swahili.

Conducted Tours: Shows some of the things that commonly go wrong with conducted tours.

Faces of Freedom: A story about our hostages in Iran? No way. This film traces the history and purpose of the National Portrait Gallery since its founding.

The Autobiography of a Jeep: Gives a look at that most all American of vehicles, the

jeep. Celebrates our national love affair with the automobile, transferred here to a remarkable little machine which would become a symbol of America's presence throughout the world.

Arizona Strip: Presents a documentary of one of the last horse-driven roundups, details a cattle roundup from chuck wagon to branding, while cowboys express their views about the life of cattlemen.

Feelings—A Way to Better Letter Writing: Compares two kinds of letter writing—one simple, easy to read and to the point; the other wordy, pedantic and complicated; suggests how agencies should correspond with the public in a simple style to say what needs to be said.

I like the Overhead Projector Because: Designed to offer ideas to teachers on how to use the overhead projector.

Hidden Beauty: Shows that a profitable junkyard business need not be an eyesore to highway users.

These are just a few of the hundreds of films that have been produced at taxpayer's expense. Even if these films were important information tools, there is little indication that the number of target viewers or the effect of the message received justifies the cost. Surely, in a year of double-digit inflation, the Federal Government's filmmaking and audiovisual program can be reduced sharply without seriously affecting the military or civilian agency effort to inform the public or train their own people.

PUBLIC AFFAIRS, PUBLIC INFORMATION, AND ADVERTISING: —$150,000,000

Mr. President, Government is big business and, like big business, the Federal Government seems to be spending large amounts of its scarce resources on public relations, public affairs, public information programs and advertising, activities which appear to be largely self-promotional. Now I have no problem with the private sector using its capital for such activities—after all, businesses are in business to make money by selling their services, programs, and products to the public. But, frankly, I believe that the Federal Government is spending too much of the taxpayer's money on these promotional functions.

This legislation would reduce Federal spending for public affairs, public information, and advertising by $150,000,000 in fiscal year 1982, with $30,000,000 of this reduction applied to advertising costs.

According to UPI investigative reporter Don Lambro, whose 2-year study of Federal spending programs culminated in his book entitled "Fat City," OMB and the Office of Personnel Management have privately estimated the cost of Government public relations, self-promotion, and other public information activities of the Federal Government at over $1.5 billion a year. Now, this figure includes the $500 million I mentioned earlier that the Federal Government spends on audiovisual activities, but it also includes approximately $400,000,000 for public relations, public affairs, and the personnel that run these so-called "PR" programs for the Government agencies, and as much as $200,000,000 for advertising. Again, as with consultants, neither the OMB nor any other Federal entity has a solid estimate of exactly what the Federal Government spends on these activities, but the best information we have shows that Uncle Sam is running a close second to many major corporations in the amounts it spends on public affairs and advertising annually.

For example, according to the White House Reorganization Project of 1978, more than 1,000 people from 29 different agencies are assigned to congressional relations at a cost of approximately $24,000,000. Many of these civil servants serve a most useful purpose in providing information to Senators and Congressmen and their constituents. However, it appears that more and more these bureaucrats are largely responsible for "selling" their respective agency programs to the Hill and—for lack of a better term—"lobbying" Members of Congress, especially around Appropriations Committee markup time. Half the staff in committee markups are agency representatives, hovering over their "allies" and scowling at Members who may be inclined to vote the "wrong way" on certain key issues affecting their agency, slipping notes to staff, and running to the phones for reinforcements from agency officials.

Other agency personnel work within the agency to promote agency programs and inundate the public with information, charts, pictures, and press releases on their respective programs. Mr. Lambro's research revealed that in the Department of Agriculture alone, nearly 1,000 people are employed as information-media workers to handle public information and public relation duties, while the Department of Defense has a press and public affairs staff of more than 316 people in the Pentagon with another 1,200 scattered around the country to handle DOD's public relations and press activities. Those two agencies alone have a combined public relations and public information budget of more than $50 million. Add to this the 459 public affairs staff at the Department of Health and Human Services and their budget of $25.4 million a year and you can see that public affairs is big business in the Federal Government.

Finally, according to advertising industry sources, the Federal Government spends in excess of $128 million a year on advertising. Mr. Lambro's research revealed that the figure is probably closer to $200 million, after his discussions with GAO and other Federal officials. Of this amount, probably half is for military recruiting advertisement costs, which are admittedly essential to the country and will not be affected by my legislation. The balance should be cut and cut substantially. My proposed reduction of $150,000,000 in public affairs and advertising activities assumes a reduction in advertising of $30,000,000 with the balance applied to the public relations, public affairs, and public information function. Surely, a reduction of this size can easily be absorbed by Uncle Sam in fiscal year 1982 without any noticeable diminution of the Government's ability to properly inform the public about Federal programs and provide adequate information to Congressional offices.

SAVINGS RESULTING FROM MORE AGGRESSIVE DEBT COLLECTION: MINUS $1,750,000,000

Finally, Mr. President, this legislation would direct the Director of OMB to achieve savings totaling $1,750,000,000 through more aggressive, persistent collection of debts owed to the Government, which have been previously written off as "uncollectable."

Going back to 1977, the General Accounting Office has issued no fewer than 30 reports covering, at least in part, the issue of debt collection and steps the Federal Government should be taking to go after bad debts occurring in student loan programs, VA loan programs, and other Federal activities where borrowers have backed out of their obligations to repay Uncle Sam. Three or four reports have been done exclusively on the governmentwide debt collection problem. And what have been the results?

Well, according to the GAO, of the current $125.7 billion in governmentwide receivables due, an estimated $6.3 billion will be uncollectable—enough to fund the space program for an entire fiscal year. Of the $6.3 billion, an estimated $3.9 billion constitutes uncollectable student loans, benefit overpayments, and other similar obligations due the Government, with the balance consisting of delinquent income taxes that the Internal Revenue Service has deemed "uncollectable." In other words the Government has shrugged its shoulders, thrown up its hands, and essentially said that we cannot get back $6.3 billion that is due. We all know what happens in the private sector to you and me if we do not pay our bills or repay our loans. Our credit is affected and in many cases we end up in court. Congress has begun to attack the root cause of Government bad debts and proposed statutory changes to make debt collection more effective governmentwide, thanks to efforts by my distinguished colleagues, Senators SASSER, PROXMIRE, PRYOR, and PERCY, and others who have tackled this problem in their respective committees.

But we have a long way to go and I believe that the fastest way to force Federal agencies to vigorously pursue both overdue accounts and most importantly so-called uncollectable bad debts, is to force savings of the magnitude I am recommending in this bill. A savings of $1,750,000,000 in fiscal year 1982 would tell the beleaguered American taxpayers that, finally, the Federal Government is trying to get some of their investment back.

CONCLUSION

Mr. President, I am aware that some of these proposed savings are not new ideas, not new proposals for where waste, abuse, and mismanagement can be reduced or eliminated. A number of my distinguished colleagues, both on the Appropriations Committee and other committees, have reviewed these areas and uncovered abuses that exist. What this legislation intends to do is translate all of the GAO reports, all of the testimony, all of the committee hearings, all of the investigations, and all of the rhetoric about cutting these budgets into action. And I do not intend to stop here. I intend to pursue these proposed savings through the appropriate authorizing committees

that will have jurisdiction over this bill. I intend to request an opportunity to testify before the Senate Budget Committee to urge that committee to incorporate the economies proposed in this bill into the targets and assumptions established in the first concurrent budget resolution for fiscal year 1982. And, finally, as the ranking minority member on the Treasury, Postal Service, and General Government Subcommittee of the Senate Appropriations Committee, I intend to offer this package of governmentwide savings as a general provision to the Treasury, Postal Service, and general Government appropriation bill for fiscal year 1982.

Mr. President, I urge my colleagues to help start the process of reducing these nonessential general Government expenditures by supporting this bill and subsequent efforts I intend to make down the road to make these savings a reality in the next fiscal year.

● Mr. SASSER. Mr. President, I am pleased to join my colleagues in introducing this legislation which will reduce the Federal deficit by almost $4 billion in fiscal year 1982.

This is a tough bill. It mandates substantial real cuts in several areas of Government spending. By reducing travel costs and consultant contracts, the Congress is signaling the heads of departments and agencies that we are serious about the need to reduce wasteful Government expenditures. By mandating improvements in debt collection activities, we are indicating that it is our feeling that the executive branch must do a better job of collecting its debts. In addition, this legislation mandates a reduction in Government public relations costs.

Mr. President, this legislative initiative is similar to cuts and reductions which have been advocated in previous years by Senators PRYOR, BAUCUS, and myself. These reductions are substantial. They represent a large percentage of total Government travel, consultant contracts, and public relations activities. These reductions will not be easy to accomplish—but these savings can be achieved. In the area of debt collection the Office of Management and Budget has testified that up to $16 billion can be collected through improved debt collection practices.

Mr. President, I would like to call attention to a bill which is currently pending in the Committee on Governmental Affairs, S. 61. This bill essentially embodies the provisions of the so-called Sasser-Pryor resolution which we introduced last year. This bill would encourage savings of up to $2 billion for the current fiscal year. A major section of the Sasser-Pryor resolution provides the statutory tools necessary to enable the executive branch to do a better job of collecting its debts. These provisions were approved by the Senate last December, and I am hopeful we can secure approval of S. 61 during this session of Congress.

Mr. President, S. 61 and the legislation we introduce today will save the taxpayer $6 billion. These bills are designed to reduce waste and improve Government efficiency. I believe these are essential steps which must be taken as we move toward a balanced budget.●

● Mr. PRYOR. Mr. President, I am pleased to join the Senator from Arizona (Mr. DECONCINI) in sponsoring this legislation. I believe we need to cut the Federal budget and we need to begin that process at places where services to the American people will not suffer. The items contained in this bill—travel, consultants, audiovisuals, and public relations—are such activities. Likewise, commonsense, as well as sound management concepts, can only lead to one conclusion about just debts to the Federal Government—that we need to make sure every dollar is collected.

I have previously joined the Senator from Tennessee (Mr. SASSER) in efforts to cut Federal travel and cited my experience with a group of 14 Federal employees who flew to Washington from Arkansas to visit me and others in the Arkansas delegation. The trip cost the Federal Government about $300 per plane ticket plus hotel, meals, and the time the employees were away from their work. A $5 phone call would have accomplished as much.

Mr. President, we must curtail this type of Federal travel, and this is the time to start. We must change this mind set we have fallen into in which people think these travel dollars "belong to someone else." It must end.

I have spoken many times about the Federal Government's use of consultant services. Such services cost billions of dollars a year and the taxpayers get very little in return for their money. Hearings and investigations by the subcommittee I chaired in the 96th Congress showed that such activities are often characterized by waste, duplication, and excessive cost.

Last year, I worked with the distinguished former chairman of the Appropriations Committee, Senator Magnuson, the distinguished Senator from Tennessee (Mr. SASSER), and others on budget cuts for consultant services. I believe that such reductions will increase Government accountability by making agency personnel more directly responsible for policy and programs. By imposing budget cuts in this way, we may force Federal officials to focus on the need and justification for many of these consultant projects, and in fact, will force managers in Government to manage the Government from inside.

Debt collection is a business matter and the Federal Government owes the taxpayers the duty to proceed in a business-like manner. Taxpayers are the ultimate losers when debts go unpaid and we should not allow the Federal Government to be asking for tax dollars unless we are also diligently pursuing dollars already owed to the Government.

Finally, in a period of budget cutting for all Americans, I believe the Federal Government should reduce its spending for audiovisual and public relations activities. Such spending must be brought in line with the reality of the 1980's and we in Congress must be prepared to act accordingly.

In closing, I urge the support of Senators for this economy measure. These cuts will have a significant impact, without jeopardizing even one vital program or one service that today we are rendering to our constituents. We should move forward without delay to achieve these savings.●

By Mr. GLENN:

S. 422. A bill to provide for the extension of the period for repayment of revenue bonds issued by the St. Lawrence Seaway Development Corporation to the Secretary of the Treasury from 50 years to 80 years, and for other purposes; to the Committee on Foreign Relations.

ST. LAWRENCE SEAWAY

● Mr. GLENN. Mr. President, today I am introducing legislation that would extend the repayment period for the remaining bonded indebtedness of the St. Lawrence Seaway Development Corporation and provide for that debt's retirement through equal annual installments over the extended period ending in the year 2043.

The purpose of this bill is to moderate and stabilize somewhat the schedule of tolls that is sure to be increased as the result of joint United States-Canadian negotiations, due to start in the near future.

When my office was preparing this bill for introduction, the problem appeared to be extremely urgent. Former Treasury Secretary G. William Miller, however, relieved the short-term problem facing the Seaway Development Corporation early in January, when he approved a revised repayment schedule that will save the corporation $15 million in outlays over the next 5 years. Unfortunately, this short-term solution only exacerbates the longer-term problem because, unless Congress intervenes, it would result in the ballooning of payments from $2 million in 1981 to $9.5 million-per-year in 1986.

In my view, Congress should intervene—and we should do it in time to let the U.S. negotiators know that the Corporation will not face these enormous repayment requirements at the end of the 5-year period. That assurance will prove important, not only to the U.S. negotiators, but also to the many shippers, farmers, manufacturers, workers and others throughout the American interior who rely upon the access to international trade provided by the St. Lawrence Seaway.

Had it not been for the action taken by former Secretary Miller, the St. Lawrence Seaway Corporation would have entered this year's negotiations knowing that its debt repayment requirement would be $5 million, rather than $2 million annually. Clearly, tolls would have been raised to meet that requirement. While the sum may not seem large in the context of the overall budget of the United States, the impact on U.S. firms and workers would have been significant when it is recognized that the total revenue from tolls for 1980 is expected to

amount to about $10 million. In the absence of legislation, this problem will recur again and again.

To show how Seaway tolls can affect trade, Mr. President, let me cite an example arising out of the last round of toll negotiations. In 1977, a vessel moving out of the Great Lakes, carrying 16,236 net tons of rolled sheet steel for export, was required to pay a $14,612.40 toll charge on the cargo. As a result of the 3-year incremental toll increase negotiated between the United States and Canada in 1978 tolls on that same cargo increased to $31,667.35 in 1980. That is an increase of 117 percent.

Obviously, such an increase has heavy impact on the continued economic viability of Seaway useage by cargo carriers. Anything we can do to discourage such steep increases in the future will be worthwhile. Clearly, tolls will rise again, whether or not the bill I introduce today is enacted. If it is enacted, however, not only will the debt retirement figure be firmly established at about $2 million annually over the next 5 years, but the U.S. negotiators will know that the repayment schedule for the Corporation's existing debt will not rise above that figure in the "out" years.

In short, our negotiators will not face the problem of having to ignore the long-term impact of the amortization scheme in order to meet only short-term goals. I believe that my bill, by providing for a 30-year extension of the repayment period, by statutorily restructuring the remaining debt of about $108 million to insure equal annual installments, and by permitting future toll negotiations to reflect the change in the payback requirements, would fulfill an important U.S. interest.

Mr. President, this bill is but one small step toward the improvement of shipping between the heart of America and the rest of the world. Its budgetary impact over the short term is negligible, and over the long run it is not much greater. But the bill can make a difference, especially to those 11 States which—like Ohio—are wholly or partly included in the Great Lakes Economic Region. By passing this bill, Congress can send a clear message to farmers, port officials, vessel owners and operators, maritime labor, and shippers. We will be telling them that the importance of the Seaway is recognized—and that the Congress of the United States retains an abiding interest in insuring that the north coast of the United States remains open to seagoing traffic. Surely, that is a message worth sending—and a goal worth achieving.●

By Mr. DOMENICI:

S. 423. A bill to improve the operations of certain water resource projects submitted to the Committees on Public Works of the Congress; to the Committee on Environment and Public Works.

OPERATION OF CERTAIN WATER IMPROVEMENT PROJECTS

● Mr. DOMENICI. Mr. President, I am today reintroducing legislation that seeks to preserve the agricultural character of the small watershed program which is within the responsibility of the Department of Agriculture's Soil Conservation Service. This legislation would affect only those small watershed projects submitted for review and possible authorization to the Committee on Environment and Public Works.

This bill is similar to legislation I introduced in 1978, and again in the 96th Congress. This legislation has won full Senate approval, but has never become law due to the failure of Congress to complete action on a comprehensive water resources development bill.

Section 1 of the bill requires that the full Senate pass on those SCS projects that would cost $10,000,000 or more, rather than leaving that responsibility to the discretion of the Committee on Public Works of the two Houses.

Section 2 of the bill requires that at least 20 percent of the benefits of a SCS project relate directly to agriculture. Too often, I believe, the SCS program has moved into urban areas, rather than focusing attention on the many water resources problems still facing rural America. The requirement for a 20-percent agricultural benefit is a fair and equitable one, I believe.

Section 3 of the bill adds a requirement for a report to the Congress on the ways to assure public recreational opportunities at SCS projects.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 423

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of the definition of "works of improvement", contained in section 2 of Public Law 83-566, as amended, is further amended by adding after "$250,000" the following: "but not more than $10,000,000, for any projects submitted to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives: *Provided,* That any project anticipated to cost more than $10,000,000 must be authorized by an Act of Congress.".

SEC. 2. Section 2 of Public Law 83-566, as amended, is further amended by deleting the period and inserting a colon at the conclusion of the proviso, and adding the following: "*And provided further,* That each such subject must contain benefits directly related to agriculture that account for at least 20 per centum of the total benefits of the project.".

SEC. 3. The Secretary of Agriculture, acting through the Administrator of the Soil Conservation Service, shall study and report to the appropriate committees of the Senate and the House of Representatives by April 1, 1982, on the feasibility, the desirability, and the public interest involved in requiring that full public access be provided to all water impoundments that have recreation-related potential and that were authorized by Public Law 83-566, as amended.●

By Mr. PACKWOOD (for himself and Mr. HATFIELD):

S. 425. A bill to amend the Mortgage Subsidy Bond Tax Act of 1980 to exempt from the coverage of such act certain general obligation mortgage bond issues of the State of Oregon; to the Committee on Finance.

AMENDMENT OF MORTGAGE SUBSIDY BOND ACT

● Mr. PACKWOOD. Mr. President, today I am introducing a bill to provide relief for nearly 5,000 veterans in Oregon.

Congress passed the Mortgage Subsidy Bond Tax Act as an amendment to the Omnibus Reconciliation Act of 1980. The intention was to restrict the issuance of mortgage subsidy bonds by local governments, and I supported that intention. In many instances, these bonds were providing funds for housing for families of all income levels, not just those who could not otherwise afford decent housing. The drain on the Treasury and the effects on inflation were too great to continue these programs without some restrictions.

The reasoning, Mr. President, was just as sound when Congress decided that qualified general obligation veterans' mortgage bonds should be exempted from those restrictions. Veterans have served our country well, and the State of Oregon has always felt a deep sense of responsibility to its veterans.

Unfortunately, in the rush to pass the bill as an amendment to the Omnibus Reconciliation Act of 1980, Congress intent to exempt veterans was not fully met. As a result, today several thousand veterans in Oregon face serious, and in many cases catastrophic, financial harm.

This bill will provide relief for those veterans. It will exempt the first two—and only the first two—general obligation veterans' mortgage bond issues of 1981 from the provisions of the Mortgage Subsidy Bond Tax Act.

Let me explain why we need this exemption. Applications for loans covered by Oregon veterans' mortgage bonds are received, and qualifying applications are formally committed to, in advance of any bond issue. The bond issue occurs only when the amount of loan money necessary to fund qualifying applications reaches $200 million.

In this particular case, because Oregon's bond ceiling had been reached for 1980, applications received between August 22 and December 5, 1980 were to be funded by a bond issue in January 1981. The effective date of the Mortgage Subsidy Bond Tax Act was January 1, 1981. At the time these veterans applied and the applications were received by the Oregon State Department of Veterans' Affairs, there was no indication that future veterans' mortgage bonds would be subject to the restrictions of the Mortgage Subsidy Bond Tax Act. In fact, they were repeatedly assured these bonds would be exempt. Because of those assurances, formal loan commitments were issued to those veterans who had qualified under the State veterans' program.

The same is true for applications received between December 8, 1980 and December 31, 1980. Both groups of applicants had applied and their applications had been accepted with the understanding that they were exempt from the restricting provisions of the Mortgage Subsidy Bond Act.

Mr. President, I ask unanimous con-

sent to insert at this point in the RECORD a summary prepared by the Department of Veterans' Affairs describing the effects of the Mortgage Subsidy Bond Tax Act on the Oregon veterans' mortgage bond program; a copy of the Oregon Department of Justice opinion responding to questions raised by the Oregon Department of Veterans' Affairs; and a summary describing the serious situation created in Oregon as the result of this act.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF VETERANS' AFFAIRS

THE MORTGAGE SUBSIDY BOND TAX ACT OF 1980

In the Summer of 1979, Representative Al Ullman, Chairman of the Ways and Means Committee, introduced the Mortgage Subsidy Bond Tax Act in response to pressure from the Treasury Department. The primary purpose of the Act was to require tax-exempt bonds to be registered and secondarily, to stop major cities from issuing general obligation bonds to provide funds for single family dwellings for people of all income levels. The Act was hurriedly introduced in a pressure situation, and appeared to abolish all tax exempt financing for housing.

The Director of Veterans' Affairs immediately contacted Representative Al Ullman and his staff and was assured that there would be an exemption for veterans' home loan financing although its exact nature was uncertain. It was through Representative Ullman's efforts that the exemption on veterans' bonds was included in the bill. The original draft and conversations with the Administrative Counsel for Ways and Means and the Senate Finance Committee indicated that the Act would not affect Veterans' Home Loan programs. Prior to each bond sale, the Department Bond Counsel, Mr. Howard Rankin, checked with the Representatives in Washington and Representative Ullman's Office to insure that there had been no change. Mr. Rankin and the Department were continually assured that veterans' bonds were not affected and that the Department could proceed with the bond sales on those terms.

In September, 1980, the Act became an amendment to the Omnibus Reconciliation Act. This was a major bill that was designed to raise revenue and cut spending.

Bond Counsel and the Department continued to keep in close contact with Representative Al Ullman's office but in the closing days of Congress, it was impossible to get sound readings on the Act as the House and Senate versions were substantially different. In order to resolve the differences the House and Senate versions were referred to a Conference Committee on November 26, 1980.

Although verbally assured that the veterans' exemptions were still in the Act, the Oregon Congressional Delegation, the Department of Veterans' Affairs and Bond Counsel, were unaware that the Conference Committee had selected the House version which contained certain restrictions on the veterans' exemptions.

The Conference Committee version was subsequently referred out on December 1, 1980, and quickly approved by the House and Senate on December 3, 1980. It was signed into law by the President on December 5, 1980.

How does the Mortgage Subsidy Bond Tax Act of 1980 affect the Department of Veterans' Affairs?

It should first, be clarified, that the Act has no effect on bond sales completed prior to January 1, 1981.

On bond sales after January 1, 1981, the Department has an obligation to proceed cautiously, to insure that the proceeds from the bond sales are disbursed in accordance with clear provisions as set down in the Mortgage Subsidy Bond Tax Act of 1980.

The penalty for non conformance is the loss of the tax exempt status of the bonds used to finance the program. To elaborate on this point, the interest earned on the tax-exempt Veterans' bonds is exempt from both Federal income tax as well as Oregon personal tax. Since the bonds are primarily purchased by large Eastern investors, their interest is in the exemption benefit from federal income tax. For investors in the 90 percent tax bracket, the interest earned on a 9 percent tax-exempt bond on today's market is equivalent to a 17¾ percent return on a non-exempted investment.

If the Department was found in violation of the terms of the Act, the interest earned by the purchasers of our bonds immediately becomes taxable. Since the Department issues a final bond opinion before each bond sale that the interest earned is exempt, the Department could owe the purchasers the difference between the 9 percent and the 17¾ percent. The Department would have to refinance the bonds at 17¾ percent and subsequently be forced to lend it to veterans at upwards to 18¾ percent.

In order to avoid being in violation of the Act, the Department is working closely with Bond Counsel, Mr. Howard Rankin and the State Attorney General's Office. Both Mr. Rankin and the Attorney General's Office are of the opinion that if the Department proceeds in a prudent manner with the advice of Counsel we will not be in violation of the Act and veterans' bonds will not lose their tax-exempt status.

In collaboration with Bond Counsel and the Attorney General's Office, we have made the following "good faith" interpretations:

The Act stipulates that "Substantially all of the proceeds from the bonds must be used to provide residences for veterans." The word "substantially" is determined to mean the same as when it is used in Section 103(B) of the code which relates to financing of industrial development bond facilities. In that section it states that "substantially all" of the bond proceeds must be used as prescribed, whereas the remaining 10 percent, the so-called "dirty money" is not subject to this same restriction. Because of its proximity in the IRS code, Bond Counsel advised this 90 percent-10 percent relationship for the word "substantially" as it related it to veterans' bonds is acceptable.

The Act defines "residence" so the Oregon Veteran Program may be subject to that definition, i.e., "Meets requirements only if it is a single-family residence which can reasonably be expected to become the principal residence . . ."

The Act does not define what is a "veteran". The Oregon Constitution defines "Veteran" and Bond Counsel believes this definition is probably acceptable. What is not clear is whether we can make a loan to a surviving widow.

What kinds of loans appear to qualify under the 90 percent category?

(A) Purchase of a single family residence which includes mobile homes and purchasing the equity of an ex-spouse. Nothing is said in the Act about farms. Bond Counsel, however, believes that if a farm loan contains the principal residence of the veteran mortgagor, that farm loans of $50,000 to $78,000 may be made until such time as the Treasurer more strictly restricts the definition. Non contiguous farm loans in areas such as Pendleton, where the veteran lives in the city and has a farm in the country would not qualify for financing except from the remaining 10 percent "dirty money".

(B) Construction of a single-family residence to include set-up and on-site improvements for a mobile home.

(C) Improvement Advances of all types on existing loans.

(D) Construction period loans.

(E) Refinance of bridge loans or temporary initial financing to acquire a single-family residence.

What kinds of loans do not appear to qualify under the 90 percent category?

(A) Refinance loans—any existing obligation that does not meet the definition of a bridge loan or construction period loan. This will include most trust deeds, mortgages, contracts, notes, etc.

(B) Farm loans on non-contiguous farm land

(C) Loans to a surviving spouse

Types of loans on which a ruling will have to be made include:

(A) Rehabilitation loans

(B) Assumptions and Transfers of existing Department loans by non-qualifying veterans.

(C) Multifamily units—specifically duplexes

The Mortgage Subsidy Bond Tax Act of 1980 requires all tax exempt bonds issued after December 31, 1981, to be in registered form.

The Veterans bonds on the other hand, are in coupon form. This new requirement to register the bonds may require that greater fees be paid to the paying agent in order to maintain a registered list of owners. The bonds themselves will have to be endorsed as opposed to the open free negotiations of the market. This change in procedure, however, is a technicality and not a significant problem.

Our Congressional Delegation in Washington plans to introduce changes to the Act which, if approved, would authorize us to process all applications received before December 31, 1980. Our delegation also is drafting a second proposal that would totally exempt our program from this Act. That particular legislation, however, will take some time.

There are six states with similar veterans' programs but the Oregon program is by far the largest and has the greatest concern. The Department will continue to carefully monitor the changes brought about by this new legislation. Hopefully, within 90 days the new guidelines will be drafted by the Treasury Department.

DEPARTMENT OF JUSTICE,
Salem, Oreg., January 22, 1981.

This opinion is issued in response to questions submitted by Robert E. Ball, Deputy Director, Department of Veterans' Affairs.

FIRST QUESTION PRESENTED

What qualifications are imposed on bonds issued by the Department of Veterans' Affairs by the Mortgage Subsidy Bond Tax Act of 1980 (PL 96-499, sec 1101 *et seq.*) to preserve the tax-exempt status of the interest paid on those bonds?

ANSWER GIVEN

In order to preserve the tax-exempt status of bond interest, Department of Veterans' Affairs bonds issued after December 31, 1980, must comply with the following requirements:

1. Substantially all of the proceeds of the bond issue must be used to provide residences for veterans;

2. The payment of the principal and interest on the bonds must be secured by the general obligation of the State of Oregon; and

3. With certain exceptions, the bond issue proceeds cannot be used to acquire or replace existing mortgages.

4. After December 31, 1981, bonds issued must also be in registered form.

SECOND QUESTION PRESENTED

The Act provides that the proceeds of a bond issue cannot be used to acquire or replace an existing mortgage. "Mortgage" is defined in the bill to include any other owner-financing. In light of these provisions, can the Department of Veterans' Affairs continue to refinance land sale contracts with bond proceeds?

ANSWER GIVEN

No. However, regulations to be issued by the Internal Revenue Service may permit bond proceeds to be used for refinancing purposes under certain conditions.

THIRD QUESTION PRESENTED

An exception to the prohibition on replacement of existing mortgages is made in the case of bridge loans or other temporary financing. What is a bridge loan? Does the term "temporary financing" include circumstances in which the Department of Veterans' Affairs has given a commitment letter, before funds are actually available, and a bank provides temporary financing until the Department of Veterans' Affairs funds are available?

ANSWER GIVEN

A bridge loan is short-term financing between the termination of one loan and the commencement of another. Temporary financing given on the security of a commitment letter from the Department of Veterans' Affairs should qualify as an exception to the prohibition on replacement of existing mortgages under future Internal Revenue Service regulations.

FOURTH QUESTION PRESENTED

Can the Department of Veterans' Affairs continue to make home improvement loans from tax-exempt bond proceeds under the provisions of the Act?

ANSWER GIVEN

Yes. However, until regulations clarifying the application of the Act are issued, home improvement loans made for purposes other than to protect or improve the basic livability or energy efficiency of the property cumulatively with all other loans discussed below which are not clearly qualified under the Act as residential mortgages for veterans) should not exceed 10 percent of the proceeds of any given bond issue, or should be made out of the proceeds of bonds issued not later than December 31, 1980.

FIFTH QUESTION PRESENTED

May the Department of Veterans' Affairs continue to make loans from tax-exempt bond proceeds for the purchase of (a) mobile homes, (b) multi-family housing or (c) farms?

ANSWER GIVEN

(a) Yes.

(b) Yes, under certain conditions. Two, three and four-family residences, first occupied at least five years before the mortgage is executed and at least one unit of which is owner-occupied, are eligible under the Act; other multi-family housing is not. Until regulations clarifying the scope of the Act are issued, the department should limit the amount of non-qualifying multi-family housing loans to less than 10 percent (cumulatively with other loans similarly discussed) of the proceeds of a bond issue, except for loans made out of proceeds of bonds issued not later than December 31, 1980.

(c) Yes, under certain conditions. Until regulations clarifying the eligibility of farm loans under the Act are issued, loans for farm properties having a substantial amount of non-residential acreage should be made in such a manner that the loan funds secured by the non-residential acreage have an identifiable source that does not exceed 10 percent (cumulatively with other loans similarly discussed) of the proceeds of a post-1980 bond issue, or that is from the proceeds of a bond issued not later than December 31, 1980.

SIXTH QUESTION PRESENTED

Can the Department of Veterans' Affairs continue to make loans to surviving spouses of members of the armed forces who died or were missing in action or prisoners of war while on active duty, from tax-exempt bond proceeds under the provisions of the Act?

ANSWER GIVEN

Yes, under certain conditions. Until regulations clarifying the scope of the Act are issued, the department should limit the amount of such loans to surviving spouses to less than 10 percent (cumulatively with other loans similarly discussed) of the proceeds of a bond issue, except for loans made out of proceeds of bonds issued not later than December 31, 1980.

SEVENTH QUESTION PRESENTED

After what date must bonds issued by the Department of Veterans' Affairs comply with the requirements of the Act?

ANSWER GIVEN

Any bonds issued by the Department of Veterans' Affairs after December 31, 1980, must comply with the requirements of the Act. The requirement that bonds must be issued in registered form first applies to bonds issued after December 31, 1981.

EIGHTH QUESTION PRESENTED

May the Department of Veterans' Affairs issue tax-exempt advance refunding bonds after December 31, 1980?

ANSWER GIVEN

No, except that refunding bonds may be issued to refund bonds outstanding on April 24, 1979. The maturity date of refunding bonds can be no more than two years after the maturity date of the mortgages funded by the original issue.

NINTH QUESTION PRESENTED

Do the provisions of the Act affect the rate of interest the Department of Veterans' Affairs may charge on loans for mobile homes?

ANSWER GIVEN

No. The new arbitrage requirements of the Act do not apply to veterans' bonds. However, existing arbitrage restrictions contained in the Internal Revenue Code of 1954 and the Income Tax Regulations may affect the interest rates charged by the Department on mortgages.

TENTH QUESTION PRESENTED

Do the provisions of the Act prohibit the Department of Veterans' Affairs from depositing all or any part of the proceeds of the bonds sold after December 31, 1980 into a bond debt reserve fund?

ANSWER GIVEN

No. The provisions of the Act do not specifically address the creation of or contribution to a bond debt reserve fund. Deposit of more than 10 percent (cumulatively with loans not clearly qualifying) of the proceeds of any bond issue into such a fund should be deferred until regulations have been issued clarifying the applicability of the Act to a reserve fund.

ELEVENTH QUESTION PRESENTED

May loans not qualified under the Act be made out of interest and principal repayments on loans, and that part of the bond debt reserve fund, derived from proceeds of bonds issued not later than December 31, 1980?

ANSWER GIVEN

Yes, to the extent that such funds are not required for bond interest and principal repayment, and within the limits of existing arbitrage regulations.

DISCUSSION

On December 5, 1980, the Mortgage Subsidy Bond Tax Act of 1980 (PL 96-499, sec. 1101 *et seq.*) was signed into law. The scope of this opinion is limited to the effect of that Act on housing bonds issued by the Oregon Department of Veterans' Affairs.

Due to the fact that interpretive regulations will necessarily be adopted by the Treasury Department, we are unable to predict with certainty the effect of the provisions of this Act on the Oregon veterans' loan program. We hope that those regulations will not jeopardize the tax-exempt status of bonds issued by the Department of Veterans' Affairs for the proceeds of which loan commitment letters have already been issued. However, until regulations have been proposed and adopted to clarify areas identified in this opinion as questionable, we urge the Department of Veterans' Affairs to examine carefully loans that fall into those questionable categories, and make every attempt to provide funds for those loans from the 10 percent of post-1980 bond proceeds considered available for unrestricted loans, and from the proceeds of bonds issued not later than December 31, 1980.

The Mortgage Subsidy Bond Act of 1980 (PL 96-499, sec 1101 *et seq.*, 94 Stat—(1980)) adds a new section 103A to the Internal Revenue Code of 1954.[1] This new section provides that the interest received on a mortgage subsidy bond is not exempt from federal income taxation. A mortgage subsidy bond is any bond, of which a significant portion of the proceeds are to be used directly or indirectly for mortgages on owner-occupied residences. IRC sec. 103A(b)(1).

Two exceptions to the rule of taxability of interest on mortgage subsidy bonds are provided in IRC sec. 103A. These exceptions are for qualified mortgage bonds and qualified veterans' mortgage bonds. The requirements imposed upon veterans' mortgage bonds directly affect bonds issued by the Oregon Department of Veterans' Affairs.

IRC sec. 103A(c)(3) defines a qualified veterans' mortgage bond:

"(3) Qualified veterans' mortgage fund defined.—For purposes of this section, the term 'qualified veterans' mortgage bond' means any obligation—

"(A) which is issued in registered form as part of an issue substantially all of the proceeds of which are to be used to provide residences for veterans,

"(B) the payment of the principal and interest on which is secured by the general obligation of a State, and

"(C) which is part of an issue which meets the requirements of subsection (j)(2)."

Subsection (j)(2) provides that no part of the proceeds of a bond issue may be used to acquire or replace existing mortgages. IRC sec. 103A(j)(2).

The requirement that a qualified veterans' mortgage bond be registered first applies to bonds issued after December 31, 1981. PL 96-499, sec. 1104(1). This requirement and the requirement that a veteran's mortgage bond be a general obligation of the state present no difficulties for compliance, as the Oregon Department of Veterans' Affairs currently issues general obligation bonds for its farm and home loan mortgage program, and we assume that one year will be a sufficient period of time for the department to change its procedure for issuing bonds from coupon form to registered form.

The requirements of IRC sec. 103A that will have the most significant impact on the veterans' bond program are the requirement

[1] Section 1102 of PL 96-499 amended Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954, by adding a new section 103A. For clarity, this new section will be referred to in this opinion as IRC sec 103A rather than as sec 1102, PL 96-499.

that substantially all of the proceeds of a bond issue must be used to provide residences for veterans, and the general prohibition on use of bond proceeds to refinance existing mortgages.

"Substantially all" requirement

IRC sec 103A(c)(3)(A) requires that "substantially all" of the proceeds of qualified veterans' mortgage bonds be used to provide residences for veterans. No definition of this standard is given in the Act.[2] Current regulations affecting the tax-exempt status of other types of governmental obligations established a test for determining whether "substantially all" of the proceeds of a bond are used for the exempt purpose. Generally these regulations state that substantially all of the proceeds of an issue of governmental obligations are used for the exempt purpose, if 90 percent or more of the proceeds are used for the exempt purpose. *See* Income Tax Reg, 26 CFR, Part 1, secs 1.103-8(a)(1)(i) (industrial development bonds); 1.103-9(a)(1) (industrial parks); 1.103-10(b)(1)(iii) (exempt small issues); and 1.103-13(e)(1)(i) (exempt arbitrage bonds). If the Internal Revenue Service interprets the language "substantially all" in the same manner as it has in the past, the Department of Veterans' Affairs bonds should meet the "substantially all" test if 90 percent of the proceeds of the bonds are used for residential mortgages for veterans. As discussed below, if this standard is interpreted in this manner, approximately 10 percent of the proceeds of any given bond issue may be available for nonqualifying loans or purposes.

In the discussion below, every reference to a 10 percent limit of proceeds for certain types of loans must be taken to mean 10 percent cumulatively with all other non-qualifying loans or purposes similarly discussed.

Refinancing

IRC sec 103A(j)(2) requires that no part of the proceeds of a qualifying bond issue be used to acquire or replace existing mortgages. Three exceptions to this rule will be allowed, under regulations to be prescribed by the Secretary of the Treasury. These exceptions are the replacement of construction period loans, bridge loans or other temporary initial financing, and, in the case of a qualified rehabilitation loan, an existing mortgage.

The term "mortgage" is defined in IRC sec 103A(1). A "mortgage" includes any form of owner-financing. On its face, this appears to extend to traditional mortgages, trust deeds, land sale contracts and any other method by which a buyer would finance a real estate purchase. Therefore, with only three exceptions, no portion of the proceeds of a veterans' mortgage bond issued after December 31, 1980 may be used to refinance an existing mortgage, land sale contract or trust deed.

Of the three exceptions, the term "construction period loan" appears to be self-explanatory. A "qualified rehabilitation loan" means any form of owner-financing provided in connection with a qualified rehabilitation. IRC sec 103A(1)(7). Rehabilitation of a building is qualified within the meaning of IRC sec 103A(1)(7) if there is a period of at least 20 years between the date on which the building was first used and the date on which the physical work of rehabilitation began, if 75 percent or more of the existing external walls of the building are retained in place as external walls in the rehabilitation process, and if the expenditures for the rehabilitation are 25 percent or more of the mortgagor's adjusted basis in the residence after completion of the rehabilitation.

The only definition we have been able to find of a "bridge loan" or "bridge financing" is;

"[s]hort-term financing between the termination of one loan and the commencement of another, or between the acquisition of a property and its improvement or rehabilitation to make it eligible for a permanent mortgage, or between the maturity of a construction loan and the negotiation of permanent financing." Arnold & Kusnet, *The Arnold Encyclopedia of Real Estate*, p. 93 (1978).

A bridge loan, therefore, is temporary financing which anticipates the arrangement of permanent financing for purchase of a residence within a short period of time. The bridge loan exception to the requirement that the proceeds of a qualified veterans' bond issue not be used to replace existing mortgages will no doubt be the subject of regulations in the future.

For the present, we think it is safe to say that a temporary loan based upon a commitment letter from the Department of Veterans' Affairs, repayable when the veteran's loan is received and specifically tied to that loan, will qualify as a "bridge loan or similar temporary initial financing." We see no reason why temporary seller financing such as a land sale contract should not also qualify, if based upon a Department of Veterans' Affairs commitment letter and specifically tied to the veteran's loan. However, other forms of "creative financing" not based upon a commitment letter and tied to the veteran's loan may well not qualify.

Until the Secretary of the Treasury adopts regulations further defining permissible construction period loans, bridge loans or similar temporary initial financing, and qualified rehabilitation loans, the Department of Veterans' Affairs should avoid making any refinancing loans, except those which clearly qualify under this discussion of the exceptions identified in IRC sec 103A(j)(2), with funds obtained from bonds issued after December 31, 1980.

Home improvement loans

The only reference to home improvement loans in the Act occurs in IRC sec. 103A(c), which does not apply to veterans' mortgage bonds. This subsection requires that a mortgagor receiving proceeds of a qualified mortgage bond issue have no interest in a principal residence for three years before the date of execution of the mortgage. A "qualified home improvement loan" (as defined in IRC sec. 103A(1)(6)) is exempt from the three-year requirement.

No reference is made in the Act to home improvement loans as constituting a permissible use of proceeds "to provide residences for veterans." IRC sec. 103A(c)(3). It is reasonable to assume, however, that since certain home improvement loans are considered eligible to be made from the proceeds of a qualified mortgage bond, they should be eligible to be made from the proceeds of a qualified veterans' mortgage bond also.

Whether any limits would be imposed on home improvement loans made from the proceeds of veterans' mortgage bonds is not clear. If the Treasury Department imposes conditions on home improvement loans for veterans, they would likely be no more stringent than those conditions imposed by the Act on home improvement loans made from the proceeds of qualified mortgage bonds. As defined in IRC sec. 103A(1)(6), a "qualified home improvement loan" is

". . . the financing (in an amount which does not exceed $15,000)—

"(A) of alterations, repairs, and improvements on or in connection with an existing residence by the owner thereof, but

"(B) only of such items as substantially protect or improve the basic livability or energy efficiency of the property."

Until regulations clarifying this question are issued, the Department of Veterans' Affairs should use proceeds of bonds issued after December 31, 1980, only for those home improvement loans that meet the quoted definition. Loan uses that appear to satisfy the requirement that the alterations, repairs or improvements "substantially protect or improve the basic livability or energy efficiency of the property," are: the addition of living space, weatherization, modification of plumbing or electrical systems to comply with building code standards, major structural repairs and the like. The Department of Veterans' Affairs should exercise reasonable judgment in determining whether a proposed item qualifies. Such items as fencing, painting, landscaping, new carpeting or drapes, may not meet the standard established in the Act. Loans for these kinds of items should be restricted to less than 10 percent of post-December 31, 1980 bond proceeds.

"Residences"

The term "residence" is defined in the Act as "a single-family residence which can reasonably be expected to become the principal residence of the mortgagor" and which is "located within the jurisdiction of the authority issuing the obligation." IRC sec 103A(d). Although veterans' mortgage bonds are not specifically made subject to this definition, it is possible that it will be adopted as applicable in subsequent regulations.

The ORS 407.010(2)(c) definition of a "home" eligible for a veteran's loan is "any residential-type structure . . . which is established, maintained and used primarily as a principal residence by the veteran." A "home" meeting this requirement of Oregon law would clearly be a "residence" under the quoted language of IRC sec 103A(d). Neither the federal nor the state definition requires the home or residence to be real property, or excludes mobile homes. State law goes on specifically to authorize loans for mobile homes, which meet the definition of "home" and therefore meet the federal definition of "residence," if they meet minimum size requirements set forth in ORS 407.010(2)(e). *See also* ORS 407.070(1), requiring a shorter amortization period for mobile home loans, and ORS 407.072, authorizing a higher rate of interest. We are confident that the federal Act permits use of bond proceeds for veterans' loans on mobile homes which qualify as "homes."

IRC sec 103A(1)(9) further defines the term "single-family" when it is used with respect to a residence to include "two, three or four family residences one unit of which is occupied by the owner and which were first occupied five years before the mortgage is executed." Thus some multi-family residences (at least five years old, at least one unit owner-occupied, maximum four units) will qualify.

It is questionable whether all veterans' farm loans would qualify under the Act. A farm must include a residence to be eligible for a veterans' loan, and the fact that a residence sits on 80 acres rather than one-fourth acre does not seem to be significant under state law. Residential loans are limited to $50,000 or $58,000 under ORS 407.040(1), whereas under the same statute the limit on a farm loan is $180,000. Thus it appears that a veterans' farm mortgage must be secured by agricultural, non-residential property valued at least at the amount of the loan in excess of the limitation on residential loans. We cannot say that a loan on a residence accompanied by a substantial amount of non-residential property is a qualifying loan on a residence.

A reasonable interpretation of the term "residence" would be that a farm property having a small amount of acreage (for ex-

[2] The House Committee Report on HR 5741 (the predecessor to the bill finally enacted as sec 1102, PL 96-499) states that "substantially all" has the same meaning as under IRC sec 103(b)(4). HR Rep No. 96-678, 96th Cong, 2nd Sess 46, n 6 (1979).

ample five acres), located in an area subdivided for rural residential use, would be treated as a qualifying residence under the Act. Farm properties having a substantial amount of nonresidential acreage might not be so treated. Until regulations clarifying the dividing line between "residential" farms and "non-residential" farms are adopted, the Department of Veterans' Affairs in making loans on those properties that might be classified as having a substantial amount of non-residential property, should be careful to allocate post-December 31, 1980 bond proceeds only to the qualifying portion of the property. That is, any portion of the loan used for the non-residential acreage must come from only the 10 percent (cumulatively with other loans similarly discussed) of the proceeds of the bond issued after December 31, 1980 considered available for non-qualifying loans, or from the proceeds of a bond issued before December 31, 1980. The funds used to finance the residential portion of the property may come from any funds available to the department. This allocation should be clearly documented.

Unless an expanded definition of residence is adopted in forthcoming regulations, the Department of Veterans' Affairs will be limited in its use of 90 percent of the proceeds of a bond issue to qualifying residences. Until such regulations are issued, loans on the acreage portion of farms having substantial amounts of non-residential acreage and loans on multi-family housing which does not meet the requirements of IRC sec. 103A(1)(9), should be limited to 10 percent or less of the proceeds of any bond issued after December 31, 1980.

"Veterans"

The new Act also requires that loans for residences be made to veterans.[3] Although no definition of veteran is given in the Act, surviving spouses of veterans who died on active duty or who were missing in action or prisoners of war (eligible for loans under Or Const Art XI-A, sec 3) may not qualify under the provisions of IRC sec 103A as veterans. Until regulations are issued resolving this matter, the Department of Veteran's Affairs should limit any loans to surviving spouses of veterans to less than 10 percent of the proceeds of bonds issued after December 31, 1980, or make such loans only out of the proceeds of bonds issued before December 31, 1980. Also, if the class of veterans eligible for loans under Art XI-A, sec 3 is different than the class of eligible veterans under the Act, the department must limit loans to ineligible veterans to less than 10 percent of post-1980 bond proceeds.

Effective date of bond limitation

Section 1104(a)(1) of PL 96-499 provides that the provisions of new IRC sec 103A apply to any obligation issued after April 24, 1979. However, sec 1104 postpones the date of application of new IRC sec 103A to obligations issued on or after January 1, 1981 if substantially all of the proceeds of obligation issued before January 1, 1981 are committed by firm commitment letters within one year after the date of issuance of those obligations. PL 96-499, sec 1104(a)(2). We are advised that the Department of Veterans' Affairs has met this requirement for all bonds issued before January 1, 1981. Thus, the date the provisions of IRC sec 103A first apply to bonds issued by the Department of Veterans' Affairs is January 1, 1981. The single exception to this date is the registration requirement which applies to bonds issued after December 31, 1981.

Refunding of existing bonds

IRC sec 103A(n) provides:

"(n) Advance refunding of mortgage subsidy bonds not permitted.—On and after the date of the enactment of this section, no obligation may be issued for the advance refunding of a mortgage subsidy bond (determined without regard to subsection (b)(2))."

This provision first applies to obligations issued after December 5, 1980 (the date of enactment of the Mortgage Subsidy Bond Tax Act of 1980), that have been issued for the advance refunding of any outstanding obligation. The prohibition on advanced refunding contained in IRC sec 103A(n) applies equally to veterans' bonds as well as any other form of mortgage subsidy bond. We are advised that the Department of Veterans' Affairs does not issue advance refunding obligations.[4] However, this provision raises the question whether a refunding obligation will be treated as tax exempt when issued after December 31, 1980.

Subsection (g) of section 1104 of the Act provides that the restrictions placed on mortgage bonds in IRC sec 103A do not apply to refunding obligations which refinance tax-exempt bonds outstanding on April 24, 1979, if on April 24, 1979, there was "an agreed on period for the maturity of the mortgages, or other financing," and "the new obligations have a maturity date which does not exceed by more than two years" the agreed on period for maturity of the mortgages. The Conference Committee Report (HR Rep No. 96-1479, 96th Cong, 2nd Sess 179 (1980)) indicates that this provision authorizes tax-exempt indebtedness outstanding on April 24, 1979, to be rolled over where the maturity of the tax-exempt housing bond is no longer than two years after the life of the initial mortgages on the properties. Under this provision, the Department of Veterans' Affairs could issue refunding bonds for any bond outstanding on April 24, 1979, upon its maturity, so long as the maturity date of the refunding bond was no later than two years after the due date of the mortgages funded by the prior issue. The refunding bonds would not be subject to any of the requirements of IRC sec 103A so long as they complied with the provisions of section 1104(g) of the Act. In addition, section 1104(g)(2) provides that these kinds of refunding bonds can exceed the amount of the outstanding indebtedness by an amount reasonably necessary to cover reserves and costs of issuing new indebtedness.

Interest rates

IRC sec 103A contains provisions restricting the effective rate of mortgage interest that may be charged for loans from proceeds of a qualified mortgage bond. This restriction, contained in subsection (i) of IRC sec 103A, is not identified in IRC sec 103A(c)(3) as one of the provisions with which a qualified veterans' mortgage bond must comply in order to be tax exempt. The rates of interest charged by the Department of Veterans' Affairs for loans on personal as well as real property, that is on mobile homes which are personal property, are subject to existing arbitrage restrictions contained in IRC sec 103 and the provisions of Income Tax Reg sec 1.103-13. So long as existing interest rate restrictions are complied with, new IRC sec 103A does not impose further requirements.

Bond debt reserve fund

The provisions of new IRC sec 103A do not address the creation of or contribution to a bond debt reserve fund. Existing regulations (*see* Income Tax Reg sec 1.103-14) impose certain restrictions on reserve funds. Those regulations presumably affect the creation of a reserve fund by the Oregon Department of Veterans' Affairs, but the extent of their application is beyond the scope of this opinion. It is possible that similar regulations may be promulgated under the authority of new IRC sec 103A. We are unable to comment on the potential impact of such regulations at this time.

Loans out of proceeds of previous bond issues

This opinion has been limited to effect of the Act on loans made out of the proceeds of bonds issued on or after January 1, 1981. On several occasions, our discussion specifically states that a particular conclusion is applicable only to such loans, or has no effect on loans made out of proceeds of earlier bond issues. However, we believe it appropriate to emphasize this point.

Of course, most payments of interest and principal by veterans must immediately or ultimately go to pay interest and principal on bonds. Yet it is possible that a surplus may exist at any time, whether or not temporary, which would be available for additional loans. Further, the department now maintains a debt reserve fund, some part of which may be available for additional loans. To the extent that such funds are originally derived from proceeds of bonds issued in 1980 or earlier, they are in no way subject to any limitations created by the Act. The principal limitation would be financial prudence, for of course no loan disbursements should be made which would jeopardize the ability of the department to pay principal and interest on its bonds when they come due.

We must caution, however, that existing restrictions on the reinvestment of proceeds of tax-exempt bonds under IRC sec 103(c) and Income Tax Regulations 26 CFR Part 1 sec. 1.103-13 *et seq.* (arbitrage regulations) must be observed.

DAVE FROHNMAYER,
Attorney General.

APPLICATION HARDSHIP CASES—JANUARY 16, 1981

1. A request for funds to refinance an existing obligation in the nature of a mortgage or purchase contract placed on the property at the time of earlier acquisition, when additional funds are also requested for extensive remodeling or construction of a dwelling on the property. This type of loan is apparently to be prohibited under the provisions of the Mortgage Subsidy Tax Act. Anticipating loan closure upon the sale of bonds in 1981, the veterans have obligated themselves extensively. Frequently, the indebtedness is sufficient that financial ruin could result, and in most cases, long range financial hardship will ensue when the loan cannot be closed because of restrictions of the Mortgage Subsidy Tax Act. See specific Hardship Case Number 1, attached.

2. Veterans have entered into purchase agreements for acquisition of farms where the residence is not contiguous. (The residence is on one parcel of land and the balance on another tract or tracts.) The Mortgage Subsidy Tax Act appears to preclude making such loans. Applicants in anticipation of closing when future bond sale funds were available have entered into various types of indebtedness, sold other property, moved in to property being offered as security for the loan, and taken any number of other actions which will result in very dire hardships and disruption of their lives if a loan cannot be consummated. See specific Hardship Case Number 2, attached.

3. Applications involving refinancing or paying off existing purchase mortgages and purchase contracts both on a long-term and short-term basis wherein the plan of the applicant was to build-up the necessary equity and then refinance using his veteran's loan entitlement. Very often such instruments were not prepared with such plans specified and are, therefore, unable to be considered

[3] The House Committee Report on HR 5741 indicates that the term "Veteran" includes any person who served in the active military, naval or air service, and who was discharged or released from service other than dishonorably. HR Rep No. 96-678, *supra* 46.

[4] The House Committee Report on HR 5741 states that a refunding bond issued more than 180 days before the refunded issue is redeemed will be considered an advance refunding bond. HR Rep. No. 96-678, *supra* 46.

bridge or interim type loans. Veterans in such a category are often saddled with excessive payments interrupting long range plans to reduce payments through refinancing with their Oregon State Veterans' loan for the purpose of starting families, making improvements, buying furniture or educating their children. See specific Hardship Case Number 3, attached.

4. As many as 4,200 veterans currently awaiting completion of their loan applications could be adversely affected in varying degrees as reported above. Please see the attached capitulation of current pending applications.

HARDSHIP CASE NUMBER 1

Veteran came to the East Portland Office early in 1980. He asked to borrow $58,000; $18,000 balance of purchase contract and $40,000 for renovation of the house.

Since we cannot disburse construction funds until we hold title, and because the low point of value in the reconstruction of the house did not present sufficient value for us to disburse for title acquisition, the veteran was forced to borrow $18,000 from United States Bank and $40,000 from a Portland Credit Union.

On October 1, 1980, veteran came to the office and applied. On October 24, 1980, we made a commitment subject to availability of funds.

This is a refinance under the Omnibus Reconstruction Act of 1980 and as funds to finance this loan must come from bonds sold under the Act, the Act prevents our making this kind of a loan.

Veteran assures us that his only out is bankruptcy.

HARDSHIP CASE NUMBER 2

A veteran farmer entered into an agreement to purchase two parcels of 40 acres each; one parcel of 40 acres and the home, another 40 acre parcel one mile away. Veteran made a sizable down payment on a contract purchase with the intent to refinance with the Department of Veterans' Affairs when loan funds were available.

Veteran proceeded with additional improvements to both parcels consisting of storage barns and other on-site improvements, including weatherization.

Veteran encumbered himself and property with large payments at a high interest rate pending refinancing with the Department of Veterans' Affairs. That would allow him to continue with his farming program under a payment schedule he could afford.

The veteran is now in a position of losing the property plus his investment because of short-term payoff on the contract and heavy payments on other debts for improvements that could have been cleared with a Department of Veterans' Affairs loan.

HARDSHIP CASE NUMBER 3

Veteran applicant entered into agreement to purchase (contract or mortgage) several months ago. Loan amount needed was in the excess of limits allowed by the Department of Veterans' Affairs at the time of purchase.

The veteran's intent was to refinance that mortgage or contract after he or she had paid a sufficient amount to the principal to accrue the needed equity or reduce the principal to an amount that could come within the loan limits of the Department of Veterans' Affairs. This refinancing would save the veteran, in most cases, approximately $40 to $120 per month.

Most veteran applicants can manage a heavy payment schedule for a limited time, knowing that refinancing will provide relief. The veteran will, in all probability, lose his home because of the heavy payments if he is not allowed to use the Department of Veterans' Affairs loan program to refinance.

FUNDING FIGURES THROUGH JANUARY 15, 1981

Applications received 8-22-80 through 12-5-80:

(To be financed from proceeds of bond sale held January 7, 1981)

Regular	5,131	$203,963,213
Energy	666	2,025,721
	5,797	205,988,934

Applications received 12-8-80 through 12-31-80:

(To be financed from proceeds of future bond sales, probably April 1981)

Regular	7,724	$340,762,228
Energy	280	948,948
	8,004	341,711,173

Applications received 1-1-81 through ——:

(To be financed from proceeds of future bond sales, probably July 1981)

Regular	128	$4,583,252
Energy	28	77,696
	156	4,610,948
Totals:		
Regular	12,983	$549,258,693
Energy	974	3,052,365
	13,957	552,311,058

NOTE: Probably as much as 30 percent of loan applications listed above are of a type which will be restricted under the provisions of the Mortgage Subsidy Tax Act.

Mr. PACKWOOD. Mr. President, in order to guarantee the continued operation of the Oregon veterans' mortgage subsidy bond program, it may be necessary to permanently amend the Mortgage Subsidy Bond Tax Act. At this time, I ask unanimous consent to insert a copy of draft legislation which would clarify the definition of qualified veterans' mortgage bonds.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 426

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (3) of section 103A(c) of the Internal Revenue Code of 1954 (defining qualified veterans' mortgage bonds) is amended to read as follows:

"(3) Qualified veterans' mortgage bond defined.—

"(A) IN GENERAL.—For purposes of this section, the term 'qualified veterans' mortgage bond' means any obligation—

"(i) which is issued in registered form as part of an issue substantially all of the proceeds of which are to be used to provide residences for veterans and surviving spouses of veterans killed or missing in action, and

"(ii) the payment of the principal and interest on which is secured by the general obligation of a State, and

"(B) RESIDENCES.—For purposes of subparagraph (A)(i), proceeds of an obligation which are to be used for—

"(i) farms,

"(ii) personal property which may be used as a residence, or

"(iii) home improvement loans,

shall be treated as proceeds which are to be used to provide residences for veterans. The determination as to whether the funds are to be used for any such purpose shall be made under the applicable State law.

"(C) ASSUMPTIONS.—Mortgages with respect to which owner-financing has been provided by an obligation described in subparagraph (A) may be assumed only if the asumption meets the requirements of State law.".

SEC. 2. The amendment made by the first section of this Act shall take effect as if included in the amendments made by the Mortgage Subsidy Bond Tax Act of 1980.

Mr. PACKWOOD. Mr. President, the potential need for this legislation is described in the documents inserted earlier in the RECORD. I want to reemphasize, Mr. President, I am not asking for a change in the policy established by the passage of the Mortgage Subsidy Bond Tax Act. I am simply asking for amendments which will honor Congress intention to exempt State veterans' mortgage bond programs which rely on the full faith and credit of the State.

By Mr. MATSUNAGA (for himself and Mr. BAUCUS):

S. 426. A bill to implement the United Nations Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property; to the Committee on Finance.

UNITED NATIONS CONVENTION FOR CULTURAL PRESERVATION

Mr. MATSUNAGA. Mr. President, I am introducing today, with the Senator from Montana, Mr. BAUCUS, as cosponsor, a bill to implement articles 7(B) and 9 of the United Nations Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property.

The Convention's chief purpose is to combat the illegal international trade of national art treasures. The parties to the Convention undertake to prohibit importation of cultural property stolen from museums, public monuments, and similar institutions, and also undertake to recover and return such property to the rightful owners.

The United States played an active role in negotiating this Convention and it was adopted by the United Nations Educational Scientific and Cultural Organization (UNESCO) on November 14, 1970. The U.S. Senate approved the Convention by a vote of 77 to 0 on August 11, 1972. Despite the U.S. role in bringing about this Convention, the U.S. Congress has still to enact the implementing legislation.

Today the illegal traffic in stolen art objects has soared to unheard of levels. Recently, we in the United States had an experience demonstrating the importance of our own cultural patrimony. The Smithsonian Institution National Portrait Gallery announced the acquisition of the Gilbert Stuart portraits of George and Martha Washington from the Athenaeum of Boston. The removal of these famed portraits from Boston raised an outpouring of indignation from Boston citizens, and several public officials sharply criticized the removal of Boston's cultural patrimony by the Smithsonian Institution.

This uproar over Gilbert Stuart's portraits seems quaint when viewed in light of the plundering occurring abroad to satisfy art collectors. The cultural patrimony of various foreign countries are being stolen from museums, public monuments, and institutions, only to turn up in the hands of private collectors or museums in the United States and other Western countries.

Bronze figurines and marble reliefs from the archaeological sites of Herculaneum and Pompeii in Italy have been stolen; amber, glass, and bronze ornamental jewelry dating from the fourth century B.C. have been robbed from a museum in Yugoslavia; numerous bronze and gold artifacts from the tomb of the legendary King Midas have been taken from the Gordion Museum in Turkey; important archaeological sites in Thailand have been plundered. The cultural patrimony of these countries, equal in importance to the Stuart portraits to the United States, are being looted for sale to private collectors.

In some areas, this rape of cultural patrimony has been devastating. In the Mayan ruins in Mexico, huge sculptures are broken into pieces for clandestine shipment. Large statues have been battered with sledge hammers, sliced into pieces with stone saws, and mutilated. Mayan walls decorated with larger-than-life-size models of human and animal forms have been blasted into fragments, so that pieces may be transported out of Mexico and illegally sold.

To prevent this rape of other nations' cultural heritage, the United States advocated the adoption of the UNESCO Convention and the U.S. Senate approved the Convention on August 11, 1972, as earlier noted. Those good intentions must be translated into hard action. I believe that it is time for the Congress to adopt the implementing legislation. This bill is needed to end the trafficking in this country of stolen art objects which has encouraged the looting abroad. Just as we seek to protect our own cultural heritage, we should be willing to help other nations protect and maintain their own cultural heritage.

By Mr. BAUCUS:

S. 427. A bill for the relief of F. H. Stoltze Land and Lumber Co., Inc.; to the Committee on the Judiciary.

STOLTZE LUMBER CO.

● Mr. BAUCUS. Mr. President, last session a bill for the relief of Stoltze Land & Lumber Co. of Columbia Falls, Mont., was introduced to compensate it for losses suffered as a result of timber trespass by the U.S. Government.

In 1966, the Bureau of Indian Affairs made a sale of timber on the Flathead Indian Reservation. The Stoltze Co. owns parcels of timberland in section 34 and 35, township 25 north, range 24 west, principal meridian Montana, which abut the reservation. In laying out the sale and marking and designating the timber to be cut under contract, the Bureau of Indian Affairs inadvertently crossed the boundary of tribal lands and included trees on the Stoltze land in the timber sale.

The Stoltze Co. didn't discover the trespass until late in 1974 when employees hiked into the remote mountainous area to examine the company's timber and schedule it for harvesting operations in 1975. Early in 1975, the company made a claim to the BIA, which was forwarded to the regional office of the solicitor, Department of Interior, Billings, Mont. The regional office treated the claim as being founded on a tort. The Stoltze claim was denied because the statute of limitations for a claim founded on a tort bars action against the Government, unless the claim is submitted in writing to the appropriate Federal agency within 2 years after it has occurred. Prior submission to the appropriate agency is necessary to get jurisdiction by a U.S. district court.

The Stoltze Co. had its land examined by an independent consultant to determine the value of the timber that was cut and removed in trespass. Although the Stoltze figures were higher than those presented by the Bureau of Indian Affairs, Stoltze is willing to accept the Bureau's figures in an effort to remedy the situation as soon as possible. The Bureau has determined the trespass involved the cutting and removal from the Stoltze land of 824,493.64 board feet of timber for which the Bureau was paid $25,083.23 under the timber sale contract.

Stoltze seeks to recover from the U.S. Government, the funds received from the third party contractor to whom the timber was sold. The company also would like to receive interest on the money at an annual rate of 6 percent beginning January 1, 1969. This amounts to $1,504.99 per year for a total of $16,544.89 for the years 1969 through 1980. The total request for relief for the Stoltze Co. is $41,638.12.

I introduced a similar private relief bill for the Stoltze Co. during the 95th Congress when I served in the House. However, no action was taken on that bill by the House Judiciary Committee. I feel the Stoltze Co. deserves to receive compensation for the losses it has incurred due to a mistake made 10 years ago by the U.S. Government.

With these facts in mind, I urge my colleagues to give full consideration to the Stoltze case and to the legislation that would compensate the company for the Government's trespass.

I ask unanimous consent that a copy of the bill be reprinted in full in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 427

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to F. H. Stoltze Land and Lumber Co., Inc., a corporation located in Columbia Falls, Montana, the sum of $41,638.12 in full settlement of all its claims against the United States for the wrongful cutting, removal, and sale during 1967 and 1968 of timber belonging to such company on Lot 5, Lot 7 and S.W. ¼ S.E. ¼, Section 34, Lot 5 and Lot 6, Section 35, T. 25 N., R. 24 W., Principal Meridian Montana by the Bureau of Indian Affairs, Department of Interior.

SEC. 2. No more than 10 percent of the amount appropriated in the first section of this Act shall be paid to or received by an agent or attorney for services rendered in connection with this claim. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000.●

By Mr. BAUCUS:

S. 428. A bill for the relief of the Mondakota Gas Co., of Billings, Mont.; to the Committee on the Judiciary.

MONDAKOTA GAS CO.

● Mr. BAUCUS. Mr. President, last session a bill for the relief of the Mondakota Gas Co., of Billings, Mont., was introduced. Similar relief legislation was introduced for a number of years by the late Senator Lee Metcalf and former Senator Mike Mansfield. One of those bills passed the Senate during the 93d Congress and another passed the Senate during the 94th Congress.

In the early 1940's, the Mondakota Gas Co., a small independent company, wanted to transport its natural gas through the Montana-Dakota Utility Co. gaslines under the common-carrier requirements. Following years of unsuccessful attempts to use the MDU Co. lines, Mondakota brought suit in the eighth judicial circuit court in 1949, to establish the Montana-Dakota Utility Co. as a common carrier. The court held that the entire pipeline system of the MDU Co. was part of the common-carrier system. The MDU Co. continued to refuse to make its gathering lines available for the transportation of Mondakota gas, and was never forced to comply with the court decision.

In 1953, Congress repealed the common carrier requirements applying to all natural gas pipelines. Immediately after President Eisenhower signed the act into law, the MDU Co. notified Mondakota and other area independent producers that it was no longer legally required to accept gas from common-carrier transportation. Unable to afford to construct its own pipelines, Mondakota was forced to discontinue its business and lost all of its assets following the repeal.

This relief bill is to compensate the Mondakota Co. shareholders for the losses it incurred during the period the common-carrier requirements were not enforced against the MDU Co., and the subsequent loss of its assets following congressional repeal of the requirements.

I feel the Mondakota shareholders deserve this compensation, since their losses were the result of circumstances beyond their control. I urge my colleagues to give full consideration to the Mondakota case and to the legislation that would compensate them. I ask unanimous consent that a copy of the bill be reported in full in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 428

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay out of the funds in the Treasury not otherwise appropriated, to the Mondakota Gas Company, incorporated under the laws of the State of Nevada (successors to the Mondakota Development Company, a Montana corporation), the sum of $800,000.00. Such amount is to indemnify in whole or in part, the Mondakota Gas Company for damages, excluding expected earnings, incurred between November 1942 and December 1953 as a direct result of the failure of the United States to enforce the common carrier provisions of Section 28 of the Mineral Leasing Act of 1920 and the enactment of the Act of August 12, 1953 (67 Stat. 557, Ch. 408).●

By Mr. BAUCUS:

S. 429. A bill for the relief of Charles V. Waldron; to the Committee on the Judiciary.

CHARLES V. WALDRON

● Mr. BAUCUS. Mr. President, before the close of last session, a bill for the relief of Charles V. Waldron of Montana was introduced. Mr. Waldron has been trying for the past 2 years to collect retirement and severance pay owed to him by the U.S. Navy. His claim, however, was recently rejected by the Claims Division of the General Accounting Office because his claim was received by GAO more than 6 years after the date it first accrued. The bill I am introducing would authorize the Secretary of the Navy to accept and consider Mr. Waldron's claim, and pay to him any amount of disability retired pay and any amount of severance pay which he would have received had he made a timely claim.

Mr. Waldron, a chief petty officer in the U.S. Navy, was given a temporary disability retirement from the Navy in 1963 under honorable conditions because during the course of his service in the Navy, he incurred bilateral hearing loss and a nervous condition. Subsequent to his temporary disability retirement, Mr. Waldron moved around the country, and had no contact with the Navy until he learned in 1978, through the Veterans' Administration, that he had been granted an honorable discharge on August 30, 1968. At the time of his honorable discharge, and until April 1978, Mr. Waldron was unaware that the Navy owed him any pay. He was also unaware that he was entitled to receive disability compensation.

In 1978, Mr. Waldron visited the VA Center in Fort Harrison, Mont., in order to see if the VA would pay for a new hearing aid. As a result of his visit to the VA hospital, Mr. Waldron learned for the first time that he was entitled to receive service-connected disability benefits for his bilateral hearing loss. Mr. Waldron learned from the VA that he was entitled to receive retirement pay as well as severance pay. The VA advised Mr. Waldron to contact the Navy Finance Center in Cleveland, Ohio, in order to file his back claim.

Having learned from the VA that he was entitled to these benefits, Mr. Waldron wrote to the Cleveland Navy Finance Center on July 29, 1978, requesting the severance and retired pay due to him. The Navy forwarded the claim as "doubtful" to the Claims Division of the General Accounting Office because of the period of time which had elapsed since the claim first accrued. On December 14, 1978, Mr. Waldron was informed by GAO that his claim was barred by the 6-year statute of limitations. Mr. Waldron then appealed the decision of the Claims Division. Upon review, the rejection of his claim was sustained by the Comptroller General on May 16, 1980.

Mr. President, I believe that notwithstanding the statute of limitations, Mr. Waldron's situation warrants a humanitarian response. It is undisputed that Mr. Waldron had to retire from the Navy because of physical disability. Moreover, he only learned in 1978 that he had been granted an honorable discharge from the Navy on August 30, 1968. And, it was not until some time later in 1978 that Mr. Waldron first learned that he was entitled to receive disability retirement pay and back severance pay from the Navy. Considering these factors, it comes as no surprise that the 6-year statute of limitations had run. With these facts in mind, I urge my colleagues to give full consideration to Mr. Waldron's case and the legislation that would provide him with the military service benefits he is entitled to receive.

I ask unanimous consent that a copy of the bill be reprinted in full in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 429

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of the Act entitled "An Act providing for the barring of claims against the United States", approved October 9, 1940 (31 U.S.C. 71a), the Secretary of the Navy is authorized and directed to—

(1) accept and consider any claims filed with the Secretary within one year after the date of enactment of this Act by Charles V. Waldron of Deer Lodge, Montana, for disability retired pay for the period beginning on June 1, 1954, and ending on September 30, 1968, and for severance pay under section 1203 of title 10, United States Code; and

(2) pay to the said Charles V. Waldron any amount of disability retired pay which the said Charles V. Waldron would have been entitled to receive for the period referred to in clause (1) had the Secretary known the address of the said Charles V. Waldron during such period, and any amount of severance pay which the said Charles V. Waldron would have been entitled to receive had he made timely application therefor.

SEC. 2. The Secretary of the Navy is authorized to pay any amount determined by him to be payable under the first section out of funds available for the payment of retired or severance pay, as the case may be. Such payment shall be made in a lump sum within 60 days after the determination that an amount is payable under such section.●

By Mr. PERCY (for himself, Mr. THURMOND, Mr. ABDNOR, Mr. PRESSLER, Mr. SYMMS, Mr. HUMPHREY, and Mr. TOWER):

S. 430. A bill to authorize a youth minimum wage differential under the Fair Labor Standards Act of 1938, and for other purposes; to the Committee on Labor and Human Resources.

YOUTH EMPLOYMENT OPPORTUNITY ACT OF 1981

Mr. PERCY. Mr. President, on behalf of my colleagues the distinguished Senator from South Carolina (Mr. THURMOND), South Dakota (Messrs. ABDNOR and PRESSLER), Idaho (Mr. SYMMS), New Hampshire (Mr. HUMPHREY), Texas (Mr. TOWER) and myself, I am today reintroducing legislation to establish a special youth minimum wage.

Since Congress last voted on this issue in 1977, when it was defeated by only a few votes, the overall youth unemployment rate has remained consistently well over 15 percent. For the month of December 1980, the teenage unemployment rate was 17.8 percent. For black youth, the rate is more than twice as bad—37.5 percent. It is absolutely unacceptable.

For years, we have tried CETA employment and training programs, tax incentives, and other means to alleviate the critical youth unemployment situation. While I do not suggest at this point that those approaches be completely abandoned, it seems clear to me that something else is needed to get the job done. Up until just a few years ago, I was not a supporter of youth wage proposals, but the continuous and alarmingly high unemployment rates for this age group convinced me that it must be given a try.

Our legislation would establish a minimum wage for young persons 16–19 years of age at 85 percent of the adult minimum wage. This would provide for a youth wage rate of $2.85 per hour under present circumstances. Based on the premise that a young person should be paid a lower wage during his or her training period, the youth minimum wage would apply to the first 6 months of employment of an individual in that age bracket by a single employer.

Without creating a new Federal program, without creating a new Federal bureaucracy, without creating new and substantial Federal outlays, we have, through this legislation a way of overcoming some of the reluctance businesses express about hiring inexperienced young people at the current minimum wage of $3.35, which became effective on the first of this year.

In an issue paper published by the Congressional Budget Office entitled "Youth Employment and Education: Possible Federal Approaches," the following is stated:

> Estimates of the effects of minimum wages on youth employment vary, but many researchers believe that each 10 percent rise in the minimum wage relative to the average hourly wage reduces youth employment by something between one and four percent. If the one percent estimate is valid, then lowering the minimum wage for all persons in 1981 from $3.35 to $2.85 could increase employment among youth aged 16–19 by perhaps 60,000 jobs. Establishing a subminimum wage only for youth might bring about even greater increases for them, although these increases might be offset by rising joblessness among older workers.

To address the reservation expressed in the last line of the excerpt from the CBO report, our legislation provides penalties for the abuse of the youth wage; that is, if it is used for the purpose of displacing older workers or other young people. It further provides for a twice yearly report to Congress by the Secretary of Labor on the effect of the youth wage on the employment rates of both young persons and adults.

Finally, Mr. President, in recognition of the fact that Congress seldom has perfect answers to our national problems, our legislation has a "sunset" provision. After 3 years, the youth minimum wage would have to be reviewed by Congress and would expire, unless specifically reauthorized. Since experts differ on the precise effects of a youth minimum wage, we believe a 3-year, experimental period would give us a sufficient data base and some practical experience on which to judge its usefulness as a tool in the fight against youth unemployment.

Mr. President, I have supported CETA youth employment and training programs in the past and I believe their continuation in some form is essential to the employment and training of young people with the most serious employment handicaps. But logic dictates that we should encourage the best employment and training program we have—our free enterprise system—to handle at least part of the youth employment problem: Young people in a marginal group who could be hired if only the minimum wage were not at its present level. A youth wage, in our judgment, is natural complement to Federal programs and a much needed effort to address the very critical problem we are facing.

I very much appreciate the support of my distinguished colleagues in this effort, Senators THURMOND, ARDNOR, PRESSLER, SYMMS, HUMPHREY, and TOWER. And commend Senator HATCH for his leadership in this important area of approach to a nagging problem and I look forward to our working together on this vital legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point, along with the accompanying factsheet.

There being no objection, the bill and factsheet were ordered to be printed in the RECORD, as follows:

S. 430

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Employment Opportunity Act of 1981".

YOUTH EMPLOYMENT OPPORTUNITY ACT

SEC. 2. (a) Section 14(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(b)) is amended to read as follows:

"(b)(1) To encourage youth employment an employer may employ any youth who has not attained 20 years of age, for a period of 180 days, without prior or special certification by the Secretary of Labor, at a wage rate not less than 85 per centum of the otherwise applicable wage rate in effect under section 6 (or in the case of employment in Puerto Rico or the Virgin Islands not described in section 5(e) at a wage rate not less than 85 per centum of the otherwise applicable wage in effect under section 6(c)) in compliance with applicable child labor laws. This paragraph shall not apply to any youth employee who has been employed by the same employer for a period of at least 6 months or is currently employed by an employer at a rate of at least the minimum wage in effect on the day prior to the date of enactment of the Youth Employment Opportunity Act of 1981.

"(2) While no prior certification shall be required by the Secretary for purposes of paragraph (1), the Secretary is authorized under this Act to insure that the provisions of paragraph (1) of this subsection are not violated. Whenever the Secretary discovers that an employer is employing youth at a wage rate lower than the wage rate allowable under this subsection or at a wage rate lower than the applicable wage rate under section 6 after the period of time specified by this subsection, or is engaged in a pattern and practice of—

"(A) substituting younger workers employed at less than the minimum wage for older workers employed at or above the minimum wage, or

"(B) terminating the employment of youth employees and employing other youth employees in order to gain continual advantage of the wage provided for under this subsection,

the employer shall be deemed to have violated section 6 of this Act. The liability of such an employer under this paragraph shall include—

"(i) unpaid wages and overtime compensation determined on the basis of otherwise applicable minimum wage and overtime rates pursuant to sections 6 and 7 of this Act, and

"(ii) a fine to be determined by the Secretary not to exceed $2,500 for the first offense by an employer and not to exceed $10,000 for any subsequent offense by the same employer.

(b) Section 13(a)(7) (29 U.S.C. 312(a)(7)) is amended to read as follows:

"(7) any employee to the extent that such employee is exempted by regulations, order, or certificate of the Secretary under section 14, or in accordance with the provisions of section 14(b); or".

SEC. 3. (a) The amendments made by this Act are repealed, effective 3 years after the date of enactment of this Act.

(b) The Secretary of Labor shall prepare and submit a biannual report to the Congress on the effect of the amendments made by this Act. Such report shall include—

(1) the number of persons employed at the wages prescribed under the amendments made by this Act;

(2) the number of employers employing persons at wages prescribed under the amendments made by this Act;

(3) the general rate of unemployment of persons under 20 years of age;

(4) the effect of the amendments made by this Act upon employment of adults and persons under 20 years of age; and

(5) such other information as the Secretary of Labor determines appropriate.

FACTSHEET

1. Title: Youth Employment Opportunity Act.

2. Coverage: Persons aged 16–19 years of age, inclusive.

3. Duration: First 180 days of employment by each employer.

4. Wage level: 85 percent of the adult minimum wage rate; for the remainder of 1980, the youth wage level would be $2.63 per hour; for 1981, $2.85 per hour.

5. Exceptions: Shall not apply to any youth employee who has been employed by the same employer for a period of at least six months or who is employed by an employer at a rate of at least the full minimum wage at the time of enactment.

6. Penalties: Not to exceed $2,500 for first offense by an employer; not to exceed $10,000 for any subsequent offense by same employer; violations of the act include: employment of a young person at a rate lower than the youth subminimum, a pattern and practice of—

(a) substituting younger workers employed at less than minimum wage for older workers employed at or above the minimum wage;

(b) terminating the employment of youth employees and employing other youth employees in order to gain continual advantage of the subminimum.

7. Enective period of the Act: To expire three years from the date of enactment.

8. Report from Sec'y of Labor: Secretary of Labor shall report to Congress twice each year, while law is in effect, on its implementation and shall include the following information: number of young people employed at the subminimum number of employers utilizing the rate; the rates of youth unemployment; effects of youth subminimum on youth and adult unemployment.

By Mr. MATHIAS:

S. 432. A bill to establish a Commission on the International Application of Antitrust Laws; to the Committee on the Judiciary.

INTERNATIONAL ANTITRUST TASK FORCE

● Mr. MATHIAS. Mr. President, the importance of exports to our country cannot be overstated. One of every eight jobs in this country is involved in export; $1 of every $3 of U.S. corporate profits comes from international activities; 1 of every 3 acres of farmland produces for export; and exports now contribute more to our gross national product than private corporate investment does. Despite the importance of exports, the United States has lagged behind its major trading partners in export promotion. The U.S. share of international commerce has steadily decreased—from 27.7 percent in 1958 to 17 percent in 1979. And the figures for 1980, although an improvement, suggest that the problem is still with us. In Germany, France, Italy, and the United Kingdom, exports account for more than 50 percent of all goods produced, while in the United States they account for merely 14 percent.

In December 1980, the President's Export Council submitted its report to President Carter. The council found that a great deal can and must be done to increase our export effort, particularly in the area of removing self-imposed disincentives to U.S. exports. The council recommended that every reasonable effort must be made to facilitate U.S. export efforts and overseas operations by freeing U.S. firms from unnecessary antitrust constraints and uncertainties where U.S. consumers would not be adversely affected. To help accomplish this goal, the council specifically recommended the enactment of the bill which I am reintroducing today.

This bill passed the Senate last year without a dissenting vote. It would establish a 12-month task force to study the extraterritorial aspects of U.S. antitrust laws and their effect on our ability to compete overseas. Specifically, the task force would provide a forum to examine the whole gamut of issues raised by the extraterritorial application of

these laws, including how they interface with the laws of other nations, and what might be done to promote the doctrine of competition worldwide. The task force would report its findings to the President and to Congress, making recommendations on what changes, if any, should be made in our antitrust laws to insure that they promote competition without handicapping U.S. business abroad and without causing offense to our trading partners.

Extensive hearings were held on this bill last year before the Governmental Affairs Committee which reported the bill out unanimously. In addition to the President's Export Council, the bill has the support of many groups, including the U.S. Chamber of Commerce and the National Association of Manufacturers. Last year it attracted over 20 cosponsors in the Senate.

If we are going to beat inflation and get our decelerating economy moving again, we have got to reduce barriers to trade. And if export promotion is to become a top national priority—which it must—we need a team effort, with the Federal Government removing unwarranted barriers and substituting creative incentives to exports. Like Churchill in another context, U.S. business executives have asked us to give them the tools; they will finish the job.

Once we remove the disincentives, they will get out and fight for their share of the world trade. More trade means more jobs for U.S. workers, a reduced trade deficit, and a sounder dollar.

Whenever I discuss export policy, I recall the story of Alexander the Great and the Gordian knot. The Delphic oracle predicted that whoever unraveled the knot would rule the world. Shortly thereafter, Alexander, still trying to emerge from his father's shadow, strode up to the knot, looked at it thoughtfully for a moment, then drew his sword and cleft the knot apart.

For too long, the trade debate has been bogged down in the technical language of experts who have a very narrow area of responsibility. We have passively adopted their terms of reference, and conducted the debate at the wrong level. We must now raise the level of the debate and talk in terms of national interest and economic survival.

My point is simple—if rational men and women were to sit down to devise a rational trade policy, they would not devise a policy anything like the one that burdens us today. Our trading partners do not so burden their business people, and we must get our laws in order if we are to remain competitive in international markets. We have got to cut the Gordian knot that hobbles U.S. trade, not pick at its edges, and the task force I propose has an important role to play in this regard.

I think we should encourage a dialog and not pretend that the problem does not exist. A Presidential commission, chaired by the Vice President, would provide such a forum for discussion, and I urge all of my colleagues to join me in support of this bill.

I ask unanimous consent that the text of my bill appear in the RECORD following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 432

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Commission on the International Application of the United States Antitrust Laws Act."

ESTABLISHMENT OF COMMISSION

SEC. 2. (a) There is established the Commission on the International Application of the United States Antitrust Laws (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of eighteen members who shall be appointed by the President as follows:

(1) four members from the executive branch of the Government:

(A) the Vice President of the United States;

(B) the Assistant Attorney General for the Antitrust Division;

(C) the Chairman of the Federal Trade Commission; and

(D) the Legal Advisor of the Department of State;

(2) four members from the Senate, two members to be named upon the recommendation of the majority leader, and two members to be named upon the recommendation of the minority leader;

(3) four members from the House of Representatives to be named upon the recommendation of the Speaker of the House of Representatives; and

(4) six members from the private sector.

(c) The Chairman of the Commission shall be the Vice President of the United States.

(d) The President shall designate the Assistant Attorney General for the Antitrust Division and the Legal Advisor of the Department of State as the Vice Chairmen of the Commission.

(e) the majority and minority leaders and the Speaker of the House shall make recommendations for the appointments to be made pursuant to subsection (b) within thirty days of the enactment of this Act.

(f) The President shall make all of the appointments in accordance with subsection (b) after receiving the recommendations set forth in paragraphs (2) and (3) of subsection (b) but such appointments shall be made no later than sixty days after the date of enactment.

(g) The first meeting of the Commission shall be called by the President within thirty days following the date such appointments to the Commission are made.

(h) Not more than one-half of the members of each class of members set forth in paragraphs (2), (3), and (4) of subsection (b) shall be from the same political party.

(i) The term of office for members shall be for the term of the Commission.

(j) A vacancy in the Commission shall not affect its powers, and shall be filled in the same manner in which the original appointment was made.

(k) Ten members of the Commission shall constitute a quorum (but a lesser number may hold hearings).

(l) The membership of the Commission shall be selected in such a manner as to be broadly representative of the various interests, needs, and concerns which may be affected by the international aspects of the United States antitrust laws.

PURPOSES OF THE COMMISSION

SEC. 3. (a) The Commission shall—

(1) conduct a comprehensive study of and make recommendations concerning the international aspects of the antitrust laws of the United States, the applicable rules of court, related statutes, administrative procedures, and their applications, their consequences, and their interpretation by the courts and Federal agencies (hereinafter referred to as "the United States antitrust laws"); and

(2) make periodic reports to the President and to the Congress concerning its activities and make a final report to the President and the Congress concerning such comprehensive study.

(b) Such comprehensive study shall specifically address—

(1) the application of the United States antitrust laws in foreign commerce, and their effect on—

(A) the ability of United States enterprises to compete effectively abroad; and

(B) the ability of United States enterprises to compete or deal effectively with foreign controlled enterprises in market and nonmarket economies;

(2) the effect of the application of the United States antitrust laws on United States relations with other countries;

(3) the jurisdiction and scope of the application of the antitrust laws to foreign conduct and foreign parties;

(4) the issue of reciprocity between nations with respect to mutual access to markets, equal opportunities for foreign investments, and enforcement of antitrust laws;

(5) the applications of United States rules of court relating to the enforcement of antitrust laws in the context of international transactions (for example, the "per se" and "rule of reason" doctrines); and

(6) the application of the United States antitrust laws to joint ventures, mergers, acquisitions, and distributions and licensing arrangements between and among the United States and foreign based enterprises.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 4. (a) Members of Congress, who are members of the Commission, shall serve without compensation in addition to that received for their services as Members of Congress, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Notwithstanding section 5533 of title 5, United States Code, any member of the Commission who is in the executive branch of the Government shall receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary not in excess of the highest rate for employees compensated at the rate of GS–18 of the General Schedule under section 5332 of title 5, United States Code, and he shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of the duties vested in the Commission.

(c) Members from the private sector shall each receive compensation not exceeding $200 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

POWERS OF THE COMMISSION

SEC. 5. (a) (1) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out its functions and duties, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpoena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpoenas may be issued to any person within the jurisdiction of the United States courts, under

the signature of the Chairman or Vice Chairman, or any duly designated member, and may be served by any person designated by the Chairman, the Vice Chairman, or such member. In the case of the failure of any witness to comply with any subpoena or to testify when summoned under authority of this section, the provisions of section 102 through 104, inclusive, of the Revised Statutes (2 U.S.C. 192–194), shall apply to the Commission to the same extent as such provisions apply to Congress.

(2) For purposes of Section 552(e) of title 5, United States Code, the Commission shall not be considered to be an agency.

(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its function under this Act.

(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 of the General Schedule under section 5332 of such title, and

(2) procure temporary and intermittent services in accordance with the provisions of section 3109 of title 5, United States Code, but at rates not to exceed $200 per day for individuals.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties to such extent and in such amount as are provided in appropriation Acts.

FINAL REPORT

Sec. 6. The Commission shall transmit to the President and to the Congress not later than one year after the first meeting of the Commission, a final report containing a detailed statement of the findings and conclusions of the Commission, including its recommendations for administrative, judicial, and legislative action which it deems advisable. Any formal recommendation made by the Commission to the President and to the Congress must have the majority vote of the Commission as present and voting.

EXPIRATION OF THE COMMISSION

Sec. 7. Sixty days after the submission to Congress of the final report provided for in section 6, the Commission shall cease to exist.

AUTHORIZATION OF APPROPRIATION

Sec. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the activities of the Commission.

EFFECTIVE DATE

Sec. 9. The provisions of this Act shall take effect upon the date of enactment of this Act.●

By Mr. DURENBERGER (for himself, Mr. BOREN, and Mr. HEINZ):

S. 433. A bill to amend the Internal Revenue Code of 1954 to encourage competition in the health care industry, to encourage the provision of catastrophic health insurance by employers, and for other purposes; to the Committee on Finance.

HEALTH INCENTIVES REFORM ACT OF 1981

● Mr. DURENBERGER. Mr. President, Federal health care costs are continuing to rise, and it is critical that we continue the discussions begun in the last Congress on competition in the health care arena. This afternoon, on my own behalf and on behalf of my colleague from Oklahoma, Mr. BOREN, and my colleague from Pennsylvania, Mr. HEINZ, I am reintroducing the Health Incentives Reform Act (HIRA). HIRA is designed to foster competition in health care by introducing economic incentives and consumer choice.

The extensive discussion during the last session of Congress on HIRA and similar competition bills was gratifying. But it is also indicative of the seriousness of the problem HIRA begins to solve. Two approaches to cost-containment are available. One is to enforce mandatory regulations that artificially cap costs. That approach was rejected in the last session. The other method is to encourage competition in the health care system. HIRA is the first step toward achieving that objective.

We are also involved in extensive discussion on the best mechanism to meet the need for catastrophic health coverage. These discussions have focused on employers providing their employees coverage, and paying a percentage of the premium cost. This approach stifles competition and runs the serious risk of skewing health care to the high cost, high technology end of the medical spectrum.

It is essential to remember what competition means. It means that efficient providers of care—physicians, hospitals, and others—are rewarded with additional business. We must devise a system that permits these efficient providers to isolate their experience from that of the rest of the provider community. Since one-plan offerings must permit the use of any health provider in the community, cost-effective providers get mixed in with ineffective providers. Limited provider organizations would not be viable because they would not meet the needs of all employees.

The key provisions of HIRA would:

First, limit the amount of the employer tax deduction for employee health benefits.

Second, encourage multiple choice by consumers (employees), and

Third, provide for equal employer contributions to health plans.

The limitation of the employer deduction should encourage employers and employees to look for the more efficient and cost effective health insurance plans. These may be HMO's or any other plans that might develop in the market to meet the needs of that particular group.

The multiple choice offering is essential if we are to create an environment in which competitive plans with a limited number of providers can begin to develop. Without multiple choice, true competition in employer group markets cannot exist.

The other essential ingredient in establishing an environment in which competition can flourish is the requirement that the amount an employer contributes on behalf of an employee must be the same regardless of the plan chosen by the employee. Only if we let the employee realize the complete cost difference among options will we encourage them to make rational economic decisions. Competition is distorted if the employer subsidy varies.

I am convinced that true competition can be injected into the health care sector and that this effort deserves our utmost encouragement and support. These competitive considerations are essential in the construction of catastrophic health insurance or any other major piece of health legislation. We must begin to right the imbalanced incentives that exist in our health care system. We cannot afford the alternative.●

● Mr. HEINZ. Mr. President, I am pleased today to join my distinguished colleagues, Senator DURENBERGER and Senator BOREN, in introducing the Health Incentives Reform Act (HIRA).

Since we introduced the same legislation during the 96th Congress, HIRA and the economic principles it embodies, have received a great deal of national attention in economic, legislative, health-care delivery, and academic spheres. The proposal is emerging from these arenas with significant support, and it is our sincere hope that the 97th Congress will see the adoption of this vital dose of medicine for our country's ailing health-care industry.

Mr. President, the bill we are introducing today represents a sound, market-oriented approach to reconciling the complicated issues associated with reducing profligacy in health-care costs without jeopardizing the provision of the best possible health services for all Americans.

This legislation seeks to promote competition in the medical marketplace. In designing this bill, we recognize the ills of the present system of health-care delivery—a system that employs incentives that lead to serious cost inflations in the health-care industry; the tax laws that make it cheaper for an employer to give employees a raise by increasing health insurance benefits than to provide a salary increase; the predominant fee-for-service mode of payment that rewards providers for providing more, often unnecessary, care at greater costs; and the unsuccessful attempts by the Government to harness the rapid cost escalations via regulation.

Mr. President, we do not pretend that HIRA will cure all of these ills immediately, but nor will any other bill. HIRA will effectively insure that providers offer cost-efficient services, and employer-offered insurance plans will contract with cost-efficient providers. We do earnestly believe that our legislation is the critical, initial step needed to set us on our journey toward the provision of better health-care services at lower costs.

As the distinguished Senator from Minnesota has outlined, HIRA's basic features are to:

First, limit the amount of the employer tax deduction for employee health benefits.

Second, encourage multiple choice of health-care providers for consumers.

Third, provide for equal employer contributions to health plans, and refunds to employees who chose less expensive plans.

We are convinced that these fundamental elements are tantamount to the provision of better health care at lower costs, and the development of a system that is truly responsive to patient needs.

Mr. President, I commend Senator DURENBERGER and his staff for their careful analyses and research efforts in drafting HIRA. They have done an outstanding job in producing a very thoughtful, thorough piece of legislation.

The economic groundwork for this legislation was laid by Prof. Alain Enthoven of Stanford University. Senators DURENBERGER, BOREN, and I listened to Professor Enthoven when he testified before the Finance Committee in March, 1980, regarding his model designed to inject competition and reduce costs within the health-care delivery system—the model which legislatively translates into HIRA.

I have reflected in great depth upon his testimony, and believe that his work can also clarify to other Senators the merits of the proposal we are introducing today. Therefore, I ask unanimous consent that the text of Professor Enthoven's testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT BY PROF. ALAIN C. ENTHOVEN

Mr. Chairman: Thank you for giving me the opportunity to appear before this Committee in support of this important piece of legislation, that is, the Health Incentives Reform Act of 1979 (S. 1968). I am appearing here as a private citizen representing my own views. What I have to say bears no necessary relationship to the views of my employer or any of my consulting clients.

The costs of health care in our country are rising at an alarming rate. I am sure that you are all familiar with the figures, so that I need not repeat them here. What is new and different now from, say, 6 or 8 years ago, is the sheer size of these outlays. For example, Medicare has been approximately doubling every 4 years. The problem for Federal finances created by a doubling of 1972's $9 billion outlay was far less severe than that which would be created by a doubling of the $34 billion projected for 1980. And these growing outlays are on a collision course with other urgent demands on the Federal budget such as for national defense and for tax reductions to spur productive investment needed to reverse the decline in productivity in our economy.

Many factors have contributed to the increase in costs: increased insurance coverage, new technology, an aging population, and others. We can do nothing about some of these; others we would not want to reverse even if we could.

But there is one factor of overriding importance that we can correct. Today's dominant health care financing system, the system on which most private insurance, Blue Cross, Blue Shield, Medicare and Medicaid are based, rewards providers of care with more revenue for providing more and more costly care, whether or not more is necessary or beneficial to the patient, and it provides insured patients with little or no financial incentive to question the need for or value of services or to seek out and cooperate with less costly providers. In short, we have a system in which there are many powerful cost-increasing incentives, and no rewards for economy in the use of health care resources. As a consequence, there is a great deal of waste and overutilization of services.

The incentives to which I am referring are those inherent in the system of paying doctors fee-for-service, cost-reimbursement and third-party payment of billed charges for hospitals, and 100 per cent government—or employer-paid health insurance to protect patients.

Mr. Chairman, my studies have convinced me that it would be possible to cut cost substantially while improving the quality of care, through proper organization and rational economic incentives. By "rational economic incentives" I mean incentives that reward providers of care for finding ways to give better care at less cost and that reward consumers for choosing economical providers.

For the past 10 to 15 years, the main line of public policy regarding health care costs has been to attempt to contain them by direct controls on prices, capacity, and utilization. This policy has failed both economically and politically. The main reason for the economic failure is that these controls have done nothing to correct the underlying cost-increasing incentives. Indeed, some of the control systems actually intensify the cost-increasing incentives.

If these cost-increasing incentives are such a bad thing, why do they persist? Why doesn't competition from other financing systems replace insured fee-for-service? The answer is that insured fee-for-service is protected from fair competition by law.

Medicare and Medicaid are based on fee-for-service and cost reimbursement. Thus, they systematically pay more on behalf of people who choose more costly providers or systems or styles of care. Beneficiaries who are given the choice and choose to join a health maintenance organization receive little or none of any economic savings resulting from that choice.

Under the tax laws, employer contributions to the health insurance or health care of employees and dependents are excluded from the employee's income subject to federal and state income taxes and social security taxes. These provisions of the tax laws have very powerful economic consequences for the health care system, consequences that were surely not foreseen when they were enacted. They are, briefly, as follows:

1. The tax laws have put health benefits under the control of employers and, where there are unions, under the joint control of labor and management. Thus, health benefits have become a tool employers use in the labor market, and that union leaders use as bargaining prizes. This creates continuing pressure for more benefits.

2. The tax laws motivate employees to take more of their gross compensation in health benefits than they would if health benefits were taxed like other income.

3. The tax laws make it logical for the employer to pay for 100 percent of all the health insurance the employees want to buy.

4. The tax laws have worked to block fair economic competition of health plans. Most employees are offered a single employer-provided health plan. For those who are offered choices, the employer usually pays more on behalf of those who choose more costly health plans. In fact, the employer often pays 100 per cent of the premium whichever plan the employee chooses. This leaves the employee with little or no reward for making an economical choice.

I have explained these effects of the tax laws in greater detail in my forthcoming book Health Plan: The Only Practical Solution to The Soaring Cost of Medical Care.

Some employers have told me that they recognize the harmful consequences of their behavior and consider it a serious mistake to have become committed to 100 percent payment of open-ended service benefits. But having done so, they find it hard to change unless everybody else changes too. That is, they need an external event to force them to make the change to a system that is more rational from an economic point of view.

What is needed is to replace the cost-increasing and anti-competitive provisions of Medicare, Medicaid and the tax laws by provisions based on the principles of fair economic competition among health care financing and delivery plans. Briefly stated, these principles are as follows:

1. Multiple Choice. Each consumer should be offered, annually, the opportunity to enroll for the coming year in any of several health care financing and delivery plans operating in his or her area meeting certain uniform standards governing all health plans. (Traditional insured fee-for-service would be one of the options.)

2. Fixed dollar subsidies, equal with respect to choice of plan. Whatever subsidy each consumer gets—from Medicare, Medicaid, an employer or through the tax laws, should be the same whichever plan he or she chooses. Thus, the consumer who chooses a less costly plan would save money. The consumer would have a reason—not usually present today—to make an economical choice.

3. Same rules for all. A system of fair economic competition intended to make good quality care affordable to all must be designed with great care. Not every scheme that calls itself "competition" will produce good results. Carefully drawn rules are needed.

One of the most important and subtle design problems is to set the rules in such a way that health plans will succeed by providing better care at less cost and not by selecting preferred risks. For example, if people were given an annual choice of a low cost insurance plan limited to catastrophic expense protection and a comprehensive plan with first-dollar coverage, those who expected little or no medical expense during the coming year would find it in their interest to pick the low cost plan. When they planned or expected substantial medical expenses, they would switch to the comprehensive plan until their medical needs were taken care of. Comprehensive plans would not be able to survive in such a competition; they would be destroyed by adverse risk selection.

Experience with multiple choice plans shows that preferred-risk selection can be prevented by such techniques as:

(a) The employer or government, and not the health plans, conducting the enrollment process; and

(b) Reasonable similarity of benefits in all plans.

Rules are also needed to prevent the selling of deceptive or inadequate coverage and to prevent unnecessary complexity in health plan offerings.

Such rules should be applied equally to all competitors.

4. Doctors in competing economic units. It must be possible for consumers voluntarily to limit their choice of doctors, for a year at a time, to one or another group of doctors, in exchange for better benefits at a lower cost. Thus, we need some "limited provider plans." In our predominant system of "free choice of doctor" insurance, the consumer's premium is the same whether he goes to the most expensive or economical doctors. Hence, there is no economic competition among doctors, i.e. no competition that rewards economy in the use of resources.

For the most part, we do not have fair economic competition today. But in those few places where these principles are being applied, such as Minneapolis-St. Paul, Hawaii, and Clackamas County, Oregon, we see very

promising results. Doctors work hard to improve service while cutting costs. Rates of hospitalization (i.e. hospital days per 1000 people per year) are cut drastically. Economy in the use of health care resources is rewarded. Senator Durenberger has observed this promising development in his own state and has based his proposal on a careful observation of demonstrated patterns of success there.

The principles of fair economic competition can be applied in various ways. We are dealing here with a complex ecology of incentives. Much judgment and some empirical tuning will be required. Senator Durenberger's Health Incentives Reform Act, S. 1968, represents a most important attempt to apply these principles. It requires employers of 100 or more to offer choices on an economically fair basis. It involves the consumer in the cost of care in a way that does not threaten serious financial harm. It allows the consumer to benefit from making an economical choice of health care system. It moves our health care economy toward more equal rules for all health plans. In short, it says: "Let's give people some choices on an economically fair basis." I believe it would be hard to justify opposition to that.

Nobody claims that correcting the incentives and requiring people to be offered choices is a panacea. This legislation will not immediately solve all our medical cost problems. (Nor will any other legislation.) It is, however, an important and fundamental step in a new direction—a direction in which consumers and providers of care will be rewarded for economical behavior.

Mr. Chairman this completes my prepared statement. With your kind permission, I would include in the record, as an attachment to my statement, detailed comments and suggestions relating to S. 1968.

DETAILED COMMENTS ON AND SUGGESTIONS FOR S. 1968

1. *Multiple Choice:* Any employer having a total of more than 100 employees covered under any health benefit plan must provide at least three options each of which is offered by a separate carrier.

The reason for requiring three choices, instead of two, is in order to connect the market" and increase the likelihood that particular health care financing and delivery plans will meet each other in direct competition in a significant number of employee groups.

The reason for requiring three separate carriers is to force the development of genuine competition in which the carriers would have to innovate and develop effective private means of cost control. The mere offering of three options by one carrier, all based on insured fee-for-service, would not have this desirable effect.

The experience of employers who do offer multiple choice, including the Federal government, the State of California, Stanford University, Control Data Corporation Honeywell, and many others shows that this is a simple and effective way to do business. Allegations that a requirement to offer three choices would lead to a "nightmare of administrative complexity" are shown by these experiences to be false.

2. Equal Employer Contribution: The amount of employer's contribution shall not depend on which option an employee chooses. If the employer's contribution amount exceeds the total cost of any option offered, the employer shall contribute the difference to the employee in cash or other benefits.

This requirement is essential to fair economic competition. It assures the employee an appropriate reward for making an economical choice, i.e. the right to keep the savings.

Yet this requirement does not unduly restrict the rights of labor and management to bargain over health benefits. It merely requires that the agreement they reach be compatible with fair economic competition.

It is appropriate to make the required cash rebates taxable income. To make them tax free would be tantamount to abolishing the tax subsidy that supports our private insurance system. The tax subsidy inherent in the exclusion of employer health benefits contributions from the employee's taxable income is an important and necessary support to our private health insurance system. A workable private health insurance system that makes affordable health insurance available to all must include some element of compulsory premium contribution. Without this, the healthy would find it in their interest not to insure, and only those fearing medical costs in excess of their premiums would insure. The premium costs would be driven up and the system would break down. The tax subsidy in the exclusion provides the needed incentive for most employee groups to buy insurance. Making the rebates tax free would create an incentive for employees to demand an extremely cheap "catastrophic only" option, and for the preferred risks to choose it.

For this reason, I would prefer to see the rebates also subject to FICA and FUTA tax on a basis that equalizes the gross cost to the employer of contributing to each alternative (i.e. the employer's share of FICA and FUTA tax on the rebate would be considered a part of his contribution.) However, this issue is a matter of judgment on which it would be hard to find much evidence for either side.

Also for these reasons, I think it appropriate, as S. 1968 does, to require no rebate or contribution in the case of an employee who chooses not to buy health insurance.

3. Limitation on Employer Contribution That Is Tax Free. S. 1968 provides a dollar limitation on the amount of the employer's health benefits contribution which is excluded from the employee's taxable income (e.g. $125 per family in 1980 indexed to the medical component of the CPI).

As explained above, the tax subsidy inherent in the exclusion of employer health benefits contributions from the employee's taxable income is an important and necessary support to our private health insurance system. But there is no reason for government to subsidize health insurance purchases above the level at which people can purchase membership in a good quality comprehensive care program. To do so is to encourage waste and to weaken or block economic competition.

Three arguments will be raised against the dollar limit.

First, health care costs per capita are much higher in some areas than in others. Thus, a uniform dollar limit will be too high for some and too low for others. In principle, one could correct this by applying different limits in different market areas, each proportional to health care costs per capita in that area. However, against this one could argue that to do so would be to set a precedent for adjusting the entire tax code for regional cost-of-living differences, an extremely complex task of uncertain outcome. Moreover, the uniform limit focuses the incentives for delivery system reform precisely on those areas that need reform the most, i.e. the high cost areas.

Second, employees now receiving tax-free employer contributions greater than the limit will be subjected to increased taxes, in effect, a "roll back" of existing benefits. This problem could be eased by a transition rule freezing excludable contributions above the limit in 1980 at their 1980 dollar level until inflation causes the general limit to catch up. In any case, the amount of increased tax would not be large.

Third, some groups have high premiums and employer contributions not because they have very generous benefits but because they are experience-rated and have high medical risks. Thus, they would be taxed more because of their poor health status. I believe that the appropriate response to this problem is to use the leverage of the tax laws to move our whole health insurance system away from experience rating by groups. In Consumer Choice Health Plan, I recommended a combination of community rating by actuarial category for premiums, and tax credits proportional to actuarial cost for premium subsides. You may wish to consider an actuarial adjustment to the limit on excludable employer contributions available at least on an exceptional basis to high risk groups who can demonstrate that their risk status is substantially above average.

4. Minimum Benefit Provisions. The minimum benefit provisions in subsections (h) and (i) are very constructive procompetitive steps. The requirement to cover specified health care services will move health plans toward greater uniformity and comparability. The requirement for catastrophic expense protection will assure that tax-subsidized premium dollars are spent first to prevent insured people from suffering medical bankruptcies or becoming a burden on the public sector after medical expenses have made them poor.

5. Continuity of Coverage Provisions. The continuity of coverage provisions are an important step in the direction of remedying one of the worst scandals of our private health insurance system based on employee groups, i.e. that people often lose their health insurance when they need it most, when the breadwinner loses membership in his or her employee group.●

By Mr. PELL (for himself and Mr. HARRY F. BYRD, JR.):

S.J. Res. 27. Joint resolution proposing an amendment to the Constitution of the United States relative to the commencement of the terms of Office of the President, Vice President, and for other purposes; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT TO CHANGE INAUGURATION DAY

● Mr. PELL. Mr. President, I am today introducing, for myself and for Senator HARRY F. BYRD, JR., a joint resolution proposing a constitutional amendment to shorten the existing interminable delay between the election of a President and his inauguration.

The amendment would change the inaugural date from January 20 following a Presidential election to November 20. Newly elected Members of Congress would take office on November 15 instead of January 3, as now provided by the Constitution, to permit the new Congress to count electoral ballots before the inauguration.

The arguments for drastically shortening the time between the election and installation of a President are compelling.

First, and foremost, I believe the American people, once they have elected a President, want to see him in office and pursuing his program and his policies as soon as possible. The casting and counting of millions of votes is accomplished in 1 day, and there is just no reason to wait 2½ months to give the people the President they have elected.

Second, in both foreign and domestic affairs, the transition is a period of near-paralysis of Government. Foreign governments defer dealing with a "dead-duck" administration or hasten to make

arrangements that a newly enfranchised President might not countenance. Similarly, in domestic policy decisions important to our economy and well-being may either be put off in deference to the incoming administration or expedited to accomplish goals contrary to those of the incoming President.

Third, the earlier inauguration would permit the new President to submit to the Congress his own budget for the following fiscal year instead of submitting revisions to a budget developed by the departing President. It would also permit a President a better opportunity to propose revision of the current year budget early in the fiscal year.

Finally, there is no real need, with modern communications and transportation, for a prolonged transition period. Indeed, a lengthy transition period permits and encourages needlessly elaborate transition planning. It encourages and permits the development of prolonged and intensive internal warfare among the newly elected President's own supporters and within his party, including unseemly jockeying for position, influence, and appointment.

Under the amendment I have proposed, a President would take office from 11 to 18 days after the date of the popular election, depending on when election days falls.

Some may contend that this would not give a new President time to select a Cabinet. As Columnist George Will commented in a column urging a shorter transition period—

Man's best friend is a deadline. When it comes to picking up the pace of things, there is nothing like the lash of necessity.

Even if a new President did not have his Cabinet completely in place within a shorter transition, a few Cabinet vacancies are far preferable to a paralysis of the entire Government. Every department has a senior career official capable of running the department on a caretaker basis.

Our Presidential election system has become an almost interminable marathon. Potential candidates for Presidential nomination begin tilling the fields in primary States 2 years before the date of elections, and for that 2-year period the public is exposed to the personalities, proposals, and policies of contenders through primaries, through the national political conventions, and then through the campaign to the election.

When a candidate has spent 2 years formulating his positions and policies and espousing them, he really does not need an additional 2½ months after the election to prepare himself to take office.

I ask unanimous consent that the text of the joint resolution be printed at the conclusion of these remarks and, following the resolution, several newspaper articles commenting on the need to shorten the transition period.

There being no objection, the joint resolution and articles were ordered to be printed in the RECORD, as follows:

S.J. RES. 27

Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:

"ARTICLE —

"The terms of the Office of the President and Vice President shall end at noon on the twentieth day of November, and the terms of Senators and Representatives at noon on the fifteenth day of November of the years preceding the years in which such terms would have ended if this Article had not been ratified; and the terms of their successors shall then begin.".

[From the Washington Post, Jan. 25, 1981]

THE TOO-LONG TRANSITION

(By George F. Will)

Tinkering with the Constitution is generally unwise, even impertinent, but the time has come to change one word, replacing "January" with "December" in Section One of the 20th Amendment: "The tenure of the President and Vice President shall end at noon on the 20th day of January. . . ."

A recurring question today is: Are the constitutional arrangements, devised by the rural gentlemen in the 18th century for a sparsely populated fringe of an unexplored continent, suitable for a continental, urban, industrialized nation? The answer is an emphatic "yes." But large improvements can radiate from small changes, such as trimming four weeks from the transition period.

Until 1936, Inauguration Day was March 4. That date made sense when the speed (or possibility) of travel and communication depended on unpaved roads. But the March 4 date was set by the Founders when the pace of events was such that President Thomas Jefferson could say, speaking of the U.S. minister in Spain, "I haven't heard from him in two years. If I don't hear from him next year, I will write him a letter."

Today, waiting even until Jan. 20 is unnecessary and dangerous, and is especially dangerous when an incumbent has been rejected at the polls.

The decisiveness of the nation's rejection of Jimmy Carter seemed suddenly to render him almost invisible and negligible as a governmental force. It drained away most of the reserves of presence and authority that he would have required in a crisis, such as a Soviet invasion of Poland. If there is an invasion, everything—the effectiveness of the response, even the survival of the Western alliance as more than an empty shell—will depend on allied solidarity behind a stern policy. Had there been an invasion in the weeks after the election, Carter's ability to organize such solidarity would have been even less than it was in the best of his days.

Even a narrow election victory imparts something that is difficult to acquire, even more difficult to keep, and indispensable to energetic government: mo-(forgive me, George Bush)-mentum. Yet such is the inescapable toll taken by our unduly prolonged transition periods that when President Reagan stepped forward to deliver his inaugural address, he had to use part of his address to stir the cooling fire of the Nov. 4 consensus. That is, I suspect, why the first part of the speech, with its didactic tone about the economy's ailments, sounded a bit—which means a bit too much—like a campaign speech.

Just before the splendid peroration, there was one passage—the passage about contemplating "no compromise" about, among other things, lightening "our punitive tax burden"—that seemed designed to repair the damage done to the public's understanding of his economic intentions by too much talk during the too-long transition.

During a transition, and especially early in one, there is an unusually high ratio of journalistic energy to real news, so news reports contain an unusually high ratio of speculation to substance. In addition, nothing is more fun to report than disagreements within an administration, and the process of looking for them can produce them, especially when an administration is only half-formed and is taking shape in slow motion.

At that point, there is a lively swirl of persons who were campaign advisers and spokesmen, persons who have been appointed to the administration, and persons who have been "mentioned" as possible appointees. All these persons have opinions, few of which are perfectly harmonious with anyone else's. So the question of the hour becomes, Whose views represent the president-elect's immediate policy intentions?

During Reagan's transition there was a Niagara of analysis of all the fine shadings of Reaganite opinion about economic policy, from that of neopopulist tax-slashing Kemp-Roth supply-sided Lafferites to that of neo-orthodox semi-Greenspanians. Minds reeled, and so, occasionally, and perhaps not coincidentally, did some financial markets. A shortened transition period would minimize occasions for such confusions.

Those who think a shortened transition period would be impractical will note that the Reagan administration is not the first to find the federal machinery so sprawling and complex that, even given until Jan. 20, it had to take office with many important positions unfilled.

But a shortened transition might stimulate a greater sense of urgency. When it comes to picking up the pace of things, there is nothing like the lash of necessity. Journalists do not know much, but this they know: man's best friend is the deadline.

THE LAME DUCK SHOULD FLEX QUICKLY

(By Robert Wesson)

SANTA BARBARA, CALIF.—As the lame duck Carter administration wearily waddles toward its demise, we may well wonder whether the nation can still afford the oddity of the long period between the change of governments.

Delaying the entry of a new administration for 2½ months after the election is a practice peculiar to the United States and without a real counterpart in any other country. In countries with parliamentary government, the new chief executive usually takes office the day after election. Our practice derives from the 18th-Century origins of the Constitution. When the horse was the fastest carrier of messages, months were necessary to count the ballots, gather the electors, certify the results and get the new president proper into office.

Inauguration was March 4 during most of our history. The country had four months to slide into Depression between the election of Franklin D. Roosevelt in November and the beginning of his activity to end it in March 1933. The interregnum was shortened by six weeks because of this unhappy experience, and Inauguration Day was moved up to Jan. 20. But there still remains an unfortunate and unnecessary hiatus.

During this period, there is certainly a temptation for international adventurists to act, knowing that the outgoing president may be unable to react appropriately and that the incoming president may be unprepared to do so, and that it might be difficult for them both to coordinate a response.

This is a possibility. It is a certainty that there can be little or no positive action to meet any problems. Things have to wait until the new team takes over. If the economy

is sick, it must agonize until the new doctor's office hours.

The incoming president should take office as soon as feasible after the counting of the ballots. A week or 10 days should suffice for one occupant to move out of the White House and another to move in.

The most obvious argument against such dispatch is that it takes time to put the Cabinet together and to get directions sorted out. Ronald Reagan, after all, seems to have needed more than five weeks of diligent search to decide on his team.

Yet, this is really the strongest argument for an immediate transition. If the challenger is to assume office within a few days after victory, he must have his nominations prepared in advance—a shadow Cabinet, as it is called in Britain. This would greatly assist the electorate in making its judgment: It would see not only the nominee but also those who would act with, and for, him in shaping policy.

Under the existing system, the voters judge according to their impressions of personalities, performance in a so-called "debate," and stands on various issues, many of which will disappear from sight when the campaign is over. What kind of person the nominee will put in top positions hardly comes up. Yet this is the most important question of all.

The success of an administration does not depend on the engaging smile of the President, or his stamina on the campaign trail, or his ready wit, and his answers on issues are sure to change when he is in office. Far more important is the candidate's ability to select and work with persons of the highest qualifications who will formulate and carry out policies and decide the countless questions that he cannot or should not personally decide. Moreover, the kind of persons who are prepared to work in a candidate's prospective government tells much about his qualifications. This reform is important, and it should be easily achieved, because no one would be injured by it. If Americans treasure their free institutions, they should not hesitate to bring them up to date.

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MATHIAS, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 53

At the request of Mr. HAYAKAWA, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Georgia (Mr. MATTINGLY), the Senator from Idaho (Mr. McCLURE), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of S. 53, a bill to amend the Voting Rights Act of 1965 to repeal certain requirements relating to bilingual election requirements.

S. 58

At the request of Mr. HAYAKAWA, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 58, a bill to restrict the release of results from Presidential elections until all the polls are closed.

S. 87

At the request of Mr. BOREN, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 87, a bill to repeal the windfall profit tax.

S. 181

At the request of Mr. CRANSTON, the Senator from Texas (Mr. BENTSEN), the Senator from Hawaii (Mr. INOUYE), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Maryland (Mr. SARBANES), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 181, a bill to provide for the extension of the authorization of appropriations for the Head Start program.

S. 254

At the request of Mr. SCHMITT, the Senator from New Mexico (Mr. DOMENICI), and the Senator from Washington (Mr. GORTON) were added as cosponsors of S. 254, a bill to authorize public land States to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes.

S. 307

At the request of Mr. COCHRAN, the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. PRYOR), the Senator from Indiana (Mr. LUGAR), the Senator from Utah (Mr. GARN), and the Senator from Mississippi (Mr. STENNIS) were added as cosponsors of S. 307, a bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profit tax oil produced from interests held by or for residential child care agencies.

S. 326

At the request of Mr. METZENBAUM, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 326, a bill to require the divorcement of motor fuel service stations from operation by certain producers and refiners of motor fuels, to control sales by producers and refiners of motor fuels, and for other purposes.

S. 328

At the request of Mr. PERCY, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 328, a bill to amend the Internal Revenue Code of 1954 to encourage the production of alcohol for fuel use by repealing the occupational tax on manufacturers of stills and condensers.

S. 354

At the request of Mr. PERCY, the Senator from South Dakota (Mr. ABDNOR), was added as a cosponsor of S. 354, a bill to amend the Export Administration Act of 1979.

SENATE JOINT RESOLUTION 22

At the request of Mr. PROXMIRE, the Senator from Michigan (Mr. LEVIN), the Senator from Arizona (Mr. GOLDWATER), the Senator from South Dakota (Mr. ABDNOR), the Senator from Minnesota (Mr. DURENBERGER), the Senator from North Dakota (Mr. BURDICK), the Senator from Florida (Mr. CHILES), the Senator from Kentucky (Mr. FORD), the Senator from Maine (Mr. MITCHELL), the Senator from Michigan (Mr. RIEGLE), the Senator from Indiana (Mr. LUGAR), the Senator from Illinois (Mr. DIXON), and the Senator from Tennessee (Mr. SASSER) were added as cosponsors of Senate Joint Resolution 22, a joint resolution authorizing the President to proclaim March 16 of each year as "Freedom of Information Day."

SENATE CONCURRENT RESOLUTION 4

At the request of Mr. DOLE, the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from Minnesota (Mr. DURENBERGER) were added as cosponsors of Senate Concurrent Resolution 4, a concurrent resolution expressing the sense of the Congress with respect to implementing the objectives of the International Year of Disabled Persons (1981).

SENATE CONCURRENT RESOLUTION 6—CONCURRENT RESOLUTION DISAPPROVING LEGALIZED GAMBLING IN THE DISTRICT OF COLUMBIA

Mr. HATFIELD (for himself and Mr. HELMS) submitted the following concurrent resolution; which was referred to the Committee on Governmental Affairs:

S. CON. RES. 6

Resolved by the Senate (the House of Representatives concurring), That the Senate disapproves of the approval by the majority of the registered qualified voters of the District of Columbia voting in the referendum on November 4, 1980, described as follows: The Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, approved on November 4, 1980, results of the referendum certified on November 21, 1980, and transmitted to the Congress pursuant to section 602(c) of the District of Columbia Self-Government and Governmental Reorganization Act on December 2, 1980.

● Mr. HATFIELD. Mr. President, I am introducing a resolution today which will disapprove of the vote in the District of Columbia for legalized lotteries, daily numbers games, bingo and raffles for charitable purposes. I am doing this in conformance with section 8 of the Constitution of the United States which gives this Congress the right and, in this case, the obligation to exercise legislation in all cases whatsoever over the District of Columbia which is the seat of the Government of the United States.

I realize that we have come a long way since the days of the Constitutional Congress. There has sprung up a movement which I have supported, to institute home rule here in the District. We have acknowledged that citizens of the District of Columbia have been underrepresented throughout the history of this Nation. And so it is valid to ask why the Founding Fathers would include such a passage in the Constitution, and why I would call upon such a passage today.

In my mind, the answer is in the words "The Seat of The Government of the United States." The Founding Fathers could have located the Capitol of the United States in any of the 13 States.

We can argue that there would have been little effect on the operation of the Federal Government if we had done so. But they chose this unique institution, a Federal district. I believe that they took such action because they were aware that this district is the only impression of the United States that many foreign leaders ever receive. They were also doubtless aware that what happens in the Federal City is an example for the rest of the Nation.

I believe that the District of Columbia should obtain home rule. But I also believe that these concepts of the Founding Fathers remain as true today as they were 204 years ago. I recognize that this approach is somewhat at odds with my desire to see a total representation in the

District, and I will not try and accommodate these views here, though I think they must be accommodated eventually.

Why should anyone oppose gambling? It is one of America's major industries, ranking in dollar volume along with the automobile industry and the oil industry. In fact, horse racing accounts for over $6 billion in dollar volume. Football and other sports account for another $20 billion plus per year. Both Time and Newsweek have identified gambling as one of the great growth industries of the 1970's. A member of the Nevada Gaming Control Board has said that, "Statistically, gambling is the normal thing. It is the nongambler who is abnormal in the American society."

And so, having established that gambling is a trend; the way of life for many Americans; it is appropriate to ask what it is doing to our society. Who gambles? Who is affected? Where does the money come from and where does it go? In answering these questions, I would like to try and present persuasive evidence to my colleagues that gambling is harmful, and that if we allow it to take place in the District of Columbia we will be doing a disservice to residents of the District and to our fellow citizens of America.

Mr. President, the history of gambling in the United States is a long and treacherous one. From colonial times until 1869 games and lotteries were a feature of American life. In fact, one notorious lottery was authorized by the Commissioners of the District of Columbia for "improvement of the Federal City." President George Washington bought the first ticket. The first prize, devised by the lottery agent, was to be a "superb hotel, with baths, outhouses, et cetera, to cost $50,000." As soon as the first lottery was complete, the agent announced a second lottery to build residences in the Capital City. However, the lottery agent ran out of money to build the $50,000 hotel and the first prize winner took possession of an unfinished hotel and a lawsuit. After 6 years, the second lottery was only able to sell one-fourth of the tickets required to make it a success. It was then eliminated by the District Commissioners.

Several years later. President Madison authorized the District to begin a third lottery for the building of schools, a penitentiary, and a city hall. Ticket holders of all three lotteries made claims on all the prizes and the confusion and loss convinced the Federal Government to get out of the lottery business forever.

In 1818, the State of New York, which was in the process of raising $53 million with lotteries, launched an investigation committee into the lottery system. The commission report concluded that the only positive thing about the New York lotteries was "the cheerfulness with which—the money—is paid." Next, the Pennsylvania Union Canal Lottery took in $3 million from hopeful contestants and contributed only $150,000 to the canal project. Finally, in 1969, the Louisiana State Lottery Co., a national concern which took in $11 million a year, was caught buying off the State, the Governor, the legislators, clergymen, and the press. In response to this and other embarrassment, State after State passed laws against the lottery and other gambling schemes until, by 1894, legalized gambling was virtually outlawed in the United States.

Mr. President, I could go on with other stories of unsuccessful lotteries. However, I would like to focus on the reasons I believe this is an ill-considered vote which deserves to be disapproved by the Congress.

I stated at the beginning of this speech that I favored congressional action despite my support for home rule in the District of Columbia, because I felt that gambling will reflect on the character of the Federal City. We cannot avoid the fact that Washington is two cities. It is the home of our many residents, who deserve an equal voice in Government with the rest of the U.S. citizens. But, it is also the seat of Government and I have said that I believe gambling in the District will reflect poorly on the Nation. I hold this belief for several reasons.

Gambling is a tax on the poor. It is regressive. It has been demonstrated again and again that the poorest of the poor, who have much time and little hope of social advancement see gambling as a way to attempt to break out of their environment with one big strike. It is possible this happens. It is possible that some winners will use their earnings wisely and leave their environment behind forever. But, at what cost?

It is basic to gambling that it is nonproductive. Gambling is simply a method of transferring money from hand to hand with no increase in wealth. It is apparent that for each person who takes home a large prize, many more will be forced to do without. Representative Wright Patman of Texas, who was regarded as a taxation expert, called the growth of legalized gambling a dangerous trend.

In a floor statement, he said:

> Instead of taxing the banks, the corporations, the foundations and other holders of great wealth, local governments are turning to gambling devices in an attempt to extract money from those who can least afford to pay . . . If necessary, Congress should consider legislation that will control, if not stop, some of these more outlandish schemes to raise public money through gambling . . . This is a tragic development . . . these schemes are being packaged in typical Madison Avenue style. We are told that a little gambling—backed by the State—will help educate children and provide other benefits . . . this is the purest form of hogwash.

I agree with Congressman Patman. I believe that if we add gambling to the woes of this already troubled city, we will find an increase in violent crime, and a decrease in family cohesiveness and little benefit against which we can balance these costs.

The purpose of gambling is to provide income for its sponsor. But the success of gambling relies on the return it can give to the gambler. This puts the operator in a difficult position. In order to make the gambling scheme a success, he must return the maximum to the gambler and in order to do that he must skim the minimum out of the pot. However, this defeats the purpose of the game. He must return less income to the charitable institution.

Now, if we do that, what is the purpose of the game in the first place?

If anyone really believes that the purpose of these games will be to benefit charitable institutions," he should look at the priority in which the pot is distributed. First comes the operator's expenses and profits. Then, taxes must be paid. Next, we must hold some capital for the next game. Finally, the beneficiary gets what is left. It is apparent to anyone who takes a moment to look at this list that the prime benefactor of the game is the operator, or the house.

Some argue that through legal gambling, we will eliminate illegal gambling.

I would like to suggest, Mr. President, something that every gambler knows. The percentage of the pot which goes out for other purposes, determines the odds. It is important to realize that as long as legalized games pay taxes, audits, benefits to charitable institutions, or any other expense not directly rleated to operations, they cannot hope to come close to the odds a gambler can get in an illegal game. Moreover, any legal game must report winnings. Since this is not an obligation of an illegal game, all the prizes in an illegal game can be much larger.

It appears the only effect of legal gambling would be to break down the stigma of gambling and thereby promote illegal games. It also appears that enforcement of gambling laws would be well nigh impossible. Any police officer who is human must think twice before risking his life and limb busting an illegal gambling game, when he knows that legal gambling is going on openly right next door. The only way to squeeze the illegal games is to put all the money from the legal games back into the pot for distribution as prizes and thereby raise the odds. Here again, we defeat the very purpose of legal gambling.

Finally, we should note the experiences of Las Vegas, Atlantic City, Reno, Nev., Havana, Cuba, and a host of other present and former legal gambling centers. Invariably, the Mafia has moved into these operations. We have seen it time and time again on the front pages to the point where I cannot imagine anyone who would be willing to refute that statement. I submit that we are asking for trouble if we do not disapprove this referendum. For all the reasons I have enunciated, I would plead with my colleagues to disapprove legalized gambling in the District of Columbia.●

SENATE RESOLUTION 62—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. HATCH, from the Committee on Labor and Human Resources, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 62

Resolved, That, in carrying out its powers, duties, and functions under the Standing jurisdiction under rule XXV of such rules,

including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Labor and Human Resources is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the Committee under this resolution shall not exceed $4,054,000 of which amount not to exceed $27,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

Sec. 4. Expenses of the Committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 63—RESOLUTION RELATING TO TOTAL EMBARGO OF UNITED STATES GOODS WHEN AN AGRICULTURAL EMBARGO IS IN EFFECT

Mr. PRESSLER submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 63

Resolved, That it is the sense of the Senate that whenever an embargo on United States export sales of agricultural commodities to any country is in effect, a total embargo of all United States export sales to that country shall be imposed.

SEC. 2. The Secretary of the Senate shall transmit copies of this resolution to the President and to the Secretary of Commerce.

AMENDMENTS SUBMITTED FOR PRINTING

TEMPORARY INCREASE IN DEBT LIMIT

AMENDMENT NO. 2

Mr. JEPSEN (for himself, Mr. FORD, Mr. PRYOR, Mr. PRESSLER, and Mr. SYMMS) proposed an amendment to the bill (H.R. 1553) to provide for a temporary increase in the debt limit.

AMENDMENT NO. 3

(Ordered to be printed.)

Mr. ROBERT C. BYRD (for himself, Mr. BRADLEY, Mr. CHILES, Mr. BUMPERS, Mr. HART, Mr. LEVIN, Mr. MATSUNAGA, Mr. INOUYE, Mr. BAUCUS, Mr. BOREN, and Mr. GLENN) proposed an amendment to the bill H.R. 1553, supra.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. COHEN. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public field hearing before the Select Committee on Indian Affairs, chaired by Senator JOHN MELCHER.

The hearing is scheduled for February 27, 1981, beginning at 10:30 a.m. in the city council chambers, Billings City Hall, 27th and 3d Avenue North, Billings, Mont. Testimony is invited regarding Federal supervision of oil and gas leasing on Indian lands.

For further information regarding the hearing you may wish to contact Virginia Boylan or Max Richtman of the committee staff on 224-2251. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Select Committee on Indian Affairs, U.S. Senate, Washington, D.C. 20510.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. CHAFEE. Mr. President, the Subcommittee on Consumer Affairs of the Senate Banking Committee has scheduled a 1-day hearing on S. 414, the Cash Discount Act. The public hearing will be held at 2 p.m. on February 18, 1981, in room 5302 of the Dirksen Senate Office Building.

Questions regarding the bill or the hearings should be directed to Annette Fribourg, legislative assistant to Senator CHAFEE, 5229 Dirksen Senate Office Building, Washington, D.C. 20510 (202) 224-2921; or Beth L. Climo, counsel to the subcommittee, 5300 Dirksen Senate Office Building, Washington, D.C. 20510 (202) 224-0892.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate today to consider the nomination of Edward C. Schmultz to be Deputy Attorney General and that the hearing not extend beyond 2 p.m. today.

ADDITIONAL STATEMENTS

THE 63D ANNIVERSARY OF UKRAINIAN INDEPENDENCE

● Mr. HEINZ. Mr. President, January 22 marked the 63d anniversary of Ukraine's independence. The struggle of the Ukrainian people for liberty and autonomy provides an important lesson for the world. While the oppressive Soviet regime has denied the Ukrainians their independence, the persistence of the Ukrainian people in their attempts to regain their basic liberties serves to prove that no degree of tyranny can extinguish the spark of freedom.

The history of the Ukrainian nation is one of a struggle for autonomy. The Ukrainian people proclaimed their independence in 1918 following the collapse of the Russian czarist monarch. However, in 1920 the Ukrainian National Republic ceased to exist and was partitioned. Eastern Ukraine was taken by Soviet Russia. The Soviet regime has since continued systematic efforts to suppress Ukrainian ideals and aspirations. From 1932 to 1933 Stalin and the Soviet secret police engineered an artificial famine in an attempt to crush Ukrainian resistance to Russian domination. Approximately 6 million Ukrainians died as a result of the famine. In addition, Ukrainian dissident literature was destroyed, Ukrainian Bolsheviks were purged, and hundreds of thousands of Ukrainians were forcibly deported to Siberia. While conditions in the Ukraine temporarily improved under Khrushchev, the Soviet regime under Brezhnev is returning to a period of repression reminiscent of the Stalin era.

The current policy of the Soviet Government is aimed at the Russification of Ukraine and all republics under Soviet rule. The Soviets are seeking to obliterate all non-Russian cultural identities and languages. Ukrainian culture, literature, and history have been distorted and suppressed by the Soviets. Through the physical destruction of Ukrainian writers, artists, scholars, and scientists, the Ukrainian intelligentsia has been decimated. The Soviets are also attempting to liquidate religion in Ukraine. The Jewish, Ukrainian Orthodox, Catholic, Baptist, and other religions have all been the target of harassment. Priests, rabbis, and lay leaders have been executed and deported. Church properties have been confiscated and religious organizations have been closed down. In addition to the political, cultural, and religious subjugation of the Ukrainian people, the Soviet regime is guilty of the wholesale economic exploitation of Ukraine. Ukraine's natural resources have been utilized almost exclusively to aid Moscow's totalitarian expansion and aggrandizement.

Most disheartening and oppressive has been the Soviets' violations of the human rights of those valiant patriots who have chosen to speak out against the inhumanity and oppression of the Soviet regime. Thousands of innocent people lie suffering in the prisons, asylums, and camps of the U.S.S.R. merely for demanding their basic rights to free speech, assembly, religion, travel, and national identity. The cruelty and barbarism of the Soviet regime and the valiant persistence of the Ukrainian freedom fighters must be acknowledged throughout the world.

The list of Ukrainian freedom fighters is very long. Among them is Vasyl Fedorenko, arrested several times on charges of "anti-Soviet propaganda." Driven by the cruel treatment of the Vladimir Prison administrators, Fedorenko attempted suicide by self-immolation. Prison guards saved his life by dousing him with scalding hot water. On February 1, 1976, Fedorenko and the other prisoners began a hunger strike. There soon followed a series of punishments and tortures, solitary confinements, and forcible binding. Fedorenko remains in Vladimir Prison.

Yosyp Terelya, a 41-year-old dissident poet, and his fellow prisoners were made to pick up and stack granite slabs. They were forced to stand for days on one spot. Terelya was placed in a cell in which the temperature was changed hourly from hot to cold. As a result of continual physical abuse his spine was struck with paralysis. Transferred to a psychiatric hospital, the poet's fingers were broken for trying to write with pencil and paper. Terelya remains in his cell amid the beatings and abuses.

In 1979 the body of the popular Ukrainian folk singer Volodymyr Ivasyuk was found near Lviv. The eyes had been plucked out, the fingers were broken, the body had branches of a tree shoved into it, and the entire torso was covered with bruises. While the KGB declared the death a suicide, most dissidents believe that the KGB was responsible for the death of the musician who had became a symbol for the preservation and development of Ukrainian cultural and national consciousness.

The Ukrainian Public Group To Promote the Implementation of the Helsinki Accords was formed to monitor compliance with the Helsenki Accords in Ukraine. At its first gathering the apartment serving as the group's meetingplace was bombarded with bricks. The group's members have been harrassed and for the most part imprisoned. Among them are Mykola Rudenko, Oleksy Tykhy, Myroslav Marynovych, and Mykola Matusevych.

Mr. President, I hope all our colleagues and all Americans will join me in honoring these valiant heroes of justice and freedom by commemorating the 63d anniversary of Ukranian Independence. Let us celebrate and reaffirm the culture and aspirations of the Ukrainian people and offer our support and prayers.●

ECONOMIC GOOD SENSE

● Mr. KENNEDY. Mr. President, before we rush to embrace the new fashion in economic visions, we ought to pause and reflect on warnings such as Michael Kinsley's discussion of "The Neo-Conservative Dream World" in the February 7th issue of the New Republic. Few in the Senate would agree with every element of Kinsley's review of the latest tome on supply-side economics, George Gilder's Wealth and Poverty. But Kinsley's review is important reading for all of us as we prepare to rewrite the tax laws and reshape the Federal budget in the months ahead. I believe Americans are ready to sacrifice—if the sacrifices are fair. I do not believe Americans want an economy where, in Gilder's prescription, women are second-class citizens—and where, in Kinsley's words, there will be "plenty of faith and hope, but not much charity."

Mr. President, I ask that Mr. Kinsley's review be printed in the RECORD at this point.

The review follows:

TENSION AND RELEASE—WEALTH AND POVERTY

(By George Gilder)

"Civilized society," says George Gilder, in a typical ex-cathedra pronunciamento, "is dependent upon the submission of the short-term sexuality of young men to the extended maternal horizons of women." He continues:

This is what happens in monogamous marriage; the man disciplines his sexuality and extends it into the future through the womb of a woman. The woman gives him access to his children, otherwise forever denied him; and he gives her the product of his labor, otherwise dissipated on temporary pleasures.

Gilder is a crackpot, all right, but this long-awaited attempt at grant synthesis of ascendant conservative thinking cannot be laughed off just because much of it is ridiculous. The author writes speeches for President Reagan, the editor was Midge Decter, the book is praised in newspaper columns and on its cover by conservative gurus who are themselves praised inside. David Stockman, Reagan's budget director, calls Wealth and Poverty "promethean in its intellectual power and insight." William J. Casey, Reagan's campaign chairman, says it "will serve as an inspiration and guide for the new administration." So the book is no joke. Conservatives talk about their "new ideas." Well, here they are.

The book's political appeal lies in its effort to combine a spiritual basis for supply-side economics with an economic justification of the traditional male-dominated family, thus uniting the concerns of the highbrow neo-conservatives with those of the mass-based "new right." Gilder obviously is a bright and sincere man. He writes with flash and often with eloquence. But his grasp of economics (even his own supply-side theology) is more poetical than analytic; he can't resist hysterical overstatement; and his ape-man views on women are like roadblocks across the course of his argument. Gilder poses as promoter of a hungry and insurrectionary vision of capitalism, but he really has written a defense of established privilege. His pose might be more successful if he could stop himself from frequent expressions of personal devotion to the Rockefeller family.

Gilder wishes to defend the morality of capitalism which he feels is not appreciated, even by conservatives. His great moral insight is that capitalism is fundamentally altruistic. How so? Because, "Like gifts, capitalist investments are made without a predetermined return." A giver, says Gilder, tries to supply what will most please the recipient, with the thought that if the gift is successful it will be repaid, but without any certainty of this. The capitalist investor similarly must attempt to guess what consumers will want, with the always uncertain hope that a correct guess will be handsomely repaid. Even the act of using money is altruistic and "bears a presumption of faith," Gilder argues, because money is only a promise of future goods and services. Thus, like altruism, "Capitalism consists of providing first and getting later."

This kind of reasoning does more to make altruism look bad than to make capitalism look good. If you start out by assuming that all generous impulses are fundamentally selfish, you already have confirmed the most severe Marxist critiques of social life under capitalism. Adam Smith demonstrated that the miracle of capitalism is how it channels selfishness to serve the greater good, but Adam Smith's approach is too stinting for Gilder. Without giving, Gilder asserts, receiving has no meaning. A person "values his money because his expenditure of funds is psychologically rooted in his earlier expenditure of effort." This is a prelude to Gilder's views on welfare, but I can't help thinking here of his friends the Rockefellers. Do they value their money? If not, can I have it?

Gilder is hypnotized by the metaphor of "supply." What is to his fellow neoconservatives a rather technical critique of Keynesian economics—that it overemphasizes demand management and underemphasizes the incentive effect of marginal tax rates—is to Gilder a luminous deity. The antichrist is "demand." "The crucial difference" between capitalism and socialism is that under socialisms, demand comes first." In capitalism, you recall, giving—i.e., supply—comes first.

Gilder interprets the history of economics as a long-running battle between the forces of good ("supply") and the forces of evil ("demand"). Adam Smith won round one for supply. The invention of supply and demand curves was an initial triumph for demand because "they seemingly assert an equivalence of potency between demand and supply." Demand, in reality, is a weak, vaporish, feminine sort of thing, whereas supply is manly and robust. Keynesianism was the ultimate inversion of the natural order, with demand on top, pumping away to no avail. But supply will dominate in the end, as it must.

Classical economics, with its stress on "perfect competition," Gilder argues, undersells the strengths of capitalism because classical analysis is "static." This is another great Gilder duality: "static" is bad; "dynamic" is good. Capitalism a la Gilder (borrowing heavily from Schumpeter)is a convulsive process in which courageous entrepreneurs stake their money and effort on some new enterprise which, if it succeeds, gives them "a unique niche in the system from which they can reap, as long as possible, monopoly profits," until some other ambitious entrepreneur takes it away from them.

This picture of capitalism at its best is also Gilder at his best. Small-time capitalist risk-takers are the heroes of his saga, and an admirable lot they are, generally. Gilder is right to compare them favorably to sluggish large corporations and to argue that their role in the strength of our economy is underappreciated. Where Gilder goes off is in blaming large corporations, somehow, on "the left." His sole basis for this indictment seems to be the half-admiring writings on big corporations of John Kenneth Galbraith. In fact, Galbraith's views are quite idiosyncratic on this point, not at all typical of "the left." More important, "the left" and government are hardly responsible for the growth of large corporations. These beasts are, for better or worse, primarily a development within capitalism. Having painted a heroic mural of capitalism as it ought to be, Gilder ignores capitalism as it really is. In his world, all business enterprises are small and dynamic, and all wealth is self-made and constantly at peril.

Like his idealized view of the private economy, Gilder's stark outline of government is illuminating as an abstraction, but absurd when he treats it as a complete portrait. Gilder sees the government as a vast insurance program. It protects people against the risk of being poor or sick. It protects corporations like Chrysler against the risk of going bankrupt and banks against the risk of default. Through its supervision of lawsuits, it gives people redress against an ever-wider assortment of life's physical and emotional buffetings. But a vigorous capitalist economy, Gilder argues, depends on taking risks, rewarding winners, and penalizing losers. And increasing opportunities for enrichment through transfer distract human energy from truly productive uses. All this insurance thus creates "national sclerosis." Borrowing an insurance industry term for a risk created by the very act of insuring against it (e.g., arson caused by fire insurance), Gilder groups all these effects together as "the moral hazards of liberalism." It's a clever overview of modern government, I think. But as the insurance industry would surely rush to point out here, not all insurance creates moral hazards. Some insurance is good for business, even essential. And Gilder is most eager to cancel the policies of just those who are least likely to benefit from bracing draughts of risk—the poor.

When Gilder turns to the subject of wealth, he offers another of his great distinctions: between "wealth" and "riches." Rich is static (bad); wealthy is dynamic (good). Having a lot of oil in the ground make you rich, but not wealthy." Americans confound money with wealth and confuse the actively invested

fortunes of rich [he means wealthy] families [guess who?] with the treasure chests and thronging servants of an Indian rajah or an Arabian prince." Indeed, Gilder argues, the value of all capital assets is evanescent. "As soon as the works of imagination . . . become concrete—are invested—they are trapped," and start to decay. In a vigorous capitalist environment, the only real wealth is ingenuity and a willingness to work. For example, a Lebanese family began selling vegetables in Lee, Massachusetts, 10 years ago, and now they own the biggest building in town. Q.E.D.

This is an inspiring story, but it hardly represents American wealth at its most typical. Much great American wealth, even today, is inherited (insert obvious example here), and very few self-made millionaires got that way solely through virtuous personal qualities. Gilder's implicit argument is that wealth is its own justification. Unequal distribution is not unfair, because "a capitalist system is based on an essential psychology of achievement that is equally possible for all classes." (The key word here is "psychology.") Wealth in concrete form is merely certification that you've got what it takes inside. Indeed, it demonstrates that you are engaged in a glorious mission. "Ownership . . . , whether it is one's own land and labor or IBM shares . . . means . . . that the owner lives on the crest of creation, continually informed and inspired, edified and motivated," et cetera. This may describe the life of a self-made vegetable seller, but it hardly captures the joys of owning IBM shares. Gilder willfully blurs the distinction between the few rich who got that way through their own hard work and creativity, and the many rich who did not, in order to steal the moral aura of the former for the latter. "The other groups on the pyramid of wealth should occasionally turn from the spectacles of consumption long enough to see the adventure on the frontiers of the economy above them—an adventure not without its note of nobility."

Not just nobility, but tragedy! According to Gilder, the crucial role of the rich—if they are not harassed and taxed out of performing it—is to supply the risk capital for new enterprises that keep our economy churning and vibrant. Yet paradoxically, by financing "capitalist ferment and creativity," the rich seal their own doom.

"Individuals with cash comprise the wild card—the mutagenic germ in capitalism, and it is relatively risky investments that ultimately both renew the economy and unseat the rich, as the iron rule of gamblers' ruin plays itself out in the arena of business."

This proposition is not merely paradoxical; it is unbelievable. The mathematical law of regression toward the mean may work its will, in the long run, even on the Rockefellers (though in their case it surely will be the Keynesian long run, in which we are all dead). But I see no reason, and Gilder offers no evidence, that the rich would wish to hasten this process. Are they stupid? If the rich (or their advisers) truly believed that their usual course—which Gilder portrays as one of courageous investment and modest lifestyles—was hastening the decline of their fortunes, we could trust them to change it.

"The persecution complex is a standard psychological ill," Gilder says in explaining why blacks and women think discrimination exists. His own discussion of American attitudes toward the rich is a textbook example of a persecution complex. There is a "war against wealth," Gilder feels. "The idea that all wealth is acquired through stealing is popular in prisons and at Harvard." And "hatred of producers of wealth . . . has become, in fact, the racism of the intelligentsia." Gilder feels surrounded by "formulas of expropriation! Property is theft. Hate is community. Violence is freedom. Reality is oppression." Who is responsible for spreading these heresies? Gilder has a theory. He blames offspring of the old rich, "the defecting upper class," who, he says, have slithered away from the capitalist ramparts to soft jobs at foundations and in the media. From these posts, they use "their communicative skills and social refinements" to poison society's attitudes against the new rich "moving into the commanding heights" that they have cravenly abandoned.

Gilder (who, by the way, is program director of something called "the International Center for Economic Policy Studies") really should see someone about this elaborate fantasy. Perhaps I am equally deluded, but it is my sincere impression that social policy in this country is not based primarily on hatred of the rich. Even liberals, believe it or not, see tax-financed social welfare primarily as a way of helping the poor. If it could be done without disturbing the slumber of the rich, few would object.

And what about the poor? Just as money has nothing to do with being rich in Gilderland, it has little to do with being poor. "(R)eal poverty is less a state of income than a state of mind." Thus another paradox: social welfare just makes people poorer. "The fact that they have more income only makes the situation less remediable." Taking money from the rich undermines their unique role in expanding the economy and giving money to the poor discourages them from working (an effect money does not have on the rich, apparently), so redistribution causes poverty. If poverty existed before welfare was invented, you would not know it from this book.

Others have written about the damaging effects of the welfare culture with much truth, but Gilder's perspective is novel. According to George, here's how it works. Welfare undermines:

"Male confidence and authority, which determines sexual potency, respect from the wife and children, and motivation to face the tedium and frustration of daily labor. . . . The man has the sinking feeling that his role as provider, the definitive male activity from the primal days of the hunt . . . , has been largely seized from him; he has been cuckolded by the compassionate state.

"His response to this reality is that very combination of resignation and rage, escapism and violence, short horizons and promiscuous sexuality that characterizes everywhere the life of the poor."

Meanwhile, back at the ranch: "Once a family is headed by a woman, it is almost impossible for it to greatly raise its income. . . . Her family responsibilities and distractions tend to prevent her from the kind of all out commitment that is necessary for the full use of earning power."

Because welfare breaks up families, Gilder contends, "The lives of the poor, all too often, are governed by the rhythms of tension and release that characterize the sexual experience of young single men."

I'm told that Gilder exposes his feelings about women at great length in two other books, which I haven't read. In this one, he adopts the familiar neoconservative posture of courageously breaking a conspiracy of silence, imposed by liberal etiquette, around truths that are too obvious to require defense. Perhaps Gilder has observed the "resignation and rage, escapism and violence," and so on, of his editor's husband, and has concluded that her partial usurpation of his role as provider is responsible. ("This is Midge Decter's last book at Basic," Gilder reports. Has she seen the light?)

The only serious evidence Gilder offers about sex roles and work is a government study which "indicates," with laughable precision, "that married men work between two and one-third and four times harder than married women, and more than twice as hard as female family heads," and "husbands work 50 percent harder than bachelors. . . ." What "work harder" means, Gilder (typically) does not report. Whatever this "study" measures (hours worked?), it's of course just a reflection of present social arrangements, not proof that these arrangements are biologically inevitable.

As for the connection between all this rot and poverty, it is one thing to say that an uneducated woman trying to raise eight kids without a husband will have trouble escaping poverty, and quite another to insist that the problem is inherent in her chromosomes. How could a single man raise eight kids and work at the same time? Similarly, it is one thing to point out the stupidity of AFDC (Aid to Families with Dependent Children) rules that encourage men to leave home, and another to insist that welfare by its nature—no matter how it is structured—destroys family life by undercutting man-the-hunter.

What is Gilder's solution to the welfare morass? "The crucial goal should be to restrict the system as much as possible, by making it unattractive and even a bit demeaning." The most important step is "to permit a gradual lowering of the real worth of benefits—by allowing inflation to diminish their money value. . . ." As it happens, we have been experimenting with Gilder's type of reform for a decade. For example, inflation reduced the value of AFDC 42 percent between 1974 and 1980 in New York state, where getting welfare remains (really, George) just "a bit" demeaning. Lab reports indicate that poverty still exists in New York.

Gilder dismisses conservative-style welfare reform, which concentrates on eliminating fraud, on the grounds that "most of the cases are fraudulent, in the sense that most of the fathers could presumably marry the mothers of their children and could support them if they had to." He also dismisses the negative income tax (which he identifies as "liberal" even though it was conceived by Milton Friedman), based on the results of an HEW experiment which showed that income guarantees created a severe reduction in work effort. Gilder, naturally, thinks this is because the government usurped the role of male provider. "Unlike the mother's role, which is largely shaped by biology, the father's breadwinner duties must be defined and affirmed by the culture." He overlooks a more logical explanation from his own world of supply-side economics: Because benefits were steeply reduced as earnings increased, there was very little incentive to work.

The true solution to welfare is to make it more generous, not less so, by letting people keep their benefits when they go to work. If supply-siders believed their own theology, they would admit this. A guaranteed minimum family income that was not reduced as earned income increased (replacing the standard tax deduction at higher incomes), would never make it profitable to avoid work or to break up a home—conservatives' principal complaint about present arrangements. Strangely, Gilder virtually endorses such a system with a call for "child allowances given to every family, of whatever income, for each child" in order to encourage men to stay with their families and take low-paying jobs. This is what economists call a "pure" negative income tax, so I can't imagine what Gilder thought he was denouncing for pages leading up to this proposal.

If Gilder is a bit confused about what he wants to do for the poor, he's clear about what he wants to do for the rich: cut their taxes. The confusion comes when he tries to explain why. Not to help the rich, of course, but to help the poor. "Regressive taxes help the poor!" he sings. Low tax rates encourage the rich to invest more, so they make more money and pay more taxes, and "the lower and middle classes need pay less." You recognize this: it's the Laffer curve. The Laffer curve, says Gilder, is "demonstrably true,"

but he offers no demonstration. Instead, in one of my favorite passages, Gilder out-Laffers Laffer by asserting that high taxes lead to (take a deep breath) . . . cannibalism:

"The rates of taxation climb and the levels of capital decline, until the only remaining wealth beyond the reach of the regime is the very protein of human flesh, and that too is finally taxed, bound, and gagged, and brought to the colossal temple of the state—a final sacrifice of carnal revenue to feed the declining elite."

In a calmer moment, Gilder makes the usual Laffer charge that liberals don't know how to think "marginally," and thus they confuse tax rates with tax revenues. This defect makes liberal economists mentally inferior to "a former football player trained in physical education," one Jack Kemp. But Gilder often makes this same "error" when it suits his own conclusions: when he says welfare discourages work whether or not benefits are reduced with income; when he says that inflation and high taxes force married women into paying jobs ("marginal" thinking suggests that high tax rates make it more tempting to stay at home); and when he charges that taxes cause inflation because "workers attempt to keep their after-tax earnings constant." Not thinking marginally, George. Tsk. Tsk.

To illustrate the burden of taxes on entrepreneurs, Gilder imagines, with relish, that Professor Galbraith has gone into business producing his own books. Under Gilder's assumptions, Galbraith puts in a million dollars and two years' labor, and ends up, after taxes, with only $5,719 a year. Ouch! Trouble is, Gilder's assumptions would land him a malpractice suit if he were Galbraith's lawyer or accountant. If Gilder wishes to publish his next book himself, he should come to me. I'll show him how, with the same business, he can shelter other income at first, put off most taxes for years, and never pay a higher tax rate than I pay on my own modest salary.

"Perhaps the supreme symbol of the struggle between past and future," says Gilder, is the tax on capital gains. The self-styled forces of the future, including Gilder, want it eliminated. Gilder says that capital gains are "the way people get rich," and thus the crucial incentive for entrepreneurial verve. The capital gain tax, therefore, is "a big business protection act—a defense of . . . old wealth against new, the past against the future."

Let's get a few things straight about the capital gains tax. First, it is not high, compared to other taxes. Right now the top federal rate is 28 percent. How many *TNR* readers pay less than that on their wages? Second, the tax was *not* nearly doubled in 1969, and nobody ever paid "nearly 50 percent," as Gilder asserts. Tax-cut advocates consistently misrepresent what was a fairly technical change. Thanks to a major cut in 1978, today's capital gains tax rates are lower than they have been for decades. Third, most capital gains of rich people are never taxed at all, because of a loophole concerning the tax on inherited property. Fourth, lower rates for capital gains cause tax shelters and real estate speculation, both of which Gilder rails against for pages. Fifth, contrary to Gilder's theatrics, special breaks for capital gains *help* stodgy old companies and *hurt* hungry young entrepreneurs. This is because they subsidize retained earnings and discourage stockholders of established companies from taking their money out to invest it elsewhere.

If higher capital gains taxes protect big business and old wealth, why are large corporations and the New York Stock Exchange lobbying so hard to *lower* capital gains taxes? Another paradox here, Mr. Gilder? Either through gross ignorance or deceit. Gilder presents what he bills as an agenda for economic revolution, which in practice would have the effect of shoring up established wealth. Bless me if I can help thinking of those Rockefellers again, whether that is marginal thinking or not.

Now it's true, as Gilder says, that inflation has wreaked havoc on the tax code, especially on the taxation of savings and investment. But the worst effects have been on ordinary savings, which are taxed *every year* (not just when they're cashed in) at rates up to *70 per cent*. These taxes should be indexed for inflation. Capital gains taxes should be indexed, too, but only after all the other special breaks are eliminated. Meanwhile, a stroll down Rodeo Drive will persuade you that the capital gains tax has not yet become, as Gilder claims, "quite simply a tax of wealth confiscation." And if "an early purchase of shares in a pioneering firm . . . will often be taxed at confiscatory levels when sold," as Gilder also claims, the recent euphoria over new issues of Genentech and Apple Computer must have been episodes of mass insanity.

Need I even mention, at this point, that—according to Gilder—all antidiscrimination efforts are terribly harmful to minorities? Programs like busing and affirmative action are vulnerable (in my opinion) to conservative arguments that they don't serve their intended purpose. But Gilder attacks the purpose itself.

Gilder is against integration of schools and housing, for example. He argues—correctly, I think—that much prejudice against blacks is more a matter of class than a matter of race. But Gilder approves of class prejudice. In fact, he thinks there's a dangerous lack of it.

"If a capitalist system is to expand, it must give social and educational rewards and reinforcements to 'middle-class' discipline and morality. This means that successful families must take care in choosing their associates and those of their children. This process helps the poor by creating a distinctive culture of upward mobility which they may emulate [Gee, thanks], and it helps the rich by transmitting upper-class discipline to their children."

Now, are you ready for this?

"Many a wealthy youth has been mulcted, blackmailed, sued, or otherwise afflicted for his noble impulse to flee his 'stuffy' forebears. Many a wealthy ingenue has been fleeced and flummoxed by entrepreneurial admirers. Many a lower-class drug habit has been financed by rich kids desperate to be accepted as 'one of the boys.' Many a wealthy neighborhood has been robbed by the 'friends' of generous teenagers with nostalgie de la boue."

In Gilder's fevered brain these must be the same rich kids who go on to control foundations and the media, where they promote "a corrupt and destructive egalitarianism in politics." Back on Earth, there is no connection whatever between heiresses seduced by gigolos and government efforts, however ham-handed, to assure that Americans of different social backgrounds don't grow up total strangers. These efforts do not reflect contempt for middle-class values. Quite the contrary. A key premise of *Brown* v. *Board of Education*, the Supreme Court decision that started it all, was that middle-class values would rub off on underprivileged children. And social class mixing is not a poison flower of the welfare state: there is far less of it in America today than there was 100 years ago. The modern development that needs to be deplored is the intense social stratification that has occurred in this century.

Economic discrimination against blacks and women does not exist, you will be glad to hear. The lower income of blacks is dismissed on the logic of tout comprendre c'est tout pardonner. Once Gilder discounts for past discrimination against their parents, education at segregated schools, college degrees from "valuable but inferior Southern black institutions," and so on, not to mention "government-induced dependency and female-headed families," he calculates that black and white incomes are practically the same. As for women: "It is the greater aggressiveness of men, biologically determined but statistically incalculable, that accounts for much of their earnings superiority." After an exciting discussion involving "the neurophysiological demands of the sex act itself," Gilder aggressively concludes that biology "can fully explain all gaps in earnings."

Gilder's loopy antifeminism spoils what might have been a telling critique of the affirmative action mentality. Gilder argues persuasively that the burden of proving an absence of discrimination in hiring and promotion leads to an overemphasis on testing and credentials. These developments feed the trend away from the kind of fluid, unpredictable economy that Gilder correctly says is healthiest. Antidiscrimination lawsuits, he says, primarily help middleclass blacks and women, and do little for the untrained blacks at the bottom of the economy. But it's hard to take any of this seriously when he insists that "the antidiscrimination agencies have become an enemy of black progress" because they help "women, amply tested and credentialed, but in need of federal lawyers to make up for a wholly commendable lack of careerist drive and aggressiveness." Only in Gilderland does joining a job discrimination lawsuit prove a lack of careerist drive.

That about takes care of the pernicious nonsense in Gilder's book. Gilder's admirers in the White House can deal with his contention that inflation is good. Now let's relax with some amusing nonsense. (Tension and release, you know.) Wealth and Poverty styles itself a paean to "faith." "Faith in man, faith in the future, faith in the rising returns of giving, faith in the mutual benefits of trade, faith in the providence of God are all essential to successful capitalism," Gilder declares. There are no atheists in the boardrooms, apparently. Gilder's religion is not the opiate of the masses, but it's something equally sterile: the amphetamine of the elite. His reasoning is that rationality itself is fatal to capitalism, since it discourages risk. The successful capitalist must be filled with irrational hope. (Why, therefore, he must also have narrowly behavioristic tax incentives is another giant gap in Gilder's reasoning.) Wealth, because it is acquired through this mystical process, "taps the underlying and transcendent order of the universe." If this last step—wealth grows from chance, therefore it is divinely sanctioned—seems hard to follow, you probably are imprisoned in "the calculus of closed rationality." Gilder suffers no such debility.

Gilder's final chapter, "The Necessity for Faith," is suitable for reading aloud around the fire at Pocantico Hills on Sunday afternoon following church and a heavy meal (except that the ancestral Rockefeller estate, Gilder bitterly notes, has been abandoned to the public because of taxes and decadent heirs):

"Material progress is ineluctably elitist: it makes the rich richer and increases their numbers, exalting the few extraordinary men who can produce wealth over the democratic masses who consume it. . . . It is the idea of economic futility (Whose idea? Dunno.)—not capitalist growth—that gives license to the culture of hedonism and sensuality."

And on and on (Pass the port, would you?):

"The dream of stagnation exalts the politician. . . . Logical positivism, behavioral psychology, Freudianism, Marxism, classical economics, neo-Keynesianism, Bayesian probability analysis, information theory, socialist planning . . . the modern thinker assumes the universe is essentially dead. . . . God is the foundation of all living knowledge. . . ."

Well, you can't please everyone. God must

be thinking. In the days before social welfare, Anatole France observed ironically that the law majestically forbade rich and poor alike from sleeping under bridges and begging in the streets. Now comes George Gilder to complain, without perceptible irony, that the modern state is cutting people off from "the miraculous prodigality of chance . . . a resource that above all we should deny neither to the poor, who can be the most open of all to the future, nor to the rich or excellent of individuals. . . ." So *bon chance*, all you poor folks! In the gospel according to Gilder, there is plenty of faith and hope, but not much charity.●

CLIFFORD HATTEN

● Mr. METZENBAUM. Mr. President, the thousands of members of Ohio's credit unions will lose a great and good friend later this month when Clifford Hatten, director of governmental and consumer affairs for the Ohio Credit Union League, will retire.

Mr. Hatten has been an integral part of the development of credit unions in Ohio since the end of World War II, when he was employed by the Couch-Uthe Co. in Elyria, Ohio. After serving as the treasurer of that company's credit union, Mr. Hatten served on the Lake Erie Chapter Board in 1955.

Because of his outstanding service in the Cleveland area, Mr. Hatten was asked to join the staff of the Ohio Credit Union League as a field representative. During that time, Mr. President, Mr. Hatten performed as a financial "Johnny Appleseed," starting 160 credit unions in northeastern Ohio.

In 1967, Mr. Hatten was named director of public relations of the league and moved to the headquarters in Columbus. In 1969, he was chosen to be the director of governmental and consumer affairs, the position he holds at the present time.

Mr. President, few people have done more for the working man and woman in Ohio than Clifford Hatten. The citizens of Ohio owe their thanks to this man, and as a citizen, I join them.●

CONFIRMATION OF DAVID STOCKMAN AS DIRECTOR OF OMB

● Mr. ZORINSKY. Mr. President, last week the Senate confirmed the nomination of Mr. David Stockman to be Director of the Office of Management and Budget. Mr. Stockman has been a very vocal advocate of budget restraint, and I must say that I commend his enthusiasm and apparent dedication to the job of balacing our Nation's budget.

Nevertheless, Mr. President, I am compelled to express my grave concern with some of Mr. Stockman's recent and not-so-recent statements about the Department of Agriculture.

In December 1978 Mr. Stockman wrote to Secretary of Agriculture Bob Bergland deploring our Nation's commodity price-support programs. He complained about the "dog-eared claims and lame justifications" for what he calls agriculture's "special dispensations." Mr. Stockman believes that farmers—like auto dealers, aluminum smelters and scrap dealers—should be obliged to deal with the vagaries of weather, world crop supplies and onerous Federal regulations as in any other business proposition.

Mr. President, I will not quibble with Mr. Stockman's grasp of agricultural economics, although I might. I will not argue that farmers do face unique circumstances, although I might. I will not even say, Mr. President, that our country's farmers, with the help of the USDA, are the most efficient and prolific producers of food and fiber in the world, although I might.

I will say, Mr. President, that Mr. Stockman appears to be completely unaware of the important role the USDA's commodity price support programs play in stabilizing food prices for the American consumer. Any schoolchild can understand that drought, disease or insects can wipe out a farmer's crop, and with it the livelihood of himself and his family. Granted it takes a bit more familiarity with agricultural economics to understand that perfect weather and record crops can have the same effect. In the last analysis it does not matter to the farmer if he has no crop to sell at all, or an enormous crop to market at prices too low to return his costs. He still goes broke. And that, Mr. President, means that America has one less farmer to produce its food next year and is just a little more dependent on good weather and good crops for those who are still in business.

The USDA's price support programs play an important role in assuring the American consumer an adequate and stable supply of food. If we do not shelter the American farmer from the disasters at either extreme of the spectrum, crop wipeouts or price plunges, our country's consumers will suffer. Like Mother Hubbard, the American housewife may go to the cupboard in future years only to find that it is bare.

Mr. President, I have other concerns about Mr. Stockman's views of Department of Agriculture programs. In the past few weeks we have heard repeated comments about the Farmers Home Administration and the Department's rural development activities. For example, yesterday the New York Times quoted Mr. Stockman as saying that the Farmers Home Administration was a "sleeping giant of the budget." I hope that Mr. Stockman does not view his role as Jack the Giant Killer.

The Farmers Home Administration is, for the most part, one of the Federal Government's most successful endeavors. The agency is a vital source of credit to young and beginning farmers, as well as to those who face economic disaster because of depressed prices or natural catastrophes.

FmHA has aggressively promoted the development of rural America. Housing, medical facilities and new business ventures in remote areas of the country have been financed through FmHA.

While caution and careful review of Farmers Home programs is indeed merited, Mr. President, I would loath to see the continued development of our country's rural areas impeded by massive changes in the Farmers Home Administration programs.

Similarly, the Rural Electrification Administration's programs to assist in the extension of electric and telephone service to rural sections have demonstrated themselves to be valuable and necessary programs. I hope that Mr. Stockman will resist the temptation to curb the success of these programs.

The Office of Management and Budget has come to play an increasingly important role in the formation of all of our country's policies and programs. Agriculture is no exception. During the past 4 years of my tenure as a Senator I have more than once seen the efforts of the Senate Committee on Agriculture, Nutrition, and Forestry frustrated by OMB's dictums on spending.

For this reason, Mr. President, I intend to ask the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, Senator HELMS, to invite Mr. Stockman at the soonest possible opportunity to come before the committee and present his views on the various USDA programs and to clarify some of his recent statements.

I hope that my colleague from North Carolina will concur in my judgment that an opportunity to question Mr. Stockman would be helpful, and that Mr. Stockman himself will accept an invitation from the Agriculture Committee.●

SRI LANKA

● Mr. HATFIELD. Mr. President, it is with great pleasure that I rise today to acknowledge a day of national independence. On February 4 the Republic of Sri Lanka will celebrate its 33d year since regaining independence. The year 1981 also marks the 50th year in which the citizens of Sri Lanka have been enjoying universal adult suffrage. As in all freedom loving countries, the citizens of Sri Lanka will celebrate their national day by giving thanks for the blessings of liberty. It is fitting that we should join them in celebration.

The Republic of Sri Lanka, formerly known as Ceylon, continues to make progress toward social and economic growth. Life expectancy figures are 64 for males and 67 for females. The literacy rate is 88 percent. As evidenced by these figures, the democratically elected government is meeting the basic needs of her people.

However, if progress is to continue the country is going to have to develop a solid agricultural and industrial base. I am happy to report that steps are being taken in Sri Lanka to insure this.

With the help of Western powers, including the United States, several dams have been constructed which will supply water for irrigation and power generation. In addition, the Government of Sri Lanka has attracted foreign capital with a program that includes tax incentives, free trade zones, and government decontrol and deregulation. To date, this policy has resulted in 130 different industrial ventures from 25 countries. With continued development of this solid economic base, democracy will flourish for many years to come.

As we have been recently reminded by the return of our former hostages, freedom is a glorious thing. We reach out to the people of Sri Lanka with a wish for continued liberty and progress.●

RAYMOND J. DONOVAN

● Mr. BIDEN. Mr. President, on Tuesday I voted in support of the nomination of Raymond J. Donovan to be Secretary of Labor, but I found deciding how to cast that vote difficult and troubling.

My reluctance to support this nomination evolved largely from the volume of the allegations raised against Mr. Donovan. In the end, those allegations proved to be just that—allegations, allegations that have not been supported or substantiated.

Although I remain disturbed by the possibility that some of those many allegations may yet prove to be true, I believe it is important—not only to Mr. Donovan but also to the duty imposed on this body by the Constitution to advise and consent to Presidential nominations—that uncorroborated allegations must not be allowed to contaminate that process. To do so would diminish the constitutional role of the Senate and would hold future Presidential nominees hostage to the most irresponsible sort of opposition they might incur.

I am aware that in his sworn testimony, Mr. Donovan has vehemently denied every allegation brought against him and has satisfied the FBI and its investigation. But I must add that, in view of the uncertainties surrounding his nomination, that should any of the allegations he has denied ultimately be proven correct, I would most certainly expect that he would promptly resign from the Cabinet post to which he has been appointed. Furthermore, I would expect that the Justice Department, in such case, would immediately initiate prosecution on the charge of perjury.●

EXPORT TRADING COMPANIES

● Mr. COHEN. Mr. President, I am pleased to join with many of my distinguished Senate colleagues in cosponsoring the Export Trading Company Act of 1981, legislation to encourage small- and medium-sized businesses to enter export markets.

Exports have become increasingly important to the health of the American economy. If we are to maintain the stability of the dollar in world financial markets, overcome our huge oil deficit and fight inflation, we must have a strong and productive export sector.

Exports contribute significantly to U.S. employment, production and growth. In 1976, exports accounted for one out of every nine manufacturing jobs nationwide. In the State of Maine, 1 out of every 13 manufacturing jobs are dependent on exports.

But we have not realized our full export potential. The United States has the lowest percentage of gross national product explored of any industrialized nation. For many years, American businesses have concentrated on the domestic market, and exports have accounted for only 7.5 percent of domestic production. Now the energy crisis and the state of our economy demand that we implement more aggressive measures to expand our export sector.

The Commerce Department has estimated that only 8 percent of the Nation's 250,000 manufacturing firms ship their goods abroad and that, of those, 100 industrial giants account for more than one-half of all U.S. exports. There are at least 20,000 small- and medium-sized businesses which manufacture internationally competitive goods, but are not now engaged in exporting. Many others are exporting, but not to their full capacity.

This legislation is designed with these 20,000 firms in mind. Smaller firms are often reluctant to absorb the extra costs and risks associated with developing overseas markets. Export trading companies can provide them a vehicle for diversifying risk as well as providing international marketing expertise and financing.

Import-sensitive industries could also benefit from this legislation. Textile, apparel, and footwear firms, all important to Maine's economy, could form export trading companies to increase their sales and strengthen these important domestic industries.

This legislation attempts to correct provisions in present law that have inhibited the formation of export trading companies. A crucial ingredient in this bill is the clarification of the antitrust provisions of the Webb-Pomerene Act of 1918. This act allows manufacturers in the same industry to get together to bid for foreign business, it stipulates that these activities must not have an anticompetitive impact on domestic markets. Many businesses have been reluctant to enter into practices that might invite antitrust actions by the Justice Department. This legislation would provide a clearance procedure so that businesses would know in advance if specific ventures could violate antitrust law.

Another important provision of this bill would authorize additional funds for the Small Business Administration and the Economic Development Administration for loans and loan guarantees to support the needs of export trading companies.

Mr. President, the Commerce Department has estimated that this legislation could, in 3 to 5 years, increase exports by 30 percent. In this country, every $1 billion in exports generates 40,000 jobs. I pledge my support to this legislation which I believe would assist the new Administration in working toward one of its highest priorities—putting Americans back to work.●

OREGON VETERANS' LOAN PROGRAM

● Mr. HATFIELD. Mr. President, in an effort to balance the 1981 budget, the Congress invoked a reconciliation procedure contained in the 1974 Congressional Budget Act, which is designed to reduce expected Federal expenditures. The Congress committed itself to this procedure in mid-1980 and, as a result, several committees worked out a series of cuts and revenue measures that reduce the Federal deficit by $8 billion. The final product, the Omnibus Reconciliation Act, was approved in December 1980. The controversial provision that restricts mortgage revenue bonds and general obligation veteran bond issues was taken from a bill introduced by Representative Ullman as H.R. 5741 and passed by the House of Representatives in the spring of 1980.

I had introduced a counterproposal, S. 1751, on September 14, 1979, but the Senate Finance Committee did not consider my bill or any other. S. 1751 addressed legitimate abuses in the use of mortgage revenue bonds but exempted from its provisions State veteran loan programs, such as Oregon's. Instead, at the last minute, the House-passed H.R. 5741, which puts strict limits on revenue bonds and State veteran loan programs was attached to the Omnibus Reconciliation Act in a postpassage conference of both Houses.

I supported the conference report because of my commitment to a lower Federal deficit for 1981. Present projections call for a $60 billion deficit, and the Omnibus Reconciliation Act reduced the deficit by $8 billion and reduced planned spending in later years. The provisions relating to State veteran loan programs did not have my support and I attempted to eliminate or modify them. However, my commitment to a smaller Federal deficit forced me to support the omnibus reconciliation measure, despite inclusion of the sections on bonding to which I objected.

In 1978, Chicago instituted the first local mortgage bond program and within 9 months some $1.67 billion in tax-exempt bonds were issued by over 56 local governments. In 1979 alone, over $6 billion in local government bonds were issued. In contrast to earlier bond issues which concentrated upon multiple-family housing and specifically lower income persons, many of the new local bond issues contained no income limits and provided below market interest rates to individuals who needed no Federal housing assistance.

In sum, tax-exempt single family home financing rose from less than $1 billion in 1974 to $12 billion in 1979 and constituted over 25 percent of all tax-exempt issues for State and local governments. Since tax-exempt bonds lure high-income investors from other taxable investments, unrestricted use of tax-exempt bonds would have cost the taxpayers some $12 billion a year by 1985

H.R. 5741 was designed to restrict the use of mortgage revenue bonds because they were viewed as an inefficient subsidy to housing in that administrative costs were high and benefits were going to individuals who could afford conventional mortgages at unsubsidized rates. This growing tax subsidy avoids the budget process in a time when constituents are looking for reduced taxes. Concern has also been expressed that growing demands for tax-exempt bonds by high-income investors would drive up the cost of bonds for other essential State and local services such as schools, sewer,

roads, and prison facilities, and that the tax-exempt status of mortgage bonds results in a shift needed from industrial capital investments to less productive home buying. Finally, the lack of restrictions on mortgage amounts and income cause the Government to compete increasingly with private mortgage lenders.

Unfortunately, H.R. 5741 goes much further than restricting the abuses already mentioned by putting new limits on State veteran loans programs. Specifically, the new law requires that a qualified bond issue for veteran loans must:

First, be backed by the general obligation of the State;

Second, be substantially used for the purchase of a residence;

Third, be in registered form; and

Fourth, cannot be used for refinancing an existing mortgage.

The second and fourth provisions are critical.

If one is buying a residence that is located on 3 or 4 acres of farmland, a strict interpretation of the law might require the State VA disapproval of the application. Similar problems could occur with those individuals who have spent sums, sold houses, and acted on the expectation of receiving new financing if they previously had financing on their homes.

Currently, some 13,000 Oregon veterans' loan applications have been accepted and approximately 40 percent of those are affected by the new law. The situation is difficult, especially for those who relied upon letters of commitment received from the VA last fall by making improvements, selling their homes, and otherwise acting in the expectation of receiving the VA loan. These individuals will be irreparably harmed.

I am committed to working with the Governor, the Attorney General, and other appropriate State officials toward a speedy resolution of the problem involving these current applications. I have agreed to work with other members of the Oregon delegation as well in requesting an administrative ruling by the IRS or by introducing correcting legislation. It is imperative that our immediate efforts concentrate upon those who have presently applied and acted in reliance upon letters of commitment.

It is also my intention to work toward the introduction of legislation to exemut the State veteran programs from the restrictions of H.R. 5741. The abuses mentioned above occurred in mortgage revenue bonds while the total amount of general obligation bonds over the last 5-year period has remained relatively unchanged. Thus, there seems to be no reason to restrict State veteran loan programs, especially in view of the crisis we face in inducing qualified people to join our Armed Forces.●

SENATOR STAFFORD DISCUSSES COMMITTEE PLANS FOR REVIEW OF CLEAN AIR ACT

● Mr. RANDOLPH. Mr. President, review of the Clean Air Act will probably be the major environmental activity of the Committee on Environment and Public Works this year.

The act was extensively revised in 1977 and we now have the perspective of 4 years of experience from which to examine the statute and its implementation. The chairman of our committee, Senator ROBERT T. STAFFORD, has indicated his desire to begin our consideration of the Clean Air Act as early as possible. Like him, I anticipate that we will receive numerous proposals to revise this important statute which is the basis for our national effort to reduce pollution in the air we breathe.

Mr. President, on Tuesday, January 27, Senator STAFFORD discussed our review of the Clean Air Act in an address before the National Environmental Development Association. He stressed that our examination of the act should be carried out in a spirit of cooperation rather than confrontation with interested individuals and organizations. He repeated his belief that Clean Air Act must not be abandoned but that it could be modified if necessary to further facilitate the achievement of its goals in a realistic, workable fashion. He committed the committee to an examination of the problems that may be brought before the committee.

Mr. President, I agree with Senator STAFFORD on these points. The Clean Air Act has helped us to make substantial progress in protecting public health through reducing air pollution, the existence of which can be found in virtually every community. Our objective this year must not be to turn our backs on this progress but to make such modifications as are necessary to continue it in the years ahead.

Mr. President, because of the importance of the review of the Clean Air Act in the Senate this year, I submit the text of Senator STAFFORD's address for printing in the RECORD.

The text is as follows:

REMARKS OF U.S. SENATOR ROBERT T. STAFFORD

Thank you for inviting me here today.

I understand that many members of this audience were also present at the Burson-Marsteller seminar of January 16th. For those members of the audience, I have some good news and some bad news.

The bad news is that much of what I say today will be new, but some of it will be a replay of the Burson-Marsteller seminar.

The good news is that I have restocked my supply of Vermont jokes; so those will be completely new.

Although some of what I have to say was originally presented at the Burson-Marsteller seminar, I believe that message bears repeating.

For, if that message is taken seriously—as I hope it will be—it will do much to set the tone and temperment of the upcoming reauthorization of the Clean Air Act as one of sweet reason.

If it is not taken seriously, I fear that we could see a long and bitter struggle, comparable to the Clean Air amendments of 1976–77, or to the three-year wrangle with the chemical "superfund" bill.

I feel it is neither necessary nor desirable to engage in a repeat of those kinds of performances.

From such a bitter struggle, there could emerge no winners, only losers.

A reauthorization in the spirit of confrontation should be avoided for a number of reasons.

The most important reason is that, as disagreement escalates into anger, reason and logic are early victims.

When that happens, the ultimate product is not legislation designed to resolve genuine problems in a rational manner.

Instead, it develops as a patchwork of sections, subsections and paragraphs with nothing in common except that each often represents the victory of one small and selfish interest.

Reauthorization becomes a series of skirmishes fought between conflicting, sometimes irrational groups, with the battles fought in committee chambers or on the Senate floor.

I have seen this happen in the past. It is the worst kind of environment in which to develop responsible legislation.

I do not intend to preside over that sort of legislative anarchy in our committee if it can be avoided.

And, I believe it can be avoided.

This is why.

First, every group that I know of has said it supports the intent and the goals of the Clean Air Act. That includes those of you here in this room.

Each of you participates directly or indirectly in the Clean Air Project. The first of the five principles on which that project is founded is, and I quote:

"The Clean Air Act must not be abandoned. Its goals to improve the quality of the nation's air should be pursued with the cooperation of every segment of American society."

I applaud that statement.

I support that statement.

And, I believe that statement—and shall continue to unless events prove otherwise.

In the legislative arena, actions speak louder than words. So, the true measure of whether outside interests—and by this I mean not only industry, but the public health and environmental groups as well—wish to engage in a dialogue, will be, what you and they do in the coming weeks and months.

For example, I do not see how support for the principles of the Clean Air Act could be reconciled with a suggestion that the primary standards of that act be abandoned.

The primary standards are the heart of the Clean Air Act as a public health law.

Abandoning those standards is tantamount to rejecting the notion that the public health must be protected from air pollution.

Thankfully, however, that is not a subject that needs to be explored with this audience, because you are on record in support of the Clean Air Act.

Similar expressions of support have come from a wide range of interested groups.

Moreover, I believe that President Reagan shares that view.

I do not believe that the mainstream of America, or the mainstream of American business, or even those on the fringes of the mainstream, wish to make fundamental changes in the Clean Air Act.

That is not to say that some changes in the act are not needed.

It is likely, however, that many of the necessary changes will be refinements, not basic rewritings of the law.

Many of the changes will be required in concert with our new needs for energy development at home. That was certainly the case during the last Congress—except that those attempts were not so much to refine provisions of the Clean Air Act as they were attempts to reveal some of those provisions.

One example of that was the so-called "oil blackout," or coal conversion bill, that would have converted about 80 oil-fired electrict generating plants to coal—but without necessary environmental controls on air pollution.

I supported conversion to coal—and I still do.

But, the conversion should be accompanied by concern for the health of Americans and for the quality of the air. My amendment to require necessary environmental controls was defeated in the Senate. But, when the bill arrived in the House, it was engulfed in the intense controversy over the environmental issue, and it ultimately died.

A similar fate met the so-called "fast track" bill, that would have permitted the waiver of federal, state and local laws that might delay major energy projects. The bill passed the Senate, but died in the House of Representatives.

Those two bills, and their fate, are examples of what is clearly a growing national consensus: Americans want to develop domestic sources of energy—but they also want to protect the environment.

Those two goals are not inconsistent.

They can be achieved simultaneously.

The best way to achieve them is for all of us to work in a spirit of cooperation and to avoid confrontation.

It would be a mistake to underestimate or to ignore the lesson that can be learned from the fate of those two bills.

It would have been quite simple for the supporters of each of those proposals to accommodate those of us who had some complaints.

In the case of the coal conversion bill, I sought only the installation of adequate pollution control mechanisms. It made no difference to me whether the control mechanisms were stack gas scrubbers, coal washing equipment or even the use of low-sulfur coal.

Those of us who felt that way were willing to pay for a very large portion of the costs associated with minimizing air pollution.

But, proponents of the legislation remained adamant, and refused any accommodation. The consequence was that the bill and its supporters won a battle in the Senate, but lost the war in the House. And all of us lost whatever benefits could result from converting those plants to coal.

Now, it may well be that the House of Representatives has changed somewhat. But, it seems to me that each of us—all of us—has an obligation to try to operate in the broad national interest during the reauthorization process for the Clean Air Act.

It is likely that, at one time or another, each of us will be tempted to serve only our vested interests, rather than the nation's interests.

When that happens, I hope that we will all set temptation to the side.

What we require for the Clean Air Act authorization process is an exercise in self-restraint. Each of you may have problems. Those problems should be examined. Others will have problems. They, too, should be examined.

But, examination is not the same as elimination.

In some cases, a problem may be the natural consequence of the Clean Air Act functioning in exactly the way it was designed to function.

In other cases, a problem may be the result of excessive regulation or excessive zeal on the part of a regulator.

In fact, much of the public attention may may be directed to the wrong arena. Perhaps the focus should be on regulatory adjustments, and not on legislative changes.

To the extent that is the case, the fastest and most efficient means of correcting them is in the hands of the President, not the Congress.

I do not know what President Reagan's intentions are in this regard, but certainly the man the President has named to head the Office of Management and Budget has some clearly defined notions.

David Stockman recently proposed specific regulatory adjustments in the Clean Air Act, including the following:

A waiver of the carbon monoxide emissions standard for Model Year 1983 automobiles.

A relaxation of the heavy duty truck emissions standard scheduled for 1984.

A modification of the ambient air standard for ozone, and

The elimination of new source performance standards for small industrial boilers.

I don't know what other objectives Dave Stockman or other members of the Reagan Administration may have in mind.

But, I do know that the legislative process can be agonisingly slow at times, as recall the three-year ordeal of "superfund" and the almost-as-lengthy trials of the 1977 amendments to the Clean Air Act.

In terms of quick achievement, the less legislation the better.

At the same time, we all recognize that executive action alone will not be enough to make all of the changes that are needed.

In deciding what changes need to be made and the direction we should take, I hope that the Congress will be able to rely heavily on the report of the National Commission on Air Quality.

That report is scheduled to be delivered on March 1, 1981, and it should provide us with a sound, reasoned basis for going ahead with the reauthorization of the Clean Air Act.

The commission was created for the express purpose of providing the Congress with impartial advice—or, at least, with advice balanced by the views of all interests—and I expect it to fulfill that goal.

That does not mean the report of the commission will form the complete record on which the Senate Committee on Environment and Public Works will proceed.

I am sure you understand that the role of the legislative branch of government is distinct from the role of the National Commission on Air Quality and the role of the executive branch.

It is the obligation of the legislative branch to arrive at its own conclusions independently. In that regard, during consideration of the Clean Air Act, I am sure the Congress will listen to the advice of the Reagan Administration and of the National Commission on Air Quality.

But, it is the responsibility of legislators to exercise their own judgments. As you know, there is never any guarantee that Congress will heed all the advice it receives—even when it asks for it.

And, I must tell you that the Senate Committee on Environment and Public Works is composed of many independent-minded members. Some might even be considered mavericks.

You may be sure that all the Members of that Committee will insist on their own review of the Clean Air Act, and that they will make their own judgments.

Indeed, I anticipate that other Members of Congress will want to do the same, and that they will want to become familiar with the Clean Air Act and with some of its impacts.

On the contrary, it will be vitally necessary to the members of the Congress to become familiar with the Clean Air Act and with some of its impacts.

This educational process cannot be accomplished entirely in Washington. We will have to make first-hand examinations of at least a few of the clean air issues in other parts of the country.

Here are some of the issues I have identified as among those that are worthy of examination under actual conditions:

Impacts of the Clean Air Act upon the development of synthetic fuels, including oil shale, coal gasification and coal liquefaction.

The long-range transport of air pollutants, especially as it affects the ability of some states and areas to meet ambient standards or other requirements of the law.

The impact of emission standards on the auto industry.

The impact of the law's requirement on other industries, including the steel industry.

If field hearings on these or other issues are determined to be worthwhile, the Committee on Environment and Public Works might consider the following locations:

Colorado, Wyoming, Utah or West Virginia on synfuels and other domestic energy development.

New England, the Upper Midwest or the Southwest on the long-range transport of pollutants.

California for heavy oil development offset policy, or vehicle inspection and maintenance.

Detroit or some other auto industry city for the issue of vehicle emissions, and

Pittsburgh or some other steel industry city for the questions of the impact on that industry.

Let me caution you that the list of issues and of potential field hearings is extremely tentative. Do not read any overtones into either the issues I have mentioned, or those I have not.

That list will expand and contract—some of the issues may even disappear—as we get into the hearing and oversight process.

We have already taken some preliminary steps in this process. The Senate is not going to rush headlong into the Clean Air Act reauthorization process, but we will move at a good, steady pace.

Let me emphasize again that these are the first steps in the procedure of refining the Clean Air Act, not of rewriting it.

Quite aside from the fact that I believe the Clean Air Act is fundamentally sound, there is at least one other compelling reason for emphasizing fine tuning, rather than drastic overhaul.

If the Clean Air Act were rewritten, industry would be forced to return to Step One in the implementation process.

Decisions that require years to make—not including the additional years that would be consumed while lawyers argued their cases to judges—would have to be made anew.

During the years of undoing and remaking decisions, more precious time would be lost.

Time in which oil shale could have been developed.

Time in which boilers could have been converted to coal.

Time in which better and less expensive American cars could have been built.

In short, time in which we could all have been working together toward a common goal.

It is my hope—and my intention—to use that time in the most productive way.●

THE URBAN DEVELOPMENT ACTION GRANT PROGRAM

● Mr. PELL. Mr. President, I am amazed to learn that the Reagan administration is considering a total elimination in funding for a key program which has played a successful role in revitalizing our declining urban centers.

The urban development action grant, or UDAG, program has been uniquely successful in accomplishing its goal of bringing private investment back into our older cities. In Rhode Island alone,

both Pawtucket and Woonsocket have already demonstrated the value of this program through their new industrial parks, which promise to create hundreds of new jobs during the early 1980's.

UDAG is a relatively small Federal program which has triggered a huge private sector investment in older cities throughout the country. It proves its worth through the private enterprise system, because the small Federal investment made in each grant to a city is contingent upon a much higher amount of private capital being pumped into areas which have been ravaged by years of high unemployment and neglect. This is a much more effective use of the taxpayers money than, as is apparently being considered, folding UDAG into the community development block grant program, which has no requirement for generating a penny of private investment.

I frankly do not understand why an administration which favors free enterprise would eliminate a program like UDAG which must face a free market test, in favor of a program that requires no private sector participation at all. For that reason, UDAG is a program which should have a particular appeal to Republicans and conservatives, and indeed anyone concerned with the task of rebuilding our declining urban centers.

I sincerely hope that the Reagan administration will reconsider its decision on the fate of the UDAG program, but, if it does not, I intend to strongly defend this small Federal program which has worked so well for our Nation and for Rhode Island.●

SONG OF THE YELLOW RIBBONS

● Mr. PELL. Mr. President, among the many Americans who rejoiced in the freeing of the 52 hostages from their bondage in Iran was a constituent of mine, Virginia Doris of Pawtucket, R.I.

Mrs. Doris watched the hostages on television on Christmas Day of 1980 and was so moved by their plight and that of their families that she dedicated a poem to them entitled "Song of the Yellow Ribbons."

Mr. President, I suggest that the full text of this poem be printed at this point in the RECORD.

The text of the poem is as follows:

SONG OF THE YELLOW RIBBONS

The pledge their faithful vigils keep,
  The prayerful hours are near
When trusting eyes refuse to weep,
  Yet still we linger here;
And what—the endless churl may ask—
  Can inspire such wonderous power
That Pain forbids his wonted task
  And Love his yearned-for hour?

The Memory's spirit no lesser thrills
  Or breathes a fainter tone;
The clarion pride from our Nation's hills,
  Heed! No weakness is shown;
And Patriotism's burning song entails
  Her Founder's enduring fire,
Still gathering o'er the ocean that veils
  The American hostage lyre.

But grieve not o'er its parted strings,
  Nor believe its soul hath died,
While yet the lark at dawn's light sings,
  As once o'er Star-Spangled side;
While waiting season sheds its bloom
  And dewy blossoms reach
Alike o'er Iran's demanding tomb
  And family's rallying belief.

Thou glorious captives of this sea!
  Though wide the wicked flood
That parts our distant land from thee,
  We claim thy courageous blood;
Nor o'er thy cruel bondage springs
  One unhallowed star of fame,
But kindles, like an eagle's wings,
  Our welcoming skies in flame!●

S. 381: ADDRESSING WASTE AND MISCONDUCT AT THE DEPARTMENT OF JUSTICE

● Mr. BAUCUS. Mr. President, eliminating waste and mismanagement from Federal programs is one of my top priorities. Internal auditors, who analyze an agency's work and recommend ways to make it more efficient, are an essential tool in this effort.

Congress has recognized the importance of auditing and review of employee misconduct for several agencies. However, the Justice Department has not yet been required to establish a centralized mechanism for performing these functions.

As a member of the Senate Judiciary Committee, I share responsibility for overseeing the activities of the Department of Justice. For 2 years, I have studied the Department's present procedures for internal auditing and for employee misconduct. In the last Congress, I chaired hearings on these subjects and became convinced that congressional action was warranted.

As a result of these hearings, earlier this week, I introduced legislation, S. 381, that will lead to reduced Federal spending and increased faith in the performance of the Department of Justice. I wish to expand on the two major aspects of the bill.

TITLE I: ESTABLISHING A DEPARTMENT OF JUSTICE OFFICE OF AUDITS

It is my view that the Department of Justice has failed to establish a stable, independent and effective internal audit unit. Title I of S. 381 would consolidate the various auditing responsibilities of the Department of Justice and create a new Office of Audit. This office would be under an Assistant Attorney General who would be accountable directly to the Attorney General.

The need for a strong, politically independent auditing office that has full access to the Attorney General is critical if management of the Department of Justice is to be improved. Currently, there is only one small internal audit staff (IAS) located within a large budget office at the Justice Management Division.

Based on a hearing I chaired on March 13, 1980, and on previous work conducted by my staff, I am convinced this is not the most appropriate and effective way to structure internal auditing responsibilities.

Under the present structure within the Justice Management Division, IAS lacks accessibility and accountability to the Attorney General. The IAS has a history of instability within the Justice Department, being bounced from section to section within the Justice Management Division. Its organizational location within the Division, its effectiveness as a coordinator of all auditing activities for the Department, and the current lack of methodical implementation of Department and General Accounting Office audit recommendations are other problems that I identified.

According to guidelines set forth by GAO, any internal audit unit should report directly to the head of an agency or to the highest practical level.

The Justice Department's present structure violates those guidelines. The IAS currently is two organizational levels removed from the Attorney General. The Attorney General apparently has little input into the activities of the auditing unit.

Audit recommendations rarely filter up to the Attorney General and instead stagnate in the Justice Management Division where they are largely ignored.

Its internal structure and organizational location are defined by Department regulations which have been changed repeatedly to accommodate the whims of management. Just last year, IAS was downgraded to a low-level position reporting to the Comptroller within the Justice Management Division, now making it three levels removed from the Attorney General. The small 57-member auditing staff was drastically reduced by over 40 percent.

In addition, the Department of Justice also has been unable to coordinate auditing activities within the Department. The FBI, LEAA, and DEA have separate audit units, and all of the other bureaus have some form of audit or inspection or management review groups.

IAS has not had the authority to require that these units report to the IAS Director. According to testimony at the March hearing, IAS has "not had a very strong coordinating function with any of the functions in the other bureaus." Under this loose arrangement audit functions may be duplicated, and the failure to share expertise and findings results in additional waste.

Mr. President, the bill I introduced this week, S. 381, would address these problems.

The bill would create a statutory charter for an Office of Audit under the direction of an Assistant Attorney General. The Assistant Attorney General would be a Presidential appointee confirmed by the Senate. The Assistant Attorney General would be charged with the responsibility of reporting to the Attorney General any problems of compliance with audit recommendations.

The bill would create a separate, highly visible Office of Audit with the protections of a statutory charter. And, because such a charter could only be altered by Congress, the Office will remain intact until Congress—not the

officials who are being audited—determines that changes are appropriate. This kind of structure also would make it easier to hire and keep the best available auditors.

This kind of structure would separate the audit unit from those it is supposed to be auditing, thus complying with another GAO recommendation.

Mr. President, I know that the new Attorney General, Mr. William French Smith, is concerned with improving the organization and management of his Department. S. 381 would greatly assist him in gaining control of his agency and informing him of the problem areas where he can make corrective changes. The bill will also greatly assist those of us in the Congress who will monitor the progress made at the Department of Justice.

TITLE II: OFFICE OF PROFESSIONAL RESPONSIBILITY

Mr. President, title II of S. 381 would strengthen a companion office to the Office of Audit—the Office of Professional Responsibility.

The Office of Professional Responsibility (OPR) is currently the office responsible for investigating allegations of Justice Department employee misconduct. Many of the allegations handled by OPR are sensitive and complex and may involve complaints against the highest officials in the Department, such as the U.S. attorneys, or the FBI. The question is whether OPR is currently structured to investigate these complaints effectively.

On March 13, 1980, I chaired a Senate Judiciary Committee hearing on OPR. Testimony at that hearing supported the view that the lack of statutory protection for the Office is a major weakness. Because OPR is established only by Federal regulations, its continued existence cannot be guaranteed. In fact, the Office could easily be abolished or have its powers curtailed simply by changing the regulations. Such changes in the regulations could be initiated by Department officials who are subjected to investigation by OPR.

Our hearing highlighted another flaw in the current structure of OPR. The OPR counsel is appointed by the Attorney General rather than by the President. He could be in the position of investigating the individual he reports to. This raises obvious concerns about the independence and integrity of the Office.

One final problem that we uncovered at our hearing was that the Department of Justice has never established adequate standards of discipline which can be uniformly applied. According to the OPR counsel, there is "a disparate arrangement now, a disparate system, and inequitable application of sanctions or corrective behavior." For example, employees found guilty of comparable violations may be given widely disparate discipline if they are employed in different divisions of the Department. Because of the lack of standards, discipline is even haphazard within the six internal investigation units that report regularly to OPR.

Mr. President, nothing could be more corrosive to morale than arbitrarily applied discipline. Employee misconduct must be met swiftly and firmly but with sanctions that are uniform. S. 381 addresses this problem by charging OPR with the responsibility of formulating disciplinary standards for the Department. It also gives the office the power to monitor the imposition of these standards and recommend administrative sanctions.

S. 381 would establish a statutory charter which protects and increases the powers of the Office of Professional Responsibility. Such a charter can only be altered by Congress. Thus, the office would be protected from intervention, the threat of intervention, or the appearance of intervention from Justice Department officials. Under a statutory charter, OPR will become a permanent fixture at the Department of Justice until Congress, not the officials who are subject to investigation, determines changes in the structure are appropriate.

The independence of OPR would also be strengthened by making the OPR counsel a Presidential appointee to be confirmed by the Senate. The counsel would continue to report directly to the Attorney General, but as a Presidential appointee, the Counsel would have the appearance of independence so necessary for public trust in OPR operations.

CONCLUSION

Mr. President, a strengthened OPR, together with a new Office of Audit, will create a two-pronged attack on Government waste and mismanagement in the Department of Justice. More than any other agency in Government, the Department of Justice must have the total faith of the American people. I believe S. 381 will help enhance that faith.

Mr. President, I submit the text of the bill to be printed in the RECORD.

S. 381

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Justice Audit and Professional Responsibility Act of 1981".

TITLE I—DEPARTMENT OF JUSTICE OFFICE OF AUDIT

AMENDMENTS TO TITLE 28 ESTABLISHING AN OFFICE OF AUDIT

SEC. 101. (a) Title 28 of the United States Code is amended by adding immediately after chapter 35 the following new chapter:

"Chapter 36—DEPARTMENT OF JUSTICE OFFICE OF AUDIT

"Sec.
"551. Establishment of Office of Audit.
"552. Duties and functions of the Office.
"553. Administrative provisions.
"554. Responsibilities within the Department.
"555. Report to Congress.

"§ 551. Establishment of Office of Audit

"There is established within the Department of Justice, under the general authority of the Attorney General, an Office of Audit (hereafter in this chapter referred to as the 'Office'). The Office shall be headed by an Assistant Attorney General appointed by the President, by and with the advice and consent of the Senate. The Assistant Attorney General shall be subject to the general supervision and direction of the Attorney General.

"§ 552. Duties and functions of the Office

"(a) The Assistant Attorney General for the Office shall—

"(1) conduct audits of each bureau, office, board, division, commission, or subdivision thereof, of the Department of Justice (hereafter in this chapter referred to as the 'Department') upon its request or the request of the Attorney General, or as the Assistant Attorney General considers appropriate;

"(2) supervise and coordinate implementation of audit recommendations made by the Office;

"(3) establish procedures and format guidelines for reporting to the Office by internal units with audit responsibilities in accordance with section 554;

"(4) ensure Department compliance with the auditing standards and procedures of the General Accounting Office and the Office of Management and Budget;

"(5) in consultation with the Attorney General and the head of the unit, require procedural changes in the operation of any internal unit with audit responsibilities;

"(6) coordinate activities with the Office of Professional Responsibility to prevent and detect fraud, mismanagement, and abuse of Department programs and operations;

"(7) serve as the Department liaison for the audit functions performed by the General Accounting Office;

"(8) review enacted and proposed legislation and regulations on programs and operations of the Department, and make recommendations to the Attorney General in the annual report required by section 555 on the impact of such legislation or regulations on (A) the economy and efficiency in the administration of such programs and operations, and (B) the prevention and detection of fraud and abuse in such programs and operations; and

"(9) keep the Attorney General and the Congress fully informed, by means of the annual report required by section 555 and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations, recommend corrective action, and report on the progress made in implementing such corrective action.

"(b) The Assistant Attorney General shall establish such rules as may be necessary to carry out the provisions of this chapter.

"§ 553. Administrative provisions

"(a) The Assistant Attorney General for the Office shall be compensated at a rate equal to the rate of basic pay for ES-5 of the Senior Executive Schedule established by the President under section 5382 of title 5, United States Code.

"(b) The Assistant Attorney General is authorized to appoint such additional staff personnel as he deems necessary, at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code, and may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

"§ 554. Responsibilities within the Department

"(a) The head of each bureau, office, board, division, commission, or subdivision of the Department shall provide information and assistance requested by the Assistant Attorney General for the Office in connection with audits conducted by the Office or an internal unit with audit responsibilities, and by any other person assigned to conduct audits.

"(b) If the Assistant Attorney General for the Office makes a recommendation to any Department official with respect to any audit, and that official declines to implement the recommendation, the declining official shall report in writing to the Assistant Attorney General, within forty-five days of the receipt

of the recommendation, the reason for declining to implement the recommendation. If the Assistant Attorney General disagrees with the position of the declining official, the Assistant Attorney General may appeal to the Attorney General for implementation of the recommendation.

"(c)(1) If the Assistant Attorney General for the Office makes a recommendation under subsection (b) to the Attorney General, the Attorney General shall report in writing to the Assistant Attorney General, within thirty days of the receipt of the recommendation, his proposed action on the recommendation.

"(2) Any recommendation by the Assistant Attorney General for the Office to the Attorney General which is not followed by the Attorney General shall be identified in the annual report to Congress under section 555.

"(d) The head of each internal unit with audit responsibilities shall report monthly to the Assistant Attorney General for the Office. Each report shall include, at a minimum, identification of ongoing audits and a summary of conclusions and recommendations made for any audit completed within the reporting period. Each report shall conform with the procedures and format guidelines established by the Assistant Attorney General under section 552(a).

"§ 555. Report to Congress

"(a) On or before September 30 of each year, the Assistant Attorney General for the Office shall report to the Congress. The report shall include, but need not be limited to—

"(1) a listing of each audit initiated or completed within the reporting period by the Office or any internal unit with audit responsibilities;

"(2) a summary of the recommendations by the Office and the actions taken for each audit;

"(3) a description of any significant problems, abuses, or deficiencies in the policies and procedures which have become evident during the course of any audit;

"(4) a recommendation for any action that may be taken by the Office or by a bureau, office, board, division, commission, or subdivision thereof to correct such problems, abuses, or deficiencies;

"(5) a summary of the recommendations submitted in any previous annual report under this section upon which corrective action has not been completed, with an explanation of the reasons action has not been completed; and

"(6) a description of any recommendation with respect to any audit made by the Assistant Attorney General for the Office to the Attorney General under section 554(c) which is not followed by the Attorney General.

"(b) The Congress shall have access to the results of each audit completed by the Office or an internal unit with audit responsibilities.".

(b) The table of chapters for part II of title 28, United States Code, is amended by adding immediately after the item relating to chapter 35 the following:

"36. Department of Justice Office of Audit ---------- 551.".

DELEGATION OF FUNCTIONS

SEC. 102. The Attorney General shall delegate to the Assistant Attorney General for the Office of Audit all functions administered by the Attorney General, prior to the date of enactment of this Act, through the Director of the Internal Audit Staff.

REPORT TO CONGRESS

SEC. 103. No later than three years from the date of enactment of this Act, the Assistant Attorney General for the Office of Audit shall submit to the Committees on the Judiciary of the House of Representatives and the Senate—

(1) a comprehensive evaluation of the implementation of the provisions of chapter 36 of title 28 of the United States Code, added by section 101 of this Act; and

(2) specific legislative recommendations designed to remedy any problems or deficiencies in the implementation of the provisions of that chapter.

AUTHORIZATION OF APPROPRIATIONS

SEC. 104. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title and the amendments made by this title.

TITLE II—DEPARTMENT OF JUSTICE OFFICE OF PROFESSIONAL RESPONSIBILITY

AMENDMENTS TO TITLE 28 ESTABLISHING AN OFFICE OF PROFESSIONAL RESPONSIBILITY

SEC. 201. (a) Title 28 of the United States Code is amended by adding immediately after chapter 37 the following new chapter:

"Chapter 38—DEPARTMENT OF JUSTICE OFFICE OF PROFESSIONAL RESPONSIBILITY

"Sec.

"576. Establishment of Office of Professional Responsibility; duties and functions.

"577. Relationship with internal inspection units.

"578. Disciplinary recommendations.

"579. Administrative provisions.

"§ 576. Establishment of Office of Professional Responsibility; duties and functions

"(a) There is established within the Department of Justice, under the general authority of the Attorney General, an Office of Professional Responsibility (hereafter referred to in this chapter as the 'Office').

"(b) The Office shall be headed by a Counsel appointed by the President, by and with the advice and consent of the Senate. The Counsel shall be subject to the general supervision and direction of the Attorney General, or when appropriate, of the Deputy Attorney General, the Associate Attorney General, or the Solicitor General.

"(c) The Attorney General may delegate to the Counsel the functions of any other bureau, office, board, division, commission, or subdivision thereof within the Department of Justice (hereafter referred to in this chapter as the 'Department') as the Attorney General determines are properly related to the functions of the Office and would, if so delegated, further the purposes of this chapter.

"(d) The Counsel shall—

"(1) initiate or order, as he considers appropriate, an investigation of any information or allegation relating to the conduct of an employee of the Department that is or may be in violation of a law, a regulation or order of the Department, or any applicable standard of ethics or conduct;

"(2) establish a procedure for receiving and processing requests for investigations made by persons employed by the Department as well as persons outside the Department, and insure the confidentiality of the source and nature of any such request;

"(3) prepare or review, as the case may be, any findings and reports filed as the result of an investigation under paragraph (1), and make recommendations to the Attorney General, or when appropriate, to the Deputy Attorney General, the Associate Attorney General, or the Solicitor General, concerning such findings and reports;

"(4) in addition to any investigation initiated or ordered under paragraph (1), undertake any relevant investigation, assigned by the Attorney General, or when appropriate, the Deputy Attorney General, the Associate Attorney General, or the Solicitor General, and cooperate as directed with any other organization, task force, or individual that may be assigned by the Attorney General to undertake such an investigation;

"(5) establish uniform standards for the conduct of investigations by internal inspection units with such responsibilities;

"(6) monitor and evaluate the performance and procedures for investigations conducted by the internal inspection units within the Department;

"(7) establish procedures and format guidelines for reporting to the Office by internal inspection units in accordance with section 577(c);

"(8) in consultation with the Attorney General and the head of the unit, require procedural changes in the operation of any internal inspection unit;

"(9) not later than two years after the date of enactment of this chapter, establish uniform standards for the administration of disciplinary sanctions for each bureau, office, board, division, commission, or subdivision thereof;

"(10) monitor and evaluate the implementation of the standards established under paragraph (9) for the administration of disciplinary sanctions;

"(11) undertake any other appropriate responsibilities assigned by the Attorney General, including responsibilities relating to the improvement of the ethics and conduct of Department personnel;

"(12) submit recommendations to the Attorney General, or when appropriate, to the Deputy Attorney General, the Associate Attorney General, or the Solicitor General, on the need for changes in the standards and procedures that become evident during the course of implementing responsibilities under this chapter; and

"(13) report to Congress in accordance with subsection (e) of this section.

"(e)(1) On or before September 30th of each year, the Counsel shall report to the Congress on the number and a brief description of each allegation of employee misconduct received by the Office, a description of the manner in which such allegation was handled, and the final disposition of each such allegation. The information required under the preceding sentence shall include an identification with respect to the unit or Office which received the allegation and performed the investigation, if any.

"(2) In addition, the Counsel shall include in such report—

"(A) a description of any significant problems, abuses, and deficiencies in the policies and procedures which have become evident during the course of any investigation;

"(B) recommendations for actions that may be taken by the Office or by a bureau, office, board, division, commission, or subdivision thereof to correct such problems, abuses, or deficiencies;

"(C) a summary of the recommendations submitted in any previous annual report under this section upon which corrective action has not been completed, with an explanation of the reasons action has not been completed; and

"(D) a description of any recommendation for administrative sanctions or prosecution made under section 578 by the Counsel to the Attorney General or an official of the Department which is not followed.

"(3) If the Counsel conducts, or orders to be conducted, an investigation of information or an allegation that the Attorney General may be in violation of a law, a regulation or order of the Department, or of any applicable standard of ethics or conduct, he shall report the findings of his investigation to the Committees on the Judiciary of the House of Representatives and the Senate upon the completion of the investigation.

"(4) No later than three years from the date of enactment of this chapter, the Counsel shall submit to the Committee on the Judiciary of the House of Representatives and the Senate—

"(A) an evaluation of the procedures and

standards for administrative sanctions and prosecution established under section 576(d)(9);

"(B) a comprehensive evaluation of the implementation of the provisions of this chapter; and

"(C) specific legislative recommendations designed to remedy any problems or deficiencies in the implementation of the provisions of this chapter.

"(f) The Counsel shall establish such rules as may be necessary to carry out the provisions of this chapter.

"§ 577. Relationship with internal inspection units

"(a) The internal inspection units within each bureau, office, board, division, commission, or subdivision thereof, of the Department shall retain the primary responsibility for receiving information on allegations concerning employees within their respective entities, and for conducting investigations, subject to the reporting requirements of subsection (c) of this section.

"(b) The head of each bureau, office, board, division, commission, or subdivision thereof shall provide information and assistance requested by the Counsel in connection with any investigation conducted by the Office or an internal inspection unit, and by any other person assigned to conduct an investigation.

"(c) The head of each internal inspection unit shall report monthly to the Counsel. Each report shall include notification of initiation of any investigation, and shall conform with the procedures and format guidelines established by the Counsel under section 576(d).

"§ 578. Disciplinary recommendations

"(a) The Counsel may, on the basis of any findings reported to him or of an investigation conducted by him—

"(1) recommend to the Attorney General or any appropriate supervising official within the Department that administrative sanctions be taken against a Department employee; and

"(2) recommend the prosecution of a Department employee to the appropriate Assistant Attorney General of division or the appropriate United States attorney.

"(b) If the Counsel makes a recommendation under subsection (a) of this section to any Department official other than the Attorney General, and that official declines to implement the recommendation, the declining official shall report in writing to the Counsel within thirty days of the receipt of the recommendation, the reason for declining to prosecute or administer such sanctions. If the Counsel disagrees with the position of the declining official, the Counsel may appeal to the Attorney General for implementation.

"(c)(1) If the Counsel makes a recommendation under subsection (b) of this section to the Attorney General, the Attorney General shall report in writing to the Counsel, within thirty days of the receipt of the recommendation, his proposed action on the recommendation.

"(2) Any recommendation by the Counsel to the Attorney General or to a declining official which is not followed by the Attorney General shall be identified in the annual report to Congress under section 576(e).

"§ 579. Administrative provisions

"(a) The Counsel shall be compensated at a rate equal to the rate of basic pay for ES-5 of the Senior Executive Schedule established by the President under section 5382 of title 5, United States Code.

"(b) The Counsel is authorized to appoint such additional staff personnel as he deems necessary, at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code, and may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

"(c) Upon request of the Counsel and in consultation with the Attorney General and the head of the unit to which the employee is regularly assigned, an employee of the Department may be assigned to the Office on a case-by-case basis to perform such duties as are designated by the Counsel. Employees assigned to the Office shall work under the direction of the Counsel.".

(b) The table of chapters for part II of title 28, United States Code, is amended by adding immediately after the item relating to chapter 37 the following:

"38. Department of Justice Office of Professional Responsibility---- 576.".

TERMINATION

SEC. 202. The Office of Professional Responsibility of the Department of Justice shall terminate on the date of enactment of this Act. All functions administered by and through that office shall be administered by the Counsel for the Office of Professional Responsibility of the Department of Justice established under chapter 38 of title 28, United States Code, as added by section 201 of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 203. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title and the amendments made by this title.●

THE STATE OF OUR NATIONAL PARKS

● Mr. BAUCUS. Mr. President, in the whirlwind pace of modern life, the opportunity to pause, reflect, and learn from the unique natural heritage of America is an all too infrequent occurrence. Fortunately, since the establishment of Yellowstone National Park in 1872, Congress has undertaken to preserve for generations to come, the finest example of this legacy as units of our national park system.

In the increasingly urbanized landscape of America our national parks form a string of oases. These natural resources provide a recreational respite. They are better seen as an investment for the future. Whether as laboratories to study the interchange of man and the environment, or as museums to learn from the lessons of natural history, our parks are a constantly appreciating investment.

Regrettably, this tremendous asset has been allowed to deteriorate in recent years. I am fully sympathetic to the need to live within our national budget, but I also believe that we cannot allow our national park facilities to waste away through a lack of maintenance. Similarly, we must not ignore the demands of millions of American park visitors for services essential to their health, safety, and enjoyment while visiting our national parks. These demands simply cannot be met by a National Park Service that is understaffed and underfunded year after year.

A case in point is Glacier National Park. Located high in the Rocky Mountains of northwest Montana, the dozens of alpine lakes and small glaciers set in spectacularly carved mountains lend credence to the park's unofficial motto: "The Crown of the Continent."

In recent years, the crown has become badly tarnished. The demands of 1.5 million visitors on a shrinking budget have resulted in deferred maintenance and elimination of visitor services.

A quick examination of the statistics illustrate the point. In 1965, Glacier National Park welcomed approximately 850,000 visitors; staffing was provided by 68 permanent employees and 422 seasonal workers hired for the summer months. Fifteen years later in 1980 visitation to Glacier was nearly double the 1965 figure as some 1.5 million visitors passed through the entrance gates. Staffing in no way kept up with this growth in park use. In fact, the permanent staff was down 9 positions to 59 employees and the seasonal and less-than-full-time positions totaled only 317.

Certainly, we all believe in lean, efficient Government operations. However, there is a grave difference between lean and malnourished. In the case of our national parks, I fear we are headed for the latter case.

The following budget analysis, which was developed at my request by the Denver regional office of the National Park Service, demonstrates the serious predicament of Glacier National Park. Comparisons are between fiscal year 1977 and the budget for fiscal year 1981.

Comparison of Funding and Positions, Fiscal Year 1977 and Fiscal Year 1981

Glacier National Park

	Fy 1977	Fy 1981
Positions:		
Permanent	60	54
Seasonal	272	255
Operating funds:		
ONPS	$3,328,200	$4,075,400
Rec fee	163,000	
Total operating funds	3,491,200	4,075,400
Fiscal year 1977 to fiscal year 1980 unfunded pay increases		105,400
Cost of fiscal year 1981 pay increases		183,200
Unfunded inflation costs		466,300
Fiscal year 1981 program reductions, fiscal year 1977 to fiscal year 1981		96,000
Additional funds needed in fiscal year 1981 to return to fiscal year 1977 level of operations		850,900

Of course, the dollars do not tell the whole story. These budget cutbacks must be translated into the kind of impact they have upon park users. Closing several campgrounds in the park resulting in a loss of a quarter of the campsites is a more dramatic indicator of the difficulties facing Glacier Park. Even more critical in the long run may be the elimination of several maintenance positions directly responsible for the upkeep of 800 buildings and miles of roadway which are yearly battered by the harsh winter elements.

Mr. President, Glacier National Park is not unique among the units of our national park system. Throughout the country, unprecedented burdens are being placed upon these irreplaceable resources. We simply cannot continue to

ask for more and more from our national parks while investing less and less in them.

Thus, I urge my colleagues to look seriously at the funding of our national park system. Each year, millions of Americans cast their votes of support for our national parks in a popular referendum as they pass through the entrance stations from coast to coast. I do not believe that the 97th Congress can ignore this directive.●

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. tomorrow.

The PRESIDING OFFICER (Mr. EASTEN). Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR EAGLETON ON TOMORROW

Mr. BAKER. Mr. President, on tomorrow, after the two leaders are recognized under the standing order, I ask unanimous consent that the Senator from Missouri (Mr. EAGLETON) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER HOLDING HOUSE CONCURRENT RESOLUTION 58 AT THE DESK

Mr. BAKER. Mr. President, I have cleared this with the distinguished minority leader. I ask unanimous consent that House Concurrent Resolution 58, relating to the adjournment of the House and Senate, be held at the desk pending further disposition by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT OF S. 318 AND S. 320

Mr. MATSUNAGA. Mr. President, on behalf of Senator BENTSEN, I ask unanimous consent that S. 318 and S. 320 be star printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TELEVISION CAMERAS TO BE PERMITTED IN SENATE CHAMBER WHILE SENATE IS NOT IN SESSION

Mr. MATHIAS. Mr. President, I ask unanimous consent that television cameras be permitted in the Senate Chamber while the Senate is not in session at some time during the coming week for the purpose of testing out the adequacy of the lighting, the adequacy of the sound system, and other matters related to the possible telecasting of the debates in the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. I thank the majority leader.

ORDER THAT THE NOMINATION OF RAY A. BARNHART BE HELD AT THE DESK

Mr. BAKER. Mr. President, this request has been cleared with the minority. I ask unanimous consent that the nomination of Ray A. Barnhart, of Texas, to be Administrator of the Federal Highway Administration, vice John S. Hassell, Jr., reported by the jurisdictional committee, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, on tomorrow when the Senate reconvenes, following the recognition of the two leaders under the standing order and the special order heretofore entered, the pending business will be the Jepsen amendment. Following the disposition of the Jepsen amendment, as provided for heretofore, the Senate will turn to the consideration of the Byrd amendment. It is my hope—it is, indeed, my very sincere hope—that we can dispose of all action in connection with the debt-limit bill early in the day on tomorrow and then proceed to the consideration of House Concurrent Resolution 58, the adjournment resolution, which has been adopted now by the House of Representatives and is being held at the desk pending further disposition by this body.

RECESS UNTIL 9 A.M. TOMORROW

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9 o'clock a.m. tomorrow.

The motion was agreed to; and at 6:14 p.m., the Senate recessed until Friday, February 6, 1981, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate February 5, 1981:

FEDERAL HIGHWAY ADMINISTRATION

Ray A. Barnhart, of Texas, to be Administrator of the Federal Highway Administration, vice John S. Hassell, Jr.

INTERNATIONAL BANKING ORGANIZATIONS

Donald T. Regan, of New Jersey, to be U.S. Governor of the International Monetary Fund for a term of 5 years and U.S. Governor of the International Bank for Reconstruction and Development for a term of 5 years; a Governor of the Inter-American Development Bank for a term of 5 years; and U.S. Governor of the Asian Development Bank and U.S. Governor of the African Development Fund.

IN THE AIR FORCE

The following named officers for promotion in the U.S. Air Force, under the appropriate provisions of Chapter 839, Title 10, United States Code, as amended.

DENTAL CORPS

Lieutenant colonel to colonel

Abbott, George G., 262-64-8532.
Almquist, Theodore C., 505-52-4322.
Barton, Ralph T., 515-28-7423.
Biddle, Harold H., 295-38-5474.
Boke, Bruce R., 503-32-3192.
Brannon, Robert B., 451-60-8889.
Buzenas, John A., 360-26-5199.
Carey, Robert J., 212-38-0957.
Coffe, Larry L., 440-38-4994.
Cooley, Robert L., 416-52-8806.
Cronin, Robert J. Jr., 036-28-5401.
Davis, Fredric C., 543-38-2289.
Drake, Philip L. Jr., 495-28-4075.
Elledbruch, Eldon S., 505-42-6612.
Ferland, Norman G., 039-24-7614.
Freedman, Irving 213-32-3175.
Gleason, Robert W., 297-34-9766.
Hartman, Garrett E., 516-36-9853.
Hawkins, Maynard A., 496-22-0588.
Kay, William D., 247-54-0349.
Keaton, Wilfrid M., 064-26-3031.
Klepetko, Ronald F., 298-34-9805.
Kolker, Stanley L., 215-34-8368.
Moskowicz, Donald G., 019-32-5306.
Olesen, Harold P., 479-38-4643.
Phillips, Homer L., 232-48-3684.
Richard, Glenn E., 356-30-6164.
Riley, Guy L., 459-56-0351.
Simonton, James H., 420-36-9100.
Staup, James C. Jr., 267-34-2252.
Strohaver, Robert A., 300-34-8576.
Usseglio, Robert J., 014-30-7544.
Weinman, Morris L., 057-30-6521.
Wilkinson, Raymond F., 520-38-7595.
Wysocki, Stanley F., 121-26-3600.

MEDICAL CORPS

Anderson, George K., 366-52-0084.
Bailey, Robert J., 326-36-9420.
Barrett, Robert T., 162-28-9914.
Cloyd, Dale E., 272-32-4339.
Darienzo, Charles M., 131-26-6900.
Davis, Jeffrey G., 411-64-1237.
Dewitt, Dexter D., 308-36-2790.
Dumas, Paul A., 013-30-3707.
Eaton, Wyley E., 382-16-4449.
Gensler, Thomas D., 505-36-9807.
Grant, William H., 131-24-6797.
Hafermann, David R., 336-34-1762.
Hart, Kenneth R., 513-28-1714.
Jecha, Larry D., 510-44-0152.
Johnson, Douglas N., 442-34-1462.
Jones, George P., Jr., 412-18-2852.
Kuhn, Charles R., 462-64-5793.
Laurel, Santiago, 578-52-2990.
Ngo, Narciso L., 105-42-3128.
Novicki, Donald E., 213-40-2189.
Omara, David J., 016-14-7116.
Pumarejo, Ramon A., 115-22-7428.
Reppart, John T., 514-28-4489.
Rissier, Herbert L., 086-24-9653.
Rivera, Antonio M., 054-30-2535.
Roberge, Joseph L., 550-32-0808.
Schaberl, Karl N., 184-32-4933.
Schwab, Edward T., 492-34-3409.
Seth, Suman, 127-40-0948.
Studwell, Alfred W., 047-24-0326.
Task, Steven A., 516-48-5857.
Trabalsantos, Jose P., 063-34-9652.
White, Stewart A., 552-48-1540.
Wilder, Thomas C., Jr., 532-34-9767.

DENTAL CORPS

Major to lieutenant colonel

Baker, Gerald E., 481-58-4854.
Blosser, Fred M., 419-62-7839.
Brown, Frederic H., 582-98-3097.
Buche, William A., 523-52-3256.
Burgess, John O., 296-42-3386.
Combs, Charles H., 451-34-8582.
Crine, James D., 530-32-0616.
Daniel, Benge R., Jr., 464-68-2997.
Donahue, William J., 024-32-6900.
Dyer, Charles L., 260-70-0584.
Faner, Richard M., 323-38-6134.
Frank, Charles A., 157-36-7058.
Gabryl, Roy S., 426-94-5334.
Goaslind, Gary D., 528-48-2862.
Hagarty, Timothy J., 481-54-6240.
Hand, Ronald E., 188-34-7190.
Hansen, Steven C., 522-60-9227.
Heagy, William C., 399-44-1658.
Heldt, Leroy V., 316-46-3739.
Hew, Ellsworth, Y. K., 575-46-9826.
Hott, Wayne E., 307-52-2002.
Howard, Clinton W., III, 226-60-9667.
Howard, James H., 218-52-5464.
Klish, John W., 133-38-5977.
Lukosik, David R., 354-34-6394.
Mackall, Thomas R., Jr., 387-34-9778.
Mann, Joseph G., 364-74-2655.
Mansfield, Michael J., 585-20-5754.
Matiasevich, Laurie N., Jr., 565-62-2745.
Mikitka, Michael A., 526-72-3725.
Miller, Ronald L., Jr., 042-36-2723.
Mills, Michael P., 224-68-1947.
Murata, Steven M., 544-50-6166.
Musselwhite, James M., 241-82-9393.
Ogletree, Robert C., Jr., 254-76-3070.
Ortiz, Ramon F., 247-82-6828.
Orto, John R., 364-46-2731.
Parrott, Gerald E., 494-46-7224.
Phillips, Robert L., 443-38-7643.
Preisch, James W., 460-74-0348.
Proett, James B., 558-50-5369.
Rapley, John W., 486-56-4652.
Raybeck, Gerald E., 170-36-1625.
Rennard, Donald L., 430-92-1345.
Roggenkamp, Clyde L., 217-36-8211.
Roubian, Armen S., 071-42-3936.
Saunders, Timothy R., 375-48-7717.
Savage, Michael G., 548-64-0939.
Schutte, Dale A., 493-50-3037.
Seek, Brian J., 559-70-3890.
Shaner, John W., 194-36-2125.
Stilley, John F., 504-52-3756.
Vis, Thomas O., 219-46-0678.
Walker, Robert C., Jr., 262-02-6545.
Walker, William A., III, 436-64-5611.
Wilcox, Charles W., 508-56-3060.

MEDICAL CORPS

Abella, Emerita B., 152-50-4452.
Abernathy, George T., 259-62-6782.
Airhart, Richard A., 438-70-5102.
Allred, Gerald L., 529-58-6831.
Ansell, Lee V., 466-72-6576.
Arnold, Barbara J., 506-64-5374.
Arranta, Charles D., 414-72-3378.
Atallah, Paul, 142-44-7907.
Auguste, Reynold C., 069-46-5534.
Baskaran, Thanesseri S., 070-42-7272.
Baugh, Eric R., 053-34-9709.
Belasco, Marvin S., 436-64-4476.
Bell, Christopher P., 104-36-7985.
Bell, George C., 012-32-7547.
Bergman, Ronald J., 377-36-2095.
Berkowitz, Roy E., 193-34-7917.
Bianchi, Patrick A., 558-48-2681.
Billman, James K., Jr., 273-42-4560.
Binghay, Ben P., 467-68-7982.
Bissell, David D., 133-30-9034.
Blew, Richard M., 485-56-6865.
Bongolan, Lorenzo S., 108-28-4948.
Borcherding, Harlan J., 296-32-0180.
Bower, Jeffrey H., 192-36-5689.
Breuder, Andrew J., 140-38-5851.
Brewington, Kenneth C., 266-82-0600.
Brown, Thomas W., 374-46-7723.
Brown, William H., 378-44-1781.
Bryant, Edward E., 426-94-6438.
Budd, John C., 469-58-9003.
Burns, George E., 106-34-2874.
Burst, Stephen J., 303-46-8928.
Campbell, James C., 544-54-0886.
Carrizales, Arthur, 475-50-4927.
Carter, Bruce, 273-44-6884.
Casu, Nereide, 146-48-5723.
Chevalier, Jimmy E., 507-54-2841.
Clardy, William F., 439-92-9369.
Clinchard, William H., 584-03-0834.
Conage, Thomas J., Sr., 265-58-3034.
Conatser, David G., 240-72-7912.
David, Lydia D., 298-50-0340.
Davidson, Thomas W., 414-68-7634.
Delacarza, Carlos A., 457-70-4549.
Delallana, Severiano F., 586-62-3146.
Deleon, Francisco, S., 132-46-8587.
Dennis, Larry G., 174-38-7122.
Dillaplain, Robert P., 453-80-9041.
Dix, Richard M., 457-72-6043.
Dorf, Eugene C., 461-68-5915.
Dozier, Kenneth C., 411-76-9476.
Dyer, Morgan C. D., 498-46-2453.
Dyrud, James P., 396-46-1916.
Echols, Paul G., 455-74-5418.
Eden, Billy M., 445-46-2304.
Eglinton, Gary S., 527-62-1246.
Eibling, David E., 266-90-7849.
Elmasri, Magued R. D., 018-48-0165.
Erickson, Donn R., 470-58-3714.
Fitzgerald, Dennis C., 285-42-5977.
Flannery, Michael J., 462-74-7199.
Fornal, Robert E., 192-32-8318.
Foster, Jerry J., 286-34-3352.
Franks, Dennis W., 282-38-6577.
Freda, Angelo J., 087-34-9068.
Fronefield, Helen P., 204-34-0911.
Fryling, Maliwan K., 5560-02-3334.
Gangitano, John L., 551-66-5008.
Garland, Larry D., 429-90-6245.
Garrison, James E., III, 240-74-8185.
Gerber, William R., 489-48-1252.
Gibbs, Harry R., 137-40-2375.
Glaeser, Richard D., 046-34-0889.
Gorman, Richard J., 481-48-9917.
Grandjean, Richard L., 451-78-3933.
Grassman, Eric D., 521-52-4873.
Green, Robert P. Jr., 022-36-1876.
Greer, Willis A., 439-74-8117.
Hanumanthu, Vijaya K., 128-48-6015.
Hassan, Robert M., 098-34-1381.
Herndon, Charles M., 585-18-5322.
Hill, Richard R., 548-74-6909.
Hollister, Paul I., 097-32-8745.
Hubbell, Charles G., 008-34-5879.
Hucker, John A., 489-46-3198.
Hui, Noel T., 345-52-9752.
Ingle, Robert M. Jr., 266-64-3288.
Ivan, Douglas J., 158-36-1116.
Jacobson, James M., 483-64-4594.
Joyner, Ira T. Jr., 238-68-8076.
Kang, Dae O., 523-86-6364.
Kangsumrith, Suriyun, 220-50-1393.
Kidd, Ralph V III, 237-72-5412.
King, Clarence G. Jr., 462-80-4234.
Kirby, Edward E., 407-62-0287.
Kotchmar, George S. Jr., 206-34-9810.
Kramer, Thomas N., 314-46-1231.
Kunkel, Alan R., 172-36-1689.
Lagmanramones, Corzson R., 054-48-6643.
Lambert, Harry M., 280-44-3382.
Lee, Seoup C., 270-58-4805.
Lenihan, John P. Jr., 370-50-2835.
Letard, Francis X Jr., 436-76-6251.
Locker, Dan L., 452-76-0497.
Looney, Timothy J., 235-72-2657.
Maiorca, John P., 292-38-5875.
Marsh, John R., 324-38-2019.
Marshall, Douglas W., 223-66-7862.
Martin, Thomas A. III, 201-36-9756.
Matamoros, Aurelo Jr., 463-70-8110.
Maxwell, Michael W., 439-60-2395.
McColgin, Sterling W., 445-40-5104.
McDermott, David W., 523-60-2468.
Michaud, Judith A., 472-48-0026.
Miller, Edward A., 148-38-8293.
Mitchell, Bennett E., 244-68-6242.
Moore, Michael A., 441-52-3524.
Morris, William H. Jr., 249-80-7352.
Muehlberger, Gerald L., 486-48-3860.
Mumm, Alan H., 330-32-4979.
Murphy, Thomas F., 040-36-0390.
Naversen, Douglas N., 282-46-5475.
Neff, Scott B., 479-52-2747.
Obenza, Nelia J., 302-44-3213.
Ohagan, Richard B., 049-38-2885.
Orzechowsk, Zygmunt, 192-38-8743.
Osteria, Elpidio M., 547-94-9703.
Palmer, Patrick M., 467-80-3398.
Pangilinan, Arturo P., 051-44-2155.
Parker, Martha E., 241-66-2542.
Parker, Samuel B., II, 463-80-4247.
Patterson, James T., Jr., 046-32-4305.
Pees, Richard C., 180-34-9502.
Percy, James R., 393-46-4867.
Perkins, Edward W., 003-32-6504.
Perlstein, Robert S., 113-40-1659.
Pino, Salustiano A., 171-48-4877.
Plotkin, Karl J., 089-32-9956.
Rake, Geoffrey W., Jr., 147-40-3504.
Ray, Reba, 217-74-9514.
Reeves, Glen I., 518-58-6295.
Robacker, Eibert C., 505-64-7492.
Rostermundt, Gene E., 526-42-5025.
Roybal, Robert E., 439-62-5061.
Saguiguit, Gil D., 373-52-4933.
Sanders, Ernest L., Jr., 242-52-2154.
Santi, Antonio, 580-66-0762.
Schade, Cristy M., 530-30-6920.
Schultenover, Stephen J., 468-54-9871.
Shelat, Sudhir P., 036-38-0991.
Shore, John W., 003-32-2154.
Sinha, Nanda K., 197-48-4597.
Smithson, John B., 418-62-8130.
Sope, David, 016-32-3338.
Spiegel, Robert S., 197-34-2508.
Stake, Terry L., 193-38-6579.
Steele, Steven J., 219-50-4467.
Stottlemyer, Keith D., 232-68-4309.
Strickland, Daniel M., 254-68-0723.
Strobel, Cory T., 505-64-4973.
Strong, John E., Jr., 452-66-4360.
Sutliff, Lourell E., 186-38-0284.
Thomas, Joseph R., Jr., 274-40-8189.
Tilton, Frederick E., 053-34-1590.
Toth, David N., 357-36-0095.
Twedt, Gordon H., 501-46-1447.
Vigh, Sara, 564-78-0887.
Villano, Mercedes P., 076-44-7295.
Wagnon, Alton H., Jr., 447-46-3269.
Wallner, Kenneth F., Jr., 510-42-2699.
Walker, Wayne T., 450-80-3076.
Walley, Luther R., 428-06-9933.
Ward, John A., 562-74-8502.
Watters, David H., 443-46-9679.
Welling, David R., 529-58-7325.
Wheller, John J., 302-44-8823.
Whinnery, James E., 467-70-5760.
Wilkinson, Earl V., III, 565-64-2728.
Williams, Victor T., 010-38-2528.
Wilson, Stephen C., 229-66-4906.
Winters, Adam D., III, 449-62-9023
Wise, Michael G., 269-40-4723
Wood, Barry C., 510-48-1874
Woods, Wayne G., 246-70-8695
Ynclino, Vicente C., 277-46-5156

The following officers for appointment in the Regular Air Force, in grades indicated, under the provisions of Section 8284, Title 10, United States Code, with a view to designation under the provisions of Section 8067, Title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

MEDICAL CORPS

To be lieutenant colonel

Gensler, Thomas D., 505-36-9807

To be major

Arranta, Charles D., 414-72-3378
Borcherding, Harlan J., 296-32-0180
Fronefield, Helen P., 204-34-0911
Hafermann, David R., 336-34-1762

To be captain

Berkowitz, Roy E., 193-34-7917
Bryant, Edward E., 426-94-6438
Conatser, David G., 240-72-7912
Gibbs, Harry R., 137-40-2375
Moore, Michael A., 441-52-3524
Reeves, Glen I., 518-58-6295
Robacker, Eibert C., 505-64-7492
Sutliff, Lourell E., 186-38-0284
Watters, David H., 443-46-9679
Wilson, Stephen C., 229-66-4906
Winters, Adam D., III, 449-62-9023
Wood, Barry C., 510-48-1874

DENTAL CORPS

To be captain

Mills, Michael P., 224-68-1947

IN THE NAVY

The following named commanders of the U.S. Navy for temporary promotion to the grade of captain in the Medical Service Corps, pursuant to Title 10, United States Code; sections 5773 and 5791, subject to qualifications therefor as provided by law:

Chan, Robert S.
Christian, Elgin R.
Craig, Donald R.
Darr, Kenneth L.
Erie, James R.
Ferguson, Donald R.
Halverson, Charles W.*
Levandowski, Thaddeus F.
Lucas, John R.
McCullagh, Robert F.
McKelvy, Patsy L.
Richardson, Fredric M.
Ruger, Charles A.*
Schroeder, William H.
Teague, Francis A., Jr.

The following named lieutenant commander of the U.S. Navy for temporary promotion to the grade of commander in the Medical Corps, pursuant to Title 10, United States Code, Sections 5793 and 5791, subject to qualifications therefor as provided by law:

Mangrum, John C.*

The following named lieutenants of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line and staff corps, as indicated, pursuant to Title 10, United States Code, Sections 5769 (line officers), 5773 (staff corps officer), and 5791, subject to qualifications therefor as provided by law:

LINE

Abel, Lloyd V.
Adams, Robin L.
Ahearn, James V., Jr.
Ainsley, William L., III
Akins, Joseph L.
Alcorn, Marion E.
Allen, Harry E.
Allin, Robert W.
Allison, John S., Jr.
Almquist, Thomas V.
Alston, Robert W.
Altman, Kenneth B. Jr.
Anderson, Edward W.
Anderson, Eric B.
Andrews, Kenton G.
Archibald, Gary T.
Ardan, Nicholas L., III
Armistead, Reginald G., Jr.
Arnold, Berthold K.
Arnold, Robert B.
Arnold, William G.
Ascione, Raymond A.
Ashbridge, George, IV.
Aten, John J.
Aukland, Bruce M.
Ault, Jon F.
Averill, Robert C.
Axelrod, William H.
Baas, Daniel L.
Babbitt, James C., Jr.
Babcock, Rowland A., Jr.
Bagley, Edward G., III
Baily, Richard M.
Ballweber, William A.
Banek, Edward A. Jr.
Bannat, Steven J.*
Barber, Arthur H. III
Barber, Theodore Jr.
Barbor, Kenneth E.
Barkell, Richard C.
Barnes, David J.
Barnes, Leslie W.
Barnett, Peter G.
Barnhill, Arizona W.
Barthold, Lee G., III
Bassett, William T.
Bateman, Douglas A.*
Bates, William A., Jr.
Baugh, Dale E.
Bean, Jerry W.
Beardin, Larry D.
Beaver, Robert J.
Beck, Donald D.
Beck, Harold R.
Beer, Bill E.
Behringer, Stephen E.
Belcher, John C.
Bence, Ronald P.
Benedict, William L.
Bentley, Alan C.
Bensiger, Philip E.
Berg, Delano R.
Bergersen, Leonard L.
Berry, Gale V.
Berry, George Z.
Besal, Robert E.
Beukema, Paul
Biby, Dennis K.
Bienhoff, Paul A.
Bisceglia, Stephen V.
Bishop, Harold R.
Bixler, Charles H.
Blackman, Richard A.
Blackwell, Theodore I., Jr.
Blackey, Blake V., Jr.
Blanchard, Robert K.
Bledsoe, John R.
Blomeke, Hugh D.
Blunt, James M.
Bohannan, Gary W.
Bolan, Gregory E.
Bolton, Frederick A.
Booker, Robert W.
Borno, Louis M., Jr.
Boroff, Jeffrey L.
Bossio, Frank T.
Boutte, Andre L.
Bower, Michael J.
Bowlin, James A.
Boyer, Pelham G.
Boyington, John E. Jr.
Brady, Bernard G.
Brady, Edward D.
Branson, James L.
Breenan, Michael E.
Brewer, Craig W.
Bridges, James D.
Brittain, William G. Jr.
Broadley, Timothy S.
Brod, Herbert L.
Brodengeyer, James R.
Brooks, Frederick M.
Brown, David K.
Brown, Frank H.
Brown, Tommy A.
Brownhill, Lloyd D.
Brownsberger, Nicholas M.
Brucker, Blaine R.
Bruckman, David E.
Bruner, Todd T. W.
Brunstad, William J.
Brust, Stephen R.
Buchanan, Bobby A.
Buchspies, Kenneth L. Jr.
Bulai, Dennis M.
Bullough, Bruce L.
Burdett, Peter S.
Burdette, Allen L. II
Bureah, Jon A.
Burgess, James R.
Burkhart, Larry W.
Burns, Daniel P.
Burroughs, Bruce D.
Burton, Fred E.
Burtt, Chester A.
Buschmann, Roger L.
Buseno, Henry W.
Butler, James P.
Butler, Lester E., Jr.
Byrd, John T.
Cahoon, David C.
Calcaterra, Frank S.
Caldwell, Warren L., Jr.
Calhoun, Brian M.
Calhoun, Jimmy R.
Campbell, Clifford B.
Campbell, James A.
Campbell, Richard P.
Canavan, Michael P.
Candalor, Michael B.
Cantfil, Scott T.
Capello, Leonard W.
Caplinger, Lanny W.
Carle, Mark V.
Carlson, Dennis J.
Carmichael, John S.
Carpenter, John R.
Carrier, Guy J.
Carrington, David R.
Carro, Anthony
Carroll, Charles E.
Carter, Leslie R.
Carter, William L.
Casmer, Dennis R.
Casper, David C.
Caster, Gary D.
Castleman, Lexie C.
Cerveny, Alvin E.
Chambers, Regan S.
Chapman, Robert G.
Cheliras, Richard M.
Cheshire, Lehman P., II
Chin, Francis W. L.
Christensen, Erick T.
Christensen, Steven D.
Ciarula, Thomas A.
Cincotta, Paul E.
Clair, William C.
Clawson, Stephen H.
Clayman, William D.
Clayton, Irving B., III
Coggins, Andrew O., Jr
Collins, John G.*
Collins, Richard W.
Colton, Arthur, II
Combs, Charles R.
Combs, Russell W.
Condon, Robert W.
Condon, Thomas J.
Connelly, Joseph B.
Conner, Roger A.
Connolly, Paul M.
Conrad, Allen S.
Cook, Robert B., Jr.
Cook, William E., Jr.
Cooke, Wilbur O., Jr.
Coonan, Robert P.
Cooper, Michael R.
Cosgrove, Patrick E.
Coste, Peter F.
Costigan, Kenneth M.
Cottrell, William R.
Coupland, Steve J.
Covington, Richard B.
Cox, Patrick G.
Coyle, Gary L.
Craig, Michael C.
Crall, Max R.
Crandall, Kenneth D.
Cranshaw, William R.
Crews, Jeffrey W.
Crooks, Dennis J.
Cross, Raymond S.
Crossland, Edward E.
Crouch, Orren R.
Crouse, David L.
Crowell, Charles D.
Crowley, Thomas N.
Cumings, Kenneth W., Jr.
Cummings, Darryl P.
Curry, Raymond M.
Curtin, Bruce E.
Curtsinger, Delbert A.
Cutter, David M.
Cutter, Duane S.
Dahlquist, Paul W.
Daley, Michael J.
Dalton, Merrill A.
Daly, Joseph T., III
Danco, Thomas R.
Danforth, Lawrence W.
Darling, Ralph E.
Darton, Terry H.
Darwin, George R.
Davidson, Michael A.
Davidsson, Jeffrey J.
Davis, Richard E., Jr.
Day, Edward W., Jr.
Dean, Dennis R.
Decker, Charles E.
Deese, David S.
Delauder, Roy A., Jr.
DeLong, Richard C.
Demain, William R.
DeMarco, Jimmy W.
DeMasi, Francis D.
Deneen, Brian M.
Denham, Stanley A.
Dentico, John P.
Dentler, John C.
Deuley, Thomas P.
Devlin, John C.
Dewald, Bruce F.
Dilgren, Glen A.
Dillick, Gregory F.
Dillon, David R.
Dimambro, Ronald E.
Disy, Edward G., Jr.
Divine, Michael D.
Dodenhoff, Andrew C.
Dom, Stuart N.
Donihi, Burleson M.
Donlan, Joseph A.
Donovan, Michael D.
Doran, Milton D., Jr.
Dowty, Bobby L.
Doyle, Patrick R.
Dragone, Joseph A., Jr.
Drake, Stephen L.
Dreiling, David L.
Drewes, Robert A.
Driscoll, Joseph F.
Droz, Charles A., III
Drummond, Thomas F.
Dudek, David P.
Dundas, Geoffrey W.
Dunn, James P., Jr.
Dunscombe, Bruce E.
Duquette, Wilfred B.
Dussman, Thomas R., Jr.
Dwyer, Dennis M.
Earnest, William G.
Easton, William R., Jr.
Edwards, Charles T.
Edwards, Mark J.
Eichel, Laurence A.
Einsidler, Barry D.
Eisenstein, Donald A.
Eklof, Sven P.
Elder, Alfred
Eliker, John S., Jr.
Elliott, Richard M.
Ellis, Jimmy L.
Ellis, Robert B.
Emmert, Mark A.
Endicott, David C.
Engelhardt, Bruce B.
Ensley, Lee M.
Erickson, David P.
Etter, Alan Y.
Evans, Gary G.
Evans, Gary W.
Evers, William B.
Eyerly, Louis G.
Ezzell, Stephen M.
Falkey, Mark S.
Fargo, Stephen M.
Farmer, Linwood, E., Jr.
Fee, John F.
Fehrs, Thomas L.
Fennessey, Donald B.
Ferguson, Kevin J.
Filanowicz, Robert W.
Finke'stein, Mark A.
Finley, Charles C.
Firth, Barry E.
Fischbeck, Jeffrey A.
Fisher, Calvin
Fisher, John W.
Fisher, Richard J.
Fitzgerald, William R.
Fitzgerald, James F.
Fitzhugh, Gary L.
Flanigan, Richard J.
Fleming, Daniel E.
Flood, John T., Jr.
Fondren, Steven V.
Foster, Thomas H., II
Foti, Stephen G.
Fournier, Dean N.
Fowler, John D.
Fowler, Larry R.
Fox, Donald C.
Frahler, Donald A.
Frame, Danny R.
Frank, Richard R.
Franklin, Roland M.
Franz, Lornie A.
Frederick, Stephen E.
Freeland, Newton F., Jr.
Frieden, Charles O.
Froemel, Anthony F.
Froman, James C.
Frump, David A.
Fry, Norman J.
Fulham, Thomas A., Jr.
Fullerton, John A.
Funk, Duane H.
Gallic, Frank M.
Gallup, Frederick S., III
Gammage, Patrick O.
Garden, George C., Jr.
Garrett, Patrick M.
Garrish, James W.
Garrison, Paul C., II
Gastrock, Martin D., Jr.
Gavett, Wallace L., Jr.
Gay, James F.
Gear, Bud S.
Gebbia, Frank Jr.
Geel, Richard A.
Geiger, Edward C.
Geist, Gregory D.
Geopfarth, Robert N.
Getzfred, Lawrence D.
Giannotti, Bruce B.
Giarra, Paul S.
Givens, Joel D.
Glass, Joseph W.
Glenn, Michael
Glick, Dean F.
Glick, Robert C.
Gloor, Louis O.
Glover, Andrew L.
Glover, Ronald B.
Goad, Steven R.
Goddard, James R., Jr.
Godfrey, Thomas J.
Goessling, James R.
Goetz, Michael L.
Goforth, George T.
Goldman, Michael J.
Goldsby, Richard E.
Goldstein, Robert J.
Golisch, James A., Jr.
Golubovs, Paul
Gomez, Daniel S.
Good, Mark I.
Gooding, Brent B.
Goodwin, Thomas J.
Goodwin, William V.
Gordon, Douglas T.
Gordon, Harry J., III
Gorman, James F.
Gorman, Michael A.
Gorris, Frederick D.
Gossett, Jeffrey L.
Grabski, Timothy M.
Grafton, Thomas A., III
Graham, William L.
Grant, Geoffrey E.
Grant, Raymond J.
Grant, Roderick C.
Grau, David G.
Graves, Marshall W., Jr.
Gray, Gary J.
Greaser, Donald C.
Green, John M.
Gregory, Eric S.
Gregory, William H.
Griffith, Carl D., Jr.
Griggs, Edward C.
Grissom, Mark P.
Gritzke, Arnold R.
Groefsema, Gary G.
Groff, George T.
Groff, Lawrence L.
Gulles, Richard H.
Gustin, Bruce A., III
Guzauskis, Steven A.
Haagensen, Brian C.
Haberlandt, Frederick R.
Haddock, James M.
Haizlip, John T.
Halsted, David P.
Hamelin, Gregory R.
Hammond, Gary R.
Hammond, John T.
Hampton, John J.
Hancock, William A.
Hansell, Dennis R.
Hanson, Paul E.
Hardaway, James H.
Harding, Richard W.
Hardman, Andrew H.
Hare, Robert L.
Hargrave, Douglas F., Jr.
Harmer, Donald W.
Harper, Allen D., III
Harris, Craig H.
Harris, James D.
Harris, Stephen A.
Harrison, John J.
Hartrick, Thomas F.
Harvey, Gerald A.
Harvey, John C., Jr.
Hastings, David C., Jr.
Hathaway, Clifford N., Jr.
Hawk, Bruce L.
Hawkins, Jeffrey A.
Haworth, James R.
Hearding, David W.
Hedden, Charles R.
Hedrick, Michael K.
Heimgartner, Kenneth F.
Heisey, Philip M.
Henderson, Harold D.
Hennessy, Paul B.
Henry, Christopher R.
Hessdoerfer, Ronald C
Hesser, Neal P.
Heuer, Edward D.
Hewitt, Robert A., Jr.
Heyworth, Gordon
Hieronymus, Dennis J.
Higgins, Paul M.
Hilfer, Roger T.
Hill, Clarence E.
Hill, James A.
Hill, Martin R.
Hill, Steven C.
Hill, William J.
Hirsch, Gerald R.
Hirst, William C., Jr.
Hobbs, Philip G.
Hodson, Brian J.
Hogen, David J.
Holcomb, William K.
Holden, Timothy A.
Holdredge, Robert L.
Holland, Howard M.
Hollands, Christopher C.
Honey, Ronald D.
Hoover, James D.
Hopkins, Robert L.
Hopper, James H., III
Hopper, William F.
Horn, Robert G.
Horner, John S.
Horner, Richard L.
Horstmann, Richard F

Houde, Paul L.*
Howard, George R.
Howard, Jonn F.*
Howard, Walter G., Jr.
Hrenko, John, Jr.
Hudgens, Robert T.
Hughes, Roger A.
Hughes, Ronald A.
Hughes, William R.
Hugill, Joseph R.
Hull, Roger L.
Humble, Alan D.
Humphries, Wofford F., III
Hurley, Lawrence E.
Hyatt, Jerry O.
Iler, Robert W.
Indori, John W., Jr.
Ingalsbe, Stephen R.
Israel, John E.
Jack, Gary M.
Jackson, Andrew H.
Jackson, Jimmie R.
Jackson, William P., Jr.
Jacobs, Thomas E.
Jacobson, Robert A.
James, Richard H.
James, Robert B.
Jamison, Christopher C.
Jankura, Edwin S., Jr.
Jarosinski, John M.
Jarrett, Stephen M.
Jaskunas, Thomas M.
Jauernig, Robert R.
Jenkins, Jerry M.
Jeter, James D.
Jewell, Keith A.
Jewett, Charles E.
Jobe, Terry L.
Johns, Stephen B.
Johnson, Arthur L.
Johnson, Charles S.
Johnson, James W.
Johnson, Paul R., Jr.
Johnson, Paul N.
Johnston, John, Jr.
Johnston, William R.
Jones, Edward L.
Jones, Preston L.
Jones, Stanley L.
Jones, Wayne M.
Jordan, Timothy G.
Jorgensen, Paul C.
Jorvig, Daniel A.
Joseph, Alfred M.
Joslin, William D., Jr.
Kaelin, Charles M.
Kagy, Rodney E.
Kale, James E.
Kallin, Peter L.
Kalstad, Kendall W.
Keefe, Daniel S.
Keegan, Joseph W.
Keenan, John J., Jr.
Keesling, Robert A.
Keith, Douglas W.
Keith, James S.
Keith, Michael G.
Keithly, Thomas M.
Kelley, Michael C.
Kelly, Patrick W.
Kelso, Jesse J.
Kemp, Dieter K.
Kennedy, Clarence
Kennedy, Khristopher M.
Kessler, Paul K., Jr.
Kester, Lawrence V.
Keuhlen, Phillip J.
Kibler, Adrian E., Jr.
Kidrick, James G.
Killough, Robert C.
Kilmer, Harold B., Jr.
Kim, Theodore S.
Kindel, George F.
King, Manton A.
Kirk, Bruce R.
Kirkpatrick, James R.
Klein, James M.
Klein, John W. K.
Klinger, Patrick J.
Kluever, Patrick R.
Knight, Cletius D.
Knight, John R.
Knueppel, Wolfgang W.
Koch, Raymond W.
Kodsis, Richard F.
Koehler, John A., III
Koelemay, Maurice M.
Kohler, David R.
Kohne, John E.
Koncipa, Steven J.
Konya, Bruce R.
Koorey, Alfred J., Jr.
Koss, Andrew J.
Kraft, Edward S. Jr.
Kreeger, Theodore W.
Kren, John J.
Krohn, Raymond L.
Krueger, Lloyd E.
Krysko, Lawrence M.
Kuehne, Kenneth W.
Kujat, Edward J.
Kwate, William E.
Kyser, Billy D.
Labarge, William H.
Laforce, Don C.
Lalonde, Larry W.
Lambing, Edward W.
Lancharic, James V.
Landers, Coleman A.
Landick, Richard E., Jr.
Lane, Gregory B.
Lantta, Kenneth D.
Larsen, Thomas C.
Larson, Larry E.
Lash, James H.
Lauderdale, Donnie A.
Lavigne, Roger J.
Lee, Richard P.
Lee, Thomas J.
Leib, Robert C.
Leonard, Raymond E., III
Leverette, Glen
Lewandowski, Lawrence A.
Lewis, David R.
Lewis, Paul S.
Libera, Daniel C.
Lillard, William A., III
Lind, David J.
Linn, Claud O.
Lipscomb, Gary E.
Lipsey, Mark D.
Lobs, Warren M.
Lobue, James J.
Logue, Stephen J.
Lombard, Peter N.
Long, Robert H.
Long, Stephen T.
Long, William H., Jr.
Lose, Jay D., Sr.
Loser, David A.
Love, John B.
Love, Patrick S.
Lovett, Harry L.
Lovett, Joel D.
Luczak, Michael A.
Lunning, Robert M.
Lupton, Stephen C.*
Lutes, Jack
Lynch, Vincent J.
Maahs, Carl E., Jr.
Mack, Stanley J.
Macluskie, John R.
Macon, Richard T.
Mahle, Gary G.
Major, John G.
Malboeuf, Ernest J.
Mallon, Paul J.
Mansfield, Philip S.
Manvel, John T., Jr.
Mares, Joe N.
Markevicz, John W.
Marlin, Robert D.
Marra, Kenneth J.
Marshall, Rudy F.
Marshall, William J.
Martello, Keith W.
Martin, Colin L.
Martin, Kenneth E.
Martino, Nathan P.
Mashburn, Robert L.
Maskell, Robert E.
Mason, James R.
Mason, Lee C., II
Mathews, Kirk A.
Mathis, Don W.
Mayes, Larry L.
Mayhan, Terence W.
McAfee, William T.
McArthur, James D., Jr.
McAvinia, Thomas F.
McCartney, Patrick L.
McCarville, Patrick A.
McCloskey, John D.
McCollum, James W.
McConchie, Robert W.
McConkey, David L.
McCoy, Kenneth W.
McCrory, Ralph C.
McCurdy, Russell A.
McCutchen, John M.
McDonald, Randal S.
McElroy, Daniel W.
McGinn, Leo F., Jr.
McGraw, William L.
McHenry, John S.
McLane, Robert L.
McLoughlin, William R.
McWilliams, Hugh N.
Mead, Gregory G.
Mears, George H.
Messel, Richard A.
Meek, Terry L.
Meeley, William A., Jr.
Mellor, Martin W.
Mercurio, Stephen F.
Meyer, Daniel H.
Meyer, John G.
Meyer, Thomas L.
Meyer, Timothy H.
Meyers, John E.
Meyett, Robert S.
Miars, Thomas E.
Michell, William R.
Mihocik, Robert A.
Mikhalevsky, Peter N.
Miller, David R.
Miller, Dennis W., Jr.
Miller, Edward L.
Mills, Donald M.
Mills, Jack B.
Mimms, David T.
Mitchell, Alfred W.
Mitchell, David E.
Mitchell, Joseph A., II
Mitchell, Kenneth R.
Moilanen, Thomas E.
Molloy, William E., Jr.
Moody, William V.
Moon, Eugene L.
Moon, Robert L.
Moore, Richard B.
Moore, William T., III
Morandi, Theodore R.
Moranville, Mark S.
Morgan, John G., Jr.
Morral, Dennis G.
Morreale, Bruce V.
Morris, William D.
Morrison, Thomas R.
Moss, Charles M.
Mullican, James N.
Muncie, John C.
Munns, Charles L.
Murphy, George J., III
Murphy, Robert T.
Murray, George M.
Murray, John J.
Musgrave, Clyde
Musselman, Warren E.
Myers, David E.
Myers, Ronald L.
Naughton, Michael J.
Nava, David
Nayfack, John C.
Neal, Robert A.
Needham, William D.
Neihart, Charles W., Jr
Nelson, David J.
Nelson, David E.
Nelson, Duane L.
Nelson, Jeffrey R.
Nesbitt, Allan P., III
Ness, Christian Q.
Nestor, Don A.
Newland, Charles R.
Newport, Paul T.
Newton, Danny R.
Nibbs, Alan M., Jr.
Nice, Dan E., Jr.
Nickodem, Peter W.
Nielsen, Jack S.
Nitschke, Roy H.
Norrbom, Timothy J.
Norris, Donald O., Jr.
O'Grady, Arthur J.
O'Hanlon, Jeremiah
O'Keefe, James G.
Olechnovich, Paul J., V
Olsen, Alfred J.
Olson, David J.
Oponick, William C., Jr.
Orbann, Carl T., III
Osborn, Colin C.
Oswald, Stephen S.
Othus, Ross B.
Ott, Andrew A.
Otto, David T.
Owens, Ronald L.
Ozehoski, Edward M.
Pache, Eugene P.
Palanca, Rodney A.
Palmatier, Robert J.
Palmatier, Philip F., Jr
Palmer, George W.
Palmer, Henry B.
Panos, Christopher W.
Papin, Gregory A.
Papineau, Larry R.
Parker, Robin M.
Parks, James F.
Parks, Ralph F.
Parsons, Walter P.
Patterson, Wayne L.
Patton, James W.
Patullo, Kenneth E.
Pearson, Thomas W.
Pease, Milton L.
Peay, Larry G.
Pence, Derry T.
Penn, William T.
Pernell, Larry E.
Perry, James W.
Perry, Joseph L., Jr.
Perry, Robert P.
Peters, Jon C.,
Peters, Kenneth M.
Peters, Kenneth W.
Pettit, Hubert C.
Petty, William M.
Pfadenhauer, John J., Jr.
Pfeiffer, Frank G.
Pfister, Russell J.
Pflueger, Michael P.
Phelps, Norman J.
Phillips, David S., III*
Phillips, James G., III
Phillips, James W.
Phillips, John L.
Pickett, Russell A.
Piecuch, John L.
Pierce, Billie J.
Pierce, John W., Jr.
Pistochini, Mark D.
Pledger, James E.
Poe, Deen O.
Poland, Marc M.
Posey, Kelley G.
Power, Jerry R.
Powers, Thomas J.
Preisel, John T., Jr.
Preston, Randall D.
Price, Earl J.
Ptacek, John W.
Puccini, Bruce A. J.
Purdy, G. James, Jr.
Quinn, Paul F.
Rable, William J.
Ransbotham, James I., Jr.
Ratzliff, Ronald E.
Reeves, Jerry D.
Reightler, Kenneth S.
Reisinger, Allen E.
Remshak, Christopher J.
Renton, Irvine A., III
Ress, Charles M.
Rhine, Russell L.
Rhoades, William A.
Ricciardi, Robert N.
Rice, Michael L.
Riess, Robert E.
Rigot, William L., Jr.
Rimpau, James W.
Roark, Louis K.
Robb, James A.
Robbins, Frederick H.
Roberts, Warren L
Robertson, Andrew C.*
Robertson, Michael D.
Robinsun, Frederick T. I.
Robinson, James E.
Robinson, Steven N.
Robinson, Warren E.
Rockwell, Richard T.
Roddahl, Jeffrey L.
Rodman, William B. V.
Rogers, George C., Jr.
Rogers, William A., Jr.
Roman, Theodore R., Jr.
Romine, Steven L.
Rondestvedt, Christian B.
Rood, Homer J.
Roper, Thomas W.
Rosenthal, Mark L.
Rotondo, Michael J.
Roughead, Gary
Roulstone, Douglas R.
Rowe, James F.
Rubel, William R.
Rucker, Steven W.
Ruhl, Phillip C.
Rusch, Preston G.*
Rush, Robert J.
Russell, Roy W.
Russell, William D.
Ruth, Jack L.
Rutherford, Lindell G.
Ruybal, George N.
Ryan, Paul J.
Ryder, Curtis M.
Ryskamp, Robert H.
Salinas, Amando S.
Sands, Robert W.
Sanford, Gregory E.
Santapaola, Donald J.
Sare, Michael J.
Sarraino, Michael
Schaffter, Alan E.
Schaufelberger, Albert A.
Schlesser, William A.
Schmidt, Wesley H.,
Schmidt, Jonathan B. Jr.
Schneegas, David A.
Schneider, Harvey L.
Schroeder, Kenneth B.
Schubert, Jerry L.
Schultz, George W.
Schultz, Paul S.
Schwallier, Charles D., II
Schwartz, Michael N.
Schwiering, David A.
Sciuto, John J.
Scott, Brue B.
Scott, James R.
Scott, Robert J.
Scott, Robert P.
Scudder, Stephen V.
Seal, Warren G.
Sedivy, Dean G.
Seeley, James E.
Seigel, Thomas G.
Selman, William W.
Sensat, Robert J.
Shalles, Siegfried L.
Shankles, Jackie W.
Shaw, John D.
Shay, Jon V.
Sheehan, Leroy E.
Sheehy, Patrick T.
Shemella, Paul
Sherk, Glenn E.
Sherman, Vining A., Jr.
Sherwood, Roger R.
Shields, Robert B.
Shipley, Thomas E.
Shoemaker, James E.
Shon, Michael D.
Shurtleff, William H., IV
Sieve, Glennon L.
Silverio, Stephen R.
Silvestri, Michael J.
Simpson, Jeffrey P.
Simpson, Michael D.
Sias, Steven A.
Slocumb, Dennis A., Jr.
Smallwood, James V.
Smith, Bradley P.
Smith, Earl M.
Smith, Frederic D.
Smith, Howard P.
Smith, Janvier K.
Smith, Philip W.
Smith, Richard T.
Smith, Robert E.
Smith, Wayne E.
Snead, Leonard A., III
Snodgrass, Dale O.
Snow, Terry D.
Snyder, Thomas E.
Snyder, William L.
Solak, Lawrence E.
Sonn, Bruce E.
Sonntag, Steven J.
Sontheimer, Richard F.
Spangler, Ralph G.
Spence, Maurice F.
Springman, Robert E.
Stack, John J.
Staebler, Francis
Stahler, William D.
Staniewicz, Matthew J.
Stanton, Donald C.
Stapleford, James R.
Staton, Ronald B.
Steele, Scott L.
Steffen, Norman W.
Stegeman, Ronald A.
Steinestel, Richard E.
Stenrocs, Joseph R.
Stephenson, Walter W.
Sterner, Robert C.
Stettler, Gerald A.
Stevens, Gene A.
Stevens, William R.
Stewart, James H.
Stewart, James R.
Stewart, Melvin L.
Stickler, Christopher A.
Stiffler, Mark A.
Stiles, Joseph E.
Stine, Jeffrey L.
Stoehr, Dale E.
Stone, Jeffrey M.
Storm, Bradley D.

Stowe, Abraham R.
Strawbridge, Carl N.
Streiff, Edward J.
Strickler, Richard W.
Stricklin, Ted A.
Stringer, Richard H.
Stuart, Gary L.
Stupfer, Bruce W.
Suarez, Allan M.
Sullivan, William D.
Supplicki, Edward P.
Swalles, John H.
Swift, Lloyd F. K.
Szoka, Michael A.
Taber, James C.
Talbot, Gerald L., Jr.
Taylor, Charles D.
Taylor, James W.
Taylor, Paul E.
Temple, Ralph D.
Teply, John F.
Thaeler, Leigh M. Jr.*
Theis, James M.
Thiel, Kurt
Thigpen, Dan I.
Thomas, Henry D.
Thomas, Michael G.
Thomas, Ronald M.
Thompson, Clark F.
Thompson, Peter M.
Thomson, Alan D.
Thomson, Timothy
Thorne, Silas O, III
Thorpe, James W., Jr.
Thralls, Edmund L.
Tilley, John A., Jr.
Tilley, Patrick J.
Tindle, John R.
Tobiason, Erik A.
Toliver, Lynden R.
Tomassetti, Steven J.
Tornatore, Gary P.
Trabona, Robert J.
Trammell, David G.
Traverso, Timothy J.
Treeman, Michael W.
Trenta, Richard F.
Troxell, Richard K.
Tussey, David A.
Tzavelias, Theodore E.
Uebelhert, Michael P.
Ulrich, Edward D.
Updegraff, William D, II
Uricoli, Eugene F.
Ustick, Robert W., II
Vaden, Don R.
Vanness, Henry A.
Varakin, Walter A., Jr.
Vaughn, David R.
Veatch, James M.
Ventgen, Robert J.
Vezsely, Robert F.
Vickers, Sammy L.
Vlasge, Samuel J., Jr.
Voelker, George E.
Vogan, Charles S., Jr.
Vogt, Michael C.
Volpe, Joseph M., Jr.
Voros, Charles D.
Voss, Cary V.
Voter, James C.
Walker, Charles R.
Walmsley, Stephen R.
Ward, David A.
Ward, John J., Jr.
Wardlaw, William E.

MEDICAL CORPS

Long, Kenneth W.

The following-named lieutenants (junior grade) of the United States Navy for temporary promotion to the grade of lieutenant in the line, pursuant to Title 10, United States Code, Sections 5769 and 5791, subject to qualifications therefor as provided by law:

Balsley, Jon B.
Baranowski, Craig J.
Burrell, Roger E.
Kanewske, Robert H.
Paskulovich, Robert S
Prior, George M.
Salerno, Dominic J.
Thomas, Kevin J.
Wardrobe, James E.
Ware, Jerry S.
Warr, Paul M.
Watterson, Kent B.
Watwood, William B.
Waylett, Don H.
Weatherspoon, Stephen S.
Weddel, David W.
Weis, Timothy J.
Welles, Franklin G.
Welsh, Joseph L.
Werson, Jan P.
Wessel, Kenneth J.
Wessman, Lynn G.
Westover, Steven B.
Wetmore, Walter G.
Wheeler, Dennis R.
Wheeler, William G.
Whitaker, Clayton, E.*
White, Carroll L.
White, James W.
White, Joseph W.
White, William S.
Whitehead, Oliver W.
Whitford, Dennis J.
Wiestling, Stephen H.
Wigge, Conrad J., III
Wilfong, Dallas G., III
Wilhelmy, Mark D.
Williams, Comer L.
Williams, George B.
Williams, Robert E., Jr.
Williams, Russell L.
Williams, Thomas R., Jr.
Willis, Clarence C.
Willis, Leland S., III
Wilson, Gerald E.
Wilus, Michael S.
Wingo, Theodore O.
Winney, Justin W., Jr.
Wise, Herbert F.
Withers, Thomas R.
Witte, Thomas M.*
Wolff, Conrad E.
Wolfsen, Terrence H.
Wollam, Neil R.
Womer, Rodney K.
Wood, Charles A.
Wood, David R.
Wood, James W.
Wood, Joseph A., Jr.
Wood, Kenneth H.
Wood, Marcelle E., Jr.
Woodall, James M.
Worley, Dennis L.
Worthington, John R.
Wright, Dale G.
Wright, Oliver L., III
Wyse, Frederick C.
Yarrows, Edward P.
Young, Brian K.
Young, Charles S. B.
Young, Gordon A.
Zanon, Richard J., Jr.
Zavaglia, Ronald P.
Zeigler, Howell C.
Zeller, Chester A., Jr.
Zetsch, Kurt J., Jr.
Zimmerman, Kenneth R.
Zink, Thomas A.
Zito, Hugh J.
Zuber, James D., Jr.

The following named ensign of the United States Navy for temporary promotion to the grade of lieutenant (junior grade) in the line, pursuant to Title 10, United States Code, Sections 5784 and 5791, subject to qualifications therefor as provided by law:

Bitton, Vernal R.

The following named commander of the United States Navy for permanent promotion to the grade of commander in the line, pursuant to Title 10, United States Code, Sections 5780 and 5791, subject to qualifications therefor as provided by law:

Shaffer, Leslie V., II.

The following named women lieutenants of the United States Navy for permanent promotion to the grade of lieutenant commander in the line, pursuant to Title 10, United States Code, Sections 5771 and 5791, subject to qualifications therefor as provided by law:

Bailey Claudia L.
Breede, Marilyn I. S.
Campbell, Linda A.
Carr, Margrette
Cozine, Susan L. P.
Crawford, Mary P.
Gutierres, Kathleen C.
Harkness Mary A.
Harrington, Carol A.
Hawrylo, Jean E.
Hayes, Allison C.
Heagney, Mary G.
Heineman, Ellen E.
Klein, Terry O.
Laino, Karen A.
Lovvorn, Terry J.
McNary, Kathleen L.
Mitchell, Monika U.
Reichert, Paulette
Rhiddlehoover, Suzanne
Sperry, Catherine E.
Wagner, Sharon A.
Youngblood, Cathey A.

The following named lieutenants of the United States Navy for permanent promotion to the grade of lieutenant in the line, pursuant to Title 10, United States Code, Sections 5780 and 5791, subject to qualifications therefor as provided by law:

Bernstein, Sanford M.
Conatzer, Charlie C.
Conedera, Dana E.
Noble, Jerry R.
Wilson, Gregory C.

The following named officers of the line of the United States Navy, for appointment in the Judge Advocate General's Corps, as permanent lieutenant (junior grade) and temporary lieutenant, pursuant to Title 10, United States Code, Sections 5578(a) and 5572, subject to qualifications therefor as provided by law:

Frost, Peter F.
Stevens, Richard A.

The following named officers of the line of the United States Navy, for appointment in the Judge Advocate General's Corps, as permanent lieutenant (junior grade), pursuant to Title 10, United States Code, Sections 5578(a) and 5572, subject to qualifications therefor as provided by law:

Hohenstein, James H.
McCarthy, Julian D.

IN THE NAVY

The following named lieutenant commanders of the U.S. Navy and Naval Reserve for temporary promotion to the grade of commander in the various staff corps, as indicated, pursuant to Title 10, United States Code, Sections 5773, 5791 and 5793, subject to qualifications therefor as provided by law:

MEDICAL CORPS

Abary, Alexander V.
Adman, Raymond L.
Alexander, Arvin H.
Altenau, Lance L.
Anderson, Barbara G.
Anderson, Brian C.
Apthorpe, John R.*
Arayata, Concepcion R.
Bakshi, Satbir S.
Bartley, Tony C.*
Bayne, Cary G.
Beck, Bruce D.
Bennett, William E.*
Berlinger, Norman T.
Bina, William F., III
Bliss, Donald L.
Block, William A.
Booth, Geoffrey K.
Bottomy, David P.
Brooks, Viola P.
Brotherton, William D. I.
Broughton, Warren L.
Bulota, William R.
Bulusu, Narayana V.*
Burns, Williams W.
Butler, William M.
Caballero, Reynaldo V.*
Cantwell, Danny V.
Carolla, Anthony F.
Catron, Phillip W.
Chellappa, Christanand
Choe, Moogil *
Choi, Ivan C. S.*
Clark, Michael A.
Cobb, Gregory W.
Cohen, Irving M.
Collins, Daniel R.
Corral, Cathryn J.*
Cowall, David E.
Coy, Gene E.
Culpepper, Donnie D.
Cummings, Nicholas A.
Dainer, Paul M.
Danitschek, Carl N.
Dean, Norman A.*
Decock, David G.
Delmonico, Francis L.
Dodek, Marvin I.
Dresser, Thomas P.
Dsousa, Aloysius F.
Duhaylungsod Toribio M.
Eddleman, Henry C., III
Eralp, Muammer S.
Erwin, Carol M.
Evans, David R.
Everhart, Charles W.
Faber, Myron M.
Fawcett, William A.
Fay, James E.
Feir, Alan N.
Felter, Robert A.
Fitzsimmons, Michael A.
Foley, Richard W.
Forth, David S.*
Francisco, Eduardo G.
Gambone, Joseph C.
Garretson, John F.
Garrigues, Ned W.
Georges, Theodore N.
Gerrardgough, Brodie
Gillette, Shelby L.
Giroux, Arthur S.
Goad, Robert F.
Goeltsch, Robert E.
Govin, Gerald G.
Gregory, Douglas B.
Griffiths, Richard C.*
Grunert, George M.
Gutierrezdelgado, Edmundo A.
Hamrick, John D.
Hanna, Mary M.
Hardman, Jane M.*
Harman, Richard L.
Harrell, Donald P.
Hayhurst, Edward G.
Hazard, William L.
Henderson, Peter L.
Hierlwimmer, Ulf R.*
Hoffman, Harry P., Jr.
Holden, James L.
Holden, Richard T.
Holohan, Thomas V.
Horn, John R.
Hunt, Clyde M., Jr.
Hyder, Ghouse S.*
Jayne, John L., Jr.
Joern, Albert T.*
Joswig, Bill C.
Judice, Donald J.
Jung, Byung I
Kaires, Pamela A.
Kane, Andrew J.*
Kennedy, Harold L.
Kennedy, Thomas J.
Kent, Roderick S.*
Killian, Gary M.
King, Monroe J.
Kragh, Gero S.
Kung, Martin D.
Kunkler, James R.
Kurzbach, Elmar
Kusic, Gregory R.
Lai, Kang J.
Lake, Michael H.
Lake, Robin M.
Lang, Richard G.*
Latimer, William E.*
Lewis, William J.
Lin Fang, L. H.*
Lloyd, Bruce K., III*
Loh, Nora P.
London, Barry E.
Lopez, Virgilio D.
Losner, Jerrold S.
Lunetti, Thomas L.*
Mabee, Thomas M.
Mace, Samuel V.
Macht, Steven D.
Malstrom, Robert H.
Martin, James E.
Martin, John O., Jr.
Marzluff, Joseph M.
McMeekin, Hayne D.
McNeal, Richard M.
Means, James F.
Melaragno, Anthony J.
Menon, Padman A.*
Methner, John P.
Miller, Ronald H.
Miremadi, Arjang K.
Mitas, John A., II
Mitchell, Stephen A.
Moriarty, Richard A.
Morte, Paul D.
Moy, Eng W.
Moyer, David B.
Muldong, Estelita T.
Mullen, Barry L.*
Murphy, Michael K.
Murray, Gwinn
Natale, William K.
Nelson, Robert C., Jr.
Newton, Jerry A.
Nimlos, John E.
Obagi, Zein E.
O'Donnell, James K., Jr.
O'Donnell, Theodore F.
Oreiudos, Benjamin C
Otero, Lewis
Pavanpacan, Rafael A.
Pailey, Philip M., W.
Panganiban, Rudy
Park, Gregory P.*
Parsons, Ward C.
Patel, Thakorbhai G.
Patterson, John F.
Peddicord, Clifford R.
Peniston, Reginald L., Jr.
Peterson, Richard B.
Peterson, Timothy J.*
Peterson, Wilbur R.
Petway, Joseph K., Jr.
Phelan, Jeffrey P.
Ponhold, Siegbart, H.
Pyle, Robert B.
Quinlan, Michael F.
Rafanan, Manuel O.
Ramos, Remigio M.*
Raval, Narendrakumar M.
Richmond, Billy B.
Rodning, Charles B.
Rodriguez, Alexander R.
Rodriguez, Bella R.
Rogers, Jerry R.
Scanlon, Thomas S.
Schneider, Gerald L.
Schroeder, Robert W.
Seagle, Finley A.*
Seibel, John E.
Serate, Tersito S.
Shackford, Steven R.
Shimer, Gary R.
Smith, Coral
Sohn, Steven S.
Spitz, Luis F.
Solinter, Raymond J.
Stamm, John R.*
Stern, Lewis J.*
Stock, Richard J., Jr.
Supnet, Benbrigido M.
Supnet, Leonora D.
Swank, Michael
Tarquinio, Thom A.

Tidball, John S.
Tien, Shih H.
Tuason, Olivia A.
Tuason, Plato A.
Umfrid, Richard P., II
Vanmeter, Quentin L.
Vasquez, Nora D. L.*
Vielbig, Roger E.
Villegas, Remigio C., Jr.
Wagner, William J.*
Wei, Wellington C. H.*
Weiss, Fred H.*
Welliver, Gary E.
Widman, Larry A.
Williams, David L.
Withers, Benjamin F., III
Wulfsberg, Eric A.*
Yaldua, Ramon
Young, Walter C.

SUPPLY CORPS

Allega, Timothy J.
Allen, Daniel W., Jr.
Allen, Dennis J.
Barnes, Frank
Barnett, Orlando T.
Battersby, Richard W.
Benbow, Robert T.
Biel, Jeffrey D.
Bray, Richard L.
Carstanjen, Jan H.
Carstens, Delbert K.
Chase, Dana C.*
Clements, Charles C., III
Cohan, Lawrence L.
Collette, Robert L.
Conradteberlin, Viggo P.
Crognale, Stanley J., Jr.
Dexter, Stephen T.
Carstens, Delbert K.
Flakes, Donald L.
Gardner, Everette S., Jr.
Garner, Darrell W.
Gibson, John J.
Hanson, Maurice D.
Harris, Allen W.
Harris, Timothy L.
Haugen, Steven C.
Hendricks, Ross F.
Holley, Dewey A.
Hoyt, Charles A., III
Humes, Larry F.
Ireland, Dennis W.
Jaudon, James E., III
Jenkins, Evan R.
Jenson, Ronald L.*
Jepson, Francis E., Jr.
Jones, James W.
Jordan, Robert R.
Joshua, Edward R., III
Kamel, Mohsen
Karosich, James C.*
Keller, Frank B.
Kinsey, Joseph W.
Kowalski, Fred W.
Kurz, Robert R.
Libby, Kurt W.
Lynn, Gary D.
Mantonya, Robert R.*
Marlin, Frederick R., Jr.
Marx, Paul T.
McCurdy, Jeffrey H.
McInnis, Roger E.
McMeans, Edwin W.
Monahan, David W.
Moore, Beryl G.
Nelson, Ronald C.
Nordwall, Marvin R.
Ott, Gene F.
Parks, Michael B.
Pollock, William J.
Prints, Stephen C.
Ramelli, Daniel S., III
Ray, Larry C.
Robuck, Charles H.
Rumsey, Charles G.*
Schechter, Kenneth A.
Scudi, John T.
Smith, Rene A.
Souza, John E.
Sullivan, Michael P.
Townsend, David A.
Utter, James H.
Vanhaaren, Cary G.
Velte, Duane R.
Vroman, Richard D., Jr.
Williams, Edward L., III
Wilson, Richard D.

CHAPLAIN CORPS

Apple, James L.
Benedum, Thomas J.
Boyd, James A.
Burt, Michael F.
Carroll, Vincent W.
Connor, Robert M.
Cook, Gerald L.*
Dagnoli, Albert J.
Dendulk, Donald E.
Deramus, David T.
Drake, Carl E., Jr.
Ferraro, Joseph A.
Goss, Ervin L., Jr.
Grove, John W.
Gryga, Theodore
Harper, Rhodes W.*
Horne, Lawrence R., Jr.
House, John D.
James, Willard L.
Kibble, Herman L.
Latty, Allan R.
Leis, Edward C.
Maiorana, John
Marsden, Thomas C.
McManus, William G. Jr.
O'Connor, Gerald C.
O'Connor, James P.*
Patrick, William L.
Peterson, Jay D.
Prendiville, Edmond
Reidy, Robert P.
Robertson, Carey E.
Rosenblatt, John J.
Ryder, Frederick W.
Scott, Stanley B., Jr.*
Sellers, Larry G.
Shirey, Larry N.
Sperry, Robert H.
Taylor, Andrew R.
Walz, Arden D.
Wilson, Winston B.
Zobel, Frederick R.

CIVIL ENGINEER CORPS

Bankert, Frederick B., III
Bivins, Joseph P.
Bone, Talbot W.
Brown, Richard E.
Brown, William D.
Corcoran, Anthony E.
Cottingham, John R.
Dean, Hilbert D.
Falke, John W.*
Fisher, William G., Jr.
Frans, John P.
Geibel, Bruce B.
Harrison, Lloyd, Jr.
Hatter, William H., Sr.*
Heath, John E.
Hoff, Michael L.
Hoyt, Ronnie A.
Hughes, Duncan S.
Johnson, Allan W.
Jones, Lloyd K.
Laurance, Richard B.*
Leech, John G.
Lehman, John A.
Lines, Richard A.
Lowery, Edward J., Jr.
Lucas, John A., Jr.
MacKinnon, Donald J.
MacLaughlin, James W.
McClure, Thomas D.
Moyle, Allan L.
Nash, David J.
Owens, James W., II
Palmborg, James G.
Perry, John E., Jr.*
Rever, John N.
Sherron, John T.
Simons, William J.
Smith, Louis M.
Somers, Allen H.
Spiezio, Frank A.
Taylor, Robert A.
Tomayko, David J.
Vadas, Peter P.
Ward, James E.
Yankoupe, George W.

DENTAL CORPS

Anderson, Dennis W.
Barton, Thomas P.*
Beaver, Geoffrey H.*
Boyer, Thomas J.
Brunhofer, Robert A.
Coleman, Carl J.*
Cook, Gary G.
Dever, Craig B.
Fitch, David R.
Fraleigh, Edward M.
Frank, Robert J.
Gordon, Glen R.
Graf, George H.*
Gregory, Eugene W.
Hansen, Oloff L.*
Herrmann, Robert C.*
Holton, William L.*
Johnson, Samuel F.
Kamansky, Fred W.*
Kelly, Joseph M.
Kunitake, Eugene H.
Labore, Wayne A.*
Mailander, Mark J.
Malley, Stephen W.
Monaco, Edward A., Jr.
Morley, Jerry E.
Morse, Owen R.
Moyer, Gary N.*
Myers, Ernest P.*
Peak, George T.
Peterson, James L.
Richardson, Bryan L.
Rocha, Theodore E.
Rodden, Jeffrey W.
Sheinbein, Fred E.
Simkovich, John J.*
Smith, Timothy S.
Snell, Bryon E., Jr.
Sorensen, Jon A.*
Tabacco, Michael J.
Tarquinio, George J.
Turner, Johnnie E.*
Waytena, James R.*
Weiner, David E.
White, Dan R.*
Widlak, Ronald A.
Wright, Thomas G.

MEDICAL SERVICE CORPS

Ackley, Paul N.
Bailey, John W., II
Brady, James A.
Brant, Robert H.
Brubaker, Ralph W.
Buckley, William M.
Campbell, Robert E.
Carney, William P.
Chappell, Wendell L.
Chitwood, Carl S.
Coolbaugh, James C.
Cooper, Thomas M.
Cowart, Paul R.
Creahan, David J., Jr.
Daniel, Paul E.
Dickens, Timothy H.
Ehlert, George J.
Elzy, Robert L.
Fisher, David H.
Freed, Stanley H.
Frost, Alan W.
Galley, Charles B.
George, James D.
Graham, Bruce W.
Hall, Charles E.
Hamm, Melvin N.
Hopkins, Robert F.
Husted, Stanley R.
Hyde, Noel A.
Lamdin, Jay M.
Littlefield, Judith H.
Loos, Ernest J.
Maples, John A.
Mataldi, Alan E.
McCalment, Theodore E., Jr.
McCracken, Gary O.
Monaco, William A.
Morris, Wayland F., Jr.
Myers, Charles M.
Nayote, Arthur D.
Nazzaro, John T.
Oleary, Terrence J.
Parker, Richard J.
Patterson, William L.
Pinkerton, John W.
Potts, James C.
Pratt, Michael L.
Profita, Salvatore J.
Belinski, Robert G., Jr.
Rethmeier, Kenneth A.
Schultz, Warren W.*
Socka, James F.*
Stockmoe, Elizabeth A.
Tackitt, Robert D.
Tenopir, Stanley J.
Thomas, Whitney P.
Voelch, David L.
Wilkinson, John P.
Wood, Owen L.
Zila, Robert C.

JUDGE ADVOCATE GENERAL'S CORPS

Blake, Donald F.
Boorman, James A., III*
Clum, John P.
Dunlap, John F.
Engstrom, David L.
Goldberg, Michael M.
Grant, Harold E.
Green, Michael P.
Greiveldinger, Geoffrey
Griffin, Michael A.
Guy, David A.
King, Richard G.
Larson, David C.
Lindberg, Ernest T.*
Little, Harvey E.*
Llewellyn, Adam K.
Milliken, Jon C.
Mollison, Richard M.
Nicks, Harold T.
Nivert, Frank J.
Nolta, Franklin L.
Ochsner, Ronald F.*
Philpott, Arthur R.
Powers, Jack T.
Radlinski, Gregory K.
Schiff, Richard B.
Smith, Roger A.
Smith, Willie Jr.
Stoller, Harold L., Jr.
Thomas, Arthur R.
Vanderhoef, Craig T.
Wylie, Peter C.
Zimmerman, Richard E., Jr.

NURSE CORPS

Austin, Stuart R., Jr.
Baker, Carolyn M.
Baker, Deirdre J.
Bloshinski, Elizabeth R.
Bohn Randolph J.
Clifford, Betty J.
Corboy, Mary C.
Cords, Marvin D.
Crist, Margery W.
Feris, Mary M.
Finley, Frances L.
Griffith, Joanne S.
Hamilton, Dorthea C.
Harris, Marina J.
Hildebrand, Carol T.
Holman, Diane M.
Jacobsen Jayne W. M.
Kondash, Anna M.
Krauser, Sheila A.
Mitchell, Mary C.
Mocarski, Frances J.
Patee, Karen M.
Peace, Velia D.
Prue Phyllis E.
Rex, Anita C.
Richter, Maryellen A.
Hist, Susan E.
Robinson, Ida M.
Ryan, Kathleen V.
Sattazahn, Mary D.
Schneider, Karen S.
Sherrard, Marcia J.
Shields, Roberta J.
Smith, Maureen M.
Stokes, James E.
Sulcer Bert R., Jr.
Thomas, Thelma A.
Vering, Wilma G.
Willhelm, Patricia E.

The following named woman lieutenant commander of the U.S. Navy, for permanent promotion to the grade of commander in the Supply Corps, pursuant to title 10, United States Code, sections 5773 and 5791 subject to qualifications therefor as provided by law:

Hamman, Margaret J.

*Indicates ad interim appointment.

CONFIRMATIONS

Executive confirmations confirmed by the Senate, February 5, 1981:

DEPARTMENT OF THE INTERIOR

Donald P. Hodel, of Oregon, to be Under Secretary of the Interior.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

CENTRAL INTELLIGENCE

Vice Adm. B. R. Inman, U.S. Navy, to be Deputy Director of Central Intelligence, and to have the rank of Admiral while so serving.

HOUSE OF REPRESENTATIVES—*Thursday, February 5, 1981*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

With praise, O God, we offer to You our thanksgiving for Your providence to us and to our Nation. When we have been weak, You have made us strong, and when we have lacked courage, You have shown us the way to stand for the right. Give us vision to regard our vocations as opportunities for service, enabling people to know the gifts of freedom and security, and promoting justice and righteousness in our land and in the world. May Your benediction go with us this day and remain with us always. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. WALKER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 367, nays 10, present 6, not voting 49, as follows:

[Roll No. 8]

YEAS—367

Addabbo
Akaka
Albosta
Anderson
Annunzio
Anthony
Ashbrook
Aspin
Atkinson
Badham
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Boling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CO)
Brown (OH)
Broyhill
Burgener
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Cheney
Clausen
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Conyers
Corcoran
Courter
Coyne, James
Coyne, William
Craig
Crane, Daniel
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Downey
Dreier
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Flippo
Florio
Foglietta
Foley
Ford (TN)
Fowler
Frank
Frenzel
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Gunderson
Guyer
Hagedorn
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Hartnett
Hawkins
Heckler
Hefner
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jeffords
Jeffries
Jenkins
Johnston
Jones (NC)
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lott
Lowry
Lujan
Luken
Lungren
Markey
Marks
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mattox
Mavroules
Mazzoli
McClory
McCloskey
McCurdy
McDade
McDonald
McEwen
McHugh
McKinney
Mica
Michel
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (NY)
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead
Mottl
Murphy
Murtha
Myers
Natcher
Neal
Nelligan
Nichols
Nowak
O'Brien
Oakar
Oberstar
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rogers
Rostenkowski
Roth
Roukema
Rousselot
Rudd
Russo
Santini
Savage
Sawyer
Scheuer
Schneider
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Simon
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Spence
St Germain
Stangeland
Stanton
Stark
Staton
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Trazler
Trible
Udall
Vander Jagt
Walgren
Wampler
Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whittaker
Whitten
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki

NAYS—10

Coughlin
Dickinson
Forsythe
Goodling
Harkin
Jacobs
Sabo
Schroeder
Solomon
Walker

ANSWERED "PRESENT"—6

Alexander
Bafalis
Fuqua
Ottinger
Stump
Washington

NOT VOTING—49

Andrews
Applegate
Archer
AuCoin
Brown (CA)
Burton, John
Chapple
Chisholm
Clay
Cotter
Crane, Philip
Dornan
Edgar
Erlenborn
Fithian
Ford (MI)
Fountain
Goldwater
Gregg
Hall (OH)
Hatcher
Heftel
Hinson
Howard
Lederer
Lowery
Lundine
Madigan
McCollum
McGrath
Mikulski
Mitchell (MD)
Molinari
Morrison
Napier
Nelson
Obey
Pepper
Rangel
Reuss
Rose
Rosenthal
Roybal
Vento
Volkmer
Whitehurst
Whitley
Williams (MT)
Zeferetti

□ 1110

Mr. RODINO changed his vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

□ 1120

INCREASING MEMBERSHIP OF JOINT COMMITTEE ON PRINTING

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 272) to increase the membership of the Joint Committee on Printing.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. FRENZEL. Mr. Speaker, reserving the right to object, I would ask the distinguished chairman, the gentleman from California, to explain the nature of the bill.

Mr. HAWKINS. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from California.

Mr. HAWKINS. In reply to the ranking minority member of the House Administration Committee, the bill, S. 272, provides for an increase in the membership in the Joint Committee on Printing. The Joint Committee is currently comprised of three members elected from the Committee on House Administration and three members elected from the Senate Committee on Rules and Administration.

This bill would amend the statute to increase the membership on the Joint Committee to five members from the Committee on House Administration and five from the Committee on Rules.

The passage of this bill will not increase expenditures by the Government, and will not require any additional appropriation. The matter is largely a matter of comity between the House and the Senate, and I have no objections to the bill.

Mr. FRENZEL. Further reserving the right to object, Mr. Speaker, I thank the distinguished chairman for his statement. It would say that I know of no objections to this bill. I does not add any expense to the taxpayer. It adds four new members to the Joint Committee on Printing. That has been a small committee. We think it is a good idea to spread the base. We are accepting it on this side mainly as a matter of comity. The Senate is more interested in this than we, but I know of no objections to the bill.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. Further reserving the right to object, I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I still have not heard an explanation as to why we need to increase the membership of this committee. Is there an increased workload for the members involved?

Mr. FRENZEL. Further reserving the right to object, right now the Joint Committee on Printing is a very small committee. Its latitude and breadth within this congressional institution is not very broad. The Senate believes that if we increase the membership to a total of 10 members, we will have a better understanding and better decisions concerning the Government Printing Office, which this Joint Committee oversees.

Mr. WALKER. If the gentleman will yield further, does this committee at this point have any staff?

Mr. FRENZEL. The Joint Committee on Printing has a good-sized staff. The prospective chairman, when the committee is put together, has indicated that he intends to reduce the current staff; and he will be assisted in that by the addition of these new members.

We have several retirements from the staff. So far, the prospective chairman of the committee indicates that he is not going to replace some of those positions.

Mr. WALKER. If the gentleman will yield further, the problem I have with the intent you expressed is that it would represent a reversal of the general trend around here. Usually the more members we get on committees, the more staff we need to support those members. I wonder if within the bill itself there is some assurance that we are going to get a reduction in the staff.

Mr. FRENZEL. Further reserving the right to object, there is no assurance within this bill that we are going to reduce the size of the staff, but I think the gentleman has the assurance and the commitment of the chairman of our House committee and of myself that we are working to reduce all staffs of all committees and that we will lend our best efforts in this regard.

I think the gentleman is better protected with a little broader representation on this committee.

For instance, our Republican side will have one additional appointee who can help us act as a watchdog over the growth and the use of the committee staff.

Mr. WALKER. If the gentleman will yield further, is this going to provide us with some assurance and a lot of the materials that have shown up from time to time as being wasteful, printing expenses for political purposes around the Congress, for example, we may have a little bit better chance to keep an eye on those?

Mr. FRENZEL. I think the gentleman is correct. I believe that we will exercise more scrutiny but the gentleman should also be aware that, generally, printing has to be approved by our own House Administration Committee. Again, I think we are going to be much more vigilant than we have been in the past.

I thank the gentleman for reminding us of our obligations.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from California (Mr. HAWKINS)?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 272

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101, title 44, United States Code, is amended to read as follows:

"The Joint Committee on Printing shall consist of the chairman and four members of the Committee on Rules and Administration of the Senate and the chairman and four members of the Committee on House Administration of the House of Representatives.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELECTION OF MEMBERS TO SERVE ON JOINT COMMITTEE ON PRINTING AND JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 59.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. WALKER. Reserving the right to object, Mr. Speaker, I do so only to seek the assurance of the chairman that all this resolution does is elect the members to the expanded committee that we just approved a minute ago and that the bill goes no further than the election of those members?

Mr. HAWKINS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from California.

Mr. HAWKINS. Yes. This resolution simply implements the Senate bill which we just passed, by electing the members to the Joint Committee on Printing.

In addition, the resolution elects the members to the Joint Committee on the Library. The membership is named on the Democratic side by the chairman of the committee. The Republican members have been cleared with the gentleman from Minnesota (Mr. FRENZEL), the ranking minority member of the committee.

That is all the resolution does.

Mr. WALKER. Further reserving the right to object, the membership of the Committee on the Library was not expanded? That is simply a carryover from the past Congress? Is that correct?

Mr. HAWKINS. The gentleman is correct. There is no change in the other Joint Committee. This is simply piggybacking, as it were, on this resolution, the naming of these members to the Joint Committee on the Library. We simply do it at this time in order that we may conclude the Joint Committee membership appointments on both joint committees.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The Clerk read the resolution, as follows:

H. Res. 59

Resolved, That the following named Members be, and they are hereby elected members of the following joint committees of Congress to serve with the chairman of the Committee on House Administration:

Joint Committee on Printing: Mr. Gaydos of Pennsylvania; Mr. Jones of Tennessee; Mr. Gingrich of Georgia; Mrs. Martin of Illinois, said elections to be effective upon enactment of the bill S. 272, to increase the membership of the Joint Committee on Printing, into law;

Joint Committee of Congress on the Library: Mr. Swift of Washington; Mr. William Coyne of Pennsylvania; Mr. Gingrich of Georgia; Mr. James Coyne of Pennsylvania.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1130

ILL-ADVISED LIFTING OF PRICE CONTROLS ON DOMESTIC OIL AND GASOLINE

(Mr. MAVROULES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAVROULES. Mr. Speaker, last week President Reagan issued an Executive order lifting price controls on domestic oil and gasoline.

Sudden and total, this ill-advised action has spun the Nation on its ear, doing nothing for our quest for energy independence while adding fuel to the fires of an already economically crippling inflation.

Decontrol will also weigh unevenly on different regions of the country. Sunbelters will benefit from added tax revenues for their energy production capabilities.

But the heavily populated Frostbelt will be burdened as a result with a winter made more bitter for the poor and disadvantaged.

Mr. Speaker, this is not the stuff of a meaningful national energy policy.

No policy that highlights regional differences should be viewed that way.

And no policy so oblivious to its disastrous impact on the economy should ever be considered a positive step.

Energy prices in Massachusetts alone will escalate by 33 percent—the average household paying as much to heat itself as it does in Government taxes.

Mr. Speaker, the President's action reflects both an insensitivity to the seasonal problems borne by the Northeast and a distorted view of inflation.

One does not raise prices and expect to dampen inflation, as attractive as the prospects of added Federal revenue are.

One puts a cap on them.

RESOLUTION IMPEACHING NAUMAN SCOTT, JUDGE OF U.S. DISTRICT COURT FOR WESTERN DISTRICT OF LOUISIANA

(Mr. McDONALD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDONALD. Mr. Speaker, today I am introducing a resolution impeaching Nauman Scott, judge of the U.S. District Court for the Western District of Louisiana.

Very simply, Judge Scott has usurped control of domestic relations which is a matter clearly under State court jurisdiction. He has done so in such a high-handed fashion as to leave scores of due process violations trailing in his path. So gross are the violations they constitute high crimes and misdemeanors and are, therefore, impeachable offenses.

Some of the rights he has violated are: property rights; the right to freely associate and travel; the right to counsel; the right to a fair and impartial recorded hearing; State's rights; and the 10th amendment to the U.S. Constitution, to list just a few.

For these reasons Judge Nauman Scott should be impeached, in accordance with the laws of the land.

CONGRESS SHOULD REJECT DEREGULATION OF NATURAL GAS

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, the Washington Post reports today that President Reagan plans to ask Congress for complete deregulation of the wellhead price of natural gas by September 1 of this year.

I hope that report is not accurate. If it is true, I hope that Congress will reject the proposal.

At a time when Americans are deeply concerned about inflation, immediate deregulation would add $50 to $80 billion each year to the price consumers must pay for natural gas.

At a time when many senior citizens are shivering in homes with thermostats set at 65° because of high heating bills, deregulation could triple the cost of natural gas by next winter.

Under laws passed by Congress, deregulation will occur anyhow by 1985 by gradual degrees. I fail to see how it makes sense to deregulate immediately and add to the inflationary burden of American consumers.

DEFEAT DEREGULATION OF NATURAL GAS

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, the gentleman from Ohio is correct. We may not have the votes to defeat immediate deregulation of natural gas and we almost surely do not have the votes to defeat the Executive order decontrolling domestic oil. Both of these are superinflationary shock waves to the economy; but what is even worse is that at the same time that these proposals are being made, there are proposals to take away the gains that are being made in solar, conservation, wind, low-income weatherization. Many of these programs are just now beginning to have an important impact.

I urge my colleagues to join in a broad coalition. Those who care about those things, those who care about alcohol fuels and a variety of other alternative and conservation measures that are being cut or are proposed to be cut should rise up on both sides of the aisle to say that we do not want these productivewise investments in the future cut out of the budget.

WHY NOT HONOR COMBAT VETERANS AS WE DO HOSTAGES?

(Mr. LONG of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LONG of Maryland. Mr. Speaker, why do we not reward our combat veterans as we do the hostages released from Iran?

And what about the eight servicemen who lost their lives in the aborted attempt to rescue the hostages last April? Their mission suffered a higher percentage of casualties than in most military operations in a declared war.

Our relief over the release of the hostages has turned our values upside down. One proposal is to give each hostage a gold medal, at an average cost of $8,000 apiece, or the equivalent in value of a pound of pure gold; but the most gallant soldiers in Vietnam, winning the Congressional Medal of Honor, frequently at the cost of their lives, received a gold-plated medal hung from a blue ribbon.

Vietnam veterans have reminded us: "When I saw the parades—for the hostages—the tickertape, I wondered, 'Whatever happened to us?' When we came home there was no brass band. The only thing ever thrown at us was insults," said one Baltimore veteran.

Our Vietnam veterans deserved a far better welcome home. They fulfilled their commitment to their country in a time when duty to one's country was unpopular. "It was hell," a Washington Vietnam veteran said, "but we took it. That's what Congress and the American people were asking us to do. Then when it was over, and when we came home, they treated us like dirt."

Some of the released hostages are in agreement with the veterans. "We aren't heroes," said one released hostage. "We were just doing our jobs. The guys from Vietnam deserve this (welcome). They didn't get it."

The hostages deserve recognition for what they endured during their captivity, but we must remember that they were, for the most part, victims; only one or two were real heroes.

If this country does not know how to distinguish between victims and heroes, we can expect very few heroes in future wars.

□ 1140

DESIRE OF SOME AMERICAN COMPANIES TO DO BUSINESS WITH IRAN IS EXCESSIVE GREED

(Mr. ROEMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, over this past weekend I heard on a national television news broadcast that some four dozen American companies have recently inquired about doing business with Iran.

Frankly, that news upset me, coming as it does on the heels of the outrageous actions of the government of Iran during the hostage crises. Yet, within the shadow of the arrival of our freed hostages, American companies want to do business with Iran? Just like that? As if nothing had happened? No period of mourning or at least a respectful silence?

In order to encourage job creation, capital formation, and individual freedoms of choice and opportunity, I have long been a proponent and practitioner of the rights of business enterprise.

My boundless enthusiasm has been tempered over time by the realization of two threats to the free enterprise system: Monopoly tendencies in some industries and the excessive greed of a few.

It is my personal feeling that to do business with Iran at this time, under current circumstances is the height of folly, not in our national best interest, and is the clearest example I know of the excessive greed of a few.

I have asked the State Department to keep me advised of the number and product character of those companies making inquiries about trade with Iran.

I will keep this body informed of any future developments in this matter of greed, company by company.

And as a sheriff once told me, "Son, that is not a threat—that is a promise."

WE CANNOT AFFORD DEREGULATION OF NATURAL GAS

(Mr. FORD of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORD of Tennessee. Mr. Speaker, I, too, would like to join with my colleagues from Ohio and Connecticut in opposition to the President's plans to propose a speedup of the process to deregulate natural gas prices. The effort to increase the revenues of energy companies and spur more exploration and development of natural gas reserves and to push prices higher to consumers to encourage conservation strikes hardest at those Americans who can least afford it. When we talk about these high natural gas prices, it is obvious in America in 1980 that the American public cannot afford it, because people in America depend upon natural gas for their health and their general welfare.

Nationally, lower income households spend 21.8 percent of their incomes on household energy. They pay more than four times more of their income for energy than do average Americans. They also use 25 percent less of energy for heat than the average American.

Mr. Speaker, we cannot afford to permit the poor and the elderly to carry this burden on their backs.

CONGRESSMAN PICKLE WILL SEEK WELL-CRAFTED TAX RESTRUCTURING PLAN

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, the grapevine indicates the administration may plan to send up a simple two-part tax cut. Part 1 will speed up depreciation schedules. Part 2 will be the first installment of the fourth version of Kemp-Roth to cut personal taxes 30 percent over 3 years.

Mr. Speaker, this talk may be only a trial balloon, but it could go over like a lead balloon. For years, we have passed rather simple tax cuts to expand productivity and decrease the deficit. But $133 billion worth of tax cuts have not stimulated the economy enough to offset the huge deficits we have incurred.

We all favor reducing taxes, but this member of the Ways and Means Committee will seek a well-crafted tax restructuring plan.

And I do not see us passing a tax bill before we have a good idea of spending cuts. We should not have one without the other.

I look forward to working with the administration on a comprehensive plan to stimulate business and personal savings.

BEDELL SUPPORTS FENWICK MARRIAGE TAX BILL

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, I am pleased to be a cosponsor of the Fenwick marriage tax bill, and am honored that Mrs. FENWICK has asked me to speak in favor of it.

I support this measure, not only because it would remove a basic injustice in our tax laws, but also because it would remove the incentives, or rather the disincentives that exist to tear apart the fabric of family life that is so essential to the well-being of American society.

I am not suggesting that the practice of couples seeking a divorce for reasons of economy is widespread. However, changing social conditions and the ability of a family to be financially secure may make it so.

When we consider that a full 57 percent of today's families have both the husband and wife working in order to make ends meet, the legislation becomes all the more compelling. The second income in the family is no longer a luxury but an economic necessity. In fact, one recent projection indicates that the female labor force participation will continue to grow through 1990 by about 1 million per year, nearly all of whom will be married women with minor children. By 1990, therefore, approximately 70 percent of all married women will be in the work force, including women with children. So more couples in the next decade will be subject to this marriage tax penalty.

Mr. Speaker, Mrs. FENWICK's proposal comes at a time when we have the rare opportunity to nip this potential problem in the bud, rather than allowing it to grow out of hand before we address it. With over 200 of my colleagues cosponsoring this bill to end the marriage tax penalty, the time is ripe to do so.

A BILL TO LIMIT CONGRESSIONAL TERMS OF OFFICE

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, I am introducing today an amendment to the Constitution which would limit the number of terms in office allowed to Representatives and Senators.

This idea is not new. What is new is the growing public support for this concept, support which many of us noticed during the recent election campaigns. Frustrated by congressional inability to deal with the problems of inflation, energy, defense, and other national crises, our constituents note

that we nonetheless seem capable of raising our own salaries, insuring our perks, and insulating ourselves from the economic problems they must live with. Congress seems out of touch. We seem more interested in perpetuating our own service in Congress than in solving the Nation's problems.

One of the contributing factors to this situation is the rise of a character not envisioned by the Founding Fathers—the professional politician. The men who wrote the Constitution based their idea of elected service on people like themselves. They earned their living in the private sector, and gave of their own time for limited periods of the year in elected assemblies. They would never have dreamed of people who begin running for office as soon as they are old enough to qualify, and spend the majority of their lives in elective office. They did not plan on people being able to make a living from political office alone.

Congress must make an attempt to move away from the idea of the professional politician and toward the limited service by average citizens envisioned by the Founding Fathers.

By limiting the amount of time any one person can serve in Congress, we are moving toward this goal. The average person, under the terms of my legislation, would serve no more than 12 years in either body—with additional years allowed for the filling of an unexpired term. This allows for substantial service, should the constituents choose to return the official for several terms, yet solves the problem of the official who becomes entrenched and has the power of the incumbency to use against any challengers.

The terms set in this amendment allow for steady, stable turnover in the House and Senate, with the fresh ideas and outlooks which new Members bring with them. Under these terms, elected officials would have to earn their living in the private sector, to which they would be returning in a specified period of time. The knowledge that they would shortly be returning to live under the laws they passed would help insure a realistic approach to legislation.

This bill is being cosponsored by 12 of my fellow Republican freshmen. We are committed to returning control of the Congress to the people who elected us. Limiting congressional terms in office is an excellent place to begin.

MARRIAGE TAX BILL

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I am today introducing, as I have in every Congress since the 94th, a bill to repeal the tax on marriage. Surely, Members of the House—men and women—the time has come to make this change.

In the last Congress we had 247 cosponsors, far more than needed for a petition of discharge. Today we are introducing it with 200 cosponsors simply because there has not been time to circulate it more fully.

But I know that there is a great deal to be said for the position of our colleague from Texas. Certainly, considering the deficit, a very large tax cut is a difficult thing to contemplate; but the time comes when a socially damaging section of the tax code must be repealed.

I have received a letter from a Catholic priest in Florida urging action on this bill; Senator MATHIAS, who has introduced a similar bill in the other body has received similar letters from clergymen of all faiths. I urge action on this bill.

MARRIAGE TAX

(Ms. MARTIN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MARTIN of Illinois. Mr. Speaker, at this time, when family budgets are stretched to and beyond the limit, families are losing in excess of $8 billion per year just because they are married. I am, of course, speaking of the marriage tax.

Our system of taxation decrees that if both husband and wife work they will pay more taxes than if each worked at the same job at the same salary but were not married. Such taxation is both morally and economically indefensible.

People work for one of two reasons. They work because of necessity or because they wish to be financially productive. In America surely we should not penalize either productivity or need.

The bill introduced by my colleague from New Jersey (Mrs. FENWICK) will end this nonsensical penalty. The bill has but one legislative flaw: It reeks of commonsense.

I urge my colleagues to support the effort to end this unfair tax.

THE DEBT LIMIT

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the press is suggesting that there is great embarrassment for Republicans who plan to vote for a higher debt ceiling today.

I gather there is a feeling in certain quarters that because Republicans previously have voted against such increases there is something wrong in Republicans asking for support for such an increase today.

Not so with this Member. The press confuses two different things.

Let me give you an example of what I mean:

If I know a driver of a car is chronically drunk, I would be reckless to give him the money to buy gasoline so he may go as fast as he wants on the highway.

But if I know a driver is sober and responsible, I can in good conscience provide him with what he needs to go in a desirable direction.

In the past an increase in the debt limit has been the political equivalent of subsidizing drunk driving.

Today we are simply being asked to help get the administration moving in the direction Americans want it to go.

So let us tighten our seat belts and help get America moving in the right direction.

□ 1150

TEMPORARY PUBLIC DEBT LIMIT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 54 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 54

Resolved, That, upon the adoption of this resolution, it shall be in order to move, clause 2(l)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1553) to provide for a temporary increase in the public debt limit, the first reading of the bill shall be dispensed with, and all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendment to the bill shall be in order except amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. LATTA) and, pending that, I yield myself 3 minutes.

Mr. Speaker, this rule is a very straightforward closed rule. It is a modified closed rule because it allows the Committee on Ways and Means to

offer amendments if it has some—and it does not, so far as I know. It waives two points of order, one on the 3-day layover rule, and another which comes out of the fact that there is something in the bill, and always is, on debt limit increases—a matter that can be considered to be an appropriation.

It actually has to do with the payment of the interest that comes due on Government bonds. That is the only purpose of the waiver on not having appropriations in an authorization bill. To the best of my knowledge, there was very little controversy on this matter, the matter that this rule brings up, in the Committee on Ways and Means. I understand that it came out on a voice vote. When the matter came before the Committee on Rules for a rule, there was no controversy on the rule, and the rule was reported by a voice vote. I see no purpose in my debating the matter further at this time, and I reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Let me say I concur with the statements just made by our chairman of the Committee on Rules, and I need not, in the interest of time, repeat them. As he indicated, the rule is a closed rule, meaning no amendments other than amendments that might be offered by the Committee on Ways and Means—and I understand there are no amendments to be offered by the Committee on Ways and Means.

Let me say I have a confession to make this morning. I am going to vote for this increase in the debt ceiling, and I hope the ceiling does not fall. I am going to explain why. I think it would be totally unfair to this new administration which has been in office just a couple of days to shut down the Government. That is what we are talking about. This new administration had absolutely nothing to do with the accumulation of the debt or the problem that this Congress has before it today, so I think it would be unfair to shut down the Government just after it has taken office.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding. When the last administration came in in 1977 following 8 years of a Republican administration, and within the first 6 weeks when a request for a debt ceiling increase was made, how did the gentleman feel about that at that time?

Mr. LATTA. Let me say we had a different circumstance then because that new administration was of the same party that has controlled this Congress for 25 years, that has been voting every single penny that has been spent by any administration. There is the difference.

Mr. LEVITAS. Will the gentleman yield further?

Mr. LATTA. Yes.

Mr. LEVITAS. It is my recollection that the last balanced budget that this country has seen was during the last year of the Johnson administration, and that during the 8 years preceding the last administration there was a Republican in the White House who could have proposed or vetoed legislation. I am simply saying I agree with the gentleman on the way he is voting here today, but I do not see the difference between a new administration in 1977 and a new administration in 1981. It is just the nature of the logic that I was questioning.

Mr. LATTA. Let me go a little bit further if we want to review a little legislative history. Under the Nixon administration they had a little power to impound when they did not think they ought to spend funds. The gentleman's side of the aisle controlled the Congress. You took that power away, and they even took him to court to force him to spend funds that he did not want to spend. Hopefully, before Congress adjourns, we are going to give this new administration that power once again to impound funds which need not be spent. I hope the gentleman will concur and go along with that right to the administration.

Mrs. HOLT. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding.

I think that the point that the gentlemen are debating should not be discussed here today. I do not think we should look back. I think there is a new air abroad in the land today. I have had special interest groups in my office this week saying, "I am ready to take my fair share of the cuts."

I have had people writing me saying, "I am ready to take my fair share of the cuts."

I think that the people of this country are saying, let us go forward now. I think there is a new atmosphere, and that is the reason that so many of us are supporting this today. We want to get this behind us and get on with the business of balancing the budget, and I really think we can do it. We have had that promise. We have had that pledge.

I thank the gentleman.

Mr. LATTA. I thank the gentlewoman. Let me just make another comment and maybe I can get a little more interest stimulated. Let me say there is another alternative. There is another alternative, and that is to pass about $50 billion in rescissions quickly. How many would stand up and vote for $50 billion in rescissions so we would not have to go this route?

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding. I also thank him for pointing out the fact that we do have a new administration that is inheriting this situation. I intend to vote with the gentleman to raise the debt ceiling, but I also would like to point out, and see if the gentleman agrees with me, that there is a question of Presidential veto on spending matters. If I recall correctly, once the impoundment powers of the President were taken away under Mr. Nixon, Mr. Ford did have to exercise rather extensively the veto power. As we faced the spending ceilings in the last administration, I did not see this power exercised to try to restrain spending. That was one thing that gave me a lot of trouble in the last administration. I trust that we will see that in this administration, whether the bills be meaningful, whether they be warranted—whether they be Republican- or Democrat-backed, and if they are fiscally irresponsible.

I have confidence in this administration.

I am voting with the gentleman today to give the new administration an opportunity to turn this around. If they do not avail themselves of that opportunity, a year or so from now I may not vote with the gentleman or with the administration, nor would I expect the gentleman from Ohio to vote that way.

Mr. LATTA. I was just going to add that I would be voting with the gentleman not to increase it. We are going to give them this turnaround room that has been requested, because, as I indicated earlier, they are faced with a situation that they did not create. But by their own doing, if this debt continues to grow, I will be with the gentleman and down here in the well saying, vote down the increase, because I think the American people want us to start living within our means.

□ 1200

They expressed themselves on this subject last November.

Mr. HUCKABY. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Speaker, I would like to ask the gentleman if he knows how much fat is in this debt extension. We have heard rumblings that possibly the Senate might want to reduce it. We hear proposals that the 1981 expenditures will be cut back. How much is taken in on an allowance for making cuts in fiscal year 1981 in the debt ceiling and, if anything is, what areas?

Mr. LATTA. I cannot tell the gentleman the areas, but I can tell him that it probably will be between $13 billion and $15 billion that will have to come out of 1981, and this House will have an opportunity to vote on that, either through reconciliation or through rescission. We can go either route.

Mr. HUCKABY. Is the gentleman saying that this extension allows for $15 billion in cuts this year?

Mr. LATTA. This year.

Let me say that that is down the road. We are going to have to take some action on that very shortly, in fiscal year 1981. And I can say to this House that I will be supporting those reductions, as I will also be supporting reductions for fiscal year 1982. I hope the gentleman will join us in that, because we have a very difficult situation here, and all you have to do is to take a look at the figures on page 2 of this report. We see that up until 1962 we did not have a debt exceeding $300 billion, but in the next 10 years $150 billion was added to that debt. We get to 1972 to 1976, just 4 years, $127 billion was added. We take 1 year from 1976 to 1977, $123 billion more was added to that debt. And between 1977 and now, $185 billion and that is how we go to $985 billion worth of debt. On that debt we are going to pay interest of about $80 billion—$80 billion—in this year's budget. This is borrowed money and that creates inflation, do not believe otherwise. The American people want to see something done about it.

So I will join with those who will be voting for this increase, but saying to the people downtown and saying to this Congress, "No more. No more; $50 billion is enough." We shall continue to vote against needless expenditures during this Congress and will be depending on the administration to keep them from becoming a reality. We mean business when we say we are going to do something about this debt and inflation in this country."

Mr. HUCKABY. Mr. Speaker, will the gentleman yield further?

Mr. LATTA. I yield to the gentleman from Louisiana.

Mr. HUCKABY. The gentleman is confident, then, that the Senate, the Senate majority, will not come back with a $40 billion instead of a $50 billion extension? Because we have been hearing the administration saying the projections for fiscal year 1981 are $50 billion.

Mr. LATTA. I cannot predict what the Senate might do, and I have not heard what the Senate will do, but I have heard what the Secretary of the Treasury says they need in the Treasury Department to keep from shutting down in mid-February, and it is $50 billion. So I take the figures of the new Secretary of the Treasury, and he certainly is using figures that were given to him by officials of the past administration.

Mr. HUCKABY. Well, there is no doubt that the debt ceiling has to be raised.

Mr. LATTA. No doubt about it.

Mr. HUCKABY. I am just questioning the amount that it has to be raised to operate this year.

Mr. LATTA. Let us look at it this way: If you do not raise it, you have two alternatives. Either you shut it down, you do not pay anybody, you default on your obligations, which the U.S. Government has never done; or you come along with those $50 billion in rescissions and do it that way. I cannot see many faces in this Chamber this morning who want to cut back $50 billion in fiscal year 1981.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. WEBER).

Mr. WEBER of Ohio. Mr. Speaker, I wish to thank my colleague, Mr. LATTA, for affording me this opportunity to join in this debate. I support the rule. The choice before us today is whether we let the Government of the United States go broke or whether we provide our Government with the financial ability to function in an orderly way while President Reagan develops the economic program necessary to get this country turned around and back on track.

The voters elected me to this Congress to bring the message to Capitol Hill that it is time for a change. They did not send me here so that my first vote on a bill might be to stop the Government from sending out next month's social security checks—as happened once before when Congress dragged its feet in a similar case.

If we do not pass this bill, the Government runs out of money. The question comes down to whether the Federal Government meets its financial obligations or whether it reneges. It is not a happy prospect to think of the United States as being unable to pay what it owes. At present, our Government has assumed many commitments. These are commitments made to our elderly, to our Nation's unemployed, to our Nation's servicemen and women, to our Nation's youth, and to countless others. Not to act now would be to turn our backs on the legitimate expectations of these people.

Our problem today is in large measure inherited from past Congresses and past administrations. Some of today's obligations are a result of choices that were less than responsible and that many of us, including myself, did not vote for. But the abrupt abandonment of these obligations would be irresponsible.

By raising the debt ceiling we give President Reagan the time he needs to bring about the economic programs to which he is committed in an environment which remains orderly and stable—and where no one will suffer sudden hardship because the Government cannot pay its bills.

The President does not need Congress to tell him to cut the budget. He has a mandate to do that from the people who went to the polls last November. It is not a simple job and it is not going to be done overnight. I trust our President to have the toughness and the wisdom to give us the kind of economic program that we are going to need to get our budget in balance and resurrect our failing economy. My vote today is a vote of confidence in the President. My vote today supports this bill because we have a responsibility to keep the Government functioning while we give the President the time he needs to do his job.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. WEBER of Ohio. I yield to the gentleman from New York

Mr. PEYSER. I thank the gentleman for yielding.

Mr. Speaker, I want to congratulate the gentleman, because I think he has made an excellent statement and a very true statement. This is a statement, that has been made on this side of the House and by some on the Republican side for a good many years. I can remember, when I sat on the Republican side of the House, when in caucuses we used to say: "Let the Democrats do it; we are not going to do it. They are going to get stuck with it." And we have been stuck with it for years. The only reason I take the floor now is because I have faced this as the biggest issue in every one of my campaigns against Republican opponents, the very fact that I voted for this debt ceiling. I voted for it as a Republican, I voted for every one as a Democrat, and I am going to vote for this one. I congratulate the gentleman for taking his stand, and I hope that all of the gentleman's Republican colleagues, every one of them, should be on the line to vote for this issue, we are certainly going to find out how they do vote. I am hopeful that they will vote the right way. It will show they have confidence in the new President, as I am going to show and I think many of the Democrats will.

Mr. WEBER of Ohio. I thank the gentleman for his remarks.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Speaker, I want to first of all congratulate the gentleman from Ohio for his explanation of the economics of the matter that is before us today. But I do want to express some concern about the fact that the rule under which we are going to consider the debt limit is a closed rule. It seems to me that here we have the very first bill out of the Ways and Means Committee, the committee that will control the economic program

that this administration is going to send forward, and the very first time that we have a chance to consider a key element of that economic program, we are doing it under a closed rule in which the membership will have no opportunity to work its will on this particular matter.

Now, I understand why—and I am sure that the administration would agree—it can be said we need a closed rule. I am sure the leadership here agrees on both sides of the aisle. The Ways and Means Committee probably agrees, the Rules Committee certainly agrees that we need a closed rule on this matter. I am not certain that I do, because I see it setting a pattern, the kind of pattern that may deny us in the future the opportunity to also work our will on matters of great economic importance, matters like a tax cut, matters like welfare reform, and it is not a pattern that would be unusual because it would be a pattern that was occurring time and time again in the past Congresses. When matters of the type just suggested were brought to the floor, they, too, were brought here under a closed rule.

So I have to say, Mr. Speaker, that I am concerned about the fact that here we are today, with the first major bill that we consider, the first time something comes forward from the Rules Committee concerning a matter of ways and means, we are considering it under not only a modified closed rule, but a very closed rule. I think it is a concern that we may have reverberate time and time again as we look down the road toward the coming 2 years.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Georgia.

Mr. LEVITAS. I would like to commend the gentleman for his statement. He has been consistent on this point. By having a closed rule we do not have the opportunity to consider whether a lower debt ceiling could be set. We are constricted by this rule. And I suggest that, when we see this bill come back from the other body, if it gets that far, it is going to have a lower debt ceiling written into it, and it will be the Members of this House who take the responsibility for the big spending rather than the Members of the other body. I think we should have an open rule.

Mr. WALKER. I thank the gentleman for his comments.

□ 1210

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the rule. I think, as has already been stated by my colleague from Pennsylvania, we are denied the opportunity for alternative choices. I would very much prefer to have some type of opportunity to vote on what I consider to be very bad elements of the impoundment rules that govern this House.

My chairman of this committee has stated that there was no request before his committee for any kind of an open rule or modified closed rule or anything else. The reason is that we were told that it was a waste of time to come and ask for it because the Speaker controls the Rules Committee to such a degree that there would be no chance, so we were just told flat out to forget it.

So, I want to say that I am going to oppose the rule. I think it is bad procedure right from the beginning of this year and I will state to my colleagues that I do not intend to vote for the debt ceiling increase because I do not think it is needed.

Mr. LATTA. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, let me say something to the newly elected Members about our procedure when matters out of the Rules Committee come down here. You always have an opportunity to vote up or down on anything the Rules Committee does.

I have heard it said that the Rules Committee is dictatorial, it could not be if it wanted to be so. We cannot do anything in the Rules Committee other than what the majority of this Congress approves, so you have the opportunity to vote up or down on this rule and to change it in anyway you like.

So, let us not start off on a bill of this kind by leaving the impression that there is no way out, because there is a way out. If the majority of this House wants to vote down the rule and change it in anyway, they have the opportunity to do so.

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Ohio did such a good job of stating the facts that I will not bother to answer the comments of some other Members which I think came very close to questioning my integrity.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Members will be aware that this vote is on the adoption of the resolution as reported by the Rules Committee.

The vote was taken by electronic device, and there were—yeas 333, nays 67, not voting 32, as follows:

[Roll No. 3]

YEAS—333

Addabbo
Akaka
Alboita
Alexander
Annunzio
Applegate
Archer
Aspin
AuCoin
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnes
Beard
Bedell
Bellenson
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Bliley
Boggs
Boland
Boiling
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Broyhill
Burgener
Burton, Phillip
Butler
Byron
Campbell
Carman
Chappell
Chappie
Cheney
Chisholm
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (IL)
Conable
Conte
Conyers
Corcoran
Courter
Coyne, James
Coyne, William
Crockett
D'Amours
Danielson
Daschle
Daub
Davis
Deckard
Dellums
DeNardis
Derwinski
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
English
Erlenborn
Ertel
Evans (DE)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Forsythe
Fowler
Frank
Frenzel
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gray
Green
Grisham
Guarini
Gunderson
Guyer
Hagedorn
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Hartnett
Hatcher
Hawkins
Heckler
Hefner
Hendon
Hertel
Hightower
Hillis
Holland
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenkins
Johnston
Jones (OK)
Jones (TN)
Kastenmeier
Kemp
Kildee
Kogovsek
LaFalce
Lagomarsino
Lantos
Latta
Leach
LeBoutillier
Lehman
Leland
Livingston
Loeffler
Long (LA)
Lott
Lowry
Luken
Lungren
Madigan
Marks
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mattox
Mavroules
Mazzoli
McClory
McCurdy
McDade
McEwen
McHugh
McKinney
Mica
Michel
Mikulski
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Mollohan
Montgomery
Moorhead
Morrison
Motl
Murtha
Myers
Napier
Natcher
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Parris
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Rodino
Roe
Roemer
Rogers
Rostenkowski
Roth
Roukema
Rudd
Russo

Sabo	Spence	Weaver
Santini	St Germain	Weber (MN)
Savage	Stangeland	Weber (OH)
Sawyer	Stanton	Weiss
Scheuer	Stark	White
Schneider	Staton	Whitehurst
Schulze	Stenholm	Whitley
Schumer	Stokes	Whittaker
Selberling	Stratton	Whitten
Shamansky	Studds	Williams (MT)
Shannon	Swift	Williams (OH)
Sharp	Synar	Wilson
Shumway	Tauke	Winn
Shuster	Thomas	Wirth
Simon	Traxler	Wolf
Sisisky	Trible	Wolpe
Skelton	Udall	Wright
Smith (AL)	Vander Jagt	Wyden
Smith (IA)	Vento	Wylie
Smith (NE)	Walgren	Yates
Snowe	Washington	Young (AK)
Snyder	Watkins	Young (MO)
Solarz	Waxman	Zablocki

NAYS—67

Anderson	Hiler	Patman
Ashbrook	Huckaby	Paul
Atkinson	Hunter	Porter
Barnard	Jacobs	Roberts (KS)
Brown (CO)	Jeffries	Roberts (SD)
Carney	Kasen	Robinson
Collins (TX)	Kindness	Russelot
Coughlin	Kramer	Schroeder
Craig	Leath	Sensenbrenner
Crane, Daniel	Lee	Shaw
Daniel, Dan	Levitas	Shelby
Daniel, R. W.	Lewis	Smith (NJ)
Dannemeyer	Lowery	Smith (OR)
de la Garza	Lujan	Solomon
Dornan	McClosky	Stump
Dreier	McDonald	Tauke
Evdahl	McGrath	Thomas
Evans (GA)	Molinari	Walker
Evans (IA)	Moore	Wampler
Fountain	Murphy	Yatron
Hall, Ralph	Neal	Young (FL)
Harkin	Nelligan	
Hefner	Paxhayan	

NOT VOTING—32

Andrews	Goldwater	Markey
Anthony	Gramm	McCollum
Biaggi	Gregg	Miller (CA)
Brown (OH)	Hall (OH)	Rangel
Burton, John	Hinson	Rose
Cotter	Howard	Rosenthal
Crane, Philip	Jones (NC)	Roybal
Derrick	Lederer	Volkmer
Emery	Lent	Wortley
Fithian	Long (MD)	Zeferetti
Fuqua	Lundine	

□ 1230

The Clerk announced the following pairs:

Mr. Zeferetti with Mr. McCollum.
Mr. Biaggi with Mr. Wortley.
Mr. Derrick with Mr. Gregg.
Mr. Jones of North Carolina with Mr. Goldwater.
Mr. Rosenthal with Mr. Lederer.
Mr. Rangel with Mr. Gramm.
Mr. Howard with Mr. Hall of Ohio.
Mr. Long of Maryland with Mr. Philip M. Crane.
Mr. Fuqua with Mr. John L. Burton.
Mr. Fithian with Mr. Cotter.
Mr. Anthony with Mr. Brown of Ohio.
Mr. Rose with Mr. Lent.
Mr. Markey with Mr. Lundine.
Mr. Volkmer with Mr. Roybal.
Mr. Andrews with Mr. Miller of California.

Messrs. SHAW, DREIER, and PATMAN changed their votes from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ROSTENKOWSKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1553) to provide for a temporary increase in the public debt limit.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois (Mr. ROSTENKOWSKI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1553, with Mr. DANIELSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Illinois (Mr. ROSTENKOWSKI) will be recognized for 30 minutes, and the gentleman from New York (Mr. CONABLE) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

I. PRESENT LAW

Mr. Chairman, the public debt limit presently is $935.1 billion, consisting of a permanent limit of $400 billion and a temporary limit of $535.1 billion that is in effect through September 30, 1981. The present ceiling is consistent with the budget totals in the first concurrent budget resolution for fiscal year 1981, approved last June. At that time, the House believed that the increase to $935.1 billion would be sufficient for the Treasury Department's debt management purposes through the end of fiscal year 1981. However, budget prospects have changed significantly since then.

Several of the major increases in spending since the first resolution are as follows: $6 billion due to higher unemployment than originally expected; $12 billion due to higher interest rates than expected; $8 billion of additional defense spending; $10 billion resulting from higher inflation than expected; and $11 billion of additional nondefense spending.

The latest official estimates of the 1981 budget, which are included in the previous administration's budget for fiscal year 1982, show revenues of $607.5 billion, outlays of $662.7 billion and a deficit of $55.2 billion. Even these estimates may prove to be too optimistic because they are based on policy recommendations which call for a net tax increase in fiscal year 1981. Moreover, the Congressional Budget Office recently has estimated that the previous administration's budget involves $600 million more spending and $1.6 billion less revenue than the previous administration's own estimates.

II. ADMINISTRATION'S REQUEST

On Tuesday, the Secretary of the Treasury, Mr. Regan, and the Director of OMB, Mr. Stockman, appeared before the Ways and Means Committee and requested a $49.9 billion increase in the temporary limit which would raise the public debt limit to $985 billion. The administration testified that the present $935.1 billion limit is expected to be sufficient for meeting Treasury Department financing requirements only through mid-February. At the close of business on Friday, January 30, 1981, the outstanding debt subject to limit was $935.075 billion, only $25 million under the present ceiling.

The Reagan administration's request for an increase in the debt ceiling is based on the revised budget totals in the January 15 budget submitted by the previous administration. The new administration has not yet completed its reestimates of the budget totals and thus, could not recommend a new public debt limit consistent with its new fiscal and economic policies.

III. H.R. 1553

Tuesday afternoon, February 3, the Ways and Means Committee approved the request of the Reagan administration for this $50 billion increase in the debt ceiling to accommodate the financing needs of the administration through September 30, 1981. Thus, consistent with the administration's request, the total debt ceiling would be increased from $935.1 billion to $985 billion.

IV. CONSEQUENCES OF INACTION

In a letter of February 4, 1981, to all the Members of the House, asking for support of this debt ceiling increase, President Reagan outlines the reasons why this debt ceiling bill must be passed. The urgent need for approval of this increase will be felt this week. Tomorrow, Friday, February 6, the Treasury Department will announce an auction on February 13 for a refunding of $7.8 billion in maturing 13-week and 26-week bills. Some additional cash also would be raised to meet the increasing deficit. Without a new debt limit, bidders in the auction could not be assured that the Treasury will be able actually to issue all of the new securities when scheduled on February 19. Thus, failure to pass this debt ceiling increase in timely fashion could result in market disruptions and could impair the efficient management of the debt by the Treasury Department.

More importantly, the Federal Government faces the prospect of defaulting on its obligations if Congress does not act promptly. When the debt ceiling is reached, no new cash may be borrowed, and maturing issues could be refunded only to the extent of the

margin available under the current limit. After the operating cash balance has been exhausted, payments could not be made for routine governmental functions, such as, interest on the public debt, military and civilian payrolls, entitlement programs, aid to State and local governments, and various contracts with private companies for goods and services. In addition, failure to pass this debt ceiling increase promptly will actually result in unnecessary additional costs to the Federal Government. Treasury borrowing costs will be higher in the future, reflecting money market uncertainties about Federal debt management practices and prospects of another default.

V. CONCLUSION

Voting in favor of this debt ceiling increase is an uncomfortable vote for all Members. On past occasions, debt ceiling bills have often been the vehicle for political posturing and partisan squabbling. However, I ask all Members to put these considerations and temptations aside.

I have presented to the House the reasons why this debt ceiling increase must be passed—and must be passed quickly. An "aye" vote is a responsible vote because the bills of the Federal Government, which have already been incurred, must be paid. Thus, prompt passage of the debt ceiling increase is essential.

I urge my colleagues to support this important economic legislation.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I wonder if the gentleman would mind repeating the two figures that he gave that impacted the budget, the figure of unanticipated inflation and interest, as to how much those two increase the outlays of Government?

Mr. ROSTENKOWSKI. The major increases in spending since the first budget resolution are as follows: $6 billion due to higher unemployment than originally expected; $12 billion due to higher interest rates than expected; $8 billion of additional defense spending; $10 billion resulting from higher inflation than expected, and $11 billion of additional nondefense spending.

□ 1240

Mr. CAMPBELL. I thank the gentleman.

Mr. ROSTENKOWSKI. Mr. Chairman, I reserve the balance of my time.

Mr. CONABLE. Mr. Chairman, I yield myself 1 minute.

Despite the discomfort that always accompanies this vote and despite its potential for creating artificial crises, I believe this as a fiscal issue is comparatively nonsubstantive. Contrary to the perceptions that many people have, which I think are frequently based on misunderstanding, this is not a vote to approve new or expanded Government spending. It is a measure that permits the Government to pay the bills that are coming due on spending that was voted in the 96th Congress, as affected by the changed economy.

I intend to support the measure and I trust that it will pass. I think the Reagan administration is entitled to time to get its economic house in order and I believe the necessity that forces this vote should impel us to support the Reagan administration's economic initiatives when they become definitive.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. The time of the gentleman from New York (Mr. CONABLE) has expired.

Mr. CONABLE. Mr. Chairman, I yield myself 1 additional minute.

I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I would like to ask the gentleman from New York this question. In the additional views which the gentleman filed with the report of the Committee on Ways and Means in September 1979, the gentleman said:

> We refuse to vote for this increase in the public debt limit. Last year we served notice that we would no longer support the periodic increases in the debt ceiling. The way Congress handled the debt limit directly contradicts the goal of achieving a balanced budget and constitutes a futile and deceptive charade and contributes to evasion of congressional responsibility for a sound fiscal policy.

How do you reconcile this statement with your anticipated vote today?

Mr. CONABLE. I strongly supported, Mr. Chairman, the Gephardt proposal which would automatically raise the debt ceiling on passage of the budget. I have been deeply distressed by the hypocrisy frequently attending this vote in the past. I think the sooner we can get away from this comparatively nonsubstantive vote, the quicker the orderly administration of the Government is going to be achieved.

Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman, I, along with several of our colleagues, have opposed every effort to increase the debt ceiling, proposed by both Republican and Democratic Presidents as a protest against the profligate spending ways of our Government.

Those protests against irresponsible spending, joined in by millions of Americans, have been heard. Washington has been changed, America has been changed, and today we have a President who is committed to a budget which will provide the necessary spending restraints and I believe we have a Congress, on both sides of the aisle, which is prepared to support that spending restraint, so the purpose of the protest against spending is being achieved. The fundamental change so badly sought is underway and we should therefore get on with the distasteful necessity of passing this debt ceiling increase. To vote against it now, in the face of fundamental action to get spending under control is to give a new President a gratuitous slap in the face for a problem he obviously did not cause, indeed it is a serious national concern for which he represents the solution rather than the problem. So I urge passage of this distasteful necessity so we might get on with dealing with the substance of bringing the Federal budget under control.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, the administration has asked us to vote for this debt limitation increase. We have been told that this request is based on the previous administration's revised budget estimates with some built-in assumptions on the part of this administration.

I am disturbed at being asked to vote on a debt ceiling increase without a clear idea on what our new President will propose for cuts in spending. It is one thing to pass along memos to the press about what will be done and quite another to get the votes together and follow through. I wish this requested increase was a smaller amount.

In the meantime, I intend to vote for this increase, or some similar increase. As our dear former colleague Joe Waggonner said, you cannot vote against raising the national debt ceiling anymore than you can walk into a restaurant and refuse to pay the bill after enjoying a five-course meal. So, I think we have little alternative but to vote to cover the Government's obligations. It is our responsibility but it must also be on a nonpartisan basis. At the same time, we must look to the future to bring the budget under control to fit the amount of revenue we have.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. Mr. Chairman, as we continue our discussion, I think it is very important that we put this whole matter of the national debt and the budget deficit into perspective for the American people.

I find it very interesting, to say the least, that President Reagan has been forced to ask this Congress for an increase in the debt ceiling just 16 days after taking office. And the reason he has been forced to do this is crystal clear.

When the House voted to increase the national debt last spring, I, along with a number of colleagues, pointed out that the leadership of this House was using some very strange arithmetic to make the budget and debt picture look much better than it really was.

I recall one exchange, in particular, which I had with the distinguished majority leader. I stood here in this well on May 12 of last year to suggest that the budget which he and members of his party were touting as a balanced budget, was, in fact, based on some fancy election year figuring, that the budget was not balanced, and that in fact their so-called balanced budget was at least $50 billion out of whack.

Well, Mr. Chairman, the distinguished majority leader disagreed with me very strenuously. Here is what he said about the budget—and I quote:

> It is not only balanced, it has a $2 billion surplus. It not only has a $2 billion surplus, it has a $10½ billion cushion against contingencies.

Well, Mr. Chairman, I do not need to remind anyone in this Chamber today what has happened to that $2 billion surplus and that $10.5 billion cushion.

Today we are talking about a deficit of up to $60 billion. So I think it is very clear why we are engaged in this debate today. The grandiose debt and budget projections set by the Democratic leadership last spring were not worth the paper they were printed on—and nearly every economist and every Member in this Chamber realized this. They were set artificially low to deceive the American people as to just how irresponsible this Democrat-controlled Congress has been.

But Mr. Chairman, the American people did not buy it then, they did not buy it on November 4, and they are not now going to stand for this transparent effort to make our new President take the rap, after just 16 days in office, for their own wasteful spending habit which, unfortunately for the American people, this country is going to be paying for a long time.

Mr. EVANS of Delaware. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. Mr. Chairman, I thank the distinguished gentleman for yielding.

Today many Members of the House of Representatives, including myself, will be changing a voting pattern we have not deviated from since we were first elected to the Congress.

I have never supported a vote to increase the Federal debt limit since becoming a Member in 1977 because I had never seen any positive indication from the President, his administration officials, or the majority in Congress that there was any sincere and earnest desire on their part to stop the ever-increasing rate of Federal spending or to implement drastically needed cuts in existing programs.

Today, we see a new attitude toward Federal spending. President Reagan campaigned on a pledge to cut the rate of growth in Federal spending and to slash the budget of most departments. Now that he is in office, he and the chief economic officials in the administration are demonstrating the long-awaited willingness to tackle our Nation's economic problems head on.

The President is working to stop the past practice of excessive borrowing to pay Federal debts, but due to the manner in which the Federal budget system operates, he is operating under the handicap of the necessity to raise the debt ceiling.

The need to raise the ceiling is "really an item of old business"—to quote Director of the Office of Management and budget David Stockman.

Our President had nothing to do with the need for an additional $50 billion in borrowing power. He has played no role whatsoever in making an increase necessary. On the contrary, he promised during the campaign that he would cut back on the rate of the growth of expenditures by the Federal Government and he means it. Later this month, President Reagan will address a joint session of Congress and set forth the administration's specific proposals.

I have consistently stated that the exercise of fiscal restraint is an absolutely essential component in a comprehensive economic program designed to revitalize the American economy. However, in order to give the President, the Congress, and the executive branch the breathing space needed to formulate and implement this comprehensive economic program, we must increase the debt ceiling. This will allow essential Government services to continue and prevent chaos in financial markets.

We have a responsibility to act favorably on this legislation now with the full understanding that this administration and this Congress are pledged to implement a reduction in the rate of spending by the Federal Government.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 6 minutes to the gentleman from Georgia (Mr. JENKINS).

Mr. JENKINS. Mr. Chairman, it is always with great reluctance that I support any legislation that increases the debt limit of this Nation. While I have nothing but disgust for the manner in which this issue is constantly made into a conservative or a liberal vote, which it decidedly is not, I can understand the reasons. It is always made into a political issue simply because it can be a very effective political weapon. It has been used in the past and I am quite certain that it will continue to be a factor in many political campaigns in the future.

Nevertheless, if one will completely strip the issue of politics, then it surely becomes abundantly clear that the only responsible and honest vote is to support the extension. It is not an easy vote. It never has been, nor ever will be. You will not receive any letters or telephone calls from back home urging you to vote for it. As a matter of fact, you will probably lose some votes and support, if you do cast your vote for it. In other words, it is an unhappy duty of yours, for which there is no political mileage. The vote simply means that your Government intends to honor its debts, that the military and social security recipients and veterans will continue to receive their checks, and that you believe in a representative form of government where the collective judgments made by the legislative and executive branches of our governments, however distasteful they may be to you or I as individuals, will be honored and carried out.

I have listened to every conceivable reason Members have given for not voting for this issue in the past. They say "I did not create the debt," or "I have not voted for deficits and have no such obligation," or "This is my only way of protesting excessive Government spending." All of these arguments are without merit. The real reason that Members oppose this measure is that it is a difficult political vote, or because they want to use the vote to demagog back home against the opposite political party.

It is always amazing to me to hear Members say that they do not have any responsibility to vote for this measure because they did not vote for any deficits and are not obligated to honor the collective judgment of the executive and legislative branches of Government; and, at the same time justify their attempts to obtain every possible public works project or Government program for their districts, when they have opposed the measures creating those projects, upon the grounds that while they opposed the specific appropriation for such project, they have every right to see that their people get their fair share of such goodies. In other words, many Members accept the collective judgment of this body when they are on the receiving end, but they oppose the collective judgment of this body when they have to honor the debt to pay for Government expenditures.

All of you know from personal observation that my voting record has been one of the most conservative of any Member of my party during my 4 years in this House. Yet I have supported this legislation because I know there is no present alternative.

I do feel that the Republicans in the body now have the added responsibility on this issue to indicate to the American people that they have the

courage and capacity to lead, now that the torch of leadership has passed to their court. If they cannot demonstrate that capacity on this vote, then I shall never, never again ask conservative Democrats to give President Reagan any assistance on this troublesome issue.

Mr. Chairman, it does not take any courage to support tax cuts, or be for 2 percent across-the-board spending cuts without saying where those cuts will be, or to vote for twice-a-year COLA increases, or to vote to cut foreign aid, or to be against fraud and abuse and waste in Government spending. It does take some considerable degree of leadership to make the unpopular vote when you know that it has to be done for the Nation. I shall be watching their vote on this issue.

□ 1250

Mr. CONABLE. Mr. Chairman, I yield 4 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, I say in response to my colleague who was in the well before me that for the first time since I came to Congress 8 years ago I am voting today to raise the debt limit, not for partisan reasons, but because I see for the first time some glimmer of hope that we will begin to bring spending under control. Our new President is committed to reductions in Federal spending, and I have no doubt he will use the levers of power available to him to press the issue.

For the first time in my service here I have had special interest groups in my office saying to me, "We are willing to take our fair share of reductions in growth." The President certainly does not lack the will and determination for forceful leadership. We really have a chance to do something about our profligate spending.

Raising the debt limit today will allow the Government to operate while the President formulates and pushes his programs.

Mr. Chairman, it is a disagreeable task that confronts us now. We are asked to raise this ceiling by $50 billion to cover the Government's deficit spending through the final 7½ months of this fiscal year.

I would remind the House that this Government borrowing is a massive raid on capital needed by private industry. It will maintain pressure for high interest rates and this huge Government borrowing to finance its operations is a highly inflationary process of transferring capital to immediate consumption.

But we have been doing this for many years. Grandiose deficit spending has become a habit and the economic consequences are terrible.

If we fail to bring the growth rate of the Federal budget under control, the future offers nothing but economic decline and catastrophe. If we think this vote today is painful, I hope that every Member of the House will remember it when we get to the really tough business of voting on authorizations and appropriations bills for 1982 and the slowdown in growth that will be proposed for this fiscal year. If we do not make the tough decision on spending, we cannot avoid the decision of raising the debt ceiling.

Mr. PEYSER. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I am happy to yield.

Mr. PEYSER. The point I think the gentlewoman made is a very good one. I guess what I am curious about is that I notice in the RECORD that the first time that President Carter came to the Congress to make a request of just about the same amount of money as President Reagan is now making, which was really at the start of his administration, only 16 Republicans voted to give him that opportunity to just start.

Mrs. HOLT. I have always voted against increasing the debt ceiling because I saw no hope of making any changes in spending. When Mr. Carter came in, his people came before the Budget Committee; they laid out all of the big spending plans they had; there was no hope. There were no demands for curbing this kind of expenditure.

I see hope now. I voted against it in the Nixon administration. I voted against it in the Ford administration. I think this is a new day.

I do believe that we do have a new Congress here today. We have a new administration. We really have a new beginning. I believe that the last election not only changed the character of this Congress but it gave a powerful message from the people of this country really to curb our appetites.

The people are saying that today. So I think that we do have a chance and I vote for this legislation simply for that reason.

I yield back the balance of my time.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. CAMPBELL).

Mr. NAPIER. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from South Carolina.

Mr. NAPIER. Mr. Chairman, I am going to vote in favor of an increase in the debt ceiling, but it is not without reservation.

Simply put, the charges to the budget have already been incurred by previous administrations, and I am voting to give our President the authority to pay those prior obligations.

Our mandate, Mr. Chairman, in the 97th Congress is to turn this economy around. I believe the new President deserves our support in preserving continuity in the economy—in being sure the social security checks and VA checks are mailed on time—and I hope my colleagues will join me in voting aye. At this time, I feel there is really no responsible alternative.

Mr. CAMPBELL. Mr. Chairman, I rise in support of the effort to extend the debt limit. Let me say that I have in the past voted not to extend the debt limit, but I also have voted against the spending proposals that caused much of the debt limit extension to take place.

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To my colleagues on the Republican side I would say that for those of you who have voted against the spending programs in the past and have voted against the debt limit extensions in the past because you did not have confidence in an administration that would not use the veto to help halt spending, or would initiate programs to curtail Federal spending, you now have a new day and you have an opportunity, and you also have an obligation, to give your new President a chance.

To those on the other side of the aisle who did vote for the spending proposals in the past of the past administration that helped to incur the debt that we now live with, you also have an obligation to extend the Government operation over a period of time.

To those on the Democrat side who have voted constantly against spending proposals, you have no obligation to vote for the debt limit extension other than faith in a new administration, I would urge you to have that faith.

The chairman of the Committee on Ways and Means made a very strong point a moment ago on the causes for the increase when he pointed out that unanticipated inflation caused an increase of $10 billion, and interest payments caused an increase of $12 billion. Let me point out that this is the opportunity to recognize that reckless Government spending of the past must be brought under control by individual rescissions and in curtailments in budgeting authority next year.

The Reagan administration must deliver, or those of us who now stand in support will not stand here a year or so from now. But we in the Congress, if the proposals are given to us, must act on them or else the blame cannot rest with this new administration. In any case, at this point the burden rests on our shoulders to give this administration a chance and to proceed with the Government in a normal fashion.

Mr. Chairman, I yield back the remainder of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. GEPHARDT) who has had a longstanding interest in this bill.

Mr. GEPHARDT. I thank the gentleman.

Mr. Chairman, I urge the Members to vote for this debt ceiling increase with the understanding on all of our parts that this is, indeed, a ceremony without any possible substance. No issue of substance is decided today. We are simply making a ministerial act to back up, to ratify, to carry out decisions that we have made in the past. We have a corporate, almost familial responsibility to pass the debt ceiling today.

If you have voted against every appropriation, against every authorization, if you have not ever written a letter to any bureaucrat asking for any possible spending, you still have a responsibility today as a corporate responsibility to meet the debt. If you have a family, and a family member has the right to go out and make credit, to put down a credit card to buy something, when the bill comes, you have to pay the bill because you are a member of that family. So let us not make any mistake about who is responsible; we are all responsible for the debt that we all, by being Members of this body, have created.

Let me talk about another issue, though, that is very important to me, and it is that we do not need any ceremonies like this any more. The House has passed a procedure that puts this into the budget process where it belongs. When we passed our budgets last year, we raised the national debt ceiling. The only reason we are here today, the only reason the Committee on Ways and Means had to meet the other day and waste a lot of time, the only reason the Senate Finance Committee had to meet the other day and waste a lot of time, the only reason Dave Stockman had to come down here and spend 5 hours and waste his time, when he is trying to figure out the budget, the only reason we had to waste the time of the new Secretary of the Treasury is because, for some unknown reason, we cling to this ceremony as if it meant something.

Last year, because we did not pass the debt ceiling in time, we spent almost $11 million of the taxpayers' money because we fouled up the cash management at the Department of the Treasury, not to mention the thousands of hours that were spent on voting on this over 13 times in the last 2 years.

So my final plea, besides asking you to vote for it—hopefully, for the last time—is that in the days to come you will urge your friends in the other body, especially your friends on the Senate Finance Committee, to get a procedure in the other body that conforms with our procedure so we will not continue wasting the taxpayers' money holding meaningless ceremonies.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. PETRI).

Mr. PETRI. Mr. Chairman, the situation we are in is not analogous to that of a family deciding whether or not to make a new purchase.

Congress has to decide whether to pay our bills. And like any family you have to pay your bills if you want to maintain your credit rating and your respect as a member of the community.

The commitments, unfortunately, have been made as a result of past excesses. And we have no choice but to honor them.

So the question is not whether or not we are going to raise the debt limit. We will.

The question rather is, What political price, if any, will be extracted from the Reagan administration in exchange for raising the debt limit?

On this question I want to address the Members on my side of the aisle.

I can understand Members of the majority party voting in some considerable numbers not to raise the debt ceiling.

But I cannot understand members of the President's party who agree with his efforts to cut spending who are going to vote against the debt limit increase.

The consequence of their action will be that the Reagan administration will have to spend political capital on something they should not have to.

What does this mean? It means that they will have to cowtow to some person or another in this body or the other body and not go after some now supposedly sacred cow of a spending program.

All of this will make it that much harder to cut spending a little further down the road, make it that much harder to balance the budget, make it that much harder to put a cap on spending.

So the Reagan administration, which is trying to cut spending, will find its task that much more difficult. That is just the opposite of what our party is committed to doing.

One of my constituents expressed, perhaps more eloquently than I, the spirit we should bring to our deliberations.

He wrote: "I am not anxious to pay up to $2 for gasoline because our President deregulated the oil companies, but I will do it willingly."

My point is: The several past administrations have not done much to straighten out the souring economy but our new President is trying. We elected him. Every private citizen and elected official must bend over backward to make his ideas work.

If you like his ideas or not, Mr. PETRI, support them.

Past administrations have not done too well; let us give this guy a chance to live up to his promises.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. SHANNON).

Mr. SHANNON. Mr. Chairman, we come today once again to waste our time, the Government's time, the press time, discussing an issue of very little substance.

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The issue here today is not what course the country should take, not what we should or should not spend money on in the future, not what the level of taxation should be in the future. The issue is, very simply: Should the U.S. Government meet its past obligations?

Now, I must admit that the visceral Democratic reaction is to look to the Republican side and say, "This is a political opportunity." It is very satisfying to all of us to see so many of you, who have become so expert at throwing stones, find yourselves living in glass houses. But I do not think it is in the best interest of the country, of my party, or of your party to demagog this issue. I do not think it is in the best interest of the country to get bogged down at this point discussing an issue which really is not going to have much bearing on what we are going to be doing with the budget, with tax policy, and with the Nation's economy in the months ahead.

I know that there were some Members who were concerned because, in the past, this has been one of the litmus test issues for the Moral Majority. I do not think anybody's soul is in jeopardy if they vote for this increase in the debt ceiling. I think we have to get on with the Nation's business. The Democratic Party is not going to be irresponsible on this issue. The Democratic Party thinks that the people of the United States deserve a government that has a chance to succeed and an economy that is going to benefit everybody. We are going to have plenty of things to argue with the Republicans about in the next few months. This should not be one of them. So let us get the demagoguery behind us; let us get the symbolism behind us; let us get on with the Nation's business and let us get this debt ceiling lifted on a bipartisan basis at the beginning of the 97th Congress.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Chairman, I rise in opposition to this legislation which would bring the national debt to an astonishing $985 billion of debt, just $15 billion short of the incomprehensible $1 trillion mark. And I think that it is important for us to signal to the

American people that indeed there is a change in direction, and that change in direction, expressed so eloquently by the campaign rhetoric of last fall, must be translated today into the reality of not increasing the national debt to $985 billion.

I have played my part in voting for spending cuts, against budgets and appropriations bills that were excessive. And now the time has come for all of us to say to the American people, "Enough is enough." And $985 billion is too much.

We heard a lot of campaign rhetoric about the big spenders and the inflation builders because of Government spending. Well, let us see how the people who use that rhetoric vote on this issue. Indeed, let us remind ourselves of what many of these people said previously. Let us see how they vote before and see how they vote today. Some of the explanations I have heard today for people changing their votes to support increasing the debt limit are truly ingenious. They are classic examples of political legerdemain. They are some of the most amusing demonstrations of inconsistencies and political light-step toe dancing.

In preparing my remarks, I wanted to use the best arguments available to express to you my strong opposition to this proposal. In order to do this I went back to review previous debates on the issue. I would like to take this opportunity to read to you some of the excellent arguments some of our Republican colleagues have made against raising the debt ceiling in the past. These arguments, together with the massive vote by the American people last November to get the Government off their backs and out of their pockets, should be persuasive today.

I will not call the names of our colleagues when I quote now, but they know who they are and I will be happy to list their names, if requested. When the vote comes, I will be watching carefully to see how these articulate spokesmen vote to see if they, and others who voted against the debt ceiling increase previously, will vote the same way now.

In additional views, printed in the September 24, 1979, report of the Ways and Means Committee on the temporary public debt limit, two of its leading Republican members stated:

> We refuse to vote for this increase in the public debt limit.
>
> Last year we served notice that we would no longer support the periodic increases in the debt ceiling.
>
> The way Congress handles the debt limit directly contradicts the goal of achieving a balanced budget, constitutes a futile and deceptive charade, and contributes to evasion of congressional responsibility for a sound fiscal policy.

During the debate on this issue in the last Congress, I recall a gentleman from Minnesota said the following:

> The bill before us to increase the Federal debt ceiling is the symbol of profligate spending in the Congress * * * It is unfortunate that many of us who are more fiscally conservative cannot vote for it. Our vote against it is perhaps a feeble protest, but it is the only protest we have left.

I recall a gentleman from California making the statement:

> To increase the debt limit would be for this Congress to signal to the people that nothing has changed in our fiscal policies since the 1930's.

And the gentleman from California was right.

Another gentleman from California, during that same debate, said:

> We should be working to reduce the national debt, not to increase it.

A gentleman from Pennsylvania made the following argument:

> It is, indeed, unfortunate that it should be the position of just the minority party to say "no" to repeated deficits. All of us in the 96th Congress must make an effort to heed our constituents' pleas for a cutback in excessive Government spending. Rejecting an increase in the national debt ought to be the first step of many that this Congress takes toward the goal of a sound fiscal policy and a balanced budget, a goal that is earnestly desired by many millions of our fellow citizens.

During the debate a gentleman from Arizona stated:

> I intend to vote against this ceiling. It is one of the few ways we in the minority can express our protest over the reckless course of fiscal mismanagement being pursued by the majority. If this were a real ceiling, we gladly would support it. As it is, increases have become routine, and the debt ceiling serves chiefly as a reminder that it is time to repeat the process.
>
> This unending increase in the Government's borrowing authority is little more than a thermometer for inflationary fever. The raise that will be voted today is, in the long run, another coffin nail for the dying Democrat dollar.

A gentleman from Indiana argued strongly as follows:

> We are being asked today to approve a $38 billion increase in the temporary debt limit for the next 8 months. If we continue to increase the total deficit at that same rate, it will be less than 3 years before the total debt is over $1 trillion. A trillion dollar debt is not something that we should support. The only way to prevent that dubious benchmark in our history is by beginning today to refuse to allow further increases in the total debt.
>
> We must bring the Federal Government's spending habits under control. That seems to be the only way in which we can again have a strong economy. To authorize an additional increase in the temporary debt today will only act as a symbol to the citizens of this Nation that the Congress has yet to hear their demands for a sound fiscal policy. On the other hand, if we refuse to increase the debt, our constituents will, for the first time, know that this Congress is going to take whatever steps are necessary to bring the Federal budget under control.
>
> I strongly urge the defeat of H.R. 1894.

Another gentleman from Pennsylvania said:

> At the heart of our economic problems, in my opinion, is the policy the Federal Government has followed with alarming consistency over the past decade—the policy of spending more money than it takes in.
>
> When we talk of reordering priorities, we need look no further than this interest payment on the national debt to see one major area that could stand some reform.
>
> We cannot expect inflation to really be slowed, or the dollar to be really sound, until we decide to stop spending money as if it grew on trees instead of coming out of the taxpayer's pocket.
>
> I hope my colleagues will agree with me and say "Enough, Enough" and vote against this proposal.

And finally and most eloquently another gentleman from Pennsylvania declared his views:

> Mr. Chairman, the American people have a right to know that it is the Democrat administration and the Democrat majority in this Congress who are asking for an increase in the public debt ceiling. And, once again, the big spenders in the majority party are practicing their traditional philosophy of spend and borrow. What must the American taxpayer think of us today? I believe the answer to that question is simple. The American taxpayer is thinking and believing that the politicians and bureaucrats in Washington have, once again, turned their backs and closed their ears to a message that is sweeping this country from Maine to Hawaii. That message calls for fiscal responsibility, fiscal restraint, firm control, and cuts in the reckless policies of the Democrat big spenders in this Congress.
>
> Today we are not talking about a couple of billion dollars. We are talking about an increase in the public debt ceiling of $38 billion. The Democrats have been borrowing and spending us into the red for decades. The time has come for such fiscal and economic irresponsibility to stop, and the American people have the right to know that the Republicans oppose this increase. Indeed, the Republican Policy Committee, which I have the honor to chair, voted unanimously last week to oppose this increase, to vote it down. We are challenging the thoughtful Democrats in this Chamber to do just that, to join us, to join their Republican colleagues, and vote "no" on this bill.
>
> How can we possibly justify saddling not only our present generation but generations for years to come with this stiffling public debt? The Democrat big spenders have created a monster. One does not run around spending money here and there, paying bills first and then looking in the bankbook to find that there is not enough money to cover what has been spent. That makes no sense. And increasing the public debt ceiling several times each year makes even less sense. Let us begin looking at our bankbooks first.
>
> To those who argue that the debt ceiling must be raised to pay the Government's bills, we say: "It was not the Republicans who voted this country into an $800 billion debt. It was the Democrat majority." Let those who have danced to the Democrat big spenders' tune now vote to pay the piper.
>
> The gentleman from Virginia referred to this being a vote which did nothing more than make an honest woman. I say to that, let those who enjoyed the political pleasures in the boudoir of that woman that got us the deficit spending, let those political pleasure seekers now vote to pay the bill.

I believe we should listen carefully to the arguments being made today against increasing the debt limit and remember the excellent arguments made in the past on this same issue. The sentiments expressed in earlier debates are even more relevant today as we look at an even larger Federal deficit and an even larger public debt. The $985 billion debt means that every man, woman, and child in the United States have $4,348 of debt on his or her shoulders. We are indeed charging fur coats to our grandchildren. A $1 trillion national debt is just around the corner. Let us draw the line.

I urge you to make the commitment to reducing this deficit and reducing this debt by voting against this increase in the debt ceiling. Let us send a sign to the American people that the time to say "enough is enough" has finally arrived.

And, therefore, I ask my colleagues to join me in opposing this request for the increase in the public debt ceiling to $985 billion. I think those people were right when they said that before. I think that is what the American people signaled when they elected this new Congress. And we have come to the point today to put up or shut up. I think the time has come to back up our rhetoric with our votes.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Chairman, the gentleman made the statement earlier on that he believed that this debt ceiling should be much lower than what has come in at $985 billion. My understanding of the situation is that, in order to achieve that debt ceiling, we will have to cut out $15 billion in program spending for 1981, for the present fiscal year. Does the gentleman really believe that we can cut out more spending than that?

Mr. LEVITAS. At least that much.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, at the outset, I want to commend the gentleman from Massachusetts (Mr. SHANNON) for the most responsible statement that I have heard here today, and he is to be commended for it.

Mr. Chairman, I support H.R. 1553, to increase the temporary limit on the public debt.

Under current law, the permanent limit on the public debt is $400 billion, and the temporary limit provides an additional $535.1 billion through September 30, 1981.

Thus, the permanent and temporary debt limits together total $935.1 billion, which was consistent with the estimated surplus of $0.5 billion in the first budget resolution for fiscal 1981.

However, estimates for outlays and receipts have changed substantially. The current debt limit will accomodate estimated Treasury borrowing requirements only through about the middle of February.

The second budget resolution for fiscal 1981 projected a deficit of $27.4 billion, which would have required a debt limit of about $978.6 billion through fiscal 1981.

President Carter's budget for fiscal 1982 estimates the 1981 deficit at $55.2 billion, which would require a debt limit of approximately $987.3 billion through the end of fiscal 1981.

In testimony before the Committee on Ways and Means, Treasury Secretary Regan requested that the current debt limit be raised to $985 billion, which he estimated should be sufficient to accommodate Federal borrowing through fiscal 1981.

This request is based on the Carter budget estimates, and does not include the economic program to be submitted by the administration later this month.

In other words, we are voting today to close the books on the fiscal stewardship of the Carter administration.

Obligations have been incurred.

Bills must be paid.

The President received an overwhelming mandate to control inflation and Federal spending.

We should settle the debt limit issue for the remainder of this fiscal year, to give the new administration a fair opportunity to prepare and present its economic program to the people and to the Congress.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Chairman, the increase in the public debt limit to $985 billion through September 30, 1981, proposed by H.R. 1553 is a source of great concern. It is very sobering that this bill represents the seventh increase in the public debt limit since the start of my service in the 96th Congress. Moreover, the debt has doubled just in the past 7 years. Both in size and frequency these debt limit increases are symptomatic of the hemorrhaging of the Federal budget. The outstanding public debt at the end of fiscal year 1970 was $372.6 billion, but at the end of fiscal year 1980 it had escalated to $908.7 billion. If current trends continue, we will witness a national debt of over $1 trillion in fiscal year 1982.

We are faced with this looming debt increase because of the fiscal irresponsibility of the previous administration and past Congresses. The increase in the public debt limit contained in H.R. 1553 will not be used to finance new spending, but rather to finance obligations authorized and appropriated by the last Congress. I cannot help but feel that we have been left holding the bag.

There have been those in the past who attempted to trivialize longstanding conservative concern with the debt by suggesting that, "We only owe it to ourselves." Such a statement fails to incorporate the rising cost of servicing the debt and the profound economic consequences of Federal borrowing.

In 1970 interest paid on the debt was $20 billion, or 2.1 percent of our gross national product (GNP). In 1980, the interest paid was $75.2 billion, or 2.9 percent of GNP. The last budget submission of the former Carter administration estimated interest payments in fiscal year 1981 of $94.1 billion and in fiscal year 1982 of $106.5 billion. These surely are not idle figures. They represent a tremendous strain on the Federal budget at a time when we need to reduce, rather than increase, total Federal spending. Put differently, and perhaps more convincingly, we are presently paying roughly $300 million per day in interest on the national debt alone.

The public debt is costlier, however, than the extraordinary interest payments to holders of Government securities. We are told that higher than anticipated inflation, unemployment, and interest rates since adoption of the first budget resolution in June of last year triggered the increased outlays and reduced receipts largely responsible for this need to increase the public debt limit. No one disputes this development as I have just described it. However, those who use it to justify the increase in the debt, intentionally or unintentionally, distort the cause and effect relationship. Federal borrowing is largely the cause of, and not merely the effect of, these recent economic conditions.

Federal borrowing to finance the deficit, the trust fund surpluses, and federally assisted credit activities—which will be increased with the passage of H.R. 1553—siphons off funds from the Nation's credit markets. From 1968 to 1970, according to testimony by OMB Director David Stockman, the average borrowing of the Federal Government from the public was 8.9 percent of all funds raised in credit markets during that period. But in the period 1978–80, direct Federal borrowing, by comparison, accounted for 14.6 percent of all funds raised in credit markets. In addition, when federally assisted borrowing is added to the 14.6 percent figure for 1978–80, the combined impact reaches 26.6 percent of all funds raised in credit markets.

This reduction in the supply of credit market funds, all other things equal, has an upward pressure on interest rates. Unemployment goes up because of the downward impact of higher interest rates on interest-sensitive industries such as housing, automobiles, and consumer durable goods generally. The higher unemployment results in greater Federal spending, less revenue, a larger deficit, more borrowing to finance the deficit, and the cycle begins all over again.

Furthermore, Federal borrowing and its impact on credit markets affects inflation. Higher interest rates are passed through to consumers as a cost of doing business. The Consumer Price Index is very sensitive to changes in market interest rates. When interest rates rise, so does the CPI. In turn outlays for the many Government programs indexed to the CPI increase more than expected. Again, the deficit increases, we must borrow more money to finance the deficit, and the economic treadmill continues, all reinforced by the impact of Federal borrowing and excessive spending on expectations of investors, managers, and consumers.

In addition, fewer funds available in credit markets due to Federal borrowing leaves less financial capital available to the private sector for the purchase of the physical capital needed to improve plant and equipment. Failure to so modernize reduces our already negative net increases in productivity. Lower productivity adversely affects both inflation in the long term, and our ability to compete effectively in world markets.

If we are to escape the economic trap of the vicious cycles I have outlined we must understand the budget forces behind this impending increase in the public debt limit. We cannot afford to relearn the lesson of this experience the hard way—namely, that a nation's government cannot continue to spend more money than it takes in, year in and year out, and finance the difference. We can escape the trap by making sizable rescissions in the fiscal year 1981 budget and reduce the fiscal year 1982 budget well below the outlay estimates left behind as the appropriate legacy of the economic mismanagement of the Carter administration. My own budget study, for example, reveals where $56 billion could be taken out of the fiscal year 1981 budget. I am confident that many of my colleagues have their own worthwhile suggestions for budget cuts as well.

Unfortunately the increase in the debt presently before us is for the payment of obligations already incurred. By the time we reach this point in the process, the dirty work has already been done. The time to truly prevent debt limit increases is not to authorize and appropriate the spending in the first place. I hope that my colleagues on the other side of the aisle who are sudden converts to the cause of opposing debt limit increases will keep this in mind as the 97th Congress tackles the fiscal year 1981 and 1982 budgets in coming weeks.

Based on the foregoing, the only responsible vote on this issue is to oppose this proposed increase in the national debt. Only in so doing will we have the incentive to make the necessary reductions in spending in order to start this Nation on the road to an economic recovery.

□ 1320

Mr. CONABLE. Mr. Chairman, I now yield 3 minutes to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I appreciate the fact that our colleagues on the other side of the aisle during this debate did not turn this into a politicized partisan issue.

This is a distasteful vote for many of us on both sides of the aisle. But at the beginning of this new administration I do think we should clear the deck of this impediment to moving forward expeditiously on President Reagan's economic proposals so we will not have in the future to act so often and to such an ever-increasing degree on debt ceiling increases. I will vote for the increase today, but with the commitment to reducing the Federal budget this year. I urge my colleagues to vote for this issue and let us get on with the business of getting government under control.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Mississippi has yielded back 2 minutes.

Mr. CONABLE. Mr. Chairman, I now yield 1 minute to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, I appreciate the gentleman yielding. I just want to say that I intend to vote for the increase in the debt limit. As a matter of fact, I am sorry that the increase is not more, because I would like to see this vote be the last debt limit increase that we have. If we do not vote in the future to curb spending, we are going to be in such trouble that debt increase votes will be coming with greater regularity, and we will not be able to keep up with them.

I did not vote for the increases in spending that brought this circumstance, but I feel dutybound to see that we meet our bills.

As I told Chairman Volcker of the Federal Reserve in a hearing of the Joint Economic Committee this morning, we need an integrated economic policy to solve our basic economic problems, including our rising Federal debt. The Federal debt is a symptom, not a cause of our economic ills. Its huge increase in recent years reflects faulty economic policy going back several decades.

Since the days of the Great Depression, Government policy has concentrated on the demand side of the economy. It placed all policy variables on stop or go in an effort to either slow down or stimulate demand. The result has been a stagflation roller coaster with ever-rising peaks of unemployment, inflation, and Federal debt.

But modern economists, with the Joint Economic Committee in the forefront, have rediscovered the supply side of the economy. To fight inflation, unemployment, and rising Federal debt, we need a carefully integrated economic program that casts aside old-school Keynesian economics and puts in its place incentives to work, save, invest, and produce more. The goal and need is increased economic growth and reduced inflation.

The U.S. economy produced $2.6 trillion worth of goods and services last year. It could have been $3.75 trillion. Since 1950, the average growth of the U.S. economy in real terms has been 3.6 percent. Many of our industrial friends in Europe and in Japan have grown at annual rates averaging 5.5 to 6 percent. If the United States had grown an average of just 1.5 percentage points faster each year since 1950, at a rate of 5.1 percent, its GNP would now be $3.75 trillion.

With a $3.75 trillion economy, incomes would be 50 percent higher than at present. Jobs would be plentiful. Federal revenues this year would be $200 billion higher, enough to provide for a balanced budget, welfare reform, unquestioned military preeminence, and enough left over to reduce payroll and income taxes instead of raising them. In other words, we can reduce our Federal debt and solve our other economic problems if we can stimulate economic growth. How do we do that?

As I told Chairman Volcker this morning, the Joint Economic Committee has had the answers for several years now. We just need to implement them. Here is the package:

First, gradual reduction in the rate of growth in the money supply to fight inflation; and to pursue a steady monetary course;

Second, reduced growth of Federal spending to free up resources for the private sector to expand plant, equipment, and output;

Third, reduction of the tax barriers to saving and investment. A part of this package should be marginal rate cuts on personal taxes and, most importantly, incentives to saving; and

Fourth, reduce the burden of Federal regulation. This imposes off-budget spending requirements on the private sector in complying with the regulations.

Regarding tax policy, one of the best ways to increase savings is to separate individual taxable income into two

baskets, one consisting of personal service income; the other consisting of income from savings. Under current law, unearned or investment income is tacked on to earned income and is taxed at very high marginal rates for all taxpayers. This discourages saving. Under my proposal each basket of income would be taxed at rates ranging from 14 percent in the lowest bracket to 50 percent at the top. Such a program would greatly stimulate saving at all levels of income.

The foregoing policy package is sound, is workable, and is the best hope for our economic salvation.

Achieving fiscal control over outlays and Treasury borrowing—which increases the Federal debt—cannot be conducted as an accounting exercise or exclusively through legislated spending cuts in the orthodox sense. Only a comprehensive economic package that spurs output and economic growth and lowers inflationary expectations and interest rates has any hope of stopping the discouraging rise in the Federal debt.

Federal spending and Federal deficits arise mostly from our poor economic performance. Unemployment insurance, welfare payments, and rising entitlement outlays are due to a sluggish economy. Inflation drives up the cost of debt servicing and also boosts entitlement outlays because of indexing. These are examples of Federal outlays that increased economic growth can cure. The policy prescription of the Joint Economic Committee will bring renewed health to the economy and will take the pressure off our Federal debt.

Mr. CONABLE. Mr. Chairman, I now yield 1 minute to the gentleman from Utah (Mr. MARRIOTT).

Mr. MARRIOTT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of increasing the public debt.

Increasing the public debt to $985 billion, some $50 billion in increases, does not make any of us very happy. But the facts of life are that its absolutely the necessary and prudent thing to do under the circumstances. We should take the positive approach now in getting the economy squared away. President Reagan has absolutely no choice but to ask for an increase in the public debt ceiling because he has the obligation of paying off Carter's promises. We have an obligation now to trim the budget, to get back to a spending limitation program. We are not going to do that by shutting down the wheels of Government or by protesting. We need to hold President Reagan to his promises and give him the tools he needs now to make his plan work. Controlling the public debt starts with controlling obligations, not by refusing to honor previously made obligations.

My vote today in no way should be implied that I condone what has happened in the past in irresponsible spending, but it does say that I am willing to support the Reagan administration and to give them my vote of confidence. I will do all I can to help the administration make good on their promises, to balance the budget, to keep the debt increases from expanding, and to eventually get this country going again on the right track. In this vote we can send a negative message to the American people that we are as confused as they are, or we can support the President's efforts.

Let us vote to back the administration and close the door on the last of Carter's budget boondoggles, and open the door to fiscal responsibility.

Mr. CONABLE. Mr. Chairman, I now yield the balance of my time to the gentleman from New York (Mr. KEMP).

The CHAIRMAN. The gentleman from New York (Mr. KEMP) is recognized for 5 minutes.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I will be happy to yield to my colleague from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding. I rise in support of this vote to increase the debt limit. I think it is time to get this Nation on the right track. I think we are going to do that, and I think the only reasonable and responsible course is to vote for this legislation.

Mr. KEMP. Mr. Chairman, I will be casting my vote today in favor of this increase in the temporary debt limit as an expression of confidence in our new President and the team he has assembled to help get America moving again. President Reagan has committed himself to submit to the Congress in mid-February a comprehensive economic program which will include major reductions in Federal spending and which will significantly reduce the rate of growth of Federal borrowing, and has committed himself to reducing the tax burden on the American people to encourage economic growth. I believe that he will do these things, and we must help him implement a rational, coordinated economic policy by expeditiously disposing of this last housekeeping item on the old agenda. This vote is a vote of confidence in President Reagan's agenda to stabilize the budget and create new jobs.

This increase in the debt limit is necessary because of spending commitments made before President Reagan assumed control of the Government. The Reagan administration's request for an increase in the debt limit does not and will not represent business as usual. The dismal condition of our economy and the Government commitments it has inherited leave us no choice but to increase the debt limit. Since the present debt limit of $935.1 billion was adopted last year to extend through September 31, 1981, economic conditions, high levels of inflation and interest rates, and increases on budget and off budget financing by the Federal Government have touched off a virtual explosion in Federal borrowing.

While I have been one who has consistently voted against increases in the debt limit in the past, I believe that we are voting on this increase in a new context. A vote in favor of increasing the limit in the past was a vote to condone the misguided demand management economic policies of the past few decades. These were policies that assumed that Government spending produced real economic growth. The Reagan administration is prepared to abandon these misguided policies that have produced the economic stagflation we are suffering, and to pursue policies that are premised on the belief that individual initiative is the source of economic growth. It is our responsibility in the Congress to help the new administration make a smooth transition to these new policies.

If the Congress were to defeat this increase in the debt limit, it would be a signal to the American people and the already shaky financial markets that the Congress and the administration will not be able to work together to enact a comprehensive economic package. As much as anything, the financial markets need a measure of certainty that the Federal Government finances will be handled in a coordinated and rational way. We also need to assure the American people that we will do nothing to threaten the security net of Government services upon which they have come to depend until we restore their opportunities to better themselves economically. An increase in the debt limit to $985 billion is an amount sufficient, subject to the timing and nature of the economic program, to finance the Government's obligations through fiscal 1981. This approach will provide time for Congress and the new administration to work together to implement the economic program and to develop an appropriate debt limit for fiscal 1982.

Failure to raise the debt limit when necessary increases the risk of a default by the U.S. Government. At a minimum, failure to enact the debt limit legislation could lead to postponement of Treasury auctions, market disruptions, higher costs to the Government, and a suspension of the sales of savings bonds. Taken to the extreme, the possibility exists that social security and other Government checks could not be issued if Treasury cash balances were exhausted and there was no authority to issue new debt.

The new administration deserves a chance to implement its economic program without this uncertainty and disruption. The Congress needs to give this administration an opportunity to show that it can run this Government and bring its finances under control. I hope this Congress will give President Reagan that opportunity by voting to increase the temporary debt limit and thereby give him the time he needs to implement his economic program, and I thank our colleagues on the majority side of the aisle for their bipartisan support and comments.

□ 1330

The CHAIRMAN. The Chair will state that the gentleman from Illinois (Mr. ROSTENKOWSKI) has 7 minutes remaining.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 5 minutes to the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, an "aye" vote on this resolution is clearly the responsible vote. It is not very productive to question why we are at this pass. We are here.

The choice that confronts us is not a question of whether we approve of big deficits; rather, it is a question of whether we want the Government of the United States to be able to pay its bills. Through the actions of the Congress and the administration, we have reached the point at which the debt ceiling needs to be extended, and the President of the United States has asked us to act today to extend that debt ceiling in order that he can put into effect the programs that he is charged by the Constitution of the United States with putting into effect.

Some of the Members on my side of the aisle have raised questions. "Why," one of them asked, "must I vote for this today when my opponent in the last election excoriated me publicly and tried to portray my votes for the debt ceiling erroneously as big spending votes?"

Well, the only answer to that is: "Because it is the responsible thing to do."

Another Member asked, "Well, since the Members on the Republican side did not give a majority vote to support the extension of the debt ceiling on any of those occasions when our President, President Carter, was in office, why should we bail out their President?"

Well, I think the answer to that is quite simple, too: Because he is not just their President, he is our President, he is the President of all of us, and this is our first and best opportunity to demonstrate that we have the capacity to be responsible, to join ranks, and to give to the new President every opportunity and every chance that the American people desire for him to have.

International adventurers the world over need to understand clearly that when the President of the United States speaks for this Nation in the councils of the world, he speaks for all of us, for a nation united in purpose and capable of a sustained commitment. Our friends and allies throughout the world need to understand that our commitments are reliable and impervious to the corrosive acids of internal political division.

So I ask my colleagues on my side of the aisle to give today a convincing demonstration of what our party and what our country are all about—not confrontation but cooperation and standing together at this time, when the reins of Government have changed hands, in a united determination that we are going to make it work come what may.

Mr. Chairman, to do that, I ask that all of us who can do so cast an "aye" vote and make that demonstration clear to America and clear to the world.

● Mr. HAGEDORN. Mr. Chairman, I rise in support of H.R. 1553, to raise the national debt limit. While I have been a strong and ardent opponent to these measures in the past—and an opponent of programs which require us to raise the debt ceiling—the Reagan administration deserves the support of all Republican Members.

The arguments that I and my Republican colleagues have used in the past to oppose increases in the debt limit are still valid today. But we should remember that it is not the Reagan administration policies that require us to raise the limit. The fact of the matter is that we have no choice but to increase the national debt limit if we plan to honor the commitments already made by the Government. And I think the Reagan administration deserves our support so that it can have a chance to enact its economic program in an atmosphere that focuses on our economic future instead of problems of the past.

I do deserve the right, however, to withhold my future support for such measures if the administration fails to live up to its promises of cutting Federal spending and reducing taxes. In short, if, after a period of time, the Reagan economic policies result in increases in the national debt limit, I and other Republicans will be back here voicing our strong opposition.●

● Mr. LELAND. Mr. Chairman, due to official business in my congressional district, that I was committed for prior to the issuance of the temporary debt limit increase, I regret that I am unable to be present today for House floor activities.

However, I have paired my vote with that of House majority leader, THOMAS S. FOLEY, and am in support of passage of this bill.●

● Mr. SAWYER. Mr. Chairman, the U.S. economy is in urgent need of revitalization. Every American is suffering today because of double-digit inflation, double-digit interest rates, and rising unemployment. The people in my home State of Michigan have been particularly hit hard by this economic squeeze.

We need drastic and immediate action to set the American economy right again. I am confident the new Reagan administration is willing and able to lead this Nation toward economic recovery through major reductions in Federal spending and tax rate reduction.

The legislation we are considering today to increase the Federal debt limit is an uncomfortable one for me. During my 4 years in Congress I have consistently voted against the deficit budgets proposed by the previous administration, and I have never voted to raise the debt limit.

Nevertheless, I am prepared to vote for this resolution with the assurance that this is a one-time increase made necessary by an inherited swollen Federal budget in fiscal 1981 which is now estimated to be $55 billion in deficit, a shocking amount when less than 1 year ago the Democratic majority in Congress planned to balance the budget in 1981. Clearly, we now have no choice but to approve this increase which would otherwise cause the Federal Government to default on its financial obligations, including such items as the issuance of social security checks, payroll checks, and interest on its bonds.

The outlook for 1982 is not rosy. The budget deficit in the fiscal year 1982 Carter budget is estimated to be about $27 billion. The Carter budget also proposed $24 billion in tax increases for fiscal year 1982 and significantly underestimated outlays in several areas. Thus, without major alteration, the budget deficit for 1982 is little better than for the current fiscal year.

I am confident that the action which we take today will demonstrate to our new President that the Congress is willing to work with him toward solving our Nation's economic problems. At the same time, I want to emphasize this does not represent any departure from my strong support for a balanced Federal budget and opposition to deficit Federal spending.●

● Mr. SHELBY. Mr. Chairman, today we are being asked as an item of old business to vote to increase the public debt ceiling by $50 billion. This would raise the limit to $985 billion. As I consistently did in the 96th Congress, I intend to vote against this proposed increase and request my colleagues to do likewise. I am certain that in the not too distant future, we will be asked to raise the limit placed on conditions

of the economy and Government commitments we have inherited.

All too often my constituents tell me that the Federal Government is going to have to learn to live within its budget just as everyone else. This is just one reminder that the public is becoming increasingly convinced that Government fiscal policies—particularly massive and chronic deficits—are the root of our general economic instability, and specifically the cause of inflation. Citizens are turning deaf ears to excuses which continue shifting the blame away from the Government itself, and the public frustration over inept Government fiscal policies is mirrored in grassroots movements for legislation and even constitutional amendments to mandate Federal spending limitations, Federal taxing power limitations, and a balanced Federal budget.

This situation has arisen because the administration and Congress for the last half century have defined budget control in terms of neo-Keynesian fiscal policy. This policy justifies deficits in bad times to counter recessions, deficits in periods of recovery in order to maintain the recovery, and deficits in good times in order to fight off the recession that is predicted to be around the corner.

In short, the vast majority of the citizens of the Nation finds themselves compelled to resort to extraordinary measures in an increasingly desperate attempt to regain control of their economic and social well-being. All of these efforts are directed at the same problem—irresponsible Government fiscal policy which has produced ravaging inflation and reduced real personal income since 1973; not to mention the infringement on personal liberties.

The Federal budget is out of control. Year after year, Congress blithely appropriates tax dollars for Federal programs regardless of their importance or effectiveness. As a result, the Federal debt has grown to the mammoth proportions that we are presented with today. The consequences of rejecting a debt limit increase pale in comparison to the consequences of constantly allowing wasteful Federal spending. It is time we responded to the demands of our constituents. A vote to increase the debt ceiling is a ratification of fiscally irresponsible behavior.●

●Mr. WILLIAM J. COYNE. Mr. Chairman, I support H.R. 1553, the temporary public debt limit increase. The present debt ceiling limit is $935.1 billion, $400 billion of which consists of a permanent ceiling. The balance, $535.1 billion, is a temporary debt ceiling.

The new administration has requested a $50 billion increase in the debt ceiling limitation. The debt ceiling would remain permanent; the balance of $585 billion would be the new temporary debt ceiling.

This temporary ceiling would be effective through September 30, 1981.

Mr. Chairman, the Congress has over the years committed this country to certain policies, the implementation of which require the expenditure of Federal funds. In order to meet those obligations, now that the bills are due, we can either choose not to pay those bills or to pay the bills. The latter course of action, also known as fiscal responsibility, requires that we raise in the debt ceiling limitation.

We must honor the commitments made by previous Congresses and, in order to accomplish that, we must raise the debt ceiling. I urge my colleagues to support this legislation and to avoid the flights of rhetoric to which some on the other side of the aisle, might have been given during the days preceding the November election.

The adoption of the legislation before us today will permit the Federal Government to meet its responsibilities to social security beneficiaries, to the unemployed, and to the many other individuals to whom we have made promises. If we fail to adopt this resolution the Federal Government will not be able to meet its obligations after February 18, 1981, when it is estimated that the Government expenditures will exceed the debt ceiling limitation.

Mr. Chairman, I urge adoption of H.R. 1553.●

Mr. ROSTENKOWSKI. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time having expired, pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule. No amendments are in order except amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment.

The text of the bill is as follows:

H.R. 1553

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, during the period beginning on the date of the enactment of this Act and ending on September 30, 1981, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased by $585,000,000,000 (and any other provision of law providing for a temporary increase in such limit shall not apply).

The CHAIRMAN. Are there any amendments from the Committee on Ways and Means?

Mr. ROSTENKOWSKI. There are no amendments, Mr. Chairman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DANIELSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1553) to provide for a temporary increase in the public debt limit, pursuant to House Resolution 54, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ROUSSELOT. I certainly am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ROUSSELOT moves to recommit the bill, H.R. 1553, to the Committee on Ways and Means.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DOWNEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 305, nays 104, present 1, not voting 22, as follows:

[Roll No. 10]

YEAS—305

Addabbo	Bethune	Burgener
Albosta	Biaggi	Burton, Phillip
Alexander	Bingham	Butler
Annunzio	Blanchard	Campbell
Anthony	Bliley	Cheney
Archer	Boggs	Chisholm
Aspin	Boland	Clausen
Badham	Bolling	Clinger
Bafalis	Bonior	Coats
Bailey (MO)	Bonker	Coelho
Bailey (PA)	Bowen	Coleman
Barnes	Brinkley	Collins (IL)
Beard	Brodhead	Conable
Bedell	Broomfield	Conte
Beilenson	Brown (CA)	Conyers
Benedict	Brown (CO)	Corcoran
Benjamin	Brown (OH)	Coughlin
Bereuter	Broyhill	Courter
Coyne, James	Hyde	Rhodes
Coyne, William	Ireland	Richmond
Crockett	Jeffords	Rinaldo
Daniel, Dan	Jenkins	Ritter
Daniel, R. W.	Jones (NC)	Roberts (KS)
Danielson	Jones (OK)	Robinson
Daub	Kemp	Rodino
Davis	Kildee	Roe
Deckard	Kindness	Roemer
Derwinski	Kogovsek	Rogers
Dickinson	Kramer	Rostenkowski
Dicks	LaFalce	Roukema
Dingell	Lagomarsino	Rudd
Dixon	Latta	Russo
Donnelly	Leach	Sabo
Dorgan	LeBoutillier	Savage
Dornan	Lee	Sawyer
Dougherty	Lehman	Scheuer
Downey	Lent	Schneider
Duncan	Lewis	Schulze
Dwyer	Livingston	Schumer
Dymally	Loeffler	Seiberling
Edwards (AL)	Long (LA)	Shamansky
Edwards (CA)	Long (MD)	Shannon
Edwards (OK)	Lott	Sharp
Emerson	Lowery	Shaw
Emery	Lowry	Shumway
Erdahl	Luken	Shuster
Erlenborn	Lungren	Simon
Ertel	Madigan	Skeen
Evans (DE)	Markey	Skelton
Fary	Marks	Smith (AL)
Pascell	Marlenee	Smith (IA)
Fenwick	Marriott	Smith (NE)
Fiedler	Martin (IL)	Smith (NJ)
Findley	Martin (NC)	Snowe
Fish	Martin (NY)	Snyder
Florio	Matsui	Solars
Foglietta	Mavroules	St Germain
Foley	Mazzoli	Stangeland
Ford (MI)	McClory	Stanton
Ford (TN)	McCloskey	Stark
Forsythe	McDade	Stenholm
Fowler	McEwen	Stokes
Frank	McHugh	Stratton
Frenzel	McKinney	Studds
Frost	Mica	Swift
Garcia	Michel	Synar
Gejdenson	Mineta	Tauke
Gephardt	Minish	Taylor
Gibbons	Mitchell (MD)	Thomas
Gilman	Mitchell (NY)	Traxler
Gingrich	Moakley	Trible
Ginn	Moffett	Udall
Glickman	Mollohan	Vander Jagt
Gonzalez	Montgomery	Vento
Goodling	Morrison	Walgren
Gore	Murtha	Walker
Gradison	Napier	Wampler
Gramm	Natcher	Washington
Gray	Neiligan	Waxman
Green	Nelson	Weber (MN)
Grisham	Nowak	Weber (OH)
Guarini	O'Brien	Weiss
Guyer	Oakar	White
Hagedorn	Oberstar	Whitehurst
Hamilton	Panetta	Whitley
Hammerschmidt	Parris	Whittaker
Hance	Patterson	Whitten
Hartnett	Pease	Williams (MT)
Hatcher	Pepper	Williams (OH)
Hawkins	Perkins	Wilson
Heckler	Petri	Winn
Hefner	Peyser	Wirth
Hightower	Pickle	Wolf
Hiler	Porter	Wolpe
Hillis	Price	Wortley
Holland	Pritchard	Wright
Hollenbeck	Purnell	Wylie
Holt	Quillen	Yates
Hopkins	Rahback	Young (AK)
Horton	Ratchford	Young (FL)
Hunter	Regula	Zablocki
Hutto	Reuss	

NAYS—104

Akaka	Boner	Clay
Anderson	Bouquard	Collins (TX)
Applegate	Breaux	Craig
Ashbrook	Brooks	Crane, Daniel
Atkinson	Byron	Crane, Philip
AuCoin	Carman	D'Amours
Barnard	Carney	Dannemeyer
Bennett	Chappell	Daschle
Bevill	Chapple	de la Garza
Dellums	Hertel	Myers
DeNardis	Hubbard	Neal
Derrick	Huckaby	Nichols
Dreier	Hughes	Obey
Dunn	Jacobs	Ottinger
Dyson	Jeffries	Pashayan
Early	Johnston	Patman
Eckart	Jones (TN)	Paul
Edgar	Kastenmeier	Roberts (SD)
English	Kazen	Roth
Evans (GA)	Lantos	Rousselot
Evans (IA)	Leath	Santini
Evans (IN)	Levitas	Schroeder
Ferraro	Lujan	Sensenbrenner
Fields	Mattox	Shelby
Flippo	McCurdy	Smith (OR)
Fountain	McDonald	Spence
Gaydos	McGrath	Staton
Gunderson	Mikulski	Stump
Hall, Ralph	Miller (CA)	Tauzin
Hall, Sam	Miller (OH)	Watkins
Hansen (ID)	Molinari	Weaver
Hansen (UT)	Moore	Wyden
Harkin	Moorhead	Yatron
Heftel	Motti	Young (MO)
Hendon	Murphy	

ANSWERED "PRESENT"—1

Solomon

NOT VOTING—22

Andrews	Hall (OH)	Rangel
Burton, John	Hinson	Rose
Cotter	Howard	Rosenthal
Fazio	Lederer	Roybal
Fithian	Leland	Volkmer
Fuqua	Lundine	Zeferetti
Goldwater	McCollum	
Gregg	Rahall	

□ 1350

The Clerk announced the following pairs:

On this vote:

Mr. Rahall for, with Mr. Zeferetti against.

Mr. Howard for, with Mr. Volkmer against.

Mr. Rangel for, with Mr. Fithian against.

Mr. Gregg for, with Mr. Solomon against.

Until further notice:

Mr. Leland with Mr. McCollum.

Mr. Rosenthal with Mr. Goldwater.

Mr. Fuqua with Mr. Cotter.

Mr. Fazio with Mr. John L. Burton.

Mr. Lundine with Mr. Rose.

Mr. Roybal with Mr. Hall of Ohio.

Mr. Lederer with Mr. Andrews.

Mr. WEISS changed his vote from "nay" to "yea."

Mr. SOLOMON. Mr. Speaker, on this vote I have a live pair with the gentleman from New Hampshire (Mr. GREGG). Had he been present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. RAHALL. Mr. Speaker, on the last rollcall, rollcall No. 10, I was unavoidably detained over in the Senate side of the Capitol. Had I been present and voting, I would have voted in the affirmative.

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks and that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 1553, just passed.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DELAWARE HONORS FORMER HOSTAGE SGT. GREGORY PERSINGER

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. EVANS of Delaware. Mr. Speaker, this Sunday, February 8, the citizens of Delaware will be honoring Marine Sgt. Gregory Persinger, one of the 52 Americans recently freed from nearly 15 months of imprisonment in Iran.

The city of Seaford will be welcoming home one of its own and the entire State will be paying homage to this brave individual.

I plan to be present for this official welcome home for Greg to share the concern that my colleagues in the Congress had for all of these Americans. I would like to share with my colleagues at this time the official welcoming resolution passed by the Delaware General Assembly and sponsored by the officials elected from Greg's home area, State Representative Tina Fallon, of Seaford, State Senator Lee Littleton, of Laurel, and State Senator Thurman Adams, of Bridgeville. A copy of this resolution honoring Sergeant Persinger follows:

PERSINGER RESOLUTION

DOVER.—The Delaware General Assembly on Jan. 21 unanimously passed House Concurrent Resolution No. 6 as part of the State of Delaware's official welcome home to native son Marine Sgt. Gregory A. Persinger of Seaford after 444 days of captivity as a hostage in Iran.

The prime sponsors for the resolution were State Rep. Tina Fallon (R-Seaford), State Sen. Lee Littleton (R-Laurel) and State Sen. Thurman Adams (D-Bridgeville). All members of the House of Representatives and State Senate co-sponsored the resolution.

The resolution follows in full:

[House of Representatives, 131st General Assembly]

HOUSE CONCURRENT RESOLUTION NO. 6

Whereas, Sergeant Gregory A. Persinger, of Seaford, a member of the Marine Corps of the United States, was one of the 52 hostages taken by Iran on November 4, 1979; and

Whereas, Sergent Persinger, who celebrated his 23rd birthday on Christmas Day, 1980, is the son of Lawrence V. and Jackie Persinger of Seaford; and

Whereas, Sergeant Persinger, enlisted in the Marines soon after his graduation from Seaford High School in 1976; and

Whereas, Sergeant Persinger had completed embassy guard training and had been in Tehran a short time when the Iranian militants seized the hostages; and

Whereas, through the 444 days of confinement Sergeant Persinger demonstrated the courage and dignity that are characteristic of members of the Marine Corps; and

Whereas, Sergeant Persinger, when he has completed the debriefing and comes home to his family will receive a hero's welcome from the people of Seaford with whom we join in this greeting; and

Whereas, in the excitement of the return of Sergeant Persinger we should not lose sight of the fact that every precaution should be taken to prevent another sorry episode of this magnitude so that the members of our consular service and our armed forces may pursue their peacetime activities without fear of molestation; and

Whereas, the example set by Sergeant Persinger provides an inspiration for all of us; and

Whereas, as we welcome Sergeant Persinger upon his return let us remember that our prayers have been answered for him and the other hostages: Now, therefore, be it

Resolved that the House of Representatives of the 131st General Assembly of Delaware, the Senate concurring, welcomes home Sergeant Gregory A. Persinger, of Seaford, one of the 52 hostages held for 444 days by Iran.

Be it further resolved that we commend Sergeant Persinger for his courage and dignity under harsh and unusual circumstances.

Be it further resolved that we join with Lawrence V. and Jackie Persinger, his parents, in expressing our thanks that our prayers for his safe return have been answered.

Be it further resolved that a copy of this resolution, suitably prepared, be delivered to Sergeant Persinger.

APPOINTMENT AS MEMBERS EX-OFFICIO OF BOARD OF TRUSTEES OF JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

The SPEAKER. Pursuant to the provisions of section 2(a), Public Law 85-874, as amended, the Chair appoints as members ex-officio of the Board of Trustees of the John F. Kennedy Center for the Performing Arts the following Members on the part of the House:

Mr. YATES of Illinois; Mr. WILSON of Texas; and Mr. McDADE of Pennsylvania.

APPOINTMENT AS MEMBERS OF SELECT COMMITTEE ON AGING

The SPEAKER. Pursuant to clauses 6 (e) and (g) of rule X, the Chair appoints as members of the Select Committee on Aging the following Members of the House:

Mr. PEPPER of Florida, chairman; Mr. ROYBAL of California; Mr. BIAGGI of New York; Mr. ANDREWS of North Carolina; Mr. JOHN L. BURTON of California; Mr. BONKER of Washington; Mr. DOWNEY of New York; Mr. FLORIO of New Jersey; Mr. FORD of Tennessee; Mr. HUGHES of New Jersey; Mrs. BOUQUARD of Tennessee; Mr. SANTINI of Nevada; Mr. EVANS of Indiana; Mr. LUNDINE of New York; Ms. OAKAR of Ohio; Mr. LUKEN of Ohio; Ms. FERRARO of New York; Mrs. BYRON of Maryland; Mr. RATCHFORD of Connecticut; Mr. MICA of Florida; Mr. WAXMAN of California; Mr. SYNAR of Oklahoma; Mr. ATKINSON of Pennsylvania; Mr. DERRICK of South Carolina; Mr. VENTO of Minnesota; Mr. FRANK of Massachusetts; Mr. LANTOS of California; Mr. SHAMANSKY of Ohio; Mr. WYDEN of Oregon; Mr. RINALDO of New Jersey; Mr. WAMPLER of Virginia; Mr. HAMMERSCHMIDT of Arkansas; Mr. MARKS of Pennsylvania; Mr. REGULA of Ohio; Mr. DORNAN of California; Mr. SHUMWAY of California; Mrs. SNOWE of Maine; Mr. LUNGREN of California; Mrs. FENWICK of New Jersey; Mr. JEFFORDS of Vermont; Mr. BEREUTER of Nebraska; Mr. TAUKE of Iowa; Mr. PETRI of Wisconsin; Mr. GREGG of New Hampshire; Mr. COATS of Indiana; Mr. WORTLEY of New York; Mr. DAUB of Nebraska; Mr. CRAIG of Idaho; Mr. ROBERTS of Kansas; Mr. HENDON of North Carolina and Mr. CARMAN of New York.

RESIGNATION AS MEMBER OF COMMITTEE ON BUDGET

The SPEAKER laid before the House the following resignation as a member of the Committee on the Budget:

WASHINGTON, D.C.,
February 5, 1981.

Hon. THOMAS P. O'NEILL,
Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: In view of additional subcommittee duties on the House Appropriations Committee, I would at this time like to withdraw as a member of the Committee on Budget, a position I hold as a representative of the House Appropriations Committee.

With every good wish,
Sincerely,

ELDON RUDD,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION AS MEMBERS OF COMMITTEE ON BUDGET

Mr. MICHEL. Mr. Speaker, I send to the desk a resolution (H. Res. 60) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 60

Resolved, That Jack F. Kemp, of New York, and James G. Martin, of North Carolina be and hereby are elected as members of the Committee on the Budget.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1400

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Oregon (Mr. AUCOIN).

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT OF THE HOUSE FROM FRIDAY, FEBRUARY 6, 1981, TO TUESDAY, FEBRUARY 17, 1981, AND ADJOURNMENT OF THE SENATE FROM FRIDAY, FEBRUARY 6, 1981, TO MONDAY, FEBRUARY 16, 1981

Mr. WRIGHT. Mr. Speaker, I send to the desk a privileged concurrent resolution (H. Con. Res. 58) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 58

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Friday, February 6, 1981, it stand adjourned until 12 o'clock meridian on Tuesday, February 17, 1981, and that when the Senate adjourns on Friday, February 6, 1981, it stand adjourned until 12 o'clock meridian on Monday, February 16, 1981.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON TOMORROW

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 1 p.m. on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, we have had consultation with the Secretary of the Treasury, Mr. Regan. He feels confident that the other body will accept the bill we have just passed without amendment.

Based upon those assurances, I think Members may plan, with some confidence, to enjoy the opportunities provided by the Lincoln's birthday week to be in their home districts and to have a fruitful period of visitation with their constituents. We do not anticipate that we would be in session in the House after tomorrow until Tuesday, February 17.

So I want to wish everbody a very happy Lincoln's birthday, and I know all Members will want to join with the Speaker and the majority leader in wishing to the President of the United States, Mr. Reagan, a very happy birthday on tomorrow.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Of course I yield.

Mr. WALKER. Can the gentleman give us any idea at this time what might be on the legislative schedule for the Tuesday we come back?

Mr. WRIGHT. I am sorry that I cannot at this time. The President has not sent any messages requesting legislation save for that which requested the bill that we have just passed in the House today.

On Wednesday, February 18, we plan to have a joint session at 9 o'clock in the evening for the purpose of hearing the President of the United States present a state of the Union message. So we will meet on Tuesday without any planned legislation and again on Wednesday, and we will expect to hear the President on Wednesday evening, February 18.

Mr. WALKER. Will the gentleman yield further?

Mr. WRIGHT. I yield to the gentleman.

Mr. WALKER. Do I gather from what the gentleman is saying we can pretty much anticipate a pro forma session on Tuesday when we come back?

Mr. WRIGHT. The gentleman is correct.

The only thing that would change that situation would be in the event, which the Secretary of the Treasury regards as quite unlikely, and which the majority leader in the Senate, Senator BAKER, has described as unlikely, that the other body would amend the legislation which we have just passed. In that event, of course, we would have to meet and make some disposition, either agree to the Senate amendment or appoint conferees and vote upon the conference committee report.

Mr. WALKER. If the gentleman will yield further, does he anticipate doing that on that Tuesday if that was the case, or does he anticipate having some feel for that by tomorrow so that we will be acting on that tomorrow?

Mr. WRIGHT. We will most certainly know tomorrow but, based upon the assurances we have just received from the Secretary of the Treasury, Mr. Regan, I think we must anticipate that the other body will pass the legislation in the same form in which it has been passed in the House, in which event the question is moot. Otherwise, of course, we would have to take action on it and not later than February 17, because that runs perilously close to the time in which funds would run out for the operation of the Government of the United States.

Mr. WALKER. I thank the gentleman for yielding.

THE DEBT CEILING

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I did not intend to say something but once in a while something wells up within one, and something just welled up.

I want to congratulate the House and all of my wonderful colleagues on the vote by which we passed this last bill. It is terribly important. I think it is absolutely a proper statesmanlike vote in the right direction.

I heard all of those speeches about "This is different; we voted against debt limits before but now we should not vote against them." I believe that all of that is in the category of rubbish and balderdash and rutabagas, but nevertheless this was a good vote. It has been said, and this is important, that any jackass can kick down the barn door but it takes a carpenter to build one. I welcome my friends from the other side of the aisle to the ranks of the carpenters.

FATHER DRINAN CALLS THE MADRID CONFERENCE A SUCCESS FOR HUMAN RIGHTS

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FASCELL. Mr. Speaker, the Madrid Conference to review the Helsinki accords reconvenes today to complete its deliberations. Late last November, Father Robert Drinan, our former colleague, joined the congressional delegation which attended the Conference to press for human rights and other issues with the 35 signatory nations to the accords.

It should be noted that Father Drinan has long been an outspoken leader for the cause for human rights both in this country and worldwide. His efforts have earned him the respect and admiration of this body and of all those who condemn the infringement of human rights. Our country was founded on the principle that all persons are guaranteed human freedoms and civil liberties, and Father Drinan has not only fought courageously to preserve these human rights, but also to implement them where they have not previously existed. His leadership and dedication for tolerance, understanding, human dignity, and freedom are respected and admired by all who know him.

Father Drinan, who never missed an opportunity to raise the issue of Soviet violations of the accords, has written an article on his observations during the weeklong stay in Madrid. Appearing in the January 17, 1981 issue of America, the noted Jesuit weekly, the article examines the Madrid Conference from the historical perspective of the Helsinki process and accurately describes many of the important meetings which occurred.

Since the Madrid Conference has reconvened for the second phase, I am sure our colleagues will be interested in reading Father Drinan's article, "The Helsinki Spirit at Madrid." The article follows:

THE HELSINKI SPIRIT AT MADRID

(By Robert F. Drinan)

In the early spring of 1981, the representatives of the 35 nations that signed the Helsinki Final Act on Aug. 1, 1975, now meeting in Madrid, will finish their second conference on compliance. As one of 15 members of the U.S. Congressional delegation who attended the conference during its November meetings, I was encouraged to feel that the momentum picked up by the Commission on Security and Cooperation in Europe (C.S.C.E.) at its meeting in Belgrade in 1977-78 and now in its five-month long session in Madrid, may well be irreversible even if the Soviet Union continues to stall the process and stonewall the West.

When President Ford, Prime Minister Pierre Trudeau of Canada, Leonid Brezhnev of the Soviet Union and the leaders of 32 European states solemnly signed the 40,000 word series of agreements in Helsinki in 1975, they sought different objectives, although all said that they were institutionalizing détente. The Soviets secured their principal and long-sought goal, the validation of the borders of Eastern European nations. The United States, never a prime mover in the years-long negotiations that led to the "Final Act," obtained concessions in the field of military, economic and human rights. The NATO nations along with the nonaligned and neutral nations in Europe, felt that at least they obtained a forum where the West could try to influence the mind of the Kremlin.

This uneasy marriage went through a honeymoon in Belgrade and confronted its first serious disagreements in Madrid. But the union is not about to dissolve even though virtually every nation outside the Warsaw Pact excoriated the Soviet Union for its invasion of Afghanistan. The tensions among the Helsinki nations were noted at length by the 1,200 journalists gathered at the Madrid Conference, which opened on Nov. 11.

The Final Act is not a treaty but a partial code of conduct for détente. Its major sections, or its three "baskets" deal with measures to enhance military security, facilitate trade and economic cooperation, expedite immigration and ease the flow of information between the East and the West. Its explosive potential was apparently not foreseen even by the dozens of diplomats who, after countless compromises, fashioned the language of the Final Act. They did not anticipate the expectations that the Helsinki

Accords would arouse, nor the dramatic activity that they would inspire in Czechoslovakia, Russia and elsewhere. Early in 1977, for example, a large group in Czechoslovakia directed a lawyer-like petition to the Prague regime, demanding that it abide by the international covenants on human rights, which it had in effect ratified in the Final Act. At the Madrid meeting of the C.S.C.E., the imprisonment of the leaders of this Charter '77 movement was noted with anger and outrage.

In May 1976, the most significant response to Helsinki occurred in the Soviet Union when Prof. Yuri Orlov and 10 other activists announced the establishment of the first Citizens' Helsinki Watch. The Moscow chapter triggered similar units in the Ukraine, Lithuania, Georgia and Armenia with the Final Act becoming their common bond. Again in Madrid, the delegates from the West lamented with bitterness the imprisonment in the Soviet Union of all of the 39 monitors of Helsinki Watch. An attractive brochure with photos and biographical details of these dissidents was available in Madrid from the United States Helsinki Watch, a group funded by the Ford Foundation.

The potential in the Helsinki Accords prompted the U.S. Congress in June 1976 to establish a new body, the Commission on Security and Cooperation in Europe, now known as the Helsinki Commission. In an extraordinary burst of energy and enthusiasm, this bicameral and bipartisan group, co-chaired by Senator Claiborne Pell (D., R.I.) and Congressman Dante Fascell (D., Fla.) led an aggressive campaign at Belgrade and since to remind the Kremlin of its massive noncompliance with the promises it made five years ago. In the new Congress, Senator Robert Dole (R., Kan.) will replace Pell; predictions are the the Helsinki Commission will continue its activist role of uniting the Western allies in their role of reminding Eastern Europe that it will be bombarded by worldwide criticism if it continues to disregard its commitment in the field of human rights.

A recurring central question at Madrid related to Moscow's intentions. Shattered by the presence of 85,000 Soviet troops in Afghanistan, the delegates from the West were relentless in their diplomatically stated protests to the unyielding spokesmen for the Kremlin. In an extraordinary three-hour session of 14 high-level Soviet officials, the U.S. Congressional delegation found the Russians to be maddeningly unresponsive. The spokesman was Leonid P. Ilyichev, Soviet Deputy Foreign Minister and head of the Russian delegation in Madrid, a member of the Central Committee of the Communist Party and a tough negotiator going back to the days of Stalin. Mr. Ilyichev sought to outmaneuver us by talking at length and by seeking to shift the blame for the Soviet Union's bad press on human rights to alleged distortions of journalists and to claim calumnies by the West over Afghanistan. It was not clear whether Mr. Ilyichev's surprise over the reaction of the West and the world to the invasion of Afghanistan was feigned or real. Did he and his colleagues fail to foresee that over 100 nations in the United Nation's General Assembly would condemn the Soviet Union's brutality towards Afghanistan? Or are they now trying to downplay the reaction by waiting for the world to get accustomed to a Soviet-occupied Afghanistan?

With bombastic dogmatism, Mr. Ilyichev, sought to put all the blame for the deterioration of détente on the United States. He lashed out at America's boycotting of the Olympics, its grain embargo and its curtailment of scientific exchanges as being in themselves violations of the Final Act. He complained about U.S. military movements in the Persian Gulf. His oft-repeated refrain was the contention that most of the issues being brought up in Madrid were internal matters solely within the jurisdiction of the Politburo. He had no response when he was reminded that the very purpose of the Helsinki process was to create a method by which nations could review together each other's compliance with the dozens of commitments which they made at Helsinki. His emotional outbursts may have been traceable in part to the fact that earlier at the Madrid proceedings, he lost his battle to sabotage the conference by changing the agenda.

When required to speak directly to what the Soviet Union had done to implement the Final Act, Mr. Ilyichev's case seemed to come down to his assertion that millions of copies of the Helsinki document had been distributed all over the Soviet Union and that some of the Helsinki commitments were included in the revision of the Soviet Constitution. He did score, however, when he reminded the Americans that in the many years of dialogue and discussion leading up to ratification of the Final Act, the Soviets did not refuse to plan and work for détente with the Americans even though they disapproved vehemently of America's actions in the Vietnam War.

Mr. Ilyichev was characteristically unresponsive to my inquiry about Soviet Jews. I praised his government for permitting some 240,000 Soviet Jews to emigrate over the past decade. I expressed my gratification that in 1979 some 51,000 Soviet Jews were able to leave the Soviet Union. But I expressed sorrow that fewer than 20,000 were able to migrate in 1980. He did not directly tie in his previous tirade against the "brain drain" to the Jewish situation, but it seems to apply. He made no commitment or even comment on the number of Soviet Jews who may be able to migrate in the months and years ahead. He only quarreled that the third basket of the Final Act does not specifically mandate free emigration (actually, it does so by clear reference to the United Nations Declaration of Human Rights). He went on to complain that too many of the Soviet Jews who leave do not go to Israel, but rather to Europe or to the United States, and he contended that alleged forgeries are contained in the invitations to prospective immigrants that arrive from Israel. He had no comment to my statement that some 100,000 applicants for immigration, encouraged to apply by the unprecedented number of persons permitted to leave in 1979, are now refuseniks (those who have applied for visas but are forced to remain) with all of the humiliations that go with that status. A similar silence greeted my reference to the imprisonment of Anatoly Shcharansky and the exile of Dr. Sakharov to Gorki.

One had to be impressed at the vehemence with which Mr. Ilyichev denounced the condemnations of the invasion of Afghanistan by 27 of the 35 Helsinki nations. He was not suggesting that the Soviet Union would withdraw from the C.S.C.E. if this forum continued to be, as Madrid was, a place to condemn and denounce the invasion of Afghanistan. But not a few delegates from the West tempered their outrage over Afghanistan by the realization that the Kremlin is probably looking for a way to ease out of the 40-month old process started at Belgrade. And that way, all at Madrid agree, should not be made available.

The Soviets want the most-favored-nation status granted by the Congress to Rumania and Hungary. They yearn for more trade with the United States although they have little to sell. Should the United States continue to be hard-line and deny these and other privileges until the Soviets leave Afghanistan? Or is détente so desirable that the United States should conclude that the Soviet Union has been punished enough and that normal commercial and cultural ties should be resumed? No one at Madrid seemed to be suggesting such a reversal at this time, but many wondered aloud whether indignation over Afghanistan should be continued even if it means the decaying of détente.

Everyone at Madrid, including the Soviets, praised the "process" of C.S.C.E. by which the 35 signatories of the Final Act reviewed chapter by chapter the implications of the three baskets. It is a tedious process. Someone remarked that the 35 nations constitute an orchestra that has not as yet found a conductor.

The diplomats at Madrid candidly confess to any violations of human rights in which their nations may be involved. But quickly and almost inevitably, the review of topics such as freedom of the press, the right to travel without restrictions, or the reunification of families, brings attention to violations in the Warsaw Pact nations. The Helsinki process has developed into a way to air the nonmilitary tensions between the East and the West. And for the neutral and nonaligned nations in Europe, this process has a unique and valued meaning. For 35 years, Finland, Sweden, Austria, Switzerland, Yugoslavia, Malta, Liechtenstein, Cyprus and San Marino have felt like voiceless orphans, silenced by the thunder and the tensions between the NATO and Warsaw Pact countries. The Helsinki process brought them a voice. A group of them told us their hopes for the Helsinki process.

Switzerland stated that for the first time, it has a forum where, because of the rule of consensus adopted at Helsinki and practiced at Belgrade, it has full equality. It now has a place where it can discuss problems related to divided families and refugees and can enter into multilateral agreements on topics such as tourism.

Sweden noted the very important role which the neutral and nonaligned nations have played in negotiating disputes between the West and the East in the Helsinki process. These nations are not a third bloc, do not desire affiliation with or privileges from either side and now have for the first time a right to be heard and, because of the rule of consensus, a right to prevent an East-West agreement inimical to the interests of the nonaligned countries.

Cyprus, Finland, Malta and Austria all stressed the promise and the potential of the Helsinki process and almost begged the U.S. Congressional delegation never to weaken the future of the Belgrade-Madrid developments, however ponderous, time-consuming and frustrating they might appear.

The consensus in the bars and coffee shops at Madrid was that the Helsinki process has now such a life of its own and that it will not perish. Diplomats and their aides have, however, resisted the creation of a permanent secretariat. They do not want a bureaucratic institutionalization of the process and besides, they could never get consensus on where the secretariat should be located. Nonetheless, the future of the process will depend on the enthusiasm of the leading powers and the efficiency of those who administer the process during the remaining weeks at Madrid. Former Attorney General Griffin Bell has been the chairman of the U.S. delegation at Madrid with Max Kampelman, an able Washington attorney, as co-chairman. Jerome J. Shestack, the U.S. representative to the United Nations Commission on Human Rights, has been the senior adviser at Madrid. As appointees of the Carter Administration, these individuals will presumably be replaced before or after the Madrid Conference ends its work.

But even if some of the key Helsinki nations lose confidence in the process and conclude that they are engaged in a dialogue of the dead, the nongovernmental agencies (N.G.O.'s) gathered in Madrid with impressive strength. The National Conference on Soviet Jewry, the Union of Councils for Soviet Jews, the Interreligious Conference on Soviet Jewry and the International Fellowship of Reconciliation used the Madrid Conference as a forum. They will be urging that the C.S.C.E. meet again in 1982 and/or 1983 in Bucharest, Brussels or elsewhere.

The 1970's witnessed a surge of activism, propaganda and political pressure on behalf of human rights. One can hope that the fulfillment of internationally-guaranteed human rights will not fade from its present prominence. It is a moral vision that has rallied the activists of Latin America, the dissidents of the Soviet Union and parliamentarians of Europe. If its appeal endures in the 1980's in Europe, it will be due in part to the remarkable process that the Helsinki-Belgrade-Madrid conferences represent. Only the Soviet Union can kill the hope for human rights that has flowered in the Helsinki process. In Madrid, the representatives of the Kremlin not only failed to extinguish that promise, but by their arrogance over Afghanistan and their intransigence on human rights, they united the West in a way never seen before or after Helsinki.

□ 1410

CRISIS CONFRONTS OREGON VETERANS

The SPEAKER. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 15 minutes.

● Mr. AUCOIN. Mr. Speaker, over the past few weeks, several thousand of our armed service veterans in the State of Oregon have been caught in a very serious financial crisis with no warning. I rise today to commend their plight, and legislation the Oregon delegation is introducing today to relieve it, to the urgent attention of my colleagues.

Let me sketch for you what has happened. In the closing days of the 96th Congress, the House and Senate approved the Omnibus Reconciliation Act of 1980. Among other provisions, the reconciliation bill reported by the conference committee included a measure to seal a revenue leak by prohibiting cities from issuing tax-exempt, general obligation bonds for the purpose of financing mortgage loans for single-family dwellings.

An increasing number of municipalities were taking advantage of this new use of general obligation bonds, in many instances issuing low-interest mortgage loans without regard to financial need. To the conference committee, this was more than an innovative departure from the traditional municipal practice of using general obligation bonds to finance public works projects; it was recognized as being a potentially massive drain on the Treasury of billions of dollars of revenue, thus assuring an even higher Federal budget deficit.

Unfortunately, the language of this provision also impacts State veterans mortgage programs in Oregon, California, and Minnesota. The Oregon program, which has been in operation since 1945, will be severely curtailed as a result.

Mr. Speaker, to the veterans in Oregon who have been saving their money and looking forward to the day when they will be able to apply for a State veterans loan, this is a severe disappointment. But that is not the crisis.

The crisis is that approximately 5,000 eligible Oregon veterans who applied for loans or who received loan commitments prior to January 1 of this year, the cutoff date under this act, are in trouble.

Notice of the cutoff, as it pertains to State veterans loan programs, was not forthcoming in time for the Oregon Department of Veterans' Affairs to take appropriate action. Between August and December of last year, the State veterans' department incurred loan obligations in excess of $500 million. The loans were to be financed by bond sales in January and April of this year. A substantial portion of those bond sales, representing approximately $207 million in State loan obligations, are prohibited under the Omnibus Reconciliation Act.

Meanwhile, based on past operation of the veterans home loan program in Oregon and secured by letters of commitment, many Oregon veterans have proceeded in good faith to enter into sales contracts and to obtain interim financing from commercial lenders in the expectation of receiving long-term, low-interest loans from the State veterans' department.

Anyone who has ever applied for a home or a farm loan knows that an increase as small as 1 point in the interest rate can make the difference in a family's ability to afford a monthly mortgage payment. For many Oregon veterans, the interest difference between the interim loans they have obtained and the long-term mortgage loans they expected is several points.

For these veterans and their families, the options have come down to these: default and bankruptcy, or litigation.

Either option is disastrous. On the one hand, veterans who have obligated themselves to loans they cannot repay face financial ruin. On the other, the State of Oregon has obligated itself to lend $207 million it does not have and is forbidden to raise. A class-action lawsuit to obtain these loans could be fatal to Oregon's veteran loan program and could jeopardize the stability of other public programs in Oregon as well. The $207 million liability Oregon has incurred is equal to 14 percent of Oregon's State budget for 1981.

Mr. Speaker, the provision of the Budget Reconciliation Act which prohibits use of general obligation bonds for mortgage financing originated early in the 96th Congress, in the House Ways and Means Committee, as the Mortgage Subsidy Bond Tax Act.

It was not the intent of Congress to abolish State loan programs for veterans, but rather to stop a leak in revenue at the municipal level. A version of this act was eventually attached as a provision of the Omnibus Reconciliation Act by the conference committee. In the final push to enact the reconciliation measure, the particular transition problems it posed for the Oregon veterans' loan program were overlooked.

Accordingly, the Oregon congressional delegation is introducing today an amendment to the Mortgage Subsidy Bond Tax Act of 1980 to enable the State of Oregon to proceed with the sale of general obligation bonds to cover the loan liabilities it has incurred on behalf of Oregon veterans. In view of the human dimension of this crisis, its urgency, and the absence of satisfactory alternatives, I call upon my colleagues to support the prompt enactment of this amendment.

The bill follows:

H.R. 1685

A bill to amend the Mortgage Subsidy Bond Tax Act of 1980 to exempt from the coverage of such Act certain general obligation veterans' mortgage bond issues of the State of Oregon

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, (a) the table set forth in section 1104(n)(1) of the Mortgage Subsidy Bond Tax Act of 1980 is amended by adding at the end of the table the following item:

"State of Oregon	500,000,000	January 7, 1981 and April, 1981 general obligation bond issues of the State of Oregon for financing for qualifying veterans under the direction of the Oregon Department of Veterans' Affairs."

(b) The heading for the table set forth in section 1104(n)(1) of such Act is amended by striking out "City or county" and inserting in lieu thereof "State, city, or county".

SEC. 2. The amendment made by this Act shall take effect as if included in the amendments made by the Mortgage Subsidy Bond Tax Act of 1980.●

● Mr. SMITH of Oregon. Mr. Speaker, the Members of the Oregon delegation to the House of Representatives have today introduced legislation which is intended to provide emergency relief for thousands of Oregon veterans who have been victimized by the enactment of the Mortgage Subsidy Bond Tax Act of 1980.

As you may know, the State of Oregon provides a veterans home and farm loan program to qualified State veterans. Revenue for this program is raised by the sale of tax-exempt mortgage revenue bonds. Prior to January 1 of this year, the Oregon State Department of Veterans' Affairs issued loan commitments to thousands of veterans, in anticipation of bond sales scheduled for January and April of 1981.

During the final days of the 96th Congress, the Mortgage Subsidy Bond Tax Act of 1980 was enacted. Although veterans home loan programs were initially exempted from the jurisdiction of this act, amendments were added during consideration by the Senate/House conference committee which extended coverage to certain veterans home loan programs as well.

Those Oregon veterans who, on the basis of a firm loan commitment from the State department of veterans' affairs, sold their homes, invested their life savings, and entered into land sales contracts, are now in the position of suffering irreparable financial harm. These veterans have become unwitting victims of a Federal law which has toppled a longstanding State program.

It becomes the responsibility of the Congress, then, to see that veterans who negotiated loan applications and commitments prior to the enactment date of the new law, January 1, are provided emergency relief from the devastating effects of the Mortgage Subsidy Bond Tax Act. Our bill asks that the January and April Oregon bond sales be exempted from the new law, so that applications received prior to the enactment date can be honored by the State department of veterans' affairs.

I urge that the House of Representatives act on this bill as expeditiously as possible.●

● Mr. WEAVER. Mr. Speaker, I am pleased to join the other three Members of Oregon's House delegation in introducing legislation intended to remedy a severe problem affecting Oregon's veterans and their families.

These problems have arisen as a result of the implementation of the Mortgage Subsidy Bond Tax Act, a well-intended revenue reform measure which has had unfortunate and, I believe, unintended consequences for the farm and home loan program of the Oregon Department of Veterans' Affairs.

As a consequence of the restrictions contained in this act, many Oregon veterans who had been promised help in purchasing or refinancing homes and farms are now uncertain as to whether and when they will get that help. These are people who have received letters of commitment based on the proceeds of the first two 1981 bond sales, and who have every right to rely on these commitments. Yet they are now threatened with the loss of these promised funds, a loss which will result in the loss of homes and farms which many of these people have worked years to purchase.

In addition, there remain long-term doubts regarding the future prospects for farm loans, refinancing loans, and loans to surviving spouses of these veterans, all of which have been traditional, integral, and valuable parts of the Oregon vets program.

The legislation we are introducing today is designed to hold harmless the citizens who had applied for loans, and received loan commitments, prior to the date of enactment of the Mortgage Subsidy Bond Tax Act. It is not designed to alter that act in any substantial way. It is my hope that by exempting any veterans who applied for loans on the basis of the January and April 1981 bond sales, we can prevent the serious tragedies that now threaten many Oregon families who had made plans and committed their savings to projects for which they were eligible for loans under State law.

I also intend to make serious efforts to remedy the long-term ambiguities which afflict our vets program, and to work on legislation which will clarify the important points at issue without, again, substantially altering the direction of the act as a whole. For the moment, it is my sincere hope that the Congress will take care to insure that its good intentions of last year do not trample on the well-being and carefully laid plans of thousands of Oregonians.●

● Mr. WYDEN. Mr. Speaker, it is with a great sense of urgency that I join my colleagues from Oregon to offer this bill exempting some of our constituents from the provisions of the Mortgage Subsidy Bond Tax Act of 1980.

This correcting legislation addresses an oversight which has put the financial future of a number of Oregon families in jeopardy. These families, who applied for mortgages through Oregon's veterans home loan program, received letters of commitment from the State veterans' administration and proceeded to purchase homes or farms. Many of them sought interim financing, at high interest rates, in anticipation of their mortgages and are now told that their home loans under the veterans' program are indefinitely postponed.

This problem revolves around the January and April bond sales of the Oregon Veterans' Administration. The proceeds from these bond sales are needed to honor the letters of commitment received by the affected Oregon veterans. Unless these bonds are tax exempt there is no way the State veterans' administration can fulfill its letters of commitment. I was not a Member of Congress last year when this legislation was passed, but let us not dwell on that fact.

What we must do is find relief for those families eligible for State veterans' home loans, who applied in good faith, received letters of commitment, but may have their entire life savings wiped out. The Oregon delegation is not asking for anything but this one time technical correction to save several thousand veterans and their families from economic disaster which was caused by their Government. It is our hope that the House will find a way to act on this measure swiftly. A number of Oregonians need the money within several weeks or will be forced to give up their homes. I feel we owe our veterans better treatment than they have received from their Government so far. Mr. Speaker, I pledge my full cooperation, with colleagues from both sides of the aisle to remedy this error as quickly as possible.

Thank you.●

HOUSE CONCURRENT RESOLUTION NO. 25

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ), is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise to remind my colleagues in the House of House Concurrent Resolution No. 25 which I introduced in the very first period of legislative work once the House was organized. It has to do with the overlooked, very little noticed second half of clause 10 of article I, section 8, of the Constitution, the enumerated powers granted to the Congress, and it has to do with defining the crime of international brigandage, outlawry that perpetrated by Iran when it imprisoned the American diplomatic personnel and took possession physically and forcibly of the American Embassy in Tehran.

When we read the history of our country at the time of the writing and the adoption of the Constitution, we can see why the first section of clause 10 was there. It provided for the handling of piracies on the high seas, but mostly the disposition of the cases in which piracies became matters of litigation which, if you will recall the history, had even been tried in the first Continental Congress, and at times

disputations between the Congress and the State governments. There was no such thing as a judicial arrangement such as we take for granted today.

But the second part, just a few words of that clause 10, provides for the definition of the crime and the punishment for acts of violations of international law. It has never been invoked because there has never been anything happen such as happened recently in Iran since before the Crusades, since before the Middle Ages. What we have is a throwback society going back not to the Middle Ages but to the 10th and 9th centuries in the reestablisment of a so-called Islamic Republic.

We in the United States are completely unaware of the significance of this milieu, but we cannot afford to ignore the clear mandate placed upon the Congress to define the crime and provide the punishment therefor.

This may sound moot in view of the fact that the hostages have been released, but we continue to have outrages such as the current imprisonment of an American newspaper person, and also it does not absolve us from the need for punishing Iran for its acts.

The President of the United States, President Carter, I think, did exactly what should have been done. He did it admirably at a time when he received the onset of a political whiplash because it was an election year and he was vulnerable. I think in retrospect we have nothing but gratitude to President Carter for his restraint, for the fact that this was an unprecedented act, and he went through the channels as they properly were used, the United Nations.

Remember, we had two Presidents, President Johnson and President Nixon, who had not gone through world organizations like the United Nations. President Carter did everything. He went through the United Nations. The United Nations backed up the United States. It defined the act of Iran as reprehensible and violative of civilization, civilized societies, and fundamental international law. We went to the International Court of Justice, the world court. Unanimously it held the same way and defined the Iranian outrage as a criminal act.

But we also learned that in these cases there is nobody who is going to do for our country what we must of necessity do ourselves. The reason I waited until the beginning of this Congress to introduce the resolution was that I felt that it was not proper to do it until all of these other channels had been exhausted, and I thought other Members in more powerful positions in the proper committees would have done this. I urge my colleagues to study this resolution and join me.

I have requested of the chairman of the Committee on Foreign Affairs to give me an audience on this resolution. I think we must pass it because if we do not, the present President as well as his immediate predecessor, President Carter, will be vulnerable as to the actions that have been taken thus far in international law to try to uphold America's position in the proper defense of its rights. We have got to define them, as I see it, constitutionally under the mandate that is clearly imposed upon the Congress. The fact that it has never been resorted to is no excuse or release for the Congress not to act.

So I urge my colleagues to please study this and give it serious consideration. This is not a gesture; this is a serious suggestion, very seriously considered and meditated upon. It was very carefully researched, and I hope that we will for the national interest give it serious consideration. I am not one of those who believes that the perfect resolution has been written, and that is why we have the hearing process, the amendatory process, because in that refinement process we can get as near perfection as we can.

But I am convinced that if we do not, we will be vulnerable in two points: First, that we will have a recurrence of this, even in Iran; and second, that in the forum of international law the acts thus far taken may be vulnerable.

THE RIGHTS OF POLICEMEN NEED TO BE PROTECTED, TOO

The SPEAKER pro tempore (Mr. FOGLIETTA). Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on the first day of the new 97th Congress, I introduced H.R. 36, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under the act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights.

This legislation would provide law enforcement officers with certain basic rights that other citizens take for granted. The bill would insure the right of a police officer to engage in political activity during his off-duty time, as well as guaranteeing specific rights to police officers under investigation. Moreover, it would set up a grievance panel to hear the grievances of police officers who claim their rights under this legislation have been violated.

Even though our law enforcement forces are made up of men and women from all races, creeds, and all walks of life, our police are second-class citizens in another sense. They are called upon almost continuously to defend an individual's rights against the criminal elements of society, but they themselves are rarely offered the same defense and protection—the same civil rights—that they offer others through the performance of their duties. Often our police are the objects of intense harassment, abuse, assault, and even death from the very people they seek to protect.

Our policemen uphold the laws and are very often the only visible symbol of authority that the average citizen constantly sees. Perhaps this is why, when a policeman has looked for support from his community, he has frequently been met with a cool attitude from the very people he seeks to protect. People do tend to fear and resent authority—it is part of human nature; that is why our policemen are so often the tragic victims of a frustrated individual's plot to revenge himself upon society.

The passage of this bill of rights would serve to draw deserved attention to the plight, and to the rights of our law enforcement officers, and I urge the support of my colleagues for H.R. 36.

Mr. Speaker, I call the attention of my colleagues to an article on the subject from the December 1980 edition of the publication entitled "The Police Chief," which follows:

POLICE RIGHTS

(By Ordway P. Burden)

As every recruit soon learns, a policeman's lot is not a happy one. He's frequently subject to abuse, both physical and verbal; and he can't count on help from others, except from his fellow officers. So most officers soon develop a stoic attitude—"It's all part of the job."

POLICE ARE FIGHTING BACK

But that attitude appears to be changing as officers who are injured in the line of duty or harassed by defamatory statements or false complaints increasingly are fighting back. As Frank Carrington, former executive director of Americans for Effective Law Enforcement, puts it, "The police are deciding that they don't have to be punching bags anymore."

Throughout the turbulent 1960s and 1970s, there was a steady and disturbing rise in physical assaults on policemen. From 1966 through 1978, the number of felonious assaults on officers soared from 20,523 to 56,130 a year, according to the FBI's Uniform Crime Reports. The number of officers killed annually in the line of duty rose from 53 to 93 over the same period, and last year the death toll jumped to 106.

There has also been an astronomical rise in the number of verbal attacks and malicious complaints against police, including false accusations and defamations. Until recently, the accused police officers turned the other cheek. But no longer. Today many policemen are suing their attackers in civil court.

"Attorneys who specialize in representing police in civil litigation estimate that the number of actions being brought by officers as plaintiffs has at least doubled over the past two years," says Charles E. Friend, author of a primer for police litigants called

Police Rights: Civil Remedies for Law Enforcement Officers (The Michie Company, Charlottesville, VA, 1979).

CIVIL SUITS

Most of the suits for law enforcement officers, Friend says, are for defamation and false complaints, not physical injuries. "Clearly," he writes, "many police officers do not regard unjustified verbal attacks upon their professional or personal reputations as being just part of the job, and they are more ready to seek vindication in court for injuries of this type."

Policemen who have suffered either physical injury or defamation are getting a good deal of encouragement to sue. Several state police associations and two national organizations—Americans for Effective Law Enforcement and the International Union of Police Associations—have been in the forefront of the effort for "Blue Lib."

The AELE publishes a quarterly newsletter called The Police Plaintiff which covers developments in the field. "We're aiming at the interests of the individual cop and the lawyer who might represent him in court," said Frank Carrington. A free sample copy is available by writing to: The Police Plaintiff, Americans for Effective Law Enforcement, Western Region, 501 Grandview Drive, Suite 207-209, South San Francisco, CA 94080.

As an example of a police officer fighting back—and winning—take the case of Barry Anderson, a veteran city police investigator in Dallas, Texas. Anderson was awarded $4,000 by a jury in Dallas District Court last year in his libel suit against a man who had written defamatory letters about him to Dallas police and city officials and the FBI. The letter writer, Robert Putter, had accused Anderson of being "dangerous," "paranoid," and "incompetent" in complaining that the officer had harassed and assaulted his son during two arrests in 1976. The Dallas Police Department had investigated the circumstances of both arrests and found no mistreatment of Putter's son by Anderson.

The district court judge said that Putter's requested instructions to the jury were themselves libelous. "You do not have the right to call a person a thief or a criminal," the judge said. Officer Anderson's legal expenses were paid by the Dallas Police Association.

In another libel case last year, a superior court jury in San Francisco awarded $4.5 million to two San Francisco police inspectors and a former assistant district attorney as a result of newspaper articles about a Chinatown murder trial in 1976. The defendants, the San Francisco Examiner and two reporters, are appealing the award.

The Examiner had reported after an 11-month investigation that a Chinatown gang member named Richard Lee was convicted of murder by perjured testimony. In its articles, the newspaper said that the chief prosecution witness against Lee had signed an affidavit swearing that he had lied when he told police that Lee had confessed the killing to him while they briefly shared a city prison cell. The informer said the police inspectors and assistant DA had promised him help with his own legal troubles if he testified against Lee. After the newspaper stories were published, the informer recanted on his affidavit.

The attorneys for the police inspectors and assistant DA said that the Examiner had evidenced "reckless disregard for the truth" in accepting the informer's version of his dealings with the law enforcement men, and the jury apparently agreed.

The number of civil suits by police officers charging physical injury has been growing, too—although still outnumbered more than two to one by suits alleging defamation and false complaint. More and more, courts have been agreeing that police officers don't have to take physical abuse, either.

Last year, for instance, a former Lake County, Florida, sheriff's deputy won a circuit court judgment of $112,598 in compensatory damages and $50,000 in punitive damages as a result of a 1973 attack on him by a man he was placing under arrest. And in First District Court of Maryland, a Baltimore police officer was awarded $981 from a man and two women who attacked him when he responded to a complaint of a domestic disturbance. It was the first such civil case ever brought by a Baltimore policeman.

There are several reasons why suits for physical injuries are less frequent than for libel and defamation. For one thing, almost every policeman is covered by some form of workmen's compensation which provides for hospitalization and continuing income during a period of disability. Thus, the officer may feel that since he hasn't suffered financial loss, there's no need to sue. Also, an injured officer may face subtle (and not so subtle) pressures to discourage him from filing suit. He may feel that he will lose face with his fellow officers, or there may be hints from his superiors and pressure from outside groups such as civil rights oganizations that he'd better forget it. And, of course, very often he must face the likelihood that even if he is successful in his suit, the attacker will have no assets to pay the judgment.

NEW PRESSURES

In recent years, though, pressure has been developing in the other direction. Police associations are encouraging suits not merely to vindicate or compensate an injured officer but as a deterrent to those who believe they can attack policemen with impunity. Charles Friend writes that after the filing of a $2 million suit against the Progressive Labor Party for injuries suffered by nine officers during a demonstration, Jerry D. Trent, a director of the Los Angeles Police Protective League, said one of the reasons for the suit was to "let groups like the Party know that 'unprovoked attacks on our police officers simply will not be tolerated. . . .'" The League's attorney added that "what we are trying to do is make people understand they can't go along killing and maiming police and get away with it. Officials of police associations in Dallas, Nassau and Suffolk counties in New York State, and Delaware County, Pennyslvania, have made similar statements.

Colonel Adam G. Reiss, superindendent of the Ohio State Highway Patrol, is even stronger in his call for policemen to file suit when they have been wronged. "Law enforcement officers have the same rights as private citizens," he said. "Where any officers are injured civilly in the performance of their duties, they have the right, even the moral obligation, to file suit."

Some police officers think that judges and juries will be hostile to a policeman as plaintiff, but their fear appears to be unjustified. Charles Friend found that a police plaintiff has just about as good a chance of recovery in civil court as any other citizen. What's more, the awards made by juries to policemen have averaged 17 percent higher than for ordinary citizens with similar injuries.

Friend's files for police plaintiff cases show an average award of $39,097 for personal injuries in negligence cases; $55,174 for intentional personal injuries; and $18,143 for defamation or false complaint against the officer. His study indicates, Friend says, "that officers can and do obtain substantial judgments in amounts which often far exceed the limited benefits available under employers' compensation plans and in cases in which no such benefits are available."

One possible bar to civil suits by officers is attorneys' fees, since there is always the risk that a judge or jury will rule against the officer, even if the case seems strong, leaving the officer stuck with his legal costs. Friend discusses at length the ways to find a suitable attorney and make fee arrangements. He notes that, in some cases, the officer may be able to recover his attorney's fees if he wins the case.

That happened in Ohio in 1978 when the Sandusky County Court of Common Pleas ordered a man who had sued an officer for false arrest to pay the officer's $500 legal bill. The case began when Ohio Highway Patrol Trooper Stephen McClain frisked Lawrence Bohler of Detroit on suspicion and found a gun. Bohler charged McClain with false arrest and improper conduct, but Sandusky County Judge Bruce Huffman dismissed the suit on grounds that McClain was acting within the scope of his duties.

The Highway Patrol then sued Bohler for legal fees incurred by the trooper and won the judgment. Highway Patrol legal counsel, Joseph W. Sucro, Jr., commented, "As a result of this decision, people may be held financially responsible for the unwarranted harassment of troopers who are performing their sworn duties."

Blue Lib lives!●

CALL TO CONSCIENCE VIGIL, 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentlemen from Maryland (Mr. BARNES) is recognized for 5 minutes.

● Mr. BARNES. Mr. Speaker, during the past 2 weeks, this Nation clearly stood as one people to participate in two great historic events: the 40th inauguration of a U.S. President in a peaceful and orderly transition of power, and the welcoming home of our hostage-heroes following 444 days of lawless treatment in Iran.

As our country continues to celebrate the return of our 52 Americans, Congress cannot ignore the plight of hostages in another land; namely, persons who cannot exist and practice their faiths freely and openly in the Soviet Union because they fear for their livelihoods—and their lives.

Mr. Speaker, I am honored this session to be the chairman of the Congressional Call to Conscience Vigil, 1981. And I call upon all of my colleagues to join in this spirited effort to speak out for Soviet Jews, Christians, and others who have been refused the right to emigrate; who have been imprisoned and exiled for their beliefs; who have been harassed, stripped of their positions, and separated from kin.

We begin this vigil as the Madrid Conference reconvenes to review the Helsinki accords of 1975. Earlier in this Conference, the Soviets expressed their belief that Americans no longer advocate human rights as a key element in foreign policy. The Soviets, of course, are wrong. And our participation in this vigil as well as in special orders, resolutions, and legislation will be among the actions that underscore our commitment to liberty for the victims of tyranny.

The message was simple as we watched our own hostages reunite with their families: The human spirit is unconquerable. And our mission is obvious as other innocent people are held against their will: Congress will remain the conscience of the Republic on human rights issues.

Mr. Speaker, in future weeks, I will keep you and my colleagues informed about Moscow refusenik Lev Blitshtein, whose wife and married children live in New York, and who first applied to emigrate more than 6 years ago. Once an important administrator for meat and dairy production, Mr. Blitshtein has lost his professional rank and is virtually alone; 10 days ago, his son Boris Blitshtein and daughter-in-law Yelena became the parents of their first child, Marsha. It is the second grandchild that Lev Blitshtein has never seen. Within a week, his son Boris will be eligible to apply for U.S. citizenship. I congratulate the Blitshtein family on their good fortune and pledge to work on behalf of their beloved husband and father until he is free.

Once again, I encourage all of my colleagues to join with me and the approximately 40 other Members who are already participating in the vigil for the 97th Congress.●

STATEMENT ON GRAIN EMBARGO DECISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HIGHTOWER) is recognized for 5 minutes.

Mr. HIGHTOWER. Mr. Speaker, I was very disappointed to learn that apparently a campaign commitment President Reagan made to American farmers to lift the ineffective grain embargo against the Soviet Union is, in effect, being overridden or at least postponed by the State Department. For the last 4 years, a major voice in the creation of agricultural policy for this country has been the State Department, not the Agriculture Department. I had hoped that with the change of administrations, we would revert to the tradition of having agriculture policy developed by the Agriculture Department. During his campaign, President Reagan indicated this would be the case.

Now it appears that Secretary of State Haig has prevailed in a Cabinet argument, pursuading the President to maintain the ineffective grain embargo a while longer. I understand that Secretary of Agriculture Block made a very strong case for lifting the embargo to both the President and the Cabinet, but to no avail. I was glad to hear that the new Agriculture Secretary is indeed starting out as a true spokesman for American agriculture. I would hope that if President Reagan does not follow through on his commitment at this time, he will at least immediately come out loud and clear for a very strong farm bill this year.

However, I hope that this latest policy decision will not be an example of what is to be the rule in the future. In the recent past, everyone has been heard from on food policy except the most important people in the process—the food producers. It is not enough for Congressmen from food-producing States and districts to speak out on behalf of the farmer; a strong agriculture in America must have the support of the State Department, the Treasury Department, Interior, and other key departments but actual agriculture policy must be formulated by the Agriculture Department. A strong agriculture is of the utmost strategic importance in world affairs.

Now is the time to lift the grain embargo because the immediate effect on the grain market would be minimal; if we delay until harvest time, a lifting then could have a more pronounced effect on the market. Now is the right time to avoid any market disruptions and prepare for a stable market at harvest time.

I still believe that if our Government is to engage in economic warfare, it should be total rather than a situation where we just take potshots at those we disagree with to the detriment of the agricultural producer. In such total economic warfare, the voice of the State Department should, of course, be heard first, but only then.

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NEWS TO REFUTE THE NAY-SAYERS AND DOOM-PROPHETS: NEW YORK STATE—NO. 2 IN POPULATION—WAS ALSO NO. 2 FOR FISCAL YEAR 1980 IN MILITARY PROCUREMENT CONTRACTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 5 minutes.

● Mr. STRATTON. Mr. Speaker, I take this time to bring to the attention of the House, and especially to my colleagues from New York, the very encouraging news that in fiscal year 1980, which ended on September 30, 1980, New York State received the second largest amount in military procurement contracts in the entire Nation.

The winner, as one might expect, was the Nation's largest State, California. Texas was a close third.

I say, Mr. Speaker, that the news that my State of New York has won the silver medal in the military procurement contracts olympics is encouraging news, because in recent months we New Yorkers have been hearing—back in our own State, and even in certain quarters in Washington—that New York State has been slipping behind when it comes to defense funding, and that New York is not getting our fair share of Federal largesse.

Well, this shows that when it comes to defense procurement contracts at least, the No. 2 State in terms of population is also No. 2 in contracts. And that in spite of the much larger aircraft industries located in both California and Texas, I might point out.

So we do have reason to be optimistic. And, Mr. Speaker, let me just say that in my judgment, the reason New York has achieved this second place medal is because of the efforts which our bipartisan congressional delegation has been making in recent years, consciously and cooperatively, to promote defense business for New York State.

That effort obviously has paid off. And in this new Congress, with a new administration in the White House pledged to push for further increases in our defense posture, we shall be pushing to get an even higher dollar total of defense contracts for New York State.

Under leave to extend my remarks I include at this point in the RECORD the item I have mentioned, which lays out the precise figures and other details of this remarkable and reassuring development.

The article follows:

MILITARY SALES: NEW YORK IS 2D

WASHINGTON, January 23.—The state of New York received the second-largest amount in military procurement contracts in the nation during the fiscal year that ended last Sept. 30, the Pentagon said today.

New York got $5.6 billion worth of contracts for aircraft and other weapons and equipment, which was 8.5 percent of the $66.3 billion in contracts awarded in the 50 states. Another $10.1 billion worth of contracts were spread across several states.

The states of Connecticut and New Jersey also ranked high. Connecticut, with $3.9 billion worth of procurement, took a 5.8 percent share of the market while New Jersey, with $1.5 billion worth, got a 2.3 percent share.

The big, and growing, winner was the state of California, which won $13.9 billion worth of contracts, for 20.9 percent of the total. Two years ago, California's share was 19.6 percent. The state of Texas was third,

with an 8.1 percent share worth $5.3 billion.●

HUMAN RIGHTS IN FOREIGN AFFAIRS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 15 minutes.

● Mr. ZABLOCKI. Mr. Speaker, human rights has been a cornerstone of American policy since the founding of our Republic, as our Constitution and Bill of Rights attest. The Application of human rights in U.S. foreign affairs activities have drawn increasing emphasis since World War II and the founding of the United Nations. In recent times, U.S. support for human rights has been reaffirmed under both Democratic and Republican administrations.

I bring this matter to the attention of the House today because I believe that Secretary of State Haig or the interpretation of his statement regarding human rights in his first press conference last week, gave the wrong impression to friends and foes alike.

The Secretary was correct when he observed, as others have before him, that human rights is an essential and fundamental aspect of American foreign and domestic policy.

What was misleading was his statement that—

> International terrorism will take the place of human rights . . . because it is the ultimate abuse of human rights.

I hope that Secretary Haig does not intend to suggest that the United States is lessening its support for all human rights, except for terrorism. For if foreign countries perceived diminished emphasis on human rights by the United States, they may downgrade their efforts to observe fundamental rights and freedoms. Such a deemphasis by the United States could only give satisfaction to human rights foes, including the Soviet Union.

I believe that U.S. human rights policy should be based on three principles: First, that adherence to human rights is a fundamental precept of U.S. foreign policy; second, that the United States will continue to support human rights for all people all over the world—including their right to be free from terrorism; and third, that flexible diplomatic strategies should be used because there will be times when quiet diplomacy is more effective in promoting a human rights objective, while in other cases a visible, public approach is best.

These fundamental principles can best be achieved by keeping human rights in the mainstream of fundamental policymaking, not by giving it an extraordinary role. Organizationally this means maintaining the Bureau of Human Rights and Humanitarian Affairs in the Department of State with adequate staff to monitor the implementation of human rights in both Communist and non-Communist countries in bilateral and multilateral contexts. It also means that the Department's Interagency Committee should stay in place to resolve differences when they arise between/among recommendations of member agencies on granting economic and security assistance to countries that have committed gross violations of human rights.

The Committee on Foreign Affairs has both a legislative and oversight responsibility to consider human rights in countries proposed to receive economic and military assistance. In exercising these responsibilities, however, U.S. security must be a paramount concern. However, in seeking to preserve the security of our country and the lives of our citizens, we must support a strong security system which also encourages our allies to respect internationally recognized standards for a liveable world.

In this regard, the other day the Foreign Affairs Committee received President Chun of the Republic of Korea. I am always honored and pleased to meet with leaders of foreign states that are important to U.S. security. Further, I should also point out that President Chun recently commuted the death sentence of Kim Dae Jung, the leader of the opposition party in the Republic of Korea. I am hopeful that President Chun will parole Kim Dae Jung and his 23 codefendants in the near future. The committee and I will be carefully observing the situation and the needs in the Republic of Korea and in other countries of the world that are important to our security.

Human rights is and should continue to be a mainstream activity of foreign policymaking along with such other mainstream concerns as security and economic trade and aid. A free, democratic society requires no less than this.●

RULES OF COMMITTEE ON ARMED SERVICES FOR 97TH CONGRESS

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith for publication in the RECORD the rules of the Committee on Armed Services which were adopted by the committee in open session on Monday, February 2, 1981:

COMMITTEE RULES

RULE 1. GENERAL

The rules of the House are the rules of its committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees.

RULE 2. FULL COMMITTEE MEETING DATE

(a) The Committee on Armed Services will meet every Tuesday at 10 a.m., and at such other times as may be fixed by the chairman, or by written request of members of the committee pursuant to House rule XI, clause 2(b).

(b) A Tuesday meeting of the committee may be dispensed with by the chairman, but such action may be reversed by a written request of a majority of the members.

RULE 3. SUBCOMMITTEE MEETING DATES

Each subcommittee is authorized to meet, hold hearings, receive evidence and report to the committee on all matters referred to it. Insofar as possible, meetings of the committee and its subcommittees shall not conflict. Subcommittee chairmen shall set meeting dates after consultation with the chairman and subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

RULE 4. SUBCOMMITTEES

The Committee on Armed Services of the House of Representatives shall be organized to consist of the following standing subcommittees.

The Research and Development Subcommittee which shall have legislative jursdiction over annual authorization for research and development; airlift; and related oversight.

The Seapower and Strategic and Critical Materials Subcommittee which shall have legislative jurisdiction over procurement and construction of naval vessels; sealift; antisubmarine warfare; disposal of naval vessels; strategic and critical materials necessary for the national defense; and related legislative oversight.

The Procurement and Military Nuclear Systems Subcommittee which shall have legislative jurisdiction over the annual authorization for procurement of aircraft, missiles, tracked combat vehicles, and the procurement category, other weapons; military application of nuclear energy, including research and development related thereto; intelligence matters related to national security; and related legislative oversight. The subcommittee also has oversight responsibilities with regard to international arms control and disarmament.

The Investigations Subcommittee which shall have legislative jurisdiction over Armed Services Procurement Regulations and related procurement matters; organization of the Department of Defense, including proposed reorganizations; commissaries and exchanges, clubs and related nonappropriated funds activities of the Armed Forces; naval petroleum reserves; and related legislative oversight; and investigative authority in relation to the committee's general oversight responsibilities.

The Military Personnel and Compensation Subcommittee which shall have legislative jurisdiction over authorized strengths; active-duty and reserve training; recruiting; Reserve Officers' Training Corps; Selective Service; military justice; enlistments and separations; awards; academies; human relations; medical care; pay and allowances; promotion; retirement; and related legislative oversight.

The Military Installations and Facilities Subcommittee which shall have legislative jurisdiction over military construction; real estate acquisitions and disposals; housing and support facilities; base closures; real estate generally; civil defense; and related legislative oversight.

The Readiness Subcommittee which shall have legislative jurisdiction over the annual authorization for operation and maintenance; the current readiness and preparedness requirements of the Defense establishment, including the supporting defense industrial base; and related legislative oversight.

RULE 5. PRECEDENCE

Chairman of standing subcommittees who sit on a second subcommittee shall rank behind other members serving on that subcommittee as their primary subcommittee assignment.

RULE 6. PANELS OF THE FULL COMMITTEE AND SUBCOMMITTEES

(a) The chairman may designate a panel of the committee drawn from members of more than one subcommittee to inquire into and take testimony on a matter or matters that fall within the jurisdiction of more than one subcommittee and to report to the full committee. Any such panel shall not continue in existence for more than six months.

(b) The chairman of a standing subcommittee may designate a panel of such subcommittee to inquire into and take testimony on a specific matter within the jurisdiction of that subcommittee and to report to the subcommittee for further reference to the full committee as may be appropriate.

(c) No panels so appointed shall have legislative jurisdiction.

RULE 7. REFERENCE OF LEGISLATION AND SUBCOMMITTEE REPORTS

(a) The chairman shall refer legislation and other matters to all subcommittees of appropriate jurisdiction within 2 weeks unless, by a majority vote of the members of the full committee, consideration is to be by the full committee.

(b) Bills shall be taken up for hearing only when called by the chairman of the full committee or subcommittee, or by a majority vote of a quorum of the full committee or a subcommittee.

(c) The chairman of the full committee, with approval of a majority of the members voting, a majority of the committee being present, shall have authority to discharge a subcommittee from consideration of any bill, resolution, or other matter referred thereto and have such measure or matter considered by the full committee.

(d) Reports and recommendations of a subcommittee shall not be considered by the full committee until after the intervention of 3 calendar days from the time the report is approved by the subcommittee and printed hearings thereon are available to the members, except that this rule may be waived by a majority vote of a quorum of the committee.

RULE 8. PUBLIC ANNOUNCEMENT OF HEARINGS AND MEETINGS

The full committee and each subcommittee shall make public announcement of the date, place and subject matter of the full committee or subcommittee hearing at least 1 week before the commencement of the hearing. However, if the full committee or subcommittee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this rule shall be promptly published in the Daily Digest and promptly entered into the committee scheduling service of the House Information Systems.

RULE 9. MEETINGS AND HEARINGS OPEN TO THE PUBLIC

(a) Each committee or subcommittee meeting for the transaction of business, including the markup of legislation, shall be open to the public except when the committee or subcommittee, in open session and with a majority being present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than members of the committee and/or subcommittee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public.

(b) Each hearing conducted by the full committee or subcommittee shall be open to the public except when the full committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance no less than two members of the committee or subcommittee, may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security, or would tend to defame, degrade, or incriminate any person. If the decision is to close for national security reasons, the vote must be by rollcall vote and in open session, there being a majority of the committee or subcommittee present. Otherwise, if the decision is to close because the testimony may tend to defame, degrade, or incriminate any person, the vote may be by a majority of those present, there being in attendance no less than two members of the committee or subcommittee. However, if the committee or subcommittee elects to receive such testimony in open session, it may do so only if a majority of the members of the committee or subcommittee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. No member may be excluded from nonparticipatory attendance at any hearing of the full committee or subcommittee, unless the House of Representatives shall by majority vote authorize the full committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to members by the same procedures designated in this rule for closing hearings to the public: *Provided, however,* That the full committee or the subcommittee may by the same procedure vote to close one subsequent day of hearing.

RULE 10. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

(a) In accordance with the provision of rule XI, clause 3, Rules of the House of Representatives, it is the purpose of this rule to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee or subcommittee hearings or meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage. In that regard, the provisions of rule XI, clause 3(a)-(d) are specifically incorporated herein by reference.

(b) The chairman of the full committee or the chairman of the subcommittees are authorized to determine on behalf of the full committee or its subcommittees respectively whether hearings or meetings which are open may be broadcast, unless the committee or its subcommittees respectively by majority vote determine otherwise.

(c) In accordance with rule XI, clause 3(f), the following provisions shall apply to the broadcasting of committee or subcommittee hearings or meetings which are open to the public:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of rule XI of the Rules of the House of Representatives, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing room shall be in accordance with fair and equitable procedures devised by the executive committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or its subcommittees or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee or subcommittee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves at any time during the course of the hearing or meeting, between the witness table and the members of the committee or its subcommittees.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobstructive manner.

RULE 11. QUORUM

A majority of the full committee or subcommittee shall constitute a quorum for reporting or tabling a measure or recommendation. A quorum for the purpose of taking testimony and receiving evidence by either the full committee or any subcommittee shall be not less than two. A quorum for taking any other action shall be not less than one-third of the members of the full committee or subcommittee, unless otherwise indicated in the committee rules.

RULE 12. THE FIVE-MINUTE RULE

(a) The time any one member may address the committee or subcommittee on any bill, motion or other matter under consideration shall not exceed 5 minutes and then only when the member has been recognized by the chairman, except that this time limit may be exceeded by unanimous consent. Any member, upon request, shall be recognized for not to exceed 5 minutes to address the committee or subcommittee on behalf of an amendment which the member has offered to any pending bill or resolution.

(b) Members present at a meeting of the committee or subcommittee when a meeting is originally convened will be recognized by the chairman alternately by party in the order of seniority. Those members arriving subsequently will be recognized in the order of their arrival, except that the chairman and the ranking minority member of the committee or subcommittee will take precedence upon their arrival.

RULE 13. SUBPENA AUTHORITY

The full committee, and all subcommittees, may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Any such subpena may be authorized and issued by the committee, or subcommittee, in the conduct of any investigation or a series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpenas under this rule may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpenas shall be signed by the chairman of the committee or any member designated by the committee.

RULE 14. WITNESS STATEMENTS

(a) Any prepared statement to be presented by a witness to the committee or a subcommittee shall be submitted to the committee at least 48 hours in advance of presentation and shall be distributed to all members of the committee or subcommittee at least 24 hours in advance of delivery. If a prepared statement contains security information bearing a classification of secret or higher, the statement shall be made available in the committee rooms to all members of the committee at least 24 hours in advance of delivery; however, no such statement shall be removed from the committee offices. The requirement of this rule may be waived upon a majority of the full committee or any subcommittee, a quorum being present.

(b) The full committee and each subcommittee shall, insofar as is practicable, require each witness who is to appear before it to file with the committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a brief summary of his or her argument.

RULE 15. ADMINISTERING OATHS TO WITNESSES

The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

RULE 16. QUESTIONING OF WITNESSES

(a) When a witness is before the committee or subcommittee, members of the committee or subcommittee may put questions to the witness only when they have been recognized by the chairman for that purpose.

(b) Members of the committee or subcommittee who so desire shall have not to exceed 5 minutes to interrogate each witness until such time as each member has had an opportunity to interrogate such witness; thereafter, additional time for questioning witnesses by members is discretionary with the chairman.

(c) Questions put to witnesses before the committee or subcommittee shall be pertinent to the bill or other subject matter that may be before the committee or subcommittee for consideration.

RULE 17. VOTING AND ROLLCALLS

(a) Except as otherwise provided in these rules, voting on a measure or matter may be by rollcall vote, division vote, voice vote, or unanimous consent.

(b) Voting on reporting annual authorization bills shall be by rollcall vote.

(c) A rollcall of the members may be had upon the request of five or more members present, or in the case of subcommittees, on the request of one-fifth of a majority.

RULE 18. PROXY VOTE

A member may vote by special proxy, which must be in writing, shall assert that the member is absent on official business or is otherwise unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. A member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. A proxy may be used in full committee or subcommittee. All proxies must be filed with the staff director and be available for inspection at any time.

RULE 19. PRIVATE BILLS

No private bill will be reported by the committee if there are two or more dissenting votes. Private bills so rejected by the Committee will not be reconsidered during the same Congress unless new evidence sufficient to justify a new hearing has been presented to the Congress.

RULE 20. SUPPLEMENTAL, MINORITY, ADDITIONAL OR DISSENTING VIEWS

If, at the time of approval of any measure or matter by the committee, any member of the committee gives timely notice of intention to file supplemental, minority, additional or dissenting views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the staff director of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter.

RULE 21. POINTS OF ORDER

No point of order shall lie with respect to any measure reported by the full committee or any subcommittee on the ground that hearings on such measure were not conducted in accordance with the provisions of the committee rules; except that a point of order on that ground may be made by any member of the full committee or subcommittee which reported the measure if, in the full committee or subcommittee, such point of order was (a) timely made and (b) improperly overruled or not properly considered.

RULE 22. PUBLIC INSPECTION OF COMMITTEE ROLLCALLS

(a) The result of each rollcall in any meeting of the committee shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. With respect to each record vote by the committee on each motion to report any bill or resolution of public character, the total number of votes cast for, and the total number of votes casts against, the reporting of such bill or resolution shall be included in the committee report.

(b) In the event of such a rollcall vote or votes, when a member is in attendance at any other committee, subcommittee, or conference committee meeting during that time that circumstance shall be so recorded in the rollcall record, upon timely notification to the chairman from that member.

RULE 23. PROTECTION OF NATIONAL SECURITY INFORMATION

(a) All national security information bearing a classification of secret or higher which has been received by the committee or a subcommittee shall be deemed to have been received in executive session and shall be given appropriate safekeeping.

(b) The chairman of the full committee shall, with the approval of the full committee, establish such procedures as in his judgment may be necessary to prevent the unauthorized disclosure of any national security information received classified as secret or higher. Such procedures shall, however, ensure access to this information by any member of the committee or any other Member of the House of Representatives who has requested the opportunity to review such material.

RULE 24. COMMITTEE STAFFING

The staffing of the full committee and the standing subcommittees shall be subject to the appropriate rules of the House of Representatives, including, among other things, the provisions of rule XI, clause 5(d).

RULES OF COMMITTEE STANDARDS OF OFFICIAL CONDUCT FOR 97TH CONGRESS

(Mr. STOKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STOKES. Mr. Speaker, pursuant to the requirement of clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith the rules of the Committee on Standards of Official Conduct for the 97th Congress in the RECORD at this point. These rules were adopted by the committee in open session on February 5, 1981:

RULES OF PROCEDURE—COMMITTEE ON STANDARDS OF OFFICAL CONDUCT—97TH CONGRESS

TABLE OF CONTENTS

PART I—SCOPE AND AUTHORITY

Rule 1. Scope and Authority.

PART II—GENERAL COMMITTEE RULES

Rule 2. Subcommittees.
Rule 3. Meetings.
Rule 4. Members Required for Quorums and Committee Action.
Rule 5. Broadcasts of Committee Proceedings.
Rule 6. Committee Records.
Rule 7. Special Procedures.
Rule 8. Changes in Committee Rules.

PART III—COMMITTEE INVESTIGATIVE AUTHORITY

Subpart A—Complaints and Committee Inquiries

Rule 9. Complaints.
Rule 10. Processing of Complaints.
Rule 11. Preliminary Inquiry and Statement of Alleged Violation.
Rule 12. Answers and Motions and Committee Action.
Rule 13. Inquiries on the Committee's Initiative.
Rule 14. Committee Action after Criminal Convictions.
Rule 15. Definitions.

Subpart B—Disciplinary Hearings

Rule 16. Disciplinary Hearings.
Rule 17. Recommendations.
Rule 18. Disclosure of Evidence.

Subpart C—Evidence and Witnesses

Rule 19. Exculpatory Information.
Rule 20. Admissibility of Evidence.
Rule 21. Witnesses.

PART I—SCOPE AND AUTHORITY

SCOPE AND AUTHORITY

Rule 1. (a) These rules govern the procedures to be followed by the Committee on Standards of Official Conduct (hereafter referred to as the "Committee"). So far as applicable, these rules and the Rules of the House of Representatives shall be the rules of each subcommittee of the Committee, but each subcommittee may prescribe additional rules not inconsistent therewith.

(b) These rules are adopted under the authority of clause 2(a) of Rule XI of the Rules of the House of Representatives, 97th Congress.

PART II—GENERAL COMMITTEE RULES

SUBCOMMITTEES

Rule 2. (a) The Chairman may establish subcommittees and may assign to them such functions as he may deem advisable. The membership of each subcommittee shall provide equal representation for the majority and minority parties. The Chairman may refer any bill, resolution, investigation, or other matter before the Committee to an appropriate subcommittee for consideration and may recall any such bill, resolution, investigation, or other matter from the subcommittee to which it was referred.

(b) Any member of the Committee may sit with any subcommittee, but only regular members of the subcommittee may vote on any matter before the subcommittee.

MEETINGS

Rule 3. (a) The regular meeting day of the Committee shall be the second Wednesday of each month, except when the House is not meeting on that day. When the Chairman determines that there is sufficient reason, he may call a meeting on additional days. A regularly scheduled meeting need not be held when the chairman determines there is no business to be considered.

(b) Insofar as practicable, notice will be provided seven days in advance of meetings. However, the Chairman may, in his discretion, waive such time period for good cause.

MEMBERS REQUIRED FOR QUORUMS AND COMMITTEE ACTION

Rule 4. (a)(1) A quorum of the Committee consists of a majority of the members of the Committee.

(2) A quorum of a subcommittee consists of a majority of the members of the subcommittee.

(b) Except as provided in clause 4(e)(2)(A) of Rule X of the Rules of the House of Representatives and rules 5, 6, 12, 16, and 17 of the Committee rules, action may be taken by the Committee by a simple majority, a quorum being present.

BROADCAST OF COMMITTEE PROCEEDINGS

Rule 5. (a) Whenever any hearing or meeting by the Committee is open to the public, the Committee may permit, except as provided in clause (b) of this rule, by a vote of a majority of the Committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any such methods of coverage, under the following rules:

(1) If the television of radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness shall be required against his or her will to be photographed or to otherwise have a graphic reproduction of his or her image made at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any witness who does not wish to be subjected to radio coverage at a hearing, all microphones shall be turned off, at the request of any witness who does not wish to be subjected to television or still photography coverage at a hearing, all lenses shall be covered, and at the request of a witness who does not wish to have a graphic reproduction of his or her image made at a hearing, the making of such a reproduction at the hearing shall not be permitted. This paragraph is supplementary to clause 2 (k)(5) of Rule XI of the Rules of the House of Representatives relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the Committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstuct unnecessarily the coverage of the hearing or meeting by the other media.

(b) Coverage by radio, television, still camera, or electronic recording device of any disciplinary hearing held under supart B or part III of the Committee rules is prohibited.

COMMITTEE RECORDS

Rule 6. (a) The Chairman of the Committee shall, with the approval of the Committee, establish such procedures as in the Chairman's judgment may be necessary to prevent the unauthorized disclosure of any testimony or other information received by the Committee or its staff.

(b) Unless otherwise authorized by the Committee, no information received by the Committee respecting any alleged violation by a Member, officer, or employee of the House of Representatives of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities shall be disclosed to the public before the transmittal under rule 11 of the Committee rules to such Member, officer, or employee of a Statement of Alleged Violation in connection with such violation. After the service of such a Statement on the Member, officer, or employee—

(1) the Statement and any other paper filed pursuant to rule 12 of the Committee rules respecting such violation shall be made available for public inspection at reasonable hours, and

(2) any other paper filed with the Committee respecting such violation shall be made available as authorized by the Committee, except that no paper shall be made available if its disclosure would violate any Executive Order or any Federal law or regulation.

SPECIAL PROCEDURES

Rule 7. The Committee may adopt by resolution any special procedures deemed necessary to a particular matter before the Committee. Copies of such special procedures shall be furnished to all parties and witnesses in the matter.

CHANGES IN COMMITTEE RULES

Rule 8. The rules of the Committee may be modified, amended, or repealed by a vote of a majority of the Committee if before such vote written notice of the proposed modification, amendment, or repeal was provided each member of the Committee.

PART III—COMMITTEE INVESTIGATIVE AUTHORITY

Subpart A—Complaints and Committee Inquiries

COMPLAINTS

Rule 9. (a) A complaint submitted to the Committee under clause 4(e)(2)(B) of Rule X of the Rules of the House of Representatives shall be in writing and under oath, setting forth in simple, concise, and direct statements—

(1) the name and legal address of the party filing the complaint (hereafter referred to as the "complainant");

(2) the name and position or title of the Member, officer, or employee of the House of Representatives alleged to be in violation of the Code of Official Conduct or a law, rule, regulation, or other standard of conduct;

(3) the nature of the alleged violation, including, if possible, the specific section of the Code of Official Conduct or law, rule, regulation, or other standard of conduct alleged to have been violated; and

(4) the facts alleged to give rise to the violation.

When facts are alleged upon the information and belief of the complainant, the complaint shall so state and set forth the basis for such information and belief.

(b) All documents in the possession of the complainant that are relevant to and in support of the allegations shall be appended to the complaint.

(c) A complaint by a Member of the House of Representatives may be transmitted directly to the Committee. A complaint by an individual not a Member of the House may be transmitted through a Member who agrees, in writing, to accept it for that purpose. If a complaint by an individual not a Member of the House is submitted to three Members of the House who refuse, in writing, to transmit the complaint to the Committee, the complainant may transmit the complaint directly to the Committee, provided an affidavit is attached stating, under oath, the names of the Members to whom the complaint was submitted and by whom it was rejected in writing.

PROCESSING OF COMPLAINTS

Rule 10. (a)(1) The staff of the Committee shall examine each complaint submitted to the Committee for compliance with clause 4(e)(2)(B) of Rule X of the Rules of the House of Representatives and rule 9 of the Committee rules.

(2) If the staff determines that a complaint does not comply with such House and Committee rules, the complaint shall be returned to the complainant with a general statement that the complaint is not in compliance with such rules and a copy of such rules. A complainant may resubmit a complaint.

(3) If the staff determines that a complaint is in compliance with such House and Committee rules, the complaint shall be filed with the Committee. Within five days of the filing of a complaint (A) a copy of the complaint, showing the date of its filing, shall be transmitted to the Chairman and ranking minority member the Committee, and (B) every other member of the Committee shall be notified of the filing of the complaint and of its availability for inspection by the member in the Committee offices. Upon the request of any member of the Committee, the staff of the Committee shall inform the member of the complaints which have been filed with the Committee and which are pending before the Committee.

(4) If within thirty days of the date of the filing of a complaint the chairman and ranking minority member of the Committee jointly,

(A) decide to place the complaint on the Committee agenda for consideration at the next regularly scheduled meeting of the Committee, it shall be so placed on such agenda, or

(B) determine that the complaint be dismissed because it fails to allege facts which constitute a violation of the Code of Official Conduct or applicable law, rule, regulation, or other standard of conduct, the complaint together with the determination that it should be dismissed shall be placed on the Committee agenda for consideration at the next regularly scheduled meeting of the Committee.

Unless the Committee determines under clause (b) that the complaint merits further inquiry, the complaint shall be dismissed and the complainant shall be notified of the dismissal. If upon the expiration of such thirty days, the Chairman and ranking minority member have not taken any joint action respecting the complaint, it shall be placed on the Committee agenda for consideration at the next regularly scheduled meeting of the Committee.

(b) At the meeting at which the Committee is to consider a complaint filed with the Committee, the Committee shall determine whether the violation alleged in the complaint is within the jurisdiction of the Committee and, if so, whether the allegations in the complaint merit further inquiry. The complainant and respondent shall be notified, in writing, of action taken by the Committee respecting the complaint.

PRELIMINARY INQUIRY AND STATEMENT OF ALLEGED VIOLATION

Rule 11. (a)(1) If the Committee determines under rule 10(b) that the allegations of a violation in a complaint filed with the Committee merit further inquiry, the Committee shall conduct a preliminary inquiry to determine whether such violation occurred.

(2) In the preliminary inquiry—

(A) the Committee shall provide the respondent an opportunity to present to the Committee, orally or in writing, a statement respecting the allegations with respect to which the inquiry is being held,

(B) the staff may interview witnesses and examine documents and other evidentiary matter,

(C) the Committee may order the testimony of witnesses to be taken under oath, in which event the oath may be administered by a member of the Committee or by any person authorized by law to administer oaths,

(D) the Committee may require, by subpoena or otherwise, the attendance and testimony of witnesses and the production of such books, records, correspondence, memoranda, papers, documents, and other things as it deems necessary to the conduct of the inquiry, and

(E) any probative evidence may be used.

Upon the completion of the preliminary inquiry, the staff of the Committee shall prepare and transmit to the Committee a report containing a comprehensive summary of the information received in the inquiry and may include in the report a recommendation for action by the Committee respecting the alleged violation which was the subject of the inquiry.

(b) If the Committee determines on the basis of the report of the Committee staff on the preliminary inquiry respecting an alleged violation that there is reason to believe that the violation occurred, the Committee may direct the staff to transmit to the respondent a Statement of Alleged Violation. A Statement shall be divided into counts and each count shall relate to a separate violation and shall contain a plain and concise statement of the alleged facts of such violation and include a reference to the provision of the Code of Official Conduct or law, rule, regulation, or other standard of conduct alleged to have been violated.

ANSWERS AND MOTIONS AND COMMITTEE ACTION

Rule 12. (a) If a Statement of Alleged Violation is transmitted under rule 11(b) of the Committee rules, the respondent receiving the Statement shall have not less than 21 days in which to respond to it. The response shall be by way of answer or motion, shall be in writing and signed by the respondent or his counsel, and shall be limited to the following:

(1) An admission to or denial of, under oath, each count set forth in the Statement. A denial may include (A) negative and affirmative defenses to the allegations in a count, and (B) any supportive evidence and any other relevant information which the respondent may desire to submit.

(2) An objection to any count in the Statement on the grounds that it fails to state facts which constitute a violation of the Code of Official Conduct or any other applicable law, rule, regulation, or other standard of conduct.

(3) An objection to the jurisdiction of the Committee to consider the allegations contained in the Statement.

(4) A motion for a bill of particulars.

(5) An objection to the participation of any member of the Committee in the consideration of the allegations contained in the Statement on the grounds that the member cannot render an impartial and unbiased decision. The Committee member against whom the objection is made shall be the sole judge of his qualifications. A motion under this paragraph is not in lieu of an answer.

Any motion submitted pursuant to this clause shall be accompanied by a memorandum of points and authorities. Except for good cause shown, no pleading or motion not described in paragraphs (1) through (5) will be considered by the Committee and the Committee will not consider any answer or motion described in such paragraphs which is submitted under this clause after the expiration of such 21 days.

(b) Within 30 days after the receipt of any motion under clause (a) respecting a Statement, the Committee shall consider such motion. Notice of the decision of the Committee respecting the motion shall be furnished the respondent who submitted it. When the Committee has acted on all motions submitted under paragraphs (2), (3), and (4) of clause (a), the respondent shall, in accordance with paragraph (1) of such clause, submit, within fourteen days of the date of the last Committee action, an answer to each count in the Statement not dismissed by the Committee.

(c) Failure to submit, within the applicable time period, an answer to a count of a Statement which has not been dismissed by the Committee shall constitute an admission to the violation alleged in the count.

(d) The Chairman, in his discretion, may extend any time limitation imposed by clause (a) or (b) if he determines that the extension would facilitate a fair and complete inquiry and may shorten any such time limitation if he determines that there are special circumstances which require the shortening of such time limitation.

(e)(1) As soon as practicable after the expiration of all applicable time limitations for action under clauses (a) and (b) respecting a Statement of Alleged Violation, the Committee shall act, by the vote of a majority of the members of the Committee, to—

(A) hold a disciplinary hearing on the violation charged in the Statement, or

(B) defer action on the Statement but only if there is a judicial proceeding pending.

Failure to achieve a vote of the majority of the members of the Committee on a motion to take any action described in subparagraph (A) or (B) shall constitute dismissal of the Statement.

(2) The respondent to a Statement of Alleged Violation shall be notified in writing of action taken under paragraph (1) by the Committee respecting the Statement.

INQUIRIES ON THE COMMITTEE'S INITIATIVE

Rule 13. Notwithstanding the absence of a complaint filed with the Committee under rule 10 of the Committee rules, the staff of the Committee shall present to it any evidence available to the staff reasonably indicating that any Member, officer, or employee may have committed a violation of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct applicable to his conduct in the performance of his duties or in the discharge of his responsibilities. If the Committee determines that the evidence presented by the staff of an alleged violation merits further inquiry, the Committee shall, in accordance with rule 11(a) of the Committee rules, conduct a preliminary inquiry to determine whether such violation occurred. Rules 11 and 12 of the Committee rules shall apply to further proceedings respecting such alleged violation.

COMMITTEE ACTION AFTER CRIMINAL CONVICTIONS

Rule 14. If a Member, officer, or employee of the House is convicted in a Federal, State, or local court of a criminal offense for which a sentence of a term of imprisonment of at least one year may be imposed, the Committee shall conduct, in accordance with rule 11(a) of the Committee rules, a preliminary inquiry to review the evidence of such offense and to determine whether it constitutes a violation over which the Committee is given jurisdiction under clause 4(e) of Rule X of the Rules of the House of Representatives. If on the basis of the report of the Committee staff on the preliminary inquiry the Committee determines that an offense was committed over which the Committee has jurisdiction under such clause, the Committee shall notify the Member, officer, or employee of its determination and shall hold a disciplinary hearing for the sole purpose of determining what action to recommend to the House respecting such offense. Such hearing shall be held in accordance with the requirements of rule 16 of the Committee rules applicable to the second phase of a disciplinary hearing and any recommendation made by the Committee shall be made in accordance with rule 17 of the Committee rules.

DEFINITION

Rule 15. For purposes of this subpart and subpart B, the term "respondent" means a Member, officer, or employee of the House who is charged in a complaint filed with the Committee under rule 10 of the Committee rules or who is charged in a Statement of Alleged Violation transmitted under rule 12 of the Committee rules.

Subpart B—Disciplinary Hearings

DISCIPLINARY HEARINGS

Rule 16. (a) A disciplinary hearing respecting a violation charged in a Statement of Alleged Violation shall be held to receive evidence upon which to base findings of fact and recommendations, if any, to the House respecting such violation. A disciplinary hearing shall consist of two phases. The first phase shall be for the purpose of determining whether or not the counts in the Statement have been proved. The second phase shall be for the purpose of determining what action to recommend to the House with respect to any count found to have been proved.

(b) At a disciplinary hearing the Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, documents, and other things as it deems necessary. Depositions, interrogatories, and sworn statements taken under Committee direction may be accepted into the Committee record. The procedures set forth in clause 2(k) of Rule XI of the Rules of the House of Representatives shall apply to disciplinary hearings.

(c) Prior to setting a date for a disciplinary hearing and issuing subpoenas for witnesses, the Committee shall resolve the scope and purpose of the hearing. A copy of this statement of scope and purpose shall be furnished to all witnesses. During the course of the hearing the Committee may expand or contract the scope in light of evidence received.

(d)(1) The order of phase one of a disciplinary hearing shall be as follows:

(A) The Chairman shall open the hearing by stating the Committee's authority to conduct the hearing, the purpose of the hearing, and its scope.

(B) Testimony from witnesses and other evidence pertinent to the subject of the hearing shall be received in the following order whenever possible: (i) witnesses and other evidence offered by the Committee staff, (ii) witnesses and other evidence offered by the respondent, and (iii) rebuttal witnesses.

(C) Witnesses at a hearing shall be examined first by the Committee counsel or authorized staff member. The Committee members may then question the witnesses under the five-minute rule. The respondent or his counsel may then cross-examine the witnesses. Redirect and recross may be permitted in the Chairman's discretion. With respect to witnesses offered by the respondent, a witness shall be examined first by the repondent or his counsel, and then may be cross-examined by Committee counsel or authorized staff member. Committee members may then question the witness under the five-minute rule. Redirect and recross may be permitted in the Chairman's discretion.

(2) Testimony of all witnesses shall be taken under oath. The form of the oath shall be: "Do you solemly swear (or affirm) that the testimony you will give before this Committee in the matter now under consideration will be the truth, the whole truth, and nothing but the truth, so help you God?" The oath shall be administered by the Chairman or Committee member designated by him to administer oaths.

(e) At a disciplinary hearing the burden of proof rests on the staff with respect to each count to establish the facts alleged therein clearly and convincingly by the evidence that it introduces.

(f) Phase two of a disciplinary hearing shall consist of oral and/or written submission by counsel for the Committee and counsel for the Respondent as to the sanction the Committee should recommend to the House of Representatives with respect to any count of the Statement of Alleged Violation which has been proved. Testimony by witnesses will not be heard at phase two except by a vote of a majority of the Committee.

RECOMMENDATIONS

Rule 17. (a)(1)(A) As soon as practicable after the completion of the first phase of a disciplinary hearing respecting a Statement of Alleged Violation, the Committee shall consider each count contained in the Statement and with respect to each count as originally drawn or as amended shall vote on a motion that the count has been proved. A count shall not be proved unless at least a majority of the Committee vote for a motion that the count has been proved. A count which is not proved shall be considered as dismissed by the Committee.

(B) If the Committee votes that a count has been proved, the Committee may upon completion of the second phase of the disciplinary hearing, by a majority vote of the Committee, consider and vote on a motion that a recommendation be made to the House for appropriate action respecting the violation charged in such count.

(2) If in a vote taken under paragraph (1)(A) respecting a count a majority of the Committee does not vote that the count has been proved, a motion to reconsider that vote may only be made by a Member who voted that the count was not proved. If in a vote taken under paragraph (1)(B) to adopt a recommendation to the House respecting a violation charged in a count a majority of the Committee does not vote in favor of the recommendation, a motion to reconsider that vote may only be made by a Member who voted against the recommendation.

(b)(1) With respect to any violation with which a Member of the House was charged in a count which the Committee has voted as proved, the Committee may include in its recommendation to the House one or more of the following sanctions:

(A) Expulsion from the House.

(B) Censure.

(C) Reprimand.

(D) Fine.

(E) Denial or limitation of any right, power, privilege, or immunity of the Member if under the Constitution the House may impose such denial or limitation.

(F) Any other sanction determined by the Committee to be appropriate.

(2) With respect to any violation with which an officer or employee of the House was charged in a count which the Committee has voted as proved, the Committee may include in its recommendation to the House one or more of the following sanctions:

(1) Dismissal from employment.

(2) Fine.

(3) Any other sanction determined by the Committee to be appropriate.

(c)(1) The purpose of this clause is to inform the Members of the House of Representatives as to the general guidelines the Committee considers appropriate for determining which, if any, sanctions to recommend to the House respecting violations proved in a disciplinary hearing. This clause does not limit the authority of the Commit-

tee to make or not to make recommendations for such sanctions.

(2) For technical violations, the Committee may direct that the violation be reported to the House without a recommendation for a sanction.

(3) With respect to the sanctions which the Committee may determine to include in a recommendation to the House respecting a violation, reprimand is appropriate for serious violations, censure is appropriate for more serious violations, and expulsion of a Member or dismissal of an officer or employee is appropriate for the most serious violations. A recommendation of a fine is appropriate in a case in which it is likely that the violation was committed to secure a financial benefit; and a recommendation of a denial or limitation of a right, power, privilege, or immunity of a Member is appropriate when the violation bears upon the exercise or holding of such right, power, privilege, or immunity.

(d) The Committee report accompanying a recommendation to the House adopted by the Committee under clause (a)(1)(B) respecting a violation charged in a count shall contain a brief but complete statement of the evidence which supported the finding as to that count and a brief statement of the Committee's reasons for the recommendation.

DISCLOSURE OF EVIDENCE

Rule 18. Upon the request of a respondent, the Committee may permit the respondent to inspect, copy, or photograph books, papers, documents, photographs, or other tangible objects which the Committee intends to use as evidence against the respondent in a disciplinary hearing and which are material to the preparation of the defense of the respondent.

Subpart C—Evidence and Witnesses

EXCULPATORY INFORMATION

Rule 19. If the Committee at any time receives any exculpatory information respecting a Statement of Alleged Violation against a Member, officer, or employee of the House of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct, it shall make such information available to such Member, officer, or employee.

ADMISSIBILITY OF EVIDENCE

Rule 20. (a) Any evidence that is relevant and probative shall be admissible in any hearing of the Committee, unless the evidence is privileged or unless the Constitution otherwise requires its exclusion. Objections going only to the weight that should be given to evidence will not justify its exclusion.

(b) The Chairman or other Member presiding at a hearing shall rule upon any question of admissibility at the hearing of testimony or evidence presented to the Committee. The Chairman or other Member presiding may limit the presentation of repetitious evidence. Ruling shall be final unless reversed or modified by a majority vote of the Committee members present.

WITNESSES

Rule 21. (a) A subpoena to a witness to appear at a hearing shall be served sufficiently in advance of his scheduled appearance to allow him a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel should he so desire.

(b) Except as otherwise specifically authorized by the Chairman, no member of the Committee or staff shall make public the name of any witness subpoenaed by the Committee before the date of his scheduled appearance.

(c) Witnesses at hearings may be accompanied by their counsel for the purpose of advising them concerning their constitutional rights and to raise objections to procedures or to the admissibility of testimony and evidence. Counsel for a witness other than the respondent shall not be permitted to engage in oral argument with the Committee. After a witness has testified, his counsel may submit to the Committee, in writing, any questions he wishes propounded to his client and any request for additional witnesses or other evidence. Such request may be granted at the Committee's discretion.

(d) The respondent may apply to the Committee for the issuance of subpoenas for the appearance of witnesses or the production of documents on his behalf. The application shall be granted upon a concise showing by the respondent that the proposed testimony or evidence is relevant and not otherwise available. The application shall be denied if not made at a reasonable time or if the testimony or evidence would be merely cumulative.

(e) Each witness subpoenaed by the Committee may sign appropriate vouchers for travel allowances and attendance fees, which may be obtained from the Committee staff.

(f) Each witness appearing before the Committee shall be furnished a printed copy of the rules of the Committee and the pertinent provisions of the Rules of the House of Representatives applicable to the rights of witnesses.

RULES OF COMMITTEE ON AGRICULTURE FOR 97TH CONGRESS

(Mr. DE LA GARZA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DE LA GARZA. Mr. Speaker, pursuant to clause 2(a), rule XI, of the Rules of the House of Representatives, I am filing herewith a copy of the rules of the Committee on Agriculture for printing in the RECORD. The rules were adopted by a voice vote in the presence of a quorum on February 4, 1981.

RULES OF THE COMMITTEE ON AGRICULTURE—U.S. HOUSE OF REPRESENTATIVES

I. GENERAL PROVISIONS

a. *Rules of the U.S. House of Representatives.*—The Rules of the House shall govern the procedure of the Committee so far as applicable, and the rules of the Committee shall be interpreted in accordance with the Rules of the House, except that a motion to recess from day to day is a motion of high privilege in the Committee. (See Appendix B for the applicable Rules of the U.S. House of Representatives.)

b. *Applicability to Subcommittees.*—The following rules shall apply to meetings, hearings and other activities of Subcommittees, which are part of the Committee and subject to its authority and direction, only when specifically so stated.

II. COMMITTEE OR SUBCOMMITTEE BUSINESS MEETINGS

a. *Regular and Additional Meetings.*—The Committee shall meet on the first Tuesday of each month while the Congress is in session. The Committee shall also meet at the call of the Chairman at such other times as he considers to be necessary, subject to advance notice to all committee members. Insofar as practicable, an agenda for all regular and additional Committee meetings, setting forth all the measures and matters to be considered, shall be furnished each committee member prior to the meeting. Items may be placed on the agenda by the Chairman or a majority of the Committee. If the Chairman determines that any meeting convened by him need not be held, he shall give all members of the Committee notice to that effect as far in advance of the meeting day as practicable, and no meeting shall be held on such day. See Rule VI-e for provisions which apply to meetings of Subcommittees.

b. *Special meetings.*—If at least three members of the Committee file a written request in the Committee offices that a special meeting be called by the Chairman to consider a specific measure(s) or matter(s), the Staff Director shall immediately notify the Chairman of the filing of such request. If, within three calendar days after the filing of such request, the Chairman does not call the requested special meeting to be held at a time within seven calender days after the filing of such request, a majority of the members of the Committee may file in the Committee offices their written notice that a special meeting will be held at a specified date and hour to consider a specified measure(s) or matter(s). If such a notice is filed, the Committee shall meet on that date and hour. Immediately upon the filing of such a notice, the Staff Director shall notify all members of the Committee that such special meeting will be held at the specified date and hour to consider the specified measure(s) or matter(s). Only the measure(s) or matter(s) so specified in the meeting notice as filed by the majority of Committee members and transmitted to all Committee members may be considered at a special meeting.

c. *Vice Chairman.*—The Committee shall, by a majority vote, designate one of its members as Vice Chairman who shall perform such duties as the Chairman may direct in the absence of the Chairman.

d. *Presiding Member.*—If the Chairman is not present at any Committee meeting, the Vice Chairman or, in his absence, the ranking member of the majority party on the Committee who is present shall preside at that meeting. If the Chairman is not present at any Subcommittee meeting, the ranking member of the majority party who is present preside at that meeting.

e. *Committee and Subcommittee Meetings Prohibited.*—The Committee or any of its Subcommittees may not sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.

f. *Open Business Meetings.*—Each Committee or Subcommittee meeting for the transaction of business, including the markup of legislation, shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public. No person other than members of the Committee or Subcommittee and such congressional staff and departmental representatives as the Committee or Subcommittee may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to Committee or Subcommittee

hearings or to any meeting that, as announced by the Chairman of the Committee or Subcommittee, relates solely to internal budget or personnel matters.

g. *Records and Rollcalls.*—A complete record of all Committee or Subcommittee action shall be kept in the form of written minutes, including a record of the votes on any question as to which a rollcall is demanded. A rollcall vote shall be ordered upon demand by one-fifth of the members present. The record of such action and the results of the rollcall votes during each session of the Congress shall be made available by the Committee, upon request, for public inspection during regular office hours in the Committee offices and upon telephone request. The information so available on rollcall votes shall include a brief description of the amendment, motion, order or other proposition; the name of each member voting for and each member voting against such amendment, motion, order or other proposition; whether such vote was by proxy or in person; and names of those members present but not voting. A stenographic record of a business meeting of the Committee or Subcommittee may be kept and may thereafter be published if the Chairman of the Committee determines there is need for such a record. The proceedings of the Committee or Subcommittee in a closed meeting other than rollcall votes shall not be divulged unless otherwise determined by a majority of the Committee or Subcommittee. See Rule IV-f for publication of the minutes of meetings.

h. *Quorums.*—A majority of the members of the Committee or Subcommittee shall constitute a quorum of the Committee or Subcommittee for the purpose of convening meetings, conducting business, and voting on any matter: *Provided,* That the Chairman of the Committee may determine that one-third of the members of the Committee shall constitute a quorum of the Committee at any meeting for such purpose (other than for the reporting of any measure or recommendation, and voting on the authorization of subpoenas and on the closing of hearings and business meetings to the public) if he gives written notice to that effect to the members prior to the meeting.

i. *Proxy Voting.*—A member may vote by proxy on any matter before the Committee or Subcommittee other than the issuance of a subpoena pursuant to Rule III-b. The proxy authorization shall be in writing, shall assert that the member is absent on official business or is otherwise unable to be present at the Committee or Subcommittee meeting, shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. A member may authorize a general proxy only for motions to recess, adjourn, or other procedural matters. Each proxy to be effective shall be signed by the member assigning the vote and shall contain the date and time of day the proxy is signed as well as the date or dates during which it is to be effective. The proxy form required by the Committee or Subcommittee is appended to these rules as Appendix A. In order to be cast in a vote it shall be filed with the Committee or Subcommittee during such vote and must be placed on file with the Staff Director. Proxies shall not be counted toward a quorum.

j. *Location of Persons at Meetings.*—No person other than a Member of Congress or Committee or Subcommittee staff may walk in or be seated at the rostrum area of the Committee or Subcommittee unless the Chairman or a majority of the Committee or Subcommittee determines otherwise.

k. *Consideration of Amendments and Motions.*—A member, upon request, may be recognized by the Chairman to address the Committee or Subcommittee at a meeting for not more than five minutes on behalf of an amendment or motion offered by himself or another member, or upon any other matter under consideration, unless he receives unanimous consent to extend the time limit. Every amendment, substitute amendment, amendment to an amendment, or amendment in the nature of a substitute made in Committee or Subcommittee that is substantial as determined by the Chairman shall, upon the demand of any member present, be reduced to writing, and a copy thereof shall be made available to all members present: *Provided,* That such amendment shall remain pending before the Committee or Subcommittee and may not be voted upon until the requirements of this section have been met.

l. *Points of Order.*—No point of order, other than a point of order that a quorum is not present, against the hearing or meeting procedures of the Committee or Subcommittee shall be sustained unless it is made in a timely fashion either at the commencement of the hearing or meeting or at the time such occasion for a point of order first occurs.

III. COMMITTEE OR SUBCOMMITTEE HEARINGS

a. *Power to Hear.*—For the purpose of carrying out any of its functions and duties under House Rules X and XI, the Committee is authorized to sit and hold hearings at any time or place within the United States whether the House is in session, has recessed or has adjourned, but no Subcommittee shall hold meetings or hearings outside of the House unless permission to do so is granted by the Chairman, or a majority, of the Committee.

b. *Announcement of Hearings.*—The Chairman of the Committee or Subcommittee shall publicly announce the date, place and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the Committee or Subcommittee determines that there is good cause to begin such hearing at an earlier date, in which case the announcement of the hearing shall be made by the Chairman of the Committee or Subcommittee at the earliest possible date. The Staff Director shall notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement has been made and enter the announcement into the Committee scheduling service of the House Information Systems.

c. *Power to Subpoena.*—For the purpose of carrying out any of its functions and duties under House Rules X and XI, the Committee is authorized to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary. A subpoena may be authorized and issued in the conduct of any investigation or series of investigations or activities by the Committee or by a Subcommittee when authorized by a rollcall vote of the majority of the members of the Committee, a majority being present, except that no proxies may be used to vote on the authorization and issuance of such a subpoena. Authorized subpoenas shall be signed by the Chairman or the Vice Chairman of the Committee or by any other member the Committee may designate. Notice of a meeting to consider a motion to authorize and issue a subpoena shall be given to all members of the full Committee by 5 p.m., of the day preceding the day of such meeting. Compliance with a Committee or Subcommittee issued subpoena may be enforced only as authorized or directed by the House.

d. *Scheduling of Hearings and Witnesses.*—Except as otherwise provided in this paragraph, the scheduling of hearings and witnesses and determination of the time allowed for the presentation of testimony and interrogation shall be at the discretion of the Chairman or a majority of the Committee or Subcommittee. Whenever any hearing is conducted by the Committee or Subcommittee upon any measure or matter, the Committee's or Subcommittee's minority party members shall be entitled, upon request by a majority of them to the Chairman of the Committee or Subcommittee before the completion of the hearing, to call witnesses selected by them to testify with respect to that measure or matter during at least one day of hearing.

e. *Witnesses' Statements in Advance.*—Each witness who is to appear before the Committee or Subcommittee shall, insofar as practicable, file with the Staff Director a written statement of the witness' prepared testimony at least two working days in advance of the witnesses' appearance in order to permit the testimony to be distributed to and reviewed in advance by Committee or Subcommittee members. Witnesses shall provide sufficient copies of their statement for distribution to Committee or Subcommittee members, staff and the news media. The Committee or Subcommittee staff shall distribute such written statements to all members of the Committee or Subcommittee as soon as they are received as well as any official reports from departments and agencies on such subject matter.

f. *Testimony of Witnesses.*—The Chairman of the Committee or Subcommittee or any member designated by him may administer an oath to any witness. Each witness who has been subpoenaed, upon the completion of the witness' testimony, may report in person or in writing to the Staff Director and sign appropriate vouchers for travel allowances and attendance fees. All witnesses may be limited in their oral presentations to brief summaries of their statements within the time allotted to them, at the discretion of the Chairman of the Committee or Subcommittee in light of the nature of the witness and the length of time available.

g. *Questioning of Witnesses.*—Committee or Subcommittee members may question witnesses only when they have been recognized by the Chairman of the Committee or Subcommittee for that purpose. Each member so recognized shall be limited to questioning a witness (or panel of witnesses) for five minutes until such time as each member of the Committee or Subcommittee who so desires has had an opportunity to question the witness (or panel of witnesses) for five minutes, and, thereafter, the Chairman of the Committee or Subcommittee may limit the time of further questioning after giving due consideration to the importance of the subject matter and the length of time available. All questions put to witnesses shall be germane to the measure or matter under consideration. Unless the Chairman or a majority of the Committee or Subcommittee determines otherwise, no person shall interrogate witnesses other

than members and Committee or Subcommittee staff.

h. *Open Hearings.*—Each hearing conducted by the Committee or Subcommittee shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however,* That the Committee or Subcommittee may, by the same procedure, vote to close one subsequent day of hearing. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the Cummittee to be present for the purpose of taking testimony (1) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate Rule III(k) or (2) may vote to close the hearing, as provided in Rule III(k). In any event, no member may be excluded from nonparticipatory attendance at any hearing unless the House shall by majority vote authorize the Committee or Subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its meetings to members by means of the above procedure.

i. *Quorum.*—The quorum for taking testimony and receiving evidence shall be two members of the Committee or Subcommittee.

j. *Record of Hearing.*—An accurate stenographic record shall be kept of all testimony taken at public hearings. Any public witness may, during Committee office hours in the Committee offices and within two weeks of the close of hearings, examine the transcript of his or her own testimony and make such grammatical or technical changes as will not substantially alter the nature of testimony given. Members of the Committee or Subcommittee shall receive copies of transcripts for their prompt review and correction for return to the Committee. The Chairman of the Committee may order the printing of a hearing record without the corrections of any member or witness if he determines that such member or witness has been afforded a reasonable time in which to make such corrections and further delay would seriously impede the consideration of the legislative action which is the subject of the hearing. The record of a hearing closes ten calendar days after the last oral testimony, unless the Chairman of the Committee or Subcommittee otherwise determines. Any person requesting to file a statement for the record of a hearing must so request before the hearing concludes and must file the statement before the record closes. No written statement becomes part of the record and thus publicly available until such time as it has been approved by the Chairman of the Committee or any Committee staff he designates, and the Chairman of the Committee or Subcommittee or his designee may reject any statement in light of its length or its tendency to defame, degrade, or incriminate any person.

k. *Investigative Hearings.*—The Chairman of the Committee or Subcommittee at an investigative hearing shall announce in an opening statement the subject of the investigation. A copy of the Committee rules (and the applicable provision of the House Rules set forth in Appendix B) shall be made available to each witness. Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights. The Chairman of the Committee or Subcommittee may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; but only the full Committee may cite the offender to the House for contempt. Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person—

(1) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of Rule III(h), if by a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony, the Committee or Subcommittee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person;

(2) the Committee or Subcommittee shall proceed to receive such testimony in open session only if a majority of the members of the Committee or Subcommittee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. In either case the Committee or Subcommittee shall afford such person an opportunity voluntarily to appear as a witness; and the Committee or Subcommittee shall receive and the Committee shall dispose of requests from such person to subpoena additional witnesses.

Except as provided herein, the Chairman shall receive and the Committee shall dispose of requests to subpoena additional witnesses. No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the Committee or Subcommittee. In the discretion of the Committee or Subcommittee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The Committee or Subcommittee is the sole judge of the pertinency of testimony and evidence adduced at its hearings. A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the Committee or Subcommittee.

l. *Broadcasting and Photography.*—Televisions, film making, live radio broadcasting and still photography of all or part of any Committee hearing or meeting shall be permitted only when the Committee by a majority vote agreed or, if the Committee cannot be polled in a timely manner, when approved by the Chairman of the Committee after consultation with the Ranking Minority Member. Except as otherwise determined by the committee, television, film making, live radio broadcasting and still photography of all or part of any Subcommittee hearing or meeting shall be permitted only when the Subcommittee by a majority vote agrees or, if the Subcommittee cannot be polled in a timely manner, when approved by the Chairman of the Committee or the Chairman of the Subcommittee after consultation with the Ranking Minority Member of the Committee or Subcommittee. Any broadcasting, electronic recording, film making, and/or still photography of all or part of a hearing or meeting shall be subject to the provisions of House Rule XI-3(f) which appear in Appendix B.

IV. THE REPORTING OF BILLS AND RESOLUTIONS

a. *Filing of Reports.*—The Chairman shall report or cause to be reported promptly to the House any bill or resolution approved by the Committee and shall take or cause to be taken all necessary steps to bring said bill or resolution to a vote. A Committee report on any bill or resolution approved by the committee shall be filed within seven calendar days (not counting days on which the House is not in session) after the day on which there has been filed with the Staff Director of the Committee a written request, signed by a majority of the Committee, for the reporting of that bill or resolution. The Staff Director of the Committee shall notify the Chairman immediately when such a request is filed.

b. *Content of Reports.*—Each Committee report on any bill or resolution approved by the Committee shall include as separately identified sections:

(1) a statement of the intent or purpose of the bill or resolution;

(2) a statement describing the need for such bill or resolution;

(3) the results of the rollcall vote on the motion to report such bill or resolution, including the total number of votes cast for and total number of votes cast against said reporting;

(4) the detailed statement described in section 308(a) of the Congressional Budget Act of 1974 if the bill or resolution provides new budget authority (other than continuing appropriations) or new or increased tax expenditures;

(5) the estimate of costs and comparison of such estimates, if any, prepared by the Director of the Congressional Budget Office in connection with such bill or resolution pursuant to section 403 of the Congressional Budget Act of 1974 and submitted in timely fashion to the Committee;

(6) any oversight findings and recommendations made by the Committee or the Committee on Government Operations or both to the extent such were available during the Committee's deliberations on the bill or resolution;

(7) a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy;

(8) an estimate of the costs which would be incurred in carrying out such bill or joint resolution in the fiscal year in which it is reported and for its authorized duration for each of the five fiscal years following the fiscal year of reporting, whichever period is less, together with a comparison of these estimates with those made and submitted to the Committee by any Government agency (The provisions of this clause do not apply if a cost estimate and comparison prepared by the Director of the Congressional Budget Office under Section 403 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and included in the report);

(9) the changes in existing law (if any) shown in accordance with Rule XIII, clause 3, of the House Rules;

(10) the determination required pursuant to section 5(a) of Public Law 92-463, if the legislation reported establishes or authorizes the establishment of an advisory committee; and

(11) such other matter as the Chairman of the Committee determines to be useful for public understanding of the intent and effect of the bill or resolution.

c. *Supplemental, Minority, or Additional Views.*—If, at the time of approval of any measure or matter by the Committee, any member of the Committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the Staff Director of the Committee. All such views so filed by one or more members of the Committee shall be included within, and shall be a part of, the report filed by the Committee with respect to that measure or matter. The report of the Committee upon that measure or matter shall be printed in a single volume which shall:

(1) include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report; and

(2) bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (C) and (D) of paragraph (1)(3) of House Rule XI, clause 2) are included as part of the report.

This shall not preclude the immediate filing or printing of a Committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph or the filing by the Committee of any supplemental report upon any bill or resolution which may be required for the correction of any technical error in a previous report made by the Committee upon that bill or resolution.

d. *Availability of Hearings.*—If hearings have been held on any reported bill or resolution, the Committee shall make every reasonable effort to have such hearings printed and available for distribution to the members of the House prior to the consideration of such bill or resolution by the House.

e. *Committee Prints.*—All Committee or Subcommittee prints or other Committee or Subcommittee documents, other than reports or prints of bills, that are prepared for public distribution shall be approved by the Chairman of the Committee or the Committee prior to public distribution.

f. *Publication of Minutes.*—The Chairman of the Committee, in consultation with the Ranking Minority Member, shall cause to be published as a Committee Print on a periodic basis (and insofar as practicable on a semiannual basis) the minutes of all business meetings and hearings of the Committee and any of its Subcommittees and such minutes shall include a record of the attendance of members, all recorded votes and the action on all amendments and motions relating to legislation.

V. OTHER COMMITTEE ACTIVITIES

a. *Annual Appropriations.*—The Committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. The Committee shall review, from time to time, each continuing program within its jurisdictions for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefor would be made annually.

b. *Budget Act Compliance: March 15* (See Appendix C).—The Committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

c. *Budget Act Compliance: Subdivision of Allocations* (See Appendix C).—As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the Committee (after consulting with the approporiate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolutions, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

d. *Budget Act Compliance: Recommended Changes* (See Appendix C).—Whenever the Committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process, it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

e. *Conference Committees.*—Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall determine the number of conferees he deems most suitable and then recommend to the Speaker as conferees, in keeping with the number to be chosen, the names of those members of the Committee who were primarily responsible for the legislation and, to the fullest extent feasible, those members of the Committee who were the principal proponents of the major provisions of the bill as it passed the House and such other Committee members of the majority party as the Chairman may designate in consultation with the members of the majority party. Such recommendations shall provide a ratio of majority party members to minority party members no less favorable to the majority party than the ratio of majority members to minority party members on the Committee. In making recommendations of minority party members as conferees, the Chairman shall consult with the Ranking Minority Member of the Committee.

f. *Committee Records.*—All Committee or Subcommittee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as Chairman, and such records shall be the property of the House with all members of the House having access thereto. The Staff Director shall promptly notify the Chairman and Ranking Minority Member of any request for access to such records.

VI. SUBCOMMITTEES

a. *Number and Composition.*—There shall be such Subcommittees as specified in clause b of this rule each of which shall be composed of the number of members set forth in such clause, excluding ex officio members. The Chairman may create additional subcommittees of an ad hoc nature as he determines to be appropriate.

b. *Jurisdiction.*—The Subcommittees shall have the following general jurisdiction and number of members.

Commodity subcommittees

Cotton, Rice, and Sugar (17 members, 10 majority and 7 minority).—Cotton, cottonseed, rice, and sugar matters generally.

Livestock, Dairy, and Poultry (14 members, 8 majority and 6 minority).—Livestock, dairy, poultry, and bees generally.

Tobacco and Peanuts (10 members, 6 majority and 4 minority).—Tobacco and peanut matters generally.

Wheat, Soybeans, and Feed Grains (19 members, 11 majority and 8 minority).—Wheat, soybeans, feed grains, oilseeds not otherwise assigned, dry beans, peas, and lentils generally.

Operational subcommittees

Conservation, Credit, and Rural Development (21 members, 12 majority and 9 minority).—Soil and water conservation, small watershed program, commodity futures, agricultural credit and rural development matters generally.

Department Operations, Research, and Foreign Agriculture (11 members, 6 majority and 5 minority).—Foreign agricultural programs, agency review and analysis, research, and pesticides, generally.

Domestic Marketing, Consumer Relations, and Nutrition (10 members, 6 majority and 4 minority).—Marketing orders, domestic marketing, food stamps, nutrition, and consumer programs generally.

Forests, Family Farms, and Energy (15 members, 9 majority and 6 minority).—Family farming, forestry, and energy matters generally.

c. *Referral of Legislation.*—In the case of any measure or matter not specifically described above, or which includes the jurisdiction of two or more Subcommittees, the Chairman may, unless the Committee by a majority vote decides otherwise, refer such measure or matter simultaneously to two or more Subcommittees for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any Subcommittee), or divide the matter into two or more parts reflecting different subjects and jurisdiction and refer each part to a different Subcommittee, or refer the matter to an ad hoc Subcommittee appointed by him for the specific purpose of considering that matter and reporting to the Committee thereon, or make such other provisions as may be considered appropriate. The Chairman, with the approval of a majority of the Committee, shall have authority to discharge a Subcommittee from further consideration of any bill, resolution, or other matter referred thereto and have such bill, resolution, or other matter considered by the Committee. All legislation and other matters referred to the Committee shall be referred to all Subcommittees of appropriate jurisdiction within two weeks unless, by majority vote of the members of the Committee, consideration is to be by the Committee.

d. *Service on Subcommittees.*—The Chairman and the Ranking Minority Member shall serve as ex officio members of all Subcommittees and shall have the right to vote on all matters before such Subcommittees, but shall not be counted for the purpose of establishing a quorum. Any member of the Committee may have the privilege of sitting with any Subcommittee during its hearings or deliberations and participate therein, but shall not have authority to vote on any matter, nor be counted present for the pur-

pose of a quorum for any Subcommittee action, nor, except as the Subcommittee Chairman or a majority of the Subcommittee may permit, participate in questioning of witnesses under the five-minute rule, nor raise points of order unless such member is a member of such Subcommittee.

e. *Subcommittee Hearings and Meetings.*—Each Subcommittee is authorized to meet, hold hearings, receive evidence, and report to the Committee on all matters referred to it or under its jurisdiction. Subcommittee Chairmen shall set dates for hearings and meetings of their Subcommittees, after consultation with the Chairman of the Committee and one another, with a view toward avoiding simultaneous scheduling of Committee and Subcommittee meetings or hearings whenever possible. Notice of all such meetings shall be given to the Chairman and the Ranking Minority Member of the Committee by the Staff Director. The provisions of Rule II regarding notice and agenda of Committee meetings and of Rule II-b regarding special meetings shall apply as well to Subcommittee meetings.

f. *Subcommittee Action.*—Any bill, resolution, recommendation or other matter ordered reported to the Committee by a Subcommittee shall be promptly reported by the Subcommittee Chairman or any Subcommittee member authorized to do so by the Subcommittee. Upon receipt of such report, the Staff Director shall promptly advise all members of the Committee of the Subcommittee action. The Committee shall not consider any matters reported by Subcommittees until two calendar days have elapsed from the date of reporting, unless the Chairman or a majority of the Committee determines otherwise.

g. *Subcommittee Investigations.*—Except for the Subcommittee on Department Investigations, Oversight and Research, no investigation shall be initiated by a Subcommittee without the approval of the Chairman of the Committee or a majority of the Committee.

VII. COMMITTEE BUDGET, STAFF, AND TRAVEL

a. *Committee Budget.*—The Chairman shall, for each session of the Congress, prepare a budget providing amounts for staff personnel, necessary travel, investigation, and other expenses of the Committee.

b. *Committee Staff.*—The staff of the Committee shall perform such duties as are authorized by law and shall be under the general supervision and direction of the Chairman. Staff assigned to each Subcommittee shall perform such duties as are authorized by law and shall be under the general supervision and direction of the Chairman of the Committee and the Chairman of the Subcommittee. Committee members seeking assistance from the staff shall make their requests through the Chairman or Ranking Minority Member. The Chairman shall insure that each Subcommittee is adequately funded and staffed to discharge its responsibilities.

c. *Committee Travel.*—Funds authorized for the Committee under clause 5 of House Rule XI are for expenses incurred in the Committee's activities within the United States; however, local currencies owned by the United States shall be made available to the Committee and its employees engaged in carrying out their official duties outside the United States, its territories or possessions. No appropriated funds shall be expended for the purpose of defraying expenses of members of the Committee or its employees in any country where local currencies are available for this purpose; and the following conditions shall apply with respect to their use of such currencies:

(1) No member or employee of the Committee shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in applicable Federal law; and

(2) Each member or employee of the Committee shall make an itemized report to the Chairman within 60 days following the completion of travel showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, any funds expended for any other official purpose, and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. All such individual reports shall be filed by the Chairman with the Committee on House Administration and shall be open to public inspection.

VIII. AMENDMENT OF RULES

These rules may be modified, amended, or repealed, by a majority vote of the Committee, provided that two legislative days written notice of the proposed change has been provided each member of the Committee prior to the meeting date on which such changes are to be discussed and voted upon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. COTTER (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. LELAND (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. RANGEL (at the request of Mr. WRIGHT), for February 4, 5, and 6, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CAMPBELL) to revise and extend their remarks and include extraneous material:)

Mr. EVANS of Indiana, for 5 minutes, today.

Mr. COLEMAN, for 5 minutes, February 6.

(The following Members (at the request of Mr. PATMAN) to revise and extend their remarks and include extraneous material:)

Mr. AUCOIN, for 15 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BARNES, for 5 minutes, today.

Mr. HIGHTOWER, for 5 minutes, today.

Mr. STRATTON, for 5 minutes, today.

Mr. ZABLOCKI, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BINGHAM, and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,200.

(The following Members (at the request of Mr. CAMPBELL) and to include extraneous matter:)

Mr. YOUNG of Alaska in two instances.

Mr. COATS.

Mr. HANSEN of Utah.

Mr. HARTNETT.

Mr. FORSYTHE.

Mr. KRAMER.

Mr. DANIEL B. CRANE in three instances.

Mr. FIELDS.

Mr. FISH.

Mr. COLLINS of Texas in two instances.

Mr. MCCLORY.

Mr. WHITEHURST.

Mr. RUDD in two instances.

Mr. LOTT.

Mr. HANSEN of Idaho in three instances.

Mr. GILMAN.

(The following Members (at the request of Mr. PATMAN) and to include extraneous matter:)

Mr. MINETA.

Mr. FITHIAN.

Mr. JONES of Tennessee.

Mr. SHELBY in three instances.

Mr. DONNELLY in two instances.

Ms. OAKAR in two instances.

Mr. BEILENSON in two instances.

Mr. LEHMAN.

Mr. OTTINGER.

Mr. FUQUA.

Mr. SCHEUER.

Mr. PEYSER.

Mr. HEFTEL.

ADJOURNMENT

Mr. HIGHTOWER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, February 6, 1981, at 1 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

475. A letter from the Acting Assistant Attorney General (Civil Rights Division), transmitting the annual report for calendar year 1980 on the administration of the Equal Credit Opportunity Act, pursuant to section 707 of Public Law 90-321, as amended (90 Stat. 255); to the Committee on Banking, Finance and Urban Affairs.

476. A letter from the Secretary of Education, transmitting the annual report for fiscal year 1979 on the status of vocational education, pursuant to section 112(c) of the Vocational Education Act of 1963, as amended; to the Committee on Education and Labor.

477. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $102,198.60 in excess royalties to Shell Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

478. A letter from the Comptroller General of the United States, transmitting a report on positions in grades GS-16, 17, and 18 in the General Accounting Office during the period January 1, 1980, through October 4, 1980, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSTENKOWSKI: Committee on Ways and Means. Report pursuant to section 302(b) of the Congressional Budget Act of 1974 (Rept. No. 97-3). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EDWARDS of California (for himself, Mr. DELLUMS, Mr. MILLER of California, and Mr. STARK):

H.R. 1683. A bill to establish a Commission to study and coordinate State and local actions for the protection and preservation of the Prime Ridgelands area of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. APPLEGATE:

H.R. 1684. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the annual gift tax exclusion from $3,000 to $10,000; to the Committee on Ways and Means.

By Mr. AUCOIN: (for himself, Mr. WEAVER, Mr. WYDEN, and Mr. SMITH of Oregon):

H.R. 1685. A bill to amend the Mortgage Subsidy Bond Tax Act of 1980 to exempt from the coverage of such act certain general obligation veterans' mortgage bond issues of the State of Oregon; to the Committee on Ways and Means.

By Mr. BEILENSON:

H.R. 1686. A bill to prohibit the use of master meters for gas and electricity supplied to new buildings having more than one unit, and for other purposes; to the Committee on Energy and Commerce.

H.R. 1687. A bill to amend the Internal Revenue Code of 1954 to remove certain limitations on the estate tax marital deduction in certain cases; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 1688. A bill to amend the National Historic Preservation Act to prohibit the demolition or substantial alteration of properties designated as National Historic Landmarks; to the Committee on Interior and Insular Affairs.

H.R. 1689. A bill to amend section 16 of the Urban Mass Transportation Act of 1964, relating to the special needs of the elderly and handicapped; to the Committee on Public Works and Transportation.

H.R. 1690. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

H.R. 1691. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

By Mr. BUTLER:

H.R. 1692. A bill to amend the Internal Revenue Code of 1954 to allow the deduction of certain expenses allocable to the use of a residence in providing music lessons; to the Committee on Ways and Means.

By Mr. CHAPPELL:

H.R. 1693. A bill to amend the Export-Import Bank Act of 1945 to authorize the President of the United States to suspend credit for exports to certain countries; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1694. A bill to amend title XIX of the Social Security Act to impose certain requirements relating to the discharge or transfer of medicaid patients from skilled nursing or intermediate care facilities, and for other purposes; to the Committee on Energy and Commerce.

H.R. 1695. A bill to amend the Freedom of Information Act to exempt naval nuclear propulsion information from disclosure in the absence of a finding that such disclosure will not be inimical to the interests of the United States; to the Committee on Government Operations.

H.R. 1696. A bill to amend title 28 of the United States Code, to provide for an exclusive remedy against the United States in suits based upon acts or omissions of U.S. employees, and for other purposes; to the Committee on the Judiciary.

H.R. 1697. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income certain amounts received by members of certain firefighting and rescue units; to the Committee on Ways and Means.

H.R. 1698. A bill to amend title II of the Social Security Act to provide that the waiting period for disability benefits shall not be applicable in the case of a disabled individual suffering from a terminal illness; to the Committee on Ways and Means.

By Mr. JAMES K. COYNE:

H.R. 1699. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for amounts paid into an individual housing account, and for other purposes; to the Committee on Ways and Means.

By Mrs. FENWICK (for herself, Mr. AKAKA, Mr. APPLEGATE, Mr. ASHBROOK, Mr. ASPIN, Mr. ATKINSON, Mr. BADHAM, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BARNES, Mr. BEARD, Mr. BEDELL, Mr. BENEDICT, Mr. BLILEY, Mrs. BOGGS, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mr. BOWEN, Mr. BRINKLEY, Mr. BROWN of Ohio, Mr. BURGENER, Mr. CAMPBELL, Mr. CARNEY, Mr. CHAPPELL, Mrs. CHISHOLM, Mr. CLAUSEN, Mr. COELHO, Mr. CORCORAN, Mr. COUGHLIN, Mr. COURTER, Mr. JAMES K. COYNE, Mr. DANIEL B. CRANE, Mr. PHILIP M. CRANE, Mr. D'AMOURS, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, Mr. DASCHLE, Mr. DAUB, Mr. DAVIS, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DENARDIS, Mr. DIXON, Mr. DONNELLY, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DREIER, Mr. DUNCAN, Mr. DYSON, Mr. ECKART, Mr. EDGAR, Mr. EDWARDS of California, Mr. EDWARDS of Alabama, Mr. EMERY, Mr. ERTEL, Mr. EVANS of Georgia, Mr. EVANS of Indiana, Mr. EVANS of Delaware, Mr. FASCELL, Mr. FAZIO, Ms. FERRARO, Mr. FIELDS, Mr. FINDLEY, Mr. FISH, Mr. FLORIO, Mr. FORD of Tennessee, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FRENZEL, Mr. FROST, Mr. GARCIA, Mr. GIBBONS, Mr. GINGRICH, Mr. GINN, Mr. GLICKMAN, Mr. GOLDWATER, Mr. GRAMM, Mr. GRISHAM, Mr. GUARINI, Mr. GUYER, Mr. SAM B. HALL, JR., Mr. HALL of Ohio, Mr. HANSEN of Idaho, Mr. HARTNETT, Mrs. HECKLER, Mr. HILER, Mr. HINSON, Mr. HOLLENBECK, Mrs. HOLT, Mr. HORTON, Mr. HOWARD, Mr. HUBBARD, Mr. HUCKABY, Mr. IRELAND, Mr. JEFFORDS, Mr. JONES of North Carolina, Mr. JOHNSTON, Mr. KASTENMEIER, Mr. KEMP, Mr. KINDNESS, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEACH of Iowa, Mr. LEE, Mr. LEHMAN, Mr. LENT, Mr. LIVINGSTON, Mr. LONG of Maryland, Mr. LUJAN, Mr. LUNGREN, Mr. MADIGAN, Mr. MARKS, Mr. MARRIOTT, Mr. MARTIN of North Carolina, Ms. MARTIN of Illinois, Mr. MAVROULES, Mr. MAZZOLI, Mr. MCCLORY, Mr. MCCLOSKEY, Mr. MCGRATH, Mr. MCKINNEY, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MINISH, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MOTTL, Mr. MURTHA, Mr. NELSON, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PARRIS, Mr. PASHAYAN, Mr. PAUL, Mr. PETRI, Mr. PEYSER, Mr. PRICE, Mr. PRITCHARD, Mr. PURSELL, Mr. QUILLEN, Mr. RATCHFORD, Mr. RICHMOND, Mr. RINALDO, Mr. RITTER, Mr. RODINO, Mr. ROBERTS of Kansas, Mrs. ROUKEMA, Mr. ROTH, Mr. ROUSSELOT, Mr. SANTINI, Mrs. SCHNEIDER, Mr. SHELBY, Mr. SEIBERLING, Mr. SENSENBRENNER, Mr. SMITH of New Jersey, Mrs. SMITH of Nebraska, Mr. STANGELAND, Mr. STANTON of Ohio, Mr. SWIFT, Mr. SYNAR, Mr. TAUKE, Mr. TRAXLER, Mr. WALKER, Mr. WALGREN, Mr. WHITE, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WILLIAMS of Ohio, Mr. WILLIAMS of Montana, Mr. WILSON, Mr. WINN, Mr. WOLPE, Mr. WON PAT, Mr. WYLIE, Mr. YATES, Mr. YATRON, Mr. YOUNG of Missouri, Mr. ZEFERETTI, Mr. BINGHAM, Mr. BENJAMIN, Mr. ERDAHL, Mr. GRAY, Mr. DERWINSKI, Mr. LEBOUTILLIER, Mr. BROYHILL, Mr. HILLIS, Mr. LOTT, Mr. NOWAK, Mr. ROE, Mr. SHUMWAY, Mr. SUNIA, Mr. COATS, AND Ms. FIEDLER):

H.R. 1700. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mr. COLLINS of Texas:

H.R. 1701. A bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profit tax the first 1,000 barrels a day of crude oil production of independent producers and royalty holders; to the Committee on Ways and Means.

H.R. 1702. A bill to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. DANIEL B. CRANE:

H.R. 1703. A bill to repeal the provisions in title 23, United States Code, relating to a national maximum speed limit of 55 miles per hour; to the Committee on Public Works and Transportation.

By Mr. PHILIP M. CRANE:

H.R. 1704. A bill to amend the Metric Conversion Act of 1975 to provide that the functions of the Federal Government with respect to the metric system shall be limited to coordinating the conversion to such system in areas or industries which desire it, and keeping the public informed thereon, without encouraging in any way the adoption or use of such system; to the Committee on Science and Technology.

H.R. 1705. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. DONNELLY:

H.R. 1706. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for amounts paid or incurred by the taxpayer for alterations to his principal residence in order to make such residence more suitable for handicapped family members; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 1707. A bill to amend the Tennessee Valley Authority Act of 1933 to increase the number of members of the board of directors of the Tennessee Valley Authority from three to seven; to the Committee on Public Works and Transportation.

H.R. 1708. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned; to the Committee on Ways and Means.

H.R. 1709. A bill to amend title II of the Social Security Act to reaffirm the fact that benefits payable thereunder are exempt from all taxation; to the Committee on Ways and Means.

By Mr. FORD of Michigan:

H.R. 1710. A bill to authorize the use of the frank for official mail sent by the Law Revision Counsel of the House of Representatives; to the Committee on Post Office and Civil Service.

By Mr. HANCE (for himself, Mr. ARCHER, Mr. BARNARD, Mr. BEARD, Mr. BEDELL, Mr. BOWEN, Mr. BROWN of Ohio, Mr. BROWN of California, Mr. BROYHILL, Mr. JOHN L. BURTON, Mr. CHAPPELL, Mr. COELHO, Mr. COLLINS of Texas, Mr. DELLUMS, Mr. DOWNEY, Mr. FAZIO, Ms. FERRARO, Mr. FISH, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. GARCIA, Mr. DE LA GARZA, Mr. GOLDWATER, Mr. GRAMM, Mr. GRAY, Mr. GUYER, Mr. SAM B. HALL, JR., Mr. HIGHTOWER, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. IRELAND, Mr. KAZEN, Mr. LONG of Maryland, Mr. MATTOX, Mr. MINETA, Mr. MURPHY, Mr. PEASE, Mr. PEPPER, Mr. PETRI, Mr. PICKLE, Mr. SABO, Mr. SEIBERLING, Mrs. SCHROEDER, Mr. STENHOLM, Mr. VENTO, Mr. WEAVER, Mr. WHITHURST, Mr. WILSON, Mr. WIRTH, Mr. WOLPE, and Mr. WON PAT):

H.R. 1711. A bill to amend title 10, United States Code, to authorize the Secretary concerned to comply with the terms of a court decree, order, or property settlement in connection with the divorce, annulment, or legal separation of a member or former member of the uniformed services receiving retired or retainer pay, and for other purposes; to the Committee on Armed Services.

By Mrs. HECKLER:

H.R. 1712. A bill to amend title XVIII of the Social Security Act to provide medicare coverage of personal emergency response services; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. HEFTEL:

H.R. 1713. A bill to amend section 924(c) of title 18, United States Code, to strengthen existing mandatory penalties for using or carrying a firearm in the commission of a felony; to the Committee on the Judiciary.

By Mr. HEFTEL (for himself, Mr. DOWNEY, Mr. BENJAMIN, Mr. JONES of North Carolina, Mr. MURPHY, Mr. WON PAT, Mr. STUMP, Mr. MCCLOSKEY, Mr. PANETTA, Mr. DUNCAN, Mr. GINN, Mr. ERTEL, Mr. HINSON, Mr. LEVITAS, Mr. YOUNG of Alaska, Mr. LOTT, Mr. CORRADA, Mr. MILLER of California, Mr. WINN, Mr. GUARINI, Mr. ROE, Mr. COELHO, Mr. YATRON, Mr. PEPPER, Mr. BAILEY of Pennsylvania, Mr. DOUGHERTY, Mr. BEDELL, Mr. WILSON, Mr. LIVINGSTON, Mr. SHUMWAY, Mr. JONES of Oklahoma, and Mr. GOODLING):

H.R. 1714. A bill to amend title 38, United States Code, to authorize the Veterans' Administration to furnish memorial headstones or markers to commemorate veterans who by choice are buried at sea, who donate their bodies to science, or who are cremated and have their ashes scattered without interment; to the Committee on Veterans' Affairs.

By Mr. HEFTEL (for himself, Mr. GUARINI and Mr. MARTIN of North Carolina):

H.R. 1715. A bill to amend the Internal Revenue Code of 1954 to permit tax-free sales of fuels for use in certain buses; to the Committee on Ways and Means.

By Mr. HOLLAND:

H.R. 1716. A bill to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND (for himself and Mr. FRENZEL):

H.R. 1717. A bill to amend the Internal Revenue Code of 1954 relating to certain dividends received by life insurance companies; to the Committee on Ways and Means.

By Mr. HOPKINS (for himself, Mr. ANDERSON, Mr. ANNUNZIO, Mr. AUCOIN, Mr. BEDELL, Mr. BEVILL, Mr. BROYHILL, Mr. CORCORAN, Mr. DOWNEY, Mr. FINDLEY, Mr. FRANK, Mr. FROST, Mr. GIBBONS, Mr. GLICKMAN, Mr. GOLDWATER, Mr. GORE, Mr. GRISHAM, Mr. GUYER, Mr. HINSON, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. KOGOVSEK, Mr. LAGOMARSINO, Mr. LIVINGSTON, Mr. LOTT, Mr. MADIGAN, Mr. MAVROULES, Mr. MAZZOLI, Mr. MINETA, Mr. MINISH, Mr. MOLLOHAN, Mr. MOTTL, Mr. NEAL, Mr. OBERSTAR, Mr. PANETTA, Mr. PEPPER, Mr. PICKLE, Mr. ROE, Mr. RUSSO, Mr. SHUMWAY, Mr. SNYDER, Mr. SOLOMON, Mr. STARK, Mr. STUMP, Mr. VENTO, Mr. WHITHURST, Mr. WHITLEY, Mr. WHITTAKER, Mr. WINN, Mr. WIRTH, and Mr. YOUNG of Alaska):

H.R. 1718. A bill to direct that a clinical investigation of the safety and efficacy of dimethyl sulfoxide as a drug to be used by persons with arthritis be conducted through the National Institute of Arthritis, Metabolism, and Digestive Diseases; to the Committees on Energy and Commerce.

By Mr. HUGHES:

H.R. 1719. A bill to amend the Internal Revenue code of 1954 to increase to $500 for an individual and $1,000 for a joint return the amount of dividends and interest which may be excluded from gross income, and to make such exclusion permanent; to the Committee on Ways and Means.

H.R. 1720. A bill to establish a task force to identify ocean sites and the nature of radioactive wastes which were dumped into the ocean prior to 1970, and to prepare a comprehensive plan for monitoring and assessing the impacts which such wastes have had on the environment and the public health; jointly, to the Committees on Merchant Marine and Fisheries and Science and Technology.

By Mr. JEFFORDS:

H.R. 1721. A bill to amend the Railroad Retirement Act of 1974 to permit certain post retirement employment on the same basis as is permitted under the social security system; to the Committee on Energy and Commerce.

H.R 1722. A bill to provide for dismissal of any officer or employee of the Federal Bureau of Investigation who impersonates an officer or employee of the Bureau of the Census; to the Committee on the Judiciary.

By Mr. JONES of Tennessee (for himself, Mr. JEFFORDS, and Mr. DERRICK):

H.R. 1723. A bill entitled "The Rural Telephone Bank Amendment Act of 1981"; to the Committee on Agriculture.

By Mr. KRAMER (for himself, Mr. MOTTL, Mr. ROUSSELOT, Mr. HINSON, Mr. COLLINS of Texas, Mr. ATKINSON, Mr. BAILEY of Missouri, Mr. SWIFT, Mr. BENEDICT, and Mr. JAMES K. COYNE):

H.R. 1724. A bill to amend the Internal Revenue Code of 1954 to provide for the partial exclusion of interest from gross income; to the Committee on Ways and Means.

By Mr. LEHMAN:

H.R. 1725. A bill to amend the Internal Revenue Code of 1954 to increase to $500 the amount of dividends and interest each individual may exclude from gross income, and to make such exclusion permanent; to the Committee on Ways and Means.

By Mr. LOTT (for himself and Mr. EDWARDS of Alabama):

H.R. 1726. A bill to amend the Disaster Relief Act of 1974 pertaining to the making of grants for repair and reconstruction of nonprofit museums, zoos, libraries, physical fitness centers, and historical facilities which are damaged or destroyed by a major disaster; to the Committee on Public Works and Transportation.

By Mr. LUJAN:

H.R. 1727. A bill to establish the San Joaquin del Canon del Rio de Chama Grant Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1728. A bill to amend the Internal Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account; to the Committee on Ways and Means.

H.R. 1729. A bill to provide for the availability of timber and other forest products in wilderness areas to individuals exclusively for use as firewood in their personal residences; jointly, to the Committees on Interior and Insular Affairs and Agriculture.

By Mr. McCLOSKEY:

H.R. 1730. A bill to establish a National Service System under which the young people of the United States shall have the choice of either entering voluntary military or civilian service or being subject to induction into military service by random selection; jointly, to the Committees on Armed Services, Education and Labor, and Veterans' Affairs.

By Mr. McCLORY:

H.R. 1731. A bill to amend the Voting Rights Act of 1965 to limit certain aspects of its coverage for other than racial groups; to the Committee on the Judiciary.

By Mr. MICA:

H.R. 1732. A bill to amend title 33, United States Code, pertaining to acquisition of rights-of-way before completion of environmental impact statements; to the Committee on Public Works and Transportation.

By Mr. MINETA:

H.R. 1733. A bill to amend title 38 of the United States Code to make certain veterans entitled to wartime disability compensation for disabilities and diseases caused by or attributable to exposure to atomic or nuclear radiation during their period of active service; to the Committee on Veterans' Affairs.

By Mr. MITCHELL of New York:

H.R. 1734. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

H.R. 1735. A bill to amend title 32, United States Code, to allow time spent on National Guard duty to be counted toward the time a federally recognized National Guard unit is required to spend each year in summer field training; to the Committee on Armed Services.

H.R. 1736. A bill to direct the Secretary of Defense to make veterans with service connected disabilities and their surviving spouses eligible for commissary and post-exchange privileges; to the Committee on Armed Services.

H.R. 1737. A bill to amend the Solid Waste Disposal Act to provide for financial assistance to municipalities for the closing of open dumps under the Solid Waste Disposal Act and for the construction and operation of sanitary landfills in compliance with the provisions of that act, and for other purposes; to the Committee on Energy and Commerce.

H.R. 1738. A bill to amend the Mineral Lands Leasing Act to permit the disposition of mineral deposits, and lands containing such deposits, which are located in national monuments upon a determination by the President that a national defense emergency exists; to the Committee on Interior and Insular Affairs.

H.R. 1739. A bill to grant a Federal charter to the Italian American War Veterans of the United States; to the Committee on the Judiciary.

H.R. 1740. A bill to award one preference point to National Guard and Armed Forces Reserve veterans applying for employment in the competitive service; to the Committee on Post Office and Civil Service.

H.R. 1741. A bill to amend title 5, United States Code, to extend benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1742. A bill to amend section 131, title 23, United States Code; to the Committee on Public Works and Transportation.

H.R. 1743. A bill to amend the Federal Water Pollution Control Act to provide that the limitation on the use of grants for publicly owned treatment works for treatment, storage, or conveyance of flows of industrial users shall not take effect until November 15, 1984; to the Committee on Public Works and Transportation.

H.R. 1744. A bill to amend the Federal Aviation Act of 1958 to require operators of commuter service airports to establish air transportation security programs, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 1745. A bill to provide financial aid to local fire departments in the purchase of advanced firefighting equipment; to the Committee on Science and Technology.

H.R. 1746. A bill to amend title 38 of the United States Code to remove the time limitations within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

H.R. 1747. A bill to amend title 38 of the United States Code relating to the recognition of representatives of the Polish Legion of American Veterans as claims agents for claims arising under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

H.R. 1748. A bill to amend title 38, United States Code, to include insomnia within the list of chronic diseases for which compensation may be provided under such title for a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 1749. A bill to amend title 38, United States Code, to increase from 1 year to 7 years the period after a veteran is separated from military service during which development of Parkinson's disease will be presumed to be service-connected; to the Committee on Veterans' Affairs.

H.R. 1750. A bill to amend title XVI of the Social Security Act to provide that increases in social security benefits shall be disregarded in determining an individual's eligibility for supplemental security income benefits, and to provide that support and maintenance furnished a mentally retarded individual living in another person's household shall constitute income to him for supplemental security income benefit purposes; to the Committee on Ways and Means.

H.R. 1751. A bill to amend title XVI of the Social Security Act to provide for the exclusion from income, for purposes of determining eligibility and amount of benefits under the supplemental security income program, of income received by reason of employment in a sheltered work setting; to the Committee on Ways and Means.

H.R. 1752. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer supporting a dependent who is mentally retarded; to the Committee on Ways and Means.

H.R. 1753. A bill to amend the Internal Revenue Code of 1954 to provide that the special expenses incurred in maintaining a retarded or handicapped individual shall be allowable as a medical deduction without regard to the 3-percent floor; to the Committee on Ways and Means.

H.R. 1754. A bill to amend part A of title IV of the Social Security Act to establish a minimum aid to families with dependent children benefit amount to be required of all States, and to provide additional Federal matching for States which are presently below such minimum amount to assist them in increasing their aid to families with dependent children payments to comply with such requirement; to the Committee on Ways and Means.

H.R. 1755. A bill to amend the Tariff Schedules of the United States in Order to increase the rate of duty on certain boxes, cases, and chests lined with textile fabrics; to the Committee on Ways and Means.

H.R. 1756. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct certain expenses paid by him for special education furnished to a child or other minor dependent who is physically or mentally handicapped; to the Committee on Ways and Means.

H.R. 1757. A bill to amend title II of the Social Security Act to provide for the computation of benefits thereunder on the basis of the worker's 3 years of highest earnings; to the Committee on Ways and Means.

H.R. 1758. A bill to amend the Internal Revenue Code of 1954 to exempt from Federal income taxation a trust established by a taxpayer for the purpose of providing care for certain mentally incompetent relatives of the taxpayer; to the Committee on Ways and Means.

H.R. 1759. A bill relating to the effective date of the amendment contained in the Multiemployer Pension Plan Amendments Act of 1980 which relates to the treatment of certain retirement benefits under State unemployment compensation laws; to the Committee on Ways and Means.

H.R. 1760. A bill to amend the worker adjustment assistance provisions of the Trade Act of 1974 in order to repeal the requirement that workers may not be covered under certification of eligibility to apply for such assistance unless they are totally or partially separated from adversely affected employment within one year before the date of petitioning for such certification; to the Committee on Ways and Means.

H.R. 1761. A bill to amend title XVI of the Social Security Act so as to make the supplemental security income benefits program more effective, and benefits under such program more realistically available, for mentally retarded persons; to the Committee on Ways and Means.

H.R. 1762. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

H.R. 1763. A bill to authorize the Director of the Federal Emergency Management Agency to donate to State and local governments certain Federal property which was previously loaned to such government for civil defense purposes; jointly, to the Committees on Armed Services and Government Operations.

By Mr. MOLLOHAN:

H.R. 1764. A bill to designate the Veterans' Administration medical center in Clarksburg, W.Va., as the Louis A. Johnson Veterans' Medical Center; to the Committee on Veterans' Affairs.

By Mr. MOORHEAD (for himself, Mr. GRAMM, Mr. TAUKIN, Mr. COLLINS of Texas, Mr. DANNEMEYER, Mr. RINALDO, and Mr. CORCORAN):

H.R. 1765. A bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric power-

plants; to the Committee on Energy and Commerce.

By Ms. OAKAR:

H.R. 1766. A bill to amend title XVI of the Social Security Act to eliminate the one-third benefit reduction for those supplemental security income recipients who live in another household, and to continue supplemental security income payments for 3 months when a recipient is institutionalized; to the Committee on Ways and Means.

By Mr. RUDD:

H.R. 1767. A bill to amend the Food Stamp Act of 1977 to restore the purchase requirement in the case of certain benefit recipients, to require State agencies to develop work fare programs for such recipients, and for other purposes; to the Committee on Agriculture.

By Mr. ST GERMAIN:

H.R. 1768. A bill to amend section 431 of the Public Health Service Act to provide funds to the National Institute of Neurological and Communicative Disorders and Stroke for research in the area of regeneration of the spinal cord; to the Committee on Energy and Commerce.

H.R. 1769. A bill to amend title 38 of the United States Code to make certain veterans entitled to wartime disability compensation for disabilities and diseases caused by or attributable to exposure to atomic or nuclear radiation during their period of active service; to the Committee on Veterans' Affairs.

H.R. 1770. A bill to amend the Internal Revenue Code of 1954 to provide that expenditures for woodburning stoves shall be eligible for the residential energy credit for energy conservation expenditures; to the Committee on Ways and Means.

By Mr. SKELTON (for himself, Mr. CLAY, and Mr. MAZZOLI):

H.R. 1771. A bill to direct the U.S. Postal Service to issue a special postage stamp to commemorate the life and achievements of Scott Joplin; to the Committee on Post Office and Civil Service.

By Mr. SMITH of Iowa (for himself and Mr. UDALL):

H.R. 1772. A bill to assist small business concerns, to conserve and develop natural resources, and to enhance the environment, through a program providing incentives to plant trees along the Interstate Highway System; jointly, to the Committees on Agriculture, Public Works and Transportation and Small Business.

By Mrs. SMITH of Nebraska:

H.R. 1773. A bill to amend the Immigration and Nationality Act with respect to the admission and status of aliens who are graduates of foreign medical schools; jointly, to the Committees on the Judiciary and Energy and Commerce.

By Mr. STUDDS (for himself, Mr. RODINO, Mr. MURPHY, Mr. WHITEHURST, Mr. HUTTO, Mr. BEILENSON, Mr. D'AMOURS, Mr. AKAKA, Mr. WEISS, Mr. MOTTL, Mr. ECKART, Mr. HORTON, Mr. GUYER, Mr. GARCIA, Mr. CONTE, Mr. MOAKLEY, Mr. DONNELLY, Mr. VENTO, Mr. BEARD, Mr. JAMES K. COYNE, and Mr. WILSON):

H.R. 1774. A bill to encourage improvement in the energy efficiency of propulsion systems used by U.S. flag merchant vessels and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. TAYLOR:

H.R. 1775. A bill to amend title 5, United States Code, to provide that air traffic controllers entitled to immediate retirement annuities may not be entitled to training under section 3381, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LEVITAS (for himself, Mr. ALBOSTA, Mr. ALEXANDER, Mr. APPLEGATE, Mr. ARCHER, Mr. ATKINSON, Mr. AUCOIN, Mr. BADHAM, Mr. BAFALIS, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BEARD, Mr. BENJAMIN, Mr. BERRUTER, Mr. BEVILL, Mr. BLANCHARD, Mr. BONER of Tennessee, Mrs. BOUQUARD, Mr. BOWEN, Mr. BREAUX, Mr. BRINKLEY, Mr. BROWN of Ohio, Mr. BUTLER, Mrs. BYRON, Mr. CAMPBELL, Mr. CLAUSEN, Mr. CLINGER, Mr. COATS, Mr. COELHO, Mr. COLEMAN, Mr. COURTER, Mr. DANIEL B. CRANE, Mr. D'AMOURS, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, JR., Mr. DERWINSKI, Mr. DICKINSON, Mr. DONNELLY, Mr. DOUGHERTY, Mr. DORNAN of California, Mr. DUNCAN, Mr. EDWARDS of Oklahoma, Mr. ENGLISH, Mr. ERLENBORN, Mr. EVANS of Georgia, Mr. EVANS of Indiana, Mrs. FENWICK, Ms. FERRARO, Mr. FLIPPO, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FRENZEL, Mr. FROST, Mr. GINGRICH, Mr. GINN, Mr. GRADISON, Mr. GRAMM, Mr. GREGG, Mr. GRISHAM, Mr. GUYER, Mr. SAM B. HALL, JR., Mr. HAMILTON, Mr. HANSEN of Idaho, Mr. HATCHER, Mr. HEFNER, Mr. HEFTEL, Mr. HENDON, Mr. HIGHTOWER, Mr. HINSON, Mrs. HOLT, Mr. HORTON, Mr. HUBBARD, Mr. HUGHES, Mr. IRELAND, Mr. JACOBS, Mr. JEFFRIES, Mr. JENKINS, Mr. JONES of North Carolina, Mr. JONES of Tennessee, Mr. KAZEN, Mr. KEMP, Mr. KILDEE, Mr. KINDNESS, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEBOUTILLIER, Mr. LEE, Mr. LENT, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LOTT, Mr. LUJAN, Mr. LUNGREN, Mr. MCDONALD, Mr. MCGRATH, Mr. MCKINNEY, Mr. MADIGAN, Mr. MARRIOTT, Mr. MAZZOLI, Mr. MILLER of Ohio, Mr. MINETA, Mr. MITCHELL of New York, Mr. MONTGOMERY, Mr. MOORE, Mr. MORRISON, Mr. MOTTL, Mr. MURPHY, Mr. MYERS, Mr. NEAL, Mr. NELSON, Mr. NICHOLS, Mr. NOWAK, Mr. PANETTA, Mr. PARRIS, Mr. PASHAYAN, Mr. PETRI, Mr. PRICE, Mr. PRITCHARD, Mr. ROBINSON, Mr. ROE, Mr. ROSE, Mr. ROTH, Mr. ROUSSELOT, Mr. RUSSO, Mr. SANTINI, Mr. SAWYER, Mrs. SCHROEDER, Mr. SENSENBRENNER, Mr. SHELBY, Mr. SHUMWAY, Mr. SMITH of New Jersey, Mr. SOLOMON, Mr. STANGELAND, Mr. STUMP, Mr. SYNAR, Mr. TAUKE, Mr. THOMAS, Mr. TRIBLE, Mr. VOLKMER, Mr. WALKER, Mr. WHITE, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WILSON, Mr. WINN, Mr. WOLF, Mr. WOLPE, Mr. YATRON, Mr. YOUNG of Missouri, and Mr. ZEFERETTI):

H.R. 1776. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. WEAVER:

H.R. 1777. A bill to expand the purposes for which receipts from national forests may be expended for the benefit of counties; to the Committee on Agriculture.

By Mr. WHITEHURST:

H.R. 1778. A bill to terminate the Department of Energy; jointly, to the Committees on Government Operations and Rules.

H.R. 1779. A bill to terminate the Department of Education; jointly, to the Committees on Government Operations and Rules.

By Mr. YOUNG of Florida:

H.R. 1780. A bill to amend the Food Stamp Act of 1977 to provide that individuals who participate in psychiatric residential treatment programs shall be eligible to receive food stamps; to the Committee on Agriculture.

By Mr. CONYERS:

H.R. 1784. A bill to revise the overtime compensation requirements of the Fair Labor Standards Act of 1938 to provide that effective January 1, 1985, employees who work more than 35 hours in any workweek shall receive overtime compensation for such work at twice their regular rate of pay, and for other purposes; to the Committee on Education and Labor.

By Mr. CHAPPELL:

H.J. Res. 166. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. COATS (for himself, Mr. BROWN of Colorado, Mr. DAUB, Mr. EVANS of Iowa, Mr. GREGG, Mr. HANSEN of Utah, Mr. HILER, Mr. JOHNSTON, Mr. LEBOUTILLIER, Mr. MORRISON, Mr. NAPIER, Mr. SMITH of Oregon, and Mr. WOLF):

H.J. Res. 167. Joint resolution proposing an amendment to the Constitution of the United States to change the terms of office for Members of Congress; to the Committee on the Judiciary.

By Mr. FOWLER (for himself, Mr. WEISS, Mr. RICHMOND, Mr. FAZIO, Mr. WON PAT, Mr. ANNUNZIO, Mr. SIMON, Mr. PANETTA, Mr. SCHEUER, Mr. LAGOMARSINO, Mr. ALEXANDER, Mr. KILDEE, Mr. MAZZOLI, Mr. WINN, Mr. RAHALL, Mr. WHITEHURST, Mr. MCDADE, Mr. BOWEN, Mr. MURPHY, Mr. MOLLOHAN, Ms. OAKAR, Mr. WOLPE, Mr. FISH, Mr. FASCELL, Mr. MOTTL, Mr. HORTON, Mr. GUARINI, Mr. CORRADA, Mr. FROST, Mr. LUNGREN, Mr. STARK, Mr. GREEN, Mr. CORCORAN, Mr. VENTO, Mr. YATRON, Mr. TAUKE, Mr. BOLAND, Mr. BEDELL, Mr. D'AMOURS, Mr. ERDAHL, Mr. FRENZEL, Mr. MITCHELL of New York, Mr. CLINGER, Mrs. HECKLER, Mr. ROE, Mr. HUGHES, Mr. PEPPER, Mr. DOUGHERTY, Mr. GRAY, Mr. OTTINGER, Mr. MILLER of California, Mr. WHITTAKER, Mr. FLORIO, Mr. JEFFORDS, Mr. MADIGAN, Mr. DOWNEY, Mr. PASHAYAN, Mr. WAXMAN, Mr. DASCHLE, Mr. PRICE, Mr. O'BRIEN, Mr. WHITTEN, Mr. FUQUA, Mr. SOLARZ, Mr. MONTGOMERY, Mr. DERRICK, Mr. MARRIOTT, Mr. SOLOMON, Mr. WALGREN, Mr. MATSUI, Mr. FINDLEY, Mr. HOPKINS, Mr. ROBINSON, Mr. GUYER, Mr. ADDABBO, Mr. BEARD, Mr. HAMMERSCHMIDT, and Mr. KASTENMEIER):

H.J. Res. 168. Joint resolution designating the month of September 1981, as "National Rehabilitation Month; to the Committee on Post Office and Civil Service.

By Mr. JENKINS (for himself, Mr. LEVITAS and Mr. CONABLE):

H.J. Res. 169. Joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.J. Res. 170. Joint resolution proposing an amendment to the Constitution of the United States with respect to public prayer and religious instruction; to the Committee on the Judiciary.

H.J. Res. 171. Joint resolution to authorize and request the President to proclaim May 7 of each year as a National Day of Prayer; to the Committee on Post Office and Civil Service.

H.J. Res. 172. Joint resolution to authorize and request the President to proclaim the second week in April of each year as "National Medical Laboratory Week"; to the Committee on Post Office and Civil Service.

H.J. Res. 173. Joint resolution memorializing Dr. Mahlon Loomis; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Ohio (for himself, Mr. WIRTH, and Mr. RINALDO):

H. Con. Res. 59. Concurrent resolution requesting a report from the Securities and Exchange Commission on acquisition of U.S. firms by foreign nationals; jointly, to the Committees on Energy and Commerce and Foreign Affairs.

By Mr. IRELAND:

H. Con. Res. 60. Concurrent resolution expressing the sense of the Congress that the Postmaster General should issue a postage stamp in honor of the Nation's small businesses; to the Committee on Post office and Civil Service.

By Mr. DONNELLY:

H. Con. Res. 61. Concurrent resolution urging the President to extend certain orderly marketing agreements with Taiwan and the Republic of Korea which limit the exportation from those countries of nonrubber footwear to the United States; to the Committee on Ways and Means.

By Mr. MITCHELL of New York:

H. Con. Res. 62. Concurrent resolution to seek the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine; to the Committee on Foreign Affairs.

H. Con. Res. 63. Concurrent resolution to provide for the procurement and display in the Capitol of a facsimile of the Constitution of the United States; to the Committee on House Administration.

By Mr. WHITTAKER:

H. Con. Res. 64. Concurrent resolution authorizing and requesting the President to issue a proclamation observing the 35th anniversary of CARE (the Cooperative for American Relief Everywhere, Inc.), and designating May 10 to 16, 1981, as "CARE Week"; to the Committee on Post Office and Civil Service.

By Mr. McDONALD:

H. Res. 61. Resolution impeaching Nauman Scott, judge of the U.S. District Court for the Western District of Louisiana; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H. Res. 62. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on Foreign Affairs.

By Mr. PERKINS (for himself and Mr. ASHBROOK):

H. Res. 63. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Education and Labor; to the Committee on House Administration.

By Mr. STOKES:

H. Res. 64. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Standards of Official Conduct; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUTLER:

H.R. 1781. A bill for the relief of Evangel Kiddie Kollege; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 1782. A bill for the relief of Henry D. Barnett; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 1783. A bill for the relief of Felipe M. Manalo and Maria Monita A. Manalo; to the Committee on the Judiciary.

By Mr. LAFALCE:

H.R. 1785. A bill for the relief of Gladys Belleville Schultz; to the Committee on the Judiciary.

By Mr. MAVROULES:

H.R. 1786. A bill for the relief of Maria Logfhetis; to the Committee on the Judiciary.

H.R. 1787. A bill for the relief of Richard George Fecteau and John Thomas Downey; to the Committee on the Judiciary.

By Mr. McCLORY:

H.R. 1788. A bill for the relief of Dr. and Mrs. Milton Margoles; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.R. 1789. A bill for the relief of Rev. Anthony Pepel; to the Committee on the Judiciary.

H.R. 1790. A bill for the relief of John Brima Charles, Jr.; to the Committee on the Judiciary.

H.R. 1791. A bill for the relief of GFM Co.; to the Committee on the Judiciary.

H.R. 1792. A bill for the relief of M. Sgt. Grady H. Haynes; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 1793. A bill for the relief of Bernard J. Killeen, Jr.; to the Committee on the Judiciary.

By Mr. ROBINSON (by request):

H.R. 1794. A bill for the relief of Beulah C. Shifflett; to the Committee on the Judiciary.

By Mr. TAYLOR:

H.R. 1795. A bill for the relief of La Lim; to the Committee on the Judiciary.

H.R. 1796. A bill for the relief of Jacobo Cosio-Franco; to the Committee on the Judiciary.

By Mr. WHITLEY:

H.R. 1797. A bill to direct the Secretary of the Department in which the U.S. Coast Guard is operating to cause the vessel *Capt. Tom* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3: Mr. MURPHY, Mr. GINGRICH, Mrs. BOUQUARD, Mr. ATKINSON, Mr. KOGOVSEK, and Mr. NELLIGAN.

H.R. 27: Mr. BENJAMIN, Mr. BEARD, Mr. BROWN of Ohio, Mr. CORRADA, Mr. JAMES K. COYNE, Mr. ROBERT W. DANIEL, JR., Mr. DREIER, Mr. DUNCAN, Mr. ERTEL, Mr. GINN, Mr. GLICKMAN, Mr. HARKIN, Mr. JOHNSTON, Mr. MCKINNEY, Mr. MADIGAN, Mr. MARRIOTT, Mr. NEAL, Mr. PASHAYAN, Mr. PEPPER, Mr. SMITH of Alabama, and Mr. WILSON.

H.R. 65: Mr. ANNUNZIO, Mr. DAN DANIEL, Mr. TRAXLER, Mr. FROST, Mr. SPENCE, Mr. EMERY, Mr. FAUNTROY, Mr. LELAND, Mr. MINETA, Mr. ATKINSON, Mr. KOGOVSEK, Mrs. CHISHOLM, Mr. PETRI, Mr. DERRICK, Mr. DICKS, Mr. JONES of North Carolina, Mr. PASHAYAN, Mr. PARRIS, Mr. NOWAK, Mr. BINGHAM, Mr. HOWARD, Mr. EVANS of Georgia, Ms. MIKULSKI, Mr. McDONALD Mr. LUNDINE, Mr. NEAL, Mr. WALKER, Mr. ROSENTHAL, Mr. ECKART, Mr. VOLKMER, Mr. EDWARDS of California, Mr. MOLLOHAN, Mr. SUNIA, Mr. BONIOR of Michigan, Mr. WASHINGTON, Mr. MATTOX, Mrs. COLLINS of Illinois, Mr. HAMMERSCHMIDT, Mr. GRAY, Mr. SYNAR, Mr. LUJAN, Mr. FRANK, Mr. GINN, Mr. FASCELL, Mr. TAUKE, Mr. JONES of Tennessee, Mr. DORNAN of California, Mr. BEDELL, Mr. HARTNETT, Mr. ROBERT W. DANIEL, JR., Mr. MCDADE, Mr. RAHALL, Mr. SIMON, Mr. D'AMOURS, Mrs. BOUQUARD, Mr. DE LUGO, Mr. BAILEY of Pennsylvania, Mr. JOHNSTON, Mr. NELLIGAN, Mr. PEYSER, Mrs. SCHNEIDER, Mr. SHELBY, Mr. DUNN, Mr. BARNARD, Mr. LOWRY of Washington, Mr. DWYER, Mr. WEAVER, Mr. AUCOIN, Mr. HIGHTOWER, Mr. MINISH, Mr. BARNES, Mr. FOUNTAIN, Mr. IRELAND, Mr. STANGELAND, Mr. ROSE, Mr. BROWN of California, Mr. DIXON, Mr. ZEFERETTI, Mr. ERTEL, Mr. GARCIA, Mr. RITTER, Mr. DONNELLY, Mr. NELSON, Mr. BROOMFIELD, Mr. CHAPPELL, Mr. HOLLENBECK, Mr. MARRIOTT, Mr. PRICE, Mr. FITHIAN, Mr. MOFFETT, Mr. HILLIS, Mr. HERTEL, Mr. HEFNER, Mr. BOWEN, Mr. SCHEUER, Mr. WEBER of Minnesota, Mr. DASCHLE, Mr. McGRATH, Mr. SAWYER, Mr. HALL of Ohio, Mr. JAMES K. COYNE, Mr. HARKIN, Mr. HINSON, Mr. FLORIO, Mr. SENSENBRENNER, Mr. LEATH of Texas, Mr. HILER, Mr. BROOKS, Mr. TAYLOR, Mr. APPLEGATE, Mr. ERDAHL, Mr. COLEMAN, Mr. MOAKLEY, Mr. EVANS of Indiana, Mr. MURTHA, and Mr. CLINGER.

H.R. 793: Mr. SHELBY, Mr. KRAMER, Mr. HOWARD, Mr. DORNAN of California, Mr. COLLINS of Texas, Mr. ROBERTS of Kansas, Mr. RUDD, Mr. LAGOMARSINO, Mr. TRAXLER, Mr. SAM B. HALL, JR., Mr. DERWINSKI, Mr. HUTTO, Mr. DE LA GARZA, Mr. EVANS of Georgia, Mr. BEVILL, Mr. PEPPER, Mr. BOWEN, Mr. BARNARD, Mr. MURPHY, Mr. DINGELL, Mr. WHITLEY, Mr. ROBERT W. DANIEL, JR., Mr. HARTNETT, Mr. McDONALD, Mr. WILSON, Mr. SENSENBRENNER, and Mr. JOHNSTON.

H.R. 798: Mr. ROBINSON, Mr. GINN, Mr. ROSE, Mr. DICKINSON, Mr. COUGHLIN, Mr. MOTTL, Mr. KOGOVSEK, Mr. D'AMOURS, Mr. WEISS, Mr. LEHMAN, Mr. HOWARD, Mr. MINETA, Mr. FORSYTHE, Mr. FROST, Mr. PRITCHARD, Mr. HUCKABY, Mr. DOUGHERTY, Mr. BROWN of California, Mr. McDADE, Mr. MITCHELL of Maryland, Mr. GUYER, Mr. FAUNTROY, Mr. LOTT, Mr. HORTON, Mr. BOWEN, Mr. CONYERS, Mr. FISH, Mr. COELHO, and Mr. HARKIN.

H.R. 801: Mr. JOHNSTON, Mr. ROBINSON, Mr. GINN, Mr. GINGRICH, Mr. SAM B. HALL, JR., Mr. LAGOMARSINO, Mr. MURPHY, Mr. HINSON, Mr. COUGHLIN, Mr. MOTTL, Mr. KOGOVSEK, Mr. D'AMOURS, Mr. WEISS, Mr. LOWRY of Washington, Mr. FORSYTHE, Mr. HUTTO, Mr. HIGHTOWER, Mr. PARRIS, Mr. WINN, Mr. STANGELAND, Mr. PRITCHARD, Mr. BARNARD, Mr. KINDNESS, Mr. HUCKABY, Mr. FARY, Mr. DOUGHERTY, Mr. DAVIS, Mr. McDADE, Mr. MADIGAN, Mr. DE LUGO, Mr. LOTT, Mr. BENEDICT, Mr. ROE, Mr. HORTON,

Mr. YATRON, Mr. JAMES K. COYNE, Mr. BADHAM, Mr. FISH, and Mr. COELHO.

H.R. 852: Mr. BREAUX, Mr. KOGOVSEK, Mr. DYMALLY, Mr. MOAKLEY, Mr. SABO, Mr. ST GERMAIN, Mr. MATSUI, and Mr. OBERSTAR.

H.R. 876: Mr. DONNELLY, Mr. JOHNSTON, Mr. LOWRY of Washington, Mr. MURPHY, Mr. ROBERT W. DANIEL, JR., Mr. KOGOVSEK, Mr. ERTEL, Mr. COELHO, Mr. SHUMWAY, Mr. WHITEHURST, Mr. VENTO, Mr. EDWARDS of California, Mr. WEAVER, Mr. GLICKMAN, Mr. PITHIAN, Mr. STARK, Mr. BEDELL, Mrs. BOUQUARD, Mrs. COLLINS of Illinois, Mr. EDGAR, Mr. HEFTEL, and Mr. RITTER.

H.R. 901: Mr. MCCLOSKEY and Mr. YOUNG of Alaska.

H.R. 911: Mr. CONABLE, Mr. PHILIP M. CRANE, Mr. PRITCHARD, Mr. SAM B. HALL, JR., Mr. LAGOMARSINO, Mr. MURPHY, Mr. NEAL, Mr. SHUMWAY, Mr. LAFALCE, and Mr. JOHNSTON.

H.R. 913: Mr. GIBBONS, Mr. ROUSSELOT, Mr. RHODES, Mr. FORSYTHE, Mr. PRITCHARD, Mr. JEFFORDS, Mrs. FENWICK, Mr. MCCLORY, Mr. DREIER, Mr. ERDAHL, Mr. PEPPER, Mr. YATRON, Mr. STANTON of Ohio, Mr. MCCLOSKEY, Mr. HILLIS, Mr. LAGOMARSINO, Mr. DERWINSKI, Mr. BROWN of Ohio, Mr. BUTLER, Mr. MURPHY, Mr. JAMES K. COYNE, Mr. GUYER, Mr. KEMP, and Mr. BILILEY.

H.R. 1042: Mr. ADDABBO, Mr. AUCOIN, Mrs. BOUQUARD, Mr. COELHO, Mr. CORRADA, Mr. FISH, Mr. FLORIO, Mr. FORD of Tennessee, Mr. GINN, Mr. GOLDWATER, Mr. HEFNER, Mr. HORTON, Mr. HOWARD, Mr. LEDERER, Mr. LEHMAN, Mr. LUNDINE, Mr. MAVROULES, Mr. MCHUGH, Mr. MILLER of California, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. MURPHY, Mr. NATCHER, Mr. NOWAK, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. PRITCHARD, Mr. RAHALL, Mr. RODINO, Mr. ROSENTHAL, Mr. ROUSSELOT, Mr. SCHEUER, Mr. SOLARZ, Mr. STARK, Mr. STRATTON, Mr. TRAXLER, Mr. VENTO, Mr. WAXMAN, Mr. WEISS, Mr. WINN, and Mr. YATRON.

H.R. 1064: Mr. TAUZIN, Mr. IRELAND, Mr. SAWYER, Mr. HILLIS, Mr. HUCKABY, Mr. WILSON, Mr. YOUNG of Missouri, and Mr. MADIGAN.

H.R. 1136: Mr. KOGOVSEK.

H.R. 1137: Mr. KOGOVSEK.

H.R. 1200: Mr. HILLIS, Mr. JAMES K. COYNE, and Mr. GOODLING.

H.R. 1258: Mr. RITTER.

H.R. 1339: Mr. BEARD, Mr. ROE, Mr. HILLIS, Mr. NEAL, Mr. HUCKABY, Mr. WHITTAKER, and Mr. LEATH of Texas.

H.R. 1340: Mr. BEARD, Mr. ROE, Mr. HILLIS, Mr. NEAL, Mr. HUCKABY, Mr. WHITTAKER, Mr. LEATH of Texas, and Mr. FISH.

H.R. 1492: Mr. DOUGHERTY.

H.R. 1493: Mr. DOUGHERTY.

H.J. Res. 9: Mr. CORCORAN, Mr. MOTTL, Mr. WHITEHURST, MR. WHITTAKER, Mr. JOHNSTON, Mr. BARNARD, Mr. ATKINSON, Mr. STANGELAND, Mr. WILSON, and Mr. GOODLING.

H.J. Res. 131: Mr. ROBINSON, Mr. NATCHER, Mr. PEPPER, Mr. WINN, Mr. MOTTL, Mr. ROE, Mr. SMITH of Iowa, Mr. WHITEHURST, Mr. MURPHY, Mr. ANNUNZIO, Mr. MAZZOLI, Mr. LAGOMARSINO, Mr. WYLIE, Mr. CLAUSEN, Mr. GUYER, Mr. CORRADA, Mr. JACOBS, Mr. FRANK, Mr. MADIGAN, Mr. HOWARD, and Mr. MCDONALD.

H.J. Res. 145: Mr. BAILEY of Missouri, Mr. MURPHY, Mr. GUARINI, Mr. WOLPE, Mr. SCHEUER, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. DWYER, Mrs. BOUQUARD, Mr. VENTO, Mr. FROST, Mr. HEFNER, Mr. FORSYTHE, Mr. BEVILL, Mr. DOUGHERTY, Mr. HORTON, Mr. YATRON, Mr. GUYER, Mr. HUGHES, Mr. ROE, and Mr. BOWEN.

H.J. Res. 159: Mr. VENTO, and Mr. WIRTH.

H. Con. Res. 1: Mr. DANIELSON.

H. Con. Res. 20: Mr. LEBOUTILLIER.

H. Con. Res. 27: Mr. WEISS, Mrs. FERRARO, and Mr. YATES.

H. Res. 22: Mr. MCCLOSKEY, Mr. OTTINGER, Mr. WEISS, Mr. DOWNEY, Mr. WALGREN, Mr. MONTGOMERY, Mr. EDWARDS of California, Mr. BROWN of California, and Mr. HARKIN.

H. Res. 50: Mr. MURPHY, Mr. VENTO, Mr. RODINO, Mr. DYSON, and Mr. DWYER.

EXTENSIONS OF REMARKS

SOVIETS RECORD SINCE HELSINKI: POLAND ABYSMAL

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. PORTER. Mr. Speaker, at Madrid the oversight conference has resumed as part of the 1975 Helsinki Final Act. The time has come to reevaluate the performance of the Soviet Union since the signing of the 1975 act. The chief of the U.S. Delegation to the Madrid Conference recently gave an interview in the U.S. News & World Report of February 9, 1981, that I would like to share with my colleagues concerning the behavior of the Soviet Union under the Helsinki agreements:

RUSSIA'S RECORD SINCE HELSINKI: 5 YEARS OF CHEATING*

Moscow is on trial at a Madrid meeting policing the 1975 Helsinki Accords on human rights and territorial integrity. The verdict, says the leader of the U.S. team: Guilty on almost all counts.

Q. Mr. Kampelman, what's the point of meeting the Soviets in Madrid to talk about compliance with the Helsinki Final Act guaranteeing human rights and sovereignty of all nations? Haven't the Russians made a mockery of this agreement by their invasion of Afghanistan, their threats to Poland and their repression of dissidents?

A. As one who had serious questions about our signing the 1975 Helsinki Final Act, let me say that we have taken that vehicle and turned it against the Soviet Union at Madrid in a very effective manner. We have used the vehicle to our advantage. I've always believed that if you have a vehicle that you can use to your advantage, you use it and don't throw it away.

The overwhelming feeling in the European press is that the Soviets have been taking it on the chin at Madrid and that they're on the defensive—indeed, they're isolated. Now, that's a political advantage to us.

Q. How are the Soviets reacting to this?

A. They clearly have been surprised. They did not anticipate the overwhelming attack against the Soviet Union for Afghanistan and for violation of human rights. It has never happened before. We are not in a position to judge how effective it is, because we don't know what Moscow is thinking or talking about.

I have very little doubt in my mind that the Soviets have been surprised by the intense allied unity that exists at Madrid—a unity that is strengthened by the addition of Spain, which is now clearly and unmistakably a Western country.

The neutrals and the nonaligneds also have expressed themselves in unmistakable terms on human rights and Afghanistan. I don't think the Soviets expected that. Nor did they expect the constancy of the attack, the stubborness.

We have reason to believe that they expected we would go through the forms and not be effective at all.

Q. Do these verbal attacks really matter very much in practical terms?

A. I am firmly convinced—and I speak as one who has spent many years studying the Soviet system—that the worst thing in the world one can do in dealing with the Soviets is to pretend that they do not make mistakes. They do. I don't think the Soviets are self-sufficient in this world. They also seek respectability.

Their objective, after all, is world influence, and not just internal economic or political stability. All of this is adversely affected by the criticism.

If we hope to reach an accommodation with the Soviets, we must clearly state our requirements and the prerequisities for that accommodation. If we put blinders on ourselves, there is no chance of an accommodation. We will have the kind of relationship that we've had in recent years. We've kidded ourselves into believing we have a peaceful relationship with them, and they have not kidded themselves into believing that they should not build up their strength. It's a relationship that has worked to our disadvantage.

Q. What are the Russians getting out of the Madrid meeting?

A. They've gotten nothing out of it so far. They still have an opportunity to gain something with their proposal for military détente and disarmament, which will be considered in February.

What they hope to gain is a propaganda advantage by being in favor of a conference that would emphasize military détente and disarmament. They hope to put themselves in a position where they're a peace-loving people in the eyes of the Europeans and the eyes of the world. We will counter that.

Q. Will they get backing for their conference on military détente and disarmament?

A. No. They're not going to get the conference. The West is overwhelmingly opposed to it. I don't think the Russians expect to get their conference. They expect to get a propaganda advantage out of favoring the conference.

Q. You've painted a picture of a very tough confrontation at Madrid between the West and the Russians. Does that mean that détente as we've known it over the past decade is dead?

A. What I have said at Madrid is that the United States hopes to achieve détente with the East. It's an objective to be realized. It's not an objective now existing. I have stated explicitly that you cannot have détente while you have the Soviet Union, in effect, acting in complete violation of its human-rights commitments under the 1975 Helsinki Final Act, and becoming increasingly repressive in the area of human rights.

Secondly, we have said that we do not see détente while the Soviet Union is using its troops in Afghanistan in complete violation of the Helsinki Final Act. And we have said that in both of these areas—human rights and Afghanistan—the United States requires specific movement by the Soviet Union before we would be prepared to say that détente can be achieved.

Q. Aren't the Russians getting many of the benefits of détente in the way of trade and credits without paying the price in terms of human rights and refraining from aggression?

A. I want to point out to you that some of these credit arrangements existed during the so-called cold war as well. I see very little difference—other than a difference in words—between what happened in our relationship during the cold war and what's been happening in recent years under the so-called period of détente. That is why I don't like to use the word as a description of the relationship that exists. Indeed, I think it fair to say that it's even a little worse today, because today you've got a hot war being waged by the Soviet Union in Afghanistan, which is a lot worse than the cold war.

Q. What do we want from the Soviets as the price for détente?

A. We want a commitment from the Soviets not to use military force and an honoring of that commitment. And we want a commitment to the human-rights provisions of the Helsinki Final Act, which they signed.

At least, we want to see movement in the right direction on human rights. We recognize that theirs is a different society from ours. But, as I have said to the Soviet delegates in Madrid, I, for one, fail to see why the Soviet Union has got to keep 200 or 400 or whatever number of dissidents in jail. For the Soviets to behave more humanely and to live up to their responsibilities is not going to undermine their society. I do not think that by asking them to live up to their commitments that we're threatening them.

Q. Does this continued violation of their commitments on human rights mean that we are powerless to influence the Soviets on this score?

A. We've had very little influence up until now. If we can be constant about it, we may very well have an effect on them, because I think they need us. But up until now, they have ignored their commitment, and they have felt they can get away with it.

Q. Will the Reagan administration be any more effective in getting Russia to honor its commitments on human rights?

A. I would hope we could be more effective under the Reagan administration than we've been. I speak not as a partisan on this question, because I am a Democrat. I do remember very vividly that the whole business of détente began as a President Nixon phenomenon. And I think it turned out to be misleading.

We shouldn't be misleading about détente. You cannot expect the American society or the peoples of any Western society to make sacrifices in the form of heavier defense spending if they feel it's unnecessary. And if you tell them that we are in a relaxed period—a period of détente—why should they want to spend the money on defense? I certainly hope that under Reagan we will have constancy and a firmness of view.

Q. If you look at the overall implementation of the Helsinki Accords over the past

*Interview with Max M. Kampelman, Chief of the U.S. Delegation to the Madrid Conference.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

five years, just what are the results? Have there been any real gains?

A. You have to make a distinction between the Soviet Union and Eastern Europe. With respect to Eastern Europe, there have been many advances. There have been significant improvements, for one thing, in the trade area for American business. Even in the human-rights field, we've made significant progress on such issues as family reunification. Most of this has been done bilaterally.

For example, the first week I was in Madrid I talked to the ambassador of one Eastern European country about a list of some 1,800 people who were having trouble obtaining exit visas to join their families. He came back and told me that about 600 of these people would soon be granted exit permits. When I asked about the other 1,200, he said that it would take time. But at least we got 600 immediately.

I gave the ambassador of another Eastern European country at Madrid a shorter list—a handful of names—and exit visas were approved in a matter of weeks for every single one on that list. The ambassador came back to me and said, "Done, done, done."

For a number of Eastern European countries, I don't have any names to provide. All have been taken care of.

Q. You still have numerous names of people in the Soviet Union who are unable to get out to rejoin families—

A. Yes. That's why I make the distinction between Eastern Europe and the Soviet Union.

Q. How do the Russians at Madrid respond to all the attacks? Aren't the Soviets counterattacking by criticizing America's human-rights record?

A. As a matter of fact, there's been very little of that. The Russians talk about injustice to the American Indians—not much, but they refer to it.

We've had meetings on this issue. We explain what we in the United States are doing to try to deal with the problem of the American Indian. For example, we talk about the recent Supreme Court decision involving a government payment of more than a hundred million dollars to one tribe. We recognize the problem. We don't deny the fact that there is a problem there.

The Russians may still talk about other issues—for example, Puerto Rico. I've been expecting it, but so far they haven't talked about Puerto Rico, which surprises me.

They've talked once in general terms—in a broad, rambling discussion—about crime in the streets in the United States, about the danger of walking in the streets, about the case of someone who was killed for a dollar in Central Park, about that kind of thing. And they've talked about unemployment, alleging that it is a very gross violation of human rights.

KEY PROVISIONS OF HELSINKI ACCORDS

The Final Act of the 1975 Conference on Security and Cooperation in Europe, held in Helsinki, calls on the 35 signatory nations to:

Respect the inviolability of existing borders.

Refrain from the threat or use of force against any state.

Refrain from any intervention, direct or indirect, in the internal or external affairs of other states.

Respect human rights and individual freedoms.

Grant exit visas to permit the reunification of families.

Support confidence-building measures such as advance notification of military maneuvers and exchange of observers for maneuvers.

Facilitate freer exchange of people, publications and information.●

JOHN CREIGHTON AND THOMAS FLECKENSTEIN OF THE KNIGHTS SOCCER CLUB

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. DOUGHERTY. Mr. Speaker, young people in Northeast Philadelphia have an outstanding soccer program due to the dedicated and tireless efforts of two fathers in my district, John Creighton and Thomas Fleckenstein. Their efforts began more than 12 years ago, and, although their own children are now grown and no longer involved in the soccer program, these two men continue to work with young men and women who enjoy the game of soccer.

When the Northeast YMCA opened its field to the children in the neighborhood who wanted to play soccer over 12 years ago, Mr. Creighton and Mr. Fleckenstein helped their own sons and other young boys form a team. Because the "Y" was a young branch and had no money to sponsor a soccer program, the two men joined with other fathers to form the Fathers' Soccer Club to raise money to buy uniforms and soccer balls for the boys who played at the "Y" field.

In 1970 the Fathers' Soccer Club expanded into the Mothers' and Fathers' Soccer Club of the Northeast YMCA. Two more boys' teams were added and Tom Fleckenstein became a coach. During the 4-month soccer league season, a coach spends at least 2 hours a night, 2 nights a week, in practice with his team in addition to the weekend league game. However, the coaches actually begin their work with the teams at the beginning of August, a month before the regular season begins, and bad weather and the championship games usually extend the season into February or March.

The club prospered and became the Knights Soccer Club, an independent self-sustaining organization that operates and maintains a soccer program for boys and girls ages 7 to 17 who are members of the Northeast YMCA.

In 1972 girls' teams were added to the soccer club and Jack Creighton became the junior girl coach. He is still coaching the junior girls 9 years later.

Not only have these two fathers served as coaches, but they have also been active in other activities of the soccer club such as fundraisers and other events. Mr. Fleckenstein has worked in various maintenance programs and has coached the mothers' soccer team, a group of mothers who joined together to have fun and occasionally play soccer. Mr. Creighton has been on the family picnic committee for over 8 years and currently serves as chairman of the grievance committee of the Independent Girls Soccer League, a league of more than 1,000 active girl soccer players. Both men have officiated at many exhibition games as referees or sideline attendants.

Although their own children have grown up and no longer play soccer, Tom Fleckenstein and Jack Creighton still give of their time and talents with no pay of any kind to insure that young men and women in Northeast Philadelphia have the opportunity to enjoy the game.

Mr. Speaker, we extend to Tom Fleckenstein and Jack Creighton our gratitude for the many hours they have devoted to the soccer program in Northeast Philadelphia and for the invaluable contribution they have made to the lives of our young people.●

UNITED STATES NEEDS TO LOOK AT POPULATION CHANGES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. OTTINGER. Mr. Speaker, on January 19, I introduced H.R. 907, a bill which requires all Government departments and agencies to address the effects of population change on their policies and programs, establishes a White House Office of Population Policy to coordinate and oversee these requirements and declares a national policy of eventual population stabilization.

The bill would improve the Federal Government's capability to prepare timely, accurate, and consistent forecasts of short-term and long-term trends in population, resources, and the environment, both nationally and globally. This will enable Federal, State, and local authorities to make timely and effective adjustments in their policies and programs in light of these projections.

The bill addresses the need to plan for the sweeping demographic trends which are changing the face of the Nation. While our birth rate has dropped, the American population continues to grow by more than 2 million annually. Although women are having fewer children, the sheer numbers of the baby boom generation insure an ongoing natural increase. Immigration, both legal and illegal, is an almost as large source of growth.

Demographic changes may be as important as sheer growth. Millions of Americans are leaving metropolitan areas to resettle in rural communities. The population will no doubt continue to shift to the South and West. The influx of immigrants taxes the capacities of host communities. The steady aging of the population forces changes in the character and distribution of many services.

Changes in the Nation's population—whether they be in fertility, mortality, immigration, or distribution—affect all of us. They have a profound impact on every sector of society: Health care, education, housing, transportation, employment, retirement programs, environmental protection, and business. In spite of this, the Federal Government simply does not have the capacity to plan ahead for these changes and no systematic focus on them is presently required. This is the aim of H.R. 907.

The purpose of this legislation is not new. In 1938, Congress first recognized the value of a national population policy of stabilization. The National Resources Subcommittee on Population Problems recommended in its report to President Roosevelt that approporiate legislative and administrative actions be taken to shape broad national policies regarding our population problems and that transition from an increasing to a stationary or decreasing population may on the whole be a benefit to the life of the Nation. That was almost 50 years ago.

In 1972, the National Commission on Population Growth and the American Future recommended that organization changes be undertaken to improve the Federal Government's capacity to develop and implement population-related programs, and to evaluate the interaction between public policies, programs, and population trends.

In 1974, the United Nations declared World Population Year, and the United States joined with other countries in endorsing the World Population Plan of Action, a formal agreement calling for each nation to construct its own population policy. The United States still has not honored this commitment, despite the fact that we urge population stabilization on underdeveloped countries and help pay for implementation with taxpayers' dollars. For American diplomacy to succeed in these troubled times, it must acquire credibility by showing that the United States is prepared to tackle at home those problems we ask others to tackle abroad.

More recently, the House Select Committee on Population did a fine job of bringing out the importance of population considerations to our national policy in all of its ramifications. The committee recommended that Congress consider alternative mechanisms for improving the ability of the Federal Government to develop alternative policies and programs for planning for future population change and assess the short-term and long-term costs and benefits of each.

Although the substance of my proposal may be familiar, the urgency for taking action is unprecedented.

The President's Council on Environmental Quality (CEQ) and the U.S. Department of State last summer released the "Global 2000 Report." This report was the result of a 3-year interagency study of U.S. Government projections in the areas of population, resources, and environment. It concluded that a continuation of present trends would lead to a world in the year 2000 that would be "more crowded, more polluted, less stable ecologically, and more vulnerable to disruption than the world we live in now."

The followup report, "Global Future: Time to Act," released on January 14, proposed a series of concerted actions to meet the problems described in the earlier report. To improve the U.S. capability to respond to global resource, environmental, and population issues, the report recommended that the responsibility for developing and coordinating U.S. policy on these issues be centralized in one agency, preferably in the Executive Office of the President. The report further states:

> Coordinated development of policy is absolutely essential. All the pieces must be evaluated and brought together in a coherent whole—a job attempted in this report for the first round, but one that must be continued, expanded, and made a permanent, high priority part of government operations.

H.R. 907 responds to these recommendations.

On January 24, more than 60 national organizations meeting under the auspices of the National Audubon Society, passed a resolution asking Congress to endorse the goal of population stabilization and establish a population policy office to coordinate national and international efforts. H.R. 907 carries out that declaration.

Mr. Speaker, our constituents have long recognized the impact of continued national population growth on the Nation, particularly as it affects energy supplies, natural resources, food and agriculture, the environment, governmental expenditures, and diplomatic relations. According to a 1976 Gallup poll, 87 percent of the public favor an end to U.S. population growth.

Ignoring population growth and changes would not stop them from reshaping our lives and our children's futures. Only conscious efforts at every level of government to understand them and plan ahead will make a difference. To persist in overlooking the many ways in which demographic changes affect the allocation of goods and services is to risk their waste and ineffectual distribution in times of mounting scarcity. For example, it is nonsensical to use taxpayers' money to finance new school construction for communities which attention to demographics could have foretold would have excess facilities, as the Government did in the last decade to the tune of millions of wasted dollars. That is why I believe Congress must act now to improve our ability to forecast and respond to these changes.

I hope my colleagues will join me in supporting this bill and calling for hearings at the soonest possible time.●

TERMINATE THE DEPARTMENT OF EDUCATION

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. WHITEHURST. Mr. Speaker, today I am introducing legislation to terminate the Department of Education. My bill provides that the Department will terminate on December 31, 1982, and requires that the President submit a plan to transfer the necessary functions of the Department to other agencies. It states that the President may not submit a plan which would create a new Cabinet-level Department.

I believe that this is the proper approach, rather than simply putting the Department as presently constituted into the Department of Health and Human Services and renaming it HEW. My colleagues will recall that when the Department of Education was created, programs were transferred not only from HEW but from the Department of Defense, the Department of Labor, the National Science Foundation, the Department of Justice, and the Department of Housing and Urban Development. It is very possible that these programs should, and would, be restored to the various agencies from which they were taken.

If the present spending rate continues, the Department will have spent approximately $15 billion in fiscal 1981; however, if the proposed supplementals and rescissions are added in, the figure will be about $15.6 billion. The tentative request for fiscal year 1982 is $16 billion.

Mr. Speaker, I do not believe that we have seen $15 billion worth of achievement from this Department. It was created with the noble goal of reinforcing Federal interest in education, but it has succeeded only in strengthening Federal interference. The ill-conceived, and fortunately now withdrawn, proposal to mandate bilingual education is a case in point.

Mr. Speaker, as one who spent 18 years in the field of education before coming to the Congress, I can assure you of my own strong support for a viable system of education in this

country. At the same time, I recall the destructive meddling that took place in my own district a few years ago that would have done grave damage to the curriculums of two fine State universities in Norfolk, Old Dominion and Norfolk State, and I feel very keenly that it is essential to return the responsibilities for education to experienced, professional educators at the State and local levels. I recognize that many education associations favor the Department still, but I think that we are doing them a grave disservice if we allow the present trend of growing Federal control to continue.

I think that terminating the Department of Education will make it clear that we have a commitment not only to permitting local educators to teach instead of doing increasing amounts of paperwork but also to reducing Government interference in all aspects of our lives, and I urge my colleagues to join me in this effort.

Thank you, Mr. Speaker.●

PAYING FOR THE FUTURE

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. FUQUA. Mr. Speaker, as we await President Reagan's revisions to President Carter's budget proposal for fiscal year 1982 many of us are hopeful that the revisions will not be penny wise and pound foolish. A few days ago the Washington Star's lead editorial clearly explained the importance of maintaining our Nation's technological base as represented in the aerospace programs of the National Aeronautics and Space Administration. Of course we have economic problems now, but it makes no sense to try to solve these problems by cutting the strongest sectors of our economy. And a recovery will be made more difficult if not impossible if the technological sources of innovation and productivity improvement are discouraged. One simply cannot put scientists and engineers in a deep freeze. When a technology development team is dispersed, one has to start from scratch to reassemble it. Let us not mortgage our future.

Let me give one specific example. Right now there is a shortage of trained engineers, and there is an attempt to meet this shortage by bringing more students into engineering schools. How can we hope to encourage students to enter a rigorous course of study while at the same time we contemplate cutting the exciting, high-technology programs that are going to give them the real incentive to become engineers?

Mr. Speaker, I commend to all Members the following editorial which appeared on February 2, 1981:

PAYING FOR THE FUTURE

Although Reagan administration officials are not ready to list specific budgetary priorities, there are hints of things to come. For example, David A. Stockman, director of the Office of Management and Budget, said the other day that the administration's plan "will involve an unprecedented effort to change the spending code of the federal government," i.e. the "whole accumulation of entitlements and permanent authority that automatically drive outlays and spending whether any policy decision is made by the administration or the Congress in the interim."

At about the same time, however, Mr. Stockman said something suggesting that the administration is also aware of the harm that may be done if cuts hurt some science and technology programs, with which a nation's future is closely linked.

Responding to a question about the future of the space shuttle, Mr. Stockman called the larger U.S. space effort "a very constructive and very important investment for the country to make, not only because of its technological spin-off, but simply because of the boost that that gives to our economy and our aspirations . . ."

The sentiment may seem self-evident, but it bears emphasis because in fact it hasn't been evident as a matter of policy. Attacks of historical amnesia seem especially severe when they concern the space program.

By the time Apollo 15 was launched, public reaction to the lunar landings bordered on ennui; the encounter with Saturn by Voyager 1, which filled so many with wonderment as recently as last fall, already seems more a series of bright pictures than part of an ongoing program launched nearly four years ago. Voyager 1 was so successful that NASA recently approved a trajectory for its sister ship, Voyager 2, that would take it to Uranus in 1986 after flying by Saturn this August.

Yet as Mr. Stockman suggests, the value of the program is—and the word is used precisely—incalculable. It simply cannot be known what the rewards will be in scientific, military, industrial and technological terms. But if the past is guide, they will be great indeed. And Mr. Stockman seems wise enough to value a society's imagination, too.

The recent past, however, has been most uncertain since President Nixon proclaimed the landing of Apollo 11 on the moon to be the greatest event in history. In the early '70s, NASA cancelled three lunar landings, a "grand tour" of the outer planets, a once-in-a-lifetime chance to probe Halley's comet and, finally, plans for a completely reusable space shuttle. In 1967 dollars, the NASA civilian space budget has declined dramatically.

Former President Carter's 1982 budget suggests the ambiguities of the U.S. commitment. It noted 1978 presidential directives, encouraging space activities "to increase scientific knowledge, develop useful commercial and government applications of space technology and maintain U.S. leadership in space." But it also "recognized" that "funding demands of the space shuttle and the necessity of fiscal restrain would inhibit, in the near term, our ability to pursue major new engineering challenges in the development of space technology." Is that the way to approach a program requiring, above all, long-range planning and commitment?

We are perhaps reading too much into Mr. Stockman's words about the space program. But the issue he addressed is not small or exotic. Professor Walter McDougall recently put it this way: "A thumbnail definition of a great power between the two world wars might have been: 'A nation that builds its own airplanes.' The updated version would be: 'A nation that launches its own spacecraft.' "●

MARRIAGE TAX

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. LOTT. Mr. Speaker, I am pleased to join with the gentlewoman from New Jersey in calling for an end to the notorious marriage tax and in cosponsoring legislation for this purpose.

If any one item stands out in the minds of the American public as an example of the inequity in our present tax system, it is this absurd provision. As it now stands, the law penalizes millions of couples who choose to marry and provides a significant financial reward for those who live together without being married.

We still hear of couples who obtain divorces at the end of each year in an attempt to avoid this penalty. Of course, most Americans are not willing to go to such lengths to get around the law. They simply shake their heads in amazement that this provision is allowed to remain on the books.

Our present tax system was designed for another era when two-income marriages were rare and a wife's salary was considered a luxury. In the average family of today, both spouses must work just to meet everyday expenses, and they are being clobbered with taxes. Aren't these the very people we should be helping with some form of immediate tax relief?

It is time for us as a Congress to show that we are responsive to the overwhelming will of the people on this issue; 1981 should be the year when we bring an end to this discriminatory and ridiculous policy.●

INDIVIDUAL SAVINGS INCENTIVE ACT OF 1981

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. KRAMER. Mr. Speaker, today I am introducing a bill which I believe would substantially improve the dismal economic picture which confronts both individuals and businesses. It has become increasingly evident that our Government's fiscal policies have encouraged consumption and debt and discouraged savings, and hence have impeded capital formation and economic growth. It is past time to rectify this imbalance. While the

Congress took a first step in this direction last year in enacting a tax exemption on the first $200 of interest income, it is necessary to expand on that base to further encourage a higher savings rate than the 4.5 percent which we now show.

Most discussion of this subject has revolved around the appropriate level of exemption of interest income, and the effect that different levels would have on the savings rate and on general revenues. My bill takes a somewhat different approach, in that it provides a tax exemption only for the increase in interest income from one year to the next for individuals under age 65. For those 65 and over, there would be no increase test to qualify for the exemption. In a true sense, this approach encourages new savings by exempting from taxation that interest income which reflects an increase in savings from the previous year. The Individual Savings Incentive Act of 1981 allows interest earned from savings accounts in excess of the previous year's earnings to be tax free up to a total of $500 for an individual or $1,000 for a joint return. In the case of individuals 65 and over, the first $500 of interest income earned on savings would be excluded from taxable income.

This somewhat different approach has two significant advantages over a flat exemption.

First, it results in a lower revenue loss to the Treasury than a dollar for dollar flat exclusion.

Second, because the revenue loss factor is smaller, it is possible to increase the rate of the exemption, thus providing a greater incentive to increase savings.

The Joint Committee on Taxation estimates that the total revenue impact of this proposal for the years 1981-90 would be $23.5 billion. This compares with the estimated revenue loss during the same period from a flat $250 exclusion of $30.4 billion. Thus, the total revenue impact of the $500 exclusion in my bill is actually less than that of a $250 flat exclusion, yet it provides twice the benefit to the taxpayer who increases his savings. Thus, this bill puts the emphasis where it belongs—on increasing the present rate of savings.

If our objective is to provide an incentive for individuals to save more, the approach in the Individual Savings Incentive Act is clearly designed to meet that objective in the most cost-effective manner.

An additional feature of this bill is that it would help protect the savings of the elderly and retired from taxation and the ravages of inflation by exempting the first $500 of interest income earned on savings held by those 65 and over from taxation. This recognizes the special situation of those who would be most likely to be affected by an increase test and who would be least likely to be increasing their savings. Those over 55 account for over two-thirds of all savings and loan deposits, and interest income represents nearly 25 percent of the total income of persons 65 years and older. My bill then takes account of the fact that these individuals have contributed to savings over the years to provide for their retirement, and are far more likely to be drawing down on those savings than to be increasing them as they reach retirement age. Those savings should be protected, and the elderly and retired should not be penalized for their inability to increase their savings at the time in their life when they must rely on those savings, and when in fact they see serious erosion of those savings by double-digit inflation.

The subject of how to further increase our national savings rate will undoubtedly be addressed again this year in the context of tax reduction legislation, and I urge my colleagues to carefully examine the approach contained in this bill, which has the advantages of providing a genuine incentive to increase savings, providing more stimulative effect than the flat exemption approach with a lower revenue loss, and protecting the savings of the elderly.●

NINE-DIGIT ZIP CODE PLAN

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. DANIEL B. CRANE. Mr. Speaker, the nine-digit ZIP code plan, which the Postal Service had planned to implement in February, has been delayed until June.

I have opposed this scheme from the beginning, and see no reason to change my mind. As you know, 122 Members of this body petitioned the Postmaster General to delay this plan until the citizenry could speak out. I was happy to be one of those petitioners.

If there is one thing we do not need from Government, it is more numbers.

Under the current five-digit ZIP code, the country is separated into small regions, each with its own code. The proposed nine-digit ZIP would divide the country into still smaller units; in fact, each block has its very own ZIP code.

What next? Well, perhaps the Postal Service will come up with a plan for even greater efficiency. After all, if assigning a ZIP code to each block will produce savings, just think how much we could save by giving each individual residence its own number.

Presto—the Government will have reinvented the street address.

The October 30, 1980 issue of the Sullivan (Illinois) Progress addresses this matter in a timely fashion. The editorial follows:

THROW OUT THE JUNK MAIL

How is it that all the national candidates have missed one of the best possible issues in this campaign? Think how many votes could have been drawn from dissatisfied postal patrons if someone had promised: "If elected, I promise you that there will be a definite improvement in the postal service". Of course, he or she might have had some trouble in keeping that promise, if elected, but it certainly would have drawn a lot of supporters.

What's wrong with this formerly dependable, once bargain priced service? Everyone seems to have an answer, but none of them seem to work. Back a number of years ago, the post office department came up with a cure-all that they labeled the "Zip Code". We were practically guaranteed faster, much improved service if everyone put a string of numbers on each piece of mail sent. The result: The mails slowed down more than ever and prices of mailing soared ever higher.

Complaints get nowhere, but now the department has come up with another cure-all: A bigger-yet zip code, which means that all us doubtless will have to start memorizing even more numbers.

There is no way around the fact that the mail service has gone steadily downhill ever since the job of carrying the mails was taken away from the railroads. Furthermore, when the job of sorting the mails depended largely on hand work, the service was still more efficient, even though out of date. Someplace in recent years, the department seems to have decided that its financial future depended in handling more junk mail, and that caused nothing but an increased volume of stuff and slower than ever service. In view of all that has been tried, the only solution seems to be to return to delivering the letters, newspapers and the magazines, and throwing out the junk mail.●

NOW IS THE TIME TO END THE MARRIAGE PENALTY

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. FIELDS. Mr. Speaker, I am very pleased to join with our colleague, the gentlewoman from New Jersey, Mrs. FENWICK, in today proposing legislation to eliminate the so-called marriage penalty.

It is my firm belief that this legislation is long overdue and that the Federal Government has a responsibility to eliminate this inherent inequity in our Tax Code which is currently adversely affecting as many as 38 million Americans.

At this moment, our Federal tax structure is set up so that a husband and wife who both work may pay as much as 63 percent more in Federal taxes than they would if they were single. For a couple with income of

$30,000 per year, there is a marriage bonus of $1,929 when one spouse receives all the income and a marriage penalty of $903 when the income is split equally.

Besides being a basic inequity in our Tax Code, the marriage penalty has placed the Federal Government in the awkward position of providing a disincentive to marriage, an incentive to divorce, and a disincentive for wives to seek paid employment.

Additionally, in this age of persistent double-digit inflation and ever-increasing consumer prices, the marriage tax has placed its heaviest burden on those couples whose double income is a necessity, rather than a choice.

Clearly, the existence of the marriage penalty is entirely inadvertent, logically indefensible, extraordinarily poor social policy, and perhaps even unconstitutional.

I therefore sincerely hope that both the Reagan administration and this Congress will include this proposal within any tax relief legislation and will allow all married couples the option of filing their taxes as if they were single.

Mr. Speaker, enactment of this bill will eliminate the injustice of the marriage penalty tax without imposing additional taxes on any segment of the taxpaying public.

I urge its immediate adoption.

AMERICAN SHOE INDUSTRY

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. DONNELLY. Mr. Speaker, the American shoe industry is in a precarious position. It is one of the most import-impacted industries in our Nation today, with imported shoes accounting for 48.5 percent of the domestic market. This is substantially higher than the much publicized steel industry with 16 percent import penetration and the automobile industry with 27 percent import penetration.

In 1977, the shoe industry was granted a 4-year import control program consisting of orderly marketing agreements between the United States and Taiwan and also the United States and Korea. In addition, the agreement extended the authority to take action against "surge" countries.

While this import relief has had a positive effect in reducing imports from Taiwan and Korea, no action was ever formally approved against surge countries which have cut dramatically into the domestic market bringing about an additional loss of 13,000 jobs since the implementation of the OMA's.

I feel that this extension of the relief program is essential if the domestic industry is going to have sufficient time to realize benefits from revitalization efforts currently underway. The footwear industry and the affected unions have filed for an extension of the import relief program as provided for in the Trade Act of 1974. The International Trade Commission is currently conducting an investigation into the effect that the extension, reduction or termination would have on the American economy. The ITC will present its recommendations to the President, after the investigation, who has the final authority to extend, reduce or terminate the OMA's.

The House concurrent resolution I have filed today, urges the President to grant the extension of the OMA's, allowing the industry the opportunity to become more competitive in the United States and world markets. Since the imposition of the OMA's, the industry has undertaken a number of initiatives to enhance its competitiveness and adjust to import penetration. An ambitious export program, management training programs, and the establishment of the American Shoe Center to foster technological improvements in the industry demonstrate the industry's efforts to improve productivity and competitiveness.

The House of Representatives has a responsibility to see that the American shoe industry is allowed this opportunity to become more competitive. Over 250,000 Americans depend on shoe manufacturing for their jobs.

We, in Congress, should recognize the need to protect those jobs. We must do whatever we can to convince the International Trade Commission and the Reagan administration that it is in the best interest of our Nation to protect those jobs. I urge you to join with me in sending this message of support on behalf of our ailing shoe industry.●

REPEAL REQUIREMENT FOR MULTILINGUAL BALLOTS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. McCLORY. Mr. Speaker, for some time now, I have endeavored to get the Congress to take a close look at what I believe was another unnecessary extension of Federal power. Specifically, I am referring to the bilingual provisions of the Voting Rights Act of 1965, as amended in 1970 and 1975. Though created with the best of intentions, I have seen nothing to indicate that the charges made in 1975 have had any effect other than to increase the costs which States and local communities must bear in supervising the electoral process. The bill I introduce today will remedy the problem by repealing the bilingual provisions.

Section 203 of the act requires that a State or political subdivision must conduct its elections in languages other than English if, prior to August 6, 1985, the Director of the Bureau of the Census determines: First, that more than 5 percent of the citizens of voting age within such State or political subdivision are members of a single-language minority, and second, that the illiteracy rate of such persons as a group is higher than the national illiteracy rate. It should be noted that, for purposes of this act, illiteracy means the failure of a voting-age person to complete the fifth primary grade. Though the definition of language minority in section 203(e) of the act is described as meaning persons who are "American Indian, Asian American, Alaskan Natives or of Spanish heritage," there are documented instances where States and localities have been required to issue ballots and election information printed in Chinese, Japanese, and Tagalog, as well as various other lesser known languages.

The original purpose of the 1965 Voting Rights Act was to insure that black Americans would receive the essential right to participate in our electoral system and that States or localities which had a history of establishing tests or prohibitive devices for the purpose of denying that right would be forced to have future statutes relating to the electoral system cleared by either the U.S. Attorney General or the U.S. District Court of the District of Columbia.

In 1975, Congress extended this principle for a 7-year period, but committed a gross error by identifying the voting difficulties of language minority groups with those of black Americans. In my judgment, this action was not warranted; the difficulty which single-language minorities face in participating in the electoral process is not necessarily due to any State action intended for that purpose. The costly results of our folly must be eliminated. There does not appear to be any evidence, in rebuttal, that the bilingual provisions of the Voting Rights Act have had any significant positive effect on the involvement of single-language minorities in the American electoral process.

In the final analysis, it is the English language which citizens in this country must learn if they are to enter into the mainstream of American culture. This is not to say that ethnic minorities should discard their own heritage and the language which represents that heritage. On the contrary, America has always encouraged diversity. For example, I am Irish and proud of it, but I do not believe that my State of Illinois has any responsibility to provide ballots in Gaelic. I believe that many immigrants to this country would never have been able to make their important and distinctive contributions to American life had they not learned English. I am afraid that recent efforts to extend bilingualism to the public school system as well as in the voting booth only serves, in the long run, to separate and polarize us.

Where there is no clear need for the Federal Government to involve itself in State matters, the better policy is for it to abstain. In my judgment, this is particularly true in the case of minority language voting rights, and for that reason, my bill will delete the minority language provisions altogether. I hope it will achieve rapid consideration and that the Congress will see fit to act before 1982.●

RELIEF FOR ATOMIC VETERANS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. MINETA. Mr. Speaker, I would like to call my colleagues' attention to the bill I am introducing today that would provide relief for the thousands of veterans who are suffering the effects of exposure to nuclear testing.

This legislation seeks to create a presumption of causality between a veteran's service at an atomic or nuclear test site and any disability or disease attributable to exposure to radiation. Under current law and Veterans' Administration regulation, in order for a veteran to claim compensation for a disability, the disability or disease must manifest itself within 1 year from the date of separation of service.

The nature of the effects of exposure to low-level ionizing radiation are only now being fully evaluated. Evidence indicates, however, that this exposure of the sort thousands of veterans experienced during the atomic and nuclear testing after World War II and ending in 1962, can precipitate leukemia and other types of cancers. A statistical study by the Center for Disease Control found that veterans present at the SMOKY test had a significantly higher proportion of instances of leukemia than present in the general population.

The bill would cover all veterans present at the Nevada test site, Bikini Atol, Eniwetok Atoll, the Johnston Island area, the Christmas Island area, the general Pacific Ocean area in which testing occurred, and as an additional safeguard to cover any others that may have been overlooked, it would consider the time period in which the tests took place. Compensation would be paid for periods of time occurring after the effective date of the bill which is October 1, 1981. The number of veterans and civilians present at these tests is unknown, but estimates place the figure as high as 400,000. The dollar amount of compensation would vary according to standard VA accounting measures based on the degree of disability, term of service, and highest rank held.

Mr. Speaker, these men responded quickly and honorably when they were called upon by their country for assistance. It is now our country's turn to respond in a similar manner to their pleas for help. The text of my bill is printed here for my colleagues to review.

H.R. —

A bill to amend title 38 of the United States Code to make certain veterans entitled to wartime disability compensation for disabilities and diseases caused by or attributable to exposure to atomic or nuclear radiation during their period of active service

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 312 of title 38 of the United States Code is amended by adding at the end the following new subsection:

"(d) For the purposes of section 310 of this title, and subject to the provisions of section 313 of this title, in the case of any veteran who, as determined by the Administrator, served in the active military, naval, or air service at the Nevada Test Site located in the State of Nevada or at the Bikini Atoll, the Eniwetok Atoll, the Johnston Island area, the Christmas Island area, or the area around the point located at latitude 29 degrees north and longitude 126 degrees west, located in the Pacific Ocean, at any time during the period beginning on June 30, 1945, and ending on December 12, 1962, and such veteran suffers from any disability or disease caused by or attributable to exposure to atomic or nuclear radiation during such service, such disability or disease shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disability or disease during the period of service and that such disability or disease did not become manifest within one year from the date of separation of such veteran from such service.".

SEC. 2. The amendment made by the first section of this Act shall take effect on October 1, 1981, and shall only be effective with respect to compensation paid for periods of time occurring after such date.●

DECONTROL OF OIL

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. YOUNG of Alaska. Mr. Speaker, I applaud the decision made by President Reagan to decontrol oil and refined petroleum products. This decision is the first step toward a rational, cogent, and workable energy policy based upon facts not fantasy; a policy whose premise is based upon production not procrastination. Decontrolling the price of oil will make both producers and consumers of energy more aware and responsive to the true value of energy.

The United States is a storehouse of energy ranging from oil and natural gas to hydroelectric and geothermal power. Decontrolling the price of oil will provide the necessary incentives private industry needs to invest in exploration and development in the United States instead of foreign countries. Such action will allow industry to go forward in producing additional energy from conventional as well as unconventional sources of energy. In years past, many U.S. based companies have chosen to go abroad and search for oil because energy in foreign lands could be produced more cheaply than oil produced domestically. As a result, the United States suffered from a lack of drilling activity and production and an accompanying decline in domestic reserves. The action taken by President Reagan will serve to stimulate activity by private industry in developing U.S. energy resources.

I am excited by the prospect of the United States becoming energy self-sufficient again. I believe that a more realistic approach toward identifying our Nation's natural resources will greatly benefit the national economy. For example, we need to take a close look at our public lands. An accurate inventory or the fuel and nonfuel resources should be taken so that Americans will have a more accurate idea of the treasures stored within American boundaries. We are an energy-rich Nation: Steps should be taken to obtain knowledge about our precious resources so that responsibile decisions regarding land policy may be made.

Belief and support of private industry, large and small, is demonstrated by the acceleration of decontrol of oil. Decontrol may set the stage whereby Alaska may be allowed to contribute even more to the domestic oil and natural gas reserves of the United States. It is possible for the United States to enjoy the wealth of Alaska's resources as rational decisions are made by the administration with respect to areas in Alaska with high resource potential. A transportation corridor known as the Trans-Alaska Pipeline (TAPS) is already in place to take 1.5 million barrels of oil per day to the tanker terminal at Valdez, Alaska. Other onshore areas in Alaska such as the National Petroleum Reserve-Alaska (NPRA) and the Arctic Wildlife Range (AWR) could provide Americans with literally billions of barrels of oil in the coming years. This will result only if proper and prudent land-use decisions are made.

I am excited by the prospect of accelerated decontrol; it will be good for the Nation. The solution to the energy problem is related to a host of variables; political, economic, geographi-

cal, and attitudinal. We must use our resources wisely and efficiently. Allowing the true cost of energy to be exhibited will reflect the true value of energy. I look forward to assisting the President in developing his policy of prudducing energy for the United States.

The Washington Post's editorial commenting on the decision of President Reagan accurately assesses the impact of decontrol. I commend it to my colleagues.

[From the Washington Post]

DECONTROL, AT LAST

President Reagan was absolutely right to decontrol oil and gasoline prices, quickly and without qualification. It is an essential step toward a rational energy policy. You can dismiss all of those tendentious claims about the added cost to the consumer. The added cost to the consumer will probably be in the range of zero. More than five-sixths of the country's crude oil supply is decontrolled. Home heating oil was decontrolled five years ago. As for gasoline, competition is holding actual retail prices well below the legal ceilings. For the country as a whole, these controls have brought nothing but harm, and the end of them will bring nothing but benefit.

The controls were wrong in theory when President Nixon imposed them in 1971. They were demonstrably wrong, as much costly experience already showed, when Congress insisted on perpetuating them in 1975. President Carter wisely began the process of decontrol last spring. The schedule was a gradual one running into next fall, when the law will expire altogether. Mr. Reagan has now sped up that final process by eight months.

Why were controls wrong? Because they disguised the dangerously high cost of oil to the American economy. The control system required refiners with cheap, price-controlled domestic oil to subsidize other refiners' imports. That held the price to American consumers far below the cost of the imports. Americans used a lot and kept the flow of imported oil high. That seriously damaged the country's balance of payments and eroded the value of the American dollar.

The high level of American imports helped create the very tight market that enabled the exporting nations to double their prices in 1979. By now, the price to the American consumer is undoubtedly higher than it would have been in the absence of any price controls at all. As an attempt to protect the American economy from higher oil costs, the controls have been an unmitigated failure.

Prices have been rising, inevitably, even under the controls. They aren't going to rise any faster in the absence of controls, unless another world shortage develops. Decontrol may even slow the rise a little. The control system contained a number of hidden subsidies—including the usual fat subsidy for the independent refiners—that will now lapse, saving the public a little money.

At worst, in another international shortage and panic like the one in 1979 following the Iranian revolution, prices will indeed rise. How much? It depends on the scale of the shortage. There could be a squeeze on the supply line as early as this spring, if the war continues between Iran and Iraq. But in return for higher prices at the gasoline pump, you will get insurance against a return of the gasoline lines. Those lines were created by the price ceilings, and the cumbersome allocation rules that they required. Having been through two memorable episodes of gasoline lines, most Americans would surely prefer the next time around to pay in money rather than time, anger and anxiety.●

DEPARTMENT OF ENERGY

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. HUBBARD. Mr. Speaker, while still in the early days of the 97th Congress and a new administration, I would like to share with my colleagues a letter from my constitutent, Mr. William Elton Lile, Auto Autowash, Inc., Hopkinsville, Ky., directed to the Department of Energy's southwest regional center regarding the ridiculous delay in the processing of his application for exception. I certainly share my constituent's sentiments and trust that my colleagues will follow the lead of the new administration in scrutinizing the efforts of the Department of Energy. Mr. Speaker, I submit the following:

I thank you for your phone call explaining that you were going to try and help me with my case. I appreciate all of the information that you gave me and telling me the information and the forms that you needed.

After considering everything involved, I have concluded that it is useless for me to continue my appeal. If the DOE has been unable to act on all the information that I have supplied in the past year, I don't believe they would act on the same information today. I am unable to continue in business under the circumstances so I will have to close and do something else that doesn't require so much bureaucracy. I am convinced that the DOE is for big oil and not for the small operator. As you told me that no matter what your ruling was that the Petroleum Company wouldn't have to comply, they would just appeal so I can't wait any longer. I suppose this was the ultimate aim of the DOE.

I can only hope at this point thay my file on this case will help the incoming administration to see the complete inefficiency of the DOE and will abolish same and make it possible for small business such as mine to survive.

Sincerely,

WILLIAM ELTON LILE,
Auto Autowash, Inc.●

THE IMPEACHMENT OF FEDERAL DISTRICT JUDGE NAUMAN SCOTT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. McDONALD. Mr. Speaker, today it is my undesirable but necessary duty to introduce a resolution impeaching Nauman Scott, judge of the U.S. District Court for the Western District of Louisiana. It is never a pleasing matter to have to call into such complete question the actions of a civil officer, but no choice is left in this case.

Judge Scott has violated the 10th amendment of the Constitution. He has used the 1964 civil rights law as a mere device to illegally expand Federal authority over domestic law, an area of clear State authority.

There has been an overly broad exercise of judicial power violating due process. The judge has usurped the normal procedure of a State court in the exercise of its judicial functions in administering the domestic law of the State.

Judge Scott has committed the foregoing violations and abuses of authority by—

Ordering the principal of the Buckeye School and the school board to expunge school attendance records of the three children who were lawfully attending the Buckeye School, and by coercing them to be bused to the Jones Street School by ordering the Buckeye School to withhold credits that the children earned;

By denying the parents' legitimate request that the contempt hearing in the case be postponed for a few days in order that they could be represented by their attorney, and thereafter carrying out the hearing affecting the children and their parents without the help of counsel to advise them of their rights; and

By setting up a secret panel that decides which children will be bused to which schools, called the biracial committee, the composition of which is a secret and the proceedings of which are kept secret, thereby violating the due process rights of parents and children in the area affected.

To put it succinctly he has acted in a manner unbefitting his office and should be impeached.

Judge Scott argues that segregation is the primary issue, that busing is its sole remedy and that his conduct has been lawful in the pursuit of this end. There can be no question the conduct of Judge Scott has been far from legal or professional. As to the central issue and policy question of domestic law, alleged segregation and Federal intervention, however, some questions need to be asked to put it in perspective. Is the pursuit of a remedy for so-called segregation to be an all pervasive priority where all rights of travel and association are suspended? For instance, what if a single parent needs to have his or her child live with a grandparent in another school district because of an economic hardship and an inability to care for that child. Is he or she to be wholly prohibited from such action clearly in the child's best interest? And what of the rights of custody

of separated parents who now live outside the school district in question? Are their rights to custody of the children living in the school district under the desegregation order to be held completely void? Are we in fact to have the Federal court now routinely supervising all domestic law questions in the districts under a desegregation order to root out and make certain there is not lurking under each domestic dispute the question of segregation which has apparently even surpassed original sin on the scale of importance in human errors? Certainly no rationally minded and sound-thinking person can say "Yes" to these questions.

What we see being clearly and finally established, therefore, is the unfounded nature of busing. The answer is that another solution must be sought by the courts if they intend to pursue their original end, but this social program has unquestionably run its course. Society has been convulsed by busing, the judicial system has violated its constitutional soul in trying to implement it, and neither white nor black families have been the better for it.

Judge Scott has in fact played the trump card in the hand of constitutionalists. He has gone beyond all reason pursuing with unbalanced vengeance his decree. By so doing he has demonstrated to the country with the highest profile possible that the courts have been standing in thin air in pursuit of this unfounded, impractical mechanism. Having done so in violation of the 10th amendment, States rights, and due process, in a highhanded and outrageous fashion unbefitting the bench and the legal system of this country, Judge Scott should be impeached posthaste in accordance with the laws of this land. It is time to finally lay this matter and its tyrants to rest.

Thank you.●

GOVERNMENT REPORT SAYS COAL INDUSTRY TOO REGULATED

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. DANIEL B. CRANE. Mr. Speaker, for many years some of us have maintained that the rules and regulations regarding the coal industry are more of a hindrance than a help toward solving our energy crisis. Many of the environmentalists have accused those of us who took this position as being tied into the coal industry. In my case, nothing could be further from the truth. As a U.S. citizen, my sole goal on the energy front is to make us energy independent.

With that in mind, I was both encouraged and upset to find that the January 11, 1981 edition of the Washington Star contained an article entitled "Report Calls Coal Industry Too Regulated." I was upset because I wondered why it took so long for this to be acknowledged. I was encouraged because the reality of the situation finally had come out.

The article relates how a draft report of a year long Government study of coal regulations has concluded that the coal industry is justified in its complaints about unnecessary Government regulation and needless paperwork. I note in particular that the news story comments on the situation regarding mine safety in Illinois and how two different sets of rules, in conflict with one another, are enforced.

In the Illinois case, the amount of potentially explosive dust allowed in a mine is regulated by both the Federal and the State governments. In Illinois, the amount of rock dust is supposed to be controlled by watering down the walls. But the Federal inspector requires that the amount be controlled by spraying rock dust on the walls. Thus, the operator of one mine complained that when the Federal inspector came he had to spray the walls white with rock dust, but when the Illinois inspector came, he had to wash down the walls and therefore wash away the rock dust. I only wonder what would happen if both the Federal and the State inspector arrived at the same time.

It is significant to me that the report on the coal situation came forth during the final days of President Carter's administration. The point of the report, that the coal industry is overregulated, is one conservatives have been making for a long time. I am glad to see the Carter administration finally came to understand this reality.

I would like to bring the January 11, 1981 Washington Star article, "Report Calls Coal Industry Too Regulated" by Lance Gay to the attention of my colleagues.

The article follows:

REPORT CALLS COAL INDUSTRY TOO REGULATED

(By Lance Gay)

A government study of regulations affecting the coal industry has concluded that coal operators are justified in their complaints about government over-regulation and paperwork.

A draft report of a year-long study of coal regulations, released yesterday, found instances where state and federal regulators gave different interpretations for enforcing the same regulations, duplicate regulations or delays in obtaining permits.

"There are a lot of reasons for the coal operators to be damn mad," said Peter Petkas, director of the U.S. Regulatory Council, which embarked on the coal project as a study for the Carter administration of the effect of regulations.

The coal industry is one of the most regulated of American industries, with several federal and state agencies claiming jurisdiction over various aspects of coal extraction. Among the federal agencies dealing with mining are the Department of Interior's Bureau of Mines, the Department of Labor's Mine Safety Enforcement Administration, Interior's Office of Surface Mining, and the Environmental Protection Agency. Each of the states has a similar agency with parallel jurisdiction.

The study found some interagency conflicts in enforcing these differing rules. For example, both federal mine safety rules and state rules regulate the amount of potentially explosive dust that is allowed in a mine to avoid explosions. In Illinois, one federal inspector insisted that the dust be controlled by spraying rock dust on the walls of the mine, while the inspector for the state of Illinois required watering the walls down. The operator of the mine complained that he had to spray the walls white with rock dust when the federal inspector came, then wash the walls down—and thus wash away the rock dust—when the inspector from Illinois visited.

Petkas said the study found the basic problems were not in the basic laws, nor in the regulations themselves, but rather in interpretation given the regulations.

"Most of the problems are coming at the federal-state level and are resulting not from the written regulations themselves, but rather the complexity of the system," he said. "In a strangely elegant way, all things are fitting together and most regulations put out by the federal agencies and the state agencies are consistent. That's not the problem. The problem is application. There is a good deal of disagreement over implementing these regulations, and there is a lot of unnecessary confusion laid on top of that."

Petkas cited the case of strip mining regulations that are being implemented as a result of complex 1977 strip mining legislation and said he agreed with James G. Watt, Ronald Reagan's nominee to be Secretary of Interior, who told the Senate Energy Committee last week that the problem is not the basic law itself but management of the program.

One problem identified by the Council study was that strip mining inspectors do not have the latitude not to write up a violation notice when they uncover a violation of the regulations, no matter how small.

He said that this contrasts to the approach taken by the U.S. Department of Agriculture's food inspectors, who have developed "a symbiotic relationship" with the industry and have been given a large amount of discretion in trying to head off or correct violations of the law.

By taking such a stringent adversary approach to enforcement of mining regulations, Petkas said that the federal government is risking a backlash from operators.

"They are at risk of losing the whole system because operators are angry, and justifiably in some cases," he said.

Joan Davenport, assistant Interior Secretary, said she had several concerns with the Regulatory Council's finding. "The report appears to lack balance inasmuch as the Regulatory Council solicited comments from coal operators but not from citizen and environmental groups concerned that surface mining be conducted so as to protect the environment and restore the land."

Petkas said the study did not attempt to address major policy issues, but rather ex-

amine the impact of the entire regulatory process on a particular industry. Similar studies are being conducted of auto and steel industries by the council.●

MARGARET C. McNAMARA

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. ADDABBO. Mr. Speaker, 2 days ago our Nation lost one of its most conscientious, dedicated, and spirited Americans when Margaret C. McNamara, a woman whose contributions in numerous civic areas the people of this country will long be grateful for, passed away. I am sure I speak for all of us present today when I say this remarkable individual's accomplishments in the fields of education and social services will never be equaled.

Margaret's contribution in the field of education in this country, particularly her goal of assisting young people to experience the joys of reading, was undoubtably her greatest achievement. She understood all too well, that many children from underprivileged families did not have adequate reading materials in the home, and that they would be better motivated to read if it was possible to own their own books. Out of this desire to motivate young people to read, Margaret founded the nationwide reading-is-fundamental program, which today has grown to involve more than 3 million children in all 50 States. Her dedication to leading children to choose and own books inspired her to lead a program that by 1980 had been responsible for distributing the astonishing amount of 37 million books, and it is no wonder that former President Carter awarded her the Nation's highest civilian honor, the Medal of Freedom, just a short time ago. Few Americans were ever more deserving of such an honor.

This energetic woman, with a seemingly endless supply of energy, also was involved in a number of other activities which benefited others who were less fortunate than herself. In 1959 she was named regional director for the White House Conference on Children and Youth, and from 1964 to 1968 was an active member of the National Advisory Council of the Office of Economic Opportunity, as well as giving much of her time to the League of Women Voters. In addition to all that, she also managed to find the time to serve as a volunteer with the Head Start program and the widening horizons program of the Urban Service Corps in Washington.

Margaret McNamara was a woman to be admired for her love of people and this country. She was a woman who gave so much for so many, a woman who fought with all her might until the end. To her husband, and the rest of the McNamara family I offer my heartfelt condolences on their loss, a loss shared by a nation which appreciates all that she did for it. In this time of sadness they surely must be sustained by the memory of her lifetime and numerous achievements, as well as by the respect in which her memory is held by those fortunate enough to have known her.●

RETIREMENT OF DOYLE F. BOEN

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. LEWIS. Mr. Speaker, on February 27, the Eastern Municipal Water District will host a special retirement dinner to honor Doyle F. Boen, a man who had been both general manager and chief engineer of the district since it was first formed in 1951. I want to take this opportunity to join with his many friends in expressing my appreciation to Doyle for his many contributions over the past 30 years.

Doyle was one of the first of my constituents to stop by after I took office a little more than 2 years ago. Then, and in our continuing dialog, he has generously shared his expertise, garnered in working almost 50 years with water management problems, with me. I have always found his counsel both helpful and incisive in considering the special and unique water resource questions facing southern California.

Following his graduation from the University of Southern California, Doyle joined the Metropolitan Water District in 1934. Subsequently, he served as city manager and chief engineer of the city of Corona, Calif., for 5 years. During that period, he was primarily responsible for a major expansion of the city's sewer system and the reconstruction of its sewage treatment plant.

When the Eastern Municipal Water District was formed in 1951, Doyle was selected as the general manager and chief engineer, a post he held until his retirement in late December. During those 30 years, the district expanded from 86 square miles to cover more than 533 square miles. Similarly, the population expanded from less than 20,000 to almost 140,000 today. Mr. Speaker, some of my eastern colleagues may not be totally aware of the full impact of water management activities in our area. This is our most scarce and most precious resource. Doyle deserves the highest praise for his activities over the years to serve his constituency.

During those years, Doyle became involved in water and sanitation matters not only at the local level but also at the county, State, and national levels. He was deeply involved in the drafting and subsequent enactment of the Federal Small Reclamation Projects Act, a law which has made much of the growth of the Eastern Municipal Waters District possible.

As part of those activities, Doyle has been recognized repeatedly by his colleagues for his contributions. To mention just a few, in 1974 he received the Outstanding Engineer's Merit Award from the Institute for Advancement of Engineering. The next year, the Bureau of Reclamation presented him with its Citizen Award for "initiative, leadership, and skilled direction in coordinating varied interests resulting in the adoption of the Small Reclamation Projects Act." In 1979, the National Water Resources Association presented him with its President's Award for "continued dedication to water resources development." Finally, only last year, the Riverside-San Bernardino chapter of the American Society of Civil Engineers recognized him as Engineer of the Year.

Doyle has been, and I understand intends to remain, active in a number of water-oriented organizations such as the American Society of Civil Engineers, the Riverside County Water Association, the California Water Resources Association, the National Water Resources Association, and the Southern California Water Conference. I am certain that these organizations and the people of the Eastern Municipal Water District will continue to reap tremendous benefits from Doyle's dedication and his great fund of knowledge. I know I will always welcome his counsel on these matters.●

CITIZEN'S COALITION TO SAVE OUR STEEL INDUSTRY

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. HANSEN of Utah. Mr. Speaker, today I would like to share with you the contents of a letter I received from the Citizen's Coalition To Save Our Steel Industry. This comes from a group of concerned citizens who are a great example of what can happen from the grassroots level when people care enough to get involved and be heard:

Our friend, U.S. Steel Corporation's Geneva Works in Central Utah, has fed and clothed and provided a good living for over 5,000 families since World War II. Today our plant is in jeopardy. We don't know who the enemy is, maybe it's the foreign steel which has taken forty percent of our market or perhaps the government for not enforcing fair trade laws. Whatever the real cause, we knew our plant would not be able to stay in business and satisfy the demands of the EPA. The EPA (perhaps bound by the Clean Air Act) wants U.S. Steel to spend millions the company doesn't have.

When our Geneva plant was being pushed, we formed a Coalition of concerned citizens and began to push back.

The Coalition took off like spontaneous combustion. Suddenly people with varying talents came together to work on the same issue from different angles and with different points of view. There were housewives who took their kids with them to shopping malls to get signatures on petitions, pass out balloons and badges, and ask people to write letters. There were people who liked public speaking and people who liked to write speeches. People who knew newspaper people who placed copy in the press. We had big campaign contributors crawling all over elected representatives. We also had money-raiser types and bookkeepers.

Everyone was a specialist and no one can claim full credit for getting the job done.

When we let it be known that twenty-five thousand people had signed our petitions and another six thousand had written personal letters, we began to be noticed. All of a sudden doors started opening. We had respect. Congressmen, ranking Corporate officials, union leaders and national trade association executives traveled to Utah to talk. Network television went wherever we went.

Not only was our effort successful, but it was just plain fun—a group of friends getting things done together—a social gathering.

No one ever did anything alone.

Each town had its own chairwoman who organized ladies groups. These groups distributed posters, leaflets, petitions, called to get people to attend hearings or to get signatures for letters.

As our membership increased the money poured in. Five dollars was the entry fee. Card tables were set-up in the malls and at the plant gates during shift changes to sign up new members. Unions, customers, and suppliers of the plant, Chambers of Commerce, and people and businesses from thirteen states have all joined our ranks.

The ultimate outcome of our effort is yet to be seen. However, one thing is certain: the work must go on. We know that thousands of citizens across the nation share our concerns. Over twenty-five thousand steelworkers are now on layoff. These are dependable, self-respecting people who earnestly want to earn their own way. But they are being denied the chance. For still other thousands there will be no callbacks. Their plants are closed once and for all.

We must unite and make our voices heard. Let's all stand together to revitalize this vital industry. We hereby invite all citizens to join us.●

BUDGET CUTTING

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. LEHMAN. Mr. Speaker, this Congress will be faced with many major decisions concerning how to trim the Federal budget. There will be many suggestions, including the elimination of fraud, waste, and abuse; more efficient management; reductions in travel and procurement expenses; the elimination of low-priority programs; and reform of entitlement programs.

Before these important decisions are made, however, it is necessary to understand how the growth in Federal spending has occurred and how much of it came to be called uncontrollable.

The growth of the Federal budget has come primarily from two sources. First, there have been increased expenditures for national security. Second, and more important in budgetary terms, there have been increases in income maintenance programs, such as social security, which are indexed to inflation.

Just 30 years ago, benefits for social security and railroad retirement made up less than 3 percent of Federal expenditures. Today, they are more than 20 percent. The proportion of Federal spending tied to the Consumer Price Index is expected to be about 30 percent next year. Ten years ago, only 3 percent was indexed. Thus inflation has had a devastating effect on the budget, particularly in those programs known as entitlements. These are programs in which any eligible person can participate. The more eligible persons there are, the more expensive the program. Unemployment compensation, for example, increases dramatically in times of recession. For this reason, such programs are often referred to as uncontrollable.

Other programs, such as payments to State and local governments, have also increased in recent years. The simple message, however, which comes through after a close look at Federal spending is that the budget is hemorrhaging.

Unfortunately, although everyone can agree that excessive spending must be eliminated, almost every line item in the budget is championed by its own constituency. One person's low-priority program is another's vital concern.

There is also a misconception that the budget can be balanced just by ridding it of fraud, waste, and abuse. It would be easy to eliminate if there were such a line item in the budget with that label. The fact is that while some savings can and should be made by eliminating wasteful spending, most cuts will involve genuine sacrifice.

There is no magic solution that will suddenly balance the budget, and it is important that the public's expectations become more realistic. The attitude reflected in the letters I receive from constituents is "cut the budget, but leave my program alone."

All segments of our society, some with very special and perhaps vital interests will have to cut back. Some cuts will hurt, but nothing hurts as much as runaway inflation that threatens to destroy the very fabric of our social, economic, and political structure.

The Federal deficit may not be the primary cause of inflation, but for fiscal, social, and psychological reasons we will not reduce inflation unless we first reduce Federal spending.

As these reductions are made, we must do what we can to protect those who are most vulnerable. The sick, the aged, and the children in our society must be assured that they will not suffer from reductions in programs which provide a safety net for those who have no other means of support.

The new administration and we in Congress must work together to bring about a just and realistic budget. It can be done. It will be done, but only if we can all work together.●

ALASKA NATURAL GAS TRANSPORTATION SYSTEM

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. YOUNG of Alaska. Mr. Speaker, many of my colleagues have taken a keen interest in the proposed Alaska natural gas transportation system (ANGTS). In view of the world energy situation and the impact that it has had upon the economy of this Nation. I think it is commendable that such importance has been placed on the completion of the ANGTS. I would like to take this opportunity to give a brief introduction of the project for the benefit of the new Members.

The Alaska natural gas transportation system is the largest private construction project of its kind in history. Authorization for the construction of this project is contained within the Alaska Natural Gas Transportation Act of 1976.

The route for the ANGTS was approved by the President's decision in 1977, Executive Order No. 12142. The route consists of four segments: Alaskan, Canadian, U.S. eastern leg, and U.S. western leg. These segments will operate jointly to bring over 26 trillion cubic feet of natural gas to U.S. markets over the next 25 to 30 years. This will be approximately 5 percent of the U.S. natural gas demand given current levels of consumption. Experts estimate, however, that there are significant reserves of natural gas in addition to the reserves that have been indentified at Prudhoe Bay. At the present time, oil is extracted from the Prudhoe Bay field at a rate of 1.5 million barrels of oil per day. The gas extracted with the oil is being reinjected into the gas cap at Prudhoe Bay in order to preserve this valuable energy resource until it is brought to market via the ANGTS.

The areas adjacent to the Prudhoe Bay field, such as the National Petro-

leum Reserve-Alaska (NPRA), the Beaufort Sea, and the Arctic Wildlife Range (AWR) have high probabilities of natural gas reserves. Reserves tapped from these areas will be close in proximity to the ANGTS corridor.

The route for the ANGTS will begin at Prudhoe Bay in Alaska and follow the existing trans-Alaska pipeline route for 648 miles to Delta Junction, Alaska. From this point the ANGTS will follow the Alaska Highway to the Canadian border. The length of the total system including all four legs will be some 4,800 miles. Initial delivery of the total system will be approximately 2 billion cubic feet per day—which will offset the import of foreign oil equivalent to 450,000 barrels of oil per day—however, this delivery can be increased with additional compression to 3.2 billion cubic feet per day.

The final design engineering and cost estimates are in the process of being finalized for the Alaskan segment. The major obstacle thus far is the compilation of a financial package, however, the project sponsors are working hard to resolve this issue. Construction has begun on the Canadian portion or so-called prebuild section of the ANGTS. The eastern and western legs of the system are scheduled to begin construction this year. Completion of the total system is expected sometime in 1985.

The regulatory procedures associated with construction of the ANGTS are being coordinated by the Office of the Federal Inspector of the Alaska natural gas transportation system. The OFI is a unique Federal mechanism designed to provide a "one-window" approach in coordinating and expediting activities and interests of Federal, State, and local concern.

The ANGTS will contribute significantly to the energy supply of the United States. It is not only symbolic of the determination to break our dependence upon foreign oil, it is a message to the world that Americans are willing to take the steps that are necessary in order to reduce our national vulnerability. The ANGTS is also symbolic of this Nation's ability to work with our neighbors, the Canadians, in an effort to construct this critical energy project. The year 1981 will be a year marked by progress toward energy independence, marked by the Alaska natural gas transportation system.●

FREEDOM IS A GOAL WHICH WE ALL PURSUE

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. DANIEL B. CRANE. Mr. Speaker, freedom is a goal which we all pursue. However, one of the major threats to freedom is the spread of international communism. An annual commemoration of World Freedom Day is held each year in Taipei, Taiwan, Republic of China, in support of freedom for those nations enslaved under the bondage of communism.

An outstanding leader and key spokesman for freedom in the Republic of China is Ku Cheng-kang, LL.D., who has earned worldwide recognition for his strong stand against godless communism. I wish to direct the attention of the Members to an address delivered by Dr. Ku before the World Freedom Day Rally on January 23 in Taipei.

His address follows:

STRIDE AHEAD INTO THE ERA OF VICTORY FOR FREEDOM

(By Dr. Ku Cheng-kang)

NEW DECADE OF JOINT ENDEAVOR

Premier Sun, Distinguished Guests, Ladies and Gentlemen:

We are on the threshold of a new age in the course of history's development. Both the decade of the 1980s for the whole world and that of the 70s of the Republic of China have started. All the Chinese and others who stand for freedom and democracy have hand in hand stepped into an era of joint endeavor. This World Freedom Day Meeting here today represents the great new unity of such people in the new age, determined to fight on against Red totalitarians.

The 1980s shall see further rise of forces for freedom and democracy. It will be the decade of Communist fall. The ROC's 70s shall see China's reunification in freedom and democracy. The "World Freedom Day" Movement is the major driving force of this new situation.

PRESENT RISE OF FREE DEMOCRATIC FORCES

The present rise of international forces for freedom and democracy is moving in these four major directions:

As regards the bipolar confrontation by freedom and democracy against Communist autocracy, Russia's invasion of Afghanistan and continuous advances into the Mediterranean as well as the Indian Ocean and the Western Pacific have been accompanied by all-out Red Chinese infiltration to create rifts and armed rebellions in free countries, but these moves have made free democratic nations rise speedily with positive military readiness against Red aggression and expansion and better countermeasures against subversion. Unity and cooperation will be further enhanced among free nations. The whole free camp is being consolidated for collective steps to safeguard freedom and democracy.

In the race involving the two camps, the free world progress, prosperity, freedom and well-being are in growingly sharper contrast with the backwardness, poverty, autocracy and suffering under Communism. Greater than ever impacts will be created in the 1980s. More and more people in the free world will discard Communism, and more people behind the Iron Curtain will rise against Red tyranny. Identical thinking will bring unity of purpose and spur joint steps. In the face of a greater awakening of humanity and confronted by the determined surge of people everywhere for well-being, Communism will tread its path to downfall.

Changes within the Red bloc will further expose the failure of Communist rule, widen the rift between revisionists and doctrinaires, and bring sharper clashes for power and hegemony. The struggle waged by Teng Hsiao-ping and other Red Chinese power-holders against the Gang of Four and its followers is widening the crack that will make the Red rule fall apart. The widespread strikes by Polish workers are bringing similar results. Communist regimes will come to their end amidst theoretical bankruptcy and opposition of gallant Iron Curtain masses.

Developments of the free world have been such that people have learned enough from the mistaken policies of appeasement and compromise in the 1970s. Those policies succeeded only in bringing rampant Red expansion, but the exposed Red aggressiveness made the free world wide awake and spurred the rise of righteous forces for anti-Communist campaigns. A surge is shaping up for the destruction of Red tyranny in the 1980s.

CHINA'S UNIFICATION IN FREEDOM AND DEMOCRACY

The rising free democratic forces are the mainstream of the 1980s. Unification of China in freedom and democracy will be the guiding force of history in the decade ahead.

The 900 million people on the Chinese mainland have been plunged in despair by Red rulers and no longer pin any hope to Communism. Even before getting under way, the so-called "four modernisations" started producing four bitter fruits: production suspension, economic withering, currency inflation and social confusion. The trial of the Lin Piao and Chiang Ching cliques came recently as an attempt to heap blames on a few past leaders. By condemning these scapegoats, the regime wants to fool the people under it and divert the attention of the world outside. But the trial, aside from foreboding even fiercer power struggle, has exposed the wickedness of Mao Tse-tung and Chou En-lai, testified to the crimes of Teng Hsiao-ping and others now in power, and proven that the days are numbered for Marxism, Leninism and Communism. The opposition of the mainland masses to the regime will intensify.

In Taiwan, the Republic of China has implemented democratic constitutional rule, brought about great progress through policies of well-being for all, and succeeded in glorifying China's great cultural heritage. Our society has been built as one that is free, democratic, open and prosperous. A bright vista has thus been created for all China. Tremendous attraction and influence are being exerted. The 900 million people on the mainland are receiving encouragement for their anti-Communist struggles to win freedom, democracy and human rights. Their calls for emulation of the Taiwan economy example are evolving into demands for learning from the ROC in politics and for return to the Three Principles of the People. This is enhancing the march to China's unification in freedom and democracy in the 1980s.

The Republic of China will never compromise with the Chinese Reds or contact the Soviets. The firm ROC stand of never departing from the democratic camp has positively contributed to the building of peace and freedom in Asia and the world. The nation continues as a vanguard in man's struggle to safeguard freedom and democracy. Unification of China in freedom and democracy will add 900 million people to the free democratic camp and put all the oppressed masses behind the Iron Curtain on their feet for action to terminate Communist rule.

WHAT FREEDOM FORCES MUST NOW DO

Ladies and Gentlemen: The 1980s will usher in victories for freedom and democracy. This highly advantageous turning point of history must be fully grasped so that struggles for freedom, democracy and human rights will triumph before long. To meet this demand, I hereby on this glorious World Freedom Day advance the following calls:

We maintain that the newly-established Reagan Administration resolutely ends the humiliating U.S. policy of detente and compromise with Red forces. The awakened Americans support President Reagan's effort for national renewal. The United States is powerfully demonstrating that she will, with strength, safeguard freedom and peace and, with justice and righteousness, lead the free world.

President Reagan said clearly in his inaugural address that the U.S. would strengthen her ties with free nations and assure them of America's support and firm commitment, matching loyalty with loyalty. The Republic of China has had long-standing cordial historic ties with the U.S. She used to be regarded as an American ally. She is one of America's Asian-Pacific neighbors. She always has been a loyal friend, and the United States used to have commitment in her. We have reasons to request the new U.S. Government to take concrete steps to promote normalization with the ROC and abandon the dangerous mistaken tactics of "allying with the Chinese Reds for the checking of the Soviets" so that America "will again be the exemplar of freedom and a beacon of hope for those who do not now have freedom." The 900 million people on the Chinese mainland are in misery without freedom. America absolutely should not join hands with those Red rulers who have deprived the Chinese mainland people of their freedom.

Strategic interests are such that any U.S. attempt to pit the Chinese Reds against the Soviets will spur the latter's expansion on many fronts. Furthermore, the U.S. inevitably will be dragged into wars regardless of whether the two Red regimes engage in open clashes or become reconciled.

We heartily agree that, as President Reagan said, the will and moral courage of free men and women is a weapon the adversaries of free nations do not have. America's mission today is to bring free nations together and safeguard freedom with this weapon.

We maintain that free nations come to the unequivocal understanding that because of their failure to unite and cooperate as one, the Communists have become so rampant. Free nations therefore should speedily develop common defense cooperation and, with collective strength, check Red expansion and assure regional security.

We maintain that free nations take forceful steps to support the heroic Afghan war against Soviet aggressors, help the Polish workers and other East Europeans cope with Moscow's threat to their campaigns for freedom, aid the Indochinese, the Cubans and the north Koreans who are struggling to be free, and give strength to the Africans for successful fights against subversion, aggression and communization.

We maintain that free nations together encourage the 900 million Chinese mainland people's anti-Communist struggles to regain freedom, democracy and things Chinese. Support should be given the people on both sides of the Taiwan Straits who are striving for China's unification under the Three Principles of the People.

We maintain that our 900 million compatriots on the Chinese mainland fully grasp the regime's current conflict and confusion and rise for a wide-spread anti-Communist revolution to overthrow the Red tyranny.

Ladies and Gentlemen: The history of man's struggle for freedom is written in blood and tears. The road to freedom has to be opened and leveled with firm steps of multitude. We will in the decade ahead break through the Communist mist and build a broad avenue of freedom for all mankind.●

BIAGGI INTRODUCES LEGISLATION TO REMEDY SERIOUS PROBLEM IN ELDERLY AND HANDICAPPED TRANSPORTATION PROGRAM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. BIAGGI. Mr. Speaker, as an original member of the House Select Committee on Aging and chairman of its Subcommittee on Human Services I have reintroduced legislation aimed at remedying a serious flaw in the section 16(b)(2) program under the Urban Mass Transportation Administration.

This program provides funds for nonprofit groups and organizations to purchase certain vehicles for use by the elderly and handicapped. The program as it is constructed today, merely provides the dollars to purchase the vehicle—it does not provide authority or dollars for operating expenses. Consequently, there are areas in this Nation where vehicles are sitting idle because there are no funds for operating expenses such as drivers. This constitutes a tremendous waste of Federal dollars not to mention the fact that it deprives seniors and disabled persons from essential transportation services which can keep them in the mainstream of society.

The bill I have sponsored would permit up to 20 percent of all section 16(b)(2) funds to be used for operating expenses associated with a vehicle purchased with said funds. A priority would be given to those applicants who have already received funds for purchasing vehicles.

I offer this legislation in the spirit of commonsense. Our Aging Committee has studied the transportation problems of the elderly in some great length and one chronic problem is coordination. The 16(b)(2) program in its present construction is a well intentioned but a poorly executed program. My legislation is one step in the right direction.●

REMOVING AN INEQUITY IN THE ESTATE TAX LAWS

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. BEILENSON. Mr. Speaker, I am introducing a bill today to ease the burden of Federal estate taxes on certain older surviving spouses.

Under my proposal, there would be an unlimited marital deduction if, at the time the first spouse died, both spouses were over age 72 and had been married for 20 years or more. Decedents meeting these criteria could leave an unlimited amount of their property to their spouses without any Federal estate tax.

This change in estate tax law would allow the surviving spouse to live out his or her remaining years without having to undergo a drastic change in financial status or the need to sell off property to pay the death taxes. Of course, the same assets would be subject to taxation eventually on the death of the second spouse.

Currently, the marital deduction is limited to the greater of $250,000 or, for estates larger than $500,000, 50 percent of the estate. The 50-percent limit for larger estates was chosen in an attempt to equalize the estate tax burden on surviving spouses in community property and common law States. Before the marital deduction was enacted in 1948, surviving spouses in community property States only inherited half of their decedent spouses' property—since they already owned half the community property before their spouses' death—while in common law States they inherited, and thus were taxed on, 100 percent of their decedent spouses' property.

Congress was clearly right in attempting to equalize the treatment of surviving spouses in common law States. However, the change created a new inequity for some surviving spouses in community property States. This occurs when the surviving spouse originally acquired most of the community property. In a common law State, there would be no tax since the survivor would already own the property and thus inherit nothing. In a community property State, the survivor would inherit half the community property and thus owe estate taxes on it. For large estates the extra tax burden is considerable.

This bill would entirely remove the distinction between community, property and common law States, where the spouses are over 72 and have been married at least 20 years. These limitations reduce the burden on the Federal Treasury and prevent deathbed marriages merely to take advantage of the deduction.

I think older Americans ought to be able to live out their lives without the added burden of sizable taxes when their spouses die. The property will still be taxed on the death of the second spouse. I hope this proposal will receive serious consideration by the Congress.●

RURAL TELEPHONE BANK

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. JONES of Tennessee. Mr. Speaker, today I am introducing legislation to extend the authorizations for the Federal contribution to the Rural Telephone Bank. This bill would allow the annual $30 million Federal purchase of class A stock to continue for another 10 years, and repayment by the Bank of the Federal capital seed money would be delayed until after September 30, 1995.

The Rural Telephone Bank has proven to be a vital source of loan funds for developing and upgrading telephone service in rural America. The Nation's rural telephone companies borrow money from the Bank at intermediate interest rate levels and repay over 30 to 40 years. Eventually, the borrowers of the Bank will repurchase the federally owned stock resulting in a lending institution owned by the borrowers.

Without the appropriations authorized by this legislation, the Rural Telephone Bank would have to increase substantially its effective interest rate, thus disqualifying many telephone company borrowers of this loan program. Studies have shown that the result would be a higher net cost to the Federal Treasury. By extending this authorization, the Bank could continue to make loans to improve rural telecommunications facilities and thus improve the overall quality of life of rural Americans.

For more background and information on the Rural Telephone Bank, I am inserting into the RECORD the Comptroller General's report to Congress:

EXAMINATION OF THE RURAL TELEPHONE BANK'S FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1979, DEPARTMENT OF AGRICULTURE

DIGEST

The Rural Telephone Bank, an agency of the United States, was established in 1971 by an amendment to the Rural Electrification Act of 1936 (7 U.S.C. 901), to provide for financing or refinancing the construction, improvement, expansion, acquisition, and operation of telephone lines, facilities, or systems in rural areas.

In fiscal year 1979 the Rural Telephone Bank loaned $130 million to rural telephone systems. It has loaned $1.2 billion since its inception. Amounts borrowed from the U.S. Treasury, interest and principal collected on loans, and proceeds from the sale of stock are the Rural Telephone Bank's primary sources of funds.

GAO is required by the Government Corporation Control Act (31 U.S.C. 841) to examine the financial transactions of the Bank. GAO's last report was issued in May 1977 and discussed financial transactions through September 30, 1976.

OPINION ON FINANCIAL STATEMENTS

In GAO's opinion, the Bank's financial statements present fairly its financial position as of September 30, 1979, and the results of its operations and changes in financial position for the period then ended, in conformity with generally accepted accounting principles.

CHAPTER 1

Introduction

Public Law 92-12 dated May 7, 1971, established the Rural Telephone Bank (RTB) to make loans for the construction, improvement, expansion, acquisition, and operation of telephone lines, facilities, or systems in rural areas. The law amended the Rural Electrification Act of 1936 (7 U.S.C. 901) which, since 1949, has authorized the Administrator of the Rural Electrification Administration (REA), Department of Agriculture, to make loans for essentially the same purposes as the REA telephone program, that is, furnishing and improving telephone service in rural areas. To the extent practicable, RTB is to obtain funds from non-Federal sources and to conduct its operations on a self-sustaining basis.

In fiscal year 1979 RTB loaned $130 million to rural telephone systems. It has loaned $1.2 billion since its inception. The amounts borrowed from the U.S. Treasury, interest earned on loans, and proceeds from the sale of stock are RTB's primary sources of funds.

Management and administration

RTB, an agency of the Federal Government, is subject to the direction of the Secretary of Agriculture. The Administrator of the Rural Electrification Administration, who is also the Governor of RTB, is RTB's chief executive officer.

RTB has a 13-member board of directors which is responsible for its management. The Administrator of REA, the Governor of the Farm Credit Administration, five Presidential appointees, and six people elected by RTB's stockholders serve on the board. RTB has no employees; however, the RTB operations are performed by REA employees who also have similar responsibilities for REA operations.

Capitalization

RTB issues three classes of capital stock: (1) class A to the Government, (2) class B to RTB borrowers, and (3) class C to RTB borrowers, organizations eligible to borrow, and organizations controlled by borrowers or eligible borrowers.

Class A stock

Class A stock has a par value of $1 a share and is issued, at par, only to the Administrator of REA on behalf of the United States. The United States provides money for the purchase of class A stock by REA. Public Law 92-12 authorizes the Congress to appropriate up to $30 million annually for the purchase of class A stock until RTB has issued $300 million of class A stock. As of September 30, 1979, RTB had $247,500,000 of class A stock outstanding.

Public Law 92-12 also authorizes RTB to pay the United States a 2-percent annual return on the class A stock outstanding. This return is cumulative and must be paid from RTB's income. In fiscal year 1979 RTB paid $4.9 million to the U.S. Treasury.

RTB must retire its class A stock as soon as practicable after September 30, 1985, as long as its Board of Directors determines that such retirement will not impair RTB's operations.

Class B stock

Class B stock has a par value of $1 a share. Borrowers must purchase, at par, class B stock equaling 5 percent of the amount borrowed excluding the amounts borrowed to purchase such stock. As of September 30, 1979, RTB had $56 million of class B stock outstanding. Although class B stockholders do not receive dividends, they receive annual patronage refunds in the form of additional shares of class B stock. RTB's Board of Directors determines the amount of the patronage refund, which is made from net income after deducting the return on class A stock, cash dividends on class C stock, and any addition to the reserve for contingencies. In fiscal year 1979 RTB issued $3.7 million of class B stock as a patronage refund.

Class C stock

Class C stock has a par value of $1000 a share and is issued at par only to borrowers; to corporations and public bodies eligible to borrow; or to organizations controlled by such borrowers, corporations, and public bodies. As of September 30, 1979, RTB had $548,000 of class C stock outstanding.

Class C stockholders may be paid dividends from RTB's income if the Board of Directors declares such dividends. The Board can only declare dividends on class C stock when income exceeds the 2-percent return on class A stock. Until all class A stock is retired, the dividend on class C stock cannot exceed the average rate of interest RTB pays to borrow money. In fiscal year 1979 RTB paid $32,820 in dividends on class C stock.

Conversion of ownership, operation, and control of the bank

When 51 percent of the maximum amount of class A stock issued and outstanding at any time after September 30, 1985, has been retired:

The powers and authority of the Administrator of REA will be vested in RTB's Board of Directors, and the Board will select a new Government for RTB.

The five Board members appointed by the President will no longer be members of the Board.

RTB will no longer be a U.S. agency.

RTB will continue as an instrumentality of the United States and a banking corporation.

When all class A stock has been retired, RTB loans will not be subject to restrictions imposed by Public Law 92-12; however, after that time, the Congress can continue to review RTB's operations.

CHAPTER 2

Operations

Borrowing power

Public Law 92-12 authorizes RTB to obtain funds by selling its bonds, debentures, notes, and other evidences of indebtedness (collectively called telephone debentures). RTB's Board of Directors determines when telephone debentures may be issued, their interest rate, and other terms and conditions. The amount of outstanding telephone debentures may not exceed 20 times RTB's paid-in capital and retained earnings.

On June 30, 1972, Public Law 92-324 gave the Secretary of the Treasury the authority to purchase RTB's telephone debentures. The Secretary of the Treasury determines the rate of return that must be realized on any telephone debentures purchased. The current average yield on outstanding marketable U.S. securities with comparable maturity must be considered.

At September 30, 1979, cumulative debenture borrowings from the Secretary of the Treasury amounted to $394,868,000 at various interest rates, as shown below.

BORROWINGS FROM TREASURY

Interest rate	From inception through Sept. 30, 1979
7.250	$5,071,000
7.375	7,667,000
7.500	10,017,000
7.625	10,461,000
7.750	24,451,000
7.875	29,603,000
8.000	11,092,000
8.125	50,571,000
8.250	48,290,000
8.375	53,989,000
8.500	37,376,000
8.625	9,037,000
8.750	11,647,000
8.875	6,181,000
9.000	52,995,000
9.125	12,897,000
9.250	4,401,000
Cumulative total	394,868,000

RTB can repay amounts borrowed from the Treasury through the sale of telephone debentures at any time. Repayments will be applied to the oldest amounts outstanding. No amounts borrowed from the Treasury had been repaid as of September 30, 1979.

The Secretary of the Treasury can sell acquired telephone debentures at any price considered appropriate. All purchases and sales of telephone debentures by the Secretary are treated as public debt transactions of the United States.

Lending power

RTB can make loans, in conformity with policies approved by the Board of Directors, to corporations and public bodies which have received an REA loan or loan commitment or have been certified by the Administrator of REA to be eligible for a loan or loan commitment. RTB's loans may be made: for the same purposes as REA loans made under section 201; to finance or refinance the construction, improvement, expansion, acquisition and operation of telephone lines, facilities, or systems in rural areas to improve efficiency, effectiveness or financial stability of borrowers; or to finance the purchase of class B stock.

The Rural Electrification Act requires that RTB, rather than REA, loan funds if the borrower is eligible for an RTB loan and RTB has funds available. However, all loans for telephone system facilities which, on the average, will have three or fewer subscribers for each mile of telephone line are to be made by REA unless the borrower elects to take an RTB loan instead.

RTB loans can only be made when, in the judgment of the Governor of RTB, (1) the loan has adequate security and will be repaid within the time agreed and (2) the borrower is able to earn net income before interest which is at least 150 percent of the interest requirements on all of its outstanding and proposed loans or, if this is not true, this requirement should be waived because it prevents emergency restoration of the borrower's system or otherwise results in severe hardship to the borrower.

The Governor of RTB determines the terms and conditions of RTB loans that are not specified by law. The Rural Electrification Act, as amended, requires that the interest rate on an RTB loan be equal to RTB's average cost of money; however, the interest rate cannot be less than 5 percent per annum. The act also requires that RTB loans be repaid within 50 years.

RTB borrowers may not sell or dispose of property, rights, or franchises acquired under the provisions of the Rural Electrification Act, as amended, without the approval of RTB's chief executive officer until any loans obtained from RTB, including all interest and charges, have been repaid.

Cost of operations

The interest cost of money borrowed from the Treasury through the sale of telephone debentures in fiscal year 1979 ranged from 8.875 to 9.25 percent a year. The total interest cost for fiscal year 1979 was $27,930,503.

The Rural Electrification Act authorizes RTB to partially or jointly use the facilities and services of REA or any other agency of the Department of Agriculture without cost, and thus are not shown as expenses on the RTB statement. Costs incurred by REA as it provides facilities and services to RTB are generally for salaries and related benefits, employee travel, and automatic data processing.●

NATIONAL INSTITUTE OF ARTHRITIS

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. HOPKINS. Mr. Speaker, today I am introducing a bill to require the National Institute of Arthritis to conduct clinical trials of the drug dimethyl sulfoxide, or DMSO. As many will recall, this bill was introduced in the last Congress and enjoyed widespread support. More than 110 Members cosponsored the legislation and, in fact, it was adopted by the full House of Representatives in the form of a floor amendment to the Health Research Act, a bill which reauthorized our National Institutes of Health.

Unfortunately, during the final days of the Congress, a substitute bill was adopted and the amendment dropped. And so, despite hearings held in both the House and Senate, despite the support of many of my colleagues, we are no closer to knowing the truth about this potential ray of hope for those who suffer chronic pain than we were 17 years ago.

Mr. Speaker, 31 million Americans of all ages suffer from the crippling disease known as arthritis. One in every seven Americans is a victim. Someone new is added to this list every 33 seconds. There is no known cure for arthritis, and there are innumerable quacks and charlatans offering fake cures for arthritis sufferers.

There is, however, an inexpensive chemical compound which appears to offer significant relief from the nagging aches and pains accompanying this disease. My bill simply directs the National Institute of Arthritis to conduct a clinical survey of this promising remedy, known as dimethyl sulfoxide or DMSO. The purpose of the study is to determine the safety and effectiveness of DMSO in helping relieve some of the pain and suffering experienced by these 31 million Americans every day.

DMSO is not a new drug. It is not a rare drug. And it is not an expensive drug. DMSO costs about $4 a quart to produce and it is the byproduct of the manufacture of paper. The medicinal properties of DMSO first came to light in the United States in the early 1960's when it was discovered that DMSO is rapidly absorbed into the skin. Since that time it has been approved for human use in a dozen other countries. But in the United States DMSO is approved for only one rather rare bladder disease in humans, and also for veterinary use.

Doctors have testified before the House Select Committee on Aging that DMSO significantly reduces pain, inflammation, and swelling, and helps promote healing in soft tissue injuries. Professional athletes have indicated that use of DMSO is widespread among their ranks. Yet for the average American suffering from arthritis, the drug is officially off limits. Why? Because the Food and Drug Administration is adamant in its refusal to approve DMSO and persistent in its attempts to discredit DMSO proponents.

Nor are the future prospects very bright that DMSO will ever be available except in bootleg form. Again, DMSO is not rare and it is not expensive. But few firms are willing to devote their private resources to the testing and development of a substance commonly found in nature, cheap to produce, and in all probability not patentable. The income potential is simpy not there to meet their investment criteria. Thus, there are no tests currently being conducted to determine the value of DMSO for use by patients with arthritis.

The situation at present is that thousands of Americans are going abroad, primarily to Mexico, to obtain DMSO treatments at outrageous prices. Thousands more are treating themselves at home with DMSO they obtain from their veterinarians in a concentration designed for horses, not humans; or with DMSO they obtain from their hardware store, where it is sold as an industrial solvent; or with DMSO they obtain through smoke shops, drycleaners, and other outfits in a few States where DMSO is legal. Continued national media attention serves only to increase the unauthorized use of DMSO by individuals who

use it at their own risk and without medical supervision.

Efforts on the part of the administration to discourage the use of DMSO by the public must, in my opinion, be combined with vigorous efforts to pursue research into its safety and effectiveness. Public demand and scientific doubts where DMSO is concerned will only be put to rest through efforts to establish the truth.

It is time for an objective, unbiased study to determine once and for all whether or not DMSO is the ray of hope 31 million Americans are praying for. It is time to put to rest the false claims and false hope. For these reasons, I am reintroducing my bill to require that the National Institute of Arthritis conduct clinical tests of DMSO. I welcome the support of my colleagues who have already joined in sponsoring this bill, and am hopeful that other Members will also support our efforts.●

WOMEN'S RIGHTS DAY

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. LEACH of Iowa. Mr. Speaker, today is Women's Rights Day. Over 1,000 representatives from various women's organizations have converged on Washington to talk to lawmakers about issues ranging from equal employment protection to curtailment of sexual harassment in the working environment.

This will be an exciting, progressive decade for women. An analysis of the November elections indicates a greater percentage of women than ever before have entered the political process and won election to public office.

This growing coalition of female officeholders is significant in several respects. Not only are more lawmakers becoming more attuned to women's issues, but it is clear the American electorate no longer considers gender to be a decisive factor at the ballot box. An attitudinal change of this magnitude augurs well for the future progression of women's rights in America.

As the struggle for passage of the equal rights amendment continues, today is an appropriate time to reaffirm why we need such an amendment:

For every $1 a man earns, a woman earns only 59 cents;

A title-by-title review of the United States Code, reveals over 800 sex-biased laws;

Nondiscriminatory laws of one State cannot carry over to other States;

Without an ERA, nondiscriminatory legislation in any political jurisdiction can be reversed, modified, or eliminated by statute.

While the prospects for successful approval of the ERA in three more State legislatures before the 1982 deadline look bleak today, some solace can be taken from the fact that the fight itself has caused a searching analysis of the issue of rights and opportunities as they apply to women in an international as well as American context.

Hopefully, as the issue matures over the decades ahead, a fuller appreciation for the societal problems facing women will cause forthright legislative responses.

Welcome to all the representatives from the various women's organizations on Capitol Hill today.●

TRIBUTE TO THE IRANIAN RESCUE MISSION VOLUNTEERS

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. HOWARD. Mr. Speaker, on Inauguration night, I joined with the rest of the country in following the news of the release of the 52 brave Americans who had spent 14 difficult months in Tehran. I was joyful, but a poignant note of sadness permeated the happiness nonetheless, when a television commentator relayed an emotional message from the family of one of the Americans who had been in Iran.

Unexpectedly, the grief was not that of a relative of one of the former hostages. Rather, it was from the family of one of the eight men who had died in the Iranian desert last April 25. She asked that her loved one be remembered; and may I assure her that he is.

The names are now symbols of the courage that is inherent in the American character—Richard L. Bakke, Lynn Davis McIntosh, Dewey L. Johnson, Charles T. McMillan II, George N. Holmes, Jr., John Davis Harvey, Harold L. Lewis, and Joel C. Mayo. May we always remember them.

Let us remember not simply their names, but also their gallantry. All volunteers, they placed their lives on the line for those they hardly knew in a remarkable act of selflessness. Let us be mindful that they acted to help their Nation maximize its prestige abroad, in an act that far transcends the everyday duties of patriotism.

If we are in a period of national celebration for the release of the hostages, let us also enter a period of national pride that America produces men of valor such as these. They understood, to recall the words of Woodrow Wilson, that "it is a fearful thing to lead this great and peaceful people into war" but they, like the American people who supported the rescue mission, understood that there are times when bold actions are called for. Let us be gratified that when that time arrives, despite our best efforts to reconcile the dictates of justice with the desire for peace—our Nation can draw on men like these.●

CARE WEEK

HON. ROBERT (BOB) WHITTAKER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. WHITTAKER. Mr. Speaker, I am pleased to introduce this concurrent resolution today in the House which designates the week of May 10 as "CARE Week" and recognizing 35 years of outstanding service by the Cooperative for American Relief Everywhere, Inc.—better known by most of us as CARE.

CARE was conceived back in 1945 by 22 major American organizations made up of Cooperatives, relief agencies, religious organizations, and labor in order to aid the needs of millions of men, women, and children left destitute in Europe after World War II. CARE was a cooperative venture, conceived by cooperatives in this Nation. Today, CARE carries that cooperative spirit through all nations in which they help the sick and hungry.

Since 1945, CARE has grown with assistance from the passage of Public Law 480, providing major supplies of food from the United States. In 1962, CARE branched out into the medical services with the beginning of MEDICO.

Today CARE is more than just feeding hungry people—CARE also provides instruments for self-help and development to farmers and teachers in their communities and villages, education of modern medical techniques and child care, and the implementation of long-range 5-year plans in agriculture in providing loan funds and food-for-work projects.

Partnership programs are now carried out by CARE in nutrition, development, and health care. Throughout all programs and relief efforts, the aim of CARE—to help the impoverished help themselves—is clearly seen since these efforts undergird the assistance, rather than completely support a project.

CARE is the second largest nonprofit, nonpolitical, nonsectarian, nongovernmental agency and with over 46 million contributions received over the years CARE has continued to grow. The organization of CARE's staff and operations in utilizing contributions is truly outstanding—the CARE organization delivers in excess of $5 worth of aid for each $1 contributed.

Whether feeding hungry children in a Third World nation, or setting up temporary homes after natural disasters, as they did in Italy late last year, the Cooperative for American Relief Everywhere, Inc. (CARE), I believe, can be held as a symbol of pride for this Nation.

Mr. Speaker, I would urge my colleagues to join me in cosponsoring this resolution and to pass it quickly to the President for his signature so the week of May 10 can be designated as "CARE Week" for 1981.●

TRIBUTE TO THE LATE OLIN TEAGUE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. BROWN of California. Mr. Speaker, I join my colleagues in the House of Representatives in paying tribute to Olin "Tiger" Teague, distinguished Congressman from the State of Texas, who passed away on January 23, 1981.

"Tiger" was an American hero who served his country in war and peace. he was the most decorated soldier to serve in Congress, and was a natural choice to speak for the interests of American veterans. He will be best remembered for his decisive leadership role as chairman of the Science and Technology Committee, as well as for his ardent support for the advancement of the space program. He launched many of the programs which brought our Nation to a position of world leadership in space exploration.

On a more personal basis, it was my privilege to work closely with "Tiger" Teague on both of his committees—for 8 years on the Veterans' Affairs Committee and for 12 years on the Science and Technology Committee. I have never met a person who was more scrupulously fairminded in his treatment of his colleagues, and somewhat to my surprise, I found remarkably few issues on which we disagreed as to what best served the national interest in our work on these committees.

"Tiger's" sagacity and insights earned him the respect of his colleagues and friends. He will perhaps be best remembered as a man of conscience, a man who loved his country, and a man who cared about people. We will miss him.●

LOVE AFFAIR WITH THE AUTOMOBILE

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. SHELBY. Mr. Speaker, if ever the American love affair with the automobile is embodied in one person, it has to be Lauren Skinner.

He remembers seeing his first car, in 1904, at the age of 7. He and his family were living on a farm south of Linden, in Marengo County. A chauffeur-driven car with three Sweetwater women stalled on the road in front of their farm.

A neighbor put the three Sweetwater women in his surrey and took them on to Linden, while the chauffeur stayed behind to fix the car. Finally he got the car fixed, and chugged off toward Linden, while a 7-year-old boy watched him go.

"You could smell that gasoline behind it," said Lauren, with a faraway look in his eyes. That gasoline smelled good."

From that first look, he was hooked. He wound up a young man in Birmingham in 1919, working on cars for Cruse-Crawford Motors. Then he got word that some men in Thomaston would build him a garage if he would come there.

His garage turned out to be a shed on the side of the county mule barn, and he began fixing cars there.

He sold some Model T Fords for a Selma agency, and remembers going to York to assemble them.

They would come seven Model T's in a boxcar, and the dealer would take 14 men over there with him to assemble them. Two men working together could put together two cars in about four or five hours. Then you'd put the fenders in the back seat and drive it back to Thomaston or Selma.

Even today, he said, "I could put one together right now. I knew where every piece went, where every bolt went."

Then, in 1926, Nash asked him to be a dealer in Thomaston, and he sold Nash cars, and Ramblers, until he retired a few years ago. When he retired, he had the oldest American Motors dealership in the world.

Besides his 1902 Rambler, he has four other cars—a 1948 Nash Ambassador, a 1970 Checker limousine, a 1974 Cadillac, and a 1979 Lincoln Continental.

He likes to travel by car, and puts some 40,000 miles a year on the Cadillac. He has driven to Alaska eight times, and makes a trip each fall to Vermont.

When asked why he loves cars so, Lauren responds:

Well, cars have always been my hobby and I tried to pick up enough money from 'em to make a living. They always fascinated me. I loved to work on 'em, I loved to fool with 'em, I loved to ride in 'em, and you don't have to hitch up a horse and buggy.

Lauren Skinner and his wife, Marguerite, are truly colorful people of Thomaston, Ala., and I wanted to share this delightful, refreshing story with my colleagues in the House.●

BARRIER FREE HOME BILL

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. DONNELLY. Mr. Speaker, today, I have introduced the barrier free home bill. This legislation will provide incentives for homeowners, with handicapped family members, to make home improvements designed to allow handicapped individuals to remain in the residence. Under present statutes, many family members are actually discouraged from providing home care for handicapped family members. By not extending a helping hand to these families, households are faced with relinquishing prime responsibility for these individuals to various public and private institutions requiring increasing outlays of Federal money.

The barrier free home bill will allow a 50-percent tax credit, up to $1,000 per year, with a ceiling of $5,000 to install facilities needed to maintain as normal life as possible to severely handicapped family members. The Treasury Department has estimated that this proposal will lead to a revenue loss of $140 million during fiscal year 1982. Although, I believe that this is a substantial amount, I also feel that the millions of dollars saved by removing individuals from State and federally financed institutions will more than offset this amount.

Congress previously has instructed that both public and private buildings must remove architectural barriers. Now we should assist the families of handicapped citizens to make the same commitment in their own home. Furthermore, I believe that if we can free handicapped individuals from many of the obstacles which they encounter and prevent these people from spending their lives in institutions, we may save money but most important, we will be helping people who need and deserve this assistance.●

U.S. SUSPENSION OF ARMS TO ROYAL ULSTER CONSTABULARY TO CONTINUE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. BIAGGI. Mr. Speaker, as chairman of the bipartisan Ad Hoc Congressional Committee for Irish Affairs, I have been deeply involved in the issue of human rights for Ireland. In this spirit, in July of 1979, I sponsored an amendment which was offered during consideration of the State Department appropriation bill for fiscal

year 1980. The amendment sought to bar the sale, shipment, or export of any U.S. arms to Great Britain for use in Northern Ireland to protest a January 1979 sale, approved by the State Department, of 3,500 rifles to the Royal Ulster Constabulary, the main police force in Northern Ireland.

The amendment was withdrawn following a commitment of a full investigation by the House Foreign Affairs Committee, which in fact was conducted just 3 weeks later. As a result of this investigation, the Department of State announced on August 31, 1979, that it was suspending all future sales and exports of U.S. arms to the Royal Ulster Constabulary, pending a full review of U.S. policy.

My motivation for sponsoring the amendment was the conflict between our sale of weapons to the RUC and section 502(b) of the Foreign Assistance Act. This provision prohibits the sale of U.S. weapons to any nation or organization which practices a pattern of violating human rights. The Royal Ulster Constabulary has been cited on numerous occasions, by such reputable international organizations as Amnesty International and the European Commission and Court of Human Rights and the British Government-appointed Bennett Commission, for various violations of human rights in their treatment of prisoners and suspected criminals.

On January 5, 1981, I wrote a letter to Chairman CLEMENT ZABLOCKI of the House Foreign Affairs Committee to get an updated status on the suspension issue. I received a response from the chairman today which I wish to place in the RECORD immediately after my letter to him.

I maintain my opposition to any sale of arms to the RUC while they engage in practices which violate human rights. The terrorism which exists in Northern Ireland is deplorable and must be ended if there is to be peace. However, if terrorism is to end—all culprits must agree to do so—and this includes not only the civilian paramilitary groups but also the forces of official violence such as the RUC.

The letters follow:

JANUARY 5, 1981.

Hon. CLEMENT J. ZABLOCKI,
Chairman, Committee on Foreign Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: As Chairman of the Ad Hoc Congressional Committee for Irish Affairs, I am writing to obtain an updated status report on the suspension of United States arms sales to the Royal Ulster Constabulary (RUC) of Northern Ireland.

The suspension, which took effect in August 1979, was to remain in effect pending a full review of United States policy on Northern Ireland. The Specific questions I pose are:

(1) How is the review progressing? What areas of policy have been discussed besides prior arms sales?

(2) Is there any projection on how long the suspension might remain in effect?

(3) Have there been any discussions with the incoming Reagan Administration on this topic?

I would appreciate hearing from you as soon as it is possible.

With best wishes, I am
Sincerely,

MARIO BIAGGI.

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 2, 1980.

Hon. MARIO BIAGGI,
Chairman, Ad Hoc Congressional Committee for Irish Affairs, Washington, D.C.

DEAR MARIO: Thank you for your letter in which you have requested an updated status on the suspension of U.S. arms sales to the Royal Ulster Constabulary of Northern Ireland.

According to the Department of State, their review of the issuance of licenses for guns to the RUC remains in progress. At this time they cannot give a projected date when the internal review will be completed. As I understand, the Reagan administration has not had the opportunity to adequately review the issue of arms to the RUC, or to formulate U.S. policy with respect to Northern Ireland. Thus, the status quo remains in effect.

Please be assured of my continued interest in this matter and I will advise you at the earliest possible date of any information which I receive from the Department of State.

With best wishes, I am
Sincerely yours,

CLEM, *Chairman.*●

AMERICAN FORAGE AND GRASSLAND COUNCIL

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. HOPKINS. Mr. Speaker, I would like to bring to your attention, and that of my colleagues, a meeting which will be taking place in Lexington, Ky., from June 15 to 24, 1981.

The American Forage and Grassland Council, in conjunction with the University of Kentucky, is hosting the XIV International Grassland Congress on the University of Kentucky campus.

The significance of grasslands to American agriculture is growing all the time, and I feel this meeting will focus on the most important issues facing American farmers. With the increasing need to expand food production for our growing world population, the pressing problem of reducing both environmental pollution and relative energy use, the scientists and technicians from all pasture, forage, and range-related disciplines of the world will have an excellent opportunity to actively participate in the exchange of research findings and ideas on grassland improvement, production, and utilization.

As you might imagine, I am very pleased that such a conference is being organized in my hometown of Lexington, and want to commend both the American Forage and Grassland Council and the University of Kentucky for undertaking such a project. If I can provide information about the meeting, I hope those interested parties will contact my office. Thank you very much.●

INEQUITIES IN SUPPLEMENTAL SECURITY INCOME PROGRAM

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Ms. OAKAR. Mr. Speaker, today I am introducing a bill which will eliminate two of the inequities in our supplemental security income program. Under the present law, if a SSI applicant or recipient is living in the household of another, it is assumed that he is receiving in-kind assistance which is equal to one-third of the benefit standard. Therefore, the amount of SSI assistance he receives is reduced by one-third. Most often, it is the low-income elderly and handicapped individual who lives with another person because he needs some personal assistance and has no financial resources to purchase such assistance. Many times these elderly and handicapped SSI recipients would be forced to move to an institution—at an even greater expense to the taxpayers—if they were not receiving support and in-kind assistance from their families and friends with whom they live.

The second part of my bill would allow SSI payments to be continued for 3 months for recipients who are placed in a nursing home or other institution. Under the present law, if a SSI recipient enters a medical institution in which a major part of his bill is paid by the medicaid program, his monthly SSI payments are reduced to $25 beginning with the first month of his institutionalization. Very often these recipients are elderly or handicapped individuals who are institutionalized for a temporary period of rehabilitation and fully desire and intend to return to their previous living arrangement. These recipients continue to pay rent, utilities, and other household expenses which must be paid even while the person is in the institution. Because of this reduction in benefits, many SSI recipients are forced to give up their households even though they might eventually be able to leave the institution. Consequently, they are also forced to give up their hope of returning to their previous level of independent living, and they often spend the remainder of their days in the institution.

It is my hope that this bill will correct the inequities of our SSI system which now penalizes low-income elderly and handicapped individuals who depend on families or friends for in-kind assistance or who remain in an institution for more than 1 month.

The following is a summary of the bill.

H.R. —

A bill to amend title XVI of the Social Security Act to eliminate the one-third benefit reduction for those Supplemental Security Income recipients who live in another household, and to continue Supplemental Security Income payments for three months when a recipient is institutionalized

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SUPPORT AND MAINTENANCE IN ANOTHER PERSON'S HOUSEHOLD

SECTION 1. (a) Clause (I) of section 1612(a)(2)(A) of the Social Security Act is amended to read as follows: "(I) in the case of any individual (and his eligible spouse, if any) living in another person's household, support and maintenance received in kind from such person shall not be included,".

(b) Clause (iii) of section 1612(a)(2)(A) of such Act is amended by striking out "and the provisions of clause (i) shall not be applicable".

ELIGIBILITY OF INDIVIDUALS IN CERTAIN MEDICAL INSTITUTIONS

SEC. 2. (a) Section 1611(e)(1)(A) of the Social Security Act is amended by striking out "subparagraph (B) and (C)" and inserting in lieu thereof "subparagraphs (B), (C), and (D)".

(b) Section 1611(e)(1) of such Act is further amended by redesignating subparagraph (C) and subparagraph (D), and by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

"(B) Except as provided in subparagraph (C), in any case where an eligible individual or eligible spouse is in a hospital, extended care facility, nursing home, or intermediate care facility, such individual's benefit for the period ending with the third consecutive month throughout which he is in such hospital, home, or facility shall be determined as though he were continuing to reside outside the institution under the same conditions as before he entered the institution.

"(C) In any case where an eligible individual or eligible spouse, throughout any month, is in a hospital, extended care facility, nursing home, or intermediate care facility, receiving payments (with respect to such individual or spouse) under a State plan approved under title XIX, and such month is either—

"(i) the first month in any period of eligibility under this title based on an application filed in or before such month, or a month in a continuous period of months beginning with such first month, throughout which such individual or spouse is in a hospital, extended care facility, nursing home, or intermediate care facility (whether or not receiving payments with respect to such individual or spouse for each month in such period), or

"(ii) the fourth consecutive month throughout which, or a month in a continuous period beginning with such fourth consecutive month throughout which, such individual or spouse is in a hospital, extended care facility, nursing home, or intermediate care facility (whether or not receiving payments with respect to such individual or spouse for each month in such period),

the benefit for such individual for such month shall be payable—

"(iii) in the case of an individual who does not have an eligible spouse, at a rate not in excess of $300 per year (reduced by the amount of any income of such individual which is not excluded pursuant to section 1612(b));

"(iv) in the case of an individual who has an eligible spouse, if only one of them is in such a hospital, home, or facility throughout such month, at a rate not in excess of the sum of—

"(I) the rate of $300 per year (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the one who is in such hospital, home, or facility), and

"(II) the applicable rate specified in subsection (b)(1) (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the other); and

"(v) in the case of an individual who has an eligible spouse, if both of them are in such a hospital, home, or facility throughout such month, at a rate not in excess of $600 per year (reduced by the amount of any income of either spouse which is not excluded pursuant to section 1612(b));

except that for purposes of any provision of law other than this subparagraph, any benefit determined under clause (iv) shall be deemed to be payable at a rate equal to the sum of the rate of $300 per year and the applicable rate specified in subsection (b)(1), reduced by any income of either spouse which is not excluded pursuant to section 1612(b).".●

THE 63D ANNIVERSARY OF UKRAINIAN INDEPENDENCE

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. DOUGHERTY. Mr. Speaker, last week our entire Nation, indeed the whole world, witnessed in the honors paid to the returning 52 how precious we hold our liberty.

In the face of Soviet aggression both within and outside of the borders of the U.S.S.R. and in the midst of the ever-expanding threat from terrorist groups in troubled spots around the world, it is important that we keep our pledge to support those who refuse to let their own dreams of freedom die.

Today in the Halls of Congress, as we commemorate Ukrainian Independence Day, we pay special tribute to the spirit of freedom which lives on in the hearts and minds of all Ukrainians.

For a quarter of a century, Members in every Congress have observed the independence of Ukraine. This is its 63d anniversary. Upon the collapse of the Tsarist Russian Empire, the Ukrainian National Republic was established on January 22, 1918, highlighting another phase of independence for the Ukrainian Nation. By 1920 it was destroyed in the first wave of Soviet Russian imperialism that in a succession of waves has reached in our day into Afghanistan and which many think is being challenged by the workers' movement in Poland.

But the 40 million Ukrainians under Soviet domination and their 2 million brothers and sisters of Ukrainian descent in the United States have consistently opposed the repressive policies of the Kremlin and have earnestly sought to keep alive their independent, national spirit. As a result, Ukrainian intellectuals are being arrested and sentenced to long terms of internment in prisons, concentration camps, and psychiatric institutions.

In addition, the U.S.S.R. has imposed severe restraints on Ukrainian language and literature. In the name of "russification," the young people of Ukraine are being forced to attend Russian-language schools. This attempt to crush the spirit of the Ukrainian people by striking at their cultural and religious roots masquerades as official Soviet policy. The annihilation of the Ukrainian language would deprive these brave and proud people of the spark which fans the flame of their indomitable spirit—their history and their heritage.

We take this occasion to applaud those who willingly engage themselves in this struggle and who refuse to let their dream of freedom die.●

HOUSE CONCURRENT RESOLUTION 52 AND INTERNATIONAL TERRORISM: THE LESSONS OF TEHRAN

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. FITHIAN. Mr. Speaker. I recently introduced House Concurrent Resolution 52, a resolution to establish an International Office of Diplomatic Security within the United Nations Secretariat. The purpose of this office would be to monitor compliance of signator nations with international agreements which guarantee the protection of diplomatic missions and their personnel.

The return of the American ex-hostages from our Tehran Embassy underlines the need to protect and safeguard diplomatic missions and their personnel. Public attention has been fixed on this problem for almost 15 months. The Government has recently focused its attention on the problem of international terrorism. But when the yellow ribbons fade, what important lessons will we as a nation have learned from this unfortunate experience? What would we do next time if a similar situation occurred? In an excellent article in Newsweek on February 9, 1981, Brian Jenkins carefully describes the lessons of Tehran and the

need to develop diplomatic measures to respond to future acts of international terrorism. I have included a copy of Mr. Jenkins' article entitled "When the Yellow Ribbons Fade" for the benefit of my colleagues in the House of Representatives.

The article follows:

WHEN THE YELLOW RIBBONS FADE

When the yellow ribbons fade, what meaning will the hostage episode have for Iran, for the United States and for the future?

Seen as an act of terrorism, which clearly it was, the seizure of the American Embassy in Teheran capped a decade of growing international terrorism. In the '70s, taking over embassies became a common form of protest and coercion. The seizure of the American Embassy in Iran was in fact the 35th time in ten years that armed extremists, on behalf of one cause or another, had taken over an embassy or a consulate. This does not include the numerous times when mobs sacked embassies or unarmed protesters occupied them without taking hostages. However, as an act of terrorism the episode in Iran was unique because of the Iranian Government's complicity in it.

To be sure, governments before had been the accomplices of terrorists, providing them with financial support, training camps, asylum, weapons smuggled in diplomatic pouches. Idi Amin's soldiers in Uganda openly assisted the team of Palestinian and German terrorists who hijacked a French airliner to Entebbe in 1976. But the episode in Iran was the first time that a government openly embraced an act of terrorism committed within its borders, made the terrorists' demands its own and ultimately took charge of the negotiations.

Turmoil: Holding the hostages brought nearly universal condemnation to Iran, but that did not seem to trouble the Iranians or cause them great hardship. If terrorism brought them no reward, the world imposed no great cost either, nor could it. Iran destroyed its own economy. The political turmoil was its own creation. As we discovered, it's hard to coerce a country that appears intent upon national suicide.

On the balance sheet for Iran, consider these questions: Is the Iranian revolution more firmly rooted now than it was on Nov. 4, 1979? Is the Iranian Government more stable? Are Iran's frontiers more secure? Are the Iranian people more united? Are they prouder? Iran would seem to have gained little.

Looking at it from the American side, the affair influenced an election, raised disturbing questions about our military competence and ended an era.

The seizure of our embassy in Iran confronted us with a form of terrorism new to our experience. Prior to the event, neither the American Government nor the American people fully appreciated the extent to which a single terrorist incident could mesmerize a nation and thoroughly distract its government. After the election, Hamilton Jordan said that frustration over the hostage crisis was the principal factor in Carter's defeat.

The post-Vietnam era came to its unofficial end during the Iranian crisis, when the Administration, many of whose members had vigorously opposed the war in Vietnam, indeed any military intervention abroad, suddenly found itself in a situation in which they considered the use of military force to be appropriate and useful. President Carter thus joined every President in this century in ordering soldiers into action overseas.

The seizure of the American Embassy also altered one of the widespread attitudes of the post-Vietnam era. Since the Vietnam War, the American people have carried a heavy cargo of guilt, as if our great wealth and power had made us a principal source, if not the sole source, of evil in this world.

In the Iranian crisis, this attitude dissolved. Not since the early 1950s, perhaps not since World War II, have the American people been so united in their outrage and anger, so agreed on its source. True, some might argue, and did, that we brought this trouble on ourselves through our intimate relationship with the Shah. But the public mood was reflected in the cruel caricatures of the ayatollah, the graffiti scrawled on walls and the defiant bumper stickers—not in the columns of foreign-policy analysis. The folks didn't need to be told who the villains were.

Although American unity was a positive result of the incident, the prospects for global unity against terrorism seem more remote than ever. Government-backed kidnappings and assassinations are being carried out more frequently, with bolder disregard for the fragile international regime that governs relations between nations. No longer does a handful of nations make and enforce the rules; a growing number of nations no longer abide by them.

Security: This raises a critical policy question: can a world so unevenly respectful of sovereignty, so economically interdependent, impose constraints on terrorist governments? The hand-wringing and finger-wagging seen in international forums do not suffice. World opinion carries little weight with nations so self-righteous as to be immune to it. Economic sanctions appear unenforceable, particularly when those imposing the sanctions depend on the target for some vital resource. Military intervention is risky.

Terrorists have seized embassies on eight occasions since the American Embassy in Iran was taken over. Doubtless, it will happen again despite the increased security measures that are turning embassies into fortresses. Diplomats now routinely receive hostage training—and so they should, for terrorism will not go away.

What will we do next time. That question must be answered next time. There are no formulas; each episode is unique. However, we can prepare for the next time. Right now the government's attention is focused on terrorism. That will not last. When we are not under the gun, the problem of terrorism is considered no more than a nuisance. That itself is part of the problem. Terrorism attracts everyone's attention for a brief moment, then it is virtually ignored. Now is the time to develop a permanent arsenal of response measures, both military and diplomatic. The incident in Iran aroused the world's wrath and compassion. Now is the time to translate that into concrete agreements among those nations that still place a premium on human life.●

MAYOR OF EUTAW, ALA., RESIGNS

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. SHELBY. Mr. Speaker, I would like to recognize Mr. William Tuck, who has just recently resigned after serving as mayor of Eutaw, Ala., for 32 years. I believe that congratulations are certainly in order for this loyal public servant and his outstanding record.

William served 4 years on the town council before entering the race for mayor in 1948. He has been successful in his bid for reelection eight times. He was reelected to his ninth term last August, but resigned on January 1, because of his appointment to the Greene County Racing Commission. "Other people hold government jobs and jobs like this, but I do not want to cause any problems for the town or anyone else so I decided to resign," William said.

As can be expected, Eutaw has undergone many changes during the 32 years of William's leadership, but it is not the change or accomplishments of goals that sticks in the mayor's mind.

According to William:

We have managed to do a lot of things for the people of Eutaw during the past 32 years but I think my greatest personal satisfaction has been the honor of representing the finest people in the world. You know that is what I think about all the people in Eutaw and Greene County—they are just the finest you can find anywhere and to have been able to serve them has been my greatest pleasure.

William points out:

I went a lot of places on behalf of the town over the years—Montgomery, Washington, wherever I needed to go to get help for the town. The town paid my travel expenses but nothing more. I was fortunate that my brother and I were in business together and we both felt strongly about serving the public.

With his help I was able to take off when I needed to make trips or work with the council or public on some problem or another. I got to meet a lot of people doing the work for the city. I met people from the President on down and I enjoyed that but it was the reason I got to meet them that is important. I was trying to do something for the people of the town.

During the 32 years he was in office, Mayor Tuck saw and implemented many changes in Eutaw. He also had a few honors to come his way which indicated the respect others had for him. One of the honors was being elected president of the Alabama League of Municipalities—not a bad accomplishment for the mayor of a small town.

In addition to the job of mayor, he has served as chairman of the Legislative Committee of the Alabama League of Municipalities and chairman of the Aeronautics Committee. He has also served on the board of directors of the Greene-Hale Counties Gas District since its organization in 1958. He is a past president of West Alabama Congress of Mayors and is presently on the Industrial Committee of WARDEC, representing Greene County. For the past 12 years, William has held the position of president of the local Salvation Army Service unit.

William Tuck is truly an outstanding individual. His devotion and service to the people of Eutaw, Greene County, and the State of Alabama, are outstanding in the public service arena.

I am honored to be able to share this exceptional story with my colleagues in the House of Representatives, and certainly wish William Tuck well in his future endeavors.●

LEGISLATION TO PROHIBIT MASTER UTILITY METERING

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. BEILENSON. Mr. Speaker, I am today reintroducing legislation I sponsored last year to prohibit the use of master meters for gas and electricity supplied to new buildings which have more than one unit. Passage of this bill would cut back on the considerable amount of energy currently wasted in apartments and commercial buildings with master metering.

As we all realize, the need for our Nation to save energy is absolutely essential. Our reliance on imported oil makes us politically and militarily vulnerable and causes severe economic problems that contribute to unemployment, inflation, the deflated value of the dollar, and our balance-of-payments deficit.

In our efforts to cut back on our use of imported oil, we have greatly neglected one abundant source of energy—conservation. Conservation is our cheapest, cleanest, and most readily available energy alternative. And, conservation does not have to mean undue sacrifice—recent studies show that the United States can use 30–40 percent less energy than it now does with no reduction in our standard of living. Conservation is thus the equivalent of an alternative energy source: It is far cheaper and easier to save a barrel of oil than to produce or import one.

At the present time the gas and electricity usage of the majority of tenants in the United States is metered at a single point for an entire building. When such master metering—rather than individual metering—is used, tenants utility expenses are included in their total rent charges; as a result, individual tenants are not directly aware of the amount of their gas and electricity consumption and thus have no economic incentive to cut back on usage. Not surprisingly, a tenant has a tendency to use less energy when he has to pay directly for it—as is the case when he receives a monthly utility bill that reflects his own individual consumption of energy.

The wasteful habits of tenants who receive their utility service by means of master metering have long been recognized by both utility company personnel and apartment owners and managers.

This considerable and unnecessary waste of energy was confirmed in a 1975 report prepared for the former Federal Energy Administration. After an extensive study of master metering of electrical service in apartment houses in 10 major cities, the conclusion was reached that residential customers whose electrical service was provided through master meters consumed about 35 percent more electricity than those in similar apartments who received service through individual meters and who thus paid directly for the energy used. Had the customers with master meters used the same reduced amount of energy as the individually metered customers, they would have saved 7 billion kW hours in a year—the equivalent of 13 million barrels of oil. This bill calls for individual metering of gas, as well as electricity, so the savings would be even greater.

The evidence provided in the FEA study is supported by officials at the Department of Housing and Urban Development, who state that a 35-percent reduction in electricity use occurred in public housing projects when the projects were converted from master metering to individual metering. In 1976, HUD issued regulations which required the conversion of all public housing projects to individual metering, where the conversion would be cost effective, by November 1978.

Laws which restrict the use of master meters in multifamily dwellings have been enacted in seven States: California, Florida, Maryland, Minnesota, North Carolina, Oregon, and Texas. None of the utility commissions in those seven States report any major problems with the implementation of such laws.

The feasibility of totally eliminating master metering from residential service has also been proven in Chicago, Ill., where a Commonwealth Edison Co., policy of refusing to serve new residential customers through master meters has been in effect for 25 years. That policy has been successfully defended in the Illinois courts, and the company has established workable practices for the maintenance and servicing of their distribution systems in large buildings.

In most cases, conserving energy by installing individual metering would not cause undue sacrifice for tenants or cramp their lifestyles: A large proportion of the excess energy used in buildings with master metering occurs when air-conditioning and heating units are left to operate at high levels while tenants are away from their apartments during the day or on vacations.

Since 40 percent of the total housing stock that will be available in the United States by the year 2000 will be built in the next 20 years, truly significant energy savings could be made through more energy-efficient building design requirements, including individual utility metering. We must use every reasonable means possible to reduce energy use starting immediately, and I believe that this legislation will contribute significantly to an effective energy conservation effort.●

TRIBUTE TO OLIN "TIGER" TEAGUE

HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. DeNARDIS. Mr. Speaker, I was not a colleague of the late Olin E. Teague of Texas, who served in the House from 1946 to 1978, 32 years of most impressive service. Reading the tributes offered by those who knew Chairman Teague gives the newly arrived Member the vision of a legislative giant, a man of great personal courage, a teacher and mentor, and a figure with true public policy vision and the tenacity and skill to achieve it. Olin Teague left indelible marks on this Nation's policy toward its veterans and its policy on the exploration of space.

I cannot help but feel that 32 years of yeoman's service to constituents in Texas, to veterans throughout the Nation, to the critically important scientific and technological community, to the Democratic Party, and to the House of Representative as a political institution should be marked in a very special way. Drawing old fashioned inspiration from a truly remarkable legislative career ought still to be the order of the day.

Olin Teague's remains rest at Arlington National Cemetery, a hero among thousands of heroes. Texas A. & M. University graduated hundreds of men who made substantial leadership contributions to the U.S. effort in World War II. Lieutenant Colonel Teague led the 1st Battalion, 314th Infantry, of the 79th Division, the Cross of Lorraine, into France 4 days after the Normandy landings. The battalion fought in numerous engagements across France during which its com-

mander earned three Silver Stars, three Bronze Stars, and three Purple Hearts. Colonel Teague was severely wounded in December of 1944 while reconnoitering the Siegfried line. He recovered from those wounds and was elected to the House in 1946 from the hospital in Temple, Tex., which now bears his name.

Chairman Teague's wounds continued to cause him discomfort and pain throughout his 32 years in the House. As I said earlier, it was in that time that Olin Teague left his personal mark on veterans' programs and the space program. From the readings of the tributes in the CONGRESSIONAL RECORD, I gather that the chairman was loved by Republicans and Democrats, by the older veterans of the House and the newer Members, by those who approached him for needed counsel or favors and were never turned away, and by junior members of his committees who materially benefited from his solicitude, his generosity, and his friendliness. He was a legislator who believed in accommodation, compromise, and consensus, but who at the same time was fierce in the defense of the promotion of his public policy objectives.

I regret that I did not have the opportunity to meet Olin Teague and to serve with him, and I look to those who did have the privilege of serving with him to find the appropriate way of marking his life and achievements so that generations of legislators and citizens to come will have a true mark against which to measure public service in the House of Representatives.●

A TRIBUTE TO SENATOR ALBERT S. RODDA

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. MATSUI. Mr. Speaker, as a result of last November's election, the California Legislature has lost one of its finest members, Senator Albert S. Rodda of Sacramento.

Al Rodda served in the State senate for 22 years, from 1958 to 1980, compiling a progressive record highlighted by his many contributions in the areas of finance, education, and protection of our natural environment.

I am pleased to join his many other friends in recognizing the accomplishments of this distinguished legislator, who has served in the traditions of Franklin Roosevelt and Adlai Stevenson. I know that other members of the California delegation will join me in expressing a congressional tribute to a man who has helped improve the quality of life in our State.

Al Rodda departed the State legislature as the chairman of the senate finance committee, where he helped our State struggle with the impact of proposition 13. Prior to his leadership of the finance committee, he headed the senate education committee, serving as chief architect for many of the improvements and innovations in California's public school system. Holding a doctoral degree from Stanford University, Senator Rodda was a respected educator, teaching history and economics at Sacramento City College for 20 years.

His Senate career has also included chairmanship of the select committee on innovation in school finance and character education and membership on the Senate natural resources and wildlife committee, the select committee on the maritime industry, the joint legislative budget committee, the joint legislative audit committee and the joint legislative committee on fairs, allocations, and classifications. In addition, he served on the local allocation board.

In a legislative career that spanned the administrations of three two-term Governors, Al Rodda authored 565 bills, constitutional amendments, and resolutions. His record includes sponsorship of bills in the areas of conservation and environmental protection; tax relief and tax reform; school finance, construction, and curriculum reform; collective bargaining in education; and four Senate versions of the State budget.

He also authored legislation to enact a master plan for the special education of developmentally disabled youth; to prohibit experimentation on live animals in public schools; to provide State financing of light-rail facilities; and to reorganize the governance of the University of California.

He was especially proud of his achievements directly affecting Sacramento and Sacramento County, including bills to preserve the old Governor's mansion; to create the California Fair and Exposition; to establish the Sacramento Regional Transit District; to help finance the Sacramento Medical Center; to finance local school construction; and to plan and develop the California Railroad Museum in Old Sacramento.

Sharing in over two decades of public service has been Al's wife, the former Clarice Horgan. Mrs. Rodda has been active in many Sacramento community organizations, including the Ladies' Aid to Retarded Children, the Crocker Art Gallery Service Group, the Altar Society of the Immaculate Conception Church, the Sacramento Association for the Retarded, the Cenacle Retreat League, and the Sacramento County Democratic Women's Club.

Senator and Mrs. Rodda are the parents of three children, Mary Elizabeth, a teacher, and Steven, and Margaret Ann, both attorneys.

At the age of 68, Al Rodda could have retired from public life after a long and distinguished career. But he is going to continue to use his expertise in State government finance to benefit the people of California as executive director of the commission on State finance.

On behalf of the California delegation, I want to wish Al Rodda all the best as he undertakes this new service to our State.

We are grateful for the years of dedicated, creative effort Albert S. Rodda has given to make California a better place to live.●

IT IS TIME TO END THE GRAIN EMBARGO

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. COATS. Mr. Speaker, there is some indication from the President that he may cancel a campaign promise and continue the grain embargo to the Soviet Union.

This is a very serious matter to the farmers of my district. Export markets which took over 10 years to cultivate and establish were terminated overnight, leaving grain farmers with heavy debt loads to finance while suffering losses of up to $1 a bushel in the price of grain.

No one disputes the reality that some action against the Soviet Union was made necessary by their reprehensible invasion of Afghanistan and other crimes against international peace and stability. The farmers in my district are the first to recognize this. But their question, and mine, remains: Why were they singled out to bear the brunt of U.S. foreign policy decisions regarding the Soviets?

The grain embargo has surely cost the Soviets money and inconvenience. Whether it has achieved its goals beyond that is highly doubtful. American farmers have been caused nearly as much inconvenience and expense; yet the troops are still in Afghanistan, anti-American agitation continued in Iran even during the final hours when the hostages' freedom was secured, and the U.S.S.R. seems totally unwilling to modify its foreign policy and behave in a more acceptable manner.

The embargo has been far from successful in changing Soviet actions, which was intended as its main goal. It has cost the American farmer, and will cost the American taxpayer even more in terms of direct outlays and tax losses. The export markets lost to our competitors during the embargo may never be recovered. If we are to be firm and effective in our dealings with the Soviet Union, then let us institute an embargo of all items—especially the high technology on which the U.S.S.R. depends. Let all of us share the burden of foreign policy equally. But let us stop demanding that the farmers alone shoulder the expense and the disruption of their businesses.●

VIKTOR BRAILOVSKY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. PORTER. Mr. Speaker, under a special order from my distinguished colleague from New York, I rise today to protest the Soviet mistreatment of Viktor Brailovsky and other Soviet refuseniks, and to put the Soviet Union on notice that the Congress is deeply concerned with their continued violations of the human rights and fundamental freedoms section of the Helsinki accord.

Viktor Brailovsky, his wife, and two children have been trying to emigrate to Israel since 1972. He was dismissed from his position as a computer scientist at the Institute of Electronic Control Machines because of his emigration request. He has been harassed continuously and has been jailed numerous times. His home has been searched and invaluable scientific papers and Jewish cultural materials have been confiscated.

On the eve of the Madrid Conference, Brailovsky was arrested on grounds of slandering the Soviet state because he led a group of 230 refuseniks on an appeal to President Leonid Brezhnev for free emigration of Soviet Jews.

Since his arrest, Brailovsky's health has deteriorated. He has not been provided with adequate medical care for the treatment of a liver ailment and permission for his wife to visit him has been denied.

Unfortunately, the case of Dr. Brailovsky is not an isolated one. Vladimir Kislik, Vladimir Tufeld, Abe Stolar, Josif Mendelevich, Yuli Kosharovsky, Ilya Essas, Aba Taratuta, Arkady Yampolsky, Grigori Hess, Arkadii Mai, Leonid Volvovsky, Lev Shapiro, Dimitry Shchiglik, Natalia Chechik, Itzak Kogan, and thousands of others have also been denied basic human rights. It is time for the Soviets to end the continued inhuman treatment and persecution of Soviet refuseniks. The Congress has the responsibility to bring before the world the torture that Jews have experienced at the hands of the Soviet Government and bring to bear every possible effort to release them from its tyranny.●

THE DEATH OF MATTHEW SEXTON

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. SHELBY. Mr. Speaker, Choctaw County, in Alabama's Seventh Congressional District, suffered a great loss recently with the death of Matthew Sexton, 73, of Butler.

Not many people achieve the measure of admiration and respect that Matthew enjoyed. He earned that admiration and respect because he genuinely cared about people and about the welfare of his community.

He was a rarity—a man who had the vitality and know-how to be extremely effective in getting things done, yet warmth and sensitivity that made him a beloved leader.

In the fall of 1933, Matthew took the job as assistant county agent of Choctaw County. He was promoted to Choctaw County Extension Chairman in 1947 and remained in active, faithful service in that position until his retirement on September 30, 1976.

His knowledge of local history, his skill as a raconteur, his ready sense of humor, and his magnetic personality gave him a charm that endeared him to many. Matthew's simple philosophy of life was "the only way to have a friend is to first be one yourself."

Surviving are his wife, Lois Weaver Sexton; one daughter, Mrs. Sandra Sexton Kirkland of Butler; one brother, Mr. Paul Sexton of Prattville; three sisters: Mrs. Gertrude Freeman of Prattville, Mrs. Rae S. Kellner of Las Vegas, Nev., and Mrs. Carrie Mae Whatley of Baltimore, Md.; and two grandchildren.

Matthew Sexton's life should serve as a memorial to him for all time in Choctaw County, for he truly devoted it to serving the people that he loved and cared for.

He left many fond memories and I am sure that this fine gentleman will never be forgotten.●

THE DEATH OF FORMER REPRESENTATIVE EMANUEL CELLER

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. NAPIER. Mr. Speaker, I would like to take this opportunity to join with my colleagues in paying tribute to former Representative Emanuel Celler, who died January 15, 1981, at age 92.

It was not my privilege to know Mr. Celler personally. However, I remember him well from the years I spent as a staff member for a Senate committee. His name was legend. He had been here forever. His unswerving dedication to this country and to the integrity and fairness of our legal system was well known to all.

I would like to join with my colleagues now in sending my deepest sympathy to his family and friends.●

FISH URGES MEDALS, PAY FOR RETURNEES

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. FISH. Mr. Speaker, the response to the return of the American hostages from Iran has been overwhelming. From the touchdown at Stewart Air Force Base to the public receptions in Washington and New York to the small hometown celebrations, the American people have demonstrated their joy at the safe return of our citizens and their outrage at the treatment accorded the hostages while in captivity. I would like to share with my colleagues the reaction of one American, the only living honorary commander of the American Legion, my father, Hamilton Fish, Sr. The article is from the Newburgh Evening News, Sunday, January 25, 1981:

FISH URGES MEDALS, PAY FOR RETURNEES

NEWBURGH.—We welcome home all of the gallant American public servants who have added honor and glory to the American Flag, former congressman Hamilton Fish Sr. said Saturday night.

"The people of Orange County are proud that our heroic hostages will arrive first at the Stewart Airport and be stationed at the Thayer Hotel in West Point," continued the venerable Balmville patriot.

"The Iranian militants defied all principals of international law, resorted to tactics of terrorism and barbarism, but not one U.S. hostage caved in against the brutal kidnappers. The Congress should either give them the Congressional Medal of Honor or similar gold medal and double their pay from the time of imprisonment. It should be done within a month and not delayed," said the past national commander of the American Legion.●

FOOD STAMP REFORM ACT

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. RUDD. Mr. Speaker, I am today introducing legislation which would substantially reduce the costs of the food stamp program by targeting assistance to those most truly in need and removing other recipients from the rolls.

No Federal program is in more need of fundamental reform and cost reductions than the food stamp program.

Countless working Americans have witnessed the abuses firsthand in grocery stores across this country. They have observed fellow citizens—many of whom are not much, if any, financially worse off than they—obtaining free groceries with food stamps supplied by the Federal Government.

Of course, food stamps are not free. Taxpaying Americans spent $9.2 billion for this program in fiscal year 1980. Costs are now predicted to be at least $11.1 billion, perhaps more, during fiscal year 1981 unless meaningful efforts are made to restrict benefits to only the truly needy and deserving.

The need for cost-saving reforms is further underlined by the latest projections that the fiscal year 1981 budget—once portrayed as balanced—will now likely result in a deficit of $50 billion or more.

The growth in the food stamp program has been astronomical. What started out in 1965 at a level of $34 million serving 435,000 recipients has skyrocketed to $9.7 billion, and in September of 1980 served 22 million, or 1 out of every 10 Americans. The Congressional Budget Office's projected cost for fiscal year 1982 is now $12.5 billion and the Carter administration's request for fiscal year 1982 is $12,882,000.

The following chart denotes the exponential growth in the appropriations for the food stamp program in recent years:

FOOD STAMP APPROPRIATIONS

[In thousands of dollars]

	Budget authority
Fiscal year:	
1961	[1]3,725
1962	[2]43,900
1963	[3]50,000
1964	[4]45,000
1965	[5]60,000
1966	[6]100,000
1967	[7]139,525
1968	[8]185,000
1969	280,000
1970	610,000
1971	1,579,000
1972	2,789,214
1973	2,500,000
1974	3,000,000
1975	4,874,600
1976	5,203,000
1977	5,514,400
1978	5,627,000
1979	6,679,200
1980	8,182,000
1981	9,725,000

[1] Pilot program with section 32 funding.
[2] $35,000,000 of section 32 funds; $25,000,000 by direct appropriation.
[3] Includes $2,000,000 reappropriation.
[4] Includes $29,549,000 reappropriation.
[5] Includes $23,200,000 reappropriation.

Source: House Committee on Appropriations.

The growth of the program has continued unabated. Participation levels have escalated in the past 2 years:

RECENT MONTHLY FOOD STAMP PARTICIPATION

[Number of persons participating, in millions]

October 1978	15.3
November 1978	15.4
December 1978	15.9
January 1979	17.4
February 1979	18.0
March 1979	18.5
April 1979	18.6
May 1979	18.4
June 1979	18.3
July 1979	18.4
August 1979	19.0
September 1979	19.3
October 1979	19.4
November 1979	19.6
December 1979	20.2
March 1980	21.7
April 1980	21.8
May 1980	21.7
June 1980	21.7
July 1980	21.9
August 1980	22.1
September 1980	22.0

Source: Food and Nutrition Service.

During the past 4 years, the Carter administration and the Democratic leadership in the Congress have been totally unresponsive to the need for reform in this program.

I am today introducing legislation which I hope can serve as a focal point for meaningful and long-overdue reform as reauthorization is considered in 1981. This list is not comprehensive, but does present a number of proposals which deserve serious consideration by those truly interested in making the food stamp program more responsive to recipients and taxpayers alike. The CBO estimates that the changes made by the bill would save $3.7 billion from an otherwise estimated cost of $12.5 billion in fiscal year 1982.

PURCHASE REQUIREMENT

A great part of the growth in program costs of the food stamp program is attributable to the decision by the Congress in 1977 to eliminate the purchase requirement as a prerequisite for participation.

Under the purchase requirement, participants with income were expected to contribute a small percentage of their incomes in exchange for food stamps representing larger denominations in value. Households with little or no income were not required to pay anything. Higher income households were required to pay up to 30 percent of their net income for food stamps.

The Congressional Budget Office has estimated that many low and lower middle income families have chosen to reallocate their limited incomes so as to select those commodities which are subsidized, thereby continuing to maintain their real purchasing power in nonsubsidized goods.

The CBO noted in an April 22, 1980, memorandum that since the elimination of the purchase requirement, the food stamp program has become more of a direct income transfer program, directly substitutable for nonfood purchases. Hence, the propensity to participate in the program increases with relatively high rates of inflation in nonfood, but still basic items.

In other words, low and lower middle income families are responding to inflation by enrolling in the food stamp program in order to spend what money they have on other necessities—and sometimes unessential items—which are not subsidized by the Federal Government.

The Congressional Budget Office has estimated that the full restoration of the purchase requirement, at the same level as when terminated in 1977, would reduce food stamp costs by $774 million at fiscal year 1981 spending levels.

Surely, the Congress should not be so blind to the post-1977 escalation of participation but to admit that the total elimination of the purchase requirement was a mistake, and that it should be reinstituted.

Its restoration would recognize the simple fact that when citizens have to put forth some money in order to participate in a matching Federal program, they are less apt to do so if they are marginally needy than if they must contribute nothing at all.

Since those marginally eligible are the ones who drop off—while those most in need remain—restoring the purchase requirement would serve to refocus benefits to those at the lower income level while tending to discourage marginal families from participation. It would also give those making the contribution for the higher value allotment a sense of contributing to their own needs.

The proposal incorporated within this legislation would not mandate a restoration of the full purchase requirement for all families, but rather would exempt the elderly, blind, and disabled—categories already recognized as deserving of special consideration. These groups would continue to be provided with food stamps without regard to the purchase requirement if they otherwise meet the income and assets test criteria of existing law.

Elderly, blind, and disabled households constitute at least one quarter of the food stamp caseload.

The exemption for these groups would insure that the food stamp program is tailored to assist those least able to help themselves.

The other most deserving category, the truly poor, would be exempt in practice from the restoration of the purchase requirement which even before 1977 exempted households at the lowest income levels.

Our colleague, the gentlewoman from New Jersey (Mrs. FENWICK) first conceived of exempting these categories in an amendment she offered to S. 1309 on May 8, 1980. I believe that as Members reflect further on this concept, they will see the wisdom of restoring the purchase requirement principle.

GROSS INCOME LIMIT

Another element essential to food stamp reform is that income eligibility be established at the gross, rather than net income level.

For instance, in December 1980, each household was entitled to an $80 per month standard deduction as well as dedictions of up to $110 per month for child care expenses and/or excess shelter costs.

Such deductions permit families with incomes substantially above the poverty line to participate in the program.

The following figures, verified by the Congressional Budget Office, indicate the effective gross income limits which were in effect in December, assuming the maximum exemptions, in comparison with actual poverty standard as defined by the Office of Management and Budget:

MAXIMUM EFFECTIVE GROSS INCOME ELIGIBILITY (UNDER EXISTING LAW), PERIOD OF JULY TO DECEMBER 1980

	Net income cutoff	Maximum gross income
Family size:		
1	$3,790	$7,588
2 [1]	5,010	9,113
3	6,230	10,638
4	7,450	12,162
5	8,670	13,687
6	9,890	15,212

[1] OMB poverty level.
[2] Assumes working household eligible for 20-percent earned income credit, $80 standard deduction, $110 dependent care/excess shelter deduction. (Does not assume deductions for payments above $35 for medical expenses which are available for elderly, blind and disabled.)

Note.—Figures verified by Congressional Budget Office.

I do not believe that the majority of working taxpayers support the concept of providing benefits to those who are themselves above the poverty line in gross income.

The Department of Agriculture's most recent statistics, published in February 1980, indicate that approximately 13 percent of all benefits are paid to households with gross incomes above the poverty line.

This proposal provides a built-in work incentive to encourage nonworking households to obtain jobs and thereby work themselves off the food stamp rolls. For those families with earned income, the income eligibility ceiling would be 15 percent above the poverty line.

Again, as with the restoration of the purchase requirement, the elderly, blind, and disabled would be exempt from the gross income limitation. The existing net income limitations would continue to apply, effectively continuing the exemption for those elderly, blind, or disabled recipients who have high medical expenses—all above $35 monthly of which is deductible from income.

TIGHTEN WORK REGISTRATION

Additionally, Mr. Speaker, the Congress needs to tighten the work registration provisions of the food stamp program.

For instance, parents responsible for the care of children up to 12 years of age are presently exempted from registering for work.

Obviously, children customarily begin school around age 6, and thus there is no logical reason for allowing a higher age exempting the parent from work requirements otherwise applicable.

Additionally, the aid to families with dependent children (AFDC) program administered by the Department of Health and Human Services has a similar work provision, but Congress has set that age limit for children which exempts participation at age 6.

There has been some discussion within the Ways and Means Committee to reduce this level even further—possibly to age 3. Should the AFDC program be modified further, the food stamp program should parallel it in this respect.

An amendment to accomplish this change was offered by our colleague from California (Mr. ROUSSELOT) during House consideration of S. 1309, and was initially accepted by the House. However, the provision was stricken in the conference on S. 1309 with the Senate.

The food stamp law provides a special deduction for dependent care expenses. This was included within the law specifically to encourage parents to work. Yet the high age exemption provides the opposite incentive. Congress should standardize the philosophy behind the program toward work incentives.

Latest statistics from the Department of Agriculture indicate that 35.1 percent of the present household heads are exempt from the work registration requirement because they are responsible for the care of children or incapacitated adults. Obviously this proposal is a modest and reasonable change which would encourage parents to begin registering for work when their youngest child reaches age 6.

WORKFARE

Additionally, Mr. Speaker, I believe that it is important to more forcefully implement the concept of working as a prerequisite for food stamps.

Therefore, the bill includes a provision originally offered in a larger context of all public assistance bills by our colleague from Illinois (Mr. FINDLEY), which would mandate that States adopt "workfare" programs whereby able-bodied recipients would be required to perform some useful public work in exchange for Federal benefits.

The principle of work fare has been widely heralded by many Americans who believe that simple equity requires beneficiaries of Federal assistance to perform useful tasks in exchange for these benefits.

Minimum requirements would be established by the Department of Agriculture as a foundation for these State work fare programs.

The successful reforms in California's welfare program implemented by President Ronald Reagan during his term as Governor should serve as a model for effective reform in work registration requirements in the food stamp program.

The community work experience program initiated in California required certain able-bodied adults to work 20 hours a week for their welfare grants.

Obviously, the provisions of this legislation are confined to the food stamp program although they do have broad implications for application in other public assistance programs as well.

Working recipients could provide needed services in community work projects that might otherwise go undone for lack of funds.

The work fare requirement would apply to those same people who presently must register for work. The requirement to perform public work would be terminated by their acceptance of paid employment which raises them above the eligibility limit.

ELIMINATE STRIKERS

One area of the food stamp program where obvious savings could be obtained is through the total elimination of strikers from the food stamp rolls.

Present law presents the appearance of a prohibition against strikers, but, in reality, simultaneously provides an exception clause which allows most strikers to enroll in the program. Countless local communities can attest to this practice as food stamp offices are swamped with applications paralleling local labor disputes and strikes.

Indeed, under the expedited procedure of the food stamp program, strikers are often placed on the food stamp rolls within days of the initial walkout.

Clearly, working American taxpayers should not be required to subsidize other Americans who have consciously and voluntarily decided not to work. The present practice of providing such generous and immediate benefits serves to place the Federal Government on the side of strikers. I believe the Federal Government should be neutral in such disputes.

The U.S. Department of Agriculture's statistics, published in February 1980, indicated that approximately 2.1 percent of all food stamp households contained strikers. While this may be a small percentage of the caseload, it is nevertheless 2.1 percent too many.

The bill would eliminate the eligibility of strikers to receive food stamps unless they were otherwise entitled to receive them before the strike began.

OVERLAP

One of the most obvious examples of food stamp abuse is in the area of overlap with other domestic funding programs.

The largest program in which this overlap of services occurs is the school lunch program. The General Accounting Office has noted this as long ago as June 13, 1978, in a report to Congress on domestic food assistance programs.

Under the present food stamp program, households are provided with an allotment of food stamps to pay for three meals per day at reasonable costs, providing a nutritionally adequate diet. However, the Congressional Budget Office estimates that approximately 6.8 million children whose families already receive food stamp allotments on their behalf are participating in the school lunch programs as well.

The net effect of this overlap is that families with children who receive federally financed free school lunches are subsidized for four, rather than three, meals per day, with resulting increased costs to the taxpayers.

This aspect of the omnibus legislation is modeled after legislation introduced in 1980 by the distinguished Senator from North Carolina (Mr. HELMS), the new chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, and other members of the Senate Agriculture, Budget, and Appropriations Committees.

A similar proposal was offered by our colleague from Missouri (Mr. COLEMAN), both as a separate legislation and as an amendment to S. 1309 on May 8, 1980. While the amendment was rejected at that time, the continuing budget crisis makes it imperative to reconsider this reasonable reform proposal.

The provision would reduce the allotment of food stamps the most generous possible calculation of the food stamp programs assumed cost of one meal per day for family members participating in the school lunch program.

Such a restriction would eliminate duplication which the CBO estimates costs taxpayers over half a billion dollars a year. Needy children would still receive their school lunches. Their parents would continue to receive food stamps.

This is a modest proposal to reduce the dual compensation existing under the present circumstances. The entire duplication between these two programs would not be eliminated by this section. Short of an overly complex plan, some duplication would inevitably remain, but this provision is a move in the right direction.

It should be noted, Mr. Speaker, that the school lunch program is only one of the programs which currently overlaps with the food stamp program.

Other domestic feeding programs which frequently provide food stamp families with additional nutritional benefits are the women, infants, and children (WIC) program, summer feeding, school breakfast, special milk, and child care feeding.

While the provisions of this particular bill only address the elimination of overlap between the food stamp and school lunch programs—the Agriculture Department's two largest feeding programs—other, smaller programs should also be considered.

Households with members participating in these other feeding programs—primarily designed for children—are being overcompensated in total food stamp benefits at a great cost to the American taxpayer.

One option would be for Congress to adopt a policy of considering total food benefits available to multiple-program participants when determining eligibility and level of benefits in the food stamp program as a means of eliminating the present duplication.

Another option would be similar to that proposed in this bill for the food stamp/school lunch overlap—to simply reduce by the per meal cost the food stamp benefits to which a recipient who participates in other feeding programs is entitled.

ELIMINATE DINE-OUT

Mr. Speaker, one new feature of the food stamp program which is now small, but which contains the ingredients for massive expansion and abuse, is the so-called dine-out provision of the current law.

Under the dine-out pilot projects, certain food stamp recipients, currently limited to the elderly, blind, and disabled, may use food stamps in authorized restaurants.

While most Americans customarily think of food stamp redemption as confined to grocery stores, present law actually allows purchases at several types of locations.

For example, food stamps can be redeemed for meals served by alcohol and drug treatment centers, or even for hunting and fishing equipment in parts of Alaska. With regard to the elderly and disabled, stamps may be used in a variety of ways, for food at home or away from home.

The most common kinds of meals provided for the elderly are Meals on Wheels—meals at senior citizens' centers, apartment buildings occupied primarily by those over 60, or federally subsidized housing for the elderly—or meals from public or nonprofit organizations, including schools, eating establishments, and groups created for other purposes, but which offer meals for persons age 60 or more.

However, a thus far little-used provision of the law also allows food stamp redemption in private retail establishments, such as restaurants that contract with the State to offer reduced price meals to persons 60 or over.

It is this latest category only which would be eliminated under the provisions of this legislation.

The administrative costs associated with seeking and setting up contractual arrangements with restaurants are excessive. Surely this provision goes beyond the original intent for the food stamp program.

Additionally, it is clear that the food stamp coupon allotments, which are based on at-home food costs, will rapidly be depleted under dine-out provisions at even the most economical restaurants.

Congress has been generous in establishing alternative redemption centers for the elderly, blind, and disabled as cited above.

However, the current provision allowing these recipients to eat at restaurants clearly abuses the concept of the program and holds it up to even greater public derision.

The Department is spending scarce resources trying to establish dine-out contracts which would prematurely exhaust the recipients' monthly coupon allotment. Such projects are simply not cost effective—for either the recipient or the taxpayer.

Since the existing food stamp law provides a myriad of other redemption processes to accommodate the mobility and health problems unique to the elderly, blind, and disabled, it seems to me prudent to eliminate this dine-out provision.

ELIMINATE OUTREACH

To add to the irony of the food stamp program is the fact that despite the monumental growth of the program, the Federal Government requires the States administering the program to continue to seek additional participants.

At a time when the Federal Government should be seeking every reasonable means to streamline its operations, it is incongruous that official policy mandates this outreach aspect of the food stamp program.

Outreach is simply no longer needed and should be eliminated. To require scarce tax dollars to be spent advertising this program is a mistaken notion which should be ended immediately.

The House approved a limitation on outreach activities during the consideration of S. 1309 on May 8, 1980. However, that limitation was eliminated during the conference with the Senate.

Surely Congress can and should eliminate the Federal provision which has been interpreted by the Department of Agriculture to require telephone hotlines, films, media, radio and TV advertisements, and newspaper advertisements to be used to encourage food stamp participation.

The bill adopts the total ban on outreach activities—a proposal offered by our colleague from California, Mr. SHUMWAY, in 1980. Should the Government continue this outreach policy, the participation levels and costs of the food stamp program will continue to skyrocket.

ENERGY ASSISTANCE

Mr. Speaker, one of the ways in which eligibility levels in the food stamp program are inflated is by excluding certain forms of income in the definition of "income" for eligibility purposes.

One such case is that of energy assistance. Federal, State, and local energy assistance payments made to needy households to assist them in paying their winter heating bills do, indeed, improve the overall financial condition of the household—freeing up income for other purposes.

To exempt such payments from the definition of income, as is the case presently, understates the true financial picture of the recipient household.

Such a practice effectively allows more households to qualify for food stamps and allows them to be eligible for more benefits than they would otherwise be entitled.

The first concurrent budget resolution for fiscal year 1981 included in the savings assumptions the provision that energy assistance be included in the definition of income for eligibility purposes.

The Congressional Budget Office has estimated that the inclusion of this provision would result in savings of approximately $200 million annually.

While this is a small savings relative to the overall expense of the program, it is important because an accumulation of such smaller savings can mean large savings, and in that as a matter of principle legitimate income should be defined as such.

A closely related matter is how the food stamp program should treat certain other inkind benefits—particularly housing subsidies.

The value of public housing, reduced-cost housing, and otherwise federally subsidized housing clearly benefits the household and effectively improves its financial condition. Yet such housing transfers are not currently included within the definition of income.

While this bill does not deal specifically with housing assistance, I believe that Congress should consider the value of housing subsidies in the definition of income when determining eligibility for food stamp participation.

This concept would be consistent with the principle enunciated earlier of taking into account other food benefits when determining food stamp eligibility and benefits.

Food benefits and housing subsidies fall in the broad and growing category of inkind benefits which presently are excluded from the definition of income in the food stamp program. Yet these and other public assistance programs do enhance the overall condition of the recipient households. The value of benefits received under these programs should be counted in order to assess the true level of need in the food stamp program.

Actually, this principle has broad application. Benefits in one program should be considered in determining eligibility for other programs.

INDIVIDUALIZATION OF ALLOTMENTS

Another recommended reform is that the Food and Nutrition Service utilize various specific categories which it presently records in determining the proper level of benefits allotted to each household.

Mr. Speaker, one of the original objectives of the food stamp program was to target supplemental food assistance to those most in need in our society. It is an objective which needs more attention in the 1980's.

At the present time, there is an inequitable distribution of benefits to some households caused by the use of the standard allotment.

All food stamp allotments are based on the thrifty food plan costs for a four-person household consisting of two adults—a man and a woman—aged 20 to 54, and two children, one in the 6 to 8 age group and the other aged 9 to 11.

The thrifty food plan is the least costly of four food plans developed by the Department of Agriculture. It is designed to provide most of the National Academy of Sciences' 1974 recommended dietary allowances considered to be adequate to meet the known nutritional needs of healthy persons. This is the same food plan which the Department presently uses to determine food stamp costs.

The monthly uniform allotment for a four-person household in March of last year, for instance, was $209.

Family of 4	Thrifty food plan cost
Male, 20 to 54 years	$61.60
Female, 20 to 54 years	50.30
Child, 6 to 8 years	43.00
Child, 9 to 11 years	54.90
Total	209.80

However, the General Accounting Office estimated in 1978 that only 2.5 percent of food stamp households were composed of this particular combination of family members. The food stamp allotments for other household sizes are not determined by similarly calculating the average cost of food to households of varying age and sex composition, even though these figures are available from the Department of Agriculture. Rather, other allotment levels are determined by dividing the standard allotment level by 4, multiplying the result by household size, and applying an adjustment to reflect economies of scale.

The GAO noted the inequities which this system creates in its June 13, 1978, report, "Federal Domestic Food Assistance Programs—A Time for Assistance and Change":

> Because the uniform allotment amounts are based on the needs of an average family, the combination of free food stamps and a reasonable investment of household funds could enable some recipients, such as a household consisting of a mother and three young children, to receive benefits above their thrifty food plan costs. On the other hand, a similar combination of free food stamps and a reasonable investment of household funds would probably not be enough to provide a nutritionally adequate diet for a five-person household in which the children are all teenage boys (p. 34).

Let us look at several inequities based on food cost prepared by the Department of Agriculture.

The uniform food stamp allotment for all participating four-person families in the continental United States is $209, regardless of the actual age or sex of the family members.

Thus families whose composition vary from the uniform allotments receive either substantially more or less than the amounts needed to cover their food costs.

For example, a mother with three young children would have received a uniform food stamp allotment meeting about 135 percent of her family's nutritional needs based on the thrifty food plan:

Family of 4	Thrifty food plan cost
Female, 20 to 54 years	$50.30
Child, 1 to 2 years	27.50
Child, 3 to 5 years	33.80
Child, 6 to 8 years	43.00
Total cost (need)	154.60
Uniform coupon allotment	209.00

A family of four with two teenage boys, however, would have received a uniform allotment covering only about 90 percent of its nutritional needs:

Family of 4	Thrifty food plan cost
Male, 20 to 54 years	61.60
Female, 20 to 54 years	50.30
Male, 15 to 19 years	63.50
Male, 12 to 14 years	57.60
Total cost (need)	233.00
Uniform coupon allotment	209.00

The GAO reported in 1978 that average uniform food stamp allotments exceeded appropriate thrifty food plan costs by 9 percent. Based on estimated program costs for fiscal year 1981 of $10.7 billion, this proposal would result in substantial savings in the program, potentially as much as $963 million.

Individualization of food stamp allotments would generate substantial savings and would simultaneously target benefits more equitably than the present system, where some households might be getting more than they need while others are getting less.

The Congressional Budget Office gave the same assessment of this recommendation in 1977:

Providing applicant food stamp households an allotment level determined by the specific sex and age characteristics of the household would significantly reduce federal bonus costs and presumably come closest to targeting benefits on specific nutritional needs. (The Food Stamp Program: "Income or Food Supplementation?", Congressional Budget Office, January 1977, p. 53.)

Mr. Speaker, the current categories which are used by the Food and Nutrition Service, including their March 1980 costs, and which would continue to be used under my amendment are as follows:

Children	
7 months to 1 year	$25.80
1 to 2 years	29.00
3 to 5 years	35.20
6 to 8 years	44.90
9 to 11 years	56.30
Males	
12 to 14 years	60.10
15 to 19 years	66.10
20 to 54 years	64.10
55 and above	57.00
Females	
12 to 19 years	53.60
20 to 54 years	52.20
55 and above	47.30
Pregnant	65.80
Nursing mothers	59.80

The use of all of these categories would not be necessary. They could be clustered but still provide a more accurate assessment of nutritional need.

While there would be some bookkeeping associated with this requirement, based on the GAO's savings estimate, the benefits would far outweigh the costs of implementing the proposal. Charts could easily be prepared for use by State agencies with a minimum of complexity.

CONCLUSION

Mr. Speaker, these food stamp reform proposals included in the legislation I am introducing, are drawn largely from recommendations made by the General Accounting Office, analyses of the Congressional Budget Office, and concepts previously considered by the Congress.

I believe that the severity of the Federal Government's present fiscal crisis in general, and the high cost of the food stamp program in particular, demand a careful reconsideration of the issues presented in this legislation.

I hope that these ideas can serve as a launching pad for constructive discussion and refinement of these and other concepts to retarget assistance to families who need it most, with consequent reduction in overall costs and a savings to the hardworking American taxpayers whom we represent.●

TRIBUTE TO "WILLIE" NEESE

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. JONES of Tennessee. Mr. Speaker, I rise today to pay special tribute to Mr. W. J. "Willie" Neese of Paris, Tenn. Mr. Neese passed away recently at the age of 73. He was a civic-minded man who worked hard to improve the quality of life in his community, serving as its mayor for 4 years and its spokesman in the Tennessee State Legislature for four 2-year terms.

Right after returning from service in the U.S. Navy during World War II, Mr. Neese was instrumental in forming the Veterans for Better Government League in Paris. From the efforts of that organization, a new charter was written for the city.

Throughout his life, Mr. Neese was active in the Democratic Party and worked tirelessly in many political campaigns. His brother, Charles, was administrative assistant to the late Senator Estes Kefauver and now sits as a Federal district judge in Tennessee.

The loss of Willie Neese to west Tennessee is more than the loss of a civic-minded and hard-working public servant; it is also a deep personal loss to me. Willie Neese and I were longtime friends and I had great respect for him and his family. I want to express my deepest sympathy to his lovely wife, Allene and their children.

I would like to take this opportunity to insert in the RECORD the following two newspaper articles printed on the occasion of his death.

[From the Paris Post-Intelligencer, Jan. 12, 1981]

PUBLIC SERVICE MARKED LIFE OF W. J. NEESE

Death from a heart attack ended the mortal life of W. J. Neese Sunday morning, but he will long be remembered in his native community for his many accomplishments and public-spirited contributions to Paris and Henry County.

Better known by his nickname, "Willie," William Jerome Neese was a self-made man in the sense that he overcame early economic obstacles. Through his own ingenuity and hard work he became a successful businessman and developer.

But it is not for his business success that he will be remembered. Rather it will be his record of public service in the halls of the Tennessee Legislature, as mayor of Paris and for his activity in many other areas of civic and community endeavor which are listed in detail elsewhere in today's edition.

Standing as a perpetual memorial to his genius as a legislator is the state vocational-technical school that bears his name, located across from Henry County High School. As Henry County's representative, Neese single-handedly persuaded the late Gov. Buford Ellington to include an appropriation in the state budget to begin construction of the trade school, which has since been doubled in size and which provides opportunity for young people and adults alike to learn skills and trades that will equip them to get better-paying jobs.

Of all his accomplishments, Willie Neese probably cherished the trade school above others, although his interest in young people extended beyond that. As a charter member and first exalted ruler of the Paris Elks Lodge and past president of the Tennessee Elks Association, his interest in the Elks extended beyond its fraternal aspects. As a trustee he worked consistently to raise funds for the Elks Foundation, used to provide grants to assist student nurses to complete their education and become qualified to assume positions of responsibility in the health field. His interest in the underprivileged was also well known as a result of his successful endeavors to provide better housing for those forced to exist in sub-standard homes.

W. J. Neese was a public figure who involved himself in local government to bring about changes for the good. But, as in the case of so many other successful men and women in public life, there was a private side of his life that few outside his immediate family knew about. In addition to being a devoted husband and father, he was compassionate and generous in giving help to the less fortunate, the needy and poor.

If there is such a thing as a self made man, W. J. (Willie) Neese was just that. To his credit, he used much of his material possessions and his God-given talents in public service to the county and community he loved.

And while no man is perfect or makes no mistakes, the life of this man could be well summed up in one of the creeds of the Benevolent Order of Elks which states: "The faults of our brothers, we write upon the sands; their virtues on the tablets of love and memory."

FORMER PARIS MAYOR NEESE DIES

Former Paris Mayor W. J. (Willie) Neese, 73, one of Henry County's most prominent citizens, died Sunday morning at Henry County General Hospital's emergency room following a heart attack.

Born on Sept. 10, 1907, in Elkhorn, Neese spent more than a decade as a state and local political office holder.

Following his graduation from Grove High School where he served as captain of his football team for one year, Neese attended Toler's Business College and the University of Tennessee. For several years he worked for retail outlets and the Miller-Jones Shoe Co. During World War II, he served with the U.S. Navy.

In the early 1940s he was instrumental in forming the Veterans Better Government League in Paris. From this league came the city manager charter for Paris.

Neese was elected in 1964 to represent this district in the state legislature and served four terms as representative. He served on numerous committees and devoted much of his energy to the areas of conservation, farm problems and vocational education.

As a member of the House Ways and Means Committee, he was able to get a supplemental appropriation to begin construction on the W. J. Neese Area Vocational Technical School in Paris. He managed to have $5 million allocated to Paris Landing State Park, and was instrumental in the passage of a bill allowing farmers to buy temporary overweight license tags for their trucks.

In a tight race for Speaker of the House in 1970, Neese lost the speakership to Rep. James R. McKinney of Davidson County on the fourth ballot.

Neese was elected to the City Commission in 1972 and was elected mayor by the commission, a position he held for four years.

He was the son of the late Anna Nunn and Charles Gentry Neese. On Nov. 3, 1929, he was married to the former Mildred Allene Walker, and they became the parents of three children—Mrs. Charles (Ann) Walker of Madisonville, Ky., Mrs. Larry (Diann) Jordan of Memphis, and William J. (Bill) Neese Jr. of Clarksville.

Neese was a charter member of the Paris Elks Lodge, served as its first exalted ruler and was past president of the Tennessee Elks Association.

A member of the board of trustees of the Paris Lodge for many years, Neese also served a three-year term as a member of the Grand Lodge Americanism Committee. He was a strong supporter of the Elks National Foundation and organized the Elks Benevolent Trust Fund, which provides funding for the Tennessee Elks nursing scholarship program. Approximately $30,000 a year is dispensed to deserving students who wish to follow nursing as a career. Neese had been named "Elk of the Year" by his lodge, and had held numerous offices in the state organization.

An avid checker player, Neese was the promoter of a national checker tournament held at the old Elks Lodge. He was a real estate developer, a member of the First United Methodist Church and at the time of his death was one of three directors on the local Natural Gas Board.

Funeral services will be held at 11 a.m. Tuesday at McEvoy Chapel with the Rev. Woodward Adams Jr. of First United Methodist Church officiating. Burial will follow in Maplewood Cemetery. First cousins of the deceased will serve as active and honorary pallbearers. Other honorary pallbearers will be members of Elks Lodge 816.

Visitation began at McEvoy's Funeral Home after 2 p.m. today.

In addition to his wife and three children, he is survived by his stepmother, Mrs. C. G. Neese of Chickasaw Rd.; one brother, Judge Charles G. Neese of Greenville; five grandchildren, Jay Walker of McKenzie, Cathy Neese of Clarksville, Jeanette Cope, Paige Walker and Jeaneese McGraw, all of Madisonville, Ky.; and two great-grandchildren, Deanna and Mandy Cope.

The family has suggested that persons wishing to make memorials address them to the Henry County Heart Fund.●

TAX RETURN HELP FOR SENIOR CITIZENS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. BIAGGI. Mr. Speaker, as an original member of the House Select Committee on Human Services, I am acutely aware of the many problems that confront citizens in performing the essential yet frequently difficult and time-consuming task of preparing their Federal income tax returns. When the citizen is elderly or disabled, these problems are often multiplied.

In order to assist those in need, I am inserting into the CONGRESSIONAL RECORD a checklist of itemized deductions prepared by the Internal Revenue Service which senior citizens will find extremely beneficial in filing their 1980 tax returns. It will insure that those deserving citizens receive all to which they are entitled.

In addition to this report and to further facilitate the cumbersome tax-filing process, I would like to point out that the Internal Revenue Service as well as various community groups, by way of the volunteer income tax assistance (VITA) program, offer free tax return preparation assistance to the elderly, handicapped and low-income taxpayers. To obtain this assistance, senior citizens need simply to call one of the following toll-free IRS telephone numbers: (212) 732-0100 which is for residents of Manhattan, the Bronx and Staten Island, or (212) 596-3700, which is for residents of Queens and Brooklyn.

The IRS checklist I discussed earlier and present here is as follows:

IRS ASSISTANCE IS AVAILABLE TO HELP YOU

How to find help: If you have questions or need assistance on any Federal tax matter, help is available at the IRS. The toll-free telephone number for your area is listed in your telephone directory under "United States Government, Internal Revenue Service," and in your tax forms instruction booklet. Should you need to visit an IRS office, call this toll-free number to find the location of the office nearest you.

Publications to assist you: The IRS also prepares many free publications which will help answer your tax questions. In addition to the general publication 17, "Your Federal Income Tax," there are publications available on specific topics, such as "Tax Benefits for Older Americans" (publication 554), "Credit for the Elderly" (publication 524), and "Estimated Tax and Withholding" (publication 505). Single copies of publications can be ordered by mail using the order form in your tax package or by calling the forms/tax information number listed in your telephone directory under "United States Government, Internal Revenue Service."

Other special programs offering assistance: In addition, through the volunteer income tax assistance (VITA) program, older Americans can obtain free tax return preparation assistance from IRS trained volunteers at conveniently located sites throughout the country. Your local IRS office will be able to tell you where and when you can find this assistance in your area. A special program to provide assistance to individuals age 60 and over will be available in some areas. The IRS can tell you if trained volunteers working in the tax counseling for the elderly program are located near you.

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (the entire cost, if the main reason for being there is to get medical care).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Medicare A, voluntarily paid, if you are 65 or older and not entitled to social security benefits.
Medicare B, supplementary medical insurance.
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.

Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (actual or 9¢ per mile plus parking and tolls; but not general repair and maintenance expenses, insurance, or depreciation in either case; or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your credit card, the expenses are deducted in the year the charge is made regardless of when the bill is paid.

Taxes

Real estate.
General sales.
State, local, or foreign income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: Automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, untaxed part of unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonoperating foundations, veterans organizations, fraternal societies, or nonprofit cemetery companies, are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct general repair and maintenance expenses, insurance, or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationary, phone calls) while rendering services for charitable organizations.

Care of unrelated students in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Personal loan.
Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc).
Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.
Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.
Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).
Penalty for prepayment of a mortgage—deductible as interest.
Revolving charge accounts—may deduct the separately stated "finance charge."

Casualty or theft losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.
Union dues.
Cost of preparation of income tax return.
Cost of tools for employee (depreciated over the useful life of the tools).
Dues for Chamber of Commerce (if as a business expense).
Rental cost of a safe-deposit box used to store taxable income-producing property records.
Fees paid to investment counselors (if the fees relate to investments that produce taxable income).
Subscriptions to business publications.
Telephone and postage in connection with investments.
Uniforms required for employment and not generally wearable off the job.
Maintenance of uniforms required for employment.
Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).
Business entertainment expenses.
Business gift expenses not exceeding $25 per recipient.
Employment agency fees under certain circumstances.
Cost of a periodic physical examination if required by employer to keep your job or in order to get the job.
Cost of bond if required for employment.
Expenses of an office in your home if used regularly and exclusively for business purposes.
Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political campaign contributions

You may claim a credit (line 38, Form 1040, or line 12a, Form 1040A) for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, (4) local committee of a national political party, or (5) certain newsletter funds set up and maintained by a person who holds, has been elected to, or is a candidate for nomination or election to a public office. The amount of the tax credit is one-half of the political contribution, with a $50 ceiling ($100 for couples filing a joint return).

Presidential Election Campaign Fund

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

OTHER TAX RELIEF MEASURES

Filing status	Required to file a tax return if gross income is at least—
Single (under age 65)	$3,300
Single (age 65 or older)	4,300
Qualifying widow(er) under 65 with dependent child	4,400
Qualifying widow(er) 65 or older with dependent child	5,400
Married couple (both spouses under 65) filing jointly	5,400
Married couple (1 spouse 65 or older) filing jointly	6,400
Married couple (both spouses 65 or older) filing jointly	7,400
Married filing separately	1,000

Additional Exemption for Age.—Besides the regular $1,000 exemption, you are allowed an additional exemption of $1,000 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $1,000 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1981, you will be entitled to the additional $1,000 exemption because of age for your 1980 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. If you are married filing jointly or a qualifying widow or widower, your zero bracket amount is $3,400. If you are single or a head of household, your zero bracket amount is $2,300. If you are married filing separately, it is $1,700. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because this amount is also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more that 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale or exchange of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale or exchange. The exclusion is elective, and you may elect to exclude gain only once for sales or exchanges after July 26, 1978. If you were age 55 or older before the date of sale or exchange, you may elect to exclude up to $100,000 of gain on the sale or exchange if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years if you were 65 or older on the date of the sale or exchange. This applies only to a sale or exchange before July 26, 1981). Form 2119 (Sale or Exchange of Principal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, payment of tax on the gain on the sale or exchange of your personal residence in excess of the excluded amount will be deferred if, within 18 months before or 18 months after the sale or exchange, you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions in Form 2441.

Earned Income Credit.—If you have a dependent child who shares your principal place of abode in the United States, you may be entitled to a special payment or credit of up to $500. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $10,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, strike benefits, other employee compensation, disability pensions, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

Residential energy credit

The law provides certain tax incentives to encourage energy conservation and conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

For years beginning after 1979, the maximum credit for renewable energy source property is $4,000. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, awnings, shades, wood paneling, fire screens, new or replacement walls (except for insulation inside the walls), exterior siding, heat pump, wood- or peat-fueled burning stoves, fluorescent lights, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

EXCISE TAX AND THE SMALL BUS OPERATOR

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. HEFTEL. Mr. Speaker, in 1978, the Congress passed the Energy Tax Act—Public Law 95-618—which exempts specific bus operators from the Federal excise tax on diesel fuel. The intent was to encourage the use of the energy efficient intercity bus and to assure the continued viability of the intercity bus industry.

Internal Revenue Code section 6427B, however, requires a bus operator engaged in intercity, charter, local, and special operations to pay the excise tax and then file for a refund. Bus operators from across the country, including those from my own State of Hawaii, have advised me that this is an extremely inefficient procedure and is particularly burdensome to small bus operators.

The bill which I am proposing today will do nothing more than give effect to the intent of Congress as expressed in Public Law 95-618. Bus operators would no longer have to go through the long and complicated process of paying the tax and then filing for a refund. Essentially, they would be permitted to make their purchases free of the excise tax. The revenue impact would be minimal and would, in fact, save money in that the time and expense of processing and refunding the excise tax would no longer be necessary. The bill would also ease the time-consuming and expensive burden of Federal paperwork requirements. The intercity bus industry is comprised of primarily small businesses and the time and expense which they must now devote to Government paperwork requirements is staggering. My bill would help ease this burden and would enhance the ability of the small bus operator to utilize his time in more productive ways.

Mr. Speaker, in our energy conscious society, the bus engaged in charter, intercity, or special operations is rapidly proving to be an effective means for Americans to lessen their dependence on foreign oil. It is the most fuel efficient mode of transportation, achieving 146 passenger-miles per gallon in 1979. Fully loaded, a bus can get nearly 300 passenger-miles per gallon. Equally important, the intercity bus industry currently provides service to over 15,000 U.S. communities. The vast majority of these communities—

14,000—have no other form of public transportation. It is an essential form of transportation which carries more people than any other form of public intercity transportation.

Mr. Speaker, the legislation my colleagues and I are introducing today seeks to enhance the effectiveness of an important segment of our transportation industry, which plays a valuable role in our efforts to achieve energy independence. I urge my colleagues to support this important legislation.●

THE MARRIAGE TAX

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. PEYSER. Mr. Speaker, today the gentlewoman from New Jersey, Mrs. FENWICK, introduced legislation that would eliminate the marriage tax currently facing two-earner married couples, by allowing these couples the option of filing as if they were single. I strongly support this legislation.

Very shortly millions of Americans will be filing their Federal income tax returns, and 38 million of these people will be paying a tax penalty simply because they are married. The marriage tax phenomenon is familiar to all of us. It refers to the situation which occurs when couples get married and switch from computing their taxes individually to filing jointly, and as a result, pay additional taxes.

Under present tax law married couples are treated as one tax unit, which must pay tax on its total taxable income. While couples may elect to file separate returns, the tax law is carefully structured so that filing separate returns leads to a tax increase for almost all married couples. This has prompted some couples to file for divorce, or to decide not to marry.

This situation discourages one of the marriage partners from taking jobs. If one of the couple decides to work, that person's first dollar of income will be taxed at the same rate as the last dollar earned by that person's spouse. This penalty, combined with nondeductible commuting and housekeeping costs creates a work disincentive for many people.

Mr. Speaker, as we are all aware, President Reagan will soon submit his proposal for tax reductions. I believe that any such proposal must include provisions to repeal the marriage penalty. It is clear that we must act to correct the discrimination that presently exists in our Tax Code as it relates to married couples. I urge my colleagues on the Ways and Means Committee to consider the correction of this inequity as a priority in their consideration of a tax cut.●

SRI LANKA'S 33D ANNIVERSARY

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. SCHEUER. Mr. Speaker, I rise today to honor the people of the Democratic Socialist Republic of Sri Lanka on the 33d anniversary of the regaining of the nation's independence. The year 1981 is of added significance for Sri Lanka because this year marks the 50th anniversary of the granting of universal adult franchise.

Sri Lanka has pursued a policy of improvement for the nation's population through the provision of adequate health care, education, nutrition, and through the stimulation of economic growth. The success of these programs is evidenced in an impressive increase in the life expectancy to 64 years for males and 67 years for females and a literacy rate of 88 percent.

The present government has stressed economic development as a major national goal. To this end the government has emphasized agricultural self-sufficiency and the attraction of foreign investment for industrial growth. The government's landmark efforts in the field of reproductive health have been an important component of their overall plan to increase the quality of life for the citizenry.

I salute, Mr. Speaker, the nation of Sri Lanka on the anniversary of their independence.●

UKRAINIAN INDEPENDENCE DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. GILMAN. Mr. Speaker, on July 4, 1776 our Founding Fathers proudly proclaimed our freedom from colonization and domination. As a result of that Declaration of Independence some 205 years ago, our Nation and the entire world has come to regard freedom as a basic human right; an integral part of our way of life. Our Nation's recent hostage ordeal underscored for all of us the grim reality of the deprivation of the precious right to liberty. While those feelings are still fresh in mind, let us focus our attention on a nation whose "hostage live" existence is subject to exploitation by the domination of an authoritarian power. January 22 marked the 63d anniversary of Ukrainian independence. At that time we were celebrating the return of our 52 freed Americans.

Mr. Speaker, there is a nation of people who for only a few short years, between 1918 and 1922, knew what was meant by the term freedom; and that freedom was at best, unstable and weak. However, the aspirations and goals of the courageous Ukrainians remains steadfast in seeking to achieve freedom from foreign domination. At present the Ukrainians exist under Soviet rule. They live under the constant threat of Russification, of the elimination of Ukrainian identity, and the assimilation of the Soviet state. Yet they are somehow able to retain a strong national spirit in their fight to regain national independence.

The history of the Ukrainian people is more of struggle and instability. Until 1917, the Ukraine was known as "Little Russia", and czarist regimes tried for two centuries to Russianize all forms of Ukrainian life. In 1918, the hopes of the Ukrainian people were realized when Parliament proclaimed the Independent Ukrainian National Republic. Unfortunately, that independence and freedom from domination was short lived, as the Bolsheviks took control over the Republic in 1922. Since then, the Ukraine has been under the control of the Soviet Union. The Soviet leadership, under Mr. Brezhnev, states that "there are no oppressed, exploited class; there are no oppressed, exploited nationalities," in the Soviet Union. I know, and this Nation knows, that any country which is not an independent, free state, is indeed the victim of exploitation and oppression.

The American Ukrainian citizens annually celebrate the anniversary of Ukrainian independence on January 22. It is in this celebration that they reaffirm the vigil and hope for freedom and national independence. It is a day, however, for Ukrainian people in the U.S.S.R., like any other day. It is a day on which all celebrations are prohibited by the Soviet Government. Any acknowledgement of that important day may only be silently remembered.

Mr. Speaker, on this anniversary of Ukrainian independence I urge my colleagues to support the Ukrainians in their struggle for independence. It is necessary that we keep them, and their plight, in mind as we discuss the foreign policy matters, and as we act out the ideals upon which this country was built. I believe it is important to uphold the ideals of human and national rights and to lend our aid and energies to the right and just goals of the oppressed states in the world including any Ukrainians living under Soviet domination.

UKRAINIAN INDEPENDENCE

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Ms. OAKAR. Mr. Speaker, on January 22, Ukrainians throughout the free world commemorated the 63d anniversary of the establishment of the Ukrainian National Republic. With the collapse of the czarist empire, the Ukrainian Republic began on January 22, 1918, and lasted for 2 independent and democratically free years. It was in 1920 that the Soviet imperialist aggression extinguished the Ukraine's flame of freedom, and the Ukraine has since been an occupied country, subject to the dictatorial will of Moscow. From 1920 until today, the political and spiritual courage of the Ukrainian people lives on in their struggle to regain their precious right of self-determination lost to them in Soviet domination and repression.

I am happy to join with all Americans of Ukrainian descent in celebrating the 63d anniversary of the establishment of the Ukrainian National Republic on January 22, 1918. I also reaffirm my support of the cause of the Ukrainian people to reclaim their rightful privilege of self-government, based on the principles of political freedom, equality, and justice.

In recognition of the democratic heritage, distinctive cultural identity, and national heroism of the Ukrainian people, I join with Ukrainian Americans everywhere in observing the commemoration of their 63d anniversary of independence.●

FREE VIKTOR BRAILOVSKY

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. DWYER. Mr. Speaker, the Jewish community of central New Jersey has expressed its deep concern for the plight of Dr. Viktor Brailovsky, leader of the Soviet Jewish emigration movement, who has been imprisoned since November for his efforts and is presently in very poor health.

I share that deeply felt concern and gladly join my colleagues in cosponsoring House Concurrent Resolution 50, urging that Dr. Brailovsky receive proper medical attention and that he and his family be allowed to emigrate from the Soviet Union, a journey he has bravely sought for 8 years under continued Soviet harassment.

Dr. Brailovsky led a group of 237 other "refuseniks" in signing a letter to President Brezhnev last November protesting the refusal to grant them exist visas. This action let to his arrest, in clear violation of international law and fundamental human rights.

He has fought hard for those rights. Despite constant harassment, which has included the loss of his job as a noted teacher and researcher, the confiscation of valuable scientific and Jewish cultural papers, and repeated arrests and subsequent imprisonment for his activities on behalf of Jews in the U.S.S.R., Dr. Brailovsky has persisted in his valiant struggle for freedom for the oppressed Soviet Jew.

Now he is fighting for his life, a fight he has waged continuously in the face of overt Soviet threats because he has the courage to fight to try and protect the fundamental liberties to which he and all others are entitled.

Mr. Speaker, Mr. FISH, and my esteemed colleagues who unite in this effort in behalf of Viktor Brailovsky, I hope that our interest will spur the Soviets into swift attention to his ordeal.

His is a chapter in the universal epoch of all those who came before him, those who are with him now, and those who will follow him, who have dedicated their lives to freedom.●

VIKTOR BRAILOVSKY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SCHUMER. Mr. Speaker, I would like to join my colleagues in protesting the treatment of Dr. Viktor Brailovsky by the Soviet Union. Dr. Brailovsky has suffered the wrath of this totalitarian regime for 8 years. He has been subjected to several imprisonments, lengthy interrogations, and continuous harassment.

What terrible crime did he commit? Dr. Brailovsky's crime has been his staunch refusal to watch passively while the Soviet Government attempts to stamp out Judaism among its people, and his indefatigable determination to retain the most basic of human rights—freedom of thought and expression. Denied his job after applying for an exit visa, Dr. Brailovsky continued his work by founding the Moscow Seminar of Jewish Scientists. Not to be intimidated by totalitarian thuggery, Dr. Brailovsky was, until his most recent arrest, a cofounder and the single most important force behind the publication "Jews in the U.S.S.R.," an unofficial cultural journal that has been important in the dissemination of information to the Jewish community.

I would like to express my appreciation to Mr. FISH for bringing the matter of Dr. Brailovsky to the attention of the House. I also would like to expand our concern a little bit. Dr. Brailovsky's arrest on the eve of the Madrid Conference and his treatment in prison are vivid examples of official antisemitism in the Soviet Union. They show the bankruptcy of Soviet claims of adherence to the Helsinki accords.

He is not alone, however. The close to 3 million other Jews in the Soviet Union are less visible than Dr. Brailovsky, but they are subjected to the same official mistreatment and harassment by the Soviet Government. I hope that all Members will join in asking the Soviet Government to end its abuse of Dr. Brailovsky, and challenging it to open its doors to all Jews who wish to leave the country for places where they might enjoy their basic human rights.●

REV. RAYMOND BAUMHART

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mrs. COLLINS of Illinois. Mr. Speaker, it is with immense pleasure and pride that I rise to pay tribute to the outstanding and sensitive leader of Loyola University of Chicago and a constituent, Rev. Raymond C. Baumhart.

On February 7, 1981, the alumni of Loyola University will honor the leadership and administration of a man who for 10 years served his university and surrounding Chicago community with insight and excellence excelled by none.

Reverend Baumhart, a distinguished man in his own right, a very talented and gifted writer, is equally at home in theology and philosophy as he is in the business world.

Father Baumhart has written extensively on business ethics and educational administration. He wrote the book, "An Honest Profit: What Businessmen Say About Ethics in Business" (Holt, Rinehart, 1968), and coauthored "Cases in Business Ethics" (Appleton-Century, 1968). His articles have appeared in numerous magazines, including America, Harvard Business Review, Social Order, and Printer's Ink.

He is a member of the Commercial Club of Chicago, the Economic Club of Chicago, the Tavern Club, the Chicago Committee, the Mid-America Club, Beta Gamma Sigma, and the Friends Committee of the Latino Institute of Chicago. He was Cardinal O'Hara lecturer at Notre Dame University, and is the recipient of the Order of Cavalier award from the Republic of Italy, the Rale Medallion from Boston College, and an honorary doctor of laws degree from Illinois College.

He also serves on the board of directors of the Jewel Cos., Inc.—since 1973, and the Continental Illinois Bank—since 1976. He was a member of the American Management Association's theologians advisory council (1964–69), and served as a consultant to the Fabricast Division of General Motors in Bedford, Ind. (1957), and to the National Conference of Christian Employers & Managers (1963–67).

By utilizing "the Jesuit flavored concern for the individual," Reverend Baumhart has combined job training, emphasis on humanities and arts, and adhering to budget limits, to make Loyola a first-rate institution. An institution sporting a new science facility, modern law school, research into such topics as neurology to the epistles of St. Paul. He has done it all and he had done it well.

In closing, I would like to share with my colleagues and Loyola alumni and friends a copy of a letter written to Father Baumhart last year by Archbishop John Cardinal Cody:

DEAR FATHER BAUMHART: Although I cannot be present in person to greet you and offer my congratulations as you round out ten years as President of Loyola University on July 31, 1980, I assure you that I will be joint with you, your brother Jesuits and friends in offering my thanks to you for all that you have done for the great metropolitan area of Chicago, the Archdiocese, Loyola University, the priests, religious, brothers and lay people who have benefited by your services as President of the University.

These have been indeed ten eventful years and under your guidance and leadership, the University has risen to new heights, both as an important community service as well as an institution to which the Church can rightfully express its sincere appreciations. This I do as the Chief Shepherd of two and one-half million Catholics and I hope and pray that the growth and development of Loyola University and all its affiliates will continue to expand.

Wishing you personally an abundance of blessings as you continue your dedicated service, I am, dear Father Baumhart,

Very gratefully yours in Christ,

JOHN CARDINAL CODY,
Archbishop of Chicago.

Father Baumhart, I am indeed humbled by your givings. May the Lord continue to guide you in your efforts to educate Loyola, Chicago, and the Nation.●

INFANT MORTALITY RATES

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1981

● Mr. BINGHAM. Mr. Speaker, infant mortality rates are rising in the Soviet Union, and life expectancy is declining. Death rates for middle-age people have jumped.

These are some of the startling conclusions presented in an article by Nick Eberstadt in the February 19, 1981, issue of the New York Review of books. Mr. Eberstadt is a visiting fellow at the Harvard Center for Population Studies and the editor of "Fertility Decline in the Less Developed Countries."

His article is in the form of a review of "Rising Infant Mortality in the U.S.S.R. in the 1970's" by Christopher Davis and Murray Feshbach, U.S. Bureau of the Census, and comments at length on that study, but the article's many footnotes attest to the fact that Mr. Eberstadt has drawn on many other sources as well.

The following comprises part I of the text of Mr. Eberstadt's article. To save space, the footnotes have been omitted. Likewise, part II, which attempts to explain the phenomena reported in part I and to assess their significance, is not included here:

THE HEALTH CRISIS IN THE U.S.S.R.

(By Nick Eberstadt)

If we could judge it solely by advances in health, the twentieth century would be a fabulous success. Few of us who take food and doctors for granted realize or appreciate this. In 1900 life expectancy for the whole of the human race was about thirty years. Today it is twice as long: at least sixty-one years, possibly sixty-three or more. Since the human lifespan was probably never much less than twenty for any length of time—to drop much below that level is to court eventual extinction—this means that about three-fourths of the improvement in longevity in the history of our species has occurred in the last eighty years.

Over much of this century the nation in the vanguard of the revolution in health was the Soviet Union. In 1897 Imperial Russia offered its people a life expectancy of perhaps thirty years. In European Russia, from what we can make out, infant mortality (that is, death in the first year) claimed about one child in four, and in Russia's Asian hinterlands the toll was probably closer to one in three. Yet by the late 1950s the average Soviet citizen could expect to live 68.7 years: longer than his American counterpart, who had begun the century with a seventeen-year lead. By 1960 the Soviet infant mortality rate, higher than any in Europe as late as the Twenties, was lower than that of Italy, Austria, or East Germany, and seemed sure to undercut such nations as Belgium and West Germany any year.

Results like this could not have been achieved without a total transformation of living conditions for the USSR's sizable Asian and Muslim minority. This indeed has taken place. By 1960 Moscow could demonstrate that its Central Asians were living fifteen years longer than the Iranians, twenty years longer than the peoples of Pakistan, and nearly twice as long as the Afghanis. In the face of these and other equally impressive material accomplishments, Soviet claims about the superiority of their "socialist" system, its relevance to the poor countries, and the inevitability of its triumph over the capitalist order were not easily refuted.

Things look very different today. The Sixties and the Seventies have proved devastating to Soviet society. To observant travelers and analysts this is apparent in a hundred different ways; none, however, is so dramatic as the turn in health of the Soviet peoples. As Christopher Davis and Murray Feshbach's startling report argues in convincing detail, health conditions in the USSR have worsened steadily since the mid-1960s, and the deterioration shows no signs of stopping.

Although its findings are sensational, "Rising Infant Mortality in the U.S.S.R." is a very careful piece of work. The credentials of its authors are unimpeachable: Davis is now England's leading authority on Soviet health care, Feshbach the foremost American expert on Soviet population trends. Their study is based on data not from spy satellites, intelligence agencies, or "think tanks," but rather from reports released by the Soviets themselves.

As the title suggests, Davis and Feshback pay closest attention to infant mortality. According to Moscow's Central Statistical Bureau (TsSU), infant mortality increased by more than a third between 1970 and 1975. Since 1975 TsSU has not reported the USSR's infant mortality rate, but Feshbach's estimate, based on the fragmentary evidence of local reports and adjusted for the approximately 14 percent of all infant deaths that authorities do not include in their mortality totals, is that it could be as high as forty per thousand today. Infant mortality rates in both Western Europe and the United States are currently under thirteen per thousand.

Epidemic infant mortality, however, is only part of the picture. Except for teenagers, who are virtually indestructible so long as they do not kill themselves or each other, nearly every age group in the Soviet Union had higher death rates in 1975, the last year in which such figures were published, than in 1960. For men and women over thirty trends were particularly harsh. Death rates jumped almost 20 percent for people in their fifties, and by more than 30 percent for those in their forties. Men fared much worse than women: since 1965 their life expectancy may have declined as much as four years, to something like sixty-two today. Women, however, have not been spared: their life expectancy peaked at around seventy-three in the early 1970s, and may have dropped since then. This means that the average Soviet life span could be under sixty-eight today—lower, in other words, than it was in the late 1950s.

Measured by the health of its people, the Soviet Union is no longer a developed nation. Caloric intake, educational attainment, and the ratio of doctors to people all seem to be higher in the USSR than in Western Europe, and yet in the USSR life expectancy is six years lower, and its infant mortality rate three times as high. There is not a single country in all of Europe, in fact, in which lives are so short, or babies' death rates so high—not even impoverished, half-civilized Albania. In the realm of health, the Soviet Union's peers are to be found in Latin America and Asia. If Feshbach's estimates are right, life expectancy in the USSR is about the same as the average for Costa Rica, Jamaica, Malaysia, Mexico, and Sri Lanka. By the same token, the Soviet infant mortality rate could be replicated in a nation composed in equal parts of Chile, the Dominican Republic, Panama, Taiwan, and Trinidad. These nations, however, are moving up, while the Soviet Union is moving down. If current trends persist, most of Latin America and East Asia will surpass the Soviet Union in a matter of years.

There can be no mistaking it: the Soviet Union is in the grip of a devastating health crisis. We can only understand the full severity of this situation when we remember how difficult it is to push life expectancy down these days. The amenities of modern life—cheap food, clean water, mass education, rapid communications, easy travel, competent doctors, wonder drugs, and the like—make it extremely hard to stay sick or die young. The health-promoting force of these innovations is so powerful that it cannot be overcome even by modern warfare: World War I did not succeed in lowering France's life expectancy, or World War II Japan's. The only country in modern times to have suffered a more serious setback in life expectancy was the "Democratic Republic of Kampuchea," Pol Pot's Cambodia. Clearly, something in Russia is going very, very wrong.

What is it that ails the Soviet Union? We cannot be sure. The only people in a position to know are the Soviet authorities, and they have been reluctant to advertise their nation's health crisis, or to highlight the flaws in their system responsible for it. As a consequence, Westerners are left with a puzzle in which most pieces are missing. Some of the blank spaces can be filled in reasonably well through detective work, and Davis and Feshbach turn out to be very good detectives. However, theirs is primarily a study of infant mortality, and every age group has its own set of vulnerabilities. The declining quality of baby food and nursing formula, the rising (though, by Western standards, hardly scandalous) rate of illegitimacy, and the uterine damage caused by the six to eight abortions the average Soviet woman undergoes during the childbearing years—all of which Davis and Feshbach document—may partly explain the increase in infant mortality, but it will not account for the rising death rates of metalworkers in Kharkov, elderly men in Georgia, or the middle-aged women who work on the USSR's collective farms.

We are not left wholly in the dark, however. The biggest problems affect everyone. One of these is alcoholism. Americans consider themselves a nation of problem drinkers, and not without reason, but the thirst for alcohol in the Soviet Union is a problem of an entirely different dimension. In the early 1970s, according to a study by Duke University's V. G. Treml, the Soviet Union's per capita intake of hard liquor was more than twice as high as America's or Sweden's. Another report by Treml suggests that drinking is even heavier today, thanks in part to the increase in purchasing power Soviet citizens enjoyed during the years of détente. Urban families in the Soviet Union devote nearly the same proportion of their weekly budget to alcohol that American families devote to food, and things have gotten to the point where factory foremen mark their workers sober and fit for duty if they can stand.

Mortality breakdowns by cause of death are hard to come by for the Soviet Union, but John Dutton, a researcher now at North Carolina State University, has made a strong case for the complicity of heart disease in pushing up men's death rates, and this is something alcoholism can exacerbate or even cause. Vodka and samogon (Russian moonshine) seem to take their toll on women and children as well. Davis and Feshbach note that Soviet doctors now rate alcoholism the third most frequent cause of illness for women, and that a report from Lithuania connects excessive drinking on the part of mothers and of mothers-to-be with half or more of the infant deaths in that Republic.

Then there is pollution. Again, we think of this as a Western affliction, which indeed it is. The condition, however, seems to take on new meaning in the USSR. Its most obvious manifestation is air pollution. Western visitors have compared the air quality in some Soviet cities unfavorably with Japan's. Davis and Feshbach show that the nation's rising incidence of respiratory disease is rather unfavorably linked with what Soviet doctors call "changes in the environment associated with urbanization." But those forms of pollution which can be seen are probably the least dangerous. Misuse and overuse of pesticides and fertilizers, the careless release of industrial waste and heavy metals into the waters, and radiation emitted from poorly constructed or only partially safeguarded nuclear facilities present far more deadly perils.

A samizdat book cited in "Rising Infant Mortality" suggests the sort of price the Soviet peoples may be paying for their government's indifference to these hazards. Purportedly based on suppressed official data, this study by "Boris Komarov" claims that birth defects in the USSR are rising by five to six percent a year, and that the number of "defective" children whose care must be left to the state is increasing by more than 200,000 annually. The work of "Komarov" is as yet uncorroborated, but if pollution is in fact wreaking this sort of havoc on the newborn it must be killing off adults as well.

Soviet reports often refer to death by "trauma"; this category seems to include suicide, murder, and fatal accidents. Suicide in the USSR may be on the rise, but there is really no way of telling: for official purposes, it does not exist. Conceivably, a spate of suicides could affect a nation's death rate, but suicide accounts for such a small fraction of all deaths—less than 1 percent even in Scandinavia—that this is unlikely. The same holds true for murder: a few populations suffering from pathologically high homicide rates do in fact experience a slight shortening of life span; but there is no evidence that any of the Soviet peoples are among these.

Accidents are another story. Heavy machinery and electrical equipment are dangerous under the best of circumstances, and become no safer when produced on shoddy assembly lines and placed in the hands of drunken workers. The Soviet Union may have only a tenth as many motor vehicles as the United States, but it has just as many traffic fatalities. The carnage in the factory and in the field, under the tractor or the blades of the harvester, is even greater. Davis and Feshbach have estimated elsewhere that as much as a fifth of the rise in death rates for men in their late thirties may be attributed to the increasing frequency of accidents.

Could a progressive decline in the health of an entire nation, affecting people of nearly every ethnic background and nearly every age group, take place without a breakdown in the medical system? In theory, the answer is yes, but given the specifics of the Soviet situation—a monotonous but clearly ample diet, a slow but steady improvement in housing, a well-educated and relatively skilled populace—some sort of failure in medical care would seem almost a foregone conclusion. Davis and Feshbach, always conservative in their appraisals, feel they lack sufficient evidence to prove the Soviet health care system is in decline; the picture they paint, however, hardly inspires confidence.

Influenza, which has been reduced to a nuisance in the rest of the industrial world, is not yet under control in the Soviet Union, and kills tens of thousands of babies each year. The proportion of children dying from "pneumonia," in fact, is said to be on the increase. Many of the young victims, it seems, start out ridden with rickets, which weakens them to the point where flu can finish them off. Rickets is unknown in the rest of the rich world, and in much of the poor world as well, because it is so easy to cure: it comes from a want of vitamin D, and is remedied by either a change in diet, food fortification, or cheap and convenient vitamin supplements. If Soviet medicine is unable to deal with these simple problems, it is unlikely to be effective against the more serious and considerably more complicated challenges of cancer, renal disorder, or ischemic heart disease.

Why might the quality of medical care in the Soviet Union be declining? There are at least three reasons. First, the Soviet health strategy seems decidedly misguided. When extra funds are to be had, they are spent expanding facilities rather than upgrading them. Medicine is not a prestigious profession in the USSR. It is considered women's work, which means its practitioners can expect to be underpaid and poorly provided for. Like the Red Army of an earlier era, Soviet physicians assault the adversary in huge numbers, but without sufficient ammunition. The USSR has more than twice as many health personnel as the United States, but they must work in hospitals which frequently lack necessary drugs and anesthetics, in which such items as disposable bedding and needles are unknown, and in which even obtaining sterilized instruments can be a demanding ordeal. Their morale is probably not improved by the Ministry of Health's obvious insensitivity to the needs of the infirm. (What other nation can boast a cardiology clinic on the top floor of a five-story walk-up in its capital city?) For these and other reasons, doctor and patient alike do their best to avoid the hospital. According to Davis and Feshbach, obstetricians, gynecologists, and pediatricians now only work twenty-eight hours a week, and the number of patients treated per bed fell 20 percent from 1958 to 1974.

Corruption may also be playing its part. For obvious reasons, figures on the Soviet Union's "second economy" are unavailable, but it is known to be enormous, and to touch nearly everything. Among the goods for sale in the shadow markets are medical services, and patients who want to be sure of quick or competent treatment must be ready to pay their state-provided doctors a handsome "tip." Similarly, the invalid in search of nominally free but perennially scarce medication must be willing to pay cash and forgo questions. By pulling medical resources out of circulation, the "second economy" works precisely against those people who need help most: the poor and the people scattered in the country. Corruption is said to be on the rise in every part of the USSR's enormous "socialist" bureaucracy. If this is true it could help to account for a growing health problem on the part of the USSR's most vulnerable groups.

Finally, there is evidence that the Kremlin has decided to economize on medical care for its people. As medical techniques become more sophisticated, complex, and ambitious, they necessarily become more expensive, since diagnosing and treating disease must remain a human task in an increasingly automated economy. Yet over the past generation the Soviet Union has devoted an ever smaller fraction of its GNP to combating illness. According to one plausible set of estimates, the share was 9.8 percent in 1955, but only 7.5 percent in 1977. We may quibble with these specific numbers, but the trend is clear, and the Soviets themselves acknowledge it. According to one official quoted in Rising Infant Mortality, health expenditures as a share of the national budget fell from 6.6 percent around 1965 to 5.2 percent in 1978. The Soviet

Union may be the only advanced society to allocate progressively more modest proportions of its output to maintaining the health of its people.

It is one thing for a nation's leadership to embark upon a foolhardy policy or to find its plans undercut by the dishonesty of subordinates; it is quite another to pursue a course which will surely mean unnecessary hardship for most of its people. How can we account for what is apparently a high-level decision on the part of a "socialist" government to neglect health care? Inexplicable though this may seem to us, there could be good reasons for it if we take account of Soviet politics. In fact, from the perspective of the Politburo, this cruel choice might seem not only logical, but even reasonable.

From a financial standpoint, the towering problem of the post-Stalin era has been the inefficiency of the economy. A vigorous and dynamic economy is a *sine qua non* for successful long-term competition with the West. Unfortunately, the Soviet economy has always been an unpredictable machine, and in recent years it has become increasingly temperamental and stubborn. To force it on, its attendants must stoke it with ever greater quantities of capital. The USSR's rate of economic growth has dropped sharply since the mid-1960s, slipping below that of its OECD rivals in the 1970s, and yet investment has been eating up an ever larger share of total output. From 1965 to 1977 (the last year for which we have detailed estimates) capital requirements for the economy rose from something like one ruble in four to very nearly one in three. But investment had to be propped up at all costs; this necessarily meant trimming back elsewhere.

But what was expendable? The United States and its NATO allies were financing their rising investments in social services at the expense of the military, but for Soviet leaders this course was and remains unthinkable. (More than global ambitions are at stake here: a reduction in the role of the military in Soviet society could have very unsettling effects at home.) The masters of the planned economy were left with only one option; they had to reduce the proportion of goods and services for consumers.

In theory, this would be a simple operation; after all, their command over both society and economy is supposed to be total. In reality, it would prove a tricky business, it was no longer possible to force the populace to tighten its belt indefinitely in the name of a distant Socialist utopia. When Stalin died, standards of living by many measures were lower than they had been under Nicholas II. As his successors disassembled his apparatus of terror, they discovered beneath it a phenomenon they associated with bourgeois nations, but understood only poorly: consumer expectations. These could be a powerful force, and had to be taken very seriously, as Nikita Khrushchev's unhappy career was to attest, for in the final analysis he was expelled from office in disgrace at least partly because he couldn't fill the larder.

This lesson was not lost on Breshnev and Kosygin. If they were put in a position where they had to enforce sacrifices on the consuming public, they would do so quietly and very carefully. Tampering with the diet had become dangerous: peasants, workers, and bureaucrats alike now judged a regime by what it put on their plates. The availability and quality of food would have to be improved, even if it meant buying tens of millions of tons of grain from adversaries. Nor would it be feasible to save money by cutting back on the production of such things as brassieres or refrigerators: even a schoolboy would know that nothing in a public economy is so jealously coveted as private property. But who would notice or complain if the government skimped a bit on public, and therefore essentially intangible, services like health care? Denying a sick man an operation, after all, is not nearly so difficult as taking away a healthy man's shoes.

There is more to keeping people healthy, however, than checkups and digitalis. Medicine's role in lengthening lives is conspicuous because it is basically curative; of even greater importance are those quiet facets of our daily routine which prevent illness from breaking out in the first place. Decent meals, we all know, are a vital ingredient to a healthy life; less celebrated but perhaps no less essential is the web of personal relationships which can support us against adversity. A mother's care for her baby, a family's attention to its elderly or troubled members, and the will to live which such things inculcate, in an often unnoticed way, do for the health of an affluent nation what a ministry of health could never hope to duplicate.

Davis and Feshbach do not pass judgment on the state of mental and social health in the USSR. They are wise not to: their study is careful, fully documented, and grounded in statistics. By contrast, the evaluation of a nation's mood can only be impressionistic, ambiguous, and highly subjective. Nevertheless, the human element of any social problem is important, and remains impossible to ignore. If we treat the bits of information supplied by "Rising Infant Mortality" and the accounts of refugees and Western tourists as possibly misleading but important clues which we must put together into a plausible and consistent whole, we will have a better chance of understanding the role of human relations in the health crisis in the USSR.

Let us look at the evidence we have on hand. Death rates for men and women, babies and adults, for city and country, and so far as we can tell, for every ethnic group, are on the rise. Alcoholism, as I have pointed out, is apparently pandemic. (It is so much a part of daily life, in fact, that the state provides drying-out stations in the cities and alcoholic wards for most of the large factories.) Although we cannot tell about murder or suicide, death rates for accidents seem to be unusually high, and increasing.

"Rising Infant Mortality" points out that Soviet experts have linked the illness of many babies with contaminated infant formula; it seems that even though this problem has been recognized for several years, it has gone uncorrected. The death rate for children in state-run day care centers, Davis and Feshbach note, is twice as high as for those whose families look after them. Despite the evidently appalling conditions that must be endured in these institutions, some 40 percent of the Soviet Union's parents send their children to them. Abortion serves as the nation's primary form of contraception, and in any given year on the order of ten to sixteen million babies are aborted. The number of live births, by contrast, hovers between four and five million.

Moreover, refugees tell of dying patients denied treatment because their ambulance driver was out shopping, or turned up too drunk to get behind the wheel. Visitors who can read Russian often remark on the incessant complaints about absenteeism in the local papers, and the frequency with which party leaders insist that economic targets could be met, even exceeded, if only more workers showed up at their jobs.

What do these things say about alienation and depression, the desire of people to look after their health and to keep others alive? How can we fit these bits of information together to suggest that some virulent strain of anomie is not running rampant or that the Soviet social order is not in the midst of a deadly decay?●

SENATE—*Friday, February 6, 1981*

(Legislative day of Monday, January 5, 1981)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by Hon. JEREMIAH DENTON, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Lord God of Abraham, Isaac, and Jacob—of Moses and the prophets—Jesus and the apostles; Lord God of the ages and all peoples of all races, grant that this Nation may fulfill its God-destined role among all nations.

Heighten our gratitude for the blessings so lavishly bestowed upon us; deepen our humility in recognition of the resources so uncommonly plentiful in our land; broaden our sense of justice to include the deprived and the forgotten of the world; lengthen the outreach of our love and goodness to include all who suffer, the homeless and the hungry, the persecuted and the oppressed.

Sensitize us to the hurt and pain of all peoples at home and abroad. Make us advocates of the voiceless, the weak, the poor, the elderly, the neglected. Let compassion be the hallmark of our deliberations.

We pray this in the matchless name of Him who in love gave His life for all peoples. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 6, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JEREMIAH DENTON, a Senator from the State of Alabama, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. DENTON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE PRESIDENT'S ADDRESS TO THE NATION

Mr. BAKER. Mr. President, I would like to take a few moments this morning to express my commendations to President Reagan for his economic message to the American people this past evening.

The address, the President's first such speech to the country since his inauguration some 17 days ago, was a realistically somber accounting of our economic condition. But it was also a justifiably optimistic accounting of what we can and must do to right that condition.

In short, President Reagan was on the mark. He was clear and concise. He was correct.

This truly is the most critical period of America's economic life since the Great Depression of five decades ago. And President Reagan is responding to this watershed time in our history with the same calm determination that our Chief Executive of that time, President Franklin D. Roosevelt, exhibited so grandly.

Just as President Roosevelt presented the Congress and the Nation with a comprehensive program for economic recovery, so too will President Reagan, beginning in just a few days now and continuing for many weeks and months to come.

And just as the American public rallied around FDR and the admittedly bitter tonic he prescribed for economic recovery, so too is public support galvanizing behind President Reagan and his equally strict prescription.

Thus, the baton is about to be passed to the Congress. Ours will not be an easy task. Each of us will face in a very few days probably the most difficult, painful decisions we have ever been forced to make in public life. But we must not shirk from those decisions. We must make them. For if we do not, future Presidents and future Congresses will almost certainly inherit an economic morass that will, quite frankly, almost certainly be too far down the road of fiscal ruin to save.

In conclusion, Mr. President, the Nation is ready. President Reagan eloquently displayed last evening that he and his administration are ready. And I am confident we in the Congress will soon prove ourselves ready as well.

SENATOR ROBERT C. BYRD

Mr. BAKER. Mr. President, I had the opportunity this morning to watch the distinguished minority leader on television. He, as usual, comported himself not only with dignity and grace but in a way that reflects credit on the Senate as a body.

I listened carefully to detect what I fully anticipated would be a note of bipartisan support in passing the legislation which is before us. I felt encouraged after I heard the presentation of the minority leader.

There are certain unanswered questions that were suggested in his remarks, but I hope and I expect that before this day is out we will find ourselves of one mind, one will, and one determination to do the people's business and get on with the matter at hand.

In all seriousness, Mr. President, I commend the minority leader for his appearance this morning on national television. As always, he did it with style and grace, and very well indeed.

Mr. President, I have no further need for my time under the standing order. I am prepared to yield it to the minority leader or to place it under his control.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I will not have need of the time he has so graciously offered.

I will say that the majority leader is, as usual, most gracious. He is always courteous and always a gentleman. I thank him for his kind words.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, since it appears there is no need for my time on the other side of the aisle, I yield back my time, reserving 1 minute.

Mr. ROBERT C. BYRD. Mr. President, I yield such time as Mr. PROXMIRE may need.

Does the Senator from Missouri wish any time?

Mr. EAGLETON. No, Mr. President. I have an order for 15 minutes.

Mr. PROXMIRE. Mr. President, I thank the leader. I will be as brief as I can be.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

GENOCIDE IN CAMBODIA

Mr. PROXMIRE. Mr. President, I think some of us had an opportunity this morning, perhaps, to see on the Today show the reports on the genocide in Cambodia, one of the most heart breaking, heart rending, disturbing events that has taken place in recent years. But it should remind us that genocide is not something that took place under Hitler in Germany alone. It persists, and it will take a unified action of the nations of the world.

The sad fact is the United States took the initiative against genocide and won support in the United Nations for a genocide treaty right after World War II under the leadership of President Harry Truman.

We won that support for that treaty and that treaty has been ratified by every major nation in the world, except the United States. It has not been ratified by us, not because it has been partisan. Republican Presidents as well as Democratic Presidents, including President Reagan, have supported the Genocide Treaty. Secretary of State Haig has indicated that he thought it was a matter of great embarrassment to us that the Senate has not ratified it.

Yet year after year goes by and we have had this treaty pending longer than any other treaty in the history of the Senate. The previous record was 21 years. Here is a treaty that has been pending for 31 years without action.

I will not say it is a disgrace, but it is certainly a matter of great shame for many Americans, to those who recognize the great history of our country.

Let me just say in conclusion, Mr. President, that this country has been the world leader in supporting the ideals of the United Nations. Regardless of recriminations and the feeling that it has been given too high a priority, I am proud, and I know most Senators are proud, of the fact that we also support human rights throughout the world and the dignity of men around the globe.

Mr. President, these two ideals come together, it seems to me, in the Genocide Convention in a remarkable way. They represent the best of both of these historic ideals of U.S. foreign policy, U.S. involvement in human rights and support.

I would hope, Mr. President, in view of the fact that genocide continues, that it is the most hideous crime that can be imagined—after all, it is the planned, premeditated destruction and murder of an entire people by a government—that we at long last ratify this treaty that has overwhelming support by every religious group in this country, by the American Bar Association, by both political parties, and by most political leaders.

Mr. President, I yield the floor.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I yield to Mr. EAGLETON my remaining time, if he should need it.

Mr. BAKER. Mr. President, before the Senator from Missouri begins, might I make a request?

Mr. EAGLETON. Yes.

ORDER DESIGNATING PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that following on after the time allocated by the special order to the distinguished Senator from Missouri, there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, during which Senators may speak for not more than 3 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield back the time I may have remaining under the standing order.

RECOGNITION OF SENATOR EAGLETON

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Missouri is recognized for not to exceed 15 minutes, plus the time yielded by the minority leader.

Mr. EAGLETON. I thank the Chair.

HOSTAGE-TAKING—PAST AND FUTURE

Mr. EAGLETON. Mr. President, so much has been said and written on the hostage crisis that I am a bit reluctant to add more words to an already overanalyzed affair. There is one facet, however, that I would like to pursue.

I was present on the South Lawn of the White House when President Reagan received the 53 liberated hostages. I traveled part of the parade route and saw firsthand the thousands of jubilant, yet tearful Americans lining the streets awaiting the arrival of these 53 marvelous Americans. One did not have to hear a word in order to appreciate fully the emotion and joy of the moment.

At the White House ceremony itself, President Reagan received his greatest round of applause when he uttered these words:

> Those henceforth in the representation of this nation will be accorded every means of protection that America can offer. Let terrorists be aware that when the rules of international behavior are violated, our policy will be one of swift and effective retribution.

Reflecting on this at the time, I was struck by the contrast of thousands of people applauding the safe return of the 53 and, at the same time, having thousands applauding the President in enunciating a future policy which might, if applied, result in the death of a hostage, or hostages, taken in some, God forbid, future act of international irrationality. It was clear to me, in the juxtaposition of these two events—the return of the 53 and the President's tough words—that America truly was of two inconsistent minds on the issue.

On the one hand, we were gleeful with the safe and sound return of the 53. On the other hand, we wished we had blasted the hell out of Iran for seizing the 53 in the first place.

A day or two later, this dichotomous attitude was compounded in the extreme by Secretary of State Haig's press conference remarks when he said:

> Well, I said, I think, to somebody last night that (the President's statement) was consciously ambiguous . . . (but) any terrorist government or terrorist movement that is contemplating such actions I think knows clearly what we are speaking of.

Just what do those words mean? How can we be both "consciously ambiguous" and at the same time send a precise signal that tells terrorists "clearly what we are speaking of?"

How is a signal both "ambiguous" and "clear" at one and the same time?

In reflecting over the Reagan words and the Haig words simultaneously, I thought it might be interesting to see what else in our historical past might shed some light on what to expect in the future. While the Iran hostage crisis is unique in many aspects, it is not a total aberration.

I learned, for example, that there have been the following hostage-taking incidents involving U.S. Foreign Service personnel in the period from 1963 through 1980.

In November 1963, the Deputy Chief of the U.S. Military Mission to Venezuela was kidnaped by the FALN and held for 6 days before being released.

In October 1964, the Deputy Chief of the U.S. air mission to that same country was also kidnaped by the FALN. He was released after 3 days.

In August 1968, John Gordon Mein, the U.S. Ambassador to Guatemala, was kidnaped.

In September 1969, U.S. Ambassador to Brazil Charles Burke Elbrick was kidnaped in Rio de Janeiro by leftist guerilla terrorists, who demanded the release of 15 prisoners and the publication of an antigovernment manifesto. The next day the government agreed to the demands, and Elbrick was released 2 days later.

In March 1970, also in Guatemala, U.S. Labor Attaché Sean Holley was kidnaped and exchanged for four political prisoners of that government.

In the Dominican Republic, in March 1970, Lieutenant Colonel Crowley, the U.S. Air Attaché, was kidnaped and ransomed for 20 political prisoners by the Government of the Dominican Republic.

In Brazil, in April 1970, U.S. Consul Curtin C. Cutter escaped a kidnaping attempt.

In Ethiopia, in April 1970, Jack Fry, a member of the Peace Corps, was kidnaped from a train and released 5 days later.

June 1970 saw two incidents in Jordan. Morris Draper, chief of the U.S. political section was held for 22 hours by the PFLP. His release was negotiated by the host government. In addition, several Americans, including a Foreign Service officer, were held hostage by Fedayeen guerillas in Amman. They were subsequently released unharmed.

Uruguay was also a hotspot that summer of 1970. U.S. AID Public Safety Adviser Daniel Mitrione was kidnaped in Montevideo and AID Adviser Dr. Claude Fry was also kidnaped, along with the Brazilian consul to Uruguay.

In that same city, AID Public Safety Officer Spann was held while his car was used in a bank robbery. He was then released unharmed.

Trouble surfaced again in Jordan in September 1970, when USIS Cultural Affairs Officer Jon Stewart was held and interrogated by a terrorist group. Also held and questioned in a separate incident was Sergeant Graham of USDAO, who was kidnaped for 8 days.

The litany of such incidents goes on:

In Iran, in November 1970, Ambassador MacArthur evaded a kidnap attempt during an event which foreshadowed later troubles with that nation. At least one shot was fired at the Ambassador and a hand axe was hurled through the rear window of his limousine. Fortunately, there were no injuries.

In Turkey, in February 1971, five U.S. airmen were kidnaped and later released unharmed; in March 1972, three NATO technicians there were kidnaped.

In our own hemisphere, once more, U.S. Ambassador to Haiti John Knox was held for 18 hours with Consul Ward Christensen for the release of Haitian political prisoners. The Americans were released unharmed after a ransom was paid. That incident occurred in January 1973.

In October 1975, two American employees of the Embassy in Beirut were kidnaped at a roadblock while driving to work. They were identified as the director and deputy director of a USIA printing facility there.

And on February 14, 1979, U.S. Ambassador to Afghanistan Adolph Dubs was kidnaped in his car in Kabul on the way to the Embassy. During a gunbattle between the rightwing Muslim terrorists holding Dubs and government forces, Dubs was shot and fatally wounded.

Note that Dubs was the fifth U.S. Ambassador to be killed in the line of duty as a result of terrorist activity. Going back to 1973, U.S. Ambassador to Sudan Cleo A. Noel, Jr. an assistant, and a Belgian diplomat were killed by Black September terrorists when demands were not met for the release of Sirhan B. Sirhan from prison in the United States. The terrorists were also seeking the release of 17 of their comrades from Jordanian and West German jails. The perpetrators of these killings were convicted by the Sudanese Government and then were turned over to the PLO.

Another murder of a U.S. diplomat occurred in 1970, when U.S. advisor to Uruguay Daniel Mitrione, in a case I mentioned earlier, was found dead 10 days after he was kidnapped by Tupamaro guerillas after Brazilian authorities refused to release 150 prisoners in exchange for Mitrione and a Brazilian diplomat. The Brazilian was freed after a reported payment of a ransom by his family.

Other deaths in these types of incidents were the killing of U.S. Ambassador to Guatemala John Gordon Mein during a kidnap attempt in 1968 and the murder of three NATO technicians in Turkey in March 1972. The three were killed when the Turkish Government refused ransom demands.

In reviewing the history of these occurrences, I learned of the 1948 incident in Mukden, China, which has some spooky resemblances to the 1979–81 Iran hostage ordeal.

Consider the details of the Mukden affair, keeping the Iran crisis in mind: American diplomats were held against their will for more than a year; the President ordered the Joint Chiefs of Staff to draw up military contingency plans to get them out of captivity; and the State Department urged other nations to apply pressure for the release of the Americans.

President Truman, like President Carter, tried negotiating the release of Consul General Angus I. Ward and his staff. Truman also considered military options. In the end, the Mukden affair was probably resolved, according to one observer, because the Communist Chinese were more sensitive to their image in the world than they had been previously, when they used American hostages to stir up revolutionary fervor. Does this sound at all familiar?

In more recent memory, there is the seizure of the USS *Pueblo* on January 23, 1968. It was not until December 22 of that year that the commander of the vessel, 82 of his crewmen, and the body of an 83d crewman, killed when the ship was seized, were released by their North Korean captors. The North Koreans retained the ship itself. During their captivity, the Navy personnel were tortured and humiliated, as were our hostages in Iran.

The Mukden, *Pueblo*, and Iran situations have several common threads. In each case, the United States was given the choice of negotiating for the safe release of our people or risking their lives through distant and difficult military action, which had the strong possibility of escalating into war very quickly.

Our Government won the safe release of U.S. Ambassador to Colombia Diego Asencio, who was seized in the midst of the Iranian hostage crisis on February 27, 1980. Thirty terrorists brazenly took Asencio and 15 ambassadors from other countries hostage during a diplomatic reception at the Embassy of the Dominican Republic in Bogota. Asencio was released after 61 days, on April 27, 1980, because an anonymous $2.5 million ransom was paid.

We concurrently have another American hostage being held in that country, Chester Bitterman of the Summer Institute for Linguistics. He was captured January 27 of this year by a subelement of the group which took Ambassador Asencio hostage. The State Department is facilitating an exchange of information between the Bitterman family and the Colombian Government at this time.

We are now facing a situation of imprisoned Americans in Colombia with the Bitterman case and in Iran with the Cynthia Dwyer case. She has been held by the Iranians for 9 months, accused by her Iranian captors of being a CIA operative. This week, she appeared before a revolutionary council tribunal on spying charges.

Although the Iran situation had characteristics that were all its own, it was not without precedent in the Mukden and *Pueblo* incidents.

Since 1963, many, many Americans have been kidnapped or held hostage around the globe. We will face hostage problems once again in 1981 and, indeed, throughout the coming years.

We will then learn how President Reagan will implement his words. We will then learn the meaning of Secretary Haig's "consciously ambiguous" yet "clear" signal to terrorists.

I wonder what the future holds for our country and American hostages in distant lands.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, what is the next order of business?

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with Senators permitted to speak for up to 3 minutes each.

Mr. BAKER. Mr. President, I thank the Chair.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE SENATE SCHEDULE

Mr. BAKER. Mr. President, I am advised that the minority is conducting a meeting this morning which all or most of their members will be in attendance.

I think the better progress of the Senate schedule will be accommodated frankly if we do not attempt to transact any business during that period since so many of our Members will not be able to attend and be in the Chamber.

RECESS UNTIL 10:30 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate stand in recess until 10:30 a.m.

There being no objection, the Senate, at 9:30 a.m., recessed until 10:30 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. SPECTER).

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M.

Mr. BAKER. Mr. President, a meeting of Senators is still in progress, and I ask unanimous consent that the Senate stand in recess until 11 o'clock.

There being no objection, the Senate, at 10:31 a.m., recessed until 11 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GORTON).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEBT LIMIT EXTENSION

The PRESIDING OFFICER. The clerk will state the pending business.

The legislative clerk read as follows:

A bill (H.R. 1553) to provide for a temporary increase in the public debt limit.

AMENDMENT NO. 2

(Formerly numbered UP amendment No. 3)

The PRESIDING OFFICER. The clerk will state the pending question.

The legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposed amendment No. 2.

The text of the amendment follows:

At the appropriate place, insert the following new section:

SEC. 2. (a) Notwithstanding any other provision of law, there is hereby imposed an embargo on the export of all goods or services to the Union of Soviet Socialist Republics, except as specifically excluded by the President for national security purposes.

(b) The embargo imposed by subsection (a) shall be in effect during any period during which the President imposes an embargo on the export of grain or any other agricultural product to such country (including the embargo in effect on the date of the enactment of this Act).

(c) During the next two years the President shall, at least once every six months, send to the Congress a review of the adherence of the Soviet Union to international agreements, including the Helsinki Accords of 1975.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

Mr. President, it is my understanding that the distinguished Senator from Iowa, whose amendment is pending, may seek recognition. If he wishes, I will yield to him for that purpose.

Mr. JEPSEN. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors of amendment No. 2 to H.R. 1553: Mr. DOLE, Mr. ANDREWS, Mr. GRASSLEY, Mr. WEICKER, Mr. LEVIN, and Mr. BOREN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. President, I yield to my distinguished colleague from Arkansas (Senator PRYOR) for the purpose of presenting a statement concerning my amendment.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. I thank my distinguished friend from Iowa for yielding the floor to me at this time.

Mr. President, I would like to state that I am one of the cosponsors with the distinguished Senator from Iowa, Senator JEPSEN, of this particular amendment dealing with the Soviet grain embargo that is to be attached, hopefully, to the debt ceiling bill.

Mr. President, last year, when this embargo was imposed by then-President Carter, I was one of the earliest and strongest supporters of this particular action being levied against the Soviet Union, in retaliation for the uncalled for and uncivilized invasion of Afghanistan. In fact, at that time, I called for an across-the-board embargo of all goods being exported to the Soviet Union.

During the last 13 months, however, Mr. President, I have attempted, in the very best way possible, to monitor the impact and the implementation of the particular embargo.

Mr. President, I would like to make it clear that I am not necessarily reversing my position as it relates to the embargo. However, I am, after looking at how this embargo has been executed, at this time stating my strong support for the Senator's amendment, and stating my belief that after 13 months of this embargo that it has not worked, that it has not been implemented fairly, and that I do think the time for its lifting has come.

More specifically, what our amendment attempts to do is to say that if we are to have an embargo of the grain and food, which this Nation so abundantly produces, that embargo is going to be extended further than farm products. It will be extended across the board for all business and for all of our commerce in our dealings with the Soviet Union.

I would also like to echo what I think the Senator from Iowa has said during the course of this debate on this very critical issue.

The American farmer has always been on the very front line in support of preserving our national security and integrity.

I can recall, Mr. President, last year after this embargo was imposed, when I spoke to several farm groups in my home State of Arkansas expressing my support for then-President Carter's decision to impose the embargo.

I must say that the statements in support of the embargo were received with, let us say, mixed emotions. Our farmers at that time sensed that the embargo would not be fairly implemented. Very honestly, Mr. President, I think the farmers, the agricultural community and industry of this Nation were absolutely right in that particular perception they had at that time, 1 year ago.

I do support this amendment offered by Senator JEPSEN. I do not think the embargo as imposed by President Carter has worked. I do not think it meets the basic test of what we might call in this body the fairness doctrine. I think it has hurt farmers but it has not necessarily hurt business.

If we are going to go into the business of embargoing anything, I hope that embargo will be across the board.

Finally, Mr. President, I would like to state that I am in firm accord with an amendment which was attached to the Jepsen amendment of yesterday, offered by the distinguished Senator from Michigan, Senator LEVIN.

I think that particular amendment offered by Senator LEVIN, and which I understand was agreed to and supported by the distinguished Senator from Iowa, has a particular approach which does give the President, in time of national security, national calamity, or whatever distress may befall this Nation, the flexibility in imposing embargos to take the actions he considers to be necessary under the circumstances at a given time.

I think the Levin amendment actually had a strengthening effect upon the Jepsen amendment.

Mr. President, I rise today as a supporter of this concept. I think it is fair. In fact, Mr. President, as I have said since last January, I think it is the only approach that is fair, not only for the American farmer, but also for our entire American citizenry.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. DOLE. Will the Senator yield 1 minute?

Mr. JEPSEN. I yield.

Mr. DOLE. Mr. President, having spoken briefly on the amendment yesterday, I will again indicate to the Senator from Iowa my support of the amendment, and also for the statement just made by the distinguished Senator from Arkansas, Senator PRYOR.

As the Senator from Iowa knows, there is a meeting to take place with the President on February 17 with reference to the grain embargo and the President's action on the embargo.

There were inaccurate stories circulating yesterday that the President decided to extend the embargo. I think the accurate account of the Cabinet meeting was that no decision was reached.

I would suggest that it is still in the process of the President reviewing the present state of the embargo, which he certainly is doing with justification. There have been new circumstances since the original embargo, the Soviet threat to Poland just to name one.

It may take just a while for the President to make a decision.

This Senator is confident that at the appropriate time, in the not too distant future, the President will lift the embargo and perhaps announce other plans dealing with the Soviet Union insofar as grain sales are concerned or sales of any other commodities, technologies, or materials.

I applaud the Senator from Iowa for focusing the attention of the Senate on this very important issue, not just to those of us from farm States but to all Americans who are concerned about our relationship with the Soviet Union.

I thank my colleague for yielding.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. The Senator from Iowa will yield to the Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Senator from Iowa for yielding. I share the concern which has been expressed by my colleagues here repeatedly on the floor about the effects of the grain embargo, the effects on the American farmer, which are adverse, and the effects on the Soviet Union, which have proved to be less adverse than had been expected by the proponents of the embargo. I do not think it has been effective except in terms of hurting the American farmer.

As I said to the former administration at the time the embargo was imposed, I would support the embargo if the farmer was not singled out to bear the burden. There are only two classes of American citizens who have suffered as a result of the action taken by the former administration against the Soviet Union for its actions in Afghanistan: The American farmer was one and the American Olympic athlete was the other. No one else has shared in any part of this burden directly imposed as a matter of policy by this Government in its actions to underline our concern and distaste for what the Soviet Union has done in Afghanistan.

This, I am constrained to say, is not the time to send the wrong kinds of signals to the Soviet Union with respect to lifting the embargo. But if the embargo is to be effective, it must hold the grain within this country. If the American people want to support an embargo aimed at depriving the Soviet Union of supplies, there is only one way to do that. That is to hold the grain inside the boundaries of this country. Otherwise, the grain will get into the world market and once it is there, it will get into Soviet hands. That is one way to prevent that. If we, as people, are willing to pay the price of holding the grain within this country and providing the economic support for the American farmer that is necessary as a result of that action, then I think we should do so openly. We ought not to be playing around with saying that the farmer and the farmer alone ought to bear this burden.

Mr. President, I would support the action of extending the embargo to all goods and services to make the point and also to spread the embargo to the other segments of the society so the farmer alone is not the only one who pays the price of this U.S. policy.

Mr. President, I commend the Senator from Iowa for his leadership in this matter. I support him fully in the effort he has undertaken here today and I shall follow the lead he has set. I hope that we will, sometime, stop punishing the farmer as we try to make some point with the Soviet Union.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, since yesterday, this Senator has met with the Vice President; this Senator has visited with members from some agricultural associations as late as 10:30 this morning in the White House. This Senator has been advised that, indeed, there had been some journalistic license taken when either the innuendo or the direct statements were made that the President had, indeed, refused to lift the embargo. I see there are columns in this morning's paper where it now has become fact that the President has, according to the columns, refused to lift the embargo.

Frankly, Mr. President, this is just not so. There has not been a decision made at this time. It has been discussed very briefly and will be discussed more on the 17th of this month. It is being discussed this morning, very briefly. It has been discussed by members of the Committee on Agriculture and interested members of the agricultural community in the last 24 hours.

I also point out to those members of the administration who feel that the grain embargo is so desirable that, on September 26 of last year, the following Senators voted to lift the embargo: ARMSTRONG, BAKER, BAUCUS, BELLMON, BENTSEN, BOREN, BOSCHWITZ, BURDICK, COCHRAN, CULVER, DANFORTH, DOLE, DOMENICI, DURENBERGER, EXON, GARN, HART, HATCH, HEINZ, HELMS, JACKSON, JEPSEN, KASSEBAUM, LAXALT, LUGAR, MAGNUSON, MATHIAS, McCLURE, McGOVERN, MELCHER, PACKWOOD, PRESSLER, ROTH, SCHWEIKER, SIMPSON, STEVENS, TALMADGE, WALLOP, WARNER, and YOUNG.

I point out to the administration that there are several of these Senators, of course, who are not here now, but I assure my colleagues, that there are Senators like PRYOR, GRASSLEY, SYMMS, ANDREWS, HAWKINS, LEVIN, and others who are here. If we want to put this to a vote and test whether we are going to respond to the will of the people and to the assurances of the understandings that the American agricultural community of this country have had, we shall do so. And we shall do so at a later date, if necessary.

In all fairness to our President, Mr. President, who has been absolutely foursquare, straight from the shoulder, and honest in all of his dealings with me and, to the best of my knowledge, with everyone, every association, in everything that has taken place since his becoming President on the 20th of January, I intend now to withdraw this amendment. I do so with compliments to the President for his integrity and the expressed promise to me that this issue has not been decided and that it will be very carefully looked at and will be discussed and shared with all of those concerned in representing the agricultural community of this country. So, Mr. President, I now, at this time, do withdraw the amendment.

I acknowledge and express my appreciation to my majority leader for his assistance and his understanding as this transpired. I express my appreciation to Senator DOLE for his usual wisdom in counsel and guidance that he gives to those of us who are younger in tenure here in the Senate, and he does it free of charge.

Mr. President, I withdraw the amendment. I trust and hope that we can follow the President's wishes today to increase the debt limit as he asks it and I wish him a happy birthday.

I thank the Chair.

The amendment was withdrawn.

AMENDMENT NO. 3

(FORMERLY UP AMENDMENT NO. 4)

(Purpose: To decrease the level of the temporary debt limit from $585,000,000,000 to $558,000,000,000)

The PRESIDING OFFICER. The clerk will state the next amendment.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) for himself and Mr. BRADLEY, Mr. CHILES, Mr. BUMPERS, Mr. HART, Mr. LEVIN, Mr. MATSUNAGA, Mr. INOUYE, Mr. BAUCUS, Mr. BOREN, and Mr. GLENN, proposes an amendment numbered 3.

On page 1, line 7, strike out "$585,000,000,000", and insert in lieu thereof the following: "$558,000,000,000".

Mr. ROBERT C. BYRD. Mr. President, on behalf of myself, Mr. BRADLEY, Mr. CHILES, Mr. BUMPERS, Mr. HART, Mr. LEVIN, Mr. MATSUNAGA, Mr. INOUYE, Mr. BAUCUS, Mr. BOREN, Mr. GLENN, and others on my side of the aisle, I modify the amendment which I offered on behalf of these Senators last evening by striking the figure $558 billion on line 2 of the amendment and inserting in lieu thereof the figure $563 billion.

The PRESIDING OFFICER. The amendment is so modified.

The modified amendment is as follows:

On page 1, line 7, strike out "$585,000,000,000", and insert in lieu thereof the following: "$563,000,000,000".

Mr. ROBERT C. BYRD. Mr. President, I am informed that the figure $963 billion, on the basis of information submitted by the Department of the Treasury and the Congressional Budget Office, would be sufficient to take the administration well into the month of May before any request, even if then, would have to be made to further extend the debt limit. So that, instead of reducing the $50 billion figure by a total of $27 billion, the reduction would only be $22 billion. The $985 billion would become $963 billion, rather than $958 billion.

Mr. President, I hope that the Senate will adopt this amendment. It is offered for a number of reasons, one being that the Senate ought to be dealing with a debt limit extension figure based on the assumptions of President Reagan, which, in turn, would be based on his economic package, expected to be submitted to a joint session of the Congress and the American people on February 18. The $985 billion figure is based on the Carter budget. Mr. Reagan indicated in a speech in September of last year, in Chicago, that, in his judgment, by making a comprehensive effort to wipe out fraud and abuse in Federal programs, the overall fiscal year 1981 budget could be cut by 2 percent, possibly even 3 percent. That would be within the range of $13 to $18 billion.

So, in view of the fact that the budget limit extension request by Mr. Reagan is based on the Carter budget and he has indicated that he can execute such savings, those of us who suport the amendment feel that before we extend the debt limit beyond, let us say, May, we ought to have before us the details of the economic package which the President intends to reveal to the joint session and the American people on the 18th. Then we can go from there.

If there is a request in May or at some point later to extend the debt limit further, we can make that decision on the basis of the needs at that time and, also, we would have before us the details of the President's economic package. That is the reason, the main reason, for our submitting this amendment at this time.

We certainly want to be reasonable. The $958 billion figure that was chosen yesterday and which was incorporated into the amendment as it was first offered was what we thought would be a reasonable figure to get the administration into April—certainly into March, mid-March, perhaps.

But we have decided to revise the figure upward. We do not want to unduly create pressures on the President and the administration. We feel that, based on the Treasury numbers, the new figure would be more flexible and more reasonable, and therefore we modify the amendment accordingly.

I have asked all Democratic Senators to withhold offering any other amendment to the debt ceiling bill. Senator METZENBAUM had indicated previously that he intended to offer an amendment to recontrol the price of oil until September, 30, 1981, as had been the case before the President's action on decontrolling the price.

I know that this is a matter about which Senator METZENBAUM and a number of other Senators feel very deeply. I have discussed the matter with Mr. METZENBAUM on several occasions during the last few days and yesterday morning and again this morning. He has agreed to my request not to offer the amendment. I have assured him, in return, that I will assist him in bringing this issue to a vote at the earliest possible date. So I wish personally to express my appreciation to him.

I know how reluctant he is to refrain from offering the amendment at this time. He feels very strongly about it. But other Senators on my side of the aisle have acceded to a similar request by me, Mr. CHILES being one, and other Senators, as I say.

Mr. METZENBAUM then acceded to my request with the understanding that I do everything I can to assist him—and I have no doubt that I can assist him—in bringing the matter to a vote at the earliest possible date, and I have assured him that I will do that.

So I thank him, and I thank all other Senators on my side who have agreed not to proceed at this time with amendments. This should enable us to reach a vote on the amendment which is now pending at a reasonably early hour today.

I understand that the distinguished majority leader will offer a motion to table the amendment, which is certainly within his rights. I have no personal feeling against him for doing that. I would do the same if I were in his position and felt as he does about it. I recall that on occasions I have moved to table amendments by him. I did so without any personal feeling, and I am sure the same is true with respect to him in this instance.

I hope that the motion by Mr. BAKER to table my amendment will fail. It is a good amendment. I should like to see the Senate vote on it, and I hope that Senators will vote against the tabling motion when it is made.

There are some other Senators on my side of the aisle who will want to speak on this amendment.

Mr. BAKER. Mr. President, will the Senator yield to me briefly, so that I can make an inquiry of the minority leader?

Mr. ROBERT C. BYRD. I yield to the distinguished majority leader.

Mr. BAKER. I thank the minority leader.

Mr. President, I will not speak at length. I am pleased that it appears now that we are about to reach a vote on the Byrd amendment.

The distinguished minority leader and I have discussed the time for such a vote, and I have represented to him that it was my intention to move to table, at a mutually convenient time. He may be assured that I consider a tabling motion purely a procedural matter, that it is often used by the leadership on both sides of the aisle, and certainly it implies nothing except the necessity to try to implement a legislative program.

Mr. President, I hope we can agree on a time certain to vote. Procedures have been difficult and very interactive today.

I wonder whether the minority leader would be agreeable to a vote on a motion to table his amendment to begin, say, at 11:45. That would be about 15 minutes from now.

Mr. ROBERT C. BYRD. That would be agreeable to me. Senator BRADLEY indicates that it would be agreeable to him.

Mr. METZENBAUM. Mr. President, I should like to speak for a moment or two on the question of recontrol.

Mr. ROBERT C. BYRD. That is agreeable to me.

Mr. BAKER. In that case, I ask unanimous consent that at 11:45 I be recognized for the purpose of making a motion to table the Byrd amendment, and I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, reserving the right to object, it is not clear to me how many people wish to speak on this issue. It would be my desire to be recognized to speak, and I believe that what I have on my mind would require about 15 minutes.

I wonder whether the majority leader would be disposed to adjust the schedule for the tabling motion in some way so that I might be recognized for that purpose.

Mr. BAKER. Mr. President, I add to the request previously made the proviso that the time remaining before the vote on the tabling motion be equally divided between the distinguished Senator from Kansas (Mr. DOLE) and the distinguished minority leader, and that the time be adjusted to 12 o'clock.

Mr. DOLE. That would not give me any time.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished majority leader will yield, I am content with 7 minutes on this side, if the distinguished majority leader could assure Mr. ARMSTRONG of 15 minutes, and we could vote easily at——

Mr. BAKER. That would be 12 o'clock.

Mr. President, I modify the request to provide for the recognition of the majority leader to make the motion to table at 12 o'clock meridian.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. On the conditions I previously stated as to the division of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, was it included in the time that there be 7 minutes allocated to the minority and the remaining time between now and 12 o'clock would be allocated to the control of the distinguished chairman of the Finance Committee?

The PRESIDING OFFICER. That is the order.

Mr. BAKER. Mr. President, I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. I thank the minority leader.

Mr. ROBERT C. BYRD. I thank the majority leader.

I yield the Senator from Ohio (Mr. METZENBAUM) 2 minutes.

Mr. METZENBAUM. Mr. President, the majority leader reflects my views as well as the views of a number of other Senators who feel strongly that the issue of recontrol should be put to a vote in the Senate.

We all heard the President's message last evening about the serious economic conditions facing this country. On the same day, however, the airlines increased their rates 5 percent solely as a result of increased fuel prices.

It is my view and the view of many other Members of this body that it is not possible to control the spiral of inflation so long as we have continually increasing energy prices.

I note with concern and dismay that the President also is contemplating deregulating the price of natural gas, a subject which has been on the floor of the Senate on many occasions. I believe that proposing deregulation may be a way of carrying out campaign commitments, but I do not believe deregulation will help the President achieve his objective and the objective of all Members of Congress, of bringing down the spiral of inflation, of bringing a halt to this cruel injustice upon so many people in this country.

Therefore, I am pleased that the minority leader has indicated that he will assist me in bringing this issue to a vote at a later point. I say to the Members of this body that the issue will come to a vote on the floor at the earliest possible time.

I reluctantly agreed not to offer the amendment today, because I felt the leader's efforts to indicate the position of the minority on the debt limit extension are important. I want to cooperate with him and the other Members on this side.

Mr. ROBERT C. BYRD. Mr. President, I again thank my distinguished friend, the Senator from Ohio.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I yield 7 minutes to the distinguished Senator from Colorado.

Mr. ARMSTRONG. I was hoping that I might be yielded more than that. Would it be convenient for the Senator to yield me more time?

Mr. DOLE. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator from Kansas has 20 minutes.

Mr. DOLE. I yield 12 minutes to the Senator from Colorado.

Mr. ARMSTRONG. I thank the Senator. I am grateful to the Senator from Kansas for yielding to me.

Mr. President, I believe that the issue before us today has been portrayed improperly as a housekeeping measure. In fact, we have been told on one occasion or another that it is just a formality, that it is virtually a ministerial task. Yet, it is interesting to note that consideration of this matter, on and off the record, has been accompanied by much public groaning and agonizing by my Republican colleagues.

In the meantime, many of those on the other side of the aisle have exhibited a somewhat smirky demeanor; because the Democratic Members of this body sense—correctly, in my judgment—that the GOP, in its first major legislative action of the year, is about to do exactly the opposite of what my Republican friends and I have spent several decades telling the American people that we believe in.

We are going to do exactly the opposite, that is, that we are about to raise the national debt.

It is not surprising to me that the minority leader and other Democratic partisans are watching this benevolent metamorphosis with glee. They have been stung, and they are going to get even. That is the message that they have transmitted through the media, and I have no doubt that is exactly what they are going to do in this Chamber today.

We Republicans have been out on the campaign trail going after them, hammer and tong, portraying them as the party of big spending, inflation, and deficits that result.

We have used and I have used, and many others on my side of the aisle have used, the recorded votes on increasing the debt ceiling as the evidence to prove our charge.

Now a curious role reversal has occurred.

I say to the ladies and gentlemen of the Senate that, if anyone is wondering why it is that the American people think that the inmates have taken over the asylum around here, I will submit this week's action in Congress as prima facie evidence of why.

The Democrats who have been telling us all along that it is all right to have big spending and big deficits, and that it is reasonable, even meritorious to raise the debt ceiling, are now saying we are going to vote against it because we want to embarrass the Republicans politically. And the Republicans who have been saying it is wrong in principle, it is morally wrong, it is financially wrong to raise the national debt are now preparing to do exactly that.

Surely, it is no wonder that there is a degree of cynicism abroad in the country. Surely, it is no wonder that people at home think that politicians will do or say just about anything out on the campaign trail and when push comes to shove one cannot tell what they are liable to do when serious policy questions are being voted on in the Senate.

Mr. President, it is my belief that any kind of excess tends to dull one's senses, whether it is the excess of drink, the excess of food, or certainly the excess of spending tends to coarsen one's ability to discern the true measure of what is being voted on.

Fifty billion dollars—think of it—what a staggering sum? Just to put that in perspective $50 billion is half of everything that Americans will save this year. In the third quarter of 1980 Americans were saving at the rate of $100 billion a year. In this one action, in this one less than a year increment of increase in the national debt we are proposing to soak up half of everything that the American people will save this year, and we are doing it at a time when they are saving less than they ever did before, when new investments in capital goods and job producing investments are so desperately needed. We are going to wipe out half of that just in one action here today.

I understand that the capitalization of General Motors, which is one of our large industrial companies, is $32 billion. We are going to wipe out way more than that just in this one vote today.

Do Senators know that from the American Revolution until the First World War the whole expenditure of this Government was less than $1 billion? Today, in one stroke, in one vote, we are going to authorize an increase in the national debt that is 50 times as much as was spent from the American Revolution until 1917?

Do Senators know the first time that the total of the Federal debt exceeded $50 billion, the amount by which we are going to raise it today? That has not been 100 years or 75 years ago. It was in 1941 that the national debt first crossed $50 billion.

Do Senators know that the first time that the total budget of the Federal Government for all purposes in peacetime exceeded $50 billion? When do they suppose that was—1920 or 1930? No. The first time that that happened, I am advised, was 1954, the first time that that happened in peacetime.

Mr. President, as large a sum as $50 billion is, that is not the real cost of the action that we are taking today because immediately after we borrow this money we are going to start paying interest on it, and at the present rate of interest in the next 10 years what we are borrowing today is going to cost us an additional $96 billion in interest payments, and over 20 years just the $50 billion we are borrowing today is going to cost us $151 billion.

Think what we could do if we put that in productive investment in what this country needs to industrialize, if we put it in plant and equipment, or if we leave it in the hands of the private sector and leave it to the taxpayers as I think we should do.

If the Senate will excuse me a parochial note. I simply wish to also point out that just to pay the interest on the amount that we are going to borrow, if we increase by $50 billion, not to pay the interest on the whole national debt but only the interest on this $50 billion

is going to take all of the taxes that we paid this year by the people of my State. Every penny of taxes that was paid by the people of Colorado, by the people of Utah, and by the people of Maine will go to pay the interest just on this segment, just this portion of the debt.

In case anyone is wondering how many States will pay all of their taxes, every nickel, every dime of Federal taxes that they are going to pay this year just to pay the interest on the remainder of the debt that is going to happen to the people of Vermont, Wyoming, South Dakota, North Dakota, Louisiana, the Washington, D.C., area, New Hampshire, Rhode Island, Hawaii, Utah, Nebraska, West Virginia, Mississippi, Arkansas, Arizona, South Carolina, Kansas, Oklahoma, Oregon, and there is one other State that I cannot read in my notes. There are 26 States and all the residents of those States are going to pay all their taxes this year just to pay the interest on the national debt.

And here we are in a routine ministerial housekeeping measure extending that by another $50 billion.

I do not think we should do that, but I have listened respectfully to the arguments which suggest that we should, and I wish to analyze each of the arguments I have heard briefly.

Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. ARMSTRONG. Mr. President, it becomes clear to me that I am not going to be able to complete my thoughts within the 12 minutes which has been allotted to me. So, rather than analyzing in detail at this moment the main issue, I will return to that subject after the vote on the tabling motion, and I wish to only use the 4 minutes which remain to me to discuss the question of whether or not the minority leader is right in suggesting that we reduce the amount of the proposed increase.

Mr. President, I am chagrined to say that once again the distinguished minority leader is a jump ahead of me, for had he not offered this amendment I should have surely done so.

I do not want to increase the national debt by $25 billion or $10 billion or by any amount. But if we are going to increase it, if we have to take that awful step, then surely it is wise to minimize the amount of damage that we are going to do.

I think that is really the effect of the minority leader's motion, so I am going to vote "no" when the question comes on tabling, and I will suggest to the minority leader and to all of my colleagues that in fact we can get by very handsomely on the amount of the proposed increase. Indeed, as I shall explain in my further remarks after the tabling motion is voted on and defeated I trust, at that time I would wish to discuss in some detail the cash flow of this Government because we have been led to believe that if we do not pass some kind of a debt extension really the Government is going to come to a halt, and nothing could be further from the truth.

I have here and I will share with the Senate and then ask at the proper time to have printed in the RECORD information furnished me this week by the Secretary of Treasury which indicates to me that really if we did not increase the national debt by 10 cents there are other alternatives which would permit us to go on and do our business, albeit with some inconvenience and some dislocation, for a long enough period of time that we could then have before us the President's economic package and consider the possible budget savings, possible changes in the regulatory environment, and possible institutional reforms of the budget process.

Mr. President, under the circumstances, since I intend to rise again to speak on the broader question of arguments raised in support of the debt ceiling, let me just conclude my remarks at the moment by urging my Republican colleagues to vote against the motion when it comes to table the Byrd amendment.

I regret that fate has given to me the role of opposing the majority leader in offering this tabling motion. I understand why he does it. But I think that the Senate and Nation will be well served by an extended, not exhaustive, but at least a greater debate upon the Byrd amendment and the question it presents.

For those reasons, it is my intention to vote against tabling.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I have listened to the Senator from Colorado, and I do not agree with his conclusion, but certainly I understand he is a man of strong conviction, and we hope we can prevail without that one vote. If not, we may be here for some time.

But in any event, I regret to some extent that some of the other amendments will not be offered, but I understand Senator METZENBAUM will offer an amendment at some appropriate future time with reference to recontrol or recontrol of decontrol.

But the matter before us today is simply whether or not we should extend the debt ceiling. There are probably a lot of things we could do at this point other than increasing the debt ceiling that would be less painful to some.

The best evidence we have from the Joint Tax Committee and from the Treasury is that the amendment offered by Senator BYRD would have meant coming back to this issue within the next 2 or 3 weeks.

I think now with the modification we could probably sustain the Government and it could pay its bills, at least maybe up until May, as the distinguished Senator from West Virginia indicated, because a lot of money comes in in April, at tax paying time, and would help get us through May.

I have read a lot of the statements made over the past years by Democrats about the necessity to move ahead with the debt ceiling. I did not read any of those made by Republicans. I already knew all of those arguments as to why we should not. But being one who has voted to extend the debt ceiling from time to time I believe I understand where we are today.

I do not believe that the opposition by the Democrats is any reflection upon their willingness to cooperate with the President. After all, this is his birthday and we would not want to do anything but please him today.

I must sugest that claiming this as his first legislative victory will not be something that he will cherish, whether it falls on this date or any other date. But when he came to Government he found very quickly that in order to pay the Nation's bills it would be necessary to ask for an extension of the debt limit. He had no choice. He said, as I recall, in a letter he sent to the Congress, that he did it with great regret. He was not responsible for any of the bills that had been run up in this country. But in any event he did what he should have done.

Whether he should have gone up $50 billion or less was a matter of judgment. Frankly, early on my advice was not to go all the way through the fiscal year, but to go about halfway, and then we would have some vehicle to attach budget cuts and tax cuts to at a later time. But that was not the judgment made by the leadership and by the President and, therefore, it is our responsibility to support the President, and I am certain we will have overwhelming support on both sides of the aisle.

Hopefully we will demonstrate that support after we table the amendment. Then I would hope we would all express ourselves on the question of final passage, not because we want to vote to extend the debt limit, but because it indicates we favor any spending program that may have been responsible for the tremendous debt, but because we understand that as a Nation we should pay our bills.

I yield to the majority leader.

ADJOURNMENT OF THE HOUSE FROM FEBRUARY 6 TO FEBRUARY 17, 1981, AND ADJOURNMENT OF THE SENATE FROM FEBRUARY 6 TO FEBRUARY 16, 1981

Mr. BAKER. Mr. President, I ask that the Senate proceed to the immediate consideration of House Concurrent Resolution 58, which is the adjournment resolution sent to us by the other body.

The VICE PRESIDENT. The clerk will state the resolution by title.

The legislative clerk read as follows:

Concurrent resolution (H. Con. Res. 58) providing for an adjournment of the House from February 6 to February 17, 1981, and an adjournment of the Senate from February 6 to February 16, 1981.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. I realize what the rules say with regard to this resolution. I had sort of hoped that the resolution would await the extension of the debt limit so that any circumstances that might arise would not be made more stringent by the adoption of the resolution.

Conceivably this subject that is before us in regard to the debt limit could go beyond today. I hope it will not. But it was for that reason that I hoped we

would not perhaps take up the adjournment at his time.

Mr. BAKER. Mr. President, I thank the distinguished minority leader. Once again, he and I discussed this matter a little before, and I respect his point of view and I appreciate his statement. I would prefer, however, to go forward with the consideration of this resolution at this time.

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution. (Putting the question.)

The concurrent resolution (H. Con. Res. 58) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORITY FOR CERTAIN ACTION DURING ADJOURNMENT

Mr. BAKER. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until February 16, 1981, the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives and that they be appropriately referred.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until February 16, 1981, the President of the Senate, the President pro tempore, or the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER OF PROCEDURE UPON RECONVENING ON FEBRUARY 16, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate reconvenes on Monday, February 16, 1981, that the reading of the Journal be dispensed with; that no resolution come over under the rule; that the call of the calendar be dispensed with; and that the Senate immediately proceed to a period for the transaction of routine business, not to exceed 1 minute, with Senators permitted to speak therein.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, this request permits a bit of morning business so that committee reports and statements can be brought in. It prevents bills from coming in under the rule. It disposes with the call of the calendar under rule VII and rule VIII. It does not prevent the bill which I have at the desk which would come up automatically for a second reading from going on the calendar once objection is made to further action on that measure at that time.

It does qualify any measures that are on the calendar at that time under the 1-day rule.

I have no objection, provided the distinguished majority leader intends to adjourn.

Mr. BAKER. Mr. President, I would tell the distinguished minority leader it is my intention to move to adjourn the Senate after we conclude today's business.

Mr. LONG. Mr. President, reserving the right to object, I am concerned about a number of matters that could conceivably happen. I do not know what the majority leader has in mind. If I understood what he had in mind, I may not be inclined to object at all. I can conceive of a scenario that I would not be happy about at all. At this point, I feel I must object.

Mr. BAKER. Mr. President, will the Senator withhold his objection?

If I can have unanimous consent to proceed for 30 seconds——

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I would like to assure the Senator I have nothing in mind except to provide for an orderly procedure when we reconvene after adjournment. To this point, the Senate has recessed at the close of business on each day. It is my intention, as I pointed out, to adjourn today, instead of recessing.

These are purely housekeeping matters. They have nothing to do with anything of substance. I give my personal representation to the Senator from Louisiana I have nothing else in mind.

Mr. LONG. Mr. President, can we be assured that those of us who might object to some matter coming before the Senate, that we might strongly oppose being brought forth in this fashion, will have our rights protected? That is what I am concerned about.

Mr. BAKER. I think the Senator may be talking about things such as televising sessions of the Senate, which I understand the distinguished Senator opposes and which I support. I will give him my personal assurance that no aspect of that will be involved.

Mr. LONG. There might be other things. Can we be assured that those of us who might object to some particular matter will not have our rights prejudiced, a legislative matter or a change in the rules, or something of that nature?

Mr. BAKER. No rights are prejudiced under this request. The request is straightforward and means nothing more than what it says on its face.

Mr. LONG. Then I have no objection.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, Dick Russell told me that every rule in the book has a counter-rule. I am not concerned that we on this side will be caught napping. I do not care what the distinguished Senator has in mind, the distinguished majority leader.

Mr. BAKER. I sort of got that feeling.

Mr. ROBERT C. BYRD. I assure my colleagues, Mr. LONG and others, that their rights are going to be well protected.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. I thank the Senator from Kansas for permitting the interruption.

DEBT LIMIT EXTENSION

The Senate continued with the consideration of the bill.

Mr. DOLE. Mr. President, how much time does the Senator from Kansas have?

The VICE PRESIDENT. Two minutes remain.

Mr. DOLE. Mr. President, I reserve the remainder of my time.

The VICE PRESIDENT. Who yields time?

Mr. PERCY. Mr. President, will the distinguished minority leader yield me 1 minute?

Mr. ROBERT C. BYRD. I cannot. I only have 5 minutes, I am sorry to say, and I promised to yield to Mr. BRADLEY.

Mr. PERCY. Mr. President, will the distinguished floor manager on the majority side yield me half a minute?

Mr. DOLE. As I understand it, there should have been 3 minutes left.

Mr. ARMSTRONG. Mr. President, is there any of my time left?

The VICE PRESIDENT. All the time of the Senator from Colorado has expired.

Mr. DOLE. I yield 30 seconds to the Senator from Illinois.

Mr. PERCY. I thank my distinguished colleague. I just simply want to reaffirm that I hope we have a strong vote for tabling. The place to cut the budget is through the budget process itself, not on the debt limit. We certainly have a President of the United States and a Director of the Office of Management and Budget who want to cut spending. Congress will have its chance to modify spending when the President sends up his revised budget in 2 weeks.

For heaven's sake, we should not hold up the Government and put it in an embarrassing fiscal position. Let us have an overwhelming vote on the tabling motion.

Mr. DOLE. I reserve the remainder of my time.

The VICE PRESIDENT. Who yields time? If neither side yields time——

Mr. ROBERT C. BYRD. Mr. President, I yield my time to Mr. BRADLEY.

The VICE PRESIDENT. The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, the Federal Government is now operating under a temporary debt ceiling of $935.1 billion. This figure, which originated in the first budget resolution for fiscal year 1981, was supposed to serve us until September 30 of this year. But then the recession interceded. With people out of work, Government tax collections went down and Government spending increased to provide unemployment insurance payments and other assistance to help the unemployed and their families cope with their economic difficulties. Continued high interest rates, which the Government must pay when borrowing money to meet these costs of recession, also contributed to the rise in the Federal debt. As a result of all these forces, the temporary debt limit of $935.1 billion will not accommodate the Government's

financial requirements and obligations beyond mid-February.

Once the debt ceiling is reached and the Government's supply of operating cash is exhausted, no funds will be available to make payments under any authorized program or contractual obligation. That means no checks for social security; no pay checks for those serving in the Armed Forces; no payments to State and local governments carrying out programs in partnership with the Federal Government; no payments to construction companies working on highway projects or mass transit systems; no crop subsidy payments to farmers; and many, many others. In short, the U.S. Government would have to default on its obligations.

Such a disruption in the lives of our citizens and the workings of our businesses is in no one's interest. And it is certainly not my intent, or the intent of any Member of the Senate, I believe, to allow such an event to come to pass.

At the same time, I cannot support the new administration's request for an increase of $50 billion in the temporary debt limit. By their own explanation, as Secretary Regan told the Finance Committee the other day, this figure reflects the amount that would be required under the economic and program assumptions presented in President Carter's budget report and recommendations on January 15. Yet you will recall that Mr. Stockman, the new OMB Director, has promised that everything in the Carter budget would have to be reworked "from top to bottom."

Since then we have also been assured by the new administration that it intends not only to propose massive spending cuts in the fiscal year 1982 budget, but also significant tax cut legislation, effective sometime in this fiscal year, and even cuts in remaining fiscal year 1981 funding of some billions of dollars. All of these proposals leads me to question whether we are being truly responsible if we simply ratify a rise in the debt limit based on economic assumptions that the new administration insists will be no guide to the progress they expect to make.

I think a more limited approach is indicated—one that will provide for the necessary increase in the debt limit ceiling, but one that will permit the Congress to consider the longer term issue once we have had the opportunity to see the administration's cut and spending cut proposals.

The amendment that Senator ROBERT C. BYRD offered today on behalf of most Democrats in this body simply does that.

Under its provisions the debt limit would be temporarily increased not to $985 billion, but to $963 billion which, according to the distinguished Senator from Kansas and the Joint Committee on Taxation, will get us through to the end of April and which, according to the Congressional Budget Office, will also get us to the end of April.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Congressional Budget Office specifying those dates and the specific revenues that would be subject to the debt limit.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., February 6, 1981.

Hon. ROBERT C. BYRD,
Minority Leader,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: This letter is in response to your request for the Congressional Budget Office's projections of the monthly levels of federal debt subject to limit for fiscal year 1981. These projections, which are attached, are based on our preliminary analysis of President Carter's 1982 budget estimates for fiscal year 1981 and the following critical assumptions:

1. A combined unified and off-budget deficit of $80 billion for fiscal year 1981.
2. A surplus of $4.5 billion in federal trust funds.
3. A cash balance of $15 billion at the end of each month.

The actual end-of-month balance usually varies. Also attached are CBO's projections of the monthly levels of debt subject to limit with our best estimates of projected end-of-month balances.

I hope that this information will be useful.

Sincerely,

ALICE M. RIVLIN,
Director.

ESTIMATED FEDERAL DEBT SUBJECT TO LIMITATION

(In billions of dollars)

End of month	Federal debt subject to limit with $15 billion end-of-month cash balance	CBO projections of end-of-month cash balances	Federal debt subject to limit with projected end-of-month cash balances
February	947	11	943
March	960	8	953
April	955	18	959
May	969	11	965
June	963	14	962
July	971	19	966
August	981	12	978
September	986	21	992

Mr. BRADLEY. Mr. President, by the end of April we will have had the opportunity, in conjunction with our established budget processes, to consider the shape and size of the budget for the remaining months of this fiscal year and the prospects for fiscal year 1982. We should then be able to make a more accurate and more responsible estimate of our debt limit requirements.

Mr. President, the approach we are taking today is a sound and reasonable approach. It says—

> Let us not increase the debt limit without being certain of what the requirements will be under this administration's new budget, new tax cut legislation, and new assumptions about the next fiscal year.

So, Mr. President, I urge my colleagues to join in support of this amendment. I think it is reasonable, I think it is sound, and I think it speaks to the need to consider the merits of the upcoming budget cuts and the tax cut legislation.

There has been much made about this being a political gesture. Mr. President, this is not a political gesture: this is a responsible gesture, one that gives us the time necessary and necessary information to make recommendations for the upping of the debt limit.

The VICE PRESIDENT. All the time of the Senator from New Jersey has expired.

The Senator from Kansas is recognized.

Mr. DOLE. I have about a minute and a half. Give me about 30 seconds just to indicate that I feel very strongly on this question—I appreciate the remarks of the distinguished Senator from New Jersey, and we look forward to his assistance in cutting the budget. But we have had enough increases in the debt ceiling of $25 billion, $35 billion, $50 billion, and I have never seen such concern expressed on the other side before. But in any event we understand the game that is before us, and I just suggest that we should support the President on this vote and support the motion to table, if the majority leader will now make it.

Mr. BAKER. Mr. President, I now move to table the Byrd amendment. I inquire, have the yeas and nays been ordered?

The VICE PRESIDENT. The yeas and nays have been ordered.

Mr. BAKER. Mr. President, I yield back any remaining time.

The VICE PRESIDENT. The question is on agreeing to the motion to lay on the table the amendment of the Senator from West Virginia. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ARMSTRONG (after having voted in the negative). Mr. President, on this vote, I have a pair with Senator STEVENS. If he were present and voting, he would vote "yea" and I have voted "nay." For that reason, I withdraw my vote.

Mr. BAKER. I announce that the Senator from Maine (Mr. COHEN), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Ohio (Mr. GLENN), the Senator from Montana (Mr. MELCHER), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. MELCHER), would vote "nay."

The VICE PRESIDENT. Are there any other Senators seeking to vote?

The result was announced—yeas 52, nays 41, as follows:

[Rollcall Vote No. 22 Leg.]

YEAS—52

Abdnor	Grassley	Nickles
Andrews	Hatch	Packwood
Baker	Hatfield	Percy
Boschwitz	Hawkins	Pressler
Byrd, Harry F., Jr.	Hayakawa	Quayle
Chafee	Heinz	Roth
Cochran	Helms	Rudman
D'Amato	Humphrey	Schmitt
Danforth	Jepsen	Simpson
Denton	Kassebaum	Specter
Dole	Kasten	Stafford
Domenici	Laxalt	Symms
Durenberger	Long	Thurmond
East	Lugar	Tower
Garn	Mathias	Wallop
Goldwater	Mattingly	Warner
Gorton	McClure	Weicker
	Murkowski	

NAYS—41

Baucus	Exon	Mitchell
Bentsen	Ford	Nunn
Biden	Hart	Pell
Bonn	Hatfin	Proxmire
Bradley	Hollings	Pryor
Bumpers	Huddleston	Randolph
Burdick	Inouye	Riegle
Byrd, Robert C.	Jackson	Sarbanes
Chiles	Johnston	Sasser
Cranston	Kennedy	Stennis
DeConcini	Leahy	Tsongas
Dixon	Levin	Williams
Dodd	Matsunaga	Zorinsky
Fagleton	Metzenbaum	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Armstrong, against.

NOT VOTING—6

Cannon	Glenn	Moynihan
Cohen	Melcher	Stevens

So the motion to lay on the table Mr. ROBERT C. BYRD's amendment (No. 3), as modified, was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 5

(Purpose: to increase the level of the temporary debt limit to $604,000,000,000)

The VICE PRESIDENT. Are there further amendments? The Chair recognizes the Senator from Idaho.

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an unprinted amendment numbered 5.

On page 1, line 7 strike "585,000,000,000" and insert in lieu thereof, "$604,000,000,000".

Mr. McCLURE. Mr. President, it may come as quite a shock to some in this body to hear the senior Senator from Idaho—who spoke on this floor many times before, arguing as forcefully as he knows how against measures which result in Federal deficits—offer an amendment which would have the effect of increasing the debt ceiling to a figure higher even than the administration has requested.

However, let me assure Senators that I have not abandoned my principles or my beliefs. I offer this amendment to make what I believe is an important point.

The minority leader, in his remarks on offering his amendment to reduce the debt ceiling request by $27 billion—$22 billion, I think, in the revision—argued that the reduction should take place because President Reagan's $985 billion request was based on President Carter's budget. But that is just the point. The President and Congress, for that matter, are in fact hamstrung by the spending policies of the previous administration and Congress. In fact, Mr. President, it is those policies which I am afraid will lead us to a higher debt than the administration is willing to request.

I understand that no one wants the national debt to cross over the trillion-dollar mark, but the sad fact is that past actions of Congress will push the debt beyond $1 trillion, despite all our efforts to cut Federal outlays. We must understand that and face up to it now, today, and let the people of this country know it has happened and why, rather than keeping the bad news from them until a time the leaders on the other side will calculate to politically embarrass the Reagan administration in their efforts to control spending.

The PRESIDING OFFICER (Mr. WARNER). The Senate will be in order. The Sergeant at Arms will obtain order in the Senate. The Senator from Idaho will suspend until such time as there is order in the Chamber.

The Chair recognizes the Senator from Idaho.

Mr. McCLURE. I thank the Chair, and I thank my colleagues.

Mr. President, in his budget, President Carter set his estimate of the Federal debt at the end of fiscal year 1982 at $1,057,664,000,000. If this figure is anyhing like the other overly optimistic estimates of the Carter administration, it is unrealistically low.

President Reagan has told us that he will reduce outlays in fiscal year 1981 by $13 billion and by $40 billion from the Carter budget for fiscal year 1982—in other words, a $53 billion reduction in proposed spending. Using the Carter estimates, that would put the Federal debt at $1,004,000,000,000, even after the $53 billion reduction in spending.

That is the figure I am suggesting we set as the debt ceiling, because to me it is a more realistic estimate and perhaps even an optimistic estimate. That is, then, an increase in the temporary debt ceiling of $68.9 billion, instead of the $49.9 billion contained in the bill.

Mr. President, I enjoy the political process as much as anyone else, and I certainly understand what the distinguished minority leader has been trying to do here today. But, perhaps unlike others in my party and perhaps in the new administration, I have learned that the old "go along to get along" philosophy will not work in an era of crisis.

As the President said last night, we are in an economic crisis. I, for one, am not willing to stand by and see the scenario set whereby the confidence of the American people in a President who offers the best possible hope of turning around the incredibly wrongheaded tax-and-spend philosophy of the past years is categorically shattered.

I hope that those who share my support for the goals that the President has outlined will support my amendment as a realistic statement of where we are and where we are likely to be within the next 12 months.

Mr. President, I have spoken to the President of the United States, who is as sincere as any man can be in his attempts to get spending under control and to reduce the size of the deficit. I have indicated that there is absolute certainty—at least in the mind of this Senator—that before 12 months are out, we will have passed the trillion-dollar debt ceiling because of past policies, and Congress will have been asked to participate in that action and Congress will have voted to increase the debt ceiling.

The increase in the debt ceiling from $935 billion to $985 billion is temporary, as everyone in this body knows. We will be back before the end of this year, facing that action, sought by others, to finance the spending that has been placed into law by action of this body and the other body in years past, supported by administrations of both parties in the past, which will push the debt beyond $1 trillion; and an attempt will be made—and is being made now—to delay that action until it becomes a Reagan administration responsibility.

Mr. President, it is not a Reagan administration responsibility. It is the responsibility of Congress and past administrations who have created the inevitability, the absolute certainty, that that will occur.

The purpose of my amendment is to recognize that right now, that the debt will go beyond $1 trillion; and it will go beyond $1 trillion in spite of the efforts of this Congress and in spite of the efforts of this administration to cut it below that.

Mr. HART. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield to the Senator from Colorado for a question, without losing my right to the floor.

Mr. HART. I should like to make sure that I understand the nature of the proposal and the rationale.

Is it the position of the Senator from Idaho, then, that holding down the level of the debt ceiling is not a means by which we can control spending? Is that correct?

Mr. McCLURE. The Senator is not correct.

The Senator from Idaho is trying to say that an honest statement of where we stand, based upon past policies and current programs, even with $53 billion of reduction from the spending levels that were suggested to us in the Carter administration budget, will still leave us beyond the $1 trillion mark in aggregate national debt.

Mr. HART. Let me repeat my question, because the Senator did not respond.

What I am asking is whether, as a process or a procedure, holding down the level of the debt ceiling is a method by which we can control Government spending.

Mr. McCLURE. I understand the Senator's question.

The Senator perhaps does know that the Senator from Idaho has always argued in the past, on exactly that point, that it is a means by which we can discipline the spending process. I have always supported that in the past.

Today, for the first time in the 14—going on 15—years I have served in Congress, I will be voting to extend the debt ceiling, not because I have abandoned the notion that indeed it is a useful exercise to try to limit spending by putting a ceiling on the debt. I believe that this administration and this Congress, for the

first time in two, three, or perhaps four decades, may be of a mind to actually accomplish what many of us have talked about during the last several years. I want to give the administration the room to do that. In this amendment, I want to indicate what the parameters of the problem are.

Mr. HART. The Senator from Colorado does not seek to embarrass or single out any colleague; that is not the purpose. What this Senator is trying to do is to find out the position of the sponsor—and anyone else who cares to respond—about the procedural question of whether we can control Government spending by holding down the debt ceiling. I am not sure that the Senator has responded.

Mr. McCLURE. I am trying to respond as fully and accurately as I can. I believe it is a useful device.

Of course, the only ultimate way to keep spending down is to cut the programs that Congress has heretofore enacted and to reduce the size of the appropriations we are asked to fund for future spending.

Mr. HART. As I understand the Senator's argument, essentially, it gets down to this: If you do not trust an administration or a party, then you vote to hold down the debt ceiling. If you do trust an administration or a party—in this case, the present administration—then you vote to increase the ceiling. Is that an accurate analysis?

Mr. McCLURE. No, that is not an accurate analysis. Of course, I am sure the Senator would state it in that way.

What I am simply trying to say is that we have a new administration and a new mood in Congress. I believe that the Senator from Colorado shares this feeling that there is now in this Congress a mood to do something about the growth of the national debt and the increase in Federal spending.

I think that is a new mood. I do not think it has been here in the past. The actions of past Congresses certainly do not reflect that it has been here in the past.

What I am trying to suggest in this amendment is that we set what will be, in my judgment, a realistic expectation of the best that we can attain under a realistic assessment of where the momentum of past spending and past programs will carry us inevitably in the next 13 months.

This contemplates that the debt ceiling would force a reduction in future spending of $53 billion in the remainder of fiscal year 1981 and fiscal year 1982.

That seems to me to be a very useful device by which we can go on record today as saying we are going to cut the size of the growth of Federal spending, we are going to do the hard things that have to be done to revise entitlement programs, we are going to get control of the relatively uncontrolled spending, but we recognize that even with that what we have in the past have set in motion will carry us beyond the $1 trillion debt mark.

Mr. HART. It seems to me that essentially the only difference between what the Senator from Idaho is saying and what the minority leader proposes is that because the Senator from Idaho has confidence in this administration and what he calls the new mood in Congress he is prepared to give the administration and his colleagues in Congress a lot more latitude than the minority leader was.

It seems to me that if we are talking about testing that mood, finding out how sincere and genuine people's attitudes are in the White House and Congress, they would be more likely to support the position taken by the minority leader.

Then one final point, and that is as one Member of this body who has had contact, in the electoral sense, with the constituents recently and had to answer a lot of erroneous arguments about the linkage between voting for paying the Government's bills and fiscal responsibility, I hope out of this discussion today and the point of view taken by the Senator from Idaho, and many others here, that we have laid to rest for a long time the misapprehension that has been created in this country at great political expense that somehow voting to pay the Government's bills is fiscally irresponsible.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BRADLEY. Mr. President, will the Senator yield?

Mr. McCLURE. Mr. President, I will be happy to yield in just a moment, if I may, but I wish to respond to the Senator from Colorado.

I do not believe that it will have that effect. I hope it does not have that effect because I do believe that a vote on the debt ceiling has political meaning to the people of this country, not just because various politicians have said so, but because the people out there understand that a debt ceiling is a measure of the performance of Congress in terms that are very real to them. That is not phony. That is real. They understand it.

Certainly, the more responsible way to deal with the question of the growth of debt is to deal with the reasons why it grows, not simply to look at the end result of that process and then deny the funding of the debt, but the realistic area must lie with the control of the appetite for expenditure and the reasons why we spend.

But the people of this country understand that when the debt grows the way it grows something is wrong in what we have been doing in the lawmaking bodies of Congress.

I am happy to yield under the same circumstances.

Mr. HART. Mr. President, the people of the country do not necessarily understand, particularly when they are told the opposite with very expensive advertising campaigns and a lot of political rhetoric, that merely because you are voting to pay the bills of the country does not mean you are fiscally irresponsible. That is the issue. And to use symbolic votes and things of that sort to confuse the people of this country does not elevate the level of the public dialog or serve this body well.

Mr. McCLURE. I understand the Senator's feeling and if I had been bitten in that way, I would respond the same way, I suspect, but I have not been bitten in that way in the past. I may be after today. But I trust that I am not.

I am happy to yield to the distinguished minority leader without losing my right to the floor.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator for yielding to me.

Is the distinguished Senator serious about offering his amendment?

Mr. McCLURE. Let me say in response——

Mr. ROBERT C. BYRD. If he is, will he yield to me so that I might ask for the yeas and nays?

Mr. McCLURE. Mr. President, I wish to hear from the managers of the bill before I answer that question. I wish to see what their responses will be.

Mr. ROBERT C. BYRD. Did the Senator ask the manager of the bill about the manager's opinion concerning offering the amendment?

Mr. McCLURE. No, I have not consulted with the distinguished manager of the bill because I was determined to offer this amendment and raise this issue in the Chamber. I did not want him to dissuade me.

Mr. ROBERT C. BYRD. So the Senator is not sure as to whether or not he is serious about offering of his amendment?

Mr. McCLURE. No. I am serious. I am not certain at this point whether I will wish to push it to a vote because I do not know what the attitude of the managers of the bill will be with respect to the amendment which I am offering.

Mr. ROBERT C. BYRD. If the Senator is serious, why not go ahead and get the yeas and nays?

Mr. McCLURE. The Senator from West Virginia knows the rules as well as I know the rules, and it may be at some time before that, in view of the dialog that takes place here, I may desire to withdraw the amendment which I could not do without unanimous consent if the yeas and nays are ordered.

Mr. ROBERT C. BYRD. So the Senator is not serious about offering the amendment?

Mr. McCLURE. No; I will not say to the Senator from West Virginia that is the case any more than I tried to say that the Senator from West Virginia was not serious about his amendment, although I am certain that the Senator from West Virginia did know when he offered his amendment that there would be a motion to table and that there would be some considerable partisan nature to the vote which would be taken upon this motion to table.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield.

Mr. ROBERT C. BYRD. I will be glad to move to table the Senator's amendment and go ahead and have the yeas and nays on it as we did in the case of my amendment. I was serious about offering my amendment and I expected it to come to a rollcall vote.

Mr. McCLURE. And I understand what the Senator is saying, and I think the Senator from West Virginia understands what the Senator from Idaho is saying.

Mr. ROBERT C. BYRD. I understand

what the Senator is saying. He is not serious about offering his amendment.

Mr. McCLURE. No; the Senator characterizes my motives, and I think that is a little outside the realm of ordinary debate. I do not characterize his motives. I do not hope he will attempt to characterize mine.

I am trying in a very serious way to raise what I think is a fundamental misperception on the part of the public, and the Senator from Colorado indicated earlier that he thinks the public has misperceptions about the meaning of the increase in the debt limit.

Mr. BRADLEY. Mr. President, will the Senator yield for a question?

Mr. McCLURE. I yield without losing my right to the floor.

Mr. BRADLEY. Mr. President, this gets to the point that the majority leader is making.

What is the institutional analysis underlying the Senator's proposal that the debt limit must be raised to over $1 trillion in this year? Both the CBO and the Treasury Department have concluded that debt limit will not be at $1 trillion at the end of this year.

Mr. McCLURE. Let me say to my friend, the analysis that I made was expressed in my opening remarks, and I will repeat them.

The Carter budget submission to Congress indicates that at the end of fiscal 1982 the national debt would stand at $1,057,000,000,000. President Reagan has indicated that he believes that he can cut $13 billion from such spending during the remainder of fiscal 1981 and an additional $40 billion of cuts in spending in fiscal 1982.

That would be an aggregate reduction from the Carter budget of $53 billion. That leaves us at $1 trillion 4 hundred million after the cuts of $53 billion that have already been suggested could be made.

Mr. BRADLEY. So what the Senator is saying is that this is his personal analysis; this is not the analysis of the Joint Tax Committee of Congress or the Treasury Department or the Congressional Budget Office, but it is the Senator's personal analysis that because of Federal spending the debt limit will have to be raised over $1 trillion?

Mr. McCLURE. I have indicated to the Senator where the figure came from and how I arrived at that figure.

Mr. BRADLEY. I am pleased that the Senator has stated for the record that this was his personal analysis and his desire because on previous occasions the Senator has argued the opposite point.

In fact, on June 26, 1980, in this very Chamber, the Senator moved to shorten the debt limit period instead of lengthening it. I can quote the Senator, but I am sure he remembers his speech very well.

Mr. McCLURE. Go ahead and quote it. I thought it was pretty good then and I think it is pretty good now.

Mr. BRADLEY. I quote the Senator:

> Mr. President, for the reasons cited above I propose a simple amendment to the debt resolution. The amendment simply provides that the debt limit will be extended through September 30, 1980 rather than through February 28, 1981. This is consistent with the previous practice of Congress.

I submit to the Senator that is precisely the effect of the amendment offered by the minority leader that the Senator voted against.

Mr. McCLURE. Mr. President, the reason that I offered the amendment then was precisely the condition that has been created as we come here today. In my judgment the date chosen for the debt limit extension was chosen in order to embarrass a new administration coming in, that the first act that they would have to make would be to come to Congress and ask for an increase in the debt limit just as I am certain that the short period if we had set it then would have allowed us as a Congress to face that fact last year before the elections rather than to go to the American public with a rather strained set of figures so that Members of this body and the other body could ask for the votes of the people without having really told them what the condition of this country was.

I did not prevail in that instance. I wish I had prevailed in that instance.

But we have now before us a situation in which we have a new Congress, a new attitude in the country, a new administration that is saying we are going to effect those cuts that this Congress was unwilling to confront before the election last fall.

So the situation is fundamentally different today than it was at the time we were taking that action before.

Mr. BRADLEY. But it is still the Senator's personal view that even with those cuts and the changed assumptions that will be involved in the budget that the Federal debt limit will have to be extended beyond $1 trillion in the next year; is that correct?

Mr. McCLURE. Excuse me, if the Senator will repeat his question, I was engaged with a colleague.

Mr. BRADLEY. It is still the Senator's personal judgment, given the new budget that will come forward, with the new assumptions that underlie that budget, that Federal spending will still be over $1 trillion?

Mr. McCLURE. Well, the Senator can characterize my actions in whatever way he wishes, but I wish he would not try to put words in my mouth.

I have said this is a $53 billion reduction which the President has now said that he can effect in his first look at the Carter budget. I hope we can do better than that. But I know he says he can do this $53 billion reduction, and that the debt at the end of fiscal 1982 would not be the $1,057,000,000,000 that President Carter said it would be, that it be no more than $1,004,000,000,000 after that $53 billion in savings.

Mr. BRADLEY. Does the Senator's amendment extend the debt limit to over $1 trillion by September of 1981 or at the end of fiscal 1982 as the Carter budget did?

Mr. McCLURE. It sets the limit at $1,004,000,000,000.

Mr. BRADLEY. By what date?

Mr. McCLURE. Under the terms of the bill that is before us.

Mr. BRADLEY. By September 30, 1981, although the Carter budget assumed we would not be at $1 trillion until the end of fiscal year 1982?

Mr. McCLURE. That is correct, the Senator is correct. Mr. Carter assumed a massive increase in the debt in 1982.

Mr. BRADLEY. So that the Senator is saying that even with the budget cuts the increase in the debt necessary in the next 9 months will place the Federal debt limit over $1 trillion.

Mr. McCLURE. Of course not. The Senator knows better than that.

Mr. BRADLEY. The Senator is not suggesting that the debt limit be raised to over $1 trillion by September 30, 1981?

Mr. McCLURE. I am suggesting that the debt limit be increased today.

Mr. BRADLEY. But this resolution will be effective until September 30, is that correct?

Mr. McCLURE. The resolution will be effective until September 30, yes. The resolution will be effective today and for all the period of time between now and then.

Mr. BRADLEY. I see.

So the Senator says he wants to increase the debt limit, but he does not feel it will be fully necessary to increase the debt because spending will be reduced?

Mr. McCLURE. It will recognize the increase in the debt which is projected through 1982 in the Carter budget after the savings which President Reagan has already identified he can accomplish.

As I have said before, I hope we can do better than that, and if indeed we do better than that we do not have to spend every dollar that is under the limit.

All I am trying to say here today is let us recognize that when, as, and if in the next 12 months we get to an increase of the debt limit beyond the $1 trillion mark it is not the result nor the responsibility nor caused by this administration or this Congress. It is because of actions of past administrations and former Congresses which they have taken to set in motion the spending which will inevitably occur until we can control it.

Mr. BRADLEY. Even though the Treasury Department, the Congressional Budget Office, and the Joint Committee on Taxation do not agree with the Senator's assumptions or with the Senator's projections?

Mr. McCLURE. Let me say I have not always agreed with the Joint Committee before; I have not always agreed with the Treasury Department before; I have not always agreed with CBO before, and I do not believe the Senator from New Jersey has always believed in the figures they have given us before.

Mr. BRADLEY. I thank the Senator.

Mr. McCLURE. I would be happy to yield the floor.

Mr. ARMSTRONG. Mr. President, I would like to recap the bidding here just a little. We are now at $935.1 billion in debt, and we are considering a bill which in its unamended original form would add some $50 billion to the debt or if we should adopt the pending amendment even more. That number $985 billion, which it would be if we add to the present debt limit, is the number $985 followed by 9 zeroes.

If the Senate will pardon a personal

note, when I arrived here 8 years ago as a Member of the other body, the national debt stood at $435 billion or less than half of where it stands at the present time.

This is the 20th increase in the debt ceiling in 8 years, and each time the debt limit has been increased, the same tired arguments have been trotted out to justify doing something which in our hearts we knew was not good for the future of this country.

In Moliere's play "The Physician In Spite of Himself," there is a character who, in spite of himself during the course of the play, gradually sickens and grows more and more ill. There is nothing wrong with him really except that another character in the play, a doctor, is administering the wrong medicine to him.

That is just about what Congress and the national administrations have been doing to the economy of this country. We have injected 20 times in the last 8 years alone massive doses of the wrong medicine, more debt and, as a consequence, our economy has grown sicker and sicker and sicker. Indeed, none of us has to look beyond our own circle of friends and acquaintances to see the evidence of how serious the situation has become.

Inflation is rising, employment is declining, and productivity is down, the price of gold is up, the stock market is stagnant and, worst of all, there is a mood of tension and uneasiness among investors and businessmen and consumers which is approaching, if it has not already reached in some quarters, the stage of panic.

This need not have happened. Each year we have passed by opportunity after opportunity to impose discipline on our spending habits.

Frankly, most of the amendments which would have been necessary if taken one at a time would not have been all that difficult to swallow. Most have been amendments which would have reduced spending by a few percentage points here and a few percentage points there. But by refusing to adopt any substantial number of these saving amendments we have been forced to spend and sink deeper and deeper into debt and, as a consequence during my time here in Washington, we have increased the debt on the average of every 5 months. That is right, every 5 months.

I cannot help imagining what the state of our country's economy might be if the private sector had spent or invested the $450 billion that we instead poured into debt just in the 8 years since I, a relatively new Member of this body, have been in Washington.

Suppose that money had been spent on new machinery, buildings, new plants, investing in research and development, savings for new homes, expanding trade opportunities abroad, just think of how the productive private sector could have used those funds.

Think how different our jobs would be as Members of the U.S. Senate if our constituents in the private sector had had that $450 billion instead of having it run up as additional debt of the National Government in the last 8 years alone. Maybe in that case we would not have had to come into this Chamber at midnight just before Christmas of 1979 to bail out the Chrysler Corp. Maybe the Chrysler Corp. would not have been sick and would not have needed that kind of a bailout.

Maybe if we had taken some of these opportunities to restrain spending and getting us into more debt, we would not have had to spend so much time, and I bet every Member of the Senate has done it, speaking to constituents, young couples priced out of the housing market by skyrocketing costs and, particularly, the skyrocketing costs of interest.

Maybe we would not have been hostage to the OPEC nations if we had been investing more in energy production, investment syphoned off by the Federal Government as the Federal sector has invaded the capital markets of this country to a greater and greater extent.

Mr. President, in this one stroke in this bill, which does not even account for the whole debt increase for a whole fiscal year, but in this single bill, we are talking about using up half of everything that Americans will save this year because we are now saving at the rate of about $100 billion a year, and that is about half that, and it will not even take us for one full year.

Mr. President, I send to the desk and ask unanimous consent that there be printed in the RECORD at this point a table showing the trend by which we have increased debt in this country from just about $1 billion in 1916 to just about $250 billion in 1950, to about $435 billion when I came here 8 years ago, to nearly $1 trillion today.

I ask unanimous consent that that table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE A3.—*Outstanding public debt subject to limitation at end of fiscal year 1916–80, and on January 27, 1981*

[*In millions*]

Fiscal year:	
1916	$1,225
1917	2,976
1918	12,455
1919	25,485
1920	24,299
1921	23,977
1922	22,963
1923	22,350
1924	21,251
1925	20,516
1926	19,643
1927	18,512
1928	17,604
1929	16,931
1930	16,185
1931	16,801
1932	19,487
1933	22,539
1934	27,053
1935	28,701
1936	33,779
1937	36,425
1938	36,882
1939	40,371
1940	43,219
1941	49,494
1942	74,154
1943	140,469
1944	208,077
1945	268,671
1946	268,932
1947	255,767
1948	250,381
1949	250,965
Fiscal year:	
1950	255,392
1951	258,283
1952	257,233
1953	264,220
1954	269,379
1955	272,348
1956	270,619
1957	269,120
1958	275,395
1959	282,419
1960	286,827
1961	286,308
1962	296,374
1963	302,923
1964	308,583
1965	314,126
1966	316,293
1967	323,143
1968	[1] 348,534
1969	[1] 356,107
1970	[1] 372,600
1971	[1] 398,650
1972	[1] 427,751
1973	[1] 458,264
1974	[1] 475,181
1975	[1] 534,207
1976	[1] 620,556
Transition quarter	[1] 635,822
1977	[1] 699,963
1978	[1] 772,691
1979	[1] 827,614
1980	[1] 908,723
1981 [2]	[1] 932,291

[1] Includes FNMA participation certificates issued in fiscal year 1968 in debt of fiscal years 1968–79.

[2] Debt at close of business, January 27, 1981.

Source: Annual Report of the Secretary of the Treasury for fiscal year 1942, table 34, p. 544, for 1916–17; Annual Report for fiscal year 1962, table 507, for 1938 and 1939; Annual Report for fiscal year 1976, Statistical Appendix, table 21, p. 67, for 1940–76; Treasury Bulletin, April 1980, table FD–8, p. 26 for 1977 and 1978 and Monthly Statement of the Public Debt of the United States September 30, 1980, and Daily Treasury Statement, January 27, 1981.

Mr. ARMSTRONG. Mr. President, I might say before I begin to analyze in detail the arguments that have been presented in favor of this bill that it is my intention and purpose when next we consider the debt limit increase to prepare for the use and benefit of Members of the Senate and others who may be interested, an attractive and even an artistic lapel button which says "Trillionaire."

Think of it, soon we shall be trillionaires, and it is my prediction unless there are reforms of a very, very consequential nature adopted it will not be long before we will be wearing such buttons.

It will be just in the next few months that we will be asked to raise the debt ceiling above $1 trillion.

I want to point out again, and I mentioned this in my earlier remarks, but I want to come back to it because there are a few Senators in the Chamber who were not present then, that just to pay the interest on the increase which we are voting today, just the interest on the increase not on the other $425 billion in debt, but just the interest on the $50 billion which we are going to borrow today, we will pay $96 billion in interest at present rates over the next decade, $151 billion in interest on the $50 billion we are going to borrow today in the next 20 years.

What that literally means, if I may be excused a parochial note, is that the people of Colorado are going to pay every dime of tax that they pay to the Federal

Government just to pay the interest on this last $50 billion installment of debt and, for that matter, they will be joined by the citizens of Utah and the citizens of Maine because it is going to take all of the taxes from Colorado, Utah, and Maine just to pay the interest on this $50 billion.

Mr. McCLURE. Mr. President, will the Senator from Colorado yield to the Senator from Idaho without losing his right to the floor?

Mr. ARMSTRONG. I would be happy to, before or after, but if the Senator would like to note, let me say that Idaho is one of 26 States whose taxes will be required in their totality to pay for the balance of the interest on the national debt.

I would be happy to yield now without losing my right to the floor.

Mr. McCLURE. I thank the Senator for yielding.

I only wanted to make a point that when I first came to Congress in 1967 the interest on the national debt was $7 billion a year.

The interest on the national debt now, just 14 years later, is 10 times that; not just up a little, it is over 10 times, probably over 11 times, what it was just 14 years ago.

I think we throw these numbers around. The Senator mentioned the fact that we are about to become trillionaires, at least in terms of the national debt. These become only numbers. A trillion is a thousand billion; a billion is a thousand million. They are only numbers.

But if we are able to spend $1,000 a day, took no time off for weekends or holidays or Christmas or anything else, spent $1,000 a day, 365 days a year and an extra day in leap years, and started in doing that the year Christ was born, you would not have spent $1 billion until the year 2067. And we are talking about interest on the national debt that approximates about 1,500 years at that rate.

So I think that the interest on the national debt, the growth of the national debt, the size and extent of our spending is a matter of national concern.

I just wanted to add to the RECORD here, with respect to the colloquy I had earlier with the Senator from New Jersey about who agrees and who disagrees, the Joint Economics Committee has developed information that indicates that the deficit is likely to be larger than stated in the Carter budget because some of the assumptions with respect to the income are fallacious under the current economic conditions. Therefore, the reductions, to get down to $1 trillion 4 billion national debt ceiling by the end of 1982, require greater savings than the $53 billion that I have suggested be used to arrive at the figure that I have offered in my amendment.

Mr. President, I also know that the mood of the Congress and the Senate being what it is today, there is very little likelihood that there will be anything that is voted upon except the pending bill. There have been agreements on the other side of the aisle that they would not offer amendments, and I understand in the spirit of that there is a request we do not offer amendments on this side of the aisle.

Because of that understanding, Mr. President, I withdraw my amendment.

Mr. ROBERT C. BYRD. Mr. President, can the Senator withdraw the amendment if he does not have the floor?

The PRESIDING OFFICER. The Chair advises that the Senator from Idaho does not have the floor.

Mr. McCLURE. Mr. President, I asked that I be recognized without the Senator losing his right to the floor and I was recognized.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I did not object. I would have objected, except for a question. I would have objected if I knew the Senator was going to withdraw his amendment.

Mr. McCLURE. The Senator did not object.

The PRESIDING OFFICER. The Chair rules that the distinguished Senator from Colorado has retained the floor.

Mr. McCLURE. And the Senator from Idaho was recognized and could, therefore, withdraw his amendment, is that not correct?

The PRESIDING OFFICER. The Chair states that the Senator from Idaho was not recognized in terms of taking the floor.

Mr. McCLURE. Mr. President, if necessary, I will ask that the record be read back.

I asked unanimous consent that the Senator from Colorado be permitted to yield to the Senator from Idaho without losing his right to the floor.

The PRESIDING OFFICER. That is correct.

Mr. McCLURE. And there were no restrictions or conditions placed upon that. That unanimous consent was granted.

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLURE. The Senator from Idaho was then recognized.

The PRESIDING OFFICER. The Chair's ruling is that the Senator from Colorado yielded the floor to the Senator from Idaho, but there was no stipulation that it was for the purpose of taking the floor such that he has a right to act upon his amendment.

Mr. McCLURE. Excuse me?

The PRESIDING OFFICER. The Senator from Colorado having obtained the floor, two Senators cannot have the floor at the same time. Consequently, the Senator from Idaho did not obtain the right with which he could act upon his amendment.

Mr. McCLURE. Mr. President, I will not quarrel with the Chair, nor will I appeal the ruling of the Chair at this time. But I do not want the record to stand upon the basis that, under these conditions, the Senator who is then recognized is not recognized, which is what I understand the ruling of the Chair to mean.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. ARMSTRONG. Mr. President, while the Senator from Idaho was discussing his amendment, the Senator from Colorado has been reflecting that my thought about preparing lapel buttons that say "I'm a Trillionaire" will soon be outmoded. Based upon the trend of recent events, I shall quickly have to prepare a button that says, "I'm a Zillionaire".

I wonder if the people out in the country would be pleased to know that we are debating and interrogating each other on the question of who has the floor when, in fact, the residents of 26 States are going to pay the entirety of their Federal taxes just to pay the interest on the debt we have already run up, and here we are talking about raising it another $50 billion.

Mr. President, I now want to take a few minutes to analyze, with as much care as I can, the arguments that have been presented in favor of this resolution. It is commonly said that there are two sides to every argument and, in this case, there are at least two sides and three amendments and four points of order. But I want to go through, in a systematic way, the arguments which I have heard presented in support of raising the debt ceiling.

First of all—and this is the one which you can hear on every street corner—"Well, it's regrettable, but we just don't have any choice. There is no choice."

I think this argument, although it is popular and widespread, is so manifestly wrong that anybody could see through it. There are obviously other choices.

For example, we could amend this bill to rescind some of the spending which is necessitating the debt increase. There are any number of amendments which the Senator from Colorado has offered at one time or another to curtail spending in programs which I deem to be wasteful or extravagant which could easily be incorporated into this debt ceiling resolution and would moderate if not entirely eliminate the need to increase Federal spending and thereby to increase the Federal debt.

Another possibility was that which was suggested by the distinguished minority leader, that we might reduce the amount. It is interesting to me that, although the tabling motion carried by a lopsided majority, a number of Members on this side of the aisle who voted to table confided to me that, really, they think it would be a good idea, perhaps, to have not raised the debt ceiling quite so high and that both for reasons of principle and tactics it would be a bit better if a lower amount had been suggested in the first place or had been put on in the committee, or in one way or another they really agreed that the minority leader, the Senator from West Virginia, was probably right but this was not the opportune time to give an expression to that point of view.

A third possibility, which gives lie to the claim that there is no choice but to pass this resolution, however odious we may find it, is the thought that we might couple the debt limit increase with some measure of significant budgetary reform.

Now, the American people have given President Reagan a mandate to get Federal spending under control and yet Congress has, in recent years, tied the President's hands. I do not mean President Reagan's. I mean President Reagan and President Carter and President Ford and President Nixon.

About 6 years ago, in what I believe to be a most unwise action, precipitated

largely by our distaste for the then President of the United States, we took away the little remaining management control which Presidents have over the rate of Federal expenditures.

Our President presides over the largest budget in the world and yet he has less actual management control over that budget than any Chief Executive you can think of. For example, the Governors of virtually every State in the Nation and most mayors and certainly every corporate executive have the power to block wasteful, duplicative, or unnecessary spending. But Congress has denied this essential management tool, this prerogative, to our President.

Under present law, if the President discovers that funds appropriated by Congress for a particular purpose are no longer required or are more than are required to achieve a purpose which has been specified, he may not prevent the money from being spent unless he first obtains the explicit permission of the Congress to do so.

The Congressional Budget and Impoundment Control Act of 1974 so provides. It protects the prerogatives of Congress, but in doing so it has set the stage for waste, extravagance, and unnecessary spending.

Here is why:

The President's desire to rescind or curtail the expenditure of funds can be thwarted simply by congressional inaction. If the President determines that funds appropriated for a particular purpose need not or should not be spent, he must inform Congress of his intention to rescind the spending. But if both Houses of Congress do not pass resolutions approving the rescission within 45 days of the President's announcement, then the funds must be spent, they must be made available for obligation, no matter how manifestly unwise that spending may be.

How has this system we have had in the last 6 years worked out? Senators know that rescissions are seldom or never approved when they are sent up by the President. In the last 6 years, 85 percent of all the proposed rescissions sent to the Congress by Presidents of the United States have been turned down.

Most of them have never even been brought to a vote. They have just been ignored. The last fiscal year, fiscal year 1980, provides a typical case in point. In that year, a year of near record budget deficits and double digit inflation, President Carter sent rescission requests totaling $1.6 billion from a budget of $679.6 billion. Congress rejected by inaction $1.1 billion of this request. Thus, out of $679.6 billion, a scant $500 million was saved by rescission from the President. Do you know what proportion $500 million is of $679.6 billion? It is approximately 8/100 of 1 percent of the total.

This power to prevent wasteful spending, the power of rescission, the power of impoundment, has been used by Presidents all down through history. President Jefferson blocked $50,000 that had been appropriated for gunboats on the Mississippi River after the Louisiana Purchase had removed the threat which the gunboats were originally intended to guard against. Another reason was to prevent waste when President Van Buren blocked payments of a duplicate pension to a military widow. President Truman refused to spend money to build VA hospitals until a study was made to determine the geographical need for them. There have been similar instances all through our history.

Unfortunately, this process became very controversial in 1972 when President Nixon attempted to force Congress to adopt the block-grant housing approach by imposing a moratorium on funding the housing program authorized by Congress. The President won the battle when an appeals court ruled against a lawsuit brought by Members of Congress. But Congress retaliated by enacting the Budget and Impoundment Control Act of 1974. That is how we have come to the situation we are in today, where the President has to spend the money when savings can be made, unless Congress explicitly approves the savings.

To return to the main point, have we a choice on this debt ceiling increase? I would suggest yes, that one choice would be to put an amendment on this debt ceiling increase to give the President strengthened powers of rescission. As a matter of fact, I have drafted and introduced a proposal which would do exactly that. It is a very simple measure. My plan would simply say that when the President notified Congress of his intention to rescind spending, that the rescission would be automatically approved unless, during the following 45 days, Congress passed a resolution disapproving that rescission. This basic change to, in effect, a congressional veto rather than congressional approval, would alter the climate for presidential action by requiring a positive, considered action by Congress to block proposed rescissions instead of killing rescissions through inaction.

Such an amendment was exactly what I intended to offer on this bill, and I have every reason to believe, based on conversations with approximately 3 dozen Members of this body, including the distinguished Senator from Nebraska who I see on the floor, and others, that the amendment would, in fact, pass, and at the right time I believe it will pass. I intend fully to offer it because I think to give the President strengthened powers in this regard is only good management.

May I say to my friends on the other side of the aisle, this is not a conclusion I have reached because a Republican occupies the White House. It is exactly the same amendment for which I sought support on both sides of the aisle last year when a Democrat occupied the White House.

I think it is preposterous to create a situation in which the President of the United States is so constrained as is now the case. Well, then, why do I not just offer this amendment? Why do I not just call it up right now? As a matter of fact, I have a copy of it here. The answer is very simply that I have been asked not to do so by the administration.

I just want to make one thing clear. The reason I am not calling up this amendment is not because of my loyalty to the President, although I yield to no Member on either side of the aisle in terms of my loyalty to our new President. I support him fully and expect to support him. In fact, I will bet before this term of his is over I will have supported him more often than most Members of this body. But that is not the reason I am withholding this amendment. Nor is it because of my admiration for him or party regularity, or any of those considerations. But simply because I think it would make him look ridiculous and me as well for me to have an amendment to strengthen his powers and the administration saying, "Please don't pass such an amendment."

Yet that is what will happen because the administration has made a deal with the leaders of the other body for a clean bill. It is not clear to me how a bill that increases the debt imposed upon the people of this country by $50 billion is clean in any case, or why it would not be cleaner if we incorporated some measure of reform along with all or a portion of the debt increase.

In any case, having taken that position, the administration is adamant in opposing amendments of any kind. Under the circumstances, it seems to me that to offer the amendment at this time would prejudice its ultimate adoption, hopefully at an early date.

Mr. President, one of the reasons advanced in support of this debt ceiling increase is that really this is all just a charade, it does not matter whether we increase the debt or not. As one of my colleagues mentioned to me just a few minutes ago, this is really just a charade, it does not matter, the only way to control Federal spending is through the budget process, the appropriations process.

I would suggest to my colleagues that nothing could be further from the truth. I am deeply involved in the budget process. I am in my third year as a member of the Senate Budget Committee. I served for 4 years on the House Appropriations Committee. I watched that process very carefully. I will tell you that the one place where all the budget and tax decisions of the Congress of the United States are finally reconciled and come to a head is in the debt ceiling. It is not in the budget resolution, it is not in the reconciliation process, but it is right here. If we do not authorize the Treasury to borrow more money, the spending will not occur. Do not kid yourself. This is not a question of borrowing money to accommodate spending that has already occurred, an argument one also hears from time to time. But the spending will not occur if the debt ceiling is not increased, and it is just as simple as that.

Mr. President, one of the arguments which I heard advanced earlier in the week in support of the debt ceiling increase went like this: It was said why do a lot of us not get behind the debt ceiling increase, but in any event pass a sense of the Senate resolution saying we do not think this is a good idea but we are going to go along with it, and then suggesting a series of reforms which would be the price of voting to again increase the debt ceiling at some future time. Among the reforms which were proposed were modification of the Budget Act of 1974 to restore the authority of the President to impound appropriated funds when such action is required to prevent the increase of Federal indebtedness.

Another reform that was suggested in the draft of the sense of the Senate resolution which I saw called for modification of the Budget Act of 1974 to increase the authority of the President to rescind budget authority, in effect the amendment I described a moment ago.

Another proposal was to reform the process by placing the offbudget items, estimated this year at $23 billion, on the budget, so the public could see the whole thing.

Another suggestion was the endorsement of a constitutional amendment to require a balanced budget, and so on and so forth.

Mr. President, I share the concerns and recommendations that are in this sense-of-the-Senate resolution and, if it is presented to the Senate, I shall vote for it. But, believe me, Mr. President, it is no substitute for taking action. It is the difference between signing a petition and making a law. It is the difference between drawing a line in the dust and daring somebody to step over it and preventing them from stepping over it.

In my opinion, and I say this with all regard and affection for those interested in this resolution—and it is a good resolution—it does not get the job done. If we are really serious about the proposed reforms outlined in this sense-of-the-Senate resolution, at least half of them—at least half of them—will be proper amendments to the bill now pending.

Mr. President, one of the arguments that is advanced in support of the debt ceiling increase is the Chicken Little argument: The sky is falling. If we do not pass this debt ceiling, we are told, something awful is going to happen; we are going to run out of money; the Federal Government will not be able to operate. Let the record reflect that that is not so. If there is no increase in the Federal debt, I am advised by the Treasury that nonetheless, without any new borrowed money, the Federal Treasury will receive $39 billion in receipts during February, $43 billion in March, $71 billion in April, $40 billion in May, $69 billion in June and so on through the year. Something on the average of $50 billion a month will be coming in, whether we ever borrow another nickel.

The outlay side is what causes the problem. The outlays, projected for the next several months, somewhat exceed—not by enormous amounts, but somewhat exceed—in some but not all of the next several months the expected level of receipts.

The point, Mr. President, is that we are not getting ready to jump off a $50 billion cliff, but that there will be a gap, which gradually accumulates, of excessive outlays over receipts. I point this out because the Government will not stop if we fail to pass this increase. No essential function will be prejudiced.

As a matter of fact, we would not even have to restrain any outlays for a couple of months beyond the February 18 deadline that we have been given by the Treasury. The reason I say that is that, built into their figures, according to testimony submitted to the Senate Committee on Finance, is a $3 billion pad and an estimated $15 billion month-end cash balance. If we take that $18 billion and apply it to the month-by-month shortfall figures, what we find out is what really, the shortfall is not very serious at all in the next 60 to 90 to 120 days and that even the most modest restraint in spending would get us over that hump—over the hump, say, between now and June 30—without any increase in the national debt.

Mr. President, I send to the desk and ask unanimous consent to have printed in the RECORD at this point a projection of Federal budget, debt, and cash for the period February through September of 1981. This is a report which was prepared and furnished to me by the Treasury and I have asked them to give us four columns of data—receipts, outlays, the net change in debt, and the amount of the standing debt based on these projections at the end of each month.

I think, as Senators review these data, they will quickly see that the emergency is not nearly so great as it has been portrayed and that, with only the modest efforts at restraint, we could easily get by the next 90 to 120 days with no increase in the national debt.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

PROJECTION OF FEDERAL BUDGET, DEBT AND CASH, FEBRUARY–SEPTEMBER 1981 [1]

[In billions of dollars]

	Receipts	Outlays [2]	Net change in debt [3]	Debt [4]
February	39	56	17	952
March	43	57	14	966
April	71	59	−11	955
May	40	57	20	975
June	69	59	−7	968
July	52	60	6	974
August	49	56	9	983
September	64	57	[5] 4	987

[1] Based on Jan. 15, 1981, budget estimates and Treasury projections.

[2] Including budget outlays and net off-budget outlays.

[3] Equals difference between receipts and outlays, adjusted for changes in Government account investments, accrued interest, checks outstanding, and other minor items.

[4] Debt subject to limit at end of month, assuming a constant month-end $15 billion cash balance.

[5] Debt increase of $4 billion, despite cash surplus of $7 billion, due primarily to $13 billion investment in Treasury securities (increases debt) in civil service retirement trust fund, which represents the annual Federal contribution to the fund.

Source: Office of the Secretary of the Treasury, Office of Government Financing, Feb. 5, 1981.

Mr. ARMSTRONG. Mr. President, there is still another argument which I hear presented in support of this debt bill. That is that if we do not pass it by the 18th of February, there will be bond issues now scheduled that will not be brought to market, that there will be a crisis on Wall Street, that there will be panic in the financial markets. I do not for a minute believe that, because I have been here on other occasions when we were given deadlines, and somemtimes we met them and sometimes we did not.

I could not see that there was any great crisis on those occasions when we failed to pass an increase in debt, even on those occasions when we permitted the so-called temporary increase to expire and we had $4 or $5 billion in, in effect, illegal bonds floating around the country. I could not see there was any panic on Wall Street. That is not the case here. We are not talking about expiration; only about failing to increase the amount of the debt ceiling.

Mr. President, even if I thought there would be a crisis on Wall Street, I would not be afraid to turn back this resolution and leave the debt ceiling where it is because, as the distinguished Senator from New Hampshire said in another forum a few days ago, this is supposed to be a crisis. When we talk about raising the debt ceiling $50 billion, that should be a crisis. It should not be routine. It should not be a housekeeping measure. It should be an occasion for anguished thought, a time when we look at our hole card.

I say this, Mr. President: There may not be a crisis on Wall Street, but there is a crisis out on Main Street, and it is coming to a boil a little more every day.

This crisis argument, that there is a deadline we have to meet, has been used to justify every one of the 20 increases in the debt limit in the 8 years I have been a Member of this body and the other body. Every year, the same argument: it is a crisis and we have to do it. I say it would be cheaper to pay the cost of the crisis, whatever it is, in refunding of bond costs, incremental increase in the interest rates on Treasury securities. Whatever the problem is, it would be better to pay the cost than it would be to have had a $50 billion runup in the national debt the last 8 years.

Mr. President, I have even heard it said by one of the most distinguished and knowledgeable Members of this body, that, really, we should not worry, that the debt limit is really declining; that the amount of the Federal debt is declining if you measure it as a percentage of gross national product. I have not heard that argument on the floor today, although I have often heard the distinguished Senator from Louisiana make that argument. He has pointed out in his eloquent manner that, while the dollar amount is rising, as a proportion of the total gross national product, the debt limit is declining. I note that in passing.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. ARMSTRONG. Yes; I yield.

Mr. ROBERT C. BYRD. Will he indicate how long he intends to hold the floor? I merely ask this question to ascertain how long he intends to delay the vote on the extension of the debt limit. We on our side of the aisle are ready to vote on the question of extending the debt limit whenever the Senator yields the floor.

Mr. ARMSTRONG. Mr. President, it is my intention to speak only a few more mintes. although I must say that I am warming to my subject. As I think about it, I am mustering a greater sense of indignation over what is about to occur, so

I may run over a little my intended deadline. But I think I shall not be more than perhaps another 5 or 10 minutes.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator.

Mr. ARMSTRONG. Mr. President, to return to the discussion of whether or not we can console ourselves with the rising increase in the national debt because it is a smaller and smaller proportion of the gross national product, I want to make three observations:

First, that one reason it may be declining as a proportion of the gross national product is that much of the debt was run up at a time when the general level of prices was lower and, in effect, through inflation, we have vitiated much of the value which was originally borrowed.

Or, to put it another way, those who say that inflation is a thief who steals silently in the night must have had in mind the fate of people who bought Government securities. I have and I treasure a $100 savings bond which was bought by my great-grandfather and given to my father in about the year 1940, a $100 bond.

In those days, they tell me—I was only 3 years old at the time—$100 was a monthly wage. Today, it would not go very far.

So $100 which was borrowed 40 years ago represents a smaller claim on the total economy than it did in those days. I believe it is one of the reasons why the funded debt appears to be less as a percentage of gross national product.

Second, the calculation of the Federal debt as a smaller proportion of the gross national product than it was at some former time does not take into account the huge runup in private debt which also overhangs the economic future of our country.

Third, and most important of all, the debt which we are increasing today, unless we come to our senses, represents only a portion, and not the largest portion, of the true Federal debt.

There is another Federal debt which is not subject to legislative limit, which is approximately $2 trillion, and I refer of course to the $600 billion in unfunded liability of the Federal employees retirement program and the $1.5 trillion estimated liability in the social security program.

If you roll that in with the $985 billion debt that we are going to have here, then of course the total of Federal obligations as a percentage of the gross national product is very high, indeed.

I note in passing, for those interested in such matters, that the total of all Federal debt today undoubtedly exceeds the total of all the assets in the country, so maybe instead of getting a zillionnaire button, I am going to get a bankruptcy button.

Mr. President, others are waiting to speak, including the Senator from Nebraska, and I want to make just one more point before I yield the floor.

I have heard the argument expressed often on this side of the aisle that even though this is a bitter pill for us to swallow, we must thank the President; that we—I think it probably includes the vast majority of the Members on my side of the aisle, practically all of them I guess—are very much concerned about raising the national debt. We have been against it as a matter of principle. We have campaigned against it.

As I said in my remarks earlier in the day, we have held up to Democratic Members of this body their votes to increase the national debt as the index of their fiscal irresponsibility. Yet, here we are preparing to do exactly that.

People have said to me—some of them in states of evident emotional tension—"I don't like it. I don't want to do it. I will never do it again. But this once, the first time out, I have to back the President."

I just want to say—and let the record reflect—that I want to back the President, too. My family and I support the President in prayer. I support his legislative program. I support his objectives to get this country turned around. I disagree with his tactical decision in this case. It pains me to do so.

However, I do not believe that for me to simply support the President because he is a member of my own party, in doing something which could have been avoided, in my judgment—at least avoided in part or at least alleviated with reform amendments to this debt increase—would be true to what I believe in.

I cannot help recalling what the great Parliamentarian Edmund Burke told the electors of Bristol. He said:

> Your representative owes you, not his industry only, but his judgment; and he betrays instead of serving you if he sacrifices it to your opinion.

That is how I feel toward the President. I want to back the President, but I do not believe I am backing him by going against my own best considered judgment of this matter.

In fact, I say to my Republican colleagues that if they really want to do the President a favor on this issue, they will vote "no" on increasing the debt. I know that he has asked us to vote in favor of it. I realize that he has reached an agreement on this issue with the leadership of the other body.

However, if we all go along with that, the message we have conveyed to the leadership of the other body is this: If you want to put the squeeze on the Senate, the way to do it is to go to the White House, because the President can deliver all the Republicans, even on an issue which is detrimental to them, even an issue they never voted in favor of in their lives, even an issue on which no Senator in the State has voted in favor.

I suggest that if all the members of the Republican Party in this body go along with that, we are going to see that squeeze applied over and over again.

I have no doubt that this debt ceiling measure is going to be passed, but I hope at least a few Members on this side of the aisle will not make it too easy, will not transmit that signal to the Speaker of the other body, and will be a true friend of the President, by voting against the increase in the debt ceiling.

THIRTY-MINUTE RECESS

Mr. BAKER. Mr. President, I believe that the process of the Senate might be expedited if we had a brief recess. If the minority leader is agreeable, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 1:36 p.m., recessed until 2:06 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. WEICKER).

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mrs. KASSEBAUM assumed the chair.)

ORDER OF PROCEDURE

Mr. BAKER. Madam President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Madam President, will the distinguished majority leader withhold that suggestion and allow me to speak for 1 minute?

Mr. BAKER. I am happy to.

Mr. ROBERT C. BYRD. Madam President, this side is ready to vote on the extension of the debt limit. It would be perfectly agreeable with me if Mr. McCLURE wishes to withdraw his amendment. I shall not ask for the yeas and nays on it so as to require unanimous consent for its withdrawal. If he wishes to withdraw it, it will be all right with those of us on this side. We are ready to vote on the extension of the debt limit.

Mr. BAKER. Madam President, I thank the distinguished minority leader. I am pleased to know that. The minority leader and I have discussed this before.

I think we can arrive at a time to vote. I think I am happy to invite the attendance of Senator McCLURE and let him attend to the business of withdrawing his amendment. At the time he reaches here, perhaps no later than 3 o'clock at the outside, I think, we would be able to establish a time certain.

Mr. ROBERT C. BYRD. By then, Madam President, I may change my mind.

Mr. BAKER. Madam President, I have been here a while and I take account, I even take judicial notice, of the fact that the distinguished minority leader may change his mind. But this world is full of risks and that is one risk I have to take.

I suggest the absence of a quorum.

Mr. WEICKER. Will the distinguished majority leader withhold for a moment?

Mr. BAKER. I am happy to withhold my suggestion.

GOV. ELLA GRASSO

Mr. WEICKER. Madam President, I rise in tribute to Gov. Ella Grasso of Connecticut. I served with Governor Grasso in the State legislature, when she was secretary of state, and when she served in the House of Representatives and I

in the U.S. Senate. It always was a surprise to those of us who live in the State of Connecticut that the emphasis on Governor Grasso and the position she held was an emphasis based on the fact that she was a woman. I think anybody, not just this Senator from Connecticut but anybody who resides in the State of Connecticut, can tell you that she earned every one of her positions by virtue of her ability.

The fact that she was a woman was the last thing that crossed anybody's mind in the State of Connecticut.

She was possessed of enormous ability, compassion, integrity, and political savvy. There just are not any better to be found in the area of government or politics.

In these comments, I express to her husband, Tom, and her whole family my respects and my deep affection for each of them.

I will miss, sincerely miss, a great human being. If I were asked what I consider her outstanding achievement, I would say it is that she performed her duties as Governor during one of the most difficult periods for all the Governors of the 50 States. These were times of enormous fiscal difficulties, and she brought the State of Connecticut through intact—indeed, in excellent shape.

People say that she was tough. She was—in the pursuit of good. What she set out to do, she accomplished. In what is sometimes considered a tough profession, I think it can well be said of Ella Grasso that nobody ever laid a glove on her.

So this is in the nature of a farewell to someone for whom I had great affection as a person and deep respect as a professional. Politics in Connecticut and government in Connecticut just will not be the same without her. When the best player walks off the field, it just is not quite the same game.

In any event, my heartfelt wishes go to her family. Where she is now, she sits in arms of a strength equal to her own.

ELLA GRASSO

Mrs. HAWKINS. Madam President, it is with deep regret that I address my colleagues today concerning the death of Gov. Ella Grasso. Governor Grasso had a long and distinguished career serving the people of Connecticut. She has left a legacy of inspiration to me and other women interested in serving their country through political action.

Ella Grasso's life was a true example of the American dream. The child of Italian immigrants, she was proud of her working class background. She once boasted that it took her years to learn that "youse" is not the plural of you. Despite her modesty, Ella Grasso excelled academically. She was admitted to the prestigious Chaffee School on a scholarship, was admitted to Phi Beta Kappa in her junior year and later graduated Magna Cum Laude from Mount Holyoke.

Her political career was equally distinguished. In the early part of her political life, the Republican Party was fortunate to have her as a member. Unfortunately, she later followed what she termed her "true inclinations" and joined the Democratic Party. Her interest in politics stemmed from her involvement in the League of Women Voters, where she developed an understanding of the issues and a knowledge of how to translate that interest into action.

Mrs. Grasso's political career was marked throughout by her interest in the consumer. During her two terms in the Connecticut General Assembly she sought to eliminate the antiquated county governmental structure, reorganize the municipal court system and set up a State Office of Mental Retardation.

As Connecticut's Secretary of State, Mrs. Grasso turned her office into a "people's lobby" where ordinary citizens could air their grievances or seek advice. This open door policy was continued during her tenure as Congresswoman from the Sixth District of Connecticut. She took an active and leading role in the House Committee on Education and Labor and the Veterans' Affairs Committee.

She capped her long and illustrious career by becoming the first woman to be elected a State Governor on her own and not as the wife of a previous incumbent. As Governor, Ella Grasso worked hard on an issue close to my heart, the overcharging of customers by electrical companies. Governor Grasso commissioned a private investigation that revealed that three major electric companies had overcharged their customers by $19 million over a 3-year period.

I am saddened by the passing of this great lady, but the examples that she set, and the inspiration that she provided to all who knew her, will live on.

Mr. THURMOND. Madam President, will the distinguished Senator yield?

Mrs. HAWKINS. I yield.

Mr. THURMOND. Madam President, I wish to be associated with the remarks of the able Senator from Florida.

I had the pleasure of knowing Governor Grasso. I remember attending a meeting in Connecticut at which she attended and we both spoke on this occasion. We were celebrating the election of the national commander in chief of one of our great veterans' organizations.

I was deeply impressed at that time with her capacity, courage, character, and compassion.

I think she was a great citizen, and I am sure our Nation mourns her loss at this time.

TRIBUTE TO THE LATE GOV. ELLA GRASSO

Mr. DODD. Madam President, it is with a deep sense of regret that I rise as my first words as a Member of this body to mourn the loss of our former Governor and former colleague in the House of Representatives.

I rise to express my deep sorrow and the sorrow I know of millions of people all across this country, not to mention the residents of my home State of Connecticut, over the loss of our very distinguished Gov. Ella Grasso.

The stark message stomped in the snowy expanse of a Connecticut field was simple. Aerial photographs showed it best; it said "Help—Ella."

It was the 1978 blizzard and Ella Grasso was Connecticut's Governor. The people who elected her and the hearty few whose footprints created the eloquent plea knew the Governor cared. They knew she would help.

Ella Grasso was that kind of lady. We in Connecticut felt her compassion and her understanding. We saw over and over again the sparkling results of her strong and courageous leadership.

Last night, Ella Grasso faced the first defeat of a career marked by brilliant victories. In mourning her passing, we cannot help but remember the celebrations we shared in her more than 25 years of public service.

In every office she held, Ella Grasso's mark was excellence.

As a State representative from Windsor Locks she simplified State government.

As secretary of state—a post she held for a dozen years—her enthusiasm was boundless, her popularity increasing as people recognized her special talents.

As a Member of Congress, she built upon an already glowing record, working to stop the economic decline of Connecticut's industrialized cities.

And, finally, as Governor, her rare blend of tenacity and compassion earned her the love and respect of every citizen and every colleague.

As a politician, she was a leader; tough, outspoken, unbeatable. Ella met every challenge, charming ally and adversary with a quick wit and, when needed, a sharp tongue. She knew her audiences, mixing as well with Fairfield County industrialists as she did with small children.

Personally, she represented this melange of influences. The daughter of Italian immigrants who spoke only halting English, Ella would go on to preparatory school and to Mount Holyoke College. She understood the diverse people in Connecticut because, in her special way, they represented her own style and charm.

And, we knew she cared. We sensed her special ability to console and, when necessary, to confront. We knew she understood when disaster struck us—either as individuals or as a community.

Even as she resigned from public office, she thought of us. "I love you all," she said at the close of her statement.

That affection was returned from throughout the State during her illness and her time in office. She made us feel like family, like her special family. And, we share the deep loss felt by her husband, Tom and her children Jim and Susane.

Ella leaves us with bright memories of her triumphs and her trials. She leaves us hopeful for the future she helped to improve, and confident that the promise she represented will be realized.

In our sorrow, we mourn more than the loss of an able leader. We grieve for a friend.

Mr. President, I ask unanimous consent that an editorial that appeared in the Hartford Courant, written by a for-

mer staff member of hers and a very close friend of mine, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRIBUTE TO ELLA GRASSO

(By Nancy Lewinsohn)

A few months after Ella T. Grasso announced her candidacy for governor, she was walking from her congressional office to the Capitol for an afternoon session of the House of Representatives. A tall lanky bachelor colleague was flirting with a young blonde at the foot of the stairs.

Ella rushed to the congressman's side, linked arms and pulled him away, trilling, "Charlie, dear, I'm sorry to be late. I hope you didn't worry."

The congressman was dumbfounded, and by the time he recovered, he was climbing the stairs to the Hall of the House.

"You did not act very gubernatorial, Ella," he growled, and they chuckled together as they climbed.

Ella enjoyed her prankishness, there was no doubt about that. It was a joyful element in a rich, complex medley of pronounced qualities and talents unique to this special person. She was an original.

Indeed, she was witty and whimsical, taming the feistiest university audience with humor light and kindly meant; but she could also frost a tough foe with the turn of a phrase, if not a single steely glance.

She was a compassionate friend, paying a state employee's insurance premium in hard times, and giving legislators far from home bad weather hospitality, with milk and cookies waiting on the night stand; but she could also carry disagreement from friendly encounter to silent challenge.

She was a gentle presence that entered a room quietly and was felt; and she was wonderfully hearty.

Personally, she hurt easily and punished herself unmercifully, working ungodly hours. She shunned vacations, relaxing seldom; but sometimes she did so by trying to beat Sherlock Holmes to the solution of a crime.

A most valuable political attributable came naturally to Ella Grasso. Herself a blend of different cultures and influences, she related spontaneously to all people at their own level. It was not difficult for her to move easily among seniors and small children, welfare mothers, national leaders, businessmen and workers all in a single day. At least partially responsible was her natural warmth that radiated, gathering people to her.

From all over the state they came to talk; they also called or caught up with her on the campaign trail. Because she listened they told her their problems and they asked her counsel. Instinctively they regarded her as their friend.

She said that being a woman was neither an advantage nor a disadvantage to her political career. Her strong inclination to mother, to protect, however, certainly shaped her style. Just as she fretted about those around her—whether we were too fat or too thin, and if single, whether or not friends were fit companions—so in the greater arena she gave government a decidedly personal stamp.

The people of Connecticut were her flock. She told groups of schoolchildren that to know what government needs to do to help people you must know about their lives—their problems, where they are and where they want to go. She was always discovering.

Through a vast, sometimes changing network of informants, some political and others not, she personally kept in touch with life throughout the state. It was perhaps unnerving, but not unusual, for a troubled stranger to receive an early morning call from the governor asking how she could help.

Ella Grasso had a keen, creative, agile mind. Her facility for expression was rare. She could dart from topic to topic, often speaking cryptic phrases that were baffling to those who had not mastered her vocal shorthand. When she put pan to paper we watched in amazement as her hand flew across the paper, a virtual torrent of words tumbling into perfect sentences marked by a personal flair.

Publicly she commanded a situation by fitting her demeanor to the requirements at hand. She spoke eloquently without a text. Her prose could be simple, folksy, pithy remarks, or loftier thoughts delivered with the rounded vowels and high pitch of what we called her Mount Holyoke voice. It was always enriching to hear her call on a vast growing store of quotes, often favorite passages from Shakespeare, Frost and St. Vincent Millay. Frequently, she drew on the wise comment of John M. Bailey and other political greats.

Our governor was a spirited woman, tenacious, vibrant, courageous and strong. A whirlwind of energy, she energized those around her, family, staff and friends.

She was highly competitive, and in the political arena she relished a good fight and a conquest. When she believed she was right she stood her ground.

Nowhere, however, could she have shown her mettle more clearly than in her final battle with illness. To fight and lose the hardest fight of all in the public eye and maintain quiet dignity throughout—that was truly gubernatorial.

I knew Ella Grasso as congresswoman, governor and friend. We used to talk at great length. We joked and gossiped and laughed. We discussed important issues and other meaningful things. Sometimes we disagreed, now and then tempestuously; but never finally—always there was to be another round, another chance to match wits and exchange ideas.

Now that comforting thought is gone.

The first full realization of this loss came when she called me not so long ago. We chatted briefly but warmly. Neither of us put into words what we both knew—that it was our unspoken farewell.

Goodbye, dear Governor.

DEATH OF GOV. ELLA GRASSO

Mr. KENNEDY. Madam President, Ella Grasso's death has deprived the people of Connecticut, New England, and the Nation of one of our most effective and respected leaders, throughout her brilliant career in public life, she always met the highest standards of compassion and commitment in service to the people. And her magnificent courage was never more evident than in these recent weeks as she struggled bravely against the disease that now has claimed her life.

QUORUM CALL

Mr. BAKER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATSUNAGA. Madam President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEBT LIMIT EXTENSION

The Senate continued with the consideration of the bill.

Mr. BAKER. Madam President, I think we are now probably ready to try to wrap this thing up.

I am prepared to advise the distinguished minority leader that because of the absence of certain Members on both sides of the aisle who are attending a funeral here in town, I would hope that we could establish a time for a vote on final passage say beginning at 3:15 this afternoon, and if there is a general willingness to do that I understand that the minority leader had earlier indicated that he would not object to a request by the distinguished Senator from Idaho that he withdraw his amendment and that we order the yeas and nays on final passage and that that vote would occur beginning at 3:15 p.m.

Mr. ROBERT C. BYRD. Madam President, it is agreeable with me to vote now or at any time between now and 3:15 or to vote at 3:15.

I will be very glad to agree to the request that the Senate proceed to a vote on final passage at 3:15 p.m.

Mr. BAKER. I thank the minority leader.

Might I now yield to the disinguished Senator from Idaho?

Mr. ROBERT C. BYRD. Madam President, I would object to the majority leader's yielding for that purpose until we get an agreement. I hope the majority leader——

Mr. BAKER. Madam President, I ask unanimous consent that the vote on final passage on the bill to provide for a temporary increase in the public debt limit occur at 3:15 p.m., and I ask for the yeas and nays, and that paragraph 4 of rule XII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. I yield to the Senator from Idaho.

Mr. McCLURE. Madam President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

REQUEST FOR PERIOD FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Madam President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business not to extend beyond the hour of 3:10 in which Senators may speak for not more than 10 minutes.

Mr. CHILES. I object or reserving the right to object, I wonder if during part of this time the resolution I had. a sense-of-the-Senate resolution, whether we might take that up? I would take a very quick time limitation on that to dispose of it.

Mr. BAKER. As a freestanding resolution?

Mr. CHILES. Yes.

Mr. BAKER. Not as an amendment to the debt limit?

Madam President. I really must say I have no objection to it. I have not seen the resolution and I would yield to the distinguished chairman of the Finance Committee to speak on that point.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I am not certain——

Mr. BAKER. Madam President, I withdraw my request for a period for the transaction of routine morning business.

The PRESIDING OFFICER. The request is withdrawn.

Mr. DOLE. Just to make certain, the pending business now is the debt ceiling?

The PRESIDING OFFICER. That is correct.

The Senator from Iowa is recognized.

Mr. JEPSEN. Madam President, last night President Reagan spoke to the American people straight from the shoulder. He clearly and concisely detailed the plain facts about Government and the economy in a way that was both convincing and a bit frightening. The fright came not from the President's tone or manner but simply from the facts, and those facts are that the Federal budget is out of control, that our economic malaise stems principally from the intrusion of Government into the private economy, that declining economic growth and rising inflation threaten our very survival as a Nation, and that drastic, immediate measures are needed to reverse our Nation's course before calamity occurs.

I wholeheartedly endorse President Reagan's analysis of the economic situation and the cure. We must reduce governmental spending as a percentage of our national output. We must keep tight control on the Nation's money supply. We must reform and eliminate unnecessary Government regulations.

Mr. DOLE. Madam President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats.

Did the Senator complete his statement?

Mr. JEPSEN. I am waiting for instructions from the Presiding Officer on whether I may proceed or not.

The PRESIDING OFFICER. Senators will take their seats, please. The Senator from Iowa.

Mr. JEPSEN. Let me repeat, I wholeheartedly endorse President Reagan's analysis of the economic situation and the cure. We must reduce governmental spending as a percentage of our national output. We must keep a tight control on the Nation's money supply. We must reform and eliminate unnecessary Government regulations, and we must move quickly to reduce the tax burden on the American people.

The vast majority of the Members of Congress also endorse these propositions in a general way. But many balk at specific details. They favor controlling Government spending but they will never vote for any specific cut. They favor reducing the growth of money but always in the future, not now. They favor regulatory reform but again may never endorse the elimination of any specific regulation, and they favor a reduction in the tax burden but only if it can be directed toward their particular constituencies rather than going to all taxpayers across the board.

President Reagan understands these realities and the political difficulty for implementation of his program that they represent. He also understands that the President merely proposes, Congress disposes, and that is why I applaud his efforts to work with the Congress on all aspects of the development of his economic program.

I would charge that all members of his Cabinet would do well to study very carefully their leader and his humbleness and his sincerity in trying to get the facts, trying to understand both sides of everything, and then coming up, after visiting with friends and counsel, and making a decision that is necessary for the country.

As one Senator who has made a total commitment to improving our economy and increasing productivity, I stand ready to do everything within my power to help the President develop a workable, politically saleable program, and get it through the Congress, and I pray for his success because our Nation depends on it.

In a few short minutes I am going to do something I have promised I would never do, and that is vote for an increase in the debt ceiling. I am going to do so because today for the first time in 26 years the ball is on our court, the rubber hits the road. We fish or cut bait. Any critic can kill a play, but very few critics write one.

It is a new beginning, and I am going to support the President of the United States because I believe with all of my heart that he is committed to, is sincere and has the will and the resolve to, follow through on what is best for our country and will stick by his guns and call it as he sees it and work for it.

I repeat, I pray for his success. Our Nation depends on it.

I thank the Chair.

Mr. DOLE. Madam President, it is my understanding that at 3:15 we will have a vote on final passage.

In the past hour and a half there have been a number of discussions on this side of the aisle and, perhaps, some on the other side of the aisle. This is a very difficult vote, I assume, for many, both Republicans and Democrats, and many Republicans for reasons best known to themselves have never voted to increase the debt ceiling, and many Democrats or some Democrats have had the same experience.

But I would suggest that some of us are no longer looking at this in a totally objective fashion, and I would remind those who may read the record hereafter that President Reagan was inaugurated on January 20, and here on February 6 we are asked to take final action on his initiative to increase the debt ceiling, which certainly was none of his doing.

On the other hand, it has been my feeling over the years that if someone ran up an obligation then it should be paid. I have voted to extend the debt ceiling from time to time, but I believe, as has been pointed out by the Senator from Iowa and others, that we do have an obligation as Republicans. We do control the Senate of the United States, and we have an obligation and an opportunity to support our President, and I would hope our colleagues on the Democratic side would look at this vote on final passage as an effort to cooperate with the new President of the United States.

And I know all the politics of the debt ceiling. I have been on both sides of that issue. I understand that some of the liberals who vote for all the spending never vote for debt increases and some of the conservatives who vote against all the spending vote against debt increases. But that is not our legacy. It is the legacy of President Carter we are voting on today and not the efforts of President Reagan.

We are going to have many opportunities in the Senate of the United States to do a little political fencing on both sides of the aisle. I think everyone appreciates that and I hope that certainly those members who serve on the Senate Finance Committee will march together as we vote to increase the debt ceiling. I know I can count on my distinguished colleague, the Senator from Louisiana (Mr. LONG). We appreciate his support earlier in the day.

Mr. LONG. Madam President, will the Senator yield?

Mr. DOLE. Madam President, I am happy to yield.

Mr. LONG. Madam President, had the public seen fit to continue the Democrats in control of the Senate, I would be standing here managing the bill and asking the Senate to vote for the bill. I deem it my responsibility to do the responsible thing.

I have already said that after the parties change control it takes a majority a while to learn to be responsible and it takes the minority a while to learn to be irresponsible. But I just have not learned how to be irresponsible.

So the Senator can count on me for what little influence I have to support his efforts to provide enough money to pay the debts as they fall due. My judgment is that we would have had the same problem no matter how the election went. The party in the majority would have had the burden of asking for authority to pay the bills.

I appreciate the Senator's problem, and but for the judgment of the voters the situation might have been reversed. I might have been pleading for the Senator's vote.

Mr. DOLE. I appreciate that.

There have been a lot of rapid conversions around here on this issue. There were a great number in the House. I never saw such a change.

But I think some of us have been rather consistent in support of our obligation to pay our debts and have some credibility now to ask others who may be wavering to all work together to indicate to the President, on his birthday, of all days to have to bring this up, to support the President of the United States, who is celebrating his birthday and I know can hardly wait to sign this particular legislation. This is something that President Reagan has been looking forward to for years. [Laughter.]

And to think that this was the last piece of legislation that we had in the last Congress and it is the first piece of legislation we have in this Congress. Had we not amended the Byrd amendment and had it passed, we would have been here 2 weeks from now raising it again. Fortunately, that amendment was tabled.

It is the opinion of this Senator that there are sufficient votes now, maybe by

a wider margin, depending on my Democratic colleagues. But I really believe that when they look at their record and look and check up on their responsibilities, there will be a very, very large vote to increase the debt ceiling to indicate their desire to cooperate.

I listened with great interest last night to President Reagan mention cooperation with the Congress and the Democrats, as well as members of his own party. He even put the Democrats ahead in that statement. That is an indication of the cooperation we are going to have from President Reagan.

In fact, just 3 days ago, he came to the Capitol. He met in the President's room. I understand he plans to do that frequently. That is an indication of his desire to work together to help turn the economy around.

To those who are making what they consider to be a real sacrifice in voting for this extension, I suggest that if, in fact, the President does not come forth with an economic package that calls for deep cuts in Federal spending pretty much across the board and if, in fact, he does not send us a tax-reduction package that provides for rate cuts for individuals and accelerated depreciation and other matters in the package that are of interest to some in this body, then perhaps we should all vote against the next debt increase. But I do not think we have to worry about that.

It has been said by some that, "Well, President Reagan will lose his nerve and it will be business as usual," but this Senator doubts that. I think the larger question is, will Congress lose its nerve, or do we have any nerve to lose, I guess, would even be the larger question. That will be determined in a series of votes that will probably start in the next 30, 40, to 50 days.

Madam President, I do hope that this is the first in many series of debates on the floor where we can work out our differences and cooperate, particularly in view of this rather unpleasant legislation that we find before us today.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, before we make this historic vote today, I have to be the first to say that I am not happy with extending the debt ceiling one more time or any more times. I have to agree that I think the distinguished Senator from Colorado has made many devastating and important points.

But I also think the President of the United States made some important points last evening. He did not mince any words. He came out and told us how really bad off we are in this country. I think it has been both parties over a period of 50 years that have brought this about. When he said we are almost $80 billion in debt, he meant the $55 billion on budget, plus $23 billion in off-budget items that were only $9 billion 4 years ago.

Just in the last 4 years, we have jumped from a little over $400 billion budget to $739 billion in fiscal year 1982. From a little over $650 billion in national debt to almost a trillion dollars and the interest from $42 to $100 billion in just a matter of 4 or 5 years.

I intend to vote to lift the debt ceiling. I intend to show my support for the President of the United States, not because I like voting to lift the debt ceiling. I do not. I am going to hold my nose as hard as I can and vote for it so that I can support the President of the United States and I think one of my dearest friends on Earth, Dave Stockman, who has had the guts to tell people in this country that we have to cut back and tell us up here in Congress we have to cut back.

But I am doing so with the belief that we will really work in the U.S. Senate and hopefully the whole Congress for budget reform. We all feel that there are at least seven major areas of budget reform that ought to be considered by this Congress and by everybody concerned. All I can say is that I am going to do everything I possibly can to help bring it about.

One reason the Congressional Budget Office is always wrong in its projections is because of the econometric model it has been using. They only use the demand side of the econometric equation. They have never looked at the supply side. And the fact of the matter is that they have never been right yet as long as I have been on the Budget Committee.

I think it is time to start getting into the substance of what really is going to save this country, and that is the appropriation process and let us get away from this archaic anachronism called the debt limit.

I hope all of our colleagues will work together this year, not only for President Reagan in what he has been biting the bullet and trying to do, but for budget reform and literally tell the Congress to do what is right for the American taxpayer. I am going to do everything I can. I am going to support the President and, I might add, David Stockman.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Madam President, I really do not think that voting to raise the debt limit while holding your nose makes it any more responsible or irresponsible than just voting for it. It does not really make a very great deal of difference with your constituents. It may be of some interest to those on the Senate floor to know that somebody finds it is very repugnant to have to vote for a debt ceiling increase for the first time in his or her life.

I think the Senator from Virginia (Mr. WARNER) will probably be the first Senator from Virginia ever to vote for a debt ceiling increase.

I did support the Byrd amendment and I would still support the Byrd amendment, because there is a tax cut connected to this increase, and we should have a more definitive analysis of it before we approve a debt ceiling to accommodate it.

I could summarize my feelings about the debt ceiling increases much as one of my colleagues did the other day in private. He said:

You know, to vote against the debt ceiling reminds me of a man who walks into a restaurant and says, "Waiter, bring me a menu." He looks at the menu and sees a nice strip sirloin at $13.95. He says, " I believe I will take that $13.95 sirloin, medium rare." They bring it to him and he has a feast. After he finished eating it, the waiter brings a bill for $13.95. Then he complains to the waiter, that the steak costs too much.

Just as beauty is in the eye of the beholder, so is excessive spending. Some people argue that liberals do all the spending and that conservatives vote against spending and vote against the debt ceiling. It does not make any difference whether you are a liberal or a conservative. Everyone in this body has supped at the trough of fiscal irresponsibility, whether it was on defense or social programs. There is plenty of blame to go around in this body, and there is not any point in saying this is Jimmy Carter's mess.

We all voted to raise the debt ceiling when Gerald Ford's last deficit was $65 billion. The deficit actually arose after he left office, and then we had to vote to raise the debt ceiling to accommodate that deficit.

So it is wrong to suggest that only a small band of people in this body are responsible for this. The truth of the matter is the U.S. Government has no choice but to pay its debts and assume its responsibilities.

I hope there is a new day dawning, as the Senator from Idaho has suggested. Maybe there will be. Yet, if the President does not submit his proposed spending cuts before he submits that tax cut, he is going to find out exactly what Jimmy Carter found out when he did not couple decontrol with the windfall profit taxes—that he has lost his leverage.

Jimmy Carter got a lot less than he wanted and a lot less than he could have gotten by waiting to approve decontrol.

That is what will happen to this President. He should be very cautious.

Mr. THURMOND. Madam President, with considerable reluctance, I plan to vote in favor of this legislation to increase the temporary public debt limit by $50 billion to a level of $985 billion.

I am confident that President Reagan and his administration have requested this debt limit increase with the same reluctance. Realistically, however, the administration has little choice, inasmuch as the present debt ceiling will be reached within a few days and the Federal Government could no longer pay its bills without an increase in the statutory ceiling. If the Treasury were so constrained, benefits to veterans and social security recipients, pay for military personnel, and other necessary Federal payments would be jeopardized.

Madam President, it should be pointed out that neither the current huge public debt nor the necessity of further increasing it are the doing of the Reagan administration or of those of us in Congress who have been and are fiscal conservatives. The responsibility for the current situation properly lies at the door of the Carter administration and preceding liberal-dominated Congresses who together rang up a combined Federal deficit of more than $180 billion in the last 4 years.

Madam President, I am pleased that our new President will soon recommend substantial reductions in Federal spending. I know that he shares my own desire, and the obvious desire of the vast majority of the American people, to achieve a balanced Federal budget as soon as reasonably possible. This is a goal that we absolutely must move toward promptly, systematically and with unwavering discipline and determination. The future economic survival of our Nation depends on it.

With the combined political will of a President committed to fiscal responsibility and a more conservative Congress, I believe we can stop this pattern of continued deficit spending and accompanying periodic boosts in the public debt limit.

Mr. BOREN. Madam President, last night President Reagan spoke to the Nation about the economic catastrophe which we face if we do not stop living beyond our means. The President told the people the truth and the Nation is bound to be better because of it.

This is not the time for partisanship. We must put the well-being of the Nation above the interest of any political party or individual political ambition.

I wish that it were possible for me, in conscience, to support the President's proposal to raise the national debt limit by $50 billion which is included in H.R. 1553. I simply do not believe that an increase of that magnitude is justified. I supported the amendment by Senator BYRD of West Virginia to reduce the amount of the increase.

I have voted against raising the debt limit most of the time in the past as a symbol of my opposition to a continuing runaway growth of Government spending which has undermined the soundness of our economy.

In order to give the new President a chance to provide new leadership in the economic area, I am willing to consider voting for an increase in the debt limit if there is a clear commitment to reduce spending and if the amount of the increase of the debt is held to a minimum.

A $50-billion increase is too much however. It would send the wrong message to the country. It would not keep the pressure on the Congress and the administration to cut Government spending. If the full $50-billion increase is passed, the administration will not have to confront the debt issue again until late fall.

It is my feeling that if we are forced to review the debt limit more often, it will cause us to work as hard as possible to keep spending down.

Our Nation cannot continue in the direction which it has taken in the past. Government has grown so quickly and the tax burden has grown so large that people no longer have the ability to save or to invest their money in new plants and technology to help American workers compete in the world marketplace

The Government debt has become an intolerable burden on our economy. Government deficits and Government borrowing in the credit markets have caused interest rates to skyrocket to levels which will bankrupt many Americans and cripple the total economy if not reduced.

The magnitude of the problem is indicated by the fact that in 1963 under President John Kennedy, the total Federal budget was only $81 billion. It is estimated that just the interest payment on the national debt could go above $100 billion in the next 12 months. If interest rates go higher, the Federal interest payment could reach levels beyond the Government's reasonable ability to pay.

As one financial analyst, Richard Russell, said recently—

I don't think there's any question that if the U.S. Government were a corporation it would already be bankrupt.

Time is running out. All of us must pull together to hold down spending and taxes. Holding down increases on the debt limit helps us to impose discipline on ourselves.

● Mr. ROTH. Madam President, I rise in reluctant support of the debt limit extension.

It is not particularly pleasing to me to have to vote for a measure which brings our crushing national debt to the brink of $1 trillion. That means that the Federal Government will then owe $4,444 to every man, woman and child in America. And make no mistake, if we do not change our ways, our debt is likely to exceed $1 trillion before the end of the year.

The plain fact of the matter is that we now must pay the bill for the extravagance of the past.

President Reagan has inherited a disastrous economic situation. He is moving decisively to correct the mistakes of the past. But success will not come overnight

The Federal budget is like a runaway locomotive—it cannot be stopped on a dime.

The brakes must be put on as hard as possible, but without jackknifing the entire train.

This resolution will enable us to move ahead with the difficult actions which desperately need to be done.

In fact, I am supporting this resolution today precisely because I believe President Reagan will do what is necessary to turn the budget and our economy around.

However, I want to put the administration on notice that my future support of debt limit extensions will depend on whether or not they bite the fiscal bullet hard enough.

For too long, the Government has tried to buy champagne on a beer budget, and the taxpayers of this country have awakened with a terrific hangover.

And even if we stop consuming the bubbly today, our national headache is going to continue. There is no way to avoid it.

Let us pass this debt limit bill, distasteful as it is, so that we can get on with the real work of restraining the budget.

There will be plenty of other far more meaningful opportunities in the coming weeks and months to prove to our constituents that we are all fiscal conservatives.●

Mr. MATTINGLY. Madam President, I have heard a lot of talk here today from both sides of the aisle that the responsible thing to do is vote for increasing the public debt limit.

If Congress, however, had been more responsible in the past, we would not be confronted with this painstaking experience. Unfortunately, such was not the case. Instead, Government was busy creating program after program, agency after agency, which, in turn, created regulation after regulation—all of which, as sad as it may be, straddled the American worker with unnecessary economic burdens.

Now I am asked to share the burden and shoulder my part of the debts somebody else ran up. I remain unconvinced, and fully intend to vote against this proposal.

Regardless of one's opinion on the issue, I think everyone will admit that this is a frustrating experience and one which could and should have been avoided. Unless the debt limit increase is passed, or so I am told, the Government printing presses will shut down and the entire bureaucracy will grind to a screeching halt. Moreover, we are going to face the same issue again this fall, again next spring, and again and again into the unforeseeable future—a pattern that my more senior colleagues are aware of.

Now, I am not one of the Federal Government's or the bureaucracy's greatest admirers, but even I would not like to see the Department of Defense close down, the judiciary and prison systems grind to a halt, social security recipients and veterans find that their checks are no good, and so forth.

But, I am not going to begin my Senate career by joining in this perpetual pattern of simply increasing the debt ceiling. Instead, I ask my colleagues to join me in demanding fundamental reform in the areas of budgetary and fiscal action, such as slashing Federal spending and reducing overburdensome taxes, as opposed to repeating the mistakes of the past, which obviously have not worked.

A vote to increase the Federal debt without any commitment to cut spending and taxes would send a signal to the American people that Congress will conduct business as usual. The mandate of 1980 was not one for business as usual. It was, instead, an order for Congress to come to grips with its past irresponsible spending habits. If this Congress and administration increases the debt limit without committing to real economic reform, the hopes of the American people as expressed on November 4 will be frustrated.

Congress needs to send a signal, not to Wall Street, but to the American people. Moreover, we must do more than only send a signal. We must bring about change which will restore confidence in the electorate and make the economic future for working Americans once again one of optimism.

The realities of the budget process are such that there are alternatives to simply increasing the debt limit. A debt limit can and should be coupled with giving the President power to rescind spending funds previously appropriated, or with a

total economic package of tax and spending cuts.

Another alternative could be interim funding on the deficit. Unfortunately, the alternatives for the working people of America have been diminished or totally eliminated. Such workers have been forced involuntarily to tighten their belts. Now is the time for Government to do some belt tightening and help these individuals and their families who continue to suffer and lose the constant battle against inflation and taxes.

The American public has caught on to the fact that the public debt is directly related to inflation. They realize that inflation is their enemy—an enemy created and perpetuated by irresponsible Government. They may not understand the details of the budget, but they do understand that a loaf of bread costs 75 cents and a tank of gasoline nearly $30. They understand that they cannot borrow money at a reasonable interest rate because Uncle Sam has cornered the borrowing market. They understand that almost every day there is something new—insurance has gone up; property taxes and mortgage payments have increased; it costs $4 to clean a suit; and almost $60 to tune the automobile. The American workers and taxpayers know good and well that "the harder they work the behinder they get."

Needless to say, Government spending practices are leading up to an economic doomsday. Time is running out. Congress must help the taxpayers of America by reducing inflation and thereby creating economic growth, restoring the integrity of the paycheck, and creating jobs for those who are unemployed.

When this debt limit is finally passed, the individual share for every man, woman, and child in this country will be $4,300. That is over $17,000 for a family of four, and that is on top of regular taxes.

The time for fundamental reform is now. We must not begin this reform by voting for the increase in the debt limit. Therefore, I will cast my vote against this bill.

Mr. DURENBERGER. Madam President, with great reluctance I will be casting my vote today in support of the bill to increase the ceiling on the national debt. This has been a difficult decision for me. I have voted against an increase in the ceiling in the past because I strongly disagree with the spending practices that have required such increases.

But President Reagan makes a legitimate argument in asking for the right to begin his term with a "clean slate." The spending commitments that require this change in the debt limit were inherited from the Carter administration. In his speech to the Nation last evening, the President made clear his intention to cut back these spending commitments to the greatest extent possible. Allowing the President to proceed with this approach insures that the cutbacks will be made in a fair, logical, and orderly fashion.

In contrast, if we reject the debt limit resolution, all Federal commitments would come to an immediate halt. This includes essential items such as national defense, veterans' benefits, and assistance for the retired and disabled. It is impossible to justify proceeding in such a chaotic manner.

The Federal debt limit extension does not authorize the expenditure of any Federal dollars. It adjusts Federal borrowing authority to meet spending commitments made during the passage of the budget and appropriations bills. As you know, Mr. President, I voted against the budget and many of those appropriations bills. From my perspective, they contained spending commitments that were unjustifiable under present economic circumstances.

I believe this past election has given us the mandate to make the difficult choices required by the urgent need to restore stability to the Federal budget. But we must let the new administration and the new Congress have the opportunity to grapple with these problems without causing the extreme chaos that would result from failing to raise the debt ceiling.

Raising the debt ceiling this time will not be the last time it must be done, for the new limit is sufficient only through the end of this fiscal year. Even under the most optimistic projections our Government will have a deficit in fiscal year 1982, and we will be forced to increase the limit once again. But I am today putting my colleagues on notice that unless we make the difficult choices to get rid of excessive spending so that we dramatically reduce the projected deficit in 1982, I will not be voting for the increase the next time we are called upon to do so.

● Mr. ABDNOR. Madam President, I speak today with very mixed emotions. I have long been an advocate of fiscal responsibility, and I believe that my record of service in the other body speaks for itself on that particular point. I must honestly say that the vote I cast today does not come without considerable thought. As I noted earlier, I am a fiscal conservative who feels we should spend on programs that are necessary, yet affordable. When one looks at the state of the Nation's economy today I can honestly say that had the Congress taken a strong stance such as I have advocated we would not be here today looking at legislation to raise the debt limit. Unfortunately, however, that is not the case.

We have spent recklessly without the forethought of the consequences. The increase in the past 4 years alone is a staggering figure. The trend must be reversed. It is imperative that we take action to bring this mess under control. It is time to face the music. It will not be an easy task. The decisions are going to be difficult. But we must not only talk about "biting the bullet," but actually do it. There is no doubt in my mind that the steps we take may not be politically popular, but the problem this country faces stands above politics. The results November 4 indicate to me that the country is willing to take those steps. We must provide that leadership.

I will cast a vote for the increase of the debt ceiling. But I must say that today will and must mark the dawn of a new beginning. The debt exists. We have got the obligation to meet the existing commitment. The previous administration's economic policy got us to this point. We have got the obligation to meet the existing commitment. The previous administration's economic policy got us to this point. We have got to give President Reagan the opportunity to get the economy back into shape. As we stand here today, I would ask my colleagues in the Senate to put politics aside and ask themselves the best way to get the country moving.

Before closing, I emphasize once more that this is not an easy vote for me. Indeed, it is very, very difficult. I certainly do not plan to do it again. If we take those steps necessary to control Government spending, we can reverse the trend, and I hope someday to stand in this body and vote to reduce the debt limit as we create budget surpluses.●

● Mr. CHAFEE. Madam President, casting this vote to increase the national debt limit by $50 billion, to $985 billion, is not an easy or pleasant task. In short, it reflects yet another year during which Federal spending has run out of control and out of balance.

The consequences of our failing to take care of this fiscal matter, however, would be costly and chaotic. Social security recipients and people who depend on medicaid or medicare would quickly find themselves in the cold should we fail to pass this debt limit increase.

Taking this action, as everyone understands, is clearly not an indication of the economic strategy course we expect to follow under the Reagan administration. The new President has inherited a domestic situation that he did not create. In fact, we are facing economic problems unparalleled in our history since World War II. As Americans, we owe President Reagan the best possible chance for success with his economic program.

Mr. President, I ask unanimous consent that an editorial from the Providence Journal titled "Interim Higher Debt Ceiling" be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INTERIM HIGHER DEBT CEILING

President Reagan has sharp federal budget cuts in the works, of that he's left little doubt. Meanwhile, to cope temporarily with an inherited fiscal mess, Mr. Reagan has proposed a $50 billion rise in the government's debt ceiling—a painful but necessary step to meet previous commitments not of his making. It would be hypocritical for Congress to balk at this.

The lawmakers are largely responsible for the overspending that requires the debt hike. For them to become obstructionists now that the bills they voted are coming due would amount simply to mischievous posturing. Rather than hassle the new Administration on this issue, Congress—Democrats as well as Republicans—ought to be ready to cooperate on the reductions ahead that will really count.

There will be plenty of opportunities then to demonstrate genuine frugality. A specious show of this with reference to the debt boost will only create bookkeeping distractions that won't help White House budgetmakers in charting a tighter fiscal course for the nation. Congressional Republicans reportedly rebelling at the higher debt figure ought to straighten out their priorities. With the GOP in power, they particularly have to act more responsibly.●

● Mr. NICKLES. Madam President, when I ran for this office, I told the people of Oklahoma that I was against inflationary Government spending, and that I favored cutting Government expenditures to ease our heavy tax burden and to balance the budget. I still stand firm on my commitments; my convictions have not changed.

I will support the increase in the debt limit in order to give the Reagan administration and Congress time to implement their spending cuts along with their economic proposals, to get our country moving once again.

I would not support the administration's request to raise the temporary debt limit under almost any circumstance. It goes against the very core of my philosophy. But this is a new administration and Congress, having to deal with old debts for which we are not responsible. My first inclination is to vote against the measure, but careful reconsideration says we must act responsibly when it comes to the past. The administration, I believe, will be offering major budget cuts that I will vigorously support. My commitment for less government will soon be proven as I work to cut Government expenditures substantially.

It is the responsibility of Congress to see to it that administration proposals to cut the budget are enacted. Together we decide whether or not we can clean up our economy. Those decisions rest squarely on our shoulders. If this body does not make substantial budget cuts, I intend to oppose future requests for debt ceiling increases.

Our children's futures have been mortgaged by previous administrations and Congress. It must stop. We must not continue that action by hiking the debt limit every year.●

Mr. WARNER. Madam President, I intend to vote for the bill pending to raise the debt limit.

Madam President, I rise today in support of H.R. 1553, the bill to increase the debt limit and extend it to September 30 of this year. I do this with the greatest reluctance.

In the past two decades, the ceiling on the Federal debt has been raised an extraordinary 31 times—20 times in the last 8 years—a direct and dramatic reflection of the explosive increase in Federal spending and deficits. In my judgment, this record is inexcusable and irresponsible.

During the course of my service in the Senate, I have opposed increasing the debt ceiling. The answer to our Nation's economic problems is not simply to raise the debt limit every time we run up againts the ceiling, but rather to cut back Government spending until the budget is balanced and we are living once again within our means.

Yet today, we find ourselves in a precarious position. If the Senate fails to allow this increase in the debt limit, the United States will find itself in a situation of default. If the Government were a private enterprise, the analogy would be that of insolvency.

I expressed my concerns to President Reagan and today he sent me a personal letter, urging immediate passage of the bill, which I share with my colleagues.

Madam President, I ask unanimous consent to have printed in the RECORD the letter to which I have made reference.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., February 5, 1981.

Hon. JOHN W. WARNER,
U.S. Senate,
Washington, D.C.

DEAR JOHN: As you know, last week the Administration was forced to request an increase in the debt ceiling to 985 billion dollars. This request was made with deep regret, but the reasons for taking this step are persuasive to me and I am sure they will be to you as well.

Our fundamental economic problem is not the debt ceiling. That is merely a symptom. Its upward spiral reflects the continuing effects of the misguided economic policies of the past. These undesirable effects will not disappear overnight. The key now, however, is to focus on changing our basic economic policies.

To that end, I will submit a new comprehensive economic program in the coming weeks—a program which will include major reductions in projected spending. With the support of the Congress, that program will begin to get at the real, fundamental problems. I know these proposals will merit your support.

In the meantime, we must continue to pay the price of our unfortunate inheritance. The Treasury must, among other things, be able to continue to make Social Security payments; it must continue to meet the Federal Government payroll; and it must be able to continue to pay off credit obligations held by individual Americans. Failure to increase the debt limit threatens these critical areas.

With these inescapable facts in view, and with an eye on the soecial need to preserve orderly financial markets at this time, I ask your support of legislation to increase the debt ceiling.

Sincerely,

RON.

Mr. WARNER. Madam President, clearly, serious difficulties would arise should the debt ceiling not be increased.

Just as clearly, the need for increasing the ceiling at this time is the reflection of past economic policies that have not worked.

With the economic proposals that President Reagan is submitting to Congress in these next weeks, I am confident that our Nation can address the real causes as well as the consequences of our incredible debt.

As an expression of my deep concern over this rising debt and the legislative procedure pending today, I have cosponsored with my colleagues the following resolution.

Madam President, I ask unanimous consent to have printed in the RECORD the resolution to which I have made reference.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas federal expenditures mandated by previous law have resulted in continued outlays in excess of revenues;

Whereas deficit spending fuels inflation, and inflation and high tax rates have resulted in shackling the nation's economy;

Whereas taxes have increased to the point where they discourage economic activity;

Whereas lessened economic output reduces employment and the tax base thus contributing to greater deficits;

Whereas the President has pledged to take actions and propose legislative changes leading to the elimination of federal deficit spending;

Whereas the President of the United States presides over the largest budget in the world, yet has less management control over the budget than almost any other chief executive, in contrast to the governors of virtually all of the 50 states who have the power to block wasteful, duplicative and needless spending;

Whereas such powers play an integral part of the governors' duty to maintain constitutionally mandated balanced budgets, and the President of the United States, as executive with far greater responsibilities for the economic well-being of the nation, should have available similar tools;

Whereas the true condition of federal finances would be exposed if so-called "on-budget" entities were treated as an integral part of the budget; and

Whereas the President of the United States has announced his intention to transmit to Congress on February 18, 1981 a package of spending limitation reductions and tax rate reduction proposals which will lead to the elimination of federal deficit spending and restore economic vitality. Now therefore be it:

Resolved, That the United States Senate hereby affirms that:

Future amendments to the federal debt limit must be preceded by adoption of legislation to limit federal expenditures, and

The Senate shall act immediately and expeditiously to the passage of legislation necessary to effect major spending reductions and tax reductions such as those proposals are received by Congress, and that future amendments to the federal debt limit must be preceded by the adoption of such expenditure limitation and budgetary reforms as are necessary to eliminate the financing of new federal indebtedness. Such federal expenditure control reforms should include at least some combination of the following:

1. The modification of the Congressional Budget and Impoundement Control Act of 1974 to restore the authority of the President to impound appropriated funds when such action is required to prevent the increase of federal indebtedness.

2. The modification of such Act to increase the President's ability to implement budgetary rescissions.

3. The modification of such Act to strengthen the congressional budget reconciliation procedure to enforce a real congressional budget ceiling on a Congress which has failed to balance its budget for 44 of the last 50 years, even under the new Congressional budget process.

4. The modification of such Act to eliminate the misleading practice of understating real federal expenditures by placing "on budget" the $23 billion of projected fiscal 1981 expenditures and all future federal expenditures now considered to be "off budget".

5. The establishment of a requirement for strict scrutiny and congressional approval of both private borrowing under government guarantees and borrowing by government-sponsored entities.

6. The endorsement by the President and consideration by the Congress of one of the numerous amendments to the Constitution

which would require balanced annual federal outlays and revenues which are pending before the Subcommittee on the Constitution of the Committee on the Judiciary of the Senate.

7. The adoption of new rules of Congressional procedure and the improvement of relations between the executive and legislative branches to prevent transmission to the President of spending bills which would exceed the annual Congressional budget ceiling.

Mr. WARNER. Madam President, having expressed my deep concerns to both the President of the United States and the Senate by resolution, I now intend to follow the limited, but responsible, course of action open to me by voting in support of the bill to raise the debt limit.

America is plodding aimlessly toward the gallows of insolvency. We, as legislators, should be reminded of the immortal words of Ben Franklin when, on the eve of the signing of the Declaration of Independence, he said: "Either we hang together or most assuredly we will hang separately." Following his wisdom that has transcended the times, a vote in support of the President marks the first step away from the gallows and toward a new economic independence.

The PRESIDING OFFICER. Under the previous order, the hour of 3:15 having arrived, the Senate will now vote on H.R. 1553. If there be no further amendment to be offered, the question is on the third reading and passage of the bill.

Mr. ROBERT C. BYRD. Madam President, when we get to the vote, I ask that the well be kept clear, that the clerk repeat the name of each Senator after he votes, and that we have order in the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be read the third time.

The bill was ordered to a third reading and was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll and ascertain the presence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

The question is, Shall the bill pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we keep the well cleared?

The VICE PRESIDENT. The well will be cleared. The Senate will be in order. The clerk will proceed.

The legislative clerk resumed the call of the roll.

Mr. CRANSTON. Mr. President, will you clear the well, please?

The VICE PRESIDENT. The Senate will be in order. The well will be cleared. Senators standing in the well will take their seats. The clerk will suspend until the well is cleared.

The legislative clerk resumed the call of the roll.

Mr. LEAHY. Mr. President, we do not have order. The well should be cleared.

The VICE PRESIDENT. The clerk will suspend and the well will be cleared. The Senate will be in order. The Senators will take their seats. The clerk cannot hear the Senators. Will the Senate be in order? The clerk will suspend until the well is cleared.

The clerk will continue.

The legislative clerk resumed the call of the roll.

Mr. BAKER. I announce that the Senator from Maine (Mr. COHEN), the Senator from Oregon (Mr. PACKWOOD), the Senator from Alaska (Mr. STEVENS), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Ohio (Mr. GLENN), the Senator from Montana (Mr. MELCHER), the Senator from New York (Mr. MOYNIHAN), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. MELCHER) would vote "nay."

The VICE PRESIDENT. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 73, nays 18, as follows:

[Rollcall Vote No. 23 Leg.]

YEAS—73

Abdnor	Grassley	Murkowski
Andrews	Hart	Nickles
Baker	Hatch	Pell
Bentsen	Hatfield	Percy
Biden	Hawkins	Pressler
Boschwitz	Hayakawa	Quayle
Bradley	Heinz	Randolph
Bumpers	Helms	Riegle
Burdick	Hollings	Roth
Byrd, Robert C.	Humphrey	Rudman
Chafee	Inouye	Sarbanes
Chiles	Jackson	Schmitt
Cochran	Jepsen	Simpson
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
Denton	Kennedy	Symms
Dodd	Lavalt	Thurmond
Dole	Leahy	Tower
Domenici	Levin	Wallop
Durenberger	Long	Warner
Eagleton	Lugar	Weicker
Garn	Matsunaga	Williams
Goldwater	McClure	
Gorton	Mitchell	

NAYS—18

Armstrong	East	Nunn
Baucus	Exon	Proxmire
Boren	Ford	Pryor
Byrd, Harry F., Jr.	Heflin	Sasser
DeConcini	Huddleston	Zorinsky
Dixon	Mattingly	
	Metzenbaum	

NOT VOTING—9

Cannon	Mathias	Packwood
Cohen	Melcher	Stevens
Glenn	Moynihan	Tsongas

So the bill (H.R. 1553) was passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate debt limit bill, S. 393, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I take the floor at this time to ask the majority leader what the program is for the remainder of the day and for Monday, February 16, the day the Senate reconvenes following the Lincoln Day recess.

Mr. BAKER. I thank the minority leader for his inquiry.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate will be in order.

The majority leader is recognized.

Mr. BAKER. I thank the Chair.

Mr. President, it is my hope that certain noncontroversial items on the Executive Calendar—Administrator of the Federal Highway Administration and certain other nominations from the Armed Services Committee—might be disposed of this afternoon.

It is also my understanding that a resolution will be offered by the distinguished Senator from North Carolina, and there will be debate on that resolution, but it will not be voted on today and it will be taken down before we adjourn.

Mr. President, I understand that there was some consideration by the Senator from Florida to offer another resolution, perhaps on the same basis—that is, for debate, but with the understanding that it would not be disposed of today and would be taken down before adjournment.

Beyond that, I know of no other business to be done today. There are two or three housekeeping items which I will discuss with the minority leader.

The VICE PRESIDENT. The Senator will suspend.

The Senate will be in order. The majority leader cannot be heard. The Chair asks that the Senate be in order and that the well be cleared.

The Senator will proceed.

Mr. BAKER. I thank the Chair.

Other than those remaining housekeeping items, I know of no other business to come before the Senate today, and there will be no other rollcall votes today.

Mr. President, on Monday, February 16, the Senate will reconvene pursuant to the resolution heretofore adopted; and it will be our pleasure to hear the reading of President Washington's Farewell Address at that time by the distinguished Senator from Kansas (Mrs. KASSEBAUM). I do not expect any further business to come before the Senate on Monday, the 16th.

Mr. ROBERT C. BYRD. Mr President, the majority leader is entitled to be heard. He is trying to outline the program. I hope the Chair will maintain order, in accordance with the requirements of the rule.

The PRESIDING OFFICER (Mr. RUDMAN). The Senate will be in order.

Mr. BAKER. Mr. President, on Tuesday, the situation is not yet clear.

The President of the United States has requested permission to address a joint session of Congress on the 18th of February, at 9 o'clock in the evening.

But beyond that, I have no clear view of what other legislative or executive business may come before us after the presentation of the Washington Farewell Address on Monday, and I will consult and confer with the minority leader as other messages or legislative or executive opportunities are presented to the Senate.

That about describes the situation as I see it at the present time.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, I wish to be sure that I understand the majority leader.

There will be no business transacted on the date of the reading of the Farewell Address of George Washington. Am I correct?

Mr. BAKER. Mr. President, the minority leader is correct.

I suppose there should be some slight reservation that in the event of some extraordinary emergency of some sort that required the attention of Congress we have in the past done business on that day, but it is not my intention to do business on that day.

Mr. ROBERT C. BYRD. I thank the majority leader.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, while I have the floor, I might inquire would the minority leader be in a position to clear the items on the Executive Calendar which I referred to earlier, or perhaps it will be better if we waited until a little later to do this?

Mr. ROBERT C. BYRD. If we might wait just a little while.

Several Senators addressed the Chair.

Mr. BAKER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The majority leader and minority leader are unable to be heard.

The Senate will please be in order.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

May I say in response to the majority leader's inquiry the nomination that was reported out of the Committee on Environment and Public Works is clear. I assured my distinguished senior colleague, Mr. RANDOLPH, that this matter would be voted on today. There is no objection on this side of the aisle to proceeding now if the majority leader wishes.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering Calendar Order No. 28, Ray A. Barnhart, of Texas, to be Administrator of the Federal Highway Administration, vice John S. Hassell, Jr.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

FEDERAL HIGHWAY ADMINISTRATION

The legislative clerk read the nomination of Ray A. Barnhart, of Texas, to be Administrator of the Federal Highway Administration.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. STAFFORD. Mr. President, I am very pleased, as chairman of the Environment and Public Works Committee to recommend to my distinguished colleagues that Mr. Ray A. Barnhart be confirmed as Administrator of the Federal Highway Administration.

The Environment and Public Works Committee held a hearing on Mr. Barnhart's nomination on Wednesday, February 4. The members of the committee had an opportunity to discuss the highway program with the nominee. We found him to be very knowledgeable about the issues he will have to address as Federal Highway Administrator. He will be an articulate spokesperson for the agency.

The committee ordered Mr. Barnhart's nomination reported by a vote of 15 to 0, or unanimously. This shows the confidence the members of the committee on both sides of the aisle have in the nominee.

For the past 2 years, Mr. Barnhart has been one of three commissioners of the Texas Highways and Public Transportation Department. He has also been a member of the board of directors of the Texas Turnpike Authority. He has first hand experience in implementing the highway program at the State level.

In addition, Mr. Barnhart has served in local government and in the Texas State legislature. This experience will serve him well in carrying out the responsibilities of the Federal Highway Administrator. He knows the importance of having a Federal-State-local partnership which will work well and which will work efficiently in providing the best possible highway system

Mr. President, Mr. Barnhart recognizes the economic constraints all programs are experiencing. I agree with his statement before the Environment and Public Works Committee that the Federal responsibility for the highway program must be redefined. Our resources must be concentrated on protecting and maintaining the tremendous capital investment which has been made. Mr. Barnhart understands the importance of protecting that investment.

Mr. President, I believe Mr. Barnhart is an excellent choice for Administrator of the Federal Highway Administration and I urge my colleagues to confirm him for this position.

Several Senators addressed the Chair.

Mr. RANDOLPH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I ask recognition in my own right, not for questioning, but if I could accommodate a question to the chairman of the committee of someone I am very delighted to do it.

The PRESIDING OFFICER. Does the Senator from Vermont yield the floor for the purposes of a question?

Mr. STAFFORD. I yield.

Mr. RANDOLPH. Mr. President, I am asking time under my own arrangement made earlier, but I wish to be very courteous to our colleague who is asking a question of the Senator from Vermont, and I am glad to have him yield to him if he desires for a question.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, the Senate is today considering a nomination as important as any Cabinet position which we have considered in the last 3 weeks. The Administrator of the Federal Highway Administration operates and manages one of the largest Federal-aid programs. The Federal-aid highway program has annual expenditures of in excess of $8 billion.

The President has nominated an individual with experience to fill this key position. Ray Barnhart, of Texas, is a former member of the Texas Highway Commission and the Texas Turnpike Authority. He understands the operation of a large highway program and is aware of the interrelationship between a State and Federal program.

The Federal-aid highway program is a partnership. It works well because of this relationship and has brought into being a modern system which moves people and products.

I have counseled with this nominee, in a personal conference and during the hearing on his nomination, on his philosophy on highway issues. He has demonstrated a commitment to continuation of a viable Federal-aid highway program. He is mindful of the problems facing this program and will work with the Congress to provide adequate highway funding in future years to continue our investment in this transportation system. I support the nomination of Ray Barnhart and I am prepared to work with him to meet the transportation challenges of this decade.

Mr. President, Ray Barnhart has talked with members of the Committee on Environment and Public Works in personal conferences. I appreciate the fact that he did so. That was done prior to his appearing before our committee for a hearing on his nomination.

I have seldom, if ever, listened to a formal statement by a nominee from the President for a Cabinet or sub-Cabinet position, which calls for the advise and consent of the Senate, that I approved

of more fully than that made by Mr. Barnhart. It was not that he was addressing himself just to the need for a continuation of the Federal-aid highway program. He was discussing the many problems that are connected with transportation, and his philosophy presented not by someone who had the material written for him, but he himself preparing every word which we heard succinctly, understandably, and earnestly, with the full knowledge of the grasp of the duties that will come to him.

On our Federal program we spend in excess of $8 billion at the present time. I doubt if many people give the attention to this sort of position which should be given to it. It perhaps is as important as the other Cabinet nominations that have been approved in this body.

I did not know Ray Barnhart until I first talked with him prior to the formal hearing. I have studied his record, understand his commitment, I think the Nation and all of our people will be not only amply, but greatly served by his leadership. As our able chairman of the committee has stated, the vote for his confirmation did not come several days after the hearing itself. The vote for his confirmation came within hours after the completion of that meeting. The vote was unanimous, 15 members, Republicans and Democrats, voting for him.

I take this occasion once more to say that within this committee, the Environment and Public Works Committee, seldom if ever has the so-called politics or partisanship been raised as a principal issue. Senator STAFFORD, as chairman, and I, as ranking minority member, believe in a strong transportation program and expanded the subcommittee so that we might serve. There might be some discussion back and forth, some facetious remarks made one way or the other, but always we have worked with the one commitment, to improve the quality of life in America, and to provide for the movement of people to and from their jobs, and the products of the fields and the factories and the mines. Those products must be carried to the ultimate consumers of this country on roads and over the network under safe conditions. This is society which, very frankly, is built today more than ever before on our reliance on the wheels of America.

I take longer than usual to say that I stand and speak not only in support with my vote for this nomination but to call to be read, I hope by the Members of this Senate, the background of this man, his experience, his depth of understanding. He will do well for America and now for the 230 million men, women, and children who live here.

I speak at this moment not as a Democrat or even a member of a political party, to which I am proud to belong since I first voted in 1922 for John W. Davis, a West Virginian, to be President of the United States, but I do it under the responsibility of a Member of this body as we advise and consent on a nomination sent to us by the President of the United States.

I hope the vote in this body, I say to our able chairman, will be unanimous.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I am very pleased we will be voting on the confirmation of Ray A. Barnhart as the Administrator of the Federal Highway Administration today. I have known Mr. Barnhart for several years through the Reagan campaign organization, and on the highway Ron Reagan followed to the White House, and I know that he is a man of high integrity and tremendous capability.

I was very pleased with Mr. Barnhart's comments before the Environment and Public Works Committee about his views on the Federal-aid highway program and various other highway issues that we will be dealing with during the session. As a member of the Texas State Highway and Public Transportation Commission and the board of directors of the Texas Turnpike Authority, Ray has gained a great deal of expertise in the Nation's highway program.

As the new chairman of the Subcommittee on Transportation, I will be working closely with Chairman STAFFORD of the full committee and Mr. Barnhart in his role as the Federal Highway Administrator to review all of the various highway programs and problems to insure the most efficient use of funds to maintain a vital Federal Highway System.

We are all faced with an awesome job in the coming years of providing a good transportation network under our tighter budgetary limitations. I feel confident, though, that Ray Barnhart will provide us with the proper knowledge and expertise to help us formulate policies which will maintain the best road system possible.

I urge my colleagues to confirm Mr. Barnhart as Federal Highway Administrator.

I am delighted with the choice of Ray Barnhart for the position he will hold. I will be supporting him and I share the point of view of our distinguished chairman and the distinguished Senator from West Virginia that I hope it is a unanimous vote in confirmation.

I have had the privilege of knowing Mr. Barnhart for many years. In fact, he and I traveled on that highway for the last 5 or 6 years that led Ronald Reagan to the White House. We traveled that together.

In addition to that, he has excellent qualities and experience with respect to being on the Texas Highway and Public Utility Commission.

His testimony shows he is a man who is already well informed and well versed as to the responsibilities he will have.

I look forward, as the new chairman of the Public Works Subcommittee on Transportation, to working with him to see that the dollars spent on highways are spent in the best possible fashion in this country.

● Mr. BENTSEN. Mr. President, I support the nomination of Ray Barnhart as Federal Highway Administrator. Over the past 10 years, I have been heavily involved in the development of the Federal-aid highway program as a member, and later as chairman, of the Transportation Subcommittee of the Committee on Environment and Public Works. I am pleased to say that Ray Barnhart, as a nominee to the Administrator's post, brings with him an existing knowledge of the highway program and its problems. Ray Barnhart has spent the past 2 years as a member of both the Texas State Highway and Public Transportation Commission and the Texas Turnpike Authority. In these positions he has seen the current problems of the Federal-aid highway program. He has seen the problems of inflation dramatically increasing the costs of highway construction. He knows of the critical needs to reduce the time it takes to build highway projects from the current length of 7 years. He has seen the impact of decreased gasoline consumption reducing highway trust fund revenues. He knows of the problems that have resulted in the highway program as efforts to balance the Federal budget have reduced the highway obligations ceiling at midyear. He knows of the problems States have in dealing with the Federal government on highway projects.

I look forward to these perspectives becoming a part of the basis for highway legislation in this Congress. Ray Barnhart has also served in the Texas State legislature. His experiences there will greatly aid him in dealing with the Congress as it considers new legislation and oversees the functions of the Federal Highway Administration.

On Wednesday, Ray Barnhart appeared before and was later recommended by the Committee on Environment and Public Works. I was pleased to see the enthusiasm he showed about taking on tasks of the FHWA Administrator. His responsibilities will be substantial—administering over $8 billion per year in Federal-aid highway funds, of supervising a large and capable staff of highway experts, and of preparing critical policy proposals on the future of the world's greatest highway system—a system that is critical to the commerce of this Nation and a system in critical need of adequate funding. His past experiences qualify Ray Barnhart for these tasks. I look forward to working with him during his tenure as Federal Highway Administrator.

I urge the Senate to confirm Ray Barnhart.●

Mr. STAFFORD. Mr. President, I ask unanimous consent that the statement of Mr. Barnhart, the nominee to be Administrator of the Federal Highway Administration, be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF RAY A. BARNHART BEFORE THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Good morning Mr. Chairman, members of this committee. I am honored to appear before you today as President Reagan's nominee as Administrator of the Federal Highway Administration, and I wish, for the record, to sincerely express my appreciation to him and to Secretary Drew Lewis for their confidence in recommending me to this position in what I genuinely believe to be one of the finest agencies of Federal Government.

As a just-resigned commissioner of a State transportation agency, I frankly acknowledge to you that if recommended by this Committee, and confirmed by the Senate, during my tenure I shall do everything within my power to impress upon this Administration and the American people how essential is an efficient and accessible transportation system. Mobility is something we Americans have grown to expect and accept often without being mindful of how dependent upon we are.

Too often our highway programs have been, in the public mind, derided as pork-barrel type public works primarily benefiting contractors and material suppliers and heavy haulers. But my concern is not to pour concrete in strips on the ground to pave the countryside, but to provide a means whereby goods can be brought to market, factories can disperse their products, ports can expand our commerce, and people can move about freely.

In short, so that men and women can have access to diverse jobs and fuller lives, and sustain a standard of living unknown to most other nations of the world. The economic vitality of our country is dependent, not just upon the soundness of the American dollar, but upon the soundness of our transportation system. Not one farmer, blue collar worker, white collar worker, professional, rich or poor person fails to be in large measure dependent upon transportation. It is not a luxury but an essential. Such is true also in matters of national security, for the great Interstate Highway System was conceived as a basic element of our defense system—it still is! I mention these things not to lecture to you gentlemen, for several of you have been instrumental in formulating these programs and have done a great public service by it, but simply because others may be interested in these proceedings. I try never to miss an opportunity to promote those causes in which I believe.

I said earlier that I believe the FHWA is one of the finest agencies in the Federal Government. I believe that—I know that, I know too that within this department are men and women of great capacity, of concern, of talent—professionals. If confirmed as Federal Highway Administrator I intend to see that professional judgment is once again accorded the respect it merits.

This new Administration, the new Congress, and people in general are all acutely aware of the major difficulties now facing our Nation. A run-away economy-dependence upon foreign energy—the high cost of money—inflation—the endless pages of governmental regulations. In his inaugural address President Reagan said that economic ills came upon us over several decades and they will not go away overnight. However, he said, they will go away because we have the capacity to do what needs to be done. I would intend to follow that direction and work closely with Secretary Lewis, whose leadership I respect, and with the Administrators of the other transportation modes who jointly share responsibility for resolving our transportation problems. From the FHWA perspective existing programs now in effect will be closely analyzed and evaluated. Must we not then, redefine what is the Federal responsibility? If we accept the premise that the Federal-aid highway program was created to assist the states in constructing and improving roads that serve the national interest, have we not expanded the program beyond its proper Federal role when we finance, say, the curbing and guttering of city streets in a town in Texas?

Is it in the national interest to delay a major project for years by mandating duplicatory studies at great expense when all the affected local governments and levels of government, cities, counties, states, have reached agreement? It is an unacceptable waste of public funds when the average time to start construction of a major project takes 7 years 3 months. From conception to contract, 7 years and 3 months! Multiply that time frame by the present rate of inflation and we see that we double the cost of every project before we turn a spade of dirt. We must, we shall, reduce the amount of time that it takes to make governmental decisions and we shall avoid intrusions by Federal Government into areas properly the business responsibility of the respective States.

I said that I respected the professional qualities of the men and women here within the FHWA. I must say too, that I am convinced that your individual States, with their departments of transportation, must be staffed by men and women of no less capability. Professionals in State governments must be accorded greater latitude in the administration of their own funds—for they must know far better than we, hundreds of miles away, how best to serve the needs of your citizens.

Serving as highway commissioner in Texas I have learned first hand the challenges which face a highway agency, and I am familiar with their operations. I recognize the strong Federal/State relationship which has existed over the past 60 years in administering the Federal-aid highway program. While most program authority has been delegated to the State division level, which is the main reason for the good relationship, increased redtape has frayed some edges in this association. I intend to mend those edges as I said earlier by reemphasizing the role of local authorities, consistent with our congressional charge. There is a need for government! Many directives by FHWA and DOT have, in fact, well served the public need. Additionally, we in FHWA have a congressional mandate to follow in protecting the Federal dollar and the interests of Federal Government. We shall do so.

One specific area I believe we all agree needs immediate attention is the preservation of the Interstate Highway System. Highways in this country account for 90 percent of all travel and some 40 percent of freight tonnage. By the end of this decade a major proportion of the Interstate will be worn out if present usage continues, and we know that it shall.

In examining an annual and growing expenditure of some $8 billion plus of Federal funds for highways, I believe we must rethink the Federal mission and the traditional methods of funding. I suspect that certain construction projects now in planning stages may not meet the test of economic feasibility. Certainly some new location investments will be necessary, but our efforts will be more and more focused upon preserving past investments and obtaining greater use out of existing facilities.

I consider programs such as those which provide for resurfacing, restoration, and rehabilitation, and hopefully reconstruction, of the Nation's highways, especially of the Interstate, of utmost importance, as is the problem of deficient bridges. Also, the numerous special interest or categorical programs must be consolidated and, in some cases, I believe responsibility for these programs should be returned to the States.

I have just begun to review the very crucial studies which the Department of Transportation has submitted pursuant to congressional mandate—the highway cost allocation study, the 1981 Interstate Cost Estimate and the Highway Needs Study, as well as the 1981 highway bill which the last administration drafted. If confirmed, I pledge to you that I shall work closely with you on the pressing issues that these documents address.

I thank you for your time, and I ask for your support and your confidence in confirming me as Federal Highway Administrator. I will work to aid the President, the Secretary, and this Congress, in carrying out the mandates of our fellow citizens—indeed of our Nation.

Mr. STAFFORD. Mr. President, I know of no further speakers on this side on this particular issue. I think, unless Senator RANDOLPH knows of somebody, we are ready to vote.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Ray A. Barnhart, of Texas, to be Administrator of the Federal Highway Administration? [Putting the question.]

The nomination was confirmed.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. RANDOLPH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominee.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, there are other nominations I hope we can deal with this afternoon, but for the moment I would like to postpone that. There are other matters to be dealt with. However, I first yield to the Senator from Kansas and then I will have a request to make.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

DECONTROL OF CRUDE OIL AND REFINED PETROLEUM PRODUCTS

Mr. McCLURE. Mr. President, I support the decision of President Reagan on January 28, to eliminate the remaining control on crude oil and refined petroleum products.

In the long run, decontrol will be beneficial to our country by increasing domestic energy production, by encouraging the use of alternative fuels and technologies, such as synthetic fuels, solar energy, and renewable resources, and by fostering more efficient use of the energy resources we have.

The free market is still our very best allocation system. The imposition of Federal regulation of domestic oil production over the last 8 years has discouraged domestic energy production, encouraged energy consumption, and aggrevated our balance payment.

The action of President Reagan in immediately completing the decontrol of domestic oil production and marketing has removed any uncertainty that decontrol would be successfully completed. The only issue is whether to complete the

decontrol of crude oil immediately rather than gradually. This decision was delegated to the President in 1975 by the then Democratic Senate, in the Energy Policy and Conservation Act. Decontrol would have occurred anyway by October 1, 1981, under existing law. The argument before us is based on the President exercising his authority under that same law and decontrolling domestic crude oil, gasoline, and propane at an earlier date—9 months earlier than would have occurred anyway.

What has been provided by President Reagan is the certainty that will spur a large increase in domestic drilling. Decontrol also will permit termination of the reporting requirements which have accompanied controls. These requirements have been particularly onerous on the smaller industry members. The President has directed the Secretary to eliminate or modify current reporting or recordkeeping requirements associated with controls as soon as possible.

The allocation controls remaining on gasoline and propane are abolished. This will eliminate the risk of artificial shortages such as those that occurred last year when the Government's allocation system had the effect of keeping supplies tight. Therefore, prices were artificially high. This conclusion is supported by studies by the Department of Energy, the Justice Department, and others. Under the controls product shortages occurred in some areas while products were plentiful in others. Without controls the suppliers now are able to shift available supplies within the distribution system and from region to region to meet actual demand, rather than historical demand as under controls. The free market is still our best allocation system.

But there is a need for an orderly transition from controls to no controls, therefore President Reagan retained certain regulatory provisions until March 31, 1981. The State governments will continue to be authorized to allocate small amounts of distillates through that date. This will assure that any hardships that arise can be dealt with by State and local governments. Present stocks of petroleum products domestically and internationally are adequate to assure that shortages will not occur as a result of decontrol. The available distillate stocks are sufficient to meet the needs of New England this winter as well as the needs of farmers nationwide for spring planting.

The President also took steps to insure that those in the middle and at the end of the marketing chain, such as independent refiners, jobbers, wholesalers, and retailers would not be adversely affected by the marketing practices of major suppliers. Therefore the current "buy/sell" program that now benefits some refiners will continue through that date. This will enable those refiners who made business decisions based on this program a transition period to adjust to decontrol.

Because of my concern that the marketplace adjust to decontrol in a reasonable and responsible way, I notified the chief executive officers of each major oil corporation of my concern that the majors must provide adequate notice of marketing actions in the post-decontrol time frame. Any attempt to take advantage of decontrol, or to threaten reliable deliveries in essential regions, particularly rural and agricultural communities, could result in congressional reconsideration of control legislation. Such an outcome would be indeed unfortunate.

Concern has been expressed for the impact of decontrol on inflation and consumer prices. But such effects will be minimal.

According to the Congressional Budget Office, "Since decontrol would have been completed by October 1, 1981, in either case, neither product prices nor the CPI (Consumer Price Index) are expected to be higher after that date as a result of immediate decontrol." By October the difference will be zero.

After September 1981 the prices of petroleum products will be generally unaffected by the decision to decontrol crude oil immediately rather than gradually. According to the Congressional Budget Office will, however, affect product prices between now and October 1, 1981. Prices will rise by approximately 9 cents per gallon within 30 days of implementation. Over the next 8 months the average price of gallon of refined product will increase by approximately 5 cents relative to the phaseout of controls. But by October this difference will decline to zero. In other words the October price will be what it would have been anyway.

However the benefit of the Federal Government at this critical time when we are faced with increasing budget deficits—which is the very reason why we are here today increasing the Federal debt ceiling—the benefit will be to increase Federal revenues by approximately $4.6 billion in fiscal year 1981 and approximately $0.4 billion in fiscal year 1982.

According to the Congressional Budget Office immediate decontrol will result in a gross increase in revenues of $11.7 billion to domestic oil producers. Much of this increase, however, will be paid to the Federal Government in the form of increased windfall profits and corporate income taxes. Windfall profits tax liabilities will raise by $6.3 billion and oil producer liabilities under the corporate income tax will increase by $1.4 billion.

In addition increased Federal revenues will accrue to the Government in the form of increased royalty payments on oil produce on federally owned lands. This could amount to another $0.2 billion in revenues.

Admittedly there will be increases in Federal outlays as a result of higher fuel costs and their effects, but the net effect will be to decrease the Federal budget deficit by approximately $4.6 billion in fiscal year 1981 and by $0.4 billion in fiscal year 1982. One of the reasons we are here today is to raise the Federal debt limit. The effect of the amendment before us will be to increase the Federal deficit.

Mr. President, President Reagan's decision to expedite the decontrol of crude oil and gasoline, and propane was the right decision. By this immediate and decisive action, he has demonstrated again his commitment to national and international leadership in the critical areas of economic and energy policy.

LITHUANIAN INDEPENDENCE DAY

Mr. SARBANES. Mr. President, February 16 will mark the 63d anniversary of the establishment of the Republic of Lithuania. On this day, it is customary for those of Lithuanian ancestry and their many close friends to commemorate the founding of a progressive and independent Lithuania which, for its all-too-brief existence of 22 years, was a beacon of democracy. We are deeply saddened to recall how quickly the events of World War II cut short Lithuania's independence when, in 1940, a brave Lithuania was overrun by the Soviet Union.

Symbolizing the determination and courage of the Lithuanian people, February 16 provides an opportunity for all Americans to reflect on the proud heritage which belong to our fellow citizens of Lithuanian descent and to renew our dedication to the principles of freedom and liberty for which Lithuanian Independence Day stands. In the more than 700 years since the formation of a united Lithuania, the history of this valiant nation has been filled with accounts of battle and struggle against aggressors. Throughout many tragic invasions, the Lithuanian defenders stood resolutely against their foes and their commitment to freedom remained steadfast.

Above all the gallant Lithuanian people have withstood centuries of relentless pressure to abandon their religion, culture and language. The success of Lithuanian immigrants in maintaining their cultural heritage has resulted in countless valuable contributions to American society. In the last century Lithuanians could be found working as foundrymen in western Pennsylvania; as weavers in New England and New Jersey; as tanners in Philadelphia, as dockworkers in Cleveland; as tailors in Baltimore. Today, their descedents are leading members of the professions and the business, artistic and academic communities.

Many of the social and cultural activities repressed in their homeland found strong expression in America and the culture of this country has been greatly enriched by the artistic, literary, and social contributions made by Lithuanian Americans. In particular, Lithuanian Americans can be proud of their long-standing tradition of self-help and voluntarism. There are over 2,000 Lithuanian charity and mutual aid organizations in the United States. Many such groups were active during World War I in aiding Lithuanians suffering as a result of war and in assisting Lithuania to obtain the cherished goal of independence realized in 1918.

One of the first acts of the representatives of that new Lithuanian nation following their declaration of independence was their adoption of a new national flag. Its colors were symbols both of the beauty of the Lithuanian countryside and the bravery of its people. At the top of the banner was a bar of deep yellow, recalling the gold of grain and the land's agricultural wealth. The middle of the flag was green, symbolic of the verdant forests of Lithuania. Then came a deep red stripe, symbolizing the blood of Lithuanian patriots who over centuries had fought, many times to their death, in defense of their beloved country.

Mr. President, this struggle and its deep meaning to Americans of all ethnic backgrounds has been beautifully told by a distinguished Baltimorean of Lithuanian ancestry, the late Nadas Rastenis. Dr. Rastenis, an attorney, former member of the Maryland House of Delegates, and an outstanding community leader, who passed away on May 10, 1980, at the age of 89, was also a renowned poet. He was known as the Honorary Lithuanian-American Poet Laureate for his stirring epic poem, "War's Curse," composed in 1941, and many other works, and in 1976 he was awarded the Grand Medal of the Third World Congress of Poets held in Baltimore. In honor of America's bicentennial, Dr. Rastenis wrote the stirring poem, "America":

AMERICA

America, the true Democracy;
America, Sweet Land of Liberty;
All lands, near-by and far across the sea,
For light and Leadership look up to Thee.

Sincere and peaceful nations of the world,
Crushed by aggressor's heels, still fight and cope;
Thy Starry Flag in battlefields unfurl'd
Is their sole comfort, confidence and hope.

Today all lands and shores, from pole to pole,
Fight mad aggressors, scorn their brazen lies;
America, in Thy unselfish goal,
The people of all lands are Thy allies.

Lithuania, the land of my own birth,
And the Lithuanians living ev'rywhere,
In wiping out the madmen from this Earth
Are doing and will do their fullest share.

So lead America this great crusade,
And all the lands and shores will follow Thee;
United Nations, with Thy blessed aid,
Will make this world forever safe and free.

Then, 'neath the golden sun and azure skies,
Free nations at Thy side will march ahead;
And then, beside other independent nations' flags will rise
Lithuania's Flag of Yellow, Green and Red.

Mr. President, while it is indeed a great tragedy that the period of freedom enjoyed by the people of Lithuania should have been so ruthlessly repressed, their ongoing devotion to the principles of human rights commands the admiration and support of all freedom-loving peoples for their cause.

LIMITING IMPORTS OF JAPANESE CARS—ADDITIONAL COSPONSORS OF S. 396

Mr. DANFORTH. Mr. President, yesterday Senator BENTSEN and I, along with six of our colleagues, introduced a bill to assist the U.S. auto industry by temporarily limiting imports of Japanese cars. Only the extraordinarily perilous state of our largest industry could force me to such an extraordinary measure.

Today's Wall Street Journal reported that U.S. automakers plan closings at eight more U.S. cars and truck plants next week. This brings to 16 the number of U.S. auto industry plants that will be closed next week. This is the most extensive round of plant closings this year and will bring to more than 52,000 the production workers being temporarily idled. This merely seems to underscore the perilous condition of the industry.

I ask unanimous consent that the Senator from New Mexico (Mr. SCHMITT) and the Senators from Montana (Mr. BAUCUS and Mr. MELCHER) be added as cosponsors to S. 396. This brings to 11 the number of cosponsors to this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. HELMS. Mr. President, I ask unanimous consent, without losing my right to the floor, that I may yield first to the distinguished Senator from South Carolina (Mr. THURMOND), to the distinguished Senator from Minnesota (Mr. DURENBERGER), and to the distinguished Senator from Wisconsin (Mr. PROXMIRE).

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Carolina.

RECEIPT OF REPORTS PURSUANT TO LAW

Mr. THURMOND. Mr. President, as President pro tempore of this body, I have recently received several documents as mandated by law. I want to inform my colleagues that the following reports have been received by the Senate and are available for review in my office.

1. The Final Report of the U.S. National Alcohol Fuels Commission entitled, "Fuel Alcohol: An Energy Alternative for the 1980s," received pursuant to P.L. 95-599;

2. The New Jersey Pinelands Comprehensive Management Plan, received from the Department of Interior pursuant to Public Law 95-625. (This Plan will go into effect at the end of a ninety day period, dating from January 16, 1981); and

3. A report on the Western New York Nuclear Service Center, received from the Department of Energy, Pursuant to P.L. 96-368.

(The remarks of Mr. DURENBERGER and Mr. PROXMIRE in connection with the introduction of legislation are printed under statements on bills and joint resolutions.)

FISCAL REFORM

Mr. HELMS. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

Mr. SARBANES. Mr. President, reserving the right to object, is it the Senator's intention then to take down the resolution?

Mr. HELMS. That is correct. It has been cleared with the distinguished minority leader.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 64) expressing the sense of the Senate that no future amendments to the federal debt limit be approved without the previous adoption of actions by the President and the Congress to balance federal outlays and revenues without increasing taxes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

Mr. HELMS. Mr. President, I ask unanimous consent that when the resolution is printed, that it list the sponsors in the following order:

Mr. Helms (for himself, Mr. Hatch, Mr. Warner, Mr. D'Amato, Mr. Gorton, Mr. Rudman, Mr. Denton, Mr. Garn, Mr. Jepsen, Mr. Baker, Mr. Domenici, Mr. Mattingly, Mr. Nickles, Mrs. Hawkins, Mr. Tower, Mr. Thurmond, Mr. East, Mr. Humphrey, Mr. Wallop, Mr. Dole, Mr. Kasten, Mr. McClure, Mr. Symms, Mrs. Kassebaum, Mr. Durenberger, Mr. Danforth, Mr. Quayle, and Mr. Grassley).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, the purpose of this resolution is very simple. It is to make it absolutely clear that before the Senate will again accept an increase of the national debt, the Congress and the President must make arrangements to put the country's fiscal house in order. This resolution commits the U.S. Senate to act on spending cuts and tax rate cuts which will be sent to Congress by the President of the United States.

This resolution also will commit the Senate to the consideration of reforms which would make Federal spending easier to control.

Mr. President, earlier this afternoon, there was a vote on increasing the debt ceiling limit. Many Senators voted to increase the ceiling, in contradiction of votes cast by those Senators in previous years. The fact is that the debt ceiling increase was made imperative through no fault of the incumbent President of the United States, but I will not get into that.

Mr. President, I ask unanimous consent, just for emphasis, that there be printed in the RECORD at this point a portion of the resolution beginning with "Resolve that the United States Senate hereby affirms that."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Resolved that the Senate hereby affirms that:

Future amendments to the federal debt limit must be preceded by adoption of legislation to limit federal expenditures;

The Senate shall act immediately and expeditiously to pass legislation necessary to effect major spending reductions and tax reductions as those proposals are received by Congress; and

Future amendments to the federal debt limit must be preceded by the adoption of such expenditure limitation and budgetary reforms as are necessary to eliminate the financing of new federal indebtedness. Such federal expenditure control reforms should include at least some combination of the following:

1. The modification of the Congressional Budget and Impoundment Control Act of 1974 to restore the authority of the President to impound appropriated funds when such action is required to prevent the increase of federal indebtedness.

2. The modification of such Act to increase

the President's ability to implement budgetary rescissions.

3. The modification of such Act to strengthen the congressional budget reconciliation procedure to enforce a real congressional budget ceiling on a Congress which has failed to balance its budget for 44 of the last 50 years, even under the new Congressional budget process.

4. The modification of such Act to eliminate the misleading practice of understating real federal expenditures by placing "on budget" the $23 billion of projected fiscal 1981 expenditures and all future federal expenditures now considered to be "off budget".

5. The establishment of a requirement for strict scrutiny and congressional approval of both private borrowing under government guarantees and borrowing by government-sponsored entities.

6. The endorsement by the President and consideration by the Congress of one of the numerous amendments to the Constitution which would require balanced annual federal outlays and revenues which are pending before the Subcommittee on the Constitution of the Committee on the Judiciary of the Senate.

7. The adoption of new rules of Congressional procedure and the improvement of relations between the executive and legislative branches to prevent transmission to the President of spending bills which would extend the annual Congressional budget ceiling.

Mr. HELMS. Mr. President, I ask unanimous consent that the entire resolution be printed at the conclusion of the discussion of this resolution; that is to say, following the comments by Senator HATCH and others.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. HATCH. Mr. President, I have served on the Budget Committee for 2 years and I have observed the shambles about which President Reagan talked to us last evening—the economic shambles the country is really in.

I do not blame either party for it. I blame both parties for it. For 44 of the last 50 years, we have failed to balance the budget of the United States. We have run up almost a trillion dollar deficit.

In just the last 4 years we have had well over $200 billion in deficits if you include off-budget spending items. We have failed to bring off-budget items on budget so that the American people know how bad it really is.

We have had inordinate jumps in the size of budgets since the Budget Act came into being. In fact, just since 1974 we have had an incredible splurge in Federal spending, in Federal deficits, in interest on the Federal debt, in Federal programs, and in all of the rest that many of us have spoken about many times in this distinguished body.

That is, we have had these increases after the Budget Act came into being.

As I have served on the Budget Committee, I have seen some very difficult times. I have seen that the budget process is not working in the U.S. Congress, even though the best intentions were part of the enactment thereof.

I have written an article for Barron's criticizing the budget process. As I recall, it was in July or August 1979. And I made other arguments on this topic in an article in the Reader's Digest published in July 1980.

I believe that the Congressional Budget Office has been misleading the U.S. Congress continuously with their budgetary projections because they have been unwilling to really look at the need for reasonable and good econometric models—models which look at all sides of the econometric equation.

I believe the CBO will continue to mislead us unless we make some major changes there.

I also believe that President Reagan knows that we have to reform the budget process. But as there have been around every President, there are some around him who do not understand or who do not otherwise want to reform that process.

All I can say is that it is about time that this process be reformed if it is to remain a process. We have just gone through a horrendous year. The last so-called balanced budget was announced on May 15, 1980, when all of us knew at that time that we were going to be at least $30 billion in deficit. Congress was using phony figures to mislead the American public.

There has been a failure to live up to the law in not enacting the second concurrent budget resolution on or before September 15, 1980, and acting in accordance with continuing resolutions right up to today. There has been a failure to live within the basic rules of the budget process. All of us are involved, including myself.

We have to do something about it if we are going to have a meaningful process here.

There has been a failure to bring off-budget items on to the budget, which is important. That special category has jumped from $9 billion in fiscal 1976 to $23 billion in fiscal 1981. It will go much higher in fiscal 1982 unless we do much more about it.

The American people deserve to know about the $55 billion in on-budget deficit spending and $23 billion in off-budget spending, or around $78 billion in total budget deficits just 4 months into the fiscal year.

This means that unless something is done, unless we all work to assist the President of the United States and the Director of the Office of Management and Budget, David Stockman, we are going to go way above $78 billion in deficits, for this year. Fiscal 1982 probably will even be worse if something is not done.

The interest against the national debt is more than the total Federal budget was just a few years ago. We cannot continue this way.

That is why we have filed this resolution today expressing the sense of the Senate concerning budget reform. We have listed seven basic approaches or modifications of the congressional budget process. One, to strengthen and give the President the right of impoundment; two, to strengthen his ability to rescind or to implement budgetary rescissions; three, to strengthen the congressional budget reconciliation process to enforce a real congressional budget ceiling on this Congress; four, to place off-budget items on-budget so that the American people can know just exactly what the deficits are; five, to establish the requirement for strict scrutiny and congressional approval of both private borrowing under Government guarantees and borrowing by Government-sponsored entities—borrowing which has gone out of sight between May 15 of last year and the present time; six, the endorsement by the President and consideration by the Congress of one of the numerous constitutional amendments to mandate a balanced budget; and, seven, the adoption of new rules and congressional procedures for the improvement of relations between the executive and legislative branches to prevent transmissions to the President of spending bills which would exceed the annual congressional budget ceiling.

We know that not all of these can be or probably will be enacted in any one bill, but some of them, if not all or most of them, should be.

We think it is time for this debate to take place. We think it is time for the U.S. Congress to put its house in order. We think it is time to make a determination whether the budget process is going to work or whether it is not going to work. We think it is time for all of us to take measure of the problems that we are facing now and that we are going to have to face in the future.

At this point, Mr. President, Senator HELMS and I would like to commend Dr. Michael Pillsbury and Howard Segermark for their work on the budget process reflected in this debate. Dr. Pillsbury, in particular, drew upon his experience as a former staff aide to the Senate Budget Committee and former Senator Henry Bellmon to draft these seven reforms.

Mr. Segermark has spent long hours in lending his expertise as one of the strongest people on Capitol Hill to bring the issues of inflation, monetary reform, fiscal responsibility, and sound economics out into the open where they can be debated. Hopefully over the next weeks and months, we will see a fitting conclusion where we can solve the budgetary problems of this country.

Mr. GRASSLEY. Will the Senator yield?

Mr. HATCH. In just a moment I will yield the floor.

Mr. President, today I voted to extend the debt ceiling for the first time in my career here in the Senate. I did so to show support for President Reagan and for his Director of OMB, David Stockman, both of whom are dear friends of mine. I believe that it is not easy for them to have to advocate this debt limit increase at this time. But the increase is meant to gain time so that they can put true budget reform, true economic reforms, into shape and send them up here to the Congress where hopefully we will put aside our partisan differences and, in a bipartisan way, resolve the conflicts which face us.

I yield to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I thank the Senator from Utah for yielding.

Mr. President, I rise to comment on the resolution introduced by the Senators from North Carolina and Utah. I join in cosponsoring that resolution.

A few minutes ago I also voted, for the first time as a Member of the Congress, to increase the national debt. I did so for the reason that the national debt is a carry-over from the previous administration. Without this legislation, the work of this administration would be hamstrung so that the goals of this administration could not be reached.

I cast my vote in favor of the bill because we of the majority party in the Senate have a responsibility to govern. That responsibility results from last November's election and means that we have to make some tough decisions.

The resolution of the Senator from North Carolina is a resolution by statute that tries to accomplish worthy goals. I agree with his objectives.

We must consider whether a statutory approach is the right way to bring a sound fiscal policy to the Federal Government. Certainly a statutory change is better than allowing the law to remain in its present form.

I have long been an advocate, as I know the Senator introducing this resolution has been an advocate, of a constitutional amendment that would force fiscal discipline upon the Congress of the United States. We have not had such discipline during the past 30 or 40 years; it will be necessary if we are to win the war against inflation.

There may be those who feel that a resolution as worthy as this one is going to accomplish our goals. Yet, I take this opportunity to remind my colleagues that in the fall of 1978, the senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) introduced an amendment, which carried by a 2-to-1 margin, to require a balanced budget by fiscal year 1981. As a Member of the House of Representatives, I fought to secure passage of that short amendment; we were equally victorious. So, the President, in October 1978, signed into law legislation stating that it was the policy of the Federal Government to have a balanced budget in fiscal year 1981.

We found that respect for a statute is not what it ought to be and now we have an unbalanced budget for fiscal year 1981.

This resolution is really not going to correct the fiscal policies of the Congress of the United States and the Federal Government. We will not solve the problem until there is a will by ourselves to restrain our increases, to live within our income. Ideally, in the Congress of the United States and within the Federal Government, the way to bring about a sound fiscal policy would be for us to exercise some self control and keep our expenditures within our income.

Mr. President, a constitutional response, as opposed to simply changing the statutes, to the problem is workable and necessary. I have seen the constitutions of States that have such requirements. The same discipline can be brought to the Congress of the United States.

Again, Mr. President, I want to say that I appreciate the introduction of the resolution at this time. But I think that, without the proper constitutional language, we will not have an effective solution to the deficit spending habits of the Congress.

Mr. President, I yield back my time.

Mr. HELMS. Mr. President, one or two more comments concerning the concept of deficit spending.

Last week, I visited with President Reagan at the White House for about 30 minutes, and we discussed his dismay that it was absolutely essential to increase the debt ceiling.

He said to me, "I intend to be the first President in history to come to Congress and ask for a reduction in the debt ceiling."

It was with that commitment on the part of a decent, honorable man that I reluctantly voted this afternoon, for the first time, to support legislation to increase the debt limit. It was a painful decision.

However, it should be borne in mind, with all due respect to the former President, Mr. Carter, that our budgetary problems of today were inherited by a President who has been in office just 16 days. I feel that President Reagan deserves a fair chance to carry out his programs to reduce the cost of Government, without having to cope with a complete shutdown of the Federal Government.

That is why this Senator from North Carolina and Senators from other States voted reluctantly to increase the debt limit. It is always dangerous to say, "Never again," but at this moment it is my intent never again to vote for an increase in the debt limit. Extraordinary circumstances will have to be presented to me in order for this Senator to be persuaded to support any further increase in the debt limit.

Mr. President, Ronald Reagan appeared on radio and television last night with an impressive set of remarks to the American people. I hope he does this repeatedly and frequently, because the American people need to understand, beyond any peradventure, that the Federal Government has no funds to spend except money taken from the taxpayers, or the demonstrably ruinous deficit financing. It takes either through taxation and other revenue producing activities, or it takes through the financing of budget deficits. Inflation is caused by the monetization of those debts—the excessive creation of money—through the Federal Reserve System purchase and handling of those Federal debt instruments.

When the Federal Government imposes taxes equal to the amount of the expenditures, then citizens can know to what degree they are being burdened to pay for those Federal outlays. Congress has to approve the taxes to match the level of outlays. Congress has to justify expenditures which are popular or necessary with equal taxes, which are never popular.

When the President and the Congress so operate the Federal Government that the politically popular expenditures exceed the politically unpopular taxes, then Congress is hiding the cost of its largess. Politically, it is a "something-for-nothing" pretense. It is about as straightforward as a con-game. It is about as honest as a chain letter that promises windfall wealth. It is the ultimate "free lunch," except there's nothing free about it.

Mr. President, let us not be deluded: inflation is caused by Federal deficit spending, and inflation is the greatest economic disruptor ever conceived by man. And the American people now realize that the evil of inflation is caused by deficit spending.

One major way inflation disrupts the economy is in its destruction of the ability of people to measure relative economic worth. During inflationary periods, the value of currency is not stable, and its utility as the most important standard of measuring value is lost. And when the most important economic standard is corrupted, the other standards in the society come under attack. The relativism inflation imposes on the economy has been paralleled in our time by relativism in other values as well.

Inflation also cripples our society by concentrating economic power in the big corporations and the big unions. Only the big corporations have the power to ride out inflation and the money to pay for economists to aid in overcoming inflation. Only the big unions have the muscle to win gains for union members in times of inflation. In other words, the great competitive vitality that our economy has exhibited in the past is discouraged, because the small businesses are hit hardest by inflation, and the small unions are less able to operate. The innovators are discouraged, and penalized, by Government-imposed inflation.

During inflation other centers of power in the society for various educational and charitable work are crippled. The resources of churches, schools, and other nongovernmental groups and organizations are eroded by inflation, and as a result, the good works that once were performed by nongovernment organizations are now left only to government.

And during an inflationary period, the independence of the individual is undermined. The worker that saves for retirement finds that the value of savings has been cut drastically, and the worker finds government aid the only way to survive.

INFLATION AND THE FOUNDERS

One of the earliest reasons for forming the Union was to preserve the sanctity of contracts between individuals in the various colonies. It was rightly held that for commerce to grow and the Nation to prosper, contracts between citizens should be held enforceable.

But what do we do today?

If I rent a house from someone for a given sum, I am in effect paying a different real amount every month. The lease I signed to rent for a sum certain is being violated regularly—not by either party to that lease, but by the Federal Government which is corrupting the medium of exchange in which that contract is denominated.

By its depreciation of the dollar, the Government has not only eliminated the sanctity of contracts, it has almost made it impossible for a contract to be written in terms of constant value.

An honest dollar is necessary for honest business.

THE ECONOMICS OF BUDGET DEFICITS

Twentieth century budget deficits have been rationalized by politicians because of the allegedly salutary effects that deficits have on the Nation's economy. John Maynard Keynes said that the Government could stimulate economic activity by increasing aggregate demand: That is, by putting money into people's hands through Government deficits. Since Government spending is always politically popular the politicians naturally embraced the economics of Lord Keynes. The less attractive aspects of Keynes' economics were ignored: The inflation, the economic disruptions, and the aggrandisement of Government power.

Keynes' economic theory is today the dominant school of thought in our great Government-supported universities and certainly in the high policy centers of our Government. But, the contemporary Keynesian view of the economy has ceased to fit the facts. The Keynesian policies of stimulation have resulted in inflation and high unemployment—stagflation. When he was asked about these two problems, the Secretary of the Treasury said, "We don't know enough about inflation." It was as if the side effects of Keynesian policies indicated something basically wrong with reality rather than something basically wrong with Keynesian economics.

In an editorial sometime ago in the Washington Post, the contention was advanced that a balanced budget would put economics back to the era of Calvin Coolidge. The obvious unintentional irony is that it was during Coolidge's administration that Keynes was writing his most important works, and it indeed is the economics of that generation that we must discard.

The "common wisdom" which is held by all practicing Keynesians states that in times of economic slowdowns, the Federal Government should spend more than it takes in to stimulate the economy. Not only are these attempts at stimulation almost always timed wrong, but the stimulation is almost never accompanied by reciprocal spending cutbacks when the economy is overheated.

Ironically, the Post editorialist overlooked one of the most important tools of demand stimulation—the monetary authority of the Federal Reserve System. And the Fed does not necessarily need the excuse of Federal deficits to expand the money supply.

If the regulation of demand is the axis of economic activity as held by orthodox Keynesians, then the Federal Reserve System should be able to do the job. The politically unattractive part about this is, of course, that the Keynesian politicians would have no excuse for free lunch giveaway programs.

In fact, of course, we are now coming to the realization that the economy is not the simplistic thing that the orthodox Keynesians would have us believe. The economy depends in large part on the kinds of incentives there are for economic activity.

A balanced Federal budget will require Congress to look toward economists that have answers and not excuses. A balanced budget will require that Federal expenditures can justify themselves within the confines of firm spending limits. And, a balanced budget will eliminate the excuse for the scourge of inflation.

Mr. President, if there are no further comments on the pending resolution, I ask unanimous consent that it be laid aside for consideration after the recess.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, what was the request?

IN DEBT TO THE DEMOCRATS

Mr. FORD. Mr. President, I ask unanimous consent that an article by Mark Shields "In Debt to the Democrats" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN DEBT TO THE DEMOCRATS

(By Mark Shields)

In October 1973, then vice president Spiro ("Pass the envelope please") Agnew boldly confronted what would now be called a mid-life career crisis.

Roughly put, the two professional options available to the vice president of the United States were: either to pursue a number of very attractive challenges in the private sector or to do shirts and socks in the Lompoc prison laundry.

That might help to explain how the American people some eight years ago, watched while a vice president turned into a novelist-business consultant and why, this week, Rep. John Rhodes of Arizona owes House Speaker Tip O'Neill a public apology.

When Agnew became a novelist, Jerry Ford became vice president and John Rhodes succeeded Ford as House Republican leader. With only about a third of the House to lead, Rhodes found time to write a pretty good book about Congress in which he described O'Neill as "the most partisan man I know." Undoubtedly, President Reagan would use other words, in this first week of February 1981, to characterize the Democratic speaker and his House colleagues. To Reagan, the House Democrats must have looked a lot more like patriots than partisans.

Irony wrote the legislative script. The first test of the Reagan administration on the Hill, was the White House's push to get the public debt ceiling raised from $935 billion to $985 billion.

Reagan had little reason to expect a lot of help from his own party members in Congress. For a generation now, House Republicans have been consistently preaching fiscal responsibility and persistently voting against raising the debt limit. It may not have been good government, but just consider the great material it provided for the next batch of direct-mail fund-raising letters.

Think of the paragraphs that could be composed on governmental economy by comparing the respective House records of the two parties on past votes. Between them, Presidents Kennedy and Johnson 12 times requested a rise in the public debt ceiling; twelve times House Republicans overwhelmingly opposed those requests. All 12 times, large majorities of House Democrats voted with their president. Hurray for the GOP and boo for the Democrats. Who cares whether Grandma's Social Security check bounced for insufficient funds?

Just to prove they were not narrow partisans—and the fact that the chief executive had been their leader and colleague counted for very little—House Republicans voted against every one of President Ford's seven requests to increase the debt limit. By contrast, the House Democrats were pushovers, supporting Ford six out of seven times and Richard Nixon eight of the nine times he sought an increase.

During the Carter years the House GOP played political hardball. The last time the House had raised the debt ceiling was on June 4, 1980, when not a single Republican was recorded among the 203 yea votes.

The strategy that time was clear: let the Democrats, five months before a presidential election, be tagged with the blame for more debt, more inflation and the further impoverishment of future generations.

That basic message, along with supporting evidence linking the Democrats to the last outbreak of pinkeye, was mailed twice to all registered and unregistered voters—and the message got through. Ronald Reagan has become the first Republican president since Ike to work with a Republican majority in either house.

But of the 152 House Republicans elected in the last 10 years, only 23 of them voted even once to raise the debt ceiling. Madelyn Murray O'Hair would be more comfortable singing at midnight mass than most House Republicans would be voting for a higher debt limit.

On Feb. 5, 1981, perhaps a hundred House Democrats, with help from the Democratic Study Group, waited until the last two minutes to vote on the debt question. They watched while a hundred House Republicans, many of whom had taunted and tried to beat the Democrats on this very issue, did something for the very first time: voted to raise the debt ceiling.

Eighty-one percent of the House Republicans, the highest percentage in 28 years, voted to support the new president and to raise the debt ceiling. From the death of an old campaign tactic may have been born a new sense of party responsibility. If so, if the House Republicans really have had a successful vertebrae transplant, then credit must be paid to the White House congressional liaison staff and to the president, who was willing to risk defeat. But some credit for the House Republicans' discovering fiscal responsibility on debt-limit votes should go to Tip O'Neill and the Democrats, who have showed them how all these years.

Mr. HELMS. I asked that the pending resolution be set aside for further consideration after the recess.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, my understanding was that it would be pulled down, that it would not be left pending for further action after the recess.

Mr. HELMS. It in no way was indicated by me, I say to the distinguished minority leader.

Mr. ROBERT C. BYRD. Is it the Senator's plan not to pull this down?

Mr. HELMS. That is correct.

Mr. ROBERT C. BYRD. Then, I think we had better get the majority leader.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. HELMS. Mr. President, I reserve the right to object.

The PRESIDING OFFICER. The Senator may not reserve the right to object.

Is there any objection to terminating the quorum call?

Mr. HELMS. None. I found out what I wanted to know.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, the Subcommittee on International Economics——

Mr. ROBERT C. BYRD. Mr. President, what about the request of the Senator from North Carolina? I reserve the right to object to that.

The PRESIDING OFFICER. Does the Senator from North Carolina withdraw that request or is that request still on the floor?

Mr. HELMS. No.

The PRESIDING OFFICER. The Senator does not withdraw the request.

Is there objection to the request of Senator from North Carolina?

Mr. ROBERT C. BYRD. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HELMS. I am sorry. I did not understand the Chair.

The PRESIDING OFFICER. The objection has been heard to the request of the Senator from North Carolina.

Mr. HELMS. Mr. President, I suggest the absence of a quorum then.

The PRESIDING OFFICER. The clerk will call the roll.

Will the Senator withhold until we start?

Mr. HELMS. I withhold.

The PRESIDING OFFICER. The Senator withholds.

Mr. HELMS. Yes.

The PRESIDING OFFICER. Then the Senator from Maryland.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HEINZ). Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask for the immediate consideration of the pending resolution.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, what is sought here is to get the resolution put on the calendar of resolutions and motions over under the rule. The matter is up already before the Senate.

Mr. HELMS. That is correct.

Mr. ROBERT C. BYRD. And it is up under certain conditions. The desire now is to put it on the calendar of resolutions and motions over.

I have no objection provided that the previous request bringing it before the Senate is vitiated to the extent that that previous action by the Senate in allowing it to come up is not continued.

Mr. HELMS. Mr. President, if the Senator will yield, the truth of the matter is that we are in something of a dilemma. There is a problem of definition of the words "taking down" as opposed to "withdrawing," and in order to reach an accommodation and to maintain the comity that has always existed between the distinguished minority leader and others, I am perfectly willing to have the resolution go over under the rule, and that is essentially what we seek with my unanimous-consent request.

Mr. ROBERT C. BYRD. Mr. President, will the Senator change his request to simply provide that his resolution be placed on the calendar of resolutions and motions over?

Mr. HELMS. Well, it is essentially the same thing. Yes, if that will clarify it, I would be delighted to do that.

The PRESIDING OFFICER. Is there objection?

Mr. CHILES. Mr. President, reserving the right to object, I had a resolution which all day was talked about sort of in the same way as the resolution by the distinguished Senator from North Carolina was talked about.

I was also told I could take that up this afternoon after the vote and we would have a discussion, we would not have a vote. I think something was said about that, that it would be taken down, and whatever that means I would like it to mean the same thing for my resolution that it now means for the Helms resolution. I would like to be included in the unanimous-consent request.

Mr. ROBERT C. BYRD. Mr. President, will the Senator include the Senator from Florida's resolution in his request?

Mr. HELMS. I think that is perfectly fair. Yes, I would be delighted to.

Mr. ROBERT C. BYRD. Then I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the resolution (S. Res. 64) follows:

S. RES. 64

Whereas federal expenditures mandated by previous law have resulted in continued outlays in excess of revenues;

Whereas deficit spending fuels inflation, and inflation and high tax rates have resulted in shackling the nation's economy;

Whereas taxes have increased to the point where they discourage economic activity;

Whereas lessened economic output reduces employment and the tax base thus contributing to greater deficits;

Whereas the President has pledged to take actions and propose legislative changes leading to the elimination of federal deficit spending;

Whereas the President of the United States presides over the largest budget in the world, yet has less management control over the budget than almost any other chief executive, in contrast to the governors of virtually all of the 50 states who have the power to block wasteful, duplicative and needless spending;

Whereas such powers play an integral part of the governor's duty to maintain constitutionally mandated balanced budgets, and the President of the United States, an executive with far greater responsibilities for the economic well-being of the nation, should have available similar tools;

Whereas the true condition of federal finances would be exposed if so-called "off budget" entities were treated as an integral part of the budget; and

Whereas the President of the United States has announced his intention to transmit to Congress on February 18, 1981, a package of spending limitation reductions and tax rate reduction proposals which will lead to the elimination of federal deficit spending and restore economic vitality: Now therefore be it:

Resolved, That the United States Senate hereby affirms that—

Future amendments to the federal debt limit must be preceded by adoption of legislation to limit federal expenditures,

The Senate shall act immediately and expeditiously to pass legislation necessary to effect major spending reductions and tax reductions as those proposals are received by Congress, and

Future amendments to the federal debt limit must be preceded by the adoption of such expenditure limitation and budgetary reforms as are necessary to eliminate the financing of new federal indebtedness. Such federal expenditure control reforms should include at least some combination of the following:

1. The modification of the Congressional Budget and Impoundment Control Act of 1974 to restore the authority of the President to impound appropriated funds when such action is required to prevent the increase of federal indebtedness.

2. The modification of such Act to increase the President's ability to implement budgetary rescissions.

3. The modification of such Act to strengthen the congressional budget reconciliation procedure to enforce a real congressional budget ceiling on a Congress which has failed to balance its budget for 44 of the last 50 years, even under the new Congressional budget process.

4. The modification of such Act to eliminate the misleading practice of understating real federal expenditures by placing "on budget" the $23 billion of projected fiscal 1981 expenditures and all future federal expenditures now considered to be "off budget".

5. The establishment of a requirement for strict scrutiny and congressional approval of both private borrowing under government guarantees and borrowing by government-sponsored entities.

6. The endorsement by the President and consideration by the Congress of one of the numerous amendments to the Constitution which would require balanced annual federal outlays and revenues which are pending before the Subcommittee on the Constitution of the Committee on the Judiciary of the Senate.

7. The adoption of new rules of Congressional procedure and the improvement of relations between the executive and legislative branches to prevent transmission to the President of spending bills which would exceed the annual Congressional budget ceiling.

THE NECESSITY OF REDUCING BOTH TAXES AND FEDERAL SPENDING

Mr. CHILES. Mr. President, I send to the desk a sense-of-the-Congress resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 7) relating to the necessity of reducing both taxes and Federal spending.

Mr. CHILES. Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CHILES. Mr. President, I am offering this resolution on behalf of myself and Senators NUNN, JOHNSTON, DECONCINI, EXON, BOREN, PRYOR, HEFLIN, BUMPERS, and SASSER.

We had originally planned to introduce this resolution as an amendment to the bill to raise the Federal debt ceiling. We do not like running Federal deficits and we do not like raising the debt ceiling to accommodate bigger deficits. Many of our Republican colleagues have been talking about the need for tax cuts, whether spending cuts are achieved or not. We do not think that is responsible.

The resolution we are offering, therefore, simply puts the Congress on record for not having any tax cuts take effect until spending cuts are enacted into law. It does not keep the committees and the Congress from working on the tax cuts, it simply says they should not actually go into effect before the spending cuts do. That is the only way we can hold down the size of the deficit.

The resolution also restores the policy we adopted in 1978 under the Nunn-Chiles-Bellmon amendment that we need to progressively reduce government spending as a percent of GNP each year. That is the best way of measuring the size of government and the burden on the taxpayer. The percent has been going up steadily, and we want to see it go down.

The experience of past Congresses has taught us that it is a lot easier to pass tax cuts, which make people happy, than to pass painful budget cuts. Last year, the Democrats broke new ground in the budget process by passing an omnibus reconciliation bill, which cut $5 billion out of a variety of programs. The initial instruction to Congress, which I sponsored at the Budget Committee, told the committees to report their savings by June 9 of last year. It turned out to be November 26 before we got the committees to complete their work and both Houses of Congress to agree on the savings provisions. The delay of 6 months cost us billions of dollars in this year's budget.

I hope this experience is not repeated, and that we can get major budget cuts through Congress rapidly. But we cannot just hope that difficult things will happen. We have to get Congress on record that no tax cuts will take effect before significant spending cuts are actually enacted into law. Otherwise, we face the possibility of deficits as big as $75 or $100 billion. If that happens we are going to get even worse inflation and chaos in the financial markets. High interest rates have already devastated the ability of Americans to buy homes or cars. If we get bigger Federal deficits, that situation will get even worse.

Mr. President, I want to repeat what President Reagan said last night about Federal deficits as a means to stimulate the economy. He said:

> It hasn't worked. We don't have to choose between inflation and unemployment—they go hand in hand.

I agree with the President. If we let a tax cut go into effect without spending cuts, we are going to have a bigger deficit, more inflation, higher interest rates, and more unemployment.

The other major provision of our resolution, Mr. President, is to reestablish the policy that we have to reduce Federal spending as a percent of gross national product. That is, the Government has to start taking less of people's earnings instead of more. We first introduced that principle as the Nunn-Chiles-Bellmon amendment to the Tax Reduction Act of 1978. That amendment made tax cuts from 1981 to 1983 contingent upon balancing the budget by 1982 and reducing Federal spending from 21 percent to 19.5 percent of GNP by 1983. Unfortunately, while that amendment passed the Senate overwhelmingly, it was watered down to a nonbinding "national policy" in the conference agreement with the House. If we had been able to make those spending limits stick back in 1978, we would not be considering such a high debt limit today.

Instead, we face spending of over 23 percent of GNP and a deficit of over $40 billion in 1982. Those numbers are too high and we must cut them down. We are therefore asking our colleagues to go on record for a responsible course of action that will reduce Federal spending and move us toward a balanced budget.

I would like to see us enact a tax reduction this year. The hearings on industrial growth and productivity which I have been chairing at the Budget Committee have convinced me that we need better economic incentives for long-term investment and the development of advanced technology. Recent increases in the social security tax rate have hit businesses with higher costs which they translate into prices. At the same time, wage earnings have less money to pay those prices. And certainly inflation is driving everyone into higher and higher tax brackets. However, I cannot in good conscience support tax cuts which are not linked to spending cuts that reduce the Federal deficit. If Congress adopts nothing but a big tax cut, the resulting inflation will take as much back out of people's pockets as the tax cut claims to put in. The result would be nothing but a cruel hoax.

Mr. President, this country needs a demonstration of responsibility to restore faith in the economy and faith in Government. Last year we made a good faith effort to balance the budget in the face of raging inflation. Delays in passing the spending cuts and the fall off in the housing and automobile industries undercut our effort. Interest rates came down from 20 percent when we looked serious about cutting spending, then went back up again as the deficit rose. If the country sees that kind of spectacle again, the economy is heading for another nosedive. The American people just do not believe that you can balance the budget by cutting taxes without cutting spending.

I therefore ask my colleagues to adopt this resolution and let the people know we are serious about reducing Federal deficits and not having the debt ceiling go higher and higher.

Mr. President, at the conclusion of my remarks, under the unanimous-consent agreement, the resolution would go over.

I now yield to the distinguished Senator from New Jersey.

REPORT OF SENATOR BILL BRADLEY ON THE FINANCE COMMITTEE HEARINGS ON SPECIAL OIL TAX AND TAX REDUCTION MEASURES

I. INTRODUCTION

Mr. BRADLEY. Mr. President, in view of the need to reduce U.S. vulnerability to oil supply disruptions in both the short and the long term, the Subcommittees on Taxation and Debt Management Generally of the Senate Committee on Finance held four hearings between November 11 and December 5, 1980. The hearings focused primarily on market-oriented, tax-based approaches to managing oil supply emergencies and encouraging import reduction to determine if they could be more efficient and equitable than the existing policies to manage such emergencies.

The most immediate reason for the hearings was the outbreak of war between Iran and Iraq in September, 1980, and concern that the conflict could go on for many months, causing substantial foreign oil price increases and supply restrictions.

The hearings also were designed to complement a 1980 Senate Energy Committee study on the Geopolitics of Oil that examined worldwide political, social, military, and economic factors which will determine the price and availability of oil through the rest of this century. That study concluded that an energy policy aimed mainly at reducing oil imports could not adequately protect the United States in the years ahead. It recommended highest priority for:

Building ample national petroleum reserves;

Developing alternatives to oil price control and allocation systems for insuring the efficient distribution of supplies and equitable burden sharing during a disruption; and

Developing better plans and capabilities, in concert with allies and trading partners, to prepare for energy emergencies.

Furthermore, the Finance Committee hearings responded to recommendations in the 1980 report of the majority leader's economic task force that, in addition to rapidly filling the strategic petroleum reserve—SPR—the United States should develop effective alternatives to gasoline rationing in order to manage oil import disruptions and stop the huge outflow of dollars from American consumers to foreign oil producers that occurs when production is curtailed and prices skyrocket.

Other Members of Congress have voiced similar concerns and made similar recommendations. Last September, the day after the Iran-Iraq war began, Senator PERCY held hearings on emergency

preparedness in the Senate Governmental Affairs Committee. Testimony from senior administration witnesses before that committee made clear how ill prepared we are to prevent oil price increases and manage supply disruptions. Senator PERCY called upon the administration to prepare new proposals for international agreements to restrain foreign oil price increases in a disruption and to develop nonregulatory alternatives to rationing to conserve and allocate supplies during an emergency. And as recently as this January, in Senate Energy Committee hearings chaired by Senator MCCLURE on the 1981 world petroleum supply outlook, witnesses from Government and industry warned us that, unless the war winds down soon, we should expect further price increases due to a much more protracted loss of oil supply from Iran and Iraq.

Finally, the hearings anticipated expiration this September of the standby authorities contained in the Emergency Petroleum Allocation Act (EPAA). Congress must shortly decide whether to renew these authorities; rely exclusively on market forces to balance supply and demand during an emergency; or adopt tax-based, market-oriented alternatives to gasoline rationing and oil price controls to allocate scarce supplies and reduce the economically depressing effects of petroleum disruptions.

II. BACKGROUND

Soon after Iran and Iraq went to war, it became clear that both sides were unprepared to compromise their military objectives and unable to force a swift end to the hostilities. By the beginning of 1981, the war had reduced world oil production by more than 300 million barrels and induced a $3 per barrel boost in the world oil price. And with each passing day, the world market was losing another 1 to 2 million barrels of oil as a result of the war. At that rate, the cumulative production losses due to the war could exceed 500 million barrels of oil by summer and approach 1 billion barrels by next winter.

Given these circumstances, world oil prices are likely to rise another $5 to $10 per barrel in 1981 unless we are prepared to prevent excess demand later this year or to allow world oil stocks to fall toward the dangerously low levels of April 1979.

For every $5 per barrel increase in the world price of oil, another $10–$12 billion U.S. dollars goes to foreign producers each year.

It also was apparent by early 1981 that the United States probably could not do much to terminate the war or limit the physical damage. The belligerents and their supporters were focusing only on their own survival, security and success—with little regard for the damage that their military operations were inflicting on the international economy. Moreover, Iranian forces seemed to be concentrating their attacks on oil production, processing and distribution facilities—presumably to increase their own oil export earnings and minimize Iraq's.

The previous administration responded to the Iran-Iraq war by encouraging refiners to draw down stocks and by pressing unsuccessfully for oil import ceilings which would be binding on all members of the International Energy Agency (IEA).

This reliance on stock drawdowns to moderate price increases due to the war has discounted the likelihood of much longer or successive oil supply disruptions before stocks could be replenished. This policy leaves us more exposed to grave risks while doing nothing to prevent the loss of U.S. revenues to foreign oil producers.

III. CONCLUSIONS

It is imperative for the 97th Congress, the new administration, and cooperative allies to rapidly develop emergency preparedness measures that will moderate future world oil price increases and reduce American payments to OPEC during disruptions, while still maintaining sufficient stocks to buffer the economy against longer or successive oil supply interruptions.

Until the United States and other western countries have ample petroleum stockpiles and coordinated strategies for using them, the best mechanisms for achieving these objectives are probably an emergency tariff on foreign oil, or a tax on the refining of oil, paired with the simultaneous return of revenues to American consumers through tax reductions and transfer payments.

An emergency oil tax or tariff would moderate world oil price increases and reduce payments to foreign oil producers by inserting a wedge between the domestic sales price of oil and the OPEC price. This wedge would raise domestic oil prices, thereby lowering oil consumption and the demand for foreign crude. This, in turn, would reduce the price that OPEC can charge without cutting back production. The reason is that if producers try to raise prices without reducing output, their revenues would fall as buyers avoided overpriced supplies.

An emergency oil tax, or tariff, would enable us to raise the domestic oil price independently of the OPEC price. This means that much more of the revenues from higher oil prices would remain in the United States instead of flowing to OPEC. Moreover, because higher oil prices would reduce consumption, the net increase in the domestic sales price would be somewhat less than the world price plus the emergency oil tax or tariff. If other major importing countries adopted equivalent measures, world prices would be reduced even further.

To cushion the economy against higher crude prices, the revenues from the emergency oil tax or tariff, as well as from existing oil taxes, should be returned to consumers through reduced withholding on income and payroll taxes.

Low-income individuals and families who pay little or no taxes should be compensated through increases in entitlements and other transfer payments. To avoid undue burdens on any one sector, income group, or region, the tax reduction and transfer payment mechanisms should be designed to compensate those who are most adversely affected and least capable of absorbing higher oil prices. This means that we need to devise a transfer payment formula to compensate States that bear a disproportionate share of the burden of higher oil prices due to supply disruptions.

These mechanisms to return the revenue must all be in place prior to the imposition of an emergency oil tax or tariff so that there is no net increase in the tax burden borne by the American public.

Mr. President, these conclusions lead to the following recommendations:

First, national policies for managing energy emergencies must give much higher priority to moderating world oil price increases and preventing large windfall gains to foreign oil producers during supply disruptions.

Second, oil stockpiles offer the best protection in emergencies and we must speed up filling the strategic petroleum reserve.

Third, because our strategic stockpile is still so small, and because the Iran-Iraq war probably will continue through summer and flare up again in subsequent years, we should not encourage the depletion of private petroleum inventories much further toward the dangerously low levels of April 1979.

Fourth, to insure adequate petroleum reserves, it is now essential that we be prepared to supplement stock drawdown policies with an emergency oil tax or tariff and compensatory tax reduction and transfer payments. Such action would also help to moderate oil price increases, minimize the transfer of additional income from domestic consumers to foreign producers, and allocate petroleum supplies as efficiently and equitably as possible. Without such measures, OPEC could raise prices another $5 to $10 a barrel, costing the United States an additional $10 to $25 billion a year.

Fifth, Congress must cushion the economy against the impact of higher oil prices. To do that, Congress should pass legislation providing that revenues from emergency oil taxes or tariffs, as well as the additional receipts from the windfall profits tax, will be rapidly returned to the American public through tax cuts and transfer payments. Such legislation must be adopted before any emergency oil tax or tariff is imposed.

Sixth, the administration, therefore, should prepare appropriate legislation for Congress' immediate consideration. The proposal should be submitted to Congress no later than April 30, 1981.

Seventh, an emergency oil tax or tariff would be most effective if other major oil-importing countries adopted equivalent measures to restrain their demand for foreign crude. Hence, the administration should immediately initiate high level consultations with other OECD countries on the need for collective action and report to the Congress on the progress of these consultations this spring.

Eighth, major foreign oil producers should be persuaded to accept these measures as necessary to protecting their own long-term security.

Ninth, even if the Iran-Iraq war winds down soon, Congress must shortly decide what stand-by authorities should replace the Emergency Petroleum Allocation Act. Mechanisms for an emergency oil tax or

tariff and compensatory tax relief and transfer payment are likely to enable the oil market to work more equitably and efficiently than price control, supply allocation and rationing measures. Accordingly, Congress should consider tax-based approaches as alternatives to regulatory programs.

Mr. President, I yield the floor. I thank the distinguished majority leader for his rapt attention to these remarks, and the distinguished Senator from Michigan (Mr. LEVIN), and the distinguished Presiding Officer from my neighboring State across the river, Pennsylvania.

Mr. LEVIN. Will the Senator yield for just one moment?

Mr. BRADLEY. I am glad to yield.

Mr. LEVIN. Mr. President, I commend the Senator from New Jersey for his excellent, thorough analysis. I am glad it will be in the RECORD for all of us who were not here today to have a chance to review it.

Mr. BRADLEY. I thank the Senator. I am sure that many of my colleagues are listening on their boxes today. I wanted to give them some food for thought for the upcoming recess.

Mr. BAKER. Mr. President, I join with my friend from Michigan, the acting minority leader, in expressing our appreciation to the Senator from New Jersey for his presentation. I especially liked that ninth and final paragraph. That was very good.

Sincerely, Mr. President, my deep appreciation to the Senator for his remarks.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session to consider the nominations on the Executive Calendar beginning with Calendar No. 23, Verne Orr, of California, to be Secretary of the Air Force, through page 8, including nominations placed on the Secretary's desk, excepting Calendar No. 28, the Federal Highway Administration, which was confirmed earlier today; that the nominations be considered en bloc; that they appear in the RECORD as if considered and approved by the Senate separately.

Mr. ROBERT C. BYRD. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of Verne Orr, of California, to be Secretary of the Air Force.

Mr. THURMOND. Mr. President, I rise in support of the nomination by President Ronald Reagan of Verne Orr to the position of Secretary of the Air Force.

Mr. Orr has appeared before the Senate Armed Services Committee for his nomination hearings and demonstrated a good understanding of the requirement to rebuild our national defense posture and in particular the need for moving promptly to address the programs of the Air Force.

He brings to this position the experience of a period of military service during World War II and subsequent duty in the Reserve Forces.

During a period of rapidly rising costs for all types of weapon systems, Mr. Orr's superior background and long experience as a financial manager should serve him well in his new responsibilities.

In addition to a highly successful business career he has had government experience as a manager through his service as director of the California Department of Motor Vehicles during President Reagan's service as Governor of that State. He followed this position by acting for 5 years as director of finance for the State of California.

Mr. Orr also has an outstanding record of public service as a result of his activities in Pasadena, Calif., and in Los Angeles County. This work resulted in many high civic positions as well as wide public recognition and numerous public awards and honors.

Mr. President, I urge the Senate to give the nomination of Mr. Orr early and favorable approval.

Mr. TOWER. Mr. President, we now have before us the nomination of Mr. Verne Orr to be Secretary of the Air Force. The Department of the Air Force must confront several critically important and complex issues in the near term—particularly in the area of our strategic capabilities. These decisions are the most important and far-reaching decisions which this country has faced in recent years.

The American public is keenly aware of the disastrous economic situation in which we find ourselves and is, in my opinion, prepared to support the Reagan administration's urgent call for fiscal restraint. Mr. President, the American public is also keenly aware of the considerable amount of money which will be required to improve our defense capabilities which have been neglected for quite some time. I might say at this time that after listening to the Chiefs of the three services in hearings conducted this week before the Committee on Armed Services, it is clear to me that absent some immediate initiatives on our part (which will not be inexpensive), this country may find its national security irreversibly compromised.

Mr. President, the need for fiscal restraint cast against the requirement to improve dramatically our defense capabilities makes it more important than ever that we painstakingly guard against wasteful spending and that we use our defense dollars in a manner which will result in a significantly improved defense posture. Although Mr. Orr has not been intimately involved in defense issues in recent years, he did serve admirably in the U.S. Navy during World War II and does in my view have considerable financial experience resulting from several business ventures in the private sector and from his duties as the director of the Department of Finance for the State of California.

I believe that Mr. Orr will provide a very necessary insight to the considerable problem of utilizing the funds which this Congress will provide in a most effective and result-oriented fashion. It is also my opinion that after listening to Mr. Orr's testimony before the Committee on Armed Services that Mr. Orr has the intellect which will enable him to master quickly the more important military problems confronting his Department and provide the leadership and direction of the quality so often demonstrated by his immediate predecessor, Mr. Hans Mark.

The Committee on Armed Services has carefully considered the qualifications of Mr. Orr and has indicated its support in the committee's report filed yesterday.

Mr. President, I now urge the Senate to confirm the nomination of Mr. Orr to be Secretary of the Air Force.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Edward C. Schmults, of Connecticut, to be Deputy Attorney General.

Mr. THURMOND. Mr. President, I am pleased to recommend Mr. Edward C. Schmults for confirmation as the Deputy Attorney General of the United States. On February 5, the Judiciary Committee voted to recommend Mr. Schmults by a unanimous vote of 18 to 0.

Mr. Schmults' background has prepared him well for this position. Born in Paterson, N.J., and currently residing in Greenwich, Conn., Mr. Schmults received a bachelor of science degree from Yale University in 1953. In 1958, he graduated cum laude from Harvard Law School.

He is admitted to practice in all New York State courts and several Federal courts, including the Supreme Court of the United States. Mr. Schmults has written a number of impressive legal articles and has contributed to several legal treatises. He served his country as an officer in the U.S. Marine Corps from 1953 to 1955.

Mr. President, Mr. Schmults is well known by many Members of the Senate. In 1974 he served as Under Secretary of the Treasury and from 1975 to 1977 he was Deputy Legal Counsel to former President Ford. Since 1977, he has practiced law with the New York firm of White & Case, where he has become an expert in banking and securities law.

Mr. Schmults possesses the knowledge and experience to serve in an exemplary manner as Deputy Attorney General. He possesses that rare ability to mediate and resolve problems, while still exercising the good judgment required of a person serving in a position of such authority. I am sure he will meet the many challenges ahead with deliberation, fortitude, and perseverance.

I am very pleased that President Reagan has continued to nominate individuals of such high caliber. I urge my colleagues to support the nomination of Mr. Schmults.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. ARMY

The legislative clerk proceeded to read the sundry nominations in the U.S. Army.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry nominations in the Foreign Service.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. BAKER. Mr. President, I ask unanimous consent that it may be in order to move the reconsideration of these nominations en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I so move.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table is agreed to.

Mr. BAKER. Mr. President, I ask that the President be immediately notified that the Senate has granted consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Nominations confirmed en bloc are as follows:)

U.S. ARMY

The following-named officers for appointment to the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284, 3306, and 3307:

Maj. Gen. Charles P. Graham, 518-24-7377, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. James M. Rockwell, 121-20-9150, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Albert B. Akers, 410-64-1753, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Emmett W. Bowers, 253-24-5704, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Story C. Stevens, 299-18-3409, Army of the United States (brigadier general, U.S. Army), to be major general.

Lt. Gen. James M. Thompson, 519-16-9499, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Edward B. Atkeson, 224-52-6596, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Richard X. Larkin, 505-28-6229, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Robert L. Wetzel, 519-44-2099, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Edmund R. Thompson, 579-40-7802, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Jack N. Merritt, 446-22-2608, Army of the United States (brigadier general, U.S. Army), to be major general.

Lt. Gen. Glenn K. Otis, 084-20-5938, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Guy S. Meloy III, 460-64-4230, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Maxwell R. Thurman, 237-42-0668, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. William E. Read, 240-28-5658, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Robert Arter, 294-26-4790, Army of the United States, U.S. Army), to be major general.

Maj. Gen. Edward C. Peter II, 263-60-4591, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Stan R. Sheridan, 564-30-2397, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Nathaniel E. Thompson, Jr., 183-20-5652, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. William E. Cooper, Jr., 420-52-6048, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Harvey D. Williams, 239-40-2664, Army of the United Staes, (brigadier general, U.S. Army), to be major general.

Maj. Gen. Drake Wilson, 447-26-3948, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Clarence S. McKnight, Jr., 413-34-8454, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Emmett Paige, Jr., 267-32-1935, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Orlando E. Gonzales, 524-28-8901, Army of the United States (brigadier general, U.S. Army), to be major general.

Maj. Gen. Duard D. Bail, 447-28-9555, Army of the United States (brigadier general, U.S. Army), to be major general.

The following officer for appointment as a Reserve Commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

Brig. Gen. Van Hixson, 529-34-0771, to be major general.

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447, to be major general.

Col. Bernardo Loeffke, 054-32-9568 Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. John H. Moellering, 308-38-5095, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Robert P. Molinelli, 518-28-4074, U.S. Army, to be brigadier general.

Col. Albin G. Wheeler, 236-50-2073, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. William E. Potts, 415-42-9888, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Bruce R. Harris, 310-24-2711, U.S. Army, to be brigadier general.

Col. Orren R. Whiddon, 464-52-8938, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Donald J. Delandro 433-48-7552, U.S. Army, to be brigadier general.

Col. Gerald H. Bethke, 394-28-0826, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. John J. Yeosock, 206-30-1111, Army of the United States (lieutenant colonel, U.S. Army) to be brigadier general.

Col. Donald S. Phil, 547-50-0452, Army of the United States (lieutenant colonel, U.S. Army, to be brigadier general.

Col. William E. Sweet, 271-26-6865, U.S. Army, to be brigadier general.

Col. James W. van Loben Sels, 551-42-6892, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Robert E. Wagner, 226-42-3959, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Houston P. Houser III, 579-46-0568, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Peter M. Dawkins, 385-32-5992, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Jerome B. Hilmes, 330-28-3943, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. William H. Gourley, 152-26-6155, U.S. Army, to be brigadier general.

Col. Ronald W. Zeitman, 114-28-2047, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Burton D. Patrick, 253-52-6854, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Isaac D. Smith, 438-46-0123, U.S. Army, to be brigadier general.

Col. Ronald M. Holdaway, 520-32-2954, U.S. Army, to be brigadier general.

Col. Henry G. Skeen, 252-44-4379, U.S. Army, to be brigadier general.

Col. Fred Hissong, Jr., 284-28-4694, U.S. Army, to be brigadier general.

Col. Thurman D. Rodgers, 408-48-2175, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Sidney T. Weinstein, 152-30-0833, U.S. Army, to be brigadier general.

Col. James R. Taylor, 453-58-8810, Army of the United States (lieutenant colonel), to be brigadier general.

Col. Rocco Negris, 035-20-2592, U.S. Army, to be brigadier general.

Col. Stephen E. Woods, Jr., 415-52-0442, U.S. Army, to be brigadier general.

Col. Forrest T. Gay III, 263-44-4145, U.S. Army, to be brigadier general.

Col. Jackson E. Rozier, Jr., 227-44-5741, Army of the United States (major U.S. Army), to be brigadier general.

Col. Lee D. Brown, 218-66-5179, U.S. Army, to be brigadier general.

Col. James E. Shelton, 139-26-0026, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Lynn H. Stevens, 528-42-3059, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Harry D. Penzier, 487-38-0630, U.S. Army, to be brigadier general.

Col. Robert W. Pointer, Jr., 543-34-8054, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Walter W. Kastenmayer, 113-30-3937, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. George R. Robertson, 258-50-8463, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Jack D. Woodall, 265-50-0929, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Curtis F. Hozian. 433-44-3754, U.S. Army, to be brigadier general.

Col. Mildred E. P. Hedberg, 171-24-3360, U.S. Army, to be brigadier general.

Col. Edwin H. Aguanno, 122-20-5324, U.S. Army, to be brigadier general.

Col. James Piner, Jr., 533-32-8968, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Eugene R. Cromartie, 266-44-1206, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. William S. Carpenter, 196-28-4948, Army of the United States (major, U.S. Army), to be brigadier general.

Col. Jere L. Hickman, 413-38-9025, U.S. Army, to be brigadier general.

Col. Carlton P. Weidenthal, 280-38-4795, U.S. Army, to be brigadier general.

Col. Donald C. Hilbert, 099-24-3355, U.S. Army, to be brigadier general.

Col. James C. Cercy, 143-28-3159, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Harry E. Soyster, 178-28-9857, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Joe J. Breedlove, 256-52-5304, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Donald E. Eckelbarger, 181-24-4977, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Johnnie H. Corns, 234-56-4012, Army

of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Thomas A. Sands, 410-64-1086, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Ray H. Lee, 516-26-9773, U.S. Army, to be brigadier general.

Col. Cecil N. Neely, 463-46-5558, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Robert G. Lynn, 195-24-4473, U.S. Army, to be brigadier general.

Col. Fred E. Elam, 431-56-1999, Army of the United States (major, U.S. Army), to be brigadier general.

Col. Robert D. Morgan, 063-28-0883, U.S. Army, to be brigadier general.

Col. Anthony A. Smith, 224-52-4563, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Ellis D. Parker, 409-46-5615, Army of the United States (lieutenant colonel, U.S. Army), to be brigadier general.

Col. Roy M. Strom, 356-30-8564, U.S. Army, to be brigadier general.

Col. William F. Burns, 161-28-1817, U.S. Army, to be brigadier general.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

Foreign Service officer nominations beginning Alan H. Dodds, to be a Foreign Service Information Officer of class 1, and ending Gregory Lagana, to be a Foreign Service Information Officer of class 7, which nominations were received by the Senate and appeared in the Congressional Record on January 5, 1981.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

HAITIAN-CUBAN IMMIGRATION COST

Mr. HUDDLESTON. Mr. President, last night the President of the United States directed the attention of the American people to the economic plight of the United States. He rightly pointed out that one of the difficulties that we are faced with has been the continuing deficits piled up by the Federal Government. Much has been said here this afternoon about those deficits and addressing that problem and moving toward a balanced budget.

One of the reasons that our budget is not in balance, one of the reasons that a situation has developed that was alluded to by the distinguished Senator from Utah as a reason that we are not able to achieve a balanced budget from year to year, is the unexpected expenditures that are thrust upon the Congress by situations over which we actually have no control. One such situation has been the expenditure that was required, that was not anticipated, was not included in the President's submission of a budget earlier in the year, but for which we were required, in order to accommodate a situation after the fact, to appropriate a large sum of money. The total amount, as a matter of fact, was $734.4 million. That was to accommodate the influx of Cubans and Haitians, who came to this country in an illegal fashion.

I call my colleague's attention to an article that appeared today in the New York Times, written by Edward T. Pound, that details the expenditures in dealing with that inflation of immigrants. We have spent, to date, $532 million, Mr. President, to accommodate the Cubans and Haitians who came last year to our shores—not invited by the United States, no policy by the Congress of the United States conscientiously determining that this was good for the country, no decision made by the President of the United States, in reality, that we ought to do this. The decision was made by the dictator of the country of Cuba, Mr. Fidel Castro, who decided that he would send to our shores—without any prescreening on our part whether some of those people should not be included—a large number of Cubans, totaling over 125,000. And we, the taxpayers of the United States, have had to pay the bill.

The Congress of the United States had no choice. They were here. The communities to which they came could not and should not be expected to bear the cost. So we appropriated, after the fact, $734.4 million, which takes us only up to September 30 of this year. And that is just the tip of the iceberg as to the total cost as far as the American people are concerned.

There are several things about that influx of immigrants, Mr. President, that are quite interesting, I think. One is that we now have an operation, in addition to this money already spent, the one camp where they are now being held until they can be resettled at Fort Chaffee, Ark., that is costing the taxpayers $396,000 every day—every day. We have incarcerated 1,736 who have criminal records and who could not, under any stretch of the imagination, come legally into this country under the immigration laws that we have established. They preclude individuals with criminal records to come here; 1,736 of those are here.

Can you imagine, Mr. President, that someone just recently suggested that we ought to make an agreement with Mr. Castro that if he would take these individuals back—these people that he sent here, who came illegally, that we have paid the expense for—we will accept another 100,000 of his citizens and pay all the bills for that. I think this indicates, Mr. President, the ridiculous situation that our immigration and refugee laws have come to in this country.

Mr. President, I have said on this floor before that they are out of control. I have said that the U.S. Congress and the executive branch of this country have abdicated our right to determine what new citizens we shall bring into this country to the despots and the dictators of the world. Mr. Castro has more control over who will come to this country and how many and when than does the Congress of the United States or does the President of the United States, unless we have a change in policy.

I do not believe that this situation should continue.

The distinguished chairman of the Judiciary Committee was in the Chamber. I know that he has a particular interest in this subject. The chairman of the subcommittee of the Judiciary that handles immigration, the distinguished Senator from Wyoming (Mr. SIMPSON), has a very deep interest in this matter and has served on the President's Special Commission on Immigration. That Commission is about to wind up its work and undoubtedly will have some recommendations to make.

I say to my colleagues that I am going to continue to work on this problem until we have some sensible, enforceable policies relating to immigration and refugee policy for our country. The time has come, and this is the year to do it, and I believe we can get it done this year.

I point out that the figures I gave and the costs apply only to the Cubans. It does not include the 14,000 Southeast Asian refugees who come to this country every month as part of a program.

We are spending well over $2 billion a year—probably now $3 billion a year—on refugees. Much of this expenditure as I have pointed out, comes to us without our planning it—it is dumped upon us—and $532 million or $734 million, even in this day and time and even in the budgets we are talking about, is a substantial sum of money. There will be long arguments on this floor in the next few months and in the Appropriations Committee over whether to cut certain budgets by that amount.

It is coincidental but it is well to the point that just this past year—the Senator from North Carolina (Mr. HELMS), who is on the floor, participated in it—we cut about the same figure, about $530 million, when we were trying last year to achieve some kind of balanced budget, from the school lunch program—taking food, if you will, out of the mouths of indigent children, to try to achieve some kind of fiscal responsibility and balance the budget.

While we were doing that and imposing that difficulty and that sacrifice upon our people, we have dumped on us a cost exceeding that, which we have to bear.

That is one reason why we are having a difficult time in reaching a balanced budget. This is a serious problem and one that many in this body recognize. I believe that before the end of this year, we will have some reasonable approaches to the question of our immigration policy.

It is also ironic that we have thousands of good citizens around the world who have relatives here who are citizens. Those people want to come here, and we want them to come here, but because of the quota system, they have been waiting for years and may have to wait years again.

Yet, Fidel Castro can send us 125,000, including several thousand criminals, who just walk in; and we pay the cost and set them up and give them a chance to be citizens.

They immediately acquire virtually all the rights of those who have lived here forever, and they take advantage of the public assistance programs we have for our citizens. It is not right. I believe there is a question of fairness to American citizens who are here. There certainly is a question of the expenditure, the tremendous cost. There is a question of the unemployment situation that already exists in the country and who is to get

the few jobs that are available for citizens.

Mr. President, I ask unanimous consent that the article that appeared in the New York Times, by Mr. Edward T. Pound, be printed in the RECORD.

There being no objection the article was ordered to be printed in the RECORD, as follows:

HAITIAN-CUBAN COST PUT AT $532 MILLION

(By Edward T. Pound)

WASHINGTON, February 5.—Federal officials said today that the Government had spent about $532 million to handle the entry and resettlement of 125,000 Cubans and 12,400 Haitians who emigrated to the United States last year.

Congress appropriated $734.4 million for the Cuban-Haitian refugee exodus through next Sept. 30. The officials said in interviews today that they should be able to live within that budget if they were not confronted with a new wave of refugees.

"We don't anticipate a recurrence, but there's always a possibility," said Robert L. Bowen, a spokesman for the Cuban-Haitian Task Force, an interagency Federal project. Mr. Bowen pointed out that Fidel Castro, the Cuban leader, "has reminded us several times that we're in charge of Key West, but he's in charge of Mariel," a reference to the port on the northern coast of Cuba from which the Cubans departed for the United States last spring.

Mr. Bowen, who said the bulk of the money had been used for programs related to the Cuban refugees, added that the United States had already spent $89 million to operate the refugee camp at Fort Chaffee, Ark., where there are 4,884 Cubans. He said that the camp was costing the Government $396,000 a day to operate but that the costs were being reduced as refugees were being resettled.

FOUR CAMPS CUT TO ONE

After the wave of Cubans began arriving in southern Florida last April 21, the Government set up four camps for them. Only the Fort Chaffee facility remains in operation. For the Haitians who continue to trickle in—157 arrived last week—the Government is maintaining a holding facility outside Miami.

Cost figures on the refugee program were supplied by Mr. Bowen and Oliver W. Cromwell, a spokesman for the Federal Office of Refugee Resettlement. Much of the money, they said, has gone to Florida, where 86,000 Cubans have been resettled, with most of them residing in the Miami area.

Mr. Cromwell said that his agency was responsible for reimbursing states for the costs they have encountered as a result of the Cuban-Haitian emigration. He said these costs include medical assistance, welfare payments to refugees and the state's administrative expenditures.

"There is a lot of screaming from the states for money," Mr. Cromwell said, adding that, with a budget of $190 million, his agency had thus far awarded some $95 million in grants.

OTHER AGENCIES' EXPENDITURES

According to Mr. Bowen, an additional $437.3 million has been expended by other Federal agencies, including the task force and groups such as the Federal Emergency Management Agency and the Departments of Education, Justice and Transportation as well as the Treasury.

He said that substantial costs had been incurred for operating Fort Chaffee and the other refugee camps and in retaining private resettlement agencies, such as the United States Catholic Conference. These private agencies provide numerous services, he said, including job referral and insuring that housing and food are available.

Mr. Bowen said that of the 125,000 Cubans who had come to the United States since last April, 118,000 had been resettled. Besides those who remain in Fort Chaffee, he said, 1,736 are being held in Federal prisons because of crimes committed in Cuba. Of the 12,400 Haitians who emigrated to the United States, he said, all but about 600 had been resettled.

The influx of Cubans added greatly to the work load of the Immigration and Naturalization Service and taxed its resources. A Presidential council said in a report today that it had found "symptoms of organization illness," including poor planning and lack of stability in top jobs, in the immigration service. The President's Management Improvement Council said that automation was essential to handle millions of aliens entering the country each year, but that the service's system was only partly automated.

MESSAGE FROM THE HOUSE

At 4:17 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that pursuant to the provisions of section 2(a), Public Law 85-874, as amended, the Speaker appoints as members ex officio of the Board of Trustees of the John F. Kennedy Center for the Performing Arts the following Members on the part of the House: Mr. YATES, Mr. WILSON, and Mr. MCDADE.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

S. 272. An act to increase the membership of the Joint Committee on Printing; and

H.R. 1553. An act to provide for a temporary increase in the public debt limit.

The bills were subsequently signed by the President pro tempore (Mr. THURMOND).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. DOLE, from the Committee on Finance:

R. T. McNamar, of California, to be Deputy Secretary of the Treasury.

W. Dennis Thomas, of Maryland, to be a Deputy Under Secretary of the Treasury.

(The above nominations from the Committee on Finance were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MATSUNAGA (for himself, Mr. JACKSON, Mr. ROBERT C. BYRD, Mr. RANDOLPH, Mr. STEVENS, Mr. BUMPERS, Mr. PRYOR, Mr. HART, Mr. ARMSTRONG, Mr. INOUYE, Mr. PERCY, Mr. HUDDLESTON, Mr. FORD, Mr. MELCHER, Mr. BAUCUS, Mr. DOMENICI, Mr. BURDICK, Mr. METZENBAUM, Mr. BOREN, Mr. HARRY F. BYRD, JR., Mr. WARNER, Mr. WALLOP, Mr. SIMPSON, Mr. SPECTER, and Mr. HEINZ):

S. 434. A bill to authorize an accelerated research, development and demonstration program to advance in situ technologies for energy production from underground coal deposits and unconventional gas resources; to the Committee on Energy and Natural Resources.

By Mr. D'AMATO:

S. 435. A bill for the relief of John Brima Charles, Jr.; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 436. A bill to amend the Internal Revenue Code of 1954 to increase the competitiveness of American firms operating abroad and to help increase markets for United States exports; to the Committee on the Judiciary.

By Mr. ANDREWS:

S. 437. A bill for the relief of Lourdes Tubig Zindel; to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 438. A bill to amend the Congressional Budget Act of 1974 to establish a system for scheduling and reporting outlays of departments or establishments; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

By Mr. MATTINGLY:

S. 439. A bill to restrict bail pending appeal where the conviction involves a drug related offense; to the Committee on the Judiciary.

By Mrs. KASSEBAUM:

S. 440. A bill to make certain amendments to title 18 relating to bail; to the Committee on the Judiciary.

By Mr. NUNN (for himself, Mr. CHILES, Mr. MATTINGLY, Mr. HOLLINGS, Mr. SCHMITT, Mr. DIXON, Mr. DECONCINI, Mr. JOHNSTON, and Mr. SASSER):

S. 441. A bill to provide limited assistance by the Armed Services to civilian drug enforcement agencies; to the Committee on Armed Services.

By Mr. JACKSON (for himself and Mr. GORTON):

S. 442. A bill to amend the Wild and Scenic Rivers Act; to the Committee on Energy and Natural Resources.

By Mr. DANFORTH (for himself and Mr. HATCH):

S. 443. A bill to clarify the limits of the authority of the Department of Education; to the Committee on Labor and Human Resources.

By Mr. WILLIAMS (for himself and Mr. CRANSTON):

S. 444. A bill to amend the Internal Revenue Code of 1954 to provide incentives for the construction and rehabilitation of real property; to the Committee on Finance.

By Mr. MITCHELL (for himself and Mr. COHEN):

S. 445. A bill to establish a State set-aside system for propane, middle distillates, motor gasoline, residual fuel oil, and aviation fuels, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SYMMS (for himself and Mr LUGAR):

S. 446. A bill relating to the treatment of certain annuity contracts; to the Committee on Finance.

By Mr. RANDOLPH:

S. 447. A bill to redesignate the days on which Washington's Birthday, Memorial Day, and Columbus Day are celebrated to make each such day a legal public holiday; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 448. A bill to amend the Internal Revenue Code of 1954 to exempt certain fuels used in connection with intercity, local and school buses, from the Federal excise tax; to the Committee on Finance.

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 449. A bill to amend section 37 of the Internal Revenue Code of 1954 to increase

the amount of the credit for the elderly; to the Committee on Finance.

By Mr. MATSUNAGA (for himself, Mr. BOREN, Mr. FORD, and Mr. HUDDLESTON):

S. 450. A bill to amend the Internal Revenue Code of 1954 to provide that the investment tax credit shall apply to the acquisition of work and breeding horses to the extent that the cost of such horses does not exceed $100,000 for the taxable year; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. HAYAKAWA, and Mr. CRANSTON):

S. 451. A bill to require Federal agencies to take steps to mitigate losses of United States agricultural land caused by Federal programs or actions, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BOREN:

S. 452. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of gain on the sale or exchange of foreign investment company stock; to the Committee on Finance.

By Mr. INOUYE:

S. 453. A bill for the relief of Ms. Rosalva Aguilano Bonilla; to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 454. A bill to modernize certain aspects of the authorities of the U.S. Army Corps of Engineers; to the Committee on Environment and Public Works.

By Mr. GOLDWATER:

S. 455. A bill to amend title 39, United States Code, to establish Free Enterprise Postage Stamps; to the Committee on Governmental Affairs.

By Mr. MATSUNAGA (for himself, Mr. GLENN, Mr. INOUYE, Mr. BUMPERS, Mr. JOHNSTON, Mr. KENNEDY, and Mr. METZENBAUM):

S. 456. A bill to provide for an accelerated program of research, development, and demonstration to achieve the early technology applications for advanced batteries technologies for energy storage, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON:

S. 457. A bill to amend the Internal Revenue Code of 1954 to provide for increased investment by individuals through a tax-deferred rollover account; to the Committee on Finance.

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, and Mr. DECONCINI):

S. 458. A bill to amend title 38, United States Code, to extend the period of eligibility for certain Vietnam-era veterans to request readjustment counseling, to extend the program of veterans readjustment appointments in the Federal Government, and to extend the educational assistance and rehabilitation program delimiting periods for Vietnam-era and service-connected disabled veterans, respectively, under certain circumstances; to the Committee on Veterans Affairs.

By Mr. SARBANES (for himself, Mr. MATHIAS, and Mr. WARNER):

S. 459. A bill to provide for reconstruction and rehabilitation of the Woodrow Wilson Memorial Bridge, and for other purposes; to the Committee on Environment and Public Works.

By Mr. INOUYE:

S. 460. A bill for the relief of Patrick D. Chu; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 461. A bill for the relief of Melba Robateau; to the Committee on the Judiciary.

By Mr. BAUCUS:

S. 462. A bill to authorize a feasibility study for additional hydro-electric capacity; to the Committee on Energy and Natural Resources.

By Mr. GOLDWATER:

S. 463. A bill to protect retired and disabled persons by preserving the integrity of the Consumer Price Index; to the Committee on Labor and Human Resources.

By Mr. DURENBERGER (for himself and Mr. MOYNIHAN):

S. 464. A bill to amend the Internal Revenue Code of 1954 to adjust provisions governing private foundations; to the Committee on Finance.

By Mr. MATHIAS:

S. 465. A bill for the relief of Panivong Norindr and Panisouk Norindr; to the Committee on the Judiciary.

By Mr. BURDICK (for himself and Mr. ANDREWS):

S. 466. A bill to provide for the reinstatement and validation of U.S. oil and gas lease numbered M-15450 (ND).

By Mr. TOWER:

S. 467. A bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. THURMOND:

S. 468. A bill to amend title 38, United States Code, to expand the eligibility of former prisoners of war for certain health-care benefits provided by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MATSUNAGA:

S. 469. A bill to amend the National Foundation on the Arts and Humanities Act of 1965 to provide for the office of Poet Laureate of the United States; to the Committee on Labor and Human Resources.

S. 470. A bill to amend title II of the Social Security Act and chapter 2 of the Internal Revenue Code of 1954 to provide optional coverage under the social security program for householders; to the Committee on Finance.

By Mr. DANFORTH:

S. 471. A bill for the relief of Patricia Iheonye; to the Committee on the Judiciary.

By Mr. HEFLIN:

S. 472. A bill to amend the Internal Revenue Code of 1954 to reinstate the nonbusiness deduction for State and local taxes on gasoline and other motor fuels; to the Committee on Finance.

By Mr. DURENBERGER (for himself and Mrs. KASSEBAUM):

S. 473. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for the use of their vehicles on Government business; to the Committee on Finance.

By Mr DURENBERGER:

S. 474. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of the medical expense deduction allowable for expenses incurred in the operation of motor vehicle will be determined in the same manner Government employees determine reimbursement for use of their vehicles on Government business; to the Committee on Finance.

S. 475. A bill to amend the Internal Revenue Code of 1954 to clarify the definition of specially defined energy property for purposes of the investment tax credit; to the Committee on Finance.

By Mr. DURENBERGER (for himself and Mr. BOSCHWITZ):

S. 476. A bill to amend the Internal Revenue Code of 1954 with respect to the valuation of bank holding company assets for the purpose of determining the amount certain private foundations are required to distribute; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. MOYNIHAN, Mr. SCHMITT, Mr. LEVIN, Mrs. KASSEBAUM, Mr. DURENBERGER, Mr. BAUCUS, Mr. WALLOP, Mr. CRANSTON, Mr. HATFIELD, Mr. BENTSEN, Mr. PACKWOOD, Mr. DECONCINI, Mr. HEFLIN, and Mr. RIEGLE):

S.J. Res. 28. Joint resolution designating the week beginning March 8, 1981, as "Women's History Week"; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. BURDICK, Mr. RANDOLPH, Mr. SCHMITT, Mr. CHILES, and Mr. STAFFORD):

S.J. Res. 29. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with the first Sunday in June of each year as "National Garden Week"; to the Committee on the Judiciary.

By Mr. RIEGLE:

S.J. Res. 30. Joint resolution to designate April 26, 1981 as "National Recognition Day for Veterans of the Vietnam Era"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATSUNAGA (for himself, Mr. JACKSON, Mr. ROBERT C. BYRD, Mr. RANDOLPH, Mr. STEVENS, Mr. BUMPERS, Mr. PRYOR, Mr. HART, Mr. ARMSTRONG, Mr. INOUYE, Mr. PERCY, Mr. HUDDLESTON, Mr. FORD, Mr. MELCHER, Mr. BAUCUS, Mr. DOMENICI, Mr. BURDICK, Mr. METZENBAUM, Mr. BOREN, Mr. HARRY F. BYRD, JR., Mr. WARNER, Mr. WALLOP, Mr. SIMPSON, Mr. SPECTER, and Mr. HEINZ):

S. 434. A bill to authorize an accelerated research, development, and demonstration program to advance in situ technologies for energy production from underground coal deposits and unconventional gas resources; to the Committee on Energy and Natural Resources.

UNDERGROUND COAL GASIFICATION AND UNCONVENTIONAL GAS RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT

Mr. MATSUNAGA. Mr. President, today I am introducing a bill which was passed by the Senate last year and is intended to help solve our Nation's energy problem, while providing a full measure of environmental protection. The bill will accelerate our research, development, and demonstration program for in situ technologies for producing energy from underground coal deposits and unconventional gas resources. I am pleased that I am joined in the sponsorship of this bill by Senators JACKSON, RANDOLPH, ROBERT C. BYRD, BURDICK, INOUYE, HARRY F. BYRD, JR., PERCY, STEVENS, DOMENICI, HUDDLESTON, FORD, BUMPERS, HART, METZENBAUM, HEINZ, MELCHER, WALLOP, BAUCUS, SIMPSON, WARNER, ARMSTRONG, BOREN, PRYOR, and SPECTER.

I am sure that other Members of the Senate, after they have had time to review the text of the bill, will also want to join in cosponsorship.

The production of gas in the United States peaked in 1972, and during the past 6 years has stabilized at an annual production rate more than 10 percent below this peak. Even then, it is important to point out that more natural gas is produced in our country than petroleum.

However, natural gas production is expected to drop during the next 20 years, as is expected to be the case for oil. Can we expect the highly inflationary price

increases for oil, as partly caused by oil price decontrol, to boost the production of domestic petroleum and natural gas? The answer is a resounding no.

Since the Arab oil embargo in 1973 both oil and natural gas prices have effectively escalated by more than a thousand percent. One would think that the law of economics would come into play resulting in a production glut because of the attractive economics. As I mentioned earlier, though, the past 8 years have actually witnessed production declines. Very obviously we have reached a point of diminishing returns, for while only 60 wells need be drilled in Saudi Arabia to produce at a rate of one million barrels per day, we need to drill 60,000 wells in the lower 48 States to attain the same production. I frankly find the thousand-fold factor almost unbelievable, but data are available to substantiate my statement.

By relying in only conventional sources of natural gas associated with oil deposits, it will be difficult to eliminate oil importation. As a matter of fact, there are discussions going on now among natural gas countries in the rest of the world on the possible establishment of a cartel to control the price and supply in a manner analogous to the OPEC cartel. In the light of world instabilities, we as a Nation can ill afford to depend upon imported energy of any kind, the price and supply of which are completely in the hands of an international cartel.

It is clear that we need an infusion of a source of indigenous energy capable of meshing with the established infrastructure. There is already a massive investment in the pipeline delivery system and end-use equipment which can be best amortized by its continued use over its remaining lifetime. Without new sources of gas, part of this investment will be wasted because natural gas will not be available over the full useful life of the system and equipment.

Gas additionally happens to be environmentally desirable both from the production and utilization points of view, and is therefore a premium fuel for applications in this period of heightened public concern about many of our energy sources.

There are many opportunities for augmenting conventional natural gas supply from domestic resources. Beyond the much publicized production of high and medium Btu gas from coal conversion plants, there are several sources of future domestic gas. These unconventional gas resources include underground coal gasification, geopressured aquifers, coalbed methane, Devonian shales, and tight sands gas formations. One or more of these resources can be found in most areas of the Nation. Many are in close proximity to existing pipelines and potential markets.

An important objective is to determine as quickly as possible the technical, economic, environmental, and social barriers to the development of these resources. Without a strong program for the early resolution of these questions, we will continue to debate the energy questions of our day without adequate knowledge of what contribution these important unconventional gas resources can make to the energy supply system.

The purpose of my bill, Mr. President, is to maintain a program within the Department of Energy which is aimed at the early resolution of these uncertainties. Mr. President, I would not seek to convince the Congress to consider such legislation unless these resources were a significant part of our domestic energy resources. As it is clearly shown in the table, which I ask unanimous consent to be printed in the RECORD at this point, there are tremendous resources suitable for enhanced gas recovery techniques.

The table follows:

RECENT PROJECTIONS OF THE POTENTIAL OF UNCONVENTIONAL GAS[1]

[Economically recoverable resources (Tcf)]

	Dollars/Mcf	Lewin, 1978 Base tech.	Lewin, 1978 Adv. tech.	NPC, 1980 Base tech.	NPC, 1980 Adv. tech.
Tight gas	2.50	70.0	150.0	[2] 60.0	[2] 110.0
	3.50	100.0	196.0		
	5.00–5.75	110.0	190.0	[2] 80.0	[2] 160.0
	9.00			100.0	170.0
Devonian shale	2.50	1.7	4.3	7.3	11.8
	3.50	8.4	16.2	14.5	20.1
	5.00–5.75	10.5	18.6–25.3	18.5	27.5
	7.00			23.5	32.7
Coalbed methane	2.50		2.0–11.0		5.0
	3.50		2.0–22.0		13.1
	5.00–5.75		2.0–27.0		25.6
	7.00				33.9
Total[3]	2.50	72.0	105.0	87.0	127.0
	3.50	108.0	218.0		
	5.00–5.75	121.0	242.0	99.0	212.0
	7.00			108.0	232.0
	9.00			124.0	217.0

[1] Lewin & Associates, Inc., "Enhanced Recovery of Natural Gas," October 1978, HCP/T2705-02, and National Petroleum Council, Committee on Unconventional Gas, Progress Reports.

[2] Preliminary—7 basins only.

[3] Assuming high side of range and interpolating.

Moreover, Mr. President, 93 percent of our Nation's vast coal resources are not technically or economically recoverable today by conventional underground or surface mining techniques. While the recoverable resources are considerable, they are by no means inexhaustible and they constitute only a small percentage of our plenitude.

Much of the remaining coal reserves may be more economically and environmentally utilized by underground coal gasification processes, wherein the coal is converted in situ into low, medium, or high Btu gas. The estimated national resources for underground coal gasification are between 80 and 1,800 billion tons. Even if the lower figure were to prove to be the recoverable resource, this corresponds to an energy equivalent to the remaining recoverable U.S. reserves of crude oil.

It has furthermore been brought to my attention that underground coal gasification produces a byproduct, carbon dioxide, that shows promise for eliminating a key stumbling block in the transportation of coal through slurry pipelines. One of the emotional issues blocking serious consideration of this transport option is the perceived lack of water. A March 1980 study by Arthur D. Little, Inc., discusses the transportation of coal by using liquid carbon dioxide instead of water. The advantages are impressive, for if the proposal proves to be feasible, water need not be used, friction losses in the pipe would be lower and, at the end of the line, the medium of transportation can quite easily be separated from the coal.

There is no denying that it would not be prudent to launch a major effort in these unconventional gas technologies, unless there were indeed prospects and promises of overcoming the barriers to the commercial use of these potential resources. Fortunately, we do have cause for optimism in a progressive program for the commercialization of these technologies.

Representatives from the private sector have told me that the in situ fossil fuel technologies need one final boost in way of demonstrating engineering feasibility before they can take over. Initial field tests on underground coal gasification have been highly successful, while early attempts at demonstrating the practicability of some of the unconventional gas resource extraction techniques have shown promise. The research and development have been accomplished, and American industry is on the verge of commercializing these vast resources.

There is clear cause to accelerate our activities in all these unconventional gas technologies. The projected economics of these technologies show significant amounts of recoverable resources at prevailing natural gas prices and substantial increases in the recoverable resources, when compared to alternative energy sources and when further advances are made in the current technology.

In fact, the contribution of unconventional gas resources to our national energy supply depends more on advances in technology than on increased prices. A successful effort will double estimates of recoverable reserves. An aggressive program is absolutely necessary to improve present state-of-the art technologies and to foster advanced technologies. It is very unlikely that private firms will independently make the large expenditures necessary to bring about these technological advances. Industry's funds for strictly private projects are usually limited to high payoff, near-term efforts.

This is not to say, Mr. President, that private industry is not willing to foster these advanced technologies, but rather that there is a clear role for the Federal Government to initiate and to cost-share in many of these technology development and demonstration activities. To illustrate the willingness of industry to participate in unconventional gas research and development, I call my colleagues' attention to the Gas Research Institute, which will spend between one-third and one-half of their supply research and development funds over the next 5 years on underground coal gasification and enhanced gas recovery technologies.

Mr. President, my bill would establish a 10-year program for fostering commercialization of these unconventional gas resources. The bill contemplates the expenditure during that period of $200 million for underground coal gasification facilities and $300 million for enhanced gas recovery projects. The bill establishes national goals of production of at least 15 million cubic feet per day from underground coal gasification by 1987, with perhaps as much as 2 trillion cubic feet per day by the year 2000. A goal of 1 trillion cubic feet by 1990 from unconventional gas resources and 6 trillion by the year 2000 is also established by the bill.

The bill further provides direction for a research and development program, requires solicitation for demonstration activities, and calls for development of a commercialization strategy for the unconventional gas resources. The bill also authorizes $100 million in fiscal year 1982, including $25 million for in situ coal gasification and $125 million for fiscal year 1983, including $30 million for in situ coal gasification.

Mr. President, I believe this bill will foster a positive attitude within the Government and the industry toward unconventional gas resources, which are among our most environmentally desirable sources of new energy supply. With a broad utilization of these resources we can maintain a strong economy, as we eliminate our dependence on foreign sources of energy. I urge my colleagues to cosponsor this important and timely legislation and support its enactment at an early date.

By Mr. BENTSEN:

S. 436. A bill to amend the Internal Revenue Code of 1954 to increase the competitiveness of American firms operating abroad and to help increase markets for U.S. exports; to the Committee on the Judiciary.

INCREASING U.S. COMPETITIVENESS ABROAD AND INCREASING MARKETS FOR U.S. GOODS

● Mr. BENTSEN. Mr. President, over the past 3 years this Nation has rung up an accumulated trade deficit of some $90 billion. I have long maintained that international markets are the crucible in which the competitiveness of an economy is compared and tested against the world standard. The United States, Mr. President, is failing this test in many respects. If we are going to remain competitive in vast, rapidly expanding global markets we must be prepared to make some basic, fundamental changes in economic policy. And, at the same time, we must eliminate wherever possible impediments or unilateral restraints on our ability to export.

It has become apparent, for instance, that this country can no longer afford or accept a tax policy that makes it prohibitively expensive to station American business representatives in vital foreign markets. Sections 911 and 913 of the Tax Code must be changed to reflect the realities of world trade and the logic of export competitiveness.

International trade, Mr. President, is an extremely competitive business where a thin margin can make a vital difference. Our competitors for world markets generally have comprehensive trade policies; they recognize the iron link between exports and domestic prosperity. Their governments, their private sector, and their labor movements generally work together in the search for export opportunities.

That unfortunately is not the case in America, and perhaps it is one reason for our huge and chronic trade deficits that debase the value of our currency, fan the fires of inflation, and raise real doubts about our ability to compete for world markets.

Our businessmen abroad are the frontline troops in the battle for exports.

The United States is the only major trading nation to tax the income of its businessmen overseas; to tax their schooling and housing allowances as income, to tax incentive bonuses and cost-of-living allowances. In our rush to generate additional tax revenues with sections 911 and 913 we have saddled our commercial representatives with a competitive disadvantage that is frequently impossible to overcome. We are driving our people from the marketplace at precisely the time an effective U.S. commercial presence abroad is most urgently required. We have created a situation in which American business is forced to rely increasingly on third country nationals to market our products.

Accordingly, Mr. President, I am introducing legislation today to simplify and liberalize sections 911 and 913 of the Internal Revenue Code in an effort to insure that Americans working overseas receive tax treatment generally no less favorable than that accorded to our competitors.

I introduced similar legislation in the 96th Congress and, together with Senator CHAFEE and others, worked to remove this disincentive to U.S. exports. The legislation I am proposing today is identical to that introduced by Congressmen PICKLE and ARCHER (H.R. 911). It provides for a $75,000 exclusion in 1981, increasing $5,000 each year to $95,000 in 1985. The effective date of the legislation is December 31, 1980. The proposal also provides for a housing deduction for expenses in excess of $5,500 and provides for nontaxability of housing furnished in a camp.

A taxpayer would qualify for this exclusion if he or she is present for 11 out of 12 months in a foreign country.

This proposal, Mr. President, has the benefit of simplicity. It is easy to understand, implement, and enforce. During the last Congress we were unable to pass one single piece of legislation that would enhance our export performance.

Given the increasing importance of international trade as an element in domestic prosperity, the intense competition for world markets, and our continuing trade deficits, I sincerely hope that we can move promptly to provide sections 911 and 913 relief to the American business community overseas along the lines I have proposed.●

By Mr. DOMENICI:

S. 438. A bill to amend the Congressional Budget Act of 1974 to establish a system for scheduling and reporting outlays of departments or establishments; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, by unanimous consent pursuant to the order of August 4, 1977.

OUTLAY SCHEDULING AND REPORTING ACT OF 1981

● Mr. DOMENICI. Mr. President. In these early days of the 97th Congress, it is imperative that we make every effort to assert control over Federal spending. If there is a message in last November's election results, and I believe there is, it is that the American people are not only ready but are in fact demanding that Federal expropriation of the Nation's wealth be brought to a halt.

The Budget Act was designed to give Congress greater direct control over Federal expenditures. As chairman of the Committee on the Budget, I am committed to making that process work. But, I realize, as do several of my colleagues, that the process needs to be revised and strengthened.

The Senate has many new faces this year who are committed to reducing Federal expenditures. In the final analysis, there can be no substitute for this commitment. However, we can and should put statutory mechanisms in place which will enhance our ability to achieve our fiscal goals.

It is with this thought in mind that I have offered this limited amendment to the Congressional Budget Act. This amendment is no "cure-all," but it is one of several measures which will take us that much closer to an effective congressional budget process.

During the last few years, we have witnessed an extraordinary growth in the rates at which Federal agencies expend funds. This growth did not result for the most part from deliberate congressional decisions to increase spending. Rather, most of it resulted from upward reestimates of spend out rates under various Federal programs. Some of this was caused by more adverse economic conditions than originally expected, but much of it can not be explained on economic grounds.

To demonstrate just how serious the problem of unanticipated outlay growth has become, I ask that a table summarizing the fiscal years 1980 and 1981 outlay growth experience be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

GROWTH OF FEDERAL OUTLAYS OVER ORIGINAL TARGETS DURING FISCAL YEARS 1980 AND 1981

[In billions of dollars]

	1980	1981
President's original budget	531.6	615.8
President's revised budget	(1)	611.5
First Budget Resolution	532.0	613.6
President's mid-year review	542.4	633.8
Second Budget Resolution	547.6	632.4
President's estimates in budget for following year	563.6	662.7
Latest CBO estimate	(1)	660.3
Revised Second Budget Resolution	572.65	(1)
Actual outlays	579.6	(1)
Outlay growth over First Budget Resolution	47.6	47.6

1 Not available.

Mr. DOMENICI. Mr. President, this table shows that the actual Federal outlays were $47.6 billion above the targets set in the 1980 first budget resolution. Those outlays were $32 billion higher than the supposedly binding ceilings set in the original second budget resolution.

In fiscal 1981, this disturbing pattern of outlay growth is continuing, and indeed, it is even more striking than in fiscal 1980. Outlays are now estimated by the Congressional Budget Office to be $660.3 billion in fiscal 1981—$46.7 billion above the targets set in the first budget resolution and $26.9 billion above the ceilings established by the second budget resolution. We are only one-third of the way through the fiscal year and we have already had tremendous erosion in the fiscal discipline Congress tried to impose last year.

When outlays grow, deficits grow, and Federal borrowing increases. Congress simply must get a better handle on Federal outlays if it is to be effective in controlling fiscal policy.

The amendment to the Budget Act that I propose would require all Federal departments and agencies to submit early in the fiscal year a monthly outlay schedule to the Appropriations Committees of the House and Senate, and to the Congressional Budget Office. Substantial deviations in the actual rate of spending from that projected in the submitted schedule would require the consent of the Appropriations Committees.

It would fall to the Congressional Budget Office to review the submitted schedules and deviations and inform the Appropriations Committees and the Congress as a whole of the impact of the variations on already established congressional budget policies.

It is not enough to insist on congressional review of executive branch spending decisions. I believe that it is fair to say that all of my colleagues, on both sides of the aisle, are disturbed by the disproportionate amount of funds which are spent in the last quarter and especially in the last month of a fiscal year.

Too many agencies spend too much money in September, just before the end of the fiscal year. A chorus of critics have charged that last-minute spending is an attempt to spend money before it reverts back to the Treasury, so that next year's budget for that agency would not be cut. I am convinced that the dangers of fraud, waste, and inefficiency are too great to ignore, and we would be remiss in our duties if we failed to correct what is clearly a manageable problem.

Therefore, this amendment would attempt to end this "September Song," by prohibiting the obligation of more than 35 percent of a department or agency's total budget during the last quarter and no more than 15 percent during the last month of the fiscal year.

Of course, there will be circumstances in which year-end spending is predictable or necessary, or both. This amendment does not preclude such spending where it is necessary. But it is no longer to be the norm.

The Budget Committee has been directed to review the Budget Act and it is my attention to pursue this matter as part of that larger effort. I would welcome the thoughts of all of my colleagues on this subject. With the exception of national defense, there is no more pressing matter than the revitalization of the American economy and the reassertion of congressional control over Federal spending.●

By Mrs. KASSEBAUM:

S. 440. A bill to make certain amendments to title 18 relating to bail; to the Committee on the Judiciary.

AMENDMENTS TO THE UNITED STATES CODE RELATING TO BAIL

● Mrs. KASSEBAUM. Mr. President, each of us has read news reports of some violent crime committed by repeat offenders who are free pending trial for an earlier crime. We shake our heads, castigate a lax judiciary and sympathize with an outraged constituency. Unfortunately, that is about all we do. It is time we did more.

When an offender first comes in contact with our criminal justice system, it should impress him with its commitment to the preservation of law and order. It is at this point that deterrence from future crime can best be accomplished. It is also at this point that those individuals evidencing a proclivity for further mischief can be identified and detained. Quite frequently, however, it is at this point of first contact that the opportunity for crime prevention is missed and the offender's impression of official weakness is reinforced.

Prior to the passage of the Bail Reform Act of 1966, bail for defendants awaiting trial on Federal criminal charges, and bail for convicted defendants who were appealing their conviction, was committed to the sound discretion of the trial judges, subject to the constitutional mandate of the eighth amendment that the purpose of the bail be to assure the presence of the defendant and that it not be excessive. The exercise of discretion in the fixing of bail was subject to review by appellate courts who were limited to determining only that the lower court did not abuse its discretion.

The Bail Reform Act, however, removed from trial courts the discretion to determine the type and amount of bail which could be imposed and mandated that, in all but the most egregious cases, defendants are to be released from jail on their own signature—personal recognizance. In order to enforce this mandate for personal recognizance, the act requires that any defendants who are not released on their own signature are entitled to a court hearing after 24 hours. The defendant is also entitled to appeal bail determination, and, under the act, the court of appeals, instead of reviewing for abuse of discretion as the law previously permitted, is allowed to make its own independent determination of bail following the act's mandate that personal recognizance be used.

The effect of the act's mandatory personal recognizance provisions has been to straitjacket the trial court's ability to utilize alternative forms of bail, such as sureties and corporate bonds, in questionable cases. The trial courts, although best able to assess the circumstances affecting the defendant's character in the community, law-abiding tendencies, employment, family stability, and other factors properly bearing on the likelihood of reappearance, have been denied discretion to do so in favor of a congressionally imposed, inflexible standard which has permitted release of many defendants who have then committed further criminal activity and often fail to appear, becoming fugitives who must be located and recaptured.

In the last 3 calendar years, 1978 to 1980, there have been 11,164 Federal defendants who were released under the Bail Reform Act who failed to appear and became Federal fugitives. Many are still being sought by law enforcement agencies. As to these fugitives, justice has been thwarted and additional law enforcement resources consumed in efforts to relocate them. This large number of "bail jumpers" is convincing evidence that the Bail Reform Act preoccupation with personal recognizance was misplaced, and that trial judges should be restored their previous discretion to make determination of bail.

Although there is no constitutional right to bail for a convicted felon, the Bail Reform Act has again mandated that these convicted defendants shall be released on their personal recognizance except when the trial court has reason to believe that the defendant will flee or is a danger to the community. As in the pretrial bail situations, the trial court should be permitted broader discretion in the determination of bail on appeal than that permitted under the act, and alternatives to personal recognizance should be permitted rather than discouraged. Use of personal recognizance on appeal bonds should be disallowed or limited only to highly exemplary situations within the trial court's discretion, and appeals should be limited to review of discretion.

Mr. President, in order to correct these abuses of the trial process I am introducing a bill today that would:

First, repeal those provisions of the act (18 U.S.C. 3146) which mandate use

of personal recognizance in all but the most egregious cases, in favor of return to the courts of discretion to select the type and amount of bail consistent with constitutional standards.

Second, add a provision that magistrates and courts may in their discretion permit release on personal recognizance only in those cases where the defendant produces convincing evidence of his responsible character, family and community responsibility, lack of prior criminal record, and in cases where the crime charged did not involve acts or threats of violence to persons or property, possession of instrumentalities or substances capable of harming persons or property, trafficking in drugs, extortion or racketeering, and where the crime charged did not carry an aggregate sentence of more than 5 years confinement.

Third, repeal the Bail Reform Act provisions (18 U.S.C. 3147) which permit appellate courts to conduct independent determinations of bail before conviction, and substitution of a provision which provides for expeditious appeal of bail orders thought to be excessive, in which the court of appeals can only reverse the lower court for a clear abuse of its discretion.

Fourth, repeal the Bail Reform Act provision (18 U.S.C. 3148) which mandates release of convicted defendants pending appeal on personal recognizance except when the defendant is proved to be a danger to the community or likely to flee, and restore the discretion of the trial court to fix bail pending appeal in appropriate cases.

In addition to these reforms, the bill would also address the problems of bail forfeiture. Under current law, when a released defendant fails to appear, his bail is declared forfeited in accordance with 18 U.S.C. 3150, and Federal Rules of Criminal Procedure 46(e)(1). However, the present provision of FRCrP 46(e)(2) permits the court to set aside the forfeiture if it appears that "justice does not require the enforcement of the forfeiture." In practice, courts often set aside the entire forfeiture once the defendant is reapprehended, regardless of the causes of the defendant's failure to appear or the length of time of his fight. My proposal would amend FRCrP 46(e)(2) to permit setting aside of the entire forfeiture only if the failure of the defendant to appear, which caused the forfeiture, was not the result of his own conduct. Thus, if a defendant commits a crime while on bond and is arrested or convicted in another place, his own conduct caused his inability to appear. Likewise, intentional flight by the defendant should not permit the forfeiture to be totally excused once the defendant is finally reapprehended.

Mr. President, it is my belief that we can protect ourselves from some criminal activity by improving the deterrent nature of our laws and by isolating, as early as possible, those who appear likely to repeat their offenses. On the basis of that belief, I urge the Senate's attention to this proposal. I ask unanimous consent that the full text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 440

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (a) and (b) of section 3146 of title 18, United States Code, are amended to read as follows:

"(a) Any person charged with an offense, other than an offense punishable by death, shall, at his appearance before a judicial officer, be admitted to bail. If the defendant is admitted to bail, the amount thereof shall be such as in the judgment of the judicial officer will insure the presence of the defendant. The following factors shall be considered as bearing on the appearance of the defendant—

"(1) the nature and circumstances of the offense charged;

"(2) whether the defendant is charged with or has been previously charged with offenses involving violence or threats of violence to persons or property, or offenses involving the possession of instrumentalities or substances capable of harming persons or property;

"(3) the weight of the evidence against the defendant;

"(4) the severity of the penalties for the offenses charged;

"(5) the defendant's family ties, employment and financial resources;

"(6) the length of the defendant's residence and employment in the community;

"(7) the defendant's arrests and convictions for violations of criminal laws;

"(8) the defendant's record of appearances at court proceedings;

"(9) the defendant's character in the communities in which he has lived; and

"(10) the defendant's mental condition and history of drug-related problems.

Other factors may be considered by the judicial officer if they relate to the defendant's presence.

"(b) The judicial officer may release the defendant on his personal recognizance only if the defendant produces convincing evidence that—

"(1) he has no prior arrests or convictions for criminal violations;

"(2) he has demonstrated a responsible record of employment;

"(3) he has family members which he supports in a satisfactory manner;

"(4) he is a person of good character in the communities in which he has lived; and

"(5) the crime or crimes charged—

"(A) do not involve acts or threats of violence to persons or property;

"(B) do not involve the possession of instrumentalities or substances capable of harming persons or property;

"(C) do not involve trafficking in drugs, extortion or racketeering; and

"(D) do not carry an aggregate sentence of more than five years' confinement.

"(c) A judicial officer authorizing the release of a person under this section shall issue an appropriate order containing a statement of the conditions imposed if any, shall inform such person of the penalties applicable to violations of the conditions of his release and shall advise him that a warrant for his arrest will be issued immediately pertaining to the admissibility of evidence upon any such violation.

"(d) Information stated in, or offered in connection with, any order entered pursuant to this section need not conform to the rules in a court of law.

"(e) Nothing contained in this section shall be construed to prevent the disposition of any case or class of cases by forfeiture of collateral security where such disposition is authorized by the court.

SEC. 2. Section 3147 of title 18, United States Code, is amended to read as follows:

(a) In any case in which a person is detained pursuant to 18 U.S.C. 3146, an appeal may be taken to the court having appellate jurisdiction over such court.

(b) Any order appealed pursuant to this section shall be reversed only if there is a clear abuse of judicial discretion in applying the standards set forth in section 3146. If the order is reversed, the court shall remand the case for further hearing.

(c) Any appeal pursuant to this section shall be disposed of not later than thirty days from the filing of such appeal.

SEC. 3. Section 3148 of title 18, United States Code, is amended to read as follows:

"3148. Release in capital cases or after conviction

"(a) A defendant charged with a capital offense or who has been convicted of an offense and is either awaiting sentence or sentence review or has filed an appeal or a petition for a writ of certiorari, has no right to bail. In the case of a defendant who has been convicted of an offense, the trial court may admit the defendant to bail in such amount as in the court's judgment will insure the presence of the defendant after considering the same factors as for bail prior to conviction set forth in section 3146. The court may release the convicted defendant on his personal recognizance only if the defendant produces convincing evidence to satisfy the requirements for personal recognizance before conviction set forth in section 3146, and, in addition, the court specifically finds that there is substantial likelihood that the conviction will be reversed.

"(b) If bail is fixed for a convicted defendant pending sentence or appeal, the defendant may appeal the bail order to the court having appellate jurisdiction which shall reverse the bail order of the trial court only for a clear abuse of judicial discretion.

"(c) Any appeal pursuant to this section shall be disposed of within 30 days from the filing of such appeal."

SEC. 4. Paragraph 2, subsection (e) of Rule 46 of the Federal Rules of Criminal Procedure is amended to read as follows:

"(2) SETTING ASIDE. When the ends of justice do not require enforcement of the forfeiture, the court may direct that the forfeiture be set aside upon such conditions as the court may impose. However, the court shall not set aside the forfeiture if it is shown that the failure of the defendant to appear was the result of his own willful criminal conduct during the period of his release."●

By Mr. NUNN (for himself, Mr. CHILES, Mr. MATTINGLY, Mr. HOLLINGS, Mr. SCHMITT, Mr. DIXON, Mr. DECONCINI, Mr. JOHNSTON and Mr. SASSER):

S. 441. A bill to provide limited assistance by the armed services to civilian drug enforcement agencies; to the Committee on Armed Services.

MILITARY ROLE IN DRUG ENFORCEMENT

● Mr. NUNN. Mr. President, on behalf of myself and Senators CHILES, MATTINGLY, HOLLINGS, SCHMITT, DIXON, DECONCINI, JOHNSTON, and SASSER, I am today introducing a bill which is designed to remove certain roadblocks which have prevented the military from providing very limited but important assistance to civilian law enforcement officials in the war against drugs.

Similar legislation is being introduced in the House today by my distinguished

colleague from Georgia, Congressman BILLY LEE EVANS.

This bill is the outgrowth of extensive work done by the Permanent Subcommittee on Investigations, of which I served as chairman in the 96th Congress, into impediments faced by law enforcement agencies in their effort to combat organized narcotics trafficking. Our investigation into illegal narcotics profits culminated in 5 days of hearings in December 1979, wherein we heard testimony from some 34 witnesses who detailed the tremendous scope of narcotics traffic and the too often ineffective efforts of the Federal Government to deal with the problem.

A report on that investigation was filed by the subcommittee on August 4 (S. Rept. 96–887).

Members of the subcommittee heard testimony from several witnesses that it would be very beneficial to the overall drug enforcement effort if the military could provide more valuable information and support services to civilian drug enforcement officials than is permissible under existing law.

Robert Asack, Director of Air Control, U.S. Customs Service, told the subcommittee that the equipment which civilian law enforcement agencies possess is not sufficient to deal with the sophisticated equipment used by drug traffickers. Mr. Asack stated that it would be extremely beneficial if the military could pass along drug-related information that it acquires in the normal course of its operations. He went on to add that the military is handicapped in providing this cooperation by the posse comitatus statute (18 U.S.C. 1385), and that without some modification in present law the military cannot alert Federal law enforcement agencies of suspected drug traffickers.

Mr. Asack's plea for military assistance was echoed by James Smith, attorney general of the narcotics-plagued State of Florida. To use Mr. Smith's words—

Every agency of the Federal Government needs more staff and better equipment. The thinness of these forces is an indictment of the National government's haphazard approach to the problem.

I urge Congress to consider carefully amending the doctrine of Posse Comitatus. I am told that [the] use of the armed services in reporting the movement of vessels and aircraft is essential to detection of clandestine shipments. This is currently prohibited by the doctrine contained in 18 U.S.C. Section 1385.

The doctrine is a valuable protection against military involvement in civil law enforcement. It should not be tampered with in any but the more dire circumstances. In my opinion, such circumstances exist.

However, I believe there is a way to deal with Posse Comitatus that would leave the essential protections of the doctrine intact.

I believe that Mr. Smith's assessment of the serious threat which the flow of drugs poses to American society is accurate. I also believe that the doctrine of military noninvolvement in civilian law enforcement must continue to be respected in order to protect the civil liberties of our citizens.

Yet I am convinced that the legitimate needs of law enforcement can be accommodated without compromising the civil liberties which we hold dear.

The thrust of the bill we are introducing is to expand the areas in which military support services could be provided to civilian law enforcement, such as the sharing of information and the loaning of equipment and facilities. But we would continue to prohibit the direct involvement of military personnel in narcotics seizures, arrests, or other civilian law enforcement responsibilities, other than to provide training and expert advice to civilian authorities.

Cooperation between the military and drug enforcement officials has been subject to a number of conflicting Federal court interpretations that have left the waters very murky. The purpose of the bill, therefore, is not to embark the military upon an unprecedented involvement in civilian affairs; rather it intends to clarify the authority of the military to participate in these support activities by removing unnecessary legal obstacles which have in the past significantly limited the extent of this cooperation.

There is ample precedent for legislation of this kind, providing for very limited military involvement in domestic matters. For example, a number of other statutes on the books operate as exceptions to the doctrine of posse comitatus. These authorize military participation in activities that potentially involve civilian law enforcement. Among the areas of permissible military involvement are in the enforcement of the customs laws, the suppression of insurrections, and the investigation of crimes against members of Congress. Where the need for military assistance has presented itself with full force, Congress has in the past seen to it that limited assistance has been forthcoming.

This bill will provide access to equipment which drug enforcement officials would otherwise never be able to afford, and access to expert personnel whose assistance could prove to be invaluable. One major virtue of this legislation is that it allows drug enforcement officials to capitalize on existing programs, facilities, and equipment without having to make the tremendous capital expenditures necessary to install and operate its own radar system or to purchase highly sophisticated aircraft.

The bill will eliminate considerable duplication of activity and waste of resources, and it will accomplish this without compromising either military readiness or the civil rights of American citizens. Moreover, this bill will permit the military to pass along information it normally collects about boats and aircraft suspected of drug trafficking to civilian law enforcement officers. It would also allow the military to plan training missions such as airborne surveillance training in locations where drug enforcement objectives could be achieved as a complement to the primary goal of training military personnel.

I should emphasize that this bill does not expand on the military's authority to gather information. The information that they would pass to civilian authorities would be that which they already gather during normal military operations, such as surveillance flights over the Caribbean. Any direct involvement in domestic law enforcement would be limited strictly to training functions.

When the military is free to see and hear drug trafficking, it should not be struck deaf and dumb by legislation which prohibits them from turning this evidence over to the proper authorities.

Mr. President, the drug epidemic in America is a cancer which is spreading faster than the ability of law enforcement to contain it. The smuggling of narcotics generates tremendous profits, and from those profits traffickers are able to equip themselves with an array of the very finest boats, aircraft, and weapons. At present, they are better manned and better equipped than the agents assigned to stop them. Unless some means are found to better the odds, law enforcement will continue to lose its war against smugglers, and American society will be the loser.

I believe this legislation will help to tip the odds back in our favor. The time to do this is now.

Mr. President, I ask unanimous consent that the text of our bill, a section-by-section analysis of it, and two letters of support be printed in the RECORD.

There being no objection, the bill, analysis, and letters were ordered to be printed in the RECORD, as follows:

S. 441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of subtitle A of title 10, United States Code, is amended by adding after chapter 17 the following new chapter:

"CHAPTER 18—MILITARY COOPERATION WITH DRUG ENFORCEMENT OFFICIALS

"Sec.
"371. Definitions.
"372. Use of information obtained by members of the armed forces.
"373. Use of armed forces equipment and facilities.
"374. Training and advising Federal drug enforcement officials.
"375. Training and advising members of the armed forces.

"§ 371. Definitions

"As used in this chapter:

"(a) 'Controlled substance' means a drug or other substance, or immediate precursor, included in schedule I, II, III, IV, or V of section 202 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 812).

"(b) 'Drug enforcement official' means a civilian who is an agent or officer of the Drug Enforcement Administration, Department of Justice, authorized as such under 21 U.S.C. 878, an officer of the U.S. Customs Service, Department of Treasury, authorized under 26 U.S.C. 7607 or an officer of the U.S. Coast Guard, Department of Transportation, as authorized under 19 U.S.C. 1401, 14 U.S.C. 141 and 14 U.S.C. 143 or who is otherwise involved in the enforcement or prosecution of the controlled substances laws.

"(c) 'Equipment' includes, but is not limited to, transportation vehicles such as aircraft, seagoing vessels, and land vehicles; and information-gathering or disseminating equipment such as radar, telescopes, video-screens, and satellite monitors.

"§ 372. Use of information obtained by members of the armed forces.

"Notwithstanding any other provision of law, The Secretary of Defense or his designee is authorized to provide to Federal drug enforcement officials any information collected during the normal course of military operations which may be material to a violation of Federal laws relating to the use of controlled substances. Nothing in this section shall prevent Federal officials to whom such information is provided by the Secretary or his designee from making such information available to State and local officials charged with enforcing State narcotics laws."

"§ 373. Use of armed forces equipment and facilities

"The Secretary of Defense or his designee is authorized to make available any equipment, base facility, or research facility of the armed forces to any Federal drug enforcement official if the transfer, loan, or use of equipment or of facility will not adversely affect the military preparedness of the United States.

"§ 374. Training and advising Federal drug enforcement officials

"The Secretary of Defense or his designee is authorized to assign members of the armed forces to train Federal drug enforcement officials in the operation of military equipment made available pursuant to section 373 and to provide expert advice relevant to the purposes of this chapter, if the provision of such training and advice will not adversely affect the military preparedness of the United States. Nothing in this section shall be construed as authorizing members of the armed forces to become directly involved in drug seizures, arrests, or other civilian law enforcement responsibilities other than to provide training and expert advice.

"§ 375. Training and advising members of the armed forces

"Drug enforcement officials may provide training and expert advice, including tactical advice on the identification of drug traffickers, to members of the armed forces and may provide expert advice to such members on any other matter related to the purposes of this chapter.".

SEC. 2. The table of chapters at the beginning of such title and at the beginning of Part I of subtitle A of such title are amended by adding after the item relating to chapter 17 the following new item:

"19. Military Cooperation With Drug Enforcement Officials ..... 371.".

SECTION-BY-SECTION SUMMARY AND EXPLANATION OF THE BILL

PURPOSE

To clarify the role of the military in drug enforcement, define the support services which the military may provide to civilian drug enforcement officials, and establish procedural requirements for and restrictions upon the military's providing such support services. This legislation functions as a limited exception to the doctrine of "posse comitatus," or military non-involvement in civilian law enforcement, contained in 18 U.S.C. 1385. It sets out to clarify conflicting interpretations of that statute which have significantly limited the types and amounts of support services which have been provided by the military to civilian drug enforcement agencies.

SCOPE

This legislation authorizes the military to provide certain specifically defined support services to Federal drug enforcement officials, such as providing information on drug smugglers gathered during routine military border surveillance and making available equipment, base facilities and research facilities. It also limits military involvement by prohibiting the direct involvement of military personnel in arrests, seizures or other civilian law enforcement activities other than to provide training in the use of equipment, or to supply expert advice.

SECTION 371 DEFINITIONS

This section specifies that only agents of the Department of Justice, Drug Enforcement Administrator, Department of Treasury or Coast Guard are authorized to make requests for military assistance under the act. Definition (c) gives examples of the types of equipment which the military may make available to drug enforcement officials, without limiting them to any specific type or types.

SECTION 372

The military routinely conducts radar and airborne surveillance of our borders for national defense purposes. This section will permit the military to pass along to drug enforcement any information which comes to their attention through this surveillance or through any other means that indicates a possible violation of narcotics laws. Once this information is in the hands of federal officials they will be free in appropriate cases to make the information available to state authorities.

SECTION 373

The Secretary of Defense may provide drug enforcement officials with equipment, base facilities and research facilities if he determines that to do so will not adversely affect military preparedness.

SECTION 374

The Secretary of Defense may make available military personnel to provide certain limited support services to drug enforcement officials. Military personnel may train drug enforcement officials in the use of military equipment or supply advice in areas of military expertise. Military officials may not engage in direct law enforcement activities such as arrests or seizures.

SECTION 375

Drug enforcement officials may provide military personnel with any training or expert advice which might assist the military to providing effective assistance in drug enforcement matters.

REGIONAL ENFORCEMENT
NARCOTICS UNIT,
Cincinnati, Ohio, September 3, 1980.

Hon. SAM NUNN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NUNN: The Cincinnati, Ohio, Enquirer, on August 27, 1980, carried an article which stated you and your colleague, Senator Lawton Chiles of Florida, are submitting legislation to the Senate in which certain provisions of the posse comitatus act would be amended. You are to be congratulated for your effort in this field of law enforcement.

As the commander of the local drug enforcement effort, I have had occasion to see, first hand, the drug abuse problem in this country rise from a low proportion of our population to a vertual epidemic. Law enforcement has met with resistance at almost every hand. The National Organization for the Reform of Marijuana Laws (N.O.R.M.L.) has exerted financial and political pressure and employed the media from "Playboy" magazine through daily papers to downplay the seriousness of not only marijuana use but also cocaine, heroin and clandestine tablet abuse. The courts have ruled unfavorably on police cases involving search and seizure to the extent that it is the police who are on trial and the issue of the possession of illegal substances, admitted by the defendant in many cases, takes a back seat to the manner used by law enforcement in discovering that possession. Thus, it is apparent that law enforcement must seek other means of combatting this problem.

The U.S. Drug Enforcement Administration has found that on a dollar for dollar ratio, money spent in locating, identifying and apprehending drug dealers overseas, at the point of origin of almost all this nation's illegal drugs, is the most efficient means of enforcement. This brings out two points. One is the fact that should the drugs be taken at their source and the violators arrested, the major traffickers will be eliminated from the field of endeavor. Secondly, the courts in foreign lands, who, by the way do not have the drug problem this country is experiencing, are much harsher in dealing with drug traffickers and are less interested in whether the officers dotted their "i's" and crossed their "t's" or, for that matter, even had a search warrant.

Still, most of the drugs are getting through to the United States by aircraft and vessel with 90 percent of all marijuana in the country stemming from Columbia as well as almost all the methaqualone and 100 percent of all cocaine and heroin from other nations.

Law enforcement, chiefly the Coast Guard, seize an average of 12 vessels per month in the waters off the coast of Florida while local law enforcement and Customs seize about 100 aircraft each month involved in drug trafficking. Yet, we see that this is only 10 percent of the carriers transporting illegal drugs into the nation.

In speaking to the Chief of Coast Guard Patrol in the Florida area, I was advised that Coast Guard vessels are being neglected for maintenance and crews have almost no time off in their virtual solo effort in apprehending drug transporters in the waters of their concern, many times asking and receiving the help of the State Department in acting as the police of foreign powers such as Panama, the Bahamas and the United Kingdom in searching suspect vessels far at sea in International territory with the vessels being of foreign flag, as almost all are.

Recently, a local drug violator, who, incidently was just released from Federal prison for aircraft drug smuggling, was apprehended, by accident, as he landed his DC-6 on a highway in Kansas having mistaken the road for a clandestine runway. He admitted flying from Columbia non-stop over Louisiana at an altitude of 50 feet for 300 miles to avoid law enforcement radar detection as was pre-planned by his co-conspirators. Is this the way a Russian "Bear" aircraft could come in to drop H-Bombs? I doubt it. Undoubtedly, military aircraft and radar had him "scoped" all the way and yet, no law enforcement agencies were notified when it was determined not to be a military target.

The U.S. Air Force, Navy and Marine Corps expend millions of dollars yearly in training missions, many involving the use of U.S. Military aircraft and vessels, in efforts to improve radar detection capabilities. The military aircraft and vessels, I am sure, try every trick possible to try to foil the air, sea and ground radar seeking them out.

Using the new "enemy" of this Nation, the drug trafficker, their vessels and aircraft as "drones" in seeking out better means of detection would be far less expensive to the Country and would, should this information be passed on to law enforcement, culminate in a profit to the Nation, rather than a loss.

In my study of posse comitatus, I find that only the Army is directly precluded from direct assistance to law enforcement in seeking out and apprehending criminals. The Navy, Marine Corps and Air Force are not specifically named and precluded. However, it is the policy of the military to withhold all such aid in the apprehension of civil law violators lest they be accused of intentional flaunting of the "spirit" of the law.

I further believe there is precedent in employing the military in aid of law enforcement. The United States Marine Corps was used in the protection of the mail when criminals were wont to rob mail cars on trains and mail trucks on the road in the twenties and thirties. The U.S. Marines were employed in the apprehension of criminals at Alcatraz in the late nineteen forties and I am sure there are other such examples of direct military aid to law enforcement. Is not the sanctity of our borders, especially given the scourge of drug abuse this Country suffers as a result of such intrusions, at least as important as the U.S. Mail getting through? I think so and I believe from your proposed legislation, that you agree.

As a member of a Statewide Narcotics Officer's Association, as well as a Cincinnati Police officer of twenty four years experience, I intend to do whatever I can to aid you in your legislative action. I will see that all Ohio Congressmen and Senators are advised by letter of our collective feelings in support of your bill and will ask that our Chief of Police, Colonel Myron Leistler, address this question of support to the International Association of Chief's of Police and other august groups of which he is counted as a member.

This, to my way of thinking, is the most important step that could possibly be taken at present for the welfare of this Nation and its citizens. Thank you for your effort on our behalf.

Respectfully,

PAUL E. GUTHRIE,
Police Sergeant,
Commander RENU.

STATESBORO, GA., *September 1, 1980.*

Hon. SAM NUNN,
Senate
Washington, D.C.

DEAR SENATOR NUNN: I've read the transcript of your hearing last December on Illegal Narcotics Profits, so am aware of your concern and interest in drug trafficking. Today, the Atlanta Constitution contained an article in which the question is raised as to the legality of the use of technology belonging to the military in pursuit of drug smugglers, and whether this is a violation of the Posse Comitatus Act.

Anyone who thinks the drug traffic is not a threat to our national security is unaware of the impact it is having on society and our economy. All our resources should be used to combat this festering condition or it will engulf the entire nation instead of just Florida and Georgia. The use of military resources should be assured by whatever is the most effective means. The longer the situation exists, the greater it becomes entrenched and powerful, corrupting local citizens, persons in influential positions, and local law officials, while inflation and other costs to society rage out of control.

Please pursue every means to bring some control over this criminal activity—use of the military resources and various tax investigative procedures—so that honest, legitimate citizens will not have to bear so costly a burden.

Yours truly,

LYNN WALSHAK.●

● Mr. CHILES. Mr. President, I am pleased to join Senator NUNN in introducing this proposal to clarify the doctrine of posse comitatus in relation to drug law enforcement activities. This legislation represents another significant step resulting from the Permanent Subcommittee on Investigations' continuing inquiry into narcotics trafficking. It is a further effort to insure that all appropriate and available resources of the Federal Government are brought to bear in the war on illicit drugs.

Over the last decade we have witnessed a tremendous growth in drug use and drug trafficking. Drugs are now available and are used throughout our society. What has become starkly clear in recent years is that we are losing the battle to stem the flow of illegal drugs.

The series of hearings by the Permanent Subcommittee on Investigations portrayed illicit narcotics as a multibillion-dollar, worldwide business which is so large and so sophisticated in its operations that present law enforcement efforts are simply overwhelmed in trying to combat it. It is a business that generates upward of $50 billion in revenues a year. For my own State of Florida, which has become a focal point for drug smuggling from Latin America, the dimensions of the narcotics trade are staggering. Marihuana and cocaine trafficking represent one of the State's largest commercial activities. It is a $7 billion a year industry which has tremendous impact on the economy. Along with the economic impact, it spawns violent crime, public corruption, and poses serious health risks for millions of Americans.

The posse comitatus statute dates from the post-Civil War period. It was originally proposed to prevent the use of Army troops in assisting the local marshal. What it establishes in law is an important principle prohibiting military involvement in civil law enforcement.

While the general principle that military force should not be used in civilian matters is clear, the language of the statute itself is somewhat vague. It has been subject to various interpretations by the courts and has been applied in more recent years by regulation to the other branches of the military.

The current onslaught of illegal narcotics now flooding the United States geographically illustrates that the present effort to control the drug flow is not adequate. In examining why this is the case, the posse comitatus statute, as currently interpreted and applied, can be seen as a considerable stumbling block to effective surveillance and interdiction of narcotics smugglers.

The hearings by the permanent subcommittee brought to the forefront the posse comitatus issue. As testimony depicted the immense scope of the drug trade and as we pursued the question of why we are losing the battle against narcotics trafficking, several witnesses pointed to the posse comitatus situation as one factor.

Florida Attorney General Jim Smith, in testifying on Florida's problems as the dropoff point for marihuana and cocaine smuggled from Colombia and the difficulties State and local law enforcement officials experience in patrolling Florida's thousands of miles of coastline, raised the posse comitatus issue.

General Smith testified:

Finally, I urge the Congress to consider carefully amending the doctrine of posse comitatus. I am told that use of the armed services in reporting the movement of vessels and aircraft is essential to effective detection of clandestine shipments . . .

The law can be amended to allow transfer of information obtained in military surveillance to Federal and State law enforcement authorities. That's all we are talking about, pure information. There would be no involvement of the armed services in prosecuting these cases.

When questioned on the use of military manpower or equipment in tracking aircraft suspected of transporting drugs, Robert Asack, Director of Air Control, U.S. Customs Service, told the subcommittee that this was not permissible without some change in the law or a broader interpretation of posse comitatus. He indicated:

We would like the military to detect, track and then call us if there are any intruders coming across the border that they don't consider hostile but which are of high interest to us.

In a similar vein, leading law enforcement officials in south Florida, as well as the commissioner of the Florida Department of Law Enforcement, have recommended changes to the U.S. Attorney General:

We understand that the U.S. Customs Service may be limited in manpower and resources necessary to track aircraft or vessels once identified by radar surveillance. But surely the military has an interest in tracking any strange aircraft coming to our shores. We understand that some authorities conclude that the military cannot be used to provide tracking information to Customs and local law enforcement for to do so would be to violate the Posse Comitatus Act. Has the Government really researched this issue? If careful research reveals that tracking by the military of planes from the northern coast of South America and advising Customs of these planes would violate the Act, then we urge amendment of the Act.

Our military establishment should be put to good use. We do not believe that the Posse Comitatus Act was meant to prevent the military from assisting in the fight against this foreign menace.

Perhaps the most difficult facet of posse comitatus lies in the uncertainty as to what the military can do within the limits of the statute. Because of this uncertainty, the military often must err on the side of being too cautious. The Department of Defense, in addressing the question of assisting other Federal agencies in drugs and narcotics interdiction, points to the posse comitatus prohibition as the most troublesome aspect in terms of making its resources available. The Department characterizes the act as "severely restricting" the granting of requested assistance from other Federal agencies.

The Drug Enforcement Administration, which has the principal responsibility for drug law enforcement, would echo the view that the Department of Defense is severely restricted in providing assistance. DEA Administrator, Peter Bensinger, comments:

The tendency in recent years on the part of both the Department of Defense and Courts has been to interpret Posse Comitatus so narrowly as to virtually preclude any but the most indirect cooperation domestically between the military and drug law enforcement agencies.

With the tremendous influx of illicit narcotics smuggled from South America by boat and plane, the U.S. military

could be of critical importance in helping to identify and stop this criminal traffic. DEA maintains that the military has capabilities of a support nature which are unique and would prove invaluable in the suppression of drug trafficking.

In the face of an ever growing drug trade and the failure of present enforcement efforts to contain it, there is an obvious and pressing need for expanded cooperation between the military and drug law enforcement officials. Such cooperation could involve the sharing of information derived from radar and other surveillance activities; the loan of military equipment and facilities; and the services of the military to provide training and advice. To clarify the law in order to allow this type of cooperation would certainly not violate the essential principle of the posse comitatus statute. What it certainly would do is improve materially our drug enforcement capability.

The legislation we propose today is a carefully drawn measure which spells out in specific terms the assistance the military may provide with respect to drug law enforcement. It makes clear that there will be no interference with the military mission and no direct involvement of Armed Forces personnel in civilian law enforcement functions. The bill simply authorizes the sharing of information relative to a violation of a Federal Controlled Substances Act; the loan of equipment and facilities; and the use of Armed Forces personnel for training and expert advice.

Mr. President, I believe we must recognize the urgency of moving to strengthen this Nation's ability to wage war on the drug traffickers. This legislation is a significant step in that direction and I urge its prompt consideration by the Senate.●

Mr. BASSER. Mr. President, I join with Senator NUNN and several of my distinguished colleagues in sponsoring S. 441, a bill to amend the U.S. Criminal Code to allow the use of the military to assist State and local law enforcement agencies to combat drug related crimes.

A member of the Senate Permanent Subcommittee on Investigations along with Senator NUNN, I am only too aware of the insidious forces this legislation is designed to combat.

During the subcommittee hearings in the 96th Congress, the scope and breadth of the illegal narcotics-for-profit trade was outlined in graphic detail. Participation in those hearings was a chilling experience, even for those familiar with the lawless and cynical behaviors of criminals.

The trade in illegal and illicit narcotics goes well beyond our borders. Marauding international narcotics mercenaries possess air and sea trafficking capabilities of small nations. They roam the seas and they dart through the skies, funneling narcotics through an illegal trade network that is beyond surveillance capability of State and local law enforcement officials.

Routine American military operations are frequently aware of potential narcotics trafficking operations. Suspicious movements in the air and sea off our boundaries are often carriers of narcotics, destined for delivery and distribution within the United States.

It is eminently reasonable to allow such information to be passed along to State and local law enforcement agencies engaged in the war against narcotics.

Such information cannot, however, be passed along under current statutes. It has been a long-established tradition in this country—a tradition reinforced by statute—to prohibit the use of military forces in the work of State and local law enforcement.

The international narcotics mercenaries are not, however, the stuff of routine law enforcement.

The military, which routinely acquires information on suspicious, and potentially dangerous narcotics-related activity, must be able to provide important information in these circumstances, and to assist State and local law enforcement officials in learning the best possible methods for combating this evil influence.

Certainly, safeguards should be established to insure that the military does nothing more than assist. The statute prohibiting the use of the military as a posse comitatus stands as one that maintains a sensible tradition. As such, this legislation is clear and strict as to what the military can do in assisting State and local law enforcement officials.

I am certain, that upon reviewing this legislation and being fully cognizant of the enemy it is designed to combat, my colleagues will also support this legislation.

By Mr. JACKSON (for himself and Mr. GORTON):

S. 442. A bill to amend the Wild and Scenic Rivers Act; to the Committee on Energy and Natural Resources.

AMENDMENT OF WILD AND SCENIC RIVERS ACT

● Mr. JACKSON. Mr. President, I seek recognition to introduce a bill on behalf of myself and Senator GORTON intended to begin the study of four rivers in my State, the Hoh, the Dosewallips, the Quillayute, and the Humptulips, for possible inclusion in our National Wild and Scenic Rivers System. In addition, this bill would designate that portion of the Dosewallips River which is already within the Olympic National Forest and under Federal management as a segment of the Wild and Scenic System.

Mr. President, Congress has recognized that the provisions of the Wild and Scenic Rivers Act are a useful tool to identify and protect our Nation's most pristine streams. Washington State is home for several such streams, and their beauty in Washington comes not only from their scenic value but also from their habitat for thousands of salmon and steelhead trout. I want to be sure that we protect that habitat and that scenic beauy. This bill is a step toward that goal.

Fishery resources are vitally important to the people of the Nation. In Washington State, millions and millions of steelhead and salmon are harvested in the sports and commercial fisheries of Indians and non-Indians alike. Our fishery, once generated from strong, naturally-spawning stocks of fish native to Northwest streams, has had to turn more frequently to the production of fish from hatcheries. Too often, the habitat of the streams no longer supports the large natural runs. Fortunately, for the streams we address in this bill, we have time to preserve their relatively good fishery habitat and save the cherished natural runs of salmon and steelhead.

Mr. President, the fishery resources aside, the rivers we address in this bill are several of the most dramatically beautiful in this country. They are located on the Olympic Peninsula and have their origins in the mountains that rise between Puget Sound and the Pacific Ocean—the mountains of Olympic National Park. They flow east, north and west as they cut through the mountains and provide the path for miles of hiking trails leading to the interior of Olympic National Park. Their surroundings include the famous Olympic rain forest and their cold cascades are a dramatic reminder of our need to properly protect and manage these important natural resources.

As I have indicated, the fishery resources provided by these rivers are very important. The studies authorized by this bill are specifically intended to develop means to maintain and enhance the stocks while minimizing any conflict with the plans of any non-Federal land managers in the area. In addition, recognizing the work that has already been done by the Forest Service on the Dosewallips River, the bill calls for the immediate designation of that portion of this river within the Olympic National Forest as within the National Wild and Scenic Rivers System.

Mr. President, I see this bill as a tremendous opportunity to preserve a rich scenic and fishery resource. I urge the Senate to support it. My colleague in the House of Representatives, Congressman DON BONKER, represents the area containing all of these rivers. I am pleased to report that Congressman BONKER strongly supports this measure and will be urging passage of a similar bill n the House.

Mr. President, I ask unanimous consent that the text of my bill to amend the Wild and Scenic Rivers Act be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 442

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 3(a) of the Wild and Scenic Rivers Act, as amended (16 U.S.C. 1274) is further amended by inserting the following new paragraph at the end thereof:

"(51) Dosewallips, Washington.—The segment from the boundary of the Olympic National Park to the eastern boundary of the Olympic National Forest; to be administered by the Secretary of Agriculture. In carrying out subsection (b) of this section, the Secretary of Agriculture shall carefully consider management options which will maintain and enhance the river fisheries. For the purposes of the segment designated by this paragraph, there are authorized to be appropriated such sums as may be necessary for development. The Secretary shall take such action as is required under subsection (b) of this section within one year from the date of enactment of this paragraph.".

SEC. 2(a). Section 5(a) of the Wild and Scenic Rivers Act, as amended (16 U.S.C. 1276) is further amended by inserting the following new paragraphs at the end thereof:

"(89) Hoh, Washington: The segment between the boundary of the Olympic National Park, near the confluence of the Hoh River and the South Fork of the Hoh River, downstream to its confluence with the Pacific Ocean.".

"(90) Dosewallips, Washington: The segment from the eastern boundary of the Olympic National Forest to the mouth.".

"(91) Quillayute, Washington: The segment of the main stem and its Soleduck, Bogachiel, and Calawah tributaries outside the boundaries of the Olympic National Park, but including the segment within the Olympic National Park coastal unit.".

"(92) Humptulips, Washington: The entire river including the West Fork.".

(b) Section 5(b)(3) of such Act is amended by adding the following at the end thereof: "The studies of the rivers named in paragraphs (89) through (92) of subsection (a) shall be completed not later than October 1, 1983.".

(c) Section 5 of such Act is amended by adding the following new subsection at the end thereof:

"(e) The study of the rivers named in paragraphs (89) through (91) of subsection (a) shall include an analysis of the various means which may be practicable and appropriate, consistent with other provisions of this Act, to maintain and enhance the fisheries resources of such rivers.".

SEC. 3. Section 5(b)(4) of the Wild and Scenic Rivers Act is amended by striking the second sentence and inserting in lieu thereof the following:

"There are authorized to be appropriated for the purpose of conducting the studies of the rivers named in subparagraphs (59) through (74) and (89) through (92) such sums as may be necessary.".●

● Mr. GORTON. Mr. President, I am pleased to cosponsor, with Senator JACKSON, legislation authorizing studies for several river segments on the Olympic Peninsula in Washington State for eventual designation as wild and scenic rivers.

The Pacific Northwest is richly blessed with spectacular mountain ranges and abundant natural resources. Of particular note are the many streams and rivers on the Olympic Peninsula whose headwaters lie high in the Olympic Mountains. These rivers contain abundant quantities of salmon and steelhead resources which are unequaled in the contiguous United States.

These valuable fishery resources spawn in these rivers and depend upon balanced habitat conditions for survival. In many areas, the long term survival of these fishery stocks are threatened due to continued loss of streamside vegetation and the degradation of water quality. Indians and non-Indians alike are deeply concerned about the increasingly reduced quantities of these fishery stocks.

The Wild and Scenic Rivers Act provides a vehicle for protecting these valuable resources. The act establishes a mechanism for recognizing and protecting important and unique river resources which possess outstanding wilderness, esthetic and recreational values. The rivers included in this legislation feature all of these qualities in abundance.

The bill would immediately designate as a segment of the Wild and Scenic System the portion of the Dosewallips River which runs through Olympic National Forest. Studies would also be authorized for several river segments, including the Hoh; Humptulips; Quillayute and it's Soleduck, Bogachiel, and Calawah tributaries; and the segment of the Dosewallips River from the eastern boundary of the Olympic National Forest to its mouth. These studies will provide recommendations for future action by Congress as to whether or not these river segments should be designated as wild and scenic rivers.

Salmon and steelhead resources are vitally important to the economy of the Pacific Northwest. This legislation will help maintain, enhance, and protect these valuable fishery resources in the designated river segments on the Olympic Peninsula.●

By Mr. DANFORTH (for himself and Mr. HATCH):

S. 443. A bill to clarify the limits of the authority. A bill to clarify the limits of authority of the Department of Education; to the Committee on Labor and Human Resources.

EDUCATION REFORM ACT OF 1981

Mr. DANFORTH. Mr. President, today I am introducing a bill, together with Senator HATCH, which will make clear our intent when we established the Department of Education several years ago: That the Department is to be an administrative convenience only—a one-stop shop—not a superschool board, formulating policies with respect to curriculum, teaching methodologies, education policy, and other matters traditionally within the exclusive province of State and local governments.

Many of us tried to make clear the limits of the Department of Education when the legislation establishing the Department was considered by Congress.

To insure that the new Department would not involve itself in areas of curriculum and other traditionally local concerns, Senator ROTH and I offered an amendment to the Department of Education legislation, which became section 103 of Public Law 96-88.

Section 103(b) provides:

No provision of a program administered by the Secretary (of Education) or by any other officer of the Department (of Education) shall be construed to authorize the Secretary of any such officer to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school or school system . . . except to the extent authorized by law.

In an effort to clarify any ambiguity in the statutory language, the matter of local control was emphasized in hearings, Committee reports, and two colloquies on the floor.

Notwithstanding the clear legislative intent of section 103, the Department of Education began immediately to exceed its mandate. One of its first actions was to publish proposed regulations which, with great specificity, mandated that school districts provide bilingual education for foreign-language speaking students. The regulations would have imposed requirements with respect to curriculum, programs of instruction, personnel, and textbooks.

The legal basis for the regulations rested on title VI of the Civil Rights Act of 1964. Title VI is a general statute prohibiting discrimination on the ground of race, color or national origin in programs receiving Federal aid. While the Supreme Court has interpreted title VI to require that schools give special help to students who speak a foreign language and have limited English proficiency, it has never mandated a particular form of assistance. There is no evidence anywhere that Congress intended to mandate that the Nation's schools offer bilingual education.

Nevertheless, the Department of Education used title VI as the excuse to propose regulations which would have set out in minute detail exactly what a school would have to do for its foreign-speaking students. Under the proposed regulations, a school district wanting to vary from the Department of Education approach, no matter how inconsequential the change, would have been required to seek a waiver from Washington.

This encroachment by Washington is wrong and in violation of clear congressional intent. It is only one example of a pattern which ultimately could lead to centralization of all education decisions in Washington. For example, I understand that the Department of Education has been looking at the area of student discipline.

I was gratified to see that the new Secretary of Education has withdrawn the bilingual education regulations, and I assume the administration will prevent other encroachments from occurring. But it is not enough to hope for a sensible administration. Therefore, I am introducing a bill today, together with Senator HATCH, to clarify the limits of the Department of Education.

There has been great pressure in the last few years to enact legislative vetoes as a mechanism to rein in the excesses of Federal agencies. I have opposed legislative vetoes because they seem to stand our Government on its head. The legislative branch is supposed to legislate; the executive branch, to implement and administer. A legislative veto implies that Federal agencies are now legislating, while the legislative branch judges the results.

Rather than a legislative veto, I believe Congress should get back in the business of legislating with precision and specificity. Too often, in an attempt to reach a compromise, Congress leaves the intent vague. I fear this was the result when the Department of Education was established.

At present, the Department of Education is prohibited from controlling the curriculum, program of instruction, administration, or personnel of a school "except to the extent authorized by law." That last phrase, I learned, is an enor-

mous loophole. The bill we are introducing today tightens the language of section 103(b) so that interference in areas of traditionally local concern can only occur to the extent expressly required by Federal statute. I believe the burden should be on the Department—not on school boards and Congress—to show that regulations infringing these local concerns are intended by Congress. If Congress wants to preempt the State and local governments in matters of bilingual education, student discipline, testing, or any other matter, it should be done clearly and expressly, as was intended by the Constitution. This bill seeks to return us to our appropriate roles.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 443

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Education Reform Act of 1981."

SEC. 2. Section 103(b) of the Department of Education Organization Act (20 U.S.C. 3403(b)) is amended to read as follows:

"(b) Neither the Secretary nor any other officer of the Department shall exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, over any accrediting agency or association, or over the selection or content of library resources, textbooks, or other instructional materials by any educational institution or school system, except to the extent expressly required to do so by Federal statute. For the purposes of this provision, 'Federal statute' shall not include Federal regulations, Federal rules, or Federal guidelines."

By Mr. WILLIAMS (for himself and Mr. CRANSTON):

S. 444. A bill to amend the Internal Revenue Code of 1954 to provide incentives for the construction and rehabilitation of real property; to the Committee on Finance.

REAL ESTATE CONSTRUCTION AND REHABILITATION TAX INCENTIVES ACT OF 1981

● Mr. WILLIAMS. Mr. President, I am today introducing a comprehensive legislative package revising the Tax Code's treatment of real estate construction and rehabilitation. This legislation is designed to provide needed, general stimulus to the full spectrum of development activities; and, in particular, to promote the conservation of the Nation's existing rental housing stock while simultaneously reviving the unsubsidized multifamily housing starts which must occur if the Nation is to emerge from its present rental housing crisis.

I am pleased to be joined in introducing this bill by Senator CRANSTON. I also want to note that a substantially similar bill was supported during the second session of the 96th Congress by all segments of the realty development industry, including the National Association of Homebuilders, the National Association of Realtors, the Coalition for Low and Moderate Income Housing, the International Council of Shopping Centers, the Building Owners and Managers Association International, the Council of State Housing Agencies, the National Apartment Association, the National Multihousing Council, the National Realty Committee, and the National Leased Housing Association.

Mr. President, I believe that there are compelling reasons for the inclusion of the provisions of this bill within the overall tax cut legislation expected to be enacted this year. There is widespread general agreement that the present depreciation rules contained in the Tax Code are unnecessarily complex, and do not permit businesses to set aside realistic replacement costs in a time of inflation. This bill would correct that situation in the construction area. And, by so doing, it would tuneup and accelerate the massive economic engine of the building industry, pumping new vigor into our troubled economy and taking tens of thousands of productive American workers off unemployment rolls and putting them back onto payrolls.

I would like to review, for the benefit of my colleagues, the major provisions of this bill, and the reasons underlying this proposal:

A shortened, auditproof, nonrecapturable depreciation scheme is provided for all new construction activity. Low-income housing receives the most favorable treatment, qualifying for 12-year, straightline amortization. All other multifamily rental housing can be written off over 16 years. All nonresidential construction would be depreciated on a straightline basis over 20 years.

The Senate Finance Committee, in the Tax Reduction Act of 1980 (H.R. 5829), recognized that the present available combination of useful lives, accelerated depreciation, and component depreciation for new construction creates uncertainty, complexity, and substantial administrative burdens for both the taxpayer and the IRS. It therefore adopted, as part of that legislation, the proposal which I made in the 96th Congress that all realty be permitted 20-year straightline depreciation, except for low-income housing which would have been amortized over 15 years. I have departed from that original proposal this year to some extent, by suggesting more favorable treatment for multifamily rental housing particularly for low-income people, than any other type of construction, for two important reasons.

The first is that this more favorable depreciation merely carries forward the slightly more generous useful lives which are permitted to rental housing at present, under Revenue Procedure 62-21. The guideline life provided for apartment buildings is 40 years, and the average useful life claimed by taxpayers under what the IRS calls the "facts and circumstances" of their project is 32 years. By contrast, the guideline lives for other types of structures such as offices or factories range from 45 to 60 years, and the claimed useful lives vary from 37 to 43 years.

The second, and major reason, is that the continuing deterioration in nonassisted rental housing starts demands that the Congress earmark this type of development activity for preferential treatment. In this regard, I must again call to my colleagues attention the shockingly distressed condition of the multifamily housing sector. Rental housing starts have never fully recovered from their decline during the 1974-75 recession. And, in the past 2 years, they have tumbled precipitously, from 445,000 units in 1978 to approximately 250,000 units in 1980. Further, the private market is rapidly abandoning any participation in rental housing construction, except in those cases where Government subsidies are provided. In 1972, only 22 percent of rental starts were assisted units. By 1978, that had doubled to 44 percent and, in 1980, nearly 60 percent of all new starts required some form of Government subsidy. Although I am one of the strongest proponents of assisted housing projects in the entire Congress, I think that this trend is unhealthy, and indicates the need for the removal of roadblocks, and the establishment of new incentives, to get the private market working again to build apartments for those Americans who neither want nor need Government-subsidized housing.

The time for action to revive rental housing is now. The national vacancy rate has dipped below the crisis mark of 5 percent, limiting the mobility of our citizens and permitting exorbitant rents to be charged for many apartments. Given that the Nation loses up to 300,000 rental units annually due to destruction and abandonment, it is clear that we are actually suffering a net annual loss of apartments. A Joint Economic Committee study has projected that 615,000 rental units need to be built annually throughout the 1980's to help meet America's housing needs. In that context, the paramount importance of earmarking rental housing for preferential tax treatment is manifest.

Low-income assisted rental housing requires slightly more favorable treatment than nonassisted housing in order to be able to continue to attract equity capital, given the mandated restrictions on return, and the limited potential for appreciation inherent in such housing.

While I include a detailed cost analysis of this legislation later in this statement, Mr. President, I do wish to note at this point that the projected revenue losses from this dramatic simplification of depreciation treatment are surprisingly modest. That is because taxpayers can currently achieve nearly comparable results through a combination of shorter claimed lives plus accelerated and component depreciation. This portion of the bill, therefore, may provide its greatest liberating effect on new construction not through tax expenditures, but by providing the taxpayer with certainty of treatment and freedom from the expensive accounting manipulations and the threat of review and audit by the IRS.

The investment tax credit for the rehabilitation of older commercial and industrial buildings is raised from 10 to 25 percent. The upward revision, which was included in the Finance Committee's 1980 Tax Reduction Act, will assure that the overall revision in depreciation treatment for new construction will not provide an unbalanced incentive for businesses to relocate from their present locations. As a member who has been

particularly concerned about the detrimental effects of plant delocations on the older communities of the Nation, I believe it is essential that any tax reduction bill offers established enterprises a fair choice between upgrading their present facilities or constructing new plants or offices.

Section 189 of the code, which requires that construction period interest and taxes be amortized over a 10-year period, is repealed. This action will have the greatest stimulative effect on new construction of any portion of this legislation, and will remove the major feature of the code discriminating against construction activity.

In any other field of endeavor, taxes and interest on loans, are deductible in the year they are incurred. But, for realty development, present law makes the unreasonable demand that they be folded into construction costs and amortized. This is inherently unfair, particularly for interest costs inasmuch as they are paid on a short-term construction loan which is retired when the structure is ready for opening and receives permanent financing.

The repeal of section 189 will permit these legitimate, out-of-pocket costs to be expensed in the year incurred, and will thereby remove the major impediment against investment in new industrial and commercial facilities.

Section 167(k) of the code, permitting the rapid amortization of multifamily housing rehabilitation costs, is made applicable to all rental housing. At present, the 5-year depreciation of such expenses is restricted solely to low income assisted housing. When it is realized that 41 percent of the Nation's rental units are 40 years old or older, and that these older units tend to house lower-income individuals, it can be seen that it makes no sense to restrict the availability of rehabilitation incentives solely to assisted housing. In the housing crisis, just as in the energy crisis, conservation is our most immediate and least expensive source of supply. This expansion of the code can do much to curtail the abandonment of existing rental housing. It will also provide landlords with an alternative to converting their buildings to condominiums or cooperatives as a means of financing needed upgrading.

My proposal would also raise the present minimum per unit expenditure qualifying for rapid amortization from $3,000 to $5,000, and the maximum from $20,000 to $30,000. These new figures more accurately reflect the present costs of housing rehabilitation.

Finally, my legislation would make it clear that congregate and single-room-occupancy housing serving low-income elderly and handicapped residents are to be included within the definition of low-income housing for Tax Code purposes. This clarification mirrors the action of the Congress, in the 1980 Housing Act, making these residential arrangements eligible for rehabilitation loans under the section 312 program.

Section 167(k), as well as the code provisions promoting historic preservation and the removal of architectural barriers to the handicapped, would be permanently enacted. Last year, the Congress extended for 2 years, until the end of 1963, the code sections relating to low-income housing rehabilitation and historic preservation. These provisions, as well as those regarding architectural barriers, have proven to be effective incentives to socially desirable ends, and have not been subject to abuse. I believe that we should provide those who undertake these activities with the certainty that these incentives will remain on the books until such time as we develop better alternatives. It simply makes no sense to have to renew them every few years, on the undemonstrated supposition that, before the expiration date, Congress will devise some nontax alternatives to promote the same ends.

I think my colleagues should also be aware of the tremendous employment benefits which flow from the rehabilitation of existing structures, in comparison to new construction. The National Trust for Historic Preservation has estimated that each $1 million spent on rehabilitation activities produces 109 jobs, whereas the same amount spent on new construction provides only 70 jobs. This result is due to the fact that a higher proportion of the new construction dollars must, of necessity, be spent on land acquisition and materials. This legislation which I am introducing places great emphasis on rehabilitation activities because they are proven generators of substantial employment, and because their cost-effectiveness permits the most efficient allocation of capital to realty activities in competition with other competing investment opportunities.

The Energy Tax Act of 1978 is clarified to make explicit the original congressional intent that the business energy tax credit be made available for multifamily housing, as well as office buildings.

I was most disturbed to learn recently, Mr. President, that the IRS's proposed regulations for carrying out that law specifically exclude energy conservation mechanisms for the heating and cooling systems of multifamily apartment buildings, on the rather incredible grounds that they are not "commercial processes." My review of the legislative history of that act—in fact, of its entire justification—convinces me that the Congress absolutely intended to provide incentives for energy conservation in all existing structures, including apartment buildings and offices. At a time when landlords increasingly must contemplate condominium conversion or other dispositions of their properties due to unfavorable earnings, it would be the height of shortsightedness to deny them an incentive to reduce both their long-term costs and the Nation's energy dependence.

The so-called family rental tax is eliminated. The Congress has delayed, until the middle of 1981, the proposed IRS regulations which would deny to a taxpayer certain deductions if he rents an apartment to a relative, even if the relative is using the unit as a principal residence and is paying the same market rent that would be charged a stranger. It is my belief that the Tax Code should not erect barriers to this type of family assistance, and I therefore propose to clarify the code to prevent this undesirable result.

Mr. President, in addition to these major provisions, this legislation makes a number of needed technical changes to remove impediments to realty activity. These include—

Equalizing the tax preference arising under section 167(k) with that for new construction, thereby eliminating one of the code's present biases against rehabilitation.

Clarifying the code's references to low-income housing, and State and local housing assistance programs.

Eliminating the code's limitation on an individual's deduction of investment indebtedness interest for real property investments.

Clarifying the code so that the "business beginning" of real estate development activities will be considered on the date on which a taxpayer commences construction activity. Although the Congress acted last year to place section 195 in the code, providing for the 60-month amortization of startup expenditures, considerable uncertainty still exists in this area due to the traditional IRS position that a real estate business does not commence until the day a building opens for occupancy.

Providing for greater efficiency and increased rehabilitation activity in the use of tax-exempt housing bonds by permitting advance refunding, and the use of proceeds to remove first liens.

Mr. President, in concluding my introductory remarks on this legislation, I come to the key question in this cost-conscious year: "How can we accomplish the most good for the least cost?" The attached table, which provides the estimated tax losses by calendar year for this bill's three major components, shows that the cost is quite modest in the context of a tax cut package which is expected to begin in the $30 billion range in 1981 and climb steadily thereafter. For they show that we can provide simplified, audit-proof depreciation for all new construction, a major increase in the incentive to upgrade existing plants and offices, and the removal of the major disincentive to realty investment, for a cost which begins at $1.4 billion and then stabilizes in the range of $1.8 to $1.9 billion.

The tax losses from the remaining provisions of the bill would be negligible, and would certainly not lift its cost above the neighborhood of $2 billion. In judging those estimates, my bill would take effect upon enactment, and that any tax package is likely to have little or no retroactive effect. Therefore, actual 1981 losses would be reduced accordingly. Further, these are static revenue loss estimates, which make no attempt to factor in the tax revenues stemming from increased real estate construction and rehabilitation activity. Such revenues are likely to offset substantially these estimates. For example, the National Association of Homebuilders has estimated that switching to 20/15-year depreciation for unassisted/low-income

rental housing would increase multifamily rental starts by 105,000 units annually, generating $1.47 billion in wages and $310 million in additional Federal personal and corporate taxes. My somewhat more generous 16/12-year depreciation would of course have even greater stimulative effect.

Mr. President, in conclusion I must again stress my belief that this is an eminently reasonable and sorely needed piece of legislation. It provides the degree of stimulus regarded as necessary by the full spectrum of the American building community, to construct and rehabilitate the apartments, offices, stores, and factories which America needs. It can help to expand our industrial and technological base, rebuild our cities, and put tens of thousands of unemployed workers back into productive, taxpaying jobs. And it can do all this without providing unneeded tax cut windfalls which would reduce our ability to achieve a balanced Federal budget. I certainly hope that my colleagues will give this proposal their deepest consideration, as I believe that something along these lines must be a major component of any tax reduction package legislated this year.

Mr. President, I ask unanimous consent that the text of this bill and a table showing expenditures effects be printed in the RECORD in full.

There being no objection, the bill and table were ordered to be printed in the RECORD, as follows:

S. 444

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Real Estate Construction and Rehabilitation Tax Incentives Act of 1981".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—CAPITAL COST RECOVERY TREATMENT OF NEW SECTION 1250 PROPERTY

SEC. 101. DEPRECIATION OF SECTION 1250 PROPERTY.

Subsection (j) of section 167 (relating to special rules for section 1250 property) is amended to read as follows:

"(j) SPECIAL RULES FOR SECTION 1250 PROPERTY.—

"(1) GENERAL RULE.—Except as otherwise provided in this section, in the case of section 1250 property subsection (b) shall not apply, and the term 'reasonable allowance' as used in subsection (a) shall mean only an allowance computed under the straight line method using a useful life of—

"(A) 12 years in the case of low-income housing described in clause (i), (ii), (iii), or (iv) of section 1250(a)(1)(B),

"(B) 15 years in the case of other residential rental property described in section 167(k)(3)(D), and

"(C) 20 years in the case of any other section 1250 property.

"(2) APPLICATION OF GENERAL RULE.—Paragraph (1) shall apply with respect to section 1250 property placed in service after the effective date of the Real Estate Construction and Rehabilitation Tax Incentives Act of 1981.

"(3) TRANSITIONAL RULE FOR USED SECTION 1250 PROPERTY.—In the case of section 1250 property acquired after the effective date of such Act, the original use of which did not commence with the taxpayer—

"(A) which is placed in service within 60 months after such date, paragraph (1) shall not apply and the provisions of this subsection, as in effect on the day before the date of enactment of such Act, shall apply with respect to such property, or

"(B) which is placed in service more than 60 months after the date of enactment of such Act, subsection (b) and paragraph (1) shall not apply, and the term 'reasonable allowance', as used in subsection (a), shall mean, at the election of the taxpayer—

"(i) an allowance computed under the straight line method using the appropriate useful life described in paragraph (1), or

"(ii) an allowance computed using the remaining economic useful life of the property (determined in accordance with regulations prescribed by the Secretary).".

SEC. 102. TECHNICAL AMENDMENT.

Subparagraph (C) of section 312(k)(2) is amended by striking out "(j)(1)(C)" and inserting in lieu thereof "(j)".

TITLE II—INCREASE IN INVESTMENT TAX CREDIT FOR REHABILITATED STRUCTURES

SEC. 201. CHANGES IN INVESTMENT TAX CREDIT.

Subsection (g) of section 48 (relating to special rules for qualified rehabilitated buildings) is amended by adding at the end thereof the following new paragraph:

"(4) ADDITIONAL 15 PERCENT CREDIT.—In the case of property which is treated as section 38 property by reason of subsection (a)(1)(E), section 46(a)(2)(B) shall be applied by substituting '25 percent' for '10 percent'.".

TITLE III—DEDUCTION OF CONSTRUCTION PERIOD INTEREST AND TAXES

SEC. 301. REPEAL OF SECTION 189.

(a) IN GENERAL.—Section 189 (relating to amortization of real property construction period interest and taxes) is repealed.

(b) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by striking out the item relating to section 189.

(c) DEDUCTION OF UNAMORTIZED BALANCE OF INTEREST AND TAXES REQUIRED TO BE AMORTIZED BY SECTION 189 BEFORE ITS REPEAL.—To the extent that a taxpayer does not elect, after the date of enactment of this Act, to treat the unamortized balance of construction period interest and taxes (as defined in section 189(e)(1) of the Internal Revenue Code of 1954 as in effect on the day before the date of enactment of this Act) as chargeable to capital account under section 266 of such code, the taxpayer may deduct such unamortized balance under the appropriate provisions of such Code for the first taxable year of the taxpayer ending after December 31, 1980, as if such unamortized balance constituted such interest and taxes paid or incurred in such taxable year.

(d) APPLICATION OF SECTION 263.—Paragraph (1) of section 263(a) (relating to capital expenditures) is amended—

(1) by striking out "or" at the end of subparagraph (F),

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma and "or", and

(3) by adding at the end thereof the following new subparagraph:

"(H) interest for which a deduction is allowable under section 163 or taxes for which a deduction is allowable under section 164.".

(e) EFFECTIVE DATE.—The repeal made by subsection (a) and the amendment made by subsection (d) shall apply—

(1) in the case of nonresidential real property, to construction periods beginning on or after the first day of the first taxable year beginning after December 31, 1975, and

(2) in the case of residential real property (other than low-income housing), to taxable years beginning after December 31, 1977.

TITLE IV—EXTENSION AND EXPANSION OF EXISTING INCENTIVES

SEC. 401. PERMANENT EXTENSION, ETC., OF CERTAIN EXPIRING CODE SECTIONS.

(a) SECTION 167(k) AMENDMENTS.—

(1) PERMANENT EXTENSION OF PROVISION.—Subsection (k) of section 167 (relating to depreciation of expenditures to rehabilitate low-income rental housing) is amended—

(A) by striking out "and before January 1, 1982," in paragraph (1), and

(B) by striking out subparagraph (D) of paragraph (3).

(2) EXTENSION OF PROVISION TO ALL RESIDENTIAL RENTAL PROPERTY.—Subsection (k) of such section is amended—

(A) by inserting "and Other Residential Rental Property" in the caption of such subsection immediately after "Housing",

(B) by inserting "or residental rental property" immediately after "low-income rental housing" each place it appears in paragraphs (1), (2), and (3)(A), and

(C) by adding at the end of paragraph (3), as amended by paragraph (1)(B), the following new subparagraph:

"(D) RESIDENTIAL RENTAL PROPERTY.—The term 'residential rental property' means a building or structure that, for any taxable year, derives at least 80 percent of its gross rental income from dwelling units (within the meaning of subsection (k)(3)(C)). For purposes of the preceding sentence, if any portion of such building or structure is occupied by the taxpayer, the gross rental income from such building or structure shall include the rental value of the portion so occupied.

(3) INCREASE IN LIMITATIONS.—Paragraph (2) of section 167(k) (relating to limitations) is amended—

(A) by striking out "$20,000" in subparagraph (A) and inserting in lieu thereof "$30,000", and

(B) by striking out "$3,000" in subparagraph (B) and inserting in lieu thereof "$5,000".

(4) LOW-INCOME RENTAL HOUSING TO INCLUDE CONGREGATE AND SINGLE-ROOM-OCCUPANCY HOUSING.—Subparagraph (B) of section 167(k)(3) is amended by striking out the period at the end of the subparagraph and inserting ", and also means any building of a type which would be eligible to receive a rehabilitation loan pursuant to subparagraphs (B) and (C) of section 312(c)(4) of the Housing Act of 1964."

(b) PERMANENT EXTENSION OF SECTION 167(n).—Paragraph (2) of section 2124(c) of the Tax Reform Act of 1976 (relating to depreciation of improvements) is amended by striking out ", and before January 1, 1981".

(c) PERMANENT EXTENSION OF SECTION 167(o).—Paragraph (2) of section 2124(d) of the Tax Reform Act of 1976 (relating to substantially rehabilitated property) is amended by striking out ", and before July 1, 1981".

(d) PERMANENT EXTENSION OF SECTION 190.—Subsection (c) of section 2122 of the Tax Reform Act of 1976 is amended by striking out ", and before January 1, 1983".

(e) PERMANENT EXTENSION OF SECTION 191.—Paragraph (4) of section 2124(a) of the Tax Reform Act of 1976 (relating to effective date for section 191) is amended by striking out ", and before June 15, 1981".

(f) PERMANENT EXTENSION OF SECTION 280B.—Paragraph (3) of section 2124(b) of the Tax Reform Act of 1976 (relating to demolition) is amended by striking out ", and before January 1, 1981".

"SEC. 402. MINIMUM TAX TREATMENT OF RAPID AMORTIZATION OF LOW-INCOME RENTAL REHABILITATION EXPENDITURES.

Paragraph (2) of section 57(a) (relating to accelerated depreciation on real property) is amended by adding at the end thereof the following new sentence: "In the case of property with respect to which the taxpayer has made an election under section 167(k), the amount treated as an item of tax preference under this paragraph shall not exceed the amount which would have been determined as an item of tax preference under this paragraph if the taxpayer had used an allowance computed under the declining balance method using a rate not exceeding twice the rate which would have been used if the allowance had been computed under the straight line method.".

SEC. 403. SECTION 1250 AMENDMENTS.

(a) CLARIFICATION OF REFERENCE TO SIMILAR STATE OR LOCAL LAWS.—Clause (i) of section 1250(a)(1)(B) (relating to applicable percentage for certain insured mortgage section 1250 property) is amended by striking out "under similar provisions of State or local laws" and inserting in lieu thereof "under provisions of State or local laws establishing the definition of and intended primarily to finance or assist housing for families or individuals of low or moderate income".

(b) LOW-INCOME HOUSING TO INCLUDE SECTION 221(d) INSURED HOUSING AND CERTAIN OTHER SUBSIDIZED HOUSING.—Subparagraph (B) of section 1250(a)(1) (relating to applicable percentage) is amended—

(1) by striking out clause (ii) and inserting in lieu thereof the following:

"(ii) in the case of dwelling units—

"(I) which, on the average were held for occupancy by families or individuals eligible to receive subsidies under section 8 of the United States Housing Act of 1937, or under the provisions of State or local law providing for subsidies of a similar nature for low- or moderate-income families and individuals,

"(II) with respect to which a mortgage is insured under section 221(d) of the National Housing Act, or

"(III) which are government-assisted housing, if at least 20 percent of the units in such housing are held for occupancy by families or individuals eligible to receive subsidies under section 8 of such Act or equivalent rental assistance to assure that tenants do not pay more than a specified percentage of their incomes for rent,

100 percent minus 1 percentage point for each full month the property was held after the date the property was held 100 full months;", and

(2) by adding at the end thereof the following new sentence: "For purposes of clause (ii)(III), the term 'government-assisted housing' means housing which is financed, insured, or assisted by loan, interest reduction payments, rental subsidies, or tax abatement under Federal, State, or local law.".

TITLE V—REMOVAL OF IMPEDIMENTS TO NEW REAL PROPERTY DEVELOPMENT

SEC. 501. LIMITATION ON DEDUCTION OF INTEREST ON INVESTMENT INDEBTEDNESS.

Subparagraph (D) of section 163(d)(3) (relating to definitions for limitation on interest on investment indebtedness) is amended by inserting "(other than section 1250 property)" immediately after "property"

SEC. 502. BUSINESS BEGINNING FOR REAL PROPERTY ACTIVITIES.

Subsection (d) of section 195 is amended by striking out the period at the end of the subsection and inserting in lieu thereof ", and a business which involves the construction, reconstruction, or erection of real property shall be treated as beginning when the taxpayer commences the construction, reconstruction, or erection of such property."

SEC. 503. USE OF TAX EXEMPT BOND FUNDING IN CONNECTION WITH RESIDENTIAL REAL PROPERTY.

(a) ADVANCE REFUNDING TO BE AVAILABLE.—Paragraph (7) of section 103(b) (relating to advance refunding of qualified public facilities) is amended—

(1) by inserting "or residential real property" immediately after "facilities" in the caption of such paragraph, and

(2) by inserting "or residential real property for family units" after "facility" in subparagraph (A).

(b) USE OF PROCEEDS TO REMOVE EXISTING FIRST LIENS.—For purposes of subparagraph (A) of section 103(b)(4) of the Internal Revenue Code of 1954 (relating to certain exempt activities), the use of any part of the proceeds of an issue of obligations to remove existing first liens encumbering property which is to be rehabilitated shall be treated as a use of such proceeds to provide residential real property for family units within the meaning of section 103(b)(4)(A) of such Code.

SEC. 504. PERSONAL USE OF RESIDENCE BY FAMILY MEMBER NOT TO TRIGGER DISALLOWANCE OF DEDUCTIONS.

(a) Paragraph (2) of section 280A is amended to read as follows:

"(2) PERSONAL USE OF UNIT.—For purposes of this section, the taxpayer shall be deemed to have used a dwelling unit for personal purposes for a day if, for any part of such day (except for the day of arrival and the day of departure) the unit is used—".

(b) Subparagraph (A) of section 280A(d)(2) of the Internal Revenue Code of 1954 (relating to personal use of unit) is amended by inserting before the semicolon at the end thereof the following: "(unless such member of the family pays a rental which, under the facts and circumstances, is fair rental and uses the unit as his principal place of residence)".

SEC. 505. ENERGY TAX CREDIT TO BE AVAILABLE TO RENTAL HOUSING AND OTHER COMMERCIAL BUILDINGS.

Paragraph (5) of section 48(l) is amended by adding at the end thereof the following new sentence: "For purposes of this section, a commercial property and commercial facility shall include low-income rental housing or residential rental property, office buildings, and other commercial buildings."

TITLE VI—EFFECTIVE DATES

SEC. 601. GENERAL EFFECTIVE DATES.

Except as otherwise provided, the amendments made by this Act shall apply upon enactment.

ESTIMATED TAX EXPENDITURE EFFECTS OF MAJOR PROVISIONS OF THE "REAL ESTATE CONSTRUCTION AND REHABILITATION TAX INCENTIVES ACT OF 1981"

[In millions of dollars]

	Calendar year—				
	1981	1982	1983	1984	1985
1. Revised depreciation of real property [1]	108	235	290	308	351
2. Increased investment tax credit for rehabilitation [1]	489	573	647	731	788
3. Repeal of sec. 189 [2]	800	900	1,000	800	800
Total	1,397	1,708	1,937	1,839	1,939

[1] Senate Finance Committee, Rept. No. 960940, "Tax Reduction Act of 1980", p. 18.

[2] Testimony of the National Association of Realtors before the Senate Finance Committee, reprinted in "Tax Cut Proposals—Part 3," p. 1508.

Note: The Finance Committee estimate for revised depreciation of real property is for those provisions of the Tax Reduction Act of 1980 which provide for 20-yr straight-line depreciation for all real property except for low-income housing, which would be depreciated over 15 yr; plus an electable 15-yr accelerated depreciation for owner-occupied commercial and industrial property. Therefore, they may vary somewhat from the impact of the 20/16/12 yr proposal contained in "The Real Estate Construction and Rehabilitation Tax Incentives Act of 1981".●

By Mr. MITCHELL (for himself and Mr. COHEN):

S. 445. A bill to establish a State set-aside system for propane, middle distillates, motor gasoline, residual fuel oil, and aviation fuels, and for other purposes; to the Committee on Energy and Natural Resources.

OIL DECONTROL

Mr. MITCHELL. Mr. President, I rise to express my opposition to the action by which all oil prices were suddenly decontrolled on January 28.

There are benefits to our economy from a free market in energy. Because the world price of oil is an artificially administered one, other energy sources today appear much more price-competitive with oil. Decontrol will force us to move expeditiously to exploit our indigenous energy sources so that we may ultimately enjoy a truly free market in energy prices—not whatever price the OPEC cartel wants to impose on us.

Gradual oil price decontrol was the wisest and most equitable course to take: Wise because it gave the economy a buffer against massive upward price swings, and equitable because it asked the oil companies, our citizens, and every region of the country to share the costs of carrying out a national policy. The oil companies were asked to accept somewhat lower profits for a time. Citizens were asked to pay gradually higher prices. And the allocation system made sure that energy-importing states—like Maine—would not suffer spot shortages when wealthier and more accessible States bid up the price of oil, making it less profitable to market in States like Maine.

But the sudden decontrol of oil prices is neither wise nor equitable.

It leaves our economy defenseless against another massive OPEC price rise.

It makes consumers, especially those in the North, carry the entire burden of this national policy.

It transfers wealth from one region to another.

It pits region against region.

And it leaves energy-poor regions vulnerable to supply disruptions and curtailment of services.

A Government policy that lets one region of our Nation reap the benefits while another region pays the costs is both unfair and shortsighted.

Congress should correct the unfairness.

I urge the Congress to reinstate the gradual phase-out of oil price controls, so that those controls will end in October as originally scheduled.

The additional time will, at the very least, permit rational planning by businesses, by individuals and by Congress to offset the worst effects on the economy and the public.

We should take three other steps immediately.

First, we should streamline and rationalize the programs of low-income fuel assistance and home weatherization.

Second, we should move on an accelerated and expanded program of tax and other incentives to help smaller businesses accommodate the higher costs of oil price decontrol.

And third, we should maintain the existing authority of State governments to

allocate a minor portion of supplies to alleviate emergencies and spot shortages within their States.

These are modest steps, but they can help overcome some of the most immediate effects of oil decontrol.

There is little doubt that the costs of ultimate decontrol will be substantial. But the costs of immediate decontrol will be just as great, and because they come without warning, they will be more disruptive for businesses, individuals, and governments around the country.

And there is ample evidence of the costs sudden decontrol will have.

Those who blame the oil price control program for our energy problems assert that a free market will solve all those problems. They forget the background against which the system of controls and allocations came into being, and the artificially administered price conditions under which all international oil supplies are sold today.

And they ignore the fact that energy prices affect the prices of every other product and service in our economy.

When President Nixon extended price controls to the oil sector in 1971, before the oil embargo, he did so because energy costs affect our entire economy and cause cost and price increases, both directly and indirectly.

When the Arab oil embargo of 1973–74 quadrupled world oil prices, our Nation moved to the development of the huge Alaskan resources and the goal of energy independence.

Domestic prices were controlled, because both the Republican administration and the Democratic Congress of that time recognized an important fact: The relationship between OPEC governments and the multinational oil companies is not an adversarial one. It contains no mechanism to make the oil companies fight OPEC price hikes. Price controls were one counter pressure we could employ in the international market. The huge productive capacity of the OPEC nations could be somewhat countered by the enormous U.S. oil market.

In 1975, President Ford and the Congress recognized the need to continue that counter pressure. Mandatory controls were continued through 1979, and the President was given discretionary power to retain controls through October of this year.

That phase-out was based on the hope that by this time the world economy would have assimilated the oil price shock and returned to a free market system. Free market experts assured us that the OPEC cartel would disintegrate, and world oil prices would find a reasonable level.

Well, here it is 1981, and OPEC shows no signs of disintegrating, even though two of its members are in a shooting war, another is busily exporting terrorism throughout the world, and all of them have differences of opinion about every international issue except one: Higher oil prices.

The confident claim that the OPEC countries lacked the sophistication to hold a cartel together proved to be groundless.

It is against the factual existence of an administered international market—not a free market—that confident assertions are today being made that oil price decontrol will free the market forces that will moderate prices, encourage conservation, and most importantly, increase production.

Will it moderate prices?

Is there any incentive for major oil companies to resist OPEC price hikes which guarantee that their own reserves increase in value? Is there any incentive for major oil companies to fight for increased OPEC production when lower production and higher prices bring the same or greater profits?

In fact, no. The artificial linking of our domestic prices with the OPEC-administered world price is an incentive to slow down production, not increase it.

A businessman with a product which he knows with 100-percent certainty will be worth more tomorrow than it is today is not likely to rush to sell that product today.

That is a reasonable reaction, and it is a reaction our economic system can handle—in a free market.

But there is no free market when OPEC can raise the price of oil to any level it wants, and the world's largest customer takes no steps whatsoever to offset those increases.

This linkage of our prices to the artificially high world price serves neither American security interests nor American economic interests.

Will immediate decontrol increase conservation greatly?

So far, it has been shown that a 10-percent price increase results in about a 1 to 2 percent consumption decrease—not a very encouraging ratio. But even that is optimistic: When oil price decontrol began in April 1979, gasoline was about 82 cents per gallon. Today it sells at about $1.33 per gallon; that's a 50-percent price increase. Personal gasoline expenditure has risen 29 percent.

But gasoline consumption has dropped just 2 percent.

Studies consistently show that the most effective gasoline conservation comes from a switch to a fuel-efficient automobile. And Americans are switching to smaller cars; they are switching by the hundreds of thousands. The domestic auto industry knows that. But beyond the expensive purchase of a more efficient car, there is little real hope for more conservation. Decontrol of oil prices will not bring jobs closer to homes, and it will not reduce the distances in rural States like Maine, where frequent trips between workplace and home are essential for workers and businessmen alike.

Conservation in home and commercial heating faces the same limitations: The purchase of a fully insulated, airtight house by every homeowner would produce an immediate dramatic saving in oil. But neither our population nor our construction industry can accommodate an overnight turnover in housing stock.

The capital investments homeowners have already made in insulation, in double-glazing, in fuel-efficient furnaces, in backup wood and other heating systems, in solar auxiliary systems, are all desirable, and further efforts in this direction should be encouraged.

But the fact is that after a home is insulated, after a better furnace is installed, after a smaller car is purchased, after a business has eliminated fuel waste and squeezed every useful drop from its energy supply, after all possible conservation steps are taken, there is a point below which we cannot use less oil.

Price rises can force conservation only to a limited extent. They cannot force conservation where people are existing in homes barely heated to 60 degrees.

The need for conservation, it is asserted, will be reduced by the massive new production that will flow in the wake of decontrol.

But does anyone seriously believe that the oil companies will move up production or exploration plans because decontrol occurred 7 months earlier than anticipated? The hard fact is that every drilling rig in the Nation is working and exploration is slowed in some places because of a shortage of rigs.

Even oil industry analysts acknowledge that immediate decontrol will have no significant effect on production. John Lichblau, of the Petroleum Industry Research Foundation, said he expected only slight improvements in conservation and only minimal increases in production. The administration has produced no analysis which contradicts that.

It simply asserts that the incentive of extra dollars will spur the oil companies to explore and produce more.

That is an assumption.

But domestic well-head prices have risen 111 percent since decontrol began, and domestic production has remained static: Some 8.5 million barrels per day.

That is a fact.

If a doubling of prices does not provide an incentive, is there any reason to believe that tripling them will do so?

The major oil companies have shown less desire to explore than an appetite to acquire other companies.

Forty percent of our coal reserves are owned by oil companies. All our uranium supplies are controlled by oil companies. The nine major solar energy companies are controlled by oil companies.

During 1979 and 1980, while domestic well-head prices were doubling, and world prices were going through the roof, the Exxon Corp. spent $1.2 billion to buy Reliance Electric; Shell spent $3.6 billion to buy Belfridge Oil; Sun Oil bought out Texas Pacific Oil; and Getty purchased a major cable television network.

That history of acquisitions is surely a better measure of oil company intentions than the repeated claim that controlled prices were an insufficient incentive to produce.

So I find little that persuades me that immediate decontrol will bring us significantly moderated price increases, or significantly reduced consumption, or significantly higher production.

If the 7-month speedup in decontrol offered few gains but threatened few costs, it could be discounted.

But the unspoken contention is that the economic effects of immediate decontrol will be worthwhile.

When inflation is under control, a modest increase in energy costs can be absorbed, filtered through the economy, and the economy can be expected to make its adjustments, increasing productivity here, reducing consumption there, with an overall minimal price effect.

But when inflation is not under control—as it most emphatically is not today—even a modest increase in energy prices can set off another spiral in the price of manufactured products, food, and the cost of living; because people need energy to move to their jobs and to heat their homes. In fact, no activity in our Nation can go forward without energy.

When our cost of living is rising at 1 percent monthly—12.4 percent last year—additional costs for energy accelerate price increases, force salary demands higher, and undercut any deflationary effects we might enjoy from more conservation or increased production.

In fact, the deflationary effects of conservation or production are illusory in an administered market. The history of gradual decontrol since April, 1979 illustrates that. For example, OPEC price rises have more than wiped out whatever benefit the country may have gained from moving to more fuel-efficient automobiles.

When we went to gradual decontrol, the world oil price was around $13.35 per barrel—with predictions that it could reach $16 or even $18 per barrel. That is history now. Oil prices today range between $35 and $40 per barrel. The facts have made nonsense of the claim that decontrol would cost the country $26 billion. In fact, it will cost the country closer to $150 billion.

And they have made nonsense of the prediction that decontrol would keep American dollars in America. The OPEC nations show no diminution in their ability to siphon off every extra dollar we are ready to pay.

Despite the fact that gradual decontrol did not fall as lightly on the economy as was predicted, it at least had the advantage of maintaining some relative stability in our economy. Most importantly, it gave us time to enact the investment and productivity incentives that we need to fuel a strong recovery from the recession.

For in an economic recovery, the demand for oil does not diminish, it grows. Economic expansion needs oil.

Demand-induced price increases might well have come when decontrol finally occurred in October. But gradual decontrol would have assured us at least a short breathing spell for an economic recovery to take hold before being hit with further energy price increases. As it now stands, we have the worst of both worlds: a slow recovery coupled with high inflation, and the certainty of immediate inflation increases.

Immediate decontrol will add at least one-half of a percentage point to this year's inflation rate; it will raise prices by 1 percent immediately. Even the Wall Street Journal estimates that gasoline prices will rise at least 10 cents per gallon as a result of immediate decontrol.

Treasury Secretary Regan has testified that immediate decontrol will increase oil company receipts by $5 billion over the next 7 months, even with no rise in world oil prices.

Is this impact on our economic recovery worthwhile?

And what about the effect on the economic circumstances of working men and women right now?

All the Northern States have a winter heating season that lasts well beyond February. In Maine, the heating season continues to May, and even May can be a cold month in Maine. Decontrolling the price of an essential commodity in the middle of a period when Americans simply must buy more of it is an unreasonable and unfair tax on those people.

Immediate decontrol will increase costs to our Government at a time when our huge deficit demands the utmost restraint in Government spending.

It will cost the Federal Government $2.4 billion instead of $1.6 billion to fill the Strategic Petroleum Reserve—our only safeguard against a calamitous oil supply interruption. It will add just under a billion dollars in fuel costs for our Defense Department and other Government agencies—a billion dollars of tax money.

Immediate decontrol will impose a massive tax on the public in the form of higher heating costs in the middle of winter. It will impose the additional tax of higher gasoline prices for every American who drives to work.

The Congressional Budget Office says these costs to consumers could go as high as $11.7 billion in the coming 7 months.

So the economic effects will be clear: An earlier increase in inflation with all its attendant costs to the economy; a substantial reduction in the available capital for investments in productive capacity; and higher costs to Government and to every American, especially those living in the north.

Gradual decontrol would have forced us to accommodate to OPEC price increases, but on our own timetable, and with some ability to project the economic results and take them into account. We may even have been able to strengthen our energy policy to counteract the lack of market forces in world oil supplies.

Immediate decontrol does none of those things.

And the adverse effects of immediate decontrol are not a matter of speculation. They are already a reality. Yesterday's New York Times reported on the front page that:

> Gasoline and heating oil prices are rising much faster than the Reagan Administration predicted when it decontrolled crude oil prices last week, and evidence is mounting that they will climb even further, analysts say. Yesterday, for example, three major suppliers, the Exxon Corporation, Texaco, Inc., and the Shell Oil Company announced new increases for both products.

Last night CBS news showed that all the major oil companies—Exxon, Texaco, Mobil, Gulf, Chevron, Amoco—have announced gasoline and heating price rises between 4 and 7 cents much faster than the 3-to-5 cents 30-day estimates the administration wants us to believe.

You need not rely on the media for such information. All you have to do is travel around Maine, as I have in recent days, to see that the price of gasoline and home heating oil is rising as a result of the President's decontrol decision.

And it is hurting people. This morning, I received a letter from a woman in Gorham, Maine, who wrote:

> I am quite concerned over President Reagan's recent action regarding the deregulation of oil prices. Certainly, the need for exploration and less dependence on foreign oil is obvious, but many of us are reaching the saturation point. How much more of a burden do you think the average person can stand?
>
> My thermostat is set at 50 degrees. I don't think I can get much more conservative than that without having frozen pipes.
>
> It is difficult to express one's absolute frustration in a letter. Our cost of living increases don't begin to keep up with the present level of inflation. The unfortunate thing is that we're not talking about luxuries, but rather the necessities like food, oil and gasoline.

The tragedy is that this is not an isolated case. Millions of Americans, especially the elderly on low incomes, confront the same burden.

The very least that the Congress can do is to rescind the President's action and permit decontrol to occur on the orderly schedule originally established.

I hope my colleagues will agree.

But Congress has an obligation to look beyond the immediate problems of the decontrol decision as well.

Whether decontrol remains a fact or whether it is postponed to October, when the control comes off, people will face the prospect of higher prices for basic essentials.

For fortunate families, that will mean delaying some purchases, reducing savings, or otherwise revising their budgets to pay more for their heating and transportation costs.

For less fortunate families, it will mean cutting back on the food budget, putting off home insulation projects, or taking a second job to make ends meet.

For the least fortunate, for the elderly poor and those who cannot work, it will mean disaster.

I hope that tax cuts can somewhat alleviate the pain for most working Americans, even if they cannot fully offset it.

With the budgetary restraints we face today, I cannot advocate massive increases in assistance.

But I believe we can and should pursue the goal set forth by the Governors of New England States recently: To give maximum flexibility to the States to use the weatherization and low-income fuel funds in their States in the most efficient way.

Current law prohibits the use of low-income fuel assistance money for any purpose other than paying for fuel. Even if State workers find that the fuel consumption of a house can be reduced dramatically by installing better insulation, or double-glazing, the law does not permit the use of fuel assistance funds, even if no funds from the weatherization program remain.

Yet clearly, the goal of both programs is to aid those who cannot afford the higher costs of energy: Preferably by adding needed insulation; where necessary by providing emergency aid to buy fuel directly.

If these two funding programs complemented each other, States could more rationally design weatherization programs and target the low-income fuel assistance to the most needy. The funding constraints on the weatherization program now mean that dollars are spent each winter to buy expensive heat for houses which could be insulated for a relatively smaller sum.

Both as an immediate and a long-term goal, I believe expanding the flexibility of these two programs is worthwhile. It could be done simply, and would not have to await lengthy studies. Nor would it require extensive congressional debate over higher spending figures and offsetting budget cuts.

I urge the administration to examine what regulatory flexibility can be found in the program. I will also be developing legislation to enact the needed flexibility into law.

Conservation efforts have largely focused on homeowners and automobile use, since these represent a huge proportion of our energy consumption.

But business use of energy should also be a concern.

Congress will review tax incentives of various kinds this session to encourage modernization, new investment and improved productivity. I know the special needs of small businesses will be given full consideration. What I believe should also be done—and what I will do—is focus on energy-related tax incentives to help smaller businesses cope with the costs of decontrol. Those could range from broadening basic incentives for conservation—for such costs as insulation, automatic thermostat and timing devices on equipment or space heating equipment—to encourage the move to alternative fuel sources by accelerated depreciation schedules for installing such items as new boilers.

New England now has 150 companies which use wood-fired boilers. The development of machinery which chips wood for more efficient burning and easier transportation makes wood-fired boilers one reasonable alternative in that region. Additional incentives may spur smaller companies to invest more heavily in that indigenous energy resource, thus making the entire Nation less dependent on oil imports and making our own region less vulnerable to spot shortages and other supply disruptions.

Other regions have indigenous energy resources that could well be more widely utilized through accelerated and expanded incentives to smaller companies to consider the often heavy initial investments.

A more focused approach is needed to help the small business sector—the most innovative and faster growing part of our economy—to overcome the high costs of decontrol, and to move to alternative energy sources.

Finally, we can and should take one small step to maintain the ability of our State Governors to protect their people against supply disruptions, spot shortages and other emergencies by enacting into law the present regulatory provisions which let States set aside a small percentage of oil for use in emergencies.

Although the oil industry contends that the State set-aside provision is not needed, Maine's experience in the 1979 shortage demonstrates very vividly that it is, indeed, essential.

During the 1979 shortage, the industry allocated heating oil to refiners, and refiners limited amounts available to the local dealers. They refused to provide additional fuel oil for regions suffering hardships or emergencies.

In a totally deregulated market, area dealers in emergency situations would be forced to rely on the spot market. Spot market prices soar during shortages and the supply dries up quickly. It would be unconscionable to permit a situation to arise where an overseas supply interruption could force people in some regions to pay greatly inflated spot market prices or suffer actual shortages.

Today, I am introducing, for Senator COHEN and myself, legislation which will give the option of establishing a State set-aside program. My bill gives those States which choose the option the authority to enforce the set-aside, and provides maximum flexibility to administer it. My bill would permit the President to adjust the set-aside percentages in the event of a national emergency.

This legislation will not alleviate the price increases that will come from decontrol; it cannot prevent the changes in supply patterns that will develop in the future; but it does give our State governments the authority they need to protect their people in the case of emergencies and spot shortages. I believe it is essential to provide this minimal protection against supply shortages and disruptions.

Mr. President, the people of this country are angry and upset over the dramatic increases in the cost of gas and oil, and they are deeply concerned about their ability to cope with these increases. We, their representatives, have the duty and obligation to take action to ease the burden. The four-point program I have outlined will not solve our energy problems. It will not bring back gas and oil prices of a dollar a gallon. But it does represent a reasonable step in the right direction. I urge the Members of the Senate to support this program.

By Mr. SYMMS (for himself and Mr. LUGAR):

S. 446. A bill relating to the treatment of certain annuity contracts; to the Committee on Finance.

TREATMENT OF CERTAIN ANNUITY CONTRACTS

Mr. SYMMS. Mr. President, today I am introducing legislation which addresses a gross injustice in the administration of our tax laws. The legislation I am introducing provides for the revocation of Internal Revenue Service Ruling 80-274, which prohibits the tax deferral for an individual who purchases an insurance annuity from an insurance company with the insurance company's proceeds being held at a financial institution.

Revenue Ruling 80-274 was based upon Revenue Ruling 77-85 which in the opinion of the U.S. district court, many of my colleagues both in the House and Senate, and myself is completely illegal. The Internal Revenue Service, in issuing Revenue Ruling 80-274, proceeded via the "administrative fiat" route, to slice away at segments of annuities industry, safe in the knowledge that the Anti-Injunction Act is their shield and weapon against the taxpayer.

The issuance of this regulation was not only a matter of tax law, but also a matter of who makes the law. This is yet another instance of a Government agency usurping the authority vested in the U.S. Congress to make the law. In addition, not only have they usurped the law, but they have shown their disregard for the legislative branch by remaking the tax law without our consultation and in the face of our opposition.

However, in addition to their usurpation of legislative powers, I would also like to mention that their intent in promulgating these regulations was not in the best interest of the country or the citizenry.

Presently, the U.S. economy is experiencing a severe and growing shortage of capital, which contributes to high interest rates and the slowing of economic growth. Every industry is being affected by the growing shortage of capital, and the housing industry, one of the Nation's major industries, is in a severe bind.

The savings associations in the U.S. finance about two-thirds of America's housing and their ability to lend depends directly on individual savings deposited in those institutions. Because of the increasing cost of living, taxes, inflation, and so forth, the amount of individual savings has steadily declined which has, in turn, decreased the ability of the savings and loan institutions to lend.

Tax deferred annuities have proven to be very successful, particularly with lower- to middle-income people because it enables them to work with their financial institution as a facilitator of their purchase. The program encourages individuals to save, which has a twofold benefit to our society—first, it encourages the formation of capital which is desperately needed in our economy, and second, it provides a needed service to senior citizens in that it enables them to build a personal retirement account at a time when the social security program is in jeopardy.

In a letter to Treasury Secretary G. William Miller, chairman Jay Janis of the Federal Home Loan Bank Board wrote on October 10, 1980:

> I am concerned about the adverse impact of ruling on savings account funded annuity plans because these plans can be a significant incentive for increased savings by a major segment of the American public, and because these annuity plans have the potential to become a significant source of stable funds for Federally insured savings and loan associations.

The arbitrary and capricious Revenue Ruling 80-274 fails to provide any reasoned legal analysis for its conclusion. In fact, as I stated earlier the U.S. district court found that Revenue Ruling 77-85, upon which Revenue Ruling 80-274 was based, was incorrect as a matter of law.

I am very hopeful that my colleagues both in the House and Senate will quickly address this problem, and be mindful that it is just another example of the Government's regulatory process being used as a vehicle to not only usurp the powers of the legislative branch but to inhibit the normal functioning of the economy.

By Mr. RANDOLPH:

S. 447. A bill to redesignate the days on which Washington's Birthday, Memorial Day, and Columbus Day are celebrated to make such day a legal public holiday; to the Committee on the Judiciary.

REDESIGNATION OF CERTAIN HOLIDAYS

● Mr. RANDOLPH. Mr. President, today I am introducing legislation which, if enacted, will return the three remaining special Monday holidays to their original date of observance. George Washington's Birthday would be returned to February 22; Memorial Day to May 30 and Columbus Day to October 12.

It was for a convenience sake that the special Monday holiday legislation was created in 1968, by the enactment of Public Law 90-363. I believe that by passing my proposal we can return some of our traditional values to our way of life.

I am not against 3-day weekends. These weekends can be preserved, but let us not use our Nation's most important days as a vehicle of convenience. Special weekends could be called worker holidays.

America has a heritage that is important and it must be maintained. The veterans of this Nation and their service organizations recognized this commitment and approached many of us in Congress and requested that Armistice Day be returned to its original observance. It was my privilege and responsibility to support this effort and cosponsor the measure that became Public Law 94-97, which redesigned Veteran's Day to November 11 (beginning in 1978) rather than the fourth Monday in October.

Mr. President it was my obligation to sponsor legislation in the last two Congresses which would have returned Memorial Day to its original observance of May 30. Also, during the 96th Congress I sponsored a measure which would have returned the Father of our Country's birthday to February 22. Unfortunately these three proposals were not considered by the Judiciary Committee.

Several of my colleagues are cooperating in this effort. I hope Members will become cosponsors of this legislation.

I am hopeful that we will receive the needed support in this Congress to return these historical dates to their actual date of observance. Editorials in many newspapers are supportive of my effort.

The proposal has the full support of major veterans organizations: the American Legion, Disabled American Veterans, and the Veterans of Foreign Wars.

As drafted this measure would become effective in 1983. I believe that this delay should provide ample time for the necessary changes that must be made in returning the meaningful dates to their original observance.

Mr. President, I ask unanimous consent that the bill and letters and resolutions of support by the major veterans organizations be printed in the RECORD at this point.

There being no objection, the bill and resolutions were ordered to be printed in the RECORD, as follows:

S. 447

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6103(a) of title 5, United States Code, is amended—

(1) by striking out the item relating to Washington's Birthday and inserting in lieu thereof the following:

"Washington's Birthday, February 22.";

(2) by striking out the item relating to Memorial Day and inserting in lieu thereof the following:

"Memorial Day, May 30."; and

(3) by striking out the item relating to Columbus Day and inserting in lieu thereof the following:

"Columbus Day, October 12.".

SEC. 2. This Act shall take effect on January 1, 1983.

DISABLED AMERICAN VETERANS,
Washington, D.C., February 2, 1981.

Hon. JENNINGS RANDOLPH,
Senate Committee on Veterans' Affairs,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR RANDOLPH: It has come to my attention that you shortly intend to introduce legislation in the United States Senate which would return the official observance of federal holidays to their traditional dates (pre-Public Law 90-363, the "Monday Holiday Law").

I want you to know that you have the strong support of the Disabled American Veterans for this endeavor.

The DAV recalls with deep appreciation that you were in the forefront of those in the Congress who were successful in gaining enactment of legislation that returned the date of November 11th of each year to the observance of Veterans Day. We further recall your introduction of S. 517 in the 96th Congress, a bill that proposed to return May 30th of each year as the official observance date for Memorial Day.

The delegates to our most recent National Convention have again mandated the DAV to seek the return of May 30th for Memorial Day's celebration. As yourself, the DAV believes that for the sake of promoting commercial/recreational interests, we have greatly detracted from the significance of the day originally set aside to honor the memory of those Americans who sacrificed their lives in the military service of their country.

In closing, may I again state that you have the appreciation and support of the DAV in your efforts to return dignity and meaning to our federal holidays.

Sincerely,

JOHN F. HEILMAN,
National Legislative Director.

THE AMERICAN LEGION,
Washington, D.C. January 30, 1981.

Hon. JENNINGS RANDOLPH,
U.S. Senator,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RANDOLPH: The American Legion as a patriotic service organization has long favored the restoration of traditional holidays to their original dates. It has been our enduring position that changing the dates of many of these holidays has wrecklessly diminished both observation and reverence for the events and meaning these dates were originally intended to symbolize.

Last August The American Legion's national convention, as in previous years, again overwhelmingly adopted the enclosed resolution calling upon Congress to restore Washington's Birthday to February 22, Memorial Day to May 30, and Columbus Day to October 12. We warmly endorse your intentions, Senator Randolph, to restore these important holidays to their rightful places on the calendar.

You may be sure that The American Legion is prepared to place the full weight of its resources behind your efforts concerning this issue.

Sincerely,

MYLIO S. KRAJA,
Director, National Legislative Committee.

62D NATIONAL CONVENTION OF THE AMERICAN LEGION

Resolution No. 409
Committee: Americanism
Subject: Restoration of various holidays to their original dates

Whereas, The dates of patriotic holidays have been changed from their original dates to provide "three-day weekends"; and

Whereas, The present observance of these patriotic holidays places emphasis on a structured and unnatural recreational holiday rather than on a contemplative review of significant dates in American History; and

Whereas, The time-honored traditional observances of those holidays have been eroded; now, therefore, be it

Resolved, By The American Legion in National Convention assembled in Boston, Massachusetts, August 19-21, 1980, that The American Legion call upon the Congress of the United States to restore Washington's Birthday to February 22, Memorial Day to May 30 and Columbus Day to October 12 each year.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., January 27, 1981.

Hon. JENNINGS RANDOLPH,
Ranking Minority Member, Committee on Environment and Public Works, U.S. Senate, Washington, D.C.

DEAR SENATOR RANDOLPH: It is my understanding that you intend to introduce legislation to amend 5 U.S.C. 6103 to, among other measures, reestablish May 30th of each year as a legal public holiday commemorating Memorial Day.

Kindly find enclosed a copy of our current Resolution No. 113 entitled, "Restore Memorial Day To May 30th," which was passed by the voting delegates to our 81st National Convention held in Chicago, Illinois last August supporting the passage of legislation to return the commemoration of Memorial Day to its rightful and historic date, May 30th.

On behalf of the more than 1.9 million men and women of the Veterans of Foreign Wars of the United States, please be advised you have have our full support in amending the Monday Holiday Act.

With best wishes and kind personal regards, I am

Sincerely,

ARTHUR PELLWOCK,
Commander-in-Chief.

RESOLUTION NO. 113—RESTORE MEMORIAL DAY TO MAY 30

Whereas, on May 30, 1868 General John A. Logan inaugurated Memorial Day as the day of remembrance for the sacrifices made by

the military who died in the War of 1860–65; and

Whereas, for over a century the citizens of this country have honored the military dead from all of America's wars on this date; and

Whereas, this day has become the principle time that this nation pays solemn tribute to over one million men and women who have paid the supreme sacrifice and the hundreds of thousands bedridden, crippled or maimed former warriors who have served their country when called upon; and

Whereas, under the provisions of the "Monday Holiday Law" as enacted by the United States Congress, Memorial Day is now observed on the last Monday of May; and

Whereas, such tampering with this traditional holiday makes a mockery of portions of our American heritage and tradition; and

Whereas, the Veterans of Foreign Wars and other patriotic organizations have been working to restore Memorial Day to May 30th; now, therefore

Be it resolved, by the 81st National Convention of the Veterans of Foreign Wars of the United States. That the Legislative Committee be directed to take appropriate action to urge our United States Congressmen and Senators to support and pass legislation to return the commemoration of Memorial Day to its rightful and historic date, May 30th.●

By Mr. MATSUNAGA:

S. 448. A bill to amend the Internal Revenue Code of 1954 to exempt certain fuels used in connection with intercity, local, and schoolbuses, from the Federal excise tax; to the Committee on Finance.

EXEMPTION OF BUS FUEL FROM FEDERAL EXCISE TAX

Mr. MATSUNAGA. Mr. President, I am introducing a bill to correct a problem in the Internal Revenue Code. In 1978, the Congress passed the Energy Tax Act which exempts specific bus operators from the Federal excise tax on diesel fuel. The Congress enacted this provision to encourage the use of energy efficient intercity bus transportation.

Bus transportation is the most efficient mode of travel; this form of transportation achieved 146 passenger-miles-per-gallon of fuel last year. Fully loaded, a bus can provide nearly 300 passenger-miles-per-gallon.

In addition, intercity bus transportation services over 15,000 communities in the United States. Approximately 14,000 of these communities have no other form of public transportation.

Thus, bus transportation is not only fuel efficient, it is essential for many communities. At this time, intercity buses carry more people than any other form of public intercity transportation.

Under section 6427(b) of the Internal Revenue Code as enacted by the Energy Tax Act of 1978, a bus operator engaged in intercity, charter, local, and special operations, is exempt from the Federal excise tax on diesel fuel. However, the bus operator although exempt, must pay the excise tax first, and subsequently file for a refund. Bus operators from across the country have complained about this clumsy, burdensome procedure.

My bill would end this complicated process of paying the tax first and then filing for a complete refund for the money paid. The revenue impact would be minimal. But, the bill would save bus operators as well as the Government from the administrative expenses in paying the tax, completing the refund application, and processing the refunds.

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 449. A bill to amend section 37 of the Internal Revenue Code of 1954 to increase the amount of the credit for the elderly; to the Committee on Finance.

INCREASE IN TAX CREDIT FOR THE ELDERLY

Mr. MATSUNAGA. Mr. President, today I am introducing a bill to increase the elderly tax credit. The Senate version of the Revenue Act of 1978, included a provision increasing the elderly tax credit. This increase was a culmination of a long effort in the Senate Finance Committee to provide additional tax relief for the elderly.

In February of 1978, the Finance Committee approved my request for budget authority to allow later consideration of an increased credit. After subsequent hearings, the committee acted on the proposal to increase the credit and included the measure as part of the Revenue Act. Despite widespread support in the Senate, however, the Senate conferees on the Revenue Act had to recede on this measure and the provision was deleted from the final version of the Revenue Act. Failure to enact the Senate provision leaves the credit at an inadequately low amount.

The elderly tax credit is intended to provide nonsocial security retirees with the same tax benefits which social security retirees now enjoy by virtue of the tax exemption on social security benefits. The credit when enacted in 1976, matched the average social security benefit payments.

However, social security benefits have increased annually while the credit amount has not changed. Since 1976 social security benefits have been adjusted annually to meet cost-of-living increases by 42 percent cumulatively. Today the average yearly social security payment is $3,960 for a single retired worker and $6.756 for a retired worker and spouse. In comparison, the maximum elderly tax credit remains at $2,500 for a single person and $3,750 for a married couple.

My proposal does not create full parity. I propose to increase the maximum elderly tax credit to $3,000 and $4,500 for a single retiree and a retired married couple respectively. This is a modest adjustment which would reduce tax revenues by $278 million annually because of lower individual tax liability. I hope that the elderly tax credit proposal would be enacted as part of an overall individual tax reduction program which will also benefit the elderly and provide needed, additional tax relief.

By Mr. MATSUNAGA (for himself, Mr. BOREN, Mr. FORD, and Mr. HUDDLESTON):

S. 450. A bill to amend the Internal Revenue Code of 1954 to provide that the investment tax credit shall apply to the acquisition of work and breeding horses to the extent that the cost of such horses does not exceed $100,000 for the taxable year; to the Committee on Finance.

EXTENSION OF INVESTMENT TAX CREDIT TO WORK AND BREEDING HORSES

Mr. MATSUNAGA. Mr. President, in 1978, the Senate approved a provision extending the investment tax credit to working and breeding horses. Unfortunately, in the final rushed days before adjournment, the conference committee on the Revenue Act of 1978 deleted this provision. Today I have introduced a bill to end this unfair exclusion of working and breeding horses from the investment tax credit.

The exclusion of depreciable livestock from the investment tax credit provision was enacted in the Revenue Act of 1962; this exclusion was based on a parallel exclusion in the depreciation recapture provisions of section 1245 of the Internal Revenue Code.

However, the Tax Reform Act of 1969 repealed the livestock exclusion from the depreciation recapture; in other words, upon sale livestock is subject to the same depreciation recapture rules as other personal property. The House version of the 1971 revenue bill recognized the need to end the corresponding exclusion of livestock from the investment credit provision; that House bill ended the general exclusion of livestock from the investment credit. Under this change eligible livestock had to be used in a trade or business for the production of income and be subject to depreciation with a useful life of 3 years or more.

However, the House bill fell short of correcting the matter fully. While ending the exclusion for livestock from the investment credit, the House legislation continued to exclude horses. The exclusion of horses applies not only to animals used for sporting purposes but also to horses used for working and breeding. No plausible explanation has been given for this denial of the investment tax credit for working and breeding horses.

The bill I have introduced for myself, Senator BOREN, Senator FORD, and Senator HUDDLESTON extends the investment tax credit to horses, other than horses held for race or show purposes. Working horses will include riding or draft horses which are not used for racing or show purposes.

My bill limits the amount of credit that may be claimed. Only the first $100,000 of investment in eligible working and breeding horses would qualify for the credit. Furthermore, only the first $100,000 with respect to any one horse would qualify. This "per horse" limitation would restrict the total amount of credit to be claimed where a horse is acquired by a syndication or a partnership. In addition, breeding horses would have to be held, as other eligible investment credit property, for at least 7 years to earn the full 10-percent credit and at least 3 years to earn any credit at all.

By Mr. LEAHY (for himself, Mr. HAYAKAWA and Mr. CRANSTON):

S. 451. A bill to require Federal agencies to take steps to mitigate losses of U.S. agricultural land caused by Federal programs or actions, and for other purposes; to the Committee on Governmental Affairs.

FARMLAND PROTECTION POLICY ACT

Mr. LEAHY. Madam President, I rise to introduce legislation which proposes Federal action with respect to the preservation of farmland in the United States. It is my intent to offer this bill as an amendment to the 1981 farm bill.

The Farmland Protection Policy Act would require a review by Federal agencies of policies or programs which lead to unnecessary conversions of agricultural land for development purposes. The proposed bill would support the formidable efforts undertaken by numerous State and local government officials to avert such conversions of high-quality agricultural land. This bill would not affect private property rights, and is not an attempt to influence State and local actions in that direction. However, prompt action on this measure will display to the Nation Congress' forethought and interest in preserving rather than exploiting one of our Nation's most important natural resources—agricultural land.

The citizens of this country have come to recognize that higher levels of Federal spending and new Federal programs are not the solution to every problem. Some problems have to be taken care of by State and local governments. Such is the case with the loss of agricultural land. However, when the States take the responsibility to solve their own problems, the least they should expect is cooperation and support by Federal administrators, not actions which thwart their efforts and exacerbate the problem.

The loss of agricultural land, including the Nation's prime farmland, is an ideal example. Some 48 States have enacted laws, proposed studies or pursued a range of alternative farmland retention programs. Despite local efforts, agricultural land conversions continue at a rapid rate. The Soil Conservation Service indicates that from 1967 to 1977 some 30 million acres of rural land were converted to urban use. Other studies show that if current trends continue, by the year 2000 the United States could lose 7 percent of its prime farmland base. Florida, Rhode Island, and New Hampshire could lose all of their prime farmland within the next 20 years. My own State of Vermont could lose 43 percent or 160,000 acres of its prime or unique farmlands. North Carolina could lose 966.000 acres. California could lose 1.2 million acres. Montana could lose 276,000 acres—over 23 percent of its total farmland base. The list goes on and includes virtually every State in the Union.

The Federal Government should be supporting State and local officials who have taken assertive steps to thwart the conversion of agricultural land. Quite to the contrary, Federal agencies have exhibited a callous disregard for local preservation efforts and often contribute to the loss of agricultural land.

The U.S. Department of Agriculture (USDA) and the Council on Environmental Quality recently completed and released the results of the national agricultural lands study. Many aspects of the study are revealing, but it is especially noteworthy that of the 131 Federal programs reviewed, 70 percent of them contributed to a significant reduction in the availability of agricultural land through development in one form or another. Approximately 30 programs helped maintain the availability of agricultural land.

The Department of Housing and Urban Development, the Farmer's Home Administration, and the Economic Development Administration were singled out as the agencies whose programs significantly contributed to the loss of American farmland. The Veterans' Administration, the Water and Power Resources Service, the Department of Energy, and the Environmental Protection Agency, among others, also contributed to the decline in the amount of agricultural land, however, not quite as severely as the aforementioned agencies. In addition, the study went on to note that Federal economic development, capital improvements, housing, and environmental protection and natural resources development often lead to actions which foster land-consuming urban and rural growth.

We all recognize that rural economic growth is essential and desired by agricultural communities. However, current policies in this area are often shortsighted and sometimes lead to the loss of agricultural lands. Furthermore, these dangerous trends and policies are expected to continue.

The following list, compiled by the National Association of Conservation Districts, provides some examples of the Federal Government's contributions to the loss of agricultural land. These are situations where inadequate planning and shortsighted policies resulted in the unnecessary loss of agricultural land.

North Carolina (Rowan County)—water treatment—Agency: EPA. Action: Extension of Grants Creek interceptor. Ag land impact: 15,000 acres of prime agricultural land were converted and 2.500 reduced. Comment: These types of projects speed the process of prime land lost to development.

Montana (Toole County)—Highway—Agency: FHA. Action: location and construction Interstate Highway. Ag land impact: 2,000 acres of agricultural land were lost and an additional 500 acres were affected. Comment: The project could have benefited greatly from a better design.

Alabama (Tuscaloosa County)—Highway—Agency: FHA. Action: Construction of Interstate 59. Ag land impact: 2,000 acres of agricultural land converted.

Kentucky (Henderson County)—Dam and reservoir—Agency: COE. Action: Construct Uniontown dam, initiated in 1974. Ag land impact: 3,600 acres of prime agricultural land to be converted during the first five years of project implementation.

Iowa (Buchanan)—Highway—Agency: FHA. Action: Highway construction of I-380 and State Rt. 520. Ag land impact: 1,200 acres of cropland to be converted during the next five years. Comments: "The project resulted in loss of agricultural business and increased service costs. The cross roads have also resulted in increased costs to individual farms."

Iowa (Harrison County)—Allied Power Coop.—Agency: RCA. Action: Coal-fired power plant, on line in 1981. Ag land impact: Between 240 and 2,000 acres of land will be converted; 95% cropland, 50% prime to be converted. Comment: "Possibility of locating in other areas where they would not utilize prime farmland."

Georgia—Fort Stewart—Agency: DOD. Action: military base expansion. Ag land impact: 1,675 acres of cropland to be converted.

In addition to concern shown by State and local officials, a national opinion poll has documented general public alarm over the loss of agricultural land.

In January 1980, Louis Harris & Associates, Inc., released the results of a national survey on the public's attitude toward soil and water conservation policy. The survey was commissioned by USDA to solicit public opinion and assess the public's understanding of agricultural issues. The effort was one of several activities undertaken in response to the Soil and Water Resources Conservation Act of 1977 (RCA), Public Law 95–192.

Some of the survey's major findings are summarized below:

By almost 2 to 1, the public feels that the country should save its resources for future generations rather than using them to benefit the present generation.

The loss of good farmland is considered a serious problem by over 53 percent of Americans; over 50 percent consider the misuse of our soil and water resources a very serious problem.

Over 25 percent indicated that one of the highest priorities for federal actions is to "help make sure our best farmland is not used for other things."

Some 51 percent of the public said that federal efforts to make certain prime farmland is not used for other purposes is beneficial.

The results of the survey also pointed out that while concern over the loss of farmland was considerable, it was not as significant as concern over increasing costs of food. Eighty percent said increases in the cost of food was serious. However, those most concerned with food inflation anticipate shortages of good land for producing food in the next 10 years. Moreover, those interviewed expressed opinions that conservation and related issues should be a joint public and private responsibility, the burden of which should be shared fairly between the Government and farmer, or other landowner.

Mr. President, I ask my colleagues to join me in supporting the Farmland Protection Policy Act because the preservation of farmland is essential and paramount to the growth and well-being of this country and is justifiably sound—legally, politically and constitutionally.

During the past three congressional sessions, we have not even exhibited a piecemeal approach toward measures to bolster farmland preservation efforts. The Farmland Protection Policy Act is the centerpiece upon which to build strategic Federal-State policies in support of local governments that undertake their own preservation programs.

The proposed legislation responds to the findings of the national agricultural lands study, by requiring Federal agencies to review policies and programs that may encourage the conversion of farmland to other uses. Federal recognition of the importance of farmland as a national resource lends respect and encouragement to State and local governments to enact policies consistent with

the collective interests of not only the respective community, but also the Nation, and the world.

The Federal Government should employ a cautious yet constructive approach in the future, spurred on by State legislation and local action. The local governments have expressed an enthusiastic attitude. The public has expressed concern.

I cannot emphasize enough that the loss of farmland contributes to rising food and land prices, limits our ability to feed ourselves and the world, and, thereby, will eventually seriously threaten our national security.

Mr. President, in summary, the Farmland Protection Policy Act would cause Federal policies and programs to limit their contributions to the loss of American farmland. It would move the Federal Government to respect the farmland preservation efforts of State and local governments. The bill does not authorize the Federal Government in any way to regulate the use of private or nonfederal land or to affect the property rights of owners of such land.

Mr. President, I ask unanimous consent that a summary of the Farmland Protection Policy Act and a copy of the bill be printed in the RECORD immediately following my remarks.

There being no objection, the bill and the summary were ordered to be printed in the RECORD, as follows:

S. 451

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farmland Protection Policy Act".

FINDINGS, PURPOSE, AND DEFINITIONS

SEC. 2. (a) Congress finds that—

(1) the Nation's agricultural land is a unique natural resource and provides food and fiber necessary for the continued welfare of the people of the United States;

(2) each year, an alarmingly large amount of the Nation's agricultural land is irrevocably converted from actual or potential agricultural use to nonagricultural use;

(3) the decrease in the Nation's agricultural land base threatens the ability of the United States to produce food and fiber in sufficient quantities to meet domestic needs and the demands of our export markets;

(4) the extensive use of agricultural land for non-agricultural purposes undermines the economic base of many rural areas;

(5) Federal actions are important determinants in the conversion of agricultural land to nonagricultural uses and often are directly responsible for the conversion of agricultural land to nonagricultural uses; and

(6) the Federal Government should take steps to assure that its actions do not cause United States agricultural land to be irreversibly converted to nonagricultural uses in cases in which other national interests do not override the importance of preservation of the land nor otherwise outweigh the benefits of preservation.

(b) The purpose of this Act is to establish procedures with respect to the administration of Federal law and regulations that will assure that the Federal Government, by its actions, does not cause the unnecessary loss of United States agricultural land.

(c) As used in this Act—

(1) the term "agricultural land" means any land, including cropland, pastureland, rangeland, or forest land, that is used, or is capable of being used, for agricultural, forestry, or timber production purposes, as determined by the Secretary of Agriculture by regulations, which shall be issued by the Secretary within 30 days after the date of enactment of this Act;

(2) the term "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or any territory or possession of the United States; and

(3) the term "unit of local government" means the government of a country, municipality, town, township, village, or other unit of general government below the State level, or a combination of units of local government acting through an areawide agency that, under State law or an agreement for joint exercise of power, has responsibility for the formulation of regional development policies and plans.

FARMLAND PROTECTION POLICY

SEC. 3. (a) Each department, agency, independent commission, or other unit of the Federal Government shall develop, within 60 days after the date of enactment of this Act, procedures for identifying the effects of its programs and actions with respect to the conversion of agricultural land to nonagricultural uses.

(b) In administering the laws and regulations of the United States, each department, agency, independent commission, or other unit of the Federal Government shall—

(1) identify and take into account the negative effects, if any, that any program or action that it proposes to undertake may have with respect to the preservation of United States agricultural land and, as appropriate, consider alternative programs or actions that will lessen such negative effects;

(2) in any instance in which such unit of the Federal Government proposes to use, or in any way authorize or license the use of, any agricultural land for a nonagricultural purpose—

(A) give public notice of such proposed use,

(B) solicit the views of interested persons regarding such proposed use,

(C) consider alternative proposals that avoid unnecessary use of agricultural land for nonagricultural purposes, and

(D) take steps to assure that such proposed use, to the maximum extent practicable, is consistent with any plans or policies of the State or unit of local government concerned to lessen the amount of conversion of agricultural land to nonagricultural uses; and

(3) as appropriate, make available to States, units of local governmeent, individuals, and others with which it has dealings, information useful in restoring, maintaining, and improving the quantity and quality of agricultural land.

(c) The provisions of subsection (b) of this section shall become effective 60 days after the date of enactment of this Act.

CONFORMATION OF EXISTING POLICIES AND PROCEDURES

SEC. 4.(a) Each department, agency, independent commission, or other unit of the Federal Government shall review the provisions of law, administrative rules and regulations, and policies and procedures applicable to it that are in effect on the date that section 3(b) of this Act becomes effective to determine whether any provision thereof will prevent such unit of the Federal Government from taking appropriate action to mitigate losses of United States agricultural land directly or indirectly caused by its programs or actions or from complying fully with the provisions of this Act. Each such review shall be completed within 90 days after the date of enactment of this Act.

(b) Not later than 120 days after the date of enactment of this Act, each department, agency, independent commission, or other unit of the Federal Government shall, as appropriate, develop proposals for action to bring its programs, authorities, and administrative activities into conformity with the purpose and policy of this Act. Proposals for administrative action shall be published in the Federal Register, and legislative proposals shall be submitted to the President for transmittal to Congress.

STATEMENT OF LIMITATION

SEC. 5. This Act does not authorize the Federal Government in any way to regulate the use of private or nonfederal land or to affect the property rights of owners of such land.

SUMMARY OF THE MAJOR PROVISIONS OF THE FARMLAND PROTECTION POLICY ACT

PURPOSE

The purpose of the Farmland Protection Policy Act is to establish procedures with respect to the administration of Federal law and regulations to assure that the Federal Government, by its actions, does not cause the unnecessary loss of United States agricultural land.

REQUIREMENTS FOR FEDERAL AGENCIES

The bill would require Federal agencies to—

(1) identify and take into account the negative effects, if any, of proposed Federal programs or actions with respect to the preservation of United States agricultural land and, as appropriate, consider alternative programs or actions that will lessen such negative effects;

(2) whenever an agency proposes to use, or license or authorize the use of, agricultural land for a nonagricultural purpose—

(A) give public notice of the proposal;

(B) solicit comments on the proposal;

(C) consider alternative proposals that would avoid unnecessary use of the land for nonagricultural purposes; and

(D) to the maximum extent practicable, take steps to assure that the proposed use is consistent with State or local farmland protection plans or policies;

(3) as appropriate, make available to State and local governments and private persons information useful in restoring, maintaining, and improving agricultural land;

(4) within 90 days after the date of enactment of the bill, review authorities and programs in effect at the time the bill is enacted to determine whether any provision of those authorities or programs will prevent the agencies from taking steps to mitigate losses of farmland caused by their programs or actions or from complying with the bill; and

(5) within 120 days after the date of enactment of the bill develop proposals for action to bring their authorities and programs into conformity with the purpose and policy of the bill.

STATEMENT OF LIMITATION

The bill contains a statement of limitation as follows: The bill does not authorize the Federal Government in any way to regulate the use of private or nonfederal land or to affect the property rights of owners of such land.

By Mr. DOMENICI:

S. 454. A bill to modernize certain aspects of the authorities of the U.S. Army Corps of Engineers; to the Committee on Environment and Public Works.

WATER PROJECTS AMENDMENTS OF 1981

● Mr. DOMENICI. Mr. President, I am today introducing legislation intended to improve and strengthen the operation of the U.S. Army Corps of Engineers in

several important ways. I am convinced that these changes, together with other, more sweeping reforms that I intend to introduce soon, will enable the programs of the corps to operate more efficiently, and thus to serve more effectively the needs of the public.

This bill is virtually identical to legislation I introduced during the 95th Congress, and again in the 96th Congress. Most of the provisions of that legislation were passed by the full Senate in the 95th Congress. In fact, they were passed on three separate occasions by the Senate, as part of the omnibus water resources legislation. That omnibus legislation, however, has not been passed by the full Congress for reasons totally unrelated to these provisions.

Each of these provisions, I believe, continues to merit the consideration and support of the Senate and the Congress. I must point out that there have been some modest changes in the language to reflect alterations that were adopted in subcommittee during the 96th Congress.

Section 2 of the bill would lessen the major windfall benefits that might occur to the advantage of a single large landowner as a result of a Federal water resources project. The language would require that beneficiaries of such large windfalls share in the cost of the project.

Section 3 amends a 1909 act of Congress, clarifying the ability of the Corps of Engineers to rebuild navigation projects without specific congressional authorization. The corps has sought such a clarification following a court decision sharply limiting the scope of the 1909 act.

Section 4 requires the specific development of information regarding dam safety on proposed Federal water projects.

Section 5 requires that Federal water agencies submit information on recreational alternatives when proposing a water resources project.

Section 6 requires that the Department of Transportation undertake the analysis of transportation benefits for future navigation projects, since that department carries the broad responsibility of our national transportation policy. Work on such projects, of course, remains with the corps.

Section 7 establishes a system to deauthorize automatically older project authorizations.

Section 8 establishes a system to rescind automatically the authorization of unused and unnecessary studies.

Section 9 establishes an advisory board to assist the Congress and the Corps of Engineers in evaluating the merit of complaints relating to water resources projects.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 454

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Water Projects Amendments of 1981".

ELIMINATION OF WINDFALL BENEFITS

SEC. 2. (a) Prior to initiating construction of any water resources project authorized prior to this Act, or subsequent to this Act, which is under the jurisdiction of the Secretary of the Army, acting through the Chief of Engineers, and which can be anticipated to provide flood control benefits, more than 10 per centum of which are produced by an increase in anticipated land values to a single landowner, the Secretary shall enter into an agreement with such owner or owners that provides that such owner or owners will contribute, either prior to construction or when such benefits are realized, 50 per centum of that portion of the project's costs allocated to the owner's benefits.

(b) For any study initiated by the Secretary subsequent to the enactment of this Act, the Secretary shall, if appropriate, include information in such study report on the likelihood that any single landowner would be subject to the requirements of subsection (a) of this section.

NAVIGATION REHABILITATION

SEC. 3. Section 4 of the Act of July 5, 1884 (23 Stat. 147), as amended by the Act of March 3, 1909 (33 U.S.C. 5), is hereby amended to read as follows:

"SEC. 4. The Secretary of the Army, acting through the Chief of Engineers, is authorized to operate, maintain, and keep in repair and rehabilitate any project for the benefit of navigation belonging to the United States or that may be hereafter acquired or constructed: *Provided,* That whenever, in the judgment of the Secretary of the Army, the condition of any of the aforesaid works is such that its reconstruction or replacement is essential to efficient and economical maintenance and operation, as herein provided for, and if the cost shall be less than $25,000,000, the Secretary may proceed with such work: *Provided further,* That the project does not increase the scope or change the location of an existing project: *And provided further,* That nothing herein contained shall be held to apply to the Panama Canal."

DAM SAFETY INFORMATION

SEC. 4. Any report that is submitted to the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives by the Secretary of the Army, acting through the Chief of Engineers, or the Secretary of Agriculture, acting under Public Law 83–566, as amended, which recommends the possible construction of a water impoundment facility, shall include information on the possibility of failure of such facility due to geologic or design factors, the potential impact of the failure of such facility, and information on the design features that would prevent, lessen, or mitigate such failure or the impact of such failure.

RECREATIONAL BENEFITS INFORMATION

SEC. 5. Any report that is submitted to the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives by the Secretary of the Army, acting through the Chief of Engineers, or the Secretary of Agriculture, under authority of Public Law 83–566, as amended, shall describe the benefits of other, similar recreational facilities within the general area of the project, and the anticipated impact of the proposed project on such existing recreational facilities.

TRANSPORTATION BENEFIT CALCULATIONS

SEC. 6. Beginning in the first full fiscal year after enactment of this section, the Secretary of Transportation shall be responsible for the preparation of all calculations on transportation-related benefits for any future water resources project proposed by the Secretary of the Army, acting through the Chief of Engineers. As a part of such calculations, the Secretary of Transportation shall identify, with reasonable specificity, the impact of such proposed project on the usage and the economic viability of competing modes of transportation.

DEAUTHORIZATIONS OF BACKLOGGED PROJECTS

SEC. 7. (a) Any project, that is under the responsibility of the Secretary of the Army, acting through the Chief of Engineeers, and for which construction has not commenced within ten years following the date of the authorization of such project shall no longer be authorized after such ten-year period unless the Secretary of the Army, acting through the Chief of Engineers, notifies the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives that continued authorization of such project remains needed and justified and, within sixty calendar days (excluding days on which either the House of Representatives or the Senate is not in session because of any adjournment of more than three calendar days to a day certain) following transmittal of such notification to the Congress, each committee adopts a resolution directing the continued authorization of the project.

(b) Any project qualifying for deauthorization, or which will qualify within one hundred and eighty days of enactment of this section, shall not be deauthorized until such one hundred and eighty days have elapsed, utilizing the terms and procedures of subsection (a) of this section.

DEAUTHORIZATION OF BACKLOGGED STUDIES

SEC. 8. (a) Any resolution authorizing a survey by the Secretary of the Army, acting through the Chief of Engineers, is automatically rescinded and is no longer authorized if no funds are expended for such survey within four full fiscal years following its approval.

(b) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to submit to the Congress, within six months of enactment of this section, a list of all existing studies, whether authorized by resolution or by law, that have an inactive or deferred status, and all surveys on such list may be deauthorized within ninety days thereafter by resolution of either the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives.

ADVISORY BOARD ON WATER RESOURCES COMPLAINTS

SEC. 9. (a) There is hereby established an Advisory Board on Water Resources Complaints (hereinafter referred to as the "Board"), which is authorized to evaluate complaints of any existing water resources project undertaken by the Secretary of the Army, acting through the Chief of Engineers, and to make recommendations thereon. The scope of Board review shall include changes in project operations, possible construction of new facilities or devices that would alleviate any anticipated or actual damages or other adverse and definable unintended effects, or changes in requirements for local interests to provide, pay for, or share in the costs of, any features of any project undertaken by the Secretary of the Army, acting through the Chief of Engineers.

(b) The Board, which is authorized to hire necessary staff, shall be comprised of three members. One member shall be a Federal employee serving at the pleasure of the President. Two members shall be appointed by the President from the general public for terms of four years. Such public members, while attending meetings of the Board, shall be entitled to receive compensation at a rate not in excess of the maximum rate of pay

for grade GS-18, as provided in the General Schedule under section 5332 of title 5 of the United States Code, including traveltime, and while away from their homes or regular places of business they may be allowed travel expenses including per diem in lieu of subsistence as authorized by law (5 U.S.C. 73b-2) for persons in the Government service employed intermittently. Anyone who has been an employee or officer of the United States Army Corps of Engineers shall be ineligible to serve as a public member of the Board.

(c)(1) The Board shall meet at least four times annually to review matters referred to it by any State or local public agency, the Secretary of the Army, the Committee on Environment and Public Works of the Senate, or the Committee on Public Works and Transportation of the House of Representatives. At such meetings, the Board is authorized to review all information relating to any request for a change affecting an authorized project, and to recommend alterations in the project that can be achieved administratively or by appropriate legislation. Any recommendation by the Board shall include a statement evaluating the reasonableness and equity of the request; an estimate, if appropriate, of the cost of such alteration and the effect such cost would have on the relation of total project benefits to costs; an explanation of how the request meets or fails to meet established national water resources policy. Recommendations by the Board are advisory and not subject to judicial review.

(2) A copy of any recommendation by the Board under paragraph (1) of this subsection shall be transmitted to the Secretary of the Army and to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives, as well as any interested State or local public agency. Following a review of any such recommendation, the Secretary of the Army shall promptly notify the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives of any decision or proposal based upon such recommendations, together with a statement detailing any disagreement with the Board's recommendation.

(d) The Board shall, from time to time, report to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives on issues and problem areas brought before it for advisory opinions, together with any recommended changes in the procedures or practices of the Secretary of the Army, acting through the Chief of Engineers, that would alleviate such problems in future projects.

(e) To carry out the purposes of this section, there is authorized to be appropriated to the Board the sum of $750,000 for the fiscal year ending September 30, 1982, and for each fiscal year thereafter.●

By Mr. GOLDWATER:

S. 455. A bill to amend title 39, United States Code, to establish free enterprise postage stamps; to the Committee on Governmental Affairs.

FREE ENTERPRISE POSTAGE STAMP ACT

● Mr. GOLDWATER. Mr. President, it is my pleasure today to introduce a free enterprise postage stamp bill as a companion measure to the legislation that my son, Congressman GOLDWATER of California, has sponsored.

Both his bill and mine are aimed at generating and testing new methods for reducing the unrelenting pressure on the Postal Service for rate increases. What we are asking is that the Postal Service explore, as a 1-year demonstration program, the feasibility of issuing and selling the rights to free enterprise stamps to private businesses, who could get their corporate name or symbol on the stamp. These stamps would then be resold at full, first class postage value to the public as a regular postage stamp. If the program is proven successful, it could be implemented on a large scale and perhaps raise many additional millions of dollars for the Post Office.

Mr. President, my version of the bill calls upon the Postal Service to invite competitive bids for the printing of free enterprise stamps in packages of not less than 2,600,000 stamps in any particular series. No more than 15 separate issues of special stamps can be printed in the trial year and the combined total of stamps issued cannot exceed 300,000,000. In comparison, there are approximately 15 new issues of commemorative stamps each year, the same number I have selected as a starting point in the bill. The average number of total stamps within a single commemorative series is approximately 160 million.

The bill provides that the minimum acceptable bid for a series of free enterprise stamps is 5 cents per stamp, or $130,000 for the minimum series of 2,600,000 stamps. There is a requirement of at least 2,600,000 stamps in any issue because the Postal Service tells me this is the break even point at which the full printing costs, as well as any actual mailing costs, of the stamps will be recovered. In other words, the money paid for the rights to the stamp by a private business would be straight income to the Postal Service, clear of any expenses of printing or distribution.

Of course, there are strict safeguards written into the bill assuring that offensive messages or images will not appear on the stamps.

Mr. President, I make no claim that the bill is a panacea for all the problems in the post office. I recognize the fact that it is exceedingly difficult to get the cost of a stamp down. For example, the Postal Service claims it requires an extra half-billion dollars a year to reduce the cost of a stamp by a single penny.

Still I think it will be useful to set up a test program so we can learn whether skyrocketing rate increases can at least be postponed by innovative approaches not yet utilized by the Postal Service. When we consider that an estimated $55 billion was spent for commercial advertising last year in the United States, it is not unreasonable to think that a new method of low-cost public relations or advertising may look attractive to some firms who wish to introduce a new theme or put their logo in front of the public.

The post office may already possess ample legal authority to adopt the kind of program mandated by the free enterprise stamp bill. However, it is my belief the Postal Service should be required to operate the trial problem in order to show the public it is making every conceivable effort at holding rate increases down.

Also, I will openly declare my willingness to change the language or figures used in the bill. In fact, Congressman GOLDWATER and I have agreed that the Senate version of the bill should propose different numbers of stamps and minimum bids than are used in this bill, H.R. 1532. In this manner, we can be assured that the free enterprise stamp concept will be fairly examined in its widest range of possible uses.

Mr. President, I hold a deep respect for the historic role of the post office as an institution that links America together by providing an ever-present means of communication with each other, as individuals and groups, whether we are sending a message across town or to the most distant point in the Nation. If it were not for the commonsense of identity and interest that we share as Americans—a spirit that was fostered by the spread of information and news in the mails—our Nation may not have united behind our successful American Revolution or ratified the Constitution.

The legislation I introduce today is offered in the spirit of seeking to help a valued and important social institution fulfill its public service at the lowest possible cost to users, and I hope it will be considered in that light.

Mr. President, I ask that the text of the bill may appear at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 455

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Free Enterprise Postage Stamp Act."

FREE ENTERPRISE POSTAGE STAMP ADVISORY COMMITTEE

SEC. 2. (a) Chapter 2 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§209. Free Enterprise Postage Stamp Advisory Committee

"(a) There shall be a Free Enterprise Postage Stamp Advisory Committee, of which the Postmaster General shall be the Chairman, the Deputy Postmaster General shall be the Vice Chairman, and the Chairman of the Federal Trade Commission shall be the third member.

"(b) The Postal Service shall consult with and receive the advice of the Advisory Committee regarding the approval of bids for the printing, distribution, and sale to the public of any free enterprise postage stamp issue, as provided for in section 404(c) of this title.

"(c) The Advisory Committee may receive from the Postal Service such personnel, penalty mail privileges, and similar services, as the Advisory Committee considers necessary to assist it in performing its duties and functions under this section and section 404(c) of this title.

"(d) The members of the Advisory Committee shall serve without compensation, but the Postal Service is authorized to reimburse such members for all reasonable travel expenses incurred by them in attending the meetings of the Advisory Committee.".

(b) Section 206(b) of title 39, United States Code, is amended by inserting ", except those aspects of postal operations with regard to which the Postal Service consults with and receives the advice of the Free Enterprise Postage Stamp Advisory Committee, pursuant to section 209 of this title" after "postal operations".

FREE ENTERPRISE POSTAGE STAMPS

SEC. 3. Section 404 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(c)(1)(A) The Postal Service, in administration of the powers granted under subsection (a)(4) of this section, is authorized to enter into a contract with any domestic business enterprise for the purpose of printing, distributing, and selling for such domestic business enterprise a free enterprise postage stamp issue, consisting of not less than 2,600,000 postage stamps that contain the logo of such domestic business enterprise. The Postal Service shall approve for printing, distribution, and sale only a free enterprise postage stamp containing a logo that complies with any technical specifications established by the Postal Service for postage stamps generally and that is—

"(i) the trade name of such domestic business enterprise;

"(ii) the registered trade-mark, service mark, collective mark, or certification mark of such domestic business enterprise; or

"(iii) a mark, symbol, name, word, slogan, phrase, numeral, illustration, or device, or any combination of the foregoing, that is capable of distinguishing the goods or services of such domestic business enterprise and does not consist of or comprise—

"(I) immoral, deceptive, or scandalous matter;

"(II) matter that may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute;

"(III) the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof;

"(IV) a name, portrait, or signature identifying a particular living individual without his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, without the written consent of the widow; or

"(V) a mark that so resembles a mark registered in the Patent and Trademark Office or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of such domestic business enterprise, to cause confusion, or to cause mistake, or to deceive.

"(B) The Postal Service shall not print, distribute, or sell more than fifteen free enterprise postage stamp issues in any calendar year under this subsection.

"(2)(A) The Free Enterprise Postage Stamp Advisory Committee shall formally advertise the availability of, and invite bids for the use of, Postal Service facilities for the printing, distribution, and sale to the public of not to exceed 300,000,000 free enterprise postage stamps in issues of not less than 2,600,000 postage stamps each and for a minimum price of five cents per each stamp in any such issue, except that only domestic business enterprises shall be permitted to bid for any such free enterprise postage stamp issue. The Advisory Committee shall make such advertisement a sufficient time before the date set for the opening of bids to permit full and free comptition.

"(B) The bids shall be opened publicly at the time and place stated in the advertisement. The Advisory Committee shall review the bids received for each issue and recommend to the Postal Service the bidder whose bid, conforming to the invitation for bids, will be the most economically advantageous to the Postal Service, except that the Advisory Committee shall recommend the rejection of all bids for any issue if the Advisory Committee determines that such rejection is in the public interest.

"(C) Upon receiving the recommendations of the Advisory Committee pursuant to subparagraph (B) of this paragraph, the Postal Service shall make the award for each issue with reasonable promptness by giving written notice to the bidder whose bid, conforming to the invitation for bids, will be the most economically advantageous to the Postal Service, except that the Postal Service shall reject all bids for any issue if it determines that such rejection is in the public interest.

"(D) Free enterprise postage stamps approved and printed under the provisions of this subsection shall be distributed and sold by the Postal Service in a manner similar to the distribution and sale of commemorative postage stamps by the Postal Service. All revenues raised by the sale of free enterprise postage stamps shall be deposited in the Postal Service Fund, pursuant to section 2003 of this title.

"(3) As used in this subsection, 'domestic business enterprise' means any corporation, partnership, joint stock company, business trust, proprietorship, or any association for business purposes that (A) is created or licensed in the United States, or organized under the laws of any State or under the laws of the District of Columbia or under the laws of the United States; (B) has its headquarters and its principal place of business within the United States; and (C) is not a government agency or instrumentality (including any municipal corporation or other public corporation) or government corporation.".

REPORT BY POSTAL SERVICE

SEC. 4. Not later than 12 calendar months after the date of the enactment of this Act, the United States Postal Service shall prepare and submit to the Congress a comprehensive report on the effectiveness of the amendments to title 39, United States Code, made by this Act in raising revenues for the operations of the Postal Service. Such report shall include any recommendations for legislative changes that the Postal Service finds necessary or desirable as a result of administering such provisions of title 39, United States Code.

EXPIRATION DATE

SEC. 5. This Act shall expire twelve calendar months after the date set for the opening of bids for the first issue of free enterprise stamps authorized pursuant to this Act.●

By Mr. MATSUNAGA (for himself, Mr. GLENN, Mr. INOUYE, Mr. BUMPERS, Mr. JOHNSTON, Mr. KENNEDY, and Mr. METZENBAUM):

S. 456. A bill to provide for an accelerated program of research, development, and demonstration to achieve the early technology applications for advanced batteries technologies for energy storage, and for other purposes; to the Committee on Energy and Natural RESOURCES.

ADVANCED BATTERY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT

Mr. MATSUNAGA. Mr. President, I am introducing legislation today to accelerate the national effort in research, development, and demonstration activities related to advanced battery energy storage systems. Joining with me in the introduction of this significant and timely measure are Mr. GLENN, Mr. INOUYE, Mr. BUMPERS, Mr. JOHNSTON, Mr. KENNEDY, and Mr. METZENBAUM.

The Advanced Battery Research, Development, and Demonstration Act would establish a national goal of demonstrating, by 1984, the capability to supply 100,000 advanced batteries per year to support a larger, self-sustaining electric vehicle market. The bill provides for the introduction of the next generation of batteries currently in the research stage of development, such as the aluminum-air battery, not later than 1990, to permit a further significant growth in electric vehicle acceptance.

In addition to transportation applications, the bill establishes as a national goal, by 1987, the capability to provide 10,000 battery storage systems per year to support rapid penetration of solar power systems into the Nation's electric generation networks. Windpower systems are currently expected to supply only from 15 percent to 20 percent of the total electricity in a given grid system, while solar-powered systems are generally limited by the availability of the Sun. These renewable technologies should have the potential for supplying all the required energy in a given locality, and this bill is intended to improve this prospect.

This act, furthermore, will foster cooperation in advanced battery research and development among government, universities, industry, and the national laboratories, and could lead to an exportable technology for the United States.

Mr. President, as a nation we presently consume nearly half of the petroleum, of which half is imported, for transportation. Electric vehicles offer a significant opportunity for conserving petroleum by using indigenous energy resources to produce the electricity for charging their batteries. Battery technology has been the key obstacle to the widespread utilization of electric vehicles, because the available power packages did not have sufficient acceleration, speed, and range. The future generations of batteries have the promise to match the performance standards currently offered by the internal combustion engine.

However, Mr. President, I am concerned that we are not providing the necessary support to develop these advanced batteries in a timely manner. A year ago I visited one of our national laboratories and fortuitously was introduced to the aluminum-air battery. This battery, it was explained to me, could power a five-passenger vehicle 250 miles or more with driving characteristics very similar to the conventional internal combustion automobile. Every 2,000 miles or so the aluminum plates would need to be replaced, but another attractive feature of the battery is that the benign and purified aluminum compound powder that is formed as waste matter can be recycled and refined back into aluminum plates. And interestingly enough, renewable energy, such as photovoltaic cells or wind energy conversion systems, can be used in the recycling process.

Thus, while 10 gallons of gasoline or 200 pounds of synthesized coal would be required to power the latest energy efficient American automobile 250 miles, producing various amounts of air pollution products, similar performance can

be obtained by using only 37 pounds of aluminum and 6½ gallons of tap water. Furthermore, the pollution-free waste product can be recycled by use of indigenous energy sources.

I asked the program scientists when we could expect a vehicle prototype. At the current funding level of $2½ million per year, the target year was expected to be 1988. For double this amount, however, they felt that the length of time could be cut in half, to pave the way for early commercialization in this decade.

The aluminum-air battery, although a personal favorite of mine, is only one of a number of attractive prospects. Dr. Edward Frieman, past Director of the Office of Energy Research, confided to me that he thought that the lithium batteries showed the greatest promise. In any case, there is every reason to believe that energy storage, and battery development in particular, can receive a much needed boost in advancement by the provisions of this act.

We will this year be spending something on the order of $150 billion for transportation fuel. It is contemplated that the program to be established by this act will require the expenditure of $100 million by the Federal Government during each of the next 5 fiscal years.

Mr. President, the Iraq-Iran conflict is only an early warning that severe dislocations could occur to the world supply of petroleum. It is imperative that we proceed with an aggressive program of battery development so that we can reduce our dependence on imported oil in the earliest time frame possible.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 456

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Advanced Battery Research, Development, and Demonstration Act."

FINDINGS

SEC. 2. The Congress hereby finds that—

(1) the continued importation of large amounts of foreign petroleum is a threat to the national security of the United States;

(2) over half of the petroleum consumed in the United States is used in transportation;

(3)) substantial amounts of petroleum and natural gas are used by electric utilities for meeting peak demand;

(4) electric vehicles offer a significant opportunity for conserving petroleum by using solar, coal and other domestic energy resources to produce the electricity for charging their batteries;

(5) the lack of advanced battery technology is the key obstacle to electric vehicles with sufficient acceleration, speed, and range;

(6) energy conservation can be increased through load-leveling in electricity demand by use of advanced batteries for energy storage;

(7) a significant limitation on the use of direct sunlight as an energy source for electricity is the unavailability of advanced batteries;

(8) it is in the national interest to accelerate efforts to develop and commercialize advanced batteries;

(9) it is an appropriate role for the Federal Government to accelerate research, development, and demonstration activities in advanced battery technologies in order to hasten their introduction into general commercial use.

SEC. 3. (a) It is therefore declared to be the policy of the United States and the purpose of this Act to accelerate the national effort in research, development, and demonstration activities related to advanced battery energy storage systems. Further, it is declared to be the policy of the United States and the purpose of this Act that the objectives of such program shall be—

(1) to promote an aggressive research and development program to perfect an advanced battery system suitable for each identifiable energy storage need;

(2) to establish a national goal of demonstrating, by 1984, the industrial capability to supply 100,000 advanced batteries per year to support a larger, self-sustaining electric vehicle market;

(3) to achieve at the earliest practicable time, but not later than the year 1985, the demonstration of commercial capability of other advanced batteries, such as the aluminum-air battery, to permit a further significant growth in electric vehicle acceptance;

(4) to establish as a national goal the operation, by 1985, of the first advanced battery system into commercial load-leveling and demand-reducing applications;

(5) to establish as a national goal by 1987 the industrial capability to provide 10,000 battery storage systems per year to support rapid penetration of solar power systems into the Nation's electric generation networks;

(6) to foster cooperation in advanced battery research and development among government, universities, industry, and national laboratories;

(7) to promote the broad participation of domestic industry in the advanced battery program;

(8) to foster the technological expertise in the United States which will promote export markets for advanced batteries and for products incorporating advanced batteries such as electric vehicles;

(9) to promote greater public interest and acceptance of electric vehicles and solar energy through the introduction of reliable, cost-competitive advanced batteries; and

(10) to complement the intent and goals of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act, Public Law 94-413 as amended.

(b) It is contemplated that the research, development, and demonstration program established by this Act will require the expenditure of a total of $500,000,000 by the Federal Government during the next five fiscal years.

DEFINITIONS

SEC. 4. For the purposes of this Act—

(1) the term "Secretary" means the Secretary of Energy;

(2) the term "cell" means an electrochemical device, consisting of two electrodes and an electrolyte, which converts chemical energy directly to electrical energy;

(3) the term "battery" means (1) a group of cells which can be restored to original fully charged state by the passage of an electrical current from an outside source or by the application of heat or light, or (2) an electrochemical device for the conversion of energy from renewable sources to electricity;

(4) the term "advanced battery" means a battery which offers major increases in energy density, power density, range, cost, or recharging cycles for a given unit weight compared to conventional, commercially available lead-acid batteries.

RESEARCH AND DEVELOPMENT ACTIVITIES

SEC. 5. (a) The Secretary shall assure that the current supporting research program is expanded to include at a minimum—

(1) scientific investigations of electrochemical phenomena and reactions;

(2) examination of new electrolyte systems and ion conducting materials;

(3) examination of new candidate electroactive materials; and

(4) development of diagnostic techniques for elucidating reaction kinetics and mechanisms.

(b) The Secretary shall assure that the current program of exploratory investigations is expanded to include at a minimum—

(1) performance of half-cell and full-cell evaluations of new candidate battery systems;

(2) determination of life limiting mechanisms;

(3) definition of performance potential;

(4) evaluation of cell design variations; and

(5) development of high energy density, primary batteries, such as the aluminum-air battery.

(c) The Secretary shall accelerate development and engineering activities—

(1) to refine cell designs for mass production;

(2) to select and evaluate low cost materials of construction;

(3) to optimize cell reliability and performance capability;

(4) to construct multi-cell batteries;

(5) to develop necessary battery control systems;

(6) to determine and correct battery failure modes; and

(7) to estimate ultimate battery cost.

DEMONSTRATIONS AND TECHNOLOGY APPLICATIONS

SEC. 6. (a)(1) The Secretary shall, at the earliest practical time, conduct field tests and demonstrations of each advanced battery, and in preparation therefor, he shall—

(A) define specific field test missions;

(B) construct prototype battery systems;

(C) evaluate performance in mission environments;

(D) define limitations and pursue corrective actions; and

(E) establish final product design.

(2) Pursuant to paragraph (1), the Secretary shall conduct demonstrations of each advanced battery suitable for use in electric utility load-leveling applications at the Battery Energy Storage Test Facility and other electric utility sites.

(b) The Secretary shall ensure that activities in the advanced batteries program are fully coordinated with the activities under the Electric and Hybrid Vehicle Research, Development and Demonstration Act, Public Law 94-413 as amended, and in conducting his responsibilities, the Secretary shall give special emphasis to opportunities to utilize the Secretary's authorities under Sections 7 and 10 of such Law to foster demonstration and production of advanced batteries which result from successful research and development activities.

(c)(1) In conjunction with the activities under this section the Secretary shall establish technology applications programs to foster manufacturing process development, cost reduction programs, and pilot line operations.

(2) Pursuant to paragraph (1) the Secretary shall develop a technology applications program for each advanced battery which is proven to be suitable for use in conjunction with dispersed applications of renewable energy sources, such as wind energy and photovoltaic systems.

(3) In developing these programs the Secretary shall ascertain the most effective

forms of Federal assistance for achieving the purposes of this Act and report to the Congress his findings no later than January 1, 1983.

CRITERIA FOR PROGRAM ACTIVITIES

SEC. 7. The Secretary shall assure that his activities under sections 5 and 6 are consistent with the following criteria:

(1) the fabrication, operation, and maintenance costs of advanced battery energy storage systems shall be minimized;

(2) programs established under this Act shall be conducted with the express intent of bringing advanced battery costs down to a level so that systems using such batteries are cost competitive with alternatives available to users;

(3) priority shall be given in the conduct of programs established under this Act to those projects in which cost-sharing funds are provided by private, industrial, agricultural, or government entities or utilities; and

(4) to the extent that the Secretary is limited by the availability of funds to carry out the objectives of this Act, priority, but not exclusive emphasis, should be given in the early years of the programs to activities under section 5 and in the later years of the programs to activities under section 6.

COMPREHENSIVE PROGRAM MANAGEMENT PLAN

SEC. 8. (a) The Secretary shall prepare a comprehensive program management plan for the conduct of the research, development, and demonstration activities under this Act. Such plan shall include at a minimum—

(1) a presentation of the program strategy which will be used to achieve the purposes of this Act;

(2) a five-year program implementation schedule, including identification of detailed milestone goals with associated budget and program resources requirements;

(3) cost-benefit analyses of the activities and programs authorized under this Act;

(4) further basic research needed to solve problems which may inhibit or limit development of advanced battery energy storage systems; and

(5) an analysis of institutional, environmental, and economic considerations which are limiting the utilization of advanced battery technologies.

TECHNICAL PANEL ON ADVANCED BATTERIES

SEC. 9. (a) A technical panel on advanced batteries of the Energy Research Advisory Board shall be established to advise the Secretary on the conduct of the advanced battery energy storage program.

(b)(1) The technical panel shall be comprised of such representatives from domestic industry, universities, government laboratories, and other scientific and technical organizations as the Chairman of the Energy Research Advisory Board deems appropriate based on his assessment of the technical qualifications of each such representative.

(2) Members of the technical panel need not be members of the full Energy Research Advisory Board.

(c) The activities of the technical panel shall be in compliance with any laws and regulations guiding the activities of technical and fact-finding groups reporting to the Energy Research Advisory Board.

(d) The technical panel shall review and may make recommendations on the following items, among others:

(1) the preparation of the five-year program plan prepared pursuant to section 8;

(2) the type of future demonstrating activities needed to meet the objectives of this Act along with their projected completion dates;

(3) the adequacy of participation by universities and industry in the program;

(5) institutional, environmental, and economic factors limiting, or prospectively limiting, efforts to achieve commercial application of advanced battery energy storage systems.

(e) The technical board shall submit to the Energy Research Advisory Board on at least a triennial basis a written report of its findings and recommendations with regard to the advanced battery program.

(f) After consideration of the technical panel report, the Energy Research Advisory Board shall submit such report, together with any comments such Board deems appropriate, to the Secretary.

REPORTS

SEC. 10. As a separate part of the annual report submitted pursuant to section 801 of the Department of Energy Organization Act (Public Law 95-91), the Secretary shall submit to Congress an annual report of activities pursuant to this Act. Such report shall include—

(a) modifications to the comprehensive program management plan for implementing this act;

(b) an evaluation of the state of the advanced battery energy storage program in the United States;

(c) a summary of the findings and recommendations of any report of the Energy Research Advisory Board on advanced batteries;

(d) an analysis of the progress made in commercializing advanced battery technologies; and

(e) suggestions for improvements in the advanced battery program, including recommendations for legislation.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There is hereby authorized to be appropriated to the Secretary $70 million for the fiscal year ending September 30, 1982; $85 million for the fiscal year ending September 30, 1983; and $100 million for the fiscal year ending September 30, 1984.

● Mr. GLENN. Mr. President, I rise in support of the Advanced Battery Research, Development, and Demonstration Act of 1981.

I have often said that if I could have but one, and only one energy wish granted for our Nation, it would be for practical energy storage, and, in particular, electrical energy storage. Economic electrical energy storage would have a nearly incalculable impact on our long-term energy supply picture. Economic electrical energy storage would allow us to substitute coal, hydroelectric, and nuclear energy for petroleum and natural gas in transportation and utility energy systems. We could effectively and efficiently utilize inexhaustibles such as solar, wind, and tidal energy, by spreading the supply of these intermittent energy sources over a 24-hour period. Utilities could use their facilities much more efficiently and would be able to reduce current rates of growth in the cost of electricity.

Mr. President, the energy storage system with the most potential at this time for many applications is one based on rechargeable batteries. I believe that this important legislation, which I am proud to cosponsor, will give battery R. & D. the push it needs to make practical electrical energy storage feasible.

Probably the most serious potential energy shortage confronting the United States for at least the remainder of the century is that of liquid fuels for transportation. While the transportation sector has historically accounted for about 25 percent of the total energy consumed in the United States, it is unique in that it is almost totally dependent on liquid fuels—over 97 percent of all transportation services are provided by petroleum-derived fuels. Transportation accounts for about half of all petroleum we use and over 53 percent of all transportation energy is consumed by automobiles. While this potential shortage can be ameliorated by developing more energy-efficient autos and by producing synthetic fuels, significant contributions could be made by widespread use of electric vehicles. Technically, however, the biggest obstacle to the electric automobile has been the lack of a cheap, lightweight, powerful and long-lasting battery.

We are nearing the point where electric vehicles can be practicable. According to Department of Transportation statistics, about 90 percent of all car trips are for 20 miles or less, 95 percent for 50 miles or less, and 99 percent for 100 miles or less. Our best electric vehicles typically have a 50- or 60-mile range, but only if their batteries are fully charged and the temperatures are moderate. In order to have a practical electric vehicle, we have to have one that has a range of probably 150 miles or so at moderate temperatures and operating conditions. A breakthrough in battery technology could make this possible. Some 15 to 20 different batteries have been identified as potential candidates for electric-vehicle candidates, including the aluminum-air, the sodium-sulfur, the lithium-metal-sulfide and the zinc-chloride batteries, all of which will receive more attention if this bill is passed.

Mr. President, I mentioned earlier that utilities could make effective use of electrical energy storage systems—particularly those using batteries. Such systems could be attractive on several counts: both their input and output would be entirely electrical and could be made to respond rapidly to load changes; storage capacity could be increased in modular increments and the batteries themselves could be produced and installed rapidly when they were needed; and dispersed and intermittent sources such as wind, solar and tidal energy could be utilized.

For my money, the most intriguing new electrical energy storage concept of this type is being developed at the NASA Lewis Research Center at Cleveland. Called the reduction/oxidation, or "Redox" system, it is an unusual battery whose anode and cathode consists of enormous tanks of liquid chemicals separated by a membrane along which ion-flow occurs. Preliminary results from the laboratory's working scale model indicate an impressive 70- to 75-percent rate of efficiency for the system. And because the battery's capacity is limited only by the size of the tanks—which one could make, theoretically, as small as a bathtub or as large as the Pentagon—it could also prove to be highly practical for use by electrical utilities.

Mr. President, for too long we have been neglecting R. & D. in this area. While this bill will provide what will seem to be by some a substantial increase in funding for the battery R. & D. program—from about $40 million in outlays

in fiscal year 1981, to $70 million in fiscal year 1982, $85 million in fiscal year 1983, and $100 million in fiscal year 1984—in relative terms, it is a pittance. The $40 million in outlays for this fiscal year would not even be enough to buy 1 million barrels of oil from OPEC, and we have been importing about 6.5 million barrels of oil per day. I submit, Mr. President, that we cannot afford not to invest these funds in our energy future.

Mr. President, I mentioned at the beginning of my remarks that my energy wish for the Nation would be for practical energy storage systems. I am convinced that the provisions of this bill will help to make my wish a reality.●

By Mr. CRANSTON:

S. 457. A bill to amend the Internal Revenue Code of 1954 to provide for increased investment by individuals through a tax-deferred rollover account; to the Committee on Finance.

CAPITAL GAINS "ROLLOVER" ACCOUNTS

Mr. CRANSTON. Mr. President, I am introducing legislation today to establish a major incentive for investment by individuals through a tax-deferred rollover account.

The basic purpose of my bill is to help individuals make long-term commitments of capital and savings to productive investments without suffering adverse tax consequences from moving assets from nonproductive to productive investments.

As the tax law now stands, when an individual realizes a gain upon the transfer of assets from one investment situation to another the gain is taxable the same as it would be if the individual used his gain as income for the purposes of consumption or other uses outside the scope of continued investment. Thus, there is no incentive for reinvestment.

Not all such transfers in which gains are realized are treated as a taxable event however. The best known instance, of course, is the deferral of capital gains taxes allowed when an individual reinvests the proceeds realized from the sale of his personal residence into another personal residence.

My bill proposes to apply the same tax deferral treatment to reinvestments of capital gains, that is deferral of taxes due on a rollover of capital gains into other investments.

The deferral of taxes will enable individuals to make longterm commitments of substantial amounts of capital into a series of investments such as stocks, bonds, enterprises and the like.

Under my proposal only realized gains will be deferred. Interest and dividends received will be treated as ordinary income of the investor in the tax year received just as it would under normal investment circumstances. It is not the purpose of this proposal to set up a shelter for ordinary income.

The purpose of my bill is to help meet the enormous need of our economy for substantial commitments of capital for long-term periods. It is estimated that our economy will require about $5.3 trillion in capital investment in the next 10 years to replace worn out equipment, expand plant capacity, and promote research and development to sustain even a modest level of economic growth.

Where is this capital to come from?

A significant source of capital today is frozen in investments made many years ago. The holders of those investments, in some cases, literally are waiting to die in order to avoid heavy taxation if they should realize their gains today. Some prefer to accept their return in the form of dividends. Many other investors, however, must make prudent decisions based upon the potential return of a new investment against remaining locked in an old one and accepting dividend income instead of gains.

The tax-deferred rollover account would offer such investors very substantial incentives to move their capital into new dynamic investments with a greater potential for profit. I think our general economy would benefit greatly from movement of capital from older, less productive enterprises into newer ones.

Under my proposal the economy and the Treasury will benefit so long as the investor retains his capital in the rollover account.

The economy benefits directly from the investment in business and other enterprises and indirectly from the lessened purchasing power of the investor who no longer has surplus dollars available to bid up prices on goods and consumables, thus fueling inflation.

The Treasury benefits, of course, from a strong, healthy economy, but also from the tax revenues which will flow to the Treasury as a result of the original investment. These revenues are received in the form of income taxes, capital gains realized by other investors, a lowered rate of inflation and the numerous benefits of a good economy.

I want to emphasize that my proposal is tax revenue positive. A dollar invested in equities in a company returns about 28 cents to the Treasury in new tax revenues each year the original dollar remains invested.

Dr. William Ballhaus, president of Beckman Instruments, has calculated that for each year a dollar is invested in his company the return in new revenue to the Treasury is 28.7 cents—year after year after year.

The tax on $1 of capital gain at the maximum rate is about 28 cents for one time only.

I ask my colleagues to compare the value to the Treasury of $1 of capital invested for 10 years with the value of $1 of capital gains taxed once. The invested dollar is worth 10 times, $2.87, what the taxed dollar, 28 cents, is worth to the Treasury.

Dr. Ballhaus did his study with three other companies and found similar, even better, results.

It is for these reasons that I say that the deferral of capital gains taxes on rollovers of capital gains is revenue positive as far as the Treasury is concerned.

Throughout the life of the rollover account, the Treasury receives tax on interest and dividends paid on stocks and bonds held by the account—I wish to emphasize that these taxes will not be at a sheltered rate, but at the individual investor's ordinary income tax rate.

When the rollover account is liquidated the Treasury will receive taxes on gains realized at the capital gains tax rate.

Death of the trustor will not result in avoidance of capital gains taxes. Under my bill the capital gains accrued in the trust account will be taxed immediately.

This proposal is a fair bargain for all concerned.

It represents in my view the qualities which should be found in sound proposals for investment incentives in the tax laws:

A firm promise of reward for sound investments in so far as tax treatment is concerned;

Clear direction toward productive investment by limiting the rollover to investments in stocks and bonds;

Artificial accounting losses are not rewarded;

No shelter for ordinary income;

Clear and fair rules for payment of taxes when the deferral period is at an end;

Elimination of tax avoidance as a consequence of death of the taxpayer.

Not all investment incentives can be so strictly structured nor should they.

This proposal for tax-deferred rollover accounts administered by trustees accountable under law for carrying out their duties properly is a sound and sure way from the point of view of the Treasury to promote investment decisions free of tax considerations until the gains are realized.

The time has come to study such proposals to determine the potential for promoting sound investment in the productivity of America.

I urge my colleagues to consider my proposal and I welcome their suggestions for improvements.

By Mr. CRANSTON (for himself, Mr. MATSUNAGA and Mr. DECONCINI):

S. 458. A bill to amend title 38, United States Code, to extend the period of eligibility for certain Vietnam-era veterans to request readjustment counseling, to extend the program of veterans readjustment appointments in the Federal Government, and to extend the educational assistance and rehabilitation program delimiting periods for Vietnam-era and service-connected disabled veterans, respectively, under certain circumstances; to the Committee on Veterans' Affairs.

VIETNAM-ERA VETERANS' READJUSTMENT AMENDMENTS OF 1981

Mr. CRANSTON. Mr. President, I am today, on behalf of Senators MATSUNAGA, DECONCINI, and myself, introducing S. 458, a measure that would extend two programs of special benefit to Vietnam-era veterans and extend the eligibility periods for utilization of certain readjustment benefits in the cases of particularly disadvantaged Vietnam-era veterans. The provisions of the bill would:

First, extend by 2 years the period of eligibility for certain Vietnam-era veterans to seek readjustment counseling from the Veterans' Administration and provide for a tolling of the eligibility period to request such counseling for veterans who

are unable to receive such counseling by virtue of a medical condition or incarceration in a Federal, State, or local jail or penal institution.

Second, extend for 2 years, until September 30, 1983, the authority for veterans readjustment appointments, under which disabled and educationally disadvantaged Vietnam-era veterans are hired by Federal agencies on a noncompetitive, probationary basis, with the opportunity for training and eventually regular civil service status.

Third, extend until September 30, 1983, for Vietnam-era veterans whose delimiting periods have expired or will expire before that date, the period of time in which they may use GI bill benefits for the pursuit of apprenticeship or on-job training or, in the case of such veterans who do not have a high school diploma, for the pursuit of secondary education courses or vocational objective course.

Fourth, provide that, solely for the purposes of determining eligibility for an extension of the GI bill or rehabilitation delimiting period as a result of a disability, an alcohol or drug dependency or abuse disability from which the veteran has recovered shall not be considered to be the result of the veteran's willful misconduct.

GENERAL EXTENSION OF READJUSTMENT COUNSELING ELIGIBILITY

The program run by the VA to provide readjustment counseling to those veterans who need help in readjusting to civilian life following their active-duty service during the Vietnam era is staffed to a great extent by Vietnam-era veterans themselves. It provides counseling services, including individual, group, and family counseling, at 91 vet centers, facilities located apart from traditional VA facilities, and at selected VA medical centers in areas where there are no vet centers.

Mr. President, the VA's implementation of the authority to provide readjustment counseling to Vietnam-era veterans—authority provided by Public Law 96-22, the Veterans' Health Care Amendments of 1979—has been a remarkable success with over 100,000 visits with veterans recorded by December 31, 1980.

Although this authority was provided far too late—I first proposed it in 1971 and the Senate first passed it in 1972 but it was not enacted until June 13, 1979—and the VA program implementing this authority, Operation Outreach, is still in its relatively early existence and thus is not without the problems that characterize programs in the early going, I am confident that this effort to meet the readjustment needs of Vietnam-era veterans, especially those who served in the Vietnam theater, represent a vital and important governmental program and should continue to be available to all Vietnam-era veterans for at least 2 more years.

However, under current law—section 612A(a) of title 38, United States Code, as enacted by Public Law 96-22—a Vietnam-era veteran must, in order to be eligible for VA readjustment counseling services, request such services by September 30, 1981, or by the end of the 2-year period beginning on the date of his or her discharge or release from active duty, whichever is later. For the vast majority of Vietnam-era veterans—the 8.7 million who were discharged prior to October 1, 1979—this means that the last day on which they will be eligible to begin to participate in the readjustment counseling program will be September 30, 1981. To provide these veterans with an additional 2-year period in which they may apply, this bill would push the application cutoff date back to September 30, 1983, for them.

I am proposing this extension because, as I have noted, the VA's Operation Outreach is still a relatively young program and an extension is necessary for it to reach its full potential. The VA, under Administrator Max Cleland, made a most credible effort to get the program underway as soon as it became effective in October 1979; it hired and trained over 350 individuals within 5 months, formed them into four-person teams, and located and leased space in appropriate facilities in the geographic areas to which the teams were assigned so that 80 centers were in operation by May 1980 when the Committee on Veterans' Affairs held an oversight hearing on the VA's efforts. However, the results have not been uniform and a number of minor problems are still being worked out.

Also, as a result of the different experiences in actually opening the facilities of the various teams funded pursuant to Public Law 96-103, the HUD-Independent Agencies Appropriations Act of fiscal year 1980, under which the program received its original funding, some centers opened as early as January 1980 while others in the original contingent of 91 are just now opening. Also, the Congress, in Public Law 96-526, the HUD-Independent Agencies Appropriations Act for fiscal year 1981, has just provided funding for 30 new centers, which will not get under way for at least a few more months.

Because of this staggered schedule of openings, very few of the vet centers will have been in operation for periods approaching 2 years by September 30, 1981—the end of the eligibility period for veterans released from active duty before October 1, 1979—and many of the centers will have been in operation for less than a year by that date. The average period will be much less than 2 years.

Moreover, it takes a substantial period of time for a new vet center to establish a reputation in its community and overcome the initial skepticism of its target clientele. Thus, most of the centers will fall far short of realizing their maximum potential by that date, and it is vital that additional time, in the form of extended eligibility for those who would avail themselves of a center's services, be provided.

Mr. President, I base my support for Operation Outreach and the eligibility extension on the great response that I have heard from many veterans and first-hand reports from members of the committee staff who have personally visited over 20 vet centers, in all parts of the country, over the past several months, as well as on information gained through the normal committee oversight processes of reviewing agency progress reports and conducting oversight hearings. In this regard, I would like to quote a response I received from a witness at a committee field hearing in January 1980, when I asked the witness, Dr. Charles Figley, a Vietnam combat veteran and a recognized authority on the readjustment problems that some Vietnam veterans are facing, his views on the VA's efforts to establish Operation Outreach in the few months since the program had been authorized and whether he felt such a program, run by the VA, could be effective. His answer was:

> Most Vietnam veterans have been turned off by the VA. That situation may be changing quickly, however, thanks to Max Cleland and Operation Outreach. The main reason being that the critics of the VA . . . are working with the VA now.
>
> More of those kind of people are involved in Operation Outreach than any single activity ever in the history of this Vietnam veterans' movement, so I think that in many ways a lot of disbelievers about Senate bill 7 and about the VA's Operation Outreach are believers, where they were not two years ago.
>
> I think it's absolutely remarkable that the VA could even develop a program by October 1 [1979], not to mention beginning to open these Outreach Centers within a year's time.

As the committee heard from a variety of witnesses—including several members of vet center teams—at the May 1980 oversight hearing on this program, the early success that Dr. Figley noted had continued. Thus, I strongly believe that the program is helping to meet very important needs and that it fully deserves the opportunity to continue to do so through an extension of the eligibility period.

Mr. President, I am aware that there is some concern that not all of the centers are operating at the same level of activity and that it might be appropriate for the VA to consider modifying its use of resources available to the program. I am further aware that there is concern that an extension of eligibility might be seen as an endorsement of all VA efforts in this area to date, thereby thwarting any movement to reexamine those efforts. Therefore, I want to stress that, in urging this extension, I am not advocating that all centers currently in operation or all those scheduled to be opened in the near future remain open until or beyond the end of the extended eligibility period.

Decisions on staffing and location of centers are to be made by the VA, with appropriate input from congressional sources, of course, and this extension of eligibility would not alter that responsibility. I am also concerned that the VA must continue to evaluate the performance of the various centers and make adjustments as appropriate.

I realize that there are other issues pertaining to Operation Outreach that the Congress probably should address—such as the extent to which other VA services, such as job counseling or VA benefit counseling, should be provided in vet centers and the extent of coordination between readjustment counseling

and other VA programs; the proper relationship between vet centers and their parent VA facilities; and the possible future role for vet centers or the concept embodied in such centers as a service-providing mechanism to reach other veterans. These and other issues should, I believe, receive appropriate attention during committee deliberations on this legislation to extend eligibility for the program.

Whatever the ultimate resolution of those issues may be, however, I am convinced, from the record made by Operation Outreach to date, that there was and is a real need for a targeted effort to reach those Vietnam-era veterans who have not yet adequately readjusted to civilian life following their service and that the VA's Operation Outreach has made a successful start toward this goal. Extending the period by 2 years within which veterans can come to the VA and seek readjustment assistance is absolutely necessary to permit the program to realize its full potential.

In addition, Mr. President, I believe it is critical for the Congress to act expeditiously on this extension in order that a clear message to dispel the uncertainty about the future of this program—which during site visits the committee staff noted is evident and becoming more severe—can soon go out to all Vietnam-era veterans and those individuals who currently staff the vet centers. I would emphasize that this assurance is of vital importance to the maintenance of current staffing levels at vet centers now in operation.

READJUSTMENT COUNSELING EXTENSIONS BASED ON MEDICAL NECESSITY AND INCARCERATION

Mr. President, as I noted earlier, the bill I am introducing today would also provide for a tolling of the eligibility period to request readjustment counseling for Vietnam-era veterans who are unable to receive such counseling by virtue of a medical condition or their incarceration in a Federal, State, or local jail or penal institution.

The provision that would provide for the tolling of the eligibility period for a medical condition is designed to ensure that no eligible veteran loses the opportunity to apply for this very important service because of a disabling medical condition. This tolling provision is patterned on a provision in the recently revised vocational rehabilitation program as set forth in new section 1503 of title 38, as amended by section 101 of Public Law 96-466, the Veterans' Rehabilitation and Educational Amendments of 1980, and in the provision recently revised in that law, section 1662(a)(1) of title 38, pertaining to use of GI bill benefits.

Mr. President, the bill also provides for the tolling of the eligibility period for those who are unable to receive readjustment counseling by virtue of incarceration, in an attempt to address a very real problem area that current law and the VA's implementation of that authority have not been able to meet. The Bureau of Prisons estimates that there are in Federal and State institutions approximately 30,000 incarcerated veterans who served during the Vietnam era.

Beginning at an oversight hearing on issues relating to incarcerated veterans held in July 1979—shortly after Public Law 96-22 was enacted but before the readjustment counseling authority became effective—and continuing to the present, I have heard many eloquent and compelling requests from incarcerated Vietnam-era veterans for readjustment counseling. Many of these veterans have made the point that, had the VA had the authority to provide readjustment counseling at an earlier time, they might have received the help they needed to return to a normal life following their military service and would, therefore, have avoided the behavior that led to their incarceration.

I think that this point has undoubted merit in some cases and is a factor in the complexities of human behavior and motivation.

I first formally raised my concerns in this regard as part of a September 28, 1979, letter to the Administrator Cleland on the VA's plans to implement the readjustment counseling authority provided by Public Law 96-22. I received a reply to my letter in a December 7, 1979, letter from Administrator Cleland.

In the interim, I received a letter from the Reverend Peter Salerno, the director of the incarcerated veterans project of the National Council of the Churches of Christ, regarding this subject which enclosed an exchange of correspondence he had had with the General Counsel of the VA. I wrote to Reverend Salerno on February 28, 1980, and forwarded a copy of that letter with my comments to Administrator Cleland on a March 6, 1980, letter.

Mr. President, I ask unanimous consent that relevant excerpts from the first two letters, together with copies of the remaining correspondence be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., September 28, 1979.

Hon. MAX CLELAND,
Administrator of Veterans' Affairs,
Washington, D.C.

DEAR MAX: I am writing to express my strong interest in the full and effective implementation of the readjustment counseling program authorized by the Veterans' Health Care Amendments of 1979, Public Law 96-22, and to mention some observations and concerns that I have about the implementation of that program.

* * * * *

Second, I would appreciate having your views on the degree to which the VA plans to establish linkages with other programs dealing with Vietnam-era veterans. Specifically, I am interested in knowing how, if at all, you see "Operation Outreach" working with the White House Veterans Federal Coordinating Committee's Veterans Outreach and Community Service project, the Disabled American Veterans' Forgotten Warrior Project, organizations such as the Flower of the Dragon, the American GI Forum, and the Urban League's veterans project funded by the Secretary of Labor pursuant to authority under title III of CETA, and the National Council of Churches' effort aimed at incarcerated veterans. I would hope that, in each instance, your staff would work closely with representatives of the various programs and that, at the local level, where there is a VA team and a representative of one of the other efforts located in the same general geographic area, you would encourage close cooperation, particularly so that the VA program would be recognized as the primary resource for psychological readjustment assistance for veterans in the need of such help. One of the key gains that I would anticipate flowing from such cooperation would be the ability of representatives of the other efforts, particularly where the other program has been in a given community for an extended period, to help the staff of your readjustment counseling centers gain entry into the community and establish the types of relationships that should help the VA teams gain the acceptance needed to serve effectively the target veteran population.

With particular reference to the National Council of Churches' program, I realize that the VA's initial efforts will not be directed at presently incarcerated veterans. However, I believe that there may be a disproportionately large need for readjustment counseling in the incarcerated veteran population and that, therefore, it is important that the VA begin to develop a specific plan to reach such veterans for readjustment counseling purposes, either during the halfway house stage or upon reentering their communities. In light of this, I would encourage a strong working relationship with the National Council of Churches project.

In this connection, it appears that it may prove to be impossible, as a practical matter, and inadvisable because of possible conflict with ongoing prison efforts, to provide effective readjustment counseling to veterans who are presently incarcerated. It may be necessary, therefore, to amend the readjustment counseling authority to toll (in a manner similar to the provision in section 1662 of title 38 tolling the delimiting date for chapter 34 training for disabled individuals) the period within which an individual must apply to receive such counseling, for individuals, such as those who are incarcerated, who are precluded from making application within the period set forth in new section 612A. I would appreciate your views on the desirability of such legislation and your providing, as a technical assistance, draft legislation to provide for such a tolling.

* * * * *

MAX, I appreciate your dedication to this program. I am confident that, under your leadership, it can be a vital and effective effort that will well serve those veterans of the Vietnam-era who continue to have difficulty making their readjustments from their military experience to civilian society. Thank you for your prompt and personal attention to this letter.

With warm regards,
Cordially,

ALAN CRANSTON,
Chairman.

VETERANS' ADMINISTRATION,
Washington, D.C., December 7, 1979.

Senator ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing in response to your letter of September 28, 1979, in which you raised a number of concerns regarding the new readjustment counseling program.

* * * * *

Your letter continues by suggesting technical assistance drafting legislation which would benefit the incarcerated veteran. At this time, I can only say that I share your concern and view this possibility in a positive vein. We would be pleased to provide you assistance as you may desire.

* * * * *

Thank you for your continued interest in and support of this very important program.

If I may provide you any additional information, please contact my office.

Sincerely,

MAX CLELAND,
Administrator.

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., March 6, 1980.

Hon. MAX CLELAND,
Administrator of Veterans' Affairs
Washington, D.C.

DEAR MAX: Enclosed is a copy of my letter to Reverend Peter Salerno, Director, Incarcerated Veterans Project, National Council of Churches, which responds to his concerns about providing readjustment counseling to incarcerated veterans.

In the penultimate paragraph, I discuss the VA's authority to provide readjustment counseling by contract with non-VA sources and express my belief that the National Council of Churches project is a prime candidate for a contract to provide readjustment counseling for incarcerated veterans.

I would appreciate your attention to this issue and a response at your earliest convenience.

Thank you, Max, for your continuing cooperation with the Committee.

With warm regards,
Cordially,

ALAN CRANSTON,
Chairman.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C. February 28, 1980.

Rev. PETER SALERNO, Jr.,
Director, Incarcerated Veterans Project, National Council of the Churches of Christ in the U.S.A., Louisville, Ky.

DEAR DR. SALERNO: I am writing by way of follow-up to your meeting of December 13 with Committee staff regarding the availability to presently incarcerated veterans of the readjustment counseling authorized by Public Law 96-22.

At the outset, I want to note that I do not disagree with the views you and a number of others expressed at the Committee's July 11 hearing on incarcerated veterans that, of those veterans of the Vietnam-era presently incarcerated, a not insignificant proportion can probably trace a relationship between the difficulties that led to their conviction/incarceration and their service in the military during the Vietnam era. However, despite that fact, I do not believe that a full-scale effort by the VA to provide readjustment counseling for incarcerated Vietnam-era veterans under Public Law 96-22 is appropriate or desirable at this time, nor do I believe that the legislative history of Public Law 96-22 supports a contrary conclusion.

As you know, the VA's readjustment counseling effort is a new program and the VA is working hard to recruit and train individuals to begin the new outreach and counseling effort, a most difficult task. If, in addition to the difficulty of getting the program started, most or all of the new employees in the program had to be trained to confront and deal with the additional psychological overlay resulting from the experience of incarceration, something which obviously would have to be addressed if a counselor were to meet the needs of an incarcerated individual, there would be a serious question as to whether the program would be able to get underway in a timely or effective manner.

In this same regard, I note that the initial resources available to the program are relatively limited in comparison to the potential demand—there will initially be only 86 teams to serve the entire country—and, although I am satisfied that this number of teams will be sufficient to get the program started, I do not believe that this initial staffing would permit any concerted effort by each center to reach incarcerated veterans. Although I recognize that there are a significant number of such veterans who might benefit from readjustment counseling. I do not believe that the needs of this population, when compared to the needs of the total population of Vietnam-era veterans, justifies a concerted emphasis on reaching incarcerated veterans at this point. Given available resources, I believe that it is vital that the VA get the maximum return in terms of veterans served for each dollar expended.

I also question whether the VA program is equipped generally to deal with the combination of problems related both to military service and to prison life. I believe that this point is the same one that Guy McMichael expressed in his September 21 letter to you. As Guy noted, the goal of this new program is to assist veterans to overcome a "readjustment problem" which this Committee viewed as "low-grade motivational or behavioral impairment which interferes with a veteran's normal interpersonal relationships, job or educational performance, or overall ability to cope reasonably effectively with his or her daily life problems" (S. Rept. No. 96-100, p. 27). Although it is clear that a presently incarcerated veteran could be experiencing such difficulties or that such an inability to cope could be what led such a veteran to the behavior that ultimately resulted in the incarceration, it is equally clear that incarcerated veterans are confronted with other problems of a wholly different nature and magnitude that arise from their incarceration. Therefore, the readjustment counseling program presently contemplated by the VA, if offered to incarcerated veterans on a wide-scale basis, could well fall short of the mark in terms of addressing an incarcerated individual's real needs during incarceration, thus proving to be a disappointment and compounding other problems confronting the veterans. This is what I believe Guy was seeking to suggest in his letter to you, and I believe it is a valid point and one about which more information is needed before the VA readjustment counseling program is specifically directed toward incarcerated veterans.

There is also legitimate concern that, because the VA program has as a fundamental goal the providing of an opportunity for those Vietnam-era veterans who are experiencing readjustment difficulties to come to terms with their military service in a non-institutional, low-key atmosphere, the program might not be well designed to work in a prison setting. In a prison setting, rather than a storefront locale where an interested veteran could come on his or her own terms and time, the program would be carried out in a highly structured environment, complete with schedules and timetables. I am concerned that this change, without appropriate countervailing steps being taken, could deprive the VA program of much of its effectiveness in a prison environment.

Taking the various concerns together, I believe that the VA's decision at this point—not to put significant emphasis on reaching presently incarcerated veterans but rather, as I urged in my September 28, 1979, letter to the Administrator, to cooperate with prison officials, on both the federal and state level, in order to advise veterans who are preparing to leave prison of the opportunity for readjustment counseling by the VA in their communities under this new program—is appropriate. I continue to believe very strongly that the VA, other Federal agencies and programs, state agencies, non-governmental efforts such as your program, and other resources must be focused on incarcerated Vietnam-era veterans so as to provide access to available benefits and services that can contribute to their effective rehabilitation. However, I do not believe that the VA's new readjustment counseling program, at least at this time, can be expected to make a major contribution to this effort.

This is not to say, however, that an individual readjustment counseling program should not attempt to help incarcerated veterans where it has counselors with the experience and desire to do so, where it believes—after assessing the demand in its community—that it has resources that can be used for this purpose, and where it can develop the necessary supportive arrangement, with the administration and counseling staff of the institution in question. I think that these decisions can properly be made, however, only on the local level at each center.

However, I believe that the authority under Public Law 96-22 for the VA to provide readjustment counseling by contract with non-VA sources provides the best approach at this point. The VA has committed, as recently as February 21 at a hearing before the Committee, that it would publish the regulations to implement this contract authority this month and the 2 million dollars will be available for such contracts in fiscal year 1980. In addition, the President's budget request for fiscal 1981 includes $5.6 million for this contract authority. I believe that a project to provide readjustment counseling to incarcerated veterans, so as to test the feasibility of such effort, would be a most appropriate use of these contracting funds, and I am advising the Administrator of Veterans Affairs of my views in this regard by separate letter. I would think that your organization, with its well developed linkages to a network of community based providers with vast experience in working with incarcerated veterans, would be a prime candidate for such a contract.

I appreciate your deep concern for incarcerated veterans and your commitment to their needs and urge you to continue your fine work with the VA and other agencies in this area.

Sincerely,

ALAN CRANSTON,
Chairman.

NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE U.S.A.,
New York, N.Y., October 1, 1979.

Mr. GUY H. MCMICHAEL III,
General Counsel, Veterans Administration,
Washington, D.C.

DEAR GUY: With regard to your letter of September 21 concerning psychological readjustment for incarcerated veterans, I have a very serious question that your interpretation, on behalf of the Veterans Administration, may violate the intent of Congress regarding Public Law 96-22, the Veterans' Health Care Amendments of 1979. There is no evidence in the bill that the intention of Congress was to specifically exclude incarcerated veterans from receiving readjustment assistance.

Further, I draw your attention to the fact that incarcerated veterans were included in the President's October, 1978 memo which directed those specific activities that played a significant part in obtaining readjustment counseling; that in Senate hearings set up specifically to deal with the subject of V.A.'s effectiveness in delivering services to incarcerated veterans, not a single challenge was made to my testimony, along with that of a number of others, to the need for inclusion of incarcerated veterans in readjustment. Thus, I feel that we have a clear case where legislators have produced a most helpful piece of legislation only to find that the administering agency has circumvented their intentions through restrictive interpretation.

However, there is more that disturbs me, and here I speak as one trained in the field of Psychology, a discipline in which I have

a Doctorate and in which I exercise a considerable amount of expertise.

Your rationale as to why incarcerated veterans are not eligible for psychological readjustment gives evidence of a subjective bias and prejudice against incarcerated veterans which does not square with the facts.

That is to say, that your letter, on behalf of the V.A., reflects a cultural stance that persons in prison are sub-human and not worthy of assistance from society. That kind of cultural stereotyping assumes that such persons, because they are in prison, "deserve what they get." Such thinking is at best, punitive in nature and at worst, abandonment.

The facts are that the majority of incarcerated Vietnam era veterans, as evidenced in a number of studies (see enclosed Massachusetts study), are not criminally sociopathic or psychopathic nor are they chronic offenders. It has been substantiated that the vast majority are first-term offenders, with no previous history of criminal activity, which therefore significantly elevates their potential for rehabilitation.

Hence it is, in my opinion, unconscionable to: (1) stereotype incarcerated veterans according to prevailing cultural prejudices which do not square with reality; (2) to thus treat incarcerated veterans as if they were criminally sociopathic or psychopathic; and, (3) to lastly make the statement that because of "their very status," they are unable to participate in "normal daily living patterns." There are veterans in prison who are able to live normal daily lives and who, in fact, have made an excellent adjustment and are making significant contributions while incarcerated. I again refer you to the Senate testimony and a number of studies which have shown that veterans make for model prisoners because of their previous experience and training in the military. I feel the statement made in your letter, "incarcerated veterans who by their very status are unable to participate in normal daily living patterns" is fallacious and manifests a basic lack of understanding of the needs of incarcerated veterans and their potential for rehabilitation. Further, I remind you that of those veterans incarcerated, half of them hold honorable discharges which indisputedly entitles them to all benefits afforded by the V.A.

The purpose of psychological readjustments—as quoted in your letter—is accurate, and if there is any group of veterans who, by definition and need, are more eligible for this assistance, I do not know of them.

In closing, you may be well assured that I will continue to work with the V.A. on psychological and readjustment at all levels to insure that it carries out its present tasks to incarcerated veterans as mandated by the full intent of the President and Congress.

Sincerely yours,

PETER SALERNO, Jr.

VETERANS ADMINISTRATION,
Washington, D.C., September 21, 1979.

Rev. PETER SALERNO, Jr.,
Director, Incarcerated Veterans Project, National Council of the Churches of Christ in the U.S.A., Louisville, Ky.

DEAR REV. SALERNO: Thank you for your letter of August 6, 1979, which expressed your views concerning the readjustment counseling program for veterans of the Vietnam era, established by Public Law 96-22, the Veterans' Health Care Amendments of 1979.

Our review of this new legislation, and its history, indicates that it was intended as an outreach program to assist veterans who have a "readjustment problem" which was construed to be "a low-grade motivational or behavioral impairment which interferes with a veteran's normal interpersonal relationships, job or educational performance, or overall ability to cope reasonably effectively with his or her daily life problems." Our review of the legislative history discloses no indication that Congress ever intended that readjustment counseling be extended to incarcerated veterans who by their very status are unable to participate in normal daily living patterns.

Notwithstanding the above, we are all aware that, when an individual reaches a post-incarcerated status, any readjustment problems that he might still be suffering as a result of service during the Vietnam era would, no doubt, be complicated by additional readjustment problems associated with incarceration. For this reason, we must work together to assure that those individuals who are released from incarceration are made aware of the eligibility for this new benefit and are assisted in receiving the benefits to which they are entitled. We would sincerely hope that we could continue to work with you so that the needs of this type of post-incarcerated veterans are met. In this connection, I have been advised by Dr. Don Crawford that he would be most happy to continue to dialogue with you to explore how best this can be accomplished.

We appreciate your concern for, and efforts in behalf of, incarcerated veterans, and look forward to working with you.

Sincerely,

GUY H. MCMICHAEL III,
General Counsel.

Mr. CRANSTON. Mr. President, despite my best efforts urging the VA to implement the authority in Public Law 96-22 to provide readjustment counseling on a contract basis, both to insure that such counseling is available on a general basis in areas where the VA is unable to provide the necessary facilities and, more particularly, to attempt to address the needs for such services of incarcerated veterans nearing release, the agency has yet to implement the contracting authority. As a result, other than in isolated instances where existing vet center teams have been able to visit jails and prisons and provide some counseling services, incarcerated Vietnam-era veterans generally have not received any readjustment counseling assistance from the VA. Thus, I am proposing a tolling of eligibility to receive such counseling for these veterans so that they will be eligible to receive readjustment counseling following their release from incarceration or at such earlier time as the VA develops and implements an effective program of readjustment counseling that can be provided to eligible individuals during their incarceration.

EXTENSION OF THE VETERANS READJUSTMENT APPOINTMENT AUTHORITY

Mr. President, section 5 of the measure I am introducing today would extend for 2 additional years the authority set forth in section 2014(b) of title 38, United States Code, for veterans readjustment appointments—VRA's. This authority, which would otherwise expire on September 30, 1981, permits certain disabled Vietnam-era veterans and educationally disadvantaged Vietnam-era veterans to be given excepted appointments in the Federal civil service. The purpose of the VRA authority is to assist these veterans by making it possible for them to be hired noncompetitively into the Federal civil service and to develop additional skills through a program combining education and training with the opportunity for a regular career appointment.

On March 26, 1970, President Nixon issued Executive Order No. 11521, which established a special civil service appointment authority for certain veterans and disabled veterans of the Vietnam era. Under that original authority, the eligibility requirements specified that in order to be considered for an appointment a veteran must be qualified for the position, must have completed no more than 14 years of education, must have served on active duty during the Vietnam era, and generally must have been separated from the service for 1 year or less. Veterans who met these established eligibility requirements could be given a VRA to any position in the competitive service at or below the General Schedule—GS-5 level or its equivalent. A veteran who satisfactorily completes 2 years of substantially continuous service under a VRA and an education or training program is converted to career conditional employment and automatically acquires a competitive status for civil service purposes.

In 1973, I authored provisions, enacted in Public Law 93-508, that codified the VRA authority as section 2014(b) of title 38, extended the eligibility period for certain veterans who enrolled in a program of education within one year after release from active duty, and provided for the continuation of the program through June 30, 1978.

In connection with the Veterans' Programs Extension Act of 1978, Public Law 95-520, I authored provisions—based upon legislation submitted by the administration—to extend and expand the VRA program substantially. Section 6(b) of Public Law 95-520 extended eligibility to all Vietnam-era veterans with no more than 14 years of education, not just those separated after April 9, 1969, and covered by the original 1970 Executive order, and eliminated from the eligibility criteria the maximum limitation on the number of years of education for those with service-connected disabilities rated at 30 percent or more, and those who were discharged or reucation for those with service-connected disability. In addition, the measure raised the grade-level limitation for VRA's from GS-5 to GS-7, expanded requirements for reporting on the use of this authority, and extended the program for three years through September 30, 1981.

Mr. President, it should be stressed that the VRA program does not provide for the creation of additional Government jobs. The authority is used by those executive departments and independent agencies with employees subject to the competitive service. All VRA positions are regular civil service positions that count against an agency's staffing ceiling. Federal agencies' participation in the VRA program is influenced by such factors as budgetary considerations and the types of positions available that attract the interest and are compatible with the qualifications of VRA eligibles. Since the program's inception in 1970, VRA's have provided employment opportunities for more than 150,000 Vietnam-era veterans.

The December 1980 report on the VRA authority prepared by the Office of Personnel Management—OPM—pursuant to the statutory reporting requirements, indicates that the VRA authority continues to be of significant value in terms of assisting eligible Vietnam-era veterans in finding work. During the 6-month period from April through September 1979, the 10 executive departments and 14 independent agencies that participated in the program reported a total of 10,700 hires under the VRA authority—or nearly 5 percent of all new hires made by those 24 agencies during that period. Also during that period, minorities received 42 percent of all VRA's and women received 10 percent; service-connected disabled veterans received 6.6 percent of the appointments made.

Nearly one-half—45.4 percent—of all VRA appointments made during the April to September 1979 period were made by the Defense Department; the Navy alone hired 2,045 VRA's. The Veterans' Administration hired the most VRA's—3,798 or 36 percent of all those hired agencywide. Eight other agencies' proportional representation of VRA hires among total new hires exceeded the governmentwide proportion—4.9 percent; those included the Government Printing Office, the Departments of Justice and Transportation, and the General Services Administration.

The success of the VRA program can also be evidenced by the high governmentwide retention rates of veterans who were initially appointed under the VRA authority. OPM data indicate that of the almost 19,000 VRA's on board as of June 30, 1976, almost 75 percent have continued their Federal employment—85 percent at the GS-5 level or above—as of June 30, 1979.

Mr. President, the need for continuation of a program of employment assistance to Vietnam-era veterans should be readily apparent. Unemployment statistics released by the Bureau of Labor Statistics just this morning show that in January, while the unemployment rate for all workers remained unchanged from December, the rates of unemployment for Vietnam-era veterans continued to increase. In the case of younger Vietnam-era veterans, ages 25 to 29, the rate of unemployment in January increased by more than 23 percent over the rate in December—from 8.7 percent to 10.8 percent. Overall, the January 1981 unemployment rate for Vietnam-era veterans ages 25 and older was 17.5 percent higher than it was in January 1980. The rates for minority group veterans, which are computed on a quarterly basis, continued to be higher than rates for nonveterans during the fourth quarter of 1980. No statistics are available on the extent of unemployment among disabled veterans although estimates of unemployment among severely disabled veterans range as high as 50 percent, according to the Disabled American Veterans.

It is most appropriate, Mr. President, that extension of the VRA authority be viewed as a complement to the extension of the readjustment counseling eligibility period proposed in section 2 of the measure we are introducing. Firsthand reports from the field indicate that the single largest problem cited by Vietnam-era veterans seeking assistance at vet centers is lack of a job. This program—one that is tried and tested and has a proven record of success—can hold out to those veterans the prospects of not only a job, but skill education and training as well. The VRA authority offers a ready, almost no-cost source of assistance to unemployed, undereducated, and disabled Vietnam-era veterans, and its continued availability through September 30, 1983, would provide the vet centers with a valuable means for assisting some veterans.

TARGETED DELIMITING PERIOD EXTENSION

The bill would also provide for a "targeted" delimiting period extension—that is, an extension of the 10-year period following discharge during which a Vietnam-era veteran may use his or her GI bill benefits—for Vietnam-era veterans to pursue on-job or apprenticeship training programs and for educationally disadvantaged Vietnam-era veterans, those without high school diplomas, to pursue high school equivalency courses or vocational training. Specifically, section 3(2) of the bill would extend, effective October 1, 1981, until September 30, 1983, the delimiting period of an eligible veteran who served on active duty during the Vietnam era, and whose delimiting period has expired or would otherwise expire prior to September 30, 1983, in order to allow the veteran to use his or her entitlement to educational assistance for certain specified purposes—either pursuit of a program of apprenticeship or other on-job training, or, if the veteran does not have a high school diploma or equivalency certificate, for the pursuit of an approved vocational objective or the pursuit without charge to entitlement, of a high school education course.

This provision is designed to provide, in a cost-effective manner, for a limited extension of the delimiting period for those very veterans of the Vietnam era—those who are unemployed and educationally disadvantaged—who have never effectively utilized the GI bill benefits to which they are or were entitled and are most in need of education or training assistance.

During the 96th Congress, on September 7, 1979, the Committee on Veterans' Affairs favorably reported in S. 870 a targeted delimiting extension provision—with the identical substantive effect as this proposal except that the extension was then for an earlier period—and the Senate passed that provision on January 24, 1980, as section 201(3) of the Senate amendment to H.R. 5288, the then proposed "GI Bill Amendments Act of 1979." Unfortunately, the House would not agree to it and it was not included in the final version of H.R. 5288 signed into law on October 17, 1980, as Public Law 96-466 the Veterans' Rehabilitation and Education Amendments of 1980.

Mr. President, it is an unfortunate irony that the readjustment benefits available under the GI bill often have not been utilized by those Vietnam-era veterans who need them most.

The needs of Vietnam-era veterans who are unskilled, unemployed, or underemployed are very much evident in the high rates of unemployment that I cited previously. Of equal concern are the needs of educationally disadvantaged Vietnam-era veterans—that is, those who were discharged from active duty without having ever obtained a high school diploma or equivalency certificate. Although the average educational attainment at the time of separation for the Vietnam-era veteran was higher than that for veterans of other service periods, nearly 20 percent of the men and women who served during this period—more than 1.7 million individuals—were released from active duty with less than a high school education. Yet, only 599,000—just 35 percent—of those educationally disadvantaged Vietnam-era veterans had participated in any training under the GI bill through 1979.

These are the groups on which this proposal is targeted—those most in need of assistance—those who are basically unskilled, underemployed, or unemployed and could benefit most from programs of on-job or apprenticeship training and those who are educationally disadvantaged and seeking to obtain a high school diploma or vocational skill.

Mr. President, I wish to stress that this proposal does not provide for a general extension for all veterans as they reach their delimiting dates. Instead, it provides the VA and the eligible veteran a "one shot" opportunity at this extension—until September 30, 1983—for those who are now in need of additional assistance in recognition of special circumstances that may have combined to make it difficult for these particular veterans to make effective use of their GI bill benefits during their 10-year delimiting periods—such as events in the economy and lack of adequate VA outreach.

DELIMITING-PERIOD EXTENSIONS NECESSITATED BY ALCOHOL OR DRUG DISABILITIES

Mr. President, the bill would also provide for an extension or tolling, of a Vietnam-era veterans' GI bill delimiting period when the veteran has been prevented by an alcohol or drug dependence or abuse disability, from which the veteran has recovered, from pursuing a program of education. Similarly, the bill provides for a delimiting period extension with respect to a VA rehabilitation program for a service-connected disabled veteran and an extension of the period of eligibility for requesting readjustment counseling when the veteran has been prevented from participating in the program involved. These provisions, in section 2 (2), (3)(1), and (4) of the bill, would thus put alcohol and drug disabilities on essentially the same footing as other disabilities with respect to delimiting and eligibility period extensions.

In the GI Bill Improvement Act of 1977, Public Law 95-202, the Congress provided for the granting of extensions of the 10-year GI bill delimiting period in the case of an eligible veteran who is prevented from pursuing a program of education during that period due to a

mental or physical disability not the result of the veteran's willful misconduct. Under that law, the delimiting period does not run during any period of time that the veteran is determined to have been unable to pursue training because of the disability.

However, there have been a number of instances in which the VA has denied a delimiting-period extension to an otherwise eligible veteran under this authority on the grounds that the disability on which the veteran based his or her claim was an alcohol or drug abuse or addiction disability. The VA has based its denials in these cases on the legislative history of the 1977 provision that addressed the issue of how determinations of disability should be made for the purposes of the extension. In particular, the report of the Veterans' Affairs Committee, Senate Report No. 95-468, on the provision which was enacted as section 203(a)(1) of Public Law 95-202, in discussing the concept of "willful misconduct," stated at pages 69-70:

> In determining whether the disability sustained was a result of the veteran's own "willful misconduct", the Committee intends that the same standards be applied as are utilized in determining eligibility for other VA programs under title 38.

The report further referenced VA regulations and manual provisions relating to the determination of willful misconduct for the purposes of determining service-connected disability. Under the VA's interpretation of those standards—38 CFR section 3.301(C)(2) and (3)—alcoholism and drug addiction and injuries proximately and immediately resulting from the effects of the deliberate ingestion of an alcoholic beverage or voluntary use of a drug—such as an injury incurred in a traffic accident caused by the veteran's driving while under the influence of alcohol or a drug—are considered to be the result of willful misconduct.

Subsequently, the committee reexamined the practical consequences of denying a delimiting-period extension in such cases and the differences between awarding such an extension on the grounds of alcohol or drug disabilities and awarding other VA benefits, such as compensation or pension, based on such disabilities. As a result of this reexamination, the committee saw no substantial purpose to be served by denying a veteran a GI bill delimiting-period extension when the veteran was prevented by a drug or alcohol disability, during part or all of the ordinary 10-year delimiting period, from using GI bill benefits and the veteran has recovered from the disability. In fact, in the committee's view, it could be expected that GI bill educational assistance would have considerable value to the social and economic rehabilitation of veterans who have recovered from disabilities related to alcohol or drugs.

In contrast, the committee noted that some undesirable consequences might flow from a similar rule being applied for purposes of other VA benefit programs, such as service-connected compensation, where the rate and duration of benefits depend directly upon the severity and duration of the disability. Under that program, an individual receiving benefits for alcoholism or drug addiction would have a strong financial incentive—in the form of a higher rate of compensation or the continuation of receipt of compensation—in the worsening or prolongation of the disability, both of which are to some extent within his or her control because they depend upon the amount, frequency, and duration of his or her consumption of alcoholic beverages or drugs. In any event, where the issue is whether to grant a GI bill delimiting period extension, the committee did not perceive that considering drug and alcohol disabilities not to be the result of willful misconduct in the case of a veteran who has recovered from the disability would have any of the possibly undesirable consequences that may seem to arise in other contexts.

Thus, the committee reported in S. 870—and the Senate passed in section 201(2) of H.R. 5288—a provision to establish that an alcohol or drug dependence or abuse disability from which the veteran has recovered shall not be considered to be the result of willful misconduct for purposes of deciding requests for delimiting-period extensions.

Similarly, in the bill to revise and update chapter 31, relating to VA rehabilitation programs for service-connected disabled veterans, S. 1188, the committee reported on May 15, 1980, and the Senate passed on September 4, 1980, a comparable provision to permit a service-connected disabled veterans' delimiting period for a chapter 31 rehabilitation program to be tolled—in the same manner as was proposed for GI bill eligibility—on account of an alcohol or drug disability from which the veteran has recovered.

As in the case of the Senate-passed targeted delimiting period extension, and despite our strongest urgings, the House would accept neither the GI bill nor the rehabilitation program provision for delimiting-period extensions based on drug or alcohol disability.

Because I strongly believe both that the opportunity to use GI bill and VA rehabilitation program benefits can be extremely important to the readjustment and rehabilitation of the Vietnam era and disabled veterans involved and that the delimiting-period extensions for those who were prevented by alcohol or drug disabilities—from which they have recovered—from using those benefits would be fully consistent with the readjustment and rehabilitation goals of both programs, the bill we are introducing today to facilitate Vietnam-era veterans' readjustment includes both delimiting period extension provisions. In addition, it carries forward the same theory for readjustment counseling eligibility in the tolling provision proposed in section 2(2) of the bill.

Mr. President, I wish to make clear in making these proposals, however, that I am not taking the position that the same results could not be achieved administratively under current law. In fact, when these provisions were deleted in negotiations with the House Committee on Veterans' Affars, both committees stated, in a document in lieu of a joint explanatory statement accompanying a conference report that was inserted in the RECORD in both bodies at the time of final passage—27354, September 25, 1980, and 27575, September 26, 1980—that, with respect to the deletion of both provisions, they were "taking no position as to whether such a (statutory) provision is necessary in order to authorize the VA" to grant such extensions. The VA has for a considerable time had these issues under review, and I am hopeful that it will be able to conclude that "medical condition" delimiting period extensions may be granted in such cases for these readjustment and rehabilitation purposes.

APPROPRIATE RESPONSE TO VIETNAM VETERANS

Mr. President, events in recent days have underscored the importance of the vet center program and the need for an extension of the eligibility to receive readjustment counseling and the other forms of readjustment assistance dealt with in this bill. In the midst of the great joy and exuberation that has accompanied the safe return of the hostages from their captivity in Iran, the Nation has again heard from Vietnam veterans. Without in any way seeking to diminish the reception provided to the former hostages, many of these veterans have reminded us—very poignantly—that the veterans of the Vietnam war—the vast majority of whom, when called by their country, carried out their duties in that conflict in a truly heroic manner—received no similar welcome home. Most often, these veterans were met with general disregard by their fellow citizens. At worst, many of these brave men and women were scorned and maligned.

Mr. President, this phenomenon of the Vietnam veterans' reaction to the welcome for the former hostages has been widely reported and discussed in the media. One article, which appeared in the Los Angeles Times, captures the nuances of the situation as well as any that I read, and I ask unanimous consent, Mr. President, that that article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VIET VETS REACT TO THE HOSTAGES

(By Kathleen Hendrix)

Homecoming. Some called them "baby killers," then "crybabies." There were no yellow ribbons, no parades, no welcome home and no thanks.

Small wonder that many Vietnam veterans are watching with mixed reactions the homecoming of the 52 hostages from 14 months of captivity in Iran.

Their happiness is dampened by a bitter irony they foresee. The same government that plans to spare no expense helping the hostages readjust has already clamped down on efforts to help Vietnam veterans.

Like most Americans, Vietnam veterans—at least those contacted for this article—describe themselves as "glad," "proud," "tickled to death" that the hostages are home and that their homecoming is such an overwhelming one. Of the homecoming, they tend to say, "This time they're doing it right."

NO SOUR GRAPES

This time the veterans say they do not want to detract from the hostages—no sour grapes. They have some painful memories, though, and the events of this week have brought them to the surface.

John Di Fusco, formerly an Air Force guard in the central highlands of Vietnam, has found himself purposely avoiding the news on television, he said.

Currently Di Fusco is directing "Tracers," a play about the Vietnam war written by himself and seven other veterans who act in it.

"It was almost like a conscious disinterest," he said of his avoidance of television this week. "And it bothered me that it bothered me. The fact they were making heroes of the eight who died on the rescue mission, and then that they were making heroes of the 52 hostages. All I could see were the 55,000 who died in Vietnam. It's just once again that great feeling of being left out."

NOBODY HOME

The feeling is strong enough that a group of veterans are meeting this morning at Patriotic Hall to express their concerns to the public about what it means to watch this homecoming and remember theirs.

Homecoming? For many there was none. It was if nobody was home, at least no one cared.

Hank Hahn, now a computer salesman living in Playa del Rey, was an aviator in the Navy. He came home from Vietnam to Rigby Island in Washington in 1967, took a cab to Seattle with a few friends, still in uniform, went to a bar and started "half celebrating," he remembered. Somebody baited them about the Navy and Vietnam, there was a fist fight, he got out of there, out of uniform and "went and found a woman."

Chris McGinley Schneider, a student at Pasadena City College, came home from a year of nursing in the Army's 95th Evacuation Hospital in Da Nang, in June, 1971, with a plane carrying heroin addicts scheduled for stateside treatment. One of them fell off the plane and cut himself, she said. Schneider helped him, getting her rumpled fatigues bloodied in the process. When she showed up at a commercial airline a few hours later, the ticket salesman would not check her torn duffel bag, then told her, "We don't want you on our plane." Looking at her with revulsion, he said, "Just look at you."

Shad Meshad, now regional coordinator of the Vietnam Veterans Outreach Program, flew home on a "Christmas drop" in 1970 after a year in Vietnam as an Army social worker/psychology officer. He got past the "protesters and peacemongers" outside Travis AFB and then spent hours at the San Francisco airport drinking and drinking—not getting drunk—talking himself down, telling himself, "This is normal; this is normal." Coming home, he says now was "the hardest part of Vietnam."

Rick Sykes, who says he recently finished work as a production manager of a feature film, came home from two years with the Army in 1968. He does not describe the details of his homecoming, but he remembers his feelings when he enlisted at age 19.

"Part of the reason I served," he said, "was a concept of what it would be like to come back. You went to come back, but you really didn't know if you were coming back."

He said this while sitting on a couch at the Vet Center in Venice, laboring over his choice of words, bringing them out slowly. Looking at the welcome the hostages have received, he said, has made him feel, "Geez, how different it might have been if I'd felt welcomed." Then he stopped and asked, "How do I sound? It's not envy or jealousy. Just kind of a deep-rooted sadness for that period of time." He nodded his head across the room towards his jacket, and said, "I've got a yellow ribbon on my sleeve."

No matter how it might have been, it turned out to be, for many, a very difficult time. Some veterans have yet to readjust to being home. Others thought they had it all squared away only to find themselves recently experiencing problems. The problems—depressions, flashbacks, irritability, angry flareups, sleeplessness, alcohol and drug abuse, difficulties in forming or sustaining intimate relationships, suicidal tendencies, violent behavior—are all symptomatic of what has come to be called "delayed stress syndrome."

These are the same kinds of delayed reactions to stress that the government is so carefully trying to prevent and anticipate treating in the hostages. The same government was not anxious to admit the existence, or prevalence, of the syndrome among Vietnam veterans. For that reason, many veterans find the treatment of the hostages both a source of bitterness and satisfaction.

FIGHTING EVERY INCH

"They're getting immediate response to needs that it took years for the Vietnam veterans to make the public aware of," Ron Kovic said. A former Marine sergeant, Kovic came home from Vietnam a paraplegic, wrote "Born on the Fourth of July" about his experience, and got himself arrested around the country demonstrating for veterans and against the war. Speaking from his home in Pasadena, he said of the recent official recognition of delayed stress syndrome, "We had to fight every inch of the way for that."

At the storefront Vet Center in Van Nuys, where Vietnam veterans come for counseling and treatment, director Fred Hoskins said, "There's a feeling among the guys here that the hostages would never be receiving this treatment (for delayed stress) if it weren't for us (i.e. Vietnam veterans)."

"What's being done with the hostages is exactly what needs to be done," Jerry Melnyck, a Vietnam era veteran who directs the Vet Center in Venice said. "This should be equated with what the Vietnam veteran went through. Had they been welcomed back with open arms they probably would not be having the problems they've been having 10 years later. The veteran is not a psychotic who became such by killing someone. He's just a person who's gone through a lot of stress. I just wish somebody would get up right now and make the connection—"This is what we learned from the Vietnam veteran.' "

Although the Veterans Administration has provided veterans with psychiatric care in the past and recognized the existence of what was then called "traumatic war neurosis" among veterans of former wars, such treatment was usually for more extreme cases and ones obviously connected to war experience in symptoms and in time of occurrence.

Only recently have the more subtle and remote symptoms of delayed stress been recognized and treatment provided.

In 1979, Congress passed legislation providing treatment for delayed stress syndrome among Vietnam veterans. Operation Outreach was a storefront counseling and treatment program funded initially for less than $10 million, scheduled to terminate in 1982.

In some instances individual centers have only recently opened. They are not yet fully staffed. Others were ready to open, but cannot because of the across-the-board government hiring freeze that President Reagan made an early order of business.

This, in the face of lavish treatment being given the hostages, outrages some veterans.

"It is," Ron Kovic said, "a slap in the face."

"Listen to this," Chris Schneider said, returning to her telephone with a recent Times article describing the treatment planned for the hostages. She said she had whole sections underlined.

"Psychiatrists, psychologists, nutritionists, physical therapists—" she raced through the article, "they're even going to measure for stress through biochemical analysis of their saliva. Nobody, even took my blood pressure. . . . A three month follow-up, reunions at one years intervals . . . I read all this and I couldn't help thinking, 'My God!' And I felt guilty about it. They've been through a really hard time. They deserve all the love, warmth and attention they're getting—just like the Vietnam vets deserve it."

I'M HAPPY FOR THEM

Charlotte Miller, a former Army nurse in Da Nang, has been receiving weekly counseling at the Vet Center in Baltimore. She praises her treatment, says it has probably saved her life.

"I've cried. I've welcomed them home. I'm happy for them," Miller said of the hostages, "and all the money that's being spent I don't begrudge them. But when I hear that President Reagan is planning to cut our funding, then I will have a problem. Just look at the money being spent on airfares alone for the families of the hostages. Did they fly parents of wounded soldiers to the hospitals where they were being treated? I just can't handle it if they cut the funding for us—now that we're finally having our time. It's not a parade, but it's the only chance we've had. They just can't take it away from us."

Roger Melton went into Vietnam in 1965 as a machine gunner on an armored personnel carrier with the 1st infantry. Now he is a therapist treating Vietnam veterans referred to him privately by Disabled American Veterans or at the Southern California Counseling Center in Los Angeles.

That the Vet Centers might be phased out at such a time he finds baffling. "Now that delayed stress is established and recognized—it's even appearing in subheads on stories about the hostages—I think it will be hard for them to deny the need for veterans to receive treatment. This may be a problem Reagan will have."

"You can't go back and give us the homecoming you are giving the hostages," Shad Meshad said. "But you can continue our program and help us welcome home those who've been having such difficulties. The people we deal with are really not home yet."

The Vietnam vets do not resent their fate and envy the hostages. They see a chance to turn the situation to their advantage—personally and collectively.

Personally, Roger Melton said, the anger of some of the veterans in therapy is helping them.

"Some of them may still be denying a lot from Vietnam," he says, "and this can trigger off all the resentment they've been holding in. Those who don't have someone to talk to, however, they'll be left with anger and rage. Sometimes this will trigger off nightmares or flashbacks for them."

He has found himself fascinated by the nation's reaction in general, he said, suggesting that America itself has been experienced delayed stress reactions to Vietnam, and denying and repressing the range of feelings attached to that war.

"It's almost as if the nation has been waiting for something to happen ever since the shame and disgrace of Vietnam. Part of this not dealing with the Vietnam veteran is part of not wanting to deal with their own guilt. Personally what's gotten into me is the use of the media—glorifying a situation far beyond its meaning. It's a symbolic situation to bring the American people together. The government is using this."

Chris Noel, an actress living in Tarzana, served in Vietnam with Armed Forces Radio and entertained troops. She agrees the country has been reunited by the hostages' homecoming and said, "I see the American flag flying and it's wonderful. I'm hoping the citizens will take the Vietnam veterans into their hearts now. Men and women who took care of our country have to be taken care of when they're hurting."

Lou Ross wants to take advantage of this same feeling of unity to make the country aware of those he is convinced are still being held as POWs in Vietnam.

A CLEAN-CUT TYPE

A former naval officer, in and out of Vietnam in 1964 through 1966, he wants it emphasized he is clean cut, short haired and a Mormon.

He lives in Salt Lake City and is a commercial jet pilot. In Newport on business this week, he was making contact with local veterans organizations and the Vet Centers.

According to Ross there is significant reason to believe there are many POWs in Vietnam, perhaps hundreds, more than the '4 he says the government still documents as such.

"We've got to make the public aware and demand a full accounting," Ross said. "If it were not for the media and the relentless daily coverage the hostages would not be home. The media wouldn't allow them to be forgotten."

The veterans have to create the same situation for the POWs, he said, but they do not have enough clout. That is why he wants to unite various groups. The media is the way to go, he says.

Ron Kovic hopes the country learns from the experience of the past 14 months and gets some perspective.

"The return should not only be a time of celebration," he said, "but of sober and careful analysis of our foreign policy. Many are forgetting why the hostages were taken in the first place. It's the same American foreign policy and the same bumbling that brought us to Vietnam. It's really great to see patriotism come back, but I say it can also be really dangerous if it's blind. We could be respected around the world if we learned the lessons of foreign policy."

It is time for Vietnam veterans, Hank Hahn said, to realize that what the government is doing for the hostages, the veterans will have to do for themselves, by becoming a political entity.

"The government has spent more on saving the eagles than saving the vets," he laughed. "The Veterans of Foreign Wars aren't going to do it for us. It's up to us. A lot of us, like myself, who are 35–45, have become pretty successful. We have to get to these people as well as to the ones who are hurting. The hostages are seen as part of a national honor now. We were just something to stick in the back drawer. A lot of the guys feel like they really lost the war, I know. I don't feel like I'm a loser. It was never in the cards to win."

It has not taken the hostage situation to make Vietnam veterans angry about their own homecoming. It has simply reminded them.

"I don't want anyone else to suffer that degree of alienation," Shad Meshad said of his own homecoming. "It hurts me we could have done that."

After listening to hundreds of veterans talk about their anger and hurt over the years, and after dealing with about 20 of them in the past few days, Roger Melton said, "After all the talk about wanting more benefits, better programs, specific things, if you ask them what they have really wanted from the country all along it gets down to this. They wanted the country to say, 'Thanks'."

Mr. CRANSTON. Mr. President, as many of the Vietnam veterans discussing the hostages' return have commented, it is too late now for a ticker tape parade and besides, a parade for Vietnam veterans is not what is needed at this point in our history. What is needed is the type of positive governmental response that is represented by the VA's readjustment counseling program and the continued availability of appropriate tangible forms of education, training, and employment assistance for those Vietnam-era veterans who have not been able to achieve minimal educational attachment or vocational skills or find and hold decent jobs during their readjustments.

The need that is met by the vet centers themselves has been demonstrated again in recent days as vet centers across the country have reported a sharp increase in visits and calls from veterans and their families in reaction to the Nation's response to the hostages' return.

Mr. President, it is unlikely that the general demand for this type of service provided by the vet centers will soon diminish and, for that reason, I believe early action to extend the period of eligibility is called for. A clear signal, as soon as possible, that the Nation remembers Vietnam veterans and is committed to helping those most in need, those who have not satisfactorily readjusted following their service, is the most appropriate response that we can make to Vietnam veterans now in the wake of the hostages' return. Such an action would be both symbolic—like the parades for the former hostages—in that it would affect directly only a portion of the population—as well as a real tangible response in offering help to those Vietnam veterans who still need readjustment counseling and basic training and vocational help. For them, it would be far more than symbolism; it would be a sincere effort to meet very definite needs that, I regret to say, will otherwise not be met by society.

Enactment of this measure, Mr. President, is the best response to the anguish aroused in our Vietnam veterans at this time, and I will work for speedy action on this measure and urge all of my colleagues to join me in that effort.

COST ESTIMATES

Mr. President, I am submitting this measure to the Congressional Budget Office for a complete cost estimate, and I will make that estimate known as soon as it is available. In the meantime, the following information indicates the expenditures that enactment of this bill is likely to entail.

In fiscal year 1981, $23.9 million has been appropriated for the readjustment counseling program. In fiscal years 1982 and 1983, comparable amounts, with increases to take into account the effects of inflation and any manifest need for program expansion, would be required for the support of the program with the eligibility extension proposed in section 2 of the bill in effect.

With respect to the targeted delimiting period extension proposed in section 3(2) of the measure, the Congressional Budget Office last year estimated the first-year cost of such a proposal at $46 million and the 5-year cost at $144 million.

The proposals in sections 3 (1) and (4), relating to delimiting period extensions for those who have recovered from alcohol and drug abuse disabilities, are not expected to result in any significant cost. Similar proposals were estimated by CBO last year to entail no significant cost.

The extension of the veterans' readjustment appointment authority, proposed in section 5, would entail no significant cost.

Mr. President, I ask unanimous consent that the text of S. 458 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 458

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam-Era Veterans' Readjustment Amendments of 1981".

SEC. 2. Section 612A(a) of title 38, United States Code, is amended—

(1) by striking out "two years after the effective date of this section" and inserting in lieu thereof "before October 1, 1983"; and

(2) by adding at the end the following new sentence: "Notwithstanding the first sentence of this subsection, in any case in which the Administrator determines that a veteran was, at any time during the period in which such veteran was eligible to request such counseling under such sentence, prevented from receiving such counseling—

(1) because of a medical condition of such veteran, or

(2) because such veteran was incarcerated in a Federal, State, or local jail or penal institution,

such period shall not run during the period of time that such veteran was so prevented from receiving such counseling. For the purposes of this subsection, the term 'medical condition' means a disability, including an alcohol or drug dependence or abuse disability.".

SEC. 3. Section 1662(a) of title 38, United States Code, is amended—

(1) in paragraph (1), by inserting at the end the following new sentence: "For the purposes of this paragraph, an alcohol or drug dependence or abuse disability from which the veteran has recovered shall not be considered to be the result of willful misconduct."; and

(2) by adding at the end the following new paragraphs:

"(3) Notwithstanding the expiration of the applicable delimiting period under paragraph (1) of this subsection, any eligible veteran who served on active duty at any time during the Vietnam era may, effective October 1, 1981, be provided educational assistance under this chapter until September 30, 1983, for the purpose of permitting such veteran to pursue—

"(A) a program of apprenticeship or other on-job training; or

"(B) an approved vocational objective or secondary education course if such veteran does not have a secondary school diploma (or an equivalency certificate).

"(4) A program of education consisting exclusively of flight training may not be approved in the case of any veteran pursuing a program of education under paragraph (3) of this subsection.".

SEC. 4. Section 1501 of title 38, United States Code, is amended—

(1) by redesignating clauses (3) through (9) as clauses (4) through (10); and

(2) by inserting after clause (2) a new clause (3) as follows:

"(3) The term 'medical condition' means a disability, including an alcohol or drug dependence or abuse disability, of a veteran.".

SEC. 5. Section 2014(b)(3) of title 38, United States Code, is amended by striking out "1981" and inserting in lieu thereof "1983".

By Mr. SARBANES (for himself, Mr. MATHIAS and Mr. WARNER):

S. 459. A bill to provide for reconstruction and rehabilitation of the Woodrow Wilson Memorial Bridge, and for other purposes; to the Committee on Environment and Public Works.

REHABILITATION OF WOODROW WILSON BRIDGE

● Mr. SARBANES. Mr. President, I have today, joined by my colleagues, Senator MATHIAS and Senator WARNER, introduced legislation which would authorize the Federal Highway Administration to reconstruct and rehabilitate the Woodrow Wilson Bridge. This bridge, spanning the Potomac River, links Maryland, Virginia, and the District of Columbia. As a segment of I-495, the Capital Beltway, the bridge is a vital link in the transportation system of the National Capital region and of the Interstate Highway System. Due to the heavy daily traffic flow across the bridge—an average of nearly 100,000 cars a day—the structure is disintegrating and requires urgent attention.

Construction of the Woodrow Wilson Bridge was originally authorized by Public Law 83–704, signed into law on August 30, 1954. Seven years later, under the auspices of the Department of Commerce, it was opened to traffic. The Federal Government is the sole owner of the Woodrow Wilson Bridge. At the time it was opened Maryland, Virginia, and the District of Columbia reached an agreement with the Federal Government whereby the local jurisdictions would assume responsibility for routine operation and maintenance of the bridge. This agreement was embodied in Public Law 87–358, signed into law on October 4, 1961. Thus, while the Federal Government retained the ownership of the bridge and ultimate responsibility for it, the three local jurisdictions have expended approximately $450,000 annually for routine maintenance of this facility.

The current state of the bridge is a matter of serious safety concern. Deterioration of both the roadbed and the reinforcing rods which support the substructure of the bridge has developed to the point where there is danger of a serious disaster unless prompt reconstruction is undertaken. It is no longer a question of maintaining the bridge but an urgent requirement that its deck be totally rebuilt. The hazardous condition of the bridge has contributed to the high number of serious accidents, totaling more than 200, which occurred on the span during the past 3 years.

At the time of its construction over 20 years ago, the Woodrow Wilson Bridge was considered to be up to date in both design and construction. The state-of-the-art of bridge building has advanced substantially during the intervening years. The Maryland Department of Transportation, which has developed preliminary plans for the rahabilitation effort, has proposed the use of readily available, sophisticated and cost-effective technology in order to insure continued service of the bridge for the next half century.

This legislation provides for an undertaking by the Federal Government to bring the federally owned Woodrow Wilson Bridge up to the standards of safety and design applicable to all bridges under the Interstate Highway system. It addresses a serious situation and I urge that this bill be enacted promptly so that the critical deficiencies of the Woodrow Wilson Bridge are corrected as soon as possible.●

Mr. MATHIAS. Mr. President, I would like to commend my colleague from Maryland, Mr. SARBANES, for introducing legislation to authorize the Federal Highway Administration to reconstruct the Woodrow Wilson Memorial Bridge across the Potomac River. The bridge, as everyone knows, connects the Maryland and Virginia sides of Interstate 95, the major north-south artery along the heavily traveled East Coast.

When the bridge first opened in 1961—and I can remember it well because it was during my first term in Congress—it represented a landmark in the Interstate Highway System at a time when the system was in its infancy. Since then, it has proved to be a lynchpin of the East Coast Interstate System, and that is the problem. Traffic on the Woodrow Wilson Bridge has grown at such a fast pace during these 20 years that it now carries 104,000 vehicles daily, including both commuters and long-distance travelers. Twenty years ago, it carried 20,000 to 25,000 vehicles daily. This heavy use has taken its toll. The structure has significantly deteriorated throughout the concrete deck portion and has become a safety hazard. Hence, the need for this legislation.

The bridge contractor tells me that he has had to respond to 287 emergency repair calls during the 3-year period from July 1977 to July 1980. And the resulting patches frequently have been as large as from 4 to 16 feet. Actual punctures to the deck are not uncommon. And right now a single disabled vehicle ties up at least one traffic lane. The reconstructed bridge will be equipped with a safety lane.

The situation has become so intolerable that State authorities are considering limiting use of the bridge. If this happens, not only would commuter traffic be affected, but truck traffic would have to be rerouted, causing an interruption of commerce from Maine to Florida.

In considering this legislation, many of my colleagues may raise legitimate concerns about the interruption of traffic during this reconstruction period. That, of course, entered my mind, as well. State officials have assured me that they will make every attempt to keep the impact on normal traffic to a minimum by carrying out much of the necessary work at night and on weekends.

The bridge is owned by the Federal Government. In fact, it is unique in that it is the only federally owned interstate bridge. The responsibility, therefore, for keeping this vital link in the interstate system open and safe devolves squarely on the Federal Government. The States of Maryland and Virginia and the District of Columbia have no legal responsibility to invest local funds into this reconstruction project. They have shown their good faith, however, by sharing the maintenance cost over the years. And over and above the call of duty, they have also put up the design money so the reconstruction project could proceed without delay.

State and Federal engineers have expressed doubts that the bridge deck can survive an additional year without major repairs, which surely argues for immediate action. I, therefore, urge my colleagues to act on this legislation as soon as possible.

By Mr. BAUCUS:

S. 462. A bill to authorize a feasibility study for additional hydro-electric capacity; to the Committee on Energy and Natural Resources.

CANYON FERRY DAM

● Mr. BAUCUS. Mr. President, on January 29, S. 306 was introduced. This legislation would authorize Interior Department hydroelectric plant construction. Among other projects, S. 306 contains an authorization for the construction of a powerplant enlargement at the Canyon Ferry Dam in Montana.

During the last Congress, S. 1420 was the legislative vehicle for authorizing Interior Department hydroelectric plant construction. It, too, contained a section authorizing powerplant enlargement at Canyon Ferry Dam in Montana. This proposal excited considerable controversy within Montana.

By the end of the congressional term significant work had been undertaken by my colleague from Montana, Senator Melcher, to insure that this construction would not occur without a favorable feasibility study having first been completed. S. 1420 was amended to provide that a feasibility study be undertaken and that it must be favorable to the project for the authorization to become finalized. Further, Senator MELCHER worked hard to insure that any negative impacts from such a project would be mitigated.

Senator MELCHER, who serves on the subcommittee responsible for this legislation, deserves much credit for his efforts to amend the Canyon Ferry proposal in these ways. Indeed, despite my strong reluctance to agree to the authorization of the project without first completing a feasibility study, Senator MELCHER's long and hard work to amend the original proposal to provide for construction authorization contingent upon a feasibility study, led me to withhold my objections to final passage of the bill. S. 1420 passed the Senate but did not pass the House of Representatives. That is why, this Congress, S. 306 has been introduced.

Mr. President, I am today introducing legislation to authorize the Secretary of the Interior to conduct a feasibility investigation of the potential for adding hydroelectric generating capacity at Canyon Ferry Dam in Montana. My purpose is to substitute this feasibility investigation authorization for the contingent authorization for construction contained in S. 306.

I believe that much of the controversy over the Canyon Ferry proposal has been the result of the short-cut in the authorization process that S. 1420 and now

S. 306 envisions. To many people, the Canyon Ferry provision of S. 1420 seemed to put the cart before the horse: Congress would be authorizing construction based upon a feasibility study Congress had not reviewed.

There are a number of questions about the proposed Canyon Ferry project that a feasibility study can address: The construction authorization in S. 306 includes a generator unit of 90,000 kilowatts. A feasibility study may conclude that a different size generator with differing impacts may be more cost-beneficial.

Also, a feasibility study may give Congress a better idea of the appropriate level of impact mitigation funding necessary to accompany project construction.

Accordingly, I would like to get this issue off to a fresh start. S. 306 would authorize project construction conditioned upon the completion of a favorable feasibility study. Instead, the legislation I am introducing today would authorize a feasibility study only. Congress would retain its option to authorize or not to authorize construction until after Congress has had the opportunity to review a feasibility study.

This only makes sense. When there are projects of potentially significant local impact, Congress ought to await authorization action until it has feasibility studies completed and a chance to review what proponents and opponents of the projects have to say aobut the findings of these studies.

It is my strong hope that this legislation can be swiftly enacted. Everyone's interest will be served by a speedy completion of a Canyon Ferry powerplant expansion feasibility study: To quote Senator MOYNIHAN under a different context, "Not a drop of water has ever been polluted by a feasibility study." Further, everyone promoting this project, as well as the Senate by passage of S. 1420, has agreed to the need for a feasibility study.

The only question in debate is whether to reserve the congressional option to authorize or not authorize construction until after the study is completed. Speedy passage of the legislation I am now introducing can insure that there are no undue delays in construction if, indeed, construction is found to be necessary and feasible. The certain way of delaying construction is to proceed with a so-called short cut authorization process.●

By Mr. GOLDWATER:

S. 463. A bill to protect retired and disabled persons by preserving the integrity of the Consumer Price Index; to the Committee on Labor and Human Resources.

COST-OF-LIVING PROVISIONS FOR FEDERAL RETIREMENT PROGRAMS

● Mr. GOLDWATER. Mr. President, I am introducing today legislation to prohibit the President or Secretary of Labor from revising or replacing the Consumer Price Index, if the revision would reduce the benefits of retirees. The bill is similar to S. 2430 that I introduced last March 18.

The reason for my bill stems out of several news reports last year that Carter administration economists were targeting their budget reduction efforts on citizens least able to cope with inflation, older persons. President Carter was reportedly considering cuts of indexed retirement programs by at least $5 billion.

This quick fix to the budget would be obtained under the Carter administration plan by changing the weight given different components of the Consumer Price Index. Since social security, railroad retirement, civil service and military pensions are all linked to the CPI, the former President's economic advisers recommended that the index be arbitrarily revised to show a smaller rate of inflation than the traditional system would indicate.

It was argued for the proposed change that housing costs distorted the index since most retired persons do not purchase new homes. The worst aspect of the proposal was the assumption that the President could immediately implement it by issuing an Executive order telling the Secretary of Labor or Commissioner of the Bureau of Labor Statistics to revise the measuring system for the political goal of cutting indexed benefits.

President Carter never did totally adopt this heartless scheme, but its legacy shows up in one of his last acts as President, the 1982 fiscal year budget submitted to Congress on January 15. At page 42 of the economic assumptions accompanying President Carter's budget message, he asks Congress "to substitute an alternative index for adjusting Federal benefits now tied to the CPI * * *." The same document reasserts the unproved, and as I shall show false, argument that the CPI overstates "the importance of housing in total living costs." Also, at page 59 of "The United States Budget in Brief," the Carter administration proposes what it calls "a more representative index to replace the Consumer Price Index * * *."

In other words, the people who want to manipulate the CPI as a matter of deliberate policy aimed at cutting retirement payments have revealed the opening step in their game plan. Only now they not only propose revising the index; they ask for its replacement.

Although the 1982 budget document calls for the enactment of legislation to substitute an alternative index, I have seen no disclaimer that the change cannot be adopted without statutory authority should Congress refuse to act favorably on the idea. Since the camel has sneaked its nose under the tent, I do not want to take any chances. I am introducing today both a bill to flatly bar the executive branch from juggling CPI data, or replacing the index, if the change reduces retirement benefits. The bill specifically mandates that the Department of Labor continue to compile and publish the CPI for use in determining cost-of-living increases in Federal retirement programs and to issue data with the same frequency as now occurs. Now, I am not at all concerned that President Reagan will adopt the retirement changes considered by former President Carter; but I do want to put complete assurance in the permanent law that no President will ever implement this misguided approach to budget cutting.

Indexing helps over 36 million persons who will receive social security benefits in 1981, plus additional millions of civilian and military Federal retirees and railroad retirement beneficiaries. I feel strongly that no substantive changes should be made reducing their payments. I am not referring to routine technical revisions updating the index, but to adjustments deliberately aimed at, or resulting in, reduced benefit levels.

It is an unfortunate fact of life that the typical retired person is going to fall behind inflation even with the small $10 or $20 a month average cost-of-living increase the law now gives him. The amount of higher electricity and heating bills, medicines and foods, far exceeds the tiny increase older families receive from the inflation index.

Now, I will take up the claim that housing costs distort the index. In my opinion, this is a simplistic and misleading ploy designed to cover the political end of lowering future retirement benefits. The truth is that the index does not assume all or most retired persons purchase a new home every year. To the contrary, the index assumes the great majority of older persons do not have any mortgage interest payments at all.

An official February 1980 publication by the Bureau of Labor Statistics, designated "CPI Issues; Report 593," itself states that "the CPI does not assume that everyone buys a new house every month * * *." The same publication, by the office that compiles and publishes the Consumer Price Index, declares that "those who purchase their own home before the base period are assumed to have no house or mortgage interest costs at all."

The Bureau of Labor Statistics informed me that the current base period for the index covers 5 years, from 1969 through 1973, during which only 6 percent of all households purchased housing. In other words, the CPI assumes that the other 94 percent of the housing population has no purchase or mortgage costs at all, even if older people are still paying on a 25-year mortgage.

Moreover, the housing component of the CPI includes more than the cost of new homes. It includes property taxes, home insurance, and maintenance and repairs. These are expenses that all homeowners must pay, whether they purchase a new house or not. And everyone who says older people do not pay higher real estate taxes and insurance premiums and repair costs does not know what he is talking about.

In fact, I believe the present index is slanted against, not in favor of, retired persons. The CPI–W index, used to calculate cost-of-living adjustments, does not even include retirees.

We must not renege on our promise to elderly persons now that the very economic conditions have occurred for which cost-of-living increases were designed. Retired persons must not become sacrificial lambs to inflation.

Mr. President, I ask that the text of the bill appear in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, it shall be the duty and responsibility of the Bureau of Labor Statistics, within the Department of Labor, to continue after the date of enactment of this Act to compile and publish the Consumer Price Index (or any similar index, by whatever name it may be called) which pursuant to Federal law is utilized for the purposes of determining cost-of-living increases in periodic benefits, pension, annuity, retirement pay, or similar periodic payments payable under—

(1) the Federal old-age, survivors, and disability insurance benefits program established by title II of the Social Security Act, and the program of supplemental security income for the aged, blind, and disabled etablished by such title;

(2) the civil service retirement program established by subchapter III of chapter 83 of title 5, United States Code;

(3) the military retired pay program described in section 1401a of title 10, United States Code;

(4) the Railroad Retirement Act of 1974; or

(5) any other Federal program which provides for the payment of pensions, annuities, retirement or retired pay, dependents' or survivors' benefits, or similar payments which are payable on account of the past performance of personal services by the recipient of the payment, or a member of his family.

(b) Any Consumer Price Index (or similar index) which is required under subsection (a) to be compiled and published shall be compiled and published on the same basis, in terms of the frequency of publication and the time period covered by a particular publication, as was the practice with regard to the publication of such index in the period immediately preceding January 1, 1981. Also, in the compiling of such index and the data utilized in connection therewith, no change in the conceptual assumptions, techniques, statistical methods, spending categories, items or areas sampled, or other factors to be included, or the relative weight to be assigned to the various factors included in the formulation of such index (as such index was formulated in such period) shall be made, if such change would have the effect of significantly reducing the amount of the cost-of-living increases provided by any of the programs referred to in paragraphs (1) through (4) of subsection (a) as compared to the amount of such increases which would otherwise be payable if such change had not been made.

By Mr. DURENBERGER (for himself and Mr. MOYNIHAN):

S. 464. A bill to amend the Internal Revenue Code of 1954 to adjust provisions governing private foundations; to the Committee on Finance.

FOUNDATION PAYOUT LEGISLATION

Mr. DURENBERGER. Mr. President, contrary to repeatedly expressed congressional intent, one provision of present law is rapidly reducing the ability of our independent foundations to continue their important charitable work. Today, with Senator MOYNIHAN, a Finance Committee colleague who is also deeply concerned about this alarming trend, I am introducing a bill that would eliminate the tax law provision which is the source of this problem. An identical bill has been introduced in the House by Congressmen CONABLE, BRODHEAD, and FRENZEL. Passage of this bill is essential if foundations are to continue as a vital part of American philanthropy.

FOUNDATIONS: A NATIONAL RESOURCE

To see the importance of preserving foundations for the future, we need only consider what they have contributed in the past. Throughout this century the thousands of American foundations, large and small, have enriched the lives of all Americans. Again and again, foundation grants have played a key role in supporting dramatic breakthroughs in medicine and in other fields of scientific research. Hookworm, malaria, yellow fever, typhus, influenza, rabies, yaws, tuberculosis, amoebic dysentery—each of these diseases poses much less of a threat today than in the past thanks to foundation supported research. Similarly, many of the basic tools of modern scientific research, such as the oscilloscope, the electron microscope, and the laser, are the products of foundation grants.

Foundation contributions have by no means been limited to the field of science. For example, the quality of American higher education also owes much to foundation support. Early in this century foundations were instrumental in upgrading and expanding medical education in the United States. Since World War II virtually every college and university in the country has received foundation support to construct new facilities, to improve faculty salaries, and to stimulate greater public and alumni support through matching contributions. At the same time, foundation scholarship programs have made higher education affordable for many, many thousands of Americans.

Foundations have also been leaders in responding to basic human needs. Indeed, through continuing support of hospitals, schools, nursing homes, youth programs, counseling services and many other human services programs, foundations have ministered to Americans at their time of greatest need.

These are but a few of the contributions which foundations have made in the past; but they suffice to suggest the sorts of contributions they can make in the future. Further, as we consider the future role of foundations we should bear in mind that Congress has already subjected foundations to the strictest scrutiny and has taken effective action to eliminate foundation abuses. The private foundation rules, enacted as part of the Tax Reform Act of 1969, constitute a detailed, comprehensive set of safeguards on foundations. Widespread audits of foundations by the Internal Revenue Service in the decade since enactment of these rules have revealed virtually universal compliance. Thus, as we consider the importance of preserving foundations' ability to respond to human needs, we can be confident that foundation resources will in fact be used in the public interest.

PRESENT LAW AND THE EROSION OF FOUNDATION GRANT CAPABILITY

Data published in the Foundation Directory show that the real value of foundation assets, taking into account inflation, dropped almost 30 percent between 1972 and 1977. A recent survey by the Council on Foundations indicates a further decline of 11 percent from 1977 to 1979. The experience of foundations across the country indicates that a key factor in this alarming erosion of foundation grant capability is the requirement of present law that foundations distribute their entire realized income.

Present law requires foundations to distribute their entire realized income, or an amount equal to 5 percent of their investement assets—whichever is greater. This payout requirement was intended to insure that every foundation would make reasonable current distributions in support of charitable activities. However, while this basic objective remains as important as ever, dramatic changes in economic conditions have transformed the requirement that foundations distribute their entire realized income into an efficient mechanism for the forced liquidation of foundations.

The operation of this mechanism is clear. Traditionally, foundations and other endowed charities have invested a substantial part of their assets in long-term bonds and other conservative debt instruments. Indeed, both Federal and State laws regulating foundation investments have encouraged foundations to adopt this prudent investment strategy, which in today's inflationary environment offers the attractive prospect of high current yields.

However, the present payout rule requires foundations to distribute the entire income realized on such investments.

Thus, while every other class of tax exempt organization can take advantage of the high yields available on such investments to preserve their charitable purchasing power against inflation, foundations cannot. By virtue of the present payout requirement foundations enter the fight against inflation handicapped by an artificial—and wholly unintended—investment constraint.

THE SOLUTION

To remove this handicap, the bill which I am introducing today with Senator MOYNIHAN would eliminate the requirement that foundations distribute their entire realized income. I should emphasize that foundations would continue to be required to distribute an equal to at least 5 percent of the value of their investment assets. This 5-percent payout requirement reflects a reasonable expectation as to the real rate of return on foundation investments, and insures that foundations will continue to make substantial current distributions to charity.

On the other hand, this bill reflects the importance of preserving the ability of foundations to continue to respond to human needs. It will give foundations the same flexibility in working to preserve their charitable purchasing power as is currently available to all other charitable organizations. In 1969 Congress

made it absolutely clear that the payout rule was not intended to force foundations out of business. We must now reaffirm that commitment.

OTHER ISSUES

The bill addresses three other smaller issues of importance to foundations. First, foundations would not be required to meet the recordkeeping and reporting requirements if a grantee receives less than $10,000 during the year. Second, to simplify the recordkeeping necessary to keep track of descendants of their contributors so as not to violate the severe restrictions on the business relationships between a foundation and its "disqualified persons," the bill would provide that a substantial contributor's lineal descendants, other than children and grandchildren, not be treated as disqualified persons. A third change would permit foundations to rely on official Internal Revenue Service rulings recognizing the public charity status of potential grantees instead of requiring them to make their own determination for purposes of meeting the requirements for an exception to the recordkeeping rules.

The voluntary sector of our society makes irreplaceable contributions to the good of our Nation. This bill will facilitate the continuation of this important role. I urge my colleagues to give it their prompt consideration.

I ask unanimous consent that the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 464

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. AMOUNT OF REQUIRED DISTRIBUTIONS.

(a) GENERAL RULE.

(1) Paragraph (1) of section 4942(d) of the Internal Revenue Code of 1954 (defining distributable amount) is amended by striking "or the adjusted net income (whichever is higher)".

(2) Paragraph (3)(A) of section 4942(j) of the Internal Revenue Code of 1954 is amended to read as follows:

"(A) which makes qualifying distributions (within the meaning of paragraph (1) or (2) of subsection (g)) directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated—

"(i) equal to substantially all of its adjusted net income (as defined in subsection (f)), or

"(ii) if that amount exceeds substantially all of its minimum investment return (as defined in subsection (e)), equal to substantially all of its minimum investment return, and if its actual qualifying distributions (within the meaning of paragraph (1) or (2) of subsection (g)) exceed its minimum investment return, substantially all of such qualifying distributions (within the meaning of paragraph (1) or (2) of subsection (g)) are made directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated; and".

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall apply to the determination of a private foundation's distributable amount for taxable years beginning after December 31, 1980. The amendment made by subsection (a)(2) shall apply to the determination of a foundation's status as an operating foundation for taxable years beginning after December 31, 1980.

SEC. 2. TECHNICAL AND ADMINISTRATIVE AMENDMENTS.

(a) EXEMPTION OF CERTAIN SMALL GRANTS FROM EXPENDITURE RESPONSIBILITY REQUIREMENT.

(1) GENERAL RULE.—Paragraph (4) of section 4945(d) of the Internal Revenue Code of 1954 (defining taxable expenditure) is amended to read as follows:

"(4) as a grant to an organization unless—

"(A) the private foundation exercises expenditure responsibility with respect to such grant in accordance with subsection (h),

"(B) such grant is to an organization described in paragraph (1), (2), or (3) of section 509(a), or

"(C) the aggregate amount of grants made during the private foundation's taxable year by the foundation (and all other private foundations effectively controlled, directly or indirectly, by the same person or persons who control the foundation in question) to such organization does not exceed $10,000."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to grants made after December 31, 1980.

(b) DEFINITION OF FAMILY MEMBER.

(1) GENERAL RULE.—Subsection (d) of section 4946 of the Internal Revenue Code of 1954 (defining members of family) is amended to read as follows:

"(d) MEMBERS OF FAMILY.—For purposes of subsection (a)(1), the family of an individual shall include only his spouse, ancestors, children, grandchildren, and the spouses of children and grandchildren."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on January 1, 1981.

(c) RELIANCE UPON DETERMINATIONS BY THE SECRETARY.—

(1) GENERAL RULE.—Section 4946 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following subsection.

"(e) RELIANCE UPON DETERMINATION BY THE SECRETARY.—A grant by a private foundation to an organization which has been determined by the Secretary to be an organization described in paragraphs (1) and (2) of section 509(a) or in paragraph (3) of section 4942(j) shall be treated as a grant to such an organization provided that the grant or other expenditure is made prior to the earlier of the date of publication of notice by the Secretary that the organization is no longer described in paragraphs (1) or (2) of section 509(a) or in paragraph (3) of section 4942(j) or the date on which the foundation acquires actual knowledge that the organization has been notified by the Secretary of such a change in the organization's status or that the receipt of such grant will cause such a change in the organization's status."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to grants and other expenditures made after December 31, 1980.

By Mr. TOWER:

S. 467. A bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

AMENDMENT OF TRUTH IN LENDING ACT

● Mr. TOWER. Mr. President, today I am introducing a bill which is virtually identical to a bill, S. 414, which Senator CHAFEE introduced and which Senator GARN and I cosponsored. The bill amends the Truth in Lending Act to encourage cash discounts, continues a ban on credit card surcharges, and makes a technical amendment to the Truth in Lending Act. It is a noncontroversial bill and needs to be passed by February 27, 1981 in order for the ban on credit card surcharges to continue.

The only change this bill makes to S. 414 is that a new title IV is added which would extend until December 31, 1982, the time that a national bank could hold real estate where the real estate was acquired on or before December 31, 1980, and the real estate was carried on the books of the bank at a nominal value on that date.

The purpose of the change is to give Congress sufficient time to examine a law which was enacted over 100 years ago and whose irregular implementation and enforcement by the office of the Comptroller of the Currency could cause financial hardship to over 100 commercial banks across the country. The law enacted in 1864 requires commercial banks to divest within 5 years property which they might have acquired through various means. Banks were intended to be financial intermediaries and not commercial enterprises. Over the years, however, banks have acquired real estate through settlement of debts, foreclosures and other means, and have written down the value of such properties to zero or a nominal value. Therefore, the properties are carried at no risk to the shareholders of the bank or the depositors of the bank.

Over the past 50 years, various regional offices of the Office of the Comptroller of the Currency have interpreted the law differently. Many have allowed banks to continue ownership of such property if the property was carried on its books at a nominal value. Now the Comptroller has ordered all such banks to divest such propetries in light of the existing law. This has caused some hardship among several banks who have held such properties under guidance from the Comptroller's office which was opposite of the policy recently enunciated by the Comptroller.

The result of this amendment will be to maintain the status quo of affected banks until the end of 1982. By that time, the Congress will have been able to examine the policy behind the enactment of the divestiture provision which was enacted in 1864. The financial institutions industry has changed considerably since that period of time, and this and other important issues dealing with the structure of financial institutions will be the subject of hearings to be held by the Financial Institutions Subcommittee later in the year.

I am hopeful that in lieu of reporting S. 414 from the Banking Committee that this bill, which is virtually identical to S. 414, can be reported from the committee after the hearing to be held on this bill February 18, 1981.●

By Mr. THURMOND:

S. 468. A bill to amend title 38, United States Code, to expand the eligibility of former prisoners of war for certain health-care benefits provided by the Veterans' Administration, and for other purposes; to the Committee on Veterans Affairs.

EXPANDED BENEFITS FOR FORMER PRISONERS OF WAR

Mr. THURMOND. Mr. President, I rise today to introduce legislation which will provide expanded Veterans Administration medical and compensation benefits to former prisoners of war. This measure also will extend certain VA educational benefits to those U.S. military personnel recently held hostage in Iran.

Mr. President, the primary focus of this legislation is based upon several recommendations contained in a recent study conducted by the Veterans' Administration and the Department of Defense concerning the status of our former prisoners of war. This VA study was mandated by Public Law 95-479 and will be distributed to each Senator today.

This 2-year study of an estimated 100,000 living ex-POW's revealed that a significantly greater proportion of these individuals have service-connected disabilities than do other living veterans who served during the same period. The study also showed that a higher proportion of former POW's are more severely disabled than their counterparts. In short, the study reveals that the survival of the POW experience was likely to be at a significant cost to the future physical and mental health of these veterans.

Mr. President, this bill will affect the status of our former POW's in several ways.

First, the Administrator of Veterans' Affairs will be given the authority to establish an advisory committee to advise him of the continuing problems and needs of our former POW's.

Second, this legislation will reduce to 60 days the present 6-month duration of prisoner of war status for the receipt of VA compensation due to dietary deficiencies.

Third, the establishment of service-connection for psychoneurosis and psychosis for former prisoners of war regardless of when such a disability is first shown will be authorized.

Mr. President, I believe it is important that my colleagues understand the current law regarding this third element of the proposed bill. Over the years, Congress has recognized the unique hardships and deprivations suffered by prisoners of war. Therefore, certain presumptions in law apply for purposes of establishing eligibility for VA disability compensation. It is currently provided at 38 U.S.C. 312(c)(1) that any of a list of diseases caused by nutritional deficiencies suffered at any time following service separation by veterans who had been held captive during wartime will be presumed service connected. There also is a post service presumptive period for psychoses suffered by the veteran, but this is limited to 2 years following service separation, 38 U.S.C. 312(c)(2).

In the study of former POW's, the VA recommended eliminating the 2-year post service time limitation for the psychosis presumption. The VA's review of medical literature had confirmed a significantly higher incidence of psychosis among former POW's, with onsets in some cases occurring many years after service.

Fourth, this bill will authorize both inpatient and outpatient treatment on a priority basis for former POW's at VA health-care facilities.

Fifth, the proposed legislation will extend educational benefits authorized under chapter 34 of title 38 U.S.C. to those military personnel recently held hostage in Iran.

This provision will affect very few individuals, primarily the young men who enlisted after December 31, 1976. Prior to that date, personnel completing more than 180 days active duty service are eligible for chapter 34 educational benefits. Subsequent to December 31, 1976, an individual becomes eligible for VA educational benefits only if he or she contributed monthly to a special account while on active duty. It goes without saying that the ability of the former hostages to participate in this contributory program was totally nonexistent while they were held captive in Iran.

Mr. President, I urge my colleagues to study this legislation and the VA report on the status of former POW's. I believe these men are special individuals who have suffered immeasurably for our Nation, and we should assist them with their continuing physical and psychological problems.

By Mr. MATSUNAGA:

S. 469. A bill to amend the National Foundation on the Arts and Humanities Act of 1965 to provide for the office of Poet Laureate of the United States; to the Committee on Labor and Human Resources.

OFFICE OF POET LAUREATE OF THE UNITED STATES

Mr. MATSUNAGA. Mr. President, I am introducing today a bill which would amend the National Foundation on the Arts and Humanities Act of 1965 to establish the office of Poet Laureate of the United States.

The proposed poet laureate would be appointed by the President from among poets whose work reflects the qualities and attributes associated with the historical heritage, present achievements, and future potential of the United States. He or she would serve for a term of 5 years and would be compensated at a rate set by the President. I envision the office as being largely honorary with, perhaps, nominal compensation.

The United States is one of the few great nations in the world which has failed to give official recognition to its great poets. England, from which we inherited most of our cherished democratic traditions, officially created the position of poet laureate in the 17th century. However, the "unofficial" origin of the honorary position dates back to the reign of King Henry III in the 13th century. Japan and China also gave official recognition to their greatest poets long ago. In our own country, poets such as Carl Sandburg, Robert Frost, Walt Whitman, Henry Wadsworth Longfellow, Archibald MacLeish, Robert Penn Warren, Phyllis McGinley, and James Dickey have captured the American spirit in a unique and timeless way. Such contributions to our national heritage should be encouraged and stimulated. By creating the post of poet laureate, we would give the many young and relatively unknown American poets of today something to which they could aspire. We would be telling them that we value their contributions as much as those of the other builders of our Nation, such as engineers, scientists, explorers, statesmen, tradesmen, and others.

Mr. President, I hope that my bill will be given early, favorable consideration by Congress, and I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Foundation on the Arts and Humanities Act of 1965 is amended by adding at the end thereof the following new section:

"POET LAUREATE OF THE UNITED STATES

"SEC. 15. (a) There is established the Office of Poet Laureate of the United States. The Poet Laureate shall perform such duties as the President shall prescribe, but the duties so prescribed shall not impair the continuation of the creative work of the individual chosen to be Poet Laureate.

"(b) The Poet Laureate of the United States shall be appointed by the President after consideration of the recommendations of the National Council on the Arts from among poets whose works reflect the qualities and attributes associated with the historical heritage, present achievement, and future potential of the United States. The Poet Laureate shall be appointed for a term of five years, and shall receive compensation at a rate set by the President, but not to exceed sixty per centum (60%) of the salary of a Federal District Court Judge."

By Mr. MATSUNAGA:

S. 470. A bill to amend title II of the Social Security Act and chapter 2 of the Internal Revenue Code of 1954 to provide optional coverage under the social security program for householders; to the Committee on Finance.

SOCIAL SECURITY COVERAGE FOR HOMEMAKERS

Mr. MATSUNAGA. Mr. President, I am introducing today a bill which would amend the Social Security Act to provide voluntary coverage for homemakers.

The measure is similar to one which I sponsored several years ago while serving as a member of the Select Committee on Aging in the U.S. House of Representatives. As the result of a study conducted by that committee, I had an opportunity to observe at firsthand the plight of homemakers who had devoted a lifetime to the care of home and family and reached retirement age without a retirement plan of their own.

More recently, the Interdepartmental Task Force on Sex Discrimination established by President Carter identified widespread discrimination against women in pension plans of all types, including social security. A preliminary report issued by the U.S. Department of Justice in November 1978 observed that

Although American society purports to place such a high value on motherhood and

the family . . . (it) has permitted the development of a pension system which ignores (the homemaker and mother).

As a result of the task force findings, the Department of Health, Education, and Welfare will be recommending to Congress several changes in the social security system, including proposals to provide social security coverage for homemakers. The voluntary program which I propose would be a good starting point.

The intangible benefits of homemaking as a career have long been extolled by leading Americans in both the private and public sectors. It is the career of choice of many women and a small but significant number of men. Nevertheless, homemakers have never received the tangible recognition and benefits based on their own labor which have long been enjoyed by other American workers.

My bill would accomplish two objectives: First, it would assure homemakers of an adequate retirement pension, if they choose to enroll in the program. Second, it would give official recognition to homemaking as a career for the first time.

Under the bill's provisions, a homemaker could receive credit for a social security retirement pension as a "self-employed person." The benefits would be based on a 40-hour week, with earnings at the level of the hourly Federal minimum wage—now $2.90 per hour.

Mr. President, I strongly believe that the time has come to provide adequate benefits for the "silent partner" of the American worker—the homemaker. Indeed, consideration of the matter is long overdue. I trust that my bill will receive early consideration.

I request unanimous consent to have the text of the measure printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 470

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 211 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"OPTIONAL COVERAGE FOR HOUSEHOLDERS

"(h)(1) Notwithstanding any other provision of this title, for purposes of determining entitlement and the amount of any monthly benefit for any month after the month in which this section is enacted, or entitlement to and the amount of any lump-sum death payment in the case of a death occurring after such month, payable under this title on the basis of the wages and self-employment income of any individual, and for purposes of section 215(i)(3), such individual shall be deemed to have engaged in self-employment in each calendar quarter during all of which he or she was a householder (within the meaning of paragraph (2)) and with respect to which an election under section 1402(j) of the Internal Revenue Code of 1954 is applicable, and to have derived net earnings therefrom in the amount determined (with respect to the taxable year of which such quarter is a part) under paragraph (3).

"(2) For purposes of this title, an individual shall be considered as a householder (and as performing householder service) during any quarter only if such individual—

"(A) maintains or participates in the maintenance of a household and conducts or supervises its affairs, not for a wage or salary, during such quarter, and

"(B) is not less than 18 years of age at the beginning of such quarter.

"(3) The amount of the net earnings for self-employment which an individual is deemed to have derived for householder service under paragraph (1) in any taxable year, for purposes of this title, shall be the amount determined with respect to such year, under section 1402(j)(3) of the Internal Revenue Code of 1954, for purposes of contributions by such individual under chapter 2 of such Code.".

SEC. 2. Section 1402 of the Internal Revenue Code of 1954 (definitions relating to tax on self-employment income) is amended by adding at the end thereof the following new subsection:

"(j) OPTIONAL COVERAGE FOR HOUSEHOLDERS.—

"(1) IN GENERAL.—Any individual who was a householder (within the meaning of paragraph (2)) during any quarter in the taxable year may elect, in such manner and form as may be prescribed in regulations made under paragraph (6), to be covered as a self-employed individual under the insurance system established by title II of the Social Security Act with respect to householder service performed by him or her during such taxable year.

"(2) DEFINITION.—For purposes of this chapter, an individual shall be considered as a householder (and as performing householder service) during any quarter if such individual—

"(A) maintains or participates in the maintenance of a household and conducts or supervises its affairs, not for a wage or salary, during such quarter, and

"(B) is not less than 18 years of age at the beginning of such quarter.

"(3) EXTENT OF COVERAGE.—The amount of net earnings from self-employment which an individual is deemed to have derived as a householder in any taxable year by reason of an election with respect to such year under subsection (a) shall be an amount—

"(A) equal to the amount produced by multiplying 40 by the minimum hourly rate or rates currently in effect under section 6(a)(1) of the Fair Labor Standards Act of 1938 (section 206(a)(1) of title 29, United States Code), for each full week in such year any part of which falls within a quarter (within such taxable year) for which such individual is a householder (within the meaning of paragraph (2)),

"(B) reduced (but not below zero) to the extent that the inclusion of all or any part of the amount or the amount described in subparagraph (A) would not, if credited to such individual's self-employment income for such taxable year under title II of the Social Security Act, increase the number of quarters of coverage for which such individual would be credited under such title over the number of quarters for which such individual would be credited for such year under such title without regard to the election made by such individual with respect to such year under subsection (a).

"(4) ELECTION IRREVOCABLE.—Any election made by an individual under this subsection with respect to any taxable year shall be irrevocable.

"(5) REGULATIONS.—The Secretary or his delegate (in consultation with the Secretary of Health and Human Services) shall prescribe such regulations (including regulations designed to facilitate proof of householder status) as may be necessary or appropriate to carry out this section.".

SEC. 3. (a) Section 211(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"The term 'net earnings from self-employment' also includes any amount deemed under section 1402(j)(3) of the Internal Revenue Code of 1954 to have been derived by an individual as a householder.".

(b) Section 1402(a) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new paragraph:

"The term 'net earnings from self-employment' also includes any amount deemed under subsection (j)(3) to have been derived by an individual as a householder.".

SEC. 4. (a) The amendments made by this Act shall apply with respect to taxable years beginning after the date of the enactment of this Act.

(b) In the case of any individual who is entitled to a monthly insurance benefit under title II of the Social Security Act for the month in which this Act is enacted on the basis of the wages and self-employment income of a person (himself or another individual) who performs householder service within the meaning of section 211(h)(2) of the Social Security Act during one or more calendar quarters in any taxable year beginning on or before the date of the enactment of this Act, the Secretary shall upon application filed by such individual within six months after the date of the enactment of this Act (notwithstanding section 215(f)(1) of the Social Security Act) recompute the primary insurance amount of such person as provided in section 215(a) of the Social Security Act and as though the year in which this Act is enacted were the last year of the period specified in section 215(b)(2)(C) of the Social Security Act. A recomputation under this subsection shall be effective for monthly benefits beginning with benefits for the month following the month in which this Act is enacted.

(c) The requirement in section 202 (f), (g), or (h) of the Social Security Act (as in effect for the period involved) that proof of support be filed within two years after the date of the insured individual's death in order to establish eligibility for benefits, in any case where such individual would not be an insured individual without the application of section 211(h) of such Act (as added by the first section of this Act), shall be deemed to be satisfied if such proof of support is filed within the two-year period beginning on the date of the enactment of this Act (and such two-year period shall be deemed to be the applicable period prescribed for purposes of section 202(p) of the Social Security Act).

By Mr. HEFLIN:

S. 472. A bill to amend the Internal Revenue Code of 1954 to reinstate the nonbusiness deduction for State and local taxes on gasoline and other motor fuels; to the Committee on Finance.

REINSTATING DEDUCTION FOR STATE AND LOCAL TAXES ON GASOLINE

Mr. HEFLIN. Mr. President, I am introducing today a bill which will restore the tax deduction for computing Federal income taxes for State and local fuel taxes on gasoline and other motor fuels. Much has been said, Mr. President, about the need to cut taxes on American corporations and businesses in order to stimulate this country's economic recovery, and I, of course, support many of the proposals that have been discussed in recent weeks.

I too feel that economic recovery and the problem of inflation are the key problems which are facing this country today, but I think that we sometimes lose sight of the average American taxpayer and the impact of taxes on the working men and women of this country as they go about their daily activities. In my judgment, we must never forget that it is really the average American taxpayer who pays the bulk of the taxes in this country that support the important Federal programs, from aid to the elderly to national defense.

Mr. President, 1979 was the first year that the average American taxpayer was not able to deduct State and local taxes in computing his Federal income tax liability, and I, like many other Members of this body, received a great deal of mail and large amount of comment as I travel about my State about this issue. My constituents certainly feel that Congress has in effect raised their taxes by disallowing this deduction, and there has been a hue and cry throughout this country about the insidious ways that Congress increases taxes indirectly, rather than in an open and above board manner.

I just hope that as we talk about a 10-percent tax cut, as is being proposed by the new administration, that some of these cuts will inure to the benefit of the average American taxpayer.

Mr. President, as I understand it, this deduction was deleted from the Tax Code by the Revenue Act of 1978. I was not a Member of this august body at that time, but had I been here, I would have done everything within my power to make sure that this deduction was not taken away from the American taxpayers. In my judgment, the deduction is well justified and its removal by the Congress was in effect a tax increase placed upon the American taxpayers in an indirect fashion.

Mr. President, the business community of this country is allowed to deduct almost every conceivable expense as an ordinary and necessary business expense, but the working man of this country who is often forced to commute to and from work over long distances every day is not allowed to deduct the expense of operating his automobile to commute back and forth. I think that perhaps we should consider putting the working man on a more even par with the business community in this situation so that our tax laws will be seen by the average working man and woman as being more fair and equitable.

This amendment represents a step in the right direction since it would at least allow the working man who must drive long distances to and from work every day the opportunity to deduct the gasoline taxes he is required to pay in order to earn his livelihood.

Mr. President, it's my understanding that in the year 1983 alone the tax increase due to the elimination of this deduction will amount to $2.2 billion. This is $2.2 billion from the pockets of the average American taxpayer who is called upon today to pay every increasing cost for all types of fuel.

In my judgment, Mr. President, the restoration of this tax deduction will be neutral as far as fuel consumption is concerned. It merely places the law back like it was before the ill-advised action of Congress in 1978.

Mr. President, I have stated over and over on the floor of this Senate that the American taxpayers deserve a break. Americans have always believed in a fair and equitable tax system, and they do not mind paying reasonable taxes so long as they are called upon to pay only their fair share. What American taxpayers object to are paying taxes which are disproportionate and then seeing their tax dollars wasted by the Government. I think this tax deduction is fair and equitable, and I urge the Members to support my bill.

Mr. President, I ask that my bill be printed in its entirety at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 472

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 164 of the Internal Revenue Code of 1954 (relating to taxes) is amended by adding at the end thereof the following new paragraph:

"(6) State and local taxes on the sale of gasoline, diesel fuel, and other motor fuels.".

(b) The heading of paragraph (5) of section 164(b) of such code (relating to separately stated general sales taxes) is amended by adding "and gasoline taxes" after "general sales taxes".

(c) Paragraph (5) of section 164(b) of such Code (relating to separately stated general sales taxes) is amended by adding "or of any tax on the sale of gasoline, diesel fuel, or other motor fuel" after "any general sales tax".

SEC. 2. The amendments made by this Act shall apply to taxable years beginning after December 31, 1980.

By Mr. DURENBERGER (for himself and Mrs. KASSEBAUM):

S. 473. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for use of their vehicles on Government business; to the Committee on Finance.

VOLUNTEER MILEAGE DEDUCTION

Mr. DURENBERGER. Mr. President, today I am reintroducing a bill whose time has come. My bill would amend the Internal Revenue Code to provide an incentive for increased contributions of personal services to charitable organizations.

Mr. President, one of the most exciting and challenging opportunities we are going to face as a nation in the next decade is in the area of service delivery. It will also be one of the most difficult tasks, not because we lack the ability and creativity to design and encourage alternative delivery systems, but because we are not offering the right incentives. We are not sending the signals that say we trust the private sector to deliver needed public services.

Mr. President, my bill will send such a signal to the private sector.

Philanthropy, the private giving of money and labor, plays a large role in the United States. The nonprofit segment of the private sector reaches into almost every field of human interest supporting a variety of institutions such as religious organizations, health clinics, civic organizations, museums and libraries, and social service organizations such as United Ways.

Throughout my career, I have had the good fortune to be involved in a wide range of public service organizations. These opportunities have given as much to me as I hope I have to them.

I have been fortunate these past 2 years to meet, as a public servant, with numerous philanthropic organizations. These experiences have cemented my belief that the private sector is ready and willing to take on the many tasks facing us as a nation, and to provide the needed services at the national, State, local, and neighborhood levels.

I share the belief with millions of Americans that we must make a commitment to our neighbors, to our communities and to our country. In fulfilling that commitment, we must give both our time and our financial support to the extent we are able.

The goal of my bill is to recognize, at least in part, the value of the contributions of their time made by those millions of Americans and to encourage greater personal service to nonprofit charitable organizations. It is appropriate because these volunteers play an indispensable role in American life, and because private giving is essential in maintaining the level of services and benefits our nonprofit organizations provide to ultimate beneficiaries.

Numerous studies have shown that the value of a dollar given to a charitable organization is increased in value three to four times through the efforts of volunteers. When we in this country are looking for innovative ways to meet the demand and the need for public services, it is fitting that we should turn to these volunteers. In many cases, we can better accomplish our necessary social obligations without adding to the size of the Federal bureaucracy.

Year by year, Americans have given enormous sums of money and labor to support private charitable activities, but not nearly as much as was needed and could have been wisely used. Contributions have not kept up with inflation and the growing needs in human services.

One of the disincentives to the contribution of personal services is the policy of the Internal Revenue Service relating to mileage allowances. This policy provides that individuals who contribute their time and labor to charitable activities and use a personal automobile may deduct a standard mileage rate of 9 cents per mile as a contribution. Or, if they choose, they can instead deduct their actual unreimbursed expenses for gas and oil. Parking fees and tolls are deductible in either case, but depreciation, insurance, and repairs are not deductible.

Mr. President, it is my understanding that a 7-cents-per-mile figure was initially set in 1958 and was adjusted recently by 1 cent. The 7-cents-a-mile allowance figure was not realistic in 1958 and the insignificant 1-cent change hardly reflects the rate of inflation and the increase in the cost of fuel since that time.

The bill I am introducing would increase the mileage deduction to make it comparable to the allowable deduction for use of an automobile on Government business. At present this is 20 cents per mile.

Mr. President, we do not know what the potential is for the private giving of service. But, we do know that our giving will grow to meet our needs if we remove the financial disincentives now facing volunteer service.

I ask unanimous consent that the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 473

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 170 of the Internal Revenue Code of 1954 (relating to charitable deductions) is amended by redesignating subsections (h) and (i) as subsections (i) and (j), respectively, and by inserting after subsection (g) the following new subsection:

"(h) AMOUNT OF DEDUCTION FOR EXPENSES OF OPERATING A MOTOR VEHICLE.—The amount allowable as a deduction under this section with respect to expenses incurred by the taxpayer for the operation of a motor vehicle shall be equal to the amount the taxpayer would have received if the taxpayer were engaged on official business for the Government and reimbursed under section 5704 of title 5.".

(b) The amendment made by subsection (a) shall apply with respect to the operation of a motor vehicle occurring after the date of the enactment of this Act in taxable years ending after such date.

By Mr. DURENBERGER:

S. 474. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of the medical expense deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for use of their vehicles on Government business; to the Committee on Finance.

MEDICAL MILEAGE EXPENSE DEDUCTION

Mr. DURENBERGER. Mr. President, I rise today to introduce legislation that would increase the current mileage deduction for medically related trips to equal that granted Government employees.

Mr. President, I have become acutely aware of the need for economic assistance for those who have to make numerous and long trips to the hospital or clinic for medical care. My bill would help to alleviate the economic hardships faced by those whose health or the health of a loved one requires them to travel to seek medical assistance, by raising the current mileage deduction to 20 cents per mile from the current 9 cents per mile.

Mr. President, there comes a time in each of our lives or in the life of one we know and love, where medical assistance is necessary. This is especially true for those who have been stricken by cancer or other terminal diseases.

The emotional burdens on a family unit that is faced with a terminally ill family member are self-evident and need not be stated here. However, the financial burden borne by each family is second only to the distress caused by the disease itself.

In addition to medical expenses, the out-of-pocket nonmedical expenses range from between 15 to 25 percent of the family budget. These nonmedical expenses include loss of pay, transportation to different medical facilities, food and lodging while away from home, child care, special clothing and special food. The burdens also include inability to change jobs and move because of loss of medical coverage for the affected individual. Travel then becomes paramount to receiving medical attention in many instances.

In testimony given by Grace Powers Monaco, a representative of Candlelighters, an international coalition of families whose child contracts cancer. in 45 States, Canada, Australia, and Europe, before the Senate Finance Committee, on which I serve, we learned of the devastating effects upon the lives of families whose child contacts cancer. After accidents, the second leading cause of death among American children is cancer.

Although cancer is the second leading cause of death for our children, children account for only 1 percent of the population affected by cancer in this country. What this means is that specialized cancer care facilities to provide skilled treatment for children are not right around the corner. Even if a family can be assured that all its direct medical expenses are paid, the other costs I mentioned earlier are unbearable and indeed are as direct costs as the medical treatment itself.

Let us help these families and others with medically related travel by increasing the mileage deduction to a more realistic level in light of the costs of operating an automobile today.

I ask unanimous consent that the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 213 of the Internal Revenue Code of 1954 (relating to medical expense deductions) is amended by inserting after subsection (f) the following new subsection:

"(g) AMOUNT OF DEDUCTION FOR EXPENSES OF OPERATING A MOTOR VEHICLE.—The amount allowable as a deduction under this section with respect to expenses incurred by the taxpayer for the operation of a motor vehicle shall be equal to the amount the taxpayer would have received if the taxpayer were engaged on official business for the Government and reimbursed under section 5704 of title 5."

(b) The amendment made by subsection (a) shall apply with respect to the operation of a motor vehicle occurring after the date of the enactment of this Act in taxable years ending after such date.

By Mr. DURENBERGER:

S. 475. A bill to amend the Internal Revenue Code of 1954 to clarify the definition of specially defined energy property for purposes of the investment tax credit; to the Committee on Finance.

AUTOMATIC ENERGY CONTROL SYSTEM CREDIT

Mr. DURENBERGER. Mr. President, today I am introducing a bill to clarify congressional intent as to the applicability of the energy tax credit for automatic energy control systems installed in commercial buildings.

Recently, the Treasury Department in its final regulations to implement Public Law 95-618, the Energy Tax Act of 1978, failed to include automatic energy control systems installed in commercial buildings for eligibility for the energy credit for business property. Yet the Finance Committee report on the bill defined automatic energy control systems as "equipment used to control energy usage for environmental space conditioning or for manufacturing processes in ways which automatically minimize such energy usage." The committee also expressly stated that equipment installed in commercial facilities was to be eligible for the credit. The Ways and Means Committee and conference reports contained language of similar import.

To clarify the congressional intent, the bill I am introducing today substitutes the phrase "commercial activity" for "commercial process" in section 48 (l) (5) of the Internal Revenue Code. This change should make it abundantly clear that Congress intended in the 1978 legislation to include automatic energy control systems installed in commercial buildings in the section 48 credit.

The energy credit can be a powerful incentive to reduce the amount of energy used in the United States. This incentive will be greatly diminished, however, if congressional intent is not clarified. Energy saved in commercial buildings is just as important as energy saved in industrial buildings. I urge my colleagues to join me in supporting this measure.

I ask unanimous consent that the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 475

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (5) of section 48(l) of the Internal Revenue Code of 1954 (defining specially defined energy property) is amended by striking out "commercial process" and inserting in lieu thereof "commercial activity".

(b) Subparagraph (B) of section 48(l)(10) of such Code (defining existing) is amended by striking out "commercial process, such process" and inserting in lieu thereof "commercial activity, such activity".

(c) The amendments made by this section shall take effect as if included in the amendments made by subsection (b) of section 301 of the Energy Tax Act of 1978.

By Mr. HATCH (for himself, Mr. MOYNIHAN, Mr. SCHMITT, Mr. LEVIN, Mrs. KASSEBAUM, Mr. DURENBERGER, Mr. BAUCUS, Mr. WALLOP, Mr. CRANSTON, Mr. HATFIELD, Mr. BENTSEN, Mr. PACKWOOD, Mr. DECONCINI, Mr. HEFLIN and Mr. RIEGLE):

S.J. Res. 28. Joint resolution designating the week beginning March 8, 1981, as "Women's History Week"; to the Committee on the Judiciary.

WOMEN'S HISTORY WEEK

● Mr. HATCH. Mr. President, it is a pleasure for me to reintroduce for the Senate's consideration a resolution designating the week of March 8, 1981, as "Women's History Week." I offered an identical resolution during the last Congress in which I was joined by 17 of my colleagues as cosponsors. I am hopeful, Mr. President, that this resolution might receive prompt consideration and passage.

Mr. President, women have played an enormous part in the shaping of our American society, serving in roles as diverse as homemakers and soldiers. They have provided the impetus for many important social reforms and they have made individual contributions in the fields of science, education, medicine, religion, and government. Further, they have clearly led the way in establishing and leading the charities and philanthropic organizations which have greatly improved the quality of American life.

It is good that all of us remind ourselves of the great sacrifices and struggles which bought our heritage as a free and prosperous Nation. My work in preparing this resolution led me to reflect on the difficulties the women pioneers faced when they reached the great Salt Lake Valley and began the settlement and development of Utah. Salt Lake City is now among America's largest cities and is a center for commerce, culture, and recreation. It is testimony to the perseverence of yesterday's pioneer women as well as to today's women who are in the forefront of civic activities.

I urge my colleagues in the 97th Congress to join me in sponsoring this resolution and in celebrating the many significant achievements and contributions of women to our great national heritage.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the CONGRESSIONAL RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 28

Whereas American women of every race, class, and ethnic background helped found the Nation in countless recorded and unrecorded ways as servants, slaves, nurses, nuns, homemakers, industrial workers, teachers, reformers, soldiers, and pioneers;

Whereas American women have played and continue to play a critical economic, cultural, and social role in every sphere of our Nation's life by constituting a significant portion of the labor force working in and outside of the home;

Whereas American women have played a unique role throughout our history by providing the majority of the Nation's volunteer labor force and have been particularly important in the establishment of early charitable philanthropic and cultural institutions in the country;

Whereas American women of every race, class, and ethnic background served as early leaders in the forefront of every major progressive social change movement, not only to secure their own right of suffrage and equal opportunity, but also in the abolitionist movement, the emancipation movement, the industrial labor union movement, and the modern civil rights movement;

Whereas despite these contributions, the role of American women in history has been consistently overlooked and undervalued in the body of American history: Now, therefore, be it

Resolved by the the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning March 8, 1981, is designated as "Women's History Week", and the President is requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

● Mrs. KASSEBAUM. Mr. President, it is with pleasure that I join Senator HATCH as a cosponsor of a joint resolution designating the week of March 8, 1981, as "Women's History Week." As Senator HATCH has noted, it is appropriate that Congress set an example for the Nation by encouraging the appreciation of a "missing part" of our national heritage.

I have a particular interest in the role women have played in my own State of Kansas and want to take this opportunity to highlight a few of these contributions. The pragmatic women who initially settled in Kansas withstood the physical and mental rigors of a dismal, dirty, and lonely existence to help "raise an empire from the sparseness of the bare prairie."

From the early years of Kansas statehood, Kansas women actively participated in political life—notably in the temperance and populist movements. Most notorious among temperance activists in Kansas was Carry Nation, whose hatchet-wielding blitzes through Kansas taverns are well known. While never really accepted by mainstream temperance advocates, Carry Nation enjoyed the empathy of thousands of women whose own lives had been touched by uncontrolled drinking.

The temperance movement was also indirectly responsible for bestowinng on Kansas the honor of claiming the world's first woman mayor. The name of Susanna Salter, a Women's Christian Temperance Union activist, was placed on the ballot for mayor of Argonia by antitemperance pranksters. Mrs. Salter was not aware of her candidacy. Much to the surprise of all concerned, she was elected by a two-thirds majority and served—admirably, I understand—as mayor for 1 year.

In 1888, the city of Oskaloosa also made political history by electing an all-female city government. In one report of this election, headlined "The Latest Kansas Innovation," Frank Leslie's Illustrated Newspaper noted:

The previous city government was instructed for public improvement. They proved so far remiss in their duty that even the wornout sidewalks have not been repaired. The citizens tired of this inactivity and determined a change, and a radical change at that. The ticket was prepared, and the ladies asked to allow their names to stand . . . Their majority was almost two to one . . . The citizens are well pleased, and even enthusiastic, over the result.

Apparently, other Kansas cities eagerly followed this lead. In 1899, President McKinley observed that Kansas had elected more women to public offices than any other State in the Union.

Kansas women also actively participated in the populist movement. Among the most forceful populist activities was Mary Elizabeth Lease, a woman gifted with spellbinding speaking abilities. She was truly the voice of the populist movement in Kansas and throughout the country, having delivered more than 160 speeches on behalf of the party prior to the elections of 1890. Her admonition that "farmers should raise less corn and more hell" is one which has been long remembered.

The lives of countless other women also deserve to be a part of our national memory and designation of a "Women's History Week" would provide an excellent forum for filling the many gaps in our knowledge about these remarkable individuals. I urge my colleagues to join in support of this resolution.●

By Mr. HEINZ (for himself, Mr. BURDICK, Mr. RANDOLPH, Mr. SCHMITT, Mr. CHILES, and Mr. STAFFORD):

S.J. Res. 29. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with the first Sunday in June of each year as "National Garden Week"; to the Committee on the Judiciary.

NATIONAL GARDEN WEEK

● Mr. HEINZ. Mr. President, I am pleased to introduce today a joint resolution to designate the calendar week beginning with the first Sunday in June of each year as "National Garden Week."

Garden clubs play an important role in the culture of our country and their efforts deserve proper recognition. The dedication and service of more than 500,000 members of garden clubs in this country merits the support of all civic-minded individuals.

This resolution is aimed at providing support and encouragement for the activities of garden clubs across the country. I urge my colleagues to join with me in recognizing those involved in the worthy efforts of all garden clubs.

Last year, when I introduced this resolution, the text of a pamphlet issued by the National Council of State Garden Clubs entitled "A Force for Good" was entered into the RECORD, and I ask unanimous consent that it again be reprinted in full along with the text of the resolution.

There being no objection, the joint resolution and pamphlet were ordered to be printed in the RECORD, as follows:

S.J. RES 29

Whereas the gardeners of this country produce a multitude of foods for our people and enable us to export foods to other countries which are in desperate need: and

Whereas our gardeners help to preserve and foster our traditional spirit of independence and individual initiative; and

Whereas gardening instills in our people, both young and old, a greater appreciation for nature, in general, and for our beautiful land, in particular; and

Whereas such appreciation naturally leads to a greater respect and care for our environment; and

Whereas gardening, in addition to being most beneficial for our country, furnishes a pleasant and productive full- or part-time activity for a large number of our citizens; and

Whereas our gardens also yield flowers of great variety and breathtaking beauty; and

Whereas these flowers bring beauty into our lives and satisfy our esthetic needs: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation—

(1) designating the calendar week beginning with the first Sunday of June of each year as "National Garden Week"; and

(2) urging Federal, State, and local government agencies, as well as citizens and private organizations, to observe that week with educational efforts, ceremonies, and other appropriate activities which shall include the wearing of garden flowers as a symbol of our appreciation for the efforts and contributions of our gardeners.

A FORCE FOR GOOD

As has been recognized for years, any number of women, organized and dedicated . . . whether 40 or 40,000 or 500,000 . . . compose a force to be reckoned with.

And "strong force" is a proper description for the members of the over 14,000 clubs that comprise the National Council of State Garden Clubs, Inc.

While their interest and backgrounds are as diverse as their numbers, these approximately 500,000 garden club members from every state in the nation evince their strength in many areas.

They are strong in their love of gardening.

They are strong in their interest in their communities.

They are strong in their concern for the evironment.

They are strong in their desire to preserve, conserve and enhance natural resources.

They are strong in their pride of heritage.

They are strong in their conviction that through their combined efforts they can and will accomplish their goals.

This dedication and strength arises from one of the most closely knit organizations in the world . . . National Council of State Garden Clubs, Inc.

Since its beginning in 1929, National Council has grown from 13 charter state federations to a membership representing every state in the Union and one federation representing the National Capital Area. It is organized on state and regional levels, with the clubs having complete freedom and flexibility in their activities. In addition to the State Federations there are over 70,000 Junior, Intermediate and High School Gardeners. National and International Affiliates number 125 clubs. National Officers and Committee Chairmen provide leadership and ideas for the clubs. Members are given the choice of a large number of projects involving conservation, horticulture, beautification, landscape design, preservation, restoration and education.

In keeping with the philosophy on which the organization was founded, clubs—whether large or small, urban or rural—are concerned with community beautification, roadside development, good horticulture practice, litter control, environmental action, education of youth, the preservation or restoration of historic sites. Through its member services National Council provides member clubs a vast array of researched and annotated material covering these subjects. Slides, pamphlets and program ideas are available for a small fee. Books on various types of gardening, flower arranging and flower shows, landscape design, birds and other related subjects are offered at discount to members.

Through the Council's official publication, The National Gardener, members are provided information concerning the actions of the organization and well written articles on subjects relevant to its aims.

The objectives established by the founders have been retained, and as with any alive, on-going organization in a changing world, new concepts are constantly being put forth and all objectives broadened.

Members of a group with "Garden Club" in its name are obviously devoted to the pursuit of growing plants, flowers, shrubs, trees, fruits, vegetables, the landscaping of their home grounds and are concerned with the environment that affects them. Specific information on methods of growing trees, indoor gardening, improved cultivars, hydroponic and organic gardening is available from chairmen who are specialists in these methods. At this writing a committee has been appointed to develop guidelines and curriculum for a Gardening Study Course, with emphasis placed on the very highest academic standards for this new educational program. Through Landscape Design courses members have the opportunity to gain knowledge in home landscaping, as well as good land-use planning and community involvement.

Flower Show Schools are designed to interest and guide members in growing and showing beautiful horticulture specimens in flower shows and in their home grounds, as well as training them in the use of these specimens in creating artistic designs. Flower shows perform an important community service by providing the public an opportunity to see and appreciate natural and artistically created beauty.

The curriculum in flower show schools and landscape design courses are constantly updated. Bi-lingual courses in both are now offered, with a number of flower show schools having been held in Central and South America, Panama and Mexico. By request, landscape design study courses are being made available to International Affiliates.

A scholarship fund makes it possible to offer scholarships to qualified students in specified fields. In addition to those provided by the National organization, hundreds of other worthy students are being assisted through scholarships given by the state organizations.

Intensive training at Environmental Education Workshop Schools, conducted by the USDA Forest Service and co-sponsored by industry, resulted in trained leaders in every state federation who are well equipped to conduct similar workshops in their own communities.

Members are kept informed on pending legislation at local, state and national levels that affects the environment, land-use energy conservation, and other areas of interest.

Through the Civic Development committee, member clubs are encouraged to develop projects in their communities that change liabilities into assets and to influence citizens and agencies to cooperate in these efforts.

Conservation of National Resources has been one of the basic concerns of National Council since its inception. Guidelines have been formulated to assist clubs in understanding the expanded role of conservation, and they present ideas for educational enrichment and environmental action.

Efforts in the area of World Gardening are felt around the world. Among the many projects are contributions to CARE, American Kor-Asian Fund, which help developing nations improve their food production. Contributions of money for equipment, seeds, tools, trees to various countries demonstrate the concern of garden clubs for their fellow man.

This concern is also shown in Garden Therapy projects. Members devote their time, talents and efforts to bring garden-related activities to groups and individuals, young and aged, who are physically, mentally or emotionally ill or disabled. Through the program aid is given in the rehabilitation and recovery of the handicapped.

During America's Bicentennial Year, garden clubs participated in the celebration in many ways. On the national level four projects were undertaken. A college contest was held with each state submitting a college featuring the state bird, tree and flower made from natural materials. Every state was represented and the 51 colleges were displayed at National Council Headquarters in St. Louis, Missouri, during the bicentennial year, with the top winners awarded special ribbons.

Another bicentennial project was the planting of "Liberty Trees," commemorating Boston's Liberty Tree that was the rallying point for patriots during the Revolution. Millions of trees were planted on private and public grounds in parks and around government buildings.

A magnificent International Flower Show was held in Miami Beach, Florida, a first in National Council history. With a bicentennial theme, it attracted entries and visitors from all over the United States, Australia, Central and South America, Mexico, the Philippines and the Caribbean islands.

The fourth project was a comprehensive Network of Historic Trails. Work on the trails of historic significance is being done at the regional, state and local club level from the deep south to the northwest, from east to west, assuring the preservation and restoration of these trails for future generations to enjoy. It was encouraging when a bill was passed by Congress establishing a National Historic Trails System, adding permanence to the project.

Recently, National Council accepted the challenge of an ambitious program of conservation. It endorsed the program of the American Land Trust (ALT) and agreed to assist in acquiring and conserving America's significant and threatened land areas. ALT enlisted the help of The Nature Conservancy to administer the program. The major goal of ALT is to select at least one wilderness or natural land area of prime environmental importance in each of the 50 states. Every area chosen will be evaluated to insure that it is adequately protected and is large enough to retain its natural qualities for the next 200 years.

National Council President, Mrs. Vernon L. Conner, stated in her announcement of the program. "This program provides National Council members with the opportunity to make an investment in America's future, the effects of which will be felt and known for a hundred years and for generations to come." An article in The National Gardener states: "Garden club members have always been conservation minded.

"Through the years they have conducted workshops, given programs, listened to conservationists from various fields and achieved considerable success in many worthwhile conservation projects. With this opportunity to assist in a nation-wide conservation movement, 'Operation Big C', one which will cover our land like a blanket, they can help ensure for hundreds of years the safe-keeping of thousands of acres of ecosystems which would otherwise be lost for all time. This affords them an opportunity to more fully and meaningfully utilize their cumulative knowledge and experience."

The women of National Council of State Garden Clubs continue what they have been busy doing for almost half a century . . . combining their efforts to achieve a better world.

"National Council has a distinguished heritage and its members can take pride in its progress," declared Mrs. Conner. "Each decade has presented new problems, and goals have been expanded to meet the needs of each new era.

"The greatest resources of National Council are its members," continued the National Council president. "Working together, our organization's resources become significant community resources and this 'working togetherness' enables us to meet mutual commitments of service to our community, state and nation."

Truly, women of the National Council of State Garden Clubs comprise a mighty force for good.●

By Mr. RIEGLE:

S.J. Res. 30 Joint resolution to designate April 26, 1981 as "National Recognition day Day for Veterans of the Vietnam Era"; to the Committee on the Judiciary.

NATIONAL DAY OF RECOGNITION FOR VIETNAM VETERANS

● Mr. RIEGLE. Mr. President, in the atmosphere of national thanksgiving which has surrounded the recent return of our citizens who were held hostage in Iran, there is an ironic undercurrent. There are many of us who look at the Vietnam conflict and feel that the thousands of U.S. veterans who served and died there, or were crippled or blinded, or held prisoner—the thousands who have had their lives permanently altered by their service in Vietnam, have never received appropriate recognition. We have not yet come forth as a nation and adequately thanked those Vietnam veterans for their sacrifices and service to our Nation.

Moreover, many severe problems faced by the returning veterans of the Vietnam conflict have never been fully dealt with. Over 480,000 are currently unemployed; and, due to the 10-year delimiting date provision of the G.I. bill, some 60 percent of Vietnam veterans are not eligible for educational benefits under the G.I. bill. I regard the present and past treatment of our Vietnam veterans as intolerable. It is my hope that the resolution I propose today for a "National Day of Recognition" on April 26 will spark a renewed interest in our Vietnam-era veterans and an outpouring of support and understanding. It is also the purpose of my joint resolution to set in motion a week of symposia, hearings and conferences to deal openly and directly with the issues of greatest concern to Vietnam veterans.

All Americans should be proud of our Vietnam veterans—just as proud as we are of our veterans of World War I, World War II, and the Korean conflict.●

ADDITIONAL COSPONSORS

S. 10

At the request of Mr. ROTH, the Senator from Georgia (Mr. NUNN) was added as a cosponsor of S. 10, a bill to establish a Commission on More Effective Government, with the declared objective of improving the quality of Government in the United States and of restoring public confidence in Government at all levels.

S. 20

At the request of Mr. SASSER, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 20, a bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy.

S. 32

At the request of Mr. CHAFEE, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 32, a bill to grant a Federal charter to the Italian American War Veterans of the United States of America.

S. 43

At the request of Mr. SASSER, the Senator from Maine (Mr. MITCHELL), and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 43, a bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

S. 45

At the request of Mr. SASSER, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 45, a bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance.

S. 47

At the request of Mr. SCHMITT, the Senator from Oregon (Mr. HATFIELD), the Senator from Indiana (Mr. LUGAR), the Senator from Idaho (Mr. MCCLURE), the Senator from Nevada (Mr. LAXALT), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 47, a bill to amend the Immigration and Nationality Act to establish a temporary worker's visa program between the United States and Mexico.

S. 67

At the request of Mr. BUMPERS, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 67, a bill to improve and expedite the administrative process and clarify the standards for judicial review of administrative action.

S. 169

At the request of Mr. HEINZ, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 169, a bill to amend sections 169 and 103 of the Internal Revenue Code with respect to tax treatment of pollution control facilities.

S. 171

At the request of Mr. SASSER, the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of S. 171, a bill to amend the Internal Revenue Code of 1954 to reduce the tax effect known as the marriage penalty by permitting the deduction, without regard to whether deductions are itemized, of 20 percent of the earned income of the spouse whose earned income is lower than that of the other spouse.

S. 195

At the request of Mr. GOLDWATER, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 195, a bill to incorporate the U.S. Submarine Veterans of World War II.

S. 254

At the request of Mr. SCHMITT, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 254, a bill to authorize public land States to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes.

S. 312

At the request of Mr. LEVIN, the Senator from Colorado (Mr. ARMSTRONG), was added as a cosponsor of S. 312, a bill for the relief of Maria and Timofei Chmykhalov, and for Lilia, Peter, Liubov, Lidia and Augustina Vashcenko.

S. 317

At the request of Mr. BENTSEN, the Senator from North Dakota (Mr. ANDREWS), the Senator from Michigan (Mr. RIEGLE), the Senator from Kentucky (Mr. FORD), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Oklahoma (Mr. BOREN), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 317, a bill to amend the Internal Revenue Code of 1954 to provide faster tax deductions for depreciation and larger investment tax credits in order to help combat inflation and increase the U.S. position in world trade.

S. 321

At the request of Mr. BENTSEN, the Senator from Hawaii (Mr. INOUYE), the Senator from Missouri (Mr. EAGLETON), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 321, a bill to amend section 265 of the Internal Revenue Code of 1954 with respect to the deduction, by certain financial institutions, of interest paid on deposits of public funds where those deposits are secured by tax-exempt obligations.

S. 360

At the request of Mr. DURENBERGER, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 360, a bill to amend the Internal Revenue Code of 1954 to improve productivity and employment by promoting capital investment in small business, and for other purposes.

S. 396

At the request of Mr. DANFORTH, the Senator from Montana (Mr. BAUCUS), the Senator from Montana (Mr. MELCHER), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 405

At the request of Mr. DOLE, the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 405, a bill to amend title 5 of the United States Code to require Federal agencies to analyze the benefits, costs, and other adverse effects of proposed rules, to provide for judicial review of any such analysis, to provide for periodic review of agency rules, and for other purposes.

S. 415

At the request of Mr. CRANSTON, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 415, a bill to amend title 38, United States Code, to increase the maximum amount payable in Veterans' Administration specially adapted housing assistance, and for other purposes.

S. 416

At the request of Mr. CRANSTON, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 416, a bill to amend title 38, United States Code, to increase the maximum amount of the automobile assistance provided to certain severely service-connected disabled veterans, to extend eligibility for the provision of automobile adaptive equipment to certain other service-connected disabled veterans, and for other purposes.

SENATE JOINT RESOLUTION 4

At the request of Mr. BURDICK, the Senator from Hawaii (Mr. INOUYE), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Texas (Mr. BENTSEN), the Senator from Georgia (Mr. NUNN), the Senator from Iowa (Mr. JEPSEN), the Senator from Utah (Mr. GARN), the Senator from Mississippi, (Mr. COCHRAN), and the Senator from California (Mr. CRANSTON) were added as cosponsors of Senate Joint Resolution 4, a joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE JOINT RESOLUTION 12

At the request of Mr. INOUYE, the Senator from Montana (Mr. BAUCUS), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of Senate Joint Resolution 12, a joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day."

SENATE JOINT RESOLUTION 20

At the request of Mr. SASSER, the Senator from Hawaii (Mr. INOUYE), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of Senate Joint Resolution 20, a joint resolution to designate the month of April, 1981 as "Gospel Music Month."

AMENDMENT NO. 2

At the request of Mr. JEPSEN, the Senator from North Dakota (Mr. ANDREWS), the Senator from Iowa (Mr. GRASSLEY), the Senator from Connecticut (Mr. WEICKER), the Senator from Michigan (Mr. LEVIN), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of amendment No. 2 proposed to H.R. 1553, a bill to provide for a temporary increase in the public debt limit.

SENATE CONCURRENT RESOLUTION 7—CONCURRENT RESOLUTION RELATING TO THE NECESSITY OF REDUCING TAXES AND FEDERAL SPENDING

Mr. CHILES (for himself, Mr. NUNN, Mr. JOHNSTON, Mr. DECONCINI, Mr. EXON, Mr. BOREN, Mr. PRYOR, Mr. HEFLIN, Mr. BUMPERS, and Mr. SASSER) submitted the following concurrent resolution; which was considered, and, by unanimous consent, ordered to lie over under the rule:

S. CON. RES. 7

Resolved, That it is the sense of Congress that no bill to reduce Federal revenues shall take effect until the enactment of legislation to reduce currently authorized and appropriated spending programs by a sufficient amount to progressively reduce Federal outlays as a percent of the Gross National Product in the current and future fiscal years.

Remarks in connection with this concurrent resolution appear earlier in today's RECORD.

SENATE RESOLUTION 65—RESOLUTION REGARDING DRAIZE TEST

Mr. DURENBERGER (for himself, Mr. DOLE, Mr. TSONGAS, Mr. PERCY, Mr. DECONCINI, and Mr. LEVIN) submitted the following resolution; which was referred to the Committee on Environment and Public Works:

S. RES. 65

Whereas Federal regulations require the Draize rabbit eye irritancy test for predicting human ophthalmic response in pesticides and household products; and

Whereas since development of this painful test over thirty-five years ago there has been enormous scientific innovation while the Draize test remains basically unchanged; and

Whereas the reliability of the Draize test has been called into question: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Consumer Product Safety Commission, the Environmental Protection Agency, and the Food and Drug Administration set aside research time and funding to develop and validate an alternative nonanimal testing procedure.

Mr. DURENBERGER. Mr. President, for decades the Federal Government has supported animal research which benefits the health and welfare of the human race. This research is necessary and helpful. Most researchers and institutions strive to give the animals the most comfortable existence possible and understand the difference between legitimate animal research and animal cruelty. However, there is one test performed on albino rabbits which raises legitimate questions. That test is the Draize eye irritancy test, and its impact as well as its effectiveness have been increasingly questioned.

Under the auspices of the EPA and/or Consumer Product Safety Commission most of our household products, cosmetics and pesticides receive research on their safety when coming in contact with our skin and/or eyes. When one reads that a product may irritate the eyes, one can assume the Draize eye irritancy test has been performed. Presently, rabbits are placed in a cage and then harnessed so they cannot move. Drops of chemicals such as detergents, oven sprays, bleaches, cosmetics, are placed on the rabbit's eye. Records of the amount and severity of the damage to the rabbit's eye are documented. If the chemical is harsh, the animal can go blind or suffer severe ulcerations of the eye. These tests cause great pain to the animals," which are not anesthetized. The results of the test are also questionable.

Within the last few years both Government and industry have expressed concern over the use of this test. I want to encourage such concern. Last year I witnessed an episode of the television show 20/20, which featured a segment on animal breeding, tending and testing. One of the issues raised was the continued justification for the Draize test. I was embarrassed at the way Federal officials responded to questions posed by the reporter.

For example, the reporter asked why the Federal Government utilizes such a painful test, and why the animal was not given pain medication. The official responded that "No one thought of it." He said that there was no "outside pressure." Private industry has moved toward humanizing its testing procedures without such "outside pressure," and I see no reason why Government cannot do the same. But if outside pressure is required, it should certainly be provided.

The resolution I introduce today is identical to the resolution I introduced in the closing days of the 96th Congress. Since the introduction of that resolution, the Environmental Protection Agency, the Consumer Protection Agency, and the Food and Drug Administration have put a moratorium on in-house Draize testing. But while both Agencies have an in-house moratorium, they still require industries to perform the test as a condition to acceptance of their products in the consumer market. The situation has improved, but it has not improved enough.

This morning, on behalf of myself, Mr. DOLE, Mr. TSONGAS, Mr. PERCY, Mr. DECONCINI and Mr. LEVIN, I am introducing a resolution which will send a clear message to the Federal agencies involved to "commit research time and funding to study, develop, and validate alternative nonanimal testing procedures." The resources are available. Thirty-five years ago the Draize test was probably necessary and innovative. Today it is inhumane.

There are alternatives to the Draize test, and there is every reason to believe those alternatives could replace the test over a period of time. In view of the questions being raised over the accuracy of the test, there is no commercial or humanitarian reason to delay that "phasing out" process.

I am encouraged that the NIH is convening a February 18–20, 1981, conference on the development of methods to replace the Draize test. I am also pleased

to note that Ethical Treatment of Animals has acted to further the dialog on alternative testing procedures by holding a conference immediately following the NIH effort.

With the Draize test costing $500 to $700 per series for dubious results, it is imperative for public agencies and private interests to combine their efforts to develop alternatives.

Mr. President, I want to encourage my fellow Senators to join an already prestigious group of Senators and support consideration of this measure.

SENATE RESOLUTION 66—RESOLUTION DISAPPROVING THE DEFERRAL OF CERTAIN BUDGET AUTHORITY

Mr. MURKOWSKI (for himself and Mr. STEVENS) submitted the following resolution; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Energy and Natural Resources:

S. RES. 66

Resolved, that the Senate disapproves the proposed deferral of $7,960,000 of budget authority relating to the Exploration of the National Petroleum Reserve in Alaska (deferral D81–35), as set forth in the message transmitted by the President to the Congress on January 16, 1981, under section 1013 of the Impoundment Control Act of 1974.

● Mr. MURKOWSKI. Mr. President, as part of the fiscal 1981 appropriations bill for the Department of the Interior and related agencies, Congress provided for the establishment of a private leasing program in the National Petroleum Reserve in Alaska. At the same time, funds were included in the bill to continue the Federal drilling program until the private program was in place.

The Department now anticipates that the first lease sale in NPR–A will be held in December of this year. It will be the winter of 1982 before actual work is begun in the reserve by private companies.

In January, President Carter submitted a proposed deferral to the Congress relating to NPR–A. The effect of the deferral, if allowed to stand, is to terminate all Federal drilling activity in the reserve at the end of the current drilling season. The funds proposed for deferral were intended to be used for the preparation of four additional wells for drilling next year. Instead, the Department would use the money for close-out costs.

It is essential that the Federal program continue in NPR–A until the private drilling is in place. The information gained by drilling the four additional wells next year should aid the Department in selecting tracts for additional sales and should result in higher bids. Even more important is the need to omit the existing drilling rigs to the NPR–A for the private leasing program. It is difficult to obtain rigs for Arctic exploration and we fear that deferral of this money and the closing out of the exploration program will insure that the rigs are moved out of the Arctic and will be unavailable for use when private leasing occurs. There is no place in America where there is greater agreement that exploration on Federal lands should occur. It is essential that this program be continued so that private exploration can be carried out without interruption of activity.

I am, therefore, introducing a resolution on behalf of myself and Senator STEVENS disapproving the deferral of these funds.●

SENATE RESOLUTION 67—RESOLUTION APPROVING PAY RECOMMENDATIONS REGARDING MEMBERS OF CONGRESS

Mr. CHAFEE (for himself, Mr. DANFORTH, and Mr. RANDOLPH) submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 67

Resolved, That, with respect to the recommendations of the President which were transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate disapproves the recommendations for increases in rates of pay for positions described in subparagraph (A) of section 225(f) of such Act (2 U.S.C. 356(A)), relating to Members of Congress.

● Mr. CHAFEE. Mr. President, today I am introducing a resolution disapproving that part of the President's proposal pertaining to a pay increase for Members of Congress. My resolution would permit a pay raise for executive level employees, members of the Judiciary, and certain members of the legislative branch.

This resolution is identical in intent to one that I introduced on January 15, 1981, the day that President Carter's budget for fiscal year 1981—containing the proposed pay raise—was submitted to Congress. The resolution was redrafted in order to conform more closely to the format of the proposed pay increase.

I am pleased that the Senator from Missouri (Mr. DANFORTH) and the Senator from West Virginia (Mr. RANDOLPH) have joined me as cosponsors of this resolution, and I look forward to its prompt consideration.●

SENATE RESOLUTION 68—RESOLUTION APPROVING PAY RECOMMENDATIONS REGARDING POSITIONS UNDER EXECUTIVE SCHEDULE

Mr. CHAFEE (for himself, Mr. DANFORTH, and Mr. RANDOLPH) submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 68

Resolved, That, with respect to the recommendations of the President which were transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate approves the recommendations for increases in rates of pay for positions described in subparagraph (D) of section 225(f) of such Act (2 U.S.C. 356(D)), relating to certain positions under the Executive Schedule.

SENATE RESOLUTION 69—RESOLUTION APPROVING PAY RECOMMENDATIONS REGARDING CERTAIN PERSONNEL IN THE JUDICIAL BRANCH

Mr. CHAFEE (for himself, Mr. DANFORTH, and Mr. RANDOLPH) submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 69

Resolved, That, with respect to the recommendations of the President which were transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate approves the recommendations for increases in rates of pay for positions described in subparagraph (C) of section 225(f) of such Act (2 U.S.C. 356(C)), relating to certain positions in the judicial branch.

SENATE RESOLUTION 70—RESOLUTION APPROVING PAY RECOMMENDATIONS REGARDING CERTAIN POSITIONS IN THE LEGISLATIVE BRANCH

Mr. CHAFEE (for himself, Mr. DANFORTH, and Mr. RANDOLPH) submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 70

Resolved, That, with respect to the recommendations of the President which were transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate approves the recommendations for increases in rates of pay for positions described in subparagraph (B) of section 225(f) of such Act (2 U.S.C. 356(B)), relating to certain positions in the legislative branch.

AMENDMENTS SUMBITTED FOR PRINTING

EXPORT TRADING COMPANIES ACT

AMENDMENT NO. 4

(Odered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill (S. 144) to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

Mr. PROXMIRE. Mr. President, I am today introducing an amendment to the Export Trading Company Act of 1981 (S. 144) providing standards for financial institutions control of export trading companies.

This amendment would permit control of export trading companies by bank holding companies, Edge Act corporations and bankers' banks subject to the prior approval of the Federal Reserve Board. Any such banking organization controlling an export trading company would be required to show that the in-

vestment would contribute significantly to the export of goods or services with special emphasis on small, medium-size, and minority concerns; that the export trading company would operate consistent with minimizing financial risk and maintaining a separation between banking and commerce; and that export benefits outweighed adverse financial factors.

With a single regulatory agency (the Federal Reserve) administering the control provisions, and with the standards I have discussed, the risks to the banking system of bank involvement in trading companies is minimized. At the same time, banks would be permitted to become involved to a much greater extent than they have historically been permitted in the export sector.

I ask unanimous consent that the text of the amendment be printed in full in the RECORD following my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

S. 144

Beginning on page 10, line 11, strike out all through page 16, line 21 and insert in lieu thereof the following:

(b)(1) Notwithstanding any prohibition, restriction, limitation, condition, or requirement of any law applicable only to banking organizations, a banking organization, subject to the limitations of subsection (c) and this subsection and the procedures of this subsection, may invest directly or indirectly in the aggregate, not to exceed 5 per centum of its consolidated capital and surplus (25 per centum in the case of an Edge Act Corporation or Agreement Corporation not engaged in banking) in the voting stock or other evidence of ownership of one or more export trading companies.

(2)(A) A banking organization may—

(i) invest directly or indirectly not more than an aggregate amount of $10,000,000 in one or more export trading companies without the prior approval of the appropriate Federal banking agency; and

(ii) invest directly or indirectly an aggregate amount in excess of $10,000,000 in one or more export trading companies only with the prior approval of the appropriate Federal banking agency.

(B) Any banking organization which makes an investment under authority of subparagraph (A)(i) shall promptly notify the appropriate Federal banking agency of such investment and shall file reports on such investment as such agency may require.

(C) The following limitations shall apply to export trading companies whose shares are held by one or more banking organizations and to the banking organizations holding such shares:

(1) Except as provided in subsection (d), no banking organization may acquire 20 per centum or more of the voting stock or otherwise control an export trading company.

(2) Except as provided in subsection (d), no banking organization may acquire voting stock of an export trading company if such acquisition would result in 50 per centum or more of the voting stock of the export trading company being owned by banking organizations.

(3) The name of an export trading company shall not be similar in any respect to that of a banking organization that owns its shares.

(4) At any point in time, the total dollar amount of the direct and indirect investments by a banking organization in an export trading company combined with extensions of credit to such export trading company by the banking organization and its direct and indirect subsidiaries shall not exceed 10 per centum of the banking organization's capital and surplus.

(5) A banking organization that owns any voting stock of an export trading company shall divest such stock if the export trading company takes a position in commodities or commodities contracts, in securities, or in foreign exchange, other than as may be necessary to facilitate export transactions.

(6) No banking organization holding voting stock or other evidences of ownership of any export trading company may extend credit or cause any affiliate to extend credit to such export trading company or to its customers on terms more favorable than those afforded similar borrowers in similar circumstances, and such extension of credit shall not involve more than the normal risk of repayment or present other unfavorable features.

(d)(1) With the prior approval of the Board of Governors of the Federal Reserve System, but subject to the limitations contained in subsections (b)(1) and (c), a bank holding company, bankers' bank, or an Edge Act Corporation may—

(A) acquire 20 per centum or more of the voting stock or otherwise control an export trading company; and

(B) acquire voting stock of an export trading company if such acquisition would result in 50 per centum or more of the voting stock of the export trading company being owned by banking organizations.

(2) The Board of Governors of the Federal Reserve System shall not approve an application under this subsection unless it determines on the basis of the record that—

(A) such investment would contribute significantly to the export of goods or services with special emphasis on small, medium-size, and minority concerns; and

(B) the export trading company agrees to and will operate consistent with minimizing the financial risk of the investing bank holding company, bankers' bank, or Edge Act Corporation or any bank affiliated with such investing bank holding company, bankers' bank, or investing Edge Act Corporation and with maintaining a separation between banking and commerce.

(3) The Board of Governors of the Federal Reserve System, upon receiving an application under this subsection, shall provide a copy to the appropriate Federal and State banking agency of the affiliate banks of the bank holding company and shall consult such agencies before taking final action on the application.

(e)(1)(A) In the case of every application under this section, the appropriate Federal banking agency shall take into consideration—

(i) the financial and managerial resources, competitive situation, and future prospects of the banking organization and export trading company involved;

(ii) the benefits of the proposal to United States business, industrial, and agricultural concerns; and

(iii) the benefits to be derived from improving the competitiveness of United States exports in world markets.

(B) The appropriate Federal banking agency may not approve any investment for which an application has been filed under this section unless it finds that there are significant export benefits and that such benefits clearly outweigh, in the public interest, any adverse financial, managerial, competitive, or other banking factors associated with the investment involved.

(C) Any disapproval order issued under this section shall contain a statement of the reasons for such disapproval.

(2) In approving any application submitted under this section, the appropriate Federal banking agency may impose such conditions by regulation or otherwise as it deems necessary, considering the circumstances of the investment involved—

(A) to limit the banking organization's financial exposure to an export trading company including establishing inventory to capital ratios, based on the capital of the export trading company, for those circumstances in which the export trading company may bear a risk on inventory held; and

(B) to prevent—

(i) connicts of interest;

(ii) unsafe or unsound banking practices;

(iii) undue concentration of resources; and

(iv) decreased or unfair competition.

(3)(A) In imposing conditions under paragraph (2), the appropriate Federal banking agency shall give due consideration to—

(i) the size of the banking organization and export trading company involved;

(ii) the degree of investment and other support to be provided by the banking organization to the export trading company; and

(iii) the financial strength and management of other investors in the export trading company.

(B) The appropriate Federal banking agency shall not impose any conditions under paragraph (2) which unnecesarily disadvantage, restrict, or limit export trading companies in competing in world markets or in achieving the purposes of section 2 of this Act.

On page 17, line 22, strike out "(e)" and insert in lieu thereof "(f)".

On page 18, lines 14 and 15, strike out "Except for violations of subsection (b)(3) of this section, the" and insert in lieu thereof "The".

On page 19, line 1, strike out "(f)" and insert in lieu thereof "(g)".

On page 19, line 14, strike out "(g)" and insert in lieu thereof "(h)".

NOTICES OF HEARINGS

APPROPRIATIONS SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

Mr. MCCLURE. Mr. President, the hearing schedule for the Appropriations Subcommittee on the Department of Interior and Related Agencies has been finalized. In order to apprise interested parties of the hearing dates, I ask unanimous consent that the schedule in its entirety be printed in the RECORD at this point.

There being no objection, the schedule was ordered to be printed in the RECORD, as follows:

1981 HEARING SCHEDULE—SENATE SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES

Room 1224, Feb. 19.—Outside witnesses: Indian Programs;

Room 1224, Feb. 25.—Museum Services: Indian Education; and

Room 1224, Feb. 26.—Woodrow Wilson, National Capital Planning Commission, Navajo-Hopi.

Room 1318, Mar. 3.—Fish and Wildlife Service;

Room 1318, Mar. 4.—Office of Water Research and Technology/Holocaust Memorial Commission/Advisory Council on Historic Preservation;

Room 1318, Mar. 10.—Indian Health Service, Bureau of Land Management;

Room 1114, Mar. 12.—Heritage Conservation and Recreation Service;

Room 1114, Mar. 25.—DOE: Alternative Fuels, Economic Regulatory Administration; and

Room 1114, Mar. 26.—Outside witnesses: non-Indian.

Room 1114, Apr. 1.—Bureau of Indian Affairs;

Room 1114, Apr. 2.—Office of Surface Mining, Smithsonian Institution;

Room 1114, Apr. 8.—Secretary of Interior, Office of the Secretary, Solicitor;

Room 1114, Apr. 9.—DOE: Strategic Petroleum Reserve, Energy Information Administration, Naval Petroleum Reserves;

Room 1114, Apr. 21.—Forest Service, Federal Inspector for the Alaska Pipeline, Pennsylvania Avenue Development Corporation;

Room 1114, Apr. 22.—Secretary of Energy;

Room 1114, Apr. 28.—National Endowment for the Arts, National Endowment for the Humanities; and

Room 1114, Apr. 30.—National Park Service.

Room 1223, May 6.—Congressional witnesses, Geological Survey;

Room 1223, May 7.—DOE: Conservation, Fossil;

Room 1223, May 13.—Fine Arts Commission, National Gallery of Art, Bureau of Mines; and

Room 1223, May 14.—Territorial Affairs.

All hearings will begin at 9:00 a.m.

SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY

Mr. MATHIAS. Mr. President, the Subcommittee on International Economic Policy of the Committee on Foreign Relations, which I chair and on which Senator DODD of Connecticut is the ranking minority member will hold oversight hearings on Wednesday, February 25 and Friday, February 27 on "The U.S. Stake in the Global Economy: Issues in Relations with Developing Countries." The purpose of the hearings is to examine U.S. interests in the developing countries and to consider alternative strategies to advance U.S. interests.

The hearings will include panels on the following subjects:

First, implications for the United States of the Increasing Foreign Debt of Developing Countries.

Second, strategic Implications of the Mineral Resources of Developing Countries.

Third, prospects for Increasing Renewable Energy Resources and Energy Conservation in Developing Countries.

Fourth, the economic implications of Developing Countries' Population Growth and Migration Patterns.

Fifth, alternative Strategies for the United States in the Global Economy.

The hearings will be held in Room 4221 of the Dirksen Senate Office Building, beginning at 10 a.m. each day. Persons interested in testifying or desiring additional information about the hearings may contact the following staff members: Bob Russell (202) 224-4651; Janice O'Connell (202) 224-7523; Gerry Connolly (202) 224-7523.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. COHEN. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of an open business meeting before the Senate Select Committee on Indian Affairs.

An open business meeting is scheduled for February 17, 1981 beginning at 11 am., in Room 424 of the Russell Senate Office Building. The committee will consider proposed changes in the rules of the Committee.

For further information regarding the business meeting, you may wish to contact Timothy Woodcock of the committee staff on 224-2251.

ADDITIONAL STATEMENTS

A TRIBUTE TO GALLANT AMERICANS—VICTIMS OF THE TEHRAN FIASCO

● Mr. HEFLIN. Mr. President, I would like to share with the Members of the Senate and the readers of the CONGRESSIONAL RECORD a poem entitled "A Tribute to Gallant Americans—Victims of the Teheran Fiasco." This poem was written by my friend, Rubin Morris Hanan of Montgomery, Ala. Mr. Hanan is one of America's great citizens. His life has exemplified the finest elements of American citizenship. I ask that it be printed in the RECORD.

The poem follows:

A TRIBUTE TO GALLANT AMERICANS—VICTIMS OF THE TEHERAN FIASCO

(By Rubin Morris Hanan)

O my friends, my gallant friends,
My cousins through gyneological feelings,
For you too were tortured like your Jewish
Brothers, o fifty-two gallant friends!

I felt with you from cell to cell
Within the confines of your embassy,
A four-hundred-and-forty-four-day night,
Only to return to a bright American light!

O my friends, my gallant friends,
Your ordeal has been heard from brave man
To brave woman, from sobs of pain, and
Now the joy of shared and beautiful freedom!

We love you, o friends, our cries
Are choked through history, the gentile and
The Jew, torn away from companions just as
You in that awful, terrible Iranian night!

Your life, like the Jew who survived the
Holocaust, will shine brighter now, but you
Will always remember, and keep your word
Within your lovely souls, o children!

Even the grass and trees are moved,
Touched by your human heart, the
Belief in your marvelous love,
Your agony turns to brilliant freedom!

We all love you like the drops of rain
Falling from the sky onto the earth,
Fifty-two beautiful drops to make a
People unite in its very thirst!

Your prison has turned to heroism,
Because you are brave, because you
Believe, and the torture will turn
To love and hope and courage and patriotism!

God bless America! ●

FEDERAL ESTATE AND GIFT TAX

● Mr. RIEGLE. Mr. President, yesterday, Senator EAGLETON and I introduced S. 392, which will reform the Federal Estate and Gift Tax. Several proposals of this nature have been advanced in recent years, in fact my distinguished colleagues Senators WALLOP, BOREN, and others, introduced separate legislation dealing with this problem. Last Congress, Senator Nelson developed the concept embodied in this legislation that will bring substantive relief to thousands of farms and small businesses; who all too frequently must sell their assets to pay exorbitant estate taxes.

The main components of this legislation are:

(1) An increase in the estate tax exemption from the current $175,000 to $600,000;

(2) A simplification of the special use valuation rules for family farms and businesses. This change will benefit the elderly, disabled, and minors;

(3) An increase in the amount that gifts may be given to relatives tax-free from the current amount of $3,000 to $6,000;

(4) A repeal of the "widows tax." This has been especially burdensome to people who wish to transfer the estate to their spouses; and

(5) A widening and reduction in the estate tax brackets.

I have found farmers in my State almost unanimous in their opinion that the estate tax situation is the single largest factor in the breakup of farms that have been run by one family for three or four generations. Small business people have expressed similar concerns, especially as a business grows in value over time and the worries increase over how the large Federal estate tax liability will be paid by heirs.

Land values have risen dramatically in recent years, and farmers are under terrific pressures to sell their holdings to real estate speculators. The existence of a heavy real estate tax only serves to increase this pressure, and results in the loss of productive farmland to developers.

I am confident that this Congress will enact estate tax reform. Although several approaches have been suggested, including mine and the legislation sponsored by Mr. WALLOP, I find a consensus on the basic criteria for these changes. I feel strongly that the farmers and small business people of the country want estate tax reform, and I urge that we incorporate this into any general tax reduction plans that we adopt.●

THE HOUSEMAN MEMORANDUM—LEGAL SERVICES CORPORATION

● Mr. MCCLURE. Mr. President, I have recently come into possession of an extraordinary memorandum written by Alan W. Houseman, the Director of the Legal Service Corporation's research institute.

That memorandum, sent in violation of 18 U.S.C. 1913 and 42 U.S.C. 2996f(a)(5), lays out a comprehensive legislative strategy for thwarting those Senators or members of the administration who oppose maintenance and growth of current levels of Legal Services funding.

In violation of 42 U.S.C. 2996f(b)(5), the memorandum lays out strategy for insuring continuation of "aggressive advocacy (that is, advocacy which utilizes the full scope of representation including legislative and administrative representation, litigation and community education: * * * and advocacy which is not restricted in what defendants can be sued, for example, Government entities)." Current Federal law prohibits

support for "training programs advocating particular public policies or encouring political activities."

The memorandum specifically attacks President Reagan's position on Legal Services, together with Members of the Senate whom it characterizes as "far right."

Mr. President, I ask that the Houseman memorandum be printed in the RECORD.

The memorandum follows:

LEGAL SERVICES CORPORATION

DECEMBER 29, 1980.

To State Coordinators and Other Interested Parties, January 5, 1980

From Alan W. Houseman

Subject Summary of our Overall Activities, Strategy and Perspective

To assure that there is full knowledge among all critical actors in the effort we are undertaking to preserve aggressive legal services, I have prepared this summary of our activities, strategy and perspectives. Much of this comes from the oral remarks that have been given at the Regional Meetings and will not be new to most of you. Most of this information has been and will be supplemented in more detailed ways.

OVERALL PERSPECTIVE

Today we face a severe threat to the continuation and growth of aggressive legal services. At stake is the survival of the legal services movement. By that I mean:

Survival of committed, aggressive and political staff whether they are lawyers, paralegals, support staff or other advocates;

Survival of aggressive advocacy, (i.e., advocacy which utilizes the full scope of representation including legislative and administrative representation, litigation and community education; advocacy which seeks all possible remedies; and advocacy which is not restricted in what defendants can be sued, e.g., government entities); and

Survival of client involvement and control.

All three of these are essential to the legal services movement. All three of these are under attack and must be pressured and strengthened.

Far more is at stake than the survival of Legal Services. Many social benefit and entitlement programs that have developed during the 60's and 70's to provide concrete benefits to poor people are threatened. As we proceed in our fight, we must take all the steps necessary at national, local or state levels to assure the continuation of other social benefit and entitlement programs. It is essential that we join with others in preventing cutbacks in these programs, and preventing changes in other federal policies, such as affirmative action, which are essential to the continued development of poor people and minorities in this country. At no time must we let our own concerns override the more basic concerns of poor people.

BASIC PRINCIPLES

It is useful to repeat the basic principles which guide the actions that will be collectively taken to preserve legal services.

1. Using all methods of counseling and representation, legal services exists to provide highest quality legal services to all those unable to afford legal assistance in a manner which best enables poor people to assert their rights and interests and effect change in ways that they themselves choose.

2. LSC and the legal services community will continue to emphasize utilization of program resources in a manner that has the greatest impact on the largest number of poor people.

3. Legal Services must be accountable to the low-income community in program governance, allocation of limited resources, and addressing the most pressing legal problems of a particular local community.

4. The staff attorney system of delivery is essential to effective legal services and will remain the core of our delivery system.

5. LSC and the legal services community will resist any and all efforts to dismantle effective, existing programs. We will never compromise the basic values and structures of this program and we will continue to resist efforts that would impose restrictions or undermine aggressive advocacy for poor people.

SCOPE OF POTENTIAL THREAT

We will certainly face serious efforts by opponents of aggressive legal services to:

(1) Appoint members to the LSC Board who are not supportive or even hostile to aggressive legal services and the staff attorney system. Currently five terms are up; in June, the additional six positions will be up for nomination.

(2) Add additional restrictions on the types of representation (legislative and administrative advocacy), on types of cases (aliens, education, abortion, suits against government entities), or on attorney fees, support and training.

(3) Reduce our appropriations and/or earmark existing or new funds.

(4) Increase control of legal services staff and advocacy through a hostile bureaucracy, through political pressure from Congress, or through local and state government.

(5) Substantially alter our current delivery system and reallocate current resources to judicare and other private attorney models of delivery.

(6) Increase the role of local and state governments in funding and overseeing legal services delivery.

There will also be attempts by the "far right" to dismantle or eliminate the legal services program. These proposals have surfaced during the transition and will also arise during consideration of our reauthorization in 1981.

We can not now predict what efforts will be made, by who and their timing to restrict or dismantle legal services. There are many possible scenarios that may develop both in the short and long run. What we are doing is to plan for every possible development.

POLITICAL SITUATION

We have a new administration headed by a President who has historically shown hostility to Legal Services. While Governor of California, President-elect Reagan attempted to veto and dismantle California Rural Legal Assistance. He also sought to impose additional controls on aggressive advocacy by Legal Services attorneys.

In the only public statement (in the American Bar Association Journal), the President-elect gave great deference to the pro bono efforts of private attorneys and called for an evaluation of the Legal Services Corporation to ensure "that it is serving the purpose for which it was intended." He went on to say: "Such a program should not be used to fund, at taxpayers expense, suits which are in reality attempts to force a judicial resolution of political and public policy issues properly left to the elective branch through its representatives in Congress . . . I would also like to explore possible alternatives to the monolithic federal approach to the legal problems of the poor. I believe there is room for increased activity on the part of local government and local bar associations."

Some of President-elect Reagan's senior advisers and key cabinet members are people who may not be particularly supportive of legal services and who lack understanding of our program.

We face a much more conservative Senate which is now controlled by Republicans and southern Democrats. Many of the newly elected Senators are ideologically opposed to legal services. While we have some strong support in the Senate Committee on Labor and Human Resources, we face severe problems with the entire Senate.

While the House is still in Democratic control, it is much more conservative. Many believe there is now a majority of conservatives in the House which can block most liberal legislation. Although, our committee will remain supportive, we will continue to face, as we have in the past, severe problems on the floor.

The American Bar Association, though remaining steadfast in support of aggressive legal services, has moved to introduce legislation seeking to mandate the involvement of private attorneys in the delivery of legal services. We must not let this development affect their support for effective, aggressive advocacy.

Many of our allies are themselves politically weakened. Moreover, the organizations from which we traditionally received support have not yet made the survival of legal services a high priority. We may not have reached out sufficiently to other potential allies whether on a national or local level.

We have lost the support of large numbers of clients and poor people. Client involvement and control has not become a reality in most programs. Client organizations both on a local and national level have few resources to effectively advocate continuation of legal services.

We are not prepared for battle. We are not effectively united. The Legal Services Corporation has not had to face a major political crisis since its inception. The Legal Services Community has not had to face a political crisis of this severity since 1973. There are many new people in Legal Services. Some may not share the values of the community's leadership. Some may not be willing to take political risks to preserve aggressive advocacy.

On the other hand, we do not start from a position of weakness. We are stronger and more geographically diverse than ever before. We have able and committed staff working in programs throughout the country.

The Legal Services Corporation is an independent entity. Many people on the Hill, in the administration and the press perceive LSC to be an efficient and well run institution.

We have more resources to devote to this effort than we have had in the past. We are more sophisticated politically at both national and local levels.

WHAT WE ARE DOING TO WAGE THIS BATTLE

First, we are attempting to unite and join together in this struggle. We have formed a coalition with PAG, the National Clients Counsel (NCC), NLADA, the National Organization of Legal Services Workers (NOLSW) and the Minority Caucus. It will be expanding to include others from within the legal services community, such as National Association of Indian Legal Services (NAILS), migrant farm workers group, women's caucus, Organization Legal Services Backup Centers (OLSBUC), state support and others. It will also expand to include organizations who are allies and supporters of legal services.

The coalition members will be forming an outside entity to lobby and coordinate survival activities on behalf of the legal services community. This entity will be established soon and will begin to function early in 1981.

Second, we are expanding and strengthening our state coordination network. This is essential in order to assure effective communications within the community and for our congressional efforts.

Third, we are seeking to diversify and strengthen the base of local and state programs. It is essential to broaden the base. In the short run, a strong local political base will be critical if we are to successfully obtain support from Congress for the continuation of an aggressive legal services program. Effective lobbying in Washington will require local programs to establish credibility and a base in their communities and to develop allies who can and will assist them in persuading their Congressmen and Senators to support legal services. In the long run, a strong local base will be necessary to survive possible efforts at local and state control through block grants or private bar control.

These plans involve a series of regional meetings that will attempt to help programs identify how to shore up and strengthen their base of support including support from the private bar, increased support from organizations that can be effective allies, effective use of the media and improved relations with Congressional offices. In addition to the meetings, there will be technical assistance, training and other assistance available to local programs.

Fourth, we are strengthening our base of support nationally by developing closer ties and better relationships with Civil Rights, labor, elderly, consumer and many other organizations and individuals who have been allied with us in the past. We are also reaching out to new organizations as well to develop alliances and obtain support. Because legal services is only one of many issues with which these organizations are concerned, the National Support Centers and others will be joining with these organizations in common efforts to prevent benefit program reductions.

Fifth, we are addressing short-term issues that require immediate action. Through the National Legal Aid and Defender Association the coalition has identified potential nominees for the LSC Board of Directors who are supportive of legal services but also acceptable to the Reagan Administration. In addition, we are working to acquaint key people in the Reagan Administration and in Congress (including the new Senate leadership) with our program, its independence, and its achievements. We are shoring up and strengthening the support we have among some members of the Reagan team. We are identifying those who can influence members of the transition teams and the appointees of the new administration.

Sixth, we are taking steps to protect programs and our overall delivery system. We will address basic bureaucratic and programmatic vulnerabilities that have been identified by GAO reports and by others. We are also reviewing our entire support structure to make sure it is sufficiently insulated from political pressure and can function effectively in the future.

Seventh, we will be increasing the Washington lobbying efforts of the Corporation and our organizations. NLADA, for example, has hired a full-time experienced lobbyist to work on legal services and other matters. The new entity being formed will substantially expand our lobbying capacity.

Eighth, we are developing an affirmative legislative strategy to deal with the difficult situations we face in the next session of Congress with regard to both appropriations and reauthorization.

This year it will be necessary for us to get our reauthorization through Congress. The Senate will not approve our appropriations without a reauthorization. We will also need to work again with the Budget Committees in the House and Senate. Last year, the budget process played a major role in getting priorities on substantive legislation as well as appropriation levels. Finally, confirmation in the Senate of LSC Board nominees may require some efforts by the legal services community.

Although an affirmative political strategy has not yet been fully dveloped, it will include at least the following components:

1. Selling the merits of legal services to Congress, media and others at the local, state and national level. Much of this will be done by local people and local programs.

2. Developing a broad range of support from a wide sector of groups and organizations and making it in the interest of these groups for legal services to continue without restrictions. This will require effective work at a local, state and national level by legal services programs around the substantive issues affecting the members of the groups and organizations from which we seek support.

3. Improving our relationships with the private bar. We are developing a concrete partnership with the American Bar Association and other bar associations to preserve and expand legal services. This will require full implementation of the Delivery System Study Policy Report and increased involvement of private lawyers in the delivery of legal services. As part of our strategy we are seeking increased funds for expansion in the Fiscal Year 1982 Budget request. By seeking funds from Congress, we believe we can obtain support for the maintenance and expansion of existing programs and prevent mandates in the Legal Services Corporation Act that would reallocate current resources.

4. Developing an affirmative response to Congressional efforts to impose restrictions on legislative representation and other limitations on the scope of representation to be provided to our clients.

To develop this affirmative strategy we are preparing at least two background papers for circulation and discussion. John Dooley is preparing a paper discussing the private bar issues and options to address them. We are also preparing a paper analyzing possible options to prevent legislative representation restrictions. We will be meeting with a number of people to discuss each of these issues and will be holding strategy discussions with the coalition members in early January.

In considering our affirmative strategy we are meeting with many advocates who are experienced in political and legislative strategy in Washington. We are seeking their views on how to take the initiative, how to best use the private bar issue and how to prevent restrictions on case types or the scope of representation.

Regardless of our efforts in Washington, an affirmative legislative strategy is dependent upon effective relations on a local level with congressional offices, with state and local bar associations, and with organizations and individuals who are potential supporters and allies.

WHAT MUST BE DONE

Each legal services program must undertake the following:

1. Develop a specific action plan at state and sub-state levels. This plan should detail how each state will seek to maintain and improve or develop Congressional relations, relations with local and state bar associations, relations with allies and supporters, and relations with local and state governmental entities. The plan must also discuss efforts to develop and improve media relations and develop new media contacts. Finally, the plan should specifically include concrete steps to maintain, improve and/or develop meaningful relations with poor people's organizations.

Many states have already developed such plans. Others are beginning to do so and will be completing the plans at the regional meetings.

These plans will require every program to shift program resources to undertake the efforts outlined in the plan and to change the priorities and work of project directors and staff.

2. Appoint a program coordinator or coordinators who will have overall responsibility for coordinating the implementation of the state and sub-state plans and assuring that all survival activities are carried out.

3. Develop timely and effective communications with the state coordinator. The state must assure that the coordinators have adequate staff and a means of communicating effectively and in a timely manner with all programs.

4. Develop effective internal communications networks that assure all staff with adequate and timely information about developments nationally and within state and local areas.

5. Continue to identify people who have contacts with officials of the Reagan Administration. State Coordinators and relevant Washington actors should be informed of these contacts. Please make sure I am informed of these contacts.

6. Continue to identify potential Board nominees who are supportive of legal services and yet potentially acceptable to a Reagan Administration. Names of potential nominees should be sent to Howard Eisenberg at NLADA.

7. Analyze new members of Congress from your area and review all old members of Congress. What is needed is carefully compiled information about all members of Congress. This includes: attitudes, public statements and prior voting records toward legal services and other social benefit programs; their supporters and major contributors from within the bar and general community; possible contacts with their supporters; and their political base in the district or state. This information should be sent to the state coordinator and Office of Government Relations. OGR will develop an analysis of each Congressional person and office. The completed analysis will be sent to each state and program coordinator. The analysis will also include such information as prior Congressional voting records on legal services, positions on other poor people's issues, committee assignments, names and background of key staff, and which members influence this member.

The difficulties we will face now and during the next few years will require sacrifice and discipline by LSC and program staff. Among other things:

1. We must start taking this effort very seriously if we are to succeed.

2. When program coordinators are asked to do something by the state coordinator, by LSC or members of the coalition, they must act responsibly and without delay to see that the tasks are done or that we are immediately informed that they can be done so that we can take the necessary actions to see that they are done.

3. This is the time to act and act quickly to organize within each state and local program to shore up and strengthen the base of political support.

4. Coordinated activity is important. This is not a time to act totally independent of the effort that is being initiated. Project directors and staff will have many good ideas, practical suggestions, intelligence and experience to share with national actors and with other programmatic people. It is important to work together and keep in touch.

COALITION BUILDING

A critical means of strengthening the local political base is to develop coalitions and working relationships with local organizations and individuals who would see it in their interest to assure the continuation of an aggressive legal services program.

Effective coalitions and working relationships will involve programs assisting these groups and organizations in concrete ways. Merely acting in concert or seeking assistance will not be sufficient. The local program must actually assist groups, individuals and coalition members so that they have a real stake in the survival of the legal services program. The legal services program must become an integral part of their activities.

Usually coalitions and working relationships will evolve out of common work on substantive issues. Legal services should seek out others in the community who may be involved on similar issues of concern to the program and client community. They should also seek to participate in activities by others that affect issues and problems of the client community.

There are a variety of others with whom local programs can develop relationships. Some are involved in advocacy for the poor (such as Community Action Programs); some are involved in services for the poor. Many are involved in common issues which affect both the poor and the members of the groups. (e.g., unions and food stamps; Associations of Retarded Persons and special education; elderly organizations, etc.) Many are involved directly in advocacy for populations which include the poor (civil rights, etc.).

In developing working relationships and coalitions on substantive issues, legal services programs and staff should not forget their principal role as advocates for the poor. The point of developing working relationships and coalitions is to strengthen the power of poor people not to shift the program toward a different population. Legal services should not be viewed as compromising the interests of poor people for its own survival or for the broader good of the coalition. Moreover, legal services should seek to involve poor people directly in the coalitions and bridge relationships between poor people and individuals and organizations with common interests or issues.

THE BROADER PICTURE—THE NEEDS OF OUR CLIENTS

The struggle for survival of aggressive legal services should never be perceived by us to be a higher priority than the struggles that poor people will face during the next several years as this new administration and Congress attempt to curtail social benefit and entitlement programs and civil rights activities. We must not under any circumstances stop using most of our resources and most of our energies to continue providing aggressive impact advocacy to improve the lives and power of poor people.

Moreover, we must take immediate steps to develop effective efforts within each state and on a national level to preserve the gains won by poor people and their advocates during the last 15 years. And we must continue to strive to increase social benefits, improve housing and health care, prevent arbitrary private and public actions, improve job and educational opportunities, and eliminate discrimination.

This will require targeting increased resources on substantive issues which will arise on a national and state level: development of more effective national and state networks of staff, clients and other advocates and allies; improved communications to each state about national developments and within each state about national, state and local developments; strengthening our capacity for legislative and administrative advocacy; and developing more effective strategies that use all of the tools available including more effective use of litigation as well as community education, legislative and administrative representation, networking and coalition building.

Working with national and state support projects, we are strengthening current efforts and developing new approaches that will assist local and state programs in undertaking these critically important activities for survival of poor people's basic needs. Although there are different networks that will be used to work directly on these "substantive" activities, (i.e., the substantive networks that have developed through national and state support projects), we will keep all state coordinators informed of national substantive developments.

Thus, as we enter this struggle for our survival, we must never forget that the purpose of our effort and the shift of some resources to our survival is not to save ourselves (or our jobs), not to save our current ways of doing things or even our current structures for that matter. Instead, the purpose of our efforts is to preserve for poor people a force that they can call upon to use to improve their economic and social well-being.●

VETERANS' ADMINISTRATION AGENT ORANGE STUDY

● Mr. CRANSTON. Mr. President, on Monday, February 2, the Comptroller General issued a final decision in the matter of a formal protest filed with respect to the Veterans' Administration's attempt to procure expertise from outside the agency to design a protocol for an epidemiological study of the possible long-term health effects of exposure to agent orange. As many of my colleagues know, this study was mandated by the Congress almost 14 months ago in section 307 of Public Law 96-151 in an effort to assure concerned veterans and members of the general public that the Federal Government is doing all it can to address the existing very strong concerns about possible harm from exposure of our troops in Vietnam to agent orange.

Mr. President, GAO's review of this protest has covered many, many months, during which time all activities related to commencing the agent orange study have been stalled. In essence, the VA is still at square one.

Mr. President, I remain concerned that all aspects of this very important study be conducted in a manner that is as unbiased and credible as possible. I understand fully the concern of those who have raised questions about the VA's ability to meet this challenge and its initial action to procure the needed expertise to design the study. Certainly, all of us sincerely hope the study will provide a great deal of useful, unbiased information about how the health of Vietnam veterans may have been affected by exposure to agent orange.

With the Comptroller General's decision behind us, I hope that the Veterans' Administration will proceed with the greatest expeditiousness to conclude all the steps necessary to get on with the design of the protocol for this vital study and then get on with the study itself.

Mr. President, I ask that a copy of the Comptroller General's decision be printed in the RECORD at this point.

The decision follows:

THE COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., February 2, 1981.

[Decision]

Matter of: National Veterans Law Center.

1. Use of firm fixed-type contract is not subject to legal review since statute mandates use of such contract type absent determination to contrary by agency.

2. Solicitation provision stating that award will be made to offeror with lowest price and evaluation score of 80 points or better establishes pre-determined cut-off score which may be improper.

3. Request for proposals provision that contractor should not have been associated with prior publicized position on matters which are subject of procurement with high public interest is not overly restrictive of competition, since biased public position is implicit in restriction, and agency's desire to obtain unbiased contractor is reasonable.

4. Government's standard reservation of right to make award on basis of initial proposals does not constitute improper refusal to conduct discussions with offerors.

5. Discussions have occurred where offerors respond to agency request for explanation of offers and any necessary price revision resulting therefrom by revising technical proposals or price proposals or both.

6. Request for proposals does not place undue emphasis on price for study design that requires considerable technical expertise where evaluation factors indicate agency's intent to apply high standard of technical acceptability in establishing competitive range.

7. Allegation that statement in RFP that agency will itself conduct epidemiological study to be designed by contractor is restrictive of competition because many scientists will refuse to stake their reputations on study over which they have no control is without merit where it is not shown that conduct of such study by party other than study designer is unusual or beyond legitimate agency needs.

8. Allegations that study as contemplated by VA will not satisfy requirements of statute mandating study are without merit where agency plan to conduct study itself is consistent with statute.

The National Veterans Law Center (NVLC) protests the award of a contract to any offeror under request for proposals (RFP) No. 101 (134c)-8-80, issued by the Veterans Administration (VA) for a protocol (study design) for an epidemiological study of phenoxy herbicides, specifically Herbicide Orange ("Agent Orange"), as used in Vietnam. We are denying the protest.

BACKGROUND

Public Law 96-151, § 307(a)(1), 93 Stat. 1097 (1979), directs the VA to:

"[D]esign a protocol for and conduct an epidemiological study of persons who, while serving in the Armed Forces of the United State during the period of the Vietnam conflict, were exposed to any of the class of chemicals known as 'the dioxins' produced during the manufacture of the various phenoxy herbicides (including the herbicide known as 'Agent Orange') to determine if there may be long-term adverse health effects in such persons from such exposure. * * *"

On March 19, 1980, the VA issued the subject RFP requesting firm fixed-price offers for the required study design. The NVLC filed the instant protest with this Office, and subsequently also filed a complaint for declaratory and injunctive relief in the United States District Court for the District of Columbia (Civil Action No. 80-1162). The court denied the plaintiff's request for a temporary restraining order but retained jurisdiction over the case. The court has requested our opinion in the matter.

We have also been requested by a member of Congress to respond to all of the issues raised by the NVLC which, in addition to alleged procurement law violations, include a claim that as presently contemplated the study itself will not comply with the requirements of Public Law 96-151.

No award has yet been made in this procurement, although it is our understanding that proposals have been received and evaluated.

ANALYSIS

Adequacy of specifications

I. The NVLC contends that the RFP does not meet the requirement of section 1-3.802(c)(1) of the Federal Procurement Regulations (FPR)(1964 ed.) that RFPs contain specifications which are as complete as possible. The specifications are alleged to be particularly deficient because the RFP anticipates award of a firm fixed-price contract.

The NVLC has presented a number of arguments in support of its contention that the specifications are inadequate.

It is the VA's position that the specifications are as complete as possible. In addition, the VA states that it "provided a description of what was available insofar as facilities, capabilities and the like at the pre-proposal conference." The VA does not, however, deny that the RFP itself is silent concerning the available data about the population to be studied. Rather, it argues that if the work statement is "far from definite" as the NVLC contends, it is because the VA intends the contractor to exercise its own judgment in identifying the population to be studied.

The RFP Statement of Work provides in pertinent part as follows:

"STATEMENT OF WORK

"The contractor will be required to develop the design for a comprehensive epidemiological study of subjects who shall be persons who, while serving in the Armed Forces of the United States during the period of the Vietnam conflict were exposed to dioxins produced during the manufacture of various phenoxy herbicides (including 'Agent Orange'). The design will include detailed methods for analysis and interpretation of the data obtained during the study.

"In addition to providing the study design, the contractor will be expected to provide prompt justified modifications in the study's protocol in response to the several scientific or other bodies that will review it.

"Once the study has commenced, the contractor will be expected to consult with the responsible officials of the Veterans' Administration on the progress of the investigation in order to assure that the objectives of the study design are being met. The epidemiological study itself will be conducted by the VA, including examination of the subjects and data collection, according to the design of the contractor.

* * * * *

"The contractor will recommend the level of certainty that the study should reach in concluding that specific effects are or are not due to the phenoxy herbicides and/or their contaminants.

"The numbers of study subjects and control populations required for successful completion of the study must be estimated by the contractor and the mechanism by which individual subjects and controls are to be chosen must be specified. The contractor will be expected to adapt the estimates of size of the study and control samples and their method of selection to the realistic constraints of facilities, staff and time under which the study must be conducted. The latter will be defined during protocol development by close collaboration with the VA contracting officer's technical representative."

No additional details regarding the source, accuracy, condition or the availability of the data needed to identify and work with the population to be studied are specified in the RFP.

A firm fixed-price contract provides for a price which is not subject to adjustment based on the contractor's cost experience during performance, and thus places full responsibility in terms of profits or losses for costs below or above the firm fixed-price on the contractor. FPR § 1-3.404-2(a). Accordingly, firm fixed-price contracts are suitable for use in procurements when reasonably definite design or performance specifications are available and whenever fair and reasonable prices can be established at the outset, and where the uncertainties involved in contract performance can be identified and reasonable estimates of their possible impact on costs made. FPR § 1-3.404-2(b). Thus while there may be a reasonable basis under the guidelines of FPR 1-3.404-2(b) to award a cost-type contract, the use of a firm fixed-price contract is not legally objectionable. We reach this conclusion because of the language of 41 U.S.C. 254(b):

"Neither a cost nor a cost-plus-a-fixed-fee contract * * * shall be used unless the agency head determines that such method of contracting is likely to be less costly than other methods or that it is impractical to secure property or services of the kind or quality required without the use of a cost [type] * * * contract."

We view the foregoing as creating a statutory requirement for the use of a fixed-price contract except where the agency head in his discretion finds otherwise under the circumstances described in the statute. We also do not believe the agency head is required to make the determination that the use of a fixed-price contract is inappropriate for use in a given situation merely because a third party believes cost-type contracting would be more appropriate under the circumstances of a procurement such as this one. Thus, whether or not this Office would agree with the decision to seek a firm fixed-price contract is legally irrelevant and the decision is not subject to legal objection.

In this respect, we point out that several offers were received from offerors who were apparently willing to take the risks inherent in a firm fixed-price contract. Whether additional offers might have been received if cost-type contracting were used is legally beside the point.

We note here that the VA has argued that if modifications in a firm fixed-price contract are necessary, mechanisms exist so that adequate compensation can be agreed upon under the "Changes" clause of the contract.

We believe, however, that in view of the very general nature of the specifications the likelihood of a legally valid modification to the contract would be minimal under the "Changes" clause. Certainly a contractor would not be entitled to "get well" for any errors in judgment it may have made with respect to price because of an indefinite work statement in the RFP.

II. Next, we turn to several other allegations made by the NVLC concerning the adequacy of the specifications, which we find to be without merit. The first of these is that the RFP provides for the study to be carried out by the VA but no information is provided about the facilities or personnel available for this. The NVLC argues that it is impossible to design the protocol without this knowledge.

While we agree with the NVLC that this information is crucial since the protocol must take into account the facilities available for conducting the study as designed, we believe that the RFP contains sufficient information in this regard to allow for intelligent competition.

Specifically the RFP provides that the facilities, staff and time under which the study will be conducted will be worked out during protocol development by close collaboration between the contractor and the VA. Consequently, all prospective offerors were advised that the exact facilities available had not yet been determined, but that the contractor's needs would be considered in establishing them along with the needs of the VA. Moreover, it was clear that the contractor would not be expected to complete development of the protocol before these necessary determinations were made. We think that this provided an adequate basis on which to submit a proposal.

The NVLC also argues that the RFP is deficient because it lacks details about the "end point symptoms" it seeks to study and contains only a cursory list of organ systems which should be considered. In this regard, the RFP specifically provides as follows:

"The variables chosen for the study should include organ systems theoretically most often affected by exposure to the chemicals in Herbicide Orange (e.g., liver kidney, skin and nervous system)."

It is our understanding that the diseases and symptoms which may result from exposure to "Agent Orange" are largely unknown and that this is, in fact, a primary reason why there is a need for an epidemiological study such as the one mandated by Public Law 96-151. Thus we find nothing objectionable in the RFP's lack of detail in this regard. We believe that the VA has sufficiently advised offerors of the general scope of the requirement and intends that offerors use their individual judgment and intends that offerors use their individual judgment in arriving at their own approach to the problem. There is nothing objectionable in this. *Complete Irrigation, Inc.*, B-187423, November 21, 1977, 77-2 CPD 387.

Last, the NVLC contends that the specifications are inadequate because the RFP indicates that time and price will be heavily weighted factors in selecting the contractor, yet no indication of time or price expectations is offered.

At the outset, we note that while the NVLC has identified particular portions of the RFP as containing these inadequate specifications, we are unable to identify where it is provided that time will be a heavily weighted selection criterion. The RFP does provide, however, that offerors must estimate how long it will take to complete the study. We assume that it is this requirement to which the NVLC refers.

We recognize that the length of the study can vary widely depending upon what type of study is proposed. For example, a contractor could propose a study to be conducted at a particular point in time or one which would take place over a number of years, or both. It is apparent, however, that the VA intended this to be a matter for the contractor's judgment, and we believe that it is implicit in this requirement that the VA would find either or both approaches acceptable, if they were properly justified. Thus we must conclude that offerors were sufficiently informed in regard to the Government's time expectations.

With regard to the lack of any price expectation in the RFP, we are aware of nothing which requires the inclusion of such information in a solicitation. Consequently, we must conclude that this allegation is without merit.

Predetermined competitive range

The RFP provides that award will be made to that offeror with the lowest price and with an evaluation score of 80 points or better. The NVLC argues that this establishes a pre-determined cut-off score and is improper under the decisions of this Office. The VA contends that this 80 point factor is a "qualifying score" and that it was cited only to apprise offerors of the relative importance the VA attaches to the areas of evaluation. The VA states that it does not view this as establishing a competitive range in advance and, further, that such factors have been determined to be acceptable by this Office in the past, citing to our decision in 52 Comp Gen. 382 (1972).

A pre-determined cut-off score is one arrived at in advance of proposal evaluation and subsequently used to establish the competitive range. One example is a solicitation provision requiring that prior to consideration of price as a determining factor, a proposal must receive a numerical score placing it within the top three eligible proposals. *Donald N. Humphries & Associates; Master Tax, Inc.; Innocept Inc.*, 55 Comp. Gen. 432 (1975), 75-2 CPD 275. In this case, prior to

consideration of price as a determining factor, a proposal must receive a score of 80 or above. We fail to perceive any difference between this so-called qualifying score and a pre-determined cut-off score.

We have held that the practice of using a pre-determined cut-off score to establish the competitive range is improper. *Donald N. Humphries & Associates; Master Tax, Inc.; Innocept, Inc., supra;* 50 Comp. Gen. 59 (1970). Rather, the competitive range should be determined by examining the array of scores from all proposals submitted and borderline proposals should not automatically be excluded from consideration. Id.

In 52 Comp. Gen., supra, we found that in a procurement where proposals were required to receive a score of at least 85 points in order to be considered technically acceptable, a decision to exclude an offeror from the competitive range was not improper when that offeror's score fell well below the acceptable cut-off score and was low in comparison to the array of scores achieved by other offerors. Thus, where offerors are not prejudiced by the application of such a cut-off score, there is no basis to sustain a protest in that regard. This does not mean, however, that we approve of the use of such a device. Rather, since it cannot be prospectively determined that the actual application of such a cut-off score will prove to be nonprejudicial in any given case, we believe that including such a score in an RFP, for whatever reason, is inconsistent with sound procurement policy.

Nonetheless, we point out that neither the offerors nor any of the parties solicited objected to this provision or advanced this as a reason for not participating in this procurement. In addition, our examination of the record plainly indicates that none of the offerors was in fact prejudiced by the use of this device since those who were not within the competitive range had scores significantly below the 80 point cut-off score. B-171857, May 24, 1971.

Restriction against offerors associated with prior publicized positions

The NVLC argues that the inclusion of the following statement in the RFP is ambiguous and overly restrictive of competition:

"In view of the sensitive nature of this study, the contractor should not have been associated with a prior publicized position regarding the effects of phenoxy herbicides and/or their constituents on human health."

The NVLC contends that this restriction is ambiguous because it could be read to cover not only academic articles but also meetings or organizations in which an offeror, or someone with whom he is associated, took any position on "Agent Orange" or any related chemical. The protester further argues that this phrase, while attempting to eliminate bias, does not necessarily do so, while excluding people who are not biased.

The VA states that due to the publicity surrounding the "Agent Orange" issue and the agency's desire to obtain an unbiased contractor, the requirement contained in the RFP was an essential part of the minimum needs of the Government. The VA further points out that this Office has frequently stated it will not question an agency's determination of what its minimum needs are unless there is a clear showing that the determination has no reasonable basis.

We believe that the VA's desire to obtain an unbiased contractor is reasonable, and the NVLC does not in fact question this. Rather the NVLC's concern lies in the alleged ambiguities in this requirement and its consequent effect on competition.

We do not find this provision to be either ambiguous or overly restrictive of competition. While a literal reading of the clause in question may be interpreted to exclude any person or organization that has previously conducted and published or reported upon a scientific inquiry into the effects of phenoxy herbicides in any respect (there have been a number of such inquiries conducted on behalf of or by various agencies including the Environmental Protection Agency), we think a reasonable interpretation of the language, in the context of the RFP, cannot be viewed as so all inclusive. Thus, a "biased public position" is implicit in the restriction if it is to be reasonably applied. We are not persuaded by anything in the record that the competition was limited by the provision in question.

We recognize, however, that the clause in question does not exclude all persons from participating in the procurement where a potential conflict of interest may exist such as an individual or organization which had been a paid consultant for one of the manufacturers of "Agent Orange." There is no evidence, however, that this conflict in fact occurred among the offers received.

Additional grounds of protest

The NVLC has raised several other allegations concerning the conduct of this procurement which we find to be without merit. We will discuss each issue briefly.

First, the NVLC alleges that the VA does not intend to negotiate with all responsible offerors as required by section 1-3.805-1(a) of the FPR. In this regard, we note that the RFP reserves the right to make award on an initial proposal basis.

This reservation is consistent with FPR § 1-3.805-1(a) which provides that in certain enumerated situations an agency may make award on the basis of initial proposals without holding discussions with offerors. Thus, we have held that the Government's reservation of the right to make award on the basis of initial proposals does not constitute refusal to conduct discussions with offerors. *North American Telephone Association*, B-187239, December 15, 1976, 76-2 CPD 495.

In any event, the record in this case reveals that the VA did in fact conduct discussions with all offerors. Although the VA has characterized these as "clarifications," the test of whether discussions have occurred is whether an offeror has been afforded an opportunity to revise or modify its proposal. *CEL-U-DEX Corporation*, B-195012, February 7, 1980, 80-1 CPD 102. In this case, after receipt and preliminary evaluation of initial proposals, the VA wrote to each offeror asking for additional explanation of its proposal and stating that any necessary price revisions should accompany the response. Each offeror responded to this request. Some offerors revised their cost proposal, some revised their proposed staffing, and some did both. It is, therefore, clear that discussions were in fact held with all offerors. See 51 Comp. Gen. 479, 481 (1972).

The NVLC also alleges that the criteria for the selection of the contractor put undue emphasis on price. The protester argues that price is not properly the deciding factor where scientific expertise, rather than a fungible item, is being purchased. In support of this position, the NVLC cites FPR § 1-3.805-1, which provides that while lowest price is properly the deciding factor in many contracting decisions, it need not be the primary consideration in the award of research or special or professional services contracts. The NVLC concludes that this "shortsighted" focus on price is arbitrary and unreasonable.

The selection of evaluation factors and the relative weights assigned to them are matters primarily for consideration by the contracting agency, and our Office will not substitute its judgment for that of the agency unless it is clearly and convincingly shown that the agency's actions in establishing and applying such factors and weights are arbitrary, capricious, or not reasonably supported by the facts. *Houston Films, Inc.*, B-184402, December 22, 1975, 75-2 CPD 404.

Notwithstanding that we have found the VA's use of an 80 point pre-qualifying score inappropriate as a general matter, in our view it does reflect an intent to employ a high standard for determining technical acceptability, rather than a minimum one. That intent appears to be consistent with the indication in Public Law 96-151 that the study design should be of a high caliber.

The NVLC next contends that the VA's plan to carry out the study itself discourages potential offerors. The NVLC points out that the contractor is expected to serve as a consultant to the VA during the conduct of the study, yet control over the study apparently will be entirely in the VA's hands. It is argued that many scientists will not submit offers under these conditions since they are asked to stake their reputations on a study over which they have no control.

This "lack of control" by the study's designer would exist whether the VA or another contractor conducted the study. Moreover, we understand that unlike a "laboratory" study the conduct of an epidemiological study by a party other than the designer is not unusual. In any case, the fact that some potential offerors may hesitate to submit proposals because of the VA's intent does not render the solicitation improper or the specifications unduly restrictive or competition so long as the specification represents the legitimate needs of the agency. *See H.M. Sweeney Company*, B-197302, June 12, 1980, 80-1 CPD 413. Thus, we must conclude that this allegation is without merit.

The NVLC also alleges that the RFP limits the length of proposal submissions to three pages only. This page limitation is alleged to be arbitrary and inappropriate for selection of a contractor best suited to the Government's needs.

Our examination of the record shows that the RFP calls for offerors to submit a three page summary of the components of the proposal. There is no limitation on the length of the proposal itself and the record shows that all offerors submitted proposals which were considerably longer than three pages in length. Thus, we find no merit to this allegation.

The NVLC also asserts that the study as presently contemplated by the VA will not comply with the statutory mandate of Public Law 96-151. The NVLC has raised several allegations in this regard. These can be characterized as follows: (1) the RFP contemplates adapting a general study design to meet VA capabilities and facilities, but such a design will not produce a scientifically valid study; (2) the VA plan to carry out the study is unscientific and will not comply with the statute because VA personnel are biased, such a study will not be credible, and veterans will refuse to go to VA facilities; (3) the study contemplated by the RFP is not a scientifically valid epidemiological study as required by the statute, but a clinical screening study instead.

In support of its first allegation, the NVLC argues that the VA plans to select a contractor on the basis of a general submission in response to inadequate specifications, and after the contractor and design are selected, work with the contractor to fit the design to the study. This allegedly will not produce a scientifically valid study since the study design should be made to fit the problem to be investigated rather than be predetermined and then adapted to the problem at hand.

We find no indication in the RFP that the contractor will be required to provide a general study design and then adapt it to the problem at hand. While, as we have previously discussed, the RFP does require the contractor to adapt study and control sample size to the realistic constraints of the facilities, staff and time under which the study will be conducted, this adaptation is to take place during, not after, protocol development.

The NVLC's second allegation stems from the RFP provision that the epidemiological study itself will be conducted by the VA. It is argued that the scientific validity of the study is contingent on the neutrality of the fact gatherers, yet VA personnel are biased by the prior positions taken by VA officials on the "Agent Orange" issue and by the possible negative implications for the VA of finding a positive relationship between "Agent Orange" exposure and veterans' health problems.

This "bias" allegedly will also result in a study lacking credibility since the VA's conclusions will inevitably be viewed with suspicion. As a result, it is argued, the study will not dispel the suspicion, doubt and innuendo which were underlying concerns that prompted enactment of the statute. Finally, the NVLC alleges that veterans will refuse to participate in the study because they are alienated by the VA's past actions, such as ignoring the Agent Orange issue and trying to keep information away from veterans and the general public.

At the outset, it must be recognized that Public Law 96-151 specifically provides that *"the Administrator of Veterans Affairs* shall design a protocol for and conduct an epidemiological study * * *." (Emphasis added.) Consequently, we cannot conclude that a decision by the VA to conduct the study itself is contrary to the statutory mandate. In fact, it is entirely consistent with that mandate. Moreover, we do not believe there is any basis upon which to presume that a study conducted by the VA will be scientifically invalid.

We are aware that the Senate version of the provision under consideration here would have provided for the Department of Health and Human Services (HHS) to conduct the study and that the provision's sponsor felt that in terms of scientific objectivity and validity, HHS was the best equipped agency to conduct the study. See 125 Cong. Rec. S 17,994 (daily ed. Dec. 6, 1979) (remarks of Senator Cranston). Nonetheless, the compromise version as passed by both Houses substituted the VA for HHS.

The explanatory statement accompanying the compromise agreement makes it clear that the VA was regarded as the most appropriate Federal agency to conduct the study. This statement also shows, however, that Congress did not intend to limit the VA from contracting-out any portion of the study. The pertinent portion of the explanatory statement provides as follows:

"In addition, the Committees note their view that the VA, by virtue of its traditional mandate to provide services and benefits for veterans and their survivors is the Federal agency most likely to carry out the needed study with the requisite sympathy and understanding for the individuals concerned. *The Committees also note that the VA has authority, pursuant to section 213 of title 38, to enter into contracts with private or public agencies or persons for any necessary services for or in connection with any portion of the mandated study.*" 125 Cong. Rec. S 17,997 (daily ed. Dec. 6, 1979). (Emphasis added.)

In this respect, the VA has stated that no final decision has yet been made concerning what parts of the study will be performed by whom, nor will such a decision be made until the protocol has been approved. While we review this statement as inconsistent with the RFP provision on which the NVLC has predicated its allegation, it does reflect a willingness on the part of the VA to reconsider its position if a different approach is required.

The NVLC's last allegation is that the study contemplated by the RFP is not the scientifically valid epidemiological study ordered by the statute, but rather a clinical screening study.

In this respect we note that the solicitation continuously refers to the study as epidemiological and that no mention is made of a clinical screening study. Moreover, our examination of the proposals actually submitted in response to the RFP reveals that these offerors apparently understood the RFP to contemplate an epidemiological study rather than a clinical screening study. We find no merit to this assertion.

It is our understanding that there are a number of factors which can influence the validity of the study, some of which are beyond anyone's control. For example, the ability of any scientists or scientific group to arrive at a valid means of determining how to actually measure exposure to Agent Orange will have a decisive effect on the validity of the study. As the NVLC itself recognizes, this may be an impossible task.

The protest is denied.

MILTON J. SOCOLAR,
(For the Comptroller General
of the United States.) ●

INSPECTORS GENERAL

● Mr. BAUCUS. Mr. President, as we all know, President Reagan has summarily fired Inspectors General throughout the Government. His stated reason, according to a deputy White House press secretary is he "wants to put his own team in there." I rise today to object vigorously to such action.

When the Inspector and Auditor General Act was passed in 1978, the intent of Congress was to insure that the integrity and independence of the Inspectors General would be protected and that they would be free from political interference. This body required that each Inspector General be appointed and confirmed without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration or investigation. Being a "team player" was not, is not and should not be a requirement. In fact, Congress was concerned enough about the independence of Inspectors General to include in the law that Inspectors General would report not only to agency heads but also directly to the Congress.

During the last 2 years, I have had the opportunity to work with Inspectors General at several different agencies. I have found their independence and the quality of their work refreshing. They have improved the operation of Government. To politicize these offices would only serve to hamper the nonpartisan activity of combating waste and fraud.

For example, during the 1970's, the General Services Administration had an investigative unit that was a political football. As a result, a hemorrhage of fraud and corruption went unheeded within the agency until made public by the press. We are doomed to repeat past lessons unless we have independent, nonpolitical Inspectors General. Government waste and fraud have become multibillion-dollar businesses that all too often depend on political connections for their existence. We cannot afford Inspectors General kept on tight political leashes that are yanked each time an Inspector General strays from the "team."

At the conclusion of my remarks, I wish to place in the RECORD a recent letter to me from Ines Smith Reid how IG's view their role. Ms. Reid was the former Inspector General of the Environmental Protection Agency. During the last year, Ms. Reid's efforts netted the taxpayers $50.6 million in savings. I do not know if Ms. Reid is "meaner than a junkyard dog," apparently another requirement of President Reagan, but I do know that she and many of her fellow Inspectors General have served the public and served them well. To summarily fire all of them is an affront to Congress and to the taxpayer.

During the next several weeks I will be seeking support for changes in the Inspector General Act to prevent another Inspector General massacre. I would not hesitate a moment to support the removal of an Inspector General if he or she is not doing the job. However, we should seek to hire and confirm the best available individuals as Inspectors General and then leave them alone long enough to do their job. If we do not change the law we will be served by toothless tigers always fearful of having their chains yanked.

I also submit for the RECORD a February 2, 1981, Washington Post article outlining some of the work conducted by IG's in the past 2 years.

The material follows:

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, D.C., January 23, 1981.

Hon. MAX BAUCUS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAUCUS: For the last year I have labored hard and long as the Inspector General of the Environmental Protection Agency. With only 138 FTEs (124 with the hiring freeze) for the entire country, my staff and I have persisted in the most difficult effort of identifying and eliminating fraud, waste, abuse, and mismanagement in EPA's programs and operations—especially in the 28 billion dollar wastewater treatment construction grants program.

Having labored so hard against terrible odds to achieve the objectives that the Congress set forth in the Inspector General Act of 1978, you can perhaps understand my shock and anger at the manner in which I was removed from my position as Inspector General. I learned that I was "fired," as the news media put it, by watching the evening television news at the end of the working day. No one had informed me by telephone or in writing prior to the news broadcasts that I was to be removed. On the day of the announcement I worked in my office, without a lunch break, from 7 a.m. to 4 p.m. The Agency also has my home telephone number in case of emergencies.

The day after the news broadcasts of my "firing" I went to my office at 7 a.m. thinking I might find a written communication. There was none. I called two people at the Agency thinking that they might enlighten me. They had not yet arrived. At approximately 8:30 a.m. one of the persons I had called arrived to hand me my removal letter. The letter was received on January 22, 1981, dated January 21, 1981, and announced that I had been removed, effective January 30, 1981. Subsequently, I discovered that the

person who delivered the letter to me on January 22, 1981 had come to my office after I had left on January 21, 1981 to deliver the letter. When he could not find me, he reportedly told someone who is not at all connected to my office nor a high Agency official to "tell Ines she has been fired."

This procedure hardly accords with the dignity due a Presidential Appointee who has been confirmed by the Senate, nor with concepts of fairness and decency under which this country operates. To be summarily dismissed without cause is bad enough but to be informed of that dismissal through the news media and through someone not connected to my office is indecent.

Two other matters should be mentioned. I am deeply troubled by the fact that no one has been designated as Acting Inspector General. With many sensitive audits and investigations in progress that require the careful attention of an Inspector General, it is irresponsible not to have an Acting Inspector General. My inquiries as to who to leave in charge remain unanswered. Finally, it should be noted that I was offered an opportunity to negotiate a consultancy status to finish work on outstanding investigations and other work. Yet, as you know, a consultant cannot supervise anyone. And it is impossible to do my work with respect to outstanding audits and investigations without the ability to supervise.

When I entered EPA as its first Inspector General, I had high hopes for achieving the objectives of the Inspector General Act. We are just beginning to make substantial progress. In the last 12 months, through our audit work, we achieved savings to EPA of 50.6 million dollars. In addition, we have participated in the work of three grand juries and have several active investigations under way. Although I would like to continue the work I started here at EPA, I leave today with a sense of accomplishment but with a sense of fear that the objectivity and independence that the Inspector General Act sought to instill has now been tainted. Throughout my tenure as Inspector General, I sought to act without regard to partisan political considerations. I sincerely hope that the Inspectors General appointed under the Inspector General Act will be able to carry out their most difficult tasks without regard to partisan political considerations.

I have enjoyed my work and thank you for the opportunity to have served EPA as its first Inspector General.

Sincerely,

INES SMITH REID.

[From the Washington Post, Feb. 2, 1981]

FIRED U.S. WASTE-FIGHTERS BARE GOVERNMENT FOULUPS

(By Charles R. Babcock and Patrick Tyler)

There are 15 men and women out there in the federal bureaucracy who could tell President Reagan where a lot of bodies are buried as his administration begins its much-heralded search for waste, fraud and mismanagement in federal programs.

They make up the corps of inspectors general at major federal agencies. But, instead of debriefing them, Reagan fired them all last week.

Ines Smith Reid, the inspector general at the Environmental Protection Agency, for instance, could talk about the $133,000 worth of unused airline tickets dating back to 1972 that she found under a secretary's desk during a recent audit.

Thomas F. McBride, the former Watergate assistant special prosecutor who was inspector general at the Agriculture Department, could detail the widespread use of food stamps as an underground currency to buy drugs, illegal weapons and cars.

June Gibbs Brown, the IG at the Interior Department, might volunteer her discovery that a youth camp director in Missouri ordered 1,072 pairs of leg chaps, 3,736 pairs of work gloves, 112 stepladders and 1,509 desk calendars, all for a camp that was scheduled to enroll 136 youngsters.

The IGs' tales of waste and fraud range from the trivial to the enormous, from the Energy Department employe who was caught running up $100 in long-distance telephone bills between his office and a pornographic story "hotline" in the Midwest to the mortgage bankers in Puerto Rico who set up phony housing sales to siphon off millions from the Department of Housing and Urban Development.

When Reagan abruptly fired the IGs last week, some Democratic sponsors of the 1978 inspector-general legislation criticized the move as politicising the fledgling corps. Congress' intent, they said, was to create independent, nonpolitical offices in the major executive departments, though the president has the right to replace the IGs.

Reagan's aides did say the fired inspectors can reapply for their jobs in the new administration if they think they can meet the new president's challenge to rip into waste and fraud like a "junkyard dog." Several IGs are trying to stay on.

During his presidential campaign, Reagan continually declared the elimination of "waste and fraud" a top priority. He tied the success of his entire tax-and-budget slashing recovery program to finding and cutting tens of billions of dollars in fraud and waste from government programs.

When asked during his televised campaign debate with President Carter how he would cut spending while cutting taxes and increasing the defense budget, Reagan replied, "I believe there is enough extravagance and fat in government."

He cited the Carter Cabinet secretary who once estimated that there was $7 billion of fraud and waste in the Department of Health, Education and Welfare alone, and the General Accounting Office estimate of the "tens of billions of dollars that is lost in fraud alone."

While hard figures on the magnitude of waste and fraud are elusive, several members of the outgoing class of Carter inspectors general agreed in interviews that they barely dented the problem. They also contend that, while fraud is prevalent, mismanagement and inefficiency do the greatest damage to taxpayers' wallets.

Like good bureaucrats, the inspectors say that they would do better if they only had more help, that they don't have enough auditors and investigators to police the multibillion-dollar programs. Some say they have been hampered by backbiting in their own offices, lack of support from Cabinet officers, or the difficulty of merging sometimes incompatible audit and investigative staffs.

But their biggest complaint is that program managers in the various agencies aren't held accountable for correcting the problems the IGs uncover.

"Cabinet officers need to start demoting and firing program managers for inattention and negligence to waste and fraud issues," said Agriculture's McBride.

Donald L. Scantlebury, director of the GAO's accounting and financial management division, which investigates waste and fraud for Congress, is sympathetic to the IG's frustration. "I think the [IG] concept is working out well," he said. "But it's a little early to expect dramatic results."

The idea of putting independent inspectors inside the Cabinet agencies was resisted by the executive branch for years. The first inspector general's office was set up at Agriculture in 1962 after internal audits failed to uncover the schemes of Texas fertilizer swindler Billy Sol Estes. But Agriculture Secretary Earl L. Butz abolished the office during the Nixon administration.

The first statutory inspector general was established after a House investigation found that HEW had only 10 investigators to oversee a $118 billion program. A 1978 law set up IGs in 13 additional agencies. The Department of Energy got an inspector general a year later. Because of hiring freezes, however, only about 5,300 of an authorized 5,900 slots for auditors and investigators have been filled.

The Defense Department, which doesn't have an inspector general, does have 18,000 auditors and investigators to oversee a $185 billion budget. By contrast, the Department of Health and Human Services, HEW's successor, has only about 100 auditors and 100 investigators to watch over a $260 billion budget.

Several of the inspectors general regard the required semiannual report to Congress as their greatest weapon against unrepented federal program managers. "Without that statute we wouldn't last eight seconds," one outgoing IG said.

Some of these reports are filled with undecipherable statistics, while others are highly readable chronicles of program abuse. McBride's latest report, for example, tells of two Greenville, S.C., men who sold five cars and trucks, 32 firearms and some marijuana to undercover agents in return for food stamps. In Gary, Ind., the assistant fire chief was convicted of selling $11,000 in food stamps for $7,000 cash to undercover agents from McBride's office.

Paul R. Boucher, IG at the Small Business Administration, said in a report early this year that five farmers who received $1.4 million in SBA disaster aid loans at 3 percent interest diverted some of the funds to 10 percent interest certificates of deposit, and bought stocks and tax-free municipal bonds with more of the funds.

Richard B. Lowe III, who has been acting IG at the gigantic HHS, said he was upset to learn that the Social Security Administration doesn't have adequate controls to prevent employees with access to computers from diverting benefit checks to themselves.

The greatest cheaters, according to the audits, are not individual welfare or health care recipients, but doctors and pharmacists and other providers of services who overbill the government. A recent HHS audit screen detected abuse in laboratories in the Los Angeles area that led to an FBI undercover investigation called "Labscam" and several kickback indictments.

EPA's Reid, with only 95 auditors, has been trying to police the nation's largest public works project—the $30 billion sewerage construction effort designed to clean up the nation's rivers—and she says she loses sleep over the vast areas of EPA operations she couldn't even look at.

"Because of poor management, the federal government is losing millions, perhaps billions of dollars," she said.

When Energy Department inspector general J. Kenneth Mansfield looked into a synfuels pilot plant built by Ashland Oil, he found that firm had put up a $1 million brick administration building instead of the prefabricated model called for by DOE. As it happened, the elaborate new building was adjacent to an Ashland refinery.

Too late to recover the government's loss, Mansfield called for sweeping management changes on the project, some of which were adopted.

Several of the outgoing IGs voiced the concern that Reagan's pledge to cut billions in waste will fall on its face unless their successors get more help.

To put a serious dent in waste, they said, the president will have to increase support for the program, especially within the Office of Management and Budget and in some agencies where sub-Cabinet administrators have starved the inspectors' budgets, cut travel funds to do audits, refused to place all

auditors directly under the control of the inspectors and, in some cases, attempted to head off investigations.

"I personally would not want to continue [in the job] without a commitment that the agency wanted this kind of work done or that they intended to support it," said Interior's Brown. She said she found then-Secretary Cecil D. Andrus a pleasure to work for, but that he was seldom there to back her up when program chiefs ignored her audit findings or refused to recoup challenged expeditures.

Reid said that then-EPA Administrator Douglas Costle never returned her memos. "To this day I don't know what his feeling was about the program," she said.

The day after the Energy Department's Mansfield released a report critical of a top aide to former Energy Secretary Charles W. Duncan, Jr., Duncan called the surprised inspector into his office and asked him to consider a job in Paris, even though the department had no office there.

Most of the fired inspectors have been on the job less than two years, and some of them said they were deeply wounded by Reagan's action.

"I really like my job and want to keep it," said former prosecutor Boucher at SBA, who in the waning hours of the Carter administration blew the whistle on a presidential assistant who got Carter to sign an order quadrupling the size of a minority aid program even though Congress had forbidden it.

A career man in Carter's Senior Executive Service, Boucher sent in his reapplication for the job to Reagan Thursday.

One inspector general summed up his view of Reagan's firing this way:

"Everybody wants a strong IG operation until it starts investigating them. The administration may start out thinking they want junkyard dogs, and what they may end up getting is French poodles." ●

NO TIME FOR HIGHER ENERGY PRICES

● Mr. BIDEN. Mr. President, the inflationary impact and social strain brought about by Mr. Reagan's decision to remove the remaining price controls on oil, gasoline, and propane mark a less than favorable beginning for the new administration. His action is hasty, ill timed, and contrary to the interests of millions of Americans, especially the elderly and those on fixed incomes, who have drained any and all of their savings to pay for their heat this winter. The President's action will produce higher prices throughout every sector of the economy and give an immediate boost to inflation—but it will not add any significant reserve of oil to America's fuel supply.

Even more serious than Mr. Reagan's decision to remove controls on oil comes the latest news of his reported intent to end all natural gas price controls by September 30 of this year. By shelving the gradual natural gas decontrol timetable enacted over 2 years ago, the President and his advisers would guarantee an even more astronomical "shock" of price increases that would be anybody's guess to predict. More importantly, I believe that either or both decisions will sap the last ounce of the average American consumer's disposable income, mete out a serious blow to any economic recovery initiatives, and spur an added inflationary spiral.

Mr. President, the day has long since passed when oil companies need to be given any additional economic incentive to explore for and produce oil. The merest glance at all the news reports showing waiting lists for virtually every item of drilling equipment in this country shows that additional profits, even exorbitant profits, are already available and are being reaped by the oil companies.

More rapid decontrol of oil prices will not get any more wells sunk or pipe more oil to market because there is no equipment with which to do it.

On the other hand, Mr. President, the day is here—now, today—when we must begin to reduce the persistent and crippling inflation that every American has had to confront in recent years. How we in the Congress go about the task of inflation fighting will no doubt be the subject of great and passionate debate in the weeks and months ahead.

But I will tell you how inflation will not be brought under control and reduced: It will not be controlled or reduced by removing, willy-nilly, all oil and gasoline price controls, and by doing that adding what the Congressional Research Service estimates at over 1 percent additional inflation. It will not be controlled or reduced by making American consumers pay what the Congressional Budget Office has estimated to be an additional $10 billion for oil-derived energy between now and September 30 when all controls on oil would have died their own death. And, Mr. President, inflation will not be controlled or reduced by giving the major oil companies this additional bonanza which has already increased their assets $160 billion overnight.

Likewise, Mr. President, inflation will not be brought under control or reduced by retreating from the very difficult compromise reached in the Natural Gas Policy Act—A retreat Mr. Reagan appears ready to lead. The specific result of that extremely long and painful congressional debate came about with full recognition that the extreme price impact of gas deregulation on consumers and the economy must be spread out over time. Axing the results of that carefully and laboriously negotiated compromise would put to waste hundreds of hours of work by the Congress and would seriously jeopardize this Nation's economic well-being.

Mr. President, in his inaugural address to the Nation, Mr. Reagan said that inflation "threatens to shatter the lives of millions of our people." At the time he made that statement, I believed he was describing our national predicament rather than foretelling the effect of his decisions. Two weeks later, his decision to decontrol oil, gasoline and propane ahead of schedule and his alleged proposal to lift the lid on natural gas prices promises to make that threat more a reality for millions of Americans.

In my part of the country, Mr. President, where we have experienced an especially cold winter—although by no means as severe as that which has been encountered in New England and elsewhere—many middle-income families have had to deal with "mortgage size" heating bills. With several more months of the heating season left, the President's action on oil controls heaps insult on top of injury.

The additional prices that Americans will have to pay as a result will make it that much more unlikely that they will be able to afford the new X-body cars, K-cars or world-cars, the sales of which will help to save energy, reduce foreign oil imports, and help to rehabilitate the American automobile industry. The drain on family incomes will also make it virtually impossible for Americans to make the investments in their homes necessary to save energy. The situation may even get worse, since the President appears ready to slash funds for mass transit, as well as ready to abandon many Federal programs designed to aid conservation and solar development.

Mr. President, I believe that the case with automobiles provides just one example of how the accelerated ending of oil controls will be felt throughout the entire economy. It will stymie many of the efforts aimed at ending the worst problems of inflation, high unemployment and a sluggish economy.

The administration also claims that ending oil controls will reduce oil consumption by some 50,000 barrels of oil per day. While I am not convinced of that particular number, I am not, Mr. President, going to quarrel with their forecast. I will predict, unfortunately, that if such conservation does come about it will be at the expense of those people in this Nation who cannot afford to spend another dime for energy—the low- to middle-income wage earners who have already sacrificed most of the warmth of their homes and much of the use of their cars. That is why I opposed President Carter's original decontrol proposal and why I also oppose this action by President Reagan.

In all, Mr. President, I believe Mr. Reagan's action to eliminate the remaining oil price controls at this time is a mistake that will tax the American consumer even further when his back is already to the financial wall. By the same token, if indeed the President is thinking of similarly lifting price controls on natural gas, I urge him to reconsider the wisdom of adding still another burden to the already overburdened American household.●

GOLD MEDAL AWARD OF THE NATIONAL RETAIL MERCHANTS ASSOCIATION

● Mr. CRANSTON. Mr. President, I submit for the RECORD an address made by Mervin G. Morris on receiving the Gold Medal Award of the National Retail Merchants Association. One of America's outstanding retailers and civic leaders, Mervin Morris explains the major role retailing plays in our economy—a role which qualifies it as one of the key elements in the Nation's economic structure.

A fellow Californian, Mr. Morris is chairman emeritus of Mervyn's and a director of Dayton Hudson Corp. He also serves as a trustee of Golden Gate University and of the University of Southern California and as a member of the

board of the Stanford University Graduate School of Business. Active in many civic organizations, he is founder of the Mervin G. Morris Cardiovascular Research Fund and of the Morris Neurological Research Fund of Stanford Hospital.

The address follows:

A LEADERSHIP ROLE FOR AMERICA'S RETAILERS

(By Mervin G. Morris)

I am deeply honored to receive this "Gold Medal" award. I am honored, first, because of the outstanding retail leaders it has recognized in the past. But even more important, I am honored because I have tremendous respect and admiration for the organization that is presenting it: the National Retail Merchants Association.

As you no doubt know, I was privileged to serve as the first chairman of N.R.M.A. from California in 65 years. And I am more privileged still to be one of the few from my state to receive the coveted "Gold Medal" award.

This award represents a special personal honor. And I would be remiss if I did not share that honor with my former colleagues at Mervyn's, some of whom are here today. Without their loyalty, dedication, and talent, I would not be standing here today, accepting this award. So thank you, men and women at Mervyn's. And thank you, N.R.M.A. Thank you all very much.

Like many of you, I have spent most of my adult life in retailing. Like some of you, I am not the first generation in my family to be in the retail business. Indeed, my great grandfather started the family tradition, selling clothes to the gold miners during the California Gold Rush of the mid-1800's.

How retailing has changed since those days! How our society has changed! What a dramatic evolution, even revolution, we have seen in our industry, particularly in the last 25 years.

Today I want to take the occasion of this award to reflect on some of these fundamental changes we have witnessed, both in our industry and in our society. More importantly, I want to discuss where we are headed as retailers, particularly how we can become "first class" leaders in this country—instead of "second class" citizens.

RETAILING IN NEW ECONOMIC AGE

The experiences of my generation of retailers can best be summed up in one word: change! During my retail career, I have seen probably the most dynamic and accelerated period of growth and development in the history of retailing. Today our stores offer selections never before dreamed of, in locations and environments that would have boggled the mind of my great-grandfather.

Consider the awe with which he would view today's retail landscape: climate-controlled shopping malls—anchoring entire suburban communities; new and revitalized central business districts; and the tremendous social changes that have resulted in expanded shopping hours and new retail formats.

This dramatic retail evolution has both contributed to, and been a reflection of, the dawning of a new economic age in this country. But, unfortunately for retailers, it is a new age that dawned almost unnoticed—its significance almost unappreciated.

I am talking about the fact that the industrial society, as defined by previous generations, ended in 1954. That's right. 1954.

After that year, according to the labor department, the number of workers employed to produce goods fell behind the number employed to distribute, sell, and service those goods—or to render services of one sort or another. Today, two-thirds of all employees in America produce services, not goods.

UNREALIZED IMPORTANCE

We have passed from the industrial age to the post-industrial age and very few of us even noticed. I doubt that very many of us, even in this room, realize just how important our industry is to this new economic age. Together, retail and wholesale trade now constitute the nation's largest industry. Today, trade accounts for more than 20 percent of this nation's private sector gross national product. To put it another way, we account for one out of every four jobs in the private sector.

Trade also is one of the fastest growing sectors of the economy. According to the Bureau of Labor statistics, trade employment grew roughly 40 percent in the last decade—compared to about 3.5 percent in manufacturing. That's over 10 times as fast!

Equally significant is the size of the retailing segment alone, without wholesaling. In 1979 alone, the sale of general merchandise, apparel and furniture amounted to $222 billion, or 12 percent of the total private sector gross national product. And in the most recent retail census, taken in 1977, these retail segments alone employed 2.5 million people with a payroll of more than $22 billion.

SECOND CLASS IMAGE

These are impressive statistics on the economic power of today's retail industry. But, unfortunately, they have been largely ignored. In spite of these figures, too many still cling to the old notion of the Industrial Age. Too many think we still live in a time when merchants played "second fiddle" or even "third fiddle," to the so-called captains of such industries as steel, automobiles and construction. Too many people view retailing as a "second class" industry—an image that is perpetuated by our educational institutions.

For years they have taught that there is a difference between so-called "basic" industries and "nonbasic" industries. And, believe me, in their books we are still in the "nonbasic" category, despite the obvious transition to a service-type economy

The impact of this false image is illustrated by how those outside of retailing regard our industry. Just last August, Gallup surveyed Fortune's 500 chief executive officers to get nominations for today's "most respected business leader." Not one single retailer made the top 20 when it was published in the Wall Street Journal. Last year, when "re-industrialization" was the cover story on Business Week, Dun's Review, and Newsweek, they concentrated exclusively on the problems of basic or "first class" industries. They ignored the retail industry and our need for government attention.

Last October, when Business Week editorially supported tax relief for "basic industries," the magazine called similar relief for our industry a "rip-off of the public." (I suppose there is one advantage of having this "second class" image. At least nobody has yet suggested nationalizing our industry!)

Now let me give one last example of what this "second class" image is costing us. The I.R.S. has just proposed regulations that determine who will, and will not, receive the tax credit for making energy improvements. You guessed it! Retailing is out of the latest draft—a move that could cost our industry millions of dollars.

Senator Barry Goldwater said it well when he complained to treasury secretary G. William Miller last October in these words, "I frankly see this ruling as a carryover of the old and mistaken view that retailing is not as important as manufacturing."

The point I am making is this: An outmoded view of our economic importance is the source of direct costs, economic and political, that subtracts from our "bottom lines" each and every day. Moreover, such attitudes, if they are allowed to continue, represent a major challenge to our individual and collective futures. They challenge our ability to invest in expansion, to seek a fair return on that investment and to attract and keep quality people in our industry.

MODERN MESSAGE: RETAILING MEANS MORE

The first step in meeting that challenge is to explode the old Industrial Age definitions of economic standing and what constitutes "basic" industries. And, to do that, we must begin by changing our own attitudes, and the public's attitude, about our industry. We must build public awareness that retailing is not just selling or merchandising.

Modern retailing is much more. It is the major link in America's distribution network. Indeed, in many respects, retailing is distribution! Where would the producers of goods be without the mechanism that distributes those goods to consumers? Where would consumers be? The answer is obvious: we would be limited to those goods that are pre-sold by the manufacturer. Almost 40% of the total output of the American economy (almost 1 trillion dollars in 1979) flows through the retail industry annually.

Where would this nation's economy be without that industry? The answer is: severely crippled. The distribution skills that we have developed in the retail trade industry now make possible the growth and expansion of manufacturing—that so-called "basic" industry. We have created the nationwide, even worldwide marketplace, to which manufacturers bring their products for us to distribute and sell.

DISTRIBUTION REVOLUTION

The "bottom line" message to get across is a simple one: Our distribution revolution has replaced the Industrial Revolution. The force driving the American economy forward today is not mass production. It is efficient distribution, including aggressive merchandising and all the many skills of our retailing industry. We must elevate ourselves from the "second class" status we inherited from the industrial society. We must claim the "first class" status we deserve as a major factor in the distribution revolution.

POLITICAL CHALLENGES

Once we have cleared away the old Industrial Age myths, the second step is to meet the political challenges before us. After all, it is not as if we don't have a local political base to work from. Despite the "second class" image, it is not as if we aren't popular back home. When was the last time you were asked to head the United Way drive in your community? When was the last time you were solicited to aid in a civic event or to organize an effort for downtown development? Probably just yesterday! And that's a comment on the excellent reputation retailers have earned as good citizens in their local communities.

But the question becomes: how can we translate that hard-earned community respect into more clout in public policy-making? My answer to that is two-fold: first, we must make even better use of our trade associations and all their resources. Those of us here today, who participate in N.R.M.A. or other trade association programs, have a clear understanding of the challenge before us. Now we must urge our colleagues who are not here to join us and get active.

If our political concerns as retailers are to be met, we must strengthen our organized coalition to advance and to defend our interests. The need for such an effort is painfully clear in that retailers today bear, dollar for dollar, the highest effective tax rate of any industry. Today we know that our trade associations are needed, not only as a way to help us understand new credit procedures and inventory controls, but as vital political forces for the retail industry.

An excellent example of that was the new trade treaty negotiated last year. Although it was not perfect by any means from our industry's point of view, it did effectively counter a growing mood of protectionism. Thanks to the leadership of our trade associations, retailers led the fight for reducing trade barriers. Without that fight, our industry could not continue to serve, efficiently and effectively, as the customer's purchasing agent in world markets.

But the point is, our trade associations did it with the help of a "grassroots" lobbying effort by retailers all across the country. Many people right here in this room participated in that effort, contacting their local members of Congress, using their local clout. That experience tells us, the best political activity is local—and personal. After all, you're the ones on the firing line. You know more than any public official how a proposed regulation or piece of legislation will impact your business.

The next time you see a problem, pick up the telephone, call your associations' Washington office, and let them know your views and concerns. The next time they call you and ask your help in contacting your local officials on behalf of our industry, say yes! That is the best way for N.R.M.A., and the entire retail industry, to build its political agenda and its political base.

FIVE PERCENT CHALLENGE

But, beyond strengthening our trade associations, and using them more effectively, there is yet another way we can translate local community respect into "first class" citizenship and more clout in public policy-making. That way is for us to do an even better job of being a good citizen in our local communities.

Retailers, more than most, have a good record of paying back the community they serve for the profits they make. Yet, with few exceptions, we have failed to take full advantage of the opportunity to strengthen our communities with real dollar contributions. Like most American business, retailers fail to take full advantage of the 5 percent tax deduction allowed for charitable contributions. Indeed, the national average for corporate giving falls short of even 1 percent!

Dayton Hudson, which I now serve as a director and which now includes Mervyn's, is the only retailer among a growing list of "corporate 5 percenters" around the nation. And, I might add, instead of losing our "family business" identity, which so many feared would happen with the merger, Mervyn's now has a new dimension because of Dayton Hudson's "5 percent policy." We have come to recognize and enthusiastically endorse the business sense of such a policy.

After all, if we want to have a viable business, we must have viable communities. If we are to protect our market share, we must first protect and build our entire market. In that sense, 5 percent is not a charity at all. It is a business investment. And it certainly makes more sense than sending all that money to Washington, and letting them decide how to spend it! Furthermore, I submit, it is an investment in credibility that strengthens our clout in the local communities where we operate.

I am quite confident that if more retailers followed the practice of giving 5 percent, our stature as an industry would be more secure. Indeed, retailers would be at the forefront of America's leaders.

DEMONSTRATE LEADERSHIP

Ladies and gentlemen, I firmly believe that we have the necessary elements right in this room to achieve a "first class" leadership role.

We have a better understanding of our economic importance and what a "second class" image costs us every day. We have a group of the most talented, highly respected community leaders in the nation. We have strong trade associations to assist our political efforts and an open invitation to help build a strong political agenda.

Now it is up to us to demonstrate that we have the conscience and the commitment to help solve America's problems in a way that strengthens the community as a whole.

We have a rare opportunity to show that we are not past our prime as an industry, or as a nation, and that retailers can be among the leaders of an ecomonic revitalization in the 1980's.

With the track record of this group to build on, I, for one, am confident that we can succeed.

Thank you very much.●

S. 425—AMENDMENT OF MORTGAGE SUBSIDY BOND ACT

● Mr. HATFIELD. Mr. President, I am pleased to join with Senator PACKWOOD in introducing S. 425, legislation that would rectify an oversight of the Congress in enacting the Omnibus Reconciliation Act of 1980. The Oregon veterans' home loan program has been an important mortgage lender in my State and began providing opportunities for homeownership to qualified veterans in 1945. The Omnibus Reconciliation Act included the controversial Mortgage Subsidy Bond Act which passed in the House of Representatives as H.R. 5741 in early 1980. H.R. 5741 was added in the conference on the reconciliation measure at the insistence of the House Ways and Means Committee and, unfortunately, the Senate did not get the opportunity to consider H.R. 5741 on its own merits.

Although the general intention of the Mortgage Subsidy Bonds Act was to allow present general obligation bonds for residences of veterans to continue, the act imposed two new requirements that have caused 13,000 pending applications to be put on hold. Of these 13,000 applications, approximately 40 percent are affected by requiring that substantially all of the proceeds of the bond issue be used for residential purposes and providing that the proceeds cannot be used to acquire or replace existing mortgages.

Thus, an individual who has entered into a land sale contract to buy a mobile home and 15 acres of property with the intention of refinancing with a VA loan may not be able to receive a mortgage from any bond sale that occurs after January 1, 1981. Upon the opinion of Oregon's bond counsel and the attorney general of the State of Oregon, the VA has severely curtailed its policy on home loans. Five thousand individuals who are immediately affected have applied for a loan, received a letter of commitment or have incurred substantial obligations in reliance upon existing VA requirements.

The State was planning to fund these applications by January and April 1981 bond sales, but the provisions of the act are effective January 1, 1981, and, therefore, the bond sales must comply with the act. The State of Oregon is now scrambling to finance as many of these letters of commitment as possible and the entire Oregon delegation has committed itself to resolving the problems of affected Oregon veterans. The legislation that we are introducing in both the House and the Senate today seeks to hold harmless those individuals who have sold their homes, made improvements, and made substantial economic commitments in the expectation of receiving funds from the January and April 1981 bond sales.

The retroactive effect of this law upon existing veterans programs is ironic because the primary intention of the Mortgage Subsidy Bonds Act was to curtail the abuses in mortgage revenue bonds that were proliferating for middle and high income people. Detailed transition rules were written for mortgage revenue bonds, but none were provided for State veterans programs. Equity demands that relief be provided for these individuals.

The Oregon State Attorney General is also concerned that a class action law suit might be filed on behalf of affected applicants if relief is not provided. The Reconciliation Act only limits the tax exempt status of the bonds, but present applicants may clearly qualify for the loans under existing Oregon law. The State may be forced to pay for these mortgages, regardless of the economic costs, or face a crippling law suit that would severely jeopardize the Oregon veterans program. We cannot afford to risk these painful consequences and I hope that my colleagues on the Senate Finance Committee will recognize the immediacy of the need for relief.

The legislation we introduce is strictly limited to the January and April 1981 bond sales and holds harmless those individuals who applied prior to January 1, 1981. This legislation is simply designed to give relief to some 5,000 Oregon veterans who in good faith have made substantial economic commitments in the justified expectation of receiving funds from the State.

I believe that long-term relief may also be needed after regulations are issued in order to solve the problems of farm loans, refinancing and home improvements. The problems are fully discussed in the Attorney General's opinion that is included in the CONGRESSIONAL RECORD of yesterday. The State veterans programs have remained fairly stable over the last 10 years in contrast to the explosion of mortgage revenue bonds. It may be that my colleagues will want to consider a substantial exemption for veterans programs from the Reconciliation Act as part of a comprehensive effort to provide new incentives for military service. In any event, the host of problems that have occurred in Oregon may typify problems that are occurring in other States and, therefore, expedited hearings may be helpful to resolve the complex provisions of the Mortgage Subsidy Bond Act.●

S. 414—CASH DISCOUNT ACT

● Mr. CHAFEE. Mr. President, yesterday I introduced S. 414, a bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

I ask that the text of S. 414 be printed in the RECORD.

S. 414

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Cash Discount Act".

TITLE I—CASH DISCOUNTS

SEC. 101. Section 167(b) of the Truth in Lending Act (15 U.S.C. 1666f(b)) is amended to read as follows:

"(b) With respect to any sales transaction, any discount from the regular price offered by the seller for the purpose of inducing payment by cash, checks, or other means not involving the use of an open-end credit plan or a credit card shall not constitute a finance charge as determined under section 106 if such discount is offered to all prospective buyers and its availability is disclosed to all prospective buyers clearly and conspicuously in accordance with regulations of the Board.".

SEC. 102. Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by redesignating subsections (x) and (y) as subsections (y) and (z), respectively, and by adding after subsection (w) the following:

"(x) As used in this section and section 167, the term 'regular price' means the tag or posted price charged for the property or service if a single price is tagged or posted, or the price charged for the property or service when payment is made by use of an open-end credit plan or a credit card if either (1) no price is tagged or posted, or (2) two prices are tagged or posted, one of which is charged when payment is made by use of an open-end credit plan or a credit card and the other when payment is made by use of cash, check, or similar means. For purposes of this definition, payment by check, draft, or other negotiable instrument which may result in the debiting of an open-end credit plan or a credit cardholder's open-end account shall not be considered payment made by use of the plan or the account.".

SEC. 103. Any rule or regulation of the Board of Governors of the Federal Reserve System pursuant to section 167(b) of the Truth in Lending Act, as such section was in effect on the day before the date of enactment of this Act, is null and void.

TITLE II—BAN ON CREDIT CARD SURCHARGES

SEC. 201. Section 3(c)(2) of Public Law 94-222 (15 U.S.C. 1666f note) is amended to read as follows:

"(2) The amendments made by paragraph (1) shall cease to be effective on February 27, 1984.".

TITLE III—TECHNICAL AMENDMENT TO TRUTH IN LENDING

SEC. 301. Section 625(c) of Public Law 96-221 is amended by adding at the end thereof the following: "Any creditor who complies with such amendments and any assignee of such a creditor shall be subject to the provisions of sections 130 and 131 of the Truth in Lending Act, as amended by sections 615 and 616, respectively, of this title.".●

THE HOSTAGES

● Mr. BUMPERS. Mr. President, much was said since our fellow citizens were seized in Iran and held hostage, and more has been said since their release, but I beg the Senate's brief indulgence to consider only a few more words.

This capture of innocent people rightly outraged the country and the world. It was cowardly, and we justly abhorred it. Despite our outrage and abhorrence, we should not stoop to vengeance, because, as President Reagan has said, it is not worthy of us. It might lend undeserved dignity to the terrorists.

It is difficult, of course, to refrain from warning these and other terrorists that our twice-turned cheek will not be turned again. Yet, such threats are clearly unnecessary because the fruitlessness of such terror is now self-evident, as is our determination to resist it. These terrorists demanded the Shah's return, but he did not return. They demanded his wealth, but they did not get it. They threatened to hold "trials," but none were held. Above all, they sought to divide us, but found us unified. That is the lesson for all terrorists.

The past days of yellow ribbons, joyful tears, parades and mutual congratulations have clearly demonstrated our renascent national unity, which was burnished and hardened by our 14-month vigil. The hostage's safe return signaled the triumph of that unity, and that triumph is what we celebrate.

Our unity has endured for two centuries. It has been tempered by testing, and it has overcome all attacks. It allowed us to steer the true and difficult course. We did not yield to terror, nor did we surrender to the temptation to use force. We abandoned neither our citizens nor our commitment to the orderly resolution of disputes. There was no ransom or retreat. We are free to deal with nations rationally, not as emotions would compel us.

It is easy to recognize heroism in battle and to extol its virtues. It is more difficult to value the quiet heroism of simple endurance and patience. Yet, both kinds of heroism have been necessary to build and defend this Nation. It is appropriate that our recent celebration has focused upon 53 Americans who embody the simple virtues which, we like to think, characterize all average Americans.

They were not shot into space. They did not volunteer to lead a suicide attack. They were simply victims of circumstance, but they did not shrink from their fate. They met it straight on, and they endured, despite abuse, because they were confident that we would persevere in obtaining their release.

From all accounts, each hostage conducted himself or herself admirably throughout the ordeal. All of them desired to be free, but none of them sought to purchase freedom by discrediting the United States. Similarly, the entire Nation sought their release but would not yield to dishonor. In short, both the hostages and the Nation were equally united.

It is appropriate that their release was achieved by patient diplomacy. It is essential for us to recognize the value of this quiet heroism, in contrast to easily observed bloodshed, which would have only released the hostages into martyrdom.

There are those who favor war as a unifying force. Let them remember how we were here united, without bloodshed. It is the threat, not the means of dealing with it, which unites us.

The seizure of innocent people is a sign of weakness, not strength, and it is almost as much to be pitied as chastised. This incident must teach would-be terrorists to seek an orderly and legal redress of their grievances, so they will be armed with the law. Similarly, in the words of Thomas More in "A Man for All Seasons," we should not "threaten like a dockside bully," but rather threaten with the law.

There is a need for greater understanding throughout the world. We must be mindful of others' suffering; we must open our hearts and our arms to give help. We should do so freely, as befits a wise government, a good people, and a great nation.●

S. 433—HEALTH INCENTIVE REFORM ACT

● Mr. BOREN. Mr. President, I am again pleased to be cosponsoring the Health Incentives Reform Act, introduced by my colleague from Minnesota, Senator DAVID DURENBERGER.

As I stated upon first becoming associated with this legislation in the last session of Congress, Senator DURENBERGER is to be commended for his leadership in the complex matter of health care reform. I believe his proposal for private sector-based reform of the health system is a sound one. For too long Congress has relied on the old prescription of more and more Federal regulation as the strategy for dealing with rising health costs. That approach has been tried and found wanting, however, and the present economic crisis demands we seek new solutions.

I feel, as do an ever-increasing number of our colleagues in the Senate, that by strengthening competitive incentives in the health care system we can successfully meet the challenges of health care reform in the 1980's. Health care providers and consumers alike must become more aware of the costs associated with that care. I believe the Health Incentives Reform Act addresses itself directly to that issue. It is therefore my hope that in the coming days the Senate shall give careful, serious consideration to this important piece of legislation and the promise it holds for effective and efficient private sector-based reform of our Nation's health care system.●

ABC NEWS SPECIAL "AMERICA HELD HOSTAGE: THE SECRET NEGOTIATIONS"

● Mr. KENNEDY. Mr. President, on January 28, ABC News broadcast an outstanding 3-hour special report on the negotiations that led to the dramatic release of the 52 American hostages from Iran last month.

The report was prepared by Pierre Salinger, the chief of the network's news bureau in Paris, and a task force of 60 other persons. The report was originally broadcast on January 22. Because of the extremely favorable reception it received, it was updated and rebroadcast last week.

Mr. President, I commend ABC News and Mr. Salinger for the high quality of this special report and its important contribution to our understanding of the hostage crisis.

This broadcast is an example of television news at its best. I believe that the program is an important part of the historical record of these events, and I ask that a transcript be printed in the RECORD.

The transcript follows:

AMERICA HELD HOSTAGE: THE SECRET NEGOTIATIONS

ANNOUNCER. Tonight, instead of our prime time schedule, in response to unprecedented requests from across the nation, ABC News will broadcast an update of the astonishing report, America Held Hostage: The Secret Negotiations.

(Signature music).

For the next three hours, you will see an almost unbelievable account of international intrigue, shadowy figures and secret meetings.

(Visual).

Our investigation has continued since our first report, and for this update tonight we have new documents and new revelations by central figures who could not talk until now: Former Presidential Aide Hamilton Jordan, Former White House Counsel Lloyd Cutler, Former Secretary of State Cyrus Vance, among others.

(Visual).

This chronicle was pieced together by Pierre Salinger, Chief of the ABC News Paris Bureau, and a task force of sixty ABC producers, editors and camera people.

Visual. Day 143, March 25, 1980.

March 25th, 1980; Day 143 of the Iran Hostage Crisis. We begin with the story of a note:

PIERRE SALINGER (Vo).

"What U.S. wants.

(a) Captors released unharmed—quickly,

(b) When desired, normal relations with Iran under the existing government, recognizing the results of the revolution,

(c) An opportunity for Iran to air grievances through U.N., International Court of Justice, or media. J. C." (Jimmy Carter).

Visual. Christian Bourguet.

That hand-written note was given to this man, Christian Bourguet, a French left-wing lawyer, at the end of a ninety minute meeting with Jimmy Carter in the White House.

That unusual event is but a small part of an extraordinary and heretofore secret story we are going to tell you tonight. It is a story of the Carter Administration's relentless search for the freedom of the American hostages.

If it took the Carter Administration a long time to get the hostages freed it was not from lack of trying. The cast of this story, in addition to Bourguet, includes some fifty persons from twenty countries, all of whom played some role in trying to obtain the release of the hostages.

Visual. Hamilton Jordan.

Hamilton Jordan, President Carter's White House and campaign chief of staff, the man who had become the motive force in Carter's effort to free the hostages. He would travel all over Western Europe holding secret meetings with intermediaries of the Iranian government.

Visual. Sadegh Ghotbzadeh.

Sadegh Ghotbzadeh, the Foreign Minister of Iran, and close to the Ayatollah Khomeini. He would make an all-out effort to get the hostages released, finally ruining his career and putting his own life in danger.

Visual. Kurt Waldheim.

Kurt Waldheim, the old world diplomat who heads the United Nations, would panic in Teheran, complicate the hostage negotiations and mislead the United States on what he had done.

Visual. Hector Villalon.

Hector Villalon, an international businessman and wheeler-dealer who has made a small fortune in selling everything from Cuban cigars to Middle East oil. He would bring the American government the proof of Waldheim's failure in a secret audio cassette made in Teheran.

Visual. Omar Torrijos.

General Omar Torrijos, the leader of Panama, the man who signed the new Panama Canal treaty with President Carter and became his friend. He would invite the Shah of Iran to Panama and then agree to arrest him when the United States told him the arrest might free the hostages.

Visual. Helmut Schmidt.

West German Chancellor Helmut Schmidt. His government handed the United States a secret Iranian contact who unblocked the negotiations, and led to the freedom of the hostages.

Visual. Mohammed Heikal.

Mohammed Heikal, the Middle East's most prestigious journalist, a man trusted by Khomeini. The Americans would ask him to deliver a message to Teheran he considered so preposterous he refused to do it.

Visual. Hilarion Capucci.

Hilarion Capucci, Archbishop of Jerusalem; jailed by the Israelis for running arms to the Palestinians. He would go to Teheran after the Tebaz raid to undertake one of America's most distasteful missions during the Hostage Crisis.

Visual. Bruno Kreisky.

And Austrian Chancellor Bruno Kreisky. He would put one of America's bitterest enemies, Yasir Arafat, the head of the PLO, to work for the hostage cause.

Visual. Yasir Arafat.

SALINGER. As colorful as the cast of characters are the sites where the meetings took place; where messages were delivered surreptitiously, where scenarios were written to bring about the release of the Americans in Teheran.

Visuals. Rome, Geneva, Berne & Cairo.

(Vo). They range from the prestigious Hasler Hotel on the hill overlooking the Spanish Steps in the Piazza D'Espagne in Rome, to the lavish home in Geneva of the Prince Sadudrian Aga Khan, the former head of the United Nations Refugee Agency. There were meetings in the Bellevue Palace Hotel in Berne, and in a private home along the Nile in Cairo.

SALINGER. The story has all the elements of a fictitional spy thriller, but it is all true. We will tell you that story tonight, much of it for the first time, in great detail.

You will learn how, when it seemed nothing or very little was being done to liberate the hostages, there was a continuing secret activity. We will tell you about secret meetings and reveal to you a number of heretofore secret documents. It is the story of the search for freedom of the American hostages.

IRANIAN DEMONSTRATORS. Down with Carter; down with the Shah. Down with Carter; down with the Shah. Down with Carter; down with the Shah. Down with Carter; down with the Shah.

(Signature music).

ANNOUNCER. This is an ABC News Special, America Held Hostage: The Secret Negotiations, reported by ABC News Paris Bureau Chief, Pierre Salinger.

SALINGER. While much of what we're going to tell you tonight is being reported for the first time, it is necessary to spend a few minutes understanding what triggered the Hostage Crisis.

Visual. February 14, 1979.

(Vo). The trouble had been brewing for some time and the new Iranian leaders were whipping up a frenzied anti-Americanism which was spilling onto the streets.

(Visual/Street Scuffle).

American diplomats in Teheran had warned the State Department that the Embassy compound was not adequately protected. It urged them to prevent the ousted Shah of Iran from coming to the United States.

(Visual. Drawings by Freda Reiter).

But when the Shah's doctors said he was desperately ill and needed an operation in the United States, President Carter overrode his advisors and permitted the Shah to come to New York.

SALINGER. It is now clear from the medical evidence we have acquired and interviews with doctors that the Shah's operation would have been performed without threat to his life in Mexico; but his good friends, David Rockefeller and former Secretary of State Henry Kissinger, urged him to have the operation in the United States. For the Iranians it was a red flag.

(Visual. American Flag Burning).

They saw the Shah in the United States as a start of a plot to overthrow the Khomeini regime, and as an argument they pointed out that the United States Government and the CIA had played a role in overthrowing the government of Premier Mohammed Mossadeq in 1953 and bringing the Shah back to power.

(Visual. 1953).

SALINGER. It was in that atmosphere that came the events of November 4th. ABC's Bob Dyk tells us what happened that day and some new details on why the United States Embassy was assaulted and the hostages taken.

(Visual. Bob Dyk—November 4, 1979).

BOB DYK (Vo). They went over the Wall November the fourth, a damp and chilly Sunday morning, about four hundred of them. No serious attempt was made by the Embassy's Marine security guards to defend the installation. They were told to use tear gas but not bullets.

In theory, the tear gas was supposed to buy enough time for the Embassy staff to destroy all secret documents. The plan failed.

(Visual).

According to one of the militants, the actual takeover was plotted by seventy to eighty radical Islamic students a few days after the Shah arrived in New York. They were led by the Ayatollah Khomeini, a cleric with political ambitions.

(Visual/Chanting).

The militants had two goals in mind: First, to force the resignation of Iran's provisional Prime Minister, Mehdi Bazargan.

(Visual).

The militants considered Bazargan too friendly with the West. Bazargan quit. The second goal was to force the U.S. to return the Shah to stand trial in Iran. That aim was not achieved.

The militants originally planned to release the Americans and vacate the Embassy after Bazargan's downfall. We now know that neither the militants nor Khomeini, who was having serious problems at the time trying to establish has Islamic Republic, correctly estimated the impact the Embassy's occupation was having on the people of Iran, how it would arouse their deep feelings against the Shah and the U.S.

(Visual).

Though Khomeini didn't know in advance of the militants' plans to seize the Embassy, he was quick to endorse it when it was actually taken over, and he freely offered his advice and support to the militants through his son, Ahmed.

(Visual).

To the mobs outside the gates, the militants were becoming folk heroes. They held a news conference to state their terms for releasing the hostages, but the U.S. again refused to turn over the Shah. The result: a deadlock for many months to come.

(Visual. Khomeini).

Khomeini delighted in America's humiliation; it made him as powerful a personality as the Shah once was.

SALINGER. No nation in modern times had ever confronted such a problem. Its diplomats were held hostage in a bitterly hostile and unpredictable country, with the approval of that nation's government. It was not

surprising, therefore, that the first reaction of the United States was to cast a wide net across the world seeking anyone, anywhere to help resolve the crisis.

In the first twenty-four hours the words from Teheran were encouraging; Prime Minister Mehdi Bazargan was telling the Americans not to worry, that the occupation of the Embassy was just like a campus sit-in in the United States in the 1960's; but it soon became clear that was not the case.

Visual. Habib Chatty, Secretary of Islamic Conference.

On November 6th, just two days after the hostages were taken, the United States turned to Habib Chatty, the veteran Tunisian diplomat who was the newly elected Secretary General of the Islamic Conference, and asked him to set up a direct communication with the Iranians. It was Chatty who gave the Americans for the first time Iran's official and uncompromising demands.

HABIB CHATTY (Voice of Translator). First, that the Shah be released to the Iranian government. Secondly, that his wealth be repatriated to Iran. Third, that the United States recognize all of the harm that they have done to Iran. Four, that the United States agree not to intervene anymore in the internal affairs of Iran. Until such time as these conditions have been met, no release of the hostages can be expected.

SALINGER. Except for the addition of the demand for the return of Iranian assets seized ten days after the hostages were taken, and the dropping of the demand for an American apology, Iran's conditions for the release of the hostages remained the same as the demands Chatty reported to the United States Government. The net also activated Austrian Chancellor Bruno Kreisky in Vienna, producing its first success.

Cut to: Bruno Kreisky, Austrian Chancellor.

BRUNO KREISKY (Voice of Translator). I found out that the only institution, the only organization which had a strong position in the new Iran, with the revolutionary Iran, was the PLO, The Palestine Liberation Organization. So I tried to contact the leader of the PLO, Mr. Yasir Arafat, to find out to what extent he could be and he would be helpful in solving the hostage problem. I contacted him very early, immediately after the story of the hostages happened.

Visual. Day 17—November 20, 1979.

I found him extremely cooperative, and personally I believe, and I am convinced, that the first of the hostages who were released from Teheran were released probably because of the assistance of Mr. Yasir Arafat and the Palestine Liberation Organization.

SALINGER. The PLO initiative Kreisky told us about brought about the release of thirteen hostages in November of 1979. It was strange that Yasir Arafat, a man who is such a sworn enemy of the United States, would perform for it such a valuable service.

(Visual/Hostages—Singing, over).

The release of these hostages raised hopes that others would soon follow. It did not turn out that way.

Visual. Ramsey Clark.

The net spread even wider. Ramsey Clark, the former Attorney General, was sent off to Teheran by Carter because he had met the Ayatollah Khomeini, but he was stopped in Turkey. Khomeini wouldn't see him.

Visual. Amadou Mahtar M'Bow.

Amadou Mahtar M'Bow, the Secretary General of UNESCO, was contacted. He sent a message to Bani-Sadr hand carried to Teheran by Sean MacBride, the former head of Amnesty International and the winner of the Nobel and Lenin Peace Prizes.

(Visual).

Former Italian Prime Minister Giulio Andreotti, asked by the United States to locate people with contacts in Iran, found the French lawyers, Christian Bourguet and Francois Cheron, who would play a critical role in the hostage negotiations.

Visual. Felipe Gonzalez.

Felipe Gonzalez, the head of the Spanish Socialist Party, would go off to Teheran with Olaf Palme, the former Swedish Prime Minister and Kreisky, the Austrian Chancellor, to try to do something about the hostages.

SALINGER. But if in casting that net the American government believed it could end the Hostage Crisis rapidly, it would be mistaken. The secret negotiations to free the hostages would be long and frustrating, as we will tell you in a moment.

Visual. Day 19—November 22, 1979.

REPORTER. By now it is plain, the Shah cannot stay in the U.S. He is moved from New York to Lackland Air Force Base in Texas while a haven is found for him. One of the world's richest men is a pariah, a "man without a country".

Visual. Day 38—December 11, 1979.

December 11th. Hamilton Jordan confers in Panama with General Torrijos, a close friend since the Panama Canal treaty negotiations. Torrijos says, Bring the Shah here.

Visual. Day 42—December 15 1979.

December 15th. The Shah reaches Panama and is whisked off to Contadora Island, elusive wraith, moving in a trail of security men and medical bulletins.

Visual. Day 45—December 18 1979.

December 18th. President Carter writes to Panama's President Royo, "We hope the Shah's stay in Panama will facilitate a solution to the crisis." Royo writes Carter promising full support.

Visual. Day 52—December 25 1979.

December 25th, Christmas Day. Panama tries to negotiate the release of the hostages. The Shah is the bait.

(Visual/Ayatollah Khomeini.)

SALINGER (Vo). When the Ayatollah Khomeini had gone to France in 1978, he had been joined there by Sadegh Ghotbzadeh, a fervent anti-Shah exile. Ghotbzadeh had returned in triumph to Teheran with the Ayatollah, and a year later had become the Foreign Minister.

SALINGER. When Ghotbzadeh heard the Shah had arrived in Panama, he set out to find a fellow political exile he had known in Paris, Hector Villalon.

Cut to. Hector Villalon.

HECTOR VILLALON (Voice of Translator). He was especially interested in the experience I had in U.S. and Latin American political affairs.

SALINGER. Villalon's special knowledge of Latin America and the Spanish language would prove helpful to the Iranians in Panama. He had fled his native Argentina after the death of Juan Peron, and had settled down in Paris where he had become a friend of the French lawyer, Christian Bourguet.

Bourguet was also a friend of Ghotbzadeh and a supporter of the Iranian revolution, so it made sense that when Ghotbzadeh finally found Villalon in Paris and asked him to come to Teheran, he took Bourguet with him.

(Visual.)

(Vo). This was the first time either of them would be directly linked to the Hostage Crisis. They would end up working on it for more than a year. In Teheran the two men met with Ghotbzadeh. Bourguet explains what happened:

Cut to. Christian Bourguet.

CHRISTIAN BOURGUET (Voice of Translator). I think it was the evening of December 21st. He gave us copies of letters that were going to be sent to Panama by diplomatic courier, and he told us to advise the Panamanians that a decision had been made by the Revolutionary Council with the approval of the Ayatollah Khomeini to release three hostages for Christmas as a gesture to the Panamanian government.

Visual: Gallegos, Kupke, Lopez.

SALINGER (Vo). The three hostages picked for release were William Gallegos and James Lopez, both of Hispanic origin, and Frederick Lee Kupke, an American Indian. The Panamanians had asked for such a gesture from the Iranians before they accepted to seriously discuss the possible extradition of the Shah.

SALINGER. While they were traveling, a French Parliamentary delegation showed up in Qom, the religious capital of Iran and the then site of the Ayatollah Khomeini's headquarters.

(Visual).

(Vo). Headed by the French Senator, Madame Brigitte Gros, all the members of the delegation represented Districts, which included the village of Neuf-le-chateau where Khomeini had lived while in exile in France. The parliamentarians were received in Qom by Khomeini and saw Bani-Sadr, who told them in confidence about the upcoming release of the three hostages.

The French legislators then flew back to Paris two days before Christmas. When they arrived at Charles De Gaulle Airport, they held a press conference during which they torpedoed the release of the hostages.

VILLALON (Voice of Translator). Right away they made a statement to the press, and announced the release of the three hostages in advance. As a result of that the possibility of releasing the three American citizens was lost.

SALINGER. Marcel Salamin, a close advisor of the Panamanian leader, General Omar Torrijos, who later became an intermediary between Panama and Iran, concurs with Villalon's conclusions.

Cut to. Marcel Salamin, Panamanian Ambassador.

MARCEL SALAMIN (Voice of Translator). Because of the indiscreet disclosure by a French Senator, the students staged a demonstration in front of the Embassy and blocked the release.

SALINGER. So when Christmas Day dawned in Panama, and Hector Villalon and Christian Bourguet went around to visit Panamanian President Aristedes Royo, they had no gift of three hostages for Panama. The premature public announcement of the release of the three hostages had caused the first opportunity to be lost.

Visual. Day 40—December 13, 1979.

REPORTER (Vo). By now the bitterness and frustration over events in Iran subdue the season in America. President Carter says the national Christmas tree will remain dark until the hostages are freed.

Visual. Day 52—December 25, 1979.

CHOIR. (Singing). Silent night, Holy night, Son of God . . .

REPORTER (Vo). For the families of the fifty-three Americans being held in Teheran, the Yuletide season is particularly bleak.

(Visual/Teheran).

AMERICANS. (Singing). Silent night, holy night, All is calm, all is bright; Round yon virgin, mother and child;

REPORTER (Vo). In Iran, Christmas music comes from the cold Embassy compound. Khomeini has let clergymen in for services. The hostages are unwilling stars in this propaganda film. We now know they had been abused and humiliated.

Visual. Day 54—December 27, 1979.

REPORTER. (Vo). By now Soviet troops have swept into Afghanistan, dramatically changing the power game in the Persian Gulf. As much as it would like to, the United States can no longer encourage disintegration of authority in Iran in order to free the hostages. There's fear in Washington that the Soviet Union might take advantage of Iranian internal disorder and march to the warm waters of the Persian Gulf.

President Carter tells ABC's Frank Reynolds he believes the Russians can no longer be trusted.

PRESIDENT JIMMY CARTER. My . . . opinion of the Russians has . . . changed . . . most drastically the last week than even the previous two and a half years before that. . . . It's only now dawning upon the world the . . . magnitude of the . . . action that the Soviets . . . undertook in invading Afghanistan.

(Visual).

REPORTER. (Vo). American strategy changes. From now on President Carter must deal delicately with the Khomeini regime, firm enough to free our citizens, not tough enough to push Iran into the Soviet orbit.

Visual. Day 59—January 1, 1980.

Day 59, January 1st. An angry mob of Afghan and Iranian demonstrators storm the Soviet Embassy in Teheran, but this time Khomeini's revolutionary Guards evict the protestors.

CORRESPONDENT. Can you say anything to us? What can you tell us about your trip?

REPORTER. (Vo). That same day, U.N. Secretary General Waldheim arrives in Teheran to neogotiate the release of the hostages; but public hostility to Waldheim will cut short his visit.

Cut to: Pierre Salinger.

SALINGER. The U.N. Secretary General should not have gone to Teheran in the first place. From the moment he arrived in Teheran on January first to his hasty exit on January fourth, it was a disaster. Tonight we are going to tell you the inside story of the Waldheim mission, and why he failed.

(Visual).

(Vo). The Secretary General had been persuaded to make the trip by Pakistani Foreign Minister Aga Shahi; so when Waldheim finally made the decision to go to Iran just after Christmas 1979, he sent Aga Shahi to Teheran to receive assurances from the Iranian government.

(Visual/Shahi Interview).

Waldheim wanted to see the Ayatollah Khomeini and the hostages; the Iranians would give Waldheim no assurances, but he went to Iran anyway, convinced by Aga Shahi that things would work out.

(Visual).

SALINGER: Before Waldheim left for Teheran, the American government made it clear to the Secretary General that it was fundamentally against the idea of a United Nations Commission investigating past United States crimes in Iran. For the United States it would have been a considerable embarrassment, and the mood in America would not support the idea of the United States apologizing.

But the Americans also knew that what the Iranians wanted most of all at that time was just such an investigation. The United States told Waldheim it was ready for a trade-off: if the Iranians will release the hostages, then Iran can have its U.N. Commission and investigate past U.S. actions in Iran to its heart's content. It was the best negotiating card the United States had at that time, and the only thing they were willing to put on the table.

Cut to: Kurt Waldheim.

SALINGER (Vo). Waldheim, in an exclusive interview with ABC for this program recalls his contacts with the American government:

KURT WALDHEIM, Secretary General of the U.N. I was not empowered to negotiate . . . but . . . it was agreed . . . that I would try to find means and ways to solve the crisis, to contact . . . the Iranian authorities to find out in what way the problem can be solved and the, the United States Government gave me their ideas . . .

(Visual).

SALINGER (Vo). In Teheran, Waldheim was shaken by the tough reception he received and the threats on his life announced by the Iranian government.

IRANIANS. (Chanting). Down with Carter; down with the Shah! Down with Carter; down with the Shah! Down with Carter; down with the Shah! Down with Carter . . .

WALDHEIM (Vo). It was certainly a dangerous situation. I . . . was confronted with the victims of SAVAK, which was a very emotional affair. I . . . had the incident . . . in the, on the cemetery; . . . I wanted . . . to pay tribute . . . to the victims . . . of the revolution; but then it turned out to be a huge demonstration . . . attacking me . . . directly . . .

WALDHEIM. All this was . . . of course . . . a very . . . sad experience . . . and it made it almost impossible . . . to have . . . talks . . . which would . . . really lead . . . to a solution of the problem.

Visual. Day 61—January 3, 1980.

SALINGER (Vo). The fact is that Waldheim was in a state of panic when he met with the Revolutionary Council and did not stick to the plan agreed on with the American government.

IRANIANS (chanting). Down with Carter; down with the Shah! Down with Carter; down with the Shah! Down with Carter; down with the Shah! Down with Carter; down with the Shah!

SALINGER (Vo). The U.N. Secretary General had been particularly affected by the riot directed at him in the Teheran cemetery, and by the announcement on the Iranian radio that his life had been threatened. That was his state of mind when he went to meet the Revolutionary Council.

The reason we can be so explicit tonight about what went on inside the meeting between Waldheim and the Revolutionary Council is that we can reveal to you for the first time that a secret taping was made of that meeting. Here is what happened:

(Visual).

Instead of proposing as the American government had asked him to, a U.N. Commission after the hostages were released, Waldheim reversed the plan. He proposed a U.N. Commission that would go to Iran without any prior agreement on the release of the hostages. Waldheim was aware before he went to Teheran that the United States Government was totally opposed to this idea.

In an interview for this broadcast with ABC News U.N. Correspondent Lou Cioffi, Waldheim confirmed he changed the plan.

Cut to. Day 416—December 23, 1980.

LOU CIOFFI, Correspondent. Mr. Secretary General, before you left for Teheran it's reported that you had agreed with the United States, or the United States had agreed, that you would go there and offer a U.N. Commission to the Iranians in exchange for the hosta . . . release of the hostages. And yet when you got there and you talked to the Revolutionary Council, the Commission . . . did not automatically mean the release of the hostages, but simply set a process in motion. . . . What happened between?

WALDHEIM. . . . That is correct, of course . . . we had to set in motion a process. . . . The Commission, the Inquiry Commission, was a means to achieve the release of the hostages. . . .

(Visual).

WALDHEIM (Vo). . . . We did recognize . . . the grievances of the Iranian . . . authorities, the Iranian people on the one hand, but we also made clear that . . . the American . . . people and their, its government also have their grievances . . . about . . . the teratment . . . of . . . the hostages.

So the purpose was to, to agree on the setting up of a U. N. Inquiry Commission . . . which would lead then . . . to the release of the hostages.

SALINGER. Waldheim's reversal would prove a crucial error in the hostage crisis. He had given away the best negotiating card the United States had at that time, the creation of a Commission to investigate alleged U. S. crimes in Iran, and he had gotten nothing for it, not one single hostage.

What's more, Waldheim would be less than candid in reporting the results of his Teheran meetings to the United States Government, and would be considerably embarrassed when three weeks after the meeting with the Revolutionary Council, the secret tapes of that meeting would reveal to President Carter, who was at Camp David, the degree to which the U. N. Secretary General failed to carry out the agreed American strategy.

To update this chapter of our story, Secretary General Waldheim has reacted angrily to the report on our original broadcast that he accepted the Iranian view of a United Nations Commission without the prior release of the hostages, and in an attempt to diminish the importance of the secret tape recordings of his meeting with the Revolutionary Council, he says he did not negotiate with them. His principal negotiations, he says, were with Foreign Minister Ghotbzadeh.

Cut to. Courtesy—NBC U.N. Secretary General. January 23, 1981.

WALDHEIM. . . . Let me say that . . . the negotiations did not take place in the Revolutionary Council . . . to which . . . this broadcast . . . is . . . making reference . . . The talks, the discussions . . . negotiations . . . did pl . . . take place with Foreign Minister Ghotbzadeh and with him for many hours, and there I . . . did make this . . . suggestion which was . . . discussed and agreed upon by Washington: namely, to set up an Inquiry Commission . . . linked . . . to the release of the hostages . . . either before or at least simultaneously with the setting up of that commission. That is the truth.

Cut to. Issues and Answers.

SALINGER (Vo). But in an interview on ABC's Issues and Answers on January 6th, 1980—only forty-eight hours after he left Teheran—Waldheim was emphasizing the importance of his meeting with the Revolutionary Council, and saying his report to the U.N. Security Council would be based on that meeting.

Visual. January 6, 1980.

WALDHEIM. The . . . report which I . . . shall present to the Security Council tomorrow . . . will . . . contain my impressions, certainly, and also some ideas which were discussed with the Revolutionary Council, how to . . . overcome the difficulties, because there are two aspects: . . . we want the hostages—not only the Americans, the international community wants the hostages—. . . the Iranians want . . . the Shah and want an inquiry . . . in . . . the violation of human rights by the previous regime. So we have to . . . try to work out some sort of package . . . deal which makes it possible that we get the hostages, but we have also to accept something which satisfies the Iranians.

SALINGER. We have no desire to continue a polemic with the Secretary General and are willing to let the public make up its own mind on the merits of our arguments.

Mr. Waldheim sent us an emissary who showed us memorandums Mr. Waldheim had received from the United States Government the day before his departure for Teheran. Those memorandums confirm what we said, that the United States was willing to accept a U.N. Commission if there was a prior release of the hostages. The Secretary General, in an interview with ABC's Lou Cioffi we have shown you a few moments ago, concedes that he accepted the Iranian position, that the release of the hostages become part of the process of a U.N. Commission.

Since our program last Thursday, Waldheim's honor and good faith have been defended by former President Carter, former Secretary of State Cyrus Vance, former Deputy Secretary of State Warren Christopher and others. President Carter pointed out, among other things, that the Secretary General was not an employee of the United States, but of an international organization, something Waldheim has stressed repeatedly in his own defense.

None of these leaders, however, challenged our basic fact that Mr. Waldheim accepted the Iranian position of a U.N. Commission without prior release of the hostages while he was in Teheran. And we still firmly believe that is a fact. Update interviews and documentation confirm the United States Government came to accept the new Waldheim proposal because it had no other place to go.

In any case, even Waldheim's most ardent defenders concede his mission was a failure. That failure would fundamentally change the negotiating tactics of the United States Government and propel Hamilton Jordan, the closest man to President Carter, to the center stage in the effort to free the American hostages.

We will tell you that story in a moment.

SALINGER. Hamilton Jordan became the principal actor during the hostage drama as a result of the failure of the mission of U.N. Secretary General Kurt Waldheim. This is how that happened:

(Visual).

Two Panamanians had gone to Teheran to discuss Iran's desire to extradite the Shah. There they had dealt with the French lawyer, Christian Bourguet, and the Argentinian businessman, Hector Villalon. They had been impressed with the access these two men had to the Iranian leadership.

On their return to Panama, they gave a report to President Aristedes Royo and Armed Forces Commander Omar Torrijos. The two men agreed that Carter should be informed immediately about his new and valuable link to Iran. Torrijos made the call to Carter, and the President responded by sending Hamilton Jordan to meet a Panamanian delegation at Homestead Air Force Base in Florida.

Visual. Homestead AFB.

The result of this meeting was that Jordan would be thrust into the principal role in the effort to free the hostages.

(Visual).

A week later, Jordan was in London where he met face to face with Villalon and Bourguet for the first time for twelve hours. Other participants at the meeting were Harold Saunders, the Assistant Secretary of State for the Middle and Near East; and Gabriel Lewis, the former Panamanian Ambassador in Washington.

Cut to. Gabriel Lewis, Panamanian Ambassador.

GABRIEL LEWIS. I personally thought that . . . we have accomplished something. At least the United States have somebody to talk to who have direct contact with the people back in Teheran.

(Visual).

SALINGER. (Vo). Both Bourguet and Villalon were immediately impressed by Jordan.

Cut to. Christian Bourguet.

BOURGUET (Voice of Translator). I had never met him. First of all I was surprised by his age because he's a very young man. Secondly, I was surprised by the openness and the direct way in which he approached problems.

Cut to. Hamilton Jordan.

SALINGER. (Vo). Until now Hamilton Jordan has been reluctant to speak publicly about the details of the secret negotiations. In an interview which I conducted from New York with Jordan in Atlanta for this program, he was equally impressed with Bourguet and Villalon.

HAMILTON JORDAN. And then out of the blue, almost as if . . . they'd been sent by God, appeared . . . these two people who . . . appeared to have . . . credentials and contacts, and as a result I became, not only an admirer of Hector Villalon and Christian Bourguet, but I became their friend; and they acted honorably and in the interest of resolving this crisis . . . throughout.

(Visual.)

SALINGER (Vo). Bourguet spent much of the time at the meeting convincing the Americans that the Iranian request for the extradition of the Shah from Panama had to be taken seriously. As a starter, Bourguet urged the United States not to oppose the idea of the Panamanians arresting the Shah.

BOURGUET (Voice of Translator). I tried to explain that the problem of the extradition of the Shah, the return of the Shah's assets, that the Iranians considered this their fundamental problem; and that if the U.S. did not become aware of this, no beginning could be made. Mr. Jordan's reaction at the beginning was astonishment. He didn't believe that things were as serious as I was telling him.

SALINGER (Vo). At one point during the marathon conversation, Bourguet put in a call to Teheran and got Ghotbzadeh on the telephone. He tried to get Ghotbzadeh to talk to Jordan, but the Iranian Foreign Minister refused.

For Bourguet and Villalon, the London meeting was of extraordinary importance. One of their main missions was to explain to the Americans what the Iranians really felt.

SALINGER. They had now established a continuing link to the very top level of American power, Hamilton Jordan, the closest aide of the President of the United States. Jordan did not waste any time calling another meeting with Bourguet and Villalon.

Visual. Day 83—January 25, 1980.

(Vo). Less than a week after the first meeting in London, the two men stepped off a plane from Teheran and were whisked to the White House. They brought with them a spectacular and heretofore unrevealed present for the Americans which they had obtained in Teheran, the audio cassettes of the meeting between Waldheim and the Iranian Revolutionary Council.

These cassettes revealed to the Americans for the first time the full extent of Waldheim's failure, the fact that he had proposed to the Iranians the creation of a U.N. Commission without the prior release of the American hostages, something which up to then was unnacceptable to the Carter Administration. Hector Villalon explains why they brought the cassettes.

VILLALON (Voice of Translator). When the Secretary General returned to the United States, he made some public statements which were not precisely accurate on the facts and the events. It was possible for the United States Government to misinterpret Waldheim's meeting with the Revolutionary Council. So it was necessary for us to ask the Revolutionary Council for the original tapes of that meeting.

SALINGER (Vo). Despite the controversy over Waldheim, Jordan saw the significance of the cassette in another light.

JORDAN. . . . the tape was important in, in that it demonstrated that these two men that I had had contact with were in fact people who had a close relationship and the confidence of the revolutionary government.

SALINGER. Even though the Americans were against the plan as presented in Teheran by Waldheim, they still believed the U.N. Commission might eventually lead to a solution of the Hostage Crisis.

(Visual.)

(Vo). Bourguet and Villalon bought a suggestion from Foreign Minister Ghotbzadeh on how to break the impasse over the proposed Commission. If the United States would accept the idea of the U.N. Commission without the prior release of the hostages, Iran would accept the idea of asking the Commission to see all the hostages.

SALINGER. That idea was tantalizing to the Americans at that time because they were very concerned about the conditions in which the hostages were being held.

JORDAN. At that point in time we did not know if all of our hostages were alive or well or how they had been treated. So . . . the Commission going to Iran and seeing each of our hostages was a—a very critical element of—of the scenario, and tested at the outset the government's ability to get into the compound and to see the hostages.

SALINGER. The Americans accepted Ghotbzadeh's idea. Jordan, Harold Saunders, and Henry Precht, the head of the Iran Desk of the State Department, sat down with Bourguet and Villalon to hammer out the first plan, which they called a "scenario", for the creation of the U.N. Commission.

The two intermediaries then flew to Teheran to present the plan to the Iranians. The first reaction of Bani-Sadr and Ghotbzadeh was extremely positive.

Visual. Day 99—February 10, 1980.

(Vo). So at the Bellevue Palace Hotel in Berne, Switzerland, where Bourguet and Villalon arrived for a secret meeting with Hamilton Jordan and Harold Saunders, the intermediaries were in a state of elation. They saw the release of the hostages within their grasp.

The scenario for the U.N. Commission which the American government had helped write had the approval, not only of President Bani-Sadr, Foreign Minister Ghotbzadeh and the Revolutionary Council, more importantly, it had the blessing of the Ayatollah Khomeini. Not only that; for the first time, Bourguet and Villalon were bearing letters signed by Bani-Sadr and Ghotbzadeh officially authorizing them to negotiate with the Americans on behalf of the Iranians. For two days the four of them worked out an updated, minute-by-minute scenario for the creation of the U.N. Commission.

(Visual).

This new plan called for Iran to ask the Commission to see the hostages while they were in Teheran, and called for the United States to agree to the creation of the Commission without the prior release of the hostages provided that the Commission see all the Americans.

SALINGER. But the scenario went further than just the creation of the U.N. Commission. We now know there was a clear and firm link between the Commission's work and the release of the hostages. Contrary to what was being said in public, the plan was for President Carter to issue a statement, once the hostages were freed, which regretted the grievances felt by the Iranian people because of past actions of the United States in Iran.

Simultaneously, Iran would admit it committed a moral mistake in taking the hostages, and would agree to abide by international laws. Christian Bourguet recalls the provisional language that the Iranians insisted upon:

BOURGUET (Voice of Translator). But what the Iranians wanted was for the American government to recognize the interference of past American administrations in the internal affairs of Iran.

For example, the training of the Shah's police by American experts, the role of the CIA in the overthrow of Mossadeq, and the return of the Shah. And the Iranians wanted the Americans to commit themselves to non-interference in the internal affairs of Iran.

SALINGER (Vo). Jordan says today, however, that whatever language of regret that was agreed upon, the U.S. never intended to apologize.

JORDAN. . . . there was another stipulation we were to state . . . that we would not intervene in the internal affairs of Iran, and we were to take note of the grievances felt . . . by the Iranian people, but there was,- there was no . . . apology in our scenario.

SALINGER (Vo). Working from notes he had written on the back of hotel laundry lists, Bourguet called Ghotbzadeh in Teheran and spelled out the scenario to the Iranian Foreign Minister.

BOURGUET (Voice of Translator). These are notes that I made on some paper in the hotel room. I told Ghotbzadeh he was going to receive a message through the Swiss Embassy in Teheran, indicating the Americans had accepted the scenario.

SALINGER. The U.N. Commission was launched. It had been carefully planned, but would it work? In a moment we will continue this inside story of what went on behind the scenes in this chapter of the search for freedom.

* * * * *

SALINGER. It was Day 100 of the hostage crisis, and work was going ahead for the formation of the U.N. Commission. The implementation of the scenario for the Commission got off to a good start.

(Visual).

As agreed, U.N. Secretary General Waldheim called Ghotbzadeh at the exact time outlined, Noon, New York time, February fith, to announce that he was forming the Commission.

The next day, February 12th, Ghotbzadeh sent Waldheim a telex. Here we reveal for the first time what this highly important message said:

Visual.

"Our country, in conformity with agreements we have made, confirm that we would like the U.N. Commission to talk to each of the hostages."

Ghotbzadeh was keeping his promise to the Americans to have Iran ask the U.N. Commission to see the hostages in return for the United States approval to send the Commission without the prior release of the hostages.

After sending the telex, Ghotbzadeh headed for a week's trip to Western Europe, during which it was reported in the French press he had met with Hamilton Jordan. Ghotbzadeh denied it at the time.

(Visual/Sadegh Ghotbzadeh, Iran Foreign Minister).

GHOTBZADEH. This information is totally false because I never heard of the name of Mr. Hamilton Jordan til they told me that I've met him.

SALINGER. Jordan who has been candid on a number of points on his role in the negotiations, will not discuss this subject.

What we do know is that in Paris on February 19th, Bourguet and Villalon met Ghotbzadeh to discuss the U.N. Commission plans. And we know that on the same day in Paris Jordan met with Bourguet and Villalon.

As Ghotbzadeh arrived back in Teheran, the Commission members gathered in Geneva, full of optimism.

(Visual).

————. See you this afternoon.

————. See you.

SALINGER: After several days of work, they flew off to Teheran.

(Visual).

It would take some time before they would come to realize that their mission was doomed to fail.

From the start, it appeared the Iranians were prepared to play out the scenario which the American government had helped write and which they had approved. There is irrefutable proof that both Bani-Sadr and Ghotbzadeh wanted to make the Commission idea work.

ABC News has obtained these heretofore secret minutes of meetings held by Ghotbzadeh and Bani-Sadr with the Commission on the first day they were in Teheran. In each meeting it was stressed that Iran was aware of the scenario. At one point in the meeting with the Commission, according to these secret minutes, Bani-Sadr said, quote:

(Visual).

"That a scenario had been established and that Iran had participated in this scenario." (end quote).

Later in the meeting in response to a question from the Syrian member of the Commission, Bani-Sadr was reminded that it was the Iranians who had asked the Commission to see the hostages. The President replied, quote:

"There won't be any deviations in the plan, and Iran will execute the plan." (end quote).

(Visual).

But by March 8th, thirteen days after the Commission arrived in Teheran, they had still not seen the hostages. The members of the Commission were getting restive and applying increasing pressure on the Iranians to carry out their promise.

That day, March 8th, the Revolutionary Council had made a major decision. It had voted to transfer the hostages from the control of the militants to the government. Acting on that decision, Ghotbzadeh set out to arrange the transfer and move the scenario ahead. Bourguet and Villalon were there.

(Visual).

BOURGUET. The plans had been made for the transfer to be done by helicopter. There is a helicopter pad in the Embassy and another one in the Ministry of Foreign Affairs, and so it could definitely be done, and Ghotbzadeh called in the military people.

(Visual).

VILLALON. The Foreign Minister and the militia had received a permit to bring the helicopter in. But then we got some news from the inside of the Embassy that the pro-Communist team within the Embassy that was maintaining the hostages was prepared to play a martyr's role. That is, to kill everybody and commit suicide. It was a tragic situation. The Minister sent two delegations, and they came back with the report that these fanatics, these fools, were ready to do anything to prevent the Commission from coming in.

SALINGER. Actually, the United States government had received alarming information that the hostages might be killed. Just before the U.N. Commission went to Teheran, Harold Saunders contacted a key intermediary with the Iranians, Mohammed Heikal, an Egyptian journalist and former Minister of the Egyptian government and asked him to send this message to Teheran. The message said, quote:

"The USG, U.S. Government, is gravely concerned about reports we have received in the past few days indicating that some of the diehard militants at the U.S. Embassy compound may seek to kill some or all of the hostages if they are forced to release them. The U.S. is interested in receiving some form of assurance that the Iranian authorities are able to take measures to prevent this. The murder of the U.S. hostages would be a tremendous setback to stability in the region, would put the U.S. and Iran at odds for some time to come, and would blacken irrevocably the image of the Iranian revolution. If it is true that such action is planned, it is obviously the work of persons who want to further destabilize the situation in the region and undermine the goals of Iran's Islamic revolution." (end quote)

Heikal passed the message on to Ahmed Khomeini, the son of the Ayatollah.

In an interview done for this broadcast, Ghotbzadeh recalls another dramatic incident regarding the hostages while the U.N. Commission was in Teheran.

GHOTBZADEH. I remember one night they want . . . they want to see Rafsanjani and talk to him. But if you put the pressure on us, that the United Nations Commission see the hostages, we'll transfer them to the government. But if you want to take the hostages, you've got to announce it eight hours before you're coming to . . . get them and giving . . . our time . . . giving us the time to announce it over the radio, and then we're going to open the gates of the Embassy . . . everybody gets in. So obviously there was a conspiracy of pro, practically . . . putting in danger of the ho, life of the hostages.

Then . . . this transfer of the hostages obviously backed down.

SALINGER. What was incredible was that on March 8th, Day 126 of the hostage crisis, Ghotbzadeh and the men around him in his office planning their transfer, did not even know the identities of the hostages.

Ghotbzadeh asked Christian Bourguet to get the list from some American newsman then in Teheran. And when that failed, Bourguet drew up this questionnaire, which was to be given to each American as he left the Embassy.

But their release from the Embassy was not to be. At one-thirty, Ahmed Khomeini, the son of the Ayatollah, called Ghotbzadeh to say his father had not yet approved the transfer. Ghotbzadeh tried to assemble the Revolutionary Council, but they refused to meet. It was now impossible to transfer the hostages.

Then, on March 10th at the Hilton Hotel, the Commission gathered to meet Ghotbzadeh who arrived in a state of agitation. He had just learned at a meeting of the Revolutionary Council that the Ayatollah Khomeini had decreed the Commission could not see the hostages without first issuing a partial report of their findings, something which was not in the scenario.

VILLALON. The Imam, wanted the Commission to make a report to tell the Iranian people the reality of what it had found in its fifteen days of work. That is recognized that some crimes had been committed by the Shah, and that the U.S. had intervened in this conflict.

SALINGER. The Commission rebelled. They insisted on sticking to the scenario and making their report on their return to New York.

For three of the five members of the Commission, the Ayatollah's demand was the final straw, and they wanted to go home. Ghotbzadeh argued with the Commission to stay.

For the first time, we can tell you tonight what went on inside the room where the Commission and Ghotbzadeh met until the early hours of March 10th. Bourguet and Villalon were witnesses.

(Visual).

BOURGUET. In one room there was the Commission that was discussing with the Iranian ministers. In the next room there was Villalon and myself who were on the telephone with the White House. And in a third room there was the technical staff of the Commission who were in direct communication with Mr. Waldheim.

(Visual).

VILLALON. President Carter himself spent a long time by the telephone following the thing. And finally said, the United States is not opposed to the Commission doing its duty. That was the formula.

(Visual).

SALINGER (Vo). In effect, faced with the total disintegration of the U.N. Commission plan and with the hope fading for the release of the hostages, Carter gave in to the Ayatollah Khomeini's demands.

He agreed on the telephone with Bourguet and Villalon that the Commission could make a report on the crimes of the Shah before seeing the hostages.

But Andres Aguilar, the Commission member from Venezuela, broke up the whole thing. He refused to go along with Khomeini's demand despite Carter's pleas, saying it was unacceptable blackmail.

VILLALON. The Venezuelan delegate took me aside and said. Listen, even if President Carter asks me to say what I found here, I'm not going to do it. I do not agree to continue this thing.

SALINGER. (Vo). The French and Sri Lankan delegates sided with Aguilar. And at five in the morning, the Commission broke up.

GHOTBZADEH. And I think that was the biggest mistake they ever made. I think . . . although we came very close to resolve the

problem of the hostages during the stay of the U.N. Commission here and after the Commission departed, suspicion was created so much that we were much far off than we were before the Commission came.

SALINGER. The members of the Commission had not even been able to deliver this personal message from Jimmy Carter to the hostages. The message, revealed tonight for the first time, started, quote:

"This is President Jimmy Carter." (end quote).

And went on to praise the courage and patriotism of the hostages. It went on, quote:

"You have the love and respect of our entire country. When you return, you'll be met with an outpouring of affection, beyond anything you can possibly imagine." (end quote).

(Visual).

(Vo). So not only had the Commission been unable to deliver the message, worse still, its mission had failed.

(Visual/Airplane takeoff).

SALINGER (Vo). Hamilton Jordan analyses the reasons for the failure of the U.N. Commission plan.

JORDAN. Unfortunately, our people were used throughout as political pawns in the power struggle in . . . Teheran. We were told that from the outset and throughout our negotiations that the scenario had been approved, not only by the Revolutionary Council—which I know for a fact it was . . . but also by Ayatollah Khomeini.

Ultimately . . . in, in the power struggle that took place, place in through, in Teheran throughout the crisis, up until the last few days when they were released . . . the religious hardliners were using . . . the negotiations of President Bani-Sadr and Foreign Minister Ghotbzadeh . . . as a political argument in their struggle for power in Teheran . . .

So I think ultimately . . . our efforts failed because at a critical point in time . . . some members of the Iranian leadership did not have the, the political courage to do what they had pledged to do.

SALINGER (Vo). In an interview conducted for this program, Harold Saunders, the Assistant Secretary of State who participated in the evolution of the plan, gave ABC News correspondent Barry Dunsmore his reason why the U.N. Commission failed.

HAROLD SAUNDERS, Assistant Secretary of State. While we thought when we embarked on that scenario that it had the full agreement of the Revolutionary Council and of Ayatollah Khomeini, it became apparent even while the U.N. Commission was in the air on its way to Teheran that . . . Khomeini either had changed his mind or had not fully agreed to the ex, . . . the scenario from beginning to end.

You remember when the U.N. Commission was on its way to Teheran, he announced that the problem would be resolved by the, by the parliament when it was formed.

SALINGER. This ended the first phase of the Carter Administration's secret negotiations to free the hostages.

In a few moments we will see how Panama and Iran, with the full knowledge of the United States, worked together to get the Shah of Iran under arrest to bring about the liberation of the American hostages.

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SALINGER. It was the ultimate irony for a man like the Shah who had held the fate of millions in the palm of his hand . . . that he could no longer control his own destiny. Living in exile on tiny Contadora Island in Panama, the Shah became the increasing target of scheming and intrigue.

The Iranians wanted him back . . . that had been their first condition for the release of the hostages, but Panamanian law made extradition of the Shah difficult, even impossible. Under Panamanian law no person could be extradited to a country where the death penalty existed. The orgy of executions in Iran at the beginning of the revolution was a stark reminder that the death penalty did exist there, but Panamanian law also said that if a foreign country brought charges against one of its citizens . . . with enough presumption of guilt, the Panamanian Government had to arrest that person while the charges were studied.

The American Government never favored the idea of extraditing the Shah to Iran, but it came to accept the idea of the Shah being arrested . . . if somehow this highly symbolic act for the Iranians could be translated into freedom for the American hostages. The Panamanians were willing to do what the Americans wanted and if arresting the Shah was acceptable to the United States, they would arrest the Shah.

With this background it is easier to understand what happened in the sixty days which elapsed between January 23rd and March 23rd, 1980, two important dates in the story of the American hostages as it was linked to the Shah and to Panama.

We will recall that the French lawyer, Christian Bourguet, and the Argentinian businessman, Hector Villalon, had flown off to Teheran on January 21st after their first meeting in London for twelve hours with Hamilton Jordan, the right hand man of President Carter.

Iranian Foreign Minister, Sadegh Ghotbzadeh, was very excited with this new high level American contact. Ghotbzadeh believed that through Jordan he could get the Americans to pressure Panama into extraditing the Shah and bringing him back to Iran. At that time Ghotzbadeh still firmly believed extradition of the Shah was possible.

Also such a spectacular coup would be of great help to Ghotbzadeh personally. He was a candidate for President of Iran and his campaign was going badly. That overpowering need for a dramatic event to help his campaign is part of the explanation of the bizarre events which took place on January 23rd.

That morning at three thirty Christian Bourguet received a call from an excited Ghotbzadeh . . . who told him he had received an important call from Panamanian President, Aristedes Royo.

BOURGUET. He had received a telephone call from the Panamanian President telling him that Panama had made a decision to arrest the Shah and that this was going to be announced in the morning and that they would confirm this by telex.

SALINGER. Bourguet, who had planned an early flight to Paris that morning . . . rolled back over to sleep. A half hour later, four AM, the phone rang again. It was Ghotzbadeh who reported this time he had talked to the Panamanian leader, General Omar Torrijos.

BOURGUET. I was a little sleepy but he told me he had received a second telephone call from General Torrijos to tell him that the decision had been made to arrest the Shah.

SALINGER. Bourguet cautioned Ghotzbadeh to say nothing about the phone call until the telexes arrived.

BOURGUET. I advised him to wait until he received the confirmation telex. He had apparently instructed that the announcement of the arrest not to be given until the telex had been received. The telex was supposed to arrive at seven o'clock but there was a problem because Ghotbzadeh had understood seven o'clock Teheran time, whereas President Royo was speaking seven o'clock Panamanian time.

SALINGER. The confusion stems from the fact that seven AM Teheran time is not the same thing as seven AM Panama time. There is, in fact, eight and one-half hours difference between the two. At the time Foreign Minister Ghotbzadeh realized an error had been made because of the difference in time.

GHOTBZADEH, Iranian Foreign Minister. He said he's going to . . . announce it . . . announce the decision in the morning . . . Panama time, which is going to be the afternoon . . . our local time. Unfortunately, here . . . the minister say to release information . . . before and . . . obviously what, I'm sure . . . has annoyed certain number of . . . officials in Panama was a premature . . . announcement here.

SALINGER. Panamanian President Royo was indeed upset with Ghotbzadeh's early morning announcement that the Shah had been arrested as a first step in the extradition proceedings. It was all a misunderstanding. After interviewing all of the principals we can now tell you what really happened.

Royos and Torrijos did call Ghotbzadeh in the middle of the night. They told Ghotbzadeh that Panama was going to announce that when the Iranians filed their extradition papers . . . the Shah would be arrested as required under Panamanian law. Panama gave Iran sixty days to get together the necessary documents . . . but because of bad telephone lines and a language problem Ghotbzadeh only got the message that the Shah was going to be arrested.

He apparently did not hear or understand . . . that the arrest would only come when the extradition papers were filed. The language barrier was significant, for example, General Torrijos does not speak English and Ghotbzadeh does not speak Spanish. While the incident was unfortunate it did clarify for the Iranians just what they had to do to get the Shah arrested and as the days went by Ghotbzadeh because increasingly convinced that the Panamanians would not extradite the Shah but that they would arrest him with the proper documentation . . . something which would be highly symbolic in Iran and facilitate the negotiations . . . for the release of the hostages.

(Visual).

Back in Panama there were important and daily civil disorders. The presence of the Shah had provoked an angry reaction among part of the Panamanian population. For the first time in ten years the National Guard was ordered to take repressive measures.

General Torrijos was paying dearly for his friendship with President Carter, a friendship that led to Panama's invitation to the Shah . . . but for the former Iranian monarch his sojourn in Panama was proving beneficial. His health had improved dramatically during the month of January.

He had gained twenty-four pounds and his doctors were pleased with his recovery from the New York operation . . . but then things went bad again. His spleen which had caused him problems since childhood was found to be cancerous. He secretly entered a Panama hospital for treatment . . . but it was not only the health problems that bothered the Shah and his aids, they were aware of the increasing activity in Iran to prepare the extradition papers so the Shah would be arrested and as Robert Armao, the Chief Advisor to the Shah, told us in an exclusive interview for this program, the Shah and his entourage began to believe the former monarch would be arrested.

ROBERT ARMAO Shah Spokesman. The . . . administration was so anxious to come to a conclusion with the hostages they were capable of doing anything. They were willing to . . . shuffle him off to Panama when they knew . . . they knew full well what Torrijos was. They knew Torrijos and company very well. They knew the state of the Shah's health. They knew what the ultimate outcome was going to be so . . . based on the . . . treatment we received at the hands of the Panamanians the Shah felt, yes, arrest and extradition were possible.

SALINGER. That fear of arrest aggravated the Shah's health. His spleen operation was scheduled for March 15th but then cancelled when the Panamanians refused to let the Shah's own doctors perform the surgery . . .

and now he wanted to get out of Panama at all costs.

ARMAO. Remaining in Panama . . . posed a medical concern which . . . we apprised Hamilton Jordan and Lloyd Cutler. He refused the operation by the Panamanian doctor and . . . if he didn't move to have the operation he would have died. The consensus of the . . . several friends of the Shah's around the world including Doctor Kissinger, including David Rockefeller, including . . . several other prominent Americans, Europeans was that the Shah should leave Panama as soon as possible because we were risking our lives every day we stayed there.

SALINGER. As Armao just said the Shah's entourage had expressed concern about the Shah's health to Lloyd Cutler, Special Counsel to President Carter, and Hamilton Jordan.

But it was not just health that was worrying the former Iranian monarch. It was the fact that the lawyers for the Iranian government were closing in on him with the necessary papers to put him under arrest.

In a moment we will tell you the dramatic story of the Shah's last days in Panama.

SALINGER. We have been telling you about the Shah's final days in Panama and the move to arrest him. What was in the wind was a deal . . . the Shah would be arrested in Panama if the hostages would be transferred from the control of the militants to the control of the government of Iran.

So when Christian Bourguet arrived in Panama on March 20th . . . carrying these final extradition documents necessary to get the Shah arrested . . . the Shah became very uneasy. Bourguet now knew that if the paper were filed before the deadline set by the Panamanians . . . which was ninety-six hours away . . . the Shah would be arrested.

Hamilton Jordan, who dealt extensively with the Panamanians, gave me an assessment of what would have happened if the extradition papers had been filed.

JORDAN. One thing that's, that's been lost in this whole . . . review of the negotiations, Pierre, is the fact that . . . the Panamanians have, have a law and legal processes which must be . . . respected. And according to their, to their laws, I think it was pointed out in your earlier program, at the point in time that extradition papers were presented to the Panamanians, the Panamanians technically had to . . . to hold the Shah in some type of symbolic . . . house arrest.

SALINGER. For Iran even the symbolic arrest of the Shah would have been a sensational victory. For it would have proved to the people of Iran that the former occupant of the Peacock Throne was nothing but a common criminal.

The Shah himself was made aware by General Torrijos that he would be arrested, as the Shah's advisor, Robert Armao, told us.

ARMAO. General Torrijos came to him at one point, unbeknownst to me. I found out . . . several days later and told him that I might have to announce that you're under house arrest just to . . . he said, just to . . . play along this drama and . . . the Shah didn't answer him. Then a few days later the Shah told me. At this time, of course, the Shah's health was seriously deteriorating and the Shah just told me . . . one day . . . he said, You know . . . he said, to me it doesn't matter He said, what I'm worried about is my wife and the children . . . and my family . . . different family members were coming and going.

He said, that's what worries me . . . He said, my . . . what . . . what difference do I . . . do I make? It doesn't make any difference to me . . . But in the end he realized that they probably would have turned him over to the Iranians.

SALINGER. But something critical was missing before the extradition papers could be filed . . . which would bring the arrest of the Shah, the official Iranian Power of Attorney. The Iranian official carrying that key document would not arrive in Panama until Saturday, March 22nd, but the government offices were closed until Monday.

So the deadline for the filing was extended until the close of business Monday, March 24th. On Friday, March 21st, Bourguet was suddenly summoned to a meeting with General Torrijos. He was surprised to find Hamilton Jordan there. He did not know the White House aide was in Panama.

BOURGUET. Hamilton Jordan was there. He said, we have some serious problems. The Shah wants to leave Panama. Jordan said, under these conditions what is your analysis of the situation? What do you think of the various possibilities?

One, he will leave Panama and return to the United States, two go to Egypt, three . . . someplace else, four . . . he will stay in Panama where he will be arrested. I said the first solution, going to New York, was the worst. I'm not even sure it doesn't mean the death of the hostages.

For Egypt . . . there would be some serious consequences because of the links of the United States with Egypt after Camp David and because the Iranians believe Panama is an extension of the United States . . . It is my opinion . . . he had to stay in Panama.

SALINGER. Jordan actually agreed with the assessment. It was clear to Bourguet that the United States government from the moment the Shah had arrived in Panama . . . been willing to accept even the most drastic steps . . . including the arrest of the Shah, if that would lead to the liberation of the hostages.

Juan Materno Vasquez was the Panamanian lawyer representing Iran in the extradition proceedings.

JUAN MATERNO VASQUEZ. At no moment was the legal process of the extradition expected to be approved, the arrest, yes. It was something desired by Iran, Panama and the United States.

SALINGER. General Torrijos was agreeable to arresting the Shah, but he told Bourguet there was an important condition the Iranians had to perform first.

BOURGUET. He said perhaps I could make a decision myself to arrest him . . . but you understand this would be an act of politics on my part. In order to take this political action . . . there would have to be one thing of great importance accomplished by the Iranians and that would be to transfer the hostages out of the custody of the militants.

SALINGER. Bourguet immediately contacted Villalon in Teheran to tell him the news. The next day, Saturday, March 22nd, Torrijos called back Bourguet and gave him a deadline of twenty-four hours to accomplish the transfer. When Bourguet communicated the deadline . . . it was just before dawn on March 23rd in Teheran.

It took the Iranians more than twelve hours to get a meeting organized to discuss Torrijos' ultimatum. It was the Persian New Year and Bani-Sadr and many members of the Revolutionary Council were off in the provinces. Ghotbzadeh was full of optimism that the Shah could be held in Panama, although he feared financial and political pressures from the United States on the United States on the former Iranian monarch to leave.

GHOTBZADEH. Well there had been an attempt . . . by . . . Mr. Kissinger and Mr. Rockefeller to . . . make the Shah transfer somewhere else than . . . Panama . . . I think it was Egypt.

SALINGER. But his hopes would be shattered during a meeting which got underway at eight P.M. in the office of President Bani-Sadr . . . where Hector Villalon and some Iranian aides were also present.

The men in that room were faced with a double ultimatum . . . the one laid down by General Torrijos which gave them twenty-four hours to do something about moving the hostages out from custody of the militants . . . and a second and more subtle ultimatum . . . the increasing signs that the Shah was panicking in Panama . . . and wanted to get out of that country at any price.

He had been told by friends that his arrest was certain. Villalon described what happened.

VILLALON. Bani-Sadr spoke with Bourguet who still did not believe that the Shah would leave Panama. Bourguet considered it merely a threat . . . But a little later the Panamanian lawyer Mr. Materno Vasquez contacted us and told us there was a great deal of international pressure on Panama to get rid of the Shah.

I got Torrijos on the telephone and he told me the situation was untenable because the Iranian government had not taken any steps to resolve the problem. Torrijos said, we are asking you simply to transfer the hostages from the militants to the control of the government . . . then I can intervene.

We were trying to get more time when the journalist, Mr. Rouleau, came into the room.

SALINGER. Eric Rouleau is the correspondent for the French afternoon daily, Le Monde, and a specialist on Iranian affairs.

ERIC ROULEAU, Correspondent Le Monde. There was Bani-Sadr . . . wearing curiously a pajama . . . barefooted . . . sitting on a sofa with his legs crossed and talking to Sadegh Ghotbzadeh, the Foreign Minister . . . Hector Villalon . . . the . . . Argentinian businessman, who was acting as a go-between and a couple of aides and there was a heated discussion . . . and they was asking themselves what . . . how . . . are we going to do . . . what are we going to do to get the hostages out of the hands of the . . . Islamic students . . . And they were calling all the time Panama and discussing it over the phone and trying to convince . . . Mr. . . . General Torrijos to . . . adjourn the departure of the Shah until they are able to bring out the hostages from the . . . Embassy . . . from the compound.

There was an argument with Mr. Bani-Sadr and Mr. Ghotbzadeh . . . Mr. Ghotbzadeh wanted to use force . . . to get them out. Mr. Bani-Sadr was saying that this was not . . . decent . . . that he was prepared to go to the Embassy and convince the students to give up the hostages.

At some time . . . at some point . . . it was about midnight . . . I think . . . the phone . . . rang and . . . Ghotbzadeh started talking on the phone and I gathered it was . . . Torrijos talking to him and . . . Ghotbzadeh was beseeching . . . actually beseeching . . . the Panamanian leader, asking him to wait until the next day, seven A.M.

I remember . . . the time . . . seven A.M. He said by tomorrow seven A.M. Teheran time we would have got the hostages out of the hands of Islamic students . . . and suddenly there was a silence and . . . Ghotbzadeh became livid . . . the telephone practically dropped from his hands . . . and he said to those four people sitting . . . facing him, he said, the Shah has left . . . and I remember he didn't even say goodbye. He just . . . left the phone, came back . . . and there was a long silence . . . Everybody was struck . . . by that piece of news.

SALINGER. Hector Villalon remembers the dramatic end a little differently.

VILLALON. I picked up the phone to speak to Torrijos again. Torrijos said, since you need more time, I can't do anything, I can't intervene; the Shah is going to leave; the plane is there. I have no reason to intervene.

Bani-Sadr tried again to convince Torrijos. Torrijos said, no, I can't do anything. I can't intervene and that is how the Shah left, that is he fled.

SALINGER. Ghotbzadeh now believes that letting the Shah leave Panama was America's greatest mistake in the hostage crisis. Interviewed in Teheran for this broadcast, he said he believed the only way to get Iran's leaders to observe international law and get the hostages released . . . was to

prove to them that international law worked for Iran in Panama.

GHORBANIFAR. And I had a . . . telex from the President and he's under care . . . security care of the Panamanian government . . . and . . . they told me . . . again that . . . he is . . . put under the surveillance of the government . . . and again that question of Panama was . . . if you want . . . another American major mistake . . . because . . . when we had started . . . getting information together and . . . pleading to the Panamanian courts for . . . extradition of the Shah . . . if the American would have . . . stayed on the principles and keep the Shah over there, at least the process of the extradition . . . would have occurred.

Then some face . . . would have been created in law concerning international . . . laws and international regulations. The Shah left . . . and in that unfortunately some Americans were involved. It's for the Americans to say who was involved. We don't know the reality . . . but the reality should be . . . digged in the United States who obstructed that . . . because, as I said, it was extremely important . . . that we show to our people that some laws and regulations are being applied in the world . . . therefore, we should be abiding with it.

Every time we came close to that . . . it was blown up and it . . . the case of . . . of Panama was exactly one major setback for our viewpoints, that is . . . to abide with . . . international laws.

SALINGER. That is how the Shah's departure was seen from Teheran . . . but there are also witnesses in Panama. First, Juan Materno Vasquez, the Panamanian lawyer, representing Iranian interests.

MATERNO VASQUEZ. Hamilton Jordan was there saying that the Shah should stay but representatives of Rockefeller and Kissinger were telling the Shah that the extradition petition was valid and that he would be arrested and sent to Iran.

SALINGER. Panamanian President, Aristedes Royo, adds his point of view.

ROYO. It didn't work . . . because the Iranian government never really accepted the idea of liberating the hostages until the government of the United States met many other requirements . . . requirements different from holding the Shah in Panama.

I mean by this, the solution was really in the hands of United States more than it was in the hands of . . . Panama.

SALINGER. At the Shah's residence on Contadora Island . . . his principal advisor, Robert Armao, recalls the scene at that fateful moment.

ARMAO. When Cutler arrived that . . . final night in . . . Panama . . . he . . . offered the Shah the option that if his health deteriorated to such a point, they would welcome him back to the United States. So Lloyd Cutler said to the Shah in that meeting that he was welcome back to the United States . . . but Cutler suggested . . . that the Shah abdicate the throne perhaps.

They were preying on the Shah's . . . pride knowing that he would never do this. So on the one hand, we had the President telling . . . Princess Asraf . . . the Shah . . . he wouldn't let the Shah down . . . On the other hand, you had Cutler down there giving him a . . . half-hearted invitation back to the United States.

Later on that evening . . . when I went back to sit with the Shah and discuss our plans, he told me what Cutler said. That he suggested he abdicate . . . abdicate, and he said that obviously he wouldn't, he couldn't. And he said . . . he is not welcome by the Carter Administration in the United States. Therefore, we'll go to Egypt.

For some reason . . . til this day I don't understand there was an urgency for us to get out of Panama . . . that last twenty-four hours. The United States had a concern to get us out before Monday . . . and I could never understand that . . . Lloyd Cutler . . . told me not to wait for Sadat's plane . . . that he would try and find a charter and we should move very quickly.

The only charter he later told me he could find was this four hundred passenger DC 8 when we were only a party of eight people . . . and the cost was over two hundred and . . . fif . . . over . . . well over $250,000.

SALINGER. White House Counsel Lloyd Cutler in an interview for this broadcast gives us his version of his private meeting with the Shah in Panama.

LLOYD CUTLER. I don't think it's fair to say we were trying to persuade him to do one thing or the other . . . I don't want to comment on a private conversation I had with the Shah that no one else attended. But . . . it was our view that were he to return to the United States, it should be made as nonpolitical as possible. And that he should make it clear in that event, he had no intention of seeking to regain the throne.

SALINGER. Cutler also said the Shah had to be gotten out of Panama because with the filing of the extradition papers, he was certain to be arrested or held in Panama.

CUTLER. The very weekend that the Shah was to have his operation, which was aborted because of the argument between the doctors, and he then decided to leave was also the weekend in which after months of delay, the lawyers for Iran finally arrived in Panama to present their expedition papers, extradition papers, which were to be filed on the following Monday.

As I mentioned earlier, in that event as a technical, legal matter, the Shah would have been required to remain in Panama until those proceedings were over. Since he was unwilling to have an operation there, afraid to do so, if he had been detained and if he had died for lack of this spleen operation, which was an emergency procedure that he needed, the re, moral responsibility of the United States and indeed of the Panamian government would have been very heavy.

For that reason we felt as long as he had decided to leave, he should leave as promptly as possible.

SALINGER. The Shah was desperately ill with a hundred and four degree temperature, but he was determined to leave Panama. When Bourguet heard the Shah's plane had actually taken off . . . he desperately tried to reach Jordan, but the White House aide had already left for Washington. He finally reached Henry Precht, the head of the Iran desk of the State Department . . . who told him the Americans would attempt to stop the Shah's plane in the Azores . . . But Precht warned Bourguet the Iranians had to move the hostages away from the custody of the militants.

Bourguet relayed the message to Teheran but Bani-Sadr had gone to sleep with orders to his guards that he not be awakened.

ROULEAU. The phone rang into my room . . . woke me up and there was Hector Villalon on the phone, very excited, saying . . . Eric . . . the Prime Minister is in trouble. He has a . . . a very important, a very urgent message to transmit to the . . . Chief of State, Mr. Bani-Sadr and . . . so I said, well, so what? So he said, yes, but . . . we are . . . we have been trying to get on the phone to him for the past hour, but his bodyguards would not wake him up. They have instructions not to wake him up until tomorrow at seven A.M. and this is too urgent.

So . . . since you have . . . had a long relationship with the President . . . you know . . . Mr. Bani-Sadr lived fifteen years in Paris, and I knew him then . . . would you please call . . . him. They put . . . they might wake him up for . . . for . . . wake him up for you. So . . . I did try . . . and I failed of course like the Prime Minister and then I understood from Mr. Villalon later on that . . . the reason why Mr. Torrijos was in such a hurry was that he wanted to . . . make a statement that night . . . saying that if the Americans would . . . intercept the Shah or arrest the Shah . . . on the Azore Islands, he would . . . get the hostages out of Islamic students.

In fact there was a plan . . . to send some . . . militias to get them out by force.

SALINGER. Nobody stopped the Shah in the Azores. The departure of the Shah was a classic example of the failures of both sides, which affected the fate of the hostages. The Iranians had sixty days to get the extradition papers to Panama . . . but their lawyers showed up with the documents . . . only seventy-two hours before the deadline expired.

They had twenty-four hours to get the hostages out of the hands of the militants . . . but could not agree how to do it. The Panamanians gave the Iranians a twenty-four hour deadline to move the hostages . . . and let the Shah depart before the deadline expired. Hamilton Jordan was frantically trying to get the Shah kept in Panama . . . while White House Counsel Lloyd Cutler was ordering up the plane that took the Shah to Egypt.

The only thing the Shah left behind to show he had been in Panama was this handwritten note to General Torrijos.

"I want to thank you once more for all the signs of friendship, hospitality and human understanding that you have shown my wife and myself since you so graciously invited us to come to your beautiful country."

Another opportunity had been lost.

It was a weary and discouraged Bourguet who was ushered into the White House two days later. There for the first and last time Bourguet met with President Carter. It was an unforgettable meeting, with an unusual ending. We will tell you the inside story of that meeting . . . in a few minutes.

(Visual).

ANNOUNCER. By now, President Carter is dropping in the opinion polls. The Rose Garden strategy that helped him in November is hurting him now.

March 25th.

TED KENNEDY. I love New York.

ANNOUNCER (Vo). Senator Kennedy defeats President Carter in the New York Primary. Polls show the public is frustrated and irritated by the President's seeming inability to end the hostage crisis.

SALINGER. As March came to a close, the hostages had been imprisoned in Teheran for more than 140 days. Frustration and even a sense of desperation was settling over the White House. Not only had they failed to liberate the Americans, there was a pervasive feeling of total failure in communication between Washington and Teheran.

To deal with that problem, there were a whole series of messages initiated in a period of one week. We will look at that flood of communications, starting with perhaps the most unorthodox message of them all.

When Christian Bourguet arrived in Washington two days after the Shah left Panama, he was convinced that the United States had lost its best chance up to then to obtain the release of the hostages. He was also convinced of the good faith of the United States government in trying to keep the Shah in Panama. Whisked directly from Dulles Airport to the White House in an official limousine, Bourguet found the mood grim.

He was immediately taken to the office of Hamilton Jordan. They discussed ways in which the hostage negotiations could be revived. Early in the afternoon word came to Jordan's office that the President wanted to see Bourguet. The French lawyer was escorted across the Rose Garden into a room on the ground level of the White House living quarters. There, the left wing French

lawyer and the President of the United States found themselves face to face for the first time.

BOURGUET. He received me very warmly, and he told me how upset he was about what had happened in Panama with the departure of the Shah. He was aware how this made things more complicated, and he thanked us for our efforts.

SALINGER. In the ensuing conversation Bourguet, one of the Westerners who best knows Iran, told President Carter some things that shocked him.

BOURGUET. At a given moment he spoke of the hostages, saying, you understand that these are Americans. These are innocents. I said to him, yes, Mr. President, I understand that you say they are innocent. But I believe you have to understand that for the Iranians they aren't innocent. Even if personally none of them has ever committed an act, they are not innocent because they are diplomats who represent a country that has done a number of things in Iran.

You must understand that it is not against their person that the action is being taken. Of course, you can see that. They have not been harmed. They have not been hurt. No attempt has been made to kill them. You must understand that it is a symbol, that it is on the plane of symbols that we have to think about this matter.

SALINGER. At the end of the meeting, Carter started writing in a notebook in front of him. The words in pencil filled only one page, but it was an important message directed to the Iranian leadership.

BOURGUET. He had a little notebook. And at the end of the discussion, he told me, so that there will be no possible confusion, so it is quite clear what my position is, here is what the United States government wants.

He said, here, you can turn this over to Mr. Bani-Sadr, to the Ayatollah Khomeini. This is what we want. This is the summary of our position.

SALINGER. I asked him if he showed the note to the Iranians.

BOURGUET. Yes, of course, I gave copies to them, to President Bani-Sadr, to the members of the Revolutionary Council.

SALINGER. Bourguet told me about their reactions.

BOURGUET. The only thing that interested them was the last paragraph. That is the fact that President Carter had recognized in writing the rights of the Iranians to present their claims to the International Court of Justice in a very broad manner. The fact that he recognized this in writing, this was for them the proof that there was really a willingness on the part of the United States to resolve the situation, to solve the problem.

SALINGER. I asked Bourguet why he thought Carter had made the mistake of writing "captors" instead of "captives." Was he upset?

BOURGUET. Yes. I believe at the end of our discussion, he was definitely upset.

SALINGER. Before we leave this story of the handwritten note, we should briefly discuss two other messages between Washington and Teheran.

The first, drafted in Berne, Switzerland, was a handwritten letter from Hamilton Jordan to President Bani-Sadr. The letter was an effort to pick up the pieces after the failure of the U.N. Commission. It had two principal points:

It ratified the willingness of the United States to continue dealing with Iran through Bourguet and the Argentinian businessman, Hector Villalon.

Second, it proposed the creation of a joint U.S./Iran commission which would deal with outstanding financial problems between the two countries.

The second message is the one published by the Ayatollah Khomeini's office on March 27th, purporting to be a personal letter from President Carter to the Ayatollah.

It is now clear no such letter existed although the published text included whole paragraphs of previous secret U.S. messages to Iran. But no matter what the origin of the letter, its publication angered Carter.

Two days later, he sent a tough message to President Bani-Sadr giving the Iranian government forty-eight hours to move the hostages out from custody of the militants into the hands of the government. Failure to do this, Carter said, would bring tough new sanctions from the United States.

We'll tell you that story in just a moment.

SALINGER. We've been telling you the story of a tough new message that President Carter sent to the Iranians . . . in which he gave the Iranian government forty-eight hours to transfer the American hostages out of the custody of the militants into the hands of the government.

That threat was taken very seriously in Teheran. The Revolutionary Council discussed the Carter message for two days. On the afternoon of March 31st, the day before the Wisconsin primary, they agreed to take over the hostages as Carter had demanded if the United States recognized the right of the Iranian parliament which was about to be elected, to make the final decision about the hostages.

The Revolutionary Council gave Bani-Sadr instructions to send a message to Carter with that proposition.

French lawyer, Francois Cheron, the partner of Christian Bourguet, was with Bani-Sadr at the time and recalls what happened.

FRANCOIS CHERON. Bani-Sadr told me that . . . everybody agreed, Imam and the students and the Revolutionary Council and all the people involved in Teheran with the, the case. He was sure that the, the hostages could . . . could be transferred under the control of the Iranian government.

SALINGER. For some unexplained reason, Bani-Sadr modified the terms of the Revolutionary Council. The message which was delivered to Washington in the night of March 31st, April 1st, said that if Carter recognized the right of the new parliament to make the decision on the hostages, the Revolutionary Council would take over the hostages, or keep them at the Embassy under government control with the militants becoming members of the Revolutionary Guard.

Still, the intent was the same.

Now, let us take a detailed look at what happened on April 1st, Wisconsin primary day, recalling what ABC News reported that day.

(Signature Music.)

Super. ABC News World News.

Tonight. April 1, 1980.

FRANK REYNOLDS. Good evening. It's primary election day in Wisconsin and Kansas. And we'll have a report on the voting in both states later in this broadcast.

But in Iran on this one hundred and fiftieth day of captivity for American hostages, the President of Iran offered to remove the hostages from the control of the militants at the Embassy. The President of the United States promptly welcomed the offer as a positive step and deferred further sanctions against Iran.

But a few hours later, warned the Iranians that American patience is not endless. And, in Mr. Carter's words, failure to bring this outrage to an end is directly contrary to the best interests of the Iranian people.

So it has been a day on which it is possible to be encouraged, but impossible to be certain that real progress has been made.

SALINGER. What happened in Teheran that morning was that Ahmed Khomeini, the son of the Ayatollah, had read a tough speech on behalf of his father, which was violently anti-American.

(Visual).

It had forced Bani-Sadr to give an equally anti-American speech so not to be out of line with the Ayatollah.

But at the end of his speech, Bani-Sadr had offered to take over the hostages if the United States ceased hostile action against Teheran.

Five A.M., Washington: At the White House Carter met with his advisors to review the message they had received during the night and the text of Bani-Sadr's speech.

Seven A.M.: Carter made a statement in his office in which he judged Bani-Sadr's speech as positive. But he failed to make any mention of the right of the new parliament to make a decision on the hostages, which Bani-Sadr told him in the message was a precondition for the transfer of the hostages.

Now, let us hear what ABC's John Scali reported from the State Department that Tuesday evening.

JOHN SCALI. ABC News has learned that President Bani-Sadr has told President Carter that White House statements so far do not meet the conditions he has set for transferring the hostages out of the militants' hands. Bani-Sadr has appealed for a more specific declaration that the U.S. will not retaliate against Iran.

Bani-Sadr's request was made in the telephone call late today by a third party to Secretary of State Vance who in turn advised the President.

SALINGER. Considering how closemouthed the Administration was being at that time on its secret hostage negotiations, Scali was remarkably close to the truth.

What actually happened when Bani-Sadr heard that Carter had failed to mention the Iranian parliament in his early morning statement, he set out to see clarification. He summoned Cheron to his office, who called Christian Bourguet in Paris. Bourguet in turn called Hamilton Jordan at the White House, urging him to send a message to Teheran recognizing the right of the parliament to make the hostage decision.

So when Bani-Sadr had heard nothing at seven P.M. Teheran time, he feared that pursuing the negotiations would cause him troubles with Khomeini.

He gave an interview to CBS in which he lashed out at the United States.

At virtually the same instant, the telex machine in the Swiss Embassy in Teheran started to spit out a message from Washington. Carter had finally acknowledged the competence of the Iranian parliament to make the decision on the hostages. But the message went unread that night. The Swiss Embassy had closed for the day.

It was only the next morning that the message was finally delivered to Bani-Sadr. The Iranian President read it to his entourage, stuffed it in his pocket and went out to participate in Iran's Nature Day. Another opportunity had been lost.

In our update interviews with American and foreign officials, there is unanimity of view. That this April 1st initiative was considered almost a sure chance to get the hostages out.

Leading Swiss sources have told ABC that a Swissair plane was sitting on the runway of Zurich with doctors aboard ready to fly to Teheran. These same Swiss officials now tell us that enough cots had been brought to the Foreign Ministry in Teheran for all the hostages to rest until they went to the airport.

Former Secretary of State Cyrus Vance confirmed this fact today in an interview with ABC's Barry Dunsmore.

BARRY DUNSMORE. Indeed, it is a fact that . . . preparations were made at the Ministry . . . for the receipt of the hostages. I talked to Bruce Laingen about this recently when I was in Wiesbaden. He said lockers were moved in. . . . Other arrangements were made in the Foreign Ministry . . . for the sleeping arrangements for the hostages.

So I think that things were quite close at that point.

SALINGER. Hamilton Jordan recollects that day, April 1st, and tries to analyze why the hope failed.

JORDAN. . . . The day of the speech by Bani-Sadr and the statement by the President, we were very close then. And I'm not sure that . . . we'll ever know precisely why . . . why we failed. My own assessment is that . . . President Bani-Sadr . . . caught up in the political conflict and turmoil in Teheran, did not have the political will or, or courage to . . . effectuate the transfer of the hostages.

SALINGER. Once again, the American efforts to release the hostages had run afoul in the power struggle in Teheran.

The two Iranians who had really tried to do something about the hostages, President Bani-Sadr and Foreign Minister Ghotbzadeh, had seen their power systematically reduced by the religious leaders. The principal weapon of the religions leaders was that Bani-Sadr and Ghotbzadeh were pro-American because they were trying to release the hostages.

It was also becoming increasingly clear that rational messages had no impact on Iran's revolutionary leadership.

The United States would now decide to stop talking and take drastic action.

ANNOUNCER. By now, hopes for a resolution of the crisis have faded. Efforts by Bani-Sadr to transfer control of the hostages from the militants to the government have failed. The Ayatollah said no.

(Visual).

April 7th. President Carter retaliates by ordering all Iranian diplomats out of the United States. The break in relations is coupled with new economic sanctions.

CARTER. It must be made clear that the failure to release the hostages will involve increasingly heavy costs to Iran and to its interests.

(Visual).

ANNOUNCER. April 8th. Ayatollah Khomeini calls the United States bloodthirsty.

April 9th. There are hints of a Naval blockade against Iran. U.S. Warships are already in the area. In Teheran, the militants threaten if there is the slightest military attack on our land, we will destroy the spy hostages and the Embassy. The tension builds.

(Visual).

April 17th. President Carter imposes more sanctions and threatens military action.

CARTER. I am compelled to repeat what I have said on previous occasions. Other actions are available to the United States, and may become necessary if the government of Iran refuses to fulfill its solemn international responsibility. The American hostages must be freed.

April 24th. Foreign Minister Ghotbzadeh threatens to cut off the entire Persian Gulf and block Western oil supplies if the U.S. mines Iranian ports.

Then, April 25th, Day 174 of the hostage crisis. Eight Americans die in an aborted rescue mission to free the hostages.

SALINGER. What led a desperate President to do something he had vowed he would never do? Use force in the Iran hostage crisis.

The evidence is now clear that rising public indignation of the long detention of the hostages, the failure of months of quiet, secret but unsuccessful negotiations, and the pressures of a political campaign that was going sour, all played a role.

Hamilton Jordan, who lived through that period of desperation, gives us a behind-the-scenes look at the Tebaz decision.

JORDAN. So it was a confluence of events, namely, our negotiations had failed; our efforts to make contact with the Iranian leadership and develop an honorable solution to the crisis had failed; instability in Iran; increased concern about the safety of our people, a heightened concern; and the development of a rescue plan in which the military had high confidence. It was in that atmosphere that President Carter, I will always think correctly, attempted to rescue our people.

SALINGER. In any event, Carter finally gave in to his National Security Advisor, Zbigniew Brzezinski, who told him there was a military plan which would work. It failed. It was one of the worst military defeats and humiliations in the history of the United States.

Bob Dyk, who was in Teheran at the time, tells us the story of Operation Blue Light.

BOB DYK. The disastrous attempt to free the hostages by military force, this is what became of it. On the morning of April the 25th, President Carter broke the news.

CARTER. It was my decision to attempt the rescue operation. It was my decision to cancel it, when problems developed in the placement of our rescue team for a future rescue operation. The responsibility is fully my own.

In the aftermath of the attempt, we continue to hold the government of Iran responsible for the safety and for the early release of the American hostages who have been held so long.

DYK. Iranians celebrated the mission's failure as a victory for Allah, Khomeini, and the militants, who promptly scattered the hostages throughout the country, to discourage U.S. military planners from trying again.

Basically, the plan was this: To fly a volunteer team of U.S. servicemen into Teheran where they would break into the Embassy, free the hostages, and fly them to Turkey.

Three transports, one of them a tanker, flew in from Egypt. And helicopters from an aircraft carrier penetrated from the south. The destination was an abandoned airstrip near Tebaz, about three hundred miles southeast of Teheran.

This chart shows the flight path one of the helicopters followed. Aborted because of equipment failure, it ended in the desert, eight U.S. servicemen burned to death. A fiery collision between the tanker, and one of the helicopters.

SALINGER. The Tebaz raid was a shock and surprise to the men the United States was using as intermediaries in the hostage negotiations. It also put them in a very delicate situation.

None of them had prior knowledge that the United States had suddenly shifted from the road of secret negotiations to that of military action.

The Iranian who at that time was the most involved in the hostage matter, Sadegh Ghotbzadeh, also showed from the start that he did not want the Tebaz raid to affect future negotiations. He did so in a call to one of the intermediaries, French lawyer, Christian Bourguet.

BOURGUET. He wanted some clarification as to the reason for which the operation had been launched at that time. But he also wanted me to tell the Americans that neither he, nor the Ayatollah Khomeini, would seek any revenge against the hostages because this attempted military intervention had occurred.

Ghotbzadeh told me to tell the Americans, "You have been punished enough like this. It's an act of God. Let's start again."

SALINGER. Argentinian businessman, Hector Villalon, was also in touch with Teheran soon after the Tebaz raid. Both he and Bourguet were preaching moderation to the Iranians, who on one hand were shocked by the raid, but on the other, impressed by the sacrifice made by Secretary of State Vance in resigning.

CYRUS VANCE. (Secretary of State) First I believe that ten to fifteen of the hostages would've been killed, even if the raid had been able to go through, and they had been able to reach the Embassy.

Secondly, it was a very difficult and complicated . . . rescue operation to carry out many thousands of miles from home.

In addition to that, I believe that it is a strong likelihood that new hostages would have been taken.

VILLALON. The decision made by Secretary of State, Cyrus Vance, with respect to this matter, made a great impression on the Iranians. And this enabled Ghotbzadeh's decision to avoid a break. And it was he who made the wisest possible statement, the most moderate statement possible which permitted the Imam to make a moderate statement of his own.

SALINGER. But in our update investigation, we have discovered another startling fact about communications after the Tebaz raid. A top official in Iran even picked up the phone and put in a call from Teheran to Hamilton Jordan's private number in Washington, to discuss the raid with him.

Bourguet and Villalon also had talks with their contacts at the State Department in the immediate aftermath of the Tebaz raid.

VILLALON. I think that they were honest. They said that they were not able to prevent it. "We were against it. We couldn't stop it."

SALINGER. Even today, rereading the moderate statements made in Iran after the Tebaz raid, their tone is surprising. It is now clear the Vance resignation was one reason.

But the intermediaries, Christian Bourguet and Hector Villalon, deserve a great deal of credit for convincing the Iranians that nothing should be said which would compromise future negotiations.

But Bourguet and Villalon were not the only intermediaries who were shocked by Tebaz. In Cairo, Mohammed Hassanen Heikal heard the news of the raid with incredulity. Heikal, a distinguished Egyptian journalist, who had been the right hand of the late Egyptian President, Gamal Abdul Nasser, had been employed as an intermediary by the United States Government since January.

HEIKAL. I think that we were near a solution at that time . . . we were near a solution at that time. But then all of a sudden, out of the blue, the Tebaz thing happened. We were, oh, my God, all this happened now, at this moment. It's going to blow everything sky high. I mean it will be very difficult after that to try to build any bridges.

(Visual).

SALINGER. Heikal had an exceptional advantage to the American government. He had a close relationship with the Ayatollah Khomeini. Heikal had been recruited as an intermediary by Harold Saunders, the Assistant Secretary of State for the Middle and Near East, at a meeting in London in mid-January.

For four months he had been passing American messages to Khomeini. For example, he had passed a message to Teheran on March 9th, after the United States government received information that the militants at the Embassy might try to kill the hostages.

But several days after the Tebaz raid, when a middleman brought him a new message for the Iranians, Heikal was shocked by what the United States government was asking him to pass on to Teheran. In effect, the message was suggesting to the Iranians that they use the Tebaz raid as a way of proclaiming victory over the United States by issuing a statement on the moral superiority of the Islamic Republic. And pointing to the humiliating defeat of the United States.

It suggested that the Iranians show the great humanitarian face of Islam by releasing the hostages. It went on to suggest that the hostages be taken to Tebaz with the press so the newspaper correspondents could note their disparaging remarks.

The message for Heikal was written by Harold Saunders, and was sent to Heikal in such a way that the United States government could deny it had ever written it.

Heikal remembers the message.

HEIKAL. I received a message asking me to . . . you know, to . . . convey to the Iranians—as if the idea was coming from me—that, you know, this is the time to be real Moslems. Now they have proved themselves against the . . . power of United States and United States have proved that they have no guts, and that . . . it's only a giant with a feet of clay, and, you know, now, it's time to show Moslem indemnity and then the hostages can be taken to the Tebaz . . . Tebaz . . . where the . . . in the middle of the ruins of the American airplanes and from there released as a show of Islamic tolerance.

And I looked to the man who passed to me this message. I said, do you really . . . do they really want me to pass this message to Teheran? And he said, "Yes, I think so." I said, they must think I'm crazy.

SALINGER. Heikal was a supporter of the Iranian revolution. But he found phrases like moral superiority of the Islamic republic, and success of the Iranian revolution degrading, coming from the United States government.

He was also shocked by the suggestion of the Americans that the hostages be taken to Tebaz with the press.

(Visual).

Harold Saunders, the Assistant Secretary of State for the Middle and Near East, who was intimately associated with the hostage negotiations from the first to the last day, not only denies writing the message, but says he cannot conceive of anyone in the American government making such a suggestion.

HAROLD SAUNDERS. Assistant Secretary of State for the Middle and Near East: I don't . . . I don't recognize the message and I think as I said previously the . . . I did not authorize such a message or see such a message, or know the contents of such a message, and none of my colleagues in the Department did. I think that as far as the . . . some of the particular ideas that . . . in this message about taking the hostages to the site of the rescue attempt . . . failed attempt in the desert is just a thought that, I think, could not have crossed the mind of any of us who were . . . who'd given heart and soul to getting our colleagues out in safety and dignity, and protecting the dignity of our nation. It's just not something that . . . that we would've done, and I'm certainly glad to have a chance to . . . deny that.

SALINGER. But the message exists.

It was delivered to Heikal in Cairo by the same man Saunders used to originally persuade Heikal to act as an intermediary of the United States government.

And it was delivered after Saunders made a call to ascertain that Heikal was indeed at home in Cairo.

Here are some other details on the message.

It is written in such a way that the United States government could deny ever sending it.

(Quote). "Would appreciate following idea be presented to Heikal as coming from you." (End quote).

The "you" being the intermediary who delivered the message. Here are other key paragraphs in the message.

(Quote). "The American Hostages have served the purpose Iran has wanted. They have served as a pretext to show the world dramatically the evil of the Shah's regime, and the United States government support for it. The hostages just are not needed any longer. The hostages will be released. Iran never intended to harm them anyway. The gesture dramatized Islam's magnanimity and compassion. There was never any hatred for the American people, only the U.S. government." (Unquote).

This message convinced Heikal the time had come to terminate his work as an intermediary.

Several weeks later, he would pass on a technical message to Teheran. But the Tebaz message effectively put an end to his work as a direct contact with Khomeini.

This was unfortunate for the American government, for with his special links to Khomeini, Heikal was one of the best men the United States could have found to plead its case in Teheran.

The plane carrying the bodies of the dead Americans left behind in the Iranian desert arrived at the Zurich Airport on May 5th.

Archbishop Hilarion Capucci of Jerusalem had been charged by the United States to recover the bodies. That even provided one of the few glimpses the public got of Hector Villalon and Christian Bourguet during all the time they were involved in the hostage negotiations.

ANNOUNCER. By now, it is summer, 1980, a time of maneuver and of impasse.

Both Iran and the United States are preoccupied with politics. The hostages are all but forgotten.

But the two nations cannot forget each other. In Iran, obsession with America is so great, that on July 4th, a day of no historic significance there, hundreds of thousands of Iranians surge through Teheran and other cities vilifying the U.S.

(Visual).

The politics of annhiliation have reduced opposition to the Khomeini government.

But Iran does have a new parliament. And a new Prime Minister. Mohammed Ali Rajai. On the last day of August, day 302, Muskie writes Rajai asking for early release of the hostages. The negotiating season has begun.

(Visual).

SALINGER. In the end, it was the government of West German Chancelor, Helmut Schmidt, who put the United States on the track to the final solution of the hostage crisis.

The irony is that Schmidt was the Western European leader who really disliked Jimmy Carter. Yet Schmidt and his government handed Carter the ultimate card to free the fifty-two Americans.

It was late August when the word came to the United States government that the West Germans had found a highly-placed Iranian ready to talk and deal with them to try to solve the hostage crisis.

The key man in finding the Iranian was Gerhard Ritzel, the West German Ambassador to Teheran—a quiet but effective operator with the revolutionary government who kept a very low profile.

The man Ritzel turned up for the Americans was Sadegh Tabatabai. Tabatabai was perfectly placed to help. His sister is married to Ahmed Khomeini, the son of the Ayatollah. He had been the Deputy Premier and spokesman of the short-lived government of Prime Minister Mehdi Bazargan. Tabatabai had been educated as a young man in West Germany. And unlike most of the current leaders of Iran, travelled extensively to the West. He had continued to maintain his German ties after his return to Iran.

(Visual).

Working patiently, Ritzel brought Tabatabai to accept being a middleman for the American government, passing on messages to the Ayatollah through Ahmed Khomeini.

The American push to liberate the hostages worked on two levels.

On August 31st, aware that the German channel had been set up, Secretary of State Edmund Muskie, sent a letter to the newly appointed Iranian Prime Minister, Mohammed Ali Rajai, a former primary school teacher who had been arrested and tortured by the Shah's secret police, the SAVAK.

In the letter, Muskie asked Rajai to take a new look at the hostage situation. Muskie said the United States would recognize Iran's revolutionary regime and not interfere in Iran's internal affairs if the hostages were freed.

While waiting for a reply, the Americans continued to work with the Germans and Tabatabai to get the Ayatollah Khomeini to say something publicly which would move the hostage negotiations along.

On September 11th, Tabatabai sent word to the Americans through the Germans that the Ayatollah Khomeini would make an important declaration the next day, setting four conditions for the release of the hostages.

Tabatabai even told the Americans what Khomeini's four conditions would be.

Return of the Shah's wealth;

Cancellation of U.S. claims against Iran;

Unfreezing of Iranian funds in the United States;

And U.S. guarantees of non-interference in the internal affairs of Iran.

If the Americans had any doubt about Tabatabai, it was erased the next day. Just as the Iranian intermediary had signalled. Khomeini issued his four points at the end of a long rambling speech.

Notably missing from the Ayatollah's list was the old Iranian demand for an American apology for past actions in Iran. It was a clear signal from Teheran that the Iranians really wanted to talk. At last the United States had something concrete on which to base negotiations.

The United States government did not waste a minute in following up on the Ayatollah's setting of conditions.

Deputy Secretary of State, Warren Christopher, arrived in Western Europe, highly visible, and announcing he was going to make a tour of our principal allies to discuss the hostage crisis.

(Visual).

But behind the scenes, he had another motive for the trip. On September 17th, Christopher held a previously unrevealed meeting at a secret location outside Bonn, the capital of West Germany. The West German government had gone to considerable trouble to provide the location for the secret rendezvous. There, Warren Christopher, representing the United States of America, and Sadegh Tabatabai, representing the Islamic Republic of Iran, held the most important meeting of the months long effort to free the American hostages.

Tabatabai had come to West Germany under the cover of being a member of a mission to Europe headed by the governor of the Iranian Central Bank, Ali Reza Nobari. At the meeting outside Bonn, Christopher and Tabatabai discussed ways in which the Ayatollah's demands could be implemented by the United States.

The feeling in the American government at that time was that they were very, very close to the ultimate solution of the hostage crisis. But once again, fate intervened.

(Visual)

Iraq, encouraged by what it saw as the disintegration of leadership in Iran, decided it was the right time to settle an old score with the Iranians over the sovereignty of the oil rich territories on the Iran/Iraq frontier.

The Iraqis invaded Iran. And the incursion officially became a war on September 22nd, only five days after the meeting between Christopher and Tabatabai.

Now the problem of the United States government was to convince Iranians that it had no hand in the Iraqi invasion. The men who pulled off this feat were the intermediaries who had been active from the start in the secret negotiations to free the hostages, the French lawyer, Christian Bourguet, and the Argentinian businessman, Hector Villalon.

The man they worked through was Sadegh Ghotbzadeh, who had been stripped of his post as Foreign Minister by his religious opponents, but continued to maintain a close working relationship with the Ayatollah Khomeini.

Villalon contacted Ghotbzadeh to find out

what the United States could do to get the parliament's debate on the hostages back on the track. Villalon recalls what Ghotbzadeh told him.

VILLALON. Ghotbzadeh was clear. He said to us, "If you succeed in convincing the United States to make a statement on the Iran/Iraq war, a statement that would show that the United States has a just position on this matter, then," Ghotbzadeh told us, "I will be able to go to the Ayatollah Khomeini with this statement, and that will unblock the situation on the hostages."

SALINGER. Villalon said he went to the State Department with this information from Ghotbzadeh, and suggested a direct phone conversation between a high U.S. government official and Ghotbzadeh. But Villalon realized he was putting Ghotbzadeh's life in danger.

VILLALON. All the telephones are tapped by the Mujis and the Iranian internal security. Ghotbzadeh talking by telephone directly to the State Department was a great risk. He would, in fact, be risking his life. He could be accused of being an American spy.

But despite this, Ghotbzadeh agreed to talk directly with Harold Saunders.

SALINGER. Harold Saunders, the Assistant Secretary of State for the Middle and Near East, got Ghotbzadeh on the telephone in Teheran, and assured him that the United States had no responsibility for the Iraqi invasion of Iran, and considered Iraq the aggressor in the conflict.

As a direct result of that telephone call between Saunders and Ghotbzadeh, Secretary of State Muskie made a public statement on October 20th.

EDMUND MUSKIE, October 29, 1980. The United States has nothing to gain by taking sides in this conflict. We are working for an end to the fighting between the two nations.

We believe that this conflict can and must be resolved through respect for cardinal principles of international law . . . that territory must not be seized by force of arms; that disputes should be settled by peaceful means. We are opposed to the dismemberment of Iran.

SALINGER. As Villalon predicted, the Muskie statement resulted in aiding the moderate forces in the Iranian parliament to adopt the conditions for the hostage release.

On November 2nd, just two days before the Presidential election in the United States, the Iranian parliament adopted the final version of the four conditions the Ayatollah stated the United States had to meet before the hostages could be released. The stage was set for the final push to liberate the Americans.

A final note. In the forty-eight hours before the U.S. Presidential election, after the parliament had adopted the conditions for the release of the hostages, Harold Saunders, from Washington, was in frequent telephone contact with Ghotbzadeh in Teheran to see if the hostage negotiations could be unblocked before the election. The talks failed.

(Visual).

And Jimmy Carter went down to defeat on the very same issues which had once made him popular.

The decision by the parliament to fix the conditions for the hostage release on November 2nd, opened the final phase of the hostage negotiations.

But there was an irony. The West Germans, who had played such a giant role in putting the United States on the right track, were frozen out of the final negotiations by the Iranians.

Leaders of the Iranian government saw West Germany as an ally of the United States, closely linked ideologically and politically with what they considered "The Great Satan."

The Iranians preferred now to deal through sure friends, the Algerians. And it was the Algerians who finally pulled off the successful final negotiations.

SALINGER. The hostage crisis finally ended in the Teheran bazaar! There is no other way to describe the last month of the negotiations.

On December 19th, when the Algerian delegation which had been handling the negotiations since early November brought the United States the new demands of Iran, they were mind boggling. Twenty-four billion dollars in guarantees for the release of the fifty-two Americans. Four hundred and sixty-one million dollars for each hostage.

In the United States, the Iranian offer was labeled as ransom. But behind the scenes, the small group of men and women handling the negotiations for the United States, which came to be known as the Core Group, was privately pleased. The Iranians had put a price on the table. And at that point, they were asking for guarantees, and not hard cash.

The other thing in the negotiations was that there was a clear deadline. The customer was going to leave the bazaar on January 20th. It was the end of Jimmy Carter's presidency, and the beginning of Ronald Reagan's.

Lloyd Cutler, the former White House Special Counsel, is firmly convinced that January 20th was a deadline which pushed both the Iranians and the Americans to resolve the crisis.

LLOYD CUTLER, former White House Special Counsel. And both we and the Algerians were able to persuade the Iranians that at the very least, a new government would take months to think over what it should do before it will pick up the negotiating task even if it were disposed to do so.

And I said that I think it's not only important that January 20th was coming, but that there was going to be a change in administration. If President Carter had won, and we were in the same negotiations, January 20th could have come and gone without causing any incident at all. This way, it was a real deadline that drove the Iranians, and, of course, to a very considerable extent, drove us. We wanted to get this done before we left.

SALINGER. But it did finally come down to money for the hostages. Money for human lives.

ABC's Mike Connor details the last five days of frenzied international financial negotiations.

MIKE CONNOR, ABC News. Thursday, January 15th: A cable from Algiers arrives at the White House. It contains news of a surprising breakthrough in the financial negotiations. Iran wants to pay back, in full, all of it outstanding loans from American banks. Former Deputy Secretary of the Treasury, Robert Carswell.

ROBERT CARSWELL, former Deputy Secretary of the Treasury. There was a . . . there was a photo-taking session at the White House, and . . . anybody who wanted to have his picture taken with the President . . . well, was over there. This was Noon on the 15th. And I was there with my children and the message came in just after that very brief occasion with the President.

And I went up . . . and I was up in Lloyd Cutler's office in the White House, and we went over the message which came from Christopher in Algiers that outlined what those new terms were.

CONNOR. The cable was a shock, because until then negotiations between Iran and the U.S. banks had centered mainly on reactivating Iran's loans. The hope was that Iran would make good on its loan commitments, and continue future payments after the hostages were released.

But the American banks didn't trust Iran to do that. So Iran's offer to pay off all its loans, in full, was a major step towards unfreezing its assets.

CARSWELL. The decision by the Iranians to pay off the bank loans, really eliminated any bank opposition to returning those deposits.

Just the mechanics alone of paying off what turned out to be hundreds of loans, and trying to bring up to date what the amounts were that would be required to pay them off, that was a horrendous problem.

CONNOR. But the mechanics proved to be more difficult than anyone had envisioned. On Friday, officials from twelve of the largest American banks were summoned to Washington, where they met throughout the weekend with government officials, trying to solve financial problems that they had never confronted before.

At one point, the president of Chase Manhattan, had to rely on a pocket calculator for help.

CARSWELL. We had to keep open the Federal Reserve Bank of New York, which is the central bank of the United States, the Bank of England, which is the central bank of the United Kingdom and Prime Minister Thatcher suggested to them that they do this, and they did. And the twelve largest banks in the United States also kept their operations office open all during that period. Bankers' hours were not observed.

CONNOR. One major problem faced, how much interest should American banks pay Iran for deposits held over the last fourteen months.

Iran wanted seventeen percent. The banks wanted thirteen percent. The difference, a hundred and thirty-one million dollars.

The agreement: An escrow account, with the disputed amounts to be negotiated or arbitrated at a later date.

Saturday and Sunday were spent verifying the exact amounts in the Iranian accounts. Because the State Department had informed the banks that once the figures had been telexed to Iran, there could be no change.

But early Monday morning, a snag developed. Ali Reza Nobari, Governor of Iran's central bank, charged that the American banks were sabotaging the agreement by slipping in a last minute appendix. It looked like the deal was going to fall apart.

According to the American bankers, the misunderstanding concerned a standard banking clause which would have prevented future claims by Iran against the banks.

CARSWELL. As soon as we found out about that language, we . . . we meaning the Treasury, I talked to . . . all the banks and they agreed to eliminate the language immediately. It was not in . . . a sense, a key part of any of the . . . transaction, and it simply got in there in a way that it probably shouldn't have.

So we let the Iranians know immediately that the banks were prepared to take that out, and we actually gave them language to take it out.

Whether it had any substantive impact, or whether this was just an excuse to gain some time, I guess we'll never know. But, for a period it was used as the reason why they weren't going to proceed, and that cost, if that was the real reason, I don't know, some hours.

CONNOR. By Monday night, everything seemed to be in place for the final instructions from Iran. But there was one last hangup.

CARSWELL. And they told us that at ten o'clock, that message was ready to be transmitted. It actually didn't come until three A.M. So we all sat there, wondering what was going on, whether the deal had blitzed, whether there was some change, whether we . . . they were having problems in Teheran, whether there were mechanical difficulties. Nobody knew. And doesn't know to this day.

CONNOR. You still don't know.

CARSWELL. Ah, yeah. The machine came to life at 2:30 A.M. Around four hours, just absolutely dead. And then when it came through at 2:30, it was jibberish. They were

just, you know, chitchatting across the machine. And, you know, saying are you there? And the guy running the telex back, "Yes, I'm here. When are you going to transmit?" And they say, "Wait a minute," and that kind of thing.

That went on until three A.M. and then the message started to come through.

CONNOR. But, as this copy of the actual telex shows, the final message was garbled, and in some cases incomprehensible. The security code was wrong. And there were many typographical errors.

These figures, for instance, should have read, First National Bank of Chicago. And this string of zeros should have read seventy million dollars.

CARSWELL. Meanwhile time was slipping away, and if we were to get this thing done on that last day, we didn't have any time. So Bill Miller monitored this along with the rest of us, and after a point, he talked to . . . bankers in Washington and assessed where it was and . . . everybody agreed that it had gotten to a point where it was merely a question of letting the details get cleaned up afterwards.

SALINGER. The Algerian intermediaries who were involved in these frantic final negotiations had been very discrete on their role.

But what we have pieced together from private conversation with Algerians in a position to know, are these facts.

When Iranian Prime Minister Rajai came to the United Nations on October 15th, the Iranian government had already decided to get rid of the hostages.

The Algerian negotiators came to believe the way the U.S. banks were dragging their feet in the negotiations, put the release of the hostages in danger.

And the Algerians believed the biggest obstacle in pulling off the final deal was the deep-seated lack of trust the Iranians had in the United States.

In the end, it came down to the final twenty-four hours. In the center of the drama was the White House. Where Jimmy Carter was spending a sleepless and hightensioned last night as President of the United States.

Two of Carter's closest aides and friends, former White House Chief of Staff, Hamilton Jordan, and former White House Press Secretary, Jody Powell, were there. And lived through that night with Carter. They tell us what they felt, and what happened. Starting with Jordan.

JORDAN. It was like a scene out of a . . . movie, almost unreal, and eerie. Here President Carter was in the waning hours and minutes of his administration, not even having time to . . . reflect on his presidency or his last hours in the White House, or his last several hours at his desk, but waiting and listening and talking and prodding, to try to have this agreement consummated by the time he left office.

It was a very eerie and poignant and emotional experience for all of us, and there was a quality of unreality about it all that I'll never forget.

POWELL. At this point, the President had last been asleep . . . about midnight, not that night but the night before, Sunday night, so he had been up . . . virtually since . . . Sunday morning without . . . with only about an hour's rest.

And all we really need to do, at this point, we think, is to get the money and the frozen Iranian assets into an escrow account, get that agreement signed, have the . . . have it certified and notification go to the Iranian government, and the hostages should . . . leave.

CARTER (On the telephone). Well, I was wondering if you had any report to give me. Mm, hm. Nothing concerning the effort?

POWELL. The red telephone is a secure telephone. This is one of dozens of conversations that the President and others from the Oval Office had with our intelligence agencies over the course of the twenty-four to forty-eight hours before the release to keep constantly informed of any information they had that might be important to the situation.

CARTER (on the telephone). Right on, man, that's great. That's great. Okay now, the next step then . . . now the bank . . . okay, so the Bank of England has certified their deposit there?

POWELL. It's now shortly before seven o'clock, and the President has just been notified by the Secretary of the Treasury William P. Miller, that the United States has completed the process of transferring the appropriate amount of the frozen Iranian assets into the escrow account at the Bank of England.

CARTER. The money's in the bank, our action is complete. Iran is being notified through Algeria that the money's there. That's all we need to tell them.

POWELL. He thought, we all thought, that that certification process which basically did not involve any action on the part of the United States government at all, would take something in the neighborhood of fifteen, perhaps thirty minutes.

As it turned out, that . . . that became almost an hour and a half.

CARTER. It would help thinking of something.

POWELL. Secretary Vance, of course, has been part of the plans since . . . for months. He is . . . his role being to . . . leave as soon as we know that they're going to be . . . that they're on their way back, to try to meet them when they get off the plane.

CARTER. Now you're probably the only . . . you and I are probably the only two people that all the hostages will recognize. They wouldn't recognize Dave or . . . they might recognize Chris right now. I think it would be nice if you were there to greet them.

VANCE. All right. I'll do that.

CARTER. Then you can come back to me.

VANCE. That would be wonderful. That's great.

POWELL. Various ways that a briefing of the President can be interrupted, that's one of the more unusual, but one of the more pleasant for him.

Your cameraman happens to apparently have sources of information that the United States government does not because he turns and focuses on the clock at almost the precise moment that the . . . that the Algerian government is delivering that certification to the government of Iran. We, of course, don't know that and it's about ten minutes before we get . . . word that it's taken place.

That picture, I think, comes as close to summing up the last few days of this Administration as any I've seen. The President on the telephone, on the secure phone, and the First Lady waiting expectantly to see what next.

By this time, Jerry Rafshoon and other friends of the President that have been with him for a long time have begun to gather some of them in the Oval Office, some of them outside in the . . . Anteroom.

It's very obvious to all of us that very shortly the President will have to leave the Oval Office for the last time to go over to welcome the President-elect and the new First Lady to the White House.

And that it's very unlikely at this point that he will have the opportunity, which we've worked for for so long, to walk out and announce to the country that our people are on . . . their way back.

The President leaves the Oval Office for the last time shortly after 10:20 to walk across to the Diplomatic Reception Area to receive Governor and Mrs. Reagan. At that point, he's not had a chance to change into his morning coat. He has had a chance to get a haircut at the First Lady's request. And after they come in and are seated, he has to excuse himself briefly to change into the Inaugural attire.

SALINGER. Carter had gotten the hostages out. But Ronald Reagan would welcome them on the South Lawn of the White House.

I'll have some final thoughts in a few moments.

* * * * *

SALINGER. Having told you this remarkable story tonight, we should pause at the close of the program to reflect on what it means. Why did so many efforts to free the hostages fail? What was the underlying reason that the nation many considered to be the most powerful on earth could not convince a nation in revolutionary disarray to hand back its diplomats?

The reasons are multiple and fundamental.

First, there is no evidence even today, that people in the United States government ever really understood the mentality and motivations of Iran.

As a corollary to that, there is no evidence either that the leaders of Iran understood the United States.

The dialogue between the United States and Iran represented a massive culture gap. We based our thinking on traditional Judeo-Christian efforts. And what we professed was a respect for international laws. But in the eyes of the Iranians, international law was a creature of the West. Something which they, the Iranians, had not helped to create, and something in their eyes made even more irrelevant by what they perceived as steady violations of those international laws by the United States government.

Mohammed Heikal, the Egyptian journalist and statesman, who acted as intermediary for the American government, discussed that very point with the Ayatollah Khomeini. Khomeini's answer is fascinating and revealing:

MOHAMMED HEIKAL. You know, for example, when I said to Khomeini . . . you know, it's against international law. And he said, "What's this international law? Have we participated in it?" I said, "No." "Have we put it? Have we wrote it?" "No." He said "Is there anything in the international law which says anything about . . . conducting a coup d'etat against a nationally and free-elected government in a country?" "No." "Is there anything in this international real estate . . . you know, and international law against the pillage of the wealth of a country?" "No." "Is there anything in this international law against which would protect the people of Iran from the Shah of Iran taking all their wealth for himself?" "No."

SALINGER. Eric Rouleau, the correspondent of the French daily newspaper, "Le Monde," who spent much of the time after the taking of the hostages in Iran, also believes that lack of understanding was fatal to American efforts to liberate the hostages.

ERIC ROULEAU. For a long time, the United States government misunderstood completely . . . completely the psychology, the mentality, of the new Islamic Iranian leadership. They did not understand all the background. Most of these people, now in power, have spent years in prisons being tortured by the SAVAK, which was notoriously linked up to the CIA. And the hatred of America, was . . . was and is practically as big, as large, as their hatred of the Shah and the SAVAK.

And the Americans, at least some of them, I mean . . . amongst the people who are responsible in the government, just did not understand it.

SALINGER. But Rouleau believes that the misunderstanding was not a one-way street. He also places much of the blame on the Iranians.

ROULEAU. I mean, It's incredible to what point they didn't understand. For example, on this question of the hostages, in the latest negotiations on the hostages business,

it took the Algerian Ambassador in Teheran weeks to convince the Iranian leadership that Mr. Carter does not act in the United States as Mr. Khomeini does in Iran.

You see, most of the people in power in Iran have never gone out of their own country. I don't know whether Mr. Rajai has been out of his country before he went to New York. They are very modest people. Mr. Rajai was a teacher in a primary school, all his life, except for the years he spent in prison being tortured. Now if you take a primary school teacher in some small town in Iran and you make of him a Prime Minister, how do you expect him to understand the American Constitution?

SALINGER. But misunderstanding was not the only reason for failure. There were other vital causes for the constant disappointment in the hostage negotiations. With only a few small exceptions, the American government spent most of its time trying to get the hostages out by negotiating with the very people in Iran who could not release them.

The brunt of the negotiating efforts were directed to President Abolhassan Bani-Sadr and Foreign Minister, Sadegh Ghotbzadeh. Both civilians in a government run by the Moslem clergy, both having spent long years of exile in the West, these two men from the start considered the taking of the hostages a mistake.

Bani-Sadr and Ghotbzadeh were more open to dialogue than the rest of the Iranian leadership, and at least seen from the United States, were viewed as more moderate than the Ayatollah Khomeini or the ruling Muljis.

But Bani-Sadr and Ghotbzadeh, despite clear efforts to bring about the liberation of the hostages, were checkmated every time. The reason was that they did not have real power in Iran. This power resides with the Ayatollah Khomeini, and the leadership of the Iranian Republican Party.

People like the Ayatollah Behisti, and the Speaker of the Iranian Parliament, Ali Akbar Hashemi Rafsanjani.

It was not until the German government entered the picture in late August, early September, that the United States government got through to the real power group. And then the hostage situation moved toward resolution.

Before that, the only intermediary the United States used who had ties to the religious leadership was Mohammed Heikal, who was highly respected by the Ayatollah Khomeini, and because of this friendship, Heikal was able to communicate directly with Khomeini. The other intermediaries could not.

Harold Saunders, the Assistant Secretary of State for Middle and Near East, told Heikal one day in Geneva, "We the United States Government, have no line into Qom," the religious capital of Iran.

The third reason was that the hostages were always pawns in the continuing power struggle inside the Iranian revolution.

The slightest indication that any leader is willing to deal with the United States on the hostage question, was used against him, as a sign that he was a willing tool of American imperialism. The agent of "The Great Satan," as the United States was called in Iran.

Finally, we cannot overlook the geopolitical reasons why it took so long to free the hostages.

After the Soviet Union invaded Afghanistan six weeks after the hostages were taken, it became in their national interest to encourage turmoil in Iran. Working through people inside and outside Iran, the Soviet Union did everything possible to block the release of the hostages, and inflict maximum humiliation on the United States.

As to how history will judge the Carter Administration's effort to bring about the release of the hostages, Hamilton Jordan, while not pretending to objectivity on the subject, believes the verdict will be favorable.

JORDAN. I hear all of the commentary and political rhetoric about we should've done this and we should've done that. So many of the things that are being recommended today publicly, and that are being said publicly, would have meant our people returned in caskets instead of alive. So, I believe, as I look back over the past fourteen months, and it was a difficult time for the hostages, their families, the American people, for the President, I'd always believe that in spite of mistakes that we probably made along the way, that history will judge that President Carter handled this very difficult crisis well.

SALINGER. There are those in America who believe the United States should've walked away from the hostage crisis. They point out that the Iranians are used to haggling in the bazaar. And their argument is it takes two to haggle. And if the United States had refused to deal, the Iranians would've come running after them.

But the Americans are not used to the idea of sacrificing human life. And this negotiating tactic would've been unacceptable to the majority of the American people.

So we negotiated. And in the end, we freed the hostages.

Their return home was a victory of the human spirit, but not a victory for America.

This is Pierre Salinger. Good evening.●

SUBMISSION OF COMMITTEE RULES

● Mr. ROTH. Mr. President, on January 19, 1981, the Committee on Governmental Affairs held its organizational meeting. At that meeting, the committee unanimously adopted its rules of procedure. Pursuant to rule 26.2 of the Standing Rules of the Senate, I am hereby submitting those rules for the RECORD.

The rules follow:

RULES OF PROCEDURE ADOPTED BY THE COMMITTEE ON GOVERNMENTAL AFFAIRS

PURSUANT TO RULE XXVI, SEC. 2, STANDING RULES OF THE SENATE

RULE 1. MEETINGS AND MEETING PROCEDURES OTHER THAN HEARINGS

A. Meeting dates. The committee shall hold its regular meetings on the first Thursday of each month, when the Congress is in session, or at such other times as the chairman shall determine. Additional meetings may be called by the chairman as he deems necessary to expedite committee business. (Rule XXVI, Sec. 3, Standing Rules of the Senate.)

B. Calling special committee meetings. If at least three members of the committee desire the chairman to call a special meeting, they may file in the offices of the committee a written request therefor, addressed to the chairman. Immediately thereafter, the clerk of the committee shall notify the chairman of such request. If, within three calendar days after the filing of such request, the chairman fails to call the requested special meeting, which is to be held within seven calendar days after the filing of such request, a majority of the committee members may file in the offices of the committee their written notice that a special committee meeting will be held, specifying the date and hour thereof, and the committee shall meet on that date and hour. Immediately upon the filing of such notice, the committee clerk shall notify all committee members that such special meeting will be held and inform them of its date and hour. If the chairman is not present at any regular, additional or special meeting, the ranking majority member present shall preside. (Rule XXVI, Sec. 3, Standing Rules of the Senate.)

C. Meeting notices and agenda. Written notices of committee meetings, accompanied by an agenda, enumerating the items of business to be considered, shall be sent to all committee members at least three days in advance of such meetings. In the event that unforeseen requirements or committee business prevent a three-day notice, the committee staff shall communicate such notice by telephone to members or appropriate staff assistants in their offices, and an agenda will be furnished prior to the meeting.

D. Open business meetings. Meetings for the transaction of committee or subcommittee business shall be conducted in open session, except that a meeting or portions of a meeting may be held in executive session when the committee members present, by majority vote, so determine. The motion to close a meeting, either in whole or in part, may be considered and determined at a meeting next preceding such meeting. Whenever a meeting for the transaction of committee or subcommittee business is closed to the public, the chairman of the committee or the subcommittee shall offer a public explanation of the reasons the meeting is closed to the public. This paragraph shall not apply to the Permanent Subcommittee on Investigations. (Rule XXVI, Sec. 5(b), Standing Rules of the Senate.)

E. Prior notice of first degree amendments. It shall not be in order for the Committee, or a subcommittee thereof, to consider any amendment in the first degree proposed to any measure under consideration by the Committee or subcommittee unless a written copy of such amendment has been delivered to each member of the Committee or subcommittee, as the case may be, and to the office of the Committee or subcommittee, at least 24 hours before the meeting of the Committee or subcommittee at which the amendment is to be proposed. This subsection may be waived by a majority of the members present. This subsection shall apply only when at least 72 hours written notice of a session to mark up a measure is provided to the committee.[3]

F. Agency comments. When the Committee has scheduled and publicly announced a markup meeting on pending legislation, if executive branch agencies, whose comments thereon has been requested, have not responded by the time of the announcement of such meeting, the announcement shall include the final date upon which the comments of such agencies, or any other agencies, will be accepted by the Committee.[4]

RULE 2. QUORUMS

A. Reporting legislation. Nine[4] members of the committee shall constitute a quorum for reporting legislative measures or recommendations. (Rule XXVI, Sec. 7(a)(1), Standing Rules of the Senate.)

B. Transaction of routine business. Six members of the committee shall constitute a quorum for the transaction of routine business, provided that one member of the minority is present.[5]

For the purpose of this paragraph, the term "routine business" includes the convening of a committee meeting and the consideration of legislation pending before the committee and any amendments thereto, and voting on such amendments.[6] (Rule XXVI, Sec. 7(a)(1), Standing Rules of the Senate.)

C. Taking sworn testimony. Two members of the committee shall constitute a quorum for taking sworn testimony: Provided, however, That one member of the committee shall constitute a quorum for such purpose, with the approval of the chairman and the ranking minority member of the committee, or their designees. (Rule XXVI, Sec. 7(a)(2), Standing Rules of the Senate.)

[3] Amended October 1, 1975.
[4] Amended February 4, 1977.
[5] Amended February 4, 1977.
[6] Amended November 7, 1978.

D. Taking unsworn testimony. One member of the committee shall constitute a quorum for taking unsworn testimony. (Rule XXVI, Sec. 7(c)(2), Standing Rules of the Senate.)

E. Subcommittee quorums. Subject to the provisions of sections 7(a) 1 and 2 of Rule XXVI of the Standing Rules of the Senate, the subcommittees of this committee are authorized to establish their own quorums for the transaction of business and the taking of sworn testimony.

F. Proxies prohibited in establishment of quorum. Proxies shall not be considered for the establishment of a quorum.

RULE 3. VOTING

A. Quorum required. No vote may be taken by the committee, or any subcommittee thereof, on any measure or matter unless a quorum, as prescribed in the preceding section, is actually present.

B. Reporting legislation. No measure or recommendation shall be reported from the committee unless a majority of the committee members are actually present, and the vote of the committee to report a measure of matter shall require the concurrence of a majority of those members who are actually present at the time the vote is taken. (Rule XXVI, Sec. 7(a)(1) and (3), Standing Rules of the Senate.)

C. Proxy voting. Proxy voting shall be allowed on all measures and matters before the committee, or any subcommittees thereof, except that, when the committee, or any subcommittee thereof, is voting to report a measure or recommendation, proxy votes shall be allowed solely for the purposes of recording a member's position on the pending question and then, only if the absent committee member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded. All proxies shall be addressed to the chairman of the committee and filed with the chief clerk thereof, or to the chairman of the subcommittee and filed with the clerk thereof, as the case may be. All proxies shall be in writing and shall contain sufficient reference to the pending matter as is necessary to identify it and to inform the committee as to how the member establishes his vote to be recorded thereon. (Rule XXVI, Sec. 7(a)(3) and 7(c)(1), Standing Rules of the Senate.)

D. Announcement of vote. (1) Whenever the committee by rollcall vote reports any measure or matter, the report of the committee upon such a measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the committee. (Rule XXVI, Sec. 7(c), Standing Rules of the Senate.)

(2) Whenever the committee by rollcall vote acts upon any measure or amendment thereto, other than reporting a measure or recommendation, the results thereof shall be announced in the committee report on that measure unless previously announced by the committee, and such announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment thereto by each member of the committee who was present at the meeting. (Rule XXVI, Sec. 7(b), Standing Rules of the Senate.)

(3) In any case in which a rollcall vote is announced, the tabulation of votes shall state separately the proxy vote recorded in favor of and in oopposition to that measure, amendment thereto, or recommendation. (Rule XXVI, Sec. 7 (b) and (c), Standing Rules of the Senate.)

RULE 4. CHAIRMANSHIP OF MEETINGS AND HEARINGS

The chairman shall preside at all committee meetings and hearings except that he shall designate a temporary chairman to act in his place if he is unable to be present at a scheduled meeting or hearing. If the chairman (or his designee) is absent ten minutes after the scheduled time set for a meeting or hearing, the senior Senator present of the chairman's party shall act in his stead until the chairman's arrival. If there is no member of the chairman's party present, the senior Senator of the committee minority present shall open and conduct the meeting or hearing until such time as a member of the majority enters.[7]

RULE 5. HEARINGS AND HEARING PROCEDURES

A. Announcement of hearings. The committee, or any subcommittee thereof, shall make public announcement of the date, place, time and subject matter of any hearing to be conducted on any measure or matter at least one week in advance of such hearing, unless the committee, or subcommittee, determines that there is good cause to begin such hearing at an earlier date. (Rule XXVI, Sec. 4(a), Standing Rules of the Senate.)

B. Open hearings. Each hearing conducted by the committee, or any subcommittee thereof, shall be open to the public unless the committee, or subcommittee, determines that the testimony to be taken at that hearing may (1) relate to a matter of national security, (2) tend to reflect adversely on the character or reputation of the witness or any other individual, or (3) divulge matters deemed confidential under other provisions of law or Government regulations. (Rule XXVI, Sec. 5(b), Standing Rules of the Senate.)

C. Radio, television, and photography. The committee or any subcommittee thereof, may permit the proceedings of hearings which are open to the public to be photographed and broadcast by radio, television or both, subject to such conditions as the committee, or subcommittee, may impose. (Rule XXVI, Sec. 5(c), Standing Rules of the Senate.)

D. Advance statements of witnesses. A witness appearing before the committee, or any subcommittee thereof, shall file a written statement of his proposed testimony at least one day prior to his appearance, unless this requirement is waived by the chairman and the ranking minority member, following their determination that there is good cause for failure of compliance. (Rule XXVI, Sec. 4(b), Standing Rules of the Senate.)

E. Minority witnesses. In any hearings conducted by the committee, or any subcommittee thereof, the minority members of the committee shall be entitled, upon request to the chairman by a majority of the minority to call witnesses of their selection during at least one day of such hearings. (Rule XXVI, Sec. 4(d), Standing Rules of the Senate.)

RULE 6. COMMITTEE REPORTS

A. Timely filing. When the committee has ordered a measure or recommendation reported, following final action the report thereon shall be filed in the Senate at the earliest practicable time. (Rule XXVI, Sec. 10(b), Standing Rules of the Senate.)

B. Supplemental, minority, and additional views. A member of the committee who gives notice of his intention to file supplemental, minority or additional views at the time of final committee approval of a measure or matter, shall be entitled to not less than three calendar days in which to file such views, in writing, with the chief clerk of the committee. Such views shall then be included in the committee report and printed in the same volume, as a part, thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the committee report may be filed and printed immediately without such views. (Rule XXVI, Sec. 10(c), Standing Rules of the Senate.)

[7] Adopted December 9, 1974.

C. Draft reports of subcommittees. All draft reports prepared by subcommittees of this committee on any measure or matter referred to it by the chairman, shall be in the form, style, and arrangement required to conform to the applicable provisions of the Standing Rules of the Senate, and shall be in accordance with the established practices followed by the committee. Upon completion of such draft reports, copies thereof shall be filed with the chief clerk of the committee at the earliest practicable time.

D. Cost estimates in reports. All committee reports, accompanying a bill or joint resolution of a public character reported by the committee, shall contain (1) an estimate, made by the committee, of the costs which would be incurred in carrying out the legislation for the then current fiscal year and for each of the next five years thereafter (or for the authorized duration of the proposed legislation, if less than five years); (2) a comparison of such cost estimates with any made by a Federal agency; or (3) a statement of the reasons for failure by the committee to comply with these requirements as impracticable, in the event of inability to comply therewith. (Rule XXVI, Sec. 11(a), Standing Rules of the Senate.)

RULE 7. SUBCOMMITTEES AND SUBCOMMITTEE PROCEDURES

A. Regularly established subcommittees. The committee shall have eight regularly established subcommittees.

The Subcommittees are as follows:

Permanent Subcommittee on Investigations.

Governmental Efficiency and the District of Columbia.

Energy, Nuclear Proliferation and Government Processes.

Federal Expenditures, Research and Rules.

Intergovernmental Relations.

Civil Service, Post Office and General Services.

Oversight of Government Management.

Congressional Operations and Oversight.

B. Ad hoc subcommittees. Following consultation, with the ranking minority member, the chairman shall, from time to time, establish such ad hoc subcommittees as he deems necessary to expedite committee business.

C. Subcommittee membership. Following consultation with the majority members, and the ranking minority member, of the committee, the chairman shall announce selections for membership on the subcommittees referred to in paragraphs A and B, above.

D. Subcommittee meetings and hearings. Each subcommittee of this committee is authorized to establish meeting dates and adopt rules not inconsistent with the rules of the committee.

E. Subcommittee budgets. Each subcommittee of this committee, which requires authorization for the expenditure of funds for the conduct of inquiries and investigations, shall file with the chief clerk of the committee, not later than January 10 of that year, its request for funds for the 12-month period beginning on March 1 and extending through and including the last day of February of the following year. Each such request shall be submitted on the budget form prescribed by the Committee on Rules and Administration, and shall be accompanied by a written justification; addressed to the chairman of the committee, which shall include (1) a statement of the subcommittee's area of activities, (2) its accomplishments during the preceding year; and (3) a table showing a comparison between (a) the funds authorized for expenditure during the preceding year, (b) the funds actually expended during that year, (c) the amount requested for the current year, and (d) the number of professional and clerical staff members and consultants employed by the subcommittee during the preceding year and the number of such personnel requested for the current

year. (Rule XXVI, Sec. 9, Standing Rules of the Senate.)

RULE 8. CONFIRMATION STANDARDS AND PROCEDURES

A. Standards. In considering a nomination, the Committee shall inquire into the nominee's experience, qualifications, suitability, and integrity to serve in the position to which he or she has been nominated. The Committee shall recommend confirmation, upon finding that the nominee has the necessary integrity and is affirmatively qualified by reason of training, education, or experience to carry out the functions of the office to which he or she was nominated.

B. Information Concerning the Nominee. As a requirement of confirmation, each nominee shall submit on forms prepared by the Committee the following information:

(1) A detailed biographical resume which contains information relating to education, employment and achievements;

(2) A financial statement which lists assets and liabilities of the nominee; and

(3) Copies of other relevant documents requested by the Committee, such as a proposed blind trust agreement.

At the request of the Chairman or the Ranking Minority Member, a nominee shall be required to submit a certified financial statement compiled by an independent auditor.

Information received pursuant to this subsection shall be made available for public inspection; provided, however, that tax returns shall, after review by persons designated in subsection (C) of this rule, be placed under seal to ensure confidentiality.

C. Procedures for Committee Inquiry. The Committee shall conduct an inquiry into the experience, qualifications, suitability and integrity of nominees, and shall give particular attention to the following matters:

(1) A review of the biographical information provided by the nominee, including any professional activities related directly to the duties of the office to which he or she is nominated;

(2) A review of the financial information provided by the nominee, including tax returns for the three years preceding the time of his or her nomination;

(3) A review of any actions, taken or proposed by the nominee, to remedy conflicts of interest; and

(4) A review of any personal or legal matter which may bear upon the nominee's qualifications for the office to which he or she is nominated.

For the purpose of assisting the Committee in the conduct of this inquiry, a Chief Investigator shall be designated by the Chairman and a Minority Investigator shall be designated by the Ranking Minority Member. The Chairman, Ranking Minority Member, and the designated Investigators shall have access to all investigative reports on nominees prepared by any Federal agency, including the Federal Bureau of Investigation. The Committee may request the assistance of the General Accounting Office in conducting an audit of financial information provided by nominees.

D. Report on the Nominee. After a review of all information pertinent to the nomination, a confidential report on the nominee shall be submitted to the Chairman and the Ranking Minority Member. The report shall detail any unresolved or questionable matters that have been raised during the course of the inquiry. Copies of all relevant documents and forms, except any tax returns, submitted pursuant to subsection (B) shall be attached to the report. The report shall be kept in the Committee office for the inspection by Members of the Committee.

E. Hearings. The Committee shall conduct a public hearing during which the nominee shall be called to testify under oath on all matters relating to his or her suitability for office, including the policies and programs which he or she will pursue while in that position. No hearing shall be scheduled until at least 72 hours after the following events have occurred: The nominee has responded to pre-hearing questions submitted by the Committee; and the report required by subsection (D) has been submitted to the Chairman and Ranking Minority Member, and is made available for inspection by Members of the Committee.

F. Action on Confirmation. A mark-up on a nomination shall not occur on the same day that the hearing on the nominee is held. In order to assist the Committee in reaching a recommendation on confirmation, the staff shall make an oral presentation to the Committee at the mark-up, factually summarizing the nominee's background and the steps taken during the pre-hearing inquiry.

G. Application. The procedures contained in subsections (C), (D), (E), and (F) of this rule shall apply to persons nominated by the President to positions requiring their fulltime service. At the discretion of the Chairman and Ranking Minority Member, those procedures may apply to persons nominated by the President to serve on a part-time advisory basis.●

MR. CARLUCCI AND PORTUGAL

● Mr. HELMS. Mr. President, I have received a communication from the Deputy Secretary of Defense, Mr. Frank C. Carlucci III.

Mr. President, I submit this letter for the RECORD.

The letter follows:

The Honorable JESSE A. HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HELMS: Your floor statement at the time of my confirmation contains a number of inaccuracies which I will not attempt to answer here.

One in particular concerns me, however, because it does a serious injustice to the Portuguese people. Contrary to your assertion, at no time did I ever claim that I saved Portugal from Communism. The Portuguese people saved Portugal. I was glad to have been able to implement a supportive U.S. policy in that effort during my tenure as Ambassador. But I would not be so arrogant as to make a claim that implies a gross interference in another nation's internal affairs.

I would be grateful if you would find an opportunity to correct the record on this point.

Sincerely,

FRANK C. CARLUCCI.

Mr. HELMS. Mr. President, I am happy to lay Mr. Carlucci's letter upon the record, but for the sake of convenience, I also submit for the RECORD excerpts from my statement of February 3.

The excerpts follow:

The same technique of preempting Marxist-Leninism by backing Marxist leaders was evident in his activities as Ambassador to Portugal. Mr. Carlucci now speaks rather grandly of how he saved Portugal from Communism. I did not engage in any debate with him. It seems to me that the record is fairly clear that he did so by giving the full backing of the U.S. Embassy to the far left Socialist, Mario Soares, while giving every appearance of spurning Mr. Sa Caneiro, the leader of the far more moderate Social Democratic and Social Democratic center groups.

In 1976, the magazine Washingtonian wrote of Mr. Carlucci in the period:

Carlucci steps carefully among the land mines of his diplomatic assignment. His supporting a predominantly Socialist government, many of its coalition cabinet members Marxists. Despite this coloration, this current government is rightfully thought of as Centrist. It sits in the middle of a political spectrum that swings from the Maoist left (Mao might flinch) to the extreme right (some Fascists have literally donned the black shirt). The American-supported government's economic program is, however, to the left of that of Allende's Chile, which we sought to destroy only two years ago.

Mr. Carlucci's policy may have been in the center of the socialist spectrum, but yet it was far to the left of Allende. It left no room for traditional values.

After Mr. Carlucci left, the Portuguese were able to vote down Mr. Soares, the exponent of what is known as "Eurocommunism;" but Mr. Sa Caneiro died tragically in a plane crash only a few weeks ago. And I think that it is evident that Portugal's moderates have not yet recovered from Mr. Carlucci's ambivalent effort and, Mr. President, ambivalent is the most charitable word that comes to mind.

Mr. HELMS. Mr. President, I would note that the key sentence to which Mr. Carlucci takes exception is the following: "In his activities as Ambassador to Portugal, Mr. Carlucci now speaks rather grandly of how he saved Portugal from communism." Obviously, the printed text of the RECORD often does not adequately capture the emphasis and intonation of spoken debate. My emphasis was on "how." I did not accuse Mr. Carlucci of arrogance; I did and I do question his espousal of a strategy which sought to preempt communism by supporting left-wing Marxists. A regime which was, in the Washingtonian's words, "to the left of that of Allende's Chile," should not be the beneficiary of active U.S. support when there are better alternatives available.

Nor was there any intention to denigrate the courage and strength of the Portuguese people. Indeed, I believe that my specific point was that it was due to the exertions of the Portuguese moderates that they overcame not only communism, but compromises with Marxism—a point effectively explained in the Washingtonian magazine article to which I referred earlier.

Mr. President, it was this attitude of Mr. Carlucci's which many have found so disconcerting. The Senator from North Carolina shares Mr. Carlucci's desire to harbor no illusions about Communist aims, but I still have doubts about whether the most effective way to fight Marxism-Leninism is to give U.S. aid and comfort to Marxism.

Mr. President, I have absolutely no ill feeling toward Mr. Carlucci as a person. I did not enjoy opposing his nomination. I did it as a matter of perceived duty, regardless of the unpleasantness involved in voting against a nomination sent forward by a President whom I greatly admire and have long supported. But in the final analysis, Mr. President, I owe my friend, President Reagan, something more than unquestioning allegiance. I owe him and the American people my honest opinion.●

MRS. CATHERINE WILLIAMS HONORED

● Mr. JEPSEN. Mr. President, a nation is often judged by the individuals it recognizes throughout its history. Likewise, a State too is so judged.

It is with particular pleasure that I rise today to recognize and pay tribute to a fellow Iowan, a distinguished individual, a dedicated public servant, and a friend to all who are in need of service—Mrs. Catherine G. Williams, deputy commissioner of the Iowa Department of Social Services.

Catherine Williams has always believed in people, especially in their right to live and grow in the best environment possible. She has spent a career helping others to improve their living conditions and to find needed encouragement in a strengthened family structure. Uppermost in her commitment to human rights has been the belief that women form an intergral part of our society. She believes women can be a positive force working both within the family unit and the business community.

Commissioner Michael Reagen calls his deputy an extraordinary person who has dedicated her life to making things better for troubled Iowans. I am hopeful that through her consulting work, Catherine will continue her service to this agency and to the State of Iowa.

Catherine Williams joined the Polk County welfare office in 1948 as a stenographer. At the outset she gave little thought to working her way up the department ladder. However, she was developing a keen interest in helping families and children and wanted to learn more about county jobs which would afford her that opportunity. To strengthen her chances for advancement, Williams began attending night school and summer classes at Drake to earn a degree in sociology. Her chance finally came and she became a Polk County child welfare worker. The job was not only a career-opener it was an eye-opener as well.

Williams says today—

I started out believing everyone was good. I just couldn't understand at first why people abused their children, why families could not care for their children properly.

Williams realized at this point that to understand her clients' problems she would need more training. As she tells it—

I realized that the desire to help people was not enough. I needed to put training and practice into a disciplined framework.

In pursuit of the "disciplined framework," Williams completed her Drake degree in 1961 and plunged headlong into graduate social work studies at the University of Iowa. The educational achievements brought added responsibilities at DSS—child welfare supervisor for Polk County followed by child welfare staff development specialist for State training programs.

While serving the department of social welfare in these positions, Williams established the first training plans with the Des Moines school system for educable children from Woodward State Hospital-School. She organized a foster parents group for Polk County comprised of foster parents who cared for Woodward children. Additionally, Williams established a foster parent resource system. In a move she considered a standout in her career, Williams held the first statewide training program for foster parents of retarded children.

It was becoming more and more apparent that Williams had much to offer as a social welfare manager. She quickly ascended through the new department of social services' executive ranks in central office. She became associate director and director of the bureau of family and adult services, director of the division of community services, deputy commissioner, and, for several months last year, acting commissioner.

As the titles changed, Williams' basic concern for Iowa's children and families never wavered. She is especially proud of her role in setting up the State's first homemaker program which quickly set a precedent for similar programs throughout the country. She takes pride in her efforts to secure additional funding for an educational program which helped ease children back into their community school systems.

As deputy commissioner, Williams saw her dream of creating a legislative liaison bureau become reality. Much earlier she had recognized the need for a centralized DSS office which could maintain constant communication with State and Federal legislators and serve as repository for legislative rules and program regulations. The ACT Unit, as the bureau came to be known, met this need.

Williams' numerous achievements have been recognized by those within State government and by her peers outside the public sector. Last year alone she was elected to the Iowa Women's Hall of Fame sponsored by the Commission on the Status of Women; named Iowa "Social Worker of the Year" by the State chapter of the National Association of Social Workers (NASW); and selected as the second Mark Hale Lecturer for the NASW's annual Iowa Professional Symposium.

Although Williams cherishes these individual achievements, she prefers to stress the strides made by DSS during her career.

I am proud that in my role as enabler, social services has moved ahead in most programs and that we are viewed as a progressive State in children and family services.

Mr. President, on January 23, 1981, Deputy Commissioner Catherine Williams retired from the Iowa Department of Social Services to join a private consulting firm.

Williams expects Iowa to remain a forerunner in effective human services delivery.

"Our reputation is a good one," she says, "Our credibility has increased. If we continue to work the way we have in the past, we will do well. Commissioner Reagen is providing leadership and vision for the Department. I leave, confident that human services are in good hands."

Retirement from DSS will not slow the pace of the woman who once said, "I'm always testing that limit." As a consultant in Johnson, Williams Associates, consultants in social and management systems, Williams will use her knowledge and experience particularly in areas which affect minority women.

Her departure has brought strong feelings from managers, staff persons and private citizens. All are sad to see her go, grateful for her contributions and happy that she will continue to use her vast knowledge to better the human services field.

There is no question that the State of Iowa, its citizens, and the welfare of the Nation have greatly benefited from her zeal and generous endeavors on behalf of people everywhere.

I wish her well, and hope that we will continue to hear from her in the future.●

CAPITAL COST RECOVERY ACT

● Mr. HEINZ. Mr. President, on January 27, I introduced S. 267, the Capital Cost Recovery Act of 1981, which is the Senate companion to H.R. 1053 introduced by Representative JIM JONES and Representative BARBER CONABLE. My bill has now attracted 36 cosponsors. I believe this act, otherwise known as 10-5-3, must be passed this year if America is to once again become a land of noninflationary growth, whose technology and products are esteemed above those of others by both foreign and domestic consumers.

To slow inflation, America must become more productive. Productive growth is effective in slowing inflation because it allows the interests of employers and employees to advance simultaneously while rewarding consumers as well. With productivity growth, employers can afford higher wages yet earn profits although prices do not go up. They may even fall. It can be accurately said that we experience inflation because we are not productive enough.

Recent American productivity growth has left much to be desired. Just last week, it was announced that productivity fell by eight-tenths of 1 percent in 1980. This represents another year that prices had gone up, wages unsuccessfully chased prices, and profits growth was less than inflation.

To restore productivity growth, we must provide better incentives for investors to apply their wealth toward modernizing America's industrial facilities. First, however, we must eliminate the current penalties for investing in modernization. Since 1974, the Bureau of Economic Analysis, the official economic statisticians within the Commerce Department, has calculated that tax deductions for depreciation expenses were below the rate that physical assets owned by businesses were literally wearing out. This has unquestionably had a chilling effect on our rate of industrial development.

Consider a comparison. If Federal tax policy allowed employers to deduct only a fraction of wages paid in calculating taxable income, no one would disagree that such a policy is misguided because it discourages hiring. In just the same way, allowing employers to deduct only a portion of plant and equipment owner-

ship expenses at the time of their occurrence discourages them from purchasing modern tools.

I ask to have printed in the RECORD a table based on the Bureau's figures on this depreciation problem. As these figures indicate, the way depreciation deductions are calculated must be changed radically if the gap between actual and tax depreciation is to be eliminated.

The table follows:

[In billions of dollars]

Year	Bureau of Economic Analysis actual depreciation [1]	IRS tax depreciation	Depreciation gap
1974	98.3	96.6	1.7
1975	117.3	105.4	11.9
1976	125.8	114.9	14.4
1977	144.0	131.3	12.7
1978	161.4	147.3	14.1
1979	184.6	167.7	16.9
1980 (estimate)	209.3	190.2	19.1

[1] Nonfarm, for profit private sector only, depreciation of rental property excluded.

Mr. HEINZ. I believe 10–5–3, or the Capital Cost Recovery Act, is the remedy that is so urgently needed. Under 10–5–3, industrial and commercial structures would be depreciated over 10 years, all equipment would have a 5-year life, and trucks and cars would face a tax life of 3 years. Also, conforming changes are made in investment tax credits. Instead of 3.3 percent, 6.6 percent, and 10 percent credit for assets with over 3, 5 or 7 years of useful life, a full 10 percent tax credit is provided for assets in classes 10 and 5, and a 6 percent credit is provided for trucks and cars.

Of course, changing the tax laws by eliminating the depreciation tax gap will not lead to greater productivity unless businessmen know how to apply the new method. For example, under the existing system, there are over 130 types of depreciable property, and over 30 different tax lives.

This complexity in the depreciation rules can rightfully be blamed for a greater depreciation tax gap facing the small businessman than for his larger counterpart. Rather than fight his way through the maze of such difficult regulations, the small businessman ignores them. Instead, he writes off physical investments more slowly than big businessmen do, who can afford the lawyers and accountants necessary to minimise the depreciation gap written into the existing system.

Importantly, observers agree that small businesses can make a large contribution toward raising national productivity and employment by buying more modern equipment. Thus, the very large depreciation gap facing the small businessman is especially counterproductive. It makes us all poorer, and it makes prices higher.

Although simple in concept, the Capital Cost Recovery Act will eliminate the tax depreciation gap. In so doing, passage of the Capital Cost Recovery Act will send a powerful message to American employers. It would say that a fairer, simpler system for calculating the cost of modernizing facilities has been put in place, and it would say that the Congress is serious about renewing productivity growth and slowing inflation.

While these reasons are sufficient grounds alone for moving swiftly, there is yet another reason to pass productivity-raising legislation, strengthening America's long-range international security.

Security planners have long and rightfully held that this Nation's safety rests on more than its ability to direct firepower at foreign lands when provoked. In any sustained conflict, the ability to produce clothing, food, and fuel are equally vital to the firing of weaponry. The necessary industrial base will be there provided America does not lose its present competitive edge over other nations. Right now, the American worker is more productive than his counterpart anywhere else. However, that margin is slipping rapidly. If this adverse trend continues, the day will surely come when America becomes a second-rate economic power. If this ever happens, America's place in a dangerous world will become even more dangerous. I urge my colleagues, many who were cosponsors of this legislation last year, to join me in efforts to restore American productivity growth and to sustain this margin of safety we hold in international affairs.

I ask that the text of the Capital Cost Recovery Act of 1981, along with a statement on the minor revisions made in last year's legislation, be printed in the RECORD.

The material follows:

S. 287

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Capital Cost Recovery Act of 1981".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents; amendment of 1954 Code.
Sec. 2. Capital cost recovery allowance.
Sec. 3. Changes in investment tax credit.
Sec. 4. Amendments related to depreciation.
Sec. 5. Disposition of recovery property subject to recapture under section 1245.
Sec. 6. Minimum tax amendment.
Sec. 7. Technical amendments.
Sec. 8. Effective date.

(c) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. CAPITAL COST RECOVERY ALLOWANCE.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 167 the following new section:

"SEC. 168. CAPITAL COST RECOVERY DEDUCTION.

"(a) ALLOWANCE OF DEDUCTION.—In the case of recovery property, there shall be allowed the recovery deduction provided by this section.

"(b) AMOUNT OF DEDUCTION.—

"(1) IN GENERAL.—The recovery deduction for the taxable year shall be the aggregate amount determined by applying to the capital cost of recovery property the applicable percentage determined in accordance with the following table:

"CAPITAL COST RECOVERY TABLE

	The applicable percentage for the class of property is—		
"If the recovery year is—	Class 1	Class 2	Class 3
1	10	20	33
2	16	32	45
3	16	24	22
4	14	16	
5	12	8	
6	10		
7	8		
8	6		
9	4		
10	2		

"(2) TRANSITIONAL APPLICABLE PERCENTAGES.—

"(A) For transitional applicable percentages for additions to capital account of class 1 property before 1985, see subsection (h)(2).

"(B) For transitional applicable percentages for additions to capital account of certain class 2 property before 1985, see subsection (h)(3).

"(c) RECOVERY PROPERTY.—For purposes of this title—

"(1) RECOVERY PROPERTY DEFINED.—Except as otherwise provided in subsection (g), the term 'recovery property' means tangible property (other than land)—

"(A) used in a trade or business, or

"(B) held for the production of income.

"(2) CLASSES OF RECOVERY PROPERTY.—

"(A) CLASSIFICATION TABLE.—The classification of recovery property shall be determined in accordance with following table:

"CLASSIFICATION OF RECOVERY PROPERTY

"Class 1	Class 2	Class 3
Buildings and structural components of buildings.	Recovery property not taken into account under class 1 or class 3.	Automobiles, taxis, and light-duty trucks.

"(B) $100,000 LIMIT FOR CLASS 3.—In the case of any taxpayer for any taxable year, the capital cost (for which such year is recovery year 1) taken into account under class 3 shall not exceed $100,000.

"(C) SPECIAL RULES FOR APPLYING THE $100,000 LIMIT.—

"For special rules relating to the $100,000 limit, see subsection (i)(2).

"(d) CAPITAL COST.—

"(1) IN GENERAL.—For purposes of this section, the term 'capital cost' means, with respect to any property, the addition to capital account for the taxable year (determined without regard to the section 1016(a)(2) adjustment for such year).

"(2) SPECIAL RULES FOR PROPERTY NOT YET PLACED IN SERVICE.—In the case of property which has not been placed in service before the close of the taxable year—

"(A) PAYMENT RULE.—Except as provided in subparagraph (B), the addition to capital account shall be treated as made when payment of an amount is made.

"(B) SELF-CONSTRUCTED PROPERTY.—If the property is constructed (in whole or in part) by the taxpayer, capital cost shall be determined under paragraph (1) without regard to subparagraph (A) of this paragraph.

"(C) PAYMENTS AND CHARGES PRIOR TO 1981.—Any amount paid or properly charged to capital account prior to 1981 for property which is first placed in service by the taxpayer after 1980, shall be included in capital cost for the taxable year in which such property is placed in service.

"(3) AMOUNTS MUST BE FOR PERIOD AFTER 1980.—For purposes of this section, except as provided in paragraph (2), capital cost does not include any amount paid or properly charged to capital account for any period before January 1, 1981.

"(4) SPECIAL RULES.—

"(A) PUBLIC UTILITY PROPERTY ELECTION.—For election to determine capital cost of public utility property by treating advance payments as made when property is placed in service, see subsection (i)(3).

"(B) TRANSITIONAL RULE FOR FISCAL YEAR TAXPAYERS.—For special transitional rule for determining capital cost of fiscal year taxpayers, see subsection (i)(5).

"(e) TAXPAYER MAY DEDUCT LESS THAN FULL ALLOWANCE.—

"(1) IN GENERAL.—For any taxable year the taxpayer may deduct all or any portion of the amount allowable under subsection (a). The deduction for any taxable year may be increased or decreased at any time before the expiration of the period prescribed for making claim for refund of the tax imposed by this chapter for such taxable year.

"(2) CARRYOVER OF UNUSED DEDUCTIONS.—Any amount allowable for the taxable year by subsection (a) but not deducted for such taxable year shall be carried forward and may be claimed as a deduction for any succeeding taxable year. Any deduction so claimed shall be treated as an addition to the capital cost recovery deduction allowable under subsection (a) for such succeeding taxable year.

"(3) ALLOCATION OF DEDUCTIONS.—If by reason of paragraph (1) the taxpayer deducts less than the amount allowable for any taxable year, the amount deducted shall be apportioned among the taxpayer's recovery property in the same proportion as the amount allowable in respect of the recovery property bears to the total amount allowable in respect of recovery property. A similar rule shall be applied in the case of the allowance of a deduction in a succeeding taxable year under paragraph (2).

"(4) ADJUSTMENTS TO BASIS.—For purposes of section 1016(a)(2), in the case of recovery property the amount allowable under this subtitle for exhaustion, wear and tear, and obsolescence shall be the amount allowable by subsection (a) of this section.

"(f) RECOGNITION OF GAIN OR LOSS AND ADJUSTMENT TO CAPITAL COSTS ON RETIREMENT OR OTHER DISPOSITION.—

"(1) GENERAL RULE.—Gain or loss shall be recognized on the disposition of recovery property, unless nonrecognition is specifically required or permitted by another provision of this chapter.

"(2) MASS ASSET ACCOUNTS.—In lieu of recognizing gain or loss, a taxpayer who maintains mass asset accounts of recovery property may, under regulations prescribed by the Secretary, elect to include in income all proceeds realized on the disposition of such property.

"(3) ADJUSTMENT TO CAPITAL COST.—For purposes of this section, if gain or loss is recognized on the disposition of recovery property, the capital cost of such property shall cease to be capital cost as of the beginning of the taxable year in which such disposition occurs.

"(4) DISPOSITION INCLUDES RETIREMENT.—For purposes of this subsection, the term 'disposition' includes retirement.

"(g) PROPERTY EXCLUDED FROM APPLICATION OF SECTION.—

"(1) CERTAIN PROPERTY EXCLUDED.—The term 'recovery property' does not include—

"(A) property placed in service by the taxpayer before January 1, 1981,

"(B) residential rental property (within the meaning of section 167(j)), and

"(C) property with respect to which the taxpayer—

"(i) is entitled to elect amortization (in lieu of depreciation), and

"(ii) elects such amortization.

"(2) CERTAIN METHODS OF DEPRECIATION.—The term 'recovery property' does not include property if—

"(A) the taxpayer elects to exclude such property from the application of this section, and

"(B) for the first taxable year for which a deduction would be allowable under this section with respect to such property—

"(i) the property is properly depreciated under the unit-of-production method, the retirement-replacement method, or any other method of depreciation not expressed in a term of years, or

"(ii) the property is a leasehold improvement which is properly depreciated over the term of the leasehold.

"(3) SPECIAL RULE FOR CERTAIN PUBLIC UTILITY PROPERTY.—

"(A) IN GENERAL.—In the case of public utility property (within the meaning of section 167(l)(3)(A)), such property shall be treated as recovery property only if the taxpayer uses a normalization method of accounting.

"(B) USE OF NORMALIZATION METHOD DEFINED.—For purposes of subparagraph (A), a taxpayer uses a normalization method of accounting with respect to any public utility property if both the taxpayer's rates and its operating results on its regulated books of account reflect a tax expense determined by—

"(i) a method of depreciation on the property which is the same as, and

"(ii) a depreciation period for the property which is no shorter than,

the method and period used to determine its depreciation expense on the property for purposes of establishing its cost of service for ratemaking purposes.

"(C) SECRETARY TO PRESCRIBE REGULATIONS.—The Secretary shall provide such regulations as may be necessary or appropriate to prevent the reflection (directly or indirectly) in rates or operating results of an amount of tax expense which is inconsistent with either the depreciation method described in subparagraph (B)(i) or the depreciation period described in subparagraph (B)(ii).

"(4) CERTAIN SALES, LEASES, AND OTHER TRANSACTIONS IN PROPERTY PLACED IN SERVICE BEFORE 1981.—The term 'recovery property' does not include property acquired directly or indirectly from a person who used such property before January 1, 1981, if—

"(A) within 1 year after the property is so acquired, the property is leased back to such person, or

"(B) the person so acquiring the property bears a relationship specified in section 267(b) to the person using such property before January 1, 1981.

"(h) TRANSITIONAL APPLICABLE PERCENTAGES FOR CLASS 1 PROPERTY AND CLASS 2 PROPERTY.—

"(1) IN GENERAL.—The Secretary shall prescribe tables setting forth transitional applicable percentages—

"(A) for additions to capital account of class 1 property before January 1, 1985, and

"(B) for additions to capital account of class 2 property before January 1, 1985.

If for any taxable year for any property there is a transitional applicable percentage, such transitional percentage shall be substituted for the applicable percentage set forth in subsection (b).

"(2) TRANSITIONAL APPLICABLE PERCENTAGES FOR CLASS 1 PROPERTY.—The transitional applicable percentages for class 1 property shall be determined in accordance with the following assigned recovery periods:

"Transitional Recovery Periods for Class 1 Property

"For additions to capital account in—	The transitional applicable percentage shall be based on a capital cost recovery period of the following number of years:
1981	18
1982	16
1983	14
1984	12

"(3) TRANSITIONAL APPLICABLE PERCENTAGES FOR CERTAIN CLASS 2 PROPERTY.—The transitional applicable percentages for class 2 property shall be determined in accordance with the following assigned recovery periods:

"Transitional Recovery Periods for Certain Class 2 Property

"For additions to capital account in—	The transitional applicable percentage shall be based on a capital cost recovery period of the following number of years:
1981	ADR lower limit.
1982	ADR lower limit minus 1 year.
1983	ADR lower limit minus 2 years.
1984	ADR lower limit minus 3 years.

The capital cost recovery period determined under this paragraph shall in no case be less than 5 years.

"(4) ADR LOWER LIMIT DEFINED.—For purposes of paragraph (3), the ADR lower limit for any class of property is the lower limit of the asset depreciation range in effect on January 1, 1981, for such class of property under section 167(m). For purposes of the preceding sentence, lower limits in excess of 9 years shall be treated as equal to 9 years, and any lower limit which is not a whole number of years shall be rounded down to the next lower whole number of years.

"(5) TABLES TO BE SIMILAR TO SUBSECTION (b) TABLE.—The tables prescribed under paragraph (1) for any class of property for any assigned recovery period shall be based on principles similar to those used in the construction of the table under subsection (b) for that class of property.

"(6) SPECIAL RULE FOR CERTAIN CLASS 2 PROPERTY.—

"(A) IN GENERAL.—In the case of so much of the taxpayer's additions to capital account of class 2 property before January 1, 1985, as does not exceed an aggregate of $100,000 for any taxable year (and for which additions such year is recovery year 1), the applicable percentages determined under paragraph (3) shall not apply and in lieu thereof the applicable percentages set forth in subsection (b) shall apply in determining the recovery deduction with respect to such property for any recovery year.

"(B) SELECTION OF PROPERTY TO BE TREATED UNDER SPECIAL RULE.—In the case of any taxable year to which subparagraph (A) applies and in which the taxpayer's additions to capital account of class 2 property (for which such year is recovery year 1) exceed an aggregate of $100,000, the taxpayer shall select the items of class 2 property to which the transitional applicable percentages determined under paragraph (3) shall apply. Such a selection, once made, may be changed only in the manner, and to the extent, provided under regulations prescribed by the Secretary.

"(i) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) RECOVERY YEAR 1, ETC.—The term 'recovery year 1' means, with respect to any capital cost, the first taxable year for which a deduction with respect to such cost is allowable under subsection (a). The immediately following taxable year shall be recovery year 2, and the taxable years which follow shall be numbered accordingly.

"(2) SPECIAL RULES FOR APPLYING THE $100,000 LIMIT FOR CLASS 3 PROPERTY.—

"(A) IN GENERAL.—If for any taxable year the capital cost (for which such year is recovery year 1) of automobiles, taxis, and light-duty trucks exceeds $100,000, the taxpayer shall select the items to be treated as class 3 property, but only to the extent of an aggregate capital cost of $100,000. Such a selection, once made, may be changed only in the manner, and to the extent, provided by such regulations.

(B) MARRIED INDIVIDUALS.—In the case of a husband or wife who files a separate return,

the limitation under subparagraph (A) and under subsection (c)(2)(B) shall be $50,000 in lieu of $100,000. This subparagraph shall not apply if the spouse of the taxpayer has no property which may be taken into account as class 3 property (for which this is recovery year 1) for the taxable year of such spouse which ends within or with the taxpayer's taxable year.

"(C) CONTROLLED GROUPS.—In the case of a controlled group, the $100,000 amount specified under subparagraph (A) and under subsection (c)(2)(B) shall be reduced for each component member of the group by apportioning $100,000 among the component members of such group in accordance with their respective amounts of capital cost of automobiles, taxis, and light-duty trucks.

"(D) PARTNERSHIPS.—In the case of a partnership, the limitation contained in subparagraph (A) and in subsection (c)(2)(B) shall apply with respect to the partnership and with respect to each partner.

"(E) CONTROLLED GROUP.—For purposes of this paragraph, the term 'controlled group' has the meaning assigned to such term by section 1563(a), except that the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' each place it appears in section 1563(a)(1).

"(3) PUBLIC UTILITY MAY ELECT NOT TO TAKE INTO ACCOUNT ADVANCE PAYMENTS.—

"(A) IN GENERAL.—In the case of public utility property (within the meaning of section 167(l)(3)), the taxpayer may elect to treat all additions to capital account for the period before property is placed in service as made during the taxable year in which the property is placed in service.

"(B) EFFECT OF ELECTION.—An election under subparagraph (A) shall apply to all public utility property of the taxpayer for the taxable year for which the election is made and all subsequent taxable years unless the Secretary consents to a revocation of such election.

"(4) MAKING OF ELECTIONS.—Any election (or selection) under this section shall be made at such time and in such manner as the Secretary may by regulations prescribe.

"(5) TRANSITIONAL RULE FOR DETERMINING CAPITAL COST OF FISCAL YEAR TAXPAYERS.—If—

"(A) the taxpayer's taxable year is a period other than the calendar year, and

"(B) a transitional applicable percentage applies to additions to capital account in any portion of the taxable year,

then the capital cost for such taxable year shall be separately computed for each portion of a calendar year included within the taxable year.

"(j) CROSS REFERENCE.—

"For special rule with respect to certain gain derived from disposition of property the adjusted basis of which is determined with regard to this section, see section 1245.".

SEC. 3. CHANGES IN INVESTMENT TAX CREDIT.

(a) APPLICABLE PERCENTAGE.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(7) APPLICABLE PERCENTAGE FOR RECOVERY PROPERTY.—Notwithstanding paragraph (2), the applicable percentage for purposes of paragraph (1) shall be—

"(A) in the case of class 1 or class 2 recovery property (within the meaning of section 168), 100 percent, or

"(B) in the case of class 3 recovery property (within the meaning of section 168), 60 percent."

(b) CREDIT FOR EXPENDITURES BEFORE PROPERTY IS PLACED IN SERVICE.—Subsection (d) of section 46 is amended to read as follows:

"(d) QUALIFIED PROGRESS EXPENDITURES.—

"(1) IN GENERAL.—The amount of the qualified investment of any taxpayer for the taxable year (determined under subsection (c) without regard to this subsection) shall be increased by the aggregate of the applicable percentage of each qualified capital cost of the taxpayer for the taxable year.

"(2) QUALIFIED CAPITAL COST.—For purposes of paragraph (2), the term 'qualified capital cost' means the capital cost described in section 168(d)(1) for the taxable year with respect to any property which has not been placed in service before the close of such taxable year if such property when placed in service, can reasonably be expected to be recovery property which is section 38 property.

"(3) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' has the meaning given to such term by subsection (c)(7).

"(4) NO QUALIFIED PROGRESS EXPENDITURES FOR PROPERTY FOR YEAR OF RECAPTURE.—In the case of any property, no qualified progress expenditures shall be taken into account under this subsection for the first taxable year for which recapture is required under section 47(a)(3) with respect to such property, or for any taxable year thereafter.".

(c) AMENDMENT OF RECAPTURE RULES.—

(1) IN GENERAL.—Subsection (a) of section 47 (relating to certain dispositions, etc., of section 38 property) is amended by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) SPECIAL RULES FOR RECOVERY PROPERTY.—

"(A) GENERAL RULE.—If during any taxable year section 38 recovery property is disposed of, or otherwise ceases to be section 38 property with respect to the taxpayer, before the close of the recapture period, then the tax under this chapter for such taxable year shall be increased by the recapture percentage of the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from reducing to zero the qualified investment taken into account with respect to such property.

"(B) RECAPTURE PERCENTAGE.—For purposes of subparagraph (A), the recapture percentage shall be determined in accordance with the following table:

[In percent]

"If the taxable year in which the recovery property ceases to be section 38 property is—	The recovery percentage for each class of property is—	
	Class 1 and class 2	Class 3
The taxable year in which placed in service	100	100
The first taxable year after the year in which placed in service	80	66
The second taxable year after the year in which placed in service	60	33
The third taxable year after the year in which placed in service	40	0
The fourth taxable year after the year in which placed in service	20	0

"(C) DEFINITIONS AND SPECIAL RULES.—

"(i) SECTION 38 RECOVERY PROPERTY.—For purposes of this paragraph, the term 'section 38 recovery property' means any section 38 property which is recovery property (within the meaning of section 168).

"(ii) RECAPTURE PERIOD.—For purposes of this paragraph, the term 'recapture period' means, with respect to any property, the period consisting of the taxable year in which such property is placed in service and the 4 succeeding taxable years (the 2 succeeding taxable years in the case of class 3 property).

"(iii) CLASSIFICATION OF PROPERTY.—For purposes of this paragraph, property shall be classified as provided in section 168.

"(iv) PARAGRAPH (1) NOT TO APPLY.—Paragraph (1) shall not apply with respect to any recovery property.".

(2) TECHNICAL AMENDMENTS.—

(A) Subparagraph (D) of section 47(a)(3) is amended—

(i) by striking out "paragraph (1), paragraph (1)" and inserting in lieu thereof "paragraph (1) or (5), as the case may be, such paragraph", and

(ii) by striking out "PARAGRAPH (1)" in the subparagraph heading and inserting in lieu thereof "PARAGRAPH (1) OR (5)".

(B) Paragraph (6) of section 47(a) (as redesignated by paragraph (1)) is amended by striking out "paragraph (1) or (3)" and inserting in lieu thereof "paragraph (1), (3), or (5)".

(C) Subparagraph (B) of section 47(a)(7) (as redesignated by paragraph (1)) is amended by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (6)".

(d) AMENDMENT OF SECTION 48.—The last sentence of section 48(a)(1) (defining section 38 property) is amended by striking out "includes only property" and inserting in lieu thereof "includes only recovery property and any other property".

SEC. 4. AMENDMENTS RELATED TO DEPRECIATION.

(a) RECOVERY DEDUCTION TREATED AS DEPRECIATION.—Subsection (a) of section 167 (relating to depreciation) is amended by adding at the end thereof the following new sentence: "In the case of recovery property (within the meaning of section 168), the recovery deduction allowable under section 168 shall be deemed to constitute the reasonable allowance provided by this section, and such property shall be considered for purposes of this title as property of a character subject to the allowance provided under this section."

(b) NO ADDITIONAL FIRST-YEAR DEPRECIATION FOR RECOVERY PROPERTY.—Paragraph (1) of section 179(d) (defining section 179 property) is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraph:

"(D) which is not recovery property (within the meaning of section 168).".

(c) TERMINATION OF CLASS LIFE SYSTEM.—Subsection (m) of section 167 (relating to class lives) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—This subsection shall not apply with respect to property placed in service after December 31, 1980.".

SEC. 5. DISPOSITION OF RECOVERY PROPERTY SUBJECT TO RECAPTURE UNDER SECTION 1245.

Paragraph (3) of section 1245(a) (defining section 1245 property) is amended by striking out "or" at the end of subparagraph (C), by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(E) recovery property (within the meaning of section 168).".

SEC. 6. MINIMUM TAX AMENDMENT.

Subsection (a) of section 57 (defining items of tax preference) is amended by inserting after paragraph (11) the following new paragraph:

"(12) CAPITAL COST RECOVERY DEDUCTION.—

"(A) IN GENERAL.—With respect to each property which is class 1 or class 2 recovery property (as determined under section 168) and which is subject to a lease, the amount (if any) by which the recovery deduction allowed for the taxable year is greater than the straight-line capital cost recovery amount determined in accordance with subparagraph (B).

"(B) STRAIGHT-LINE CAPITAL COST RECOVERY AMOUNT.—For purposes of this paragraph, the straight-line capital cost recovery amount shall be the amount of the depreciation deduction which would have been allowed for the taxable year had the taxpayer depreciated the property, beginning with the middle of the taxable year in which placed in service, under the straight-line method for each year of its useful life assuming—

"(i) a useful life of 10 years in the case of class 1 recovery property, and

"(ii) a useful life of 5 years in the case of class 2 recovery property.

"(C) LIMITATIONS.—

"(i) CORPORATIONS.—This paragraph shall not apply to any taxpayer which is a corporation (other than an electing small business corporation as defined in section 1371(b)) or a personal holding company (as defined in section 542).

"(ii) PROPERTY MANUFACTURED OR PRODUCED BY TAXPAYER.—This paragraph shall not apply with respect to any property which is manufactured or produced by the taxpayer.

"(D) PARAGRAPHS (2) AND (3) DO NOT APPLY TO RECOVERY PROPERTY.—Paragraphs (2) and (3) shall not apply to recovery property (within the meaning of section 168).".

SEC. 7. TECHNICAL AMENDMENTS.—

(a) EARNINGS AND PROFITS.—

(1) Subsection (k) of section 312 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) EXCEPTION FOR RECOVERY DEDUCTION.—If for any taxable year a recovery deduction is allowable under section 168 with respect to any recovery property, then the adjustment to earnings and profits for depreciation of such property for such year shall be the amount so allowable (but not in excess of the straight-line capital cost recovery amount determined under section 57(a)(12)(B)).".

(2) The paragraph heading of paragraph (2) of section 312(k) is amended to read as follows:

"(2) EXCEPTION FOR CERTAIN METHODS OF DEPRECIATION.—".

(b) AMENDMENT OF SECTION 381.—Subsection (c) of section 381 is amended by adding at the end thereof the following new paragraph:

"(27) UNUSED DEDUCTIONS UNDER SECTION 168.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 168, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 168 in respect of the distributor or transferor corporation.".

(c) AMENDMENT OF SECTION 383.—Section 383 (relating to special limitations on certain carryovers) is amended by striking out "and to any net capital loss" and inserting in lieu thereof "to any unused deductions under section 168(e), and to any net capital loss".

SEC. 8. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years ending after December 31, 1980.

REVISIONS IN THE CAPITAL COST RECOVERY ACT

1. Date changes:

The dates throughout the bill have been altered to reflect an effective date of January 1, 1981. This involves changing the date in the title of the bill and throughout the text at places dealing with the transition period and other miscellaneous items.

2. Definition of capital cost:

On page 4, new IRC sec. 168(d)(1) has been altered to remove the word "net" from the definition of "capital cost." This removes an unclear meaning from the definition.

3. Pre-effective date payments:

On page 5, new IRC sec. 168(d)(2) has been expanded by a new subparagraph (C) which describes the treatment of progress payments made before the effective date of the bill. Because current law does not recognize progress payments for depreciation, there has been some question about the treatment of such payments. This provision makes it clear that pre-effective date payments will be covered by the new law, but they will not be included as a capital cost until the year the asset is placed in service.

4. Small business transition rule:

On page 13, new IRC sec. 168(h) is expanded to include a new subparagraph (6) which allows an immediate application of the 5-year category (class 2 property) to $100,000 of additions to the capital account for each year during the transition period. This was part of the original draft in 1979, but which was inadvertently omitted from the text when submitted to the sponsors. The purpose is to remove the bookkeeping which would be required during the transition if small businesses were placed under the sliding scale in the 5-year category.

5. Minimum tax provision:

On page 24, sec. 6 of the bill amending IRC sec. 57 (the minimum tax) is amended by changing the new subparagraph (12)(C)(1) to replace the word "and" with "or." This particular provision was drafted to exclude corporate taxpayers from the imposition of the minimum tax on capital cost recovery deductions. However, the use of the word "and" required that a taxpayer be both a corporate and a personal holding company. This was an error which is corrected by using the word "or."●

RESPONDING IN KIND: AN ANSWER TO JAPANESE PROTECTIONISM

● Mr. SCHMITT. Mr. President, I am pleased to join in cosponsoring S. 396 to establish a quota for the import of Japanese automobiles. Auto imports from Japan have exploded in recent years from 381,000 in 1970 to over 1,617,000 in 1979. The dollar amount of these imports was over $6.4 billion in 1979. In the face of the recent decline in the domestic automobile industry, and the continuing existence of Japanese restrictions on U.S. exports to that country, congressional action is necessary.

I am a strong believer in free markets, and I believe we should be willing to accept the fact that domestic industries must face foreign competition head on. In that way U.S. consumers gain the benefits of greater selections in price and quality in the marketplace. However, the United States cannot be the only one to open its markets to foreign producers; there must be reciprocity. Unfortunately, in all too many instances, this has not been the case with the Japanese and some of our other allies. Let me point out just two glaring examples of Japanese behavior in this regard:

FRESH ORANGES

Japan has erected dual impediments to the importation of fresh oranges from the United States: High import duties combined with quantitative limitations effectively frustrate an open market situation.

The duty on fresh oranges imported into Japan is 40 percent from December 1 through May 31, and 20 percent from June 1 through November 30. This is an unrealistic level. The U.S. import duty for fresh oranges (including Japanese mikans) is 1 cent per pound, resulting in an ad valorem equivalent of approximately 10 percent (based upon a conservative value of 10 cents per pound). The Japanese import duty should be harmonized with the U.S. import duty.

In addition to this high duty, Japan has placed a quantitative limitation on the importation of fresh oranges. Although Japan recently agreed, in the Multilateral Trade Negotiations, to increase its import quota to 82,000 tons by 1983, this remains minimal. The 82,000 tons is equivalent to less than 3 percent of the Japanese mikan (tangerine) production.

The Western citrus industry has two varieties of oranges: Valencia or summer oranges and navel or winter oranges. In conjunction with its quota system, Japan has implemented a license system which requires that the bulk of the fresh orange imports enter Japan during the late spring or summer. This virtually precludes Western navel growers from participating in Japanese markets.

HIDES

There is probably no other sector of trade between the United States and Japan that is more influenced by Japanese Government policy than the trade in hides, leather and leather products. Since the end of World War II, the Japanese have followed a policy of buying U.S. cattlehides and then isolating their tanning and some of their leather products industries from international competition by means of quotas and high tariffs.

The effects of the Japanese policy of importing only raw material and severely resisting imports of leather and manufactured leather products, has had an enormous impact not only on the balance of trade between the two countries, but upon the economic distribution of scarce resources and on employment possibilities in the United States. In addition, Japanese firms, hiding behind a protectionist barrier, are willing to pay non-economic prices for raw materials, thus adding to inflationary forces in the sector.

In 1979, out of a total U.S. hide production of a little over 34 million, over 7 million hides went to Japan. These 7 million hides produce between $500 to $600 million worth of leather. U.S. tanners, however, were able to ship only $5 million worth of leather into this huge market. The low level of these shipments were in contravention of the Japan-United States agreement on leather which was estimated to allow movement of $30 to $40 million worth of leather per year.

Early in 1979, after almost 2 years of negotiation, the United States was able to conclude an agreement with the Government of Japan calling for an increase in the illegal Japanese quotas for U.S. leather imports. The Japanese at that time agreed to facilitate the utilization of these quotas. So far, the Japanese have issued licenses and have gone through the motions of living up to the agreement. However, the statistics clearly prove otherwise. The Japanese have not lived up to that portion of the agreement that involves "facilitation of the utilization of the quotas or licenses."

Mr. President, these are just two of

many examples of the kind of treatment U.S. agricultural exporters have received at the hands of the Government of Japan. Until these practices are eliminated, the United States will simply have to respond in kind. The legislation introduced by the distinguished Senator from Missouri (Mr. DANFORTH) which I am pleased to cosponsor, is a step in the right direction.●

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO RECEIVE REPORTS ON FRIDAY, FEBRUARY 13, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until February 16, 1981, on Friday, February 13, 1981, the Secretary of the Senate be authorized to receive reports from 9 a.m. until 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ENHANCED EQUIPMENT PACKAGE TO SAUDI ARABIA

Mr. LEVIN. Mr. President, we continue to hear talk about the potential sale of an enhanced equipment package to Saudi Arabia. Having been in the Middle East in December and having spoken with a number of people about this issue, I want to share my thoughts with my colleagues.

In 1977, the Congress approved the sale of 60 F-15's to the Saudis, after explicit commitments to the Congress that such planes would not be enhanced with offensive equipment so as to present a threat to Israel.

Such offensive equipment included bomb racks and specially fitted fuel tanks for long-range capability. The Saudis are now requesting the "enhanced" equipment despite those clear commitments made in 1977.

Their request should be rejected.

Sixty-eight Members of the Senate, including many who voted for the 1977 sale have signed a letter to President Carter urging him to deny the request for enhanced equipment, and I ask unanimous consent that a copy of that letter appear in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LEVIN. Mr. President, President Carter, during the recent campaign, vowed not to approve any equipment for the F-15's which would give the aircraft "offensive" capability. President Reagan clearly implied the same position in his B'nai B'rith speech in Washington.

Beyond the need to honor our clear commitment and contract, other factors indicate that such a sale is not in the interest of stability in the region.

The Saudis apparently seek the additional capability as a way of protecting themselves from a variety of dangers.

The threats to the Saudis and their oil are many. First and foremost are internal threats from Muslim fundamentalists such as took over the Mosque in Mecca, and potentially from certain Palestinian elements who work in the oil fields and who are placated by public statements of support—and money—from the Saudis for the PLO. Offensive armaments for the F-15's will not be useful against such internal threats.

The second most serious threat is an external commando-like raid against the oil fields.

The fact made clear to me on my recent visit to Saudi Arabia is that it is difficult to protect key points in the oil pipelines running to the tanker ports on the Saudi coast. Such difficulty opens the Saudis to a commando-like assault against which the F-15's are of little value.

A third possible threat is an invasion by Iraq or Iran.

The F-15's may be of some greater value as a deterrent to such an invasion if given greater offensive capability. But the deterrent effect of retaliatory air capability was of limited value in preventing an invasion by Iraq against Iran and Iran's revolutionary madness is not affected apparently by retaliatory threats, as seen by the hostages' situation and by Khomeini's attempts to stir up the Shia in Iraq and Saudi Arabia to overthrow their governments.

No real Saudi security need, then, is filled by this equipment. But real regional tensions and instability would be created.

Giving the Saudis F-15's offensive capability also would threaten Israel and require additional defensive measures on their part to meet the additional threat. Only if one discounts the avowed threats to Israel by Saudi leaders and their continued major financial support of the PLO and its terrorist activities against Israel, and the fact that the Saudis have participated—albeit often late and weakly—in the three Arab wars against Israel, can one be sanguine about the potential use of offensively capable F-15's against Israel.

I informed both Prince Abdullah and the Air Force Chief of Operations Fahd that, in my opinion, neither President Carter nor President Reagan would propose the enhancement package to the Congress and, if they did so it would be rejected.

We must learn that the Saudis need our protection as much as we need their oil. Their sheltered way of life, their religious orthodoxy and their monarchy with its billions of dollars of investments abroad cannot survive under the domination of Russia or her surrogates. The oil weapon threat must be put in its place. The Saudis must know that we know they need our protection and, if they cut off oil to us in retaliation for some action they do not approve of, we would have that much less incentive to protect them against the threatening world they face.

For all these reasons, President Reagan should reject the request for the enhancement package and, if he does not, Congress should.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., June 27, 1980.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: According to recent news reports, Saudi Arabia has asked to purchase from the United States additional military equipment related to the 1978 sale of 60 F-15's. It is our understanding that included in this request are such items as multiple-ejection racks, conformal fuel tanks, KC-135 aerial refueling tankers, AIM 9-L air-to-air missiles, and AWACS. We would like to remind you of assurances given by your Administration concerning such military equipment and to register our firm opposition to the Saudi request.

When the proposed F-15 sale was debated more than two years ago, major concerns were voiced in Congress as to the aircraft's potential offensive capability. In response to these concerns, officials of your Administration provided the Congress with a series of assurances and understandings that emphasized the defensive role and restricted the potential offensive threat posed by the F-15's. In particular, a letter from Secretary Brown on May 9, 1978, to Senator John Sparkman, then Chairman of the Senate Foreign Relations Committee, stipulated the following:

"The F-15 we plan to sell to Saudi Arabia will have the same configurations as the interceptor model approved for the United States Air Force."

"The plane requested by Saudi Arabia will not be equipped with the special features that could give it additional range. Specifically, the planes will not have conformal fuel tanks ("fast packs"), i.e., auxiliary fuel tanks that conform to the body of the plane, and Saudi Arabian KC-130 tankers do not have equipment for air refueling of the F-15."

"Saudi Arabia has not requested that the plane be outfitted with multiple ejection racks (MER 200) which would allow the plane to carry a substantial bomb load. The United States will not furnish such MER's."

JULY 1980.

SIGNERS OF SENATE F-15 LETTER

William L. Armstrong (R-Colo.), Howard H. Baker, Jr. (R-Tenn.), Max Baucus (D-Mont.), *Birch Bayh (D-Ind.), *Henry Bellmon (R-Okla.), Joseph R. Biden (D-Del.), David L. Boren (D-Okla.), Rudy Boschwitz (R-Minn.), Bill Bradley (D-N.J.), Dale Bumpers (D-Ark.), John H. Chafee (D-R.I.), Lawton Chiles (D-Fla.), *Frank Church (D-Idaho), William S. Cohen (R-Maine), Alan Cranston (D-Calif.), and *John C. Culver (D-Iowa).

John C. Danforth (R-Mo.), Dennis DeConcini (D-Ariz.), Robert Dole (R-Kans.), Pete Domenici (R-N. Mex.), David Durenberger (R-Minn.), *John A. Durkin (D-N.H.), Thomas F. Eagleton (D-Mo.), Wendell H. Ford (D-Ky.), Gary Hart (D-Colo.), and Orrin G. Hatch (R-Utah).

Howell Heflin (D-Ala.), John H. Heinz (R-Pa.), Walter D. Huddleston (D-Ky.), Gordon Humphrey (R-N.H.), Daniel K. Inouye (D-Hawaii), Henry M. Jackson (D-Wash), *Jacob K. Javits (R-N.Y.), Roger W. Jepsen (R-Iowa), Nancy Landon Kassebaum (R-Kans.), Edward M. Kennedy (D-Mass.), Paul Laxalt (R-Nev.), and Patrick J. Leahy (D-Vt.).

Carl Levin (D-Mich.), Richard G. Lugar (R-Ind.), *Warren G. Magnuson (D-Wash.), Charles McC. Mathias, Jr. (R-Md.), Spark M. Matsunaga (D-Hawaii), *George McGovern (D-S. Dak.), Howard M. Metzenbaum (D-Ohio), George J. Mitchell (D-Maine), *Robert Morgan (D-N.C.), Daniel Patrick Moynihan (D-N.Y.), *Gaylord Nelson (D-Wis.), Bob Packwood (R-Oreg.), Claiborne Pell (D-R.I.), Larry Pressler (R-S. Dak.), and William Proxmire (D-Wis.).

David Pryor (D-Alaska), Donald W. Riegle, Jr. (D-Mich.), William V. Roth, Jr. (R-Del.), Paul S. Sarbanes (D-Md.), Jim Sasser (D-Tenn.), *Richard S. Schweiker (R-Pa.), Alan K. Simpson (R-Wyo.), Ted Stevens (R-Ala.), *Donald Stewart (D-Ala.), *Richard Stone (D-Fla.), Paul E. Tsongas (D-Mass.), John W. Warner (R-Va.), Lowell P. Weicker, Jr. (R-Conn.), Harrison A. Williams, Jr. (D-N.J.), and Edward Zorinski (D-Nebr.).

*Not returning to 97th Congress.

BOOKER T. WASHINGTON BUSINESS ASSOCIATION

Mr. LEVIN. Mr. President, I commend the Booker T. Washington Business Association of Detroit for its 50 years of extraordinary work to promote minority participation in economic growth and business.

Each year, at its annual brotherhood luncheon, the association honors an outstanding member of the Michigan community for his or her contribution to the involvement of minorities in business. On February 13, the association will honor Coleman A. Young, the mayor of Detroit, for his effective involvement in both the Booker T. Washington Business Association and in the community that has so greatly helped provide minority opportunities.

The Booker T. Washington Business Association, an affiliate of the National Business League in Washington, was founded by Rev. William H. Peck in 1930. It provides education, technical assistance, advocacy of legislation, activities, and a voice that aids minority business persons. Programs include tax management seminars, a speakers' bureau, and a community service committee.

The BTWBA is based on the "helping people to help themselves" philosophy and strives to achieve cooperation between Government and the private sector to provide opportunities for minorities.

I am pleased to speak of its fine history and good deeds.

ADJOURNMENT TO MONDAY, FEBRUARY 16, 1981

Mr. BAKER. Mr. President, I have no other business nor do I know of any other matters to be disposed of or business to be transacted. In the absence of such, I move, in accordance with the provisions of House Concurrent Resolution 58, that the Senate stand in adjournment until 12 o'clock meridian on Monday, February 16, 1981.

The motion was agreed to and, at 5:26 p.m., the Senate adjourned until Monday, February 16, 1981.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 6, 1981:

DEPARTMENT OF DEFENSE

Verne Orr, of California, to be Secretary of the Air Force.

DEPARTMENT OF JUSTICE

Edward C. Schmults, of Connecticut, to be Deputy Attorney General.

FEDERAL HIGHWAY ADMINISTRATION

Ray A. Barnhart, of Texas, to be Administrator of the Federal Highway Administration.

DEPARTMENT OF STATE

Foreign Service officer nominations beginning Alan H. Dodds, to be a Foreign Service information officer of class 1, and ending Gregory Lagana, to be a Foreign Service information officer of class 7, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on January 5, 1981.

IN THE ARMY

The following-named officers for appointment to the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284, 3306, and 3307:

To be major general

Maj. Gen. Charles P. Graham, 518-34-7377, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James M. Rockwell, 121-20-9150, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Albert B. Akers, 410-64-1753, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Emmett W. Bowers, 253-24-5704, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Story C. Stevens, 229-18-3409, Army of the United States (brigadier general, U.S. Army).

Lt. Gen. James M. Thompson, 519-16-9499, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edward B. Atkeson, 224-52-6595, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Richard X. Larkin, 505-28-6229, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert L. Wetzel, 519-44-2999, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edmund R. Thompson, 579-40-7802, Army of the United States (brigadier general, United States Army).

Maj. Gen. Jack N. Merritt, 446-22-3608, Army of the United States (brigadier general, United States Army).

Lt. Gen. Glenn G. Otis, 084-20-5038, Army of the United States (brigadier general, United States Army).

Maj. Gen. Guy S. Meloy III, 460-64-4230, Army of the United States (brigadier general, United States Army).

Maj. Gen. Maxwell R. Thurman, 237-42-0668, Army of the United States (brigadier general, United States Army).

Maj. Gen. William E. Read, 240-28-5658, Army of the United States (brigadier general, United States Army).

Maj. Gen. Robert Arter, 294-26-4790, Army of the United States (brigadier general, United States Army).

Maj. Gen. Edward C. Peter II, 263-60-4591, Army of the United States (brigadier general, United States Army).

Maj. Gen. Stan R. Sheridan, 564-30-2397, Army of the United States (brigadier general, United States Army).

Maj. Gen. Nathaniel R. Thompson, Jr., 183-20-5652, Army of the United States (brigadier general, United States Army).

Maj. Gen. William E. Cooper, Jr., 420-52-6048, Army of the United States (brigadier general, United States Army).

Maj. Gen. Harvey D. Williams, 239-40-2664, Army of the United States (brigadier general, United States Army).

Maj. Gen. Drake Wilson, 447-26-3948, Army of the United States (brigadier general, United States Army).

Maj. Gen. Clarence E. McKnight, Jr., 413-34-8454, Army of the United States (brigadier general, United States Army).

Maj. Gen. Emmett Paige, Jr., 267-32-1935, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Orlando E. Gonzales, 524-26-8901, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Duard D. Ball, 447-28-9115, Army of the United States (brigadier general, U.S. Army).

The following officer for appointment as a Reserve Commissioned officer in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Van Hixson, 529-34-0771.

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Col. Bernardo Loeffke, 054-32-9568, Army of the United States (lieutenant colonel, U.S. Army).

Col. John H. Moellering, 308-38-5095, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert F. Molinelli, 518-28-4074, U.S. Army.

Col. Albin G. Wheeler, 236-60-2073, Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Potts, 415-42-9888, Army of the United States (lieutenant colonel, U.S. Army).

Col. Bruce R. Harris, 310-34-2711, U.S. Army.

Col. Orren R. Whiddon, 464-52-8638, Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald J. Delandro, 433-46-7552, U.S. Army.

Col. Gerald H. Bethke, 394-28-0826, Army of the United States (lieutenant colonel, U.S. Army).

Col. John J. Yeosock, 206-30-1111, Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald S. Pihl, 547-50-0452, Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Sweet, 271-36-0805, U.S. Army.

Col. James W. van Loben Sels, 551-42-6892, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert E. Wagner, 226-42-3959, Army of the United States (lieutenant colonel, U.S. Army).

Col. Houston P. Houser, III, 579-46-0568, Army of the United States (lieutenant colonel, U.S. Army).

Col. Peter M. Dawkins, 385-32-5902, Army of the United States (lieutenant colonel, U.S. Army).

Col. Jerome B. Hilmes, 330-28-3943, Army of the United States (lieutenant colonel, U.S. Army).

Col. William H. Gourley, 153-26-6155, U.S. Army.

Col. Ronald W. Zeitman, 114-26-2047, Army of the United States (lieutenant colonel, U.S. Army).

Col. Burton D. Patrick, 253-52-6854, Army of the United States (lieutenant colonel, U.S. Army).

Colonel Isaac D. Smith, 438-46-0213, U.S. Army.

Col. Ronald M. Holdaway, 520-32-2954, U.S. Army.

Col. Henry G. Skeen, 252-44-4379, U.S. Army.

Col. Fred Hissong, Jr., 284-28-4894, U.S. Army.

Col. Thurman D. Rodgers, 408-48-2175, Army of the United States (lieutenant colonel, U.S. Army).

Col. Sidney T. Weinstein, 153-30-0833, U.S. Army.

Col. James R. Taylor, 453-58-8810, Army of the United States (lieutenant colonel, U.S. Army).

Col. Rocco Negris, 085-20-2502, U.S. Army.

Col. Stephen R. Woods, Jr., 415-52-0442, U.S. Army.

Col. Forrest T. Gay, III, 263-44-4145, U.S. Army.

Col. Jackson E. Rosier, Jr., 227-44-5741,

Army of the United States (major, U.S. Army).

Col. Lee D. Brown, 318-26-5179, U.S. Army.

Col. James E. Shelton, 139-26-0026, Army of the United States (lieutenant colonel, U.S. Army).

Col. Lynn H. Stevens, 528-42-3059, Army of the United States (lieutenant colonel, U.S. Army).

Col. Harry D. Penzler, 487-38-0630, U.S. Army.

Col. Robert W. Pointer, Jr., 543-34-8054, Army of the United States (lieutenant colonel, U.S. Army).

Col. Walter W. Kastenmayer, 113-30-3937, Army of the United States (lieutenant colonel, U.S. Army).

Col. George R. Robertson, 258-50-8463, Army of the United States (lieutenant colonel, U.S. Army).

Col. Jack D. Woodall, 265-50-0929, Army of the United States (lieutenant colonel, U.S. Army).

Col. Curtis F. Hoglan, 433-44-3754, U.S. Army.

Col. Mildred E. P. Hedberg, 171-24-3390, U.S. Army.

Col. Edwin M. Aguanno, 122-20-5324, U.S. Army.

Col. James Piner, Jr., 533-32-8988, Army of the United States (lieutenant colonel, U.S. Army).

Col. Eugene R. Cromartie, 266-44-1206, Army of the United States (lieutenant colonel, U.S. Army).

Col. William S. Carpenter, 196-28-4948, Army of the United States (major, U.S. Army).

Col. Jere L. Hickman, 413-38-9025, U.S. Army.

Col. Carlton P. Weidenthal, 280-28-4795, U.S. Army.

Col. Donald C. Hilbert, 099-24-3255, U.S. Army.

Col. James C. Cercy, 143-28-3159, Army of the United States (lieutenant colonel, U.S. Army).

Col. Harry E. Soyster, 178-28-9357, Army of the United States (lieutenant colonel, U.S. Army).

Col. Joe J. Breedlove, 256-52-5304, Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald E. Eckelbarger, 181-24-4977, Army of the United States (lieutenant colonel, U.S. Army).

Col. Johnnie H. Corns, 234-56-4012, Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas A. Sands, 410-64-1086, Army of the United States (lieutenant colonel, U.S. Army).

Col. Ray H. Lee, 516-26-9773, U.S. Army.

Col. Cecil N. Neely, 463-46-5558, Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert G. Lynn, 195-24-4473, U.S. Army.

Col. Fred E. Elam, 431-56-1999, Army of the United States (major, U.S. Army).

Col. Robert D. Morgan, 063-28-0883, U.S. Army.

Col. Anthony A. Smith, 224-52-4563, Army of the United States (lieutenant colonel, U.S. Army).

Col. Ellis D. Parker, 409-46-5615, Army of the United States (lieutenant colonel, U.S. Army).

Col. Roy M. Strom, 356-30-8564, U.S. Army.

Col. William F. Burns, 161-28-1817, U.S. Army.

HOUSE OF REPRESENTATIVES—*Friday, February 6, 1981*

The House met at 1 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, teach us always to live as You would have us live, to serve as You would have us serve, that by our example we may be worthy of the high calling that we have received. May we adore You as our creator, be kind to one another as members of the human family, and ever seek truth in all our endeavors. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

IN HONOR OF THE LATE ELLA TAMBUSSI GRASSO

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOFFETT. Mr. Speaker, last night, the Honorable Ella Tambussi Grasso, the 83d Governor of the State of Connecticut, lost a heroic struggle against cancer. She was 61 years of age. The Members of this body—both those who served with her and those who are familiar with her good works—and the citizens of the State of Connecticut have lost a good friend.

Today, I am paying tribute to Mrs. Grasso for her service to our State and to our country, and for the remarkable strength with which she faced her illness. My colleagues, Mr. COTTER, Mr. MCKINNEY, Mr. RATCHFORD, Mr. GEJDENSON, and Mr. DENARDIS, join with me in asking the House to pause and to remember Mrs. Grasso.

As the man who now represents the Sixth Congressional District that Mrs. Grasso herself represented prior to her election as Governor, I can attest to the high regard in which she was held. As a Member of Congress, Ella Grasso's service on the Veterans' Affairs Committee and on the Education and Labor Committee won her high marks from her colleagues. At home, she was always on the scene, reaching out and helping. She was a woman of infinite compassion. On this record, she was elected chief executive of our State of Connecticut. Mrs. Grasso was the first woman elected to the office of Governor without succeeding her husband. She was elected and she was reelected solely on her own merit. And she served our State with great distinction until her illness forced her to resign, effective December 31, 1980.

Recently, the author Susan Sontag wrote:

> Illness is the night side of life, a more onerous citizenship. Everyone who is born holds dual citizenship, in the kingdom of the well and in the kingdom of the sick. Although we all prefer to use only the good passport, sooner or later each of us is obliged, at least for a spell, to identify ourselves as citizens of that other place.

All of us can only marvel at that courage with which Ella Grasso lived "on the night side of life." And the Connecticut delegation believes that for the courage and her service, this House should pay her tribute and stop for a moment to reflect on the life of this extraordinary public servant. Our thoughts are with Mrs. Grasso's family during this painful period.

Following my remarks I am including a resolution, which the Connecticut delegation plans to present to the family of Mrs. Grasso, and other extraneous matter in the RECORD.

Finally, Mr. Speaker, on February 17, we will have a special order. At that time, we will ask all Members to sign a tribute to this remarkable woman.

H. RES. —

A resolution relating to the death of the Honorable Ella Tambussi Grasso

Whereas the Honorable Ella T. Grasso served in the United States House of Representatives for two consecutive terms in the Ninety-second and Ninety-third Congresses; and

Whereas her service in the House of Representatives was distinguished, meritorious, and marked by great compassion; and

Whereas Ella T. Grasso was elected Governor of the State of Connecticut; and

Whereas her distinctive ability in the office of Governor won Mrs. Grasso reelection for a second term in office; and

Whereas her second term in office as Governor was tragically shortened when Mrs. Grasso was stricken by cancer; and

Whereas Mrs. Grasso won the admiration, love, and respect of all citizens by her courageous battle against the disease: Now, therefore, be it

Resolved, That the House has learned with profound sorrow of the death of the Honorable Ella T. Grasso.

Resolved, That this resolution, with signatures by Members of Congress and appropriate expressions of sympathy, be transmitted to the family of the deceased as a mark of respect to her memory.

CONNECTICUT'S ELLA GRASSO DIES; ILLNESS FORCED GOVERNOR TO RESIGN

(By Richard Pearson)

Ella T. Grasso, 61, a Democrat who was governor of Connecticut from 1975 until she resigned Dec. 31 because of ill health, died yesterday in Hartford of cancer.

She was the first woman governor who had not been preceded in office by her husband. Or, as Gov Grasso once put it, she was the nation's "first lady governor who was not a governor's first lady."

Gov. Grasso was born to Italian immigrant parents and was reared in the political system of Connecticut's legendary John M. Bailey. Bailey, long-time state chairman of the Democratic Party and national party chairman during the 1960s, guided her rise to power.

Gov. Grasso served more than 25 years in elective office and never lost an election. She spent four years in the state legislature, 12 years as Connecticut's secretary of state, then was a member of the U.S. House of Representatives from 1971 to 1975. She was elected governor in 1974 and reelected four years later.

When she first assumed office, she took leadership of a state confronted with financial difficulties and the specter of recession.

Gov. Grasso fought to hold down spending while resisting the imposition of a state income tax. To buttress her policy, she rejected a $7,000-a-year increase in her own pay. Advised that this was not legal under state law, she accepted the pay increase, then returned the amount of the raise to the state treasury.

When she and other state officials traveled to New York City to find buyers for $100 million in Connecticut bonds in 1976, they traveled by Greyhound bus.

She began losing popularity as her first term drew near its close because she was forced to retrench economically, curtail some state services and lay off state workers.

Gov. Grasso regained a measure of popularity during the blizzard of February 1978 when she set up a state command center, traveled by helicopter to trouble spots throughout the state and trudged through snow drifts on her fact-finding mission. She eventually became known throughout much of the state as "Mother Ella."

In 1978, Robert Killian, the state's lieutenant governor, ran against Gov. Grasso in the Democratic primary. Gov. Grasso pointed out that under her governorship, 260 new businesses had been attracted to the state and that the condition of Connecticut's treasury had improved from a $70 million deficit to a $95 million surplus.

She defeated Killian by a 2-to-1 margin and whipped her Republican challenger in the November election, Ronald A. Sarasin, 513,000 votes to 422,000.

In April 1980, Gov. Grasso underwent surgery for ovarian cancer. In late November, she was hospitalized with phlebitis and it was discovered that the cancer had spread

to her liver. Doctors determined in December that the cancer by then had involved her intestinal tract. On Dec. 4, Gov. Grasso announced that she lacked the "stamina or the endurance" to continue in office and resigned, effective at the end of the year.

Known for her vivacious personality and firm beliefs, she became well known outside her own state. Gov. Grasso was a member of the Democratic National Committee from 1956 to 1958. She served on the platform committee at the Democratic National Convention in 1960, and cochaired the resolutions committees at the 1964 and 1968 conventions. She was chairman of the New England Governors Conference in 1977.

At the 1968 convention, she helped push through a minority report that opposed continued American involvement in Vietnam. She also was one of those who walked out of the convention to protest the tactics used by the Chicago police department to quell demonstrations.

During her years in Congress, she fought for the expansion of minimum wage laws, increased veterans benefits, greater funding for Social Security and health programs for the elderly, and voted against funding for the Supersonic Transport.

Born Ella Rosa Giovanna Oliva Tambussi in Windsor Locks, Conn., Gov. Grasso was the daughter of parents who had come to this country from the Piedmont section of Italy. Her father was a baker, she recalled, "so we always had enough to eat." Gov. Grasso characterised her mother as a woman who was a "great reader" and pushed the future governor on to that pursuit.

After attending Catholic schools in Windsor Locks, Gov. Grasso won a scholarship to the Chaffee School in Windsor, Conn. She then went on to Mount Holyoke College in South Hadley, Mass., from which she graduated magna cum laude in 1940. She studied sociology and economics and was elected to Phi Beta Kappa. She earned a master's degree there in 1942 and was a statistics instructor before returning to Connecticut.

During World War II, she was assistant state research director for the federal War Manpower Commission. Her first move into politics was to join the League of Women Voters in 1943. She was elected to the state house in 1952.

During her years as Connecticut's secretary of state from 1959 to 1971, she turned her first-floor office in the Capitol in Hartford into a "people's lobby" and encouraged citizens to visit her and air grievances. She also was chairman of the Democratic state platform committee during these years.

A talented and gifted speaker, Gov. Grasso spoke fluent Italian. She was a member of the Connecticut Council of Catholic Women and the Order of Sons of Italy.

She was the wife of Thomas A. Grasso, a retired school superintendent, whom she married in 1942. They had two children, James and Susanne, both of whom are teachers.

EX-GOVERNOR OF CONNECTICUT DIES OF CANCER

(By Matthew L. Wald)

HARTFORD, February 5.—Former Gov. Ella T. Grasso of Connecticut, the first woman to be elected governor in her own right in the United States, died here today. She was 61 years old.

Mrs. Grasso, who fell ill with cancer halfway through her second term, was pronounced dead at 6:03 P.M. at Hartford Hospital. Officials said funeral arrangements would be made public tomorrow.

After surgery for the removal of her ovaries and radiation treatment failed to stop the spread of cancer, Mrs. Grasso announced last Dec. 4 that she would resign on New Year's Eve, and she was succeeded by William A. O'Neill, the Lieutenant Governor.

DREW NATIONAL ATTENTION

When she was elected Governor in 1974, Mrs. Grasso drew national attention as being in the vanguard of a new era in politics. But her popularity in Connecticut was as a protector of the status quo who ran the state with frugality and without an income tax.

For many voters, her election marked the ascent to political power not of women, but of Americans of Italian descent.

"All my friends in the women's movement get angry at me for saying this," Mrs. Grasso said during her first term as Governor, "but I never thought that being a woman gave me any special political problems. It was only when my friends from the foreign press, in New York, kept coming here and writing about me as a woman candidate that I began to think I was doing something unusual."

Although she was the first woman to be elected governor who was not the wife or widow of a governor, her political path was not unusual.

And while she did not seek to change the nature or the direction of government, she was a pioneer, in the mid-1970's, in giving the public access to officials and records, and she also led the state's efforts to help the old and the retarded.

First elected to public office in 1954, Mrs. Grasso was an old hand at operating within the Democratic Party and the established political system long before she became Governor.

A TRADITIONALIST IN HARTFORD

For two terms in the United States House of Representatives, Mrs. Grasso was an advocate of liberal social programs and the spending of money to stimulate the economy, but in Hartford she was a traditionalist.

"That became more obvious and conspicuous in her as Governor," said Joseph J. Fauliso, who was president pro tem of the State Senate during her tenure. Her philosophy, Mr. Fauliso said, was remarkable for being "tenacious in the retention of values."

Moderate though she was, she left her mark on state government. As a State Representative from her native Windsor Locks, she was a moving force in the successful drive to simplify state operations by eliminating an entire layer of government, the counties, a goal she adopted in her days in the League of Women Voters.

In the late 1950's, she was one of the architects of a new State Constitution, which took effect in 1960.

As Governor, she created a stronger Department of Public Utilities Control, championed a "sunshine" law that opened many functions of government to public scrutiny, and reorganized the executive branch to make it more efficient.

A PERIOD OF ECONOMIC GROWTH

She also kept state spending low, in part by holding increases in welfare benefits well below the rate of inflation, limiting aid to the cities and—in a memorable political blunder in 1975—by laying off 500 state workers just before Christmas.

Partly because of a favorable tax structure, Connecticut enjoyed relatively low unemployment and healthy economic growth under her stewardship. Austere in her personal use of state money, she scrapped the Governor's limousine in favor of a standard cruiser of the state police, and later a high-mileage compact car.

In a state in which more than half the voters are Roman Catholic, Mrs. Grasso also left a mark of conservatism on the government, choosing, for example, to prohibit the state financing of abortions under Medicaid. "I do not wish to be a party to killing the children of the poor," she said, a formulation that dismayed feminists.

She also consistently opposed the extension of legalized gambling, an important source of state revenue.

One disappointment to those who saw her primarily as a woman was the small number of women she appointed to high positions. Her appointments, in fact, also alienated old-line politicians. Her explanation, in an interview, was that "people expect skills."

QUESTION OF MODERN POLITICS

"Purely political appointments of persons with no credit other than party affiliation are no longer part of our modern politics," she said.

An aura of personal concern served Mrs. Grasso well in two natural disasters during her governorship.

In February 1978, when austerity moves had lowered her popularity, a paralyzing snowstorm hit the state. Mrs. Grasso rushed to the State Armory in Hartford, walking the last mile after her car had bogged down in the snow, and ordered that the whole state be "closed" for three days, with cars banned from the roads while the snowplows did their work.

On that occasion, and again when a tornado struck Windsor and Windsor Locks in October 1979, Mrs. Grasso appeared on television and appealed for cooperation to alleviate the hardship. The image of a compassionate Governor toiling long hours during the disaster did much to enhance her popularity.

Perhaps to remind herself of the importance of the snowstorm in defining her relationship with the people of the state, Mrs. Grasso framed and kept at her desk an aerial photograph taken at the time. It was of a message written in footprints in the virgin snow on an open field. It said "Help—Ella."

A legislative aide from her Washington years remembered that when a constituent came in with a personal problem, "you almost got the impression you were talking to your mother, someone who was generally concerned about the little things that were happening to you: Were you out of a job? Was your family O.K.?"

But with her appointees she was tough, and often profane, and her staff sometimes gleefully recounted colorful tongue-lashings administered to upper-level state employees.

She was born Ella Rosa Giovianna Oliva Tambussi on May 10, 1919, to Giacomo and Maria Oliva Tambussi, who were immigrants from the Italian Piedmont. As Governor, Mrs. Grasso referred often to the hardships of her childhood, to make current difficulties seems small by comparison. Once, when a crowd of young reporters questioned her sharply about how the citizens could endure the gasoline shortage of the summer of 1979, she replied: "You see, it's easier for me than it is for you. I was a child of the Depression."

Mrs. Grasso came from a family of modest circumstances in the tightly knit Italian

community of Windsor Locks, an old mill town. Her mother was "a great reader" and her father, a baker, "pretended he could read and write," Mrs. Grasso once told an interviewer. "It took me years to learn that 'youse' is not the plural form of 'you,' " she said.

ELECTED TO PHI BETA KAPPA

Her diction, however, was flawless, with an almost patrician inflection, acquired after years in exclusive schools, which she attended on scholarships. Mrs. Grasso attended the Chaffee School, a girls' preparatory school in Windsor Locks that later merged with the Loomis School, a similar institution for boys. The Chaffee yearbook predicted that she would be the first woman to be mayor of Windsor Locks.

She went on to Mount Holyoke College, majoring in sociology and economics and being elected to Phi Beta Kappa in her junior year. To supplement her scholarship, she worked as a baby sitter and a laboratory instructor in statistics. She graduated magna cum laude in 1940 with a bachelor of arts degree and received her master's in 1942.

Later that year, she married Thomas Grasso, a teacher and later school principal in East Hartford. For three summers early in their marriage, they owned and operated the New Colony Movie Theater in Old Lyme, on the shore of Long Island Sound. She sold the tickets in the box office and he collected them at the door.

ROLE IN LEAGUE OF WOMEN VOTERS

Mr. Grasso, who retired while Mrs. Grasso was Governor, frequently escorted his wife to her political appearances.

During World War II, Mrs. Grasso became the state assistant director of research for the Federal War Manpower Commission. In 1943, she joined the League of Women Voters, and as a member, she said, she became acquainted with the issues facing the state.

"I think that is why I went into government, because I realized early on that if I was concerned with problems, the best way of getting them solved was to be part of the decision-making process," she said.

She went to work for the Democratic organization, led by the late John M. Bailey, with his blessing, she was elected to the state's House of Representatives in 1952 and again in 1954, when she was made assistant leader of the badly outnumbered Democrats.

WAS GUIDED BY BAILEY

In the House she became a protégé of Mr. Bailey. According to politicians who knew them both, Mr. Bailey saw in Mrs. Grasso a bright, aggressive, yet personable figure of tremendous appeal to voters as a woman and as a member of a rising ethnic group that was challenging the political supremacy of the incumbent Irish.

After four years in the House, backing such projects as the elimination of counties, reorganization of the court system and development of a state office of mental retardation, Mrs. Grasso was shepherded by Mr. Bailey to the Democratic National Committee, where she served for two years, and then back to Connecticut as Secretary of the State, traditionally a woman's post.

Mrs. Grasso turned the office into a "people's lobby" for private citizens with problems. Soon she was garnering more votes than the Governors who ran at the top of the ticket.

PUSHED ANTIWAR PLANK

In the 12 years she spent in the Secretary's post, Mrs. Grasso was also active in party affairs, reportedly sometimes writing Mr. Bailey's speeches. She was a delegate to the Democratic National Convention in 1968, where she pushed for a platform plank against the Vietnam War. Mrs. Grasso walked out of the convention hall in Chicago to protest what was viewed as police brutality against antiwar demonstrators.

In 1970, again with the backing of Mr. Bailey, she ran for Congress from the Sixth District, when the incumbent, Thomas J. Meskill, ran for Governor. Despite a general defeat for the Democrats in Connecticut that year, she won.

It was a job she took with some reluctance, because it disrupted her personal life. For two terms in Congress she flew home every weekend to her husband and two children, James and Susane, who lived at home. Both children later became teachers.

But Mrs. Grasso's introduction to Washington was not typical of the women entering the House of Representatives in that period. "For most of them, it was their first elective office," said a legislative assistant to Mrs. Grasso. "They were coming into politics either as a result of the feminist movement, or, for the Democrats, opposition to Vietnam. It was their baptism into politics, but for her it was merely a continuation of something that had been going on for 20 years." The aide added: "She was very much the old-school politician."

In the House in Washington, her main concern was the economic decline of New Britain, Bristol, Torrington and the other aging industrial cities of her district. She voted for economic-stimulus bills, and as a member of the Education and Labor Committee she helped draft the Comprehensive Employment and Training Act.

But according to colleagues who knew her at the time, Mrs. Grasso was frustrated by the unwieldiness of the House. She returned to Connecticut and sought John Bailey's help in obtaining the nomination to run for Governor in 1974.

FINDING A WINNER

In choosing Mrs. Grasso, Mr. Bailey felt he had found a winner. And with Mr. Bailey's help, Mrs. Grasso reduced her main rival, Robert K. Killian, to being a candidate for Lieutenant Governor.

The campaign against the Republican candidate, Representative Robert H. Steele, had some ugly aspects.

Supporters of Mr. Steele printed bumper stickers reading "Connecticut Can't Afford a Governess," and he tried unsuccessfully to paint Mrs. Grasso as a closet advocate of a state income tax, anathema in Connecticut.

She in turn campaigned on the contention that the Meskill administration had been lax in supervision of the electric utilities, which had overcharged consumers $19 million in three years, the Public Utilities Commission found.

FOUND THE CUPBOARD BARE

Mrs. Grasso won the election with almost 60 percent of the vote, but faced serious problems on assuming office. She looked into the state's cupboard and pronounced it bare. In a harsh budget, she broke a promise that she would pass all revenue-sharing aid through to the towns, and cut the welfare budget and laid off state employees.

She also earned the enmity of state employees by trying to extend their workweek. That bruising fight ended in compromise, but she lost in a battle to abolish the State Gaming Commission and to merge the War Veterans Fund with the General Fund.

Mr. Bailey died early in Mrs. Grasso's term as Governor, depriving her of a valuable ally in the battle to control the General Assembly's Democratic majority.

She cut travel by state employees and told them to use postcards instead of letters, and she even returned $7,000 of her $42,000-a-year salary. But her frugality in government programs, including welfare and education, earned her the hostility of many legislators.

Staff members argued that there was little choice. "Who would not have loved to do all the good things, build all the buildings, start all the programs," said Aaron Ment, her legal adviser in the first term. But the mood of the state—with which she was always in tune, supplemented by frequent "office hours" around the state—was not for spending.

There were frustrating political fights, too. In 1974, her campaign manager was Mr. O'Neill, an East Hampton restaurateur who would succeed her as Governor but who at the time was assistant minority leader of the House. After the election she made him party chairman, but in the summer of 1976 she decided someone else could do it better, and sought his ouster.

She failed, in a demonstration of the power of small towns and suburbs in controlling the Democratic Party. It was a difficult time politically for the Governor, whose continuing opposition to tax reform prompted some liberal Democrats to explore alternative candidates.

Perhaps in a gesture of reconciliation, she left the choice of Lieutenant Governor to the Democratic convention, which picked her old friend and then enemy, Mr. O'Neill. Meanwhile, the current Lieutenant Governor, Mr. Killian, sought the nomination for Governor and a bitter primary campaign followed.

But despite the political troubles, she trounced her opponents in the primary and in the November 1978 election. She argued that she had kept the state solvent without recourse to an income tax, and even made progress in some areas not requiring money. For example, she made Connecticut a leader in the public disclosure of officials' assets and campaign financing, and opening the meetings and records of government agencies.

By her second term, Mrs. Grasso had also acquired a national reputation. Periodically, she was mentioned as a potential Vice Presidential candidate.

The 29 other state governors of her party elected her chairman of the Democratic Governors Conference in July 1979 and she helped swing that organization to an endorsement of President Carter for renomination, during a time when polls showed that Democrats nationwide, and especially in Connecticut, favored Senator Edward M. Kennedy.

Her campaigning for President Carter, however, was curtailed by her illness.

● Mr. ANDERSON. Mr. Speaker, I was deeply saddened to learn of the passing yesterday of a good friend, and former colleague of ours, Gov. Ella Grasso.

You and I both know, Mr. Speaker, that in any given year, we work with so many fine people here in Congress. Multiply this by the 12 years that I

have been privileged to serve in the House, and a realization develops as to the quantity of outstanding individuals that Americans all across the country choose to represent them by popular vote. Even among this group, Ella was gifted.

Ella was brilliant, a Phi Beta Kappa; she was hard working, something which was readily apparent to all of us who were here during her Washington years; and she knew how to get along with people. This combination of traits meant that she brought able, effective, compassionate leadership to every position in which she served. And Ella served her country and the Democratic Party in a number of different capacities. Each day that she served put the lie to the old adage that our democratic system does not place good people in high positions. The people of Connecticut, as do all Americans, recognize quality and, by and large, vote for people who are in possession of it. And Ella never lost an election.

During her 4 years here, Ella and I became good friends. We ate lunch together often. We talked about many things. Among these, of course, was the talk about pending legislation that always seems to abound in our dining rooms downstairs. But we talked of other things too, and no matter what we talked about, Ella cared. She cared about the poor, she cared about the needy, she cared about the disabled and the handicapped. And she cared about the Nation's economy and security. But, and this is what is so difficult, rather than being mastered by any of these particular interests, she mastered them. And people able to do that particularly in the early and middle 1970's when we worked together, have always been in short supply.

Ella, of course, went on to become a tremendously popular Governor of Connecticut. We are told that she became known there as "Mother Ella." If there were more "Mother Ella's" around, this country would be an immeasurably better place.

Mr. Speaker, Lee and I will both miss Ella Grasso. So will all those in Connecticut and the country who were touched by her presence. Our thoughts are with her husband, Dr. Thomas Grasso, and their children, and we join them in knowing that Ella will never be replaced.●

● Mr. GEJDENSON. Mr. Speaker, as you are aware, Gov. Ella Grasso of Connecticut died Thursday, February 5, at 5:40 p.m. Her body will lie in state on Sunday and Monday at the State Capitol in Hartford. Her death is a great loss to us all, and I know those Members who served with her while she represented the Sixth District of Connecticut will join with me in expressing our great regret at her passing. Like many others today, I have been reflecting on the impeccable record of public service that Mrs. Grasso leaves to her family, her friends, her colleagues and her constituents. Her hard work and dedication—first as a State representative in the 1950's, as secretary of the state of Connecticut, as the Congresswoman from the Sixth District and, finally, as Governor—are a legacy to us all. Having served as a State legislator during Mrs. Grasso's tenure and having worked as her legislative liaison, I feel a deep personal loss. She will be sadly missed.●

● Mr. RODINO. Mr. Speaker, Ella Grasso died last night in Connecticut and I join all Americans in mourning the passing of this great lady. Her service as Governor of the State of Connecticut and as a Member of the House of Representatives from 1971 to 1975 was marked by integrity, belief in people, and commitment to good government.

Ella Grasso was the personification of the modern American dream. Despite her national acclaim, she never lost sight of her roots, and in fact never stopped working for the people of Connecticut. The daughter of Italian immigrants who arrived in America at the turn of the century, Ella Grasso became interested in politics and joined the League of Women Voters at the age of 23. She won election to the Connecticut State House at 32 and from then on never lost an election.

Her record of electoral victories and accomplishments for her State are monuments to Ella Grasso's tremendous energies. During her two terms in the House, Ella Grasso became my friend and ally. I remember her deep commitment to improving the lot of America's working men and women, in particular her support for expanding the minimum wage, for improving veterans benefits and the social security system, and for providing proper health care programs for the elderly.

Not long after her election as Connecticut's Governor in 1975, Ella Grasso became a national spokeswoman for the problems of Northeastern States and a strong advocate for the needs of the millions of citizens residing in the Northeast. She always worked for all the people, not for special interests or narrow political causes. Her outstanding record as the first woman in America to become Governor of her State in her own right has led the way for other women to become active participants in the American political process.

Ella Grasso was a warm and sincere person who gave 25 years of her life in the service of her State and the Nation. I feel privileged to have called her my friend, and I express my deepest sympathies to her family.●

GENERAL LEAVE

Mr. MOFFETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the life, character, and public service of the late Honorable Ella Tambussi Grasso.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

INTRODUCING LEGISLATION TO AUTHORIZE SALE OF GENERAL OBLIGATION BONDS TO PAY FOR THE DISTRICT'S ACCUMULATED DEFICIT

(Mr. FAUNTROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAUNTROY. Mr. Speaker, in late January, I announced my D.C. legislative agenda for the 97th Congress. At that time, I unveiled three legislative proposals I had introduced for consideration by the Congress and indicated that I would introduce a fourth proposal which would complete the major legislative items I intend to pursue for the District of Columbia during this Congress.

These three proposals include a bill which seeks to achieve a formula-based Federal payment, a bill which would give the District control over its budget and a bill designed to streamline the congressional review period over local government acts.

The fourth item concerns the District's current accumulated deficit. I had reserved introduction of such a bill because several proposals had been presented, and I wanted to analyze the merits of each.

I am pleased to announce that after lengthy study, careful consideration, and much discussion, including expert analysis by staff of three congressional committees, an agreement has been reached by the Mayor, the D.C. Council Chairman, the Chairman of the Council's Finance and Revenue Committee and me concerning the best method of liquidating the accumulated deficit. I have today introduced a bill to authorize the District of Columbia to issue and sell general obligation bonds for the purpose of liquidating the deficit. These bonds will be backed by the full faith and credit of the District, will not require a Federal loan guarantee, will be tax exempt, and most important, according to competent bond counsel, and financial advisers, are expected to receive an investment grade rating.

Much has been made of the District's financial problems. While the financial problems are serious, they are not of crisis proportions. The recent

audit report which was rendered without any qualifications demonstrates that the city's money problems are manageable.

I must emphasize, however, that this will make sense only if the bonds are marketable. To insure marketability, we have included a provision to allow the D.C. Council to dedicate a specific revenue source for payment of the debt service on the bonds. This dedicated revenue source coupled with the District's reasonably sound financial condition leads the experts to believe that these bonds will be high grade and will thus be more easily marketable.

I trust my colleagues in the House and Senate will be encouraged by this proposal. It really asks nothing of the Congress. It does not burden nor commit the Federal Government in any way.

COMMUNIST MORALITY

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, much has been said and written concerning President Reagan's statement that Communist morality condones what we consider immoral behavior if such behavior is in the service of the Communist Party.

The President's words came to mind as I read a recent Associated Press story. The headline said: "Police Dogs Thwart Berlin Wall Escape."

Here is the story in its entirety:

WEST BERLIN.—Two police dogs thwarted an escape attempt at the Berlin Wall early Tuesday, attacking a would-be defector from East Germany, witnesses reported.

West Berlin police quoted the witnesses as saying the man was grabbed moments later by East German border guards who took him away in a jeep.

I would guess that most Americans think the Berlin wall is a thing of the past. But it still claims its victims, week after week, month after month, quietly but certainly. Self-proclaimed human rights activists never complain, never protest, never condemn the Communists.

A wall keeping human beings confined like animals is considered a proud accomplishment by the Communists. That is the kind of moral system we are dealing with.

President Reagan did us a service by reminding us of it.

THE YELLOW RIBBON AND THE RED ROSE

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, on Thursday, January 22, I had the privilege of attending a breakfast with a group of 1,200 or more prolifers from my own State of Ohio. While I was one of the speakers that morning, the speech by Mrs. Linda Theis was the most powerful one and addressed the main aspects of the prolife movement. It is more than the question of legalizing or outlawing a particular practice; it is a question of the principle upon which this great Nation was founded. Mrs. Theis' remarks are appropriate for all of us to consider and I include them at this point:

We have spent a good many years in this great and noble movement—some of us as many as 9 or 10 years now—and have seen very many phases in our growth pattern from our humble beginnings.

We remember the time when we knew in our hearts that abortion was not the answer to our social problems, but we were not quite sure of what to do about changing this very "negative solution" that had been legalized across the entire United States.

We remember, too, the time when we knew very little about our political process or even how politics affected us as American citizens.

But one thing we have known from the very beginning—we have known that there is nothing more important to the survival of humanity or to the survival of our society—to the survivors of our families, of our children—than a healthy, loving and sincere respect for the dignity of human life—all human life.

Abortion seeks not to procure and nurture life—but to degrade and destroy it. And the mentality that allows this mass execution of the innocent will assuredly have an effect on the social attitudes toward those who are sickly, those who lay comatose, those who are less than perfect, and those who are elderly.

We have known from the start that abortion offers no comfort, no warmth, no help to a needy mother nor to her unborn baby. And we have acted upon that basis.

We have come to know that the only way we can rid our society of this horrendous thing we call abortion is through the passage of a Human Life Amendment to the U.S. Constitution and we not only know that this has to be done, but we are more aware—now more than ever before—of the strategies and the tactics, of the educational endeavors involved in forcing Congress to act upon the firm and very solid recommendations we have to make to regain legal personhood for all our children.

We have grown—grown in awareness, in confidence. We certainly have grown in expertise in areas many of us would never have investigated had it not been for the motivation we felt to protect our unborn. And very importantly—we have grown in numbers.

At the present time we have 115 affiliate chapters across the State of Ohio, with nearly 150,000 members and a Board of Directors, and chapter presidents, and individual members who are wonderful, sincere hard-working pro-lifers.

It's very important, I think, that every one of you realize the importance of your involvement, for this organization could not nor would it be the effective and well-respected social activist organization that it is at this moment—without you—without every one of you here.

You are extremely important because you have a very special kind of caring quality about you—and a very special kind of power.

Each and every Congressional District must be considered the all-important one that it is, for each and every District has one Congressman—and each and every Congressman has one vote—and each and every one of us has the power to influence that vote.

We have done just that in the past election—and we will continue to do so in the next elections until, with the grace of God, we have the two-thirds Senate majority that we need for the passage of a Human Life Amendment.

In the last few days we have seen, and have been a part of, the great joy that we, as a Nation, felt at the return of 52 of our American brothers and sisters from the hands of foreign terrorists. It has been wondrous to see the National concern for those hostages—as it should be. For each and every life should be of National concern.

During the 444-day period during which the 52 Americans were stripped of their freedom by the barbaric attitudes in a foreign government, at least 1.5 million innocent and defenseless Americans were stripped of their freedom—and their very lives—forever by the barbaric attitudes of our very own Nation. How ironic that some Americans become emotional and totally grief-stricken over the loss of freedom for some of our fellow Americans, while condoning, even promoting, the deliberate killing of equally important and deserving Americans.

We will no longer allow the atrocity of abortion to eat away at the moral fiber of this great country. We will work tirelessly and constantly to assure tomorrow's children that they may live to enjoy the wonders and miracles bestowed upon humanity by the Creator.

We will not be accomplices to these crimes of abortion, but rather stand tall and sturdy so as to uphold the principles upon which this great America was founded.

The time is now, America—Hear the message loud and clear. Search your soul and recognize our inhumanity to the most defenseless and innocent of human beings—the unborn.

We will, with the help of you good people, make the Red Rose as much a National Symbol as the Yellow Ribbon is today.

GRAIN EMBARGO SHOULD BE BROADENED TO INCLUDE ALL U.S.-U.S.S.R. TRADE ITEMS

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, there are those who argue that the Soviet grain embargo is justifiable primarily for national security reasons. If that argument is true, then I believe it necessarily follows that the embargo should be broadened to include all U.S. trade with the Soviet Union.

Why single out grain? Certainly our current exports of sophisticated technology would compromise our national

security interests—even more so than grain. Mr. Speaker, let me stop here to say that I do not accept the premise that the grain embargo, imposed in isolation from other products in our society, is justifiable for national security reasons. And I suggest that those who do, engage in faulty and dishonest reasoning.

DEMOCRATS OFFER DIFFERENT VIEW ON FUNDRAISING PRACTICES

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COELHO. Mr. Speaker, as the newly elected chairman of the Democratic Congressional Campaign Committee, I rise to inform my leadership and my Democratic colleagues that I shall never, during my tenure, put their name to any document they have not seen.

I understand that President Reagan has disavowed the Republican fundraising letter dated January 21, 1981, that bears his signature. I believe the President, and I can well imagine his embarrassment, and his displeasure for whoever is to blame for misappropriation of his signature.

Mr. Speaker, I would also like to address my Republican colleagues. By definition we are all politicians, and we all know that the practice of politics can be tough. But there are also bounds that should not be crossed. After all, we must be able to put our differences aside in order to serve the people we represent.

You have my pledge that while we will contest you with vigor and intensity, it will be done honorably.

I trust we can put this unhappy incident behind us and move on to address the problems facing this country.

POLITICS AS USUAL FOLLOWS REPUBLICAN "NEW BEGINNING"

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, just 17 days ago, Ronald Reagan was inaugurated and promised this country a new beginning.

One day later, Ronald Reagan and the Republican Party were back to politics as usual. The beginning may have been new, but it certainly was short.

Just 1 day into his administration, Ronald Reagan signed a letter to thousands of Americans predicting that Democrats in this House would thwart his efforts to solve the problems facing our Nation.

Not a single vote had yet been cast on the floor of this body on a Reagan program or proposal, and already Democrats were being labeled obstructionists.

Mr. Speaker, I believe the President and the House Republican leadership owe the majority, each and every Member, an apology. I would have thought so even before yesterday when, without the responsible leadership of the Democrats in this House, the debt ceiling increase requested by President Reagan could not have passed.

Mr. Speaker, I ask whether the cooperation we saw yesterday or the partisan attacks typified by the Republican Congressional Campaign Committee letter will prove to be the style of the much ballyhooed "New Beginning."

REPUBLICAN PARTY'S FUNDRAISING TACTICS CALL FOR PUBLIC APOLOGY

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute.)

Mr. GEPHARDT. Mr. Speaker, if either truth in advertising or consumer protection standards applied to the Republican Party's fundraising tactics, their program would be in trouble. Thousands of Americans are being deliberately misled by a solicitation supposedly signed by President Reagan within 24 hours of his inauguration.

The leadership of the Republican Party should be expected, like a manufacturer of a defective product, to apologize to the public, recall the solicitation, refund the contributions and provide proof of their actions to this House. To do less is an insult to the political process. Reflecting upon their experiences last fall, the Republican Party may also wish to run national advertising. Their message could, for a change, be positive. Perhaps they could quote President Reagan's speech last night:

> To the Congress of the United States, I extend my hand in cooperation, and I believe we can go forward in a bipartisan manner. I have found a real willingness to cooperate on the part of the Democrats and members of my own party.

WON PAT LAUDS REAGAN KOREA POLICY

(Mr. WON PAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WON PAT. Mr. Speaker, I was very pleased to read in the papers the report that President Reagan has totally rejected further withdrawals of American Forces from South Korea.

The President is to be congratulated for his staunch decision to continue American support for South Korea. The estimated 39,000 U.S. troops we have stationed in South Korea is a small price to pay for the continued stability of that important part of the world.

Several years ago I was alarmed when former President Carter said he wanted to pull out U.S. forces in Korea. I said then and believe today that such action would be total folly for United States-Asian policy.

Following President Carter's announcement of his intention to pull troops out of Korea, Representatives SAM STRATTON, chairman of the House Armed Services Subcommittee on Investigations, BOB DANIEL, ROBIN BEARD and I made an inspection trip of Korea on behalf of the Armed Services Committee. Upon our return, we said that this Nation would not be well served if our troops left Korea. In the following months, the committee held several hearings into the matter and issued a report which supported our contention that stability in Korea can only be assured with the continued presence of major U.S. Forces and a continued strong military commitment to the leaders of South Korea from this Nation. In the months which have since passed since we issued our report, nothing has happened to change my mind on this issue.

Today, the Republic of South Korea remains very vulnerable to invasion from its northern neighbor. South Korea is outnumbered and outgunned by its adversary. While I was pleased that the evidence we compiled against the troop pull-out by our committee led the President to shelve his plan, I was concerned that it would be reactivated. The announcement by President Reagan is proof that this will not happen under his administration and this is good news indeed.

Continued peace in Asia is vital to American interests. This Nation now enjoys good relations with Japan, South Korea, Taiwan, and the People's Republic of China. I have no doubt that all out war in South Korea would seriously disrupt the balance of power in Asia and trigger off far reaching political and military complications.

It is apparent from his comments that President Reagan and his advisers share my concerns and beliefs. This is certainly good news. I applaud his statement of continued support for South Korea and also for his expression of future support for Japan, Australia, New Zealand, and the Association of South East Asian Nations (ASEAN).

We in Guam have experienced first hand the horrors of war in the Pacific. We do not want to experience war again without good reason. Keeping a strong military commitment to our friends in Asia and the Pacific will insure a peaceful future in that part of the world.

Thank you.

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ROLLCALLS—1980 SESSION FINAL FIGURES

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, on November 21, 1980, I reported on my analysis of all rollcall votes in the House of Representatives during the 2d session, 96th Congress, through October 2, 1980. Those remarks appear on page 30578 of the CONGRESSIONAL RECORD for that date. That report covered the first 622 rollcalls of the 681 which were recorded during 1980.

In order to complete that analysis for 1980, I am including today the balance of the 681 rollcall votes of the 1980 session, through adjournment on December 16, 1980. I am also including herewith tables for the full year showing the number of votes carrying by 90 percent or more, a summary by type of vote, and the top 10 rollcall requesters from 1978 through 1980. The listing of rollcalls is alphabetical, by Member requesting the rollcall.

1980 VOTES CARRYING BY 90 PERCENT OR MORE

[Jan. 3, 1980–Dec. 16, 1980]

Percent	Number of rollcalls in 1980 with this percentage	Number of rollcalls in 1980 with this percentage and over	Aggregate percent of 1980 rollcalls this percent and over
100	46	46	7.6
99	42	88	14.6
98	21	109	18.0
97	25	134	22.2
96	19	153	25.3
95	14	167	27.6
94	13	180	29.8
93	8	188	31.1
92	7	195	32.3
91	4	199	32.9
90	6	205	33.9

SUMMARY OF ROLLCALLS BY TYPE OF VOTE

[Jan. 3, 1980–Dec. 16, 1980]

Type of vote	1980	Percent
Agree to sections 1 thru 5 and 7	1	0.1
Agree to section 6 (fiscal year 1980)	1	.1
Agreeing to conference report	38	5.6
Agreeing to the amendment	157	23.1
Agreeing to the amendments	10	1.5
Agreeing to the resolution	89	13.1
Approving the Journal	23	3.4
Asking for a conference	1	.1
Asking for further conference	1	.1
Closing portions of conference	2	.3
Closure with instructions	1	.1
Concur in Senate amendment 95 with amendment	2	.3
Concur in Senate amendment with amendment	2	.3
Concur in Senate amendment	1	.1
Engrossment and third reading	1	.1
Holding a secret session	1	.1
Motion to adjourn	1	.1
Motion to consider	2	.3
Motion to discharge	1	.1
Motion to instruct conferees	3	.4
Motion to limit debate	2	.3
Motion to postpone	1	.1
Motion to recommit	2	.3
Motion to reconsider	1	.1
Motion to table	5	.7
Ordering a second	5	.7
Ordering the previous question	11	1.6
Passage	75	11.0
Postponing consideration	1	.1
Presidential veto	2	.3
Previous question recede and concur with amendment in Senate amendment	1	.1
Quorum	77	11.3
Recede and concur with amendment in Senate amendment	3	.4
Recede from disagreement Senate amendment 95	1	.1
Recede and concur in Senate amendment	1	.1
Recede and concur in Senate amendment 36	1	.1
Recommit conference report with instructions	3	.4
Recommit conference report	1	.1
Recommit with instructions	12	1.8
Reconsider concur Senate amendment 95 with amendment	1	.1
Reconsider postponing	1	.1
Refer to Rules Committee	1	.1
Resolving into committee	41	6.0
Suspend rules and agree	9	1.3
Suspend rules and concur	1	.1
Suspend rules and pass	71	10.4
Sustain ruling of Chair	1	.1
Table appeal from ruling	3	.4
Table holding a secret session	1	.1
Table motion to instruct	4	.6
Table postponing consideration	1	.1
Table reconsider Senate amendment 95 with amendment	1	.1
Table reconsider postponing	1	.1
Total	681	100.0

SUMMARY OF ROLLCALLS BY TYPE OF VOTE—Continued

[Jan. 3, 1980–Dec. 16, 1980]

TOP 10 ROLLCALL REQUESTERS

[1978–1980]

	1980			1979			1978		
	Rank	Number of rollcalls	Percent	Rank	Number of rollcalls	Percent	Rank	Number of rollcalls	Percent
Bauman	1	66	9.7	1	70	9.2	1	77	8.2
Ashbrook	2	52	7.6	2	65	8.6	2	71	7.6
Rousselot	3	38	5.6	4	18	2.4	3	46	4.9
Frenzel	4	33	4.8		7	.9		6	.6
Collins (Texas)	5	18	2.6		3	.4		7	.7
Broomfield	6	16	2.3		2	.3	9	17	1.8
Dannemeyer	6	16	2.3	3	23	3.0			
Wydler	8	14	2.1		8	1.1		8	.8
Latta	9	12	1.8	10	12	1.6		3	.3
Symms	10	11	1.6	5	16	2.1	6	23	2.4
Burton, P.		1	.1				8	13	1.4
Cunningham							10	11	1.2
Erlenborn		3	.4	7	11	1.4	7	8	.8
Kramer		3	.4	9	13	1.7			
Moffl		3	.4		5	.7	4	30	3.2
Satterfield		10	1.5	7	14	1.8			
Vollmer		2	.3		10	1.3	7	17	1.8
Walker		4	.6	6	15	2.0		5	.5
Weiss		5	.7		7	.9	10	11	1.2
Wilson, C. (California)		3	.4		11	1.5	5	26	2.8

ROLLCALL VOTES LISTED ALPHABETICALLY—BY MEMBER REQUESTING THE ROLLCALL

[Oct. 3, 1980–Dec. 16, 1980]

Roll	Date	Type of vote	Requester	Bill	Yea	Nay	Present	Percent Yea	Percent Nay	Day
653	801202	Closing portions of conference	(Automatic)	H.R. 8105	350	0		100	0	Tuesday
643	801119	Agreeing to the amendment	Ashbrook	H.R. 6704	239	123		66	34	Wednesday
658	801203	do	do	H.J. Res. 637	164	200		44	56	Do.
679	801213	Quorum	Bauman				200			Saturday
676	801210	Suspend rules and agree	do	H. Res. 626	337	19		95	5	Wednesday
630	801113	Agreeing to the amendment	Brooks	H.R. 7112	255	118		68	32	Thursday
631	801113	Passage	do		345	23		94	6	Do.
677	801211	Suspend rules agree to conference report	Broyhill	S. 1097	218	84	1	72	28	Do.
656	801202	Agreeing to the amendment	Cleveland	H.R. 6417	181	183		49.7	50.3	Tuesday
649	801121	Agreeing to conference report	Collins (Texas)	H.R. 7584	240	59	1	80	20	Friday
673	801205	do	Dicks	H.R. 8105	321	36		90	10	Do.
675	801205	Suspend rules and pass	Dingell	H.R. 8379	285	126	2	62	38	Do.
669	801204	Agreeing to conference report	Eckhardt	H.R. 7591	325	25		93	7	Thursday

ROLLCALL VOTES LISTED ALPHABETICALLY—BY MEMBER REQUESTING THE ROLLCALL—Continued

[Oct. 3, 1980–Dec. 16, 1980]

Roll	Date	Type of vote	Requester	Bill	Yea	Nay	Present	Percent Yea	Percent Nay	Day
670	801204	Agreeing to conference report	Eckhart	H.R. 7818	334	13		96	4	Thursday.
674	801205	Ordering a second	do	H.R. 8379	221	86	1	72	28	Friday.
659	801203	Passage	Edgar	H.J. Res. 637	272	106		72	28	Wednesday.
660	801113	Moods and cancer in Senate amendment	do	do	161	102		61	39	Saturday.
641	801118	Suspend rules and pass	Erlenborn	H.R. 5898	313	56		85	15	Tuesday.
650	801201	do	do	H.R. 5935	97	259	1	27	73	Monday.
665	801204	Agreeing to the amendment	Ertel	H.R. 6417	86	286		23	67	Thursday.
669	801203	Suspend rules and concur in Senate amendment	Fenn	H.R. 7020	274	94		74	26	Wednesday.
642	801118	Rejecting into Committee	Foley	H.R. 6704	326	6	1	98	2	Do.
657	801203	Agreeing to conference report	Frenzel	H.R. 7765	334	45		88	12	Do.
668	801204	Agreeing to the amendment	do	H.R. 6417	250	107		70	30	Thursday.
660	801203	Agreeing to the resolution	do	H. Res. 821	227	140		62	38	Wednesday.
661	801203	do	do	H. Res. 822	222	144	1	61	39	Do.
654	801202	Suspend rules and pass	do	H.J. Res. 598	317	57	1	85	15	Tuesday.
648	801120	Passage	Gaydos	H.R. 7265	333	39		90	10	Thursday.
668	801204	do	Hansen	H.R. 6417	346	33	1	91	9	Do.
645	801119	Agreeing to the amendment	Hecker	H.R. 7548	47	328		13	87	Wednesday.
644	801119	Quorum	do	do			349			Do.
646	801119	Agreeing to the amendment	Jeffords	H.R. 7548	132	231	1	35	64	Do.
662	801203	do	Kastenmeier	H.R. 8378	161	218		42	58	Do.
639	801118	do	Latta	H. Con. Res. 448	154	232		40	60	Tuesday.
638	801118	Agreeing to the resolution	do	H. Res. 810	223	143		61	39	Do.
640	801118	do	do	H. Con. Res. 448	203	191	1	52	48	Do.
633	801113	Agreeing to the amendment	Lowry	S. 885	93	245	1	28	72	Thursday.
632	801113	Quorum	do	do			311			Do.
629	801113	Agreeing to the amendment	Magnuson	H.R. 7112	159	205	1	44	56	Do.
667	801204	do	Miller (California)	H.R. 6417	94	253		27	73	Do.
637	801117	Suspend rules and agree	Miller (Ohio)	H. Res. 695	341	19	1	95	5	Monday.
647	801120	Rejecting into Committee	Montgomery	H.R. 7265	333	2	1	99	1	Thursday.
636	801107	Suspend rules and agree	Moore	H. Con. Res. 376	363	2		99	1	Monday.
651	801201	Suspend rules and pass	Perkins	H.R. 7745	237	118	1	67	33	Do.
664	801204	Agreeing to the resolution	Quillen	H. Res. 802	186	189	1	49.6	50.4	Thursday.
678	801212	Suspend rules and agree	Rose	H. Res. 829	51	191	1	21	79	Friday.
624	801112	Rejecting into Committee	Rousselot	S. 885	347	5	4	99	1	Wednesday.
672	801205	Agreeing to conference report	Sawyer	S. 1615	249	98		72	28	Friday.
671	801205	do	do	do	172	191		47	53	Do.
655	801202	Successful conference report with instructions	Shuster	H.R. 6417	109	206		29	71	Tuesday.
643	801202	Agreeing to the amendment	Solomon	do	225	18	1	93	7	Monday.
681	801215	Approving the journal	Weaver	S. 885	245	95		72	28	Wednesday.
625	801112	Motion to limit debate	do	do			312			Friday.
634	801114	Quorum	do	S. 885	284	77		79	21	Monday.
635	801117	Suspend rules and pass	do	H.R. 7112	65	306		18	82	Thursday.
627	801113	Agreeing to the amendment	Wydler	do	158	215		42	58	Do.
628	801113	do	do	do	307	12	2	96	4	Do.
626	801113	Approving the journal	do	do			345			Wednesday.
623	801112	Quorum	do	do						Monday.
652	801201	Suspend rules and pass	do	S. 1280	164	192		46	54	Monday.

Mr. ASHBROOK. Mr. Speaker, will my distinguished colleague yield?

Mr. DANIELSON. I would be happy to yield to the distinguished gentleman from Ohio.

Mr. ASHBROOK. I would be pleased to know if I have continued my rating in the "top 10."

Mr. DANIELSON. I think that the gentleman did. He has demonstrated great expertise.

Well, he slacked off a little. That last 2 months, he only called for two rollcalls from October 2 through December 16. I think that impaired the gentleman's record a bit.

Mr. ASHBROOK. I thank my colleague for that information.

AUTHORIZING SPEAKER TO DECLARE RECESSES AT ANY TIME TODAY

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that it shall be in order for the Speaker to declare recesses at any time today, subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS, AND TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Tuesday, February 17, 1981, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

APPOINTMENT AS ADDITIONAL MEMBERS OF THE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER. Pursuant to clause 6(e), rule X, and clause 1(a), rule XLVIII, the Chair appoints as additional members of the Permanent Select Committee on Intelligence the following Members of the House:

Mr. ROBINSON of Virginia; Mr. ASHBROOK of Ohio; Mr. MCCLORY of Illinois; Mr. WHITEHURST of Virginia; and Mr. YOUNG of Florida.

KIMBERLEE REDDINGTON BATES RIZIO WINS FIRST PRIZE IN VFW VOICE OF DEMOCRACY SCHOLARSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, I am honored today to present the excellent essay, by Kimberlee Reddington Bates Rizio of Manchester Vt., which took first prize in the Vermont competition for the VFW Voice of Democracy Scholarship. The topic of the essay is "My Commitment to My Country." I would like to offer my warm congratulations to Kimberlee for her fine effort, and say that I am very proud of her for doing her part to uphold the ideals and traditions of this Nation.

Essay follows:

1980–81 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM, VERMONT WINNER, KIMBERLEE REDDINGTON BATES RIZIO

Over two hundred million of us live in one of the highly praised countries in the world. We are Americans and stand for all that our nation symbolizes. Each one of us has equal rights and freedoms. Our country was founded with the ideals of freedom and equality, and every day brings a new interpretation to these words. We have moved and changed with Time, yet our nation has kept its ideals.

A commitment is a personal duty. As a citizen, each person has obligations to his country. The United States does not make as many demands upon its citizens as other nations do, but Americans do have some commitments which must be fulfilled. The most important duty is preservation. As a citizen, I must try to preserve the American way of life and everything the United States stands for. Obviously, these things cannot be tracked down and put in a cage. The whole basis of America is freedom. This freedom is essential to the lifestyle of the United States.

I love America, not only as my homeland, but as a country which has shown what generations of willing citizens can do in two hundred years. Our heritage is a remarkable story. Started by a need for escape from persecution, this country showed the world that determination can build empires. We live in a country which gives us freedom to do as we please, within the law, plus, equality in society. I am considered an individual, but also a part of the group called Americans. Our country established these principles and many others; they all add up to the growth of a respected nation. The story of our country's history, is one which I plan to relate to any person who is interested. Americans have a reputation for backing their nation and beliefs one hundred percent at all times, and this is something which cannot be lost. A country cannot thrive without public support. It is a duty of the American people to maintain this strong support by instilling pride and respect in the hearts of others.

America must be kept as a united body. I believe that sacrifice is the key in this situation. My duty as an American is to give unceasingly of my time for my country. I will do anything that America asks of me in the best way I possibly can. If everyone feels the same way and gives just a little, a country will prosper. The past and present are full of sacrifices made by Americans. As a citizen, it is one of my obligations to help my country to stay united.

I am concerned not only with the past and the present, but also with the future. I think it is necessary to preserve the American lifestyle for oncoming generations. My ancestors preserved America so that I could live in it as freely as they had, and it is now my turn to give someone else that privilege. Through preservation, future generations will have everything that we have available to them.

I, as an American, hope to make the United States and its ideals for freedom and equality as longlasting as possible. This is my commitment to my country. I hope that all Americans will work together toward this goal. United, we can maintain the beliefs, freedoms, and lifestyles of today for the future. The history of our nation is essentially a list of the struggles for all these things—they must be preserved. If we all work together, future generations will understand the true meaning of ". . . one nation, under God, indivisible, with liberty and justice for all".●

HOW TO FREE THE SCHOOLS: SOME SUGGESTIONS FOR THE NEW ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 10 minutes.

Mr. ASHBROOK. Mr. Speaker, President Reagan's new Secretary of Education, Terrel Bell, has said that he is in full agreement with the education plank of the 1980 Republican platform. I can assure Secretary Bell that every pledge in that platform is worth fighting for. Academic excellence need not be a partisan or ideological issue. If the Republican strategy for education wins, everybody will win: Parents, teachers, and children alike.

Some of those fights will be long and hard, requiring new legislation as far-reaching as the original Elementary and Secondary Education Act of 1965. But others will be easy. There are areas where the old regime has used purely administrative means to launch major assaults on academic freedom and intellectual excellence. What the old regime started by administrative means, the new administration can stop in the same way. With the mere stroke of a pen, Secretary Bell can make landmark reforms.

Two such reforms would be in interpretation of title IX of the 1972 Education Amendments, which bars discrimination by sex in any education program which receives Federal funds. Title IX begins with this statement:

No person in the United States shall on the basis of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.

The Office for Civil Rights, both within the old Department of Health, Education, and Welfare and within the new, hopefully soon to be extinct Department of Education, has in essence rewritten that statutory language. OCR has enforced title IX as if it allowed the bureaucracy to monitor and regulate, not just any education program or activity receiving Federal financial assistance, but all programs and activities of any institution receiving such assistance. Under OCR's homemade law, a college which receives research grants for its physics department has to revamp all its other activities—including, for example, its athletic program—in order to meet microscopically detailed regulations, even if these other activities do not receive a dime of Federal money.

OCR has used this grotesque distortion of the law to ram its extremist ideology down the throats of State, local, and private educators. With brazen disregard for congressional intent, it has moved to regulate extracurricular activities and intercollegiate sports; to change employment practices and compel health and leave benefits for pregnancy disability, including abortions; to mandate the kinds of locker rooms and other facilities available to male and female students; and to attempt to ban sororities and fraternities and mother-daughter or father-son activities and to require coed offcampus living facilities. In the course of these maneuvers it has forced schools and colleges to produce detailed and voluminous reports which divert precious time and money away from education.

Secretary Bell is under no obligation whatsoever to continue this deliberate misinterpretation of the title IX statute. He can and should reverse it: the sooner the better.

The second potential reform in title IX enforcement is a logical corollary of the first. Once title IX is interpreted correctly, the old regime's false and pernicious standard of what makes a college a recipient institution will meet the oblivion it so richly deserves.

Several small independent colleges, like Michigan's Hillsdale and Pennsylvania's Grove City, have made major financial sacrifices to avoid accepting Federal subsidies with their accompanying regulatory entanglements. But, just like other colleges, these institutions enroll students who as individuals are receiving Federal aid in the form of grants or loans for tuition. The old HEW, and the Carter Department of Education, took the position that a college is to be treated as a recipient institution, subject to the full weight of detailed Federal regulations, if it enrolls so much as one such student.

This position constitutes nothing less than an imperious attempt to erase the distinction between public and private, and Secretary Bell can and should reverse it as soon as he has had a chance to study the issue.

Specifically, he should apply to his Department's individual student-assistance programs the same logic that he acknowledged during his confirmation hearing on January 15 for the education benefits provided under the GI bill. Guaranteed student loans, Pell grants, supplemental educational opportunity grants, college work-study, and national direct student loans must not continue to be used as devices to erode the independence of independent colleges.

There are several other areas ripe for immediate reform. The most scandalous is bilingual education, where programs and regulatory activities of the old U.S. Office of Education and the new Department have been not merely wasteful but positively damaging to millions of Hispanic children. During the last 2 years the tide has begun to turn on these issues, as thoughtful Americans have observed the stress and turmoil triggered by French separatists in Canada. More and more observers have come to see that linguistic unity is a benign and necessary complement to ethnic diversity, and that the children of immigrants are only harmed by programs which consciously delay their mastery of English.

To his great credit, Secretary Bell has already acted to withdraw former Secretary Hufstedler's August 1980 draft bilingual regulations, which were the most wrongheaded in a long series of wrongheaded Federal decisions on this subject. This decision marks a major turning point, but it should be seen as only the first step in a long road back to sanity.

The second step, which should follow as quickly as possible, would be to revoke the 5-year-old Lau remedies which explicitly legitimize bicultural education and which indefensibly stigmatize local programs of English as a second language (ESL) and high-intensity English instruction. There is no more statutory or judicial requirement for these informal guidelines than for the Hufstedler regulations, and they should be replaced by new guidelines or regulations.

The new policy should give maximum freedom to local school districts, and should explicitly acknowledge the legitimacy of total English immersion and ESL programs.

The third step would be to seek dramatic changes in the discretionary grant programs authorized by the Bilingual Education Act of 1968. Since this step would require congressional action, I will discuss it at greater length some other time.

Let me mention briefly just three more opportunities for immediate administrative reforms. First, Secretary Bell should instruct his new Assistant Secretary for Civil Rights to seek to reopen the Adams case. This long, convoluted lawsuit was still being used by the old regime during the last few weeks of its existence as a vehicle for imposing radical structural changes on State university systems, all for the sake of a mindless obsession with numerical racial quotas. Reversing the damage this one case has already inflicted will be a long and arduous task; all the more reason to begin immediately.

Second, President Reagan should issue a reorganization plan to block the scheduled transfer of the Department of Defense Dependents Schools system into the Department of Education. This transfer, which would nearly triple the size of the Education Department, is completely indefensible in terms of managerial logic; the only reason it was ever attempted was to give the Carter administration a pretext for the claim that the Federal education enterprise was large enough to deserve a Cabinet chair of its very own.

Third, the President should instruct Secretary Bell to stop enforcing the Education Appeal Board regulations which have been formally disapproved by Congress. Substantively, these regulations are trivial compared to the 1980 bilingual regulations; but circumstances have made them the focus of a landmark constitutional dispute. If President Reagan decides to break with recent Presidential precedent and formally accept the constitutionality of Congress right to enact laws which include provisions for legislative disapproval of executive branch regulations, he will obviously reap political benefits on Capitol Hill. But that is not the reason why he should do so. He should do so because it is the correct view of the Constitution, and a golden opportunity to help rescue the regulated from the regulators.

Every one of the steps I have outlined would contribute toward the goals of the Republican platform: Deregulating our schools and colleges, cutting paperwork and redtape, and restoring commonsense to education. Even if the Democrats in Congress manage to block every one of his legislative proposals, these early moves would enable Secretary Bell to do more good for education in just a few weeks than former Secretary Hufstedler did in her entire 9-month tenure. And they would bring fresh hope to millions of parents, students, and real educators who know that, after years of unwarranted Federal harassment, the time is now for a new beginning.

"THE LAWMAKERS" BEGINS NEW SEASON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

● Mr. O'NEILL. Mr. Speaker, I want to call to the attention of my colleagues the return to the Public Broadcasting System network the show "The Lawmakers." With a new format and more widespread coverage, the show is beginning its second year. There is no show like it on television. For a half hour a week the producers seek to summarize what we do here. That is no easy task but they do an excellent job. Paul Duke, a familiar figure on Capitol Hill, is senior correspondent on the show. He is ably assisted by Cokie Roberts and Linda Wertheimer of National Public Radio.

The show is seen in the Washington area live on WETA channel 26 on Thursdays at 9 p.m. and Saturday at 1:30 p.m. It is also on most PBS stations at different times around the United States.

In a recent show, Charlie McDowell, one of the show's commentators did a particularly good piece about "politicians." That is a word we do not hear too much. I am a politician and I am proud of it. I commend this to everyone's reading.

POLITICIANS

Congress is full of people who really enjoy being called senators and congressmen and congresswomen. They don't mind being called distinguished lawmakers, or even statesmen. Few will object if you just call them patriots. What they are wary of being called is politicians. The term has a bad connotation, and it seems to be getting worse all the time. A good way to get elected these days is to run against politicians, against Washington, against the government itself. The trick is to persuade the voters somehow that you are not a politician.

This is fakery. It misrepresents the art of lawmaking. And it demeans, further, an honorable effective and essential profession—that of the politician.

I wish every member of congress could be required to take the following oath:

"I affirm that I am a politician. That I am willing to associate with other known politicians. That I have no moral reservation about committing acts of politics. Under the constitution, I insist that politicians have as much right to indulge in politics as preachers, single-issue zealots, generals, birdwatchers, labor leaders, big business lobbyists and all other truth-givers. I confess that as a politician, I participate in negotiations, compromises, and trade-offs in order to achieve something that seems reasonable to a majority. And although I try to be guided by principle, I confess that I often find people of principle on the other side, too. So help me, God!"●

BACKBONE OF THE MILITARY IS PEOPLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, today I am proposing two pieces of legislation that I believe are vital to the well-being of our Armed Forces. The backbone of our military is the people who serve and my legislation will benefit both those who are presently in the service of their country and those who we are attempting to recruit.

The overriding defense manpower objective is to increase the combat effectiveness of the Armed Forces, and I am convinced this is done by recruiting and retaining capable, motivated people. Unfortunately, I feel that in today's sophisticated military we tend to overlook this major component, but the measures I am proposing are geared to getting back to the basics by providing adequate incentives for the men and women who are willing to dedicate themselves to our Nation by serving in the Armed Forces.

The first bill calls for a GI education package that would greatly expand the education benefits to volunteers who are high school graduates and serve at least 3 years on active duty or 2 years of active duty in addition to 4 years in the Reserves. Because the critical fields in the military are finding it difficult to retain their personnel, another provision in this bill is geared to resolving this problem and would allow the Department of Defense to pay tuition in advance for those in these critical fields in exchange for a promise of future military service from these students. And

a third provision, to encourage key career personnel to remain in the service, calls for allowing them the option of transferring their education benefits to their children and spouses.

Mr. Speaker, I believe that the GI bill was an incentive in the past for getting and retaining good military personnel and I feel that my bill will help us return to a system that worked very well in the past.

The other measure I am proposing deals with the pay, allowances, and special incentive pay for members of the armed services, and hopefully this bill will help resolve the serious personnel problems facing our military. If we allow our crucial manpower to be depleted, no amount of sophisticated weaponry can maintain a quality national defense system.

My bill would remove the President's authority under present law to put a cap on cost-of-living pay increases for our military personnel. It provides for a 9-percent pay increase, over and above full comparability for first-term personnel. The pay increase would be phased in at a rate of 3 percent a year for 3 years. Finally, it provides an 18-percent pay increase, over and above full comparability, for career personnel defined as enlisted pay grades E-4 and up, warrant officers and commissioned officers O-3 and up. These increases also would be phased in over a 3-year period.

Mr. Speaker, from many of the reports and news stories issued, it is very obvious that the military pay is inadequate. Just last year in my home town paper, the San Antonio Light, an article pointed out the military records show almost $140,000 in food stamps were redeemed at commissaries at the city's four air bases during this past fiscal year. And when you read other stories that point out that technicians on our Navy ships are making only half as much as his civilian counterpart, who also gets paid overtime and can go home to his family, we must come to the realization that to retain adequate military personnel we must be willing to provide them with incentives for giving their all to our national defense.

If our Nation demands a topnotch military force then our Nation must also be willing to respond to the needs of our military personnel.

I am very hopeful that there will be strong bipartisan support for both of these proposals as I believe we all realize that we can no longer neglect the serious problems in our Armed Forces today.

To end my statement I am offering a quote that I have used many times before, but one that I believe we can not hear enough, "God and the soldier, all men adore in time of trouble and no more. For when wars are over and all is righted, God is neglected and the soldier slighted."

Also, I place into the RECORD at this time an article, quite disturbing, appearing in a recent issue of Federal Times:

RECRUITING CURBS MAY LEAD TO DRAFT, DOD OFFICIAL SAYS

(By Tom Philpott)

The Defense Department's personnel chief says a military draft may be needed as early as 1982 if Congress "chokes off" the services' manpower supply with new restrictions on recruit quality.

Robert B. Pirie Jr., Assistant Defense Secretary for Manpower, Reserve Affairs and Logistics, said the new congressional ceilings on "Category IV" recruits threaten DoD goals in fiscal years 1982 and 1983 and thus may speed a return to peacetime conscription for the wrong reasons.

Some people might even conclude, he said, "that Congress already has voted for peacetime conscription. It's just a matter of when it happens—in 1982 or 1983—given those restrictions."

The restrictions Pirie referred to are included in fiscal year 1981 Defense Authorization Act passed by Congress in September. They limit the number of Cat IV recruits—those who score in the lowest acceptable category on the military entrance exam—to an average in all military branches in fiscal year 1981 of 25 percent. The limits will be tightened in fiscal year 1982 to no more than 25 percent Cat IVs for each service and, in fiscal year 1983, to only 20 percent for each service. The Cat IV total was 46 percent for the Army and 30 percent for DoD overall in fiscal year 1979.

Pirie said the all-volunteer concept cannot survive if Congress enforces those ceilings unless substantial increases are made in recruit pay and unless recruit advertising budgets double.

Pirie said the restrictions are unnecessary because recruit quality has not declined significantly in recent years. He said the all-volunteer force can be sustained "at reasonable costs with reasonable effort for the indefinite future."

People should understand, he said, that a return to a peacetime draft won't be the result of any decline in recruit quality or a drop in the male youth population in the mid-1980s.

"All those manpower issues don't go to the heart of the conscription question, which will be settled on social and political grounds, quite apart from the other considerations," Pirie said.

"There are people who feel that we are simply not dedicated enough to defending ourselves unless we accept the sacrifice of drafting our youth . . . They feel that way and it's a political force. We can put a pin in the bubble of all the bum arguments that peacetime drafters raise till Hell freezes over, but we're not going to get rid of that feeling.

Now (West Germany's) Chancellor (Helmut) Schmidt is telling us that we have to do that to prove we are serious about defense. He's not willing to spend three percent of his damn budget to prove that he's serious, but we have to draft our youth to prove that we're serious.

Pirie has held the top manpower job in DoD since November 1978 and was Deputy Assistant Defense Secretary in the recruitment division for the first two years of the Carter administration. He is under consideration for reappointment to that post in the incoming Republican administration. However, the job hasn't been offered yet and Pirie's not saying whether he'd accept it if it were.

At the urging of the services, he won Defense Secretary Harold Brown's approval to conduct a full report on the adequacy of military pay in the summer of 1979. The study found serious deficiencies in pay levels, travel entitlements and housing allowances. Pirie recommended and Brown endorsed a $650 million boost in compensation for the fiscal year 1980 budget. But President Carter rejected nearly all of the corrective steps proposed.

Pirie said he was as surprised as anyone when Brown recently said his greatest failure as defense secretary was not recognising shortfalls in military pay soon enough to prevent an exodus of thousands of experienced, highly skilled personnel.

"I have to accept my share (of the blame) also," Pirie said, "I mean we started that study pretty late. It was evident we had a lot of problems when we started it."

Pirie said his advice to the Reagan team is:

Restore military pay comparability with the civilian sector. "We cannot let compensation slip as it did from 1974 through 1979." Pirie said it now appears service pay is about two percent short of some level of comparability. Whether that requires an interim pay raise early next year is not clear, he said.

Make substantial increases in DoD civilian personnel strength and smaller increases in military personnel totals. A hiring freeze on DoD, he said, would impact "quite seriously" on military readiness.

Fight to remove congressional restrictions on Cat IV recruits. That was a "bad public policy decision," he said, "made in a bad atmosphere, with bad information."

Support an education benefits program similar to the GI Bill, but one that can be targeted for personnel with specific skills who could use the benefits without leaving the service.

Budget for more family housing, more military construction and more maintenance money for property and equipment now in the field.

A CONGRESSIONAL VETO OF BUREAUCRATIC RULES IS NEEDED—WHO MAKES THE LAWS ANYWAY?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 10 minutes.

● Mr. LEVITAS. Mr. Speaker, our Government belongs to the people of this country. It should not oppress them. It should serve them. It should be responsive to them. The people who make the laws and regulations that govern their lives should be accountable to the American people. In recent years, this Government has not always acted in this fashion.

In an effort to help our Government return to its proper role, I am introducing legislation which would begin to restore to the people a measure of control over executive and independent agency rulemaking, because the rules spewing forth from these unelected bureaucracies are a major cause of the problem.

It is a problem of rampant government. It is a problem of cynicism of Americans about government because of that type of unaccountable and unresponsive and unelected government.

Embodied in the principles of the Magna Carta, the Declaration of Independence, the Constitution, and the Bill of Rights is the basic tenet that government must be by the consent of the governed and that the process of law is fundamental and essential. Would any American citizen seriously argue that a person should be deprived of liberty or property under decrees which no elected official has participated in promulgating? Yet today the fact is that vastly more rules are made by the decree of the unelected bureaucracy than by the elected Members of Congress. In most instances a consequence of violating these administrative rules is imprisonment or fine or both.

If you ask the man on the street who makes the laws in this country, he would likely tell you that Congress does. But, he would be wrong, because more edicts regulating his life are promulgated by unelected bureaucrats than are passed by the elected Congress. An administrative rule is, in effect, a law. It has the same force and effect as a law. A person can go to jail, in many instances, for violating an administrative, bureaucratic rule just the same as if he had violated an act of Congress.

One has only to glance at the daily Federal Register to realize that executive and independent agencies have evolved into a fourth branch of Government with hosts of regulations which carry the force of law without legislative consideration. While it may be true that Congress has previously given—or abandoned—to the bureaucracy the power to enact these administrative laws, that does not justify continuing this practice.

There is definitely a need to have administrative rulemaking to fill the gaps between the broad principles embodied in acts of Congress, but this does not mean that Congress should leave it to civil servants or appointed officials to pass thousands upon thousands of far-reaching rules that can put citizens in jeopardy of losing liberty or property without having anyone elected by the people or answerable to them involved in the process.

The bill which I am introducing will give the public, through their elected representatives, an input into and a control over the rules which govern their lives by means of a legislative, or congressional, veto procedure for administrative rules and regulations. This bill will help cut down on bureaucratic redtape, reduce the regulatory outpouring from Federal agencies, and make the rules that are adopted more reasonable.

Congressional veto of administrative rules and regulations is not a new idea. The House of Representatives particularly has shown strong support for this concept. In the 94th Congress, the House Judiciary Committee reported a bill applying congressional veto of administrative rules and regulations across the board. This bill was debated on the floor under suspension of the rules near the end of the session. Unfortunately, it failed by two votes to receive the necessary two-thirds vote for passage. However, the strong vote in favor, 265 to 135, clearly demonstrates the support of the House. That support was bipartisan with 165 Democrats and 100 Republicans, including liberals, moderates, and conservatives, joining in voting for this bill.

In the 95th Congress, no comprehensive bill was reported for consideration by the House. However, 186 Members of the House cosponsored my bill providing for congressional veto of administrative rules and regulations, and significant votes were taken on the issue. On at least five separate occasions, congressional veto amendments patterned after the comprehensive bill were approved on the House floor to various agency or program authorizations such as HUD, FTC, and the FIFRA program. In addition, similar amendments were often offered during committee and subcommittee consideration of legislation, such as the Department of Education Organization Act and the Surface Transportation Assistance Act.

The most noteworthy votes on this issue were taken on the FTC conference report. Although the House passed an amendment providing for congressional veto of FTC regulations by a 2-to-1 vote, 272 to 139, the Senate refused to accept this provision in conference.

On two separate occasions in the 95th Congress, the House voted to reject the FTC conference report because it did not contain a congressional veto of FTC regulations. The first vote was 146 to 255; the second vote was 175 to 214. In the 96th Congress, the House voted unanimously to reject Senate amendments to the bill which would have eliminated the congressional veto, and voted 257 to 115 to instruct the House conferees to insist on the legislative veto language in the House bill. That two-time rejection of the conference report by the 95th Congress, and the overwhelming support for the congressional veto in the 96th Congress, constituted unprecedented action by the House and firmly established this body as the leader in the fight for regulatory reform. That fight was finally won with regard to the FTC when the conference committee included a meaningful and effective legislative veto which was accepted by both Houses and signed into law by President Carter on May 28, 1980.

I am reintroducing today comprehensive legislation to provide for congressional veto of administrative rules and regulations. This bill is identical to the one reported by the House Judiciary Committee in 1976. Congressional veto of administrative rules and regulations provides an ongoing procedure whereby Congress may review and reject agency actions—a mechanism that is necessary to insure that the principles upon which our country was founded are upheld.

The procedure set forth in this bill provides that whenever a rule or regulation is adopted under the Administrative Procedures Act, it will be referred to Congress for 60 days before it becomes effective. If during that 60-day period, either the House or the Senate adopts a resolution of disapproval, which is not rejected by the other body within 30 days, the rule in whole or part stands vetoed. While some critics have described this as a one-House veto, it is not. It is a modified one-House veto. Since both Houses of Congress could participate in the process, the principle of bicameralism is respected.

My proposal provides for an expedited procedure for bringing such resolutions to the floor of the House or Senate modeled after the procedures used for consideration of Presidential rescission and deferral messages. In addition, it contains a retroactive provision which will allow either House of Congress to review regulations previously adopted and, if necessary, refer them back to the administrative agency for reconsideration and promulgation under the procedures of congressional veto.

Legislative review of executive actions is not a startling new proposal. There is ample precedent for such action in both Federal and State law. Since 1932, approximately 186 different acts of Congress with 264 separate provisions mandating some sort of congressional approval or disapproval of executive implementation of those laws, have been passed. Thirty-five States have on their books laws which provide for legislative review and/or veto of administrative rules and regulations. Even in the last Congress, President Carter signed into law at least 25 bills containing congressional approval or disapproval provisions or amendments to such provisions previously enacted.

Section 1013 of Jefferson's Manual for the 96th Congress lists the many laws providing various procedures whereby Congress has reserved to itself the right to review, by approval or disapproval, certain actions of the executive branch or independent agencies and, in one case, the rules of evidence recommended by the Supreme Court.

Congress has not only repeatedly provided for congressional veto of administrative rules and regulations, but has exercised that power. For example, both the House and Senate have exercised one-House vetoes of regulations promulgated by the General Services Administration pursuant to the Presidential Recordings and Materials Preservation Act.

And more recently, in 1980, the House acted to veto regulations promulgated by the Federal Energy Regulatory Commission under the Natural Gas Policy Act of 1978, and acted with the Senate to veto President Carter's oil import fee, and, on four separate occasions, acted to veto regulations of the Department of Education.

Congressional veto of administrative rules and regulations addresses a central and most serious question: Who makes the laws in this country? Is it the elected Congress or the unelected bureaucrats who rule by administrative fiat?

Time and time again, the administrative agencies have usurped the authority of Congress through their quasi-legislative process of rulemaking. We have seen our legislative efforts frustrated or distorted when the implementing rules and regulations are published. The administrative agencies have oftentimes promulgated rules which are oppressive, arbitrary, or go clearly beyond the intent of Congress in passing the enabling act. Once that pithy little clause, "The Secretary shall have the power to promulgate regulations * * *", it is your guess and mine how far the administrative agency will go or, indeed, how lenient it will be.

What has resulted is a citizenry that is becoming increasingly cynical, frustrated, and angry with their Government. If we look just at the sheer number of regulations promulgated within a year, we can understand the extent of their anger. In 1977, the Federal Register had 65,603 pages, up 8.5 percent from the previous year. In any one year, the bureaucracy adopts about 9,000 regulations. Congress, on the other hand, passes about 600 laws. It becomes clear who is running the lives and schools and local governments and businesses of the citizens of this country—unelected bureaucrats, not elected representatives.

The means of recourse presently available to our citizens are limited. Judicial review is a costly process prohibitive to the average citizen when a decision may be put off for years and particularly when the scope of judicial review is circumscribed. The nature of judicial review is not only limited and expensive, it is always ex post facto, and all presumptions favor the agency rule. A mere scintilla of supporting evidence can justify a rule in court even in face of overwhelming evidence to the contrary. This point is illustrated by a Supreme Court decision of a few years ago in Union Electric Co. against EPA that held the economic and technological infeasibility of regulations cannot even be considered in judicial determinations.

While the administrative comment period theoretically does afford the citizen the opportunity to express his views on a proposed regulation, it does not require the agency to take serious note of the comments submitted. Moreover, unless the average citizen reads the Federal Register daily, which would not make him an average citizen, the comment period is likely to go by without his knowing about the rule until it becomes effective.

Remedying legislation can be, and oftentimes, is introduced, but we know too well that this is a cumbersome and time-consuming process which is not adequate to repeal or change administrative rules. Also, why should the full mechanism of enacting a law be required to reject mere agency rules? Greater oversight, stricter standards for the appointment of Cabinet members, agency chairmen and commissioners, and greater reliance on the authorization and appropriations process are additional tools available to Congress to control executive and independent agencies in general. But, these mechanisms are also not adequate to address the problem a particular regulation may present. They are not targeted, and their remedies are ex post facto—after the damage has been inflicted on the public. Congressional veto of administrative rules and regulations would prevent the damage.

Congressional veto of administrative rules and regulations would have a twofold effect. It would make the administrative agencies more responsive to the public and to congressional intent by establishing the unquestioned realization in each agency that they cannot promulgate regulations with impunity. They will know that Congress is paying attention to what they are doing, looking over their shoulders, and can take action if they go off on the wrong track. It is axiomatic that we will see more carefully drafted regulations, as well as more attention being paid to the views of citizens during the comment period. In short, the main benefit of the congressional veto is that it exists. Its very existence will sensitize the bureaucracy and make it more responsive.

It would also force Congress to draft legislation more carefully and to spell out its intent more clearly. Congress is far too lax in delegating authority broadly and without guidelines to administrative agencies. When hard decisions have to be made, we pass the buck with vaguely worded statutes. Who can or should vote against safe cars, clean air, or nondiscrimination? But when the implementing regulations are published loading cars up with expensive equipment of little benefit, or EPA imposes a parking ban on cities, or EEOC refuses to let a police department ask potential employees if they have a criminal record, the actual benefits of safe cars, clear air, or nondiscrimination is called into question. If we realize that we have the ultimate responsibility for the administrative rules that flow from these enabling acts, we will be more careful.

Moreover, the public will have a larger voice in the rulemaking process. Access to Congressmen and Senators is far easier than access to anonymous, faceless bureaucrats. Most Federal administrators are hardworking, dedicated, and talented people who do their job and serve the public faithfully and well. Some few, however, are zealots who in some elitist way think they—not the people or the elected Congress—run the country. The purpose of a congressional veto is to deal with this problem and to see that the public is given an input, through their elected representatives, in the promulgation of administrative rules. That is why so many organizations and individual citizens support this idea—because it gives them a say-so in the rules that run their lives. It provides a remedy to the citizens of this country for us, as their elected representatives, to say when the bureaucracy has gone too far, perverted the intent of Congress and promulgated arbitrary and oppressive regulations.

To say that Congress has neither the time nor the resources to review administrative rules and regulations is begging the question. These rules and regulations can be as far-reaching in effect as laws, and we cannot shirk our responsibility and let them go by without scrutiny simply because they are not called such. Some of the bills we consider are not as significant in effect as the regulations we ignore because they are called regulations. In the 95th Congress, approximately 18,000 bills were introduced for consideration. This amounted to almost twice the number of rules and regulations promulgated. Only those bills and resolutions which were important and necessary were considered in committee and eventually received attention by Congress. Such would be the case with congressional veto of administrative regulations.

In addition, committees already have a review and investigations subcommittee with the responsibility of monitoring a particular function of the bureaucracy. The staffs of these, and other legislative subcommittees review the activities of the Federal agencies every day, as well as review the regulations promulgated by the agencies. The problem is they cannot really do anything about the bad regu-

lations. Congressional veto will be an asset to oversight activities in that it will help the committee staff to focus on problem areas without allowing the administrative excess or abuse to continue while long-range oversight activities get underway. It will not necessarily add to staff size, but it will make them function more effectively. If any minor additional costs are incurred, though it is unlikely, they will be well worth it. It will overwhelmingly save the public millions or even billions of dollars resulting from oppressive regulations.

It is interesting to note that one of the specific grievances enumerated against King George to justify American independence and revolution as penned in the Declaration of Independence was:

He (King George) has erected a multitude of new Offices, and sent hither swarms of officers to harass our people, and eat out their substances.

Legislative veto of administrative rules and regulations is a way to make a start toward restoring to the people those rights for which the Declaration of Independence spoke over 200 years ago. It is our chance to restore to the people their right to govern themselves and to restore their confidence in their own Government. If we truly believe in a system of government by the people, our support of this principle is a way to make our words and beliefs match our votes and our deeds.

My bill cannot be termed liberal or conservative; it crosses ideological lines. Indeed, more than 230 Members of the House in the 96th Congress, and already more than 100 Members of the House in the 97th Congress, have joined me in cosponsoring my bill, and they have come from all across the political spectrum. The mandate of the 1980 election was a mandate for my colleagues on both sides of the aisle. The American people have demanded a return to representative government. They have given us a mandate to move away from a government of unelected bureaucrats who rule by administrative fiat. The new Congress and the new Presidency share a responsibility to work the will of the American people. I commend this bill to my colleagues in the 97th Congress and hope for a united front in reclaiming for ourselves and our citizens the right of rule by the people and not by bureaucracy.●

RIDICULE OF ETHNIC GROUPS IN THE BROADCAST MEDIA MUST STOP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on the first day of this new 97th Congress, I introduced House Concurrent Resolution 3, which would put the Congress of the United States on record in opposition to films and television or radio broadcasts which defame, stereotype, demean, or degrade ethnic, racial, or religious groups.

Denigrating remarks about any group in society concerning characteristics over which they have no control, such as race and ethnicity, and those which are associated with the very beginning and ending of life, such as religion, are immoral in themselves. But, in addition—and this is the special concern of Congress—they strike at the heart of a healthy and wholesome political system. While the immorality of such expressions concerns each of us personally, this resolution recognizes that the vitality of our political institutions and our values is dependent upon harmonious relations among various ethnic groups. From the mutual respect accorded these groups will grow a stronger and more dynamic democracy.

The motion picture, radio, and television industries have been deficient in their responsibility to help create a society in which individuals can respect their heritage and its institutions, and I call upon the Congress to take a stand against such abuse.

The members of our minority and ethnic groups should not have to witness their portrayal as criminals, idiots, or other undesirable characters. Each minority group is justifiably proud of its ancestry, its accomplishments, and its contributions to American society. When this self-pride is threatened, we jeopardize the human qualities which have most contributed to America's greatness.

Stereotypes as presented on television can be particularly influential to the young child. To a great degree, we become what we see, whether in life or in the media. Thus the challenge to the media is very great indeed, since modeling implies that children will be influenced not only by being told what they should be like but by observing what people with whom they can identify are actually like or portrayed as being.

When the media allow and encourage aspersions to be cast upon groups, portraying them as "superstitious" Catholics, "dumb Polacks," or part of the "yellow peril," or as "welfare blacks," or as "Italian criminals," or as the "lazy bandito," or the "racist hard-hat," or the "Jewish loan shark," then social harmony becomes a political concern. The denigrated groups become defensive and hostile to other groups and to institutions which appear to be controlled by others. Such groups cannot help but question the worth of their allegiance to a political system which seems to affirm attacks upon them.

The motion picture and broadcast media have become central to the American way of life and have profound influence, particularly on children. The television set is a perfect instrument for those who would spawn prejudice against and prejudgment of our fellow human beings.

In such a situation, democracy and representative government do not have a chance. Insulted groups harden hearts and minds to others and freedom of speech becomes a monolog rather than a dialog. Supporters of this resolution do not want Government censorship; they want the leaders in the electronic media industry to exercise a social conscience in human relationships just as they want industries to exercise a social conscience in matters of employment, pollution abatement, and pricing policies.

When private industry defaulted in their social responsibility, they were subjected to governmental regulation. My resolution calls for an evaluation and an accounting by the media industry a year after congressional passage to determine the adequacy of the code of ethics or the guidelines which they develop and apply under the legislation.

I would like to quote a statement of mine in the 1971 hearings on a similar resolution:

Polish-Americans, Greek-Americans, Italian-Americans, Mexican-Americans, black-Americans, and members of every other minority and ethnic group, who by their vigor and pride have contributed so much to America's strength and greatness—have every right to be free from the harm directed at them by thoughtless panderers of hatred and discord. Every minority group is justifiably proud of its ancestry, its accomplishments, and its contributions to the advancement of world civilization. When we destroy this pride in "self"—we destroy the very quality Americans possess that has made America great.

Mr. Speaker, I urge the support of all of my colleagues for House Concurrent Resolution 3.●

THE FAMILY FARM ESTATE TAX RELIEF ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, one of the most unfortunate problems afflicting our Nation's agricultural sector today is the steep decline of the family farm. Today I am renewing my efforts to halt that decline by providing estate tax relief to family farms. This tax relief is essential if families are to be able to continue to work the land and pass on farms from generation to generation.

The decline of the family farm is well documented, and a few statistics from a recent report by the Department of Agriculture on the structure

of agriculture tell the story. Over the past 30 years, the number of farms in this country has declined by more than 50 percent—a loss of almost 2.5 million farms. Meanwhile, the trend toward concentration is shown by the fact that average farm size has more than doubled during the same period. As of 1978, 15.3 percent of the farms possessed almost 70 percent of all farmland. Obviously the decline of the family farm has been rapid, and we must take firm action if this trend is to be halted.

The key decision for a family on whether or not to continue to hold on to its farm very often centers on how to pay the estate tax on the farm property. Current tax law takes this problem into account, granting alternative, or use, valuation of property, as well as time extensions for payment of taxes, to most farms that continue as family operations. However, the estate tax is still a burden for these families, and it is often the catalyst in a decision to sell the property. That is why I believe estate tax reform is essential to protecting those families who want to continue farming their land.

The bill I am introducing today is similar to the legislation I introduced in the 96th Congress, H.R. 3720, which gained 67 cosponsors. It would provide a substantial exemption from estate taxes for all but the largest family farms. The exemption would serve as an alternative, not a supplement, to use valuation. Farm property valued at up to $750,000 would be totally exempt from the estate tax, and a partial exemption would be granted to those with farm property valued at up to $2,505,000.

Under my bill, the exemption would be subject to the same restrictions that exist for use valuation of property. Thus, the farm would have to be passed on to a member of the decedent's family, and the family would have to maintain material participation in the operation of the farm. If within 15 years of the decedent's death the heir disposed of the property, the property would become eligible for the estate tax under the same procedure that applies for use valuation.

The exemptions granted by this bill are substantially greater than those in my earlier bill. Unfortunately, land values are escalating at such a phenomenal rate that the land-rich farmer has a gross estate that is falsely inflated, and the estate tax problems facing a family are that much greater. Farmers simply do not have the cash to pay taxes on land that is valued at $3,000 an acre and up.

These are not only trends and statistics, though. We are talking about individual families who want to carry on the work of their parents and grandparents. Through no fault of their own, they are being squeezed out of this birthright, and I believe we in Congress can and must help to preserve for them the opportunity to maintain their farms.

Our Nation simply must commit itself to preserving family involvement in the farms of America. This bill is a step in that direction.

Following is the text of my legislation:

H.R. 1819

A bill to amend the Internal Revenue Code of 1954 to exempt certain farm property from the estate tax

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Farm Estate Tax Relief Act of 1981".

SEC. 2. (a) Part III of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to gross estate) is amended by inserting after section 2032A the following new section:

"SEC. 2032B. EXCLUSION OF CERTAIN FARM PROPERTY.

"(a) GENERAL RULE.—If—

"(1) the decedent was (at the time of his death) a citizen or resident of the United States, and

"(2) the executor elects the application of this section with respect to all qualified farm property and files the agreement referred to in subsection (e)(2),

there shall be excluded from the value of the gross estate a portion of the value of qualified farm property, as determined under subsection (b).

"(b) AMOUNT OF EXCLUSION.—The portion of the value of qualified farm property which shall be excluded from the gross estate under subsection (a) shall be determined in accordance with the following table:

"If the value of qualified farm property is:	The exclusion is:
Not over $750,000	The value of qualified farm property.
Over $750,000 but not over $900,000	$750,000 plus 85% of the excess over $750,000.
Over $900,000 but not over $1,050,000	$877,500 plus 60% of the excess over $900,000.
Over $1,050,000 but not over $1,200,000	$967,500 plus 35% of the excess over $1,050,000.
Over $1,200,000 but not over $1,350,000	$1,012,500.
Over $1,350,000 but not over $1,500,000	$1,012,500 minus 35% of the excess over $1,350,000.
Over $1,500,000 but not over $1,650,000	$960,000 minus 70% of the excess over $1,500,000.
Over $1,650,000 but not over $2,505,000	$855,000 minus 100% of the excess over $1,650,000.
Over $2,505,000	$0.

"(c) VALUE OF QUALIFIED FARM PROPERTY.—For purposes of this section, the value of qualified farm property is the value of such property which is included in gross estate under this part (without regard to this section or section 2032A).

"(d) DEFINITION OF QUALIFIED FARM PROPERTY.—For purposes of this section, the term 'qualified farm property' means qualified real property as defined in subsection (b) of section 2032A, other than qualified real property to which paragraph (2)(B) of such subsection applies.

"(e) ELECTION; AGREEMENT.—

"(1) ELECTION.—

"(A) IN GENERAL.—The election under this section shall be made not later than the time prescribed by section 6075(a) for filing the return of tax imposed by section 2001 (including extensions thereof), and shall be made in such manner as the Secretary shall by regulations prescribe.

"(B) ELECTION NOT ALLOWED IF ELECTION MADE UNDER SECTION 2032A.—No election may be made under this section with respect to an estate if an election has been made with respect to such estate to have the value of any portion of qualified real property determined under section 2032A(a).

"(2) AGREEMENT.—The Agreement referred to in this paragraph is a written agreement signed by each person in being who has an interest (whether or not in possession) in qualified farm property to which an election under this section applies consenting to the application of section 2032A(c) with respect to such property.

"(f) SPECIAL RULES.—

"(1) APPLICATION OF ADDITIONAL TAX.—For purposes of applying subsection (c) of section 2032A, any amount excluded from gross estate under this section shall be treated as an amount by which the value of qualified real property is decreased under section 2032A(a).

"(2) VALUE OF INTEREST IN QUALIFIED FARM PROPERTY FOR PURPOSES OF ADDITIONAL TAX.—In determining the value of an interest in qualified farm property for purposes of section 2032A(c), the portion of the amount excluded under this section for qualified farm property which shall be allocated to such interest shall be an amount which bears the same relation to such amount excluded, as the value of such interest (determined without regard to this section or section 2032A) bears to the value of all qualified farm property similarly determined."

(b) The table of sections for part III of subchapter A of chapter 11 of the Internal Revenue Code of 1954 is amended by inserting after the item relating to section 2032A the following new item:

"Sec. 2032B. Exclusion of certain farm property."

SEC. 3. (a) Subparagraph (D) of section 2032A(b)(1) of such Code is amended to read as follows:

"(D) such real property is designated in the agreement referred to in subsection (d)(2), or, in the case of qualified farm property with respect to which an election is made under section 2032B, in the agreement referred to in subsection (e)(2) of such section."

(b) Paragraph (3) of section 2032A(b) of such Code is amended by inserting "or section 2032B" after "without regard to this section" each place it appears.

(c) Subsection (c) of section 2032A of such Code is amended by adding at the end thereof the following new paragraph:

"(8) CROSS REFERENCE.—

"For additional amounts treated as amounts subject to tax under this subsection, see section 2032B(f)(1)."

(d) Paragraph (1) of section 2032A(d) of such Code is amended to read as follows:

"(1) ELECTION.—

"(A) IN GENERAL.—The election under this section shall be made not later than the time prescribed by section 6075(a) for filing the return of tax imposed by section 2001 (including extensions thereof), and shall be made in such manner as the Secretary shall by regulations prescribe.

"(B) ELECTION NOT ALLOWED IF ELECTION MADE UNDER SECTION 2032B.—No election may be made under this section with respect to an estate if an election has been made with respect to such estate under section 2032B."

SEC. 4. The amendments made by this Act shall apply to estates of decedents dying after December 31, 1981.●

RECESS

The SPEAKER pro tempore. Pursuant to the previous order of the House, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 1 o'clock and 19 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1600

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. MOAKLEY) at 4 p.m.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and a concurrent resolution of the House of the following titles:

H.R. 1555. An act to provide for a temporary increase in the public debt limit; and

H. Con. Res. 58. Concurrent resolution providing for an adjournment of the House from February 6 to February 17, 1981, and an adjournment of the Senate from February 6 to February 16, 1981.

The message also announced that the Senate agreed to the following resolution:

S. RES. 36

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

Joint Committee on Printing: Mr. Mathias of Maryland, Mr. Warner of Virginia, and Mr. Cannon of Nevada.

Joint Committee of Congress on the Library: Mr. Mathias of Maryland, Mr. Hatfield of Oregon, Mr. Baker of Tennessee, Mr. Pell of Rhode Island, and Mr. Williams of New Jersey.

EXPORT TRADING COMPANIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. BONKER) is recognized for 5 minutes.

● Mr. BONKER. Mr. Speaker, this bill we are introducing today to promote the formation of export trading companies is the same as H.R. 7230 which passed the House Foreign Affairs Committee last July. Unfortunately, the House did not have time to consider the legislation in the 96th Congress.

If there is any doubt about the importance of this legislation, one only needs to look at our trade balance with one trade ally—Japan.

During the last 10 years, we have incurred a $47 billion trade deficit and today the dollar value of Japanese goods sold in the United States exceeds the combined dollar value of American oil imports from the Middle East.

At the start of our trade relationship we supplied the Japanese with manufactured goods in exchange for silk and tea.

Now, as one congressional report stated:

> It appears as though we are a developing nation supplying a more advanced nation—we are Japan's plantation: haulers of wood and growers of crops in exchange for high technology.

We import from Japan, autos, steel, tractors, radios, motorcycles, and video and audio tape players.

We export to Japan soybeans, cattle feed, wood, coal, and wheat.

This bill deserves the overwhelming support of all of my distinguished colleagues. It fosters the creation of trading companies to boost exports from the United States.

These trading companies should be particularly useful to the thousands of smaller manufacturers who cannot afford the cost and risks of exporting directly.

Commerce Department studies show that these new companies have the potential ultimately to lift overall U.S. exports by as much as 30 percent.

Surveys suggest that as many as 20,000 additional firms could be exporting. They are inhibited by a lack of exporting know-how; uncertainties about business practices abroad; the complexities of United States and foreign documentation; the problems of packing for export and arranging for overseas transportation; and inadequate financial resources.

A great variety of enterprises currently provide export trade services to U.S. producers—freight forwarders, brokers, shippers, jobbers, insurance companies, commercial banks, export management companies, advertising firms, trade lawyers, foreign purchasing agents, and others. But most fulfill only one or a few of the many functions required to engage in export trade.

Export success can often depend on intermediaries which take the actual risks and can easily develop economies of scale in marketing, transportation, financing, and other export services.

Export trading companies would provide comprehensive one-stop service to smaller exporters including market analysis, distribution, documentation, financing, and after-sales service. Additionally, they could buy and sell on their own account and thus would be able to resell the products of small and medium-sized companies overseas.

A few American trading companies and trade associations specializing in agricultural commodities or raw materials—such as timber and grain—do exist, but they do little to expand exports of U.S. manufacturers. In fact, as I indicated previously, the United States finds itself in a colonial situation with respect to exports. We ship out our raw resources and buy manufactured products in return.

This situation is no more acute than in the wood products industry. As a country we are a heavy exporter of raw logs—but our export of finished products is all but negligible. We are not obtaining the full economic benefit of our natural resource. In addition, we continue to import some 30 percent of our finished wood products from Canada.

This makes little sense at a time when high interest rates have crippled the housing and lumber industries. The domestic market for finished wood products has vanished as housing starts have plummeted. In Washington State, housing starts are down 35 percent. The lumber industry is in turn dramatically affected—last year more than 100 of the 818 sawmills in the 12 Western States closed their doors, and another 275 curtailed shifts or made other adjustments. In Washington State, about one-third of the 4,500 plywood workers are unemployed. Many smaller sawmills have been particularly hurt, and may never go back into business.

We in Congress must do what we can to promote export of our finished products, at a time when the domestic market is in trouble. Today, the smaller mills—as well as many other manufacturers—simply do not have the expertise to barter and negotiate effectively with foreign governments. As a result, we are forced to take these markets as we find them, limiting ourselves to the exportation of raw resources, while the foreign governments protect their domestic processing industries at the expense of our own.

U.S. producers have not until recently had access to general purpose trading companies. Such companies now operate in the United States, but only on behalf of Japan, Korea, and Western European countries. Entities which are owned or subsidized by foreign governments compete directly with private U.S. exporters for shares of the world market.

The United States finds itself at a disadvantage today in the world market. This is reflected in our balance-of-trade deficit, which is currently running at an annual rate of more than $40 billion.

Although this is due in large measure to our reliance on foreign oil, it is a fact that the United States is not sophisticated in dealing with the intricacies of foreign markets. Our exporters do not receive the Government support and subsidies of their foreign competitors. Worse, they often discover that their most serious obstacles are

the legal and regulatory restraints of their own Government.

As a result, we have been losing ground in the export market. Between 1960 and 1970, the U.S. share of world exports dropped from 18 percent in 1960 to 15.4 percent in 1970. The percentage continued to decline during the 1970's and only began picking up at the end of the decade, as the value of the dollar dropped, making U.S. goods more attractive to foreign buyers.

Today, export of goods accounts for about 7.5 percent of our GNP—the lowest percentage of any industrialized nation, according to the Commerce Department. For example, France's exports account for 16.7 percent of its GNP; Germany's, 22.6 percent; Italy's, 22.3 percent; the Netherlands', 38.3 percent; and the United Kingdom's percentage is 23.1.

The free market, in theory, ought to have generated American export trading companies long ago. But the market forces are imperfect, due to Government regulation, the structure of American enterprise, and traditional ways of doing business.

For example, Government regulations exclude U.S. banks from offering most export trading services. Federal Maritime Commission regulations prevent export traders that take title to goods from receiving commissions for freight brokerage from carriers. Antitrust uncertainties deter U.S. companies from expanding export trading activities in cooperation with other U.S. producers.

This legislation achieves a good balance between encouraging export trade on the one hand and safeguarding the existing appropriate antitrust provisions that protect the domestic competitors of export trading companies and export trade associations.

The threat of antitrust action has served as a deterrent to broader utilization of the Webb-Pomerene Act and the formation of trade associations for the purpose of promoting exports.

The vagueness of that act leaves uncertain what activities will constitute a substantial restraint of domestic trade.

This bill ends that uncertainty.

By establishing prior certification and by setting precise standards for antitrust exemptions and by transferring the authority for administering the act from the Federal Trade Commission and the Justice Department to the Commerce Department, we have increased significantly the degree of certainty involved in creating export trade associations or export trading companies for specified export activities.

In addition, small- and medium-sized firms engaged in international transactions would benefit from the development of export trading companies, which would enable them to pool resources and technical expertise and to achieve economies of scale.

The rapidly growing service-related industries are vital to the well-being of the U.S. economy since they create jobs for 7 out of every 10 Americans, provide 65 percent of the Nation's gross national product, and offer the greatest potential for significantly increased industrial trade involving finished products.

This legislation is not a panacea for all our trading ills nor will it solve our export problems overnight.

But, trading companies are badly needed to help U.S. businesses to compete with foreign trade organizations.

This legislation goes a long way toward providing that assistance.

The time has never been better for the Congress to exercise some leadership in the area of promoting exports.

Without new legislation to reduce impediments and encourage U.S. trading companies, we will simply fail to realize our export potential as a country.

A summary and the bill follow:

PURPOSE AND SUMMARY

The purpose of this bill is to increase exports of U.S. goods and services by encouraging and facilitating the provision of export trade services to U.S. companies through the greater use of export trading companies and export trade associations. The bill seeks to accomplish that purpose by the following principal means:

First, an office is to be established in the Department of Commerce to promote and encourage the formation of export trading companies and export trade associations;

Second, export trading companies are given greater access to financial resources and marketing expertise through bank participation in export trading companies, assistance by the Economic Development Administration and the Small Business Administration in meeting the startup costs and operating expenses of small- and medium-sized export trading companies, and Export-Import Bank loan guarantees, secured by accounts receivable and inventories, to export trading companies;

Third, antitrust exemptions of the Webb-Pomerene Act are extended to associations formed for the purpose of exporting services and to export trading companies and a certification procedure is established under the Webb-Pomerene Act so as to provide greater certainty to export trading companies and export trade associations;

Fourth, DISC and Subchapter S tax incentives are made available to export trading companies.●

CONCERN FOR HUMAN RIGHTS IS IMPORTANT TO OUR NATIONAL SECURITY

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, it is not hard to understand why President Reagan invited President Chun of South Korea to visit Washington and why, at the end of the visit, President Reagan had some kind things to say about President Chun and his country, South Korea, despite its internal problems. We have a strong interest in the continuing independence of South Korea.

President Reagan chose that occasion to point out that thousands of Americans gave their lives in Korea "in defense of freedom." Ironically, there is still precious little freedom in South Korea today. The commutation of Kim Dae Jung's death sentence and the lifting of martial law by President Chun shortly before his trip to Washington were rightly welcomed as steps away from repression. Tuesday's Washington Post reports that Mr. Chun has pledged further steps to restore democratic institutions in South Korea. Certainly the United States has an interest in encouraging such steps and in monitoring the South Korean Government's actions to implement Mr. Chun's pledge.

For this reason, it seems unfortunate that President Reagan also chose the occasion to remark that the internal affairs of other countries are none of our business. While Mr. Reagan made similar statements when he was a private citizen, now that he is President they take on an entirely new dimension. Even as to countries which are our adversaries, it would be difficult to square such a remark with our often expressed concerns over such matters as violation of basic human rights in the Soviet Union. President Reagan himself has expressed such concerns. The Helsinki agreement, to which the United States and the Soviets are both parties, recognizes that some political rights and some human rights are so basic that they are properly the concern of all countries.

In the case of a country, such as Korea, with which we have mutual defense arrangements or to which we have extended tremendous material and moral support, it is just plain incorrect to assert or imply that we have no concern as to how that country's government treats its citizens. The tremendous outpouring of protests by Americans, including resolutions adopted by the Congress, protesting the planned execution of Kim Dae Jung is proof to the contrary.

Such concern is not only proper in a moral sense but from a practical standpoint. I find myself in agreement with the Reagan administration that our national interests in the Far East require a continued U.S. military presence in South Korea. However, the fate of repressive regimes to which we have provided economic and military support in the past—for example, Batista in Cuba, Thieu in South Vietnam, the Shah of Iran, General Romero in El Salvador, and President Somoza in Nicaragua—ought to have taught us that, in the long run, military strength alone will not maintain

regimes whose brutality and repression alienate their own people. Have we any reason to believe that the Chun regime can survive if it likewise alienates the people of South Korea?

The damage potential of President Reagan's remarks will, if they are not promptly corrected, go far beyond South Korea. They cannot help but embolden tyrants like Marcos in the Philippines and rightwing terrorists in El Salvador and Guatemala. They will strike a body blow to our efforts to push regimes like those in Argentina and Chile to cease their atrocities.

Above all, if there is one thing worse than encouraging the enemies of freedom and human rights, it is dismaying freedom's friends. One of the great strengths of the United States among the peoples of the world has been that, from the founding of our Nation to the present, we have stood for humanity. "We hold these truths to be self-evident * * *," we proudly proclaimed in 1776 and have since fought a revolutionary war, a civil war, and two world wars to prove that we meant it. We diminish ourselves in the councils of the world and in the eyes of humanity, if we now choose to abandon these principles in our dealings with other nations, cherishing them only for ourselves.

If our policy were to rely only on military force and economic power to protect our interests as a nation, we would find in the end that all our power is not enough. We would, like Napoleon, learn the hard way the profound truth of his own maxim: "In war, the moral is to the material as three is to one."

I would hope that, on reflection, President Reagan would find himself in general agreement with the thoughts expressed above. If he does, I would hope that he would select some appropriate occasion in the near future to publicly reassert our Nation's continuing concern for basic human rights everywhere in the world.●

RULES OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS FOR 97TH CONGRESS

(Mr. UDALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. UDALL. Mr. Speaker, pursuant to rule XI, clause 2, I present for printing in the RECORD the rules adopted by the Committee on Interior and Insular Affairs:

RULES OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

A. RULES OF GENERAL APPLICATION

Rule 1. Rules of the House.—The Rules of the House of Representatives are the rules of its Committees and Subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in Committees and Subcommittees. Written rules adopted by the Committees, not inconsistent with the Rules of the House, shall be binding on each Subcommittee. Each Subcommittee of a Committee is a part of that Committee and is subject to the authority and direction of that Committee. Rule XI of the Rules of the House, which pertains entirely to Committee procedure, is incorporated and made a part of the Rules of the Committee which are supplementary to the Rules of the House.

Rule 2. Time, Place of Meetings.—(*a*) While Congress is in session, regular business meetings of the Committee shall be held in the regularly assigned committee room, Longworth House Office Building, beginning at 9:45 a.m. on each Wednesday, except that whenever any party caucus or conference conflicts with such meeting of the Committee, then the Committee shall meet on Thursday or on such other day as may be mutually agreed upon by the Chair and the Ranking Minority Member. Such meeting shall be called to order and presided over by the Chair, or in the absence of the Chair, by the ranking majority member of the Committee present.

(*b*) Special meetings shall be held at the call of the Chair or upon written request of members of the Committee as provided in Rule XI, Clause 2, of the Rules of the House. When a regularly called party caucus or party conference is scheduled to be in session after 10 a.m. on any day, and the Chair is so advised not later than 12 noon on the preceding day, the regularly scheduled Committee meeting for that day shall be rescheduled as provided in paragraph (*a*) of this rule.

(*c*) Each meeting of the Committee or any of its Subcommittees for the transaction of business, including the mark-up of legislation, shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public because disclosure of testimony, evidence or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided however,* That no person other than Members of the Committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or mark-up session which has been closed to the public. This paragraph does not apply to any meeting that relates solely to internal budget or personnel matters.

Rule 3. Agenda for Meetings.—The agenda for Committee meetings, setting out all items of business to be considered, shall be delivered to the office of each Member at least two calendar days in advance of the meeting: *Provided,* That this requirement may be waived by a majority vote, a quorum being present.

Rule 4. Adjournment of Meetings.—A motion to adjourn shall not be approved unless the Chair, in his discretion, recognizes a Member for the purpose of making such motion and the motion is approved by a majority of the Members present and voting.

Rule 5. Committee Procedure.—(*a*) The date, time, place and subject matter of all public hearings of the Committee or any of its Subcommittees shall be announced at least 1 week in advance of the commencement of such hearings. If the Committee, or any of its Subcommittees, determines that there is good cause to expedite the hearing, it shall make, the announcement at the earliest possible date. Any such announcement shall be promptly published in the Daily Digest.

(*b*) Each hearing conducted by the Committee or Subcommittee thereof shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided,* That the Committee or Subcommittee may by the same procedure vote to close one subsequent day of hearing: *Provided further,* That two or more Members at a meeting held for the purpose of taking testimony may determine, by a majority vote,

(i) to close such hearing for the purpose of discussing whether testimony or evidence to be received would endanger national security or tend to defame, degrade, or incriminate any person in violation of rule XI, 2(k)(5) of the Rules of the House; or

(ii) to close the hearing as provided in rule XI 2(k)(5) of the House.

(*c*) No Member may be excluded from nonparticipatory attendance at any hearing of the Committee, or its Subcommittees unless the House, by majority vote, authorizes the Committee or its Subcommittees, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close such meetings to Members by the same procedures designated in this rule for closing meetings to the public.

(*d*) Each witness who is to appear before the Committee or one of its Subcommittees shall file with the Committee, at least 24 hours in advance of his appearance, a written statement of his proposed testimony and shall limit his oral presentation at his appearance to a brief summary of his argument, unless this requirement is waived by the Committee.

(*e*) The right to interrogate witnesses before the Committee or any of its Subcommittees shall alternate between the Majority Members and the Minority Members. In recognizing Members to question witnesses, the Chairman may take into consideration the ratio of majority and minority party Members present and may recognize two majority party Members for each minority party Member recognized. Each Member shall be limited to 5 minutes in the interrogation of witnesses until such time as each Member of the Committee who so desires has had an opportunity to question the witness.

(*f*) No bill, recommendation, or other matter reported by a Subcommittee shall be considered by the Committee until 2 calendar days have elapsed from the time of the action of the Subcommittee and such action has been reported by the Committee Clerk to all Members of the Committee and, in the case of a bill, a copy has been delivered to the office of all Members so requesting the same, together with a section-by-section explanation and, if a change in present law is involved, a section-by-section comparison with the present law: *Provided,* That this requirement may be waived by a two-thirds vote of a quorum of the Committee Members.

Rule 6. Quorum.—No measure or recommendation shall be reported from the Committee unless a majority of the Members of the Committee is present, but for the purpose of transacting any other Committee business one-third of the Members shall constitute a quorum. Testimony and evidence may be received at any meeting at which there are present two or more Members of the Committee. A quorum, once established, shall be deemed present unless a Member objects to the transaction of business due to the lack of a quorum. When a call of the roll is required to ascertain the presence of a quorum, the offices of all Members shall be so notified and the Members shall have not less than 10 minutes to prove their attendance. The Chair shall have the discretion to waive this requirement when a quorum is actually present or whenever a quorum is secured and may direct the clerk to note the names of all Members present within the 10 minute period.

Rule 7. Proxies.—A vote by any Member in the Committee or in any Subcommittee may be cast by proxy, but such proxy must be in writing. Each proxy shall designate the Member who is to execute the proxy authorization, shall assert that the Member is absent on official business or otherwise unable to attend, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a Member may authorize a general proxy for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the Member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

Rule 8. Subpenas and Oaths.—(*a*) A subpena may be authorized and issued in the conduct of any investigation or series of investigations or activities when authorized by a majority of the Members of the Full Committee, a quorum being present. Authorized subpenas shall be signed by the Chair of the Committee or by any other Member it may designate.

(*b*) The Chair of the Committee, the Chair of any of its Subcommittees, or any Member designated by either, may administer oaths to any witness.

Rule 9. Journal, Rollcalls.—(*a*) The proceedings of the Committee shall be recorded in a journal which shall, among other things include a record of the votes on any question on which a record vote is demanded. A copy of the journal shall be furnished the Ranking Minority Member through the Minority Counsel. A record vote may be demanded by one-fifth of the Members present or, in the apparent absence of a quorum, by any one Member. No demand for a rollcall shall be made or entertained except for the purpose of securing a record vote or in the apparent absence of a quorum.

(*b*) At the beginning of any meeting of the Committee, the Chair may announce to the Committee, in its discretion, that further proceedings will be postponed on any motions on which a recorded vote is ordered or on which the vote is objected to under Rule 6 until immediately preceding the conclusion of the meeting. In such instances, the Committee shall proceed with the consideration of the next regularly scheduled measures or matters until all such business is disposed of or until such time as the Chair announces that the question will be put on the matter deferred. The question on any motion so postponed shall be put by the Chair and shall be disposed of by the Committee, without further debate, as expeditiously as possible. If the Committee adjourns before the question is put and determined on such motion, then the first order of business at the next meeting shall be the disposition of such motion.

(*c*) The result of each rollcall vote in any meeting of the Committee shall be made available in the Committee office for inspection by the public.

Rule 10. Filing of Committee Reports.—(*a*) All Members of the Committee shall be given an opportunity to review each proposed Committee report for at least 2 days (excluding Saturdays, Sundays, and legal holidays) prior to filing.

(*b*) If, at the time of approval of any measure or matter by this Committee, any Member of the Committee gives notice of intention to file supplemental, minority, or additional views, that Member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) after the copy of the Committee report in substantially final form is completed, excluding formal or technical changes, in which to file such views, in writing and signed by that Member or Members, with the Clerk of the Committee. In the event that substantial or significant changes are made in the Committee report, such Member shall have not more than one calendar day to review such changes and alter his or her views in responding thereto. All such views so filed by one or more Members of the Committee shall be included within, and shall be a part of, the report filed by the Committee with respect to that measure or matter.

Rule 11. Record of Committee Proceedings.—(*a*) Evidence, testimony, and information relevant to any measure or matter before the Committee will be received for inclusion in the record of proceedings as determined appropriate. A formal transcript need not be made in all instances and the Chair may exercise discretion as to content of the record. A complete record of all Committee action, which shall include a record of the votes on any question on which a rollcall vote is demanded, shall be kept and retained in the permanent files of the Committee. All printing of proceedings or of other matter shall be subject to general principles promulgated by the Chair as well as by approval in each instance not only by the Chair of the appropriate subcommittee but also by the Chair of the Committee.

(*b*) All transcripts of public meetings and hearings shall be available for review in the offices of the Committee. Unrevised and unedited hearing transcripts shall not be reproduced in any form without the written consent of the Chair or of the Member involved. Transcripts of other public meetings of the Committee and its subcommittees shall not be reproduced in any form without the written consent of the Chair of the Committee or, as appropriate, of the Chair of the subcommittee involved, in his or her discretion. Records and transcripts of public meetings of the Committee, conducted during any prior Congress, may be made available for review in the offices of the Committee, but such records and transcripts shall not be reproduced except as permitted by the House of Representatives.

(*c*) No records or transcripts of Committee meetings held in executive session shall be released unless the Committee directs otherwise. All classified documents, transcripts, or other materials shall be maintained in an appropriately secured location and shall not be released for review by any unauthorized person. Authorized persons must review such classified materials at an appropriate location in the Committee offices, but such material shall not be removed from the Committee offices for any reason without the written permission of the Chair and, as appropriate, of the Chair of the subcommittee involved.

Rule 12. Broadcasting of Committee Hearings.—(*a*) It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which Committee hearings, or Committee meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage—

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House and its Committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(*b*) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(*c*) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photograph, or by any of such methods of coverage, and the personal behavior of the Committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to—

(1) distort the objects and purposes of the hearing or other meeting or the activities of Committee members in connection with that hearing or meeting or in connection with the general work of the Committee or of the House; or

(2) cast discredit or dishonor on the House, the Committee, or any Member or bring the House, the Committee, or any Member into disrepute.

(*d*) The coverage of Committee hearings and meetings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause. No recording of Committee or Subcommittee proceedings shall be permitted except as authorized pursuant to these rules.

(*e*) Whenever any hearing or meeting conducted by any Committee of the House is open to the public, that Committee may permit, by majority vote of the Committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the Com-

mittee may adopt in accordance with the purposes, provisions, and requirements of this clause.

(*f*) The following rules shall apply to the Committee and its Subcommittees:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed position, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed on the Committee rostrum or in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves at any time during the course of the hearing or meeting, on the Committee rostrum or between the witness table and the Members of the Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Rule 13. Committee Staffs.—(*a*) Pursuant to Rule XI, Clause 6, of the Rules of the House, the permanent staff of the Committee shall consist of not more than 30 staff members who shall be selected on the basis of fitness to perform the duties of their respective positions as follows:

Three shall be chosen by the Committee from nominations approved by a majority of the Members of the Minority party of the Committee;

One shall be chosen by the Committee from nominations submitted by the Chair of each of the standing Subcommittees of the Committee;

One shall be chosen by the Committee from nominations submitted by the ranking minority party member of each standing Subcommittee of the Committee; and

The balance of any unfilled positions shall be chosen by the Committee from nominations approved by a majority of the Members of the Majority party Members of the Committee;

The staff members selected by the Majority party shall be assigned such legislative, oversight, and administrative duties and responsibilities as the Chair of the Committee may prescribe and shall assist Committee Members in connection with matters related to Committee business. Each staff member nominated by a Subcommittee Chair shall be under the general supervision and direction of that Subcommittee Chair. The staff members selected by the Minority party shall be under the general supervision and direction of the Minority party Members of the Committee who may delegate such authority as they determine appropriate.

(*b*) A Subcommittee Chair shall be entitled to select and designate additional staff members, subject to the approval of a majority of the Majority party Members of the Committee, to assist the Subcommittee in carrying out its legislative, investigative and oversight responsibilities. The Minority shall be accorded fair and equitable consideration with respect to the appointment of additional staff, but Minority staffing shall continue to be approximately one-third Minority representation on the Committee. Such staff members shall be assigned such duties pertaining to Subcommittee business as the Subcommittee Chair or the Minority, respectively, deem advisable and shall be compensated at a salary commensurate with the responsibilities prescribed by such Subcommittee Chair or by the Minority.

(*c*) Notwithstanding paragraphs (*a*) and (*b*) of this rule, the Committee may employ such additional nonpartisan staff as it deems necessary to conduct the administrative and clerical functions of the Committee. Such staff shall be in addition to any staff designated exclusively for the Majority or Minority party and shall be appointed only with the approval of a majority of the Members of the Majority party and with the approval of a majority of the Members of the Minority party. The Chair of the Committee shall establish and assign the duties and responsibilities of such members of the staff and they shall be compensated at a salary commensurate with the responsibilities prescribed.

(*d*) In the event that staff is not otherwise available pursuant to paragraphs (*a*) and (*b*) of this rule, from the funds provided for the appointment of Committee staff pursuant to any primary and additional expense resolution:

(1) The Chair of each standing Subcommittee is authorized to appoint at least one staff member who shall serve at the pleasure of the Subcommittee Chair.

(2) The ranking Minority party Member of each standing Subcommittee is authorized to appoint one staff person who shall serve at the pleasure of the ranking Minority party Member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (*a*) and (*b*) shall be compensated at a rate determined by the Subcommittee Chair pursuant to Rule XI, Clause 5(*d*) of the House of Representatives.

(4) The staff positions made available to the Subcommittee Chair and ranking Minority party Members pursuant to subparagraphs (1) and (2) of this paragraph shall be made available from the staff positions provided under Rule XI, Clause 6 unless such staff positions are made available pursuant to a primary or additional expense resolution.

(*e*) All staff selected pursuant to this rule shall be approved by the Committee and shall not be assigned any duties other than those pertaining to the business of the Committee and its Subcommittees. The staff of a Subcommittee shall be under the general supervision and direction of the Chair of that Subcommittee. The staff assigned to the Minority shall be under the general supervision and direction of the Minority party Members of the Committee who may delegate such authority as they determine appropriate. The staff of the Committee not assigned to a Subcommittee or to the Minority shall be under the general supervision and direction of the Chair of the Committee, who shall establish and assign the duties and responsibilities of such staff members and delegate authority as determined appropriate.

B. SUBCOMMITTEES: JURISDICTION, COMPOSITION, AND POWERS

Rule 14. Subcommittee Rules.—The Rules of the Committee, where applicable, shall be the Rules of its Subcommittees.

Rule 15. Reference of Legislation.—

(*a*) Except for bills, resolutions, or matters involving Indians and Indian Tribes which shall be retained for consideration by the Committee unless referred by the Chair to an appropriate standing, select, or special Subcommittee, every bill, resolution, or other matter referred to the Committee shall be referred to subcommittee within 2 weeks from the date of its referral to the Committee unless the Chair, with the approval of a majority of the Majority Members of the Committee, orders that it be retained for consideration by the Committee or that it be referred to a select or special Subcommittee.

(*b*) A bill, resolution, or other matter referred by the Chair to a Subcommittee may be recalled therefrom by him or her with the approval of a majority of the Members of the Committee for the Committee's direct consideration or for referral to another Subcommittee. The Chair shall so inform the Members of this recommendation, in writing, and such recommendation shall be effective within 1 week if approved by a majority of the Members of the Committee.

(*c*) A bill, resolution, or other matter referred by the Committee to a Subcommittee

may be recalled from such Subcommittee at any time by majority vote of a quorum of the Committee for its direct consideration or for reference to another Subcommittee.

Rule 16. Subcommittees.—There shall be the following six standing subcommittees of the Committee: Subcommittee on Energy and the Environment, Subcommittee on Water and Power Resources, Subcommittee on Public Lands and National Parks, Subcommittee on Mines and Mining, Subcommittee on Insular Affairs, and Subcommittee on Oversight and Investigations. Additional standing subcommittees may be created by resolution of the Committee.

Rule 17. Jurisdiction of Subcommittees.—(*a*) The jurisdiction, including legislative, investigative, and oversight responsibilities, of the six standing Subcommittees shall, subject to alteration as other Subcommittees are created, be as follows:

Subcommittee on Energy and the Environment

(*a*) Recommendations with respect to laws and programs under the jurisdiction of the Committee made by the Council on Environmental Quality in its annual Environmental Quality Report to the Congress.

(*b*) Selected matters and proposals, as referred by the Chairman, involving the environmental impacts of any laws or programs under the jurisdiction of the Committee.

(*c*) Regulation of the domestic nuclear energy industry, including regulation research and development of reactors and nuclear regulatory research and special oversight functions with respect to nonmilitary nuclear energy and research and development, including the disposal of nuclear waste.

(*d*) Petroleum conservation on the public and other Federal lands and conservation of the uranium supply in the United States.

(*e*) Legislation concerning the transportation of natural gas from or within Alaska or concerning the disposition of oil transported by the Trans Alaska oil pipeline.

Subcommittee on Water and Power Resources

(*a*) Irrigation and reclamation projects and other water resources development programs, including policies and procedures relating thereto.

(*b*) Compacts relating to the use and apportionment of interstate waters.

(*c*) Water rights.

(*d*) Saline water research and development program and water resources research program.

(*e*) Water resources planning conducted pursuant to the Water Resources Planning Act.

(*f*) Programs involving major interbasin movement of water or power.

(*g*) Legislation affecting the use of geothermal resources for the production of water and power.

Subcommittee on Public Lands and National Parks

(*a*) Public lands, generally, including measures or matters related to entry, easements, withdrawals, and grazing.

(*b*) Forfeiture of land grants and alien ownership, including alien ownership of mineral lands.

(*c*) Forest reserves created from the public domain.

(*d*) National Wilderness Preservation System.

(*e*) National Park System, National Wild and Scenic Rivers System, National Trails System, and other national units established for the protection, conservation, preservation, or recreational development of areas of public domain lands, or on reservations created out of the public domain, or under the jurisdiction of the Department of the Interior, including such military parks, battlefields, and national cemeteries as the Secretary of the Interior may administer within the District of Columbia.

(*f*) National outdoor recreation and historic preservation plans and programs, including the Land and Water Conservation Fund and the National Historic Preservation Fund, and the preservation of prehistoric ruins and objects of interest on the public domain and elsewhere.

(*g*) All measures and matters involving the Trust Territory of the Pacific Islands and Antarctica.

Subcommittee on Insular Affairs

Legislation and general oversight and investigative authority over activities, policies, and programs in Puerto Rico, Guam, Virgin Islands, American Samoa, and the Northern Mariana Islands.

Subcommittee on Mines and Mining

(*a*) Mining interests generally.

(*b*) Mineral resources of the public lands.

(*c*) Mineral land laws, and claims and entries thereunder.

(*d*) Geological survey.

(*e*) Mining schools and experimental stations.

(*f*) Proposed long-range domestic minerals programs, including availability of domestic minerals to fulfill all domestic requirements.

Subcommittee on Oversight and Investigations

(*a*) General and continuing oversight and investigative authority over activities, policies, and programs within the jurisdiction of the Committee as may be referred to the Subcommittee by the Chair of the Full Committee, after consultation with the Chair of the principal standing legislative Subcommittee involved.

(*b*) Such remedial legislation resulting from the findings or recommendations of the Subcommittee as may be referred to the Subcommittee by the Chair of the Full Committee, after consultation with the Chair of the principal standing legislative Subcommittee involved.

(*b*)(1) In order to enable the Committee to carry out its responsibilities under Rule X, Clause 2 of the Rules of the House, each Subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that Subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such Subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that Subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that Subcommittee.

(2) Pursuant to Rule X, Clause 2, of the Rules of the House, the Chair of the Committee and the Chair of the Subcommittee having jurisdiction over the matter involved or their respective designees, shall meet with representatives of the Committee on Government Operations to discuss and to assist in coordinating oversight plans of their respective committees.

Rule 18. Party Ratios.—The Chair shall negotiate with the Minority with respect to the size of each Subcommittee, with due regard for the preference of Members for Subcommittee assignments, except that party representation on each Subcommittee shall be no less favorable to the Majority party than the ratio for the Committee.

The Chair, if approved by a majority of the Members of the Majority party, and the Ranking Minority Member, if approved by a majority of the Members of the Minority party, may serve as Members of each Subcommittee.

The size and party representation for each Subcommittee during the 97th Congress shall be as follows:

Subcommittee [1]	Total members	Majority party [2]	Minority party [2]
Energy and the Environment	20	12	8
Water and Power Resources	12	7	5
Public Lands and National Parks	24	14	10
Insular Affairs	8	4	4
Mines and Mining	12	7	5
Oversight and Investigations	10	6	4

[1] The Chair and the Ranking Minority Member of the Full Committee serve as ex officio Members of all Subcommittees, but are voting Members only on the Subcommittee to which they are assigned pursuant to Rule 13.

[2] The Delegates from Guam and the Virgin Islands and the Resident Commissioner from Puerto Rico do not count for purposes of the ratio between the majority and minority parties.

Rule 19. Special or Select Subcommittee.—The Chair is authorized, after consultation with the Ranking Minority Member of the Committee, to appoint such special or select Subcommittees as he deems advisable for carrying out the responsibilities and functions of the Committee. Party representation on each such Subcommittee shall be in the same proportion as that on the Committee.

Rule 20. Powers and duties of Subcommittees.—Each Subcommittee is authorized to meet, hold hearings, receive evidence, and report to the Committee on all matters referred to it. The Chair of each Subcommittee shall set dates for hearings and meetings of their respective Subcommittees after consultation with the Chair of the Full Committee and of other Subcommittees with a view toward avoiding simultaneous scheduling of Committee and Subcommittee meetings or hearings wherever possible.

Rule 21. Travel.—(*a*) Subcommittee hearings outside of Washington, D.C., and travel by Members and staff shall be subject to approval by the Chair of the Committee pursuant to regulations promulgated by the Committee on House Administration. Each Subcommittee Chair may, for the purposes of field trips or hearings outside of the District of Columbia, assign any Members of the Committee to that Subcommittee.

(*b*) Staff members assigned to any Subcommittee may travel in connection with their respective duties only with the approval of the appropriate Subcommittee Chair and with the approval of the Chair of the Committee. Prior to submitting such travel requests to the appropriate Subcommittee Chair, all Minority staff travel shall be subject to such approval as the Minority Members of the Committee deem appropriate. All such travel shall be subject to the regu-

lations promulgated by the Committee on House Administration.

Rule 22. Subcommittee Chair.—(a) The Majority Members of the Committee shall have the right, in order of Full Committee seniority, to bid for Standing Subcommittee Chairs. Any such bid shall be subject to approval by a majority of the Majority Members of the Committee. The Minority shall select a counterpart to the Subcommittee Chair for each of the Subcommittees. The Chair of select and special Subcommittees shall be appointed by the Chair of the Committee, subject to approval by a majority of the Majority Members of the Committee except that no Subcommittee Chair shall be Chair of another legislative Subcommittee of the House.

(b) Members chosen to chair a Subcommittee shall retain a ranking position on not more than one other retained Subcommittee. Any Subcommittee Chair serving on more than two Subcommittees shall be assigned positions on additional Subcommittees only after all other Members are assigned to Subcommittees and their ranking established on such Subcommittee, then the Subcommittee Chairs may serve in the order of their ranking on the Committee.

Rule 23. Duties of Chair Upon Favorable Action by Committee.—Whenever the Committee authorizes the favorable reporting of a bill or resolution from the Committee, the Chair shall report the same or designate some Member of the Committee to report the same to the House and shall use or cause to be used all parliamentary methods to secure passage thereof, without such additional authority being set forth particularly in the motion to report each individual bill or resolution. Without limiting the generality of the foregoing, the authority contained herein extends in appropriate cases to moving in accordance with Rule XXIV, Clause 5, of the said rules that the House go into the Committee of the Whole House on the State of the Union to consider the bill or resolution; and to moving in accordance with Rule XXIV, Clause 2, of said rules for the disposition of a Senate bill or resolution that is substantially the same as the House bill or resolution as reported.

Rule 24. Committee Budget and Expenses.—(a) Each Subcommittee Chair and the ranking Minority Members of the Committee shall submit to the Chair a budget for each session of the Congress covering the funding required for staff, travel, and miscellaneous expenses. The Chair shall prepare a consolidated budget for each session of Congress which shall include amounts required for all activities and programs of the Committee and the Subcommittees, except those Committee expenses to be paid from appropriations provided for by statute.

(b) Upon approval by the Committee of each such budget, the Chair, acting pursuant to Rule XI, Clause 5, of the Rules of the House, shall prepare and introduce in the House a supporting expense resolution, and take all action necessary to bring about its approval by the Committee on House Administration and by the House.

(c) The Chair shall report to the Committee any amendments to each expense resolution and any changes in the budget necessitated thereby.

(d) Authorization for the payment of additional or unforeseen Committee and the Subcommittee's expenses may be procured by one or more additional expense resolutions processed in the same manner as set out herein.

(e) Committee members shall be advised of the availability of each monthly report, prepared by the Chair for the Committee on House Administration, which shows expenditures made during the reporting period and cumulative for the year, anticipated expenditures for the projected Committee program, and detailed information on travel.

Rule 25. Recommendation of Conferees.—Whenever in the legislative process it becomes necessary to appoint conferees, Majority Members shall be recommended to the Speaker as conferees as determined by the Majority, and Minority Members shall be recommended to the Speaker as conferees as determined by the Minority. Recommended party representation shall be in the same proportion as that in the Committee.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SENSENBRENNER) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 5 minutes, today.

Mr. ASHBROOK, for 10 minutes, today.

(The following Members (at the request of Mr. MOAKLEY) to revise and extend their remarks and include extraneous material:)

Mr. O'NEILL, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. LEVITAS, for 10 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. SOLARZ, for 10 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ANNUNZIO, for 60 minutes, on February 18.

(The following Members (at the request of Mr. KAZEN) to revise and extend their remarks and include extraneous material:)

Mr. BONKER, for 5 minutes, today.

Mr. MOFFETT, for 60 minutes, February 17, 1981.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SENSENBRENNER) and to include extraneous matter:)

Mr. FORSYTHE.

Mr. FISH.

Mr. HILLIS.

Mr. PETRI.

Mr. HYDE.

Mr. ASHBROOK in four instances.

Mr. BEREUTER.

Mr. MICHEL in two instances.

Mr. BROYHILL.

(The following Members (at the request of Mr. MOAKLEY) and to include extraneous matter:)

Mr. MOFFETT.

Mr. EDWARDS of California.

Mr. ZABLOCKI.

Mr. GEJDENSON.

Mr. RUSSO.

Mr. RAHALL.

Mr. DE LUGO.

Mr. RALPH M. HALL.

Mr. BARNES.

Mr. SOLARZ.

Mr. REUSS.

Mr. BAILEY of Pennsylvania.

Mr. OTTINGER.

Mr. ROSENTHAL.

Mr. ROE.

Mr. COELHO.

Mr. SKELTON.

Mr. FRANK.

Mr. RODINO.

Mr. MILLER of California.

Mr. DYSON.

Mr. D'AMOURS.

(The following Members (at the request of Mr. KAZEN) and to include extraneous matter:)

Mr. TRAXLER.

Mr. D'AMOURS.

Mr. CHAPPELL.

Mr. APPLEGATE.

Mr. FAUNTROY.

Mr. MOFFETT.

Mr. SKELTON.

Mr. PANETTA.

Mr. RODINO.

Mr. CONYERS.

Mr. DE LA GARZA in 10 instances.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 272. An act to increase the membership of the Joint Committee on Printing.

ADJOURNMENT TO TUESDAY, FEBRUARY 17, 1981

Mr. KAZEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. In accordance with House Concurrent Resolution 58, the Chair declares the House adjourned until 12 o'clock noon on Tuesday, February 17, 1981.

Thereupon (at 4 o'clock and 2 minutes p.m.), pursuant to House Concurrent Resolution 58, the House adjourned until Tuesday, February 17, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

479. A letter from the Deputy Assistant Secretary of Defense (administration), transmitting notice that the Navy has waived the requirement for the examination of records by the Comptroller General from a contract, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

480. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Fairchild Air Force Base, Wash., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

481. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense articles to Somalia (Transmittal No. 81-17), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

482. A letter from the Chairman, Board of Trustees, Public Defender Service for the District of Columbia, transmitting the annual report of the Service for fiscal year 1979, pursuant to section 306(a) of Public Law 91-358; to the Committee on the District of Columbia.

483. A letter from the Secretaries of Labor, Agriculture, and the Interior, transmitting the third joint annual report on the Young Adult Conservation Corps, pursuant to section 807 of the Comprehensive Employment and Training Act; to the Committee on Education and Labor.

484. A letter from the Secretary of Energy, transmitting notice of a delay in submission of the third national energy plan required from the President, by Public Law 95-91; to the Committee on Energy and Commerce.

485. A letter from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting reports for the month of October 1980, on sales of refined petroleum products and retail gasoline, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Energy and Commerce.

486. A letter from the Chairman, Federal Trade Commission, resubmitting two proposed amendments to the Trade Regulation Rules on Games of Chance in the Food Retailing and Gasoline Industries, pursuant to section 21(g)(2) of Public Law 96-252; to the Committee on Energy and Commerce.

487. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is exercising its authority under the former provisions of section 10707 of title 49, United States Code, to extend for 3 months the statutory deadline for rendering a decision in the consolidated case involving Docket No. 37276 (Sub-No. 1), *Coal, Wyoming to Redfield, Ark.*, and Docket No. 37456, *Arkansas Power and Light Co., v. Burlington Northern, Inc., et al.*, pursuant to former 49 U.S.C. 10707(b)(1); to the Committee on Energy and Commerce.

488. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to sell certain defense articles and services to Somalia (Transmittal No. 81-16), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

489. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to sell certain defense articles and services to Somalia (Transmittal No. 81-17), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

490. A letter from the Acting Administrator, Agency for International Development, transmitting the annual report of the Agency's Inspector General for fiscal year 1980, pursuant to section 624 of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

491. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting a report on bilateral assistance to eastern Caribbean countries, pursuant to section 313(b) of Public Law 96-533; to the Committee on Foreign Affairs.

492. A letter from the Comptroller General of the United States, transmitting the annual report on the activities of the U.S. General Accounting Office during the fiscal year ended September 30, 1980, pursuant to section 312(a) of the Budget and Accounting Act of 1921; to the Committee on Government Operations.

493. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed altered system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

494. A letter from the Acting Assistant Secretary of Transportation for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

495. A letter from the Secretary, Railroad Retirement Board, withdrawing the notice of proposed changes in two existing records systems submitted on December 2, 1980, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

496. A letter from the Assistant Secretary of Agriculture (Administration), transmitting a report on the Department's disposal of foreign excess property for fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

497. A letter from the Acting Administrator of General Services, transmitting a followup report on the recommendations contained in the September 21, 1979 report of the Board of the Export Council, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

498. A letter from the Acting Administrator of General Services, transmitting a followup report on the recommendations contained in the September 1979 report of the President's Commission on the Holocaust entitled ". . . Report to the President—President's Commission on the Holocaust," pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

499. A letter from the Chief Justice of the United States, transmitting the proceedings of the meeting of the Judicial Conference of the United States held in Washington, D.C. on September 24 and 25, 1980, pursuant to 28 U.S.C. 331 (H. Doc. No. 97-18); to the Committee on the Judiciary and ordered to be printed.

500. A letter from the Acting Secretary of Labor, withdrawing the proposed regulations implementing the airline employee protection program, previously submitted pursuant to section 43 of the Airline Deregulation Act of 1978; to the Committee on Public Works and Transportation.

501. A letter from the Secretary of Labor, transmitting the annual report for calendar year 1979 on the administration of the Employee Retirement Income Security Act of 1974, pursuant to section 513(b) of the act; jointly, to the Committees on Education and Labor and Ways and Means.

502. A letter from the Comptroller General of the United States, transmitting a report on unanswered questions on educating handicapped children in local public schools (HRD-81-42, February 5, 1981); jointly, to the Committees on Government Operations and Education and Labor.

503. A letter from the Comptroller General of the United States, transmitting a report on controlling Federal Government costs for coal liquefaction programs (PSAD-81-19, February 4, 1981); jointly, to the Committees on Government Operations, Energy and Commerce, and Science and Technology.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER:

H.R. 1798. A bill to amend the Internal Revenue Code of 1954 to provide for the indexing of certain assets; to the Committee on Ways and Means.

By Mr. BONKER (for himself and Mr. BINGHAM):

H.R. 1799. A bill entitled the "Export Trading Act of 1981"; jointly, to the Committees on Foreign Affairs, Banking, Finance and Urban Affairs, the Judiciary, and Ways and Means.

By Mr. BROWN of California:

H.R. 1800. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.R. 1801. A bill to amend the Communications Act of 1934 to authorize the appropriation of funds for fiscal years 1982, 1983, and 1984, for the administration of such act by the Federal Communications Commission; to the Committee on Energy and Commerce.

By Mr. CLAUSEN:

H.R. 1802. A bill to consolidate and simplify the administration of Federal aid for elementary and secondary education authorized by the Elementary and Secondary Education Act of 1965, as amended, in order to eliminate unnecessary paperwork and undue Federal interference in our schools, and for other purposes; to the Committee on Education and Labor.

By Mr. COLLINS of Texas:

H.R. 1803. A bill to amend section 924(c) of title 18 of the United States Code to increase the minimum additional penalties for the commission of Federal felonies with firearms; to the Committee on the Judiciary.

H.R. 1804. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. DANIELSON (for himself, Mr. BEILENSON, Mr. BONIOR of Michigan, Mr. JOHN L. BURTON, Mrs. CHISHOLM, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DELLUMS, Mr. DIXON, Mr. FAUNTROY, Mr. FLORIO, Mr. FORD of Tennessee, Mr. GRAY, Mr. GORE, Mr. HAWKINS, Mr. HYDE, Mr. MCDADE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MITCHELL of New York, Mr. MYERS, Mr. RICHMOND, Mr. SOLARZ, Mr. WAXMAN,

Mr. WEISS, Mr. WON PAT, Mr. YATES, and Mr. ZEFERETTI):

H.R. 1808. A bill to amend the copyright law, title 17 of the United States Code, to provide for royalties for the commercial use of sound recordings, and for other purposes; to the Committee on the Judiciary.

By Mr. EVANS of Georgia:

H.R. 1809. A bill to provide for the cooperation between the armed services and local, State, and Federal law enforcement officials; to the Committee on Armed Services.

By Mr. FAUNTROY:

H.R. 1810. A bill to authorize the District of Columbia to issue and sell general obligation bonds for the purpose of paying certain liabilities of the District, and for other purposes; to the Committee on the District of Columbia.

By Mr. GEPHARDT:

H.R. 1808. A bill to amend the Internal Revenue Code of 1954 to allow certain transfers of imported beer from customs custody to a domestic brewery without payment of tax; to the Committee on Ways and Means.

By Mr. GEPHARDT (for himself, Mr. BOLLING, Mr. DOWNEY, Mr. OBERSTAR, and Mr. KOGOVSEK):

H.R. 1809. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for social security taxes paid in 1981 and 1982; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 1810. A bill to increase the pay, allowances, and special and incentive pays of members of the uniformed services; to the Committee on Armed Services.

H.R. 1811. A bill to establish new educational assistance programs for veterans and for members of the Armed Forces; jointly, to the Committees on Veterans' Affairs and Armed Services.

By Mr. GOODLING:

H.R. 1812. A bill to amend title II of the Social Security Act to end the payment of child's insurance benefits (on the basis of student status) to individuals who have attained age 18; to the Committee on Ways and Means.

By Mr. HEFTEL:

H.R. 1813. A bill to provide a uniform time for the closing of polling places in the 1984 election of the electors of the President and Vice President of the United States and to make the day of the Presidential election in 1984 a national holiday; jointly, to the Committees on House Administration and Post Office and Civil Service.

By Mr. HUGHES:

H.R. 1814. A bill to amend the Atomic Energy Act of 1954 to extend certain provisions of the Price-Anderson Act to excess energy costs incurred following the closure of a nuclear powerplant due to a nuclear incident, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LEE:

H.R. 1815. A bill to amend the Indian Self-Determination Act to provide that grants under such act may not be made to a tribal organization for proceedings the tribal organization initiates based on the claim that land was acquired without compliance with the laws of the United States relating to conveyances by any Indian, Indian nation, or tribe or Indians; to the Committee on Interior and Insular Affairs.

By Mr. LEHMAN:

H.R. 1816. A bill to amend title 18, United States Code, to provide penalties for obtaining or attempting to obtain controlled substances from pharmacies by force or by breaking and entering, and for other purposes; to the Committee on the Judiciary.

By Mr. O'BRIEN (for himself and Mr. BENJAMIN):

H.R. 1817. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization; to the Committee on Energy and Commerce.

By Mr. OTTINGER:

H.R. 1818. A bill to amend the Uniform Time Act of 1966 to change the date each year on which daylight saving time begins from the last Sunday in April to the last Sunday in February; to the Committee on Energy and Commerce.

By Mr. PANETTA:

H.R. 1819. A bill to amend the Internal Revenue Code of 1954 to exempt certain farm property from the estate tax; to the Committee on Ways and Means.

By Mr. PETRI:

H.R. 1820. A bill to require any airport receiving Federal assistance to provide reasonable access to the terminal area of the airport to motor common carriers of persons seeking to provide transportation to and from the airport; to the Committee on Public Works and Transportation.

By Mr. SHANNON (for himself, Mr. BRODHEAD, and Mr. DOWNEY):

H.R. 1821. A bill to amend the Internal Revenue Code of 1954 to provide that sales of nonproductive assets will not be eligible for capital gains treatment; to the Committee on Ways and Means.

By Mr. SOLARZ (for himself and Mr. WAXMAN):

H.R. 1822. A bill to amend title 18 of the United States Code to make it a Federal crime to vandalize a house of worship or any religious articles therein; to the Committee on the Judiciary.

By Mr. TRAXLER (for himself and Mr. BRODHEAD):

H.R. 1823. A bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983; to the Committee on Ways and Means.

By Mr. WRIGHT:

H.R. 1824. A bill to provide that the clerk hire allowance for the Delegate from American Samoa shall be equal to the clerk hire allowance for the Delegate from Guam; to the Committee on House Administration.

By Mr. APPLEGATE:

H. Con. Res. 65. Concurrent resolution expressing the sense of the Congress that the Congress should appropriate funds for the construction of high-Btu coal gasification demonstration plants in Noble County, Ohio, and Perry County, Ill., to the Committee on Science and Technology.

H. Con. Res. 66. Concurrent resolution expressing the sense of the Congress that the United States should implement an aggressive policy that would lead to the recovery and revitalization of the American economy, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Ways and Means, the Judiciary, Government Operations, and Energy and Commerce.

By Mr. LOWRY of Washington (for himself, Mr. EDGAR, Mr. OBERSTAR, and Mr. PEASE):

H. Con. Res. 67. Concurrent resolution expressing concern over the situation in El Salvador; to the Committee on Foreign Affairs.

By Mr. MOFFETT (for himself, Mr. WALGREN, Mr. GOODLING, Mr. WOLPE, Mr. ROSENTHAL, Mr. BINGHAM, Mr. SOLARZ, Mr. BONKER, Mrs. COLLINS of Illinois, Mr. CROCKETT, Mr. DOWNEY, Mr. DYMALLY, Mr. ERDAHL, Mrs. FENWICK, Mr. GILMAN, Mr. HOWARD, Mr. LAGOMARSINO, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. PEPPER, Mr. RANGEL, Mrs. SCHROEDER, Mr. SHAMANSKY, Mr. SIMON, and Mrs. SNOWE):

H. Con. Res. 68. Concurrent resolution to express the sense of the Congress that the United States should provide immediate humanitarian assistance to Somalia in order to help that nation cope with the massive influx of refugees; to the Committee on Foreign Affairs.

By Mr. OTTINGER (for himself, Mr. DOWNEY, Mr. GLICKMAN, Mr. HOWARD, Mr. OBERSTAR, Mr. STARK, Mr. WEISS, Mr. WOLPE, Mr. SUNIA, Mr. FRANK, Mr. FAZIO, and Mr. EDGAR):

H. Res. 65. Resolution declaring that the President should continue the termination of military assistance to Bolivia, the severe curtailment of economic assistance to Bolivia, and the reduced official U.S. presence in Bolivia, until the Bolivian regime takes certain corrective actions; to the Committee on Foreign Affairs.

By Mr. PRICE (for himself and Mr. DICKINSON):

H. Res. 66. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Armed Services; to the Committee on House Administration.

By Mr. STOKES (for himself, Mr. SPENCE, Mr. RAHALL, Mr. CONABLE, Mr. ALEXANDER, Mr. MYERS, Mr. WILSON, Mr. FORSYTHE, Mr. HOLLAND, Mr. BROWN of Colorado, Mr. BAILEY of Pennsylvania, and Mr. HANSEN of Utah):

H. Res. 67. Resolution authorizing an investigation and inquiry by the Committee on Standards of Official Conduct; to the Committee on Rules.

By Mr. UDALL:

H. Res. 68. Resolution providing for the expenses of investigations and studies to be conducted by the Committee on Interior and Insular Affairs; to the Committee on House Administration.

By Mr. ZABLOCKI:

H. Res. 69. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Foreign Affairs; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

9. The SPEAKER presented a memorial of the Legislature of the State of South Dakota, relative to disclosure of certain election information before closing of the polls; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 1825. A bill for the relief of James E. Kennedy; to the Committee on the Judiciary.

H.R. 1826. A bill for the relief of Shinji Oniki; to the Committee on the Judiciary.

By Mrs. HECKLER:

H.R. 1827. A bill for the relief of Melba Robateau; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 1828. A bill for the relief of Gloria Evon Mayne; to the Committee on the Judiciary.

By Mr. LOWRY of Washington:

H.R. 1829. A bill for the relief of Stephen Dyer; to the Committee on the Judiciary.

H.R. 1830. A bill for the relief of Jennifer Ferrer; to the Committee on the Judiciary.

By Mr. O'BRIEN:

H.R. 1831. A bill for the relief of Theodore Michalopoulos; to the Committee on the Judiciary.

By Mr. PATTERSON:

H.R. 1832. A bill for the relief of Shabbir Ahmed Bala; to the Committee on the Judiciary.

H.R. 1833. A bill for the relief of Virgilio Cabeza and Marissa Cabeza; to the Committee on the Judiciary.

H.R. 1834. A bill for the relief of Florencio C. Ching; to the Committee on the Judiciary.

H.R. 1835. A bill for the relief of Gladys Viviani Silberstein de Levi; to the Committee on Judiciary.

H.R. 1836. A bill for the relief of John Dimas; to the Committee on the Judiciary.

H.R. 1837. A bill for the relief of Mrs. Marianne E. Hellon and her two minor children; to the Committee on the Judiciary.

H.R. 1838. A bill for the relief of Louie R. Lopes and Luke R. Lopez; to the Committee on the Judiciary.

H.R. 1839. A bill for the relief of Guillermo Esteban Perez-Garcia; to the Committee on the Judiciary.

H.R. 1840. A bill for the relief of Lehi L. Pitchforth, Jr.; to the Committee on the Judiciary.

H.R. 1841. A bill for the relief of Isabelita Clima Portilla; to the Committee on the Judiciary.

H.R. 1842. A bill for the relief of Jesus King Tan, Margaret Pearl Liyao Tan, and Jesse William Liyao Tan; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 1843. A bill for the relief of Carey E. Eyre, Jr.; to the Committee on the Judiciary.

H.R. 1844. A bill for the relief of Carey E. Eyre, Jr.; to the Committee on the Judiciary.

H.R. 1845. A bill for the relief of Carey E. Eyre, Jr.; to the Committee on the Judiciary.

By Mr. SIMON:

H.R. 1846. A bill for the relief of Madhav Prasad Sharma; to the Committee on the Judiciary.

H.R. 1847. A bill for the relief of Zahid Saqib; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1: Mr. ANTHONY, Mr. BARNARD, Mr. BENJAMIN, Mr. BOLAND, Mr. JAMES K. COYNE, Mr. D'AMOURS, Mr. DE LA GARZA, Mr. FAZIO, Mr. FORSYTHE, Mr. GOODLING, Mr. KOGOVSEK, Mr. LEE, Mr. MARRIOTT, Mr. MOLLOHAN, Mr. MOTTL, Mr. MURPHY, Mr. NOWAK, Mr. PEASE, Mr. RAHALL, Mr. SCHEUER, Mr. VOLKMER, Mr. WHITEHURST, Mr. WON PAT, Mr. YATRON, Mr. YOUNG of Missouri, and Mr. ZEFERETTI.

H.R. 188: Mr. ROUSSELOT, Mr. STUMP, Mr. ROBERT W. DANIEL, JR., Mr. DERWINSKI, Mrs. HOLT, Mr. LAGOMARSINO, Mr. KINDNESS, Mr. MARRIOTT, Mr. YOUNG of Alaska, Mr. PASHAYAN, Mr. BADHAM, Mr. FRENZEL, Mr. RITTER, Mr. BEARD of Tennessee, Mr. LOTT, Mr. TRAXLER, Mr. JAMES K. COYNE, and Mr. JOHNSTON.

H.R. 338: Mr. LEBOUTILLIER.

H.R. 560: Mr. MITCHELL of New York.

H.R. 1100: Mr. LOTT.

H.R. 1290: Mr. PANETTA, Mr. PAUL, Mr. LOTT, Mr. TAUKE, Mr. HIGHTOWER, Mr. NICHOLS, Mr. NEAL, Mr. ROUSSELOT, Mr. GLICKMAN, and Mr. JAMES K. COYNE.

H.R. 1765: Mr. WINN, Mr. EDWARDS of Oklahoma, Mr. FORSYTHE, Mr. DANIELSON, Mr. GOLDWATER, Mr. GRISHAM, Mr. DORNAN of California, Mr. SHUMWAY, Mr. BADHAM, Mr. MOORE, Mr. BREAUX, Mr. ARCHER, Mr. LOWERY of California, Mr. ANDERSON, Mr. LIVINGSTON, Mr. LAGOMARSINO, Mr. BURGENER, and Mrs. BOGGS.

H.J. Res. 159: Mr. WAXMAN and Mr. STOKES.

H. Con. Res. 55: Mr. JEFFRIES, Mr. CORRADA, Ms. MIKULSKI, Mr. SUNIA, Mr. CLAUSEN, Mr. WHITTAKER, Mr. WIRTH, Mr. FUQUA, Mr. WAXMAN, Mr. RINALDO, Mr. STOKES, and Mr. MOFFETT.

H. Res. 50: Mr. CORRADA, Mr. STOKES, and Mr. SCHUMER.

79-059 O 1984 — 44 — (Vol. 127 Pt. 2)

EXTENSIONS OF REMARKS

THE 1981 DEMOCRATIC PARTY

HON. MICHAEL D. BARNES
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. BARNES. Mr. Speaker, as Ronald Reagan assumes the Presidency of the United States, it should be reported that the Democratic Party is not in a quiescent state; all over this country Democratic leaders and activists are meeting to discuss the future of the Democratic Party. To state it succinctly, there is a serious reevaluation underway of all the themes, ideas, and policy positions which have traditionally guided the Democratic Party. This is a healthy process and one which should occur throughout all of the major institutions of our society to adjust to the complexities and changes of the 1980's.

One such effort which deserves attention is the revival of the National Democratic Forum. The Democratic Forum existed from 1973 to 1977 when the party was out of power and provided intellectual stimulus and a means of serious issue discussion within the Democratic Party.

As a part of the effort to reestablish the National Democratic Forum, a number of thought-provoking papers, setting a focus for discussion of the future of the party, have been prepared. One of these papers was developed by two longtime active leaders of the Democratic Party, Stephen I. Schlossberg and Ted Van Dyk.

Mr. Speaker, I insert the paper entitled "The 1981 National Democratic Party" in the RECORD for the information of our colleagues:

THE 1981 NATIONAL DEMOCRATIC PARTY

Samuel Johnson's observation that "nothing concentrates a man's mind like the imminence of hanging" applies equally to political parties: For example, the Democratic Party in 1981.

What happened to us last November?

Jimmy Carter was not the only loser. Hundreds of Democrats at federal, state and local level also lost their jobs, some of them in surprising upsets. Carter's weakness cannot be given sole blame for their defeats.

Many reasons have been offered:

Our party had become over-identified with demanding interest groups and unpopular social issues, deficit spending and inflation, and a "soft" foreign policy and loss of American influence in the world;

Right-wing money and direct-mail overwhelmed us at their points-of-attack;

The public mood was moving rightward;

And (particularly cited by those who would not change a comma in our New Deal catechism) we were just plain outspent, outorganized, and outhustled by a Republican juggernaut guided by GOP Chairman Bill Brock.

The purpose of this particular paper is not to weigh any of the above factors more heavily than the others. Some, in fact, may have had little to do with final November outcomes. And we should, after all, give some credit to Ronald Reagan and a Republican campaign which largely succeeded in positioning our opposition on the side of home, family, work, economic growth, national strength, wholesomeness, and governmental efficiency.

Two points, however, do seem worth making.

First, surveys since 1968 have shown steadily-increasing numbers of Americans moving away from federally-conceived, financed and administered solutions to the country's problems and from those who espouse them.

Second, and relatedly, similar data indicate that decentralization and personal participation are increasingly ascendent demands in the electorate. They also show that people do not like government these days, but that they least dislike those units of government closest to themselves. They also demand the opportunity to personally hear and be heard on those issues which impact them.

Both these points should be borne in mind as we look ahead not only to our political preservation but also to our future approaches to public policymaking. They surely should dictate, at a minimum, our seeking new approaches which move away from centralization, bureaucracy, impersonalism and a limiting of personal choice and freedom and move toward a return of power to the individual citizen, to those levels of government closest and most accountable to him, and to the private sector.

None of this, by the way, should be meant to imply that our party's greatest wellspring of strength—that is, our historic and unyielding commitment to economic and political justice and to the less-fortunate in our society—should in any way be compromised. It is our reason to be. This is, however, to suggest that we should not equate that commitment with statism.

Part of the next year's task must be to fully, and without inhibition, write and talk these things through within our party. Many of us began reexamining Democratic Party approaches and ideas 10 and 12 years ago. But only since November's debacle has "the imminence of hanging" for 1982 and 1984 Democratic candidates begun to stimulate a consensus opinion that we ought to move beyond the assumptions of the 1930's to new ideas which fit new times.

The other part of the task must be to organize and rule ourselves, as a party, in such a way as to build public confidence in our rationality and competence and to develop, assist and elect candidates who will serve their country honestly and well.

Much as we might wish it, none of these can be done rapidly, by a few leaders, or by "putting things back the way they were" before the participatory age. It will have to be done the hard way—in discussions, debates, resolutions and struggles from the grassroots levels upward as well as from national levels down. But, once begun, we should be on the way to the rebuilding of a party which, despite its recent defeats, still provides the single greatest impetus for social progress in America and which commands the loyalty of more people than does any other institution in our country.

I. DELEGATE AND CANDIDATE SELECTION

Pre-1968, our party's national nominees, platforms, and rules were largely determined by Democratic elected officials and party officers who knew the Presidential candidates as peers and who were faced with daily responsibility for governance. Since that time, because of "reforms" properly intended to broaden and deepen citizen participation, we largely have transferred that power to Presidential candidates, their organizations, the media, and those interest groups able to exert leverage on the candidates. At the 1980 New York City convention, only 45 U.S. Senators and Congressmen were included among the 3,331 delegates. We have, in fact, reached the point where many Democratic elected officials and candidates purposely avoid participation in the national convention so as to avoid association with controversial platform planks or conflict with those groups which support or oppose them.

Over three post-reform Presidential-nominating campaigns, we now know several unintended effects we have created in the process:

Namely, that delegate slates now consist most largely of true-believers chosen for their loyalty either to a single candidate or single issue rather than of elected officials or party officers with loyalty to the Democratic party or accustomed to give-and-take;

That the whole nominating process can be disproportionately impacted by the early Iowa caucuses and New Hampshire primary and the candidate who spends his time, money and organization there;

That, since voter turnout in primaries is notoriously low, the advantage lies with those candidates mechanically adept at voter identification and turnout, able to identify with "single issues," or willing to barter their independence for money and votes from disciplined interest groups;

That the national platform becomes the instrument of the party nominee and consists of the full "laundry list" of specific demands placed against him by farmer, labor, consumer, business, minority, ethnic, and other groups whose support he needs, regardless of the demands' impact on the party or the society-at-large;

That, since the identity of the Presidential nominee has been determined prior to the national convention, and since his delegates cast the deciding votes, the national convention no longer is a deliberative exercise taking into account the legitimate and balancing interests of various regions, groups and leaders within the party, but a coronation of the nominee and celebration by his close supporters. (One half expects to see the heads of the losers on pikes.)

Out of this process, it is perfectly possible that we will in future nominate a man or woman who is qualified, experienced, responsible and respected by the Democratic officeholders who later must work with a President at federal, state, and local level.

It also is possible that we will construct a party platform which courageously tells the truth to the American people and omits promises which cannot and should not be kept. But the present rules make it unlikely.

Our party clearly cannot return to the time when a handful of people made decisions for us all and many groups were excluded from participation. Nor should it turn its back on the democratization of the process which is reflected in the present ragged mixture of primaries and caucuses which choose the Presidential nominee. But it should: (1) attempt to bring greater reason and order to the nominating process; (2) bring elected Democratic officials and party officers back into the process; and (3) restore a meaningful role to the national convention.

In the nominating process, any one of several changes could materially improve what we have now. Four or five regional primaries, spaced a week or two apart, would expose the candidates to the local and regional issues which they should understand and address. They would remove the present disproportionate importance of less-populous "early" states such as Iowa and New Hampshire. They would reduce the travel costs and disorientation involved in shuttling by the candidates from one time zone to another, and back again. They would not give a candidate from a particular region any advantage or disadvantage over the long haul. Alternatively, even the present primary system would be greatly improved by establishment of more uniform rules in each. Some primaries allow crossovers. Some elect delegate slates separate from the Presidential-popularity vote. Some are advisory only. Some are combined with a caucus. There are other variations. There should be an understanding by the voters, and by the candidates, that there is a consistency and fair play to be expected from the primary process, no matter the state where it occurs, and that a candidate's percentage in the voting should bear direct relation to his share of delegates.

Within either a changed or existing sequence of primaries and caucuses, provision must be made for inclusion of elected and party officials. Proposals vary. Some say that from 10 to 50 percent of total delegate places should be set aside for U.S. Senators and Congressmen, governors, state legislative leaders, state chairmen, and party officers and that these persons should come to the national convention formally uncommitted to any Presidential candidate. Others suggest that a certain percentage of seats should be so reserved, but all or most of these persons should be committed to a presidential candidate, lest the voters in their state see the outcome of their state's primary or caucus effectively reversed by such officials. The Democratic National Committee should address this issue immediately, not only because we must stop the alienation of our elected officials from party processes, but also because we need their inputs and commitments to what the party does. It is presently all too easy, for instance, for an elected Democratic official to walk away from a county, state or national platform on the basis that "I didn't have anything to do with it. . . . it was all done by a few true-believers and special-interest people." If such an official is a participant in the process, by rule, he or she will have no choice but to honestly contribute to it and, one would hope, to influence and support it. Unless we bring our elected officials back, we will contribute further to doing at all levels what we already have done at the national level—namely, creating candidates who do and say as they please, making their own bargains with interest groups, with no regular tie with the Democratic Party per se other than the use of its label.

The national convention's role would be enhanced by reserving a percentage of delegate seats for elected officials and party officers, as outlined above, who would thus have power to make the difference in any close nominating, rules platform or credentials contest. The credentials, rules and platform committees all should likewise be constituted with seats set aside for a certain percentage of officials and party officers. The platform committee should be sharply reduced in size and the draft document itself should be directly referred from a small drafting subcommittee, to include for the first time formal representatives of the Democratic Congressional leadership and Democratic Governors and Mayors Conferences, to the full committee for plank-by-plank vote. No minority plank should be referred to the general convention floor with less than 40 percent of the signatures of the full committee. These changes would put platform-drafting largely back into the hands of men and women with daily responsibility for, and knowledge of, policy. It would also reduce the impact of "runaway" drafting subcaucuses among the presently-large platform committee membership (in 1972, the first year the new "reform" rules applied to the platform process, a "rural caucus" jammed through a plank pledging the national Democratic Party's support for 125 percent of parity. The action, if translated into serious policy, would have broken the federal treasury).

One proposal calls for election, state-by-state, of Democratic convention delegates all of whom would arrive at the national convention uncommitted to any Presidential candidate. This certainly would add to the convention's role as deliberative body. But, it would seem it also would break faith with the democratization and responsiveness which have been set in motion over the past 12 years and which the American people continue to demand. No, grassroots voters should continue to have a greater stake than that. But the party Establishment also needs to get back in the game.

II. MONEY AND TECHNICAL ASSISTANCE

Many Democrats, pointing to recent Republican example, complain that the Democratic National Committee did not in 1980 dispense funds to deserving federal, state and local-level candidates. The fact is, it hasn't done so on any scale in the memory of active living Democrats dating back to Franklin Roosevelt. But there is no reason it should not do so. The leftover 1968 debt is finally within sight of liquidation. The Democratic National Committee should now begin to close the 10-year-lead which the Republican Party has established in direct-mail experience and technology. And it should be prepared to counter state-by-state the millions of dollars and sophisticated computer planning which the Republicans have mobilized to wage the all-important reapportionment battle. Strangely, the Democratic Party has continued to receive much of its money from large donors and special-interest organizations while the Republican Party has been successful in broadening its base among medium-size and small donors. Early Reagan Administration cuts of traditional Democratic social programs; Reagan initiatives harmfully impacting labor and senior citizens; and looming issues involving separation of church-and-state and civil liberties should provide immediate impetus to any national Democratic direct-mail fundraising effort.

Simultaneously, the DNC should begin to institute the kind of technical assistance programs which proved so successful for Republicans last fall. Issue research and polling data should be shared with Democrats in Congress and with state party organizations. Field organizers should travel the country to help local Democratic organizations identify and recruit potential candidates and to provide them with campaign skills training. Regional coordinators should help state and county organizations institute their own computerized direct-mail, fundraising and communications programs. Television and radio spots on major issues, easily adaptable for use by Congressional, state and local candidates, should be mass-produced by the DNC and provided at little cost to candidates. (At present, most campaigns are eating up some 50% of their total budgets on media expenditures, much of it for production.)

A lively, meaty monthly newsletter should be published with circulation to media, Democratic officeholders, and state and county party organizations. The newsletter not only should contain critiques of Reagan proposals, but also excerpts from thoughtful speeches by Democrats; reprinted articles on public issues from mass-circulation and specialized magazines and newspapers; summaries of opinion trends; editorial cartoons; summaries of major Democratic legislative proposals; and news from various states. It should be sufficiently entertaining and substantive so as to be quoted elsewhere, upset the Republican opposition, serve as a source of stimulus and morale for Democrats, and raise revenues from those who will pay for subscriptions on a quantity or individual basis. Voter identification and registration programs should be packaged by the DNC and taken to each of the state parties for implementation. Legal counsel should concentrate particularly on lending technical assistance to those Democratic organizations which must fight their way through redistricting before 1982. Both Congressional and state-legislative balances-of-power will be at stake in these cases.

In summary, the DNC should quickly make the transition from being the ad hoc instrument of an incumbent President largely unconcerned with party affairs beyond the White House to one which sees itself as a rallying point and central service-bureau for millions of grassroots Democrats, thousands of candidates, and the established Democratic leadership and campaign organizations in the Congress and in the states.

III. POLICY DEVELOPMENT

As noted, the party badly needs to rethink many of its central premises and approaches. One should not expect the Democratic National Committee, however, to produce sharply-honed new policy proposals. The moment it strays too far from fundraising and technical assistance it becomes, by definition, a player in a potential factional struggle. The DNC, nonetheless, should help provide the framework for dialogue and rethinking through a reconstituted Democratic Policy Council. This Council, as past ones, should be broadly based and include Congressional, state and local-level Democratic elected officials; past Democrat-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ic appointees; representatives from labor, business, consumer, farmer and other groups traditionally active within the party; ethnic and minority representation. It should establish sub-groups to study various foreign and domestic policy sectors. It should issue analyses of Republican policies and proposals. It should coordinate staff work for the mandated midterm conferences we will need to develop and disseminate our evolving views. It should not, however, aspire to issuance of finished Democratic Party policy proposals. No, new thinking and initiatives will come from individual Senators and Congressmen, from state officeholders, from writers and academics, and from independent centers of policy-development. But the DNC can provide an invaluable function by providing, through the Policy Council, a place where issue-oriented Democrats can make contact with each other and be exposed to each other's thinking. The DNC should provide a forum for thinking and communication. It can serve as a transmission belt for dissemination of proposals and ideas offered and developed elsewhere. But it should bear in mind that others in the party have primary responsibility for policy development. And it should concentrate its energies on the nuts-and-bolts functions (under subtitle II) which cannot be done as well elsewhere.

IV. THE NEXT NATIONAL CHAIRMAN

In light of the above tasks, the next DNC Chairman should possess the following qualities. He or she should be someone who will raise money; enthusiastically undertake the nitty-gritty work of party operations and technical assistance; defer to Congressional leaders and other elected officials as policy spokesmen; entertain no personal thoughts of running for public office; patiently see through the amending and updating of party rules and procedures; and not choose sides in any 1984 Presidential-nominating contest. He or she should not be a defeated Democratic candidate seeking vindication, a would-be candidate seeking media and party exposure; an ideologue; strongly identified with any particular faction or potential Presidential candidate. Then, quite obviously, there are the necessities for competence, integrity, and a background of experience with present party rules and processes over the past 12 years.

SUMMARY

We need to update our thinking, rationalize our party rules, change our convention and delegate selection processes, bring elected officials back into party activities, and begin providing tangible financial and technical assistance to Democratic candidates at all levels. As last November should have proved to us, we are overdue in doing all these things.●

TRIBUTE TO JOHN BRIZENDINE OF LONG BEACH—1981'S MOST OUTSTANDING SALESPERSON

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. ANDERSON. Mr. Speaker, on February 13, 1981, the Long Beach, Calif., chapter of the Sales and Marketing Executives' Organization will present its Most Outstanding Salesperson Award to one of my district's most distinguished citizens, John Calvin Brizendine.

The Outstanding Salesperson Award is presented annually to the private citizen who has most successfully promoted the city of Long Beach to the outside business world.

John Brizendine was born in Independence, Mo., on August 3, 1925. Notable achievement came early. He received the Eagle Scout Award from the Boy Scouts of America in 1940. He served as a naval aviator in the U.S. Navy during World War II. After the war, he returned home to marry his high school sweetheart, Shirley McFarlane. He continued to serve in the U.S. Naval Reserve from 1946 to 1961.

In 1949 and 1950 respectively, John obtained his bachelor of science degree and his master's degree in aeronautic engineering from the University of Kansas. He joined the Flight Test Department of Douglas Aircraft Co., a division of McDonnell Douglas Corp., in Long Beach. As a flight test engineer, he rose to prominence, advancing to program manager for the DC-8, the DC-9, and the DC-10 programs. He was then promoted to vice president of engineering, and from there to executive vice president at Douglas Aircraft Co.

In 1973, John became president of Douglas Aircraft Co., and the same year was made a member of the board of McDonnell Douglas, where he shoulders further internal responsibilities. In addition to serving as president of Douglas, he is currently corporate vice president of the McDonnell Douglas Corp. at large.

John Brizendine's high concern for the quality of our social fabric is clearly demonstrated by his participation in community organizations. A member of the Boy Scouts' Executive Council, he received the Distinguished Eagle Scout Award in 1975 in recognition of his business achievements. He received the Silver Knight Award of the National Management Association in 1965 for his distinguished service.

In 1974, the University of Kansas honored him with its Distinguished Alumnus Citation. He also served as two-time campaign chairperson of the United Way from 1978 to 1980, spearheading drives raising $3.5 million and $3.8 million respectively for United Way Region 3.

These are but a few of his many accomplishments. It is clear that John is a worthy recipient of the Sales and Marketing Executives' Organization's Outstanding Salesperson Award. My wife, Lee, joins me in saluting John, his wife Shirley, and their children, John Sands Brizendine and Suzanne "Suzi" Jansen, for this noteworthy achievement, and we wish them continued success in the future.●

GRAIN EMBARGO

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. BEREUTER. Mr. Speaker, in a recent editorial, the Sioux City (Iowa) Journal pointed out that there are those who argue that the Soviet grain embargo is justifiable primarily for national security reasons. The Journal effectively demonstrates that that argument is an example of faulty and dishonest reasoning. I request that the editorial be reprinted in full for the benefit of my colleagues.

[From the Sioux City (Iowa) Journal, Feb. 1, 1981]

EMBARGO RHETORIC

Apparently some folks in the Reagan administration are backing off from that campaign commitment to remove the embargo on grain sales to Russia. There are indications that other conservative planners feel the same way.

This is too bad, since it tends to lower Reagan's credibility in the farm states. Beyond that, the farm segment tends to feel that if embargos are such an effective weapon against Russia, let's embargo everything.

Reagan's ag secretary, John Block, still stands firm in opposing the continued embargo, especially on corn and wheat. But apparently the full Cabinet will be considering the matter and who knows what will happen in that situation?

A disturbing manifestation of conservative shift on the grain embargo comes from the Heritage Foundation, which is a Washington-based, conservative think tank that has been giving lots of advice to the Reaganites in the last couple of months. We say "disturbing," because indications are Reagan has been taking the Heritage Foundations's advice—and now the outfit is arguing in favor of continuing the grain embargo. In the past, we've found a lot to agree with in Foundation analyses. But in this instance, we don't think the Foundation's arguments are valid.

The pro-embargo stance of the Heritage Foundation comes in a study made by Paige Bryan, an international economist who is currently associate director of foreign trade policy at the U.S. Chamber of Commerce.

She says that if the U.S. "were to tighten its controls (on grain exports to the USSR), and seriously seek cooperation from other suppliers in 1981, Soviet citizens would feel the effects and there would be noticeable repercussions in the Soviet economy."

While admitting that the grain shortfall the U.S. imposed on the Soviet was not as great as originally planned, Bryan argues that the embargo had a negative impact on the Soviet economy in three areas: It reduced Soviet meat consumption, it slowed growth in the "highly vulnerable" agricultural sector; and it generally aggravated problems with the Soviet's 1980 harvest.

It will be recalled that U.S. farmers were quite disturbed when the grain embargo was called. They figured they were going to lose money. And they did, at first.

But Bryan answers these criticisms by citing circumstances that cushioned the economic blow for U.S. farmers. She says the fact that the U.S. crop was lower than expected increased grain prices, and largely cancelled the price-depressing effects the embargo might have had.

True; but Bryan can't use that as a valid argument. It all happened after the fact. At the time the embargo was placed, everything indicated the farmer was going to lose money. The Carter administration admitted it, and decided to embargo anyhow. As far as the Carter camp was concerned, the farmer was going to have to swallow a bitter economic pill. We don't think Bryan or anyone else can come along and say the embargo was justified economically because of factors that played on the situation months later. And for Bryan to argue that a short crop increases grain prices is to reveal a startling lack of expertise in farm production, not to mention basic arithmetic—especially for an economist.

Bryan argues also that actions taken by the administration to protect farmers from the potential adverse effects of the embargo were successful, for the most part. They were not. Conditions beyond the control of either farmer or administration "protected" farmers, if a drought and an increased world grain market can be called protection.

Finally, the Heritage Foundation-Chamber of Commerce expert believes "The embargo aimed at the Soviets is justifiable, principally, on national security grounds."

If that is true, we and the rest of the farm economy could suggest that a fuller embargo on all U.S.-Soviet trade would be even more justifiable on national security grounds. Let the entire American economy be placed into the arena, not just agriculture. Certainly Bryan can agree that this would really increase the economic pressure. (What kind of national outcry would follow, especially from Bryan's Chamber of Commerce constituency, we hate to imagine.)

All this aside, we can understand why there is such a great temptation for an administration—Carter, Reagan or any other—to plump for a grain embargo. In one dramatic action, the nation can fight Russia and at the same time offer the American consumer relief from higher food prices. Embargoing grain sales outside the U.S. guarantees lower food prices at home, right?

It's specious reasoning. But without going into all the pros and cons—if that's the real reason for all the current conservative concern about the Soviet grain embargo, why doesn't someone have the grace to be honest about it?●

THE MARRIAGE TAX MUST BE ELIMINATED

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. PORTER. Mr. Speaker, over the past decade, the United States has witnessed a dramatic shift in the American work force. Most American families today need two incomes simply to make ends meet. Consequently, more than half of all married women in the country are now working, with women entering the work force at a rate of about a million a year. By the end of 1990 anywhere from two-thirds to three-fourths of all married women under age 35 will be working. These are the women who suffer the inequities of tax laws developed a decade ago.

Until 1969, unmarried people generally paid higher Federal taxes than did their married counterparts. Congress' remedy for this inequity was to maneuver the tax tables so that a single wage-earner would not benefit greatly by marrying someone with an independent income. But this revision inadvertently created the marriage tax, a tax falling on married couples if the income of one spouse exceeds 20 percent of the income of the other—and the more equal the two incomes, the larger the tax.

The United States is the only country in the Organization for Economic Cooperation and Development in which the tax cost of the second earner's entry into the work force is higher than that of the first. Almost 40 million Americans may pay more taxes simply because they are married.

A recent Justice Department study described the marriage tax as the major source of sex discrimination in the Tax Code. By taxing the income of the second spouse at such a high marginal rate—the effective tax rate on a $20,000 second income can easily reach 55 percent or more when social security and State income taxes are included. Our current Tax Code has the negative effect of discouraging marriage or discouraging married women from taking a job.

The marriage tax is blatantly unfair and contrary to sound social policy. Many working wives feel frustration after having made the decision to go to work when they discover that their income is so heavily taxed that the decision barely pays off.

Tax equity is not only long overdue, but it is widely supported. A Gallup poll found that 83 percent of those surveyed favor the elimination of the marriage tax.

Congresswoman FENWICK has championed the proposal to eliminate the marriage tax by simply allowing two-earner couples the option of being taxed as if they were single. This approach would preserve the benefits of filing jointly for one-earner couples and would not alter the tax rates for singles. This is a sound piece of legislation and one that I am proud today to add my name to as cosponsor.●

TRIBUTE TO SUZIE DISTASO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. ANDERSON. Mr. Speaker, in Torrance, Calif., on February 15, the South Bay Democratic Club will meet to honor Suzie Distaso and give to her the Democrat of the Year Award. This award is given to those individuals who are willing to give freely of their time and talent for the good of the Democratic Party.

Suzie certainly deserves this honor. She is always in the forefront when it comes to serving and giving herself to causes she feels will be helpful and effective. For example, she serves on the California Democratic Council, the County Central Committee, the State Central Committee and is one of the mainstays of the RFK Democratic Club of the South Bay. Other than her political party activities, Suzie also takes an active role in the Alliance for Survival, the Hand Gun Control Coalition, and is a vital part of the Pacific Unitarian Church.

As a longtime Torrance resident, she has grown up with the area and understands the many problems of the South Bay, and she has set about to change her world for the better. She is a dedicated, willing person who has an abundance of energy and is always ready to help. She finds it hard to say no when needs are presented. Suzie's efforts are being recognized by this award.

Besides holding down a full-time job, Suzie makes time for her family. She and her husband, John, have two fine daughters, Lara, 12, and Cindy, 11.

Lee and I are glad to be part of this occasion. We extend our congratulations and best wishes to the Distaso family and wish them years of happiness and success.●

CHESTER CONGREGATIONAL CHURCH—250TH ANNIVERSARY

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. D'AMOURS. Mr. Speaker, I would like to take this opportunity to congratulate the Chester Congregational Church on its 250th anniversary, which will be celebrated on October 20, 1981.

Situated in the lovely New England town of Chester, N.H., this church possesses a remarkably rich history. The earliest chronicles of the Chester Congregational Church date back to 1731, and were recorded in a parchment covered book maintained by the first pastors of the church, Rev. Moses Hale and Rev. Ebenezer Flagg. Formally organized on October 20, 1731, during the reign of His Majesty King George II of England, the church from its inception provided the early settlers of Chester a house of worship, a refuge during times of crisis, and a place to share their dreams of making a better life in a great new land.

During its 250 years of existence, the dedicated and devoted members of the Chester Congregational Church have

visited the sick, ministered to the needs of the poor, comforted the bereaved, and promoted high Christian ideals among the young people of the community.

The church is presently under the leadership of Rev. Marnette S. O'Brien. Her congregation continues to thrive and has every reason to be proud of its unique heritage.

I want to extend my warmest congratulations to Reverend O'Brien and the members of the Chester Congregational Church on this special occasion.●

FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATION

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. BROYHILL. Mr. Speaker, I am today introducing legislation to eliminate the standing authorization for the Federal Communications Commission contained in the 1934 Communications Act and instead put the Commission's authorization on a 3-year schedule.

At present, the Energy and Commerce Committee and its Subcommittee on Telecommunications, Consumer Protection and Finance have direct oversight responsibility for the FCC; however, our committee lacks one of the most fundamental oversight tools—a regular authorization process for the Commission.

With the requirement for a periodic reauthorization for the FCC added to the law, I believe that we can and will perform more effective oversight of the Commission's activities.●

NORMAN RABB: A MAN OF VISION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. SOLARZ. Mr. Speaker, to the extent that I have been able to make some progress in the public life of the community from which I come, and the country in which we live, I owe it, in large measure to my college experience at Brandeis University. Brandeis gave me the opportunity to take part in one of the most exciting adventures in the history of higher education in America. Brandeis is not simply a good university—it is a great university; one where the life of the mind is cultivated and where intellectual achievement and the public good are cherished.

From the very beginning, Brandeis University has occupied a special place in the hearts of the great women and men who built and sustained it. It is one of these rare individuals, Norman Rabb, that I speak of today.

As a renowned philanthropist whose benefactions have touched many lives, mine included, Norman Rabb is a founding trustee of Brandeis and a former chairman of the board of trustees. But beyond his leadership roles, he has demonstrated an unbroken commitment to the ideals and ideas that have forever guided this great institution. For his kind heart, his gentle spirit, his wise counsel, and most of all his vision, Brandeis is honored to publicly recognize him in this, his 75th year by presenting to him the Jacob Goldfarb Medal.

The medal is presented at the annual Palm Beach luncheon to a recipient who, as the man who inspired the award, evidences qualities of moral strength, altruistic generosity and deep concern for mankind. Norman Rabb, like Jacob Goldfarb, has earned the respect and admiration of all for demonstrating selfless consideration, sympathetic benevolence, and unswerving dedication to humanity.

For my own part, I am enormously grateful for the kindness and generosity of Norman Rabb. For without his contributions to Brandeis, my own education would not have been possible and the opportunities I had would have only been dreams.

Today, I speak for thousands of Brandeis students and graduates when I say "thank you" Mr. Rabb.●

CAPITAL GAINS TAX

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. SHANNON. Mr. Speaker, in 1978, Congress passed a bill that reduced the tax on capital gains; our intention was to increase economic growth by stimulating investment. While it is certain that some beneficial effects have been realized, it is too soon to determine how well that legislation accomplished its purpose. It is, however, clear that the provisions of the capital gains tax reduction must be qualified.

The 1978 bill does not differentiate between productive and nonproductive assets. The legislation I am introducing today makes that distinction.

Productive assets include stocks and bonds; real property used as a residence or a place of business; and depreciable property, like machinery or equipment. My bill does not alter or reduce the benefits of the 1978 capital gains provisions for these investments.

In the nonproductive assets category are such things as gold, silver, rare books, antiques, jewelry, and coins. Investments in nonproductive assets do not stimulate economic growth or productivity, and profits from their sale or exchange do not merit preferential tax rates. By depriving nonproductive assets of their Federal subsidy, we will decrease the enormous revenue loss which results from the current blanket reduction in capital gains tax rates.

It is a simple question of equity. If we are going to consider cutting food stamps, mass transit, and foreign aid, should not we consider cutting tax loopholes, too?●

SRI LANKA'S 33D ANNIVERSARY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. ZABLOCKI. Mr. Speaker, February 4, the 33d anniversary of Sri Lanka's independence, is a fitting time for us to recognize the political, economic, and social achievements which have marked that country's history as a free, democratic society. In addition, 1981 marks the 50th anniversary of the granting of universal adult suffrage for Sri Lankan national elections.

Sri Lanka's democratic tradition, which has included adult franchise in local elections since historic times, is strong and healthy. The Government has changed hands in an orderly manner following six of the seven general elections held since 1948, a record for democracy in action in postcolonial Asia. Over the past 16 years, voter participation in national elections has averaged over 80 percent, an accomplishment which we in this country should emulate.

In her relations with the world community, Sri Lanka adheres strictly to a policy of nonalinement, and bases her actions on the principles established in the United Nations Charter. Sri Lanka has consistently attempted to operate within this framework, endeavoring to promote reconciliation among nations, the peaceful resolution of disputes, and an international atmosphere of cooperation where nations of diverse views and desires can work together toward the betterment of all nations and peoples.

Sri Lanka has for many years been regarded as a model in the developing world for the standards it has set in meeting the basic human needs of its citizens. Its life expectancy rates of 64 years for males and 67 years for women and its literacy rate of 88 percent are not equaled in many countries with much higher per capita incomes than Sri Lanka enjoys.

In spite of this record of success, Sri Lanka's earnings have not been sufficient to promote the country's development needs, and international commodity prices recently have had a strong negative impact on the country's international balance of payments. In an effort to strengthen the country's economy, the present government of His Excellency J. R. Jayewardene has made a major commitment to agricultural self-sufficiency and the attraction of foreign investment for industrial development.

The Mahaweli development program, which Sri Lanka has undertaken with assistance and cooperation from the United States, the World Bank, and many other donors, is an ambitious program of land reclamation and irrigation. In the first phase of the project, five dams are to be constructed, providing for the irrigation of approximately 117,000 hectares of land and generation of 500 megawatts of power.

The country has taken many steps to encourage foreign investment in recent years, and is in the process of creating its second free trade zone; 130 industrial ventures from 25 countries have signed agreements to operate in these zones. In addition, the annual number of foreign investment proposals approved outside the free trade zone have increased fourfold since 1978, and 11 new foreign banks and credit companies, including 4 from the United States, were attracted to Sri Lanka since 1978.

Sri Lankans have every reason to be proud of their country. It is my pleasure and privilege to offer them congratulations and best wishes on the 33d observance of their national day.●

MARYLAND AGRICULTURE WEEK

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. DYSON. Mr. Speaker, yesterday I had the opportunity to share with my colleagues, Senator PAUL SARBANES and Representative BEVERLY BYRON, a celebration of Maryland agriculture. Each year the Governor of Maryland proclaims Maryland Agriculture Week and Maryland farmers host an agricultural dinner in honor of the Governor and the members of Maryland General Assembly.

Agriculture to the citizens of the Free State is not merely an industry but a way of life. The 1981 theme this year is "Voice of the Land." Maryland despite her size has increased her agricultural productivity by 300 percent from 1960 to 1980. During this period of increased food costs for American consumers, the more food that Maryland can produce and send to the marketplace, the more American shoppers will save. With transportation costs at a premium it is easy to see how consumers can benefit from Maryland grown commodities.

I am very proud to have been a participant in that celebration of our State's excellent contribution to the lifeblood of our Nation.●

SOLAR ENERGY AND THE OIL COMPANIES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. MILLER of California. Mr. Speaker, as we consider moves designed to strengthen our Nation's free market energy policy, we cannot forget an important cornerstone of that policy: competition and the resultant diversity. Our Nation's industrial growth has come about because of the diverse nature of American business and the competition that has continually improved products and processess.

I am enclosing an article from the Wall Street Journal that outlines some concerns about decreasing competition in the solar energy area. The article explains that many small solar energy firms are being acquired by larger oil companies. Aside from the concern about protecting a strong, small business community, these purchases raise the fear that solar energy's development could be hindered to reduce competition with oil. I am very concerned about this trend, and believe that it bears watching by the Congress.

The article follows:

BIG OIL'S PUSH INTO SOLAR IRKS INDEPENDENTS

(By Amal Nag)

The ranks of independent companies seeking to produce salable electricity from sunlight are thinning fast. And to hear some disgruntled solar entrepreneurs tell it, the reason is that they're on to an idea whose time has come.

Since the mid-1970s, big companies—especially big oil companies—have been buying small companies engaged in solar research or the manufacture of solar-power products. Among the 40 or so small companies now in the electricity-from-sunlight business, more than half are owned, wholly or partly, by petroleum producers.

The electric-power side of the solar industry lags well behind the use of sunlight for heating. Photovoltaic cells, the components that convert sunlight to power, are far more costly and sophisticated than solar "collectors" and other heat-transfer systems now in use in thousands of homes and commercial buildings. Until now, the cells have been used mainly in space satellites and at remote communications stations, where alternate power supplies are expensive or nonexistent.

THE HEART OF THE CELL

But solar-power enthusiasts say new methods of making silicon crystals—the heart of the photovoltaic cell—will sharply reduce the cost of solar-produced electricity. They say their business will take off soon, and that when it does, independent firms will be hard pressed to compete against the resources of big oil.

Nor is this their only complaint. Other big companies, chiefly electrical-equipment manufacturers, are grabbing an increasing share of the limited federal funds for solar research. While this works to dampen oil-company dominance, it galls the small independents who rely on grants from Uncle Sam for most of their revenue.

There are outside critics, too. Allen Barnett, a solar-energy expert at the University of Delaware, argues that with less competition, it will take longer to produce solar-generated electricity at a cost competitive with power from more conventional fuels. The Small Business Administration warns that a few big companies are creating an "uncompetitive" solar market. The Justice Department and the Federal Trade Commission say they are watching the situation.

GENERATING COSTS

In 1974, it cost $5 to $10 per kilowatt-hour to generate solar electricity. New photovoltaic technology has cut that cost to about $1 per kilowatt-hour, and the Energy Department predicts the cost might drop to between six cents and 20 cents by 1986. Some experts, however, think this forecast is too optimistic.

By comparison, utility-generated electricity costs between four cents and nine cents per kilowatt-hour, depending on the fuel and the region.

The Energy Department projects that solar-electric annual sales will jump to $1 billion in 1985, compared with today's estimated $50 million. The department also expects solar power to account for 5% of the nation's energy consumption by the year 2000. "The solar electric market could explode," says Steve DiZio, president of SES Inc., the solar unit of Shell Oil Co.

Oil companies are watching these trends closely. Their reserves of oil and natural gas won't last forever, and their investments in coal and uranium remain uncertain for safety and environmental reasons.

"We have a high stake in all this. We need to know how the market is going to change in the future," explains Gordon McKeague, manager of corporate development for Standard Oil Co. (Indiana). The company currently owns 25% of Solarex Corp., the nation's largest solar-electric concern.

THE OIL-INDUSTRY SHARE

These considerations have prompted other oil companies—Exxon Corp., Atlantic Richfield Co., and Mobil Corp.—to buy into independent solar concerns. According to the American Petroleum Institute, oil companies directly or indirectly control 77% of the sales made by the solar-electric industry. Government officials say the oil industry's share is closer to 90%. Three years ago, oil companies had less than 50% of the market.

Although government agencies say they're concerned, the FTC's Bureau of Competition says it doesn't want to "overreact" to the oil-company concentration because of the likelihood that other diversified manufacturers will enter the industry.

Many of these potential competitors are big electrical companies—Westinghouse Electric Corp., General Electric Co., Motorola Inc., and Texas Instruments Inc., among others. Westinghouse, which supplies power-generating equipment to utilities, is already planning commercial-sale production of photovoltaic cells.

The SBA says all this is little help to small, independent solar firms. Christopher

Burke, the SBA's "solar advocate," says big companies subsidize their solar units by letting them place no-profit bids for government solar contracts—something independent firms can't do. Last year, small businesses received 15%, and big corporations got 45%, of the $150 million federal solar budget. The balance went to universities and government labs.

"The DOE isn't giving us a chance to survive," says Robert Chariton, vice president of Solectro-Thermo Inc. of Dracut, Mass. Mr. Charlton says that although his company's photovoltaic technology is "five years ahead of the rest of the industry," its requests for solar funds have been turned down repeatedly.

Meanwhile, Solectro-Thermo has turned down acquisition offers from Atlantic Richfield and others.

At least one DOE official admits a bias toward big companies when it comes to solar-power projects. Paul Maycock, DOE's director of solar electricity, says, "it's difficult to do business with small firms" because they lack sizable staffs and sophistication in presenting proposals.

Mr. Maycock thinks the big corporations will have their own problems with solar power and that only a few will survive. "In the end, we are going to have four companies, as in the automobile industry," he says.●

JAMES J. "PAT" PATTERSON—CITIZEN EXTRAORDINARY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. PANETTA. Mr. Speaker, after decades of active participation in the political process, James T. "Pat" Patterson has retired from the Monterey County, Calif. Democratic Central Committee. Pat's dedication to improving the process and increasing citizen involvement has been extraordinary, and I believe he can serve as an example to people across this country who want to keep our democracy strong.

Pat first came to Monterey County in 1928 and by 1929, he was already active in politics, working with labor unions in the area. He was one of the first businessmen in the small town of Seaside. His grocery store operated during the depression, and he was able to help many local residents to survive that era of hardship.

Pat has been an active member of the Monterey County Democratic Central Committee since 1938, and during most of those years, he has also worked very hard within the Democratic State Central Committee. The list of State and local campaigns Pat labored in is too long to run through, but his hard work on the campaigns of Governor Oleson, the first Democratic Governor of California, Lt. Gov. Robert L. Patterson, Senator Sheridan Downey, Gov. Edmund "Pat" Brown, and Senator Alan Cranston are most noteworthy. In addition, in 1958, Pat was the chairman of the successful campaign to elect the first woman, Betsy Kramer, to the Monterey City Council.

Pat also worked in national campaigns, including the Kennedy campaigns and the Truman campaign. To me, one of Pat's most exciting memories would have to be his participation in President Harry Truman's whistlestop tour of 1948.

As a member of the Monterey Democratic Central Committee myself, I was able to witness the extraordinary leadership capabilities of Pat Patterson. He served as presiding chairman and as appointments committee chairman, and his experience and good nature will be sorely missed. I am proud to know him, and I hope that his wisdom and energy will continue to be available to us on the Monterey Peninsula.●

HUMAN RIGHTS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. BONKER. Mr. Speaker, Jerome J. Shestack, who brilliantly represented our country at the United Nations Commission on Human Rights and now is the president of the International League for Human Rights, has written a thought-provoking article on human rights as an integral part of our foreign policy.

Ambassador Shestack states:

Another way of appraising the value of human rights policy is in terms of realpolitik. There is a world competition between Communist and Western ideology. In this competition, our human rights advocacy is a potent counter to expansion of Communist influence. There is no doubt that human rights initiatives generate popular support among masses of people. The Soviets fear our human rights policy because of their own dismal record and because they sense the power that ideas of freedom can exert. Our advocacy of human rights thus advances the human condition, confounds and isolates our adversaries, wins respect and friends for the United States, and helps to reinforce our claim for world leadership.

I commend to the attention of my colleagues, Mr. Shestack's essay which appeared in the Washington Star of January 4, 1981.

HUMAN RIGHTS REMAINS OUR BEST WEAPON

(By Jerome J. Shestack)

There is much talk these days that the new administration will abandon the human rights emphasis in our country's foreign policy. The speculation may be premature.

Each administration pursues the foreign policy that it believes will best serve the national interest. The question is what will be perceived as the national interest. I believe there are cogent reasons for the Reagan administration to conclude that our human rights policy does serve our country's best interests.

First, human rights advocacy is in the American tradition; we have been exporting concepts of liberty for some 200 years. This nation's own self-esteem, sense of purpose and commitment to its fundamental values are strengthened by advancing a human rights policy— a policy that commands support from the American people.

Second, such a policy furthers the imperative in U.S. foreign policy that Secretary of State-designate Haig recently described as "a reassertion of American relevance to global events." There is no doubt that human rights have become a central item on the global agenda. As events in Iran, Poland, Afghanistan, the Soviet Union, El Salvador and elsewhere starkly demonstrate, human rights issues are not just internal affairs, but have global implications and consequences. The United States cannot remain relevant to global events without focusing on human rights concerns. Our support of human rights affords us a unique opportunity to be responsive to aspirations of peoples around the world and to identify with leaders trying to improve the people's lot.

Third, advancing human rights serves our security interests. Human rights values include responsiveness to the will of the people, as well as restraints on external and internal aggressive acts. Repression of human rights is a source of tension and instability and can impair peaceful relations between nations. It is naive to believe that repressive nations will prove reliable friends or stable allies. Experience has too often shown the contrary. We, and other democratic nations, would be more secure if more countries of the world had a common purpose based on respect for human rights.

PRACTICAL ADVANTAGES

Another way of appraising the value of human rights policy is in terms of realpolitik. There is a world competition between Communist and Western ideology. In this competition, our human rights advocacy is a potent counter to expansion of Communist influence. There is no doubt that human rights initiatives generate popular support among masses of people. The Soviets fear our human rights policy because of their own dismal record and because they sense the power that ideas of freedom can exert. Our advocacy of human rights thus advances the human condition, confounds and isolates our adversaries, wins respect and friends for the United States, and helps to reinforce our claim for world leadership.

These are compelling reasons for human rights emphasis in our foreign policy. But the charge is made that our policy is not consistent. That may be true but the charge is unsophisticated. Sometimes we may appear inconsistent because we lack the leverage. Sometimes we are inconsistent because other interests, such as military security, intervene and take precedence. Consistency has merit but it is rarely the ultimate objective. Governments always have to choose among competing interests and the need is to make the right choice.

Some also contend that our human rights policy has not been very effective. Unfortunately, repression remains all too rampant in the Soviet Union, Cuba, Argentina, Chile, Iran and elsewhere. Still, the game is worth the candle.

A LIST OF GAINS

In recent years, we have seen: the fall of dictatorships in Uganda, Nicaragua, Equatorial Guinea and the Central African Empire, open elections in Ecuador, Portugal, Peru, and the Dominican Republic, and Zimbabwa; moves from military control to greater civilian rule in Brazil, Nigeria and Ghana; and release of political prisoners in Bangladesh, Indonesia, Morocco, Paraguay and Nepal. There have been notable amnesties, easing of emigration bans and other gains. The United States had earned influence and good will with many nations for having contributed to these advances.

Finally, experienced observers believe that our human rights policy has saved lives. That, in itself, has never been a trifling benefit for the American people.

When the transition dust settles, a tough-minded pragmatic review should reveal that a strong human rights policy is not a visionary abstraction. It has sound underpinnings in terms of concrete American interest. In sum, championing human rights is a policy that represents a fortunate convergence of American national ideals and American national interest, together with international obligations under a rule of law. Such a policy merits the support of every administration.●

SPACE ACTIVISM

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. CONYERS. Mr. Speaker, Omni magazine, the fast-growing and fascinating science journal, included in its February 1981 issue two important statements on grassroots support for space exploration and a stepped-up U.S. space program. The first, authored by Brian O'Leary, a former astronaut and a scientist, and the second, an article entitled, "Space Activism," by Trudy E. Bell, both testify to the growing support for space policy and the considerable political coalitions that are emerging behind such policy. It is an area of public concern that we should all pay more attention to, as well as the extraordinary human and global dividends that may arise out of space research and exploration.

I commend the articles to the attention of my colleagues:

"When the going gets tough, the tough get going." There is only one way to make certain that the United States has the strong, successful space program we so desperately need. It is up to us—each one of us—to support a vigorous program of space exploration and development.

Many of Omni's readers are already actively pushing for a stronger space effort. It is time for the rest of us to get directly involved. The United States is rapidly losing its preeminent position in space exploration. Before it's too late, we must remind our leaders that their failure to support an increasing space effort will irreversibly hurt the nation and their own political careers.

We are on the threshold of mankind's ultimate dream, the expansion of human civilization into space. The vast abundance of resources beyond the earth will generate an explosive renaissance on Earth before the turn of the century.

"If we don't do it, somebody else will," said James Michener in a recent speech. The United States, he said, is now in a position similar to that of Spain and Portugal in 1510, when the two countries had a choice either to expand their mastery of the seas or to let somebody else do it. Choosing the latter, Spain and Portugal suffered an economic and moral decline that lasted for centuries. The manned lunar Apollo missions and unmanned planetary flights, like Columbus's historic voyage, have opened our eyes to new worlds that are, in Carl Sagan's words, "crying out for exploration."

Mastery of space is tantamount to mastery of our collective future. Engineering studies show there are many feasible, independent, and economic paths leading to potentially huge industries in space: satellite solar power, orbiting factories, space stations, and asteroid mining, to mention just a few. But we must start now.

What can we do?

We must remind the President and those who represent us in Congress that the Soviet Union is planning to orbit a permanent 12-man space station in 1985. We must remind them that several probes will be sent to Halley's Comet during its once-in-a-lifetime appearance in 1985 and 1986, although none of the probes is likely to carry American insignia.

We must remind them that certain intolerable risks will attend the space shuttle flights because of a lack of funds and that very few shuttle missions will be sponsored by NASA. We must remind them that the U.S. civilian space program, between now and 1986, will, as it were, be in cold storage because of few fresh starts (a single space mission requires at least five years from the time of commitment to the completion date).

We must advise them that this situation has to be turned around quickly, or we will surely suffer the consequences of our lost leadership sometime in the late 1980s.

How can we reverse this perilous trend? Fortunately, as in the early years of the environmental movement, there is an ever-expanding constituency of individuals who perceive the immense potential of space and the danger of an imminent loss of American leadership there. Trudy Bell points out in an article elsewhere in this issue that tens of thousands of motivated people have joined the 40 or so citizen-supported groups that advocate an augmented national space program. About two thirds of these groups came into existence in the past three years, evincing an interest that is in vivid contrast to a dwindling NASA effort. The movement is not confined to the United States; it is worldwide.

Much work needs to be done. We have to broaden the base of the space-supportive constituency. Only one out of every 100 Omni readers is now a member of some space-advocacy organization. The 99 others need to know that they, too, can become activists. Look at Trudy Bell's mailing list starting on page 90 and find out how you can join.

Over the coming months, the Omni staff and I will begin to link up a broadly based coalition geared toward reinvigorating our national space program. We will be in contact with individuals and agencies involved in space-oriented activities, administrators, and elected politicans. We will be circulating pamphlets that tell what you can do as a citizen. We will be appearing on television programs and will be traveling throughout the country, giving lectures and showing films. We will be distributing newsletters to instruct you in how to write to various important elected officials when critical issues come up. You can become an activist.

This is a call to battle. Those of us who persist in changing the outlook of a sluggish, visionless national leadership will be on the ground floor as pioneers of mankind's greatest adventure, conquering the high frontier. History has shown that people matter and that grass-roots politics do work.

Last year the 1984 Galileo orbiter mission, which will study Jupiter, was killed in Congress. But in an extraordinary last-minute drive it was restored by a coalition of space advocates. The staff at Omni coordinated a concerted letter-and-telegram drive that turned it all around.

Yet the effort has barely begun. We intend to promote and preserve all reasonable space initiatives, and we will urge all groups to cooperate in advocating any particular project that is being debated. The rest will be up to you.

SPACE ACTIVISM

(By Trudy E. Bell)

Look ahead just a few years and you'll see why so many Americans are disgusted with the state of our space program and also why so many of them have decided to take matters into their own hands.

In 1986 Halley's Comet will again sweep past the sun for its once-in-a-lifetime appearance. The Japanese Planet-A probe will send back closeup images of the comet as it streaks past Venus. The joint French-Russian probe will obtain additional data. Here in the United States those of us who don't have backyard telescopes will have to settle for looking at pictures supplied by foreigners in our newspapers and magazines. President Carter canceled NASA's Halley-Tempel 2 comet probe as a misguided economy measure, and as of this writing the long-planned mission remains dead.

Though the Carter Administration and many sessions of Congress have considered space exploration and development to be too costly a luxury, other nations have counted their priorities differently.

France and West Germany are still hard at work on Ariane, a low-cost booster that could take the Western world's launch business away from our shuttle long before Halley's Comet arrives.

China and Japan, in a joint venture, hope to orbit two astronauts for a full week by the end of 1986. The launch vehicle for this historic mission will be China's Long March 3, a three-stage booster modified from its CSS-X-4 ICBM.

The USSR, in time for the twenty-fifth anniversary of Yuri Gagarin's flight in 1961, will probably announce its plan to send a man to Mars before the decade is out. Meanwhile the Soviet Union's 12-man space station should have been in continuous operation for four years.

The irony in all this is not simply that the United States once held a commanding lead in space and is now losing it by default. Our government lost interest in the space program just when there was a resurgence of popular support.

According to an annual survey conducted since 1973 by the National Opinion Research Center at the University of Chicago, this support has rebounded dramatically since its all-time low in 1975 and 1976. Today nearly half the American population

think that the amount the United States is spending on space development is about right. But 12 percent believe that NASA is badly underfunded. To sociologist Robert D. McWilliams, of Virginia Polytechnic Institute, the data mean that no fewer than 25 million Americans can be counted among the pro-space forces.

Accompanying this article is a directory of space-activist groups. These organizations have proliferated in the last three years. Where once such groups as the L-5 Society squandered their energies on internal squabbles, they are now learning new, sophisticated tactics to make their case heard. What the environmentalists and antiwar activists were in the 1970s, space advocates are now becoming—a broad-based movement capable of swaying public policy and, if need be elections to promote their cause.

The directory covers 50 American space-interest groups and 9 other "space-sympathetic" organizations, nearly all of them nationally active. If space-activist groups restricted to local activities were listed, they would number well over 100. And if the list included all the organizations not specifically devoted to space development but tending to support space activities—groups of astronomers, futurists, science-fiction fans, amateur rocketeers, and the like fall into this category—it would run closer to 500.

If we look at the organizations themselves, some interesting trends can be discerned. Many of the trade and professional groups were founded in the early days of aviation, but the citizens groups all appeared after the launch of Sputnik 1, in 1957. More important, they have multiplied dramatically in the last five years. Fully two thirds have been founded since 1977. According to Charles Chafer, of the Public Affairs Council, the sudden proliferation of special-interest groups is a leading indicator of issues that will gain considerable political importance within five years.

It isn't only new groups that are appearing, but new goals and tactics, too. The oldest space-advocacy organizations are educational; they simply hold meetings and sponsor events to keep people informed of the latest developments and to announce new results from space studies. Some of the newer organizations, however, seem bent on taking the space program into their own hands.

Several bodies, such as the Space Studies Institute, the World Space Foundation, and the California Space Foundation, are funding their own research on the technological and social developments needed for space exploration and development—work that receives little or no federal support. Others, such as the Space Foundation, provide seed grants to support "critical path" research in universities and industry.

Newest on the scene are the first citizens political action committees. (The aerospace industry has had PACs for years.) The Campaign for Space PAC was founded last March and was followed in May by the Citizens for Space PAC. Both were established to support the campaigns of prospace political candidates—particularly those in contests where a narrow margin of votes would decide the winner.

The decision to enter the political arena is a fundamental change of strategy for the space movement. Space-interest groups are composed primarily of scientists and science-fiction fans; most of their leaders have come from the scientific and academic communities. "The scientific community tends to spurn traditional lobbying tactics," as Brigette Rouson observed in the Congressional Quarterly (April 12, 1980). "One NASA spokesman said that scientists are more likely to produce studies than [to] call a Congressman."

By contrast, many of the environmentalist leaders came from the ranks of civil rights advocates and the anti-Vietnam War crusaders; they were experienced in politics when they took up the environmental cause. They provide a model the space groups must learn to follow if they are to be effective, and the space activists are determined to learn.

The results of their decision are already becoming apparent. Though some major citizens groups—notably the L-5 Society—were once plagued by dissension, their members are now welding themselves into an effective lobbying force. The PACs have been supplemented by the Space Coalition, a lobbying organization led by Gerald Driggers, president of the L-5 Society, that intends to speak out as an effective political voice in all legislation involving space development as an enticement to join, it is waiving membership fees for all individuals who belong to any existing space-interest groups.

Tactically, some groups are beginning to follow the footsteps of the antiwar and environmental movements even more closely: They are calling on the resources and energy of college students, especially for such events as Space Week. Student space groups already exist on a dozen college campuses. Some, such as the one at the Polytechnic Institute of New York, have only a handful of members; the University of Maryland space organization claims 700 members. At least one, the Space Farers, hopes to coordinate activities on campuses throughout its region.

* * * * *

The space advocates must make it clear to many others that space is a resource, one that can directly enrich life on Earth. Unmanned satellites can warn of crop-destroying frost, monitor pollution, and help locate petroleum and other useful minerals. Manned solar-energy satellites can replace vanishing oil, and there are rich stores of minerals to be retrieved from the moon and the asteroids.

Space industrialization does not fly in the face of the "limits to growth"; it makes them obsolete. The wise use of space might help us set our earthly house in order. Space-interest groups might just be able to recruit the allies they need if they can remember that the real issue is human survival.

Some of the newest space-interest groups are working to meet this challenge. The two political action committees, for example, were founded in part to form coalitions centered on the public needs that can be fulfilled by space development. Another example is the Space Coalition. According to L-5 Society lobbyist Leigh Ratiner, the coalition is the only organization engaged in Washington politics in which private citizens and industry have united to work for common goals.

These political efforts have just germinated; outside politics, the approach to broader constituencies is further along. The Planetary Society may have been the first of the space-interest groups to see that the Space Age is a cultural phenomenon as well as a technological one. Its board of advisers includes not only such heavyweight scientists as Carl Sagan and Bruce Murray but actor Paul Newman, entertainer Johnny Carson, Poet Diane Ackerman, John Gardiner, the founder of Common Cause; Harry S. Ashmore, former editor in chief of the Encyclopaedia Britannica; and Dr. Lewis Thomas, president of the Sloan-Kettering Cancer Center.

But if these organizations are to succeed in rekindling our space program, they must overcome another problem. Space deals with abstractions: with the future, with long time scales, and with an environment 200 miles overhead that only a few dozen human beings have ever experienced. Space is cognitive; it's not in the guts. The challenge is to make it real.

"The environmental people can take you down the road and show you a polluted river," says Courtney Stadd, formerly of the National Space Institute. "UNICEF can let you hold a hungry baby. The space people can only show you a picture."

Fortunately, Stadd is not the only person in the space community who recognizes the need to promote concrete images. The Planetary Society pinned some of its hopes for NASA's ailing planetary-science program on last November's, Voyager 1 images of Saturn. And Barbara Evans, of the Space Studies Institute, voices a concern common to many groups: "There is a sense of determination to get our acts together now. When the shuttle is launched this year, space will once again become real to the American public. We want to be prepared." Whether their efforts will have any effect remains to be seen. But most leaders of such organizations are only too aware that time may be running out. After Voyager 2 passes Saturn this summer, there may be no U.S. spacecraft visiting any body in the solar system until Galileo goes into orbit around Jupiter in 1987—unless Congress can be persuaded to restore a mission to Halley's Comet in 1986.

One critical factor is how seriously legislators will take the space-interest groups. Many lump even the most serious promoters of space development together with "Trekkies," those who believe in UFOs, and other cultists. That image evolved in the early 1970s, when bitterness and competition among the space organizations combined with amateurish leadership to make space "fans" look incompetent. It no longer squares with the facts.

A new professionalism is emerging in the citizens space groups: The Planetary Society and the World Space Foundation are both led by planetary scientists working at the Jet Propulsion Laboratory, in Pasadena. Others headed by engineers, scientists, or sociologists include the Campaign for Space, ISSSS, the L-5 Society, the Niagara University Space Settlement Studies Project, the Space Studies Institute, and the Sunsat Energy Council. These are seasoned professionals with a realistic sense of the work to be done and with experience in collaborating with the research community and the federal government.

"We're seeing the formal machinery being set up between the major groups to combine their strengths and constituencies," Stadd says. "These elements are beginning to coalesce, laying the foundation for a Sierra Club-type movement a decade from now."●

INTERESTING ELECTION TACTICS PRACTICED BY THE NRCC

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. COELHO. Mr. Speaker, earlier today I called attention to the fact that the National Republican Congressional Committee was using President Reagan's name to solicit funds for the express purpose of defeating Democrats in the House of Representatives. Obviously, this works against the President's stated public policy of working with the Democratic majority in the House in a spirit of bipartisanship.

So my colleagues can be aware of the tactics used by the NRCC, I offer for their reading the text of the mailing used by them in their fundraising effort. It is regrettable that the Republicans in the House seem determined to undermine President Reagan's try for cooperation with the House majority.

Mr. Speaker, the letter follows:

WASHINGTON, *January 21, 1981.*

DEAR FRIEND: My election to serve you and our country is the highest honor I will ever have in my life.

And, with God's blessing, and your help, I will do everything in my power to help lead America away from the critical dangers that threaten our nation.

I will need your personal help and support if we are to change America's direction while there is still time.

Throughout my campaign, I pledged to submit legislation to cut taxes, reduce the size of the federal government and restore our national defenses to assure security for us and our children.

And our great Republican victory last November was an endorsement of these goals by the American people.

But we face one major obstacle. Despite our new Republican majority in the U.S. Senate, the House of Representatives is still controlled by a liberal Democratic majority.

Although I am sure the Democratic leaders share our concerns for America, their spending programs and high tax policies run counter to the goals you and I and our Party have set. Because the house is still controlled by the Democrats, I know it will not be easy to win approval or our programs.

That is why I consider winning Republican control of the House in the next election to be our Party's number one priority.

I believe the key to electing a Republican majority by 1982 is to implement the National Republican Congressional Committee's comprehensive GOP Victory Plan now.

Guy informs me that unless the Committee raises a total of $8.7 million, our entire campaign program is jeopardized. This would be a disaster for our Party.

That is why I believe your support of the Committee is crucial to the success of everything I hope to achieve as your President.

I hope, at this crucial time, you will consider strongly sending a $15, $25, $50, or even $100 contribution to the committee. I am asking you to make this sacrifice because your contribution is needed to finance the most ambitious Republican campaign program ever launched.

Unless the Committee can count on your most generous contribution, they will simply not have the funds they need to put these plans into action early.

This GOP Victory Plan carefully blends direct cash contributions, national TV advertising, issue research and up-to-date survey information into one overall campaign program for candidates.

It is designed to give our candidates the resources they need to fight the built-in advantages of incumbent Democratic Congressmen.

This same Plan, used in 1980, was the prime reason we cut the Democrats' majority from 267 to 234 seats by increasing Republican seats from 158 to 192. This was the single largest gain for our Party in 14 years, and has put us within reach of winning control of the House by 1982.

Many of our candidates never would have won their close Congressional races without the Committee's expert help. I am convinced we can duplicate our 1980 victories in 1982, if we start now.

To launch the next phase of the Plan, the Committee needs $75,000 for candidate recruitment: $100,000 for campaign schools for candidates, managers and volunteers; and $250,000 set aside in a special fund reserved for candidates to launch their campaigns early, as soon as they announce.

That means the Committee must raise a total of $425,000 in less than 30 days.

If the Committee fails to raise this amount, it could jeopardize the best chance we have had in 25 years to become the majority party in the U.S. House.

This year Americans voted overwhelmingly for a change in government: they want to restore our country's defenses; they want to put more people back to work; they want their taxes cut along with the size and power of the Federal government. And they want action now.

If you support my efforts to change America's direction, then I urge you to support the Committee by sending your generous contribution in the special envelope enclosed with my letter.

This may be the only chance you and I will have in our lifetime to put into action the principles and policies we have dreamed about to bring Americans more freedom, security and a better standard of living.

That is why I urge you to rush your maximum contribution to the Committee so they can fund immediately the programs that will bring a Republican majority to the U.S. House of Representatives.

Sincerely,

RONALD REAGAN.

P.S. Recently, when I met for dinner with Republican Senators to celebrate our victory, I was asked what our party should do for an encore. I said, "That is easy. We go on to win a majority of the House." And I am counting on you personally for your support and your contribution to help us realize this goal.

OFFICIAL MEMORANDUM

To: PRESIDENT REAGAN
c/o 1981 GOP Victory Fund, National Republican Congressional Committee, P.O. Box 2837, Washington, D.C.

DEAR PRESIDENT REAGAN: Yes, I agree with you and Congressman Vander Jagt. We must defeat the liberal Democrat majority in the House by 1982 so they cannot water down or overturn your anti-inflation, prodefense policies to restore America's economic and military strength.

I strongly support your effort to elect a Republican majority by launching our 1981 GOP Victory Plan right now. I understand this is the same plan that was used so successfully in 1980 to gain 33 additional GOP seats in Congress.

I have checked below the most generous amount I can send as my contribution toward the $425,000 the Congressional Committee must raise within 30 days.

Use my contribution to: recruit outstanding candidates, conduct campaign schools for candidates and campaign managers, and to build up a cash reserve to give direct cash contributions to candidates as soon as they announce.

☐ $_____

I have made my check payable to: 1981 G.O.P. Victory Fund.

Signature_____
Special Memo from:

CONGRESSMAN VANDER JAGT:

DEAR FRIEND: If you decide to contribute to the 1981 GOP Victory Fund, I have made arrangements for you to receive a special memento of President Reagan's inauguration as a symbol of our appreciation of your support.

I am doing this because of the tremendous importance President Reagan places on this unique political program designed to support his effort to change America.

Please check the spelling of your name and address so we can send your inaugural memento to you. If it is not correct, please make the appropriate changes.

GVJ

Name:
Address:

Corporate contributions are prohibited by law.

Paid for by the National Republican Congressional Committee.●

ROBERT DRINAN TESTIFIES ON PLIGHT OF THE ELDERLY

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. FRANK. Mr. Speaker, I am honored to have the privilege of succeeding Robert F. Drinan as the Representative of the Fourth District of Massachusetts. Robert Drinan's contributions to this body, to his constituents, to the American people, and to the cause of humanity throughout the world are immense and enduring.

Few of his accomplishments are more noteworthy than his efforts on behalf of the elderly citizens of our Nation. During his decade of service in the House, Father Drinan was a driving force for recognition of the human needs of older Americans. His compassion and his reason helped make possible lives of dignity and security for many older men and women.

Yet, despite the enormity of his legacy, Robert Drinan has not forgotten that much still needs to be done if the promise of the golden years is to be truly realized. For that reason, he

testified today before the House Select Committee on Aging, of which I am privileged to be a member, on the state of the elderly. In his testimony we are reminded that poverty among the elderly is growing at an alarming rate and that a disproportionate share are women. He recommends that the select committee develop a comprehensive and coordinated blueprint for meeting the economic plight of the elderly, a suggestion I wholeheartedly support. Father Drinan also discusses the very serious problems of adequate retirement income, health care, housing, and social services.

Because few Members of Congress, past or present, can speak with the authority of Robert Drinan on issues affecting the elderly, I commend my colleagues to his testimony before the Select Committee on Aging.

A copy of the testimony follows.

TESTIMONY OF ROBERT F. DRINAN

Mr. Chairman and members of the Committee, I am honored to appear at your first hearing of the 97th Congress on the crucial question of the state of the elderly in America. My tenure on this Committee produced some of the most rewarding work of my decade in the Congress, and I am convinced that no agency, organization or other congressional committee plays a greater role in bringing awareness and action to the problems facing this nation's 24 million older citizens.

We are all hearing a familiar but disconcerting refrain: Elderly people constitute an ever-growing segment of our population; it is becoming more and more costly to take care of them; most of them aren't as bad off as we think; and we can cut back on their programs without causing a lot of hardship. I personally find such rhetoric inconsistent with what I saw and heard as a member of this Committee. As in the past, I am sure the thoughtful work of this Committee will guide the actions of the Congress as it seeks to develop a Federal policy which balances fiscal responsibility with the real need for services.

We have all seen projections on the "graying" of America. As recently as 70 years ago, only 4 percent of the population was aged 65 and over. Today 11 percent of the population is elderly, and within 40 years the number of elderly will rise to 15 percent of the population. Today, 75 percent of the nation's population reaches age 65. Approximately 20 percent of these men and 8 percent of these women over 65 years of age are employed. Most are concentrated, however, in low paying jobs, and as a group they have severely limited employment opportunities. Many live in abject poverty; many more at the threshold of poverty. These older Americans are subject to more disability, a greater need of medical care and higher medical expenses than are younger persons. As already noted, by the end of this decade their numbers will swell.

Instead of looking for ways to cut back on programs and services for the elderly, I urge you to take decisive steps now to overcome the cycle of poverty, unemployment and poor health that afflicts our older population. Otherwise, we will be condemning hundreds of thousands more to a life of poverty and indignity and reluctant reliance on government programs at a time when they will be living longer.

POVERTY STATUS OF THE ELDERLY

A few months ago, the Census Bureau released a report unaccompained by the fanfare surrounding the myth about our well-off elderly. According to this report, the 1980 Current Population Survey, life for millions of elderly people consists of little more than a nightmarish struggle for survival. The Golden Years simply no longer exist.

During 1979, the latest year for which we have data, 15 out of 100 elderly people or 15 percent fell below the Federal government's poverty line. Over 400,000 older persons joined the ranks of the poor in 1979, for a total of 3.6 million officially recognized aged poor. Let us keep in mind that official poverty status in that year was less than $3,500 for a single person and less than $4,400 for a couple. The Federal government's definition of poverty is not at all generous and may well be unrealistic. Consider, for example, that under this definition, each individual is allotted only 66 cents or less per meal.

These figures contradict the notion that our older citizens are better off than we think. Alongside those living in abject poverty, more than half of the 11 million elderly persons living alone rely on annual incomes below $4,000. More than three out of four have incomes under $7,000. These are hardly people who can be asked to make further sacrifices. There is simply nothing more they can sacrifice.

Tonight the President will address the nation on the state of the economy. Apparently a national economic emergency will not be declared by the Administration. But a national economic emergency does exist for the elderly and disabled of this nation. Older Americans are in fact losing economic ground at a greater rate than at any time in the last 2 decades. The increase in the poverty rate from 14 percent in 1978 to 15.1 percent in 1979 is the most significant increase in poverty among the aged since the Census Bureau began keeping track of personal income in 1959. Our retreat in the fight against poverty has already brought misery and indignity to millions whom we call our "senior" citizens. Do we want this tragic trend to continue?

In the coming months, I urge this Committee to fashion a comprehensive and coordinated blueprint for meeting the economic plight of the elderly. Most of the mechanisms for dealing with this problem are already in place but need returning. Many of the programs designed to serve the elderly need refocusing, but it is my view that none of these efforts should be abandoned.

RETIREMENT INCOME

I don't think anyone needs to be convinced of the pivotal role social security plays in providing some base of economic security for the elderly. Without it some two-thirds of the entire aged population would fall beneath the Federal government's poverty threshold. We must remember that social security is not a means tested program; it is not a gift of a magnanimous government. Instead, it is an insurance program based on a good faith contract with the American people that their contributions while in the labor force are buying them some protection against disability and loss of employment income. We cannot ask the American workers to pay more and more payroll tax for less and less protection.

I do not have any easy answers to the financial problems facing the social security system. I would simply suggest that the problems in social security should be dealt with in a comprehensive fashion and not on an ad hoc basis. For example, elimination of the social security minimum benefit will probably only increase reliance on other governmental programs. Its abolition will not save the Federal government a great deal of money, and such action would only cause greater distrust in the social security program. Workers will have reason to ask what guarantee of any benefit they have if Congress at will can eliminate certain categories of benefits. The National Commission on Social Security is due to issue its report this year. That report should serve as a starting point for discussion of changes in the philosophy behind social security, its adequacy and its financing.

Of the elderly living in poverty, a disproportionate share are women. Because of sex discrimination in the job market, women continue to be paid lower wages than men. Their lower wages plus the greater likelihood of interrupted careers due to child rearing tend to result in less protection and lower social security benefits. Women have less chance to build a base for economic security in their own right both under social security and under private pension programs. Unless that basic inequity is addressed, women will continue to be overrepresented among the elderly poor and will have a greater reliance on government programs.

Let me add that we must once and for all end all vestiges of age discrimination in employment by ending any type of mandatory retirement based on age. For far too long this arbitrary determination of ability to continue working has demoralized our older citizens and deprived them of income. I worked hard for the Age Discrimination in Employment Act Amendments of 1978, which raised the mandatory retirement age to 70 for the private sector and eliminated age-based retirement of Federal employees. I hope the 97th Congress eliminates age-based retirement completely. As a report of this Committee noted, "Older workers can produce a quality and quantity of work equal or superior to younger workers. They have as good or usually better attendance records. They are as capable of learning new skills and adapting to changing circumstances as younger workers and they are generally more satified with their jobs than younger workers."

Despite the Employees Retirement Income Security Act passed six years ago, many low-income workers continue to have meager pension benefits or no benefits whatsoever. Only about one out of six older citizens receives a private pension. Tax shelters and other pension programs tend to provide better protection to higher paid personnel than to rank and file employees, especially in smaller companies. Efforts must be undertaken to encourage greater formulation of private pension plans. In the absense of such plans, Individual Retirement Accounts (IRAs) should be made available to more workers. We must also create savings incentives for lower income workers who live from paycheck to paycheck and do not have the financial means to set aside $1,500 a year in an IRA.

HEALTH CARE

At the basis of all well-being is physical health. As I already noted, the elderly suffer twice as much disability as their younger counterparts. Just last year we celebrated the 15th anniversary of the Medicare program. Despite the prevalent myth that Medicare takes care of most of

the elderly's health care needs, older citizens now pay more for health care than before the program was enacted. It is estimated that Medicare now covers about 38 percent of the health care costs of older persons as compared to the 45 percent coverage in 1965 when the program began.

Moreover, Medicare primarily covers acute episodic illness and denies the most pressing needs of the elderly—care for chronic illness and health maintenance. The out-of-pocket health care bill after Medicare now amounts to about $750 per person per year. No coverage is provided for routine annual checkups, eyeglasses, hearing aids or outpatient prescription drugs. Coverage for mental health care is not on a par with care for physical illness. This is true despite the stunning 25 percent suicide rate of older persons who comprise only 11 percent of the population.

In terms of public policy, focusing on prevention and health maintenance in Medicare would not only be more cost-effective for the Federal government, but it would have the benefit of enabling the elderly to lead fuller and more productive lives. We cannot afford in human terms to cut back in Medicare. Neither can we afford the price of the program's emphasis on hospitalization and its neglect of preventive health care services.

We all know that something must be done about skyrocketing health care costs. As the largest group of health care consumers in the population, the elderly have a great deal to gain by such action. With health care costs doubling every five years, it is expected that the price tag for health care will rise from $206 billion in 1979 to $368 billion in fiscal 1984. For an elderly person the average cost of health care is expected to rise from $2,259 in 1979 to $3,868 in 1984. This represents a staggering 71 percent increase over a five year period.

On a related issue, I noted in a recent Washington Post story that the Department of Health and Human Services estimates most fraud in health programs is related to the service providers and not the beneficiaries. Since the Medicare consumer stands to benefit from an elimination of fraud and waste by Medicare providers, I hope that the new Administration will move quickly in that direction.

Medicare restrictions on home health care and other community-based programs continue to promote reliance on more expensive and often less appropriate care in hospitals and nursing homes. According to a GAO report "until older people become greatly or extremely impaired, the cost of nursing home care exceeds the cost of home care including the value of the general support services provided by family and friends." I hope that the 97th Congress will continue to press for home health care as a cost-effective and more humane response to the long-term care needs of the elderly. It should also be noted that the present system of Medicare reimbursement discourages elderly participation and enrollment in the more cost-effective Health Maintenance Organizations. This is but another area of Medicare which needs to be revamped.

HOUSING AND SOCIAL SERVICES

The lack of decent housing for the elderly remains a crucial problem. With persons over 65 living in 30 percent of the nation's substandard housing, adequate and affordable housing remains a primary concern and need for our elderly. Current estimates are that at least 35 percent of income now goes for housing.

New initiatives by the Federal government should include more congregate housing projects where health, social and nutritional services are available. All housing for the elderly must contain adequate facilities to protect them from violent crime. More than any other age group, the elderly are victims of violent crime, a fact leading to their further isolation and fear. If we do not respond to the housing crisis facing our older citizens now we will be faced with greater problems down the line. Moreover, new congregate housing starts would surely benefit the overall economy.

Heating costs continue to rise. According to the Department of Energy, low-income households spend 25 percent of their income on energy as opposed to 10 percent of income spent my median income families. Unlike younger persons, the elderly cannot simply turn down their thermostats since they have a higher risk of "accidental hypothermia." Congress and the Administration must not cut back on the limited low-income energy assistance presently available. Almost half of the elderly live in pre-World War II housing and are likely to have greater energy and home maintenance expenses.

Programs encompassed by the Older Americans Act provide desperately needed nutrition and social services. There are some 500,000 persons who participate each day in the popular hot lunch program, but there are still twice as many people on the waiting list. This program is for many the single opportunity for a hot meal and the socialization that accompanies it. When we talk about the Older Americans Act we are talking about basic services as I just mentioned and not lavish or extraordinary recreational activities. Older American Act programs have hardly begun to meet the need for services and are certainly not funded at a level where they could sustain cutbacks.

Let me also note that there are some 134 Federal programs which serve the elderly in some way. A better coordination of these efforts would certainly benefit everybody. Better coordination would cut down on paperwork and red tape and probably result in a more efficient and cost-effective delivery of services. The interrelatedness of programs is certainly an area to be looked at.

In conclusion, let me simply say that there is no advantage in being penny-wise and pound foolish. Among the elderly the need for certain support services will increase as their numbers rise. The programs I have mentioned all have the potential to reduce reliance on government spending and to allow the elderly to live more dignified and productive lives. These people will not go away simply because we want to forget them or pretend that their plight is really not so bad. Every one of us who has held office hours with older citizens knows that all too often the choices facing them are between heating the house or buying food, between paying the rent or seeing a doctor. If we continue to allow the erosion of the limited economic security our older citizens so tenuously hold at this time, we will be ensuring that future senior citizens will face the same agonies. It is not too late to alter that course. A good way to start is by acknowledging that the elderly will not be sacrificed to the demands for cuts in Federal spending.●

PLO COMMEMORATIVE STAMP IS A TRAVESTY

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. FISH. Mr. Speaker, in what must be characterized as a travesty against the purposes of the United Nations, the United Nations has just issued a commemorative stamp lauding the so-called inalienable rights of the Palestinian people. The Committee on the Exercise of the Inalienable Rights of the Palestinian People has been the driving force behind the issuance of this infamous stamp, which has been opposed by many groups who care about real self-determination.

Mr. Speaker, the simple truth is that this committee is composed of 23 Arab, Communist, and Third World nations, and is merely a front in the United Nations for the Palestine Liberation Organization. The PLO, which has dedicated itself to the destruction of Israel, engaged in worldwide terrorism, and embraced the Ayatollah Khomeini, is not the kind of group we wish memorialized by an official U.N. stamp.

I have always been a strong proponent of the principles of world peace and cooperation elicited in the U.N. Charter. But I believe the United States must vigorously reject this blatant perversion of the purposes of the United Nations.

As you know, Mr. Speaker, the 96th Congress passed legislation which requires our Government to reduce its contribution to the United Nations by the amount of our tax dollars which will be used to fund the Palestinian Committee and similar questionable U.N. entities. This commitment will be renewed in the 97th Congress, and I intend to wholeheartedly support the extension of these restrictions.

The obsessive preoccupation of the enemies of Israel to isolate and denigrate Israel at the United Nations has greatly reduced meaningful dialog at the United Nations. The United States can no longer stand mute while our greatest strategic ally in the Middle East is cast in the role of an international pariah. I am confident that with the appointment of Dr. Jeane Kirkpatrick as our U.N. Ambassador and the firm commitment of the Reagan administration to Israel, we will see a new era, a new reality, a new vigor in our posture in the international community.●

HIGH BTU GASIFICATION DEMONSTRATION PLANTS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. APPLEGATE. Mr. Speaker, I take the floor today to explain a bill I have just introduced regarding a very important matter, important to not only my district and the people I represent, but important to the Nation and its future.

Since May 1977, two separate high BTU coal gasification demonstration projects, one proposed for Noble County, Ohio, and sponsored by Conoco, and the other scheduled for Perry County, Ill., and sponsored by the Illinois Coal Gasification Group, have been in competition for the Department of Energy construction funds. This competition has involved extensive design and feasibility studies involving two completely different types of technology, over 3½ years of time and millions upon millions of tax dollars and private sector funds as well.

Now there are strong rumors to the effect that the Reagan administration will recommend reductions in funds for not only this particular project, but for the synthetic fuels program as well. I am in favor of reducing Government spending as much as anyone, but to now dismantle this program which has yielded some very significant information for use in the development of synthetic fuels would be a gross waste of precious time and money already spent.

Further, and perhaps more importantly, Congress, the lawmaking entity of this land, has spoken out on this very issue through the 1981 Interior appropriations bill. Specifically, the House-Senate Interior Appropriations Committees adopted the following:

The Committee recommends that the Department (of Energy) proceed to construct both of the competing high BTU gasification demonstration plants, previously funded under project 76-1-b. Further, that providing funds for both the Cogas process and the slagging gasifier will allow two dissimilar processes to proceed and will speed up the development of substitutes for natural gas from hard to handle eastern coals. Based on the Department's record, the Committee believes that continuing to support a selection of only one process will result in endless delays.

My bill, a concurrent resolution, resolves that Congress should maintain this line of thinking and continue both the Noble County, Ohio, and Perry County, Ill., projects at currently funded fiscal year 1981 levels and provide the necessary construction funds for both proposals in future fiscal years.

I can well appreciate the opinion of those who believe that energy production is the responsibility of the private sector. However, the philosophical direction of taking Government out of the synthetic fuels industry and letting the private sector develop those fuels will not work as long as the big oil companies own or control all of America's energy resources, including coal. The oil companies own or control all of America's energy resources, including coal. The oil companies will not expend vast amounts of their own money to synthesize coal into gas or oil as long as they can make fat profits off of decontrolled domestic and foreign oil. The failure to fully utilize coal, shale, tar sands, and other vast American energy resources will deprive energy consumers of clean efficient energy at cheaper prices.

Mr. Speaker, I urge my colleagues in the House and the Members of the Senate to maintain their position on this most important matter and to support my resolution.●

COMDR. FRANK F. HUGHES

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. SKELTON. Mr. Speaker, Comdr. Frank F. Hughes, USNR-R, is the commanding officer of a reserve augment unit recently established for the carrier *Independence*. Among various honors, he has been awarded the Navy Commendation Medal, the Distinguished Flying Cross, and 10 Air Medals. The following are Commander Hughes' thoughts concerning personnel management in the military and reasons why such a high number of men and women are leaving the service as printed in the Naval Reserve Association News magazine.

Mr. Speaker, I share these remarks with my colleagues because I feel that Commander Hughes offers some very sound solutions to a serious problem facing our military services today.

(From the Naval Reserve Association News, November 1980)

POOR MANAGEMENT PRACTICES HAVE CRIPPLED OUR MILITARY

(By Comdr. Frank F. Hughes, USNR-R)

Too long has the silence been maintained. The time is now to speak out against those poor management practices that have crippled our military.

Service and allegiance to our superiors, both military and civilian, is the foundation of the oath that every United States Naval officer takes when he assumes the responsibility of his commission. But it is time to remember that we are first and foremost citizens of this country and secondly, officers in our service. If what we speak is unacceptable to our superiors then so be it.

I refer directly and pointedly to the critical situation that we in the Navy find ourselves in today. The mistakes made in personnel management, material management, and operational management have stripped our capabilities. In the interest of serving our superiors, we who have been in command of line organizations have muted our dissent in the interest of maintaining a singleness of policy or protecting our own careers.

That we have remained silent so long is in itself counter to the very patriotism and allegiance that we feel towards our country. The comments that I will make concern naval aviation because I have experienced the problems firsthand. I am sure that what is said here is applicable to every aspect of the military service.

PERSONNEL MANAGEMENT

The manning of our forces today is insufficient and the quality of personnel in our forces is inferior to any that we have encountered to date. Men and women, officers, chief petty officers, petty officers, and nonrated men are leaving the service in droves. The reasons for their leaving are classic; poor policy, poor administration, poor supervision, poor salary and poor working conditions are the causes.

The policy and administration procedures of the Navy's Bureau of Personnel have been epitomized in one caustic statement. "The needs of the service." Too often the assignment of personnel to different tours of duty are done as reactions to "crunches" that are self-perpetrated within the Navy. Personnel administration and assignment in the Navy is for the most part reactionary.

Supervisory unrest and dissatisfaction is evident in all phases of the Navy today. The move to stronger centralized control as well as larger staffs is the rule. It is because of the bureaucracy that has been created through the increase in staffs and staff members that there is very little personal contact between many admirals and their line personnel. In any event, what little contact there is, is often screened by overzealous staff members protecting their own interests. Large staffs justify their existence by the amount of paperwork that they generate having little or no direct benefit to the line operator.

Centralization of control has reached such ridiculous heights that field commanders in Vietnam were reporting directly to Washington. This centralization has reached absurdity in the aborted rescue attempt in Iran.

In the past, the administration has relied on experts in their fields to create and execute plans of action, whether they be military, economic, or social. The past three or four administrations have inserted themselves more and more into the operational detail planning to the point where it appears that presidential staffs now depend on their own counsel rather than those career individuals best equipped to advise. To be blunt, a good administrator defines the objective, obtains the absolute best advice and experts in the field, and then directs those experts to carry out the mission to obtain the objective. No single person can be so omnipotent that he or she can completely direct the details of diverse objectives whether it be the economy, foreign policy, or military matters.

The orchestrating of the Vietnam War by so-called political experts was criminal. I am sure many senior officers justified their acceptance of the way the war was fought by rationalizing that if they would not carry out the policies directed by the administration, then someone else would. Where have we lost that axiom we cut our teeth on in Naval tradition, "when principle is involved be deaf to expediency"?

The centralization trend has permeated the entire structure of the Navy. Today, we find chief petty officers doing the jobs that should be done by petty officers. Line officers are doing the jobs that should be carried out by chief petty officers. Commanding officers are doing the jobs that they once did as junior officers. Airwing commanders are functioning as department heads accountable to ever-increasing staff. Staffs are now imposing their will on operational units undermining the very chain of command. In truth, the bureaucracy of our military operation has outstripped its operational capability.

Salaries in the military are a joke. Much has been written in the past year of enlisted personnel qualifying for food stamps and other government handout programs. Small wonder that no matter how devoted or patriotic an individual may be, he is forced to leave the service of his country to make ends meet. A complete restructuring of pay for the military services must be accomplished immediately. Men who perform extraordinarily hazardous duty such as aboard aircraft carriers should be justly compensated. Anyone who has seen a carrier launch and recovery knows that the jobs performed by all personnel are hazardous and demanding. Private companies pay their oil rig workers and other hazardous duty occupations so well that men flock to those occupations. Witness the building of the Alaskan pipeline which caused separation and hardship. If we but paid the engine room people of the carrier Nimitz, which was on station longer than any aircraft carrier has been, the minimum wage that was paid to the Alaskan pipeline worker, we can be assured that that job dissatisfier, poor salary, which has caused many people to leave the Navy, would be corrected. And why shouldn't we pay men who spend six, eight and ten months at sea commensurate with civilian counterparts who do not have the separation or the hazardous duty that our men aboard ships do?

In the past year, there has been lip service paid towards improving working conditions. Every commanding officer of a squadron, ship, or shore-duty installation has tried to appropriate funds to improve working and living conditions of their personnel to little or no avail. An inspection of barracks and work spaces on ships and stations throughout the United States would appall most civilian managers. The sponsorship of programs which add numbers or airplanes and ships always takes priority over the funds required to establish clean, neat, and adequate working conditions.

Even today, we instill shame in the working uniform of our military people by restricting its use. Having witnessed the dressing habits of people in this country in a food store or a hardware store, it is inconceivable to me that a neatly stenciled well-cut dungaree uniform is not as eye appealing as cut-off shorts, a tee-shirt, and shower shoes. Men and women in the military work. They have working uniforms. It is not a disgrace that their work is arduous, dirty, and taxing. If we were to give our military personnel adequate salaries, they could afford to buy six, or seven or eight sets of working uniforms, two or three times a year, and be presentable at all times in that uniform. Instead, we degrade our services working uniforms. We make our people hide and change into less appropriate civilian clothes.

Finally, the manning of our Navy is critically low in almost all rates yet at the same time that our people are leaving the service, the administration has tried to cut back reserve forces. If we are to have smaller, better paid active duty forces and no draft, then we must have larger reserve components. If the decision is made to increase the active duty forces and augment them with the draft, then we can afford to cut back on our reserve forces. However, this administration is bent on driving out our active duty forces through poor management; is against the draft; and is trying to cut back the reserve forces all at the same time while increasing our commitments abroad. This has to be the most preposterous military planning and policy that this country has encountered.

MATERIAL MANAGEMENT

Appropriations today is a numbers game. Numbers of airplanes, ships, tanks and guns all have priority over the spare parts required to maintain them. This policy has been and continues to be the characteristic of our fiscal budgets. We obtain appropriations for "numbers of things" in the hopes that later appropriations can be derived to maintain these "things" after they are broken. There is a tremendous deemphasis on upgrade programs. Let us face facts. Test programs for new equipment invariably miss deadlines, performance criteria, and cost estimates. We, in Navy aviation, run our equipment, be it airplanes or ships, to the point of obsolescence without adequate funding for upgrading. Rather, we opt for new replacement items.

The fact is that many policies are dictated by an annual congressional budget that gives or takes funds based on what is politically expedient for the incumbent administration. The military service is often caught in a political dogfight between Congress and the administration.

Today, we have several aircraft and ships that could be state of the art had sufficient follow-up programs been instituted concurrent with the appropriation of funds for the new vehicles.

Specifically, aircraft engines have always been and will always be a critical item for carrier based aircraft and yet every year, crises are encountered in existing engines. This is a product of insufficient funding for follow-up and improvement of existing hardware. Some of our aircraft today could be upgraded dramatically by the infusion of funds extending their service life and capability so that a comfortable overlap between outgoing equipment and incoming new equipment can be maintained.

Too many times, appropriations become so political that compromises in new equipment are a fact of life. We accept an inferior product rather than delay delivery under the theory that something, anything, is better than nothing. We further compound the problem by not purchasing sufficient spares to maintain the equipment once deployed. "For want of a nail, the shoe was lost . . ."

OPERATIONAL MANAGEMENT

Today's operational management philosophy is characterized by two words—can do. Senior officers often accept more commitments for their already thin forces based on political considerations rather than objective operational criteria.

In the event that adequate manning and equipment is not available to meet a commitment, then it is the military commander's duty to state that the commitment cannot be fulfilled with the present forces. In plain words, operationally, if a commitment cannot be fulfilled without disastrous effects to our military retention, material readiness, and operational capability, we should stand up and be counted and say that we cannot accomplish the task.

No one denies the need for a meaningful response in the event of national crisis or emergency, in fact, the morale of units committed during such deployments is extremely high. However, we appear to try and justify our assets, i.e., aircraft carriers, ships, etc., by imposing more commitments on them in order to protect those assets rather than have a real comprehensive global military policy.

The areas of the world that are vital to our allies and ourselves are readily identifiable. It is the job of the administration, Congress, the State Department, and military leaders to identify those areas of vital interest, define a policy that is longer reaching than four or eight years, and provide the operational equipment and direction for our military forces.

No longer can we exist on Band-Aid patches and reactionary commitments to crisis areas.

In interviewing many men and women who have left the service, most point out that their personal job satisfaction, sense of achievement, peer recognition, the work itself, and responsibilities given them are motivating factors to stay in the service. These can be improved of course and must continue to be reinforced, but until the job dissatisfiers are negated; poor policy and administration, poor supervision, poor salaries, and inadequate working conditions, we will continue to see a mass exodus from our service.●

LOSS OF HOMES DUE TO INDIAN LAWSUITS

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. LEE. Mr. Speaker, I have introduced today a measure that deals with a problem of serious concern and consequence to the residents of my congressional district, and those thousands of innocent property owners across the Eastern United States who are now faced with the loss of their homes from Indian lawsuits.

The bill has a direct and simple intent, Mr. Speaker. That is to forbid the Secretary of the Interior from providing moneys to Indian tribes so that those tribes can sue present day property owners.

Currently, based on alleged procedural nonconformance with the Non-Intercourse Acts the Cayuga Indian tribe is suing over 7,000 property owners that I serve for ejectment and repossession of 64,000 acres of land deeded to New York State over 185 years ago. The tribe also seeks over $350 million in damages.

The Cayuga Indians have applied to the Bureau of Indian Affairs for $150,000 to fund the legal expenses entailed in bringing this lawsuit.

It must be noted, Mr. Speaker, that the Secretary of the Interior is currently under no legal obligation to pay attorneys' fees and related expenses incurred by Indian tribes. The responsibilites of the Secretary to Indian tribes under 25 U.S.C. 175, to direct the U.S. attorney to represent Indians in lawsuits, is discretionary. Neither is the Secretary of the Interior obligated to pay for attorneys' fees and related expenses incurred by Indian tribes.

It is not my intent in offering this bill, Mr. Speaker, to argue the merits of the Cayuga, or any other, Indian land claim. The measure now proposed will simply forbid the use of Federal tax dollars to sue the very citizens whose labors provide those dollars. To allow moneys to be spent in this manner is illogical, unjust, and will do little to achieve permanent solutions to the problems of Indian land claims.●

IN MEMORY OF JOHN COLLINS, CHAMPION OF OUR POSTAL EMPLOYEES AND SENIOR CITIZENS

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. ROE. Mr. Speaker, the residents of our Eighth Congressional District and State of New Jersey deeply mourn the loss of one of our most dynamic and distinguished citizens in the crusade for dignity and security of our civil service employees and our senior citizens and retirees, the Honorable John Collins of Prospect Park, N.J., whose standards of excellence in ever seeking to improve the quality of life for the working men and women and the elderly have truly enriched our community, State, and Nation.

I seek national recognition of the lifetime of outstanding achievements and good works of John Collins, who went to his eternal rest on December 7, 1980, and know that you and our colleagues here in the Congress will want to join with me in expressing our most sincere condolences to his good wife Eva Paula and their four children: sons John Joseph and James Richard, daughters Mary Louise and Judith Ann.

Mr. Speaker, throughout his lifetime, John has diligently and industriously pursued his daily pursuits with compassion and benevolence. All of us have been deeply touched by the richness of his wisdom, dedication, and sincerity of purpose that he has extended on behalf of our people, and particularly his enormous contributions to the health, welfare, and well-being of our senior citizens and retirees.

We do, indeed, mourn the loss of John Collins, an exemplary community leader whose untiring efforts on behalf of his fellow man will long be remembered by all of us. With your permission I would like to insert at this point in our historic journal of Congress a profile of John's life as presented to me by one of his distinguished colleagues and good friend, the Honorable Leonard H. McPeek of the United Passaic County Seniors, Inc., serving seniors with dignity and dedication, which most eloquently and warmly has intertwined the esteemed service of John on behalf of all of our people with the warmth of friendship and goodwill that has endeared him to those who walked with him and knew him as a highly eminent citizen and great American.

The background of John's life, prepared by Leonard McPeek and prefaced with Leonard's comment: "The passing of John Collins leaves a void as a voice for the needy of our country" is as follows:

JOHN COLLINS

John was born in Paterson, New Jersey and lived there for 25 years. He was employed in the Paterson Post Office for 35 years, as a letter carrier and Civil Service examiner.

He worked diligently to improve working conditions of the Postal employees. He contacted legislators and influenced the passage of legislation beneficial for Civil Service employees.

He was deeply concerned about the needy of our country. He worked with the Governor, Senate and Assembly, county and local officials.

Contacted when necessary the President and Members of Congress to encourage the passage of legislation which would be beneficial to the working man and the poor of our country.

John always volunteered his services, never accepted remuneration of any kind.

He retired in 1968 from the Paterson post office where he was President of the National Association of Letter Carriers, Branch 120 for several terms.

Since retirement he became involved in improving the status of senior citizens. He was successful in pioneering and advocating legislation at the state and national level. Through conference with our elected leaders, he helped create laws that will endure and continue to bring great good to our seniors.

John was an active member of the New Jersey Federation of Senior Citizens, the United Passaic County Seniors Inc., Passaic County Advisory Council on Aging, Passaic County Transportation Coordination Committee, American Association of Retired Persons, Paterson Chapter 15 and Haledon Chapter 2997 (Assisted in organizing these chapters), Prospect Park Senior Citizens.

In all of these organizations he made himself available to all of those who, because of age, needed assistance.

John was concerned about people. He will be sorely missed.

Mr. Speaker, in the course of his extraordinary lifetime John Collins has met each day's challenge with a zeal and purpose that we can well take heed of and admire. I share the great pride of his family in his many, many accomplishments and am privileged to have been numbered among his many, many friends.

May I respectfully request that you and our colleagues join with me in a moment of silent prayer to the memory of a most distinguished citizen, the Honorable John Collins. He will, indeed, be sorely missed by all of us, and I do trust that his family will soon find abiding comfort in the faith that God has given them and in the knowledge that our beloved John is now under His eternal care. May he rest in peace.●

GUN CONTROLLERS LACK EVIDENCE

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. HANSEN of Idaho. Mr. Speaker, recent events surrounding the tragic murders of John Lennon and Dr. Michael Halberstam have sparked numerous cries from the uninformed for additional measures to "curb the dangerous proliferation of guns in our society." Although one can certainly feel sorrow and remorse for such tragedy, it is folly to assume that additional controls on gun ownership will solve the problem. A January 4, 1981, article in the Idaho State Journal by Randie Bartholme of the Pocatello, Idaho, Police Department very effectively outlines several important points which should be considered in any rational analysis of this question. I commend this article to my colleagues and insert it at this point in the RECORD for their consideration.

POLICE WATCH—GUN CONTROLLERS LACK EVIDENCE

(By Randie Bartholme, Pocatello Police Department)

As might be expected, gun control proponents are using the tragic death of John Lennon to further their argument that all guns need to be registered and that handgun ownership should be severely curtailed. They say this is the way to reduce crimes, including murder. Is it? Last year, nationwide, of the 20,000 murders, half were committed with firearms. That leaves another 50 percent that were done with cutting or stabbing instruments, hands, fists, feet, poison, automobiles.

Some say that just banning handguns will help, yet homicide studies uniformly find liquor a more prevalent factor than handguns in killings. And study after study has shown that even if the average gun owner complied, the one handgun owner out of 3,000 who murders is not going to give up his guns.

The FBI Uniform Crime Report also paints an interesting picture. For robbery, only 42 percent were committed with firearms while 58 percent were by use of strong-arm tactics using hand, fists, feet, or with knives, cutting instruments or other weapons. Aggravated assault (where severe injuries are sustained by the victim) is second to rape as the fastest growing crime of violence in the U.S., yet only 23 percent of these are committed with firearms.

Keep in mind, too, that a good portion of the guns used in all these crimes were obtained and possessed illegally, in violation of numerous state and federal laws we already have.

Advocates of gun control point to England and claim, "Banning guns must work, because England bans them and look at its crime rate." A 1971 study at England's Cambridge University refutes this argument. The report concluded that social and cultural factors, not gun control, account for Britain's low violence rates. It pointed out that "the use of firearms in crime was very much less before 1920 when Britain had no controls of any sort."

Corroborating this is the comment of a former head of Scotland Yard, that in the mid-1950s there were enough illegal handguns to supply any British criminal who wanted one. "But," he continued, "the social milieu was such that if a criminal killed anyone, particularly a policeman, his own confederates would turn him in. When this social milieu began to dissipate, between 1960 and 1975, the British robbery rate doubled, while homicide rates accelerated even faster than those in America."

The Cambridge Report also noted that the handgun ban proved completely ineffective against rising violence in Britian, although the government frantically intensified enforcement and extended controls to long guns as well. The study recommended "abolishing or substantially reducing controls" because their administration involves an immense and unproductive expense and diverts police resources from programs that might reduce violent crime.

In the U.S., of an estimated 200 million privately owned firearms, only one-sixth of one percent are used in the commission of crimes annually. Firearms are used in less than four percent of all crimes nationwide. Are those the kind of statistics that justify restricting the rights of all for the actions of a very few?

Many States have passed mandatory minimum sentences for those who use a firearm in the commission of a crime. This is how it should be—placing the responsibility on those who commit the crime rather than on those who don't.

Gun control advocates are basing their pleas on emotion instead of facts, but they cannot duck the evidence adverse to their position by posing such questions as: Why should people have guns; what good do they do; why shouldn't we ban them? In a free country, the burden is not upon the people to show why they should have freedom of choice. It is up to those who want to restrict that freedom to show good reason for doing so. When the freedom is as deeply valued by as many as is gun ownership, the evidence for infringing upon it must be much stronger and conclusive than any evidence presented to date.●

COMMUNITY SUPPORT FOR SAVING OUR TUNA INDUSTRY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. ANDERSON. Mr. Speaker, over the last several months, I have found myself called on with increasing frequency to pursue measures for the very survival of our American tuna industry.

It has sometimes seemed a lonely and parochial struggle. So, I was particularly gratified recently to get the following letter from the San Pedro, Calif., Chamber of Commerce:

CHAMBER OF COMMUNITY DEVELOPMENT AND COMMERCE,
San Pedro, Calif., January 23, 1981.

Hon. GLENN M. ANDERSON,
U.S. Congressman,
Washington, D.C.

DEAR CONGRESSMAN ANDERSON: I am writing to thank you for your efforts on behalf of the U.S. Fishing Industry to replenish the Fishermen's Protective Fund. The San Pedro Chamber lends it complete support to your efforts to save our fishing industry.

At its December meeting, our Board of Directors voted to support the deduction of foreign aid from countries which seize our fishing boats. We believe the American fishing industry is too important to abandon because the State Department does not want to offend a third-world country. We urge your continued efforts to seek enforcement of the law and to gain relief for our beleaguered fishermen.

Sincerely,

BILL PIKE,
President.

The chamber's letter shows that the rest of the economic community is becoming concerned that we face the very real and imminent loss of our entire $2 billion tuna industry. That industry includes management and labor: Boatowners and canneries, unionized fishermen, and cannery workers. Several countries, especially Mexico and Ecuador, have made no secret that they will spare no effort to commandeer our industry.

There are multiple ironies in the tuna war which we seem about to lose. One is that the fishing fleets in the countries which are our adversaries were established with the very considerable unselfish assistance of our own fishermen. Another is that, while those same countries are desperate for protein for their own people, their intention is to export their tuna catch to the United States. The most tragic irony, and one which we can and must do something about, is that our own Government has been as much the villain in the threat to our industry as have been the foreign countries.

Congress and the administration need to act quickly on a number of issues, if our tuna industry is to be saved: Replenishment of the funds the State Department and Commerce Department use to partially compensate our fishermen for the losses from seizures; reauthorization of the Fisherman's Protective Act; resumption and success of fisheries negotiations with Mexico; an end to the sale of U.S. naval vessels to countries which use them to seize our tuna boats; a moratorium on suggestions by our own trade officials that we reduce tariffs on imported tuna; and, the use of the stronger optional response measures when our boats are seized, such as complete embargoes on all fish products and withholding of foreign aid. I am sure that the list will grow.

In some of these efforts we are already making progress; and I would like to thank my colleagues from San Diego for their assistance, the gentleman from Florida (Mr. BENNETT) for his impressive response on the transfer of a destroyer to Ecuador, and the senior Senator from Florida for his leadership on the funds for the Fisherman's Protective Act.

But, much remains before us, and I believe the Members should be alerted to the seriousness of the plight of our tuna industry.●

TRIBUTE TO JOE MARTIN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. BIAGGI. Mr. Speaker, on January 26, 1981, a giant in the journalism profession passed away. I refer to Joseph Martin, a Pulitzer Prize winning reporter for the New York Daily News.

Integrity, tenacity, and accuracy are the trademarks of a good reporter. Joe Martin possessed all of these attributes and more. Joe won the coveted Pulitzer Prize but that was not by any means the totality of his achievements. He won the Society of Silurians Award in 1950 for bringing home Chinese war orphan Anne Chisari. In 1952 he won two George Polk Awards for stories on unclaimed tax refunds and in 1973 for a series on payroll irregularities in New York City government. In 1956, Joe captured the Newspaper Guild Page One Award for a series on the Sing Sing death house.

Yet Joe's biggest story was a 10-part series he wrote on Cuban dictator Fulgencio Batista that won the 1959 Pulitzer Prize. It was cited as prophetic journalism by the Pulitzer committee; predicted the fall of Batista months before it happened. Joe dug hard for the story traveling the perilous underground routes of Havana under the noses of the corrupt Batista police force.

Joe was always involved with police work and from 1965 to 1968 served as deputy police commissioner for public relations. All told, Joe's career with the Daily News spanned 45 years which in the newspaper business translates into thousands of years worth of experiences.

I knew Joe Martin well. He was a good and loyal friend as well as a dogged, determined but always professional reporter. His was not just a career; Joe Martin was a legend in the news business.

He will be dearly missed by his friends and his profession and to his wife and daughter I express my deep condolences but assure her that Joe's accomplishments and contributions to the news business will be remembered for decades to come.

At this point in the RECORD I insert a tribute to Joe Martin written by a fellow reporter from his New York Daily News, Owen Moritz. It captures Joe Martin as he was, and is aptly titled "Joe Martin Is Gone—He Took His Era With Him."

The tribute follows:

JOE MARTIN IS GONE—HE TOOK HIS ERA WITH HIM

One of the office wits said his passing marks the end of the front-page gang.

And maybe it does. The death of Joe Martin, this paper's Pulitzer Prize winner, at age 64, of a heart attack while in Cape Cod retirement, signals the end of an era here of the sort remembered in Hecht's and MacArthur's classic, "The Front Page."

Baseball had the "Boys of Summer"—the Dodgers of the 1950s, whose premature deaths and tragedies were eloquently captured by a sportswriter trying to recapture his own youth. Around here we had the "Boys of the Front Page."

Martin was this paper's investigative reporter, an expert reporter, if not the best ever to take pencil and notebook in hand and go digging, digging, digging for the real news behind the day's events. He was the master of the telephone interview. He could browbeat a subject into an incriminating admission or draw one out by bluffing he knew more than he did.

I remember him striding into the newsroom one Sunday morning, tense and unsmiling, determined to reach a former state Liquor Authority official named Martin Epstein who had taken refuge in Florida. Joe didn't know where in Florida. So early that morning he begin rousing from bed every M. Epstein in the state of Florida, thundering into the phone: "Hello, Epstein? Martin Epstein? This is Martin, Joe, J-O-E"—(it was his way of distinguishing himself from his wife, Jo, a free-lance writer, though a lot of us suspected he was putting on his subjects).

After 19 or so calls, he finally got his man. He usually did. But I often wondered about the others, imagining them rubbing the sleep from their eyes, groping for the phone only to hear some throaty voice at the other end demanding to know which Martin Epstein they were, then mumbling no and stumbling back into bed.

They were a special kind from a special era in journalism, were these front-page boys. They were flamboyant, hard-bitten sorts on the surface, fearless in the best sense, chasing down sensational stories with comic-strip abandon, often working out of their raincoat, reporting back to a public that lapped up every word.

Martin won his Pulitzer by gathering evidence of the abuses and outrage of pre-Castro Cuba right under the noses of the corrupt Havana constables. Eighteen months before it happened, he predicted Castro's takeover. "Prophetic journalism," said the Pulitzer jurors. But he also raced around the world to rescue a World War II orphan stuck in Formosa by bureaucratic red tape, also went to Sing Sing to report on the death house.

It was a day when hard news triumphed over all. Today, the fast-breaking news event has changed. There are no words, no commentary that could match television's live pictures of the arrival of the freed hostages in Algiers and Wiesbaden. It was more sensational than anything anyone could write about or elaborate on later. But news coverage is also being perverted into news events. Dan Rather's foray into Afghanistan is remembered more for his disguise, more for his slipping in than what he found or came back with. We were surprised because we have come to expect television's news people to look like ambassadors, not reporters.

The front-page gang were tabloid journalists. "Stop the presses" journalism Jim Bishop calls it in a current interview. Those involved took their roles seriously, to a point. Once, on a bet, Martin drove his car into the spacious lobby of his apartment house, just left it there and went upstairs to bed. The next morning the manager called, excusing himself for the intrusion, asking if Martin would kindly move his car. It was, said the manager, parked in the wrong spot.

Another time, he lit up a cigar with a $1,000 check that a woman had given him as a reward for doing a good deed. He didn't need to be paid for a good deed, he reasoned; so he lit a match to the check.

I remember him calling me at home late one night, conscious-stricken over whether to reveal information about a low-level provisional employee in the Lindsay administration. It bothered him that disclosure might damage the person's career. But it bothered him more that a public trust was being abused.●

HAPPY BIRTHDAY BESS TRUMAN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. SKELTON. Mr. Speaker, I would like to take a few moments and remember a lady from Missouri on her birthday. She was once described in her hometown newspaper as "completely natural and unaffected, friendly and thoughtful, * * * she laughs frequently, gestures to illustrate her remarks, and has a simple dignity." These words were written to describe the lovely former First Lady, Mrs. Harry S. Truman, affectionately known as Bess, whom America loves and who today lives a quiet life in her hometown of Independence, Mo.

February 13, is Mrs. Truman's 96th birthday. I would like to wish a very happy birthday to this remarkable lady, and I know that all the Members of the House join me in sending her best wishes.●

WHY THE RUSSIANS FEAR THE BOMB—NATIONAL SECURITY INSIGHT, PART I

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. DOWNEY. Mr. Speaker, most of what the general public reads on national security matters is hogwash. this is regrettable; hogwash does not build a firm foundation for sound decisionmaking. However, from time to time an article appears which is not only factually sound but also shows unusual insight and makes a significant contribution to understanding these very complex issues.

Such an article is "Why Are the Russians More Scared of the Bomb Than We," by Lars-Erik Nelson in the January issue of the Dial magazine. With Mr. Nelson's thoughtful account of Soviet views on nuclear war, I am beginning a series of inserts of national security articles of exceptionally high quality. I hope there will be more to follow.

WHY ARE THE RUSSIANS MORE SCARED OF THE BOMB THAN WE?

My train slid to a halt in a silver birch forest on the frontier just north west of Leningrad. Men in olive army uniforms clambered aboard and barged down the corridor. "Into your compartments," a pink-cheeked young border guard barked. The foreigners who had been standing in the corridor and watching the little red farmhouses and birch groves of Finland glide by were puzzled. Reluctantly, we stepped back into the individual compartments, and the doors clanged shut.

A sudden hammering on the door of my compartment, and a customs agent and a border guard, in nearly identical uniforms stepped in. The agent saluted smartly and began his search. He was looking in my compartment for someone who might be trying to sneak into the Soviet Union. He looked under the mattress, under the berth, and in the closet. He looked in the overhead baggage rack. No hidden people. He turned to me.

"Do you have any Bibles?" he asked. "Any religious postcards? Any gold?"

No on all three counts.

"What are these?" he asked, riffling the pages of some notebooks.

"My thoughts."

The agent handed my thoughts over to the border guard for further study. Then he rummaged through one of my suits, finding a Russian-language edition of Mikhail Bulgakov's classic novel. The Master and Margarita. The book was confiscated.

Saluting again, the agent disappeared. The train rolled into Russia, cleansed of its contraband. I walked out of the compartment and stood again in the corridor. A young Finn who sold fishing equipment emerged from the next compartment, white and shaken. We leaned side by side on the railing below the window looking out again at the birch groves and the little red farmhouses.

"From me, they took two fishing nets," the Finn said presently.

"Why?"

"They told me that fishing with nets is illegal in the Soviet Union." We looked out at Russia in silence and pondered our attempted crimes.

Russia today, as always, behaves in many ways like a country at war. It is at war with books, with mysterious enemies who carry notebooks, with intruders who would plunder its riches with fishing nets. It is at war with religious postcards. Today, sixty-three years after the Bolshevik Revolution, forty-seven years after Franklin Delano Roosevelt recognized the USSR, thirty-five years after the end of World War II, and over eight years after the inauguration of détente, Russia is still apprehensive. It is an elephant afraid of mice.

But this is an old nervousness. The Marquis de Custine, a French nobleman who toured the Russian Empire over 140 years ago, reported being confronted everywhere by secrecy and suspicion, a wariness of outsiders coupled with an intense desire to show that Russia really was like any other country.

De Custine's notes on the czarist autocracy of the 1830s were contemporaneous with Alexis de Tocqueville's Democracy in America. The observations of both are penetrating and in many ways clairvoyant. The difference between them is that De Tocqueville was studying only people, and De Custine people and a monarchy. The irony that struck me as I toured through the Soviet Union recently from the Finnish frontier to the melon market in Tashkent, was that just as the American characteristics jotted down with such accuracy by De Tocqueville have survived, so have the Russian traits noted by De Custine—except that in Russia they have survived the revolutionary transition from czarist government to Communist one and have been handed down from nineteenth-century nobleman to twentieth-century worker.

I was shocked, returning to the Soviet Union last summer after an eleven-year absence, to find that the Russian people, whom I had always regarded as skeptical of Communist party propaganda, were now accepting it. People who in De Custine's day had looked to America as the land of liberty and hope and who even during my own two-year stay there in the late 1960s had basically liked America are now fearful of us, suspicious that we are about to make war against them—or at least stir up other enemies who will make war. It was also disconcerting to find that from their perspective, they can make a pretty good case.

Their perspective, of course, is not simply a mirror image of ours. Words and concepts have different meanings that Russian-English dictionaries cannot convey. "We have completely different psychologies, completely different moral standards," a thirty-six-year-old lawyer said as we sat on a park bench near Leningrad's Neva River and watched children playing in a sandpile. "Your country and mine look at the world in completely different ways."

One obvious reason for the difference is a basic sense of security that Americans take for granted and that Russians cannot. We are insulated by two oceans and are bounded north and south by friendly countries. Russia has a 4,000-mile frontier with China, which it views as a deadly foe. And the average Russian regards even his country's allies—Poland, Czechoslovakia, East Germany, and Hungary—as temporarily tamed enemies. In Kiev, I asked the cabdriver taking me to the memorial at Babi Yar what he thought about the independent trade unions that were just then arising in Poland.

"Those Poles," he sneered, "not a steady people, not hard workers. They don't know what it means to work. And they already live better than we do. What have they got to strike about? Maybe we should teach them a lesson."

Let there be "no more war" is a prayer I was to hear dozens of times in three weeks, but to a Russian, it was a prayer that had a very specific meaning. "No more war" means no war on Soviet soil, no repetition of the holocaust of 1941 through 1945, which cost at least twenty million lives and which is blamed to this day for so many shortcomings in Soviet life. "No more war" does not, to a Russian, mean no invasion of Afghanistan or no intervention in Czechoslovakia or no deployment of nuclear missiles aimed at the cities of Western Europe. "No more war" means perfect security for the Soviet Union and its political leaders.

But when taxed about their own provocative actions—a military buildup that has put their economy on a war footing, the intervention in Afghanistan, and the needlessness of the SS-20 missiles—Russians are thunder struck.

"But we would never start a war" a middle-class, well-educated Moscow matron told me as we shuddered in a chill wind on Gorki Street. "It is inconceivable that the Soviet Union, we who suffered so much in World War Two, would ever start a war."

A long-haired young man in Leningrad—obviously a privileged member of society, because he had been allowed to visit Great Britain—earnestly assured me: "Leonid Brezhnev is really a peace loving man. He is truly committed to peace, to no more war. He was at the front himself. He knows what war is."

Given these viewpoints, common to so many Russians today, why is their government acting so militaristic and aggressive? It says it's doing so because of us.

They fear that Presidential Directive 59, which retargets U.S. nuclear missiles away from cities and toward military and political objectives, is a move preparatory to attack. Actually, the purpose of PD-59 is to give the president flexibility in responding to Soviet nuclear aggression; he would have an alternative to ordering a massive destruction of Soviet cities. Russians assume that President Carter, well-intentioned but ignorant of foreign affairs, was persuaded to sign the directive by Zbigniew Brzezinski, his Polish-born national security adviser. Brzezinski, vaguely Prussian-looking with his hawklike visage and crew cut, perfectly fits a stereotype of Russian literary and political tradition—the czar's wicked adviser.

(Ironically, the Russians I talked with were much less perturbed by the thought of Ronald Reagan as President than they were by four more years under Carter. Though Russians see Reagan as a hawk who defines his militant views in terms of resisting the Soviet Union, they think he has some redeeming features: They do not believe he will continue Carter's human-rights crusade; they think his ties to big business will keep him from imposing new grain and technology embargoes on the Soviet Union; and they hope that his affection for Taiwan will undo the most fearsome of all links, the U.S.-China connection. Finally, Soviet Communists are most comfortable with a foreign leader whom they can easily pigeonhole into their Marxist-Leninist world view, even if he is a reactionary imperialist. Communists are much less at ease with liberals, reformers, and social democrats.)

In terms of nuclear strategy PD-59 is defensible, a more credible deterrent than wholesale nuclear holocaust. But to a Russian, PD-59 is an effort to make nuclear warfare more thinkable—and therefore more likely. Soviet specialists who understand nuclear strategy have little quarrel with PD-59. But the Soviet propaganda machine seised upon the first leaks of its existence in the American press as evidence that the United States was trying to obtain nuclear superiority over the USSR, to tip the balance of power, and to develop a strategy that would enable America to win a nuclear war.

The Russians are also convinced that the United States is the prime force behind the insurrection in Afghanistan. Russians, and even Uzbeks, who are ethnically akin to the Afghans, do not regard the rebels as courageous freedom fighters seeking self-determination, as far as I can tell. Instead, ordinary people, such as a construction worker I met in Tashkent, see the rebels as a U.S.-backed collection of ex-landlords, Muslim fundamentalists, and hill tribesmen trying to turn back the clock, keeping their women behind veils and using their children as unpaid labor.

The reason the United States supports this ragtag collection is clear to the Russians: "The fact is," a bright young man explained to me. "America is sponsoring the Afghan rebels because it needs Afghanistan as a replacement for the military bases it lost in Iran. If Soviet troops had not gone into Afghanistan, we would have had American bases on our southern border."

Another fear is that the United States may yet deploy a neutron bomb in Europe. Russians recoil in horror at this thought. The purpose of the "enhanced-radiation warhead" (its proper name) is to halt a Soviet tank invasion of West Germany by using radiation to kill tank crews without destroying invaded German cities at the same time. To the Russians, as to many Americans, the neutron bomb is the ultimate capitalist weapon, one that kills people but spares property.

As in the case of PD-59, Russian specialists understand the logic of the neutron bomb, but to the man in the street it is a new nightmare, carefully nurtured by the Soviet press. "Who thinks up these fiendish things?" a young mother asked me in dismay as we chatted in a Leningrad park. "Why would you drop such a bomb on us?"

The Soviet Union also believes that the decision made in December 1979 by the United States and its allies to upgrade medium-range nuclear missiles in Europe capable of striking Soviet territory is a move of aggression. The use of such weapons is not controlled by any treaty, even Carter's SALT II Treaty. The 572 new missiles are intended to offset what NATO perceives as a Soviet nuclear edge—the Russian deployment of the triple-warhead SS-20 on mobile launching pads in the bogs and forests of western Russia, from which virtually every capital in Europe could be destroyed.

"The NATO decision was pure aggression," a newspaper reporter told me. "It was made three months after Leonid Brezhnev said he would reduce the number of Soviet missiles directed toward Europe, and NATO went ahead with its new program anyway." The catch in Brezhnev's offer, however, was that while Russia would reduce its total number of missiles, many of the older, single-warhead types would be replaced by

the three-warhead SS-20. The reduction would thus mean an increase in the number of warheads aimed at Western Europe. I tried to make that point to the reporter, asking him how many warheads were on the old SS-4 and SS-5 and how many on the SS-20.

"That is a military secret," he snapped. "It is not my function to know." End of argument. As we left the office, my Soviet escort, who had listened in silence to my discussion with the reporter, whispered to me, "And how many warheads are on the SS-20?"

"Three," I said, betraying a Soviet military secret to a Russian, whose function also did not entitle him to know. He nodded sagely and stored the information away. But the rest of Russia's 260 million citizens do not know how many warheads the SS-20 carries or even that there is such a weapon. It is not Soviet policy to cover up its firepower from its citizens. However, the government does not categorize its armaments in the same way that we do.

The very designation SS-20 is not Soviet; it is the number assigned to the missile by NATO military analysts. "SS" means surface to surface and "20" is its place in the sequence of missile development. Rather than disclose the actual names of their own missiles, Russian military specialists have adopted NATO terminology and use it when speaking to those "not entitled to know." Thus, they write out the NATO-named Backfire bomber as "Bekfeier."

Secrecy must be preserved. The ancient Russian addiction to it may be the greatest single danger to détente. It prevents Russians from knowing about themselves, their own military programs, and their defense budgets.

The U.S. response to those programs—the MX mobile missile, the neutron bomb, and the deployment of upgraded missiles in Europe—therefore strikes them as completely unprovoked. To the Russians, the United States appears to be arming itself simply out of malice toward the Soviet Union, not to counterbalance a Soviet threat. As far as they know—and, indeed, as they sincerely believe—there is no Soviet threat. Similarly, given their perspective of their role in Afghanistan, President Carter's grain embargo was either a heartless cruelty to an innocent people or an attempt at blackmail.

In this atmosphere of misunderstanding and mistrust, technology advances. More powerful nuclear warheads, more accurate missile-guidance systems, and more sensitive submarine hunters are being developed every year. The MX missile, which would move randomly among silos in the Utah and Nevada deserts, is an example.

Given the rate and the sophistication of weapons development, it is not inconceivable in both the United States and the Soviet Union that at some point in the near future a general will walk into the White House or the Kremlin with his eyes shining. "We've done it, sir" he will say. "We have a missile that can knock out all of theirs, and they won't be able to strike back at us. But we have to move quickly because they're about to catch up."

Each side will have reasons to deliver the blows. Each president will ponder the risk. Neither the American people nor the Soviet people, nor their elected representatives, will have a say in the decision. It will have to be made quickly.

And the general, either Soviet or American, may be right. His engineers may in fact have a weapon capable of disarming the enemy and ending the threat of "mutually assured destruction," the war gamers term for nuclear holocaust. Or the general may be wrong. If his president chooses to believe him, to believe that nuclear supremacy has at last been attained when in fact it has not, the first you'll know about it will be a blinding white flash.●

TRIBUTE TO MRS. LUCINDA MILLIN, MR. CLAUDE O. MARKOE, AND MR. MONSERRATTE GARCIA

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. DE LUGO. Mr. Speaker, I wish to take this opportunity to pay tribute to the passing of three unselfish community leaders in the Virgin Islands, Mrs. Lucinda Millin, Mr. Claude O. Markoe, and Mr. Monserratte Garcia.

Mrs. Millin's commitment to excellence was a constant source of inspiration to her fellow Virgin Islanders to welcome challenge, to seek their own highest potential, and to achieve. It was my great privilege to be one of her students and later to work for her and with her. I will never forget her wisdom, kindness, and understanding. I join with the people of the Virgin Islands to pay tribute to this remarkable educator, civic leader, ally, and friend. Perhaps, the most beautiful tribute to Mrs. Lucinda Millin comes from one of her many students, David Stanley Sasso, a friend of mine, who clearly and succinctly described her marvelous life. I would like to submit his comments into the RECORD:

I would like to pay tribute to an outstanding native Virgin Islander and educator who recently passed away. The late Mrs. Lucinda Millin was an outstanding example of the educators which our Virgin Islands has produced.

I was one of the many who had the privilege of being tutored by Mrs. Millin from grades 2 thru 6. Mrs. Millin's students were always among outstanding students when they journeyed away from home to America. Her method was thorough—her discipline was strict. Yet, she was one of the most warm teachers any student could ask to have.

Almost everything in my basic education was obtained in Mrs. Millin's Private School. I know that even though Mrs. Millin is no longer with us physically, a part of her has remained with each of the many students who had the distinction of having Mrs. Lucinda Millin as his or her teacher.

Mr. Claude O. Markoe was a pioneer in the true sense of the word in the Virgin Islands in education and generations of Virgin Islanders have benefited and will continue to benefit from his efforts in this field.

Mr. Monserrattee Garcia, my friend, was a leader in his community. His commitment to his fellow Hispanics was from his heart, and he served them as faithfully as a business leader and civic organizer.

In a recent editorial, the Daily News sensitively marked the passing of these three exceptional Virgin Islanders and remembered their uncommon contributions. I would like to submit it into the RECORD:

The passing of three prominent Virgin Islanders this week echoed the end of an era in which they have given unselfishly of themselves to make the territory a better place to live.

Their devotion and commitment to these islands and their people are reflected in their individual professions and civic activities, in many cases where there were no financial rewards or benefits.

Mrs. Lucinda Millin, who for 44 years was a senator and educator, became the first elected female legislator in the Virgin Islands in 1958. Her devotion to the education of island residents on St. Thomas was seen in the private school she operated for more than 30 years. She was responsible, literally, for educating hundreds of Virgin Islanders.

Further evidence of dedication to her profession and her concern for students is also reflected in her philosophy that students should continue their education whether their parents are able to pay tuition.

But her contribution to the territory did not stop there. She continued into politics, serving as Democratic National Committeewoman and as a senator. Her interests extended also to civic and charitable organizations, being one of the founding members of the Women's League of the Virgin Islands, a member of both the Community Chest and the St. Thomas Youth Committee.

The Lucinda Millin Home for the Elderly is also ample testimony to the concern she showed for the elderly.

Another pioneer educator, Claude O. Markoe, for whom a Frederiksted junior high school is named, retired in 1953 from the Department of Education after serving for 31 years.

Principal of both the Frederiksted and the Christiansted High, Markoe fulfilled his ambition in education, even though there was a need for expertise in sugar chemistry, the area in which he specialized at the University of Puerto Rico in Mayaguez.

Monserratte Garcia's contribution to the St. Croix community was as a businessman and civic activist. His activities prompted Governor Luis to honor him for "his contribution to the business sector and to the welfare of the residents of St. Croix, particularly those of Puerto Rican extraction."

The contributions made by these residents will long be remembered by those who were fortunate enough to know them.●

SOMALIAN REFUGEE CRISIS

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. MOFFETT. Mr. Speaker, refugees in Somalia are living on the brink of starvation in overcrowded, unsanitary conditions. As of January 1, 1981, over 1.2 million refugees had entered Somalia. Ninety percent are women and children under the age of 15. The Somalian refugee crisis was recently

discussed by Ms. Liv Ullmann, and I would like to submit a recent article from the Washington Star by David Shribman on her presentation to Members of Congress.

[From the Washington Star]

ULLMANN: A PLEA FOR AFRICA

(By David Shribman)

The beautiful face so sad, the delicate fingers so taut, Liv Ullmann sat amid the congressmen and the staff aides yesterday and told her story.

It was the usual Ullmann kind of story—somber, intense, introspective—but this time the setting was East Africa and Ullmann herself was only playing a supporting role. The real drama was thousands of miles away, where 17 million people in nine nations are on the brink of starvation.

"I have no understanding of budgeting or diplomacy or whatever," she said, her voice lilting in that familiar way. "I can only tell you that the suffering is enormous. If you met these people there's no way you could say it is not your business."

For the past year Ullmann has been Ambassador of Goodwill for the United Nations Children's Fund, so it was neither as an actress nor as a director—but as a roving minister—that she made her pilgrimage for aid. For now, at least, the stage is not all her world.

Ullmann has just returned from the East African nations of Somalia, Ethiopia and Djibouti, where she got to know some of the wrinkled faces and withered hands of hungry mothers and children, victims of drought and internecine war. Now she was sharing the story, urging legislators to direct more aid toward Africa and warning them of the impending holocaust of hunger.

It is, she said, the least she can do. "The women were holding children with thin arms and big bellies, and they were saying, 'Tell the people in your part of the world about our children.' The children looked 100 years old in their eyes. But if you came close to those children they do exactly what your children do. They take your hand."

The congressmen—members of the Foreign Affairs and other related committees—looked on, shifting uncomfortably in the crowded office as they listened. It was one of Liv Ullmann's most compelling performances, and yet it was not a performance at all.

And she went on. "If something is not done for these people," she said, "then we will be guilty of the mass-murder of 17 million people. These people cannot wait."

She looked to her right at Rep. Don Bonker, D-Wash. She looked to her left at Rep. Millicent H. Fenwick, R-N.J. And she looked straight ahead at Rep. Olympia J. Snowe, R-Maine. She turned her palms up and spoke again. "It will be on everyone's conscience," she said, "if these people are condemned to die."

UNICEF already is undertaking special relief programs in East Africa, providing food, hospital equipment, medicine, vaccines and blankets. But buffeted by acts of men like the war in the Ogaden peninsula and by acts of God like the deepening drought, the relief efforts don't begin to keep up.

"Most of the camps now are without shelter," Ullmann said. "The people sleep on the ground. They don't even have a cup. If they're lucky enough to get food, where do they put it? They dig water holes with their hands and only find brown mud."

These scenes from the refugee camps—some of them filling at the rate of 3,000 people a day—plainly left the legislators moved. They passed around a resolution to put Congress on record to help refugees from the Horn of Africa and they discussed ways to provide air support to relief agencies working in the area.

And then Fenwick suggested that members of the Congresswomen's caucus who traveled to famine-ravaged Cambodia in November 1979 mount an expedition to East Africa.

"Would you go?" Fenwick asked Ullmann.

"I would do anything," came the answer.

They discussed the idea and gradually warmed to it. "There is such need," said Ullmann. "Once you see the suffering and need you cannot fail to respond."

"A trip for only congresswomen again?" asked Fenwick. The mission to Cambodia was successful largely because of the attention the all-female expedition attracted.

"Just listen," Ullmann answered. "Ninety percent of the people in these camps are women."

It was an extraordinary scene—an actress with an abundance of awards beseeching American legislators for help, telling them that America has not done enough and that per-capita UNICEF donations from her country, Norway, outpace donations from the United States by a ratio of 30 to 1.

And still Ullmann pleaded. "You are in power," she said. "You can do so much more than I can do just by being on 'Good Morning America.'"

Ullmann already has done much. More than a year ago she visited Cambodia, called it "the Auschwitz of our time" and later presented a check from theater lovers for nearly $195,000 to the International Rescue Committee. She now is vice president of the IRC, which was established during World War II to aid displaced persons.

In the meantime Ullmann has finished a new autobiographical volume, "Tides," and has grown comfortable in a new role as film director.

But that is part of the past, and part of the future. Four years ago she wrote her first autobiographical book, "Changing," and that, in a way, is what Liv Ullmann, 41, has been doing this past year. She has been changing, living a different character, portraying the people of the world's most tragic stage. She doesn't know when she'll return to film or the theater.

"I cannot—with any conscience—do anything else but this now," she said. "I have made a commitment. I can't go back to the theater as if I haven't seen what I have seen.

"A year out of my life—that's the least I can give," she said. "That's not very much, really. That's really nothing."●

LUIS INACIO DA SILVA: THE LECH WALESA OF BRAZIL

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. FAUNTROY. Mr. Speaker, in January I was part of a delegation of the Banking and Currency Committee that visited key countries in South America. While I was in Brazil I had the privilege of meeting and talking with Mr. Luis Inacio da Silva, better known simply as "Lula." He has been characterized as the Lech Walesa of Brazil, as he is also the leader of a church-backed rank-and-file union movement opposing a repressive government and attempting to win a fairer share of the fruit of their labors in order to be able to survive the rising cost of living, and high inflation, that Brazil is experiencing today.

Lula is currently on a European tour, but will be in the United States February 9 through 12, including a day in Washington, D.C. Because of the importance of this nonviolent, worker's movement in Brazil, I wish to insert in the RECORD translations of very recent Brazilian newspaper and magazine articles telling of Lula's visits in late January with the Pope, and with Lech Walesa.

The notes in parentheses are put there by my staff translator to offer some details that would have been understood by the Brazilian readership of these articles:

EXCERPTS FROM ISTO E MAGAZINE, JANUARY 28, 1981

"The purpose of our trip is to show to Europe that there is a new kind of trade unionism in Brazil," was the phrase that Luis Inacio da Slova, Lula, repeated patiently in each meeting he had in Rome with union and political leaders. The most important of them was with Lech Walesa, the leader of free unionism in Poland. Lula, as a matter of fact, was the only non-Italian union leader to be given time by Walesa—and he practically imposed a condition before he would meet: that the two (Lula and Walesa) would establish relations between them that would permit that either one could call the other, even at night, if the situation called for it.

Lula went to Europe at the invitation of the Federazione Unitaria dei Sindicati, which brings together the three most important Italian trade union groups.* * * To everyone he told about the present situation of Brazilian trade unionism, about the founding of the PT (the new labor party that Lula heads), and about the trial he must face in a military court. He told of his desire to establish closer relations with European unionism. The Italian union leaders, as a general rule, admitted their lack of knowledge of the Brazilian situation, since they have been more concerned with Argentina and El Salvador.

But the contacts of Lula and his fellow-committee members in Rome were not limited to the union world. They were also received by representatives of the three largest Italian political parties: Vittorino Colombo, former Minister and Vice-Secretary of the Christian Democrats; Enrico Berlinguer, Secretary-General of the Communist Party, and Bettino Craxi, Secretary-General of the Socialist Party * * *.

The Brazilian delegation was in the first row to greet the Pope in his audience on Wednesday, January 21st. Afterward, Lula repeated the conversation: We said to the Pope that we hoped we could count on his support, and he answered that he hoped that we could obtain the same results obtained by the Polish workers. The Pope reminded us of his speech that he had made to the Brazilian workers in the stadium in Sao Paulo (during the Pope's visit to Brazil in July, 1980—at which time Lula and a few other labor leaders had a private converse-

tion with the Pope, through the intervention of the Cardinal of Sao Paulo, Dom Paulo Evaristo Arns).

EXCERPTS FROM VEJA MAGAZINE, JANUARY 28, 1981

* * * The next stage of his schedule will take the committee of the PT to meet with the former German Chancellor, Willy Brandt and other leaders of European Social Democracy, such as Felipe Gonzales, the Secretary-General of the Spanish Socialist Workers Party. * * *

The quartet (the four members of the Committee headed by Lula) began their European journey in Stockholm the 15th of January, at the invitation of the Metalworker's Central Union of Sweden, with the purpose of "establishing contacts" with all political trends. In Rome, where they arrived two days later, they were in the city at the same time as the Committee headed by Lech Walesa, who had been invited to Italy by the Unified Union Federation, as had Lula. In a 90-minute meeting, in the House of the Pilgrims (a residence administered by the Polish Clergy), the President of the Solidarity Union movement brought Lula to the attention of the European press. * * *

Beyond the Papal blessing, Lula succeeded in calling attention to his case of politicians and union leaders of all ideological trends, especially for the trial that Lula must begin in the Second Military Court of Sao Paulo beginning February 16th—where he is accused of a crime against national security because of his participation in the strikes of ABC (three industrial suburbs of the city of Sao Paulo where there was a massive strike of metalworkers in April and May of 1980). The Italian Unions and the Socialist Party promised to send representatives to Sao Paulo for the trial * * *.

[From the Folha De Sao Paulo, Jan. 20, 1981]

WALESA AND LULA DECIDE TO BEGIN COOPERATION

(By Pedro Del Picchia)

The Poland of Walesa and the ABC (the three industrial suburbs of Sao Paulo where Lula is a labor leader and which are the center of the automobile industry in Brazil) of Lula will maintain beginning yesterday diplomatic relations and this is the most important result of the meeting in Rome between the President of the Labor Party, Luis Inacio da Silva, and the leader of the independent Polish unions, Lech Walesa.

The Brazilians were received at the door of the House of the Pilgrims (a residence of Polish clergy in Rome) by Anna Walentynowicz—the number two person of the free unions of Poland, and whose dismissal was the spark that began the strikes in August in Gdansk. "You ought to create a solidarity movement in Brazil," was the first phrase that Lula heard from Anna Walentynowicz in the reception room of the house.

At the end (of the exposition about the Brazilian situation by Lula) the President of Solidarity declared his "profound understanding" for the movement of ABC and emphatized "that when a workers' movement begins it is important to win two or three fundamental victories."

Smiling happily * * * Lech Walesa guaranteed that "beginning now there is a recognition of the permanent relations between our two movements." He asked immediately to be informed rapidly about the results of the trial of Lula which will begin February 16th. "I don't want to leave this meeting—he said—without making some plan to continue this exchange of impressions and experiences, in a permanent way."

After taking notes of addresses for correspondence, Lula and Walesa exchanged presents. The Brazilian received a badge of Solidarity, and the Pole received the book, "Lula, interviews and Speeches," with the following dedication: "To our companion, Walesa, with the embrace of the companion, Lula."

As they said goodbye with a long embrace, and with Walesa raising the hand of Lula, the two union leaders parted with these two last statements:

"We must always maintain our solidarity among us workers," said Lech Walesa.

"The best way for the Polish workers to show their solidarity to the Brazilian workers is the continuation of your struggle," added Lula.●

RESTRICTIONS ON JAPANESE MANUFACTURED CARS

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. TRAXLER. Mr. Speaker, today, I and my colleague from Michigan, Mr. BRODHEAD, are introducing legislation to place import restrictions on Japanese manufactured cars. This bill is identical to the bipartisan legislation introduced yesterday in the Senate by Senators DANFORTH and BENTSEN. The bill will limit the importation of Japanese autos to 1.6 million cars per year for the next 3 years. This legislation is sorely needed, and I commend my colleagues in the other body for moving forward with their proposal.

Yesterday the President said that out national economy is in its "worst economic mess since the depression." It should be obvious that a great part of our economic woes result from the massive depression in the American automobile industry, the effects of which have spilled over into the steel, glass, rubber, textile, and retail areas. No effort that ignores the problems of the automobile industry will adequately deal with our current national economic problems. The domestic automobile industry is currently investing massive amounts of money in major retooling to restore its position of preeminence in the world car market. But the industry needs time, breathing room. No tax cut proposal, no relaxation of regulations can give immediate relief, and immediate relief is what is sorely needed.

Former Secretary of Transportation Goldschmidt's exhaustive study on our automotive problems points the way. The vitality of the automobile industry, our American manufacturing base, and, indeed, our national security depend upon an immediate cutback in Japanese car imports. This legislation will achieve that goal.

The Danforth-Bentsen bill introduced in the Senate yesterday, which Mr. BRODHEAD and I are reintroducing in the House today, deserves the support of all of our colleagues. I call upon Members of this body to join with us in cosponsoring this legislation. I might add that I believe that the cutback to 1.6 million Japanese cars per year may not go far enough. We may find it necessary to restrict these imports even further. But that issue can be worked out as this legislation works its way through the committee and floor. Right now it is imperative that this proposal receive active consideration and that it becomes clear to both the Japanese and American manufacturers that this Congress is intent upon providing our domestic automobile industry with the import relief that is desperately needed.

The text of this legislation follows:

H.R. 1623

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEFINITIONS.

For purposes of this Act—

(1) The term "automobile" means an on-the-highway, four-wheeled, passenger automobile provided for in item 692.10 of the Tariff Schedules of the United States (19 U.S.C. 1202).

(2) The term "entered" means entered, or withdrawn from warehouse, for consumption within the customs territory of the United States.

(3) The term "Secretary" means the Secretary of the Treasury or his delegate.

SEC. 2. QUANTITATIVE RESTRICTIONS DURING 1981, 1982, AND 1983.

During each of calendar years 1981, 1982, and 1983, the aggregate quantity of automobiles that may be entered from Japan may not exceed 1,600,000. The quantitative limitation imposed under this section for each of such calendar years may be applied by the Secretary on a calendar quarter or other intra-annual basis if the Secretary determines that such application is necessary or appropriate to carry out the purposes of this Act.

SEC. 3. ADMINISTRATION.

The Secretary shall take such action as may be necessary to ensure that the quantity of passenger automobiles which may be entered during calendar years 1981, 1982, and 1983, or any intra-annual period therein, does not exceed the limitation established for that year or period under this Act.●

ROTARY FOUNDATION AWARD TO MICHAEL J. SALVATORE

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. BAILEY of Pennsylvania. Mr. Speaker, on February 13, 1981, the Rotary club in the city of Jeannette, in the 21st Congressional District of Pennsylvania, will honor Michael J. Salvatore as a Paul Harris fellow of the Rotary Foundation. Accordingly, I would like to take this opportunity to bring this noteworthy event to your attention.

The Rotary Foundation is an international organization operating in more than 150 countries. Its members seek to further understanding and good will among peoples of various nations. Many talented and promising young men and women have been able to study abroad via the Rotarians' scholarship programs.

The foundation's financial base is derived from voluntary contributions of Rotary clubs, individual Rotarians, and many others. A person is recognized as a Paul Harris fellow when a contribution of $1,000 or more has been contributed in his or her name. On February 13, 1981, the Jeannette Rotary will make its 10th donation and will honor Michael J. Salvatore as a Paul Harris fellow of the Rotary Foundation.

Mike was selected by his fellow Rotarians to receive the award because they feel he best illustrates the Rotary motto, "service above self." A brief glance at this dedication to the community is evidenced by his memberships—present and past—in various civic organizations including the Elks, American Legion, Boy Scouts of America, Salvation Army Board of Directors, Jeannette Library Board of Directors, the Pennsylvania Society, and various committees of the Ascension Church. Presently, he serves most diligently and wisely as the mayor of the fine city of Jeannette.

Mike's efforts on behalf of the Rotary club itself are too numerous to list. But a small sampling of the offices he has held, past president, vice president, sergeant at arms, and the governor's district 733 area representative, is highly indicative of his extreme enthusiasm for the Rotary. Activities such as the pancake breakfast, flea markets, and Christmas fruit sales are all projects to which Mike has unselfishly devoted much of his time and effort. His outstanding service record to the community and to his church certainly is admirable. It gives me great pleasure to congratulate him on his recognition as a Paul Harris fellow. Michael J. Salvatore is, without doubt, one of the most dedicated and public service minded citizens of my district.●

IMPROVING INTERMODAL CONNECTIONS AT AIRPORTS

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. PETRI. Mr. Speaker, today I am introducing a bill which will take one small step toward improving intermodal connections at airports. It requires absolutely no funding, nor complicated administrative machinery. It merely assures that airports will not prevent properly authorized intercity bus service.

This bill requires any airport receiving Federal assistance to provide reasonable access to its terminal area to bus and limousine companies that have obtained proper authorization from the ICC, State or local government, or a local public body. The bill defines reasonable access as, at least, permission to stop at a designated area near terminal buildings to discharge and take on passengers.

This bill also requires that the airport provide a reasonable number, considering the size of the airport, of clearly marked locations where information relating to ground transportation can be readily available.

With air travel increasingly dominating long-haul intercity transportation in this country, there is a growing market for direct bus connections between major airports and small- and medium-sized cities within a 100- to 200-mile radius of them. Such service provides a good alternative to using autos or commuter airlines for these short legs on the ends of longer journeys. In many parts of the country such service is well-developed, with the full cooperation of airport authorities. However, I know of other cases in which bus operators want to serve new markets but are discouraged from doing so by airport harassment or prohibition. This bill is designed to prevent such obstruction, and to help a tiny bit in the development of intermodal, energy-efficient transportation.

Some have argued that, by facilitating increased bus and limousine service, congestion at airports would be raised to an unacceptable level. However, I cannot emphasize strongly enough my contention that this bill will actually increase the efficiency of curbspace utilization and thereby reduce congestion. Why? Because bus service will not be economical unless the average bus carries a number of passengers. The alternative mode for many of these passengers would be individual automobiles.

Others have argued that this bill will allow the Federal Government to interfere with State and local laws. Nothing could be further from the truth. I have taken great pains to spell out clearly in the bill that this measure will apply only to properly authorized carriers. In most cases, the airport itself has a substantial say in the authorization of service to the immediate metropolitan area. This bill will not alter that situation in any way, shape, or manner. But in some cases, airports are overlooking the growing demand for connections with points farther afield.

In other words, this bill pertains primarily to intercity buses and limousines which have obtained authorization to serve an airport, but are prevented by the airport operator from giving adequate service. Undoubtedly, there are many other carriers that would like to serve airports. But they are often discouraged from doing so by a lack of access and a lack of available public information concerning ground transportation.

Note that this is a positive measure. No complicated administrative machinery is required. The initiative lies with the bus and limousine companies. This bill makes it clear that the Secretary of Transportation shall assume that there is no problem unless he receives complaints to the contrary. I would also like to make it clear that this bill does not apply to project grants received before a complaint from a bus or limousine company is filed.

In the 96th Congress, the House passed a bill to study the possibility of extending the Metro system to Dulles Airport. While we are studying ways such as this to improve mass transportation, let us also focus on ways to use our existing facilities.

Again, this amendment is simple and straightforward. It merely seeks to address a growing problem of ground access to airports. This bill will take one small step toward the improvement of energy-efficient transportation by improving, and thus encouraging the use of intermodal connections. I invite the support and sponsorship of all my colleagues.

H.R. 1623

A bill to require any airport receiving Federal assistance to provide reasonable access to the terminal area of the airport to motor common carriers of persons seeking to provide transportation to and from the airport

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 16 of the Airport and Airway Development Act of 1979 (49 U.S.C. 1716) is amended by adding at the end thereof the following new paragraph:

"(5)(A)(i) No project grant application for an airport with respect to which the Secretary has received a complaint under clause (ii) may be approved unless the Secretary is satisfied that the airport owner and operator do not and will not deny reasonable opportunity to pick up and discharge passengers at the terminal area of such airport to any approved motor common carrier persons.

"(ii) For purposes of clause (i), any approved motor common carrier of persons may submit a complaint to the Secretary, pursuant to procedures prescribed by the Secretary, alleging that the owner or operator of such airport deny reasonable opportunity to pick up and discharge passengers at the terminal area of such airport to such carrier.

"(B)(i) No project grant application for an airport with respect to which the Secretary has received a complaint under clause (ii)

may be approved unless the Secretary is satisfied that the airport owner and operator provide a reasonable number (considering the size of such airport) of clearly marked locations at such airport where information relating to the transportation provided by any approved motor common carrier of persons to and from such airport can be placed or displayed.

"(II) For purposes of clause (I), any approved motor common carrier of persons may submit a complaint to the Secretary, pursuant to procedures prescribed by the Secretary, alleging that the owner or operator of an airport do not provide a reasonable number (considering the size of such airport) of clearly marked locations at such airport where information relating to the transportation provided by such carrier to and from such airport can be placed or displayed.

"(C) For purposes of this paragraph—

"(I) the term 'approved motor common carrier' means a motor common carrier which has been authorized by the Interstate Commerce Commission, a State or local government, or a local public body to provide regularly scheduled transportation between an airport and another point; and

"(II) the term 'motor common carrier' has the same meaning such term has in section 10101(11) of title 49, United States Code.".●

LITHUANIAN INDEPENDENCE DAY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. YOUNG of Florida. Mr. Speaker, I am proud to take this time to commemorate the 63d anniversary of the Lithuanian nation's declaration of independence.

For too many years, the people of Lithuania and the other Baltic nations have lived under the Soviet yoke. They were absorbed by the Kremlin's dictators under the sham of creating a nation of sovereign states. This ruse to smother the national aspirations of Moscow's satellites fools no one. The people of Lithuania have been imprisoned by a bloody invader, but they live for the day when they can again proclaim themselves a free and independent people.

I must make special note of the Soviet attitude toward the entire issue of the Captive Nations, as expressed most recently at the Madrid meeting to review the Helsinki accords. There, in the face of a stinging attack by the U.S. delegation, the Soviets refused to even acknowledge their occupation of the Baltic States. This disgusting arrogance, this adherence to lying as a tool of national policy, is the hallmark of the Communist system. It should be strongly condemned.

As always, I offer my prayers and best wishes to the brave people of Lithuania and their sons and daughters here in America, all of whom keep the spirit of freedom alive in their hearts. The American people know of the struggle, of the yearnings of freedom, and sympathize and understand. Someday, hopefully soon, our two peoples can once again walk together as free men.●

VIETNAM VETERANS AND HOSTAGES

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. EDWARDS of California. Mr. Speaker, an interesting article recently appeared in the Los Angeles Times which I wanted to share with my colleagues.

The article explores the mixed feelings among many Vietnam veterans over the welcome extended to our recently returned hostages. Like all of us, these veterans are relieved and happy to have these 52 Americans returned at last. They also do not question the need for our Government to provide the ex-hostages with the best possible care to insure their smooth readjustment to freedom.

What troubles our Vietnam veterans, though, are the painful memories this joyous homecoming reawakens in them. For our Vietnam veterans, there were no parades and no official welcomes. Instead there was often hostility, or, at best, indifference to the sacrifices they made in fighting in this most unpopular war.

It was not, in fact, until 1979 that the Congress recognized the readjustment problems that many of these veterans faced. Most common of these problems is a condition known as delayed stress syndrome or post traumatic stress disorder. We have heard much discussion of possible delayed stress problems in connection with the ex-hostages. Ironically, the problem known as delayed stress was first recognized and brought to light when it was encountered among the POW's and veterans of the Vietnam conflict.

It was in 1979 that Public Law 96-22 was enacted to establish outreach centers, designed specifically to treat the readjustment difficulties that have plagued the Vietnam veteran. The Veterans' Administration has already opened 91 of these centers, and the Congress has mandated that more centers be established.

I have talked with the people who run these community based, storefront counseling centers and I have followed the implementation of the program closely. The program is succeeding in reaching out to a segment of the Vietnam veteran population that, until the establishment of operation outreach, was not being served. Over 40,000 veterans across the country have been to a center, and received counseling to help in the successful readjustment to civilian life.

Unfortunately, the life of the program is about to expire. Unless the Congress acts to extend operation outreach, the only program designed to address the delayed stress problems of Vietnam veterans will go out of existence.

I think it is vital that we not let this occur. I have introduced legislation to extend the program for another 3 years, and I would welcome the cosponsorship and support of my colleagues.

I urge my colleagues to read the following article closely. I believe it will convince them of the need for continuation of operation outreach.

The article follows:

VIET VETS REACT TO THE HOSTAGES

(By Kathleen Hendrix)

Homecoming. Some called them "baby killers," then "crybabies." There were no yellow ribbons, no parades, no welcome home and no thanks.

Small wonder that many Vietnam veterans are watching with mixed reactions the homecoming of the 52 hostages from 14 months of captivity in Iran.

Their happiness is dampened by a bitter irony they foresee. The same government that plans to spare no expense helping the hostages readjust has already clamped down on efforts to help Vietnam veterans.

Like most Americans, Vietnam veterans—at least those contacted for this article—describe themselves as "glad," "proud," "tickled to death" that the hostages are home and that their homecoming is such an overwhelming one. Of the homecoming, they tend to say, "This time they're doing it right."

NO SOUR GRAPES

This time the veterans say they do not want to detract from the hostages—no sour grapes. They have some painful memories, though, and the events of this week have brought them to the surface.

John Di Fusco, formerly an Air Force guard in the central highlands of Vietnam, has found himself purposely avoiding the news on television, he said.

Currently Di Fusco is directing "Tracers," a play about the Vietnam war written by himself and seven other veterans who act in it.

"It was almost like a conscious disinterest," he said of his avoidance of television this week. "And it bothered me that it bothered me. The fact they were making heroes of the eight who died on the rescue mission, and then that they were making heroes of the 52 hostages. All I could see were the 55,000 who died in Vietnam. It's just once again that great feeling of being left out."

NOBODY HOME

The feeling is strong enough that a group of veterans are meeting this morning at Patriotic Hall to express their concerns to the public about what it means to watch this homecoming and remember theirs.

Homecoming? For many there was none. It was if nobody was home, at least no one cared:

Hank Hahn, now a computer salesman living in Playa del Rey, was an aviator in the Navy. He came home from Vietnam to Rigby Island in Washington in 1967, took a cab to Seattle with a few friends, still in uniform, went to a bar and started "half celebrating," he remembered. Somebody baited

them about the Navy and Vietnam, there was a fist fight, he got out of there, out of uniform and "went and found a woman."

Chris McGinley Schneider, a student at Pasadena City College, came home from a year of nursing in the Army's 95th Evacuation Hospital in Da Nang, in June, 1971, with a plane carrying heroin addicts scheduled for stateside treatment. One of them fell off the plane and cut himself, she said. Schneider helped him, getting her rumpled fatigues bloodied in the process. When she showed up at a commercial airline a few hours later, the ticket salesman would not check her torn duffel bag, then told her, "We don't want you on our plane." Looking at her with revulsion, he said, "Just look at you."

Shad Meshad, now regional coordinator of the Vietnam Veterans Outreach Program, flew home on a "Christmas drop" in 1970 after a year in Vietnam as an Army social worker/psychology officer. He got past the "protesters and peacemongers" outside Travis AFB and then spent hours at the San Francisco airport drinking and drinking—not getting drunk—talking himself down, telling himself, "This is normal; this is normal." Coming home, he says now was "the hardest part of Vietnam."

Rick Sykes, who says he recently finished work as a production manager of a feature film, came home from two years with the Army in 1968. He does not describe the details of his homecoming, but he remembers his feelings when he enlisted at age 19.

"Part of the reason I served," he said, "was a concept of what it would be like to come back. You went to come back, but you really didn't know if you were coming back."

He said this while sitting on a couch at the Vet Center in Venice, laboring over his choice of words, bringing them out slowly. Looking at the welcome the hostages have received, he said, has made him feel, "Geez, how different it might have been if I'd felt welcomed." Then he stopped and asked, "How do I sound? It's not envy or jealousy. Just kind of a deep-rooted sadness for that period of time." He nodded his head across the room towards his jacket, and said, "I've got a yellow ribbon on my sleeve."

No matter how it might have been, it turned out to be, for many, a very difficult time. Some veterans have yet to readjust to being home. Others thought they had it all squared away only to find themselves recently experiencing problems. The problems—depressions, flashbacks, irritability, angry flareups, sleeplessness, alcohol and drug abuse, difficulties in forming or sustaining intimate relationships, suicidal tendences, violent behavior—are all symptomatic of what has come to be called "delayed stress syndrome."

These are the same kinds of delayed reactions to stress that the government is so carefully trying to prevent and anticipate treating in the hostages. The same government was not anxious to admit the existence, or prevalence, of the syndrome among Vietnam veterans. For that reason, many veterans find the treatment of the hostages both a source of bitterness and satisfaction.

FIGHTING EVERY INCH

"They're getting immediate response to needs that it took years for the Vietnam veterans to make the public aware of," Ron Kovic said. A former Marine sergeant, Kovic came home from Vietnam a paraplegic, wrote "Born on the Fourth of July" about his experience, and got himself arrested around the country demonstrating for veterans and against the war. Speaking from his home in Pasadena, he said of the recent official recognition of delayed stress syndrome, "We had to fight every inch of the way for that."

At the storefront Vet Center in Van Nuys, where Vietnam veterans come for counseling and treatment, director Fred Hoskins said, "There's a feeling among the guys here that the hostages would never be receiving this treatment (for delayed stress) if it weren't for us (i.e. Vietnam veterans)."

"What's being done with the hostages is exactly what needs to be done" Jerry Melnyck, a Vietnam era veteran who directs the Vet Center in Venice said. "This should be equated with what the Vietnam veteran went through. Had they been welcomed back with open arms they probably would not be having the problems they've been having 10 years later. The veteran is not a psychotic who became such by killing someone. He's just a person who's gone through a lot of stress. I just wish somebody would get up right now and make the connection—"This is what we learned from the Vietnam veteran."

Although the Veterans Administration has provided veterans with psychiatric care in the past and recognized the existence of what was called "traumatic war neurosis" among veterans of former wars, such treatment was usually for more extreme cases and ones obviously connected to war experience in symptoms and in time of occurrence.

Only recently have the more subtle and remote symptoms of delayed stress been recognized and treatment provided.

In 1979, Congress passed legislation providing treatment for delayed stress syndrome among Vietnam veterans. Operation Outreach was a storefront counseling and treatment program funded initially for less than $10 million, scheduled to terminate in 1982.

In some instances individual centers have only recently opened. They are not yet fully staffed. Others were ready to open, but cannot because of the across-the-board government hiring freeze that President Reagan made an early order of business.

This, in the face of lavish treatment being given the hostages, outrages some veterans.

"It is," Ron Kovic said, "a slap in the face."

Listen to this, Chris Schneider said, returning to her telephone with a recent Times article describing the treatment planned for the hostages. She said she had whole sections underlined.

"Psychiatrists, psychologists, nutritionists, physical therapists—" she raced through the article, "they're even going to measure for stress through biochemical analysis of their saliva. Nobody even took my blood pressure . . . A three month follow-up, reunions at one years intervals . . . I read all this and I couldn't help thinking, 'My God!' And I felt guilty about it. They've been through a really hard time. They deserve all the love, warmth and attention they're getting—just like the Vietnam vets deserve it."

I AM HAPPY FOR THEM

Charlotte Miller, a former Army nurse in Da Nang, has been receiving weekly counseling at the Vet Center in Baltimore. She praises her treatment, says it has probably saved her life.

"I've cried, I've welcomed them home, I'm happy for them," Miller said of the hostages, "and all the money that's being spent. I don't begrudge them. But when I hear that President Reagan is planning to cut our funding, then I will have a problem. Just look at the money being spent on airfares alone for the families of the hostages. Did they fly parents of wounded soldiers to the hospitals where they were being treated? I just can't handle it if they cut the funding for us—now that we're finally having our time. It's not a parade, but it's the only chance we've had. They just can't take it away from us."

Roger Melton went into Vietnam in 1966 as a machine gunner on an armored personnel carrier with the 1st infantry. Now he is a therapist treating Vietnam veterans referred to him privately by Disabled American Veterans or at the Southern California Counseling Center in Los Angeles.

That the Vet Centers might be phased out at such a time he finds baffling. "Now that delayed stress is established and recognized—it's even appearing in subheads on stories about the hostages—I think it will be hard for them to deny the need for veterans to receive treatment. This may be a problem Reagan will have."

"You can't go back and give us the homecoming you are giving the hostages," Shad Meshad said. "But you can continue our program and help us welcome home those who've been having such difficulties. The people we deal with are really not home yet."

The Vietnam vets do not resent their fate and envy the hostages. They see a chance to turn the situation to their advantage—personally and collectively.

Personally, Roger Melton said, the anger of some of the veterans in therapy is helping them.

"Some of them may still be denying a lot from Vietnam," he said, "and this can trigger off all the resentment they've been holding in. Those who don't have someone to talk to, however, they'll be left with anger and rage. Sometimes this will trigger off nightmares or flashbacks for them."

He has found himself fascinated by the nation's reaction in general, he said, suggesting that America itself has been experienced delayed stress reactions to Vietnam, and denying and repressing the range of feelings attached to that war.

"It's almost as if the nation has been waiting for something to happen ever since the shame and disgrace of Vietnam. Part of this not dealing with the Vietnam veteran is part of not wanting to deal with their own guilt. Personally what's gotten into me is the use of the media—glorifying a situation far beyond its meaning. It's a symbolic situation to bring the American people together. The government is using this."

Chris Noel, an actress living in Tarzana, served in Vietnam with Armed Forces Radio and entertained troops. She agrees the country has been reunited by the hostages' homecoming and said, "I see the American flag flying and it's wonderful. I'm hoping the citizens will take the Vietnam veterans into their hearts now. Men and women who took care of our country have to be taken care of when they're hurting."

Lou Ross wants to take advantage of this same feeling of unity to make the country aware of those he is convinced are still being held as POWs in Vietnam.

A CLEAN-CUT TYPE

A former naval officer, in and out of Vietnam in 1964 through 1966, he wants it emphasized he is clean cut, short haired and a Mormon.

He lives in Salt Lake City and is a commercial jet pilot. In Newport on business

this week, he was making contact with local veterans organizations and the Vet Centers.

According to Ross there is significant reason to believe there are many POWs in Vietnam, perhaps hundreds, more than the 14 he says the government still documents as such.

"We've got to make the public aware and demand a full accounting," Ross said. "If it were not for the media and the relentless daily coverage the hostages would not be home. The media wouldn't allow them to be forgotten.

The veterans have to create the same situation for the POWs, he said, but they do not have enough clout. That is why he wants to unite various groups. The media is the way to go, he says.

Ron Kovic hopes the country learns from the experience of the past 14 months and gets some perspective.

"The return should not only be a time of celebration," he said, "but of sober and careful analysis of our foreign policy. Many are forgetting why the hostages were taken in the first place. It's the same American foreign policy and the same bumbling that brought us to Vietnam. It's really great to see patriotism come back, but I say it can also be really dangerous if it's blind. We could be respected around the world if we learned the lessons of foreign policy."

It is time for Vietnam veterans, Hank Hahn said, to realize that what the government is doing for the hostages, the veterans will have to do for themselves, by becoming a political entity.

"The government has spent more on saving the eagles than saving the vets," he laughed. "The Veterans of Foreign Wars aren't going to do it for us. It's up to us. A lot of us, like myself, who are 35-45, have become pretty successful. We have to get to these people as well as to the ones who are hurting. The hostages are seen as part of a national honor now. We were just something to stick in the back drawer. A lot of the guys feel like they really lost the war, I know. I don't feel like I'm a loser. It was never in the cards to win."

It has not taken the hostage situation to make Vietnam veterans angry about their own homecoming. It has simply reminded them.

"I don't want anyone else to suffer that degree of alienation," Shad Meshad said of his own homecoming. "It hurts me we could have done that."

After listening to hundreds of veterans talk about their anger and hurt over the years, and after dealing with about 20 of them in the past few days, Roger Melton said, "After all the talk about wanting more benefits, better programs, specific things, if you ask them what they have really wanted from the country all along, it gets down to this. They wanted the country to say, "Thanks.'" ●

REFLECTIONS ON THE LIFE OF SIR THOMAS MORE

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. REUSS. Mr. Speaker, today marks the 503d anniversary of the birth of Sir Thomas More. On January 18, 1981, Associate Justice Donald W. Steinmetz of the Wisconsin Supreme Court spoke to the St. Thomas More Lawyers Society in Milwaukee, reflecting on the life of Sir Thomas More.

I want to share with my colleagues Justice Steinmetz's thoughtful and eloquent remarks. His speech follows:

Are the life, career and moral decisions of Sir Thomas More relevant to the present? I hope that you will agree that not only are they relevant but they will give us pause as fellow persons trained or interested in the law to reflect on decisions we have made and will make.

Sir Thomas was born to John More, an attorney and Judge. He was born on February 6th, in 1477 or 1478. The influence and guidance of his lawyer father kept him from further thought of the monastic life, which early in his life interested him. As his contemporary, Erasmus, stated of More: "He nearly took orders (Carthusians), but the attractions of marriage proved so strong that he determined to be a chaste husband rather than a lewd priest."

His father John rose to moderate wealth and eminence to become a knight and a judge with a country house at Gobions, North Mimms, Hertfordshire. He was married four times.

Thomas attended St. Anthony's Grammar School and was placed by his father in the household of John Morton, Archbishop of Canterbury and Lord Chancellor. He climbed the professional ladder by attending New Inn, and Lincoln's Inn for legal training.

Sir Thomas More held high office and was confidant of King Henry VIII until he was forced to choose kingly or religious beliefs. He was Under Sheriff of London, Under Treasurer of England, High Steward of both Oxford and Cambridge Universities, Speaker of the House of Commons, Secretary to King Henry VIII, and Lord Chancellor.

His skill, integrity, and exceptional scholarship quickly established him as an outstanding barrister. A contemporary said of him that "He had the gifts of a lawyer—eloquence, wit, and fairness, he was no respecter of persons, and was incorruptible.

His clients included the largest and richest guilds and companies of merchants in London, and his services were employed in the most important and delicate international commercial disputes of the time, as well as in major domestic legal matters.

Early in his career, Thomas gave the Henrys the mimmies. When he was 26 years of age, in 1504, he successfully opposed in Parliament a grant to King Henry VII of 3/15ths of the marriage amount of his eldest daughter to the King of the Scots.

For this, his father was put in the tower and fined heavily. His father asked Thomas to use better judgment when opposing the royal will. Thomas More's answer was, predictably, that it was a matter of conscience, that the King was wrong, and that he was required to pass upon the matter in his role as a member of Parliament. More serious consequences were probably averted solely by reason of the death of King Henry VII, and the succession of Henry VIII.

Even though Sir Thomas More rose in esteem of the King and became successful in the political and commercial world, he disdained frills and show of any kind, and wore a hair shirt the same as monks, and slept on a wooden pillow to discourage undue indolence or comfort.

His first wife died and he married a woman older than he, and each brought children to the marriage. To locate him in history, he succeeded Cardinal Wolsey as Lord Chancellor. His contemporaries were Martin Luther and Popes Julius II and Clement VII.

In 1529 Henry VIII made Thomas More Lord Chancellor. He made a great judge, with a reputation for being learned, just, with absolute integrity and remarkably accessible to all seeking justice. Wolsey had been long on extending the power and jurisdiction of the court by bringing in new cases in the interest of injunctive relief and equity. Some of the cases More inherited were ten years old. By industry and efficiency (and probably a great court administrator), he cleared a great backlog. The records indicate that as Lord Chancellor, Thomas More tried some 4,000 cases, and he was very proud to relate how one day when he called the next case, there was none to come forth.

The seed of the great matter of concern of Henry VIII started as Henry's wish to divorce Catherine and marry Anne Boleyn. The ultimate confrontation between the men, however, was the Act of Succession and Treason, the Preamble of which stated the supremacy of the King in the Church of England.

This same wife Catherine at the age of 16 and married Arthur, Henry's brother. Arthur was 15 years of age when he married Catherine. The marriage of the children was part of a negotiated peace between England and Spain.

Arthur died and Catherine married his younger brother Henry who was 11 years of age. Pope Julius II gave a dispensation for the marriage of these children. Henry and Catherine had only one child live, Mary. They had no son for the throne.

After Henry met Anne Boleyn, he claimed his marriage to Catherine was not valid, due to her former marriage to his brother. Catherine claimed she and Arthur had never consummated their marriage.

In 1529 Henry felt that Cardinal Wolsey had bungled the King's divorce, and dismissed him as Lord Chancellor and appointed Sir Thomas More. Three years later Thomas More resigned as Chancellor, after the Parliament decided that all future ecclesiastical legislation must receive the King's consent. The new Archbishop of Canterbury, Thomas Cranmer, cited Catherine and Henry to a special court. Their marriage was pronounced illicit and invalid. Henry married Anne.

Thomas More raised suspicions in the King's mind by visiting and writing to Elizabeth Barton, known as the Nun of Kent. She claimed to see visions and speak prophecies. She spoke against Henry's divorce, and said that divine wrath would take away his throne. She was executed.

The Succession Act of May, 1534, settled the throne on Henry's "heirs of his body lawfully comen". Mary, Catherine's daughter, was illegal due to the divorce, and Anne's daughter, Elizabeth, would inherit. Before this Act, Kings were chosen by war, election, and then by hereditary right. The Preamble was a long repudiation of Catherine and the jurisdiction of Rome.

The King demanded officials and selected citizens take the oath or face death as an alternative. Chancellor Cranmer wanted to allow More to swear to the oath of succession but not the Preamble. The King, at Anne's instigation, vetoed this idea.

In 1534 the Act of Supremacy passed Parliament. In 1535 Pope Paul III declared

Bishop Fisher a Cardinal. Fisher had been in prison at the same time as Thomas More.

More considered the Pope's temporal power to be limited under English law; he did not, however, believe that any national law could limit the spiritual authority of the Holy See. More was indicted by a true bill of a Grand Jury. These were the counts:

1. Thomas More remained obstinately and maliciously silent before the commissioners when asked if he accepted the King as supreme head of the Church of England.

2. Thomas More wrote letters to Bishop John Fisher, encouraging silence as to the oath.

3. Conspiracy between More and Fisher since each answered the commission's question in a similar way—"I will not meddle with the matter, for the statute is like a two-edged sword, and if I should answer one way I should offend my conscience, and if I should answer the other way I should put my soul in jeopardy; wherefore, I will make no answer to that matter."

Fair trial was unheard of in those days, when the King prevailed in Star Chamber proceedings, whether it be the trial of Thomas More or of alleged religious heretics for treason.

In a treason trial of 1534, the following prevailed: presumption of guilt; no attorney representation allowed; no copy of the indictment given to the accused; the testimony of one witness was enough for conviction; no strict rules of evidence; and if the jury returned a not-guilty verdict, the jurors could be imprisoned and not released until they paid heavy fines, as happened in the trial of Sir Nicholas Throckmorton in 1554.

The commission presiding at Thomas More's trial were 19, and consisted, among others, of the following: Sir Thomas Audley (More's successor as Lord Chancellor); the Duke of Norfolk (Anne Boleyn's uncle); the Duke of Suffolk (the King's brother-in-law); the Earl of Wiltshire (Anne Boleyn's father); Lord Rockford (Ann's brother); Thomas Cromwell (the King's secretary); Sir John Fitzjames (Chief Judge of the King's Bench); Sir John Baldwin (Chief Judge of Common Pleas); and Sir Richard Lister (Chief Baron of the Exchequer).

More was convicted on the sole, perjured testimony of one Richard Rich, and by silence on More's own part. He was sentenced to be beheaded, and it was thought that he would capitulate. Instead he declared that the King cannot be supreme head of the Church of England. St. Thomas More's own words best describe his philosophy: "He died the King's servant, but God's first."

In 1935 Pope Pius XI issued a papal decree declaring Thomas More to be a Saint of the Catholic Church; and he has been designated the patron saint of lawyers.

From his life we learn that the life of a Saint need not be lived in cloisters away from the turmoil of everyday life, but rather it can be lived fully in the midst of that life, and while operating successfully in the highest professional, commercial, and governmental circles. Thomas More did this, not only without compromise, but with extraordinary success. The ability of this man of remarkable conscience to lead so full and successful a professional life demonstrates the compatability, the parallels, of the basic requirements, concepts and ideals of law and justice as set forth in the law books with those proscribed by scripture.

Our reflections on Thomas More, the 15th century lawyer and judge, serve to remind us of the very important fact that we are members of a proud and ancient profession, that we today wear the mantle and bear the standard of law and justice handed down to us through generations of great and devoted men and women of the law and of God.

Therefore, we have reason to take great pride in our profession and a most solemn obligation to Thomas More and all others who have gone before us to carry on our functions as lawyers and judges in such a manner as to pass on this heritage, undiminished and untarnished, to all who follow us in the profession. To do this, the spiritual aspects of our professional lives and obligations must remain uppermost in our minds and controlling our actions. Professional pride and integrity are the hallmarks which distinguish the true lawyer from the mere attorney-at-law. I have never known a really good lawyer who did not have a compelling sense of pride in his profession, and a demanding, uncompromising sense of integrity.

There are those in society and in governmental offices who would declare the practice of law a trade, not a profession. We must conduct ourselves at all times with pride and integrity so that we show by example that ours is a profession. St. Thomas More so conducted himself and we cannot and must not do less.●

DEFICIENT REPORTING OF NATIONAL SECURITY ISSUES

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. DOWNEY. Mr. Speaker, it has often occurred to me that the most significant U.S. national security setback of the past decade has not been anything done by the Soviets, but rather the New York Times promotion of its Pentagon correspondent, John Finney, to editor.

An informed public is essential to sound national security decisionmaking. Let to talk to themselves, too often the military profession will give us atrocities such as the Safeguard antiballistic missile system. We need military reporters who will look behind the conventional wisdom and beneath the superficial numbers to discover what a given development will really do to or for the security of the American people.

Mr. Finney did this consistently and effectively. Since his departure, his colleagues have by and large displayed the intellectual independence and penetrating intellect of a herd of sheep. There are occasional exceptions—more often than not these appear in my local newspaper, Newsday—but the national papers, particularly the New York Times, have not covered themselves with perspicacity.

Worse than sheep, some reporters have acted as wolves, slanting stories to reflect their personal biases. An excellent article by Fred Kaplan in a recent issue of the New Republic discusses one of the most spectacular of these. I insert it in the RECORD so that my colleagues—and, more importantly, the Nation's editors—can share Mr. Kaplan's insight.

[From the New Republic]

FROM THE NEW YORK TIMES TO THE STATE DEPARTMENT—RICK BURT STEPS DOWN

(By Fred Kaplan)

The New York Times seems well on its way to becoming a fully accredited prep school for the State Department. Four years ago, Leslie Gelb quit his job as Times national security correspondent to become Cyrus Vance's assistant secretary for politico-military affairs. Last month the man who replaced Gelb at the Times, Richard Burt, also took off for officialdom—a spot on Alexander Haig's transition team, preliminary to getting Gelb's former State Department post as well.

Gelb and Burt are two very different men, in manner and ideology, but both represent something new in American journalism—a deliberate experiment by the Times Washington bureau to hire academic or ex-government specialists to cover national security affairs. Gelb had been in the Pentagon's international security affairs office in the 1960s and, later, at the Brookings Institution. Before going to the Times, Burt was assistant director of the London-based International Institute for Strategic Studies, and a regular player on the Atlantic Community's international establishment seminar circuit.

The idea that reporters should know something about the topic they cover certainly has its appeal. It means, in defense reporting, that readers get someone who knows what "equivalent megatonnage" means, who can deal with the natty jargon of modern strategy without bowling over in confusion or leaping joyfully like an infant approaching a new toy. But there are drawbacks as well. Few who descend into the dark pit of strategic studies emerge without a very distinct set of convictions. In Burt's case particularly, this phenomenon colored the way the defense world was covered in America's most important newspaper.

Burt came to the Times as a devotee of the "fairly rational hawk" faction in the defense debate, and that's the view that Times readers saw. Not much to the left of that position entered the paper during the past few years. John Finney, who had a somewhat skeptical attitude on strategic matters, abandoned reporting to become news editor. The other regular on the security beat has been the gentlemanly but quite hawkish Drew Middleton.

Burt got some decent scoops in his short Times career, and occasionally banged out a balanced news analysis. But in the main, Burt's own views tended to dominate his articles, even in straightforward, ostensibly objective news stories. This tendency showed up dramatically in leaked stories given to Burt in the early days of the SALT II negotiations. Nearly every compromise reached during the talks was presented on page one of the Times as a U.S. concession. Only those readers who made it through the last quarter of the articles learned of concessions that the Soviets had made in the same round. Similarly, when, on June 16, 1978, Burt reported that senior foreign and defense policy officials were pushing the White House to make sure SALT doesn't prohibit mobile missiles (such as the MX), it was only because Burt himself was also concerned. Never did Burt serve as conduit for those pushing positions from the other side of the spectrum.

On March 21, 1979, Burt wrote about how the loss of the Tacksman radar site in Iran might affect verification of the SALT II treaty. A gloomy picture was painted. Contrary evidence—that ex-CIA deputy director Herbert Scoville Jr. had argued in a briefing that these radars were not needed to verify the provisions of SALT II; that other radars in the Aleutians and the Pacific, as well as satellites and other means of monitoring, could do the trick—appeared in paragraph 21. Senator Henry Jackson was warning of "irreparable harm" as early as paragraph eight.

By contrast, in a piece about Soviet civil defense, Burt's lead sentence—"The CIA says that Soviet civil defense preparations are unlikely to blunt the ability of the United States to retaliate in the event of nuclear war"—was followed immediately, in the same paragraph, by the caveat: "This assessment appears to differ somewhat from the views of military people in the Defense Department."

The structure of Burt's stories will keep semioticians enthralled for years to come. Take the lead from April 3, 1978: "In a move that has provoked furious criticism from the Pentagon, Secretary of State Cyrus R. Vance has asked President Carter to expedite a proposal by the Arms Control and Disarmament Agency calling for an international ban on the production of material used in nuclear weapons." Reading way down in the piece, one learns that Defense officials are upset only because they "learned of the Vance letter after it had been submitted to the White House." Nothing so dramatic or unusual here. In any event, Burt never led off a story with something like, "In a memo that has infuriated State Department officials, Harold Brown (or Zbigniew Brzezinski). . . ."

The neutron bomb episode was a similar instance. Burt's lead on February 1, 1978: "Pentagon officials are strongly objecting to a new Arms Control and Disarmament Agency report that concludes that American deployment of the neutron bomb could increase chances of nuclear war. The officials fear that the study . . . could jeopardize Congressional approval of funds for the neutron bomb." This was a particularly nice case of Evans and Novak journalism, for such an ACDA report simply did not exist. ACDA had prepared an Arms Control Impact Statement on the bomb, as it does with virtually every weapon; but, as with most such statements, it was very bland and even-handed. No doubt someone in the Pentagon leaked a portion of the statement, with an eye toward arousing the pro-neutron bomb lobby. Burt allowed himself to be its servant.

The neutron bomb provides an illustration of how Burt was wittingly used by factions in the defense debate. On April 14, 1978, Burt revealed that Carter was about to cancel the neutron bomb. Toward the end of that piece, Burt wrote: ". . . some top officials are said to be hoping that Mr. Carter might be persuaded this week to delay outright cancellation of the weapon and simply announce a decision to defer production indefinitely . . . [thus leaving] open the possibility of deploying the neutron weapon at a later date." On April 5, 1978, Burt's headline: "Carter Is Reported Reconsidering a Ban on the Neutron Bomb." April 6: "Pressure from Congress Mounts to Reverse Ban on Neutron Bomb." April 7: "Carter Said to Favor Delay in Production of the Neutron Bomb." On April 8, Burt reports Carter's announcement of a delay, not a cancellation. On April 9, Burt writes a lengthy "news analysis" of the entire episode. All in a week's work.

Burt's "news analyses" were especially tendentious. His several articles on the MX missile were typical. Burt would muster all the arguments for developing the missile and its bizarre "multiple-shelter" basing scheme, citing "Administration officials" and other experts, and then, two-thirds down in the piece, he would devote one paragraph to reciting the views of critics, "such as" George McGovern and Senator Mark Hatfield. The clear message: whom are you going to believe—responsible strategic thinkers or a man who just a few years ago wanted to slash the defense budget in half and another who is a religious pacifist? Unlike other reporters, Burt did not mention that MX critics also included such stalwarts as former chairman of the Joint Chiefs Maxwell Taylor, former secretary of defense Melvin Laird, and CIA director Stansfield Turner.

Burt aficionados particularly enjoyed his treatment of the squabble over whether the United States should substantially expand its civil defense program. In the early autumn of 1978, while Times reporters were on strike, Burt had several conversations on civil defense with then Colonel William Odom, a Brzezinski aide, and Bardyl Tirana, head of the Pentagon's forlorn civil defense agency. On November 13, shortly after the Times resumed operations, Burt's headline read: "Carter Adopts a Program to Bolster Civil Defense in a Nuclear Attack: Plan Calls for Doubling Annual Spending in 5 Years, to Keep Pace with Moves Made in Soviet Union." It seemed that a presidential directive, based on an interagency review, was calling for a seven-year, two-billion-dollar civil defense program. According to Burt, "The new program is characterized by White House aides as a significant turnabout in American strategic policy."

But President Carter in fact had made no final decision. The Burt story was part of a campaign, launched by Odom and Tirana, to box Carter in. On November 30, Carter held a press conference, explicitly denied that the program would cost two billion dollars, and downplayed the significance of civil defense generally. Around the same time, the Office of Management and Budget was slashing the next year's civil defense budget request by half, down to $110 million, just slightly above its normal level.

On December 5, after the OMB decision but before Carter's final action, Burt sprang back with an extraordinarily lengthy "Issue and Debate" feature on civil defense. It was a very confusing article, reciting Carter's denial of a two-billion-dollar program, but also asserting, in the same paragraph: "Nevertheless, it is viewed by some experts [Burt?] as constituting a turnabout in American strategic policy." Later in the story: "Defense Department and White House civil defense advocates appear to have won this debate." Then again, next paragraph: "But judging by the tentative way Mr. Carter talked about an increase for civil defense financing last week, it is clear that the civil defense debate is still open. This debate is likely to spread to Capitol Hill. . . ." In short, a rather murky attempt to create an "issue and debate" where none existed. The whole episode gave every appearance—and several officials have no doubt—that Burt was in active collusion with Odom and Tirana to promote and then to save the expanded civil defense program.

Burt was used a lot in his days at the Times, but only by those he found compatible. On April 24, 1979, Burt printed a leak that the 75-mile-range Soviet SS-21 nuclear missile was being placed in East Germany, and noted that this "has already led some military officials and aides in the National Security Council to suggest that it might be timely to review Mr. Carter's" decision to postpone building the neutron bomb. A few days later, the Washington Post revealed that it was all an intelligence error: no SS-21s were being moved into East Germany. If this made it no longer timely to think about reviving the neutron bomb, Richard Burt failed to report as much.

Throughout his tenure at the Times, and especially from early 1978 on, Burt was extremely dependent on Zbigniew Brzezinski and a few of his assistants at the NSC. Hodding Carter's remark about that connection—that when you read Richard Burt, you see Zbigniew Brzezinski's lips moving—is well known and widely appreciated as valid. Brzezinski even offered Burt two jobs while Burt was a Times reporter and Burt felt sufficiently enticed by the prospects to bring the offers to the attention of his bureau chief, who reminded Burt of their agreement that he would stay at the Times for at least three years.

But Burt was not merely Brzezinski's puppet. First, he did have other sources (though not many at State, where most officials considered him a "loose cannon on the deck," a "liar," or a "xerox machine for the military"). Second, and more important, Burt came to the job with views that happened to match those of Brzezinski, who considered himself the lone realist in an administration of lawyerly weaklings. It was only natural that the two would hit it off well. Indeed, on November 30, 1980, Burt gave Zbig a little going-away gift called "Brzezinski Calls Democrats Soft on Moscow," in which—"in an interview that touched on his experience in the White House and his thoughts about the future"—Brzezinski was allowed to condemn his fellow Democrats for their "'excessive preoccup[ation] with what might be called the do-gooders agenda in international affairs,'" and to "endorse Mr. Reagan's recent support for the concept called 'linkage'"—the notion of holding arms control treaties contingent on Soviet good behavior elsewhere in the world. Burt also duly noted that Brzezinski would "establish what he called a 'base' for himself in Washington." The former national security adviser has since found a home at the Republican-dominated Georgetown Center for Strategic and International Studies.

While Burt often was seeing Brzezinski several times a week, he was also giving occasional, very informal, advice to his former London colleague, Robert Ellsworth, when, halfway through Carter's term, Ellsworth began writing defense position papers for the Republican National Committee. Burt firmly denies any participation in such partisan affairs. Times reporter and former Washington bureau chief Hedrick Smith, who recommended that the Times hire Burt in mid-1977, also doubts the connection, claiming full satisfaction with Burt's "integrity and effectiveness as a reporter." But several sources, including more than one Republican insider, insist the story is true.

At any rate, Burt's appointment to the Reagan State Department surprised no one. One wonders whether, as director of the Politico-Military Bureau, Burt will heed his own past words. In the Fall 1979 issue of Foreign Policy Burt expressed concern about State Department interference with the Pentagon's business. He criticized the "expansion in the number of State Department officials focusing on military problems, particularly in the Bureau of Politico Military Affairs." He especially criticized the way that this office seemed "to be evolving into a little Defense Department" and was "becoming a competitive center for defense analysis." No doubt he will avoid this dangerous self-assertion, now that he is in charge.

In fact, Burt probably carried more weight at the Times than he ever will be allowed at the State Department. He joined the paper at a time when the Soviets started making advances in certain types of weaponry, when detente began its skid, when the right was getting organized and funded with unusual skill and imagination, and when liberal opposition in security affairs was drying up. The way Burt tilted his stories, the way he managed the leads, the particular set of sources he continually exploited and, more to the point, the particular litany of positions and assumptions that he brought with him to his new role as journalist—all served to amplify the alarm bells warning of the Soviet threat, and to muffle voices of dissent. Richard Burt certainly did not cause the decline of detente, the death of SALT II, or the new cycle in the arms race. But he did make sure, under the guise of objective reporting, that all the right signals got across to the serious newspaper-reading public with a minimum of confusing qualifications.●

MY COMMITMENT TO MY COUNTRY

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. D'AMOURS. Mr. Speaker, it is an honor for me to share with my colleagues an excellent essay entitled "My Commitment to My Country," written by Stanley J. Kuzia of 37 Everett Street, Manchester, N.H. Stan is a senior at Manchester's Central High School who lives with his parents, Stanley and Elizabeth Kuzia, who operate Stanley Solar & Stove Co., and his sisters Sylvia and Lisa.

I am pleased to be able to report that Stan's essay has been awarded first prize in the New Hampshire Veterans of Foreign Wars 34th annual Voice of Democracy Contest. Stan and his fellow State winners, whose essays have been selected out of over 250,000 essays nationwide, will visit Washington in early March to meet with Government officials and attend the national award ceremonies.

In his essay Stan recalls the bold challenges set forth by former President John F. Kennedy in his memorable inaugural address. As a leader of America's newest generation he looks forward to carrying on the torch of previous generations and fighting for the democratic ideals and freedoms which made our Nation great.

In addition to serving as president of Central's Debating Club and Thespian Chapter, editor of the school newspaper, and treasurer of the New Hampshire Association of Student Councils, Stan enjoys participating in track events, playing tennis, scuba diving, hunting, and freshwater fishing. He was State junior champion table tennis player, mayor of Boys State, and has won several debating and acting awards. He hopes to attend Dartmouth College in the fall and intends to pursue a career in medicine.

The essay follows:

MY COMMITMENT TO MY COUNTRY

As John F. Kennedy once said, "The torch has been passed to a new generation of Americans—born in this century, tempered by war, disciplined by a hard and bitter peace, proud of our ancient heritage—and unwilling to witness or permit the slow undoing of those human rights to which this nation has always been committed, and to which we are committed today at home and around the world."

My commitment to my country, as one of the new generation of Americans, must begin by speaking out firmly for the great democratic heritage of our nation, whose philosophical ideals spurred scores of Americans to give up their lives in its defense.

In a world full of tyrannical radicals, socialistic extremists, and totalitarianistic rulers, the United States stands out as being the light beacon of the world, shedding its warm rays of welcome to all ends of the earth where oppression and subjugation prevent individual freedoms. We must, above all—in spite of our daily turmoil and individual troubles—never forget or lose perspective of our great gifts of liberty and freedom, for without these gifts, the United States would simply be as any other nation in the world.

Therefore, in reflecting my commitment as an American and an heir to this nation's magnificent cultural heritage, I shall uphold these democratic ideals with a deep burning conviction in my lifestyle and never forget the opportunities that this land of democracy holds for its people.

My commitment to my country must be a recognition and declaration to my fellow Americans that this nation's liberties and freedoms which were won through much hard sacrifice and suffering, can only be maintained through the same hard work and suffering, or be lost to the world as an idealistic philosophy of inadequate workability, which is certainly not the case.

America is the land of the free, the home of the brave, as well as the home of the sick, suffering and oppressed in this world, the lonely and the broken hearted, both rich and poor alike. Therefore, I must also speak for democracy, for this nation's foundation stands upon it, and our present prosperity depends upon it.

My commitment to my country is to uphold and defend the Constitution of the United States, as well as our other democratic ideologies, for it is the moral fiber of this nation, the backbone upon whose structure intertwined with our freedom and liberties, make us what we are, the most powerful nation on earth, who values its people, its variety, but most of all, its liberty.

This nation has grown both in size and in power, and has done so only through the individual commitment of every American, and its continued success depends upon the contributions of the individual to better society, by being aware of societies laws and needs, and expressing his liberties and democratic philosophy in a leadership role in that society.

W. Somerset Maugham once stated, "If a nation values anything more than freedom, it will lose its freedom."

My commitment to my country goes beyond the proclamations of Old Glory, our Declaration of Independence, and our Constitution, and it goes beyond declaring democracy for the supressed as well as the ruling; it goes as far as one can value life, for without having committed, concerned citizens in America, our country would fall from lack of vitality in every mode and essence.

Therefore, my commitment to my country is, above all else, to help reinstill in the minds of all Americans that to value anything above their freedom, will lead to neglect of their freedom, and will lead ultimately to the destruction of their freedom

But this cannot—this will not—happen. I am committed to help keep America a leader of free people in a free world.●

TRIBUTE TO RON CAWDREY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. ANDERSON. Mr. Speaker, on February 15, the South Bay Democratic Club will be meeting in Torrance, Calif. for the purpose of honoring Mr. Ron Cawdrey. This honor is known as the Democrat of the Year Award.

This honor is very fitting for Ron. He is an active, involved, and enthusiastic person who is serving the community in many, many capacities. For instance, he is involved in the labor movement and is a member of the Coalition of Labor Union Women, the Strike Coordinating Council for the AFL-CIO, the chairperson of the Education and the Building Committees of CWA Local 11513, member of the Education and the Legislative Committees of the Southern California Council of CWA, and the AFL-CIO's South Bay/Harbor COPE. He is currently serving as the vice president of Local CWA 11513.

He has given time and effort to his political party, and is serving on the Democratic State Executive Board and also as chairperson for the 51st Assembly District Democratic Caucus.

He also finds time to serve with several organizations, all of which are seeking to help persons in the South Bay. Among them are the Private Industries Council of Torrance, the CETA Board of Redondo Beach, the United Way Advisory Board as labor representative, the AFL-CIO's Manpower Advisory Board, and the Gerontology Society of the University of Southern California.

Ron is one of those people who knows what to do and does it. He is

always ready to lend a hand to help someone else in need. His wide arena of activity keeps him in touch with all that is happening in the entire South Bay area. He is a valuable individual and is much appreciated by those of us who know him.

Ron still finds time to spend with his fine family. He has three sons: Ron, Jr., Don, and Bill; and two daughters: Ronda and Crystal Ann. His wife is a lovely lady who is affectionately called "Punky" by those who know her well.

Lee and I join in honoring Ron Cawdrey and extend our congratulations and hope that the future holds much success for him and his family.●

GREAT LAKES SHIPPING INDUSTRY IN JEOPARDY

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. HYDE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

As a native Midwesterner and a Chicago area Congressman, I am greatly alarmed that the Great Lakes shipping industry may be facing extinction because certain Federal bureaucrats choose to ignore the law and Congress. Bob Wiedrich, the well-known columnist for the Chicago Tribune, recently wrote about this serious situation and I am pleased to bring his thoughtful commentary to the attention of my colleagues:

[From the Chicago Tribune, Jan. 29, 1981]

REAGAN MUST AID GREAT LAKES PORTS

(By Bob Wiedrich)

President Reagan will have a lot on his mind as he snuggles down for four years at the White House.

But, while he adjusts to that contour chair in the Oval Office, I hope he thinks occasionally of the Middle West and the royal shafting its taxpayers have been receiving from Washington bureaucrats who think they, not the people, own the government.

That's how the bureaucrats have been behaving in recent years as they have ignored the mandates of the law and Congress and increasingly favored coastal ports to the detriment of the Great Lakes shipping industry.

Under the law, the bureaucrats are supposed to treat the Great Lakes as the nation's fourth seacoast. They are supposed to equitably distribute between those coasts the federal agricultural and military cargoes that provide bread and butter for the declining American merchant marine.

This they have failed to do, allocating the government cargo instead on the basis of which coasts had the strongest political clout.

As a result, the number of American flag ships calling at Great Lakes ports has steadily declined to the point where the region last year endured the worst shipping season on record.

Only five ships flying the American flag called at Great Lakes ports. And the picture is expected to be equally dismal in 1981 unless the bureaucrats mend their arrogant ways.

President Reagan, who has vowed to return government to the people, has the power to make that an accomplished fact. He can restore to the taxpayers of the heartland of America their fair share of tax dollars.

More important, he can save the Great Lakes shipping industry from extinction.

All he has to do is order that his incoming secretary of commerce, Malcolm Baldrige, retain Samuel Nemirow as chief of the Maritime Administration for the six months or so needed to set things straight.

Nemirow is a professional public servant who is cognizant of the problem, is familiar with the workings of the agency he heads, and is already deeply involved in attempting to give midwestern maritime businessmen a fair shake.

He is under instructions by former Commerce Secretary Philip M. Klutznick to make certain that 10 per cent of all federal military and agricultural cargo is shipped through Great Lakes ports in American vessels.

And with his extensive background as legal counsel and a policymaker for the Maritime Administration, Nemirow won't have to spend months learning the intricacies of the agency's bureaucracy like his successor will.

Nemirow is in place, ready to go. In fact, he already has set into motion the machinery required by law to carry out Klutznick's order.

If that machinery has to be slowed to permit Nemirow's successor to play catchup, the Great Lakes shipping industry could suffer bankruptcy.

The government cargo is needed to furnish the revenue base that will attract more United States vessels to sail into the Great Lakes. Their presence will prompt midwestern shippers to utilize the service for other, nongovernment cargo.

And that sequence of events, unless thwarted, will serve to maintain a fuel-efficient transportation system from foundering at a time when the country needs to save all the energy it can.

The 1980 Great Lakes shipping season was a disaster for those dependent on the industry for a livelihood. There was up to a 60 per cent decline in the number of U.S. and foreign ship sailings.

At the same time the state of Illinois was shelling out $15 million to build a modern container-port at the mouth of the Calumet River, business was drying up.

And these events were occurring largely because the nation's three tidewater seacoasts were receiving a much greater share of federal cargoes in blatant violation of a congressional mandate to treat the Great Lakes equally.

Klutznick sought to remedy that situation during the last days of his stewardship under Jimmy Carter.

He ordered that no less than 10 per cent of all such cargo be allocated to midwestern maritime ports. Then that proposed federal rule—as the bureaucrats say—was published Jan. 9 in the Federal Register for public comment.

He did all he could. Now, the rest is up to the Reagan administration. And unless it acts forcefully, another Great Lakes shipping season will slip into financial oblivion with consequences that can only prove serious to the economic well-being of the region.

Klutznick kept his word to midwest shipping interests. He moved swiftly. The momentum must be maintained.

With proper shepherding through the bureaucratic maze, the new rule could be a reality by fall.

Federal cargoes originating in the Midwest could be diverted to Great Lakes ports for shipment in American bottoms, instead of riding the rails to more distant coastal ports.

That is why it is vital that Senators Percy and Dixon join other members of the Illinois congressional delegation in the effort to persuade President Reagan and Secretary Baldrige to retain Nemirow's expertise.

This is an issue that cuts across party lines. And it is one that the Teamsters, Longshoremen, railroaders, trucking interests, shippers, and exporters and importers should also join.

Actually, they will be asking for no more than is due the region, which contributes 35 to 40 per cent of the more than $500 million in federal funds appropriated annually for shipbuilding and operating subsidies, but gets little in return.●

ELECTION DAY REFORM

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. HEFTEL. Mr. Speaker, the 1980 Presidential election clearly demonstrated a fundamental weakness in our national electoral process from two perspectives: One, a disturbing, continuing trend in an unacceptably low level of voter turnout and, two, the influence on the election outcome in Western States by early projections of results.

While a portion of low voter turnout in the past election may be attributed to voter apathy, a distinct declining trend from the 1960's is evident—62.8 percent in 1960, 61.9 percent in 1964, 60.9 percent in 1968, 55.5 percent in 1972, 54.4 percent in 1976, and 52.3 percent in 1980. There is no reason to believe that there will be a reversal of this trend in the next election. In comparison with other Western democracies, the U.S. turnout is appalling. In recent elections, there was an 87 percent voter turnout in France, 88 percent in Italy, 89 percent in West Germany, 92 percent in Sweden, and 95 percent in Australia. In these and other Western democracies, the national election day is scheduled during the weekend, making it easier for citizens to vote and undoubtedly attributing to the high turnout. An election with such percentages truly reflects the choices and views of the voting population.

The problem of early predictions of election results will only be exacerbated as our electronic media becomes increasingly more sophisticated. Earlier and earlier projections will continue to intrude upon the decisionmaking process of the electorate. In the last election such projections and a Presidential concession speech prior to the closing of polls in the Western States and Hawaii had a grave impact on election results in that part of the country, particularly in California and Oregon.

These two problems of low turnout and early media projections will continue to have a significant impact on our election decisionmaking process unless we make some changes. It is imperative that we inspire confidence in our electoral system and assure that all voters, in all parts of the country, feel that their votes count and do make a difference.

To address these two problems, I am proposing legislation which provides for a national holiday for the 1984 Presidential election and for a uniform time—8 p.m. e.s.t.—for the closing of polling places, with the exception of areas located in the Yukon, Alaska-Hawaii or Bering standard time zones. Polling places located in these zones would be permitted to stay open until 10 p.m. e.s.t. All States would be allowed to open polls at their discretion, but the closing time must be 8 p.m. e.s.t., with the exceptions mentioned. Importantly, the national holiday would be designated on an experimental basis for only the 1984 election year. As in the past, it would be scheduled on the first Tuesday after the first Monday in November. If this designation results in a significantly increased voter turnout, then we would consider making all future Presidential election days a national holiday.

Mr. Speaker, I believe that making the Presidential election day a national holiday will provide a strong incentive for Americans to get out and vote, when they do not have to juggle family and work responsibilities in order to vote. Coupled with a uniform poll closing time, with the exceptions I mentioned previously, to eliminate the problem of early media projections influencing the outcome of elections in the Western States, this proposal will not only increase the impetus for Americans to exercise their franchise but will also reassure voters that their ballot does indeed count.

I am hopeful that this proposal will spur congressional discussion and generate public interest which will ultimately result in greater voter turnout and election results which are truly representative of the majority of American voters.

H.R. 1813

A bill to provide a uniform time for the closing of polling places in the 1984 election of the electors of the President and Vice President of the United States and to make the day of the Presidential election in 1984 a national holiday

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of title 3, United States Code, is amended by adding at the end the following: "All polling places wherein an election of such electors is being conducted in 1984 shall close at 8 o'clock postmeridian eastern standard time on the day provided for the appointment of such electors in 1984, except that such of those polling places as are located in the Yukon, Alaska-Hawaii, or Bering standard time zones, as designated by the Uniform Time Act of 1966 (15 U.S.C. 263), shall not close any earlier than 8 o'clock postmeridian eastern standard time but may stay open no later than 10 o'clock postmeridian eastern standard time.".

SEC. 2. Section 6103(a) of title 5, United States Code, is amended by inserting immediately after "Columbus Day, the second Monday in October." the following new item:

"Election Day—1984, the first Tuesday after the first Monday in November 1984."●

HOW TO END INFLATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. ASHBROOK. Mr. Speaker, Lewis Lehrman, one of the leading conservative economic experts in the country, has written an excellent article for the Washington Post entitled "How to End Inflation." He clearly cites the differences between the liberal school of thought which has dominated American economic policy for the last several years and the conservative principles which will hopefully become the cornerstone of our national policy during the administration of President Reagan.

Mr. Lehrman points out that President Reagan and a host of conservative legislators were elected last fall to end the inflationary spiral. He is correct. The American taxpayers will be watching us very closely and if we wish to keep the White House and the U.S. Senate and take control of the House of Representatives in 1982, we must act with dispatch. It is time to turn our rhetoric into action. I, for one, have waited a long time for this day and this opportunity. I am ready to help.

The Lehrman article follows. I urge my colleagues to read it.

HOW TO END INFLATION

The budget should be balanced, the Treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled.

—*Marcus Tullius Cicero, 106 B.C.*

Inflation is the transcendent issue of our times. Inflation is to our generation what depression was to our parents and grandparents. Inflation, if not stopped, will revolutionize our nation and its social institutions.

There are at least two separate schools of thought about how to end inflation:

First, there are professional policy analysts who believe that overdemanding working people create inflation by spending too much money. President-elect Reagan captured the perversity of this elitist view when he asked why it is inflationary when working people spend money—but not inflationary when the government spends it. In the past, these same analysts have recommended a remedy for inflation: simply reducing the number of working people, i.e., recession and unemployment, in order to reduce or "fine tune" private demands for goods and services.

A true understanding of inflation begins with a second and entirely different view of its causes and origins.

In this view, the correct one, the government causes inflation. Not the oil sheiks, not the oil companies, not greedy labor or avaricious big business. Inflation is a monetary and a financial disorder, engendered by the federal government. This interpretation explains why working people voted on Nov. 4, 1980, to reduce the size of government, not to restrict further the world of work and enterprise.

In this view of inflation, the remedies logically follow from the analysis of the defects. The remedies constitute a coherent economic policy:

(1) Reduce as rapidly and humanely as possible the federal budget deficit, especially on current account. Reorganize the government capital account, including federal credit programs, such that government demand for credit is substantially less than the volume of total savings available in the market.

(2) Reform the tax structure and restore work incentives in order to encourage the production of new goods, which will help to balance supply and demand conditions and thereby to mitigate inflation. The tax legislation must reduce marginal income tax rates and capital gains rates. Tax reform must abolish the inane distinction between taxes on savings and taxes on wages (so-called "unearned" and earned income). Savings are, in part, stored wages and must be taxed the same way, or savings will evaporate.

(3) Renovate the regulatory policy. Decontrol of energy prices would be the symbol of serious intent to sweep away excessive impediments to commerce and economic growth.

(4) Encourage the Federal Reserve System to moderate creation of money and credit, such that the supply of new credit is strictly consistent with the demand for credit by producers who need it to create new goods and services during the same market period.

(5) Commit, publicly and unequivocally, to a free and open world trading order under American leadership. The indispensable conditions for achieving such an open world order are twofold. At the earliest possible moment, perhaps January 1982, the president should announce his intention to restore a stable dollar to the world by creating a gold-based currency. Second, the president should call for an international monetary conference, to be held in January 1983, to reform the world monetary system, to uphold an open trading system, to contain the rising tide of protectionism.

Each of these five policies is, by itself, necessary. But, alone, each will be unavailing. Therefore, all should be done together, for only together will the new economic policy be sufficient.

The new financial policy to end inflation would rely on the creation of real economic growth and more jobs—not on unemployment and reduced demand—in order to produce more goods, not less.

In Britain, Prime Minister Margaret Thatcher has chosen instead the course of austerity—restrictive monetary policy, public sector deficits and timid tax poli-

cies—along with the painful consequences of unemployment and bankruptcy. What pathos there is in this apostle of the free market, presiding over the disassembling of British industry and almost 9 percent unemployment—the worst level since the Great Depression.

President-elect Reagan can avoid the Thatcher trap. But he must move soon and with profound understanding and conviction about the course to be followed.

There are six months in which to decide and to act. There is a way out of the maze of inflation. But in this particular crisis, the economic stabilization plan must not be characterized, as in past emergencies, by price and wage controls. On the contrary, the new program for economic renewal will deal with the crisis by a systematic reformation of economic institutions. Economic recovery must rely upon a reawakened nation, market institutions, free prices, mobile factors of production and a stable currency.

It is true that, in the absence of sound policy, we shall survive this crisis too. It is the lot of businessmen and working people to accommodate and to survive. But to what end? Eight percent unemployment? Twenty percent interest rates permanently? Ten percent inflation rates? Bankruptcy? Wage and price controls?

It cannot be that these are the results we desire. Our goal is an end to inflation. President Reagan was elected to do it—and now he must.●

ON SOLZHENITSYN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. MICHEL. Mr. Speaker, one of the truly great men of our time is the Russian author and champion of human rights, Aleksandr Solzhenitsyn. Recently, the eminent American social critic and philosopher, Michael Novak, spoke about the greatness of this man and the challenges his love of God offer democracy.

I insert "On Solzhenitsyn" by Michael Novak, from National Review, February 6, 1981, into the RECORD at this point.

ON SOLZHENITSYN

(By Michael Novak)

Democracies do not take kindly to prophets. On the coins of the United States, we read: "In God we trust." I have always taken this to mean: "In no one else."

My colleague George Will has coined many phrases that I like, but one especially: he describes certain persons as not simply conservatives, but "stained-glass conservatives." This designation captures neatly enough the protest of Aleksandr Solzhenitsyn against modernity.

It might even be possible to read Solzhenitsyn's address at Harvard as an updating of Pope Pius IX's famous critique of modernity, "The Syllabus of Errors." Solzhenitsyn, like Pius IX, is adept at pointing out the errors, one-sidedness, and blind spots in many of the things which we, in a liberal democratic society, hold most dear. Like Pius IX, he holds up in contrast some of the ideals of models of Christian civilization from the past—their ideals rather than their practices.

Without question, Solzhenitsyn is a man for the ages. His artistic talent and moral stature make the rest of us seem small by comparison. It is a privilege to live in an age in which he lives.

Some years ago—in a way foreshadowing the rise of the brave workers of Poland—Aleksandr Solzhenitsyn addressed several audiences in the United States under the auspices of the AFL–CIO. My wife, Karen, and I were privileged to hear him in New York.

He stood there exactly as a great Russian novelist ought to appear: tall, straight, ascetic, in a long whitish beard, like some Tolstoy or Dostoyevsky of our imagination, a prophet illustrated on the pages of the Book of Exodus, brave, indomitable, speaking truth as he saw it to an audience composed largely of journalists and radio and television folk, who, he could be quite sure, could not or would not understand him. He said in somber, quiet, ringing tones that we were engaged, like it or not, recognize it or not, in a war of survival. He betted us, at least, even if we did not choose to uphold our own side in this war of ideas, this struggle of all-too-material forces, at least—please—not to help the Soviet leaders, whom he insisted upon regarding not only as tyrants but as moral impostors—not to help the Soviets shovel earth upon the coffins of those they buried.

One of the great literatures of the twentieth century is prison literature. Consider Dietrich Bonhoeffer's reflections in a Nazi prison. All through Eastern Europe there are men and women of undoubted greatness confiding words to paper, which one day our children may read. Mihajlo Mihajlov, himself the author of such reflections from the prisons of Yugoslavia, considers, in "Underground Notes" (1976), the weight and spiritual meaning of that literature. What such writers have discovered is basic, elemental, at the root. They have discovered that, more powerful than the body, more basic than the emotions, deeper than will or intellect, is a force which gives life, permits seemingly superhuman endurance, invigorates every capacity and possibility of the human being. Mihajlov does not hesitate to name this power for survival: it is soul.

There is in human beings, beyond the reach of totalitarians and jailers, beyond the influence of colleagues faint of heart and longing for death, a force of life and for resistance: soul. Soul is beyond the reach of systems, a motivating, driving force, an originating source of energy, able to stand in utter solitude. Soul has, moreover, direct access to "the love that moves the sun and the other stars." It is indomitable.

This soul, Mihajlov writes, is the root of democracy. It is the originating force at the base of every human right, the source of every human hunger for liberty. It is common to all of us but it is not collective. It is, above all, individual, closer to each of us than our self to ourself.

Solzhenitsyn knows this force well. He has met his own soul. It is the source of the fire that burns in him. One feels its presence on every page he writes. It is a power deeper than consciousness, a source of enormous transcultural, trans-systemic reverberation. Who that is human is wholly insensitive to it? It discomfits, renders uneasy, makes our daily preoccupations seem shallow and relatively wasted. (It is as if one spelled his name: Solzhenitsyn.)

The great novelist, however, in concentrating so single-mindedly on soul, at times overlooks its necessary political, economic, and social artifacts. Human soul does not live alone. It is embodied—in social, political, and economic systems, as well as in human skin, tissue, sinews, and organs of feeling and sensibility.

Solzhenitsyn often seems to wish to reject modernity, "Western ideas," above all: democracy and all its works and pomps. He sometimes seems to desire a world of soul alone, leaders infused with virtue, peoples astonishingly and simply committed to the evangelical laws of peace, justice, order, and charity. If this were a world of angels, Solzhenitsyn's vision would create a City of Light. Its rulers would be saints, its people willing followers, its constitution the very laws of God. The civilization he envisions would be a heavenly city.

It is stunning, after all, to see how closely the dream of Solzhenitsyn mirrors the dream of his arch-enemy, Karl Marx, how he has turned Communism inside-out as a vision of effortless Christian civilization, populated not by sinners but by the virtuous, organized not by trial and error, checks and balances, separation of powers, and the differentiation of systems (political system, economic system, moral-cultural system, each relatively independent of the others), but organized by simple righteousness. He guides us to a heavenly city, before we have learned to live in the sinful climes of earth.

This grand leap from soul to paradise, without any of the purgatories of democracy, enraptures his mind. In place of opinions, he would have blazing truth. In place of legalisms, laws, and lawyers, he would have respect for God's order and individual dignity. In place of pornography, solicitation, avarice, he would have the simplicity of a life lived according to the Gospels.

Solzhenitsyn believes that democracy is an invention of the Enlightenment. In this he is profoundly wrong, wrong above all about the very texts he holds most dear: the Gospels. Jacques Maritain, one of the authors of the Universal Declaration of Human Rights of the United Nations—to whose existence not only on paper but in the minds of men and in powerful institutions, Solzhenitsyn has often paid homage—was wiser.

Maritain discerned, in "Christianity and Democracy," that the basic moral energies of the democratic way of life owe their origins to convictions nourished by those "peoples of the narrative," Jews and Christians. To such peoples, Maritain observes, human life is shaped by each human soul. Each may be faithful, each may fail. King David may sin. King David may act heroically. One never knows the outcome of a chapter in David's life, until his freedom has issued in choice. A whole people may send history down a destructive path that may last for generations, or a whole people may prepare the way for God's will. History is open: open to progress—and also to decline. The peoples of the narrative necessarily have a profound sense of sin, risk, danger, even at the heart of their aspirations for justice, liberty, charity and peace. Their narrative keeps being written. There is suspense in every chapter. The pivot of the narrative is liberty of soul.

Democracy grows out of such a narrative: may grow out of it—nothing is predetermined. Democracy is a system respectful of liberty, therefore open to sinners as well as saints, therefore soliciting the worst in people as well as the best. Wherever democracy is in effect, there the saintly eye will be scandalized, the aspiring ear assaulted, the longing heart rendered sad. For human

beings, being free, often loathe their freedom and abuse it. Democracy by no means entails virtue, even though it cannot survive without it.

Solzhenitsyn does us honor, though he may not think so, by being so affronted by the awful cheapness, vulgarity, and open sinfulness of our way of life. Any system open to human liberty as it actually is, must necessarily abound in visible signs of sinfulness. No more can democracy be sinless than Communism (committed, as Solzhenitsyn sees, to systematic lies) can drive out all virtue. The human heart is endlessly mixed. "In God we trust—in no one else."

Solzhenitsyn understands the City of God. From the depths of a kind of hell, he has retained a vision of what might be. He understands rather less well the City of Man. He sees its errors and its sins clearly enough. He sees that men act, all too visibly, like the Gadarene swine, following "sophistication" over the precipice. But he has yet to perceive how democracy is an effort to cope with a Jewish and Christian vision of man's sinfulness, not by a premature attempt to leap beyond sinfulness into paradise, nor by a foolish attempt to eradicate it, but by a vigilant effort to force it to become creative despite itself.

Democracy attempts to turn even self-interest, by a kind of practical alchemy, into the mutual service of all to all. Democracy accepts the Jewish and Christian vision of human fallibility, bestiality, will-to-power, of world, flesh, and the devil—takes men as they are—and tries by scaffolding and dikes, laws and contesting interests, the clash of poets against corporate leaders, abortionists against anti-abortionists, politicians against dreamers, seers against the stupid, to hold the rickety human enterprise on a course of liberty and justice for all. Impossible dream. Republic of sinners. Capable of avarice and generosity. An experiment implausibly expected to endure its own civil wars, not to mention its universal contest with powers determined to destroy it.

Democracy may be too imperfect for Solzhenitsyn, but only if mankind is too imperfect for him. All cannot be heroes as he is. Democracy imitates the "plain wisdom" of the Scriptures, as James Madison called it. Its vision is not grand—barely of a tunnel large enough for each free person to crawl through. In this sense, democracy itself is cut to the humble dimensions preferred by Judaism and Christianity. It wishes, in the end, only to stumble across the line, still free, still struggling for justice, still working to achieve some elemental equality. Democracy is better cut to sinners than to saints.

I am sorry, sometimes, then, that we disappoint the great Solzhenitsyn. But I would have it no other way. Here we honor prophets, but do not follow them except slowly, humbly, from a distance.

Yet with Solzhenitsyn's great message we do stand in agreement. The world is, sadly, split apart. World War III did begin in 1945, and the correlation of forces is less in our favor now than then, less so now than at any time in the history of this Republic. We are at an hour of maximal peril.

Yet so, also, is our foe. A system based on lies cannot endure. The world cannot survive half slave and half free. The reckoning rumbles in Poland. Events are gaining in rapidity. The great chapter of our age is drawing toward its climax.

It is good to have a seer in our midst, to alert us, to accuse us, to toughen us, to awaken us. We need not regard him as an architect of a just world in order to hear him, from our reverie, as a bugler. If we awaken, if we show honesty, courage, and communion with all who rise for liberty, we may prevent the worst from happening. We will not help the gravediggers shovel earth on those they bury. We will carry the ideas of democracy where they are most dreaded, most feared.

So forgive us, Solzhenitsyn, for stopping short of your City of Light. For us, our humble ways seem better.

I do not know the words in Russian, but perhaps the sentiment will be familiar to an Orthodox ear, even though the words are those of the Latin I learned in childhood:

Agnus Dei, qui tollis peccata mundi, miserere nobis.

Good words, for a democracy.●

NO DEAL WITH IRAN

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. ASHBROOK. Mr. Speaker, I rarely insert into the RECORD letters to newspaper editors but every now and then I come across an exceptionally well written piece which I think should be shared with my colleagues. Recently I read just such a letter in the Toledo Blade. In the Blade's January 28 edition, Mr. Elliott Sluhan of Toledo made some excellent suggestions with regard to the past U.S. policy toward terrorism and terrorist foreign governments. Specifically, he refers to the despotic Government in Iran.

Mr. Sluhan recommends that the U.S. Government refuse to roll over and give in to ridiculous Iranian demands and that our future foreign policy be based on strength, not weakness. I agree with him. For too long, we have genuflected to terrorist powers around the globe. Now is the time to set a precedent. And we can do just that in our future dealings with Iran.

I urge my colleagues to read Mr. Sluhan's letter.

NO DEAL WITH IRAN

To the Editor of The Blade:

Shortly after the taking of the 52 American hostages in Iran that moderate and intelligent statesman, Anwar Sadat of Egypt, made an incisive and prophetic observation in Cairo. Said Mr. Sadat, characterizing Ayatollah Khomeini: "He is a sick and vindictive old man who preaches a twisted personal hatred under the guise of Islam. Khomeini has nothing whatever to do with the true faith of Islam, and as a people we are all the worse off because of him."

Now, as Americans, our heartfelt joy and thanksgiving over the safe release of these hostages are being overshadowed by emerging tales of horror and brutality these patriots have brought back with them. Isn't it time that we as a nation realize that we shall continue to reason and negotiate with civilized nations but adopt a different system in dealings with uncivilized, unconscionable, and brutal people?

The tiny but strong-willed nation of Israel has never negotiated with any terrorist group on any level. They are to be commended for their resolve. And yet the recent, and fortunately past, Carter administration elected to negotiate the transfer of some one-quarter of Iran's frozen U.S. assets to this despicable nation with supposedly more to follow. President Reagan has authority to negate and terminate the transfer of any further Iranian monies.

And what should be done with the remaining $2.5 billion or so? Here are three suggestions:

See to it that all former hostages receive sizable cash amounts for their personal agony and anguish.

Settle in U.S. courts all valid financial claims by other U.S. firms and individuals against Iran.

By executive order transfer the full remainder to the U.S. Treasury as payment for crimes of war perpetrated by Iran against the United States.

Without question the Iranians care little for the sacredness of human life. In their war-torn desperation they were out for "cold cash." Let's be sure we deprive them of it.●

PROBLEMS WITH CONVERTED CONDOS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. ROSENTHAL. Mr. Speaker, I want to call to the attention of my colleagues two articles which appeared on the front page of the Washington Post on February 3, 1981, and February 5, 1981, dealing with the rapid increase in conversions of rental housing units to condo or co-op status and some of the problems connected with this phenomenon.

In the February 3 article, which I placed in the RECORD on February 3, 1981, at page 1626, the Post reports that the number of converted condominiums in the Washington metropolitan area has increased substantially in the 1979–80 period. At the same time, the article states: "The most striking finding in the survey * * * was that the construction of new rental apartments fell to virtually nothing while conversions were eating into existing rental stocks at a higher rate than in any previous year." The article also recognizes the "much greater social impact" caused by conversions as opposed to new construction "because in many cases conversions squeeze out the relatively poor, the elderly, and those on fixed incomes."

The February 5 article deals with yet another problem attributable only to conversions and not to new construction—the structural defects and unrepaired major systems—such as heating and air-conditioning—too often found in even expensive conversions. The article details the problems encountered by purchasers in several luxury condo conversions in Washington, D.C., and discusses several law-

suits pending against the developers and converters.

The Commerce, Consumer, and Monetary Affairs Subcommittee of the Government Operations Committee, which I chair, has been conducting an investigation into the public policy implications of the dramatic increase across the country in the number of conversions of rental units to condominium and cooperative ownership. We are concerned with how governmental programs and activities impact on the conversion trend.

The problem of failure to make needed repairs raised in the February 5 Washington Post is not limited to the Washington area. It seems to occur in many conversions the subcommittee has reviewed. There are literally dozens of lawsuits alleging failure of the developer to disclose needed repairs or structural defects. It is a too-common byproduct of the conversion process. The typical conversion makes only cosmetic changes in a rental building which may be in need of costly renovation. Also, too often inadequate contingency funds are set aside for unexpected structural problems or repair needs and the new owners are hit with large assessments to remedy a situation which the developer should have taken care of. In one conversion undertaken by the American Invsco Corp. of the Beaver Hill apartments in Jenkintown, Pa., the local newspaper, the Times Chronicle, reported on November 27, 1980, that tenants there have alleged that an engineering report obtained by the developer was "incomplete." The newspaper adds that the tenants wanted to have their own report prepared but the new owners said that they would not allow an engineer representing the tenants to inspect the building. Surely, at minimum, tenants should not be asked to buy "a pig in a poke."

Another byproduct of the conversion phenomenon is the deterioration of existing rental housing while rental owners wait to be bought out by condo developers. In Philadelphia recently this failure to make needed repairs in rental buildings which are in the process of conversion resulted in great hardship to tenants, many elderly, when the heating system in one building failed in 7 degrees temperature. The building in question had recently been sold to a developer which made cosmetic changes but avoided fixing a long malfunctioning heating system. The Philadelphia Inquirer had an editorial on January 6, 1981, attributing this situation to "the evils of unrestricted condominium development." This editorial appeared in the CONGRESSIONAL RECORD of January 22, 1981, at page 890.

The conversion phenomenon has given rise to a range of serious problems. The Subcommittee on Commerce, Consumer, and Monetary Affairs will continue to explore these problems and issues of concern to the Congress.

The February 5, 1981, Washington Post article mentioned above follows:

WEALTHY OWNERS OF CONDOMINIUMS SUING THE SELLERS

(By LaBarbara Bowman)

Many of the well-heeled who snapped up thousands of new condominiums in Washington in the last three years are now claiming that they have been victims of expensive but shoddy workmanship: roofs that leak, ceilings that sag, heating systems that go dead in deep winter and air-conditioners that break down in steamy July.

Former Sen. George McGovern, Amtrak president Alan Boyd, former presidential adviser Virginia Knauer and other owners at 2029 Connecticut Ave. NW, have filed a $3 million lawsuit charging that their developer, Conrad Cafritz, left them with sagging and cracking ceilings.

Up the street at Cathedral Park, 3100 Connecticut, where one-bedroom condominiums now sell for more than $100,000, the owners are replacing most of the ceilings in the apartments on the top floor because green wood used in the attic during the building's renovation was warped.

Farther up the street, the diplomats, lawyers and others who live at 3701 Connecticut have filed a $2.5 million lawsuit against their developer, alleging that the roof leaks, the heating system doesn't always work and that the central air-conditioning system must be scrapped and replaced.

Twenty-five percent of the 14,851 converted and new properties have or will experience warranty problems with the roof, heating or air-conditioning systems, or plumbing or wiring systems, said Robert L. Beall, a vice president at Legum and Norman, one of the city's largest condominium management firms.

Art Hiban of Shannon and Luchs, agreed with Beall's 25 percent estimate. Although the city's condominum law, one of the toughest in the nation, requires developers to give prospective buyers engineering reports on the condition and life expectancy of the vital systems in the buildings, these reports "are usually shallow and don't tell you much," Hiban said.

James Stanford vividly recalls that two months after he moved to his $62,000 South Brook Court condominium on 16th Street, "one wonderful Saturday morning I woke up to the dripping of water and went to my kitchen to find a big flap of plaster hanging from the ceiling and water coming in quite fast."

The building's roof leaked, he said. Then there was the brownish colored rash on his living-room wall that came from moisture seeping in around an improperly caulked vent. The developer made the repairs, he said.

"You feel like you've been had," said Jack Murphy, administrative assistant to Sen. Barry Goldwater (R-Ariz.) and a resident of Cathedral Park where ceilings in 40 apartments on the top floor are being braced or replaced.

With city condominium prices sometimes in six figures, the purchasers, who included senators, congressmen, judges and top White House and Capitol Hill staffers, expected the units "to be perfect in all substantial respects," said Devin J. Doolan, an attorney who now represents some of the buyers.

Many of the buildings that people bought into two and three years ago in the midst of condomania were old and suffering from neglect because of high operating costs and rent control, said several real estate sources.

While some developers did extensive and quality renovations, Beall said, others simply cashed in on the boom with primarily cosmetic renovations. Then "zealous sales agents" painted a life of almost trouble-free living that was reinforced by the high prices, said Beall.

Some in the real estate industry said the problem will probably grow because of the large number of buildings converted to condominiums in the last two years.

Although only 395 apartment units were converted in 1977, the number jumped to 1,918 in 1978 and tripled to 4,287 in 1979, city records show. Figures for 1980 were unavailable.

Hiban said that Shannon and Luchs recommends to its condominium clients that they hire their own engineers to evaluate the condition of the "big ticket items," such as the roof, the plumbing and heating systems and the wiring.

Many of the disgruntled occupants contend that the faulty workmanship should be covered in the two-year warranties mandated by city law, but developers often disagree.

Mike Brenneman, a leader in condominium sales and conversions (he sold the units at 2029 Connecticut), angrily defended the developers' work.

"I question some of the things that I'm hearing that developers have done badly or did not do at all," he said. "The perception of the problem is nothing more than that . . . . It is my opinion that most of the conversions have been done credibly," although there might be "imperfections here and there."

Although some of the fault apparently lies with the developers, Doolan, Hiban and others also believe some buyers have unreasonable expectations of condominium life. "People must realize when they are buying used housing there will be problems," said Doolan. "Since it is not new, your expectations have to be somewhat different."

At 2029 Connecticut, where the 26 owners make up a virtual Washington's who's who—Amtrak president Boyd, McGovern, Rep. Lindy Boggs, (D-La.) and Knauer—residents have alleged that developer Conrad Cafritz left them with "plaster ceilings in some or all of the condominium units requiring repair, renovation, restoration or replacement."

Cafritz contends that he sold the 26 units in the 1917 building in an "as is" condition in 1977 after making some repairs and now he is being asked to guarantee "against any and all unexpected problems resulting from the age of individual building components."

The owners of the 206 units at 3701 Connecticut Ave. alleged in their suit, filed last April, that the developers, Marcel, Stephen and Robert Weiss, all of New York, reported a useful life remaining for the building's major components that was "inflated, excessive, inaccurate and misleading."

The Weiss brothers denied the allegations and said that any losses or damages were the result of "negligence, improper or inadequate maintenance, alternation or normal wear and tear or accident" caused by the new owners.

Fred Fitzgerald, a lawyer for the Federal Communications Commission and president of the condominium owners association, said the new owners have paid out almost

$30,000 to patch the air conditioning system, buy new boiler parts and make other repairs.

And beginning last month, each owner started paying an additional $104 a month on top of the average $200 condominium fee to finance the replacement of the central air-conditioning system.

Mark Sager, who lives on the top floor, recalled that last summer, "it was so unbearable one night I sat in the bathtub and I thought of going to a hotel." The air-conditioning system breaks down often, said Sager, an insurance agent, who paid $75,000 for his two-bedroom unit.

At Cathedral Park, however, the owners can no longer sue their developer under a settlement they made with the company two years ago in which it agreed to make other repairs in the building including replacing the boiler.

With the growing dissension about warranty problems, the Community Association Institute, a private organization of homeowners, condominium developers and managers, lawyers and public officials will hold a forum Feb. 24 at the Tysons Westpark Hotel on Rte. 7 in Tysons Corner to discuss the ways that condominium owners and developers can resolve their disputes short of costly court battles.●

PAUL EDWARD KING: CALIFORNIA WINNER FOR THE VETERANS OF FOREIGN WARS VOICE OF DEMOCRACY CONTEST

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. BROWN of California. Mr. Speaker, I am pleased to announce that the California winner for the 1980-81 Veterans of Foreign Wars Voice of Democracy Scholarship Contest is a resident of my congressional district, from Fontana, Calif. The essay winner, Paul Edward King, is an active student at Fontana High School, where he is preparing for a bioengineering career. His essay shows a keen perception of his environment, a commitment to the future of the United States, and a personal dedication to be a constructive part of our future.

Mr. Speaker, I commend Paul Edward King for this honor and recommend the following essay to my colleagues. The essay follows:

The fire was in the west, casting a red glow over the dusk sky. Large, dark, billowing clouds reflected the sunlight, casting purple, red, and brown hues over the earth; while a salt-scented sea breeze pushed itself through a redwood forest on the Pacific Northwest coast, fanning the flames back to forests that had been devoured only minutes before.

A young man, wearing firegear, and carrying a pick and shovel, wound his way through the trees near the fireline. The air was hot, but then he had been in murderous heat all day. Lines of determination around his eyes and mouth seemed to have been baked on by the inferno he had battled the past two days.

He wiped his brow with his hand. The fire would be out before too long, thanks to the opposing evening breeze that was slowing the spread of the fire. Two days ago he had felt a strange mixture of excitement and fear when his squad had been called upon to fight this fire. Then, the heat of the flames had changed his excitement and fear into aharpened will and determined effort: He would use every method he could to stop the advancing flames. Now, though he was exhausted; he was beginning to feel the thrill of victory. Tactics he and other firemen down the lines had used, plus the change in wind, were now paying off.

By morning all that would be left of the fire would be smoldering patches of easily extinguished hot spots. His efforts had helped to prevent the fire from destroying many more acres than it had; no lives had been lost, and for that he was grateful.

This young firefighter's attitude and spirit is typical of American youth today. When we are confronted by danger or a challenge; we rush to meet it head on. We have dedicated ourselves to our country, and like firemen, when confronted by a fire; we will battle with persistence and strength of will, any danger which threatens our freedom and security.

I am a member of today's youth. I know of many challenges that have risen to face America, and each time America has proved stronger than the challenge. Today, I see challenges which threaten us as no others have in the past: our dependence upon foreign oil and gas, our military unpreparedness, inflation, unemployment, and the ever-increasing chance of war. These problems cannot be solved in a short time, and as a member of today's youth; I know our faces are set with lines of determination. We are preparing ourselves to confront these dangers that threaten our way of life.

All through our history, problems that have confronted our country have been solved by those who have had the training to do so. These "problem solvers" were the educated; those who had been trained to think and dream of new things. This is the path I have chosen; to dream and think, and then, above all, to act, so that my dreams and thoughts will come true.

Others of my generation will choose to become politicians, lawyers, or military men, so that they might solve such problems as unemployment, inflation, and the threat of war. I have committed myself to a future in engineering. This a field in which I will be at the forefront of new and exciting technologies that will be used to solve our energy problems. Imagine great solar power satellites, hanging in orbit around the earth, beaming vast amounts of solar energy in the form of microwaves to earth; or closer to home, the control of the power which fuels the sun: fusion energy. An energy which would supply us with all the power we would ever need.

SOLAR POWER SATELLITES AND FUSION ENERGY

The future is coming and I am like the fireman. I am excited by the challenges we must face, but I do not cower in fear, nor do I ignore the challenges. I am rushing to meet them head on, the best way I know how, by getting an education. An education that will train me to deal with any troubles I, or America must face. Watch for me in the future, for I will be there, at the fireline, fighting my part of a great battle that can only end in victory.●

UKRAINIAN INDEPENDENCE DAY

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. FORSYTHE. Mr. Speaker, for more than a quarter of a century, the U.S. Congress has recognized Ukrainian Independence Day. This year marks the 63d anniversary of the Ukrainian National Republic, the largest non-Russian nation within the Soviet Union.

The history of the Ukrainian independence movement and, more recently, the continued occupation of Afghanistan by the Soviet Union and the threat of Soviet intervention in Poland, underscores the need for a reaffirmation, internationally, of a primary principle of international law, that each nation-state is a sovereign entity. One nation's forceful control over another is one of the most debilitating acts possible against the peace and stability of the existing international order. Such acts are as intolerable today as they have always been to the free world.

Perhaps today as never before, the American people have realized this as last week we celebrated the return to freedom of 52 of our fellow citizens. In rejoicing over their return, we celebrated our own freedom and pride in our Nation. That is why I think it particularly fitting that, in light of the renewed spirit of American patriotism, we take a moment to recognize, to sympathize, and to applaud those like the people of the Ukraine who cherish freedom and are striving to achieve it.●

FOR AMERICA, NOW OR NEVER

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. MICHEL. Mr. Speaker, former Secretary of the Treasury William E. Simon has recently written an article for the Dallas Morning News that raises serious questions about the will and the determination of the American people—and especially the Congress—to do what must be done to restore our Nation to economic soundness.

I insert this article, "For America, Now or Never," from the Dallas Morning News, January 25, 1981, in the RECORD at this point:

FOR AMERICA, NOW OR NEVER

(By William E. Simon)

This is it!

There is no more leeway!

For some time a number of us have been traveling up and down this land warning (and in the last few years screaming) about

our nation's precipitous decline. In the beginning there were few, and most of us were disdainfully dismissed as, well, certifiably insane.

Time, unfortunately, has proved us right. I do not think I exaggerate when I say that we are faced, quite literally, with our extinction as a bastion of freedom, prosperity and democracy.

For years I have been among the most vocal (read in some circles as "irritating," "abrasive" or worse) in warning that the next few years would be our last chance. My greatest fears have been realized, and I think it is safe to say that now even economists, academicians, politicians, scientists and media gurus have, in spite of their earlier rhetoric, been forced to the same conclusion.

Could anything be plainer? We have so disregarded the tenets of free enterprise, and so interfered with the natural workings of the economy in a desperate attempt to repeal universal economic laws by government fiat, that in 1980 we became a 7-times multiplication table of disaster: 7 percent unemployment, 14 percent inflation and 21 percent interest rates.

The two basic industries in the United States, steel and automotive, have had a calamitous year, battered by the one-two punch of inept domestic fiscal and monetary policies, and of international competitors who freely subscribe to policies that were once our pride.

Did you ever expect to see all three of our major automobile makers running in the red, with one quite literally propped up by Uncle Sam?

How many times can the housing industry be knocked flat within a few months before structural damage impairs it permanently?

When did you ever see an economy rebound from a recession, and before the first quarter of the recovery ran its course, economists of all persuasions had the next recession in sight?

When have you seen the federal budget jump in such uncontrollable increments? In three years' time, federal spending has jumped by more than 30 percent and the concept of a balanced budget is little more than a joke. And please remember that these figures do not take into effect the rapidly escalating off-budget items.

We talk about the strangling burden of overregulation and it has now become a cliche, but we quickly lose sight of the fact that proposed regulations in the Washington pipeline are worse than any that are already on the books. One distinguished economist has put the cost of overregulation at $125 billion. How many nations in the world would like to see their country's entire GNP at that level?

These are some of the reasons that so many of us worked for the election of Ronald Reagan and a conservative Congress. And it is clear that the people of this still great country finally understood and heeded the call. There has not been, in the memory of most of us a president and a Congress more committed to do that right thing to set this country on course to reclaim its inherent greatness. And yet, ironically, that is the problem.

Why? Because now that we have elected men to high office who are committed to economic and political freedom and who show every evidence of understanding the workings of a free economy, there is a tremendous temptation for all the rest of us to sit back and let them do it. It is as much as to say that we have done our job by electing them—let's go back to business as usual.

You see, the greatest mistake we could make in 1981 and beyond is to think that all our problems are economic, and now that we have put in a good team, they can solve them. That belief is nothing less than suicidally destructive.

Our problems are and always have been political. And the real battles are now beginning. And I say this in spite of a growing consensus to reduce spending, reduce taxes, slash regulations, contain the money supply within the limits of our own growth, restore our defense capabilities—indeed the whole platform which served as a basis of such landslide victories this past November.

It will take every ounce of courage and skill by this administration to pursue the entire program and ceaselessly fight for its enactment. I assure you that my Washington experience has shown me how fast people in all walks of life abandon principles when it requires them to give up some government largesse. The labor unions will recklessly scream for more. The bureaucracies will resist any tampering with their fiefdoms and domains. Those on the public payroll will scream to maintain their prerogatives and their jobs whether they are needed or not. And sadly my experience in Washington—still painful—showed me that businessmen, captains of industry, those who should be in the forefront arguing for the government to back off and allow competitive free enterprise to work, are in the forefront of the mob with their hands held out.

The enormity of the challenge confronting this country today can be seen in the simple fact that there really is not a great deal of disagreement with the economic program that must be promulgated. The difficulty lies in the execution—the political problem. Already the Washington skeptics are confidently whispering that the Reagan team will never be able to make a significant dent in the budget. We will be lucky, they say, if the new administration can merely reduce the rate of growth in spending. Even before inauguration, estimates of a balanced budget were being pushed to the end of the first Reagan term, and sadly the cynics have history on their side.

How easy it will be for congressmen to accept the goodies—the tax cuts, the new programs, etc.! And oh how they will resist the tough ones—the budget cuts, the program cutbacks, the agency eliminations, etc.

Now is the time, if there never were one, for courage and statesmanship. Now is the time to end once and for all "politics as usual" as it has been practiced for half a century on the Potomac. Now is the time for every American to keep the pressure on those in power to do the job that must be done. If the Reagan administration and the new Congress fail, if they temporize, and compromise, they will be held, rightly, more culpable than any administration in our postwar history for the debacle that will inevitably follow.

But let me go on record now: If our leaders are forced to compromise again the ultimate blame is yours and mine. For if that happens, we will have turned our back once more. This time, though, will be the last time we will ever have the choice. Indeed, if all of us as a people, and our leaders, are not steadfast now, we will have few if any choices about anything ever again.●

UKRAINIAN INDEPENDENCE DAY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. YOUNG of Florida. Mr. Speaker, as we commemorate the 63d anniversary of the independence of Ukraine, I join my colleagues in praising the indomitable spirit of a once-free Ukrainian people, who have lived under Soviet domination for all too long.

Over the years, occupied Ukraine and its sister captive nations have sadly seen the ranks of subjugated peoples grow. Afghanistan is only the latest victim of Soviet aggression, and even the already-enslaved people of Poland cannot feel safe from invasion by their erstwhile protectors.

The proud Ukrainians have refused to let the fire of freedom burning within them die out. They stand as not only sad reminders of the cruelty and barbarism of the Soviet Union, but also as shining examples to the world of how a people cannot be conquered by the force of arms. They deserve the world's admiration for keeping the spirit of January 22, 1918, Ukraine's day of national independence, alive.

At this time, with the Ukrainian people's struggle fresh in our minds, we Americans should rededicate ourselves to the principles which we so take for granted, and for which Ukrainians dream for their homeland: Liberty, self-rule, and justice. Those who lose these precious gifts make us who enjoy them every day appreciate their worth, for these underpinnings of our democratic system are all too rare in the world today.

My prayers and best wishes are with the Ukrainian people, along with my continued vow to keep their memory and their cause alive. They are an inspiration to us all and deserve this small but sincere and affectionate tribute to their cause.●

THE TRUTH ABOUT THE MORAL MAJORITY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. ASHBROOK. Mr. Speaker, in the months since the November Republican landslide, cries have been heard from many of the liberals repudiated at the polls. The finger has pointed at the Moral Majority, an organization previously ignored and downplayed by the liberal elite. The Moral Majority is no longer ignored. It is no longer downplayed. It is an organization now feared by those who have so routinely ignored and misrepresented public opinion. And is so often the case when the stakes get high, those who have been repudiated have cried "dirty pool." They submit that the reins of power in our Nation are being handed over to a band of right-wing, reactionary radicals who will destroy freedom as we know it. Maybe they really believe that. I do not.

The fact is that the Moral Majority is made up of millions of sincere, dedicated Americans who have become alienated by the increasing turning away from basic, American values. They were always there but what really concerns the liberal is that they are now organized. For years, liberals have been extremely well organized. And they have held the reins of power in American government. Now they face a group which is just as organized. And they are concerned. They are very concerned.

Since the Republican victory in November, liberal leaders and establishment-liberal figures in the news media have worked overtime to distort the motivation of the Moral Majority. They have cried censorship. They have cried radicalism. They have cried racism. They have made ridiculous arguments about separation of church and state. They have even intimated facism. That is absurd.

I recently read an article in the January 19 edition of the Dayton Journal Herald, written by a retired minister, the Reverend Horace H. Mohler of Trotwood, Ohio. It is one the best articles I have read on the matter of the growing strength of the Moral Majority and I commend it to my colleagues. It is a thoughtful, intelligent piece which repudiates the liberal charges of censorship.

The Mohler article follows:

[From the Dayton Journal Herald, Jan. 19, 1981]

MORAL MAJORITY SEEKS TO SPARE NATION

(By Horace H. Mohler)

It should not be surprising in this political year to have discovered that distinct philosophical differences have surfaced between liberals and conservatives.

This is not to say the cleavage hasn't always been there, but in the weeks since Nov. 5 the fact stands out in bolder relief.

This phenomenon may have had more attention recently than in most memories. Possibly it is because a new and very descriptive term—the Moral Majority—has caught on and become part of our vocabulary.

To one faction it has the ring of victory and success.

To another the disreputable odor of anathema.

Its degree of permanency is yet to be seen.

The practical aspect of such diverse philosophies is an effective polarization of the electorate, almost as deep and divisive as the ruptures that existed in the mid-19th century between North and South. The one great difference is that few observers see on the home front as threatening antipodal positions as existed in Civil War days. But feelings run deep nonetheless.

If one were to speak for those who fostered the rise of the Moral Majority, one must at the same time ask if the terminology employed is altogether accurate. The connotations of "moral" should not be in question. But the implications of a majority can be suspect.

Are they accurate and convincing? History is in agreement that the people of God have been through their generations largely moral.

But have they been in the majority? The Holy Scriptures bear witness that evil has succeeded at times in almost annihilating the good, that the forces of righteousness versus unrighteousness are traditionally in mortal conflict.

At this post-Christmas season the "moral" of my story may appear as an almost happy one, attested to by the Christmas season itself.

"The wrong shall fail,
The right shall prevail,
With peace on earth, good will to men."

—*Longfellow*

But, alas, post-Christmas moods fade away.

I meditated somewhat on these issues on Christmas Day and surveyed again some of the recent articulations of the media journalists and commentators.

Bob Schumacher (*JH* TV critic) for one, writing on "Religious groups will fight TV raunch," (*JH*, Dec. 20), concedes that while TV fare does not always smack of the ideal (I couldn't agree more), and states that "what does need to be questioned is the arrogance and self-righteousness inherent in any effort by one group of people to control the kinds of ideas and entertainment anyone else is going to be exposed to."

He raises the explosive term "censorship."

What Mr. Schumacher bypasses, however, along with a veritable host of other analysts, is the fact and dire results of national sin. Always the God of heaven through his servants and prophets has assured peace and prosperity to those who keep his moral precepts, while gravely warning that "sin is a reproach to any people."

No nation has ever survived the reality of His calamitous judgments once they are brought to bear. The large issue certainly goes beyond risque entertainment (witness literally dozens of even more serious carnalities), but national tastes in diversion do accurately reflect the moral fibre of a people. (Misstatement of the year: "We are morally strong."—President Jimmy Carter).

Certainly "censorship," in its ramifications, is similar in its practical effects to waving a red flag in the face of a bull. But if we read the Moral Majority scenario correctly, the launching of censorhip is not among its goals.

Rather its adherents seek to spare our beloved nation from ultimate terror, the righteous judgment of an offended God.

Let no one delude himself into thinking that America is exempt. Repentance is an old word and a meaningful one. It is not yet out of style.

The Moral Majority has, in the words of one of its chief proponents, tried to turn America around. Censorship, per se, is not one of its weapons.●

UKRAINIAN INDEPENDENCE

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. ATKINSON. Mr. Speaker, I am proud to participate in today's commemoration of the anniversary of the independence of the Ukraine, which took place 63 years ago on January 22, 1918. As we know from history, this independence was short lived. For the next 3 years the country was invaded on all sides by the Soviet and Polish Armies, and torn within by internal strife. In 1921 the Ukrainian Army was defeated and the Soviets and the Poles divided the Ukraine with the Soviets gaining most of the territory.

In subsequent years, the Soviet Government has dealt with the continued existence of a vigorous and unrelenting Ukrainian nationalistic movement. Through cultural and political manipulation, attrition through propaganda, discrimination, and outright suppression, the Soviets are ultimately seeking to deny the Ukrainians any separate national identity toward the larger goal of total loyalty to the U.S.S.R.

Today over 47 million people in the Ukraine are subject to the purges of the U.S.S.R. They have no guarantees of civil or political rights. When we speak about human rights we speak not only of those persons subject to physical and mental abuses but also of nations held captive, suffering political and cultural repression and economic exploitation. The U.S.S.R. has imposed severe restraints on Ukrainian culture—limiting language study, literature dissemination, and cultural celebrations.

Today, over 2 million Americans, proud of their Ukrainian heritage, are living under free institutions and are able to celebrate this day of independence. But 47 million Ukrainians are not able to share in this celebration. These persons live under continued oppression in their homeland without guarantees of civil rights, self-government, or the freedom and independence which are the precepts under which all civilized societies function.

It is my hope Mr. Speaker, that when President Reagan formulates a policy on human rights, he will keep in mind the needs of the peoples subjugated behind the Iron Curtain. It is important that we Americans express our support for the continuing struggle of the people of the Ukraine. As a free nation we must never forget that millions of people persevere daily to preserve their dignity and God-given human rights.

I salute the proud and courageous Ukrainian people here and around the world.●

INEQUITABLE AND INADEQUATE TREATMENT OF WOMEN UNDER SOCIAL SECURITY

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Ms. OAKAR. Mr. Speaker, today I am introducing five bills which will correct the inequitable and inadequate treatment of women under social security. These bills represent 2 years of intensive investigation and study by the Select Committee on Aging's Task Force on Social Security and Women, which I have the privilege of chairing. Our present social security program is founded on outdated assumptions concerning the role of women in our society and the nature of marriage. Millions of women have inadequate protection under social security; millions of others are penalized because they experience the misfortune of divorce, or because they divide their worktime between homemaking and childrearing, and participation in the paid labor force. The most visible effect of these biases and gaps in the program is the fact that of all the elderly poor, 72 percent are women. The average social security benefit for single older women provides them an annual income below the poverty line. Moreover, because so many women encounter age and sex bias in employment, lack private pension coverage and have few assets and little savings, they must rely primarily on social security for their retirement income. The bills I am introducing will strengthen and modernize the social security system by enhancing protection for homemakers, disabled and surviving spouses, working married women, and divorced spouses. Naturally, I am encouraging my colleagues to join with me in cosponsoring these reforms. A brief summary of the bills follow, along with the full text of each bill.

NEW SOCIAL SECURITY LEGISLATION TO BE INTRODUCED IN JANUARY 1981

(By Representative MARY ROSE OAKAR)

H.R. 1513—SOCIAL SECURITY MODERNIZATION ACT (MANDATORY EARNINGS SHARING)

The combined earnings of a husband and wife during their marriage shall be divided equally between them for purposes of determining eligibility for, and the amount of, old age and disability benefits. The bill maintains the current treatment of, among others, children's benefits, requiring that all earnings be credited to the wage earner for the purpose of calculating those benefits. The bill contains a present-law guarantee that, if the combined benefits of an individual and his or her spouse would be greater without application of earnings sharing, it shall not apply. The bill also mandates periodic Congressional studies of the operation of Earnings Sharing. Full-scale Earnings Sharing (excluding present-law guarantees) will be implemented by 2010, contingent upon the assessments, evaluations, and recommendations of the Congressional studies. (Long-term cost: estimated .5 per cent of payroll)

H.R. 1514—INHERITANCE OF EARNINGS CREDITS BY SURVIVING SPOUSE OR SURVIVING DIVORCED SPOUSE

When a spouse dies, the surviving spouse or surviving divorced spouse automatically "inherits" the deceased spouse's earnings credits to the extent that the credits were earned during their marriage. The couple must have been married to each other for a continuous period of at least three years immediately prior to the spouse's death or the date the divorce became final. Disabled worker benefits could be paid at any age to disabled individuals based on their records as altered by inheritance. Disabled widow(er)s who gain disability insured status only through the use of inherited credits must meet the test of disability that is presently applied for disabled widow(er)s who claim survivor's benefits. The bill contains a present-law guarantee that, if the benefits of a widow(er) would be greater without application of credit inheritance, it shall not apply. Present-law guarantees will be terminated by 2010, contingent upon the findings and recommendations of mandated Congressional studies to determine impact. Where the deceased; spouse has other survivors entitled to benefits on his or her account, for benefit purposes, the Social Security Administration will treat his or her earnings as if the inheritance had not occurred. (Long-term cost: estimated .2 per cent of payroll)

H.R. 1515—CREDIT SPLITTING AT DIVORCE

Credit splitting at divorce will make Earnings Sharing mandatory upon application by either party following a divorce. At the time of the divorce, if the marriage lasted at least three years, either party could apply for earnings credits. The Social Security earnings credits received in the years of marriage by both spouses would be added together and each spouse would be credited with half of the combined total. Earnings credits from years before or after the marriage would be unaffected. Thus, divorced homemakers or secondary earners could gain entitlement to benefits as retired workers. Credits gained as a result of credit-splitting could be used to gain entitlement to disability benefits. In those cases where combined benefits of both spouses would be higher under present law, credit splitting would not apply. (Long-term cost: estimated .2 per cent of payroll)

H.R. 1516—TRANSITION BENEFIT

This bill provides for payment of a "transitional benefit" to the widow(er) of an insured individual upon the wage earner's death, if the surviving spouse is at least 50 years old at the time of the wage earner's death and not otherwise immediately eligible for benefits. The benefits would be available only for the month in which the death occurred and for the next three months. The benefit would be 71.5% of the wage earner's primary insurance amount (PIA) or, if the spouse's own primary insurance amount is higher, 71.5% of that amount. (Long-term cost: estimated .01 per cent of payroll)

H.R. 1517—DISABLED WIDOWS/WIDOWERS UNDER SIXTY

Under present law disabled surviving spouses are eligible for benefits at an actuarially reduced rate beginning at age 50, based on the deceased worker's primary insurance amount (PIA). This bill would make disabled surviving spouses eligible for benefits at any age and with no reduction. (Cost estimate unavailable.)

H.R. —

A bill to amend title II of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes, so as to recognize the economic contribution of each spouse to the marriage and assure that each spouse will have social security protection in his or her own right

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Modernization Act".

SEC. 2. Title II of the Social Security Act is amended by adding at the end thereof the following new section:

"SHARING OF EARNINGS BY MARRIED COUPLES

"SEC. 234. (a) This section shall not apply with respect to any individual or spouse for any month, and any benefits payable under this title for any month on the basis of the wages and self-employment income of either shall be determined as though this section had not been enacted, if

"(1) the total of the combined benefits to which such individual and spouse would be entitled for such month under this title as a result of the application of this section is less than the total of the combined benefits to which they would be so entitled without regard to this section, or

"(2) such individual is deceased and the amount of the widow's, widower's, or mother's insurance benefit to which such spouse would be entitled for such month (on the basis of such individual's wages and self-employment income) as a result of the application of this section is less than the amount of the widow's, widower's, or mother's insurance benefit to which such spouse would be so entitled without regard to this section.

"(b)(1) The combined earnings of an individual and his or her spouse, to the extent that such earnings are attributable to the period of their marriage (as determined under paragraph (2)), shall be divided equally between them and shared in accordance with this section for purposes of determining their eligibility for old-age or disability insurance benefits and the amount of the old-age or disability insurance benefits to which each of them is or may become separately entitled.

"(2) For purposes of this section with respect to any two individuals who are married to each other, the 'period of their marriage' is the period—

"(A) beginning with the first day of the calendar year in which their marriage occurred, and

"(B) ending with the last day of the calendar year preceding the earliest calendar year in which one of them dies, they are divorced, or one of them files application for old-age or disability insurance benefits, whichever first occurs;

except that (i) no such period shall begin for any two individuals whose marriage to each other occurs after one of them has filed application for old-age insurance benefits, (ii) no such period shall begin for any two individuals whose marriage to each other occurs after one of them has filed application for disability insurance benefits unless his or her period of disability (and entitlement to such benefits) has theretofore ended or, if it has not theretofore ended, until such period (and such entitlement) ends, and (iii) such period shall include the 'earliest calendar year' referred to in subparagraph (B) for purposes of recomputations for that year under section 215(f)(2), in any case where one of them dies or they are divorced, unless the survivor (where one of them dies) or either of them (where they are divorced) is remarried later in the same year.

"(c)(1) Except to the extent otherwise provided in subsections (a), (d), (e), and (f), whenever two individuals are married to each other they shall each be credited for all of the purposes of this title with wages and self-employment income, for each calendar year for which either of them is credited with any wages and self-employment income without regard to this section during the period of their marriage, in an amount equal to (A) 50 percent of the combined total of the wages and self-employment income otherwise credited to both of them for that year if (at the close of the month for which the benefit determinations involved are being made) they are both still living, or (B) 100 percent of such combined total, up to but not exceeding the maximum amount that may be counted for that year without exceeding the ceiling imposed for that year under section 215(e), if (at the close of such month) one of them has died.

"(2) Nothing in this section shall have any effect upon the crediting of wages and self-employment income to any individual for any calendar year not included in the period of such individual's marriage; but to the extent that wages and self-employment income are credited pursuant to this section the other provisions of this title specifying the manner in which wages and self-employment income are to be credited shall (to the extent inconsistent with this section) be inapplicable.

"(3) As used in this section, the term 'spouse' includes a divorced spouse, a surviving spouse, and a surviving divorced spouse except where the context requires otherwise.

"(d) Subsections (b) and (c) shall not apply with respect to the crediting of wages and self-employment income for any calendar year, in the case of any individual and his or her spouse, if (1) as a result of the application of such subsections with respect to that year either of them would cease to be a fully insured individual (as defined in section 214(a)), or (2) one of them is applying for disability insurance benefits (or for the establishment of a period of disability) and as a result of the application of such subsections with respect to that year would cease to be insured for such benefits under section 223(c)(1) (or for such a period under section 216(i)(3)).

"(e) Subsections (b) and (c) shall not apply for purposes of determining the amount of the benefit payable to any individual for any month if (1) the total amount of the wages and self-employment income credited to such individual for the period of his or her marriage, as determined without regard to this section, is higher than the total amount of the wages and self-employment income credited to such individual's spouse for that period, as so determined, and (2) such individual's spouse (taking subsections (b) and (c) into account) has not filed application for old-age or disability insurance benefits by the close of such month.

"(f) Notwithstanding any of the preceding provisions of this section—

"(1) benefits payable under subsection (d) or (h) of section 202 on the basis of the wages and self-employment income of any individual, and benefits payable under subsection (b), (c), (e), (f), or (g) of such section 202 (on the basis of such wages and self-employment income) to any person other than a spouse who has shared in or been credited with a part of such individual's earnings under subsections (b) and (c) of this section, shall be determined as though this section had not been enacted if (A) the application of this section has changed such individual's primary insurance amount from what it would otherwise have been, and (B) the crediting of wages and self-employment income to such individual and his or her spouse without regard to this section would increase the amount of such benefits; and

"(2) in the application of section 203(a) (relating to maximum family benefits) with respect to benefits payable on the basis of the wages and self-employment income of any individual, where all or any part of the wages and self-employment income of such individual and his or her spouse was credited to them in accordance with this section, the primary insurance amount of such individual (and the crediting of his or her wages and self-employment income) shall be determined in accordance with this section but the benefits payable to any other person on the basis of the wages and self-employment income of such individual shall be determined as though this section had not been enacted and as though such person had made application for any benefit or benefits to which he or she would (upon such application) be entitled.

"(g) Notwithstanding any other provision of this title, no wife's, husband's, widow's, or widower's insurance benefit shall be paid to any individual for any month under subsection (b), (c), (e), or (f) of section 202, and no individual shall be entitled to any such benefit, unless—

"(1) the period of such individual's marriage (to the spouse or former spouse on the basis of whose wages and self-employment income such benefit is payable) ended before the effective date of this section;

"(2) such individual is under the age of 62 (and is otherwise entitled to such benefit);

"(3) such benefit is payable without regard to age and solely by reason of such individual's having a child in his or her care; or

"(4) the application of this section to such individual is prevented by subsection (a), (d), or (e) (or by clause (i) or (ii) of subsection (b)(2)).

"(g) For purposes of subsections (b)(2) and (e), an individual's application for old-age or disability insurance benefits shall be deemed to have been filed on the first day of the first month for which (by reason of the operation of section 202(j) or 223(b)) such individual is entitled to such benefits.".

SEC. 3. (a) Section 202(b)(1) of the Social Security Act is amended by striking out "The wife" and inserting in lieu thereof "To the extent permitted by section 234(g), the wife".

(b) Section 202(c)(1) of such Act is amended by striking out "The husband" and inserting in lieu thereof "To the extent permitted by section 234(g), the husband".

(c) Section 202(e)(1) of such Act is amended by striking out "The widow" and inserting in lieu thereof "To the extent permitted by section 234(g), the widow".

(d) Section 202(f)(1) of such Act is amended by striking out "The widower" and inserting in lieu thereof "To the extent permitted by section 234(g), the widower".

(e) Section 205(c)(5) of such Act is amended—

(1) by striking out "or" at the end of subparagraph (I);

(2) by striking out the period at the end of subparagraph (J) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new subparagraph:

"(K) to reflect any changes in the crediting of wages and self-employment income which may be necessitated by section 234.".

(f) Section 215(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(5) The determination of the wages and self-employment income to be credited to an individual under this subsection shall in all cases be made after the application of section 234.".

SEC. 4. (a) Except as provided in subsection (b), the amendments made by this Act shall apply only with respect to the crediting of wages and self-employment income to years in periods of marriage (as defined in section 234(b)(2) of the Social Security Act) ending after the date of the enactment of this Act, and with respect to the payment of benefits for months after December 1981.

(b)(1) Subsection (a) of section 234 of the Social Security Act, as added by the first section of this Act, shall terminate on December 31, 2009, and shall apply only with respect to benefits payable for months ending on or before that date.

(2) The appropriate committees of the House of Representatives and the Senate shall conduct a study, in 1985 and in each fifth year thereafter occurring prior to the date specified in paragraph (1), in order to determine the probable impact upon beneficiaries of the termination of section 234(a) of the Social Security Act on such date, giving particular attention to the numbers and types of beneficiaries who are likely to be harmed by such termination and the extent to which their benefits are likely to be adversely affected. Such committees shall promptly report the results of each such study to their respective Houses, together with their recommendations with respect to such termination.

TRIBUTE TO HON. EMANUEL CELLER

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. CHAPPELL. Mr. Speaker, I am pleased to have this opportunity to join with my colleagues in paying tribute to our former colleague and the former dean of the House, Emanuel Celler, who died January 15 at age 92.

During his 50 years in the House of Representatives, Manny Celler steered through this body four constitutional amendments of great significance: Allowing citizens of the District of Columbia to vote in Presidential elections, barring the levying of poll taxes in Federal elections, the amendment on Presidential disability and succession, and lowering the voting age to age 18.

Manny Celler's many accomplishments reflect his persistent energy and dedication. Not only was he responsible for all of the major civil rights bills of this century, but he kept bottled up a host of proposals that would have weakened the Bill of Rights. As chairman of the House Judiciary Committee, Manny played a key role in shepherding into law the first comprehensive civil rights legislation enacted by Congress in 82 years.

It is rare when a man of Manny Celler's abilities spends so many years in public service. A quote attributed to him on the Washington Star obituary page sums up the nature of this wonderful man:

To be a successful congressman, Celler once said, "one must have the friendliness of a child, the enthusiasm of a teenager, the assurance of a college boy, the curiosity of a cat and the good humor of an idiot."

I am privileged to honor Emanuel Celler, and to emphasize not only how much this man's tireless efforts contributed to our society, but also how much his former colleagues revered his accomplishments. I know the history books will treat Manny Celler with great respect and admiration.●

DR. VIKTOR BRAILOVSKY

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. STRATTON. Mr. Speaker, I would like to take this opportunity to join my colleagues in expressing my concern for Dr. Viktor Brailovsky, a prominent Soviet scientist and refusenik, who is being held in prison in the Soviet Union.

I rise to urge Soviet authorities to comply with international accords and provide Dr. Brailovsky with proper medical attention for his serious liver ailment, and I urge that the Brailovsky family be allowed to emigrate to Israel.

Dr. Brailovsky and his wife, Irina, are both doctors of computer science. Viktor Brailovsky, a specialist in mathematical statistics and cybernetics, is a member of American and British mathematical societies, and has been elected a member of the Academy of Sciences in my home State of New York.

In 1972 the Brailovskys decided to emigrate to Israel with their children, Leonid and Dalia, but their petition was denied, allegedly because of Irina's access to secret information at Moscow University. Viktor was granted a visa in 1976, but refused to leave without his family.

In response to these refusals, the Brailovskys became involved in the Jewish immigration movement, and Viktor organized the Moscow Seminar of Jewish Scientists.

When it became known that Viktor wished to leave the Soviet Union, he lost his job. But, as Irina described in a Los Angeles Times article, although he was cut off from the computer science technology, he worked with paper and pencil in the field of mathematical statistics and wrote a series of theoretical science works, four of which have been published in American science journals.

Viktor organized the Sunday Seminar of Jewish Scientists to provide a forum for discussion among other displaced physicists, mathematicians, and chemists, and held the seminars in his home.

Since 1972 Brailovsky and his family have been repeatedly harassed by Soviet authorities, and he has been imprisoned several times. The most recent incident took place on the day of a Sunday seminar, whereby according to Irina, police and KGB agents prohibited members from attending the meeting and arrested Viktor.

Dr. Brailovsky has been thus denied not only physical freedom to emigrate, but also intellectual freedom to exchange ideas with other scientists. These policies and actions are antithetical to values we hold in the United States.

The Brailovsky story is one of a series of incidents of unjust treatment of people who challenge Soviet authority, and have the courage and dignity to defend their rights.

I join my colleagues in protesting the blatantly anti-Semitic emigration policy of the Soviet Union, and the cruel and unfair treatment of the "refuseniks" and other dissidents.●

IN RECOGNITION OF UKRAINIAN INDEPENDENCE DAY

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. SAWYER. Mr. Speaker, the anniversary of Ukrainian Independence Day was celebrated on January 22, 63 days after freedom from Czarist Russia was declared.

The spirit of freedom continues to exist in the minds of all Ukrainians, even though their country has been illegally occupied by the Soviets for the past 61 years. It is particularly appropriate that we recognize the importance of the day celebrated on January 22, for many reasons.

First, Ukrainian Independence Day can serve to remind us of how sacred and treasured the privilege of freedom actually is, especially to those who have not known it for an appreciable period of time. Second, we should be reminded that Soviet aggression and oppression is not exactly a new phenomenon. Just as the Ukraine, Latvia, and Lithuania were illegally occupied and eventually seized, so too has Afghanistan, and potentially Poland, been targeted by the Soviets.

Finally, we must continue to support Ukrainian aspirations of achieving a permanent freedom. This goal has never faded or dimmed in the memories of all Ukrainians. Their tenacious clinging to the hope of reattaining their independence should be an inspiration to those of us who take our freedoms for granted.●

IS THE ALL-VOLUNTEER ARMY READY TO FIGHT?

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, February 6, 1981

● Mr. McCLOSKEY. Mr. Speaker, I insert in the RECORD today the third and fourth articles published in last December's Washington Star on the personnel problems of the All-Volunteer Force (AVF):

[From the Washington Star, Dec. 17, 1980]

U.S. SHELL GAMES COVER UP SERIOUS LACK OF READINESS

(By John J. Fialka)

Providence is always on the side of the last reserves.—Napoleon

BRAUNSCHWEIG, WEST GERMANY.—For the first time since World War II, the tanks of the 2nd Armored Division, Gen. George Patton's "Hell on Wheels" unit, were rolling through the northern plains here. They were fighting a mock battle near the East German border.

While it took Patton months to prepare his forces and move them here to Germany's "tank country," Col. Paul Schwartz, commander of the division's 1st Brigade, had brought his 2,000 men here from Fort Hood, Texas, in six days. If it came to war, Schwartz explained, he might do it in three or four days.

Germany is a country where people constantly live with the thought of war, where the autobahns and bridges are built with hollow sections so that demolition crews could quickly deny Warsaw Pact tank columns easy passage from the East.

But the defense of West Germany in the swift, high-technology war NATO planners now envision may depend on Schwartz's getting his troops in place even quicker than his projections allow. While the United States had two years to build and test its army in World War II, the type of defense the United States is committed to here will pose a severe, almost instantaneous test of the readiness, stamina and combat skills of the units stationed in Europe.

The U.S. Army apparently is increasingly incapable of meeting that test. Its mounting problems in the areas of troop morale, competence and readiness, which have been revealed in recent NATO competitions and in Army studies, are among the unstated reasons why the United States has difficulty convincing West Germany to increase its defense spending and its manpower commitment to NATO.

As one senior diplomat in Bonn put it: "The West Germans measure their defense

contributions in the skill of their army and in the size and readiness of their reserves. Those are areas that the U.S. has difficulty matching and that is where the problems here begin, although the Germans will never state that publicly. It is not just money. It is a complex, multi-faceted problem, and your army is squarely in the middle of it."

Perhaps the best way to understand the problem is to begin with the basic NATO plan for World War III, a concept called Forward Defense. Like the celebrated Von Schlieffen plan of World War I and the Maginot Line of World War II, it is an ambitious concept, but not without some rather rigid, controversial aspects.

In essence, it will require the two U.S. Army corps stationed here—some 215,000 soldiers—to fight at their assigned border positions and to hold for days without benefit of reserves.

In the classic military battle—the kind fought on sand tables in military academies and in the complex war games now flooding U.S. markets—the prudent commander almost always keeps one-third of his forces back. He will yield some land to gain enough time to be sure he knows where the enemy commander has committed his main force before committing his reserve units.

Under the Forward Defense concept—the foundation of NATO's defense structure and the underpinning of what has been considered for years as the United States' most serious foreign defense commitment—all forces here would be committed, thrown at the border to save as much of West Germany as possible.

Col. Schwartz's unit and the others coming in from the United States, Britain, Belgium and the Netherlands would be the reserves. Just how fast they materialize and how combat-ready they may be are not, as in previous wars, merely the tests of who will win or lose. Planners here regard them as the key determinants of whether and when an escalating nuclear war will begin.

Forward Defense is essentially a West German invention, deeply rooted in the geography and politics of America's strongest ally. Twenty-five percent of West Germany's industry and a considerable part of her population are situated in a 62-mile-wide strip along her eastern borders.

"Even minor losses of territory would be serious," explained Lt. Col. Hans Goebel, assistant head of the policy section of the German Defense Ministry's equivalent of the U.S. Joint Chiefs of Staff. "No German government could accept a strategy which gives up terrain in order to gain time. This requires Forward Defense as far east as possible."

As Goebel explained it, the concept requires "instantly available" forces that would attack the invader to prevent even a limited penetration. "We want to force the enemy to fight troops of several nations right up close to his border. For this we may have to accept certain operational disadvantages," Goebel added, referring to the absence of immediately available reserves.

"The defensive action we plan will be strongly tied to existing terrain. It will mean high casualties in the early stages," Goebel said, noting that for several months NATO planners have believed that the Soviet Union is building up the capability to launch an attack from a "standing start," an attack that could begin with as little as two days of obvious preparation.

If that happens, Goebel continued, then reserve units like Schwartz's, flying in from U.S. bases, might not arrive in time.

Much would depend upon the willingness of a U.S. president to send his troops before the battle, he pointed out.

"Early political decision is necessary. Time is the decisive factor, if the defense is to be successful. We envision a war for some days. After that, decisions to employ nuclear weapons or to go to negotiations must be undertaken," the German officer explained.

The U.S. commitment to the rigors of the Forward Defense concept, coupled with the chronic recruiting problems of the all-volunteer Army, is, according to U.S. Army officials, the major reason why overall Army readiness is poor and why six divisions now in the United States—including most of the units that would be sent over as NATO's reserves—are not ready for combat.

For several years, as recruiting has become difficult and as skilled sergeants and technicians have quit in droves, Army personnel experts have engaged in a shell game to keep Army units in Germany at or above their assigned combat strength. Many units in U.S.-based divisions have been "zeroed out," turned into paper phantoms so the recruits who would have filled them could be assigned to Europe, according to Gen. Edward C. Meyer, the Army's chief of staff.

The game has been played most intensely with sergeants. To fill their rapidly diminishing ranks, some sergeants have been permanently "borrowed" from stateside units and others have been given quick turnarounds, leaving them relatively little time between long tours in Germany.

This, in turn, has caused more sergeants to leave the service. The net effect is that many stateside units, including Schwartz's, have only 70 percent of the sergeants they're supposed to have.

According to Gen. Meyer and other Army leaders, a nation cannot have a credible army without competent sergeants. They are the basic teachers of the arts of warfare, the glue that holds small units together. They are a considerable part of the Army's corporate memory, especially when it comes to moving, firing and maintaining the complex tanks, guns, missile and communications systems needed to fight a NATO war.

Schwartz's unit came here not only lacking many sergeants, it also came over without most of its equipment. The 2,000 men came from Fort Hood with their M-16s and their field packs stuffed into chartered commercial airliners, just the way the reserves would arrive in time of war.

They landed where they would land in war, at the U.S. Air Force base at Ramstein, some 370 miles from the border. They drew their tanks and armored personnel carriers from specially built, air-conditioned warehouses at three nearby locations. Then they crossed the Rhine by ferry because one of the assumptions of the mock battle is that enemy aircraft have already blown the bridges.

The equipment warehouses constitute another kind of Army shell game shoring up the concept of Forward Defense. They contain some of the Army's best equipment, about three divisions' worth. The equipment is rarely used, but is well-maintained by German workmen.

The tanks drawn by Schwartz's men were two years old, but in excellent condition. They are part of a $3 billion equipment store that is known by one of the Army's more mind-boggling acronyms—POMCUS (prepositioned equipment configured in unit sets.)

POMCUS is another major reason why six U.S.-based regular Army divisions and nearly all of the Army Reserve and state National Guard units are short of the modern equipment they would need to be considered ready for combat.

Much of the equipment in the warehouses was accumulated during years of tight defense budgets by diverting new stocks from stateside units and indefinitely postponing modernization of equipment in National Guard and Reserve units, many of which train with Korean War-vintage equipment.

By 1982 according to Army plans, there will be three more divisions' worth of POMCUS here, roughly another $3 billion worth of equipment. Army planners see no other way to equip the reserve force in time, because flying the heavy equipment over would be a logistical and financial impossibility given the immediacy of the expected need.

These are just the surface features of the strategic games that are being played here involving the U.S. Army. There are shell games within shell games. A good bit of the U.S. war reserve equipment stored here was borrowed for the Vietnam war and later drawn down for the 1973 Arab-Israeli conflict. Some of it has yet to be replaced.

The reserves for the reserves, the trained replacement soldiers who would be needed to fill casualties in Schwartz's unit and in front-line U.S. Army units, are largely nonexistent.

Because the Army reserve structure has suffered enormous attrition during the all-volunteer era, the branch of the Army that is supposed to provide replacements—the Independent Ready Reserve—is somewhere between 300,000 and 700,000 people short of the trained soldiers that would be needed in a NATO war scenario, depending upon which Pentagon official makes the assessment.

All of this, combined with the declining quality and morale in the active Army, have given West Germany military planners a peculiarly cold-eyed view of U.S. proposals to shift resources to the Persian Gulf.

That view was heightened a few weeks ago when Gen. Meyer decided to tackle the sergeants problem by stripping 6,000 sergeants from Army units here. They are now being shipped back home to rebuild what Meyer calls the "hollow Army" in the states, especially its long-neglected training base.

Although Meyer has repeatedly stressed that the move will eventually improve the U.S. ability to reinforce NATO as well as to project power into the Persian Gulf, that part of the message has become garbled here.

West German military officials know what happens to an already troubled army when you suddenly remove a large chunk of its sergeants, and Meyer did not help matters any by his failure to tell the West Germans about the move in advance.

"It (the failure to consult) is the devil's own cycle and we have to get out of it," said Gen. Frans-Joseph Schulze, who developed much of the current NATO defense plan while serving as planning deputy to Gen. Alexander M. Haig when he was Supreme Allied Commander for NATO.

Schulze, who retired from the West German Army a year ago, said that while the official reaction from Bonn was subdued, "the real fear is that this is the beginning of another thinning out of the U.S. forces in Europe as we have seen during Korea and the Vietnam War."

One of the principal worries, Schulze said, is "whether the buildup of the (U.S.) Rapid

Deployment Force will destroy all of our rapid reinforcement plans for Europe."

Each year NATO demonstrates its muscle to reinforce West Germany in exercises called Autumn Forge. The U.S. part of the exercise, the part that brought most of the "Hell on Wheels" division to exercises in northern Germany, is called Reforger.

This year Reforger was highlighted by the drop of a battalion of paratroopers from the 82nd Airborne Division flown directly from the United States, an event that caught the attention of the media, but did little to ease the German concerns about the U.S. Army.

"I have serious doubts whether politicians will do what soldiers are trained to do: to act into the face of uncertainty," said Schulze.

"You need forces on the ground. We have seen a fundamental change in reinforcement policy during the last three or four years. I would argue that to deter you have to get rid of the Reforger philosophy."

"If you want to deter a nuclear exchange, then that means the forces have to be there before the nuclear exchange," he added. "After the nuclear exchange anyone who has a structured force could be the emperor of Europe and that could be the Swiss if the Russians decided to spare them."

[From the Washington Star, Dec. 18, 1980]

SOCIAL UPHEAVAL CHANGES SHAPE OF ENLISTED RANKS IN THE ARMY

(By John J. Fialka)

One of the first things the new Reagan administration's defense planners will discover is that the U.S. Army is no longer quite all there.

In 1965 Congress, the constitutional overseer of the Army, authorized a force structure of 16 combat divisions. To fill and support them then required the services of 1,432,493 soldiers and civilians.

Today there are still 16 combat divisions, but somewhere on the long, hard road from Vietnam, the Army has shrunk by 194,000 soldiers and 94,000 civilians.

Despite the cutbacks—largely in enlisted ranks—Army officials insist their service has been growing ever stronger. "All in all, the Army now generates one-third more combat power than it did five years ago, and it does so with fewer soldiers," asserted Clifford L. Alexander Jr., secretary of the Army, in a recent speech.

Alexander was touting some of the new features of the Army: its complex, high-technology weaponry, the large numbers of women now present in the lower ranks, the greater percentages of people from minority groups and the high school dropouts who have fleshed out the ranks during the lean recruiting years of the late 1970s.

But almost any outsider who spends some time on an Army base or talks to experts about the Army on Capitol Hill and in academia will quickly find a large number of people who disagree with Alexander's assessment.

One of them is Dr. Charles C. Moskos Jr., professor of sociology at Northwestern University. Moskos is regarded as one of the foremost experts on the enlisted soldier. His views about Alexander's pronouncements are often very succinct.

"That's just baloney," he told a reporter.

Perhaps the most critical measure of the quality of the people in that pipeline is the number of high school dropouts the Army is attracting. In the 1965 Army, only 28 percent of the draftees were dropouts. Among the 1980 volunteers the figure is 46 percent.

Meanwhile, according to the Department of Education, the percentage of high school dropouts among 18-year-olds in the nation as a whole has declined from 33 percent to 26 percent.

Other services do much better. This year 75 percent of Navy recruits are high school graduates, the Marines reached 78 percent and the Air Force has 83 percent.

The Army has more black recruits than the other services. In 1970, blacks comprised 14 percent of the Army's enlisted ranks. At the moment 33 percent of new Army recruits are black. The percentage of blacks in combat units is between 40 and 50 percent, and, according to Alexander, 24 percent of the three top sergeant positions are now held by blacks.

In contrast, 22 percent of the Marine Corps is black. The Air Force, which is 16 percent black and the Navy, which is 11 percent black, more closely resemble the racial makeup of the nation as a whole, where 12 percent of the people between 17 and 44 years of age are black.

An interesting aspect of these statistics is that the Army is the one branch of service where the new black recruits are more highly educated than the whites. The Army's blacks, in terms of education, are fairly representative of their age group as a whole. The new white recruits are not, scoring far below the levels of their civilian peers.

In a sense, the Army's problem is a problem of color, but it is not the one that some people might think it is. "If you could paint the number of white high school dropouts blue, they would stand out a lot more than the blacks do," asserts Moskos, who believes that the almost total absence of the white, middle class soldier in combat units is the most profound contrast between the new army and armies of the recent past.

While the Army's mounting reading problems and its wholesale adoption of seventh grade level, comic-book-like training materials have been widely publicized, another change, the accompanying relaxation in traditional discipline, has not.

On Aug. 6, 1979, boot camp became a relatively benign environment as the Army Training and Doctrine Command introduced "constructive" training techniques.

The new order, called Initial Entry Changing Policies, forbade recruits to call their drill sergeants drill sergeants. They are now addressed simply as "sergeant." Recruits, on the other hand, are to be called "soldier" from the day of enlistment.

Cast out along with "drill sergeant" were skinhead haircuts, "nonproductive stress created by verbal or physical abuse," rules against moustaches, talking in the mess hall, and any notion that a recruit's character upon entering might have to be torn down and reconstructed. Spit-shined boots and polished floors are going out, too.

The new training emphasizes "self discipline" among the troops and a "positive climate" among their leaders.

Recently, troops leaving boot camp at Fort Jackson, S.C., were given an Army questionnaire asking them whether their particular "sergeant" had given them enough sleep, taught them the proper combat skills or used profanity. "How frequently during training were your promised privileges you did not get?" the troops were asked.

Capt. Samuel J. Barlotta, one of the young training officers at the base, recently condemned the whole "positive approach" in an article for one of the Army's internal journals.

"The Army must get back to training soldiers instead of nice little boys and girls who are afraid of hearing a curse word, who have never been subjected to operating in an intense environment, who have never been yelled at and who, when confronted in combat with these types of circumstances, will be overwhelmed and confused.

"They will lay down their arms, costing the lives of you and me, the so-called professionals who trained them but prepared them for nothing," Barlotta warned his fellow officers.

A reporter who spent a day with an MP training battalion at Ft. McClellan found that an even more troubling policy for troop trainers was an edict requiring "unisex" training of men and women.

One week the members of the battalion would fall out of their campus- like dormitories into integrated platoons. The next week the women were put in one platoon and the men in another, as Army officials continued to battle about the policy.

In a private session with a reporter, both the men and the women officers in the unit said their greatest fear was what would happen to the female MPs in combat.

"The policy is that they're supposed to stay back from the FEBA (Forward Edge of Battle)," said one major, a Vietnam veteran. "Now you tell me where that will be and I'll tell you how this is going to work."

There are now 65,000 women in the active army—roughly eight times the level seen in past wars—and another 40,000 in the reserves and the National Guard. An Army fielded with that number of women will not only be a social experiment, but a military experiment as well. No other major army in the world is following the U.S. lead in training women for combat support roles.

Since basic training has been slowed down to accommodate the large number of soldiers with reading and other learning problems coming into the pipeline, recruits are learning only half of the basic combat skills, according to Army officials.

Last month the Army announced it will extend basic training from seven to eight weeks and make it tougher. Because of "budget constraints," however, the Army later admitted that implementing the new regime at all seven training bases will take until October 1983.

Thus many of the U.S. troops on NATO duty in Europe are getting on-the-job training.

The U.S. Army in Europe is attacking the training problem with high technology. Some commanders are being issued new computers so that they can keep better track of unit training hours.

Another experiment under way is something called MILES (Multiple Integrated Laser Engagement System). It is a system of infrared lasers attached to various weapons, and laser sensors that are attached to soldiers, tanks and other battlefield targets.

When a laser beam, initiated by the firing of a blank M-16 rifle bullet or another weapon, hits a special button-sized sensor worn on a soldier's helmet or field jacket, a buzzer goes off, something like that on a car when the seat belt isn't fastened.

The MILES sensors on a tank can distinguish between the lasers of a rifle, an anti-tank missile and the main gun of another tank. When a tank is properly "killed" a siren goes off, an oscillating yellow light on the turret is activated and the tank engine's ignition is turned off.

One of the Army's pet theories is that the American soldier is better because he is

more innovative. The soldiers have proved that in Germany. Privates have tried to thwart MILES by smearing Vaseline on their laser sensors. Sergeants have casually draped ponchos, helmets and plastic bags over the sensors on their tanks.

So far, though, the technicians have stayed one step ahead of them by installing more sensors, and war games are becoming more realistic.

"It's the best breakthrough I've seen in 28 years in the Army," claims Maj. Gen. William J. Livesay Jr., commander of the 8th Infantry Division, which is the first to begin large-scale training with MILES.

There are also a lot of things the enlisted man must do in the modern Army that will never become dramatic, short of an actual war. The list includes memorizing firing sequences for complicated weapons systems, like tanks and missile systems, and a myriad of maintenance chores.

A lot of it is boring, repetitive work, almost exactly the same type of challenge that foiled the high school dropout in the first place.

A young company commander put it this way: "If they're not motivated to get up to the 9th-grade reading level, they're not going to be motivated to learn to hit the target. If there's something wrong with the system, then they have to be able to write a report. If they can't write, that's another problem."

"The part that worries me the most," the captain went on, "is the NBC (Nuclear, Biological and Chemical weapons) part of it. The test for nerve gas is too complicated. You have this sheet of little glass ampules. You break these in a certain sequence and drip them on a sheet of special testing paper which must be heated up.

"By the time some of my guys master that one, we'll all be dead."

Many of the officers and soldiers interviewed for this series noted that soldiers with low intelligence scores and those without high school diplomas can and do serve with courage and distinction. However, nearly all felt that the possession of a high school diploma was the best indicator of whether a given soldier will stick to and finish an assigned task.

According to Army statistics, 35 out of every 100 recruits now leave the Army before the end of their three-year enlistments. Among high school dropouts, the rate is 49 percent. Among women high school dropouts—who are beginning to enter the Army in large numbers—the dropout rate is 59 percent.

Some volunteers leave the Army for legitimate family or health problems, but many of them are leaving for disciplinary or drug-related problems that in an earlier era would have resulted in criminal charges. Today many problem soldiers are simply "papered out" of the Army, given honorable or general discharges.

The new system has certainly eased the burden of Army prosecutors. Among the 12,330 soldiers officially classified last year as deserters—a crime that carries up to a year in prison, forfeiture of pay and dishonorable discharge—Army statistics show that only six soldiers were successfully prosecuted.

But it has not eased the burden of commanders, who can no longer promise their good men that the disturbers in their units will be punished. A recent study by the Congressional Budget Office estimated that veterans benefits are accruing to the Army dropouts—many of whom have completed only a few months of service—at a cumulative rate of about $75 million a year.

There is still one more phase of the pipeline. For the thousands of soldiers now leaving the service every month, it does not end with a military flight home from Europe or Korea, or an early exit from a U.S. military base. For the Army dropout, it ends by pumping him back into the same community, the same ghetto or small town where he came from.

The experience under the philosophy of the new Army has probably not changed him very much: he has failed again. What is different about him is that he is among the relatively few young men in his neighborhood whom the nation has trained to use military weapons.●

SENATE—*Monday, February 16, 1981*

The Senate met at 12 o'clock meridian, in accordance with the provisions of House Concurrent Resolution 58, and was called to order by Hon. STEVEN D. SYMMS, a Senator from the State of Idaho.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray today in the words of President George Washington's prayer for his country.

"Almighty God: We make our earnest prayer that Thou wilt keep the United States in Thy holy protection; that Thou wilt incline the hearts of the citizens to cultivate a spirit of subordination and obedience to government; and entertain a brotherly affection and love for one another and for their fellow citizens of the United States at large. And finally that Thou wilt most graciously be pleased to dispose us all to do justice, to love mercy, and to demean ourselves with that charity, humility, and pacific temper of mind which were the characteristics of the divine author of our blessed religion, and without a humble imitation of whose example in these things we can never hope to be a happy Nation. Grant our supplication, we beseech Thee through Jesus Christ our Lord." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 16, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable STEVEN D. SYMMS, a Senator from the State of Idaho, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. SYMMS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader, the Senator from Oregon, is recognized.

THE JOURNAL

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Journal be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS AND RECESS THEREAFTER UNTIL 11 A.M. TOMORROW

Mr. PACKWOOD. Mr. President, I ask unanimous consent that following the time allotted this morning to the reading of Washington's Farewell Address, there be a period for the transaction of routine morning business, with Senators permitted to speak therein, and that upon the conclusion thereof, the Senate stand in recess until 11 a.m. tomorrow.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, the granting of this request will not prevent the second reading of any measure that was introduced on the first legislative day, will it?

Mr. PACKWOOD. That is correct.

The ACTING PRESIDENT pro tempore. It will not.

Mr. ROBERT C. BYRD. I thank the Chair.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield back my time.

ORDER FOR RECOGNITION OF SENATOR BUMPERS ON TOMORROW

Mr. PACKWOOD. Mr. President, I ask unanimous consent that following the recognition of the two leaders under the standing rules on tomorrow, Senator BUMPERS be recognized for not to exceed 15 minutes, for a special order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 1 minute.

FEDERAL ELECTION CAMPAIGN ACT OF 1971 AMENDMENTS

The ACTING PRESIDENT pro tempore. S. 9 will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 9) to amend the Federal Election Campaign Act of 1971 to provide reforms with respect to campaign contributions.

The ACTING PRESIDENT pro tempore. The bill has been read the second time.

Mr. ROBERT C. BYRD. Mr. President, I ask that no further proceedings on the bill occur at this time.

The ACTING PRESIDENT pro tempore. Objection to further proceeding having been heard, the bill will go to the Calendar, under rule XIV.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

Mr. ROBERT C. BYRD. Mr. President, following the reading of George Washington's Farewell Address, will there be any further morning business?

The ACTING PRESIDENT pro tempore. Under the previous order, there will be a period for further morning business, with no limitations on statements.

Mr. ROBERT C. BYRD. I thank the Chair.

READING OF WASHINGTON'S FAREWELL ADDRESS

The ACTING PRESIDENT pro tempore. Under the order of the Senate of January 24, 1901, as modified February 3, 1981, the Senator from Kansas (Mrs. KASSEBAUM), having been appointed by the Vice President, will now read Washington's Farewell Address.

Mrs. KASSEBAUM, at the rostrum, read the Farewell Address, as follows:

To the people of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home: your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite movement, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, or a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently

afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other. These considerations speak a persuasive language to every reflecting and virtuous mind, and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations: they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the Senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which the were procured? Will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and containing within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political system is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presupposes the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reigns of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name; where the government is too feeble to withstand the enterprises of fraction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed: but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make

it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern: some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for through this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachment for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy, in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with

popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraodinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe, my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the

midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES, *17th September, 1796.*

[Applause, Senators rising.]

Mr. DOLE. Mr. President, I compliment my distinguished colleague (Mrs. KASSEBAUM) for an outstanding rendition of Washington's Farewell Address. She did an exemplary job and I commend her for it. I want the RECORD to indicate that there was great interest in repeating the words of President Washington.

Mr. HELMS. Mr. President, I, too, commend the distinguished Senator from Kansas on a splendid recitation of George Washington's Farewell Address. Never has it been done better.

RESUMPTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume morning business.

APPALACHIAN REGIONAL COMMISSION

Mr. FORD. Mr. President, among the many budget cuts that apparently will be proposed by the Reagan administration is the elimination of funds for the Appalachian Regional Commission—ARC.

I cannot agree with this recommendation and it is one that cannot be rationalized. The Appalachian Regional Commission is one of the most useful and unique programs ever undertaken by the Federal Government.

The agency was created to help the Appalachian region cope with the serious problems of housing shortages and economic development. These problems are still acute and widespread, and solutions will never be possible without continued leadership and direction from the ARC.

On February 13, 1981, Kentucky's largest newspaper, the Courier-Journal, presented a balanced and persuasive case for keeping the agency intact. In order that my colleagues might have the benefit of this perspective, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Courier-Journal, Feb. 13, 1981]

DESPITE ITS SHORTCOMINGS, THE ARC IS WORTH SAVING

Two authors could write separate books about the Appalachian Regional Commission. One could describe 15 years of dramatic change stimulated by aid to a long-neglected region. The other, equally factual, could tell of pork-barrel politics, tangled bureaucracy, misdirected efforts and unfulfilled hopes.

Neither book would tell the complete story. The background is mixed as ARC faces the second major threat—and the most serious one—in its 15-year history. The ax is sharper than when President Nixon tried to dump the agency 10 years ago. The ARC is prominent in Budget Director David Stockman's "black book" of places to save federal money.

The ARC's stormy history began in 1965 as a response to awakened national concern over the seemingly permanent Appalachian depression. The idea was to break the poverty cycle and expand opportunities through cooperation between federal, state and local governments. There would be at least a modest payback for the enormous wealth extracted from Appalachia in the form of coal and timber in past decades.

Since then, the ARC has spent about $4.5 billion—a lot of money, but a drop in the bucket compared to total governmental spending in that time. Surely to no one's surprise, Appalachia is still undeveloped.

But despite Mr. Stockman's contention that ARC has had no identifiable impact, there has been dramatic change. The $4.5 billion has been used to generate other funds—about $7 for every ARC dollar, the agency estimates—that have brought many tangible improvements to Appalachia, and some intangible ones.

In Eastern Kentucky, the examples are plentiful. Eighteen new clinics built with ARC aid bring long-absent health care to rural areas. Pioneering work has been stimulated in the fields of mental health and black-lung disease. Nine ARC-funded child care centers make it possible for parents to work and stay off the welfare rolls. ARC funding has contributed to construction of 3,000 badly needed units of housing. Forty grants totalling $10.6 million have provided community water supplies.

A total of $27.5 million in aid has gone to 46 vocational education programs. Nearly 345 miles of ARC-financed roads have been completed or begun, out of a goal of 585 miles.

That list is only partial. But if the ARC has done nothing else, it has enabled dozens of impoverished Appalachian communities to take advantage of available federal development funds that used to fall through the cracks. Before ARC, weak local tax bases and difficult terrain prevented public improvements that are routine elsewhere.

Little noticed, but probably as important as anything else, is ARC's support to the state's multi-county Area Development Districts, which have developed ideas and fostered cooperation on improvements that individual counties couldn't undertake alone. Some county judges have learned that there's more to public service than distributing a few truckloads of gravel at election time.

During ARC's existence, a tide has shifted. Before 1965, a steady stream of people had been fleeing Appalachia for more than two decades, usually much against their will, to seek jobs elsewhere. County populations shrank. Some communities all but disappeared.

But between 1970 and 1980, census figures show, the population of the part of Kentucky served by ARC grew to just over a million people. That's 16.9 percent more than lived there in 1970. They're also living better. Income in the region was 49 percent of the national average in 1965. It had risen to 66.7 percent in 1977, the most recent year for which figures are available.

ARC didn't do this by itself. The revival of the coal industry has restored employment and stimulated the economy. But the coal industry would be in far worse shape today without the stabilizing community improvements financed by ARC programs.

Mr. Stockman essentially would scrap the ARC, along with nine other regional commissions that get comparatively minor funding, and the Economic Development Administration, a nationally focused agency that pursues goals somewhat similar to ARC's. The "black book" proposes eliminating all of ARC's nonhighway funding, which is mostly administered by the Department of Transportation anyway. Only two or three of ARC's 140 employees work on highways.

And despite the need for roads, ARC's highway program may be its least impressive activity. No amount of money will solve Eastern Kentucky's road problems until the problems of coal transportation, which now chews up roads faster than they can be built, is solved.

Of course, the object of the aid ARC provides should be to eliminate the need for such special help. If Appalachia eventually won't be able to stand on its own feet, such programs are hard to defend. The ARC program should have definite goals, a timetable for achieving them, and eventually a schedule for going out of business.

But meeting goals was made more difficult by the political dilution necessary to create ARC in the first place. Rather than concentrate on problems peculiar to Appalachia, the region was defined as a 13-state area stretching from New York to Mississippi. That brought together enough congressional support to launch ARC and sustain it through 15 years.

There should be better mechanisms for meeting needs of this sort. But the political compromise, however untidy, has led 37 states to agree over the years to help heal serious wounds in 13 others. The ARC, like other useful programs, should absorb its share of budgetary cutbacks. But it would be shortsighted to end the most vital part of this agency's mission when so much remains to be done.

LITHUANIAN INDEPENDENCE DAY

Mr. DOLE. Mr. President, 63 years ago today, the Lithuanian people declared themselves free of the domination of czarist Russia, ending centuries of tyranny and persecution. I would like to bring to the attention of my colleagues a portion of a letter I received from one of my constituents who is of Lithuanian descent, Pranas K. Puronas of Lyndon, Kansas. His letter exemplifies the urgency of American support for the Lithuanian people's struggle for independence from the Soviet yoke.

Mr. President, the text of this letter is as follows:

MY DEAR SENATOR: I am an American of Lithuanian descent, and I invite you to join Americans of Lithuanian descent in commemorating the 63rd anniversary of the establishment of Lithuania's independence on February 16, 1981, and the 730th anniversary of the founding of the Lithuanian state.

I hope that you will demonstrate your own concern for the oppressed people of Lithuania by taking an active part in the commemoration of Lithuanian independence day in the United States Senate. Please do not leave the people of Lithuania forsaken, forgotten and alone in the struggle against the Soviet oppression. Their rights to independence, freedom of thought, conscience and religion for forty years have been terminated by the Soviet Union, a signatory of the universal declaration of human rights and the Helsinki accords.

I urge your continued support for the cause of Lithuania . . .

Very truly yours,

PRANAS K. PURONAS.

Mr. President, as cochairman of the Helsinki Commission, I feel that Mr. Puronas very poignantly expresses the appeal that Americans of Lithuanian descent have directed to the leaders of our great country—that we speak out to help free the people of Lithuania and the other Baltic states from their Soviet oppressors, so that they may be emblazoned with the distinction of national independence. As a nation conceived in liberty, we have the power and the will to help bring about that change.

INCREASE IN SOVIET OPPRESSION

Mr. President, a severe crackdown on dissidents in Lithuania has taken the form of interrogations, searches and arrests aimed at members of the Lithuanian Helsinki monitoring group and at the unofficial press and the Catholic Committee for the Defense of the Rights of Believers. The list of brave dissidents struggling for Lithuanian independence is too long to pay the justice they deserve, but the cases of a few individuals speak for the rest: The trials of Antanas Terleckas, Julius Sasnauskas and Algirdas Statkevcius illustrate the types of persecution being faced by all Lithuanian dissidents. On September 20, 1980, Terleckas was sentenced to 3 years of imprisonment and 5 years of exile. Sasnauskas was sentenced to 18 months of imprisonment and 5 years of exile on charges of "dissemination of knowingly false fabrications discrediting the Soviet political and social system." On August 11, 1980, Statkevcius was committed by court order to a special psychiatric hospital for compulsory treatment of "schizophrenia and a mania of grandeur" for his human rights activities.

Other examples of Soviet persecution upon Lithuanian human rights activists are too numerous to discuss, but I would like to share with my colleagues a quote from the editors of a new Lithuanian journal, "Tautos Kelias" (the path of the Nation), which beautifully describes the Lithuanian peoples' struggle for freedom:

> The ranks of those who are struggling and sacrificing themselves to keep alive the Nation's determination to recover its liberty is constantly increasing. This growing movement has prompted the appearance of Tautos Kelias . . . it wishes to support those compatriots who are waging an uneven retreat from the battlefield. . .The occupation government is not forever, the hour of Liberation shall come, and Lithuania will be free and independent again.

Mr. President, in hearing these words, I cannot help but reflect upon the struggle for independence waged by our own forefathers a little more than 200 years ago.

THE FOURTH ANNIVERSARY OF THE ARREST OF PROFESSOR YURI ORLOV

Mr. DOLE. Mr. President, on February 10, 1977, the Soviet police arrested Professor Yuri Orlov, founder of the Moscow Helsinki Group, and the initiator of the International Citizens' Helsinki Rights Movement. After detaining him for over a year in pretrial detention—which is a gross violation of Soviet legal norms—the Soviet authorities on May 18, 1978, sentenced Yuri Orlov to 7 years of strict regimen camp plus 5 years of internal exile.

At the time of his sentencing, Professor Orlov was the highest ranking Soviet scientist sent to serve time in the Soviet gulag: Orlov was a corresponding member of the Armenian Academy of Sciences. According to reports from Moscow, Mrs. Irina Orlov announced on February 9 that her husband had been stripped of his academic title more than 2 years ago, but only recently had been informed of that action by the Soviet Government. At this point, however, it is not clear that Professor Orlov's expulsion from the Armenian Academy of Sciences was taken after a vote of the Academy membership which would be in violation of Soviet regulations.

In recognition of Professor Orlov's extraordinary efforts and sacrifices in the name of increasing international understanding—by promoting the rights of ordinary citizens promulgated in the Helsinki Final Act—I and nine of my congressional colleagues on the Helsinki Commission have nominated Professor Orlov for the 1981 Nobel Peace Prize. In nominating Yuri Orlov, Anatoly Shcharansky, Mykola Rudenko and Viktoras Petkus for the Peace Prize, we pay tribute to the important and heroic work of Helsinki monitors in the U.S.S.R. and in Czechoslovakia.

AUTOMOBILE IMPORT RESTRAINTS

Mr. DOLE. Mr. President, Senator DANFORTH, the chairman of the Subcommittee on Trade of the Committee on Finance, has introduced legislation to restrict the importation of Japanese automobiles into the United States. Senator DANFORTH has performed an important service to the Senate and to the entire country by introducing this legislation. It will clearly and specifically focus the ongoing discussion and debate on the benefits and drawbacks of automobile import restraints.

I know that Senator DANFORTH has taken this important step very reluctantly. During his service on the Subcommittee on Trade he has committed himself to the principle of free trade and it is only the critical condition of the industry which has caused to propose restrictions which he himself has called "distasteful."

During Ambassador Brock's confirmation hearing to be the United States Trade Representative, I stated that I would prefer that the President meet with the Japanese and work out a mutually acceptable solution to the automobile import problem. This is still my preference and I believe that it is still a very real possibility for such an agreement to be concluded.

Senator DANFORTH's bill will not inhibit any possible negotiations and indeed may serve to stimulate discussions on this issue. The present crisis in the automobile industry is well known. The auto hearings which Senator DANFORTH chaired in early January clearly demonstrated that something must be done to help this industry through the retooling process which it has undertaken.

The process will cost the domestic industry $80 billion, if completed. It represents the largest private investment project ever undertaken. When the members of the domestic industry have retooled they will have the capacity to produce the quality, fuel-efficient cars being demanded by our consumers.

The industry's ability to complete this retooling is in doubt. The industry depends on its profits to finance its investments. Historically it has not borrowed funds in the capital markets. However, the recent losses suffered by domestic producers have severely impaired its ability to secure funds internally. Last year the "Big Three" producers in the industry lost over $4 billion. General Motors lost three-quarters of a billion dollars, its first loss in 60 years. Ford lost about $1.8 billion, one of the largest, if not the largest loss by a single company in history. These losses and reduced production rates have caused the temporary or permanent unemployment of 200,000 employees. The firms and workers in supplier industries and auto dealerships have also suffered severely.

The critical circumstances in which the industry finds itself are the result of its own mistakes, and those of labor and the Government. The decision to control the price of domestic oil caused the real price of gasoline to drop from 1976 to 1978. As a result the industry continued to produce the large cars demanded by consumers and was not in a position to meet demand when the switch to smaller cars occurred. This demand will be further increased by the recent decontrol of oil prices and will undoubtedly stimulate demand for imported cars. Having helped to artificially create the demand for larger cars, the Government must give serious consideration to a broad range of measures to aid the industry in its retooling effort.

These measures should include both short- and long-range tax relief as well as relief from the excessive regulatory burden to which the industry has been subjected. The igislation introduced by Senator DANFORTH is a first step in this process. I look forward to working with him in the development of a complete package of programs to help this vital industry.

LOVE CANAL—THE PUBLIC IS ENTITLED TO HEAR BOTH SIDES

Mr. HELMS. Mr. President, it is obvious the Love Canal disaster may not be resolved for years—and, just as obviously, the debate as to ultimate responsibility for the adverse effects on the environment and area residents will

run for years. In all this, the public is entitled to complete objectivity in reviewing the facts of Love Canal.

There have been charges that Hooker Chemical Co. deliberately concealed the presence of the chemicals from the people of the area, even after it knew of the potential dangers. Others have attempted to exonerate the company completely. It may be that truth lies somewhere between the two versions.

Reason magazine, in its February 1981 edition, addresses this issue. The author, Eric Zuess, tells of threats of condemnation of Canal property by the Niagara Falls Board of Education—threats which ultimately led to the transfer of the property by Hooker Chemical Co. He relates a series of attempts by the company to warn the school board members and the city that dangers associated with tampering with the dump site might continue for years after the actual transfer of the property to the board of education.

In addition, Zuess brings into question Michael Brown's book, "Laying Waste: The Poisoning of America by Toxic Chemicals"—considered in many circles to be the definitive work in what happened at Love Canal—by pointing out crucial facts not discussed therein. In fact, Zuess tells of a study by a private engineering firm hired by the city in 1979 to evaluate the Love Canal dumpsite which concluded that "Hooker's practices there cannot be faulted, even by the standards of the Resource Conservation and Recovery Act—RCRA—being implemented in 1980."

Whatever the true facts may prove to be, Mr. President, I commend this article to my colleagues as the "other side" of what has often appeared in the press as a one-sided issue. Therefore, I ask unanimous consent that the text of this article be printed in full in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOVE CANAL: THE TRUTH SEEPS OUT

(By Eric Zuess)

You're about to be untricked. If you believe that the guilty party in the Love Canal tragedy is the Hooker Chemicals & Plastics Corporation, which the Justice Department is suing, rather than the Niagara Falls Board of Education, which bought the dump from Hooker in 1953; or if you believe that Michael Brown's famous book that has become the popular authority on the whole mess, Laying Waste: The Poisoning of America by Toxic Chemicals, set out the truth, the whole truth, and nothing but the truth about Love Canal, then you've been snookered. In fact, as I'm going to show, hardly ever has there been a more blatant example of Big Brother successfully hiding the skeletons in his closet or of a gullible investigative reporter and compliant major media going along with the cover-up so that a bunch of bureaucrats can pass the buck to some bewildered private interest. The irony is that the target of this particular smear, Hooker Chemicals, may very well have botched others of its many chemical dumps, but not Love Canal, the very site that has brought the company so much adverse publicity and a flood of government and private lawsuits.

I first suspected that something might be wrong with the press reports about Love Canal—I had not yet read Michael Brown's book—when I noticed that only passing mention was being made of the fact that the Niagara Falls Board of Education has owned the site since 1953. Twenty-plus years after Hooker deeded the property to the Board, the Canal is seeping huge quantities of poisonous chemicals. These toxic substances have been down there a long time, I thought. Why are they percolating up only after such a long sleep? Could something have disturbed the chemicals buried there? Or was the oozing inevitable? Had Hooker unloaded the property on the School Board back in the '50's, hoping to avert the very claims for damages now being pressed against it?

My curiosity sparked, I obtained a copy of the Love Canal deed. It opens: "This indenture [is] made the 28th day of April, Nineteen Hundred and Fifty Three, between Hooker Electrochemical Company . . . and the Board of Education of the School District of the City of Niagara Falls, New York," which would, "in consideration of One Dollar" paid to Hooker, receive title to the described property. The kicker is the deed's closing paragraph:

"Prior to the delivery of this instrument of conveyance, the grantee herein has been advised by the grantor that the premises above described have been filled, in whole or in part, to the present grade level thereof with waste products resulting from the manufacturing of chemicals by the grantor at its plant in the City of Niagara Falls, New York, and the grantee assumes all risk and liability incident to the use thereof. It is therefore understood and agreed that, as a part of the consideration for this conveyance and as a condition thereof, no claim, suit, action or demand of any nature whatsoever shall ever be made by the grantee, its successors or assigns, against the grantor, its successors or assigns, for injury to a person or persons, including death resulting therefrom, or loss of or damage to property caused by, in connection with or by reason of the presence of said industrial wastes. It is further agreed as a condition hereof that each subsequent conveyance of the aforesaid lands shall be made subject to the foregoing provisions and conditions."

So Hooker had shifted to the Board "'all risk and liability incident to the use" of the property. In addition, the deed specified that the future owner(s) of the property could not make any claims against Hooker for injury or death or property damage arising even from "the presence of said industrial wastes." It's not surprising that Hooker would have wanted this shift of liability incorporated into the deed. After all, it had made clear that these "waste products resulting from the manufacturing of chemicals" could cause not only property damage but "injury" and "death." That's pretty dangerous stuff.

Looked at in one way, these provisions would seem to indicate that Hooker had been quite anxious to unburden itself of responsibility for this property. On the other hand, since the first condition, assumption of liability for use, only makes explicit what normally accompanies any property exchange, and since the second would protect Hooker only from claims made by the Board and subsequent owners, and not from claims by third parties, it would seem that these provisions are more in the nature of a warning. By incorporating them into the deed, Hooker had provided clear notice, recorded for all time, that its use of this property had been such that any future owner would have to take care to use it in a safe manner so as to avoid causing harm.

Certainly the last sentence in the indenture must be interpreted in this way. Not only the School Board but "its successors and assigns"—any future holder of the property obtaining rights to the Canal after or from the Board—had already been drawn into the shift of liability. So why add the closing sentence, about "each subsequent conveyance of the property"? The concern seems to have been with preventing catastrophe to innocent third parties by making sure that, down through all future generations, whoever obtained this property would be warned that it contains dangerous chemicals and reminded of the corresponding obligation to use it in a manner reflecting this hazard. So the inclusion of that last sentence in the deed doesn't fit in very well with the ruthless and negligent attitude I'd been led by most press accounts to believe that Hooker has been displaying in the Love Canal matter.

Ruthless and negligent? As I was subsequently to learn, Hooker had evidently been so concerned that the Board know what it was getting in taking over the Canal that the company had not left to chance whether School Board officials would physically inspect the property prior to acquiring it. Instead, Hooker had escorted them to the Canal site and in their presence made eight test borings—into the protective clay cover that the company had laid over the Canal, and into the surrounding area. At two spots, directly over Hooker's wastes, chemicals were encountered four feet below the surface. At the other spots, to the sides of the Canal proper, no chemicals showed up.

So whether or not the School Board was of a mind to inspect the Canal, Hooker had gone out of its way to make sure that they did inspect it and that they did see that chemicals lay buried in that Canal. Yet the subsequent behavior of the School Board would lead the casual observer to conclude that its members never knew the facts about the property they were acquiring.

I decided to try to talk with some of the people who sat on the Board during the key years of 1952 through 1957 and so had first-hand knowledge of the events. In the latter year, the Board was debating whether to sell portions of the Love Canal to real estate developers; Hooker officials came to the Board meetings to urge that these sales not be consummated. For this and other reasons, 1957 served as a turning point in the history of the Love Canal—the beginning of its precipitous slide into becoming a hell-pit.

I introduced myself to the first former member of the School Board I'd managed to track down and get on the phone, Peter Longhine, by saying that I was a reporter who wished to speak with someone with first-hand knowledge of the Board's transactions with Hooker. That's all—I made no mention of courts, legal liability for Love Canal, or anything even remotely threatening. But Longhine would say only:

"I don't want to get involved in giving any court testimony. It's better to let sleeping dogs lie. But I can tell you one thing—the Board of Ed didn't do anything wrong. Anyway, we don't have any legal responsibility for it."

This seemed to me an odd reaction, considering that I had just introduced myself and had not suggested even remotely that the Board of Education was in any way culpable, much less legally liable.

I got another former School Board member on the phone, Dr. Robert Brezing. This time, I wasn't even able to finish my introduction. He abruptly hung up the phone, and I found myself trying to protest to a dial-tone. Now I knew that something was fishy. I packed my bags, camera, and cassette recorder and left for Niagara Falls.

The first thing that struck this newcomer about the town of Niagara Falls was how very normal the place is. Because of its famous namesake falls, I had expected the town itself to have a character different from your typical American small city, but that's just what the place turned out to be. The people, I found, are pleasantly friendly and open, and if there is a wrong side of the tracks anywhere to the right or left of Main Street, it's hard to find.

Visually, it would perhaps be more accurate to describe Niagara Falls not as a small city so much as an endlessly sprawling suburb of 75,000 people without a core city. There are only two commercial streets, Main and Pine, both of which intrude upon otherwise uninterrupted expanses of suburban-style houses, which extend row upon row on each side of the two chief thoroughfares. In any event, whether it's seen as a town or merely as a suburb without a city, Niagara Falls struck me as a singularly odd kind of place to serve as a bellwether for the souring of America's dream of an insect-free plasticized world—"better living through chemistry," to quote the commercial from DuPont. There's an irony to this place: on the one side of town is the eternal majesty of nature grandly displayed in the water tumbling over the Niagara escarpment; across the city stands a stark symbol of the incompetence and perhaps greed of man—the scrid fumes and boarded up houses along the periphery of the now-infamous chemical ditch.

But as it turns out, that festering blister of the industrial age known as Love Canal isn't quite as incongruous a fixture in Niagara Falls as it might seem at first blush. You don't have to be around this place long but you'll hear about how the local economy was built even more upon the chemical industry than upon tourism. Back in the 1950s, the locals will tell you, the putrid air from the industrial stacks made the eyes and lungs continually smart. The smog was so bad that the city was recognizable from an approaching plane by the dark grayish-brown cloud of pollution that blanketed the earth below.

Of course, this was in an era when conservation meant leaving the wild bears alone, nutrition meant "fruit, cereal, milk, bread, and butter," and pollution was a term that only communists, oddballs, or crazy people ever used. Niagara Falls considered itself fortunate back then to be one of the capitals of the world's chemical industry. The townspeople felt proud to be in the vanguard of the coming technological society. When the Atomic Energy Commission handed out awards to Niagara Falls chemical plants for work on radioactive substances, it made page-one headlines in the local newspapers. Chemical row along Buffalo Avenue, which skirts the southernmost edge of town bordering the Niagara River, was not only the Falls area's chief source of employment but also a source of considerable civic pride.

Now, however, the long-anticipated chemical future has at last come to the world, and a lot of people in Niagara Falls are finding that they don't like it. The theory used to be that industrial wastes need only be shoved under the rug and they would be gone. Out of sight was out of mind. But as events at Love Canal and elsewhere were ultimately to make clear, today's far-away rural chemical dump is tomorrow's suburb, where you may someday live and where your children may end up going to school.

Of course, many people don't care about tomorrow and never did. According to the popular wisdom, this kind of dangerous shortsightedness is an attribute of private businesses more than of governmental bodies, and this perception has colored the way the Love Canal story has been reported. But my own investigation shows that this popular interpretation of the Love Canal tragedy is 180 degrees off.

Back at the turn of the century, an ambitious entrepreneur by the name of William Love envisioned building a huge hydroelectric project in the Niagara Falls area. Thomas Edison had just harnessed the force of electricity; but because the state-of-the-art allowed only for transmission by direct current, which was uneconomic over long distances, industries had to be located near the source of electrical generation. Love planned his hydroelectric canal project as a means of supplying this electrical power to nearby industry and even dreamed that his "Love's Canal" would become the basis for a booming model city. But the economic recession of 1894 and Nikola Tesla's pioneering system of alternating current, which facilitated transmission of electricity over long distances, combined to bankrupt Love's canal after only short segments of it had been dug. The 3,200-foot-long section that Hooker started filling with waste chemicals in 1942 has now come to be known internationally as *the* Love Canal.

Hooker says that it chose the site because the soil characteristic of the area—impermeable clay—and the sparse population surrounding the Canal at the time made the pit outstandingly suitable for disposing of dangerous chemical wastes. The cus * * * being eyed voraciously by the Board of Ed's Buildings and Grounds Committee for possible construction of new schools. The other was that since the area was not built up (one of Hooker's reported criteria for the site's suitability), land prices around this dumpsite were low, and the Board was strapped for cash. On October 16, 1952, the very same day that Hooker sent a letter to the Board of Education agreeing to donate the Canal property for the token price of $1.00, the Board itself recorded, in its minutes for that evening's meeting, that "a communication was received from the Niagara Falls Teachers Association stating that teachers are becoming more and more uneasy because of their uncertain financial prospects."

Looking over the School Board minutes from the early '50's, one notes two concerns that dominated and practically obliterated all others: construction of new buildings, and overcoming the monetary shortage. There is no indication that any long-term consequences were being thought of; the attitude seems to have been that the future could take care of itself. For example, the 99th Street School, which was built beside Love Canal, was being planned by the School Board simultaneously with the planning for another, the 66th Street School; and the Niagara Gazette reported on September 13, 1978, that high radiation had been found at that other location. It turns out that this school also may have been built upon a former dumpsite. The Board of Ed's deed to the site (donated by the federal government) refers to the presence of radioactive substances.

The negotiations that culminated in Hooker's transfer of the Love Canal property to the Board of Education took place over a period of several years. The contemporary documentary record is very sparse, consisting of three perfunctory letters and the deed itself. Virtually all of the negotiations were verbal rather than written.

One thing, however, is clear: according to the School Board's own records, the Board was already well along in its planning of the 99th Street School more than two years * * * practices then were to pile up such wastes in unlined surface impoundments, insecure lagoons, or pits, usually on the premises of the chemical factory, or else to burn the wastes or dump them into rivers or lakes. Except for disposal into water supplies, these practices were all legal until 1980, when the Environmental Protection Agency began issuing regulations implementing the Resource Conservation and Recovery Act of 1976. The EPA estimates that 90 percent of chemical wastes are currently being disposed of in ways that do not meet its proposed standards (controlled incineration, treatment to render the waste nonhazardous, secure landfills, or recovery). An attorney I spoke with from the New York State Department of Environmental Conservation told me that "at least 50 percent of chemical waste dumping [in that state] is contracted out to organized crime." If true, however, such was not to be the case with Love Canal.

Hooker in 1941 began studies of the suitability of using the Canal as a chemical dump. The findings were affirmative, and by April of the next year the company completed the legal transactions to commence dumping what ultimately amounted to approximately 21,800 tons of the company's waste before the Canal property (which included a strip of land on either side of the Canal) was donated by Hooker to the Niagara Falls Board of Education in 1953, under pressure from the Board that if Hooker didn't willingly deed the land the property would be seized under eminent domain for the building of a school.

It's also worth noting here that other wastes besides these 21,800 tons from Hooker have apparently been dumped into the Canal. According to New York State officials, federal agencies, especially the Army, disposed of toxic chemical wastes there during and after World War II. The city of Niagara Falls also regularly unloaded its municipal refuse into this Hooker-owned pit.

There were two reasons why the School Board wanted to acquire Hooker's Love Canal property. One was that the postwar baby boom had produced a need for construction of more schools, and virtually every available open lot of suitable size was before Hooker deeded the Canal to the Board. And the Board meant business. It was gearing up for a string of condemnation proceedings for the Canal site and all properties abutting it. First, there's a map, dated March 1951 and labeled "School Site Study Plan A" (Plan B was for the 66th Street School). This map not only shows the projected school being built right over the very center of the Canal itself but also shows the assessed condemnation values for the Canal property and each of the properties bordering it. Then there are two letters from the School Board's attorney, Ralph Boniello—one dated September 4, 1952, informing the Board's business manager, Frank Lang, that procedures were under way to purchase four lots abutting the Canal; the other dated September 19, 1952, addressed to Mr. Carmen J. Caggiano and sent registered mail, return receipt requested, informing Mr. Caggiano that since he had refused the Board's "price offered of $10 per front foot" for the strip of 10 lots he owned along the east side of the Canal, "The purpose of this letter is to apprise you of the institution of an action in condemnation to acquire the above-described property for educational purposes."

According to reporter Michael Brown, in his book and other writings, the School Board's attorney at the time denies that the threat of property condemnations was ever held out against Hooker for the Love Canal site. Brown neither questions nor documents this. Yet when Hooker, in 1957, addressed to the president of the Board of Education a letter that was read out loud and passed around at the Board's meeting on November 21 of that year, and when that letter recalled that in 1952 Board officials had threatened

"that condemnation proceedings might be resorted to," there wasn't a peep of protest from any Board member or official present—not from Wesley Kester, head of the Board's Buildings and Grounds Committee in 1957, who had served in the same capacity in 1952 and so must have been very prominently involved in the negotiations with Hooker at the time; not from Arthur Silberberg, another member of the same committee who had also served in the same capacity throughout that period with the Board; not from Frank Lang, a Board member who had served as manager of business affairs throughout the period and was always involved in such matters as property condemnations; not from William Small, who was superintendent of schools throughout the period and who had personally accompanied Hooker's executive vice-president, Bjarne Klaussen, to Love Canal in March 1952 when the test-holes were bored into the clay cover over the Canal and into the surrounding area to check for chemical leakage; not from the Board's attorney, William Salacuse, who had been its president back in 1952 and who had also been present at that test at the Canal site; not from anyone at all, though the printed minutes of that evening's Board meeting make conspicuous mention of this letter from Hooker.

One might wonder why Hooker deeded the property to the School Board for $1.00 rather than let it be condemned and seized under eminent domain. After all, condemnation would clearly have freed the company from future liability for the chemical dump, saving Hooker the trouble of spelling out such matters in the deed.

Hooker claims that it had wanted any future propertyholder there to know of the dangerous chemicals and that it had therefore agreed to donate the property, subject to the Board's recognition that, to quote Hooker's letter of October 16, 1952, to the Board, "in view of the nature of the property and the purposes for which it has been used, it will be necessary for us to have special provisions incorporated into the deed with respect to the use of the property and other pertinent matters." Had the land been condemned and seized, says Hooker, the company would have been unable to air its concerns to all future owners of the property. It is difficult to see any other reason for what it did.

The School Board, however, ultimately refused to accept the special provisions proposed by Hooker concerning the use of the property. Hooker wanted to require that the donated premises "be used for pack purposes only, in conjunction with a school building to be constructed upon premises in proximity to" them. And it wanted the Board to agree that, should the property ever cease serving as a park, title to it would revert to Hooker. Instead of these restrictions, which the Board rejected, the company had to settle for the liability provisions and warnings in the last paragraph of the deed hammered out in meetings between Hooker and Board representatives.

On April 28, 1953, Hooker's secretary and general counsel, Ansley Wilcox—the same man who later, as the company's vice-president and general counsel, was to be the author of the letter read out at the meeting of the Board of Ed on November 21, 1957—submitted to the Board the final draft of the deed. Nine days later, the Board's attorney, Mr. Boniello, wrote to the Board that, because of the provisions contained in the deed's closing paragraph, "In the event that the Board shall accept this deed, it is my opinion that there is placed upon the Board the risk and possible liability to persons and/or property injured or damaged as a result thereof arising out of the presence and existence of the waste products and chemicals upon the said lands referred to in the said deed." In short, the Board's own attorney at the time was emphasizing to his client that if it were to accept the Canal it would be getting as part of the package liability for personal and property damage, as ultimately happened to homeowners in the area surrounding the Love Canal.

Nonetheless, on May 7, 1953, the Board voted unanimously to accept the deed. Similarly, the Board had voted unanimously to accept the deed to the site of the 66th Street School; that deed's reference to radioactivity at the site served as no deterrent either. Both sites, incidentally, had already, on December 30, 1952, been approved by the Niagara Falls Planning Board.

In August 1953, before construction work had begun on the school, the Board voted (unanimously) to remove 4,000 cubic yards of "fill from the Love Canal to complete the top grading" at another school, on 93rd Street, whose construction was already well under way. This school, like the one on 99th Street nearby, is now closed down because of public concerns about the school children's exposure to chemical waste residues.

On January 21, 1954, the Board approved the removal of 3,000 more cubic yards of fill from the Love Canal. On the same date, the architect for the 99th Street School wrote to Board member Wesley Kester, chairman of the Buildings Committee, saying that "the General Contractor . . . hit a soft spot in the ground. This turned out to be a filled drain trench which gave off a strong chemical odor. Upon further investigation the excavator made contact with a pit filled with chemicals and immediately stopped work in this area. The General Contractor contacted one of his employees who formerly worked on this property for one of the former owners. From this man we learned that . . . these pits were filled with chemical waste, some of which was in 55 gallon drums." Suggesting that these chemicals "might be a detriment to the concrete foundations," the architect advised soil tests with a view toward possible "revisions of building location," and the building was shifted 30 feet eastward.

When the Buffalo Courier-Express, in the wake of the recent recognition of chemical seepage in the Love Canal area, interviewed the architect about this in 1980, he "said the records indicated only 'poor soil conditions' as the reason for the move." The newspaper's reporters didn't say that this was a gross understatement, apparently because they had never gone to the Board of Education to see the letter from which I've just quoted, which shows that the records indicate a lot more than just "poor soil conditions."

A set of architect's plans dated August 18, 1955, reveals that another 10,000 cubic yards of soil were to be removed from the top of the Canal in order to grade the surrounding area. Part of the area from which this soil was to be scooped out had been filled with Hooker's wastes. The grading was executed as shown in these plans. Later in the year, the Buildings and Grounds Committee donated some of the property immediately surrounding the school to the city so that streets and sidewalks could be paved. (The school building had been completed and its doors opened to 500 students in February 1955.)

On June 25, 1956, the architect wrote to the contractor for the school's playground, changing the location of the kindergarten play area "so as not to interfere with the apparent chemical deposit" and informing him that "this revision has been approved by Dr. Small, Superintendent of Schools." In an October report on this contractor's work, the architect reiterated that "these changes were discussed with school authorities" and had been made "because a chemical dump occurred at the originally located play area." The architect further pointed out that "these chemical pits are continuously settling."

The whole character of this correspondence between the architect and the Board and contractors is in the manner of a somnambulist executing his accustomed routines, as in a deep, quiet fog that is never interrupted by the sound of the 55-gallon drums clanking around in the pits. One would be led to believe that they had signed the Love Canal deed with their eyes closed and their ears shut. The superintendent of schools approved relocation of the play areas so as to avoid "chemical deposits" and "chemical pits" and never once took it upon himself to advise the architect that more was at stake here than "detriment to the concrete foundations" due to "chemical pits . . . continuously settling." It is evident that the architect had never seen the deed. He and the contractor had to *discover* that this place had once been a chemical dump. The superintendent *knew* that it had been; he had been present at the drilling of test holes at the site; he had read the deep but evidently never imparted any wisdom therefrom to the architect or the contractor. He didn't tell them, for example, about the danger of injury or death.

The Board was finally jarred awake in November 1957. The precipitating event was a proposal from two developers who owned land on another site that the Board was hungrily eyeing. The developers had suggested a trade whereby they would have gotten chunks of the Love Canal property in return for their properties plus some cash. The deal would have netted the Board $11,000, and Wesley Kester and the rest of the Buildings and Grounds Committee were strongly in favor of it. But Hooker got wind of the proposal and was just as strongly opposed.

Hooker sent its attorney, Arthur Chambers, to attend the meeting of the Board on November 7. As reported in the *Niagara Gazette* the next day, Chambers admonished the Board of Education that it had "a certain moral responsibility in the disposition of the land." After reminding the Board that chemicals were buried under the surface, he explained that this "made the land unsuitable for construction in which basements, water lines, sewers and such underground facilities would be necessary." He referred to "negotiations at the time the land was deeded to the board," in which Hooker had urged that it be used only for surface constructions or parks. According to the Board minutes from that evening, Mr. Chambers conceded "that his company could not prevent the Board from selling the land or from doing anything they wanted to with it," but he made clear Hooker's "intent that this property be used for a school and for parking. He further stated that they feel the property should not be divided for the purpose of building homes and hoped that no one will be injured."

The head of the Buildings and Grounds Committee, Wesley Kester, was furious. According to the article in the *Niagara Gazette*, he spluttered, "The land is a liability to us. There's something fishy somewhere. Now they tell us it shouldn't be used." The battle lines were now clearly drawn.

Hooker was determined to prevent, if it could, the selling of this land to subdividers. The showdown came at the Board meeting of November 21. Arthur Chambers again made his appearance, this time reinforced with a lengthy letter from the company's vice-president, Ansley Wilcox, in which the Board was reminded in no uncertain terms of the details of the mostly verbal negotiations and unwritten promises that had preceded the

transfer of this property to the Board more than four years earlier. In addition, Hooker's position on the proposed sale was again stated. According to the Board minutes, "They feel very strongly that subsoil conditions make any excavation undesirable and possibly hazardous." As the *Niagara Gazette* quoted him the next day, Chambers told the Board, "There are dangerous chemicals buried there in drums, in loose form, in solids and liquids." The *Buffalo Courier-Express*, too, referred to Chambers' speech about this "chemical-laden ground."

But perhaps the deciding factor in the Board's ultimate vote wasn't the address by Arthur Chambers so much as the letter from Ansley Wilcox. Now even Wesley Kester's memory was refreshed. One no longer heard from him. "Now they tell us . . . ," since, as Wilcox pointed out, they'd told it all before.

As I stated earlier, Wilcox's letter was being heard this evening by an audience that included, besides Kester himself, other key people on the Board who had been involved in the negotiations with Hooker during 1952 and 1953. It contains the most thorough recounting of these negotiations on record anywhere, and the officials present protested not a single item in Hooker's recounting—not that Hooker had been approached by Dr. Small and other representatives of the Board in the interest of acquiring the property; not that Hooker had "explained in detail to Dr. Small the use which we were making of the property"; nor that Hooker had expressed its reluctance "to sell the same, feeling that it should not be used for the erection of any structures"; nor that the School Board was nevertheless "so desirous of acquiring the same" that its representatives had brought up the option of condemnation proceedings; nor that Hooker had then agreed to donate the property subject to certain restrictions upon its use; nor that Hooker had proposed and the Board had refused to agree that the Love Canal property be used "for park purposes only" and that the school building be constructed only on premises "in proximity to" the same; nor that any of these events had transpired in the way described, which indeed made Hooker look like the opposite of the negligent and shortsighted company it is now widely thought to have been. In fact, as evidenced by Wilcox's letter, Hooker was adamant in its long-range view, noting "that even though great care might be taken" in development of the property, "as time passes the possible hazards might be overlooked [and] injury to either persons or property might result."

The Board's vote that evening was practically unprecedented. They split 4 to 4, with one member abstaining, and thus failed to pass Wesley Kester's resolution to sell the land. For once, the Board did not vote unanimously; they had been shaken awake from their slumber.

As it turns out, these tumultuous Board meetings of November 1957 were just so much "sound and fury signifying nothing," anyway. Apparently unbeknownst to Hooker, on the very same two November days when the company's representatives were urging the Board that the sub-surface chemicals made the land unsuitable for underground construction, city workmen were busy at the Canal constructing a sewer that punctured both of its walls and the clay cover. From September through December 1957, work was in progress on this sanitary sewer between 97th and 99th streets beneath Wheatfield Avenue, a soon-to-be-paved street that lay right across the middle of the Canal property. This sewer pipe was laid 10 feet below the surface, on a gravel bed, and covered with gravel, providing a highly permeable violation of both Canal walls. Any loose and liquid chemicals buried in this part of the Canal could now escape, flowing along the gravel sewer-bed not only under Wheatfield but also under 97th and 99th streets, and so throughout the neighborhood. To top this all off, a manhole was dug from the top of the Canal down through the fill to this sewer system 10 feet below the surface.

Whether or not any of Hooker's chemicals were in fact buried in this part of the Canal is not clear from public records. Hooker says that its practice was to fill various parts of the Canal, creating an earthen dam with clay, pumping out the standing water, dumping waste to within four feet of the surface, then covering the section with clay. From Board of Education maps indicating the approximate location of Hooker and city wastes in the Canal, and another map showing the location of streets and the 99th Street School, it can be estimated that Wheatfield Avenue crossed over the Canal at a spot just south of a Hooker dumping area. It is doubtful, however, that these maps are precise enough to make a positive determination. One of them carries a notation showing that the Hooker dumping spot in question—the same one that, by the same approximations, would have been invaded at its northern end during construction of the school building—was used by Hooker to dispose of "fly ash, trash, and HGI spent cake," the latter, according to a Hooker spokesman, being an abbreviation for lindane (a chlorinated hydrocarbon pesticide more toxic than DDT).

Whether or not this sewer was laid through Hooker chemicals, however, one thing *is* clear from the record: Hooker was opposed to *any* construction through *any* part of the Canal, precisely because of such risks. And work on this sewer system was being done by the city of Niagara Falls at the same time as the warnings that such construction was "dangerous," "injurious," and not "safe" were appearing in the local newspapers. But nobody made the connection: it is as though the printed word had not existed. The sleepwalkers kept bumping around in the night. Hooker was protesting into an abyss; no one was there who would hear and who would make connections between the real world and the printed warnings. Yet now Hooker is being excoriated.

This marked the first time in history that the Canal walls had been penetrated. Maps in the city engineer's office show that there were no sewers into the Canal before this one. But another was soon to be built. This was a storm sewer, under Read Avenue. It was put in between May and September 1960 and penetrated only the west Canal wall, running from a catch basin sunk into the Canal, out to 97th Street. Again, the sewer-bed was gravel.

The drawings of these sewers are available for public inspection at the office of the city engineer in the town hall. One member of the public who, it seems, never cared to look at them—nor at the voluminous printed records and correspondence regarding Love Canal that are also available at the Board of Education—is Michael Brown, the author of the Pulitzer-prize-nominated book on the subject of waste dumping.

In addition to these publicly recorded breaches of the Canal walls, there were two other, though lesser, man-made incursions upon the surface of the Canal: one a French drain that the School Board had placed around the school, the other an illegal catch basin put in by a 97th Street homeowner. Both of these were noted by Stephen Lester, who, under the auspices of the New York State Department of Transportation, served as a consultant to Love Canal area residents during remedial work on the Canal. Of course, like the sewers put in by the city, Hooker had nothing to do with these constructions.

Following Hooker's successful defeat of the Buildings and Grounds Committee's proposal to sell Love Canal property to developers in 1957, the Board sought every means possible to transfer liability for the property to somebody else. They wanted to dump the Canal like a hot potato. First, they tried to palm it off onto the local Junior Chamber of Commerce for a playground area. But the Jaycees wouldn't move ahead without liability insurance, which, it seems, no firm was willing to supply. So that doorstep of the only nongovernmental body involved, Hooker Chemicals & Plastics Corporation and its parent, the Occidental Petroleum Corporation.

Although the suit also names the Niagara Falls Board of Education, the city, the County Health Department, New York State, and UDC-Love Canal (a state agency set up to purchase the homes of families evacuated from the surrounding area), not one of these governmental bodies—and here again the media have missed a step—is implicated in the responsibility for the problems at Love Canal. "The City is named herein as a defendant only to insure that the remedial measures requested by the plaintiff [EPA] can be fully implemented by the City's action with regard to its own property." And so on and so on. For each of the governmental units named in the suit, there is a reassuring paragraph noting that it is so named only to enlist cooperation in remedial work.

The government's case against Hooker contains a great many charges and allegations that I have seen disproven in the documentary records at the Board of Education and the office of the city engineer. Hooker hasn't supplied me with its own supplementary documentation, but that wouldn't be necessary except on one point that has served as a focus for many of the EPA-Justice Department charges: the adequacy of the clay cover Hooker laid over its dumpings.

Residents of the Love Canal area have contended that at least some of Hooker's wastes were covered only with fly ash. These are recollections of what happened 30 years ago. There is evidence that there was plenty of fly ash in the area. Not only did Hooker itself use part of the Canal to dump fly ash, which accumulated in the bottom of its furnaces, but School Board records show that Hooker and probably the city also were asked to supply fly ash to fill in the portions of the Canal that were still an open trench when the Board took over the property. There is no evidence, however, that Hooker used fly ash to cover its chemical dumpings.

Hooker claims—and notes on maps at the Board of Ed dating from the early '50s tend strongly to support this—that the company laid four feet of clay over its fill. Furthermore, a private engineering firm, Conestoga-Rovers Associates of Waterloo, Canada, hired by the city in 1979 to evaluate the Love Canal dumpsite, has concluded that Hooker's practices there cannot be faulted, even by the standards of the Resource Conservation and Recovery Act (RCRA) being implemented in 1980—the only existing federal law concerning the hows and wheres of industrial dumping.

(Of course, even without a statute on the books, Hooker would be liable, subject to the relevant statute of limitations, for damage to third parties due to negligence, were its practices in fact negligent. But it would be hard for such a claim to get very far if Hooker's practices decades ago met and exceeded regulations, generally regarded as stringent, effected only in 1980.)

Although the Conestoga-Rovers report had not yet been delivered to the city at press time, Mr. Frank Rovers has stated to Senate staff members considering toxic waste cleanup legislation that, as summarized by the Washington representative of the American

Institute of Chemical Engineers, on whose RCRA Task Force Mr. Rovers was serving, "The design of the Love Canal site was well within the standards of RCRA. What went wrong with Love Canal can be attributed in large part to lack of monitoring, invasion of the site itself, and lack of remedial work." And the invading construction, which raised the need for remedial work, can only be laid at the feet of the School Board, the city, and the state Department of Transportation. (The other main factor that precipitated the crisis was that in 1976 Niagara Falls experienced record rains that poured down into the by-then opened Canal, forcing large quantities of the chemicals up and out; in October of that year, there surfaced the first reports of nearby basements be in invaded by chemicals attributed to Love Canal.)

The EPA's own chief of Hazardous Waste Implementation, Mr. William Sanjour, was quoted in the New York Times on June 30, 1980: "Hooker would have had no trouble complying with these (RCRA) regulations. They may have had a little extra paperwork, but they wouldn't have had to change the way they disposed of the wastes." Ironically, Mr. Sanjour's admission here was a bold and direct contradiction of a key charge leveled by the EPA itself in its suit against Hooker, filed in federal court six months earlier.

Reading this EPA-Justice Department lawsuit, one senses how desperate its drafters must have been to implicate Hooker on whatever grounds could be dredged up. In paragraph 23 it's charged that "two storm sewer systems . . . were built in 1952 before Hooker sold the Canal property to the Board." It is not claimed that the two sewers in question penetrated the Canal walls; the fact is that these systems—Colvin-100th Street and Frontier-100th Street—didn't even come close. Interestingly, the suit does *not* mention the real villain-sewers, constructed in '57 and '60, which would, of course, have implicated party or parties other than Hooker.

In paragraph 35 we find that "vegetation in the vicinity of the Love Canal is suffering from stress." The Love Canal homeowners might wilt upon hearing that one, as though their own travails were not enough to bring Hooker down if Hooker is guilty.

Paragraph 108 informs us that "Hooker never applied to the Secretary of the Army for and does not have a permit authorizing the deposit of wastes into navigable waters at the Canal." This is one of the few allegations in the suit that Hooker doesn't contest as false. Did you know that there are "navigable waters at the Canal"? Can you imagine sailing a ship upon this chemical dump? Well, of course, nobody's ever done it, nor even tried it. In fact, the Canal never was navigable, even before it became a dump in the early '40s; it wasn't even being dug for that purpose when its construction was abandoned in 1910. "Navigable waters" indeed.

But in the court of public opinion, Hooker is already adjudged guilty. Playing into the hands of the feds on this has been that intrepid "investigative reporter" Michael Brown, whose book, *Laying Waste*, has been praised to heaven, despite the fact that its tale of Love Canal is unrecognizable to anyone who has examined the actual documents. Jessica Mitford said, "This extraordinary and terrifying book is one of the best examples of tenacious, dedicated journalism I've ever read." Senator Moynihan pronounced the book "strong, clear, credible, and humane." Ralph Nader said, "*Laying Waste* takes the reader on a macabre journey from the notorious Hooker Chemical Company waste dump at Niagara Falls to . . . " and called the volume "an advance briefing" on America's future of "cancerous, toxic cesspools left by callous corporations." Sen. Bill Bradley applauded it as "a clear call for the massive effort necessary to clean up the horrors." Paul Ehrlich praised it as "a vitally important book." Jane Fonda said, "I hope every American is awakened by this book." So let's dip a bit into *Laying Waste*.

On page 8 Brown says, "At that time [1953], the company issued no detailed warnings about the chemicals; a brief paragraph in the quit-claim document disclaimed company liability for any injuries or deaths that might occur at the site." He doesn't quote from the deed and mentions it again only once, curtly.

Would you know from his description of the "brief paragraph" (which I quoted in full earlier) that this is the longest paragraph in the entire deed, running 17 full lines of type, or that it speaks of these chemicals as being capable of causing injury and death? Furthermore, there's an innuendo here that is simply not true: that there is no evidence that Hooker had verbally warned the Board repeatedly and in strong terms about the chemicals. Ansley Wilcox's letter, which is reproduced here, but which Brown never even mentions in his book, is strong documentation to refute this innuendo:

HOOKER ELECTROCHEMICAL COMPANY,
NIAGARA FALLS, NEW YORK.
November 21, 1957.

Re 99th Street Property.

Dr. CHARLES M. BRENT,
President, Board of Education, Administration Building, Sixth Street and Walnut Avenue, Niagara Falls, New York

"DEAR DR. BRENT: In the interest of amplifying the remarks made by Mr. Chambers at the Board Meeting on November 7th and in the the further interest of providing the Board with a written statement of our position with respect to the subject property, I would like to submit the following account of the transaction. I might point out that I was personally involved in the negotiations and have a direct knowledge of some of the significant arrangements.

"Hooker acquired the property in question in the early 1940's. As you doubtless know, it was a section of the abandoned Love Canal. At the time it was acquired it was a sparsely settled section and our purpose in acquiring the same was to obtain an area for burying industrial wastes.

"The area was used for this purpose for a number of years, and, in fact, was still being so used when we were approached by Dr. Small and other representatives of the Board of Education who stated that the Board of Education would like to acquire at least a portion of the property for the erection of a new school. We explained in detail to Dr. Small the use which we were asking of the property and stated that we were very reluctant to sell the same, feeling that it should not be used for the erection of any structure. However, after several discussions with Dr. Small and others it was pointed out to us that the School Board felt that this was the only property available in the location in which a new school had to be constructed and that they were so desirous of acquiring the same that condemnation proceedings might be resorted to.

"As a result, our management considered the matter very carefully and came to the conclusion that if the property was so important to the Board of Education we would make a gift of the same to the Board with the understanding that it should be used only for the construction of a new school and the maintenance of a park. We were thoroughly convinced that should the property ultimately be used for any other purpose the residues which had been buried thereon might well have a serious deleterious affect on foundation, water lines and sewer lines, and, in addition, we felt it quite possible that personal injuries could result from contact therewith. Therefore, on October 16, 1952 we wrote Dr. Small, copy of which is enclosed, stating that we would be willing to donate the property to the Board of Education and pointing out that in view of its use it would be necessary for us to incorporate in the deed a recital as to the use of the property and restrict the same to the erection of a school at a particular location which had not been used for the purpose of burying residues and that the balance of the property should be maintained for a park or recreational purposes. The following day Mr. Lang wrote to us advising us that our letter had been presented to the Board and that he had been instructed to advise us that the Board had accepted our offer and recognized the necessity of incorporating special provisions in the deed. Copy of Mr. Lang's letter of October 17, 1952 is also attached. Following the receipt of the above letter we prepared certain proposed restrictions for the deed, one of which read as follows:

"'This conveyance is made subject to the condition that the premises shall be used for park purposes only, in conjunction with a school building to be constructed upon premises shall be used for park purposes only, in conjunction with a school building to be constructed upon premises in proximity to those above described, and that upon the abandonment of said premises for such purposes, or upon their use to the grantor, its successors or assigns.'

"These were submitted to representatives of the Board and it was then pointed out to us that since the Board of Education itself had no facilities for maintaining a park it was reluctant to accept a conveyance containing an affirmative agreement to do so. It was pointed out that actual maintenance as a park could probably only be carried out by the City and some agreement would have to be made with the City to do this. Therefore, at the request of the Board's representatives this provision was not included in the deed. However, its omission in no sense indicated that we felt it would be safe or proper to use the property for any other purpose. It is our feeling that even though great care might be taken at this time in the construction of buildings on the property that as time passes the possible hazards might be overlooked with the result that injury to either persons or property might result. It is our primary purpose in calling these facts to your attention to avoid the possibility of any damage to any one or to any one's property at any time in the future and we feel that the only way that this can be assured is by using only the surface of the land. We still feel very strongly that the subsoil conditions make it very undesirable and possibly hazardous if excavations are to be made therein and urge most strongly that arrangements be made to use the property for the purposes intended, since we also feel that additional park or recreationad facilities in this area are very desirable.

"Very truly yours,

"ANSLEY WILCOX 2ND,
"Vice President and General Counsel".

On page 9 Brown says: "When I read [the Love Canal] deed I was left with the impression that the wastes would be a hazard only if physically touched or swallowed. Otherwise, they did not seem to be an overwhelming concern." That's his other reference to the deed, and it's equally misleading. Brown's introduction of "touching" and "swallowing" into the deed's restrictions are his own concoctions. Neither they nor any equivalents are in the deed, and even Brown's inference of them is drawn entirely from thin air. And although "injury" and

"death"—which *are* in the deed—may "not seem to be an overwhelming concern" to Michael Brown, they did to relevant parties at the time, contrary to what Brown claims.

Also on page 9 Brown writes: "Ralph Boniello, the board's attorney, said he had never received any phone calls or letters specifically describing the exact nature of the refuse and its potential effects, nor was there, as the company was later to claim, any threat of property condemnation by the board in order to secure the land."

Boniello, however, had not *needed* any phone calls or letters. The very passage in the deed that Michael Brown saw as not "an overwhelming concern," Boniello warned his client at the time to take seriously. Boniello would later describe it as "like waving a red flag in front of a bull." The School Board members "were forewarned. But all that they felt was that they were getting a big piece of land for free." If Brown had read the newspaper for which he himself was a reporter, the *Niagara Gazette*, he would have known that this was Boniello's opinion, because that's where it was quoted, on August 9, 1978, more than a year before Brown's book went to press. In this interview with Paul Westmoore, Boniello further stated: "I suggested they get a chemical engineer to inspect it [Love Canal]. They never did, to my knowledge."

On the property condemnation issue, my phone conversation with Boniello on the evening of October 16, 1980:

Q: Is it possible that Hooker could have been verbally threatened with land condemnation at Love Canal by the Board's representatives, such as Wesley Kester, head of the Buildings and Grounds Committee, while you might not have been informed of this?

A: Oh, yes. My function was only to come in afterwards and close a deal, not to negotiate or make deals. The Board decided what they wanted done, and told me to draw up the papers. I was brought in after the fact. So all I can say is that I was never instructed to initiate condemnation proceedings on the Love Canal property. Whether condemnation was actually threatened verbally by the Board is a question I'm not competent to answer, since I wasn't in a position to know.

On page 10: "In 1958, the company was made aware that three children had been burned by exposed residues on the surface of the canal, much of which, according to the residents, had been covered over with nothing more than fly ash and loose dirt. Because it wished to avoid legal repercussions, the company chose not to issue a public warning of the dangers only it could have known were there." This strings three distortions together into one big lie.

First, Brown fails to mention anywhere in his book that not only Hooker but the city had been dumping into the Canal; that this municipal waste may well have been covered over with fly ash and dirt; and that, in any case, the Board of Education had used fly ash at this site, as the record shows it had at other school sites, to grade the property. Therefore, Brown's slur of Hooker—the implication that fly ash and dirt is what Hooker had "really" laid over its wastes and that this gives the lie to the company's claim of having laid a clay cover over its dumpings—is at best a fudging of the available documentation and at worst a vicious distortion.

Second, Brown offers no evidence of Hooker's alleged wish "to avoid legal repercussions." The Board of Ed, of course, in accepting the deed, had explicitly assumed liability for any injury attendant to its use of the property, which use, as we now know, had unearthed those chemicals. For its part, Hooker was apparently confident that its own practices at the Canal had all been entirely legal, not just matching but surpassing the safeguards then in normal usage (which were slim, even according to EPA itself).

Third, as to the charge that Hooker "chose not to issue a public warning of the dangers only it could have known were there," this is false in both clauses. Brown never mentions in his book the very public warnings that Hooker had made in November 1977, which were published in the local newspapers at the time (including the *Niagara Gazette*, for which Brown later reported, but which, again, it appears he never consulted). These warnings preceded by less than a year this 1958 incident. So not only Hooker but the Love Canal area residents and the city government could have known of the dangers there. Yet while Hooker was issuing these warnings the city was ripping through the Canal to build a sewer. That the children's exposure to chemicals took place only months later lends plausibility to the hypothesis that this construction disturbed buried chemicals, just as Hooker had feared. Brown also fails to mention anywhere in his book the earlier warnings that Hooker had communicated to the Board, also brought to public light in 1957; and he furthermore leaves entirely out of the picture the correspondence between the Board and the school's architect, which shows how intimately the Board was involved with these "chemical pits."

When Hooker, in a letter to the editor in the July 1980 *Atlantic*, pointed out in response to Brown's article on Love Canal in an earlier issue that the chemical dump under Hooker's management in the '40s and '50s had been found by a chemical engineer to be "well within the standards of RCRA"—the strict law of 1980—Brown's evasive printed reply, which ignored these very findings, was that it would not comply with RCRA because "those standards, among other things, propose that landfills not be located near so populated an area, and mandate that a landfill not be in a position to poison a water source. The Love Canal has leaked into the Niagara River, and probably is still doing so." Brown's reply neatly avoided mentioning the lack of evidence for any such leakage while Hooker had managed the Canal and the abundant evidence of the dump's mismanagement by the School Board and the city for decades afterward—the "invasion of the site itself" noted by the engineer hired by the city.

And for Michael Brown to claim that the Love Canal dump in 1978 had failed to meet RCRA standards because the surrounding neighborhood was subsequently to become populous simply makes one's mind reel. Even Brown himself, in his book, acknowledges that in 1953 the surrounding area had been sparsely populated. Well, Brown's book won three Pulitzer nominations, so who cares about such insignificant matters as accuracy and truth!

When I spoke with the president of the Love Canal Homeowners Association, Lois Gibbs, on October 17, 1980, I learned that Michael Brown has been one of her chief sources of information about Love Canal. This surprised me, because I expected that the information flow would have been in the reverse direction, since Brown relied so much on residents' testimony. But as it turned out, Ms. Gibbs knew practically nothing about the Canal itself, although she has said a great deal about the dump.

This is a matter of some consequence, because Lois Gibbs has appeared prominently on network TV news programs and as a guest on national TV talk shows and has been much quoted in the newspapers and over the wire services. She has certainly been one of the chief sources for Mr. and Mrs. America's ides about what went wrong at Love Canal. Apparently, however, no interviewer or reporter has ever checked her facts; nor has she, so far as I am aware, ever been asked probing questions to determine the documentation for her positions.

As with Michael Brown, the basic thrust of her position is that, as she put it in response to my question, "Who was primarily responsible (for Love Canal)?": "I believe fullheartedly that Hooker is primarily." On Hooker's role at the Canal, she said: "They left open avenues of swale, pipelines, and so forth. They didn't deposit the waste in 55-gallon drums, as they say they have. They also knew children were being burnt on the Canal proper, and never made that public knowledge. And when they told the Board of Education there were wastes buried there, they never truly explained what the wastes were and what the ramifications of the wastes moving around in the ground and surfacing in the school could cause."

Ms. Gibbs, I soon learned, is fond of snowing the listener with technical terminology that she herself, as it turns out, doesn't understand. So for the perplexed reader who, like myself, has never encountered the term swale—which she later defined for me as "underground stream beds"—I subsequently found that it refers to a line of surface-water runoff. Every plot of land necessarily has swales. As for her intended charge of underground streams at Love Canal, there is not a shred of evidence for the allegation. And what we know and don't know about "pipelines" will be made clear below.

As to her charge that Hooker "didn't deposit the waste in 55-gallon drums as they say they have," Hooker's actual statement, as reported in the *Niagara Gazette* on November 22, 1957, was: "There are dangerous chemicals buried there in drums, in loose form, in solids and liquids." The rest of her statement is pure Michael Brown and has been dealt with earlier.

I asked her: "Are you aware that the Board of Education back in 1951 had drawn up a map of the Love Canal area and that it showed the assessed condemnation value of each property?" Her reply: "No." The head of the homeowners had never even gone to the Board of Ed to check its records so as to make an informed judgment about the roots of their tragedy.

When I asked her about the sewer under Wheatfield Avenue, whose installation in 1957 may well have precipitated the ultimate catastrophe, she denied my assertion that it was "surrounded with gravel." She claimed that this underground excavation was instead "backfilled with clay." The city engineer could straighten her out on that one.

In response to my question whether she'd ever heard of the American Institute of Chemical Engineers' Task Force on RCRA and the findings of one of its members about why the Love Canal had seeped, she said, "No." But she continued:

"Let's pretend the Canal hadn't been disturbed. It still would have leaked.

"Q: How so?

"A: Because there were farmers' field tiles that were connected to the Canal, and these were clay pipes 6 inches to 8 inches in diameter.

"Q: When were these tiles put in?

"A: Probably before the Canal was used as a dump. Furthermore, there are open avenues of swale, which are underground stream beds, that were backfilled with rubbish—not a solid fill.

"Q: Is this in Stephen Lester's report [which she had mentioned earlier]?

"A: I think so. If not, it's in Beverly Paigen's."

Beverly Paigen is not an engineer but a biologist, so of course her study had nothing to do with the structure of the Canal. Instead, it was an epidemiological study of the incidence of health problems among Love Canal area residents. (This report created a sensation—and panic—when it was released in February 1979 with the conclusion that area residents showed high rates of pregnancy disorders, birth defects, and other illnesses. Subsequently, a five-member panel of scientists reviewed this study and concluded that it is "literally impossible to interpret" and "cannot be taken seriously as a piece of sound epidemiological evidence.")

Stephen Lester is not an engineer either. He is a toxicologist and environmental researcher hired by the New York Department of Transportation in 1979 to assist the Love Canal area residents during remedial work being done by the DOT. In the course of observing that work, says Lester, he did see clay pipes running from the Canal, which, he speculates, were probably used to draw water from the Canal to irrigate the orchards that surrounded the area before it was built up.

Did they exist along the entire length of the Canal? Had Hooker removed any such pipes or backfilled them with clay in the sections used by the company for dumping chemicals? Lester's report has no answers to such question; nor does the city engineer's office, which contains no records of the existence or location of such pipes; nor do the people working at Hooker 30 years hence. But it strains credulity to believe that Hooker would have chosen this site, prepared a section at a time for dumping, and covered its wastes with clay—rather than just dumping anywhere into the Canal's waters—and not have seen and attended to any such clay pipes. Of course, of what the Army did when it dumped toxic wastes there, we know nothing. And what would have happened had the Canal not been disturbed after Hooker owned it, we shall never know.

Love Canal may or may not have polluted its neighborhood beyond repair. But the question now is, Has it polluted the media beyond repair? Except for the *Wall Street Journal's* publication of the minutes of the two November 1957 School Board meetings under the headline "What Hooker Told Whom, When About Love Canal," and the *Journal's* two editorials on the facts therein, none of the national media has delved into the history of the Love Canal mess. This story has been butchered in the press. The executioners have been a motley band, led by the US Justice Department, the EPA, the New York State departments of you-name-it, Michael Brown, and Lois Gibbs. Why has their joint exercise in public deception been so overwhelmingly successful? More to the point, why hasn't Hooker's counterfight so far been more effective?

It makes me blush to say it, but in an OpEd article of mine in the *New York Times* in late '79, the editor there cut out a slashing comment I had made in a preliminary draft, calling Hooker's actions at Love Canal "criminal." I've learned since then to be more circumspect about the truthfulness of what I read (and write!) in the papers. There genuinely are big-corporate criminals, and the public's outrage at this, and at their frequent success, is good and healthy—but only if one can still keep one's eyeglasses clean when approaching the facts of each particular case. But that's hard to do.

It hasn't helped that Hooker, and its parent Occidental Petroleum Corporation, have met the public relations challenge of Love Canal with a practically unbroken string of catastrophically bad decisions. At first, when the story was strictly a local one, before Love Canal had hit the national press in the summer of 1978, Hooker's response was to stonewall. The company refused to provide even basic information requested by both the homeowners and the local news reporters. After Love Canal exploded across the nation's front pages during the first half of 1979, cracks started appearing in Hooker's stonewall, but this change got under way too slowly and too late.

In the summer of 1980 the company published a booklet, *Love Canal: The Facts*, which for the first time presented Hooker's detailed public defense against the accusations that were now being hurled at the firm from every corner. Most of the damage to the company had already been done, however. Michael Brown and Lois Gibbs had made their starring appearances on the network TV talk shows, and the ghastly pictures of Love Canal's chemical oozings had finished their sensational runs on the nightly news shows—with prominent mention of the fact that the Canal had once been a Hooker dump.

Even now, the response of Hooker and Occidental remains strictly defensive. Having permitted the Love Canal spark to ignite a conflagration that (according to present Wall Street estimates) has burned off a half-billion dollars' worth of Occidental Petroleum stock value, the best that Hooker and its parent firm can come up with is still a meek squeak: "We didn't do it." Hooker has not sued Michael Brown and his book publisher, Random House, for libel; to the public, this means that Hooker must be guilty.

When I asked Hooker's PR department why the company isn't challenging in a court of law the allegations by Brown and others, I was told, in effect, that that was a matter for the legal department—and that none of Hooker's lawyers was talking to any reporters. Then, on November 3, I phoned Occidental Petroleum, which referred me to Philip Wallach Associates, the parent corporation's public relations counsel. Mr. Wallach told me that it was he who had advised Occidental not to file a libel suit against Michael Brown and Random House, because "to do so would only have given the book free publicity." When I asked Mr. Wallach, "But isn't it sometimes the case that the best defense is a good offense?" he agreed with me that this was so. And when I further inquired why he was more concerned about preventing some negative publicity for Brown's book than he was about giving his own bloodied corporate client some desperately needed positive exposure—and especially increased credibility—he told me, "Well, you have a point there. I suppose maybe I should reconsider." That's where the matter now stands. To think that $500 million of a corporation's stock value can hang on decisions made in such a manner!

Can more Love Canals happen? There's no reason why not. Niagara Falls is not the only town that's been gungho on technology without concern for consequences. This kind of attitude may still prevail there; it certainly can be found elsewhere, and Love Canal may well turn out to have been just the opening battle in a long hot war between the present and the future.

Despite the popular myth that Love Canal is the result of a single corporation's greed and heartlessness, the actual explanation is far more complex. It's clear to anyone who digs into this matter that Hooker may well have been the only party to the affair to behave responsibly. Hooker chose an exceptionally fine chemical dumpsite; it ceded the dump to the School Board under circumstances in which the threat of condemnation was real and the reality of condemnation was already under way for adjourning properties; it warned the School Board that the chemicals could kill and insisted that the Board pass this warning on to any subsequent owner of the property; it urged the Board not to construct the school or any other buildings directly over the Canal; it protested the prospect of any subsurface construction on the Canal.

These warnings were repeatedly ignored, however, by the governmental bodies involved in desecrating this chemical tomb: the School Board itself, the City Planning Board, the city engineer, and the state Department of Transportation. In addition, other governmental agencies have been busy spreading misinformation about the Canal: the Niagara County Health Department, the state Department of Health, the US Environmental Protection Agency, and the US Department of Justice.

Despite all these nefarious governmental involvements, nothing has happened up to the present time to reduce the likelihood of similar governmental crimes being committed in the future. Even if the new federal legislation on waste dumps, the RCRA, proves effective against corporate violators, it could never be effective against governmental bodies. Just on the outside chance that an RCRA suit might someday be filed against a town, school board, or other public agency, what would be the probability that any governmental criminals would be penalized? No matter how guilty they might be, it is the taxpayers who would end up paying the tab on any resulting fines, and it is unlikely that any government bureaucrat would be imprisoned, even if his crimes included the deaths of innocent victims.

When the Justice Department and the EPA joined the fray in December 1979 with their suit against Hooker, they were tacitly acting to protect the interests of all the governmental agencies that throughout the years seem clearly to have produced the Love Canal mess. The federal authorities could instead have chosen to file charges against those governmental bodies, but this would have made some important New York State politicians unhappy during an election year—and New York was a crucial state for Carter. With the press and the homeowners screaming, the federal government apparently felt compelled to "do something" about the matter, and Hooker turned out to be the most suitable punching bag under the circumstances.

The federal attorneys must certainly have seen much of the evidence that I've presented here and so must have known how shoddy their case against Hooker really was, yet they stogged through their legal mire and came up with the obligatory political document. If instead they'd sued the governmental agencies, that would have made considerable news but even more considerable political enemies. It would also have deflated the Michael Brown bubble, but why do that when it could be exploited, since Brown had conveniently placed blame upon the same scapegoat that the politicians now found so suitable?

Perhaps because of the visibility of what went wrong at Love Canal, even if there has been little attempt to understand how it went wrong, there is an increased public awareness that in environmental matters the future doesn't take care of itself. But that would not alone prevent future Love Canals. It would not get at any of the fundamental structural problems that aided and abetted the environmental disaster.

At the very least, governmental criminals should not be protected from paying the price for their actions. And when businesses share in the blame, they too should be hotly pursued for every ounce of damage to persons and property. If nothing else, that's the protection that should be afforded citizens by a proper system of property rights, whereby you may do what you will with your property and what is in it and on it, so long as it does not infringe on my rights to my life, my liberty, and my property.

Certainly the worst thing we could do would be to hand to the corporate world some of the same kind of protection from responsibility that we've allowed government officials. Yet, ironically, one of the hottest new items from Congress—the recently passed "superfund" legislation for

cleaning up toxic chemicals in the environment—will serve, in part, to lessen the risks of mismanagement on the part of individual firms involved in disposing of toxic chemical wastes.

Any environmentalist who believes that this set-up is a super idea should pay heed to our experience with legislatively limited liability in another industry where the risks of injury are high: nuclear power. Back in the 1950s, when "the peaceful atom" was but a fervent dream on the part of the Atomic Energy Commission, Congress stepped in as the promulgator of devil-may-care. Faced with a drawing-board industry unable to obtain insurance (for reasons that themselves have much to do with government—see "Who Caused Three Mile Island?" REASON, Aug. 1980), Congress passed the Price-Anderson Indemnity Act in 1957, dictating that, in the event of a major nuclear accident, the first $500 million in claims would be footed by U.S. taxpayers, the next $60 million by the firm (through its insurance), and anything over and above that—practically everything in a serious accident—would simply go uncompensated.

The nuclear-power industry was born as a direct result of this legislation. While it may well have come into existence anyway—eventually, and when reactor designers and so on had satisfied insurers' safety experts that nuclear-power generation was insurable—the indisputable effect of this legislation has been to reduce the incentives for individual firms or the industry as a whole to make sure that they are employing and coming up with the best, safest procedures possible.

How could we even think of imposing a similar system upon the public as a way of "controlling" the chemical industry? Said Sen. Jennings Randolph in urging the Senate's passage of its superfund bill: "We cannot afford another Love Canal." But the senator entirely misses the point. Any society that socializes risks while it privatizes rewards is earning every Love Canal it gets.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ANDREWS). Without objection, it is so ordered.

Is there further morning business?

Mr. ROBERT C. BYRD. Yes, Mr. President.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. HELMS. Mr. President, I ask unanimous consent that the Senate now go into executive session to consider the nominations of R. T. McNamar, of California, to be Deputy Secretary of the Treasury, and W. Dennis Thomas, of Maryland, to be a Deputy Under Secretary of the Treasury.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, there is no objection to proceeding to consider those two nominations.

The PRESIDING OFFICER. Without objection, the nominations will be stated.

DEPARTMENT OF THE TREASURY

The legislative clerk read the nomination of R. T. McNamar, of California, to be Deputy Secretary of the Treasury.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of W. Dennis Thomas, of Maryland, to be a Deputy Under Secretary of the Treasury.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

● Mr. DOLE. Mr. President, the Senate today has considered and confirmed the nominations of Mr. R. T. McNamar to be Deputy Secretary of the Treasury and Mr. W. Dennis Thomas to be Deputy Under Secretary of the Treasury. The Senator from Kansas strongly supports both nominations, which were unanimously approved by the Finance Committee following a hearing on February 6, 1981.

In the view of the Senator from Kansas, Tim McNamar is superbly qualified to serve as the "Number two" man at the Treasury Department. Tim received his undergraduate education at Villanova University and then received a law degree from the University of Michigan and an MBA from the Amos Tuck School of Business Administration. He is currently executive vice president and de facto chief operating officer of a diversified financial services corporation. He previously served as executive director of the Federal Trade Commission. This management experience will serve him well as he faces the administrative problems inherent in running the Treasury Department.

Dennis Thomas is equally well qualified to be the Treasury Department's principal contact with the Hill. Dennis received his undergraduate education at Frostburg State College and received a master's degree from the University of Maryland. He is no stranger to the Senate having served as administrative assistant to Senator ROTH and before that to Senator J. Glenn Beall.

I am pleased that the Senate has confirmed both of these nominations.●

Mr. HELMS. Mr. President, I ask unanimous consent that the President of the United States be notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. HELMS. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. HELMS. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:30 p.m. today.

There being no objection, the Senate, at 1:10 p.m., recessed until 1:30 p.m.: whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. ANDREWS).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of North Dakota, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBMISSION OF STATEMENT FOR SENATOR SASSER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from Tennessee (Mr. SASSER).

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RIDESHARING BILL A NECESSARY

Mr. President, I support S. 239, the Commuter Transportation Energy Efficiency Act of 1981, which I am an original cosponsor.

In the State of Tennessee, I am proud that we have three of the Nation's first ridesharing programs. The Knoxville Commuter Pool is an organization located at the University of Tennessee's Transportation Center and is sponsored in part by the Tennessee Energy Authority and the Urban Mass Transportation Administration through a service and fare demonstration grant to the city of Knoxville. Over 30,000 employees have asked the Knoxville Commuter Pool for assistance with ridesharing and at the end of 1980, the program had a computer master file of over 20,000 names. President Carter awarded the Knoxville Commuter Pool "The President's Award for Energy Efficiency" in recognition of exemplary leadership in the national effort to achieve energy efficiency.

Nashville's Metropolitan Authority has recently initiated a comprehensive program to encourage ridesharing among employees in the Nashville Metropolitan area. This program has set ambitious goals for itself and will be successful, especially if the Congress passes initiatives which will encourage employees and employers to participate.

The Memphis and Shelby County Office of Planning and Development, in cooperation with the Tennessee Energy Authority, conducts a ridesharing program which has received outstanding support from commuters and their employers. Actual benefits derived from the program are impressive; for instance, for every dollar spent on the Memphis area rideshare program, $13.50 has been saved in commuter dollars alone.

Mr. President, ridesharing programs are producing significant energy savings while simultaneously reducing air pollution, traffic congestion, and parking demand. I urge early consideration of S. 239, a bill which would provide an added boost for ridesharing programs throughout the country.

SUBMISSION OF STATEMENT FOR SENATOR TSONGAS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from Massachusetts (Mr. TSONGAS) together with the attachments referred to therein.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SOVIET MILITARY SPENDING

(Statement by Mr. TSONGAS)

Mr. President, on Thursday, February 19, I plan to cohost a luncheon with the Council for a Livable World at which Dr. Franklyn Holzman will discuss Soviet Military Spending. Dr. Holzman, a professor of economics at Tufts University and a Fellow at the Harvard Russian Research Center, has considerable expertise on this subject. As you know, the controversy over estimating the level of the Soviet Union's military spending has become heated during the past year. At a time when we are beginning to formulate our own defense spending priorities for the coming fiscal years, I believe that this discussion on what the Soviets may be doing will be useful to all of us.

Recently, two papers have been published which present opposite sides of the issue. The CIA, in its report, "Soviet and U.S. Defense Activities, 1971–80," concludes that the estimated dollar costs of Soviet defense activities were 40 percent higher than comparable U.S. outlays for the 1971–80 period. A study by Dr. Holzman, "Dollars or Rubles: The CIA's Military Estimates," (Bulletin of Atomic Scientists, June, 1980) criticizes the CIA's methodology and concludes that Soviet defense spending has been substantially exaggerated by the CIA.

I submit the above articles for the RECORD.

The articles follow:

SOVIET AND U.S. DEFENSE ACTIVITIES, 1971–80: A DOLLAR COST COMPARISON: A RESEARCH PAPER

This publication is prepared for the use of US Government officials, and the format, coverage, and content are designed to meet their specific requirements. US Government officials may obtain additional copies of this document directly or through liaison channels from the Central Intelligence Agency.

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SOVIET AND U.S. DEFENSE ACTIVITIES, 1971–80: A DOLLAR COST COMPARISON

INTRODUCTION

(Figures listed do not appear in the RECORD)

This research paper compares Soviet and U.S. defense activities in dollar cost terms. The estimated dollar costs of Soviet defense activities represent what it would cost annually, using prevailing U.S. prices and wages, to acquire and operate a military force of the same size and with the same weapons inventory as that of the U.S.S.R.[1] The U.S. dollar cost data are in terms of outlays derived from The Five-Year Defense Program and the U.S. budget for fiscal year 1981. The effects of inflation have been removed by expressing the defense activities of each country in constant 1979 dollars. The main focus of the paper is the 1971–80 period, but to give some additional perspective to the comparison, U.S. and Soviet data for the 1965–70 period and a projection of estimated Soviet defense costs for 1981–85 have been added.

DOLLAR COST COMPARISONS

Aggregate Defense Costs: For the 1971–80 period, the estimated dollar costs of Soviet defense activities were 40 percent higher than comparable U.S. outlays, but for the longer period, 1965–80, the estimated Soviet costs were only slightly higher than those of the United States. In 1980 they were approximately $175 billion and estimated U.S. outlays were $115 billion—a difference of 50 percent.

The trends in the defense activities of the two countries were markedly different. The estimated dollar costs for the Soviet Union grew at an average annual rate of over 3 percent from 1965 through 1980. The overall pattern was one of continuous growth throughout the period, although growth rates fluctuated somewhat from year to year—a result of the phasing of major procurement programs for missiles, aircraft, and ships. U.S. outlays rose from 1965 until 1968, reflecting the costs of the Vietnam conflict, but then fell steadily until 1976. Since then they have grown at an annual average rate of 2.5 percent per year. The U.S. growth rate over the entire time span, however, was negative.

Looking back at the trends before 1965, it is clear that the sustained growth in Soviet defense costs already had begun in the early 1960s. U.S. defense outlays peaked in the early 1960s, when several major strategic systems were being procured. In 1965 U.S. outlays were one-fourth more than estimated Soviet dollar costs, but by 1971 Soviet costs had surpassed U.S. outlays.

The available evidence suggests that Soviet dollar costs will continue to grow for the next five years at approximately the same rate as they have in the past. This projection, although less certain than our estimate of current defense costs, is based on information about defense programs that are planned or under way.

RESOURCE COMPARISONS

Soviet and U.S. defense activities can be compared in terms of the major resource categories—investment, operating, and RDT&E (research, development, testing, and evaluation):

The investment category covers the dollar cost of the procurement of equipment (including major spare parts) and the construction of facilities.[2] Investment costs represent the flow of equipment and facilities into the defense establishment; they are not an indication of the size of the force in any given year.

The operating category covers the costs associated with operating, training, and maintaining current forces (including personnel costs). These costs are directly related to the size of the forces and to the level of their activity.

The RDT&E category covers a variety of activities, including exploring new technologies, developing advanced weapon systems, and improving existing systems.

INVESTMENTS

The estimated dollar cost of Soviet investment exceeded its US counterpart for every year of the 1971–80 period. The absolute difference grew from 1971 until 1976 as US investment decreased by an average of 6 percent per year. Soviet investment, measured in dollars, showed an upward trend but displayed cycles in annual growth rates that were related to the phasing of major procurement programs—especially those for missiles, aircraft, and ships. This growth is expected to continue at least into the mid-1980s.

By 1976 the estimated dollar costs for Soviet investment were twice their US counterpart. Since then, however, US investment has grown somewhat faster than estimated Soviet investment. For the past two years, the estimated dollar costs were about 75 percent more than US outlays. Coincidentally, they were also 75 percent more for the 1971–80 period.

OPERATING COSTS

At the beginning of the period, estimated Soviet dollar operating costs were approximately equal to U.S. outlays in this category. U.S. outlays fell until 1977 and then grew slowly as increasing operation and maintenance (O&M) costs offset a decline in military personnel costs. Estimated Soviet operating costs grew over the entire period with both personnel and O&M costs sharing the increase. As a result of these trends, estimated Soviet operating costs were approximately 30 percent higher than U.S. outlays for the last five years of the period. Over the entire period they were 20 percent higher.

RDT & E

We are less confident in our estimate for RDT&E than we are in our estimates for the other categories. Nevertheless, we are confident that the Soviet military RDT&E effort is large and that the resources devoted to it are growing. This assessment is reinforced by evidence on the increases in manpower and facilities devoted to Soviet military RDT&E programs. U.S. RDT&E costs, on the other hand, fell until the middle 1970s and have grown at an average rate of 4 percent a year since then. Over the 1971–80 period, Soviet estimated dollar costs for RDT&E were half again as much as U.S. outlays, and during the late 1970s they were about twice as much.

MILITARY MISSION COMPARISONS

Comparisons of Soviet and U.S. defense activities also can be made by using U.S. accounting definitions to array defense outlays by the missions they are designed to support. The missions in this section follow the guidelines in the Defense Planning and Programming Categories (DPPC) issued by the Department of Defense in November 1980. All comparisons exclude RDT&E costs.

STRATEGIC FORCES

This mission includes all forces assigned to intercontinental attack, strategic defense,

[1] For a complete statement of what the estimates include, how they are derived, and the confidence we have in them, see the methodology section.

[2] Investment costs are sometimes defined—particularly by the Department of Defense—as including RDT&E.

and strategic control and surveillance, as well as nuclear weapons. It also includes the Soviet peripheral attack forces, for which there are no U.S. counterparts. Measured in dollars, the level of Soviet activity for strategic forces was three times that of the United States over the 1971–80 period. If Soviet peripheral attack forces are excluded, the estimated dollar costs of the Soviet forces were two and two-thirds times the comparable U.S. outlays for the period.

While U.S. strategic costs fell slightly over the period, estimated Soviet costs grew, but at an uneven rate caused by the procurement cycles for the major strategic weapon systems. Our prediction of the dollar costs of Soviet strategic forces for the mid-1980s depends heavily on the phasing of the deployment of the next generation of ICBMs and the new ballistic missile submarine. Should the deployment schedule differ from our projection, the increase in costs will differ proportionately.

Intercontinental attack forces accounted for about 85 percent of the estimated dollar cost of Soviet strategic forces for the period. U.S. intercontinental attack forces received a larger share—about two-thirds—of the outlays for strategic forces.

Estimated dollar costs intercontinental attack forces dipped in the early 1970s with the completion of third-generation ICBM deployment programs, then rose sharply in the mid-1970s with the deployment of fourth-generation systems. As this deployment was completed, the estimated dollar cost of intercontinental attack declined again. If in the mid1980s the Soviets deploy ICBM systems now under development, estimated dollar costs will rise again.

Our cost estimates for intercontinental attack forces reflect a substantial difference in the mix of weapons in the Soviet and US forces. During the period, ICBM forces accounted for more than half of the estimated dollar cost of Soviet intercontinental attack forces but for only about one-fifth of comparable US outlays. On the other hand, bomber forces accounted for about one-third of the US costs in this category but for less than 5 percent of the Soviet total.[5]

Peripheral attack forces accounted for about 15 percent of the total dollar cost of the Soviet strategic mission. (Peripheral attack forces include medium-and intermediate-range ballistic missiles, medium bombers, and some older ballistic missile submarines. These forces are assigned strategic targets on the periphery of the Soviet Union.) The dollar costs for this mission have grown at a rapid rate, especially since the mid-1970s.

Estimated costs of Soviet forces for strategic defense, a major part of the Soviet strategic mission, comprised roughly 40 percent of the dollar costs of all strategic forces during the period. US strategic defense, on the other hand, accounted for less than 15 percent of US strategic mission outlays and declined continuously throughout the period. As a result, the dollar cost of Soviet strategic defense activities increased from five times US outlays in 1971 to almost 25 times US outlays at the end of the period. Soviet strategic defense activities will continue to grow in the early 1980s as the USSR introduces a new generation of interceptor aircraft and surface-to-air missiles.

GENERAL PURPOSE FORCES

This mission includes all land, tactical air, naval, and mobility (airlift and sealift) forces. Estimated dollar costs of Soviet general purpose forces exceeded comparable US outlays by a large margin in every year of the period. In 1980 they were over half again as much; over the period, they were 60 percent larger.

The estimated dollar costs of Soviet general purpose forces grew steadily over the period and are expected to continue to grow in the 1980s with some fluctuations caused by procurement cycles (especially those for tactical aircraft). U.S. outlays for general purpose forces fell from 1971 to 1973 but then started to grow. By the end of the period, they had surpassed their 1971 level.

Within the Soviet general purpose forces, land forces accounted for 60 percent of the estimated dollar costs over the period. Land forces were also the largest U.S. general purpose component, although they were not much larger than the tactical air and naval forces. While estimated Soviet costs for land forces grew over the whole period, US outlays followed the usual pattern—they fell until 1973 and then grew slowly for the rest of the period.

The dollar costs of the two countries' general purpose naval forces showed somewhat similar trends. (This category excludes US multipurpose aircraft carriers and their associated aircraft, which by DPPC definitions are included in tactical air forces.) The dollar costs for both countries' naval forces fell from 1971 until 1973, although the decline was more precipitous for the Soviet Union. Since then both have grown—the US costs at an average rate of 3 percent per year and the estimated Soviet dollar costs at over twice that rate. As a result, the estimated Soviet dollar costs, which were only slightly higher than US outlays over the period, were 25 percent more in 1980. (If the costs of the US carriers and their associated aircraft were included in general purpose naval forces, US outlays would be 20 percent more than the estimated dollar costs of Soviet forces in 1980 and 40 percent higher than the Soviet total for the entire period.)

US outlays for tactical air forces (including aircraft carriers and their associated aircraft) fell from 1971 to 1974 but have grown since then. The estimated dollar cost of the Soviet forces with a tactical air mission showed a cyclical, but upward, growth pattern related to the procurement cycle for new aircraft. One cycle peaked in the mid-1970s; the next probably will not peak until the early 1980s. Thus, the costs for this Soviet mission were growing at a slow rate in the late 1970s, and US tactical air costs, which were only 20 percent higher over the whole period, are one-third more at the beginning of the 1980s. (If the US carriers and their associated aircraft were excluded, estimated Soviet dollar costs would be 25 percent higher than US outlays in 1980 and 55 percent higher for the period as a whole.)

SUPPORT FORCES

This mission includes the logistic, training, administrative, base-operating, and other support activities required by the combat forces. While US outlays for this mission fell until 1977, the estimated dollar costs for Soviet support forces grew over the period, largely as a result of the growth of the other major missions. In 1971 the estimated Soviet costs were only two-thirds those of the United States, but they have been approximately equal since the mid-1970s.

INVESTMENT COSTS BY MISSION

Figure 6 shows the distribution of dollar investment (procurement and construction) costs within the strategic and general purpose missions over the 1971–80 period. Slightly less than half of the estimated dollar cost of investment for Soviet strategic forces was for the intercontinental attack forces. Strategic defense accounted for a quarter and peripheral attack for about an eighth. Almost two-thirds of the US investment outlays for strategic forces were for intercontinental attack forces.

Land forces accounted for slightly less than half of the estimated dollar costs for investment in the Soviet general purpose mission. Tactical air forces and naval forces each accounted for about one-fourth. In contrast, the tactical air component accounted for the largest share (about 45 percent) of US general purpose investment. Naval forces accounted for one-third; land forces, a fifth.

OTHER AGGREGATE DOLLAR COMPARISONS

If uniformed personnel costs (which are based on U.S. pay rates) are excluded from both sides, the estimated dollar costs of Soviet defense activities exceeded U.S. outlays by 30 percent over the period and by 40 percent in 1980. It should be noted that these personnel costs are not defined the same as those often reported by the Department of Defense. The personnel costs here include only compensation for uniformed military personnel. Compensation for civilians and retirees is excluded from this category. U.S. uniformed personnel costs are about one-fourth of total U.S. outlays (when civilians and retirees are included the share is over 50 percent); Soviet estimated dollar personnel costs are about one-third of the estimated total cost.

Aggregate comparisons including military pensions are not highlighted in this paper because pensions are considered to be the cost of past rather than current defense activities. Nevertheless, we do make detailed estimates of Soviet retirement pay. Our estimate of the dollar cost of Soviet retirement was about $8 billion for 1980; U.S. outlays for retirement were approximately $11 billion. The U.S. figure is higher despite the currently smaller U.S. manpower force for two reasons: (1) there are few enlisted men in the Soviet retirement pool, and (2) Soviet officers typically serve longer than their U.S. counterparts before retiring. In fact, because of the demographic history of the Soviet military, there were few military retirees before the 1970s. If we add the dollar cost of retirement to both sides, the estimated total dollar costs of Soviet defense activities would be about one-third more than U.S. outlays over the period and 45 percent more in 1980.

Finally, if RDT&E cost estimates (which are less reliable than those for other activities) are excluded from both sides, the estimated Soviet dollar cost exceeds the U.S. total by 35 percent for the period and by 45 percent in 1980.

OTHER FINDINGS

Manpower: Our dollar cost comparisons of Soviet and U.S. defense activities reflect large differences in the military manpower levels of the two countries. Over the 1971–80 period, the U.S.S.R. has maintained a larger standing force than the United States. The uniformed personnel strength of Soviet forces in 1980 was approximately 4.3 million—about twice the U.S. level. Soviet figure includes the five armed services of the Ministry of Defense and the Border Guards, which are subordinate to the Committee for State Security but have military responsibilities.

We include in this accounting only those Soviet personnel who fill what in the United States are considered to be national security roles. Thus, we do not include military personnel assigned to Military Construction Troops, Railroad Troops, Civil Defense Troops, are militarized security forces of the Ministry of Internal Affairs. (These categories total almost a million men.)

We estimate that Soviet military manpower grew by 400,000 men between 1971 and 1980. The largest increase—250,000 men—occurred in the Ground Forces. In contrast, the level of US military manpower fell in every year of the period except 1980. The US total was 2.8 million men in 1971 and 2.1 million in 1980.

[5] Backfire aircraft assigned to Long Range Aviation are included in peripheral attack forces, and those assigned to the Navy are included in general purpose forces.

FORCES OPPOSITE CHINA

The USSR structures its forces not only for a major East-West war but also for a possible conflict with China. Over the 1971–80 period, between 10 and 15 percent of the estimated dollar cost of Soviet defense activities (excluding RDT&E) was for units that we believe have a primary mission against China. Of course, some of these forces also could be used to meet other contingencies.

COMPARISONS WITH PREVIOUS ESTIMATES

Estimates of the dollar costs of Soviet defense activities for the entire period are revised each year to take into account new information and new assessments of the size, composition, and technical characteristics of the Soviet forces and activities, as well as refinements in costing methodologies. The US data used for comparative purposes are similarly revised each year to take into account changes in The Five-Year Defense Program and the Defense Planning and Programing Categories. In contrast to our practice in previous editions of this paper, however, we have not updated the price base; the base this year, as last, is calendar year 1979 prices.

This year's estimate of the dollar cost of Soviet defense activities for 1979 is about $4 billion higher than the estimate for that year in last year's paper. Approximately half of the increase results from an improved estimate of construction activities. Although our cost factor remained about the same, we now have a better understanding of the extent of construction work at military facilities built during the period. The rest of the increase results from higher estimates for procurement (primarily aircraft and ships) and O&M (primarily facility maintenance).

METHODOLOGY

Definitions—

The following U.S. activities and their Soviet counterparts are included in the cost comparisons in this report:

National security programs funded by the Department of Defense.

Defense-related nuclear programs funded by the Department of Energy.

Selective Service activities.

The defense related activities of the Coast Guard.

The following are excluded from the comparisons:

Military retirement pay, which reflects the cost of past rather than current military activities.

Soviet space activities that in the United States would be funded by the National Aeronautics and Space Administration.

Military assistance (except for the pay and allowance of uniformed personnel) and foreign military sales.

Civil defense programs.

Veterans' programs.

Soviet Internal Security Troops, who perform police functions, and Soviet Railroad and Construction Troops who are not directly involved in national security matters.

PROCEDURES FOR ESTIMATING THE DOLLAR COSTS

The dollar costs of all Soviet defense activities except RDT&E are developed by identifying and listing Soviet forces and their support apparatuses. Our model contains a description of about 1,100 distinct defense components—for example, surface ships, ground force divisions, and air regiments—and our latest estimates of the order of battle, manning, equipment inventories, and new equipment purchases for those components.

To detailed estimates of physical resources, we apply appropriate U.S. prices and wage rates. This procedure is complex, but in general we do the following:

For procurement, we estimate what it would cost to build equivalent items in the United States at prevailing dollar prices for materials and labor, using U.S. production technology and practices and assuming the necessary plants and supplies would be available. Thus, the dollar costs are based on U.S. manufacturing efficiencies.

For operation and maintenance, we apply dollar prices to estimate the labor, materials, spare parts, overhead, and utilities required to operate and maintain equipment the way the Soviets do.

For military personnel, we first estimate the military rank of the person in the United States who would be used to perform the functions of each Soviet billet and then apply the appropriate US pay and allowance rates to that job.

The costs of duplicating the Soviet RDT&E effort in the United States are estimated in the aggregate by converting an estimate of their ruble costs into US dollars.

Our estimates of future dollar costs for the 1981–85 period are based on the evidence of current Soviet weapons production and testing and the construction of production and R&D facilities.

US dollar cost data are expressed in outlays derived from The Five-Year Defense Program issued by the Department of Defense in September 1980 and the US budget for fiscal year 1981. The US data are converted from fiscal year to calendar year, and defense-related activities of the Department of Energy, the Coast Guard, and the Selective Service are added. The outlays for each year are converted to their equivalent in 1979 dollars using detailed price indexes for each type of military expenditure. Because of these adjustments, the US figures in this report differ from published budget appropriations. US outlays for 1980 are estimated.

CONFIDENCE IN THE DOLLAR ESTIMATES

The reliability of the estimates depends on our ability to measure accurately the levels of Soviet defense activities and to determine accurate cost factors to apply to that data base. We believe that the dollar cost estimate for total defense activities is unlikely to be in error by more than 15 percent for each year over the 1971–80 period, but the uncertainty attached to both the level and trend for the mid-1980s is substantially greater. The margin of error can be more or less than 15 percent for some of the individual items and categories. Our individual estimates, while unbiased, are subject to random errors; some will be too high and some will be too low. We have greater confidence, however, in our aggregate estimates because these errors tend to cancel each other when the data are aggregated. For essentially the same reason, we are generally more confident in data that represent trends rather than absolute levels.

We place our highest confidence in the estimate of personnel costs, which account for about 35 percent of the total estimated dollar cost of Soviet defense activities for the 1971–80 period. We also have substantial confidence in our estimate of total military procurement, which represents about 25 percent of the estimated total dollar costs. Although we are somewhat less confident in our estimates of operation and maintenance costs, we believe we have made substantial improvements in the last few years, particularly for ships, aircraft, and facilities. O&M costs are about 20 percent of the total. Our estimate for Soviet construction costs (about 5 percent of the total) has been revised for this paper, and our confidence in its accuracy is substantially higher than in previous years.

The estimated dollar costs for Soviet RDT&E is derived in the aggregate using a less certain methodology and should be considered as significantly less reliable than the estimated costs for the other categories. On the basis of our considerable research into Soviet RDT&E activities, however, we believe that both the relative magnitude and trend of our dollar cost estimates for RDT&E are generally correct. RDT&E costs are about 15 percent of the total.

STRENGTHS AND WEAKNESSES OF DOLLAR COST ESTIMATES

Summary comparisons of US and Soviet defense activities are difficult because they require aggregation of dissimilar elements of each country's military force. A measure is needed that can represent the importance of each element. With such a measure, these disparate elements can be summed and compared. This paper uses the dollar as that measure because it is familiar to US policymakers and because US defense planning is generally done in dollar terms. We also make aggregate comparisons of Soviet and US defense activities in rubles.[6] The results of these calculations show that the estimated ruble cost of Soviet defense activities is 30 percent more than the estimated ruble cost of US defense activities for each of the last few years (compared to 50 percent when measured in dollars).

Dollar cost can be used to compare the overall magnitudes and trends of the defense activities in two countries in terms of resource inputs. They have an important advantage over many other input measures—such as the number and types of weapons—in that they permit aggregate comparisons. Dollar cost valuations, for example, take into account differences in the technical characteristics of military hardware, the number and mix of weapons procured, manpower strengths, and the operating and training levels of the forces.

Dollar valuations, however, still measure input rather than output and should not be used as a direct measure of the relative effectiveness of U.S. and Soviet forces. Assessments of capability must take into account strategic doctrine and battle scenarios; the tactical proficiency, readiness, and morale of forces; the numbers and effectiveness of weapons; logistic factors; and a host of other considerations. Thus, while dollar valuations can portray changes in the military emphasis of a nation's forces over time, they are not sufficient alone to compare the capabilities of U.S. and Soviet forces.

Dollar costs do not measure actual Soviet defense spending, the impact of defense on the economy, or the Soviet perception of defense activities. These issues are more appropriately analyzed with ruble expenditure estimates.

DOLLARS OR RUBLES: THE MILITARY ESTIMATES

The Soviet Union spends much more money on defense than the United States does, according to estimates by the Central Intelligence Agency. These estimates are an important factor in the push by the Department of Defense and the Congress for ever

[6] To estimate the ruble cost of US defense activities, we must put a ruble price on each of these activities. Pay and allowances are costed directly by dividing each service into 21 ranks from general to private. The US manpower in each rank is multiplied by ruble rates of pay, travel, clothing, and other allowances. US RDT&E, procurement, construction, and operation and maintenance are calculated using dollar-to-ruble conversion factors. The dollar value of each of the US resource accounts is multiplied by the appropriate conversion factor. These factors themselves are each value weighted, reflecting the importance of different components of that particular acount. The conversion factors also take into account those areas where we judge US weapons have a significant technological or qualitative advantage.

greater U.S. military expenditures. But the CIA's calculations are performed in such a way that they substantially exaggerate Soviet military spending relative to our own. In fact, contrary to the Agency's claims, the corrected figures indicate that the Soviet Union has not been outspending the United States.

Central Intelligence Agency estimates of Soviet military spending are needed for two reasons: the Soviet Union publishes only one figure for defense spending, a figure which undoubtedly understates the Soviet military effort; and even if the Soviets published a comprehensive figure for defense spending in rubles, it would not be very useful because the ruble exchange rate is not a meaningful basis for converting rubles into dollars or into any other Western currency.

The CIA uses a so-called "building block" approach to eliminate quantities of everything included in defense—numbers of soldiers, tanks, guns and so on—and values these at U.S. wages and prices, correcting where possible for differences in quality. The quantities are taken from or based upon published Soviet sources, satellite reconnaissance photos and other intelligence sources. The resulting estimate of Soviet defense expenditures in dollars presumably represents what it would cost the United States to reproduce the Soviet defense effort.

These estimates are usually taken, for lack of a better measure, as proxies for military capability. As such, they are deficient, since the performance and effectiveness of armed forces are not necessarily proportional to the cost of their inputs. This expedient is admitted by the CIA and, for present purposes I have accepted it.

The CIA also acknowledges that a comparison of U.S. and Soviet defense (or any other sector) expenditures in dollars tends to exaggerate—in the sense that it provides an upper limit—Soviet expenditures. By the same token, a comparison in rubles would tend to exaggerate U.S. defense (or other) expenditures. This is the well-known index number effect and it is substantial when nations are at different stages of development, produce different proportions of goods and have different relative prices. The Soviet defense establishment buys comparatively more manpower than the United States whereas the United States buys comparatively more equipment. This is because, in the words of former CIA Director Admiral Turner, "Military hardware is much more expensive than manpower in the Soviet Union while in the United States manpower is relatively more expensive than hardware" (1, p. 71). Thus the Soviet 4.5-million-man army appears extraordinarily expensive, priced at U.S. volunteer army pay rates plus upkeep of more than $10,000 a man. Similarly, high ruble prices for hardware would exaggerate the more capital-intensive U.S. defense establishment.

Where there is a substantial index number effect, the usual procedure is to calculate expenditures in both rubles and dollars and present the results either as a range or as the geometric mean of the two. For, as the CIA admits, the ruble measure is as valid as the dollar. The two currencies simply represent different but equally valid measuring rods.

The first source of bias, then, is the almost exclusive use by the CIA of dollar comparisons between U.S. and USSR defense expenditures.

How large are Soviet/U.S. index number effects, that is, spreads? The figures in the table are selected from a Soviet/U.S. gross national product comparison by the CIA for 1976, published in October 1979.

In these figures, the CIA shows a defense index number spread of 1.11 (column 3), with the Soviet Union outspending the United States by 44 percent (column 2) in dollars and by 29.2 percent (column 1) in rubles. In Congressional Hearings, using similar figures for this and other years, Directors Colby and Turner have argued that the relative picture is changed very little by ruble measurements. If these figures are correct, the CIA is right. However, perusal of the remaining figures shows (with the exception of the tiny sector of administration where expenditures are similar, that is, labor intensive with an absence of index number effects) that the spreads average 1.49 for the whole GNP, and all other sectors exceed 1.29. There is, in fact, no reason to believe that the defense sector should have a lower spread than other sectors. If, for example, the defense spread were 1.30, and the Soviet Union were outspending us by 44 percent in dollars, then it would be outspending us by only 11 percent rather than 29.2 percent in rubles. If the spread were larger than 1.30, the ruble figure would be even less than 11 percent. It would therefore make a big difference whether rubles or dollars were being used, contrary to the testimonies by Colby and Turner.

INDEX NUMBER EFFECTS IN CIA COMPARISON OF UNITED STATES-U.S.S.R. EXPENDITURES (1976)

	In rubles[1]	In dollars[1]	Dollars and rubles
GNP	0.495	0.737	1.49
Consumption	.352	.543	1.54
Investment	1.076	1.403	1.30
Administration	.571	.602	1.05
Defense and space	1.292	1.440	1.11
Other	.500	.647	1.29

[1] Ratio of U.S.S.R./United States.

Source: T. Edwards, M. Hughes, J. Noren, "U.S. and U.S.S.R.: Comparisons of GNP," in Soviet Economy in a Time of Change. 1, Joint Economic Committee, U.S. Congress (Washington, D.C., 1979), p. 378.

There is a good reason why the CIA's ruble valuation yields such a relatively small index number effect. Comparison is based, for lack of data, on a disaggregation of defense expenditures into only about 10 categories. It is well-known, and admitted by the CIA, that the higher the level of aggregation, the lower the index number spread (1, 1975, p. 24). Since many thousands of products are brought by the two defense establishments, the small number of categories must yield a large distortion. It can be shown from CIA data that increasing the number of expenditure categories five-fold, from two to 10, doubles the index number spread [2]. My guess is that increasing the number of categories 100-fold (to 1,000) would raise the spread to at least the level of other major sectors, that is, to 1.29 or more. This would substantially lower the USSR-U.S. expenditure ratio in rubles.

The second source of bias, then, is the fact that not only does the CIA not make official defense expenditure comparisons in rubles, but the unofficial comparisons they do make contain a strong upward bias regarding the level of Soviet expenditures (3).

A third source of bias is CIA over-valuation of Soviet military personnel. International comparisons usually attempt to adjust prices for differences in the quality or complexity or size of the products being compared. Similarly, an adjustment is needed to pay scales if there are significant differences in the background, training and capabilities of personnel. Colby says that "In the case of labor services in health and education, we apply a 20 percent quality discount based on a consideration of standards of training (for example, the number of years devoted to the training of doctors and teachers)" (1, 1975, p. 85).

The CIA makes no adjustments for quality or for cost of training in its dollar valuation of the Soviet armed forces. Yet about twice as high a percentage of Americans complete high school as Russians; the same is true of college. In my opinion, this is partially, but not entirely, offset by the fact that our volunteer army has become less representative of the general population than Russian draftees are of theirs. Moreover, Soviet schools are of lower quality than our own. As Colby notes, Soviet teachers are sufficiently less well-trained than our own to warrant a 20 percent pay discount. Soviet schools are also less well-equipped and the system has a higher percentage of rural schools which, in both countries, provide a lower level of education. The point is that those recruited into the U.S. Army have received a greater investment in human capital than those inducted into the Soviet army. It is true that many Soviet inductees receive some pre-military training, but this can hardly compensate for the much broader experience with equipment of all kinds with which under-18-year-olds in the United States are provided by our consumer-rich society. For example, how many Soviet teenagers know how to drive an automobile? Not many!

There are other approaches to the military pay question:

The U.S. Armed Forces are much more capital-intensive than those of the Soviet Union. The implication of this is that: "Since the Russians use a higher ratio of manpower to other inputs, it seems a mistake to attribute to all those soldiers the corresponding "dollar's worth" of contribution to military strength that they get in the dollar valuation of Soviet national security expenditures" (4).

American military equipment tends to be of higher quality and technology than Soviet equipment. On this basis, a scholarly estimate of East European military expenditures values enlisted personnel in Eastern Europe, in dollars, at 75 percent of those in the United States, to reflect the relatively lower technical qualifications required of them (5). An analogous adjustment is required in the Soviet case.

Anyone familiar with the structure of the Soviet economy knows that, given similar or identical factories in the two countries, there are always many more workers in the Soviet than in the American factory. This relationship probably characterizes a good part of the two nations' armed forces. The implications of this for relative pay scales has already been noted.

According to the CIA (1, 1974, p. 33), U.S. armed forces spend more than twice as much per soldier on military operating costs—maneuvers and the like—as do the Soviet armed forces, and turn out a much better trained soldier.

While it is impossible to put a precise figure on the pay discount which should be applied to Soviet military personnel, we arbitrarily adopt the same 20 percent discount that Colby applied to Soviet doctors and teachers. This adjustment removes perhaps one-fourth of the differences in the defense expenditures between the two nations measured in dollars: a somewhat smaller fraction in rubles.

A fourth source of bias has to do with U.S. estimates of Soviet expenditures on military equipment. The CIA attempts, to the extent possible, to adjust for the "physical and performance characteristics of the individual weapons" when costing Soviet military equipment. This procedure is called "Sovietizing." In response to a question by Senator Proxmire in the 1975 Joint Economic Committee Hearings, Colby said: "To the extent that we are not able to 'Sovietize,' and U.S. weapons used in the cost estimating methodology are more complex, our estimates tend to overstate the costs of producing the Soviet design. *This is probably the general case* [italics supplied]" (1, 1975, p. 83). Thus, Colby admits there is a systematic upward bias in the valuation of Soviet equipment.

How large a bias it is difficult to say. We know, for example, that Soviet enterprises which export manufactured products have received subsidies recently averaging some 40 percent of domestic price to cover "the additional costs of meeting world quality standards" (6). We also know that many Soviet manufactured goods are offered on world markets at substantial discounts: for example, transformers, 30 percent; machine tools, 40–50 percent; turbines and compressors, 40–50 percent; color TV, 25–31 percent (7).

While these magnitudes are suggestive, we have no precise information on what percentage of Soviet military equipment is overvalued and by how much. It may well be, however, that overvaluation of Soviet military equipment is in the same range as that of Soviet civilian equipment. Referring to this problem, the U.S. Arms Control and Disarmament Agency says:

"Whether this type of bias may be more or less prevalent in the military sector than in the economy as a whole is difficult to judge. On the one hand, Soviet efforts to eliminate any quality gap may be greater than in other fields. On the other hand, the qualitative and technological disparity may be larger and more difficult to overcome in the military sector due to a greater relative prevalence of innovations on the technological frontier" (8).

In light of this judgment and of the fact that the former director of the CIA admits that quality over-valuation is the "general case," one can only conclude that both dollar and ruble estimates of Soviet defense expenditures contain a significant upward bias.

It is paradoxical to read in the Joint Economic Committee Hearings for various years that, according to the CIA, the Soviet Union has been regularly producing and deploying more military equipment than we have, and has almost twice as much military manpower; yet the predominant opinion of participants is that the United States is still the stronger power. The resolution of this paradox is not hard to find. Clearly the basis for this view is the superior quality and technology of U.S. equipment. Unfortunately, this crucially important factor is not captured in CIA estimates.

A major reason why the CIA did not make an official ruble comparison of defense expenditures until October 1979 is because "while virtually all of the Soviet inventory of weapons falls within U.S. production technology, the Soviets simply do not have the technology required to produce many of the U.S. weapons nor could they produce close substitutes . . . [1, 1977, p. 40.]* Under these circumstances, it is impossible to find an actual ruble price by which to value high-technology U.S. military equipment.

The CIA procedure in their unofficial calculations, has been to use ruble prices "applicable to the closest substitute goods which can be produced in both economies" [1, 1977, p. 40]. What this means is that the CIA ruble calculation values high technology American equipment at ordinarily high Soviet ruble prices, but not at what Colby described as prices which are so high as to be "almost uncountable," [1, 1975, p. 24] and another CIA spokesman referred to as "theoretically infinite" [1, 1975, p. 91]. No wonder U.S. defense expenditures calculated in rubles are estimated to be less than those of the Soviet Union. If a properly high ruble price tag could be put on that part of the U.S. high technology beyond normal Soviet capabilities, the American defense package would certainly cost the Russians more to produce than their own; or it might well be that they could not produce our defense package at any cost.

*An ambiguous statement quoted from Admiral Turner suggests that approximately 30 percent of our weapons are currently (1977) beyond Soviet technology [1, 1977, p. 87].

The fallacy of the CIA procedure is that the very dimension of the arms race in which the United States has the greatest advantage, namely, advanced technology—which dimension makes much of the difference between military superiority and inferiority—is enormously undervalued. In fact, significant technological superiority is given a zero price instead of the "almost uncountable" or often "infinite" price the CIA admits it should have. The CIA ruble calculation implicitly asks: Which country's defense package would cost the Soviet Union more to produce, assuming U.S. equipment is not technologically superior? This question is a proxy for: Which country's defense package is stronger assuming the U.S. has no lead in weapons technology? This is like asking: Would Wilt Chamberlain have been a greater basketball player than most if he had been a foot shorter?

All of these sources of bias are admitted by the CIA although, except for the first reason, only informally under pressure of Congressional quizzing. More generally, however, in these estimates the CIA has to make hundreds of choices into which errors can creep—such as in the interpretation of quantities of weapons from satellite photographs, dollar costing of Soviet equipment, evaluation of other types of intelligence information on military expenditures, etc. One wonders if a similar bias, conscious or unconscious, infects these choices. It seems a reasonable assumption that most such choices are colored by what might be called an "asymmetric loss function" bias. That is to say, those working for the U.S. government on U.S.-USSR military expenditure comparisons are likely to view the danger from underestimating Soviet military output as greater than the danger (or loss) from overestimating. Overestimating would, at worst, simply lead us to waste another $10 or $20 billion worth of resources trying to catch up; underestimating could result in military inferiority or even defeat.

The CIA has been admitting each year to a possible error of plus or minus 15 percent in its dollar estimates (1, 1977, p. 39). In light of the postulated "asymmetric loss function," I would argue that a 30 percent error range is more likely to be skewed from plus-25 to minus-5 percent. (One might be a little skeptical even of the admitted 30 percent error range in light of the CIA admission in 1977 that for 10 years they had been 100 percent off in their estimate of ruble prices of defense equipment (1, 1977, p. 17).)

What does all this add up to? Not being privy to the CIA archives, one can only try to make reasonable guesses. My own rough estimates are as follows (2):

The CIA claimed that in 1977 Soviet military expenditures exceeded those of the United States by 40 percent in dollars and, unofficially, by 25 percent in rubles. My calculations suggest that, in dollars, Soviet expenditures exceeded those of the United States by 20 to 25 percent; but in rubles, the USSR was spending between 70 and 80 percent of what the United States was spending. These calculations do not take account of the asymmetric loss function bias. Taking this into account might well reduce the Soviet lead in dollars to, say, 10 to 15 percent and increase the Soviet deficiency, measured in rubles to, say, 60 to 70 percent. Taking both ruble and dollar measures into account, it seems clear that one cannot make a strong case that either nation is outspending the other on defense. It all depends on which measuring rod one uses, and one is as good as the other.

Even as U.S. government specialists rely on dollar calculations to make the defense expenditure comparison, so Soviet specialists probably calculate U.S. defense expenditures in rubles for comparison purposes. Thus each nation will view the other as devoting more resources to defense. If both nations want parity in expenditures and if, in fact, they achieved parity (measured, say, as a geometric mean of dollar and ruble comparisons), each would still feel that it was behind and would increase expenditures in order to catch up.

Fleshing this out, Americans tend to see the Russians with a larger army than ours and also each year producing many types of weapons in greater quantity than we do. The "ruble's eye view" finds the Soviets viewing a competitor whose military spending is only 5 percent of its GNP, in comparison with their own much larger burden of 11 to 13 percent, and yet is producing many weapons of superior technology, higher quality weapons at the same technological level, and at the same time has better-trained armed forces. This may well be a major impetus behind the estimated steady increase in Soviet defense spending over the past decade.

There are undoubtedly many who will not be persuaded by these arguments. They will remain convinced that the Russians are ahead and therefore we must increase our defense expenditures. But the implication of my calculations, if correct, is that it is not greater defense spending that we need, but a better and wiser use of our funds. For we have been spending as much as or more than the Russians and inferiority, if there is such, must be attributed to either production inefficiency or misdirection of expenditures on our part.

While this analysis has been restricted to U.S.-USSR comparisons, much of it is valid for military expenditures by the NATO nations, on the one hand, and the Warsaw Pact nations on the other. If anything, this comparison should be at least as important as the U.S.-USSR comparison in our defense spending decisions. That is not highlighted by the CIA and the Department of Defense is undoubtedly due to the fact that NATO outspends the Warsaw Pact even in dollars. Generally accepted dollar estimates for 1978, for example, show NATO spending at $180 billion in comparison with the Pact total of $160 billion [9]. In rubles, and taking account of various qualitative factors mentions above, as they apply in this enlarged comparison, NATO's expenditure superiority would be still greater [10].

The CIA, in my view, does a serious disservice to our policy-makers and to the American public by presenting such biased and misleading dollar comparisons of American and Soviet, as well as of NATO and Warsaw Pack military expenditures. Dollar and ruble figures, correctly estimated (biases removed) should both be presented—or neither should be.

REFERENCES

1. U.S. Congress, Joint Economic Committee, *Allocation of Resources in the Soviet Union and China* (1978).

2. P. D. Holzman, "Are the Soviets Really Outspending the U.S. in Defense?," *International Security* (Spring 1980).

3. These defense and space figures for 1976 represent the first time in at least a decade that both dollar and ruble comparisons have been presented officially by the CIA. Previously, only official dollar calculations have been presented. "Unofficial" and "casual" ruble comparisons have been elicited under pressure of questioning in Congressional Hearings by legislators like Senator Proxmire, who are aware of the index number effect. Unfortunately, these Congressmen have not been familiar enough with U.S.-USSR comparisons to realize that the CIA's index num-

ber spreads for Defense have been suspiciously low.

4. R. Campbell, M. Earle, H. S. Levine, F. Dresch, "Methodological Problems Comparing the U.S. and USSR Economies," *Soviet Economic Prospects for the Seventies*. Joint Economic Committee, U.S. Congress (Washington, D.C., 1973).

5. T. Alton, G. Lazarcik, E. M. Bass, W. Znayenko, "Defense Expenditures in Eastern Europe, 1965–76," East European Economies, Post-Helsinki, Joint Economic Committee, U.S. Congress (Washington, D.C., 1977).

6. V. Treml and B. Kostinsky, *Soviet Foreign Trade and Domestic Pricing*, Foreign Demographic Analysis Division, U.S. Department of Commerce (forthcoming).

7. Paul Fricson, "Soviet Efforts to Increase Exports of Manufactured Products to the West," *Soviet Economy in a New Perspective*, Joint Economic Committee (Washington, D.C., 1976)

8. U.S. Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers*, 1963–1977 (Washington, D.C., Oct. 1979).

9. This is because other NATO nations spent $78 billion in 1978, while other Warsaw Pact nations are estimated to have spent only $12 billion. *Wall Street Journal*, Feb. 1, 1980.

10. From the Soviet standpoint, Chinese military expenditures should probably be added to NATO's.

SUBMISSION OF STATEMENT FOR SENATOR WILLIAMS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the Senator from New Jersey (Mr. WILLIAMS).

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LITHUANIAN INDEPENDENCE

Mr. WILLIAMS. Mr. President, today marks the 63d anniversary of the reestablishment of an independent Lithuania and the 730th anniversary of the founding of the Lithuanian state.

Lithuania was one of the first countries to suffer from the aggressions of Hitler and the Soviet Union. When the outbreak of World War II seemed close at hand, Lithuania attempted to maintain neutrality, but was gradually engulfed. The eloquent testimony of Lithuania's fierce resistance to Communist rule is in the numerous arrests, executions and exiles during the years of Soviet domination. Over 45,000 brave Lithuanians died during this period, while the remaining population survived to continue resisting the oppressors. On June 14, 1941, 30,000 members of the Lithuanian intelligensia were deported and 5,000 political prisoners were executed when Soviet troops retreated under German attack. A few days later, Nazi troops overran Lithuania and executed a horrifying number of Lithuanians. During the Nazi occupation, a colonization policy was implemented and thousands of German families settled in Lithuania, and some are still present in this area today.

The Lithuanian struggle for their homeland has not stopped. Many Lithuanians active in anti-Soviet resistances of the 1940's have spent much of their lives in Soviet concentration camps as criminals, guilty of humane and religious activities. Lithuanians have been harassed, searched, and interrogated for numerous activities including participation in the production of the chronicle of the Catholic Church in Lithuania. For example, Viktoras Petkas, a prominent member of the anti-Soviet movement, has been arrested and charged with anti-Soviet agitation and propaganda. He was sentenced to ten years hard labor and five years of enforced exile. Viktoras Petkas was designated "prisoner of conscience" by Amnesty International and in 1979 was nominated for the Nobel Peace Prize. In recognition of Mr. Petkas and other examples of heroism, Congress passed a resolution last year urging the United States to seek free elections and independence for Lithuania and other Baltic States.

Although faced with overwhelming odds and imminent annihilation, the Lithuanians have fought for 40 years against the destruction and Russification of their ethnic and linguistic heritage. They have succeeded in maintaining their rich ties to Catholicism although the Soviet Union has attempted to expropriate church property.

The Lithuanian people clearly show the world the indestructibility of the human spirit. Their will to attain independence and their desire to preserve their culture cannot be restrained by the political bondage imposed by the Soviet Union.

Today, Mr. President, it is important that we recognize the spirit of these people. Americans should once again express their admiration and hope for Lithuania and join together in support for Lithuanian efforts to obtain the freedoms which they have been so unjustly denied.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of February 6, 1981, the Secretary of the Senate on February 10 and 13, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on February 10 and 13, 1981, are printed at the end of the Senate proceedings.)

WITHDRAWAL OF 33 RESCISSION PROPOSALS—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT—PM 30

Under the authority of the order of the Senate of February 6, 1981, the Secretary of the Senate, on February 13, 1981, received the following message from the President of the United States, together with accompanying documents; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on Labor and Human Resources, and the Select Committee on Small Business:

To the Congress of the United States:

I hereby withdraw the 33 rescission proposals transmitted to the Congress by the Carter Administration on January 15, 1981 totalling $1,142.4 million and temporarily convert them to deferrals. A list of the withdrawn rescission proposals is attached.

The conversion to temporary deferrals will provide my Administration with the opportunity to review and revise these proposals within the context of my overall plan to curtail the growth of government and reduce Federal spending.

In addition, I am reporting four other new deferrals totalling $8.0 million and a revision to a previously transmitted deferral increasing the amount deferred by $51.1 million. These four new items involve programs in the Departments of the Interior and Transportation and the International Communication Agency. The revision to the existing deferral involves the Department of the Treasury.

The details of the deferrals are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, *February 13, 1981*.

ENROLLED BILL PRESENTED

The Secretary of the Senate announced that on February 6, 1981, he had presented to the President of the United States the following enrolled bill:

S. 272. An act to increase the membership of the Joint Committee on Printing.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–344. A communication from the Administrator of the Rural Electrification Administration, Department of Agriculture, transmitting, pursuant to law, notice of the approval of an REA loan and a commitment to guarantee a non-REA loan to the New Hampshire Electric Cooperative, Inc., of Plymouth, N.H., for new generation facilities and transmission support payments; to the Committee on Agriculture, Nutrition, and Forestry.

EC–345. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually; to the Committee on Agriculture, Nutrition, and Forestry.

EC–346. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the annual report on activities under the food-for-peace program for fiscal year 1979; to the Committee on Agriculture, Nutrition, and Forestry.

EC–347. A communication from the Clerk of the U.S. Court of Claims, transmitting, pursuant to law, a copy of the court's judgment in the case of *The San Carlos Apache Tribe of Arizona, et al.* v. *The United States*, No. 22–H; to the Committee on Appropriations.

EC–348. A communication from the Chief of the Legislative Division, Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, reports concerning military construction contracts awarded by the Air Force without formal advertisement for fiscal year 1980; to the Committee on Armed Services.

EC–349. A communication from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, notice of a study with respect to converting the commissary shelf-stocking and custodial function at Barksdale Air Force Base, La., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–350. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, notice of a study with respect to converting the family housing maintenance function at Fairchild Air Force Base, Wash., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–351. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Performance of CHAMPUS Fiscal Intermediaries Need Improvements"; to the Committee on Armed Services.

EC–352. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, notice that the Department of the Navy intends to exercise a provision of law for the exclusion of the clause for examination of records by the Comptroller General; to the Committee on Armed Services.

EC–353. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report concerning the Department of the Air Force's proposed letter of offer to Somalia for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–354. A communication from the Chief of the Legislative Division, Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on experimental, developmental, and research contracts of $50,000 or more, by company, for the period July 1 through December 31, 1980; to the Committee on Armed Services.

EC–355. A communication from the Acting Assistant Attorney General of the United States (Civil Rights Division), transmitting, pursuant to law, the report on the administration of the Equal Credit Opportunity Act for calendar year 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC–356. A communication from the Acting Assistant Administrator of the National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, notice of the designation of a marine sanctuary in certain waters around Gray's reef off the coast of Georgia; to the Committee on Commerce, Science, and Transportation.

EC–357. A communication from the Acting Assistant Administrator of the National Oceanic and Atmospheric Administration, Department of Commerce, transmitting pursuant to law, notice of the designation of a marine sanctuary in certain waters around the Point Reyes-Farallon Islands area; to the Committee on Commerce, Science, and Transportation.

EC–358. A communication from the Secretary of the Federal Trade Commission, transmitting certain enclosures that were omitted from a previously submitted communciation (EC–282) concerning games of chance; to the Committee on Commerce, Science, and Transportation.

EC–359. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, a proposed boundary revision for the Ice Age National Scientific Reserve, Wisconsin; to the Committee on Energy and Natural Resources.

EC–360. A communication from the Secretary of Energy, transmitting notice that the submission of the national energy policy plan will be delayed past the April 1 deadline because of substantial changes to be made; to the Committee on Energy and Natural Resources.

EC–361. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on an application for repayment of excess gas royalties by the Shell Oil Co.; to the Committee on Energy and Natural Resources.

EC–362. A communication from the Acting Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on sales of refined petroleum products and sales of retail gasoline for October 1980; to the Committee on Energy and Natural Resources.

EC–363. A communication from the Secretary of Commerce transmitting, pursuant to law, the annual report of the Economic Development Administration for fiscal year 1980; to the Committee on Environment and Public Works.

EC–364. A communication from the chairman of the House Committee on Energy and Commerce, transmitting, pursuant to law, notice that he will serve as the representative of the House of Representatives on the Commission on Air Quality; to the Committee on Environment and Public Works.

EC–365. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the report of the Department of Defense on compliance with the Architectural Barriers Act of 1968, as amended; to the Committee on Environment and Public Works.

EC–366. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the reports of the General Services Administration, the Postal Service, and the Department of Housing and Urban Develoement on compliance with the Architectural Barriers Act of 1968, as amended; to the Committee on Environment and Public Works.

EC–367. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the Department's report on the State Medicaid Program; to the Committee on Finance.

EC–368. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Millions Can Be Saved by Identifying Security Income Recipients Owning Too Many Assets"; to the Committee on Finance.

EC–369. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the Treasury combined statement of receipts, expenditures, and balances of the U.S. Government for the fiscal year ended September 30, 1980; to the Committee on Finance.

EC–370. A communication from the Assistant Legal Adviser for the Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to February 5, 1981; to the Committee on Foreign Relations.

EC–371. A communication from the Acting Administrator of the Agency for International Develoement, transmitting, pursuant to law, the report of the Inspector General of the Agency for International Develoement for fiscal year 1980; to the Committee on Foreign Relations.

EC–372. A communication from the Assistant Administrator of the Agency for International Development, transmitting, pursuant to law, a report on the progress in carrying out the recommendation for the use of funds for bilateral development assistance for the countries of the eastern Caribbean; to the Committee on Foreign Relations.

EC–373. A communication from the Acting Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the report on the disposal of foreign excess property by NASA for fiscal year 1980; to the Committee on Governmental Affairs.

EC–374. A communication from the Assistant Attorney General of the United States (Administration), transmitting, pursuant to law, the report on the disposal of foreign excess property by the Department of Justice for fiscal year 1980; to the Committee on Governmental Affairs.

EC–375. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, revised systems of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–376. A communication from the Director of the International Communication Agency, transmitting, pursuant to law, the report on the disposal of excess foreign property by the International Communication Agency for fiscal year 1980; to the Committee on Governmental Affairs.

EC–377. A communication from the Vice Chairman of the Board of Governors of the U.S. Postal Service, transmitting, pursuant to law, the annual report of the Board of Governors on compliance with the Government in the Sunshine Act for calendar year 1980; to the Committee on Governmental Affairs.

EC–378. A communication from the Deputy Assistant Secretary of Defense (Administration) transmitting, pursuant to law, a proposed alteration in a system of records of the Department of Defense for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–379. A communication from the Comptroller General, transmitting, pursuant to law, a report on positions in the U.S. General Accounting Office in grades GS–16, 17, and 18 and their incumbents; to the Committee on Governmental Affairs.

EC–380. A communication from the Executive vice president of the Patomac Electric Power Company, transmitting, pursuant to law, the balance sheet of the Patomac Electric Company as of December 31, 1980; to the Committee on Governmental Affairs.

EC–381. A communication from the Deputy Assistant Secretary of Housing and Urban Development, transmitting, pursuant to law, the annual report of disposal of foreign excess property; to the Committee on Governmental Affairs.

EC–382. A communication from the Comptroller General, transmitting a report entitled "Controlling Federal Costs for Coal Liquefication Program Hinges on Management and Contracting Improvements"; to the Committee on Governmental Affairs.

EC–383. A communication from the Chairman of the Public Defender Service for the District of Columbia, transmitting, pursuant to law, the Annual Report of the Public Defender Service Board of Trustees for 1979; to the Committee on Governmental Affairs.

EC–384. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report on an altered record system submitted by the Department of the Army; to the Committee on Governmental Affairs.

EC–385. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Accounting Changes Needed in the Railroad Agency"; to the Committee on Governmental Affairs.

EC–386. A communication from the Assistant Secretary of Agriculture (Administration), transmitting, pursuant to law, the annual report of the Department on the disposal of foreign excess property for fiscal year 1980; to the Committee on Governmental Affairs.

EC–387. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the annual report on the activities of the General Accounting Office for fiscal year 1980; to the Committee on Governmental Affairs.

EC–388. A communication from the Chairman of the Board of Governors of the U.S. Postal Service, transmitting, pursuant to law, the annual report of the Postmaster General for fiscal year 1980; to the Committee on Governmental Affairs.

EC–389. A communication from the Chair-

man of the U.S. International Trade Commission, transmitting, pursuant to law, the report of the commission on its activities under the Freedom of Information Act for 1980; to the Committee on the Judiciary.

EC-390. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a followup report on the recommendations of the President's Commission on the Holocaust; to the Committee on the Judiciary.

EC-391. A communication from the Chief Justice of the United States, transmitting, pursuant to law, a copy of the report of the proceedings of the Judicial Conference of the United States held in Washington, D.C., on September 24 and 25, 1980; to the Committee on the Judiciary.

EC-392. A communication from the Assistant Attorney General of the United States (Antitrust Division), transmitting, pursuant to law, a report on identical bidding in advertised public procurement; to the Committee on the Judiciary.

EC-393. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Unanswered Questions on Educating Handicapped Children in Local Public Schools"; to the Committee on Labor and Human Resources.

EC-394. A communication from the Secretary of Labor, the Secretary of Agriculture, and the Secretary of the Interior, transmitting, pursuant to law, the third joint annual report on the Young Adult Conservation Corps; to the Committee on Labor and Human Resources.

EXECUTIVE REPORTS OF COMMITTEES FILED DURING ADJOURNMENT

Under the authority of the order of the Senate of February 6, 1981, the following executive report of a committee was filed on February 13, 1981:

By Mr. PERCY, from the Committee on Foreign Relations:

William P. Clark, of California, to be Deputy Secretary of State. (Ex. Rept. No. 97-4)

(The above nomination from the Committee on Foreign Relations was reported with the recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MATHIAS (for himself, Mr. ROTH, Mr. PELL, Mr. HARRY F. BYRD, JR., and Mr. NUNN):

S. 477. A bill to establish a commission to encourage, plan, develop, and coordinate the commemoration of the bicentennial of the Constitution; to the Committee on the Judiciary.

By Mr. DOLE:

S. 478. A bill to provide for the partitioning of certain restricted Indian land in the State of Kansas; to the Select Committee on Indian Affairs.

By Mr. ROBERT C. BYRD:

S. 479. A bill to designate the first Sunday in June of each year as "National Shut-In Day"; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 480. A bill to provide price and income protection for farmers and assure consumers of an abundance of food and fiber at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HELMS (for himself and Mr. EAST):

S. 481. A bill to restore the right of voluntary prayer in public schools and to promote the separation of powers; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATHIAS (for himself, Mr. ROTH, Mr. PELL, Mr. HARRY F. BYRD, JR., and Mr. NUNN):

S. 477. A bill to establish a commission to encourage, plan, develop, and coordinate the commemoration of the bicentennial of the Constitution; to the Committee on the Judiciary.

COMMISSION ON COMMEMORATION OF THE BICENTENNIAL OF THE CONSTITUTION OF THE UNITED STATES

● Mr. MATHIAS. Mr. President, I now send to the desk for myself, Senators ROTH, PELL, HARRY F. BYRD, JR., and NUNN, a bill to create a commission to help insure an appropriate commemoration of the bicentennial of the Constitution.

I believe it is especially fitting that this bill is introduced on the day that we celebrate the birthday of the Father of our Country, George Washington. His role in the movement for a new national charter, in the Constitutional Convention itself, and in the ultimately successful struggle for ratification of the Constitution was one of his greatest legacies to the American people.

George Washington recognized earlier than most of his contemporaries the paramount need for a framework on which 13 separate States could be welded into a strong federal republic. As early as June 1783, Washington wrote to the Governors of the several States recommending that "there should be lodged somewhere a Supreme Power to regulate and govern the general concerns of the Confederated Republic, without which the Union cannot be of long duration." Washington encouraged and presided over the Alexandria Conference of 1785 and the Annapolis Convention of the following year—both of which were precursors to the Constitutional Convention of 1787.

And, with characteristic integrity and impartiality, he presided over the Philadelphia Convention with its often quarrelsome delegates and contentious debates. In fact, Washington was the glue that held the Convention together. Later, after the Convention had completed its work, Washington worked successfully for ratification by the legislature of Virginia and those of the other States.

Mr. President, George Washington and his colleagues performed the monumental task of producing our Constitution, a document which was intended to "endure for ages to come and consequently be adapted to various crises in human affairs." And, as Chief Justice Marshall foresaw, it has endured. In fact, just 6 years from now this Nation will commemorate the 200th anniversary of the drafting of the Constitution. If we are to have an intelligent, thoughtful, thought-provoking commemoration of the bicentennial of the Constitution, we must lay the groundwork immediately. The time has come for us to devise an effective vehicle for planning and coordinating the total effort and also to determine what role the Federal Government should play in the observance. The bill I now send to the desk is designed to accomplish these purposes.

The bicentennial observance should provide an occasion for all Americans to reflect upon the unparalleled achievements of our Founding Fathers in developing this unique document—our richest inheritance and our legacy to the future. I hope that we will be able to transcend the mere commemoration of historic events, and stimulate public thought and discussion on the constitutional issues of concern to the future of our country and our constitutional system, and to examine the implications of the technological age for American freedom and democracy.

I have been sponsoring legislation to provide for an appropriate and thoughtful commemoration for the bicentennial of the Constitution for 6 years now. Meanwhile valuable time has been slipping away. During the 94th Congress, I made two attempts. On March 7, 1975, I introduced S. 1006 in which I tried to extend the authority of the American Constitution Bicentennial Commission through 1989 to encompass the constitutional era as well. My second bill, S. 3100 introduced a year later would have empowered a 15-member board, appointed by the President to support projects designed to improve our understanding of our constitutional heritage. Neither of these approaches proved successful.

Based on that experience and further consultation and reflection, I have now concluded that we must devise an approach that would involve a broad spectrum of interested individuals and professional, civic, historical, religious, and social organizations of all sorts. In celebrating the birth and evolution of our Constitution, after all, we celebrate the triumph of a philosophical order that not only accommodates but nurtures diversity. I think it proper and right that our celebrations reflect this rich diversity.

The Federal Government can coordinate such an observance by providing a clear purpose and guidelines for the occasion. The bill which I now introduce does that. Basically, my bill would:

Create the Commission for the Commemoration of the Bicentennial of the

Constitution to coordinate an overall program by Federal, State, local governments, and public and private groups for commemorating the 200th anniversary of the Constitution;

Provide that the membership of the Commission shall be appointed by the President and shall consist of 23 members drawn from both Houses of Congress and other individuals from throughout the Nation who have a special interest in a fitting commemoration of the 200th anniversary of the creation, ratification, and implementation of the Constitution.

Require that the Commission submit an annual report to the Congress and the President on the Commission's progress in encouraging, planning, developing, and coordinating the observance and not later than May 30, 1985, the Commission shall recommend to the Congress and President an overall plan for Federal observance of the Bicentennial of the Constitution.

Mandate that not later than May 1, 1991, the Commission shall file a final report detailing the Commission's activities with an analysis of the functions undertaken by Federal, State, local governments and private groups for the various commemorations.

Mr. President, I would like to share with my colleagues, Alexis de Tocqueville's reflections on the times in which our Constitution was nurtured and finally ratified—an era we wish to commemorate under this proposal:

> If America ever approached (for however brief a time) that lofty pinnacle of glory to which the proud imagination of its inhabitants is wont to point, it was at this solemn moment, when the national power abdicated, as it were, its authority. All ages have furnished the spectacle of a people struggling with energy to win its independence; and the efforts of the Americans in throwing off the English yoke have been considerably exaggerated. . . . But it is new in the history of society to see a great people turn a calm and scrutinizing eye upon itself, when apprised by the legislature that the wheels of its government are stopped, to see it carefully examine the extent of the evil, and patiently wait two whole years until a remedy is discovered, to which it voluntarily submitted without its costing a tear or a drop of blood from mankind.

Mr. President, just prior to our bicentennial celebration in 1976, a survey conducted by a 7th grade bicentennial study class in Phoenix, Ariz. revealed that of the almost 3,000 adults questioned, less than half could identify a famous quote from the Declaration of Independence. Some attributed it to Edgar Allan Poe; others thought it came from the Bible, the Boy Scout Oath, Patrick Henry, Abraham Lincoln, or John F. Kennedy. I tremble to think what a similar survey would reveal about the public awareness of the significance of the date 1787, or of the Constitution itself. In the 6 years remaining before we commemorate the bicentennial of the Philadelphia Convention, we must strive to raise the level of American consciousness to the fundamental importance of the Philadelphia Convention and the content and meaning of the Constitution.

In the Virginia Declaration of Rights, George Mason wrote:

> (T)hat no free government or the blessings of liberty can be preserved to any people but by . . . frequent recurrence to fundamental principles.

We have before us an unparalleled opportunity to stimulate such a recurrence by adopting this legislation.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD immediately following my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 477

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, as this Nation approaches the bicentennial of the adoption of its Constitution and the historic events preceding and associated with its preparation and ratification (events having a profound influence throughout the world and a major significance in the development of our national heritage of individual liberty, representative government, and equal and inalienable rights) it is appropriate and desirable to provide for the observation and commemoration of this anniversary and these events through local, State, National, and international activities encouraged, planned, developed, and coordinated by a national commission.

SEC. 2. There is established a commission to be known as the Commission for the Commemoration of the Bicentennial of the United States Constitution (hereafter in this Act referred to as the "Commission") to encourage, plan, develop, and coordinate the commemoration of the bicentennial of the Constitution.

SEC. 3. (a)(1) The Commission shall prepare an overall program for commemorating the bicentennial of the Constitution and shall encourage, plan, develop, and coordinate observances and activities commemorating the historic events that preceded and are associated with the Constitution.

(2) In preparing its plans and program, the Commission shall consider any related plans and programs developed by State, local, and private groups and may designate special committees of such groups to plan, develop, and coordinate specific activities.

(b) In carrying out this Act, the Commission shall emphasize the constitutional values, ideals, and principles which have been important in the development of American democracy, in influencing ideas throughout the world, and in advancing mankind's quest for freedom.

SEC. 4. (a) The Commission shall consist of—

(1) four members appointed by the President from among Members of the Senate recommended to the President by the President of the Senate;

(2) four members appointed by the President from among Members of the House of Representatives recommended to the President by the Speaker of the House;

(3) nineteen members appointed by the President (A) after consulting the American Historical Association; the American Political Science Association; the Institute of Early American History and Culture; the American Association for State and Local History; the Society of American Archivists; the American Library Association; the American Association of Museums; the National Education Association; the National Council for the Social Studies; the Bicentennial Council of the Thirteen Original States Fund, Incorporated; the Daughters of the American Revolution; the National Conference of Mayors; the National Conference of State Legislators; the National Governors' Association; the American Bar Association; and (B) after considering the contributions by the Nation's youth, women, elderly, racial and ethnic minorities, artists, craftsmen, and learned professionals to the writing and adoption of the Constitution; and

(4) as ex officio members, the Chief Justice of the United States, the Secretary of State, the Attorney General, the Secretary of the Interior, the Secretary of Defense, the Secretary of Health and Human Services; the Librarian of Congress, the Secretary of the Smithsonian Institution, the Archivist of the United States, the Chairman of the Federal Council on the Arts and Humanities, the Chairman of the National Endowment for the Arts, and the Chairman of the National Endowment for the Humanities.

(b) The Chairman of the Commission shall be designated by the President from among the members appointed pursuant to paragraph (3) of subsection (a).

(c) Members of the Commission shall be appointed for the life of the Commission. An individual appointed as a member pursuant to paragraph (1), (2), or (4), shall retain membership on the Commission only while the individual maintains the status which is the basis of such membership.

(d) A vacancy in the Commission shall be filled in the manner in which the original appointment was made. A member may retain membership on the Commission until his successor has been appointed.

SEC. 5. (a) Members of the Commission shall receive no pay on account of their service on the Commission.

(b) Subject to the availability of appropriations, while away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

SEC. 6. (a) The Commission shall appoint a Director who shall be paid not to exceed the rate of basic pay in effect for level V of the Executive Schedule.

(b)(1) In addition, the Commission may appoint a staff consisting of—

(A) not more than ten staff members before October 1, 1982; and

(B) not more than fifteen staff members after September 30, 1982.

(2) Personnel appointed under paragraph (1) of this subsection shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(c) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed $100 per diem.

SEC. 7. (a)(1) In fulfilling its responsibilities, the Commission shall consult with, cooperate with, and seek advice and assistance from appropriate Federal departments and agencies, State and local public bodies, learned societies, and historical, patriotic, philanthropic, civic, and professional organizations. All Federal departments and agencies shall cooperate with the Commission in encouraging, planning, developing, and coor-

dinating appropriate commemorative activities.

(2) The Chairman of the Federal Council on the Arts and the Humanities, the Chairman of the National Endowment for the Arts, and the Chairman of the National Endowment for the Humanities shall cooperate with the Commission in the encouragement and the coordination of scholarly works and presentations focusing on the history, culture, and political thought of the constitutional and early national periods.

(3) The Librarian of Congress, the Secretary of the Smithsonian Institution, and the Archivist of the United States shall cooperate with the Commission in the development and the display of exhibits and collections and in the development of bibliographies, catalogs, and other materials relevant to the development, ratification, and implementation of the Constitution.

(b) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(c) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

SEC. 8. (a) The Commission may accept, use, and dispose of donations of money, property, or personal services.

(b) The Commission may for purposes of preservation (in consultation with the Librarian of Congress, the Secretary of the Smithsonian Institution, the Archivist of the United States, and the Administrator of General Services) deposit in any National, State, or local library or museum any book manuscript, miscellaneous printed matter, memorabilia, relic, or other material, which relates to the constitutional period and which was donated to the Commission.

SEC. 9. (a) The Commission shall submit to the President and the Congress not later than May 1 of each year through calendar year 1990 an annual report on the Commission's progress in encouraging, planning, developing, and coordinating the commemoration of the bicentennial of the Constitution, including any recommendation by the Commission for legislation needed to encourage, plan, develop, and coordinate the commemoration.

(b)(1) The Commission shall submit to the President not later than May 1, 1985, a report including the Commission's recommendations and the plans of Federal, State, and local governments and private groups for the commemoration of the bicentennial of the Constitution.

(2) The report submitted pursuant to this subsection may recommend—

(A) the preparation, production, publication, and distribution of books, pamphlets, films, video tapes, and other educational materials focusing on the history, culture, and political thought of the period of the American Revolution and the beginning of the Nation;

(B) bibliographical and documentary projects and publications;

(C) conferences, convocations, lectures, seminars, and other programs; and

(D) programs for commemorating the anniversaries of the Philadelphia Convention, of the publication of the Constitution, of the ratification of the Constitution, and of the meeting of the First Congress.

(3) The President shall transmit the report submitted pursuant to this subsection to the Congress together with the President's comments and a report on administrative actions to be taken by the executive branch to commemorate the bicentennial of the Constitution.

(c) The Commission shall then submit to the President not later than May 1, 1991 a final report detailing the Commission's activities with an analysis of the functions and commemorations undertaken by Federal, State, and local governments and private groups for the various anniversaries connected with the preparation, adoption, ratification, and implementation of the Constitution of the United States.

SEC. 10. (a) The Commission shall cease to exist on December 31, 1991.

(b) Any property which the Commission owns on December 31, 1991, may be used by the Secretary of the Interior for purposes of the National Park Service or may be disposed of as excess or surplus property.

SEC. 11. There are authorized to be appropriated to carry out this Act $350,000 for the fiscal year ending on September 30, 1982, and such additional amounts as may be necessary for subsequent fiscal years.●

By Mr. DOLE:

S. 478. A bill to provide for the partitioning of certain restricted Indian land in the State of Kansas; to the Select Committee on Indian Affairs.

PARTITIONING OF CERTAIN INDIAN LANDS IN THE STATE OF KANSAS

● Mr. DOLE. Mr. President, I am introducing legislation today to provide for the partition or sale of certain restricted Indian lands in the State of Kansas. The purpose of this bill is to authorize an action in the U.S. court for the district of Kansas to partition or order the sale of a parcel of land which was originally deeded in 1859 in a restricted fee status to Newton McNeer, A Shawnee Indian. Newton McNeer died some time in the 1860's, but his estate was not finally probated until 1920, when there were some 17 heirs having varied undivided interests in this one parcel of land.

Mr. President, I was first contacted about this problem in June of 1978, by my constituent, Mr. John Todd, a descendant of Newton McNeer. Mr. Todd advises that his grandfather, who was determined in 1920 to hold a 300/720th interest in this property, spent considerable time prior to his death in 1923 trying unsuccessfully to gain clear title to his portion of this property. The number of heirs jumped from the 17 in 1920 to approximately 50 in 1968. Mr. Todd estimates there may be as many as 100 heirs today.

The problem of fractionated ownership of Indian land and the solution to that problem is very delicate and we should not march into this problem with seven league boots. My staff has been in contact with the Bureau of Indian Affairs, the field solicitor for the Department of the Interior in Anadarko, Okla., and staff members for the Senate Select Committee on Indian Affairs.

The Anadarko field solicitor, after a review of the records in the possession of the Bureau of Indian Affairs, advises that he feels "it would be, first, a literal impossibility for the Department of the Interior to determine the heirs" to this property. He also advises that nearly all of the major single interests in this property are held by non-Indians.

Mr. President, the problem of fractionated ownership of lands allotted to Indian individuals in widely recognized, and it is my understanding that the Department of the Interior and the Select Committee on Indian Affairs are anxious to address the problem in a comprehensive fashion. The degree of fractionation of ownership of this parcel of land is similar to that which attends many parcels of land which were allotted out of Indian reservations to individual Indians in the latter part of the 19th century.

However, there are unique aspects to this particular parcel of land which distinguish this case from the general problem associated with allotted lands within Indian reservations. First and foremost is the fact that Shawnee Indians in the State of Kansas are not organized and for all intents and purposes do not exist as a federally recognized Indian tribe. Additionally, this land does not lie within an Indian reservation.

Under these unusual circumstances, the Senator from Kansas believes that this legislation is appropriate and should be dealt with quickly. I ask that this bill be printed in full at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 478

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any owner of an interest in that tract of land described as N½SE¼ of Section 25, and 14 acres on the South side of SE¼NE¼ of Section 25 T. 11 S., R. 22 E., 6th P.M., Kansas, containing 94 acres and also known as the Newton McNeer Shawnee Reserve No. 206, may commence an action in the United States District Court for Kansas to partition the same in kind or for the sale of such land in accordance with the laws of the State of Kansas. For the purpose of such action, the Indian owners shall be regarded as vested with an unrestricted fee simple title to their interests in the land that the United States shall be a necessary party to the proceeding. Any conveyance ordered by the court in such proceeding will be made in unrestricted fee simple to non-Indian grantees and in a restricted fee to Indian grantees.●

By Mr. MELCHER:

S. 480. A bill to provide price and income protection for farmers and assure consumers of an abundance of food and fiber at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD AND AGRICULTURE ACT OF 1981

Mr. MELCHER. Mr. President, I rise to introduce S. 480, the Food and Agriculture Act of 1981.

This year, it will be necessary for the Congress to reauthorize our Nation's general farm legislation, because the 1977 act expires.

At the time the Congress was working on the 1977 farm bill, the economic picture for our farmers and ranchers was generally pretty good. Farm income rose

dramatically during the mid-1970's because of the rapid increase in the exports of American food and fiber.

Since that time, there has been a sharp change, to a downhill roller coaster ride, with the farmer chasing high fuel prices and the high cost of credit, and he is losing.

Prices received by farmers during the month of January continued their plunge downward, by eight-tenths of a percent, led by lower prices for hogs, soybeans, and cattle.

Prices paid by farmers for commodities and services continued to rise—up to 2.4 percent from mid-December. The annual updating of the indexes for farm services, cash, rent, interest, taxes, feed, fuel, and family living expenses were responsible for the increase.

Wheat sold in January at only 61 percent of parity; corn was at 69 percent. Hogs sold at only 50 percent of parity and beef was at 65 percent.

Before the decade of the seventies, agriculture was a fairly predictable business. If the price of grain fluctuated more than 17 cents a bushel, it was a wild and crazy year. The price farmers received for their labor was generally the same price as the Federal farm program loan rate.

But our farmers and ranchers paid a price for that stability.

Because of huge surpluses, agriculture's annual income for at least 20 years was not at equity with other callings within the society.

By 1970, our agricultural exports began to grow, and our surpluses began to grow smaller. It appeared as if we were on the way to improved farm income, and a better life for our farmers and ranchers.

But along with improved income came the inflation of agricultural land values, at rates usually surpassing the double-digit inflation in the rest of the economy.

During Mr. Nixon's administration we had the devaluation of the dollar and a major realinement of the world's currencies. There was the imposition of wage and price controls to control inflation. That did not work and the controls were suspended.

We had an oil embargo in the middle of the decade that dramatically changed the price structure of all products containing petroleum.

There was a series of poor crop years in this country and abroad.

There were fundamental changes in the trading relationships among nations.

And throughout the world, there was a growing demand, especially in the developing nations for better diets.

As a result, most of the Nation's grain reserve was depleted, and much of the land reserve was plowed up. Exports of agricultural products reached record levels for each year of the decade, and contributed greatly to America's overall balance of trade.

Farm prices reached record levels and farm incomes rose to near all time highs. Production expenses also increased, but for much of the early part of the decade, not as fast as the prices for commodities.

What all of this meant for farmers and ranchers was uncertainty that was bred of the volatility of the markets. Instead of changing 17 cents a bushel per year, grain prices 1 week would go up the limit every day and then down the limit every day during the next week.

As more and more speculators plunged into the commodity futures markets, rumors and market psychology seemed to replace supply and demand as the determinant of price for farm goods.

Supply shortages and increased farm prices led many to say that we no longer needed farm income protection. They said the free market was just the ticket for the farmers. They said he did not have to fool with Government programs any longer.

A lot of farmers believe that. In 1980, only 26 percent of our grain farmers voluntarily applied for admittance into the Government programs.

But I believe that for the time being it is essential to establish guidelines and floor prices.

A few years ago American agriculture prices were always stable, inflation was low, and so were interest rates, and farmers and ranchers knew what to expect.

During the high-farm-price seventies, variability in farm income increased substantially for farms of all sizes, and particularly for those larger family farms and ranches that are the backbone of commercial agriculture.

Most of these larger farms and ranches even though family operated have large, fixed loan payments and pretty much fixed costs. It is hard to tighten their belts, take a lower return on their labor and capital, and weather out the bad times.

This was particularly true in the large areas of the country where drought was prevalent during the 1970's. Large commercial farmers and ranchers were going to the windows of the Farmers Home Administration—the lender of last resort—for the first time in their lives. When the drought disaster loan money ran out at Farmers Home and SBA, Congress enacted an economic emergency loan program of $4 billion that permitted these larger operators to refinance much of their debt. That money disappeared as if it had been wiped up with a sponge.

Our friends at the Federal Reserve Bank were highly critical of the Congress for making this credit available, but I am convinced that without it, much of our commercial agriculture establishment in the Great Plains and the Southeast would have gone under.

Even today, we are at the bottom of this boom-and-bust roller coaster. Cattle feeders, pens are full of overfed cattle that they must sell, even though cattle prices are at or below the cost of production. Sure; prices will go up in the spring, but by that time, a lot of producers will not have any animals to sell, and meanwhile they still have to make those loan payments with interest rates that used to be considered usury. Cattle prices received by Montana ranchers were down 8 percent compared to this time last year. Production costs are up over 15 percent.

I do not think a family can make a living that way.

These same high interest rates, plus the unrest in Poland have shaken world grain markets, resulting in sharp price declines in recent days. The 5-day national average price for wheat dropped below $4 in early December, and it does not show any immediate signs of recovery in the near future, even though grain production is 17 percent behind a year ago.

The 1977 farm bill allowed farmers to rely heavily on the so-called free market. But let me show you what the free market does to farmers who do not have large cash reserves to tide them over the boom and bust.

Late last fall we learned that farmers were going to increase plantings for winter wheat by more than 10 percent. The market went down sharply in anticipation of a bumper crop and more surpluses.

But in the West—from Texas to Montana—there has been unseasonably warm weather with little snowfall. In some parts of Texas, the wheat began to sprout. If these conditions prevail, there are estimates that there could be winterkill of 10 to 12 percent of the crop.

If that happens, there will be a complete flipflop of the market, prices will go up and there will be serious, worldwide food shortages.

The head of the Australian Wheat Board explained the situation this way:

He said that if the United States loses up to 12 percent of its winter wheat, the big five wheat producing nations will be forced to sit down and fix prices and supplies, because there will not be enough to feed everyone in the world who is hungry.

This comment points to an important point that we all must be aware of. We are moving from a period of huge surpluses of grains in the world to a time of shortage.

Once again, farmers and ranchers face an uncertain future. We know that the demand for American food will increase, but there is some doubt whether American production will grow to meet that demand. I think that is because of the highly-inflated costs of borrowed money, the ever increasing costs for farm and ranch operations, plus bad weather.

I think there is another uncertainty which could have a profound effect on our national security. There have not been many years in the past 10 when the Soviet Union produced sufficient grain to meet the needs of its own people.

There were food riots in Russia last summer, and there are CIA reports of decreasing productivity in the Soviet industrial sector brought on in part because of poor diet among the workers.

Unrest in Poland was originally started because of meat shortages. There is similar unrest among some of the other Eastern European satellites of Russia.

Whether this situation will cause the Russians to try to reinstitute détente, or whether they will follow their present course of expansion is a question that can only be guessed at.

But on the long haul of the next 18 months, it is likely that agricultural prices will improve and world demand will be high. The question will be, can American farmers continue to produce with the current credit crunch pressing down on them. There are some observers who claim that, if the increase in farm debt continues at current levels for the next 4 or 5 years, American agriculture will be bankrupt.

The people of my State know better than most that the greatest limitation the United States faces in realizing the enormous level of exports projected for the months ahead will be the transportation of farm products to our ports. The problem is also affecting the movement of commodities to our own markets.

Labor difficulties slowed shipment of grain through some major elevators last summer and heavy traffic and low water levels have clogged some waterways. Major railroad problems, spot railcar shortages, tight energy supplies and rising prices for fuel could further add to transportation difficulties as the United States attempts to move unprecedented volumes of farm commodities to domestic markets and ports.

We must use the opportunity that we have in writing a new farm bill to restore price stability for American agriculture. The cost of borrowing must come down. We must look at our tax laws again. Even though improvements have been made in inheritance taxes at the Federal level in the past couple of years, they still tend to drive farm and ranch families to sell their land. And, finally, we must try to find a way for young men and women to find the capital they need to begin careers in farming and ranching.

Farmers and ranchers spend nearly $100 billion a year to produce crops and livestock. This money pays for equipment, machinery, seed, feed, fertilizer, petroleum, taxes, and all other items which generate economic activity—especially in small towns and rural communities.

I am introducing today a farm bill that I think will deal with some of the problems I have mentioned here. Its purpose will be to return some market stability and certainty to the farmers' lives, and to insure that as we export millions and millions of tons of grain, we do not sell it overseas for less than it costs to produce.

You will hear from some that such an approach is inflationary; that it will increase Federal spending at a time when the budget must be balanced. We will hear from the nay sayers who say it is time for Congress and the country to ignore agriculture producers and the prices they receive.

Well, to that I say, nuts.

These same people have been trying to sell this bill of goods for many years and, as a result, U.S. agriculture programs have tended to be compromises that were too little and too late and emphasized a cheap food policy. And it is because of these foolish policies that have come out of Washington that American agriculture producers always seem to be hanging on by their fingernails.

We Americans have sacrificed our steel industry, our auto industry, our shoe industry, our electronics industry—we have sacrificed them all on the altar of the free market.

Mr. President, those markets are not free. And they have not been for many years.

One of the fastest growth industries in America is in the tiny microconductors that allow the manufacture of calculators, digital watches and many other products. Yet, the Japanese Government intends to subsidize its own microconductor industry to the tune of $10 billion. Tell me about free markets. Tell me about free enterprise. If we allow this to continue it will not be long before this lucrative new American industry catches the first boat to Japan.

Seventy-five percent of the budget of the European Common Market goes for subsidies to agriculture, while only four percent of the European Community's gross domestic product is attributed to agriculture. Tell me about the free market.

International forces have destroyed the free market except to the extent we allow free access to U.S. markets. We go one step further when we sell American agriculture products at below the cost of production. We in effect subsidize the foreign country that buys our agriculture products.

The bill that I will introduce will rely heavily on the marketplace, but it will also provide farmers and ranchers with a floor, so that they will not be penalized when the markets go berserk, as they did so often during the seventies.

This is a 4-year extension of current law. Its key provisions provide that the loan rate for the most basic commodities will be at 75 percent of parity which assures that U.S. agriculture products covered by the act are not sold overseas for less than it costs to produce.

Mr. President, I ask unanimous consent that S. 480 be printed in its entirety at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 480

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this may be cited as the "Food and Agriculture Act of 1981."

TITLE I—DAIRY AND BEEKEEPER PROGRAMS

DAIRY BASE PLANS

SEC. 101. Section 202(a) of the Agricultural Act of 1970, is amended to read as follows:

"(a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8(c)(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following:

"(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year; and (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order."

PRODUCER HANDLERS

SEC. 102. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendment made by the Food and Agriculture Act of 1985 as it was prior thereto.

MILK PRICE SUPPORT

SEC. 103. Section 201 of the Agricultural Act of 1949, as amended, is amended by—

(1) striking out the second sentence in subsection (c) and inserting in lieu thereof a new sentence as follows: "notwithstanding the foregoing, effective for the period beginning on the effective date of the Food and Agriculture Act of 1981 and ending March 1985, the price of milk shall be supported at not less than 80 per centum of the parity price therefor,"; and

(2) adding at the end thereof a new subsection (d) as follows:

"(d) Effective for the period beginning on the effective date of the Food and Agriculture Act of 1981 and ending March 31, 1985, the support price of milk shall be adjusted by the Secretary at the beginning of each semiannual period after the beginning of the marketing year to reflect any estimated change in the parity index during such semiannual period. The Secretary is authorized to adjust the support price of milk at the beginning of each remaining quarter in the marketing year to reflect any substantial change in the parity index during such quarterly period. Any adjustment under this subsection shall be announced by the Secretary not more than thirty days prior to the beginning of the period to which it is applicable.".

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS HOSPITALS

SEC. 104. Section 202 of the Agricultural Act of 1949, as amended, is amended by striking out "1981" in subsections (a) and (b) and inserting in lieu thereof "1985".

DAIRY BASE PLANS

SEC. 105. The Act of August 13, 1968 (82 Stat. 750, as amended; 7 U.S.C. 450 j, k, and l), is amended by striking out "September 30, 1981" in Section 3 and inserting in lieu thereof "September 30, 1985."

DAIRY PRODUCT IMPORTS

SEC. 106. (1) It is directed that, under the authority of Section 22 of the Agricultural Adjustment Act (7 U.S.C. 624); the President shall proclaim a zero level quota on the importation of milk protein products, including but not limited to casein, caseinates, lactalbumin, whey protein concentrates or mixtures containing five percent or more of these products, when imported into the United States for use in food or animal feed products.

(2)(a) No imports of dairy products shall be admitted into the United States for consumption for any food use or any animal feed use except pursuant to authorizations issued by the Secretary of Agriculture.

(b) No authorizations for imports of dairy products shall be issued by the Secretary which would result in the total import of dairy products for consumption for any food use, use as a food ingredient, use as animal feed or as an animal feed ingredient exceeding on a milk equivalent basis (milkfat and/or milk solids-not-fat) the milk equivalent of imports authorized under dairy product import limitations established pursuant to Section 22 of the Agricultural Adjustment Act (7 U.S.C. 624).

(c) As used in this subsection, the term "dairy products" includes (1) all forms of milk and dairy products, butterfat, milk solids-not-fat and any combination or mixture thereof; (2) any article, compound or mixture containing five percent or more of butterfat or milk solids-not-fat, or any combination of the two; and (3) Casein, caseinates, and other derivatives of milk, butterfat or milk solids-not-fat if imported commercially for any food or animal feed use. It does not include, (1) Industrial casein or any other industrial product not to be used in any form for any food or animal feed use or as an ingredient of food or animal feed; (2) Articles not normally considered to be dairy products, such as candy, bakery goods, and other similar articles provided neither the butterfat, milk solids-not-fat casein or caseinates in any form, in any such article is commercially extractable or capable of being used commercially as a replacement or substitute for such ingredients in the manufacture of any food or animal feed product; and (3) Cheese not containing cow's milk and soft ripened cow's milk cheese defined in Section (a)(a)(iv) of the headnotes to Part 3, Appendix to the Tariff Schedules, Tariff Schedules of the United States (1981).

BEEKEEPER INDEMNITY PROGRAM

SEC. 107. Section 804(f) of the Agricultural Act of 1970, as amended, is amended by striking out "December 31, 1981" and inserting in lieu thereof "September 30, 1985".

TITLE II—WOOL AND MOHAIR

DECLARATION OF POLICY

SEC. 201. Section 702 of the National Wool Act of 1954, as amended, is amended to read as follows:

"SEC. 702. It is hereby recognized that wool is an essential, strategic, and energy-efficient commodity which is not produced in the United States in sufficient quantities and grades to meet the domestic needs; and that the desired domestic production of wool is impaired by predatory animals and by the depressing effects of wide fluctuations in the price of wool in the world markets. It is hereby declared to be the policy of Congress, as a measure of national security and to promote the general economic welfare, a positive balance of trade, and the efficient use of the Nation's resources, to encourage the continued domestic production of wool at prices fair to both producers and consumers in a manner which will assure a viable domestic wool industry in the future.".

EXTENSION OF ACT; SUPPORT PRICE

SEC. 202. Section 703 of the National Wool Act of 1954, as amended, is amended by—

(1) striking out "1981" in subsection (a) and inserting in lieu thereof "1985";

(2) striking out "1981" in subsection (b) and inserting in lieu thereof "1985".

TITLE III

LOAN RATES

SEC. 301. (a) The "Basic Loan Rate" for wheat, corn, cotton, rice and peanuts shall be established at 75 percent of the parity price therefore.

(b) The loan rate for any commodity listed in section 401(a) and Section 402(a) shall not be less for the 1982 year than the loan rate for the respective commodity during 1981.

SEC. 302. The loan rate for commodities placed in the "Producer-Held Reserve" shall be 110 percent of the "Basic Loan Rate" for the respective commodity.

SEC. 303. The loan rate for commodities, other than those specified in Sections 301(a) and 302(a), including, but not limited to sorghum, barley, oats, rye, soybeans, flaxseed, dry edible beans and honey, shall be set at a level determined by the Secretary, but not less than 70 percent of the parity price therefor.

SEC. 304. Except for cotton the Secretary may, as a condition of eligibility for loans and/or purchases, require that a producer not exceed the farm's normal crop acreage.

SOYBEAN PRICE SUPPORT

SEC. 305. Effective only with respect to the 1982 through 1985 crops of soybeans, section 201 of the Agricultural Act of 1949 is amended by—

(1) inserting in the first sentence after "tung nuts," the following: "soybeans," and

(2) adding at the end thereof a new subsection (e) as follows:

"(e) The price of each of the 1982 through 1985 crops of soybeans shall be supported through loans and purchases at such levels as the Secretary determines appropriate in relation to competing commodities, and taking into consideration domestic and foreign supply and demand factors, but in no event shall it be less than 75 percent of the parity price therefor, as determined for the month of January immediately preceding each planting season: *Provided,* That notwithstanding the provisions of section 1001 of the Food and Agriculture Act of 1977, the Secretary shall not require a set-aside of soybean acreage as a condition of eligibility for price support for any commodity supported under the provisions of this Act.".

SUGAR PRICE SUPPORT

SEC. 306. Effective with respect to the 1981, 1982, 1983 and 1984 crop sugarbeets and sugarcane, Section 201 of the Agriculture Act of 1949, as amended, is amended by:

(1) Striking out in the first sentence "honey and milk" and inserting in lieu thereof the following: "honey, milk, sugarbeets and sugarcane; and

(2) Adding at the end thereof a new subsection (g) as follows:

(g) The price of the 1981, 1982, 1983 and 1984 crops of sugarbeets and sugarcane shall be supported through nonrecourse loans with respect to processed products thereof at a level which the Secretary determines will not result in the acquisition of any significant amounts of sugar by the Commodity Credit Corporation.

TITLE IV

"PRODUCER-HELD RESERVE"

SEC. 401. In accordance with Sec. 110 of the Agricultural Act of 1949, the Secretary shall establish and maintain a "Producer-Held Reserve" for wheat and feed grains. The Secretary is authorized to establish a "Producer-Held Reserve" for any other commodity as deemed necessary.

SEC. 402. Commodities in the Producer-Held Reserve", subject to the release and call levels in Section 501 and Section 502, shall be held for a period of three to five years.

SEC. 403. The Secretary shall provide storage payments to producers for commodities in the "Producer-Held Reserve".

SEC. 404. The rate of interest on loans made pursuant to the "Producer-Held Reserve" shall be not more than eight percent per year, provided that the Secretary may waive interest for any or all years of the contract.

SEC. 505. The Secretary may determine the appropriate quantities of commodities to be placed in the "Producer-Held Reserve", provided, however, that the minimum amount of wheat shall be 400 million bushels.

TITLE V

RELEASE AND CALL LEVELS

SEC. 501. The release level for commodities in the "Producer-Held Reserve" shall be 120 percent of the applicable loan rate for the commodity in the "Producer-Held Reserve".

SEC. 502. The call level for commodities in the "Producer-Held Reserve" shall be 140 percent of the applicable loan rate for the commodity in the "Producer-Held Reserve".

TITLE VI

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR WHEAT AND FEED GRAINS

SEC. 601. Effective only with respect to the marketing years for the 1982 through 1985 crops, section 407 of the Agricultural Act of 1949, as amended, is amended by——

(1) striking out in the third sentence the language following the third colon and inserting in lieu thereof the following: "*Provided,* That the Corporation shall not sell any of its stocks of wheat, cotton, corn, grain sorghum, barley, oats and rye respectively at less than 130 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges.";

(2) striking out in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and inserting in lieu thereof the following: "current basic county loan rate (or a comparable price if there is no current basic county loan rate)"; and

(3) striking out in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities" and inserting in lieu thereof the following: "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use".

TITLE VII

SET-ASIDE, LAND DIVERSION AND PLANTED ACREAGE LIMITATIONS

SEC. 701. (a) If the Secretary determines that the total supply of any commodity will likely be excessive, taking into account the need for adequate reserves, domestic use and export needs, the Secretary is authorized to implement any or all, or any combination thereof, of the following measures:

(i) a set-aside of cropland;

(ii) a voluntary paid acreage diversion; or

(iii) a limitation on the number of acres which may be planted to a commodity.

(b) If a set-aside of cropland is in effect, producers must, as a condition of eligibility for program benefits, reduce their acreage planted by the percentage declared by the Secretary.

(c) If a limitation on the number of acres which may be planted to any commodity is in effect, any producer who produces on acres in excess of those permitted shall be penalized at a rate equal to the number of bushels produced on the excess acreage times the appropriate loan rate for the commodity plant-

ed in excess. Production on any excess acres shall not be eligible for any program benefits.

PROGRAM ACREAGES AND PAYMENT YIELDS; SET-ASIDE PROGRAM

SEC. 702. Effective only for the 1982 through 1985 crops of wheat, the Agricultural Act of 1949, as amended, is amended by adding subsections (d) through (l) to section 107A to read as follows:

"(d)(1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of wheat. The proclamation shall be made not later than August 15 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for wheat shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of wheat. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres which the Secretary estimates will be harvested for such crop: *Provided*, That in no event shall the allocation factor for any crop of wheat be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined: *Provided*, That the wheat acreage eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of wheat planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than August 15 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for wheat, the Secretary is authorized to make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(e) The farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was established for the farm in the previous crop year, the Secretary is authorized to determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(f)(1) The Secretary shall provide for a set-aside of cropland if the Secretary determines that the total supply of wheat will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any set-aside not later than August 15 prior to the year in which the crop is harvested. If a set-aside of cropland is in effect under this subsection, then as a condition of eligibility for loans, purchases, and payments authorized by this section, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of wheat planted for harvest for the crop year for which the set-aside is in effect. The Secretary may limit the acreage planted to wheat. Such limitation shall be applied on a uniform basis to all wheat-producing farms. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion; however, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the set-aside acreage to be devoted to sweet sorghum, hay, and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, titicale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) The Secretary may make land diversion payments to producers of wheat, whether or not a set-aside for wheat is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(3) The set-aside acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and such other factors as the Secretary deems necessary.

"(5) If the operator of the farm desires to participate in the program formulated under this subsection, the operator shall file an agreement to do so no later than such date as the Secretary may prescribe. Loans, purchases, and payments under this section shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producers, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(g) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(h) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.".

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

SEC. 703. Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period July 1, 1982 through May 31, 1985.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 704. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b and 379c of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1982 through 1985 crops of wheat.

FINALITY OF DETERMINATIONS

SEC. 705. Effective only for the 1982 through 1985 crops, section 385 of the Agricultural Adjustment Act of 1938, as amended, is amended by amending the first sentence to read as follows: "The facts constituting the basis for any Soil Conservation Act payment, any payment under the wheat, feed grain, upland cotton, and rice programs authorized by the Agricultural Act of 1949 and this Act, any loan or price support operation, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.".

SUSPENSION OF QUOTA PROVISIONS

SEC. 706. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1982 through 1985.

APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949

SEC. 707. Section 408(k) of the Agricultural Act of 1949, as added by the Agricultural Act of 1970, as amended, to be effective for the 1978 through 1981 crops, shall be effective for the 1982 through 1985 crops, and shall read as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT AND FEED GRAINS"

"(k) References made in sections 802, 803, 806 to the terms 'support price,' 'level of support', and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat and feed grains under this Act; and references made to the terms 'price support', 'price support operations' and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat and feed grains under this Act.".

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 708. Section 107 of the Agricultural Act of 1949, as amended shall not be applicable to the 1982 through 1985 crops of wheat.

SEC. 709. Effective only for the 1982 through 1985 crops of feed grains, the Agricultural Act of 1949, as amended, is amended by adding subsections (d) through (l) to section 105A to read as follows:

"(d)(1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of feed grains. The proclamation shall be made not later than November 15 of each calender year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for feed grains shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that the carryover stocks of feed grains are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of feed grains. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres which the Secretary estimates will be harvested for such crop: *Provided*, That in no event shall the allocation factor for any crop of feed grains be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined: *Provided*, That the feed grain acreage eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than November 15 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for feed grains, the Secretary is authorized to make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(e) The farm program payment yield for each crop of feed grains shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for feed grains was established for the farm in the previous crop year, the Secretary is authorized to determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(f)(1) The Secretary shall provide for a set-aside of cropland if the Secretary determines that the total supply of feed grains will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Any such set-aside shall be announced by the Secretary not later than November 15 of each calendar year for the crop harvested in the next calendar year. If a set-aside of cropland is in effect under this subsection, then as a condition of eligibility for loans, purchases, and payments authorized by this section on corn, grain sorghums, and, if designated by the Secretary, barley and oats respectively, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the feed grain acreage planted for harvest for the crop year for which the set-aside is in effect. The Secretary may limit the acreage planted to feed grains. Such limitation shall be applied on a uniform basis to all feed grain-producing farms. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion; however, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the set-aside acreage to be devoted to sweet sorghum, hay, and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago, ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) The Secretary may make land diversion payments to producers of feed grains, whether or not a set-aside for feed grains is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any count or local community so as not to affect adversely the economy of the county or local community.

"(3) The set-aside acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing and hiking, subject to applicable State and Federal regulations.

"(4) The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary to correct for abnormal factors affecting production, to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography, and such other factors as the Secretary deems necessary.

"(5) If the operator of the farm desires to participate in the program formulated under this subsection, the operator shall file an agreement to do so no later than such date as the Secretary may prescribe. Loans, purchases, and payments under this section shall be made available to producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producers, terminate or modify any such agreement entered into pursuant to this sub-

section if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(g) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(h) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.".

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 CROPS OF FEED GRAINS

SEC. 810. Section 105 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1982 through 1985 crops of feed grains.

COTTON PRODUCTION INCENTIVES

SEC. 712. Effective only with respect to the 1982 through 1985 crops of upland cotton, except as otherwise provided herein. Section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (f) as follows:

"(f) (1) The Secretary shall provide for a set-aside of cropland if the Secretary determines that the total supply of upland cotton will, in the absence of such a set-aside likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph, then as a condition of eligibility for loans, purchases, and payments on upland cotton, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage as determined by the Secretary (but not to exceed 28 per centum), of the acreage of upland cotton planted for harvest for the crop year for which a set-aside is in effect. The set-aside acreage shall be devoted to conservation uses in accordance with regulations issued by the Secretary which will assure protection of such acreage from weeds and wind and water erosion; however, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the set-aside acreage to be devoted to sweet sorghum, hay, and grazing or the production of guar, sesame, safflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity if the Secretary determines that such production is needed to provide an adequate supply is not likely to increase the cost of the price support program, and will not adversely affect farm income. The Secretary may limit the acreage planted to upland cotton. Such limitation shall be applied on a uniform basis to all cotton-producing farms. Producers on a farm who knowingly plant cotton in excess of the permitted cotton acreage for the farm shall be ineligible for cotton loans or payments with respect to that farm.

"(2) The Secretary may make land diversion payments to producers of upland cotton, whether or not a set-aside for upland cotton is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(3) The set-aside acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection, the operator shall file an agreement to do so no later than such date as the Secretary may prescribe. Loans, purchases, and payments under this subsection shall be made available to the producers on such farm only if the producers set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the producers, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to alleviate a shortage in the supply of agricultural commodities.

(5) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(6) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments, the Secretary may nevertheless, make such loans, purchases and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(7) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(8) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(9) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection.".

MISCELLANEOUS COTTON PROVISIONS

SEC 713. (a) Section 408(b) of the Agricultural Act of 1949, as amended, is amended by inserting immediately before the period at the end of the first sentence the following: "*Provided further*, That for the 1982 through 1985 crops of upland cotton a cooperator shall be a producer on a farm who has set aside the acreage required under section 103 (f)".

(b) Section 408(l) of the Agricultural Act of 1949, as added by the Agricultural Act of 1970, as amended, to be effective for the 1978 through 1981 crops, shall be effective for the 1982 through 1985 crops, and shall read as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO UPLAND COTTON

"(1) References made in sections 702, 703, and 706, to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well to the level of loans and purchases for upland cotton under this Act; and references made to the terms 'price support', 'price support operations', and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for upland cotton under this Act.".

(c) Sections 103(a) and 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1982 through 1985 crops.

RICE

SEC. 714. Effective beginning with the 1978 crop of rice, section 101 of the Rice Production Act of 1975 is amended by striking out "1976 through 1981" each place it occurs and inserting in lieu thereof "1982 through 1985".

SET-ASIDE FOR THE 1982 THROUGH 1985 CROPS

SEC. 715. Effective only for the 1982 through 1985 crops of rice, section 101 of the Agricultural Act of 1949, as amended, is amended by adding a new subsection (h) as follows:

"(h) (1) The Secretary shall provide for a set-aside of cropland if the Secretary determines that the total supply of rice will, in the absence of such set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph, then as a condition of eligibility for loans, purchases, and payments under this subsection, the cooperators on a farm must set aside and devote to conservation uses an acreage of cropland equal to (i) such percentage of the farm acreage allotment as may be specified by the Secretary (not to exceed 30 per centum of the farm acreage allotment), plus, if required by the Secretary, (ii) the acreage of cropland on the farm devoted in preceding years to soil conserving uses, as determined by the Secretary. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion; however, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the set-aside acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) The Secretary may make land diversion payments to cooperators, whether or not a set-aside for rice is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. Such land diversion payments shall be made to cooperators on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such cooperators. The

amounts payable to cooperators under land diversion contracts may be determined through the submission of bids for such contracts by cooperators in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the cooperators and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(3) The set-aside acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the cooperator agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) If the operator of the farm desires to participate in the program formulated under this subsection the operator shall file an agreement to do so no later than such date as the Secretary may prescribe. Loans, purchases and payments under this subsection shall be made available to cooperators on such farm only if such cooperators set aside and devote to approved soil conserving uses an acreage on the farm equal to the number of acres which the operator of the farm agrees to set aside and devote to approved soil conserving uses, and the agreement shall so provide. The Secretary may, by mutual agreement with the cooperators on the farm, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of any emergency action created by drought or other disaster, or in order to alleviate a shortage in the supply of rice.

"(5) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provisions for sharing, on a fair and equitable basis in payments under this subsection.

"(6) In any case in which the failure of a cooperator to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(7) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(8) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(9) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection." 16 USC 590h.

SUSPENSION OF MARKETING QUOTAS AND OTHER PROVISIONS

SEC. 816. Sections 353, 354, 355, 356 and 377 of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1982 through 1985 crops of rice.

DEFINITION OF COOPERATOR

SEC. 717. The last proviso in the first sentence of section 408(b) of the Agricultural Act of 1949, as added by section 303 of the Rice Production Act of 1975, is amended by striking out "and 1981" and inserting in lieu thereof "1985".

CONFORMING AGREEMENT

SEC. 718. Section 408(m) of the Agricultural Act of 1949 as added by the Rice Production Act of 1975, to be effective for the 1973 crops, shall be effective for the 1982 through 1985 crops, and shall read as follows:

REFERENCES TO TERMS MADE APPLICABLE TO RICE

"(m) References made in sections 702, 703, 706, and 707 to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well to the level of loans and purchase for rice under this Act; and references made to the terms 'price support', 'price support operation', and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for rice under this Act.".

TITLE VIII

PUBLIC LAW 480

SEC. 801. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out "1981," and inserting in lieu thereof, the following: "1985".

SEC. 802. Section 204 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out $750,000,000 in the first sentence and inserting in lieu thereof $900,000,000.

TITLE IX—NATIONAL SOIL AND WATER CONSERVATION LOANS

SOIL AND WATER CONSERVATION LOANS

SEC. 901. Section 4 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b) is amended by adding at the end thereof the following new subsection:

"(n) (1) Shall make loans to agricultural producers for conservation and environmental enhancement measures to improve the productivity of farmland and protect the quality of the environment as follows:

"(A) Unsecured conservation loans, the total amount of which in the case of any one producer may not exceed $10,000 annually.

"(B) Secured conservation loans, the total amount of which in the case of any one producer may not be less than $10,000 or more than $25,000 annually.

"(C) The total of such unsecured and secured loans outstanding at any time in the case of any producer may not exceed $200,000.

"(2) Loans made under this subsection may be made only for conservation and environmental enhancement measures that are—

"(A) recommended by county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act;

"(B) approved by the Secretary; and

"(C) needed to maintain or improve the productivity of farmland and protect the quality of the environment.

"(3) Loans made under this subsection may be made for a term not to exceed ten years and at a rate of interest comparable to the rate of interest paid by the Corporation on loans made to the Corporation by the United States Treasury.".

TITLE X—RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM

SHORT TITLE

SEC. 101. This title may be cited as the "Resource Conservation and Development Act of 1981".

CONGRESSIONAL FINDINGS

SEC. 1002. (1104). The Congress finds and declares—

(1) that the rural areas of the Nation are confronted by critical resource utilization, economic, and environmental problems;

(2) that such problems are the result of—

(A) continually increasing pressures on such rural areas to meet domestic and foreign demand for food, fiber, and wood;

(B) inadequate public and private investment in the formulation and execution of acceptable courses of action necessary to meet the accelerating demands being made on the land and natural resources of the Nation; and

(C) social, economic, and environmental conditions of such complexity that they cannot be effectively dealt with by individual communities in rural areas acting independently of each other;

(3) that such problems have resulted in and, unless solved, will continue to result in the decline of the family farm system, the loss of job opportunities, and a decrease in the amenities and environmental qualities of rural areas throughout the United States; and

(4) that it is accordingly the purpose of this title to encourage and assist States, local units of government, and local nonprofit organizations in rural areas to organize, develop, and utilize a program for the effective conservation and development of resources.

DEFINITIONS

SEC. 1003. (1105) As used in this title—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "planning process" means the continuing effort by States, local units of government, or local nonprofit organizations to develop major plans for rural areas, including area plans, goals, objectives, policies, implementation activities, needed evaluations, and reviews, but not including opportunity for public participation.

(3) The term "area plan" means a resource conservation and utilization plan for a designated rural area of a State or States which has been developed through a planning process, and which includes the following basic elements:

(A) A land conservation and utilization program designed to correct maladjustments in land allocation, to protect agricultural land from imprudent conversion to other uses, to control erosion and sedimentation, and to protect fish and wildlife habitats.

(B) A water management program designed to conserve and utilize water, including the protection and utilization of irrigation and rural water supplies, the mitigation of floods, repair or improvement of dams and reservoirs, improvement of agricultural water management, and improvement of water quality through control of nonpoint sources of pollution.

(C) A community development program designed to develop natural resources based industries, to protect rural area industries from natural resource hazards, to develop aquaculture, to develop rural area water and waste disposal systems, to improve recreation facilities, rural housing, adequate health and education facilities, and essential transportation and communication needs.

(D) Other related programs, including energy conservation and environmental protection programs that are appropriate to meet the goals of residents of the designated rural areas.

(4) The term "State" means the several States, the Commonwealth of Puerto Rico, and the Virgin Islands.

(5) The term "local unit of government" means any city, town, township, parish,

village, or other general purpose subdivision of a State, any local or regional special district or other limited political subdivision of a State, including any soil conservation district, irrigation or drainage district, school district, park authority, or water or sanitary district.

(6) The term "nonprofit organization" means any community association, wildlife group, or resource conservation organization that is incorporated and approved by the Secretary for the purpose of providing public facilities or services to a community in connection with activities or measures described in the area plan.

(7) The term "technical assistance" means any service provided by personnel of the Department of Agriculture, including advice, inventory evaluation, planning and design assistance, supervision, lay out assistance, and inspection, and the provision of maps, reports, and other documents associated with such activities.

(8) The term "financial assistance" means the assistance made available under this title by means of Federal grants and loans.

(9) The term "works improvement" means any facility installed or being installed in compliance with an area plan.

ESTABLISHMENT OF RESOURCE CONSERVATION AND DEVELOPMENT PLAN

SEC. 1005. (1106) The Secretary shall establish a program known as the "Resource Conservation and Development Program" under which the Secretary shall make available to States, local units of government, and local nonprofit organizations the technical and financial assistance necessary to permit such States, local units of government, and organizations to operate and maintain a planning process for the development of plans and actions needed to conserve and better utilize land, develop natural resources, and improve an enhance the economic and environmental conditions of rural areas of the United States.

AUTHORITY OF THE SECRETARY OF AGRICULTURE

SEC. 1005. (1107). (a) In carrying out the provisions of this title, the Secretary may—

(1) provide technical assistance, upon request, to any State, local unit of government, or local nonprofit organization within a designated rural area for the purpose of assisting in the development of an area plan for such area;

(2) cooperate with other departments and agencies of the Federal Government, with State and local governments, and with local nonprofit organizations in conducting surveys and inventories, disseminating information, and developing area plans;

(3) assist in carrying out an area plan approved by the Secretary for any rural area by providing technical and financial assistance, including grants and loans, to local public agencies and nonprofit organizations designated to receive such assistance by the Governor or legislature of the State concerned; and

(4) enter into agreements with State agencies, local units of government, and local nonprofit organizations, as provided in section 1006.

(b) The authority of the Secretary under this title to assist States, local units of government, and local nonprofit organizations in the development and implementation of area plans shall be supplemental to and not in lieu of any authority of the Secretary under any other provision of law.

AGREEMENTS; TERMS AND CONDITIONS

SEC. 1006. (1108) (a) Technical and financial assistance, including loans, may be provided by the Secretary to any State agency, local unit of government, or local nonprofit organization to assist such agency, unit of government, or organization in carrying out an area plan approved by the Secretary if—

(1) such State agency, unit of government, or organization agrees in writing to carry out such a plan and finance any portion of the cost of carrying out such plan not paid by the Secretary under this title;

(2) the development or facility for which assistance is to be provided under this title is included in an area plan and has been approved by the local units of government to be assisted;

(3) the Secretary determines that assistance for such development or facility is not available to such agency, unit of government, or organization under some other Federal program;

(4) the development or facility provided for in the area plan is consistent with any existing comprehensive plan for the area in which such plan is to be carried out;

(5) the cost of land or interest in land acquired or to be acquired under such plan by any State, local unit of government, or local nonprofit organization is borne by such State, unit of government, or organization, except in the case of land or interest in land acquired or to be acquired for the purpose of conserving or protecting fish or wildlife or acquired or to be acquired for public recreational purposes; and

(6) the State, local unit of government, or local nonprofit organization participating in the area plan agrees to maintain and operate any work of improvement carried out under the plan.

(b) Loans made under this title shall be made on such terms and conditions as the Secretary may prescribe, except that such loans shall have a repayment period of not more than thirty years from the date of completion of the development or facility for which the loan is made and shall bear interest at the average rate of interest paid by the United States on its obligations of a comparable term, as determined by the Secretary of the Treasury.

(c) Assistance may not be made available to any State, local unit of government, or local nonprofit organization to carry out any area plan unless such plan has been submitted to and approved by the Secretary.

RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD

SEC. 1007. (1110) (a) The Secretary shall establish within the Department of Agriculture a Resource Conservation and Development Policy Board (hereinafter in this section referred to as the "Board").

(b) The Board shall be composed of seven members appointed by the Secretary. One member of the Board shall be designated by the Secretary to serve as chairman.

(c) It shall be the function of the Board to advise the Secretary regarding the administration of this title, including the formulation of policies for carrying out the program provided for by this title.

EVALUATION OF PROGRAM

SEC. 1008. (1111) The Secretary shall evaluate the program provided for in this title with a view to determining whether such program is meeting effectively the needs of, and the objectives identified by, the States, local units of government, and local nonprofit organizations participating in such program.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1009. (1112) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title, except that not more than $60,000,000 may be appropriated for technical and financial assistance for any fiscal year and not more than $15,000,000 may be appropriated for loans for any fiscal year.

TITLE XI—SPECIAL AREAS SOIL CONSERVATION PROGRAM

FINDINGS

SEC. 1101 (1113) The Congress finds—

(1) that studies by the Department of Agriculture indicate that four billion tons of soil are lost annually from non-Federal lands in the United States, with approximately two billion tons lost from cropland;

(2) that in 1977 nearly one-half of the 413 million acres of cropland were comprised of soils with moderate, high, or very high risk damage by sheet and rill erosion;

(3) that geographic areas tend to vary widely in the severity of soil, water, and related resource problems, and that soils, land slopes, climate, agricultural practices, and other related factors combine to make certain areas of the Nation highly productive yet subject to severe and long-standing soil erosion and water management problems; and

(4) that solutions to soil and water resource problems must be tailored to address the natural resource conditions that exist within the area of concern, and that the goals and policies of any program to solve such problems must be integrated with the concerns of the local communities involved.

FORMULATION AND IMPLEMENTATION OF CONSERVATION PROGRAM

SEC. 1602. (1114) (a) The Secretary of Agriculture (hereinafter in this title referred to as the "Secretary") shall formulate and carry out, in special areas of the United States designated by the Secretary, a program for the conservation of soil, water, and related resources. The Secretary shall carry out such program by providing technical and financial assistance to owners and operators of non-Federal agriculture land. Funds made available under this title may not be used to carry out conservation measures on State, county, and other non-Federal public land except in cases in which such lands are an integral part of a private farm, forest, or ranch operating unit and are under the control of private landowners or operators.

(b) The Secretary may provide assistance under this title to owners and operators of non-Federal agriculture, range, and forest lands in designated special areas who have such control over the lands as the Secretary deems necessary to carry out the purposes of this title. The Secretary may also provide assistance under this title to the owners or operators of other than agricultural lands (non-Federal) in special designated areas if the lands of such owners or operators have soil, water, or related resources conservation problems so serious as to make assistance under this title necessary for the protection of agricultural lands. Assistance provided under this title shall be for the purpose of (1) assisting landowners and operators to make changes in their cropping systems or land management practices needed to conserve, protect, or properly utilize the soil, water, and related resources of their agricultural and other lands, and (2) installing the soil and water conservation treatment needed under such systems or practices.

(c) (1) In carrying out the program authorized by this title, the Secretary shall enter into written contracts with the landowners and operators in designated special areas.

(2) Conservation plans of landowners and operators shall form the basis for such contracts. The landowners or operators shall furnish to the Secretary a plan of conservation operations and land use developed in cooperation with and approved by the soil and water conservation district in which the lands on which the plan is to be carried out are situated. The plan shall include (1) a description of such soil, water, and related resources conservation measures as the landowner or operator determines to be practicable to protect such lands from erosion and deterioration, (2) a schedule of proposed changes in cropping systems or land management to be carried out on such lands during the contract period, and (3) a schedule of the conservation measures to be carried out on such lands during the contract period. Such plan shall be designed to fit the local social and economic conditions and the soil, water, and related resources problems of

the designated area and may allow for varying levels of conservation application as is appropriate to address the problems. The plan may be developed to cover all or part of a farm, ranch, or other lands determined to be necessary to solve the conservation problems of the area. The plan may also include conservation measures for enhancing fish and wildlife and recreation resources and for reducing or controlling agricultural related point and nonpoint pollution.

(d) Any landowner or operator who enters into a contract with the Secretary under this title shall agree—

(1) to effectuate the plan for his agricultural or other lands substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary pursuant to subsection (f);

(2) to forfeit all rights to further payments or grants under the contract and refund to the United States all payments of grants received thereunder, including interest, upon any violation of the contract by such landowner or operator at any stage during the time he has control of the land on which the plan is to be carried out if the Secretary, after considering the recommendations of the appropriate soil and water conservation district board, determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds, including interest, or accept such payment adjustments as the Secretary may deem appropriate upon a determination that the violation by the owner or operator does not warrant termination of the contract;

(3) upon transfer, during the contract period, of the rights or interests of the landowner or operator in the agricultural or other lands on which the plan is to be carried out, to forfeit all rights to further payments or grants under the contract period and refund to the United States all payments or grants received thereunder, including interest, unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract;

(4) not to adopt any practices specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract; and

(5) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of the program or to facilitate the practical administration of the program.

(e) In return for an agreement by the landowner or operator under this section, the Secretary shall agree to share the cost of carrying out the conservation measures set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest. The portion of the costs to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the installation and, if applicable, the maintenance of the conservation treatment under the contract, including the cost of labor. The Secretary shall determine the amount of the shared costs to be borne by the Federal Government, taking into consideration the social and economic conditions unique to each designated geographic area and the degree of conservation to be achieved. The Secretary shall determine the maximum amount of cost-share assistance that may be provided to any single recipient. When adjustments in land use from crops to permanent vegetative cover or changes in crop varieties are undertaken as conservation treatment, financial assistance may be provided with regard to the income lost as a result of such land use or crop adjustments.

(f) The Secretary may terminate any contract with a landowner or operator by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest and may agree to such modification of contracts previously entered into as the Secretary may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof or to accomplish equitable treatment with respect to other similar conservation, land use, or commodity programs administered by the Secretary.

(g) The Secretary may also enter into contracts with landowners or operators for the purpose of maintaining any conservation treatment established under this title or other conservation treatment which has been adequately established, and to provide such assistance as is necessary to retain the treatment on the land. The provisions and administration of such contracts shall be in accordance with the requirements set forth in subsections (b) through (f).

PROGRAM TO BE DIRECTED AT SPECIFIC PROBLEMS

SEC. 1103. (1115) The program authorized by this title shall be directed toward identifying and correcting specific soil, water, and related resource problems which are prevalent within each special area designated by the Secretary under this title. The Secretary may provide assistance to such areas he determines have special or extremely serious soil, water, and related resources conservation problems. For each designated special area, the Secretary shall develop and implement a plan setting forth an assessment of the problems, objectives, priorities, and a schedule of implementation of conservation treatment to address the problems of the designated special area. In development of the plan, the Secretary shall take into consideration programs of Federal, State, and local agencies, including soil conservation districts having for their purposes the objectives of soil and water conservation, pollution abatement, and the improvement and protection of forest land.

CONTRACT LIMITATIONS

SEC. 1104. (1116) Special areas may be designated pursuant to section 1303 for a period of ten years following the date of enactment of this title. Contracts authorized by subsections (b) and (c) of section 1302 may be entered into for a period of ten years following the designation of the special area to which such contracts relate. Such contracts may not exceed ten years in duration. The Secretary may not enter into contracts under this title which provide for the expenditure of Federal funds in excess of funds appropriated for such purpose.

NOTIFICATION OF COMMITTEES

SEC. 1105. (1117) The Secretary shall submit a copy of each special area plan developed pursuant to section 1303 to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives. The Secretary may enter into contracts under this title to carry out any such area plan only after the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives have each adopted a resolution approving the designated special area described in the plan.

UTILIZATION OF SERVICES AND FACILITIES

SEC. 1106. (1118) In carrying out the provisions of this title, the Secretary may utilize the services of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) and the technical services of the Department of Agriculture, soil and water conservation districts, and other State or local agencies. The Secretary may also utilize the services and facilities of the Commodity Credit Corporation in discharging departmental functions and responsibilities under this title.

IMPROVEMENT OF TECHNOLOGY

SEC. 1107. (1119) The Secretary is authorized to expend funds directly or through grants for such research as is needed to assist in developing or improving technology for controlling soil, water, and related resource problems in designated areas. Such research shall be coordinated with and related to specific conservation needs of designated areas to accomplish the objectives of the program authorized under section 1102.

GRANTS FOR EVALUATION AND ANALYSIS OF STATE TAX STRUCTURES AND THEIR IMPACT ON PROGRAM

SEC. 1108. (1120) The Secretary may provide grants to any State which contains an area designated by the Secretary under this title for the purpose of conducting an evaluation and analysis of the local and State tax structures, rules, and regulations and their impact on the acceptance, installation, and maintenance of conservation measures that may be needed for an effective program under this title.

AUTHORIZATION APPROPRIATIONS

SEC. 1109. (1121) There are authorized to be appropriated $200,000,000 annually, to remain available until expended, to carry out the program authorized by this title.

REPORT TO CONGRESS

SEC. 1110. (1122) The Secretary shall submit a report to the Congress at the end of each of the first five years of operation of the program provided for in this title. Such report shall contain an evaluation of the operation of such program and shall include recommendations for such additional legislation as may be necessary to solve identified soil, water, and related resources problems in areas designated by the Secretary under this title and to utilize new findings and developments related to such problems.

PROTECTION OF PARTICIPANTS

SEC. 1111. (1123) No person shall be disqualified from participating in, or suffer any forfeiture or reduction in benefits under, any other program administered by the Secretary by virtue of participation in the program provided for in this title.

TITLE XII—AGRICULTURAL VOLUNTEERS

AUTHORITY OF SECRETARY OF AGRICULTURE TO ACCEPT VOLUNTARY SERVICES

SEC. 1201. (a) The Secretary of Agriculture is authorized to accept, subject to regulations issued by the Office of Personnel Management, voluntary services for the Department of Agriculture if the services—

(1) are to be without compensation, and

(2) will not displace any employee of the Department of Agriculture.

(b) Any individual who provides voluntary service under this title shall not be considered a Federal employee for any purpose other than for purposes of chapter 81 of title 5, United States Code, relating to compensation for injury, and chapter 171 of title 28, relating to tort claims.

(c) There are authorized to be appropriated, to remain available until expended, such sums as may be necessary to carry out the provisions of this section.

TITLE XIII—MISCELLANEOUS PROVISIONS

LOCAL SEARCH AND RESCUE OPERATIONS

SEC. 1301. The Secretary of Agriculture is authorized to assist, through the use of Soil Conservation Service personnel, vehicles, communication equipment, and other equipment or materials available to the Secretary, in local search and rescue operations when requested by responsible local public authorities. Such assistance may be provided in emergencies caused by tornadoes, fires, floods, snowstorms, earthquakes, and similar disasters.

CONSERVATION MATERIALS

SEC. 1202. (a) The Secretary of Agriculture shall establish and maintain agricultural plant centers for the purpose of assembling, testing, and distributing plants for use in soil, water, and energy conservation programs and may develop, test, and recommend methods, techniques, and materials for improving the conservation of soil and water resources.

(b) There are hereby authorized to be appropriated $5,000,000 annually, to remain available until expended, to carry out the provisions of this section.

RECLAMATION

SEC. 1203. Section 406 (d) of the Surfacing Mining Control and Reclamation Act of 1977 (91 Stat. 445; 30 U.S.C. 1201 (d)) is amended by adding at the end thereof the following new sentence: "The Secretary of Agriculture may carry out, without regard to the acreage limitations set forth in this section, experimental reclamation treatment projects on all lands within a hydrologic unit if he determines that treatment of such lands as a hydrologic unit will achieve greater reduction in the adverse effects of past surface mining practices than would be achieved if reclamation was done on individual parcels of land.".

ORGANIC WASTE AND WATER UTILIZATION OR CONTROL

SEC. 1204. (a) The Secretary of Agriculture is authorized to develop and carry out a program to provide technical assistance to landowners and operators for the—

(1) beneficial use or safe disposal of wastes in or on land, including water treatment plant sludge, plant effluent and sludge, septage, organic refuse, food processing liquid and solid wastes, animal manure, crop residues, and logging and wood manufacuring residues;

(2) control of agricultural related pollution, including pollution resulting from animal and poultry operations, food processing, crop production (including sediment, nutrients, and chemicals), irrigation, and drainage and on-farm production of ethanol; and

(3) development of facilities for collection, storage, and utilization of safe disposal of storm water runoff in rural areas, including ground water recharge facilities.

(b) There are authorized to be appropriated $5,000,000, to remain available until expended, to carry out the provisions of this section.

TITLE XIV—MISCELLANEOUS

AMERICAN AGRICULTURE PROTECTION PROGRAM

SEC. 1401. (a) Notwithstanding any other provision of law, whenever the President or any other member of the Executive Branch of the Federal Government causes to be suspended, for any reason whatsoever, the commercial export sales of any commodity, as defined in subsection (c) of this section, the Secretary of Agriculture shall, on the day the suspension is initiated, set the loan level for such commodity under the Agricultural Act of 1949, as amended, if a loan program is in effect for the commodity, at 100 per centum of the parity price for the commodity, as such parity price is determined on the day the suspension is initiated.

(b) Any loan level established pursuant to subsection (a) of this section shall remain in effect as long as the suspension of commercial export sales described in subsection (a) remains in effect.

(c) For purposes of this section the term "commodity" shall include any of the following: wheat, corn, grain sorghum, soybeans, oats, rye, barley, rice, flaxseed, and cotton.

SPECIAL GRAZING AND HAY PROGRAM

SEC. 1402. Title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section 109 as follows:

"SEC. 109. Notwithstanding any other provision of law—

"(a) the Secretary is authorized to administer a special wheat acreage grazing and hay program (hereinafter in this section referred to as the 'special program') in each of the crop years 1981 through 1985. Under the special program, a producer shall be permitted to designate, under such regulations as established by the Secretary, a portion of the acreage on the farm intended to be planted to wheat, feed grains, or upland cotton for harvest, not in excess of 40 percentum thereof, or 50 acres, whichever is greater, which shall be planted to wheat (or some other commodity other than corn or grain sorghum) and used by the producer for grazing purposes or hay rather than for commercial grain production. A producer who elects to participate in the special program shall receive a payment as provided in subsection (c) of this section.

"(b) Any producer who elects to participate in the special program under this section shall designate the specific acreage on the farm which is to be used for the purposes set forth in subsection (a) of this section. No crop other than hay may be harvested from acreage included in the special program.

"(c) The Secretary shall pay the producer participating in the special program an amount determined by multiplying the farm program payment yield for wheat established for the farm, by the number of acres included in the special program, by a rate of payment determined by the Secretary to be fair and reasonable. The producer shall not be eligible for any other payment or price support on any portion of the acreage for the farm which the producer elects to include in the special program.

"(d) Acreage included in the special program shall be in addition to any acreage included in any acreage set-aside program otherwise provided for by law.

"(e) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(f) The Secretary shall carry out the special program through the Commodity Credit Corporation.".

SEC. 1403. Section 20 of the Federal Meat Inspection Act (21 U.S.C. 620), is amended by adding at the end thereof a new subsection (f) as follows:

"(f) In addition the foreign plants referred to in subsection (a) of this section shall be inspected no less than six times each calendar year, and upon the completion of each inspection, there must be certification by the Secretary that each such establishment complies with criteria established by the Secretary and that residue sampling of the carcasses, meat, or meat food products of such animals is free of chemicals or materials found harmful for human consumption under laws of the United States.

TITLE XV—RESEARCH AND EXTENSION

SEC. 1501. Title XIV of the Food and Agriculture Act of 1977 (P.L. 95-113) is hereby reauthorized in toto.

Sec. 1415 is hereby amended by adding a new subsection (3) to (c) at the end of said section 1415 as follows—

"(3) (a) There are hereby authorized to be appropriated such funds, not to exceed $35,000,000 annually, as Congress may determine necessary to support research on specific national or regional animal health or disease problems.

(b) In order to establish a rational allocation of these funds, the Secretary shall annually establish priority lists of animal disease problems of national or regional significance. Such lists shall be prepared after consultation with the Joint Council, the Users Advisory Board, and the Animal Health Science Research Advisory Board, but the recommendations of such advisory bodies shall not be controlling on the Secretary's determination of priorities. In establishing such priorities, the Secretary, and any advisory bodies, shall consider the following factors:

(1) A disease problem shall be one that causes or has potential to cause significant economic losses for the particular element of the livestock production industry affected by it;

(2) The scientific knowledge necessary to prevent, cure, or abate such a disease is not currently adequate; and

(3) The status of scientific research is such that accomplishments may be anticipated through the application of scientific effort to such disease.

The Secretary shall, to the extent feasible, award grants to the eligible institutions on the basis of the priorities assigned through a peer review system. Grantees shall be selected on a competitive basis in accord with such procedures as the Secretary shall establish. The Secretary is not expected to consult with the advisory bodies referred to in subsection (c) in the selection of specific grant applications.

(e) In the case of multi-year grants, the Secretary may direct the award of funds on any basis reasonably related to the timetable required by the orderly conduct of the particular research project.

By Mr. HELMS (for himself and Mr. EAST):

S. 481. A bill to restore the right of voluntary prayer in public schools and to promote the separation of powers; to the Committee on the Judiciary.

VOLUNTARY SCHOOL PRAYER ACT OF 1981

Mr. HELMS. Mr. President, earlier this morning as we joined with the Chaplain of the Senate in prayer, as we do each day the Senate is in session, the thought occurred to me that while we in the Senate begin our day's work by asking God's blessing on our efforts, the Supreme Court has denied this right and privilege to millions of schoolchildren across this Nation.

Mr. President, one would think that if the legislators of this country are entitled to ask for divine blessing upon their work, then so are schoolchildren. However, the Court has ruled to the contrary and in so doing has overturned more than 200 years of American custom. Indeed, the Supreme Court has even ruled that schoolchildren may not read the prayer of the House or Senate Chaplain as printed in the CONGRESSIONAL RECORD as a beginning to their school day.

Mr. President, the interpretation of the first amendment used by the Supreme Court to strike down this practice of the American people, distorted the intent and language of the amendment. The Justices of the Court held that a voluntary, nondenominational prayer constituted a violation of the "establishment of religion" clause of the first amendment. The Court's interpretation of the first amendment indicated not only an animosity toward the effect of religion in the public life of our Nation, but also a misunderstanding of its historical role.

Today, the Senate once again assembled to listen to George Washington's Farewell Address. Washington brought the unique experiences of his service as

first President of the United States, as commander of the continental forces during the War of Independence and as president of the convention which wrote and presented the Constitution to the States for ratification. He rejected the narrow opinion that religion must be excluded from the public life of the Nation. In his final counsel to the Nation, Washington warned that:

> Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism who should labor to subvert these great pillars of human happiness.

Mr. President, Washington's view has indeed been the mainstream of the legal and social attitude of the American people and the drafters of the Constitution in regard to the religious rights preserved in the Bill of Rights. Prof. Edward Corwin, one of our most distinguished constitutional scholars, rejected any interpretation of the first amendment which would force upon Government institutions a formal agnosticism. Professor Corwin writes:

> The historical record shows beyond peradventure that the core idea of an "establishment of religion" comprises the idea of preference; and that any act of public authority favorable to religion in general cannot, without manifest falsification of history, be brought under the ban of that phrase.

THE SUPREME COURT DECISIONS

Nearly 200 years after the drafting of the Constitution, the Supreme Court for the first time ruled that prayer and Bible-reading in public schools encouraged by the State constitutes an establishment of religion in violation of the first amendment. At the time of these decisions, 26 States permitted Bible-reading in the public schools and 13 authorized the saying of the Lord's Prayer.

The first amendment provides that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof." In *Engel* v. *Vitale*, 370 U.S. 421 (1962), the Court prohibited a requirement of the New York State Board of Regents that each class begin the school day with the following prayer:

> Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers and our Country.

In *Abington School District* v. *Schempp*, 374 U.S. 203 (1963), the Court struck down a Pennsylvania statute requiring the reading of at least 10 verses from the Holy Bible without comment and the saying of the Lord's Prayer at the beginning of each school day. In a companion case, the Court invalidated a Maryland requirement concerning the reading of a chapter of the Holy Bible and/or saying the Lord's Prayer.

In each case, the Court ruled that voluntary school programs including Bible-reading or prayer violate the establishment clause of the first amendment. In Engel, Justice Black wrote:

> The constitutional prohibition against laws respecting an establishment of religion must at least mean that in this country it is no part of the business of government to compose official prayers for any group of the American people to recite as a part of a religious program carried on by government. (370 U.S. at 425)

In Schempp, Justice Clark concluded that the Bible-reading programs:

> are religious exercises, required by the States in violation of the command of the First Amendment that the Government maintain strict neutrality, neither aiding nor opposing religion. (374 U.S. 203)

In both rulings the Court went beyond the language of the establishment clause to construct an interpretation of it which would overturn the long-standing State practices. In Engel, Justice Black asserted:

> Its first and most immediate purpose rested on the belief that a union of government and religion tends to destroy government and to degrade religion . . . The Establishment Clause thus stands as an expression of principle on the part of the Founders of our Constitution that religion is too personal, too sacred, too holy, to permit its "unhallowed perversion" by a civil magistrate. (370 U.S. 431-32)

Justice Clark argued in Schempp that the Court had previously "rejected unequivocally the contention that the Establishment Clause forbids only governmental preference of one religion over another." (374 U.S. 216) He maintained that the establishment clause must be considered together with the free exercise clause, and that they impose on Government a "wholesome neutrality" toward religion. In Justice Clark's view, the first amendment prohibits Government from any action favoring one religious sect over all others, or religion in general over nonreligion.

Justice Clark formulated a new standard by which to measure legislative action regarding the first amendment:

> The test may be stated as follows: what are the purpose and the primary effect of the enactment? If either is the advancement or inhibition of religion the enactment exceeds the scope of legislative powers as circumscribed by the Constitution. That is to say that to withstand the structures of the Establishment Clause there must be a secular legislative purpose and a primary effect that neither advances nor inhibits religion. (374 U.S. at 222)

The Court maintained that even though the prayer and Bible-reading activities were voluntary, this did not prevent them from violating the establishment clause. In Engel, the Court held that:

> The Establishment Clause, unlike the Free Exercise Clause, does not depend upon any showing of direct governmental compulsion and is violated by the enactment of laws which establish an official religion whether those laws operate directly to coerce nonobserving individuals or not. (370 U.S. 421)

COURT'S INTERPRETATION—SHEER INVENTION

Thus the Supreme Court reached a position which earlier the highest court of New York State had concluded "is so contrary to history as to be impossible of acceptance." Constitutional scholars also took issue with the Court's new interpretation. For example, Prof. Charles Rice of Notre Dame Law School found that the Court interpreted "the establishment clause in abstract and oversimplified terms, doing violence thereby to the history and informed logic of the first amendment" and Erwin Griswold, Dean of Harvard University Law School, viewed the Court's holding as "sheer invention."

The Court reached its holding in Engel and Schempp by way of a myopic and narrow view of the history of the Constitution. Only by a thorough distortion of the work of the authors of the Constitution is it possible to arrive at the sweeping condemnation of America's spiritual heritage presented in the Court's opinions.

Professor Rice, writing in the South Carolina Law Review, explains:

> It has been incorrectly asserted, by the Supreme Court and others, that the establishment clause ordained a government abstention from all matters of religion, a neutrality between those who believe in God and those who do not. An examination of the history of the Clause, however, will not sustain that analysis. Its end was neutrality, but only of a sort. It commanded impartiality on the part of government as among the various sects of theistic religions, that is, religions that profess a belief in God. But as between theistic religions and those nontheistic creeds that do not acknowledge God, the precept of neutrality under the establishment did not obtain. Government, under the establishment clause, could generate an affirmative atmosphere of hospitality toward theistic religion, so long as no substantial partiality was shown toward any particular theistic sect or combination of sects.

Justice Joseph Story, who served on the Supreme Court from 1811 to 1845 and who was a contemporary of the framers of the Constitution, maintained that at the time of the drafting of the first amendment:

> The general if not the universal sentiment in America was, that Christianity ought to receive encouragement from the state so far as was not incompatible with the private rights of conscience and the freedom of religious worship. An attempt to level all religions and to make it a matter of state policy to hold all in utter indifference, would have created universal disapprobation, if not universal indignation.

COURT IGNORED HISTORY

The first amendment provides that Congress shall make no law respecting an establishment of religion. Those assembled at the Constitutional Convention did not arbitrarily choose the phrase "an establishment of religion." There was much history behind the term. Not only did England and Scotland have an established church, but five of the States which later adopted the first amendment had established churches as well.

In the Engel and Schempp opinions, the Court ruled that the phrase "establishment of religion" really meant not just the creation of a national church, but any Government action dealing or touching religion. To cite Justice Clark's new test outlined in Schempp, the "primary effect" of any governmental act must not "advance religion."

Yet, it is just this view of what the first amendment should provide that the authors of the amendment specifically rejected. During the drafting of the first amendment it was originally proposed that the amendment should read: "Congress shall make no laws touching religion . . ." Needless to say, that language was rejected.

An elementary rule of statutory con-

struction provides that when a legislative assembly rejects language which has a broad application and substitutes in lieu of it language with a specific, narrow application, that the legislative intent is to exclude the broad application. Had the proposal that Congress make no law "touching religion" been accepted, it would undoubtedly have prevented Congress from doing much more than establishing a national religion. It applied to the States, it undoubtedly would have prohibited the type of prayer at issue in the Engel and Schempp cases. However, it is equally clear that this broad language was rejected and that Congress viewed the official encouragement of voluntary prayer, even on the national level, as not to be contrary to the first amendment's establishment provision.

On September 24, 1789, the first Congress passed a resolution requesting that the President "recommend to the people of the United States a day of public thanksgiving and prayer, to be observed by acknowledging, with grateful hearts, the many signal favors of Almighty God, especially by affording them an opportunity peaceably to establish a constitution of government for their safety and happiness." Congress passed this resolution calling for a national day of prayer on the same day on which it adopted the first amendment to the Constitution. Nine days later President Washington issued the thanksgiving proclamation. Could any action more clearly indicate the intent of the authors of the first amendment regarding its establishment clause and Government-encouraged public prayer? The framers of the Bill of Rights clearly rejected the doctrine imposed upon the Nation in their name nearly 200 years later when the Supreme Court demanded that "in the relationship between man and religion, the state is firmly committed to a position of neutrality."

A threshold issue presented in the Engel and Schempp cases was whether the establishment clause of the first amendment could be applied to the action of State governments through the 14th amendment. The Court rejected an historical analysis of the meaning of the 14th amendment and relied on unsupported assertions. "First," wrote Justice Clark, "this Court has decisively settled (that the establishment clause) has been made wholly applicable to the States by the Fourteenth Amendment." For proof, he cited an opinion of Justice Roberts in Cantwell against Connecticut. The difficulty here is that the Cantwell case does not deal with the establishment clause and therefore does not settle anything at all. Thus the fundamental issue before the Court was disposed of by hypothesis.

Here again, an open historical inquiry would have led to a result far different than that of the Court's. The framers of the 14th amendment themselves did not intend, nor did they believe that the amendment would prohibit the States from encouraging prayer in public schools. How else can one understand the serious attempt by some in Congress only 7 years after the ratification of the amendment to amend the Constitution once again to prohibit the State establishment of religion. If the 14th amendment was intended to do this, why would those who had just adopted it propose to do it again?

The answer is that the 14th amendment did not apply the establishment clause of the first amendment to the States. Only a distortion of both amendments and their history permit such an application.

In part, the 14th amendment provides that no State "shall deprive any person of life, liberty, or property, without due process of law." Before its decisions in the Engel and Schempp cases, the Court had applied other aspects of the Bill of Rights to the States through the 14th amendment by asserting that the word "liberty" as used in the amendment included all the liberties included in the Bill of Rights. Hence the liberties annunciated in the Bill of Rights could be protected from encroachment by the States.

But as Prof. Edward Corwin has explained, the establishment clause is not like the liberties outlined in the first nine amendments such as the right to bear arms. Rather it is like the 10th amendment which distinguishes the proper constitutional powers of the national and State governments under our federal system.

The framers of the first amendment rejected the proposal by the delegations of Virginia and North Carolina that "no particular religious sect or society ought to be favored or established, by law, in preference to others," because this language would have allowed Congress to disestablish the established churches of five States. The Congress then rejected Madison's proposal that the first amendment not apply to Congress at all, but that it prohibit only the States from violating "the equal rights of conscience."

The authors of the first amendment sought to protect religious liberty by providing that "Congress shall make no law * * * prohibiting the free exercise" of religion. However, regarding the purpose of the establishment clause, the legislative history is clear that the framers sought to prohibit Congress from establishing a national church or interfering with the individual State's policy regarding religion. As Justice Story later wrote:

> The whole power over the subject of religion is left (by the amendment) exclusively to the State governments to be acted upon according to their own sense of Justice and the State constitutions.

The authors of the first amendment sought a division of power in which the States would retain their ability to establish or disestablish a religion, while Congress had no power in this area. There simply is no liberty contained in the establishment clause to be "incorporated" through the 14th amendment and applied to the States. To interpret both amendments in such a way as to construe such an application would amount to prohibiting a State from establishing a national religion or from interfering with its own arrangements regarding religion.

CONGRESS CAN RESTORE THE RIGHT TO SCHOOL PRAYER

Mr. President, the Congress need not yield to any Justice of the Supreme Court in its respect for the words of the first amendment or for the principles or history behind them. Neither must Congress yield its responsibility under the Constitution to insure that the freedoms protected by the first amendment are not undermined by actions of other institutions. There is no more pressing duty facing the Congress than to restore the true spirit of the first amendment.

In anticipation of judicial usurpations of power, the framers of our Constitution wisely gave the Congress the authority, by a simple majority of both Houses, to check the Supreme Court by means of regulation of its appellate jurisdiction. Section 2 of article III states in clear and unequivocal language that the appellate jurisdiction of the Court is subject to "such Exceptions, and under such Regulations as the Congress shall make."

Mr. President, the legislation I am introducing today states simply that the Federal courts shall not have jurisdiction to enter any judgment, decree, or order denying or restricting, as unconstitutional, voluntary prayer in any public school. Implicit in this bill is the understanding that the American citizen will have recourse to a judicial settlement of his rights, but this settlement will be made in the State courts of this Nation and not in the Federal courts. This is where our religious freedoms were always safeguarded for 173 years until they were nationalized by the Supreme Court.

The limited and specific objective of this bill, then, is to restore to the American people the fundamental right of voluntary prayer in the public schools. I stress the word voluntary. No individual should be forced to participate in a religious exercise that is contrary to his religious convictions, and the bill recognizes this important freedom.

Mr. President, this legislation is identical to legislation which I have introduced in the past and which passed the Senate on April 9, 1979, with one important exception: This legislation specifically provides that the term "voluntary prayer" as used in the bill does not include "any prayer composed by an official or employee of a State or local governmental agency." I believe this added clarification of the intent of this legislation will do much to answer the concerns of those who would not wish to see government officials composing "official" prayers. I totally agree with that concern and have amended the proposal accordingly. At the same time, the bill seeks to promote the free exercise by allowing those who wish to recite prayers—and they are the vast majority of our citizens—to do so, with or without the blessings of the Government.

I think the conclusion is inescapable that in the Engel decision the Supreme Court in effect gave preference to the dissenters and at the same time violated the establishment clause of the first amendment by establishing a religion—the religion of secularism.

Public schoolchildren are a captive audience. They are compelled to attend school. Their right to the free exercise of religion should not be suspended while they are in attendance. The language of the first amendment assumes that this basic freedom should be in force at all times and in all places.

Mr. President, I ask unanimous consent that the text of the "Voluntary School Prayer Act of 1981" be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 481

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voluntary School Prayer Act of 1981".

SEC. 2. Chapter 81 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1259. Appellate jurisdiction; limitations

"(a) Notwithstanding the provision of sections 1253, 1254, and 1257 of this chapter the Supreme Court shall not have jurisdiction to review, by appeal, writ of certiorari, or otherwise, any case arising out of any State statute, ordinance, rule, regulation, or any part thereof, or arising out of any act interpreting, applying, or enforcing a State statute, ordinance, rule, or regulation, which relates to voluntary prayers in public schools and public buildings.

"For the purposes of this section, the term 'voluntary prayer' shall not include any prayer composed by an official or employee of a State or local government agency.".

(b) The section analysis at the beginning of chapter 81 of such title 28 is amended by adding at the end thereof the following new item:

"1259. Appellate jurisdiction; limitations.".

SEC. 3. (a) Chapter 85 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 1364. Limitations on jurisdiction

"Notwithstanding any other provision of law, the district courts shall not have jurisdiction of any case or question which the Supreme Court does not have jurisdiction to review under section 1259 of this title.".

(b) The section analysis at the beginning of the chapter 85 of such title 28 is amended by adding at the end thereof the following new item:

"1364. Limitations on jurisdiction.".

SEC. 4. The amendments made by sections 11 and 12 of this Act shall take effect on the date of the enactment of this Act, except that such amendments shall not apply with respect to any case which, on such date of enactment, was pending in any court of the United States.

ADDITIONAL COSPONSORS

S. 13

At the request of Mr. DOLE, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 13, a bill to amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Federal revenues set forth in concurrent resolutions on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget which set forth a deficit, and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Budget Committee has scheduled hearings to review the President's economic proposals on February 19 and 20, 1981, at 10 a.m. in room 6202 of the Dirksen Senate Office Building.

On Thursday, February 19, David Stockman, Director of the Office of Management and Budget will appear before the committee at 10 a.m. Donald Regan, Secretary of the Treasury, will present testimony the following morning, February 20, also at 10 a.m.

For further information, contact Mr. Bill Stringer of the Budget Committee staff at 224-0538.

Mr. President, the Senate Budget Committee will meet to consider President Reagan's budget package and possibly markup a reconciliation instruction from February 24-27, 1981, in room 6202 of the Dirksen Senate Office Building. Afternoon and evening sessions are also likely.

For more information, please contact Mr. Bill Stringer of the Budget Committee staff at 224-0538.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I wish to advise the Senate that the Committee on Agriculture, Nutrition, and Forestry has scheduled confirmation hearings on Richard Lyng and C. W. McMillan who have been nominated for positions at the U.S. Department of Agriculture on Wednesday, February 18 at 10 a.m. in room 324 Russell Building.

Mr. Lyng has been nominated for the position of Deputy Secretary and Mr. McMillan has been nominated for the position of Assistant Secretary for Marketing and Transportation Services.

Anyone wishing to testify or in need of further information should contact John McCarthy or Denise Alexander of the Agriculture Committee staff at 224-2035.

THE UNITED STATES SENATE

THE SENATE RULES—AN OVERVIEW, 1789–1981

Mr. ROBERT C. BYRD. In his *Manual of Parliamentary Practice,* Thomas Jefferson wrote that whether the rules of a legislative body "be in all cases the most rational or not, is really not of so great importance. It is much more material that there should be a rule to go by, than what that rule is; that there may be an uniformity of proceeding in business, not subject to the caprice of the Speaker, or the captiousness of the members. It is very material that order, decency, and regularity be preserved in a dignified public body."

All legislative bodies need rules to follow if they are to transact business in an orderly fashion and if they are to operate fairly, efficiently, and expeditiously.

The first Senate understood this, and on April 7, 1789, the next day after a quorum of Senators had appeared and taken their oath of office, a special committee was created to "prepare a system of rules for conducting business." The committee consisted of Senators Ellsworth (Connecticut), Lee (Virginia), Strong (Massachusetts), Maclay (Pennsylvania), and Bassett (Delaware). All five of these committee members were lawyers with experience in various legislative bodies.

Lee had been President of the Continental Congress, as well as having been a member of colonial Virginia's House of Burgesses and of the State assembly. Mr. Maclay had served in the Pennsylvania Provincial Assembly, and had been a member of that State's supreme executive council. Ellsworth had been a member of the Connecticut General Assembly and of the Governor's council. He had served in the Continental Congress for seven years, and had been a member of the Federal Constitutional Convention.

Strong had been a delegate to the Constitutional Convention, and had served in both the upper and lower houses of the Massachusetts Legislature.

Bassett had served for 10 years as a member of the Governor's council in Delaware, and had also been a member of the Federal Constitutional Convention.

The five-man committee thus had a background of service in the legislatures of five different States, the procedures of all of which were indebted to the English parliament. Two had served in the Continental Congress, which was also indebted to English precedents, and three had participated in the Constitutional Convention, the framers of which had created the Senate.

It is clear, after reading the journal of committee member William Maclay, that there were some disagreements in the course of their deliberations. The irascible Mr. Maclay, a strident Anti-Federalist, prepared his own, more strict set of rules. They included a provision that the presiding officer should be in his chair a half hour before the Senate was due to convene each day and that senators "shall immediately take their seats in a circular order; those from New Hampshire occupying the right of the Chair and those from Georgia the left." Maclay also found little support for his rule to permit four senators to call the question "in case of a debate becoming tedious." Similarly, he was in the minority with his proposal to appoint as committee chairman, the "Senator of the most northerly state of those from whom the committee are taken."

Perhaps his most strict proposal, also never adopted, was the final rule on his list of sixteen. It provided that:

> These rules shall be engrossed on parchment and hung up in some conspicuous part of the Senate chamber. And every Senator who shall neglect attendance during a session, absent himself without leave or withdraw for more than a quarter of an hour without permission after a quorum is formed, shall be guilty of disorderly behavior, and his name, together with the nature of the transgression, shall be written on a slip of paper and annexed to the bottom of the rules; there to remain until the Senate, on his application or otherwise, shall take order on the same.

On April 13, 1789, the committee filed a report which "was read, and ordered to

lie until tomorrow, for consideration." On April 16, the new set of rules, consisting of nineteen rules, was adopted, but on April 18, another rule, numbered XX, not reported by the committee, was adopted.

In many instances, the Senate rules adopted in 1789 bore a close resemblance to those of its predecessors, the Continental Congress and the Congress of the Confederation. In fact, some of the rules were almost identical in wording. Hence, it is obvious that the Senate committee used the older rules as a pattern while preparing the rules of the Senate.

The similarity, and, in some instances, the virtual identicalness of the 1778 Continental Congress rules and the rules proposed by the Committee of Five and agreed to by the Senate in 1789 are strikingly interesting.

Mr. President, I ask unanimous consent at this point to have printed in the RECORD a table which will set forth certain of the 1778 rules of the Continental Congress, certain of the 1789 rules of the U.S. Senate, and similar rules of the 1979 Rules of the U.S. Senate.

There being no objection the materials were ordered to be printed in the RECORD, as follows:

1778 Rules Continental Congress	1789 Rules United States Senate	1979 Rules United States Senate
3. No member shall read any printed paper in the house during the sitting thereof, without leave of Congress.	II. No member shall speak to another, or otherwise interrupt the business of the Senate, or read any printed paper while the journals or public papers are reading, or when any member is speaking in any debate.	XIX. 1. (a) When a Senator desires to speak, he shall rise and address the Presiding Officer, and shall not proceed until he is recognized, and the Presiding Officer shall recognize the Senator who shall first address him. No Senator shall interrupt another Senator in debate without his consent, and to obtain such consent he shall first address the Presiding Officer, and no Senator shall speak more than twice upon any one question in debate on the same legislative day without leave of the Senate, which shall be determined without debate. ***
4. No member shall speak to another or otherwise interrupt the business of the house while the journals or public papers are reading for the information of Congress, or when any member is speaking in any debate.	III. Every member, when he speaks, shall address the Chair standing in his place, and when he has finished shall sit down.	
5. Every member, when he speaks, shall rise from his seat and address himself to the Chair, and when he has finished, shall sit down again.	IV. No member shall speak more than twice in any one debate on the same day, without leave of the Senate.	
6. No member shall speak more than twice in any one debate the same day, without leave of the house.	V. When two members shall rise at the same time, the President shall name the person to speak; but in all cases the person first rising shall speak first.	
7. When two members shall rise together, the President shall name the person to speak.	VI. No motion shall be debated until the same shall be seconded.	
8. No motion shall be debated until the same be seconded.	VII. When a motion shall be made and seconded, it shall be reduced to writing, if desired by the President, or any member, delivered in at the table, and read by the President before the same shall be debated.	
X 9. When a motion shall be made and seconded, it shall be reduced to writing, if desired by the President or any member, delivered at the table and read by the President, before the same shall be allowed to be debated.		XV. 1. All motions and amendments shall be reduced to writing, if desired by the Presiding Officer or by any Senator, and shall be read before the same shall be debated. ***
10. While a question is before the house, no motion shall be received, unless for an amendment, for the previous question, to postpone the consideration of the main question, or to commit it.	VIII. While a question is before the Senate, no motion shall be received unless for an amendment, for the previous question, or for postponing the main question, or to commit, or to adjourn.	XXII. 1. When a question is pending, no motion shall be received but— To adjourn. To adjourn to a day certain, or that when the Senate adjourn it shall be to a day certain. To take a recess. To proceed to the consideration of executive business. To lay on the table. To postpone indefinitely. To postpone to a day certain. To commit. To amend. Which several motions shall have precedence as they stand arranged; and the motions relating to adjournment, to take a recess, to proceed to the consideration of executive business, to lay on the table, shall be decided without debate. ***
11. If a question in debate contains several points, any member may have the same divided.	X. If a question in a debate include several points, any member may have the same divided.	XV. *** 3. If the question in debate contains several propositions, any Senator may have the same divided except a motion to strike out and insert, which shall not be divided; . . . ***
18. No member shall leave Congress without permission of Congress or of his constituents.	XIX. No member shall absent himself from the service of the Senate without leave of the Senate first obtained.	VI. *** 2. No Senator shall absent himself from the service of the Senate without leave. ***

Mr. ROBERT C. BYRD. Mr. President, I shall now read in detail these rules to show the similarity of the rules of the Continental Congress in 1778 and the rules of the U.S. Senate in 1789.

Rule II of the 1789 Senate states as follows:

No member shall speak to another, or otherwise interrupt the business of the Senate, or read any printed paper while the journals or public papers are reading, or when any member is speaking in any debate.

Rules 3 and 4 of the Continental Congress of 1778 are as follows:

3. No member shall read any printed paper in the house during the sitting thereof, without leave of Congress.

4. No member shall speak to another or otherwise interrupt the business of the house while the journals or public papers are reading for the information of Congress, or when any member is speaking in any debate.

Rule III of the 1789 Senate is very much like rule 5 of the Continental Congress in 1778, rule III being as follows:

III. Every member, when he speaks, shall address the Chair standing in his place, and when he has finished shall sit down.

Rule 5 of the Continental Congress is as follows:

5. Every member, when he speaks, shall rise from his seat and address himself to the Chair, and when he has finished, shall sit down again.

Rule IV of the Senate in 1789 is identical, except for one word, to rule 6 of the 1778 Continental Congress, rule IV of the 1789 rules being as follows:

IV. No member shall speak more than twice in any one debate on the same day, without leave of the Senate.

Rule 6 of the Continental Congress is as follows:

6. No member shall speak more than twice in any one debate the same day, without leave of the house.

Rule V of the 1789 Senate was very similar to the older version, rule 7 of the 1778 Continental Congress. For example, the 1789 rule read:

V. When two members shall rise at the same time, the President shall name the person to speak; but in all cases the person first rising shall speak first.

Rule 7 of the Continental Congress of 1778 read as follows:

7. When two members shall rise together, the President shall name the person to speak.

Rule VI of the Senate in 1789 was almost identical to rule 8 of the 1778 Continental Congress. Rule VI stated:

VI. No motion shall be debated until the same shall be seconded.

while the 1788 Continental Congress rule provided that—

8. No motion shall be debated until the same be seconded.

Rule VII of the Senate in 1789 was almost an exact copy of rule 9 of the Continental Congress, the former reading as follows:

VII. When a motion shall be made and seconded, it shall be reduced to writing, if desired by the President, or any member, delivered in at the table, and read by the President before the same shall be debated.

The earlier rule, rule 9 of the Continental Congress, was as follows:

9. When a motion shall be made and seconded, it shall be reduced to writing, if desired by the President or any member, delivered at the table and read by the President, before the same shall be allowed to be debated.

Rule VIII of the 1789 Senate was obviously modeled after rule 10 of the Continental Congress 11 years earlier, rule VIII being as follows:

VIII. While a question is before the Senate, no motion shall be received unless for an amendment, for the previous question, or for postponing the main question, or to commit, or to adjourn.

Rule 10 of the Continental Congress read as follows:

10. While a question is before the house, no motion shall be received, unless for an amendment, for the previous question, to postpone the consideration of the main question, or to commit it.

Rule X in 1789 was virtually the exact replica of the 1778 Continental Congress rule 11, rule X reading:

X. If a question in a debate include several points, any member may have the same divided.

Rule 11 of the Continental Congress of 1778 read as follows:

11. If a question in debate contains several points, any member may have the same divided.

The 19 rules proposed by the Committee of Five in the 1789 Senate, and the additional rule, which was adopted on April 18, making a total of 20 rules, were as follows, and I ask unanimous consent that the 20 rules be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

I. The President having taken the chair, and a quorum being present, the journal of the preceding day shall be read, to the end that any mistake may be corrected that shall have been made in the entries.

II. No member shall speak to another, or otherwise interrupt the business of the Senate, or read any printed paper while the journals or public papers are reading, or when any member is speaking in any debate.

III. Every member, when he speaks, shall address the chair, standing in his place, and when he has finished, shall sit down.

IV. No member shall speak more than twice in any one debate on the same day, without leave of the Senate.

V. When two members rise at the same time, the President shall name the person to speak; but in all cases the member first rising shall speak first.

VI. No motion shall be debated until the same shall be seconded.

VII. When a motion shall be made and seconded, it shall be reduced to writing, if desired by the President, or any member, delivered in at the table, and read by the President, before the same shall be debated.

VIII. While a question is before the Senate, no motion shall be received unless for an amendment, for the previous question, or for postponing the main question, or to commit it, or to adjourn.

IX. The previous question being moved and seconded, the question from the Chair shall be: "Shall the main question be now put?" And if the nays prevail, the main question shall not then be put.

X. If a question in debate contain several points, any member may have the same divided.

XI. When the yeas and nays shall be called for by one-fifth of the members present, each member called upon shall, unless for special reasons he be excused by the Senate, declare, openly and without debate, his assent or dissent to the question. In taking the yeas and nays, and upon the call of the House, the names of the members shall be taken alphabetically.

XII. One day's notice at least shall be given of an intended motion for leave to bring in a bill.

XIII. Every bill shall receive three readings previous to its being passed: and the President shall give notice at each, whether it be the first, second, or third; which readings shall be on three different days, unless the Senate unanimously direct otherwise.

XIV. No bill shall be committed or amended until it shall have been twice read, after which it may be referred to a committee.

XV. All committees shall be appointed by ballot, and a plurality of votes shall make a choice.

XVI. When a member shall be called to order, he shall sit down until the President shall have determined whether he is in order or not; and every question of order shall be decided by the President, without debate; but, if there be a doubt in his mind, he may call for the sense of the Senate.

XVII. If a member be called to order for words spoken, the exceptionable words shall be immediately taken down in writing that the President may be better enabled to judge of the matter.

XVIII. When a blank is to be filled, and different sums shall be proposed, the question shall be taken on the highest sum first.

XIX. No member shall absent himself from the service of the Senate without leave of the Senate first obtained.

XX. Before any petition or memorial, addressed to the Senate, shall be received and read at the table, whether the same shall be introduced by the President, or a member, a brief statement of the contents of the petition or memorial shall verbally be made by the introducer.

Mr. ROBERT C. BYRD. Mr. President, a month after adoption of the standing rules, a resolution was adopted providing that bills on second reading should first be considered by the Senate "in the same manner as if the Senate were in a Committee of the Whole, before they shall be taken up and proceeded on by the Senate, agreeably to the standing rules, unless otherwise ordered."

A resolution in 1790 provided that any member of the majority on any question could move for reconsideration.

The Senate rules today are forty-two in number. Comparing the Senate's forty-two rules of today with the Senate's twenty rules in 1789, one will note that almost all of the 1789 rules have been carried over into today's rules, albeit modified to a greater or lesser degree, as I shall now, taking each of the original 20 rules in its turn, demonstrate in detail.

THE RULES OF 1789

Senate rule I, in 1789, provided that "The President having taken the chair, and a quorum being present, the journal of the preceding day shall be read, to the end that any mistake may be corrected that shall have been made in the entries." These provisions are today found in Senate rule IV, paragraph 1(a), which reads in part, as follows:

The Presiding Officer having taken the chair, following the prayer by the Chaplain, and a quorum being present, the Journal of the preceding day shall be read, and any mistake made in the entries corrected.

Rule II stated, in 1789, that, "No member shall speak to another, or otherwise interrupt the business of the Senate, or read any printed paper while the journals or public papers are reading, or when any member is speaking in any debate.

Today's Rule XIX, paragraph 1(a), says in part, "No Senator shall interrupt another Senator in debate without his consent, . . ."

Rule III of the original set of rules provided that any member, "when he speaks, shall address the chair, standing in his place, and when he has finished, shall sit down." The Senate rules of today do not require that a member who speaks must stand "in his place." Nor do today's Senate rules require him to sit down when he has finished. The corresponding rule of today, Rule XIX, is a much lengthier rule, consisting of eight numbered paragraphs. It still requires, in paragraph 1 (a), that a Senator who desires to speak, "shall rise and address the Presiding Officer, and shall not proceed until he is recognized . . ."

The original Rule IV required that no member could "speak more than twice in any one debate on the same day, without leave of the Senate," and the rule did not distinguish between a "calendar" day, and a "legislative" day.

Today's equivalent Rule XIX provides, in paragraph 1(a), that "no Senator shall speak more than twice upon any one question in debate on the same legislative day without leave of the Senate." So, today's rule makes a distinction between a "calendar" day and a "legislative" day, in this respect.

The original Senate rule V stated that "when two members rise at the same time, the President shall name the person to speak; but in all cases the member first rising shall speak first." Today's corresponding provision is found in Rule XIX, paragraph 1(a), which simply states that "the Presiding Officer shall recognize the Senator who shall first address him."

Originally, the Senate rules—rule VI—provided that "no motion shall be debated until the same shall be seconded." There is no similar provision in today's rules. The only motion requiring a second today is a motion to close the doors of the Senate for discussion of any business which may, in the opinion of any Senator, require secrecy.

The original Rule VII provided that "when a motion shall be made and seconded" it should be reduced to writing, if desired by the President or any member, and "read by the President before the same shall be debated." Today's corresponding rule is Rule XV, paragraph 1, but it does not require a second to a motion. It does require that "all motions and amendments shall be reduced to writing, if desired by the Presiding Officer or by any Senator, and shall be read before the same shall be debated."

Precedence of motions was set forth in Rule VIII of the 1789 rules, while such precedence of motions is to be found in Rule XXII, paragraph 1, of today's rules. Rule VIII, of the original rules, provided that when a question was before the Senate, no motion should be received unless "for an amendment, for the previous question, or for postponing the main question, or to commit it, or to adjourn." Today's corresponding Rule XXII provides for these and additional motions. It provides the following precedence of motions: to amend; to commit; to postpone to a day certain; to postpone indefinitely; to lay on the table; to proceed to executive business; to take a recess; to adjourn to a day certain, or that when the Senate adjourn it shall be to a day certain; and to adjourn.

Rule IX of the original rules provided for the previous question, which, when moved and seconded, was put by the Chair as follows:

Shall the main question now be put?

The rule provided that "if the nays prevail, the main question shall not then be put." Today's Senate rules do not make any provision for the previous question. Such provision for the previous question did not appear in the 1806 revision of the rules.

The original Rule X provided that, "If a question in debate contains several points, any member may have the same divided." Today's corresponding provision is found in Rule XV which says, in paragraph three, "If the question in debate contains several propositions, any Senator may have the same divided, except a motion to strike out and insert, which shall not be divided."

The original Rule XI provided that when the nays and yeas were called for by "one-fifth of the members present", each member would have to declare openly his assent or dissent to the question. The names of members were to be taken alphabetically in the call for the yeas and nays. A member was required to vote "unless for special reasons he be excused by the Senate . . ." Today's corresponding rule is Rule XII which makes no reference to the need for a second by "one-fifth of the members," inasmuch as this is already guaranteed by the Constitution. Current Rule XII does require, however, in paragraph 1, that: "When the yeas and nays are ordered, the names of Senators shall be called alphabetically; and each Senator shall, without debate, declare his assent or dissent to the question, unless excused by the Senate." Today's rule also provides that, "When a Senator declines to vote on call of his name, he shall be required to assign his reasons therefore, and, having assigned them, the Presiding Officer shall submit the question to the Senate: 'Shall the Senator, for the reasons assigned to him, be excused from voting?' " Today's rule also provides that a member may decline to vote "on any matter when he believes that his voting on such a matter would be a conflict of interest."

There is no corresponding rule today for Rule XII of the 1789 rules, which required that "one day's notice at least shall be given of an intended motion for leave to bring in a bill." However, the current Rule XIV, paragraph 1, does provide that "whenever a bill or joint resolution shall be offered, its introduction shall, if objected to, be postponed for one day."

The original Rule XIII provided that every bill receive three readings previous to its being passed, which "readings shall be on three different days, unless the Senate unanimously direct otherwise." Today's corresponding provision is found in Rule XIV, paragraph 2, which provides for three readings for every bill and joint resolution previous to its passage "which readings on demand of any Senator shall be on three different legislative days, . . ." Today's rule, as I have pointed out, has the same requirement for a joint resolution, whereas nowhere in the 1789 rules is there any mention of resolutions of any kind. Note that today's rule also specifies the days to be "legislative" days.

The original Rule XIV is absorbed almost verbatim into today's Rule XIV, paragraph 3. The original Rule XIV provided: "No bill shall be committed or amended until it shall have been twice read, after which it may be referred to a committee." Today's provision in paragraph 3 of Rule XIV is as follows: "No bill or joint resolution shall be committed or amended until it shall have been twice read, after which it may be referred to a committee: . . ." So, the original Rule XIV is carried over in its entirety precisely in the same language into the first sentence of paragraph three of today's Rule XIV, with the exception that the additional words "or joint resolution" are included in today's rule. One should also note that today's Rule XIV contains ten paragraphs, whereas the original Rule XIV contained only the one sentence quoted above.

Rule XV of the original rules consisted of one sentence only, and provided that "All committees shall be appointed by ballot, and a plurality of votes shall make a choice."

Today's rule XXIV is the corresponding rule, and it provides in paragraph 1 that "In the appointment of the standing committees or to fill vacancies thereon, the Senate, unless otherwise ordered, shall by resolution appoint the chairman of each such committee and the other members thereof." Today's rule also provides that "On the demand of any Senator, a separate vote shall be had on the appointment of the chairman of any such committee and on the appointment of the other members thereof," and that "On demand of one-fifth of the Senators present, a quorum being present, any vote taken . . . shall be by ballot."

The original Rule XVI provided that, when a member was called to order, "he shall sit down until the President shall have determined whether he is in order or not; and every question of order shall be decided by the President, without debate; but, if there be a doubt in his mind, he may call for the sense of the Senate." Today's corresponding rule is Senate Rule XIX, paragraph 4, which provides that:

If any Senator, in speaking or otherwise, in the opinion of the Presiding Officer, transgress the rules of the Senate, the Presiding Officer shall, either on his own motion or at the request of any other Senator, call him to order; and when a Senator shall be called to order he shall take his seat, and may not proceed without leave of the Senate, which, if granted, shall be upon motion that he be allowed to proceed in order, which motion shall be determined without debate.

Today's rule provides that any Senator directed by the Presiding Officer to take his seat, "may appeal from the ruling of the Chair, which appeal shall be open to debate." The 1789 rules made no provision whatsoever for appealing from the Chair's ruling on any matter.

Rule number XVII of the original rules, provided that "If a member be called to order for words spoken, the exceptionable words shall be immediately taken down in writing, that the President may be better enabled to judge of the matter."

Today's Rule XIX, paragraph 5, correspondingly provides that, "If a Senator be called to order for words spoken in debate, upon the demand of the Senator or of any other Senator, the exceptionable words shall be taken down in writing, and read at the table for the information of the Senate."

The original Rule XVIII was as follows:

When a blank is to be filled, and different sums shall be proposed, the question shall be taken on the highest sum first.

There is no similar rule set forth today.

Rule XIX in the year 1789 provided in its entirety that "No member shall absent himself from the service of the Senate without leave of the Senate first obtained."

Today's Rule VI, paragraph 2, contains the equivalent provision, merely shortened. It states that "No Senator shall absent himself from the service of the Senate without leave."

The twentieth rule, which was adopted by the Senate on April 18, 1789, provided that "Before any petition or memorial, addressed to the Senate, shall be received and read at the table, whether the same shall be introduced by the President, or a member, a brief statement of the contents of the petition or memorial shall verbally be made by the introducer."

Today's pertinent rule number VII states in paragraph 4, that "petitions or memorials shall be referred, without debate, to the appropriate committee according to subject matter on the same basis as bills and resolutions, if signed by the petitioner or memorialist."

Today's rule also provides that "No petition or memorial or other paper signed by citizens or subjects of a foreign power shall be received, unless the same be transmitted to the Senate by the President." Today's Rule VII, in paragraph 5, also provides that "Only a brief statement of the contents of petitions and memorials shall be printed in the CONGRESSIONAL RECORD, and no other portion of any petition or memorial shall be printed in the RECORD unless specifically so ordered by vote of the Senate."

In summation, the original nineteen rules, adopted on April 16, 1789, together with the twentieth rule, adopted two days later, on April 18, were very simple and brief, in comparison with today's forty-two Senate rules. Six of the original twenty rules—namely Rules II, III, IV, V, XVI, and XVII—have been carried over, albeit with modifications, into today's Rule XIX. Each of the original twenty rules, as I have shown, has been carried over into today's rules, with certain modifications, with the following exceptions which are no longer included: Rule VI, which provided for the seconding of a motion before its being debated; Rule IX, which provided for the previous question; Rule XII which required one day's notice to be given of an intended motion for leave to bring in a bill; and Rule XVIII which provided that the question be taken on the highest sum

first when different sums were proposed and a blank was to be filled.

Today's rules are more numerous and lengthier and are set forth in greater detail than those of 1789. Today's standing rules in the Senate require fifty-two pages—any one and one-half pages of which would have been ample for the original twenty rules in their entirety. The twenty rules of 1789, consisted of only a dozen more than 600 words, whereas today's forty-two rules number, at a very minimum, 15,000 words. Both the 1789 rules and today's rules are numbered in Roman type.

Various special committees, to revise or reexamine the Senate rules, and to recommend changes therein, were created, from time to time until April 17, 1867. On that date, a committee of three Senators was appointed "to revise the rules of the Senate, and to report thereon early in the next session." That committee became known as the select committee on the revision of the rules and as such, was a continuous committee until December 9, 1874, when it was designated as a standing committee to be known as the Committee on Rules.

During the entire history of the Senate, only seven general revisions of the rules since 1789 have been adopted, namely: March 26, 1806; January 3, 1820; February 14, 1828; March 25, 1868; January 17, 1877; January 11, 1884; and November 14, 1979. The Senate has occasionally amended its existing rules and adopted various procedural orders, some or most of which were already included in the body of the rules at the time each next general revision was adopted. I shall now try to trace the evolution and development of some of the more important rules that are still in use.

THE 1806 REVISION

On January 10, 1806, the Senate adopted a resolution appointing a committee to report to the Senate any alterations in, and amendments to, the Senate rules which they might judge to be proper.

Senators Anderson, Tracy, Baldwin, Bradley, and Adams were named to the committee. Mr. Anderson, on behalf of the committee, reported the proposed rules and amendments to the Senate on March 13, 1806. This set of rules, as reported, amended, and adopted, included practically all orders and resolutions relating to the conduct of the business of the Senate agreed to between April 16, 1789, (date of adoption of the first set of rules) and March 26, 1806, the date of adoption of the first general revision.

The 1806 revision contained forty rules, and they carried arabic numbers. The original twenty rules were carried over, for the most part, into the 1806 revision. However, Rule IX, providing for the previous question in the 1789 rules, was not included in the 1806 revision. The previous question had only been used ten times during the 17 years from 1789 to 1806.

In 1957 there occurred a lengthy and spirited debate between two senators on the original intent and operation of the first Rule IX. Senator Paul Douglas, of Illinois, sought to demonstrate that this rule provided the Senate with its first effective cloture mechanism. He argued that a simple majority of Members could call the previous question, much as the House has done for most of its history, thereby cutting off all further debate or amendments. Senator Douglas saw in that early rule the basis for instituting majority cloture, by revising Rule XXII, to facilitate the adoption of civil rights measures during the 85th Congress.

Senator Richard Russell of Georgia, countered with the view that the original members of this body never understood Rule IX in that way. He noted that they used the rule only infrequently, which accounted for its absence from the rules since 1806, and then only to postpone or avoid a decision. His argument received convincing support in 1962 from a Harvard University professor of government. Professor Joseph Cooper's careful research indicated that Rule IX was neither designed to operate as a cloture mechanism, nor was it ever employed in that fashion. Rather it had been used up to that time to allow legislative bodies to "avoid or suppress unpleasant *decisions*." To a lesser extent, as indicated in Jefferson's *Manual*, the rule provided a vehicle for avoiding *discussions* that might prove embarrassing or otherwise injurious to those involved. Professor Cooper's views appear in Senate Document 97-104 and the opposing case can be found in the CONGRESSIONAL RECORD of May 9, 1957.

The 1806 revision added several important rules. For the first time, there was a reference in the standing rules to "resolutions." Although the 1789 rules made no allusion to resolutions, the use of resolutions by the Senate was resorted to from time to time prior to 1806, as a reading of Maclay's journal will reveal. Rule 12 of the 1806 revision stated, in part, with respect to resolutions, as follows: "All resolutions, to which a concurrence of the House of Representatives is requisite, or which may grant money out of the contingent, or any other fund, shall be treated, in all respects, in the introduction and form of proceedings on them in the Senate, in a similar manner with bills."

In 1798, at a time when numerous unauthorized absences had become particularly obnoxious, the Senate had amended its rule XIX to authorize a minority of Senators, in the absence of a quorum, to send the Sergeant-at-arms or other designated person after the absent members. The 1806 revision, therefore, included the provision for authorization of the Sergeant-at-arms to round up absent members "at the expense of such absent members respectively, unless such excuse for non-attendance shall be made, as the Senate . . . shall judge sufficient."

A new provision was added requiring consideration of all bills on second reading by the Senate "in the same manner as if the Senate were in a committee of the whole, before they shall be taken up and proceeded on by the Senate, . . . unless otherwise ordered." The President Pro Tempore was authorized to "call a member to fill the chair" during the time the Senate was in Committee of the Whole to consider a treaty, bill, or resolution in the absence of the Vice President. A motion to adjourn was to be "decided without debate."

A new rule, rule 21, provided for a motion to reconsider, if made on the same day on which the vote was taken, or "within the three next days of actual session of the Senate thereafter." This rule is encompassed in today's Senate rule XIII, which provides for such a motion if made on the same day or on "either of the next two days of actual session thereafter."

Rule 22 of the 1806 revision provided for the creation of a committee of three members "to examine all bills, amendments, resolutions, or motions, before they go out of possession of the Senate, and to make report that they are correctly engrossed." No such committee is provided for in today's rules, but today's Rule XIV, paragraph five, does require the Secretary of the Senate to provide examination of all bills, amendments, and joint resolutions "to see that the same are correctly enrolled."

Rule 23 provided that every vote of the Senate should be entered "on the journals," and that a brief statement of the contents of each petition, memorial or paper presented to the Senate "be also inserted on the journals." The equivalent of Rule 23 is found in today's Rule IV, paragraph 1(c), which states that "the proceedings of the Senate shall be briefly and accurately stated on the Journal," and, among other things, that "a brief statement of the contents of each petition, memorial, or paper presented to the Senate, shall be entered."

Rule 24 provided that the proceedings of the Senate, "when they shall act in their executive capacity, shall be kept in separate and distinct books." The equivalent of this rule is found in today's Rule IV, paragraph 1(d), which states that "The legislative, the executive, the confidential legislative proceedings, and the proceedings when sitting as a Court of Impeachment, shall each be recorded in a separate book."

Rules 25 of the 1806 rules referred to the journal of the proceedings of the Senate "when not acting as in a committee of the whole," but today's Senate does not sit as in a committee of the whole, except when dealing with treaties, and no current rule refers to legislative proceedings in Committee of the Whole. Existing Rule XXX, paragraph 1(b), regarding proceedings on Treaties, requires initial floor action to be as in Committee of the Whole.

Rule 26 dealt with the titles of bills and of such parts thereof as were affected by proposed amendments, and required that they be "inserted on the journals." Today's Rule IV, paragraph 1(c), requires that "titles of bills and resolutions, and such parts as shall be affected by proposed amendments . . . shall be entered."

The 1806 Rule 27 provided for secret sessions, in almost precisely the same verbiage as today's Rule XXI. Only slight changes in words occur. Rule 27 was as follows: "On a motion made and seconded to shut the doors of the Senate, on the discussion of any business which may, in the opinion of a member,

require secrecy, the President shall direct the gallery to be cleared and, during the discussion of such motion, the doors shall remain shut." In today's Rule XXI, the doors of the Senate are "closed" rather than "shut" as in the 1806 Rule; the word "Senator" is now substituted for the original word "member"; and the words "Presiding Officer" are now substituted for the word "President" who, in the 1806 rule, directed the "gallery" to be cleared, whereas today's rule requires that the "galleries" be cleared.

The 1806 Rule 28, which is not carried over into any of today's rules, provided that no motion was in order to admit any person "within the doors of the Senate Chamber to present any petition, memorial, or address, or to hear any such read."

Rule 29, which also is not carried over into today's rules, provided that messages to the House of Representatives shall be sent "by the Secretary," and Rule 30, which likewise is not repeated in today's rules, provided that "Messages sent from the House of Representatives by their Clerk shall be received at the bar by the Secretary, and by him be delivered to the President of the Senate."

Rule 31 provided that, when the Senate was equally divided, the Secretary would "take the decision of the President." Today's rules make no reference to the breaking of a tie vote by the Vice President, the Constitutional authority being sufficient.

Rule 32 prohibited extracts from the Executive Record from being furnished "but by special order." The equivalent is found in today's Rule XXXII, which states, in part, that "The President of the United States shall, from time to time, be furnished with an authenticated transcript of the public executive records of the Senate, but no further extract from the Executive Journal shall be furnished by the Secretary, except by special order of the Senate; . . ."

Rule 33 provided that all bills, after the first reading, be printed for the use of the Senate. This rule is not carried over into today's rules.

Rule 34 provided that "When the President of the United States shall meet the Senate in the Senate Chamber, the President of the Senate shall have a chair on the floor, be considered as the head of the Senate, and his chair shall be assigned to the President of the United States." Today's Rule XXIX, Paragraph 1, provides that "When the President of the United States shall meet the Senate in the Senate Chamber for the consideration of Executive business, he shall have a seat on the right of the Presiding Officer." Rule 34 of 1806 also provided that when the Senate was convened by the President of the United States to any other place, the "President" of the Senate and the Senators were to attend at the place appointed, and "The Secretary of the Senate shall also attend to take the minutes of the Senate." Today's Rule XXIX, in Paragraph 1, provides for the convening of the Senate by the President of the United States to any other place, stating that the "Presiding Officer" of the Senate and the Senators shall attend at the place appointed, "with the necessary officers of the Senate," thus making no reference specifically to the Secretary of the Senate and referring to the Presiding Officer as the "Presiding Officer" rather than as the "President" of the Senate.

Rule 35, which has no equivalent in today's rules, stated that all questions "shall be put by the President of the Senate, either in the presence or absence of the President of the United States; and the Senators shall signify their assent or dissent by answering, *vive voce*, aye or no."

Rule 36 provided that "All confidential communications made by the President of the United States to the Senate shall be, by the members thereof, kept inviolably secret; and all treaties which may hereafter be laid before the Senate shall also be kept secret until the Senate shall, by their resolution, take off the injunction of secrecy."

This rule was first adopted on December 22, 1800. It came in compliance with the request of President John Adams for strictest confidentiality at the time he submitted to the Senate the secret instructions under which United States envoys negotiated the French Convention of 1800.

This rule is carried over, almost verbatim, into Paragraph 3 of current Rule XXIX.

Rule 37 dealt with the ratification of treaties, and the equivalent current rule is Rule XXX. A marked contrast between the two rules can be seen in the fact that the 1806 rule required the concurrence of two-thirds to carry the affirmative on every question, amendment or otherwise, relating to treaties, whereas today's rule requires "the concurrence of two-thirds" only on the two issues of the "final question to advise and consent to the ratification . . . " and the "motion to postpone indefinitely."

Rule 38 provided that on any question requiring a two-thirds vote, "any member who votes on that side which prevailed in the question, may be at liberty to move for a reconsideration; and a motion for reconsideration shall be decided by a majority of votes." Today's Rule XIII, Paragraph 1, provides that "any Senator voting with the prevailing side" on any question "or who has not voted may, on the same day, or on either of the next two days of actual session thereafter, move a reconsideration," and that "every motion to reconsider shall be decided by a majority vote."

Rule 39 provided that messengers were to be introduced "in any state of business, except while a question is putting, while the yeas and nayes are calling, or while ballots are calling." Today's Rule IX provides that messages from the President of the United States or from the House of Representatives may be received "at any stage of proceedings, except while the Senate is voting or ascertaining the presence of a quorum, or while the Journal is being read, or while a question of order or a motion to adjourn is pending."

Rule 40 in 1806 provided that when an amendment was being proposed to the Constitution, only a majority vote was required to decide any question "short of the final question." Today's rules do not provide any equivalent to Rule 40 of 1806. However, only a majority is today required to decide any question "short of the final question" on agreeing to an amendment to be proposed to the Constitution.

Another proposed revision of the rules was attempted in 1814, but never came to fruition.

THE 1820 REVISION

In December 1819, a resolution was adopted to create a committee to revise and report the rules of the Senate and to propose such amendments to those rules as they "may think proper to be adopted." The report of the committee was filed on December 27, 1819, and the proposed rules were considered on December 30, but further consideration was postponed until January 3, 1820.

The 1820 revision contained forty-five rules, numbered in Arabic. They included major orders and resolutions altering the Senate procedure, which had been adopted since the last general revision adopted in 1806.

An interesting evolution of the rules can be seen in rule VIII of the 1789 rules which dealt with precedence of motions. At that time when a question was before the Senate, no motion could be received except "for an amendment, for the previous question, or for postponing the main question, or to commit it, or to adjourn." The 1806 revision—Rule 8—had dropped any reference to the "previous question," and set forth the precedence of motions as follows: "for an amendment, for postponing the question, or to commit it, or to adjourn." Rule 11, in the 1820 revision, pertaining to the precedence of motions, added to the 1806 motions, the motion "to lie on the table;" and provided for a motion "to postpone indefinitely," as well as a motion "to postpone to a day certain."

The "unfinished business" was referred to for the first time in the Senate rules in 1820, and was given priority over other business. The 1820 revision also reduced the period from three days to "the two next days of actual session of the Senate" during which any motion for reconsideration was in order, thus bringing the rule into conformity with today's required time period. Such motion for reconsideration was, of course, in order on the same day on which the vote was taken, as provided for in the 1806 rule and also in today's rule.

Rule 22, adopted in 1820, provided that the Vice President, or President of the Senate Pro Tempore, should "have the right to name a member to perform the duties of the Chair, but such substitution shall not extend beyond an adjournment." Today's Rule I makes no provision for such naming of a member to perform the duties of the Chair by the Vice President, but does provide that the President Pro Tempore shall have the right to name "in open Senate, or, if absent, in writing, a Senator to perform the duties of the Chair, . . . but such substitution shall not extend beyond an adjournment, except by unanimous consent."

Rule 28, among other things, provided

in 1820 that no amendment should "be received for discussion at the third reading of any bill, resolution, amendment, or motion, unless by unanimous consent. . . ." Paragraph seven of Rule XIV today provides that, "When a bill or joint resolution shall have been ordered to be read a third time, it shall not be in order to propose amendments, unless by unanimous consent, . . ."

Rule 28 of the 1820 revision also provided that a motion to commit was in order at all times before the final passage of any bill, resolution, constitutional amendment, or "motion." Today's Rule XIV, paragraph seven, provides that "it shall be in order at any time before the passage of any bill or resolution to move its commitment."

For the first time, the 1820 revision of the Senate rules set forth the standing committees and the sizes thereof. This incorporated the Senate's action of December 10, 1816, in establishing the first eleven standing committees.

Rule 30 provided that "the following standing committees, to consist of five members each, shall be appointed at the commencement of each session, with leave to report by bill or otherwise": Foreign Relations; Finance; Commerce and Manufacturers; Military Affairs; Militia; Naval Affairs; Public Lands; Indian Affairs; Claims; Judiciary; Post Office and Post Roads; Pensions; District of Columbia; a Committee of three members, whose duty "it shall be to audit and control the contingent expenses of the Senate"; and a Committee, consisting of three members, "whose duty it shall be to examine all bills, amendments, resolutions, or motions, before they go out of possession of the Senate, and to make report that they are correctly engrossed; which report shall be entered on the journal."

Today's rule XXV enumerates the standing committees as follows: Agriculture, Nutrition and Forestry; Appropriations; Armed Services; Banking, Housing, and Urban Affairs; Budget; Commerce, Science, and Transportation; Energy and Natural Resources; Environment and Public Works; Finance; Foreign Relations; Governmental Affairs; Judiciary; Labor and Human Resources; Rules and Administration; Veterans Affairs.

The 1820 Senate rules established fifteen standing committees, two of which consisted of three members each, and thirteen of which consisted of five members each. Today's rules provide for fifteen standing committees, and Senate rule XXV sets forth the jurisdiction of each committee and the number of members of each committee. The number ranges from ten members each on the Committee on Rules and Administration and the Committee on Veterans Affairs to twenty-eight members on the Appropriations Committee. The Committee on Rules and Administration and the Committee on Veterans Affairs are today considered as Class "B", whereas the other aforementioned committees are considered as Class "A" committees. Additionally, today there are the following special and select committees: Aging; Intelligence; Small Business; Joint Economic Committee; Ethics; Indian Affairs; Joint Committee on Taxation.

Rule 38 of the 1820 provision set forth for the first time the identities of persons allowed in the Senate Chamber when acting on confidential or executive business. The rule stated that, in such circumstances, "the Senate shall be cleared of all persons, except the Secretary, the Sergeant-at-Arms, and Doorkeeper, or, in his absence, the assistant Doorkeeper." Today's Rule XXIX is the equivalent thereof, and, in paragraph two, it identifies the following persons: "the Secretary, the Assistant Secretary, the Principal Legislative Clerk, the Parliamentarian, the Executive Cleck, the Minute and Journal Clerk, the Sergeant-at-Arms, the Secretaries to the Majority and the Minority, and such other officers as the presiding officer shall think necessary; . . ."

THE RULES OF 1828

The next revision of the standing rules was set into motion on December 18, 1827, when a select committee, consisting of five members was appointed "to revise and arrange the rules of the Senate, and to report the same, with such amendments as they may deem proper." Senators Ridgely, Ruggles, King, Macon, and Foot were appointed to the committee, which filed its report on December 27, 1827. The revision of the rules was adopted on February 14, 1828, and it provided for forty-eight rules carrying arabic numbers.

The 1820 codification had provided for a committee on Commerce and Manufactures, but the 1828 codification split the committee into two committees—a Committee on Commerce, and a Committee on Manufactures. A Committee on Agriculture was also added, as was a Committee on Private Land Claims. The committee on claims, established in the 1820 codification, was retained in the 1828 revision. These additions bear dramatic testimony to the Nation's development during the 1820's. Indicative of the Senate's involvement was its favorable action, in 1824, on the general survey bill giving the president the authority to initiate surveys and estimates of roads and canals required for the Nation's commercial, military and postal needs.

The 1828 revision provided that the presiding officer of the Senate should regulate such parts of the Capitol and of its passages "as are or may be set apart for the use of the Senate and its officers." Moreover, the new rules provided that the Secretary of the Senate, the Sergeant-at-arms and Doorkeeper, and the Assistant Doorkeeper, "shall be chosen on the second Monday of the first session of the 21st Congress, and on the same day of the first session of every succeeding Congress."

The 1828 revision thus included the major changes in procedure which had been adopted by the Senate since the last general revision.

THE 1868 REVISION

In 1846, another special committee to revise the rules was created and appointed, but no report by the committee was filed.

Another committee of three "to take into consideration the rules of the Senate, and report such amendments to the existing rules as may be deemed necessary" was appointed in 1856, and it filed a report, which recommendations were amended and agreed to in the same year, but the report proposed amendments to only three of the standing rules, not a general revision.

The last special committee created solely for the purpose of recommending a general revision of the rules before the Rules Committee became a standing committee, was created on April 17, 1867, when the Senate appointed a committee of three Senators "to revise the rules of the Senate and report thereon early in the next session." This committee, which became known as the Select Committee To Revise the Rules of the Senate, filed a report on February 21, 1868. On March 25, 1868, a general revision of the rules was adopted. Fifty-three rules were set forth therein, numbered in arabic.

Rule 11, governing precedence of motions, added one motion to the list that had been set forth in the 1828 rules. The new motion was "to proceed to the consideration of executive business," and it was given priority over all other motions with the exception of the motion to adjourn. Motions to adjourn, to proceed to the consideration of executive business, and to lie on the table were to be decided without debate, "and motions to take up or proceed to the consideration of any question shall be determined without debate upon the merits of the question proposed to be considered."

Conversely, except for a motion to take up a privileged matter, and except for a motion to proceed following the close of morning business or following the first hour and prior to the closing of the second hour on a new legislative day, all other motions to proceed to legislative business are today debatable.

The 1868 revision eliminated the power of the Vice President to name a member to perform the duties of the Chair, as had been allowed in the 1828 revision. The 1868 revision retained the right of the "presiding officer" of the Senate, to name a Senator to perform the duties of the Chair.

For the first time, the rules provided, in 1868, for the order of business regarded today as morning business, without so designating it as "morning business." Rule 24 provided that, following the reading of the Journal, "the presiding officer shall lay before the Senate messages from the President, reports from the executive departments, and bills and joint resolutions, or other messages from the House of Representatives. He shall then call for petitions and memorials; reports of committees; the introduction of bills; joint resolutions; resolutions; all of which shall be received and disposed of in such order, unless unanimous consent shall be otherwise given; . . ." Today's rule VII, titled "Morning Business," provides for the exact same order of business.

The 1828 rule had provided, for the first time, that "In the appointment of the standing committees, the Senate will proceed, by ballot, severally, to appoint

the chairman of each committee, and then, by one ballot, the other members necessary to complete the same; and a majority of the whole number of votes given shall be necessary to the choice of a chairman of a standing committee," and that "All other committees shall be appointed by ballot, and a plurality of votes shall make a choice." The same rule was carried over into the 1868 codification.

In reality, however, major changes in the manner of appointment had taken place between the codifications. Beginning in 1846, the Senate adopted the practice of naming committee chairmen and members from lists that had been agreed upon in advance by the majority and minority parties. This provided greater continuity of committee memberships, gave control of most committee chairmanships to the majority party, and ensured a greater reliance on seniority. The equivalent of such rule appears in paragraph one of today's rule XXIV, which provides that: "In the appointment of the standing committees, . . . the Senate, unless otherwise ordered, shall by resolution appoint the chairman of each such committee and the other members thereof. On demand of any Senator, a separate vote shall be had on the appointment of the chairman of any such committee and on the appointment of the other members thereof. Each such resolution shall be subject to amendment and to division of the question." Paragraph two of rule XXIV today provides that "on demand of one-fifth of the Senators present, a quorum being present, any vote taken pursuant to paragraph 1 shall be by ballot." Paragraph three states that "Except as otherwise provided or unless otherwise ordered, all other committees, and the chairmen thereof, shall be appointed in the same manner as standing committees."

For the first time, the 1868 codification provided, in rule 30, for certain requirements in connection with amendments to general appropriations bills, and the rule is similar to the provisions set forth in paragraphs 1 and 3 of today's rule XVI. Today's rule XVI, however, contains eight paragraphs, many of which provide for points of order not provided for in the 1868 codification. The 1868 rule, number 30, is set forth as follows:

"No amendment proposing additional appropriations shall be received to any general appropriation bill, unless it be made to carry out the provisions of some existing law or some act or resolution previously passed by the Senate during that session, or moved by direction of a standing or select committee of the Senate, or in pursuance of an estimate from the head of some of the departments; and no amendment shall be received whose object is to provide for a private claim, unless it be to carry out the provisions of an existing law or a treaty stipulation. All amendments to general appropriation bills reported from committees of the Senate proposing new items of appropriation shall, one day before they are offered, be referred to the committee on Appropriations, and all general appropriation bills shall be referred to the said committee."

The 1868 codification provided for twenty-six standing committees. The new committees established were Appropriations, (seven members), Revolutionary Claims, Patents, Public Buildings and Grounds, Territories (seven members), Pacific Railroad, Mines and Mining (seven members), Printing, and, in addition to the already established Committee on Engrossed Bills, the 1868 codification added a Committee on Enrolled Bills. The membership of several committees was increased to seven members—from five members each as earlier established. They were the committees on Foreign Relations, Finance, Commerce, Military Affairs, Naval Affairs, Judiciary, Post Offices and Post Roads, Public Lands, Indian Affairs, Pensions, Claims, and District of Columbia. The newly created Committee on the Pacific Railroad consisted of nine Senators. The Committee to Audit and Control the Contingent Expenses of the Senate, the Committee on Printing, the Committee on Engrossed Bills, and the Committee on Enrolled Bills consisted of three Senators each.

For the first time, the Senate rules stated that "if the Senate shall adjourn or take a recess for more than thirty days, all nominations pending and not finally acted upon at the time of taking such adjournment or recess shall be returned to the President, and shall not be afterwards acted upon, unless again submitted to the Senate by the President." The same provision is to be found in today's rule XXXI, paragraph six, only slightly differently phrased.

In referring to a convening of the Senate by the President of the United States to "any other place," the 1868 codification dropped the earlier reference to the Secretary of the Senate and stated, as does today's rule XXIX, paragraph 1, that the Presiding Officer of the Senate and the Senators shall attend at the place appointed, "with the necessary officers of the Senate."

A radical departure from the requirement in previous rules with respect to actions on treaties was established for the first time, in the 1868 codification. The 1868 rule, number 38, provided that, respecting treaties, on the final question to advise and consent to the ratification, "the concurrence of two-thirds of the Senators present shall be requisite to determine it in the affirmative, but all other motions and questions thereon shall be decided by a majority vote."

To those persons allowed in the Senate Chamber when acting on confidential or executive business, the 1868 rules added, for the first time, "and such other officers as the presiding officer shall think necessary."

Rule 47 of the 1868 codification set forth the identities of persons to be given the privilege of the floor, as follows:

"No person shall be admitted to the floor of the Senate, while in session, except as follows, viz: The officers of the Senate, members of the House of Representatives and their Clerk, the President of the United States and his private secretary, the heads of departments, ministers of the United States and foreign ministers, ex-Presidents and ex-Vice-Presidents of the United States, ex-senators, senators elect, judges of the Supreme Court, and governors of States and Territories." Today's Rule XXIII has broadened the privilege. For example, Presidents-elect and Vice Presidents-elect, and ex-Secretaries and ex-Sergeants-at-Arms of the Senate, ex-Speakers of the House of Representatives, and others have been added to the list.

The 1868 codification added penalties for Senators or Officers of the Senate who disclosed secrets or confidential business or proceedings of the Senate. The rule reads as follows:

"Any senator or officer of the Senate who shall disclose the secret or confidential business or proceedings of the Senate shall be liable, if a senator, to suffer expulsion from the body, and if an officer, to dismissal from the service of the Senate, and to punishment for contempt." Today's equivalent is to be found in rule XXIX, paragraph 5, which is precisely worded as was Rule 50 in 1868.

This rule was first adopted on May 8, 1844, as part of a resolution of censure against Senator Benjamin Tappan, of Ohio. On April 22, 1844, President John Tyler sent to the Senate a message and a copy of a treaty of annexation between the United States and Mexico. Five days later, the president's secret message appeared in the *New York Evening Post*. Senator Tappan admitted his part in this breach of secrecy and several days later the Senate voted to censure him for "flagrant violation of the rules of the Senate and disregard of its authority."

Rule 51 of the 1868 rules provided for oaths or affirmations required by the Constitution to be taken and subscribed by every Senator "in open Senate before entering upon his duties." Rule III today provides the same.

This provision first was adopted during the Civil War to prevent persons "disloyal to the Union" from entering upon the duties of United States Senators.

The 1868 codification introduced Rule 52, which provided that legislative business of the Senate which remains undetermined at the close of the First Session of a Congress "shall be resumed and proceeded with in the same manner as if no adjournment of the Senate had taken place." Rule XVIII of today's rules provides for the continuance of business from First Session to the second or any subsequent session, and the verbiage is almost exactly the same as that contained in the 1868 rule.

Rule 53 provided, for the first time, that no motion to suspend, modify, or amend the rules would be in order "except on one day's notice in writing, specifying the rule to be suspended, modified, or amended, and the purpose thereof." The same rule is set forth with slight modifications in today's Rule V. The 1868 rule, No. 53, also stated that any rule "may be suspended by unanimous consent, except the seventeenth rule, which shall never be suspended."

(The seventeenth rule provided that, "When the yeas and nays shall be taken upon any question, . . . no Senator shall be permitted, under any circumstances whatever, to vote after the decision is announced from the Chair.") The same rule had appeared as Rule 17 in the 1828 codification, it being there for the first time. The same rule is still rigidly enforced today and it appears in paragraph 1 of Rule XII which states that "no Senator shall be permitted to vote after the decision shall have been announced by the Presiding Officer, . . . No motion to suspend this rule shall be in order, nor shall the Presiding Officer entertain any request to suspend it by unanimous consent." Another current rule which may not be suspended is paragraph 7 of Rule XIX, which states:

"No Senator shall introduce to or bring to the attention of the Senate during its sessions any occupant in the galleries of the Senate. No motion to suspend this rule shall be in order, nor may the Presiding Officer entertain any request to suspend it by unanimous consent."

THE 1877 REVISION

The select committee created on April 17, 1867, to revise the rules of the Senate, and which reported the 1868 revision of the rules, was continued from session to session or Congress to Congress until December 9, 1874, when, by the adoption of a resolution, it became a standing committee of the Senate entitled: Committee on Rules.

On December 21, 1874, the Senate adopted a resolution instructing the Committee on Rules to "consider the propriety of revising and reclassifying the rules of the Senate," and a report was filed by the committee pursuant to those instructions, on March 2, 1875, ordered printed, and recommitted. Another report was filed July 14, 1876, accompanied by "a set of standing rules for conducting business of the Senate", which proposed standing rules were considered by the Senate on December 18, 1876, and after various amendments and changes were made, the report was again recommitted. Still another report was filed on December 26, 1876, but the Senate delayed consideration of the recommendations until January 15, 1877, and after three days of consideration and adoption of various amendments, a new general revision of the rules was adopted. In this instance, 78 rules were established, numbered in the arabic.

For the first time, there was a reference to the "morning hour." It appeared in Rule 8, which reads as follows: "The first hour of daily sessions shall be designated as the morning hour, during which the order of business shall be as follows: . . ."

The rule then set forth the order of business that had been carried over from the 1868 codification.

Rule 8 also provided that ". . . Until the business of the morning hour shall have been concluded and so announced from the Chair, no motion to proceed to the consideration of any bill, resolution, report of a committee, or other subjects upon the calendar shall be entertained by the Chair, unless by unanimous consent; . . ." Rule No. 9 provided that "Immediately upon the expiration of the morning hour, the Presiding Officer shall lay before the Senate the unfinished business at its last adjournment, which shall take precedence of the Special Orders, and shall be proceeded with until disposed of by the Senate."

The business of the morning hour referred to in Rule 8 of the 1877 codification, is referred to in today's Rule VII under "Morning Business," which in paragraph 2, states that, "Until the morning business shall have been concluded, and so announced from the Chair, or until one hour after the Senate convenes at the beginning of a new legislative day, no motion to proceed to the consideration of any bill, resolution, report of a committee, or other subject upon the Calendar shall be entertained by the Presiding Officer, unless by unanimous consent; . . ." etc. The so-called "morning hour" is currently referred to as such, or as the first "two hours after the Senate convenes" on a new legislative day. Today's Rule VIII refers to "the end of the morning hour," and today's rule XIX refers to "the conclusion of the morning hour." So, the 1877 codification seems to confuse "morning hour" with "morning business," as we understand the two today. The 1877 rules referred to "morning hour" and to the "business of the morning hour," whereas today's rules refer to "morning business" and distinguish this term from that of the "morning hour" which is, more correctly, the first two hours of a new legislative day. Also, the "morning hour" of the 1877 rules was "the first hour of daily sessions," whereas, as I have already indicated, today's "morning hour" consists of the first two hours of a new legislative day—not a calendar day or a "daily session."

Rule 13 of the 1877 rules provided that "At the expiration of the morning hour, if there shall be neither unfinished business, nor special order, the Senate shall proceed with the Calendar of General Orders, unless it shall otherwise determine; . . ." Today's Rule VIII provides, in part, that "At the conclusion of the morning business at the beginning of a new legislative day, unless upon motion the Senate shall at any time otherwise order, the Senate shall proceed to the consideration of the Calendar of Bills and Resolutions, and shall continue such consideration until two hours after the Senate convenes on such day (the end of the morning hour); . . .".

The 1877 rules introduced the elements of germaneness and general legislation in respect to amendments to general appropriation bills. Rule 29 there of states, "No amendment which proposes general legislation shall be received to any general appropriation bill; nor shall any amendment not germane or relevant to the subject matter contained in the bill be received; nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto; and all questions of relevancy of amendments under this rule, when raised, shall be submitted to the Senate and be decided without debate; . . ." etc. Today's rule XVI, paragraph 4, states, with reference to general appropriation bills, "On a point of order made by any Senator, no amendment offered by any other Senator which proposes general legislation shall be received to any general appropriation bill, nor shall any amendment not germane or relevant to the subject matter contained in the bill be received; nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto; and all questions of relevancy of amendments under this rule, when raised, shall be submitted to the Senate and be decided without debate; . . .".

The 1877 rules brought the precedence of motions into precise conformity with those set forth in paragraph 1 of Rule XXII of today's Standing Senate Rules. This was done by adding to the earlier established motions, a motion "to adourn to a day certain, or that, when the Senate adjourns, it shall be to a day certain," and by adding the motion "to take a recess." The recess motion was also made nondebatable.

The 1877 revision increased the number of standing committees to 32, and also increased the numbers of Senators on committees. The Committees on Foreign Relations, Finance, Appropriations, Commerce, Military Affairs, Naval Affairs, Post Offices and Post Roads, Public Lands, and Claims, were increased each to 9 Senators, while the Committee on the Pacific Railroad was superseded by a Committee on Railroads which consisted of eleven Senators. The new committees were a Committee on Privileges and Elections, a Committee on Revision of the Laws of the United States, a Committee on Education and Labor, a Committee on Civil Service and Retrenchment, a Committee on the Library, and a Committee on Rules (which had already been established, but subsequent to the 1868 revision).

The 1877 rules referred to conference reports, made them always in order "except while the Journal is being read or a question of order or a motion to adjourn is pending, or while the Senate is dividing; . . ." and the question of proceeding to the consideration of a conference report was to be nondebatable, as is true today.

Motions to discharge a committee from the consideration of a subject were also, for the first time, provided for in rule 50. Today's Rule XVII, 4(a), is the same.

Added to the previous list of persons given the privileges of the Floor were: General of the Army, Admiral of the Navy, members of national legislatures of foreign countries, and private secretaries of Senators "duly appointed in writing," and the Librarian of Congress.

Dating from the 1806 rules, and continuing through the 1868 revisions, the Presiding officer of the Senate was to "have a chair on the Floor" when and if the President of the United States met with the Senate in the Senate Chamber "for the consideration of executive business." Under the 1877 revision, however, if the President were to meet with the Senate in the Senate Chamber for consideration of executive business, the President was to "have a seat on the right of the Chair."

Also for the first time, although the

Senate from time to time, dating from the earliest days, had elected Presidents Pro Tempore, the 1877 revision specifically provided, in Rule 4, that "In the absence of the Vice-President, the Senate shall choose a President pro tempore. . . ."

The 1877 revision, furthermore, for the first time, specifically dealt with points of order in general by stating, "a question of order may be raised at any state of the business, except when the Senate is dividing, and, when raised, shall be decided by the presiding officer, without debate, subject to an appeal to the Senate; or he may submit any question of order for the decision of the Senate." The current Rule XX, paragraph 1, states in part, "A question of order may be raised at any stage of the proceedings, except when the Senate is voting or ascertaining the presence of a quorum, and, unless submitted to the Senate, shall be decided by the Presiding Officer without debate, subject to an appeal to the Senate."

THE 1884 REVISION

Another general revision of the rules was adopted on January 11, 1884, after the Committee on Rules filed a report pursuant to the direction of a Senate resolution adopted on March 2, 1883, the Committee on Rules having filed its report pursuant thereto on December 10, 1883. The rules revision was adopted after nine days of consideration.

The 1884 format of the rules took on the style of today's format—the rules, for the first time since the 1789 rules, being numbered in Roman type, and the rules having, for the first time, explanatory titles. For the first time, also, many of the rules were broken into numbered paragraphs, just as we find today. The use of numbered paragraphs in the 1884 codification facilitated a reduction in the total number of rules to 40.

For the first time, "morning business", was referred to. Rule VII was titled "Morning Business". Rule VIII, titled "Order of Business", provided for a morning hour—not by precise designation as such, but, rather, by use of the words "until two o'clock".

Rules VII and VIII, governing morning business and the order of business, were quite similar to today's two pertinent rules, which, incidentally, carry the same numbers as those in 1884. However, today's Rules VII and VIII refer to new legislative days, explicitly or by implication, whereas the 1884 Rules VII and VIII did not appear to make the distinction between a calendar day and a legislative day.

The 1884 rules still made provision for action of the Senate "as a committee of the whole" on all bills and joint resolutions which had received two readings.

The number of standing committees increased to 38, with the creation of a Committee on Epidemic Diseases, a Committee to Examine the Several Branches of the Civil Service, a Committee on Expenditures of Public Money, a Committee on Fisheries, a Committee on the Improvement of the Mississippi River, and a Committee on Transportation Routes to the Seaboard. The Committee on Agriculture was given a new title—Committee on Agriculture and Forestry.

The privilege of the Floor was further extended to include the Assistant Librarian in charge of the Law Library, Judges of the Court of Claims, the Architect of the Capitol Extension, and, for the first and only time, a specific individual by name—that of Honorable George Bancroft.

Bancroft, the eminent historian and author of the monumental ten-volume *History of the United States*, was accorded this honor in 1879. The elderly scholar rarely took advantage of the privilege, but when he did, the Senate suspended its business and newspaper reporters gave the occasion special coverage.

The near-century old requirement that a Senator must stand "in his place" when addressing the Chair, was dropped from the rules and did not appear in the 1884 revision.

THE 1979 REVISION

Subsequent to the adoption of the 1884 rules, the jurisdiction of the Committee on Rules was expanded considerably by the Legislative Reorganization Act of 1946. The work of several former committees was consolidated into this committee and its name was changed to that of the Committee on Rules and Administration. The former committees which were consolidated into this single committee were the Committees on Rules; Audit and Control; Library; Privileges and Elections; Printing; and Enrolled Bills.

The last general revision of the standing rules was set in motion when, on May 10, 1976, the Senate adopted Senate Resolution 156, submitted by me on May 15, 1975, to authorize and direct the Committee on Rules and Administration to prepare a revision of the Standing Rules of the Senate. Pursuant to this mandate, Mr. PELL, Chairman of the Committee reported S. Res. 274, submitted by me on behalf of myself and Mr. BAKER. The Senate, by a vote of 97–0, adopted the resolution revising and modernizing the Senate's standing rules, on November 14, 1979, thus revising the rules for the first time in 95 years.

Between 1884 and 1979, many changes were made in the Rules of the Senate and its procedures. The history of these changes has been piecemeal. Some amendments to the rules were proposed by the Rules Committee in the form of resolutions reported by that committee and adopted by the Senate. Some resolutions amending the rules in various ways were submitted, considered, and passed immediately or soon thereafter without reference to a committee. Some changes were made by the Senate's agreeing to unanimous consent requests to that effect. Precedents and practices of the Senate since 1884 have had a great effect on the rules and procedures. Some changes were made by a combination of the above methods.

The jurisdiction of the Rules Committee over the examination of enrolled bills was modified in 1947 when the Senate adopted a resolution transferring that duty to the Secretary of the Senate, where it currently resides.

In the 1979 codification, some of the provisions of existing rules were re-written or eliminated in accordance with instructions set forth in the authorizing resolution. Some resolutions previously adopted by the Senate and provisions of the Legislative Reorganization Acts, as amended, were incorporated into the standing rules. However, no substantive changes were made in the present-day Senate procedures. As the report stated, "effort was made in the preparation of this resolution to provide for an orderly and logical arrangement of the standing rules, and to make the language of the rules clearer, more coherent, and to organize the subject matter so as to pull together all like subjects in the same place".

The 1979 revision provided for 50 rules, but this number was reduced, by further consolidation and rearrangement of rules and paragraphs to a total of 42 rules. The further consolidation, and rearrangement, and renumbering were effectuated by Senate action on S. Res. 389, introduced by me, on behalf of myself and Mr. BAKER, and adopted in the Senate on March 25, 1980.

The current rules, as distinguished from the 1884 codification, no longer contain any reference to action by the Senate "as if in a committee of the whole", and rule XV of the 1884 rules, titled "Bills—Committee of the Whole", has been completely dropped. One exception remains, with respect to treaties. Rule XXX today provides that, in regard to treaties, a treaty shall, when reported from a committee with or without amendment, unless the Senate unanimously otherwise direct, lie over one day for consideration, after which it may be read a second time on demand "and considered as in Committee of the Whole, when it shall be proceeded with by articles, and the amendments reported by the committee shall be first acted upon, after which other amendments may be proposed; and when through with, the proceedings had as in Committee of the Whole shall be reported to the Senate, when the question shall be, if the treaty be amended, 'Will the Senate concur in the amendments made in Committee of the Whole?' "

Rule II of the 1884 rules stated that the oaths or affirmations required by the Constitution and prescribed by law must be taken and subscribed by each Senator, "in open Senate, before entering upon his duties." Current Rule III repeats this requirement precisely verbatim, but also adds the exact language of the oaths required by the Constitution and by law to be taken by Senators.

Rule VI of the 1884 rules dealt with the presentation of credentials of Senators-elect, and current Rule II repeats the old rule almost in the exact verbiage. However, today's Rule II additionally provides the recommended forms for certificates of election and certificates of appointment.

The number of standing committees has decreased from 38, in 1884, to 13 major, or Class "A", committees today. They are as follows: Agriculture, Nutrition and Forestry; Appropriations; Armed Services; Banking, Housing, and Urban Affairs; Budget; Commerce, Science, and Transportation; Energy and Natural Resources; Environment and Public Works; Finance; Foreign Relations; Governmental Affairs; Judiciary; and Labor and Human Resources.

In addition, there are today the Class "B" committees: Rules and Administration; and Veterans Affairs. Furthermore, there are today the following special, select, and joint committees: Aging; Intelligence; Small Business; Joint Economic Committee; Ethics; Indian Affairs; and Joint Committee on Taxation.

The following committees which were set forth in the 1884 rules, have been dropped: Committee to Audit and Control the Contingent Expenses of the Senate; Committee on Claims; Committee on the District of Columbia; Committee on Civil Service and Retrenchment; Committee on Engrossed Bills; Committee on Enrolled Bills; Committee on Epidemic Diseases; Committee to examine the several branches of the Civil Service; Committee on Expenditures of Public Money; Committee on Fisheries; Committee on the Improvement of the Mississippi River; Committee on the Library; Committee on Manufactures; Committee on Military Affairs; Committee on Lands and Mining; Committee on Naval Affairs; Committee on Patents; Committee on Pensions; Committee on Post Offices and Post Roads; Committee on Printing; Committee on Private Land Claims; Committee on Privileges and Elections; Committee on Public Buildings and Grounds; Committee on Public Lands; Committee on Railroads; Committee on the Revision of the Laws of the United States; Committee on Revolutionary Claims; Committee on Territories; Committee on Transportation Routes to the Seaboard. The functions of the eliminated committees have, of course, for the most part, been consolidated into the jurisdictions of various of the standing committees of today.

Several additional rules have been added in recent years as the result of abuses and violations which have been exposed and publicized. These rules, beginning with Rule XXXIV, titled "Public Financial Disclosure", continue with Rule XXXV, titled "Gifts"; Rule XXXVI, "Outside Earned Income"; Rule XXXVII, "Conflict of Interest"; Rule XXXVIII, "Prohibition of Unofficial Office Accounts"; Rule XXXIX, "Foreign Travel"; Rule XXXX, "Franking Privilege and Radio and Television Studios"; Rule XXXXI, "Political Fund Activity"; and Rule XXXXII, "Employment Practices".

These nine rules concerned with ethics are very detailed and they consume ten full pages, or approximately one-fifth of the total number of pages constituting today's standing rules of the Senate.

Another striking contrast between the 1884 rules and the current rules is found in rule XXV, of today's rules. This rule, titled "Standing Committees", sets forth in considerable detail the subjects covered within the jurisdiction of each of the standing committees of the Senate, and this detailed outline of subjects is so comprehensive as to require eight full pages.

A considerable amount of detail and space is utilized in the current rules to set forth committee procedures, and requirements concerning service on committees and subcommittees, all of which elaborate detail was not included in previous rules of the Senate.

In addition to the Standing Rules of the Senate, there are two other sets of rules that have governed the Senate's deliberations over the years. They are the Joint Rules of the House and Senate and the "Rules of Procedure and Practice in the Senate When Sitting on Impeachment Trials."

Following common parliamentary practice, the House and Senate of the First Congress adopted a number of joint rules to expedite the handling of bills and messages between both bodies. The Senate agreed to its first joint rules on April 15, 1789, the day before it adopted its initial nineteen standing rules. They governed the conduct of conference committees and the selection of chaplains.

From time to time, both Houses added joint rules, as in 1822, when they provided that "Each House shall transmit to the other all papers on which any bill or resolution shall be founded," and "No bill that shall have passed one House shall be sent for concurrence to the other on either of the last three days of a session." These and others were frequently suspended and, in the case of the latter, a permanent suspension provision was added to standing Rule 26 in 1852.

In 1876 several senators expressed concern over the legitimacy and continuity of the joint rules. They reasoned that as the House expired each two years, so also did the joint rules. The Rules Committee proposed, and the Senate agreed to, a concurrent resolution adopting all former joint rules, except the Twenty-second, which dealt with the method of counting electoral ballots. The House took no action, but several months later sent over a routine concurrent resolution to suspend certain joint rules. The Senate immediately responded that, as the House had done nothing to reinstitute the joint rules, none existed and, accordingly, there was no basis for action on the House resolution.

In 1884, at the time the Senate revised its standing rules, it also adopted an updated code of joint rules. This version included prohibitions of general legislation on appropriations bills and a definition of matter to be included in conference reports. The House failed to act on either this revision or several proposals that followed over the next five years. Since 1889, there have been no further efforts to revive the joint code. It has largely been replaced by statute law, by individual orders pertaining to the operation of each body, and by custom.

The Senate's impeachment trial rules also were modeled after those of other legislatures, particularly the British parliament. For the five impeachment trials that took place in the Senate prior to the 1868 proceedings against President Andrew Johnson, this body was guided by an informal set of rules. In 1868, in preparation for the Johnson trial, the Senate formalized its impeachment code. That code has remained intact down to the present time with the exception of one amendment adopted in 1935. The 1935 amendment, now embodied in impeachment Rule XI, increased the number of rules to twenty-six and gave the Senate the option of creating a special twelve-member committee "to receive evidence and take testimony at such times and places as the committee may determine." This amendment was added at a time when many senators were concerned that trials of federal judges would severely cut into the Senate's normal legislative schedule. The Senate had just acquitted one judge and the House was moving toward impeachment proceedings for another.

Nearly four decades later, in the summer of 1974, the Senate was faced with the prospect of another impeachment trial—the first for a president in more than a century. On July 29, 1974, I cosponsored a resolution, which the Senate immediately adopted, directing the Committee on Rules and Administration to review all existing rules and precedents that applied to impeachment trials in order to recommend any revisions to the rules that might be necessary. The resolution provided that the Rules Committee meet in closed session to avoid undue publicity and to avoid prejudging House action.

As chairman of the Subcommittee on Rules, I moved, on the day of our first meeting, to use the existing impeachment code, in the words of my resolution, "as working text to be amended, modified, revised, or approved as the Committee sees fit." The committee proceeded on that basis and the result of our work was an exhaustively-researched publication entitled "Procedure and Guidelines for Impeachment Trials in the United States Senate." (Senate Document 93–102)

Mr. President, during my twenty-two years—now going on twenty-three—in the Senate, I have had the opportunity to become familiar with each of this body's rules. As I have noted on other occasions, the only effective way to learn and master the Senate's rules—and precedents—is to apply them on the floor. To know the rules is to know the Senate and its infinite capacity for flexibility in serving as a forum for reasoned deliberation and constructive action. To study the development of the Senate's rules over the past 192 years is, indeed, to study the very history and institutional fibre of the Senate. The Senate's rules are the milestones by which we can measure its struggle to meet the needs of a growing and increasingly diversified nation. With the passage of time, outmoded rules have fallen by the wayside, while those that have effectively promoted the Senate's business have survived in their original or modified form.

My experience with the Senate's rules attests to the wisdom of former Vice President Adlai Stevenson, in his fare-

well address to the Senate some 84 years ago. I believe his observation is as fitting today as it was at the end of the nineteenth century. Mr. Stevenson said:

It must not be forgotten that the rules governing this body are founded deep in human experience; that they are the result of centuries of tireless effort in legislative halls, to conserve, to render stable and secure, the rights and liberties which have been achieved by conflict. By its rules the Senate wisely fixes the limits to its own power. Of those who clamor against the Senate, and its methods of procedure, it may be truly said: "They know not what they do." In this Chamber alone are preserved, without restraint, two essentials of wise legislation and of good government—the right of amendment and of debate. Great evils often result from hasty legislation; rarely from the delay which follows full discussion and deliberation. In my humble judgment, the historic Senate—preserving the unrestricted right of amendment and of debate, maintaining intact the time-honored parliamentary methods and amenities which unfailingly secure action after deliberation—possesses in our scheme of government a value which cannot be measured by words.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ARMSTRONG). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 11 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 11 a.m. tomorrow.

Thereupon, at 3:31 p.m., the Senate recessed until Tuesday, February 17, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate on February 10, 1981, under authority of the order of the Senate of February 6, 1981:

DEPARTMENT OF STATE

O. Rudolph Aggrey, of the District of Columbia, to be a Foreign Service officer of the class of career Minister, a Consular officer, and a Secretary in the Diplomatic Service of the United States of America.

IN THE ARMY

The U.S. Army Reserve officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, sections 593 (a), 3371 and 3384:

To be major general

Brig. Gen. Robert Milton Erffmeyer, 387-20-1774.

Brig. Gen. Louis Holmes Ginn III, 224-52-4015.

Brig. Gen. Angelo David Juarez, 348-22-1697.

Brig. Gen. Harley Lester Pickens, 063-20-1505.

Brig. Gen. Berlyn Keasler Sutton, 247-38-5926.

To be brigadier general

Col. James Eugene Beal, 537-28-5415.
Col. Elmus Snider Ussery, 459-30-7019.
Col. William Peter Sylvester, Jr., 158-14-4348.
Col. Richard Hubbard Bailey, 003-18-8024.
Col. Donald Michael Merz, 386-22-0994.
Col. Augusto Rafael Gautier, 582-36-1171.
Col. Peter Dewitt Hyman, 247-24-9579.
Col. Carl Lester Newhouse, 394-32-1250.
Col. Robert Leroy Dueworth, 331-26-2846.
Col. Gregorio Clemente Brevetti, 106-30-5198.

The Army National Guard of the U.S. officers named herein for appointment as Reserve Commissioned officers of the Army, under the provisions of title 10, United States Code, section 593(a) and 3385:

To be brigadier general

Col. Vernon Junior Andrews, 382-26-3639.
Col. Paul Nicholas Cotro-Manes, 529-30-3194.
Col. Bruce Gordon Grover, 114-22-9199.
Col. Patrick Wallace Harrison, 410-30-3098.
Col. Robert Lee Howell, 266-34-5086.
Col. Dale Owen Laubach, 448-28-6579.
Col. James Augustus Lynch, Jr., 013-22-6776.
Col. Roland Lavern Parkhill, 413-48-4104.
Col. Jack Strukel, Jr., 514-26-3746.
Col. James Jomac Wasson, 443-34-1943.

The Army National Guard of the U.S. officers named herein for appointment as Reserve Commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. William Fremont Engel, 530-14-4237.

Brig. Gen. Ansel Martin Stroud, Jr., 437-12-4785.

Brig. Gen. Ralph Taylor Tice, 513-12-4597.

To be brigadier general

Col. Norman Eugene Duckworth, 440-30-0313.
Col. Hubert Gerald Lane, 323-20-2250.
Col. Lincoln James Lett, 499-20-1509.
Col. Alexis Theodore Lum, 576-20-8455.
Col. Dean Douglas Mann, 503-24-9672.
Col. Jerry Lee Wheichel, 566-32-2094.

IN THE NAVY

The following-named captains of the line of the Navy for temporary promotion to the grade of rear admiral, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualification therefor as provided by law:

To be rear admiral

Virgil W. Moore, Jr.	Roger E. Box
John F. Addams	Harold L. Young
Robert B. Rogers	Richard J. Grich
Albert J. Herberger	Ronald J. Kurth
Don H. McDowell	William A. Walsh
Richard L. Thompson	Kendall E. Moranville
Allan G. Paulson	James G. Storms III
Ted C. Steele, Jr.	Joseph S. Donnell III
George M. Furlong, Jr.	William J. Holland, Jr.
Edwin R. Kohn, Jr.	Ronald F. Narmi
James H. Flatley III	Robert W. Schmitt
Warren E. Aut	Morton E. Toole
John R. Batzler	John H. Fetterman, Jr.
Ronald F. Marryott	
Theodore A. Almstedt, Jr.	John W. Nyquist
	Walter L. Chatham
James D. Williams	Bruce Demars
Laverne S. Severance, Jr.	Stanley R. Arthur
	Peter M. Hekman, Jr.
Richard M. Dunleavy	Ming E. Chang

The following-named woman captain of the line of the Navy for temporary promotion to the grade of rear admiral under the provisions of title 10, United States Code, section 5767(c):

Pauline M. Hartington

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Second Lieutenant to first lieutenant

Ackley, Michael R., 394-66-2359.
Acton, Steven D., 263-33-2063.
Adams, Michael D., 508-74-0152.
Adler, Robert C., 200-48-6700.
Albert, John L., 536-54-7249.
Allen, Martin W., 213-70-7131.
Almand, Todd L., 215-60-1477.
Alston, C. D., 088-50-3231.
Amick, Ronald E., 249-98-3209.
Anderlitch, Robert H., 453-96-8313.
Anderson, Andy L., 419-82-9925.
Anderson, Scott G., 474-68-6594.
Anderson, Steven C., 474-68-6680.
Ankenbauer, Theodore R., 248-04-5444.
Anthony, John P., Jr., 141-52-3610.
Antoniazzi, Robert V., 139-46-7364.
Antozzi, Timothy B., 227-62-2570.
Apfel, Mark E., 507-76-5503.
Ardo, Gary M., 558-80-7228.
Armstrong, Curtis A., 467-86-6997.
Arnold, James E., 217-72-9713.
Aronson, Daniel O., 505-80-5688.
Asbell, Stephen R., 323-40-9824.
Atzhorn, David, 304-66-8662.
Aulicino, Emerick O., 199-46-3165.
Ausserer, Michael F., 193-48-0314.
Avery, Donald R., 343-38-8433.
Avery, Thomas G., 156-52-3706.
Avery, Verne W., 002-42-8032.
Babcock, Steven L., 215-64-6467.
Baier, Ken B., 503-74-1884.
Bailey, Thomas G., 453-13-6442.
Baird, Jason, 486-62-9000.
Baker, Glenn A., 558-02-9467.
Baker, Scott M., 550-02-2518.
Baldwin, Rosser J., Jr., 228-68-2356.
Balkham, Dennis A., 457-92-0314.
Ball, Thomas A., 585-70-3117.
Balthazar, Arnold W., 575-56-2756.
Baltmiskis, Gregory G., 042-52-9502.
Bame, Gerald L., Jr., 290-42-8590.
Barb, Robert E., 495-52-3336.
Barker, Richard W., 548-98-1749.
Barlow, Douglas N., 526-23-2595.
Barr, Samuel J., 278-46-1445.
Barrett, Stephen C., 404-60-4057.
Barrett, Terence E., 117-44-4092.
Barrier, Robert W., 449-88-8902.
Barry, John C., 266-21-4900.
Bartels, Kyle M., 565-13-1310.
Barth, Richard R., 522-90-3891.
Barton, Robert B., Jr., 021-50-0481.
Batinich, Gary M., 471-58-7153.
Baumann, James M., 390-64-4651.
Bayer, William A., Jr., 261-29-1955.
Beck, Paul C., 130-48-4424.
Beck, Paul L., 227-86-9545.
Beecroft, Timothy J., 285-54-9111.
Beery, Richard D., 518-74-5890.
Bell, Thomas D., 063-50-8791.
Bendorf, Craig V., 507-60-7455.
Benik, Francis E., 065-50-2309.
Benjamin, Douglas A., 399-64-1132.
Bennett, Douglas J., 562-15-1755.
Berg, Scott R., 391-64-9487.
Berger, Robert C., 417-82-1404.
Betz, John F., 280-56-2596.
Bible, Dale F., 553-92-3390.
Biener, Donald M., 396-54-8417.
Billman, Eddy R., 449-90-9320.
Bingham, Barry L., 508-82-8467.
Binns, Donald G., 393-58-7661.
Black, Daniel N., 167-48-3992.
Blackwelder, Donald I., 571-06-8734.
Blazer, William H., 205-38-8606.
Bleikamp, Thomas K., 498-66-7779.
Blisk, David L., 312-54-7770.
Bloomfield, Roy R., Jr., 545-04-3754.
Boeatschow, Roman, 274-56-0316.
Bonasso, Vincent G., 419-82-7477.
Bonin, Joseph J., 469-74-1133.
Boone, Frederick, S., Jr., 239-02-5305.

Borish, Michael B., 265-43-4952.
Borter, Douglas F., 537-64-1894.
Borton, Alden D., 269-54-8671.
Bos, David L., 348-50-0749.
Boudreau, Kent M., 010-42-6737.
Boulware, Jeffrey S., 517-60-5742.
Bourland, Walker B., 466-13-5742.
Bowman, Olen E., 464-98-3796.
Boyd, Nancy L., 435-94-3114.
Boyer, Keith D., Jr., 400-64-8295.
Brake, Jeffrey D., 476-56-1108.
Branch, Danny M., 437-88-5027.
Brandt, Steven A., 484-70-8513.
Brantley, Mikel S., 311-64-2757.
Brashear, Steven D., 226-88-8925.
Bravo, Jose R., 580-16-0659.
Bray, Timothy S., 522-84-2025.
Breit, Gregory R., 216-64-0640.
Breland, Gregory D., 543-54-7757.
Bresley, William M., 477-68-5936.
Breunling, Randy B., 365-62-6577.
Briand, Daniel, 421-78-1401.
Briggs, Dana L., 571-04-5355.
Brininstool, Charles M., 585-88-5784.
Bristow, Brent L., 346-52-8267.
Bronder, Thomas J., 459-02-7521.
Bronk, John W., 177-42-6141.
Brooks, Michael N., 121-38-7179.
Brown, Curtis L., Jr., 237-84-4333.
Brown, David A., 229-88-3918.
Brown, Eric M., 431-88-2697.
Brown, Kevin D., 524-92-2997.
Brown, Mark P., 421-78-7198.
Brown, Mitchel E., 523-82-0194.
Brown, Russell B., 544-64-8650.
Bruce, Edward R., 440-64-2068.
Bruggemeyer, Mark E., 471-72-5935.
Brumgard, Merle E., Jr., 216-68-3074.
Buchheit, Edward L., 541-68-1166.
Budgeon, Mark D., 210-44-4538.
Buehler, Howard P., 146-52-8947.
Bullard, Thomas G., 414-92-4344.
Bullock, Ronnie J., 226-84-0183.
Bunecke, Joseph, 199-46-0464.
Buona, Ralph M., 288-56-6319.
Burg, Roger W., 503-76-0024.
Burgess, Gregg M., 526-13-2512.
Burrows, Danny J., 450-82-5189.
Bush, Gregory J., 480-70-3827.
Bushell, Mark W., 335-50-9354.
Busheme, David M., 461-13-4893.
Butler, Barry L., 420-80-4349.
Butler, John A., 220-62-9278.
Byerley, Aaron R., 255-86-3434.
Cabriales, Gary M., 552-88-2639.
Callegari, Brian A., 128-50-1039.
Campbell, Kevin D., 308-62-3483.
Campbell, William M., 524-92-0016.
Cantrell, Frank P., J., 459-11-2308.
Capasso, Paul P., 557-23-8146.
Caplinger, Raymond H., 558-90-8340.
Carbaugh, David C., 558-17-1685.
Carel, James B., 498-68-7606.
Carlisle, Herbert J., 569-04-9032.
Carlson, Brad L., 377-62-5681.
Carpenter, Charles H., Jr., 232-92-1483.
Carpenter, Joe V., Jr., 526-23-2936.
Carrier, Delos D., 540-70-1789.
Carrillo, Arnie T., 530-54-2825.
Carson, Gregory W., 576-66-8697.
Carter, Michael A., 303-64-9857.
Casey, Michael R., 352-50-7707.
Cashes, James L., 152-46-7289.
Caslen, Mark A., 009-44-4554.
Castellano, Barry J., 575-72-7999.
Castiglione, Robert, 122-48-6769.
Cataldo, Louis J., Jr., 462-78-3059.
Catlin, Michael A., 571-88-5074.
Chambers, William A., 129-50-4404.
Chamblee, William L., 412-78-6628.
Chapin, Christopher M., 223-70-6739.
Charpie, Kenneth E., Jr., 585-94-0657.
Charpillos, Kenneth L., Jr., 050-52-5892.
Chatraw, Van F., 260-88-2313.
Chmielewski, Robert P., 473-70-8758.
Christensen, George M., 519-76-0730.
Christensen, Louis E., 527-25-6648.
Chruchill, Winston L. S., 516-68-7401.
Chuva, Charles, 152-42-2221.
Cienski, Todd A., 111-48-4425.
Clark, Michael R., 436-02-5330.
Clark, Robert K., 451-02-0999.
Clark, Steven D., 548-80-3279.
Clark, Willis W., III, 292-52-5792.
Clasen, Gregory G., 465-11-2007.
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Meyer, James L., 140-40-4476.
Meyer, John S., 566-11-5457.
Michalke, Walter H., 044-40-6554.
Middleton, Rick L., 292-50-6906.
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Miller, David R., 040-46-5091.
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Miller, Dennis J., 172-46-4371.
Miller, Edwin R., 568-04-9537.
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Miller, Kenneth J., 312-62-6948.
Miller, Scott G., 521-66-7576.
Miller, Thomas L., 228-70-7276.
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Morris, Guy R., 279-54-1565.
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Thompson, William D., 236-90-5952.
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Wells, Lawrence L., 466-98-7409.
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Werthmann, Mark M., 479-74-8645.
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Wheble, Peter E., 014-48-1319.
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Wilkinson, Mark S., 337-52-9402.
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Wohl, Barton H., 158-52-1250.
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Woodfork, Isaac K., 568-94-1946.
Woody, Bill A., 431-04-1730.
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Wrenn, Mark L., 341-52-1025.
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Wynn, Mark S., 565-23-0003.
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Zenk, Michael A., 483-68-0737.
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Zimowski, Peter F., 453-21-4810.
Zink, Peter, G., 551-11-8381.
Zompetti, Anthony E., 549-04-0012.

IN THE NAVY

The following-named lieutenants of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the staff corps as indicated, pursuant to title 10, United States Code, sections 5773 and 5791, subject to qualification therefor as provided by law:

MEDICAL CORPS

Adams, Clinton E.
Atwell, George W.
Aymer, Albert L.*
Barnebee, James H. I.
Bourgeois, Robert S.*
Brice, David A.*
Broshears, John R.*
Burkhard, Thomas K.*
Campbell, David C.*
Capecci, Louis F. J.*
Cassaday, Michael A.
Cattau, Edward L., Jr.*

* Indicates ad interim appointment.

Cecil, James A., II
Conwill, David E.*
Counselman, Kenneth H.*
Croslin, Artis R.
Cunningham, Glenn D.*
Depoix, Christopher P.*
Diaz, Alberto Jr.*
Dutka, Andrew J.*
Fleming, Jonn C., Jr.*
Foster, Robert M., Jr.
Grantham, Herbert G.*
Grey, Charlie R., II*
Hanna, James M.
Harries, Thomas J.*
Hawley, Thomas A.
Hetz, Robert K.
Hooper, Jon H.*
Jones, John P.*
Jones, Nancy E.*
Kaniewski, Wayne R.
Keyes, Booker T., Jr.
Kendrick, Robert R.
Knight, Melvin J.*
Kolakovich, Thomas M.*
Kurtti, Daniel R.*
Lea, Gary H.
Lazoritz, Stephen*
Medberry, Clinton A., III*
Mellon, Monte T.*
Minteer, William E., III*
O'Grady, Terence C.
Oldfield, Baird D.
Paden, Lindsay B.*
Page, Caleb W., Jr.*
Parker, Gregg S.
Pedrotty, John R.
Peterson, Noel R.*
Petrochko, Nicholas, Jr.
Roberts, Jerry M.*
Sargeant, William O.*
Savage, Robert M.*
Schvaneveldt, John A.*
Shaw, Grady C.
Shipton, William E.
Singer, Glen D.
Sise, Michael J.*
Sladek, Gary G.
Smith, Gary W.*
Smith, Robert W.
Somerville, Stephen P.*
Strominger, Richard D.*
Sweeney, John R.*
Tallaksen, Robert J.*
Taylor, Robert E.*
Vincent, Michael P.*
Warren, Eddie B.
Wilker, John F.*
Wilkerson, Leonard A.*
Adams, Mark M.
Alexander, Oran T.
Anderson, James S.
Anderson, Stephen F., III
Argue, Arthur C., III
Awtrey, Warren
Balint, David L.
Bell, William R.
Benson, Edwin R., III
Benson, Linwood E.
Bock, John H., III
Boyer, James C.
Boyle, John E.
Bullock, David R.
Bunker, Thomas A.
Cassano, Anthony J., Jr.
Cavanaugh, John H.
Coon, Wynn L.
Courter, David E.
Cronauer, Harold T., Jr.
Crowley, Indy C.
Cummings, Patrick W.
Curry, Dennis S.
Curtin, Michael F.
David, James C., III
Delaurentis, Michael J.
Dennis, David A.
Douglas, David B.
Eastlund, Lon E.
Eller, Jeffrey M.
English, Robert L.
Feltes, Dale J.
Finley, Michael E.
Flanagan, John E., Jr.
Foley, George B.
Fortier, Ormond L.
Foster, Robert L.
Fredericks, Kenneth D.
Friedel, John M.
Garot, Otto L.
Gift, Wendell J., II
Grimes, Gary C.
Hammond, Richard C., Jr.
Hauser, Christoper G.
Hayes, Bryan F.
Henderson, Harold E.
Herbert, Raymond J.
Hesch, Gerald F.
Hoffer, Jayme W.
Hoffman, Lee D.
Holy, Theodore S.
Hughes, Gary J.
Hunt, Stephen R.
Hurley, Joseph F., Jr.
Jacobs, George R., III
Jamrisko, Steven F.
Johnson, Johnnie, III
Johnson, Mitchell C.
Kellam, Steven L.
Kern, Thomas M.
Kirk, John R.
Koehler, Jay B.
Larue, Stephen L.
Leather, John E.
Leclair, Daniel V.
Lehman, Ralph N.
Leroy, Osborn
Lindsay, David A.
Lowndes, Rawlins
Mallon, Patrick J.
Marczynski, Alfons C.
McDevitt, Harry J. III
McMican, William J.
Milligan, Robert L.
Morrison, Richard E. P., Jr.
Nielsen, Gerald T.
Orr, William D.
Oshier, Daniel R.
Paul, MacGregor H.
Peart, Douglas T.
Poston, Cary D.
Powell, Jeffrey P.
Reilly, James D., Jr.
Roesky, Robert J., Jr.
Rountree, James S.
Santonil, Rosendo T.
Schaffer, John E.
Schmidt, Colman A.
Schrader, Thomas D.
Schwartz, Allen B.
Seebeck, Robert N.
Selby, Theodore J.
Sheppard, Theodore J.
Solis, Armando R.
Sparks, George F.
Strunk, Lawrence W.
Swanson, Graydon N.
Teipel, Mark A.
Tynan, Edward P.
Vedder, Hellmuth
Wadsworth, David B.
Waits, Clifford H., Jr.
Walker, Allan W.*
Ward, John D.
Wells, Randolph R.
Wenzel, Kenneth E.
West, Paul K.
Wilhite, Bernard L.*
Wilson, George W.
Wingfield, George R.
Witham, Michael J.
Wortman, David C.
Young, Mark A.
Zimmermann, Bruce E

* Indicates ad interim appointment.

CHAPLAIN CORPS

Atwater, Jefferson D.
Benner, August W., Jr.
Clements, Don K.
Darcy, William J.
Hamilton, Loy B.
Kubisiak, Robert P.
Oddo, Peter A.
Pace, Roger W.
Peters, Michael
Pyrch, Paul
Rowland, Robert G.
Woodruff, Mark E.

CIVIL ENGINEER CORPS

Anderson, Lee L., Jr.
Augustin, James H., Jr.
Barrows, Widliam C.
Berriman, John W.
Berry, Michael G.
Bittle, James E.
Blanton, Guy I., Jr.
Boothe, Thomas M.
Breitzke, Thomas C.
Burgoyne, Richard E., Jr.
Casey, Michael F.
Chamberlin, Paul D.
Checkovich, James K.
Clements, Neal W., Jr.
Collins, William W.
Cornell, Wayne L.
Costello, Donald H., Jr.
Daignault, Stephen W.
Dalke, Gregory A.
Doyle, John R.
Dun, Richard A.
Eckels, Robert T.
Elkins, James E.
Fritchen, David R.
George, David R.
Goddard, Nelson G.
Gorden, David W.
Halwachs, James E.
Hiller, Paul W.
Horn, Larry S.
Huggins, Howard H.
Hutchins, Donald B.
Interholzinger, Jared F.
Kendall, James B.
Kennedy, Michael G.
Kolster, William G.
Kornegay, Edward L.
Kraai, Bernard W., Jr.
Krochalis, Richard F.
Kubic, Charles R.
Leidholt, Deane E.
Leonard, Donald B.
Macfarquhar, James D.
Miller, Steven R.
Olszewski, Paul J.
Praskievicz, Michael W.
Roach, David G.
Rodrigues, Glenn R.
Schiehr, Christopher G.
Smith, Loren W.
Sollenberger, Lee A.
Soyka, Michael W.
Steinbrugge, Richard I.
Streicher, Burton L.
Stryker, Harry F.
Tornatore, William P.
Uzarski, Donald R.
Vandyk, Peter M.
Veselenak, John C.
Wegener, Gary R.
Weyrauch, Edwin F.
White, Judson H., Jr.
Wisehart, Thomas C.
Ybanez, Robert E.

DENTAL CORPS

Altman, William E.*
Anderson, Maxwell H.*
Arendt, Douglas M.*
Austin, Gordon T.
Barrick, Carl L.
Bennett, Gerald E.
Bookwalter, Charles A.
Bramwell, John D.*
Conlon, Dennis J.
Dern, William M.
Diehl, Mark C.*
Durkowski, Jerry S.*
Durm, William B., IV
Faivre, Scott R.
Fehling, Alfred W., Jr.
Flanigan, Timothy J.
Gloria, Joseph A.
Goodwin, David A.*
Hammond, Frederick W.*
Hutto, Robert E.
Jackson, Larry W.
James, David C., Jr.
Johnson, Gregory K.
Jones, Gordon K.*
Kratochvil, Frank J.*
Kredich, George W.
Lessmann, Ronald P.
Mason, Craig A.*
McLeod, Eric S.*
Meiers, Jonathan C.*
Mooneyham, Thomas F.
Mork, Thomas O.*
Moss, Stanley D.
Patch, Stanley J., Jr.
Paul, John S.
Pope, Bruce M.*
Ramsey, Harry C.
Robbins, James S.
Robinson, Boyd E.
Rundbaken, Roger P.*
Sadori, Peter S.
Schuetz, Thomas J.
Smith, Roy D.
Weisenseel, John A.
Whitt, Joseph C.
Wiley, Paul M.*
Williams, Nathan V.
Wyman, Barry M.
Yorty, Jack S.

MEDICAL SERVICE CORPS

Anderson, Charles L.
Anderson, Jerry T.
Ayers, Robert R.
Bartlett, James V.
Bennett, Alan H.
Benny, Judith A.
Berube, Richard P.
Black, Ronald W.
Bolster, Hugh T.
Bourgeois, August L., Jr.
Brent, William H.
Brickeen, Jerry W.
Briere, Gerald P.
Brocker, Fred L.
Brodsky, Stephen M.
Brooks, David D.
Brown, Harold T., Jr.
Brown, William G.
Brunelle, David M.
Caldwell, Craig R.
Calvin, James B.
Carter, Robert C., Jr.
Caton, Gene A.
Cline, Ferdinand C.
Connors, Charles V.
Cox, Tommy W.
Crank, Harold L.
Cunningham, David W.
Daniel, David G.
Davidson, Dennis M.
Davis, Joe E.
Day, Charles S.
Decsipkes, Robert A.
Derr, John D.
Diamond, David
Dillard, James B., Jr.
Dillingham, Joe G.
Duncan, Carl F.
Edgmon, Bobby R.
Eichelberg, Wallace C.
Eimers, Orin K.
Epling, Stephen R.
Estey, Melvyn A., Jr.
Evans, William H., Jr.
Eyre, Jay M.
Finn, Robert F. M.
Gammarano, Peter V., Jr.
Garms, Peter P.
Garrett, James M.
Garrigues, Roy M., III
Gervais, David R.
Ghent, Ernest R.
Gibson, George E., Jr.
Glans, Dale C., Jr.
Glowacki, David A.
Goodloe, Murriel E.
Hargett, David A.
Harmon, Layton O.
Harris, Steven D.
Haslam, Garth S.
Hazzard, Charles A.
Heisler, Robert P.
Heltaley, John R.
Henry, Frederic H.
Hovis, Robert S.
Hughes, Haywood N.
Jay, George W.
Johnson, Ronald A.
Jones, Robert G.
Jones, Rudolph
Jose, Lynn T.
Kish, Robert J.
Kmet, Joseph P.
Knight, Michael G.
Kramer, Jeffrey A.
Kremser, Gary L.
Kunerth, Marshall G.
Lamb, Martha J.
Langston, Carl C., Jr.
Lindstrom, Lorel L.
Littlejohn, Harold P.
Lockhart, Ralph A.
McCarthy, Judith A.
McClerkin, Aaron
McCoy, Wendel T.
McGann, Dennis M.
McGinn, Charles F.
McNamara, Patrick F.
Mell, Leroy D., Jr.
Meskill, Gerard V.
Meyer, Michael
Mikkelsen, Donald J.
Miller, Robert M.
Miller, Stanley C.
Mitts, Estill D., Jr.
Moran, William J.
Murphree, Garry W.
Murphy, Harry E.
Murphy, Patrick E.
Newton, Gary
Norris, Henry H., Jr.
Nunn, Thomas D., Jr.
O'Brien, Harriet I.
Olson, Steven D.
Parrish, Gerald E.
Pate, George
Pekarns, Richard K.
Peters, Vernon M.
Peterson, John C.
Pierce, Charles R.
Radmore, Kenneth J., Jr.
Randle, Kenneth R.
Rendin, Robert W.
Rosciam, Charles J.
Rose, Donald C.
Sampson, Raymond N.
Scheurer, Jeanne C.
Simas, Amance R.
Slobodnik, Bruce A.
Smedley, Fulton J.
Solliday, James E.
Sparkman, Thaddeus H.
Spencer, Charles A.
Stein, Carl W.
Tittmann, Frederick R.
Todd, Hamilton S., Jr.
Vasquez, Jesse H.
Vaughn, Charles D.
Waggoner, Lemuel A.
Wallace, Gale F.
Ward, Ernest D.
Waterman, Cheryl M.
Webb, John R., Jr.
Wheeler, David L.
Wilder, Thomas W.
Willems, John P.
Williams, Margaret E.
Willis, George R., Jr.
Wolfe, Theodore E., III.
Wright, Betty L.
Wright, Laban J.
Zimmerman, John H.

JUDGE ADVOCATE GENERAL'S CORPS

Bridge, Jonathan J.
Burnett, Weston D.
Connelly, Thomas J., Jr.
Davidson, Kerry T.
Decicco, William A.
Deschauer, John J., Jr.
Fayle, Patrick A.
Friedman, Leonard
Genzler, Patrick A.
Gugni, Gilbert
Hardy, David M.
Hayden, Lawrence E., Jr.
Henebery, John K.
Holcombe, David P.
Holt, John B.
Hunt, Charles R.
Jacobsen, Walter L.
Jakubiak, Thomas P.
McCabe, Sally J.
McGuire, Michael R.
Monahan, Robert P.
Park, James D.
Pixa, Rand R.
Rae, Robert B.
Smitherman, William T.
Swanson, Ronald V.
Switzer, David R.
Tielens, Thomas P.
Weber, Donald B.
Winfrey, Ronald R.
Young, Timothy C.

NURSE CORPS

Barnes, Paula
Barrett, Linda S.
Beaty, Debra M.
Beeson, Virginia R.

Berryman, Mary A.
Bitzer, Merlin D.
Boberick, Barbara J.
Bodnar, Joseph A.
Bonetera, Cecelia M.
Boyle, Carey T.
Brastad, Jeannette A.
Brown, Rebecca S.
Campbell, Julian C.
Campbell, Mary K.
Capriello, Joseph L. J.
Caniko, Marietta J.
Chapman, Gayland J.
Chonka, Anne, M.
Comte, Michele A.
Condon, Edward G., III
Cornell, Shirley R.
Cornwall, Thomas L.
Cummings, Linda M.
Czabaj, Marlene B.
Daehn, Linda M.
Davis, Evelyn P.
Davis, William M.
Day, Lynn B.
Day, Marilyn A.
Dobbs, Gwenda Q.
Donahue, Mary H.
Donofrio, Robert N.
Dros, Cynthia M.
Ebner, Mary A.
Egan, Bernadette A.
Ellis, Jo C.
Forsha, Anne V.
Gallino, Alice A.
Garvey, Geraldine A.
George, Melissa A.
Gharabaghi, Sandra M.
Goff, Vicki K.
Gutowski, Mary M.
Hankel, Elaine M.
Hart, Dwaine K.
Haviland, Rebecca J.
Hayes, Claudia A. B.
Hertler, Ralph E., III
Hinger, Carol A.
Hofman, Mary H.
Hofman, Linda L.
Hooper, Janet L.
Hruby, Margaret J.
Huber, Joan M.
Hunter, Harriet E.
Hutchins, John W., Jr.
Irvine, Linda J. A.
Iverson, Halvor E., Jr.
Jackson, Royal H.
Kanurick, Ronald G.
Kenny, Patricia A.
Kimberly, Ruth A.
Kowba, Maureen D.
Kuhnly, Diane B.
Kupchinsky, Stanley J.
Law, Diane E.
Lawman, Alene D.
Ledonne, Diane M.
Lee, Amy L.
Lescavage, Nancy
Lett, Max R.
Lohman, Judith A.
Lopes, John D.
Lousche, Kathleen M.
Mangan, Martha Y.
Manzitto, Arthur S.
McColl, William D.
McDonald, Mitchell A.
McKinzie, Beth A.
McMahon, Linda U.
McMullen, Susanne T.
Meier, Mardean E.
Metzler, Ronald L.
Montclar, Honorene L.
Moore, Judith C.
Moran, Janice W.
Murphy, Kathryn R.
Odonnell, Katherine G.
Oswald, Gregory S.
Otlowski, Donna M. M.
Owen, Nancy J.
Paller, Patricia K.
Patterson, Marla K.
Pentecost, William R.
Phillips, Danny R.
Pittman, Alice A.
Powell, Robert L., Jr.
Price, Roberta L.
Quinn, Mary E.
Ramsey, Lorna J.
Randle, Dale H.
Ratigan, Thomas R.
Richburg, William E.
Riddell, Carol A.
Robertson, Rosalyn L.
Robitaille, Gloria J.
Rocha, Elizabeth, D.
Rodriguez, Fe E.
Rychlinski, Charlene
Smiley, Janice S.
Snell, Stanley P.
Tarnowski, Laurence A.
Thompson, Thomas M.
Trenhaile, Cherie H.
Tucker, Judith L.
Turpin, Lori A.
Twarog, Thomas W.
Vannest Ronald L.
Vernoski, Barbara K.
Verville, Jacqueline K.
Wahl, Marilyn J.
Warren, Freda M.
Wayne, James F.
Wentland, Paul D.
White, Therese A.
Whittemore, Kenneth R. J.
Williams, Colleen K.
Williams, Darryl M.
Yarbrough, Patricia
Wilson, Nancy D.
Wolf, Elaine M.
Woodworth, Linda C. K.
Young, Deborah J.
Zukowski, Suzanne M.

The following-named women lieutenants of the U.S. Navy for permanent promotion to the grade of lieutenant commander in the staff corps, as indicated, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Monahan, Barbara B.
Tornes, Linda M.

CHAPLAIN CORPS

Miller, Christine E.

Executive nominations received by the Secretary of the Senate February 13, 1981, under authority of the order of the Senate of February 6, 1981:

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James W. Stansberry, 106-20-0475FR, U.S. Air Force.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of major general under the provisions of title 10, United States Code, section 5769:

Thomas R. Morgan
Ernest C. Cheatham, Jr.
John V. Cox
John Phillips
Wesley H. Rice
Gregory A. Corliss
Harold G. Glasgow

The following-named officers of the Marine Corps for temporary appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5769:

James R. Vandenelzen
William G. Carson, Jr.
Edwin J. Godfrey
Lloyd W. Smith, Jr.
William R. Etnyre
Eugene B. Russell
Donald L. Humphrey
William A. Bloomer
Paul D. Slack
George H. Leach
Hugh T. Kerr
Joseph B. Knotts
John H. Gary III

CONFIRMATIONS

Executive nominations confirmed by the Senate February 16, 1981:

DEPARTMENT OF THE TREASURY

R. T. McNamar, of California, to be Deputy Secretary of the Treasury.

W. Dennis Thomas, of Maryland, to be Deputy Under Secretary of the Treasury.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

WITHDRAWAL

Executive nomination withdrawn from the Senate February 10, 1981:

The nomination of O. Rudolph Aggrey, of the District of Columbia, to be a Foreign Service officer of class 1, a consular officer, and a secretary in the diplomatic service of the United States of America, which was sent to the Senate on February 3, 1981.

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, February 17, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 18

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To hold closed hearing on proposed authorizations for fiscal year 1982 for strategic forces programs of the Department of Defense.
212 Russell Building

9:30 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To continue hearings on S. 144, to promote the formation of U.S. export trading companies to expand export participation by smaller U.S. companies.
5302 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the nomination of Richard E. Lyng, of Virginia, to be Deputy Secretary of Agriculture, and the proposed nomination of C. W. McMillan, of Colorado, to be Assistant Secretary of Agriculture for Marketing and Transportation Services.
324 Russell Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 271, to repeal the statute barring Western Union from entering international markets.
235 Russell Building

Foreign Relations
To continue hearings on United States-Iranian agreement relating to the release of the American hostages.
4221 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
3302 Dirksen Building

Rules and Administration
To continue hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain programs of the U.S. Army Corps of Engineers.
S-128, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

Armed Services
Preparedness Subcommittee
To continue open and closed hearings on operational readiness and mission capability of selected major military operational commands.
212 Russell Building

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To hold hearings on S. 414, permitting merchants to offer unlimited discounts to cash-paying customers, and providing a 3-year extension of law prohibiting merchants from penalizing credit card customers by imposing surcharges made by credit cards.
5302 Dirksen Building

Foreign Relations
To hold hearings on the nominations of Walter J. Stoessel, Jr., of California, to be Under Secretary of State for Political Affairs; James L. Buckley, of Connecticut, to be Under Secretary of State for Coordinating Security Assistance Programs; and Richard T. Kennedy, of the District of Columbia, to be Under Secretary of State for Management.
4221 Dirksen Building

3:30 p.m.
Select on Intelligence
To hold a closed business meeting.
S-407, Capitol

FEBRUARY 19

8:00 a.m.
Governmental Affairs
Civil Services, Postal Operations and General Services Subcommittee
To hold oversight hearings to review the proposed postal rate increase.
1318 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain Indian programs.
1224 Dirksen Building

9:30 a.m.
*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the National Institutes of Health of the Department of Health and Human Services.
1114 Dirksen Building

*Banking, Housing, and Urban Affairs
To hold hearings on the Iranian asset settlement.
5302 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
4232 Dirksen Building

10:00 a.m.
Budget
To hold hearings on the President's proposed budget reduction for fiscal year 1982.
6202 Dirksen Building

Rules and Administration
To continue hearings on committee resolutions requesting funds for operating expenses for 1981.
301 Russell Building

Joint Economic
To hold hearings to review the overall economic policy of the administration.
2154 Rayburn Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Alcohol, Drug Abuse and Mental Health Administration of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 20

9:00 a.m.
Foreign Relations
To hold hearings on the nominations of Richard M. Fairbanks III, of the District of Columbia, to be an Assistant Secretary of State for Congressional Relations; Robert C. McFarlane, of Maryland, to be Counselor of the Department of State; and M. Peter

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

McPherson, of Maryland, to be Administrator of the Agency for International Development.
4221 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Resources Administration of the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Panama Canal Commission; and the St. Lawrence Seaway Development Corporation of the Department of Transportation.
1318 Dirksen Building

Budget
To continue hearings on the President's proposed budget reductions for fiscal year 1982.
6202 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Federal Bureau of Investigation.
2228 Dirksen Building

Joint Economic
To continue hearings to review the overall economic policy of the administration.
2128 Rayburn Building

FEBRUARY 23

10:00 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 31, removing certain limitations on deductibility of business expenses related to residence; S. 239, providing an individual tax credit for the purchase of commuter vans; and S. 452, excluding from tax as ordinary income gain realized on the sale of stock of a corporation with respect to earnings and profits accrued during a year in which such corporation was not a foreign investment company.
2221 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Assistant Secretary for Health, scientific activities overseas, and retirement pay program for commissioned officers of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 24

9:00 a.m.
Governmental Affairs
Civil Services, Postal Operations and General Services Subcommittee
To hold hearings on Senate Joint Resolution 11, establishing the policy with respect to the number of digits which should be used as zip codes, and other pertinent proposed legislation.
3302 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on the nomination of Donald I. Hovde, of Wisconsin, to be Under Secretary of Housing and Urban Development.
5302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Care Financing Administration of the Department of Health and Human Services.
1114 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed legislation authorizing funds through fiscal year 1985 for the airport development aid program.
235 Russell Building

Finance
Savings, Pensions, and Investment Policy Subcommittee
To hold hearings on S. 12, 24, and 243, bills providing certain savings incentives.
2221 Dirksen Building

Rules and Administration
Business meeting, to consider committee resolutions requesting funds for operating expenses for 1981, and other legislative and administrative committee business.
301 Russell Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1981 from the Disabled American Veterans.
318 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Human Development Services of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 25

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain museum services, and Indian educational programs.
1224 Dirksen Building

9:30 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
3302 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Science Foundation.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Social Security Administration of the Department of Health and Human Services.
1114 Dirksen Building

Banking, Housing and Urban Affairs
To hold hearings on the conduct of monetary policy.
5302 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed legislation authorizing funds through fiscal year 1985 for the airport development aid program.
235 Russell Building

Foreign Relations
International Economic Policy Subcommittee
To hold hearings on the U.S. stake in the global economy.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Office for Civil Rights, policy research programs, and departmental management programs of the Department of Health and Human Services.
1114 Dirksen Building

FEBRUARY 26

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Woodrow Wilson International Center for Scholars; the National Capital Planning Commission, and the Navajo and Hopi Indian Relocation Commission.
1224 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
3110 Dirksen Building

9:30 a.m.
*Special on Aging
Organizational business meeting, to consider its rules of procedure for the 97th Congress, and other pending committee business.
457 Russell Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain departmental management programs and the Office for Civil Rights of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Coast Guard of the Department of Transportation
1318 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

FEBRUARY 27

9:00 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
3302 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

Foreign Relations
International Economic Policy Subcommittee
To resume hearings on the U.S. stake in the global economy.
4221 Dirksen Building

MARCH 2

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for elementary and secondary educational programs of the Department of Education.
1114 Dirksen Building

MARCH 3

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the American Battle Monuments Commission, Army Cemeterial Expenses, the Office of Consumer Affairs, and the Consumer Information Center.
1224 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Fish and Wildlife Service, Department of the Interior.
1318 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for impact aid programs, and emergency school aid programs of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General of the Department of Transportation; and the National Transportation Safety Board.
S-126, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for library and learning resource programs and vocational and adult education programs of the Department of Education.
1114 Dirksen Building

MARCH 4

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Water Research and Technology, Department of the Interior, the Holocaust Memorial Commission, and the Advisory Council on Historic Preservation.
1318 Dirksen Building

9:30 a.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings to review Government-wide debarment and suspension practices.
3302 Dirksen Building

Labor and Human Resources
To hold hearings on S. 234, to encourage the establishment of home health programs and to provide expanded coverage of home health services under the medicare and medicaid programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for educational, rehabilitation, and research programs for the handicapped of the Department of Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain student financial assistance programs of the Department of Education.
1114 Dirksen Building

MARCH 5

9:30 a.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To continue hearings to review Governmentwide debarment and suspension practices.
3302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain school improvement programs, special institutions, and Howard University of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration of the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Education, fund for the improvement of postsecondary education, educational statistics, educational research and training activities overseas of the Department of Education.
1114 Dirksen Building

MARCH 10

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Building Science, Federal Home Loan Bank Board, National Credit Union Administration, and the Office of Revenue Sharing (NYC).
1224 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Indian health service programs, and the Bureau of Land Management, Department of the Interior.
1318 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Administration, Research and Special Programs and the Office of the Secretary of the Department of Transportation.
S-126, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 11

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Railroad Retirement Board, domestic operations programs of ACTION, and the Soldiers' and Airmen's Home.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, the National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

MARCH 12

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.
1114 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Civil Aeronautics Board, Interstate Commerce Commission, and the Washington Metropolitan Area Transit Authority (Metro).
1318 Dirksen Building

MARCH 16

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration of the Department of Transportation.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Railroad Passenger Corporation (Amtrak).
1318 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 23

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics of the Department of Health and Human Services.
4232 Dirksen Building

MARCH 24

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

MARCH 25

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

MARCH 26

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

MARCH 27

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 1

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 and for the Federal Emergency Management Agency and the Selective Service System.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 2

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior; and the Smithsonian Institution.
1114 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

APRIL 29

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.
1223 Dirksen Building

MAY 12

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of the Interior.
1223 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

MAY 20

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

JUNE 2

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.

1224 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, February 17, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

I say to the Lord, Thou art my God; give ear to the voice of my supplications, O Lord.—Psalms 140: 6.

O God, we place before You the innermost thoughts and feelings of our hearts, asking that You would forgive our weakness of spirit and our failure to live as we know we should, even as we ask that You affirm those who speak the truth and act according to Your will. Encourage those, prophets among us, who see with clarity the needs of our time, to speak with conviction concerning the goals of a righteous and just society, that we, responding to their call, may do the works of peace and good will among people everywhere. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

TAX LOOPHOLES

(Mr. FORD of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORD of Tennessee. Mr. Speaker, tomorrow I will introduce a tax reform package designed to reduce Government expenditures and to save the American taxpayers $9.5 billion.

Each year loopholes in the tax code cost the taxpaying public close to $200 billion. Many of these tax expenditures are designed to channel private capital into important areas; however the five areas of expenditure proposed for reduction in my bill are unnecessary and can be eliminated without any harm to—as President Reagan is fond of saying—the "truly needy." These well-known loopholes and their potential savings are:

First, oil depletion allowance—a savings of $2.2 billion;

Second, expensing oil drilling costs to save $2.9 billion;

Third, foreign tax credits for oil—an unnecessary expenditure of $700 million;

Fourth, repeal of DISC—a potential savings of $2.3 billion; and

Fifth, elimination of lunch and entertainment deduction—a $1.4 billion saving.

My tax proposals will save the Federal Treasury a total of $9.5 billion. In view of the President's decision to decontrol oil and gas prices, these loopholes are no longer needed and should be eliminated. We must all bear the burden of reducing Government expenditures. This bill is designed to assure that those who can afford it most contribute their share. I plan to introduce this legislation tomorrow, and urge my colleagues to join me as original cosponsors.

HON. GERALD BOILEAU

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. OBEY. Mr. Speaker, it is my sad duty to inform the House of the death of a former Member. Gerry Boileau represented the Seventh Congressional District from 1930 to 1938. He had a distinguished career before, during, and after his congressional service.

His public service began in my hometown, Wausau, Wis., when, in 1923 he joined the district attorney's office after graduating from Marquette Law School. He was elected district attorney for Marathon County in 1926 and was elected to Congress as a Republican in 1930. He remained in Congress until 1938 and was reelected to Congress from 1934 on as a Progressive. He was recognized as the leader of the Progressive coalition in the House in those years.

In my judgment, Gerry Boileau was one of the great congressional representatives in Wisconsin history. He was a man of great personal conviction and courage. He is generally credited with having lost his election in 1938 because of the reciprocal trade agreements which affected Wisconsin's dairy industry. That undoubtedly played a role. But I have always believed the real reason Gerry Boileau lost that election was because he remained true to his conscience.

In 1938, just before World War II, the Spanish Civil War was raging. Gerry Boileau was an early opponent of fascism and signed a round robin letter in support of democratic Loyalist forces and in opposition to the Nazi-backed Francisco Franco in that civil war.

Although many Spanish Catholic priests were active in support of the Loyalists, as were many Americans who went to Spain to fight Europe's first war against fascism, the conservative Catholic hierarchy of that day in both Spain and the United States was in support of Franco despite his Fascist approach because of their fear of Marxists who were also opposed to Franco.

As the book, "Woodlot and Ballot Box, Marathon County in the Twentieth Century" said in describing Boileau's position:

> He was fully aware of the Church's sympathy for Franco, but he regarded the question as a matter of principle.

One by one many Members of the House who originally had signed that letter bowed to political pressure and withdrew their names from it. But Boileau stood firm because of his belief in democracy and his clear understanding of the Nazi threat that was coming. "Woodlot and Ballot Box" described what happened then.

> The Church, opposed to the communist-backed Loyalists, asked that Boileau remove his name from a letter congratulating the Spanish legislature for meeting in the midst of civil war. Boileau, firm in his support of the democratic forces in the Spanish conflict, refused to comply with the request from Father Kennedy of the Milwaukee Catholic Herald-Citizen. As a consequence, Kennedy and the paper came out against him, asserting that signers of the letter were in favor of the communists. This allegation was reprinted in the LaCrosse diocesan newspaper, setting off a flood of letters and calls from clergy and friends urging that he renounce his position. As a "believer in democracy," Boileau refused to budge * * * but the political price was high.

I remember having a long conversation with Gerry Boileau just before I was elected to Congress in 1969. It was apparent in that conversation that he felt his refusal to budge on that issue played a major role in his defeat in 1938. That act of courage, confusion over farm policy and the opposition to Boileau by the old Townsend Clubs was enough to bring him down. Truly his career very easily could have been listed in John F. Kennedy's "Profiles in Courage."

After leaving Congress in 1938 he went back to Wisconsin and practiced law. In 1942 he was elected circuit court judge and held that post until his retirement, after which he served as a reserve judge in Wisconsin.

Gerry Boileau was a Progressive in the finest sense of the word. He was a strong supporter of working people and farmers and the elderly. He was active in veterans' organizations. In his judicial years he served as chairman of the State board of circuit judges and as chairman of the State judicial council.

He lived a full life. He provided his State and his Nation with distinguished and honorable public service. Both are better off today because of his service here.

I am inserting in the RECORD a copy of his obituary which appeared in his hometown newspaper, the Wausau Daily Herald. It describes in more detail the life and career of a great public servant:

JUDGE GERALD BOILEAU
DIES IN MADISON AT 81

Judge Gerald Boileau, 914 Grand Ave., Wausau, who presided over the 16th Judicial Circuit for more than 27 years and who served for eight years as U.S. Congressman from the Seventh District, died at the Veterans Hospital in Madison on Friday evening. He was 81 Jan. 15.

The jurist, who had also served as district attorney of Marathon County, had been in failing health for some time.

During his long term on the bench, Judge Boileau played a major role in the revision of the state's criminal code, serving as chairman of the advisory committee to the Legislature, which updated the criminal statutes.

He headed the committee which drew up uniform jury instructions in criminal cases. The same committee also drew up instructions to be delivered to defendants before they entered pleas of guilty before the court.

Judge Boileau's public life began in Wausau in 1923 when he went to work part-time in the district attorney's office shortly after graduation from Marquette University Law School. In 1926 he was elected district attorney, the first full-time district attorney in Marathon County and the first in Wisconsin outside Milwaukee County.

As a politician, Boileau always admitted to being a liberal. He ran for Congress on the Republican ticket in 1930 and won. He was only 30 years old at the time and was then the youngest man in the House.

There was a liberal bloc in Congress at that time, made up of Progressives, Farmer-Laborites and liberal Democrats. Judge Boileau who was re-elected on the Progressive ticket in 1934 was recognized as the floor leader of this progressive group, taking over from Fiorello La Guardia, who has left Congress to gain fame as mayor of New York City.

When regular Democrats and Republicans split along party lines, this Progressive bloc often held the balance of power. The names of Boileau and Tom Amlie, a Progressive congressman from Madison, appear in history books covering that era in the nation's history.

In those earlier days the Democratic party in the district wasn't even considered. The voters just decided which Republican they wanted. However, with the coming to power of Franklin D. Roosevelt, the Democrats became active and in 1938 supported a candidate for Congress. This split the vote three ways, Republican, Progressive and Democrat, and it was Boileau's undoing.

He lost to Reid Murray, a cattle buyer from Ogdensburg. It was in the days of reciprocal trade agreements with Canada and Murray claimed they would hurt the dairy farmers. He carted a cow on the back of a truck labeled "Miss Reciprocity." The farmers apparently forgot about the Boileau Amendment to the Agricultural Adjustment Act, which was regarded as favorable to the dairy industry.

Boileau returned here and practiced law with Frank Loeffler, who had been his secretary while he served as congressman. Loeffler studied law and passed the bar examination while in Washington. In 1942 Boileau was elected to an unexpired term as Circuit Court judge, a post he held until his retirement. Loeffler was later elected district attorney and subsequently as county court judge.

When Judge Boileau reached retirement age in 1970, he did not retire. He served as a reserve judge and spent several years in Milwaukee and elsewhere presiding where needed.

Boileau, who was born in Woodruff, Jan. 15, 1900, left Minocqua High School to join the U.S. Army in World War I. He served with the American Expeditionary Forces in Battery D, 11th Field Artillery. After the Armistice he attended the AEF University in France and upon returning to the states he enrolled at Marquette, where he was one of the founders of the legal fraternity. He graduated in 1923.

He was married to Monica McKeon on Aug. 31, 1925, in Superior.

Boileau did not forget his comrades. While in Congress he introduced the Veterans of Foreign Wars national pension bill in 1935 and saw it passed. He was active through the years in the local, state and national VFW. He served as commander of Burns Post here, as state department judge advocate and as a member of the national legislative committee, the national rehabilitation committee and the national legal committee.

He was a leader among the Circuit Court judges in the state, serving as chairman of the State Board of Circuit Judges and as a member and chairman of the State Judicial Council. He belonged to many legal groups, among them the state committee of the National Association of State Trial Judges.

Always interested in youth movements, Boileau served as president of the Wausau Little League during its first two years and later as Little League Commissioner.

He was a 50-year member of the Wausau Elks Lodge and he attended St. James Catholic Church.

Funeral services will be held Tuesday at 9:30 a.m. at Brainard Funeral Home and at 10 a.m. at St. James Catholic Church. The Rev. Anthony Fischer will officiate and burial will be in Restlawn Memorial Park. Friends may call from 4 to 9 p.m. on Monday at the funeral home, where there will be a combined parish and Knights of Columbus Bible vigil at 7:30 p.m.

Burns Post 388, Veterans of Foreign Wars, will hold military rites at the cemetery on Tuesday.

Survivors besides his wife include two daughters, Mrs. Nancy Nirchl, Saratoga, Calif., and Mrs. Mary Bailey, Washington, D.C.; a brother, Ernest, 500 Thomas St., Wausau; a sister, Mrs. Irene Eisen, California; and eight grandchildren.

RECHANNELLING FEDERAL TAX INCENTIVES

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, today I introduced three bills to rechannel Federal tax incentives in such a way as to promote economic revitalization without just scattering tax cuts and tax incentives indiscriminately. A description of each bill will be in the Extensions of Remarks.

During the recess, there were a number of excellent articles in the press on the economic theories that are now in contention within the administration and between it and others. Walter Heller had a very excellent article in the Wall Street Journal for February 10, entitled, "Can We Afford the Costs of Kemp-Roth?" Heller argues that "super supply-siders" ignore commonsense and arithmetic showing that the jump in demand would be much bigger and faster than any conceivable jump in supply. He argues persuasively that the right lessons from the Kennedy tax cut experience would be: First, utilize the existing margin for tax cuts, first for carefully crafted and sharply focused incentives to capital formation and cost cutting; and second, after these are firmly in place and sufficient budget cuts have been actually achieved, use the resulting margin for broad personal tax cuts. The tax cuts in the bills I have introduced today are of the kind described in his phase 1.

Mr. Heller also points out that another such measure would be to reduce the social security payroll tax on employers and employees. This would, he notes, reduce business costs and price increases and increase workers take-home pay without wage increases. He recommends doing this by shifting the cost of medicare back to the general revenues. A bill—H.R. 1605—that I introduced earlier this year would effectuate that kind of proposal.

John Kenneth Galbraith also had one in the Washington Post for February 11, and I would like to read a portion of it.

He states:

The modern reliance on monetary policy is also rather precisely designed to punish these older industries. It acts against inflation by high interest rates and astringent credit and is effective only to the extent that it induces idle plant and recession. The high interest rates discourage investment; and when old plant is idle because of recession, new plant is not added. New plant is almost always more efficient than old.

Were one designing a system for suppressing productivity in the vulnerable parts of the economy one could not do better than to ask for the present emphasis on monetary policy.

The full text of the Walter Heller article follows these remarks:

CAN WE AFFORD THE COSTS OF KEMP-ROTH?

(By Walter W. Heller *)

Kemp-Roth tax cuts, depreciation speed-ups and a Reagan defense buildup would inject between $150 billion and $200 billion of purchasing power annually into the economy by 1983. How can the economy absorb that big an expansionary punch without aggravating our already intolerable inflation?

The search for ways to absorb, offset or minimize the inflationary impact leads us to explore (1) the capacity of the economy to accommodate big boosts in demand; (2) the likely supply-side contribution of the tax cuts to expansion of that capacity; (3) the role of the Federal Reserve in neutralizing the demand stimulus; (4) ways in which Congress could restructure tax cuts to enhance their favorable supply-side impacts on capital formation and costs, and (5) budget-cutting.

1. ECONOMIC SLACK

The first line of defense is the sluggish condition of the economy. With unemployment at 7.5%, factories operating under 80% of capacity, and demand weakening under the hammer-blows of high interest rates and rising taxes and oil prices, there is considerable slack in the economy and will be even more by summer. So the first stage of Kemp-Roth or its equivalent—especially if delayed until mid-year—would exert its force primarily by putting jobless workers and idle plants back to work.

Just as in the case of the Kennedy-Johnson tax cut in 1964, the higher demand unleased by the tax cut would boost jobs, output, profits and investment—that is, make use of existing supply capacity—rather than boost prices and wages. So far so good, provided that the administration, Congress and the Fed are prepared to generate a brisk recovery even at a 12% inflation rate in contrast with a 1.2% inflation rate at the time of the Kennedy tax cut.

2. SUPPLY-SIDE RESPONSES

But even if existing supply capacity could handle the first stage of the Roth-Kemp tax rocket, what of the second and third stages? The all-out supply-siders would have us believe that big across-the-board personal tax cuts will unleash such torrents of work effort, savings, and investment that supply will expand to meet the new demands, and the tax cuts will largely pay for themselves.

Super supply-siders seem to be quite unfazed by the devastating evidence to the contrary. They even choose to ignore common sense and arithmetic showing that the jump in demand would be much bigger and faster than any conceivable jump in supply. It is widely accepted that tax cuts have a multiplier of about two on the demand side. That is, a $30 billion tax cut rather quickly turns into about $60 billion of additional demand for goods and services. But the effect on supply comes to only a few tenths of a percent, and that rather slowly.

After careful appraisal of the evidence, the Council of Economic Advisers in its January 1981 "Report," reflecting the view of most economists, concludes "that even under the most optimistic circumstances, a 10% reduction in [personal] tax rate would not induce enough additional work, saving, or investment to offset more than a fraction of the 2% increase in aggregate demand that would accompany the tax cut." The council is careful to differentiate specific investment-oriented business tax reductions that can have significantly greater supply-side effects than personal income tax cuts.

Relying on huge supply-side responses to Kemp-Roth tax cuts would be tantamount to bolting the door against inflation with a boiled carrot.

3. FEDERAL RESERVE POLICY

Chairman Volcker has made clear that Kemp-Roth tax cuts unmatched by spending cuts will get a frigid reception on Constitution Avenue. A tug-of-war between huge personal tax cuts and ever-tighter money would be unremitting bad news for the economy. Tight credit and high interest rates are already stifling business investment and housing. A new twisting of the monetary noose could strangle them. Easy fiscal policy and tight money policy are hardly the right prescription for resumed growth and reduced inflation in the 1980s.

4. RESTRUCTURING TAX CUTS

It seems particularly ironic that the administration, dedicated to furthering capital formation and curbing inflation, should be coming forward with massive personal tax cuts and only modest business tax cuts. Strangely enough, this reverses the approach taken in the Kennedy administration, which Mr. Kemp and other supply-siders say they are emulating.

The Kennedy supply-side initiatives came primarily in a series of sharply focused measures to stimulate investment and curb costs in 1961–62: (1) the investment tax credit, to this day the backbone of business tax incentives for growth; (2) liberalized depreciation guidelines; (3) reduction of long-term interest rates, and (4) the wage-price guideposts to help ensure that stimulative measures would not run off into price and wage inflation.

Once these supply-side measures (we called them "incentives for capital formation and economic growth without inflation") were in place, and the economy was still operating well below par, we followed through with the great tax cut of 1964. Good as it was for incentives, there were not then, and should not be now, any illusions about its primary purpose: It was designed to boost demand and make use of the existing (and expanding) supply capacity. That's precisely what it did.

If the current tax-cutters want to draw the right lesson from the Kennedy tax-cut experience, it would be this: Utilize the existing margin for tax cuts first and foremost for carefully crafted and sharply focused incentives to capital formation and cost-cutting. Then, after these are firmly in place and budget-cutting has moved from rhetoric to reality, use the further elbow room for broad-gauged personal tax cuts.

Apparently, the people agree. In a recent Harris poll, 55% of the respondents said that they thought big personal income tax cuts would be inflationary. At the same time, 63% said that they believed that special tax incentives to boost business investment would be healthy for the economy. A New York Stock Exchange survey showed that a large majority of respondents prepared to give President Reagan one, two, even three years to achieve his objectives in cutting the size of government and curbing inflation. So why the headlong, high-risk rush into huge personal tax cuts?

A more prudent course—one that would threaten less inflation and permit more deliberate action on budget cuts using a scalpel rather than a machete—would be to restructure the 1981 tax cut to put much more emphasis on tax incentives for investment and cost-cutting.

The surge of new entrants into the labor force in the 1970s has put labor markets "out of sync" with tight capital markets. So heavier emphasis on accelerated depreciation and more liberal investment tax credits—both with a proven track record—should be the first order of tax business.

The second should be to lift some of the burden of increased payroll taxes off employers and employes. Part of the increase in hard-core inflation traces to the big boost in payroll tax costs this year. Shifting the costs of hospitalization insurance to the general revenues, where they belong, and cutting back the payroll tax rates would ease business cost and price increases. Doing the same thing for employes would increase take-home pay without wage increases. Both moves would be helpful in removing some of the cost-push pressure on inflation.

Finally, in structuring a tax cut that would facilitate economic recovery and curb inflation, I want to put in a brief plea for using tax cuts as incentives for compliance with a program of reasonable wage and price increases. Granted, this plea will fall on deaf ears. But unless some action is taken to couple fiscal and monetary restraint—which is vital to curbing inflation—with some type of wage-price restraint, we will be doomed to years of slack and slow growth in the economy.

5. BUDGET CUTTING

The budgetary and appropriations committees of Congress will be the residuary legatees of the President's anti-inflation and tax-cutting policy. That is, if economic slack, supply-side effects, monetary restraint and tax-cut restructuring don't provide adequate defenses against inflation, the responsibility for noninflationary expansion will fall on them.

This is not to say that the only purpose of spending cuts is to accommodate non-inflationary tax cuts. Clearly, as the Carter budget did and the Reagan revisions will emphasize, there are many areas of the budget where cuts are desirable and/or possible. The 1982 Carter budget and the Feb. 3 study of the Congressional Budget Office ("Reducing the Federal Budget: Strategies and Examples") lay out impressive menus of possible cuts.

How feasible these cuts are politically and operationally, and by what method—reconciliation process or otherwise—they could be achieved remains to be seen. But one thing seems clear: If the administration and Congress decide to go ahead with the full Kemp-Roth plan, other tax cuts and big defense boosts, the country will have to swallow the bitter medicine of gargantuan budget cuts or drum-tight money.

Soon, the nation will have to face this hard question: Can we afford the risks and costs of a full Kemp-Roth tax plan, or will the tax cuts have to be scaled back to stay within the bounds of economic logic, political reality and social justice? The answer is implicit in the question.

* Mr. Heller is Regents' Professor of Economics at the University of Minnesota, former chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson and a member of the Journal's Board of Contributors.

HOSTAGE AGREEMENTS VOID UNDER INTERNATIONAL LAW

(Mr. LEVITAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVITAS. Mr. Speaker, as we continue to rejoice in the safe return of the former American hostages, and as we reaffirm the congratulations and commendation to former President Carter and the members of his administration who were responsible for outstanding, patient, and successful ef-

forts in effecting the safe release of the former hostages, we should not lose sight of the fact that the so-called agreements with Iran which were entered into were entered into under duress caused by international criminal acts. Accordingly, the so-called agreements are void under international law and should not be carried out because, to do so, compounds the felonies that the barbarians in Iran committed against our former hostages and the seizure and destruction of our Embassy in Tehran.

I am pleased to note that the committees of both Houses now are undertaking an investigation into this matter. They will soon begin hearings on bills dealing with this issue including one I have introduced that would result in the renunciation of the most iniquitous portions of those so-called agreements, which, for example, prohibits the former hostages themselves from suing the Government of Iran for the damages they suffered resulting from Iran's violations of international law. My bill also calls for the punishment of criminals and reparations to the United States.

If President Reagan is the man I think he is, he ought to take these agreements and tear them up. If he does not, then there will be many people in this country and abroad who will question Mr. Reagan's toughness in dealing with violators of international law and decency.

Mr. Carter, under duress, effected the release of the hostages. That is good. But for Mr. Reagan to implement void agreements with shameful terms is without honor.

There is no honor in carrying out agreements with criminals made under duress because of uncivilized violations of international law by another government.

"STATE OF THE ECONOMY" MESSAGE

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, tomorrow evening President Reagan will address the Nation on the state of the Union. On previous occasions he has stated that "the Nation is in the worst economic mess since the Great Depression"; has called this his state of the economy message, and is expected to propose a remedy for inflation.

President Reagan's remarks will amplify upon his notion that the Federal budget should be balanced as a remedy to the economic ills that beset the Nation. Most Democrats overwhelmingly support this notion. However, it is important to recognize that this notion is not yet a strategy nor a policy. The President's address on the state of the Union will outline what may become a strategy from which an economic policy can emerge. It is extremely important for Democrats to support this notion because the American people have demanded that President Reagan be given the opportunity to translate his philosophy into a workable plan.

American politics is a numbers game. And, with the landslide that swept Ronald Reagan into the office of President of the United States last November, he has won the right to test his tax and budget notions—views he has espoused during the last decade.

President Reagan is committed to lower taxes, less Government, a balanced budget, and a stronger military. I believe that it would be a fatal mistake for most Democrats to be perceived by the electorate as obstructing the goals of the President, because, after all, these are the goals embraced by the majority of our people.

With broad-based support among the American people, the President has the best opportunity of any President since World War II to right the fiscal wrongs that plague our Nation. And, Democrats should cooperate because Government is out of control. It would be politically disastrous for most Democrats if a lack of cooperation on our part can be made the blame for the failure of Ronald Reagan's programs to work as promised. If these notions, soon to become an economic policy, fail, they must do so on their own merit and not because of an obstructionist loyal opposition.

I look forward to participating in the formulation of an economic policy that accommodates the notions of the President.

GIVE IT TO THE MARINES AND PUT THEM IN THE PACIFIC

(Mr. WON PAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WON PAT. Mr. Speaker, the controversy among the Joint Chiefs of Staff over just which theater commander should control the Rapid Deployment Force, which was organized by former President Carter to respond to trouble in distant spots like the Persian Gulf, has attracted the interest of a number of Members, including myself.

The old adage of too many cooks spoiling the soup is in my opinion very appropriate in this case. I think we saw a little of this in the aborted attempt to rescue the hostages from Iran last spring. I have always subscribed to the principle that no man can serve two masters, and in time of war there is absolutely no place for a split or fractured command.

Who, then, should command the Rapid Deployment Force? I say: "Give it to the Marines!" And I would go one step further and say base them in the Pacific theater where they have forged some of their most glorious victories, not only in World War II, but in the Korean and Indochina conflicts.

I am not denigrating the Army or the Air Force in any way, but feel that they must prepare for a much more massive land-based mission in the European theater where they can combine with our NATO allies. When it comes to mounting an effective, swift-striking unit, with a successful history of amphibious and air assaults, the Marines, with their traditional esprit de corps, are our best bet.

Of course, I may be just a little biased toward the Marines and the Pacific because I saw firsthand what they did in the island-hopping campaign against heavily fortified and fierce Japanese resistance, especially on my home island of Guam in July of 1944.

Another factor which must be taken under consideration is who controls the land from which we would launch such a force. We are finding it increasingly difficult to establish military bases on foreign soil and we are having to pay dearly for those that we now have.

If, on the other hand, we made use of the Navy and Air Force bases we have on Guam, and develop the multi-service base that is on the drawing board for Tinian in the Northern Marianas, and arrange to lease land for another base in Palau, which is entering upon a period of free association with the United States, we would be free to do what we must do at far less expense and under our own flag.

The people of Guam and the Northern Marianas have always been extremely loyal to the United States and have exhibited great patriotism as witnessed by the fact that Guamanians suffered more casualties per capita in Korea and in Vietnam than any other State or territory of the United States. There is no shortage of recruits on Guam. All four services always make their quotas with some to spare.

So, I will cast my vote for the Marine Corps as the unit best suited to take over the Rapid Deployment Force, and I would stage them in the Pacific where they could monitor the Middle East trouble spots, the eastern front of the Soviet Union, and the always seething situation in Southeast Asia. Thank you.

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COMMITTEE STAFFS CAN BE CUT

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, tomorrow night the President of the United States will address Congress and he will be calling on the Nation for austerity as we all work toward balancing the budget.

We know that last year the national debt went up $90 billion. What we are going to have to do in every way is to cut Government expenses so we can begin to end inflation.

Today, the House Administration Committee has started hearings on how the House can cut the size of our committee staffs. One of the first committees to be reviewed is the Foreign Affairs Committee. In 1975, their total staff was 26. Last year, it got up to 56.

We could make an encouraging example for America if they can cut the staff by 30.

Let us take the Rules Committee. The Rules Committee is meeting there today. I was so impressed with what Mr. Kilpatrick said in his syndicated news item about the Rules Committee staff. He said that when he came to Washington 30 years ago, the entire staff of the Rules Committee was three employees. In 1972, just 8 years ago, the entire staff under Chairman Collmer was a total of six. But today—today—that Rules Committee has a total of 45. I could not believe it. The Rules Committee has come from 6 to 45. Let us get the record straight.

What we are asking for is, let us just double the size of the Rules Committee from what it was 8 years ago and let it go to 15. Let us cut the Rules Committee by a total of 30.

Work on reducing your committee staff and save money, lower the inflation rate, and we will have a more efficient Congress.

LEGISLATION INTRODUCED TO PROVIDE FOR CONSTRUCTION OF FLOOD CONTROL PROJECT IN POTTSTOWN, PA.

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, today I am introducing legislation to provide for the construction of a flood control project in Pottstown, Pa.

Pottstown is a community of 25,000 whose economic livelihood is endangered annually by the threat of the Schuylkill River Basin flooding. In June 1972, both the industrial and residential sections of Pottstown were devastated by a flood reaching 27 feet above the flood stage. Virtually everyone in this community was affected by this disaster. Hundreds were left homeless while industry sustained losses which have yet to be recovered. The 1972 flood was the worst to hit this community. Yet without a flood control project, Pottstown will continue to live in constant fear of future devastation.

The residents of Pottstown have rebuilt their community to the best of their capability, drawing on their strength and courage to forge ahead. Efforts at the local level have been made to try and protect this community from future losses. However, these efforts could easily be eroded should another flood strike. More action needs to be taken which minimizes the potential risks of devastation for these people.

Mr. Speaker, I feel we should do our part in Congress to supplement the commendable effort of these citizens. Although they have accomplished much of their own volition, they should no longer be required to carry this burden alone. My bill acknowledges the severity of this crisis and enables the Corps of Engineers to provide the assistance so desperately needed in this town.

It is my sincere hope that Congress will see fit to act on this vitally needed legislation, thereby providing relief to the people of Pottstown. The citizens of this community deserve the opportunity to rebuild the economic structure without the constant fear of destruction.

Thank you, Mr. Speaker.

FEBRUARY 12, GEN. THADDEUS KOSCIUSZKO DAY

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, I rise to commemorate one of the most important dates in Polish-American history—Gen. Thaddeus Kosciuszko Day, which we celebrate each year on February 12.

Students of American history will recall Thaddeus Kosciuszko. He was an 18th-century soldier and statesman. His strong belief that the cause of liberty and independence transcend international boundaries moved him to come to America, where he volunteered his services to the fledgling American Continental Army.

He distinguished himself in the battles of New York and Yorktown. Later, by a special act, Congress bestowed on Kosciuszko the full rights and privileges of American citizenship, and the rank of brigadier general—in recognition of his historic role in the American Revolution.

We in Pennsylvania's 11th District feel a special pride in General Kosciuszko's accomplishments. Nearly 30,000 of our citizens have ethnic roots buried deep in Polish soil. Our Polish-American brothers and sisters continue to abide by General Kosciuszko's foremost ideal—his commitment to the principle of international liberty. At a time when the world's attention is focused on Poland, I salute Gen. Thaddeus Kosciuszko on his day. In saluting him, I honor the memory of past generations of Polish Americans and the accomplishments of my 11th District Polish-American neighbors and friends.

SALE OF ADDITIONAL FUEL TANKS AND BOMB RACKS TO SAUDI ARABIA SHOULD BE APPROVED

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, I believe that it is in the interest of the United States and this Congress to approve the sale of additional fuel tank capacity and multiple bomb racks for the 60 F-15's the United States has sold to Saudi Arabia.

We must remain flexible and even-handed in attempting to bring about a peace in the Middle East which benefits all parties equally.

Saudi Arabia has requested this additional equipment because of its defense needs in an increasingly turbulent military and diplomatic environment. Soviet troops are poised in Afghanistan; Iran and Iraq are at war; Syria and Jordan are engaged in a battle of words. Thus, American support of a stabilizing force of moderation in the Middle East is essential.

There is another reason for supporting the sale. France has recently concluded a $3.4 billion arms deal with Saudi Arabia. Other nations stand ready to provide whatever equipment they can to Saudi Arabia and other Middle East nations. Thus, if the United States denies the sale, not only will another nation provide the equipment, but we effectively will lose any possible leverage with which to advance our policy objectives.

Finally, there is a political reason for supporting the sale of this additional equipment. The new President publicly has expressed a support of Israel in terms stronger than any President since Lyndon Johnson. To deny him an opportunity to implement his approach to a comprehensive and balanced Middle East strategy could well sacrifice the efforts the United States has made to this date.

RISE IN ANTI-SEMITIC INCIDENTS: CAUSE FOR CONCERN

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS. Mr. Speaker, sharp rises in anti-Semitic incidents in southern California and throughout the entire United States should sound an early warning signal in the Congress. The contemporary tensions of inflation, unemployment, and distrust of government are breeding grounds for a new

wave of scapegoat discrimination including flagrant anti-Semitism.

Just recently in the 37th District an attack was made on the Congregation Emanu El in San Bernardino—a rock was thrown through a window in the front entrance of the temple and two swastikas were spray painted on the entryway. As I learned of this incident, I could only feel a sense of shock and revulsion over such a senseless act occurring in our country. Indeed, the number of such episodes is on the rise across America. A report released by the Anti-Defamation League of B'nai B'rith indicated there were 377 incidents of assaults and vandalism against Jews in 1980—up threefold from the cases recorded in 1979.

Such outbreaks are on the rise all over the world—France, Britain, West Germany, and Algeria have all experienced a wave of anti-Semitism. Although the recent incidents hardly compare with the virulence of anti-Jewish attitudes of the 1920's, the similarity in tone is frightening and disturbing. The bombing of the Rue Copernic synagogue in Paris last year caused an extensive discussion in France of the extent of anti-Semitism in that country. The results of a Louis Harris poll conducted after the incident are troubling: One Frenchman in 8 thinks there are too many Jews in France, while 1 in 10 feels a Jew is not "as French" as other citizens.

In the United States the actions taken by such groups as the Ku Klux Klan and Neo-Nazi's are a reflection of ignorance in the most extreme form. The Constitution and the Bill of Rights were designed to protect the individual right to freedoms of speech and religion and these documents specifically guarantee the separation of church and state. Perhaps there is a need to read the Bill of Rights again and reflect on the reasons our Founding Fathers were inspired to include them in the Constitution.

A recent editorial by the Christian Science Monitor succinctly states what must be done to curb anti-Semitism:

> The criminal justice system must display a tough response to vandalism and violence. Since young people are often imitative—that is, inclined to repeat peer attitudes or acts—the media must be alert not to glamorize groups like the Ku Klux Klan that thrive on racial and religious bigotry. Schools and private organizations must help foster that climate of citizenship that recognizes the worth of all individuals. * * * But, at the same time, much of the corrective action must take place within the home. * * * Racial and religious harassment, not to mention underlying prejudices, have no place in civilized society.

Mr. Speaker, as we are about a new beginning, it is both appropriate and opportune for the Congress and the American people to recommit ourselves to the freedoms guaranteed in the Constitution and the Bill of Rights.

TAX CREDIT FOR HOME HEATING OIL EXPENDITURES

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, as we all are painfully aware, the cost of energy to the residential sector has been escalating at a staggering rate. With the recent decision to decontrol crude oil and its products, the beleaguered consumer has been subjected to outrageous and unwarranted price hikes by the oil companies of 8 to 10 cents per gallon for home heating oil. The cost of residual fuel oil used by the utilities to generate electricity has skyrocketed to such a degree that the fuel adjustment charge alone on Massachusetts residents is now greater than the basic electric bill.

Currently, there are approximately 14 million households in this country which use oil to heat the home. With the expense of this oil comprising a greater percentage of this Nation's disposable income, the urgency for legislation is apparent. Therefore, I am reintroducing my bill which offers a tax credit or rebate of 33⅓ percent of the resident's annual home heating oil expenditure. The maximum credit of $400 would be reduced by 1 percent of the resident's income over $20,000. This is similar to the measure I introduced last year and supported by more than 50 other Members.

Mr. Speaker, as the debate which preceded the passage of the windfall profits tax last year indicates, 25 percent of the net tax of $13.5 billion in fiscal year 1981 and $20 billion in fiscal year 1982 generated by this legislation is to be set aside for energy assistance to the consumer. Recycling of these oil company profits back to the consumer is the most obvious use of these billions of dollars in tax receipts. It represents hard-earned money which is rightfully the consumers to be returned.

As the 14 million homeowners across this country who depend upon home heating oil to serve their heating needs watch the price of this necessity rise as fast as the thermometer can fall in New England, it is obvious that there must be some form of relief for them. Otherwise, we will witness Middle America becoming an endangered species.

DUTIES AND LABELING REQUIREMENTS WITH RESPECT TO IRANIAN PISTACHIOS

(Mr. THOMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, I am introducing legislation today to protect our Nation's pistachio farmers from unfair competition by the Iranian Government. This competitive advantage has been given the Iranians by our Government and the other industrial nations and I am determined to end this long-term problem.

Since the early 1970's, California farmers have made great sacrifices to develop their pistachio plantings. The risk and investment for this agriculture commodity is unusually great. These farmers do not receive any subsidy and must face the rigid competition of the Iranian Government. Since the OPEC oil embargo, the Iranian Government has subsidized every facet of its pistachio industry, even though their industry is at least 2,000 years old and considered developed.

Our Nation, with the 18 other industrial nations, afforded the Iranians the status of a developing nation for pistachio export purposes which provides preferential treatment for Iranian pistachios. I think this classification is unfair to our domestic pistachio producers.

My proposed remedy is not price supports, but rather the laying of ground rules for fair competition. The legislation I am introducing would provide for a 100-percent duty on Iranian pistachios, and require importers of Iranian pistachios to distinctly label their consumer packages as having come from Iran.

I hope you will join me in cosponsoring this timely and well-directed legislation.

PROVIDING FOR JOINT SESSION OF CONGRESS WEDNESDAY, FEBRUARY 18, 1981

Mr. FOLEY. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 69), and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 69

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, February 18, 1981, at 9 o'clock post meridiem, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

COMPENSATION OF MINORITY EMPLOYEE

Mr. MICHEL. Mr. Speaker, I offer a resolution (H. Res. 71) relating to the compensation of a minority employee, and ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the resolution as follows:

H. RES. 71

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, the sixth minority employee authorized therein shall be the following named person, effective February 16, 1981, until otherwise ordered by the House, to wit: Tim Wyngaard, to receive gross compensation pursuant to the provisions of House Resolution 119, Ninety-fifth Congress, as enacted into permanent law by section 115 of Public Law 95-94.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that tomorrow when the Houses meet in joint session to hear an address by the President of the United States, only the doors immediately opposite the Speaker and those on his left and right will be open.

No one will be allowed on the floor of the House who does not have the privilege of the floor of the House.

Children of Members will not be permitted on the floor and the cooperation of all the Members is requested.

Members will remember that the first three rows are reserved for the Senate and will request all Members to adhere to the traditional middle aisle separation of parties during the joint session.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to clause 4, rule I, the Chair desires to announce that the Speaker signed on Friday, February 6, 1981, the following enrolled bill:

H.R. 1553. An act to provide for a temporary increase in the public debt limit.

APPOINTMENT AS MEMBERS OF HOUSE COMMISSION ON CONGRESSIONAL MAILING STANDARDS

The SPEAKER. Pursuant to the provisions of section 5(b), Public Law 93-191, the Chair appoints as members of House Commission on Congressional Mailing Standards the following Members of the House:

Mr. UDALL of Arizona, chairman; Mr. SOLARZ of New York; Mr. FORD of Michigan; Mr. DERWINSKI of Illinois; Mr. QUILLEN of Tennessee; and Mr. LOTT of Mississippi.

APPOINTMENT AS MEMBERS OF COMMISSION ON WARTIME RELOCATION AND INTERNMENT OF CIVILIANS

The SPEAKER. Pursuant to section 3(b), Public Law 96-317, as amended, the Chair appoints as members of the Commission on Wartime Relocation and Internment of Civilians the following Member on the part of the House: Mr. LUNGREN of California.

And the following members from private life: Mr. Arthur J. Goldberg, Marshall, Va.; Mr. Robert F. Drinan, Chestnut Hill, Mass.

DISTRICT HEATING

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. OBERSTAR. Mr. Speaker, district heating is a form of community heating, produced through cogeneration, which uses the thermal energy byproduct of fuel burned to generate electricity. This thermal byproduct, usually in the form of hot water or steam, is dispersed through a piping network connecting buildings and residences. It is used to heat water, provide heat, and fulfill process steam needs.

District heating can achieve 85 to 90 percent fuel efficiency and such systems can be cost effective in 48 States. By comparison, kinetic energy derived from an electric turbine uses only 30 percent of the energy potential of a conventional fuel burn. District heating harnesses the remaining byproduct which would otherwise be released into the atmosphere or waterways.

I will again in this Congress introduce a bill to provide feasibility study grants and construction loans for cities considering installing new or revamping existing district heating systems.

I commend to my colleagues the following article by Neal R. Peirce from the February 1, 1981, Minneapolis Tribune which further explains the benefits and simple genius behind district heating:

[From the Minneapolis Tribune, Feb. 1, 1981]

DISTRICT HEATING: OLD, PROVEN, SIMPLE

(By Neal R. Peirce)

WASHINGTON.—Here is a perfect example of how the Reagan administration could curb wasteful, inflationary government spending, assure a more stable U.S. energy future and channel more investment and jobs into hard-pressed urban centers.

Step One: Follow the counsel of Office of Management and Budget Director Dave Stockman and "throttle back" on the incredibly expensive synthetic-fuels subsidy program. Congress last year authorized synfuels development at an initial $20 billion, with a suggestion of $68 billion more later.

Second, the administration could encourage, with minimal federal money, a proven, century-old technology called district heating—a method that could eventually provide low-cost heat and hot water and cooling to the vast majority of America's homes and businesses.

National support for synfuels is extraordinarily thin. Westerners rightfully fear coal and oil-shale exploitation that would pollute their air, tax scarce water supplies and trigger growth of energy boom towns for which they would have to provide most of the expensive new public facilities. Easterners foresee a massive diversion of scarce capital out of their economically pressed region. Environmentalists bemoan a program that would inject cancer-causing chemicals into the atmosphere. Stockman last year characterized synfuels as a "multi-billion-dollar program [that] would not appreciably ease our energy problems."

District heating, by contrast, had an old-style American entrepreneurial birth 104 years ago when an inventive Lockport, N.Y., tinkerer named Birdsill Holly decided that it would be a smart, economic idea to produce steam that could do double duty—to heat buildings and run the pumps of fire engines. So he built a boiler in his basement, ran steam pipes across his neighbors' lawns to the fire station and down Chestnut Street to nearby homes.

District heating flowered for a few decades in America, to a peak of about 150 systems in 1909. Then it tapered off as oil and gas for individual buildings became cheap and plentiful. Its remnants may be found today on college campuses and military bases and in a handful of aging city steam systems.

But Europeans, we are now reminded by the Council for International Urban Liaison, took district heating seriously. It now supplies one-third of all space- and water-heating needs in Scandinavia. The Soviet Union has 67 times our installed district-heating capacity. Most modern systems employ hot water, a system now considered more economical, practical and safer than steam.

Today, by various scientific estimates, 50 to 90 percent of U.S. heating and hot-water needs, plus considerable air conditioning, could be satisfied by district heating. Immense investments in water pipes would be required to hook up the country's homes and businesses. But the costs would be a fraction of the trillion-dollar-plus capital demands of a full-scale synfuels development.

"If you add up the total amount of waste energy produced by all the electric power plants in the country," says Damascus, Md., district-heating expert Theodore Taylor, "there's more than enough waste energy to heat the entire United States." The reason: The kinetic energy derived from an electric turbine represents only 30 percent of the energy potential of a conventional fuel burn. The remaining energy is released as steam or hot water. Yet if recaptured in pipes, in the process called cogeneration, 85- to 90-percent efficiency of the fuel is achieved. And hot water can be economically transported for distances of up to 20 miles.

Cities or suburbs could build their own power plants to burn coal or garbage and transfer the hot water produced by pipelines to their residents. Homes and businesses could use the hot water in lieu of hot-water heaters, and also circulate it through

radiators for heating, or through radiators with forced-air systems for the same effect. Nashville has a garbage-incineration plant that ingests everything from old newspapers to orange peels, burns it in furnaces that make steam, and uses the product to heat part of downtown in winter and to run a refrigerator compressor that makes chilled water and is circulated for summertime cooling.

As fossil fuels—oil, gas, coal—continue their inflationary spiral in coming years, district heating will become evermore economical. Mayor George Latimer counts on that cost equation (plus some federal aids) to propel forward a $75-million district-heating plan for downtown St. Paul, a system that could eventually expand to the entire Twin Cities area at a total outlay of $1 billion. Such investments seem astronomical, Latimer acknowledges, but not when one sees how much the area is now spending annually to import fossil fuels. (Minnegasco's energy center in downtown Minneapolis supplies district heating to several dozen major buildings; its lines were recently extended to the new domed stadium. Also, there is talk of tying NSP's Riverside plant, which produces waste heat, into the Minnegasco district heating system.)

District-heating systems could save the equivalent of 55 percent of the country's current oil imports by 2000, supporters say. Unlike synfuels, the technology is of a proven, "off the shelf" variety.

And since the systems would require thousands of semi- and low-skill jobs to build, they would create jobs for people where they live—in the cities—instead of creating intense demand for workers and scarce scientists to build questionable synfuel facilities in isolated Appalachian coal or Western oil-shale areas. Finally, claims Latimer, district heating would make older cities more economical, competitive places to live and do business: "It is the greatest gift a mayor could leave his people."

The Reagan administration, says Taylor, might publicise the advantages of district heating, enact some tax inducements, provide accurate information to cities on the systems—and then get out of the way and let the private sector build the systems without federal subsidies except for the poorest cities.

Such counsel should be music to the Reaganites' ears. Nor need district-heating systems simply serve cities, adds Taylor: Even rural areas with enough residences along a single road can construct economical systems. He suggests insulated, solar-heated ponds that can store 135-degree water in summertime for wintertime distribution with minimal temperature loss. Sweden already operates such systems—and they don't require a drop of oil.

□ 1230

CONCURRENT RESOLUTION PERTAINING TO UNITED STATES-MEXICAN RELATIONS

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. PEASE. Mr. Speaker, more and more Americans question the assumption underpinning our Nation's energy policies—that the world is running out of oil and that conservation and conversion to alternate energy sources are the only recourse we have. I happen to be a fan of both conservation and alternate energy, but distrust is prevalent in the public mind. Many people have lost faith in their Government's willingness or ability to formulate a comprehensive energy policy that serves the national interest and not just the interests of the major oil companies and the utilities.

The American people have good reason to be skeptical. There is mounting evidence—from responsible scholars and skilled professionals—which contradicts official pronouncements that the world will run out of oil in the next few decades and that there is little we can do to affect the price manipulation of the OPEC cartel. In simple terms, many Americans are very unhappy with policies which appear to reflect greater concern for the well-being of oil and gas producers than for consumers. Moreover, they are tired of our Government acquiescing to OPEC's control over oil supplies and prices. Commonsense tells them that a major cause of inflation, if not the leading cause, is the steadily rising price of imported oil which is subject to the calculated designs and whims of the OPEC magnates.

The primary focus for our national energy policy should be to provide sufficient energy supplies at the lowest possible price to the U.S. consumer. A secondary focus should be to insulate a significant portion of our imports from international political upheavals such as we are currently witnessing in Iran.

To further both of these objectives, we ought—as a matter of policy—to do much more to increase the world's supply of petroleum products. The most likely sources for increasing supply are the lesser developed countries, particularly the non-OPEC developing countries like Mexico.

Last December, the General Accounting Office (GAO) released a detailed report I commissioned entitled "The Potential for Diversifying Oil Imports by Accelerating Worldwide Oil Exploration and Production." This report included the following noteworthy findings:

Most petroleum experts generally agree that about one trillion barrels of crude oil remain to be discovered—an amount roughly equal to that already discovered. Although a number of studies converge on the figure of two trillion barrels as the world's ultimate crude oil resource, each estimate is based on certain assumptions. Estimates of undiscovered reserves, therefore, are to be used with caution.

Oil company and Government geologists GAO interviewed said that the following areas outside the Middle East hold the most promise for future oil discoveries. (See ch. 4.)

The Arctic areas: The Beaufort Sea off Alaska and Canada, the Bering and Chukchi Sea areas off Alaska in which the U.S. Geological Survey recently made favorable seismic findings, the Rift Basin off Newfoundland, East Greenland, and the northern basins of the Soviet Union.

Antarctica, which is largely unexplored.

Mexico, which has great potential, the limits of which are still undetermined.

The North Sea, particularly the Norwegian sector above the 62d parallel.

China, which has the largest unexplored nonarctic continental shelf in the world.

Certain developing nations in Latin America and Africa, which have been only moderately explored.

Furthermore, Bernardo Grossling, a research scientist with the U.S. Geological Survey, compiled a study for the World Bank which estimated total global petroleum reserves as high as 6,000 billion barrels. This same study also found that the density of drilling in the developing nations is only 1 percent of the United States.

Clearly, it is in the non-OPEC developing countries like Mexico that we should devote more of our attention and energies to increasing the world's supply of oil and gas. The people of these countries and their governments have been more severely affected by the OPEC machinations, in many instances than we have.

It follows that some of these countries want to develop and sell their resources as a prelude to internal development. But they often lack the money and the technical expertise. We are in a particularly advantageous position to help on both counts.

Unfortunately, past Presidents have shown little interest in oil and gas development in non-OPEC countries. Mexico is a case in point. Consider the following facts:

Early in 1977 the CIA knew that Mexico possessed oil and gas reserves far in excess of earlier estimates, but it was late in 1978 that the Congress and the American people were told.

In 1977, Mexican authorities reached a tentative agreement with 6 American pipeline companies to sell more than 2 billion cubic feet of natural gas per day to the U.S. at $2.60 per thousand cubic feet only to have the sale blocked in its final stages by the U.S. Department of Energy. Subsequently, in September of 1979 Mexico and the U.S. reached an agreement after much misunderstanding whereby we began receiving 300 million cubic feet per day of Mexican gas at $3.62 per thousand cubic feet.

I do not frankly understand why previous Presidents have not taken full account of Mexico's potential as a major oil and gas exporting country. Again, in early January the GAO predicted that Mexico could become a major U.S. oil source by 1990. According to the GAO, oil imports from Mexico could triple during the next decade to the level of 1.6 million barrels per day—20 percent of our projected needs.

But it is not too late to chart a new course in United States-Mexican relations. Certainly a positive note was struck in the recent meeting between President Reagan and Mexican President Portillo. To further this end, I am reintroducing a concurrent resolution calling upon President Reagan to assign high priority to negotiating a framework for cooperation with Mexico on several common concerns, including terms for mutually beneficial development of Mexico's vast oil and gas reserves.

There are many compelling reasons why our Government should strive to develop a partnership with Mexico.

First, it is in our national interest to diversify our foreign oil and gas supplies and to reduce our dependency upon oil produced in OPEC countries. The fact that the price for a barrel of crude oil has gone from $12.88 in 1977 to $41 now is a fresh reminder that OPEC price manipulation is a major contributing cause of our inflation problem.

Second, our national security is undermined by too great a reliance on Middle East oil. Recent events in Iran underscore the limits of our control over events in this volatile region.

Third, increased oil and natural gas revenues could significantly help Mexico cope with such problems as overpopulation, poverty, and large-scale unemployment. The repercussions of these problems have a very real impact upon our own country, so we have an interest in helping Mexico find some solutions.

Fourth, we continue to run up major trade deficits month after month. The trade deficit reached $13.5 billion for January-November 1980. If we buy more of our oil and gas from Mexico and assist in its development, it is very likely that Mexico will spend many of those dollars for American goods.

Finally, Mexico is the world's 11th most populous country with more than 65 million people. It represents one of America's most promising export markets for decades to come.

For far too long, at great expense to the American people, U.S. policymakers have assigned little importance to formulating policies to promote oil and gas exploration and development in non-OPEC countries. Hopefully, the discoveries in Mexico and a growing awareness of the oil possibilities elsewhere in the underdeveloped world will help expose the shortcomings of previous policy and will provide some stimulus for new approaches. We should start anew in our relations with Mexico and build from there.

Lest you think the potential for oil and gas development in non-OPEC developing countries is a fanciful illusion not worth pursuing, let me call your attention to an excerpt from an article entitled "Mexico: Emerging Oil Superpower?", by Lawrence Goldmuntz, former Assistant Director of Civil Technology in the Executive Office of the President, which appeared in the Wall Street Journal:

If the Mexican reserves—or any other reserve in a country that needs income—can be brought to production, OPEC's power to set oil prices would be decreased. Mexico, not presently an OPEC member, might follow OPEC pricing policies. Nevertheless, an increase in Mexico's production from one million to five million barrels per day would tend to destroy OPEC's cohesiveness. If enough reserves could be brought to production in the underdeveloped countries, the monopoly rents of OPEC might be reduced and oil prices might fall as much as $4 per barrel. At today's import, levels, this might save the U.S. as much as $12 billion annually. This is a measure of the amount the U.S. might invest to develop resources in underdeveloped countries. Other industrialized countries that import major quantities of oil, such as Germany, France and Japan, should be as interested as the U.S. to make such an investment.●

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. FOLEY) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 17, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 5:10 p.m. on Friday, February 13, 1981 and said to contain a message from the President wherein he transmits the Fifth Special Message for Fiscal Year 1981 under the Impoundment and Control Act of 1974.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

FIFTH SPECIAL MESSAGE FOR FISCAL YEAR 1981 UNDER IMPOUNDMENT AND CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-19)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed.

(For message, see proceedings of the Senate of Monday, February 16, 1981.)

GENERAL LEAVE

Mr. SUNIA. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from New York (Mr. SOLARZ).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from American Samoa?

There was no objection.

A TRIBUTE TO THE LATE HONORABLE ELLA T. GRASSO, GOVERNOR OF CONNECTICUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 60 minutes.

GENERAL LEAVE

Mr. COTTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include extraneous matter, on the subject of the life, character, and public service of the late Honorable Ella T. Grasso, Governor of Connecticut.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. COTTER. Mr. Speaker, it is my sad duty to inform the House officially of the passing of our former colleague and my good friend, Gov. Ella Grasso of Connecticut.

Ella and I both came to the House in 1971 and before that shared long service in Connecticut State government.

In her many roles—State representative, secretary of state, U.S. Representative from the Sixth Congressional District in Connecticut, and Governor of our State, Ella always did an outstanding job. The legacy of her dedicated service will be long remembered.

The death of Ella T. Grasso has left me, as it has left the entire State of Connecticut, and indeed our Nation, with a deep sense of personal loss. For me, I have lost a friend whom I admired and for whom I had the greatest affection and regard. Her warmth and her infectious spirit and decency will be missed by all of us.

Ella Grasso applied her own unique style of effective, vigorous, and buoyant leadership for decades at every level of government—in her beloved home of Windsor Locks, in the State of Connecticut, in the U.S. House of Representatives, and nationally in the Democratic Party.

Her accomplishments and her contributions to our State and Nation through public service touched nearly every facet of American life. And to each issue, and each concern she brought the same intense interest, the same enthusiasm, and the same extraordinary ability to make things happen.

Ella Grasso was a great stateswoman, and gifted politician, but above all, she was a humanitarian. She never forgot that the issues she dealt with were not mere abstractions, but the

expression of problems that affected everyday lives. And that, ultimately, was the root of Ella's greatness—she cared about people, she cared about them passionately, as individuals.

That passionate concern was the light that shined through every moment of Ella's life. And it is that light that I will miss now that Ella is gone.

Few people have ever combined the extraordinary qualities of heart, mind, and energy as did Ella Grasso—a heart filled with compassion, a mind fertile with ideas and solutions, and the energy and ability to translate her beliefs into a towering record of achievement.

I join with my colleagues in the House and the citizens of Connecticut in extending my deepest sympathy to her beloved husband, Tom, and to their children.

Mr. Speaker, I would like to include in the RECORD the touching eulogy her son, Jimmy, gave at her funeral.

Too often we forget that public figures have private lives and Jimmy's statement serves to highlight this fact.

TRIBUTE TO GOV. ELLA GRASSO

On behalf of my family, I would like to express my sincere appreciation to all who have come to bid my mother her last farewell.

The lives of all of us gathered in this cathedral have been greatly enriched by the experience of knowing her. She touched us with a love that was special and enduring. It was a love of devotion and dedication to her people, a love which was reciprocated over and over again during the last few months of her life. Throughout her ordeal, she felt the warmth of that love, and it greatly comforted her.

I take this opportunity to express publicly my personal gratitude and that of my family to Governor O'Neill who has shown deep compassion for our grief and who, with great humility has taken on the arduous task of leading a state during such difficult times.

I want to thank the dedicated staff members, who unselfishly gave of themselves, constantly working beyond what was normally expected, who rarely received any public credit, yet who truly deserved so much.

I am taking this unusual step of paying tribute to my mother at her funeral because I am so proud and privileged to have had Ella Grasso as my mother. She gave to all of you what she gave to my sister, Susane, and me—a mother's gift of unselfish love, understanding, compassion, and tenderness. To all who knew and worked with her, to us, her family, who revered and workshipped her, she was a radiant ray of sunshine, whose warm and engaging smile cast a bright glow of love upon each day. And during the most difficult ordeal of her life, she thought only of her family and the affairs of her state.

My sister Susane and I wanted her to feel the tenacity and love of a daughter and son holding their mother until her last faint breath, which once gave us life—ceased. It goes without saying, that my sister and I both realized, no man other than our father, could have given of himself so unselfishly, to allow my mother to accomplish what no other woman had even attempted. My father was more than a husband to her, as she often said, "he is my best friend."

It was a friendship nurtured as a young couple, joyously running along a summer beach, tempered as they trudged through a numbing blizzard, transmuted, holding his wife's hand on her death bed.

Because my mother knew the fraility of life, she tried to instill in all of us her vigor for life, her indomitable spirit. A poster, brought in by one of her nurses, paraphrased this outlook on life. In the words of Tennyson, "arise, go forth and conquer."

Now that she is gone, those of us who remain are morally committed to carry on the ideals and principles for which see lived and died.

In closing, I would like to share with you, a few phrases from a letter written by my mother some time ago, in which she expressed a desire to have mentioned at her funeral the following:

In my house there is a motto which says: "Bloom where you are planted, that is windsor locks, which is my strength and life."

It is fitting that my mother's last public words be echoed once more now, upon her final farewell and journey from us:

"I love you, I love you all."

Mr. Speaker, I will at this point insert several articles and editorials on Governor Grasso. The articles are by Nancy Lewinsohn, the Governor's long-time aide, and editor Joe Owens of the Bridgeport Post. These efforts indicate the depth of the feeling on the part of the people in Connecticut for our former beloved Governor.

ELLA WAS A SPIRITED WOMAN

(By Nancy Lewinsohn)

A few months after Ella T. Grasso announced her candidacy for governor, she was walking from her congressional office to the Capitol for an afternoon session of the House of Representatives. A tall, lanky bachelor colleague was flirting with a young blonde at the foot of the stairs.

Ella rushed to the congressman's side, linked arms and pulled him away, trilling, "Charlie, dear, I'm sorry to be late. I hope you didn't worry."

The congressman was dumbfounded, and by the time he recovered, he was climbing the stairs to the Hall of the House.

"You did not act very gubernatorial, Ella," he growled, and they chuckled together as they climbed.

Ella enjoyed her prankishness, there was no doubt about that. It was a joyful element in a rich, complex medley of pronounced qualities and talents unique to this special person. She was an original.

Indeed, she was witty and whimsical, taming the feistiest university audience with humor light and kindly meant; but she could also frost a tough foe with the turn of a phrase, if not a single steely glance.

She was a compassionate friend, paying a state employe's insurance premium in hard times, and giving legislators far from home bad weather hospitality, with milk and cookies waiting on the night stand; but she could also carry disagreement from friendly encounter to silent challenge.

She was a gentle presence that entered a room quietly and was felt; and she was wonderfully hearty.

Personally, she hurt easily and punished herself unmercifully, working ungodly hours. She shunned vacations, relaxing seldom, but sometimes she did so by trying to beat Sherlock Holmes to the solution of a crime.

A most valuable political attribute came naturally to Ella Grasso. Herself a blend of different cultures and influences, she related spontaneously to all people at their own level. It was not difficult for her to move easily among seniors and small children, welfare mothers, national leaders, businessmen and workers all in a single day. At least partially responsible was her natural warmth that radiated, gathering people to her.

From all over the state they came to talk; they also called or caught up with her on the campaign trail. Because she listened they told her their problems and they asked her counsel. Instinctively they regarded her as their friend.

She said that being a woman was neither an advantage nor a disadvantage to her political career. Her strong inclination to mother, to protect, however, certainly shaped her style. Just as she fretted about those around her—whether we were too fat or too thin, and if single, whether or not friends were fit companions—so in the greater arena she gave government a decidedly personal stamp.

The people of Connecticut were her flock. She told groups of schoolchildren that to know what government needs to do to help people you must know about their lives—their problems, where they are and where they want to go. She was always discovering.

Through a vast, sometimes changing network of informants, some political and others not, she personally kept in touch with life throughout the state. It was perhaps unnerving, but not unusual, for a troubled stranger to receive an early morning call from the governor asking how she could help.

Ella Grasso had a keen, creative, agile mind. Her facility for expression was rare. She could dart from topic to topic, often speaking cryptic phrases that were baffling to those who had not mastered her vocal shorthand. When she put pen to paper we watched in amazement as her hand flew across the paper, a virtual torrent of words tumbling into perfect sentences marked by a personal flair.

Publicly she commanded a situation by fitting her demeanor to the requirements at hand. She spoke eloquently without a text. Her prose could be simple, folksy, pithy remarks, or loftier thoughts delivered with the rounded vowels and higher pitch of what we called her Mount Holyoke voice. It was always enriching to hear her call on a vast growing store of quotes, often favorite passages from Shakespeare, Frost and St. Vincent Millay. Frequently, she drew on the wise comment of John M. Bailey and other political greats.

Our governor was a spirited woman, tenacious, vibrant, courageous and strong. A whirlwind of energy, she energized those around her, family, staff and friends.

She was highly competitive, and in the political arena she relished a good fight and a conquest. When she believed she was right she stood her ground.

Nowhere, however, could she have shown her mettle more clearly than in her final battle with illness. To fight and lose the hardest fight of all in the public eye and maintain a quiet dignity throughout—that was truly gubernatorial.

I knew Ella Grasso as congresswoman, governor and friend. We used to talk at

great length. We joked and gossiped and laughed. We discussed important issues and other meaningful things. Sometimes we disagreed, now and then tempestuously; but never finally—always there was to be another round, another chance to match wits and exchange ideas.

Now that comforting thought is gone.

The first full realization of this loss came when she called me not so long ago. We chatted briefly but warmly. Neither of us put into words what we both knew—that it was our unspoken farewell.

Goodbye, dear Governor.

ELLA'S LAST PUBLIC APPEARANCE

(By Joseph A. Owens)

Most fittingly, Gov. Ella T. Grasso's last public appearance was at the annual meeting of an organization she helped launch, whose members will always hold special affection for her.

It was a night of fun for the Hundred Club at La Renaissance in East Windsor. Larry Elgart's big band rocked the rafters with its rendition of "Hello Dolly" with the lyrics changed to "Hello Ella" as Connecticut's beloved governor marched into the hall, accompanied by Bridgeport businessman Bill Flynn, the retiring president, and Bob Lappin, the new head.

There was a constant stream of visitors to the head table, as men and women sought to personally greet the governor and a gentlemen who directed the state from 1961 to 1971, former Gov. John N. Dempsey.

The crowd was happy because Ella and Dempsey spread joy wherever they went. And, in a departure from previous practice, another state officeholder, Secretary of the State Barbara B. Kennelly served as "mistress of ceremonies."

Though she was accustomed to speaking to large groups, running the show was a new experience for Barbara. Her husband, Jim, her mother, Mrs. John Bailey and her brother, John, smiled every time the MC looked to Flynn or Lappin for a cue.

Lappin announced the establishment of a $5,000 scholarship in Ella's name for the son or daughter of a firefighter or police officer killed while on duty. To make the night complete, Ella was given a gold mantel clock and a scroll commemorating the occasion.

Dempsey was at his best. He turned the pages back to 1967 and a meeting in his office which led to the founding of the club which aids families of police officers and firefighters killed on duty. Among those present was Secretary of the State Ella Grasso. After listening to the proposal, Ella said to the governor, "If this club will help human beings, and I think it will; and if this club will help those in need, and I think it will; let's get it going."

With a big smile, Dempsey added, "Ella gave me some additional advice. 'Make sure you put up the first one hundred bucks!'"

Though she was tired and weakened by her illness, Ella was magnificent.

First she needled "Barbie" and expressed hope Kennelly would be "a toastmaster person for a long time."

The compassion Ella felt for people who had experienced misfortune was obvious. She spoke eloquently about those who give "a gift of self and a gift of love."

And paying tribute to her long-time friend, she revealed, "You know, I didn't spend all those years with John Dempsey for nothing. I learned a great deal from him, especially from his inimitable store of quotations. I'm sure he won't mind if I take a little liberty with one:

"The world has need of the best in you,
The world has need of the work you do,
The world has need of a helping hand,
The world has need of a friend who understands.
It welcomes the honest, the loyal, the true,
The world needs this Hundred Club and it looks to you."

There was a standing ovation for Ella. Everyone in the hall, some 650 people, knew that she was making a gallant attempt to conquer a disease that topples giants.

The date of the dinner was Nov. 6, 1980. Within a month, Ella T. Grasso resigned her governorship because she lacked the strength to serve.

Ella's last public speech was as good as any she ever made.

(Joseph A. Owens is editor of the editorial and opinion pages of the Post Publishing Co. newspapers.)

[From the Bridgeport Telegram, Feb. 6, 1981]

GOV. ELLA T. GRASSO—AN INSPIRATION

For as long as there is a state called Connecticut, the remarkable career of Ella Tambussi Grasso will be a source of inspiration.

Sentimentalists are rightly claiming that she was the American dream come true. We are among them.

The distinctive success of Governor Grasso was the result of hard work. Her quest for excellence as a student brought her scholarships to private schools where classmates were accustomed to a lifestyle enjoyed by the wealthy. Her immigrant parents, who settled in Windsor Locks—a mill town between Hartford and Springfield—had ample cause to be filled with pride when their daughter graduated Phi Beta Kappa from Mt. Holyoke College. That was only the beginning of the achievements this ambitious woman would attain.

More with a sense of history than anything else, Governor Grasso often described herself as a "child of the Great Depression." She would recall, with a smile, that during the early years of their marriage, she and husband Tom operated a movie theater in the shoreline community of Old Lyme during the summer. There was need to supplement his income as an educator. "Every morning we hoped it would rain," she said more than once as she spoke of a bygone era that had left an indelible imprint on her mind.

In this current age of pretense, Ella T. Grasso was genuine. She was plain; she was real. Humor and sparkling conversation were prized by her. She walked with, and talked to, the mighty, but never lost the common touch because of the deep and abiding concern she harbored for the well-being of others. She was a woman of true compassion.

The cosmetics of politics and Ella T. Grasso were not compatible. During a campaign she aought the opportunity to meet and to talk to people. The result, she confidently believed, would take care of itself. Nine victories without a loss stand as a tribute to the philosophy which governed her policy.

It is history that she was the last protege of the late Democratic State Chairman John M. Bailey. A quarter of a century ago he envisioned greatness for a young woman in the General Assembly, gifted with the ability to understand complex issues and offer sensible solutions.

The arrival of Ella T. Grasso at the top—her victorious gubernatorial effort in 1974—was welcomed and invigorating. She had succeeded in a man's world. Her election to the governorship was national news, but the winner stoutly refused to see herself as a celebrity. Always, she wanted the people to think of her simply as, and call her, "Ella."

Politics is a rough profession. No one ever liked the give-and-take as much as Governor Grasso did. She crafted an administration that well served the best interests of the majority of the people. The example was set by the leader who carried out her duties conscientiously and most often cheerfully.

Humor was one of her hallmarks and she used it effectively on lawmakers and bureaucrats alike to get a job done. In the company of friends at lunch or dinner, Governor Grasso took special delight in recounting happenings, serious and otherwise, in a way which provoked laughter. The wrinkles in her cheeks were etched by thousands of smiles that reflected her inner joy.

The death of Governor Ella T. Grasso is an occasion for detailed reports about her ascendancy in public life, along with statements by countless high-ranking public figures and business leaders who honestly admired her skills, her character and her integrity. After all has been written and said, one fact will remain: Her stay in Connecticut was all too brief, though she lived here her entire life of 61 years.

Comfort can be taken in her legacy. Governor Ella T. Grasso willed to current and future generations a special gift. She provided a model of how public service can be an unselfish act of love for fellow human beings.

[From the Bridgeport Post, Feb. 6, 1981]

ELLA T. GRASSO

Governor Ella Tambussi Grasso was an extraordinary person.

A debilitating, wasting illness claimed her life yesterday, but only after she had courageously fought the ravages of cancer for 10 long, painful months.

During Governor Grasso's heroic battle, the people of Connecticut were united in the hope that a miracle would occur; that their prayers would be answered. It was almost mystical, this intense concern for the woman who had governed this state for six years. To men and women of all ages, and social stations, it was unbelievable that their vibrant leader would be touched by death.

Ella T. Grasso was an officeholder with style and grace. She had an indomitable will to succeed, once she was convinced the cause was fair and just.

All her life she confronted the odds and won. By never losing sight of the fact that she was the daughter of poor immigrants, she worked hard at every project she undertook. That accounted for a good measure of her success. But there was more. She had the rare ability to quickly perceive facts and draw logical conclusions. Often there was need for bravery, whether the contest involved Democratic politics, a governmental issue, the rights of others or the good of Connecticut and the nation.

Mrs. Grasso did not think it unusual in 1974 when she became the first woman to seek the governship. "I believe that working for the people is the noblest profession, and I seek this office to serve the people."

The empathy between this native of Windsor Locks and the people was abundantly evident as she traveled about the state during the autumn days and nights of her first gubernatorial campaign. There was

a sense of anticipation. Voters were anxious for Election Day to come so they could pull the lever for the candidate they knew as "Ella."

Upon entering office, she inherited financial problems of a tremendous magnitude. Her inaugural address was a message of hope, of confidence and of challenge.

"The business of Connecticut can be conducted openly, compassionately and efficiently—with prudence and economy. It can; it must; and so it will," she declared in the magnificent Great Hall of the House in the Capitol. Twenty-one years earlier, in the same high-ceilinged, historic chamber she had taken the oath as a state representative.

There is no career in American history that parallels the course Mrs. Grasso traveled. While giving unstintingly of herself to public service, Mrs. Grasso remained the heart of the Grasso home. She took special interest in the work of her husband, Thomas, an educator, and raising their two children, Suzane and James.

She lived by a code which embraced the highest moral laws and would withstand the test of any ethics or philosophies ever promulgated. That code orbited around her love of people. There was a personal attachment that was genuine and treasured by Ella.

To build a better state, she was convinced it was necessary for her to set the example. Until the state's finances were straightened out, she returned part of her salary, and insisted on frugality in her office and the Executive Residence. During the gasoline shortage in 1979, she commuted by bus between the Grasso summer home in Old Lyme and Hartford.

That was the indefatigable Ella, in her role of teacher, refusing to ask of others what she would not do herself. On the bus trips, as she did wherever she went, this warm-hearted woman introduced herself as Ella. That is how she wanted to be known. Titles meant little to her.

No one loved a challenge more than Ella. The blizzards early in the winter of 1978 pumped up her adrenalin and, much in the manner of a MacArthur or Patton in war, she was the general who, from a command post in the Hartford Armory, directed emergency measures.

Then in her typical fashion, the governor went aloft in a helicopter and viewed operations from the sky. In a rural area, people had etched a message in the snow: Ella Help! They knew their plea would be heeded.

When other natural disasters struck, this woman of strong spirit and boundless energy was on the scene, exhorting rescue squads to give their all. With that kind of inspirational leadership, how could they do less?

Governor Grasso, a Phi Beta Kappa graduate of Mt. Holyoke College, mastered the intricacies of politics, with the late Democratic Chairman John M. Bailey her tutor.

Connecticut is saddened by the death of Ella, a dynamic leader who showed us that old values will never wear out. Her explanation of why she entered public life is worthy of reflection: "Working for the people is the noblest profession of all."

Ella T. Grasso did Connecticut great honor.

Mr. RATCHFORD. Mr. Speaker, will the gentleman yield?

Mr. COTTER. I yield to the gentleman from Connecticut.

Mr. RATCHFORD. Mr. Speaker, I thank the gentleman for yielding, and I applaud him for taking this special order so that those of us who are elected officials from the State of Connecticut may express our feelings about a great lady and a true friend, because indeed Connecticut has lost a great leader and I have lost a very close friend.

I first met Ella Grasso in 1962 when I was elected as State representative from the city of Danbury. Ella Grasso's office was an office that was open to all of us. Her office, that of secretary of state, was the heart, the spirit, and the intellect of the Democratic Party. She was the spokesman for the people. The "People Programs" were her special charge: education, mental health, mental retardation, and the arts. Her office was, as we called it, truly the "people's lobby."

At the same time, while she served so very, very well as secretary of state, she served for a number of years as chairman of the platform committee for her party, first at the State level and then at the national level. Some platforms have dry, meaningless elements, but to Ella they were human commitments and they were living commitments to people, because she was reaching out and making pledges to her special charges, the people of the State of Connecticut.

When Ella Grasso came to Congress, she broadened this responsibility. I am privileged, as is the gentleman from the First District of Connecticut, to serve on the Education and Labor Committee, and her work there was noteworthy, not only in Connecticut but throughout the country. She was known there again also for reaching out to people, because she had what we called "Ella-phones" so that the working men and women of her district could call Ella and could reach her. And they could talk with her, knowing full well that they would find a sympathetic ear and would find a bright and concerned individual, and that they would find someone who cared about their ideas.

Her work here gave her recognition on the national level, as did her work for the National Democratic Party, and all this effort, all these 20 years of involvement, flowered in her final responsibility, that of Governor of the State of Connecticut.

As Governor, in a short 2 years she put our fiscal house in order. She worked tirelessly to attract new industry into the State so that we could be on a sound fiscal base and so that our very skilled and very committed working people could have the assurance that their talents would be put to work in the new industry she attracted.

She demonstrated that she was willing to make tough decisions when she closed down the State of Connecticut for 2 days to battle the blizzard. And battle it successfully she did, and then she opened the State up while the rest of New England remained closed for the better part of 10 days.

Above all, she restored integrity to government during the period of Watergate and during the period of post-Vietnam. No one questioned for a moment the integrity that Ella Grasso brought to the Governor's chair in the State of Connecticut, and all of us who serve in government are better for this flowering of integrity and responsibility that she brought to that high office.

But above all, I remember Ella Grasso as the great and warm and compassionate person that she was. She could communicate in any walk of life. If the Members have any doubt about it, Mr. Speaker, I wish they could have come to Connecticut to see 20,000 people come to our State Capitol to pay their last respects to Ella Grasso, the Governor, to Ella Grasso, the person. They were people from all walks of life that she had touched. They felt that she was a great person and a great Governor. They wanted to say goodby in a very personal way.

She was a totally dedicated public servant. It was not at all unusual to find her at our State Capitol at 6:30 or 7 o'clock in the morning working, working to see to it that the best type of government was brought to the 3 million people of the State of Connecticut.

She truly loved people. I can recall one occasion of being at the Mansion with Barbara and our three boys. It was a very special state occasion for our youngest boy, Brian, for he not only had an opportunity to visit with the Governor but had brought some homework with him that he had to do that evening. It was not very long before Ella Grasso, the person, Ella Grasso, the mother, took our young son upstairs, and shortly thereafter she sat down with him and did homework with him. That was the nature of this individual.

She exemplified integrity. It just exuded from her, and, as I say, the government of Connecticut was strengthened as a result of it.

Finally, Mr. Speaker, she was courageous in life. She was never afraid of the tough decisions, and she was especially courageous in death. She showed us how to live, and she showed us how to die. The State of Connecticut, the people of this country, and all of us who knew her benefited by this very special person who was our Governor and our dear friend—a great human being, Ella Grasso.

Mr. DeNARDIS. Mr. Speaker, will the gentleman yield?

Mr. COTTER. I yield to the gentleman from Connecticut.

Mr. DeNARDIS. Mr. Speaker, I thank the distinguished gentleman from the First District of Connecticut for giving me this opportunity to speak. It is my solemn honor as a new Member of Congress, a Republican who served in State government with Ella Grasso, to offer brief remarks on behalf of a great lady, a talented public official.

It has not been through words that the greatest tribute to Ella T. Grasso has been paid. The true extent of the love and admiration felt toward her by the people of Connecticut was best expressed by the thousands of Connecticut citizens who, standing in line, as the gentleman from Connecticut (Mr. RATCHFORD) just mentioned, in the rain outside the Connecticut State Capitol, waited patiently to say their last goodbys to the Governor whom they loved and respected.

Ella Grasso's record of service to the people of her State and her Nation has been well documented. The extent of her feeling and concern for the citizens she served was recognized by the people and reciprocated not only in massive pluralities each election day but by the wants and devotion they returned to her as a person.

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Not only was Ella Grasso a warm and compassionate person, but also an effective legislator, an innovative secretary of state, and a strong and committed Governor.

She was also a consummate politician, one who knew the rules and played the political game with an expertise few others have ever shown. The way she practiced politics made each of us who are also in the political arena proud to be politicians. Her word was her bond. When she told the people of Connecticut over the years that she loved them, they knew her sincerity. They believed and they loved her back.

Mr. Speaker, because of her extraordinary and distinguished career and because she was the first woman who has been elected to an American governorship in her own right, a pioneer in that respect, I have written recently to President Ronald Reagan requesting his consideration of Governor Grasso to be the recipient of the Distinguished Medal of Freedom. Certainly few people are so deserving of the highest honor that we can bestow on this person who truly dedicated her life to the principles of our country.

I will invite in a letter to all Members of this august body their support of that request.

I know that everyone who has served with her and those who have followed will want to join me in urging the President to consider her for the Medal of Freedom.

Mr. Speaker, I am including an article in these remarks that is a very poignant piece that appeared last week in the Hamden Chronicle:

SHE MADE US PROUD OF OURSELVES

It is like a death in the family.

Ella Grasso shared in our successes and we in hers. She lifted our spirits through floods and blizzards and tornados.

She was a friend, firm and stern. She detailed the facts of governmental life in the 1970s and '80s and instructed in the influences of a sagging national economy.

She left no room for illusion. She could be blunt. She drew the line at permissiveness. She remained compassionate throughout.

As her cancer spread and her health worsened, it was as though each of us had heard the same sorrowing news of a relative or friend. That said so much of the role she played in Connecticut life for so many years.

For journalists, it was a vexing experience. There was the inner turmoil: how to balance the scales between fulfilling the obligation of the media to imform while respecting the privacy of an individual who certainly deserved this consideration during the final days of her life

Mrs. Grasso, as was her custom, took the bull by the horns and resolved the dilemma in great part by herself. She announced her resignation from office. She publicly acknowledged her ailments and, in characteristic candor, told us, "I do not have the stamina to do the job."

Ella Grasso spent her adult life in public office, never having lost an election contest en route to service as a state representative, the secretary of the state, a member of the U.S. Congress and, finally, six years as governor of Connecticut.

Her all-winning record did not adversely affect this extremely talented woman. In each higher office to which she advanced, she continued to provide that most elusive of qualities—leadership. Hers was not leadership of the campaign brochure variety, but leadership as that tenuous balance of vision, idealism, commitment and pragmatism.

She instinctively knew when to lead and when to hold back, when to wait for a better day. Patience was among her virtues; procrastination she knew nothing about.

Connecticut took pride in the fact that it had, in 1974, become the first state in the union to elect a woman as its governor in her own right.

As governor, Mrs. Grasso did an outstanding job while at the same time earning widening regional and national acclaim. A recent Gallup Poll found our governor to have been the fifth most admired woman by the American public in 1980, in the company of Rosalynn Carter, Mother Teresa, British Prime Minister Margaret Thatcher and former first lady Betty Ford.

We, the Connecticut voters, rationalized all this as still new testimony to our own astuteness as perceptive electors. In reality, that we came to feel that way was further tribute to Mrs. Grasso.

You don't go through the death of a relative or close friend without sustaining a very real sense of personal loss. That is Connecticut's current collective experience. It has suffered a deep personal loss. This mood is unmatched in the state's history. That says it all about Ella T. Grasso.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. COTTER. I yield to the distinguished Speaker of the House.

Mr. O'NEILL. Mr. Speaker, it is with deep sadness that I rise to join my colleagues from Connecticut in paying special tribute to a distinguished former Member of the U.S. House of Representatives and to the most beloved Governor in Connecticut's history, the late Honorable Ella T. Grasso.

In each successive position of public trust, which included service in the Connecticut State Legislature, the office of secretary of state, the U.S. House of Representatives, and Connecticut's highest office of Governor, the name Ella Grasso was synonymous with political excellence. Everyone who had the privilege and honor of working with Ella over the years quickly recognized and admired her consistent, straightforward, and no-nonsense style of political leadership. Her brilliant mind, articulate and decisive leadership, and her impressive educational background and experience prepared her magnificently for the varying responsibilities of the many political offices she held for more than a quarter of a century.

In every way, Ella Grasso personified the principles of the Democratic Party—integrity, a sense of fair play, courage, and moral conviction. Her performance as the first woman Governor in American history who was elected in her own right belied every reservation: Gender has no monopoly on competence or ability. Ella Grasso had so much to offer, and she gave totally of herself and her talents. The results of all her endeavors were beneficial not only to the State of Connecticut but also to the Nation at large.

Repeatedly, Ella Grasso measured up to the best this country had to offer. In public and in private, Ella was always her own woman. No matter what others said or did, she stood for the principles in which she believed were right. She never compromised her ideals just to gain political support. She was never falsely demonstrative—what she did for people came straight from the heart. Self-importance and pretentiousness were as alien to her character as indifference and complacency. She was unafraid to stand up and be counted, even when she had to stand alone.

Her epitaph is one of love and dedication to the citizens of Connecticut, and she leaves a legacy of compassion and understanding for the needy, unblemished integrity in her public and private life, and a commitment to the principles of human dignity and self-esteem for all citizens. Her life work is an inspiration to all of us who serve the people and who are firmly committed to good government.

Although I knew Ella Grasso by her impeccable reputation, it was as a Representative from Connecticut's Sixth District that I grew to admire her

many attributes. I can remember when the late John Bailey, her mentor, told me before she came to Washington: "Tip," John said, "Wait until you meet Ella—she's terrific!" Ella Grasso was more than terrific—she was extraordinary.

I watched Ella work as a Congresswoman who always had her roots in the people of Connecticut. She had the backbone to make the tough decisions and quickly earned the respect of her colleagues in the Congress for her industriousness, intelligence, and imagination, and for her widely recognized ability to lead. She was a team player, a conscientious and hard-working player, who understood that politics is the art of compromise.

Beneath that public exterior of a sharp and skillful political strategist was a loving, tender, and caring human being. No one had a finer or more loyal friend than Ella Grasso. No one was more kind, considerate, or humane than Ella Grasso, and no one had a heart filled with more genuine concern for people who were suffering. Ella Grasso really cared about people; and to the end, she never lost her humanity, her vigor for life, her indomitable spirit, or her strength of character which remained a very present help to all in trouble.

In Ella Grasso's passing, I feel I have lost a loyal and trusted friend, a faithful supporter, and a wise counselor. Connecticut and the Nation have lost a distinguished public servant and a favorite daughter whose public record is without parallel.

I extend my sincerest condolences to her beloved and devoted husband, Tom Grasso, and to her two beautiful children, James and Susane.

● Ms. MIKULSKI. Mr. Speaker, I was saddened to learn of the death of Gov. Ella Grasso of Connecticut on February 5, 1981. Her distinguished career as a respected public servant has done much to encourage other American women contemplating their own entry into public life.

As we all know, Ella Grasso was the first woman elected to the office of Governor without succeeding her husband. It is, I think, even more remarkable that she never lost an election in over 25 years of public service. She was one of an outstanding group of ethnic women who have made their careers in public service.

Governor Grasso's pioneering achievements while in public office laid an important, creditable foundation for the many women who are now winning elections and being appointed to policymaking positions in all levels of government. For example, her efforts to give the public access to officials and records, to simplify State government by eliminating unnecessary layers of bureaucracy, to recognize and publicize the critical needs of the elderly, to oppose vigorously an undeclared and unpopular war earned her the great respect of many people. Her insistence upon merit as a criteria for political appointments and her own belief in traditional values made her known among a wide and diverse group of American women and men who appreciated her talent as a public leader.

The loss of Gov. Ella Grasso will be deeply felt in American political life. However, her example of compassionate competence will long inspire those women and men who enter politics in the future with the sincerely held goal of serving their constituents.●

● Mr. MOFFETT. Mr. Speaker, on Friday, February 6, 1981, when I announced the scheduling of today's special order, I entered into the RECORD the text of a delegational resolution which the Connecticut Members intend to present to the Grasso family. With the resolution, we are asking those colleagues who were touched by her work, impressed by her courage and leadership or who simply may wish to offer comfort to her family, to sign a tribute to Ella Tambussi Grasso which can be found in the Speaker's lobby.

Among the tributes which I have heard and read since Ella Grasso's passing, few were as moving as those words spoken by her son, Jim Grasso, at the service on February 9. I include his eulogy for his mother, Governor Grasso, to be printed in the RECORD at this point:

EULOGY FOR GOV. ELLA GRASSO

On behalf of my family, I would like to express my sincere appreciation to all who have come to bid my mother her last farewell.

The lives of all of us gathered in this cathedral have been greatly enriched by the experience of knowing her. She touched us with a love that was special and enduring. It was a love of devotion and dedication to her people, a love which was reciprocated over and over again during the last few months of her life. Throughout her ordeal, she felt the warmth of that love, and it greatly comforted her.

I take this opportunity to express publicly my personal gratitude and that of my family to Governor O'Neill who has shown deep compassion for our grief and who, with great humility has taken on the ardous task of leading a State during such difficult times.

I want to thank the dedicated staff members, who unselfishly gave of themselves, constantly working beyond what was normally expected, who rarely received any public credit, yet who truly deserved so much.

I am taking this unusual step of paying tribute to my mother at her funeral because I am so proud and privileged to have had Ella Grasso as my mother. She gave to all of you what she gave to my sister, Susane, and me—a mother's gift of unselfish love, understanding, compassion, and tenderness. To all who knew and worked with her, to us, her family, who revered and worshipped her, she was a radiant ray of sunshine, whose warm and engaging smile cast a bright glow of love upon each day. And during the most difficult ordeal of her life, she thought only of her family and the affairs of her State.

My sister, Susane and I wanted her to feel the tenacity and love of a daughter and son holding their mother until her last faint breath, which once gave us life—ceased. It goes without saying, that my sister and I both realized, no man other than our father, could have given of himself so unselfishly, to allow my mother to accomplish what no other woman had even attempted. My father was more than a husband to her, as she often said, "He is my best friend."

It was a friendship nurtured as a young couple, joyously running along a summer beach, tempered as they trudged through a numbing blizzard, transmuted, holding his wife's hand on her death bed.

Because my mother knew the fraility of life, she tried to instill in all of us her vigor for life, her indomitable spirit. A poster, brought in by one of her nurses, paraphased this outlook on life. In the words of Tennyson, "Arise, go forth and conquer."

Now that she is gone, those of us who remain are morally committed to carry on the ideals and principles for which she lived and died.

In closing, I would like to share with you, a few phrases from a letter written by my mother some time ago, in which she expressed a desire to have mentioned at her funeral the following:

"In my house there is a motto which says 'Bloom where you are planted.' That is Windsor Locks, which is my strength and life."

It is fitting that my mother's last public words be echoed once more now, upon her final farewell and journey from us:

"I love you, I love you all."

Besides admiring the late Governor for the strength with which she faced her disease, we can look at the record she compiled as a public servant with immense respect as well. Those of us with a long-term political memory cite among her accomplishments:

As an original architect of the modern Connecticut constitution which took effect in 1960;

As a drafter of the Comprehensive Employment and Training Act while serving as a member of the Education and Labor Committee;

As the advocate of a stronger department of public utilities control; and

As a "People's Governor"; a woman who understood that the democratic process flourished when citizens from all walks of life participate.

A longstanding memory for all Connecticut citizens will be Governor Grasso's trek into a blizzard-entangled State in February 1978. Traveling by helicopter, reaching out, and directing State services to particularly troubled areas where they were needed, Mrs. Grasso was a beacon during a terribly difficult period for our State.

For her contribution and for her spirit, it is wholly appropriate for this House to stop and remember this remarkable woman.●

● Mr. BOLAND. Mr. Speaker, I appreciate the opportunity to pay tribute to our former colleague, and the former Governor of Connecticut, Ella Grasso.

Ella Grasso was a person of unquenchable spirit and determination. The political life of Connecticut, and the Nation, was enriched by her decision to channel those qualities into a career of public service. For three decades she labored on behalf of the citizens of Connecticut, first as a member of the State legislature, then as secretary of state, as a Member of Congress, and, finally, as Governor. That she was the first woman in the Nation to be elected Governor without succeeding her husband was the most commonly known aspect of her public life, but those of us who knew her understood that her entire career was a reflection of superior intelligence and ability combined with a deep compassion for the needs of others. Her political life was an unblemished record of success because she brought to her tasks not only great personal strength and skill, but a love of her work and a belief in its value. The people of Connecticut could see that Ella Grasso cared for them and for their State, and they responded with a depth of affection enjoyed by few public figures.

Ella Grasso never forgot her roots, either her physical ones in her home town of Windsor Locks or her intellectual ones in her belief in the intrinsic worth of the American political system. As she wrote in 1956, "Politics is democracy in action. It is the marvelous alchemy of mind rubbing against mind, sending off ideas. It is the solemn responsibility of citizenry." She discharged that responsibility in manner worthy of emulation.

Those of us who live in western Massachusetts felt a special kinship with Ella Grasso. She came to the town of South Hadley in 1936 to study at Mount Holyoke College and stayed to receive both bachelor's and master's degrees in sociology and economics. She maintained close ties with the college and was a frequent visitor, in both an official and an unofficial capacity, to our area. The sorrow being felt by the people of Connecticut is understood and shared by many in Massachusetts.

Since our congressional districts abutted, I had an opportunity to get to know Ella Grasso well during her service in the House of Representatives. I admired her dedication and valued her friendship. Her equal will not soon be seen. I know I join with my colleagues in offering sincere condolences to her husband, Tom, and their children, James and Susane.●

● Mr. CONTE. Mr. Speaker, with a feeling of sadness and great loss, I join with my colleagues in paying tribute to the brilliant and gracious former Member of Congress and Governor of Connecticut, Ella T. Grasso, who ended her battle with cancer on February 5.

To say that Ella Grasso was popular and competent would indeed be an understatement. Her no-nonsense approach to politics highlighted her political career from the State House in Connecticut, to the Halls of Congress, and back to the Connecticut State House as Governor. I was fortunate to serve with her during her two terms representing Connecticut's Sixth District, and held her in my highest esteem for her forthright leadership and sincere compassion for her people.

Ella Grasso's achievements went far beyond her milestones—the first Italian-American Governor of Connecticut, the first woman elected Governor in the Nation. She was a sensible, aggressive public servant whose lifestyle and manner reflected her earnest dedication to the people of Connecticut. She transcended her labels by never bowing to special interests, and let commonsense and hope for the future guide her in her decisions.

While she will be missed by those of us who served with her, she leaves a special void among those she served—her family, her district, and her State.●

● Mr. RHODES. Mr. Speaker, it is an honor, albeit a sad one, to pay tribute to our former colleague, Ella Grasso. This courageous lady's outstanding career is a perfect model for aspiring elected officers.

She advanced steadily through her public service, spending 4 years in the State legislature; 12 years as secretary of the State of Connecticut; two terms in the House of Representatives; and returned to Connecticut to serve as its Governor for 4 years until she was forced to resign last December because of failing health.

It is, indeed, unfortunate that Governor Grasso's public career was cut short; but her many achievements and her contributions to those whom she served, remain as living memorials to this talented and valiant lady. She will be missed but fondly remembered.●

● Mr. MINISH. Mr. Speaker, it was with deep personal regret that I learned of the death of the former Governor of Connecticut, our former colleague in this House, the Honorable Ella Grasso.

Governor Grasso's long and honorable political career was a noble exercise in the highest kind of statesmanship because, as she herself pointed out, "all my life has been one of dedication to working for people."

By keeping the well-being of people clearly before her eyes, Governor Grasso avoided getting bogged down in the details of political mechanics; instead, she mastered them and used them in the pursuit of more far sighted goals.

My one regret about the career of Ella Grasso is that she did not remain longer among us here in the House of Representatives. In her all-too-brief tenure in Washington, she brought us the benefit of her good sense and dedication on many occasions when we greatly needed such counsel. Quickly she became one of our most respected and genuinely liked colleagues. The obvious sincerity of her sober dedication to the people's work endeared her to us from the start. We could have used her energy and her example for longer than we had it; we would do well if it were with us today.

When the people of Connecticut called Ella Grasso home to lead their State government, they knew that they would have an honest, hard working, and sensible chief executive. In Hartford, Governor Grasso compiled a record of achievement which was the envy of her colleagues in other States, managing effectively the complexities of administration at a time of diminishing revenues. Truly, Ella Grasso governed her State at a time when some theorists were saying that the chief executives across the Nation should be less and less able to do so. Her quiet dignity in leaving office so as to disrupt the Government as little as possible was typical of her selfless dedication to working for the people.

Our sympathy goes to the people of Connecticut, whom Governor Grasso served so long and so well, and most particularly to her family, to whom she was so markedly devoted. I would add that those of us of Italian descent feel a special sense of loss on this sad occasion. All Americans can share our pride in the achievements of this good and remarkable woman.●

● Mr. FORD of Michigan. Mr. Speaker, I rise today to honor Governor Ella Grasso, who served with me from 1971 to 1974 on the House Education and Labor Committee. Governor Grasso was an outstanding and steadfast supporter of education, human resource, manpower, and child nutrition programs, as well as of efforts on behalf of senior citizens and disadvantaged populations. I was privileged to serve with her on the Subcommittee on Agricultural Labor where she worked unstintingly on behalf of the migrant workers in her State and the Nation.

She could be counted on in difficult of times to sort through the most complicated proposals being brought before the committee to come up with plausible solutions. As a Representative from one of Connecticut's most diverse districts, Governor Grasso was an exemplary example of a Member who was able to retain the highest degree of principle while acting as an effective compromiser.

I join my colleagues in paying tribute to an admirable woman who was held in very high regard during her years in the House. I am sure she will be sorely missed by the citizens of Connecticut as well as her many

friends and admirers in Washington and throughout the Nation.●

● Mr. ST GERMAIN. Mr. Speaker, it is with great sorrow and honor that I pay tribute to the Honorable Ella Tambussi Grasso, the 83d Governor of Connecticut.

Perhaps Archbishop John F. Whelan stated it best during his homily at the services for Governor Grasso, when he quoted this passage from the Book of Proverbs:

> Many are the women of proven worth, but you have exceeded them all. Charm is deceptive and beauty fleeting, the woman who fears the Lord is to be praised. Give her a reward of her labors and let her works praise her at the city gates.

Indeed Ella Grasso exceeded the milestones of many. Her life as a hard toiling public servant was comparable to none. My experiences with her as a fellow Member of Congress, and, our continued relationship during her tenure as Governor, underscored her interminable concern for the welfare of others. We spent many hours in consort seeking solutions to the problems of our constituencies. But Ella Grasso was unsurpassed in her diligence and candor. The people of Connecticut, and those of us who had the immeasurable pleasure of serving with her, can readily attest to this fact.

For it was in laboring for the good of others where Ella Grasso reaped her rewards. Be it fighting for a grant or trudging the last mile to the State House during the blizzard of 1978, Ella attacked both with the same zeal she had for life—relentlessly. This spirit served her well in life, as in the illness she fought so valiantly, that could only engender the highest admiration for this fine human being.

Ella Grasso leaves us a legend of compassion, hard work, and success. Her final reward is the peace of mind in knowing that she always did her best for everyone. A legend difficult to emulate, and a reward most of us can only hope for.●

● Mr. REYSER. Mr. Speaker, on February 5, the Honorable Ella Tambussi Grasso, a former colleague and the 83d Governor of Connecticut, lost a valiant battle with cancer. All Members of the House who served with her will indeed agree with me that we have lost a truly remarkable person.

Mrs. Grasso was a person held in the highest regard as she faithfully represented the Sixth Congressional District of Connecticut. I had the pleasure to serve with her on the Education and Labor Committee for 4 years. In her work on this committee, as in her duties as a Member of Congress and Governor, she served with great distinction. She will be remembered as a woman with great ambition, as well as great compassion and knowledge.

As the first woman elected solely in her own right to the office of Governor, Mrs. Grasso can be considered a pioneer. But more than just being a pioneer, she was elected—and then reelected—because of her outstanding personal qualities and obvious dedication. Mrs. Grasso did not surrender her life without a typically courageous struggle, showing her great personal strength that helped make her so unique.

I sincerely hope that all Members will join me in tribute to a great friend and colleague.●

● Mr. COUGHLIN. Mr. Speaker, it was my great privilege to serve in this body for two terms with the late former Governor of Connecticut, Ella Grasso. History will no doubt take special note that Ella Grasso achieved the distinction of becoming the first woman elected chief executive of a State without succeeding her husband to that high office. Yet, for those of us who knew and worked with "Ella," there was nothing surprising or extraordinary about her rise to the Governor's chair in Hartford. Her grasp of issues, her commitment to better government at all levels, and her warm personal appeal were as evident to her colleagues here in the House as to the people of Connecticut she later served so capably and with such devotion in Hartford. Ella was a born leader with a special gift for reaching out to people in need and helping wherever she could. News of her tragic illness in the midst of her second term as Governor touched her many friends profoundly, and her loss has deeply saddened us all.●

● Mr. DE LA GARZA. Mr. Speaker, along with all my colleagues, I was saddened by the death of our dear friend and former colleague, Ella Tambussi Grasso. I rise today to pay tribute to one of the finest American women I have ever known.

Throughout her illustrious career spent in service to the people of Connecticut, Ella Grasso exemplified the virtues of dedication, concern, and good humor, earning the respect and admiration of her fellow colleagues.

A rendition of Ella Grasso's accomplishments in her career of public service would be both lengthy and impressive. As a Member of this body, she earned our respect and friendship for her tireless efforts in support of those things she believed in, primarily the greatness of our United States. Her fine qualities of quick reasoning and unfaltering judgment proved to be invaluable assets in her tireless work on her committee assignments as both a member of the Veterans' Affairs Committee and the Committee on Education and Labor.

Although a diligent and capable worker, I will best remember Ella Grasso as a friend, for she was always there to help and brighten our spirits when needed. Ella used her great wit as a means of helping us accomplish our work—always there with a joke to lighten the pressure.

Ella Grasso was a distinctive Member of this body, an exceptional Congresswoman, and one of those precious few who excelled in whatever enterprise she undertook and managed to do so with extraordinary modesty and grace. Like my colleagues, I will sorely miss her, but I will always be grateful for having had the privilege and pleasure of working with and knowing this great individual. My deepest sympathies go out to her family for their great loss.●

● Mr. ADDABBO. Mr. Speaker, on Thursday, February 5, our Nation lost one of its most revered and beloved public servants, when Ella T. Grasso, former colleague, Governor and secretary of state of Connecticut, as well as a dear and trusted friend, lost a courageous battle to cancer at the much too early age of 61. It was undoubtedly the only battle she ever lost in her lifetime.

Ella Grasso will long be remembered for her dedication to excellence. Few people I have known ever worked as hard as she did to best address the problems and needs of the country and her constituents. Whether it was an issue commanding the attention of an entire nation, or a problem affecting one constituent, Ella was always there to do all within her power to correct the problem.

Her career in politics was one of continued success. In 25 years of serving the public, she never lost an election. I had the distinct privilege of working with her when she served in the House of Representatives from 1971 to 1975. While serving in the House she fought hard to reverse the economic troubles in her industrial district, voting for badly needed economic stimulus bills, and she was a major force behind passage of the Comprehensive Employment and Training Act, legislation which today continues to benefit thousands of Americans. Ella was always sincerely concerned for those segments of our society who needed to be heard, yet lacked the strong voices, and she fought for the expansion of minimum wage laws, increased veterans benefits, greater funding for social security and health programs for the elderly.

In 1974, to the surprise of no one who knew her determination and desire to be the best she could possibly be, she became the first woman to be elected Governor in her own right in the United States when the people of Connecticut chose her to run their State.

Ella Grasso will be missed by a Nation grateful for the work on its behalf. The consummate public servant, her passing leaves a tremendous leadership void in this country that will be difficult to fill. To her family I offer my prayers in their time of mourning.●

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to the Honorable Ella T. Grasso, who served as Governor of Connecticut and as a Member of the House of Representatives. Her death is a sad loss, and she will be remembered for her distinguished and compassionate leadership.

Ella Grasso was born to Italian immigrants, and began her career in public service during World War II as the Connecticut State assistant director of research for the Federal War Manpower Commission. In 1952, she was elected to the Connecticut House of Representatives, where she served 4 years. Beginning in 1956, she served 2 years on the Democratic National Committee, and then returned to become Connecticut's secretary of state, a post she held for 12 years.

Mrs. Grasso was elected to represent the people of the Sixth District of Connecticut in 1969, and served in the House of Representatives until 1974 during both the 92d and the 93d Congresses. She was a strong supporter of economic stimulus bills, and as a member of the Education and Labor Committee, she helped draft the Comprehensive Employment and Training Act.

She was then elected by the people of Connecticut to serve as their Governor, and was the first woman to be elected Governor of a State without following her husband into office. In 1978, she was reelected to serve a second term as that State's chief executive.

She fought valiantly and relentlessly to stop waste and abuse in Connecticut's government operations, and she served in tireless dedication to the highest standards until forced to resign because of serious illness.

Ella T. Grasso was a dedicated and devoted American, and a public official of outstanding ability, deep compassion, and courage.

Mrs. Annunzio and I extend our deepest sympathy to Mrs. Grasso's husband, Thomas, and to her children, James and Susane.●

Mr. COTTER. Mr. Speaker, before concluding, I would just like to state that I have here a resolution adopted by the U.S. House of Representatives on February 6, 1981, which bears the signatures of all the Members of the Connecticut delegation. It is available for anyone else who would like to sign it.

Mr. Speaker, I yield back the balance of my time.

H.R. 1053—THE CAPITAL COST RECOVERY ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 15 minutes.

● Mr. CONABLE. Mr. Speaker, during the first session on the 97th Congress we are likely to make the most innovative changes in tax policy that have occurred in our lifetimes. The centerpiece of this activity will be the total overhaul of our depreciation system. Looking ahead to this challenge I would like to refresh our memories about how the current system operates and describe the principal features of H.R. 1053, the Capital Cost Recovery Act, often nicknamed "10-5-3."

Depreciation is the term which describes the manner in which a business deducts—or writes off—its investment in plant and capital equipment. The law does not allow an immediate deduction for plant and capital expenditures where the assets have a useful lifetime of more than 1 year. Rather, those expenditures must be capitalized and deducted over the expected useful lifetime of the assets. The original policy conviction behind this approach was that it matched the deductions for the assets with the income which the assets were producing. This may have been a reasonable approach in a stable, noninflationary economic environment but today it is out of step with economic reality.

Over the years the tax law has engrafted modest forms of accelerated depreciation onto the system. But the roots of the underlying system still rest on the principle that capital assets must be depreciated over their useful lifetime.

In the decade of the 1980's American business will be called upon to invest enormous sums of money to replace its aging capital stock. This is essential if our economy is to grow at a healthy pace and provide adequate jobs. However, it is unrealistic to expect a depreciation system designed in the 1940's and early 1950's to provide the best framework to encourage investment in the 1980's. The touchstone of the current depreciation system is that a business must recover its investment in a capital asset over the useful lifetime of that asset. The time has come to break the linkage between the useful lifetime of an asset and the mechanism for recovering one's investment in that asset.

H.R. 1053, the Capital Cost Recovery Act, accomplishes this result. It is not a fine tuning of the current system, it is a fundamentally new approach. H.R. 1053 provides a fixed statutory schedule for recovering plant and capital investments. The fixed statutory schedules provide for a more rapid recovery of capital investment rather than is available under the useful lifetime approach or under the various forms of accelerated depreciation permitted under current law.

The choice of words used to describe the new 10-5-3 system is not accidental. It is a capital recovery system. I have sought to purge the word "depreciation" from my vocabulary when speaking of the 10-5-3 system. The term "depreciation" often carries with it the connotation of physical obsolescence. H.R. 1053 provides a capital recovery mechanism unrelated to physical obsolescence or the useful lifetime of an asset.

H.R. 1053 both accelerates and simplifies the capital recovery of investments in plant and capital assets. The simplification results from the use of a fixed statutory recovery schedule rather than calculating depreciation based on each asset's useful lifetime. Since useful lifetime varies from asset to asset, the current system results in a multitude of calculations as well as disputes with the IRS over what is the proper useful lifetime of an asset.

The acceleration of capital recovery is at the heart of H.R. 1053. It would place depreciable property into one of three classes. Class I provides a 10-year capital recovery period for buildings and their structural components except residential property. Class II provides a 5-year capital recovery period for equipment and other tangible personal property. Class III provides a 3-year recovery period for up to $100,000 of annual expenditures for automobiles and light trucks. Any annual expenditure in excess of $100,000 for cars and light trucks would be placed in class II.

All class I and class II property is eligible for the full 10 percent investment tax credit, as long as the property is of the character eligible for the credit. Class III property is eligible for a 6-percent investment tax credit.

Some persons have commented that in the case where an asset has a useful lifetime of less than 5 years, that the 10-5-3 system appears to put it at a disadvantage. For example, a machine that has a useful lifetime of 4 years is placed in class II with a recovery period of 5 years.

There are two reasons why the initial perception may be an overreaction. First, the rate schedules within the classes are themselves accelerated. The 5-year recovery period in class II is not a uniform 20 percent a year, but provides for 20-, 32-, 24-, 16-, and 8-percent recovery allowances over the respective 5 years. Thus the asset with a 4-year lifetime would receive a 92-percent recovery allowance in 4 years. Second, and even more important, is the fact that this 4-year asset in class II will now receive the full 10-percent investment credit. Under current law the asset would receive a 3⅓-percent investment tax credit. Thus the more generous application of the investment tax credit in this situation should offset most, if not all, of the apparent disadvantage of placing an

asset with a 4-year lifetime into class II.

H.R. 1053 also has several other important features. First, it gives the taxpayer the freedom to claim less than the full amount of capital recovery allowance to which he is entitled. Any such allowance which the taxpayer forgoes may be carried forward indefinitely and deducted in a subsequent year. Under current law the taxpayer must claim all the depreciation allowance for which he is eligible. Second, H.R. 1053 will permit a capital recovery allowance and the investment tax credit when the taxpayer actually pays for the asset, or when it is placed in service, whichever is earlier. Under current law depreciation and the investment tax credit generally are not allowed until the asset is placed in service. Third, H.R. 1053 eliminates the concept of salvage value. Under current law, if an asset is expected to have some substantial value when it ultimately is disposed of, then the taxpayer may not depreciate the asset below its salvage value.

Mr. Speaker, H.R. 1053 is much more than an academic reform exercise of interest only to a small group of tax experts. The enthusiasm and momentum behind H.R. 1053 come from the widely shared conviction that it provides the incentive necessary to foster increased investment in modern plant and equipment. Increased investment in modern plant and equipment is the key ingredient for improved productivity, more jobs, and a growing economy.

Many businesses today are facing strong competition from foreign imports. The best way to meet this challenge is by providing our businesses with the ability to upgrade their operations in order to produce superior goods at competitive prices. Beyond the goal of a healthy domestic economy is the need for American products to remain competitive in world markets. The traditional edge which our products often held in world markets is being challenged and eroded. H.R. 1053 will allow American business to increase its productivity to meet better the foreign competition in our domestic market as well as maintain a strong record of exports in the world market.

H.R. 1053 can be the spark which triggers a new generation of business expansion. As our national policy shifts the emphasis away from Government as a source of goods and services and more toward the private sector, we must provide the private sector with the best tools to do the job. H.R. 1053 is one of the best tools the Government can provide.

Mr. Speaker, over the coming months the Congress will be debating alternative approaches to improving our depreciation laws. No one can forecast what the outcome of this process will be. The two objectives of any new system should be acceleration and simplification. These objectives would be best met by a fundamentally new approach, rather than by further attempts at tinkering and fine tuning the current system. I believe that H.R. 1053 meets these objectives in a bold and creative manner.●

IN COMMEMORATION OF GEN. THADDEUS KOSCIUSZKO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, Gen. Thaddeus Kosciuszko Day is February 12, and this date marks the birth of the Polish soldier and statesman who entered the American Continental Army as a volunteer. General Kosciuszko gave invaluable assistance to our Nation during its first years as an independent country, and because of his services during the Revolutionary War, Congress bestowed on him the rights and privileges of American citizenship and the rank of brigadier general.

It is an honor for me to join with Polish Americans in this commemoration and I extend my greetings to the Polish-American residents of the 11th Congressional District of Illinois which I am privileged to represent, the city of Chicago and the Nation as they pay tribute to General Kosciuszko and his dedication to the cause of liberty.

Mr. Speaker, an article on the contributions of General Kosciuszko to our country has appeared in the Saturday Evening Post, and at this point in the CONGRESSIONAL RECORD I insert excerpts from this article by Maj. Ernest L. Cuneo:

GEN. THADDEUS KOSCIUSZKO, MASTER MILITARY MIND OF THE AMERICAN REVOLUTION

(By Maj. Ernest L. Cuneo)

It is one of the ironies of history that had General Thaddeus Kosciuszko been born with a name as easily pronounced as General Robert E. Lee. Ulysses Simpson Grant or John J. Pershing, his name would resound throughout Western civilization as one of the foremost military geniuses of all time.

But a name which is difficult to pronounce is almost impossible to remember. Phonetically, the name is pronounced os-Choose-Ko. Ko.

He was of the towering stature of a Hanibal, or a Caesar. Most Americans are quite unaware of the fact that the military genius of this man is largely responsible for the victory which gave America its independence. There are thousands of memorials throughout these United States to General Lafayette, General Pulaski, and General von Steuben; but the military giant who towered over them all goes unnoticed. Though the military was his first profession, Thaddeus Kosciuszko was a Renaissance man. He was a painter, an architect, a composer, a scholar and a philosopher. He was accepted as an intellectual equal by Jefferson; he was also a mystical visionary of human rights scarcely second to Abraham Lincoln.

One would think that the life of a man who was the master military mind of the American Revolution would have received the closest attention of historians. Actually his papers have not yet been fully collected much less an authoritative biography been written.

Thaddeus Kosciuszko did not come by these talents accidentally. His life confirms the maxim that genius is the talent for infinite pains. He was a prodigious toiler all of his life. He burned the midnight oil; then sentries awakened him so that he might study before dawn.

He was born in the Polesi district of Poland, of the landed gentry. He was descended of a famous line of valiant Polish officers. However, they were not of the Polish grand nobility, as was Count Casimir Pulaski, youthful Chief of Cavalry of the Continental Army. The father of Thaddeus Kosciuszko owned a small village in this district. As a boy. Kosciuszko had as playmates the sons of the peasants of the village. There, he developed a love for the common people, as deep as that of Abraham Lincoln.

Technically, belonging to neither the titled aristocracy nor the peasantry, he proved to be the common denominator in uniting them in the cause of Poland. His immortality in Poland is roughly comparable to a montage of General George Washington and Abraham Lincoln in the United States. In Poland the name of Kosciuszko is an abbreviation for the soul of Poland and the determination that it will never die.

His brilliant career in the American Revolution was followed by an even more spectacular one as the single world figure embodying the exalted spiritual qualities of both the American and French Revolutions. The roots were in his childhood. His mother had given him Plutarch's Lives to read. The lad's imagination was fired by the heroic battle against tyrants by Timoleon of Corinth. It proved to be his life model.

His essential military talent which brought victory to the American Cause was his magnificent insight into the use of terrain as a natural defense. His decisive service to the American Revolution was in defeating the key British strategy of severing New England from the rest of the Colonies by control of the Hudson Valley. Colonel Kosciuszko prevented this at the Battle of Saratoga in the north and by his impregnable fortifications of West Point in the south.

The Battle of Saratoga, fought in October of 1777, is unanimously called one of the ten most important battles in recorded history. The reason is that when British General "Gentleman Johnny" Burgoyne surrendered, both France and Spain were convinced that the Continental Army could win, and thereupon entered into the war as allies of the Colonies.

The campaign of "Gentleman Johnny" was brilliantly conceived. It was a three-pronged offensive. Colonel Barry St. Leger was to come down the Mohawk Valley from Lake Ontario, in a flanking movement; General Burgoyne was to hammer down Lake Champlain and Lake George to Albany; and General Clinton was to come up the Hudson from New York City, to provide the anvil for "Gentleman Johnny's" descending hammer on the Continental Army. Obviously enough, the hammer and anvil had to be prevented from meeting. Only twenty miles north of Albany, Colonel Thaddeus Kosciuszko selected a natural fortress in the terrain, and he made it both an invulnerable fort and a trap by his brilliant engineering.

In briefest terms, Colonel Kosciuszko found a little mount which controlled the narrow road between it and the river and he crowned it with artillery. He had carefully selected the mount; it was just below Mill Creek, flowing into the Hudson. His selection provided a water barrier which prohibited the famed bayonet charge of the Redcoats on the American Right flank. Moreover, Mill Creek's tributaries had formed four deep ravines running from northeast to southwest, natural breastworks which made infantry attack on the American center impossible. Thereafter, to crown the masterpiece, Colonel Kosciuszko placed the heaviest concentration of American artillery on the higher Bemis Heights, commanding both the river and the ravines.

"Gentleman Johnny" had no alternative but to attack the American left flank. This movement had been foreseen by Kosciuszko and the Continental sharpshooters were waiting. Brigadier Frazer, the soul of the British forces, was shot, and when that noble soldier pitched from his saddle, the British Crown in the Colonies fell with him.

General Horatio Gates, Commanding General of the American forces, attested that the genius of Thaddeus Kosciuszko was the decisive factor in these words: "Let us be honest. In war as in medicine, natural causes not under our control do much. The great tacticians of the campaign were hills and forests, which Colonel Kosciuszko was skillful enough to select for my encampments."

His masterpiece of strategy was at Saratoga; but his greatest work of military art was the creation of West Point. As at Saratoga, it was in the selection of the site. In all of the vast Hudson Valley Colonel Kosciuszko selected the one point where the river bends around a high promontory controlling both angles of the stream. On a grand scale, he chained the river, then plateau. Thus, the all-powerful British Navy was blocked from the south; never again could the British pincer off New England. Colonel Kosciuszko's intellectual triumph at West Point was greater than at Saratoga. This, because the fortress was too formidable to attack.

The British were forced to revise their grand strategy. They abandoned the North and the Hudson Valley to open operations in the South. Thus, Colonel Kosciuszko's greatest victory was at West Point, the battle his Majesty's forces dared not fight.

When the British switched their offensive to the Carolinas, Colonel Kosciuszko was made Engineer of the South. His commanding generals, Gates and Greene, relied on him completely in the selection of campsites, transport and fortifications. The Continental Army waged the same Kosciuszko guerrilla-engineering tactics that it did against "Gentleman Johnny" on his march to Saratoga. Again, the joining of the British forces was prevented. They retired to Yorktown, to await reinforcements by sea.

The expected relief by the British Navy of General Cornwallis was thwarted by the victory of the French West Indies Fleet in the Battle of the Chesapeake Capes. The French Fleet and the Continental Army closed in on the surrounded British. Cornwallis surrendered. After the surrender but before news reached the southern theater. Colonel Kosciuszko led the action against James Island at Charleston, in which bloody foray the last shot of the Revolution was fired.

Thaddeus Kosciuszko was not just another lucky General. His professional military qualifications stood out like a lighthouse as he arrived with letters from Prince Czartoryski to General Washington's second-in-command, General Henry Lee. As a youth, he was first in his college. He was first King's Cadet at Poland's West Point and he was first at the advanced Ecole Militaire in Paris. General Washington's staff, like the generals of Mr. Lincoln's Army, were to receive their training in battle.

He had scarcely unpacked his bags before the anxious authorities begged his assistance in devising a defense for the city. In doing so, Colonel Kosciuszko planned and effected a defense against amphibious warfare for a young nation which had no navy at all.

A sea-land pincer was closing on the Continental Army. General Washington, badly beaten in the Battle of New York and driven north to White Plains, was falling back across New Jersey to Philadelphia. Lord Cornwallis relentlessly pursued. Out at sea, off the Delaware capes, His Majesty's Fleet, under command of Admiral Howe, made ready to sail up the Delaware River to attack Philadelphia by sea. Washington retreated across the Delaware. Cornwallis gloated that he had trapped the fox at last. But down at the narrow turn of the Delaware, Colonel Kosciuszko designed and built, by Herculean effort, throughout that autumn, forts on Billingsport Island, which controlled both banks of the Delaware. The river was corked. The British sea-land pincers couldn't close.

General Washington, falling back across the Delaware just above Trenton, was not fully apprised of this. With his back to the wall, he sent orders to Philadelphia to build fortifications in preparation for a last-ditch siege. It must have been with enormous relief that he learned that Colonel Kosciuszko had protected the rear of the Continental Army. The rest is dramatic history, how on Christmas Night, Washington recrossed the Delaware to smite the Hessians at Trenton and followed it up with the blow at Princeton which sent Cornwallis reeling back to New Brunswick. Down in the Delaware Bay, Admiral Howe, after evaluating the cost of reducing the Kosciuszko forts, stood out to sea. Colonel Kosciuszko had held Philadelphia by making its river approaches too formidable to attack.

Colonel Kosciuszko was rushed north. The strategic key to the Hudson Valley was between Lake Champlain and Lake George, at Fort Ticonderoga. Colonel Kosciuszko at once outlined full defenses, but the Kosciuszko plan were shelved. "Gentleman Johnny" Burgoyne seized the very heights Colonel Kosciuszko had regarded as controlling. So controlling that the Americans were forced to evacuate without offering battle. Had Colonel Kosciuszko's advice been taken, the Burgoyne invasion would have been stopped then; the Battle of Saratoga would not have had to be fought.

To their everlasting glory the Founding Fathers repaid part of the Republic's debt before Kosciuszko died. When he returned to Philadelphia on August 18, 1797, the American people inundated him with affection. As the ship *Adrianna* swept by Fort Mifflin which he had built, its guns thundered a thirteen-gun salute. All Philadelphia crowded to the wharf. It cheered deliriously as he was carried from her deck, believing for an awkward moment that he was being hoisted in triumph. A wave of pity swept through the crowd when it was perceived the man could not walk. but the reaction was instant and spectacular for that staid city: the horses from his carriage were unharnessed, and the city fathers themselves pulled the vehicle through cheering thousands to his dwelling.

President Adams sent a courier. Wrote the second President: "I hope you will find all the consolation, tranquility and satisfaction you desire after the glorious record you have made in a greater theater. On my arrival in Philadelphia, I hope to have the pleasure to receive you." But it was with Thomas Jefferson, then Vice-President, that General Kosciuszko formed his deepest friendship.

Philadelphia continued to lavish its affection upon him. Love has curative powers. Within months he could walk. To the little house at 301 Pine Street came a string of distinguished visitors: the Duke of Orleans, future King of France, cabinet members, senators, governors and diplomats from abroad; but its most distinguished visitor was Vice-President Thomas Jefferson. Thomas Jefferson became the executor of his will—a will in which General Kosciuszko directed that his American assets be used to purchase the freedom of slaves and furnish them with both land and education.

These distinguished gentlemen exchanged several interesting documents, among them false passports forged by Vice-President Jefferson for General Kosciuszko. The purpose was to get the general to Paris to end the undeclared naval war between the United States and France. Smuggled out at dead of night by Thomas Jefferson himself, General Kosciuszko sailed for Paris via Lisbon. General Kosciuszko apparently accomplished his mission: hostilities ceased after he arrived in Paris.

Thomas Jefferson wrote of General Kosciuszko: "He is as pure a son of liberty as I have ever known, and of that liberty which is to go to all, and not to the few and rich alone."

The most significant tribute to General Kosciuszko came from the Commander-in-Chief, General George Washington himself. General Washington's letters reveal the growth of his respect. "There is one in Philadelphia who I am told is clever, but him I have never seen," General Washington wrote after his Trenton victory, alluding to Colonel Kosciuszko's decisive fortifications at Fort Mifflin. After the Battle of Saratoga, General Washington wrote the Congress, "I would take the liberty to mention that I have been informed that the Engineer of the Northern Army (Cosieski, I think his name is) is a gentleman of science and merit. From the character I have had of him, he is deserving of notice." When General Washington congratulated him on his West Point masterpiece, Colonel Kosciuszko answered that it was God who created the promontory and the river, and added that the site was ideal for a military academy. General Washington replied, "Colonel Kosci—do you mind if I call you Colonel Kosci—you are too modest."

When Kosciuszko arrived in Philadelphia in 1797, General Washington, well aware of the worldwide acclaim bestowed on him, wrote:

I beg you to be assured that no one has a higher respect and veneration for your character than I have; and no one more seriously wished, during your arduous struggle in the cause of liberty and your country, that it might be crowned with success.

But the ways of providence are inscrutable and mortals must submit. I pray you to believe that at all times and under any circumstances, it would make me happy to see

you at my last retreat from which I never expect to be more than twenty miles again.

At his historic Farewell to his Officers, surrounded by the resplendent panoply of a magnificent staff, the Commander-in-Chief singled out General Thaddeus Kosciuszko. General Washington then presented General Kosciuszko with his pistols and his sword.

General Washington, a man of forbidding dignity and icy reserve, followed this with one of the most dramatic accolades in American history. The officers of the Continental Army had formed the Order of the Cincinnati. General Washington himself nominated General Kosciuszko for membership. The Officers of the Order then presented General Washington the highest symbol of their regard, the cameo ring of the Order.

Signifying the highest respect, affection, and indeed reverence for their Commander-in-Chief, it must have been among the most prized of his possessions. Thus, when General Washington took from his finger the ring of the Cincinnati, bowed, and presented it to General Kosciuszko, he was bestowing upon the brilliant Polish military genius the highest accolade of the Continental Army.

It is a fair interpretation that General Washington was amplifying by deed what General Gates had declared at Saratoga: "Let us be honest; the military skill of General Kosciuszko is as responsible for the victory of the Revolutionary War as it was the Battle of Saratoga."●

HOW TO PLOUGH—CALIFORNIA LEADS THE WAY IN AGRICULTURAL RESEARCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COELHO) is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, back in 1862 President Lincoln signed into law the Morrill Land Grant Act which endowed States with public land if it was used to establish agricultural colleges. The States received 30,000 acres for each Senator and Representative in Congress.

Mr. Lincoln's stroke of the pen was the first official commitment of our Government to advancing American agriculture from its traditional methods of farming, to a dynamic future with an exponential increase in productivity.

At first, these new colleges were mere trade schools teaching such basic courses as "How To Plough." But in 1887, when Congress passed the Hatch Act, these universities became sophisticated institutions with a scientific mission, developing new and innovative technologies for farm management.

Federal financing of agricultural experiment stations was guided by a provision of the law which said:

It shall be the object and duty of the state experimental stations through the expenditures of the appropriations hereinafter authorized to conduct original and other researches, investigations and experiments bearing directly on and contributing to the establishment and maintenance of a permanent and effective agricultural industry in the United States, including researches basic to the problems of agriculture in its broadest aspects, and such investigations as have for their purpose . . . the maximum contribution by agriculture to the welfare of the consumer.

The strides which have been made by modern agricultural research are phenomenal. Consider that back in the 1930's American farmers were no more productive than those in the Third World. Futurologists at the Department of Agriculture are now monitoring imaginative studies which could one day lead to growing crops genetically resistant to drought, and can thrive on salty water. Cows may one day be able to routinely give birth to twins. Double cropping and intensive cropping will increase crop yields on land. New compounds to make crops grow more quickly are being devised, along with a technique to slow the process by which fruits and vegetables go rotten after harvesting.

My reason for discussing this with my colleagues, Mr. Speaker, was publication recently in the Wall Street Journal of an article about the agricultural research programs at the University of California. As is explained in the article, my home State's unrivaled leadership position in farm output—indeed, our country's—is significantly enhanced by the work of agricultural engineers at the Davis, Calif. campus. My colleagues with an interest in the tremendous potential for feeding the hungry, enriching our farm economy, and benefiting consumers will find the article interesting, if not fascinating. I will include it in the RECORD following my remarks.

Thank you, Mr. Speaker.

[From the Wall Street Journal, Jan. 13, 1981]

FARMING ON A FRONTIER—CALIFORNIA COLLEGE'S RESEARCH HELPS STATE STAY AT THE FOREFRONT OF AGRICULTURAL DEVELOPMENTS

(By Ray Vicker)

DAVIS, CALIF.—Progress on farms generally begins in laboratories.

At the University of California's College of Agricultural and Environmental Sciences here, for example, scientists are experimenting with genetic engineering and more conventional techniques in the hope of achieving a wide range of significant developments. Their efforts could lead to grains and vegetables that would draw fertilizer from the air and would make better use of sunshine for faster growth, for instance. Another possibility is the development of plants that would thrive under saline conditions that would kill current varieties.

As dramatic as such developments would be, they are only a part of the research under way at this university on the flat plains of the Sacramento Valley. Here there are cows producing as many as 11 calves a year, instead of the customary one; dwarf fruit trees that offer easy picking and high production; a new method of canning food; a way of using gamma rays to identify ripe lettuce for an automatic harvester, and better techniques for lobster farming.

BIG PAYOFF

In the past, such research efforts have paid bountiful dividends. By developing new seeds, building automatic harvesters and researching improved ways of using fertilizers and insecticides, agricultural colleges have played a crucial role in helping U.S. farmers lead the world in volume of production. Since 1950, moreover, American farm productivity has increased more than 50% with little change in cultivated area and despite a farm labor force only a third as large.

"I'm an optimist," says Charles E. Hess, dean of the Davis college. "Looking ahead, there are likely to be just as may dramatic changes in agriculture as we have seen in the past few decades."

He and his colleagues aren't deterred by a lawsuit, initiated by a California activist group, that first sought to halt agricultural developments that might put people out of work and now seeks to sever links between publicly financed researchers and the farming industry. "Our role at Davis is to conduct research and teaching to ensure that the consumer has an adequate supply of nutritious food produced as efficiently as possible with the least possible environmental hazard," Dean Hess says. "We are doing just that."

In doing so, they are also helping California maintain its position as the nation's leading agricultural state in dollar volume. California's farm output exceeds $14 billion a year and includes half of the vegetables produced in the U.S., 80% of the processed tomato crop, more than 95% of the broccoli, two-thirds of the peaches, 90% of the grapes and 95% of the lettuce. Only Wisconsin produces more milk and only Texas more cotton.

BOON TO CALIFORNIA

"California's position as an agricultural producer has been attained largely because of the fundamental and applied agricultural research done at this institution," says Leon Garoyan, an agricultural economist at Davis. Visits to the laboratories, hothouses, fields, barns and offices here give some inkling of the magnitude of that effort.

The work on developing crops that can withstand salinity, for instance, has involved the screening of many thousands of genetic types of barley and wheat to find those best able to tolerate salt. Some of the selected barley strains have been grown at the university's Bodega Marine Laboratory, north of San Francisco. The crop was irrigated with seawater containing 3.5% salt. Wheat has been grown at half that salinity. Tomatoes have been raised under irrigation with half-strength seawater (seawater averages 2⅞% to 3% salt).

"In the future, it may even become possible to use seawater to produce crops along sandy coasts and coastal deserts," says Emanuel Epstein, a Davis scientist. "But improving the salt tolerance of crops for conventional-irrigation agriculture on salt-affected soils also is an important goal."

That goal is already in sight, through research using conventional plant-selection methods. And a team of 15 scientists is also using genetic engineering to create plant forms.

"We are manipulating bacteria and plant cells, seeking to isolate those genes which might be responsible for certain characteristics in the organism," says D. William Rains, director of the plant-growth laboratory. Once identified, the gene material might be transferred from bacteria into plants, researchers hope.

PLANT GROWTH STUDIES

Two other important areas of research involve nitrogen fixation and photosynthesis. The first seeks to stimulate plants to draw nitrogen from the air; scientists hope that this ability, which is possessed only by bacteria, can be transferred to plants that now get nitrogen from fertilizer. And if photosynthesis—the process through which plants convert the energy in sunlight into plant sugars—could be made more efficient, plants would grew faster.

Plants now convert only 1% of the energy absorbed from the sun into sugars. Says Dean Hess: "Think of what it would mean if we could raise that to 2%. That could mean a doubling of plant growth rates, and that might be reflected in massive food-production increases."

Moreover, fewer than 10% of the world's 300,000 species of higher plants have been screened for any purpose, and only about 1% have been thoroughly screened for possible use by man. So enormous latitude still remains for agricultural expansion—and a staggering task is faced by genetic engineers searching for desirable genes.

Perhaps unlike some financial people, genetic engineers here seem to harbor few illusions. They say it may take years and even decades before some of their ideas reach commercial usefulness.

Much closer to practical application are embryo transplants in animals. A high milk producer can become the mother cow for a whole herd. After artificial insemination induces pregnancy, the embryo is transplanted into an ordinary cow. The resulting calf has the quality characteristics of the blood mother rather than the bearing mother. The high-quality cow can deliver embryo after embryo for transplanting; one cow here had a record 11 calves in a single year.

"This is the way all animal breeding will be done on farms in another few years," says Donald L. Bath, a scientist here.

COMPUTERIZED FARMS

Also likely is the computerized farm, on which the farmer can handle his cattle and milk-cow feeding programs via computer. The university already has such a system. With it, a farmer can select any of dozens of feeds to achieve the best nutrition at the lowest price.

"We now have 61 groups around the country tied into one computer to get feeding programs," Mr. Bath says. Some are feed companies, consultants and dairies, each of which deals with several hundred farmers. During the past several years, the program has increased average annual milk production to 20,371 pounds per animal from 14,429 pounds.

The new canning process, says Roger E. Garrett, chairman of the Agricultural Engineering Department, uses direct flame on cans for sterilization and drastically reduces energy costs. Taste tests show that products thus canned are more likely to retain natural flavors.

Wallis H. Clark Jr., director of the aquaculture program, reports the successful crossing of a Maine lobster with a European one; the goal is to produce a lobster that is more docile than the Maine variety—and less fond of cannibalism. Now the facility is doing something heretofore deemed impossible: breeding lobsters in captivity with an artificial diet. Under the Davis system, a one-pound lobster may be produced in two years, less than half the normal period.

"Two companies on the West Coast and one on the East Coast are going into this on a commercial scale," Mr. Clark says.

STURGEON HATCHERY

The university also has the Western Hemisphere's first sturgeon hatchery. Breeding from fingerlings hatched last May has been so successful that commercial production is considered possible.

And researchers here sometimes turn to old crops. One is amaranth, a high-protein cereal of the ancient Aztecs. The Spanish conquerors of Mexico banned cultivation of the grain because of its religious significance to the Indians, and it hasn't been raised to any extent in North America ever since.

"It is a crop that might fit the growing cycles of many American farmers," says Subodh K. Jain, a researcher here. He is working to improve seed characteristics. And backyard gardeners, especially in California, are already growing amaranth as a health food.●

MALICIOUS DESTRUCTION OF RELIGIOUS PROPERTY MUST BE STOPPED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SOLARZ) is recognized for 15 minutes.

● Mr. SOLARZ. Mr. Speaker, today I am introducing legislation cosponsored by Congressman WAXMAN which would make it a Federal crime punishable by 5 years imprisonment and a $10,000 fine to destroy a house of worship or the religious property within, or to vandalize a cemetery or religious school.

To effectively guarantee freedom of worship in this country there must be substantial penalties for those who would interfere with an individual's right to worship without fear. Those who deliberately destroy religious property commit not only a crime against property, but also a crime against individuals. Churches, synagogues, and their sacred contents are often of irreplaceable, traditional and historic value and their destruction can cause the disappearance of congregations and their heritage of worship.

In my own district over the last year there have been dozens of vicious attacks on houses of worship. At Temple Ner Tamid night marauders painted red swastikas on the floor, mutilated Holy Torahs, and splattered paint over the rabbi's robes and prayer shawl, leaving cash and valuable equipment untouched. In Brighton Beach, Beth Hamidrash Hagodol Synagogue was destroyed by arson, and dozens of sacred and valuable antique Torah scrolls have been stolen from temples in my district, preventing these congregations from holding their Sabbath services.

The following article from the New York Times on January 5, 1981, details the incredible impact of crimes carried out against a small Jewish congregation:

SEVEN TORAHS STOLEN FROM SYNAGOGUE IN BOROUGH PARK—CRIME PERILS HALF CENTURY OF CONTINUOUS SERVICES

(By Robert D. McFadden)

Seven elaborately handwritten Torah scrolls that were valued at $15,000 each and had been used weekly for more than 50 years by one of the oldest synagogues in Brooklyn were stolen sometime Saturday night or yesterday morning.

The crime, the latest in what the police called a rising incidence of break-ins at houses of worship in the city, stunned the rabbi and members of Congregation Yeshiva Yavne, a turn-of-the-century synogogue at 510 Dahill Road, near 40th Street, in the Borough Park section.

"My heart aches when I speak about it," Rabbi Solomon Shapiro said yesterday after discovering the doors of the Holy Ark ajar on the altar and the seven wooden-handled parchment scrolls missing.

The rabbi said his Orthodox congregation was composed of a dwindling number of aging members, only about 30 people, who could not afford a single replacement for the stolen Torahs, which were not insured. And unless he is able to borrow one this week, the rabbi said, a tradition of Sabbath services dating back 55 to 60 years might be broken.

TWO YEARS OF WORK

The Torah is traditionally the holiest object in a synagogue. A long parchment scroll inscribed with the Five Books of Moses and wrapped around a wooden or metal roller, each is a product of painstaking effort by a scribe who may labor two years or longer copying the Hebrew text. Some have gold or silver handles and finger-like pointers used for following each line of the text.

Because of the costly materials and effort involved in creating a Torah, the value of a scroll has risen dramatically in recent years, from $3,000 to $15,000, according to Rabbi Shapiro.

And as the value of Torahs has risen, the number of reported thefts also has been increasing in New York, Israel, France and elsewhere. The police and spokesmen for various religious organizations have noted that churches and synagogues are often unlocked, unattended and quite vulnerable to thieves, and that the rising value of religious objects may have led to underworld "fencing" operations specializing in them.

Detectives of the 66th Precinct, which covers an area in Borough Park dotted with synagogues, recalled several other synagogue thefts last year. Brooklyn South detectives said they had observed a rising incidence of break-ins at churches and synagogues in recent months, although no statistics were available.

No precise statistics were available on a citywide basis, either, but the police noted that recent increases in such crimes had in part prompted the creation last month of a special 13-member police unit assigned to investigate crimes of a religious, ethnic or racial nature.

Rabbi Shapiro said the Torah scrolls at Congregation Yeshiva Yavne were taken sometime between 6:15 P.M. Saturday, when he locked up and left the building after Sabbath services, and 11:30 A.M. yesterday, when he returned. The thief or thieves apparently entered through a basement window, which had been forced open.

"I left the congregation a little after 6 o'clock and locked up as usual," the rabbi recalled. "This morning, I happened to

come into the main synagogue about 11:20 and noticed that the Holy Ark was kind of open. The doors were not closed as they should be.

"I ran over—and then I almost collapsed. All seven Torahs had disappeared."

Rabbi Shapiro said there had been no vandalism in the synagogue. But the loss of the Torahs, he said, has left his congregation "shocked and very upset."

"At one time," the rabbi said, "the scrolls were considered such holy objects that no one would dare to touch them. Now, unfortunately, times have changed.

"We have only a small number of worshipers, a handful of elderly people, and they cannot afford to buy a new Torah," the rabbi said. "Now we are faced with a great dilemma. Services have been held continuously for 55 to 60 years in this congregation, but we cannot have services without a Torah. I don't know what we're going to do."

Outrageous acts such as these are reminiscent of the vicious persecution to which Jews and other religious groups have been subject in the past. They constitute a flagrant violation of freedom of worship, which I believe the Federal Government must fully address.

The U.S. Constitution protects our freedom of religion, but now it is up to the Congress to extend the Federal civil rights statutes to include the prosecution of church and synagogue cases just as it covers offenses against homes and multiple dwellings. Passage of the legislation I have introduced today would permit the Justice Department to investigate and prosecute those who commit such malicious acts of vandalism against houses of worship, religious schools, or cemeteries.

I hope that other Members of the House will join with me and Congressman WAXMAN in working for the passage of this legislation which would lead to a decrease in the incidence of attacks on our sacred places.

The text of the legislation I am proposing is as follows:

H.R. —

A bill to amend title 18 of the United States Code to make it a Federal crime to vandalize a house of worship or any religious articles therein

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Chapter 13 of the title 18, United States Code, is amended by adding at the end thereof the following new section:

"Sec. 246. Whoever vandalizes, sets fire to, or in any other way damages or destroys a religious house of worship or any other religious object contained therein, or a consecrated cemetery, or religious school, with the intent to intimidate or otherwise interfere with any person freely exercising his religion shall be fined not more than $10,000, or imprisoned for not more than five years, or both.".

SEC. 2. The provisions of section 1 of this Act shall take effect on the date of enactment of this Act.●

● Mr. WAXMAN. Mr. Speaker, it is with deep concern and alarm that I call to the attention of my colleagues and the general public the wave of anti-Semitic vandalism now sweeping our Nation. Tragically, such acts are no longer rare occurrences. It is no coincidence that the bombing of a synagogue in Paris and attacks on Jewish businesses in Europe have been matched, in our country with the spray painting of swastikas and Nazi slogans on synagogue edifices and the firebombing of religious institutions.

In my own community in Los Angeles not a week passes without several reports of anti-Semitic vandalism or harassment. Los Angeles, the Nation's second largest Jewish community, includes a very substantial population of survivors of the holocaust. We cannot tell them that the current troubles will pass or that these incidents are the work of common pranksters with no serious malicious intent. The experiences of a lifetime tell them, as they must tell us, that these facile explanations are not to be trusted.

Today, Representative STEPHEN J. SOLARZ and I are introducing legislation which would make attacks on churches, synagogues, cemeteries, and other sacred places a Federal crime punishable by up to 5 years in prison and a fine of up to $10,000.

If this bill is enacted, local communities plagued by acts of religious hatred could count on the full resources of the FBI and other agencies of the Federal Government in their efforts to fight back. I proudly support this bill and urge our fellow Representatives to give our proposal their most serious consideration.

I should like to direct the attention of all to the excellent article, inserted below, by Richard Solomon, which appeared in the Los Angeles B'nai B'rith Messenger on January 16, 1981; it documents the need for the legislation we are introducing:

[From the B'nai B'rith Messenger, Jan. 16, 1981]

WAVE OF HATE VANDALISM GRIPS LOS ANGELES

(By Ronald Solomon)

Los Angeles Jewish community leaders are on watch in the wake of last week's vicious acts of anti-Semitic vandalism at the Simon Wiesenthal Center for Holocaust Studies, Mt. Sinai Memorial Park and the Glasband-Willen Mortuary.

In each case, anti-Jewish words were spray-painted on the walls with the common element being the black paint that was used, according to police.

"The disease of anti-Semitism still festers in our society in spite of the efforts of religious and community leaders from all walks of life," said Lawrence E. Ireil, president of the Jewish Federation Council this week. "While we believe that the majority of the American people have not demonstrated any anti-Jewish prejudices, the outrages perpetrated at the Simon Wiesenthal Center and Mt. Sinai Memorial Park and Glasband-Willen, are repugnant to all people who believe in American values and freedoms . . ."

Mayor Tom Bradley called the incidents "ugly and shameful attempts of a few sick vandals to frighten, threaten or goad us into the pit with them . . ."

The damage at the Wiesenthal Center, 9760 W. Pico Blvd., took place between midnight and 5 a.m. Wednesday, Jan. 7. The outside walls of the holocaust museum, which is located at the Yeshiva University of Los Angeles, were painted with German slogans and nazi insignias including swastikas.

These slurs included "NSWPP Erwache" (National Socialist White People's Party Awaken) "Achtung Juden SS Kommt" (Jews Beware SS is coming) "Tod Zu die Juden" (death to the Jews) "Kill Jews" and "Simon is the murderer."

Two cans of spray paint were found by the students as they prepared to attend classes the following day.

Police are seeking the whereabouts of two young men who participated in a bizarre incident which took place at the center the Sunday before, and may be tied in to the vandalism.

According to spokesmen at the museum, the two young men entered the building Sunday afternoon wearing nazi uniforms including storm troopers' boots and swastikas. The two approached a volunteer at the museum—Magda Bass—a holocaust survivor, and spoke of how their fathers served in the SS and how proud they were of that fact. The men were escorted from the building.

"These haters always begin with spray paint," said Rabbi Marvin Hier, the university's dean. "Unfortunately, as history has taught us, white-washing their slogans can only lead to the most profound tragedies."

Another possible tie in to the university said, may be the notorious California-based "Journal of Historical Review," published in Torrance. The journal is a holocaust revisionist publication.

In the winter edition, which was published a few days prior to the vandalism, the journal called Simon Wiesenthal a nazi collaborator and attacked the Wiesenthal Center along with the Anti-Defamation League of B'nai B'rith.

Security will now be stepped up at the university which also houses YULA High School.

At Mt. Sinai Memorial Park, two attacks were made early last Thursday. A swastika and the words "Beware" and "Die" were found spray-painted on the wall of the mortuary at 5950 Forest Lawn Dr. A male caller contacted NBC at 2 a.m. and said "We struck at Mt. Sinai Cemetery. We left our mark." At about 4 a.m., a bottle was thrown through an eight-foot window at the cemetery.

Glasband-Willen Mortuary in West Hollywood experienced a similar spray-paint episode.

Last week's incidents came on the heels of the arrest and subsequent arraignment of two neo-nazis in the Dec. 6 fire which gutted the sanctuary of Temple Beth David in Temple City.

Calls from Christian clergy poured into the Wisenthal Center offering to help with the clean-up. A mass solidarity rally will be held Sunday, Jan. 25, at 1 p.m. in front of the center at which time voices of support will be raised. Simon Wisenthal will attend.

U.S. President-elect Ronald Reagan and California Governor Jerry Brown both issued statements condemning the acts of vandalism.

Evangelical Christian ministers gathered in Los Angeles last week to reaffirm the need for Christians at this time not to remain silent. Pastor Chester Harter, Jr., of First Baptist Church of Southgate, stated that "anti-Semitism is not a Jewish problem, it is a challenge to Christianity as a community and a world force. It is our responsibility as Christians to challenge those who perpetrate these acts of violence and hatred."

[From the Los Angeles Herald Examiner, Feb. 2, 1981]

A CHRONOLOGY OF RECENT ANTI-SEMITIC ACTS IN LOS ANGELES

(By Patricia Wolf)

Since last December a wave of anti-Semitic acts has struck Los Angeles, leaving the Jewish community concerned and angry.

The following is a chronology of these events:

Dec. 6—An arson fire at Temple Beth David in Temple City caused more than $100,000 damage to the sanctuary, social hall, religious scrolls and prayer books.

Dec. 13—Two self-proclaimed members of the American Nazi Party, Michael Steven Canale, 33 and Donald Neilson, 24, were arrested in connection with the fire at Temple Beth David.

Dec. 13—Five windows were broken at Temple Shaarei Tikvah in Arcadia.

Jan. 6—Swastikas and Nazi slogans were found spray painted on the walls of the Simon Wiesenthal Center for Holocaust Studies in West Los Angeles. The slogans included "Simon is a murderer" and "Death to all Jews, Beware the SS is coming."

Jan. 6—A swastika and the slogan "Kill Jews" were spray painted on a wall of the Glasband-Willen Memorial Chapel in West Hollywood.

Jan. 7—A bottle was thrown through a plate glass window at Mount Sinai Memorial Park in the Hollywood Hills. Profanity directed at Jews was spray painted on the glass and marble front entrance to the park.

Jan. 15—Swastikas and anti-Semitic slogans were spray painted on the walls of businesses and apartment houses in the Beverly-Fairfax area.

Jan. 20—Posters announcing a march down Fairfax Avenue by the National Socialist American Workers Party were plastered on the windows of businesses on Fairfax Avenue.

Jan. 20—A red Star of David with a slash through it and the words "This is only the beginning" were found spray painted on the walls of the Glasband-Willen Memorial Chapel in West Hollywood.

Jan. 25—More than 2,000 persons gathered at the Simon Wiesenthal Center to denounce anti-Semitic attacks.

Jan. 26—Swastikas and slogans saying "Die Jew boys" and "God is With Us" were found spray painted on the walls at Temple Beth Hillel in North Hollywood.

(In mid-January, three attacks were reported on Messianic Jewish organizations in West Los Angeles and Beverly Hills. Authorities do not believe these attacks, on the Jews for Jesus, Beth Hayim Fellowhip and the Open Door Messianic Jewish Congregation, were committed by neo-Nazi groups.

(In mid-October 1980, nearly 400 tombstones were overturned at the Mount Carmel Cemetery in the City of Commerce. Sheriff's deputies determined the vandalism was the work of juveniles participating in a gang initiation. Some members of the Jewish community still believe the vandalism had anti-Semitic overtones.)●

A GOVERNMENT OR A BUTCHER SHOP?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 15 minutes.

● Mr. ST GERMAIN. Mr. Speaker, in a few short weeks we have moved from the most extravagant Presidential inaugural to the most extravagant budget cuts in the history of the Nation.

Numbers have filled the Washington air like so much confetti. A billion here, a billion there—every edition of the newspapers brings news of bigger and better cuts. At times, we had to question whether we were running a giant butcher shop or a government.

Vice President BUSH—in his Sunday night speech in New York—identifies the administration's budget-cutting weapon as a "scalpel" and "not the butcher's cleaver." All I can say, is thank God, Mr. BUSH decided to become a politician and not a surgeon.

The numbers—and the competition for bigger and bigger headlines—have submerged the programs themselves. My suspicion is that we are at the mercy of some giant computer in the basement at the Office of Management and Budget, pouring forth endless printouts designed to reach some preconceived notion of what looks good as a multibillion-dollar prime cut.

Budgets and economic reports have been great public relations and political tools of Presidents—Democrats and Republicans alike. President Reagan and his administration certainly have the right to play the same game. The Congress, the public, and the press, however, have the distinct responsibility to question the quality and rationality of the cuts, the glories of IBM wizardry notwithstanding.

Mr. Speaker, I have said many times since the November election that it is my intention to cooperate with the new administration and to support its initiatives when possible. Democrats and Republicans share concern over the state of the economy, and I applaud any effort to cut waste, unworkable programs, and extravagance from the Federal budget. I have been at the forefront of many of these efforts in past Congresses and I would add, parenthetically, that I have found Republican bureaucrats as difficult as Democratic bureaucrats when their programs are under fire.

Nonetheless, Mr. Speaker, we must face the fact that we do have a Federal Government; that we do have a highly complex, interdependent economy; and that we do have the poor, the disadvantaged, and those struggling up from the lower rungs to the great American dream. Let not the wild swings of the Carry Nations of the budget process suggest that suddenly—eureka—we can dismantle the Federal Government and all programs that make it work for not only the banks and big business, but for the less fortunate.

It is important that the grab for budget-cutting headlines not lead to unthinking and unworkable cuts which will render programs impossible to manage, create greater inefficiency in the Government bureaucracy. Let us make certain that the necessary cuts are meaningful and that they are aimed at unworkable and wasteful areas and that they not rip the heart out of the programs that do work and that do aid people and that do increase productivity.

Although many of the cuts being mentioned come from programs authorized by this committee, it is significant that the Democratic leadership of the Banking, Finance and Urban Affairs Committee has not been consulted or informed in any manner by the administration. We have been forced to depend on leaks from something called the black book and the news stories developed by the members of the Washington press corps. I think many members of this committee—Republicans and Democrats alike—who worked on these programs would be interested in hearing, not from the OMB, but from the people who will actually operate the programs—those who will be required to reorder the priorities in their agencies. Only then will the jumble of numbers pouring forth from the administration make sense; only then will we know how this administration plans to deliver necessary services.

To accomplish this, Mr. Speaker, I have asked my subcommittee chairmen on the Banking Committee to call the various Cabinet and agency heads before their subcommittees for a first-hand analysis on just how these programs will continue to operate after the budget ax has landed. I think this is very important if we are to properly judge the budget cuts and if we are to plan committee agendas.

I trust and hope, Mr. Speaker, that these program people—the bureaucrats on the line—have been kept fully informed and have helped develop the details of the proposed cuts and that they will be able to give us this early reading on the workability of the new budget.

Judging from the numbers leaked for the headlines, we can at this point assume that the Reagan budget will be heavily tilted against programs designed to lift the poor, to reach our inner cities, to feed, house, and clothe those least able to do so for themselves.

Food stamps are an example. Here the black book tells us the Reagan ad-

ministration has decided to make major cuts over the next 4 years. This has a substantial impact on humans; but what real impact does it have on a multibillion-dollar budget? I trust the administration is aware that the last Congress did institute reforms in this program and I hope the results of these changes will be looked at before wholesale cuts are attempted.

Such cuts gain brief headlines and months of substandard existence for individuals. The saddest thing is that these cuts—like other slashes—have little real impact on the fight against inflation.

Arguments against massive slashes are made powerfully by Nobel Prize-winning Dr. Kenneth Arrow, who notes that—

> It is not so much a question of a high level (of government spending) or a low level, but a stable level. We shouldn't have a big increase in spending one year and deep cuts the next.

And it is not only the size of spending by the Government that economists consider relatively unimportant, but the size of deficits. As Paul Samuelson has noted—

> When it comes to the U.S. budget, the issue of whether the budget is one pfennig out of balance or two pfennigs in balance is an ideological and a symbolic one. It has no economic significance. The difference between small surplus or small deficit in a $2.5 trillion economy is symbolic as an indication of society's . . . humaneness to individuals.

Mr. Speaker, we should make no mistake about the relative size of the deficit we are talking of here. The Federal debt, as a percent of total GNP has declined steadily for the last 20 years, from nearly 60 percent of GNP in 1960 to just over 30 percent of GNP in 1980.

This is why wisdom dictates that we approach the budget hysteria with caution. Let us cut where it makes commonsense, improves efficiency, and eliminates waste. But, let us not enter the budget-slashing exercise on the false belief that suddenly we have found the magic formula, the panacea, for our economic troubles.

Faced with the economic realities, I must question the administration's apparent plan to cut such programs as the unemployment insurance extended benefits, medicaid, and disability insurance for injured workers under the social security system.

If we are to believe the black book leaks, the administration wishes to couple unemployment benefit reductions with reductions in medical and disability benefits that have provided a modicum of peace of mind to those injured on the job, or those who fall victim to prolonged illnesses. These are benefits that the Nation's workers have paid for through their taxes, as they have paid for the unemployment extended benefits. I question these cuts as a matter of equity or good social policy and, most of all, I question just how much this means to the grand economic plan.

In the field of energy, the Stockman black book would cut funding, or terminate programs designed to promote alternative energy source development, and to aid low-income persons to weatherize their homes. Three energy source programs are targeted in Stockman's plans: Synfuels, alcohol/biomass and hydropower. While the argument is made that these cuts would save $498 million this year, the true costs of these slashes far outweigh the savings. Alcohol/biomass and hydropower offer renewable energy resources which this country cannot afford to overlook. Synfuels, on the other hand, offer not only massive new fuel sources, but are potentially crucial to our Nation's defense as a domestic source for petroleum for our Armed Forces.

Topping off this energy carnage is the end of subsidized loans for low-income families to weatherize their homes. With the administration removing price controls on heating oil, and planning to remove them from natural gas it seems incredible that they would deny the poor one possible source of relief from skyrocketing energy prices, and our country will not save $1 in outlays this year, and $287 million in 1982.

Again, if we are to believe all the background leaks, the administration justifies its slashing of energy conservation programs with an almost total reliance on conservation by price. Decontrol, the theory goes, will raise prices to a point where conservation is certain to follow.

The administration is right on at least half of that equation. Decontrol will raise prices. My constituents in Rhode Island can testify to that.

But, what, I would like to ask the authors of the black book, happens to the low- and moderate-income family, the elderly on social security when conservation is solely on the basis of price?

Perhaps we could string banners across the main streets of our communities: "Conserve or Freeze to Death."

A much more effective—and a more humane—way would be to continue, to enhance and streamline our conservation efforts. I am not satisfied with the disjointed manner in which our energy policies have been put together and I would like to see a more effective and coordinated effort put together. But, that is far short of a "pay-or-else" edict approach to conservation.

In the area of housing the administration has targeted four programs which are aimed at the redevelopment of low-income neighborhoods—cuts totaling $270 million according to the black book. These programs, which the administration plans to terminate, cover aid to individuals in rehabilitating their houses and to communities in improving their private and public lands which can rescue neighborhoods from the long-term neglect that has led to urban wastelands like the South Bronx.

It was candidate Reagan who told a group of South Bronx residents this past fall, "I can't do a damn thing for you if I don't get elected." And it was candidate Reagan who told the National Urban League that same day not to consider him "a caricature conservative" who would be "antipoor, antiblack and antidisadvantaged."

The neighborhood self-help development program provides grants and technical assistance to neighborhood agencies to preserve and revitalize activities in low-income areas. This program costs $3.2 million a year, yet allows local communities to band together to work together to save their neighborhoods. There is some further help coming to such agencies from the planning assistance grants, at a cost to the Government of $1.5 million. Without this assistance, redevelopment programs would have a much harder time availing themselves of professional assistance and advice in making the best use of the money and facilities at their disposal in redevelopment programs—another case where budget cuts can be inefficient, adding rather than reducing costs.

Finally, there are the rehabilitation loan fund and section 108 loan guarantees. The first program is aimed at helping individuals in low-income areas convert their own homes, while the second program is aimed at helping community organizations acquire and rehabilitate publicly owned land for the use of their citizens. I would strongly suggest that our new administration take a hard look—talk to the program people—before using these cuts as part of their budget window dressing.

Even more importantly, I hope the wiser heads in the administration will insist on a closer look at the black book's death warrant for the urban development action grant program. UDAG is a much-beleaguered program, and has been singled out for criticism by the new administration; yet according to reports, in its 3 years, UDAG has stimulated $11.5 billion of private investment, which has led to 463,218 new jobs, and added hundreds of millions of dollars to city, State, and Federal revenues—on an expenditure of $1.9 billion. Should be abandon programs which generate $6 of private investment for every dollar spent? The savings in unemployment and aid to dependent children alone as a result of the UDAG program are enormous, not to mention the lowering of tension and the raising of hopes in our inner cities.

While UDAG concentrates on inner-city investments that are the key to lowering our disgracefully high unemployment rates in those areas, the Export-Import Bank helps us save jobs through the country, and in all economic sectors.

Since its creation in the mid-thirties, the Bank has made a substantial commitment to the export of U.S.-produced goods and services and in the process has helped to create and maintain thousands of jobs. Specifically, since the creation of the Export-Import Bank, more than $100 billion in loan guarantees and direct loan authority have helped to create or sustain millions of jobs.

The Export-Import Bank, in addition, is one of the few Government agencies which actually makes a profit, having returned over $1 billion to the Treasury.

Mr. Speaker, I think the efforts of the Export-Import Bank can be improved and I would like to see this administration insist on more help for the smaller companies that would like to enter the export markets. I stand ready to support a sane approach to make this Bank work for a broader sector of our economy.

At the same time, our exports are essential. I am not willing to take a great slash at the Export-Import Bank for some misguided public relations purpose while we continue to struggle to keep our balance of payments on an even keel. We must face the fact that other nations subsidize many of their exports and I do not want some overnight computer run to suddenly create more problems with our efforts to compete in world markets.

Some of the black book's black magic seems designed to satisfy philosophical hangups of a few with little or no concern about economic impact. For example, cooperatives—self-help organizations formed by local people—apparently have a real enemy somewhere among the black book authors.

The little National Consumer Cooperative Bank is to be cut, we hear—cut to the bone and eliminated with no loan authority left. This comes at a time when the Bank—which began its life in this committee—is about to enter the market for its funds. It simply needs the additional capital already authorized by Congress, but the anti-co-op bias of the administration apparently will order an immediate execution. This is wasteful, wiping out gains already made by the Bank. It saves only a minuscule amount in the current budget and such an immediate closing of the Bank—if successful—would in the long run actually prevent the bank from recovering the capital it has already invested.

The capital in the Bank is repayable by the borrowers, and it is being repaid. But the Reagan administration, if the rumors are correct, would cut these repayments off. Strange economics in an administration ostensibly dedicated to economy.

The Co-Op Bank, of course, is a self-help program based on the bedrock of fully repayable loans. It is not welfare; it is not handouts; it is not Government bureaucracy. Quite the opposite. It is local control, local initiative, local people.

Of course, this program is modeled after the highly successful Farm Credit System whose entities, including the Bank for Cooperatives, have become self-sufficient operations that have brought great benefits to rural and farm areas. If the Reagan administration finds this model unacceptable for consumer cooperatives, what will be its attitude toward the Farm Credit System itself?

We do know that rural cooperatives which provide light and power for farms and small communities—and help lower the cost of food production—are under attack in the black book. And rumors are coming forth that the credit cooperatives—credit unions—will have their newly created Central Liquidity Fund hamstrung in the Reagan proposals.

So, for those people who believe in self-help, in starting their own local organizations and maintaining control through a cooperative structure—the Reagan administration apparently has you in their sights.

The budget cuts, Mr. Speaker, are, for the most part, slashes aimed at many, who—for various reasons—need a temporary helping hand, government of people; not a government of computers.

Cuts of this magnitude would be questionable in any event, but the seriousness is magnified by the administration's emerging new tax policy which appears certain to skew the benefits for business and upper income taxpayers.

These tax cuts which are weighted in favor of the rich and the budget cuts aimed at the poor seem certain to make some fundamental changes in the distribution of income—a redistribution of the hopes and desires of millions of Americans.

Mr. Speaker, once again I sincerely hope that this administration—when the newness of the computer runs fades—will approach both budget and tax cuts with a calmer view. I think President Reagan and his administration will find many of us willing to cooperate if we can be assured that there are indeed scalpels, and not meat axs, in the medicine closet. And most importantly, if we can be assured that there are qualified surgeons on the job that truly want the patient to live.●

RULES OF COMMITTEE ON ENERGY AND COMMERCE FOR 97TH CONGRESS

(Mr. DINGELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DINGELL. Mr. Speaker, pursuant to rule XI, clause 2, I present for the printing in the RECORD the rules adopted by the Committee on Energy and Commerce:

RULES FOR THE COMMITTEE ON ENERGY AND COMMERCE OF THE HOUSE OF REPRESENTATIVES, 97TH CONGRESS

Rule 1. *Rules of the House.* The Rules of the House are the rules of its committees and its subcommittees so far as is applicable, except that a motion to recess from day to day is a motion of high privilege in committee and subcommittees. Written rules adopted by the committee, not inconsistent with the Rules of the House, shall be binding on each subcommittee of the committee. Each subcommittee of the committee is part of the committee and is subject to the authority and direction of the committee. Rule XI of the Rules of the House, which pertains entirely to committee procedure, is incorporated and made a part of the rules of this committee, which are supplementary to Rules of the House.

Rule 2. *Time, Place of Meetings.* (a) The committee shall meet on the fourth Tuesday of each month and at such other times as determined by the chairman, or pursuant to subparagraph (b), in Room 2123 of the Rayburn House Office Building, at 9:45 a.m. for the consideration of bills, resolutions, and other business, if the House is in session on that day. If the House is not in session on that day and the committee has not met during such month, the committee shall meet at such time and place on the first day thereafter when the House is in session.

(b) The chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purposes pursuant to that call of the chairman.

(c) If at least three members of the committee or subcommittee (whichever is applicable) desire that a special meeting of the committee or subcommittee (whichever is applicable) be called by the chairman or subcommittee chairman, those members may file in the offices of the committee their written request to the chairman or subcommittee chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman or subcommittee chairman of the filing of the request. If, within 3 calendar days after the filing of the request, the chairman or subcommittee chairman does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the committee or subcommittee (whichever is applicable) may file in the offices of the committee their written notice that a special meeting of the committee or subcommittee (whichever is applicable) will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee or

subcommittee (whichever is applicable) shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee or subcommittee (whichever is applicable) that such meeting will be held and inform them of its date and hour and the measure or matter to be considered and only the measure or matter specified in that notice may be considered at that specified meeting.

(d) If the chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

(e) Each meeting of the committee or any of its subcommittees for the transaction of business, including hearings and the markup of legislation, shall be open to the public except when the committee or subcommittee in open session and with a quorum present determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public. This paragraph does not apply to those special cases provided in the Rules of the House where closed sessions are otherwise provided.

(f) At least once a month, the chairman shall convene a meeting of the chairmen of the subcommittees. The purpose of the meeting will be to discuss issues pending before the committee and the procedures for committee consideration of such matters. The discussion may include, among other items, the scheduling of hearings and meetings, questions of subcommittee jurisdiction and the conduct of joint subcommittee hearings.

Rule 3. *Agenda.* The agenda for each committee or subcommittee meeting (other than a hearing), setting out the date, time, place, and all items of business to be considered shall be provided to each member of the committee by delivery to his office at least 36 hours in advance of such meeting.

Rule 4. *Procedure.* (a)(1) The date, time, place, and subject matter of any hearing of the committee or any of its subcommittees shall be announced at least 1 week in advance of the commencement of such hearing, unless the committee or subcommittee determines in accordance with such procedure as it may prescribe, that there is good cause to begin the hearing sooner.

(2)(A) The date, time, place, and subject matter of any meeting (other than a hearing) scheduled on a Tuesday, Wednesday, or Thursday when the House will be in session, shall be announced at least 36 hours in advance of the commencement of such meeting.

(B) The time, place, and subject matter of a meeting (other than a hearing or a meeting to which subparagraph (A) applies) shall be announced at least 72 hours in advance of the commencement of such meeting.

(b) Each witness who is to appear before the committee or subcommittee shall file with the clerk of the committee, at least two working days in advance of his appearance, fifty (50) copies of a written statement of his proposed testimony and shall limit his oral presentation at his appearance to a brief summary of his argument, unless this requirement, or any part thereof, is waived by the committee or subcommittee chairman presiding.

(c) The right to interrogate the witnesses before the committee or any of its subcommittees shall alternate between majority and minority members. Each member shall be limited to 5 minutes in the interrogation of witnesses until such time as each member who so desires has had an opportunity to question witnesses. No member shall be recognized for a second period of 5 minutes to interrogate a witness until each member of the committee present has been recognized once for that purpose. While the committee or subcommittee is operating under the 5-minute rule for the interrogation of witnesses, the chairman shall recognize in order of appearance members who were not present when the meeting was called to order after all members who were present when the meeting was called to order have been recognized in the order of seniority on the committee or subcommittee, as the case may be.

(d) No bill, recommendation, or other matter reported by a subcommittee shall be considered by the full committee unless the text of the matter reported, together with an explanation, has been available to members of the committee for at least 36 hours. Such explanation shall include a summary of the major provisions of the legislation, an explanation of the relationship of the matter to present law, and a summary of the need for the legislation. All subcommittee actions shall be reported promptly by the clerk of the committee to all members of the committee.

Rule 5. *Waiver of Notice, Agenda, and Layover Requirements.* Requirements of Rules 3, 4(a)(2), and 4(d) may be waived by a majority of those present and voting (a majority being present) of the committee or subcommittee, as the case may be.

Rule 6. *Quorum.* Testimony may be taken and evidence received at any hearing at which there are present not fewer than two members of the committee or subcommittee in question. In the case of a meeting other than a hearing, the number of members constituting a quorum shall be one-third of the members of the committee or subcommittee, except that a matter may not be reported by the committee or a subcommittee unless a majority of the members thereof is actually present.

Rule 7. *Proxies.* No vote by any member of the committee or any of its subcommittees with respect to any measure or matter may be cast by proxy unless a proxy authorization is given in writing by the member desiring to cast a proxy, which authorization shall assert that the member is absent on official business or is absent due to personal illness and is thus unable to be present at the meeting of the committee or subcommittee, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. Each proxy to be effective shall be signed by the member assigning his/her vote and shall contain the date and time of day that the proxy is signed. No proxy shall be voted on a motion to adjourn or shall be counted to make a quorum or be voted unless a quorum is present.

Rule 8. *Journal, Rollcalls.* The proceedings of the committee shall be recorded in a journal which shall, among other things, show those present at each meeting, and include a record of the votes on any question on which a record vote is demanded and a description of the amendment, motion, order or other proposition voted. A copy of the journal shall be furnished to the ranking minority member. A record vote may be demanded by one-fifth of the members present or, in the apparent absence of a quorum, by any one member. No demand for a rollcall shall be made or obtained except for the purpose of procuring a record vote or in the apparent absence of a quorum. The result of each rollcall vote in any meeting of the committee shall be made available in the committee office for inspection by the public, as provided in Rule XI, clause 2(e) of the rules of the House.

Rule 9. *Filing of Committee Reports.* If, at the time of approval of any measure or matter by this committee, any member or members of the committee should give notice of an intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three (3) calendar days (exclusive of Saturdays, Sundays, and legal holidays) in which to file such views in writing and signed by that member or members with the committee. All such views so filed shall be included within and shall be a part of the report filed by the committee with respect to that measure or matter.

Rule 10. *Subcommittees.* There shall be such standing subcommittees with such jurisdiction and size as determined by the majority party caucus of the committee and, in addition, a Subcommittee on Oversight and Investigations. The jurisdiction, number, and size of the subcommittees shall be determined by the majority party caucus prior to the start of the bidding process for subcommittee chairmanships and assignments. Such subcommittees shall, to the maximum extent practicable, be of equal size. The Subcommittee on Oversight and Investigations shall coordinate its work with the work of other standing subcommittees and shall maintain regular communication with the standing subcommittees and the chairman of the full committee in order to obtain advice on subjects for investigation. The standing subcommittees shall maintain regular communication with the Subcommittee on Oversight and Investigations to advise the Subcommittee on Oversight and Investigations of subjects for investigation.

Rule 11. *Powers and Duties of Subcommittees.* Each subcommittee is authorized to meet, hold hearings, receive testimony, mark up legislation, and report to the committee on all matters referred to it. Subcommittee chairmen shall set hearing and meeting dates only with the approval of the chairman of the full committee with a view toward assuring availability of meeting rooms and avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

Rule 12. *Reference of Legislation and Other Matters.* All legislation and other matters referred to the committee shall be referred to the subcommittee of appropriate jurisdiction immediately unless by majority vote of the members of the full committee within five (5) legislative days, consideration is to be by the full committee. In the case of legislation or other matter within the jurisdiction of more than one subcommittee, the chairman of the committee shall have the same authority to refer such legislation or other matter to one or more subcommittees as the Speaker has under clause 5(c) of Rule X of the House of Representatives to refer a matter to one or more committees of the House. Such authority shall include the authority to refer such legislation or matter to an *ad hoc* subcommittee appointed by the chairman, with the approval of the committee, from the members of the subcommittees having legislative or oversight jurisdiction.

Rule 13. *Ratio of Subcommittees.* The majority caucus of the committee shall determine an appropriate ratio of majority to minority party members for each subcommittee and the chairman shall negotiate that ratio with the minority party, provided that the ratio of party members on each subcommittee shall be no less favorable to the majority than that of the full committee, nor shall such ratio provide for a majority of less than two majority members.

Rule 14. *Subcommittee Membership.* (a) Subject to the requirements of the Manual of the Democratic Caucus of the House of Representatives, each majority member other than the chairman of the full committee or the chairman of a subcommittee shall in order of committee seniority be entitled to membership on two subcommittees of that member's choice. A member (other than an *ex officio* member) may serve on more than two subcommittees only if such service is necessary in order to comply with Rule 13. Proceeding in order of seniority on the committee, each majority member, other than the chairman of the full committee and the chairmen of the several subcommittees, shall be entitled to select one subcommittee position each. The subcommittee selection process shall then continue in sequence of committee seniority, including the chairmen of the several subcommittees, for succeeding rounds of selection until all subcommittee positions are filled. The subcommittee selection process shall be conducted at a meeting of the majority party caucus of the committee held prior to any organizational meeting of the full committee. Subcommittee selections of each member shall be recorded by the clerk as made and shall be available for examination by the members.

(b) Minority subcommittee membership shall be selected as determined by the minority.

(c) The chairman and ranking minority member of the committee shall be *ex officio* members with voting privileges of each legislative subcommittee of the committee of which they are assigned members.

Rule 15. *Subcommittee Chairmen.* (a)(1) Majority members of the committee shall have the right, in order of full committee seniority, to bid for subcommittee chairmanships. Any request for a subcommittee chairmanship shall be subject to approval by a majority of those present and voting, by secret ballot, in the majority party caucus of the committee. If the caucus rejects a subcommittee chairmanship bid, the next senior majority member may bid for the position as in the first instance. The subcommittee chairmen shall be elected by the full committee from nominations submitted by the majority party caucus of the committee.

(2) If the majority members of the committee shall determine to change the size of any subcommittee after the start of the bidding process, they may do so, but in that event, all previous action on the bidding process shall be expunged and the bidding process shall start anew.

(b) Subcommittee chairmen shall manage legislation reported from the subcommittees on the House floor.

(c) The chairman of the committee may make available to the chairman of any subcommittee office equipment and facilities which have been provided to him and for which he is personally responsible, subject to such terms and conditions as the chairman deems appropriate.

Rule 16. *Committee Professional and Clerical Staff Appointments.* (a) Whenever the chairman of the committee determines that any professional staff member appointed pursuant to the provisions of clause 6 of Rule XI of the House of Representatives, who is assigned to such chairman and not to the ranking minority member, by reason of such professional staff member's expertise or qualifications will be of assistance to one or more subcommittees in carrying out their assigned responsibilities, he may delegate such member to such subcommittees for such purpose. A delegation of a member of the professional staff pursuant to this subsection shall be made after consultation with the subcommittee chairmen and with the approval of the subcommittee chairman or chairmen involved.

(b) Professional staff members appointed pursuant to clause 6 of Rule XI of the House of Representatives, who are assigned to the ranking minority party member of the committee and not to the chairman of the committee, shall be assigned to such committee business as the minority party members of the committee consider advisable.

(c) In addition to the professional staff appointed pursuant to clause 6 of Rule XI of the House of Representatives, the chairman of the committee shall be entitled, subject to the approval of the majority party members of the committee, to make such appointments to the professional and clerical staff of the committee as may be provided within the budget approved for such purposes by the committee. Such appointees shall be assigned to such business of the full committee as the chairman of the committee considers advisable.

(d) Subcommittee chairmen, subject to the approval of the majority party members of the committee, shall be entitled to make such appointments to the professional and clerical staff of the committee as may be provided in the committee budget as provided for in rule 18 of these rules. Such professional and clerical appointees shall be delegated to the appropriate subcommittee for the purposes of assisting such subcommittee in the discharge of its assigned responsibilities and may be removed and their compensation fixed by the subcommittee chairman subject to the approval of the majority members of the committee.

(e) In addition to appointments made pursuant to other subsections of this rule, (1) the subcommittee chairman of each of the committee's subcommittees is authorized to appoint, in accordance with such rules as the majority party caucus may prescribe, one staff person who shall serve at the pleasure of such subcommittee chairman, and (2) the ranking minority member of each such subcommittee is authorized to appoint, in accordance with such rules as the minority party caucus may prescribe, one staff person who shall serve at the pleasure of such ranking minority member. Remuneration of any staff person appointed under this subsection shall be governed by paragraph (d) of clause 5 of Rule XI of the House of Representatives.

(f) Any contracts for the temporary services or intermittent services of individual consultants or organizations to make studies or advise the committee or its subcommittees with respect to any matter within their jurisdiction shall be deemed to have been approved by a majority of the members of the committee if approved by the chairman and ranking minority member of the committee and, if funded by a subcommittee, by the chairman and ranking minority member of that subcommittee. Such approval shall not be deemed to have been given if at least one-third of the members of the committee request in writing that the committee formally act on such a contract, if the request is made within 10 days after the latest date on which such chairman or chairmen, and such ranking minority member or members, approve such contract.

Rule 17. *Supervision, Duties of Staff.* (a) The professional and clerical staff of the committee delegated to subcommittees of the committee pursuant to rule 16 shall be subject to the supervision and direction of the chairman of the subcommittee to which they are assigned with respect to matters before the subcommittee, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate. The professional and clerical staff assigned to the minority shall be under the supervision and direction of the minority members of the committee, who may delegate such authority as they determine appropriate. Subject to subsection (b), the professional and clerical staff of the committee not delegated to a subcommittee pursuant to rule 16(d) or to the minority shall be under the supervision and direction of the chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(b) The professional staff member who is assigned principal responsibility by a subcommittee chairman with respect to a matter before such subcommittee chairman's subcommittee shall continue to assume principal staff responsibility during any consideration before the full committee, the Rules Committee, the House, and Conference Committees of any matter which is reported by such subcommittee.

Rule 18. *Committee and Subcommittee Budgets.* (a) The chairman of the full committee and the chairmen of each standing subcommittee, after consultation with their respective ranking minority members, shall for each session of the Congress prepare a preliminary budget for the committee and each standing subcommittee respectively, with such budgets including necessary amounts for professional and clerical staff, travel, investigations, and miscellaneous expenses, and which shall be adequate to fully discharge their responsibilities for legislation and oversight. Thereafter, the chairman of the full committee, meeting with the chairmen of the subcommittees, shall combine such proposals into a committee budget, which shall state separately the budgeted amounts for the committee and for each of the subcommittees. Such budget shall be presented by the chairman to the majority party caucus of the committee and thereafter to the full committee for its approval.

(b) The chairman shall take whatever action is necessary to have the budget as finally approved by the committee duly authorized by the House. No proposed committee budget may be submitted to the House Administration Committee unless it has been presented to and approved by the majority party caucus and thereafter by the full committee. The chairman of the full committee or the chairman of the standing subcommittees may authorize all necessary expenses in accordance with these rules and within the limits of their portion of the budget as approved by the House, but the chairman of the full committee shall permit no subcommittee to make an expenditure beyond its portion of the budget (as established in paragraph (a)) unless the chair-

man determines that such expenditure can be made without exceeding the amount authorized to the full committee by the House.

(e) Committee members shall be furnished a copy of each monthly report, prepared by the chairman for the Committee on House Administration, which shows expenditures made during the reporting period and cumulative for the year by committee and subcommittees, anticipated expenditures for the projected committee program, and detailed information on travel.

Rule 19. *Broadcasting of Committee Hearings.* Any meeting or hearing that is open to the public may be covered in whole or in part by radio or television or still photography, subject to the requirements of Rule XI, clause 3 of the Rules of the House of Representatives. At all such meetings or proceedings, coverage by radio, television or still photography will be allowed unless specifically forbidden by a record vote of the committee or subcommittee. The coverage of any hearing or other proceeding of the committee or any subcommittee thereof by television, radio, or still photography shall be under the direct supervision of the chairman of the committee, the subcommittee chairman, or other member of the committee presiding at such hearing or other proceeding and, for good cause, may be terminated by him.

Rule 20. *Comptroller General Audits.* The chairman of the committee is authorized to request verification examinations by the Comptroller General of the United States pursuant to Title V, Part A of the Energy Policy and Conservation Act (Public Law 94-163), after consultation with the members of the committee.

Rule 21. *Subpenas.* The full committee, or any subcommittee, may authorize and issue a subpena under clause 2(m)(3)(A) of Rule XI of the House of Representatives, if authorized by a majority of the members voting of the committee or subcommittee (as the case may be), a quorum being present. In addition, the chairman of the full committee may authorize and issue subpenas under such clause during any period for which the House has adjourned for a period in excess of three days. Subpenas may be issued over the signature of the chairman of the full committee, or any member of the committee authorized by such chairman, and may be served by any person designated by such chairman or member.

Rule 22. *Travel of Members and Staff.* (a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee or any subcommittee thereof and meetings, conferences and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following: (1) The purpose of the travel; (2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made; (3) The location of the event for which the travel is to be made; (4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the chairman. Such prior authorization shall be given by the chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a).

(c) In the case of travel by minority party members and minority party professional staff for the purpose set out in (a) or (b), the prior approval, not only of the chairman but also of the ranking minority party member, shall be required. Such prior authorization shall be given by the chairman only upon the representation by the ranking minority party member in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a).

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. BENJAMIN (at the request of Mr. WRIGHT), for this week, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. COTTER, for 60 minutes, today.

(The following Members (at the request of Mr. DENARDIS) to revise and extend their remarks and to include extraneous matter:)

Mr. ARCHER, for 1 hour, on February 24.

Mr. CONABLE, for 15 minutes, today.

(The following Members (at the request of Mr. SUNIA) to revise and extend their remarks and to include extraneous matter:)

Mr. ALEXANDER, for 60 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. SOLARZ, for 15 minutes, today.

Mr. ST GERMAIN, for 15 minutes, today.

Mr. CONYERS, for 60 minutes, on February 19, 1981.

Mr. DANIELSON, for 60 minutes, on April 28, 1981.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DENARDIS) and to include extraneous matter:)

Mr. CLAUSEN.

Mr. VANDER JAGT in two instances.

Mr. MICHEL in three instances.

Mr. ROBINSON in two instances.

Mr. HYDE in three instances.

Mr. MCGRATH.

Mr. ASHBROOK in three instances.

Mr. HOLLENBECK.

Mr. MILLER of Ohio in three instances.

Mr. GOODLING.

(The following Members (at the request of Mr. SUNIA) and to include extraneous matter:)

Mr. STARK.

Mr. COELHO in two instances.

Mr. SEIBERLING in 10 instances.

Mr. PEPPER.

Mr. MAZZOLI.

Mr. WILLIAMS of Montana.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. ROSENTHAL in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. SKELTON in two instances.

Mr. MAVROULES.

Mr. OTTINGER in two instances.

Mr. MCDONALD in five instances.

Mr. HANCE.

Mr. HOWARD.

Mr. MURTHA in two instances.

Mr. WAXMAN.

Mr. MOAKLEY in five instances.

Mr. AUCOIN.

Mr. SHARP.

Mrs. SCHROEDER.

Mr. WON PAT in two instances.

Mr. LUKEN.

Mr. BARNES in two instances.

Mr. BENJAMIN.

Mr. OBERSTAR.

Mr. BAILEY of Pennsylvania in two instances.

Mr. SOLARZ.

ENROLLED BILL SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1553. An act to provide for a temporary increase in the public debt limit.

ADJOURNMENT

Mr. RATCHFORD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 51 minutes p.m.), the House adjourned until tomorrow, Wednesday, February 18, 1981, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

504. A letter from the Acting Administrator, U.S. Environmental Protection Agency, transmitting the annual report for fiscal year 1980 on applications for conditional registrations under section 3(c)(7) (B) and (C) of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, pursuant to section 29 of the act; to the Committee on Agriculture.

505. A letter from the Deputy Assistant Administrator for Pesticide Programs, U.S. Environmental Protection Agency, transmitting a proposed final rule classifying certain uses of eight pesticide active ingredients for restricted use, pursuant to section 25(a)(4) of the Federal Insecticide, Fungicide, and Rodenticide Act of 1954, as amended; to the Committee on Agriculture.

506. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of February 1, 1981, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 97-20); to the Committee on Appropriations and ordered to be printed.

507. A letter from the Deputy Secretary of Defense transmitting a report on officers and employees of Federal Contract Research Centers whose compensation paid from Federal funds during calendar year 1980 exceeded that for level II of the Executive Schedule, pursuant to 10 U.S.C. 2359; to the Committee on Armed Services.

508. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing) transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Air Force Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

509. A letter from the Deputy Assistant Secretary of the Army (Installations and Housing), transmitting a report on the 10 firms receiving the largest dollar total of Army architectural-engineering contracts during fiscal year 1980, pursuant to section 604 of Public Law 96-418; to the Committee on Armed Services.

510. A letter from the Acting Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting notice of the proposed conversion to contractor performance of the custodial services function at the U.S. Army Armament Research and Development Command, Picatinny Arsenal, Dover, N.J., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

511. A letter from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the range maintenance function at Gila Bend Air Force Auxiliary Field, Ariz., pursuant to section 502(b) of Public law 96-342; to the Committee on Armed Services.

512. A letter from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the refuse collection function at Loring Air Force Base, Maine, pursuant to section 502(b) of Public law 96-342; to the Committee on Armed Services.

513. A letter from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Keesler Air Force Base, Miss., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

514. A letter from the Chief, Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting the semiannual report covering the period ended December 31, 1980, on Air Force experimental, developmental, and research contracts of $50,000 or more, by company pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

515. A letter from the Director of Legislation, Department of the Navy, transmitting notice of the proposed lease of certain naval vessels to the Republic of Korea, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

516. A letter from the Director of Legislation, Department of the Navy, transmitting notice of the proposed sale of a naval vessel to the Republic of Korea, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

517. A letter from the Director of Legislation, Department of the Navy, transmitting notice of the proposed lease of certain naval vessels to the Government of Turkey, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

518. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment and services to Austria (Transmittal No. 81-18), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

519. A letter from the vice president, Chesapeake and Potomac Telephone Co., transmitting a statement of receipts and expenditures of the company for calendar year 1980, and a comparative general balance sheet for 1980, pursuant to chapter 1628, Acts of Congress 1904, and paragraph 14 of the Act of March 4, 1913, respectively; to the Committee on the District of Columbia.

520. A letter from the chairperson, National Advisory Council on Extension and Continuing Education, transmitting the council's 14th annual report, pursuant to section 112 of the Higher Education Act of 1965; to the Committee on Education and Labor.

521. A letter from the Secretary of Health and Human Services, transmitting a report on State compliance with medicaid utilization control requirements, pursuant to section 1903(g)(6) of the Social Security Act, as amended; to the Committee on Energy and Commerce.

522. A letter from the Acting General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program to be held on February 19, 1981, in Paris, France; to the Committee on Energy and Commerce.

523. A letter from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting the first of three volumes of the administration's annual report for calendar year 1980, pursuant to section 57(a)(2) of the Federal Energy Administration Act of 1974, as amended; to the Committee on Energy and Commerce.

524. A letter from the Acting Assistant Secretary of State for Congressional Relations transmitting a report on human rights practices in Iran in 1980, pursuant to sections 116(b) and 502B(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

525. A letter from the Acting Assistant Secretary for Congressional Relations transmitting notice of a proposed issuance of a license for the export of certain defense equipment sold commercially to Sweden (Transmittal No. MC-6-81), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

526. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

527. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Austria (Transmittal No. 81-18), pursuant to section 36(b) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

528. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to sell certain defense equipment and services to Tunisia (Transmittal No. 81-20), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

529. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting the report of the Minority Resource Center for fiscal year 1980, pursuant to section 133(c)(6) of the International Development and Food Assistance Act of 1977, as amended (93 Stat. 366); to the Committee on Foreign Affairs.

530. A letter from the Assistant Attorney General (Antitrust Division), transmitting a report covering calendar year 1979 on identical bidding in advertised public procurement, pursuant to section 7 of Executive Order 10936; to the Committee on Government Operations.

531. A letter from Deputy Assistant Secretary for Grants and Procurement, Department of Health and Human Services, transmitting a report on the Department's disposal of foreign excess property during fiscal year 1980, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

532. A letter from the Executive Director, Pension Benefit Guaranty Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

533. A letter from the Deputy Assistant Secretary for Administration, Department of Housing and Urban Development, transmitting notice of a proposed system of records, pursuant to 5 U.S.C. 552a(6); to the Committee on Government Operations.

534. A letter from the Director, Administrative Office of the United States Courts, transmitting a report covering calendar year 1980 on positions in the Administrative Office of the United States Courts in grades GS-16, 17, and 18, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

535. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

536. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at One Lefrak City Plaza, Queens, New York, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

537. A letter from the Deputy Secretary of Defense, transmitting notice of the waiver of the minimum funding and staffing requirements for technology transfer from Defense Department laboratories, pursuant to section 11(b) of Public Law 96-480; to the Committee on Science and Technology.

538. A letter from the Secretary of Agriculture, transmitting the annual report for fiscal year 1980 of the Forest Service, including the annual reports required by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976; jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

539. A letter from the Comptroller General of the United States, transmitting a report on the need for a new Federal approach to residential energy conservation outreach activities (EMD-81-8, February 11, 1981); jointly to the Committees on Government Operations, and Energy and Commerce.

540. A letter from the Chief Justice of the United States, transmitting proposed rules for the handling of classified information in the custody of Federal courts in criminal cases, pursuant to section 9(a) of Public Law 96-456; jointly, to the Committee on the Judiciary, and the Permanent Select Committee on Intelligence.

541. A letter from the Attorney General, transmitting notice of the Justice Department's decision not to defend the constitutionality of the provisions of Public Law 96-369 prohibiting the payment of a 9.11 percent cost-of-living salary increase in fiscal year 1981 to Federal judges, pursuant to section 21 of Public Law 96-132; jointly, to the Committees on Post Office and Civil Service, and the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 1848. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program, and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By Mr. BREAUX:

H.R. 1849. A bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants; to the Committee on Energy and Commerce.

By Mr. CONTE:

H.R. 1850. A bill to amend the Internal Revenue Code of 1954 to provide rax relief to residential users of refined petroleum products; to the Committee on Ways and Means.

By Mr. CONYERS (for himself, Mr. ROSENTHAL, and Mr. ROSE):

H.R. 1851. A bill to establish a Federal nonprofit corporation as the importing agent for the crude oil and petroleum products imported into the United States; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. LEWIS (for himself and Mr. THOMAS):

H.R. 1852. A bill to improve the quality of table grapes for marketing in the United States; to the Committee on Agriculture.

By Mr. LUKEN:

H.R. 1853. A bill to amend the Clean Air Act to provide for further assessment of the validity of the theory concerning depletion of ozone in the stratosphere by halocarbon compounds before proceeding with any further regulation of such compounds, to provide for needed further research and study, and for other purposes; jointly, to the Committees on Energy and Commerce and Rules.

By Mr. MOAKLEY:

H.R. 1854. A bill to require persons who manufacture cigarettes or little cigars for sale or distribution in commerce to meet performance standards prescribed by the Consumer Product Safety Commission, and for other purposes; to the Committee on Energy and Commerce.

H.R. 1855. A bill to grant the consent of Congress to the city of Boston to construct, maintain, and operate a causeway and fixed-span bridge in and over Fort Point Channel, Boston, Mass.; to the Committee on Public Works and Transportation.

By Mr. PRICE (for himself and Mr. DICKINSON) (by request):

H.R. 1856. A bill to authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes; jointly, to the Committees on Armed Services and Government Operations.

By Mr. RAHALL:

H.R. 1857. A bill to amend title 5, United States Code, to entitle civil air patrol cadets 18 years of age and older to compensation available to civil air patrol senior members in event of disability or death, and to increase the level of compensation available to both; to the Committee on Education and Labor.

H.R. 1858. A bill to redesignate certain Federal holidays to their original date of observance; to the Committee on Post Office and Civil Service.

By Mr. SCHULZE:

H.R. 1859. A bill to provide for the construction of a project for flood control and other purposes for Pottstown and vicinity, Schuylkill River basin, Pennsylvania; to the Committee on Public Works and Transportation.

H.R. 1860. A bill to amend the Internal Revenue Code of 1954 to repeal the requirement that operating capacity must increase for purposes of the energy credit allowed for intercity buses, and for other purposes; to the Committee on Ways and Means.

By Mr. SEIBERLING:

H.R. 1861. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of oil and gas income; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. PEASE, Mr. RODINO, Ms. FERRARO, Mr. HUGHES, Mr. ATKINSON, Mr. WOLPE, and Mr. STOKES):

H.R. 1862. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer may, with respect to any pollution control facility used in connection with a plant or other property in operation before January 1, 1971, elect a 12-month amortization of such facility or a 20-percent investment tax credit, and for other purposes; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. MURPHY, Mr. VENTO, Mr. OTTINGER, Mr. FISH, Mr. PEPPER, and Ms. OAKAR):

H.R. 1863. A bill to amend the Internal Revenue Code of 1954 to provide for the refunding of so much of a taxpayer's investment credit as exceeds his liability for income tax; to the Committee on Ways and Means.

By Mr. SHANNON:

H.R. 1864. A bill to amend the Internal Revenue Code of 1954 to provide taxpayers engaged in a trade or business a credit against income tax for amounts contributed to a reserve the payments from which must be used for research and experimentation by institutions of higher education and to provide a deduction for such payments; to the Committee on Ways and Means.

By Mr. SHARP:

H.R. 1865. A bill to deauthorize the flood control project for the Big Blue River, Wabash River Basin; to the Committee on Public Works and Transportation.

By Mr. SYNAR:

H.R. 1866. A bill to improve and expedite the administrative process and clarify the standards for judicial review of administrative action; to the Committee on the Judiciary.

By Mr. THOMAS:

H.R. 1867. A bill relating to the country of origin making requirements for pistache nuts that are the product of Iran; to the Committee on Ways and Means.

H.R. 1868. A bill to amend the Tariff Schedules of the United States to increase the tariff on pistache nuts from Iran; to the Committee on Ways and Means.

By Mr. TRAXLER:

H.R. 1869. A bill to name the Veterans' Administration hospital located at 1500 Weiss Street, Saginaw, Mich., the "Aleda E. Lutz Veterans' Hospital"; to the Committee on Veterans' Affairs.

H.R. 1870. A bill to amend title 38, United States Code, to treat individuals who were serving as cadets or midshipmen at one of the service academies on December 31, 1976, as veterans of the Vietnam era for purposes of entitlement to educational assistance under chapter 34 of such title; to the Committee on Veterans' Affairs.

By Mr. WON PAT:

H.R. 1871. A bill to provide for the adjustment of status of certain Vietnam evacuees residing in Guam; to the Committee on the Judiciary.

H.R. 1872. A bill to waive the visa requirements for aliens visiting Guam for not more than 15 days; to the Committee on the Judiciary.

By Mr. YATRON:

H.R. 1873. A bill to amend the Internal Revenue Code of 1954 to increase the amount of dividends and interest each individual may exclude from gross income to $1,000 in the case of individuals under age 62 and to $4,000 in the case of individuals age 62 or older, and to make such exclusion permanent; to the Committee on Ways and Means.

H.R. 1874. A bill to amend the Internal Revenue Code of 1954 to allow an individual a deduction for blood donations, and to allow an individual to take such a deduction whether or not he itemizes his deductions; to the Committee on Ways and Means.

By Mrs. COLLINS of Illinois:

H.J. Res. 174. Joint resolution to provide for the designation of September 6, 1981, as "Working Mothers' Day"; to the Committee on Post Office and Civil Service.

By Mr. ROBINSON:

H.J. Res. 175. Joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era"; to the Committee on Post Office and Civil Service.

By Mr. YATRON:

H.J. Res. 176. Joint resolution to authorize the President to issue a proclamation designating March 1982, as "Youth Art Month"; to the Committee on Post Office and Civil Service.

By Mr. PEASE:

H. Con. Res. 70. Concurrent resolution encouraging cooperation with Mexico in order to develop Mexico's potential as a major producer of oil and natural gas for export to the United States; to the Committee on Foreign Affairs.

By Mr. ROSTENKOWSKI (for himself and Mr. CONABLE):

H. Res. 70. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Ways and Means; to the Committee on House Administration.

By Mr. BROOKS:

H. Res. 72. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Government Operations; to the Committee on House Administration.

By Mr. ST GERMAIN:

H. Res. 73. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

10. By the SPEAKER: A memorial of the House of Representatives of the State of Washington, relative to M.I.A. Vietnam servicemen; to the Committee on Foreign Affairs.

11. Also, memorial of the Legislature of the State of South Dakota, relative to observation of Memorial Day; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 1875. A bill for the relief of Ida Vogina; to the Committee on the Judiciary.

H.R. 1876. A bill for the relief of Amelia B. Rivera; to the Committee on the Judiciary.

H.R. 1877. A bill for the relief of Perla Vogina; to the Committee on the Judiciary.

H.R. 1878. A bill for the relief of Fatima Mohamed Abdulla Bashomaila Shebo; to the Committee on the Judiciary.

H.R. 1879. A bill for the relief of Petra Manuel Serrano; to the Committee on the Judiciary.

H.R. 1880. A bill for the relief of Bertha Rubio de Parra; to the Committee on the Judiciary.

H.R. 1881. A bill for the relief of Tin Man Cheung; to the Committee on the Judiciary.

H.R. 1882. A bill for the relief of Tsui Yuen (also known as Chun Chui Yuen); to the Committee on the Judiciary.

By Mr. DAN DANIEL:

H.R. 1883. A bill for the relief of Doctor Mario Y. Dimacali and his wife, Mrs. Josefina Flores-Dimacali; to the Committee on the Judiciary.

By Mr. DORNAN of California:

H.R. 1884. A bill for the relief of Gerda Rabii, Aryan, and Arman Rabii; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 27: Mr. WIRTH, Mr. WAXMAN, Mr. DE LUGO, Mr. ROBINSON, Mr. LENT, Mr. LOWERY of California, Mr. CHAPPELL, Mr. ECKART, Mr. COURTER, Mr. DAVIS, and Mr. DOWNEY.

H.R. 63: Mr. ROUSSELOT, Mr. WOLPE, Mr. COLLINS of Texas, Mr. KOGOVSEK, Mr. MURPHY, Mr. SHELBY, Mr. DORNAN of California, Mr. LAGOMARSINO, Mr. DUNCAN, Mrs. BOUQUARD, Mr. WINN, Mr. PEPPER, Mr. WHITEHURST, Mr. DE LA GARZA, Mr. BROYHILL, Mr. SAWYER, Mr. PRITCHARD, Mr. PRICE, Mr. MOTTL, Mr. DAVIS, Mr. JEFFORDS, Mr. MCDADE, Mr. SOLOMON, Mr. HUGHES, Mr. HUCKABY, Mr. YATRON, Mr. FORSYTHE, Mr. DOUGHERTY, Mr. WHITTAKER, Mr. FISH, Mr. RITTER, Mr. MYERS, Mr. ROBINSON, Mr. ANTHONY, Mr. GINGRICH, and Mr. HYDE.

H.R. 177: Mr. BEARD, Mr. BROOMFIELD, Mr. BROYHILL, Mr. BUTLER, Mr. CAMPBELL, Mr. CLAUSEN, Mr. CLINGER, Mr. COATS, Mr. COUGHLIN, Mr. DUNCAN, Mr. DUNN, Mr. FINDLEY, Mr. FRENZEL, Mr. GOODLING, Mr. GREEN, Mr. GREGG, Mr. HORTON, Mr. HYDE, Mr. LAGOMARSINO, Mr. LEBOUTILLIER, Mr. LENT, Mr. LOTT, Mr. MCCLORY, Mr. MADIGAN, Mr. PARRIS, Mr. PETRI, Mr. PRITCHARD, Mr. ROUSSELOT, Mr. SAWYER, Mr. SENSENBRENNER, Mr. SHUMWAY, Mr. TAUKE, Mr. THOMAS, Mr. WEBER of Minnesota, Mr. WHITEHURST, Mr. WHITTAKER, and Mr. WOLF.

H.R. 178: Mr. BROOMFIELD, Mr. BROYHILL, Mr. CAMPBELL, Mr. COATS, Mr. COUGHLIN, Mr. DUNCAN, Mr. FINDLEY, Mr. FORSYTHE, Mr. FRENZEL, Mr. GREGG, Mr. HINSON, Mr. HORTON, Mr. HYDE, Mr. LAGOMARSINO, Mr. LEBOUTILLIER, Mr. LENT, Mr. LIVINGSTON, Mr. LOTT, Mr. LOWERY of California, Mr. MCCLORY, Mr. MCGRATH, Mr. MADIGAN, Mr. PARRIS, Mr. PORTER, Mr. PRITCHARD, Mr. ROUSSELOT, Mr. SENSENBRENNER, Mr. SHUMWAY, Mr. THOMAS, Mr. WALKER, Mr. WEBER of Minnesota, Mr. WHITTAKER, Mr. WINN, and Mr. WOLF.

H.R. 380: Mr. APPLEGATE, Mr. GUYER, and Mr. WON PAT.

H.R. 520: Mr. FRANK.

H.R. 556: Mr. HAWKINS, Mr. BINGHAM, Mr. MURPHY, Mr. HUGHES, Mr. MOAKLEY, Mrs. CHISHOLM, Mr. TRAXLER, Mr. WEAVER, Mr. EDWARDS of California, Mr. PEPPER, Mr. GUYER, Mr. FLORIO, Mr. RINALDO, Mr. EDGAR, Mr. MATSUI, Mr. STUDDS, Mr. NEAL, Mr. PRICE, Mr. RODINO, and Mr. PORTER.

H.R. 645: Mr. QUILLEN.

H.R. 743: Mr. ARCHER, Mr. AUCOIN, Mr. EDWARDS of Alabama, Mr. MOORE, and Mr. ROTH.

H.R. 1015: Mr. BLILEY, Mr. LEATH of Texas, Mr. LOTT, and Mr. WHITE.

H.R. 1053: Mr. ATKINSON, Mr. CLINGER, Mr. JAMES K. COYNE, Mr. CRAIG, Mr. DERRICK, Mr. DINGELL, Mr. DOUGHERTY, Mr. DUNN, Mr. DYSON, Mr. EDWARDS of Alabama, Mr. ERDAHL, Mr. EVANS of Iowa, Mr. FITHIAN, Mr. GILMAN, Mr. GOODLING, Mr. HILER, Mr. HILLIS, Mr. HOWARD, Mr. HUCKABY, Mr. HYDE, Mr. JACOBS, Mr. LEATH of Texas, Mr. LEBOUTILLIER, Mr. LEE, Mr. LENT, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LOWERY of California, Mr. MCCLOSKEY, Mr. MCDADE, Mr. MCGRATH, Mr. MCKINNEY, Mr. MILLER of Ohio, Mr. MINETA, Mr. MOLLOHAN, Mr. MOORHEAD, Mr. NAPIER, Mr. NATCHER, Mr. NELSON, Mr. O'BRIEN, Mr. PETRI, Mr. PORTER, Mr. RAILSBACK, Mr. RINALDO, Mr. ROBINSON, Mr. ROEMER, Mr. SANTINI, Mr. SPENCE, Mr. TAYLOR, Mr. VANDER JAGT, Mr. WHITLEY, Mr. WILSON, and Mr. WOLF.

H.R. 1132: Mr. PEPPER.

H.R. 1206: Mr. ATKINSON, Mr. BADHAM, Mr. BEARD, Mr. BENEDICT, Mr. BLILEY, Mr. BURGENER, Mr. DOUGHERTY, Mr. FORSYTHE, Mr. GINGRICH, Mr. HUBBARD, Mr. HUGHES, Mr. IRELAND, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LOTT, Mr. OBERSTAR, Mr. PEPPER, Mr. PRICE, Mr. ROE, and Mr. SUNIA.

H.R. 1207: Mr. ATKINSON, Mr. BADHAM, Mr. BEARD, Mr. BENEDICT, Mr. BLILEY, Mr. BURGENER, Mr. FORSYTHE, Mr. GINGRICH, Mr. HUBBARD, Mr. HUGHES, Mr. IRELAND, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LOTT, Mr. OBERSTAR, Mr. PEPPER, Mr. PRICE, Mr. ROE, and Mr. SUNIA.

H.R. 1323: Mr. BLILEY.

H.R. 1364: Mr. SHANNON.

H.R. 1541: Mr. PRICE, Mr. SANTINI, Mr. PEPPER, and Mr. GUYER.

H.R. 1600: Mr. BEDELL, Mr. SAWYER, Mr. LOTT, Mr. CORCORAN, Mr. KOGOVSEK, Mrs. SMITH of NEBRASKA, Mr. STUMP, Mr. MILLER of OHIO, Mr. COUGHLIN, Mr. RITTER, Mr. TAUKE, Mr. COURTER, Mr. ZEFERETTI, Mr. ROBINSON, and Mr. GINGRICH.

H.J. Res. 68: Mr. BUTLER, Mr. ROBERT W. DANIEL, JR., Mr. PARRIS, Mr. ROBINSON, and Mr. WOLF.

H.J. Res. 102: Mr. RICHMOND, Mr. MADIGAN, Mr. CHENEY, Mr. BAILEY of Missouri, Mr. WHITTEN, Mr. D'AMOURS, Mr. MONTGOMERY, Mrs. HOLT, and Mr. MICHEL.

H.J. Res. 162: Mr. NICHOLS, Mr. COELHO, Mr. WOLPE, Mr. PRITCHARD, Mr. PEPPER, Mr. SCHEUER, Mr. WALGREN, Mr. RODINO, Mr. UDALL, Mr. MURPHY, Mr. EDWARDS of California, Mr. DOWNEY, Mr. BEVILL, Mr. FRENZEL, Mr. PEYSER, Mrs. SNOWE, Mr. BROWN of California, Mr. SEIBERLING, Mr. SUNIA, Mr. HORTON, Mr. FASCELL, Mr. FORSYTHE, Mr. WEISS, Mr. SABO, Mr. AKAKA, Mr. ROE, Mr. GUARINI, Mr. MOFFETT, Mr. HANSEN of Idaho, Mr. ROSENTHAL, Mr. YOUNG of Missouri, Mr. DUNCAN, Mr. HAWKINS, Mr. FAZIO, Mr. WEAVER, Mr. OTTINGER, Mr. ASPIN, Mr. WINN, Mr. RICHMOND, Mr. RATCHFORD, Mr. SHUMWAY, Mr. MITCHELL of Maryland, Mr. MOTTL, Mr. CLAY, Mr. LAFALCE, Mr. VENTO, Mr. ROSE, Mr. BONIOR of Michigan, Mr. CONABLE, Mr. MARKS, Mr. SMITH of New Jersey, Mr. FLORIO, Mr. MOAKLEY, Mr. HARKIN, Mr. PHILLIP BURTON, Mrs. COLLINS of Illinois, Mrs. ROUKEMA, Mr. FOGLIETTA, Mr. YATES, Mr. MCDADE, Mr. WAXMAN, Mr. CORCORAN, Mr. DWYER, Mrs. HOLT, Mr. GREEN, Mr. RAHALL, Mr. STARK, Mr. HEFTEL, Mr. SOLARZ, Mr. ANDERSON, Mr. HUGHES, Mr. PANETTA, Mr. DELLUMS, Mr. IRELAND, Mr. MATSUI, Mr. GINGRICH, Mr. ATKINSON, Mr. MAZZOLI, Mr. ROBINSON, Mr. HAGEDORN, Mr. DIXON, Mr. BONKER, Mr. MITCHELL of New York, and Mr. FRANK.

H. Con. Res. 55: Mr. GUARINI, Mr. HYDE, Mr. WEAVER, Mr. HARKIN, Mr. GEJDENSON, and Mrs. SCHROEDER.

H. Res. 13: Mr. SUNIA, Mr. BIAGGI, Ms. FERRARO, Mr. CARMAN, Mr. ROSENTHAL, Mr.

STOKES, Mr. DYSON, Mr. BINGHAM, Mr. DE LUGO, Mr. LENT, Mr. MICA, Mr. KEMP, Mrs. CHISHOLM, Mr. DELLUMS, Ms. FIEDLER, and Mr. PORTER.

H. Res. 38: Mr. BERRUTER, Mr. BUTLER, Mrs. COLLINS of Illinois, Mr. FIELDS, Mr. HEFNER, Mr. HEFTEL, Mr. IRELAND, Mr. JONES of North Carolina, Mr. LIVINGSTON, Mr. MURTHA, Mr. YATRON, and Mr. YOUNG of Missouri.

H. Res. 50: Mr. WEAVER, Mr. CONTE, Mr. YATRON, and Mr. MITCHELL of Maryland.

SENATE—*Tuesday, February 17, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. DAVID DURENBERGER, a Senator from the State of Minnesota.

PRAYER

The Reverend Father George S. Macres, National Chaplain, The American Legion, and assistant pastor of St. Mary's Greek Orthodox Church, Plymouth, Minn., offered the following prayer:

Heavenly Father, from whom comes all good and perfect gifts, accept our thanksgiving for blessings bestowed upon us. Take into Thy gracious care all Members of the Senate of our Nation and the presiding officers and officials.

Fill them with love and knowledge and wisdom and let Thy holy spirit guide them, that our Nation may become a blessing to Thee and to the people of the world. Help us, the citizens, O God, to render to the Members of the Senate the love, the honor, and the respect which is due them and to support them with our prayers and good will. Bless our country, bless our Government, bless our people and sanctify us with Thy presence. In Thy name, dear Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 17, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID DURENBERGER, a Senator from the State of Minnesota, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. DURENBERGER thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DESIGNATION OF PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that following the time allocated to the two leaders under the standing order and the special order for the distinguished Senator from Arkansas (Mr. BUMPERS), there be a period for the transaction of routine morning business not to exceed 30 minutes in length, in which Senators may be permitted to speak for not to exceed 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATOR KASSEBAUM COMMENDED ON READING OF GEORGE WASHINGTON'S FAREWELL ADDRESS

Mr. BAKER. Mr. President, I would like to take just a moment to express my appreciation, and that, I am sure, of all my colleagues, to the distinguished Senator from Kansas (Mrs. KASSEBAUM).

As we all are aware, Senator KASSEBAUM relinquished a free day from the labors of the Senate yesterday to be present in this Chamber and fulfill a tradition of many decades by reading into the RECORD the stirring and historic farewell address to the Nation of our first President, George Washington.

Senator KASSEBAUM is only the second woman member of this Chamber to have submitted that speech to the RECORD in the 88 years of this tradition. And I am pleased to note that both of those women, Senator KASSEBAUM, and our most distinguished former colleague, Margaret Chase Smith, of Maine, are Republicans.

As in all that she does, Senator KASSEBAUM was superb in yesterday's reading. I commend her and I thank her.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I am pleased to yield.

Mr. ROBERT C. BYRD. Mr. President, I wish to add to the distinguished majority leader's statement the plaudits of my own concerning the reading of George Washington's farewell address yesterday by Senator KASSEBAUM. It was an exemplary performance, presenting the address with dignity and poise. All of us admired her presentation.

I thank her on behalf of the minority for the time that she gave in the presentation, and I again join with the majority leader in commending Mrs. KASSEBAUM for a splendid presentation of the address.

Mr. BAKER. Mr. President, I thank the minority leader. As I am sure Senator KASSEBAUM is grateful, so am I grateful for his gracious remarks.

DR. EDWARD L. R. ELSON'S SENATE CHAPLAINCY

Mr. BAKER. Mr. President, as I mentioned to my colleagues upon the occasion of our former Chaplain, the Reverend Edward L. R. Elson's retirement from his duties here this past month, Dr. Elson has graciously submitted to the Senate a record of his 12 years of service to this body.

To the best of my knowledge, this is the first such comprehensive report on the activities of the Senate Chaplain's office ever compiled. It is an excellent record, not only of Dr. Elson's distinguished and inspirational service, but also of the historical development of the Chaplain's office.

I would like to express my gratitude, as well as that of all Senators, I am certain, to Dr. Elson for this report and, again, for his guidance over the years.

So that historians and my colleagues, present and to come, may share in Dr. Elson's work. I ask unanimous consent that his report be printed in its entirety in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SUMMARY OF DR. EDWARD L. R. ELSON'S SENATE CHAPLAINCY: JANUARY 9, 1969—FEBRUARY 1, 1981

Twelve years ago on January ninth I took the oath of office as Senate Chaplain, offered the convening prayer, after which the Senate moved to the House Chamber for a Joint Session welcoming the astronauts back from the moon. The days between January 9, 1969 and February 1, 1981, the effective date of my retirement, have been crowded with momentous events, many of which engaged the services of the Chaplain.

After long and careful consideration I have tendered my request for retirement to the leadership and it is now time for me to give an account of my stewardship.

The Rules of the Senate (Rule 3.3) prescribe that the daily sessions of the Senate be convened with prayer by the Chaplain. Accordingly, in the twelve years and one month of my incumbency I have prepared 1759 convening prayers. Daily they have appeared as the first item in the *Congressional Record*. Five books of Senate prayers have been printed and distributed. A sixth volume is in process.

Once during this twelve year period Senate Rule 4.2 was invoked when the Senate, being in continuous session from its convening on Saturday, October 14, 1978, suspended its deliberations at twelve noon on

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Sunday, October 15, 1978 for prayer by the Chaplain.

The prayers have had a compounded outreach as they have appeared in Church periodicals and books of prayers, as the 'Quotation of the Day' in the "New York Times", on the front page of the "Wall Street Journal", on the front of Sunday Church bulletins, quoted by TV preachers, included in Senator's news letters, and on Christmas cards. They have been used in religious and patriotic convocations, carried in the pockets of doormen and staff workers. And in the White House, a Special Assistant to the President had a favorite Senate prayer pasted on his telephone for daily inspiration.

Under the policy of the Senate two guest chaplains may be invited in any one month to offer the opening prayer. Two-hundred seventy-nine guest chaplains, representing thirty religious denominations have served in this role. In this mosaic of American religious life those denominations represented are listed in Appendix I.

Each guest chaplain is honored by a handsome certificate signed by the Vice President, the Secretary and the Chaplain of the Senate. It is usual for the guest to dine with representative Senators in the Senate dining room.

Twenty-eight of the guest chaplains were of the Jewish faith and included the three main divisions—Orthodox, Conservative and Reformed. (Appendix II)

A long tradition of exclusively male chaplains was broken when the Rev. Dr. Wilmina Rowland of Philadelphia, a Presbyterian clergywoman, led us in the opening prayer on July 8, 1971. Later and for the first time in history a Roman Catholic Nun, Sister Joan Kelcher Doyle of the Sisters of Charity of the Blessed Virgin Mary, offered the prayer on July 17, 1974. A third woman guest chaplain was the Rev. Judith D. Coleman, a Methodist from Hustontown, Pennsylvania, who offered the prayer on October 2, 1974.

Twenty-six guest chaplains represent the academic world—college and divinity school administrators or professors. (Appendix III)

From the military services have come several Chiefs of Chaplains and Veterans' organizations have been represented by their national chaplains from time to time. (Appendix IV)

Five executives of ecclesiastical agencies supporting military chaplains' work have served in this ministry. (Appendix V)

Eight Senators substituted for the Chaplain when he was necessarily absent. It is noteworthy that two of these Senators are ordained clergymen—Senator The Reverend Kaneaster Hodges, a Methodist from Arkansas and Senator The Reverend John C. Danforth, an Episcopalian from Missouri. One Senator is a lay leader in his church, two are high ranking officials in the Church of Jesus Christ of Latter Day Saints and three Senators who served as substitute chaplains are laymen. List of these Senators are in Appendix V.

Two of the guest chaplains were pastors of Presidents. The Rev. Dr. George R. Davis, Pastor of the National City Christian City Church was the pastor of President Lyndon Baines Johnson. The Rev. Dr. Charles A. Trentham, Pastor of the First Baptist Church of Washington was the pastor of President Jimmy Carter. The guest chaplain on December 1, 1980, Dr. Robert L. Maddox, Jr. was President Carter's Special Assistant for Religious Liaison.

Two guest chaplains were specialists in evangelism—Dr. Billy Graham and Dr. Roy B. McKeown also serves as the executive director for the United States Senate Youth Program.

Nine of the guests held administrative positions in their denomination. (Appendix VII)

The National Commander of the Salvation Army, Commissioner Ernest W. Hois, was guest chaplain and four other officers of the Salvation Army have officiated.

Three of the guest chaplains were fathers of Senate Pages. One was the father of an intern. One was the son of a doorman. One was the brother of the Parliamentarian. (Appendix VIII)

The clergymen from other countries who have been guest chaplains are listed in Appendix IX.

Nine Senators were hosts to the pastors of their home-town churches and three Senators were host to their Washington-church pastors. (Appendix X)

Nine who served as guest chaplains were the titular heads of their denominations. (Appendix XI)

A number of pastors of employees in the Senate served as guest chaplains.

The Chaplain officiated at the funerals of six Senators as follows:

The Honorable Everett McKinley Dirksen, September 10, 1969;

The Honorable Richard Brevard Russell, Jr., January 24, 1971;

The Honorable Winston Lewis Prouty, September 13, 1971;

The Honorable John Little McClellan, November 30, 1977;

The Honorable Hubert Horatio Humphrey, January 14, 1978; and

The Honorable James Browning Allen, June 6, 1978.

The Chaplain officiated at the Senate funeral for President Dwight David Eisenhower concerning which the media reported that this funeral was heard and seen by more people than any such event in world history.

The Chaplain conducted the funeral for FBI Director J. Edgar Hoover and participated in the "lying-in-state" ceremonies for President Lyndon Baines Johnson.

Two Associate Justices of the Supreme Court, the Honorable Tom Clark and the Honorable William O. Douglas were honored by State funerals. The Chaplain officiated at both services.

In addition to these services the Chaplain conducted the memorial service for Mrs. Dwight David Eisenhower which was held in the Fort Myer Chapel and for Mrs. Everett McKinley Dirksen which was held in the National Presbyterian Church.

The Chaplain has conducted many memorial services for members of the staff and employees of the Senate.

Other pastoral services have included officiating at weddings and marriage counselling.

The Chaplain has been involved in dedication ceremonies of monuments, plaques, and buildings of national significance. Among these ceremonies were the unveiling of the plaque in the entrance of the East Front of the Capitol to the Signers of the Declaration of Independence, the dedication of the Hubert H. Humphrey wing of the HEW Building, the James Madison Building of the Library of Congress, the J. Edgar Hoover Courtyard in the J. Edgar Hoover FBI Building, the laying of the cornerstone of the Capitol Hill Club, the commemoration wreath-laying at the bust of Constantino Brumidi in the Senate wing of the Capitol, the unveiling of the Eisenhower Bust at the Kennedy Center, the dedication of the Eisenhower Room at the Blair House and the unveiling of the statue of Edward Lewis (Bob) Bartlesa in Statuary Hall.

The Chaplain was consistently involved in pastoral counselling, in providing religious source material and information to Senators, assisting them in the preparation of addresses at Church convocations and patriotic events.

Senators have turned to the Chaplain's office for information on a wide variety of subjects pertaining to the Bible, church life, and religious affairs. He has delivered orientation talks to new Senators and their wives, has met and spoken with visiting ecclesiastical and student groups and he has been host to countless numbers of ecclesiastical leaders from the United States and abroad.

In this jet age when every State is within a few hours air flight for its Senators, the members are frequently in their home States on weekends and thus are not serviced by Washington ministries of religion. But the Chaplain is present with them at their work week-in and week-out. This makes the work of the Chaplain in his "on-the-job" ministry vastly more important than in earlier years in the life of the Republic.

Noteworthy is the fact that during this twelve year period the Senate and its Chaplain and other officials have been the objects of two legal suits by atheist, Mrs. Madalyn O'Hair. The first suit brought in 1973 alleged violation of the First Amendment for having prayers and quoting the Bible in the Senate and government buildings. The suit was heard by the Chief Judge of the Federal District Court and promptly dismissed as being frivolous and without adequate constitutional basis. Under the "Doctrine of the Separation of Powers," the Senate has exclusive authority over what takes place in its own Chamber, who its officers will be, what their duties are, and their compensation. The second suit was filed in 1980 and dismissed January 6, 1981. It alleged that the First Amendment was broken by the Senate electing and maintaining chaplains, providing for the support of the chaplains with government funds. This suit was dismissed on the ground that the plaintiff does not have standing in the court and the suit was nonjudicial. The House and its officers were included in both of these legal suits. In each case no appeal has been made to a higher court.

The first prayers in Congress were offered September 7, 1774 and prayer has been offered regularly in the Halls of Congress from that day until today—and rightly so. America and its institutions of government are both founded upon theistic pre-suppositions and the practice of electing chaplains as officers of legislative bodies and regularly praying to the Almighty God is consonant with a nation whose citizens assert that this is a "Nation under God".

JANUARY 31, 1981.

APPENDICES

APPENDIX I

Thirty (30) religious denominations are represented among the guest chaplains:

African Methodist Episcopal Church.
American Indian.
Armenian Church of America.
Assembly of God.
Baptist.
Christian Church.
Church of England.
Church of Jesus Christ of Latter Day Saints.
Church of the Nazarene.
Eastern Orthodox Church.
Episcopal Church.
Greek Orthodox Church.
Hungarian Reformed Church in America.
Jewish—Orthodox, Reformed & Conservative.
Lutheran.
Orthodox Church in America.
Pilgrim Brethren.
Presbyterian—United Presbyterian Church in the USA and the Presbyterian Church in the U.S.
Reformed Church in America.
Reorganized Church of Jesus Christ of Latter Day Saints.
Roman Catholic.
Roman Catholic Slovak Church.

Salvation Army.
Schwenkfelder Church.
Society of Friends (Quaker).
Ukrainian Catholic Church.
Unitarian.
United Church of Christ.
United Methodist.
Universalist.

APPENDIX II

Rabbis served as guest chaplains on twenty-eight occasions with one Rabbi (*) serving two times:

Name, congregation/position, date:

Cohen, Rabbi Alfred, Synagogue of Young Israel of Canarsie, Brooklyn, N.Y., January 27, 1972.

Elster, Rabbi Sheldon Ephraim, D.Min., Agudas Achim Congregation of Northern Virginia, Alexandria, Va., July 31, 1973.

Goldstein, Rabbi Israel, Rabbi Emeritus, Congregation B'nai Jeshurun, New York, N.Y., June 22, 1978.

Haberman, Rabbi Joshua O., Washington Hebrew Congregation, Washington, D.C., November 25, 1970.

Handler, Rabbi Jacob, Ph.D., Temple Beth Israel, Providence, R.I., July 6, 1970.

Hasden, Rabbi Barnett, Director, Special Projects, Mesivtha Tifereth Jerusalem of America Rabbinical Seminary, New York, N.Y., March 31, 1976.

Kanter, Rabbi Morton M., Congregation Beth El, Detroit, Mich., June 9, 1971.

Kobrinetz, Rabbi Simeon, Deputy Director, Chaplain Service, Veterans Administration, Washington, D.C., February 26, 1975.

Lelyveld, Rabbi Arthur J., Fairmount Temple, Cleveland, Ohio, September 12, 1974.

Levy, Rabbi Mordecai, Synagogue of the Tri-City Jewish Center, Rock Island, Ill., May 25, 1972.

Lipschitz, Rabbi Chaim U., D.D.,* Managing Editor, The Jewish Press, Brooklyn, N.Y., July 7, 1969. Vice President for Research & Project, Mesivta Talmudical Seminary, Brooklyn, N.Y., June 9, 1977.

Mark, The Rev. Dr. Julius, Rabbi Emeritus, Congregational Emanu-El, New York, N.Y., November 17, 1969.

Max, Rabbi Jacob A., Anshe Emunah-Aitz Chaim Tifereth, Israel Congregation, Randallstown, Randallstown, Md., May 18, 1978.

Miller, Rabbi Lester M., Congregation Beth Israel, New Orleans, La., March 27, 1979.

Pollack, Rabbi Alex, Congregation Emanu-El, Philadelphia, Pa., May 2, 1976.

Rabinowitz, Rabbi Stanley, Adas Israel Synagogue, Washington, D.C., September 9, 1980.

Rosoff, Rabbi Jack M., Congregational B'nai Israel, Rumson, N.J., February 7, 1978.

Rubel, Rabbi Charles M., Congregation B'nai Raphael, Miami, Fla., August 4, 1971.

Schiff, Rabbi Solomon, Director of Chaplaincy of the Greater Miami Jewish Federation, Miami, Fla., March 18, 1977.

Segel, Rabbi Kenneth I., Assistant Rabbi, Rodef Shalom Temple, Pittsburgh, Pa., July 18, 1973.

Seiger, Rabbi Chaim, Baron Hirsch Congregation, Memphis, Tenn., May 13, 1971.

Shapiro, Rabbi Max A., Temple Israel, Minneapolis, Minn., November 13, 1979.

Stiffman, Rabbi Jeffrey B., Ph.D., Temple Shaare Emeth, St. Louis, Mo., July 11, 1978.

Wagner, Rabbi Stanley M., Ph.D., Beth Ha Medrosh Hogodol Congregation, Denver, Colo., August 26, 1976.

Wenberg, Rabbi Joseph P., Assistant Rabbi, Washington Hebrew Congregation, Washington, D.C., February 21, 1974.

Wiseman, Rabbi Saul Israel, Temple Beth Israel, Waltham, Mass., May 28, 1970.

Wolk, Rabbi Ian, Temple Shalom, Chevy Chase, Md., November 18, 1975.

APPENDIX III

In twenty-four occasions guest chaplains came from the academic world with one person serving two times:

Name, position, date:

Cate, Rev. Dr. Robert L., Professor of Old Testament, Golden Gate Baptist Theological Seminary, Mill Valley, Calif., June 29, 1978.

Chandler, Rev. Dr. Douglas R., Professor of Church History, Wesley Theological Seminary, Washington, D.C., February 21, 1972.

Crawford, Rev. Evans E., Ph.D., Dean of the Chapel, Howard University, Washington, D.C., October 6, 1972.

Gaebelein, Rev. Dr. Frank E., Head Master Emeritus, Stony Brook School of New York, December 4, 1973; December 5, 1973.

Gaudy, Rev. Dr. Samuel L., Dean, School of Religion, Howard University, Washington, D.C., April 20, 1971.

Geeza, The Very Rev. Fr. Boris, St. Vladimir's Orthodox, Theological Seminary, Crestwood, N.Y., March 18, 1976.

Hartke, Rev. Fr. Gilbert V., Chairman, Speech and Drama Dept., Catholic University of America, Washington, D.C., September 20, 1972.

Hasden, Rabbi Barnett, Director, Special Projects Mesivtha, Tifereth Jerusalem of America, Rabbinical Seminary, New York, N.Y., March 31, 1976; April 27, 1977.

Hesburgh, Rev. Fr. Theodore M., C.S.C., President, University of Notre Dame, Notre Dame, Ind., April 27, 1977.

Homrighausen, Rev. Elmer G., Th.D., Dean and Professor Emeritus, Princeton Theological Seminary, Princeton, N.J., April 16, 1973.

Johnson, Chaplain Andrew L., Chaplain, Tuskegee Institute, Tuskegee, Ala., March 22, 1972.

Jones, Rev. Dr. Lawrence N., Dean, School of Religion, Howard University, Washington, D.C., April 10, 1970.

Kelsey, Rev. Dr. George D., Professor Emeritus, Drew University Theological School, Madison, N.J., October 23, 1979.

Kortendick, Rev. Fr. James J., Chairman, Graduate Department of Library Science, Catholic University of America, Washington, D.C., April 27, 1972.

Lipschitz, Rabbi Chaim U., D.D., Vice President for Research & Project, Mesivta Talmudical Seminary, Brooklyn, N.Y., June 9, 1977.

Macleod, Rev. Dr. Donald, Professor, Preaching & Worship, Princeton Theological Seminary, Princeton, N.J., Jan. 23, 1979.

Scharlemann, Rev. Dr. Martin H., Graduate Professor of Exegetical Theology, Concordia Lutheran Seminary, St. Louis, Mo., June 9, 1969.

Smith, Rev. Nathan D., Professor, California Center for Biblical Studies, Culver City, Calif., April 13, 1976.

Theall, Rev. Dom Bernard, O.S.B., Associate Professor of Library Science, Catholic University of America, Washington, D.C., April 9, 1974.

Tietjen, Rev. Dr. John H., President, Concordia Seminary, St. Louis, Mo., May 7, 1970.

Trueblood, Rev. Dr. Elton, Professor at Large, Earlham College, Richmond, Ind., August 11, 1972.

From military institutions:

Ford, Rev. James D., Chaplain, U.S. Military Academy, West Point, N.Y., February 8, 1971.

Kelly, Rev. Colin P., Assistant Chaplain, U.S. Military Academy, West Point, N.Y., February 1, 1978.

Wilson, Rev. Robert, Chaplain, Virginia Military Institute, Lexington, Va., September 21, 1976.

APPENDIX IV

Guest Chaplains from the Military services and Veterans' organizations—

Chiefs of Chaplains who served:

Maj. Gen. Patrick J. Ryan, Chief of Army Chaplains, Retired served on five occasions when the Senate Chaplain was unavoidably absent on the following dates:

February 21, 1969; April 23, 1971; October 15, 1971; January 31, 1973; and December 14, 1973.

Maj. Gen. Frank A. Tobey, Chief of Army Chaplains, Retired—November 10, 1969.

Maj. Gen. Francis L. Sampson, Chief of Army Chaplains—June 10, 1971.

Maj. Gen. Gerhardt W. Hyatt, Chief of Army Chaplains—June 3, 1975.

Maj. Gen. Orris E. Kelly, Chief of Army Chaplains—May 3, 1979.

The Executive Director of the Military Chaplains Association, The Rev. Dr. Karl Bennett Justus served as a substitute chaplain on the following dates:

August 7, 1970; July 31, 1971; May 4, 1972; May 5, 1973; and October 1, 1977.

From Veterans' Organizations came the following:

Rev. James E. Rogers, National Chaplain, Disabled American Veterans, June 22, 1970.

Dr. Lawrence P. Fitzpatrick, National Chaplain, American Legion, February 28, 1973.

Rev. Henry L. Reinewald, National Chaplain, Veterans of Foreign Wars, March 13, 1974

Rabbi Simeon Kobrinetz, Deputy Director Chaplain Service, Veterans Administration, February 26, 1975.

Rev. Harold Gordon Elsam, National Chaplain, Veterans of Foreign Wars, March 5, 1976.

Rev. R. Drew Wolcott, National Chaplain, American Legion, April 26, 1979.

Rev. Fr. Warren F. Braun, Chaplain, State of Florida Veterans of Foreign Wars, June 3, 1980.

Two other military chaplains who served as guest chaplains—

Chap. (Col) Porter H. Brooks, USA, Post Chaplain, Fort Myer, Virginia, June 6, 1974.

Chap. (LCOL, ret.) Donal M. Squires, USAF of Fairmont, West Virginia, September 26, 1979.

APPENDIX V

Five Executives of ecclesiastical agencies supporting military chaplains' work have served as guest chaplains:

Bailey, Rev. Dr. A. Purnell, Associate General Secretary for United Methodist Chaplains March 21, 1979.

Ernstmeyer, Rev. Dr. Milton S., Executive Secretary Armed Forces Commision of the Lutheran Church, Missouri Synod, November 21, 1980.

Harriman, Rev. Dr. Robert B., Director Presbyterian Council for Chaplains and Military Personnel served as guest chaplain on six occasions in August 1978.

Henry, The Rev. Paul J., O.S.F.S., Coordinator, Office of Chaplain Services, U.S. Catholic Conference, July 10, 1979.

Reis, The Rev. William J., D.D., Executive Secretary, The Division of Service to Military Personnel, Lutheran Council in the United States of America, September 24, 1969.

APPENDIX VI

Senators that have offered the convening prayer along with the dates they served:

The Honorable Wallace F. Bennett of Utah, Sunday, December 2, 1973.

The Honorable Carl T. Curtis of Nebraska, August 25, 1978.

The Honorable John C. Danforth, an ordained Episcopal priest, February 11, 1977; September 24, 1977; July 27, 1978; February 21, 1979; and July 2, 1980.

The Honorable Orrin G. Hatch of Utah, October 13, 1978.

The Honorable Howell Heflin, February 19, 1979.

The Honorable Kaneaster Hodges of Arkansas, an ordained Methodist minister, February 23, 1978; July 26, 1978; and September 30, 1978.

The Honorable Harold Hughes of Iowa, December 20, 1974.

The Honorable Richard G. Lugar of Indiana, July 28, 1978.

APPENDIX VII

Ten of the guest chaplains have held administrative positions in their denominations:

Duffy, The Rev. Gabriel, Chairman of the Ecumenical Commission of the Catholic Archdiocese of Washington (February 7, 1975).

Hickey, The Most Rev. James A., Bishop of Cleveland, Ohio when he was guest chaplain on June 21, 1977. He is now Archbishop of the Roman Catholic Archdiocese of Washington.

Lyons, The Most Rev. Thomas W., Auxiliary Bishop of the Roman Catholic Archdiocese of Washington.

Mathews, The Rev. James K., Ph.D., Bishop of the Washington Area, United Methodist Church (January 26, 1977).

Murphy, The Rev. Monsignor John J., Director, National Shrine of the Immaculate Conception, Washington (September 12, 1978).

Rowland, The Rev. Dr. Wilmina M., Director, Educational Loans and Scholarships, Board of Christian Education, United Presbyterian Church in the USA (July 8, 1971).

Thompson, Mr. William P., Stated Clerk, United Presbyterian Church in the USA (April 21, 1977).

Walker, The Rt. Rev. John T., Bishop of the Diocese of Washington, Protestant Episcopal Church when he was guest chaplain, September 27, 1977. He is now Dean of the Washington Cathedral.

Wells, Rev. Robert A., Director of Missions, Nevada Baptist Association, June 10, 1976.

Varjabedian, The Rt. Rev. Bishop Papken, Legate of the Diocese of the Armenian Church of Washington, September 30, 1971 and July 18, 1976.

APPENDIX VIII

Three of the guest chaplains were fathers of Senate Pages, one the father of an intern, one the son of a doorman, and one the brother of the parliamentarian:

The Rev. John A. Limberakis, Church of the Annunciation, Greek Orthodox Parish of Philadelphia, Elkins Park, Pa., October 13, 1976.

The Rev. John H. Mighell, Rector, St. Columbia's Episcopal Church, Seattle, Wash., April 27, 1976.

The Rev. Abe G. Watson, Ordained Baptist clergyman but at the time he served a guest chaplain he was supplying the Universalist Church in Brewton, Alabama and serving as the Executive Director of the Southwest Alabama Mental Health Board, March 18, 1977.

The father of an intern was a Baptist clergyman and former pastor of Sen. Thurmond.

The Rev. Dr. Robert L. Cate, Professor of Old Testament, Golden Gate Baptist Theological Seminary, Mill Valley, Calif., June 29, 1979.

The Rev. Ronald J. Degges, Asst. Minister in Education at the Chevy Chase Christian Church, Chevy Chase, Maryland Feb. 9, 1979 is the son of one of our doormen.

The Rev. T. Mark Dove, Pastor, Epworth United Methodist Church, Columbus, Ohio is the brother of Parliamentarian Robert Dove.

APPENDIX IX

Four clergymen from other countries have served as guest chaplain—

His Holiness, Beatitude Patriarch Elias IV, Patriarch of Antioch and all the East Damascus, Syria. (Sponsored by Senator Abourezk on July 26, 1977).

The Rev. J. Ithel Jones, D.D., LL.D., Pastor, Collins Street Baptist Church, Melbourne, Australia. (His visit on August 7, 1978 was planned by Senator James B. Allen before his death. His widow, Senator Maryon Allen honored the invitation.)

The Very Reverend Peter C. Moore, Dean of the Cathedral and Abbey Church of Saint Alban Hereffordshire, England. (His visit to our country was occasioned by the one-hundred twenty-fifth anniversary of the founding of St. Albans Parish in Washington. His visit to the Senate on May 7, 1979 was sponsored by Senator Danforth.)

The Reverend George P. Vins, Russian refugee clergyman. (This Baptist clergyman visited the Senate June 7, 1979 under the sponsorship of Senator Leahy. He was one of five Soviet political prisoners exchanged with the United States for two Soviet spies. His prayer was interpreted in the English language by Cathy Cosman.)

APPENDIX X

Nine Senators were hosts to the pastors of their home-town churches and three Senators were hosts to their Washington-church pastors:

Home-town church pastors, Senator, date:

The Rev. Berthold Jacksteit, Central Schwenkfelder Church, Worcester, Pa., Sen. Richard S. Schweiker, March 24, 1970.

The Rev. W. Benjamin Holmes, Church of St. Martin-in-the-Fields, Philadelphia, Pa., Sen. Hugh Scott, November 15, 1971.

The Most Rev. John A. Marshall, Bishop of Burlington, Burlington, Vt., Sen. Patrick J. Leahy, October 30, 1975.

The Rev. Charles Boonstra, The Presbyterian Church, Huntsville, Tenn., Sen. Howard H. Baker, Jr., April 13, 1978.

The Rev. David B. Kidd, Hillsboro, Presbyterian Church, Nashville, Tenn., Sen. Jim Sasser, June 5, 1979.

The Rev. Dr. William W. Slider, Christ Church, United Methodist Church, Louisville, Ky., Sen. Walter D. Huddleston, June 18, 1979.

The Rev. Alton Parris, First United Methodist Church, Tuscumbia, Ala., Sen. Howell Heflin, September 11, 1979.

Washington-church pastors:

Rev. Charles A. Summers, Sixth Presbyterian Church, Washington, D.C., Sen. Carl T. Curtis, April 13, 1978.

Rev. Neal Jones, Columbia Baptist Church, Falls Church, Va., Sen. Strom Thurmond, April 26, 1980.

Rev. Dr. Calvin V. French, Reorganized Church of Jesus Christ of Latter Day Saints, Washington, D.C., Sen. Milton R. Young, June 19, 1980.

APPENDIX XI

Nine who served as guest chaplains were titular heads of their denomination:

The Right Reverend John M. Allin, Presiding Bishop of the Protestant Episcopal Church in the United States, May 19, 1980.

The Right Reverend Zoltan Beky, D.D., Bishop, The Hungarian Reformed Church in America, June 12, 1974.

President Hugh B. Brown, Church of Jesus Christ of Latter Day Saints, May 20, 1979.

His Holiness, Beatitude Patriarch Elias IV, Patriarch of Antioch and all the East (Eastern Orthodox Church), July 26, 1977.

Commissioner Ernest W. Holz, National Commander, The Salvation Army, May 9, 1979.

His Eminence, Archbishop Iakovos, Primate of the Greek Orthodox Church of North and South America, June 20, 1979.

President Spencer W. Kimball, Church of Jesus Christ of Latter Day Saints, September 11, 1974.

Archbishop Torkom Manoogian, Primate, Armenian Church of America, April 17, 1975.

His Beatitude, Metropolitan Theodosius, Primate, The Orthodox Church in America, March 11, 1980.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I might say for the benefit of those who may be listening, that it had been my hope that we could take up later today, in executive session, the nomination of the only nominee on the Executive Calendar. But I understand that is not yet cleared. The nomination will not qualify under the 3-day rule until, I believe, Thursday or perhaps Friday of this week.

There are no other major items of business that I anticipate can be transacted by the Senate during the course of our proceedings on today.

After the conclusion of leadership time, the special order, and routine morning business, it will be my intention to submit to the Senate a concurrent resolution providing for a joint session of the Congress on tomorrow.

ORDER FOR RECESS UNTIL 8:20 P.M. TOMORROW; AND, FOLLOWING THE CONCLUSION OF THE JOINT SESSION, UNTIL THURSDAY, FEBRUARY 19, 1981, AT 11 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:20 p.m. tomorrow, that no later than 8:35 p.m. tomorrow Senators march in a body to the Hall of the House of Representatives for the purpose of hearing an address by the President of the United States; further, that upon the conclusion of the joint session, the Senate stand in recess until the hour of 11 a.m. on Thursday next.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I do not have at hand the concurrent resolution of which I spoke. I will call up that a little later.

Mr. President, I have no need for any time remaining under the standing order and no request for time. I am prepared at this time to yield it to the distinguished minority leader or to any Senator who may require it.

Mr. ROBERT C. BYRD. Mr. President. I thank the minority leader.

May I ask the distinguished Senator from Arkansas (Mr. BUMPERS) if his address will require more than the 15 minutes he has been allotted under the order?

Mr. BUMPERS. Mr. President, I would not anticipate I would require more than 15 minutes, and maybe a little less.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I ask unanimous consent that the distinguished Senator from Arkansas may utilize the minority leader's time, or such part thereof as he may need in the event he needs additional time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield back any time which may remain after the Senator from Arkansas has completed his remarks under the order.

S. 482—THE BAIL REFORM ACT AMENDMENTS OF 1981

Mr. BUMPERS. Mr. President, today I am introducing a bill entitled the Bail Reform Act Amendments of 1981. This measure is intended to strengthen our current bail laws by allowing courts to

detain until trial those defendants arrested and charged with Federal crimes who are likely to flee or pose a danger to the safety of any other person or to the community. Chief Justice Warren E. Burger, in his recent address to the American Bar Association in Houston, focused the attention of our Nation on the problem of crime and suggested that reform of our bail laws would be in order. Mr. President, the crime problem is complex and multifaceted, and thoughtful persons agree that there are no easy solutions. At the same time, we need not be paralyzed by it. We must focus, as did the Chief Justice, on specific solutions. Chipping away at the problem is better than taking no action at all. I am confident that the 97th Congress can take a significant step in the right direction by reforming our bail laws, and so I hope that my colleagues will give serious consideration to the legislation I am introducing.

Mr. President, under current law, when a person is arrested and charged with a Federal crime, he is brought immediately before a U.S. magistrate or district judge for a bail determination. The judge has two choices: He may release the defendant until trial on his own recognizance—that is, on the defendant's written promise that he will show up at trial; or, second, the judge may impose one or more conditions on the defendant's release, such as the payment of a money bond or restrictions on travel, and if the defendant is able to meet the conditions imposed, he will go free until trial. Under these procedures, 85 to 90 percent of defendants are released until trial, and trial usually is not held until several weeks after the defendant's arrest. Only those who cannot meet one of the conditions imposed, which is usually the payment of money bond, are held in jail until trial. Under current law, the only issue the judge is to consider in making a bail determination is what condition or set of conditions will reasonably assure that the defendant will show up for trial. The judge is not supposed to consider whether the defendant, because of a history of criminal behavior or other dangerous activity, is likely to commit another crime or threaten the safety of other persons while on bail, unless such considerations are relevant to the prediction whether the defendant will show up at trial.

The newspapers across the country are full of stories of violent crimes being perpetrated on innocent victims by defendants who are free on bail. The crime rate nationwide continues to stagger us despite the valiant efforts of our law enforcement officials. One sensible change in the law which could in a small yet significant way, help stem this swelling tide of criminal activity is to give judges the power to jail, pending trial, those defendants who, because of a history of violent or dangerous behavior, are likely to pose a danger to the community.

Mr. President, the bill I am introducing today would change the Bail Reform Act of 1966 in several significant ways. First, in each release determination, the judge would be directed to consider whether the defendant, if released, would pose a danger to any other person or to the community. Few thoughtful persons who are concerned about crime should object to this kind of sensible change in current law. If a defendant is likely to be dangerous, has demonstrated a propensity for violence then the judge may order him detained until trial unless the judge finds that release under certain specified conditions, such as reporting regularly to the probation office or restrictions on association, travel, and the possession of weapons, are sufficient to ameliorate whatever danger exists.

Second, under my bill, if a defendant is charged with a crime punishable by death or life imprisonment, or if a defendant is charged with a serious or violent offense and has been convicted of a serious or violent offense within the previous 10 years, then the judge is directed to detain the defendant until trial. If the judge finds, by clear and convincing evidence, however, that such a defendant, if released upon specified conditions, will not pose a danger, then the judge may order the defendant conditionally released. In other words, Mr. President, under my bill, a defendant who is charged with a very serious crime or who has a violent criminal record should be detained before trial unless the judge is convinced that he will not be a danger to others if released on certain conditions.

I frankly expect that these provisions will be controversial with some of my colleagues. Some will argue that they are too stern, too draconian. But it simply makes sense, Mr. President, that those who have been convicted of violent or serious crimes or who are charged with crimes punishable by death or life imprisonment, should not walk the streets unrestrained unless the court finds that they are not dangerous. I realize that predicting dangerousness is a difficult task, but the difficulty of the task is no excuse for failing to carry it out if there are compelling reasons to do so. Our U.S. magistrates and district judges have many difficult responsibilities which they perform well, and I think that we can trust their ingenuity and good sense in making these tough bail decisions, too.

Third, this bill allows the court to detain for up to 10 days any defendant charged with an offense who, at the time the offense was committed, was on pretrial release or is on parole or probation under State or Federal law; to detain such a defendant for 10 days, the court must also find either that he is a danger to others or that he is likely to flee. The reason for this 10-day detention is to allow the court or official who released the defendant to take custody over him; if no official comes to take custody during the 10-day period, then the defendant is to be treated as any other defendant arrested and charged with a Federal offense. He may be detained or released pending trial, depending upon the circumstances.

Fourth, Mr. President, this bill requires the court to detain those defendants who have been convicted and are awaiting either sentence or appeal. A convicted defendant may be released by the court only if the court finds by clear and convincing evidence that he is not likely to flee or pose a danger to others or to the community.

Finally, Mr. President, this bill makes certain conditions of release mandatory on each and every defendant. The mandatory conditions the bill imposes are that the defendant not commit a crime, that he refrain from excessive use of alcohol or the use of any drug without a doctor's prescription, that he not possess any dangerous weapon, and that he refrain from any activity likely to be harmful to the safety of others. There can be no doubt but that these conditions ought to be a minimum—a minimum—for the release of any defendant charged with a Federal crime.

Mr. President, Congress simply must address the crime problem in our Nation, and we must act quickly. Our citizens do not feel secure even in their homes. In many of our cities, people are unwilling to walk alone at night, and for good reasons. FBI statistics show a 15 percent increase in violent crime in the last 5 years. In my State of Arkansas, during the last year alone, murder and manslaughter increased by 2.3 percent, forcible rape by 4.9 percent, and robbery by 14.6 percent. We cannot continue to allege that we are the freest Nation on Earth and simultaneously be held captive to fears of being a victim of a criminal act.

I am aware that much of the violent crime which occurs falls within the province of the State courts and must be fought on the State level as well. I am convinced, however, that we need a concerted effort combining the resources and ingenuity of the Federal Government, the States, and even our cities and counties, if we intend to do anything which significantly decreases crime nationwide. Crime committed by defendants on pretrial release, although a small percentage of overall crime, is still a significant problem which ought to be addressed along with many others. The precise scope of the problem is unknown, because much crime goes unreported and because accurate statistical information is difficult to come by. A study by the Institute of Law and Social Research found that over 13 percent of all persons arrested for felonies committed in the District of Columbia were rearrested before trial, and indications are that crime on bail is an even greater problem in State courts.

Beyond strengthening our bail laws, Mr. President, we need to stiffen significantly the penalties for crimes committed with the use of firearms, and I will introduce a bill later to deal with that. We need to make substantial changes in our jails and prisons, and I am cosponsoring S. 186 along with Senator DOLE, a bill to provide Federal financial assistance to State and local governments for prison and jail construction and repair. If we intend to detain dangerous defendants before trial, we have to house them in decent jails. We should also take a hard look at whether our law enforcement agencies are funded sufficiently.

Mr. President there are many other ideas for changes in current criminal

laws which we should seriously consider, and I can say with confidence that the American people expect the 97th Congress to give vigorous attention to the crime problem. If we lead the way, many States will follow.

So, in closing, I urge my colleagues to give serious thought to the passage of this bill, and I would like to suggest to the Judiciary Committee that this legislation be given immediate attention. The question of the rights of the accused versus the rights of potential victims is one of the most troubling legal and moral problems we face today. But the time may have arrived when thoughtful people agree that the sheer magnitude of the crime dictates that the rights of society as a whole must be given greater due.

Mr. President, this morning I picked up the Washington Post and found an editorial which made me think that they had read my speech on this subject. I ask unanimous consent to have the editorial printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. GRASSLEY). Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUMPERS. Mr. President, I ask unanimous consent the bill I am introducing be printed in the RECORD following the editorial.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

LOCKING UP DANGEROUS SUSPECTS

U.S. Attorney Charles F. C. Ruff's decision to make greater use of preventive detention was necessary. Preventive detention is the one weapon in the local prosecutor's hand that lets him address the danger of allowing certain suspects to return to public life who have been charged with a violent crime but who have not yet been tried. Because a request for preventive detention requires the prosecutor to reveal much of his case, and to bring the case to court in 60 days, the U.S. Attorney's Office has limited its use of the law to only the most alarming cases. Mr. Ruff now plans to use the law in more common cases.

Under the present bail laws, a judge cannot legally consider the danger involved in releasing a defendant unless the prosecutor invokes the preventive detention statute. The judge can only consider how likely the person is to return to court for trial. But more and more citizens want the judge to add to his deliberations the danger a defendant may pose on the street. The public is fed up with seeing a defendant with a history of violent crime caught, only to be released.

The preventive detention law, quite correctly, does not let judges lock up all persons with such a history. Before they can be held in jail pending trial, prosecutors must also show that the case against them is strong. The requirement is designed to reduce incidents in which a suspect jailed before trial is later acquitted or has the charges against him dropped.

This law strikes a delicate balance between the need to protect the public against dangerous suspects and the presumption that every suspect is innocent until proven guilty. The history of its use in the District demonstrates that careful administration can protect innocent persons from the abuses that led to reform of the bail laws a decade ago. Mr. Ruff's decision to invoke it more frequently does not indicate a return to the old era. It should be interpreted as an effort to improve the screening process that distinguishes between suspects who have forfeited their right to freedom and those who have not.

EXHIBIT 2

S. 482

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Bail Reform Act Amendments of 1981."

SECTION 1. Section 3146 of title 18, United States Code, is amended to read as follows:

"3146. Release prior to trial

"(a) A person charged with an offense shall, at his appearance before a judicial officer, be ordered detained, or released pending trial, upon the conditions specified by the judicial officer.

"(b) In making determinations regarding detention and release, the judicial officer shall consider whether the person charged is likely to appear as required and whether he poses a danger to the safety of any other person or to the community.

"(c) A person charged with an offense shall be ordered released pending trial on his personal recognizance, or upon the execution of an unsecured appearance bond in an amount specified, unless the judicial officer determines that such release will not reasonably assure the appearance of the person as required or will endanger the safety of any other person or the community. If either such determination is made, the judicial officer shall impose the least restrictive conditions of release that will reasonably assure the safety of other persons and the community, and that will reasonably assure the appearance of the person for trial. If the judicial officer is unable to find that any combination of conditions of release will be sufficient, the person shall be ordered held in detention pending trial.

"(d) No financial condition may be imposed to assure the safety of any person or the community.

"(e) In making determinations regarding whether the person poses a danger to the safety of any other person or the community, or whether the person is likely to appear as required, the judicial officer shall, on the basis of available information, take into account—

"(1) the nature and circumstances of the offense charged;

"(2) the weight of evidence against the person; and

"(3) the history and characteristics of the person, including his character, mental condition, family ties, employment, past conduct, use of alcohol, history of violent behavior, length of residence in the community, financial resources; record and nature of convictions, record of appearance, flight to avoid appearance or nonappearance at court proceedings; illegal drug use; whether he was on probation, parole, or other release pending completion of sentence for conviction under Federal, State, or local law at the time of the current arrest; and whether he was on pretrial release or release pending sentence or appeal for an offense under Federal, State or local law at the time of the current arrest.

"(f) The judicial officer shall provide as mandatory conditions of release for any person who is ordered released, that the person—

"(1) not commit a federal, state, or local crime during the period of his release;

"(2) refrain from excessive use of alcohol, or any use of a narcotic drug or other controlled substance, without a prescription from a physician;

"(3) refrain from possessing a firearm, destructive device, or other dangerous weapon; and

"(4) refrain from any activity likely to be harmful to the safety of others.

"(g) In addition to the mandatory conditions set forth in subsection (f), the judicial officer may provide as a release condition that the person—

"(1) remain in the custody of a designated person who agrees to supervise him, if the designated person is able reasonably to assure the judge that the person will appear as required and will not pose a danger to the safety of another person or the community;

"(2) work conscientiously at his employment, or if unemployed, actively seek employment;

"(3) report on a regular basis to a designated law enforcement agency or pretrial service agency;

"(4) avoid all contact with potential witnesses who may testify concerning the offense;

"(5) undergo available medical or psychiatric treatment, including treatment for drug or alcohol dependency, and remain in a specified institution if required for that purpose;

"(6) execute an appearance bond in a specified amount and deposit in the registry of the court, in cash or other security as directed, a sum not to exceed ten percent of the amount of the bond, which deposit is to be returned upon the performance of the conditions of release;

"(7) execute a bail bond with solvent sureties, or deposit cash in lieu of such a bond; or

"(8) satisfy any other condition reasonably necessary to assure appearance as required and to assure the safety of any other person or the community, including a condition requiring that the person return to detention after specified hours or during specified periods, and abide by such other severe restrictions on freedom, associations, or activities that the court deems appropriate.

"(h) The judicial official shall order that a person—

"(1) who is charged with a dangerous or violent offense punishable by death or life imprisonment; or

"(2) who is charged with a dangerous or violent offense, and who has been convicted within the 10 previous years of a dangerous or violent offense; or

"(3) who, having been charged with a dangerous or violent offense and released pending trial, is charged with having committed a dangerous or violent offense while on release; be held in detention unless the judicial officer finds upon clear and convincing evidence, (1) that he will appear as required and that his release will not pose a danger to the safety of any other person or the community, or (2) that specified conditions of release are sufficient to assure that he will appear as required and that his release will not pose a danger to the safety of any other person or to the community. A dangerous or violent offense under this subsection is an offense under State or Federal law, involving the sale, delivery, or trafficking of a controlled substance; or the use of a weapon; or threatened or actual physical harm to any other person.

"(i) At the petition of any person being held in detention, and upon finding that the conditional release of such person for a specific purpose or purposes will pose no danger to the safety of any other person or the community, the judicial officer may:

"(1) order the release of such person from time to time for not to exceed 48 hours into the custody of a designated individual who agrees to supervise him, if such release is necessary to assist his attorney in preparation for trial;

"(2) order the release of such person during his working hours into the custody of a designated individual, if such release is necessary to the retention of his employment, and the judicial officer shall order the

person to return to detention after the hours specified;

"(3) release such person for any other compelling purpose into the custody of the United States Marshal upon one or more release conditions.

"(j) A judicial officer ordering the detention of a person shall issue an order setting out the findings upon which detention is based. A judicial officer ordering the release of a person shall issue an order stating the conditions of release, shall advise him of the penalties applicable to a violation of a condition of release, and shall advise that a warrant for his arrest will be issued immediately upon such a violation. A failure to appear as required is not a bar or defense to a prosecution for bail jumping.

"(k) Any person ordered detained or concerning whom conditions of release are imposed, and who after twenty-four hours from the time of release hearing continues to be detained, may, upon application, have the order of detention or conditions of release reviewed by the judicial officer who issued the order or set the conditions. Unless the detention order or the conditions of release are amended, the judicial officer shall set forth in writing the reasons for continuing the detention or conditions imposed. If the judicial officer who ordered the detention or imposed conditions of release is not available, any other judicial officer in the district may review such order.

"(l) A judicial officer ordering the detention, or the release, of a person on a condition specified, may at any time, subject to the provisions of this section, amend his order to allow conditional release, or to impose additional or different conditions of release. If the imposition of such additional or different conditions results in the detention of the person as a result of his inability to meet such conditions, the provisions of subsection (k) are applicable.

"(m) A judicial officer may detain, for a period of ten days or less, a person charged with an offense who comes before him for a pretrial release determination if it appears that the person—

"(1) is, and at the time the offense was committed was, on pretrial or other release for a felony under state or federal law; or

"(2) is on probation, parole, or other release pending completion of sentence for any offense under federal, state or local law; and

"(3) that the person may flee or pose a danger to any other person or to the community if released.

During the ten-day period, the United States attorney shall notify the appropriate court, probation, or parole officer. If the official fails or declines to take the person into custody during such period, the person shall be treated in accordance with the provisions of subsections (a) through (l).

"(n) A court may dispose of an offense that is a misdemeanor by entering an order directing forfeiture of collateral posted to assure appearance if a fine in such an amount would be an appropriate sentence after conviction of the offense charged.

"(o) A person who has been released, and who has violated a condition of release, is subject to a revocation of release, an order of detention, and a prosecution for contempt of court. An attorney for the government may initiate a proceeding in accordance with this subsection. The judicial officer shall enter an order of revocation and detention if, after a hearing the judicial officer.

"(1) finds that there is clear and convincing evidence that such persons has violated a condition of his release; and

"(2) finds that—

"(A) based on the factors set forth in subsection (e) of section 3146, there is no condition or combination of conditions of release that will assure that such person will not flee or pose a danger to the safety of any other person or the community; or

"(B) no condition or combination of conditions will assure that the person will abide with reasonable conditions.

If the judicial officer finds that there are conditions of release that will assure that the person will not flee or pose a danger to the safety of any other person or the community, and that the person will abide by such appropriate conditions, he shall enter an appropriate order specifying the release conditions. In addition, the judicial officer may impose contempt sanctions if the person has violated a condition of his release.

"(p) Any information may be presented and considered in connection with an order entered pursuant to this section regardless of its admissability under the rules governing admission of evidence in criminal trials.

SEC. 2. Section 3147 of Title 18, United States Code, is amended to read as follows:

"3147. APPEAL FROM DENIAL OF RELEASE

"(a) REVIEW.—A person—

"(1) who is detained, or whose release on a condition requiring him to return to custody after specified hours is continued; and

"(2) whose application pursuant to subsections (k) and (l) of section 3146 has been reviewed by a judicial officer other than—

"(A) a judge of the court having original jurisdiction over the offense with which he is charged;

"(B) a judge in the United States Court of Appeals;

"(C) a justice of the Supreme Court of the United States; may file a motion for an amendment of the order with the court having original jurisdiction over the offense with which he is charged. Such a motion shall be determined promptly.

"(b) APPEAL.—In a case in which a person is detained after—

"(1) a court denies a motion under subsection (a) to amend an order; or

"(2) a detention order has been entered, or conditions of release have been imposed or amended, by a judge of the court having original jurisdiction over the offense charged;

an appeal may be taken to the court having appellate jurisdiction over such court. An order so appealed shall be affirmed if it is supported by the proceedings below. If the order is not so supported, the court may remand the case for a further hearing, or may, with or without additional evidence, order the person released pursuant to section 3146. Such an appeal shall be determined promotly.

SEC. 3. Section 3147 of title 18 United States Code, is amended to read as follows:

"3148. RELEASE PENDING SENTENCE OR APPEAL

"(a) The judicial officer shall order that a person who has been found guilty of an offense and who is awaiting imposition or execution of sentence, other than a person for whom a term of imprisonment would not be an appropriate sentence, be held in official detention unless the judicial officer finds by clear and convincing evidence, after taking into account the nature and circumstances of the offense for which the person was convicted and the factors specified in subsection (e)(3) of section 3146, that the person is not likely to flee or pose a danger to the safety of any other person or the community. If the judicial officer finds that the person is not likely to flee or to pose a danger to the safety of any person or to the community, the person shall be treated in accordance with the applicable provisions of section 3146.

"(b) The judicial officer shall order that a person who has been found guilty of an offense and sentenced to a term of imprisonment, and who has filed an apoeal or a petition for writ of certiorari, be held in detention, unless the judicial officer finds—

"(1) by clear and convincing evidence, after taking into account the nature and circumstances of the offense for which the person was convicted and the factors specified in subsection (e) of section 3146, that the person is not likely to flee or pose a danger to the safety of any other person or the community; and

"(2) that the appeal is not frivolous or taken for purpose of delay.

If the judicial officer finds that the person is not likely to flee or pose a danger to the safety of any other person or the community, and that the appeal is not frivolous or taken for purposes of delay, the person shall be treated in accordance with the applicable provisions of section 3146.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

The majority leader is recognized.

REVISED EDITION OF "SENATE PROCEDURE" BY DR. FLOYD M. RIDDICK

Mr. BAKER. Mr. President, nearly 4 years ago, the Senate authorized Dr. Floyd M. Riddick, our Parliamentarian Emeritus, to prepare a revised edition of "Senate Procedure." In so doing, the Senate reposed substantial confidence in Dr. Riddick's intellectual integrity and editorial ability. "Senate Procedure" is a fundamental tool of research. It compiles in one location, and makes sensible, a great body of parliamentary law. It provides a basis for the common understanding and fair implementation of Senate procedures and practices.

Dr. Riddick has been faithful to his trust. He has presented the Senate with a work product that reflects sustained and diligent efforts of the highest caliber.

I thank and applaud him, and express for all Senators the enormous esteem in which he is held by every Member of this body.

Mr. President, I should like to express my special respects to the distinguished minority leader, who was the majority leader during the time when Dr. Riddick prepared this work and who has provided to the Senate and, I am sure, to Dr. Riddick, such an extraordinary grasp of the Senate rules and precents as well as such a commonsense perspective of that complex subject that it, too—that is to say, the contribution of the distinguished minority leader to the operation of the Senate—will also serve us in good stead in the months and years ahead.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I am pleased to yield.

Mr. ROBERT C. BYRD. Mr. President, I join the majority leader in the comments he has made about the Parliamentarian Emeritus of the Senate, Dr. Floyd Riddick.

Dr. Riddick has provided for the Senate now his latest book on Senate procedure. This is the fourth edition of "Senate Procedure."

The Senate operates on the basis of its rules and precedents and practices that have developed over the years since

1789. It was in 1958 that the first book on Senate procedure was published. It was published under the name of the then Parliamentarian, Charles Watkins, and the Assistant Parliamentarian at that time, Dr. Floyd M. Riddick.

Since that time, there have been succeeding editions—one in 1964, a third in 1974, the year of Dr. Riddick's retirement, and the fourth, which I hold in my hand, the 1981 edition, a copy of which has been placed on the desk of each Senator.

The procedures and precedents that have grown up over the years in the Senate, going back almost to 1789 in the case of some precedents, but in particular the precedents that have developed since the revision of the rules in 1884, are set forth in the book on Senate procedure.

The Senate is greatly indebted to Dr. Riddick for the dedication he has applied in developing these four books on Senate procedure, especially in the case of the 1981 edition. Dr. Riddick has worked without pay to develop the precedents in this particular edition, and his dedication constitutes an eminent service to the Senate, to the Nation, and to the body of parliamentary law and procedure. I personally congratulate him and thank him for the work he has done.

Mr. HELMS. Mr. President, I trust I may be forgiven if I lay claim, in a very special way, to Dr. Riddick. He is a native of North Carolina, having been born in the northeastern part of my State in the community of Trotville.

In assessing Dr. Riddick's distinguished career, it is fair to observe that this native of Trotville has never been satisfied merely to trot. He has been in full sprint all of his life.

Dr. Riddick was Parliamentarian of the Senate when I arrived here in January 1973. I shall always remember that he was never too busy to find time to sit down with a freshman Senator and explain the Senate's rules and procedures. He was, in fact, a teacher—a patient and painstaking teacher. He is also a friend to all of us.

The revised volume of "Senate Procedure" which all Senators receive today is but another example of his professional excellence. But it is more than that. It is a measurement of his love for the Senate and its traditions.

I join my colleagues in expressing appreciation to this splendid man for his dedication. And I want him to know, from one North Carolinian to another, that I am very proud of him.

COMMENDATION OF FLOYD M. RIDDICK UPON COMPLETION OF REVISED EDITION OF SENATE PROCEDURE

Mr. BAKER. Mr. President, I send to the desk a resolution, on behalf of the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) and myself, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 71

A resolution (S. Res. 71) to commend Floyd M. Riddick, Parliamentarian Emeritus of the United States Senate, on the occasion of the completion of the revised edition of Senate Procedure

Whereas Floyd M. Riddick, Parliamentarian Emeritus of the United States Senate, has completed the revised edition of Senate Procedure pursuant to the provisions of Public Law 95–27; and

Whereas Doctor Riddick has performed a unique service to the United States Senate, by applying his many years of experience and exceptional ability to the preparation of the revised edition: Now, therefore, be it

Resolved, that the Senate of the United States commends Floyd M. Riddick, Parliamentarian Emeritus of the United States Senate, on the completion of the revised edition of Senate Procedure.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to Floyd M. Riddick.

Mr. BAKER. Mr. President, does the resolution show the distinguished minority leader and myself as cosponsors of the resolution?

The PRESIDING OFFICER. It does.

Mr. BAKER. I ask unanimous consent that the name of the disinguished chairman of the Committee on Rules and Administration, the Senator from Maryland (Mr. MATHIAS), be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I also ask unanimous consent that the names of the Senator from Kentucky (Mr. FORD), and the Senator from North Carolina (Mr. HELMS) be added as cosponsors of the resolution.

Without objection, the resolution is agreed to and the preamble is agreed to.

COMMITTEE MEETINGS

Mr. BAKER. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet on the following days during the sessions of the Senate——

Mr. PERCY. Mr. President, what is the purpose of those meetings?

Mr. BAKER. Mr. President, the Senator from Illinois is right. The request I have here does not show the purpose, and it does not appear to limit itself otherwise.

I withdraw that request, and I will make the request a little later.

Mr. PERCY. I have no objection to it. I just wanted to know the purpose.

Mr. BAKER. The Senator is correct. I just noted that the request handed to me does not state the purpose for which the permission for the meetings was sought.

MURRAY AGAINST MORTON

Mr. BAKER. Mr. President, the U.S. District Court for the District of Columbia, in the case of Murray against Morton, recently dismissed an action by two Federal taxpayers and an organization, the Society of Separationists, alleging that payment of salaries to congressional chaplains violates the establishment clause of the first amendment. The Senate and its Chaplain were named as defendants, along with House defendants and the Treasurer of the United States. The Office of Senate Legal Counsel was authorized by the joint leadership group to assist the U.S. attorney in defending the constitutionality of the Senate's historical employment of a chaplain.

The district court dismissed the action on two grounds: first, that individual taxpayers lack standing; and, second, that the political question doctrine requires dismissal. With respect to the political question doctrine, the court noted that each House of Congress is empowered by the Constitution to choose its own officers.

For the information of the Senate, I ask unanimous consent that the opinion and order of the district court be printed in the RECORD.

There being no objection, the opinion and order was ordered to be printed in the RECORD, as follows:

[In the U.S. District Court for the District of Columbia]

MEMORANDUM

I

Plaintiffs are two federal taxpayers and an organization, the Society of Separationists, most of whose members are taxpayers. None of the plaintiffs believes in any Supreme Being nor practices any religion. They sue the United States Congress, the United States Senate, the United States House of Representatives, together with several officers of each House including individual Senators, individual Congressmen, and the Chaplain of each House. Plaintiffs have also named as defendants the United States, the Treasurer of the United States and the Secretary of the Treasury. Plaintiffs claim that payment of salaries and certain expenses for the Chaplains of the Senate and the House of Representatives and the Acts of Congress authorizing and appropriating money for those expenditures violate the Establishment Clause of the First Amendment of the Constitution. They seek declaratory and injunctive relief. The complaint does not challenge the 200 year old practice of Congress appointing a Chaplain as an officer of each House. Nor does the complaint put at issue the traditional practice of a prayer by a Chaplain at the opening of each session of the Senate and of the House. The challenge is only to the payment of appropriated funds for these services.

The matter is before the Court on defendants' motions to dismiss and plaintiffs' motion for summary judgment. The Court will grant defendants' motions to dismiss because a taxpayer's action to bar the expenditure of funds for the services of Chaplains in the House and Senate is precluded by our Court of Appeals' decision in *Elliott* v. *White*, 23 F. 2d 997 (D.C. Cir. 1928) (Charles H Robb, J.) (cited with appreciation of the difficulty of the question "who may be heard to challenge such practices" as "invocational prayers in legislative chambers," in *Abington School District* v. *Schempp*, 374 U.S. 203, 299, 300 (1963) (Brennan, J., concurring)).

The issues posed by these plaintiffs and their complaint are not new to this Court, and their disposition is controlled by the results of those earlier proceedings. One of the same plaintiffs (who appears to be in privity with all the other plaintiffs) sued to enjoin the then President, the Chaplains of the Senate and the House, the Sergeants-at-Arms of each House and the Treasurer of the United States from, among other things, paying the salaries of the Chaplains. Another judge of this Court precluded and quashed

service of process on the President named as a defendant and dismissed the action. *O'Hair* v. *Nixon, et al.*, Civil Action No. 410–73 (Dismissed March 21, 1973).

In *Elliott* v. *White*, our Court of Appeals had before it a similar suit brought by a taxpayer to prohibit the Treasurer of the United States from disbursing funds of the United States for salaries of the Chaplains of the Senate and House of Representatives, as well as of the Army and the Navy of the United States. On the authority of the then recent decision in *Frothingham* v. *Mellon*, 262 U.S. 447 (1923), the Court of Appeals dismissed the complaint.

There has been great change in the Supreme Court's interpretation of standing and the related concepts of justiciability since *Frothingham*. The familiar landmarks in that change include the Supreme Court's decisions in *Flast* v. *Cohen*, 392 U.S. 83 (1968); *Baker* v. *Carr*, 369 U.S. 186 (1962) and *Powell* v. *McCormack*, 395 U.S. 486 (1969). In *Flast* the Supreme Court recognized a taxpayer's standing to sue to prevent an expenditure of appropriated funds for the benefit of the public in contravention of the Establishment Clause of the First Amendment. Decisions since *Flast* have left undisturbed the standing of a taxpayer to challenge expenditures for general public purposes in violation of the Establishment Clause. *Flast* and its progeny did not, however, resolve the interrelated questions of standing and justiciability with respect to a taxpayer's suit challenging the constitutionality of Congress' decisions and expenditures concerning its internal affairs.

A review of the leading cases brought to challenge the constitutionality of Congress' actions in managing its own affairs or dealing directly with citizens discloses that each plaintiff in those cases was either a member, an employee, or a person very directly affected by the Congressional activity. *See e.g., Powell* v. *McCormack*, 395 U.S. 486 (1969); *Dombrowski* v. *Eastland*, 387 U.S. 82 (1967); *Barry* v. *United States ex rel. Cunningham*, 279 U.S. 597 (1929); *Kilbourn* v. *Thompson*, 103 U.S. 168 (1881); *Consumers' Union of United States, Inc.* v. *Periodical Correspondence Assn.*, 515 F.2d 1341 (D.C. Cir. 1975), *cert. denied*, 423 U.S. 1051 (1976). Neither the *Flast* line of cases relating to the standing of taxpayers to challenge official violations of the Constitution nor the decisions honoring complaints by individual Senators or Congressmen with respect to Congress' internal affairs authorize a court in this circuit to accord standing to a taxpayer challenging Congress' conduct of its internal affairs while *Elliot* remains intact.

The continuing vitality of *Elliott* in light of *Flast* is confirmed by the Supreme Court's requirement that courts honor a "textually demonstrable constitutional commitment . . . to a coordinate political department." *Powell* v. *McCormack*, 395 U.S. at 518 *quoting Baker* v. *Carr*, 369 U.S. at 217. The text of the Constitution commits to Congress power to select its own officers, establish rules for its proceedings, and be free from judicial review of matters said and done by its officers in the course of those proceedings. Here, as defendants emphasize, Article I, Section 2, with respect to the House of Representatives, and Section 3, with respect to the Senate, provides that each "shall choose their other Officers." Section 5 provides that

Each House may determine the Rules of its Proceedings.

And, of course, Section 6 provides that

[F]or any Speech or Debate in either House, they shall not be questioned in any other Place.[1]

This appreciation of *Elliott* is further reinforced by the Supreme Court's admonition to courts not to entertain a case where it would be impossible to undertake "independent resolution" of the question "without expressing lack of respect due coordinate branches of government." *Baker* v. *Carr*, 369 U.S. at 217. *See Powell* v. *McCormack*, 395 U.S. at 548–549.

It might be that a court, presented with a taxpayer's complaint in a jurisdiction where the standing issue had not been previously considered by its Court of Appeals and by a colleague who had dismissed a similar complaint by one of the plaintiffs, could find the plaintiff entitled to sue and the case to be justiciable because a decision on the merits "would require no more than an interpretation of the Constitution." *Powell* v. *McCormack*, 395 U.S. at 548. It might also be that if a Senator or Representative filed suit, a court could distinguish *Elliott* v. *White* and recognize standing to challenge the appropriation of funds for Chaplains, as well as the rules authorizing them to render religion-related services. Or, as Justice Brennan once observed, no one may have standing to challenge "invocational prayers in legislative chambers." *Abington School District* v. *Schempp*, 374 U.S. at 299 (Brennan, J. concurring). It is noteworthy, however, that the Federal District Court for the District of Nebraska has recently accorded standing to a member of the Nebraska legislature. After trial on the merits, the Nebraska Federal Court ruled that, while the First Amendment is not breached by the appointment of a chaplain to say prayers at the beginning of each legislative session, payment of a salary to the legislature's chaplain violates the Establishment Clause. *Chambers* v. *March*, No. CV 79–L–294 (D. Neb., Dec 24, 1980).

But in the circumstances here, the conclusion seems inescapable that it would be "impossible" for this Court, consistently with the respect which courts owe to coordinate branches of government and to each other, to undertake an "independent resolution" of the question of Congress' power to compensate its Chaplains, on this complaint of these particular taxpayers. *See Baker* v. *Carr*, 369 U.S. at 217; *Powell* v. *McCormack*, 395 U.S. at 518, 548–549. Our Court of Appeals' decision in *Elliott*, unlike *Frothingham* on which it relied, dealt directly with the question now before this Court: the expenditure of public funds to compensate Chaplains. Implicit in that decision, and explicit here, is the assumption that no question was drawn as to the Chaplain, except compensation of them. A reading of *Elliott* in the context in which it was written and in the context of the authoritative decisions that have been rendered in the intervening years persuade the Court that none of these decisions undermines *Elliott's* continuing vitality, as respects a suit by a taxpayer to challenge an expenditure by or on behalf of Congress to pay one of its duly selected officers for performance of his assigned duties to Congress.

The taxpayer plaintiffs allege no interest, other than their views with respect to religion, to distinguish themselves or their personal stake in the outcome from that of any one of the population who pay taxes. They have no duty, indeed no occasion, to be present when the Chaplains perform their services in the House and Senate. They do not allege that they have been offended by, or even seen, the material allegedly circulated by the Chaplain of the Senate. This is not an action brought by a Senator, Congressman, or employee of the Senate or the House. *See e.g., Powell* v. *McCormack, supra; Kennedy* v. *Sampson*, 511 F.2d 430 (D.C. Cir. 1974). Nor is it a complaint by one allegedly suffering from discrimination because of persistent employment of chaplains of one denomination rather than another. Accordingly, unless and until the Court of Appeals or the Supreme Court decides otherwise, this Court considers itself bound by *Elliott* to dismiss this complaint.

[In the United States District Court for the District of Columbia]

ORDER

Jon Garth Murray, *et al.*, Plaintiffs, v. *Axis* Taylor Morton, *et al.*, Defendants, Civil Action No. 80–1475.

Upon consideration of the plaintiffs' motion for summary judgment, defendants' motions to dismiss, the excellent oral argument by counsel for both parties in open court and the entire record in this case, and for reasons more fully stated in an accompanying Memorandum, it is this 9th day of January, 1981, hereby

Ordered: That plaintiffs' motion for summary judgment is denied; and it is

Further ordered: That defendants' motions to dismiss are granted.

POSITION ON IRANIAN AGREEMENT

Mr. PERCY. Mr. President, together with the distinguished majority and minority leaders, the Senator from Illinois attended, as the chairman of the Foreign Relations Committee, a briefing this morning by Secretary Haig on El Salvador and on the Reagan administration position on the Iranian agreement.

It was the intention of the administration originally to withhold until full briefings had been given to the appropriate committees of the House of Representatives and the Senate the administration's position on the Iranian agreement, and it was their intention to make this announcement on Wednesday.

After hearing their position and taking into account that former Secretary Muskie and former Secretary Warren Christopher are testifying at this very moment before the Foreign Relations Committee, it seemed advisable to advise them immediately of the Reagan administration decision and to make an announcement as to what that decision was.

Therefore, with the permission of the State Department, I have so advised my colleagues on the Foreign Relations Committee that the Reagan administration intends to fully implement the agreement reached with the Carter administration and the Government of Iran and the Government of Algeria. They do so, taking into account the authority of the President and they have concluded that the President possessed adequate authority to carry out those agreements, and this President has adequate authority to implement those agreements.

They do take into account that there may be matters adjudicated in our courts, and in possibly the World Court of Jus-

[1] The complaint also makes an issue of the use of appropriated funds to publish each day's prayer in the Congressional Record for that date. The plaintiffs have not pressed this issue in their papers. In any event, Article I, Section 5 of the Constitution requires that:

Each House shall keep a Journal of its Proceedings and from time to time publish the same . . .

This clause is such an absolute constitutional commitment of Congress' right to publish its proceedings, whatever they may be, as to foreclose justiciability of the publication claim even if plaintiff had pressed it.

tice. Obviously, they will support the judicial decisions that are rendered if those are tantamount to and superior to the decisions of the executive branch of Government.

But with the understanding that there is no ransom, not 1 cent of ransom implied, that there is no involvement of the United States in the war of Iran and Iraq, and taking into account the total national interest, I applaud the Reagan administration, President Reagan, and Secretary Haig for the decision that they have made to fully implement these agreements with the provisos, taking into account there may be judicial action which would be honored and respected so that any citizen, corporation, or bank that has a claim may file those claims, but the Reagan administration and the executive branch will stand together and I trust will be fully supported by the judicial branch in honoring agreements that have been made to return our hostages with honor to this country.

LITHUANIAN INDEPENDENCE DAY

Mr. PERCY. Mr. President, this week we in the U.S. Senate commemorate the 63d anniversary of Lithuanian independence. We honor the establishment in 1918 of a Lithuanian republic, and the constitution it adopted in 1922 guaranteeing freedom of speech, assembly, and religion. We remember with extreme sorrow the Soviet seizure of Lithuania in 1940 and Moscow's imposition of repressive foreign rule that persists to this day.

Above all, we honor the spirit of the Lithuanian people in struggling these 63 years to preserve their religious, cultural, and ethnic heritage under foreign domination. And we salute the American citizens of Lithuanian origin who have made such an outstanding contribution to the life of this great country, while cherishing their Lithuanian heritage and tirelessly working to keep the plight of Lithuania on the world's agenda.

By a visit to the Baltic states some years ago as I entered the Senate of the United States, I tried to symbolize and express there the deep gratitude all of us have in the United States, the U.S. Senate, and the Congress of the United States for the fact that Americans of Lithuanian descent have never taken their own freedom for granted. They cherished their own freedom. But they shall never rest until that same degree of freedom or a much greater degree of freedom shall be felt by the people of their nation of origin.

There are few encouraging signs to point to in Lithuania's long struggle to regain its freedom. But I do take pride in the stand our country's delegation has taken at the Madrid review conference on implementation of the Helsinki Final Act. The U.S. delegate, delivering the U.S. speech on principle VIII of the Final Act, stated unequivocally that "the U.S. does not recognize the illegal incorporation by force of arms of the States of Latvia, Lithuania, and Estonia by the Soviet Union," and cited the persecution of 45 Baltic citizens who signed an August 1979 petition asking the Soviet Government to nullify the Molotov-Ribbentrop pact by which the Baltic states were annexed. This statement is welcome evidence that the illegality of the Soviet seizure of Lithuania and her sister Baltic states remains a serious concern of our Government.

I am proud that America speaks up for the fundamental human freedoms and national integrity of the Baltic peoples.

The Soviet Union, on the other hand, continues to ignore the legitimate protests of the Baltic peoples. Indeed, the efforts of the Polish people to negotiate economic, social, and political issues peacefully with their own government has so unnerved the Kremlin that reports reach us in the West of further restrictions on such very limited freedom of expression as has heretofore existed in Lithuania.

A government afraid of self expression is to be pitied, as well as deplored. The stronger force, in the end, is the inspiring legacy of the Lithuanian people, in their perservering insistence on their heritage and life style, and their right to be free in their own nation. I pay tribute today to their continuing vigil of hope, and add my own fervent prayer that the legitimate aspirations of the peoples of the Baltic States will one day be realized.

To the brave people of Lithuania, Latvia, and Estonia, and to all my friends in the vibrant Baltic communities of the United States, I say once again that I will never forget them, that we in the U.S. Senate and the U S. Congress shall never forget them and the American people shall never take for granted the liberty that we have won and the liberty that must be won for all the people of the world.

Mr. President, I am happy to yield to my distinguished colleague from Vermont.

Mr. STAFFORD. Mr. President, I thank the distinguished Senator for yielding.

IMPLEMENTATION OF RECOMMENDATIONS OF THE STEEL TRIPARTITE COMMITTEE—S. 63

Mr. STAFFORD. Mr. President, pending before the Senate Committee on Environment and Public Works is S. 63, a bill which would implement the recommendations of the Steel Tripartite Committee established by the Carter administration. This bill proposes amending the Clean Air Act to authorize extension of compliance deadlines for the steel industry. Perhaps more importantly, the sponsors of S. 63 and its other proponents are seeking its adoption in advance of other amendments to the Clean Air Act.

The steel tripartite proposal is said to embody an agreement between four parties: The steel industry, the Carter administration, the United Steelworkers of America, and certain environmental groups. Members of the Senate have been told that as part of the agreement the steel industry has agreed that it would seek no further steel-specific amendments to the Clean Air Act. On December 4, 1980, the president of the United Steelworkers of America, Lloyd McBride, testified as follows:

> With regard to the environmental component of the Tripartite Agreement, it is the Union's position that no further steel-specific legislation considerations are necessary.

At that same hearing, Ms. Fran Dubrowski of the Natural Resources Defense Council testified as follows:

> (Industry representatives) acknowledged that the tripartite proposal would, if enacted into law, remove their desire for further steel-specific amendments to the health-protection requirements and deadlines in the law.

In response to a question submitted at the hearing, Ms. Dubrowski amplified on this industry commitment.

> Question: Do you feel the commitment expressed by the steel industry not to seek further amendments in the Clean Air Act for changes in health-protective requirements and deadlines is sufficiently binding?
>
> Answer: (A)t the request of the environmental community, the Chief Executive Officers of United States Steel Corporation, Bethlehem Steel Corporation, National Steel Corporation, Republic Steel Corporation, and the American Iron and Steel Institute clarified the recommendations of the Tripartite group by emphasizing that a "stretch out" of compliance deadlines was all the relief the industry would either need or seek from the health protective requirements of the Clean Air Act. They confirmed their commitment to meet primary national ambient air quality standards and all other clean air requirements such as LAER related to those standards.
>
> The commitment . . . was made at the industry's highest level. We therefore expect the commitment to be honored. As expressed earlier, the commitment is esential to our support of the tripartite recommendations. It should also be a precondition for Congressional approval of relief to the industry."

Of course, the term "steel specific" is ambiguous and, therefore, susceptible to varying interpretation. Confusion would be minimized if there were some clarification of exactly what the term means.

During briefings of staff of the committee and of members of the Steel Caucus, similar descriptions of the industry position were provided by representatives of the Environmental Protection Agency, the Steelworkers, and the Natural Resources Defense Council. The group most able to express the industry position—the industry representatives themselves—remained silent.

One other assurance has also been made by the tripartite members since the inception of this proposal: An amendment would be restricted to relieving only the steel industry and none other. Unfortunately, this assurance has not been forthcoming from the groups or interests we might reasonably expect to use a steel amendment as a vehicle. There are other groups with complaints about the Clean Air Act. These interests range from the smelting industry to environmental groups.

Of course, these interests do not vote in either the Senate or the other body. Members, not interests, would offer amendments. However, there has been no assurance forthcoming from Members either. We are left with a situation in which an assurance of restraint is being provided only by those whose complaints would be answered, not by those whose demands are unfulfilled.

Speaking as 1 Member of the 16 who serve on the Committee on Environment and Public Works, I would be willing to examine S. 63 if certain conditions were met. Specifically, I would seek the following:

First, it must be certain that legislative relief—as opposed to non-legislative action such as the modification of consent decrees—is required.

Second, it must be clear that legislative relief is required in advance of the comprehensive review of the Clean Air Act.

Third, there must be a formal assurance from representatives of the steel industry that no further steel-specific amendments to the Clean Air Act will be sought during the coming reauthorization.

Fourth, there must be agreement among all parties that if others seek to extend relief beyond that provided for the steel industry, the amendment would be withdrawn.

In view of the confusion which has surrounded these questions during the past several months, it would be desirable for the chief executive officers to appear before a hearing of the Committee on Environment and Public Works together with other members of the tripartite group.

None of this is to say that S. 63 is good public policy. It may not be. But this arrangement could permit that decision to be made. The bill could be reviewed on its merits and, if a majority agreed, sent forward for further consideration. And, the prerequisite for consideration of advanced and special treatment for the steel industry would be a set of assurances designed to preclude piecemeal dismantling of the Clean Air Act.

Mr. President, I thank the Chair and I yield the floor.

ORDER OF BUSINESS

Mr. CANNON. Mr. President, what is the preliminary situation?

The PRESIDING OFFICER. The Senate is conducting morning business with a 5-minute limitation on statements.

AT RISK—OUR NATION'S AVIATION LEADERSHIP

Mr. CANNON. Mr. President, anyone here who knows of my lifetime involvement in military, commercial, and private aviation might well be forgiven for assuming that my address today consists primarily of parochial support for aviation. That understandable assumption would be wrong. My purpose and my theme is to focus on the number one problem facing our country today—our national economy and aviation's role as a model for reestablishing our economic leadership in the world.

It is within the power and, I believe, the duty of this Congress to choose whether it will recognize and support that role or permit this industry to slide down the path most recently taken by the auto industry and previously by steel, television, and railroads, to cite a few. Do we prefer to sustain the ability of an industry, through technological leadership, to export enough products to support half a million employees, or by default in our judgment or priorities to become future participants in another Government salvage operation accompanied by the anguished clamor of hundreds of thousands of newly laid off employees.

Let me now put this choice into useful perspective by stating a few facts which establish the dimensions of our aviation industry and its relation to our national economic well-being.

During 1980 the aviation industry's net contribution to the Nation's foreign trade balance was $13.3 billion, which exceeds the net contribution from any other industry sector, including agriculture.

Based on a Business Week estimate of 40,000 full-time employees for each $1 billion worth of exports, the contribution to foreign trade from the aviation industry equates to 530,000 full-time jobs.

The size of our aviation manufacturing industry in 1980 expressed in total revenue dollars was $61.4 billion.

The size of our scheduled commercial air transport industry in 1980 expressed in revenue dollars was approximately $31 billion.

The total level of employment in the entire U.S. aviation industry is 1.3 million. This includes 960,000 in aviation products and 340,000 in commercial airline employment during 1980.

Those employees represent a wide spectrum of the skills of our society in every State of the Union. They include mechanics, analysts, flight planners, computer specialists, sales and passenger service agents, baggage and cargo handlers, flight attendants, engineers, scientists, advertising and marketing personnel, economists, and on up the line to airline pilots and captains.

Mr. President, with so much that is positive in that brief summary of our aviation industry, you and others might ask why I rise now with strong concern for its future. Let me tell you what I see about our aviation industry that is not visible in the summary previously cited.

First. For the first time in our history I saw recently a major U.S. airline purchase a fleet of foreign advanced technology transports to serve major U.S. routes and markets.

Second. During the past 2 years I saw our newest and most advanced transport airplane outsold by a ratio of 3 to 1 by the European Airbus in worldwide competition among foreign air carriers.

Third. Since airline deregulation, the fastest growing sector of our airplane industry has been the commuter aircarrier services, but I see that almost all new aircraft being introduced into that service are either manufactured or designed abroad.

Fourth. Enrollment in advanced aeronautics and engineering courses in our country has been declining for over a decade, and I hear that in many of our universities that enrollment is composed preponderantly of foreign students.

Fifth. I see the most advanced airplane in regular passenger service linking the United States and Europe designed, constructed, and flown under foreign flags.

Sixth. I hear of Aerospatiale, builder of the Concorde and backed by the French Government, sustaining an 80-man team of engineers and scientists exploring design concepts for an advanced supersonic transport which will be a generation beyond the Concorde.

Seventh. I hear of the Japanese Ministry of International Trade and Industry (MITI) supporting an advanced scientific research computer to the level of $100 million as part of a national commitment to propel the Japanese industry into the world aviation market.

Eighth. I see major U.S. airframe and engine manufacturers steadily increasing their subcontracting of components and assemblies to foreign manufacturers, primarily to assist in their overseas sales efforts.

Ninth. I hear of international programs evolving in France, England, and Japan to develop advanced turboprop technology seeking to lead them first into that reemerging technology which may dominate the vast medium-size, medium-range transport market of the future.

Tenth. In contrast. I see curtailment and stretch out of advanced aeronautics programs forced upon NASA, curtailment of Eximbank funding needed to permit competitive foreign sales of U.S. transport aircraft, indifference to abuses of international trade agreements adversely affecting our industry, and a growing "let them go it alone" syndrome emerging toward our aviation industry.

Mr. President, let me paraphrase and quote, because I am not happy enough to sing, a line from a popular vintage song, "the message, my friends, is blowing in the wind; the message is blowing in the wind."

Moving from rhetoric to fact, just what is that message and how is it being conveyed to us? Mr. President, 5 years ago no executive, analyst, or self-proclaimed expert in the automotive field, would have predicted that the Japanese industry in 1980 would overtake the United States in the number of automobiles produced. But they did, and they sold about 2 million of those in the United States with devastating impact on our domestic economy and employment. A couple of decades ago the U.S. steel industry stood forth as a bulwark of our economy and a world leader in the production of virtually all classes of steel. Several decades ago we developed transistors and solid state technology which underlie the $15 billion consumer electronic market for products such as TVs, audio systems, calculators, tape recorders, electronic watches, TV cameras, or CB radios. The percent of those products we now import ranges from 50 to 100 percent.

Mr. President, I do not need to remind you or my colleagues, many of whom are even now grappling with the unresolved problems of the auto industry, that the cost of recovery from such

economic blows dwarfs the cost of prevention. I marvel at the astuteness of that anonymous poet, philosopher, or economist who set that ratio at 16 to 1 when he gave us the proverb, "an ounce of prevention is worth a pound of cure." And that, of course, does not account for the human costs of lost jobs, family dislocations, broken homes, abandonment of hope, that are the legacy of such economic disasters.

Mr. President, there are those who will state that each of those examples relates to a set of circumstances very different from those which exist in the aviation industry. They may argue that there is no common thread which links those unhappy examples with our technologically and financially strong aviation industry. They are wrong—dead wrong. A common thread is there. It is in the form of complacency, particularly in the Government, which leads to failure to see and read the early warning signs, which in themselves may indeed be different for each industry. But it is that failure to see, to heed, and to react in a timely manner which provides the common thread.

Mr. President, I am consulting with a representative cross section of the top technical and executive management of our Nation's aeronautics industry. While their views disclose refreshing differences in individual assessments of promising new aeronautics technologies, they disclose a commonsense of urgency, from which no single participants so far dissents, in the need for a renewal of this Nation's commitment to support aeronautical advanced technology as the most direct and cost effective means of retaining this Nation's worldwide leadership in aviation. That judgment is confirmed by last summer's Woods Hole Workshop of the Aeronautics and Space Engineering Board conducted under the auspices of the National Academy of Sciences. Let me quote one telling paragraph from the preliminary report of that workshop which has just been released—

> New technological advances in aerodynamics, in structures and materials in electronics, and in propulsion offer the potential for dramatic improvements in the efficiency of aircraft. Such improvements could make obsolete virtually all U.S. aircraft now in production or design. One decade from now, world leadership in aeronautics will be achieved, in all probability, by the nation or nations that seize the initiative and move such technologies from their present research status through the refinement and validation processes essential for successful production and operation of more efficient aircraft.

To those who have been involved in or have followed with care the history of our aviation industry, the following facts will be self-evident: For over half a century U.S. aviation leadership—both military and commercial—has been attributable principally to the sustained research and technology development carried out over those decades in the NACA/NASA research centers, in private industry research centers, and in university research centers with program funding and management support from NASA.

It was the technology base so obtained and so sustained, coupled with our industry's ability to incorporate that technology efficiently into aircraft best suited to market requirements, that supplied the underpinning for our heretofore unchallenged leadership in world aviation. The benefits that have accrued to our Nation in defense systems, in domestic employment, in export trade, in the quality and safety of commercial aviation are visible to all of us. In the latter respect let me point out that, excluding commuter service, 1980 is the first fatality-free year on record for our airline industry within the United States. In fact we have now gone 20 months with that record.

Mr. President, aviation leadership, and all it consists of, is a national resource we must sustain for its contributions to so much that we value in our society. To do otherwise would, in my view, be so shortsighted as to approach dereliction of duty. What, my colleagues might ask, are the programs or policies or options we should pursue and support to reverse the decline now so evident to those who can read the signs?

Let me suggest a few options—some tangible, others less so—more to provide an insight into what is doable, than to offer a comprehensive program for the doing of it at this time. The latter should properly be formulated with coordinated inputs from NASA, from industry, from academia, from the DOD, from the forthcoming report of the Woods Hole Workshop previously mentioned which, indeed, included distinguished participants from all those sectors of the aeronautics community.

During the last session of the Congress, as chairman of the Committee on Commerce, Science, and Transportation, I reported out the "National Materials and Mineral Policy, Research and Development Act of 1980," enacted on October 21, 1980. This act, among its other provisions, authorized a case study approach by the Department of Commerce applicable to a selected industry sector.

I applaud the prompt response of DOC's National Bureau of Standards in identifying the aerospace industry for the case study and recently completing its first joint Government/industry/university workshop to identify needs and approaches. For fiscal year 1980, my committee, concerned about the rapidly emerging dominance of the European aviation industry, particularly France's Aerospatiale, in the design and production of rotorcraft, initiated and authorized an advanced rotorcraft technology development program for NASA. For fiscal year 1981, by Committee authorized restoration of NASA funding for aircraft technology for alternative fuels. These programs must be continued. In fact I have requested that the Committee on Commerce, Science, and Transportation hold extensive hearings on these and the following options to assist in developing a coordinated and aggressive aeronautics program leading us into the 21st century.

1. GRAPHITE COMPOSITE MATERIALS FOR LARGE AIRCRAFT PRIMARY STRUCTURES

Those familiar with airplane design recognize that any new design concept originates with and rests on the wing. At present a program, supported by NASA, is developing and testing applications of this structural material to secondary and lightly loaded components of the primary structure. That program, no matter how promising its results, will not permit any large aircraft manufacturer to risk design of a new large transport such as would be necessary to gain the major energy efficiency advantage of this advanced material technology. A major program directed toward wing construction of composite materials must first be successfully completed. Research is needed to disclose and develop full understanding of the physical and chemical nature of the bonding between the carbon filaments and its matrix, positive knowledge as to how that bonding may change with time, water ingestion exposure to fuel, lightning strikes, physical injury during service, and so forth. NASA's present program, involving about $6 million per year divided among three contractors and NASA centers, would have to be tripled or quadrupled to achieve technology readiness for large aircraft design within this decade.

I take this occasion to salute with pride the courage and innovative spirit of Lear Fan Corp. in my home State of Nevada. This company is risking its entire assets to push the limits of today's technology to design and build for the corporate aircraft market a small aircraft incorporating composite structure throughout.

2. TITANIUM MANUFACTURING TECHNOLOGY

This identifies promising opportunities for advancing the technology base for future high-speed aircraft through research and development in titanium forming and structural fabrication, including techniques in super plastic forming and diffusion bonding. Broadly speaking this can be viewed as the material structural technology for future advanced high-speed aircraft which should parallel the development of graphite composite structures for advanced subsonic transports.

3. ADVANCED TURBOPROP TECHNOLOGY DEVELOPMENT

Research in recent years has established that turboprop design can now be expected to provide about 20-percent improvement over advanced turbofan engines in passenger seat-mile fuel efficiency at cruising speeds typical of medium-range turbofan transports. Although NASA program planning is fully cognizant of this technology and is targeted toward technology readiness by 1988, our industry is concerned that foreign competitive developments threaten to overtake that NASA timetable and may leave the U.S. industry running a poor second in a competitive race toward new energy efficient transports targeted for that major worldwide market application. Intensified and accelerated program support is needed in the area of propeller design, engine and gear box design, vibration and acoustics research and test, plus selection and modification of any existing airframe for full-scale flight demonstration and test. Such an effort would advance by several years our Nation's technology readiness and industry's ability to undertake product development for the world markets.

4. AIRPLANE ACTIVE CONTROL TECHNOLOGY

For decades civil aircraft have accepted a severe drag penalty in empennage design to provide natural stability in pitch—that is, to offset the unstable couple provided by the upward lift force of the wing and the downward force represented by the weight. Modern computer and electronics technology applied to active control of horizontal tail surfaces can substantially reduce the size, weight, and drag contribution of the empennage and permit more efficient wing location and performance. This offers performance potential for military aircraft and energy savings, particularly for large transports. It is technology which foreign competition is pursuing intensely.

5. ADVANCED SUPERSONIC TRANSPORT

A decade ago our Nation terminated its program to develop a supersonic transport, yielding preeminence in that technology to the European aircraft industry and to the Soviet Union. The reasons at that time were twofold. There was insufficient knowledge of suspected environmental effects attributable to changes in the ozone layer of the upper atmosphere. That valid concern has since been substantially resolved by thorough study of the issue. Secondly, the then current state of technology development could not have provided an economically viable aircraft for commercial airline operation. That assessment has in fact been confirmed by Concorde operations of the British and French airlines, whose governments have absorbed much of the cost of their total program. But excellence of our European competition in design and construction of that supersonic transport is nowhere in doubt. Nor can the technical lead of that combination of European airframe and engine companies in their ability to advance to a second generation advanced supersonic transport be in doubt.

Last year the Office of Technology Assessment, U.S. Congress, reported out the results of its assessment of advanced air transport technology. That study indicated a future potenial for a $50 billion world market for advanced supersonic transports. A low profile NASA supersonic cruise research (SCR) program, conducted during the past decade, contributed advances in aerodynamics, structures, propulsion, and noise control. It identified the scope and content of the required program for technology readiness which could be achieved in about a decade at an expenditure level of about five times that of the SCR program of the past decade. The time is rapidly approaching when the Congress must recognize that aviation leadership at the turn of the century will likely go to the nation which first measures up to that challenge.

6. NASA'S TECHNICAL PERSONNEL NEEDS

Over the past two decades, NASA's aeronautical engineering staff has shrunk by about one-third, while scientific disciplines have nearly doubled, adding such fields as fiber optics, composite materials, electronics, and computers to name a few. This condition is exacerbated by the fact that it coincides also with retirement of senior aviation experts from NASA centers who were known and respected worldwide.

This combination of factors is contributing to steady erosion of NASA's worldwide recognition as a center of expertise in advanced aeronautics. It has led also to reduction in efficiency in the utilization of unique laboratory facilities, available only in NASA centers, such as the flight simulation research laboratory at Ames which is backlogged with programs waiting for completion because technical personnel are available to operate those facilities and those programs only on a single shift basis, whereas the facilities could be operated on two or three shifts if properly manned with engineers and technicians. Such improvement in cost effectiveness can only be achieved by greater support to NASA's budget for research and program management, in particular by lifting the head count limit imposed on its research centers.

7. NUMERICAL AERONAUTICAL SIMULATOR (NAS)

NASA is requesting support for development, construction, and installation of a high-capacity, high-speed computer which will multiply the aviation industry's ability to perform result-oriented research. This capability can be viewed as providing the ability to perform the equivalent of high speed experimental research by numerical computation instead of through the much slower method of successive experimentation in costly laboratories at NASA, in private industry and in university research centers. This central computer could be remotely accessed by researchers wherever they were located and would thus multiply the total capability of the Nation. NASA's concern in this matter is heightened by information that the Japanese MITI is committing between $100 and $150 million for such superior computer and research technology to be available by 1988.

8. TRANSPORT AIRCRAFT TECHNOLOGY FOR LOW DENSITY AND COMMUTER SERVICE

Recent studies indicate a market for over 5,000 small transport aircraft over the next two decades for this rapidly expanding market worldwide. At present the only new aircraft available to this rapidly growing sector of our Nation's commercial transport industry are either of foreign design or construction or both. Yet none of them incorporates current state of the art aeronautics technology for these services. Our Nation, through NASA, should support those aspects of technology development peculiarly necessary to this size aircraft and thus encourage U.S. industry to compete for this market. There is little reason for travelers, simply because their city of origin or destination is not a major travel center, to be deprived of direct aviation service that reflects today's standards of technology in speed, safety, reliability and comfort.

9. GOVERNMENT POLICIES AND PRACTICES AFFECTING EXPORT TRADE

Several aspects of our Government's behavior in this field have had adverse effects on our industry's export trade. For example, it can readily be shown that airbus industries pricing of its airbus in competition with U.S. products does not include substantial financing or interest costs and incorporates unrealistic future production and breakeven cost levels in establishing its sales price. The GATT treaty requirement that pricing be based on recovery of all costs is not being enforced—and private industry can hardly provide that policing while it is actively engaged in overseas sales efforts. Our Eximbank funding level was held by OMB to 75 percent of the level requested, and the Eximbank generally limits financing to about half the maximum coverage of 90-percent allowable under applicable trade agreements. Foreign export credit agencies offer that maximum and at interest rates two points, that is about 20-percent lower than Eximbank rate. Disincentives of that nature have contributed to airbus industries' ability in 1979 to outsell Douglas and Lockheed combined. Without any substantial margin in technological superiority, it is impossible for U.S. products to overtake pricing advantages accruing to foreign competition by the combination of positive export trade policies of their governments and negative policies of ours.

Transcending in importance this specific litany of programs crying out for support is my concern that too few leaders in the Federal Government and the Congress have taken the time to consider and understand the implications of continued slackening of the Nation's commitment to aviation leadership. Data I earlier cited shows that this industry's export trade alone provides more jobs than have been lost by the disastrous decline of our auto industry in the past 2 years. If all the program needs I have listed were funded at the maximum level they could effectively absorb, it would constitute a lesser public commitment than was necessary to help restore some hope for recovery of a single company in an industry which lost its position of leadership.

Consider for a moment the compelling contrast in public benefits that accrue from two such different commitments, one for survival of a single company in a distressed industry, the other for advanced technology development for a healthy industry. With an economic survival package benefits are limited to:

No more than a long shot at attainment of the rescue goal of jobs and company involved;

No infusion of advanced technology which could sustain that company

against continuing and perhaps overpowering domestic and international competition; and

No advance in the quality of products or services available to the public over that which would otherwise be provided.

Whereas from advanced technology development many diverse benefits would flow:

Major advances in technology readiness adequate to assure continued worldwide leadership in aviation;

Continued growth in domestic sales and foreign trade;

Continued growth in domestic employment;

Renewal of the nation's resources of advanced aeronautical engineers and scientists in our universities, our private industry, and in NASA research centers;

Advances in the quality and availability of commercial transport services; and 30-50 percent future reduction in energy consumption per passenger mile which will translate into billions of gallons of fuel saved.

I will make it clear that the foregoing comparison is not to be misconstrued as opposition by me to support of the Chrysler Corp. and its beleaguered employees. Indeed, I voted in favor of that although I do not know whether continued support will be in the public interest. My purpose in its comparison is to show that timely research and technology development in support of a healthy industry offers a far more cost-effective deployment of public funds for the public good than any tardy rescue attempt in an ailing or failing industry.

Mr. President, I am aware that our present economic crisis applies compelling pressure for budget reductions which, of course, offer visible near-term economic benefits. But application of broad-scale reductions, blind to the very real and direct economic benefits that flow from sound investment in selected Federal programs, such as those of aeronautics technology, is fiscal foolishness which others might equate to economic suicide.

Our $100 billion aviation industry, operating at a nominal earning of 3 to 5 percent of revenue, would return upward of $3 billion in taxes annually to the Federal Treasury. Budget restrictions adversely affecting the technology base underlying that industry should hardly be contemplated under the same ground rules that apply to some of our questionable social benefit programs.

There may be detractors who will agree with me but argue that our financially and technologically sound aviation industry can and should go it alone in the pursuit of those goals. That view constitutes a reaffirmation of the attitude that accepted the decline of our steel, maritime, automobile, television, and so forth, industries as normal evolutionary phenomena of our free enterprise system. But that is the attitude which has contributed to our vast public burden of welfare and social programs and nurtured our persistently high unemployment rate.

We have enjoyed half a century of progress embodied in a successful partnership of Government, industry, and academia in our Nation's aeronautics and aerospace activities. And that partnership has been characterized by aeronautics research and technology development for several decades under the National Advisory Committee for Aeronautics, followed since 1958 by its continuation through funding support and program management under NASA. That approach, more than any other factor, accounted for our leadership in this field. It has permitted growth of healthy private industry with intensive competition among the giants of the airframe and engine business as well as among the manufacturers of general aviation aircraft and thousands of suppliers. Mr. President, in my home State, we learned long ago not to turn over the dice to another player while you are winning.

If there is one consistent plea among economists and analysts of our ailing industries, it is that we replace confrontation with cooperation between Government, industry, and academia. Clearly, our Government in a responsive, though not intrusive, role can support research and technology development thereby stimulating the private investment necessary to adopt new technology for productivity increases and advanced product designs to compete aggressively and effectively in world markets, as well as to encourage, rather than discourage, a new generation of scientists, engineers, and other professions needed to build the America of the 21st Century. Is it not absurd that we would yearn for ways to create that relationship to shore up our ailing industries and abandon that relationship in aviation where it has stood for decades as a beacon of success?

My message, therefore, Mr. President, can be summarized by saying simply: Let us keep that beacon brightly lit and let us supply the fuel to do it.

I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. BAKER. I thank the Chair.

Mr. President, there are two or three other small items of business to be transacted. While we await the arrival of other Senators on the floor I am prepared to yield the floor.

Mr. BUMPERS. Mr. President, does the Senator from Nevada have any time remaining or does anybody have time they can yield to me for just 1 minute?

Mr. BAKER. Mr. President. I yield the Senator 1 minute.

Mr. BUMPERS. Mr. President, I was just in the cloakroom listening to one of the finest statements on a very sophisticated subject I have ever heard, and that was the one delivered by the Senator from Nevada (Mr. CANNON).

As everybody who has sat in on any economic hearings recently knows, for every 1 percent of unemployment in this country, the Federal Government must pay large amounts in unemployment compensation benefits, welfare, food stamps, and so forth, plus the Government suffers a loss of revenue between $20 billion and $25 billion.

I do not think this manifests itself any more dramatically than it does in the aircraft industry. The Export-Import Bank, I think, is out of money right now for this year; I do not believe they have any more money to loan between now and October 1.

The European airbus is the biggest single threat to the dominant position of the American airline industry of any airplane to come down the pike in a long time, competing especially with the Boeing 757, and not to mention McDonnell Douglas or Lockheed, both of whom make superior airplanes.

But the Senator from Nevada has pointed out that if we do not help the airplane industry compete through the Export-Import Bank, or whatever other method we may choose to export those airplanes, we are going to lose more jobs in that industry by a long shot than we are going to save with these budget cuts.

I have said many times, and I want to say now, that I intend to cooperate with President Reagan in these cuts. A number of suggestions he has made are long overdue. But those cuts need to be analyzed from an economic standpoint before they are finally submitted to this body and before we fight that battle, because there is a classic case, in my opinion, where we are going to dodge the gnat and yet swallow the elephant.

I just want to thank the Senator from Nevada for his timely bringing up of this subject, and in the way he connected with it the loss of our technological superiority once that particular industry begins to decline because we cannot favorably compete with a highly subsidized industry in Western Europe.

I thank the Senator.

Mr. CANNON. I thank my distinguished colleague for his complimentary remarks. I think this is an area of very serious concern, and I hope we will do something about it.

The PRESIDING OFFICER. The Senator from West Virginia.

PARLIAMENTARY EMPHASIS MONTH

Mr. ROBERT C. BYRD. Mr. President, on behalf of myself and Mr. BAKER, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 72) to request the President to designate the month of April 1981 as "Parliamentary Emphasis Month."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, our democratic form of government was designed to encourage and solicit the participation of our citizens in their own government. Today thousands upon thousands of Americans are involved in the decisionmaking process at all levels of government—local, State, and Federal. This mass participation in government also carries over into enthusiastic support of and involvement in numerous private organizations.

However, when numbers of people gather in order to make decisions, mass confusion will result unless some orderly procedure is established to insure that all individual points of view are fairly represented and that at some point a decision can be made based upon the views held by a majority of the participants.

Therefore, some form of parliamentary procedure is usually adopted in meetings at all levels of government and by private organizations. These methods can be as complex as those which operate in both Houses of Congress or they can simply be an agreed-upon format at a local gathering which insures that a fair method will be used to reach a group decision.

The adoption of an equitable order of procedure by a group is not only important in facilitating the actual reaching of a decision, but it also insures the acceptance of the final judgment by individual participants. Only if everyone feels that they have had a fair chance to be heard will it be possible for a decision to be implemented, even if everyone does not completely agree with the final solution.

In recognition of the impact of parliamentary procedure upon our lives as American citizens, I am today introducing a resolution on behalf of myself and the distinguished majority leader, requesting the President of the United States to designate April 1981 as "Parliamentary Emphasis Month." The month of April is an appropriate period for this recognition as it is the birth month of Thomas Jefferson, author of the first comprehensive manual on parliamentary practice in this country. The resolution encourages nationwide observance of the impact of parliamentary procedure on our democratic processes through appropriate programs, ceremonies and activities.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 72) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 72

To request the President to designate the month of April 1981 as "Parliamentary Emphasis Month."

Whereas, the use of parliamentary procedure in the meetings of private and public organizations in this country promotes orderly deliberation and protects both individual rights and majority rule, cardinal principles of governance in the United States; and

Whereas, April is the birth month of Thomas Jefferson, author of the first comprehensive manual on parliamentary practice in this country: Now, therefore, be it

Resolved, That the President is requested to designate the month of April 1981, as "Parliamentary Emphasis Month," to call upon Federal, State and local government agencies, and the people of the United States to observe the month with appropriate programs, ceremonies, and activities, and to urge them to promote democratic processes and efficient organization of meetings through parliamentary practice.

The PRESIDING OFFICER. The Senate majority leader.

Mr. BAKER addressed the Chair.

AUTHORIZATION FOR MEETINGS OF THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be allowed to meet on the following days for hearings on organized crimes control and influence over International Longshoremens' Association and American Shippers' Industry during the session of the Senate, if the Senate be in session, on the days I am about to enumerate:

On today, Tuesday, February 17; Wednesday, February 18; Thursday, February 19; and Friday, February 20.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I might say parenthetically that I hope that committees will reduce to an absolute minimum their requests to meet during sessions of the Senate. While that is not a problem at this time, since the Senate does not have a great deal of Legislative or Executive Calendar business that we can deal with, it will soon not be the case.

I hope those committees that may make those requests in the future will consider doing so sparingly and signify with as much specificity as possible the purpose for which they wish to meet to conduct business beyond the first 2 hours of the Senate to which they are otherwise entitled.

ORDER FOR RECOGNITION OF SENATOR BUMPERS ON THURSDAY, FEBRUARY 19, 1981

Mr. BAKER. Mr. President, I ask unanimous consent, when the Senate meets on Thursday, February 19, following the recognition of the two leaders under the standing order, that the distinguished Senator from Arkansas, Mr. BUMPERS, be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMISSION FOR PHOTOGRAPH OF THE SENATE IN SESSION

Mr. BAKER. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution wil be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 73) suspending paragraph 1 of Rule IV of the Rules for the Regulation of the Senate Wing of the United States Capitol to permit a photograph of the Senate in session.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to as follows:

S. RES. 73

Resolved, That paragraph 1 of rule IV of the Rules for the Regulation of the Senate Wing of the United States Capitol (prohibiting the taking of pictures in the Senate Chamber) be temporarily suspended for the sole purpose of permitting the United States Historical Society to photograph the United States Senate in actual session.

Sec. 2. The Sergeant at Arms of the Senate is authorized and directed to make necessary arrangements therefor, which arrangements shall provide for a minimum of disruption to Senate proceedings.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no further morning business. I have no further business. Unless the minority leader has something else to do, I intend, as soon as morning business is closed, to ask unanimous consent that the Senate stand in recess until 1:30 p.m.

Mr. ROBERT C. BYRD. Mr. President I have nothing in mind.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 1:30 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 1:30 p.m. today.

There being no objection, the Senate, at 11:57 a.m., recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HATFIELD).

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

AUTHORIZATION FOR APPOINTMENT OF COMMITTEE TO ESCORT THE PRESIDENT OF THE UNITED STATES

Mr. BAKER. Mr. President, I ask unanimous consent that the Vice President be authorized to appoint a committee of the Senate to join with a like committee of the House of Representatives to escort the President of the United States into the House Chamber for the joint session to be held on tomorrow evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 30 minutes in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT MEETING OF THE TWO HOUSES TO RECEIVE A MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 69.

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 69, which was read as follows:

H. CON. RES. 69

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, February 18, 1981, at 9 o'clock post meridiem, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 69) was agreed to.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FISCAL RESPONSIBILITY

Mr. PROXMIRE. Mr. President, there is a tendency in this country, and I think it is a very unfortunate and unfair tendency, to consider the Democratic Party as kind of a spending party and the Republican Party as a party of greater fiscal responsibility. I think that that is wrong because if we look at the record in all 6 of the years when President Eisenhower was President and we had a Democratic Congress, in every year that Democratic Congress cut the President's budget.

Now in the 8 years when we had President Nixon and President Ford we had a Democratic Congress in all 8 of those years and in 7 of those 8 years once again the Democratic Party insisted on fiscal responsibility, felt that budgets were too high, and in retrospect I think we can recognize they were, and reduced the budgets.

I think those of us who have served on the Appropriations Committee, as I have for almost 20 years, recognize once again that holding down spending is not a partisan matter, that it is a bipartisan matter, and there are some areas perhaps where the Republicans have been a little more vigorous than the Democrats but there are areas where the Democrats have been more vigorous than the Republicans.

I think the record has been consistent that our party has been a party that has been as responsible as the Republicans. If there is a lack of fiscal responsibility, it certainly should be equally shared.

MORE ATTENTION NECESSARY FOR DEFENSE INDUSTRIAL BASE

Mr. PROXMIRE. Mr. President, while attention has been focused on the need to increase defense spending—a proposition I support if the All-Volunteer Army is to succeed—a critical missing element remains unanswered. Can U.S. defense industry produce the quantities of weapons in a timely fashion and without significant cost overruns that the new spending demands?

There is a mild delusion taking effect in Washington. It is the concept that increased defense appropriations—that is requests in the form of budget authority—actually translate into increased capabilities. They might—some day—but the truth is that outlays, the measure of defense spending, will go up much slower than the budget authority requests.

This means that there is an appearance of solving problems associated with the huge increase in budget authority. But in practice the spending for these programs will be substantially downstream—over the next 3 or 4 years.

That is when the crunch will come. When the bow wave of dramatically increased outlays hits the marketplace in 1983 or 1984, will defense industry deliver?

The answer may be a disturbing no, or at least a qualified no. Shipbuilding capacity is now pressed to the limit. New aircraft carriers, new submarines, new surface ships inevitably will be stretched out due to inadequate capacity. Aircraft production may be held back by a weak subcontracting base or by the lack of critical materials. Operation and maintenance probably will be overshadowed again by the more glamorous heavy weapon production.

While some, such as General Slay and Jacques Gansler have highlighted the problems of the defense industrial base, more attention seems warranted at this time, before huge programs are locked into place.

Therefore, I recommend the analysis of Messrs. Leon Reed and William Kincade in the February 17 issue of the Washington Post as a fitting place to begin. And I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

BUT CAN THE DEFENSE INDUSTRY DELIVER?

(By Leon S. Reed and William H. Kincade)

The real defense scandal is the condition of the military-industrial complex or, if you prefer, the defense industrial base. A new report from a House Armed Services subcommittee underlines the point.

Conservatives should be up in arms because an inefficient defense industry can frustrate their plans for a rapid military buildup, and liberals because an efficient, flexible industrial base provides necessary insurance for arms control agreements and reduces the diversion of funds from domestic programs.

The fact is that if, under current circumstances, the Reagan administration and its congressional allies live up to their promises of large-scale increase in defense spending, the additional dollars will not lead to more equipment for U.S. forces. Instead, they will produce greater inflation, even higher unit costs than we are now paying and probably longer delays in delivery.

Why is this so? First, suppliers and subcontractors have steadily left the defense sector, owing to its instability, better and more secure profit margins elsewhere and the vicissitudes of contracting with the government. As a result, prime contractors, and hence the government, must pay more for the products of the remaining suppliers and subcontractors. The aircraft industry has excess capacity, while naval shipbuilding has too little, at least of the kind that can turn out today's complex vessels on time and at the right price.

Then, planning and budgeting decisions by the Pentagon and Congress have focused exclusively on major prime contractors. As real defense spending declined throughout the mid-1970s, DOD attempted to maintain existing production lines—ostensibly to retain "surge" capacity—by reducing unit production levels and stretching out programs, while permitting the maintenance of a "healthy" first-tier of major prime contractors. This decision contributed to further cost increases and a serious decline in the number of subcontractors able and willing to do business with the Defense Department.

Overall, the bitterness of the bite will increase if more dollars are thrown at the problem, since, historically, the sudden availability of these dollars only drives up costs, not output, as the government and defense contractors vie with the civilian sector for scarce materials and the highly skilled manpower that staffs defense industry.

Already there is a large overhang of obligated but unspent defense funds—unspent because defense industry can't absorb them. This overhang will grow; but output, if it increases at all, will do so only slowly and at considerable, unnecessary cost.

Lead times for critical components—such as aircraft landing gears, titanium forgings, aircraft engines and integrated circuits—have doubled or tripled in the past three years. Even "priority" ratings which give most defense orders preference over civilian orders, are unable to cut through delays resulting from capacity problems and poor planning.

The recent congressional decision to extend national defense coloration—including the use of national defense priorities—to many synthetic fuel projects will likely strain still further the limited supplied base for many common, as well as high-technology, components.

These and other constraints that confront the Reagan administration as it seeks to build up military might are admirably detailed in a recent study, "The Defense Industry," by a former industry and Pentagon official, Dr. Jacques S. Gansler.

But all his proposals will be for naught unless there is a general recognition that a flexible, effective defense industry, one that operates economically in peacetime and can be both mobilized or demobilized rapidly, represents a national interest. Through the 1950s and much of the 1960s, a consensus existed, holding that America's military strength depended not alone on its edge in technology but equally on its ability to apply its engineering skills rapidly where they counted.

The Vietnam War, of course, called into question the entire U.S. approach to security issues. To a large degree, the industrial base was a casualty of both the economic and the political dislocation of that war. There was a general shortsightedness. Defense Department officials, congressmen and industry executives alike made expedient, short-range investment decisions and neglected the long term. They enjoyed the "Me Decade."

In 1971, as the Vietnam War began to wind down, Deputy Defense Secretary David Packard, in a memo to service secretaries, directed planning that would ease the economic impact of decreased procurement while preserving a mobilization base. Little was done to implement it.

In 1975, the committee established by the Defense Production Act of 1950 to oversee the adequacy of the defense industrial base and to protect against its undue encroachment on the civilian economy began a comprehensive review of the mobilization base. In a 1977 "economy" move, Congress disbanded the committee—with its work only part done—as unnecessary.

In 1976, a band of Pentagon and OMB officials in the Ford administration had prepared a report on inefficiency and excess capacity in the aircraft industry. They attempted to send a distress signal, and escape censure, by releasing the report summary the day before Jimmy Carter's inauguration. It sank like a stone.

Meanwhile, ongoing arms limitation negotiations focused liberal and conservative attention unduly on force-in-being, to the neglect of both the mechanism that produces the forces of the future and the best guarantee of compliance with any agreements that are reached—an efficient peacetime mobilization base.

During the 1980s, a decade or more of damage will have to be repaired. More money will aggravate the problem, not alleviate it. Meanwhile, the public appears to have lost confidence, perhaps rightly in the ability of Pentagon and industry officials to manage a lean and supple industrial production system. If the Reagan administration truly wants to contribute to a strong defense, rather than merely create a shadow-box perception, its first priority must be to straighten out the mess in the defense industry.

A GLIMPSE OF AUSCHWITZ

Mr. PROXMIRE. Mr. President, the Public Broadcasting System carried a moving program on the holocaust entitled "Kitty—Return to Auschwitz." This was a testimony of Auschwitz, by a survivor, a woman named Kitty Felix Hart.

Her first visit back to this vast bucolic and silent land on the plains of Poland where 30 of her relatives, numerous friends, and most of her fellow townsmen from Bielsko-Biala were murdered by Nazi Germany.

We learn of her violent transformation, from a teenager in a comfortable middle class family to a prisoner in one of the most horrible death camps the world has ever known.

She emotionally recalls how she and her mother helped each other survive: she, by giving her mother food and clothing she took from corpses; and her mother, by offering absolutely essential moral support.

She wanted to return so that her son, now a doctor in Canada, will understand that there really was such a horror, that such things happened despite attempts in current times to minimize them.

The testimony is matter of fa t—except that every once in a while, she covers her eyes and sobs as the horrors of her experience overwhelm her.

Her torment is brought to light as she tells her son:

Look, here are ashes, human ashes, still here, maybe of your relatives.

It is interesting that after liberation, when given the opportunity for revenge in the form of a German family flushed out of a nearby town by rampaging inmates, she refrained. She knew that if she did seek retribution, she would be no better than the Germans who had done the same to her.

Mr. President, this is the story of one person, typical and untypical as every individual is. Yet, it vividly testifies to the horrors that a race of people faced at the hands of another.

We now have a chance, by ratifying the Genocide Convention, to officially condemn this most hideous crime. Let us not pass up this important opportunity.

Mr. President, I yield the floor.

(Mr. LAXALT assumed the chair.)

THE SUMMIT CONFERENCE OF SO-CALLED NONALINED NATIONS

Mr. MOYNIHAN. Mr. President, I have the painful duty to rise in the Senate on this occasion to report that the summit conference of the so-called nonalined nations meeting this last week in New Delhi, India, has disgraced itself and the tradition of Nehru on which it was founded, by issuing one of the most viciously antidemocratic, anti-western, and specifically, anti-Israeli resolution that has ever come forward from any such body.

The nonalined, as they choose to call themselves, having studiously ignored the role of the Soviet through its satellite Vietnam in the invasion of Cambodia, having studiously ignored the direct role of the Soviet Union in the invasion of Afghanistan or its use of surrogate Cuban troops in Angola, Yemen, and other parts of Africa, denounced the United States for its support of the democratic nation of Israel, and called on all nations to break relations with that state, and specifically called for Israel's expulsion from the United Nations and its associated agencies.

This was not all. The conference condemned what it referred to as Israel's "annexation" of territories in Galilee and the Negev desert. An extraordinary statement, for these territories were part of Israel even before 1967, indeed for over 30 years. The nonalined conference, in sum, called for the dismemberment of the State of Israel. And demanded that Israel surrender the entire city of Jerusalem, its entire capital city.

Mr. President, this represents one of the first challenges the new administration will face in foreign affairs, and I, for my part on this side of the aisle, would like to state my absolute confidence that it will meet that challenge. But I would take the opportunity of this occasion to see if I could not put in some perspective the events which took place this past week in New Delhi, because absent any such perspective we find ourselves dealing with what would appear to be episodic and unrelated events, when just the opposite is the case.

Mr. President, I would like to go back to a great speech by Abraham Lincoln, given in 1857, which historians refer to as his "framing timbers" speech.

In this speech Abraham Lincoln sought to draw the attention of the Nation to the steady preparations being made, as he then judged, for the extension of slavery into the new territories of the West, by seemingly unrelated small incremental events, and he used this analogy: He said supposing you were driving along a roadside one day and you saw a pile of framing timbers by the side of the road, and then another day you drove by and you found a pile of rock, and a third day you came by and there was a collection of roofing materials. Would you not be warranted to judge that someone was planning to build a house?

It is in precisely those terms that I would like to set forth the sequence of events over the past decade which leads to the events in New Delhi of the past week.

Go back, Mr. President, to 1967 and the Six-Day War. Israel had once again been attacked by her neighbors, armed and supported by the Soviet Union. The attack had failed utterly, and it was clear that as long as the United States continued its support, the State of Israel was militarily invulnerable.

Resolution 242 of the Security Council, framed in the aftermath of the Six-Day War, declared Israel's absolute right to exist as a sovereign state, with secure and recognized boundaries. It anticipated withdrawal from territories occupied during the war, and anticipated that some sovereignty would be established on the West Bank.

History will see that the Soviet Union thereupon commenced a systematic campaign to overcome the State of Israel by denying its legitimacy as a state. The denial of its credentials to the General Assembly of the United Nations would be an important development in that sequence, but it must be seen as a sequence or it will not be understood.

This campaign of the Soviet Union began with an assertion of breathtaking audacity. In a two-part article in Pravda in 1971 it was declared that Jews, far from being the victims of the Nazis, were in fact, their successors and previously their collaborators.

Goebbels himself could not have conceived so grandiose a lie, and yet how devastating it was.

Not more than a year ago, Mr. President, President Carter's Commission on the Holocaust visited the site of one of the great massacres of the Second World War, at Babi Yar. The Commissioners were astounded to find no reference to Jews at Babi Yar. They ought not to have been, if I may gently say, because in 1971 Pravda had declared that the massacres at Babi Yar were a collaboration of the Zionists and the Nazis.

In the Soviet Union this campaign has reached levels of official antisemitism not known since the Nazi Germany regime existed in Europe.

Just in October of last year, if I may step out of sequence for just a moment, the youth magazine of the Soviet Union, the Pionerskaya Pravda, which is the magazine of what is the equivalent of our Boy Scout group, boys aged 9 to 14, trained to enter Communist cadres later in life, devoted an article to the role of the Jews in the world and their effort to overthrow the Soviet Union.

One passage maybe gives you a sense of it. It states:

Zionists try to penetrate all spheres of public life, as well as ideology, science, and trade. Even Levi Jeans contribute to their operations; the revenue obtained from the sale of these pants are used by the firm to help the Zionists.

Thugs in Afghanistan torment schoolchildren with gases—the bundles of dollars are multiplying in the safes of the Lehmans and Guggenheims.

I give you the big lie, Mr. President. Who has invaded Afghanistan? The Soviet Union. What do they proclaim that it is? Somehow a Zionist conspiracy.

It is clear—

The article continues—

that Zionism's principal enemy is peace on earth. More and more people today are beginning to realize that Zionism is presentday fascism.

So the campaign began, Mr. President. It first became public in an international forum in June 1975 at the Mexico City Conference of International Woman's Year when, at the end of a declaration devoted nominally to women's issues, it was suddenly announced that Zionism is a form of racism and racial discrimination.

At the General Assembly that fall, on November 10, the anniversary indeed of Kristallnacht, a time when I happened to be the U.S. Representative, Zionism was declared by the General Assembly to be a form of racism and racial discrimination.

The Soviets have found a devastating weapon for the simple reason that no one would believe it would ever be turned against the State of Israel and, indeed, few seemed to notice that it had been.

On March 22, 1979, 4 years later, a Security Council resolution created a commission to examine the situation relating to the establishments in the Arab territories occupied since 1967, including Jerusalem.

Now, Mr. President, the first aspect of sovereignty in a nation is to be able to choose its own capital. Suddenly here was the Security Council suggesting that Jerusalem was not the capital, was not the territory of the State of Israel, but rather Arab territory, an ominous event.

It also declared, did this resolution of March 22, that the Fourth Geneva Convention is applicable to the Arab territories occupied by Israel since 1967, including Jerusalem.

Now, Mr. President, this was ominous, indeed, for what was the Fourth Geneva Convention? It was a convention adopted and agreed to in 1949 by the surviving nations of the Second World War, to make illegal the behavior of the Nazi Government in Poland. It was intended to declare Auschwitz to be a crime in international law. And here, suddenly, the first nation ever declared possibly to be in violation of that convention was Israel itself, the nation of those who survived Auschwitz.

This commission soon reported to the United Nations. And on March 1, 1980, Resolution 465 found Israel to be in "flagrant violation of the Fourth Geneva Convention."

It stated, in other words, that Israel was guilty of war crimes—was a criminal nation. It further declared that:

All measures taken by Israel to change the physical character, demographic composition, institutional structure or status of the Palestinian and other Arab territories occupied since 1967, including Jerusalem, or any part thereof, have no legal validity.

In a word, Mr. President, Israel is an outlaw state without a capital, held by the Security Council in violation of one of the most important conventions of the postwar world. And the United States voted for that resolution. A signal had gone out to the world in a most devastating manner.

In June, 3 months later, the Organization of African Unity, in a meeting of its summit in Sierra Leone, ceased to refer to the State of Israel by its name and began referring only to "the Zionist entity."

In October, 4 months after that, Syria and the Soviet Union signed a friendship treaty vowing a "relentless struggle against Zionism," the first formal commitment by the Soviet Union to the destruction of the State of Israel.

Then in December, 2 months later, in the General Assembly, the Jordanian Ambassador rose to say of the State of Israel—and again note how this language makes its way into the vocabulary step by step. He does not refer to the State of Israel, he says:

The representatives of the Zionist entity is evidently incapable of concealing his deep-seated hatred toward the Arab world for having broken loose from the notorious exploitation of its natural resources, long held in bondage and plundered by his own people's cabal, which controls and manipulates and exploits the rest of humanity by controlling the money and wealth of the world.

Now, Mr. President, the next step. As I recalled at the outset of these remarks, Resolution 242 of 1967 is the bedrock of Israeli sovereignty. Suddenly we are told that 242 is not applicable. In December the General Assembly, by resolution, said that Resolution 242 could not constitute a basis for a settlement in the Middle East. And the U.S. representative said nothing; nothing. Again, a shockwave going out through the world.

In January 1981, at the Islamic Conference held in Taif, Saudi Arabia, Crown Prince Fahd declared that it was "useless to call for the independence of the places of worship under an international system or any other system, or any other term, while Zionism is bent on the extermination of the citizens of these places, Moslems and Christians alike."

In other words, the peaceful uses of the holy places could not exist while Israeli sovereignty in their own capital was recognized. That is to say, Israel cannot be a state.

On January 28, 1981, the final declaration of the Islamic Conference of Taif stated:

We are determined to wage a Jihad. That is a holy war, by all the means at our disposal in order to liberate our occupied territories, to help one another in the defense of our independence and territorial integrity, to defend our rights and remove the unjustices besetting us, relying on God and on our own forces and on our strong solidarity.

It continued:

We reaffirm in the face of Zionist aggression that has usurped the land of Palestine and the other occupied territories our determination to counter this aggression.

We now hear, Mr. President, that the State of Israel itself is a usurpation of Palestinian land; not a state at all, but a criminal entity, the Zionist entity.

On February 6, Mr. President, in Geneva, at the Human Rights Commission of the United Nations, our distinguished and brilliant new representative Dr. Michael Novak—Professor Novak, whose appointment the President could not be too greatly congratulated for having made—reeled back in uncomprehending horror at what he heard said about the State of Israel at meetings of the Human Rights Commission. He said:

Yet in my very first days within this commission, imagine my shock when I heard, as I did hear in this room, so much hatred, so many lies, such squalid racism, such despicable anti-semitism—all in the sacred name of human rights.

Dr. Novak continued:

I have heard in this chamber attacks upon "Zionism" in accents of a murderous hatred not heard since the days of the Nazis. It is as though this chamber has retrogressed by forty years—as though this is, not 1981, but 1941, and not in Geneva, but along the Hitler-Stalin Axis.

And may I make the point, Mr. President, that Professor Novak, a distinguished scholar, is not one of those who would be likely to forget that the Soviet Union first made its appearance in international affairs as an ally of Nazi Germany, conquering its neighbor Poland and dividing it.

Mr. President, to conclude, in New Delhi, we have seen just the latest but yet again an escalated step. The nonalined nations, representing some three-quarters of the population of the world, and almost that proportion of the voting members of the U.N., have called for the rejection of the credentials of the State of Israel at the United Nations.

The process by which the Soviet Union has endeavored so say that Israel is not legitimately a state, it is an outlaw entity, does not exist, does not have the protection of statehood and sovereignty under the U.N. Charter, is reaching a culmination, Mr. President. Now is the time for the administration of President Reagan to say, "No, the United States will not have this." It is a lie. It is a Soviet lie. It is a totalitarian obscenity, meant to destroy a democratic and peaceful state surrounded, until the Camp David agreements, by hostile and murderous neighbors, Egypt now being the exception.

If we allow this to happen, do not expect the other democracies to survive. That was the lesson of the 1930's. That is what Hitler told us. He told us—

You can tell lies and people will say that this is so extraordinary that there must be some truth in it.

Mr. President, it is hardly for me to instruct, but not inappropriate for a Senator to advise, on the conduct of foreign policy. I would hope that Secretary of State Haig would instruct our missions in every capital of every state that was at the New Delhi conference to convey to those states' governments that we find this declaration to be a reprehensible and deplorable act, and that if there is any effort to take action on it at the next General Assembly, we will withdraw from the General Assembly. And that further we will withdraw every penny we pay to any institution that associates itself with this effort.

If this can happen to Israel, why not Finland; why not Iceland? One by one.

If we do not recognize this, we do not deserve to survive as a free world. Totalitarianism has been going on for 60 years now. We see half of mankind controlled by totalitarianism. Can we not recognize the pattern when it comes up and we face it?

Mr. President, we will never leave the United Nations. Whilst we are in the Security Council, no democratic state will be expelled. We will not allow that to happen. But we are not forced to pay for those limousines driving up and down Manhattan and Geneva. We do not have to have a KGB colonel be the personnel officer in charge of the United Nations operations in Geneva. We do not have to have those tax-free pensions of $80,000 and $90,000 a year. We do not have to have a system which systematically offends against every principle the charter was intended to uphold and to establish.

I have recently introduced a resolution, Mr. President, that puts the world on notice that it is the sense of the Senate that if the effort to expel the State of Israel should be successfully undertaken by the General Assembly, that the United States will then and there withhold all its financial contributions to that body; will participate in none of its activities, however ancillary, however desirable, however much we otherwise wish to do, because the issue of sovereignty is central.

The efforts of the Soviet Union to destroy the legitimacy of this state is evident. Professor Novak spoke of it brilliantly in Geneva last week. I hope I have conveyed some sense of its import here today.

I would like to make one final point.

We have seen this assault of the totalitarians on the idea of the legitimacy of those they would destroy. It is just as powerful as the assault of their tank divisions. It is as devastating. If our spokesmen will not respond to it, it has to succeed. I fear that for years we actively associated ourselves with it.

I ask that the declaration on the Middle East of the Nonaligned Ministers' Conference be printed in the RECORD, and with it both the statement of Ambassador Novak to the U.N. Commission on Human Rights, and an essay on this subject by George Will, "Changing Sides within the U.N."

The material follows:

NAM MINISTERIAL: TEXT OF MIDDLE EAST SECTION

1. The ministers recalled the declaration of the sixth summit conference held in Havana, which reaffirmed that the Zionist occupation and usurpation of Palestine and the rights of its people are the core of the Middle East conflict and consequently rendered any solution to that conflict impossible without the exercise by the Palestinian people of its inalienable national rights, including the right to return, to attain self-determination and to establish an independent Palestinian State in Palestine, and without the complete and unconditional Israeli withdrawal from all occupied Palestinian and Arab territories, including Jerusalem.

2. The ministers considered it imperative to reaffirm that the settlement of the Middle East problem and the question of Palestine can only be achieved by applying simultaneously and without exception the following principles and considerations to which they also affirmed their commitment:

(A) The question of Palestine is the core of the Middle East conflict and is at the root of the Arab-Israeli conflict.

(B) The cause of Palestine and the Middle East question form an indivisible whole both in dealing with the problem and in solving it. Consequently, its solution cannot be fragmented or confined to certain parties to the conflict or to certain of its causes to the exclusion of others. Neither can a partial peace be brought about. Since the peace must encompass all the parties and eliminate all the sources of conflict in addition to its being just.

(C) A just peace in the region can only be based on Israel's total and unconditional withdrawal from all the occupied Palestinian and Arab territories and the restoration of the inalienable national rights of the Palestinian people, confirmed by United Nations resolutions, particularly the resolution of the Seventh Emergency Special Session in July 1980, and resolution 35/169 dated 15 December 1980, which reaffirmed: "the inalienable right of the Palestinians to return to their homes and property in Palestine, from which they have been displaced and uprooted, and calls for their return;"—"The inalienable rights in Palestine of the Palestinian people including:

(1) The right to self-determination without external interference, and to national independence and sovereignty.

(2) The right to establish its own independent sovereign state."

(D) Jerusalem is part of the occupied Palestinian territory; Israel should completely and unconditionally withdraw from it, and return it to Arab sovereignty.

(E) The Palestine Liberation Organization is the sole and legitimate representative of the Palestinian people and it alone has the full right to represent this people, to participate in an independent and equal footing in all international conferences, activities and bodies dealing with the Arab-Israeli conflict and the Palestinian cause, and to secure the inalienable national rights of the Palestinian people. No solution can be considered comprehensive, just and acceptable unless the Palestine Liberation Organization participates in its elaboration and acceptance, as an independent party equal to the other parties concerned, and no state is entitled to claim the right to representation or negotiation in the cause of Palestine, whether people, land or rights are concerned. Any act which contravenes this is null and void and of no legal effect.

(F) Full respect for and the realization of the inalienable rights of the Palestinian people are indispensable for the solution of the question of Palestine. Security Council Resolution 242 (1967) does not provide for the future and for the inalienable rights of the Palestinian people, nor does it provide the basis for a just solution of the question of Palestine or the situation in the Middle East.

(G) All partial agreements and separate treaties concerning the question of Palestine, the rights of the Palestinian people and the Arab-Israeli conflict are a flagrant violation of the rights of the Palestinian people and the Arab States, the principles of the charter and relevant resolutions of the United Nations and the principles of international law.

3. The ministers affirmed the right of the Arab States and the Palestine Liberation Organization to pursue their struggle in all its military and political aspects and to employ all means of liberating their occupied territories and attaining the inalienable rights of the Palestinian people, and to use all possible means to foil any solutions or settlements reached at the expense of their territories and rights. They declared that the support given by the non-aligned countries to the Arab countries for the liberation of their homeland and the restoration of their inalienspunational rights is a responsibility and duty dictated by the principles and aims of the movement of non-aligned countries.

4. The ministers declared that any infringement of the resolutions adopted by the conferences of the non-aligned countries on the Middle East problem, the question of Palestine and Jerusalem will weaken the struggle for the liberation of Jerusalem and the occupied Palistinian and Arab territories and the realisation of the inalienable national rights of the Palistinian people. It will also jeopardise the struggle of the movement

against colonialism, occupation, racism and Zionism and thwart the determination of member states to end the Israeli occupation of Jerusalem and the Palestinian and Arab territories and to help the Palestinian people realise their inalienable national rights.

5. The ministers commended the work undertaken by the United Nations committee on the inalienable rights of the Palestinian people and called upon the Security Council to implement the recommendations of the committee as endorsed by General Assembly resolutions, particularly by Resolution 35/169 of 15 December 1980.

6. The ministers recalled paragraphs 187 and 188 of the Declaration of Havana and declared that the Camp David agreements and the Egypt-Israel treaty have no validity in so far as they purport to determine the future of the Palistinian people and of the Palistinian territories occupied by Israel since 1967; they condemned also any initiative based on that approach or those agreements. They also condemned any partial or separate solution and any agreement that would harm the rights of the Arab countries and the Palestinian people, violate the principles and resolutions of the movement of non-aligned countries and the United Nations General Assembly or prevent the liberation of Jerusalem and the occupied Palestinian and Arab territories and the attainment and full exercise by the Palestinian people of their inalienable national rights.

7. The ministers strongly condemned the hostile attitude of the United States, of America towards the inalienable national rights of the Palestinian people and the PLO and towards the total and unconditional withdrawal of Israel from all occupied Palestinian and Arab territories, including Jerusalem, an attitude which constitutes a violation of the purposes and principles of the United Nations Charter and the General Assembly resolutions on the Palestine question and the Middle East and is an impediment to the establishment of a just peace in the region. The ministers condemned the policies which the United States of America is endeavouring to impose on the region at the expense of the liberation of the occupied Palestinian and Arab territories, including Jerusalem, and at the expense of the inalienable national rights of the Palestinian people. They also condemned the continuous and growing United States support of the Israeli entity in all fields, and particularly in the military and political fields, and affirmed that the persistence of the United States in these policies is detrimental to the interests and relations existing between the non-aligned countries on the one hand and the United States on the other.

8. The ministers recalled security council resolution 465 (1980) adopted unanimously on 1 March 1980 and strongly condemned Israel for its continued policies and practices in Jerusalem and the occupied Palestinian and Arab territories and particularly the annexation which has taken place in Jerusalem, Galilee, the Negev and elsewhere, the transformation of territories, establishment of Israel settlements and transfer of settlers to them, demolition of houses, confiscation of property and land, expulsion of the rightful inhabitants of the country, deportation, expulsion, dispersion, exile, transfer, removal, bodily liquidation, mass arrests, torture, denial of the right of return, displacement of national, archeological, spiritual and cultural features, violation of freedom, beliefs and religious rights, obstacles to worship, disregard for laws governing individual rights and unlawful exploitation of the wealth and national resources of the occupied Palestinian and Arab territories and their population. The ministers decided that all those practices and procedures are a threat to peace. The ministers stressed the need to implement Security Council Resolutions 465 (1980) and 478 (1980) demanding that Israel must halt those policies and practices and immediately dismantle the existing settlements, and the restoration of the Arab character of Jerusalem.

9. The ministers recalled Security Council Resolution 478 (1980) of 20 August 1980, and General Assembly Resolution 35/169 of 15 December 1980 and condemned in the strongest terms the enactment by Israel of the quote basic law unquote on Jerusalem, proclaiming a change in the character and status of the Holy City of Jerusalem, with its implications for peace and security. The ministers declared that such enactment was an act of aggression constituting a threat to peace and called upon the security council to take the necessary action to restore and maintain international peace and security in accordance with the provisions of chapter VII of the United Nations Charter. The ministers urged all states not to deal with Israel or conduct any business which might imply implicit recognition of Jerusalem as the capital of Israel. The ministers emphasized the time had come to take the necessary action for the implementation of the various and recurrent resolutions adopted by the United Nations and the movement of non-aligned countries in order to ensure the realization of the inalienable rights of the Palestinian people and the Arab nations, persistently ignored by Israel.

10. The ministers called upon all states and peoples of the world to refrain from giving Israel military, human, material or moral support. They denounced the attitude of those countries which give Israel aid and arms and considered that the real motive for lavishing vast quantities of lethal weapons and means of destruction on Israel is to entrench it as a base for colonialism and racism in the world in general and in Africa and Asia in particular. They declared that those countries continued support of Israel would compel the non-aligned countries to take an appropriate attitude towards them.

11. The ministers reaffirmed the need for the continued severance of all kinds of formal and informal diplomatic, consular, economic, cultural, sports, tourist and communications relations with Israel and invited those member states which had not yet broken off such relations to do so. They urged member states to take action in the United Nations that would allow the world body and its specialized agencies to fulfill their responsibilities and counter and continued Israeli refusal to comply with United Nations resolutions, by imposing the necessary sanctions against it in accordance with chapter VII of the United Nations Charter. The ministers instructed the coordinating bureau to take the necessary action in this regard.

12. The ministers decided to use, in a meaningful and systematic manner, every possible means to:

(A) Weaken the Israeli economic capacity to continue its aggressive policy;

(B) Put an end to the political, economic and financial support given to Israel;

(C) Change the political attitude of states and organizations so that they favor the Palestinian cause and the liberation of the occupied Palestinian and Arab territories.

13. The ministers called upon the states of the European Economic Community to recognize the PLO and the inalienable national rights of the Palestinian people, to honour their pledges not to apply the bilateral and collective economic agreements with Israel to the occupied Palestinian and Arab territories and to seek the adoption of the same attitude by other states having similar agreements.

14. The ministers strongly condemned the continued and ever-growing co-operation between the racist regimes of both Israel and South Africa, particularly in the military and nuclear fields.

15. The ministers reaffirmed their pledge for concrete solidarity in various forms—political, cultural and informational and in respect of programmes for military aid to the Palestinian people, led by the Palestine Liberation Organization—so as to develop the struggle for the liberation of its homeland. The ministers called again for the adoption of all measures to ensure further international recognition of the Palestine Liberation Organization as the sole legitimate representative of the Palestinian people.

16. Having examined the subject matter referred to it by the sixth summit in paragraph 109 and having taken note of the report of the coordinating bureau (Document 5/Rev. 1) as well as the working papers 21 and 22, the ministerial conference decides to submit this to the seventh summit to be held in Baghdad in 1982 for consideration.

17. The ministers expressed grave concern at the continued escalation of the barbaric attacks by Israel on southern Lebanon and Palestinian refugee camps in Lebanon. They recalled that the Sixth Summit Conference considered that aggression, carried out by land, sea and air, as tantamount to genocide of the Lebanese people and the Palestinian refugees, with Israel using the most sophisticated weapons supplied by the United States of America.

18. The ministers reaffirm their full support for the unity of Lebanon, land and people. Its independence and sovereignty over all its internationally recognized boundaries.

19. The ministers stress the need that Lebanon should be enabled to recover its normal life and the displaced persons should be enabled to return to their villages and regions.

20. The ministers strongly condemn the repeated Israeli aggression against Lebanon and call upon the Security Council of the United Nations organization to implement its resolutions relating to Lebanon. Particularly Resolutions 425, 426 and 450 and to exercise in accordance with the provisions of chapter VII of the United Nations Charter. The utmost pressures on Israel to put an end to its repeated attacks and aggressions against Lebanon.

21. The ministers reaffirm their earlier decisions to lend their full support to Lebanon in all international fora and organizations, particularly the United Nations, with a view to safeguarding its unity, independence and territorial integrity.

22. The ministers called upon member states of the United Nations and its specialized agencies, not to accept the credentials of the AELI delegation because of its violation of international legality and its annexation to Jerusalem and declaring it its capital.

[Telegram]

SPEECH BY MICHAEL NOVAK, FEBRUARY 6

First, my congratulations to our new chairman—for his election, but also for the brisk and affable competence he has already shown. May the brevity of my congratulations permit a leap of soul to soul.

This is my first term of service in this commission. I come new to it. Many of you are distinguished veterans, have borne the heat of the day, struggling for small gains.

I ask you to recall, though, what it is like for a newcomer to enter into this environment.

Let me explain what I expected. I grew up as do all children in the United States in the sure knowledge that my family had not simply been born Americans, but had chosen to become Americans—had chosen America precisely because of the sweet sway of its institutions, and the sweet taste of its liberties and rights. The attraction of the United States upon immigrants, who have streamed toward America from every region of the world, lies in its human rights. "Boat people" still come to our shores—to breathe air that is free.

When I was a child, one of my first vivid memories was implanted by the invasion of Poland in 1939. When the report came on the radio, my father told me that that day might mark the most important event of my life. Within a few weeks one army from one direction, another from the other border, overwhelmed Poland and carved it into two. Speak of occupying armies!

My earliest memories, then, are of newsreels showing endless bombings, endless columns of refugees, and, by the end, the endlessly sad faces and gaunt bodies of those liberated from the death camps; the stacks of corpses; the mass burial sites; the chimneys of cremation. Thus, I was touched recently when Pope John Paul II went as one of his first Papal visits to Auschwitz. In his famous address to the United Nations in New York, the Pontiff later called attention to how the Declaration of Human Rights came about. That declaration, he said arose, above every other factor, from the millions of victims of the holocaust, the total abrogation of whose rights made the world resolve: That the whole world, not a few nations only, ought to have a bill of rights.

My fellow representatives, I cannot forget that we sit in this room because of the unbelievable suffering of millions of persons like ourselves—older, younger, skinnier, fatter, many who otherwise might have lived as long as the oldest persons in this room . . . but they were not permitted to live.

Our work here flows from their interrupted lives. The Declaration of Human Rights is a memorial to their sacrifice. Our work is an attempt to draw some small good from so much evil.

These are the noble obligations with which I have always associated human rights. Human rights mean respect for human beings, recognition of each other's dignity. They mean cooperation, mutuality, negotiation. They mean the voice of reason.

Yet in my very first days within this commission, imagine my shock when I heard, as I did hear in this room, so much hatred, so many lies, such squalid racism, such despicable anti-semitism—all in the sacred name of human rights.

I have heard in this chamber attacks upon "Zionism" in accents of a murderous hatred not heard since the days of the Nazis. It is as though this chamber has retrogressed by forty years—as though this is, not 1981, but 1941, and not in Geneva, but along the Hitler-Stalin axis.

In 1945, as I say, there were some fifty nations in the world and these few established the United Nations. Today there are some 160 member nations; more than one hundred new states.

Among these new nations stands tiny Israel. There is an ancient saying about Israel. The Lord God Jehovah promised Moses a "Land of milk and honey." There is a wry modern joke in Israel which notes: "Unfortunately, the Lord did not promise oil." Israel is not a land rich in resources. It is a beautiful land. Yet much of it was for centuries desert land unsuited for agriculture, and nearly bereft of significant industries.

Yet, overcoming all obstacles, the Israelis have built a nation to rival any in the world in its sciences, its arts, its symphonies its free press, its institutions of just and humane procedures. When some of my distinguished colleagues attempt to portray Israel as a land without human rights, we must ask them, compared to what? Few nations have developed institutions, or can exhibit to the public eye a record of humane practice as highly developed as those of Israel. The United States has deep and profound respect for Israel. The United States also has admiration for the wisdom, human courage, and respect for human rights shown by many Arab nations. Our Arab brothers and sisters face many problems besides those of Israel. Fratricidal wars serve no one's true hopes. There are too many fratricidal wars. Peace and prosperity come with mutual respect. Mutual respect is the goal of further progress. It is also the indispensable means to it.

My new delegation—and new government—have learned from history to honor the high spiritual achievement of Arab culture, the brilliance, sensitivity and natural courtesy of so many of its citizens (which we have experienced even in this room). We respect its antiquity as a sophisticated and developed culture—an antiquity of which a new nation like ours can only stand in awe. We admire the personal courage and wisdom of many Arab leaders.

The people of the United States were immensely touched when three leaders of the world, one Muslim, one Christian, one Jewish—three children of Abraham stood together in mutual respect, difficult cooperation, and painstaking negotiations. We commend Israel for giving back land seized in war. We commend Egypt for the spectacular courage and humanity it flashed before the eyes of the human race. In deeds that will endure as long as human history is written. Our delegation is new, but the charges heaped against Israel before this commission are old. They have long since been aired, objectively examined, and discarded in the dustbin. The State of Israel is a fact. The Egyptian-Israeli Peace Treaty is a fact. The Camp David accords are a fact. These are realities to which passion must accommodate itself. They are realities which ground future advances, future hopes.

The American people deeply admire a tone of reasoned discourse, the demonstration of mutual respect, a dispassionate sense of moderation and compromise—qualities which we have often observed in the exemplars of Arab culture. But I am afraid that the hatred, unreason and wildness of language manifested in this room—once they become more widely known—are unlikely to be admired by the American people. They have embarrassed, and often bored, this assembly.

Mr. Chairman, this is the first speech of my delegation, let it end on a note of vision.

My delegation wishes to honor the Egyptian delegate, and through him the great and noble human being who has captured the love and esteem of millions of human beings, President Sadat. Exactly because he is an example of Arab brotherhood. He is an example of human brotherhood—exactly because he is the latter, he fulfills the highest aspirations of the former. We would wish to be as great in spirit—and in the eyes of history—as he.

My delegation wishes also to honor Israel, because few nations have achieved more in so short a national lifetime. We admire Israel profoundly, Mr. Chairman. Her destiny and ours—let the world note—are irretrievably joined. We share the same high vision of human rights on which the traditions of this commission are based. We are, none of us, without sin. Yet neither is any nation, represented in this chamber or in any other, that accuses us.

Mr. Chairman, my delegation is delighted to work with you in this assembly, depressingly ugly as its proceedings often seem. We well know that pearls come from oysters, silk from worms, butterflies from caterpillars—and great human vision from poor human clay.

[From the Washington Post, Feb. 19, 1981]

CHANGING SIDES WITHIN THE U.N.

(By George F. Will)

Four years ago the Carter administration had just hit the ground stumbling, and in Geneva its representative at the U.N. Human Rights Commission unburdened himself:

"Our delegation would be less than candid and untrue to ourselves and our people if we did not express our profound regrets for the role some government officials, agencies and private groups played in the subversion of the previous, democratically elected Chilean government that was overthrown by the coup of Sept. 11, 1973." But, he said happily, "the policies and persons responsible have been rejected by the American people."

The tone was to become familiar: an obnoxious mixture of guilt and smugness. Disregard the tendentious characterization of the Chilean uprising that stopped Salvador Allende from consolidating a Marxist and anti-American dictatorship. But note that the Carter administration representative was, as so many were, self-absorbed and self-congratulatory; he used an international forum to be "true" to himself, and to be oh! so marvelously, amazingly "candid."

The American people have rejected such cloying, complacent guilt-mongering, and now Reaganism has reverberated 'round Geneva. President Reagan's representative to the commission, Michael Novak—scholar, theologian, writer—is a civilized spirit, so his sensibilities are shocked by the routine U.N. slanders of Israel. He recently unburdened himself, saying he was appalled at "so much hatred, so many lies, such squalid racism, such despicable anti-Semitism," and "murderous hatred" reminiscent of the Nazi era.

Various representatives of the dictatorships that dominate the United Nations probably were briefly shocked into wonderful speechlessness by the spectacle of the United States actually defending its friends, values and interests. Then they fell to denouncing Novak for having the temerity to talk back. He responded by repeating his altogether warranted reference to the Nazi era, and adding: "It is as though this chamber has retrogressed by 40 years—as though this is not 1981 but 1941, and not in Geneva but along the Hitler-Stalin Axis."

The Human Rights Commission, like the United Nations itself, is full of the spirit of Goebbels and Vishinsky, so it has convicted Israel of war crimes. Such lies are, fellow Americans, your tax dollars—a lot of them—at work. Without the absurd generosity of the United States, the United Nations, which has become the moral equivalent of a Nuremberg rally, might fold.

But at least the United States has changed sides within the United Nations. Until recently, the United States collaborated with the jackals.

Pat Moynihan, a former U.N. ambassador, rightly says that for the United States to

abstain on a Security Council resolution concerning Israel is the equivalent of acquiescing. Repeatedly between January 1979 and December 1980, the Carter administration either acquiesced by abstention, or actively supported assaults on Israel.

The vainest moralizers ever to serve in American government collaborated with the U.N. campaign to brand Israel an outlaw state, to pronounce Israel's capital (Jerusalem) "occupied territory," even to compare Israel with Nazi Germany. The Carter administration acquiesced in finding Israel in "flagrant violation of the Fourth Geneva Convention," which was produced in 1949 to codify and make criminal the Nazis' behavior.

Some of Carter's closest aides, and perhaps Carter himself, believe he may have lost the election because of the "mistaken" U.N. vote of March 1, 1980, when U.N. Ambassador Donald McHenry voted (by mistake, the administration tried to suggest) for a vicious anti-Israel resolution. That vote probably did give Ted Kennedy an otherwise impossible victory in New York's primary, and so prevented Carter from knocking Kennedy from the race in March. But the "mistake" was congruent with a consistent administration policy.

The Carter administration was especially proud of its courtship of the "Third World," particularly at the United Nations under Andrew Young and McHenry. The latter first became prominent in the summer of 1979, when he conducted negotiations at Kennedy airport. Soviet thugs had hustled a potential defector, a ballerina, aboard a Soviet aircraft. The Carter administration accorded the aircraft something like the status of an embassy, instead of boarding it and expelling the thugs and releasing the woman. That media melodrama, and the public's enjoyment of it, were foretastes of the behavior of the American government, media and public when Iranian thugs assaulted the U.S. Embassy.

But the world turns. When some of the gray-clad, gray-souled permanent people in the State Department saw Michael Novak's spirited language, they said to a Reagan appointee, in effect: we do not approve of language such as Novak's. The Reagan appointee said, in effect: we do now.

Mr. President, I send a resolution to the desk and ask that it be printed and appropriately referred.

The PRESIDING OFFICER. The resolution will be received and appropraitely referred.

Mr. MOYNIHAN. I thank the Chair for its courtesies and patience in what was an extended statement.

Mr. RANDOLPH. Mr. President, will my able colleague yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. RANDOLPH. I have not been in the Chamber except for perhaps the last 2 minutes of the remarks of the Senator from New York, but I have been listening in on the speaker box.

The validity of what the Senator has said, regarding his resolution, the realism it contains, needs to be better understood.

The Senator is in effect saying that the resolution would be a credible approach. He takes a look ahead to tomorrow, he indicates America will not rely on other countries even though we cooperate with them in mutual concerns when possible, but we will be undergirding our strength and purpose at home.

Mr. MOYNIHAN. May I thank my revered senior colleague and one-time chairman. He knows how much I regard his statement. There is no other person in the Chamber who has served at the time of the crisis of the 1930's, and who can speak with such authority.

It is an honor to serve in this body with the Senator, and it is a greater honor to have him speak so kindly of my remarks. I thank the distinguished Senator from West Virginia.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. LAXALT). On behalf of the President pro tempore, the Chair appoints Father Ishmail Vincent Gromeoff to the Commission on Wartime Relocation and Internment of Civilians.

CUTTING FOREIGN AID

Mr. HARRY F. BYRD, JR. Mr. President, it is absolutely essential that this Nation's foreign aid programs be significantly cut.

Recently it was reported that the Director of the Office of Management and Budget, Mr. David Stockman, had proposed a reduction of some $2 billion below the total foreign aid budget recommended by former President Carter.

This leak—no doubt perpetrated by the pro-foreign aid establishment in the bureaucracy—instantly produced cries of pain and anguish both at home and abroad. Such a savage cut, it was argued, would break our Government's commitments and diminish the stature of the United States around the world.

In all that hue and cry, some important facts were conveniently ignored.

First, the reduction suggested by Mr. Stockman was not a significant cut in foreign aid. It was largely elimination of a staggering increase of 26 percent—almost $2 billion—in ecoomnic assistance proposed in the Carter budget for 1982. Frankly, if anything, I believe Mr. Stockman was being too generous.

Second, the so-called commitments which the pro-foreign aid interests are fond of citing are simply pledges made by free-spending officials of a repudiated administration. They are not binding upon the Congress or the taxpayers of the United States. This Government has true commitments—to restore the strength of the economy, build a stronger defense, reduce the mushrooming growth of Federal spending, and aid truly needy Americans who cannot help themselves—but it has no commitment to continue shoveling out billions to more than 100 countries around the world.

Third, the international stature of the United States does not depend upon perpetuation of giveaway programs. The more than $150 billion which this country has given away since World War II, in a display of generosity unmatched by all other nations combined throughout the entire course of human history, has not noticeably enhanced our global prestige or multiplied the number of our friends abroad. Indeed, some of the principal beneficiaries are among the surliest of our critics.

Mr. President, I believe this is the factual background against which the 1981 debate on foreign aid should be conducted. I for one shall support Mr. Stockman's proposals—or even deeper cuts—with enthusiasm.

Let me add these questions:

If the administration and the Congress, working together, cannot cut foreign aid, what can we cut?

Can we in Washington say to the American people that they must accept sacrifice and belt-tightening while we vote not only to continue, but to increase, giveaways around the world?

In my judgment, former President Carter's proposal to increase our foreign aid programs is not justified; a reduction in foreign aid is overdue.

Mr. RANDOLPH. Will my colleague from Virginia yield at this point?

Mr. HARRY F. BYRD, JR. I am delighted to yield to my distinguished and dear friend from West Virginia (Mr. RANDOLPH).

Mr. RANDOLPH. Mr. President, I ask him to yield only for the record to indicate that there has been in the Senate evidence by the votes on amendments to cut foreign aid that the Senator's ranks, under his leadership, are gaining strength. In fact the House was not able to act on the fiscal year 1981 foreign assistance appropriation bill before the 96th Congress adjourned. We have not yet had the number of votes necessary to make these cuts. I have joined in this effort with the able Senator on many occasions.

If we have a project in the Senator's State or any of our States for which there is funding requested, we run the gauntlet, is it not true, of the various regulations and responsibilities and even the environment and its effect upon the quality of life? Each project has to prove a real need.

Yet, we are sending billions and billions of dollars overseas and we have no real record of how it is used and the purposes for which the money has been earned here and is being spent there.

My colleague from Virginia has the same understanding and compassion that, I think, the Members generally have for working on those programs that are cooperative in nature, when we can. As a result of advanced technology, the world is constantly shrinking, because we are closer one to the other. The media, of course, in many ways, bring us together in minutes in what it took us weeks and months to learn about years ago. We increasingly must be careful that we do not continue to spread ourselves so thin over such far reaches of the world that we cannot take care of the imperative needs in the United States of America.

I do not want to be considered an isolationist, but I want us to understand and we must increasingly understand that our regard for the financial strength of this country is being eroded by the attitude, yes, within the Congress itself and the administrations, regardless of party, in reference to foreign aid funding in excessive amounts.

I commend the Senator. He speaks with authority on this subject and I am happy, as I have often been—not so much happy, perhaps, as that I have a feeling of a sense of responsibility—to join him in these efforts.

Mr. HARRY F. BYRD, JR. The able Senator from West Virginia (Mr. RANDOLPH) is so right, I feel, in his appraisal of the need to study very carefully the proposed increases in foreign aid.

I might say that the Senator from Virginia is proud to have stood side by side with the able Senator from West Virginia through a long period of years in focusing attention on these foreign aid programs and working together on amendments to try to reduce the cost to the American taxpayer of these ever-increasing giveaway plans.

It might be well, Mr. President, to let the record show that, over a period of years, this country has been giving foreign aid to 100 different countries—100 different countries scattered throughout the world. I submit we have fewer friends, the United States has fewer friends today than probably at any time in our history. To those who feel we can buy friendship with foreign aid, I say that is a lot of bunk. The facts show they are mistaken. I say we cannot. I am convinced that individuals cannot buy friendship. I think that applies to nations as well.

Mr. President, what I am going to say now I cannot prove, and perhaps I should not say it because I cannot prove it. But I am convinced that a great deal of the foreign aid funds which are taken from the pockets of the taxpayers and distributed to 100 different countries is siphoned off by the leaders of government and does not in any way get into the hands of those or does not help those which the Congress and the respective administrations have sought to help. I think the time has come to take a very critical look at the foreign aid programs.

Mr. President, I hope that Mr. David Stockman will stick by his guns. I hope he will submit to Congress and the President will submit to the Congress a sharp reduction in the figures advocated by the outgoing President, Mr. Carter, in regard to these foreign aid programs.

I am so pleased and proud to have the comments today and the continued keen help of my close friend from West Virginia (Mr. RANDOLPH).

The PRESIDING OFFICER. The 30 minutes allocated for renewing morning business has expired.

The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be given up to but not to exceed 5 minutes to make a statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

GASOLINE CONSUMPTION PATTERNS

Mr. BUMPERS. Mr. President, in 1979, the Library of Congress, at my request, prepared information comparing the gasoline consumption patterns and the cost of gasoline in certain Western European countries and Japan with the United States.

I recently asked the Library of Congress to update those statistics. The most recent report confirms that consumption does not go down commensurate with the increase in price.

Although gasoline prices in 1979 were 35 percent higher than they were in 1978, consumption only dropped by 5 percent between 1978 and 1979. At this rate, prices would have to increase by 350 percent if we are to cut consumption in half. People are making real changes in their energy habits—using less home heat and buying more fuel-efficient cars, for example. But abrupt increases in gas prices will not increase the rate at which they make such changes.

Mr. President, I am convinced that rising prices do indeed dampen consumption, but they also make life very miserable for those who can least afford it. For many Americans, the energy crisis is just an annoyance. But for most, energy costs are rising far faster than their ability to pay for them. There are 25 million Americans living below the Federal poverty level—$3,778 a year for a single person living in a city. A recently released study by the Department of Energy stated that low-income households in the United States:

First, will spend on average nationwide at least 21.8 percent of their income on household energy. In the Northeast and Midwest, they could spend up to 35 percent.

That does not count driving, Mr. President. I said household energy.

Second, they will continue to pay nearly four times more of their income on household energy than the average American household.

Although I do not intend to get partisan, it is also estimated that President Reagan's decision to decontrol oil in January will cost the average median-income family in the United States, together with their increase in social security taxes, $484. That is a $484 increase this year for increased social security taxes, energy, and food. The Kemp-Roth tax proposal will give that same family a tax reduction of $287, or just a little more than half what their increased costs for social security taxes, energy, and food will be.

Third, low-income families last year lost over $6 billion in purchasing power due to soaring energy costs.

The attached statistics demonstrate that raising the price of gasoline has not had a dampening effect on consumption patterns in countries where prices have risen even more dramatically than in the United States.

Higher energy prices have already eliminated most of the discretionary energy consumption of low- or fixed-income persons. Further increases in energy prices, which are inevitable as a result of the President's decision to decontrol oil prices, will simply eliminate the ability of these consumers to purchase energy at all, while wealthier Americans are able to consume as much as they wish.

The interesting thing is that decontrol of energy prices will cost me about $500 a year. It will cost a family in this country with a median income of about $4,500 a year, the same amount as it costs me. I come out with a net gain of $3,500, and the median income family comes out with a loss.

Last year, in the United States, the average price of premium gasoline was 97 cents, and we consumed 107,770,000,000 gallons. That is a reduction of about 5 billion gallons.

However, in France, England, Italy, Germany, and Japan, where they have been used to $2 and $3 gasoline, look at what has happened. The price of gasoline in France went up 30 cents between 1978 and 1979, and consumption of gasoline went up 400 million gallons. In England, the price of gasoline went from $1.19 to $2.21, a $1.02 gallon increase in 1 year.

Yet, in England, the consumption of gasoline increased by 120 million gallons.

In Italy, the price of gasoline went up 28 cents a gallon, and their consumption went up from 4 billion to 4.3 billion.

In Germany, the price of gasoline went up 43 cents a gallon, and consumption went up 100 million gallons.

In Japan, the price of gasoline went up 23 cents a gallon, and consumption went from 8.77 billion gallons to 9.11 billion gallons.

The lesson to be learned from these statistics is very simple: There is either a slight dampening effect, as we had in the United States with these tremendous increases, even though we are still not up to the $2 or $3 level; or, as in those countries used to high gasoline prices, there is simply a reduction in the rate of increase in consumption.

I am not naive enough to say that the gasoline price does not reduce consumption. I am not here to say that energy prices cannot and should not go up, but the question here is, how fast, and who is going to pay for it?

I can tell you that the middle-income people, those on fixed incomes, and the working people of this country are being decimated with the increase in the cost of energy in this country.

Mr. President, I ask unanimous consent that the report prepared by the Congressional Research Service of the Library of Congress be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD as follows:

A COMPARISON OF ANNUAL GASOLINE CONSUMPTION, REPRESENTATIVE SUMMER PRICES OF PREMIUM GASOLINE AND TAXES IN SELECTED COUNTRIES, 1975–80

[Consumption in billion gallons; price and tax data in U.S. dollars per U.S. gallon]

	1975	1976	1977	1978	1979	[1] 1980
United States:						
(a) Motor gasoline consumed	102.33	106.94	110.01	113.69	107.77	NA
(b) Pump prices of premium gasoline (New York)	0.65	0.64	0.69	0.71	0.97	1.30
(c) Taxes included in the pump price	0.12	0.12	0.12	0.13	0.14	0.14
(d) Retail price, net of taxes	0.53	0.52	0.57	0.58	0.83	1.16
France:						
(a) Motor gasoline consumed	5.68	5.94	6.03	6.24	6.28	NA
(b) Pump price of premium gasoline (Paris)	1.69	1.51	1.84	2.32	2.62	3.14
(c) Taxes included in the pump price	0.94	0.81	1.10	1.30	1.67	1.79
(d) Retail price, net of taxes	0.75	0.70	0.74	1.02	0.95	1.35
United Kingdom:						
(a) Motor gasoline consumed	5.72	5.99	6.15	6.51	6.63	NA
(b) Pump price of premium gasoline (London)	1.31	1.05	1.21	1.19	2.21	2.49
(c) Taxes included in the pump price	0.57	0.57	0.58	0.62	1.03	1.30
(d) Retail price, net of taxes	0.74	0.48	0.63	0.57	1.18	1.19
Italy:						
(a) Motor gasoline consumed	3.95	3.83	3.74	3.99	4.30	NA
(b) Pump price of premium gasoline (Rome)	1.71	1.43	2.14	2.25	2.53	3.22
(c) Taxes included in the pump price	1.15	0.92	1.53	1.60	1.66	1.94
(d) Retail price, net of taxes	0.56	0.51	0.61	0.65	0.87	1.28
Federal Republic of Germany:						
(a) Motor gasoline consumed	7.01	7.31	7.74	8.17	8.27	NA
(b) Pump price of premium gasoline (Bonn)	1.34	1.48	1.54	1.76	2.19	2.58
(c) Taxes included in the pump price	0.80	0.82	0.90	1.02	1.17	1.23
(d) Retail price, net of taxes	0.54	0.66	0.64	0.74	1.02	1.35
Japan:						
(a) Motor gasoline consumed	7.54	7.93	8.26	8.77	9.11	NA
(b) Pump price of premium gasoline (Tokyo)	1.63	1.51	1.78	2.23	2.46	2.78
(c) Taxes included in the pump price	0.45	0.57	0.61	0.87	0.95	1.08
(d) Retail price, net of taxes	1.18	0.94	1.17	1.36	1.51	1.70

[1] Preliminary.

Sources: U.S. Department of Energy, Energy Economics Research Limited, U.S. Central Intelligence Agency, Japan National Oil Co. CRS estimates and computations.

EXTENSION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended for not to exceed 20 minutes, under the previous conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

DOMESTIC AUTOMOBILE SALES

Mr. DANFORTH. Mr. President, domestic car sales declined 7.8 percent in early February when compared with last year's weak performance levels. Chrysler sales declined 8.6 percent in comparison with the previous year's performance, halting a 4-month string of year-to-year sales improvement.

The situation in the U.S. auto industry is getting worse, not better. The need for legislation to provide breathing room for domestic industry, as it retools in response to rapidly-shifting demands, has become more acute. Senator BENTSEN and I, along with several of our colleagues, have introduced such a measure. S. 396 would temporarily limit the import of Japanese cars.

Mr. President, I ask unanimous consent that the name of the Senator from West Virginia (Mr. RANDOLPH) be added as a cosponsor of S. 396.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. This brings to 12 the number of cosponsors of this proposed legislation.

COMMEMORATION OF THE 63D ANNIVERSARY OF LITHUANIA'S INDEPENDENCE DAY

Mr. THURMOND. Mr. President, I rise today to join my colleagues in commemorating the 63d anniversary of Lithuania's Independence Day.

Although Lithuania suffered forced incorporation into the Soviet sphere in 1940, its brief independence demonstrated the freedom loving qualities of the Lithuanian people. Their constitution, of which the Soviets have made a mockery, guarantees "freedom of conscience" and equality of all citizens before the law.

Even today, after 40 years of Soviet domination, the Lithuanian people embrace the same ideals which led to, and are embodied in our own Declaration of Independence. In no other Soviet satellite are resistance and dissent so well organized. Despite the best efforts of Moscow, the Lithuanians have maintained their defiance of foreign domination and oppression. Demonstrations and petitions protesting religious persecution, as well as the publication of underground journals detailing discrimination and disregard for the most basic of human rights, provide clear opposition to Soviet rule.

Mr. President, I think that it is appropriate for us to recognize the will and determination of the Lithuanian people to once again exercise their right of self-determination. These people most certainly deserve our admiration and support for their continuing effort to free themselves from the shackles of Soviet domination.

HOW OUR TAX DOLLARS ENCOURAGE IDLENESS

Mr. HELMS. Mr. President, as one who has spoken out rather consistently concerning the urgent need to cut Federal spending, I know what it is to be charged with being hostile and unfeeling toward the poor. It is always solemnly asserted—usually by the bureaucrats affected and their partisans in the media—that any reduction in the bloated Federal budget would immediately and adversely impact upon the poor, the helpless, and the elderly. But like so many other arguments that are advanced to defend enormous bureaucratic spending, this simply is not so.

No doubt these charges of inhumanity are soon going to rain down upon many of us, both in the Congress and in the new administration, who are desperately trying to stanch the flow of red ink out of Washington. Thus it may stiffen our resolve to consider an article which appeared in the January 12 issue of the Poultry Times. I am indebted to my friend, Mr. John R. Blakely of Ahoskie, N.C., for sending me this article which shows how Federal programs conceived with the best intentions have actually undermined the welfare of the very people they were designed to help, while at the same time giving bureaucrats a vested interest in promoting dependency.

Second, I submit for the RECORD a piece that appeared in the Wall Street Journal on January 13, on what is wrong with the unemployment compensation system. My thanks to another friend, Joseph J. Spengler of the Duke University Department of Economics, for calling this to my attention.

Mr. President, I ask unanimous consent that the article "The Welfarization of a Productive Family," by Ted Oglesby, and "Sitting Pretty: A Daughter Discovers the Dole," be reprinted in full at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Poultry Times, Jan. 12, 1981]

THE "WELFARIZATION OF A PRODUCTIVE FAMILY"

(By Ted Oglesby)

Efforts of the private sector and church organizations to fill human needs sometimes fail because of the intrusion of tax-funded agencies wanting to help or even do the job themselves. This is the story of just such a failure.

(Ed. note: The editors of the Poultry Times believe this story to be of interest to our readers as it takes place on a large commercial egg operation near Gainesville, Ga. Mr. Oglesby is associate editor of the Gainesville Daily Times.)

This story could have any number of legitimate starting points and may not be concluded. We'll start with the Grace Episcopal Church in Gainesville and end with the story as it stands as of the time of writing.

Members of the Grace Episcopal Church read, with some distress, of the plight of many of the Cambodian refugees fleeing into neighboring Thailand and elsewhere from the genocide in their native land. They wanted to help in a more tangible way than merely sending money to some organization that purported to help. Perhaps sponsor a refugee family wanting to relocate in this country?

Church World Service, a New York-based organization sponsored by a number of churches including the Episcopal and Southern Baptist, was contacted. This organization has helped thousands of refugees by finding sponsors.

Sara Dresser, a worker in the organization, referred Rev. Nat Parker to two related families needing sponsorship.

Wilbur Ramsey, a partner in L-R Farms, a large commercial egg operation near Gainesville, agreed to offer employment and housing. Some doctors in the congregation agreed to provide medical care. Others would help in other ways. Some guidelines were established.

The sponsored families would be taken care of by the church with no assistance from tax-supported agencies. The church would help the families become self-sufficient with pride intact.

Another starting point for this story could be Sunday, Sept. 2, 1979.

Ramsey drove to the Atlanta Airport to greet the first family. There were six members, the mother seven months pregnant. Ramsey, who'd been forewarned, still wasn't totally prepared for what he found.

"It was pathetic," he recalls. "The kids were sick. All were hungry. Cambodians normally are very clean people. They were filthy and dressed in rags. All their possessions, the total luggage, were a bundle of rags and a tea kettle with some water in it. They spoke no English. I spoke no Cambodian."

He gathered them up, handled necessary detail and came to Gainesville. "We had to get the kids some food and milk. Then we came on home."

Help was waiting.

"Julia Cromartie and Caroline Alday were there with food and clothing for them. We had a mobile home ready to receive them. After doing what we could, we left them to become acclimated to their new home."

Ramsey expected the family to take several weeks to become acclimated sufficiently to begin working. Doctors in the church treated the children and took care of the medical needs of the family. Arrangements were made for the pregnant wife. Communication was made easier by Mrs. Varaporn Wilson, a Southeast Asia native who spoke the language who is married to a native Gainesvillian.

"I went to check on them Monday morning," Ramsey continued. "They were a different people. They were clean as a whistle, smiling, jabbering and in the clothes we had. Within a few days and not the several weeks I had anticipated they were ready to go to work.

"I took them down to the chicken house. It was totally equipped with automated equipment. I expected it would take several days for them to learn to operate it correctly. It usually takes workers here several days to get the hang of it. I was amazed. They could do it by the end of the first day. They learned quickly."

The family was moved into one of Ramsey's houses. Besides the housing and utilities, the family received the normal wages other workers received.

Within a few weeks, the man and wife could operate the chicken house by themselves. The oldest child, beyond school age, was employed in the egg plant.

Ramsey's wife, Dixie, began teaching the family English. She and church members would take them to the grocery store twice a week for shopping. Members of the church worked with the family teaching them the ways and customs of their new community.

In December, the second family arrived. They included the mother and brother of the head of the first family. The baby already had arrived in November. The mother took care of the children and six of the 14 family members were employed by Ramsey.

'They fit right in. They were most dependable and learned quickly. The other employees liked them," Ramsey said.

The family hadn't been at work long before the church members began teaching them about banking and saving. Accounts were established, and each payday savings deposits were made. During the past year the family saved more than $7,000, Ramsey said. In addition, they would send $50 to $100 a week back to relatives in Cambodia.

One of the hardest things to do, Ramsey recalls, was stick to the guideline provision that no public (tax-supported) assistance would be accepted. "They hadn't been here a week before the agencies started calling and contacting the family wanting to enroll them in their particular programs," Ramsey said. "CETA wanted to set up a program. The Migrant Farm Workers organization wanted to get in on the act."

One day, he continued, the head of the family told him he had been told he was eligible for food stamps. Ramsey explained why the family shouldn't take them. Another day, the head of the family talked about his children getting free lunches at school. No way, Ramsey said.

These programs, he continually explained, were for people who couldn't work and who couldn't make it on their own. This family was earning its own way, sending money home to help others and still saving money. The programs weren't intended for them even though the individual program administrators were trying to enlist them.

The tax-supported agencies finally succeeded in penetrating the protective wall earlier this year. Family ties and the intense desire to "get ahead" rather than the desire to take advantage of "freebies" were the keys used.

Ms. Dresser explained that Cambodians were proud people anxious to get ahead and succeed. "They understand that education is the key to success," she said. "They are willing to sacrifice a great deal to get that education because they understand it will pay dividends in the future."

The Cambodian Refugee Association, a federally funded organization in Minnesota, had a number of programs to assist the large number of refugees that had moved into that area. Enrolled in one of those programs was a cousin to the Hall County refugee families.

"We encourage refugee families to stick together," Ms. Dresser explained. "They are over here alone. It helps with family stability and morale." The Minnesota association contacted the Chhem family through the cousin. The family could be paid to go to school to learn English and other skills. After a couple of years of this education, it could be placed somewhere in some industry. "Maybe a shoe factory," one member told Ramsey.

Ramsey talked with a Mr. Socheat (pronounced So-Kot). The families would be well provided for and given the real opportunity. The Association was sending a bus down to pick up the family.

Ramsey objected. "Don't worry," Socheat assured him. It won't cost you anything. Federal funds will pay for it."

Ramsey objected to the use of federal funds for such transportation. Socheat decided he'd send tickets for the family to use public transportation.

Ramsey objected. Federal funds would pay for those tickets. Socheat agreed the family could buy its own tickets. Ramsey had the distinct impression the family would be reimbursed upon arrival—with federal funds.

The Chhem family departed Gainesville the Saturday afternoon before Christmas traveling by bus. It was uncertain when they would reach St. Paul.

The Times talked the following Tuesday with a St. Paul volunteer representative of Church World Service. Ross Graves, an architect, tries to find sponsors like Ramsey and the Episcopal Church for refugee families.

Graves was incredulous that the Chhems had left Hall County and were enroute to St. Paul. "I told Socheat to call them and tell them not to come," he said. "There's nothing here for them. They're better off where they are."

He found it easy to surmise what had happened though.

"We've got a lot of refugees in this area," he explained. "There're a number of organizations funded to work with them. Each one of these organizations try to get all they can under their umbrellas so they can pack the greatest wallop, have the greatest influence. Socheat undoubtedly wanted more Cambodian refugees under his umbrella so he let them come on anyway."

What is going to happen to the Chhem's, The Times asked.

"They're going straight on welfare," Graves said. "That's the only place. Sure, there're these programs, educational and otherwise, but the waiting list is a mile long. Theoretically, they can get a job. Actually, the unemployment rate among refugees up here, because there're so many, is more than 70 per cent. They'll go on welfare until something in one of the programs opens up or they luck into some job. They may get so disillusioned, they'll want to go back to Georgia if there's anything still available for them down there."

And that's the story of how tax-supported agencies attracted a productive family paying its own way, helping others and saving money onto the welfare rolls.

[From the Wall Street Journal, Jan. 13, 1981]

SITTING PRETTY: A DAUGHTER DISCOVERS THE DOLE

(By Sanford L. Jacobs)

If Ronald Reagan comes to my house, he can see for himself what's wrong with our unemployment compensation system. He'll see that it's trying to ruin a really wonderfully energetic person—my 19-year-old daughter.

She isn't lazy. She works hard for other people. (Her willingness to work around our house is another matter, but has nothing to do with the issue under discussion.) She worked part-time in hectic kitchen jobs in little restaurants when she was a high-school student. When she finished high school in 1979, she spent the summer at hard work in the kitchen of a resort out West. Last winter, she took a job as a cook's helper at a Florida resort.

She is a good worker, my daughter. Her supervisor in Florida promoted her to cook when the cook quit. Her energy and dedication as chief cook was so good that the supervisor didn't hire an assistant for her. He seldom gave her a day off. He told her that he would have to cook when she was off and he didn't want to miss seeing the weekend football games on television.

But she isn't a dummy. She warned him that she'd quit if he didn't give her more days off. He said he didn't believe she would because she was such a good worker. She did quit and soon had another, better paying job.

Her mother and I thought this was terrific. Our first-born was learning to take care of herself in the world. We hadn't raised a shirker.

This summer she worked out West again. When the resort closed for the season, she came home. Then the cradle-to-grave welfare system started to influence my daughter's life.

A friend told her she could collect unemployment compensation. I didn't know much about it, but I told her I didn't see how she could be eligible since she'd never been fired from a job and she hadn't any real need for the money, for she was living at home. These facts don't seem to matter.

The good folks in the austere unemployment compensation office told my daughter she is eligible to receive $84 a week. This unearned income will come to her for 52 weeks, they said. Wow! (To borrow her vernacular.) Eighty-four bucks a week, and she doesn't have to do anything to get it except show up at the unemployment office every two weeks and assure the good folks there that she's been looking for work.

Of course she hasn't much incentive to find work. What 19-year-old living at home with $84 a week in her designer jeans needs a job? Her basic needs are taken care of by her parents. That $84 is more than enough for weekly roller-skating and beer expenses.

Putting gas in our thrifty imported car when she uses it won't break her, either.

My daughter probably thinks this is great. We haven't talked about it much since her mother and I referred to her getting "welfare."

I'd like President Reagan to learn enough at my house to return to Washington and ask the folks who set unemployment-compensation rules how come 19-year-old kids supported by their parents can get it.

From what I see, it's giving these kids the wrong signals. They're learning that they can get a free lunch. (My daughter's former employers are paying for part of her unearned income.)

Even more regrettable, these young persons are finding out that our government isn't run intelligently enough to prevent the system from giving money to people who don't need it.

LITHUANIAN INDEPENDENCE DAY

Mr. LEVIN. Mr. President, I submit for the RECORD a transcript of comments I made in Detroit on Sunday, February 15, to the Lithuanian community in commemoration of Lithuanian Independence Day. I also submit for the RECORD a resolution of the Detroit Lithuanian Organizations Center dated February 15, 1981.

The material follows:

REMARKS OF SENATOR CARL LEVIN TO THE LITHUANIAN COMMUNITY ON FEBRUARY 15, 1981

Thank you for inviting me to be with you today to share in your commemoration of Lithuanian Independence Day. Although the Republic of Lithuania was established in 1918, it enjoyed its too brief independence for only 22 years. For in 1940, the Soviet Union invaded and forcibly annexed Lithuania, totally nullifying a peace treaty and non-aggression pact with Lithuania.

Since 1917, the Soviet Union has gobbled up its neighbors with an insatiable appetite. First it was Georgia, Armenia, Ukraine and other neighbor states. Then, in 1940 and during World War II, it was the Baltic Nations that were devoured. And in the post war years, we saw Soviet tanks roll into Eastern Europe and, more recently, Afghanistan. No modern state has acted so blatantly contrary to the basic principles of national self-determination and territorial integrity.

There is no semblance of independence in Lithuania in 1981 except, and this is a big except, in the hearts and minds of people. But the struggle for independence continues. To keep it going, we must all press for human rights for the inhabitants of Lithuania, for other Baltic Nations and, indeed, for all the captive peoples everywhere.

Too many people have lost the right to worship: in the Soviet Union and in the captive nations, religion is prohibited and religious groups are viciously persecuted. The people yearn for this basic freedom.

Too many people have lost the right to travel: requests for visas to travel or emigrate are virtually impossible to obtain. There are no direct flights to any of the Baltic Nations and one must go through Moscow to enter or leave. This agonizing situation is a roadblock to visitation, family reunification and international marriage.

Too many people have lost the right to express their own individuality: a spiritual genocide is taking place in Lithuania and the other Soviet subjugated states today. The russification that we are witnessing aims to wipe out those special characteristics that are so dear to each individual nationality: language, art, culture, customs. A people has a right to realize its own political, social and economic selfhood. If those basic rights can be stamped out, a whole people's identity is lost forever.

Of the opening session of the Conference on Security and Cooperation in Europe held in Madrid from November 11 to December 19 of 1980, the staff report states, "Soviet intransigence was an important catalyst in maintaining allied units and in encouraging allied, neutral and non-aligned nations to take a forthright position against Soviet and Eastern European violations of their commitments under the Helsinki Accords."

The opening session dealt with an implementation review of the Helsinki Accords and the United States enjoyed a great deal of support and cooperation from the Western countries which were critical and specific in citing Soviet and Eastern European transgressions.

The Soviets always responded with their familiar "non-interference in internal matters" argument. They failed to respond to the substance of specific accusations that were made against them.

The Soviets took a beating in world public opinion, during the implementation review in Madrid, where lists of names were read, names of those held prisoner, literally and figuratively, in their own homelands.

Phase two of the Madrid meeting began on January 27 and new proposals are on the agenda for this sesison. The so-called Basket III working group will be examining 30 new propcsals dealing with human rights, and the Western countries have set their priorities; proposals have been designed to facilitate freer movement of people and ideas. We must push forward with this process, as painfully slow as it is because we are talking about basic freedoms.

To be free in America is something we treasure above everything else. To be a part of a viable and vital ethnic group in a free America is a double blessing. There are but a few places in this world today where a person can hold onto his own traditional, cultural and historical background while absorbing at the same time the flavor, the uniqueness, the modernity that characterizes this great country.

As you keep your identity with your native land intact, you enrich the marvelous mosaic which is America by adding your own special colors, your customs and beliefs. These colors blend with, but do not become blurred by, the many unique colors that all the other ethnic groups put into this mosaic, this rainbow, we call America.

The people of Lithuania depend on you to keep their hopes for independence alive. The people of Lithuania depend on you to articulate their longing for self-expression and self-determination. The people of Lithuania depend on you to perpetuate in this country those qualities which are uniquely Lithuanian.

A New York editorial of 1959 on the anniversary of Lithuanian Independence Day said it well: "In the Baltic Countries, the path to a better future is still dark, but it is not lost and will not be. The day of the overlords will not last forever. The time will come when the three lost little nations will be able to come out and join us."

You are keepers of the flame. As long as you remember, and as long as we all remember, America will never recognize the Russian annexation of Lithuania.

RESOLUTION OF THE DETROIT LITHUANIAN ORGANIZATIONS CENTER

Detroit, Mich., February 15, 1981.

Resolution on the occasion of Lithuania's Independence Celebration in Southfield, Mich., February 15, 1981

We, United States citizens of Lithuanian descent, residing in Southeast Michigan and having met on February 15, 1981 at 12:30 PM at the Lithuanian Cultural Center, 25335 West Nine Mile Road, Southfield, Michigan, to celebrate Lithuania's Independence Day, hereby have resolved that:

Whereas, During and after World War II at Moscow, Teheran, Yalta, and Potsdam conferences of Western powers and USSR, East Central Europe became dominated by Soviet Russia, and,

Whereas, The sovereign States of Lithuania, Latvia, and Estonia were occupied by Soviet Russia, and

Whereas, Soviet Russia systematically seeks to conquer the whole world, and after World War II has taken foothold in Africa, Asia, and America, and

Whereas, the last victim was the sovereign State of Afghanistan, where Afghan patriots are still fighting the invaders,

Now, therefore, we request that our Government should oppose Soviet Russia's colonialism and terrorism and thus further peace in the world, and

That our Government should exert diplomatic and other pressures on the Soviet Union to withdraw its occupational forces from Lithuania, Latvia, and Estonia, and

We petition our Government to show visible moral support to oppressed nations, and

We thank our Government for non-recognition of the incorporation of Lithuania, Latvia, and Estonia into the Soviet Union.

Now, therefore, We empower the Chairman of the Day to sign this Resolution and resolve to send it to the President, the President of the Senate, the Speaker of the House of Representatives, and the Senators and Representatives from the State of Michigan.

DR. STEPA MISKINIS,
Chairman of the Day.
STASYS SIMOLIUNAS,
Secretary.

MESSAGE FROM THE HOUSE

At 1:31 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 69. A concurrent resolution providing for a joint session of the two Houses on Wednesday, February 18, 1981, to receive a message from the President of the United States.

The message also announced that pursuant to section 3(b) of Public Law 96-317, as amended, the Speaker appoints as members of the Commission on Wartime Relocation and Internment of Civilians the following member on the part of the House: Mr. LUNGREN; and the following members from private life: Mr. Arthur J. Goldberg of Virginia, and Mr. Robert F. Drinan of Massachusetts.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-395. A communication from the Acting Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a report on the total numbers of applications for conditional registration under certain sections of the Federal Insecticide, Fungicide, and Rodenticide Act; to the Committee on Agriculture, Nutrition, and Forestry.

EC-396. A communication from the Acting Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting, pursuant to law, notice of a study with respect to converting the custodial services activity at U.S. Army Armament Research and Development Command, Picatinny Arsenal, Dover, N.J., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-397. A confidential communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Austria for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-398. A communication from the Assistant Secretary of the Air Force, Research and Development and Logistics, reporting, pursuant to law, that a study has been conducted with respect to converting the military family housing maintenance function at Keesler Air Force Base, Miss., and a decision has been made that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-399. A communication from the Administrator, Panama Canal Commission, transmitting, pursuant to law, a report, including financial statements, covering the operations of the Panama Canal during the period October 1, 1979 through September 30, 1980; to the Committee on Armed Services.

EC-400. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, the Base Structure Annex to the Defense Manpower Requirements Report for fiscal year 1982; to the Committee on Armed Services.

EC-401. A communication from the Deputy Assistant Secretary of Defense (Installations and Logistics), reporting, pursuant to law, on 6 construction projects to be undertaken by the Air Force Reserve; to the Committee on Armed Services.

EC-402. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision within the required 7-month period in Docket No. 37276 (Sub-No. 1), Coal, Wyo. to Redfield, Ark., and Docket No. 37456, Arkansas Power and Light Co., et al., v. Burlington Northern, Inc., et al., and requesting an extension until May 17, 1981; to the Committee on Commerce, Science, and Transportation.

EC-403. A communication from the Deputy Assistant Secretary of Energy, Resource Development and Operations, Resource Applications, transmitting, pursuant to law, a report entitled "Unconventional Gas Sources, National Petroleum Council, December 1980"; to the Committee on Energy and Natural Resources.

EC-404. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Actions Needed to Increase Federal Onshore Oil and Gas Exploration and Development," February 11, 1981; to the Committee on Energy and Natural Resources.

EC-405. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Residential Energy Conservation Outreach Activities—A New Federal Approach Needed," February 11, 1981; to the Committee on Energy and Natural Resources.

EC-406. A communication from the Acting General Counsel, Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-407. A communication from the Acting Administrator, Energy Information Administration, transmitting, pursuant to law, volume one of the Energy Information Administration Annual Report to Congress; to the Committee on Energy and Natural Resources.

EC-408. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a prospectus with regard to the leasing of space located at One Lefrak City Plaza, Queens, N.Y.; to the Committee on Environment and Public Works.

EC-409. A communication from the Secretary of Labor, transmitting, pursuant to law, the 10th annual report on the Work Incentive Program; to the Committee on Finance.

EC-410. A communication from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting, pursuant to law, the report of the Minority Resource Center for fiscal year 1980; to the Committee on Foreign Relations.

EC-411. A communication from the Deputy Assistant Secretary, Department of Health and Human Services, transmitting, pursuant to law, the Annual Report of Department of Health and Human Services Disposal of Foreign Excess Property during fiscal year 1980; to the Committee on Governmental Affairs.

EC-412. A communication from the Deputy Assistant Secretary of Housing and Urban Development, transmitting, pursuant to law, a report of the Department's intention to establish a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-413. A communication from the Director, Administrative Office Of The U.S. Courts, transmitting, pursuant to law, a report on 15 positions allocated by statute to the Administrative Office of the U.S. Courts; to the Committee on Governmental Affairs.

EC-414. A communication from the Acting Assistant Secretary of Transportation (Administration), transmitting, pursuant to law, notice of a proposed new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC-415. A communication from the Chief Justice of the United States, transmitting, pursuant to law, a copy of rules promulgated for preventing the unauthorized disclosure of classified information in federal criminal court proceedings; to the Committee on the Judiciary.

EC-416. A communication from the Attorney General of the United States, transmitting, pursuant to law, notice that the Department of Justice will not enforce a certain provision of law because of the position of the Department that it is unconstitutional; to the Committee on the Judiciary.

EC-417. A communication from the Executive Director of the Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the annual report on activities of the Corporation under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-418. A communication from the Secretary of the Commission of Fine Arts, transmitting, pursuant to law, the annual report of the Commission on activities under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-419. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of the Director, 1980, and the annual plan for fiscal year 1982-86 for the National Cancer Program; to the Committee on Labor and Human Resources.

EC-420. A communication from the Secretary of the U.S. Railroad Retirement Board, transmitting, pursuant to law, a report on a proposal to consolidate two systems of records into one and change the scope of the population covered; to the Committee on Labor and Human Resources.

EC-421. A communication from the Acting Public Printer, transmitting, pursuant to law, annual report on the activities of the U.S. Government Printing Office for fiscal year 1980; to the Committee on Rules and Administration.

PETITIONS

The following petitions were laid before the Senate and referred as indicated:

POM-17. A concurrent resolution of the First Congress of the Federated States of Micronesia; to the Committee on Energy and Natural Resources:

CONCURRENT RESOLUTION

"A resolution requesting the U.S. Government to provide $600,000 for a public education program prior to the plebiscite regarding the Draft Compact of Free Association

"Whereas, a Draft Compact of Free Association between the Government of the Federated States of Micronesia and the Government of the United States of America has been initialed by representatives of both governments; and

"Whereas, the people of the Federated States of Micronesia must approve the Draft Compact of Free Association in a plebiscite before such compact could take effect; and

"Whereas, it will be necessary to educate the people of the Federated States of Micronesia as to the provisions of such compact so that they can make an informed choice in such plebiscite; and

"Whereas, it is anticipated that a comprehensive public education program extending to all parts of the Federated States of Micronesia will entail considerable expense beyond the current means of the Federated States of Micronesia; and

"Whereas, representatives of the United States of America have assured the Micronesian parties negotiating such compact of the willingness of the United States Government to assist in defraying the costs associated with a public education program regarding such compact; now, therefore,

"*Be it resolved* by the First Congress of the Federated States of Micronesia, Fourth Regular Session, 1980, that the United States Government be requested to provide $600,000 to assist in defraying the costs associated with a public education program prior to a plebiscite regarding the Draft Compact of Free Association; and

"*Be it further resolved* That certified copies of this resolution be transmitted to the President of the Federated States of Micronesia, the President of the United States of America, the Presiding Officers of the United States Congress, the Secretary of State, the Secretary of the Interior, the President of the Trusteeship Council, Governors and Speakers of all the states of the Federated States of Micronesia, the Chairman of the Commission on Future Political Status and Transition, and Ambassador Peter Rosenblatt."

POM-18. A petition from a citizen of Springfield, Mo., relating to the appointment of certain individuals in the Reagan Administration; to the Committee on Labor and Human Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BUMPERS:

S. 482. A bill to reform the Bail Reform Act of 1966 to require the judicial officer making the bail determination to detain

those persons who cannot be released without endangering the safety of other persons or the community; to the Committee on the Judiciary.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 483. A bill to amend the Internal Revenue Code of 1954 to provide that the occupational tax on wagering shall not apply in any State in which wagering is permitted by law; to the Committee on Finance.

By Mr. CHILES:

S. 484. A bill to amend the Social Security Act to insure adequate short- and long-term financing of the old-age, survivors, and disability insurance program and the medicare program; to the Committee on Finance.

By Mr. ARMSTRONG:

S. 485. A bill to restrict the effect of Office of Management and Budget Circular A-118 as it regards parking fees for members of the Armed Services; to the Committee on Armed Services.

By Mr. BENTSEN:

S. 486. A bill to amend the Internal Revenue Code of 1954 to permit an individual covered by a private retirement plan to establish a separate individual retirement account or deduct a separate contribution to the plan; to the Committee on Finance.

S. 487. A bill to amend the Internal Revenue Code of 1954 to permit small, research-oriented firms to reduce income taxes by an amount equal to 10 percent of eligible research and development expenditures; to the Committee on Finance.

S. 488. A bill to establish a ten percent tax credit for investment in research and development for small businesses; to the Committee on Finance.

S. 489. A bill to establish the National Productivity Council to coordinate Federal efforts to promote the growth of productivity in the private sector, and for other purposes; to the Committee on Governmental Affairs.

S. 490. A bill to provide a program within the Comprehensive Employment and Training Act to retrain workers about to be laid off due to productivity improvement programs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. GLENN:

S. 491. A bill to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes; to the Committee on Governmental Affairs.

By Mr. D'AMATO:

S. 492. A bill to increase the income tax exclusion of dividends and interest received by individuals; to the Committee on Finance.

By Mr. GOLDWATER:

S.J. Res. 31. Joint resolution to establish procedures regarding the termination of, or withdrawal from, treaties of military alliance, defense, or national security by the United States, and for other purposes; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CANNON (for himself and Mr. LAXALT):

S. 483. A bill to amend the Internal Revenue Code of 1954 to provide that the occupational tax on wagering shall not apply in any State in which wagering is permitted by law; to the Committee on Finance.

EXCISE TAX ON WAGERING

Mr. CANNON. Mr. President, on behalf of my distinguished colleague, Senator LAXALT, and myself, I introduce a bill to amend the Internal Revenue Code to provide that the 2-percent excise tax on wagers and the $500 occupational tax on wagering shall not apply in any State in which wagering is permitted by law.

I introduced this measure last session, and it was favorably considered twice by the Finance Committee. First, the bill was reported with overwhelming committee support early in the session and later at the end of the session it was again endorsed when it was grouped with other noncontroversial tax measures to be considered by the Senate.

These taxes were originally adopted in 1951 as a revenue-raising device, as well as a means of curbing illegal wagering. However, it has become clear, over the years, that the impact of these taxes has been just the reverse.

The 2-percent and occupational taxes hinder the ability of gaming establishments which are authorized pursuant to State license and regulation, and make a good faith effort to comply with the code, to compete effectively with illegal counterparts. The result is that illegal operations are actually benefited.

As pointed out in the Finance Committee's report:

> The imposition of taxes subjects legal wagering to an unnecessary economic burden not borne by illegal wagering for which such liabilities are generally evaded.

The Commission on the Review of the National Policy Toward Gambling, on which I served, in its 1976 report to the Congress, also speaks to this situation. If a legal bookmaker passes the tax on to customers, the customer will most likely take his business to an illegal operator who simply ignores the tax. Yet, if the legal bookmaker absorbs the tax himself, he may well drive himself out of business. This is particularly evident with the smaller volume bookmakers who have difficulty paying the tax. And, as pointed out by the Commission, many licensed bookmaking operations in Nevada are only marginally profitable.

In addition to working to the advantage of illegal operators, these taxes also subject legal gaming operations to discriminatory tax treatment. These taxes are not applied to parimutuel waggering coin-operated devices, State lotteries that base winnings on horserace results, or casino games. They apply only to legal sports and horse bookmaking.

It is not the large casinos which will benefit from the repeal of these taxes. The majority of licensed bookmakers in Nevada are not large, but smaller operations whose primary and oftentimes only business is sports and racebooks. For example, most of these operations employ very few employees, the average number of employees being only 12.

I wish to emphasize that Nevada is the only State conducting this regulated and fully policed activity which is affected by these taxes. No special Federal tax exists in the many States that conduct horse or dog racing or jai lai games. States which have legalized off-track betting—primarily New York and Connecticut—are not subject to these taxes. Furthermore, it should be noted that the State of Nevada, in its own revenue-raising capacity, already imposes a tax of 5.5 percent on these very same activities. A strong element of inconsistency and inequity exists in imposing Federal taxes on select gaming activities.

Gaming is Nevada's largest industry. It is highly regulated and licensed in the State, and the elimination of illegal gaming activities is a goal shared by both State and Federal officials.

Nevada is in its 50th year of legalized wagering, and that longstanding experience has shown that the effect of the excise and occupational taxes is descriminatory among the States and within the industry. These taxes should not apply to wagering operations which are legal and regulated by the State.

It is important to review the revenue aspects of these taxes and I would like to focus on this issue now. It is interesting to note that Congress was advised, in 1951, that the estimated gain to the Treasury from these taxes was $400 million per year. That estimate was completely in error and, in fact, the total revenues gained from these taxes in fiscal year 1980 was only $11 million, and for the past 2 years, the total cumulative figure is only $21 million.

Mr. President, I ask unanimous consent that a breakdown for the past 5 fiscal years taken from the IRS Commissioner's annual report be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CANNON. Mr. President, in 1978 Treasury acknowledged that the revenues from these taxes are "extremely minor," and furthermore that:

> Experience with the several taxes on gambling does not support the conclusion that . . . there have been any substantial direct benefits in income tax enforcement arising from the existence of the gambling taxes.

Mr. President, that is a quote from a letter from Donald C. Lubick, Assistant Secretary-designate, Department of the Treasury, June 8, 1978. I ask unanimous consent that the first page of that letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. CANNON. Mr. President, in the 94th Congress, I introduced an amendment to eliminate the excise wagering tax for legal gaming operations. In conference, the excise tax, which was at that time 10 percent, was reduced to 2 percent. The occupational tax, which was at that time $50, was increased to $500. While the reduction of the wagering tax was certainly a step toward correcting the situation, it has proven itself to be just as effective as the 10-percent tax was in penalizing legal operators. Where the 10-percent tax was passed on to the customer, the 2-percent tax is absorbed by the operator. The 2-percent figure is approximately the margin of profit in these wagering operations, and the effect of the tax is to remove that profit for the legal operator. Simply stated, the 2-percent tax is a disincentive to legal bookmaking operations, while illegal bookmakers continue to profit. In a recent Las Vegas Sun article, the IRS estimated that illegal bookmakers gross $8 billion to $10 billion annually in untaxed profits from illegal horse and sporting bets and evade as much as $3.6 billion a year in Federal taxes.

The $500 occupational tax is yet another penalty. This levy applies to each ticket-writing employee of the betting establishment. As a practical matter, most employers pass it on to their workers. In some cases, the ticket writer, who is only a salaried employee, pays it outright. In other cases, the tax is taken out of the ticket writer's paycheck. I am sure it was never the intention of the Congress to apply a special tax on the right to work. The elimination of the occupational tax for legal operators would resolve this inequity. I am informed that this tax is the only such Federal tax levied on an occupation.

The Federal occupational stamp was originally seen as a law enforcement tool, in that it serves to identify bookmakers. That purpose is already served since these individuals are either licensed by the State of Nevada, pursuant to a rather demanding inquiry and hearing or are registered to perform their duties with law enforcement authorities. There seems no reason to duplicate that effort when the identification information is already maintained by the State and is made available by the State.

In conclusion, the 2-percent wagering tax and the $500 occupational tax are ineffective as revenue raising measures and as tools for the enforcement of gaming laws. They are discriminatory taxes, borne by the little guy who complies with the law, while his illegal counterpart benefits.

For these reasons, I urge that this measure be favorably and expeditiously acted upon by the Senate.

I comment again that it has the support of the Treasury Department.

EXHIBIT 1

COLLECTIONS NATIONWIDE FROM THE 2 PERCENT WAGERING TAX AND THE $500 OCCUPATIONAL TAX, AS SHOWN IN THE INTERNAL REVENUE SERVICE COMMISSIONER'S ANNUAL REPORTS FOR FISCAL YEARS 1976, 1977, 1978, 1979, AND 1980

Tax	1976	1977	1978	1979	1980
Wagering tax	$4,962,000	$6,632,000	$6,637,000	$9,124,000	$10,972,000
Occupational tax	900,065	776,000	1,048,000	908,000	1,079,000
Total	5,862,065	7,408,000	7,685,000	10,032,000	12,051,000
Cumulative yearly total	5,862,065	13,270,065	20,955,065	30,987,065	43,038,065

EXHIBIT 2

DEPARTMENT OF THE TREASURY,
Washington, D.C., June 8, 1978.

DEAR SENATOR CANNON: This is in reply to your letters of March 16 to Secretary Blumenthal requesting his comments on S. 98 and S. 1411. S. 98 would increase the maximum credit for a State tax imposed on coin operated gaming devices from 80 percent to 95 percent of the $250 per year Federal tax. S. 1411 would repeal the 2 percent tax on wagers and the $500 per year ocupational tax levied on all persons accepting taxable wagers or engaged in receiving wagers for any person liable for the tax on wagers.

Repeal of the 2 percent tax on wagers would reduce revenues by $7 million. The comparable revenue loss for the $500 occupational tax would be about $1 million. Increasing the credit for State tax on coin operated gaming devices would reduce revenues by about $2 million.

Taxes on wagers and coin operated gaming devices reflect a public policy decision that gambling constitutes an expenditure that can reasonably be subject to taxation. In some cases this is a moral judgment. In others, an evaluation that such spending is discretionary spending. Others have advocated excise taxes on gambling as an aid to determining illegal gains which otherwise might escape income tax.

Our experience with the several taxes on gambling does not support the conclusion that in the aggregate there have been any substantial direct benefits in income tax enforcement arising from the existence of the gambling taxes. Cases of evasion schemes have been discovered as a result of gambling tax enforcement, but not enough for us to make a strong argument for retention of the tax on wagers or coin-operated gaming devices. Revenues from the taxes are extremely minor. Consequently, retention or repeal of these taxes should be determined by public opinion as to whether gambling activities should be taxed as a sign of social disapproval. We express no judgment on this.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

By Mr. CHILES:

S. 484. A bill to amend the Social Security Act to insure adequate short- and long-term financing of the old age, survivors, and disability insurance program and the medicare program; to the Committee on Finance.

SOCIAL SECURITY REFORMS ACT OF 1981

● Mr. CHILES. Mr. President, it certainly comes as no surprise to the Members of the Senate when I say that the social security system is in financial trouble. Again and again during 1980 we were reminded that the system needs a major financial overhaul.

Mr. President, the election year is behind us, the problems have not gone away, and time is running out. It is time to make the hard choices. It is time to act. Today, I am introducing the Social Security Reform Act of 1981 which I believe will return fiscal soundness to this most important program.

Before finishing my tour of duty as chairman of the Senate Special Committee on Aging, I held a series of four hearings entitled "Social Security: What Changes are Necessary?" Among the witnesses at these hearings were some of the top experts in the country on social security, including representatives from several of the major organizations of older people. Many of the most important issues now before us were discussed at these hearings, and I recommend to my colleagues that they review the testimony we received. From my own study of the issues, it is obvious that the answers we seek will not be easy ones.

But it is clear to me that it is time for action—we cannot, as some would hope, shore up social security by standing still and continuing to say: "No change."

It is also clear to me that we cannot save social security by going the same old route of simply raising the payroll tax one more time, on top of increases already scheduled for 1982, 1985, 1986, and 1990. We are in a new era—one of high unemployment and high inflation. We have a new President and a new Congress more dedicated and more determined than ever before to cut taxes and cut spending—not increase them. Payroll taxes in particular hurt both unemployment and inflation.

In light of this new atmosphere, I am convinced, as a member of both the Senate Budget and Appropriation Committees, that the best chance for solving the financial problems of the social security system will be to avoid higher payroll taxes and prevent further increases in the Federal deficit.

Of necessity, this approach will also require some tough medicine resulting in the reduction of certain nonessential benefits. However, at the same time, I am proposing other changes in the law designed to provide increased income and work opportunities for those over 65.

The legislation I am introducing today is comprehensive in nature with elements that have significant impact both now and far into the future. The bill has nine parts which are summarized as follows:

First, remove the mandatory retirement age completely.

Second, eliminate entirely the remaining limitation for those over 65.

Third, require that any change in the Consumer Price Index be submitted for appropriate congressional review.

Fourth. Effective immediately, permit interfund borrowing.

Fifth. Beginning in the year 2000, start to phase in a 3-year increase in the eligibility age for full benefits from 65 to 68, and for reduced benefits from 62 to 65.

Sixth. Over 3 years beginning in 1981, phase in general revenue funds to pay for 70 percent of medicare, part A, and convert all savings which result into reductions in the payroll tax.

Seventh. For both employer and employee, eliminate the payroll tax paid on wages earned by any worker over age 65.

Eighth. Eliminate the minimum benefit for all new retirees, but retain the special minimum benefit for low wage earners.

Ninth. Phase out student benefits starting in August of 1981.

This reform legislation which I have just outlined has four primary goals.

First, through a combination of interfund borrowing and certain specified benefit reductions, we can substantially resolve the short-term cash flow problem facing us over the next 5 years.

Second, by phasing in a new retirement age of 68 by the year 2012, we can effectively wipe out the long-term deficit and prepare ourselves adequately for the large increases in retirement expected next century without reducing benefit levels.

Third, I am proposing three major initiatives to encourage greater income and work opportunity for older persons: eliminating the earnings limitation, removing the mandatory retirement age, and eliminating the payroll tax for those over 65.

Finally, this legislative package reduces the economic pressures of inflation

and unemployment by providing each employer a steady rollback in his payroll tax rate from 6.65 percent today to 5.79 percent in 1983–84, a reduction of over 13 percent. The employer will have the added economic incentive of further tax savings if he retains or hires workers over age 65. The reduced labor costs due to lower payroll taxes will aid the solvency of the social security trust funds at the same time that they help the overall economy.

RESOLVING THE SHORT-TERM CASH FLOW PROBLEM

For several years now, despite the 1977 Social Security Amendments, the old-age, survivors insurance—OASI—fund has been on a collision course with insolvency. In large part, this trend has been caused by the twin problems of high unemployment, which reduces the revenues to the fund, and high inflation, which causes greater outlays because of the cost-of-living adjustments.

In an effort to buy additional time, the Congress last year passed H.R. 7670—Public Law 96–403—which reallocated the payroll tax rates between the OASI fund and the disability insurance—DI—fund, resulting in more revenues for the depleted OASI fund and less for DI, which was in relatively good financial condition. However, this effort only delayed the crisis.

Testifying before our hearings in December, the Commissioner of Social Security, William Driver, pointed out that this rate reallocation only postponed the cashflow problem from 1981 to mid-1982.

INTERFUND BORROWING

As a partial solution to the short-term cash flow crisis, several groups have recommended interfund borrowing. By permitting the troubled OASI fund to borrow from DI and the health insurance—HI—trust funds, any serious shortfall in the OASI system can be postponed until 1984.

Therefore, my legislation permits interfund borrowing when any one of the funds falls below 25 percent of 1 year's outlays. Authority for interfund borrowing would begin immediately but would cease in 1990. By the late 1980's, it is estimated that the short-term crisis will be over. The funds borrowed would have to be paid back with interest, and it is expected by 1990 that all three funds will be out of danger. However, even with interfund borrowing, the trust funds will face a deficit in the 1984–85 period.

ELIMINATION OF STUDENT BENEFITS

In 1965, the original concept of survivor's and dependent's benefits was extended to include children aged 18 to 21 if they went to college. Survivors and dependents who go to work instead of to school do not receive the benefit. Since 1965, however, several Federal educational assistance programs have been established or greatly expanded to where they now spend almost $7 billion per year. Most social security recipients are also eligible for these programs. Studies by the Congressional Budget Office, the General Accounting Office, and others have pointed to the student benefit as outmoded and poorly targeted.

For some time now, I have been uncomfortable with this duplication of programs. In light of the original intent of social security to replace lost income, and because there are alternative ways to assist students, I am proposing that the student benefit be phased out beginning in August 1981. In other words, any student who has already started school and is receiving social security benefits may finish his schooling so long as he or she is eligible. However, no new students would be brought on to the program.

The cost savings to the trust funds in 1982 are estimated to be $700 million rising to $2.7 billion by 1986.

ELIMINATION OF MINIMUM BENEFIT FOR NEW RETIREES

Since the inception of the social security program, there has always been a minimum benefit. It began at a level of $10, and its original purpose was to aid in administration. Over the years, the level was increased because many beneficiaries were very poor and needed the extra assistance. However, in recent years, studies have shown that most recipients are not poor at all. It was in large part for this reason that Congress in 1977 froze the minimum benefit level at $122 per month (the reduced minimum for those retiring at age 62 is frozen at $97.50). Without any further action, it is estimated that the frozen minimum will phase itself out in another 30 years due to inflation.

I am proposing that Congress eliminate the minimum benefit effective July 1, 1981, but only for new retirees. And again, I stress that any beneficiary now receiving the minimum benefit will not have that payment reduced in any way.

I would also emphasize that my bill does not remove the "special" minimum benefit provisions of the law which provide additional protection for workers with many years of contribution at very low salaries.

While I am sympathetic to the earlier intention of the law in providing a minimum level of payment to truly needy persons, it is now clear that this benefit is going more often to persons who have substantial income from other sources. In addition, since the enactment of the supplemental security income (SSI) program in 1974, the need for the minimum benefit has been greatly reduced.

A General Accounting Office (GAO) study released in late 1979 found that a very small percentage of those awarded the minimum benefit were needy. Their analysis showed:

A. 44 percent of sampled beneficiaries were eligible for the minimum but received no benefit from it; 18 percent were already on SSI; 23 percent were dually entitled to spouse benefits which were higher; 3 percent had their minimum benefit offset by other Federal pensions.

B. 30 percent had substantial income from other sources; 15 percent received Federal pensions (average $900/mo.); 10 percent relied on spouses still working (average $13,700/year); 2 percent relied on retired spouses with Federal pensions (average $12,500/year).

C. For the remaining 26 percent insufficient data was available. However, this group includes many who were receiving (or whose spouses were receiving substantial state or local pensions.

Figures from 1978 show approximately 3.1 million recipients of the minimum benefit now in the system at a cost of over $3.8 billion annually. By allowing current recipients of the minimum benefit to continue, but by removing this benefit for all new retirees, the estimated savings to the trust fund would be $65 million in 1982, rising to $225 million in 1986.

USE OF GENERAL REVENUES TO PAY FOR MEDICARE, PART A

Effective this year, I am proposing a major reduction in the payroll tax by injecting general revenue funds to pay for 50 percent of the cost of medicare, part A, or the health insurance (HI) trust fund. The bill will increase this contribution of general revenue funds to 60 percent in 1982 and 70 percent in 1983 and thereafter.

Briefly summarized, the effect of this provision will be to provide roughly a 13-percent reduction in payroll taxes over the next 10 years. For 1981, the rate will drop from 6.65 to 6.00 percent. By 1983, the rate will decrease from a scheduled 6.70 percent, under current law, to 5.79 percent.

To help clarify the effect of my bill on the payroll tax, I am providing the following table which compares my changes to present law:

Calendar year	OASI	DI	HI	OASDHI	General revenue	Total
Current law:						
1981	4.70	0.65	1.30	6.65	----------	6.65
1982–84	4.575	.625	1.30	6.70	----------	6.70
1985	4.75	.95	1.35	7.05	----------	7.05
1986–89	4.75	.95	1.45	7.15	----------	7.15
1990+	5.10	1.10	1.45	7.65	----------	7.65
Effect of Chiles' bill:						
1981	4.70	.65	.65	6.00	0.65	6.65
1982	4.575	.625	.52	5.92	.78	6.70
1983–84	4.575	.625	.39	5.79	.91	6.70
1985	4.75	.95	.405	6.105	.945	7.05
1986–89	4.75	.95	.435	6.135	1.015	7.15
1990+	5.10	1.10	.435	6.635	1.015	7.65

The new administration and the new Congress seem determined to cut taxes, and I cannot think of a better place to start. If we can stimulate our economy to provide more jobs, the result will be more income to the trust funds and a resulting improvement in our short-term cash flow problems. And I would point out that my proposal, by injecting general revenues for medicare, does not increase the overall tax pinch, because the resulting increase in costs to the general revenue is offset dollar for dollar with a reduction in payroll taxes.

This reduction in payroll taxes I am proposing will lower labor costs, and thereby reduce the inflation rate by about 1 percent. By ratcheting the rate down over 3 years, there is more likelihood that the reduction will result in lower prices rather than a one-time windfall for business. Lower prices and lower inflation translates to less drain on the trust funds.

For years there has been concern about using general revenues for any part of social security, but I am much less concerned about general revenue financing for medicare than for the old-age survivors trust fund. Medicare was not part of the original insurance system; it is a benefit that was added in 1965. Unlike disability, retirement, or survivor benefits, medicare benefits are not directly linked to one's wages and how much a worker has contributed to the system, and therefore, there is less need to continue funding medicare primarily from payroll taxes.

I would also point out that we currently fund over 70 percent of medicare, part B (physician costs), through general revenues. My proposal to inject general revenues for part A simply brings both parts to the same level.

CONGRESSIONAL REVIEW OF CHANGES IN CPI

My bill also provides for appropriate review of any proposed changes in the calculation of the Consumer Price Index (CPI) whereby cost-of-living adjustments for social security recipients are measured. The annual cost-of-living adjustment (or COLA) for beneficiaries of this system is one of its most valuable assets—especially to those who must rely primarily on social security to make ends meet during double-digit inflation.

Therefore, my bill would require 120 days' notice to the appropriate legislative committees before any revision in the CPI can become effective.

EFFECTS ON SHORT-TERM CRISIS IN 1984–85

As I explained earlier, by permitting interfund borrowing the cashflow problem is effectively averted until 1984. At that time and for roughly a 2-year period, a funding gap will exist until the payroll tax increases already in the law take effect.

However, the savings generated by eliminating both the student benefit and the minimum benefit are sufficient, within the normal range of estimating error, to see us through the 1984–85 period.

I must stress, however, that if our economy takes a serious turn for the worse, more drastic measures may be unavoidable such as emergency borrowing from the Treasury or additional benefit reductions—such actions, especially the latter, should be prevented if at all possible.

RESOLVING THE LONG-TERM DEFICIT

One witness at our hearings, Henry Aaron of the Brookings Institution and Chairman of the 1979 Advisory Council on Social Security, characterized the short-term financial problem as critical but not serious. In other words, action cannot be delayed, but answers are available and the magnitude of the problem is relatively small. However, he called the long-term deficit problem serious but not critical—there is time to resolve it, but the size of the problem is enormous and the available answers will require major changes in the system.

In issuing their 1980 report, the trustees of the social security trust funds—the Secretaries of Labor, Treasury and Health and Human Services—predicted a serious long-term deficit. Their projections cover the next 75 years for the old-age, survivor's insurance (OASI) and disability insurance (DI) trust funds, and the next 25 years for the health insurance (HI) fund. Their future cost estimates are prepared using three alternative sets of assumptions: optimistic, intermediate, and pessimistic.

Under the intermediate assumptions, the trustees report that the OASDI trust fund balances will be exhausted by the year 2030. Under pessimistic assumptions, the funds will be exhausted between the year 2010 and 2015. As updated by the administration's mid-session review, the long-term, 75-year deficit is measured as 1.58 percent of taxable payroll. This translates to over 11 percent of costs, or $20 billion in 1981 terms.

According to the trustees, the system is not "in close actuarial balance over the long-range period" if the deficit exceeds 5 percent of the estimated 75-year average expenditure which is 13.74 percent of payroll. Since the deficit of 1.58 approximates a level of 11 percent of estimated expenditures, the system is not in close actuarial balance.

The reasons for this long-term deficit are many, but the primary cause is demographic. The children born in the enormous baby boom after World War II will begin retiring about the year 2010, resulting in a rapid increase in the number of retirees in relation to workers. Since the social security system was originally designed and continues today on a pay-as-you-go basis, the ratio of workers, or "payers in," to the number of retirees, or "takers out," is critical. Today that ratio is somewhat over 3 workers to each retiree. By next century that ratio will shrink to 2 to 1.

RAISING THE RETIREMENT AGE TO 68

There is no painless way to approach the long-term deficit—all the options we reviewed in our hearings would require major changes in the current system. However, with few exceptions, our witnesses urged us to initiate action now so today's workers will have sufficient time to adjust to any changes that might be phased in to resolve the long-term financial deficit.

After careful review of the proposed solutions, I believe that raising the retirement age to 68 provides the fairest and most positive approach because it recognizes the improved health and economic contributions of older Americans. This option as has been recommended by several other groups including the President's Commission on Pension Policy, the National Commission on Social Security, and the 1979 Advisory Council.

As proposed in my bill, the age increase would begin to phase in on January 1, 2000. At that time, the age of retirement for full benefits would be 65 plus 1 month. Every 4 months thereafter the age would increase by an additional month until reaching age 68 in the year 2012. The age for reduced benefits will rise from age 62 to age 65 in the same manner. The age of eligibility for widows and widowers will rise from 60 to 63.

Two points need to be emphasized here to avoid what can often be unnecessary misunderstanding. First, raising the retirement age to 68 in this manner, will in no way affect any older person now receiving social security, nor will it affect any person nearing retirement. In fact, it will not affect anyone who celebrated his or her 45th birthday before the end of 1979. In short, if adopted, today's younger workers will have ample time to think ahead and adjust their retirement income plans.

Second, my proposal does not in any way disturb the disability system we now have in place for those who, for health reasons, cannot keep working until an age when benefits are available.

There are other reasons why I favor raising the retirement age. The average life expectancy at age 65 has risen approximately three years since the inception of the social security system. An increase in health and productivity has accompanied this trend. By raising the age to 68, we would still be providing benefits over the same proportion of an average person's life. In fact, it is likely that life expectancy will continue to increase more between now and the year 2000 when my proposal will begin to phase in. In addition, many more jobs today are white collar in nature and lend themselves more easily to delayed retirement.

From a cost point of view, raising the retirement age has a dramatic impact on the long-term deficit. As proposed, this change would result in a long-term savings of 1.42 percent of taxable payroll, or 90 percent of the estimated long-term deficit (1.58 percent). As I mentioned earlier, the trustees consider a deficit in excess of 5 percent of estimated 75-year average expenditures to be a serious problem. By raising the retirement age, the deficit is reduced to 1 percent and is "in close actuarial balance."

INCENTIVES FOR WORK AFTER 65

If the American people are to rethink their attitudes toward retirement, as I believe we must, it is essential that the worker and his employer be encouraged to see the value of delayed retirement.

During 1980, the Committee on Aging conducted a series of hearings on "Work After 65" where we explored the question of early versus later retirement. Testimony from major companies—Xerox, Polaroid, Atlantic Richfield, Banker's Life, and Grumman—emphasized the growing awareness of private industry in the value of the older worker. The image of the older employee as less healthy, more accident prone, and less productive was completely refuted by our witnesses, and yet, early retirement continues to be the trend.

Therefore, I am convinced that Congress must take steps to encourage more and better opportunities for the older worker. If we are to increase the retirement age, we must also increase the availability and value of jobs for those

over 65. To do this, my bill provides three changes in the law.

REMOVE THE EARNINGS LIMITATION FOR RETIREES OVER 65

It has been my experience and that of many of my colleagues on the Committee on Aging that no issue is more unpopular to older persons than the earnings test. Today, a retired worker receiving social security faces a 50-percent "tax" if he or she earns more than $5,500 during the year. After that point, the social security payment is reduced one dollar for every two earned. A closer estimate of the tax on excess earnings is about 80 percent after you add in the payroll tax and Federal and State income taxes.

If we are to encourage continued work by older persons, it is essential that we eliminate this onerous disincentive. Therefore, beginning in 1986, I am proposing that the law be amended to eliminate the earnings test completely. I would much prefer to remove it today, but unfortunately, it is a costly item estimated to increase costs to the trust funds by $2.2 billion per year. Because of current economic conditions, and the short-term cash flows problem we face in the mid-eighties, earlier removal is impossible. However, I will be watching our economic developments closely, and if developments are positive and our short-term problems subside sooner than expected, I will review the situation to determine whether or not we can eliminate the earnings test before 1986. I hope we can.

To keep this change in line with other provisions in my bill, the elimination of the earnings test will apply only to those over 65 with the age rising to 68 by the year 2012.

REMOVE THE MANDATORY RETIREMENT AGE

The 1978 amendments to the Age Discrimination in Employment Act removed the mandatory retirement age for Federal workers altogether; it raised the age in private industry from 65 to 70. My reform legislation takes the next step by removing the age 70 language from the law. In this way, subject to existing exceptions, mandatory retirement at any age will be against the law.

ELIMINATE THE PAYROLL TAX FOR EMPLOYERS AND EMPLOYEES FOR WAGES EARNED BY WORKERS OVER 65

Effective January 1, 1982, I am proposing an additional tax incentive for workers over 65 and their employers by removing the requirement for paying any payroll tax.

For the employer, this is a direct economic incentive to hire and retain older workers, and to develop retraining programs designed to make the older worker more useful to him. The incentive is a substantial savings in the employer's payroll costs. For a worker aged 65 earning over $30,000, the savings to the employer is almost $2,000 per year.

For older workers, the incentive is more take home pay. The payroll tax will not be deducted. In short, if older workers keep working after age 65, their paychecks will have fewer deductions, they will still become eligible for full, tax free social security benefits, and, under my proposal, they will not be subject to the earnings limitation. As the age of retirement phases in to 68, this tax break will phase upwards in a similar manner.

Because this provision will reduce the income to the trust funds, my bill provides for the lost revenue to be made up by general revenues. Estimates of the costs to the Treasury are uncertain because it is unclear at this time what effect this change will have on the labor force. The best prediction we have at this time is 0.75 percent of taxable payroll or just over $1 billion per year. This estimate does not take into account the additional Federal income tax revenues that will be generated by this incentive to work longer. Hopefully, over time, the effect will be to cancel out or even increase general revenues.

Congress has already provided this kind of incentive to hire disadvantaged youth by enacting the targeted jobs tax credit. I hope we can now have the good sense to extend a comparable advantage to our older workers.

In closing, may I say that the provisions of my bill, while aimed at solving the short- and long-term financial problems of social security, are by no means the only solutions. But from my analysis, they represent the fairest way to proceed. Not everything in my bill will be greeted with open arms, but I am convinced that the problems we face cannot be solved with painless remedies and wishful thinking.

So I urge my colleagues to review this bill carefully. We cannot avoid resolving the cashflow problem scheduled to hit us next year, and I strongly feel it would be irresponsible to delay action on the long-term deficit. The longer we wait, the harder and more painful will be the solution.

Finally, I am hopeful that what I am proposing will usher in a new era for the older worker—one without penalties for honest labor and one with additional opportunity for earned income so that more may live in dignity in the years of retirement.

Mr. President, I ask unanimous consent that the text of the legislation be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 484

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Social Security Reform Act of 1981."

INTERFUND BORROWING AMONG SOCIAL SECURITY TRUST FUNDS

SEC. 2. (a) Section 201 of the Social Security Act is amended by adding at the end the following new subsection:

"(e)(1) If in any month the assets of the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund are less than 25 percent of the amount disbursed from that Trust Fund during the twelve immediately preceding months, the Board of Trustees may, prior to fiscal year 1991, direct the Managing Trustee to borrow from the other Trust Fund, or from the Federal Hospital Insurance Trust Fund established under section 1817, for deposit in the deficient Trust Fund, an amount not to exceed the difference between the assets of the deficient Trust Fund and 25 percent of the amount so disbursed.

"(2) There shall be transferred from time to time, from the deficient Trust Fund to the lending Trust Fund, interest, with respect to the loan, at a rate equal to that which the lending Trust Fund would earn if the loan were an investment under subsection (d).

"(3) If the assets of the deficient Trust Fund in any month equal or exceed 30 percent of the amount disbursed from that Trust Fund during the twelve immediately preceding months, all amounts that would otherwise thereafter be paid into that Trust Fund shall instead be paid into the lending Trust Fund, except so much as shall be required to maintain the assets of the deficient Trust Fund at 30 percent of the amount so disbursed, until the loan under this subsection is repaid.

"(4) The Board of Trustees shall make a timely report to the Congress of any amounts transferred (except as interest) under this subsection.".

(b) Section 1817 of such Act is amended by adding at the end the following new subsection:

"(j)(1) If in any month the assets of the Federal Hospital Insurance Trust Fund are less than 25 percent of the amount disbursed from that Trust Fund during the twelve immediately preceding months, the Board of Trustees may, prior to fiscal year 1991, direct the Managing Trustee to borrow from the Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, established under section 201, for deposit in the Federal Hospital Insurance Trust Fund, an amount not to exceed the difference between the assets of the Federal Hospital Insurance Trust Fund and 25 percent of the amount so disbursed.

"(2) There shall be transferred from time to time from the Federal Hospital Insurance Trust Fund to the lending Trust Funds, interest, with respect to the loan, at a rate equal to that which the lending Trust Fund would earn if the loan were an investment under subsection (c).

"(3) If the assets of the Federal Hospital Insurance Trust Fund in any month equal or exceed 30 percent of the amount disbursed from that Trust Fund during the twelve immediately preceding months, all amounts that would otherwise thereafter be paid into that Trust Fund shall instead be paid into the lending Trust Fund, except so much as shall be required to maintain the assets of the Federal Hospital Insurance Trust Fund at 30 percent of the amount so disbursed, until the loan under this subsection is repaid.

"(4) The Board of Trustees shall make a timely report to the Congress of any amounts transferred (except as interest) under this subsection.".

PARTIAL GENERAL REVENUE FUNDING FOR HOSPITAL INSURANCE TRUST FUND

SEC. 3. (a) Section 1817(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon;

(3) by inserting after paragraph (2) the following new paragraphs:

"(3) an amount equal to—

"(A) 100 percent in the case of calendar year 1981,

"(3) 150 percent in the case of calendar year 1982, and

"(C) 233⅓ percent in the case of calendar year 1983 and each calendar year thereafter, of that portion of the total amount appropriated under paragraph (1) which represents such taxes on wages paid and received during such calendar year; and

"(4) an amount equal to—

"(A) 100 percent in the case of a taxable year beginning after December 31, 1980, and before January 1, 1982,

"(B) 150 percent in the case of a taxable year beginning after December 31, 1981, and before January 1, 1983, and

"(C) 233⅓ percent in the case of a taxable year beginning after December 31, 1982,

of that portion of the total amount appropriated under paragraph (2) which represents such tax on self-employment income for such taxable year.".

(b)(1) Section 1401(b) of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income for hospital insurance) is amended by striking out paragraphs (4), (5), and (6) and inserting in lieu thereof the following:

"(4) in the case of any taxable year beginning after December 31, 1980, and before January 1, 1982, the tax shall be equal to 0.65 percent of the amount of the self-employment income for such taxable year;

"(5) in the case of any taxable year beginning after December 31, 1981, and before January 1, 1983, the tax shall be equal to 0.52 percent of the amount of the self-employment income for such taxable year;

"(6) in the case of any taxable year beginning after December 31, 1982, and before January 1, 1985, the tax shall be equal to 0.39 percent of the amount of the self-employment income for such taxable year;

"(7) in the case of any taxable year beginning after December 31, 1984, and before January 1, 1986, the tax shall be equal to 0.405 percent of the amount of the self-employment income for such taxable year; and

"(8) in the case of any taxable year beginning after December 31, 1985, the tax shall be equal to 0.435 percent of the amount of the self-employment income for such taxable year.".

(2) Section 3101(b) of such Code (relating to rate of tax on employees for hospital insurance) is amended by striking out paragraphs (4), (5), and (6) and inserting in lieu thereof the following:

"(4) with respect to wages received during the calendar year 1981, the rate shall be 0.65 percent;

"(5) with respect to wages received during the calendar year 1982, the rate shall be 0.52 percent;

"(6) with respect to wages received during the calendar years 1983 and 1984, the rate shall be 0.39 percent;

"(7) with respect to wages received during the calendar year 1985, the rate shall be 0.405 percent; and

"(8) with respect to wages received after December 31, 1985, the rate shall be 0.435 percent.".

(3) Section 3111(b) of such Code (relating to rate of tax on employers for hospital insurance) is amended by striking out paragraphs (4), (5), and (6) and inserting in lieu thereof the following:

"(4) with respect to wages paid during the calendar year 1981, the rate shall be 0.65 percent;

"(5) with respect to wages paid during the calendar year 1982, the rate shall be 0.52 percent;

"(6) with respect to wages paid during the calendar years 1983 and 1984, the rate shall be 0.39 percent;

"(7) with respect to wages paid during the calendar year 1985, the rate shall be 0.405 percent; and

"(8) with respect to wages paid after December 31, 1985, the rate shall be 0.435 percent.".

COMPUTATION OF CONSUMER PRICE INDEX

SEC. 4. Section 215(i) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(5) In any case in which the Secretary of Labor proposes to change the method by which the Consumer Price Index (used to determine cost-of-living increases under this subsection) is computed, the Secretary of Labor must submit such proposed change to the House Committee on Ways and Means and the Senate Committee on Finance at least 120 days prior to the date on which such proposed change is to become effective.".

RETIREMENT AGE CHANGES

SEC. 5. (a) Title II of the Social Security Act is amended by adding at the end thereof the following new section:

"PHASED INCREASE IN ELIGIBILITY AGE FOR OLD-AGE AND SURVIVORS INSURANCE BENEFITS

"SEC. 234. (a) Effective January 1, 2000, and ending January 1, 2012, in administering the programs established under this title, the Secretary shall determine entitlement to, and the amount of, benefits under this title in accordance with the following interim rules:

"(1) In determining when an individual attains age 65, such age shall be deemed to be age 65, plus one calendar month for each period of four calendar months which have elapsed since August 31, 1999.

"(2) In determining when an individual attains age 62, such age shall be deemed to be age 62, plus one calendar month for each period of four calendar months which have elapsed since August 31, 1999.

"(3) In determining when an individual attains age 60, such age shall be deemed to be age 60, plus one calendar month for each period of four calendar months which have elapsed since August 31, 1999.

"(4) For purposes of paragraphs (1), (2), and (3) an individual shall be considered to have attained age 65, 62, or 60, as the case may be, on the first day of the calendar month in which he actually attains such age.

"(b) In any case in which an individual becomes entitled to a benefit under this title by reason of attaining age 60, 62, or 65, or by reason of another individual attaining such age, such entitlement of that benefit shall not cease by reason of the application of the interim rules set forth in subsection (a).".

(b)(1) Effective January 1, 2012, section 234 of the Social Security Act (as added by subsection (a)) is repealed.

(2) Effective January 1, 2012, the Social Security Act is amended—

(A) by striking out "65" each place it appears in the following sections and inserting in lieu thereof in each instance "68":

(i) subsections (a), (d), (e), (f), (q), (r), and (w) of section 202,

(ii) subsections (c), (d), (f), (h), and (j) of section 203.

(iii) section 209 (r),

(iv) section 211 (b) (3),

(v) subsections (f) and (l) of section 215,

(vi) subsections (h) and (i) of section 216, and

(vii) section 223 (a);

(B) by striking out "sixty-five" in sections 203 (c) and 223 (a) and inserting in lieu thereof in each instance "68";

(C) by striking out "Sixty-five" in the heading of section 203 (j) and inserting in lieu thereof "Sixty-eight";

(D) by striking out "62" each place it appears in the following sections and inserting in lieu thereof in each instance "65":

(i) subsections (a), (b), (c), (h), (m), and (q) of section 202,

(ii) section 213(a),

(iii) section 214(a),

(iv) subsections (a) and (b) of section 215,

(v) subsections (b), (c), (f), (g), and (i) of section 216,

(vi) subsections (a) and (c) of section 223, and

(vii) section 224; and

(E) by striking out "60" each place it appears in the following sections and inserting in lieu thereof in each instance "63":

(i) subsections (e), (f), (j), and (q) of section 202,

(ii) subsections (c) and (f) of section 203,

(iii) subsections (c) and (d) of section 222,

(iv) section 225(a), and

(v) section 226(c).

(c) Subtitle F of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following chapter:

"Chapter 81—SPECIAL INTERIM RULES APPLICABLE TO SOCIAL SECURITY TAXES

"Sec. 7901. Special interim rules applicable to social security taxes.

"SEC. 7901. SPECIAL INTERIM RULES APPLICABLE TO SOCIAL SECURITY TAXES.

"Effective January 1, 2000, and ending January 1, 2012, in applying sections 1402(a)(3) and 3121(a)(18), the Secretary shall determine the amount of taxes to be paid in accordance with the following interim rules:

"(1) In determining when an individual attains age 65, such age shall be deemed to be age 65, plus one calendar month for each period of four calendar months which have elapsed since August 31, 1999.

"(2) For purposes of paragraph (1), an individual shall be considered to have attained age 65 on the first day of the calendar month in which he actually attains such age.".

(d)(1) Effective January 1, 2012, chapter 81 of the Internal Revenue Code of 1954 (as added by subsection (c)) is repealed.

(2) Effective January 1, 2012, sections 1402(b)(3) and 3121(a)(18) of the Internal Revenue Code of 1954 are each amended by striking out "65" and inserting in lieu thereof "68".

ELIMINATION OF STUDENT BENEFITS

SEC. 6. (a) Section 202(d) of the Social Security Act is amended—

(1) in paragraph (1)(3)(i) by striking out "either" and by striking out "or was a full-time student and had not attained the age of 22";

(2) in paragraph (1)(E)—

(A) by striking out "(i)" and

(B) by striking out ", and (ii) is not a full-time student during any part of such month." and inserting in lieu thereof "; or";

(3) by striking out paragraph (1)(F) and redesignating paragraph (1)(G) as paragraph (1)(F);

(4) in paragraph (1)(F) as so redesignated, by striking out "gainful activity, or (if later) and all that follows through the end of subclause (iv) and inserting in lieu thereof "gainful activity).";

(5) in paragraph (5), by striking out "but subject to subsection (5)";

(6) by amending paragraph (6) to read as follows:

"(6) A child whose entitlement to child's insurance benefits on the basis of the wages and self-employment income of an insured individual terminated with the month preceding the month in which such child attained the age of 18, or with a subsequent month, may again become entitled to such benefits (provided no event specified in paragraph (1)(D) has occurred) beginning in the first month thereafter in which he is under a disability (as so defined) which began before the close of the eighty-fourth month following the month in which his most recent entitlement to child's insurance benefits terminated because he ceased to be under such disability, but only if he has filed application for such reentitlement. Such reentitlement shall end with the month preceding whichever of the following first occurs:

"(A) the first month in which an event specified in paragraph (1)(D) occurs; or

"(B) the third month following the month in which he ceases to be under such disability."; and

(7) by striking out paragraph (7) and redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(b)(1) Section 202(s) of such Act is repealed.

(2)(A) Section 202(b)(3) of such Act is amended by striking out "(but subject to subsection (s))".

(B) Section 202(e)(3), 202(g)(3), and 202(h)(4) of such Act are each amended by striking out "(but subject to subsection (s))".

(C) Section 203(c) of such Act is amended—

(i) by striking out "paragraph (1) of section 202(s) applies or", and

(ii) by striking out "Subject to paragraph (3) of such section 202(s), no deductions" and inserting in lieu thereof "No deductions".

(D) Section 203(f)(1) of such Act is amended by striking out ", but subject to section 202(s),".

(E) Sections 216(b)(3)(B), 216(c)(6)(B), 216(f)(3)(B), and 216(g)(6)(B) of such Act are each amended by striking out "subject, however, to section 202(s))".

(c)(1) Section 222(b) of such Act is amended by striking out paragraph (4).

(2) Section 222(d)(1)(B) of such Act is amended by striking out "(and are under a disability)".

(d) Section 225(a) of such Act is amended by striking out the last sentence.

(e) The amendments made by this section shall become effective on August 1, 1981, but such amendments shall not apply with respect to any individual who was entitled to a child's benefit under section 202(d) of the Social Security Act for any month prior to August 1981, and who, in such prior month of entitlement, had attained the age of 18 and was a full-time student (as defined under section 202(d) of such Act as in effect prior to the amendments made by this section.

ELIMINATION OF MINIMUM BENEFIT

SEC. 7. (a) Section 215(a)(1)(C)(i) of Social Security Act is amended to read as follows:

"(C) (i) No primary insurance amount computed under subparagraph (A) may be less than an amount equal to $11.50 multiplied by the individual's years of coverage in excess of 10, or the increased amount determined for purposes of this clause under subsection (i).".

(b) (1) Section 215(a)(1)(C)(ii) of such Act is amended by striking out "For purposes of clause (i)(II)" and inserting in lieu thereof "For purposes of clause (i)".

(2) Section 215(a)(3)(A) of such Act is amended by striking out "subparagraph (C)(i)(II)" and inserting in lieu thereof "subparagraph (C)(i)".

(3) Section 215(a)(4) of such Act is amended—

(A) by striking out "subparagraph (C)(i)(II)" and inserting in lieu thereof "subparagraph (C)(i)"; and

(B) in subclause (I) thereof, by striking out "but without regard to clauses (iv) and (v) thereof".

(4) Section 215(f)(8) of such Act is amended by striking out "subsection (a)(1)(C)(i)(II)" and inserting in lieu thereof "subsection (a)(1)(C)(i)".

(5) Section 215(i)(2)(A)(ii)(II) of such Act is amended by striking out "(including a primary insurance amount determined under subsection (a)(1)(C)(i)(I), but subject to the provisions of such subsection (a)(1)(C)(i) and clauses (iv) and (v) of this subparagraph)".

(6) Section 215(i)(2)(A)(ii) of such Act is amended in the matter following subclause (III) by striking out "subparagraph (C)(i)(II)" and inserting in lieu thereof "subparagraph (C)(i)".

(7) Section 215(i)(2)(A)(iii) of such Act is amended by striking out "and, with respect to a primary insurance amount determined under subsection (a)(1)(C)(i)(I), subject to the provisions of subsection (a)(1)(C)(i) and clauses (iv) and (v) of this subparagraph".

(8) Section 215(i)(2)(A) of such Act is amended by striking out clauses (iv) and (v) thereof.

(9) Section 215(i)(2)(D) of such Act is amended by striking out "subparagraph (C)(i)(II)" each place it appears and inserting in lieu thereof in each instance "subparagraph (C)(i)".

(10) Section 202(m) of such Act is repealed.

(11) Paragraphs (1) and (5) of section 202(w) of such Act are each amended by striking out "section 215(a)(1)(C)(i)(II)" and inserting in lieu thereof in each instance "section 215(a)(1)(C)(i)".

(12) Section 233(C)(2) of such Act is amended to read as follows:

"(2) Any such agreement may provide that an individual who is entitled to cash benefits under this title shall, notwithstanding the provisions of section 202(t), receive such benefits while he resides in a foreign country which is a party to such agreement.".

(c) The amendments made by this section shall apply with respect to primary insurance amounts on the basis of which no benefit was being paid for the month of June 1981.

ELIMINATION OF EARNINGS TEST FOR RETIRED INDIVIDUALS

SEC. 8. (a)(1) Section 203(c)(1) of the Social Security Act is amended by striking out "seventy" and inserting in lieu thereof "65".

(2) The last sentence of section 203(c) of such Act is amended by striking out "nor shall any deduction" and all that follows and inserting in lieu thereof "nor shall any deduction be made under this subsection from any widow's or widower's insurance benefits if the widow, surviving divorced wife, widower, or surviving divorced husband involved became entitled to such benefit prior to attaining age 60.".

(3) Section 203(d)(1) of such Act is amended by striking out "'seventy" and inserting in lieu thereof "65".

(4) Section 203(f)(1) of such Act is amended—

(A) in clause (B), by striking out "seventy" and inserting in lieu thereof "65";

(B) by amending clause (D) to read as follows: "(D) for which such individual is entitled to widow's or widower's insurance benefits if such individual became so entitled prior to attaining age 60,"; and

(C) by striking out "the applicable exempt amount" each place it appears and inserting in lieu thereof in each instance "the exempt amount".

(5) Section 203(f)(3) of such Act is amended—

(A) by striking out "applicable exempt amount" and inserting in lieu thereof "exempt amount"; and

(B) by striking out "70" and inserting in lieu thereof "65".

(6) Section 203(f)(4)(B) of such Act is amended by striking out "applicable exempt amount" and inserting in lieu thereof "exempt amount".

(7) Section 203(f)(8)(A) of such Act is amended by striking out "exempt amounts (separately stated for individuals described in subparagraph (D) and for other individuals) which are to be applicable" and inserting in lieu thereof "exempt amount which is to be applicable".

(8) Section 203(f)(8)(B) of such Act is amended—

(A) by striking out "Except as otherwise provided in subparagraph (D), the exempt amount which is applicable to individuals described in such subparagraph and the exempt amount which is applicable to other individuals, for each month of a particular taxable year, shall each be" and inserting in lieu thereof "The exempt amount for each month of a particular taxable year shall be";

(B) in clause (i), by striking out "corresponding"; and

(C) in the matter following clause (ii), by striking out "an exempt amount" and inserting in lieu thereof "the exempt amount".

(9) Section 203(f)(8) of such Act is amended by striking out subparagraph (D) thereof.

(10) Section 203(h)(1)(A) of such Act is amended—

(A) by striking out "applicable exempt amount" and inserting in lieu thereof "exempt amount"; and

(B) by striking out "70" each place it appears and inserting in lieu thereof in each instance "65".

(11) Section 203(j) of such Act is amended—

(A) by striking out "Seventy" in the heading thereof and inserting in lieu thereof "Sixty-five"; and

(B) by striking out "seventy" and inserting in lieu thereof "65".

(b) The amendments made by subsection (a) shall be effective with respect to taxable years ending after 1985.

ELIMINATION OF FICA TAXES WITH RESPECT TO INDIVIDUALS 65 OR OVER

SEC. 9. (a) Section 209 of the Social Security Act is amended—

(1) by striking out "or" at the end of subsection (o);

(2) by striking out the period at the end of the first subsection (p) and inserting in lieu thereof a semicolon;

(3) by redesignating the second subsection (p) as subsection (q) and by striking out the period at the end thereof and inserting in lieu thereof "; or"; and

(4) by inserting after such subsection (c) the following new subsection:

"(c) Any payment made by an employer to an employee who has attained age 65; except that this subsection shall not apply for any calendar year with respect to an employee who agrees that this subsection, and paragraph (18) of section 3121(a) of the Internal Revenue Code of 1954, shall not apply to such employee for such calendar year.".

(b) Section 211(b) of the Social Security Act is amended—

(1) by striking out "or" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; or"; and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) The net earnings from self-employment derived by an individual during any taxable year which begins after such individual attains age 65; except that this paragraph shall not apply for any taxable year with respect to an individual who agrees that this paragraph, and paragraph (3) of section 1402(b) of the Internal Revenue Code of 1954, shall not apply to such individual for such taxable year."

(c) Section 3121(a) of the Internal Revenue Code of 1954 is amended—

(1) by striking out "or" at the end of paragraph (16);

(2) by striking out the period at the end of paragraph (17) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(18) any payment made by an employer to an employee who has attained age 65; except that this paragraph shall not apply for any calendar year with respect to an employee who agrees that this paragraph, and section 209 (r) of the Social Security Act, shall not apply to such employee for such calendar year."

(d) Section 1402(b) of the Internal Revenue Code of 1954 is amended—

(1) by striking out "or" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; or"; and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) the net earnings from self-employment derived by an individual during any taxable year which begins after such individual attains age 65; except that this paragraph shall not apply for any taxable year with respect to an individual who agrees that this paragraph, and paragraph (3) of section 211 (b) of the Social Security Act, shall not apply to such individual for such taxable year.".

(e) Subpart A of part III of subchapter A of chapter 61 of subtitle F of the Internal Revenue Code of 1954 is amended by adding after section 6039B the following new sections:

"SEC. 6039C. INFORMATION WITH RESPECT TO REMUNERATION PAID TO INDIVIDUALS AGE 65 OR OVER.

"(a) REQUIREMENT.—Every employer shall furnish to the Secretary information as to the amount of remuneration paid by such employer which would constitute 'wages' (as defined in section 3121(a)) but for the provisions of paragraph (18) of such section 3121(a).

"(b) TIME FOR FILING.—Information required to be furnished under subsection (a) shall be furnished at the same time as information as to the amount of wages paid by such employer is required to be furnished for purposes of chapter 21 of subtitle C (Federal Insurance Contributions Act).

"SEC. 6039D. INFORMATION WITH RESPECT TO SELF-EMPLOYMENT INCOME OF INDIVIDUAL AGE 65 OR OVER.

"(a) REQUIREMENT.—Every individual who has, for any taxable year, net earnings from self-employment which would constitute self-employment income (as defined in section 1402(b)) but for the provisions of paragraph (3) of such section 1402(b), shall furnish to the Secretary information as to the amount of such net earnings from self-employment.

"(b) TIME FOR FILING.—Information required to be furnished under subsection (a) shall be furnished at the same time as information as to the amount of self-employment income of an individual is required to be furnished for purposes of chapter 2 of subtitle A (Self-Employment Contributions Act of 1954).".

(f) Section 201(a) of the Social Security Act is amended—

(1) by striking out the period at the end of clause (4) and inserting in lieu thereof "; and";

(2) by inserting after clause (4) the following new clause:

"(5) the additional amounts which would be appropriated under clauses (3) and (4) for such fiscal year but for the provisions of sections 1402(b)(3) and 3121(a)(18) of the Internal Revenue Code of 1954.";

(3) in the matter following clause (5), by striking out "clauses (3) and (4)" the first place it appears and inserting in lieu thereof "clauses (3), (4), and (5)";

(4) in the matter following clause (5) by inserting after "into the Treasury" the following: ", and estimates by the Secretary of the Treasury of the amounts specified in clause (5) of this subsection"; and

(5) in the matter following clause (5), by inserting before the period at the end thereof the following: "or the amounts specified in clause (5)".

(g) Section 1817 of the Social Security Act (as amended by section 3 of this Act) is further amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and";

(3) by inserting after paragraph (4) the following new paragraph:

"(5) the additional amounts which would be appropriated under paragraphs (1) through (4) for such fiscal year but for the provisions of sections 1402(b)(3) and 3121(a)(18) of the Internal Revenue Code of 1954.";

(4) in the matter following paragraph (5), by inserting after "into the Treasury" the following: ", and estimates by the Secretary of the Treasury of the amounts specified in paragraph (5)"; and

(5) in the matter following paragraph (5), by inserting before the period at the end thereof the following "or the amounts specified in paragraph (5)".

(h) The amendments made by this section shall be effective with respect to calendar years and taxable years beginning on or after January 1, 1982.

AMENDMENT TO THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967

SEC. 10. Section 12(a) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 631(a)) is amended by striking out "but less than 70 years of age".●

By Mr. ARMSTRONG:

S. 485. A bill to restrict the effect of Office of Management and Budget Circular A-118 as it regards parking fees for members of the Armed Services; to the Committee on Armed Services.

PAY PARKING OF CERTAIN MILITARY PERSONNEL

● Mr. ARMSTRONG. Mr. President, I offer this bill to remedy an injustice which is being done to a relatively small number of military personnel.

This is, in the larger scheme of things, a small matter. But to those servicemen and women affected by it, it is an important matter of concern.

Military personnel in a number of metropolitan areas, but primarily in Washington, D.C., are required to pay monthly fees for parking at their assigned place of employment. These fees now range from $10 to $12.50 per month, but are expected to rise to $15 to $35 per month as early as September 1981.

The payment of fees for parking in a previously "free" parking place came about when President Carter directed the General Services Administration to impose fees for parking at each Federal installation where the GSA determined that the value of parking exceeded $10 a month. The resulting directive from the Office of Management and Budget, Circular A-118 (August 13, 1979), applied to 130,000 to 140,000 parking spaces available nationwide.

While I have no desire to press parking fees on civilian employees of the Government, I believe this is especially unjust to military personnel.

To begin with, military personnel generally earn far less, in pay and benefits, than their civilian counterparts who are performing exactly the same work at exactly the same location.

Civilian employees have the option of seeking work elsewhere if their conditions of employment become too burdensome. That is not the case with servicemen and women, who are ordered to perform certain duties at the Pentagon and other places where these fees are imposed, for a specific period of time. There is absolutely nothing they can do about it.

The fact that payment of parking fees applied primarily to servicemen and women who are already stationed in areas with an unusually high cost of living adds fiscal injury to the insult. To add the parking fee to the already onerous financial burden these personnel bear for serving their country causes real hardship for many grades of military personnel.

Let me just add that this bill has nothing to do with parking fees paid at any place other than the federal installation at which the serviceman or woman is assigned.

This bill passed the Senate in July, 1980 as an amendment to the defense authorizations bill. Unfortunately, the provision was dropped in conference.

Finally, Mr. President, this bill will have little or no impact on the Federal Treasury. The cost of collecting these parking fees approaches, and sometimes exceeds, the actual receipts collected at most military installations where they are applied.●

By Mr. BENTSEN:

S. 486. A bill to amend the Internal Revenue Code of 1954 to permit an individual covered by a private retirement plan to establish a separate individual retirement account or deduct a separate contribution to the plan; to the Committee on Finance.

S. 487. A bill to amend the Internal Revenue Code of 1954 to permit small, research-oriented firms to reduce income taxes by an amount equal to 10 percent of eligible research and development expenditures; to the Committee on Finance.

S. 488. A bill to establish a 10-percent tax credit for investment in research and development for small businesses; to the Committee on Finance.

S. 489. A bill to establish the National Productivity Council to coordinate Federal efforts to promote the growth of productivity in the private sector, and for other purposes; to the Committee on Governmental Affairs.

S. 490. A bill to provide a program within the Comprehensive Employment and Training Act to retrain workers about to be laid off due to productivity improvement programs, and for other purposes; to the Committee on Labor and Human Resources.

PRODUCTIVITY LEGISLATION

● Mr. BENTSEN. Mr. President, I rise to offer a package of five bills designed to launch a frontal attack on our dismal productivity record. Before discussing these bills in detail, I want to review our past productivity performance, explore the strong link between that poor per-

formance and our present glum economic situation, and then review the steps we can take to give a badly needed boost to productivity growth.

OUR PRODUCTIVITY RECORD

Our Nation came out of World War II unscathed, with an enormous productive industrial base intact. We were the envy of the world in our ability to find new and more efficient ways to produce goods, grow food, and put our many bountiful resources to work. So overwhelming was our productivity that, in 1950, it took seven Japanese or three Germans or four Italian workers to match the output of just one American. The American industrial machine was the eighth wonder of the world.

Today, it acts more like a fifth wheel. Since 1950, our international competitors led by Japan and Germany have chalked up strong productivity gains. They have consistently been able to attain productivity growth rates of 5 percent, 6 percent, even in excess occasionally of 9 percent annually. They achieved these striking rates of productivity growth with heavy savings and investment programs that resulted in ever newer and more productive equipment being provided their workers.

The picture could not be more different in our own Nation. Since 1950, our growth in productivity has consistently fallen below levels scored abroad. In most years, growth rates abroad have been markedly higher with even the presumably ill British economy generally scoring higher gains in productivity than here at home. I have asked the Bureau of Labor Statistics (BLS) to prepare a table detailing our productivity performance and that of our international competitors since 1950. This table (table I) contains data comparing the domestic production rate per employed civilian, an aggregate indicator of national economic productivity. While the United States still enjoys a sizable advantage over our international competitors, that lead has declined sharply since 1950.

Table II summarizes this aggregate productivity data and contains average annual productivity growth rates over several periods since 1950. This table not only starkly portrays the higher growth rates abroad, it also depicts the alarming downward trend in productivity growth in the United States itself since 1950. Our average annual growth over the 7-year period, 1973–1979, in productivity is only one-eighth the growth rate attained throughout the 1950's and most of the 1960's. And this is not a fluke, but simply the continuation of a long-term decline in U.S. national productivity. Mr. President, I ask unanimous consent for these two tables containing international productivity rates to appear at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—INTERNATIONAL PRODUCTIVITY COMPARISONS

[Real gross domestic product per employed person][1]

Year	Canada	France	Italy	United Kingdom	Japan	West Germany	United States
1950	51.1	23.5	15.3	30.8	8.9	21.3	61.0
1955	61.0	31.2	18.2	34.3	12.3	29.2	69.5
1960	66.9	39.6	25.6	38.0	16.8	39.2	74.6
1965	76.9	51.2	34.5	42.6	25.3	48.4	86.6
1970	84.0	63.7	47.6	49.5	41.7	60.6	90.9
1975	91.7	76.2	63.0	54.7	51.8	70.6	95.7
1978	95.9	84.4	57.7	59.0	59.4	79.1	100.3
1979	94.8	86.6	59.9	59.2	62.2	81.8	100.0
Relative productivity:							
1950	84.5	41.5	25.7	51.8	14.7	35.2	100.0
1979	94.8	86.5	59.9	59.2	62.2	81.8	100.0

[1] Index, United States 1979=100. Measured using own country price weights.

Source: Bureau of Labor Statistics.

TABLE II.—AVERAGE ANNUAL PERCENT CHANGE IN PRODUCTIVITY RELATIVE TO GROSS DOMESTIC PRODUCT[1]

Country	1950–67	1967–72	1973–79	1977–79	1950–79
Japan	7.4	9.2	3.4	4.6	6.9
Germany	5.0	4.8	3.1	2.9	4.8
Italy	5.3	5.0	1.7	2.9	4.8
France	4.7	4.5	2.9	3.0	4.3
Canada	2.5	2.8	.4	−.5	2.1
United Kingdom	2.2	3.0	1.1	1.8	2.3
United States	2.4	1.1	.3	−.1	1.7

[1] Measured by growth in real domestic product per employed person, using own country price weights.

Source: Bureau of Labor Statistics.

Mr. BENTSEN. Mr. President, let me make it clear that this long-term trend is continuing. U.S. productivity in the private business sector has fallen in six of the last eight quarters. And there is every reason to believe it will decline in the current quarter of 1981, as well.

The results of this dismal trend have been widespread and decidedly bad for our Nation. It has increasingly placed our domestic industries at a disadvantage when competing abroad with foreign firms enjoying great leaps annually in productivity. Instead of requiring seven Japanese workers, for example, to match the output of one American worker, it now requires fewer than two. In Germany, 1.3 workers now produce what three workers did in 1950. And, in Italy, two workers now produce what four did 30 years ago. The result has been a declining dollar which has promoted price stability abroad, but which has caused inflation here at home. This growing competitive disadvantage has enabled foreign producers, as well, to undercut American firms, resulting in a major loss of job opportunities here. The greater productivity growth abroad, in fact, explains in large measure the notably better success our trading partners in Japan and Germany have enjoyed in controlling inflation while achieving significant growth.

PRODUCTIVITY AND INFLATION

Inflation is public economic enemy No. 1. With inflation running at double-digit rates month after month, our core or base inflation rate itself has inevitably creeped up and now exceeds 9 percent. That holds the promise of many more months of inflation with both management and labor determined to increase prices and wages to cover rising costs in a never-ending spiral. In fact, it is not an exaggeration to suggest that we are in the grip of a raging inflation psychology with no end in sight. Double-digit inflation is a deeply embedded phenomenon which will require many months to lower.

It is important in assessing prospects for slowing inflation that the relationship of productivity and inflation be clearly understood. Only recently, largely as a result of work by Prof. Walt Rostow, at the LBJ School in Austin, has the very strong link between the two been sharply defined. When productivity growth is robust, labor and other costs rise relatively slowly, and the price increases necessary to cover production costs are not large; inflation remains low.

But let productivity lag or decline, and inflation becomes a roaring lion. Unit labor costs soar with low or no productivity growth and these costs are passed along as inflationary price increases. This straightforward connection between inflation and productivity was noted in detail at the Congressional Economic Conference on December 10, 1980. And this link is portrayed in data covering productivity, unit labor costs, and the Consumer Price Index since 1972 (table III). Mr. President, I ask unanimous consent for this table to be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—PRODUCTIVITY, UNIT LABOR COSTS, AND THE CONSUMER PRICE INDEX,[1] 1972–79

[In percent]

Year	Output per hour	Unit labor cost	Consumer Price Index
1972	3.7	2.8	3.3
1973	1.7	6.0	6.2
1974	−3.1	12.7	11.0
1975	1.9	7.9	9.1
1976	3.5	4.7	5.8
1977	1.6	6.3	6.5
1978	.5	6.0	7.2
1979	−1.2	10.2	11.3

[1] Nonfarm business sector, percentage change from preceding year.

Source: Energy and the Economy, W. Rostow, December 1980, Lyndon Baines Johnson School of Public Affairs, University of Texas.

Mr. BENTSEN. Mr. President, the linkage noted in this table reveals that a substantial share of responsibility for our runaway inflation rests with our long-term downward trend in productivity. It also suggests the best, and indeed only, way to bring our double-digit

inflation to an end is to revere our sliding productivity, a point I will address in detail shortly.

What this data also reveals is that recessionary tight money and contractionary fiscal policies will not bring our present inflation to a halt. Forgive me, Lord Keynes, but it will not work. As experience over the past decade has amply proven, a general recession is no guarantee of price stability. So much have the economic ground rules changed, in fact, that a sluggish economy now yields both rising unemployment and prices, or what we call stagflation. Why? Because wages and prices continue rising in our modern economy regardless of the state of demand in a never ending cycle of catchup. Yet, an economic slowdown brought on by tight monetary or fiscal policy noticeably slows productivity growth as seen from the 1974 and 1979 data in table III. Unit labor costs soar, as a consequence, and so do prices, yielding the worst of all economic worlds.

No, Keynesian economics is not the answer. Recessionary policies designed to slow inflation only reduce employment, not inflation. They lengthen welfare lines, not production lines. In fact, recessions now are likely to accelerate inflation, such is the topsy-turvy economic world of the 1980's.

We are far from helpless, however, in dealing with inflation. As experience both here and abroad has shown, a robust economy now appears to yield both lower inflation and lower unemployment. This solution has been used with great skill over the past 25 years by Japan and West Germany.

Like us, they face inflation. Yet they found a way to fight it without creating recessions. They did it through productivity growth—by insuring that, year in and year out, more goods and services were produced at cheaper prices. Instead of producing more unemployment and bigger welfare rolls to fight inflation, they increased the supply of goods and services. Output, not unemployment, went up. Production lines, not bread lines, grew longer. Productivity rose, holding costs and prices down even as employment and output grew by leaps and bounds. And their productivity gains have been striking, as noted in tables I and II. American workers are still the world's most productive, Mr. President. But, if recent productivity trends continue, French and German workers will be outproducing us within 5 or 6 years, with Japanese and Canadian workers following shortly thereafter.

We have fallen asleep as a nation, and permitted our trading partners to creep dangerously close. We are paying for our slack productivity growth with soaring inflation, a sizable trade deficit, a falling dollar, and the twin curses of stagflation.

We now know the cause of our economic malady and we know that recessionary, monetary, and fiscal policies are not the answer. And, we know that the best and indeed only path to reduced unemployment and price stability is through a major acceleration in our Nation's economic productivity.

If we do nothing, the future holds many more years of stagflation. For example, a recent Data Resources, Inc. econometric review of 1981–83 revealed that a do-nothing posture by the Federal Government will yield this sort of future for us:

Unemployment will rise through 1983 with almost 1 million more men and women out of work than in 1980.

Inflation as measured by the GNP Deflator will be higher in 1981 and 1982 than today, with the basic or core rate actually exceeding 10-percent in 1983—portending even higher inflation in the mid-1980's.

Real economic growth will stagnate this year and barely reach a poor 1-percent in 1982.

Just as Ebeneezer Scrooge benefited from a glimpse into his future, so we can benefit from this projection. It tells us that we simply must take steps, major concrete steps, to boost productivity.

How can we best do that? That is a question which the Joint Economic Committee at my direction over the past 2 years has addressed in great detail. The results are short, but not so sweet:

Boost savings and the rate of capital formation.

Boost R. & D.

Improve activities of the Federal Government designed to promote productivity.

Let me briefly review these three major findings.

SAVINGS AND CAPITAL FORMATION

Productivity gains are won through improvements in the experience of workers and their capability to apply new techniques and technology to the workplace. Fundamental to this process is the availability of resources, especially capital, needed to increase such experience and capabilities.

The importance of savings to productivity growth has not been fully recognized until recently. During the Great Depression, John Maynard Keynes reoriented economics with his work on the problems of chronic underconsumption. More savings meant less current spending; excessive savings prevented the economy from pulling itself out of an economic slump; and increased savings would lead to reduced consumption and more unemployment, thereby slowing business activity and reducing national income in an ever-downward spiral. Since then, economists and U.S. policymakers have ignored savings; it has been viewed as a nuisance that threatened full employment.

Well, we are paying the price for ignoring savings, and I believe the price is too high. We have the lowest saving rate of any industrialized nation. As depicted in table IV, over the period 1970–78, Americans saved only 6.6 percent of their disposable personal income, compared to 12.3 percent in Great Britain, 14.9 percent in West Germany, 17.1 percent in France, and a whopping 20.5 percent in Japan and 21.3 percent (1970–77 data) in Italy. Even more alarming, the share of personal disposable income being saved in the United States plunged to 4.5 percent in 1979. It was scarcely higher last year where for the 6 months beginning in October 1979, it averaged a scarcely believable 3.6 percent—one-sixth the size of Japan's savings rate during the 70's.

The handwriting, Mr. President, is on the wall. The Congress and the new administration must confront the need to reverse past policies and begin to promote savings. Legislation I successfully offered last year was the first tentative step in this new direction. It encouraged individuals to build savings accounts, by exempting a portion of interest earnings from taxation, and by enlarging the existing exemption on dividends, as well. New legislation that I am introducing today, the Savings Retirement Act, will go further in promoting savings.

Mr. President, I ask unanimous consent for a table (table IV) containing investment and savings data for the United States and seven of the largest industrialized nations to be printed at this point in the RECORD.

TABLE IV.—INVESTMENT AND PERSONAL SAVINGS RATES IN THE UNITED STATES AND OTHER INDUSTRIALIZED COUNTRIES, 1970–78

[In percent]

Country	Investment rate[1]	Personal savings rate[2]
United States	17.5	6.6
Great Britain	18.8	12.3
Italy	20.4	[3] 21.3
Netherlands	22.4	14.7
Canada	22.7	8.8
West Germany	23.1	14.9
France	23.3	17.1
Japan	33.2	[3] 20.5

[1] Gross fixed private and nonmilitary Government investment as a percent of gross national product.
[2] Savings as a percent of disposable personal income.
[3] 1970–77; 1978 data not available.

Source: U.S. Department of Commerce, International Economic Indicators, September and December 1979.

Mr. President, this low rate of savings has a dramatic impact on our rate of capital formation. The rate of private and nonmilitary investment in the United States is the lowest among all industrialized nations. At 17.5 percent of GNP from 1970 to 1978 (table IV), it was barely one-half the rate maintained in Japan. It even lagged behind the investment rate maintained by the undernourished British economy. The result of this weak level of capital formation is most vividly displayed in the aging of America's industrial machine.

The sight of acres and acres of vacant, idle machine shops, factories, and mills in our industrial heartland is mute testimony to our Nation's inattention to capital information, an inattention that continually amazes visitors from Japan where firms seek to completely turn over their industrial base every 10 years. Factories of 30, 40, and even 50 years old dot our countryside, starved for more productive machinery and equipment, and increasingly undersold even here at home by foreign producers.

Another, more objective indicator of our lagging rate of capital formation is the number of new primary stock offerings registered with the Securities and Exchange Commission. The number of such public stock offerings plunged to 60 in 1978 from 633 in 1972. Public financing of new businesses has all but dried

up due to soaring capital costs related to an uncertain but highly inflationary economic future.

A second major factor influencing productivity is research and development.

RESEARCH AND DEVELOPMENT

Total research and development spending in the United States has declined from over 3 percent of our gross national product in the early 1960's to a little more than 2 percent. The nondefense component of these figures has declined as well, from about 1.9 percent of GNP in 1967 to approximately 1.6 percent recently. The decline in innovation is illustrated also by our patent balance—the percentage of U.S. patents granted to foreigners. According to the Patent Office, that figure has grown from about 20 percent of all U.S. patents being granted in 1967 to 40 percent by 1976.

Other indicators display the similar, distressing pattern of a weak national R. & D. commitment. Indicators such as industrial R. & D. as a ratio of value-added in manufacturing, and R. & D. engineers and scientists per 10,000 workers show the United States lagging against many other countries, especially Japan and West Germany. Even the share of Federal outlays being devoted to R. & D. has fallen (by half) from the robust levels of 10 percent or more chalked up during the space era of the 1960's. Two of the bills I am introducing today are designed to spark a resurgence of R. & D. activity, with a specific focus on smaller firms which devote a disproportionate share of their resources to R. & D.

A third major influence on productivity is activities of the Federal Government.

FEDERAL IMPACT ON PRODUCTIVITY

On balance, as a consequence of its rules and regulations, the Federal Government may well deflect more resources from productivity-improving activities than toward them.

GOVERNMENT REDTAPE

A major factor affecting private sector productivity is the debilitating and pervasive impact of Government rules and regulations. They divert scarce capital and management expertise from productive pursuits to activities required for compliance, as well as increasing uncertainty by altering market structures. Dr. Murray Weidenbaum, chairman of the President's Council of Economic Advisors, has estimated the costs imposed by existing Federal regulations at $100 billion or more annually. And the Nation is braced for another round of regulations in the next several years.

We are rapidly learning that desirable social objectives can be achieved in a variety of ways. It is no longer sufficient to impose a costly, cumbersome and expensive rule or regulation merely because it represents the most convenient bureaucratic approach. The recent administration made a start toward the design and application of Federal regulations which are cost-effective and which minimize the private sector burden consistent with the attainment of the social objective. The new administration will certainly continue this effort. And, I will shortly be introducing a package of legislation designed to assist the Reagan administration reduce the burden of Federal rules and regulations.

The Federal Government can do much more than raise the cost effectiveness of its regulations in order to stimulate productivity. It currently spends in excess of $1 billion annually according to the Congressional Research Service on productivity-related activities, very broadly defined. The effectiveness of these gigantic outlays can certaintly be improved.

A UNIFIED FEDERAL PRODUCTIVITY PROGRAM

It is evident that the Federal Government can take a page from the governments of Japan and West Germany to name a few, and develop innovative and effective programs to promote private sector productivity growth. It can also promote productivity more directly by redesigning existing programs in an imaginative fashion to promote productivity growth. Legislation I am introducing today is directed at each of these potential approaches to raising productivity by the Federal Government.

RECOMMENDATIONS

Although productivity cannot be improved alone by public policy prescriptions, the bills I am introducing today will aggressively address those areas of the economy which must be stimulated if the productivity gains of the past are to be prevalent again. By boosting savings, the rate of capital formation, and R. & D. as well as improving worker training and Federal activities designed to promote productivity, we can sharply improve the Federal contribution to productivity growth.

Let there be no doubt that a major Federal assault on productivity will yield benefits to all. Over the past 60 years, our standard of living has increased by leaps and bounds—one-time luxuries, such as automobiles and television, are now found in most homes—due in large part to our stellar productivity performance. Today, however, Americans feel their accustomed way of life threatened by stagflation and unemployment—a threat that can and must be removed if we act quickly and decisively.

Private industry will have to spend more heavily for research, build more efficient factories, and install large amounts of cost-cutting equipment if productivity is to increase.

But the effort is worthwhile. Productivity can help put an end to our inflationary cycle, and renew growth in our standard of living. Let me illustrate. Since 1950, Germany has averaged a rate of productivity growth of 4.8 percent annually, versus 1.7 percent here. Had we been able to match their productivity growth rates, our 1977 GNP would have been $2.3 trillion higher than it was. Given 80 million households in the United States, this translates into some $27,000 per family. In effect, we would have doubled every American family's income in real dollars.

The difference between 1.7 percent and 4.8 percent seems small. But over time, it has an amazing impact on our standard of living. Thus, our efforts to stimulate productivity are certainly not misplaced. The sooner we act, the better.

Mr. President, let me now briefly discuss each of the five bills I am introducing today.

The first bill address the need to stimulate greater savings and capital formation. Two bills provide tax incentives for smaller firms to undertake greater research and development activity. The final two focus on programs to improve the Federal Government's programs to increase both its own and the private sector's productivity.

RETIREMENT SAVINGS ACT

Productivity increases depend largely on investment in equipment and machinery, which requires capital. It is imperative that individuals in the United States save more to insure the availability of this necessary capital. As I have already noted, the United States has the lowest savings rate of any industrialized nation.

This legislation, the Retirement Savings Act, is designed to promote additional savings by individuals by building on the concept now well established under the IRA concept. My bill would expand this concept and allow individuals covered under an employer-funded retirement plan to establish an IRA of their own or to defer taxes on their own contributions up to $1,500 annually to an existing IRA. This proposal would have a very dramatic and powerful impact, I am convinced, on savings and capital formation in this country. Mr. President, I ask unanimous consent for the Retirement Savings Act to be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TITLE—This bill shall be called the Retirement Savings Act of 1981.

SEC. 2. INDIVIDUALS COVERED BY OTHER PLANS.

(a) IN GENERAL.—Subsection (a) of section 219 of the Internal Revenue Code of 1954 (relating to deduction allowed for retirement savings) is amended—

(1) by striking out "or" at the end of paragraph (2).

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a comma and "or"; and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) to or under a qualified plan in which such individual was an active participant for any part of the taxable year.".

(b) CONFORMING CHANGES.—Section 219 of such Code is amended—

(1) by striking out parts (2)(A)(i), (2)(A)(ii), and (2)(A)(iii) of subsection (b), and

(2) by redesignating part 2(A)(iv) as part (2)(A)(i),

(3) by adding at the end of subsection (c) the following new paragraph:

(5) QUALIFIED PLAN.—For purposes of this section, the term 'qualified plan' means—

"(A) a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),

"(B) an annuity plan described in section 403(a),

"(C) a qualified bond purchase plan described in section 405(a)," or

"(D) a plan described in section 805(d)(3)."

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1980.

RESEARCH AND DEVELOPMENT

Mr. BENTSEN. Mr. President, as I noted earlier, research and development expenditures by private industry play a substantial role in the rate at which our national productivity grows. I am introducing two bills today designed to stimulate such R. & D. with a particular focus on smaller firms. The two bills are "The Research Promotion Act" and "The Research Tax Incentive Act."

THE RESEARCH PROMOTION ACT

Professional research has proven the linkage between industry-financed R. & D. and productivity growth. Smaller firms contribute significantly to this innovative process. Yet, capitalizing on new innovations is difficult at times for these small firms because financial resources are not always adequately available to them. Improving cash flows within such firms will yield productivity, employment, and export gains. One effective way to increase cash flows is to provide innovative firms with tax offset credits for R. & D. expenditures that are currently expensed.

This act, by establishing a 10-percent tax credit toward current R. & D. expenditures, provides such an incentive for innovation. This credit is limited to firms with less than $250 million in sales that devote an amount more than 2.5 percent of sales to R. & D. This act should be a potent force in stimulating innovation and productivity which flows from expanded R. & D. outlays. The credit, then, is limited in size to 10 percent of such firms' R. & D. expenses in excess of 2.5 percent of sales. As a consequence of this limited application, the Joint Committee on Taxation estimated that a revenue loss of $40 million in 1980 and $45 million in 1981 would occur with the act. Mr. President, I ask unanimous consent that the Research Promotion Act be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 467

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TITLE—That this Act may be cited as the "Research Promotion Act"

SEC. 2. (a) Subpart A of part IV of subchapter A of Chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SECTION 44D. CREDIT FOR RESEARCH AND EXPENDITURES.

"(a) IN GENERAL—

"(1) FIRST-IN-FIRST-OUT RULE.—The amount of the credit allowed against the tax imposed by this chapter for the taxable year shall be an amount equal to the sum of—

"(A) the research and experimental credit carryovers carried to such a taxable year,

"(B) the amount of the credit determined under paragraph (2) for such taxable year, plus

"(C) the research and experimental credit carrybacks carried to such taxable year.

"(2) AMOUNT OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the qualified research and experimental expenditures paid or incurred by the taxpayer during the taxable year.

"(b) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED RESEARCH AND EXPERIMENTAL EXPENDITURES.—The term 'qualified research and experimental expenditures' means the excess of the research and experimental expenditures of the taxpayer for the taxable year over 2.5 percent of the gross receipts of such taxpayer for the taxable year.

"(2) RESEARCH AND EXPERIMENTAL EXPENDITURES.—The term 'research and experimental expenditures' means research or experimental expenditures (other than any allowance for depreciation or depletion with respect to any property) with respect to which a deduction is allowable under section 174.

"(c) LIMITATIONS—

"(1) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for any taxable year shall not exceed the amount of the tax imposed by this chapter reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(2) $250,000,000 GROSS RECEIPTS.—No credit shall be allowed under subsection (a) if the gross receipts of the taxpayer exceed $250,000,000 for the preceding taxable year.

"(d) CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

"(1) ALLOWANCE OF CREDIT.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided by subsection (c)(1) for such taxable year (hereinafter in this subsection referred to as the 'unused credit year'), such excess shall be—

"(A) a research and experimental credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(B) a research and experimental credit carryover to each of the 7 taxable years following the unused credit year, and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year beginning before January 1, 1981, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 10 taxable years to which (by reason of subparagraphs (A) and (B)) such credit may be carried, and then to each of the other 9 taxable years to the extent that, because of the limitation contained in paragraph (2), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(2) LIMITATION.—The amount of the unused credit which may be added under paragraph (1) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by subsection (c)(1) for such taxable year exceeds the sum of—

"(A) the credit allowable under this section for such taxable year, and

"(B) the amounts which, by reason of this subsection, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year.

"(e) CONTROLLED GROUPS.—In the case of a controlled group, the determination of the amount of qualified research and experimental expenditures under subsection (b)(1) and the amount of the gross receipts under subsections (b)(1) and (c)(2) shall be made by aggregating the expenditures and gross receipts for all component members of such group as if the group constituted 1 taxpayer. The credit allowable under subsection (a) shall be apportioned among the component members of such group in such manner as the Secretary shall by regulations prescribe. For purposes of this paragraph, the term 'controlled group' has the meaning assigned to such term by section 1563(a).".

(b) The table of sections for such subpart is amended by inserting before the item relating to section 45 the following new item:

"SECTION 44D. CREDIT FOR RESEARCH AND EXPERIMENTAL EXPENDITURES.".

(c) Section 6096(b) of such Code (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof ", 44C and 44D".

(d)(1) Subsection (c) of section 381 of such Code (relating to carryovers in certain corporate acquisitions) is amended by adding at the end thereof the following new paragraph:

"(27) Credit under Section 44D for Research and Experimentation. The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44D, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44D in respect of the distributor or transferor corporation.".

(2)(A) Section 383 of such Code (relating to special limitations on unused investment credits, work incentive program credits, foreign taxes, and capital losses), as in effect for taxable years beginning after June 30, 1981, is amended by inserting "to any unused research and experimental credit' of the corporation under section 44D(d)." before "to any unused investment credit".

(B) The heading of such section 383 is amended to read as follows:

"SECTION 383. SPECIAL LIMITATION ON CERTAIN UNUSED CREDITS."

(3) (A) Section 383 of such Code (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended by inserting "to any research and experimental credit of the corporation which could otherwise be carried forward under section 44D," before "to any unused investment credit".

(B) The heading of such section 383 (as so in effect) is amended to read as follows:

"SECTION 383. SPECIAL LIMITATIONS ON CERTAIN UNUSED CREDITS.".

(4) The table of sections for part V of subchapter C of Chapter 1 of such Code is amended by striking out the item relating to section 383 and inserting in lieu thereof the following:

"SECTION 383. SPECIAL LIMITATIONS ON CERTAIN UNUSED CREDITS.".

(e) (1) Section 6511(d)(4)(C) of such Code (relating to limitations on credit or refunds) is amended by inserting "research and experimental credit carryback," before "and new employee".

(2) Section 6411 of such Code (relating to quick refunds in respect of tentative carryback adjustments) is amended—

(a) by striking out "or unused new employee credit" each place it appears in such section and inserting in lieu thereof "unused new employee credit, or unused research and experimental credit",

(B) by inserting after "section 172(b)," in the first sentence of subsection (a) "by

a research and experimental credit carryback provided in section 44D(d),".

(C) by striking out "or a new employee credit carryback from" in the second sentence of subsection (a) and inserting in lieu thereof", a new employee credit carryback from, or a research and experimental credit carryback from", and

(D) by striking out "work incentive program carryback)" in the second sentence of subsection (a) and inserting in lieu thereof "work incentive program carryback, or, in the case of a research and experimental credit carryback, to an investment credit carryback, a work incentive program carryback, or a new employee credit carryback)".

(3) Section 6501(m) of such Code (relating to tentative carryback adjustment assessment period) is amended by striking out "or a new employee credit carryback" and inserting in lieu thereof "a new employee credit carryback, or a research and experimental credit carryback".

(4) Paragraph (3) of section 55(c) of such Code (relating to credits against alternative minimum tax for taxpayers other than corporations) is amended by redesignating subparagraph (D) as (E) and inserting after subparagraph (C) the following new subparagraph:

"(D) Research and Experimental Credit.—For purposes of determining under section 44D(d) the amount of any research and experimental credit carryback or carryover to any other taxable year, the amount of the limitation under section 44D(d)(2) for the current taxable year shall be deemed to be—

"(i) the amount of the credit allowable under section 44D for the current taxable year without regard to this subparagraph, reduced by

"(ii) the amount equal to the lesser of (I) the amount of the credit allowable under section 44D for the current taxable year without regard to this subparagraph, or (II) the net tax imposed by this section for the current taxable year reduced by the sum of the amounts of reduction described in clause (ii) of subparagraphs (A), (B), and (C).".

SEC. 2. THE AMENDMENTS MADE BY THIS ACT SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1980

RESEARCH TAX INCENTIVE ACT

Mr. BENTSEN. This act provides tax incentives for investment in R. & D. structure and equipment, and complements the above act in stimulating R. & D. expenditures by making R. & D. a relatively more attractive use of business capital.

The Research Tax Incentive Act affords eligible taxpayers the option of applying either a 20-percent tax credit—with normal life depreciation—or a 5-year straightline amortization—with the present 10-percent credit—to investments in research equipment.

For investments in research structures, the act creates the option of either a 5-year straightline amortization or a 10-percent tax credit—with normal-life depreciation—to such investments, which are not now generally eligible for tax credits.

This act provides a tax stimulus parallel to that already existing for energy conservation and related pollution abatement equipment. However, this stimulus is not open ended, and is only available to firms with less than $250 million in annual sales who spend an amount more than 2.5 percent of their sales revenues on research and development. These firms are more likely to be innovative and to have their planning processes affected by these tax incentives. The act provides firms the option of picking the tax credit best suited to their planning needs. Mr. President, I ask unanimous consent for "The Research Tax Incentive Act" to appear at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 455

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This act may be cited as the "Research Tax Incentive Act".

SEC. 2. INVESTMENT CREDIT FOR RESEARCH AND EXPERIMENTAL PROPERTY.

(a) 10 PERCENT ADDITIONAL INVESTMENT CREDIT.—

(1) IN GENERAL.—Paragraph (2) of section 46(a) of the Internal Revenue Code of 1954 (relating to amount of credit for current taxable year) is amended—

(A) by striking out "and" at the end of subparagraph (A)(ii),

(B) by striking out the period at the end of subparagraph (A)(iii) and inserting ", and",

(C) by inserting at the end of subparagraph (A) the following new clause:

"(iv) in the case of qualified research and experimental property, the research and experimental percentage.", and

(D) by adding at the end thereof the following new subparagraph:

"(F) Research and experimental percentage—For purposes of this paragraph, the research and experimental percentage is 10 percent with respect to the period beginning after December 31, 1980.".

(2) DEFINITION OF QUALIFIED RESEARCH AND EXPERIMENTAL PROPERTY.—Section 48 of such Code (relating to definitions and special rules) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

"(q) QUALIFIED RESEARCH AND EXPERIMENTAL PROPERTY.—

"(1) IN GENERAL.—For purposes of this subpart, the term 'qualified research and experimental property' means section 38 property (determined without regard to this subsection and paragraph (11) of subsection (a))—

"(A) which is to be used in research and experimentation (within the meaning of section 174), and

"(B) with respect to which the taxpayer has not made an election under section 193.

"(2) EXCLUSION OF CERTAIN TAXPAYERS.—

"(A) IN GENERAL.—For purposes of paragraph (1), no property of the taxpayer shall be considered qualified research and experimental property for the taxable year if for the preceding taxable year—

"(i) the gross receipts of the taxpayer were in excess of $250,000,000, or

"(ii) the research and experimental expenditures of the taxpayer did not exceed 2.5 percent of the gross receipts for such taxable year.

"(B) RESEARCH AND EXPERIMENTAL EXPENDITURES.—For purposes of this paragraph, the term 'research and experimental expenditures' means research and experimental expenditures (other than any allowance for depreciation or depletion with respect to any property) with respect to which a deduction is allowable under section 174.

"(C) CONTROLLED GROUPS.—In the case of a controlled group, the determination of the amount of research and experimental expenditures and the amount of the gross receipts under subparagraph (A) shall be made by aggregating the expenditures and gross receipts for all component members of such group as if the group constituted 1 taxpayer. The credit allowable under section 38 which is attributable to the research and experimental percentage shall be apportioned among the component members of such groups in such manner as the Secretary shall by regulations prescribe. For purposes of this paragraph, the term 'controlled group' has the meaning assigned to such term by section 1563(a).".

(b) INVESTMENT CREDIT FOR CERTAIN BUILDINGS.—Subsection (a) of section 48 of the Internal Revenue Code of 1954 (relating to definition of section 38 property) is amended by adding at the end thereof the following new paragraph:

"(11) BUILDINGS AND STRUCTURAL COMPONENTS USED IN RESEARCH AND EXPERIMENTATION.—

"(A) IN GENERAL.—Notwithstanding the words (other than a building and its structural components) in subparagraph (B) of paragraph (1), a building and its structural components shall be treated as section 38 property to the extent of so much of the qualified investment (as determined under subsections (c) and (d) of section 46) in such building or its structural components as is, or in the case of qualified progress expenditures, may reasonably be expected to be, attributable to expenditures paid or incurred with respect to so much of such building and its structural components as constitutes qualified research and experimental property.

"(B) DEFINITION OF QUALIFIED RESEARCH AND EXPERIMENTAL PROPERTY.—For purposes of this paragraph, the term 'qualified research and experimental property' means property—

"(1) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, which has a useful life of 3 years or more, and with respect to which the taxpayer has not made an election under section 193, and

"(ii) which, or that portion thereof which, is used in connection with research and experimentation (within the meaning of section 174).

No property of the taxpayer shall be considered qualified research and experimental property if the provisions of section 48(q)(2) apply, or if applicable, would apply, to the taxpayer for the taxable year.".

(c) RECAPTURE OF CREDIT IF USE CHANGES.—

(1) IN GENERAL.—Section 47(a) of such Code (relating to certain dispositions, etc. of section 38 property) is amended by adding at the end thereof the following new paragraph:

"(8) SPECIAL RULES FOR QUALIFIED RESEARCH AND EXPERIMENTAL PROPERTY.—If during any taxable year any qualified research and experimental property (within the meaning of section 48(a)(11)(B) or (q)) is disposed of, or otherwise ceases to be qualified research and experimental property with respect to the taxpayer, before the close of the useful life which was taken into account in computing the credit under section 38, then the tax under this chapter for such taxable year shall be increased by an amount equal to the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from treating such property as property which is not qualified research and experimental property. If the application of this paragraph to any property is followed by the application of paragraph (1) to such property, proper adjustment shall be made in applying paragraph (1).".

(2) TECHNICAL AMENDMENT.—Paragraph (5) of section 47(a) of such code is amended by striking out "or (4)" and inserting ", (4), or (8)".

(d) EFFECTIVE DATES.—The amendments made by this section shall apply with respect to—

(1) property to which section 46(d) of the Internal Revenue Code of 1954 does not apply, the construction, reconstruction, or erection of which is begun or completed by the taxpayer after December 31, 1980, but only to the extent of the basis thereof attributable to construction, reconstruction, or erection during such period.

(2) property to which section 46(d) of such code does not apply, acquired by the taxpayer after such date, and

(3) property to which section 46(d) of such Code applies, but only to the extent of the qualified investment (as determined under subsections (c) and (d) of section 46 of such Code) attributable to qualified progress expenditures made after such date.

SEC. 3. AMORTIZATION OF RESEARCH AND EXPERIMENTAL PROPERTY.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 193. AMORTIZATION OF EXPENDITURES FOR RESEARCH AND EXPERIMENTAL PROPERTY.

"(a) ALLOWANCE OF DEDUCTION.—Every person, at his election, shall be entitled to a deduction with respect to the amortization of the amortizable basis of any qualified research and experimental property (as defined in subsection (d)), based on a period of not less than 60 months. Such amortization deduction shall be an amount, with respect to each month of such period within the taxable year, equal to the amortizable basis at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such amortizable basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any month shall be in lieu of the depreciation deduction with respect to such basis for such month provided by section 167. The period shall begin, as to any qualified research and experimental property at the election of the taxpayer, with the month following the month in which the basis is acquired, or with the succeeding taxable year.

"(b) ELECTION OF AMORTIZATION.—The election of the taxpayer to take the amortization deduction and to begin the period with the month following the month in which the basis is acquired, or with the taxable year succeeding the taxable year in which such basis is acquired, shall be made by filing with the Secretary, in such manner, in such form, and within such time as the Secretary may by regulations prescribe, a statement of such election.

"(c) TERMINATION OF AMORTIZATION DEDUCTION.—

"(1) IN GENERAL.—A taxpayer who has elected under subsection (b) to take the amortization deduction provided in subsection (a) may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such qualified research and experimental property.

"(2) CONSTRUCTIVE TERMINATION.—If, at any time during the period during which an election under subsection (b) is in effect, the property ceases to be used as qualified research and experimental property, the taxpayer shall be deemed to have made an election under paragraph (1) to discontinue the use of the amortization deduction provided by this section with respect to such property for the month following the month in which such cessation occurs.

"(d) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED RESEARCH AND EXPERIMENTAL PROPERTY.—The term 'qualified research and experimental property' means qualified research and experimental property (within the meaning of section 48(a)(11)(B) or (q)), except that no property of the taxpayer shall be considered qualified research and experimental property if the provisions of section 48(q) apply, or if applicable, would apply, for the taxable year.

"(2) AMORTIZABLE BASIS.—The term 'amortizable basis' means the portion of the basis attributable to the acquisition, construction, reconstruction, erection, or rehabilitation of qualified research and experimental property after December 31, 1980.

"(e) DEPRECIATION DEDUCTION.—The depreciation deduction provided by section 167 shall, notwithstanding the provisions of subsection (a), be allowed with respect to the portion of the adjusted basis which is not the amortizable basis.

"(f) LIFE TENANT AND REMAINDERMAN.—In the case of property held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.".

(b) CONFORMING AMENDMENTS—

(1) Section 1245(a) of such Code (relating to gain from dispositions of certain depreciable property) is amended—

(A) by striking out "or 191" and inserting in lieu thereof "191, or 192", and

(B) by inserting "193," after "190," each place it appears.

(2) Section 642(f) of such Code (relating to amortization deductions of estates and trusts) is amended by striking out "and 191" and inserting in lieu thereof "191, and 193".

(3) Section 1082(a)(2)(B) of such Code (relating to basis for determining gain or loss) is amended by striking out "or 191" and inserting in lieu thereof "191, or 193".

(4) Section 1250(b)(3) of such Code (relating to depreciation adjustments) is amended by striking out "or 190" and inserting in lieu thereof "190, or 193".

(5) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by inserting at the end thereof the following new item:

"Sec. 193. Amortization of expenditures for qualified research and experimental property.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to additions to capital account made after December 31, 1980.

FEDERAL PRODUCTIVITY PROGRAMS

Mr. BENTSEN. Mr. President, I mentioned earlier that the Federal Government can play both a debilitating and a positive role in stimulating productivity. The two following bills are designed to redefine and expand the latter potential role by requiring that a consolidation of Federal efforts to increase private sector productivity and to permit the use of a small portion of CETA funds for productivity programs. The bills I am introducing for these purposes are "The Productivity Improvement Act" and "The Labor Productivity and Training Act".

THE PRODUCTIVITY IMPROVEMENT ACT

With over $1 billion annually being spent by the Federal Government on private sector productivity programs, primarily in the technology transfer area, the Federal Government is already deeply embroiled in productivity. Yet, I am convinced that a sizable portion of these outlays are not well spent, that more effective efforts can be taken to reinforce productivity improvement programs by business.

Perhaps, the best way to achieve this consolidation and reinvigoration is to utilize lessons from our most productive international trading competitors. Both Japan and West Germany have major aggressive federal productivity centers to coordinate national productivity programs. In each case, in fact, those programs were established at our insistence after World War II. Yet, we refused to take our own advice. Federal concern with the declining state of U.S. productivity only began in 1963 with * * *.

FEDERAL PRODUCTIVITY CENTER

Of course, there are many positive options the Federal Government can pursue to spur R. & D., options involving more than increasing direct outlays for R. & D. Perhaps the most fundamental one involves a Federal program to reinforce and supplement private-sector productivity efforts by creation of a National Productivity Center as I have proposed in legislation (S. 2417). Federal concern with the declining state of U.S. innovation began as early as 1963 with President Kennedy's civilian technology program designed to upgrade the production technology utilized by small- and medium-sized U.S. companies.

An initial focus of this program, administered by the National Bureau of Standards, was the textile and apparel industries which received Federal assistance through 1969. In 1965, the State Technical Services program was established within the Department of Commerce to improve the dissemination and utilization of technical information to the private sector. It was terminated in 1970.

In 1971, the Nixon administration established the new technological opportunities program to spotlight Federal incentives capable of accelerating innovation. This dual-objective program, designed to increase the competitiveness of U.S. exporters and to reduce unemployment among scientists and engineers, survives today on a shoestring budget.

In 1976, a National Center on Productivity and the Quality of Working Life was established. Suffering from overly ambitious objectives which far exceeded its budget and limited access to the White House and top administration officials, the NCPQWL lasted only 2 years. It was replaced by a toothless tiger, the present National Productivity Council (NPC) established within the Office of Management and Budget with a two-person staff.

In 1979, I asked Elmer Staats, Comptroller General of the United States, to evaluate the wisdom of establishing a focal point for Federal efforts to stimulate productivity. Mr. Staats and the

General Accounting Office were a logical choice for this task. More than any other official, Mr. Staats has consistently stressed the urgency of renewing our productivity growth. And more than any other Federal entity, he and his staff have plumbed the best minds worldwide in fashioning solutions to the question of how best to spur productivity.

The legislation I am introducing today reflects the best thinking of Mr. Staats and the GAO. It is drawn largely on material prepared by them.

Briefly, the Productivity Improvement Act is designed to build upon the present NPC and create a strong central focus for Federal efforts to increase private sector productivity growth. The expanded NPC will not address public sector productivity, leaving that effort to the Office of Personnel Management. The expanded NPC will be permanent, with a full time chairperson and small staff: It will develop a national productivity plan, reviewing what is underway now and what can be done by the Federal Government to increase private sector productivity. It will receive counsel from an advisory board drawn from the private sector. It will serve as an advocate right within the Federal bureaucracy for tax and regulatory policies designed to promote productivity. The legislation assigns specific duties, as well, to the Department of Labor, the Department of Commerce, to other agencies, and to the Federal Mediation and Conciliation Service for raising productivity.

I want to make clear the distinction between this proposed expansion in the existing NPC and the previous NCPQWL.

The NPC will have a strong leader with access to the top offices of the administration and to congressional leaders. For that reason, the chairman is subject to Senate confirmation.

The NPC will be able to work closely and effectively with other Federal entities concerned with productivity, to lead, to speak for, and coordinate with them, the entire Federal productivity effort.

The NPC will be an extension of the Federal Government, not as an independent entity with little support from, or loyalty to, the administration's office. Its evolution from the existing National Productivity Council, the major responsibilities assigned to the Secretaries of Labor and Commerce, and its legislative mandate to develop the Federal productivity plan, all insure that the FPC will be a forceful, active entity that speaks for the entire Federal Government.

Mr. President, I ask unanimous consent that the Productivity Improvement Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 490

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This act may be cited as the "Productivity Improvement Act".

SEC. 2. (a) Statement of Findings and Purpose. The Congress finds and declares that—

(1) the rate of growth of productivity in the United States has been declining in recent years and at present is less than the rate of such growth in each of the major industrial nations;

(2) the Federal Government is taking many actions which affect productivity in the private sector, but such actions are not coordinated and are, in some cases, contradictory; and

(3) there is no comprehensive national productivity plan which addresses in a cohesive manner problems relating to productivity in the private sector and which delineates possible Federal activities to improve productivity in the private sector.

(b) Therefore, it is the purpose of this Act to—

(1) improve the effectiveness of Federal policies, programs, and activities related to productivity in the private sector; and

(2) eliminate unnecessary barriers and obstacles created by the Federal Government to the improvement of productivity in the private sector.

NATIONAL PRODUCTIVITY COUNCIL

SEC. 3. (a) There is established the National Productivity Council (hereinafter referred to as the "Council"). The Council shall be composed of—

(1) a Chairperson, who shall be appointed by the President by and with the advice and consent of the Senate;

(2) the Secretary of Commerce;

(3) the Secretary of Labor;

(4) the Secretary of the Treasury;

(5) the Director of the Office of Management and Budget;

(6) the Chairman of the Council of Economic Advisors;

(7) the Chairman of the Council on Wage and Price Stability;

(8) the Special Representative for Trade Negotiations;

(9) the Director of the Office of Science and Technology Policy;

(10) the Director of the Federal Mediation and Conciliation Service;

(11) the Administrator of the Small Business Administration; and

(12) the heads of such other Federal agencies as the President may designate.

(b) The Council shall—

(1) develop and annually revise a comprehensive national productivity plan which—

(A) identifies and describes the relationship and effect of Federal policies, programs and activities on productivity in the private sector;

(B) delineates the responsibilities of Federal agencies which carry out such policies, programs, and activities;

(C) identifies unnecessary obstacles to productivity in the private sector which are created by the Federal Government;

(D) recommends alternative Federal policies, programs, activities, and governmental structures to facilitate the improvement of productivity in the private sector;

(E) analyzes the Budget of the United States in order to ascertain the areas in which Federal financial assistance is being provided to improve productivity in the private sector;

(F) annually assesses Federal activities to improve productivity in the private sector, including an identification of duplicative activities, successful activities, unsuccessful activities, and areas in which additional activities are necessary; and

(G) establishes priorities for short- and long-term objectives to improve productivity in the private sector and proposes recommendations for specific projects and programs to retain such objectives;

(2) bring together representatives of business, labor, academic institutions, and government to identify possible Federal activities to improve productivity in the private sector and to obtain the support and participation of the private sector in creating and implementing the national productivity plan developed pursuant to clause (1);

(3) conduct studies to assist in the refinement and annual revisions of the national productivity plan developed pursuant to clause (1);

(4) perform economic analyses of the short- and long-term impact on productivity of such Federal statutes and regulations as the Council may select;

(5) provide guidance and direction to Federal agencies concerning the implementation of the national productivity plan developed pursuant to clause (1);

(6) make recommendations to the President, the Congress, and Federal agencies concerning legislation, regulations, policies, and activities to improve productivity in the private sector;

(7) act as the primary source of information in the Federal Government concerning efforts to improve productivity in the private sector by—

(A) receiving and disseminating information relating to Federal efforts to improve productivity in the private sector;

(B) promoting the activities of national, regional, and local productivity centers, serving as a liaison between such centers and Federal agencies, and establishing mechanisms to permit the consideration by Federal agencies of recommendations made by such centers concerning Federal activities to improve productivity in the private sector;

(C) providing assistance to such centers concerning the implementation of Federal policies, regulations, programs, and activities to improve productivity in the private sector;

(D) representing the United States with foreign productivity centers and the monitoring of activities in other countries to improve productivity in the private sector; and

(E) monitoring the status of policies, programs, regulations, and activities of the Federal Government which affect productivity in the private sector;

(8) report annually to the President and the Congress concerning the implementation and revisions of the national productivity plan developed pursuant to clause (1); and

(9) delineate the functions of Federal agencies relating to the improvement of productivity in the private sector.

(c) The Chairman shall be responsible for carrying out the duties of the Council.

(d) The Secretary of Commerce and the Secretary of Labor shall serve as the Vice Chairmen of the Council. There shall be an Executive Committee of the Council, which shall consist of the Chairman and the Vice Chairmen of the Council.

(e) The Chairman of the Council is authorized—

(1) to appoint and fix the compensation of such employees as may be necessary to carry out the provisions of this Act;

(2) to procure temporary and intermittent services in accordance with section 3109 of title 5, United States Code, at rates not to exceed the daily rate payable for GS-18 under section 5332 of such title;

(3) without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529), to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary to carry out the provisions of this Act, with any public agency or with any person, and make payments (in advance, by transfer, or otherwise) and grants to any public agency or private organization;

(4) to organize and conduct, directly or by grant, contract, or other arrangement, conferences, meetings, seminars, or other forums for the purpose of—

(A) presenting and disseminating relevant information concerning productivity in the private sector; and

(B) obtaining information and opinions

from sources outside the Federal Government concerning the improvement of productivity in the private sector.

(f) Upon request of the Chairman, the head of a Federal agency is authorized to detail any employee of the agency to the Council on a reimbursable basis.

(g) The Secretary of Commerce, the Secretary of Labor, and the Director of the Federal Mediation and Conciliation Service shall provide such assistance and support to the Council as may be necessary in order to carry out its functions under this Act.

NATIONAL PRODUCTIVITY COUNCIL ADVISORY BOARD

SEC. 4. There is established a National Productivity Advisory Board, which shall be composed of up to ten members appointed by the Chairman upon such terms and conditions as may be prescribed by the Council. The Chairman shall appoint such members from among individuals with experience in business, labor, and academics. The Advisory Panel shall advise the Council concerning appropriate activities for the improvement of productivity in the private sector.

PRODUCTIVITY IMPROVEMENT FUNCTIONS OF THE DEPARTMENT OF COMMERCE

SEC. 5. With the guidance of the Council, the Secretary of Commerce shall—

(1) carry out studies concerning productivity problems in particular industries;

(2) conduct workshops and other activities for business and industry to increase awareness of the importance of productivity growth;

(3) develop studies concerning activities to improve productivity in the private sector that may be carried out jointly by the Federal Government and the private sector, such as joint efforts to increase technological innovation;

(4) operate a clearinghouse to provide information concerning various aspects of productivity; and

(5) make such recommendations to the Council as the Secretary determines appropriate for the revision of the national productivity plan established pursuant to clause (1) of section 3(b).

PRODUCTIVITY FUNCTIONS OF THE DEPARTMENT OF LABOR

SEC. 6. Under the guidance of the Council, the Secretary of Labor shall—

(1) annually conduct an assessment of issues relating to the improvement of productivity in the private sector, including issues such as the need for programs for the training and retraining of workers displaced by technological change, the degree to which advanced technology is being utilized in specific industries, and significant demographic changes;

(2) identify new or improved methods to measure productivity and thereby improve productivity analysis;

(3) conduct workshops and other activities for labor to increase awareness of the importance of growth in productivity;

(4) develop studies concerning activities to improve productivity in the private sector which may be carried out jointly between the Federal Government and labor;

(5) provide information to the Secretary of Commerce for use in the productivity clearinghouse operated under clause (4) of section 5; and

(6) make such recommendations to the Council as the Secretary determines appropriate for the revision of the national productivity plan established pursuant to clause (1) of section 3(b).

PRODUCTIVITY FUNCTIONS OF THE FEDERAL MEDIATION AND CONCILIATION SERVICE

SEC. 7. Under the guidance of the Council, the Director of the Federal Mediation and Conciliation Service shall—

(1) provide guidance and encouragement for the establishment of cooperative advisory committees composed of representatives of labor and management to make recommendations concerning the revision of production techniques in order to improve productivity, and provide successful examples of such committees to persons seeking to establish such committees;

(2) be available and responsive to requests of representatives of labor, management, and community action groups seeking advice from counsel;

(3) identify and recommend experts and consultants, including national, regional, and local productivity centers, who are available to provide assistance in the resolution of labor, management, or community problems;

(4) provide information to the Secretary of Commerce for use in the productivity clearinghouse established pursuant to clause (4) of section 5;

(5) provide information to the Secretary of Labor for use in conducting the assessment required by clause (1) of section 6; and

(6) make such recommendations to the Council as the Director determines appropriate for the revision of the national productivity plan established pursuant to clause (1) of section 3(b).

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. To carry out the provisions of this Act, there are authorized to be appropriated $3,000,000 for fiscal year 1982 and each succeeding fiscal year. Funds appropriated for any fiscal year pursuant to this section shall remain available until expended.

LABOR PRODUCTIVITY AND TRAINING ACT

Mr. BENTSEN. Mr. President, the introduction of new machinery and programs that raise productivity invariably creates new job opportunities for Americans. However, some dislocations may result if workers are not trained to operate the complex new equipment.

The most effective solution to this problem is to retrain the affected men and women before they become unemployed due to productivity improvement programs. Although the Government has instituted various training programs, they have been geared toward veterans, the handicapped, or the young and unskilled. Only recently CETA was authorized to retrain laid-off workers.

The Labor Productivity and Training Act would formalize that program by requiring that 5 percent—$100 million—of CETA training funds be directed to the retraining of labor unemployed due to productivity improvement programs. The bill stresses both on-the-job retraining costs between employers and the Labor Department.

The bill also requires the Secretary of Labor to review all Federal labor training programs and submit recommendations to Congress for revisions to promote increased labor productivity and to retrain workers before they become unemployed due to productivity programs. Mr. President, I ask unanimous consent for the Labor Productivity and Training Act to appear in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 490

SECTION 1. Title. This act may be cited as the "Labor Productivity and Training Act".

SEC. 2. (a) Section 203(b) of the Comprehensive Employment and Training Act is amended by inserting before the period a comma and the following: "of which not more than 5 per centum of each prime sponsor's allocation under section 202 may be used for programs and activities under section 222 of such part.".

(b) Part C of such Act is amended by adding at the end thereof the following new section:

"PRODUCTIVITY IMPROVEMENT RETRAINING

"SEC. 222. (a) Pursuant to regulations of the Secretary, prime sponsors may provide financial assistance to employees, or to private employers for the cost of training and retraining employees, who will be laid off due to productivity improvement programs initiated by such employers. Each prime sponsor shall give special consideration to training and retraining programs which contain cost-sharing arrangements with the private employers and to programs that emphasize on-the-job training programs.

"(b) Pursuant to regulations of the Secretary, prime sponsors shall establish criteria for determining when impending layoff of an employee is due to a productivity improvement program of the employer.

"(c) The provisions of subsections (b) and (c) of section 221 shall apply to arrangements entered into under the provisions of this section.".

SEC. 3. (a) The Secretary of Labor shall conduct a survey of all federally assisted labor training programs and prepare and submit a report to the Congress containing his recommendations for revising such programs to (1) promote increased labor productivity and (2) promote joint efforts by the Federal Government and by private and State and local public employers to retrain workers pending layoff due to labor productivity improvement.

(b) The report required by this section shall be prepared and submitted not later than twelve months after the date of enactment of this Act.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.●

By Mr. GLENN:

S. 491. A bill to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes; to the Committee on Governmental Affairs.

DEATH BENEFIT TO FEDERAL LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS

● Mr. GLENN. Mr. President, today I introduce legislation to amend the Federal Employee Compensation Act to provide a $50,000 death benefit to survivors of Federal law enforcement officers and firefighters who die as the direct and proximate result of personal injury incurred in the line of duty.

This bill seeks to recognize the debt owed to those public servants whose lives are taken from them as the result of outside force encountered while engaged in the protection of lives and property, and to ensure that their widows and children will not be left unable to cope with the financial distress such a death so often causes. Under current law—the Public Safety Officers Benefit Act—State and local public safety officers, including firefighters and volunteer firemen, already are allowed a $50,000 line-of-duty death benefit. When that legislation was enacted, Federal personnel in the same dangerous lines of employment were expressly excepted because, it was felt, the existing Federal Employee Compensation Act benefits were sufficiently

generous and that inclusion of Federal law enforcement officers and firefighters in the program would single out certain categories of employees for special treatment.

I do not believe enactment of such a benefit for these employees would single them out for special treatment because, in truth, they have been singled out already by the nature of their occupations. According to Department of Labor surveys, firefighting is one of the most hazardous professions in this country. And so is the work of a law enforcement officer, who faces the possibility at any time of confronting danger and even death. Those are truths for every firefighter and policeman, whether they wear the uniform of and draw their pay from the Federal Government or from the government of a State or locality.

A major flaw, I believe, in the argument that the Federal Employees Compensation Act is sufficient coverage for this group is that it overlooks the impact incurred by the survivors of the young and thus lower-paid officers who die in the line of duty. It is the family of the younger officer that is most in need to meet the costs of high mortgage payments, child rearing, and education. And it is the young family whose savings are most apt to be minimal.

Just last year, Mr. President, the Senate approved this legislation in very similar form, as the House of Representatives had earlier. We voted to extend this benefit to the survivors of Federal officers who lay down their lives in public service and thus to help them confront the pain and dislocation they face. That bill, however, was vetoed by former President Carter, whose message echoed the argument that Uncle Sam already provides generous compensation for the survivors of employees who die on the job. President Carter also observed that the measure (H.R. 5888) was retroactive to September of 1976. I have eliminated the retroactive feature from the legislation being proposed today.

The cost of this benefit would be low. Indeed, we would all hope that it would be nil. But experience tells us that men and women who engage in the dangerous professions of law enforcement and firefighting will inevitably and willingly face dangerous, even deadly situations. Some will die as a result. Last year, the Congressional Budget Office surveyed the employing agencies and, based on their experience, estimated the cost would be $500,000 a year. That means payment would be made, on the average, to the survivors of 10 such employees annually. Payments authority, however, would be subject to advance appropriation, thus eliminating any entitlement.

Mr. President, I trust the Senate will consider this legislation and, once again, approve it.●

By Mr. GOLDWATER:

S.J. Res. 31. Joint resolution to establish procedures regarding the termination of, or withdrawal from, treaties of military alliance, defense, or national security by the United States, and for other purposes; to the Committee on Foreign Relations.

TREATY TERMINATION PROCEDURES

● Mr. GOLDWATER. Mr. President, I am introducing a joint resolution today that sets forth a clear and detailed procedure for the termination of certain major treaties and that will restore credibility to our word.

In short, my proposal establishes a system of joint executive-legislative participation before any of our military treaty alliances can be annulled. I would prefer to see a law enacted covering all major treaties that raise issues of war or peace, but in order to focus attention on the area where this issue has been directly confronted, I am making my legislation applicable to military alliances and collective defense arrangements only.

Of course, I am referring to the totally unprecedented, and in my opinion illegal, action of former President Carter when he gave notice of abrogating the defense treaty with Taiwan. My colleagues will recall that I filed a law suit in December of 1978 with several other Members of Congress challenging the President's unilateral action in negating a formal treaty, without the advice and consent of the Senate or approval of the Congress. That case went all the way to the Supreme Court and our Nation's highest court granted certiorari in the case.

In effect, the Supreme Court overturned the decisions by both the district court and court of appeals and held the treaty termination is not a matter for the judicial branch to resolve. The five mixed opinions accompanying the High Court's decision virtually invited the Congress to exercise its power in the treaty and foreign relations areas or see the field occupied exclusively by the President.

Today I am following up on that court decision by introducing a joint resolution asserting the unchallenged powers of the Senate and Congress collectively to make a law regulating how another law, in this case a treaty, can be repealed. Congress' collective powers to declare war, provide for the common defense, establish and regulate the Armed Forces, defend and protect the United States against foreign invasion, preserve a republican form of government and enforce the separation of powers between the branches of Government, added together with its powers under the necessary and proper clause, give it ample authority to enact a law setting forth rules governing the process by which a formal military defense treaty can be terminated. The power of the Senate alone, under its advice and consent and treaty-making powers, stands as sufficient authority for the legislation I am introducing.

Mr. President, the joint resolution preserves any power the President may possess to independently determine that a treaty is temporarily inoperative or suspended, as in time of war. Also, the legislation acknowledges his right to act as the officer who formally gives notice of intention to terminate or withdraw from a treaty, subject to legislative concurrence. Thus, my resolution does not challenge the President's traditional role as the officer who communicates directly with other governments on behalf of our Nation.

Also, I would note that the restriction on treaty termination applies only if the treaty is terminated by the President in a manner not otherwise specifically called for in the articles of a treaty or the Senate resolution of ratification.

Moreover, the resolution expressly acknowledges the power of the President to determine that a treaty has lapsed, subject to ratification of his decision by the Senate or the Congress. Finally, and this is very important, the resolution establishes a method of informing Congress whenever the President finds that a treaty on any subject, not just a defense pact, is inoperative, suspended, or lapsed or when he gives notice of termination of any treaty to another party. The secrecy of such information is protected if necessary.

Mr. President, I believe the resolution provides a sound balance between the respective powers and roles of the President and legislature in making the difficult decision of terminating our Nation's solemn pledge, as given in a formal treaty. Before President Carter abrogated the Taiwan treaty, no one ever thought that the President singlehandedly might attempt to sever a defense alliance or break any of our Nation's major treaty commitments.

Unilateral treaty termination is a two-edged sword. Yesterday it was the Taiwan treaty. Tomorrow it could conceivably be the nuclear nonproliferation agreement or United Nations Charter or Panama Canal treaties. If the President alone has the authority to take the country out of a defense alliance, established by the exchange of formal treaty pledges, then he would also seem to possess authority to cancel any other treaty commitment our Nation has made.

Mr. President, this issue is too momentous to leave to case-by-case developments whenever a world crisis may arise. We should act now, in cooperation with the Chief Executive, in setting forth reasoned and systematic rules governing the termination of any defense treaty—and I would hope any other major treaty. This will restore credibility and permanence to our treaty alliances and thereby improve the effectiveness of our military arrangements. I urge speedy action by our Government, including both the President and Congress, on this subject.

Mr. President, I ask that the text of the joint resolution may appear in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 31

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this joint resolution may be cited as the "Treaty Termination Procedures Act of 1981".

FINDINGS AND DECLARATIONS

SEC. 2. The Congress finds and declares that the provisions of this joint resolution are enacted as an exercise of—

(1) the powers of the Congress pursuant to the Constitution of the United States to declare war, provide for the common defense, establish and regulate the armed forces of the United States, defend and protect the United States against foreign invasion, preserve a republican form of government, and enforce the separation of powers between the executive and legislative branches of the United States Government;

(2) the power of Congress under article I, section 8, of the Constitution of the United States to make all laws necessary and proper for carrying into execution, not only its own powers, but also all other powers vested by the Constitution in the Government of the United States, or in any department or officer thereof; and

(3) the power of the Senate alone, under article II, section 2, clause 2 of the Constitution of the United States, to give its advice and consent to the making of treaties, which power includes giving its advice and consent to fundamental decisions relating to the conduct of foreign relations and bearing on issues of war and peace.

POLICY AND PURPOSE

SEC. 3. (a) It is the policy of the United States not to terminate or withdraw from any treaty of military alliance, defense, or national security to which the United States is a party without the advice and consent of the Senate or the approval of the Congress, unless such treaty or the resolution of ratification relating thereto specifically provides for another means of termination or withdrawal by the United States consistent with the Constitution of the United States.

(b) The purpose of this joint resolution is to assure the greatest credibility, effectiveness, and permanence of treaties of military alliance, defense, or national security to which the United States is a party by establishing procedures regarding the termination of, or withdrawal from, such treaties by the United States.

DEFINITION

SEC. 4. For purposes of this joint resolution—

(1) the term "treaty" is used within the meaning of article II, section 2, clause 2 of the Constitution of the United States and includes—

(A) any provision of a treaty,

(B) any treaty in effect or temporarily inoperative or suspended with the United States on the date of enactment of this joint resolution,

(C) any bilateral or multilateral treaty, and

(D) any treaty in effect with a foreign government, international organization, or other entity; and

(2) the term "advice and consent of the Senate" means an affirmative vote of the Senate, two-thirds of the Senators present concurring.

REPORT

SEC. 5. Whenever the President gives notice, on behalf of the United States, to any foreign government, international organization, or other entity of an intention to terminate or withdraw from any treaty to which the United States is a party, or whenever the President determines that such a treaty has lapsed or is otherwise no longer in effect or that there is a suspension of operation of such treaty with respect to the United States, the President, as soon as practicable under the circumstances but not later than 30 days after the date of such transmittal of notice or of making such determination, shall prepare and transmit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report setting forth the substance of such notice or determination. The President may transmit such report in classified form under such rules of confidentiality and secrecy for the receipt and retention of such report as the President and the Congress may establish if he finds such a form of transmittal necessary in the interests of national security.

EFFECT OF CERTAIN PRESIDENTIAL NOTICES AND DETERMINATIONS

SEC. 6. Whenever the President, without the prior advice and consent of the Senate or approval of the Congress—

(1) gives notice, on behalf of the United States, to any foreign government, international organization, or other entity of an intention to terminate or withdraw from a treaty of military alliance, defense, or national security to which the United States is a party, which treaty or resolution of ratification relating thereto does not specifically provide for the President to give such notice, or

(2) determines that such treaty has lapsed or is otherwise no longer in effect, or has had its operation suspended, with respect to the United States,

the United States will not be considered as having terminated or withdrawn from such a treaty, and such treaty shall be considered as remaining in effect with respect to the United States, unless and until the Senate has given its advice and consent to, or the Congress has authorized, directed, or otherwise approved or ratified, such notice or determination.

SEPARABILITY CLAUSE

SEC. 7. If any provision of this joint resolution or the application thereof to any person or circumstance is held invalid, the remainder of this joint resolution and the application of such provision to any other person or circumstance shall not be affected thereby.●

CHANGE IN REFERENCE OF S. 292

Mr. BAKER. Mr. President, I ask unanimous consent that S. 292, a bill dealing with title 18 of the Social Security Act, be discharged from the Committee on the Judiciary, and be referred to the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 32

At the request of Mr. CHAFEE, the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 32, a bill to grant a Federal Charter to the Italian American War Veterans of the United States of America.

S. 43

At the request of Mr. SASSER, the Senator from Delaware (Mr. BIDEN), and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of S. 43, a bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

S. 63

At the request of Mr. GARN, his name was withdrawn as a cosponsor of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

S. 75

At the request of Mr. WALLOP, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 75, a bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations.

S. 164

At the request of Mr. MELCHER, the Senator from Missouri (Mr. EAGLETON), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of S. 164, a bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property.

S. 197

At the request of Mr. HEINZ, the Senator from North Dakota (Mr. ANDREWS), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BOREN), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Maine (Mr. COHEN), the Senator from New York (Mr. D'AMATO), the Senator from Alabama (Mr. DENTON), the Senator from Minnesota (Mr. DURENBERGER), the Senator from North Carolina (Mr. EAST), the Senator from Ohio (Mr. GLENN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Washington (Mr. GORTON), the Senator from Iowa (Mr. GRASSLEY), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Florida (Mrs. HAWKINS) the Senator from North Carolina (Mr. HELMS), the Senator from California (Mr. HAYAKAWA), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Iowa (Mr. JEPSEN), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Wisconsin (Mr. KASTEN), the Senator from Indiana (Mr. LUGAR), the Senator from Georgia (Mr. MATTINGLY), the Senator from Idaho (Mr. MCCLURE), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Oklahoma (Mr. NICKLES), the Senator from Illinois (Mr. PERCY), the Senator from Indiana (Mr. QUAYLE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Mexico (Mr. SCHMITT), the Senator from Wyoming (Mr. SIMPSON), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Idaho (Mr. SYMMS), the Senator from South Carolina (Mr. THURMOND), the Senator from Texas (Mr. TOWER), the Senator from Virginia (Mr. WARNER), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of S. 287, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 391

At the request of Mr. CHAFEE, the Senator from South Dakota (Mr. ABDNOR), the Senator from Oklahoma (Mr. BOREN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of S. 391, a bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying agents, inform-

ants, and sources and to direct the President to establish procedures to protect the secrecy of these intelligence relationships.

S. 395

At the request of Mr. WALLOP, the Senator from Georgia (Mr. NUNN), the Senator from Montana (Mr. MELCHER), the Senator from Virginia (Mr. WARNER), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 395, a bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes.

S. 396

At the request of Mr. DANFORTH, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 447

At the request of Mr. RANDOLPH, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 447, a bill to redesignate the days on which Washington's Birthday, Memorial Day, and Columbus Day are celebrated to make each such day a legal public holiday.

SENATE JOINT RESOLUTION 20

At the request of Mr. SASSER, the Senator from Indiana (Mr. LUGAR), and the Senator from Alabama (Mr. HEFLIN) were added as cosponsors of Senate Joint Resolution 20, a joint resolution to designate the month of April 1981 as Gospel Music Month.

SENATE RESOLUTION 74—RESOLUTION RELATING TO ACTIONS TAKEN BY FOREIGN MINISTERS OF THE NONALIGNED MOVEMENT

Mr. MOYNIHAN submitted the following resolution; which was referred to the Committee on Foreign Relations:

SENATE RESOLUTION 74

Whereas the Foreign Ministers of the Nonaligned Movement recently concluded a meeting in New Delhi;

Whereas one of the actions taken at this meeting was the adoption of a declaration calling upon member states of the United Nations or its specialized agencies not to accept the credentials of Israeli representatives because of Israel's alleged violation of international legality.

Whereas expulsion of Israel from the United Nations would be a violation of the United Nations Charter.

Now therefore be it Resolved that:

In the event that the United Nations General Assembly or any other body of the United Nations should reject the Credentials of the delegation of the State of Israel the United States will cease to participate in the activities of the body making the rejection and will make no payments toward the support of that body until Israel's membership is restored.

(The remarks of Mr. MOYNIHAN on this resolution appear earlier in today's RECORD.)

AUTHORITY FOR COMMITTEES TO MEET

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

(Earlier in today's proceedings authority was granted to the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs to meet on the following days for hearings on Organized Crimes Control and Influence Over International Longshoremens' Association and American Shippers' Industry during the session of the Senate, if the Senate be in session: February 17, 18, 19, and 20, 1981.)

ADDITIONAL STATEMENTS

SST—FEARS OF CALAMITY WERE WRONG

● Mr. GOLDWATER. Mr. President, when Congress foolishly killed the SST a number of years ago, many wild claims, in fact some of them so wild they could hardly be believed, were made in the argument against it. In the years intervening, as the French and English Concordes have been flying all over the world, most of these statements have been proven false, grossly exaggerated, or downright lies. Someday this country of ours is going to have to get into the SST business and, frankly, the sooner we start trying to do it, the faster we are going to overtake the great advantages we gave the aviation industry of the rest of the world when we stopped the construction of the Boeing craft those years ago.

I ask to have printed in the RECORD an article appearing in the Los Angeles Times on January 26.

The article follows:

SCIENTISTS RECONSIDER: SST—FEARS OF CALAMITY WERE WRONG

(By Robert C. Toth)

WASHINGTON.—Remember the catastrophes scientists predicted 10 years ago if supersonic jetliners were built?

A "greenhouse" effect would raise temperatures around the globe, they said. Radio communications would be disrupted. More people would get skin cancer as jet exhausts depleted the stratosphere's ozone layer and allowed more ultraviolet rays from the sun to penetrate the atmosphere. More species would become extinct as, for example, sonic booms cracked the delicate egg shells of whooping cranes.

All of these forecasts were used effectively by congressional opponents to kill the government-sponsored supersonic transport (SST) project in 1971 after $1 billion had been spent.

They were all wrong, according to scientists who have taken a retrospective look at the once-bitter controversy.

RIGHT FOR WRONG REASONS

"But the decision to cancel that program was right, even if for the wrong reasons," according to Dr. Jack A. Suddreth, manager of supersonic cruise research for the National Aeronautics and Space Administration. He said the SST would have been uneconomical and would have created intolerable noise problems.

Suddreth added, however, that technological advances in noise control and the change in airline economic conditions since 1971 could make an American SST attractive on world markets.

Reflecting this attitude, a recent study by Congress' Office of Technology Assessment recommended that the nation step up its research on the SST so it can reach a decision on building the plane later in this decade, if conditions warrant.

In the most critical issue of the 1971 SST debate—that involving the ozone layer—the initial predictions actually were reversed. A thinning of the ozone layer was first forecast, but later studies showed that the SST exhaust instead actually would increase the amount of ozone overhead. (There was no parallel prediction that cancer rates would fall). Now some scientists are again predicting a moderate ozone depletion, but there is little confidence in their work.

WERE EFFORTS HONEST?

"The past mistakes in the SST controversy won't be repeated," Dr. Harold S. Johnston of UC Berkeley told a recent "ten years later" meeting in Toronto of the American Association for the Advancement of Science. Johnston presented a paper in 1971 and engaged in other activities that drew worldwide attention to the alleged ozone-cancer link put forward by the late University of Arizona scientist James E. McDonald.

"This may seem like a comedy of errors," Johnston said, referring to the flip-flops in predicted ozone effects from SST gases. But the earlier predictions "were the result of honest efforts by dedicated scientists" attempting to estimate the risks arising from technological developments, he said.

The honesty of those efforts was challenged, however, by Dr. Hugh Eliasaesser of Lawrence Livermore National Laboratory in Livermore, Calif.

"Observational evidence that ran counter to theory was suppressed," he contended. "Johnston's paper (of 1971) had discrepancies.

"Scientists in the SST controversy took it upon themselves to act as a priesthood by suppressing data which the laity (public) could use to reach conclusions different from those espoused by the priests," Eliasaesser said.

FEARS OUTPACED EVIDENCE

Some theories of adverse SST effects, such as the formation of "cloudy contrails" that would significantly alter the world's climate were relatively easy to disprove, but the reassurances never caught up to the widely disseminated fears, scientists said.

While contrails do form behind today's jets flying in the troposphere, seven miles above the earth, SST contrails would not form because there would be no condensation effect in the stratosphere, 10 to 12 miles above ground, where they would fly, according to Robert C. Oliver of the Institute for Defense Analyses.

The ozone-cancer dispute was more difficult to resolve, but sufficient evidence existed to disprove that theory when it was first advanced, Eliasaesser said.

McDonald first contended that water vapor from SST exhausts would deplete the ozone, although observational data already showed that the ozone density and water vapor content both had risen in the previous decade, Eliasaesser said.

Then Johnston proposed that nitrogen oxide from the SSTs would deplete the ozone, but atmospheric nuclear tests that injected the gas into the ozone region in 1961–62 did not cause any observable drop in the ozone, according to Eliasaesser.

Johnston argued at this month's Toronto meeting that variations in the natural ozone density were so great that conclusions could not be drawn either way. But he acknowledged, in contrast to his 1971 position, that scientists cannot now predict whether it would be safe or unsafe to operate SSTs in the stratosphere.

More disturbing to some scientists than the disputes over data, however, was the apparent connection between the technical data certain scientists obtained and their bias toward the SST on other grounds.

"Those scientists who thought the SST was bad for economic reasons also found it was bad for environmental reasons and vice versa," according to Prof. S. Fred Singer of the University of Virginia, who worked in the government during the 1971 controversy.

"And there was paranoia, with people storming out of meetings, saying that if you did not agree with their data, you were biased."

Singer recalled that a scientific paper he wrote challenging the prevailing ozone-cancer theory was rejected by the American Association for the Advancement of Science magazine because of its unpopular theme. It was subsequently printed in the British journal Nature.

Despite the political use of specious science to kill the SST project, however, Singer believes the decision was proper because of the economic and noise disadvantages at the time.

These problems have crippled the British-French Concorde SST, developed at a cost of $6 billion. Sixteen Concordes have been built, but only nine fly, and those only part of the time. Their small size limits them to carrying only about 100 passengers. Their high fuel consumption in the days of rising oil prices, plus competition from the big, economical wide-body subsonic planes, have made them unprofitable. Legal bars on supersonic flights over such countries as the United States, France and India restrict them to flights over oceans.

NOISE EASIER TO CONTEND WITH

The world's other supersonic airliner, the Soviet TU 144, is in even worse shape. About eight have been built. Two crashed because of design flaws that make them unstable at low speeds. The rest of the fleet has seen little "regular service." The Soviets acknowledge that the 140-seat TU–144 also has uneconomically high operating costs, like the Concorde.

The American SST canceled 10 years ago would have been bigger and faster than either of those planes but still uneconomical against the wide-body jetliners, and it would have been hobbled by noise and sonic boom restrictions, according to NASA's Suddreth.

"Noise would not be so much of a problem anymore," he said, "and economically we've come a very long way since the 1960s technology on which the Concorde was based. A new SST would be certainly no noisier than a 747 and much quieter than the Concorde, for example."

Because it cannot fly at supersonic speed over land, the new SST would have a variable-cycle engine that would work as a turbofan engine (like those on widebody jets) for subsonic flight and as a turbojet engine (like Concorde's) for faster-than-sound speeds. Two versions of this kind of engine are under development with NASA support.

In addition, design changes in the airframe of the SST would result in a weaker sonic boom—and sometimes no boom at all, Suddreth said.

Economically, an SST built to carry 350 to 500 passengers at a speed of 1,800 to 2,000 miles an hour would offer airlines the prospect of twice the productivity per plane of wide-body jets, he said. A 747 takes 9 hours to reach Tokyo from Los Angeles, while an SST could get there, turn around and be back in 7½ to 8 hours, he said.

AGENCY SEEKS TO BE PREPARED

NASA is currently requesting about $100 million a year for the next six to eight years to test these technological advances and be prepared for any future decision to develop a new SST, according to Suddreth.

Congress' Office of Technology Assessment recommended that the United States retain the option to build an SST later in the decade. A development cost of $7 billion to $10 billion will be too great for any company or the industry to pay, however, it said, and a multinational consortium or a partnership between private industry and the government might have to be created.

Political objections probably still exist, as they did in 1971, to federal support for development of a civilian product. The question is whether unproven scientific theories will again be called upon to try to justify political biases, and if they are, whether the public will be properly skeptical.●

LITHUANIAN INDEPENDENCE DAY

● Mr. BUMPERS. Mr. President, February 16, 1981, marks the 63d anniversary of the establishment of an independent, democratic Lithuanian Republic and the 730th anniversary of the founding of the Lithuanian State. In commemorating these events, my colleagues and I in the Senate and the Lithuanian Americans we represent reaffirm our commitment to the exercise of basic human rights.

The Soviet Union denied Lithuania's right to self-determination when it invaded, occupied, and annexed the Baltic States during World War II. Lithuanians have lost their independence, but their enduring religious faith and nationalist sentiments have never been subdued.

The horrors of the Stalin era have been replaced with subtler, yet systematic attempts by the Soviet Government to crush the Helsinki watch groups, which monitor religious and cultural freedom in Lithuania.

In December, at the first phase of the Madrid Conference on Security and Cooperation in Europe, the U.S. delegation aired the case of Lithuania. Today, in commemorating these Lithuanian anniversaries, we rededicate ourselves to the tireless promotion of human rights and in so doing, uphold the principles of our own democratic heritage.●

THE 63D ANNIVERSARY OF LITHUANIAN INDEPNDENCE

● Mr. HEINZ. Mr. President, February 16 marks the 63d anniversary of Lithuania's declaration of independence. Like most Eastern European peoples, however, the Lithuanians are today neither independent nor free. The Soviet Union has dominated and repressed all aspects of Lithuanian life.

Nevertheless, the desire of the Lithuanian people for liberty and autonomy continues to grow with the same vitality and spirit of our own revolutionary heroes.

In October, 1939, the Soviet regime forcibly stationed troops in Lithuania. Overwhelmed by the Soviet military the Lithuanian National Government was forced to resign and a pro-Soviet regime was installed in its place. On August 3, 1940, at the request of the pro-Soviet regime, Lithuania was formally incorporated into the Union of Soviet Socialist Republics. Since that time the Lithuanian people have suffered under a brutal occupation.

Under Stalin hundreds of thousands of Lithuanians were jammed into trains without food and water. Many died of suffocation. Those who survived were sent to the Arctic or Siberia. The annihilation and oppression of the Lithuanian and other Baltic peoples has continued for more than four decades, and there is no end in sight.

Soviet repression in Lithuania has reached inhuman proportions. As a result of Soviet policies the culture of the Lithuanian people is near to extinction. It appears likely that the Lithuanian language will soon no longer be taught in schools. Also likely is a sharp reduction in the publication of literature in the Lithuanian language.

Religion in Lithuania has been suppressed by the Soviets. Every method is used to discourage the exercise of faith. Religious orders and convents are outlawed. Religious leaders are harassed and imprisoned. There is presently only one very small seminary in Lithuania that remains open. Cramped and dilapidated, the seminary is permitted to admit only 10 students per year. No religious literature is permitted, and all religious activity is subjected to constant attack in the Soviet controlled media.

Persecution of those brave patriots who dare to speak out in favor of civil liberties and Lithuanian independence has risen steadily in recent years. Show trials and harsh prison sentences are frequently used to silence nationalist and religious activists. Viktoras Petkus, for example, was arrested in 1957 for possession of anti-Soviet literature. The literature was actually a collection of poems by Jurgis Baltrusaitis written 10 years before the 1917 Bolshevik revolution. Petkus was held in prison until 1965. On August 23, 1977 Petkus was arrested again. He had been a member of the Lithuanian Helsinki Group. He remains in prison, still awaiting trial.

Similar injustice can be seen in the case of Petras Plumpa. On November 19, 1973 Petras was arrested for having printed the Chronicle of the Lithuanian Catholic Church. The trial was held in secret and the charges were never proven. Evidence was produced that the fingerprints on the Chronicle were not Plumpa's. Nevertheless, Plumpa was sentenced to 8 years imprisonment.

Another of the numerous Lithuanian patriots serving sentences in Soviet prisons for demanding basic political liberties is Balys Gajauskas. Denied legal residence in Lithuania, Balys was constantly harassed, searched and interrogated, and finally arrested in 1977 and detained in isolation in a Vilnius prison.

Found with religious literature, personal notes, a list of political prisoners, and a copy of Solzhenitsyn's "Gulag Archipelago," he was accused of conspiring to write a book about the post-war resistance in Lithuania and charged with anti-Soviet agitation. Balys Gajauskas is now extremely ill and remains in prison.

There are thousands more like Petkus, Plumpa, and Gajauskas languishing in Soviet concentration camps. While they are silent, we in the free world must speak out for them. When Pope Paul visited Poland, he promised to speak "with a loud voice" to remind the world of the forgotten peoples of Europe. Let us in the United States also speak with a loud voice in support of the Lithuanian people. Their struggle for the fundamental human rights of free thought, free speech, free religion, and free belief is a just one.

The plight of the Lithuanian people, as commemorated each February 16, serves as an inspiration for all people, and a grim reminder of our own responsibility.●

ANGOLA AND THE FRIENDS OF LIBERTY

● Mr. GARN. Mr. President, I shall take a brief moment to bring to the attention of my colleagues two extremely articulate and perceptive articles concerning U.S. policy toward Angola.

As my colleague from Indiana, Senator LUGAR, argues with such wit in his article, "Help the Fight Against Imperialism in Angola," there is no justification for any country which considers itself a genuine friend of liberty to grant diplomatic recognition to the puppet regime of the Popular Movement for the Liberation of Angola (MPLA). The situation we are faced with here is one of blatant imperialism by the Soviet Union and their Cuban and East German military proxies, yet much of the world remains hypocritically silent.

Jonas Savimbi, the leader of the nationalist, anti-Soviet forces which control large areas of the country, was shunned by the Carter administration and is effectively blocked by congressional action from receiving military aid from the United States in his struggle to force the withdrawal of Soviet and proxy forces. The tone and substance of our policy should change. Senator LUGAR concludes that "at a minimum the United States should now throw its considerable moral support behind Savimbi." I could not agree more.

Mr. President, I would also like to take note of an article in the New Republic by Messrs. Arnaud de Borchgrave and Michael Ledeen entitled, "Reagan's African Ally." My colleagues will recognize Mr. de Borchgrave as the former chief correspondent for Newsweek and coauthor of "The Spike," a novel which exposes Soviet efforts to undermine the political will of the West through the calculated spread of disinformation. Mr. Ledeen is executive director of the Washington Quarterly, published by Georgetown University's Center for Strategic and International Studies.

These gentlemen have provided us with a useful analysis of the dynamics of the Angolan internal struggle and their implications for international politics. It is time we make Soviet adventurism a costly and painful undertaking—for them, not us. A shift in U.S. policy toward Angola could have ramifications across the board. It could send a clear signal that the United States is not prepared to accept the "inevitable" dictates of international forces which operate againrt our interests. As Messrs. de Borchgrave and Ledeen point out:

From the standpoint of the Reagan Administration, a Savimbi win in Angola—evidently within the realm of possibility—obviously would be a great boost to morale, and might serve notice to other countries that the wind may be beginning to blow from the West at long last.

I am hopeful that Secretary of State Haig will take those steps necessary to help turn the Angolan situation around. For its part, the Congress should repeal the Clark amendment which effectively blocks U.S. assistance to the UNITA forces. This does not mean the United States necessarily has to provide military aid. In fact, we may be able to accomplish the same goal by clearly encouraging further efforts on the part of sympathetic Arab and African nations which recognize the menace posed by Soviet armed adventurism. It is the height of folly, however, for us to deny ourselves the option of using every legitimate source of leverage we have. Let us restore this option, and let the leaders of Angola's puppet regime contemplate the potential consequences of our action. For too long, the enemies of liberty have advanced unobstructed. Let us serve them notice that in the future this practice may not be so easily pursued.

Mr. President, I now ask that the fine articles by Senator LUGAR and Messrs. de Borchgrave and Ledeen be printed in the RECORD.

The articles follow:

HELP THE FIGHT AGAINST IMPERIALISM IN ANGOLA

Imagine, if you will, white European imperialism in a Black African nation in the year 1980.

Imagine that the imperial nation has in its employ mercenaries from Europe and the Americas who engage in internal security and intelligence, counter-intelligence, combat support and direct combat. Imagine, too, that these forces prop up a minority regime which could not sustain itself without them. Finally imagine that these colonial forces are opposed by a genuinely popular black nationalist leader.

Outcries from the communist bloc about Western imperialism? Denunciations by morally indignant Third World nations? Halting explanations from the West? Resolutions of condemnation from the U.N. General Assembly? Quite to the contrary.

SOVIET IMPERIALISM

The imperialism is that of the Soviet Union; the assistance that of East Germany and Cuba; the puppet regime, the so-called Popular Movement for the Liberation of Angola (MPLA); and the anti-Soviet nationalist leader, Jonas Savimbi.

For more than four years, Soviet advisers, East German security personnel and well over 30,000 Cuban troops have tried to subdue Savimbi's opposition—with no success. Today Savimbi's forces maintain effective control over large areas of the country. Savimbi's forces are now organized in both guerilla and conventional fighting units, and they strike at will against government forces throughout large areas of the countryside.

Many nations of the world have recognized the MPLA, thus condoning the presence of the Soviet occupation forces in Angola. Some in this country have urged the United States to do the same. Former Secretary of State Cyrus Vance recently said, "It makes no sense not to recognize the government of Angola." But there will be no peace in Angola until the foreign troops of conquest are removed.

Recognition of the faltering MPLA regime in Luanda will not end the war in Angola. It will not give that regime any incentive to move closer to the West, and it therefore will not advance the cause of a negotiated settlement. Are we supposed to believe that a settlement leading to popular elections in Angola will be overseen by Soviet advisers, Cuban combat troops and East German security personnel? Savimbi will agree to nothing less than a genuine settlement, and this will not occur without an early withdrawal of Soviet and proxy forces.

What would recognition of the Soviet-backed MPLA achieve? It would undercut the one force which is friendly toward us and which has consistently opposed all foreign domination of Angola; it would confirm the continued presence of Soviet forces in Angola and their capacity to influence events in southern Africa generally; it would give the regime in Luanda just what it wants at no price—and it therefore would reduce any incentive for the MPLA to negotiate a settlement with Savimbi leading to free elections.

Several years ago the Congress chose Angola to indicate a new policy of "nonintervention" in the wake of the defeat in Vietnam. Despite the fact that legislative obstacles to aiding Savimbi are beginning to fall, direct aid remains a difficult decision. Experience has taught us that we ought to become involved only where we have the will to persevere. But at a minimum the United States should now throw its considerable moral support behind Savimbi. Just as Savimbi, we must always stand ready to urge a peaceful settlement with the MPLA leading to elections. But we must indicate our view that there can be no serious plan to do so which does not contain an early departure of foreign forces.

Each day Savimbi's forces strike further blows against the pernicious Soviet doctrine that the world is somehow "destined" to go the Soviet way. Each day more and more Angolans realize who is indeed the chief imperial power of the present time. Each day the Angolans demonstrate that the general theory of world socialism invariably reduces itself to the specific practice of tyranny.

As savants and enlightened policy-makers in the West cloak their inactivity in notions of "inevitable" and usually unfavorable change around the world, Angolans are daily proving the poverty of this view. Genuine friends of liberty should do no less than help them.

REAGAN'S AFRICAN ALLY

Ronald Reagan has an army of black supporters in Africa: the roughly 10,000-man guerrilla force under the command of UNITA leader Jonas Savimbi in Angola. We spoke to Savimbi at a secret location deep inside the Angolan bush late in December, where we had gone following the announcement that UNITA forces had shot down a Soviet Antonov-26 transport plane and captured two members of the Russian crew. Reagan's victory, Savimbi told us, "was the best news we had heard since we launched our struggle against Soviet-Cuban imperialism five years ago. . . ."

Like the Afghanis fighting the Red Army in their own country, Savimbi hopes that the change of administration in Washington will make it possible for him to step up his campaign against the Russians and their Cuban proxies, a campaign that already has given him control over at least half of Angola. He has every reason to be pleased at Carter's departure, for Savimbi received surprisingly cavalier treatment when he came to Washington in late 1979. "Dr. Brzezinski refused to see me, despite several urgent requests from other personalities I had seen: the AFL–CIO's Lane Kirkland, former defense and energy secretary James Schlesinger, former secretary of state Henry Kissinger, and senators Sam Nunn and Daniel Patrick Moynihan. Finally, it was suggested that the assistant secretary of state for Africa, Richard Moose, should at least give me the courtesy of an audience, but that too was refused." Moose sent two aides to Savimbi's hotel, but their outspoken hostility to his cause made Savimbi wonder what was going on.

"They said I was wasting my time," he told me, "and that the Carter administration did not want to be bothered by UNITA. They even said mine was a lost cause, and that I should give it up. They asked me why I was afraid of communism. My reply was that I was not fighting communism, but rather Soviet-Cuban colonialism, a foreign source of misery for my country. One of Moose's fellows said that he had been to Ethiopia and that Marxism had restored peace and tranquility and improved life for everyone there."

Savimbi was so alarmed by his trip to the United States that he had considered abandoning his fight if Carter were reelected. But now he believes things are going to change, and that he is going to win his fight against the Russians and the Cubans. If what Savimbi told us was true—and Western intelligence sources we spoke to have confirmed his claims in detail—the tide has recently turned in UNITA's favor, even in areas where the Cuban forces had long felt secure. In mid-November, for example, UNITA forces overran an all-Cuban garrison, at Belem Dohuambo (south of Huambo), for the first time in five years. As a result of this and another successful attack against a mixed Cuban-MPLA post at Savate in May, UNITA forces have captured a total of 17 Russian SAM-7 missiles, along with two launchers. With these missiles, Savimbi and his men have put the Russians on notice that the Angolan skies are no longer friendly to them. Three Antonov-26s and five M18 helicopters were brought down in November alone, and an even dozen Russian aircraft were hit in the last three months of 1980—a figure confirmed by the two Russian crew members to whom we spoke at great length in Savimbi's camp.

"You see what we've done with 17 SAM-7's," Savimbi boasted to us, "just think what we could do with 200 or 300. The Cubans are afraid to move by road. Luanda has publicly conceded that we are active in all the main centers. Soon the Cubans will be afraid to move by air. And that will be the beginning of the end of their presence in Africa."

Savimbi stresses that current Cuban ambitions are large indeed. In a recent published interview Cuban vice president Carlos Rafael Rodriguez (second in the line of succession to Fidel Castro) spoke of an African commitment that would go far beyond Angola, Mozambique, Ethiopia, and Namibia. According to Savimbi, Rodriguez spoke of sending Cuban troops to support a revolutionary black African National Congress regime in Pretoria, of Cuban troops supporting guerrilla warfare against whites in South Africa, helping maintain revolutionary law and order in Johannesburg, and putting Cuban artillery in place on Table Mountain in Capetown.

According to Miguel Garcia Enamorado, a 21-year-old Cuban second lieutenant captured by UNITA, there are now over 30,000 Cubans in Angola. And every time 90 Cubans are taken out, 100 come to replace them. But they are having a hard time against Savimbi, despite the lack of effective American support. East Germany has shipped 25 diesel locomotives to the Luanda regime, Savimbi said, and UNITA has produced 23 wrecks with their delayed-action mines, "far more effective than blowing up bridges, as we used to do."

The Russians who survived the attack on their transport plane are well aware of UNITA's strength, even though they had to come to Africa to learn that there was a war going on. One of them, an Asian-looking pilot named Kolia Abdukhamanovich Mollavey, told us that "I didn't know there was a war. . . . The conditions seemed attractive. In addition to my regular army salary of 300 rubles a month, I was to receive a monthly credit of 500 dollars (in dollars), which I could use to buy special food in a hard-currency store for foreigners, and then have the balance credited to my account in the Soviet Union." Nonetheless, his formal contract—like the one signed by the other survivor, an engineer named Ivan Chernietaky—said he would be flying only civilian missions. Our interpreter—a Frenchman fluent in Russian—told us that the Russians provide all pilots with such documents, in order to be able to deny the military nature of their activity in Angola and other third world countries.

What will happen to these Russians? Savimbi insists that he will release them only in exchange for some of his own prisoners held by the MPLA regime in Luanda. In the meantime, they will have to deal with the long and venomous snakes that populate the Angolan bush, and with the unaccustomed diet of antelope and buffalo meat we sampled in the UNITA camp. Judging from the insouciance with which UNITA moves in that part of the country, there is little likelihood of a rescue mission, particularly since the five-month rainy season is about to start.

From the standpoint of the Reagan administration, a Savimbi win in Angola—evidently within the realm of possibility—obviously would be a great boost to morale, and might serve notice to other countries that the wind may be beginning to blow from the West at long last. Reagan has told intimates that he believes the country is starved for some successes, and he undoubtedly would love to see Savimbi strike a blow against the Cubans and Russians in Africa. But how can he do it. The Clark Amendment specifically forbids any covert action in Angola without congressional approval, and this puts the president-elect between a rock and a hard place: If he goes to Congress, he risks leaks and subsequent embarrassment for himself and Savimbi. Yet to fail to support UNITA would send a vast shock wave through similar organizations. It is unthinkable that a new administration would undertake covert support of Savimbi without congressional approval, knowing that there are scores of people just waiting for such an opportunity to strike out at the "cold warriors" now taking power in Washington. Perhaps Reagan will choose the course many feel Ford should have taken in 1975: Go public, ask for explicit congressional approval, and announce American support for Jonas Savimbi.●

LITHUANIAN INDEPENDENCE DAY

● Mr. D'AMATO. Mr. President, I rise today to commemorate Lithuanian Independence Day, which remains as a symbol of a courageous and religious people's resistance to the Soviet Union's oppressive domination.

Mr. President, last Sunday, February 15, I was privileged to address the American Lithuanian Council of New York. This speech expresses my sentiments about Lithuanian Independence. I have also received two resolutions, one from the American Lithuanian Council, and one from the Lithuanian Club of Buffalo, N.Y.

I ask that my speech and the two resolutions be printed in the RECORD.

The material follows:

LITHUANIAN INDEPENDENCE DAY

Ladies and gentlemen, I am deeply honored to be asked to join you in commemorating this, the 63rd Anniversary of the Lithuanian Declaration of Independence.

This weekend, Lithuanian Americans will gather in cities and towns across this country, to observe this anniversary. In doing so, Lithuanian Americans will again renew their strong commitment to the preservation of their cultural heritage, and their right to worship Almighty God as they wish. Lithuanian Americans also will strengthen the bonds that tie them, and the people of the United States, to the more than 3 million people, who still live under the iron hand of Soviet rule.

The cause of Lithuania is the cause of all free people. Your observance of this day is more than a symbol of a courageous and determined people's fight for liberty. It is a lamp of hope for millions of oppressed people throughout this earth, who want to chart their own destiny.

It is fitting that Lithuanian Americans take up the cause of freedom in their mother country, because liberty is the soul of the American Republic.

Ours is a nation of immigrants. The United States was settled in the 17th Century by a few pioneers, who wanted to break the bonds with their mother country, and to worship God as they pleased. It took more than a century and a half for this country to win and declare its freedom. Since 1776, our cause has been to maintain that freedom. It has required great personal sacrifice and a national commitment to assure our liberty.

On July 4, each year, Americans gather to celebrate our Independence Day—a day of joy and happiness, and a day of renewal of faith and dedication. February 16, is a day of Lithuanian renewal of hope and faith, that one day the nation of your fathers will also be free. But, February 16, is a day marked by sadness.

In 1918, Lithuania rejected Communist and other foreign oppression, and her citizens declared themselves free. For more than a century, Lithuanians have lived under Russian rule and repeated attempts by the Soviets to annihilate your Baltic heritage and to annex Lithuania into the USSR.

In 1920, the Soviets agreed to Lithuanian independence. But, 20 years later, under a secret pact with Nazi Germany, the Soviets laid claim to Lithuania and other Baltic states. World War II quickly dissipated the momentum of progress—the land reform, the educational opportunities, and the industrial enterprises. At the cost of many Lithuanian lives, and the mass deportation of your citizens, the Soviets forcibly incorporated the Lithuanian Nation into their regime of Socialist Republics.

The ruthless takeover of Lithuania by the Soviets is consistent with their long-held policies of imperialism and interventionism, which they continue to this day. The Soviet leadership never has accepted the right of other nations to chart their own destiny, and above all, to reject the Soviet totalitarian model.

The United States of America, as the champion of freedom on this earth, rejects this totalitarian policy, as we did when the Soviets illegally incorporated Lithuania into their republic.

To this day, a Lithuanian Legation exists in Washington, D.C., and Consulates dot our national landscape. We have never accepted the conquest of Lithuania or the other Baltic States, and our policy should be to continue to honor Lithuanian independence, and its people's right to liberty.

It has been said by some that our policies toward the Baltic States are merely symbolic. I disagree. I know, that the overwhelming majority of Lithuanians today, are well aware of the support of the United States, and our support is a source of inspiration and a beacon of hope for the future.

I want the people of Lithuania to know, that our people have not forgotten them and their struggle, and we stand solidly behind their resistance. I want each of you, in this audience to know, that my remarks will be sent to Lithuania over the "Voice of America" so the message of truth will reach your loved ones, and your brothers and sisters.

I also want the people of Lithuania to know that I was recently appointed as a Member of the Conference on Security and Cooperation in Europe (CSCE). I will do my utmost to make sure the signatories of

the Helsinki Accords meet their responsibilities to honor human rights across this globe.

And, I would like to send a personal message to the leadership of the Soviet Union. We do not covet any nation's territory. We do not seek to impose our system on other peoples. But, this nation has a moral and national responsibility to support the rights and freedom of people everywhere, and we intend to honor our commitments.

The leaders of the Soviet Union apparently believe that the world isn't aware of their atrocities. They are wrong. We know, that the Lithuanian people are being denied their human rights. We know that their cultural identity is being suppressed. We know that the Godless Communist state has systematically taken over the churches, and there is no religious freedom. We also know, that those who are brave enought to speak out, face harassment, imprisonment or both. This we will not or cannot ever accept.

The ideal of freedom cannot be muted under the boots of brute force and intimidation. So long as there are patriots who are willing to stand and be counted, to speak up and raise the cry for freedom in the face of tyranny, freedom will live and it will flourish.

So, this evening, I join with this audience in a prayer of hope. I join you in a prayer, that one day, the Lithuanian people will, once again, bathe in the light of liberty and freedom. We all hope and we pray that day will soon come.

RESOLUTION

We, the Lithuanian-Americans of the Niagara Frontier, at a meeting held on February 8, 1981 to commemorate the reestablishment of Lithuania's independence, send our warmest greetings to the people of Soviet-occupied Lithuania, pledge our unwavering support for the restoration of Lithuania's sovereignty, and do hereby state as follows:

That February 16, 1981 marks the 63rd anniversary of the reestablishment of the independent State of Lithuania and the 730th anniversary of the formation of the Lithuanian Kingdom in 1251; and

"That by the Peace Treaty of July 12, 1920, Soviet Russia officially recognized the sovereignty and independence of Lithuania and voluntarily renounced forever all claims to Lithuanian soil and her people; and

"That until 1940, Lithuania was a sovereign nation, a member of the League of Nations, and a signatory of numerous international treaties with the Soviet Union; and

"That the Soviet Union in June of 1940 invaded and occupied Lithuania, and subsequent to that invasion forcibly annexed the Lithuanian nation into the Soviet Union; and

"That the Soviet Union continues to conduct a policy of colonization, forced Russification, ethnic dilution, and religious and political persecution; and

"That the people of Lithuania to this day are risking and sacrificing their lives in defiance of the Soviet regime, as recently made evident by the numerous arrests of the members of the Lithuanian Helsinki Monitoring Group, signers of the August 23, 1979 petition to the Secretary General of the United Nations, and publishers of the Chronicle of the Catholic Church in Lithuania and other dissident publications; and

"That the United States government maintains diplomatic relations with the government of the Free Republic of Lithuania and consistently has refused to recognize the unlawful occupation and forced incorporation of this freedom-loving country into the Soviet Union;

"Now, therefore, be it resolved:

"That we will urge President Reagan's administration to maintain and to strengthen United States' policy with regards to the Baltic Republics of Lithuania, Latvia, and Estonia; and

"That we urge the United States of America and other nations of the Free World to use diplomatic and other possible pressures to compel the Soviet Union to release from jails, concentration camps, and psychiatric wards, people who struggle for human rights and for liberty; and

"That copies of this resolution be forwarded to the President of the United States, the Secretary of State, the American Ambassador to the United Nations, United States Senators and Members of the House of Representatives from our state, the Lithuanian Minister in Washington, D.C., the Lithuanian Consul General in New York City, and to all appropriate representatives of the press."

RESOLUTION SALUTING THE LITHUANIAN PEOPLE ON THE CELEBRATION OF INDEPENDENCE DAY ON FEBRUARY 16TH

Whereas, The sovereign nation of Lithuania lost its independence in June, 1940, when it was overrun and occupied by Soviet Russia; and

Whereas, This nation was established as a Republic on February 16, 1918 and since 1941 has experienced the pangs of political and religious persecution; and

Whereas, This small peaceful and freedom loving nation known for its handicrafts and small farming has succumbed to the terror and might of a colossal dictatorship; and

Whereas, Soviet Russia in its ruthless campaign to conquer and dominate various lands throughout the world continues to follow its pattern of suppression of democratic rule in this former sovereign land also; and

Whereas, By an extensive, relentless program of Russification and Sovietization, it is destroying the roots of a great Lithuanian heritage regardless of the fact that it is a party to the Final Act of the Conference on Security and Cooperation in Europe; and

Whereas, Russian culture and history is taught in the public schools, publication of newspapers and periodicals in the Lithuanian language is prohibited, church attendance is discouraged, religious instruction is not permitted, the rites of baptism and the performance of religious ceremonies at weddings are prohibited and in many other ways the Russian government has and is imposing its will; and

Whereas, Many courageous Lithuanian patriots living with hope have risked and sacrificed their lives in a continuous effort to regain the political and religious freedoms and a rebirth of the sovereignty of the former Republic of Lithuania; and

Whereas, The Classic treatment of detention, interrogation, imprisonment on spurious charges, confinement in concentration camps and psychiatric wards is accorded dissidents and fighters for freedom; and

Whereas, The thousands of Lithuanian nationals who languish in jail, camps and wards in Siberia and in other isolated areas are often subject to cruelties and inhumanity: and

Whereas, In order to help their captive fellow countrymen regain their long cherished freedom, after many years of tyranny, and to bolster their spirits, Lithuanians in various cities of the United States celebrate Independence Day annually on February 16; now, therefore, be it

Resolved, That the Council salutes the Lithuanian People on the celebration of Independence Day on February 16th.●

COMMEMORATING A TIME WHEN THE BALTICS WERE FREE

● Mr. SPECTER. Mr. President, the month of February marks two important dates in American history and is also a noteworthy month in the history of the Baltic States. On the 16th of the month, Lithuanians celebrated the 63d anniversary of the Declaration of Independence of Lithuania and a week later, on February 24, Estonians will celebrate the 63d anniversary of their declaration of independence.

I join with Senator PERCY and my other colleagues in commemorating this vital, dynamic period in Baltic history when the peoples of Lithuania and Estonia enjoyed an all too brief time of freedom and self-government.

We have spoken many times on the Senate floor of the inhuman policies the Soviet Government has inflicted upon its own people. Such policies have often inflicted an even greater burden on the people in areas the Soviet Government has been illegally occupying, such as the nations of the Baltic. The creative, independent, dynamic character of the Estonian and Lithuanian people stands in marked contrast to the brutal, repressive nature of their occupying forces. Despite Soviet attempts to destroy that character, the people of Estonia and Lithuania have held on to their hopes for freedom and have maintained the independence and pride that have remained with them throughout their history.

It is therefore with great compassion and understanding that I join in celebrating these two important dates—as a reminder of what was and what could be. Continued Soviet violations of the provisions and principles of the Helsinki Final Act will not go unnoticed. People and governments throughout Europe will continue to press for a full and thorough implementation of those provisions. And the struggle for human rights and self-determination in the Baltic States will not be forgotten.●

SENATOR RIEGLE COMMEMORATES LITHUANIAN INDEPENDENCE DAY

● Mr. RIEGLE. Mr. President, yesterday marked the 63d anniversary of the proclamation of Lithuanian Independence Day. Lithuanians of Michigan, and of the United States, remember this day not with joy, but with hope.

Lithuania, which in 1940, was forcibly occupied and annexed by the Soviet Union, does not experience or enjoy the freedoms which we accept as part of our everyday lives. The denial of free speech, and the lack of religious freedom are only two of the ways that Lithuanian citizens suffer the repression of the Soviet state.

We should not turn our backs on the pleas of Lithuanians to continue the non-

recognition of the forcible annexation of Lithuania and the other Baltic States of Estonia and Latvia. We must also be eternally cognizant of the many who have been put into prisons, mental hospitals, or sent to Siberian work camps for their pursuit of basic human rights and justice.

Therefore, February 16 is a day of hope, a day to look forward to a time which will let the people of Lithuania experience the freedoms that we are all entitled to receive.●

QUORUM CALL

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 8:20 P.M. TOMORROW

Mr. BAKER. Mr. President, I have no further business to transact, and I see no other Senator in the Chamber seeking recognition.

If there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 8:20 p.m. tomorrow.

The motion was agreed to, and at 2:28 p.m. the Senate recessed until tomorrow, Wednesday, February 18, 1981, at 8:20 p.m.

EXTENSIONS OF REMARKS

THE CIGARETTE SAFETY ACT

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. MOAKLEY. Mr. Speaker, the story of the careless use of smoking materials leading to the destruction of life and property happens all too often. The time has come for the Congress to address the No. 1 national cause of residential fire fatalities and injuries—cigarette-related fires.

Today I am reintroducing for the 97th Congress, the Cigarette Safety Act of 1981 which seeks to insure that cigarettes have a minimum capacity for igniting smoldering upholstered furniture and mattress fires.

The need for such legislation is obvious. According to the U.S. Fire Administration, there are annually over 74,000 smoking-related fires across the country and a resulting 2,300 deaths, 5,800 injuries and $210 million in economic losses. Most of these fires could have been prevented.

This legislation mandates the Consumer Product Safety Commission to develop a performance standard that will help reduce the potential of cigarette-related fires from occurring based on objective research and studies. The National Bureau of Standards' Center for Fire Research is currently investigating the propensity of cigarettes to cause smoldering ignition of upholstered furniture substrates.

Their preliminary work indicates there are cigarette construction characteristics that may reduce ignition propensity. Included in these parameters are: Low diameter—less contact with the substrate; low packing density—low fuel load; filter—no increase in airflow at the butt end and, consequently, no increase in heat flux; and high burning rates—short contact of heat source and substrate. Another characteristic suggested in literature has been cigarette paper with a low citrate content.

Current plans call for the National Bureau of Standards to have a test method in the near future which will identify cigarettes with a minimum capability of initiating smoldering combustion. This will aid in the development of a technically feasible standard that addresses the mandate of this bill. I urge the National Bureau of Standards to continue their work and it is my hope that the tobacco industry will join this effort wherever appropriate.

Past research has shown that a freshly lit cigarette will burn for approximately 20 to 45 minutes when placed on a flat surface. This is a reasonable period of time in which a burning cigarette must remain in contact with upholstered furniture and mattresses before a fire will result.

Unfortunately, the cigarette manufacturing companies have not addressed this problem, and until they do so, I believe the serious nature of this problem demands immediate congressional action.

I would like to stress that this is not an antismoking bill. I believe the decision to smoke or not to smoke should be left to the individual. A performance standard should not interfere with an individual's smoking habits but rather address a proven fire hazard. In fact, the cigarette characteristics listed by the National Bureau of Standards as having the potential to reduce ignition propensity are already found in some cigarettes on the market selling today.

Finally, should continued research show that an adequate performance standard cannot be developed because it was determined to be either technologically impracticable or economically unreasonable, I have added a new section to the bill this Congress which will allow the CPSC to take steps to terminate any standard proceeding.

Last Congress, support for this legislation came from across the country and included groups made up of individuals who work daily with the problems of smoking-related fires, such as the International Association of Fire Chiefs, International Association of Firefighters and the American Burn Association.

I believe this legislation can go a long way in reducing the damage to life and property due to smoking-related fires, and I urge my colleagues to join me in working to reduce this danger by supporting this much-needed legislation.

A text of the bill follows:

H.R. 1854

A bill to require persons who manufacture cigarettes or little cigars for sale or distribution in commerce to meet performance standards prescribed by the Consumer Product Safety Commission, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cigarette Safety Act".

DEFINITIONS

SEC. 2. For purposes of this Act, the term—

(1) "cigarette", "commerce", "United States", and "little cigar" have the meanings prescribed in paragraphs (1), (2), (3), and (7), respectively, of section 3 of the Federal Cigarette Labeling and Advertising Act;

(2) "sale or distribution" includes distribution of samples or any other distribution not for sale;

(3) "Commission" means the Consumer Product Safety Commission; and

(4) "cigarette safety standard" means any performance standard or cigarette safety rule promulgated by the Commission.

FINDINGS

SEC. 3. (a) The Congress finds that—

(1) the United States Fire Administration has determined that the careless use of smoking materials is the leading cause of fire-related death and injury in residences in the United States;

(2) fires caused by cigarettes and the careless use of smoking materials in the United States annually—

(A) kill approximately two thousand three hundred people,

(B) injure approximately five thousand eight hundred people, and

(C) result in property damage amounting to approximately $210,000,000;

(3) laboratory experiments have shown that a cigarette will burn continuously for approximately twenty to forty-five minutes when placed on a flat surface and that this is a reasonable period of time in which a burning cigarette must remain in contact with upholstered furniture and mattresses before a fire will result;

(4) as presently marked, cigarettes and little cigars are a dangerous ignition source which present an unreasonable risk of injury; and

(5) it is feasible and practical to produce cigarettes and little cigars which do not present an unreasonable risk of injury.

(b) The Congress declares it to be the policy of the United States—

(1) to reduce the loss of life and property in the United States by requiring that cigarettes and little cigars manufactured for sale or distribution in commerce be processed to ensure that such cigarettes or little cigars—

(A) if ignited, will stop burning within a time period designated by the Commission, if such cigarettes or little cigars are not smoked during such period, or

(B) meet some other performance standard promulgated by the Commission to insure that such cigarettes or little cigars do not ignite smoldering upholstered furniture and mattress fires; and

(2) that such processing be accomplished without the addition of any toxic elements to a cigarette or little cigar.

RULEMAKING

SEC. 4. (a)(1) The Commission shall promulgate, within twenty-four months after the date of enactment of this Act, final consumer product safety standards for cigarettes and little cigars which set performance standards ensuring that such cigarettes and little cigars have a minimum capacity for igniting smoldering upholstered furniture and mattress fires.

(2) Performance standards for cigarettes and little cigars shall be developed by the Commission based on objective studies, including studies conducted by the Bureau of Standards of the Department of Commerce.

(b) The Commission shall commence the proceedings for the development of the cigarette safety standards under this Act by the publication in the Federal Register of an advance notice of proposed rulemaking which shall—

(1) state that Congress has declared that a safety standard for cigarettes and little cigars is necessary and that such standard shall be promulgated by the Commission; and

(2) invite interested persons to present their views concerning such standards, orally or in writing, during a period of not less than thirty days immediately following publication of such notice.

(c) Within twelve months after publication of the notice required by subsection (b), the Commission shall publish in the Federal Register general notice of proposed rulemaking under section 553(b) of title 5, United States Code. Such general notice of proposed rulemaking shall include the terms and substance of the proposed cigarette safety standard.

(d) Within twenty-four months after the date of enactment the Commission shall promulgate the standard after interested persons have been given an opportunity to participate in the rulemaking through submission of written data, views, or arguments with an opportunity for oral presentation. A transcript shall be kept of any oral presentation.

(e)(1) In the event the Commission, at any stage of the proceeding before a final standard is published, finds that a standard for cigarettes and little cigars would be technologically impracticable or economically unreasonable, it shall take steps to terminate the proceeding.

(2) Termination of the standard development proceeding shall be accomplished by publication in the Federal Register of a notice announcing the Commission's intention to terminate the proceeding based on a finding, which must be fully supported by detailed reasons, that a standard for cigarettes and little cigars is technologically impracticable or economically unreasonable. Public comment shall be invited on the notice of intent to terminate the proceeding for a period of not less than 60 days. The Commission shall evaluate the comments received and either publish a final notice in the Federal Register terminating the proceeding, or proceed with the next step in the development of the standard.

(3) The Commission shall prepare a report on the final termination of the standard development proceeding and transmit it to the Committee on Commerce, Science and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives. Such report shall include the Commission's findings, submitted comments, and rationale supporting the Commission's final determination.

(f)(1) The final rule promulgating the cigarette safety standard shall specify the date such standard is to take effect, not to exceed forty-eight months after the date of enactment of this Act. If the Commission finds that by eighteen months after the date of enactment of this Act that it is unable to issue the rule within twenty-four months of the date of enactment, it shall prepare and transmit a report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives, outlining the reasons for the extension and designating the additional time period required, not to exceed one year, to issue a rule, and the Commission shall issue a notice of extension in the Federal Register.

(2) For purposes of this Act, the rulemaking provisions of sections 7 and 9 of the Consumer Product Safety Act, and rulemaking sections of any other acts administered by the Commission, shall not apply. Notwithstanding any other provision of law, the Commission shall not be required to make findings pursuant to these sections.

(3) The Commission may by rule prohibit a manufacturer of cigarettes or little cigars from stockpiling such products to which the standard promulgated pursuant to this section applies. For purposes of this paragraph, the term "stockpiling" means manufacturing or importing a product between the date of promulgation of such consumer product safety standard and its effective date at a rate greater than the rate at which such products were produced or imported during the one-year period immediately preceding the date of enactment of this Act.

JUDICIAL REVIEW

SEC. 5. (a) Any person who is adversely affected or aggrieved by the standard promulgated pursuant to this Act may, at any time prior to the sixtieth day after the Commission promulgates the final rule, file a petition with the United States court of appeals for the circuit in which such person resides or has his principal place of business for a judicial review of this rule. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commission. The Commission shall file in the court the record of the proceedings on which the Commission based its final rule as provided in section 2112 of title 28, United States Code.

(b) If the petitioner applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that such additional evidence is material and that there was no opportunity to adduce such evidence in the proceeding before the Commission, the court may order such additional evidence (and evidence in rebuttal thereof) to be taken before the Commission in a hearing or in such other manner, and upon such terms and conditions, as the court deems proper. The Commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, and its recommendations, if any, for the modification of the final rule.

(c) Upon the filing of the petition under this section, the court shall have jurisdiction to review the final rule of the Commission, as modified, in accordance with chapter 7 of title 5, United States Code. If the court ordered additional evidence to be taken under subsection (b) of this section, the court shall also review the Commission's final rule to determine if, on the basis of the entire record before the court pursuant to subsections (a) and (b) of this section, it is supported by substantial evidence. If the court finds the final rule is not so supported, the court may require its modification or reversal.

(d) The judgment of the court affirming, setting aside or modifying, in whole or in part, the Commission's final rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.

(e) Section 11 of the Consumer Product Safety Act and the judicial review section of any other Act administered by the Commission do not apply to judicial review of the Commission's final cigarette safety standard.

REMEDIES

SEC. 6. The cigarette safety standards, as promulgated in a final rule, shall be deemed to be a consumer product safety standard as defined under section 3 of the Consumer Product Safety Act, and shall be subject to all remedial and penalty provisions of the Consumer Product Safety Act.

CONFORMING AMENDMENTS

SEC. 7. Section 3(a)(1)(B) of the Consumer Product Safety Act is amended by adding after the word "products" the following: "except that cigarettes and little cigars are deemed to be consumer products for the purposes of regulating them as an ignition source".

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. For each of the first three fiscal years beginning after the date of enactment of this Act, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

TRIBUTE TO THE LATE GOVERNOR GRASSO

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. EDWARDS of California. Mr. Speaker, I join many of my colleagues in paying tribute to the Honorable Ella Tambussi Grasso of Connecticut. Those of us who served with Ella in the House of Representatives, as well as her constituents in the State of Connecticut have truly lost a wise and compassionate leader.

I was personally fortunate to have been able to serve on the Veterans' Affairs Committee along with Ella during her service in the House, and I developed a deep respect for her integrity and legislative abilities. These qualities, along with the personal courage she exhibited to the Nation during her illness, truly enhanced the profession of public service and elective office. I was privileged to have been an admiring friend and colleague of Ella's, and share my sympathy with the State of Connecticut and our entire Nation over the passing of Governor Grasso.●

VOLUNTARY ASSEMBLY IS NOT OBJECTIONABLE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. ASHBROOK. Mr. Speaker, in the months since it became clear that conservative religious groups like the Moral Majority have become a viable

political voice in the United States, I have had, on a number of occasions, the opportunity to listen to arguments relating to the concept of the separation of church and state. In several cases, the arguments presented made little sense.

I recently read an Akron Beacon Journal guest column which made a great deal of sense. Rev. Dale O. Smith, pastor of the Sherwood Park Baptist Church in Akron, destroyed some of the myths created by the ACLU and other liberal groups which have expressed concerns about this issue. Reverend Smith's article represents a commonsense approach and I commend it to my colleagues.

The Smith article follows:

VOLUNTARY ASSEMBLY IS NOT OBJECTIONABLE

(By Rev. Dale O. Smith)

I believe in the separation of church and state. I do not believe that means there must be a separation of the state from the church and never shall the twain meet. No one faith, church or body should have the privilege to dictate its beliefs or church doctrine to another.

However, if the Akron Board of Education pursues the stated desire and intent of its one board member and the ACLU, then we have the same effect: no prayers, no religious activities, no freedom of worship for anyone. Is this, then, not forcing a position upon us all and making it mandatory upon the whole?

I can accept the position that it is not the function of the public school system to teach religion. But I cannot accept the position that the school will not allow prayer, Bible readings, or the gathering of persons for devotions or a time for mutual sharing with one another for inspiration and encouragement.

How could the voluntary assembling of a group of persons for prayer within any school be misconstrued to be teaching religion, or the fostering of a church, or one faith, or to bring discredit upon the school system?

I had always assumed that the devotions I had the joy of leading were open to faculty, administration, parents, or anyone else who cared to attend.

There was never an attempt "to preach" a particular denominational doctrine or church doctrine, or the suggestion of proselyting. The Bible, both Old and New testaments, was the guidebook for our meditation and devotional times, with other writings and authors providing supportive illustrations.

The Bible, though devotional, also instructs mankind in morals. It teaches ethics and fairness, and develops a respect for authority within the family and for the civil government. It encourages brotherhood for all men, gives us commandments for family and social living and the Golden Rule for relating to others—all that and much, much more. Yet we are being told it is against the Constitution to read it as a group in a public school building or program.

If I perceive the full implication of the suggestion that we no longer have baccalaureate services and no prayers at the commencement exercises, then, by deduction, I assume we can no longer have devotions and prayer by parent-teacher associations; no athletic coach can allow his or her team to have prayer, and no choirs would be allowed to sing music that had a sacred or gospel tone to it.

My real concern is where does it stop? I want students to have the freedom to pray and to attend an informal, voluntary discussion of the Bible, if they should choose. I want athletic teams to be allowed to pray, if they should so choose. I want the PTA to have the freedom to pray in a public schoolroom if they so choose. Is this so wrong?

To this end, the Kenmore Ministerial Association and I have met informally with Conrad C. Ott, superintendent of Akron schools, and his staff to discuss these matters. Our discussions, which have been most productive, include our concerns about moral and ethical development within our schools and how we as a community can achieve that which we believe to be important for our youth.

We are now determined to develop a plan which can be accepted by Ott and the school board. We understand that this policy will have to meet the requirements of the Constitution and contribute to the educational program of the Akron schools.

Our proposal will be presented to Ott and the staff for study and then the full board early in February. We are most confident in our determination to bring this matter to its proper and speedy conclusion.●

HELP FOR THE HOUSING INDUSTRY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. MURTHA. Mr. Speaker, it is my belief that one of our economic goals must be to direct specific remedies toward hot spots in our economy, areas that are particularly hard hit by the dislocations of recent years. One of those areas is the housing industry.

I have met several times over recent months with members of the housing industry from the 12th Congressional District. These homebuilders have been hard hit, and that has caused unemployment and economic slowdowns throughout the area.

One of the first bills I have cosponsored this year aims at stimulating the housing industry. I joined with Congressman JAMES BLANCHARD of Michigan in supporting the Young Families Homeownership Opportunity Act.

It is clear that young persons are having a particularly difficult time meeting today's high interest rates and saving enough to make a downpayment. This bill encourages such homeowning by creating an individual housing account.

It would work like this: Individuals and married couples who have never owned their principal residence would be allowed to deposit up to $15,000 into an individual home account; they would receive a tax credit equal to 20 percent of an individual's—or couple's—annual deposit, up to a maximum lifetime credit of $3,000; any tax liability on the interest earned from such funds would be deferred for several years; the money would have to be used within 10 years of the first deposit toward the purchase of a home.

Obviously, this is only one step toward helping the housing industry. Stabilizing the economy and reducing interest rates will pay a more immediate dividend. Still, we must devise ways now to encourage homeownership in the years ahead so the industry is better insulated against the kind of economic shock that has attacked it over the past couple years. I believe this bill is a step in that direction.●

UPPER MISSISSIPPI PLAN MODEL FOR FUTURE RIVER PROTECTION EFFORTS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. OBERSTAR. Mr. Speaker, in 1978, I asked this House to give State and local officials and citizens the opportunity to develop a plan for the preservation of the Upper Mississippi River flowing in Minnesota.

The House approved my amendment which has provided that opportunity.

During the past 2 years, the Mississippi Headwaters Board developed a comprehensive plan for the management and protection of the Upper Mississippi River. The Headwaters Board worked closely with the Department of the Interior and the National Park Service in developing that plan.

The Headwaters Board, in the spirit of the 1968 Wild and Scenic Rivers Act, emphasized local and State initiative—rather than land acquisition by the Federal Government—in the protection of the river. The plan provides for a cooperative effort involving all levels of government.

I include for the RECORD an article and an editorial from the February 9, 1981, issue of the County News, the newsletter of the National Association of Counties.

RIVER PLAN SIGNALS NEW TREND

A potential landmark in the local management of natural resources is shaping up in Minnesota, where eight counties are on the verge of implementing a plan to protect 450 miles of the Upper Mississippi River. Never in our memory have local governments similarly banded together to provide effective controls to protect a natural resource spanning such a wide geographical area.

The action is important because it signals a new era of cooperation between federal and local governments in managing natural resources. Local governments are demanding more control of resources in their areas and the federal government is responding.

For several years, northern Minnesota counties were faced with the prospect of federal control of the river. In 1980, with increasing evidence that Congress might approve the plan developed by the National Park Service, eight counties banded together to try to pre-empt the federal plan. Work on both county and federal plans continued, with each party assessing the other's progress. Finally, the Park Service accepted the controls proposed in the county plan and shelved the federal plan.

Local cooperation has been the key to the success of the county plan. Over a great distance, counties have agreed to implement common standards to protect the river. Special recognition should go to Alf Madson, Lloyd Nesseth, Virgil Foster and the county commissioners who staffed the Mississippi Headwaters Board and made many sacrifices to bring the plan into reality.

The spirit of cooperation seen in the Park Service's acceptance of the Minnesota counties' plan is also evident in other areas. The Bureau of Land Management recently signed a research contract with the National Association of Counties to improve the agency's communication with and understanding of county government. And other federal agencies are developing cooperative approaches to land and resource management.

Cooperative efforts such as these balance local needs and interests with the broader goal of preserving and protecting the nation's resources. The Minnesota plan truly is a step in the right direction.

The growing conflict over federal versus local control of America's natural resources is a source of bitter contention in many counties, particularly in the West.

So, when a federal agency not only concedes that a group of rural counties has a better idea, but allows them to maintain local control of an important stretch of river, it's Richter-scale news and an occasion of celebration.

Such a celebration was held recently after eight northern Minnesota counties adopted an ordinance to keep local control of 450 miles of wild and scenic portions of the Upper Mississippi River. What made the occasion significant was the National Park Service's (NPS) earlier acceptance of the plan as a satisfactory alternative to federal control.

Sen. David Durenberger (R-Minn.) plans to hold hearings in the Intergovernmental Relations Subcommittee this spring to present the Minnesota plan as an innovative approach to maintaining local control over natural resources in other states.

An aide to Durenberger said that the "overdominant federal role is no longer acceptable and this program shows that counties are becoming greatly more sophisticated in their ability to manage resources."

A key to the plan's success, the aide said, was the partnership between the local, state and federal governments in developing the plan.

Work on the innovative plan began in February 1980 when the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing and Morrison, through which the Mississippi River meanders, met to discuss federal plans to take over control of the river.

Upset by the prospect that the U.S. Department of Interior would strictly control the use of their river permanently, the counties made a compact under a unique Minnesota statute that provides for local intergovernmental cooperation. The statute, called a joint powers agreement, allowed the eight counties to develop an ordinance to provide local control of the Upper Mississippi. The agreement was approved by State Attorney General Warren Spannaus.

Each county selected one of its commissioners to serve on a newly created Mississippi Headwaters Board (MHB). The board, inspired by State Sen. Robert Lessard's idea that well-motivated local people can manage their land and water resources better than remote federal, regional or departmental functionaries, moved aggressively to meet the federal challenge to preserve their river.

The board engaged the St. Paul, Minn., firm of Goff, Priesnitz and Associates for advice on technical matters. The firm had a background in the development of rivers and land-use controls and its expertise was essential in development of the final plan.

Legislative and moral support quickly came from Rep. James Oberstar (D-Minn.), whose amendment to omnibus parks and recreation legislation stalled any immediate takeover of the Upper Mississippi River by the Interior Department. Rep. Arlan Stangeland (R-Minn.), whose district encompasses seven of the eight counties involved, and nearly all of the Minnesota congressional delegation supported the plan.

Each of the eight counties contributed up to $5,000 to pay for drafting and developing the plan. Supplemental funding came from industries, organizations and individuals.

A Technical Advisory Committee was established, composed of county zoning officers, land commissioners and township officials, and a Citizens Advisory Committee was named, including individuals and representatives of sportsmen and environmental groups, the Minnesota Department of Natural Resources, the U.S. Forest Service and others.

As the Minnesota counties developed their alternative, the National Park Service proceeded full speed with its own master plan for federal control of the river. Control by the Park Service was based on acquisition of the shorelands by purchase, easements and condemnation when necessary. The counties' proposal, in contrast, called for willing-seller, willing-buyer acquisition only. The key element to the counties' plan was the confidence of the local governing units that they could and would exercise effective controls to preserve their part of the Mississippi River for future generations.

The counties and the Park Service kept each other fully informed of their progress and even negotiated improvements to both plans.

Then, in September 1980, the Park Service announced a stunning policy reversal. It informed the counties that if they provided definite assurances for the future controls and preservation of the river in their plan, the Park Service would shelve its own plan and recommend that Congress adopt the counties' plan. The recommendations were accepted by the counties and were included in the final Mississippi Headwaters Board ordinance.

A resolution supporting the plan was adopted at NACo's Annual Meeting.

The separate county boards of commissioners had to adopt the MHB ordinance, a process completed on Dec. 16, 1980. A nearly unanimous vote (39 to 1) indicated the counties' desire to retain local control.

The Park Service plan cost an estimated $30 million to $70 million to develop. The counties have spent less than $70,000. Although counties will look for financial assistance from federal and state agencies to continue their program, it is apparent that the taxpayers are going to be a major beneficiary from the counties' plan.

The Minnesota Legislature is working on the final details that will guarantee the future of the Mississippi Headwaters Board and the permanent preservation of the 450-mile segment of the Mississippi River.

The cooperation between all levels of government made possible the continued local control of a valuable natural resource. The plan developed by the Minnesota counties and the federal acceptance of the plan may well signal a new era of increased local control over other resources.●

VOLKSWAGEN HIRES THE VIETNAM VETERAN

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. BAILEY of Pennsylvania. Mr. Speaker, it is with a very deep personal pride that I bring to your attention the outstanding contribution Volkswagen of America, Inc., has made to the jobs for vets program.

Volkswagen of America, Inc.'s, New Stanton plant, in the 21st Congressional District of Pennsylvania, currently employs 1,747 Vietnam era veterans. These veterans represent more than one-third of the New Stanton assembly plant's total work force.

Volkswagen's highly respected commitment to hire the Vietnam veteran is being recognized by the Veterans' Administration and the National Alliance of Business. On February 19, 1981, they will present an award to Volkswagen for its outstanding leadership and sustained support in providing employment and training opportunities for Vietnam era veterans.

I would like to add my personal recognition of this extremely vital effort to employ and train these men and women. Those who served in Vietnam, suffered embarrassment and humiliation from an ungrateful America when they returned home. Consequently, they experience unusually high unemployment. I also salute Volkswagen for its efforts to educate and train veterans. Education and employment opportunities are equally important for veterans who have not enjoyed the traditional support our Nation has given veterans of other wars. Those who served in Vietnam endured. They are entitled and are able to be a viable segment of our working society.

It is my sincere hope that more efforts will be made by more businesses in the private sector to welcome the Vietnam veteran into our work force. To Volkswagen of America, Inc., I extend my heartfelt congratulations. The jobs for vets program is an overwhelming success to be admired by many.●

ISRAEL IS AN EXCELLENT GUARDIAN FOR JERUSALEM

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. ROSENTHAL. Mr. Speaker, King Hussein of Jordan has taken up the charge that the Israeli rule over Jerusalem has damaged the Arab character of the holy city, though there is no truth to the accusation, and in fact Arab Jerusalem has prospered since 1967. The physical fabric of the city, the quality of its health and welfare services, and especially the condition of the Islamic holy places, are far better today than they were when the city passed into Israeli hands.

Jerusalem Post reporter, Abraham Rabinovich, has recently written a useful article on conditions in Arab Jerusalem. I wish to share it with my colleagues:

Is Israel trying to extinguish the Arab character of Jerusalem?

That charge, by Jordan's King Hussein at the recent Islamic conference in Taif, may sincerely be believed by him and the rest of the Islamic world. The annexation of East Jerusalem by Israel and the construction of huge housing estates for Israeli residents on land expropriated from Arabs would make such a conclusion seem obvious.

In fact, however, the Arab element in Jerusalem has not been diminished since the city reunification. It has been increased significantly. East Jerusalem's population, which in 19 years of Jordanian rule increased by some 50 percent, has already increased by more than that in 14 years of Israeli rule.

The Hashemite Kingdom deliberately inhibited the development of East Jerusalem's economy in favour of Amman's, forcing the large scale emigration of East Jerusalemites to the Arab world in search of work. This was halted only after the city's reunification by employment opportunities in the Israeli sector. The growth rate of the Arab population, in fact, has been a good deal greater since 1967 than the growth rate of the Jewish population in the city, 4.2 per cent versus 3.2 per cent.

What concerns the Moslem world most are the Islamic holy places, particularly the Temple Mount and its mosques. Despite the Temple Mount's supreme significance to Jews, the Israeli government has left it in the autonomous hands of the Supreme Moslem Council, an avowedly anti-Israel body. Israeli police have kept out Jewish nationalists who wanted to demonstratively pray on the Temple Mount. More than 100,000 visitors from the Arab world visit Jerusalem each year and freely pray in Al-Aksa. So do Israeli Arabs who had no access to it before 1967.

The Moslem authorities are carrying out stunning restoration work in Al-Aksa with Israel's blessing. Elsewhere in East Jerusalem, new mosques have been built since 1967 and minarets added to old ones.

Far from attempting to stifle Arab culture, the municipality has taken steps to promote it—far more so, ironically, than did the Jordanian authorities.

A library system with books from the Arab world has been developed in East Jerusalem, including mobile vans to reach outlying villages. Arab community centres have been established. The Jerusalem Foundation has subsidized the first Arab theatrical troupe ever established in East Jerusalem or the West Bank. The municipality has founded Arab dance troupes and, in the absence of local instructors, even provided an Israeli Jewish dance instructor. A municipal adult education programme has taught hundreds of illiterate residents of East Jerusalem to read and write Arabic.

In a most remarkable move, the Israeli authorities permit a Jordanian curriculum to be taught in Israeli-run public schools in East Jerusalem so that their graduates can study in Arab universities abroad if they choose. East Jerusalem residents have been permitted to retain their Jordanian citizenship and may travel back and forth across the Jordan River bridges.

Israeli archaeologists have uncovered at the foot of the Temple Mount Islamic palaces of the 8th century that not even Islamic scholars knew existed. The careful restoration work in the Old City reflects the respect with which Israel treats Islamic architecture.

Materially, most of East Jerusalem's residents have enjoyed a prosperity since 1967 far greater than they ever knew. Installation of a modern infrastructure in their quarters since 1967 has improved their way of life dramatically. As picturesque as Arab women may look carrying water jugs on their heads, they much prefer drawing water from a kitchen tap.

All this does not add up to denigration of Jerusalem's Arab character—a character integral and precious to the city. But Jerusalem also has a Jewish character dating back 3,000 years. For the past century, Jews have again been a majority. Today this majority is almost 3-1.

What Israel has done since 1967 is to change the city's political character by clearly asserting Israeli sovereignty. In building massive new neighbourhoods on the periphery of the city on clear strategic lines, Israel is attempting to remove ambiguity about the city's political future. Ambiguity in this context breeds Belfast—a spiral of violence which Jerusalem's Arab minority has at least as much interest in avoiding as does the Jewish population.

Unification of Jerusalem will not be complete until some way is found to give full political expression to the city's Arab population. Taif's solution of holy war may be emotionally satisfying to some, but in reality it offers only a repeat of death, hate, and impasse. Cairo's solution, political wisdom and goodwill, offers a more promising prospect.●

THE PLIGHT OF VIKTOR BRAILOVSKY

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. ATKINSON. Mr. Speaker, the plight of the victims of Soviet persecution has been an ongoing embarrassment to all people of the world who believe in freedom and free choice.

The latest case that has been brought to my attention deals with a computer scientist, Dr. Viktor Brailovsky who has petitioned the Soviet Government for permission to emigrate to Israel.

Dr. Brailovsky is a Jew and his case has become a focal point for refusniks and the scientific world because he has been totally thwarted in his desire to emigrate as well as being denied any opportunity to practice his profession in the Soviet Union.

Dr. Brailovsky was not engaged in highly secret Soviet scientific work. He is a computer expert as is his wife, Irina. When he published a Jewish cultural journal last April he was arrested, then released but kept under continued investigation. When he joined a group of over 200 other refusniks in a written appeal to President Leonid Brezhnev requesting the free emigration of Soviet Jews, he was imprisoned.

At this time we know Dr. Brailovsky is in failing health. For humanitarian reasons we call upon the Soviet leaders to show some compassion and allow Dr. Brailovsky and his family to exit the U.S.S.R. so he may receive proper medical treatment and be reunited with his other family members who are now in Israel.

It is a shame for all of mankind when even one person's rights are violated. The treatment of minorities in the Soviet Union is disgraceful and shameful. Certainly in the 1980's, in the light of recent Soviet accomplishments in science, commerce, and the arts, there should be a growing feeling among that nation's leadership to honor the dignity of its people—all of its people. The plight of Viktor Brailovsky and Irina Brailovsky are just two examples of a continuing nightmare of repression.

The Congress and the Nation are asked by the Soviet Union to ratify treaties of friendship and understanding, to enter into sophisticated negotiations on arms decontrol and political stabilization, and yet the day-by-day example of Soviet disregard for the basic human spirit continues.

It is time for the Soviet Union to show the world that it has come into the 21st century in the important area of individuals' dignity. How can our Nation, how can this Government, ever trust the Soviet Union's word on a document with foreign nations when it fails to honor the letter of its own Soviet Constitution?

Mr. Speaker, talk and promises are easy. It is time for the Soviet Union to cease its policy of repression—especially if it chooses to join with the community of civilized nations to maintain this planet in the decades to come.●

HOW A BILL BECOMES A LAW

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. MICHEL. Mr. Speaker, those of us in Congress are so close to the legislative process that we sometimes forget that the way in which a bill becomes law is not clearly understood by many of our fellow Americans. I receive inquiries from time to time about this question. I have prepared a brief summary of the process in the hope it may be useful to anyone who is interested in the machinery of Government.

HOW A BILL BECOMES LAW

Ours is a Government of the people, by the people, for the people. It is not a pure democracy. It is a republic in a democracy. It is a representative democracy.

Our laws are the embodiment of the wishes and wants, the ideas and ideals of the American people as expressed through their Representatives in the Congress: 435 in the House of Representatives and 100 in the Senate. Any Member of the House or Senate may introduce a bill embodying a proposed law or revision of existing laws, at any time when his respective House is in session. When introduced, the bill will be entered in the Journal of the House, and the title and sponsors of it printed in the CONGRESSIONAL RECORD of that day.

EACH BILL NUMBERED

Each bill introduced is assigned a number by the clerk of each House and referred to the committee having jurisdiction over the subject matter by the presiding officer, that is, the Speaker of the House or the President of the Senate. Copies of the bill are printed by the Government Printing Office and made publicly available from the congressional document rooms.

Acting through its chairman, the committee decides whether a bill should be taken up by the full committee or referred to a subcommittee for its initial consideration.

THE DELIBERATIVE STAGE

The committee's deliberations are the most important stage of the legislative process. It is here that detailed study of the proposed legislation is made and where people are given the right to present their views in public hearings. When the chairman has set a date for public hearings it is generally announced by publication in the CONGRESSIONAL RECORD.

Copies of the bill under consideration by the committee are customarily sent to the executive departments or agencies concerned with the subject matter for their official views to be presented in writing or by oral testimony before the committee. The number of witnesses, pro and con, heard by the committee is largely dictated by the importance of the proposed legislation and degree of public interest in it.

TESTIMONY HEARD

The transcript of the testimony taken is available for inspection in the individual committee offices. Quite frequently, dependent on the importance of the subject matter, the committee hearings on a bill are printed and copies made available to the public.

After conclusion of the hearings the committee proceeds to meet in executive sessions—sometimes referred to as "markup" sessions—to discuss the bill in detail and to consider such amendments as any member of the committee may wish to offer. Each committee has its own rules of procedure but they generally conform to the rules of the House itself.

THE COMMITTEE VOTE

By a formal vote of the committee, it decides whether to report favorably to the House the bill with or without committee amendments. A committee report must accompany the bill, setting forth the nature of the bill and reasons for the committee's recommended approval. The report sets forth specifically the committee amendments and, in compliance with the rules of each House, indicates all changes the bill would make in existing law. Any committee member, individually or jointly, may file additional supplemental or minority views to accompany the majority committee report. The committee report, accompanying the bill, is viewed by the courts and the administrative agencies as the most important document as to the intent of the Congress in the proposed legislation.

AFTER REPORTING

When a bill is reported by the committee it is placed on the appropriate calendar. The majority leadership decides how and when the bill will be considered on the floor. In general the bill is allowed to remain on the calendar for several days to enable members to become acquainted with its provisions.

In both the House and the Senate innumerable measures of relatively minor importance are disposed of by unanimous consent. In the Senate, where debate is unlimited, major bills are brought up on motion of the majority leader and in the House are called up under a privileged resolution reported from the Rules Committee which fixes the limits of debate and whether amendments may be offered from the floor. The Rules Committee resolution is called a rule for consideration of a bill; a closed rule if no amendments are allowed, as is generally the case in tax bills, and an open rule if amendments can be offered.

REACHING CONSENSUS

While there are distant differences between the House and Senate procedures, in general a bill is debated at length with the proponents and opponents presenting their views to acquaint the membership, as well as the general public, with the issues involved, and all with a view to arriving at the consensus. Amendments are frequently offered to make the measure more in conformity with the judgment of the majority. In the course of consideration of the bill there are various parliamentary motions, in both the House and the Senate, which may be offered to determine the sentiment of the members with respect to the pending legislation. The measure may be postponed to some future date or referred back to the committee which reported it.

With the conclusion of general debate and the reading of the bill for amendments, the question becomes whether the House or Senate, as the case may be, will pass the bill in its final form. The CONGRESSIONAL RECORD of the day the bill was under consideration will set forth the verbatim debate on the bill and the disposition made of such amendments as were offered.

AFTER PASSAGE

With the passage of a bill by either body it is messaged to the other with the request that they concur. If no action has been taken on the like measure by the body receiving the message the bill is usually referred to the appropriate committee of that body for consideration. Hearings are again held and the bill reported for floor action. On relatively minor or noncontroversial matters the Senate or the House accepts the measure as messaged to it by the other body.

If there are substantial differences between the House and Senate versions of a given bill, the measure is sent to a conference committee which is appointed by the Speaker and the President of the Senate from the ranking committee members of each body having original jurisdiction over the bill. The object of the conference committee is to adjust the differences between the two bodies, and to report back to each its agreement. The report of the conference committee must be in writing and signed by those agreeing thereto and must have the signature of the majority of the conferees of each House.

CONFERENCE REPORT

The report of the conference committee cannot be amended and must be accepted or rejected by each House as it stands. If either House finds itself unable to accept the conference committee report a further conference is usually requested.

When the bill has been agreed to in identical form by both bodies a copy

of the bill is enrolled, signed by the Speaker and by the President of the Senate, for presentation to the President. The bill becomes law with the President's signature of approval, or it may become law without his signature if he does not return it, with his objections, to the Congress within 10 days of its presentation to him.

If the President should return the bill, with his objections, to the originating body of the Congress, his veto may be overridden by two-thirds of both the House and Senate respectively voting to have the measure become law the President's objections to the contrary notwithstanding. Both the President's veto message and a record of the vote of the individual Members in the motion to override are required by the Constitution and set forth in the CONGRESSIONAL RECORD.●

MEL MILLER—A DECADE OF ABLE SERVICE TO THE PEOPLE OF BROOKLYN

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. SOLARZ. Mr. Speaker, today I would like to take the opportunity to pay tribute on the floor of the House of Representatives to a friend who is a dedicated and talented member of the New York State Legislature, Assemblyman Mel Miller, who has ably represented the people of the 44th assembly district for the past 10 years.

Mel Miller is a native son of Brooklyn who has distinguished himself both as a legislator, public spirited attorney, and as a respected member of the community. In the legislature, as past chairman of the election law committee, he worked hard to improve and simplify our election laws and voter registration system, because he appreciated the importance of a voter registration system that makes it easier to register to vote and can increase voter participation in our local elections.

A strong supporter of public education, Mel chaired the higher education committee and fought to increase State support for our colleges and universities so that opportunities for higher education would be readily available for students in our State. A graduate of Brooklyn College, Mel personally understands the importance of quality public education programs, and has been determined to see New York State maintain its commitment to provide higher education programs for every able student, regardless of a student's ability to pay.

But perhaps, for most of us, Mel Miller is best known for his active involvement in community affairs, and in efforts to improve the quality of life in our neighborhoods. It is hard to find a local organization or cause that Mel Miller has not become involved in—whether the issue is public safety, adequate funding for our schools, improved housing and neighborhood revitalization, consumer protection, the well-being of our senior citizens, or the improved delivery of public services.

Mel Miller is the type of public official who fully accepts the meaning of the old saying that "a public office is a public trust." He has ably represented the needs and best interests of his constitutents, and has been willing to go the extra mile time and time again to help those in need.

Recognizing his sterling qualities as a human being and as a legislator, the voters of the 44th district have returned him to a sixth term in Albany. Today, as someone who served with Mel Miller in the legislature, I am happy to add my voice of congratulations and thanks to that of his constituents and to say that I look forward to working with him in the decade ahead.●

INDIA'S NUCLEAR BLACKMAIL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. OTTINGER. Mr. Speaker, India is again threatening to reprocess spent nuclear fuel supplied by the United States. Officials of India's atomic energy program have said they will test a reprocessing facility using their own nuclear materials, and after that, they may reprocess U.S.-supplied nuclear fuel. What this means is that India will have the capability to make additional fuel or nuclear bombs from the original supplies provided by the United States.

Once again we are being put to the test of whether to continue nuclear trade with nations which deliberately maintain the option of making nuclear weapons by refusing to adhere to international safeguards and inspections of nuclear activities. The United States has for years supplied India additional nuclear fuel to prevent the threatened reprocessing of fuel previously supplied. The Government of India has engaged in outright blackmail and we have submitted to it each and every time.

India stands alone as the nation which has produced a nuclear bomb by violating U.S. peaceful use guarantees. It has not signed the Treaty of Non-Proliferation of Nuclear Weapons, and has rejected all agreements regarding the manufacturing of atomic bombs.

Continuing the supply of nuclear fuel to India is dangerous and contradicts our interests. India has already stockpiled enough fuel to last through next year. It takes but 8 kilograms of plutonium to produce a bomb as powerful as exploded over Nagasaki, and if these shipments continue, thousands of kilgrams will be stockpiled by India during the decade with no safeguards.

Proponents of continued sales to India argue that if our supplies are denied, India will simply turn to the Soviets. Moscow, however, has joined the United States as a prime mover in negotiating the nonproliferation treaty. The U.S.S.R. is required by treaty to demand safeguards on all exported nuclear materials, and not to undercut U.S. actions in furtherance of nonproliferation objectives. Russia has also demonstrated its commitment to the goals of nuclear nonproliferation by requiring the return of all Soviet nuclear spent fuel.

In light of these arguments, it is ludicrous for us to continue to submit to blackmail and jeopardize international stability by supplying India with more nuclear fuel. The Nuclear Regulatory Commission unanimously voted against our last fuel shipment to India, and it was very unfortunate that President Carter, for very questionable political motives, overrode that sound position.

Mr. Speaker, I urge President Reagan to terminate the supply of U.S. nuclear fuel to India in response to India's reckless policies and brazen threats. We must hold the line on this critical issue, and signal to the world that the United States will not tolerate efforts to end the proliferation of nuclear arms. I am including in today's RECORD a recent New York Times editorial concerning India's nuclear blackmail, and I commend it to the attention of my colleagues.

The editorial follows:

INDIA'S NUCLEAR BLACKMAIL

India is again threatening to reprocess spent nuclear fuel supplied by the United States, thus separating out plutonium that could be used to make additional fuel—or nuclear bombs. Officials of India's atomic energy program say they will soon test a reprocessing facility at Tarapur, near Bombay, using their own nuclear materials. After that, they add, they will feel free to reprocess the fuel from the United States.

So much for appeasement. The United States has continued to send India additional nuclear fuel precisely to head off the threatened reprocessing of previously supplied fuel. If every shipment is eventually followed by a new threat of blackmail, why keep tossing good fuel after bad?

The fuel sent so far has been provided for a reactor, at Tarapur, under a 30-year agreement requiring strict safeguards to prevent its use for military purposes. So far as is known, India has lived up to the terms. But in 1974, the Indians used other American and Canadian materials to explode a nuclear device. So the United States has been pressing them to accept safeguards on all their nuclear materials and facilities. The Indians refuse, and they warn that if the United States tries to pressure them by cutting off the contracted fuel supplies, they will reprocess what they already have—perhaps enough to make 200 Hiroshima sized bombs.

Whether the latest threat, delivered informally to correspondents, is serious or simply a new bargaining ploy, is not yet clear. Other Indian officials were simultaneously proposing an "amicable" settlement to the long-standing dispute, which has poisoned relations on a broad front. The Indians clearly want the United States to speed up a fuel shipment that was approved last year but then deliberately delayed. And they may need a face-saving compromise to end the friction.

President Reagan must eventually decide whether to carry on Jimmy Carter's worldwide campaign to discourage reprocessing and to encourage safeguards on all civilian nuclear facilities. Whatever his choice, there should be no retreat on safeguarding the American fuel supplied to India.

If the Indians wish to keep most of their nuclear activities hidden and recklessly activate a reprocessing plant, let them endure the world's suspicion. But the United States should not stand idly by and allow fuel that was sent for peaceful purposes to be converted for potential military use.●

MRS. SPELLMAN'S CONSTITUENT WINS MARYLAND VFW SPEECH COMPETITION

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. BARNES. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a Voice of Democracy speech contest, Over the past two decades the program has grown significantly, and over 250,000 high school students participated in this year's competition. Winners from each State will gather in Washington next month to compete for five national scholarships. I am pleased to announce that Kathy Betz who lives in Adelphi and attends High Point Senior High School, is this year's Maryland winner. Advancing to the finals of the VFW Voice of Democracy contest is a great distinction, and the entire Maryland delegation joins me in congratulating Kathy on this achievement and in wishing her good luck in the finals. On behalf of my good friend and colleague, Mrs. SPELLMAN, who represents this community, I am inserting Kathy's speech in the RECORD:

Just for a moment, step back with me into my childhood—back to a time when candles almost always meant a birthday wish. One year I remember gazing into the flickering flames and wishing very hard for my first two-wheel bicycle—even though it did have to have training wheels. But that was so long ago, and now I'm a young adult. The training wheels are gone, and I'm preparing to "go it alone" Yet, there is still a candle burning. This is the candle that lights my America, brightens the world, and warms my heart. Yes, I am very American, and I am a very proud American. I must commit myself to giving my best for my country just as she has always given her best for me.

Today, America's light gives me a wish for my lifetime. She encourages my individuality; she dares me to be unique. The American writer, Henry David Thoreau, understood her challenge when he wrote, "If a man does not keep pace with his companions, perhaps it is because he hears a different drummer." I must listen for the drummer who plays to my heartbeat, for I can only be true to America if first I am true to myself.

America inspires me to dream, so must I commit myself to realizing my dreams. This is the land of opportunity where so many people would love to live. Here I am already a citizen with all kinds of opportunities—in education, travel, careers—in fact, in almost any facet of life that I am willing to commit myself to.

My America also gives me the right to worship as I choose; thus, I must have faithful reverence for my beliefs.

In addition, my country gives me the freedom to speak from my heart—as I am now doing with you. And, I'm free as well to express my feelings in writing. Thus, I am committed to honesty whenever I share my thoughts. Just as Patriots Patrick Henry and Thomas Paine recognized the powers of free speech and free press, so, too, do I. And, if the need should ever arise, I will take up my pen, just as American soldiers for years have taken up their rifles, and I will defend my country's liberty and honor in the words I write—as well as in whatever other capacity I am most able.

My country also gives me the privilege of having a voice in our government. I must commit myself to being well informed and actively involved so that I can make my voice meaningful.

Additionally, my America gives me so many simple pleasures: I ski on her white-capped mountains, I bask on her warm, sandy beaches, and I trek through her endless forests. To insure that future generations will share America's pleasures, I must commit myself to preserving her environment. I realize how fortunate I am to live in a country so filled with natural wonders. Should I ever travel abroad, I am also committed to sharing a little of America's beauty by spreading a bit of her light among the peoples of the world.

I make these commitments with sincerity and love for my nation. She has given and given and given to me since the day of my birth. In return, I will give her a citizen of whom she can be truly proud. For America's image of light is a glowing candle, and I am a mirror that reflects her light. I am committed to projecting an image worthy of being called American. For to be American is to show love and compassion not only for myself but also for my America—my country—my homeland.●

IT IS TIME TO CLEAN UP THE EPA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. ASHBROOK. Mr. Speaker, I am not often surprised by the actions of the Environmental Protection Agency but recent statements from that department have left me absolutely dumfounded. The Times Leader, an Ohio newspaper serving the southeastern region of our State, recently published a headline article entitled "Ohio Coal: U.S. EPA Says Economic Disruption Insignificant." That statement should come as somewhat of a surprise to the thousands of Ohio coal miners who have been sent to the unemployment lines as a result of ridiculous EPA restrictions on the mining of Ohio coal. It certainly comes as a surprise to me.

I have traveled extensively in Ohio coal country and have personally witnessed the disastrous results of Federal EPA policies. That is why I was shocked to read that the EPA has determined that the economic and unemployment costs associated with conversion from high-sulfur Ohio coal to low-sulfur Kentucky and West Virginia coal were not sufficiently significant.

Mr. Speaker, Ohio can ill afford more of the same EPA policies which have plagued our State for the last several years. President Reagan must act with dispatch to clean house at the EPA and send packing those regulators who fail to see the significance of unemployment. Ohio has gone to great lengths to meet Federal air pollution standards and industry leaders have worked overtime to develop clean methods of burning high-sulfur coal. Public officials in Ohio, like my colleague, DOUG APPLEGATE, who represents much of the unemployment-plagued part of the State, Gov. Jim Rhodes, myself, and others have relentlessly tried to convince Washington bureaucrats that EPA must adopt a reasonable approach. Yet, we hear more of the same.

I know that President Reagan is concerned about our problem in Ohio. He can solve it by issuing pink slips to those EPA officials who fail to see the significance of unemployment.

OHIO COAL: U.S. EPA SAYS ECONOMIC DISRUPTION INSIGNIFICANT

WASHINGTON.—The U.S. Environmental Protection Agency feels there is not sufficient justification to invoke a law that would force Ohio utilities to burn the state's high sulfur coal.

The EPA is expected to make a final ruling in the case by the end of February.

In a statement published in the Federal Register, the EPA said the estimated economic and unemployment costs associated with the conversion from high-sulfur coal to low-sulfur coal were not "sufficiently significant" to invoke an amendment to the Clean Air act that would continue the burning of the high sulfur coal.

The EPA said failure to invoke the amendment would cost the state a total of 4 million tons of coal production a year and the loss of almost 2,000 coal mining jobs in a 23-county area of Southeastern Ohio.

The EPA said implementation of the amendment would delay environmental cleanup, lead to higher electric bills for many Ohio consumers and businesses and

adversely affect coal mining areas of eastern Kentucky and southern West Virginia.

The EPA said the additional costs to consumers would come in the form of increased rates submitted by the utilities which would have to install expensive anti-pollution devices in order to burn the high sulfur coal.

The EPA refers to eastern Kentucky and southern West Virginia because some Ohio utilities purchase low sulfur coal mined in those two states.

The EPA said it doubted Congress ever wanted the amendment to be "interpreted to help one segment of a depressed market gain unfair advantage over another depressed sector."

At the same time, the EPA suggested Congress may wish to consider trade adjustment assistance for coal miners similar to what autoworkers obtain.

"Congress provides special assistance to workers who lose their jobs due to socially beneficial free-trade policies," the EPA said. "There are no comparable benefits to workers laid off due to socially beneficial pollution control requirements.

"This lack of assistance creates a social cost through the loss of skills and labor," the EPA said. "It also makes it harder for the economy to adjust to change. The EPA therefore believes the alternative of providing some form of adjustment assistance deserves serious congressional consideration."

Ohio EPA Director James McAvoy said he disagreed with the federal agency's finding in regard to burning of the high sulfur coal.

"When one segment of the economy is impacted as heavily as the Ohio coal industry, that's an economic hardship," McAvoy said.

District 6 of the United Mine Workers Union has petitioned the EPA to invoke the amendment.●

PROPER UTILIZATION OF OUR NATURAL RESOURCES

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. BREAUX. Mr. Speaker, one of the major and awesome responsibilities of our Nation is to insure a proper utilization of our natural resources, including our fish and wildlife. Whether the decisions are made on a local, State, or national level they must be based upon the best scientific data available utilizing the principles of sound resource management. We cannot afford to let any of our resources be guided by the dictates of emotion, misinformation, or expediency. Consequently, an informed public is as important as an informed legislative body. One organization that has initiated efforts to develop an informed public on wildlife issues is the Wildlife Legislative Fund of America. Recently they actively engaged in two wildlife legislative proposals which appeared on State ballots and which necessitated a campaign for public education. One issue was to ban trapping in the State of Oregon and the other was to permit dove hunting in the State of South Dakota. Through their public educational efforts the campaigns were highly successful. Recently Ducks Unlimited, an organization dedicated to the conservation and propagation of North American waterfowl as a valuable natural resource, lauded the Wildlife Legislative Fund in an editorial that appeared in their January/February 1981 issue of Ducks Unlimited.

Mr. Speaker, I believe that it would be most appropriate to share this editorial with our colleagues.

"Will the American people support hunting and trapping?" This question is posed by the Wildlife Legislative Fund of America (WLEA) in its Fall, 1980 Bulletin. The nonprofit political action organization dedicated to protect the heritage of American sportsmen didn't sit around and wait for an answer.

Instead, the WFLA provided the answer to its own rhetorical question on November 4, 1980, as it led highly successful campaigns to save dove hunting in South Dakota and trapping in Oregon.

The Antis (in the form of the Defenders of Wildlife and Greenpeace) had orchestrated the placing of two particularly odious legislative proposals on the states' ballots, calling for a halt to these pursuits. Seeing this, the alert local sportsmen turned to the WLFA for some help—and help it did. The organization planned and initiated movements to fight the Antis, providing local sportsmen with money and many other critical services needed to get the real story to the voters.

We are particularly pleased with the way the organization went about its well-planned campaigns. The WLFA sternly refused to be dragged to the level of its opponents, and carried out a sensible, coherent media program to let the people know the real facts. The Antis, as usual, were groveling about in their hand-wrought, emotional gutter, hoping to elicit pity-oriented responses from the voters—insulting their intelligence in the process. The WLFA let the Antis wave their crying towels, while it set out to intelligently explain the issues to the populace, centering its arguments on the basis of biology and sound game management. The wide margins of the sportsmen's victories in both states are irrefutable proof of a job well done by the WLFA.

"It is our very strong conviction that when people learn the biological and wildlife facts of life they unequivocally support hunting and trapping," comments the WLFA Bulletin. Well said.

We offer our thanks, and congratulate the WLFA for successfully taking up this important cause. In providing funds and a host of services, at absolutely no charge, to help sportsmen defend themselves against the assaults of "animal rights" fanatics, the WLFA serves as a leading voice to educate the public in the ways of wildlife. This is the surest way to blunt the Anti threat. The WLFA is effective because of its singleness of purpose to fight, through legislation and litigation, efforts by the Antis to outlaw sport hunting. Though DU's singleness of purpose to habitat conservation prevents us from becoming actively involved in legislative battles, we heartily support the objectives of the WLFA.

So long as groups like the WLFA are around to pull sportsmen together for their cause, our hunting heritage will be secure. But *all* sportsmen must work to protect their heritage; individuals can't sit idle and expect the WLFA and other organizations to fight the Antis for them. As a WLFA motto reads: "Unity Means Victory."

The resounding victories forged by this hard-working group prove beyond any doubt that yes, the American people will support hunting and trapping when confronted with biologically-based, game management facts instead of emotion alone.●

BILL YOUNG WAS RIGHT

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mrs. SMITH of Nebraska. Mr. Speaker, rarely in Washington does an "I told you so" do any good, but fortunately those of us who can say I told you so about Nicaragua's terrorist connections have a chance to do something about it, thanks to the wisdom and foresight of one of our colleagues, BILL YOUNG of Florida.

You may have been reading news reports during the past few weeks which tell of the growing proof of Nicaragua's complicity in training and arming El Salvador's terrorists. You may also have read the statements of Carter administration officials, including our former Ambassador to El Salvador Robert White and former Secretary of State Edmund Muskie, who suddenly saw the light and finally concluded that Nicaragua is intimately involved in the Salvadoran revolution. You may have noticed that the $75 million in aid which the 96th Congress mistakenly approved for Nicaragua has been shut off because of the flagrant Nicaraguan violation of El Salvador's territorial integrity.

The reason for that shutoff, Mr. Speaker, and the reason that we have some leverage over this situation, is because of the amendment which my good friend and colleague BILL YOUNG attached to the Nicaraguan aid package last year. Congressman YOUNG is a member of the Select Committee on Intelligence, and when this aid program was proposed by the Carter administration he reviewed the secret and sensitive intelligence documents available to members of his committee. BILL YOUNG found overwhelming proof that Nicaragua's Sandinistas were aiding and training the Salvadoran rebels. He then presented this proof in an extraordinary closed session of the House of Representatives. By a vote of 392 to 3, the House adopted the Young amendment.

The Young amendment states that the President must certify that the Government of Nicaragua "has not cooperated with or harbors any international terrorist organization, or is aiding, abetting, or supporting acts of violence or terrorism in other countries." On September 12, 1980, President Carter determined that Nicaragua was providing no such cooperation or aid to anyone, even though he had access to the same intelligence documents which Congressman YOUNG and others had seen. This certification was so shocking in light of the available evidence to the contrary that the Subcommittee on Inter-American Affairs held a hearing to investigate the matter.

Now, of course, after much of the damage has been done, after the Salvadoran guerrillas have been trained and armed and hundreds of people have been killed, now is when those who were once apologists for the Sandinistas concede that what we were saying all along was right, but only after the recent Salvadoran guerrilla offensive. Still, all is not lost. With a new administration and a renewed determination to fight terrorism, we may still be able to save the hapless people of El Salvador from the fate that befell their Nicaraguan neighbors, now overrun with Marxist leaders, Cuban advisors, and Soviet-supplied weapons.

If only we had heeded the warnings of our intelligence community, we may have been able to prevent much of the recent Salvadoran bloodshed. Our chance to stop even further anarchy and chaos is due to the efforts of Congressman BILL YOUNG, and I think the people of Central America, and the taxpayers of our own country, owe him a debt of gratitude.

Mr. Speaker, at this time I include some recent newspaper accounts of the Salvadoran and Nicaraguan situations which show why U.S. aid to the Sandinistas was cut off. I urge my colleagues to read them carefully:

[From the New York Times, Jan. 23, 1981]

U.S. HALTS NICARAGUA AID OVER HELP FOR GUERRILLAS

(By Juan de Onis)

WASHINGTON, January 22.—The United States suspended payments to Nicaragua from a $75 million economic support fund last week because of evidence that left-wing guerrillas in El Salvador have been supplied with arms from Nicaragua, an official source said today.

As Secretary of State Alexander M. Haig Jr. took office today, the State Department was already putting pressure on Nicaragua, through the aid suspension and the release last week of $10 million in military aid to El Salvador, to prevent any flow of arms, men, supplies or clandestine radio broadcasts from its territory to its neighbor.

Lawrence A. Pezzullo, the American Ambassador to Nicaragua, informed the Sandinist Government in Managua that further disbursements of economic aid would be suspended until it was decided that the Nicaraguan Government was not giving aid to El Salvador's guerrillas. Nicaragua officially denies it has given such aid.

Nicaraguan leaders such as Commandant Daniel Ortega Saavedra, a member of the governing junta, have accused the United States of making "concrete threats" against Nicaragua.

NICARAGUA SEEKS SUPPORT

Nicaragua's Sandinist Government has asked Social Democratic parties in Latin America and Europe, which backed the revolution against President Anastasio Somoza Debayle, to increase political and economic support for Nicaragua in what they see as a difficult period in relations with the United States.

President Reagan said during his election campaign that he opposed the Carter Administration's decision to give Nicaragua economic aid after the overthrow in July 1979 of the Somoza regime following a civil war in which 50,000 people were killed.

Conservatives in Congress attached conditions to a $75 million loan for Nicaragua requiring a White House certification that Nicaragua was not aiding guerrillas in other Central American countries. President Carter gave such a certification last September.

The foreign assistance authorization bill for this fiscal year, approved in December, requires a new Presidential certification for $15 million that still remains to be disbursed from the loan. This is a decision that President Reagan will have to make.

RETURN OF FUNDS REQUIRED

The foreign aid legislation also requires that the United States ask for the return of the funds already disbursed to Nicaragua if it is determined that aid is being given to guerrillas or terrorists.

Intelligence reports obtained by the United States since the Farabundo Marti Liberation Movement opened a major offensive in El Salvador Jan. 10 points to the entry of arms and men from Nicaragua as well as to clandestine training camps and rebel radio stations in Nicaraguan territory, officials here said.

However, there is some debate on the extent to which the support for the Salvadoran guerrillas, which may be coming from Cuba, is under the control of the Nicaraguan Government.

Nicaraguan and Salvadoran opposition leaders met in Panama last week with political leaders from Venezuela, Costa Rica, Mexico, the Dominican Republic and Panama, who had been supporters of the Nicaraguan revolution.

A participant said it was decided that the uprising in El Salvador had not succeeded and that a political settlement should be reached between the opposition Democratic Revolutionary Front, headed by Guillermo Ungo, and the Salvadoran military-civilian junta led by President José Napoleón Duarte.

The meeting also asked Brig. Gen. Omar Torrijos Herrera, the Panamanian strongman, to discuss the Salvadoran crisis with President Fidel Castro of Cuba after agreeing that there would be "no direct or indirect intervention in the internal affairs of El Salvador by any country," the participant said.

[From the Washington Star, Jan. 23, 1981]

SOVIET AID TO GUERRILLAS IN SALVADOR DOCUMENTED

(By Cord Meyer)

President Reagan has hardly had time to savor the triumph of his inauguration before being faced by the Kremlin with a severe test of his intentions and competence in the complex crisis brewing in El Salvador.

Documents captured early last month from the Communist Party of El Salvador reveal the full extent of the Soviet-orchestrated program of covert military support for the communist guerrillas. This evidence helped persuade a hesitant Carter administration to authorize as one of its last acts a $5 million grant of guns and ammunition to the Salvadoran government.

While American and Salvadoran officials haggle over how best to surface this damning proof of Russia's intervention in Central America, an executive summary of what the documents contain gives highlights.

According to this record of how the Salvadoran communists successfully negotiated a series of arms deals with half a dozen communist states, the Soviets made the decision last June to step up the flow of arms to the guerrillas. Castro acted as the middle man.

SOURCES DISGUISED

Frequent visits of Salvadoran communist leaders to Havana to participate in mass propaganda meetings provided convenient cover for the negotiations. An attempt was made to disguise the source of the weaponry. For example, the Soviet client regimes in Vietnam and Ethiopia were designated as the main arms suppliers, since Vietnam holds large stocks of captured American weapons and the Ethiopian regime inherited a similar stockpile from the days of the American alliance with Haile Selassie, East Germany, Czechoslovakia and Hungary provided uniforms, communication gear and medical supplies.

Vietnamese-supplied American weapons began to arrive on the Pacific Coast of Latin America in September, and from there were transported through clandestine channels to the fighting front.

The documents make clear that the Sandinista regime collaborated in allowing Nicaraguan territory to be used as a transhipment point. Training in the more advanced weaponry is being provided in Cuba, where Salvadoran guerrillas are being put through training courses, 300 at a time, before being infiltrated back into El Salvador.

In addition to large quantities of ammunition, the weapons shipped through a bewilderingly complex supply network included automatic rifles, heavy machine guns, mortars and rocket launchers.

Although the Carter administration more than a month ago had access to this hard evidence of Soviet intentions to escalate the violence, Carter did not react until last week when the scale of the guerrilla offensive demonstrated that the new arms supplies had actually reached the battlefield.

There is also an intelligence report that one of the Salvadoran guerrilla groups, the Popular Forces of Liberation, deliberately murdered the three American nuns on Dec. 2 in a successful attempt to lay the blame for the murder on the government. As described in the report, their purpose was to place the government of Christian Democrats and reformist officers "in the worst possible light" and to provoke the termination of American assistance.

CARTER FELL INTO THE TRAP

If this is in fact the true explanation of the murder, the guerrilla plotters to some extent succeeded. The Carter administration fell into the trap by suspending American aid. Coming just before the launching of the guerrilla offensive, this aid suspension was a blow to the morale of the Salvadoran government. It was only in the nick of time that Carter reversed himself in response to urgent pleas from Salvadoran President Jose Napoleon Duarte that his ammunition was nearly exhausted.

After such vacillation in the face of what must now be seen as a major move in Rus-

sia's geopolitical offensive, it would be difficult for Reagan not to improve on his predecessor's handling of the Salvadoran crisis. Steady military assistance to the centrist Salvadoran government will be widely supported in this country and by many wavering Latin nations once the proof of communist involvement is laid on the table.

But military assistance is only half the story. Unless the new Reagan administration quickly resolves its internal ideological differences by firmly supporting the Salvadoran government's current program of land reform, the peasants will have nothing to fight for, and the guerrillas may win by default.

[From the Washington Star, Jan. 25, 1981]

SAYING NO TO NICARAGUA

Never mind that the Carter administration, so long under fire for its Latin American policies, was all but out of office before deciding to cut off financial aid to the government of Nicaragua. It was, and remains, a necessary decision in terms of the law authorizing $75 million in economic assistance to the country. At least as a stopgap measure, it should be in line with the policies to be expected of the Reagan administration.

The point is that it does not make sense to give economic support to the Sandinistas if we are serious about wanting to keep a more or less moderate junta in power in El Salvador. There is too much evidence that Nicaragua has been actively helping the guerrillas who want to refashion Salvadoran society according to the Cuban-Soviet Model.

The reports keep coming in. Julian Ignacio Otero, former logistics chief of the People's Liberation Front (FPL), who defected recently from the Salvadoran terrorist group, describes the training camps in Nicaragua where guerrillas are prepared to fight in El Salvador. According to him, every commander above the platoon level has been trained in either Cuba or Moscow.

Many sources report that about 100 fighting men of unknown national origin landed on the beach in eastern El Salvador around the middle of this month. American Ambassador Robert White concedes that there is strong evidence of seaborne reinforcements for the guerrillas coming into El Salvador.

From Costa Rica come reports of Soviet transports. In Washington, two weeks ago, more than a dozen correspondents heard members of a senator's staff describe more than a thousand Soviet military men in Nicaragua, some at work improving the port facilities and the airfields where their MIGs are stationed, some in combat gear. The American ambassador to Honduras confirms that there are Nicaraguans in El Salvador.

There are various ways to interpret these developments. Some Latin American experts in Washington believe the fighting in El Salvador is actually a ploy to divert attention from the buildup of Soviet military strength in Nicaragua. In Managua, the newspaper, Diario Las Americas, quotes the Soviet ambassador saying in a public speech that the United States is underwriting socialist revolution in Nicaragua.

There is too much convergence of evidence for there to be nothing to it. The Reagan administration will undoubtedly want to reappraise Latin American policy as a whole before adopting far-reaching strategies, and the benefits of financial aid to countries such as Nicaragua should figure in them.

Those benefits—to American interests and the hope of a pluralistic society in Nicaragua—are equally real. Most of the money has gone to the country's surprisingly vigorous private sector, which means that it represents a hope of holding back the totalitarian tendencies of the Sandinista government.

However, the developments of the moment call for stopgap measures if nothing more. A stepping up of military aid to El Salvador may be indicated—perhaps even lethal armaments. But the least we can do is to stop paying people who are trying to bring down the beleaguered government we are trying to shore up in San Salvador.

[From the Christian Science Monitor, Jan. 28, 1981]

SALVADORANS SAY 2 PLANES FROM NEARBY LANDS HAGGED

Salvadoran fighter jets shot down a Nicaraguan Air Force plane and a small Costa Rican plane that was airlifting guns to rebel forces in El Salvador, military sources say. The air strikes were the first reported incidents involving a Nicaraguan Air Force plane in the 17-day leftist offensive against El Salvador's US-backed junta. Neither Nicaragua nor Costa Rica had any immediate comment.

The Reagan administration is expected to cancel all US aid to Nicaragua if firm evidence is found to support allegations that Nicaragua's government is aiding the guerrillas.

[From the Washington Post, Jan. 30, 1981]

NICARAGUA HELPING ARM EL SALVADOR LEFTISTS, MUSKIE SAYS

(By John M. Goshko)

Former secretary of state Edmund S. Muskie said yesterday "there's no question" that leftist guerrillas in El Salvador are receiving Cuban arms through Nicaragua under circumstances that could force President Reagan to cut off aid to Nicaragua's revolutionary government.

In an interview with editors of The Washington Post, Muskie charged that Cuban arms and supplies being used in El Salvador's bloody civil war are flowing through Nicaragua "certainly with the knowledge and to some extent the help" of Nicaraguan authorities.

His words marked the first time that someone with recent access to the highest-level U.S. intelligence on Central America publicly has linked the Nicaraguan government to the Cuban-supported guerrillas seeking to win power in El Salvador.

The State Department, which Muskie headed until 10 days ago, has refused to say publicly whether it believes Nicaragua is involved in the Salvadoran conflict. The department's position, as enunciated last week by spokesman William Dyess, is that it is studying the allegations about Nicaragua but has "reached no conclusions."

Since the overthrow of the Somoza regime almost two years ago, Nicaragua has been governed by a junta dominated by the Sandinista Liberation Front, which contains elements that are avowedly Marxist and pro-Cuban. However, former president Carter, seeking to coax Nicaragua toward a moderate, nonaligned position, had pursued a policy of friendship that included winning congressional approval for a $75 million Nicaraguan aid package.

Congressional conservatives attached strings to the legislation, including a requirement that the White House certify that Nicaragua is not aiding guerrillas in other Central American countries. That has focused attention on neighboring El Salvador, where the United States is trying to help a centrist military-civilian coalition consolidate power in the face of violent challenges from left and right.

Muskie said yesterday, "There's no question that if this flow continues with the knowledge of the Nicaraguan government and contrary to the provisions of the legislation which supplied the $75 million, this administration [Reagan's] may be forced to cut off aid to Nicaragua, which could well precipitate a bloodbath in Nicaragua."

Muskie didn't spell out "bloodbath." He apparently was referring to the possibility that economic dislocations caused by a cutoff of U.S. aid could lead to fighting between Nicaragua's Marxist factions and those who want to keep the country out of the Cuban orbit.

Of the $75 million aid package, only $15 million remains undisbursed. The State Department said last week it was holding up this final increment while it completes a study of whether the aid is being used according to the conditions laid down by Congress.●

WILLIAM K. HOWARD

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. WAXMAN. Mr. Speaker, on Wednesday evening, March 11, 1981, William K. Howard, a most dedicated and respected man, will be honored on the occasion of the Inaugural Israel Salute to the Film Industry of California. In acknowledgment of Bill Howard's concern for people everywhere, the Torch of Freedom Award will be conferred upon him by an eminent representative of the State of Israel.

William Howard is president of the Hollywood Film Council, and in addition to his personal attributes which have earned him this honor, has personified American labor's unreserved and unstinting support of Israel for 33 years.

Bill Howard is a fourth-generation Californian, born in Pasadena. He served as a bomber pilot in World War II from 1942 to 1945, and upon leaving the service became affiliated with the film industry as a costumer. In 1963 he became the business representative of the Motion Picture Costumers Local 705 i.A.T.S.E. and M.P.M.O., continuing in that office to date. In 1973 he became president of the Hollywood Film Council. For the past 18 years he has unstintingly devoted his time and energy as president of the California State Theatrical Federation, as board chairman; chairman of the finance committee, and member of the board of trustees of the Motion Picture Industry Pension Plan. He is a member of the executive committee of the board of trustees of the Motion Picture & Television Fund, the board of directors of the Motion Picture Costumers Federal Credit Union, the board of trustees of the Hollywood Canteen Foundation, the Permanent Charities Committee, the Motion Picture Academy of Arts & Sciences.

Bill has served his State as a member of the industrial welfare commission wage board for both the motion picture and the television industry, and his city as membership chairman of Mayor Bradley's film development committee as well as the recording secretary of the Hollywood Broadcast Labor Council.

Recognizing that only in an economically secure Israel can his brothers and sisters in the democratic labor movement there maintain their dignity, their jobs, and their way of life, William Howard supports the reaffirmation of AFL-CIO to support Israel and Israel bonds.

I ask the Members to join me in extending our heartfelt commendation to William K. Howard for his dedicated service to his community and to his ideals.●

A COMPANY OF ONE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. COELHO. Mr. Speaker, I take this opportunity to share with my colleagues a story from the Los Angeles Times about some dedicated firemen in Madera County in California's 15th Congressional District which I represent. The men are known as a company of one and there are five such companies in Madera County.

The article follows:

MADERA COUNTY FIREHOUSE CREW IS A COMPANY OF ONE

(By Charles Hillinger)

RIPPERDAN, CALIF.—There is not enough room in the town firehouse to play pinochle, poker, chess or checkers.

In fact, there is barely enough room for the fire rig.

And even if there was room there is nobody to play with, says Fire Chief-engineer-fireman Tom Kruzic, 40. "When I am on duty I'm the whole Ripperdan Fire Department," he says.

Ripperdan is one of five one-man fire stations in Madera County.

ONE MAN ON DUTY

Two firemen are assigned to each station but only one man is on duty at a time.

Kruzic works 72 hours (three days) straight. Then he is off three days and Bob Fairley Cates, 38, becomes the Ripperdan Fire Department.

Ripperdan, Dairyland, Berenda, Chowchilla and East Side are the loneliest county firehouses in the state.

"I cook my own meals and I eat alone when I'm on duty. I've been doing it for 16 years," Kruzic says.

Ripperdan may be a one-man-one-truck station but there is plenty to keep the duty man busy.

225 FIRE CALLS

"Last year we rolled on 225 calls—house fires, grass fires, train wrecks, train fires, industrial fires, car wrecks, false alarms and camp fires by the river," Kruzic says.

"Hunters set fire to newspapers in hollows of trees along the river bank to smoke out possum and raccoons. They spear 'em and eat 'em.

Kruzic often fights fires alone. But he has four volunteers on call if things get out of hand. He can also call on help from other fire stations.

Sometimes Kruzic hires firefighters on the spot—anyone he can recruit to pitch in when he can't handle it by himself. Volunteers and hired hands are paid $4.94 an hour.

Kruzic insists there is too much to do to get lonely—keeping the truck clean and ready to roll and tidying up the old five-room house that doubles as the Fire Department's office and home for the one-man station.

"We also keep the lawn mowed and take care of a vegetable garden in summer," Kruzic says.

When he does have spare time he watches TV, reads, studies for his pilot's license and practices his avocation, taxidermy.

There are five rural elementary schools in the Ripperdan fire station area.

"I drive out to the schools every now and then. The kids get fired up. I turn the siren on and it freaks them out," Kruzic says.

"On hot days the kids spray one another with the fire hose. They love it."

The one-man fire stations are part of the Madera County Fire Department but the firemen are on the payroll of the California Division of Forestry.

Kruzic has turned down promotions that would mean transferring to a larger station.

"I like to be alone," he confides.●

CHLOROFLUOROCARBONS BAN

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. LUKEN. Mr. Speaker, I am pleased to introduce today a bill which prevents premature regulation of a vital segment of American industry and, at the same time, provides for further research on an important environmental question.

In October 1978, the Environmental Protection Agency, along with the Food and Drug Administration and the Consumer Product Safety Commission, banned the use of chlorofluorocarbons, commonly referred to as CFC's, as propellants in aerosols.

That action was based on the theory that CFC's, upon release into the atmosphere make their way to the stratosphere and cause a reduction in the Earth's ozone layer. It is feared that such a reduction of ozone could have detrimental health and environmental consequences.

The ozone depletion theory remains just that—a theory. It has never been proved or disproved by actual measurement of ozone levels in the stratosphere. There are serious scientific questions concerning the theory's validity. Among the major industrialized nations, there is widespread conviction that the scientific evidence currently available does not justify regulation of CFC's.

And yet, in the face of such uncertainty, EPA has announced its plans to press ahead with further regulation of CFC's. On October 7, 1980, the agency issued an advanced notice of proposed rulemaking in which it is proposed that CFC production in the United States be capped at current levels. Further reductions of up to 70 percent of current production, are also proposed.

The economic consequences of such a regulation are extremely serious. CFC's are used as the primary refrigerant in home and commercial refrigeration and air-conditioning systems and in mobile air-conditioning. They are widely used as blowing agents for plastic foams, particularly for foams used as thermal insulation. They are used as industrial solvents, as food freezants and as inerting agents for flammable gases. CFC's have become an essential element in the American lifestyle and an important factor in our national quest for energy independence.

Clearly, more research is needed to either prove or disprove the theory of ozone depletion by CFC's before further regulatory burdens are imposed upon our already distressed economy. More than 780,000 jobs and 260,000 business locations related to CFC use would likely be impacted in some way by a restriction on CFC production. The annual value of goods and services dependent to some extent upon CFC's exceeds $28 billion, and there is about $135 billion of installed equipment which depends upon CFC's.

However, Mr. Speaker, my most urgent concern is about how EPA's proposed regulations will impact small businesses. I have met recently with several of my constituents in Ohio and they are deeply disturbed by the potentially devastating effects of a CFC restriction upon their businesses.

Small businesses would be at a particular disadvantage in trying to compete for restricted supplies under a production cap as proposed by EPA. I do not think it is wise to impose on businesses, small or large, a regulation akin to rationing on the basis of an unproved scientific theory.

The legislation I am introducing today recognizes the importance and serious nature of the ozone depletion question. We must find out whether, in fact, we are in danger. However, we must find out through scientific measurements and evaluations, not through questionable theorizing.

In the meantime, we must instruct the Environmental Protection Agency to postpone further regulation of

CFC's until the requisite scientific evidence can be gathered and analyzed.●

WRONG SIGNALS ON HUMAN RIGHTS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. OTTINGER. Mr. Speaker, I am concerned about some recent signals emerging in the administration's formulation of human rights policy. Secretary of State Haig has announced that human rights will not be the administration's priority foreign policy concern. Dr. Ernest LeFever, an outspoken critic of human rights advocacy, has been named to the State Department's top human rights post. In light of these, and other developments, it would seem that our Nation is abandoning its commitment to human rights, so vital to our national interests. If the United States sides with repressive dictatorships, we will find that when the popular will is ultimately expressed, the democratic successors will surely be hostile to us.

The State Department recently published its annual survey of human rights which noted that human rights improve in nations where violations come under "intense international scrutiny and criticism." I hope that President Reagan recognizes the importance of our human rights commitment in discouraging repression, and rejects partisan pressures to scuttle that policy. As the New York Times said in a recent editorial:

The human rights issue is not partisan or ideological. An American commitment to human rights serves both moral and practical ends. To dilute, or worse, to parody that commitment serves neither.

Mr. Speaker, I am including in today's RECORD that New York Times editorial in its entirety, which I commend to the attention of my colleagues:

WRONG TURNS ON HUMAN RIGHTS

A once-promising American commitment to human rights may have been swept under the red carpet rolled out this week for Chun Doo Hwan. During his White House visit, the South Korean President got about all he wanted: a legitimizing pat from President Reagan, a promise of hardware and an assurance that American troops will stay in South Korea. And butter would have melted on Mr. Reagan's toast to Mr. Chun: "In the short time you've had, Mr. President, you've done much to strengthen the tradition of 3,000 years' commitment to freedom."

Conservatives argue that a secure, self-confident Korean regime is more likely to follow a democratic path. They point out, plausibly, that the Carter Administration got nowhere with a human rights policy that was sufficient to annoy but too weak to sway an authoritarian regime. In the end, both the Seoul Government and its democratic opponents came to regard the policy as self-righteous humbug.

It is plainly true that, in the case of Seoul, the new Administration can already declare a victory. Just before his trip, President Chun ended martial law and commuted the death sentence of his most outspoken critic, Kim Dae Jung. Nonetheless, Mr. Reagan's approach risks signaling total indifference to whatever an allied government may do to its own people.

Case in point: to spare President Chun embarrassment, the Administration got Congress to delay for a week the publication of an annual report on human rights that the State Department is required by law to prepare. If that is worrying, it is altogether alarming that the Administration is considering Ernest W. Lefever as head of the department's Bureau of Human Rights. He is an ultraconservative who sneers at existing policy as sentimental nonsense and believes it is profound error to embarrass allies, however repressive, with talk about habeas corpus.

Not all conservatives share that view. William F. Buckley Jr., for one, has argued that there is precious substance in a policy of opposing all repression, on the right and left. There is strong appeal in his proposal to create an independent Commission on Human Rights, whose sole purpose would be to provide authoritative reports.

The human rights issue is not partisan or ideological. An American commitment to human rights serves both moral and practical ends. To dilute or, worse, to parody that commitment serves neither.●

MAYOR AND CITY COUNCIL OF ROHNERT PARK RECOGNIZED

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. CLAUSEN. Mr. Speaker, today I would like to recognize the mayor and city council of the city of Rohnert Park, Calif., for their dedication to the principles of home rule and decentralized government. Mayor Mary L. Stewart and City Councilmen Tony Carbone, William L. "Bill" Cavalli, Warren K. Hopkins, and Arthur N. Roberts offered the following resolution urging revision of the tax structure among the various levels of government. I strongly urge my colleagues in the Congress to read the content of this resolution, and take the thrust of this message seriously. I sincerely believe that if we were to adhere to this resolution, we could revitalize the federal system and minimize the sense of frustration in the Congress and on the part of our constituents.

The resolution follows:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK URGING REVISION OF TAX STRUCTURE AMONG THE VARIOUS LEVELS OF GOVERNMENT

Whereas all local governments in the United States of America are firmly committed to the advancement of the principles of home rule and local self-determination, and

Whereas these precious principles of American local government are meaningless unless the counties, cities, school districts, and other special service districts concerned have available tax sources for financing local governmental functions, and

Whereas with home rule there invariably comes the necessity of home responsibility and the challenge of home achievement since the fulfillment of home rule does not involve the denial of governmental services to the people nor does it involve their being furnished at substandard levels, and

Whereas the common property tax is now the universally overloaded mainstay of local government finances with the inevitable result that self-sufficiency of local governments is seriously hampered, and

Whereas local governments need additional independent sources of revenue in order to enable proper home rule performance of governmental services, and

Whereas strong local government is the foundation of our republic: Now, therefore, be it

Resolved by the Council of the City of Rohnert Park, That support is hereby expressed for the allocation of specific tax sources to local government and be it further

Resolved, That support is hereby expressed for an immediate revision of the tax structure at the State and Federal level with the single goal of returning tax sources to local units of government, thereby enabling said local governments to be more self-sufficient in their own right.●

NEVER AGAIN

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. ASHBROOK. Mr. Speaker, the Lorain Journal, in its January 19 edition, published an excellent editorial which I would commend to my colleagues for reading. The Journal urged then-President-elect Reagan to begin his term in office by making it clear that international terrorism, the kidnaping of American public officials and extortion would no longer be tolerated by the Government of the United States. The Journal is to be commended for its strong stand as is President Reagan, who immediately followed its advice.

The Journal article, which I include at this point in the RECORD, should be read by all of my colleagues who believe that we, as a nation, should pursue a policy of peace through strength.

NEVER AGAIN

The long wait is nearly over. The hostages are coming home. The nightmare has ended forever, we hope.

The 52 Americans who have been under house arrest for 443 days are reported to be on their way out of Iran, a country that for them always will be the source of frightening dreams. The days and nights and months of anxiety, frustration and boredom are ending with the hostages still alive and reasonably well. How grateful is the nation for their safe return.

President Jimmy Carter has done in defeat what he could not seem to do when his authority was unrestricted. Whether or not this means the Iranians negotiated in the shadow of Ronald Reagan will be debated for months to come. But it most certainly means that the politics of reelection did not enter into the final arrangements and that is a comfort to American people.

From all reports, the United States is coming out of the trauma with a semblance of honor still intact. There is not "a dime of American money" involved in the exchange, according to Vice President Walter Mondale. American business losses and loans owed the U.S. by the shah are to be paid from the unfrozen Iranian assets.

That is important. Any other foreign nation that might consider concocting a ransom plot against Devil America is being served notice that America won't pay.

At least we hope that is one of the fruits of the agreement with the Iranians—that taking American hostages is not a profit-making venture. If there is any doubt about that, Reagan should quickly dispel it in his inaugural address tomorrow.

Patience has paid dividends in terms of lives saved. But principles of diplomatic immunity and international law that are as vital to world peace as ever have been bent, broken and ignored. Reagan must act quickly to restore them completely as abiding tenets of world civilization. He must announce this country's determination to demand respect for those principles in all parts of the world.

The unprecedented dilemma that now has been resolved on the eve of this presidency must be forever gone. Reagan's first act as president now becomes to assure the world that the United States will not let itself be held hostage again.●

BARNES SUPPORTS CONTINUATION OF COMMUTER TRAIN SERVICE IN MONTGOMERY COUNTY, MD.

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. BARNES. Mr. Speaker, the State of Maryland is presently considering a possible cutoff of B. & O. commuter train service along the Brunswick line, which presently includes service to the Montgomery County stations of Boyds, Germantown, Gaithersburg, Washington Grove, Rockville, Garrett Park, Kensington, and Silver Spring. The State department of transportation asserts that elimination of this service is necessitated by the State's declining level of gasoline tax revenues, and by opening of Metrorail service to Shady Grove scheduled to occur in late 1983.

I oppose the proposal to reduce or eliminate this train service. Like the popular Amtrak Blue Ridge and Shenandoah trains, the B. & O. commuter rail trains provide an extremely valuable transit service that has been marked by steady ridership increases over the past decade. The fact that gasoline tax revenues are declining should be convincing evidence to State officials of the public's increasing recognition of the need to reduce automotive travel—and of the likewise growing public desire for alternatives to commuting by auto, such as that provided by the B. & O. trains.

The Maryland Department of Transportation recently embarked on a study designed to weigh the alternatives for providing mass transportation services in the B. & O. corridor. In my capacity as a member of the advisory committee to that effort, I have urged State officials to focus the study on measuring not just current demand, but projected demand for transit services in that corridor—in 1983, 1986, and in the years beyond. In this connection, it is noteworthy that the Maryland National Capital Park and Planning Commission recently released a study which predicts rapid growth in the area served by the B. & O. trains. The report's authors concluded that the I-270 corridor, as one of the fastest growing parts of the Washington metropolitan area, can expect more than 20,000 new jobs and 30,000 new residents over the next 7 years.

Also, I endorse the suggestion advanced by the National Association of Railroad Passengers (NARP) that the Maryland DOT study effort should include an attempt to learn from the experience of other parts of the country in roughly analogous circumstances. NARP's executive director, Ross Capon, contends that several cities have found a more-than-adequate demand for maintenance of existing commuter rail services when new transit lines have opened, to the chagrin of those agencies which made the shortsighted decision to terminate service which had been presumed to be duplicative.

The Maryland Department of Transportation deserves credit for the willingness it has shown to take a serious look at the consequences of the proposal to reduce or eliminate the commuter rail lines. As a member of the advisory committee to the study, I will be advancing the point of view that the State should maintain and enhance its commuter rail service. Such a policy would allow the commuter trains to function as an effective complement to the Metrorail system, tying commuters into that network who would not otherwise be able to avail themselves of the Metro trains. If State officials have genuine cause for concern that the B. & O. trains and Metrorail will be somehow duplicative, I urge them to allow the B. & O. trains to run for an experimental year or two after Metro service opens to Shady Grove. This would provide solid information on the demand for transit services in the affected area. My own expectation is that both Metro and B. & O. trains will run at or near full capacity.

For the RECORD, I include below a copy of the statement which I submitted on this issue to the Maryland Department of Transportation; and also a copy of a recent editorial which appeared in a Montgomery County newspaper, the Sentinel:

STATEMENT OF REPRESENTATIVE MICHAEL BARNES, 1980 MARYLAND STATE RAIL PLAN

NOVEMBER 20, 1980.

I would like to thank the State of Maryland for this opportunity to present my views on the future of B&O commuter rail service along the Brunswick line.

One of the first issues that the 96th Congress faced two years ago was the proposed restructuring of the national Amtrak system, including the proposed elimination of the Blue Ridge and Shenandoah trains which operate over the same track as that used by Maryland's B&O commuter trains. That experience was a quick education for me in the extremely high value which area residents place on the commuter trains that run from Union Station, through Montgomery County, to points beyond. Fortunately, thanks to a strong showing of support from commuters, from the Maryland State Department of Transportation, and from the Maryland and West Virginia Congressional Delegations, those trains are still running. Ridership is up, and we can expect that trend to continue.

Ridership is up as well on Maryland's B&O trains, and has been rising steadily for many years. Every indication is that the demand for commuter rail services will continue to increase.

Therefore, I would like to urge the State of Maryland to do everything within its power and with available budgetary resources to preserve the commuter rail service along the Brunswick line. This service is a key part of Montgomery County's transportation network, and in my view the possibilities are excellent for service along this line to become an even more vital part of that network in the years ahead.

With respect to the relationship between commuter trains and Metrorail service, it seems to me that the advent of Metro to Shady Grove in late 1983 will provide an opportunity to enhance commuter rail services, rather than curtail them. B&O trains have the potential to serve as an efficient "feeder" to the Metrorail system from communities in upper Montgomery County and in Frederick County, allowing commuters to traverse long distances without resorting to their automobiles.

Judging from the predictable trend in gasoline prices and the growth in demand for public transportation services, my own guess is that there will be more than adequate patronage to justify maintaining the Brunswick-Washington commuter trains after Metro opens to Shady Grove. But if there is any doubt in the State's mind about this, it would seem logical to run the B&O trains for an experimental year or two after the "A" Metrorail route to Shady Grove begins operation. This would give commuter rail a chance to prove itself, not as a competitor to Metro, but as a logical complement to the Metro system and to the Washington-area transportation network. Again it is only my best guess, but I believe that experience would quickly demonstrate that the commuter trains help get people to the Metro system—people who would otherwise not be able to avail themselves of Metro—and also that the commuter trains would serve com-

munities (with respect to both origin and destination) more efficiently than could be accomplished by the Metro system.

One of the more frustrating aspects of the proposed cutbacks in service, should they indeed occur, would be the unmet expectations of commuters and taxpayers relating to the upgrading of B&O stations and passenger cars. For many years commuters have looked forward to the day when they could enjoy the benefits of the Urban Mass Transportation Administration grant, as the schedule for those improvements has gradually gone forward. It would be extremely disappointing if the efforts of the commuters who fought for that grant, and the local and state officials who have worked to implement it, were cut off in midstream.

Finally, in light of the uncertainty of this country's energy future—particularly with respect to petroleum supplies originating in the Middle East—one can safely predict that the demand for alternatives to the automobile will grow dramatically. It is incumbent upon all of us, officials at all levels of government, to do everything within our power to meet the energy and transportation needs of the future. I sincerely hope that the State of Maryland will find a way, within an admittedly difficult budgetary context, to maintain and enhance the commuter rail services along the Brunswick line.

Thank you for this chance to express my views on this issue.

[From the Sentinel, Nov. 11, 1980]

LET THE TRAINS RUN

Gov. Hughes has a little parlor game that might be called "On the Train; Off the Train." The object is to make the future of mass transit so tenuous that few will trust it, so expensive that fewer can afford it, and so inconvenient that fewer still will use it.

To top it off, the creative chief of state has decided to give motorists an unjustified break at the gasoline pumps, by declining to push for a needed gas tax increase.

The state is short of highway money, dollars not only to build new roads—for many of which we see little need—but also for repairs and localized improvements that are more justified.

As the price of gasoline rises, and the amount we burn drops, the nine-cent per gallon gas tax produces fewer bucks for the state treasury. Gov. Hughes acted wisely a few months back when he said a change in the gas tax—perhaps charging a percentage of the price rather than the flat, per gallon rate—would be the answer. A price-weighted tax would tend to produce the same amount of money, no matter if the number of gallons dropped, as long as the price rose.

That would help solve the revenue shortage that is severely hurting needed road-building and repairing, but might also provide some of the extra money that is demanded by mass transit programs.

Now the governor has backed off his original statement, and seems content with the current, insufficient tax. Score one for the motoring public.

Meanwhile, the governor has decreed that the state-subsidized commuter trains that run through Frederick and Montgomery counties will be derailed when the Shady Grove subway line opens in late 1983. The state claims, wrongly, we believe, that the commuter trains will duplicate the service offered by the subway.

Rep. Michael Barnes and the National Association of Railroad Passengers made persuasive arguments for keeping the trains last week in testimony before the State Railway Administration.

The service is not duplicative, since the trains allow movement across the county from the northwest to the southeast. The subway meanwhile really serves only the western half.

The subway won't serve Kensington at all.

The Nuclear Regulatory Commission will be moved to Silver Spring, but the trains that could carry many of the agency's workers will no longer be running.

The train serves the farther out communities that the subway will not reach. Those potential subway riders will have to drive from Frederick County, Germantown, Clarksburg or wherever to a point south of Gaithersburg to catch the subway. The train could continue to carry them at least to some interconnecting subway stop, such as Rockville.

The state should continue the rail subsidy for at least a year after subway service begins, so that a thorough evaluation of ridership patterns can be made. It would be foolish to assume blindly that the trains' patrons will desert them in favor of the subway. Train ridership has been growing steadily, and we see no reason why it will not continue to do so.

The state is acting in haste, it seems. Further, it is using the carrot of continued low gasoline taxes, coupled with the stick of curtailed mass transit options to force people back into their cars. It's a mistake that's not too late to correct.●

DANIEL JOSEPH BENJAMIN

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. BENJAMIN. Mr. Speaker, the tragedies of this world often relate the passing of fellow human beings who die of broken hearts. Regrettably, I now report the passing of my brother, Daniel Joseph Benjamin, who died Tuesday morning of too big a heart—one that just burst as he rested in St. Elizabeth Hospital in Lafayette, Ind.

The passing of Daniel, born May 22, 1938, in Gary, Ind., is overwhelming. He was a loving brother, devoted friend, and loyal supporter without whom I undoubtedly would not have been able to serve in this body.

On January 22, 1979, 25 months ago, I happily reported that the lineage of twin births in the Adam Benjamin, Sr., family was continued. Daniel and Marsha Benjamin were the proud parents of Daniel Joseph Benjamin, Jr., and David Joseph Benjamin who were born on Sunday morning, January 21, at the Hobart Mercy Hospital.

I also reported that the senior Daniel, also born on a Sunday morning, was the only non-twin of the five boys born to my parents, Adam and Margaret Benjamin. The others, my twin brother, Myron Mitchell, and twin brothers, Samuel Adam and Samson Adam, along with two sisters, Lillia Margaret Arzumanian and Leona Purdy Kaleta, wished Daniel, Jr., and David Joseph a long, healthy and productive life and congratulated their surprised parents on the new arrivals who complement their family of four girls.

It is now my hope that Daniel's young children will attempt to emulate their departed father. I also hope that other young Americans will be persuaded by Daniel's story that America is truly a land of opportunity for those who are willing to study, work, and develop confidence in themselves.

Armed with a background in accounting from Austin Peay State University, Clarksville, Tenn., Daniel served as an auditor for the Indiana Department of Revenue and helped operate a family furniture store. He then founded and developed three major hardware retail outlets despite a serious heart condition. This ailment was subsequently aggravated by kidney failure. However, Daniel continued to work, devote himself to his family and to the Mar Sargis Assyrian Catholic Church of the East in Chicago.

For as long as I can remember, Daniel worked without limit. He was a perfectionist who believed that the opportunities were unlimited in America and that industry and dedication meant the difference of being first class or not. He was always first class.

Daniel's mark is indelible on those who knew him. I know that the world, and this Member, are better because of Daniel. I am convinced that his inspiration will be the hallmark in the development of Daniel, Jr., and David as well as Carrier, Danne, Deborah and Deanne—who with Marsha, their wonderful mother, will contribute to the perpetuation of the American dream—study diligently, work conscientiously and share their fruits and convictions with others in order that our civilization will continue to improve.

In closing Mr. Speaker, Daniel Joseph Benjamin had a big, big heart that finally gave out on him at all too early an age. We often salute Americans who have contributed by deeds of public service. Today, I ask you to salute one who, by his private deeds, enabled us to have a better America because he supported the great American institutions of education, church and family—and our Government.●

CUTTING TAXES WITHOUT INFLATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. OTTINGER. Mr. Speaker, the following article, written by Stanley Kaish of the Economics Department at Rutgers University, offers a different approach toward the elimination of our staggering inflation rate.

First proposed by John Keynes during the Second World War, the idea of compulsory saving is one of the best and most novel approaches our country could take in these hard economic times. The article speaks for itself, and I offer it for the review of my colleagues:

CUTTING TAXES WITHOUT INFLATION

(By Stanley Kaish)

NEWARK.—The combination of near-record high interest rates, a so-so economic recovery, and a $60 billion deficit have led to an intense search for new answers to the country's economic questions. Thus far, the Kemp-Roth tax-cut approach—a 10 percent per year reduction in tax rates for three consecutive years—appears to be the major find. However, there is considerable ambivalence about Kemp-Roth because of its inflationary potential. Another policy that would provide its promised supply-side gains in productivity without the demand-side result of increased inflation would find a broader constituency.

For that reason, compulsory saving may be an idea whose time has arrived. Proposed in 1940 by John Maynard Keynes in his book "How to Pay for the War," compulsory saving won immediate endorsement from the economics profession and four decades of relative obscurity from the political establishment. Today, the proposal deserves another hearing since it offers a solution to the vexing problem of how to have an inflation-free tax cut.

Under a program of compulsory saving, taxes are reduced but the number of dollars in consumers' hands is not immediately increased. Instead, the money is withheld and invested on behalf of the individual in a Keogh-like plan selected by each taxpayer from an approved list. Lord Keynes suggested compulsory saving as a means of reducing the inflationary impact of wartime budget deficits in Britain. He proposed that principal and accrued earnings be returned at the end of the war when aggregate demand had fallen and a boost in consumer spending would be needed.

An alternative refunding plan is to treat the program as a form of universal pension and return the money at retirement. These supplemental retirement benefits could provide the political breathing space needed to allow the Congress to undertake a solution of its other economic dilemma, funding the Social Security system (but that's another story).

A modern application of compulsory saving tied to a major tax cut would give the inflation-free boost in productivity that the nation is seeking because both personal taxes and saving are leakages from the aggregate-spending stream. Tax reduction is inflationary because it plugs one of these leakages, putting added purchasing power in consumers' hands. Compulsory saving would reopen the leak by ensuring that the new income would not be spent on consumption right away. Thus, the simultaneous tax decrease and increase in saving neutralize one another on the demand side. On the supply side however, funds that can be loaned are increased, interest rates lowered, and a climate established for additional capital formation.

On the right, devotees of laissez faire won't like the word "compulsory." The program will be seen as just another Government intrusion into our lives—"and the whole point of electing Ronald Reagan, after all, was to 'get the Government off our backs.'"

Criticism from the left will center on the lack of relief afforded the poor, who need to spend their tax cut, not save it: "That is why the poor have no savings, to begin with."

Those in the center simply will doubt that we can afford to cut taxes at all at a time when the Federal deficit is $60 billion—"and even if we can, won't forcing people to save remove all the attractiveness from the tax cut?"

In considering these arguments, we must first remember where we are now: in trouble. Government already intrudes into our lives by having us work from Jan. 1 to mid-May just to support it. Compulsory saving is no more mandatory in nature than compulsory taxation.

True, a tax reduction linked to compulsory saving does not put immediately spendable cash into one's pocket. What it does do is give the individual a financial asset, a claim on future consumption, instead of the liability (but not so much as a thank-you) that he now gets from the Internal Revenue Service.

If anyone doubts the popularity of compulsory saving linked to tax reduction, let him consider the Keogh and Individual Retirement Account plans. The only complaints heard concern the limitation on the amount one is allowed to put in.

As for the burden on the poor, it is doubtful that any group suffers more from inflation. The best chance to eliminate poverty is through economic growth and price stability—and that is exactly what this proposal is after.

In the final analysis, chances are good for a major tax cut and not so good for a matching cut in Government outlays, for one man's extravagance is another's vital program.

We must devise a way to minimize the inflationary implications of reduced tax rates. In pushing for his program back in 1940, Keynes observed that "on the economic front we lack not material resources, but lucidity and courage." Why not give compulsory saving a try? Perhaps it will restore Keynesian economics to respectability.●

DEAUTHORIZE THE BIG BLUE RESERVOIR PROJECT

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. SHARP. Mr. Speaker, today I am introducing a bill to deauthorize the Big Blue Reservoir project planned by the Army Corps of Engineers for east-central Indiana.

This project was authorized under the Flood Control Act of 1968. After a careful study of the corps' phase I general design memorandum and environmental impact statement in 1979, it became clear to me that the project was economically unjustifiable. Its cost had increased from $114 to $130 million by 1979, when the corps last issued an estimate. But that estimate is highly inaccurate because of the corps' assumption of a 3⅞ percent interest rate, and the fact that studies on the project may not be completed until the mid-1980's, by which time inflation can be expected to have driven the cost of this project even higher.

Equally important is the fact that a large majority of the people who live in Hancock and Rush Counties, in which the reservoir would be located, do not want the Big Blue. Two years ago I contacted as many residents in those counties as I could and asked for their opinions. They opposed the Big Blue by a margin of 7 to 1. Since that time, the State of Indiana has passed legislation ending its authorization for the project.

At a time when all of us are looking for ways to curb inflation and cut spending, one of the first steps to take is that of cutting spending for projects people do not want. Only by doing so can we insure that the money we spend goes for water projects which will truly enhance our future water supplies.●

POLLUTION CONTROL FACILITIES TAX INCENTIVE ACT OF 1981

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. SEIBERLING. Mr. Speaker, today my colleague from Ohio, Hon. DON PEASE, and I are introducing legislation to give taxpayers a choice among three tax proposals for the treatment of investments in certified pollution control equipment for installation in any industrial plant or property in operation before January 1, 1971.

The bill, which is drafted to help aging industrial plants remain competitive, would extend to such taxpayers the choice among the following:

First, the existing option of full investment tax credit and 5-year amortization; second, 1-year amortization; and third, a double investment tax credit.

We limited these options to plants in operation before January 1, 1971, because we believe that older industrial facilities, like many in our native State of Ohio, need special tax assistance to bring their operations into compliance with Federal clean air and clean water statutes and regulations. Plants which came into operation later than January 1, 1971, had knowledge of the laws regulating emissions, and, in addition, had the option to use tax provisions to offset their investments in equipment necessary to meet Federal emissions control standards.

Our bill also improves upon the present law by eliminating a provision which discourages industrial "process changes" which have the effect of

cleaning up the production process and increasing productive capability of an industrial plant. Under current law, any facility, regardless of age, which undergoes a change in its production process which increases production by 20 percent is ineligible for the tax credit and amortization provisions for investments in clean technology even if process change brings the plant into compliance with emissions regulations. We believe this penalty should be eliminated to encourage capital investments in production technology which increases productive capacity and meets the emissions standards in a responsible manner.

Mr. Speaker, the promise of a cleaner and healthier natural environment embodied in the environmental protection legislation of the 1970's has come closer to realization, but not without expense to regulated industry. The inability of some industries, particularly older industries, to finance the high costs of compliance with the technical and sometimes inflexible requirements of the Federal statutes has not only impeded attainment of environmental goals but has in fact imperiled the continued existence of individual industrial plants. The problem is most acute for older plants—those in operation prior to the enactment of landmark environmental laws—and it is the older plants which our bill is designed to assist.

This bill creates an alternative to industrial disruption, to plant closings and layoffs—and to elimination of regulations to protect the public health from toxic pollutants—by providing special help to those older plants which find it necessary and expensive to retrofit to meet emissions standards. The tax benefits our bill provides represent an investment in both our industry and our health. A failure to act on this problem could be fatal to both.●

CIVIL AIR PATROL

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. RAHALL. Mr. Speaker, today I am introducing legislation that is long overdue, which would benefit members of the Civil Air Patrol.

Since 1948, the Civil Air Patrol has been the civilian auxiliary of the U.S. Air Force, a status granted by Congress under the provisions of Public Law 557.

Over these 32 years, the Civil Air Patrol has continued to build upon its long record of achievement and service with a solid performance in each of its mission areas.

As newly named commander of the Civil Air Patrol congressional group, I have become aware of the need for legislation to amend the Federal Employees Compensation Act, which provides benefits for senior CAP members killed or injured on Air Force authorized missions. The current law was passed in 1956, with benefits fixed at an extremely low level and it has not been changed since that time.

The cost of this legislation is minimal compared to savings the Civil Air Patrol achieves in emergency service assistance to persons in distress. The Air Force estimates that the Civil Air Patrol's positive impact is too great to put a price tag on, and for this reason, I believe we owe it to the dedicated members of the Civil Air Patrol who help their fellow man and country daily to approve this measure.●

SPECULATORS PERVADE CONVERSION MARKET

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. ROSENTHAL. Mr. Speaker, as chairman of the Subcommittee on Commerce, Consumer, and Monetary Affairs, I have been engaged in an examination of the impact of Federal laws and programs on the rapid increase in the conversion of rental properties to condominium or co-op status. One of the subcommittee's concerns is the impact of conversions on rising housing costs and inflation. I am also concerned about the role of federally insured lending institutions in making loans on what may be unreal and inflated values. In this regard, I want to call to the attention of my colleagues an article which appeared in the Real Estate Weekly for January 19, 1981. The author, a lawyer who specializes in real estate in New York, points out the risks generated by the speculative fever in real estate bought for conversion. He calls the present market "one of the most erratic, inflated, and unstable real estate markets in memory; one in which customary measures of valuation have been totally discarded."

The article follows:

SPECULATORS PERVADE CONVERSION MARKET

(By Pierce Paley)

An interesting phenomenon has made its mark on the New York real estate scene over the past several years, with devastating effect. Reference is made specifically to the hoard of buyers who have entered the market and who seem willing to purchase residential property at virtually any price and under any terms, often without rational sense of justification, so long as the property has "reasonable" potential for cooperative conversion.

These buyers, enticed by the prospective profits that they anticipate from a successful conversion, have greatly contributed to the establishment of one of the most erratic, inflated and unstable real estate markets in memory; one in which customary measures of valuation have been totally discarded.

It was not so long ago that a buyer of an apartment house evaluated a deal by using some reasonable capitalization formula to determine the return that he could expect on his investment. Such a formula could simply involve a computation of projected income and expenses to arrive at anticipated cash flow, and the application of an appropriate multiplier to reach a total cash price. It could involve a more complicated series of calculations, in which, for example, the purchase price is determined, in part, by the leveraging effect that additional mortgaging of the property will have on the "bottom line". Or, if the investor were experienced in a particular locale and type of property, it could involve noting more than a rule-of-thumb valuation reached by multiplying gross rentals times a suitable factor. A knowledgeable operator might know, for example, that a 40 unit, rent stabilized apartment house, containing 175 rooms and fired by No. 6 oil, should have an approximate value equal to seven times the rent roll—and he would be prepared to pay that price to purchase the property.

Unfortunately, however, all of this has changed. The prospective buyer who has analyzed a property and has expressed his willingness to pay a price equal to seven times the rent roll, soon discovers that someone else has just contracted to buy the building at ten times the rent roll. No matter how he works and re-works the numbers, the higher price makes no sense at all. Clearly, the purchaser is consciously buying a negative cash flow.

Shortly thereafter, our prospective buyer loses three more deals to persons paying outlandish prices, far in excess of the value of the buildings as income producing properties. The "set-ups" that he regularly receives from brokers are suddenly (and consistenly) quoting asking prices which are at least 50% higher than the respective properties are worth. Even with the most optomistic prognosis of potential income (taking the controlled nature of the rental market into consideration), there is no way that any of these properties will become income producing (or will produce sufficient income to economically justify the investment in them), within the forseeable future. He eventually concludes that there is nothing in this market worth buying, and he begins to direct his efforts and his energies into other channels.

The new buyer is a "crap-shooter", prepared to let a substantial investment ride (or fail) on the roll of the dice. He recognizes that he is paying substantially more than his property is worth, and he knows that he will be able to outbid the conventional operator or trader. He intends to convert the building to cooperative ownership, and his purchase price will only be justified by the success of such a conversion. In essence, he is willing to purchase what amounts to a wholesale product at a premium price in the expectation that he will eventually be able to merchandise it in a retail market-place. He recognizes that if his co-oping effort should fail, the property will probably continue to sustain substantial (possibly increasing) losses. He does not, however, view such a failure as a realistic or logical possibility. He knows that it can't happen to him.

This somewhat short-sighted view of infallibility is symptomatic of the crap-shooter, whether in Las Vegas or in the New York real estate market.

If such a person were able to evaluate the reasonable risks of his action, he would (and should) consider the following factors:

A. Increased tenant opposition to conversion over the past year or so has exacerbated the risk of failure. It is generally recognized that the Vermeer case did not eliminate "no-buy" pledges, and tenants who wish to resist conversion are now readily able to find counsel equipped with the sophistication and expertise to either defeat a plan in its entirety, substantially delay the filing of the plan, or cause the filing of amendments having the effect of substantially reducing the Sponsor's anticipated profit.

B. Tenant opposition may also require that an Offering be modified from an eviction to a non-eviction plan. This will reduce the required number of purchasers in order to declare a plan effective from 35% to 15% of the tenants in occupancy at the time that the plan is accepted for filing by the Attorney General. However, it will enable all tenants to remain in occupancy of their apartments for an indefinite period of time—i.e., for as long as they wish. The prospective sponsor should be aware of the long term rights of tenant-occupants under non-eviction plans. This extended period of time must be considered insofar as it relates to the sponsor's cash requirements and to his tax obligations resulting from the conveyance of the property to the apartment corporation.

C. The well publicized back-log in the Attorney General's office has substantially extended the time that it takes for a prospective Offering Plan to be accepted for filing. A sponsor must now safely assume that one year or more will elapse between the prefiling of the "red herring" and the acceptance of the final Offering Plan. During this time, the Plan is subject to dramatic changes in the marketplace, the volatility of interest rates and the availability of co-op end-loans for purchasers, as well as prospective changes in the laws and regulations governing cooperative and condominium conversions.

D. A number of plans have failed over the past several years for the simple reason that more than 65% of the tenants in occupancy elected not to purchase their apartments at any price and under any terms or conditions. It must be realized by a prospective sponsor that certain buildings will never be conversion material, either by virtue of the nature of the tenancy, the physical condition of the property, its location, or as a result of numerous other factors that the sponsor must be able to recognize in order to properly evaluate the project.

E. The legislative and regulatory history of the conversion field shows an ever-increasing restrictiveness in the ability of a sponsor to convey his property to an apartment corporation. Although the Lehner-Flynn bill was not adopted at the 1979 legislative session, there is no assurance that similar legislation (including, among other things, an increase in the required number of purchasers in an eviction plan from 35% to 51% of tenants in occupancy, a required minimum of 25% in a non-eviction plan, and a prohibition against converting any property not owned by the sponsor for at least two years) will not be introduced and adopted at the upcoming or at any future session of the legislature. This problem is exacerbated by prospective legislation which is presently being introduced at the federal level to establish national guidelines for the conversion of residential property to cooperative and condominium ownership, and by the intense pressures that are being exerted (and will undoubtedly continue to be exerted) at every level of government for the adoption of more and more restrictive legislation, including proposed moratoriums, the elimination of eviction plans and the granting of extended possessory rights to tenants in occupancy. In addition, it has been the practice of the Attorney General's office to continually modify the rules, regulations and requirements—all of which tend to increase the restrictive nature of the conversion process and to make the completion of such a project more difficult and less profitable.

It will probably take a number of well-publicized conversion failures for the "crap-shooters" to realize the full nature of the risk that they are taking as described in this article. Perhaps, then, market prices will settle down to a more stable and realistic level at which properties will once again be able to show economic viability as income producing investments.

(Editor's Note: Pierce Paley is a partner in the law firm of Hall, Dickler, Lawler, Kent & Howley, 460 Park Avenue, New York City, New York. He is a practitioner in the real estate field and is actively engaged in cooperative and condominium work.)●

INTRODUCTION OF VISA WAIVER BILL

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. WON PAT. Mr. Speaker, today I am introducing a bill to allow waiver of visa requirements for foreigners visiting the Territory of Guam for 15 days or less.

This measure is identical to those I submitted in previous Congresses. It is narrowly constructed to apply only to Guam, and is primarily aimed at the Japanese tourist trade, which comprises the overwhelming portion of Guam's tourism industry. Guam would benefit from the ease with which greater numbers of foreign tourists could enter the territory. We would not pose a threat to the tourist business in other parts of the United States because, in the Far Western Pacific, Guam is catering to a different clientele: People from the Orient coming a shorter distance and for a shorter stay, often on "package deals." I believe there is very little chance for development of an overstay problem because Guam is too distant from any other desirable U.S. areas, all of which would still require visitor entry visas. And the island is small enough to allow easy discovery and removal of overstays by Immigration authorities.

Guam is in desperate need of alternatives to its largely military and governmental employment economy.

Tourism is an industry which could be readily developed further because of the existing infrastructure. My bill has the support of airlines and other service groups which comprise the tourism industry. I ask my colleagues' favorable consideration of this measure.

Thank you.●

THE PERILOUS SITUATION IN BOLIVIA

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. OTTINGER. Mr. Speaker, I rise to bring to the attention of my colleagues a terrifying situation in Bolivia. The military coup, which began on July 17, 1980, has involved a massive and brutal violation of human rights, including the intimidation of American citizens. There is also overwhelming evidence to suggest that major leaders of the regime are playing an integral role in an international cocaine conspiracy.

The Department of State recently released its annual survey of human rights practices around the world. The report charges that the regime in Bolivia has:

Ended the progress that had been made in restoring constitutional democracy and destroyed the favorable human rights climate.

Systematically engaged in mental and physical abuse of political prisoners.

Restricted or banned all labor union and political party activity.

Arrested thousands of people * * * for real or imagined opposition to the military regime.

In addition to these distressing incidents, the report notes that 29 Americans were arrested during the first 6 weeks following the coup. In no case did the regime notify the American Embassy of their arrest, nor was consular access to the imprisoned Americans granted save in two cases. Other examples of the intimidation of Americans include the detainment of American journalist Mary Helen Spooner, who was kept in an unlit closet at the Interior Ministry in La Paz for several days and threatened with death unless she cooperated with her captors. Another example of this horrendous treatment of Americans concerns three marines attached to the Embassy, who, after their arrest on minor charges in August, were robbed and physically abused by regime officials. Russian roulette was played with one of the marines in an unsuccessful attempt to force him to reveal classified information.

Mr. Speaker, in response to this attack on the human rights of all people in Bolivia, the State Department canceled $47 million in economic aid and suspended another $36 million of assistance. All military aid was terminated. Our Ambassador to Bolivia, Marvin Weissman, was recalled to

Washington and has not returned to La Paz. Our Embassy staff was reduced to a minimum. There have been no official policy level contacts since the coup. And the Drug Enforcement Agency, citing lack of cooperation by Bolivian authorities, is no longer functioning in Bolivia.

I have introduced House Resolution 65 which makes a strong statement in support of American policy with respect to Bolivia. It urges that the President continue the curtailment of military and economic assistance and the reduced official U.S. presence in Bolivia until the regime takes certain corrective actions. This expression will send a clear signal to Bolivia that we will not accept the intimidation of our fellow citizens.

In the 96th Congress, this bill was reported unanimously by the House Foreign Affairs Subcommittee on International Organizations a few weeks before the House adjourned in December. I have reintroduced the bill again this session, and I urge my colleagues to cosponsor it. I am including in today's RECORD a copy of House Resolution 65, which I commend to the attention of my colleagues:

H. RES. 65

Providing that the President should continue the termination of military assistance, severe curtailment of economic assistance, and the reduced official U.S. presence in Bolivia until the regime takes certain corrective actions

Whereas the military regime headed by General Luis Garcia Meza has interrupted Bolivia's progress towards democracy and constitutional government by forcefully overthrowing a civilian government on July 17, 1980;

Whereas the new Bolivian regime has engaged in mass arrests, torture, executions, censorship, repression of civil rights, religious harassment, repression of trade unions, and widespread violence inflicted upon the people of Bolivia;

Whereas the Bolivian regime arrested without charges two American priests from the Maryknoll Mission in Ossining, New York, Father William J. Coy and Father John C. Moynihan, and has subjected them to continual harassment since their release;

Whereas the Bolivian regime has detained and harassed journalists from other countries, including correspondents from the United States;

Whereas the Permanent Council of the Organization of American States has condemned the interruption of the democratic process and human rights in Bolivia;

Whereas the United States has taken significant steps against the regime in Bolivia, including terminating military assistance, severely curtailing economic assistance, and reducing the official United States presence in La Paz, the capital of Bolivia;

Whereas a mission of the International Confederation of Free Trade Unions was detained and mistreated by Bolivian authorities;

Whereas the Inter American Commission on Human Rights has officially deplored the Bolivian regime for failing to respond to its request to visit Bolivia;

Whereas the United Nations International Labor Organization has conducted an investigation of trade union rights in Bolivia;

Whereas commercial banks and international financial institutions continue to provide substantial financial resources to Bolivia in spite of international condemnation of the Bolivian regime;

Whereas the Bolivian regime has significant connections with well established drug traffickers;

Whereas Amnesty International has estimated that at least 1,000 arrests have been made in Bolivia since July 17, 1980, and many are still in detention, and has requested that the new Bolivian regime compile and release without delay a list of those persons imprisoned or killed since the regime assumed power on that date: Now, therefore, be it

Resolved, That the President should not reestablish at a normal level an official United States presence in Bolivia, and the President should not furnish any of the military or economic assistance to Bolivia which has been terminated since the new Bolivian regime assumed power on July 17, 1980, unless the President determines that—

(1) Civil and other human rights have been restored to the people of Bolivia;

(2) The Bolivian regime has committed itself not to arrest, harass, or intimidate United States citizens for political reasons, including United States missionaries still in Bolivia;

(3) The Bolivian regime has restored the democratic process in Bolivia; and

(4) The reported involvement of members of the new Bolivian regime in international drug conspiracies has been properly assessed.●

PRAISE FOR A FINE FAMILY BUSINESS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. STARK. Mr. Speaker, I would like to take this time to honor a family from my hometown of Oakland. They are the Brekke family and they own and operate the Brekke Cafeteria on Havenscourt Boulevard. John and Kathleen Brekke and their eight children, Johanna, Katrina, Regina, Ann, Kristofer, Shawna, Robert, and Daniel, have run the cafeteria for 20 years, providing good food at modest prices.

I cannot sing Brekke's praises loudly enough. It has become one of the cornerstones of its neighborhood. Some regulars have been eating lunch or dinner there for 18 years. Brekke's provides a home away from home for many elderly and lonely people in Oakland. Indeed, because of the warmth and friendliness of the whole Brekke family, many customers are considered family. That is what makes the cafeteria a warm, welcome place where any visitor can feel at home and comfortable as he eats a delicious, wholesome meal.

I have eaten at the Brekke Cafeteria many times and my staff nearly lives there. I am happy and proud that there is such a wonderful place to meet and eat in my district.●

THE HUMAN LIFE BILL—A STUNNING BREAKTHROUGH

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. HYDE. Mr. Speaker, on January 19, 1981, I introduced H.R. 900, along with my colleague, Representative MAZZOLI of Kentucky, which is a bill to establish the personhood of the unborn child pursuant to Congress powers under the 14th amendment of our Constitution. Since then much has been written about this human life bill and how it will affect the ongoing national debate over abortion. However, in a recent Washington Star column, February 15, the eloquent syndicated columnist William F. Buckley has written his views on the challenges and potential this new legislative approach to Congress ability to address this important national issue; and I include it in the RECORD for our colleagues in the Congress to consider as well:

CONGRESS AND ABORTION

(By William F. Buckley, Jr.)

In the current Human Life Review is articulated an approach to the abortion question which is a dazzling constitutional insight.

The original idea, author Stephen Galebach modestly admits, emanated from Professor George Carey of Georgetown, the political scientist. But the explication and constitutional analysis are the work of Galebach, a graduate of Yale and of Harvard Law School, where he served as notes editor of the Harvard Law Review before clerking with the U.S. Circuit Court of Appeals of the District of Columbia. His 28-page article has 102 footnotes, where you would probably need 70 times 102 footnotes to persuade the American Civil Liberties Union that the phrase "the unborn child" is only one half "unborn," the second half being "child."

But Galebach's arguments are purely legal. One could read his article straight through without finding any justification for concluding that Galebach himself opposes abortion. All he says, simply, is that if the people of the United States, acting through their representatives in Congress, wish to undo Roe vs. Wade, in which the Supreme Court ruled that state abortion statutes are unconstitutional limitations on a woman's right to privacy, all Congress has to do is pass a simple statute defining "life."

No one questions that, under the Constitution, human life is protected. Twice: once from any assault by Congress; again from any assault by the states. The Fifth Amendment reads in part, "No person shall be . . . deprived (by Congress) of life, liberty, or property, without due process of law." The 14th guarantees that no "State (shall) deprive any person of life, liberty, or property, without due process of law."

SO WHAT IS LIFE?

In Roe vs. Wade the Supreme Court protected itself by the simple expedient of saying: People disagree about what constitutes "life." That's true. The court went on to explain that inasmuch as there are differences among doctors, philosophers and theologians on the question, when does human life begin, the court is not competent to asseverate when it begins.

Very well. But this does not mean that therefore no one is competent to judge that question: People disagree about how high taxes ought to be, whether a dam should be built here or there, whether we should declare war. The question, in short is political. It is all very well to say—and most people would agree—that there are more important criteria than political criteria. But it is these that govern. We lived under a Constitution that, for four score years, permitted the institution of slavery. We know now that slavery was wrong; but we do not challenge that anyone, in the days before the Emancipation Proclamation, who attempted to steal another man's slave, was legally guilty of theft.

The court, in Roe vs. Wade, acknowledged as much. "If the suggestion of personhood is established, the appellant's case, of course, collapses; for the fetus's right to life would then be guaranteed specifically by the amendment."

Now, in the days since 1973 much thought has been given to the question whether life should be understood as existing from the point of conception; or even at some point between conception and birth. It is a fairly safe generality that increasing scientific testimony is to the effect that the fetus is in most significant biological senses an individual human life. But that isn't a legal argument.

WHERE LATITUDE IS GRANTED

The court, in more recent decisions, has upheld the responsibility of Congress to interpret its own obligations under the 14th Amendment even to the point of gluttony. Thus it upheld a section of the Voting Rights Act that rules that voter qualification tests were illegal in those states or counties in which fewer than 50 per cent of the voting age residents registered or voted in the 1964 elections. Indeed the court has gone so far (when it upheld the illegalization of literacy tests in English) as to acknowledge Congress' power to pre-empt a possible or likely deprivation of a citizen's right. Few people, this side of the ACLU, are likely to opt that abortion does not affect a latent right.

Galebach's essay is a stunning breakthrough. Legislation has been submitted. Let us proceed.●

THE REFUNDABLE INVESTMENT TAX CREDIT ACT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. SEIBERLING. Mr. Speaker, the investment tax credit (ITC) is the major program by which the Federal Government provides financial assistance to industry. But a significant portion of the investment incentive intended to be generated by the ITC is not realized because a firm must already be profitable to take advantage of the credit. To illustrate, a firm which purchases an $80,000 piece of equipment needs at least $8,000 in tax liability to benefit from the full credit of $8,000 in that year. If the tax liability for the year is only $3,000, the firm can apply the excess credit to tax bills from the 3 previous years, if tax was owed during those years, or can bank the excess credit to be applied to possible future tax liabilities for the next 7 years. While these restrictions may appear to provide adequate leeway in using the credit, in fact they generate considerable doubt among some companies as to whether they will ever benefit from the full ITC.

These restrictions hit small firms, new firms, rapidly growing firms, and firms suffering from recession. New firms frequently do not incur any tax liability for the first several years they are in business, since their large startup costs often exceed their income. Nonetheless, these firms must make significant investments in machinery and equipment. It is not much of an incentive for these firms to know that they will get an ITC years hence, when their tax loss carryforwards are exhausted. Other, established firms have suffered losses not from mismanagement but from poor economic conditions such as high interest rates. These losses prevent companies from using the ITC for several critical years during which they should be able to avail themselves of every incentive to rapid economic growth.

To illustrate in another way the inequity of the current ITC, consider two firms in the same industry which purchase identical equipment. Under current law, the less profitable or smaller firm may be placed at a competitive disadvantage by not having enough tax liability to take advantage of the full ITC. The net result is that the profitable firm pays $90,000 for a $100,000 machine while the struggling or rapidly growing firm might end up paying the full $100,000.

I am introducing legislation to end this inequity by making the ITC refundable. Under my proposal, entitled "The Refundable Investment Tax Credit Act of 1981," the ITC would be available to all firms regardless of size or tax liability. The firm would be eligible for a refund from the Treasury for the difference between the ITC and the firm's tax liability for the year. Refundability insures the maximum input into the economy during the time when such stimulus should be felt most directly.

This is neither a new nor a partisan proposal, having been endorsed by both the Ford and the Carter administrations. It is, however, a timely one. Business taxes will almost certainly be cut this year, and it is essential that small businesses share in that reduction. Between 1960 and 1976, firms with 20 or fewer employees were responsible for two-thirds of all new jobs generated in the United States, and for virtually all jobs generated in the Northeast. Making the ITC a reality for those firms is simply commonsense.●

EDITORIAL PINPOINTS THREATS TO TRADE

HON. LES AUCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. AUCOIN. Mr. Speaker, during the recent district work period, the Christian Science Monitor editorialized about the threats—old and new—to U.S. international trade in the years ahead. The editorial is especially appropriate reading for the administration which is apparently intent on crippling the Export-Import Bank, an important source of assistance for American exporters. It is ironic the administration fails to see the worth of the Bank and its value to American business. It is ironic not just because support for American exports is an investment in the well-being of our ailing economy; but it is also ironic because the new administration is supposed to be probusiness. Knowing that the Export-Import Bank is targeted for virtual extinction, I wonder just how much the administration understands of this important constituency and its needs. I wonder just how much the administration understands and is committed to boosting our exports. I commend this editorial to the attention of the President and his advisers, and to my colleagues. I ask unanimous consent that the editorial be inserted in the RECORD at this point:

[From the Christian Science Monitor, Feb. 10, 1981]

NEW THREATS TO TRADE

The Reagan administration needs to take firm steps to ensure that there is a steady and growing world trade during the decade of the 1980s. Although total international trade during 1979 reached a whopping $1.6 trillion—up some 6 percent in total volume over the preceding year—clear evidence is emerging that trading patterns in the early years of the '80s may be somewhat arrested because of the impact of worldwide recession, continuing inflation, new protectionist threats, massive debt burdens by third-world nations, and a possible cutback in economic assistance from the West, particularly the United States.

Some trade experts believe that final 1980 trade figures will show only a modest increase in dollar terms. Moreover, the general consensus among economists is that the total volume of trade is expected to show a sluggish growth of only about 3 percent for 1980, and less than 3 percent for 1981. That compares to annual growth rates of between 7 and 9 percent in the early 1970s.

While the US by itself has been turning in a solid trading record of late—with its over-

all current account balance in equilibrium during 1980—there must be no compromise with the importance of a healthy international trading market. Growing commerce between nations is the lubricant of rising living standards for all peoples as well as that larger bond of mutuality helping to cement societies together in a common good.

The Reagan economic team ought to look at the expansion of world trade in both immediate and long-term perspectives:

For the short term, the administration needs to reject congressional efforts to restrict Japanese auto imports. Such a measure would merely add impetus to similar restrictions being considered in Europe and lead to the danger of trade confrontations between and among the US, Japan, and the European Community. At the same time, the administration should be wary about sharp budget cuts that would hamper America's ability to sell its products abroad. Funds to expand trade, after all, are "investment" dollars in the truest sense of the term. Yet the administration is believed to be leaning toward substantial cuts in two trade-related areas:

The administration is reportedly considering curbing the lending authority of the US Export-Import Bank. Exim helps finance the sale of US goods abroad.

Proposed cuts are expected for the US foreign aid budget, as well as cuts in US contributions to international lending agencies such as the International Monetary Fund.

Top trade experts such as respected Washington analyst Harald Malmgren note that, of the total volume of US exports, a little over one-third goes to less developed nations. Over one half of that amount, moreover, goes to non-OPEC nations. Many of these latter nations, already deep in debt because of the need for imported oil, are unable to negotiate new private bank financing for their imports. Without foreign aid assistance, or favorable terms provided by trade facilities like Exim, they will be forced to curtail imports.

For the long haul, the administration is correct in seeking to undertake those budgetary and tax reforms necessary to make US industry more productive and hence more competitive in world markets. The administration needs to be particularly supportive of new growth industries that offer services not provided by firms in other nations. It should not be surprising that historically successful US industries (such as autos) are now being duplicated abroad. That after all, is the usual pattern in trade, as established technology "trickles down" from nation to nation. The task for the US will be to stay at the cutting edge of new technology—providing goods and services not yet offered to the world as a whole. If the US does so, its overseas trade will expand.

The Carter administration was instrumental in helping to enact a new worldwide trading agreement. But that administration was never really able to bring a sense of order to the many (often competing) federal agencies dealing with trading matters in the US government itself.

Should the US have an overall cabinet-level trade office that would absorb functions now handled by the office of the special trade representative, the Commerce Department, the Pentagon, Exim, Agriculture, and a diversity of other agencies? Perhaps the first step would be a presidential commission devoted solely to examining how to make the US more administratively efficient, as well as competitive, in trade matters.

The 1970s were a time of greatly expanding trade. There need be no reason why—with forethought and a dedication to opening all possible avenues of expanding commerce—the 1980s will not show similar gains. And expanding trade is good for individual economies as well as their citizens' pocketbooks.●

WHERE IS IOSIF MENDELEVICH?

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. McGRATH. Mr. Speaker, I rise to express my deep concern for the plight of Iosif Mendelevich, a Soviet prisoner of conscience. For 10 years, Iosif Mendelevich has been incarcerated in Perm Camp 36 on charges of "betrayal of the fatherland" and "misappropriation of state or public property."

Following the confiscation of his books and religious artifacts by Soviet Officials, Iosif commenced a hunger strike, which has left him in poor physical condition. Last week his sister in Israel received a telegram from the commandant of the prison camp stating that "the prisoner Mendelevich from this labor camp is not here any more."

Aside from my concern that Iosif Mendelevich is in prison for the crime of adhering to his religious faith, my greater concern is that he is missing. Last Friday my office and many others called the Soviet Embassy in the hope of receiving information as to Iosif's whereabouts, but received no satisfaction.

That the Soviet Government has been unwilling to cooperate in this inquiry is unconscionable. The apparent lack of concern on the part of the Soviet Government is merely another example of that Government's total disregard for the Universal Declaration of Human Rights, of which it is a signatory.

All freedom-loving people must be concerned about the plight of Iosif Mendelevich. I call upon the Soviet Government to answer one simple question—Where is Iosif Mendelevich?—and I ask all my colleagues to do the same.●

DAYLIGHT SAVING TIME BILL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. OTTINGER. Mr. Speaker, I am introducing legislation this week to amend the Uniform Time Act of 1966 to extend daylight saving time.

Under present law, daylight saving time commences on the last Sunday in April and ends 6 months later on the last Sunday in October. This legislation provides that daylight saving time would begin 2 months earlier on the last Sunday in February, and would thus last for 8 months.

Daylight saving time is a means of providing more daylight, especially during the summer. The advantages of increasing DST include the saving of electricity and thereby, energy. Results of the British introduction of increased DST showed that there was a noticeable shift in peak power demand for electricity from evening to the morning, and energy was saved.

Other advantages to increasing daylight saving time include: the reduction of vehicle fatalities, increased time for daylight leisure, and the lessening of crime.

Consideration should also be given to double daylight saving time during June, July, and August, which might provide even greater savings during the longest days of the year.

It should be noted that this concept was supported last year by the Department of Transportation. I am thus pleased to introduce this legislation to save energy and urge its adoption. The text follows:

H.R. 1610

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260(a)) is amended by striking out "last Sunday of April" and inserting in lieu thereof "last Sunday of February".

Sec. 2. This Act shall take effect on the date of the enactment of this Act, except that if the date of enactment occurs in any calendar year after February 1, this Act shall take effect on the first day of the following calendar year.●

TEMPLE SHOLOM: ON THE OCCASION OF ITS 40TH ANNIVERSARY

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. DOUGHERTY. Mr. Speaker, Temple Sholom, a pioneer Jewish congregation in the greater northeast of Philadelphia, is currently celebrating its 40th anniversary. In the early part of 1940 a group of people met to plan for the education and religious needs of the then budding Jewish community. So uppermost in their minds was the need for a religious school for the children, that even before the first building was erected, in fact even before a tent, the first housing of the synagogue was set up, classes were held in the recreation rooms or basements of the parents. From these lowly beginnings came two elegant structures, designed to house the many-faceted programs of the congregation. The buildings were fashioned

after colonial models to reflect the blending of the American democratic heritage with the ancient Hebraic ethical and religious tradition.

The synagogue, though created to serve primarily the needs of its members and their families, became an institution for the entire Jewish and general community. Zionist groups, civic groups, fraternal organizations, sewing groups during World War II, and a Boy Scout troop, including boys of all faiths, were housed in Temple Sholom, which early became the hub and center of many area cultural, philanthropic, recreational, and social organizations.

The young community burgeoned with children to the point where the religious school was among the largest in Philadelphia and its cub pack the largest in the United States.

The early years were not without their struggles and controversies. Coming toward the end of the Depression, funds were hard to come by; the synagogue was literally built brick by brick, and quite a bit of the carpentry was the volunteer work of members whose skills were part of their contribution to the building program.

A major controversy arose over the primary function of the buildings. There were those who argued for religion and education, and there were those who held forth for recreation. The one envisioned a gymnasium as the chief structure; others, a school building. In fact, the first name of the congregation was the Upper Northwood Jewish Community Center, emphasizing the center aspect. When the religious-educational side won out, the name of Temple Sholom became its symbol, though for many years there was a movable set of baskets for basketball and mats and other equipment of athletics. Though some members left, the congregation thrived and grew.

Among the pioneers of the synagogue were also some of the pioneers and developers of the community. The presidents included Arthur Adams, a lawyer; Samuel Zukerman, wholesale grocer; Hyman Korman, builder; Isadore Fleekop, wholesale meats; Isaac Richman, lawyer and president of the Warriors, later to become the 76'rs; Jacob L. Goldberg, accountant; Martin Potash, salesman; Harry Blumberg, cleaner; Mike Zalkin, with the Post Office Department, and its current head; Dr. Stanley Goodhart, podiatrist. Each administration brought its own expertise and programs to the synagogue, but all kept before them the vision and goal of Torah—"to learn, to teach, to carry out and to live by" the precepts of the Laws of Moses and the teachings of the prophets and rabbis. During his administration Mr. Korman built and dedicated a chapel for daily worship and study in memory of his father, Rabbi Benjamin Korman, a learned Talmudic scholar.

In the purview of the congregation has been the support of the Allied Jewish Appeal of Philadelphia and of the State of Israel through a bond program, for all of the 25 years since this program was established.

Almost coexistent with the synagogue have been its two major auxiliaries, the Temple Sholom Sisterhood and the Temple Sholom Men's Club. Both of these dynamic groups have been serving as fundraising arms and as organizations which, through their own programs, serve cultural, educational, recreational, civic, and social needs of their members. They have also been the training ground to congregation leaders, including more than half of its presidents. Youth groups were established from the beginning of the congregation, but recognizing the needs of a maturing community, a golden age group, established 13 years ago, is now flourishing.

Realizing that the local synagogue is an integral part of national institutions such as the Jewish Theological Seminary, the United Synagogue of America, the National Federation of Mens' Clubs, and the Women's League, the synagogue maintains ties with its citywide and nationwide parent organizations, contributing of its own members to their leadership. Realizing further that there are valuable educational programs outside of the classroom, the synagogue has provided scholarships for boys and girls to attend the Hebrew speaking Camps Ramah in America and in Israel, and to visit with the Jewish communities of Russia, so far as the authorities there will permit, to establish ties with Soviet Jewry, to help maintain their religious and cultural life and buoy up their hope for a future renaissance of Jewish life in Russia, or for emigration.

Among the cantors in Temple Sholom were the late David Blumberg, Zvi Aroni of Israel, Felix Fogelman from Johannesburg and the current Cantor David Lebovic. Cantor Aroni was part of Irgun under Prime Minister Menachem Begin fighting for Israel's independence, and Cantor Lebovic fought in Israel's war of 1948 and of 1956. David Lebovic, who was trained as a cantor in Hungary, has combined both the old traditions and the new spirit in his liturgical renditions.

In its 40 years Temple Sholom has had two rabbis, both graduates of the Jewish Theological Seminary, Rabbi Maurice Kleirs of blessed memory, and Rabbi Pinchos J. Chazin. Rabbi Chazin, whose first congregation, Beth Juda also in Philadelphia, is currently in his 33d year as the spiritual head of the synagogue. During these years he has not only striven within the confines of the synagogue buildings to work toward the carrying out of the basic goals and purposes of the temple, but he has also expanded the vision of the membership to involve them in the broader scope of citywide Jewish education through Gratz Hebrew College, Akiba Academy and the Solomon Schechter Day School of which he is a founder. Rabbi Chazin, a chaplain in the U.S. Army Air Force in World War II, also the first appointed chaplain for the Philadelphia police and chaplain of the Shomrim Society, has helped to bring the synagogue into closer relationship with the larger community.

To this end, the synagogue has invited people of note to its Friday evening and Sunday night forums, among them Dr. Mordecai Kaplan, founder of reconstructionism; Dr. Salo Baron, eminent Jewish historian; Dr. Abraham Joshua Heschel; Dr. Gerson D. Cohen, chancellor of the Jewish Theological Seminary; Sam Levinson; cantor David Koussevitzky; Dr. Chaim Potock, author; Marvin Comisky, member of the synagogue and chancellor of the Philadelphia and Pennsylvania Bar; Edward Becker, now judge of the U.S. District Court; Joshua Eilberg, then Congressman; Charles Dougherty, currently Congressman; and Arlen Spector, married in Temple Sholom, and now U.S. Senator.

Over the years Temple Sholom, through its rabbi, has been an organizer and active leader of interfaith groups of Catholic, Protestant, and Jewish clergy to face common problems and bring to bear the influence of their respective religious traditions to help raise the moral standards of a community which they all share. Nor has the synagogue neglected its intersynagogue relationships. Together with the Oxford Circle Jewish Community Center, Beth Emeth, and Ner Zedek, it has been part of a joint annual Friday evening service, a joint series of lectures, a joint teenage Tephilin Club service, and a joint study group for their spiritual leaders.

And aside from developing specific programs both within and without the congregation, Temple Sholom has striven to establish a sense of warmth and of friendliness among its members, to share joys, lighten burdens, and to develop a sense of family feeling and concern.

Temple Sholom takes pride in the fact that a number of its founders are still active board members; Louis Kramer, Joseph Saffren, Saul Zukerman, Leo Hurewitz, Dr. Edward I. Cohen, Edith and Albert Toll, Syd Solomon, David Greenwald, and David Sheinson. They recall fondly the days when most of the northeast was open space and farms stretching in several directions for miles. And now, houses, schools, synagogues, churches, banks, department stores, playgrounds, paved

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streets and cars, cars, cars, fill the open space.

On this, its quadridecade year, Temple Sholom, which is situated on its original triangular site in its original buildings projecting onto the stately Roosevelt Boulevard, looks back with gratitude for its achievements, and forward prayerfully with confidence and hope for continued service.

Mr. Speaker, to Temple Sholom, we offer our congratulations and our gratitude for 40 years of dedicated service to the people of northeast Philadelphia.●

GENERAL THADDEUS KOSCIUSZKO

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. HOLLENBECK. Mr. Speaker, today I rise to join with my distinguished colleagues in commemorating the birth of one of our greatest Revolutionary War heroes, Gen. Thaddeus Kosciuszko. It is all too rare that we have the opportunity to recount the achievements of such an outstanding individual. As a Polish Army officer in the American Revolution, General Kosciuszko was recognized for his bravery and his leadership abilities.

In 1776, relying upon his own resources, Kosciuszko journeyed to America to volunteer his energies in the fight for liberty. During the course of the war, he served with great distinction in the Carolinas, New York, and at the Battle of Yorktown. Following the success of his American campaigns he returned to his native Poland and was selected to lead the insurgency movement against the Russian attackers.

In addition to his success as a military strategist, he embodied a philosophy of brotherly love and equality which can still be envied. I need only recount one circumstance to prove General Kosciuszko's regard for his fellow man. Following his imprisonment in Russia, he sold his real estate holdings in the United States and after combining this sum with his accumulated American military pension he bought slaves—promptly declaring each a free man.

When the Congress bestowed upon General Kosciuszko the privileges of American citizenship and awarded him official recognition for his historic role in the American Revolution, they did so with a clear appreciation for the value of his many contributions to the American cause. By taking time on February 12 of each year to honor General Kosciuszko, we are restating our immeasurable debt to this great man and are following in the tradition established by this legislative body in 1783.

It is with great pride that I take this opportunity to join with Polish Americans and once again recognize the outstanding achievements of this remarkable military man.●

END BIG OIL'S FOREIGN TAX CREDIT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. SEIBERLING. Mr. Speaker, I am introducing legislation today to end one of the most outrageous features of our tax system, the allowance of a foreign tax credit to U.S. petroleum companies. To describe current law and why it should be changed. I submit with these remarks an excerpt from "Foreign Tax Credits Claimed by U.S. Petroleum Companies," hearings which were held in 1977 by the Consumer Affairs Subcommittee of the House Government Operations Committee.

The House has already expressed overwhelming approval for this change by its 355–66 vote on May 8, 1979, on an amendment to the first fiscal year 1980 budget resolution. Unfortunately, that amendment was never made substantive law. At a time when all Americans are being asked to sacrifice to balance the budget, surely we can ask the oil companies to give up this unjustifiable $1.2 billion American subsidy for sham tax payments to oil-producing countries.

This credit was first allowed in 1955, even through it was opposed by the Treasury Department, on the basis of a plea by the State Department that Saudi Arabia needed additional revenues. Whatever may be said of the original ruling, its rationale has long since vanished. In the interim, it has cost U.S. taxpayers $14 billion in lost revenue.

The following is excerpted from "Foreign Tax Credits Claimed by U.S. Petroleum Companies" prepared by the Committee on Government Operations, June 1, 1978:

Foreign tax credits claimed by U.S. petroleum companies cost the U.S. Treasury (as described below) over $1.2 billion annually.[1] The aggregate loss since 1974 exceeds $7 billion; and the total loss since petroleum companies began claiming tax credits in 1950 is $14 billion.[2]

The key substantive issue, which IRS first addressed in a 1955 tax ruling, is whether a petroleum company's payments to a foreign country for the right to extract petroleum located in and owned by that country is a royalty or income tax payment. If it is a royalty, then the amount is deductible as an ordinary and necessary business expense. On the other hand, under sections 901–907 of the Tax Code, a company is given a direct credit against U.S. taxes for any "income tax" payment made to a foreign government. Consequently, if a payment to a foreign government is deemed to be an "income tax" instead of a royalty, the tax benefits are considerably more valuable to the company, subject to certain quantitative limitations placed on a petroleum company's use of foreign tax credits by the Tax Reform Act of 1976. All payments by petroleum producers operating in the United States and Canada to the mineral landowner or excise taxes to local governments are considered a royalty and are merely deducted as a normal business expense.

The issue of foreign tax credits for petroleum companies began in 1950 when the Saudi Arabian Government sought more revenue from its oil properties and, after consultation with American oil and tax experts, decided to levy an "income tax" on Aramco (the sole producer in Saudi Arabia) in lieu of increasing its royalty for oil extractions.[3] At that time, Aramco requested a ruling from IRS that the payments made to Saudi Arabia would in fact be a creditable income tax under section 901. If such a ruling was granted, Aramco would be economically unaffected by any increase in Saudi oil revenue since the effect would be merely to shift the company's tax liability dollar-for-dollar from the United States to Saudi Arabia.

The Secretary of the Treasury's office wrote four major memoranda from 1951 to 1954 emphatically opposing a favorable ruling on the ground that the payment was in fact an increased royalty exacted in the guise of an income tax.[4] Treasury complained that the Saudi tax scheme was a "sham," the sole purpose of which was to increase Saudi revenues at the expense of the U.S. Treasury with no effect on the taxpaying oil company. In 1954 and 1955 the State Department and National Security Council intervened and, for foreign policy reasons, requested that a favorable ruling be issued so that the Saudi Government could receive additional revenues.[5] Consequently, a favorable retroactive ruling was issued in 1955[6] with a resultant loss to the U.S. Treasury of approximately $50 million for the 1950 tax year alone.[7] Other petroleum producing countries soon followed the Aranco-Saudi Arabia precedent with increasing losses to the U.S. Treasury.●

[1] "Foreign Tax Credits Claimed by U.S. Petroleum Companies" hearings before the Commerce, Consumer, and Monetary Affairs Subcommittee of the House Government Operations Committee, September 26, 27; October 4; and November 29, 1977, pp. 500–508 (hereinafter referred to as "hearings").

[2] Ibid., pp. 500–514.

[3] Ibid., pp. 246–250.

[4] Ibid., pp. 466–490.

[5] Ibid., pp. 5–8; and Treasury memoranda dated February 28, 1974, from Mr. Alexander to Mr. Hickman (Assistant Secretary for Tax Policy).

[6] Hearings, p. 230.

[7] Ibid., p. 466.

ROY ROLSON HONORED

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. HYDE. Mr. Speaker, Leyden Township Supervisor Roy Rolson was honored as Man of the Year at the 36th annual Mont Clare Elmwood Park Chamber of Commerce dinner dance February 15.

Mr. Rolson has lived in Elmwood Park 51 years. He owned and operated a local business, the Grand Oil Co., 46 years. He served 16 years as a member of the Elmwood Park Board of Trustees in Elmwood Park, was elected township assessor in 1969.

He was president of the chamber for two terms, past president of the United Veterans Council, past commander of Amvets, member of the American Legion Post 686 and VFW John R. Beck Post 1891, past president of Kiwanis, past vice president of the Leyden-Norwood Municipal League. At present he is serving his second term as president of the league. He is an Army combat veteran with a Purple Heart award.

His wife Dorothy is Leyden Township Republican committeewoman.

Mr. Rolson is a true community leader in my district. He is dedicated to making our area a better place to live and I am indeed proud that he has received this long overdue and well-deserved recognition.●

CAMPAIGN ACTIVITY BY CONGRESSIONAL STAFF

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. MICHEL. Mr. Speaker, earlier this month, a three-judge Federal appelate court rendered a decision of importance to all the Members and the staff of the House of Representatives.

According to a recent press account, the court ruled that congressional staff may participate in political campaigns beyond the perimeter of what was perceived by the American Law Division of the Library of Congress and by citizens who have in recent years questioned the role of congressional staff in the election process.

I hope that the House leadership, all Members of the House and our staff will follow and study this litigation and include at this point in the RECORD, the article appearing in the Washington Star of February 4, 1981, entitled "Hill Aides' Politicking for Bosses Is Not Illegal, U.S. Court Rules."

[From the Washington Star, Feb. 4, 1981]

HILL AIDES' POLITICKING FOR BOSSES IS NOT ILLEGAL, U.S. COURT RULES

Members of Congress may legally keep their staff aides on the congressional payroll while the aides are working full-time on re-election campaigns for extended periods to the exclusion of all other duties, under a decision handed down by a federal appeals court here.

The three-judge panel held on Friday that Sen. Howard W. Cannon, D-Nev., did not violate the Federal False Claims Act or any other law by authorizing public compensation of Chester B. Sobsey, his administrative assistant, during an 18-month period when Sobsey was alleged to be working "extensively and exclusively" on the senator's 1976 re-election campaign.

Yesterday, Sobsey denied the broad allegations in the civil suit against him and Cannon brought by Joel D. Joseph, a Washington lawyer, and said his only campaign activities had been after regular working hours. The appeals court ruled that the case should be dismissed without hearing any evidence because no law would have been violated even if Joseph's allegations had been true.

"We are unwilling to conclude that Congress gave the courts a free hand to deal with so sensitive and controversial a problem, or invited them to assume the role of political overseer over the other branches of government," Judge Spottswood W. Robinson III said in a 26-page opinion. "Not even the Senate itself has been able to reach a consensus on the propriety of using staff members in re-election campaigns."

The apparent effect of the appeals court's ruling is that there will be no legal limitations on the extent to which publicly compensated congressional aides may spend their time working in re-election campaigns unless Congress creates some. The appeals court rejected the conclusion, reached by the American Law Division of the Library of Congress in 1977, that congressional staff members could not legally be paid out of public funds for the performance of campaign activities.●

TO DESIGNATE RECOGNITION DAY FOR VETERANS OF VIETNAM ERA

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. ROBINSON. Mr. Speaker, Senator DONALD W. RIEGLE, JR., of Michigan recently introduced in the Senate a joint resolution to authorize and request the President to designate April 26, 1981, as National Recognition Day for Veterans of the Vietnam Era, and to call upon the people of the United States to observe that Sunday in April with appropriate programs, ceremonies, and activities.

This resolution has already sparked interest among several veterans and patriotic organizations which believe that the valorous service of our Vietnam veterans has never been properly recognized, and which believe this oversight should be corrected.

I am pleased and proud to introduce it today in the House of Representatives. I invite all Members to join in its cosponsorship as a bipartisan demonstration of our high regard for those who served and sacrificed for the Nation during the difficult years of the Vietnam war.

The text of the resolution is as follows:

To designate April 26, 1981, as National Recognition Day for Veterans of the Vietnam Era

Whereas the valorous service of the Vietnam veterans has never been properly commemorated or recognized;

Whereas the conflict in Vietnam claimed more than 55,000 American lives;

Whereas 300,000 men were wounded and 150,000 permanently disabled during the conflict in Vietnam;

Whereas there are 480,000 Vietnam veterans between the ages of 25 and 39 who are currently unemployed; and

Whereas as many as 280,000 Vietnam veterans suffer the intermittent psychological after-effects of the Vietnam conflict; Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate April 26, 1981 as a "National Day of Recognition for Veterans of the Vietnam Era," and to call upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities, including a week of symposia, hearings and conferences to be conducted in Washington, D.C., prior to April 26, dedicated to those issues of concern to Vietnam veterans.●

THE CRISIS AT THREE MILE ISLAND

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. GOODLING. Mr. Speaker, on February 3, 1981, Hon. JONATHAN B. BINGHAM brought to our attention an article that appeared in the February 2, 1981, Los Angeles Times. Mr. BINGHAM and the article criticized efforts seeking some form of Federal assistance to pay for part of the cleanup costs at Three Mile Island, the site of the nuclear powerplant accident on March 28, 1979. I would like to take issue with this view on behalf of my constituents who are both ratepayers and residents in the vicinity of Three Mile Island.

The current state of the downed reactor and the cleanup costs should not be the focus of arguments for or against nuclear power. This is a national disaster which is affecting not only the immediate residents, but everyone in the United States.

The article quotes one of my colleagues stating that the Pennsylvania Public Utilities Commission came to Washington to dump something in the

Pennsylvania delegation's lap. Susan Shaman, the chairman of the commission, stated that they came here to explore the possibility of obtaining Federal appropriations to decontaminate and remove the toxic ruined nuclear reactor core at Three Mile Island. This was necessary because the situation was a potentially horrendous public health hazard, and—

The need for Federal appropriation to cover this pressing health hazard cannot await future solutions, whatever they may be.

Therefore, she came here to plead for assistance on behalf of Pennsylvanians' health and safety. Nuclear reactor health and safety is under the purview of the Nuclear Regulatory Commission. The crisis is real and dangerous. A report to the U.S. Senate, entitled, "Nuclear Accident and Recovery at Three Mile Island," presented before Senator Hart's Subcommittee of Nuclear Regulation, notes that—

If the core were accidently to begin a chain reaction once more, it could cause releases of more radioactivity within the reactor building and possibly the surrounding environment. Therefore, timely removal of the damaged fuel to safe storage is the paramount objective of the clean-up of Three Mile Island Unit 2.

Make no mistake about it. The responsibility for the health and safety of the public is in the hands of the Nuclear Regulatory Commission. The NRC was warned by three engineers, who in 1976 submitted their resignations to General Electric Co. because of their concern for nuclear safety. The engineers were employed in a nuclear powerplant and claimed that the plants were unsafe, particularly because of the operational reliability of mechanical and electrical devices. The NRC responded that—

There are some who believe, incorrectly, that reactor accidents can produce consequences comparable to that of the explosion of large nuclear weapons. This study has shown that predictions of the consequences of nuclear power plant accidents, when performed on a more realistic as opposed to an upper limit basis, are smaller than previous predictions.

I believe the current events have proven this statement incorrect, and that the removal of the damaged fuel to safe storage is the paramount objective of the cleanup of Three Mile Island Unit 2.

Unit 1 at Three Mile Island has been prevented from returning to service pending a series of lengthy public hearings ordered by the NRC—costing more than $14 million per month in replacement power costs for customers of the General Public Utility System—despite the fact that all other nuclear units of similar design have been allowed to go back into service. Therefore, Metropolitan Edison, the company which owns one-half of Three Mile Island Units 1 and 2 is near bankruptcy and cannot raise the necessary funds to pay for the cleanup of unit 2. If Metropolitan Edison goes bankrupt, it will have a substantial adverse effect on the ability of every electric company in the country to raise funds. This will be reflected in higher interest costs to those companies, and, therefore, increased costs to their customers. In addition, because of the difficulties and confusion bankruptcy would inevitably bring, the NRC might be compelled to take over the plant to assure that cleanup proceeds as rapidly as possible. Thus the Federal Government might be forced by events to absorb the entire cost of cleanup anyway.

However, I again want to return to my original argument and that is, that this is not the time to declare one's position for or against nuclear power. The situation at Three Mile Island could eventually be far worse than anything that can happen at Mount St. Helen's or from the San Andreas Fault movement which caused the San Francisco earthquake in 1906. The issue is whether or not you will prevent this potentially horrendous public health hazard from becoming a reality.

We are a nation with compassion. That is why we innoculate the population against feared and dreaded diseases, we help victims of any kind of disaster, we are all Americans and that is what this country must not forget. Do not allow skeptics to divide us over the question of whose fault it is, but rather unite over how best we can help.

I must chastise those of us who proclaim outrage at the Federal Government paying for the cleanup. Does not the Federal Government supply hydroelectric power throughout the Midwest and Western areas of our country, our countrymen in California. I am surprised that the Los Angeles Times newsman does not concern himself with these facts.

After World War II, Mr. BINGHAM held impressive positions in the United Nations. I am sure his great sense of justice led him to fight for and win approval for millions of dollars to those suffering overseas. Surely, the residents of Three Mile Island deserve the same consideration.

I note the suggestion by some that the utility companies should pay for the cleanup as an information gathering function. Who gives the utilities their money? The ratepayers. Would that be more equitable than if the taxpayers are asked to share the costs? Not in my view. Taxpayers pay at a proportionate rate according to their incomes; whereas, ratepayers pay the same for a kilowatt regardless of their income. Therefore, in the best interest of all, I would think that the funds should come from the Federal Government, directly, without any hidden qualifications.

I plead to all my fellow colleagues when I ask for Federal assistance not only for my constituents, but all those who may be devastated by this national calamity.●

INTRODUCTION OF TCN STATUS ADJUSTMENT BILL

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. WON PAT. Mr. Speaker, since 1975 a group of approximately 123 Third Country Nationals (from Korea, India, the Philippines, and China) has resided on Guam as indefinite parolees. They came to Guam from Vietnam with the direct assistance of American forces.

When they arrived in the territory, they had to begin new lives, but without the refugee status and attendant benefits accorded the tens of thousands of evacuees who were natives of Vietnam, Cambodia, and Laos. American law would have allowed our repatriating them only to Vietnam, the country from which they entered the United States, not to the home countries from which they had earlier migrated to Vietnam. They could not personally afford the expense of returning to their homes of origin in the wake of their hurried departure from Vietnam and the loss of their livelihoods as carpenters, painters, electricians, mechanics, heavy equipment operators, accountants, or in other occupations.

Today, over 5 years later, most of the TCN's have established themselves as productive members of the Guam community. They no longer require public assistance and several are even operating their own businesses which employ local residents. It would be a hardship for them to uproot themselves once more and begin all over in their native countries.

Yet they cannot be reunited with their families because their indefinite parolee status does not permit them to bring spouses and children to join them on Guam.

I am therefore introducing today a bill to allow adjustment of status for these Third Country Nationals residing on Guam since 1975. It is my understanding that the Immigration and Naturalization Service would like to resolve the question of their status. The distinguished chairman of the Select Commission on Immigration and Refugee Policy, Rev. Theodore M. Hesburgh, met with TCN representatives on Guam last year and has since expressed his support for my status adjustment legislation.

I ask my colleagues' cooperation in affording this bill quick and favorable consideration.●

IS IT POSSIBLE THAT THE CIA REALLY IS NOT THE ENEMY?

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. SKELTON. Mr. Speaker, the February 1 edition of the Kansas City Star has an editorial entitled "Is It Possible That the CIA Really Is Not the Enemy?" It contains a great deal of food for thought and I urge the Members of this body to consider the thoughts it contains.

The editorial follows:

IS IT POSSIBLE THAT THE CIA REALLY IS NOT THE ENEMY?

The question near the end of the hostages' press conference at West Point on the Central Intelligence Agency seemed about as appropriate as a wailing mourner at a wedding. But the time has come to talk about the CIA openly and honestly, looking at its uses and limitations, and at the controls it needs under a constitutional government.

For starters, let us abandon the prevalent notion that the CIA is the enemy. Let us assume that the CIA is on our side. By "our side" we mean the United States and our interests in a world that contains the predatory Soviet Union and assorted subsidiary ill-wishers. We should have every expectation that the CIA operates in the interests of the United States.

But what constitutes America's interests is widely and fiercely debated. It is not always easy to agree on definitions. And there are examples of the misuse of the intelligence force by the Nixon White House (more attempted than accomplished) and accounts of questionable covert actions under Lyndon Johnson and John F. Kennedy.

These are all legitimate concerns. But the CIA forever is in the position that its failures often become public knowledge while successes must remain secret. In the last analysis, the CIA, the Federal Bureau of Investigation and the military forces are at the disposal of the president who chooses their leaders and issues the orders. They can be no better than the president. The way to be reasonably sure that these institutions of great power will have a proper regard for individual rights and legal processes is to insist upon leaders who have such a regard.

But in addition to this, it is time to look at intelligence operations from a perspective of reality. It is not realistic to listen to those who assail U.S. aid to a centrist government in El Salvador but are unconcerned about Soviet threats to "preserve socialism" in Poland by any means necessary. It is time to stop arguing from crazy presumptions of U.S. guilt based on meaningless terms such as "imperialism" and "militarism" and "corporate elites."

This is the sort of dithering that equates Vietnam with the Holocaust; Nixon and LBJ with Hitler; U.S. policy in Iran with the Soviet invasions of Czechoslovakia and Hungary, and the FBI and the CIA with the KGB and the Gestapo. It has been carried forward in recent years with an outpouring of speculative books on assassinations and movies that are disguised as semi-documentaries. It is mostly nonsense.

The overriding fact is that there are real totalitarians in the world who would like to destroy representative government and individual freedom, and the influence and power of the United States. Their propaganda line is sometimes echoed by silly people who love to prate of U.S. fascism and its instrument, the CIA. They would find out who the real fascists are soon enough if their totalitarian friends ever should attain power. They would be looking out at them from the wrong side of the barbed wire of an American gulag.●

LITHUANIA INDEPENDENCE DAY

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. MAVROULES. Mr. Speaker, it is appropriate that this Congress pause and take note of the 63d anniversary of the independence of the Republic of Lithuania. This date serves to remind us of the liberty that we as a nation take for granted, but for which countless millions around the world still strive.

The quest for human rights has not been lost in the hearts of these courageous people of Lithuania. Rather, the hope still burns bright for that eventual moment when their freedom will come. Indeed, the sense of national identity of the Lithuanian people is not fading, as their Soviet oppressors had hoped, but is even more resolute.

As we mark this anniversary we are reminded of the events surrounding the inglorious conquest of Lithuania. Every state bordering the Soviet Union faces the constant jeopardy of invasion and subjugation. The Molotov-Rippentrop Pact of 1939 led to the occupation of Lithuania in 1940. This underlines how little has changed in the territorial ambitions of the Soviet Union.

The world has seen the continued failure and violations of the Soviet Union in abiding by the 1975 Helsinki accords. Their failure to adhere to the principles of self-determination and human rights is an outrage and world tragedy.

Maintaining the Lithuanian culture presents the greatest concern to the more than 1 million Americans of Lithuanian descent. As culture is an expression of man, it is a confirmation of humanity. Culture is the unique wealth of a nation, a treasure shared with all mankind. Let the Lithuanian culture remind us of our undying commitment of the preservation of freedom and liberty.

In America and in Lithuania the determination of these great people has enabled them to constantly pursue their goal of freedom. The struggle to restore their freedom, a struggle that is right and just, has not ended. It continues today, will continue tomorrow until it is won.●

KENTUCKY'S WINNER OF THE VETERANS OF FOREIGN WARS VOICE OF DEMOCRACY CONTEST

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. MAZZOLI. Mr. Speaker, I am very pleased to announce that the State of Kentucky's winner of the annual Veterans of Foreign Wars Voice of Democracy Scholarship Contest is Miss Shelley Renee Simons of Louisville, Ky.

Miss Simons, a senior at DuPont Manual High School, also attends the Youth Performing Art's School in Louisville.

Miss Simons' essay entitled "My Commitment to My Country" is a forthright statement of this young woman's philosophy on the responsibilities of citizenship. I commend her for her efforts and wish her the best of luck at the final competition.

The essay follows:

The consequences of not making the best of our opportunities will not fall as heavily upon us as it will upon future generations.

We honor those who made America the first among new nations. We the youth can dishonor ourselves if we compromise our commitments and do not use our energies to restore our nation to its former greatness, remembering that those who follow will not forget.

I think that the most important commitment I can make as a young American is to openly discuss issues and problems facing our Country.

Political candidates fall into the category of "playing it safe", discouraging meaningful and constructive discussion.

Think about this: how much has a political campaign, national or local, helped the electorate to be better informed?

I don't want to be spared from real issues and bad news. I am committed to my country at all times, under all conditions, and all circumstances.

Our leadership provides decisive action only at the time of crisis. Hence, the draft in the 1960's, when we all know this world is in turmoil and it is our task to be prepared and not wait for a crisis to shock us into actions of preparedness.

We the youth must develop a National Will to compensate for the absence of a determined leadership.

It is obvious in our form of government that commitments by our government leaders can be effective only if the average citizen is involved. And, by the same token, our commitments as good citizens can be as effective only if they involve our government.

We must realize that we cannot be indifferent. Effective policies and realistic achievements in our country are realized by dedication not only by National commitment, but by individual commitment.

Justice Oliver Wendall Holmes once said, "I find the most important thing in the world is not so much where we stand, as in what direction we are moving."

Overcautious action is preventing solutions to problems which the public recognizes as essential to its ultimate welfare.

So let us make commitments, but let us not sit on our commitments. Let us work to realize and fulfill them.

Our Nation was built by men committed to an ideal, and who committed that ideal to reality.

A historian has said, "Pioneers were not afraid of failure. Scientists were not afraid of truth. Thinkers were not afraid of progress. Dreamers were not afraid of action"—youth were not afraid of commitment. We, the youth of today, stand unafraid.●

TREATMENT OF VIETNAM VETERANS

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. WILLIAMS of Montana. Mr. Speaker, when our 52 countrymen returned from their captivity in Iran recently, they received a richly deserved welcome befitting returning veterans who underwent extreme hardship for the sake of their country.

However, there is another group of returned veterans who, despite their great sacrifices for this country, have not been accorded a grand welcome and, in fact, have been treated often as second-class citizens. I am talking about Vietnam veterans, whose welcome home and treatment here has been marred by political divisiveness. Vietnam served to divide the whole country; perhaps Iran served to unite it again. However the veterans of those experiences should be treated with equality.

Apparently, poor treatment for servicemen is not unique to our time. Kipling pointed out so well, Johnny has often been ignored as he comes marching home. I am placing one of Mr. Rudyard Kipling's poems into the RECORD—it is titled "Tommy." I am hopeful that it will serve as a poignant reminder of the need to treat our veterans—each of them—with the respect and dignity due to all of those who serve this Nation during dangerous times.

Thank you.

TOMMY

I went into a public-'ouse to get a pint o' beer,
The publican 'e up an' sez, "We serve no red-coats here."
The girls be'ind the bar they laughed an' giggled fit to die,
I outs into the street again an' to myself sez I:
O it's Tommy this, an' Tommy that, an' "Tommy, go away";
But it's "Thank you, Mister Atkins," when the band begins to play,
The band begins to play, my boys, the band begins to play,
O it's "Thank you, Mister Atkins," when the band begins to play.

I went into a theatre as sober as could be,
They gave a drunk civilian room, but 'adn't none for me;
They sent me to the gallery or round the music-'alls,
But when it comes to fightin', Lord! they'll shove me in the stalls!
For it's Tommy this, an' Tommy that, an' "Tommy, wait outside";
But it's "Special train for Atkins" when the trooper's on the tide,
The troopship's on the tide, my boys, the troopship's on the tide,
O it's "Special train for Atkins" when the trooper's on the tide.
Yes, makin' mock o'uniforms that guard you while you sleep,
Is cheaper than them uniforms, an' they're starvation cheap;
An' hustlin' drunken soldiers when they're goin' large a bit,
Is five times better business than paradin' in full kit.
Then it's Tommy this, an' Tommy that, an' "Tommy, 'ow's yer soul?"
But it's "Thin red line of 'eroes" when the drums begin to roll,
The drums begin to roll, my boys, the drums begin to roll,
O it's "Thin red line of 'eroes" when the drums begin to roll.
We aren't no thin red 'eroes, nor we aren't no blackguards too,
But single men in barricks, most remarkable like you;
An' if sometimes our conduck isn't all your fancy paints;
Why, single men in barricks don't grow into plaster saints;
While it's Tommy this, an' Tommy that, an' "Tommy, fall be'ind,"
But it's "Please to walk in front, sir," when there's trouble in the wind,
There's trouble in the wind, my boys, there's trouble in the wind,
O it's "Please to walk in front, sir," when there's trouble in the wind.
You talk o'better food for us, an' schools, an' fires, an' all:
We'll wait for extry rations if you treat us rational.
Don't mess about the cook-room slops, but prove it to our face,
The Widow's Uniform is not the soldier-man's disgrace.
For its Tommy this, an' Tommy that, an' "Chuck him out, the brute!"
But it's "Saviour of 'is country," when the guns begin to shoot;
Yes, it's Tommy this, an' Tommy that, an' anything you please;
But Tommy ain't a bloomin' fool—you bet that Tommy sees!●

DIRECT PAYMENTS FOR DIVORCED MILITARY SPOUSES

HON. KENT HANCE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. HANCE. Mr. Speaker, I would like to call to the attention of the Members of the House legislation I introduced recently to solve an urgent problem involving the divorced spouses of former military personnel. More than 50 of my colleagues have joined me as cosponsors of H.R. 1711 and I invite other Members to cosponsor. At present, if a retired military person whose retirement benefits are the subject of a divorce action leaves the jurisdiction of the court, it is practically impossible to assure that payment will be made in compliance with court-ordered division of retired benefits. Let me present a true example which indicates the gravity of the situation:

A woman who has been married for 23 years to a member of the armed services is divorced. The court, realizing the contribution she had made to her husband's career and to the raising of their family, award her a portion of the retirement benefits. They moved often, which is common in the military, and the social norms of just a few years ago did not favor women entering the working world. Obviously, she never had the opportunity to pursue a career. Like many women connected with the military, her career was her husband's. Shortly after the divorce was final, her husband disappeared, perhaps to another State or country. In the 4 years since the divorce was final she has never received one penny of the retirement benefits that were awarded to her by the court. Attempts to locate her husband and serve him with notice of contempt of court and to obtain future benefits have resulted in substantial legal fees. Many women do not have the financial resources available to attempt such a search to carry out the court's decree. Often the only resource in such cases is Federal assistance in the form of food stamps or supplemental security income (SSI) at substantial cost to taxpayers. This is a classic example of a situation where a legal right is rendered meaningless because of the absence of an effective means of enforcement.

Former spouses of civil service personnel faced the same situation until 1978 when Public Law 95-366 amended the U.S. Code authorizing the Civil Service Commission to comply with court orders that divide civil service retirement payments. H.R. 8771 which became Public Law 95-366 passed on January 23, 1978, under suspension of the rules by a vote of 369 to 7. The measure passed the Senate by a voice vote. Clearly, precedent has been set and the intent of Congress has been expressed in this regard.

My legislation, H.R. 1711, simply authorizes the appropriate Secretary to issue two checks that reflect the court-ordered division. This proposal does not divide the retirement pay; the State courts retain this authority. This bill does not propose unusual or untested solutions. It does not address the issue of garnishment of delinquent payments—it merely offers the same

protection and right to military spouses that is available to civil service and privately insured spouses.

I strongly urge your consideration of this important and worthy cause. With budget considerations on everyone's mind, the cost of this legislation is negligible. It is good legislation, and it is responsible legislation.

The text of the legislation follows:

"§1407. Payment of retired and retainer pay in compliance with court orders

"(a)(1) Payment of retired pay or retainer pay that would otherwise be made to a member or former member of an armed force shall be paid (in whole or in part) by the Secretary concerned to another person if and to the extent expressly provided for in the terms of any court decree of divorce, annulment, or legal separation or the terms of any court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation.

"(2) Any payment under paragraph (1) to a person bars recovery by any other person.

"(b) Subsection (a) shall apply only to payments of retired pay and retainer pay made by the Secretary concerned after the date of receipt by the Secretary concerned of written notice of such decree, order, or agreement, and such additional information and documentation as the Secretary concerned may prescribe.

"(c) In this section, 'court' means any court of any State, the District of Columbia, or the Commonwealth of Puerto Rico.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1407. Payment of retired and retainer pay in compliance with court orders.".

SEC. 2. The amendments made by the first section of this Act shall apply only to payments of retired pay and retainer pay for months beginning after the date of the enactment of this Act.●

SOVIET EXPANSIONISM AND THE BALTIC QUESTION

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. HYDE. Mr. Speaker, on February 15, 1981, the Cicero chapter of the Lithuanian American Community of the U.S.A. held their annual commemoration of Lithuania's Independence Day, which was first declared on February 16, 1918.

This independence was lost in 1940 but its annual commemoration reminds the Soviet oppressors that the free world looks forward to the day when Lithuania will once more join the ranks of the free and independent nations of the world.

An outstanding statement concerning this situation has been prepared by Stanley A. Gecys, vice president of the National Executive Committee, and I am pleased to share it with my colleagues:

SOVIET EXPANSIONISM AND THE BALTIC QUESTION

One must go back four decades to find the beginnings of Soviet Union's expansionism. On August 23, 1939, a non-aggression treaty was concluded by Nazi Germany and the Soviet Union. In what became popularly known as the Molotov-Ribbentrop Pact, the two super powers secretly agreed to divide between themselves the countries of Estonia, Latvia, Lithuania, Finland and Poland. The Pact became a conspiracy of two of the greatest tyrants in history—Stalin and Hitler—against the world and humanity. It also brought about the Second World War.

During the subsequent years Soviet expansionism has had its seasons. In 1939, the Soviets invaded Finland and participated in the dismemberment of Poland, which had fallen prey to Nazi Germany. In 1940, the Soviet Union, by force of arms, occupied and annexed the Baltic States of Lithuania, Latvia and Estonia. The year 1956 brought about brutal crushing of the Hungarian Revolution, while in 1968 Czechoslovakian attempt at freedom met similar fate. Since 1979 Soviet soldiers continue to roll across the borders of Afghanistan. Only time will tell on whether Poland will be the next victim of Soviet Union's expansionism.

As over one million Lithuanian-Americans are preparing to observe on February 16, 1981, the 730th anniversary of the founding of the Lithuanian state and the 63rd anniversary of the reestablishment of Lithuania's independence after World War I, one wonders as to why the Western powers are reluctant to raise the issue of Baltic States' right to sovereignty. Why have the Western powers become so uncritically fixated on the idea of "good relations" with the Soviet Union, that they have inflicted a political self-paralysis on their foreign policies and national values? After all, the Baltic nations continue to be a cradle of national unrest and it is in Western powers interest to have the Soviet Union beset with internal dissent.

It would appear that the United States self-interest and its continuing policy of non-recognizing the Soviet annexation of the Baltic States should dictate the public airing of the questions of Soviet aggression and present occupation of Lithuania, Latvia and Estonia, especially vis-a-vis the invasion of Afghanistan. However, this it has failed to do. Former national security advisor Zbigniew Brzezinski has diagnosed the lack of forceful foreign policy as continuing trauma resulting from "escapist approach" in dealing with the expansion of Soviet power and influence (The New York Times, Nov. 30, 1980). According to Dr. Brzezinski, Ronald Reagan's victory showed that the country was ready to support "a policy of assertive competition with the Soviet Union". "Traumatized" by the experience of Vietnam, the Americans for a while were "automatically fearful that any emphasis on competition meant you were wanting to revive the cold war". Unwittingly Soviet definitions of "détente" and "cold war" were swallowed by our policy makers. Soviet competitiveness was judged to be a part of "inevitable historic process", while American assertiveness and attempt to stop Soviet expansionism amounted to "dangerous cold war activities". In the eyes of these policy makers, a formal airing of the Baltic States sovereignty would have been a "cold war act".

The main source of "instability" in Eastern Europe is foreign totalitarian rule imposed and maintained by force. The popular resistance to it will continue. These are the realities the Western democracies must face. With regard to the Baltic question, the position recently assumed by the United States delegation to the Madrid meeting of the Conference on Security and Cooperation in Europe spells a most welcome policy shift. On December 15, 1980, deputy chairman of U.S. delegation Warren Zimmerman shocked the Soviets by noting that "self-determination is a principle basic to our American Revolution and to our American heritage" and that according to Principle IV of the Helsinki Accords, which makes occupation or acquisition of territory in contravention of international law illegal, the United States considers this provision applicable to the Soviet-occupied Baltic States of Lithuania, Latvia and Estonia. "We know that there is little that can be done to right a wrong committted four decades ago. But let us remember also that the passage of time will not make that wrong right. Time does not make right, any more than might makes right", noted Zimmerman.

Hopefully, at last, we have come to realise that Soviet expansionism no longer sounds like an extremist notion even to the most liberal amongst us. Let's hope that we have the moral fiber to talk when we can and to act when we must, while we are still in position to do so.●

MASSPORT 1980-81 CONGRESSIONAL REPORT

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. MOAKLEY. Mr. Speaker, the recently released Congressional Report of the Massachusetts Port Authority is truly impressive. Massport outperformed its previous year's accomplishments in nearly every area of activity: In airline passengers, in airborne cargo, in seaport shipments, and in fish landings.

In aviation Massport led a successful 2-year campaign to convince British and American negotiators to rewrite the Bermuda II International Aviation Agreement that governs air service between the United States and the United Kingdom and restore the right for a second U.S. airline to fly between Boston and London.

The Boston-London route to Boston's Logan Airport should have a $16 million impact on the economy of New England, stimulate new tourism opportunities throughout the region and most importantly create hundreds of new jobs.

In trade, on September 16, 1980, President Carter signed an historic maritime agreement between the United States and the People's Republic of China giving "favored port status" to Massport's Port of Boston facilities. The People's Republic of

China is the fastest growing trading partner with the United States and promises to increase two-way trade substantially in the years ahead in the New England market.

The favored port status under this treaty, has added positively to the need for Massport's $100 million program to revitalize the maritime facilities of Boston. Their Castle Island facilities are undergoing a $15 million expansion program and construction of a new $80 million container port facility at the site of the old South Boston Naval Annex is underway.

Also in the trade area Massport was awarded New England's first foreign trade zone at Commonwealth Pier. At the FTZ, foreign merchandise can be exhibited, stored, assembled, or used without being subject to U.S. customs duties. Duties are not paid until or unless the goods enter customs territory from the zone, and goods exported from the zone leave duty free.

Massport has also lent out its expertise in foreign trade through the establishment of a small business export program (SBEP) which provides small firms with the resources and specialized assistance they need to enter and successfully compete in the international marketplace.

Within the past 3 years, the SBEP has taken representatives of 37 New England firms on 6 foreign trade missions to meet with business officials from 14 European countries. Results to date have produced actual export sales of $5 million for New England trade mission participants.

The success of this program has led to Massport being singled out by President Carter for distinguished export sevice and received the prestigious White House "E" Award. Massport's selection for the coveted award represents the first time since the establishment of the award that a New England public authority has been the recipient.

Finally, Boston's Fish Pier has been involved in an extensive $12 million 3-year modernization program. This renovation of Boston's fish processing industry, which recently was awarded $2 million for phase II, will provide a revitalization of the New England fishing industry with substantial economic impact on the Massachusetts economy.

I firmly believe the wide range of activities that the Massachusetts Port Authority is involved in has not only provided high caliber transportation and trade for the people of New England but has served to stimulate our regional economy and create employment opportunities.●

INTELLIGENCE DOCUMENTS REVEAL SOVIET ROLE IN EL SALVADOR

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. McDONALD. Mr. Speaker, on Friday, the story broke that our intelligence agencies now have proof, if any was needed, that the lines from the guerrillas in El Salvador reach clear back to Moscow. Anyone who now feels these insurgents are agrarian reformers or any such misnomer can now discard such notions. Moscow has declared that this is a war and by this they mean they will back it by all necessary means. Therefore, any thought of negotiating with these Salvadoran Marxists should be discarded. It is now a question of El Salvador's survival as a free nation and our policymakers should treat it as such. The story from the Atlanta Constitution of February 6, 1981, follows:

[From the Atlanta Constitution, Feb. 6, 1981]

ARMS

WASHINGTON.—Secret documents captured from El Salvador's Marxist-led guerrillas, which are considered authentic by United States intelligence agencies, indicate that the Soviet Union and Cuba agreed last year to deliver tons of weapons to the guerrillas from stockpiles of American arms taken over by Vietnam and Ethiopia.

Copies of the documents obtained by The New York Times include a report on a trip by a high-level Salvadoran guerrilla, who is believed to be Shafik Handal, secretary-general of the Salvadoran Communist Party, to the Soviet Union, Vietnam, Ethiopia and Eastern European capitals where top-ranking party officials agreed to provide arms, uniforms and other military equipment for up to 10,000 guerrillas.

Meanwhile, the State Department confirmed Thursday that it has fresh evidence that increased supplies of arms are being infiltrated through Nicaragua to left-wing guerrillas in El Salvador and, without giving details, added that Cuba is a "principal factor" in the supply of weapons to the left wing.

Thursday, three House Democrats introduced a bill to stop all U.S. military aid to El Salvador, warning that the country's civil war could lead the United States into "another Vietnam." Reps. Gerry Studds of Massachusetts, Barbara Mikulski of Maryland and Robert Edgar of Pennsylvania also charged in a news conference the State Department has "lied about the situation in El Salvador."

One of the documents obtained by The New York Times, also reportedly written from Havana, refers to meetings that took place between the Salvadoran guerrilla leader and Gustavo Carvajal Moreno, president of Mexico's ruling Revolutionary Institutional Party, who was in Cuba during a visit to Cuba by President Jose Lopez Portillo last year.

This document said the Salvadoran guerrilla was guest at a dinner given by Lopez Portillo for President Fidel Castro of Cuba. As a result of talks during this visit with Carvajal, the Salvadoran reported that Mexico had agreed to allow the political front of the guerrillas, then known as the Unified Revolutionary Directorate, to set up an office in Mexico City.

During the last two months, in which the Salvadoran guerrillas of the Farabundo Marti Liberation Front unleashed an unsuccessful, but large-scale offensive, many of the arms captured by El Salvador's armed forces have been American-made rifles, mortars, and machineguns. There have also been Chinese-made weapons, as well as a variety of small arms available through commercial channels.

United States officials said they did not have information that showed that the arms and supplies described in the captured document had reached El Salvador. But State Department and Pentagon sources have said that there has been a flow of arms to the Salvadoran guerrillas in recent months that is believed to be coming, in part, from Cuba.

Secretary of State Alexander M. Haig Jr., said in his first press conference last week that the Soviet Union had been involved in "unprecedented risk-taking" in support of revolutionary movements in Latin America and Africa, with employment of what Haig called "the Cuban proxy."

The documents captured in El Salvador by government security forces last month describe the extent of collaboration between the Soviet Union and its allies in support of the Salvadoran guerrillas that has been approved at the highest levels of Communist leadership in East Europe and in Vietnam.

In one document, which appears to have been written in Havana, the Salvadoran guerrilla reports on a visit to Hanoi from June 9 to 15, 1980, in which he was received by Le Duan, secretary general of the Vietnamese Communist Party, Xuan Thuy, vice-president of the National Assembly, and Lt. Gen. Tran Van Quang, vice minister of National Defense. The report said the Vietnamese agreed to supply 60 tons of arms and ammunition, mainly from weapons abandoned by United States and South Vietnamese forces. The list included 1,620 M-16 automatic rifles, 162 M-30 and 36 M-60 machineguns, 48 mortars, 12 anti-tank rocket launchers, 1.5 million rounds of ammunition and 11,000 mortar rounds.

The Salvadoran guerrilla leader reported that he also visited Ethiopia, which was supplied with U.S. weapons prior to a Marxist revolution, Bulgaria, Czechoslovakia and Hungary where he was promised arms and equipment, some of which would be transported aboard East German ships to Cuba by government and Communist Party leaders in those countries.

In Moscow, where the report said the guerrilla emissary made two visits last summer, the main topics were how to transport the arms to El Salvador.●

VITAL LIFE AND PHILOSOPHY OF MR. CLAUDE SHOTTS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. PEPPER. Mr. Speaker, it is with great pleasure that I offer the following letter and article describing the vital life and philosophy of Mr. Claude Shotts. It seems to me that Mr. Shotts exemplifies the very essence of what a man called elderly can do and be. In his 17th year of postretirement work, at age 82, Mr. Shotts continues to discover new challenges, seek new experience, broaden his life and learning.

We are so often beset with the stereotypes—on television—in the movies—in advertising—in the minds of too many Americans—which demean the dignity and character of our elders. And though we work hard to dispell the myths and help to restore the sense of self-worth and dignity that older Americans have earned, we are all acutely aware of how much distance we still have to travel. Mr. Shotts, in his vigorous and active life, gives us one fine example of what we are working for.

The letter and article follow:

GREENSBORO, N.C.,
January, 1981.

Greetings for the New Year:

My report and season's greeting to friends are late this year. I planned them earlier but the erosion of the November election started me thinking. This led to a decision that it was time to be opened up to more of the world and its people, especially a part that I had not experienced and shared. This brought about a further decision to spend a month in South-East Asia and India.

Departing on December 11th we visited Singapore, Sri Lanka, Madras, Bombay, New Delhi, Jaipur, Agra, Varanasi, Katmandu, Bangkok, Hong Kong and Honolulu. It was exciting throughout. While it was strenuous, it introduced one to the history and art of a great past and the needs and potential of the present and future. The progress in the short period since the end of colonialism was as impressive as were the remaining problems yet to be solved.

The two most exciting experiences were attending the Friends Meeting in New Delhi on Sunday, December 21st and spending Christmas morning at the Taj Mahal. Arriving in New Delhi by early plane from Bombay, I took a taxi to the 10:00 a.m. Friends meeting in the Y.W.C.A. There were 15 in the group many of whom knew Friends in Greensboro and Chapel Hill. After the meeting the group had lunch at the home of Nettie Bossert (from England) and very interesting visits into mid-afternoon.

On December 25th we arrived at the Taj Mahal before the break of day to view it as the rising sun cleared the mist and fog at day-break. We then returned to the hotel for breakfast and came back with our guide at 9:00 a.m. to spend the morning in learning and experiencing more fully this gem of the world's miracles. It is a memory that will enrich life to its end.

The month's trip was an experience of people recently freed from two centuries of Western colonialism. Their progress and productivity under self-government have been remarkable. Their economic, social, educational and population problems are still massive which leaves their future in question but for some a challenge that has the potential of a positive change to a better future.

In my seventeenth year of post-retirement work I continue to find life interesting and work rewarding. 1980 was the twenty-third summer in Europe with students for a two months seminar. In addition, we had five Summer Schools led by faculty (England, France, Germany, Greece and Spain) and two Semesters (London and Munich). Between May and December, 118 Guilford students and faculty (over 10%) were studying in Europe—54 in six-week Summer Schools and 64 in Fall Semesters.

The Off Campus Seminars involved 200 students in one week of study in New York, Washington, Chicago and other localities where unique educational resources are abundant.

The purpose and results are to awaken students to some of the realities that lie beyond the campus but are basic to essential learning.

The family members are less mobile than I. They continue to live and work at their callings and to enjoy all that life brings to them. The nine grandchildren are reaching maturity, most in their early twenties. The only granddaughter, Susan, was married last Spring and lives in Roanoke, Va. Four of the boys are working and four are still in school. It continues to be a joy to see them grow and think.

Best wishes to all for the New Year.

Sincerely yours,

CLAUDE C. SHOTTS.

JOGGING AND LECTURING—AT 82, HE KEEPS BODY, MIND ALERT

(By Jim Jenkins)

Claude Shotts is 82. That he has passed the four-score mark surprises no one who has seen him up and about at 6:30, taking his morning jog around the Guilford College campus.

Nor does it give pause to those who have been on the receiving end of his gentle lectures on the evils of nicotine and fatty foods. And the least surprised of all are the "alumni" of his overseas trips with students, when he has run them ragged through the streets of assorted foreign countries.

A tall, raw-boned man with thinning gray hair and a soft, clear voice, Shotts directs the Off Campus and Overseas Program at Guilford College, where he came in 1965 after retirement from UNC-Chapel Hill. There, he was the director of the student YMCA during its periods of social activism.

The foreign trips he directs have been only the latest manifestation of Shotts' career-long belief that what happens to students outside of classroom hours is as important and perhaps more important than the time they spend seated behind a desk.

At Guilford, at Chapel Hill and before that at Colgate and Northwestern, Shotts provided an oft-needed sympathetic ear for students, whether his specific duties called for it or not.

Working many years ago with a young student affairs dean named William Friday at Chapel Hill, Shotts began to seek the reasons why so many students dropped out or flunked out of school.

"We found that many times it was the little things in their lives going wrong that caused them to leave school," Shotts said. "Too often, we let students leave school without finding out why, without trying to help them. We would talk to the students, and it may have been that his girlfriend dropped him, or his parents had divorced, or something even more serious like an illness. Anyone should be able to understand those problems, and we tried to work out ways for students to stay in school rather than just letting them leave."

He carries on with the effort at Guilford and believes it to be worthwhile for all colleges.

"I don't think colleges should flunk anybody," he said. "I think the dean should call them in and talk about it if someone is about to flunk out. We should counsel them out."

When a college does strike a student from the rolls, it's a severe setback that may become part of a future pattern, Shotts said. "We create failures and people who have a failure syndrome," he said.

Instead of spending time in lectures and taking examinations, Shotts would like colleges and universities to school students in "learning for survival." He would advocate a return to a system in which students spend time studying problems—and thinking of solutions—away from the ivory-covered tower.

"We should be teaching survival math, survival history. College should be related to the problems we have to face just off the grounds of the campus," Shotts said.

Too often, Shotts said, the problems with motivating students are blamed on the learners instead of the teachers. He recalled some experiences with teachers at other schools. "Faculty members complain that they lecture to students and the students are apathetic," he said. "Well, who's apathetic? The purpose of education is to make creativity joyful. But I couldn't discuss education with the same members of the faculty. They always changed the subject to credit and grades."

In taking students on trips abroad, Shotts thinks he has accomplished the filling of some of the gaps the "credit and grade" race leaves behind. Always after a trip, whether it has been to Paris or to New York's East Side, he asks the travelers one question. "I say, 'You've done some thinking. Would you like to continue?' And they meet regularly after that, to do some thinking, which is something we don't do enough of in college," he said. "I tell them they'll be on committees the rest of their lives, and if they can't lead discussions they're in trouble. Talking about things we're interested in—this is what I've been doing the last 50 years, and it's what I think education should be about. If you take several hundred students to Washington and New York, they come back with knowledge they didn't have before."

Shotts has applied the philosophy to himself, having served in a variety of academic and non-academic posts since his rural Alabama boyhood. After graduation from high school, he served as a principal. He also taught reading and writing to adults near his home, and, shortly after graduation from the University of Alabama, he entered graduate school at Yale. He took education to coal miners, farmers and others who were unable to attend standard public schools. A Quaker, he worked with conscientious objectors during World War II and after the war directed programs to give supplies and medicine to Germans for the American Friends Service Committee.

A center Shotts established to bring together citizens of communities for dinner, conversations and self-help projects survives to this day in Berlin.

While in Chapel Hill, he directed several activist projects out of the student YMCA, among them civil rights demonstrations—before such efforts had come to many campuses.

A grandfather, Shotts maintained his vigor through it all with a strict regime. An illness at age 13 had doctors doubting his

survival, but Shotts became an athlete and vowed after that illness he would take care of himself. That is the reason for his continuing interest in fitness and his good-natured lectures to colleagues who neglect their health.

Seventeen years past the generally accepted retirement age, Shotts balks at the thought he will ever be without a job. There is still, he says, much to be learned.

"I don't think education has kept up with our ability to gather information," he said. "We've made great strides in communication for example, without having anything to communicate. We can pick up the phone and call but we don't have anything to say. We've learned so much in the last five years about the physical being, but as personal beings we are less equipped to deal with problems. I think somewhere in education we have to address that. We have to encourage growth—of all kinds."●

LET US GET PRIVATE ENTERPRISE OFF THE GOVERNMENT'S BACK

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mrs. SCHROEDER. Mr. Speaker, one of the least scrutinized herds of sacred cows are the subsidies, tax breaks, loans, loan guarantees, and insurance programs that the Federal Government rather generously makes available to corporate America.

The February 12, 1981, Rocky Mountain News, "Let's Get Private Enterprise Off the Government's Back," provides the details:

LET'S GET PRIVATE ENTERPRISE OFF THE GOVERNMENT'S BACK

(By Herbert Kriedman)

During the election campaign, Ronald Reagan repeatedly raised the cry, "Let's get the government off our backs!" It is arguable whether politicians take their own slogans seriously, but, alas, often those slogans prove effective.

The minds of many citizens have been captured by the notion that the government is a latter-day Leviathan that crushes individual initiative while hogging and wasting resources that otherwise would allow for the prosperous working of a free economy.

Hence, Mr. Reagan's slogan was effective to the extent that it reinforced the myth that the government has been the relentless adversary of the private sector and of all the good things it offers the people.

But no matter how tenacious myths may be, the facts about the historic relationship in the United States between government and the private-enterprise system ought to be made clear so that the public can have the opportunity to put government's role in perspective.

Even a cursory survey would demonstrate that the growth of private enterprise was nourished by the policies and concrete measures taken by government, both on the national and state levels. Indeed, without that aid from public institutions, the private sector would have had a most uncertain future.

Take, for example, Alexander Hamilton's historic reports on the financial and economic aspects of the young republic. They served as the fundamental guidelines for many of the practical steps that the government took to promote the private sector. The essentials of the Hamiltonian policies were elaborated and carried forward by Thomas Jefferson's brilliant secretary of the treasury, Albert Gallatin. Serving for 13 years (under James Madison, too), Gallatin articulately championed the idea that the government had a central responsibility for making it possible for private enterprise to flourish.

Virtually the entire framework of the economy, from canals and railroads to our present network of superhighways and airports, in one way or another has been subsidized or financed by the federal government or by the states.

Between 1850 and 1871, 200 million acres were turned over to private railroad interests, although the grant was later reduced to 137 million because the railroads failed to meet certain legal requirements. The states, too, participated through financial subsidies and land grants, they donated about 55 million acres to private transportation companies.

There are, of course, other areas where the government has performed indispensable services on behalf of private enterprise. For example, tariff policy was designed, in the main, to foster various sectors of domestic industry. The federal tax structure, which Jimmy Carter called a "national disgrace" when he ran for president in 1976, has been geared toward sheltering the profits of private industrial and financial institutions. During the Great Depression, when banks and industrial corporations were on the skids, it was the New Deal that stopped the slide and helped to regenerate a faltering private-enterprise system. Moreover, government troops helped protect private investments at home and abroad.

Today, a variety of industries depend upon the government's purse for survival and prosperity. This is particularly true for companies involved in military production. A significant portion of the national budget is nothing less than a subsidy to maintain their viability. Other private-sector groups, including Chrysler, railroads and the nuclear-power industry, would head toward financial insolvency were it not for the government largess in one form or another.

The average citizen who is asked to "get the government off our backs" is probably unaware that most government credits and loan guarantees go to private enterprises. In fiscal 1980, new loans and loan guarantees totaled $131.6 billion; it may rise about $10 billion, to $141.2 billion this year. This would bring the grand total of federal loans and guarantees to the astounding sum of $550 billion.

Obviously, the monies to support all of these aid programs to private enterprise (which are never described as "welfare handouts") must come out of the pockets of the taxpayers, many of whom recently voted for Mr. Reagan.

And so, in the interest of historical accuracy, it would be more appropriate and far more enlightening for all citizens if President-elect Reagan's slogan has been turned around to say: "Let's get private enterprise off the backs of the government and the taxpayers."●

STATESMANSHIP AND THE CRISIS OF POLITICAL LEADERSHIP IN AMERICA

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. SKELTON. Mr. Speaker, recently, Dr. John A. Guegen, Jr., of the Department of Political Science, Illinois State University, addressed the Democratic 95th Members Caucus, here in Washington. He spoke of the qualities of statesmanship. I wish to share his address with all the members of this body:

We live in a historical moment which many agree will require uncommonly effective leaders if the accumulated achievements of centuries are not to be swept away by a new barbarism. The threat comes from outside in the form of militant and expansive totalitarian despotism, and from inside in the form of a pleasure-seeking secularism that drowns human values, cheapens life, and vulgarizes culture.

The symptoms of leadership inadequacy in connection with these threats appear in diverse shapes, but all of us are aware of three at least: The erosion of prestige which public office has suffered, a growing apathy which places the habits of a democratic populace out of harmony with the demands of a republican constitution, and a weakening of the foundational institutions of civilized society (most notably the family).

Many have analyzed this situation and have proposed a variety of interpretations and solutions. I wish to argue that it is due in large part to the absence of statesmanship, and that our crisis will probably be weathered only if statesmanship reappears in the near future.

Statesmanship is a major theme of my academic discipline—political philosophy. I understand it to mean that combination of natural and acquired knowledge and ability which makes a public person an eminent student and practitioner of the art of political leadership. We do not look at voting records or at the consistency of public utterances in order to detect statesmanlike qualities. Votes and quotes are merely parts of the day-to-day give and take of any politician's career, be he great or mediocre.

A statesman is to a politician what a master is to a painter or a composer in the arts; he is what a true champion is to an athlete in sports. Statesmanship enables a politician to undertake, or at least to influence in a decisive manner, those public enterprises which advance the common well-being of a people. It makes the difference between a custodial leadership which merely administers affairs and a leadership which transforms them.

A statesman usually holds some public office, as did Sir Thomas More or Sir Winston Churchill in England. But some statesmen have exercised statecraft as political reformers or advisers. In ancient Athens, for example, Plato thought Socrates best exemplified the idea of statesmanship, and some would attribute to Machiavelli, the sixteenth century Italian who became a political exile, the statesmanship he claimed for himself in his writings.

Nor must a statesman be universally recognized in his own time. His achievement

may not be notable until long afterwards when the nature and extent of his influence is fully knowable through its impact on the course of events. (Along with the obvious case of Lincoln, I think also of my fellow Missourian, Harry Truman.)

Perceptive students of statecraft such as Alexis de Tocqueville have pointed out that in the real world, statesmanship does not occur in the abstract. It is always a function of a particular socio-political order. A statesman possesses qualities which in part are universal, but which are also specified by the system that forms the context of his thought and activity. Thus we can speak of kingly or monarchic statesmanship, of aristocratic statesmanship, or again of democratic statesmanship. It is this last form which concerns us today as we direct our attention to the crisis of public leadership in America.

One cannot speak of democratic statesmanship, however, without immediately encountering a great paradox. It is not altogether inevitable that statesmen will assume political leadership in a democratic society, especially as office holders. Indeed it has been questioned whether statesmen are even possible in democracies.

Students of the American Constitution and of the best commentary ever written upon it—the Federalist—argue persuasively that the Framers tried to render statesmanship unnecessary in America and that they did indeed fashion a constitutional mechanism which any collection of good administrators, even when driven by self-interest, could manage reasonably well—at least when the ship of state cruised peaceful waters. Only a great impasse such as invasion or insurrection might require truly decisive leadership (as happened, in fact, in the time of Lincoln).

Of all constitutional forms, republican democracy seems least receptive to statesmanship (except for the obvious case of despotism) because it engenders a tension between public involvement in government and decisive leadership by an individual. Let me briefly illustrate.

All the forces of democratic life pull away from the extremes and toward a broad middle condition. While fear of anarchy at one extreme puts democrats on guard against leadership that is too weak, fear of tyranny on the other extreme makes us suspicious of the decisive leadership that seems to characterize a statesman.

The almost exclusive preoccupation with equality in democratic life—of which we have bountiful evidence over the past generation—makes it difficult for anyone to rule because no citizen wants to regard himself as a "subject." Since there cannot be authority among people who are really equal, a democratic statesman would have to be a great sleight-of-hand artist (whatever else he may be) in order to lead people unwilling to be led without their realizing it. And if he should fail in this "deception," there are examples like what the Athenian people did to Socrates to serve as a warning.

Two of my students recently argued that the fierce independence and individualism characteristic of democratic life create a condition in which the people are not amenable to government. I quote: "The people of an individualistic society will not accept a leader. They will not take orders from anyone, including the government, because they do not believe that a statesman is needed, and they will not admit that anyone could lead them better than they can lead themselves." Thus "the problem with American government is mostly with the people." I believe there is an ironic truth here—ironic because democracy means precisely the rule of the people. In America the people seem to be caught between a desire to rule themselves and a desire to escape the terrible responsibility of ruling.

Voter studies have shown that the majority of Americans seek to turn public officials into functionaries, into agents of their own self-interest; that they are ill-informed and under-motivated with respect to the general or public interest; that they are most sensitive to single issues and tend to favor candidates who will cater to their private ends of consumption and comfort rather than those who call for sacrifice; that the people are more concerned about rights than about duties.

Others have studied the prevalence of interest-group conflict and factionalism in democracies, a situation which inevitably requires compromises that a true statesman would seem to be unable to make. Add to that the short terms of office in a democracy which by requiring frequent submission to the electorate hamper decisive leadership and make politicians place short-range tactics ahead of long-range strategies. The same results derive from the democratic requirement that officials work closely together, reporting, checking, and restraining at every step of the policy process.

If we take all of these objections together, the paradox of democratic statesmanship takes on awesome proportions. But like any paradox, a resolution can still be attempted. And in this case, the tension between democracy and decisive leadership is but a tension and not a conflict. Since political philosophy thrives in an atmosphere of tension, I therefore hasten to present what I take to be the essential qualities of a democratic statesman.

I shall try to summarize as briefly as possible nine qualities I believe are essential to a democratic statesman. In presenting such an ideal view, there is an obvious risk of creating a mythical figure whom we could never find in real life. I ask you, however, to regard these qualities as standards toward which a democratic statesman would strive. The nine are: conviction, prudence, courage, foresight, unity, knowledge, insight, faith, and humility.

1. A democratic statesman, like any other, must first of all be possessed of a set of firm and consistent principles of life, convictions about which he is absolutely certain and which nothing could make him compromise. He will risk everything for them—his career, his safety, even life itself.

2. But at the same time, he is flexible on matters that can and should be compromised, and is instinctively able to tell the difference. His uncommon prudence and abundant common sense enable him to discern when, what, and how far to concede. Patiently he waits for the most favorable moment and thereby avoids unnecessary clashes. He knows when to speak and what to say—and how to be silent. Moreover, he can choose—and retain—equally prudent advisers.

3. Having an active mind which sees problems in all their concrete reality, he acts energetically, aggressively, and courageously when he perceives it to be the right time and place to act. No issue is too awesome to tackle, even though favorable developments can only come about little by little. Since a statesman is not easily discouraged, he perseveres with determination and persistence, trying to be optimistic about the outcome and confident of his ability to bring it about. Firmly in command of himself, he avoids emotional public outbursts and gossip about friends or enemies. With great endurance he works tirelessly and without concern for reward.

4. Our statesman's foresight places him well ahead of his fellow citizens in considering possible and probable long-term developments, but not so far out of sight that they cannot follow him. Thus he is able to dominate circumstances, to rise above them, to spot problems when they are still far off and easier to divert. Having been accustomed to responsibility from youth on, he can organize his time and resources to maximum advantage, with amiable good humor, and never the appearance of undue haste.

5. His public life is unified by a single dominant goal or objective: the long-range interests of the whole People, past, present, and future. As a public person, he always has the People on his mind. He is not content simply to lead them; he leads them somewhere, along the path he sees they must follow for their own common good. Although he is attuned to public opinion and well informed about particular interests within the body politic, he resists subservience, intimidation, or manipulation. As a master weaver he mediates and controls factions, outmaneuvering them in order to subordinate self-interests to the public interest. At the same time, he knows how to let private agencies, the family, and the church exercise the leadership which belongs properly to them. Determined to preserve his own integrity at all costs, no amount of money can divert him from his position (he has no price). With considerable oratorical skill he communicates his perception of the country's true needs to his colleagues in government and to the people at large, whom he ever labors to educate.

6. His own education has brought him rich and abundant knowledge through experience, study, and travel. This vast working knowledge—both practical and theoretical, and largely the result of self-education—is firmly grounded in the classical liberal arts, now as ever the basis of all that mankind knows. Recognizing that universal human experience is a more valuable and objective guide than his own, he has been intellectually curious and widely read since youth—not seeking a mere exposure to ideas, but genuine formation by them. His sensitivity to the world around him is the product of learning in four particular fields:

First, moral and political philosophy, which increases his understanding of and compassion for the human condition and the best way to order it.

Second, American and world history, both ancient and modern, especially the development of forms of government and socio-economic institutions, which enables him to understand his own Constitution and its history in context.

Third, political biography—the lives and writings of great statesmen (one, perhaps, in particular)—which provides him with positive models in drawing upon the experience of others.

Fourth, American and foreign cultures, languages, and literatures, which provide knowledge of national characters, public philosophies, and traditions, particularly the impact of his own national character and governmental institutions upon each other.

7. Underlying all of this education and making it fruitful in practice is considerable native intelligence, the penetration and in-

sight which make for rapid and sound judgment. The statesman comes quickly to the heart of a matter, analyzes cause-effect relationships, and reaches accurate conclusions.

8. At the deepest level of life is faith in God and steady recourse to God in the privacy of his heart. This makes accessible to him enlightenment and guidance beyond human resources and gives to his thoughts, words and actions an authority which transcends the world of political acumen. It enables him to inspire the people, as well, to nourish in them a genuine patriotism (which is not chauvinism), a trust in what they are about (which is not presumption). As his own conviction tends to shape the public morality, he has an uplifting effect on the national character and generates hopeful, magnanimous (high-minded) citizens who are motivated by his same spirit of service.

9. Finally there is the humility which comes from true self-knowledge and especially from awareness of his own limitations and the limitations of the human condition. This fundamental quality enables him to learn from his mistakes, makes him impervious to the false attractions of utopian fantasies, and leads him to prepare his successors to accomplish what cannot be done in his own time. In these others he can recognize his same potential for statemanship and thus provide for continuity of leadership by serving them as model of inspiration and teacher of statecraft.

1. If, in addition to these essential qualities a democratic statesman is also personally attractive and commands wide respect and admiration, unpopular positions which he may take will have a softer impact.

2. If his family line is well-established in wealth and/or a long tradition of public service, his earlier entry into public life will be facilitated.

3. If he possesses unusual oratorical ability and facility with written language, it will be easier to command a following and mobilize the people.

4. If through a good marriage he has the assistance of a companionable helpmate and children, the burdens of public office will rest easier on his shoulders.

5. If he has simple tastes, dresses and lives modestly, he will minimize personal problems and escape the envy of others.

6. If there is a personal handicap to be overcome—whether social, educational, or physical—his determination to succeed will be increased.

We must recognize that politics or statecraft is a profession, and that like all other professions it requires careful and systematic preparation through a combination of study and experience. As physicians, teachers, lawyers, and other specialized servants of the people must receive long years of training, so do politicians need a formation calculated to advance them toward the standards of statesmanship, now that it is so necessary for the survival of our country. As I have tried to explain, the formation of a statesman consists more of general education in the humanities than of the technical skills or "know-how" which most professions require. This is because the liberal arts—philosophy, literature, history, culture—are indispensable to the development of qualities which enable any human being to penetrate beyond the transitory and the ephemeral to the permanent realities that underlie our changing experiences.

Should it not, then, be among our public priorities to establish a national institute or academy of statesmanship which could do for our public leaders of all three branches what Aristotle's school for the formation of statesmen did for their predecessors in the ancient world, at the very time political science was born. We have long recognized—and with good reason—the necessity for professional training of future military officers in the service academies. Why not a similar institution for our future political officers? Here in Washington there is a War College for the continued training of officers experienced in national security, foreign and military policy. Where is the "College of Statesmanship" for the continued formation of our experienced legislators, administrators, and judges?

The work on statesmanship and the American leadership crisis which has so far been done at Illinois State University and at several other institutions in the land (most notably Claremont Graduate School's Institute for the Study of Statesmanship and Political Philosophy) is but a modest preliminary ground upon which to build.●

REMEMBERING VIETNAM VETERANS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. MURTHA. Mr. Speaker, as a Vietnam veteran, I can understand the frustration many of our younger veterans felt over the ceremony given to the former Iranian hostages. When the Vietnam vets came back from defending their country, there were no bands or parades, in fact, much of the Nation was hostile to their service.

This was very difficult for many of the younger veterans to understand. It compounded problems for those veterans that many people here in the United States still fail to understand.

In my very first speech in Congress, on May 22, 1974, concerning military funds for Vietnam, I said:

I spent a year on the ground and I was out in the field every day, I saw the results of the criticisms of certain Members of Congress. It was devastating to the war effort. I do not agree it shortened the war. * * * Congress sat here in its air-conditioned offices and argued over this while the men who served there were in mud up to their knees and water up to their waists.

I was pleased to be one of the original members of the Vietnam Veterans in Congress Caucus, and this Caucus has tried to direct attention back to the Vietnam veteran who still suffers financially and emotionally. In 1979 during Vietnam Veterans Week, I commented in a radio interview:

* * * These young men served whether they were drafted or volunteered, they came back and there were no bands playing and nobody even knew they were gone in many cases. They had a very difficult psychological, mental, and emotional readjustment.

Even now, 10 years after the war has been over, they have a difficult time finding jobs in some cases. * * * There's a terrible misapprehension about the young fellows who served in Vietnam, and, because of the bad publicity, the war and the crisis of the war many people were critical of the veteran himself. Most of the criticism really should have been directed at the war itself. Yet, it rubbed off on the men.

And it still affects them. In the February 1 issue of "The Washington Post Magazine," Mr. Mark Baker did an excellent story on Vietnam and its brave veterans. It is lengthy, but I hope the members will read it. If you do not have time to read the entire article, at least read the last paragraph which is a touching reminder of how the Nation has in some ways failed the Vietnam veteran.

WAR STORIES

DIRECT FROM THE FRONT, TEMPERED BY TIME'S PASSING, REMEMBRANCES OF VIETNAM

(By Mark Baker)

Out comes the shoebox of Instamatic snapshots. Unceremoniously, the warrior's paper trophies are dumped on the middle cushion of the couch.

Machinery is a favorite subject. Tanks with muddy treads as tall as a full-grown man were photographed with the reverence little boys reserve for fire engines. A line of helicopters with their blades still and drooping look like giant, prehistoric flies, special effects created for some sci-fi movie.

The warrior flips through the stack for pictures of his comrades-in-arms. Boys with plastic guns strike silly poses, caricatures of men. A bunch of rowdy punks, drunk on their first six-pack, try to make poker faces, gambling with government-issued play money. Chubby grins flash from under a wisp of mustache that might have come from gulping milk out of a widemouthed glass.

"Hey, look at this one. This guy here in the middle is my buddy, Geezer," he says as though he were leafing through a high school year book. "Boy, he was a ——." The next instant his face clouds as his memory clears. "He's dead. He got wasted up on some hill."

He reaches for another photo. "That's me on the left. Geezer took it for me right after we got there. I weighed 145 pounds." It is difficult to recognize the 34-year-old man beside me in the baby face smiling from the picture in my hand. There's no beer gut; in fact the boy seems to ripple with hard muscle, like a teenage football star. Only the face is soft and unlined, doe eyes twinkling like the eyes of the two little girls who answered the door when I first arrived for this evening's interview.

The children are asleep upstairs now. His wife put out popcorn and beer and left for her Wednesday night ladies' bowling league. He has shown me around the house, has talked about his job with the public utility, the company softball team, the television show flashing silently across the screen in the corner of the room. Now the warrior has to talk about Vietnam.

He reels off his service number and the designation of his unit in a flurry of digits and military jargon. His story immediately stumbles over half-remembered dates and training camps.

One the narrative catches up to his first day in-country, the story wings through the loose details of his war in the mumbled monotone of a jaded tour guide. After 10 minutes, he's finished. "I don't know what else to tell you."

But the mental pictures had been brought down from the shelf and he can't resist

taking a look. The story begins to trickle out, gaining momentum, jumble of disconnected anecdotes and incidents.

"This is me up at the DMZ after I'd been there about six months," he says of the photo in the file he's holding. It's the same boy as before, squatting in red mud that seeps over the tops of his boots. His pants legs are rolled to the knee, fatigue green barely visible under the coating of clay. The only other piece of clothing he's wearing is a flak jacket—an armored vest with the words "DIE HIGH" printed on it. The grin is gone, replaced by the stony glare of an old man.

Strangely, his tone of voice hasn't changed throughout his vistation. Although he seems surprised as each distant bit of memory jumps into consciousness like a snapshot he forgot he took, he remains almost too composed. We wander back to where Geezer died.

Without much warning, his voice squeezes one note higher and stops with a choke. A tear rolls down his cheek before he has the presence of mind to catch it. He apologizes right away—man to man. Eyes averted, he begins distractedly to put the photos back in the shoebox.

As he does, he talks about a routine patrol he was on with his platoon when Geezer triggered a land mine rated afterwards at 150 pounds of explosives. The resulting crater was the size of the average bedroom in a suburban home. Six other men were killed with him. It was a common way to die in Vietnam.

His was among the thousands of closed caskets that were delivered to quiet graves all over this country during the war in Southeast Asia. As the story of how and why those boys died has unfolded in recent years, something has been missing—something personal and palpable; rarely has anyone bothered to talk to the men and women who know firsthand about the statistics and history of Vietnam, about the evil and the heroism and the rock 'n' roll madness. It is veterans like the man in whose home I am sitting who are most qualified to look inside those closed caskets and identify the bodies for what they are—dead boys killed in a war, boys who had names, personalities, stories of their own.

When I set out after those stories, what I heard were personal recollections—what are commonly called war stories. It must be assumed that they include generalizations, braggadocio and, very likely, outright lies. But if the stories that follow had been told within a religious framework, the telling would have been called bearing witness. The human imperfections simply authenticate the sincerity of the whole. The apocryphal aspects have more to do with metaphor than with deceit.

SIGN MY LIFE AWAY

I got into the Marines because the Army wouldn't take me. I was 17, hanging out in the neighborhood in Brooklyn with nothing to do. I knew I had to go to court sooner or later for some —— I was into. The Army recruiter didn't even want to look at me since they didn't get involved with court problems or 17-year-olds. Forget the Navy and the Air Force. They had intelligence tests, and I didn't have any.

One of the Big Boys who remembered me as a kid on the streets found out I was having a hard time getting into the service. He put his arm around my shoulder and took me down to talk to the Marine recruiter.

This big Marine takes one look at me and says, "This guy's a pussy. We don't want you. Get out of here." So I stand on a chair and get in his face and say, "Tell me about your big, bad Marine Corps."

"How old are you?"

"I'm only 17."

"Will your mother sign for you?"

"She ain't around."

The recruiter gave me $10 and said, "See that lady standing over there? Go give her the money, and I'm sure she'll sign for you." I was in this big courthouse in Queens, huge, with columns and the whole bit. She was standing next to a candy counter where they sold newspapers and stuff. So I go over and say, "Hey, I'm trying to get into the Marines. Will you sign for me?" No problem. She must have been doing this for a living.

That weekend I was in the Marines. I had to leave a note for my mother: "Mom, I went to Parris Island. I'll be back in a couple of months." I had no idea what I was getting into.

SMOKEY AND THE CUBS

The bus pulls into the receiving area. There's a guy with a Smokey Bear hat out there really looking lean and mean. He gets on the bus and starts reeling this —— off, "All right, you'll grab your bag. You'll get off the bus. You'll fall into the yellow footprints painted on the pavement . . ."

It was really funny, a takeoff from Gomer Pyle. The guy within arm's reach of the Marine was laughing just like everbody else. Smokey Bear whipped around and smacked him right in the face, knocked him halfway through the window. His head bounced off the luggage rack and he reeled back out in the aisle.

Smiles froze on faces. My heart stopped. We realized, "Hey, this guy isn't fooling around. He's going to come through this bus and kick all our asses." People started flying out of the door.

I came down with a couple of guys who were Puerto Rican street gang material from the big city and they thought they were bad news. They fell down the steps on top of me. We all stumbled into the right footprints on the ground and Smokey marches us into some barracks and stands us at attention. He's yelling and screaming, really intimidating. You dumped all of your stuff out on a table and he went by and just threw everything away. We were too scared to say anything to him.

I was next to this big Puerto Rican dude. Smokey catches the dude looking at him out of the corner of his eye. He says, "Are you eye—— me, boy? I don't want your scuzzy eyes looking at me. You think this is funny? I hope you —— up. I hate you Puerto Rican ——."

Eyes in the back of his head, Smokey sees a guy's eyes flick and he's there to punch him in the chest, five feet to the wall and back again. My knees were shaking. What the —— have I gotten myself into?

Then they march us into some barracks. Bare mattresses and springs. It's like a concentration camp. They turn the lights on and leave us there. My stomach is in a knot. I'm lying there thinking, "What happened to my world?"

WHO, ME? INFANTRY?

I foolishly went into the Army thinking, "Hey, with a few years of college under my belt, they're not going to put me in the infantry." I didn't see anything wrong with going to Vietnam. The only part I thought was wrong was my fear of being killed. I felt that somehow or other that shouldn't have been part of it. And I couldn't really picture myself killing people.

In boot camp I didn't meet very many patriots. They were guys that a judge had told, "Either you go in the Army, or it's two years for grand theft auto." Or they were schmucks like me who managed to lose their deferments. Or they were people who really had decided that the Army would be good for them in the long run.

To discourage us from going AWOL and deserting, all the new draftees were told that only 17 percent of us were going to Vietnam. And of that small percentage, only 11 percent would actually be combat troops. That eased my mind a great deal. Hey, there's still a chance that I won't have to go and get my guts blown out. Terrific.

At the end of our training, with only three exceptions—one fool who had gone Airborne, one guy who kept fainting and another kid who had a perforated eardrum—every single one of us went to Vietnam—200 guys.

WIRE MESH WINDOWS

I arrived in-country at Cam Ranh Bay. It's hot. The kind of hot that Texas is hot. It takes your breath away as you step out of the airplane. We were loaded on an olive drab school bus for the short ride from the airstrip over to the compound. There was wire mesh over the windows. I said to somebody, "What the hell is the wire for?"

"It's the gooks, man, the gooks," they say. "The gooks will throw grenades through the windows. See those gooks out there?" I look out and I see shriveled, little men squatting beside the road filling sandbags. They looked up at me with real contempt on their faces.

Here we are at one of the largest military installations in the world and we have to cover the windows to protect ourselves from little old men. I didn't put it all together at the time, but I knew something was wrong.

WHERE'S THE NEW GUY?

I arrived in 'Nam on an Easter Sunday. I flew into Bien Hoa early in the morning and got on an air-conditioned bus and was driven to the 90th Replacement Battalion, somewhere between Bien Hoa and Long Binh. I did whatever processing was necessary. Then in a formation after lunch I received orders to go to Long Binh and process into a transportation unit there. I was greatly relieved.

I thought, "Jesus, Long Binh. That's huge. That's like L.A. That's safe. Long Binh hasn't been hit in who knows how long. There's 25,000 people there. What a great way to go through the war."

At the same time, I was disappointed. I wanted to go to war. It was a test that I wanted to pass. It was a manhood test, no question about it. I did not know then the way I know now how safe my life had been. But some part of me knew that Vietnam was the event of my generation. Some other part also knew that I had led a pretty unchallenged life. I didn't know where I was going, so I might as well detour for a while and come up against something that was really hard.

I was at Long Binh for three days when the top sergeant said, "We're sending you forward." I had already written home and said, "You won't believe where I am. They have air conditioning!" He was really evil telling me with a smirk, "You thought you were going to have it easy, but you're not. You're going to one of the least desirable places anybody in this unit can be sent to."

I wasn't singled out. It was just the draw. I was new.

For a day, I couldn't even remember the name of the place I was going to. I'd heard it once and I couldn't remember it. A few of the guys who had been there told me stories about how often the place was hit. I got very scared. I had not been issued a weapon yet, and I was going to a place called Phuoc Vinh on a convoy.

Phuoc Vinh was a little bit like being at summer camp that first night. People were playing guitars, getting stoned. People were drinking and sitting under the stars. There was a barbecue. Then there was incoming.

It wasn't very close, but it was close enough. I didn't know what it was. Somebody just yelled, "Incoming." There had been some quick exchanges of useful information.

Give the new guy what he needs to know fast. Part of that was as simple as where the nearest bunker was located. I went to it and somehow managed to get in there in the midst of everybody else.

It was pitch black in the bunker and nobody was saying anything for a while. Out of the silence and the darkness, somebody said, "Where's the new guy?"

"I'm here," I said.

That was that, but there was something about that little exchange in the dark that I will never forget as long as I live. That question in the dark was authentically—I don't know what the word is—generous? Caring is too big a word somehow. Generous is enough. That's a lot. That somebody even bothered to think about me. Who the hell was I? This rather quiet, slightly older FNG in clean fatigues, whose boots wasn't even red yet. I was amazed.

BOOM! JUST LIKE THAT!

You'd hump your goddam brains out, up hills, over rocks, through water. Sometimes it was hand over hand through the roots of trees.

Ninety percent of the time, nothing happened, just boring, a walk in the sun, like sightseeing. But you're always aware that you could get blown away. You always protect yourself tactically to make sure your ass is covered.

You're hunting the smartest animal there is, and that's a human being. You can't believe how —— smart a man is. If you get one, it's blind luck. In the entire time I was over there, we got one confirmed kill on a day patrol out of battalion. It's their show; you're in their backyard.

I was constantly fatigued. The killing part is easy, but you're just so —— tired all the —— time. Your strength is zapped out of your body by the heat. Waiting in a column going down a hill, you go to sleep leaning against a tree. Every day you're out on patrol. Intelligence says they're out there, so here you go walking around in little geometric triangles. Go to this check point, go that check point, go here, go there. Day in, day out, day in, day out you get into a mind-numbing routine.

Humans are out there watching you. They know where you're going before you even get there. You see them running very far away in their straw hats and black outfits.

We had a constant attrition from boobytraps. Seven out of 10 casualties a month were traumatic amputees. On a sweep you all get in a long line and walk in. You're watching every place you step wondering who's going to hit it. You know someone is going to. Sweep and sweep and sweep, halfway through the day and nothing's happened. Are we going to hit a boobytrap today? Who will it be? It was mentally draining.

Boom! Just like that and a guy is missing a foot. Everything stops for a second, and there's a lot of action on the radio. A chopper comes down to pick him up. Zoom, he's gone. Then you're back at it again, hunting humans.

ONLY WORRY ABOUT DYING

Seeing guys get blown away, it didn't freak me out. You feel bad—"Aw, they got Zamallo" or "They wasted Baird," but what mostly goes through your mind is, "Jesus, I hope I don't have a big chunk of metal rip my head like that."

Watching guys die is a drag, but there's a weird educational side to war, too. The whole world gets absurd after a while. You do things that seem not right now, but which seemed right at the time. I used to love to go over to guys who would catch rounds in the chest or the guts and pretend I was a doctor. You had the license to do what ever you wanted. I would sort of experiment. You know, I couldn't do nothing to hurt these guys; they were dead. But there was something about sticking my hands in warm blood that I used to love, especially during the monsoon seasons.

Here you are with bodies going up all around you, so if you're going to do something absurd, do it and don't worry about it. That's something that I think everybody was doing there. I can actually say I never felt bad about anything I did in 'Nam, except for doing something like that once in a while. Or getting the pleasure out of it.

It's hard to believe, but I didn't have a care in the world while I was in 'Nam. I'd get up in the morning all covered with mud, look up in the sky with the rain splashing in my face and just smile. "I'm alive." The only worry you had was dying, and if that happened you wouldn't know it anyway. So what the ——.

You know what scared me in 'Nam? We had a guy die from an act of God. He was swimming on vacation and he drowned. I had forgotten that you still had to contend with God too. I didn't have it figured in the plot. That scared the —— out of me.

METAMORPHOSIS

Every time you came back to battalion from being on an operation, you get the day off, all the steaks, hot dogs and hamburgers you can eat, all the beer and soda you can drink. You just eat and get —— up. You're relieved of all responsibility.

You hang out, bull——, talk about women. Look for something cold, which was nonexistent. Go by the PX. Watch AFVN television. I'd see if I could commandeer a jeep and go up on Freedom Hill where they had a huge PX and a beer hall. You could talk to the Red Cross nurses.

I'd been out in the bush on an operation for 54 days straight one time. After all the beer and steaks, I went back to my hooch to have a conversation with my platoon sergeant. Just hanging out was incredible, the feeling of life. You were so aware of time over there you could taste it.

We were talking, and I happen to look over my shoulder. There's another person in the room. I was really surprised, because I hadn't heard anybody come in. Then I realized I was looking in a mirror and hadn't recognized my own reflection. Was that me? I had to smile to make sure. I was looking at a stranger. I'd changed. I'd never seen myself before. I'd become one of those guys that I'd seen when I first arrived in-country. Now I had that look in my eyes.

A TURKEY SHOOT

Somewhere along the line in the early stages of the war, some observation chopper pilot got tired of being shot at all the time. The guy rigged up three rocket tubes to the side of his helicopter, tied them into his electrical system and it worked.

So they started arming helicopters very heavily. Basic American ingenuity. These helicopters were never intended to carry troops or supplies or letters. They were just these big pieces of death machine that flew around.

In training films, a helicopter with one Minigun mounted in the nose would make a pass over a football field—50 yards wide and a hundred yards long. They'd turn a rabbit loose on the field and let him run around. Consistently, the ship would make one pass and kill the rabbit. Every time. The noise that they made was not like a gun, It was a long, deep, very loud belch.

BRAAAAAAAAAAAAAH.

Most of the time, we would just hang out in the standby shack close to the airfield and wait to get a call. There was a lot of bullshitting. But one night we were flying pretty far south and got a call in flight. A whole area was involved in a firefight, on the ground, in the air. It was really something. This night you could see the gunships firing, but even more fire was coming back up, .50 calibers.

"Whoa, let's think this over, man. I am serious. This doesn't look good. Not good at all." A .50 caliber machine gun is nothing to be —— with. Movies have done a disservice to that weapon. What they fail to convey is that a .50 caliber machine gun is big and bad enough that if you look around a city block, you will see almost no structure standing that you can hide safely behind if somebody is firing one of those things at you. It just goes through everything.

I guess we flew six sorties. Go out, expend all of our ammunition, fly back and load up. Go out again. Finally, dawn came. The battle broke off.

There were literally hundreds and hundreds of Vietnamese fleeing the area, any way they would. Panic. The sun was up and that was it. Time to get the hell out of Dodge. This wasn't a village. It was a big swampy area. They were leaving in boats, slogging on foot, anything. I don't know if they ran out of ammunition or what, but we were taking very little fire at that point and we were just killing everybody.

It turned into a turkey shoot. They were defenseless. There were three or four light fire teams working the area. We were just killing everybody. Hundreds of people were being mowed down. Bodies were floating in the water. Insane.

I was in there with the best of them. Blowing people off the boats, out of the paddies, down from the trees, for chrissake. Blood lust. I can't think of a better way to describe it. Caught up in the moment.

I BELONGED IN VIETNAM

I'd been living in the boonies for six months and flew right back to the States. So I was very disoriented. At El Toro Air Force Base a guy says to me, "Where you want to get stationed?"

"Marine Barracks, Brooklyn," I says, —— around with him.

"We got one in New London, Connecticut."

"That's close enough."

Bang, bang, bang, he stamps everything on my papers. I had no idea what Marine barracks was. I just wanted to be near the

neighborhood, hang out. I was a hot 19 years old and been to Vietnam.

I went to the Marine barracks in Connecticut and I found out—uh-oh, it's all embassy Marines. They're all covered in blue with red stripes down their pants, spit-shined boots, orders. None of them has been to Vietnam and this ain't grunt stuff.

These guys may be the finest in discipline, but they don't look out for each other. In 'Nam the grunts learned to look out for each other. You look out for your boys, you —— over the officers. Here, it's just the opposite. Everybody is doing everything they can to nail you. The Marine Game—you will go to the brig. I didn't want to hear that, I just came back from a war.

I signed in wearing my civilian clothes. I'm all alone and I was feeling all discombobulated. It was just too much, too quick for me. I said to myself, "No, man, I don't want no part of this." There was only one thing in my mind: get back to Vietnam where I felt at home.

I was there two hours and I flipped out. I started walking down the corridor knocking all the frames full of rules and regulations off the walls, throwing down all their little trophies and commendations. No words. Nothing.

There were about 10 guys there coming toward me, and I started going at blows with them. They beat the —— out of me, cuffed me and threw me in the brig. They gave me a shot of dope which —— me up, too.

After I got out of the hospital, I went over to see the major. He looked at my records and said, "You're a grunt. What are you doing here?"

"I don't know."

"Do you want to leave this unit?"

"Yes sir."

"Do you want to go back to West Pac?"

"Yes sir, I just want to get back to Vietnam, where I belong." I really felt that I belonged there.

No problem. I was out of that barracks in record time.

My second year in 'Nam I got into the Air Wing. All I did was smoke pot and ride gunner on helicopters.

I was going to stay a third year, but they gave me a year early-out and made me go back home. Some guys they had to lock up because they wouldn't leave Vietnam. A lot of guys wanted to die there. I mean, I wanted to die there. All my —— friends died there.

SOMETIMES, I MISS IT

I miss the sounds of the nights in Vietnam, with the choppers landing and the outgoing—not the incoming—fire. Although, even the incoming was exciting. The sounds are particularly vivid. The force after a large gun fires or a round lands, the feel of the gas from it on your face. Thinking about Vietnam once in a while, in a crazy kind of way, I wish that for just an hour I could be there. And then be transported back. Maybe just to be there so I'd wish I was back here again.

DEAR MR. USS276471

When I got my honorable discharge, I thought it would be really nice. It comes in the mail and it's a computer printout with my Social Security number on a piece of cardboard, so I just threw it away. I was really disappointed. I thought I'd at least get a little plaque or something.●

THE HOSTAGES—TRAPPED BY BIG BANK POLITICS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. HANSEN of Idaho. Mr. Speaker, for the Americans held hostage in Iran and for all America, it was 444 days of hell—444 days too many.

Strong evidence now suggests that the hostages were trapped by big bank politics—that the crisis could have been avoided, and that it could have been terminated honorably on several occasions during the ordeal.

Adding to the enigma is the fact that the U.S. Government would spend months on a plan to save an ex-King and the big bankers from Iranian revolutionaries and do nothing to protect American personnel in Iran from the rage of a predicted reprisal.

The hostages, their families, and all America are entitled to know what happened and why—and what will be done to prevent special interest groups from again dragging the Nation to the brink of disaster in the future.

The following letters to President Reagan and Secretary of State Haig unfold the final chapters of a very bizarre story which I introduced in the RECORD as "Irangate" on March 26, 1980, on December 5, 1979, on March 28, 1980, and on other occasions.

WASHINGTON, D.C.,
February 5, 1981.

Hon. ALEXANDER HAIG,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Since my letter to you of January 30, 1981, conversations with your office and other key officials demonstrate the need to more thoroughly assess alarming facts indicating the possibility that American Embassy personnel were seized as hostages in Iran because big international banking interests needed a reason for the U.S. government to freeze Iran's funds.

It is a grave situation indeed if American foreign policy is being manipulated by international money interests to the point of war where the nation's sons and daughters might well be called to fight and die in some foreign land for no better reason than to shore up the shaky loans of speculators in a risky market.

My investigations have discovered that Treasury Department officials at top levels formally explored the possibility of freezing Iranian assets approximately six months prior to the embassy seizure in Iran and the taking of American hostages. This has since been verified by other inquiries.

There is reason to believe that Treasury began an in-depth analysis of a freeze of Iranian assets held in U.S. banks at the request of banking interests including David Rockefeller of the Chase Manhattan Bank. I found, again with independent confirmation, that high State Department officials became involved in the process of determining the feasibility of freezing Iranian money in late summer, 1979—around the same time Mr. Rockefeller and officials at State were making arrangements to admit the deposed Shah of Iran into the United States.

It is a fact of history now that the arrival of the ex-Shah in the U.S. caused Iranian militants to storm the American Embassy in Tehran on November 4, 1979 and take American prisoners. The August 2, 1979 "Precht Document" and other evidence clearly show that U.S. government officials had been repeatedly warned at least three months in advance that embassy personnel would probably be taken hostage if the Shah were allowed to enter the U.S.

The Carter Administration reacted to the hostage crisis by implementing a freeze on billions of dollars in Iranian assets largely locked away in the Federal Reserve and twelve big American banks; and implications are strong that the plan to eventually seize the Persian assets was carefully plotted in advance by key U.S. government agencies.

At the very least, the fact that officials at Treasury and State were considering a freeze on Iranian assets early in 1979 does much to erase the perception created during the crisis that a freeze order on the assets was requested and received only after Americans were taken hostage in Tehran.

A preconceived freeze on the Iranian billions suggests the following observations and conclusions:

First, had the Iranians never taken American prisoners, the U.S. would have had no real legal basis to seize the assets. Despite the fact that the Revolutionary Government of Ayatollah Ruhollah Khomeini threatened, until the day the hostages were taken, to remove its assets from U.S. bank vaults, the new government never missed a payment on loans made by the American banking consortium to the former Iranian government under the ex-Shah.

Second, because Americans were taken hostage, former President Carter was able to invoke the freeze which Treasury and State Department officials had spent prior months preparing. Despite the broadly worded International Economic Emergency Powers Act under which Mr. Carter invoked his Executive Order freezing the assets, such a seizure of Iran's money would have been most arbitrary and probably unenforceable without the provocation of the kidnapping of American personnel in Tehran.

Third, allowing Iran to exercise its legal right to withdraw its assets (some $12 billion) from the U.S. banks and deposit the billions in gold and notes in other foreign banks, or perhaps Iran's own central bank, could have had ruinous consequences for some of the American international bankers. The Revolutionary Government of Iran said many of the U.S. bank loans to the former Shah were not approved by the Shah's Parliament and were therefore illegal and unconstitutional; this caused distrust between the new Iranian government and the American bankers.

Fourth, besides allowing U.S. seizure of the Iranian money, the hostage-taking undermined plans by the head of Iran's central bank, Ali Reza Nobari, to expose the numerous questionable and possibly illegal loans extended by the American banks to the ex-Shah—one group which were identified at a total of $1.3 billion were reported to have been extended despite the objection of the Chase bank's own attorney in Iran.

As already noted, State Department officials entered into deliberations about the freeze around the time preparations were in motion to receive the ex-Shah for "humanitarian" reasons. This was, as far as can be

determined, about July or August, 1979—a period during which former Secretary of State Cyrus Vance was sending communiques to Iran to notify the American charge d'affaires in Tehran, L. Bruce Laingen: "We are again considering how to respond to the Shah's continuing query to us through various channels regarding establishing residence for himself . . . and his family in the U.S.".

Secretary Vance also informed Mr. Laingen, at the very time his Department was involving itself in discussions about a freeze of Iranian assets, that the Shah could "remain in Mexico at least through October." Mr. Vance asked for Mr. Laingen's "personal and private evaluation of the effect of such a move (of the Shah to the U.S.) on the safety of Americans in Iran." By secret communique, Mr. Laingen responded that the move would require serious precautionary measures in advance to prevent a likely embassy takeover and hostage-taking.

More specifically, and in connection to a planned freeze of Iranian assets before the hostage-taking, I learned several months ago that David D. Newsom, then Under Secretary of State for Political Affairs, was involved in two crucial roles before the American Embassy takeover. Mr. Newsom was in charge of State's work on the freeze while at the same time involved in getting the ex-Shah to New York City for "medical" treatment.

A recent independent inquiry regarding this apparent dual role in the months before the hostage-taking, did not make direct contact with Mr. Newsom, but his Deputy Legal Adviser, Mark Feldman, stated that Mr. Newsom and his attorney staff did not become involved in the freeze of the Iranian assets until November, 1979.

Nevertheless, I have been informed by an official at the Treasury Department that Mr. Newsom became a party in the freeze order discussion in late summer and through the fall. Mr. Newsom then held secret meetings on a future freezing of the Iranian assets and excluded the lower-level treasury people, who had done the leg work on the freeze.

Leonard Santos, Deputy Advisor to the Assistant General Counsel for International Affairs at Treasury has confirmed that the State Department was involved in discussions about freezing Iran's assets months before the hostages were seized. He said the top State officials involved in the talks included Secretary Vance, Deputy Secretary Warren Christopher and Mr. Newsom.

Mr. Santos reported that Robert Carswell, Deputy Secretary of Treasury, also participated in top-level talks about the freeze with officials at State.

Mr. Carswell was a senior member of the large and prestigious law firm in mid-Manhattan, New York, Shearman & Sterling. The firm of Shearman & Sterling counsels Citicorp, the second largest U.S. bank holding company and a member of the Rockefeller-led consortium that made loans to the ex-Shah. Shearman & Sterling, moreover, was the law firm that accompanied the U.S. banking officials to Algiers in the final days of the hostage deal and helped hammer out terms whereby $3.67 billion of the frozen Iranian assets went directly and uncontested to the consortium of American banks.

Mr. Santos said that he and others at the Treasury Department began to worry that Iran might withdraw its assets from U.S. banks in America and overseas in the spring of 1979. This eventually led to consideration of a freeze on the assets through the summer and into the fall.

According to Mr. Santos, the Iranian government, but not the Iranian central banks, made threats up until the past November 4, when the hostages were taken. However, he admitted that Iran never did withdraw its assets as it threatened and that the central bank continued to make payments on the loans from the Rockefeller consortium.

The greatest fear was that Iran would withdraw its assets suddenly and disrupt the U.S. economy and international finance. He also stated that the U.S. bank loans to Iran were a prime consideration and motivation for Treasury and State to initiate formal consideration of a freeze on the assets, even though the loans had no call upon the assets as collateral.

Unfortunately, Santos could not really explain why the U.S. banks that had made loans to Iran, and whose foreign holdings greatly outweighed their domestic assets, did not, during the seven months Iran made its threats, prepare as much to absorb a possible loss as they did to secure a protective freeze. It is debatable how much the U.S. economy might have suffered if Iran had withdrawn assets from banks that held more foreign cash and gold than U.S. dollars, but there is little question that it would not have been in a magnitude like the suffering and dislocation caused by the hostage crisis.

Mr. Santos and his supervisor, Russell Munk, said the Treasury Department studied other options besides freezing the assets but neither man could stipulate what the other options were or how many other "options" Treasury probed.

It is important to remember that Iran, by law, had the right to withdraw its money from the U.S. at any time and leave, provided it continued to make payments on its loan obligations. During the months of discussion and memo-passing about the freeze, it slowly became apparent at Treasury that the United States would have a difficult time legally seizing the assets. U.S. law did not provide a solid basis to do so, and other countries with money in American banks would revolt.

This is where the key question arises. Was it just coincidence that the U.S. State Department, while thinking freeze, let the Shah into the U.S., thus triggering the hostage crisis, which in turn provided the lever needed to implement the long-planned freeze of the Iranian assets? It is most important to determine if there is such a connection.

It is equally important that hearings be held in the Banking Committees of both Houses of Congress into the legality of the loans made by the American international banks to the ex-Shah, and the vulnerability of this nation's banks which have extended hundreds of billions of dollars in foreign loans.

Certainly such hearings must also be directed into the complicity of big banking interests in the hostage crisis such as Mr. Rockefeller's apparent strong hand in pressuring the State Department into letting the ex-Shah come to the U.S.

As for the hostages, the most important thing to probe in hearings is why the State Department did not take precautions to protect the embassy personnel in Tehran before admitting the ex-Shah to the U.S. when their own officials stated for months in secret communiques that such action would cause the Embassy to be attacked and hostages taken. How can it be that the State Department would spend six months trying to protect the big money interests while their own employees are left to the wolves?

The involvement of the big banks and bankers did not cease with the capture of the hostages and the freeze. It was ongoing throughout the crisis in the odyssey of the former Shah and various contacts and negotiations, and culminated in a grand splash where the twelve big banks carved out the terms for the financial settlement necessary for the release of the hostages.

It is important to remember, as reported in the Washington Star of February 1, 1981, that:

"Until the embassy seizure, the Central Bank of Iran had been making scheduled payments on the loans. But the banks were worried that once the new government focused on the loans—and the huge interest rates involved—the payments would end. Although Iran had large deposits in the banks as well, they were immune from attachment by the banks. Thus, more of the loans are totally unsecured.

As a result, when Carter's Nov. 14, 1979, freezing order eliminated the immunity status of Iran's deposits, the banks leaped at the opportunity to draw on them to pay off the loans in full . . .

The United States has taken the position that Iran has to make its own deal with the banks regarding the loans, and any past due installment or interest payments on them. Only after this is done will the President release the funds remaining.

One or more of the American banks and the Iranian Central Bank have been having their own, secret negotiations on the loans since June, but there has been little progress. Surprisingly, the Carter administration has paid little attention to these talks, despite their obvious significance to an overall agreement.

The American bankers are insisting that past installments and interest on the loans have to be paid, and that any reinstated loans have to be secured or guaranteed by the new Iranian Government.

The conclusion flows easily. A crisis which originated in the big banks' need to protect unsecured loans ended only when those banks converted these shaky loans to debts paid or guaranteed in full by the Iranian Government—and the hostages sat there for 444 days until it happened. This is driven home by the statement of one bank representative as reported in the February 1, 1981 Washington Post regarding the final cable received from Iran which stated, "We've issued the instructions and note you have not yet followed them. You realize the fate of the hostages is in your hands."

Mr. Secretary, many people traveling to Iran over the many months of the crisis were frequently threatened with Logan Act prosecution, but to my knowledge no one ever challenged the bank interference in this foreign policy crisis. In the face of the clear record of bank manipulation of our dealings with Iran from the beginning to the end of the hostage crisis and the willingness of the State Department to condone such activity, one must ask who controls the foreign policy of the United States?

I appreciate your cooperation in securing an adequate investigation so that there will be the strongest possible guarantee against recurrence of this national nightmare.

Respectfully yours,

GEORGE HANSEN,
Member of Congress.

WASHINGTON, D.C.,
February 2, 1981.

Hon. RONALD REAGAN,
President, the United States of America, the White House, Washington, D.C.

DEAR MR. PRESIDENT: The attached letter of January 30, 1981 to Secretary of State Alexander Haig together with attachments constitutes a working "white paper" on the Iran hostage crisis. This material was prepared in response to (a) a request by the Office of the Secretary of State for details supporting the need for investigation of this ordeal and related matters, and (b) a suggestion by the former Minority Leader of the House of Representatives, John Rhodes, who was intimately involved in on-going efforts for crisis solution.

When this material is properly reviewed, I am convinced you will agree that there is no way this crisis can be relegated to history without careful investigation of alarming irregularities and disturbing questions.

Some of your key advisors during the election, in reviewing documents such as those I personally supplied to you, expressed grave concern with one commenting that this is "impeachable material." This concern was again expressed by high ranking transition officials who agreed there must be an investigation.

For fourteen months since the crisis began, and especially since my first trip to see the hostages in Tehran, I have continuously pressed for Congressional involvement and investigation. This has been supported by former hostages, hostage families, key Members of Congress, prominent elements of the media and a large number of concerned citizens. I have letters from virtually every involved leader in the past 96th Congress agreeing to the need for such action, especially now that the hostages are home; and this call has now been renewed by similar leaders of the new 97th Congress.

I respectfully suggest that it is vital that this investigation proceed immediately in order to put such a review in proper perspective because (as your Freedom of Information requests must attest) many journalists, some involved with the major media, are moving full-force into vital and sensitive areas concerning the interrelationship between banking, medical and government actions in the handling of the Shah and the revolutionary climate in Iran which put us at the mercy of kidnappers for 444 days.

The bottom line question has to be, "Why would provocative financial and political actions be taken without proper steps to protect American personnel and secret documents in Tehran?"

Evidence strongly suggests that American diplomats and Servicemen (ironically as the Biblical Daniel in Babylon) were arbitrarily, or even intentionally, cast into the "Lion's Den." These are among the questions which have arisen:

First, did the U.S. State Department knowingly trigger lawless elements of Iran to take American Embassy personnel hostage?

Second, why did the U.S. State Department allow the former Shah into the United States for any reason without providing proper security for Embassy personnel in Tehran in the face of the Precht document and others which clearly and accurately predicted the consequences?

Third, why did the U.S. State and Treasury Departments prepare a freeze order to protect big bankers in anticipation of the former Shah's entry into the United States and not make reasonable security provisions to prevent the kidnapping of American Embassy personnel?

Fourth, did the knowledge of a possible freeze order on Iran's assets coupled with the arbitrary admission of the former Shah to the United States irresponsibly provide a means for lawless elements in Iran to exploit the possibility of American plans for a physical and financial restoration of the Shah to power and a trigger for their capture of our Tehran Embassy in retaliation?

Fifth, did certain financial interests in the United States with risky investments unduly and even dangerously influence American foreign policy even to the point of Logan Act violations? Did they, for instance, move to protect their financial interests by intentionally triggering the implementation of a previously-planned U.S. government freeze-order on Iran's assets by bringing the former Shah into the United States with knowledge that such a move would provoke an attack on the U.S. Embassy in Tehran?

My recovery of U.S. secret documents in Iran and discovery of a pre-existing freeze order along with an early exposure of the role of big banks and questionable use of double agents suggest that American Embassy personnel and this nation may well have been held hostage 444 days too long by an incompetent, if not corrupt, foreign policy.

There can be no quick turn of the page on this terrible ordeal. America wants to know what happened and hopefully we can quickly move to provide answers.

Mr. President, there are also serious questions to be asked regarding Soviet intervention and terrorist activities, directly and through surrogates such as the P.L.O. and internal Iranian political factions including the militants who kidnapped and held Americans prisoner for 14 months. Certainly the Soviet policy reversal brought on by our presidency should have immediate attention—the switch from alternate active and passive support of America's embarrassing entrapment in Iran to tactics, beginning with the release of the hostages, designed to expel us and our influence from the Persian Gulf area.

A very prominent Iranian official in my office this week informs me that there is an alarming growth of Communist strength in Iran taking advantage of (a) increasing infiltration of agents from related Soviet areas like Azerbaijan, (b) a climate of political instability and chaos, and (c) the past U.S. policy of unreliability and weakness. This official pointed out that the abusive and terroristic tactics of the kidnappers are not characteristic of Iranians, and demonstrate Soviet and P.L.O. training which is also oppressing and terrifying the people of Iran. He warns that many around Khomeini are Communists who pay lip service in their prayers but wait for his death to make their bid for power with hopes of utilizing arbitrary measures and treaty devices to invite Russian involvement and assistance.

All of this and the war and the energy situation need our urgent attention and a proper review of the hostage crisis is the only way to get the full picture. I strongly urge your assistance to accomplish this, that the hostage ordeal will not have been in vain. This study and your refreshing new approach to foreign policy will provide more adequate insurance against the disasters in the future.

Respectfully yours,

GEORGE HANSEN,
Member of Congress.

WASHINGTON, D.C.,
January 30, 1981.

Hon. ALEXANDER M. HAIG,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: The hostages are home from Iran to a relieved and grateful people. Now is the time for introspection. We are all concerned that this devastating experience not be repeated, and the foreign policy comments and pronouncements from you and President Reagan since assuming office have been refreshingly meaningful and comforting.

Your current emphasis on the need to end Soviet-supported terrorism around the world is most welcome and crucial to real peace and human rights. In this context it is important that you know that knowledgeable sources in Iran informed me during the final days of the hostage negotiations that Soviet fear of the impending Reagan Presidency caused the necessary collapse among the militants making the hostage release possible.

Communist and PLO elements, comprising as much as 30 percent of the militant forces holding our hostages, were instructed to shift positions and support hostage-release due to concern that President Reagan would use the hostage problem as reason to significantly increase American presence in the Persian Gulf area—something Moscow wanted desperately to prevent.

This move, plus the Russian radio broadcasts attempting to unnerve Iranians with false reports of an imminent American invasion, were designed to minimize U.S. presence and maximize fear and hatred of Americans to enhance Soviet prospects for exploitation in an anti-communist revolution-torn land sandwiched between Soviet-dominated Afghanistan and Soviet-armed Iraq. The existing situation is further impacted by support from communist and leftist nations for both sides in the Iran-Iraq war attempting to assure a no-lose solution. This threat to Free World security cannot be ignored.

In addition, Mr. Secretary, I must bring to your attention shocking irregularities in State Department activities in the Iranian situation involving multinational financial interests which appear to have been a major cause of the American personnel in our Tehran Embassy being attacked and taken hostage on that tragic Sunday, November 4, 1979.

As a Senior Member of the House Banking and Finance Committee, I have for some time closely observed what appear to be gross manipulations of American foreign policy by certain big international banking interests which have placed the United States at the mercy of terrorists and blackmailers—the Iran crisis being a real case in point. Here are basic facts and findings:

First, the Iranian Revolution revealed that certain big international banks had provided huge shaky and controversial loans to the Shah of Iran against the advice of their own legal counsel and without the required approval of the Iranian Parliament.

Second, Iranian officials of the new Khomeini government threatened not to pay these "unconstitutional and illegal loans"

and even to withdraw their assets to prevent bank retaliation.

Third, some of the big banks apparently decided to get President Jimmy Carter to bail them out with a freeze order which was being prepared in the State and Treasury Departments some six months before Iranians attacked the U.S. embassy and took Americans hostage.

Fourth, then, one of the big bankers, with full cooperation from State Department officials, supplied the trigger for getting the freeze order applied by bringing the former Shah into the United States, despite the strongest possible intelligence warnings that such action would precipitate an attack on our embassy in Tehran and the taking of hostages. The State Department, in reckless disregard of its own alarming "secret, eyes only" documents, played into the hands of lawless elements of the Iranian revolution without any real efforts to protect American personnel by such steps as reinforcing the guard or closing the embassy (as was done by Canada when a provocative act was deemed necessary).

Fifth, the hand of the bankers remained obvious (a) as the U.S. State Department blundered in an attempt to return the former Shah to Mexico in a breach of protocol condemned by the Mexican Ambassador; (b) again in the movement of the former Shah to Panama; and (c) in the embarrassing contradiction of the White House orders as the former Shah fled to Egypt.

Sixth, and finally, the big bankers again emerged as the key figures in the final hostage negotiations taking center stage from the diplomats just as I had long predicted would happen. As a result, it was not Iran's demands which were fulfilled to secure the hostages' release; the imprisoned Americans instead were ironically released after 444 days when the bankers were paid in full, including their shaky loans. As was stated in the February 2nd edition of Time Magazine, "Government officials participated very little in the discussions. There was no exchange between the government and us, said one moneyman. 'They took what we gave them.'" Interestingly, the less influential claimants had their liens voided and were subjected to the delays and less certain fate of an international claims commission arbitrarily designated by Presidential direction without Congressional action.

Mr. Secretary, the pre-hostage relationship between Iran and the United States was disturbed by the alleged excesses of SAVAK and its affiliates and reported disruption of CIA subsidies to the Mullahs, and by identified financial scandals, in addition to banking irregularities, such as those involving Lockheed and Textron kickbacks to Iranian officials. Then, during the hostage period we witnessed the embarrassing machinations of unscrupulous double and triple agents feeding information for pay to the White House, the Iranians and the former Shah's family. For months and months leftist French lawyer Christian Bourguet and leftist Argentinian exile Hector Villalon dangled Hamilton Jordan in futility while the President's own brother, Billy, was unbelievably fusing the White House to the Libyan leftist regime in another wild chase, for a handsome $500,000 advance on a multi-million dollar oil royalty arrangement.

After deliberately sticking its neck into the kidnappers' noose, the United States government time and time again engaged in a succession of embarrassing plots and failures and continually sidestepped verified opportunities to honorably resolve the crisis and bring the hostages home. The hostages were apparently doomed by short-sighted politics and policies to remain until the big banks had been paid.

When a desperate out-going President and a destitute Iranian government became willing to settle at almost any cost, the plan developed, a plan which would have worked at the time of the 1980 General Election but for one overpowering reason—the Iranian government still did not control the hostages. The militants, using American prisoners as leverage to capture the Revolution, would not cooperate until the certainty of a Reagan Presidency collapsed the Communist faction finally forcing, after some uncertainty, the balance of the militants into an agreement with a mob-like factionalized government already tilted to the hardliners.

Mr. Secretary, because of the hostage crisis, the United States suffered large losses to taxpayers, consumers, and business interests, as well as damage to our national security, our foreign policy and our military image—all this in addition to the terrible ordeal and anxiety of the hostages and their families and caring people everywhere.

Because of the hostage crisis, Iran learned the hard way that "crime does not pay" as they now find themselves in war and chaos, in bread and fuel lines, in bankruptcy and disgrace, and having some $12 billion in assets shrink to $3 billion cash available.

Because of the hostage crisis, the Soviet Union has gained great spin-off advantages in crushing Afghanistan and having an open field for exploitation in a weakened and fragmented Iran.

Because of the hostage crisis, the big banks were again relieved of suffering any real consequences for imprudent and even illegal business practices, instead transferring the misery and destruction to others and encouraging the terrible acts of terrorism we are now determining to stop, thanks to your firm new policies.

Mr. Secretary, I strongly urge you to call on the State Department's Inspector General and appropriate Committees of Congress to investigate this shocking Lilliputian ordeal which saw a militant band of "little people" tie-up the great Uncle Sam for 444 days.

I have pressed for such an investigation for fourteen months and am most grateful for your interest. America and Americans must never again be easy prey for terrorists and kidnappers.

So much must be reviewed beyond the cosmetic inspections advocated by some people on the reported and unquestionable mistreatment of the hostages. It is imperative that in-depth investigations be made into:

First, the conduct of U.S. Foreign Policy which (a) allows this nation, as in the case of Iran, to blunder into awkward, humiliating and even damaging situations, especially as influenced by powerful self-serving special interest groups; and (b) to arbitrarily, and even deliberately, refuse to consider obvious opportunities for early and honorable recovery.

Second, (a) The advantages gained by the Soviet Union and Communist movement through the Iranian Revolution and capture of the American Embassy, personnel and documents, (b) the influence of leftists, the PLO and other terrorists and the Soviet Union on the hostage crisis and on the future of Iran and the Persian Gulf area, (c) the stability and composition of the present government of Iran and its future, considering reports of probable early collapse and the ongoing possibility of Khomeini being dead or incapacitated.

Third, the conduct of U.S. military operations as they apply to the planning and execution of special projects. The questions of timing, possibility of success and adequacy of training and equipment arising from the aborted rescue mission certainly must be addressed. The future must profit by lessons of the past and the experience of the planners and gallant volunteers who conducted the operation.

Fourth, the conduct of long-range American relations with Iran and Persian Gulf area nations, especially in view of expanded Soviet activities and influence.

Fifth, the conduct of embassy affairs, as experienced in the two Tehran takeovers of the U.S. Embassy, regarding the security of personnel, and the acquisition, processing, utilization, and protection of intelligence data and secret and sensitive documents.

Sixth, (a) the conduct of U.S. foreign policy regarding Iran and the hostage crisis by the Executive Department as it related to the Constitutional duties of this Congress to assure against extra-legal actions—an example being the unilateral formation of an international claims commission. (b) The use in the hostage crisis of double agents and other covert devices of a shady and possible compromising nature.

Seventh, the conduct of international financial interests in the Iranian situation, particularly as U.S. foreign policy and our national image have been affected by questionable bank loans, the kickback problems, and other financial relationships.

Mr. Secretary, we have been ravaged by militants who brutalized our people and who also exploit, suppress, and even destroy their own country. We should honor our commitments, but only in the same way as they delivered the hostages. It took 444 days for them to accumulate a responsible enough government to secure release of the captive Americans and we should take sufficient time in returning additional funds and assets to assure that it only goes to a government responsible to the people who are the rightful owners. We must ask which faction is the real government—Khomeini, Bani Sadr, Rajai, the Revolutionary Council, the Majlis, the militants or someone else—even if it takes 444 days. In the meantime, perhaps a more apparently responsible government will emerge.

It may also be in order for the United States government to file claims against the escrowed assets for taxpayer expenses in dealing with crisis and for compensation for the hostages and victims of the rescue mission and their families. I am, in the meantime, introducing legislation to provide proper reimbursement and compensation to these deserving citizens for their great sacrifice which I hope will have your support.

There are many proposals for recognizing or rewarding these hostages and the deceased members of the rescue mission, but I can think of no more legitimate recognition than the award of decorations for exceptional valor to those like Sgt. Lopez, whose heroics in protecting embassy personnel were so effective.

Again, Mr. Secretary, may I strongly encourage your support for an investigation of this tragic page in our history:

First, by your Agency.

Second, by the Defense Intelligence Agency on the basis of national security and the need to repair our intelligence system from the loss of sensitive data, equipment and strategic position caused by the Iranian Revolution.

Third, by appropriate Committees of the Congress.

I am enclosing background material supporting my ongoing call for investigation of the Iran crisis. I feel there is strong evidence supporting such an investigation and stand ready to provide further information as you may require.

Until we find answers to the questions posed by the hostage crisis, we will be haunted by the plaintive cry of one of the freed Americans as he stood face-to-face with the former President and in tears asked, "Why did you leave us there so long?"

Respectfully yours,

GEORGE HANSEN,
Member of Congress.

H.R. 1584

A bill to provide for certain benefits for the United States citizens held hostage in Iran

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Hostage Indemnification Act".

DEFINITION

SEC. 2. For purposes of this Act—

(1) the term "American hostage" means any American hostage as defined in section 101 of the Hostage Relief Act of 1980 (5 U.S.C. 5561 note) who was taken hostage during the November 1979 seizure of the United States Embassy in Iran; and

(2) the term "family member" means any family member as defined in section 101(3) of the Hostage Relief Act of 1980.

MEDICAL AND HEALTH CARE AND RELATED EXPENSES

SEC. 3. Under regulations prescribed by the President, any individual who was an American hostage, and any other United States citizen who was taken hostage in Tehran during the November 1979 seizure of the United States Embassy in Iran, and any family member of such an individual or citizen, shall be paid (by advancement or reimbursement), for the 3-year period beginning on January 20, 1981, expenses for medical and health care, and other expenses related to such care, to the extent that such expenses are not covered by insurance.

COMPENSATION FOR LOSS OF PERSONAL PROPERTY

SEC. 4. Under regulations prescribed by the President, each individual who was an American hostage, and any other United States citizen who was taken hostage in Tehran during the November 1979 seizure of the United States Embassy in Iran, shall receive compensation for personal property lost during the captivity of such individual or citizen, as the case may be.

ADDITIONAL RETIREMENT BENEFITS

SEC. 5. (a) Each day of captivity of an individual who was an American hostage shall be credited as one and one-half days for purposes of chapter 8 of the Foreign Service Act of 1980, subchapter III of chapter 83 of title 5, United States Code, and, in the case of an individual in the Armed Forces, for purposes of determining eligibility for retirement and computing retired pay.

(b) Subsection (a) shall not apply in any case in which the additional credit described in such subsection has been allowed under any other provision of law.

(c) No additional contributions with respect to retirement shall be required to be made by an individual who was an American hostage on account of the additional credit allowed by subsection (a) or allowed as described in subsection (b).

PROMOTIONS

SEC. 6. Notwithstanding any requirement of any other law (other than a requirement that an appointment be made by and with the advice and consent of the Senate), the President may appoint to the next highest class or grade of service, as the case may be, each individual who was an American hostage. This section shall not apply in the case of any individual who has been promoted, before the date of the enactment of this Act, as a direct result of such individual's status as an American hostage.

EARLY RETIREMENT

SEC. 7. Any individual who was an American hostage in the civilian service and who would be eligible for voluntary retirement under section 811 of the Foreign Service Act of 1980, or for immediate retirement under section 8336 of title 5, United States Code, as the case may be, if such individual continued in service for the 5-year period beginning on the date of the enactment of this Act, such individual shall be eligible for such retirement on such date of enactment. No additional contributions by such an individual shall be required and no reduction in annuity shall be made to such an individual on account of this section.

LEAVE FOR MILITARY PERSONNEL

SEC. 8. (a) Any individual who was an American hostage in the Armed Forces shall be deemed to have been in a missing status during the captivity of such individual for purposes of section 701(g) of title 10, United States Code, except that such individual may take leave accumulated during such captivity in lieu of being paid for such leave under section 501(h) of title 37, United States Code.

(b) Any individual who was an American hostage in the Armed Forces, in addition to leave accrued under section 701 of title 10, United States Code, shall be entitled to take 15 days of leave during the 1-year period beginning on February 1, 1981.

EDUCATIONAL ASSISTANCE FOR SURVIVORS OF IRAN RESCUE TEAM

SEC. 9. Any member of the Armed Forces who died in Iran in April 1980 during the aborted mission to rescue the American hostages in Iran shall be deemed to be a person who died of a service-connected disability for purposes of chapters 35 and 36 of title 38, United States Code.

PAYMENT TO FORMER HOSTAGES

SEC. 10. (a) The President shall pay $50,000 in lieu of any claims against the Government of Iran to each individual who was an American hostage and who was released by the Government of Iran on either July 11, 1980, or January 20, 1981, and to any other United States citizen who was held hostage in Iran due to the seizure of the United States Embassy in Tehran and who was released by the Government of Iran on January 20, 1981.

(b) The President shall pay $10,000 in lieu of any claims against the Government of Iran to any other individual who was an American hostage.

TAX PROVISIONS

SEC. 11. [(a)(1) For purposes of the Internal Revenue Code of 1954, the gross income of an individual to whom a payment is made pursuant to section 10 of this Act does not include such payment.

[(2) Payments made pursuant to section 10 of this Act shall not be subject to any tax imposed by any State, any political subdivision of a State, or the District of Columbia.]

(b) Any individual who was held hostage in Iran due to the seizure of the United States Embassy in Tehran and who was released by the Government of Iran on January 20, 1981, shall be deemed to be an American hostage for purposes of title II of the Hostage Relief Act of 1980.

PREFERENTIAL ASSIGNMENTS

SEC. 12. It is the sense of the Congress that any individual who was an American hostage should be permitted to select among available assignments to service in accordance with such individual's preference.

COMMENDATION OF FORMER HOSTAGES

SEC. 13. The Congress commends all those United States citizens who were taken hostage in Iran in November 1979 due to the seizure of the United States Embassy in Tehran for the courage, fortitude, and dignity they displayed throughout their captivity.●

SENATE—*Wednesday, February 18, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 8:20 p.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Almighty God, from whom, through whom, to whom are all things, we beseech Thee on behalf of our Nation and its leadership at this significant hour in national affairs.

We pray for the President of the United States as he addresses the Congress and the people. Give to him special wisdom, special strength, special clarity, as he communicates his message so crucial domestically and internationally.

We pray for the Members of Congress that they may hear with objectivity and respond with integrity as they understand their individual and collective responsibility.

We pray for the people that they will hear the President's message uncluttered by selfish interests and parochial concerns.

Grant to all of us a deep desire for the best for our country and the world. Let this be an evening marked by the highest and finest in loyal, dedicated citizenship.

We ask this in the name of Him who is the Lord of history. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 8:30 p.m., in which Senators may speak for not more than 1 minute each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMPREHENSIVE ECONOMIC MESSAGE—MESSAGE FROM THE PRESIDENT—PM 31

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying document:

To the Congress of the United States:

It is with pleasure that I take the opportunity this evening to make my first major address to the Congress. The address briefly describes the comprehensive package that I am proposing in order to achieve a full and vigorous recovery for our economy. The key elements of that package are four in number:

—A budget reform plan to cut the rate of growth in Federal spending;

—A series of proposals to reduce personal income tax rates by 10 percent a year over three years and to create jobs by accelerating depreciation for business investment in plant and equipment;

—A far-reaching program of regulatory relief;

—And, in cooperation with the Federal Reserve Board, a new commitment to a monetary policy that will restore a stable currency and healthy financial markets.

Taken together, I believe these proposals will put the Nation on a fundamentally different course—a course leading to less inflation, more growth, and a brighter future for all of our citizens.

To aid the Congress in acting promptly on these proposals, I am today forwarding the attached documents which describe the program in greater detail than I can in my address to you. Specifically, you will find the following documents in this package:

(1) An economic report—issued as a White House paper—that outlines all four of the elements in my program and sets forth the background to those elements.

(2) A lengthy report on my initial budget cut proposals that has been prepared by the Office of Management and Budget. It should be noted that this report will be followed by a complete budget submission to the Congress, addressing fiscal years 1981 and 1982. That report will be sent to you on March 10.

(3) A report on my proposals for tax reduction issued by the Department of the Treasury.

It is my hope that this combination of transmittals will allow the Congress to proceed in accordance with timetables established in the Congressional Budget Act and will permit rapid consideration of this entire program.

My Cabinet and other members of my Administration have worked intensively and cooperatively with me in developing this program for economic recovery. All of us are now eager to work with the Congress as partners in an undertaking that is vital to the future of the Nation.

RONALD REAGAN.

THE WHITE HOUSE, *February 18, 1981.*

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. Res. 75. An original resolution authorizing expenditures by the Committee on Banking, Housing, and Urban Affairs; referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PELL (for himself and Mr. CHAFEE):

S. 493. A bill to permit Charles E. Day, Sr., and Mary Day, husband and wife, to file an action against the United States in the U.S. District Court for the District of Rhode Island, and for other purposes; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 447

At the request of Mr. RANDOLPH, the Senator from South Carolina (Mr. THURMOND), the Senator from Arizona (Mr. GOLDWATER), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Mississippi (Mr. STENNIS) were added as cosponsors of S. 447, a bill to redesignate the days on which Washington's Birthday, Memorial Day, and Columbus Day are celebrated to make each such day a legal public holiday.

SENATE RESOLUTION 75—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 75

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Banking, Housing, and Urban Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,583,411, of which amount (1) not to exceed $1,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public hearings before the Committee on Energy and Natural Resources on President Reagan's proposed economic package and budget for fiscal years 1981 and 1982.

The hearing on the Department of Energy's budget is scheduled for Monday, February 23 at 2 p.m. in room 1202 of the Dirksen Senate Office Building. Testimony will be received from the Secretary of Energy.

The hearing on the Department of the Interior's budget and the Department of Agriculture's budget is scheduled for Tuesday, February 24 at 2 p.m. in room 3110 of the Dirksen Senate Office Building. Testimony will be received from the Secretary of the Interior and the Secretary of Agriculture.

For further information regarding these hearings, you may wish to contact Mr. Richard Grundy at 224-2564.

QUORUM CALL

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NICKLES). Without objection, it is so ordered.

JOINT SESSION OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-21)

The PRESIDENT pro tempore. Under the previous order, the hour of 8:35 p.m. having arrived, the Senators will proceed to the Hall of the House of Representatives for the joint session; and upon the conclusion of the joint session, the Senate will stand in recess until 11 a.m., Thursday, February 19, 1981.

Thereupon, at 8:35 p.m., the Senators, preceded by the Sergeant at Arms, Howard Liebengood; the Secretary of the Senate, William F. Hildenbrand; and the President pro tempore (STROM THURMOND), proceeded to the Hall of the House of Representatives to hear the address by the President of the United States, Ronald Reagan.

(The address delivered by the President of the United States to the joint session of the two Houses of Congress is printed in the proceedings of the House of Representatives in today's RECORD.)

RECESS UNTIL TOMORROW AT 11 A.M.

At the conclusion of the joint session of the two Houses, and in accordance with the order previously entered into, at 9:45 p.m. the Senate recessed until tomorrow, Thursday, February 19, at 11 a.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

HOUSE OF REPRESENTATIVES—*Wednesday, February 18, 1981*

The House met at 3 p.m.

The Reverend Leonardas Andriekus, St. Casimir's Monastery, Brooklyn, N.Y., offered the following prayer:

Eternal God, Father of nations and source of compassion, justice, and strength, we humbly bow our heads before Your Majesty.

Praised be Your name for the benefits, showered upon this great Nation and its leaders, so ardently working for a better world.

You have inspired them to be compassionate to the Lithuanian people, who have been suffering oppression on the shores of the Baltic Sea for over 40 years.

Lord, praised by Your name for inspiring the House of Representatives to commemorate the independence of Lithuania and giving to its people the hope to be free again.

Finally, we ask You to protect the United States of America as a fortress of justice and strength—to Your glory and to the joy of all freedom-loving humanity. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 69. Concurrent resolution providing for a joint session of the two Houses on Wednesday, February 18, 1981, to receive a message from the President of the United States.

The message also announced that the President pro tempore, pursuant to Public Law 97-3, appointed Father Ishmail Vincent Gromoff, from private life, to be a member of the Commission on Wartime Relocation and Internment of Civilians.

REV. LEONARDAS ANDRIEKUS

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute.)

Mr. ANNUNZIO. Mr. Speaker, it is a genuine pleasure to welcome to our Nation's Capital Rev. Leonardas Andriekus, who offered the opening prayer today. It is fitting that he joins us here today, for February 16 marked the 63d anniversary of Lithuanian Independence Day.

Father Andriekus was born in Lithuania and after joining the Franciscan order he studied at universities in Austria and in Italy, where he received his doctorate in canon law. Since 1964, he has been provincial of the Lithuanian Franciscan Fathers in the United States and lives in Brooklyn, N.Y.

Father Andriekus is also an accomplished poet, has published several volumes of poetry in the Lithuanian language, and an English translation of selections from his work was published in 1968 with the title "Amens in Amber." He was awarded the annual prize of the Lithuanian Writers' Association in 1961. I want to thank Reverend Andriekus for being with us today and to wish him continuing success in his dedicated work in the church.

NINE-DIGIT ZIP CODES—A FOLLY WE CANNOT AFFORD

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, I am introducing legislation today to prohibit the U.S. Postal Service from implementing a nine-digit ZIP code system, a plan which would cost both the Postal Service and the mailing public over $1 billion each. This extravagant plan will most likely not result in either increased efficiency or significant savings. If it is put into effect, taxpayers will pay more for absolutely no improvement in service.

The postal system needs improvement in many areas, and must be improved if it is to remain a viable enterprise in the competitive mail market, as a Postal Service task force concluded 5 years ago. But the nine-digit plan is not the answer.

As now projected, the Postal Service investment of $1 billion for the new system would include new automation and mechanization of the existing mail sorting process and the division of the country into approximately 20 million ZIP areas—up from the current 40,000 such areas. The Postal Service claims that the plan could save some $500 million in labor costs. But the facts, presented last year to a Government operations subcommittee hearing, flatly contradict this contention.

In that hearing, the Postal Service revealed that the $500 million figure is based on two expected events, both of which are unlikely to occur: Almost immediate public acceptance of the new nine-digit system, and deployment of massive new amounts of new equipment. Public acceptance of the current five-digit system was anything but immediate, as postal officials know. And the equipment to be deployed is simply not available, and as the Postmaster General admits, will not be available for some time.

Even if the plan would save money, the savings must be balanced against the estimated $1 billion in additional costs that will result from the required overhaul in mail files maintained in Government, private industry, and private organizations. This estimate, I must add, does not even include the increase in postage rates that will be needed just to offset the additional costs being incurred by the Postal Service. In the end, it will be the individual taxpayer and stamp purchaser who pays the additional costs.

Perhaps the added costs could be justified by a vast, clear improvement in mail delivery. But even the Postal Service admits that the four extra digits will only aid in sorting the mail, not speed it up. Even more likely, the new nine-digit ZIP could result in the creation of a new class of mail—business first-class—which would be given priority over individually addressed mail or business mail without the nine digits. It is entirely possible that the net result for most people would be slower, not faster, delivery.

In this time of inflation and Government cost cutting, there can be no excuse for the folly of the nine-digit ZIP. I urge my colleagues to join me in opposing this plan.

Mr. Speaker, the legislation I am introducing is as follows:

H.R. 1929

A bill to prohibit the use of funds to establish a nine-digit ZIP code

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2003 of title 39, United States Code, is amended by adding the following subsection at the end thereof:

"(g) None of the funds available to the Postal Service from the Fund shall be expended to implement a nine-digit ZIP code system.

BUDGET CUTS IN SYNFUELS SUBSIDIES

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, there has been a lot of criticism of President Reagan for his proposed plan to cut back some of the direct Federal subsidies for commercial development of synthetic fuels.

While many people here disagree with his plan, I do not. If we are serious about cutting the Federal budget and turning over to private enterprise many of the efforts which have been handled in the past directly by the Government, then certainly the commercial development of synfuels is one area that ought to be considered.

The record profits of the past 2 years, and even higher ones forecast over the next 10, should certainly provide ample capital for investment by big business and the oil companies in synfuels production.

With decontrol of oil, and possibly natural gas to follow shortly, there should be more than enough incentives to encourage the private sector to develop new energy technologies without Federal subsidies.

Certainly the Mobil Oil Corp., which earned almost $5 billion in the past 2 years, can afford to give up the $25 million it is asking the Federal Government for to help it study coal gasification.

If the President cuts Federal spending for that kind of a program in a carefully crafted way, I for one look forward to supporting him on it.

WE NEED HASTE WITHOUT WASTE—NOT BUSINESS AS USUAL

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I was distressed to read this morning that you intend to take a business-as-usual approach to the President's new economic package. You were quoted as saying legislation passed in haste makes an awful lot of waste.

I get very nervous when you start talking about business as usual. Business as usual in the last Congress put us a month late adopting the first budget resolution and 2 months late on a second budget resolution. We failed completely to adopt 4 of 13 appropriation bills. We had to waive the Budget Act dozens of times and actually violated our own laws. We put off major reforms in a number of areas and ended up in a lameduck session doing what we should have done months earlier. That was when your party had total control over this House, the Senate, and the White House as well.

Business as usual in the last Congress meant we sat idly by, fiddling away while the economy burned. We cannot afford more business as usual. We need the haste without the waste, and I am confident our President will take care of the waste if we oblige him by making haste.

□ 1510

CONGRESS MUST LEAD THE WAY IN BELT TIGHTENING

(Mr. ROTH asked and was given permission to address the House for 1 minute.)

Mr. ROTH. Mr. Speaker, this evening our President will deliver an address which may well prove to be an historic address. The President has set the right tone when he, President Reagan, recommended no pay raise for top Government officials and for Members of Congress.

Congress must lead the way in the national belt tightening that is needed to get inflation under control. I wish the President had gone even further and had seen fit to hold up pay increases for Federal judges.

Mr. Speaker, we here in Congress must set the example if we expect the American people to follow us.

DEMOCRATS THREATEN TO TORPEDO WHITE HOUSE PROGRAM

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, the President has not even been heard on his economic plans and yet the Democrats are already vowing to torpedo his program.

Mr. Speaker, you are quoted by the Washington Post as saying, "We're not going to go forward and ram through everything that he's asking for. Haste makes waste."

Further, Mr. Speaker, you are quoted by the New York Times as saying, "We're not just going to let them tear asunder the programs we've built up over the years."

In other words, the Democratic program seems to be to do nothing and do it slowly. That is a prescription for economic ruin. It is a slap in the face at the mandate of the people rendered just a short 15 weeks ago.

Economist Paul Samuelson wrote recently in Newsweek:

Reagan's goals are economically feasible, but few in Washington think his scenario is politically possible.

The Democrats have evidently decided to ignore economic need and go with political expediency, but that is a national tragedy.

SIXTY-THIRD ANNIVERSARY OF INDEPENDENT LITHUANIA

(Mrs. FENWICK asked and was given permission to address the House for 1 minute, and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, Monday, February 16, 1981, marked the 63d anniversary of the establishment of an independent State of Lithuania. Lithuanians throughout the world, including a large number of Lithuanian Americans, remember this date as a milestone in their brave nation's struggle for independence and self-determination.

The democratic State of Lithuania adopted a constitution preserving freedom of the individual, but it was shortlived, for in 1940 the country was invaded by the Soviets and declared a constituent republic of the U.S.S.R. This was carried out despite the explicit provisions of the 1920 peace treaty signed by the Soviets, recognizing Lithuania as a free and independent state and renouncing any rights of sovereignty over it.

The past 39 years of Soviet domination have not wiped out the spirit of the freedom-loving people of Lithuania. The Helsinki accord of 1975, signed by the Soviet Union, guaranteed them certain rights, and on this 63d anniversary of the founding of their republic we must renew our faith that these rights and pledges will someday be honored, and we must remember, too, the other Baltic States, Estonia and Latvia.

Mr. Speaker, our country does not recognize Soviet rights to rule these countries, and I hope the world will note that and long remember it.

A TRIBUTE TO THE LATE HONORABLE PAUL C. JONES, FORMER MEMBER OF THE HOUSE

(Mr. EMERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EMERSON. Mr. Speaker, I take this opportunity to advise my colleagues of the passing of former Representative Paul C. Jones last Tuesday, February 10, 1981.

With Congressman Jones' passing, the people of southeast Missouri have lost an old and dear friend—a friend whose lifetime was, in every sense, devoted to public service. As mayor of his hometown of Kennett, Mo., as a member of the Missouri General Assembly, as chairman of the Missouri Highway Commission, and as a U.S. Representative from the 10th District of Missouri, Paul Jones set an example of which all of us who hold public office should take note.

Throughout his 20 years in this House of Representatives, Mr. Jones gained an admirable and well-deserved reputation as one whose opinions, words, and actions were determined by conviction, not by political winds or

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

fear of opposition. He was not known as a conciliator, but as a courageous and honest advocate of the best interests of his constituents.

Among his colleagues in this House, Paul Jones was regarded as one always ready to speak his mind, and respected as one whose words were based on thorough knowledge and genuine understanding of the subject at hand. His diligence and expertise in the area of agriculture not only distinguished him as an invaluable member of the Committee on Agriculture, but served as a constant tribute to the tremendous agricultural resources of his district.

Likewise, Paul Jones' renowned advocacy of a strong national defense and for fiscal responsibility in our Government represented values that he did not merely express, but that he exemplified as both citizen and public servant. He did not just talk about national security, he served as an outstanding commanding officer of the Missouri National Guard. He did not just complain about waste in Government, he actively sought its elimination at every opportunity. In short, Paul Jones conducted himself with such sincerity that, even when in disagreement, his colleagues universally held his integrity and conviction in the highest regard.

Perhaps one of the greatest tributes ever given Paul Jones was delivered by one of his colleagues upon his leaving the House of Representatives in 1968. In remarks entered in the CONGRESSIONAL RECORD on October 12, 1968, Congressman Poage of Texas said of Paul Jones:

> I do not believe we could operate this House with 435 Members like Paul Jones. But I do not believe that this House will operate as well without Paul Jones. I believe that he has rendered a service which very few men can render, and I do not know of anyone who can take his place in the coming sessions of this Congress.
>
> He has had a unique ability and a unique courage of character. I admire Paul Jones greatly, even when we are in violent disagreement.

To those words, spoken by a close friend and colleague of the late Congressman, I can only add that the greatest tribute that we here today can pay to Paul Jones is a pledge to hold his example as the standard by which we, ourselves, serve in this House of Representatives.

Mr. Speaker, I will seek a special order at an appropriate time in the near future so that Members who wish may join in paying tribute to a highly respected late Member of this body.

INTRODUCTION OF CIVIL SERVICE AUTHORIZATION ACT OF 1981

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks).

Mrs. SCHROEDER. Mr. Speaker, I am today introducing the Civil Service Authorization Act of 1981. It is nearly identical to H.R. 5138, which passed the House on December 3, 1979. Unfortunately, it never received attention in the other body.

What this bill does is to place the civil service agencies of Government on 2-year expiring authorizations. Currently these agencies are permanently authorized. I see three advantages for establishing expiring authorizations.

First, an expiring authorization forces Congress to act affirmatively to perpetuate these agencies. I cannot foresee a time when these agencies will be abolished. Yet, the discipline of justifying these programs on a periodic basis is crucial to keep the size and budget of Government under control.

Second, an expiring authorization sets a schedule of oversight. It forces the authorizing committee to return to the program at the end of a fixed period of time and see what changes are needed. With basic legislation as profound as the Civil Service Reform Act, conscientious oversight is imperative.

Third, the mechanism of an expiring authorization permits the authorizing committee to communicate its views to the Appropriations Committee on the appropriate level of funding for programs within its jurisdiction.

From now on, we can no longer sit back and assume that Government programs will roll along perpetually. We must frequently appraise the programs we create. We must state the need which forced creation of the program, see whether that need still exists and see whether the program is meeting that need. And, we must be willing to end programs if they are no longer needed or running astray.

The Civil Service Authorization Act of 1981 will help meet this goal.

IN RECOGNITION OF THE ARMENIAN PEOPLE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I want to commend the gentlewoman from New Jersey (Mrs. FENWICK) on the very excellent speech she just gave with regard to Lithuania and the Baltic States.

I would like at this time to remind my colleagues that not only in the Baltics have we captive nations but in the Middle East there is the Republic of Armenia which was established following World War I, which subsisted for 2 years, which was recognized by the Government of the United States of America, and which was subsequently partitioned between the Soviet Union and the present Government of Turkey.

Armenia as a nation is still here. We have about 4 million Armenians in the world, of which about 500,000 live in the United States. But the sovereign State of Armenia has been overrun, and it, too, is a captive nation. But we here in America are not going to forget them because we still believe in the self-determination of nations.

INTRODUCTION OF THE ALIEN CREWMEN BILL

(Mr. WON PAT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WON PAT. Mr. Speaker, I am today submitting to the House of Representatives a bill to allow alien crewmen serving on U.S. fishing vessels to debark temporarily on Guam, the Northern Mariana Islands, and American Samoa.

This is admittedly a most controversial measure. My bill would amend a section of the Immigration and Nationality Act originally instituted to protect American jobs on American ships. Guam and the other offshore areas included in my measure are in a unique position, however. We have no large pool of fishing crewmen to staff U.S.-owned or based fishing vessels. The economic advantage to the people of Guam would be tremendous if U.S. companies could begin using the territory as a transshipment center. They will take their business elsewhere, however, if Guam and the other areas cannot accommodate the rest and recreational needs of the crews.

Guam, the Northern Mariana Islands, and American Samoa are isolated U.S. areas in the far western Pacific. Guam is over 6,000 miles from the mainland. The special needs of the territories must be considered carefully, which is why I am introducing this bill today to address this particular situation. Thank you.

OLDER AMERICANS ALTERNATIVE CARE ACT OF 1981

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, I do not think anyone would dispute the fact that there is a tremendous need for services which allow older Americans to remain independent in their homes and their communities as long as possible. My colleagues in both bodies and on both sides of the aisle have indicated that a change in current Federal policy toward the elderly is essential. The legislation I am introducing today, the Older Americans Alternative Care Act of 1981, would take the first steps toward making a comprehensive range of services available to older Americans and their families who are attempting to delay or avoid inappropriate institutionalization.

The need for comprehensive, coordinated, cost-effective alternatives to entering an institution has never been greater, and recent demographic research and analysis adds a dimension of urgency to today's situation. The 65-and-over population, which now comprises over 11 percent of the entire population, continues to grow faster than the younger population. By the year 2000, there will be almost 32 million elderly, and after that time, the numbers and proportion of the elderly will rise sharply as the "baby boom" population matures. These demographic trends will require us to rethink and restructure current policy toward the aging.

Institutional care, while expensive, is clearly appropriate and necessary for a number of our older citizens; however it makes no sense at all, either in humanitarian or fiscal terms, to emphasize institutional care for all older Americans. I believe we can develop cost-effective, compassionate alternatives through a range of services, including utilization of healthy elders in the effort to help their peers remain independent as long as possible.

Review and investigation of the status of programs designed to keep older Americans out of institutions by the General Accounting Office (GAO), the Department of Health and Human Services, and others, all point to the need for a coordinated, comprehensive approach which pulls together the disparate services of a number of programs into a coherent whole. The legislation I am introducing today is an attempt to begin to develop a comprehensive approach to dealing with the needs of older Americans, and it recognizes that older Americans are a diverse group, with many different needs and preferences as they strive to maintain their independence.

My bill would address this situation on three fronts by: First, expanding and liberalizing the home health benefit under medicare; second, by strengthening and expanding the Senior Companion program, an already existing, highly effective program of peer assistance to frail elders in the community; and third, by offering a $500 refundable tax credit for individuals who care for their parents in their home.

Title I of the Older Americans Alternative Care Act of 1981 would continue the efforts made in the last Congress to expand the home health benefit under medicare. As my colleagues are well aware, many of this Nation's elderly do not need and cannot afford costly institutionalization, yet the current orientation of the medicare program is still weighted in favor of institutional care. Recent studies show that if adequate home health services were available through medicare, approximately 2.5 million elderly people could be kept out of institutions. GAO also reports that there is a consensus among health care authorities that approximately 25 percent of the patient population is treated in facilities excessive to their needs. According to GAO, until elderly people become extremely impaired, the cost of nursing home care exceeds the cost of home care. It is obvious then that current Federal policy is costly both in fiscal terms and in terms of the quality of life for older Americans. Title I of my legislation would remove the homebound requirement, include periodic chore services, allow provision of covered home health services in certain adult day care centers, and allow reimbursement for respite services which are necessary to provide incentive and support to the primary caretaker of the person receiving home health services. I believe it is important to encourage people to take care of their loved ones by letting them know that respite services are available for the patient should they need a short break in order to tend to other responsibilities.

Title II addresses itself to strengthening and expanding an existing, effective alternative to institutionalization, the Senior Companion program. The Senior Companion program is one of the smallest programs administered by the ACTION agency. The program is a model of cost effectiveness, which serves not only the frail elder but also utilizes low-income healthy elders as the deliverers of client services. The approach of peers helping one another is beneficial to both and provides the Senior Companion with a small, protected stipend as well as the opportunity to serve others in a meaningful way. The Senior Companion budget request for fiscal year 1982 is $16.3 million, which would provide 6,000 companions serving 30,000 elders nationwide. Rather than creating another expensive program based on expensive professional intervention, I believe it makes a great deal of sense to expand this program, which channels 90 percent of its Federal funding into direct client services. There are few, if any, Federal programs which can make such a claim. The fact that Senior Companions are peers rather than professionals means that they have a special kind of insight and encouragement to offer those whom they are assisting.

A preliminary analysis of the effectiveness of the Senior Companion program in one project found that 62 percent of its clients had impairment levels similar to persons living in nursing homes. This finding is buttressed by others studied which have shown that the medical conditions of nursing home residents are shared by other persons residing in the community; it is the social situation of the nursing home residents which is different. It is the social situation of the frail elderly in which the senior companion intervenes. By providing companionship and support, help with the daily responsibilities such as food shopping, keeping medical appointments, assistance with meal preparation, minor household assistance, and a number of other important functions, including referral to other community services and professional help if necessary, the companion provides vital assistance in maintaining independence.

A number of approaches to avoiding institutionalization have been explored in the recent past. Clearly, it makes a great deal of sense to utilize an existing, cost-effective program with a proven track record. Thus, my legislation would increase the authorization level of the senior companion program to $100 million and codify many of the administrative provisions which make it so effective. This sum would provide 36,780 companions nationwide who, using the formula contained in this legislation, could serve 735,600 older Americans, a significant portion of the at-risk population.

As a complement to the Senior Companion program and the expansion of home health benefits, my legislation would also offer a $500 refundable tax credit to a taxpayer who kept the parent in the taxpayer's home. This provision recognizes that there are many situations where it is most desirable for all concerned to have the elderly parent reside in the children's home. This provision would create an incentive for families to arrange for this type of care.

The need to get control of the Federal budget is certainly a priority and one which will receive a great deal of congressional and public attention in the days to come. Nevertheless, it is important that we remain vigilant against false economies. President Reagan has said that medicare and other programs affecting the elderly will not be cut. This is an opportune moment to reevaluate current Federal policy toward the aging, which, although well intentioned, is inadequate, horrifyingly expensive, and does not emphasize the dignity of humanity of those it is pledged to assist. I believe we can get the job done, if not for fewer dollars then for the same amount of dollars, but in a way which once again makes old age something to look forward to rather than dreaded because of the specter of institutionalization and dependence.

A copy of the bill being introduced follows:

H.R. 1890

A bill to amend title XVIII of the Social Security Act to remove the homebound requirement for home health services and to include additional types of services as home health services, to amend the Domestic Volunteer Service Act of 1973 to clarify the purposes, goals, and administration of the senior companion program, and to amend the Internal Revenue Code of 1954 to establish an income tax credit for maintaining a household for dependents who are 65 years of age or older

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Older Americans Alternative Care Act of 1981".

TITLE I—MEDICARE AMENDMENTS

REMOVAL OF HOMEBOUND REQUIREMENT FOR HOME HEALTH SERVICES

SEC. 101. (a) Section 1814(a)(2)(D) of the Social Security Act is amended by striking out "is or was confined to his home (except when receiving items and services referred to in section 1861(m)(7)) and".

(b) Section 1835(a)(2)(A)(i) of such Act is amended by striking out "is or was confined to his home (except when receiving items and services referred to in section 1861(m)(7)) and".

(c) The amendments made by this section shall apply with respect to items and services furnished on or after the first day of the month following the month in which this Act is enacted.

INCLUSION OF ADDITIONAL ITEMS AND SERVICES AS HOME HEALTH CARE

SEC. 102. (a) Section 1861(m) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this title, such term also includes periodic chore services (as defined in subsection (dd)) in the case of any individual with respect to whom there is in effect a plan for furnishing such services (to that individual) which has been established and is periodically reviewed by the appropriate health professional under regulations, and respite care services (as defined in subsection (ee)) for not more than 52 days in any calendar year as determined by the Secretary taking into consideration the need for such services with respect to the individual for whom they are provided and the person who normally cares for the individual".

(b) Section 1861 of such Act is further amended by adding at the end thereof the following new subsections:

"PERIODIC CHORE SERVICES

"(dd) For purposes of the last paragraph of subsection (m), the term 'periodic chore services' means services which are performed in the home of an aged, blind, or disabled adult individual to help such individual remain in or return to such home, maintain or strengthen his capacity for self-care, and maintain or raise his level of functioning in the areas of personal care and household management, when such individual is unable to perform such services by or for himself, whether or not such individual also requires the services of a home health aide or other specialist. Such term includes the performance for an individual of household tasks, transportation for medical visits, and essential shopping and transportation to and from multipurpose senior centers (as defined in title III of the Older Americans Act of 1965, as amended) and nutrition projects (such as those funded under part C of Title III of such Act), essential shopping and simple household repairs, assistance in outdoor walking, and other services furnished to an individual which are reasonably necessary (as determined under regulations) to maintain him outside of a hospital, skilled nursing facility, or intermediate care facility.

"(ee) For purposes of the last paragraph of subsection (m), the term 'respite care services' means services for an individual who is unable to care for himself or herself on a full-time basis, which are provided on a temporary basis to such individual because of the absence of the person who normally cares for such individual, but only if such individual is a dependent of such other person for purposes of the Internal Revenue Code of 1954. Such services must be provided by persons who have been trained to provide homemaker-home health aide services, and such services must be provided in the home of the dependent individual under the supervision of a registered nurse who is employed by a certified home health agency, homemaker-home health aide agency, or local public health department. Such services shall, when necessary and appropriate, be provided in addition to other services under this title to ensure that such individual receives a coordinated system of services designed to help the individual reach his or her maximum level of independence.".

(c) Section 1861(m) of the Social Security Act is amended by inserting after "individual's home", in the material which precedes paragraph (1), the following: "or in an adult day care center which is a nonprofit center eligible for funds under title XX of this Act and which meets standards prescribed by the Secretary and applicable State and local health and safety requirements".

(d) The amendments made by this section shall apply to items and services furnished on or after the first day of the month following the month in which this Act is enacted.

TITLE II—SENIOR COMPANIONS PROGRAM

ADMINISTRATION OF PROGRAM

SEC. 201. (a) Part B of title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5011 et seq.) is amended by redesignating section 212 as section 213, and by inserting after section 211 the following new section:

"SENIOR COMPANION PROGRAM

"SEC. 212. (a) The Director is authorized to make grants or contracts to carry out the purpose described in section 211(a) through the establishment of senior companion programs. Each senior companion program—

"(1) shall be designed to encourage older persons receiving assistance under such program to participate actively in the affairs of their communities, to help themselves to the extent possible in order to lead independent lives outside of institutional settings, to take advantage of services and activities available to older persons under the senior companion program, and to reach out to their peers for companionship and assistance to the extent possible; and

"(2) shall be administered by a public or private nonprofit community-based organization of proven ability in providing services and assistance to older persons, except that such program may be administered under the auspices of a hospital in the community involved in any case in which administration by a public or private nonprofit community-based organization is not feasible or appropriate in such community.

"(b) Each organization is responsible for the administration of a senior companion program—

"(1) shall take such action as may be necessary to minimize costs associated with the administration of such program;

"(2) shall train senior companions through the use of available community resources, to the extent practicable, in order to minimize administrative costs and in order to coordinate the operation of such program with the activities of other community agencies and organizations; and

"(3) shall organize personnel participation in such program in the manner specified in subsection (c).

"(c)(1) The personnel administering each senior companion program shall consist of individuals serving as directors, supervising senior companions, and senior companions. Each director shall be responsible for overall administration of such program and for the supervision of approximately 10 supervising senior companions participating in such program.

"(2) Each supervising senior companion—

"(A) shall be responsible for the supervision of approximately 15 senior companions;

"(B) may participate in such program for not more than 40 hours during any workweek; and

"(C) shall devote 50 percent of such work period to the provison of services and assistance to older persons as a senior companion, and shall devote the balance of such work period to coordinating the activities of individuals serving as senior companions in such program.

"(3) Each individual serving as senior companion—

"(A) shall participate in the senior companion program as a part-time volunteer for not more than 20 hours during any workweek; and

"(B) shall be responsible for the provision of services and assistance to approximately 20 older persons.

The number of older persons which may be served by a senior companion shall be based upon the needs of such older persons, distances which the senior companion is required to travel in order to serve such older persons, and other factors present in the community involved (such as the provision of services and assistance in congregate housing programs and in ethnic communities). The director of any such program, in determining the number of older persons which may be served by each senior companion participating in such program, shall ensure that the nature and quality of service provided by each senior companion is not adversely affected by the number of older persons for whom such senior companion is responsible.

"(d) Each individual serving as a senior companion—

"(1) shall work primarily with homebound older persons, except that such senior companion may enter into cooperative agreements with nursing home officials for the purpose of identifying older persons who are able to return to their homes if support services are made available to them in their homes;

"(2) shall make an initial assessment of the needs of each older person to whom such senior companion is assigned, including an evaluation of—

"(A) the availability and quality of food at the home of such older person;

"(B) whether such home is safe, clean, and sufficiently heated or cooled;

"(C) the ability of such older person to care for personal hygiene needs with appropriate assistance and encouragement from such senior companion;

"(D) the availability of needed medical and rehabilitative supplies;

"(E) the ability of such older person to manage financial resources and affairs; and

"(F) whether such older person requires any immediate professional assistance, as the result of despondency, drug dependence, or other similar factors; and

"(3) shall provide such older person with a variety of personal care services, nutritional services, social and recreational services, home management services, and information and advocacy services, which may include (A) shopping assistance; (B) transportation for medical or other appointments; (C) letter writing; (D) maintaining contacts with family and friends; (E) bill payments and other financial matters; (F) meal preparation assistance; (G) minor housekeeping chores, sewing, minor home repairs, and personal hygiene services and other personal care services; (H) companionship and socialization; and (I) initiating contacts with social service providers, including providers of (i) mobile meal services; (ii) chore or homemaker services; (iii) nursing services; (iv) income assistance services; (v) transportation; (vi) social and recreational programs; (vii) medical services; and (viii) income tax assistance.

"(e) Not more than 10 percent of any funds received by any public or private nonprofit organization under this section may be expended for administrative services which are not directly related to the provision of services or assistance to older persons.".

(b) Section 211(b) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5011(b)) is amended by striking out ", and as" and all that follows through "companionship".

AUTHORIZATION OF APPROPRIATIONS

SEC. 202. Section 502(b)(2) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5082(b)(2)) is amended by adding at the end thereof the following new sentence: "There is further authorized to be appropriated $100,000,000 for the fiscal year ending September 30, 1982, for the purpose of carrying out programs under section 212.".

TITLE III—INCOME TAX CREDIT FOR MAINTAINING HOUSEHOLD FOR OLDER DEPENDENTS

REFUNDABLE CREDIT FOR MAINTAINING A HOUSEHOLD FOR DEPENDENTS WHO HAVE ATTAINED AGE 65

SEC. 301. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section

SEC. 44F. MAINTAINING A HOUSEHOLD FOR DEPENDENTS WHO HAVE ATTAINED AGE 65.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual who maintains as his home a household any member of which is a qualified dependent of such individual for the calendar year, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year beginning in such calendar year $500.

"(b) QUALIFIED DEPENDENT DEFINED.—For purposes of this section, the term 'qualified dependent' means, with respect to any household maintained by a taxpayer, any individual—

"(1) for whom such household is the principal place, of abode for more than 9 months of the calendar year,

"(2) who is a dependent of such taxpayer (as defined in section 152) for such year, and

"(3) who has attained the age of 65 before the close of such year.

"(c) SPECIAL RULES FOR MAINTAINING A HOUSEHOLD.—For purposes of this section—

"(1) IN GENERAL.—An individual shall be treated as maintaining a household for any period only if over half the cost of maintaining the household for such period is furnished by such individual (or, if such individual is married during such period, is furnished by such individual and his spouse).

"(2) MULTIPLE SUPPORT AGREEMENTS.—For purposes of determining under subparagraph (A) whether the taxpayer furnishes over half the cost of maintaining a household, any support of any qualified individual with respect to such household, treated as received from the taxpayer under section 152(c) for any period, shall be treated as a cost of maintaining such household furnished by the taxpayer for such period.".

(b)(1) Subsection (b) of section 6401 of such Code (relating to excessive credits treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)" and inserting in lieu thereof "43 (relating to earned income credit), and 44F (relating to maintaining a household for dependents who have attained age 65)", and

(B) by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44F".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "39 and 43" and inserting in lieu thereof "39, 43, and 44F".

(3) Sections 44C(b)(5), 44D(b)(5), 44E(e)(1), and 56(c) of such Code are each amended by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44F".

(c) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting before the item relating to section 45 the following new item:

"Sec. 44F. Maintaining a household for dependents who have attained age 65.".

(d) The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

SUPERTANKER BAN

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, over our recent recess, I made a visit to my district in Washington State. During that visit, I had the pleasure of attending the dedication of an expanded vessel traffic safety system, or VTS, for the waters of Puget Sound.

I was pleased to see the Coast Guard complete the Puget Sound VTS. But I stand here before you today because I am concerned that the VTS alone may not do enough to protect the waters and shores of Puget Sound. At that dedication, I made a pledge to the people of Washington State to act here in the Congress to protect the marine environment of the sound.

The Port and Waterways Safety Act of 1972 charged the Coast Guard with two duties: The protection of marine traffic; and the safeguarding of the marine environment.

The VTS is the fulfillment—and I might add, a major fulfillment—of one part of that act.

But what about the other part—the part which charges the Coast Guard with protecting the marine environment? Mr. Speaker, that is why I am here today.

We have witnessed much activity on this issue in the past 9 years, since passage of the original act. But despite State legislation, Federal legislation, proposals, and counterproposals by the concerned people of this body and the State of Washington, 9 years later, there are still no comprehensive tanker safety regulations for Washington State waters.

My reason for concern at this particular juncture is the now-infamous memorandum from Rear Admiral Wallace to Vice Admiral Scarborough, recommending "that a regulation be added to continue in force in 125,000 deadweight ton limitation of the size of tankers operating in Puget Sound until the VTS improvements are implemented." I repeat: "Until the VTS improvements are implemented." It is in light of this statement that the need for prompt action becomes clear.

And I am concerned, Mr. Speaker, that special interests—big special interests—will pressure the Coast Guard to rescind the regulations now that the VTS is in place.

In my opinion, this would be a major mistake. While the VTS is impressive and will serve its tracking function well, it can do very little in preventing a catastrophic oil spill. And it seems to me, the larger the tanker, the greater the spill could be.

There is nothing in the VTS which could prevent mechanical failure. Recently, the Coast Guard conducted supertanker-tug maneuverability tests in the Strait of Juan de Fuca. When rudder failure was simulated, it took two tugs 17 minutes to attach their lines to the tanker. In those 17 minutes, the 188,000-deadweight-ton tanker traveled 4.4 miles. There is a lot of damage which could be done in 4.4 miles.

The Coast Guard says that fewer ships traveling through waterways will mean fewer accidents. I say, larger ships mean larger spills, if an accident should occur. Studies to determine the potential risk factors involved can only go so far. How do you place a value on Washington State's fishing and shellfish industries, its tourism industry, and its recreational opportunities? Should even one spill occur, irreparable damage could be done to the marine environment which fosters the Puget Sound way of life. Along with protecting the marine environment goes protecting the region's marine-related economy. Just one spill could

have devastating effects. Just ask the oysterman in Brittany whose livelihood was virtually destroyed by the *Amoco Cadiz* disaster.

So we have some idea of what the effects of a major oil spill in Puget Sound could be—and they could be terrible, and they must be avoided.

Because of my grave concern, I am here today to take action. I am introducing legislation to mandate a 125,000-deadweight-ton limitation on tank vessels entering the waters of Puget sound. And my colleagues from Washington State, Congressmen LOWRY and SWIFT, whose districts also border on the sound, are joining me in supporting this bill.

Put simply, the issue of tanker safety is too important to be ignored any longer—we have already waited 9 years; 9 long years since the Congress passed the Port and Waterways Safety Act of 1972. How much longer can we chance a spill before our luck runs out?

In closing, I would like to place in the RECORD a letter I received in 1977, when we passed the Magnuson amendment to the Marine Mammal Protection Act. The letter says simply, "Thank you * * * someday, when my kids have heard how Puget Sound was saved, they will say 'tank' you, too."

The real issue here is our future. Will we leave it to chance, or will we act to insure that our posterity has some choices?

I, for one, feel that the time is ripe for action.

Why leave it to Lady Luck when we ourselves can act to reduce the possibilities of human error and mechanical failure? Tanker standards are not unreasonable. Size limitation will reduce the chance of a major oil spill.

I hope you will join me in supporting this legislation. Let us not wait until our luck runs out.

□ 1520

EL SALVADOR: THE POLITICAL DIMENSION

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. McHUGH. Mr. Speaker, according to the Washington Post, Secretary of State Haig met yesterday with congressional leaders to discuss U.S. policy toward El Salvador. We also know that the State Department conducted a Members only briefing on Capitol Hill yesterday, and that the Department has sent top officials to a number of countries to brief foreign leaders on U.S. policy toward that nation.

In short, after some indecision and delay, the Reagan administration is now focusing on this sensitive issue, and appears to be engaged in a campaign to build support for increased levels of military assistance to the present Government of El Salvador. As justification for such an increase, the administration cites certain evidence that the Communist bloc has increased military assistance to the leftist guerrillas fighting the present regime.

Mr. Speaker, as one who has closedly followed the tragic developments in El Salvador for more than 1 year, I am very concerned that the administration appears to be defining the fundamental issues in El Salvador in a manner that obscures rather than illuminates the choices we face.

No doubt the guerrillas are getting support from outside the country. This has been true for some time. However, in overly dramatizing the military threat to the present Government, a threat that Government security forces have thus far been able to contain successfully with relatively little military assistance from the United States, the administration now appears to be defining the issue solely as one of external intervention in the affairs of El Salvador. In the process, the administration is downplaying those internal political issues that should be fundamental in shaping U.S. policy toward El Salvador.

The fact is that the struggle in El Salvador is primarily a political struggle that has taken on military overtones, not a military conflict in which the political issues are subsidiary. While the present government may be able to win the military struggle with or without U.S. military assistance, it could still lose the political struggle and thus lay the seeds for its own collapse.

The fundamental problems facing the present government of El Salvador are associated with satisfying the aspirations of the Salvadorean people for justice, peace, and economic progress. And those aspirations cannot be satisfied by the present government unless it moves vigorously to undercut the appeal of the left by implementing more rapidly the land reform program it announced last spring, and by curbing the excesses of its own security forces, elements of which have engaged in the indiscriminate murder of the civilian population.

To be sure, both of these tasks would be difficult under the best of circumstances, and thus are even more difficult in the face of an active guerrilla movement. However, without pursuing internal reforms and controlling indiscriminate violence by its security forces, the government will never secure the support of the people and will not survive politically regardless of how much U.S. military aid it receives.

If the administration really wants to avoid a radical leftist government in El Salvador, it must press the present government to take these initial political steps. Military aid, in the absence of political action, will have no effect. Indeed, it will only assure ultimate defeat and a growing perception that the United States is incapable of effectively dealing with the forces of change in the hemisphere.

Finally, Mr. Speaker, our policy should encourage the present government in El Salvador to broaden its base by seeking a negotiated solution with those elements of the left that are committed to a democratic future for El Salvador. While it would be foolish to believe that all elements of the left would be willing to participate in such a resolution, I believe that important elements of the left would be willing to do so if the government of El Salvador and our Government were prepared to invest the time and energy needed to bring it about. This would in turn ease military pressures on the present government and allow it to deal more effectively with those political issues that are fundamental.

Unfortunately, it is this political dimension of the problem that the Reagan administration appears to be ignoring. Yet, as the Washington Post points out in its lead editorial today, the administration's best chance of preventing a victory by the left "is to show itself open to the political dimension as well."

Mr. Speaker, for the benefit of those of our colleagues who may not have seen this editorial, I am inserting a copy into the RECORD at this point:

[From the Washington Post, Feb. 18, 1981]

EL SALVADOR: THE POLITICAL DIMENSION

A military response is necessary in El Salvador, where a Nicaraguan-, Cuban-, Soviet-supported insurgency is attempting to overthrow an army-backed center-right government with a commitment to social reform. But a political response is necessary, too. It has not been in sufficient evidence as the Reagan administration cranks up to make El Salvador a demonstration of its worldwide anti-communist strategy.

A political response means two things. The Salvadoran government must show itself as eager to halt violence directed against civilians by soldiers and the right-wing death squads (often the same people) as it is to halt violence conducted by guerrillas. Precisely here lies the importance of keeping the heat on the government to discover who killed the American church workers. This incident cannot be parked in a "human rights" cubbyhole. It is, for many Salvadorans, the test of whether their government is on their side. The United States would not want to help the government reduce the guerrillas, as could yet happen, only to find that the government's failure to rein in its own forces still denied it broad popular support.

The other requirement is to construct a negotiating framework, of which nothing has so far been heard from Reagan officials. Among the guerrillas and their civilian supporters, some are committed to armed struggle to the point of regarding compromise as betrayal of their revolution. But others appear to be more conciliatory. The code word "Zimbabwe," meaning talks by opposing forces in a civil war, is gaining a certain currency. The United States may not have the sole duty, or the best opening, to promote negotiations. Mexico, for instance, seems better placed, if it could break through its revolutionary rhetoric and try. Other international parties are standing by. But the American interest in negotiations must be asserted.

There is an undeniable military dimension to the El Salvador crisis, but the crisis remains essentially political. The administration should not oversell the notion that a military showdown, launched essentially for considerations of American global strategy, is everything. Its best chance of being successful and supported in the policy it is now unveiling is to show itself open to the political dimension as well.

PRISONERS OF CONSCIENCE

(Mr. McGRATH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McGRATH. Mr. Speaker, yesterday, I brought to my colleagues' attention the plight of Iosif Mendelevich, a Soviet Prisoner of Conscience who has been incarcerated since the first Leningrad trials.

This morning, I was delighted to learn that Iosif Mendelevich has been freed, and by now he is in Israel. I am certain that the expressions of concern on the part of many Members of Congress helped bring about his release.

It is significant that Iosif Mendelevich is the last Jew who was convicted at Leningrad to be released. However, the violations of human rights by the Soviet Government transcend religious bounds. There are two remaining Prisoners of Conscience from the first Leningrad trials, Alexei Murzhenko and Yuri Federov. These men, both Ukrainians and non-Jews, must not be forgotten.

I have been informed that the Long Island Committee for Soviet Jewry and similar organizations around the country, who have worked so hard for the release of Iosif Mendelevich, have pledged to make the release of these two remaining individuals their top priority.

I urge my colleagues to join with me in urging the Soviet Government to recognize its obligation to comply with the Universal Declaration of Human Rights and all other human rights accords to which it is a signatory.

B-1 AIRCRAFT

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GOLDWATER. Mr. Speaker, today's Washington Post carries an article proclaiming the good news that the manned penetrating bomber is on its way back into the U.S. strategic arsenal. The Reagan administration, true to the campaign promises of the past 2 years, intends to include between $1.5 and $2.5 billion for development of a variation of the B-1.

I know that Members on both sides of the aisle are delighted to see this development. This House has consistently indicated over the past 4 years its desire that the United States have a long-range penetrating bomber. No fewer than 35 Members cosigned a letter to former President Carter requesting that he restore the B-1 program. Additionally, 297 Members voted against deleting $200 million from the fiscal year 1981 defense authorization bill for R. & D. of the strategic weapons launcher, another variation of the B-1 capable of long-range delivery.

The past decade has seen our defense posture seriously eroded in terms of manpower, materiel, and readiness. The B-1 is an integral part of the rebuilding of a credible military presence around the world. Our sole long-range bomber right now is the B-52 which was built for service in Korea. It is a crime that this country relies on aircraft designed before most of the pilots who fly it were out of diapers.

Military experts agree that the B-1 aircraft is unsurpassed at long-range delivery of nuclear warheads. No one should doubt the need for this plane. Let us all work together to insure speedy development and rapid deployment of the B-1.

THE 63D ANNIVERSARY OF LITHUANIAN INDEPENDENCE

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, as we celebrate the 63d anniversary of Lithuanian independence, we must not forget that for the past 40 years Lithuania has been the victim of foreign domination. We must not forget who the oppressors are.

The Soviet-Nazi pact set the stage for the destruction of freedom for Lithuania and the other two Baltic States, Latvia and Estonia. We all remember that the Soviet-Nazi pact spelled the end of Polish independence, and it is proper that we remember. But, we should not forget the Baltic States.

Lithuania is a forced and reluctant part of the Soviet Empire. Its plight symbolizes the horrors faced by all of the nations dominated by Communist imperialism; mass murders, deportations to slave labor camps, and Communist indoctrination of children. Lithuanians continue to resist.

Although the local Communist leaders have Baltic names like Petras Griskevicius, First Secretary of Lithuanian Communist Party Central Committee, the orders come from Moscow and must be obeyed. The Lithuanian Communist Party Congress which ended January 30 unanimously adopted a resolution in support of the decisions of the Central Committee of the Communist Party of the Soviet Union.

The Lithuanian love of freedom represents the feelings of all of the oppressed people of the Soviet Empire. The Communist government answers with repression. In the last year over 200 Soviet dissident leaders were imprisoned to add to the tens of thousands already in the slave labor camps. The Baltic States were well represented among the victims.

The Lithuanian people demand freedom of religion for themselves and for the other captive nations. The Soviet Government responds with arrests of clergy and believers.

Word has filtered out of the Soviet Union of student demonstrations in the Baltic States in September and October 1980. The KGB suppressed those students with violence and arrests.

We free Americans look forward to the day when the people of Lithuania and all the peoples of the nations oppressed by Soviet imperialism can join with us in a friendship based on freedom.

I was privileged to join our patriotic, Lithuanian Americans last Sunday in their observance of Lithuanian Independence Day in Cleveland. It was my good luck to be chosen as their speaker at the ceremonies. The following resolution was adopted by those in attendance and I insert it at this point in the RECORD:

LITHUANIAN AMERICAN COUNCIL, INC.,
Cleveland, Ohio.

We, Lithuanian Americans of the Cleveland area, gathered at the parish hall of the Our Lady of Perpetual Help Church in Cleveland, Ohio, on Sunday the 15th day of February, 1981, to observe the sixty-third anniversary of the restoration of independence of Lithuania, have adopted the following resolution:

Whereas on February 16, 1918, Lithuania, a sovereign state and a kingdom since the 13th century that came to an end in 1795, rose again after a 123 year occupation by its neighbors and in its ancient capital of Vilnius proclaimed itself an independent republic; and

Whereas on June 15, 1940, the Soviet Union broke all existing treaties with the Republic of Lithuania and forcibly and illegally occupied its territory, which fact had been officially confirmed by the Select Committee on Communist Aggression of the U.S. House of Representatives of the 83rd Congress and condemned by all U.S. Administrations; and

Whereas, while many former African and Asian colonies have become independent, the Soviet Union continues to subjugate, exploit and deny all human rights to the Lithuanian people, which is contrary to the beliefs of the civilized community, and through a program of deportations and colonialization continues to change the ethnic character of the population of Lithuania,

thereby committing genocide; now therefore be it

Resolved, That we again demand that the Soviet Union withdraw its armed forces, colonists and its entire apparatus from Lithuanian soil and permit the Lithuanian people to exercise their sovereign rights; and be it further

Resolved, That we repeatedly express our gratitude to the United States Government for the firm position of non-recognition of Soviet occupation and annexation of Lithuania and request the Administration to direct the attention of world opinion at all international forums on behalf of the restoration of sovereign rights to the Lithuanian and other subjugated peoples, to specifically continue to demand this at the European Security Conference, and by other means to influence the Soviet Union to stop its genocidal practices in Lithuana and to cease all acts of continued occupation; and be it finally

Resolved, That this resolution be forwarded to the President of the United States and copies thereof to the Secretary of State, to both U.S. Senators and all Members of the House of Representatives from Ohio and to the press.

Resolution proposed by the Cleveland Chapter of the Lithuanian American Council and adopted by this assembly.

K. ALGIMANTAS PAUTIENIS,
President.

The best response my speech got was my reference to President Reagan's blunt, honest appraisal of the Communists as liars and deceivers. Lithuanian Americans know that is what Communists are and like a President who tells it like it is.

APPOINTMENT AS ADDITIONAL MEMBER OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER. Pursuant to clause 6(e), rule X and clause 1(a) rule XLVIII, the Chair appoints as an additional member of the Permanent Select Committee on Intelligence the gentleman from Indiana, Mr. HAMILTON, to rank after the gentleman from Georgia, Mr. FOWLER.

□ 1530

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of my special order in commemoration of Lithuanian Independence Day.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LITHUANIAN INDEPENDENCE DAY

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 60 minutes.

Mr. ANNUNZIO. Mr. Speaker, it was a privilege to reserve this special order in commemoration of Lithuanian Independence Day and I want to thank all of the Members who are joining me today to help focus attention on the plight of the Lithuanian people who continue to struggle, to pray, and to work for the day when Lithuania can once again enjoy liberty.

Sixty-three years ago, on February 16, 1918, a courageous people proclaimed to the world its right to stand proudly among free countries. The very brief time—less than one-quarter of a century—that the Lithuanian people enjoyed the privilege of living in independence left an important impression on them and the years of Communist domination and Nazi occupation have made their love of freedom all the more keen.

The Lithuanian Council of Chicago commemorated this 63d anniversary with a program at the Maria High School auditorium on Sunday, February 15, in Chicago. The officers of this fine organization include Euphrosine Mikuzis, president; Dr. Paul M. Dargis, executive secretary; Rimas Sarka, Julius R. Kuzas, Mykolas Pranevicius, and Vincent Samaska, vice presidents; Irena Sankus, treasurer; Antanas Svitra, financial secretary, and Stasys Mankus, recording secretary.

Trustees include Kristina Austin, Teodora Kuzas, Petras Jokubka, and Oskaras Kremeris.

The members of the Lithuanian Council of Chicago are as follows: Ignas Andrasiunas, Petras Bucas, Edvardas Boreisa, Juozas Bigelis, Julie Diksas, Adele Gabalis, Stefanija Janutiene, Jura Jasiunas, Veronika Lenkevicius, Stefanija Kauleniene, Kazys Karazija, Hilde Kuzas, Sabina Klatt, Casimir G. Oksas, Algirdas Puzauskas, Povilas Povilaitis, Donatas Stukas, Vladas Soliunas, Justinas Sidlauskas, Vincas Valkavickas, and Vincas Zemaitis.

The Lithuanians took the historic step of independence in 1918, at the close of World War I, and for 22 years thereafter, Lithuania enjoyed peace and freedom from oppression. During this period the Lithuanian economy stabilized, and there was a great renaissance of national literature and culture.

The text of the national anthem of Lithuania follows as it appears in a booklet entitled, "Lithuania," published by the Lithuanian American Council of Chicago:

NATIONAL ANTHEM OF LITHUANIA

Lithuania, our country,
Land of might you'll ever be;
Through the ages your fond sons
Have gathered strength from thee.

Lithuania, your children
Paths of righteousness shall tread;
For their native land they'll labor—
Earth's aspiring aims they've bred.

Fount of light, may your bright sun
Pierce all that's in darkened sheen,
Show us Truth's noble way,
And we'll follow in your gleam.

In our hearts, Lithuania,
Love for you will dwell fore'er
Spirit of the world is soaring—
Caught in your exalted glare.

In 1939, the Soviet Empire began a campaign of intimidation on tiny Lithuania and concentrated its armed forces on the borders. This massive threat was followed on June 15, 1940, by actual occupation of Lithuania by the Red army, and the Communists continue to expand their empire by brute force up to the present moment in Afghanistan.

As soon as Lithuania had been occupied by military force, the Communists began arresting and executing the Lithuanian patriots. Non-Communist political parties were liquidated, and leaders in these parties were imprisoned. Thousands of Lithuanians lost their lives or were forcibly moved in cattle cars to distant parts of the Communist empire in the east. The people were forced to vote in national elections in which only the Communist Party was represented. The Lithuanians, despite these hopeless odds, resisted heroically, but they were overcome by their more numerous invaders.

Despite condemnation by the free world of this unlawful aggression against the sovereign rights of a free people, the Soviet Communists still occupy Lithuania and maintain troops within her borders. The national culture is gradually being destroyed, the language suppressed, and the Lithuanian people are forced to suffer under the harsh yoke of cruel Soviet oppression.

Mr. Speaker, the Lithuanian National Foundation, Inc., has published a memorandum to Madrid participants at the Helsinki Final Act Review Conference, and a copy of that memorandum follows as well as four other documents by the Catholic Committee for the Defense of the Rights of the Religious Believers:

MEMORANDUM TO MADRID PARTICIPANTS ON LITHUANIA

MASSIVE HUMAN AND NATIONAL RIGHTS' VIOLATION CHARGED

A memorandum dated September 15, 1980, on the C.S.C.E. meeting in Madrid and the Soviet occupation of Lithuania, was delivered to the non-communist signatories of the Helsinki Final Act. The memorandum was signed by Stasys Lozoraitis, Chief of the Lithuanian Diplomatic Service, and Dr. C. K. Bobelis, President of the Supreme Committee for Liberation of Lithuania.

The memorandum surveys Lithuania's occupation, the Baltic protest against the Hitler-Stalin Pact (Moscow, August 23, 1979), and the refusal of the great Western powers to recognise the illegal annexation of Lithuania, Latvia and Estonia. Contrary

to its pledges as a signatory of the Helsinki Final Act—the memorandum states—the Soviet Union "continues to deny and violate fundamental freedoms and basic human rights" in Lithuania.

The memorandum asks the participating States at the Madrid Conference to seek and promote the implementation of the Helsinki Final Act by:

"1. Requesting that the Soviet Union—

"a. Withdraw from Lithuania all its military forces, political, administrative and police personnel within the frontiers delineated by the Peace Treaty between Lithuania and Soviet Russia signed on July 12, 1920;

"b. Release all political prisoners of Lithuanian nationality from prisons, labor camps, psychiatric institutions, internal exile, and other institutions of servitude, from enforced Soviet military service and permit them to return to Lithuania;

"c. Halt official harassment of individuals who wish to practice their religion, observe their cultural traditions, or express opinions in defense of basic freedoms and human rights granted by international acts.

"2. Establishing international procedures that will enable the Lithuanian people to hold free elections, following the withdrawal of the Soviet armed forces and other Soviet personnel from their territory, and to reestablish their own sovereign Lithuanian governmental institutions, and thereby also their own independent national life."

CATHOLIC COMMITTEE PROTESTS TO HELSINKI SIGNATORIES ON ARRESTS—FOUR NEW DOCUMENTS OF THE CATHOLIC COMMITTEE

Four new documents (Nos. 31–34) of the Catholic Committee for the Defense of the Rights of the Religious Believers established on November 13, 1978, in Lithuania, were published in issue No. 44 (July 30, 1980) of the Chronicle of the Catholic Church in Lithuania.

Document No. 34 of the Catholic Committee, dated July 21, 1980, is an Appeal to the Governments—signatories of the Helsinki Final Act and to All People of Good Will.

In 1974, the Supreme Court of the Lithuanian SSR sentenced Petras Plumpa-Pluiras to 8 years of corrective labor in a strict-regime camp. His guilt consists of the fact that, relying on the Universal Declaration on Human Rights, he multiplied The Chronicle of the Catholic Church in Lithuania, a periodical, which recorded factual cases of the discrimination against religious believers.

Petras Plumpa-Pluiras is not a criminal, but a deeply moral Lithuanian, an exemplary catholic, and a father of three children. One can be only proud of such people, and their persecution through the courts is a totally unjustifiable crime against the basic human rights.

At present, Petras Plumpa-Pluiras is serving time in the strict-regime camp VS 389/35, where he lives under inhumanely difficult conditions. His wife, Aldona Pluiriené, has informed us on the basis of the accounts of her husband's friends that because of poor health Petras Plumpa-Pluiras is "unable to fulfill the work norms, but the administration, instead of providing him with medical care, frequently subjects him to cruel punishment" by keeping him in solitary. Since March, 1979, Mrs. Aldona Pluiriené has not received a single letter from her husband; she was not allowed to visit him and to give him the food parcels which prisoners are entitled to receive.

These facts bear witness that Petras Plumpa-Pluiras is imprisoned under unbearable conditions and suggest a deliberate attempt to ruin his health by the time his sentence has expired.

Therefore, we appeal to the governments—signatories of the Helsinki Final Act, as well as to people of good will in the entire world to defend this noble Lithuanian!

We also take this occasion to inform all concerned that four totally innocent Lithuanians—Povilas Buzas, Anastazas Janulis, Genovaitė Navickaitė and Ona Vitkauskaitė are awaiting trial for a similar "crime," i.e. for disseminating information about the discrimination against religious believers. The fact of their juridical persecution must be raised in the forthcoming Madrid conference aimed at investigating the realization of the Helsinki agreements.

Document No. 32, dated June 21, 1980, is addressed to the Central Committee of the Lithuanian CP and to the Government:

"This year agents of the Committee of State Security (KGB) have charged four fighters for the rights of Lithuania's believers—Povilas Buzas, Anastazas Janulis, Genovaitė Navickaitė and Ona Vitkauskaitė—with slandering the Soviet system, and arrested them. Criminal proceedings have been instituted against them. It is generally asserted that they will be punished for producing and disseminating the Chronicle of the Catholic Church in Lithuania.

"Are the arrested individuals . . . really criminals? No. We have questioned many people who knew them well—they all asserted, that the arrested four were honest Lithuanians and exemplary Catholics, who can only be envied for their moral nobility. It is dishonest and base to accuse such people of slandering the Soviet system.

"If elementary human rights of religious believers would not be violated in Soviet occupied Lithuania, and if there was no effort to acquire executive charge of the Church with the help of the Regulations Governing Religious Associations and various unpublished instructions, then the Chronicle, which records the facts of discrimination against the believers and the Church, would not exist.

"Lithuania's believers constantly encounter various difficulties and it is, therefore, quite logical that certain individuals, who want to defend the believers and have no other means to do so, publicize facts that require correction. Must they be put behind bars, these people who fight for the observation of the Soviet constitution and of the international agreements ratified by the Soviet government, and who insist that human dignity must be respected? Such people deserve the respect of the state. We all must bow our heads before the truth. One must have courage to face the errors that have been committed, however immense they might be. To try to conceal the injuries and the crimes that are inflicted on the believers, and to do this by torturing innocent people—this is a painful illusion. What will the trial of history say about that?

"In the name of God, of the truth, and of the believing nation, we say to you: set free the innocent individuals—Povilas Buzas, Anastazas Janulis, Genovaite Navickaite and Ona Vitkauskaite."

Document No. 31, dated March 12, 1980, is addressed to Brezhnev and defends several individuals arrested in Russia "for their faith": Viktor Kapitančuk, secretary of the (Russian) Christian Committee to Defend the Rights of Believers; Aleksander Ogorodnikov, the founder of the Russian Orthodox Religious Seminar; and others.

Document No. 33, dated June 21, 1980, acquaints the Central Committee of the Lithuanian CP with many cases of "discrimination against religious believers" in Lithuania. It says that the "present problems of the faithful and the clergy of Lithuania cannot be solved from the positions of power or by branding certain people as 'extremists'." The document states that the faithful and the clergy want "full religious freedom," whose principles are delineated in the Declaration on Religious Freedom, adopted by second Vatican Ecumenical Council.

Mr. Speaker, on this solemn occasion in tribute to a brave people, I join Lithuanian Americans residing within my own 11th District of Illinois, whom I am privileged to serve, in Chicago and all over our Nation who are commemorating this anniversary and assuring the courageous Lithuanians that our country continues to support their just aspirations for freedom and independence. I express the fervent hope that the goal of Lithuanian self-determination shall soon be realized.

Mr. NELLIGAN. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield to the gentleman from Pennsylvania.

Mr. NELLIGAN. Mr. Speaker, I thank the gentleman from Illinois (Mr. ANNUNZIO) for yielding to me.

Mr. Speaker, Lithuanian Independence Day comes at a time when the Soviet domination of Poland once again has reminded us of the continuing threat posed by a power intolerant of even the stirrings of freedom.

While the headlines focus on Soviet tyranny in Poland and Afghanistan, many Americans are unaware of the brutal colonial oppression in Lithuania.

That oppression has meant curbs on free speech. It has meant that citizens are not allowed to practice their religion. It has meant imprisonment of ordinary citizens for nonexistent crimes. It has meant travel restrictions.

This subjugation extends back to Russian annexation in 1795. There were many courageous attempts by the Lithuanians to throw off the yoke of Russian domination, but those efforts were beaten down. In the mid-19th century, the Soviets sought to totally obliterate Lithuanian language and culture, and impose a Russian culture. The brave people of this tiny nation resisted this action, retaining their traditions and religions.

World War I brought about an international situation which gave Lithuania a long-awaited opportunity to be a free and independent nation. For more than two decades, beginning on February 16, 1918, Lithuania demonstrated a remarkable capacity for self-government.

Tremendous emphasis was placed on improving agriculture. A land reform program was initiated that led to a sharp increase in the number of small farms. Industrialization progressed.

Labor reforms were instituted, including establishment of the 8-hour work day. A forward-looking education program cut illiteracy drastically. The arts flourished.

This golden age ended abruptly and tragically when Lithuania was engulfed by foreign armies during World War II. It was declared a constituent republic of the Soviet Union in 1940 after occupation by the Red army. A German attack on the Soviet Union occurred less than a year later, leaving Lithuania in Nazi hands until reoccupied by the Soviets in 1944. Since that time, the U.S.S.R. has kept the nation under its thumb with a brutality that matches any employed behind the Iron Curtain.

Despite this deprivation, hope remains. Commemoration of Lithuanian Independence Day is a symbol of hope as well as a salute to the 1918 proclamation of independence.

In conclusion, let the Lithuanian love of freedom be an inspiration so that we remain forever vigilant.

Lithuanian Americans remind us that the peoples living in areas of Soviet domination trust us to champion their cause.

We must share their determination that those people shall again be free.

Mr. ANNUNZIO. Mr. Speaker, I now yield to my distinguished friend, also from Pennsylvania (Mr. DOUGHERTY).

Mr. DOUGHERTY. Mr. Speaker, I rise to thank the gentleman from Illinois for taking this special order. I see that the House is not full today, but I think the cause is quite just. I would hope that the people visiting our Capitol, those who are listening today and those who are perhaps watching this on closed circuit TV, would just take a moment to realize what we are talking about.

We here in the United States live at a rather hectic pace. We take so much for granted. We fail sometimes to realize what the word "freedom" really means. We are free people, and so perhaps we cannot appreciate the feelings of those people who are indeed captives of the Soviet Union.

Last Monday, February 16, commemorated the 63d anniversary of the freedom and the independence of the nation of Lithuania. Many of our fellow citizens here in the United States are of Lithuanian heritage. Unfortunately, Mr. Speaker, in 1940 the Soviet Union saw fit to occupy Lithuania and its neighboring States of Estonia and Latvia. Today, these three little Baltic States are but a passing light in international diplomacy.

So few people truly understand the heartfelt feelings that the people of Lithuanian American descent have toward the situation in Lithuania. For so many years we here in this country have failed to properly address this most critical issue; that is, as Americans, do we really believe in freedom? Are we really interested in the plight of the Lithuanian people? And so, today's special order is significant because, while there is no independence day celebration in Lithuania this year, we indeed today in this special order are commemorating for the people of the United States and for the people of Lithuania a celebration of their independence.

I was privileged, Mr. Speaker, to address the Lithuanian American community of Washington, D.C., last Sunday. I basically said then that we as Americans have an obligation to speak out against Soviet oppression, against Soviet occupation of Lithuania. We have an obligation to speak out on behalf of freedom for the Lithuanian people until indeed, Mr. Speaker, Lithuania is free; until the people of Lithuania no longer know the oppression and the burden of the Soviet Union.

It is my privilege, Mr. Speaker, to serve as the cochairman of a new congressional committee, the Ad Hoc Committee on the Baltic States and the Ukraine, and I would urge all the Members of this Congress to join us in this committee so that we take every opportunity we have in this Congress to call to the attention of the Soviet Union that we, the Members of the Congress, will not stand idly by; we will not stand silent while Lithuania continues to be occupied. This committee, hopefully, will be a vehicle for Members to participate.

Mr. Speaker, I want to thank the gentleman again for taking this special order.

Mr. Speaker, I submit my remarks from last Sunday's celebration as Lithuanian Independence Day held by the Lithuanian American Community of Washington, D.C.:

LITHUANIAN INDEPENDENCE DAY

It is both a privilege and a pleasure for me to be with you today to commemorate the Independence of Lithuania.

I bring you greetings from my many friends in the Lithuanian community in Philadelphia on this most significant day!

When I was first invited to be with you today, I wasn't quite sure why you would want a Congressman from Pennsylvania, who has only been involved in the cause of a free Lithuania for about three years to be your guest speaker.

Upon further reflection however, I realized that commitment to a cause cannot be measured only in the length of commitment but also in the intensity of commitment, however short the time of involvement.

As I was driving down here this afternoon, I thought back about how I first got involved in the "Cause of Lithuania" and how much has been accomplished in less than three years—and how much more there is to do!

I stand here today as co-chairman of the Ad Hoc Congressional Committee on the Baltic States and Ukraine—as an outspoken leader in the Congress of the United States on behalf of the Republic of Lithuania—as a friend of the Lithuanian-American community.

I stand here in these capacities today because a few short years ago leaders of the Lithuanian-American community in Philadelphia saw an Irish-American State senator—then a candidate for Congress—who they knew cared about the oppression and violence in Northern Ireland; a State senator who had been involved—on a limited basis—in the captive nations movement; a State senator who they thought might share their concerns for the oppressed people of Soviet-occupied Lithuania and who would believe in their cause—that someday, God-willing, Lithuania will be free.

And so whatever I have been able to do on behalf of "our" cause is because of you the people of the Lithuanian-American community. You have kept the faith. You have brought the needs and aspirations of the people of Lithuania to the floor of the Congress of the United States. And I thank you for that!

Sometimes as we gather for different events, as we are today—we get so wrapped up in the preparations for the event; we are perhaps preoccupied with thinking about something that happened yesterday; we find ourselves wondering if we forgot to do something at home; we find our thoughts anticipating something that might happen tomorrow—that we fail to truly understand what today is all about.

We Americans live a hectic life. We have a fast-paced existence. We take many things for granted and we forget the true meaning of a word like "freedom." We find ourselves not truly "feeling" a word like "thank you."

Let us, for a few brief moments, sit back, cast aside yesterday and tomorrow, and think about what this ceremony really means. Let each and every one of us for a few brief moments be touched by the real meaning of "oppression"—not to be free; "oppression"—to be denied the right to self-expression; "oppression"—to have the very heart of a people—a culture, a heritage, a tradition—denied and suppressed by a foreign dictator.

Let us for a few brief moments be touched by the real meaning of "republic"—that government should be of the people—of the people; "republic"—that government should be by the will of the people; "republic"—that government should be for the well-being of the people.

Let us for a few brief moments be touched by the real meaning of "freedom"—to be treated as an individual human being with dignity and respect; "freedom"—to be free to study, to grow, to love my culture, my heritage, my traditions; "freedom"—as a nation, as a people to set our own destiny without foreign occupation or intrusion.

Our cause then is to use this coming together today—this sharing—to thank God for our precious gift of freedom; to remember, to recall that our fellowmen in Lithuania are today oppressed, that the Republic of Lithuania is occupied! That our people are not free! To drive deep within our hearts, our minds, our bones, our emotions—to rededicate ourselves to the principle that we shall not rest, that we shall not truly be free until the people of Lithuania are free—until the Government of Lithuania is of the people, by the people, and for the people—until the maps of the world read—until the rollcall of the nations of the world reads—until the banner of the Embassy in Washington reads "The Republic of Lithuania"! Until then our cause must go forward.

We have done much. There is so much more to do. Free Lithuanians chained themselves to the gates of the Soviet Embassy in Washington and had their cause taken to the floor of Congress. The symbol of a free Lithuania in America—the legation in Washington—will not pass from the scene—as some in the State Department would like—because we won't let it happen. The representative of the free Government of Lithuania in our Nation's Capital will not pass from the scene because you and I have forced the State Department to recognize the need for the legitimacy of a line of succession at the legation. The celebration of Lithuanian independence may not be held in occupied Lithuania this year but it will be held on the floor of the Congress of these United States—this year and every year until Lithuania is free! The cause of Lithuania has grown throughout the free world, as was recently noted at the Madrid Conference where the cause of Lithuania and the activities of six members of the Lithuanian resistance received high visibility. Much has been done. So much more still has to be done!

Let us today by our work, by our actions, by our prayers, send a message to the people of Lithuania: "You are not forgotten for we are keepers of your trust . . . until you are free! The culture, the heritage, the tradition of the Lithuanian people live on here in America . . . until you are free!"

The cause for which so many of you have suffered—for dignity, for respect, for self-determination—is a cause we shall carry—until you are free! Your struggle against oppression and occupation is our struggle—until you are free!

The torch that burns deeply within you burns deeply within us—the torch of a free people that can never be extinguished by oppression, by fear, by imprisonment, by those who know not the beauty, the determination, the commitment of a free people—the torch of a free Lithuania we will carry in our hearts—this we promise—until you are free!

● Mr. STRATTON. Mr. Speaker, I am pleased to take this opportunity to join once again with my colleagues in Congress and with Lithuanians, and Lithuanian Americans throughout the world in commemorating the 63d anniversary of Lithuanian independence. Congress has long shown its understanding of the struggle of the Lithuanian and other Baltic peoples for freedom, self-government, and release from Soviet domination. But the recent events in Poland and Afghanistan have heightened our sense of the plight of nations under Soviet rule.

The history of Lithuania is the story of people on a political faultline. Lithuania has long been a victim of German and Russian imperialism, yet under adversity the people have maintained a strong sense of culture and tradition—and with independence, Lithuania has flourished.

Lithuanian history reaches back almost 1,000 years. But in 1795, as the United States was building a republic, Lithuania came under foreign rule during the partition of Poland, and was annexed by Russia. Although unable to throw out their hostile government, the people resisted attempts to replace Lithuanian language and culture with Russian, and remained faithful to their religion, language, and traditions.

During World War I, German armies invaded Lithuania and took it from the Russians. The German Government submitted to Lithuanian pressure, however, and authorized the formation of an independent state based on democratic principles. Today we commemorate the date of that proclamation, February 16, 1918.

The Red army invaded Lithuania again in 1919, but following the settlement of World War I on the Eastern Front, Lithuania retained her independence until the German attack on the Soviet Union in June 1940.

As an independent nation, Lithuania made great strides in improving its agricultural production, land distribution, and establishing an industrial base. The Lithuanian people also made great progress in the fields of labor and education, for example, doubling the number of elementary and secondary schools during their 30 years of freedom.

For the last four decades Lithuanians have again lived under Soviet domination, one more captive nation. Many Lithuanians managed to flee from their homeland because of political oppression, and today there are many strong, vital Lithuanian-American communities in the United States. But Lithuanians here and elsewhere in the world have not forgotten their historic struggle for genuine freedom and independence.

The Lithuanian World Congress of 1958 called on the free world "to reaffirm on every suitable occasion the inalienable rights of the Lithuanian people to national independence and individual freedom," and to "not being a party to any agreement or treaty that would confirm or prolong the subordination of the formerly sovereign Lithuanian State."

So we gather here today to do just that, to express our support for individual freedom and self-determination in Lithuania, and the other Baltic States. It may well be, Mr. Speaker, that the brave resistance now being put up by the Polish labor unions will in time set the pattern for a new measure of freedom from Soviet control coming not only to Poland but to Lithuania and other captive nations as well. Let us hope that that will indeed occur.●

● Mr. DONNELLY. Mr. Speaker, today we proclaim that more than 40 years of Soviet domination has not extinguished the fire of freedom that burns in the hearts and minds of the proud people of Lithuania.

We are here to proclaim to all the world, free and captive nations alike, that that spirit will never die.

The brutal and criminal annexation of the Baltic States by the Soviet Union has not broken the desire of the people of Lithuania for self-determination. Instead, that fervent yearning grows even stronger with each passing day.

The degree of personal liberty enjoyed in our great country must be difficult to comprehend for Lithuanians who suffer under the confines of continuing Soviet occupation of their homeland.

Our attention to the situation in the Baltic States, coupled with active support for these brave peoples' quest for freedom must remain a solemn responsibility of our Government. Remembering that their cause is the same cause that ignited our forefathers' revolt against foreign domination, let us voice our admiration and pledge our untiring support for their sacred struggle.●

● Mr. DERWINSKI. Mr. Speaker, I am especially pleased to join with my colleague, FRANK ANNUNZIO, in directing special attention to the 63d anniversary of the Declaration of Independence of the Baltic State of Lithuania. The largest of the Baltic States, the Lithuanians have withstood centuries of Russian domination and political persecution.

Although the Lithuanian people are not allowed to celebrate the anniversary of their independence which was declared on February 16, 1918, it is especially significant that a country whose people have not been allowed to govern themselves for 41 years still have a strong national spirit. They enjoyed independence from the Soviet Russian Empire for only 22 years. In June 1940, the Soviet Union invaded and occupied the Baltic States, and Lithuania was forcefully annexed into the Union of Soviet Socialist Republics.

As we look at the Soviet invasion and expansionism into the Baltic States, we must continue to condemn these transgressions as morally, ethically, and politically wrong. We, as a nation, must consider the plight of various peoples around the world who face a deprivation of basic human rights, and consistently voice our objections to all Soviet violations of the rights of those held captive under Soviet domination.

As we are painfully aware, the Soviet Union has denied religious freedom as well as ethnic and cultural development in Lithuania. The Kremlin continues to persecute and suppress the Roman Catholic Church, which has played a major role in Lithuanian history and is symbolic of Lithuanian nationhood. The cultural genocide and the denial of their basic human rights continues in Lithuania against the will of the Lithuanian people who are subjected to blatant political repression. However, the consistent and deliberate "Russification" of their culture and ef-

forts to eradicate their historic nationalism has not dimmed their determination to preserve their unity and strong sense of national consciousness.

It is most appropriate that on this occasion of the 63d anniversary of their declaration of independence, we pay tribute to the devotion by the Lithuanian people to resist "Russification." Their indomitable spirit will one day, I predict, overcome Communist suppression, and their ideals of personal liberty, national independence, and human dignity will again be restored. These brave people have struggled to preserve their heritage, national language, and historic religious faith in face of Soviet totalitarianism.

As we mark this anniversary, we must also recognize the many contributions made to our country by Lithuanian Americans. Here in the United States, the Lithuanians are a well-organized and a hard-working ethnic group who are deeply interested in maintaining their cultural background. When the time comes for the restoration of freedom for their homeland, they will be in a position to make a positive contribution to the progress of that nation.

That is why it is especially important for us to preserve the diplomatic representation in the United States of the Lithuanian people. The Lithuanian Legation located in Washington, D.C., faces extinction because of the small nation's monetary assets frozen in the United States at the Soviet takeover are almost gone. As a visible sign to the more than 1 million people of Lithuanian descent living in the United States, it would be most significant that we would guarantee the legality and legitimacy of the Lithuanian Legation.

The United States must continue to support the aspirations of freedom, independence, and national self-determination of the people of Lithuania and the others held captive. Until that day, we salute the brave Lithuanian people for reminding us through their struggle of how precious and valuable freedom is, and how costly its loss.●

● Ms. FERRARO. Mr. Speaker, February 16, 1981, marks the 63d anniversary of the reestablishment of the independent State of Lithuania.

Lithuania's first historical recognition as a nation was in 1009. For centuries after its recognition, this nation experienced domination by foreign powers and fought off efforts by Germany and Russia to replace Lithuanian culture with that of their own.

Lithuania was finally able to regain its status as an independent nation in 1918. This newly independent nation joined the League of Nations and established diplomatic relations with other nations around the world. The year 1920 marked a turning point in the history of this proud nation when the Soviet Union signed a peace treaty with Lithuania, recognizing it as an independent nation. A permanent constitution was adopted and a democratic government was formed, preserving the people's rights to freedom of speech, assembly, and religious expression.

During World War II, foreign powers once again invaded Lithuania, resulting in an end to its independence in 1940, when the Supreme Soviet in Moscow declared Lithuania a constituent republic of the U.S.S.R.

Lithuania's 20 years of peace, progress, and freedom created a strong sense of Lithuanian nationalism which is still very much alive among these people. They continue in their fight for self-determination and resist russification efforts by the Communist Party in Moscow. While they are politically incorporated into the Soviet Union, they remain culturally and socially a race apart. The Lithuanians greatly improved their standard of living during their 20 years of independence. Their economy flourished and they developed a lifestyle similar to that of Western Europeans, rather than that of the Soviets. Unfortunately, they do not presently enjoy a full return on their achievements, since a good portion of the fruits of their labor is channeled to other parts of the Soviet Union.

Let us join other freedom-loving peoples throughout the world in support of the successful efforts of the Lithuanian people in resisting russification policies imposed by the U.S.S.R. Let us celebrate February 16, Lithuanian Independence Day, in the spirit of these proud people in their fight for self-determination.●

● Mr. CONABLE. Mr. Speaker, with the recent return of the hostages from Iran, Americans were able to share renewed feelings of patriotism and happiness. We watched them come home to enjoy and treasure what citizens of the United States believe to be the birthright of all men—freedom. February 16 marks the 63d year since the declaration of Lithuanian independence in 1918 and yet these people continue their struggle for the reestablishment of complete independence and self-government. For over 40 years the Soviet Union has managed to suppress any dreams of freedom for the people of Lithuania and her neighboring states, Estonia and Latvia.

There was a brief period—the years of the twenties and thirties—following Lithuania's declaration of independence when it appeared she would continue as an independent nation. She entered into diplomatic relations with the major European powers. Beyond this, the people demonstrated a capacity and ability for self-government through noteworthy social progress in the areas of land reform in addition to improved transportation and education. This period of great renaissance in national literature and culture was to end all too quickly in disappointment and sorrow.

World War II quickly dissipated the spirit and momentum of progress. The occupation of the Baltic States was carried out after a secret agreement was reached by Hitler and Stalin. The defeat of Hitler's forces left the struggling Lithuanians in Soviet hands. Russian troops were quick to suppress the ill-fated citizens.

While the 1975 Helsinki accords have provided a vehicle for addressing human and national rights within the Soviet Union, the Soviet Union has repeatedly violated these rights in Lithuania. For 63 years the Lithuanians have been engaged in a struggle to practice the freedom their declaration of independence gives them—freedom to appreciate their own culture, literature, art, and religion. Yet they live in constant fear of Soviet retaliation for these efforts.

The lesson of Lithuania must be heeded by all the free people of the world. Our recent experience in Iran has served to remind us how essential and precious freedom truly is, and what its loss can signify. As we pay tribute to Lithuanians on their independence day, it is an opportune moment to express our unwavering support for restoring to the Baltic peoples their right to freedom and self-determination.●

● Mr. MOFFETT. Mr. Speaker, on February 16, Lithuanians and Americans of Lithuanian descent commemorated the 63d anniversary of the Republic of Lithuania's independence from the Russian Empire. Although the Lithuanian people currently live under Soviet oppression, this special day provides us with an opportunity to acknowledge and applaud their national pride and their courageous struggle for freedom and self-determination.

This small Baltic country, which enjoyed independence between the two World Wars, has suffered from flagrant violations of human rights since it was annexed illegally by the Soviet Union in 1940. In the years following the war, guerrilla resistance to Soviet occupation was repressed ruthlessly. Even today, illegal searches, interrogations and harassment by Soviet security forces are commonplace, especially among those who are active members of the Catholic Church. In spite of this persecution, the Lithuanians have remained devout in their faith and vigilant in their hope for freedom and independence.

One of the most inspiring examples of bravery in the face of Soviet oppression may be found in the person of Viktoras Petkus. A historian and devout Catholic, Mr. Petkus was imprisoned in 1977 for his role as leader of the Lithuanian Helsinki Group, which sought to monitor and promote

Soviet compliance with the human rights provisions of the Helsinki accords. Even in prison, Mr. Petkus has continued his religious observances, and has been sentenced to 6 months in an isolation cell for his defiance. Other examples of courage amidst persecution abound. Petras Plumpa, Romas Ragisis and Justas Gimbutas are among those who are serving prison terms as a result of their opposition to Soviet rule in their homeland.

As the Lithuanians celebrate their independence day, those of us who take our religious and personal freedoms for granted may reflect upon the plight of the oppressed peoples of the world. And we can look to the perseverance and faith of the Lithuanian people, both as an inspiration and as a reminder that vigilance is the price of freedom.●

● Mr. VANDER JAGT. Mr. Speaker, at a time when the people of Poland are threatened with the possibility of Soviet intervention, and the people of Eastern Europe live in constant danger of being slapped by the paw of the bear on their border, it is appropriate that we remind ourselves of the cruel enslavement of their neighbors to the north—the Baltic countries illegally annexed by the Soviet Union nearly four decades ago.

I welcome this opportunity to join my colleagues in drawing attention to the 63d anniversary of the Declaration of Independence of Lithuania, and to add my voice to that of the Lithuanian people and free people everywhere in calling for freedom and self-government for this tiny state.

The implications of the Polish situation and the reality of Afghanistan forcefully reminded us during these past months of the true nature of life in Soviet satellites. The blatant subsuming of Lithuania cannot be forgotten in the rush of dealing with international crises which face us daily. That the people of the Baltic region continue to struggle for freedom and independence is an inspiration to all people and we must never fail to draw attention to their plight.

Lithuanians in exile around the world have a right to call out for self-determination for their people in accord with the Helsinki agreement, and to draw attention to the continuing denial of fundamental rights in contravention of the continuing human rights discussions in Madrid.

We all pray that the day will come when Lithuanians at home and abroad will see true freedom in the land of their heritage.●

● Mr. HOWARD. Mr. Speaker, today is the commemoration of Lithuanian Independence Day and it is also a reminder of the hope that all Lithuanian-Americans have for those working to gain independence for Lithuania.

Of all the European countries, Lithuania, along with Latvia and Estonia, were the only ones to lose their sovereignty during World War II. While East European nations such as Poland and Bulgaria had Communist governments imposed on them by the Soviet Red Army, the three Baltic countries were incorporated forcibly into the U.S.S.R. after the Russian armies invaded them in 1940 as a result of the Hitler/Stalin agreement.

This Soviet aggression terminated Lithuania's independence and led to genocide and deportations by the Russians. Many citizens were relegated to collective farming communities in Russia and further separated from their families.

Due to this injustice, the United States and most Western nations have not accorded diplomatic recognition to the Soviet incorporation of Lithuania, Latvia, and Estonia. Presidents from Franklin Delano Roosevelt through Jimmy Carter have emphasized the right of the three Baltic nations to sovereignty. To this point, a fully accredited and recognized diplomatic mission of independent Lithuania operates in New York City.

It is my hope that Americans of all ethnicities will remember the hopes and determination of the Lithuanian people to strive toward the beacon of freedom.●

● Mr. DORNAN of California. Mr. Speaker, today, we commemorate the 63d anniversary of the independence of the Baltic State of Lithuania. The radiant lamp of liberty, which clothed its sons with strength and its daughters with beauty, shone but for a moment before being savagely extinguished by the black night of totalitarian tyranny. In 1940, 22 years after its declaration of independence, the Baltic State of Lithuania, along with the sovereign States of Latvia and Estonia, were brutally annexed to the Soviet empire. A brave people were forced to undergo a baptism of blood on the altar of raw Soviet power. What lack of nobility or heroism, Mr. Speaker. The largest nation on Earth simply annihilated one of the smallest nations by means of brutal military force. To this day, 41 years later, the men, women, and children of Lithuania remain under the iron heel of foreign despotism.

But, while darkness may have its hour, Mr. Speaker, truth and liberty will have its day. Hope gives courage to the heart. The Almighty who holds in his hands the destiny of nations will not be mocked forever. Men of high religious faith, who put their trust in heaven, will have their glorious moment of vindication. Even now, a candle of hope is lighted in Poland; the glow of which will be multiplied a millionfold until all of Eastern Europe and the Baltic States once again are ablaze with the resplendence of the light of liberty.

Faithful to our own hallowed traditions of liberty and self-government, we salute the Lithuanian people today. We pledge our continued support until that hoped-for day when the last Soviet soldier has left Baltic soil, and the sun of liberty once again smiles upon the lovely land of Lithuania.●

● Mr. FISH. Mr. Speaker, I join my colleagues in observing the 63d anniversary of the independence of Lithuania, an occasion on which we are once again reminded of the Soviet Union's repression of individual rights of freedom-loving peoples.

When centuries of Russian imperialism and attempts at domination came to an end after World War I with the declaration of independence on February 16, 1918, Lithuanian culture, language, and religious faith enjoyed a freedom and creativity unsurpassed in its history. Unfortunately, that blossoming of Lithuanian contributions to the free world ceased just 22 years later.

Lithuania's brief independence was brutally curtailed by the Soviet occupation in 1941. Thousands of Lithuanians and citizens of the neighboring Baltic States of Estonia and Latvia were shipped to Siberia. When the Nazis invaded Russia, gross violations of human rights continued. These guiltless people, who had so recently enjoyed freedom, were sent to labor in slave camps, mines and forests, to die far from their native land. It is estimated that nearly 10 percent of the population of Lithuania was murdered or deported by the Communists and the Nazis.

The United States has never and will never recognize the forcible Soviet annexation of this great nation. We must continue to protest in the strongest possible terms the oppressive measures of the Soviet Union against the Lithuanian nation and the gross violation of human rights perpetrated upon these proud people.

The Lithuanian struggle is an example for all people who are denied basic liberties. Although the Soviet Union has refused to recognize political rights as well as religious freedom, and has restricted economic and cultural development, Lithuanians have continued to preserve their national unity and strong sense of national consciousness. Here in the United States, Lithuanians retain an ethnic identity as evidenced by the continued existence of a native Lithuanian legation. These people have contributed greatly to our country and their indomitable spirit will enable both they and those still living in Lithuania to make an invaluable contribution to the progress of their nation and the freedom of all

people who suffer under Soviet repression.

Let us not forget our commitment to aiding the Lithuanian people to one day regain that which is rightfully theirs, a free and independent nation. We must continue our concerted effort and remain firm in our recognition of Lithuania, its people and their culture.●

● Mr. FORSYTHE. Mr. Speaker, it is with a deep sense of pride and honor that I take this opportunity to note the anniversary of the Declaration of Independence of Lithuania on Monday, February 16, 1981. This day holds significance to all Americans of Lithuanian descent as well as all freedom-loving people throughout the world.

The world community should join today in recognizing that the rights and dignity of the Lithuanian people and the citizens of the Baltic nations are being trampled upon and ignored as a result of 40 years of armed occupation by the Soviet Union. The strength and will of the Lithuanian people are being tested by this illegal occupation of a sovereign nation. Yet, the great determination of the Lithuanian people will in the end prevail over the storm of Soviet tyranny.

Recently, we have seen another nation, Afghanistan, swallowed in a manner much like that in which Lithuania was devoured 40 years ago. It is time that all of us join the cry of the Lithuanian people and call on the free world to demand that the illegality of the Soviet occupation be recognized, and that the Lithuanian people be allowed to vote on a referendum to decide the future of their own state.●

● Mr. BROOMFIELD. Mr. Speaker, I am pleased to join my distinguished colleague from the State of Illinois, FRANK ANNUNZIO, in commemorating the 63d anniversary of the Declaration of Lithuanian Independence.

The nation of Lithuania enjoyed but a brief 22 years of freedom in this century, when in 1918 it proclaimed its independence from Russia and Germany, and established a democratic government after more than a century of domination by both these countries. The Soviet Union shortly thereafter signed a peace treaty in which it recognized the sovereignty and independence of Lithuania. However, in 1940 Hitler and Stalin disregarded all former treaties and again subjected Lithuania to foreign dominance, along with other Baltic nations.

Having endured more than 40 years of domination by the Soviet Union, the proud people of Lithuania are subject to constant infringement upon their most basic human liberties. There is a continuing pressure to abolish their native tongue, a concerted effort to discourage learning of Lithuanian history and literature, and constant effort to eliminate the ties of centuries of close affiliation with the Catholic Church.

The Soviet Union, having cosigned the Helsinki Final Act of 1975, continues to ignore, blatantly, many of the provisions guaranteeing basic human rights. This was brought before the Helsinki accords review meeting in Madrid last year. Members of Lithuanian citizens groups, who have tried to monitor Moscow's violations of the Helsinki accords, have been harassed and persecuted. One of its members, Victoras Petkus, was tried and sentenced to a prison term of 15 years.

However, I am encouraged to see that despite overwhelming odds, the Lithuanian people have not abandoned their struggle for freedom and self-determination. They continue to fight for national autonomy, freedom of speech, and freedom of worship. I am also encouraged that the expressions of support by my colleagues today will serve as notice to Moscow that this country supports the struggle for independence and freedom of the Baltic countries of Lithuania, Latvia, and Estonia.

At a time when we watch with interest the continuing efforts of Lithuania's neighbor, Poland, for concessions of basic freedoms from Communist dominance, we take heart that the people of the small but proud nation of Lithuania will prevail and live as free people once again. I pray this day may arrive soon.●

● Mr. SAWYER. Mr. Speaker, February 16, 1981, marks the 63d anniversary of Lithuanian independence. This anniversary serves to remind us of the unextinguishable spirit of a people who have enjoyed but a brief period of real peace. After only 20 years of independence, the Soviet Union illegally invaded Lithuania, and have occupied it since. The United States has never recognized the Soviet annexation of Lithuania. We must continue to support the fight for that country's right of self-determination. We must not let that goal fade.

On this historic day of memory for the proud people of Lithuania, I think we should remember the 30,000 freedom fighters who died in resisting the Soviet invasion, as well as those who currently are subjected to Soviet rule today. We should never forget that every state bordering the Soviet Union exists in the constant fear of invasion.

Finally, I hope that the patriotism and undying spirit of Lithuanians everywhere in the world will serve as an inspiring example to all of us that freedom is not always a right, but a privilege which not all people in this world enjoy.●

● Mr. SENSENBRENNER. Mr. Speaker, I am proud to join my colleagues in commemorating Lithuanian Independence Day. It was February 16, 1918, that the Baltic State of Lithuania declared its autonomy from the long period of Russian hegemony and German occupation it had suffered during World War I. This tiny state was again destined to fall under Soviet domination; Lithuania was declared a constituent republic of the U.S.S.R. in 1940. Having fallen into Nazi hands, Lithuania was reoccupied by the Soviet Union in 1944, and has been considered a component republic by the Soviet Union ever since.

Soviet policy implementation during the Stalin years forced a dramatic change in the composition of the Lithuanian population. Some 80,000 Lithuanians fled to West Germany when the Soviet Union took over the Baltic region in 1944. An additional 60,000 were found in East Germany and deported during 1945 and 1946. Their passive resistance to the collectivization of agriculture brought the deportation of some 60,000 Lithuanians in 1949. The death of Stalin eased the suffering of these displaced people, and about one-third of those who had been deported were permitted to return to their homeland. Yet, this cannot erase past cruelties committed by the U.S.S.R., nor the continuing efforts by the Soviets to destroy the Lithuanian national spirit.

Despite all the hardships suffered, the strength and dignity of the Lithuanian people have survived. The Lithuanians continue their resistance to Soviet occupation. In their fight, they look to the United States as a source of moral support and strength. In our attempt to promote the respect for and freedom of the people of Lithuania, I endorse the continuation of the present U.S. policy of refusing to recognize the Soviet occupation of Lithuania and the maintenance of our independent diplomatic relations with them. I urge a renewed effort in seeking to enforce the principles agreed upon by many nations in the Helsinki agreement in 1975.●

● Mr. GOLDWATER. Mr. Speaker, the 63d anniversary of the Lithuanian Declaration of Independence is a chance for all Americans to reflect on the strength of the Lithuanian people to retain their social and cultural heritage in the face of Soviet suppression.

On February 16, 1918, the Lithuanians gained their independence from the Soviet Union and emerged as a sovereign and self-governing state. The history of Lithuania, with its emphasis on educational and religious tolerance, became a model and an inspiration to oppressed people everywhere. Unfortunately, in 1940 the Lithuanians were once more under Soviet domination and control. For the last 41 years the spirit of the Lithuanian people has been in a constant struggle with Soviet oppression.

Mr. Speaker, the Helsinki Act, passed in 1975, and signed by the United States, the Soviet Union, and over 30 other countries, recognized the principles of national sovereignty, equality, and independence. The Soviet Union has completely disregarded this document in dealing with the Baltic States. The recent statement given in Madrid by Warren Zimmerman, the deputy chairman of the U.S. delegation reviewing abuses of the 1975 act, makes it clear that the United States is encouraging the fulfilment of the ideals and commitments made in Helsinki. It is a tribute to the will of the Lithuanian people that they have not buckled under to the brutal attempt by the Soviet Union to destroy their national heritage. The strength and perseverance of their spirit should be an inspiration to our own.●

● Mr. BLANCHARD. Mr. Speaker, I rise to join in the special order taken by my good friend, the distinguished gentleman from Illinois (Mr. ANNUNZIO) to commemorate the 63d anniversary of the Proclamation of Lithuanian Independence.

February 16 marked the 63d anniversary of the day on which Lithuania became a free and independent nation, founded on democratic principles. The commemoration of that day is a symbol of great hope for all Lithuanian Americans and for freedom-loving men and women the world over who struggle to free present-day Lithuania from Soviet oppression.

I give my fullest support to the cause of independence for Lithuania. May the time come when its people are again free.●

● Mr. CLINGER. Mr. Speaker, today, the people of Lithuania will celebrate the 63d anniversary of their independence. However, this day will not be celebrated in the joyous fashion that we Americans observe each Fourth of July. Instead, the brave, struggling people of Lithuania will endure this day as they do all others, as the repressed victims of the Soviet Union's wave of expansionist policies. The inherent freedoms that we so confidently assume in our country have never been experienced by most Lithuanians. They are prisoners in their own homeland, a part of the 1 billion people suffering under Soviet oppression.

As long as the right of self-determination is denied the people of Lithuania and her fellow Baltic countries, free people throughout the world cannot rest. Just as a chain is as strong as its weakest link, we must strive to strengthen the chain of freedom among all peoples. The Soviet's latest invasion into Afghanistan only further emphasizes the menace they pose to peace-loving nations. It is our moral obligation to continue our support of the Lithuanians' struggle, in word and in deed.

Therefore, I join my fellow Congressmen to honor the fine people of Lithuania. We must never forget their daily struggle against the stifling rule of the Russians. Let us take this occasion to renew our commitment to the fight for liberty in the finest of American traditions, that someday the Lithuanians' Independence Day will be as joyous as our own.●

● Mr. MINISH. Mr. Speaker, within a week we Americans commemorate the champions of our independence and liberty, Washington and Lincoln. In that same week, on February 16, the Lithuanian people commemorate both the 730th anniversary of the Lithuanian state and the 63d of its Declaration of Independence after the First World War. For the Lithuanians, whether in their native land or around the world, this is a melancholy occasion because, although theoretically and legally theirs remains a sovereign nation, it is in fact dominated by the Soviet Union, which forcibly incorporated it during the Second World War and which occupies it to this day.

We admire these brave people in their efforts to keep alive their national identity and to secure basic individual rights within their homeland. The least we can do here is to lend our support to their indomitable spirit, which has survived four decades of efforts to extinguish it. Let there be no mistake that, whatever our administration or its current priorities, the American people do not forget their commitment to the rights of others all over the world.

On this anniversary, then, we salute the Lithuanian nation in the confidence that they will endure and prevail in their relentless pursuit of their rights and liberties.●

● Mr. GEJDENSON. Mr. Speaker, it is a great pleasure for me to join with my colleagues today in celebrating the 63d anniversary of the declaration of independence for Lithuania. My parents are from Lithuania, and they were forced to escape the brutal occupation of their country when the achievements and aspirations of the Lithuanian people as a sovereign nation were crushed by Nazi and Soviet occupation during the Second World War.

After more than a century of struggle against imperial Russian and German occupation, the Lithuanians, on February 16, 1918, restored their national independence. In the following 22 years, Lithuania adopted a democratic constitution, implemented equitable land reforms, and, from 1929 to 1939, almost quadrupled its industrial output. Tragically, however, on June 15, 1940, the Red army invaded the country. The Soviets imposed a puppet regime and terrorized the population with executions and mass arrests. When war began between Germany and the Bolsheviks, the Lithuanians seized power from the Communists and for over 2 months maintained an independent government. In August 1941, the Nazis imposed their Facist rule. After Germany's defeat in 1944, the Soviets once again invaded the country.

Until 1952 the Lithuanians led an armed struggle against their Communist oppressors. About 30,000 Lithuanians died during that period of time. The 3,290,000 ethnic Lithuanians now under Soviet control have fought and suffered in their struggle against Soviet oppression ever since. About 350,000 others were forced into exile.

We have observed during the last months how the people of Poland, a nation bordering on Lithuania, have made progress in their efforts to gain human rights in the face of Soviet domination. That progress is still overshadowed by fear of a Soviet invasion. Had it not been for the encouragement and moral support rendered to the Polish workers by the peoples of democratic nations, Red army battalions might already have moved into Poland. So far they have not; but let us not forget that Poland might still suffer the same fate as Afghanistan, the Ukraine, Latvia, Estonia, and Lithuania, and let us extend our sympathies to these nations.

America has a responsibility to support the efforts of peoples to achieve national self-determination everywhere. We therefore should protest the full membership now accorded to captive lands by the United Nations, as they are only puppets of Moscow. The plight of the Lithuanians deserves the recognition of the United States and all other free nations in the world. We shall honor their struggle by commemorating, today, the celebration of Lithuanian independence.●

● Mr. RATCHFORD. Mr. Speaker, I rise today to join my colleagues in marking the occasion of the 63d anniversary of the reestablishment of Lithuanian independence and the 730th anniversary of the founding of the Lithuanian state. More importantly, however, I speak today as one who recognizes the overriding commitment of Lithuanians, as well as all peoples in the Baltic region, to pursue a life free from outside constraints on speech, religion, and national identity. On this day, we must stand united in our firm support of Lithuanian independence from Soviet oppression. Our words must be heard around the world, for if the United States cannot serve as a beacon of strength for all those that cherish freedom, then indeed we will have failed to meet the ideals of our great heritage.

Lithuania embodies those very ideals itself. For decades, the Soviet Union has attempted to destroy the grassroots nationalism of Lithuania, yet she has stubbornly resisted. Evidence of her determination abounds. More samizdat—underground publications—

emerge from Lithuania than anywhere else in the Soviet Union. The study of national heritage has become so popular with the young that Soviet authorities have felt compelled to supervise all such classroom activity. As a consequence of continuous and widespread dissatisfaction with Soviet oppression, dissidents in Lithuania have come under heavy attack and constant surveillance.

It is also in Lithuania that the Soviet Union has focused its efforts to weaken the enduring strength of the Roman Catholic Church. Despite persistent Soviet repression, many priests have reported that as much as 60 percent of the population are churchgoers and that more than 500 parishes still function. As a result of the heavyhanded attitude of the Soviets on religion, it is not uncommon for young students to be forced to attend lectures on atheism, and for seminaries to be closed. But the desire to express one's religious views is so important a part of Lithuanian life, that the church has flourished nonetheless.

Soviet attempts to russify the Baltic States have encountered their greatest resistance in Lithuania. Efforts to force the Russian language on students, dominate the media with Soviet ideology, and pursue a policy of oppression have failed miserably. Only roughly 9 percent of the Lithuanian population is Russian, and the Lithuanian peoples have clung to their strong nationalistic desires and flourished as a growing industrial state.

Through our words here today and our efforts in the future, Mr. Speaker, we must deny the Soviet legal claims over Lithuania and continue to encourage the dream of Lithuanians around the world that someday their nation will achieve the independence it longs for and so rightly deserves.●

● Mr. MARKS. Mr. Speaker, I rise today in commemoration of Lithuania's Independence Day.

The struggle of the Baltic people for freedom for so many years remains a symbol to the rest of the world—a symbol of a people's determination never to let their quest for freedom, for self-determination, for self-government be dampened. We in the United States and other free countries on this globe will never cease in our admiration for this struggle, or in our understanding of why it must continue.

When our hostages were released, the American people took stock of the meaning of our freedom. We saw 52 Americans, who previously may have taken freedom for granted, appreciate what it meant to have freedom, and we, too, all paused to give thanks that we live in this country. Let us not forget that for the brave people in the Baltic States, freedom is still just a dream and a hope. I hope that their knowledge of our support will help sustain their dream.●

● Mr. ROUSSELOT. Mr. Speaker, I commend our friend, the gentleman from Illinois (Mr. ANNUNZIO) for once again bringing to the attention of the House of Representatives the desires of the Lithuanian people to be free and independent. My colleague and I have long shared interest in and concern for the many people who are literally in chains under oppressive dictatorships behind the Iron Curtain.

Mr. Speaker, today I would like to join the rest of my colleagues and the Lithuanian-American community in commemorating the 63d anniversary of Lithuanian Independence Day. It is my wish that one day Lithuania will again join the ranks of the free nations of the world. Not many peoples of the world deserve it more. After four decades of occupation the spirit of the Lithuanian people has never withered, but has instead grown stronger with each passing year in captivity. The Lithuanian heritage of heroism, bravery, and dedication to the right of freedom has become a source of inspiration for all oppressed peoples around the world.

It was in 1918 that Lithuania first emerged as an independent nation after centuries of German and Russian domination. In the mere 20 years of independence that followed the Lithuania people proved themselves truly capable of achieving tremendous social and economic strides. The 1940's found Lithuania occupied in turn by the Soviet Union, Nazi Germany, and again the Soviet Union, under whose dominance she has remained for the last 37 years without any opportunity for the self-government she once enjoyed. Proof that continuous efforts by the Soviets to destroy the Lithuanian sense of unity and identity have failed can be found in the way the people steadfastly adhere to their cultural heritage which embraces the value of freedom. It is deplorable that the Soviet Union continues to deny Lithuanian citizens the right to exercise the principle of self-determination and continues to suppress their human rights. As Lithuanians struggle to practice the freedom their declaration of independence once gave them, they must live in constant fear of Soviet retaliation for these efforts.

Mr. Speaker, as the citizens of Lithuania look toward the United States for the concepts of liberty and freedom, let us show them our compassion and support. Let us demonstrate our belief that one day they will again be a free people living in a free nation.

Once again I thank my colleague for taking this time to bring to the attention of the House a recognition of this important day and what it means as a symbol of freedom.●

● Mr. HILER. Mr. Speaker, on February 16, 1918, Lithuania was declared an independent republic. Throughout the next 22 years, that government enjoyed the realization of freedom which came only with its own political identity.

Lithuanian independence came to a tragic end in June 1940, with the entrance of Soviet troops into Lithuania and the neighboring countries of Latvia and Estonia.

Following this takeover the Lithuanian people struggled for 7 years to repel Soviet domination. An incredible 30,000 Lithuanians died in direct confrontation; hundreds of thousands more were shipped to Siberia to work in labor camps under severe conditions. Many workers suffered horribly or died as a direct result of this brutal treatment by the Soviets.

For 41 years Lithuania has suffered repression under totalitarian Soviet rule. The Soviet Government has attempted to destroy all vestiges of Lithuanian culture and independent political thinking.

Undaunted by Soviet oppression, the people of Lithuania still refuse to capitulate to "Russification." Lithuanians continue to use their own language, maintain their religious preferences, and celebrate their unique cultural heritage. The reacquisition of freedom and independence remains a priority to which the people of this proud nation are dedicated. Lithuanians will not rest until their national identity is restored.

We must support Lithuanian independence and condemn Soviet actions which violate principles of human rights and individual liberties. Let us remain committed to aiding the Lithuanian people in regaining the independence which rightfully belongs to them.

We hope that someday soon, Lithuania will join those nations which can freely celebrate the anniversary of an independent people.●

● Mrs. HOLT. Mr. Speaker, like other Eastern European peoples, the Lithuanians have great national pride that recalls their days of independence and expresses the hope for future freedom.

Lithuania was a great imperial power in the 14th century, later merged with Poland, was annexed by Czarist Russia in the late 18th century, declared her independence in 1918 and defended herself against attacks by Russian Bolsheviks, then was overrun by the Russian Red Army and incorporated into the Soviet Union in 1940.

Thousands of Lithuanian patriots have disappeared into the Gulag Archipelago, and she remains under Soviet rule by the ruthless use of Soviet arms and police agencies.

Estonia and Latvia have suffered the same fate, but the people of the three Baltic republics have not lost their

love and hope for independence and freedom.

We must not forget these people, although their territory was incorporated into the Soviet Union. These nations live in the memories and aspirations of their people and in the hearts of freedom-loving people everywhere.

On this day commemorating Lithuanian independence, let us tell the captive peoples that we remember them and we are their brothers and sisters in the cause of freedom. They will be free again some day.●

● Mr. RUSSO. Mr. Speaker, February 16, 1981, marked the 63d anniversary of the independent state of Lithuania. I am proud to join my colleagues in commemorating the anniversary of the Declaration of Independence of Lithuania, when the courageous people of Lithuania gained their freedom from Soviet domination and proclaimed their right to govern themselves as they saw necessary.

Unfortunately, this event is also one of sorrow. It was in 1940 when Joseph Stalin and Soviet troops invaded and occupied the Baltic nations—and once again, the three Baltic states were under Soviet domination.

Despite constant Soviet pressures forced upon Lithuania, however, the brave country continued its fierce nationalism. Lithuania provides a constant unrest that often underscores Moscow's inability to destroy grassroots nationalism even after centuries of Russian domination in that area. Anti-Soviet incidents regularly occur in Lithuania, Estonia, and Latvia, where national groups forcefully assert their claims to maintain their religious, linguistic and ethnic traditions.

In religion, the Lithuanian believers link their refusal to give up the Catholic faith with the survival of their culture. And the Kremlin concentrates its efforts toward weakening the growing strength of the Roman Catholic Church. Moscow worries that a link between the church and opponents of the organization could lead to a development of mass resistance to Communist rule. Yet the Lithuanian Catholic resistance to Soviet pressure is marked by the huge number of religious petitions addressed to Soviet and world leaders.

Despite strenuous efforts made by the Kremlin to force Russian language on the people, most Lithuanians, even high officials, speak Russian only in the presence of Russians.

As we in the House of Representatives commemorate the anniversary, it is imperative that we realize that the struggle of these brave people is continuing. Lithuania is now the dynamo of the Soviet light industry. Their wage levels are high above the national average. Car ownership is increasing rapidly. Lithuanians are making their mark, despite Soviet domination.

Yet, the freedom of these people continues to be restricted; they remain oppressed, and we cannot ignore their future without ignoring our past, rooted in the doctrine of freedom. The Soviet Union denies the people self-determination and they deserve worldwide condemnation; they are ruthless in their efforts to deprive the people of their sovereignty and their heritage. But the Soviets have not and cannot destroy the strong nationalistic and religious movements that continue to exist in the Baltic nations.

Let us again proclaim our support for the people of Lithuania, our support for their constant struggle for the very liberties and freedoms that we as Americans can enjoy every moment in each day of our lives. Let us join in this struggle by drawing the world's attention to it. By paying tribute to and recognizing the strength of these courageous people, we remain true to our own American moral and political ideals, and say to the world, "These people, too, must be free."●

● Mr. WAXMAN. Mr. Speaker, 5 years ago as Leonid Breshnev and Gerald Ford signed the historic Helsinki accords, the free world was filled with a new hope. The agreement stipulated that the Soviet Union would honor and respect human rights and allow freer movement of people, information and ideas between the East and the West. Yet in the wake of the Madrid Conference, whose very purpose it was to review these provisions, we must sadly recognize the accords as empty promises. Lithuania's struggle for freedom serves as testimony of the refusal of the Soviets to abide by the agreement. Ironically, today as we commemorate the 63d anniversary of "the establishment of an independent Lithuania," this small country still remains, unwillingly, an integral part of the Soviet Union, deprived of even the most basic human freedoms.

Lithuania's struggle to keep its identity as a sovereign state has been arduous indeed. Although February 16, 1918, ended 120 years of Soviet domination, this hard-won freedom was shortlived. In 1940, the country was again invaded by the Soviet Union and declared a component republic. By 1944, the ramifications of the Soviet takeover were clear; Lithuania was to be totally incorporated under the Soviet hammer and sickle—bereft of even the slightest cultural or political autonomy.

While we in the United States have refused to recognize the Soviet occupation of Lithuania, we cannot overlook the blatant abridgement of human rights. Soviet attempts to disperse the Baltic peoples led to executions and massive deportations; those remaining were forced to submit to a complete Russification of the Lithuanian culture. While the Soviet constitution ostensibly promises freedom of speech, assembly and religion, these fundamental laws have been ignored. Intellectuals have been prevented from receiving publications from the free world and newspapers and books can only be openly published by the Communists. Families have been disbanded and family members deported. Priests have been jailed for the teaching of religion, even in church. The industrial wealth of the country has been exploited. Dissidents such as Gajuskas, Petkus, and Jaskunas have been tried and exiled to labor camps. In essence, the country has been stripped of all political and cultural independence.

On this, the 63d anniversary of Lithuanian independence, our Nation must not only reaffirm our own commitment to the principles of self-determination, but commend a country who despite great suffering has not lost the will to fight for its freedom. Mr. Speaker, the peoples of Lithuania have only enjoyed two decades of freedom in nearly two centuries, yet despite this oppression have continued to maintain their consciousness, dignity and pride. As we pledge our continued support in the fight for human rights, we must look toward the Lithuanian people for inspiration; throughout 40 years of tyranny neither their remarkable spirit nor their undying courage has faltered.●

● Mr. HOLLENBECK. Mr. Speaker, I rise today to join my colleagues in recognizing February 16 as a day of pride and reflection for Lithuanians the world over. On this day in 1918, Lithuania gained its long-sought independence. Oppressed for centuries because of their vulnerable geographic location, Lithuanians have suffered invasions from the east by the Russians and from the west by the Teutonic Knights. They have demonstrated incredible spiritual and ethnic fortitude by surviving these repeated onslaughts.

Ever since this gallant Baltic nation was forcibly incorporated into the Soviet Union, after only 22 years of independence, Lithuanians have struggled to throw off the chains of their oppressors. Thousands of these freedom fighters have sacrificed their lives in an attempt to secure independence for their beloved country. From 1944 to 1952 alone, some 50,000 Lithuanian freedom fighters gave their lives as part of a grassroots resistance movement. However, the cessation of armed hostilities did not result in the end of the resistance to Soviet domination. Rather, it created the impetus for the introduction of passive protest.

Even today, as I speak, Lithuanians are risking their lives in outright defiance of the Communist regime. The protests of the Lithuanian people for their rights to self-determination as well as religious and political freedom

continues despite Soviet oppression. With this in mind we must attempt to match the courage of Lithuania by reaffirming our dedication to the principles of self-determination and human rights.

It is our duty to continue to confront the Soviets with the fact that, despite being cosigners of the Helsinki accords, they have willfully ignored many of the provisions guaranteeing basic human rights. We must continue to speak out against the infringement of human rights and not succumb to any temptation which permits us to ignore the plight of those being denied their fundamental rights. We must continue to fight vigorously for the inalienable rights of all mankind.

February 16 marks a grim reminder to all of us that there are people in the world who do not possess even the most basic of human rights. We must extend whatever support we can to the people of Lithuania and their dreams for freedom. Let us hope for the day when our Lithuanian friends can celebrate a renewed independence of modern times, rather than commemorate the anniversary of an independence since lost.●

● Mr. MOAKLEY. Mr. Speaker, on February 16, 1981, the 63d anniversary of the Declaration of Independence of Lithuania will be commemorated by Lithuanians around the world. It is imperative that we as a nation who cherish the principles of liberty and freedom share our concern with a people denied these very principles. It is fitting that in this situation, a manifestation of popular sovereignty, that we symbolically join with all freedom-seeking Lithuanians working for their right to reestablish their independence which was taken away at the hands of the Soviet Army.

The freedom of speech, the freedom of the press, the freedom to gather freely, the freedom to petition government, the freedom to worship without harassment are basic truths incorporated in the Constitution of the United States. These principles, which are a cornerstone of our Government, are a fundamental guarantee of our liberty. These basic freedoms are often taken for granted in America and are forbidden in Soviet-dominated Lithuania.

The repression and persecution that is part of everyday life in this Baltic nation must not be forgotten by a nation that prides itself in justice. In commemorating Lithuanian Independence Day our Nation should be moved to action.

As a leader and champion of the oppressed people throughout the world, we have an obligation not only to condemn the denial of fundamental liberties to the people of Lithuania but we must effectively work to allow for self-determination in this courageous nation. By working to bring change in Lithuania, the United States will assist in the struggle to preserve Lithuanian identities, language, and culture.

Lithuanian Independence Day is a day that gives us an opportunity to celebrate freedom and support those in quest for freedom. It must be known that the United States of America stands by all those who still seek to be free. America's role can be found in Bernard Malamud's poignant statement "The purpose of freedom is to create it for others."●

● Mr. LEE. Mr. Speaker, on February 16, 1981, the people of Lithuania will commemorate the 63d anniversary of their declaration of independence as a sovereign state. I would like to take this opportunity to bring to the attention of my fellow colleagues the significance of this very special occasion.

It has been my privilege to represent a large number of Lithuanian Americans from Syracuse, N.Y., thus I can personally identify with this proud group of citizens.

The Lithuanian people, long suffering under the weight of Soviet domination, have waged a valiant effort to secure for themselves the principle of self-determination. Like all Baltic nations, Lithuania must be allowed to choose its own destiny. No longer can the free nations of the world ignore the plight of these and all people striving to remove the stigma of Russian oppression.

I urge that you and all Members of this body join with my distinguished colleague from Illinois, Congressman FRANK ANNUNZIO, sponsor of the Congressional Commemoration of Lithuanian Independence, in observing this important anniversary.●

● Mr. HALL of Ohio. Mr. Speaker, the 63d anniversary of Lithuanian Independence Day, which we observed on February 16, reminds many of us of the oppressed victims of another nation's aggression throughout the world. We pause each year in solemn tribute to the silent and subjugated status of millions of our fellow human beings and offer hope, not despair, and faith, not resignation. We all know that words are only symbols with which we communicate our concern. However, words do not provide the Lithuanian people with the self-determination and dignity which all men deserve and seek.

The plight of the Lithuanian people reminds us of the growth and devices of totalitarian power in this century. Totalitarianism found its origins in the Hitler and Stalin era of the 1930's, became a sophisticated tool in the 1940's, and bred the tidy regimes of the 1950's, 1960's, and 1970's, which now command their own respectability and our acquiescence. Finally, the terroristic guerrilla warfare of the 1950's and 1960's completed the terrible significance of the early development of totalitarianism in the 1930's, 1940's, and 1950's.

The American people cherish the free world. Most recently we have celebrated the return of 52 of our fellow Americans to the free world. The threat of Soviet intervention in Poland and the continued occupation of Afghanistan by the Soviet Union reminds us daily of the fact that we are living in an epoch in which one evil leads inexorably to another. We cannot forget Lithuania, because to do so might allow us to fall victim to the other horrors which lie before us in this century. Therefore, I join my colleagues in the commemoration of Lithuania's Independence Day, and further condemn the Soviet Union for denying these people their right to exercise the principle of self-determination.●

● Mr. LENT. Mr. Speaker, it is with great pleasure that I join with my distinguished colleagues in commemorating the 63d anniversary of the Declaration of Lithuanian Independence.

On February 16, 1918, the flame of freedom shone brightly in the people of the sovereign state of Lithuania—established on that date as an independent republic. Unfortunately, the flame I speak of was soon to be extinguished by another example of imperialism in a long line of Soviet domination. Although the period of Lithuanian freedom was brief, the Lithuanians have never ceased to struggle to maintain and secure the rights and privileges they once knew and cherished.

For four decades the Soviets have continuously disregarded the human rights of both the United Nations Charter and the Helsinki accords. They have also blatantly ignored the stipulations of the Belgrade Conference.

Undaunted, the Lithuanians have remained resolute in their ardent resistance to the Soviet's numerous acts of political repression, religious persecution and cultural genocide. Russian attempts to obliterate the Lithuanian culture, language, and religion have been fruitless. The people of Lithuania have refused to yield or succumb, and as a result of their valiant struggle, they have preserved their unique language, which is one of the oldest living languages, as well as their culture and religious heritage.

The Soviet Union's constant denial of the Lithuanian's right to be free and sovereign is inexcusable. Since 1940, the Baltic states of Lithuania, Estonia, and Latvia have been occupied by the Soviets. Resultantly, these people are subjected to fierce and unrelenting Soviet repression.

Mr. Speaker, as we commemorate the Declaration of Independence for the Lithuanians, let us reinforce our resolve to preserve and protect the

precious liberties and freedoms we enjoy, and to seek to restore those liberties and freedoms to those from whom they have been wrenched by force. Aggression against a free people cannot be condoned or tolerated, and must be challenged at every opportunity.

Today we must reaffirm our pledge to aid in restoring freedom to those who quest for its bountiful rewards. Let us join together in saluting the Lithuanians for their heroic courage in this struggle, and pledge our continual and augmented support.●

● Mr. YATRON. Mr. Speaker, I would like to join my colleagues and the Lithuanian American community today in commemorating the 63d anniversary of Lithuanian Independence Day. I wish to express the hope that one day Lithuania will again be a free and autonomous nation, and that her heritage of heroism, bravery, and dedication to the cause of freedom will continue to be a source of inspiration for all the oppressed peoples of the world.

After World War I, an independent Lithuania emerged from the ruins to begin rebuilding her land, establishing her own government, and in essence, began to determine her own destiny. This progression was halted by the Stalinist Soviets who ruthlessly seized Lithuania in 1940. While under Soviet domination for the past 41 years, Lithuania has not been given the opportunity to govern itself. This has not subdued the spirit of her people, however, who have continually resisted Soviet attempts to destroy their unity and identity. An ardent desire for freedom survives in Lithuania today which is reflected in the way the people steadfastly adhere to a cultural heritage which embraces the value of liberty.

The lesson of Lithuania must be heeded by all the free peoples of the world. Lithuania reminds us of how essential and how precious freedom truly is, and what its loss can signify. Let us pray that one day soon the Lithuanian people will achieve the independence that is the natural right of all men, and that by their example, the world will realize a universal understanding of the need for all people to be allowed to exercise their inherent right of self-determination.●

● Mr. BINGHAM. Mr. Speaker, on the occasion of the 63d anniversary of the Lithuanian Declaration of Independence, February 16, 1981, I would like to pay tribute to the spirit of freedom and independence which lives on in the hearts of Lithuanians throughout the world, despite the illegal occupation of their homeland by the Soviet Union. As a member of the Commission on Security and Cooperation in Europe, I strongly condemn the Soviet Union for its violation of principle 8 of the 1975 Helsinki Accord's Final Act, the right to self-determination both of states and of peoples.

Principle 8 states that—

> The participating States will respect the equal rights of peoples and their right to self-determination, acting at all times in conformity with the purposes and principles of the Charter of the United Nations and with the relevant norms of international law, including those relating to territorial integrity of States.

It also reiterates the rights of all peoples "to pursue as they wish their political, economic, social, and cultural development." The Soviet Union has, for four decades, denied to the Lithuanian people their territorial, political, and cultural self-determination, in clear contravention of both the spirit and the letter of principle 8. This denial of self-determination is not only a tragedy for the Lithuanian people, but in a broader context, denial of self-determination is a threat to peace, because of the instability and insecurity it engenders.

I would like to join Representative ANNUNZIO, who has arranged for a special order on this occasion, in commemorating Lithuanian Independence Day with my sympathy and support for their unyielding pursuit of self-determination and liberty.●

● Mr. FAUNTROY. Mr. Speaker, I want to thank my distinguished colleague, Mr. FRANK ANNUNZIO, for reminding us of the plight of the Lithuanian people and other Baltic peoples for self-determination and freedom.

The Lithuanian struggle for self-government, denied to them since 1940, is in accord with the Final Act of Helsinki, and is still another instance demonstrating the durability of the human spirit and the quest of all peoples for liberation and fundamental human rights.●

● Mr. NOWAK. Mr. Speaker, I would like to commend my colleague, the gentleman from Illinois (Mr. ANNUNZIO), for his leadership in arranging for his special order to commemorate Lithuanian Independence Day.

This occasion gives us the opportunity to renew our strong concerns about Soviet oppression and the denial of self-determination to the peoples of the Baltic States.

The cloud of a potential Soviet intervention in Poland, coupled with the continued brutal Soviet presence in Afghanistan, reinforces the need to remind the Soviets that we have not forgotten the millions of oppressed persons behind the Iron Curtain, nor have we wavered in our strong belief that they should be free.

It is our hope that our persistent remembrance of anniversaries such as Lithuanian Independence Day will offer reassurance to Lithuanian Americans and to those struggling to gain independence. Regardless of the length of the struggle, the fires of freedom cannot be extinguished.

A resolution adopted by the Lithuanian Club of Buffalo on February 8, 1981, describes the ongoing struggle within Lithuania to the continued Soviet violations of international law and individual rights. This resolution, I believe, expresses the rationale for our observance here today and I would therefore like to share it with my colleagues.

RESOLUTION

> We, the Lithuanian-Americans of the Niagara Frontier, at a meeting held on February 8, 1981 to commemorate the reestablishment of Lithuania's independence, send our warmest greetings to the people of Soviet-occupied Lithuania, pledge our unwavering support for the restoration of Lithuania's sovereignty, and do hereby state as follows:
>
> That February 16, 1981 marks the 63rd anniversary of the reestablishment of the independent State of Lithuania and the 730th anniversary of the formation of the Lithuanian Kingdom in 1251; and
>
> That by the Peace Treaty of July 12, 1920, Soviet Russia officially recognized the sovereignty and independence of Lithuania and voluntarily renounced forever all claims to Lithuanian soil and her people; and
>
> That until 1940, Lithuania was a sovereign nation, a member of the League of Nations, and signatory of numerous international treaties with the Soviet Union; and
>
> That the Soviet Union in June of 1940 invaded and occupied Lithuania, and subsequent to that invasion forcibly annexed the Lithuanian nation into the Soviet Union; and
>
> That the Soviet Union continues to conduct a policy of colonization, forced Russification, ethnic dilution, and religious and political persecution; and
>
> That the people of Lithuania to this day are risking and sacrificing their lives in defiance of the Soviet regime, as recently made evident by the numerous arrests of the members of the Lithuanian Helsinki Monitoring Group, signers of the August 23, 1979 petition to the Secretary General of the United Nations, and publishers of the Chronicle of the Catholic Church in Lithuania and other dissident publications; and
>
> That the United States government maintains diplomatic relations with the government of the Free Republic of Lithuania and consistently has refused to recognize the unlawful occupation and forced incorporation of this freedom-loving country into the Soviet Union; now, therefore, be it Resolved, That we will urge President Reagan's administration to maintain and to strengthen United States' policy with regards to the Baltic Republics of Lithuania, Latvia, and Estonia; and
>
> That we urge the United States of America and other nations of the Free World to use diplomatic and other possible pressures to compel the Soviet Union to release from jails, concentration camps, and psychiatric wards, people who struggle for human rights and for liberty; and
>
> That copies of this resolution be forwarded to the President of the United States, the Secretary of State, the American Ambassador to the United Nations, United States Senators and Members of the House of Representatives from our state, the Lithuanian Minister in Washington, D.C., the Lithuanian Consul General in New York City, and to all appropriate representatives of the press.●

● Mr. GUARINI. Mr. Speaker, February 16 marked the 63d anniversary of the independence of Lithuania. I am proud to join with those people of Lithuanian origin in commemorating this occasion.

While we celebrate the 63d anniversary of the independent Republic of Lithuania we must remember that the history of this proud and fiercely independent people goes back much further. The formation of the Lithuanian state took place 730 years ago. This formation became not only a geographic union but also a cultural union of people united by similar ideals.

Unlike many ethnic groups which have disappeared into history when confronted by the forces of overpowering nations, the Lithuanians were able to keep their culture and their ethnic identity. Lithuania was not only able to survive Czarist attempts at geographically dividing the land, but they also survived the Czarist attempt to eliminate the Lithuanian language and its flourishing culture.

In 1920 the independent Republic of Lithuania signed a peace treaty with the Soviet Union. This treaty guaranteed Lithuania's right as an independent and sovereign nation. At the same time the Russians renounced what they had previously claimed as their right of sovereignty over the country for all times. The signing of this treaty culminated a fight for independence that the Lithuanians had begun in the 1880's under the Russian Czar.

As we all unfortunately know, the freedom that the Lithuanians knew on February 16, 1918, was not to last. In 1940 the Soviet Union invaded Lithuania. The Lithuanian freedom fighters were unmatched in their gallantry but defeated by the overwhelming force of 300,000 troops. After World War II the Soviets refused to free the captured Baltic nation.

The types of oppression endured under the Czar resurfaced with the Soviet takeover. It is estimated that 30,000 Lithuanians lost their lives fighting the Soviets in the 10 years after the takeover. Religious freedom was denied and widespread attempts to erode the Lithuanian culture have been made.

We must recognize that freedom-loving Lithuanians are working hard to restore their rights. As Americans we can never lose sight of this struggle. As a step in the right direction we must seek enforcement of the Helsinki accords of 1975. Beyond this temporary goal we must remain open to the soundings for Lithuanian freedom. The Lithuanians deserve their freedom. I join them today in honoring their Independence Day and their continued quest for freedom.

I request that this tribute to the Lithuanians be included in Representative ANNUNZIO's special order on Lithuanian Independence Day.●

● Mr. ECKART. Mr. Speaker, 63 years ago the nation of Lithuania obtained its independence. Just over 22 years later, the proud and resolute Lithuanians were overrun by the forces of the Soviet Union, and to this day the courageous people of Lithuania continue to seek renewal of their lost independence.

The anniversary of the Lithuanian Declaration of Independence on February 16, coming so close as it does to the birthdays of two of our greatest Presidents, Lincoln and Washington, serves as a constant reminder to us of the struggles going on today for freedom. The effort to win the right of self-determination continues in all the captive nations, even while the people in them struggle to maintain their religion, language, and culture in the face of constant official Soviet repression.

We in this country must remember that freedom is a birthright that must not be taken for granted. Even as we battle to keep our own freedom strong, other nations, most recently Afghanistan, find themselves newly enslaved and subjugated.

The struggle of these people must not be ignored. They fight every day to emerge from the living hell of denied freedom.

On this day commemorating the shortlived freedom of Lithuania, we should renew our own commitment to assist those seeking their own birthright of freedom.●

● Mr. FROST. Mr. Speaker, I am grateful for this opportunity to participate, for the second straight year, in this special order commemorating Lithuanian Independence Day. This special celebration is a way to remind us all that despite the tyranny and aggression that seems to be growing in the world today, people around the world still yearn for freedom.

This day is especially significant to me since my maternal family heritage is Lithuanian. Since my Lithuanian forebears came to this country in the 1800's, we have come to appreciate the freedom available to all in the United States. In the same way, the people still in Lithuania today, who have endured the horrors of war and the domination of a totalitarian state dedicated to eradicating all semblance of freedom, appreciate the meaning of freedom. Their courageous struggles to become unshackled from tyranny is an example to us all. I join the House of Representatives in saluting the people of Lithuania on this special day.●

● Mr. PEYSER. Mr. Speaker, I consider it a privilege to commemorate the 63d anniversary of the establishment of the modern Lithuanian Republic. Today we honor the Lithuanians' constant dedication to self-determination and human rights that led to their declaration of independence.

Lithuanian spirit for independence has prevailed throughout centuries of colonization and domination by foreign powers. In 1795, Russia annexed Lithuania, despite many rebellions by the Lithuanian people. The Russians attempted to replace the native culture and language with their own. But, the Lithuanians resisted and remained faithful to their religion, language, and customs. Finally, in 1905, the discouraged Russians abandoned their policy of russification.

Ten years later, however, the First World War burdened Lithuania with foreign occupation forces and more repression. The German Army overran Lithuania in 1915, plundering those cities and towns that the rapidly retreating Russians missed. As the war turned against Germany, the Lithuanians pressured the German Government to authorize the gathering of a congress. On February 16, 1918, Lithuania declared itself an independent state dedicated to democratic principles.

Early in 1919, however, after the Germans retreated, the Russian Red army seized the capital city of Vilnius and set up a Communist government. By the summer of 1920, Russia signed a peace treaty forever renouncing its domination over Lithuania.

Once truly independent, Lithuania took steps toward promoting democracy and human rights. A constitutional government and parliament were formed. The new Government instituted a land reform program to increase the percentage of landowners. In addition, the Government secured social reforms benefiting laborers and provided more educational institutions.

In 1939, however, World War II cast its shadow upon the sovereign Lithuanian State. Contrary to its earlier promise, Russia forcibly annexed Lithuania in August 1940 and so ended the freedom and independence of thousands of Lithuanians. German forces later occupied and ravaged the tiny Baltic State in their offensive against Russia. At the end of the war, the Soviet Union reclaimed Lithuania as well as its sister republics, Latvia and Estonia, and has ruled over them since.

In 1958, nearly 20 years after annexation, the Lithuanian World Congress affirmed their commitment to freedom and independence. It adopted a unanimous resolution declaring that "Lithuanians continue fiercely resisting the alien rule" of the Soviet Union and calling on free nations to "reaffirm on every suitable occasion the inalienable rights of the Lithuanian people to national independence and individual freedom."

Today, the United States continues to recognize Lithuania as a sovereign state and not as a Soviet constituent. At this time, we pay tribute to the proud and durable people of Lithuania—a people who continue to pursue their dream of independence. They are truly an example to all free nations that treasure the inalienable rights of freedom for all individuals.●

● Mr. JEFFRIES. Mr. Speaker, freedom is a way of life here in the United States, and for that reason we often take our liberty for granted. During this month of February our thoughts are drawn once again to those crusaders for freedom that highlight the course of American history, Abraham Lincoln and George Washington. In their hearts the fire of liberty burned bright, and today, we as citizens of this great Nation have inherited that legacy.

The flame burns in the hearts of the Lithuanian people as well. Sixty-three years ago, on February 16, 1918, the Republic of Lithuania declared its independence as a sovereign and democratic nation. During this week those of Lithuanian heritage commemorate that occasion, but not with happiness. Lithuania remains a captive nation under the control of the Soviet Union, and the anniversary of its former independence serves only to foster sadness and the renewed resolve to put an end to the Soviet occupation of this peaceful Baltic nation.

In June 1940, after only 22 years of living as a self-governing and free entity, Lithuania was seized by the avaricious Soviet Union in compliance with its unholy alliance with Hitler and Nazi Germany. The neighboring lands of Latvia and Estonia were also forcibly occupied and annexed.

The patriotic people of Lithuania did not accept their fate at that time; nor do they accept it now. Despite oppressive and tyrannical persecution by the Soviet leviathan, the struggle for political and religious freedom continues, both openly and through various underground organizations. One of the major forces in the fight is the Catholic Church, which instills fervor and new hope in the oppressed population. The Kremlin has continuedly attempted the russification of Lithuanian culture and heritage, but the proud nation has steadfastly resisted such measures. Unfortunately, continued opposition to Soviet policy in the Eastern bloc countries has caused the already suffocating grip on Lithuania by the Soviets to tighten even further.

Soviet expansionism has always been a threat to the freedom-loving peoples of the world; Hungary, Czechoslovakia, and Afghanistan are our most recent and appalling reminders of that reality. During this time when we honor those individuals who defended freedom and independence on these shores, let us also pause and remember the ongoing struggle of the Lithuanian people and lend our support and prayers to their cause, the crusade for liberty.●

● Mr. FORD of Michigan. Mr. Speaker, today marks the 63d anniversary of Lithuanian Independence Day. As in past years, I take this opportunity to pay tribute to all Lithuanians. I admire them for their courage and I admire them for being strong and proud.

I know that several of my colleagues here in the House are fortunate, as I am, to represent Lithuanian Americans. I know that these individuals love America, but they also love their heritage. It is their fight for freedom, aided by Radio Free Europe, Radio, Liberty, and the Voice of America, that have kept alive the hope of freedom for all those in the Baltic States.

Despite brutal attempts by many nations to incorporate Lithuania, these people have held on to their identity and they have kept alive their memory of Lithuanian desire for democratic freedom. The Soviet Union has tried to destroy freedom of press, speech, and religion. Despite the deprivation of these most basic human rights, Lithuanians continue to cling to their cultural heritage.

I am proud to commemorate Lithuania's Independence Day today. I feel confident that the struggle of these people will not go unnoticed.●

● Mr. BRODHEAD. Mr. Speaker, I am pleased to join with many of my colleagues in commemorating the 63d anniversary of the establishment of the independent Republic of Lithuania. This is an appropriate occasion to recall the tyranny to which Lithuania has been subjected by the Soviet Union and renew our commitment to opposing the Soviet Union's continued occupation of this independent nation.

The unfortunate history of the Soviet subjugation of Lithuania begins with the signing of the infamous nonaggression pact between Stalin and Adolph Hitler. Shortly thereafter, Lithuania and the other Baltic nations, Latvia and Estonia, became the first victims of the Soviet Union's imperialism and expansionism, which continues to this day. The United States has rightly never recognized as legitimate the occupation of the Baltic States. I am very pleased that the U.S. delegation to the Madrid Conference on the Helsinki accords reaffirmed this policy of nonrecognition, in keeping with our position that the illegal incorporation of these nations violates the Helsinki agreement. Although nonrecognition alone will not right the wrong done in 1940, we must not as a matter of principle ever seem to acquiesce in that wrong.

There are those who will say that our efforts today are in vain. However, we who have been actively involved in promoting the cause of basic human and political rights for people around the world know that this is not the case. On the contrary, our vigilance serves as one of the only deterrents, however small, to more rapid Soviet expansionism. We must continue to impress upon the Soviet Union the gravity with which we view aggression and denials of human rights, as well as the fact that these factors will be central to our foreign policy. Also, the constant efforts of Lithuanian Americans and the support of concerned Members of Congress are vital in keeping alive the hopes of the oppressed people of Lithuania. We owe it to these people not to abandon our efforts.

I hope that the commitment we are expressing today will continue to be reflected in our country's foreign policy—more strongly now than ever before.●

● Mr. ADDABBO. Mr. Speaker, I am glad and honored today in joining my distinguished colleagues and the over 1 million Lithuanian Americans in commemorating the 63d anniversary of the Declaration of Independence of Lithuania.

It is as important as ever that we show our moral support for the Lithuanians and their struggle for self-determination. As Americans, living in a country surrounded by friendly neighbors, and blessed with a government that respects the rights of its people, it is very difficult to comprehend what it would be like living in Lithuania since World War II. But imagine if you will, waking up tomorrow morning and finding out that our once friendly neighbor, through force of arms, terror, and brutality, as well as total disregard for international law, had invaded and annexed the United States. Imagine discovering that a treaty of nonaggression, signed in good faith, had been callously violated, or also being told that the invading nation had rigged an election to produce a Congress which requested the incorporation of the United States into the annexing nation. It would be a life in which little or no news of the free world would get past the borders and a world in which just as little information describing the tyranny, aggression, and blatant disregard for human rights of the occupying nation would get out. Picture a government which denies its citizens cultural, political, and religious freedoms—freedoms as a free nation it had fought so valiantly to secure.

What I have just described is a world the people of Lithuania know all too well since 1940, when the Soviet Union, in total disregard for the rights of a free nation, began its occupation of the once sovereign nation of Lithuania. It is a tribute to the brave people of Lithuania, who, though living under Soviet domination, have never lost their determination to one day live in a country where the rights and

needs of the people are held sacred. We, as the most powerful free Nation on this Earth, must never forget the plight of Lithuania. To do so would be a far more greater crime.●

● Mr. FLORIO. Mr. Speaker, this month commemorates the 63d anniversary of the reestablishment of an independent Lithuania and the 703d anniversary of the founding of the Lithuanian state. As our Nation approaches its own 205th year of national independence, I believe that we should pause to reflect on the courageous people of Lithuania, who have been denied both freedom and self-determination by the Soviet Union.

Nearly 40 years ago, on June 15, 1941, the Soviet Union executed or deported over 34,000 Lithuanians. After World War II the mass deportations of Lithuanians to undisclosed points in the Soviet Union resumed and continued until 1953.

The Lithuanian people have now entered a fifth decade of Soviet occupation. Soviet occupation has resulted in the unrelenting oppression of human rights in Lithuania. The once-growing economy of this Baltic nation is now dependent upon raw materials and markets controlled by government authorities in Moscow. Sadly, the world has witnessed the standard of living in Lithuania reduced by government dictate to the level imposed throughout the Soviet Union.

Soviet annexation of Lithuania has denied its people the right to practice religious beliefs, to have their children educated in their native tongue, and to enjoy all basic rights common to free nations. The United States has never recognized the illegal Soviet annexation of Lithuania. I urge President Reagan to reaffirm U.S. commitment to a free Lithuania and to strengthen U.S. recognition and support to the diplomatic corps established by independent Lithuania.

I have written to the U.S. delegation to the Helsinki Review Conference now being held in Madrid, Spain. I urged the delegation to use the conference as an effective forum to seek improvements to the human rights policies of the Soviet Union. I request my colleagues to join with me in denouncing the human rights policies of the Soviet Union and its illegal annexation of the Baltic States. Lithuania has kept alive a spark of freedom in the very face of Soviet oppression. Our Nation must morally commit its strength to assist the Lithuanian people in this struggle.●

● Mr. BENJAMIN. Mr. Speaker, today the House formally recognizes the 730th anniversary of the formation of the Lithuanian State and the 63d anniversary of the independent Republic of Lithuania.

I have spoken on former occasions regarding Lithuania, first praised by the Roman historian Tacitus. I have alluded to the majesty of its forests, the wonders of its culture, and the strength of its people. We have spoken of the decades of freedom enjoyed by the Lithuanian nation until 300,000 troops of the U.S.S.R. occupied their nation in 1940, deporting its people, assassinating its leaders.

As the Soviets again cast a wanton eye West, it behooves us to reiterate the words of the deputy chairman of the U.S. delegation to the Madrid Conference, who said:

The United States does not recognize the illegal incorporation, by force of arms, of the states of Latvia, Lithuania, and Estonia by the Soviet Union. This act is clearly inconsistent with Principal VIII of the Helsinki Final Act.

On behalf of the 10,000 Lithuanian people of northwest Indiana, I join the deputy chairman in condemning the Soviet Union's denial of the exercise of the principal of self-determination for the Baltic peoples.

With the passing of another season, it is my prayer that the seed of freedom will again bloom in Lithuania.

Mr. Speaker, I include the following resolution adopted by the Lithuanian American Council of Lake County, Ind., in the RECORD:

RESOLUTION

We, the Lithuanian Americans of Lake County, Indiana—assembled this 15th day of February, 1981 at Gary, Indiana, to commemorate the restoration of Lithuania's independence, do hereby state as follows:

Whereas February 16, 1981 marks the 63rd Anniversary of the restoration of independence to the more than 700 year old Lithuanian State;

Whereas Lithuania was recognized as a free and independent nation by the entire free world, she was a member of the League of Nations, however, she was by force and fraud occupied and illegally annexed by the Soviet Union disregarding the Peace Treaty of 1920 in which Moscow had guaranteed Lithuania's independence forever and disregarding the Non-Aggression Pact of 1926 with the Soviet Union;

Whereas the Soviet Union is an imperialistic, aggressive colonial empire, subjugating each year new countries; Lithuania was one of its first victims. The colonies of western countries have regained their independence, even underdeveloped nations of Africa and Asia, while Lithuania is still exposed to the most brutal Russian colonial oppression and exploitation;

Whereas the Soviet invaders, even though using tortures in jails, concentration camps, psychiatric wards are unable to suppress the aspirations of the Lithuanian people for self-government and the exercise of their rights to self-determination: Now, therefore, be it

Resolved, we are grateful to the President of the United States who instructed the U.S. delegation to raise at the Madrid conference the right of the Baltic States for self-determination;

We are grateful to President Carter for his struggle for human rights, which should include the right of nations to live free and independent lives,

We urge the United States of America and other nations of the free world to use diplomatic and other possible pressures that the Soviet Union withdraw its military forces, secret police apparatus, foreign administration, and release from jails, concentration camps and psychiatric wards people who struggle for human rights and for liberty;

We are grateful to President Reagan for a statement before his election that an official diplomatic non-recognition of the forced incorporation into the U.S.S.R. of the three Baltic nations will continue to be a policy also of his Administration.

That we express our most sincere gratitude to the United States Administration and the Congress for non-recognition of the incorporation of Lithuania into the Soviet Union and we request them to use every opportunity in international forums and in direct negotiations with the Soviet Union to strongly support the Lithuanian aims for independence: Be it further and finally

Resolved, that copies of this Resolution be forwarded to the President of the United States, to the Secretary of State, to the U.S. Congresssmen and Senators from our State, to Congressman Dante B. Fascell, Chairman of the Helsinki Committee in Washington and to the news media.●

● Mr. FARY. Mr. Speaker, on February 16, 1918, the proud and independent people of Lithuania won their national freedom. The independent State of Lithuania was reestablished. It is a special day for those of Lithuanian descent and to all who support the principles of freedom and self-determination.

Unfortunately, this era of independence and economic and political democracy was short lived. With the onslaught of World War II, Lithuania was engulfed by invading armies. Twenty-one years of freedom and honor came to an abrupt end. In 1940, the Soviet Union declared Lithuania a constituent republic of the U.S.S.R. The Lithuanian people fiercely protested. The Soviet Union retaliated with brutal methods; thousands were deported to Siberia or executed.

Appropriately, the U.S. Government has never recognized the Soviet annexation of the Baltic States and has continued to recognize the diplomatic corps established by an independent Lithuania. Since this policy of nonrecognition has a mitigating effect on the policies of the Soviet Union toward the Baltic States, I urge the new administration to support and strengthen the diplomatic representation of Lithuania.

I commend the recent statements by the United States at the Conference on Security and Cooperation in Europe. According to the deputy chairman of the U.S. delegation, "We know that there is little that can be done to right a wrong committed four decades ago. But let us remember also that the passage of time will not make that wrong right. Time does not make right, any more than might makes right."

The United States also took the position that principle IV of the Helsinki accords, which makes occupation or acquisition of territory in contravention of international law illegal, applies to the Soviet-occupied Baltic States of Lithuania, Latvia, and Estonia.

Russian domination is a part of the history of this oppressed Baltic nation. It first began in 1795 and continued until 1915. Despite this occupation, the Lithuanian people remained committed to their deep faith and to their nation. They refused to accept assimilation into the Russian system and culture.

Despite the lack of freedom and self-determination over the last 40 years, once again the pride and tradition of an independent spirit lives on. Today, I join in paying tribute to the spirit and tradition of the Lithuanian people. Along with Lithuanians throughout the world and all lovers of freedom and self-determination, I hold out eternal hope that someday Lithuania will obtain the independence they have been denied.●

● Mr. OTTINGER. Mr. Speaker, I rise to commemorate the 63d anniversary of the Declaration of Independence of Lithuania. As a member of the Ad Hoc Congressional Committee on the Baltic States and Ukraine, I feel it is important for us to condemn the Soviet Union for forcibly depriving Lithuanians of their sovereign rights and self-government.

As an independent nation, Lithuania placed great emphasis on social and economic progress for its people. A land reform program was implemented, the number of schools was increased, and labor laws were instituted. Tragically, all of this came to an end by the unprovoked invasion and occupation of the Baltic countries in June 1940.

Since that time, the Soviet vstem has attempted to shackle the fr e will of the Lithuanian people. Moscc v has restricted national cultural life and religious freedom; systematic russification is official Soviet policy. Despite this Russian tyranny, the Lithuanian people have retained their insatiable desire to be free once again.

Mr. Speaker, we must vocally oppose the Soviets for blatantly disregarding the human rights of the Lithuanian people; we must bring these human rights violations to the attention of the world. Also, the United States must continue to refuse to recognize the unlawful incorporation of Estonia, Latvia, and Lithuania into the U.S.S.R. Finally, we must maintain an unwavering commitment to aid the Lithuanian people in their quest for liberty and self-determination. Perhaps, if we remain diligent in our efforts, the hopeful words of a 1959 New York Times editorial commemorating Lithuanian Independence Day will come true:

In the Baltic countries, the path to a better future is still dark, but it is not lost and will not be. The day of the overlords will not last forever. The time will come when the three lost nations will be able to come out and join us.●

● Mrs. COLLINS of Illinois. Mr. Speaker, it is with great pride and honor that I rise with my colleagues in commemorating the anniversary of Lithuanian Independence.

It was 63 years ago, on February 16, 1918, that Lithuania gained independence following subjugation by Russia, and occupying German armies during World War I, for more than 120 years. Her freedom was challenged by the Soviet Union and she subsequently lost some territory. However, by her resistance, Russia was forced to recognize Lithuania as a sovereign state in 1920.

During World War II, Lithuania found herself again occupied, this time by German armies.

There was a brief time after her declaration of independence in 1918 when it appeared she would remain an independent nation. However, after 23 years, their freedom was stolen from them by the Russians again in 1941. Soon after Lithuania became part of the Soviet Union and its courageous but helpless people shipped to labor camps, the world saw that despite conditions which grew worse by the day, that there was hope alive that one day they would be free. When the war ended, they found that there was no freedom to be had. The end of the war only served to mark the continuation of their national tragedy.

We must never forget the fight waged by the Lithuanian people to reestablish their complete independence. As an American who enjoys the blessings of freedom, we must continue to strive for the same blessings for all peoples and nations.

Accordingly, I extend my warmest wishes to our Lithuanian friends here in the United States as they celebrate the anniversary of Lithuanian independence and look to the day when their friends and families in Lithuania can be free.●

● Mr. SMITH of New Jersey. Mr. Speaker, this great Nation has always sympathized with small nations struggling to be free. Even before he wrote our Declaration of Independence, Thomas Jefferson declared the partition of Poland to be "The infamy of the century." In 1822, this House expressed its sympathy and support for South American and Greek patriots struggling against foreign tyranny. In 1850, Secretary of State Daniel Webster told the Austrian Minister the United States desired to see Hungarian independence restored.

Our record is a noble one.

Today we share in the great tradition of American support for small nations rightfully struggling to be free. We commemorate the independence of Lithuania, proclaimed in 1918 after a century and more of suppression within the Russian Empire. We also commemorate the 730th anniversary of the founding of the Lithuanian state.

This is a day of both joy and sadness. Joy—because Lithuania on this day again took her place among the free nations of the world. Sadness—because that freedom was so brief.

Lithuania lies under the shadow of oppression and tyranny today. It has been annexed, against its will, by Soviet Russia. Its clergy, civil servants, teachers, army officers have been murdered. Its people have been deported, by the hundreds of thousands, to the slave labor camps of Siberia. The Roman Catholics of Lithuania are subjected to hideous persecution at this very hour. Everything possible has been done to destroy Lithuanian national life.

The very fact there still exists a Lithuanian national spirit is testament to the great courage of the Lithuanian people.

Lithuania committed no crime to merit her treatment. Rather, like the other nations of Eastern Europe, Lithuania had the misfortune to be caught between the expanding empires of Soviet Russia on the one hand, and Nazi Germany on the other.

As a result of the infamous Hitler-Stalin pact Lithuania was occupied by Soviet Russia in June 1940. Except for her occupation by Hitler in the Second World War, Lithuania has been held by Moscow ever since.

This Nation has never recognized the annexation of Lithuania or her Baltic neighbors, Latvia and Estonia. Nor should we ever do so. We should insist this last vestige of the Nazi-Soviet pact be expunged, and these small nations restored to their rightful freedom.

By this special order today we reaffirm our commitment to the people of Lithuania.

By this special order we reaffirm our belief that the natural condition of all peoples is freedom.

By this special order we reaffirm our support for the idea that the rights of small nations are as important as the rights of large nations.

The Lithuania people are fit partners for a league of honor.

As we support Lithuania today, let us express our support for nations resisting tyranny throughout the globe.

The gallant Polish people lie under the serious menace of Soviet invasion. Their hopes for a future in peace and freedom could be blighted at any moment.

The Afghan people continue their heroic struggle against overwhelming odds. In the natural fortresses of their mountains they fight jets, tanks, and poison gas with primitive weapons, but with right and justice on their side.

The people of the Ukraine continue their silent struggle against tyranny. Their spirit is also unconquerable.

Throughout Eastern Europe, in Central Asia, those oppressed by Soviet tyranny know there must come a day of freedom.

All these people are our allies.

As I have stated, we do not recognize the annexation of the Baltic States. These nations still maintain diplomatic legations here. However, the money to keep up the legations of Estonia, Latvia, and Lithuania is running low.

Since 1940, the frozen assets of the Baltic States have been used to pay for the upkeep of their diplomatic personnel. Now new sources of funds must be found.

This is a serious matter, and I trust we give some thought to it. We have a responsibility to the peoples of Lithuania, Latvia, and Estonia, to assist in maintaining their diplomatic identity.

Mr. Speaker, while we express our support for Lithuania today, let us have faith in Almighty God.

For His own purposes the Creator allows great evil to exist for a time. Then, at His own determination, that evil vanishes.

So it will be with the people of Lithuania. This great evil will pass. A free Lithuania will again exist under a free constitution. The sun of freedom will shine on a great, free nation.●

● Mr. McHUGH. Mr. Speaker, February 16 was the anniversary of Lithuania's Declaration of Independence, and I am honored to salute the Lithuanian people on this occasion. A rich cultural heritage, strong religious faith, and burning desire for freedom enabled this proud and ancient people to emerge from czarist domination in 1918 and establish a free and independent state.

Just as the Lithuanians had persevered in cherishing their heritage throughout the 19th century czarist occupation of their country, they have been heroic since 1940 in nurturing their national identity and their strong determination to be free again. The Soviet forces that overran Lithuania in 1940 and have ruled there since then have never been able to subdue the will of this brave people. This was demonstrated through long years of partisan fighting in the 1940's and early 1950's. It has been evident in demonstrations within the Soviet-managed factories, the appearance of underground newspapers and dissident journals, and the brash unwillingness of Lithuanian youth to be "Sovietized." Within the past year the restiveness of people oppressed by the Soviet system has been amply demonstrated by events in neighboring Poland.

It is both our duty and our privilege, Mr. Speaker, to do everything possible to advance the day when Lithuania and other captive nations can enjoy the blessings of liberty once again. To that end, it is our country's policy to refuse to recognize the forcible absorption of the Baltic countries into the Soviet Union, and to continue to recognize the diplomatic representatives who represent the legitimate claims of the Baltic countries to independence and self-determination.

Very recently, Mr. Speaker, we were made keenly aware of how precious freedom is. Dozens of our own citizens returned from 14 months of captivity at the hands of self-willed political forces that do not respect principles of international law and cooperation. At the same time, we have observed the chilling reality of Soviet expansionist intentions in the brutal Soviet invasion of Afghanistan. Yet, given the sordid example of Soviet tyranny over Lithuania and so many other captive nations, we should not be surprised. What is now important is that we take to heart the lessons which current history teaches about Soviet treachery. Those lessons were learned long ago by Lithuania and other nations which fell prey to Soviet greed. It is now our vigilance and firmness which must put those lessons into practice, both for our own security and the survival of liberty in a volatile world.●

● Mr. GONZALEZ. Mr. Speaker, the proud nation of Lithuania declared its independence 63 years ago on February 16, 1918. A goal had finally been realized by the Lithuanians after a tumultous period of Russian domination. Unfortunately, independence came to an abrupt end when their sovereignty was violated and their freedom suppressed by the Soviet Union only 20 years later in 1938. The aggression and tyranny to which they fell victim is the direct opposite of the freedom for which the United States represents.

During the brief period of independence, Lithuania made great progress in areas of social legislation as well as an overall advancement in the standard of living. In addition, literature flourished. Lithuanians reaffirmed their pride in the national folklore with superb examples in the arts such as opera and classical music.

It is unconscionable that the Soviet Union has attempted to deny and annihilate the basic human rights of the Lithuanian people. The Lithuanians, while living in constant fear of retaliation, have refused to accept the dismantling of their national ways and traditions. Although stripped of their cultural and political freedom, their determination to shed oppression and acquire full sovereignty has not been diminished.

We continue in our steadfastness to condemn the Soviet Union for refusing to permit the basic right of national self-determination to Lithuania. It is in this spirit that we must encourage that a new glimmer of freedom will shine on this proud nation of Lithuania on her independence day.●

● Mr. PORTER. Mr. Speaker, I am proud to add my voice to those that speak today in commemoration of Lithuanian Independence Day. It is a good time for those of us in this free nation to remember the many states that have lost their liberty to forced russification and been denied free expression of their national character.

We remember today the Byelorussians, Kazakhs, Ukrainians, Kirghis, Turkmens, Uzbeks, Tatars, as well as the other Baltic peoples, the Latvians and the Estonians. Along with Moldovia, and parts of Finland, Japan, and Poland, they have fallen to the Russians' seemingly insatiable hunger for the internal buffer areas that they have been carving out for hundreds of years.

It is perhaps unrealistically sanguine to hope that individual liberties, religious rights, and national independence will be returned to these peoples any day soon. But it is vital that we recall their struggles, and while doing what we can to help them, learn from their sad experiences.●

● Mr. DAUB. Mr. Speaker, it is my privilege to register my support for this occasion of House recognition of Lithuania Independence Day.

Since the 1944 military annexation of Lithuania by the Soviet Union, the plight of this Baltic State has been a sober reminder to the world of the importance of a commitment to self-determination. This annexation was the result of an earlier Nazi German and Soviet Union Treaty wherein Stalin and Hitler agreed to divide Lithuania, Estonia, Latvia, Finland, and Poland between themselves. As you know, the first three states are now incorporated into the Soviet Union.

We as a nation have never recognized this incorporation. Principle IV of the Helsinki accords makes territorial expansion illegal under international law. It is the position of the United States that this provision is applicable to the occupation of Lithuania and other Baltic States.

Lithuania has been occupied for close to 40 years. However, Mr. Speaker, self-determination is not a principle to be compromised by time. Nor is it a principle easily suppressed in the hearts of those who, like Lithuanians, yearn for it on their own soil.

I call on the entire House to reflect upon the plight of Lithuania. I ask my colleagues to join in the admiration of the perseverance of the people of Lithuania in their struggle for self-determination and simple justice.●

● Mr. RODINO. Mr. Speaker, on Monday people of Lithuanian descent all over the world celebrated the 63d anniversary of the independence of the captive nation of Lithuania.

As Americans we commemorate this day by recognizing the long struggle for freedom that has been endured by

the people of Lithuania. For the past 63 years these proud and industrious people have sought national self-determination. Although this goal still eludes them, the fire of freedom which burns in the hearts of the people of Lithuania will never be extinguished.

Mr. Speaker, this fire of freedom lives in America, and it was carried here, in part, by the many Americans of Lithuanian descent. I am proud of these Lithuanian-Americans who have enriched our culture with their heritage and commitment to democratic principles.

I salute these hard-working Americans, and I pledge my continued support for human rights worldwide as America recognizes the plight of Lithuanians who continue to struggle for a free state. Let us all join in the 63d observance of Lithuanian Independence Day.●

● Mr. DINGELL. Mr. Speaker, I am proud to join with my colleagues in the House in this commemoration of Lithuanian Independence Day. It is a day on which we pause to recognize the courageous Lithuanian people and their continuing struggle for freedom.

The scars of the fight for national self-determination in Lithuania are deeply embedded in the history of this nation whose people have endured great suffering and loss. Despite the presence of a superior Soviet military force which has superimposed a political structure and repressed the free exercise of political, cultural, and religious freedoms, the Lithuanian people have been unwavering in their resistance and tenacity to be free. For generations, they have kept alive their rich and unique ethnic traditions and maintained the legacy of a commitment to independence and a free nation.

We share in the ideals and aspirations of the Lithuanian people and trust that their homeland once again will be blessed with freedom and peace.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, once again I join with the Lithuanian Americans across the country, the people of Lithuania, and my colleagues in commemorating the 63d anniversary of that nation's declaration of independence. This year, Lithuania's Independence Day takes on an even greater significance when we look at the most recent actions by the Soviet Union in Poland, and its invasion of Afghanistan.

It is important to note that many other once-free nations are waging the same fight as Lithuania for basic human freedoms. Poland, Estonia, Romania, Bulgaria, Hungary, Czechoslovakia, East Germany, and Afghanistan have all battled and are continuing to battle the terrible oppression of Soviet domination. Indeed, many Russian citizens are themselves struggling for the human rights they deserve.

The Lithuanian Republic, founded with such great hope in 1918, was tragically fated to enjoy only 22 years of independence. The Soviet invasion in 1940 was justified under the pretext of a friendship treaty. In July 1940, after mock elections, Russia claimed, and still claims, that Lithuania voluntarily voted and asked to be incorporated into the Soviet Union. By the end of World War II, Lithuania had lost about one-third of its population through forcible deportations, assassinations, and national genocide of its people.

Despite the Soviet repression, many Lithuanian citizens carry on a heroic struggle against their oppressors. According to Amnesty International, many Lithuanian citizens are imprisoned for the "crime" of expressing national sentiment in underground books and leaflets.

Lithuanian resistance is attested to by the large number of Lithuanians placed in Soviet concentration camps, prisons, and psychiatric hospitals for their activities on behalf of religious and national freedom. These activists are heroes such as Nijole Sadunaite, sentenced for her religious activity; Petras Paulaitis, Ph. D., whose total incarceration amounts to 35 years; Balys Gajauskas, a former freedom fighter, who had already served a 25-year prison sentence and was again, in 1978, sentenced to 15 years of prison and exile; and Viktoras Petkus, a member of the Lithuanian Helsinki Accords Monitor Group, sentenced in 1978 for 15 years. Support and admiration of these brave people runs deep, not only among Lithuanian Americans, but within the American Government.

Lithuania's struggle has been long and difficult, seeming almost futile; however, the people of this country remain determined to continue their fight for justice and human rights, both of which have been nonexistent since the Soviet invasion. We must stand firm in our position of nonrecognition of the Soviet occupation and annexation of Lithuania; it is indeed important that we, as leader of the free world, continue to condemn such transgressions as morally, ethically, and politically wrong.

The United States has never recognized the Soviet Union's illegal annexation of Lithuania and has maintained diplomatic relations with the representatives of her last independent government to this day. Hopefully, the support and encouragement of the American people will indicate to the Lithuanian people that they are being seen and heard by a nation which remembers and cares.

Only 1 year ago the world awaited the fate of Afghanistan; unfortunately, this once-free nation has also become a victim of Soviet expansionism. One year from today will we be awaiting the fate of yet another "once-free" nation?●

PROJECT HAPPY

The SPEAKER pro tempore (Mr. DICKS). Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, I would like to take this opportunity to thank all those offices and individuals who participated in Project Happy last year. For the past 2 years, I have had the pleasure of coordinating this program among congressional offices and Catholic Charities. Over 65 offices participated by donating gifts of toys and food. Additionally, several offices generously gave money so that the charity could purchase the necessary food for families who would not normally have enjoyed an abundant holiday season.

I believe that I can speak for everyone when I say that we are left with the true feeling of the season, after watching the trucks loaded with gifts and food, lumber through the streets of Washington on their way to make someone's holidays warm and happy. It would not have been possible without the help of so many.

Below is a list of the offices that participated and a copy of the letter I received from Catholic Charities thanking us for our efforts. I would like to add my special thanks to Congressman PAUL FINDLEY and his staff for their added efforts and to the Congressional Staff Club for its generous donation again this year. These efforts, along with the many gifts, made the holiday season most enjoyable for many people who otherwise would not have been so lucky. Again, my heartfelt thanks to you all.

The following offices participated in Project Happy 1980:

CONGRESSMEN

Bill Alexander, Douglas Applegate, Robert Badham, Jonathan Bingham, David Bonior, Jack Brooks, James Broyhill, M. Caldwell Butler, Bill Chappell, Jr., James Cleveland, Tony Coelho, Baltasar Corrada, William Dickinson, Christopher Dodd, Charles Dougherty, Millicent Fenwick, Paul Findley, Edwin Forsythe.

Wyche Fowler, Jr., Bo Ginn, Henry Gonzalez, Lee Hamilton, John Paul Hammerschmidt, James Howard, James Jeffords, Jim Leach, Mickey Leland, Trent Lott, Mike Lowry, Ron Marlenee, Joseph McDade, Stewart McKinney, Norman Mineta, George O'Brien, Mary Rose Oakar, Charles Pashayan.

Claude Pepper, Thomas Petri, J. J. Pickle, Tom Railsback, Peter Rodino, Dan Rostenkowski, John Rousselot, Richard Schulze, Philip R. Sharp, Tom Tauke, Bob Traxler, William Wampler, Robert Whittaker, Larry Winn, Jr., Timothy Wirth, Jim Wright, Clement Zablocki.

SENATORS

MAX BAUCUS, Thad Cochran, William Cohen, Nancy Landon Kassebaum, Jim Sasser, Harrison Schmitt, Richard Schweiker, Ted Stevens, John Warner, Milton Young.

ASSOCIATED CATHOLIC CHARITIES,
ARCHDIOCESE OF WASHINGTON,
Washington, D.C., January 8, 1981.

Representative TOM TAUKE,
Cannon House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE TAUKE: Project Happy was again a tremendous success. This year, over 110 families were helped in their celebrations of Christmas. For many, this Holiday Season meant having a complete and satisfying meal. For others, it was watching their children open presents on Christmas morning, that may not have otherwise been there.

As you know, most of the families sponsored by Project Happy, exist on fixed limited incomes; with barely enough to meet their basic needs when the Holiday Season arrives. These families have limited resources to share with their loved ones.

The families sponsored, have individually expressed their gratitude and pleasure with the items they received. On behalf of all Project Happy families, we thank those who contributed. The response from your staff and each of your fellow workers was positive and well received.

Please extend special thanks to Laura Kane for coordinating from your office, and to the Congressional Staff Club for their generous donation.

Our very special thanks to you, Rep. Tauke, for your concept and nurturing of Project Happy.

On behalf of Associated Catholic Charities and the families sponsored by Project Happy, a warm and sincere thank-you.

Sincerely,

(Ms.) DENISE REVELS,
Supervisor, Crisis Intervention Services.
Rev. Msgr. JAMES F. MONTGOMERY,
Executive Director.●

BLACK HISTORY MONTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, each ethnic group in America has had its own special struggles to achieve equality in our society. But blacks, more than all others, have engaged in the longest battles and suffered the deepest wounds in their fight for justice.

It is so important, therefore, that the Congress pay tribute to this continuing struggle now, during the celebration of Black History Month.

The triumphs and tragedies of the past are well known and they are woven into the history of our Nation. One of the first Americans to give his life for freedom was a black man. Crispus Attucks died at the hands of British troops in the Boston massacre in 1770. He spilled the first blood in the cause of liberty; yet it would be 41 years before the United States legally abolished the importation of new slaves into the country, and in 1827 New York became the first State to abolish slavery.

The abolition movement was given impetus by William Lloyd Garrison's newspaper, Liberator, established in 1831, and when Dred Scott took his case to the Supreme Court in 1857 the issue of slavery in America's new territories became the most divisive force in our Nation. America's black men and women would have to wait until the middle of the Civil War to gain their freedom, when, in 1863 President Lincoln signed the Emancipation Proclamation.

Nearly a century later, equal opportunity in America was advanced when the Supreme Court ruled in Brown against Board of Education that separate but equal education was not good enough for America's black citizens.

The struggle did not end with that Court decision. The following year Rosa Parks went to jail for violating the Jim Crow laws in Alabama. The march on Washington in 1963 and the hundreds of other demonstrations around the country served to educate our Nation to the need for greater social justice.

Congress responded by enacting landmark civil rights legislation which I was proud to help write. The Civil Rights Acts of 1957, 1960, 1964, and 1968—and the Voting Rights of 1965—brought about a social revolution in our country.

The names in this struggle are legion, and the leaders were true pioneers who risked—and sometimes gave up—their lives in their noble cause. They sought to break down, through eloquence and bravery, the unjust barriers that confronted them for centuries.

Mr. Speaker, it would be impossible to list all those courageous individuals who have given so much—from Crispus Attucks, to George Washington Carver, to Booker T. Washington, to Mary Bethune, to the martyred Martin Luther King, Jr., and Malcolm X, to A. Phillip Randolph, to Vernon Jordan and Jesse Jackson and all of today's determined leaders. Without them and their protests, their boycotts, their sit-ins and their talents for education and leadership, many of the barriers would still stand today.

While millions of Americans are joining in thousands of cities and towns across our Nation to celebrate Black History Month, I believe that my congressional district is unique in its portrayal of the special role played by Afro-Americans in our country's development.

Many of the firsts for black Americans happened in New Jersey and, in reflecting on our history, I am reminded of Dr. King's letter from a Birmingham jail in 1963. He said:

> Abused and scorned though we may be, our destiny is tied up with America's destiny.

A look at the history of New Jersey shows explicitly that the history of America is indeed tied up with the destiny of America's black citizens.

At the beginning of the 18th century blacks were brought to Newark to work in the plantations and copper mines across the Passaic River. But by the early 1800's many of the slaves became free and started the first black-owned businesses in the Nation. The first black Sunday school in the Nation was established in Newark in 1815, and 7 years later the first formal black church was founded in our city.

Newark began a program of school integration early in the 20th century, while most of the country continued strict segregationist education policies.

In 1917, Essex County became one of the first local chapters of the National Urban League, and it has remained in the forefront of this movement ever since.

Today the cities of Newark and East Orange in my district are led by black mayors—Kenneth Gibson and Thomas Cooke. Both men are outstanding leaders who have earned national respect and admiration because of their efforts on behalf of all their constitutents. The municipal councils of these two cities, the Essex County Board of Chosen Freeholders and the State assembly and senate all boast outstanding black representation from my district.

Black History Month celebrates these advancements, but it also reminds us to continue our efforts for social justice in America. It is fitting that the U.S. Postal Service this month has issued a stamp honoring Whitney M. Young, Jr., the late executive director of the National Urban League, who devoted his life to the pursuit of equal economic opportunity for black Americans.

Mr. Speaker, I am proud of the events in my district this month. The Newark and East Orange City Councils have passed proclamations, signed by Mayors Gibson and Cooke, in recognition of Black History Month. Black artists, actors, musicians who have their roots in Newark and East Orange are returning this month to share their experiences and their talents with their hometown folks. The museums, the colleges, the libraries, and schools are sponsoring poetry reading sessions, plays, and movies by black writers, African music and dance festivals and lectures on black history and culture.

In fact, this Friday, February 20, at East Orange City Hall, the East Orange Library will sponsor a slide presentation celebrating the contributions of black Americans, past, present, and future; and on Sunday, February 22, the East Orange Parent-Teachers Association is hosting a special program on black history.

These programs will provide a time to reflect on the works of so many illustrious black Americans who have enriched our national character and folklife. In the arts, there are Langston Hughes, Gwendolyn Brooks, and Paul Robeson; in science and education there are George Washington Carver, Mary Bethune, and Booker T. Washington; in music there are Louis Armstrong, Duke Ellington, Leontyne Price, Sarah Vaughan, and Aretha Franklin; in government there are Thurgood Marshall, Barbara Jordan, and Andrew Young; and in sports there are Jack Johnson, Jesse Owens, Jackie Robinson, and Muhammed Ali. These are just a few of the names that have contributed so much to our Nation.

I am proud of the role played by black men and women in our history as a nation and I am pleased to be a part of this celebration of Black History Month.

Mr. Speaker, there is no way to separate black history from the history of our country. The profound changes in our society wrought by blacks have been beneficial to all our citizens.

As I mentioned, the struggles are not over. All the battles have not been won. We must resist efforts to mark time or to retreat.

As Dr. King said, in every crisis there are dangers. But there are also opportunities.●

LET US END THE CREDIBILITY GAP ON THE PRIME RATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, last week I contacted the chief executive officers of the Nation's 10 largest banks in an effort to end the credibility gap over the much-heralded prime rate and to give the American public a more accurate interest rate picture.

The misleading nature of prime interest rate announcements is particularly unfair to consumers and small businessmen shopping for credit. Federal Reserve surveys indicate that at times last year lending to prime customers was actually several points below the publicly announced rate. It is possible that the more sophisticated borrowers are well aware that the prime rate is not the prime rate, but the small businessman and the consumer are none the wiser. In addition, many loan contracts are tied to the prime rate, moving up and down with the public announcements of changes by the money center banks. Other lenders often informally adjust their rates and fees to the same announcements.

In these inflationary times and in a period of crushing interest rates, I think it is highly important that banking corporations be precise, accurate, and extremely careful in conveying information to the public about their corporate policies and activities. Accordingly, I have written to the following bankers requesting more information about their actual lending practices in relation to the prime rate:

Walter B. Wriston, Chairman, Citicorp, New York City.

C. J. Medberry, Chairman, Bank of America, San Francisco.

David Rockefeller, Chairman, Chase Manhattan Bank, New York City.

William S. Beinecke, Chairman, Manufacturers Hanover Trust Co., New York City.

Lewis T. Preston, Chairman, Morgan Guaranty Trust, New York City.

Donald C. Platten, Chairman, Chemical Bank, New York City.

Roger E. Anderson, Chairman, Continental Illinois National Bank, Chicago, Illinois.

Alfred Brittain, III, Chairman, Bankers Trust Company, New York City.

Barry F. Sullivan, Chairman, First National Bank of Chicago, Chicago.

Carl E. Hartnack, Chairman, Security Pacific National Bank, Los Angeles.

COMMITTEE ON BANKING,
FINANCE AND URBAN AFFAIRS,
Washington, D.C., February 12, 1981.

Mr. WALTER B. WRISTON,
Chairman, Citicorp,
New York, N.Y.

DEAR MR. WRISTON: I am concerned about the widening credibility gap between the public announcement of changes in commercial banks' prime lending rates and actual day-to-day lending practices. I believe that it is a fundamental requirement for efficiency, equity, and free competition in a market that all participants have accurate and complete information about market prices.

Federal Reserve surveys indicate that upwards of two-thirds of the business loans made by large commercial banks in New York City were, at times last year, at interest rates below the publicly announced prime rate. I am informed that in May 1980 after the prime rate hit 20 percent in April the average interest rate charged on these loans was, in fact, more than four full percentage points below that advertised as the prime rate.

As you know, the phrase "prime rate" has gained wide acceptance in our vocabulary and, in fact, Webster's Dictionary defines the phrase thusly: "An interest rate at which preferred customers can borrow from banks and which is the *lowest commercial interest rate available* at a particular time." (Emphasis added.)

The Federal Reserve survey clearly established that the prime rate, as announced by the commercial banks, is not the "lowest commercial rate available" as Mr. Webster and the American public have been led to believe.

In these inflationary times and in a period of crushing interest rates, I think it is highly important that banking corporations be precise, accurate and extremely careful in conveying information to the public about their corporate policies and activities.

It is a matter of record that news commentators and financial writers seize upon every prime rate announcement as a major indicator, often suggesting that the prime eventually affects every rate in the land from the finance company to the department store credit sales. These widely heralded announcements of a prime that is not a prime can only help add to the inflationary high interest psychology of the nation, particularly when we are talking about double digit rates and then some.

The misleading nature of these prime rate announcements is highly unfair to the consumer and the small businessman. They cannot afford to assign personnel to shop for the best discount from the advertised prime rates that different banks are willing to negotiate.

What is the small store owner, seeking a loan to remodel, to think when he is told by Walter Cronkite that the very best rate to the blue ribbon, Triple A commercial borrower is a prime of 20 percent? Isn't he at a distinct disadvantage when he sits down to negotiate with his local lender? Shouldn't he have the knowledge that the prime is not 20 percent, but in reality 16 percent? Perhaps your more sophisticated borrowers are well aware that the prime rate is not the prime rate, but the small businessman and the consumer are none the wiser and most are in full belief that the commercial banking industry's prime rate announcement is the real thing.

Even more important is the fact that many loan contracts across the nation are tied to the prime rate, with the rates moving up and down with the announcements of the money center banks. What is the status of these contracts when the de facto prime rate, as established by the Federal Reserve, is some four percent less than the publicly announced prime?

In addition to these specific contractual ties to the prime rate, many lenders informally adjust their rates in line with the prime rate announcements. It is difficult to estimate the total impact that these highly visible rates have on the economy as a whole, but I am convinced that it is substantial.

In this time of deregulation, I hesitate to suggest new statutory and administrative remedies. Frankly, I would like to think the banking industry, itself, would be concerned and would make a voluntary effort to make certain that its announcements are accurate and that the public can depend on what Mr. Webster suggests is the correct definition of a prime rate.

You are a leader in your industry. I need your help in remedying the problem caused by the present use of the prime rate. Your views and suggestions would be very helpful. Also, as an important guide in clarifying the present use of the prime I am asking your bank, along with some other large banks, to answer the enclosed questions. This kind of information will go a long way in informing the American public about the nature of the prime rate.

Sincerely,

FERNAND J. ST GERMAIN,
Chairman.

SIX QUESTIONS ON THE PRIME RATE

1. Does your bank use a bank lending rate which you call your "prime rate" or an equivalent thereof? If so, exactly how is that rate defined? Is the rate stated publicly?

2. How does your bank set that rate? What officer or group of officers has responsibility for determining the rate?

3. Does your bank give loan customers discounts from the prime rate? If so, on what basis are these discounts given? Who has authority in the bank for granting discounts from the prime? Is any class of borrowers—

with respect to size of borrowers or the type of business involved—more frequently given the discounts?

4. Please supply a statistically valid sample (using a sample of 100 or less) of all domestic commercial and industrial loans as reported under the Uniform Report of Condition provided to the Federal Financial Institutions Examination Council (without disclosing the identity of the borrower) made during May 1980 and January 1981. Please state the size of the loan, final maturity, and interest rates charged. Also please state what your bank's prime rate was during these two months.

5. Are your commercial and industrial loan customers informed of the range of interest rates charged different customers?

6. Does your bank have domestic commercial and industrial loans on which the interest rate floats with the prime rate, or with some other rate which is agreed upon in advance? Please describe the nature and extent of these loans as a percentage of your domestic commercial and industrial loans.

Please return your answers within four weeks.●

PUTTING COWPS TO REST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I commend President Reagan for his actions in joining in the movement to abolish the Council on Wage and Price Stability. A number of us in Congress have been calling for the end of COWPS for a long time. Our efforts resulted in legislation last year which would have COWPS expire on June 5, 1981, unless extended. President Reagan's actions insure that our efforts will be successful and COWPS will be put to rest.

The Council on Wage and Price Stability was established as a gimmick in 1974, just before an election, to give the administration and Members of Congress an opportunity to campaign on the basis that they were doing something about inflation. The same argument has been made every few years since then when legislation to extend the life of the Council has been considered by Congress.

The fact of the matter, however, is that there has been nothing in the Council on Wage and Price Stability except its name that has had any impact on inflation. It has not done anything about inflation. To make matters worse, its very existence created the false impression that something was being done when nothing was. The problem was that the Council on Wage and Price Stability was created as a deception of the public and has been extended year after year, based on the same deception.

The Council was given the statutory responsibility of monitoring and impacting upon all decisions in the private sector and all decisions in Government which would have an inflationary consequence—obviously an impossible task. Even as the number of staff and the amount of appropriations for the Council have been increased over the years, it has been impossible for this mandate to be carried out. It was never intended to. All the other functions of COWPS were already being carried out by one or more other agencies in Government better equipped to do them, such as the Labor Department, the Department of Commerce, the Bureau of Labor Statistics, the Federal Trade Commission, and the Justice Department.

The talented professionals at COWPS were not to blame for their problems. In fact, some good was done by them, especially in challenging some burdensome regulations and policies proposed by other agencies. But, it was the very charter and concept of COWPS that was flawed, not the people who worked there.

In 1975, I pointed out that—

> The Council on Wage and Price Stability is a useless fraud on the American people. It is one more Federal agency now allowed to require information from private concerns, now able to request forms and paperwork from our already overburdened businesses. We are burying ourselves in a mound of red-tape and paperwork required by more and more Government agencies, and in the case of the Council on Wage and Price Stability, by an agency which cannot, or indeed will not, take any constructive action against the very thing it was supposed to fight, inflation.

And in 1977, I argued against the existence of this Council. At that time, I said on the floor of the House:

> I suggest that the existence of this Council with its high-sounding mission of monitoring the entire economy for inflationary impact is nothing more than a sop to the public to make people think that the government is doing something, when, if fact, the council is inherently incapable of any meaningful functions. It is a cosmetic agency. It should be terminated as a useless body. It is like disguising the pain with an opiate and letting the cancer go untreated. As long as we have this merely symbolic council, we will not have to face the real and difficult task of fighting inflation since we can point to this agency as a solution. As long as we have this council, we have the skeleton on which wage and price controls could be pinned, an idea reprehensive to both labor and management.
>
> In all fairness, the Council has never claimed to be the be-all and end-all cure to inflation. Yet, the statutory responsibilities of the Council are just that. To continue to let the public believe that the Council is capable of doing what its statutory charter provides is misleading and counterproductive.

Congressional support for the Council on Wage and Price Stability waned drastically in 1979 when the reauthorization was cut from 2 years to 1. And, although the Council was again reauthorized for another year in 1980, the House cut funding for the Council from the authorized appropriations of $8.5 million for fiscal year 1980 to an authorized appropriation of $6.95 million for fiscal year 1981. Yet, with the continuing appropriations under which the Council is now operating, its budget is running around $9 million.

President Reagan has taken the long overdue action necessary to eliminate this wasteful and unnecessary expenditure. He has recommended that when the appropriations for the Council expire on June 5, 1981, the Council be abolished. In the meantime, he has filed a rescission request with this body to cut the Council's budget, and he has eliminated 135 jobs on the Council and the useless wage-price standards and monitoring functions of the Council. The only jobs retained in the Council were those of the 35 people working on regulatory reform proposals.

I congratulate President Reagan on taking this action and hope that responsible cuts in the Federal Government, such as this move to eliminate the Council on Wage and Price Stability, will prevail in the future. The time for putting this Council to rest is long overdue.

From my own point of view, it is personally gratifying, once again, to have played a role in reducing Government by actually abolishing an agency in Government. In the case of the Civil Aeronautics Board and COWPS, I have had the opportunity of playing a major role in elimination of these agencies and I have enthusiastically supported the termination of others, such as the Renegotiation Board and the Federal Metal and Non-Metallic Mine Safety Board of Review.

When I came to Congress just over 6 years ago, I said I wanted to play a role in cutting back on Government, but I heard I was overly optimistic. It is good to see that my hopes and goals are actually being realized. Now let us look for some other Government agency candidates to put to rest.●

NATIONAL INTENSIVE AND CRITICAL CARE WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, I am introducing legislation today to designate the week of May 24, 1981 as "National Intensive and Critical Care Week."

Unfortunately, at some time in our lifetimes, nearly all of us will need the help of experts in critical and intensive care. Our lives will depend on the abilities of doctors and nurses in this highly complex specialty.

Dr. S. G. Hershey, professor of anesthesiology at the Albert Einstein College of Medicine in the Bronx, N.Y. and member of the Society of Critical Care Medicine has called to my attention the excellent work being done by the specialists in critical and intensive care medicine. In a recent letter to me, Dr. Hershey wrote that:

> This relatively formalized interdisciplinary field of medical care, education and research has rapidly achieved truly remarkable growth and recognition, worldwide, as an important component of everyday health care delivery. In the United States and "developed" countries, particulary, the various aspects of critical care practice identify the major distinguishing features of the large, best staffed and equipped tertiary care hospitals in any community. It is of interest to note that the emergence of critical care medicine within the present health care setting is due largely to the fact that its practice, teaching and research content is based on the unprecedented informational and technological advances in medicine since World War II.

By designating the week of May 24 as "National Intensive and Critical Care Week," we will not only be honoring those specialists who work so hard to save lives, but will also bring public attention to the Third World Congress on Intensive and Critical Care Medicine to be held between May 24 and May 29, 1981. The text of House Joint Resolution 177 follows:

H.J. RES. 177

A joint resolution designating May 24, 1981, through May 30, 1981, as "National Intensive and Critical Care Week"

Whereas critical and intensive care workers should be honored and recognized for their efforts;

Whereas the study of critical and intensive care techniques should be encouraged;

Whereas critical health situations require the most up-to-date techniques and information available from medical personnel; and

Whereas during the week of May 24, 1981, the American Society of Critical Care Medicine will be hosting the Third World Congress on Intensive and Critical Care Medicine in Washington, D.C.: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning on May 24, 1981, and ending on May 30, 1981, is designated as "National Intensive and Critical Care Week", and the President of the United States is authorized and requested to issue a proclamation calling for the observance of National Intensive and Critical Care Week with appropriate ceremonies and activities.

LOS ANGELES TIMES EDITORIAL: "HE'S TOUGH—AND SILLY"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, the Los Angeles Times, in a recent editorial, has captured the overwhelming reaction of Californians to Secretary Watt's decision to place previously deleted basins back into the OCS lease sale 53 process. The Secretary's decision, which flouts the integrity of the OCS process, the desires of the State and local governments, and President Reagan's explicit commitment to listen to the needs and concerns of local governments when they are affected by Federal policy, is accurately characterized by the Los Angeles Times as "Silly."

The editorial recognizes that California has not been averse to sharing the burden of energy development. In fact, California has pioneered in offshore oil drilling, as any drive along the southern coast will make plain. What is at issue here is the indisputable fact that the estimates of oil and gas are minuscule and cannot justify the severe environmental and economic risks of oil exploration in this area. The Reagan administration with its proclaimed sensitivity to wise allocation of resources, will hopefully recognize that we must use the OCS lands in a balanced manner, as required by the OCS Lands Act amendments, the wishes of the people of this area, and the Members of the California delegation. Because this editorial raises a number of important points in a thoughtful manner, I would like to share it with my colleagues and it is reprinted below:

[From the Los Angeles Times, Feb. 17, 1981]

HE'S TOUGH—AND SILLY

Interior Secretary James G. Watt has knocked a chip off the shoulder of California's environmental movement by proposing to open up the north coast to offshore oil drilling.

It was a silly gesture, based on nothing that we can see except a desire to follow up on President Reagan's campaign promise to look everywhere for more domestic oil.

Now that Watt has shown how tough he is, we suggest that he forget about the north coast and find more productive ways to show that the new Administration can manage public resources better than the old.

The area that Watt proposes to include in the federal government's five-year leasing plan stretches roughly from the waters off Big Sur to the Oregon border.

The odds are that there is no oil at all, or at least not enough to make it worth producing, in the four geological basins that Watt proposes to offer for lease.

The U.S. Geological Survey estimates that there is a total of 194 million barrels in the basins—about a 10-day supply for the United States—spread in dribs and drabs under the ocean floor along a distance of some 600 miles.

The geological survey does not know that there is that much oil in the area. It measures geological basins, compares their size with basins in other parts of the world that have yielded oil, and guesses.

Oil companies already have done some exploratory drilling in the region that Watt now proposes to lease, and have found nothing.

Even if the oil industry wanted to go back and try again, however, there is not enough drilling equipment in the world pool to make that likely for years.

Exploratory rigs are already working in areas where the odds of finding oil are better than they are along the state's central and northern coast, and that is where they will stay.

The state government, the boards of supervisors in all eight counties that are involved and a number of members of Congress all objected to the inclusion of the four offshore basins in the leasing plan when they were proposed during the Carter Administration.

The protest did not represent a compulsive refusal to take any risks at all with the coastal environment in the national search for energy. California pioneered in offshore oil drilling, and producing wells dot the southern horizon.

The state, after study, agreed to the inclusion of the Santa Maria basin, off the coast just north of Point Conception, in the five-year plan of the Carter Administration last year. Geologists think the Santa Maria basin may hold 700 million barrels of oil.

But the state did object to risking some of the most environmentally sensitive stretches of coastline in the country when the chances of reward were so small.

We think the objection is valid.●

THE POSSIBILITY OF AN ENERGY CATASTROPHE

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, a review of military and political developments in the Middle East over the last 10 years brings one to the jarring reality of the energy catastrophe, bearing on our national security, which we face. Things are definitely going downhill. The most discouraging facet of this dilemma we face is that it was avoidable. In the past decade or two, over which knowledgeable people recognized our growing problem, we could have warded off this crisis by increased development of our coal resources, increased utilization of nuclear energy, and increased domestic petroleum production.

These paths were clearly recognized and well documented but for many reasons stemming from the euphoria of complacency were not followed. With the passage of time our options have become much more limited. The same paths still are the only route to the long-time solution of our problem, but since we probably have much less time until significant interruptions to 40 percent of the free world's petroleum supplies occur we must seriously consider contingency plans for drastic and massive conversion from and restrictions in the use of critical petroleum uses.

Dr. Edward Teller, in an article in the Journal of the U.S. Army War College, entitled "Conflict in the Middle East: Time for an American Energy Contingency Plan," addresses this very problem. He summarizes developments in the Middle East which show how the energy supply situation is degrading and outlines what drastic steps we must get ready to take. Edward Teller's analysis warrants the attention of every one of us. He has applied his great mind to one of the most pervasive problems the free

world faces. His article is included below for the benefit of every one of us who must face the solution of this potential catastrophe:

CONFLICT IN THE MIDDLE EAST: TIME FOR AN AMERICAN ENERGY CONTINGENCY PLAN

(By Edward Teller)

For the last 10 years and more, the problem of US energy dependence and insufficiency has been a preemptive concern for those who bothered to look to the future. Despite some limited experience with rising fuel prices and long gas lines, we have as yet gained no idea of what a true energy shortage is. This knowledge may soon come to our nation in a most unhappy manner. The sad fact is that the coming crisis was largely avoidable. Had we adopted economically sound programs to encourage domestic oil production rather than penalize it, had we developed coal resources rather than simply talking about them, had we focused on a safe, clean, and inexpensive nuclear energy program rather than temporizing, we would not confront the crisis that lies ahead. Indeed, the greatest danger is no longer an energy crisis—it is the possibility of an energy catastrophe—and in seeking to place the blame for this catastrophe, we must look to ourselves, not to an Ayatollah.

What is the present situation? Soviet troops are in Afghanistan, positioned only 350 miles away from the sole maritime outlet of the Persian Gulf, the Strait of Hormuz, through which flows 40 percent of the Free World's oil. At the top of the Gulf, Iraq and Iran sit glaring at each other through the smoke and ashes of their destructive war, while the Soviets are poised opportunistically on the sideline. Southwest of the Strait, at a distance of about 650 miles, there is the aggressive, Soviet-equipped, Soviet-advised army of South Yemen. The military threat to the Strait of Hormuz posed by this hammer and pincer is thus appallingly real.

That is not the only danger. If internal instability could frustrate the attempts of the Shah of Iran to move his country into the 20th century, one can hardly say that the prospects of King Khalid on the Arabian peninsula are brighter. The recent occupation of the most holy shrine in Mecca has a less well-publicized story connected with it. King Khalid was due in Mecca the day that the shrine was taken. He might have been captured by the rebels but for the fact that he was indisposed that morning and thus, by good chance, did not make the trip.

Stability in Saudi Arabia is more apparent than real. The population base consists of 5 million tribal Bedouins. Superimposed over them is the thinnest possible crust of oil aristocrats: the royal house and the hangers-on. Social injustice in Saudia Arabia is as great perhaps as anywhere in the world. The royal house itself is deeply split. King Khalid has survived three heart attacks. No one knows what will happen when he dies. The workers in the Saudi oil fields—a million Yemenites, half a million Egyptians, a quarter of a million Palestinians—do not appear to be any less susceptible to destabilizing influence than the Iranian workers were. Imported South Korean workers are the exception, but they are kept isolated.

The fall of Saudi Arabia might well be a greater danger than blockage of the Persian Gulf, though either would cause catastrophic reverberations. These scenarios are unfortunately more than mere possibilities; they lie closer to the realm of probabilities. But in assessing the potential national responses in the event that these awful prospects come to pass, we should not even consider major military action in the Middle East. This would be true even if the United States had not shamefully neglected its military preparedness since the Vietnam War. The geography favors the Soviets—they are a few hundred miles from the scene of the action, while we are thousands of miles away.

Recourse to war is terrible under any circumstances. But recourse to a war we are bound to lose should surely be excluded. America's threats of armed retaliation in the wake of the Soviets' invasion of Afghanistan were ill-advised. Our threats amounted to sheer bluff and bluster, incapable as we are of matching Soviet power in the area. The "dare lines" we have drawn in the Middle East are about as effectual as etching granite with a twig.

Such being the case, we must confront the question, What non-military response shall we take when the oil stops flowing? I do not know when this will happen. It may be in a month, or sooner, or later. But the odds are high that the oil will not continue to flow freely. Our government, however, has no realistic contingency plan to deal with that potential catastrophe should it become a reality. Such a plan is in the interest not only of our comfort, but of our security as well. Indeed, peace itself could well depend upon it. Without a plan to moderate the effects of the loss of petroleum imports, economic blackmail is possible. Without contingency plans, arguments will be advanced for military action.

Before approaching the details of the contingency plan itself, we must try to look at the problem whole. What would happen if the leaders in the Kremlin were to take possession of the oil spigot? Would they close it completely? Or would they dole out the oil to Western Europe and Japan on conditions reducing these nations to the political condition of Finland? Would they limit the flow of oil to the Third World, which needs it desperately? Would they thereby succeed in subjugating the developing countries? Third World nations must have oil in order to develop, but, more important, they must have oil if they want to eat. Without oil they cannot sustain the Green Revolution. The new crops produce less than the old unless there is ample irrigation (which is now machine-powered) and ample quantities of fertilizers (which require energy for their production). Without the increases of foodstuffs made possible by the Green Revolution, starvation on a massive scale seems unavoidable.

A sound contingency plan must take into account the needs of nations other than our own. Self-interest, not simply altruism, dictates that we consider the needs of our allies and other currently independent nations. To deal with the international situation, we must be prepared not only to give up our imported oil, but also to try to export energy to those nations which otherwise would be overwhelmed. Such willingness on our part would obviously entail tremendous sacrifice. We would be engaged in a desperate economic war, requiring great moral dedication.

A serious contingency plan must address the radical economic dislocations that would ensue from an energy crash. To anticipate and plan for the infinitely complex ripple-effects of a radical energy shortage will require the best efforts of our best economists. For example, the drastic contraction of steel use by the automobile industry in the wake of an energy crunch might be neutralized by a concurrent channeling of steel into an expanded drill and pipeline industry to sustain intensified domestic petroleum search and production efforts. Reverses for the logging industry owing to reduced construction might be compensated for by increased use of wood fuels. To maintain a viable national economy in the face of major energy deprivations, the foregoing types of economic adjustments, compensations, and tradeoffs must be foreseen and provided for in a comprehensive, integrated national contingency plan.

An effective national energy policy as well as a realistic contingency plan must, of course, reflect an awareness of present and future energy patterns in the United States. It is important to realize, for example, that just to stop importing oil, we would have to reduce our oil usage by more that 40 percent. To be able to offer oil assistance to our allies and other endangered nations, however, we would have to cut our usage by more than half. An appreciation of where conservation is possible can be gained by observing our current oil use pattern. Fifteen percent of our annual oil consumption supplies residences and commercial establishments. Eleven percent goes to general industry; another 11 percent supplies the raw material of the petrochemical industry. Ten percent is used to generate electricity. Fifty-four percent is consumed for transportation.

We should immediately cut gasoline consumption massively. Unimaginable? By no means. Considering the current situation surrounding the Persian Gulf, a sound and prudent national energy policy would include conversion, wherever possible, from the automobile to bicycles, mopeds, and motorized tricycles. To encourage this changeover, traffic control measures could impose an alternating pattern of streets effectively closed to cars and thus opened without danger to smaller wheeled vehicles. We need to have busing of workers to their jobs rather than of school children to distant schools.

Under a fully operational contingency plan, worse sacrifices than these would be required. Air conditioning would have to be relinquished. One can live without air conditioning. In the winter, however, particularly in the East, North, and Midwest, one cannot live without heating. More rigorous solutions might require families to move into the same house together or perhaps to heat only one room in a house. Such contingency measures, if put into effect, would doubtless entail inconvenience, irritation, hardship, and disruption of our living patterns. Yet, the issue is survival itself, and the living patterns suggested are far less horrible than war.

Would we be able to do it? Certainly not without proper planning and preparation. Shall we be able to limit the duration of the emergency by building the power plants, including nuclear plants, in sufficient time? The Taiwanese enjoy a 63-month construction schedule for their nuclear plants. In the United States it takes more than 12 years to put a similar plant in operation because of repetitive licensing procedures. Many nations in Europe are moving with considerable speed. But the United States appears paralyzed.

The fable of a "China Syndrome" notwithstanding, experience shows that nuclear energy is safe. The long licensing process does not make it any safer. Today we have 200 nuclear generating plants throughout the Free World. They have operated on the average for 10 years apiece. The most dramatic and damaging accident that has yet occurred was at the Three Mile Island plant in Pennsylvania. In this case, if the four operators, when the first problem occurred at 0400 hours, had called for the help of competent engineers and then gone home, and if those engineers had gotten out of bed, drunk three cups of coffee, showered, driven carefully to the plant, and spent two hours there deciding what to do next, few people today would have heard of Three Mile Island.

Even as it was, no one suffered physical harm. The amount of radiation exposure to those outside the plant was about the same as that from watching 40 hours of color television or flying in an airplane as a stewardess for a month. The worst reasonable prediction that can be made is that possibly 10 years from now there might be one additional case of cancer, and for that there is only a small probability. The only material harm was severe damage to a nuclear generator. Costs were compounded by many billions of dollars because replacement energy had to be produced from oil.

But regardless of whether we talk about nuclear energy, natural gas, solar energy, or energy from coal, additional energy sources can be developed only in small quantities during the next five years. Any effective contingency program for the interim must rest mainly on stringent conservation. Each month that we delay the development of our own resources creates more danger, lengthens the period of true deprivation should a contingency plan be needed, and weakens our economy further. Our national leaders must have the courage to impress the unpalatable realities of our energy situation upon the people.

Obviously, to talk of the oil companies as the heroes of our society is neither popular nor justified, but to introduce a form of taxation which makes it no more profitable to drill oil wells than to buy government bonds is complete folly. Similarly, the government was ill-advised to step in and prevent energy companies from ratifying realistic contracts to buy Mexican gas. With regard to coal, there is no coherent and unified national policy. The rhetoric of national leaders encourages the development and expanded use of coal; yet, environmental concerns inhibit such expansion. The tradeoffs between the advantages and disadvantages of coal vis-à-vis those of nuclear energy must be explained rationally to the American people and choices must then be made. In the seven years that have elapsed since the OPEC embargo put us dramatically on notice of our energy vulnerability, we could have put 200 nuclear plants into production. Instead we have about 70. We must have firm and enlightened leadership, at both the state and national levels, to convince the people of the threat of a massive oil shortage and galvanize the country into action.

Despite talk of detente, the cold war is likely to continue; but no matter how cold that war turns out to be, it will be incomparably better than a hot war. To lessen the probability of such a hot war, it is vital that we decrease our dependency on Middle East oil with all possible speed. As the situation now stands, we as a major power are hostage to the continued availability of Middle East oil, but we lack any guarantees for its continued availability, even if we were willing (which one would devoutly hope is not the case) to use military means, including nuclear weapons. To end our dangerous dependency, the primary requirement is a national energy development program. Meanwhile, looking to the possibility that events in the Persian Gulf region might result in an involuntary cutoff of our oil supplies, we must have a comprehensive, realistic, national contingency plan ready for use. Having neglected domestic energy production for so long, we must make radical conservation the heart of such a plan. Only by taking action now—by providing secure national energy sources as rapidly as possible and by careful planning to moderate the effects of an oil cutoff—are we likely to survive as a free and independent nation.●

THE NATIONAL PRAYER BREAKFAST

(Mr. HILLIS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HILLIS. Mr. Speaker, I wish to include in the RECORD the proceedings of the National Prayer Breakfast held at 8 a.m. on February 5, 1981.

The material follows:

THE NATIONAL PRAYER BREAKFAST

Can I have your attention. I'm about to say grace. My name is Senator Harold Hughes and please from here on would you be calm and quiet. Your attention please. Would you assume an attitude of prayer wherever you are. Our dear Heavenly Father, We do thank you for this morning. Thank you for the opportunity of fellowship one with another. We thank you that we in this country can be the host for so many of our friends from over 100 countries around this world this morning when we lift up our hearts in prayer for the leadership of this nation and for the leadership of the world. We ask especially that you bless the President of the United States, the Vice President and all those in authority here and in all the nations of the world. And now we are grateful dear God for the bounty of the earth you have given us and we ask you to bless it that by its strength we can better serve you. We ask it in the name of Jesus Christ. Amen.

(Music by Anderson College Male Chorus.)

CONGRESSMAN HILLIS PRESIDING

Ladies and Gentlemen, the Vice President of the United States and Mrs. Bush.

Ladies and Gentlemen, the President of the United States and Mrs. Reagan.

Ladies and Gentlemen, would you please remain standing as Barbara Williams, the Executive Director of the Congressional Black Caucus offers our opening prayer and also please for a statement of purpose by Dr. Graham.

BARBARA WILLIAMS

Barbara Williams: Please join hands with the person closest to you at your table and bow your heads. Father, we come to you, not as people with titles from nations and cities and states, but as your children this morning and we just thank you for being our Father. Lord, we really are grateful just for life today and we're thankful Father as we're gathered here from many nations, diverse backgrounds and cultures, that you do not see us as separate people but as one family of God. Father we just ask you to help us to see that today as we move through the day and hear your Word, Father, that we would just listen and once we've listened, Father, that we would believe and then we would act on what we hear. So Lord, we just have a burden this morning for the separations between us that you do not see but we see. Lord, we just claim your belief in our oneness in You. We are not today gathered as haves and have-nots, Lord, we're gathered as your people. Lord remove the hostility, Father, between those of us who are affluent and those of us who are not. Help us, Father, to be free from our agendas, our schedules, our ministries, our clubs, our institutions, Father and just read and hear and believe and trust in your Word. We claim that for this morning. We claim that for this day. We claim that for just this nation and this world and, Lord, we ask a special blessing this morning for the President and Mrs. Reagan. You have put them where they are and invested in them the authority as the first family of this nation. We pray right now, no matter what our backgrounds, affiliations, republicanism, democratness, we just release ourselves from that right now and we claim them as our family and we pray Father, that you would lift them up and that we would each day pray for them. Lord, when it's all over and it's said and done each one of us will stand before you not with the score cards, the balance sheets, not with accomplishments, titles, labels, none of it. You will wonder, Lord, whether we have loved you with all of our hearts, all of our minds, all of our souls, all of our strength and you will wonder and you will ask us if we've loved every neighbor as ourself. Deliver us, Father, from the binds and all of the separations and thank you again, Lord, for the opportunity to come together, Lord, not to hear speeches, but just to hear from God. We thank you Lord for this opportunity. We praise your name and we just lift up the name of Jesus Christ today, Lord as one nation under God. In the name of Christ we pray. Amen.

DR. GRAHAM

Dr. Billy Graham: Mr. President, Mrs. Reagan, Mr. Vice President, Mrs. Bush, the Lord is God, He made us. We're His people, the sheep of His pasture. Give thanks to Him and bless His name. For the Lord is always good. He is always loving and kind and His faithfulness goes on and on to each succeeding generation. During the past thirty years our nation has seen a revival of religious interest. I think part of it began probably with the election of Dwight Eisenhower. A few days before he was inaugurated as President he asked a young clergyman to come and visit him at the Commodore Hotel in New York. He walked over to the window and stood in silence looking out for a moment or two and then he said to the young clergyman that he felt that a part of the reason for his election was to help lead America in a spiritual renewal. He wanted some suggestions, especially a couple of appropriate Scripture verses. Not only did he quote Scripture in his inaugural address, but he also said a prayer of his own making.

In the meantime a small prayer group had started in the United States Senate and later in the United States House of Representatives. This had inspired Abraham Vereide and one or two colleagues to think and pray about the possibility of a Presidential Prayer Breakfast. One of those who was instrumental in that first Prayer Breakfast was former Senator Frank Carlson of Kansas who was supposed to be here today but he is ill. Every president since that first Prayer Breakfast in 1954 has participated in

this Prayer Breakfast. Now it has spread to many countries of the world and most of the 50 states where Governors' Prayer Breakfasts are held and to many of the major cities of the United States where Mayors' Prayer Breakfasts are held. Thousands of leaders on every continent have been confronted with the fact that God is not only interested in their individual lives but He's interested in us as nations. I believe the Prayer Breakfast movement has played a significant role in the revival of our religious interests during the past three decades. We live in a very dangerous world and I'm convinced that if we're to have peace in our time, it will come about in a spiritual dimension. Now we have a new administration with a great possibility of a new beginning that has been symbolized by the return of the hostages and the feeling of warmth and spiritual renewal that has swept America in the last few days. We are told in Scripture to pray for those in authority. This Prayer Breakfast is dedicated to praying for those in authority not only here in Washington, but throughout the world. Let us pray that God will renew our hearts and bring each of us to a deeper commitment of our lives to God and His will for us and especially do we pray on this occasion for the President and his family. Thank you.

Hillis: Thank you Dr. Graham. Now please be seated and enjoy breakfast.

Hillis: Mr. President, guests at the head table, ladies and gentlemen, I'm Congressman Bud Hillis from Indiana and it is my distinct honor and pleasure as chairman of the House Prayer Breakfast group to welcome each of you to this 29th National Prayer Breakfast. I speak for the entire House and Senate Prayer Breakfast Committee when I say we are genuinely pleased to have you with us today to share in this special fellowship that's found in the Spirit of Jesus Christ. We're especially delighted to have with us Dr. Billy Graham, who along with President Eisenhower and Senator Frank Carlson arranged the very first National Prayer Breakfast in 1953. For I'm sure as you see, as he stood here and told us in his statement of purpose that that the young clergyman visiting President Eisenhower in the hotel in New York was Dr. Graham, himself.

Dr. Graham said, Senator Carlson had also planned to be with us this morning, but due to illness he has been unable to join us and it is my understanding that he is in a hospital in Kansas and I ask and know that each of you will join in remembering him in our individual thoughts and prayers this morning. Also let me take a moment to say a word of welcome to all those people who are living and serving abroad, people in our Armed Services, on our ships at seas and all of the people all over the world who will be joining us in our fellowship through a taped rebroadcasting of this program over the Armed Forces Radio Network. Of course, to each of them we say we are sorry you cannot be with us in person but we acknowledge your presence in the Spirit and we are grateful for your participation. These rebroadcasts along with many breakfasts that are taking place all over the country in conjunction with this one have expanded the National Prayer Breakfast to a point where it now involves more people than ever before. And while this is a National Prayer Breakfast, it is heartening to note that the numbers have also continued to grow among our international guests. We have with us today representatives from over 100 nations and we certainly are very delighted to extend a very special welcome to each of them. Your participation broadens the scope of our fellowship and greatly enriches our endeavor.

Ladies and gentlemen, we meet here this morning as in years past, to reaffirm our country's spiritual foundation. We acknowledge that the Lord has richly blessed us as a people, but we are aware also that He has said, "of those to whom much is given, much is required." We meet this morning in the recognition of this obligation, humbly seeking the wisdom and the strength necessary to fulfill it. Like so many other times when the Prayer Breakfast has met, we've come together at a time when the world faces increasingly hard choices and many difficult challenges. But we're not here to debate those problems, or even to outline them; rather we are here today because we recognize that our shared faith and our personal relationship with Christ can truly make a difference in the world. It is in this spirit that the House and Senate Prayer Breakfast groups meet each week when Congress is in session and it is with this same spirit that we welcome each of you here with us today. And if I may be permitted a personal aside, let me say as an individual member of Congress how meaningful these small informal weekly meetings really are. For me and for everyone of my colleagues who participate regularly, these breakfasts represent an opportunity for each one of us coming as we do from diverse backgrounds and different parts of the country and representing many different political viewpoints to draw spiritual strength from one another. It's a unique and rewarding experience, one which we enjoy each week and one which we gladly share with you this morning. Again, welcome and thank you very much for coming. And now I would like to introduce our head table up to the President who will be presented later in the program. Following the introduction of the head table each participant will come forward in the order of their appearance on the program. Let me ask that you hold your applause until the first lady has been presented and I'll ask each of the head table as they are introduced to stand and remain standing until that point. Starting on your right and my far left, I see that Congressman Bill Hefner is with us. I'll ask Bill to stand. He's going to lead our song. Next to him is Dr. Billy Graham. Next is the Chief of Staff of the United States Army, General Edward C. Meyer and Mrs. Meyer. Ladies and gentlemen, the Vice President of the United States, The Honorable George Bush and Barbara Bush. Next to me the Governor of Minnesota the Honorable Albert Quie and Mrs. Quie. And now continuing to my far right may I introduce once again Barbara Williams, the Executive Director of the Congressional Black Caucus and now the Mayor of the City of New York, the Honorable Edward Koch, the Honorable Lawton Chiles, United States Senator from the State of Florida and Mrs. Chiles. To my immediate right I present my wife Carol. And, of course, we are especially honored to have with us this morning the first lady of our land, Nancy Reagan.

And now for our Old Testament reading I will call on the Mayor of New York, Edward Koch.

MAYOR KOCH

Mr. President, Mr. Vice President, Mr. Chairman, ladies and gentlemen, I'm very pleased to have this opportunity to be with you today. As mayor of a city with a long tradition of cultural and religious diversity, a city where Cardinal Cook has said on so many occasions mass is said every morning in 23 different languages, a city which has been home to countless millions seeking religious freedom, I both understand and appreciate the importance of this morning's breakfast. Today I would like to read to you Psalm 8, a Psalm of David. This Psalm speaks of God's glory and the wonders of His creation. One theme in particular has special meaning for us and that is the God-given dignity of all people as a stewardship of God's wondrous creation. Psalm 8:

"O Lord, our Lord, how majestic is thy name in all the earth. Thou, whose glory above the heavens is chanted by the mouths of babes and infants, Thou hast founded a bulwark because of thy foes to still the enemy and the avenger. When I look at Thy heavens, the work of Thy fingers, the moon and the stars which thou has established, what is man that thou art mindful of him and the Son of Man that thou dost care for him. Yet thou hast made him little less than God and dost crown him with glory and honor. Thou hast given him dominion over the works of thy hands. Thou has put all things under his feet. All sheep and oxen and also the beasts of the field, the birds of the air and the fish of the sea; whatever passes along the paths of the sea. Oh Lord, our Lord, how majestic is thy name in all the earth."

"Take My Hand Precious Lord" was sung by the Anderson College Male Chorus.

VICE PRESIDENT BUSH

The New Testament reading is from I Corinthians 13:

"If I speak in the tongues of men and of angels but have not love, I am only a resounding gong or clanging cymbal. If I have the gift of prophecy and can fathom all mysteries and all knowledge and if I have faith that can move mountains but have not love, I am nothing. If I give all I possess to the poor and surrender my body to the flames, but have not love, I gain nothing. Love is patient, love is kind. It does not envy. It does not boast. It is not proud. It is not rude. It is not self-seeking and it is not easily angered. It keeps no record of wrong. Love does not delight in evil, but rejoices with the truth. It always protects, always trusts, always hopes, always perseveres. Love never fails. But where there are prophecies, they will cease. Where there are tongues, they will be stilled. Where there is knowledge, it will pass away. For we know in part and we prophesy in part, but when perfection comes the imperfect disappears. When I was a child I talked like a child, I thought like a child, I reasoned like a child and when I became a man I put childish ways behind me. Now we see but a poor reflection. Then we shall see face to face. Now I know in part, then I shall know fully even as I am fully known. And now these three remain—faith, hope and love, but the greatest of these is love."

SENATOR CHILES

Be careful for nothing, but in everything with prayer and supplication with thanksgiving, let your requests be made known unto God and the peace of God which passes all understanding shall keep your hearts and minds through Christ Jesus. Father you tell us in your Word to pray for the king and all who are in authority so that we might live a good and peaceful life. And your Psalms tell us, Father, to let the nations be glad and to sing for joy for Thou shalt judge the people righteously and

govern the nations upon the earth. Father, you are the creator of government and it's used for your purposes to fulfill your plan. So Lord we come today in thanksgiving and a joyful heart. We thank you for all of the blessings you have given to us individually and that you've given to our land and to our nation. And we hold up to you today our President, Mrs. Reagan and their family. We hold up the Vice President, all of the Members of his Cabinet and Executive Branch and Father, we just ask you to pour out a blessing upon them to give them wisdom, knowledge and judgment, joy, peace and strength. Father, we see You using them as your instruments. We know that they are creatures of your government and we just see them as being used for your purposes to work healing upon the land and to bring peace upon the world. And, Father, we now hold up a prayer for national leaders everywhere. We ask you to bring into their hearts your instrument of peace. Father we hold up officials everywhere because we know that you tell us that one of the spiritual gifts is the gift of leadership and that we who have that gift of leadership are to lead with diligence. And Father, we ask that you being the author of that spiritual gift will give that power and that diligence. For unto us a child is born, unto us a son is given, and the government shall be upon his shoulders and his name shall be called wonderful, counselor, the mighty God, the everlasting father, the prince of peace. Of the increase of his government and peace there shall be no end. Amen.

CONGRESSMAN HEFNER

I would like you to help me. I would like to sing the first stanza of "How Great Thou Art" and then I would like for you all to join me in singing a couple of choruses and I want you to sing real good and loud. If it's not too much of a problem, I would like you to stand.

There's someone who is having a very special day tomorrow and perhaps we won't be together tomorrow as a body as we are right now, so I think it would be fine if you all would join me in singing "Happy Birthday" to the President of the United States. Would you do that?

Happy birthday was sung.

GOVERNOR QUIE

Governor Quie: Mr. President and Mrs. Reagan, Mr. Vice President and Mrs. Bush, and all you children of God from this nation and other nations who are gathered here this morning, this National Prayer Breakfast has a special meaning to it. It occurs every time there is a new President, a new Administration, and it has special meaning this morning because we have just completed an outpouring of the American spirit at the return of the hostages. It is a time of new beginnings and new hope and we see it expressed in the newspapers as a hope for the recovery of the economy. We see it expressed as a hope for peace, the end of aggression and even the point where none would dare take our hostages again.

I would like to have your hearts and minds turn to a passage in the Book of Zechariah, the fourth chapter and the sixth verse that brings a message from the Lord. And it reads, "You shall succeed, not by military might nor by your own strength, but by my spirit." How often we forget that we are a part of God's creation. God who made all and as we heard read from Mayor Koch this morning, the God who made the heavens and earth and the seas and all that are in it and who is man, mere man, that He is mindful of us. The essence of our being is in our spirit and so often we think of ourselves as physical beings because we can see it, intellectual beings because we can hear it, emotional beings because we can feel it and forget that before all else we are spiritual. And within each human being is a longing and a hungering until we find that union with God. The late Dr. Margaret Meade in a conversation I had one time with her expressed that additional spiritual significance in explaining one time when she and some other experts were working with a young child and that young child sitting in that little chair that babies sit in when they start sitting up, and that child couldn't even sit up straight. They did everything they could to get that child to sit up straight. Let me tell you a little bit about that child's family. It was from a broken home. It had never seen its father more than three times before in his life. That child's father came into the room. He never said a word and when that father came into the room, the child sat up straight. She said she knew there was something between that father and that child that was more than physical, intellectual and emotional. The world hungers to know each other, to be at one with each other and the greatest power that exists in this world is in the spirit. God is spirit and He expressed himself physically when He sent His son Jesus Christ to live on the earth. And the word that we'd know in that spiritual relationship between people, that's the word love. Love, one that we have a difficult time explaining ourselves because we don't use three words as the Greeks did. Eros—the relationship of a person of one sex with the other; filial, for those who are alike, kind of like each other; but agape, where we love our enemies. That is the Christ-like love and when one heard the words of the Vice president this morning in the 13th Chapter of I Corinthians and we think of the times that we are in and it starts out "If I could speak with the language of men and of angels", don't you long that all of the individuals in this room from every nation might be able to speak with the same language so that we could understand each other. But it says if we did not have love, we'd just be a big noise. Is that the reason why our talks and our treaties don't always work out, because we do not have love? Think of the problems this earth has. And it said in the second verse, "If I had all the knowledge and knew all the secrets." Does that mean we have the science and technology to be able to do all that we want to and do it without polluting and keep the ecological balance on this earth, then we would have perfection? It says if I knew all of that and didn't have love, I'd be nothing. And to those of us who may call ourselves religious, it says in the third verse, "If I gave everything that I had to the poor and even took the form of a martyr and gave my body to be burned and did not have love, it would avail me nothing." We begin to see the power of the love of God in human lives. But all that we have on this earth that we can see and talk about and feel will pass, but the spirit is eternal and the human being needs to work in the essence of their being and open their hearts and their minds to the Lord Himself. As we look to the future, we can think of times of this nature when we join together in the recognition that we are all children of God and in that spirit can we move to the future.

I'd like to tell you one thing that happened to me. I do it because if you are like me at all, it is difficult to reach out to another person and speak of spiritual matters. We don't speak easily of spiritual matters. The American Indian could speak of the spirit easier than we can because just as Jesus Christ spoke of the spirit like the wind, we hear it, we don't know where it's coming from or where it's going, so the Indians spoke of the spirit of the wind. The Bible also spoke of the spirit as streams of living water that nourishes us. What happened to me was that once I was convinced I ought to meet with some other people in the Congress, a few to spend time in Bible study and prayer. And I thought to myself, you know if Christ did that what did He do. He looked around for the person who was the strongest Pharisee that he could find and he was a Roman citizen and a Jew as well and he picked Paul. Paul had been going around killing Christians before he picked him to be the greatest missionary there was. I looked around the Congress and there was one person I thought was the best politician I ever saw there. I thought I'd meet with him and see if I could. But I never could get myself to go up and talk with him. One day he sat down beside me in the front row of the Congress and I thought now is the time God wants me to talk to him. I turned to talk to him about we ought to get together and pray together some time and the words wouldn't come out. So I turned forward again and composed the words to myself so I could say it to him and turned again to him and the words wouldn't come out. So I turned back again in disgust with myself and said, "Oh, Lord, I'm helpless. I can't do it. You're going to have to get somebody else to do it for me." And just then, he turned to me and said, "Albert we ought to get together and pray together some time." If I had any doubts of the spirit before, they were removed at that moment. The spirit of God moves in ways that we cannot understand if we open our hearts and let it be a part of us. That is the hope for the future. I'd like to end my comments to going back to II Kings, to King Hezekiah.

They said there never was a king like him before or afterwards. King Hezekiah walked with God and as you recall in the 19th Chapter of II Kings it spoke of the King of Assyria assailing Jerusalem and threatening and insulting King Hezekiah. And King Hezekiah went to the temple and laid it all out before God. He didn't ask God to save him because they were His chosen people or because King Hezekiah was such a wonderful person or any of that. This is what King Hezekiah said when he had finished, "And now, Oh Lord, my God, I beseech you to save us that all the kingdoms of the world might know that thou, Oh Lord, art God alone."

Congressman Hillis: Ladies and gentlement, I have the distinct honor at this time of presenting to you a man who by his presence here this morning is carrying on the tradition of this National Prayer Breakfast which was begun by Dwight D. Eisenhower 29 years ago. Ladies and gentlemen, please join me in welcoming the President of the United States.

THE PRESIDENT

President Reagan: Thank you very much. Mr. Chairman, Congressman Hillis and all you ladies and gentlemen, Nancy and I are delighted to be here and I want to thank you for the day in my life that you recognized in starting off my celebration of my 31st anniversary of my 30th birthday. To all of you, to the many who are here from across the world, the different lands and as the chairman told us earlier, I was surprised

to learn that we are joined this morning by meetings of this kind in places that might be surprising to some, on naval vessels, on military bases, even in penal institutions all across the land, you have taken Nancy and me back to a nostalgic time because I have found myself remembering occasions like this in a hotel dining room not quite so grand or not quite so large, but the Governor's Breakfast in Sacramento. They were always enriching, spiritual experiences and I think maybe, I haven't checked with Nancy about her, but I think maybe for both of us I could say this morning we are freed from the last vestige of homesickness. I would like to tell just a little story. It was given to me by a friend on a printed card, author unknown. Now I don't know how widely this has been distributed or whether many of you are aware of it. I'm going to tell it anyway. This unknown author wrote of a dream and in the dream he was walking down the beach beside the Lord and as they walked above him in the sky was reflected each stage and experience of his life. And reaching the end of the beach and of his life he turned back and looked back down the beach and saw the two sets of footprints in the sand except that he looked again and realized that every once in a while there was only one set of footprints and each time there was only one set of footprints, it was when the experience reflected in the sky was one of despair, desolation, of great trial or grief in his life. He turned to the Lord and said, "You said that if I would walk with you, you would always be beside me and take my hand. Why did you desert me? Why are you not there in my times of greatest need?" The Lord said, "My child, I did not leave you. Where you see only one set of footprints, it was there that I carried you." Abraham Lincoln once said, "I would be the most foolish person on this footstool earth if I believed for one moment I could perform the duties assigned to me without the help of one who is wiser than all." I know that in the days to come and the years ahead there are going to be many times when there will only be one set of footprints in my life. If I did not believe that I could not face the days ahead.

Mr. HILLIS. Would you please remain standing for our final prayer.

GENERAL MEYER

In June of 1783 George Washington while he was still Commander in Chief of our Continental Army composed a prayer which he sent to the 13 governors of the then fledgling nations. With the words of our newest president still ringing in our hearts, it seems appropriate that we close this National Prayer Breakfast with the words of our first President in Washington's prayer for the nation. Let us pray:

"Almighty God, we make our earnest prayer that thou will keep the United States in Thy Holy protection, that Thou wilt incline the hearts of the citizens to cultivate a spirit of subordination and obedience to government and entertain a brotherly affection and love for one another and for their fellow citizens of the United States at large and finally, that Thou wilt most graciously be pleased to dispose us all to do justice, to love mercy and to demean ourselves with that charity, humility and specific temper of mind which were the characteristics of the divine author of our blessed religion and without a humble imitation of example in these things we can never hope to be a happy nation. Grant our supplications, we beseech thee through Jesus Christ our Lord. Amen.

Mr. HILLIS. Would you join me in singing the chorus "Alleluiah" and the second time we will sing "I will praise Him" and the third time we will sing alleluiah again.

FREE ENTERPRISE POSTAGE STAMP ACT

(Mr. GOLDWATER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GOLDWATER. Mr. Speaker, the Postal Service had a $306 million deficit last fiscal year. This deficit will probably increase after Postal Union contracts, which expire July 20, are renegotiated. The unions are suggesting Congress simply increase the Postal Service's annual subsidy to meet their escalating wage demands; in other words, more taxes. Such an increase would have to be quite substantial, because the Office of Management and the Budget recently proposed a $632 million reduction in Postal Service subsidies.

To further aggravate the Postal Service's deficit problems, the Postal Service has requested a 5-cent boost in first-class postage rates, but the Postal Rate Commission will probably approve only a 3-cent rate increase. This means higher rates for other classes of mail. Still, these increases will not come close to offsetting the $1.2 billion another 2-cent first-class postage increase would produce. Because of such nagging problems, the Postal Service is already talking about another rate increase—to 22 cents.

There just does not seem to be an end to these ever-escalating rate increases, Mr. Speaker. It seems incredible that the American taxpayer has already been subjected to a 300-percent increase in the last 15 years alone. I ask my colleagues to help me in reducing the taxpayer's burden, by cosponsoring the Free Enterprise Postage Stamp Act which is a commonsensical approach toward reducing more taxes and trying to do something about rate increases.

LUTHERAN COUNCIL IN THE U.S.A. PUBLIC POLICY RECOMMENDATIONS

(Mr. ERDAHL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ERDAHL. Mr. Speaker, today, I would like to share the following statement with public policy recommendations on church-State issues adopted by the Lutheran Council in the U.S.A.:

A. INTRODUCTION

An increasingly complex society has produced growing interdependence and interaction among groups, persons, and resources in the governmental, economic, and voluntary sectors. The government's responsibilities to maintain equity and order have led both the churches and the state into greater contact and, at times, into tension. As governmental bodies seek to perform their roles and the churches seek to fulfill their missions, each needs to be aware of the other's purposes, principles, and methods. In their endeavors, both the churches and the government have the task of formulating and clarifying position statements and guidelines for implementation and application when appropriate.

The Lutheran Council in the USA, a cooperative agency of The American Lutheran Church, Association of Evangelical Lutheran Churches, Lutheran Church in America, and Lutheran Church—Missouri Synod, is aware of rising concern within its participating bodies over governmental activity in matters affecting the churches and their ministries. There are instances in which laws, rulings, and regulatory procedures on the part of government appear to infringe upon the the churches and their agencies and institutions. Governmental efforts to define the nature, mission, ministries, and structure of religious organizations are likely to continue. These developments have raised questions within the Lutheran churches about the right and competence of government to define the nature, mission, ministries, and structure of religious bodies.

The Lutheran Council recognizes that an ongoing process of communication within the Lutheran family of churches and with other religious bodies and organizations in the voluntary sector is proper and timely as response is given to the government. Government officials need to be informed about the positions and perspectives of the Lutheran churches.

On these grounds the Lutheran Council convened a consultation on church-state issues which resulted in the following statement and recommendations. The report of the consultation was adopted by the council's 1979 annual meeting on May 16 in Minneapolis.

B. STATEMENT OF AFFIRMATION

1. Church and Government in God's world

God's omnipotent activity in creation is dynamic; that is, it is living, active, and powerful in all human affairs. The structure and policies of civil and Christian communities are determined and arranged by tradition, circumstances, and needs.

Lutherans acknowledge the twofold reign of God, under which Christians live simultaneously. God is ruler of both the world and the church. The church is primarily the agency of the Gospel in the new age of Christ, while the state is primarily the agency of the Law in the old age of Adam.

Given the balance of interests and differing responsibilities of the churches and the government in God's world, the Lutheran churches advocate a relationship between the churches and the government which may be expressed as "institutional separation and functional interaction."

Both the churches and the government are to delineate and describe the proper and responsible extent of their functional interaction in the context of God's rule and the institutional separation of church and state.

2. Institutional separation

In affirming the principle of separation of church and state, Lutherans in the United States respectfully acknowledge and support the tradition that the churches and the government are to be separate in structure. As the U.S. constitution provides, government neither establishes nor favors any religion. It also safeguards the rights of all persons and groups in society to the free exercise of their religious beliefs, worship, practices, and organizational arrangements within the laws of morality, human rights, and property. The government is to make no decisions regarding the validity or orthodoxy of any doctrine, recognizing that it is the province of religious groups to state their doctrines, determine their policies, train their leaders, conduct worship, and carry on their mission and ministries without undue interference from or entanglement with government.

a. The Church's Mission

(1) The central mission of the church is the proclamation of the Gospel; that is, "the good news" or promise of God that all persons are forgiven by and reconciled with God and one another by grace through faith in Jesus Christ.

(2) The church is the fellowship of such forgiven and reconciled persons united in Jesus Christ and guided by the Holy Spirit to be sons and daughters of the Father. In and through that fellowship Christians express their love for, confidence in, and reliance upon God through worship, education, social action, and service.

(3) The church is also the people of God called and sent to minister under his authority in his world. God also calls the church to be a creative critic of the social order, an advocate for the needy and distressed, a pioneer in developing and improving services through which care is offered and human dignity is enhanced, and a supportive voice for the establishment and maintenance of good order, justice, and concord. Another mark of the presence of the church in the world is in its ministries involving activities, agencies, and institutions through which the church and society seek to fulfill their goals in mutual respect and cooperation.

(4) Lutherans hold that their churches have the responsibility to describe and clarify to their members and to society the mission of the Lutheran churches and to determine, establish, maintain, and alter the various forms through which that mission is expressed and structured.

(5) The distinctive mission of the churches includes the proclamation of God's Word in worship, in public preaching, in teaching, in administration of the sacraments, in evangelism, in educational ministries, in social service ministries, and in being advocates of justice for participants in the social order.

(6) On the basis of their commitment to him who is both Lord of the church and Lord of the World, Lutheran churches establish, support, operate, and hold accountable their congregations, agencies, institutions, schools, organizations and other appropriate bodies.

(7) While church bodies have differing policies, it is fitting to describe them, including their duly constituted agencies, according their ecclesiastically recognized functions and activities.

(8) Lutheran churches have the authority, prerogative, and responsibility to determine and designate persons to be professional church workers, both clergy and lay; to establish criteria for entrance into and continuance in the functions carried on by professional church workers; to create educational institutions for training professional church workers; and to provide for the spiritual, professional, and material support of such persons. Such support extends throughout the preparation for, activity in, and retirement from service in the several ministries of the churches.

(9) Lutheran churches have the authority and prerogative to enter into relationships, associations, and organizations with one another; with overseas Lutheran churches and bodies; with other Christian fellowships or other religious groups on regional, national, and international levels; and with voluntary or governmental agencies which the Lutheran churches and other groups deem helpful and fitting to their respective purposes.

b. The Government's Role

(1) According to Lutheran theology, the civil government's distinctive calling by God is to maintain peace, to establish justice, to protect and advance human rights, and to promote the general welfare of all persons.

(2) As one of God's agents, government has the authority and power in the secular dimensions of life to ensure that individuals and groups, including religious communities and their agencies, adhere to the civil law. The churches and their agencies in the United States are often subject to the same legislative, judicial, and administrative provisions which affect other groups in society. When necessary to assure free exercise of religion, however, Lutheran churches claim treatment or consideration by government different from that granted to voluntary, benevolent, eleemosynary, and educational nonprofit organizations in society.

(3) Government enters into relationships, associations, and organizational arrangements with nongovernmental groups, including churches, according to the nation's laws and traditions, in order to fulfill its God-given calling and without compromising or inhibiting the integrity of either the groups or the government.

(4) Government exceeds its authority when it defines, determines or otherwise influences the churches' decisions concerning their nature, mission, and ministries, doctrines, worship and other responses to God, except when such decisions by the churches would violate the laws of morality and property or infringe on human rights.

3. Functional interaction

Lutherans in the United States affirm the principle of functional interaction between the government and religious bodies in areas of mutual endeavor, so that such interaction assists in the maintenance of good order, the protection and extension of civil rights, the establishment of social justice and equality of opportunity, the promotion of the general welfare, and the advancement of the dignity of all persons. This principle underscores the Lutheran view that God rules both the civil and spiritual dimensions of life, making it appropriate for the government and the churches to relate creatively and responsibly to each other.

In this functional interaction, the government may conclude that efforts and programs of the churches provide services of broad social benefit. In such instances and within the limits of the law, the government may offer and the churches may accept various forms of assistance to furnish the services. Functional interaction also includes the role of the churches in informing persons about advocating for, and speaking publicly on issues and proposals related to social justice and human rights. From the Lutheran perspective, the church has the task of addressing God's Word to its own activities and to government. The U.S. Constitution guarantees the right of the churches to communicate concerns to the public and to the government.

a. The Church's Responsible Cooperation with the Government

(1) The church relates to the interests of the state by offering intercessory prayers on its behalf. Christians are called to offer supplications and thanksgiving for all persons, especially "for kings and all who are in high positions" (1 Timothy 2:1).

(2) The church relates to the interests of the state by encouraging responsible citizenship and government service. The church has always admonished its members to be "subject to the governing authorities" (Romans 13:1) out of respect for the civil power ordained by God.

(3) The church relates to the interests of the state by holding it accountable to the sovereign law of God, in order to provide judgment and guidance for those leaders responsible under God for the peace, justice, and freedom of the world.

(4) The church relates to the interests of the state by contributing to the civil consensus which supports it. Especially under the U.S. system which provides for wide participation, the church has the responsibility to help create a moral base and legal climate in which just solutions to vexing political problems can take place.

(5) The church relates to the interests of the state by championing the human and civil rights of all its citizens. Christians believe that under God the state exists for people, not people for the state. In addition, the church may volunteer its resources as a channel for meeting the needs of society through cooperation with government.

b. The Government's Responsible Cooperation with the Church

(1) The state relates to the interests of the church by ensuring religious liberty for all.

(2) The state relates to the interests of the church by acknowledging that human rights are not the creation of the state.

(3) The state relates to the interests of the church by maintaining an attitude of "wholesome neutrality" toward church bodies in the context of the religious pluralism of our culture.

(4) The state relates to the interests of the church by providing incidental benefits on a nonpreferential basis in recognition of the church's civil services which are also of secular benefit to the community.

(5) The state relates to the interests of the church by providing funding on a nonpreferential basis to church agencies engaged in the performance of educational or social services which are also of secular benefit to the community.

C. PUBLIC POLICY RECOMMENDATIONS

The foregoing "Statement of Affirmation," prepared by the Lutheran Council's Consultation on the Nature of the Church and Its Relationship with Government, speaks in broad terms about a Lutheran understanding of the appropriate relationship between church and government, under God, which has been described in terms of "institutional separation and functional interaction."

The consultation applied this understanding to a number of concrete issues presently confronting Lutheran churches, their agencies and institutions in their relationship with government. The following recommendations, which deal with current issues, illustrate ways our churches can address future issues and should be understood as relating to the "Statement of Affirmation."

1. Religious liberty

We affirm in principle the civil right of the free exercise of religion by a wide variety of groups in our pluralistic culture. We acknowledge that the constitutional guarantees protecting religious beliefs are absolute. However, we recognize that those guarantees governing religious practices are not absolute. The violation of human rights and the breaking of just laws in the name of religion are deplored by our churches.

Recommended: That the Lutheran Council encourage the participating churches to oppose any attempt by government to curb religious liberty through criminal and/or administrative measures focused at groups, except in cases posing a grave and immediate threat to the public's health, safety, or welfare.

2. Regulatory processes

Lutheran churches, together with other churches and voluntary organizations, perceive a trend toward greater governmental intervention and regulation leading to erosion of civil and religious liberties.

Recommended: That the Lutheran Council urge Congress to review the regulatory processes, to ensure that they afford adequate notice and opportunity to the public to study and respond to proposed regulations and rulings.

3. Integrated auxiliaries

Prior to 1969 most religious organizations, including churches and their related agencies, were exempted from filing informational returns with the Internal Revenue Service. The Tax Reform Act of 1969, however, stipulated that all organizations exempt from taxation under Section 501(a) of the Tax Code would henceforth have to file an annual informational Form 990 return—except churches, their "integrated auxiliaries," conventions and associations of churches, the exclusively religious activities of any religious order, and exempt organizations with gross receipts under $5,000 annually. The law involves the reporting of information; no payment of taxes is involved.

The problem for the IRS since 1969 has been to define "integrated auxiliaries," since that term had no legal meaning and no common definition among religious groups. In February 1976 the IRS issued proposed regulations which had the net effect of providing for all churches a single and extremely narrow definition of religious mission. Protests by a number of religious organizations led to some modifications in the "final" regulations issued in January 1977, but the regulations continue to be restrictive. Explicitly excluded from the definition of "integrated auxiliaries" are church-related hospitals, orphanages, homes for the elderly, colleges, universities, and elementary schools, although elementary and secondary schools are exempt from filing.

The heart of the issue is that the regulation relative to "integrated auxiliaries" seeks to impose on the churches a definition of "religious" and "church" which the churches cannot accept theologically, one which constitutes an unwarranted intrusion by the government into the affairs of the churches. The narrow definition introduces confusion within the churches and their agencies and institutions. Questions are raised in the agencies and their constituencies about whether these ministries are considered to be part of the churches' mission. It also leads the government to attempt other intrusions into the activities of the churches and church-related agencies and institutions, e.g., the Department of Labor's stance in the unemployment insurance tax issue (see section 5, below).

Our churches would probably not object to the disclosure of most of the information required by Form 990 by those agencies and institutions of the church whose ministries appear to have counterparts in the public sphere, if such requirement of disclosure were not predicated upon a denial that those ministries are an integral part of the churches' mission. But the churches object on principle to having any of their ministries, including their agencies and institutions, be treated as "not religious." These agencies and institutions perform ministries which are essential to the churches' mission and must not be put in a different category from the strictly sacerdotal functions of the churches.

Recommended: That the Lutheran Council encourage the participating churches to seek statutory change which will recognize the religious character of the churches' ministries through their agencies and institutions;

That the Lutheran Council encourage the participating churches to urge selected agencies and institutions to initiate a court test of the present IRS definition of "integrated auxiliaries." The intention of such action would be (a) to assure the churches' agencies and institutions that the church bodies continue to consider them an integral part of their mission; (b) to assist Congress in achieving a better understanding of this issue; and (c) to achieve a court ruling restoring the recognition of the integrity of the churches' ministry through their agencies and institutions.

4. IRS and private school desegregation

A religious organization, as other organizations otherwise entitled to a tax-exempt status, cannot claim the exempt status and at the same time operate contrary to established public policy on racial nondiscrimination. Withholding or withdrawing of the tax exemption by government must be based on an organization's racially discriminatory policy or practice determined on facts within a framework of due process. Presumptions on general circumstances or external conditions are inadequate for this purpose.

On August 22, 1978, the Internal Revenue Service issued a "Proposed Revenue Procedure on Private Tax-Exempt Schools." The proposal set forth guidelines which would be used by the IRS to determine whether such schools are operated on a racially discriminatory basis and whether they are entitled to tax exemption under Section 501(c)(3) of the Internal Revenue Code. On December 5, 1978, the IRS held hearings on the proposed revenue procedure. At that time, Lutheran church bodies presented testimony opposing the proposed procedure. On February 9, 1979, the IRS revised its original proposal. The revised revenue procedure is a reasonable procedure for dealing with racial discrimination by private schools. It may have been unnecessary, but it is not objectionable.

Recommended: That the Lutheran Council urge the participating churches to support the withholding or withdrawing of the tax-exempt status of organizations which, in fact, have a policy or practice of racial discrimination.

5. Unemployment insurance tax

To understand the current issues involving the churches' exemption from unemployment insurance coverage, the following points must be remembered:

First, the statutory exemption from coverage under the unemployment insurance law is based on structure, i.e., "church," "convention or association of churches" and "organization operated primarily for religious purposes." The Department of Labor is trying to qualify this by reading into it a functional test, narrowly tied to worship.

Second, elimination of the exemption would seem to have only a negligible impact on free exercise of religion. The direct effect would be paying a tax. There would be an indirect effect of possibly paying a higher tax (depending on experience rating) based upon discharging employees for what the organization might regard to be misconduct on religious grounds but which the government would decide was not such misconduct.

Both religion clauses of the First Amendment are violated when the government establishes an exemption based on structure and then applies it on the basis of the government's perception of whether an activity is or is not religious or sufficiently religious.

Recommended: That the Lutheran Council, while not necessarily opposing legislation which would eliminate the churches' exemption from unemployment insurance coverage, encourage the participating churches to oppose efforts by regulatory agencies of government to include the churches in unemployment insurance programs by definitions that appear to be contradictory to existing legislation.

6. Public funding and regulation of church-related education and social services

Education and social services are the tasks of society as a whole. These are public services. When churches contribute to the fulfillment of these public services, they may accept a measure of public support and a concomitant degree of monitoring by government on behalf of the public. That is, government may provide assistance on a nonpreferential basis in recognition of the public services and benefits provided by church-related educational institutions and by social service agencies and institutions of the churches. In relation to these public services, government regulation of church-related institutions and agencies is not per se objectionable.

Recommended: That the Lutheran Council urge the participating churches to object when governmental regulation of church-related educational institutions and social service agencies or institutions violates due process, exceeds statutory authority or infringes on First Amendment guarantees;

That the Lutheran Council encourage the participating churches to join, when possible, with other members of the voluntary sector in objecting to unreasonable regulations. Only when there is a bona fide constitutional question at stake should the Free Exercise Clause be invoked as the basis for objection to regulation;

That in order to maximize the access of citizens in our pluralistic society to education and social services from agencies and institutions of their choice the Lutheran Council encourage the further exploration and assessment of all constitutional means of government support for a variety of social and educational services at all levels, whether public, private, or church-related.

7. Specialized ministries of clergy

Church and government are presently interacting in two sets of circumstances involving the specialized ministries of the churches' clergy. One has to do with specialization in pastoral counseling and the other

with chaplaincies in specialized settings. Both of these ministries are more often conducted apart from and on behalf of congregations than through specific local congregations.

The point of intersection between church and state with respect to specialization in pastoral counseling is where governmental units seek to license or otherwise regulate such ministries. The normal counseling dimension in the work of parish pastors is not a part of the issue.

The points of interaction between church and state with respect to chaplaincies in specialized settings have to do with the right of churches to have adequate access in order to serve persons in such settings, the right of individuals in those settings to have access to the ministries of the churches, and the best way to combine these two rights of access.

Attention is drawn to the statement defining pastoral counseling and suggesting standards for certification and accountability approved by the Lutheran Council's Division of Theological Studies and Department of Specialized Pastoral Care and Clinical Education and by the council itself. Additionally, two studies are currently underway in the DTS in consultation with the DSPCCE: one on state licensure of pastoral counselors and the second on institutional chaplaincies.

Recommended: That the Lutheran Council encourage the participating churches to establish standards of approval and accountability for professional pastoral counselors and urge the states to recognize the status of such pastoral counselors;

That the Lutheran Council urge the participating churches to maintain their right of access to restricted environments (e.g., prisons, hospitals, and the military) in order to serve people in those environments, assert the right of people in such environments to access to the ministry of the church, and assert that these two rights of access are best served when qualified persons are integrated into the total function of that environment.

8. Regulation of lobbying activity

Advocacy on behalf of justice is an integral part of our churches' mission. The "substantiality" test as applied to lobbying activity requires that "no substantial part" of the income or activities of any tax-exempt organization may be directed toward "carrying on propaganda, or otherwise attempting to influence legislation" (Section 501(c)(3) of the Internal Revenue Code). Such a test unfairly penalizes, through the threat of loss of tax exemption, those churches which regard public advocacy as part of their mission. Moreover, the effect of this test is to give preferred status, in violation of the Establishment Clause of the First Amendment, to those churches which do not participate actively in the debate on public policy.

Recommended: That the Lutheran Council urge the participating churches to resist in principle the "substantiality test" as applied to lobbying activity by the churches.

Regulation of lobbying activity may jeopardize the constitutional rights of freedom of speech and freedom to petition the government for redress of grievances which, in turn, is contrary to the interest of open government and the public's right to be informed on issues. It is the responsibility of those who sponsor legislation that may seriously jeopardize those rights guaranteed under the First Amendment to certify that there is a compelling need for government intervention and regulation.

Lobby disclosure legislation which has been proposed extends its scope beyond those organizations engaged in major and continuing lobbying activity. It would, in fact, lay heavy burdens upon small, nonprofit organizations and thus limit many of the services they render in search of peace, justice, and human rights.

Recommended: That the Lutheran Council publicize the arguments it has set forth as testimony on March 14, 1979, before the House Subcommittee on Administrative Law and Governmental Relations, Committee on the Judiciary, stating opposition in principle to many of the components of far-reaching lobby disclosure legislation.

Lobby disclosure legislation which includes provisions requiring the reporting of grass-roots lobbying and the disclosure of the names of contributors will substantially restrict the free exercise of religion. Such legislation may well result in intimidation of the churches in carrying out their mission because of the massive record keeping that it would require. Disclosure of names poses a potential threat to those who might be inclined to address specific issues through contributions to the churches. Such legislation could also lead to excessive entanglement of government in the work of the churches.

Recommended: That the Lutheran Council urge the participating churches to oppose any lobby disclosure legislation which would substantially restrict the free exercise of religion.

The method for enforcing any lobby disclosure requirements is an important issue. Criminal sanctions are inappropriate in that they lead to intimidation of those who would be inclined to address government and thus will have a chilling effect on free speech and the right to petition the government.

Recommended: That the Lutheran Council recommend that the participating churches continue to oppose criminal sanctions within the context of any present or future lobby disclosure legislation.

9. Fund-raising disclosure

Lutherans support in principle the concept of fund-raising disclosure. The members of this consultation gladly endorse voluntary reporting of financial operations by church-related and other charitable organizations and encourage the maintenance of an informed giving public. However, in saying this, we are not endorsing every legislative or administrative effort that may be proposed to implement disclosure.

While aware of legitimate interest in curbing past abuses, we oppose federal legislation and regulation which would encompass the entire charitable community in an effort to reach and expose the activities of a very small number of fraudulent operators who solicit money from the general public.

There is no compelling need for legislation requiring charitable solicitation disclosure, given existing laws. Broad and inclusive legislation in this area would likely lead to an expansion of bureaucracy and could create serious constitutional difficulties.

Recommended: That the Lutheran Council urge the participating churches to oppose any legislation relating to fund-raising disclosure which leads to an unwarranted expansion of government bureaucracy without a justifying and compelling need, an unwarranted and excessive entanglement by government in the affairs of the church, or an unconstitutional involvement by the government in defining the church, its mission, ministry, or membership.

10. Tax exemptions and deductions

Religious organizations receive a number of tax exemptions and deductions under state and federal law. However, not every benefit of exemptions and deductions presently enjoyed is indispensable to the free exercise of religion. Lutherans in the USA must never be willing to subordinate their right to such free exercise of religion in exchange for, or as a condition of, the continuation of all benefits of exemptions and deductions currently in effect.

Recommended: That the Lutheran Council lend its support to coordinated efforts to ensure the continuance of all proper tax exemptions and deductions for all organizations in the voluntary sector, including religious organizations, as long as acceptance of these exemptions and deductions does not jeopardize constitutionally protected religious rights and freedoms;

That the Lutheran Council urge repudiation of the concept that exemptions and deductions for organizations in the voluntary sector are tax expenditures.

11. Enhancing the importance of charitable contributions

Studies have shown that changes in tax forms to simplify filing have had an adverse effect upon charitable giving. To reverse this trend, legislation has been introduced to make the charitable deduction available to all taxpayers, whether they elect the standard deduction or itemize their deductions.

Allowing a separate charitable deduction for all taxpayers whether or not they itemize their other deductions would (a) represent an important incentive to personal giving to voluntary human services, (b) recognize the unique nature of the charitable deduction in contrast with other currently itemized deductions, (c) democratize the charitable deduction's base by extending its use to most middle- and low-middle income taxpayers, (d) reverse the current trend toward decreased use of this deduction, and (e) avoid the regulatory and related governmental requirements associated with direct forms of federal assistance.

Under another proposal such a charitable deduction for all taxpayers would be allowed only if the charitable contributions exceed a certain amount or percentage of income (the "floor"). Establishing a "floor" would negate the positive effects of a proposal which permits all taxpayers to deduct gifts to charity on their individual income tax returns.

Recommended: That the Lutheran Council continue to support legislation that would allow all taxpayers to take a deduction for their charitable gifts, whether or not they itemize their other deductions;

That the Lutheran Council inform its participating church bodies and the Congress of the justification and need for such a deduction;

That the Lutheran Council continue to oppose any new limitations, such as a "floor," on the use of the charitable deduction.

D. IMPLEMENTATION OF CONSULTATION GOALS

For implementation of the goals of the consultation on church-state issues, the following actions were taken by the annual meeting of the Lutheran Council in May 1979:

Adopted the above report of the consultation as a policy statement for the guidance of the work of the council;

Authorized the general secretary of the Lutheran Council to have the report and the recommendations as adopted printed and distributed to the church bodies participating in the consultation;

Authorized the general secretary of the Lutheran Council or his representative to present testimony thereon before committees of the Congress, legislative bodies, and agencies of government as opportunity arises, the precise testimony in each instance being subject to approval by the presidents of the participating church bodies or their appointees;

Requested the presidents of the four participating church bodies to nominate persons for election by the council to constitute a continuing consultative committee of seven, responsible for studying church-state issues, this committee to meet at least twice a year with the staff of the council's Office for Government Affairs;

Authorized the appointment by the general secretary of the Lutheran Council, in consultation with the executive director of the Office for Governmental Affairs, of a committee of legal consultants, including lawyers drawn from the four participating church bodies, to meet on a call of the general secretary for deliberation of legal aspects of church-state issues;

Authorized the Office for Governmental Affairs in cooperation with the Division of Theological Studies and the Division of Mission and Ministry to hold a follow-up consultation with representatives of other church bodies and others interested in matters considered by the consultation;

Referred the report and recommendations of the consultation as adopted by the council to the participating bodies for their endorsement in substance.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PARRIS) to revise and extend their remarks and include extraneous material:)

Mr. TAUKE, for 5 minutes, today.

(The following Members (at the request of Mr. WEISS) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. RODINO, for 5 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. BINGHAM, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. CONYERS, for 60 minutes, on February 24, 1981.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HILLIS, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,560.

Mr. ERDAHL, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,800.

(The following Members (at the request of Mr. PARRIS) and to include extraneous matter:)

Mr. COLEMAN.
Mr. ROBERTS of South Dakota.
Mr. KEMP.
Mr. BEARD in two instances.
Mr. ERDAHL.
Mr. FISH.
Mr. MARLENEE.
Mr. DANNEMEYER.
Mr. VANDER JAGT in two instances.
Mr. GILMAN.
Mr. RITTER.
Mr. DORNAN of California in three instances.
Mr. ROTH.
Mr. DREIER.
Mr. CONABLE.
Mr. RUDD.
Mr. LEBOUTILLIER.
Mr. LEWIS.
Mr. GOLDWATER.
Mr. DERWINSKI in two instances.
Mr. BROYHILL.
Mr. KRAMER.
Mrs. HECKLER.
Mr. SCHULZE.
Mr. COLLINS of Texas in two instances.
Mr. STANGELAND.
Mr. GREEN.
Mr. WHITEHURST.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. EDWARDS of California.
Mrs. BOUQUARD.
Mr. MAVROULES in three instances.
Mr. BINGHAM in five instances.
Mr. JACOBS.
Mr. FAZIO.
Mr. STARK.
Ms. FERRARO.
Mr. RODINO in two instances.
Mr. AUCOIN.
Mr. FARY.
Mr. ROSENTHAL in two instances.
Mr. MAZZOLI in five instances.
Mr. BRODHEAD.
Mr. JOHN L. BURTON.
Mr. OTTINGER.
Mr. MOAKLEY.
Mr. MCDONALD.
Mr. WEISS in 10 instances.
Mr. GUARINI.
Mr. NOWAK.
Mr. BEDELL.
Mr. PATTERSON.
Mr. GEJDENSON in two instances.
Mr. FITHIAN.
Mr. BARNES.
Mr. FRANK.
Mr. SOLARZ.
Mr. RANGEL.
Mr. ANDERSON in three instances.
Mr. LEVITAS.
Mr. MOLLOHAN.
Mr. HARKIN.
Mr. DINGELL.
Mr. GORE.
Mr. CONYERS.
Mr. HAMILTON in three instances.
Mr. NATCHER.

BILL PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on February 18, 1981, present to the President, for his approval, a bill of the House of the following title:

H.R. 1553. A bill to provide for a temporary increase in the public debt limit.

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House of February 17, 1981, the House will stand in recess until approximately 8:40 p.m.

Accordingly (at 3 o'clock and 37 minutes p.m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 8 o'clock and 43 minutes p.m.

JOINT SESSION OF THE HOUSE AND SENATE HELD PURSUANT TO THE PROVISIONS OF HOUSE CONCURRENT RESOLUTION 69 TO HEAR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The SPEAKER of the House presided.

The Doorkeeper, Hon. James T. Molloy, announced the Vice President and Members of the U.S. Senate, who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to escort the President of the United States into the Chamber the gentleman from Texas (Mr. WRIGHT); the gentleman from Washington (Mr. FOLEY); the gentleman from Arkansas (Mr. ALEXANDER); the gentlewoman from New York (Ms. FERRARO); the gentleman from California (Mr. EDWARDS); the gentleman from Illinois (Mr. MICHEL); the gentleman from Mississippi (Mr. LOTT); the gentleman from New York (Mr. KEMP); and the gentleman from California (Mr. CLAUSEN).

The VICE PRESIDENT. On behalf of the Senate, pursuant to the order previously entered into, the Chair appoints the following Senators on the part of the Senate to escort the President of the United States into the House Chamber:

The Senator from South Carolina (Mr. THURMOND); the Senator from Tennessee (Mr. BAKER); the Senator from Alaska (Mr. STEVENS); the Senator from California (Mr. HAYAKAWA); the Senator from West Virginia (Mr. ROBERT C. BYRD); the Senator from California (Mr. CRANSTON); the Senator from Tennessee (Mr. SASSER); and the Senator from Mississippi (Mr. STENNIS).

The Doorkeeper announced the Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

The Doorkeeper announced the Chief Justice of the United States and the Associate Justices of the Supreme Court.

The Chief Justice of the United States and the Associate Justices of the Supreme Court entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

The Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 9 o'clock and 3 minutes p.m., the Doorkeeper announced the President of the United States.

The President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The SPEAKER. Members of the Congress, I have the high privilege and the distinct honor of presenting to you the President of the United States.

[Applause, the Members rising.]

A PROGRAM FOR ECONOMIC RECOVERY—ADDRESS BY THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-21)

The PRESIDENT. Mr. Speaker, Mr. President, distinguished Members of Congress, honored guests, and fellow citizens. Only a month ago, I was your guest in this historic building and I pledged to you my cooperation in doing what is right for this Nation that we all love so much.

I am here tonight to reaffirm that pledge and to ask that we share in restoring the promise that is offered to every citizen by this, the last, best hope of man on earth.

All of us are aware of the punishing inflation which has, for the first time in 60 years, held to double digit figures for 2 years in a row. Interest rates have reached absurd levels of more than 20 percent and over 15 percent for those who would borrow to buy a home. All across this land one can see newly built homes standing vacant, unsold because of mortgage interest rates.

Almost 8 million Americans are out of work. These are people who want to be productive. But as the months go by, despair dominates their lives. The threats of layoffs and unemployment hang over other millions, and all who work are frustrated by their inability to keep up with inflation.

One worker in a Midwest city put it to me this way: He said, "I'm bringing home more dollars than I thought I ever believed I could possibly earn, but I seem to be getting worse off." And he is. Not only have hourly earnings of the American worker, after adjusting for inflation, declined 5 percent over the past 5 years, but in these 5 years, Federal personal taxes for the average family have increased 67 percent.

We can no longer procrastinate and hope that things will get better. They will not. Unless we act forcefully, and now, the economy will get worse.

Can we who man the ship of state deny it is somewhat out of control? Our national debt is approaching $1 trillion. A few weeks ago I called such a figure—a trillion dollars—incomprehensible. I've been trying ever since to think of a way to illustrate how big a trillion is. The best I could come up with is that if you had a stack of $1,000 bills in your hand only four inches high you would be a millionaire. A trillion dollars would be a stack of $1,000 bills 67 miles high.

The interest on the public debt this year we know will be over $90 billion. And unless we change the proposed spending for the fiscal year beginning October 1, we'll add another almost $80 billion to the debt.

Adding to our troubles is a mass of regulations imposed on the shopkeeper, the farmer, the craftsman, professionals and major industry that is estimated to add $100 billion to the price of the things we buy and it reduces our ability to produce. The rate of increase in American productivity, once one of the highest in the world, is among the lowest of all major industrial nations. Indeed, it has actually declined in the last 3 years.

I have painted a pretty grim picture but I think that I have painted it accurately. It is within our power to change this picture and we can act with hope. There is nothing wrong with our internal strengths. There has been no breakdown in the human, technological, and natural resources upon which the economy is built.

Based on this confidence in a system which has never failed us—but which we have failed through a lack of confidence, and sometimes through a belief that we could fine tune the economy and get a tune to our liking—I am proposing a comprehensive four-point program. Let me outline in detail some of the principal parts of this program. You will each be provided with a completely detailed copy of the entire program.

This plan is aimed at reducing the growth in Government spending and taxing, reforming and eliminating regulations which are unnecessary and unproductive or counterproductive, and encouraging a consistent monetary policy aimed at maintaining the value of the currency.

If enacted in full, this program can help America create 13 million new jobs, nearly 3 million more than we would have without these measures. It will also help us to gain control of inflation.

It is important to note that we are only reducing the rate of increase in taxing and spending. We are not attempting to cut either spending or taxing levels below that which we presently have. This plan will get our economy moving again, increase productivity growth, and thus create the jobs that our people must have.

I am asking that you join me in reducing direct Federal spending by $41.4 billion in fiscal year 1982, along with another $7.7 billion user fees and off-budget savings for a total of $49.1 billion.

[Applause.]

This will still allow an increase of $40.8 billion over 1981 spending.

I know that exaggerated and inaccurate stories about these cuts have disturbed many people, particularly those dependent on grant and benefit programs for their basic needs. Some of you have heard from constituents, I know, afraid that social security checks, for example, were going to be taken away from them. I regret the fear that these unfounded stories have caused and I welcome this opportunity to set things straight.

We will continue to fulfill the obligations that spring from our national conscience. Those who through no fault of their own must depend on the rest of us, the poverty stricken, the disabled, the elderly, all those with true need, can rest assured that the social safety net of programs they depend on are exempt from any cuts.

The full retirement benefits of the more than 31 million social security recipients will be continued along with an annual cost of living increase. Medicare will not be cut, nor will supplemental income for the blind, the aged, and the disabled, and funding will continue for veterans' pensions.

School breakfasts and lunches for the children of low income families will continue, as will nutrition and other special services for the aging.

There will be no cut in Project Head Start or summer youth jobs.

All in all, nearly $216 billion worth of programs providing help for tens of millions of Americans—will be fully funded. But government will not continue to subsidize individuals or particular business interests where real need cannot be demonstrated.

[Applause.]

And while we will reduce some subsidies to regional and local governments, we will at the same time convert a number of categorical grant programs into block grants to reduce wasteful administrative overhead and to give local governments and States more flexibility and control. We call for an end to duplication in Federal programs and reform of those which are not cost effective.

Already, some have protested that there must be no reduction in aid to schools. Let me point out that Federal aid to education amounts to only 8 percent of the total educational funding. For this eight percent the Federal Government has insisted on a tremendously disproportionate share of control over our schools. Whatever reductions we've proposed in that eight percent will amount to very little in the total cost of education. They will, however, restore more authority to States and local school districts.

[Applause.]

Historically the American people have supported by voluntary contributions more artistic and cultural activities than all the other countries in the world put together. I wholeheartedly support this approach and believe that Americans will continue their generosity. Therefore, I am proposing a savings of $85 million in the Federal subsidies now going to the arts and humanities.

There are a number of subsidies to business and industry that I believe are unnecessary. Not because the activities being subsidized aren't of value but because the marketplace contains incentives enough to warrant continuing these activities without a government subsidy. One such subsidy is the Department of Energy's synthetic fuels program. We will continue support of research leading to development of new technologies and more independence from foreign oil, but we can save at least $3.2 billion by leaving to private industry the building of plants to make liquid or gas fuels from coal.

We are asking that another major industry, business subsidy I should say, the Export-Import Bank loan authority, be reduced by one-third in 1982. We are doing this because the primary beneficiaries of taxpayer funds in this case are the exporting companies themselves—most of them profitable corporations.

This brings me to a number of other lending programs in which Government makes low-interest loans. Some of them at an interest rate as low as 2 percent. What has not been very well understood is that the Treasury Department has no money of its own to lend. It has to go into the private capital market and borrow the money. So in this time of excessive interest rates the government finds itself borrowing at an interest rate several times as high as the interest it gets back from those it lends the money to. This difference, of course, is paid by your constituents, the taxpayers. They get hit again if they try to borrow because Government borrowing contributes to raising all interest rates.

By terminating the Economic Development Administration we can save hundreds of millions of dollars in 1982 and billions more over the next few years. There is a lack of consistent and convincing evidence that EDA and its Regional Commissions have been effective in creating new jobs. They have been effective in creating an array of planners, grantsmen and professional middlemen. We believe we can do better just by the expansion of the economy and the job creation which will come from our economic program.

[Applause.]

The Food Stamp program will be restored to its original purpose, to assist those without resources to purchase sufficient nutritional food. We will, however, save $1.8 billion in fiscal year 1982 by removing from eligibility those who are not in real need or who are abusing the program.

[Applause.]

Even with this reduction, the program will be budgeted for more than $10 billion.

We will tighten welfare and give more attention to outside sources of income when determining the amount of welfare an individual is allowed. This plus strong and effective work requirements will save $520 million in the next year.

I stated a moment ago our intention to keep the school breakfast and lunch programs for those in true need. But by cutting back on meals for children of families who can afford to pay, the savings will be $1.6 billion in fiscal year 1982.

Let me just touch on a few other areas which are typical of the kinds of reductions we have included in this economic package. The Trade Adjustment Assistance program provides benefits for workers who are unemployed when foreign imports reduce the market for various American products causing shutdown of plants and layoff of workers. The purpose is to help these workers find jobs in growing sectors of our economy. There is nothing wrong with that. But because these benefits are paid out on top of normal unemployment benefits, we wind up paying greater benefits to those who lose their jobs because of foreign competition than we do to their friends and neighbors who are laid off due to domestic competition. Anyone must agree that this is unfair. Putting these two programs on the same footing will save $1.15 billion in just 1 year.

Earlier I made mention of changing categorical grants to States and local governments into block grants. We know, of course, that the categorical grant programs burden local and State governments with a mass of Federal regulations and Federal paperwork.

Ineffective targeting, wasteful administrative overhead—all can be eliminated by shifting the resources and decision-making authority to local and State government. This will also consolidate programs which are scattered throughout the Federal bureaucracy, bringing government closer to the people and saving $23.9 billion over the next 5 years.

Our program for economic renewal deals with a number of programs which at present are not cost-effective. An example is Medicaid. Right now Washington provides the States with unlimited matching payments for their expenditures. At the same time we here in Washington pretty much dictate how the States are going to manage those programs. We want to put a cap on how much the Federal Government will contribute but at the same time allow the States much more flexibility in managing and structuring the programs. I know from our experience in California that such flexibility could have led to far more cost-effective reforms. This will bring a savings of $1 billion next year.

The space program has been and is important to America and we plan to continue it. We believe, however, that a reordering of priorities to focus on the most important and cost-effective NASA programs can result in a savings of a quarter of a billion dollars.

Coming down from space to the mailbox—the Postal Service has been consistently unable to live within its operating budget. It is still dependent on large Federal subsidies. We propose reducing those subsidies by $632 million in 1982 to press the Postal Service into becoming more effective. In subsequent years, the savings will continue to add up.

The Economic Regulatory Administration in the Department of Energy has programs to force companies to convert to specific fuels. It has the authority to administer a gas rationing plan, and prior to decontrol it ran the oil price control program. With these and other regulations gone we can save several hundreds of millions of dollars over the next few years.

I'm sure there is one department you've been waiting for me to mention, the Department of Defense. It is the only department in our entire program that will actually be increased over the present budgeted figure.

[Applause.]

But even here there was no exemption. The Department of Defense came up with a number of cuts which reduced the budget increase needed to restore our military balance. These measures will save $2.9 billion in 1982 outlays and by 1986 a total of $28.2 billion will have been saved. Perhaps I should say will have been made available for the necessary things that we must do, The aim will be to provide the most effective defense for the lowest possible cost.

I believe that my duty as President requires that I recommend increases in defense spending over the coming years.

[Applause.]

I know that you are aware but I think it bears saying again that since 1970, the Soviet Union has invested $300 billion more in its military forces than we have. As a result of its massive military buildup, the Soviets have made a significant numerical advantage in strategic nuclear delivery systems, tactical aircraft, submarines, artillery and antiaircraft defense. To allow this imbalance to continue is a threat to our national security.

Notwithstanding our economic straits, making the financial changes beginning now is far less costly than waiting and having to attempt a crash program several years from now.

We remain committed to the goal of arms limitation through negotiation. I hope we can persuade our adversaries to come to realistic balanced and verifiable agreements.

[Applause.]

But, as we negotiate, our security must be fully protected by a balanced and realistic defense program.

Let me say a word here about the general problem of waste and fraud in the Federal Government. One government estimate indicated that fraud alone may account for anywhere from 1 to 10 percent—as much as $25 billion—of Federal expenditures for social programs. If the tax dollars that are wasted or mismanaged are added to this fraud total, the staggering dimensions of this problem begin to emerge.

The Office of Management and Budget is now putting together an interagency task force to attack waste and fraud. We are also planning to appoint as Inspectors General highly trained professionals who will spare no effort to do this job.

No administration can promise to immediately stop a trend that has grown in recent years as quickly as Government expenditures themselves. But let me say this: waste and fraud in the Federal budget is exactly what I have called it before—an unrelenting national scandal—a scandal we are bound and determined to do something about.

[Applause.]

Marching in lockstep with the whole program of reductions in spending is the equally important program of reduced tax rates. Both are essential if we are to have economic recovery. It's time to create new jobs. To build and rebuild industry, and to give the American people room to do what they do best. And that can only be done with a tax program which provides incentive to increase productivity for both workers and industry.

Our proposal is for a 10-percent across-the-board cut every year for three years in the tax rates for all individual income taxpayers, making a total cut in tax rates of 30 percent. This 3-year reduction will also apply to the tax on unearned income, leading toward an eventual elimination of the present differential between the tax on earned and unearned income.

I would have hoped that we could be retroactive with this, but as it stands the effective starting date for these 10-percent personal income tax rate reductions will be called for as of July 1st of this year.

Again, let me remind you that while this 30 percent reduction will leave the taxpayers with $500 billion more in their pockets over the next five years, it's actually only a reduction in the tax increase already built into the system.

Unlike some past "tax reforms," this is not merely a shift of wealth between different sets of taxpayers. This proposal for an equal reduction in everyone's tax rates will expand our national prosperity, enlarge national incomes, and increase opportunities for all Americans.

Some will argue, I know, that reducing tax rates now will be inflationary. A solid body of economic experts does not agree. And tax cuts adopted over the past three-fourths of a century indicate these economic experts are right. They will not be inflationary. I have had advice that in 1985 our real production of goods and services will grow by 20 percent and will be $300 billion higher than it is today. The average worker's wage will rise (in real purchasing power) 8 percent, and this is in after-tax dollars and this, of course, is predicated on a complete program of tax cuts and spending reductions being implemented.

The other part of the tax package is aimed directly at providing business and industry with the capital needed to modernize and engage in more research and development. This will involve an increase in depreciation allowances, and this part of our tax proposal will be retroactive to January 1st.

The present depreciation system is obsolete, needlessly complex, and is economically counterproductive. Very simply, it bases the depreciation of plant, machinery, vehicles, and tools on their original cost with no recognition of how inflation has increased their replacement cost. We are proposing a much shorter writeoff time than is presently allowed: a 5-year writeoff for machinery; 3 years for vehicles and trucks; and a 10-year writeoff for plant.

In Fiscal Year 1982 under this plan business would acquire nearly $10 billion for investment. By 1985 the figure would be nearly $45 billion. These changes are essential to provide the new investment which is needed to create millions of new jobs between now and 1985 and to make America competitive once again in the world market.

[Applause.]

These won't be make-work jobs, they are productive jobs, jobs with a future.

I'm well aware that there are many other desirable and needed tax changes such as indexing the income tax brackets to protect taxpayers against inflation; The unjust discrimination against married couples if both are working and earning; tuition tax credits; the unfairness of the inheritance tax, especially to the family-owned farm and the family-owned business, and a number of others. But our program for economic recovery is so urgently needed to begin to bring down inflation that I am asking you to act on this plan first and with great urgency. Then I pledge I will join with you in seeking these additional tax changes at the earliest date possible.

[Applause.]

American society experienced a virtual explosion in Government regulation during the past decade. Between 1970 and 1979, expenditures for the major regulatory agencies quadrupled, the number of pages published annually in the Federal Register nearly tripled, and the number of pages in the Code of Federal Regulations increased by nearly two-thirds.

The result has been higher prices, higher unemployment, and lower productivity growth. Overregulation causes small and independent business men and women, as well as large businesses, to defer or terminate plans for expansion, and since they are responsible for most of our new jobs, those new jobs just aren't created.

We have no intention of dismantling the regulatory agencies—especially those necessary to protect environment and to ensure the public health and safety. However, we must come to grips with inefficient and burdensome regulations—eliminate those we can and reform the others.

I have asked Vice President BUSH to head a Cabinet-level Task Force on Regulatory Relief. Second, I asked each member of my Cabinet to postpone the effective dates of the hun-

dreds of new regulations which have not yet been implemented. Third, in coordination with the task force, many of the agency heads have already taken prompt action to review and rescind existing burdensome regulations. Finally, just yesterday, I signed an Executive order that for the first time provides for effective and coordinated management of the regulatory process.

Much has been accomplished, but it is only a beginning. We will eliminate those regulations that are unproductive and unnecessary by Executive order, where possible, and cooperate fully with you on those that require legislation.

The final aspect of our plan requires a national monetary policy which does not allow money growth to increase consistently faster than the growth of goods and services. In order to curb inflation, we need to slow the growth in our money supply.

We fully recognize the independence of the Federal Reserve System and will do nothing to interfere with or undermine that independence. We will consult regularly with the Federal Reserve Board on all aspects of our economic program and will vigorously pursue budget policies that will make their job easier in reducing monetary growth.

A successful program to achieve stable and moderate growth patterns in the money supply will keep both inflation and interest rates down and restore vigor to our financial institutions and markets.

This, then, is our proposal. "America's New Beginning: A Program for Economic Recovery." I don't want it to be simply the plan of my Administration—I'm here tonight to ask you to join me in making it our plan.

[Applause, the Members rising.]

Well, together we can embark on this road, not to make things easy, but to make things better.

Our social, political and cultural as well as our economic institutions can no longer absorb the repeated shocks that have been dealt them over the past decades.

Can we do the job? The answer is yes, but we must begin now.

We are in control here. There is nothing wrong with America that we can't fix. I'm sure there will be some who will raise the familiar old cry, "Don't touch my program—cut somewhere else."

I hope I've made it plain that our approach has been evenhanded; that only the programs for the truly deserving needy remain untouched.

The question is, are we simply going to go down the same path we've gone down before—carving out one special program here, another special program there. I don't think that is what the American people expect of us. More important, I don't think that is what they want. They are ready to return to the source of our strength.

The substance and prosperity of our Nation is built by wages brought home from the factories and the mills, the farms and the shops. They are the services provided in 10,000 corners of America; the interest on the thrift of our people and the returns for their risk-taking. The production of America is the possession of those who build, serve, create and produce.

For too long now, we've removed from our people the decisions on how to dispose of what they created. We have strayed from first principles. We must alter our course.

The taxing power of government must be used to provide revenues for legitimate government purposes. It must not be used to regulate the economy or bring about social change. [Applause.] We've tried that and surely we must be able to see it doesn't work.

Spending by Government must be limited to those functions which are the proper province of Government. We can no longer afford things simply because we think of them.

Next year we can reduce the budget by $41.4 billion, without harm to Government's legitimate purposes or to our responsibility to all who need our benevolence. This, plus the reduction in tax rates, will help bring an end to inflation.

In the health and social services area alone the plan we are proposing will substantially reduce the need for 465 pages of law, 1,400 pages of regulations, 5,000 Federal employees who presently administer 7,600 separate grants in about 25,000 separate locations. [Applause.] Over 7 million man and woman hours of work by State and local officials are required to fill out government forms.

I would direct a question to those who have indicated already an unwillingness to accept such a plan. Have they an alternative which offers a greater chance of balancing the budget, reducing and eliminating inflation, stimulating the creation of jobs, and reducing the tax burden? And if they haven't, are they suggesting we can continue on the present course without coming to a day of reckoning?

[Applause.]

If we don't do this, inflation and the growing tax burden will put an end to everything we believe in and our dreams for the future. We don't have an option of living with inflation and its attendant tragedy, millions of productive people willing and able to work but unable to find a buyer for their work in the job market.

We have an alternative, and that is the program for economic recovery.

True, it will take time for the favorable effects of our proposal to be felt. So we must begin now.

The people are watching and waiting. They don't demand miracles. They do expect us to act. Let us act together.

Thank you and good night.

[Applause, the Members rising.]

At 9 o'clock and 38 minutes p.m., the President of the United States, accompanied by the Committee of Escort, retired from the Hall of the House of Representatives.

The Doorkeeper escorted the invited guests from the Chamber in the following order: The members of the President's Cabinet.

The Chief Justice of the United States and the Associate Justices of the Supreme Court.

The Ambassadors, ministers, and chargé d'affaires of foreign governments.

JOINT SESSION DISSOLVED

The SPEAKER. The Chair declares the joint session of the two Houses now dissolved.

Accordingly, at 9 o'clock and 45 minutes p.m., the joint session of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

REFERENCE OF PRESIDENT'S MESSAGE

Mr. DANIELSON. Mr. Speaker, I move that the President's message and accompanying papers be referred to the Committee of the Whole House on the State of the Union and ordered printed.

The motion was agreed to.

ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Thursday, February 19, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

542. A letter from the Acting Comptroller General of the United States, transmitting his review of the rescissions and deferrals of budget authority contained in the message from the President dated January 15, 1981 (House Document No. 97-11), pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 97-22); to the Committee on Appropriations and ordered to be printed.

543. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting the Defense Manpower Requirements report for fiscal year 1982, pursuant to 10 U.S.C. 138(c)(3); to the Committee on Armed Services.

544. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting the base structure annex to the Defense Manpower Requirements report for fiscal year 1982, pursuant to 10 U.S.C. 138(c)(3)(C); to the Committee on Armed Services.

545. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment to Saudi Arabia (Transmittal No. 81-19), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

546. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Air Force of defense articles to Singapore (Transmittal No. 81-21), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

547. A letter from the Acting Director, ACTION Agency, transmitting proposed final regulations implementing a VISTA volunteer grievance procedure and a volunteer discrimination complaint procedure, pursuant to section 420(d) of Public Law 93-113, as amended; to the Committee on Education and Labor.

548. A letter from the Secretary of Health and Human Services, transmitting the annual report of the Director of the national cancer program for fiscal year 1980 and the annual plan for the program for fiscal years 1982-86, pursuant to section 404(a)(9) of the Public Health Services Act, as amended; to the Committee on Energy and Commerce.

549. A letter from the Secretary of State, transmitting the annual report on Americans incarcerated abroad for calendar year 1980, pursuant to section 108 of Public Law 95-105; to the Committee on Foreign Affairs.

550. A letter from the Acting Assistant Secretary for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Australia for permission to transfer certain U.S.-origin defense articles to the Government of Malaysia, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

551. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially to NATO AEW Program Management Organization (Transmittal MC-5-81), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

552. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment to Saudi Arabia (Transmittal No. 81-19), pursuant to section 36(b) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

553. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense articles and services to Singapore (Transmittal No. 81-21), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

554. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Indonesia (Transmittal No. 81-24), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

555. A letter from the Acting Administrator, Agency for International Development, transmitting a report on women in development, requested by the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs; to the Committee on Foreign Affairs.

556. A letter from the Acting Public Printer, transmitting his annual report for fiscal year 1980; to the Committee on House Administration.

557. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting the Council's annual report for the period covering fiscal year 1980, pursuant to section 202(b) of Public Law 89-665; to the Committee on Interior and Insular Affairs.

558. A letter from the Secretary-Treasurer, Congressional Medal of Honor Society of the United States of America, transmitting the annual audit report of the Society for calendar year 1980, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

559. A letter from the Acting Administrator of General Services, transmitting a prospectus program which proposes succeeding leases and renewed leases for 12 buildings in Washington, D.C.; to the Committee on Public Works and Transportation.

560. A letter from the Comptroller General of the United States, transmitting a report on the issues and challenges of the MX weapon system (MASAD-81-1, February 17, 1981); jointly, to the Committees on Government Operations, and Armed Services.

561. A letter from the Comptroller General of the United States, transmitting a report on the economic impacts which social and environmental regulations impose upon the construction of Federal water resources projects, and alternatives to controlling those impacts through evaluations (CED-81-36); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Public Works and Transportation.

562. A letter from the Chairman, Federal Election Commission, transmitting a copy of the Commission's appeal to the Office of Management and Budget concerning its fiscal year 1982 budget reduction, pursuant to section 307(d)(1) of the Federal Election Campaign Act; jointly, to the Committees on House Administration, and Appropriations.

563. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a determination by the Secretary of State waiving the requirement that certain foreign assistance funds for Costa Rica and Peru be withheld to cover the compensation from the Treasury paid to owners of fishing vessels seized by those countries during the period January 17, 1973, through January 14, 1980, pursuant to section 5(b) of the Fishermen's Protective Act of 1967, as amended, and Executive Order 11772; jointly, to the Committees on Merchant Marine and Fisheries, and Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 1885. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. AuCOIN:

H.R. 1886. A bill to amend the Water Resources Development Act of 1976 with respect to Lake Oswego, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BEARD:

H.R. 1887. A bill to amend title 38, United States Code, to allow the Veterans' Administration to furnish hospital care to certain members of the Armed Forces injured during a period of war or other armed conflict, and to establish the Federal Interagency Health Resources Committee to coordinate the sharing of medical resources between facilities of the Veterans' Administration with those of the Department of Defense; jointly, to the Committees on Armed Services and Veterans' Affairs.

H.R. 1888. A bill to provide for forfeiture of economic gain derived by a Federal felon from sale of rights to information that takes its value from the felon's participation in the offense involved; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H.R. 1889. A bill to amend the Export Administration Act of 1979; to the Committee on Foreign Affairs.

By Mr. PANETTA:

H.R. 1890. A bill to amend title XVIII of the Social Security Act to remove the homebound requirement for home health services and to include additional types of services as home health services, to amend the Domestic Volunteer Service Act of 1973 to clarify the purposes, goals, and administration of the Senior Companion program, and to amend the Internal Revenue Code of 1954 to establish an income tax credit for maintaining a household for dependents who are 65 years of age or older; jointly, to the Committees on Education and Labor, Energy and Commerce, and Ways and Means.

By Mr. BROYHILL:

H.R. 1891. A bill to authorize the appropriation of funds for fiscal years 1982, 1983, and 1984, for the administration of the National Telecommunications and Information Administration; to the Committee on Energy and Commerce.

By Mr. COELHO:

H.R. 1892. A bill to provide that the U.S. District Court for the Eastern District of California shall be held at the Modesto-Ceres metropolitan area, in addition to those places currently provided by law; to the Committee on the Judiciary.

By Mr. COLLINS of Texas:

H.R. 1893. A bill to amend the Powerplant and Fuel Use Act of 1978 to remove certain fuel use prohibitions on existing powerplants and major fuel-burning installations; to the Committee on Energy and Commerce.

By Mr. CONABLE (for himself, Mr. SHANNON, and Mr. MOORE):

H.R. 1894. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for expenses for household and dependent care services necessary for gainful employment, to make such

credit refundable, and for other purposes; to the Committee on Ways and Means.

By Mr. CORRADA:

H.R. 1895. A bill to amend title 38 of the United States Code to allow judicial review of decisions made by the Administrator of the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. DICKS (for himself, Mr. LOWRY of Washington, and Mr. SWIFT):

H.R. 1896. A bill to prohibit certain oil tankers from entering Puget Sound, Wash.; to the Committee on Merchant Marine and Fisheries.

By Mr. DONNELLY:

H.R. 1897. A bill to establish a program to develop, maintain, and monitor marine artificial reefs in waters of U.S. jurisdiction; to the Committee on Merchant Marine Fisheries.

H.R. 1898. A bill to designate the building known as the Quincy Post Office in Quincy, Mass., as the "James A. Burke Post Office"; to the Committee on Public Works and Transportation.

H.R. 1899. A bill to amend the Public Buildings Act of 1959 regarding the location and relocation of public buildings in metropolitan areas; to the Committee on Public Works and Transportation.

H.R. 1900. A bill to amend the Internal Revenue Code of 1954 to provide that the $2,000 credit for the purchase of a new principal residence will not be recaptured where the taxpayer replaces it with another principal residence; to the Committee on Ways and Means.

By Mr. DOWNEY:

H.R. 1901. A bill to amend the Internal Revenue Code of 1954 to allow the deduction for contributions to individual retirement savings even though the taxpayer is an active participant in a pension plan and to increase the maximum deduction allowed for such contributions, and to require the Secretary of the Treasury to provide, with the instructions for completing individual income tax returns, a simple-language explanation of the requirements and benefits of such deduction; to the Committee on Ways and Means.

H.R. 1902. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits and to prohibit any reduction in unemployment compensation because of the receipt of social security or railroad retirement benefits; to the Committee on Ways and Means.

By Mr. EDGAR (by request):

H.R. 1903. A bill to amend title 38, United States Code, to terminate the authority for the pursuit of flight training programs by veterans and for the pursuit of correspondence training by veterans, spouses, and surviving spouses, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ERLENBORN (for himself, Mr. BADHAM, Mr. BAFALIS, Mr. BROWN of Ohio, Mr. CARNEY, Mr. COLEMAN, Mr. DANIEL B. CRANE, Mr. DANNEMEYER, Mr. DERWINSKI, Mr. GOLDWATER, Mr. GRADISON, Mr. GUYER, Mr. HARTNETT, Mrs. HOLT, Mr. HYDE, Mr. JEFFRIES, Mr. JOHNSTON, Mr. KINDNESS, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LOEFFLER, Mr. LONG of Maryland, Mr. LUNGREN, Mr. MCCLOSKEY, Mr. MCKINNEY, Mr. O'BRIEN, Mr. REGULA, Mr. STANGELAND, AND Mr. WIRTH):

H.R. 1904. A bill to establish a Department of Health, Education, and Welfare, and for other purposes; to the Committee on Government Operations.

By Mr. FISH:

H.R. 1905. A bill to establish a national adoption information exchange system; to the Committee on Education and Labor.

H.R. 1906. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

H.R. 1907. A bill to amend the Internal Revenue Code of 1954 to increase to $2,500 the amount of interest which may be excluded from gross income, and to make such exclusion permanent; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 1908. A bill to amend the Presidential Science and Technology Advisory Organization Act of 1976 to provide additional information to the Congress for the purpose of providing a basis for implementing multiyear research and development authorization; to the Committee on Science and Technology.

By Mr. GOLDWATER (for himself, Mr. FUQUA, Mrs. BOUQUARD, and Mr. LUJAN):

H.R. 1909. A bill to accelerate and provide direction to the Department of Energy's research, development, and technology demonstration program for the disposal of high level radioactive wastes; to the Committee on Science and Technology.

By Mr. GREEN (for himself and Mr. DOWNEY):

H.R. 1910. A bill to amend the Tariff Schedules of the United States to suspend the duty on tartaric acid and certain tartaric chemicals; to the Committee on Ways and Means.

By Mr. SAM B. HALL, JR.:

H.R. 1911. A bill to abolish the Legal Services Corporation; to the Committee on the Judiciary.

By Mr. HANCE:

H.R. 1912. A bill to amend the Internal Revenue Code of 1954 to increase to $2,000 for an individual and $4,000 for a joint return the amount of dividends and interest which may be excluded from gross income, and to make such exclusion permanent; to the Committee on Ways and Means.

By Mr. HARKIN:

H.R. 1913. A bill to amend the Internal Revenue Code of 1954 to provide for individuals a refundable tax credit for amounts paid or incurred for television subtitle equipment for use by hearing-impaired individuals; to the Committee on Ways and Means.

By Mr. HARKIN (for himself, Mr. MARRIOTT, and Mr. MURPHY):

H.R. 1914. A bill to amend title 49, United States Code, pertaining to the use of citizens band radios by operators of certain buses; to the Committee on Public Works and Transportation.

By Mr. KRAMER:

H.R. 1915. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from the gross estate of a decedent of a portion of the value of certain interests in a farm or ranch or trade or business if the spouse or children of the decedent materially participate in such farm or ranch or trade or business; to the Committee on Ways and Means.

By Mr. LEACH of Iowa:

H.R. 1916. A bill to amend the Federal Reserve Act with respect to certain reserve requirements; to the Commiteee on Banking, Finance and Urban Affairs.

By Mr. MITCHELL of New York:

H.R. 1917. A bill to amend the Federal Civil Defense Act of 1950 to authorize appropriations for the purposes of such act of fiscal years 1982 through 1988; to the Committee on Armed Services.

By Mr. ANDERSON (for himself, Mr. ALBOSTA, Mr. APPLEGATE, Mr. ASPIN, Mr. AUCOIN, Mr. BAFALIS, Mr. BEVILL, Mrs. BOUQUARD, Mr. BRODHEAD, Mr. CARNEY, Mr. CLAUSEN, Mr. CLINGER, Mr. CONTE, Mr. CORCORAN, Mr. CORRADA, Mr. DASCHLE, Mr. DAVIS, Mr. DONNELLY, Mr. DOUGHERTY, Mr. EDGAR, Mr. EDWARDS of Alabama, Mr. EMERY, Mr. ERTEL, Mr. EVANS of Indiana, Mr. FISH, Mr. FLORIO, Mr. FORD of Tennessee, Mr. FRANK, Mr. FUQUA, Mr. GAYDOS, Mr. GINGRICH, Mr. GLICKMAN, Mrs. HECKLER, Mr. HOLLENBECK, Mr. HOWARD, Mr. IRELAND, Mr. JEFFORDS, Mr. JEFFRIES, Mr. KASTENMEIER, Mr. KILDEE, Mr. KOGOVSEK, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. LEHMAN, Mr. LOTT, Mr. MARLENEE, Mr. MOLLOHAN, Mr. MOORHEAD, Mr. NELLIGAN, Mr. NELSON, Mr. OBERSTAR, Mr. PANETTA, Mr. PEPPER, Mr. PRICE, Mr. RICHMOND, Mr. ROBERTS of Kansas, Mr. RUSSO, Mr. SABO, Mr. SAWYER, Mr. SHELBY, Mr. SKELTON, Mr. SPENCE, Mr. STANGELAND, Mr. SYNAR, Mr. TRAXLER, Mr. WEAVER, Mr. WINN, Mr. WOLPE, Mr. YATRON, Mr. YOUNG of Florida, and Mr. YOUNG of Alaska):

H.R. 1918. a bill to amend title 38, United States Code, to authorize a service pension of up to $150 per month for veterans of World War I and for certain surviving spouses and dependent children of such veterans; to the Committee on Veteran's Affairs.

By Mr. MOAKLEY:

H.R. 1919. A bill to amend title VII of the Civil Rights Act of 1964 to make discrimination against handicapped individuals an unlawful employment practice; to the Committee on Education and Labor.

By Mr. NOWAK (by request):

H.R. 1920. A bill to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of passengers, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. OTTINGER:

H.R. 1921. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit for a portion of the rent which they pay on their principal residences and which is attributable to real property taxes; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 1922. A bill to amend title 38 of the United States Code to authorize the establishment of a prisoners of war advisory committee and provide certain services and benefits to former prisoners of war and to authorize the awarding of the Purple Heart to certain former prisoners of war; jointly, to the Committees on Armed Services and Veterans' Affairs.

By Mrs. SCHROEDER:

H.R. 1923. A bill to authorize certain appropriations to the Office of Personnel Management, the Merit Systems Protection Board, the Special Counsel of the Merit Systems Protection Board, and the Federal Labor Relations Authority; to the Committee on Post Office and Civil Service.

By Mr. SCHULZE:

H.R. 1924. A bill to amend the Internal

Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States; to the Committee on Ways and Means.

By Mr. SEIBERLING:

H.R. 1925. A bill to amend the Food Stamp Act of 1977 for purposes of providing that certain educational loans, grants, scholarships, fellowships, and veterans' educational benefits received by recipients of aid to families with dependent children shall not be included in determining household income for purposes of such act; to the Committee on Agriculture.

H.R. 1926. A bill to amend the Railroad Retirement Act of 1974 to provide that State domestic relations or community property laws are not preempted by the act; to the Committee on Energy and Commerce.

H.R. 1927. A bill to provide that the 1972 revision in the social security benefit computation formula for men shall fully apply with respect to individuals who retired in or before 1972 as well as with respect to individuals retiring after that year; to the Committee on Ways and Means.

H.R. 1928. A bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to permit assignments or alienations of rights under pension plans pursuant to court orders for alimony or child support, and to permit the division of pension benefits under State community property law or common law; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. WEISS:

H.R. 1929. A bill to prohibit the use of funds to establish a nine-digit ZIP Code; to the Committee on Post Office and Civil Service.

By Mr. WON PAT:

H.R. 1930. A bill to amend the Immigration and Nationality Act to make alien crewmen, serving onboard a fishing vessel having its home port or operating base in the United States, nonimmigrant while they are temporarily in Guam, the Northern Mariana Islands, or American Samoa; to the Committee on the Judiciary.

By Mr. WYLIE:

H.R. 1931. A bill to extend the temporary suspension of duty on doxorubicin hydrochloride until the close of June 30, 1984; to the Committee on Ways and Means.

By Mr. BLANCHARD:

H.R. 1932. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for the purchase of a new principal residence; to the Committee on Ways and Means.

By Mr. BRINKLEY:

H.R. 1933. A bill to amend the Walsh-Healey and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. DORNAN of California:

H.R. 1934. A bill to permit the congressional page school to hold a graduation ceremony in the rotunda of the Capitol in June 1981; to the Committee on House Administration.

By Mr. FORD of Tennessee (for himself, Mr. LOWRY of Washington, Mr. MITCHELL of Maryland, Mr. MOFFETT, and Mr. WEISS):

H.R. 1935. A bill to amend the Internal Revenue Code of 1954 to eliminate certain tax expenditures; to the Committee on Ways and Means.

By Mr. GREEN:

H.R. 1936. A bill to amend the Internal Revenue Code of 1954 to allow taxpayers to value any excess inventory of books and other published material at its net realizable value; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself and Mr. SAWYER):

H.R. 1937. A bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product; to the Committee on the Judiciary.

By Mr. LEVITAS (for himself, Mr. STANGELAND, Mr. DONNELLY, Mr. ATKINSON, and Mr. ALBOSTA):

H.R. 1938. A bill to establish public buildings policies for the Federal Government, to establish the Public Buildings Service in the General Services Administration, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BINGHAM:

H.J. Res. 177. Joint Resolution designating May 24, 1981, through May 30, 1981, as "National Intensive and Critical Care Week"; to the Committee on Post Office and Civil Service.

By Mr. RAHALL:

H.J. Res. 178. Joint resolution to designate certain Federal holidays to their original date of observance; to the Committee on Post Office and Civil Service.

By Mr. SENSENBRENNER:

H.J. Res. 179. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. OTTINGER:

H. Con. Res. 71. Concurrent resolution expressing the sense of the Congress that the United States should recognize Jerusalem as the capital of Israel, and that the U.S. Embassy in Israel should be relocated to Jerusalem; to the Committee on Foreign Affairs.

By Mr. FORD of Michigan:

H. Res. 74. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service; to the Committee on House Administration.

By Mr. HAWKINS:

H. Res. 75. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on House Administration; to the Committee on House Administration.

By Mr. RODINO:

H. Res. 76. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on the Judiciary; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BOGGS:

H.R. 1939. A bill for the relief of Guadaloupe Socorro Carrillo Gibbs; to the Committee on the Judiciary.

By Mr. EARLY:

H.R. 1940. A bill for the relief of Barnet Hellman; to the Committee on the Judiciary.

H.R. 1941. A bill for the relief of Claire Honts; to the Committee on the Judiciary.

By Mr. GREEN:

H.R. 1942. A bill for the relief of Nancy Lu; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 1943. A bill for the relief of Capt. Julian G. Carr, U.S. Air Force, retired; to the Committee on the Judiciary.

By Mr. LOWERY of California:

H.R. 1944. A bill for the relief of Benjamin B. Doeh; to the Committee on the Judiciary.

H.R. 1945. A bill for the relief of Eliazar Sandoval-Flores; to the Committee on the Judiciary.

By Mr. PATTERSON:

H.R. 1946. A bill to reinstate and validate U.S. oil and gas leases numbered OCS-P-0218 and OCS-P-0226; to the Committee on Interior and Insular Affairs.

By Mr. REUSS:

H.R. 1947. A bill for the relief of Seth Kofi Ahiekpor; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 15: Mr. BROWN of Ohio, Mr. APPLEGATE, Mr. GINGRICH, Mr. WEBER of Minnesota, Mr. ATKINSON, and Mr. MITCHELL of New York.

H.R. 44: Mr. LOEFFLER.

H.R. 46: Mr. LOEFFLER.

H.R. 247: Mr. JAMES K. COYNE, Mr. HILER, Mr. CRAIG, Mr. SHAW, Mr. EVANS of Iowa, Mr. NELLIGAN, Mr. YOUNG of Alaska, Mr. PORTER, and Mr. JEFFORDS.

H.R. 253: Mr. MCCLORY.

H.R. 266: Mr. ADDABBO, Mr. APPLEGATE, Mr. BARNARD, Mr. BROWN of Ohio, Mr. BUTLER, Mr. CORCORAN, Mr. ECKART, Mr. FARY, Mr. FROST, Mr. GINGRICH, Mr. HAWKINS, Mrs. HOLT, Mr. HYDE, Mr. KINDNESS, Mr. KOGOVSEK, Mr. LAGOMARSINO, Mr. LOEFFLER, Mr. LOTT, Mr. MCDONALD, Mr. MCEWEN, Mr. MINETA, Mr. PARRIS, Mr. RAILSBACK, Mr. ROE, Mr. ROSENTHAL, Mr. ST GERMAIN, Mr. STOKES, Mr. VENTO, Mr. WHITEHURST, Mr. WINN, and Mr. YOUNG of Missouri.

H.R. 334: Mr. EDWARDS of Alabama.

H.R. 469: Mr. JONES of North Carolina.

H.R. 473: Mr. GINN.

H.R. 478: Mr. STENHOLM.

H.R. 556: Mr. ZEFERETTI, Mrs. PENWICK, and Ms. MIKULSKI.

H.R. 750: Mr. TAYLOR and Mr. BERKUTER.

H.R. 837: Mr. RAILSBACK.

H.R. 911: Mr. ROSE, Mr. COLLINS of Texas, and Mr. GOLDWATER.

H.R. 967: Mr. MCCLORY.

H.R. 1000: Mr. HANCE.

H.R. 1005: Mr. LOWERY of California.

H.R. 1035: Mr. MURPHY.

H.R. 1100: Mr. WEBER of Minnesota, Mr. SMITH of New Jersey, and Mr. EDGAR.

H.R. 1206: Mr. COLEMAN, Mr. ROBERT W. DANIEL, JR., Mr. FAZIO, Mr. FORD of Michigan, Mr. GOLDWATER, Mr. KILDEE, Mr. KINDNESS, Mr. KOGOVSEK, Mr. LOWERY of California, Mr. LUNGREN, Mr. MARKEY, Mr. OTTINGER, and Mr. SIMON.

H.R. 1207: Mr. COLEMAN, Mr. ROBERT W. DANIEL, JR., Mr. DOUGHERTY, Mr. FAZIO, Mr. FORD of Michigan, Mr. GOLDWATER, Mr. GUYER, Mr. KILDEE, Mr. KINDNESS, Mr. KOGOVSEK, Mr. LOWERY of California, Mr. LUNGREN, Mr. MARKEY, Mr. OTTINGER, and Mr. SIMON.

H.R. 1270: Mr. HANSEN of Idaho, Mrs. COLLINS of Illinois, Mr. MCGRATH, Mr. GARCIA, Mr. DOWNEY, Mr. MITCHELL of Maryland, and Mr. LOWRY of Washington.

H.R. 1271: Mr. KOGOVSEK, Mr. MURPHY, Mr. NATCHER, Mr. BARNARD, Mr. CORRADA, Mr. CLINGER, Mr. WHITTAKER, Mr. JAMES K. COYNE, Mr. EDGAR, Mr. SIMON, Mr. ATKINSON, Mr. STOKES, and Mr. ERTEL.

H.R. 1362: Mr. BONIOR of Michigan, Mr. JAMES K. COYNE, Mr. DAVIS, Mr. FISH, Mr. MINETA, Mr. ROE, Mr. SMITH of Iowa, Mr. SOLOMON, Mr. HUGHES, Mr. WEAVER, Mr. HEFTEL, Mr. ASPIN, Mr. JOHN L. BURTON, Mr. WASHINGTON, and Mr. WOLPE.

H.R. 1400: Mr. STUMP, Mr. EMERY, Mr. DICKS, Mr. SUNIA, and Mr. EDGAR.

H.R. 1429: Mrs. CHISHOLM, Mr. ZEFERETTI, Mr. YATES, Mr. ROSENTHAL, Mr. LEHMAN, Mr. BONIOR of Michigan, Mr. FRANK, Mr. TRAXLER, Mr. BARNARD, Mr. ST GERMAIN, Mr. KOGOVSEK, Mr. MURPHY, Mr. PRICE, Mr. EDWARDS of California, Mr. GILMAN, Mr. WEISS, Mr. RAHALL, Mr. FLORIO, Mr. MITCHELL of Maryland, Mr. HAWKINS, Mr. MAVROULES, Mr. DWYER, Mr. WAXMAN, Mr. CORRADA, Mr. PEPPER, Mr. HOWARD, Mr. MORRISON, Mr. STOKES, Mr. GINGRICH, Ms. MIKULSKI, Mr. RICHMOND, Mr. ALBOSTA, and Mr. CONTE.

H.R. 1464: Mr. GRISHAM, Mr. HYDE, Mr. BUTLER, Mr. HANCE, Mr. GOODLING, Mr. FORSYTHE, Mr. LAGOMARSINO, Mr. ROTH, Mr. ERDAHL, Mr. CLAY, Mr. ANTHONY, Mr. JONES of North Carolina, Mr. ENGLISH, Mr. JEFFRIES, Mr. LOEFFLER, Mr. GONZALEZ, Mr. SANTINI, Mr. BONIOR of Michigan, Mr. BROWN of Ohio, Mr. LEVITAS, Mr. KEMP, Mr. PORTER, Mr. LOTT, and Mr. LUNDINE.

H.R. 1490: Mr. PRICE, Mr. BONIOR of Michigan, Mr. MILLER of California, Mr. KOGOVSEK, Mr. DASCHLE, Mr. FORSYTHE, Mr. DOUGHERTY, Mr. COELHO, Mr. MURPHY, Mr. HAWKINS, Mr. ROE, Mr. HUGHES, Mr. PEPPER, Mr. HORTON, Mr. DE LUGO, Mr. GINGRICH, Mr. FROST, Mr. WEAVER, Mr. SPENCE, Mr. CORRADA, Mr. NEAL, Mr. SIMON, and Mr. KILDEE.

H.R. 1531: Mr. DORNAN of California, Mr. WON PAT, Mr. PERKINS, Mr. MOLLOHAN, Mr. PANETTA, Mr. WINN, Mr. MOORHEAD, Mr. YOUNG of Missouri, Mr. GILMAN, Mr. DIXON, and Mr. LAGOMARSINO.

H.R. 1532: Mr. MCKINNEY, Mr. WON PAT, Mr. HUTTO, Mr. MURPHY, and Mr. JEFFRIES.

H.R. 1642: Mr. NATCHER, Mr. ROE, Mr. FUQUA, Mr. MURPHY, Mr. KOGOVSEK, Mr. FAZIO, Mr. ENGLISH, Mr. TRAXLER, Mr. HUGHES, Mr. GINGRICH, Mr. BADHAM, Mr. LUJAN, Mr. LEHMAN, Mr. COELHO, Mr. LOWERY of California, Mr. BEDELL, Mr. DAVIS, Mr. HUCKABY, Mr. DORNAN of California, Mr. MCDADE, Mr. COLLINS of Texas, Mr. ROSE, Mr. SIMON, Mr. MADIGAN, and Mr. CHAPPELL.

H.R. 1700: Mr. ANTHONY, Mr. BETHUNE, Mr. BONKER, Mr. BROWN of Colorado, Mrs. BYRON, Mr. COLEMAN, Mr. DUNN, Mr. HOPKINS, Mr. HUGHES, Mr. HYDE, Mr. LEVITAS, Mr. LOEFFLER, Mr. LOWERY of California, Mr. MILLER of Ohio, Mr. NEAL, Mr. O'BRIEN, Mr. PORTER, Mr. RAILSBACK, Mr. ROBERTS of South Dakota, Mr. ROBINSON, Mr. SHAW, Mr. SOLOMON, Mr. STENHOLM, Mr. STOKES, Mr. VANDER JAGT, Mr. WAXMAN, Mr. WRIGHT, and Mr. YOUNG of Alaska.

H.R. 1711: Ms. MIKULSKI, Mr. STOKES, Mrs. FENWICK, Mr. UDALL, Mr. GINN, Mr. LEHMAN, Mrs. BOGGS, Mr. FASCELL, Mr. ROE, Mr. LOWRY of Washington, Mr. FOGLIETTA, and Mr. OTTINGER.

H.R. 1765: Mr. LOEFFLER, Mr. MARLENEE, Mr. PANETTA, Mr. MATSUI, Mr. LEHMAN, Mr. FAZIO, Mr. BLILEY, Mr. HAWKINS, Mr. PASHAYAN, Mr. DIXON, Mr. FUQUA, Mr. LONG of Louisiana, and Mr. COELHO.

H.R. 1818: Mr. RODINO, Mr. FRANK, Mr. GARCIA, Mr. ROSENTHAL, and Mr. STOKES.

H.J. Res. 58: Mr. EVANS of Georgia, Mr. BUTLER, Mr. COLLINS of Texas, Mr. DORNAN of California, Mr. ROBERT W. DANIEL, JR., Mr. BARNARD, Mr. ROBINSON, and Mr. ROTH.

H.J. Res. 84: Mr. DYMALLY, Mr. MOLLOHAN, Mr. WINN, Mr. LAGOMARSINO, Mr. TRAXLER, Mr. GUYER, Mr. BRODHEAD, Mr. GIBBONS, Mrs. COLLINS of Illinois, Mr. GRAMM, Mr. WEBER of Minnesota, Mr. JAMES K. COYNE, Mr. DUNCAN, Mr. MAVROULES, Mr. HAWKINS, Mr. CORRADA, Mr. GRADISON, Ms. MIKULSKI, Mr. PETRI, Mr. WIRTH, Mr. RUSSO, Mr. BENJAMIN, Mr. FARY, Mr. WALGREN, Mr. WAXMAN, Mr. LEHMAN, Mr. HANCE, Mr. SPENCE, Mr. CHENEY, Mr. MORRISON, Mr. AKAKA, Mr. HEFTEL, Mr. YATES, Mr. SHAW, Mr. LEACH of Iowa, Mr. PORTER, Mr. DELLUMS, Mr. BROWN of Ohio, Mr. MCDADE, Mr. BARNARD, Mr. LUKEN, Mr. GRAY, Mr. SNYDER, Mr. ST GERMAIN, Mr. MOTTL, Mrs. HOLT, Mr. SWIFT, Mr. O'BRIEN, Mr. ROBERTS of South Dakota, Mr. NICHOLS, Mr. DORNAN of California, Mr. FAUNTROY, Mr. GUARINI, Mr. HARTNETT, Mr. FINDLEY, Mr. TAUKE, Mr. HILER, Mr. BONIOR of Michigan, Mr. PRICE, Mr. BEARD, Mr. LOWERY of California, Mr. QUILLEN, Mr. DE LUGO, Mr. PASHAYAN, Ms. OAKAR, Mr. BINGHAM, Mr. ROBERTS of Kansas, Mr. STOKES, Mr. BAILEY of Pennsylvania, and Mr. LEATH of Texas.

H.J. Res. 104: Mr. LOWERY of California, Mr. LENT, and Mr. LEBOUTILLIER.

H. Con. Res. 17: Mr. STRATTON, Mr. JACOBS, Mr. FINDLEY, Mr. D'AMOURS, Mr. BEARD, Mr. ROSE, Mr. FORSYTHE, Mr. BONKER, Mrs. HOLT, Mr. PEPPER, Mr. EVANS of Georgia, Mr. FROST, Mr. COLLINS of Texas, Mr. DASCHLE, Mr. GUYER, Mr. WHITLEY, Mr. MINETA, Mr. GLICKMAN, Mr. HARTNETT, Mr. ROBERT W. DANIEL, JR., Mr. SYNAR, Mr. RAHALL, Mr. WHITEHURST, Mr. HINSON, Mr. JONES of Oklahoma, Mr. KRAMER, Mr. EDGAR, Mr. HIGHTOWER, Mr. SAWYER, Mr. HUGHES, Mr. HORTON, Mr. BOWEN, Mr. BROWN of California, Mr. PETRI, Mr. ANTHONY, Mr. FISH, Mr. WILLIAMS of Montana, Mr. COLEMAN, and Mr. HAMILTON.

H. Res. 13: Mr. ANTHONY, Mrs. SCHNEIDER, Mr. OTTINGER, Mr. ROYBAL, Mr. GREEN, Mr. SOLOMON, Mr. JONES of North Carolina, Mr. FOGLIETTA, Mr. MCCOLLUM, Mr. PEYSER, Mr. DWYER, Mr. GRAY, and Mr. GUARINI.

H. Res. 30: Mr. WAXMAN, and Mr. STOKES.

H. Res. 38: Mr. FRANK, Mr. SIMON, and Mr. SKEEN.

H. Res. 55: Mr. COELHO, Mr. FAZIO, Mr. FROST, Mr. GARCIA, Mr. HUGHES, Mr. KOGOVSEK, Mr. MURPHY, Mr. PEPPER, Mr. ROSE, and Mr. STARK.

H. Res. 65: Mr. BEDELL, Mr. BONIOR of Michigan, Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mr. DELLUMS, Mr. FAUNTROY, Mr. HARKIN, Mr. LEHMAN, Mr. MARKEY, Mr. MITCHELL of Maryland, Mr. PEPPER, Mrs. SCHROEDER, Mr. STOKES, Mr. WASHINGTON, Mr. WEAVER, and Mr. LOWRY of Washington.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

24. By the SPEAKER: Petition of the Gloversville Common Council, N.Y., relative to condemning recommendations by the Commission for a National Agenda for the Eighties; to the Committee on Banking, Finance and Urban Affairs.

25. Also, petition of Thomas P. Gannon, Folsom, Pa., and others, relative to prayer in public schools; to the Committee on Education and Labor.

EXTENSIONS OF REMARKS

OIL LEASE REINSTATEMENT SUPPORTED BY NATIONAL ENERGY POLICY

HON. JERRY M. PATTERSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. PATTERSON. Mr. Speaker, I am introducing a private bill today which will reinstate two offshore oil and gas leases in the Santa Barbara Channel, Calif. This bill is identical to legislation which I sponsored in the 96th Congress and which was unanimously passed by the House of Representatives. That bill, H.R. 5769, was also considered and favorably reported by the Senate Committee on Energy and Natural Resources. However, procedural delay and lateness of the session prevented the full Senate from considering the legislation.

Many of my colleagues have expressed their interest in cosponsoring this measure, but because it is a private bill, cosponsors are not permitted. I would, however, like to acknowledge and thank the Members who have expressed their support for the bill. Those Members are: Mr. ANDERSON, Mr. BADHAM, Mr. BURGENER, Mr. CHENEY, Mr. COELHO, Mr. DIXON, Mr. FAZIO, Mr. GOLDWATER, Mr. GRISHAM, Mr. KOGOVSEK, Mr. LEWIS, Mr. LUNGREN, Mr. MCCLOSKEY, Mr. MILLER of California, Mr. MINETA, Mr. MOORHEAD, Mr. PASHAYAN, Mr. ROUSSELOT, Mr. SHUMWAY, Mr. THOMAS, Mr. YOUNG of Alaska, and Mr. MARRIOTT.

Mr. Speaker, as I have already mentioned, this bill is identical to the measure which passed the House last year. It was the subject of a thorough and extensive review by both the Subcommittee on Mines and Mining and the Interior and Insular Affairs Committee during the 96th Congress. In order to provide my colleagues with the factual background which necessitates enactment of this legislation, I ask unanimous consent that an excerpt from the House committee report on H.R. 5769 (H. Rept. No. 96-1260, Aug. 27, 1980) be printed at the conclusion of my remarks.

This bill reinstates two OCS leases in the Santa Barbara Channel, Calif., for which the leaseholders—a group of independent oil and gas companies—paid $74 million. As a condition of this reinstatement, the bill requires that the companies file an exploration plan with the Secretary of the Interior within 45 days of its enactment. It also requires that the lessees comply with all pertinent environmental requirements of the Outer Continental Shelf Lands Act Amendments of 1978. Finally, the bill provides for the payment of back rentals for the period during which the leases were not in force and for a unique profit-sharing arrangement between the leaseholders and the Federal Government.

The Interior Committee stated in its report that our "national energy policy dictates" that we reinstate these two leases and permit the Pauley Group to resume its operation. I urge the committee to follow its directive and report this bill as soon as possible so that the Pauley Group can get on with the business of oil and gas exploration.

EXCERPT FROM HOUSE REPORT NO. 96-1260, "REINSTATING AND VALIDATING U.S. OIL AND GAS LEASES NUMBERED OCS-P-0218 AND OCS-P-0226," COMMITTEE ON INTERIOR AND INSULAR AFFAIRS (AUGUST 27, 1980)

BACKGROUND

The Pauley Group was created in 1967 as a joint venture by 11 independent oil companies to bid on OCS tracts in the Santa Barbara Channel. The Pauley Group was composed of Pauley Petroleum Company, as operator; Mesa Petroleum Company; Husky Oil Company; Colorado Oil and Gas Corporation; McCullouch Oil Corporation; J. M. Huber Corporation; Midwest Oil Corporation; Kewanee Oil Corporation; Ashland Oil & Refining, Inc.; MacDonald Oil Corporation; and Forest Oil Corporation.

On March 1, 1968, in exchange for a $73.8 million cash bonus payment and an annual rental of $34,560, the Pauley Group was granted an exclusive right to explore for oil and gas on two tracts in the Santa Barbara Channel for a primary term of five years and ". . . as long thereafter as oil and gas may be produced in paying quantities. . . ." The member companies of the Pauley Group and the United States executed lease number OCS-P-0218 for Tract 375 and lease number OCS-P-0226 for Tract 384.

The Pauley Group began immediate exploration and drilled eight exploratory wells between March, 1968, and January, 1969, at a cost of $4 million. In late January, 1969, when the Group was preparing to drill a ninth well, a blowout occurred several miles north of the Pauley Group tracts on a tract operated by the Union Oil Company. In response to the massive oil spill, the Secretary of the Interior suspended all drilling operations in the Channel on February 7, 1969. Ten days later, on February 17, 1969, the Secretary of the Interior altered the traditional standard of negligence for oil spills to one of strict liability applicable to all those who were operating in the Channel. This new standard of strict liability made each participant operating on the OCS jointly and severally liable not only for all clean-up costs of an oil spill, but also liable for any and all damage whatsoever to a third party, regardless of fault.

Concurrent with the issuance of this new standard of liability and the suspension of drilling operations, the private liability insurance market for offshore oil operations collapsed. As a result, the Pauley Group lost its liability insurance for offshore oil spills and was financially unable to obtain coverage from other sources. Without insurance, the independents risked financial disaster by resuming drilling operations and, thus, were effectively barred from operating in the Channel. In contrast, once the drilling ban was lifted, the major oil companies were able to resume their drilling activities because they could self-insure their operations. This step was unavailable to the independents because they lacked sufficient financial resources.

Thus, in April, 1969, the Pauley Group was confronted with a dilemma. On the one hand, the Pauley Group, forced to sit idle because the Interior Department's final decision on whether to resume drilling in the Channel was unknown and, in any case, because it was faced with the government's strict liability regulation, could elect to do nothing and wait. In waiting, however, the Pauley Group, with large amounts of their exploration budgets tied up and enormous interest payments due, risked their total investment and their financial stability. On the other hand, the Pauley Group could attempt to protect its substantial investment by seeking judicial relief for breach of contract. The risk of financial disaster was great and, on April 9, 1969, suit was filed in the United States Court of Claims.

The Pauley Group filed a petition for damages against the United States Government alleging that the United States had violated its contract with the Group by suspending drilling operations and imposing strict liability. Counts included breach of contract, frustration and mutual mistake; a fourth count of partial breach was alleged at a later time. Because damages were sought, the action was filed in the United States Court of Claims.

The Pauley Group was not the only Channel leaseholder to challenge the government's action in court. Other legal actions were filed by, among others, Union Oil Company and Gulf Oil Corporation, against the United States in California Federal District Court. These actions challenged the lawfulness of suspension orders of the Secretary of the Interior and sought injunctive relief, rather than monetary damages, against the Secretary's suspensions order, and an extension of the lease terms.

The case dragged on for ten years before the court dismissed the petition on January 24, 1979. Although the court did not award damages to the Group, it did indicate the possibility of another remedy:

"Perhaps the legislative or executive branches could, as a matter of grace or policy, extend their lease-terms to permit them to drill further (if they still wish to) in the effort to discover oil in commercial quantities, but of course we cannot take that step. *Pauley Petroleum, Inc.*, v. *United States*, 591 F.2d 1308, 1328 (Ct. Cl. 1979)."●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

RETIREMENT OF ROBERT L. DANIELS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. LEWIS. Mr. Speaker, on February 28 at its annual dinner-dance, the Barstow Area Chamber of Commerce will honor Robert L. Daniels on the occasion of his retirement as chamber executive. I have known and worked directly with Bob during his 7½ years in this post and want to take this opportunity to join his other friends in wishing him well. I am delighted that he plans to open his own business in the area so that neither his expertise nor his knowledge will be lost to us.

Bob came to Barstow after a successful career in the Marine Corps. He has played a vital role in many activities affecting the community as a whole. Over the past 2 years, I have had occasion to take the floor to discuss several different activities affecting the community. Some of my colleagues may remember this as the city where the Army is activating a new, sophisticated national training center designed to enhance our military capabilities. Others may recall it is also the site of a 10 megawatt solar generating plant—a facility which will come online before the end of this year and which will produce that amount of energy without the use of one drop of oil. Still others may remember it as the community which raised more than $105,000 in less than 48 hours to assist one of its citizens in paying for possible heart surgery. Bob played a vital role in all these projects.

Moreover, he had made significant long-range contributions to the operations of the chamber itself. While those contributions are too numerous to list, I would like to cite just a few. He was instrumental in forming the Barstow Area Industrial Development Commission. He established ongoing communication procedures between the chamber and elected representatives, including the annual Sacramento legislative trip. He established an annual Christmas decoration program within the community. He began an aggressive and well-organized plan to establish a separate identity for the city of Barstow and to publicize that identity on a nationwide basis. He began a local radio program designed to keep the citizens advised of activities and proposals which would directly impact on them.

All in all, Bob Daniels brought to the city of Barstow the kind of leadership which was vitally needed during a period when the population of the city was rapidly expanding. I am certain that I speak for all of his friends in Barstow in wishing him well in his new endeavor.●

THE ARMENIAN PEOPLE IN LEBANON

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. DERWINSKI. Mr. Speaker, there is a great deal of tenacity among the Armenian people who are scattered throughout the world. They steadfastly preserve their religious and cultural heritage. A good example of this being the example set by Armenian theologians in Antelias, Lebanon. Despite the internal disputes in Lebanon, the complications created by the PLO and by the Syrian occupation army, the Armenian church is clearly able to survive. I recently received a copy of the Christmas message, issued by Bishop Karekin II, of the See in Antelias, which I share with my colleagues since it dramatizes the determination of the Armenians to retain their identity and their nationalistic spirit.

One year passed since the last time I wrote to you on this blessed occasion. It was not an easy year for our Spiritual Center, the Catholicosate of Cilicia in Antelias, and the people of our Diocese of Lebanon. It was not an easy year also for the people of our three Dioceses of Iran. But thanks be to God for all the blessings that He bestowed upon us. We learned much from conditions of hardship, times of tribulation, situations of insecurity and uncertainty. We learned that God never abandoned us. He continued to be with us because He is called "Emanuel".

Most of our time we spent here, in Antelias. Two brief journeys in February and August took us to Strasbourg and Geneva for the Executive and Central Committee meetings of the World Council of Churches. One pastoral visit to the Western Prelacy of our Armenian Church of America made us spend one month (November) with our own Armenian people in California. These visits gave us a most beneficial opportunity of seeing how God was with us through the ecumenical fellowship and the attachment of our Armenian people to their Church and to the Catholicosate of Cilicia. We were deeply gratified and greatly enriched by the reflection of God's love and care through the brotherhood of so many friends and the dedication of so many members of our church.

Here, in our headquarters of Antelias, in this Spiritual Home and National Center, we tried to work mainly in the area of Christian Education through the Theological Seminary, the Sunday Schools, publications and various other special programs aimed at the spiritual, cultural and national edification and conscientiousness of the people, particularly the young generation. In one word, we tried, through our humble and modest means and capacities, and together with our people, to respond to God's being with us by drawing closer to Him and to our Armenian Christian heritage.

1980 concludes the fiftieth year of the reestablishment of the centuries-old Catholicosate of Cilicia here in Antelias, Lebanon. Sixty years ago, in 1920, after the deadly blow of the massacres perpetrated by the Turks during the First World War, the See of Cilicia was forced to move out of Sis, the capital of the ancient Kingdom of Cilicia, where it had uninterruptedly served its people for about five centuries. As the people of Cilicia in great majority came to settle in Syria and Lebanon, the Catholicos of the time, Sahak II Khabayan followed his flock. After ten years of peregrination in various cities and towns of Syria and Lebanon, in 1930, Catholicos Sahak finally and with the unanimous wish and determination of the people in the Diaspora, came to reestablish the Catholicosate in Antelias. In this suburb of the city of Beirut an Armenian orphanage had been established by the American Near East Relief. The orphanage was converted into a center for Church administration and service.

In the same year the Seminary was opened on the same location. In fact, the decision for the reestablishment of the See of Cilicia was greatly motivated by the idea of preparing a new generation of ecclesiastical and lay leadership for the Diaspora where the people were scattered after the massacres and were left with no adequate and sufficient leadership to face the new challenges and the emerging demands of the new situation. Thus, the seminary became the very heart of the Catholicosate.

Since 1930, for fifty years, the Seminary has tried its utmost to meet the growing demands of the Church. Four years ago, due to the expansion of the city of Beirut, Antelias became almost fully integrated in the city of Beirut with all its conditions of a crowded life. The Seminary was transferred to Bikfaya, ten miles up in the mountain, in the summer residence of the Catholicosate, which provides better conditions for spiritual life and intellectual concentrated work.

The 50th anniversary is an occasion to render thanks to God, because we were blessed by His being with us for the last fifty years. It is also an invitation to us to become more faithful to Him by devoting our efforts to the promotion of the training of the servants of God. How to grapple with the complex situation of our Diaspora life without men well equipped for the service to God and His people? How can we preserve and enrich our Armenian Christian identity and mission without such people who are well versed in the Holy Scriptures, Theology, Armenian literary and cultural heritage?

The Seminary is here to continue to help the formation of such men who, after the cleansing of their own hearts and minds, can stand up with Isaiah and say: "Here am I! Send me" (Ch. 6:8)

The 50th anniversary will be duly marked during the year of 1981 in Antelias and in all our dioceses. Various programs are in preparation. I ask you all, friends and members of our church, to keep the Catholicosate and the Seminary present in your prayers and thoughts.

Let us not forget that God's being with us becomes a happy experience only when we try to be with Him.

Let us live all our life in 1981 and in the years to come with the full and responsible consciousness of this imperative of our being with Him.

Prayerfully,

KAREKIN II,
Catholicos Coadjutor.●

HUMAN RIGHTS—DISAPPEARANCES

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. BONKER. Mr. Speaker, as officials of the Reagan administration continue proclaiming their intention to reverse America's foreign policy priorities—antiterrorism supplanting human rights—they would be well advised to read a report on disappearances, recently released by a working group of the United Nations Human Rights Commission.

To refresh the memory of my distinguished colleagues, the Foreign Affairs Subcommittee on Human Rights and International Organizations, which I chair, held a series of hearings during the 96th Congress on disappearances as a new form of human rights violation. As the result of those hearings, I sponsored and the House passed, with broad bipartisan support, House Concurrent Resolution 285:

Expressing the sense of Congress with respect to the disappearances of persons which is caused by the abduction and clandestine detention of those persons by the government of foreign countries or by international or transnational terrorist organizations.

Last year, armed with the backing of the Congress, the U.S. delegation under the brilliant leadership of Ambassador Jerome Shestack prevailed upon the 36th session of the U.N. Human Rights Commission to appoint the working group.

That group has reported to the 37th session of the Human Rights Commission meeting now in Geneva, that over 13,000 people in 15 countries have been victims of involuntary disappearances, with more than half of these people having vanished in Argentina. Furthermore, their report indicates that cases examined usually "involved persons who have been arrested, detained or abducted by personnel" associated with government agencies.

The U.N. report names as the worst violators, Governments of Argentina, Bolivia, Chile, El Salvador, Guatemala, the Philippines, South Africa, Uruguay, Cyprus, Ethiopia, Indonesia, Mexico, Nicaragua, and Peru.

The supreme irony is that out of the 15 nations named, 9 are countries with very repressive governments that could be the beneficiaries of the Reagan administration's reversal of policy.

It will be interesting to see how this administration's antiterrorism emphasis as opposed to a human rights emphasis is applied to these governments. For, according to the U.N. report, they are clearly guilty of terrorism against their own citizenry.●

PENSION EQUITY FOR WOMEN

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. SEIBERLING. Mr. Speaker, I am reintroducing two bills today to address inequities in Federal law regarding the pension rights of women. One bill would undo the damage to divorced and separated women caused by the Supreme Court's 1979 decision in the case of Hisquierdo against Hisquierdo, where the Court ruled that a divorced wife has no ownership interest in her former husband's pension under the Railroad Retirement Act of 1974. The second bill provides that pension plans governed by the Employee Retirement Income Security Act of 1974 (ERISA) must obey court orders dividing the pension benefits in a community property settlement, or attaching the pension for alimony or child support.

My interest in this area of law was sparked by a letter I received in 1978 from a constituent whose husband had left her and their two children and taken early retirement from his job. Because ERISA section 206(d)(1) (26 U.S.C. 401(a)(13) and 29 U.S.C. 1056(d)(1)) provides that "benefits provided under the plan may not be assigned or alienated," and because ERISA preempts State law, the husband's pension plan has ignored a State court order attaching his pension for the support of his homemaker wife and their two children. My constituent has had to turn to welfare for subsistance.

In the Supreme Court case, Jess Hisquierdo sued his wife, Angela, for divorce in 1975, after 14 years of marriage during which she was a homemaker and he a worker for the Atchison, Topeka & Santa Fe Railway. The California Supreme Court, reversing a lower court, ruled unanimously in 1977 that Mrs. Hisquierdo was entitled as a matter of ownership under California's community property laws to half the pension benefits attributable to his labor during their marriage. On January 22, 1979, in a 7 to 2 decision, the U.S. Supreme Court reversed the California Supreme Court, holding that section 14 of the Railroad Retirement Act of 1974 preempts California's community property laws. Section 14 (45 U.S.C. 231m) protects railroad retirement benefits from legal process "[n]otwithstanding any other law . . . of any State."

My research into this question has convinced me that Congress did not intend this result from ERISA, the Railroad Retirement Act, or from any other Federal law, and I think we have a responsibility to speak unequivocally on this point. A strong case can be made that Congress should recognize that marriage is an economic partnership by establishing joint worker-spouse ownership of Federal pensions. At the very least, we should not frustrate the laws of those eight States which have established such a community property interest.

The 95th Congress passed legislation to permit the attachment of civil service pensions under the terms of any court order or court-approved property settlement agreement incident to divorce proceedings, and the 96th Congress extended similar treatment for Foreign Service pensions. The bills I am introducing would apply these principles to private pensions covered by ERISA and to railroad retirement pensions, and legislation is being introduced in this Congress by other Members to apply these principles to military pensions. These bills are not only fair and just for the parties involved, they are fiscally prudent because they provide a source of support for those who might otherwise have none and have to turn to public assistance. I am hopeful that they will receive prompt attention in this Congress.

A bill to amend the Railroad Retirement Act of 1974 to provide that State domestic relations or community property laws are not preempted by the Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 14 of the Railroad Retirement Act of 1974 (relating to exemption from legal process) is amended—

(1) by striking out "Sec. 14. Notwithstanding" and inserting in lieu thereof "Sec. 14 (a). Notwithstanding";

(2) by adding at the end thereof the following new subsection:

"Sec. 14 (b) Nothing in this Act is intended to prohibit the characterization or treatment under State law of the annuity or supplemental annuity provided by this Act as community property for all purposes, or as property subject to equitable distribution for the purpose of divorce, dissolution of marriage, annulment, or legal separation."

A bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to permit assignments or alienations of rights under pension plans pursuant to court orders for alimony or child support, and to permit the division of pension benefits under State community property law or common law

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (13) of section 401(a) of the Internal Revenue Code of 1954 (relating to requirements for qualification of pension plans, etc.) is amended—

(1) by striking out "(13) A trust" and inserting in lieu thereof "(13)(A) A trust";

(2) by striking out "This paragraph" in the last sentence and inserting in lieu thereof "This subparagraph"; and

(3) by adding at the end thereof the following new subparagraph:

"(B) Subparagraph (A) shall not apply to any assignment or alienation of benefits

payable to any participant or beneficiary who is receiving benefits under the plan if—

"(i) such assignment or alienation is pursuant to either a decree of divorce or separate maintenance, or an order of a court which requires an individual to contribute to the support of his children, or both; and

"(ii) such decree or order does not affect the date, timing, form, duration or amount of any benefit payments under the plan."

(b) Subsection (d) of section 206 of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new paragraphs:

"(3) Paragraph (1) shall not apply to any assignment or alienation of benefits payable to any participant or beneficiary who is receiving benefits under the plan if—

"(A) such assignment or alienation is pursuant to either a decree of divorce or separate maintenance, or an order of a court which requires an individual to contribute to the support of his children, or both; and

"(B) such decree or order does not affect the date, timing, form, duration or amount of any benefit payments under the plan.

"(4) Nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair or supersede the operation of any State law governing the acquisition, division, or distribution of property defined by State laws as community property or as property belonging to a marriage."

(c) The amendments made by this section shall take effect on the date of enactment of this Act.●

NOBEL PEACE PRIZE FOR LECH WALESA

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. GUARINI. Mr. Speaker, I rise today to discuss a subject which not only gives me great personal pleasure, but is also a subject of great pride in my district.

Mr. Speaker, Lech Walesa, the courageous leader of the Polish free trade union known as Solidarity, has recently been nominated for the 1981 Nobel Peace Prize. I would like to take this occasion to state here on the floor of the House that I can think of no more appropriate recipient for this prestigious award than Mr. Walesa. He has set an example for all persons, regardless of nationality or the political system their nation follows, as one who cherishes freedom and the dignity of working men and women.

Lech Walesa has arrived at his present position of international prominence not as a man seeking personal power, or even a formal office in his country's government. He has come to our attention because of spectacular events in Poland, for which he has been the prime catalyst, have galvanized the imagination and respect of peoples throughout the world.

It is not my intention here today to speak to the merits or shortcomings of the Communist system under which Mr. Walesa's Poland finds itself operating—that is a subject for another time and another day. In leading his people, Lech Walesa has remained a calm and steady figure in the face of the overwhelming threat of a Soviet invasion of his beloved Poland. And, Mr. Speaker, as we all know from the sad and tragic history of Hungary and Czechoslovakia, such threats are far from idle exercise. Mr. Walesa has balanced these concerns with the very real needs of working people in Poland. He has resisted provocative counsel to push immediately to a confrontation even as at the same time he has resisted the easy path of retreat and surrender.

Mr. Speaker, I said that we in New Jersey's 14th Congressional District have great pride in Lech Walesa's achievements. That is for two reasons. Stanislaw Walesa, father of this now world renowned labor leader, lives and works in our district and is employed at the Henderson Lumber Mills in Jersey City. Like so many before him, the senior Mr. Walesa came to our shores in search of freedom and the land of opportunity. And, as you know, New Jersey's 14th Congressional District lies in the very shadow of the Statue of Liberty, long a symbol to generations of immigrants seeking a new life in America and leaving behind the oppression and totalitarian governments of their native lands. The people of our district, tens and thousands of them, feel a special bond with the Walesas, father and son.

We all fervently pray that awarding the Nobel Peace Prize to Lech Walesa will be the crowning event in a peaceful and successful achievement of his worthy goals. Perhaps such international recognition will give pause for reflection to those who would crush freedom in Poland through force of arms.

It is my hope, Mr. Speaker, in speaking out before the House today, to, in some small way, add my own voice, representing the people of Hudson County and New Jersey's 14th Congressional District, in supporting the nomination of Lech Walesa for the 1981 Nobel Peace Prize.●

STILL GOING AFTER THE CIA

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. ROTH. Mr. Speaker, I submit for the RECORD an article by Mr. Rowland Evans and Mr. Robert Novak entitled "Still Going After the CIA." I would urge my colleagues to read this most interesting article.

The article follows:

STILL GOING AFTER THE CIA

Trying to repeal the 1980 election and preserve Jimmy Carter's human rights policies, liberal Democratic congressmen are plotting to keep control of the House Foreign Affairs African subcommittee and retain as a symbol of the past a staffer named Steven R. Weissman.

Weissman's 1978 attack on CIA undercover work in Zaire was reprinted in the book "Dirty Work 2, the CIA in Africa." It was published in 1979 with an introduction by Philip Agee, the renegade ex-CIA official now living in exile in West Germany to avoid U.S. investigators.

Weissman was hired two years ago by Rep. Stephen J. Solarz of New York, who is about to step down as chairman of the African subcommittee. Solarz then did not know Weissman had contributed to "Dirty Work 2," described in an introduction by Agee as an attempt "to expose and analyze clandestine operations" by the CIA in Africa. Weissman told us he himself was unaware that "Dirty Work 2" would include an introduction by Agee and an appendix listing the names of 365 undercover CIA operatives in Africa.

Solarz is giving up his African affairs chairmanship for what he thinks will be the more lively Asian affairs panel. The power play of liberals versus moderates in the committee's Democratic ranks revolves around Solarz's push for Rep. Howard Wolpe of Michigan, a liberal scholar on African affairs who is backed by the Congressional Black Caucus. Wolpe has given Solarz assurances that if he gets the chairmanship, he will retain the subcommittee's present staff—including Steven Weissman.

Wolpe's opponent in the caucus of committee Democrats, set for tomorrow, is moderate Rep. Dan Mica of Florida, who has seniority to become chairman but is regarded as dangerously unsafe on the human rights issue by the liberals. Supporting Solarz and Wolpe is the committee's longtime liberal powerhouse, Rep. Jonathan Bingham of New York, backed by many junior members (including five freshmen, two of them black and all of them liberals).

"These people are terrified," a committee staffer told us. "They think [President] Reagan and [Secretary of State Alexander] Haig are out of touch with reality, and they are trying to build a barricade around the African subcommittee to keep it safe for human rights."

In fact, it is Solarz, Bingham and Wolpe who seem "out of touch with reality." Their insistence on keeping Weissman as the Africa subcommittee's No. 2 staffer shows a quixotic attempt to repeal the election and restore politics of the 1960s and 1970s. The role of Weissman, so distrusted by the government of Zaire that he is regarded as an enemy by that U.S. ally, shines as a beau ideal of the post-Vietnam mood. But that time has passed.

How far it has passed was demonstrated last summer when Weissman appeared at a CIA briefing for Solarz in the congressman's office. Hours after the briefing, Adm. Stansfield Turner, director of the CIA, telephoned Solarz and admonished that the presence of Weissman had tended to tighten the tongues of the CIA briefers.

Solarz then learned for the first time from Turner that Weissman's treatise, titled "The CIA and U.S. Policy in Zaire and Angola," had been reprinted in "Dirty Work." Asking an explanation from his staffer, Solarz was told Weissman did not know that Agee and other anti-CIA extremists also would appear between the covers. Solarz transmitted that explanation to Turner and the matter was dropped, with Weissman retaining his CIA security clearance.

But Weissman's activities on behalf of the African subcommittee, which the panel's liberals are battling to continue, do not stop with "Dirty Work." In informal remarks to the African Studies Association in Philadelphia last Oct. 16, Weissman used his subcommittee position to attack Zaire in a way surpassing the latitude taken by members of Congress themselves.

"Zaire is a basket case," Weissman told his largely black audience. "It is falling apart. . . . A concentrated lobbying effort is what is needed in Washington to change policy." Weissman, who has no notes, told us he never said that. But an eyewitness, who took careful notes, attests to the accuracy of the quote.

Those and other Weissman comments look to the government of Zaire suspiciously like an attempt by a U.S. government official to destabilize their country. In fact, the prospect of change in U.S. policy toward Zaire desired by Weissman is zero under Reagan and Haig; any change will go the other way—firming up U.S. support for the Mobutu regime, corrupt or not, with less minute attention to human rights. Backroom infighting over Solarz's successor reached a frenzied peak over the weekend with Speaker Thomas P. O'Neill himself helping Foreign Affairs Committee Chairman Clement Zablocki assert the rule of orderly succession, supporting Mica over Wolpe. That is one way to operate.

The other is to read the Nov. 4 election returns to the Democratic caucus. If the African affairs subcommittee truly desires to exercise influence, it must understand that the heady years of the anti-CIA cult and human rights as the shining emblem of American policy are gone.●

PRESIDENT REAGAN'S BUDGET CUTS

HON. DAVE DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. DREIER. Mr. Speaker, on November 4, the voters of this Nation made it clear that they expected a new direction from their elected officials. They demanded that fiscal responsibility once again be restored to the operations of the Federal Government. Perched on the brink of economic disaster, the people of the United States gave a new generation of leaders a mandate to make decisive, yet commonsense, decisions to bring the mammoth Federal bureaucracy under control.

Tonight President Reagan unveils to the Nation an important first step in achieving this goal. Each specific budget cut represents a carefully considered, yet very difficult, decision in which the needs of particular groups were weighed against the overwhelming necessity to restore sanity to the Federal budget process.

While I may not agree with each particular reduction in Federal outlays, I believe it absolutely essential that we stand behind the President in what he is trying to accomplish. Only through putting aside our individual interests can we hope to achieve the national goal of a strong, stable, and prosperous America.

I applaud the President for embarking on a course that in the past few have had the courage to follow.●

DECONTROL, AT LAST

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. DANNEMEYER. Mr. Speaker, this morning the House Energy and Commerce Subcommittee on Fossil and Synthetic Fuels, of which I am a member, began a hearing on President Reagan's decision of January 28, 1981, to speed up the process of oil price and allocation decontrol. I support the President's decision and outlined my reasons at the hearing this morning.

A number of sources could be used to support oil decontrol. One could turn to the drilling statistics showing a 5.6-percent increase in new oil and gas wells in 1979, the first year of partial decontrol, and 15.4 percent in 1980, the second year. In addition, one could point to the gasoline consumption decline of approximately 7 to 8 percent last year as further proof that oil decontrol works.

Former Energy Secretary Charles Duncan, testifying before our Oversight Subcommittee, stated on June 30, 1980, that drilling activity was up 33 percent during the first 6 months of 1980 over the same period in 1979 before decontrol.

On the important subject of the impact of decontrol on price, one could cite the now famous Lundberg Letter which reported on January 30, 1981, that the decontrol decision will only speed up the price increases that would have occurred without the President's actions under the Executive order.

Perhaps most importantly, Mr. Speaker, one could and should point to the Washington Post's lead editorial of January 29, 1981, entitled "Decontrol, at Last". The Post editorial is the most persuasive and succinct defense of oil decontrol that I have read since the President's decision. It contains a lucid analysis of the failure of the Government price and allocation system for crude oil. I cannot help but note that the same principles which apply to oil decontrol also apply to the regulation of natural gas under the Natural Gas Policy Act of 1978. I would hope that the Post and others would apply these principles to natural gas and support efforts to deregulate natural gas in the same fashion that we have now decontrolled domestic crude oil.

Mr. Speaker, I ask permission to insert the Post editorial at this point in the RECORD and respectfully commend it to my colleagues for their review.

[From the Washington Post, Jan. 29, 1981]

DECONTROL, AT LAST

President Reagan was absolutely right to decontrol oil and gasoline prices, quickly and without qualification. It is an essential step toward a rational energy policy. You can dismiss all of those tendentious claims about the added cost to the consumer. The added cost to the consumer will probably be in the range of zero. More than five-sixths of the country's crude oil supply is decontrolled. Home heating oil was decontrolled five years ago. As for gasoline, competition is holding actual retail prices well below the legal ceilings. For the country as a whole, these controls have brought nothing but harm, and the end of them will bring nothing but benefit.

The controls were wrong in theory when President Nixon imposed them in 1971. They were demonstrably wrong, as much costly experience already showed, when Congress insisted on perpetuating them in 1975. President Carter wisely began the process of decontrol last spring. The schedule was a gradual one running into next fall, when the law will expire altogether. Mr. Reagan has now sped up that final process by eight months.

Why were controls wrong? Because they disguised the dangerously high cost of oil to the American economy. The control system required refiners with cheap, price-controlled domestic oil to subsidize other refiners' imports. That held the price to American consumers far below the cost of the imports. Americans used a lot and kept the flow of imported oil high. That seriously damaged the country's balance of payments and eroded the value of the American dollar.

The high level of American imports helped create the very tight market that enabled the exporting nations to double their prices in 1979. By now, the price to the American consumer is undoubtedly higher than it would have been in the absence of any price controls at all. As an attempt to protect the American economy from higher oil costs, the controls have been an unmitigated failure.

Prices have been rising, inevitably, even under the controls. They aren't going to rise any faster in the absence of controls, unless another world shortage develops. Decontrol may even slow the rise a little. The control system contained a number of hidden subsidies—including the usual fat subsidy for the independent refiners—that will now lapse, saving the public a little money.

At worst, in another international shortage and panic like the one in 1979 following the Iranian revolution, prices will indeed rise. How much? It depends on the scale of the shortage. There could be a squeeze on the supply line as early as this spring, if the war continues between Iran and Iraq. But in return for higher prices at the gasoline pump, you will get insurance against a return of the gasoline lines. Those lines were created by the price ceilings, and the cumbersome allocation rules that they required. Having been through two memorable episodes of gasoline lines, most Americans would surely prefer the next time

around to pay in money rather than time, anger and anxiety.●

CALL TO CONSCIENCE VIGIL, 1981

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. KEMP. Mr. Speaker, I am elated at the release of Soviet prisoner of conscience Iosef Mendelevich after 10 years of imprisonment, and hope that this heralds, finally, a recognition by Soviet authorities that the human rights movement will not be ignored. I am convinced that had our voices not been raised these past 10 years in behalf of Mendelevich, he would still be in prison today, and I want to take this opportunity to urge all of our colleagues to recognize the importance of the vigil in the effort to assist Soviet Jews as well as other national groups within the Soviet Union to emigrate to a free country. Our friend Mike Barnes is coordinating the vigil this year, and I urge you to join in this worthwhile effort by contacting him. We owe him a debt of gratitude for his work in behalf of Soviet Jewry and particularly for his work on this year's vigil.

Col. Wulf Vilensky and his wife Sonya of Vilnius, Lithuania have not yet been successful in their attempts to join their children and grandchildren in Israel. This is the 6th year of their personal vigil, having first submitted their applications for exit visas in 1975. Colonel Vilensky is now retired, and before he applied to leave the Soviet Union he was considered a hero of the highest order as a result of valiant service during World War II. He accrued 26 medals for his bravery, including the coveted Hero of the Country Medal, and was honored on his 50th birthday by the Presidium of the Supreme Soviet of the Lithuanian S.S.R. "for many years of work in the military training field, for active participation in public work." However, Colonel and Mrs. Vilensky have no family left in the Soviet Union, and when the last of their family members left the country, they too applied to emigrate to Israel. All 20 family members are now in Israel; only Colonel and Mrs. Vilensky remain in Vilnius, prevented from joining them for 6 years now.

Of their detention Colonel Vilensky does not complain. He is far from a militant or an activist. He sees their desire to emigrate in terms of family, not in terms of national loyalty. "My army rank is colonel," he writes, "but my greatest rank is grandfather." They are very lonely in Vilnius.

I will continue to petition Soviet authorities in the Vilenskys' behalf, and because there are so many like them in the Soviet Union, prevented from being with their families or pursuing their life's goals, it is my hope that we will have the greatest possible participation in the vigil this year. Again, I want to thank Mike Barnes for his leadership in this important undertaking, and urge you to add your support to the efforts being made in behalf of Soviet Jewry.●

EQUAL EMPLOYMENT FOR THE HANDICAPPED

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. MOAKLEY. Mr. Speaker, today, I am introducing legislation that will bring equal protection in employment to the handicapped under the Civil Rights Act of 1964.

Under existing law, there is no generally applicable prohibition against employment discrimination on the basis of handicap. Title VII of the Civil Rights Act of 1964 prohibits employment discrimination on the basis of race, color, religion, sex, or national origin; but it provides no protection for disabled workers.

The widespread exclusion of handicapped workers from employment exacts an enormous toll in terms of human dignity and the quality of life for countless Americans. Over 16 million people age 18 to 64 years reported some level of work disability in the 1976 census. Of this handicapped population, there were only 7.1 million persons working.

It is vital to realize that most of these people desire employment but do not work because of unjust and discriminatory hiring policies.

The handicapped face the dilemma of being discriminated against in employment opportunities because they are evaluated on the basis of false generalizations, misconceptions, and misinformation about their handicaps; not on the basis of their job skills, productivity or performance.

Qualified individuals, time and again, are denied employment because of their disability when the disability would in no way interfere with their job performance. Our handicapped deserve the opportunity to be evaluated and hired on the basis of their ability and not their handicap.

The need for this legislation is obvious. There are too many employers who still will not hire an otherwise qualified individual for the sole reason of their disability. Some employers cling to the myths related to hiring the handicapped. Fears of increased insurance rates, lower job performances and job stability, poor attendance and the required physical adjustment turn employers away from hiring the handicapped.

This unnecessary situation weighs a heavy cost on society. In 1980, it was estimated that the Federal Government spend approximately $1 out of every $13 in the Federal budget—$40 billion— to support our disabled population. State, local, and private support for disabled citizens amounts to approximately an additional $60 billion. Surely by eliminating employment discrimination of the handicapped, we can help reduce this economic burden on taxpayers.

Additionally, and more important, by enacting this legislation we can help reduce the loss in human terms that is caused by discrimination against handicapped individuals. Too many deserving people are excluded from society's mainstream; left to lose their dignity and self-worth.

The time has come to include handicapped individuals as a protected element in our population under title VII of the Civil Rights Act of 1964; protecting handicapped persons against all forms of employment discrimination under that title.

We must demonstrate our Nation's firm commitment to ending discrimination against the handicapped by enacting this legislation. I hope my colleagues will support me in my effort to give the handicapped an equal opportunity in employment.

Text of the bill follows:

H.R. —

A bill to amend title VII of the Civil Rights Act of 1964 to make discrimination against handicapped individuals an unlawful employment practice

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a reference in section 2, 3, 4, 5, or 6 of this Act to a section or other provision is a reference to a section or other provision of the Civil Rights Act of 1964.

SEC. 2. Section 701 is amended by adding at the end thereof the following:

"(1)(1) the term 'handicap' means the status of any individual—

"(A) who has a physical or mental impairment which substantially limits any of such individual's major life activities;

"(B) who has a record of such an impairment; or

"(C) who is regarded as having such an impairment.

"(2) Such term does not include the status of an individual who is an alcoholic or a drug abuser—

"(A) whose current use of alcohol or drugs prevents such individual from performing the job involved; or

"(B) whose employment, because of such current use of alcohol or drugs, would constitute a direct threat to property or safety of other individuals.".

SEC. 3. (a) Sections 703(a)(1), 703(a)(2), 703(b), 703(c)(1), 703(c)(2), 703(d), and 703(e)(1), are each amended by striking out "or national origin" each place it appears and inserting in lieu thereof "national origin, or handicap".

(b) The sentence beginning "Notwithstanding any" in section 703(h) is amended—

(1) by striking out "or national origin" the first place it appears and inserting in lieu thereof "national origin, or handicap"; and

(2) by striking out "sex or national origin" and inserting in lieu thereof "sex, national origin, or handicap".

(c) Section 703(j) is amended—

(1) by striking out "or national origin" the first place it appears and inserting in lieu thereof "national origin, or handicap";

(2) by inserting after "national origin" the second place it appears the following: ", or persons with any handicap,"; and

(3) by inserting after "national origin" the third place it appears the following: ", or persons with such handicap,".

(d) The center heading of section 703 is amended by striking out "OR NATIONAL ORIGIN" and inserting in lieu thereof "NATIONAL ORIGIN, OR HANDICAP".

SEC. 4. Section 704(b) is amended by striking out "or national origin" each place it appears and inserting in lieu thereof "national origin, or handicap".

SEC. 5. The sentence beginning "No order of the court" in section 706(g) is amended by striking out "or national origin" and inserting in lieu thereof "national origin, or handicap".

SEC. 6. (a) Section 717(a) is amended by striking out "or national origin" and inserting in lieu thereof "national origin, or handicap".

(b) Section 717(c) is amended by striking out "sex or national origin" and inserting in lieu thereof "sex, national origin, or handicap".

SEC. 7. The amendments made by this Act do not affect any right, remedy, obligation, or responsibility under the Rehabilitation Act of 1973.

SEC. 8. This Act and the amendments made by this Act shall take effect at the beginning of the sixth month after the month in which this Act is enacted.●

RECONSIDERING OUR SHARE

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, during the course of the upcoming session, this Congress will be called upon to find ways to responsibly eliminate excessive spending without hurting those American citizens who are truly in need.

I would like to call to the attention of this body a recent editorial presented by WOR-TV in New York, which suggested that among those ways the U.S. budget could be cut would be to reduce this country's contribution to the United Nations.

WOR's editorial director, Herbert W. Stupp, sagely notes that the U.S. Secretariat has become a bin of patronage employing about half of the 15,000 people on the U.N. payroll.

Mr. Speaker, certainly this world needs a body where the international community can meet and discuss the pressing issues which threaten our survival. But just as surely, other countries must shoulder their share of the burden as well as eliminate unnecessary personnel.

And most definitely, we cannot justify asking our own countrymen to tighten their belts while providing more than 25 percent of the U.N. budget.

Mr. Speaker, I commend Mr. Stupp's commentary to this body:

RECONSIDERING OUR SHARE

(By Herbert W. Stupp)

It's safe to say that two things the American people voted for in November, were less government, and more respect for America overseas. There is a way we can symbolically satisfy both desires. That is by taking a critical look at the U.S. contribution to the United Nations.

The U.N. has a staff of about 15,000 employees. A recent New York Times Magazine article quoted this adage: "How many people work at the secretariat?" The answer: "About half." The Secretariat has become something of a patronage system for the international community. There are more than a few high paying yet largely useless jobs. And it's common knowledge that the U.N. personnel from the Soviet bloc operate as spies.

What's especially galling is that the American taxpayer is subsidizing this activity. There are 153 member nations, yet we Americans contribute 25% of the U.N. budget.

Certainly, the U.S. should continue to support positive programs of the U.N. that work toward improving health, agriculture, and the like. And the U.N. remains a worthwhile forum during world crises. It's also important to the economy of New York City. But by withdrawing specific support for needless bureaucracy, we could make the U.N. a more effective body. A few measured, targeted cuts would give two important signals. That we mean to control our own budget and that we intend to be taken seriously by the world community.

And that's our opinion. I'm Herb Stupp.●

THE REPEAL OF FOREIGN-EARNED INCOME TAX

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. SCHULZE. Mr. Speaker, today I am introducing legislation to eliminate one of the most inequitable provisions of our current tax code, foreign-earned income tax. This tax, levied on Americans abroad, constitutes a major impediment to the expansion of American competitiveness in world markets, in addition to increasing opportunity costs of Americans working overseas.

At a time when American competitiveness in world markets is deteriorating, this tax further erodes the basis for any American trading advantage. The United States is the only major trading country which taxes its citizens outside its borders. The increased cost of this tax is forcing American companies overseas to replace their American expatriate staff with foreign nationals. This shift in hiring practices has resulted in endless adversities for the United States, not the least of which is an 8-percent unemployment rate, which I need not remind my colleagues is primarily attributable to the influx of foreign imports in the American marketplace.

This onerous taxing of Americans abroad is directly undermining efforts to enhance American trade policy. With a deficit balance of payments for 8 of the last 10 years, it is evident that the United States urgently needs to reevaluate current trade policy. Such a policy should be focused on advancing the American trade advantage overseas. Yet how can our competitiveness be improved when we continue to penalize the very citizens who are actively advocating American know-how in other countries. These citizens, who are already paying an opportunity cost in terms of relocation, should be relieved of this financial hardship.

The negative impact of this tax on U.S. workers, on overall tax receipts, and on domestic unemployment is not worth the projected increase in revenue to be collected from the personal income taxes of these Americans overseas.

Mr. Speaker, in short my bill would exclude all foreign-earned income of Americans working overseas, if they have resided in a foreign country for 11 out of 12 consecutive months. By enacting this vitally needed legislation, Congress would be taking a positive step toward restoring American economic prestige both at home and abroad.●

NUCLEAR WASTE MANAGEMENT RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1981

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. GOLDWATER. Mr. Speaker, today I am introducing legislation to help our Nation deal with the growing problem of nuclear wastes. As you well know, this subject received a great deal of attention during the 96th Congress, and legislation to establish a comprehensive high-level nuclear waste program was reported in both Houses of Congress. However, due to unfortunate time constraints, we were unable to schedule floor consideration on this act's predecessor or to convene a conference on other nuclear waste legislation. With the beginning of the 97th Congress, I am confident that we can now move forward with a meaningful nuclear waste technology demonstration legislation and take the other necessary steps to make nuclear energy a viable option.

The issue of safe permanent disposal of nuclear wastes is of considerable importance to the Nation, and is a prob-

lem which had already been neglected for too long a period of time. Our Nation must demonstrate that technological solutions to this problem exist now or we may have to face the prospect of closing nuclear plants in the near future. We have already been forced to limit construction of new nuclear plants in some areas of the country due to the public's perception that a technological solution does not exist.

My legislation, the Nuclear Waste Management Research, Development, and Demonstration Act of 1981, will help us gain the experience and information necessary to obtain public confidence in our Nation's ability to safely dispose of high-level nuclear wastes.

This legislation directs the Secretary of Energy to design, construct, and operate two technology demonstration facilities for research and development purposes. Nuclear wastes owned or acquired by the Federal Government and primarily resulting from unlicensed activities shall be utilized in these activities. The first of these facilities is required to be in operation by the end of fiscal year 1987; the second is required by the end of fiscal year 1988. These facilities are required to be located at sites identified in accordance with the provisions of this act.

Under this bill, the Secretary is also required to design, construct, and operate technology demonstration facilities to solidify nuclear wastes for eventual implacement in the demonstration repositories. These solidification facilities shall utilize any suitable technique, including but not limited to vitrification, that will provide a waste form that is resistant to the release of radionuclides.

This bill also recognizes that the States must play a significant role in the formulation of any effective nuclear waste disposal program. My legislation formally recognizes the role of the States, and gives them a meaningful opportunity to influence any actions taken by the Secretary under this bill. It specifically requires the Secretary of Energy to consult and coordinate with the appropriate officials from any State in which a potential nuclear waste technology demonstration facility may be located regarding the Department's planning and construction of that facility. Thus, under this legislation, we protect the rights of the States involved in providing for the construction and operation of a nuclear waste technology demonstration facility, while at the same time acting in our Nation's best interests.

I believe that it should be a national goal to insure that a nuclear waste demonstration is begun now and that it be in operation within the time frame established in this bill. We need action rather than studies. We have seen a seemingly endless series of studies, reviews, and evaluations of nuclear waste disposal within the last several years, each ending with several laudable recommendations or goals that somehow get sidetracked before they are achieved. What we need instead is to establish a research, development, and demonstration program that will get this job done, and to my mind that includes construction and operation of a demonstration repository in a timely manner.

I find it ironic that despite its rhetoric on this subject, the Department of Energy has continued to slip the deadline for the construction of any nuclear waste facilities. We cannot afford to accept this leisurely type of approach.

We in the Congress must recognize that the principal national issue of concern with nuclear energy is waste disposal. I believe that this legislation provides the tools to allow us to adequately address this concern. For this reason, I urge that my colleagues support the bill and that it receive prompt consideration.●

MENDELEVICH IS FREE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. FRANK. Mr. Speaker, Iosef Mendelevich, one of the three remaining defendants in the 1971 Leningrad trials, was finally allowed to leave the Soviet Union this morning for Israel. It is exactly 10 years since the infamous trials wrongly convicted Mendelevich and his codefendants for attempted hijacking of a Soviet airliner. His original 12-year prison sentence was extended 3 years because of his desire to observe strict religious practices during his incarceration.

The release of Iosef Mendelevich, together with a recent increase in the number of exit visas issued to Jews could be a tremendously hopeful sign for all those concerned with human rights in the Soviet Union. Although current emigration figures are nowhere near the 1979 levels when emigration reached nearly 51,000 for the year, the upward swing cannot go unnoticed. I believe we must encourage the Soviet Union to continue the trend of the last 2 weeks by allowing even more Jews to leave, and by granting permission to the other prisoners of conscience to leave for the West.

At a time when East-West relations are poor, the Soviet Union is in a position to improve current tensions by improving its emigration record. In so doing, a new climate of conciliation could be created to improve East-West relations on a host of important issues.

I hope the Soviet Union will see fit to release the two others held in the Leningrad hijacking case, Yuri Fyoderov and Aleksei Murzhenko, as well as the other prisoners of conscience soon. Today, we can all be relieved that Iosef Mendelevich is free.●

FREEDOM FOR JAN BARTA

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. RITTER. Mr. Speaker, I am deeply concerned about the recent incarceration of Father Jan Barta in Czechoslovakia. The details surrounding Father Barta's arrest have been detailed in an article appearing in the January 7, 1981, edition of Jednota. Jednota is the official organ of the First Catholic Slovak Union of the United States and Canada.

As a nation committed to freedom from oppression, I feel we must continue to put pressure on the Communist regimes for their wanton acts of repression against their own citizens. As Members of Congress, we must continue to be sensitive to the oppression that occurs beyond our shores. The Communist nations must come to realize that incarcerating religious believers, simply because their views differ from those of the government, will be met with condemnation from free peoples everywhere.

The Slovak nation has a rich and highly cultured history. Its strong spiritual beliefs together with its inexorable sense of nationalism are feelings that will never be overcome by the shroud of totalitarianism. What makes Father Barta's arrest even more heinous is the fact that Father Barta has already suffered two heart attacks and his health is described as sickly. In addition, Father Barta was sentenced to prison in 1952, during the Government's all-out drive to eradicate religion from Czechoslovakia, and was not released until 1966. One wonders about the morality of a government whose repression includes the sick and the elderly.

The incarceration of Father Barta is not only a callous act against human rights, but also a grave act against all Slovaks. We must insist on the spirit of the Helsinki accords which provide basic human rights—rights that are guaranteed by that agreement signed by the Czechoslovak Government. I am proud to represent a district overflowing with ethnic pride. Today I join with them in asking the Government of Czechoslovakia to right its wrongs against Father Jan Barta and restore the rights entitled to him as a human being. I further join with all Americans in asking that we continue to hold the torch of religious freedom aloft to serve as a beacon to those who are repressed and to let them know

that we in America will continue the struggle for such human rights.

Enclosed, for the benefit of my colleagues, is a copy of the Jednota article describing the plight of Father Barta.

[From Jednota, Jan. 7, 1981]

RELIGIOUS ORDERS MOST SEVERELY RESTRICTED—HUMAN RIGHTS GROUP PROTESTS PRIEST'S ARREST IN CZECHOSLOVAKIA

(By Jerry Filteau)

ROME (NC).—A human rights group from Slovakia, Bohemia and Moravia has sharply protested the recent arrest in their country, Czecho-Slovakia, of a Franciscan Catholic priest.

The protest, given to NC News by reliable sources in Rome Dec. 23, said that Father Jan Barta, 59, was arrested in Liberec Nov. 18 by secret police agents.

He was charged with interfering with the state's control over the church.

The protest said that the secret police simultaneously searched three houses inhabited by Franciscans in Liberec Nov. 18, including the one where Father Barta lived, and confiscated about 70 objects. The objects were described as consisting mainly of religious writings, such as liturgical and theological books, Polish Catholic journals and writings on the Franciscan order.

Author of the protest was the Committee for the Defense of the Unjustly Persecuted of the Czecho-Slovak League for Human Rights, a group described as closely connected with Czecho-Slovakia's dissident "Charter 77" human rights movement.

"Father Barta's arrest is an open violation of the most basic human rights, as well as an arbitrary interference in the area of the Franciscan order's structure and life," the rights group communique said.

"With Father Barta's arrest," it said, the Czecho-Slovak secret police "clearly want to cut off the religious and pastoral activity of a priest who wanted to do nothing but exercise the ministry to which he had consecrated his whole life."

The Franciscan priest was described as a sickly man who has suffered two heart attacks and was on disability pension as the result of a serious accident.

In 1952 he was sentenced to 20 years in prison on charges of treason. He was one of more than 3,000 priests in the country imprisoned in the early 1950's in an all-out government effort to erase religion from Czecho-Slovakia.

In 1966, as some church-state tensions were easing, he was released from prison.

Shortly after the "Prague Spring" of 1968, when many religious restrictions were dropped or eased, a new series of government measures restored many of the pre-1968 conditions.

Religious orders are among the most severely restricted. They cannot accept novices and their members cannot live a community life. Nuns are barred from their traditional teaching and social service apostolates.

A Franciscan source in Rome said the order has no accurate figures on its members in Czecho-Slovakia because of the limitations on the order there and lack of communications.●

SOCIAL SECURITY BENEFITS AMENDMENTS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. SEIBERLING. Mr. Speaker, today I am introducing legislation which would correct an injustice in the computation of social security benefits for men who retired or reached the age of 62 prior to the 1972 Social Security Amendments.

To describe the bill, it is necessary to relate the development of the early retirement provision. In 1954, the Congress enacted a provision which extended to women only the option of retiring at age 62. To provide women who retired early eligibility to receive benefits to which they might not otherwise be entitled unless they retired at age 65, the early retirement provision modified the way in which social security looked at the earnings record, thus optimizing a woman's chance to receive social security benefits at age 62. In 1972, the same early retirement provision was extended to men. However, between 1954 and 1972, male retirees could not avail themselves of the early retirement provision. The result: There are thousands of male retirees who are receiving lower social security benefits than those provided under the early retirement formula, or who would have been eligible to receive benefits had they chosen to retire at age 62 under the early retirement provision, but were not eligible when they did retire at age 65.

My bill makes retroactive the 1972 amendments, thus providing lump sum back payments in benefits to those men who retired or attained the age of 62 before the 1972 amendments. In addition, it would adjust the benefit level for those men who retired early, thus increasing their monthly social security benefits. Finally, it would bring on the rolls those men who would have been eligible to receive social security benefits had they been able to use the early retirement provisions.

I have introduced this legislation in the past two Congresses, but no action was taken, largely to the complexity of the issue. I hope that the Social Security Subcommittee will consider this proposal this year, when it seeks to correct injustices in the social security system.●

FAMILY BUSINESS, RANCH AND FARM PROTECTION ACT

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. KRAMER. Mr. Speaker, today, I am introducing a bill designed to help foster the preservation of family-owned farms, ranches, and businesses. In spite of numerous studies and reports which demonstrate that small businesses generate the bulk of employment and innovation in our economy, our present tax laws act to discourage the passing of small, family-owned and operated businesses from one generation to the next. The disincentives presented by present tax laws are compounded by the cruel inflation rate of recent years which has overstated the value of such small family-owned businesses, thus often resulting in heirs being forced to sell off these properties in order to pay inheritance taxes. If we are serious about generating new employment in the private sector and about raising productivity and regenerating the innovative spirit which has made this country the technological leader in the world—and we should be serious about meeting these objectives—then we must start with the tax laws which discourage the realization of these goals.

The legislation I am introducing, entitled the Family Business, Ranch and Farm Protection Act, would amend the Federal estate tax laws to allow up to one-half the value of a family-owned farm or business, to a maximum of $500,000 to be exempt from taxation when passed to family members who continue to operate it. The bill requires that family members continue to work in the business for a minimum of 5 years following inheritance to qualify for the exemption. The amount of tax liability is then prorated if the heirs sell the business within 10 years of inheriting. Thus, if the heir does not work in the business for at least 5 years, he must pay the estate tax on the total amount of his business which was exempted from estate taxes under this bill. If the heir sells after working in the business for 5 years, he would be required to pay one-half of the tax. Thereafter, the tax liability would be reduced each year by 10 percent of the amount for which he would have otherwise been originally liable if he sold the business without working in it for 5 years.

It is significant that the White House Conference on Small Business delegates voted as their third highest legislative priority changes in the estate tax laws to allow for preservation of family-owned business. It can truly be said that if small business is the backbone of our Nation's economy, then family-owned businesses are the core of our small business and free enterprise system. Unfortunately, the effect of existing estate tax laws and double-digit inflation and escalating property values could make family-owned businesses an endangered species, as more and more such businesses are forced to sell and become attrac-

tive candidates for acquisition by large corporations or conglomerates.

We must pay prompt recognition to the contribution which small, family-owned businesses, farms, and ranches make to overall national economy through job creation, advancing technology and innovation, and increasing productivity, and we must work to insure that that contribution is not lost through sheer inaction on our part in the Congress. Conditions have changed in recent years, mandating changes in the law, and I would hope that Members will closely review the changes which are proposed in the bill I am introducing and will join with me in pushing to effect those changes in this Congress.●

JOHN LINDSAY SPEECH ON URBAN POLICY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. RANGEL. Mr. Speaker, as we struggle to achieve a rational effective urban policy for this Nation, few voices, if any, are as credible and instructive as that of John V. Lindsay, one of my constituents and former mayor of New York City. Not only is Mr. Lindsay a recognized student of urban policy but he has the unique experience of having lived in and governed the Nation's largest and most innovative urban community. I recommend to my colleagues his views as they appear in the New York Times, February 5, 1981:

SHAPING URBAN POLICY

(By John V. Lindsay)

The President's Commission for a National Agenda for the 1980's recommended in December that the struggle to revitalize our older cities be abandoned. In fact, the opposite course should be pursued. The whole country will be weakened even more if the decline of these cities continues.

There are five major urban-policy areas that require sensible, decisive action by the Reagan Administration: economic development, elimination of mandated programs, public safety, intergroup relations, and mass transit.

After having served 17 years in three areas of the public sector—the Justice Department, Congress, and City Hall—I hold a view of urban issues, shaped by experience, that is distinctly pragmatic. I'm for what works best in meeting public needs—not more government or less government, but rather better government.

First, metropolitan centers must be made attractive to investors and employers. When tax cuts and abatements are instituted to induce the creation of new jobs, as they must be, care must be exercised to prevent the providing of incentives for employers to move out of cities. For example, untargeted across-the-board tax credits for new plant construction will give manufacturers economic reason to abandon the downtown and build facilities where they are least needed. Federal policy should produce exactly the opposite result: Employers should be encouraged to expand in those areas, urban, suburban, and rural, where employment rates have fallen below a certain level.

Second, Washington must abolish all federally mandated programs and relieve states and local governments of the fiscal burdens that are brought to their doorsteps by the migrating poor. While Mayor of New York City, I sued the Government to invalidate the entire welfare system, which imposes its costs on states and local governments and then sets discriminatory Federal reimbursement schedules for different areas of the country. Any program to deal with poverty must be national in scope, Federal in its administration, and uniform in its application. Urban areas, which have become the repositories of the poorest of the nation's poor, will never be able to deliver essential services or keep local taxes low enough to compete as long as they are oppressed by such Federal mandates as welfare and Medicaid.

Third, with crime rates at the highest level in history, is it any wonder that fear of crime has become an American preoccupation? Washington has allowed funding for law-enforcement assistance to lapse and failed to halt both the interstate traffic in handguns and the international commerce in narcotics. By licensing handguns, curbing the arms factories in South Carolina, Virginia, Florida, and Georgia that produce 70 percent of the handguns that are illegal, bringing the Government's narcotics strike force up to full complement, and rebuilding and restructuring crime-fighting funding, the Government can move effectively against crime, as it must.

Fourth, if the hallmark of a civilized society is the degree to which its citizens are safe from violence, we have indeed become a less civilized nation, and the absence of constructive local leadership often makes our streets even more dangerous. Fuses are short and people are quick to shout, even shoot, at one another. An idle generation roams the streets, estranged from the institutions and customs that used to bind communities together; they constitute small armies of hustlers that must be dealt with swiftly, but also given the chance to work and the hope of entering the mainstream. This will not be easy, but Washington can at least begin by shaping policy to bring employment back to cities. In this regard, our new leaders in Washington might read the report of the Kerner Commission on Civil Disorders (of which I was vice chairman), in which 11 Federal commissioners, Republicans and Democrats, conservatives and progressives, issued unanimous recommendations for reducing the incendiary possibilities that polarization produces.

Fifth, a decent transit system is basic to jobs—and to safety. Cities with mass-transit systems provide the best alternative to automobiles and represent a line of defense against America's inflationary dependence on the Organization of Petroleum Exporting Countries. Lamentably, the subways and commuter rail lines in New York are a public disgrace. They are filthy, crime-ridden, and mechanically unreliable. And the buck seems to stop nowhere. Local weaknesses notwithstanding, this system cannot be restored to health without a strong Federal mass-transit policy. A wrong policy is the current one that apportions mass-transit aid on the basis of population rather than on ridership.

I am familiar with most major world cities and have participated in urban conferences in many of them. The central governments of most of these countries assume direct responsibility for their cities' well-being. Our Federal Government must play the same role—and play it well.●

RESEARCH BILL ON NUCLEAR WASTE DISPOSAL

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mrs. BOUQUARD. Mr. Speaker, today Mr. GOLDWATER, Mr. LUJAN, Mr. FUQUA, and I introduced the Nuclear Waste Research, Development and Technology Demonstration Act of 1981. This bill is intended to provide direction to the Department of Energy's research program for disposing of high-level radioactive wastes. It is fundamentally the same as H.R. 7418 which was introduced and reported from the Committee on Science and Technology during the 96th Congress. However, it is different in that much of the detail that is now considered unnecessary has been eliminated.

As many of you know, technical demonstration of nuclear waste disposal is a key element in freeing nuclear power from the political morass that has engulfed it for the past several years. With the technology that the vast majority of scientists agree is now available, there is no excuse for not promptly demonstrating to the people of the United States that nuclear wastes can be disposed of safely and effectively. At the same time, valuable experience and data will be gained for building, licensing, and operating commercial repositories.

The bill directs the Secretary to select two sites for small-scale research, development, and technology demonstration for nuclear waste isolation to build public confidence in the fact the technology is well in hand. A small quantity of high-level nuclear waste is to be solidified in a glasslike form and placed in containers designed to last at least as long as it takes for the wastes to decay to levels only as toxic as the uranium ore from which it came. In this way, the containers, or engineered barriers as they are technically called, will provide the primary protection for isolating the wastes. The geology deep underground will provide a further, secondary isolation. The concept behind engineered barriers is to reduce the hazard from the waste derived from spent uranium fuel rods to levels below that of the original mined uranium. The repository system composed of engineered barriers and surrounding geological protection would then provide a level of isolation greater than that provided by the original uranium ore body.

The bill provides that the first R.D. & D. facility shall be in operation by the end of fiscal year 1987 and the second by the end of fiscal year 1988. The Secretary is further directed to consult with Federal and State officials about the Secretary's R.D. & D. plans. An important part of this bill is that it prohibits expansion of these facilities into permanent commercial high-level waste disposal repositories.

I hope that we can move quickly to revitalize and provide direction to the Nation's research efforts in the area of nuclear wastes. It will be a priority this year in the Committee on Science and Technology.●

JACK WYDLER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. DERWINSKI. Mr. Speaker, on January 23 of this year, the 1981 World Freedom Day Rally of the Republic of China was held in the Sun-Yat Memorial Hall in Taipei. The great gathering of people from all over the free world at that rally, was addressed by Dr. Ku Cheng-kang, the rally chairman, and by H. E. Sun Yun-Suan, Premier of the Republic of China, and by former Member of Congress, our good friend, John W. Wydler.

The occasion was the famous January 23 Day Celebration which commemorates the day of decision for thousands of Chinese from the Communist mainland who chose to go to Taiwan rather than return to the Communist State. On Taiwan, they joined a people united in the cause of freedom who are living proof of the benefits the free enterprise system can produce. The economic growth in the Republic of China stands in stark contrast to the economic decline on the mainland.

Our former colleague, Jack Wydler, was proud to participate that day as a representative of the American people and freedom loving people all over the world. I insert his speech made at the rally for the enlightenment of the Members:

SPEECH BY HON. JOHN W. WYDLER FOR 1981 WORLD FREEDOM DAY RALLY OF THE REPUBLIC OF CHINA TAIPEI

Mr. Chairman, Officials of Republic of China, Distinguished Guests, Friends in Taiwan:

I am honored to be here as a representative of the people of the United States of America, and as one who has served in the United States Congress, to participate in the celebration of this great week of Freedom.

The idea for this week started here in free China but it has spread throughout the free World. The presence today of my colleagues from many countries around the world, of all colors, races and religions who have come here is proof that men everywhere are united to preserve their right to freedom.

I pay special tribute to the World Anti-Communist League for the important part they have played in the struggle to spread freedom to all mankind and especially to the man who has provided it with guidance and leadership, Dr. Ku Cheng-Kang.

We, in the United States are thankful for the great work and sacrifices that have been made by the people of the Republic of China in the cause of freedom.

Today, I bring you this message from the people and the Congress of the United States of America: We need your help! You, here in free China, are on the front line of the battle to preserve freedom.

If you can preserve your freedom, ours is secure as well. If you lose your freedom, ours is in danger.

We must depend on you here in the Republic of China to stand fast in our common cause. If you do that you will have our everlasting thanks.

On our part, we know you need our support and the necessary weapons for your defense.

That is the least we can do on your behalf, and the Congress has spoken out clearly that the arms will be provided to you and that any attempt by the Communist Chinese to use force against free China, including boycotts and embargoes, will be a threat to peace and of grave concern to the United States.

Let the Communists make no mistake. We mean what we say.

My country has just installed a new man as President—Ronald Reagan. He is a man who hates Communism. He is a man who fights for what he believes in and he is a man who is a friend and admirer of the Republic of China here on Taiwan.

His election and inauguration sent a clear message to the forces of Communism who control the mainland of China. The message is that free men everywhere intend from this day forward to stand together in the defense of freedom.

And as my country celebrates the release of our hostages in Iran, we understand that if the freedom of 52 people can be so important and bring us such happiness then the freedom of whole nations and peoples is of the highest importance to us and to the world.

We are reminded that as we meet here a billion of your brothers and sisters on mainland China do not live in freedom. But they, like people everywhere, would like to live in freedom and if they could choose they would live in freedom.

You here on Taiwan, the people of the Republic of China, keep the flame of freedom burning for them.

While freedom lives and flourishes here, their hope will live and some day soon they will see their dreams come true and they will live in freedom with you.

The day will come when all the Chinese people will be re-united, in freedom, bound together in the heritage of thousands of years.

That heritage, inspired in this generation by Sun Yat-Sen and Chiang Kai-shek, is to see every Chinese man and woman living in freedom.

We know that day will come.

Here, today, we all join together and pray to God that the day of freedom will come soon.

IN SUPPORT OF VIKTOR BRAILOVSKY

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mrs. HECKLER. Mr. Speaker, the Soviet Union's persecution of religious and political dissenters has been so systematic that accounts of repression there have almost lost their power to shock us in the United States.

But one recent example of this brutal policy cannot fail to outrage the sensibilities of all of us in the Congress, and across the country. The treatment of Viktor Brailovsky, a distinguished scientist who was a pioneer in the field of cybernetics, stands as a sordid monument to the Soviet Union's appalling disregard for basic human dignity.

Dr. Brailovsky's crime was being born a Jew in a nation devoted to the most virulent form of antisemitism. He compounded that crime by seeking to emigrate to Israel along with his wife Irina, also a scientist. He erred most grieviously by pressing his case—asserting the rights that in every truly civilized nation are considered a birthright of all humanity—and now he has been called to pay for those crimes.

Dr. Brailovsky has sought exit visas from the Soviet Union, for his wife and himself, since 1972. In those 9 years he has become increasingly vocal in his protests against the Soviet Government, and he has been increasingly harassed and persecuted by that Government.

In 1974 he was imprisoned for 2 weeks, for trying to arrange an international session of the Moscow Seminar of Jewish Scientists—a group he founded to keep his fellow persecuted scientists aware of new developments in their fields, to which the Soviet Government has systematically denied them access.

In 1976 he was granted an exit visa—for himself only. He refused to leave the country without his wife, and was soon arrested again, to be held for a short time.

Last April he was arrested a third time. This time he was held as part of an investigation into the publication of "Jews in the U.S.S.R.," a cultural publication he edited along with several other prominent refuseniks. He was again released, but again his freedom was short-lived.

Last November, on the eve of the meeting of signatories of the Helsinki Final Act in Madrid, Dr. Brailovsky signed a letter—cosigned by 237 other refuseniks—demanding that Soviet President Brezhnev issue them exit visas.

Arrested 2 days later for "defaming the Soviet state," Dr. Brailovsky re-

mains in Butyrskaya Prison to this day.

Soviet law says no prisoner can be held for more than 2 months without a trial—yet Dr. Brailovsky has been in prison since November, and has seen no trial.

At this moment Dr. Brailovsky's health appears to be deteriorating, as a result of a chronic liver ailment. His wife believes he has not been receiving proper medication, yet she has not been allowed to deliver any such medicine to him in prison.

The Soviet authorities have acknowledged Dr. Brailovsky's illness: they have in fact used it as an excuse for dropping their investigation of his supposed crimes, and putting off any trial, while still holding him in jail.

Mr. Speaker, this relentless persecution of Viktor Brailovsky epitomizes the viciousness with which the Soviet authorities have pursued their goal of crushing all dissent within their borders. It is an act calculated to break the wills of all who would dissent, as it seeks to destroy the life and hopes of one brave man who is their symbol.

Mr. Speaker, the United States cannot ignore Viktor Brailovsky, because it cannot ignore the ideals of freedom and dignity that he has come to symbolize. I ask that all Members in this House join me in calling on the Soviet Government to end its persecution of this man—to give him the medical care he needs, to release him from prison, and to allow him to emigrate to Israel along with his wife—and to adopt a policy of free emigrations for all its citizens, as would befit a nation that aspires to any degree of respect in the world community.

Thank you.●

THE SLATE BELT MEDICAL CENTER: COMMUNITY COOPERATION AT ITS BEST

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. RITTER. Mr. Speaker, on January 4, I was honored to have been present as a guest at the dedication ceremonies of the new Slate Belt Medical Center in Wind Gap, Pa. The decade-long story behind the construction of this fine new health care facility proves what the residents of a community in America can accomplish when they put their minds to it. At a time of inflation and high health care costs, we can all take heart at the way the people of the Slate Belt overcame all obstacles to make this dream come true. Having first been elected to Congress in 1978, I am delighted to have been a strong supporter of these efforts since then.

The beginning of the story of the medical center started in 1970, when Joseph Dell'Alba and several other interested Slate Belt residents started working toward the creation of a hospital in the Slate Belt. Dogged perseverance was necessary; in fact, many of the faces and names of the venture's supporters changed over the years. Through it all, a hard core of determined people continued, and new supporters were added. Finally, in 1978, the official requirements were met and permission was received to begin construction.

The medical center was to be a new concept in medical care. The building was to be of three floors, with the first floor housing a primary care center and emergency room and the upper two floors housing 120 beds for skilled-care patients and intermediate-care patients.

The cost of the project was estimated at $3.5 million. The board of directors of the Slate Belt Medical Center went to the 35,000 residents of the Slate Belt and asked them to open up their hearts and pockets in a fund-raising effort. The people of the Slate Belt responded magnificently. In a short time, they had pledged slightly over $1 million to the building fund. The banks of the Slate Belt arranged the rest of the money in a convenient loan, and the construction of the medical center began.

Groundbreaking occurred on June 24, 1979, and actual construction began shortly thereafter. The facility was built and equipped about a year and a half later.

Today the medical center stands as a monument to the determination of the residents of the Slate Belt to carry the facility through to a successful conclusion no matter the obstacles.

The Slate Belt Medical Center vividly emphasizes that the spirit of community cooperation and togetherness in America is not a thing of the past, and that the right cause with the right leadership will receive the support of the people.

Mr. Speaker, it is appropriate in this summary of the history of the Slate Belt Medical Center to list the names of some of the people who were particularly supportive during the effort to build the medical center. Here are just some of the many who gave of their time, energy, and resources to aid in the struggle:

Joseph Dell'Alba, Mayor of Wind Gap.
John Turtzo, M.D., Pen Argyl.
John Turtzo, D.M.D. Pen Argyl.
Douglas Turtzo, M.D. Pen Argyl.
Peter Ghatak, M.D. Pen Argyl.
David Turtzo, D.M.D., Pen Argyl.
John Oliver, M.D. Pen Argyl.
James Tinney, Pen Argyl, President, Pen Argyl National Bank.
Roy Williams, President, First National Bank of Pen Argyl.
Ronald Cann, Merchants National Bank of Bangor.
Joseph Beers, Richmond, President of a contracting firm, General Chairman of the Fund-Raising Campaign.
Mariano C. Saveri, President, Atlantic Apparel Contractor's Association.
Jeanette Reibman, State Senator, Easton.
Philip Ruggiero, State Representative, Bangor.
Russell Kowalyshyn, State Representative, Northampton.
Fred B. Rooney, former U.S. Congressman.
Richard Suck, Administrator, St. Luke's Hospital, Bethlehem.
Donald Porter, Administrator, Muhlenberg Medical Center, Bethlehem.
Donald Hamilton, Administrator, Easton Hospital, Easton.
Ernest Kline, former Lieutenant Governor of Pennsylvania.
Dr. Leonard Bachman, Pennsylvania Department of Health.
Thomas Vracarich, Pennsylvania Department of Health.
W. Philip Palmer, Director, Division of Primary Care Development of the Pennsylvania Department of Health.
Richard Miller, Consultant, Medical Care Systems.

The following members of the Slate Belt Municipalities Association:

John Dally, Mayor, Pen Argyl.
Joseph Dell'Alba, Mayor, Wind Gap.
Charles Angelini, Mayor, Roseto.
Jim Abbott, Mayor, East Bangor.
Duane Miller, Mayor, Bangor.
Russell Snyder, Mayor, Portland.
Paul Wagner, Chairman, Washington Township.
Victor Melnick, Chairman, Upper Mt. Bethel Township.
Richard Grucela, Chairman, Lower Mt. Bethel Township.
William Danner, Chairman, Plainfield Township.

The following members of the board of directors of the Slate Belt Medical Center:

Joseph Dell'Alba,
Olimpio R. Pacchioli,
Harry U. Mervine,
Louis Guida,
Charles Angelini,
Alan B. McFall,
John G. Oliver, M.D.,
Joan Cope,
Helen Pysher,
Ann Zelenka,
Kenneth Ace,
Richard Grucela,
Robert R. Davis,
Garfield Williams, Jr., and
Earl Laub.●

STEVEN G. ST. JOHN WINS INDIANA "VOICE OF DEMOCRACY" CONTEST

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. FITHIAN. Mr. Speaker, Mr. Steven G. St. John, while brilliantly representing the State of Indiana as well as the Second District, wrote the following piece as part of the Veterans of Foreign Wars' voice of democracy contest, a competition in which Steve placed first in his State. Steve, the son of Mr. and Mrs. Fred and Marjorie St. John, of Royal Center, has been very

active in Pioneer High activities, such as student council, the National Forensic League, National Honor Society, choir, band, and the French and German Clubs. The Purdue-bound senior also presided over his senior class.

The voice of democracy scholarship program began 34 years ago with the endorsement of the U.S. Office of Education and the National Association of Secondary School Principals. In 1961-62, the Veterans of Foreign Wars assumed sole sponsorship of the program, a duty that had previously entailed the services of National Association of Broadcasters, the Electronic Industries Association, and the State Associations of Broadcasters. Since 1961-62, the scholarships have increased from a single grant of $1,500 to the present number of five scholarships, totaling $31,500, with the first-place winner now receiving a $14,000 scholarship to the school of his/her choice. Steve is one of a quarter million participants, as student participation has tripled since the program's inception.

Steve, a future engineer, should be commended for his fine display of patriotism. We hope that other Indiana high school students will follow Steve's fine example of love for one's country and commitment to the outstanding ideals America represents. The Second District is proud to have Steve representing it and the State of Indiana in his quest for the national voice of democracy scholarship.

Mr. St. John's speech follows:

My commitment to my country * * * When I hear these words, I think of Americans in the Armed Forces or people elected to office * * * commitment * * * but the word commitment goes much deeper than this. It means to me a whole attitude of service, love and devotion to my country. Such dedication must go beyond being what is commonly termed a "flag waver," to include holding steadfast for what America stands for. Benjamin Franklin once said, "We have given you a Republic, if you can only keep it that." He was saying that without the commitment of the citizen, it would be impossible for the individual states to function as a whole. I am going to keep Mr. Franklin's warning in mind as I further explore my commitment to my country.

What then, should this dedication entail? Probably the most obvious demonstration of my dedication would simply be to vote. I can make my voice heard. I can have a say concerning the functions of our governmental system. When our government was established 200 years ago, our Founding Fathers based their theories on the assumption that people would continue to be committed to their country * * * that the average citizen would indeed feel responsible toward society. I believe that our electoral system works, that the vote of the average citizen does count. For me, voting is not merely a duty, rather it is a reaffirmation of the faith of the Founding Fathers in the common man.

Secondly, if I am to be a truly committed citizen, I must develop a sense of the greater good. What do I mean by the greater good? Last year at a high school assembly, I listened to a story that seemed to demonstrate this concept. It was the story of a man * * * a man whose job it was to watch over a railway bridge, rotating it when necessary to allow river traffic to pass. It wasn't unusual for the man's little boy to come with his father because he enjoyed playing by the river. One day, a day that seemed like any other, the bridge tender was anticipating the arrival of the 12:00 o'clock passenger train. As he was preparing to realign the bridge, he froze. Not 200 feet away, in plain sight, was his only child playing innocently in the massive gear mechanism. Quickly gauging the speed of the approaching train, he realizes that he hasn't time to call his son. In a split second, the man must decide between the life of his son and the lives of the passengers on the train.

The bridge tender's painful dilemma, illustrates in a dramatic way the difficult process of giving up individual freedoms for the sake of the greater good. We are loathe to relinquish these freedoms. For example, a man asked to submit to gun control becomes fearful. He feels less able to protect himself. Or another person affected by wage-price controls, to him this might mean a loss of security. But look for a moment at the benefits for society, the greater good. The man who has given up his gun has opted for a more peaceful environment. The citizen who acquiesced to wage controls in essence voted for his country's economic stability. "Liberty means responsibility," said George Bernard Shaw. He went on to add, "That is why most men dread it."

I need at this time to underscore one point. There is dread of fear in the mind of the citizen who is asked to give up personal freedoms for the sake of society. After all, the feeling of insecurity is very real. However, for the concerned citizen, the type of citizen I hope to be, this feeling of insecurity would be lessened because I would be concentrating on our nation's greater good. This concentration is a trust, a sort of faith similar to that held by our forefathers.

Benjamin Franklin said that we have been given a Republic, if we can keep it that. I intend to keep it through my belief in the common man, a man who will vote, a man who will preserve the larger vision, a man who will rotate the bridge.●

A TRIBUTE TO THE LATE HONORABLE ELLA T. GRASSO

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. OTTINGER. Mr. Speaker, I was saddened to learn of the death of my good friend Ella Grasso on February 5 after a courageous battle against cancer. I wish to join my colleagues in paying tribute to her and offering my deepest sympathy to her family.

The loss of Governor Grasso will be felt not only by the citizens of Connecticut but by her friends and admirers around the country. For more than 30 years she served the people of Connecticut, first in the State legislature, then as secretary of state and as a member of the house of representatives, and finally as Governor. As the first woman to be elected an American Governor in her own right, Governor Grasso was an outstanding example for other women in this country who are contemplating a career in public service.

Governor Grasso's compassion and hard work throughout her career are well known. It is indeed tragic that her public service was cut short. She will be sorely missed but not forgotten.●

CONDO MANIA

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. ROSENTHAL. Mr. Speaker, increased attention is being paid to the public policy issues stemming from the expanding trend toward conversion of rental housing to condominium and co-op status. Condo conversion is one of the strongest forces leading to inflated housing costs, displacement, and a serious reduction in the supply of affordable housing in many communities. Peter Dreier and John Atlas, who are the authors of an article entitled "Condo Mania" which appears in the March 1981 Progressive magazine, are also leaders of an expanding tenants movement, designed to protect the rights of people who cannot afford or do not want to buy housing.

I commend this article to my colleagues as a good overview of the condo issue.

The article follows:

CONDO MANIA: ACROSS THE COUNTRY, IT'S PAY UP OR MOVE OUT

Marie Abbott was frightened. The seventy-two-year-old Boston woman, living on a fixed income and partially paralyzed by a stroke, had just received a letter from her landlord informing her that the building in which she had spent the last thirteen years was being converted to condominiums.

"I don't know how I can move," she said. "I'm crippled on one side. I can't walk—I can't even get on a bus. My doctor told me I could have another stroke. I'd just as soon die. I hope I do soon."

In Fort Lee, New Jersey, sixty-nine-year-old Phyllis Hoffman was anxiously debating her choices. The two-bedroom apartment she shared with her sister was to become a cooperative, its $491 rent increasing to a monthly payment of $850. "I don't have that kind of money to invest," she said. "I moved here from New York for peace and quiet. Where are we going to go?"

The 800 tenants of the Towne Estates apartment complex in Boston were asking themselves the same question not long ago. They had received the unexpected news that their complex had been sold to American Snacks, Inc., which operates vending machines, doughnut shops, and hamburger restaurants. The new owner wanted to turn the units into condominiums and had given the tenants thirty days to buy or move. The tenants, who paid monthly rents of $350 to $450, would be saddled with monthly payments of $700 to $800 for the same units as condominiums.

A few tenants, young professionals and senior citizens alike, contacted the media and several sympathetic politicians, and "condomania" soon became a hot issue in Boston. Within a few weeks the heavy news coverage, a rally of almost 1,000 people, and pressure from tenants led the Boston City Council to pass an ordinance requiring landlords and converters to give tenants one year's notice (two years for seniors and the handicapped) before evicting for condominium conversion.

Versions of these dramas are being played out in most major cities and many suburbs across the country as the trend spreads to convert rental property to condominiums and cooperatives. The boom in condominiums (in which each unit is individually owned) and cooperatives (in which each owner buys a share in the entire complex) is so new that the U.S. Census counted them separately for the first time in 1980. But it has quickly become a major factor in the nationwide decline of rental housing available to low- and moderate-income people. In November 1979, the U.S. General Accounting Office estimated the country's vacancy rate at 4.8 per cent—the lowest on record—and added that the number of rental units lost through conversion will outstrip the number of new units being built. In most large cities, the vacancy rate is much lower.

Condominium ownership in this country first took hold in vacation areas in the early 1970s. Between 1970 and 1975, the number of condos increased fifteenfold to 1.25 million units, and by 1980, to more than 3 million. Indeed, condominium construction is the strongest sector of today's housing market, surpassing construction of both single-family homes and non-subsidized rental apartments for the first time in 1979.

But in the late 1970s the conversion phenomenon developed. According to a study released last summer by the Department of Housing and Urban Development (HUD), about 366,000 units have been converted to condominiums since 1970, with 71 per cent of the conversions taking place since 1977. Experts estimate that about 150,000 conversions took place in 1980 alone. According to HUD projections, half the population will live in condos by the end of the century if the trend of conversions and new construction continues unrestricted.

But like Marie Abbott and Phyllis Hoffman, most renters cannot afford to follow the trend. Studies estimate that one-half to three-quarters of tenants are unable to buy their converted apartments. Those who are forced out usually find inferior housing and higher prices awaiting them elsewhere in the tight rental market. And once they resettle, there is no guarantee that their new apartments will not be sold out from under them again.

Because of this, the conversion trend is meeting resistance from tenants and senior citizen groups. At first, most tenants are confused and unaware of their political and legal options. But receipt of a "buy up or move" letter—or even the anticipation of one—often prompts them to start talking to their neighbors for the first time. As a result, tenant organizations have mushroomed around the country.

Some tenant groups confront the converters directly. Tenants picketed the eighteen-story Promenade Apartments in suburban Bethesda, Maryland, for five months, frightening off potential buyers and forcing the converter to negotiate the terms of the conversion.

In most cases, however, tenants exert pressure on elected officials for protection. Some cities, including Philadelphia, Chicago, and Washington, D.C., enacted temporary bans on all condominium conversions. Sixteen states and several dozen cities have passed various laws to protect tenants and preserve the rental housing stock. Some prohibit conversions until the vacancy rate increases to an acceptable level so tenants have somewhere to move; others require six months' notice or more before eviction, and still others require landlords to let tenants approve the conversion or to pay their moving expenses.

Some well-intentioned laws may actually backfire, however. Senior citizens claim that in a tight rental market, landlords discriminate against the elderly if they know city laws will make them harder to evict. And in some communities, developers have circumvented tough condo conversion laws by turning apartments into luxury cooperatives. In response, cities have included cooperatives in their laws.

At the Federal level, New York Representative Benjamin S. Rosenthal introduced a bill to impose a three-year moratorium on condo and co-op conversion, to withhold Federal funds from communities that do not provide adequate rental housing, and to establish a Presidential commission to study the topic.

What is behind the condo phenomenon? Why would landlords want to sell their property, a source of income and power? The answer was summed up in a 1976 HUD report: "The large potential profits which can be made in a relatively short time when compared to new construction make conversion so inviting for investors."

According to Forbes magazine, a developer can usually turn a substantial profit in three to six months. The nation's biggest converter, American Invesco of Chicago, bought a thirty-story apartment building now called Outer Drive East Condominiums for $10 million in 1973, spent $250,000 on superficial remodeling, and sold the apartments for more than $14 million—a hefty 44 per cent return on investment. It was also American Invesco that purchased the Promenade Apartments for $50 million, made cosmetic improvements, and despite tenant picketing, put the co-ops on the market for a total of $100 million.

The profits are so large and so immediate that banks are happy to finance conversions at 13 per cent, 14 per cent, and on up to 20 per cent interest. An official for Continental Illinois Bank, which financed most of Chicago's big conversions, says, "We love them. The turnover is quick and we're making a lot of money." Consumer groups complain that the banks' love affair with conversion ties up mortgage money that could otherwise be spent on new construction.

Behind the dollar signs are the same investment incentives found throughout the housing industry—an industry built around tax benefits for the most affluent. One such incentive is a measure actually established as a tax reform in 1976: It eliminated rapid tax depreciation for old apartment buildings which had allowed land owners to shelter large amounts of their rental income. While the measure discouraged the once common practice of buying old apartments as tax shelters, holding them for a few years, and then reselling them to another high-income investor who would do the same thing, it ultimately prompted apartment owners to leave the rental market entirely—by selling out to condo converters.

In general, the rental market has not brought apartment owners the profits it once did. Their tenants are, for the most part, those left behind by the rush toward single-family home ownership of the 1950s and 1960s. In 1977, for example, while the median income of homeowners was $16,000, it was only $8,800 for renters. Landlords' operating costs have risen, but renters' incomes have not kept pace. As this gulf widens, many landlords feel they must bail out.

The first wave of condominium conversions usually takes place in the more profitable buildings in affluent neighborhoods. The recent HUD study found that most converted buildings had been generating substantial profits as apartments. It is only after this supply has been exhausted that converters go after more marginal buildings.

The effect of conversion is compounded by the failure of both the private and public sectors to build much new low- and moderate-income housing. New rental housing construction slowed to a virtual standstill in 1980, making it the worst year in two decades. The slowdown was due, in part, to the tight monetary policy established last year by President Jimmy Carter and the Federal Reserve Board, which dried up working capital needed to build new housing. But to convert existing housing to condominiums, rental income could still be used as working capital. Thus, conversion has been much safer than new construction.

Under these conditions, condo conversions offer building owners and speculators the quickest path to big profits with relatively little investment or risk. And where there are big profits, there is big business. Most conversions were initially undertaken by a mixture of small-time entrepreneurs and large local realty management firms, but now they are the work of far-flung enterprises. American Invesco alone has converted more than 15,000 units in sixty-three projects across the country. The company has bought up several large Chicago realty companies, a San Francisco firm, plus Colorado's largest commercial real estate enterprise. It has also entered the New York City market, buying a highrise on Park Avenue.

The big money draws converters into politics. American Invesco, which has lobbied heavily to stop tenant protection laws, is now under investigation by Rosenthal's Subcommittee on Commerce, Consumer, and Monetary Affairs for possible violation of mortgage lending and campaign finance laws. According to one committee source, the firm spent $300,000 on lobbying just to keep its records out of the investigators' hands, and another $200,000 to defend itself in newspaper advertisements.

The profit motive is a logical explanation for the lust for condominium conversions on the part of owners, converters, and banks. But what about the condo purchasers? Why would anyone want to buy an apartment?

The real estate industry claims that the demand for condominiums is rooted in the desire for home ownership. There is some truth to the claim. Most Americans have always wanted their own houses, associating ownership with security—the freedom from eviction or arbitrary rent increases; postwar policies turned this "American dream" into a reality for many. The Federal Housing Administration established guarantees for single-family home mortgages, stimulating banks to make credit widely available. Federal highway construction projects paved the way for massive suburban development. The Federal income tax law made interest and property tax payments deductible, permitting home owners to pay less than renters at the same level.

As a result, home ownership rates rose continually from 44 per cent in 1940 to 55 per cent in 1950, and ultimately to 65 per cent in 1977. Those who continued to rent were largely those who could not afford to buy—the poor, the elderly, the urban minorities.

But that picture began to change as the average cost of a single-family home rose from $23,000 in 1970 to $80,000 today. Former developer Jay Janis, who headed the Federal Home Loan Bank Board under Jimmy Carter, has said that only a "privileged few"—about 15 per cent—can still afford to buy a new home.

As a result, many younger renters who planned ultimately to buy a house—especially two-income professional couples—have hopped on the condominium bandwagon for fear that if they don't buy something quickly, they will never be able to make a first down payment. Rising gasoline prices and urban gentrification have also made city living more attractive. Those looking for a place of their own as a hedge against inflation, but unable to afford a single-family house, may see a condominium as the only choice. Condos selling from $60,000 to more than $100,000 are snapped up by panicked buyers as soon as they come on the market. Chicago realtors have called the situation "mass hysteria."

So while "demand" for condos exists, it is, at least in part, artificial. It is a creation of long-standing Federal policy favoring home ownership, landlord-tenant laws that make renters vulnerable and insecure, and extremely low vacancy rates that create panic buying. Recent Federal policy indicates a tolerance of the situation; the Government-sponsored Federal National Mortgage Association, dubbed Fannie Mae, has taken out large ads in general-circulation magazines promoting condominiums, for instance. And Moon Landrieu, HUD Secretary under Carter, called efforts to restrict condo conversions "an emotional response."

For some, condominiums seem to be the new American dream. But for many more, they have become a nightmare. Tenants faced with conversion must either move or dig deeper into their pockets simply to keep the same roof over their heads. And even those who initially believe they can afford to buy are often unaware of the long-term costs of owning a condo—especially in buildings with structural defects—and of the management problems that may attend common ownership of the external features of a building. Developers argue that conversion improves the housing stock by providing incentives for maintenance and repair, but many purchasers in fact buy little more than cosmetic improvements, such as an extra coat of paint or a new rug.

In general, condo conversions do nothing to increase the supply of housing, but simply increase the cost. More housing for those of low or moderate income is urgently needed—yet even the private housing industry admits that it cannot provide it, either for rental or ownership. It is simply not profitable enough.

Housing policy can thus go one of two ways:

The housing industry is calling for deeper and deeper subsidies—directly through Federal housing law and indirectly through the tax code—to provide an "incentive" for new construction. But with speculation driving up the cost of land and the Federal Reserve's tight money policy boosting mortgage interest rates, the subsidies would have to be so deep that the housing built could hardly be called "private" at all—except for the private profits it would generate.

On the other hand, the Government could recognize that the housing "crisis" is largely artificial—part of a housing system controlled by bankers, speculators, and land owners who have no incentive for cost containment. The response need not be more public housing where the Government serves as landlord, bankers and real estate interests control local housing authorities, and tenants get caught in a fiscal austerity pinch. Instead of reserving public housing for the poor and regulating the private housing interests, a more comprehensive and democratic approach must be taken.

Alternative institutions, such as nonprofit and community-controlled housing cooperatives and housing development corporations, could be set up to construct new housing and rehabilitate old and abandoned buildings. "Sweat equity" and "urban homesteading" programs might be promoted for the same purpose. Mortgage money could be made available by creating state banks, investing Government and union pension funds at lower interest, and supporting the National Consumer Cooperative Bank, a new agency set up to lend money to consumer co-ops that mainstream lenders ignore. Or, to keep the price of land from skyrocketing, anti-speculation taxes and land banking (holding land off the speculative market) could be encouraged. By eliminating costly incentives and subsidies to powerful private interests, such programs would actually cost less and give residents more long-term security and financial control over their housing.

As the trend toward condominiums shows, traditional housing policy that frames the issues in terms of home ownership versus rental housing has become obsolete. It needs to be replaced with an equation that considers what people want out of the places where they live—affordability, security, and a sense of control.●

DEFENSE DEPARTMENT-VETERANS' ADMINISTRATION MEDICAL FACILITY SHARING ACT

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. BEARD. Mr. Speaker, I have reintroduced a bill which would insure that wartime casualties, active duty military personnel, and deserving veterans receive the best health care possible.

This bill would accomplish this goal in two ways. First, the bill provides the Administrator of the VA with the authority to furnish hospital care to any member of the armed services for a service-connected disability incurred or aggravated during a period of war. These casualties will be given priority over all other persons except veterans in need of hospital care for service-connected disabilities.

Second, this bill expands the authority for sharing medical resources between hospitals and other health care facilities of the DOD and the VA. This bill provides the legislative authority for interagency sharing of health facilities, personnel, and equipment on a facility-by-facility contractual basis. This should promote maximum use of existing medical resources in a locality, since much of the duplication or underutilization of medical resources under the present system could be eliminated. At the same time, such sharing will result in greater efficiency and savings to taxpayers.

Two recent GAO reports recommended that Congress enact legislation which would allow wartime casualties to be treated in VA facilities and would encourage interagency sharing of medical resources. I feel that this bill combines GAO's recommendations as well as insuring that our military personnel receive the best medical care available.●

DEPENDENT CARE AMENDMENTS OF 1981

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. CONABLE. Mr. Speaker, I am reintroducing a bill today to expand the existing income tax credit for work-related dependent care expenses and to permit nonprofit organizations providing work-related dependent care readily to qualify for tax-exempt status.

I am pleased that joining with me in cosponsoring this revised bill are Representatives SHANNON and MOORE. They and I are committed to working for enactment of this legislation during the 97th Congress, and their support will make a major contribution to reaching this goal.

This bill is similar to H.R. 8109 which I introduced in September 1980, but with several very important changes. These changes have been made in response to many helpful suggestions and comments that have been made during the last few months by numerous individuals and groups with a special interest in work-related dependent care.

The need for work-related dependent care has grown steadily in the last few years even though birth rates have generally declined, largely because working mothers have become the rule in the United States rather than the exception. In March 1979, mothers in the work force included 62 percent of women whose youngest child was school aged, 52 percent of those whose youngest child was aged 3 to 5, and 41 percent of those whose youngest child was under 3 years of age.

Child care is too often wrongly categorized strictly as a "women's issue." It is a parent's issue. In 4.5 million 2-

worker families with preschoolers and almost 8 million with school age children, the fathers are increasingly sharing the responsibilities for dependent care arrangements.

Nevertheless, there are 1.3 million working mothers of preschoolers who are the sole parents in their families. The responsibilities for this group, which includes 60 percent of divorced mothers of children under age 3 and 75 percent of those with 3- to 5-year-olds, are heavy. They must have affordable child care if they are to hold jobs that prevent or reduce welfare dependency.

With so many working mothers of preschool and school age children in the work force at all income levels, it is time to reexamine policies regarding work requirements for the 3.5 million mothers receiving welfare. Two million of them have preschool children whose dependent care needs will have to be met before their mothers can take jobs that lead to economic self-sufficiency. Every year welfare benefits fail to keep pace with inflation, and more and more mothers receiving public assistance realize that unless they take jobs their children will not enjoy even basic minimum well-being. However, title XX, the social service block grant which funds most dependent care for low-income families, similarly has not kept pace with inflation. States have responded with tightened eligibility and reduced assistance in day care as well as in other services. In many areas today, families with incomes above 60 percent of median income have been excluded altogether from title XX day care. It is not uncommon for these families to then be forced sooner or later back onto welfare since the mother's minimum wage income is insufficient to pay for both living expenses and child care. Given the current fiscal restraints, there is little on the horizon to brighten this dismal picture. That is why my revised bill includes a sliding scale designed to target dependent care assistance more effectively on working parents at the low end of the economic spectrum.

I believe the tax credit is a fitting vehicle for future Federal efforts to aid dependent care. First, it is the parents who decide what kind of care to purchase rather than administrators of Government agencies. Because the credit goes directly to the taxpayer, it does not encourage the development of bureaucracies or monopolistic day care systems in States and localities that might limit parental choice or inflate the cost of services unnecessarily. Similarly, the credit does not skew the dependent care system toward any particular care alternative. It is available equally for child care in the home or out of the home, for babysitters, relatives, neighborhood group homes, summer day camps, day care centers, church-related or secular organizations. It is strictly up to the parents to explore the possibilities and make the choice.

The dependent care credit, created in 1976, is presently a nonrefundable credit of 20 percent of dependent care expenses up to a maximum credit of $400 a year for the care of one dependent and $800 a year for two or more dependents. The credit is currently being claimed on 3.8 million tax returns, for a total of approximately $1 billion in fiscal 1981. This makes it the largest single element of Federal assistance to dependent care.

Despite the strengths inherent in using the credit approach, there still remain some areas where the credit could be improved. Most of the provisions of the Dependent Care Amendments of 1981 address these areas. A summary of the bill and its rationale follows:

DEPENDENT CARE AMENDMENTS OF 1981

SEC. 2—INCREASED CREDIT PERCENTAGE

The bill would replace the present 20-percent credit with a credit geared to family income. Families with adjusted gross income of $10,000 or less would be eligible for a 50-percent credit. The credit percentage would be reduced in relation to the amount of family income above $10,000 up to the $40,000 income level where the credit would stabilize at 20 percent. The credit would be reduced by 1 percent for every $1,000 of income over $10,000. This gradual reduction would prevent any income notches from penalizing taxpayers for increasing their income.

Although better than nothing at all, the current 20-percent credit does not appear to make enough of a difference in many families' budgets to enable them to explore any alternatives to dependent care but the very cheapest, regardless of quality. Many relatively inexpensive babysitting and day care arrangements may be adequate or even ideal for meeting the needs of individual children and infants, but many are not. Yet the parents have no economic alternative but to go with what they can afford or give up their jobs.

It is my hope that by targeting this increase in the dependent care credit on families below $40,000, this bill will enable families to have at least some degree of financial choice in selecting dependent care most appropriate to their children's or dependent's needs. I hope also that this increased ability of parents to pay for dependent care will stimulate the growing dependent care market to provide still more alternatives and services than it does today.

The following chart illustrates the credit percentage available at certain income levels:

	Percent
$10,000 and below	50
$15,000	45
$20,000	40
$25,000	35
$30,000	30
$35,000	25
$40,000 and above	20

SEC. 3—REFUNDABLE CREDIT

The dependent care amendments would make the credit refundable. This means, simply, that families would be able to receive the full dependent care credit to which they might be entitled even though it exceeds their tax liability, or if they had no tax liability. This is not the case under present law. It is my hope that making the credit refundable will assist families who find themselves caught in the middle with too much income to qualify for Head Start or title XX programs, and too little to afford dependent care on the private market.

Under present law, women who are working their way off welfare are permitted to disregard all reasonable dependent care expenses in calculating how much welfare supplement they will receive in addition to their wages. Upon passage of a refundable dependent care credit, the program of aid to families with dependent children will need to be amended so that the disregard of dependent care expenses for purposes of calculating welfare benefits will reflect any dependent care tax credit to which the mother is entitled.

SEC. 4—INCREASED ALLOWABLE EXPENSES

The bill would allow the credit to be based on the first $2,400 of dependent care expenses for one dependent, and the first $4,800 of dependent care expenses where there are two or more qualifying dependents.

Under present law, the credit can be claimed on the first $2,000 of annual expenses for the care of one dependent, the first $4,000 for the care of two or more dependents. These maximum amounts were established in 1976, and despite considerable inflation since then, have not been raised.

Although only a small percentage of families using the dependent care credit claim the maximum amount allowable, many groups have argued that the credit ought to be available on an amount equal to current fees for day care centers in most cities. This figure is currently $50 per week, although many centers do in fact charge more.

In 1979, the average dependent care credit claimed was $206, reflecting a total family dependent care expenditure of just a little over $1,000. This is in keeping with the tendency of many families to use informal babysitting arrangements or to arrange their work schedules so that a minimim amount of child care is necessary.

However, I am proposing to increase the maximum amount on which the credit can be calculated in recognition that for some families, group day care centers may be the most desirable, or indeed the only, option available.

SEC. 5—OUT-OF-HOME CARE

The bill permits the dependent care credit to be claimed when dependents over age 14 are cared for outside the home.

Under present law, the credit is available for either in-home or out-of-home care of dependents aged 14 and younger. However, if the dependent is an incapacitated spouse or other dependent over age 14, the credit is currently available only for in-home care.

This change is designed to respond to the growing interest in encouraging families to keep their elderly and handicapped dependents living at home rather than in institutions. In a family where both the husband and wife work or where there is only one adult capable of work, there is no one at home during the day to look after the adult dependent. In some communities, day care programs for older retarded or handicapped individuals are being organized, as are programs for elderly people. These programs meet the social needs of the older dependents, are less of a financial burden on their families than in-home care would involve hiring a person during working hours.

It is the intent of this provision to allow the credit for only nonresidential out-of-home dependent care. The bill does not include nursing homes, hospitals or other residential settings. Therefore, the bill provides that the credit would be available only where the dependent ordinarily returns to the taxpayer's household each day.

SEC. 6—COVERAGE OF PARENTS WITH LOW INCOMES

The bill would permit the credit to be claimed even when one working parent realized no or low income during the year. Under present law, the credit may not be claimed on dependent care expenses in excess of the earnings of the sole or lesser-earning parent. This prevents someone from working part-time to earn, say, $500, in order to claim the credit on $4,000 of nursery school costs which would have been incurred whether or not the parent worked.

Occasionally, this provision has an unintended effect. Both parents may be working at full-time jobs all year long. But if one of them ends up with a net loss or realizes very little income despite a year's strenuous effort, the dependent care credit is forfeited. People with small businesses, farms or who are self-employed are particularly vulnerable to this situation. One example brought to my attention concerned a woman who worked all year as a secretary in town, commuting from the family's farm where her husband put in long hours. A combination of bad weather and low crop prices left them with virtually no income from the farm that year. They had placed their daughter in day care throughout the year so that both parents could work, and if the farm had shown some income, they would have been entitled to a dependent care credit of almost two hundred dollars. As it was, they got no credit because their dependent care expenses exceeded the income from the farm.

The bill addresses this situation by imputing for each month when an individual works in a trade or business on a substantially full-time basis earnings of not less than $166 for one dependent and $333 for two or more dependents. A "substantially full-time basis" is defined as at least 35 hours per week. This provision parallels the one already in existing law which imputes income to a full-time student.

SEC. 7—TAX-EXEMPT STATUS FOR DAYCARE CENTERS

The bill makes it easier for nonprofit daycare centers to qualify for tax-exempt status provided they are organized to care for children of working parents and there is general public access to their services.

In a number of communities, groups are organizing before- and after-school supervision for children of working parents. Others are organizing centers linked to networks of child care homes so that the supply of affordable, noninstitutional infant care can be expanded.

Both these kinds of organizations, as well as others of a more traditional nature such as summer play-schools, have had problems in qualifying for tax-exempt status under section 501(c)(3) of the tax code. Without tax-exempt status, it is difficult for these fledgling efforts to solicit the charitable contributions they often need to meet start-up and operational costs.

To qualify for tax-exempt status these innovative organizations must show they were organized and operated exclusively for educational or charitable purposes. An after-school or infant-care organization has difficulty in demonstrating its "curriculum." Children who have been in the classroom all day do not need more of the same. If an organization admits it is simply providing a safe place where the children can have a snack, do their homework, enjoy "free play" or other unstructured activities until their parents return from work, it will not qualify for tax-exempt status. If an organization caring for very young infants can convince the IRS that its curriculum consists of sensory/cognitive development, gross motor development and fine motor development instead of letting infants play with toys, crawl and learn to feed themselves, it just might qualify for tax-exempt status, as indeed an infant "school" on the West Coast succeeded in doing. But this is far-fetched, and I do not believe organizations providing the very legitimate service of dependent care for the children or working parents should have to go through such contortions to qualify for the tax-exempt status they need to get started and often to survive financially.

My bill provides that the term "educational purposes" in the sections of the code dealing with tax exempt status will be defined as including nonresidential care of individuals if substantially all of the dependent care provided by the organization is for the purpose of enabling individuals to be gainfully employed and if the services provided by the organization are available to the general public.

SEC. 8—EMPLOYER-PROVIDED SERVICES

The bill specifically allows the credit to be claimed on dependent care services provided by the taxpayer's employer if such services are deemed to be income to the employee.

A number of types of child care assistance are being provided by employers: Onsite day care centers, purchasing places for employee's children at private day care centers in the community, assisting employees in other ways to locate or pay for dependent care. Such assistance can be deducted by an employer as an ordinary and necessary business expense.

In many of these situations, the employees pay modest amounts for the day care services or pay on a sliding fee scale. At present, such employee benefits are not being taxed to the employee unless they are clearly part of the employee's overall compensation, such as when the employee receives a day care allowance in addition to the regular paycheck. However, it is possible that in the future the IRS might try to levy income tax on dependent care made available to employees. An employee with a child in the company day care center who has paid $30 a week for an annual total of $1,500 might find that the IRS thinks the day care was worth $3,500 and that income tax is owed on the remaining $2,000. I do not believe such in-kind dependent care services ought to be considered taxable income when they are generally available across the board to all employees of the company. The bill provides therefore that any such employer-provided dependent care, including imputed amounts as well as actual payments by the employee will be eligible for the dependent care credit. In most cases, this will neutralize the impact of being held liable for taxes on employer-provided dependent care services.

COST

The present law credit is estimated to cost $1,025 million in fiscal year 1981. Because it is difficult to predict precisely what the response would be

to the increased percentages and maximums allowed under this bill, an exact estimate of its cost is not available. However, it is believed that the bill would approximately double the present credit, with most of the benefit being distributed to the middle- and low-income brackets.

Virtually all of the cost is associated with increasing the credit percentage. Refundability and increasing the credit maximum also carry some modest cost. The remaining items are believed by the Joint Committee on Taxation to be cost neutral since they would either affect relatively few individuals or would generate offsetting revenues by permitting taxpayers to make a greater work effort.●

THE COST OF REGULATIONS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. DORNAN of California. Mr. Speaker, perhaps one of the clearest signs that the new administration is serious about cracking down on excessive Government regulation of business can be seen in the recent freeze imposed on implementing the last regulatory gasps of the Carter Presidency. If we are determined to create a positive business climate that will get our economy moving again, we have to take a hard look at the costs of the regulations we impose. We must guarantee that the benefits of these proposals significantly outweigh the costs.

Mr. Larry Israel of Santa Monica, Calif., himself a successful businessman, and a community leader, has passed along a UPI wire service story which emphasizes this point. I commend it to your attention.

BANK OFFERS TO GIVE MONEY AWAY BUT NOBODY NOTICES

MINNEAPOLIS, UPI—Bank officials doubted anyone would read the 115,000 booklets mailed to customers to comply with a government regulation, and they inserted a giveaway gimmick to prove the point.

Under government disclosure rules, the Northwestern National Bank mailed a 4,500 word booklet detailing requirements of new "Regulation E" affecting electronic money transfer services. The project cost $69,000.

In 100 booklets, the bank inserted a sentence which said:

"Any customer who receives (in the mail) a disclosure that includes this paragraph can get $10 simply by writing 'Regulation E' and the customer's name and address on a card and sending it along with a self-addressed, stamped envelope" to the bank.

Not one person answered.

"We'll still send $10 to anyone who has one of the 100 booklets," a bank spokesman said, "but it seems doubtful anyone read or saved it."

Paul Eisen, a senior vice-president/marketing, said the study suggests the detailed disclosure required is both ineffective and a big waste of money.

He said the bank would have preferred notifying customers that details of the regulation were available on request. That, he said, would have cut costs substantially.●

SPECIAL INTERESTS AND ELECTORAL REFORM

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. MAVROULES. Mr. Speaker, there is an old saying around Capitol Hill that Government runs on all fours with public sentiment—meaning simply that Government ought to be the mirror reflection of the Nation's common interest.

It is a nice thought. After all, that is how things are supposed to run in Washington.

But the sad fact of the matter is that it no longer rings true.

Single-issue, or special-interest groups bear a good deal of the blame for this. Their rapid growth over the latter half of the past decade has driven a wedge between elected government and the common interest elected government is supposed to serve.

The basic reason for this intrusion into public affairs has been the way we run our political campaigns today. With heavy campaign debts looming large on every candidate's horizon, big-money special interest groups have invaded the highest councils of government, pleading their own special cases.

Jimmy Carter's farewell address to the Nation, January 14, highlighted this point, warning us that, because of special interest group pressure, Government is losing sight of the national interest, which, he says, should not be defined as "the sum of all our single or special interests."

It is a warning worth heeding, especially when we consider the source, a man characterized by many pundits as the most political President of modern times. But more so, we should mark his words because a sense of common purpose may be our last salvation from a Government tugged apart by self-serving and powerful interest groups, all having an unhealthy influence on the public policy decisions affecting every American.

There are over 2,500 such groups, also known as political action committees (PAC's), making sure today that Washington knows—and acts upon—their pet concerns. And because money talks, these groups are speaking very loudly indeed.

Recently the Federal Elections Commission released a report stating that over $75 million was contributed by PAC's to political candidates of their liking during the past election year. To compare, PAC contributions in 1974 amounted to $12.5 million nationwide.

The result has been the fragmentation of American society and purpose, and a rudderless ship of state heading toward a ruinous end.

But there is a ray of hope, coming from suggested reforms in our electoral process. These reforms call for:

The enactment of a public financing law for congressional elections, modeled after the voluntary tax checkoff system partially used to finance Presidential campaigns.

The extension of the term of office for a Member of the U.S. House of Representatives from 2 years to 4.

A limit of congressional service of 12 years, allowing for a maximum of three terms for a House Member and two for a Senator.

Finally, one 6-year term for the President of the United States.

All of these measures would lead Government back to the people and place a fatal crack in the foundation of what Common Cause's John Gardner aptly calls "the special interest state."

Mr. Speaker, let me elaborate.

Public financing of campaigns would free political candidates from the clinging need for special interest money by limiting the amount of these contributions while, at the same time, encouraging smaller financial contributions from private citizens. One such idea would limit total PAC contributions per congressional candidates to $70,000 and cut back individual PAC contributions from a maximum of $10,000 to $6,000 per candidate.

This voluntary public financing system, just as importantly, would encourage more people to throw their hats into the ring and seek elective office. Such positions should not be left in the domain of the wealthy or well connected.

Extending the term of office for a House Member is nothing new, first recommended by James Madison at the 1789 Constitutional Convention. The longer term would serve to ease the pressures of raising campaign funds on those we ultimately elect to office. With House Members campaigning every other year now, fundraising is an on-going, unrelenting concern. But, above all, a 4-year term would return Congress to first principles, that is, to representing all the people with the common good in mind.

Next, keeping in mind the public's need for responsive, vigorous Government, a 12-year limit on congressional service should be imposed. Such a cap would clear the arteries of the House and Senate and allow for the free flow of bright, new faces and fresh ideas.

The last reform, with a new President settling in to his first 100 days in office, is perhaps the most important. In an increasingly complex world, buffeted by a number of baffling social, economic, and military problems, the most powerful elected leader in the free world should be left as unencumbered as possible in order to pursue the awesome responsibilities of office. One 6-year term would free the President from reelection considerations and interest group pressure.

Woodrow Wilson once said, "The business of government is to organize the common interest against the special interest." These reforms would allow just that. Government getting about its business.●

ELLA TAMBUSSI GRASSO

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. VANDER JAGT. Mr. Speaker, the American people and the people of the State of Connecticut have lost a truly outstanding public servant and an exceptional example of strength and courage.

The late Ella Grasso served in this House with distinction and the State of Connecticut's gain, when she assumed the Governorship, was certainly our loss. Her dedication and unfailing good humor were a source of strength to us all; and her unstinting devotion to public service was truly inspiring.

When it was announced that Governor Grasso would resign her position to assure the people of the State of Connecticut that their chief executive would have the constant leadership so critical to government these days, it was just another example of the outstanding sense of service which characterized this fine lady. We all suffered with her and her family as the ravages of the disease with which she was afflicted attacked her body; and we were gratified and assured as it failed to conquer her spirit. Ella Grasso's courage in the face of adversity was just another example of the truly outstanding character she leaves as an example for us all.

No finer tribute can be paid to the life of this fine woman than that of her son in his eulogy—that she was an outstanding woman, an outstanding public servant, and a truly outstanding mother to her family. Mrs. Vander Jagt and I extend to Mrs. Grasso's family our sincerest sympathy and our sentiment that the memory of her example and courage be a source of strength to them in the future.●

RABBI HECT ADDRESSES INAUGURAL CELEBRATION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. SOLARZ. Mr. Speaker, one of the leading spiritual leaders from my district, Rabbi Abraham Hect, was asked to participate in the inaugural celebrations here in Washington. Rabbi Hect, who is the president of the Rabbinical Alliance of America and the rabbi of the Shaare Zion Congregation in Brooklyn delivered a moving address based on the Biblical exhortation "and thou shalt love thy neighbor as thyself."

Mr. Speaker, I insert this eloquent speech by Rabbi Hect in today's CONGRESSIONAL RECORD:

SPEECH OF RABBI ABRAHAM B. HECT

I feel privileged tonight to represent the Orthodox Jewish community of our great and beloved country. It is, indeed an honor to address such a distinguished and illustrious gathering, of our most dedicated and outstanding religious leaders, both clergy and laymen.

The first thought which comes to mind, as I look out upon this impressive audience of remarkable men and women, is contained in the Book of Psalms 133 "Behold how good and how pleasant it is, when brethren also dwell together". When there is a unity of purpose, which brings us all together in a common brotherhood, to celebrate the inauguration of our new president, Mr. Ronald Reagan, it is, indeed, good and pleasant to behold.

For we are gathered here tonight for a specific and unique purpose—to celebrate this inauguration—with love.

I am confident that all of us here are committed to the Biblical exhortation, Leviticus 19 "and thou shalt love thy neighbor as thyself, I am the Lord". The most noble, fundamental feeling towards G-d and man, is love. This love is possible only, when there is a total and complete belief in and dependence on, the Supreme Being—Almighty G-d, with whom our relationship is a personal one. There is a most telling reason why this injunction is followed by the words "I am the Lord".

For, love of fellowman is expected from all of us in the name of G-d. It can be realized, when we minimize and play down the importance of our own egos. When one is self centered and egotistical, ascribing to himself superior virtues, beliefs and concepts, he cannot practice this maxim.

The broader meaning of this Biblical commandment is that we are to give to our neighbor all of our love to everything that pertains to his person, all the conditions of his life, the weal and the woe, which make up his position in the world. We are to rejoice in his good fortune, and grieve over his misfortune, as if it were our own.

We are to assist at everything that furthers his well being and happiness as if we were working for ourselves. We must also keep trouble away from him as carefully as if threatened ourselves. This is something which does lie within our possibilities, and is something which is required of us even towards somebody, whose personality may be actually antipathetic to us.

For the demand of this love is something which lies quite outside the sphere of the personality of our neighbor, and is not based on any of his qualities.

I am the Lord! is given as the motive for this demand. It is something that is expected from us towards all our fellow men: in the name of G-d, Who has given all men the mutual calling of neighbors. Everyone is to find and recognise in everybody else, the furthering of his own well being, the conditions for his own happiness in life. Nobody may look on the progress of another, as a hindrance to his own progress, or look on the downfall of another, as the means for his own rising. Nobody may rejoice in his own progress, if it is at the expense of his neighbors' failure. Man proclaims his love of G-d, through his love to G-d's creatures.

It is here in our own blessed land that the emphasis has always been on the belief in, and dependence on, G-d. We are the only nation on earth to inscribe the motto of "In G-d We Trust", on all of our currency and coins. Lest we ever forget the cause and the source of our material and financial growth and success—we are constantly reminded. This slogan assures the daily recognition of our belief in and dependence on G-d. In Him and Him alone do we place our trust and confidence.

Perhaps, that is precisely the reason why our great republic these United States of America is the strongest and most powerful in the world. Inasmuch as we acknowledge the sovereignty of G-d in all of our activities, and we accept Him as the Ruler of the Universe, it naturally follows, that our country merit His fatherly supervision and concern, for all of the citizens of these United States. His everlasting and perpetual heavenly protection, has been the source of our confidence and hopes, for the future.

Our founding fathers, were men of high and noble principles and religiously motivated. They recognized the vital importance of religion in our daily lives, and they sought to have its influence felt, in the operation of the greatest democracy on earth. They weren't afraid or ashamed to acknowledge and proclaim their belief in and total dependence on G-d. And, therefore, our country developed and grew by leaps and bounds, most assuredly, because of the blessings of that same G-d, in whom the country had proclaimed its trust.

During these past decades there seems to have been a gradual erosion of this faith, which has resulted in a breakdown of some of the most basic and fundamental beliefs practiced by our people for almost two centuries. The deterioration of the home, the prevailing attitude of permissiveness which has translated into promiscuity, homosexuality, narcotics, rape, violence and murder, atheism and loss of respect of G-d, family, government and its institutions, have all added up to a real threat to the present and future of our wonderful country.

With the incoming presidency of Ronald Reagan, there is real hope for a change back to the fundamentals and basics, which made us a great people under G-d. Our new president has sounded the alarm and has caused the masses of our decent, loyal and patriotic citizens, to rally behind him. He represents a return to sanity, decency, self respect and morality. His program spells greatness once again for our country. He will, with the help of G-d and with our cooperation, bring back domestic serenity and national self respect.

We will, under his inspired leadership, once again merit the distinction of leader-

ship in world affairs. His program for a strong America, will reestablish our undisputed position, in the world arena. We look forward to an unprecedented era, under our new president, of great prosperity, patriotism, morality and decency in government, and in society in general.

It is our fervent hope and prayer to Almighty G-d, that Ronald Reagan be blessed from Heaven with good health, long life, inspired leadership and success, in guiding our ship of State through the stormy eighties. May G-d grant our great country, bountiful prosperity, harmony and tranquility, peace in our midst and throughout the entire world. And let us all respond with a mighty Amen.

Thank you and may G-d bless you all.●

ELLA GRASSO

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. MAZZOLI. Mr. Speaker, I would like to join with my colleagues in the House of Representatives in paying tribute to the late Honorable Ella Tambussi Grasso, former Governor of Connecticut and former Member of the House of Representatives, who passed away earlier this month.

Ella and I were elected to the House in 1971 and we were both assigned to the House Education and Labor Committee. I got to know Ella very well in the 4 years we were seat mates on the committee. She earned my respect for her compassion, her warmth, her intelligence, and her competency.

That she later was elected Governor of Connecticut came as no surprise to me. And her record of success in dealing with the myriad and nettlesome problems facing the Governor of a major American State also came as no surprise to me. She was a thoroughgoing professional.

Ella's death is a loss to her family—to whom I extend my condolences and sympathies—but, also, to Connecticut, to her former colleagues here in the Congress and to all the people of the land.●

SUPERB MAIDEN SPEECH OF AMBASSADOR MICHAEL NOVAK AT THE 37TH SESSION OF THE COMMISSION ON HUMAN RIGHTS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. ROSENTHAL. Mr. Speaker, it is with great satisfaction that I commend the first speech of Ambassador Michael Novak given to the 37th session of the Commission on Human Rights in Geneva.

Ambassador Novak had the unenviable duty to speak after the racist and undignified remarks of the representative of the Palestine Liberation Organization. Under these taxing circumstances Ambassador Novak performed with the grace, dignity, intelligence, and precision which America has come to expect of its best diplomats.

I am pleased to enter the full text of Ambassador Novak's speech which was furnished by the Office of Congressional Relations at the Department of State. I thank them for their prompt transmittal of the speech to my office.

The full text of the speech follows:

MICHAEL NOVAK'S SPEECH TO THE 37TH SESSION OF THE COMMISSION ON HUMAN RIGHTS

First, my congratulations to our new chairman—for his election, but also for the brisk and affable competence he has already shown. May the brevity of my congratulations permit a leap of soul to soul.

This is my first term of service in this Commission. I come new to it. Many of you are distinguished veterans, have borne the heat of the day, struggling for small gains. I ask you to recall, though, what it is like for a new-comer to enter into this environment.

Let me explain what I expected. I grew up as do all children in the United States in the sure knowledge that my family had not simply been born Americans, but had chosen to become Americans—had chosen America precisely because of the sweet sway of its institutions, and the sweet taste of its liberties and rights. The attraction of the United States upon immigrants, who have streamed toward America from every region of the world, lies in its human rights. "Boat people" still come to our shores—to breathe air that is free.

When I was a child, one of my first vivid memories was implanted by the invasion of Poland in 1939. When the report came on the radio, my father told me that that day might mark the most important event of my life. Within a few weeks one army from one direction, another from the other border, overwhelmed Poland and carved it into two. Speak of occupying armies!

My earliest memories, then, are of newsreels showing endless bombings, endless columns of refugees, and, by the end, the endlessly sad faces and gaunt bodies of those liberated from the death camps; the stacks of corpses; the mass burial sites; the chimneys of cremation. Thus, I was touched recently when Pope John Paul II went as one of his first papal visits to Auschwitz. In his famous address to the United Nations in New York, the pontiff later called attention to how the declaration of human rights came about. That declaration, he said arose, above every other factor, from the millions of victims of the holocaust, the total abrogation of whose rights made the world resolve: That the whole world, not a few nations only, ought to have a bill of rights.

My fellow Representatives, I cannot forget that we sit in this room because of the unbelievable suffering of millions of persons like ourselves—older, younger, skinnier, fatter, many who otherwise might have lived as long as the oldest persons in this room . . . but they were not permitted to live.

Our work here flows from their interrupted lives. The declaration of human rights is a memorial to their sacrifice. Our work is an attempt to draw some small good from so much evil.

These are the noble obligations with which I have always associated human rights. Human rights mean respect for human beings, recognition of each other's dignity. They mean cooperation, mutuality, negotiation. They mean the voice of reason.

Yet in my very first days within this commission, imagine my shock when I heard, as I did hear in this room, so much hatred, so many lies, such squalid racism, such despicable anti-semitism—all in the sacred name of human rights.

I have heard in this chamber attacks upon "Zionism" in accents of a murderous hatred not heard since the days of the Nazis. It is as though this chamber has retrogressed by forty years—as though this is, not 1981, but 1941, and not in Geneva, but along the Hitler-Stalin axis.

In 1945, as I say, there were only some fifty nations in the world and these few established the United Nations. Today there are some 160 member nations; more than one hundred new states.

Among these new nations stands tiny Israel. There is an ancient saying about Israel. The Lord God Jehovah promised Moses a "land of milk and honey." There is a wry modern joke in Israel which notes: "unfortunately, the Lord did not promise oil." Israel is not a land rich in resources. It is a beautiful land. Yet much of it was for centuries desert land unsuited for agriculture, and nearly bereft of significant industries.

Yet, overcoming all obstacles, the Israelis have built a nation to rival any in the world in its sciences, its arts, its symphonies, its free press, its institutions of just and humane procedures. When some of my distinguished colleagues attempt to portray Israel as a land without human rights, we must ask them, compared to what? Few nations have developed institutions, or can exhibit to the public eye a record of humane practice as highly developed as those of Israel.

The United States has deep and profound respect for Israel. The United States also has admiration for the wisdom, human courage, and respect for human rights shown by many Arab nations. Our Arab brothers and sisters face many problems besides those of Israel. Fratricidal wars serve no one's true hopes. There are too many fratricidal wars. Peace and prosperity come with mutual respect. Mutual respect is the goal of further progress. It is also the indispensable means to it.

My new delegation—and new government—have learned from history to honor the high spiritual achievement of Arab culture, the brilliance, sensitivity and natural courtesy of so many of its citizens (which we have experienced even in this room). We respect its antiquity as a sophisticated and developed culture—an antiquity of which a new nation like ours can only stand in awe. We admire the personal courage and wisdom of many Arab leaders.

The people of the United States were immensely touched when three leaders of the world, one Muslim, one Christian, one Jewish—three children of Abraham—stood together in mutual respect, difficult cooperation, and painstaking negotiations. We commend Israel for giving back land seized in war. We commend Egypt for the spectacular courage and humanity it flashed before the eyes of the human race, in deeds that will endure as long as human history is written.

Our delegation is new, but the charges heaped against Israel before this commission are old. They have long since been aired, objectively examined, and discharged in the dustbin. The State of Israel is a fact. The Egyptian-Israeli Peace Treaty is a fact. The Camp David Accords are a fact. These are realities to which passion must accommodate itself. They are realities which ground future advances, future hopes.

The American people deeply admire a tone of reasoned discourse, the demonstration of mutual respect, a dispassionate sense of moderation and compromise—qualities which we have often observed in the exemplars of Arab culture. But I am afraid that the hatred, unreason and wildness of language manifested in this room—once they become widely known—are unlikely to be admired by the American People. They have embarrassed, and often bored, this assembly.

Mr. Chairman, this is the first speech of my delegation, let it end on a note of vision.

My delegation wishes to honor the Egyptian delegate, and through him the great and noble human being who has captured the love and esteem of millions of human beings, President Sadat. Exactly because he is an example of Arab brotherhood, he is an example of human brotherhood—exactly because he is the latter, he fulfills the highest aspirations of the former. We would wish to be as great in spirit—and in the eyes of history—as he.

My delegation wishes also to honor Israel, because few nations have achieved more in so short a national lifetime. We admire Israel profoundly, Mr. Chairman. Her destiny and ours—let the world note—are irretrievably joined. We share the same high vision of human rights on which the traditions of this commission are based. We are, none of us, without sin. Yet neither is any nation, represented in this chamber or in any other, that accuses us.

Mr. Chairman, my delegation is delighted to work with you in this assembly, depressingly ugly as its proceedings often seem. We well know that pearls come from oysters, silk from worms, butterflies from caterpillars—and great human vision from poor human clay.●

IN HONOR OF THE RETIREMENT OF PETE MILLIGAN

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. FARY. Mr. Speaker, within the next few days a man I am proud to have had as a friend for nearly two decades is going to depart for the leisurely life of retirement in Florida. I am referring to C. G. "Pete" Milligan, who my colleagues from Illinois have known for many years as the assistant vice president of government relations for Illinois Bell Telephone Co. On March 1, Pete is closing out a 35-year career with the Bell System where he has held a variety of management positions.

Many of us who served in the Illinois General Assembly know Pete from our days in Springfield. Others have known him only since their days in Washington. But, in either instance, I am sure my colleagues feel as I do: Pete Milligan always has been a man of unquestioned integrity, utmost sincerity, unflagging loyalty, and total reasonableness. He has represented his company and his industry well. Pete would be quick to point out that his golf scores belie his enthusiasm for the game or the size of the catch his enthusiasm for fishing. In turn, I would be quick to point out that his warmth, his low-key personality and his great sense of humor belie his enthusiasm for his job and his devotion to the legislative process.

Over the years, I have observed that Pete is fond of quoting Murphy's Laws. That being the case, as Pete and his charming wife, Patty, retire to Florida where Pete hopes to bring his too-long neglected golf skills to a level many desire, but few attain, I would merely remind Pete of Murphy's third law: "Everything takes longer than you think."

I know my colleagues from Illinois join me in wishing Pete and Patty Milligan a most happy and healthful retirement.●

MILT ZIEHN

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. FAZIO. Mr. Speaker, it is with great pleasure and pride that I stand before you today to honor a truly dedicated and public-spirited resident of my district, Milt Ziehn, or Mr. Little League as he is known throughout the Greater Sacramento area.

A native of Ione, Calif., located in the adjoining district of my colleague, NORM SHUMWAY, Mr. Ziehn had his start in Little League a quarter of a century ago as the temporary secretary for one of our area leagues. At the present time he remains the district 6 administrator.

As Don Bloom, sports editor for the Sacramento Union, wrote recently, Mr. Ziehn's contributions are "unprecedented," which is why he has been honored as the first inductee into the Greater Sacramento Area Little League Hall of Fame. I am pleased to join all Sacramentans in honoring this outstanding individual. Milt Ziehn's commitment to the development of our young people is laudable and he deserves our utmost gratitude.

In addition, I respectfully submit Don Bloom's article detailing the career of Milt Ziehn to be included in the RECORD.

ZIEHN INAUGURAL HALL INDUCTEE

(By Don Bloom)

"Little League is nothing more than a free baby-sitting service."

"Little League is the greatest thing that's ever happened to kids."

"Little League is dominated by the early maturing boys who get the idea they're going to become major leaguers."

"Little League is wonderful because it is run by dedicated volunteers whose main concerns are about our youngsters' happiness."

For those of us who have spent a minimum of a decade donating time to a recreation which has far more good than bad points, the above comments are familiar. What it boils down to is you get out of Little League what you put into it. Neither the players nor the parents should overemphasize its importance, but rather just treat it as a low-key instrument to a fun time in everyone's life.

The man most versed on this subject is Milt Ziehn, Mr. Little League to those of use who've known his role in the development of thousands of youngsters. Nobody can accuse Sacramento of not having a Hall of Fame for every occasion. People who have given a large percentage of their free time have been justifiably honored. However, not until Don Northam and Ed Collins decided there should be a Greater Sacramento Area Little League Hall of Fame did the name Milt Ziehn get the recognition it deserves.

Ziehn, a softspoken native of Ione, is Little League's answer to The Man Who Came To Dinner. He never even knew it existed until February 1956, when he accepted the job as "temporary secretary" for the Grant Little League. After seeing "more than a thousand games" and handling an assortment of positions, Ziehn remains the District 6 administrator.

Ziehn's work in this field is unprecedented. That's why he will become the first person inducted into the Hall of Fame Nov. 19 at the Holiday Inn on Date Avenue near Madison. The banquet will be a fitting climax to the career of a wonderful man who's done an unbelievable job for a quarter of a century.

With the support of many friends, you've come a long way, Milt. For a man who admits, "I knew absolutely nothing about Little League," you've worn plenty of hats. Who would have thought you could fall in love with Little League and reach such a height as becoming a member of the National Board of Directors?

Looking back, Ziehn said, "When they couldn't find anybody to be president at Grant, I took that job for three years. I went to games every night. Many times I'd watch two innings at three games six days a week. I just figured it was my responsibility."

Through the decades, parents have spelled relief Z-i-e-h-n. He always was there when he was needed. "It's frustrating to see so few doing so much for so many," he said. "It remains the same today. My only disappointment is that parents and nonparents aren't lending a hand.

"Sure, there are good and poor managers. But it's difficult to get good ones for hundreds of teams. Most of them are high-class, ordinary people. Yes, I've had some experiences with screamers and I've asked a few of them to resign."

Among Ziehn's responsibilities was dealing with allowing girls to play. Times have changed since the ruling was made a few years ago. "The clamor has died down on discrimination," he said. "Not many girls are playing now and fortunately none of them have been hurt.

"One family took my league to court. The girl's parents wanted a parent or a friend to

be present during practices and games so she wouldn't be touched where she shouldn't be touched. But there was no such ruling for boys. Some managers wouldn't agree to attempt to help the girl if she were hurt because of a possible lawsuit. One unintentionally patted a girl on the seat as a gesture of encouragement and her parents got mad.

"One girl advanced to Senior Little League. When she got on base, the players ignored her. They let her steal when she wanted, never tried to force her out or make a tag on her. She finally became disgusted with it and quit."

Ziehn also has a handle on why Taiwan keeps winning the World Series in Williamsport, Pa. He said, "Taiwan has won the Little League, Senior Little League and Big League World Series more times than any country. Yes, they've been investigated. And their ages have been correct. In fact, the Taiwanese are more thorough than we are because their government runs it.

"The United States wouldn't allow more than one league in a population of 15,000 without a waiver. Taiwan was given a much higher figure because the U.S. wanted to give new countries more flexibility to make it international.

"Another thing to remember is the Taiwan kids are regimented and ours aren't. They play all year around over there. It's also interesting to note their championship teams never have been from the same league.

"What also helped them for awhile was they were allowed double-elimination tournaments. It isn't mandatory, but we can do it now, too. But I don't like it. It's too much for 12-year-olds."

Ziehn prefers not being a lonely figure in the Hall of Fame. He said, "I would like to see them induct one person from each district every year. It takes a lot of volunteer help to run the hundreds of teams involved. I don't think longevity should be 25 years, but anyone who serves for 10 years—as a board member, manager, coach, groundskeeper or a person working in the snack bar—should be considered."●

BISHOP MILTON MATHIS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. EDWARDS of California. Mr. Speaker, on behalf of Congressman MINETA and myself, it gives me great pleasure to bring to the attention of our colleagues the appointment of my constituent, Bishop Milton Mathis, to the post of jurisdictional bishop, California Northwest, Churches of God in Christ, Inc.

Pastor Mathis has been associated with the Prayer Garden Church of God in Christ in San Jose for the last 38 years. He has been a leader in establishing the church as a focus of community help for those in need of assistance in housing, food, clothing, and counseling. He was a former member of the San Jose Human Relations Commission and he has provided needed help and services to persons incarcerated in the Santa Clara County jail facilities. He has worked to foster a spirit of understanding between the various ethnic communities of our city.

The new bishop will assume the responsibility of chief executive and spiritual leader, representing the 160 churches from Bakersfield to Redding. It is the largest jurisdiction in the worldwide church organization.

It is people like Bishop Mathis who illustrate just what one individual with hard work can do to help his fellow men and women. We are delighted that his church has recognized what we in San Jose have long known—Milton Mathis is a remarkable man.●

A BLEAK ENERGY FUTURE

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. MAVROULES. Mr. Speaker, on January 28, 1981, President Reagan announced the immediate elimination of virtually all price and allocation controls on crude oil, gasoline, and propane. According to the new administration, this would result in two positive accomplishments: Free enterprise increasing petroleum production and developing alternative energy sources, as well as reducing the present rate of inflation.

Mr. Speaker, the American oil companies are going to survive splendidly. I am afraid, however, the American people are not going to fare as well, with rising gasoline costs for running our automobiles, with rising costs for heating our homes, and with rising costs for providing electricity.

The new administration must believe the American people have not sacrificed enough and can continue to dig deeper and deeper into their pockets to pay these bills. Unfortunately, Mr. Speaker, many of their pockets are already empty. Inflation is no longer the new kid on the block. The big problem is trying to get rid of him by reducing energy costs.

It has become increasingly difficult for Congress to explain to the American people, and particularly to my fellow New Englanders, why they are spending more and more on energy while the Federal Government seems to be doing less and less to keep energy costs within the reach of most Americans.

Granted, Mr. Speaker, no one wants big government breathing down their backs, but if there is one area that requires aggressive and meaningful government involvement—I contend it is the area of energy.

Ever since the issue of decontrolling domestic petroleum prices reared its unwelcomed head on Capitol Hill, I have been consistently opposed to its imposition on the American people. I realize what it would mean to everyone's pocketbook.

Nevertheless, when the majority of my colleagues voted in support of President Carter's move to decontrol petroleum products, my dissatisfaction was at least in part lightened by the vision of Congress enacting a strong windfall profits bill, which would recapture a substantial portion of the windfall profits American oil companies would reap at the expense of the American people, and channel this revenue toward the development of alternate energy sources. It was championed as such an effort, and the House debates on the windfall profits conference bill bear this out. This, however, is not how things turned out.

Unfortunately, Mr. Speaker, the Windfall Profits Tax Act of 1980 was emasculated when the 96th Congress could only agree to apply the windfall profits tax to $227.3 billion of the $1 trillion excess profits the oil companies would be receiving, thanks to the decontrol proposal.

Worse yet, only 15 percent of the taxed profits would be directed toward mass transit programs and alternative fuels research.

Promises made by the proponents of decontrol were not met. Despite gradual decontrol, the American public was let down, as even steeper energy costs became unwelcomed guests in every household.

Thus it was of little help bringing the American people out of their energy dilemma. In fact, Mr. Speaker, their hands were being tied behind their backs—they had no real sense of what their energy future would be like. They could only resign themselves to higher energy costs, and a higher rate of inflation.

Time has not changed the reality of continually rising energy costs. President Reagan's action, once again, Mr. Speaker, compels the American people to bite the bullet even harder.

The President's recent action could not have come at a more inopportune time for most Americans. This is particularly true for New England, which has been experiencing one of the worst and most energy-expensive winters in its history. It is no longer a matter of reducing thermostats from a comfortable 70 degrees to 65 degrees. It means reducing thermostats from 65 degrees to a bitter 60 degrees, or even less.

In the dead of winter, New England—which already has 40 percent higher residential per capita energy costs than the rest of the Nation—will be witnessing a 9-cent-per-gallon increase in heating oil and gasoline

within the next few weeks. This assured 9-cent increase, Mr. Speaker, laughs in the face of the President's earlier prediction of only a 3-cent increase for this time period.

Because of the President's action, the American oil companies will squeeze another $775 million from New Englanders this winter. The average Massachusetts household's fuel bill is expected to increase by 33 percent—the average household now paying as much for heat, as it pays in government taxes.

And what about New England's electric bills, Mr. Speaker? Well, they are going to be increased just as dramatically. Boston Edison Co. predicts that its average customer will pay 71 percent more for electricity in 1981 than they did in 1980. On a monthly basis, the increase would push the bill for a family of four served by Edison from an average of $36.50 last year, to $62.50 in 1981, most of which will show up in the fuel adjustment portion of the bill. This is not small wonder, considering 79 percent of all New England's energy sources is oil, and only 13 percent of its oil is domestically produced.

What is even worse, Mr. Speaker, is that New Englanders see no end to this madness because they have cut back their power use between 10 and 11 percent from last year. As one Boston Edison official said, "These customers have basically 'bottomed out'," with these higher prices expected to reduce overall sales of power to residential customers by only 1.5 percent this year.

For the rest of the Nation, Mr. Speaker, a hefty sum of $11.7 billion will be squeezed out of the American consumer between now and September 30. Is this going to do anything to reduce inflation? Absolutely not. If anything, it will only serve to add fuel to inflation's already raging fires.

It is expected, Mr. Speaker, that the immediate effect of decontrol of oil prices on the rate of inflation, as measured by the Consumer Price Index (CPI), is likely to increase in the range of 1.1 to 1.4 percent. To illustrate this even further, the energy components of the CPI accounted for an increase of 1.8 percent in the aggregate CPI between December 1979 and December 1980. This contribution to the CPI represented nearly one-sixth of the percentage increase in the CPI since 1979.

Additional information regarding how increased energy costs have helped to aggravate inflation can be gleaned from the following tables:

TABLE 1.—CONSUMER PRICE INDEX FOR ALL ITEMS AND ENERGY COMPONENTS: DECEMBER 1979 TO DECEMBER 1980

[Index: 1967 equals 100]

Component	December 1979	December 1980	Percent Change
CPI-U: All Items	229.9	258.4	17.4
Composite energy	313.7	370.4	18.1
Gasoline	313.9	373.3	18.9
Electricity	224.7	262.3	16.7
Natural gas	332.6	381.5	14.7
Fuel oil	507.3	610.0	20.2

Calculated by CRS staff.

The weights of relative importance of energy components established in December 1979 are:

Type of energy expenditure	Relative weight in the CPI, in percent
Gasoline	5.619
Electricity	2.008
Natural gas	1.384
Fuel oil	1.058
Coal and other fuels	.148
Motor oil and coolant	.067
Total composite energy (rounded figure)	10.333

It is ironic that before decontrol, Americans were only at the mercy of the OPEC pricing and production whims. Now, Mr. Speaker, with total decontrol, the American people will be subject to the results of the latest round of ping-pong pricing games between America's oil companies and OPEC. We will have replaced the Federal Government's pricing practices with the American oil companies pricing schemes.

If the future is built upon the past, then I am not optimistic about our energy future. To understand my misgivings, let's look at what decontrol has really accomplished since 1979. Better yet, let's see what the American oil companies have done for or to America.

In 1973, America was producing over 9 million barrels per day in the lower 48 States, with the domestic price of oil being $3 a barrel. In 1980, we were producing less than 7 million barrels per day, and the price has gone up 13 times since 1973.

In 1972, the year before OPEC began to jack up oil prices, the oil industry earned about 15 percent of the total profits of American industry. But, looking at the first 6 months of 1980, oil companies earned almost 40 percent of all the profits earned by all of America's corporations. This certainly does not leave much room for the rest of America's industries to prosper.

Mr. Speaker, increased oil companies' profits and rising energy costs indicate that we are truly headed for economic disaster if America's productivity continues to be hampered.

With the administration and Congress talking about increasing production incentives in an effort to allow manufacturing companies more profits for capital investments, it will be no small wonder when American industry will not be able to find the money to do this.

Decontrol, to these American firms, means capital starvation and a stagnating economy, as these companies, the backbone of the American economy, will have to pay more for the energy they use.

It seems awfully ludicrous, Mr. Speaker, for the administration to cite America's basic industries as needful of Government assistance through tax reform measures, but with almost the same wave of the hand, causing them to incur additional production costs, thus reducing their profit margins. Aggravating their already ailing economic situation with this latest action will be like giving them cake with one hand, and vinegar, with the other, to wash it down.

The Federal Government, Mr. Speaker, itself will not escape the ravaging effects of decontrol. The Federal deficit is expected to increase by $15 billion in 1982—owing to increased Federal costs for low-income energy assistance, unemployment compensation—750,000 workers will be affected by total decontrol—and for filling the strategic petroleum reserve.

Perhaps, though, the American people will become immune to these added costs for energy and put on a complacent smile whenever it is announced that the American oil barons are winning the battle against the foreign oil sheiks when they reduce America's dependence on foreign oil. But, Mr. Speaker, will this be welcomed news as we are merely replacing oil sheiks with oil barons?

I wish I could paint a prettier picture for the American people. Perhaps I could if these higher prices were directed toward making alternative fuels competitive. This could offer some ray of hope for American consumers if the administration had coupled decontrol with a strenuous effort to create real competition between alternative energy sources. But, the administration has not done this, nor did the previous administration.

The facts speak for themselves, Mr. Speaker. With the Reagan administration proposing to slash the solar budget for next year by more than 60 percent from the $605 million level proposed by former President Carter; to eliminate the new solar energy and energy conservation bank that was created just last year; to cut various energy conservation programs in half from the $931 million Mr. Carter had proposed; to substantially cut into the synfuels program; and to drop all subsidies for the production of alcohol for automobile fuel, who or what will take up the void created by the virtual cessation of any Federal encouragement

or assistance in energy-related projects except those that are—to follow the trend in the Reagan budget proposals—confined to high-risk research and development projects with a potentially large payoff, and not mere demonstration or development projects? America's oil companies? Only through self-deception could I say "Yes."

At this moment, Mr. Speaker, the oil companies control most of the other energy areas where we might expect relief from our dependence on oil. Look at coal; 40 percent of the coal reserves are owned by the oil companies. Or nuclear energy. The oil companies control most of the uranium. Geothermal, solar energy, and shale oil have not escaped, either.

The oil companies, Mr. Speaker, have a lock on the energy resources of this country. And alternative energy resources are not going to be developed on a pace and on a scale determined by an industry that recognizes that fast development of alternative energy sources will only curtail their own profits. To me, it is as simple as that. A company is not going to breed its own competition.

Though I recognize the fact that energy research and development require long-range investment of time and dollars, I would much rather prefer my energy future to be guided by the Federal Government in cooperation with private industry—a pair that would stimulate real competition within the energy industry—than the American oil companies which serve only one master, their burgeoning bank account.

In the fall of 1973, we realized what energy dependence on OPEC oil meant. A massive Project Independence was envisioned by the American people as a way to diversify America's energy mix and reduce our dependence on foreign energy sources. Today, we stand at the crossroads of our energy destiny. Mr. Speaker, I fear that the present administration is formulating a Project Dependence for the American people.

Increased energy costs and a closing off of Government support for energy programs is hastening an energy and economic dark age for America.

Mr. Speaker, as Americans begin to spend 2 weeks or more worth of salary a month to cover their energy expenditures, there will be nothing left over to invest in America.●

DR. RUTH LOVE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. STARK. Mr. Speaker, I would like to take this opportunity to pay the highest tribute to a very important member of my community. On Tuesday, February 17, 1981, the Oakland Unified School District will honor Dr. Ruth Love in a special testimonial dinner. Dr. Love has been the superintendent of the Oakland public schools for the past 5 years.

It is with the deepest appreciation and gratitude that we pay tribute to Dr. Love on the eve of her departure. Dr. Love has accepted the position of superintendent of the Chicago School District and will be leaving for her new post in March.

Dr. Love has brought many things to the city of Oakland and the students she has served. Not only has the achievement of the students improved, but she has brought many innovative ideas and practices to the students of Oakland. Among these new programs is adopt-a-school, which links private industry to public education. This, as with many other programs, has been a great success.

Dr. Love came to Oakland from the U.S. Department of Health, Education, and Welfare in Washington, D.C., where she was the Director of the right-to-read program. In this program she was challenged with developing and instituting programs at every educational level designed to improve reading and literacy.

It is with a great deal of sadness that we bid Dr. Love farewell. We know that the students of the Chicago School District are very fortunate, as we have been fortunate in the last 5 years. I would like to join with the city of Oakland, the Oakland Unified School District, and every parent, teacher, and student in the Oakland schools in wishing Dr. Love success and good fortune in her new post.●

SUBMINIMUM WAGE PROPOSAL

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. BRODHEAD. Mr. Speaker, I would like to commend an article to my colleagues on the proposal to create a subminimum wage. I have opposed this change in the past and I found William Greider's article in the February 15 edition of the Washington Post to be a thoughtful discussion of my views on the issue. The article follows:

THE MINIMUM WAGE LITMUS TEST

(By William Greider)

The "Battered Liberal" syndrome which afflicts so many in Washington these days has produced an unattractive side-effect, a willingness among some confused liberals to trade off pieces of the great liberal pie that belong to someone else.

This is done to show the new conservative crowd in town that thinking liberals can be hard-headed and practical, too, a token of earnestness.

For instance, The New Republic, a neoconservative journal which styles itself as the voice of liberalism, has studied the matter of minimum wage laws and concluded earnestly that conservatives are right about them. On reflection, after 40 years of knee-jerking to the New Deal, The New Republic finds the minimum wage is a bad thing because it inhibits the creation of more jobs for poor kids, especially poor black kids whom, it is well known, The New Republic cares about deeply. This change of heart is known around Washington as "facing the New Realities."

Okay, I am in favor of thinking, even among liberals. But it's my impression that most of The New Republic crowd went to Harvard and that none of them faces the slightest possibility of actually having to work for the minimum wage, not for a little while and certainly not for the rest of their lives. The federal minimum wage is $3.35 an hour, which, despite periodic increases, is unchanged in real terms since 1963.

The 5.6 million Americans who do work for the minimum wage are probably unaware of the New Realities; they are still mired in Old Realities. Millions of people in America work at dull, grubby, deadend jobs and they are still poor, millions of them. If you work full-time at the minimum wage these days trying to support a family of four, you earn about $6,600 a year. This is a long way below Harvard and even $800 below the official federal poverty line.

But if you undermine the minimum wage, you are depressing the wages of many millions more. For starters, there are another 5 million or so who work below the minimum wage, whose jobs are exempt from its coverage but whose pay levels are still influenced by it. Then there are probably 5 or 10 million more who work at jobs above the minimum wage but whose incomes are pegged to it. Sometimes, this is done explicitly in labor contracts for garment workers or retail clerks or others. More generally, the federal wage minimum is an arbitrary floor—established politically in pursuit of social equity—which affects wages way up the line from $3.35 an hour.

This is what the old liberals of organized labor fully understand even if new liberals, young people who prefer to pursue more fashionable causes, do not.

It is why old liberals routinely go to battle stations when Republicans like Sen. Orrin Hatch or President Reagan come forward, once again, with the hoary old idea of a subminimum wage for teenagers.

A subminimum invites employers to fire older workers and hire younger ones on the cheap. If the subminimum expires for a young worker after six months, it invites the employer to fire that young worker and hire another one. Even if you are willing to overlook those problems, a subminimum will have a generally depressing effect on wages at the bottom of the American economy, diluting the impact of the federal minimum on America's secondary labor market—that scruffy sector of low-paying jobs, mostly nonunion, where competition is fierce, employe turnover is high and fringe benefits are scant.

The minimum wage, therefore, is a wonderful litmus test for contemporary ideology, a simple measure of First Principles. Does the government have any business restricting the free market in labor at the bottom of the economy in pursuit of minimal social equity? If your answer is no, then as a matter of logical consistency you should also be opposed to labor unions, health and safety rules, and the child-labor laws, each of which does the same. And you should also think of yourself as a conservative.

Strangely enough, the minimum wage issue, popular as it is in Republican business theology, is actually an instance in which conservatives are guilty of the classic liberal fallacy—focusing on one narrow problem and ignoring the much larger consequences which the proposed solution will have. The conservative critique has been superb at identifying this weakness in liberal programs, so I await patiently to see if these points are made in The Public Interest or National Review.

The minimum wage, whether one likes it or not, is connected intimately to all of the other things which conservatives do not like about the federal government—the welfare benefits in cash and kind provided to poor people, the working variety and the other kind. It is truly mindless to pretend that Congress cannot alter one without directly affecting the other, probably in ways which nobody wants.

If conservatives will read their own literature on welfare or, better yet, go talk to some live poor people, they will see that most poor families move back and forth between work and welfare and that the breakpoint for those decisions is often the gap between a minimum-wage job and the collective benefits of welfare, food stamps, housing subsidies and so forth. This gap is already quite small and, reasonably enough, many people will choose the security of welfare over the insecurity of a low-wage job, subject to layoffs and termination, especially if the money difference isn't that much. Thus, if Republicans wish to lower the minimum wage, they are effectively making it harder to get off welfare. The conservative answer might be: Well, then, let's lower welfare too. I doubt that confused liberals will accept that remedy.

On the subject of black teenagers and jobs, liberal thinking may be too mushy with wishful thinking, but conservative thinking is flat-out illogical. President Reagan, in one breath, points to the thick want-ad pages of The Washington Post and wonders aloud why people can't find jobs when there are obviously so many of them begging for workers. In the next breath, he proposes this solution: Create more jobs which pay lousier wages—only $2.50 an hour. Question: If slothful teenagers will not take any of those jobs in the want ads, why should we assume they will take worse jobs at the subminimum wage rate? Answer: We shouldn't. The problem of teenage unemployment, especially among blacks, is more complicated than that.

More to the point, the subminimum for teenagers is a bad idea whose time has passed. If the government were going to make a special exemption for young people, 16 to 19 years old, in order to encourage businesses to make more work places for this group, it should have done this 10 years ago, not in 1980. During the 1970s, the bulging youth population poured over the economy, oversupplying available spaces in the job market and in education. But now the huge baby boom is past; the youth labor pool is already shrinking and will get smaller and smaller in the next decade. If Ronald Reagan does nothing about the problem of youth unemployment, it will be ameliorated and probably even go away in a few years. He could take the credit for doing nothing.

However, this demographic reality poses a big problem for employers like hotels and restaurants and fast-food chains who hire more of their workers at the entry-level wages of the federal minimum. Any economist knows that the shrinkage of the youth labor pool—a smaller number of new workers coming into the labor market each year—should put a powerful upward pressure on pay at that end of the economy, as businesses must bid up wages to secure enough workers. Thus, if the new administration sets about gutting the minimum wage, the effect will be to restrain that natural upward pressure in the world of lousy wages. If the folks at The New Republic do not grasp the implications of this, I guarantee you that the folks at McDonald's do.

Ronald Reagan has a sentimental view of America at work which is fundamentally flawed. It tugs at our nostalgia but collides with the facts. Reagan sees smokestack America, but in 1980 industrial production is no longer the dominant engine of our economy, especially the basic industries which he romanticizes in his antigovernment rhetoric. Reagan speeches evoke blue-collar workers, drawing first-class union wages, owning their own homes and bitching about taxes. He is their friend.

But the "new" worker in America isn't employed in a factory. He or she works in "services," perhaps one of those classy high-tech fields but more likely one of the low-paying, nonunionized areas about which we have been talking. An important labor leader neatly summarized this shift in employment by observing that McDonald's hamburgers now employs more workers than U.S. Steel.

The nation and its politicians will need a while to absorb the full meaning of that fact, but this much we already know: Many government policies directed at one sector of the economy may threaten, even injure, the other. Yet the president does not even acknowledge that the national economic landscape is now more complicated than it was in his Illinois boyhood (for a brilliant account of how Reagan's nostalgia collides with reality, see Emma Rothschild's important article, "Reagan and the Real Economy," in The New York Review of Books, Feb. 5, 1981).

Work.—The president talks a lot about the importance of work, the sweat of the brow and all that, cherished values which he thinks liberals have ignored. So far, in that regard, Reagan has urged big-city mayors to join his crusade against the minimum wage. A few days later, his chief adviser revealed that the Reagan administration will seek a major reduction in the maximum tax rate on unearned income—nonwage income like dividends from stocks and bonds. Lower wages for people working in the restaurant kitchen; lower taxes for the stockholders dining out front. If this is the new Reaganomics we have been hearing about—getting the government off the backs of the rich and the poor alike—it sounds a lot like the Republicanism of old.

But the president is certainly right about liberals and work. It's time for them to begin thinking again about how they feel about work.●

THE MIDDLE EAST POLICY SURVEY: AN ESSENTIAL SOURCE OF INFORMATION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. BINGHAM. Mr. Speaker, this week marks the first anniversary of the publication of the Middle East Policy Survey, a biweekly report from Washington and the Middle East which is edited by Kenneth Wollack and Richard Straus. I find the survey to be an indispensable asset to those of us involved in the making and following of U.S. foreign policy toward the Middle East. The Middle East Policy Survey is essential because it is completely objective and because it provides information not provided by the daily press and weekly news magazines.

The credentials of Ken Wollack and Richard Straus are well known to Members of Congress. Wollack served as legislative director of the American Israel Public Affairs Committee for 7 years. Straus was legislative liaison at the committee and prior to that was legislative assistant to former Representative Peter Frelinghuysen.

Because of the wide contacts of the editors here in Washington, the survey contains inside information on the administration's Mideast policymaking, as well as on congressional maneuvers relating to that policy. The survey is also very useful in pointing to emerging foreign policy trends in the new administration, not only in relation to the Middle East but in other areas as well.

I congratulate Ken Wollack and Richard Straus on the first anniversary of the Middle East Policy Survey and look forward to reading it for many years.●

ANTINUKE STRATEGY CONFERENCE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. McDONALD. Mr. Speaker, most Americans understand that the fundamental cause of the drastic rise in petroleum product prices they have experienced over the past 6 years is the fact that the United States lost its reserve production capacity. Due to many factors, but prime among them Federal policies, the ability of this country to simply open the tap a little wider whenever OPEC threatened an unfair price increase was lost.

When we lost that reserve production capacity, Americans did not lose

merely the ability to keep oil prices down, we also lost our energy independence, and became increasingly dependent on foreign countries for our energy needs.

There is little need for me to remind any Member of this House of the dangers to which energy dependency has exposed this country which include possibilities of severe economic damage through ever higher oil prices, possibilities of political blackmail by oil producing countries, and the increased international tensions we must face in the Persian Gulf.

Obviously the best way out of this predicament is for the United States to again achieve energy independence. This is not to say that we should not buy any petroleum abroad, but it is to say that we should keep this to a rational minimum. To do this we need to develop additional production capabilities in this country and to develop additional sources of energy.

A tremendous amount of oil is burned in this country to generate electrical energy. There is no logical reason why this fuel should not be replaced by nuclear fuel. But an organized lobby exists to prevent this from happening. The antinuclear lobby has a hidden agenda. It hopes to weaken the United States in order to aid various Third World revolutionary groups which are backed by the Soviet Union.

Recently this antinuclear lobby held its strategy conference for 1981. The Western Goals Foundation, a nonprofit tax exempt educational foundation formed "to rebuild and strengthen the political, economic, and social structure of the United States and Western civilization so as to make any merger with totalitarians impossible," has produced a report on that antinuclear conference which I believe will be of great interest to my colleagues.

The report follows:

ASILOMAR STRATEGY CONFERENCE

Some 350 activists from disarmament, Marxist, antinuclear, revolutionary and environmental organizations attended the fourth national conference of the Mobilization for Survival (MFS) held in Rockwell Hall at Duquesne University in Pittsburgh, January 30 to February 1, 1981.

With the hyperbolic rhetoric of paranoia, the Mobilization for Survival conference call, entitled "Building a Strategy for Survival," warned that "We face an imperative of unprecedented urgency" because "Our nation's political institutions have moved sharply to the right" and "The President-elect and much of the new Senate represent the most dangerous combination of foreign militarism, domestic reaction, and callous disregard for the environment."

Although single-issue antinuclear power groups comprise the majority of the MFS local membership, the conference call made it plain that for the coalition leadership, U.S.-Soviet relations and disarmament/detente struggles are the priorities.

Judging by the conference participants, the overwrought rhetoric about "the escalating danger of * * * nuclear disaster" and "merchants of death" inventing "fantastic technologies for overkill at a cost of $500 million a day, robbing our communities of jobs, of food, shelter, health care and peace of mind," only alienated the responsible citizens who are genuinely confused and concerned about unclear safety issues.

Most activists from local antinuclear power groups suggested that the 1981 focus of the coalition's efforts should be local nuclear power issues. These groups approved making the Mobilization's highest priority demonstrations on the March 28th anniversary of the accident at Three Mile Island. Indeed, the MFS did accept a Harrisburg demonstration as one priority, but most efforts will be directed against any planned increase in U.S. military defenses and against deployment of new, updated weapons.

The manner in which the disarmament activists who form the majority of the Mobilization for Survival leadership rammed through their programs in a style that would warm the heart of Joseph Stalin brought into sharp focus the fact that the MFS was organized by veteran U.S. leftists who collaborate with the World Peace Council (WPC). The MFS was formed to bring antinuclear power groups into the campaign for Western disarmament long promoted by the Soviet Union through its covert action and propaganda fronts headed by the WPC.

Nevertheless, several antinuclear power strategies were discussed which received warm approval from the MFS rank and file.

BANKRUPT NUCLEAR UTILITIES

The most dynamic antinuclear power speaker was professor Michio Kaku, a young physicist who described a plan by which antinuclear groups will attempt to bankrupt utilities operating nuclear-fueled electrical generating plants.

The key, according to Dr. Kaku, was to take up the issue of nuclear safety. Dr. Kaku maintained that through prolonged, sustained litigation in which antinuclear groups would repeatedly take the utilities to court to demand in every instance that the most expensive plant safety measures, waste transportation and disposal measures and the like be mandated, the utilities could be forced into bankruptcy.

Kaku emphasized that nuclear groups should cultivate an image with the media that their concern for worker and public safety and cancer. Kaku left unmentioned the such compelling issues as the far larger documentable numbers of deaths and disability from coal mining, from oil drilling, oil tanker accidents, and the health dangers posed by coal ash, a substance whose toxicity is permanent.

According to Dr. Kaku, the Three Mile Island clean-up will be the major focus and crucible for testing the bankruptcy by litigation strategy. Issues to be fought in court include transport of waste and opposition to dumping very slightly radioactive water into the Susquehanna.

He repeated again and again that the effort must be to force Three Mile Island's owners to use the most expensive clean up methods, to bankrupt them and block reopening of the TMI power plant "by any means necessary." Kaku was a vocal proponent of the demonstration in Harrisburg on March 28th.

This demonstration, intended to gain publicity and support for the drive to keep Three Mile Island closed by bankrupting its owners, was made a short-term priority of the Mobilization for Surivival.

ANTI-U.S. DEFENSE CAMPAIGN

The Mobilization for Survival leadership did not conceal the fact that it views the local antinuclear power groups and other issues basically as grist for the anti-U.S. defense effort. To fight planned increases in U.S. military strength, MFS called for "unity and solidarity" from such diverse "survival struggles" as "unemployment, nuclear power, disarmament, feminism, gay rights, racism [and] housing."

The MFS Coordinating Committee (CC) offered only two Strategy Proposals. Option I concentrated on disarmament and antinuclear issues and was justified by arguments supporting the "inseparability of the energy and armaments issues" such as "the danger that an interventionist President Reagan may actually initiate military involvement * * * in the Middle East or Central America * * * [and] initiate nuclear war; * * * [and] that Reagan may actually try nuclear blackmail to make the Soviet Union back down on some issue." This leads to the obvious implication that for the MFS hierarchy, defense of the Soviet Union is the primary duty.

Strategy Option II, entitled "Build Co-operation with Human Needs/Social Justice Constituencies" suggested the MFS work with women's, welfare rights, unemployment and labor groups on promoting the ERA, opposing welfare cuts and similar issues.

The MFS leadership tried to slant discussion away from these areas. The first of the "Questions to Ask Ourselves" was "Can an organization so heavily committed to antinuclear issues realistically hope to shift its emphasis?" Yet in thirteen of twenty small discussion groups this approach or a compromise linking disarmament to "saving jobs" and "peace conversion" and supporting Marxist revolutionary groups in Africa and Central America was favored.

The specific action proposals adopted as Major Priorities (limited to a maximum of 4 and meaning that "major staff time, resources, and energy" would be devoted to the program; Support Programs in which MFS would "participate nationally along with other groups * * *, give some staff time * * * [and] encourage our network to plug into it;" and Endorsed Programs meaning that "the project can list MFS as an endorser [and] MFS will publicize the activity through its newsletter."

PRIORITIES

1. (Short term) March 28, 1981, demonstration in Harrisburg, PA, on the anniversary of the Three Mile Island reactor accident.

(Long term) Development of support programs including a mass demonstration with civil disobedience for the United Nations Second Special Session on disarmament (SSD). SSD-II will take place in the spring of 1982. The first Special Session on Disarmament in 1978 was the vehicle for a major initiative by the Soviet Union against planned deployment by the U.S. and NATO of new defense systems to replace obsolete ones ineffective against the panoply of new Soviet weapons. This campaign against Western defenses was spearheaded by the USSR's principal political warfare front, the World Peace Council (WPC).

In this light it is interesting that the initiator of this MFS long-term priority proposal was the MFS International Task Force. This MFS International Task Force is led by two WPC activists, Kay Camp of the Women's International League for Peace and Freedom (WILPF) and Terry Provance of the American Friends Service Committee (AFSC). The proposal was supported by the Los Angeles Alliance for Survival, and the War Resisters League (WRL), both groups with individuals and members involved with WPC activities.

The MFS Coordinating Committee had already endorsed a peace petition campaign to "bring out public opinion." Advance work for the SSD will include working with the U.N. Non-governmental organizations (NGOs) via the International Task Force and "liaison with other countries through the International MFS."

2. Jobs for Peace—an effort to place "peace initiatives" on local ballots. According to Detroit MFS head Vic Schumacher, similar initiatives have been considered in referendums in Detroit; Madison, Wisconsin; Oakland, CA; San Francisco and Boston. Schumacher said the Detroit "peace initiative" succeeded in winning 54 percent of the vote.

MFS argues that launching these initiatives in selected areas will "demonstrate concretely that the majority in a particular community favor cutting military spending and increasing domestic spending, to create more jobs and reduce inflation;" and that they demonstrate "concrete support and linkage of the peace movement for serious economic survival struggles—employment/inflation."

3. Local multi-issue teach-ins "peace education." These will be in the style of the 1980 "Survival Summer."

SUPPORT PROGRAMS

Six programs were selected for support by the Mobilization for survival. They included the following:

G.E. Boycott.—A national consumer boycott of General Electric, "the single largest company that is involved in every phase of nuclear development * * *. Following the rule of divide and conquer, G.E. alone will be targeted for maximum pressure." [Proposed by Citizens Against a Radioactive Environment in Cincinnati and supported by the Milwaukee MFS].

National Blockade of Diablo Canyon—The Abalone Alliance of California already is preparing for a state-wide blockade of Diablo, the next major nuclear power plant scheduled to go on line (June at the earliest). MFS will "help elevate the blockade to national participation and significance." [Proposed by the Alliance for Survival of Southern California].

Mobilization to Save the Heartland.—For the summer of 1982, prior to the fall Congressional and Senate elections, calls for demonstrations and "public education" in the Great Plains/Midwest states. The MFS said it has "targeted" this region because it contains two of the largest defense contractors, McDonnell-Douglas and General Dynamics (St. Louis, MO); the major strategic nuclear bases (SAC in Omaha, NE, and Whitman in Missouri); large nuclear facilities and waste sites (Paducah, KY; Calloway, MO; Morris, IL); cities in which hospital and industrial closings are issues (Youngstown, OH; Flint, MI; St. Louis, MO); the area of greatest "New Right" activity which MFS defined as "right to work laws and attack [sic] on liberal senators."

M-X Missile.—Adopting the Soviet line that the U.S. intends to use the MX as a "first strike weapon," the MFS will support the drive to prevent deployment of the MX.

The conference participants viewed this campaign as similar to their successful effort to stop the B-1 bomber, and plan an "intensive, focussed campaign" that they claimed will be supported by "strong local opposition" opposed to land used by the planned MX basing system. Organizers promoting this plan at the conference were desperately looking for some way to give the anti-MX campaign a "positive" flavor. This led some to support a call for transfer of MX deployment funding for "development of solar heating for homes." The anti-MX campaign was sponsored by the Alliance for Survival, whose leaders include a number of veteran Southern California World Peace Council and Communist Party activists formerly involved with the Los Angeles Peace Council's anti-Vietnam efforts.

Price-Anderson Act.—Effort to persuade Congress to repeal or raise liability limits of this legislation because it is "cited as an economic prop essential to the survival of the nuclear power industry." This also was proposed by the Alliance for Survival and was stated to have the support of Ralph Nader's Critical Mass organization and the Environmental Policy Center.

Registration and the Draft.—"To help give political direction to the anti-draft movement * * * [and] link militarism with unmet human needs," the project would focus on "counter-recruitment" and anti-military propaganda aimed at high school students and work in high schools." The proposal was initiated by MFS Field Coordinator Harold Jordan.●

FREE TRADE AND PRIVATE ENTERPRISE ARE ALIVE AND WELL IN THE SOUTHWEST

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. RUDD. Mr. Speaker, too often these days we hear that the free trade and private enterprise system is dead, passé, and nonworkable, but let me point out a sterling example of free enterprise that exists in my own State. Holsum Bakery, of Phoenix, Ariz., has been making baked goods for the citizens of Arizona since 1881, the year that the city of Phoenix was incorporated.

Edward Eisele, who in 1884 purchased the Phoenix bakery, forerunner of today's Holsum Bakery, started his operation producing a mere 200 loaves of bread a day. Today, Holsum produces approximately 64,000 units per hour and delivers them on a daily basis to virtually every city, town, and trading post in Arizona, as well as parts of southern California and Nevada.

From its humble beginnings, the bakery operation has expanded to employ over 400 Phoenicians. Through the continual introduction of new equipment, technology, and the expansion of production facilities, Holsum has consistently been rated among the most modern baking facilities in the country.

Under the leadership of Edward Eisele's son, Lloyd, and the present president, Edward Eisele, grandson of the founder, the bakery has expanded to serve a market area with over 220 different products. Holsum truly exemplifies the spirit of free enterprise and its success parallels that of Arizona, continually growing and expanding for the better.●

MICHAEL W. MURRAY

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. JOHN L. BURTON. Mr. Speaker, it is my pleasure to pay tribute today to a man whose hard work and dedication have dramatically improved the standard of living and quality of life for the elderly, blind, and disabled across this country and particularly in California. On February 18, Michael W. Murray will be leaving his position as principal regional official for region IX of the U.S. Department of Health and Human Services. With him go the talents of one of the finest human beings ever employed by the Federal Government.

In his post as PRO, Mike has served as the key representative of the Secretary of Health and Human Services, providing leadership, direction, and oversight for all HHS activities in the region. He has been widely recognized for his sensitive leadership of the Indochinese refugee resettlement program. Mike has worked closely with Governors, Members of Congress, Federal, State, and local officials, and, most importantly, local communities to insure quality care and social equality. He has long been a champion of peoples' rights and has richly earned the respect of countless local, State, and Federal legislators. In addition, Michael is an expert in the areas of aging and social security, bringing a special dimension to his appointment as principal regional official.

During his tenure at HHS, Michael was selected by President Carter to serve as Chairman of the Federal Regional Council and coordinated all regional offices and served as the President's representative.

Prior to his HHS appointment, Michael served as a professional staff member of the Select Committee on Aging and as my key staff assistant in both the U.S. House of Representatives and in the California Assembly.

Perhaps the greatest accomplishments of Mike's career are the abolition of mandatory retirement under the Older Americans Act; the creation of an independent and autonomous department of aging in California, providing advocacy for the elderly; and the establishment of an SSI program in California—through passage of AB-135—providing the highest benefit levels of any State in this country.

Michael's community involvement and total selflessness began early in his career. After receiving his A.B. in philosophy and English from St. Patrick's College, he went on to earn a master of divinity from St. Patrick's and a master of social work from Berkeley. He served as a counselor for the San Francisco Boy's Home, as an assistant pastor at St. Vincent de Paul Church, as a trainer for the western community action training program, and as an adult probation officer.

I recognize that this tribute employs almost every superlative in the English language. These, however, do not come near expressing the immense respect in which Michael Murray is held by his many friends and associates. His legislative talents will be sorely missed by those whose lives he has dramatically improved.●

MISS SHEREE R. DEAN WINS VOICE OF DEMOCRACY SCHOLARSHIP CONTEST

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. ROBERTS of South Dakota. Mr. Speaker, recently the South Dakota Veterans of Foreign Wars and its ladies auxiliary conducted a voice of democracy contest in conjunction with the U.S. V.F.W.

The contest is an excellent forum for patriotism for our Nation's high school students. This year more than 250,000 secondary school students participated in this nationwide contest.

I am pleased to submit at this time the winning speech from my State as delivered by Miss Sheree R. Dean of Wessington, S. Dak. The speech follows:

Now, while I am still young, is an appropriate time for me to pause and reflect on my heritage, assess where I stand today, and look ahead to new horizons.

The birth of my country was fathered by iron-willed families. Pioneers gave their time, their energy, and their courage to protect the principles of the American people. My country, under God, prospered through blood, sweat, and tears, as well as wise dedication and spiritual growth. I commit my faith and determination that the American way of life shall grow and flourish.

Remember when President John F. Kennedy challenged each American by saying, "Ask not what your country can do for you, but rather what you can do for your country." I will nurture my mind with great thoughts for the betterment of my country, for to think is the source of power.

Freedom is the foundation of my nation. My country, America, is the democracy which has given me the opportunity to be in competition. It is my commitment and responsibility to protect my freedoms.

As I grow to adulthood I will face a changing world with new challenges. There will be more people and fewer resources. There will be vital issues in my government that will call for wise decisions. I will work to solve problems, utilizing the rich blessings of technology and ingenuity.

Young people's growth and knowledge have put my country in a position of leadership. Coming together is a beginning. Keeping together is progress. Working together is success. America can take the responsibility of leadership. I commit myself in service to those around me and to the era in which I live.

My country has for its support beams, freedom of religion, choice in education, responsibility for service, and a wealth of resources from God. To utilize these privileges I will make each day count with wisdom. I will turn my brain power into learning power, my know-how and abilities to work for my country, America.

Patrick Henry said, "I have but one lamp by which my feet are guided, and that is the lamp of experience. I know of no other way of judging the future, but by the past." I cannot change the past, but I can help to shape the future. Facing the future with faith will encourage me with each endeavor. I commit myself to higher standards of excellence, and to utilize my talents in useful channels.

America stands at the corner of great danger and great challenges. It is time to remember, to count my blessings, to cherish my sacred heritage, and to put it to productive use. My commitment is to season my country with the flavor of hope, encouragement and faith.

My country is my heritage fortified by the hard work and faith of my ancestors plus the technology of the present. I pray that I may help to turn the alloy of past experience and modern technology into a steel of mastery and character that will bless my country.●

MEXICO: NAIVE TOWARD LEFTIST MOVEMENT IN LATIN AMERICA

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. COLEMAN. Mr. Speaker, under the leadership of Chairman E DE LA GARZA, several members of the House Agriculture Committee traveled to Mexico to meet with Mexican leaders and to discuss problems of agriculture and the growing trend of instability in Latin America.

As a member of the delegation, I witnessed firsthand the importance of good relations between our two nations. We share a common border, engage in extensive trade, and are committed to the rights and freedoms of our respective citizens.

My colleagues are aware of the growing unrest in several of Mexico's neighboring countries. The United States has been especially concerned by recent developments in Nicaragua and El Salvador. As chairman of the Republican Task Force on Foreign Policy, one of the chief purposes of my trip was to ascertain whether Mexican officials share our concern for events in those nations and other Latin American countries troubled by outside interference and subversion.

During personal meetings with Deputy Foreign Minister Alfonso Rosen Zweig-Diaz, I made clear my concerns. Mexico must join with us in being vigilant against groups—both far right and far left—which advocate the violent overthrow of governments. These groups invariably install authoritarian regimes which deny the rights and freedoms of their citizenry with no hope or promise of ever adopting a democratic system. Together we must work for a middle ground. By ignoring the terroristic activities in Latin America, and thus in effect condoning them, I feel that Mexico is leaving itself vulnerable to these very same anarchic possibilities. Mexico is certainly not insulated from these events and should be more active in opposing them.

We must recognize the economic potential of Mexico. We must recognize the important role Mexico has in maintaining the stability of the Western Hemisphere. We must insure that Mexico is a full partner in the efforts to curb subversion and terrorist unrest in Central America.

In recognizing these factors, however, I believe it is consistent that we ask Mexico to face squarely the present threat that the situation in Nicaragua and El Salvador presents to our mutual security. Just as friends can speak and act frankly with one another, so must we speak to our neighbor, Mexico.

My visit with the Deputy Foreign Minister convinced me that Mexico is looking for candor and consistency—as well as frankness—in U.S. policy directed toward Latin America.

We must work with Mexico and other nations toward policies that will restore stability in Latin America. In doing so, it is right that we ask our Mexican neighbors to recognize that the real threat to their security and ours is the subversion emanating from Cuba and other Soviet-sponsored terrorist forces.●

VFW COMMITMENT—TODD ADKINS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. COLLINS of Texas. Mr. Speaker, one of the finest programs in America is the VFW Ladies Auxiliary Voice of Democracy program. Their national essay theme was based this year on "My Commitment To My Country." Throughout the United States thousands of entries were submitted by patriotic young Americans. The best essay in Texas was written by Todd Adkins of Plano, Tex. Todd is

an outstanding young man who is serving as president of the student council of Plano High.

Here is the excellent VFW statement written by Todd Adkins:

Many years ago in the recorded history of mankind, a suppressed and unhappy group of people crossed over a large body of water to land where they would start a new life—a land which was accurately described as a wilderness. With hard work and diligence, these people struggled through starvation, war, invasion, and natural disaster to carve from this wilderness one of the truly greatest nations in the history of all mankind.

Indeed, America has been carved, and with many different tools. Some were tools of the mind, some were tools of the hand, yet all were tools of the heart. And from these hearts stemmed a devotion; a commitment to serve America in one form or another. Some used their worldly knowledge to lead America in the areas of business, politics, and domestic and international policies.

Others used their hands and served as the craftsmen of America. These were the people who built the homes, established the communities, and erected the cities. Many have called these individuals the backbone of our American society. And who can forget still another group whose courage and determination led us through the worst of times. A group who served with their blood.

Some joined the military to fight in combat; others joined to command. Yet all sacrificed their blood; many, their lives. Politicians, craftsmen, soldiers * * * as a whole, all these men and women shared one common goal—to preserve their freedom and justice; to serve and strengthen America. The politicians didn't devote their lives to politics because they loved politics, but because they loved America, and politics was an important aspect in maintaining America's democracy. The craftsmen of America were not so devoted to building and designing society as what they were to helping society with whatever it needed most. If the best method to serve America was through some form of craftsmenship, then truly, that would be the thing to do.

And what of those who served with their blood? In the Revolutionary War there were over 4,400 deaths on the battlefield. The number of combat deaths in World War II reached an astonishing figure of nearly 300,000. Yet these men didn't fight for the military, but for America. These men didn't die on the battlefield because they wanted to, but because that was what was required to best serve their country. For he who serves his country best does so by best serving his country's needs.

So when I ask myself what will my commitment be to my country, it's ill advised for me to reply, "I'll join the army." It's presumptuous for me to reply, "I'll run for president", because the best commitment I can make to my country is the one that is based on my country's needs, and it's premature to try to determine now what my country will need most from me five, ten, or even twenty years from now.

If, however, I can best serve my country by enlisting in the army, then by all means, I will serve. If America calls on me to enter into the political arena, then by all means, I will enter. If America asks nothing more of me than to be a responsible, law-abiding citizen, then this is what I will do.

My commitment to America parallels strongly with the ever-so-famous statement, "Ask not what your country can do for you, but what you can do for your country." My commitment to my country is to serve however America needs me most. And so to America I say, "my heart is at your service."●

ELLA GRASSO

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. JACOBS. Mr. Speaker, Richard Byfield Ohrn of Indianapolis extends these sentiments concerning our former dear colleague, Ella Grasso:

INDIANAPOLIS, IND.,
December 17, 1980.

Hon. ANDY JACOBS,

DEAR ANDY: I ask this tribute to our only lady Governor be placed in the CONGRESSIONAL RECORD, if possible.

ELLA GRASSO

The tireless worker with the happy face
The State as a family . . . old Connecticut
A friend of the family . . . dear Ella
Who stopped by for a while to give a hand,
To solve some problems . . . impossible problems
Who will now be missed so dearly missed
That empty place at the family table.

My best regards,

RICHARD.●

THE TRAGEDY OF EL SALVADOR

HON. ROBERT K. DORNAN

OF CALIFORNIA.

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. DORNAN of California. Mr. Speaker, I would like to bring to the attention of my colleagues an excellent article which appeared in the Sacramento Union by L. Francis Bouchey of the Council for Inter-American Security.

The subject of the article is the devastating effects of the so-called Carter human rights policy on the political situation in Central America and upon the relationship between our country and that vitally important area.

It is Mr. Bouchey's contention, supported with facts and figures, that Carter's selective "human rights" policy, reinforced by socialistic "reforms" offered by the State Department, has resulted in economic decline, political unrest and violence, and in a growing strength of the Cuban-supported guerrilla left in Central America. We all know the tragic results of Carter's policies in Nicaragua, and Mr. Bouchey contends that they have nearly brought El Salvador to the brink of ruin, vulnerable to a takeover by militant Marxism.

It is important to realize that, in spite of the damage Carter's policies have wrought, the situation in Central America is by no means hopeless. With regard to El Salvador and Guatemala, however, the Reagan administration can implement policies that will halt El Salvador's decline and reaffirm our support for pro-U.S. forces in that nation and others in Central America.

TRAGEDY OF EL SALVADOR—REAGAN MUST REVERSE CARTER'S FAILED NEW DIPLOMACY

(By L. Francis Bouchey)

By mid December it was clear that narrowing the Reagan options in Central America before Jan. 20 was the top priority and last hurrah for the McGovernite, new diplomacy crowd Jimmy Carter placed in charge of the so-called Third World in 1977.

It ends like it began. All in the name of something called human rights. Never mind that there are at least 20 times more political prisoners in Nicaragua today than at the height of Somoza's state of siege, or that El Salvador is now a bloody, political and economic basket case.

Accordingly, the new diplomacy crowd sallied through the State Department, and the journalistic camp followers of revolutionary politics in the press have rushed forward to define the Reagan options: Work with and soothe the radicals, or abandon Carter's noble new commitment to human rights and return to what they try to paint as the dark old days of collaboration with forces of reaction and repression.

Those trying to lock in the failed Carter policies overlook the fact that in El Salvador hundreds of victims have fallen in Castro-supported, civil war style violence with over 9,000 killed in the past 12 months. In the first 10 months of 1979, before Ambassador Robert White and the State Department engineered the overthrow of President Romero, violent deaths did not exceed 150, and for 1976 through 1978 there were only 110 terrorist operations in the country and practically none touched ordinary citizens.

Columnists Anthony Lewis, Mary McGrory and other human rights handwringers notwithstanding, real human rights (not to mention the bona fide security of the United States) are likely to fare better under the likes of U.N. Ambassador-designate Jeane Kirkpatrick than they have under human rights assistant secretary Patricia Derian.

Dr. Kirkpatrick's human rights recipe includes ingredients other than taking from the rich to give to the poor and bending over side ways to justify every Cuban trained malcontent who shouts human rights while he riddles a policeman or land owner with a rain of bullets. As professional and careful analysts, Dr. Kirkpatrick and other Reagan advisors and appointees know the record of injustice and consistent economic failure that follows like day and night in the wake of ideological Robin Hoods of the "left."

In the case of El Salvador, do we really want to see that Massachusetts-size country of 4.8 million split up what was, until last year, a prosperous agriculture sector into bitter poor, state owned ejidos a la Mexico, or into tiny uneconomical private poverty plots like folks have in Haiti? Is that the irreversible wind of progressive change with which our experts and ambassadors should sail?

Human rights and free human development is and will be on the Reaganite agenda, but hopefully human rights will not be confused with the coddling of juvenile communists and collectivist economists.

From Argentina and Peru, Jamaica and Chile, not to mention Cuba, the record of populist redistributism and state collectivist economic policy is plain for anyone who looks at the record. Failure. Dismal and absolute.

When Carter's deputy assistant secretary of state for inter-American Affairs told Guatemalan businessmen last year that their country needs a "mild dose of Marxism," businessmen in the economically-progressive country brought newspaper space to tell Mr. Check to go try his reforms first in the United States.

Why have so-called U.S. experts gotten away with pushing on our neighbors socialist policies that would outrage voters if they were advocated here at home? Doesn't opportunity for bettering one's own, and one's country's, economic lot qualify as a human right? Or have we let police-enforced equality in poverty become the ideal of American diplomats?

It is patent nonsense to say Reagan doesn't have options, or that (a) Carter policy in Central America has not been an abysmal disaster, or (b) that the so-called "moderates" in places like El Salvador are not, in fact, far to the "left" of George McGovern and even most U.S. socialists.

Begin with the fact that when Jimmy Carter moved into the White House the five Central American republics were stable, pro-United States and prospering. Growth in per-capita income was ahead of Latin America as a whole in both 1976 and 1977. Life expectancy was up, death rates and infant mortality down. Only 6.2 percent of El Salvador's budget went to the military; 32 percent went for education and health services.

Persons who spoke with Salvadorean junta President Napolean Duarte during his visit to Washington a few weeks ago report that he displayed unconcealed contempt for the private business sector and made clear that he wished to accelerate his unelected government's rush to socialism.

Particularly disturbing was the December appointment of another Christian Democrat junta member, Antonio Morales Erlich, as minister of agriculture. Morales Erlich has long been an advocate of rapid implementation of that phase of the agrarian reform which would nationalize private farms of 250 acres or larger in size.

Attempts to characterize the present junta civilians as being somehow to the political "right" is a full blown fabrication which surfaced two days after Reagan's landslide in a forgery that purported to be an internal State Department "Dissent Memo" and which was widely circulated in Washington, D.C. The Boston Globe said in an editorial that the paper was "apparently" written by present or former officials "with access to classified information."

Some knowledgeable persons in Washington saw the fine hand of Ambassador White and his new diplomacy colleagues in the fake document, which set forth the bizarre contention that the junta radicals with their program for instant socialism was the most "conservative" option available and that to abandon them would invite disaster. It even criticized the junta for its failure to draw in the bomb throwers who are the only elements to their left.

The plain truth is that what the Washington Post characterized as the new diplomats' attempt to preempt the revolutionaries by out-Castroing Castro has resulted in a ruined economy and an exiled managerial class.

Reversal of the Carter-White new diplomacy and the ongoing tragedy in El Salvador should revolve around three propositions:

1. The armed forces of the de facto Duarte government must be provided military equipment, particularly helicopters to counter the communist guerrilla offense and to restore peace.

2. Reform programs, socialistic or otherwise, should be suspended until the country is tranquilized and constitutional elections are held for a truly representative government. (In the meantime, the United States may have to provide substantial economic aid to assist the pacification program.)

3. Some competitive, free enterprise capitalism, not socialism, is the truly progressive course, El Salvador should be used to serve notice to developing countries that when it comes to dispensing assistance funds, the Reagan government will show preference to free enterprise countries.●

TRIBUTE TO AMERICA'S HOSPITALIZED VETERANS

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. GEJDENSON. Mr. Speaker, by Presidential Proclamation, February 14, 1981, was designated "National Salute to Hospitalized Veterans' Day." It is my pleasure to join my colleagues in recognizing this important event by expressing the gratitude that this Nation rightfully owes its veterans.

Throughout our history, those who have served in the Armed Forces have defended the freedom and principles which are intrinsic to American life. By faithfully serving their country, these men and women have upheld the role of the United States in world affairs and protected the quality of life at home.

The services of our veterans warrant our ongoing support for their needs. The 172 Veterans' Administration medical centers across the Nation constitute a large part of that commitment. We must encourage all Americans to participate in recognizing the 1.3 million veterans who are being treated by these facilities, and to express their collective gratitude for these individuals' many contributions.

I am proud to add my voice in honoring our sick and disabled veterans. This is an expression of support for them and their futures, and of appreciation for their service to this land.●

SMALL BUSINESS DESERVES A TAX BREAK

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. NOWAK. Mr. Speaker, tonight President Reagan will present his economic recovery program to the American people and the Congress. A tax cut will be the cornerstone of his proposal and in all likelihood will contain an across-the-board reduction in personal income tax rates and liberalized depreciation schedules for business.

In the coming weeks, members of the Ways and Means Committee, members of the House Small Business Committee, and specifically, the Subcommittee on Tax, Access to Equity Capital and Business Opportunities, which I chair, will begin to analyze and debate the efficacy of these proposals.

Small business must receive a substantial proportion of the business tax cut: They are the key to revitalizing our tired economy. Small business creates the most jobs, and is the cutting edge of competition. A productive and vibrant small business sector modifies price increases, providing more goods and services at a lower cost. Our Nation depends on our smaller enterprises to create new technologies and new industries.

Relief is needed now more than ever. Interest rates are at an all time high, while our uneven approach to monetary policy has created an uncertain future. Gyrating interest rates and the on again, off again recession we have been experiencing, make business planning an uncertain science at best. Business failure rates are at an alltime high and, as everyone knows, an unsuccessful large business can easily merge or restructure its debts, while small enterprises simply fail.

Mr. Speaker, small business must receive a substantial share of the business tax cut. Since the small business sector contributes at least 45 percent to the overall gross national product, it is not unreasonable to conclude that at least 45 percent of the potential tax benefits from a tax cut this year should accrue to the small business sector.

The Small Business Legislative Council has written to key members of the Reagan economic team expressing the hope that small business will play a major role in the coming debate on tax cuts. Because of the importance of this matter to the American people and to the Congress, I am inserting correspondence received from the Council. The material follows:

SMALL BUSINESS LEGISLATIVE COUNCIL,
Washington, D.C., February 10, 1981.

Hon. HENRY J. NOWAK,
Chairman, Subcommittee on Tax, Access Equity Capital, and Business Opportunities, House Committee on Small Business, Washington, D.C.

DEAR MR. CHAIRMAN: I felt that you would be interested in the attached letter sent to Treasury Secretary Regan yesterday. We are very much aware that you and your colleagues on the Small Business Committee will be playing a vital role in helping to guide a tax bill through the House which will be responsive to the economy's need for productive capital information and retention incentives in general, and small business' specific need for a truly proportionate share of these incentives.

We look forward to working with you in this effort.

Sincerely,

JEROME R. GULAN,
Legislative Director.

SMALL BUSINESS LEGISLATIVE COUNCIL,
Washington, D.C., February 10, 1981.

Hon. DAVID A. STOCKMAN,
Director, Office of Management and Budget, Washington, D.C.

DEAR MR. STOCKMAN: I felt that you would be interested in the attached letter sent to Treasury Secretary Regan yesterday.

The Small Business Legislative Council is a coalition of 86 professional, trade, and small business associations representing with their affiliates over 4.5 million small businesses.

As an extremely broad based economic interest, the small business community will play a key role in revitalizing the economy.

Having long been aware of our full partnership in the Nation's economic growth, we now urge your consideration and awareness of small business as a full economic partner in our combined revitalization efforts.

Please let us know how we can work together in assisting your efforts toward achieving our mutual goal of a balanced budget, enhanced productivity, and economic stability.

Sincerely,

HERBERT LIEBENSON,
Executive Director.

SMALL BUSINESS LEGISLATIVE COUNCIL,
Washington, D.C., February 9, 1981.

Hon. DONALD REGAN,
Secretary of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: As participants at the economic briefing session last Friday, we were pleased to hear your comments regarding the position of small business in our economic structure particularly regarding their role as the chief employer of our labor force.

There has been a growing recognition of the fact that small business has been and will continue to be the basic provider of new jobs added to the economy. In recognizing this fact, we also must realize that our sector can only continue in this vein if the current economic constraints are lessened. Small business in the aggregate represents a general or public interest rather than one of the "special" interest so often referred to. I am sure that we are willing to make whatever sacrifices are necessary in order to turn the economy around, and we fully expect that we will be making such sacrifices.

On the other hand, we hope that in your planning for the tax cut message which the President hopes to send to Capitol Hill on February 18, you will recognize that small business must receive a proportional share of any benefits to be derived from a capital formation and depreciation package. Analysis has shown that the benefits of "10-5-3" proposals would have gone primarily to big business. Roughly speaking 70% of the benefits derived from that bill would accrue to some 2000 of the Nation's largest corporations leaving 30% to be distributed to literally millions of small businesses.

I am sure we need not belabor further at this point, but if we in the aggregate are responsible for almost 60% of the jobs, 50% of GNP and value added to the economy etc., it therefore follows that we must receive proportional benefits from any tax cut proposals.

If, on the other hand, small business is asked to bear a full burden of sacrifice and is not offered a full share of benefits essential to growth, and the creation of new jobs, we may find that our vast small business community will be hard pressed to support the administration's economic program.

We would be happy to meet with you at your earliest convenience to discuss this in greater details.

We will be anxiously waiting for details of your plans scheduled to be released of February 18.

Sincerely yours,

HERBERT LIEBENSON,
Executive Director.●

THE RELEASE OF IOSEF MENDELEVICH

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. HOLLENBECK. Mr. Speaker, this morning I received news that I have been anxiously awaiting ever since my election to this distinguished body. I was advised earlier today, through the National Conference on Soviet Jewry and the Bergen County Conference on Soviet Jewry, that Iosef Mendelevich has been released from the Soviet prison system and was heading directly to Israel.

Having symbolically adopted Iosef as a prisoner of conscience and having worked to gain his release for more than 4 years, you can understand why this news is particularly gratifying. I applaud this humanitarian gesture and hope that it represents a first step toward Soviet willingness to comply with previously agreed international accords.

As we know, Iosef was convicted of attempting to hijack an airplane to Israel during the infamous Leningrad trials of June 1970. Of the original 10 defendants Iosef had been singled out for especially cruel treatment because of his adherence to orthodox religious beliefs. On the 10th anniversary of his imprisonment this summer, I circulated among my colleagues a letter to Soviet authorities calling for the early release of the three men who still remained in prison from the so-called Leningrad group. I was proud to have sent this letter to Leonid Brezhnev with the signatures of 64 of my colleagues, and I am delighted that Soviet authorities saw fit to honor our request for Mendelevich's release. I only hope that Soviet authorities will make this action for Mendelevich a rule rather than an exception.

The Soviets must be made to realize that certain truths transcend mere territorial boundaries and demand an international outcry. I know that I will not relent in my efforts to ease the plight of those being denied their fundamental rights as human beings, and that I will continue my campaign to remind Soviet authorities of our deep concern for certain individuals held in their prisons.●

PRESSING ISSUES PACING COAST GUARD TODAY

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. JONES of North Carolina. Mr. Speaker, this House and the Merchant Marine and Fisheries Committee, which I chair, are privileged to have leaders such as our colleague, GERRY STUDDS of Massachusetts. Congressman STUDDS served with distinction as chairman of our Oceanography Subcommittee during the 96th Congress and has now assumed a new role as chairman of the Coast Guard and Navigation Subcommittee. There are many pressing issues facing the Coast Guard today, and Congressman STUDDS has analyzed them succinctly and forcefully in an article published in the January 13, 1981, Boston Globe. I want to share that article with our colleagues now:

SOS, TOSS A LIFELINE

(By GERRY STUDDS)

The United States Coast Guard, long an angel of mercy to those in distress, founders today in a sea of bureaucratic difficulty and is in urgent need of rescue.

The oceans now accommodate far more than pleasure boats and small fishing operations; they have become competitive battlegrounds for limited resources of oil, minerals and protein; they are the globe's most vital means of transportation; they remain a depository for garbage and waste, and a place of concealment for nuclear submarines.

Legislation required to prevent and clean up spills of oil and hazardous substances, to regulate foreign fishing within 200 miles of our coast, to prevent the smuggling of drugs and to recover the oil, minerals and energy found in the sea has burdened the Coast Guard with a plethora of new and complicated duties with which it is demonstrably unprepared to deal.

Consider, for example, that:

The number of Coast Guard cutters has declined from 339 to 246 in the past decade.

The entire fleet of Coast Guard vessels averages more than 22 years in age; the cutter Cuyahoga, which sank in 1978 at the cost of 11 lives, was 52 years old.

Many Coast Guard vessels would be unable to meet the safety of manning standards imposed by the Coast Guard on merchant ships.

The average Coast Guard enlistee has fewer than 2 years experience; re-enlistments have declined by half since 1976.

The Coast Guard estimates it must nearly double in size by 1990 to meet its responsibilities mandated by law.

An OMB study found that "adequate maintenance has not been performed, personnel are undertrained for required tasks, people are required to work excessive overtime and large numbers of experienced personnel are leaving."

The Coast Guard is in trouble primarily because of its inability to compete effectively for budget dollars. As a quasi-military agency, its tendency has been to obey the decisions of its bureaucratic superiors with a minimum of complaint, while adopting a "can do" attitude toward congressmen concerned about their ability to perform assigned tasks. In principle, that is an admirable attitude, but when it is perpetuated in the face of inadequate equipment and manpower, it becomes foolhardy.

The Coast Guard simply will not be able to do its job unless it gets either a hefty increase in funds or a drastic reduction in its responsibilities.

Last summer, for example, the agency was ordered to monitor the chaotic, tragic effort by 100,000 Cubans and 10,000 Haitians to escape their home countries.

Coast Guard personnel must be capable of handling a variety of tasks in a competent, professional manner. Enforcement of the 200-mile fishing limit requires people who are part policemen, part diplomats, part linguists, part accountants, part marine biologists and full-time sailors, but there is no time to give Coast Guard recruits adequate training, and there are too few incentives to keep new recruits around long enough to develop needed skills.

I believe that the missions of the U.S. Coast Guard are vital and that the agency deserves additional funds in order to fulfill its obligations under the law. The Coast Guard will have to work more actively than it has in the past to publicize its needs, so that those sectors of the public that benefit most from Coast Guard activities can be mobilized in support.

Only a few months ago the Coast Guard plucked hundreds of frightened tourists from a burning cruise ship in near-Arctic waters off the Alaskan coast. It will be to no one's advantage if the next time the alarm bell sounds, the distress call emanates from the Coast Guard itself.●

FEDERAL PROSECUTION OF PHARMACY ROBBERIES

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. FISH. Mr. Speaker, the alarming rise in the crime rate across this country, particularly in drug-related crime, has been well documented in the media. Although the primary battle against violent crime is waged by State and local governments, there are certain areas where it is not only appropriate, but imperative, that the Federal Government serve as their ally.

Clearly, the recent rash of pharmacy robberies for purposes of obtaining controlled substances falls within this category. National efforts to fight illegal narcotics traffic have achieved a certain commendable measure of success, encouraging determined dealers and addicts to turn to an easier prey—their neighborhood drugstore. Ironically, although the Federal Government has jurisdiction to prosecute the improper sale and dispensing of controlled substances, there is no basis for prosecution when the same types of drugs are taken from the local pharmacy at the point of a gun.

Mr. Speaker, because there is a pervasive Federal interest in controlling drugs, because the recent increase in pharmacy robberies is the result of Federal efforts to thwart the obtainment of these drugs from other illegal sources, and because of the limited resources of the States and localities available to investigate and prosecute these offenses, it is time for the Federal Government to step in and bring to bear all of its resources against these criminals. For this reason, I am today introducing a bill which would make it a Federal offense to rob a pharmacy of any controlled substance. The penalty for this offense is a maximum $5,000 fine and/or 20 years imprisonment. If the perpetrator assaults anyone or uses a dangerous weapon in the commission of the offense, the penalties increase to a maximum of $10,000 and/or 25 years imprisonment. Where death results, a mandatory term of 10 years imprisonment is included.

As a member of the Committee on the Judiciary, I strongly supported the stalwart efforts of the gentleman from Illinois (Mr. HYDE) to include this type of offense in the Criminal Code revision bill which we considered last year (H.R. 6915). I hope that my colleagues will join me in the effort to promptly enact legislation of this nature. Although it was never the intent of Congress or the executive that the hard-working neighborhood pharmacist should bear the brunt of our war against narcotics, over 1,700 of these vicious and dangerous robberies occur each year. We should rectify this situation immediately.●

CRIMINALS SHOULD NOT BE ALLOWED TO "SELL" THEIR CRIMES

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. BEARD. Mr. Speaker, today I am introducing a bill which is designed to insure that those in our society who commit crimes against innocent victims must turn over to those victims any financial gain they realize from selling information about themselves and their involvement in crime.

It is intolerable that a criminal should be able to commit a heinous crime or set of crimes and then receive pecuniary reward from those who are willing to pay for television, film, or publishing rights to information about the criminal. My bill would see that any such financial reward paid to a Federal felon would be seized by the court of original jurisdiction and eventually distributed to the victims of the crime, or their closest relations, instead.

My bill would also apply to persons arrested but awaiting trial. To give an example which may sound all too familiar to some, suppose an individual were finally arrested after committing several crimes and a magazine paid him a generous sum of money for photographs and other information about himself and his crimes. Under my bill such funds would be subject to being placed in an escrow account under the control of the court in which the trial is pending. The funds would remain in escrow until such time as the arrested person is convicted and has exhausted all direct appeals. If he is not convicted or the conviction is ultimately reversed on appeal, the funds in the account would be released to the acquitted individual, of course. If the person were convicted, however, and the conviction were upheld, the funds would be distributed to the victims or his or her relations upon the exhaustion of the appeals process. Once the funds are distributed to the victims, they would not be recoverable at any future time, even should a collateral attack on the conviction, such as habeas corpus, eventually succeed. Any proceeds accruing to the alleged felon after a later collateral attack has succeeded would, of course, be his.

New York enacted a similar law following the gruesome "Son of Sam" murders, when it was learned that some parties in the media were considering paying the perpetrator of those crimes for movie and television rights to his story. I believe the time has come to extend the principle of that law to the Federal criminal justice system.●

BUSING ORDERS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. COLLINS of Texas. Mr. Speaker, education needs to be one of the top priorities in this administration. In the past few years the courts have completely lost sight of quality education in their desire to achieve racial balance.

Since 1964 the cost of educating each child in Dallas has grown from $361 a year to where we now are paying over $1,900 a year.

We recently had a court order in the Dallas School District which would require an increase in the annual budget of between $25 to $30 million to carry it out. This will be a 10-percent increase in our annual school budget.

Jerry Bartos, who has been active and effective as a member of the Dallas School Board, asked me where we are heading.

In the desire to achieve racial balance, these court orders have moved Dallas in exactly the opposite direction. In 1968, the Dallas School District was 38 percent minority, but today the Dallas School District is 67 percent minority. Perhaps with these new regulations they will be able to get the Dallas School District up to where it equals Washington, D.C., which has a 97 percent minority registration.

We ask ourselves just what has this accomplished.●

OIL COMPANIES' ACTIONS SHOW NEED FOR NEW LAW

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. BEDELL. Mr. Speaker, I am pleased to note the addition of a new group of cosponsors for H.R. 1362, the Small Business Motor Fuel Marketer Preservation Act of 1981. This brings to 60 the number of Members who have joined in bipartisan support for this important legislation.

There appear to be some in the petroleum industry who do not expect Congressmen to communicate with their constituents. These industry propagandists would have us believe that the recent decontrol of motor fuel has brought an end to the problems encountered by small and independent marketers. But we know that the small businessman's problems are far from resolved.

As I have noted before, the basic problem is the vast disparity in size and resources between the major oil companies and the small business operators. When the two forces go head to head in the same market—especially when one is the supplier and landlord of the other—the concept of competition becomes meaningless.

While Government regulation unquestionably have been a burden and a bother for small businesses in the petroleum marketing area, they also have been a shield. The Government did serve as somewhat of a buffer between the big oil companies and the small businesses.

Now that buffer has been removed. And we have not yet put in place a new law, such as H.R. 1362, to assure small businesses an opportunity to compete on fair and equitable terms in the gasoline marketplace. The results were inevitable, just as they have been swift in coming.

A gasoline station operator on the west coast called my office at the Small Business Committee last week to complain about the actions his supplier, a major integrated oil company, had undertaken immediately after President Reagan decontrolled the petroleum industry. With dismay and disbelief in his voice, the service station dealer said:

Some of the things they're doing, well they're going to force the small businessman right out of the market. * * * I thought they would wait a while at least, but they're not wasting any time.

For those who have any doubts as to the ability of the major oil companies to operate in the retail marketplace without any regard to the traditional concepts of antitrust or even of contract law, at least when it comes to their relations with their own dealers and distributors, I refer my colleagues to an article that appeared on page 2 of the Wall Street Journal on February 12. The text follows:

THREE OIL FIRMS CUT OFF GASOLINE SUPPLY TO RETAILERS AS U.S. CONTROLS ARE LIFTED

(By Bill Paul and Steve Mufson)

NEW YORK.—Three major oil companies are cutting off gasoline supplies to several hundred retail outlets following the end of federal gasoline regulations. Several more may be planning similar moves.

When President Reagan lifted controls on crude oil and oil products two weeks ago, he freed oil companies from the obligation to find another supplier for a service station before cutting off that dealer's gasoline. Oil companies generally have been reassuring dealers, and the public, that they don't currently plan any immediate cutoffs. But some are under way.

Three companies that have notified customers of cutoffs are Phillips Petroleum Co., Atlantic Richfield Co. and Texaco Inc. In addition, Robert Bassman, a Washington attorney who represents gasoline wholesalers, says he is negotiating with three other oil companies that want to reduce or cut completely supplies to some of those wholesalers.

"We're beginning to see the first trickle of post-decontrol supply problems," says Mr. Bassman, adding that the situation could worsen.

With the current overabundance of gasoline, most of the affected stations shouldn't have any trouble finding new supplies in the short run. But in view of the volatile world oil situation, most major oil companies will probably be reluctant to take on long-term supply contracts. If the world oil market tightens suddenly, the stations might come up short on supplies.

Two of the three companies are settling old scores. Eight years ago, Phillips told wholesalers in the Northeast that the company intended to stop supplying the region. The company had decided that it wasn't making an adequate profit there and that it didn't want to sell more oil products that it was manufacturing at its own refineries.

But federal allocation rules in 1973, which ordered companies to continue supplying historical customers, blocked the move. In the meantime, Phillips dismantled its sales offices in the Northeast and issued repeated warnings of its intentions to wholesalers.

As soon as President Reagan lifted controls, Phillips notified its 27 wholesalers, who service as many as 300 stations, that it wouldn't supply any more gasoline. "We are trying to complete the withdrawal we started back then," says Don Johnson, general sales manager of Phillip's eastern region.

Arco says it was also taking care of old business when it cut off Lerner Oil Co., a 106-station chain based in Gardena, Calif., which had been getting 50% of its supplies from Arco. Arco officials say the company had tangled in the courts with Lerner over the years, and had decided to discontinue supplying the outfit as soon as it was legally possible. Industry observers say Arco even refused to load a Lerner truck that was in an Arco terminal when word came through that controls had been lifted.

Lerner officials refused to discuss the cutoff, or whether the company had been able to line up alternate supplies.

Texaco is cutting off some stations in April. The number isn't known. Last October, Texaco asked the Energy Department to relieve the company of some of its supply obligations. The department refused. According to Thomas West, director of the National Association of Texaco Wholesalers, Texaco then notified some customers that it would end supplies in April. While the original gradual decontrol plan would have blocked such a move, immediate decontrol means some Texaco customers will have to seek new supplies. Mr. West said he didn't know how many stations would be affected.

Texaco couldn't immediately be reached for comment.

If the trend to cut off stations continues, it could cause concern in Washington. Even some officials and legislators who favored immediate decontrol have expressed concern over oil companies' actions aimed at some wholesalers. "We had been hoping for some restraint" on the part of the companies, said an aide to the Republican majority on the Senate energy committee.

When President Reagan signed the decontrol order, Sen. James McClure (R., Idaho), the committee chairman sent letters to the chief executive officers of the nation's 15 largest companies warning them against abusing their new-found freedom. "I believe that your company should provide notice of any major change in marketing policy" to avoid hardships to customers and affected regions, he wrote.

While the Senator didn't threaten the industry with renewed allocation controls, his letter noted pointedly that abrupt company actions "undoubtedly will be used as the basis" for demands in Congress to reimpose some sort of restrictions.

Reagan administration officials have also expressed some concern about company behavior in the wake of decontrol. But they said the administration doesn't have any plans to jawbone or otherwise pressure the companies.●

"FALLEN ANGEL": AN EXPOSÉ ON CHILD PORNOGRAPHY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. DORNAN of California. Mr. Speaker, I would like to call your attention to "Fallen Angel", a 2-hour television movie for CBS produced by Green/Epstein Productions in association with Columbia Pictures Television which will be broadcast February 24.

It marks the first time that television has produced a dramatic treatment about child pornography, a

loathsome social phenomenon in America which every year affects more than 100,000 children who are recruited from the ranks of an estimated 1 million runaways.

They fall prey to sexual werewolves who coerce them to pose and participate in pornographic films and still photos for sleazy magazines. It is a national disgrace and one, unhappily, that does not appear to be diminishing at all. Yet most Americans are not aware of this vicious form of child abuse.

It is hoped that a dramatic film like this, with actors like Dana Hill, Richard Masur, Melinda Dillon, and Ronny Cox, will be seen by millions of Americans, particularly caring parents and children, who must be made more aware of this horrendous crime.

I especially would like to commend Herman Rush, president of Columbia Pictures Television, executive producers Jim Green and Allen Epstein, producers Lew Hunter—who researched and wrote the script—and Audrey Blasdel-Goddard and director Robert Lewis who had the courage to bring this production to the screen.

SOVIET UNION IS ON THE MOVE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. BINGHAM. Mr. Speaker, in the Los Angeles Times of February 13, Daniel Mariaschin makes a well-reasoned and well-researched case that the Soviet Union is "engaged in a two-pronged, two-continent offensive with the goal of neutralizing Western control of and access to strategic raw materials." Mr. Mariaschin stresses the acute need for the Reagan administration to develop a workable strategic minerals policy.

Daniel Mariaschin is director of national leadership for the Anti-Defamation League of B'nai B'rith, that dedicated organization which continues to do so much important work. I commend Mr. Mariaschin's article to my colleagues and other readers of the RECORD:

SOVIET UNION IS ON THE MOVE—IT FIGHTS WESTERN CONTROL OF STRATEGIC RAW MATERIALS

(By Daniel S. Mariaschin)

As the West fixes its attention on oil and the energy crisis, that crisis is serving as a diversion for the Soviets, who are engaged in a two-pronged, two-continent offensive whose goal is to neutralize Western control of, and access to, strategic raw materials.

Viewed in that context, reports that the Soviet Union is planning to back new efforts to destabilize the political status quo in Zaire should be noted by the West with more than passing interest. Controlling that country's Shaba province, which provides the bulk of the free world's cobalt, has been a strategic objective of Moscow's surrogates for nearly two decades. Western military intervention checked the most recent try at wresting this vital territory from Zaire three years ago after an uprising by Angolan- and Cuban-backed "Shaban rebels."

Whether this latest attempt to overthrow the government of Mobutu Sese Seko will succeed remains to be seen. What is clear is that the Kremlin's moves to encircle the West's sources of raw materials, including oil, is well on its way to fruition. Soviet influence in the Middle East and Persian Gulf is growing daily in a ring around the oil fields and vital shipping lanes of the region.

Through its presence in Ethiopia, the Soviet Union has near-control of the Horn of Africa, a foothold on the Red Sea by its backing of the Marxist government in South Yemen, and a solid presence—through arms shipments and the stationing of military "advisers"—in Syria, Iraq and even the supposedly pro-Western regime in North Yemen.

As the Soviets become net importers of oil in the next decade, their geopolitical position will help them intimidate oil producers into favorable arrangements that can only see Western access to petroleum supplies lessen and Western influence diminish in Arab capitals. But more than just oil is at stake.

Instability on the African continent is a real threat to all of us. The Soviets have nothing to lose in these adventures; of 27 major metals and minerals vital to keeping a modern economy in business and maintaining a strong defense posture, the Soviet Union is self-sufficient in 21, and nearly so in the remaining 6. By contrast, the United States is now mineral-poor. According to statistics published by the U.S. Bureau of Mines, the United States imported 90% of its manganese, nearly 99% of chrome ore and 83% of palladium and platinum. Nearly 95% of bauxite, or aluminum ore, was imported, as was most cobalt.

The United States now imports ores and metals to the tune of nearly $20 billion per year. The Bureau of Mines predicts that this amount will more than double by the end of this century. By law, the federal government must maintain up to a three-year stockpile of 93 strategic raw materials as a hedge against instability or embargo. But stocks of a number of minerals—including titanium, cobalt, alumina and beryllium—are not up to the minimum amounts necessary to get the country through any extended interruption of supply.

What makes the future so tenuous are the sources from which we import these vital materials. Some are secure; much of our nickel originates in Canada, we import tin from Mexico, and Brazil provides columbium. But the bulk of the imports are from Africa—more specifically, central and southern Africa—and that is where the Soviets enter the picture.

South Africa alone is the world's largest exporter of manganese ore, platinum metals and chrome ore. Together with the Soviet Union, it controls the world's market in these materials. Zimbabwe is also a major producer of chromium and manganese. Namibia has large deposits of uranium, and Zaire and Zimbabwe have tremendous reserves of cobalt. Without any or all of these nations trading on the raw-materials market, the Soviets could control both price and supply to the West.

The current troubles in southern Africa are a good example of what constitutes a real dilemma for the West. The question of majority rule is one close to the hearts of most Americans. The civil war in Zimbabwe, the effort to bring about an independent Namibia (with the United Nations as midwife) and the increasing racial friction in South Africa are viewed as poignant expressions of a wider human-rights struggle. The Soviets, who have armed and trained anti-Western, "anti-colonialist" liberation movements in each of these areas, have no such higher motives. The raw materials mined in southern Africa—chromium, uranium, the platinum metals group, gold, diamonds—are among the essential ingredients for a strong industrial base. The Russians, by trading on nationalist emotions, are in fact investing in what they see as the West's ultimate economic downfall.

And, while Moscow's hand can be seen at work in the Western Sahara (backing the Polisario guerrillas), in Angola, in Shaba Province and in Chad (rich in uranium), its real objective is the riches of southern Africa. Not only is mineral wealth important there, but fully 70 percent of Western Europe's raw materials and 80 percent of its oil pass the Cape of Good Hope each year.

According to some Western observers, the jury is still out on Zimbabwe and on whether Prime Minister Robert Mugabe can maintain a nonaligned course. Mugabe has downplayed his Marxist orientation, and has pledged to attract Western investment to his nation. His ambitious rivals in the government have indicated that they are not so favorably disposed toward the West or to the whites remaining in the country. Should these opponents eventually move into power, the raw-materials equation in southern Africa could be drastically altered.

Not content with its considerable oil and mineral wealth, Russia is seeking to deny or at least control the flow of these essentials to the free world. What has transpired over the last decade is a fine-tuning of the oft-interpreted, oft-misunderstood warning to the West by former Premier Nikita S. Khrushchev that "we will bury you."

Cuba, the Palestine Liberation Organization, East Germany, Bulgaria and others in the Soviet bloc are willing surrogates in the Kremlin's new adventures. With this kind of assistance in Africa and the Middle East, the Soviets can better sustain their losses in Afghanistan while minimizing Third World criticism of "superpower interventionism," a charge increasingly favored by the more powerful of the "nonaligned" nations. So far the approach is working.

Responding to Moscow's oil and mineral dynamic is no easy matter. A good start would be for the Reagan Administration and Congress to establish a workable strategic-minerals policy that would take into account our defense and economic needs as well as environmental considerations. Filling stockpile quotas to assure U.S. freedom from market fluctuations or supply cutoffs should be carried out forthwith.

But foreign policy is another matter. Washington must play "catch-up" in reasserting and reestablishing its influence in regions on which we depend for vital strategic materials. Pro-Soviet and anti-Western inroads in such areas as sub-Saharan Africa (principally Chad), the Persian Gulf and Southeast Asia over the past decade have placed the United States at a distinct geopolitical disadvantage. To cut U.S. losses and roll back Soviet influence, the Reagan Administration must implant selective, efficacious aid programs aimed at winning over mineral producers in the Third World.

Washington must impress on its Western European allies the serious implications of the mineral scramble in Africa. As dependent as Europeans are on oil, they are equally or more dependent on African mineral sources. France seems to have recognized this; it continues to carry on an aggressive foreign policy in Africa, chiefly among its former colonies but recently in East Africa as well.

Most important, however, is the need for Americans to understand the gravity of the crisis at hand. Most Americans realize the importance of oil to our economy. But mention cobalt or tungsten or vanadium and you'll most likely draw a blank.

More straight talk from the experts and officeholders about the need to check the Soviets' drive to deprive the West of strategic mineral and fuel sources is called for. It has taken nearly a decade for many Americans to understand what the energy crisis is all about. We can't afford the same kind of lethargy on the question of a strategic-minerals supply.●

ELIMINATE PENALTY FOR WELFARE RECIPIENTS IN SCHOOL

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. SEIBERLING. Mr. Speaker, today I am introducing legislation to amend a provision in the Food Stamp Act which has made it difficult for welfare recipients to obtain an education. My bill will amend the Food Stamp Act to provide that no educational financial assistance received by AFDC recipients shall be considered as income for the purposes of determining their food stamp benefits.

Presently, the Food Stamp Act requires that, except for amounts paid for mandatory tuition and fees, educational aid in the form of loans, grants, scholarships, and fellowships must be counted as income in determining eligibility and benefit amounts under the food stamp program. Specifically, the act does not allow income deductions for the costs of books, supplies, or instructional material, and equipment, even if required for courses in which the student is enrolled. For AFDC recipients who are going to school so they can qualify for jobs that will get their families off welfare, any reduction in food stamps is a serious hardship and penalizes them for making the effort to obtain an education to qualify for a job with a future.

This problem came to my attention last year. One of my constituents, a young welfare recipient with two children, was completing her college degree to qualify her for full-time, productive employment. However, because she received an educational grant which exceeded her mandatory tuition payment, her family has experienced a reduction of $20 per month in food stamp benefits. This practically forced her to choose between completing her education and feeding herself and her children. Moreover, even though educational grants or loans are intended to apply to only the 9-month school year, any excess money is attributed to the AFDC recipient's income for 12 months, thus continuing the penalty beyond the school year when the "excess" is presumed available for nonschool use.

Mr. Speaker, this bill would help welfare recipients obtain an education without jeopardizing the food stamp benefits they receive for their families. I think it is proper that Congress should encourage AFDC recipients to make themselves qualified for gainful employment, and this bill represents a modest incentive toward that end.●

MAKING SCIENCE WORK: AN AMERICAN CHALLENGE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. BROWN of California. Mr. Speaker, as this Congress prepares to consider billions of dollars of cuts which the new administration has chosen to make after less than a month of delibration, there will no doubt be some omissions and some mistakes. One area where a tragic mistake may be made is in the proposals to cut all types of research and development.

Mr. Speaker, it is true that every constituency can make a compelling case for avoiding budget cuts and even make a case for budget increases. However, I believe the case for supporting long-range research and development deserves special review because the future of our Nation's economic and social health and welfare is at stake. I realize that many Members do not believe this, largely because of their unfamiliarity with the nature and fruits of research, but it is a fact we need to understand.

One of the best science writers in the world today is Lewis Thomas, whose columns, articles, and books have appeared nearly everywhere. He most recently wrote a compelling essay for Discovery magazine entitled, "Making Science Work." What is most interesting about this editorial is its relevance to the budget discussions facing the Congress today. Dr. Thomas presented a fine description of the research process, the linkage between research and economic advances, and, finally, the steps the United States must take to maintain its leadership in the world.

I urge my colleagues who wish to concern themselves with the future of this Nation to review the following essay before they make any decision about specific cuts in the Federal research budget. The essay follows:

[From Discovery magazine, March 1981]

MAKING SCIENCE WORK

For about three centuries we have been doing science, trying science out, using it for the construction of what we call modern civilization. Every indispensable item of contemporary technology, from canal locks to dial telephones to penicillin to the Mars lander, was pieced together from the analysis of data provided by one or another series of scientific experiments. So were the technologies we fear the most for the threat they pose to civilization: radioactivity from stored bombs or flawed power plants, acid rain, pesticides, leached soil, and depleted ozone and increased carbon dioxide in the atmosphere.

Three hundred years seems a long time for testing a new approach to human living, long enough to settle back for critical appraisal of the scientific method, maybe even long enough to vote on whether to go on with it or not. There is an argument, to be sure. Voices have been raised in protest since the beginning, rising in pitch and violence in the 19th century during the early stages of the Industrial Revolution, summoning urgent crowds into the streets any day these days on the issue of nuclear energy. Give it back, say some of the voices, it doesn't really work; go back 300 years and start again on something else, less chancy for the race of man.

The scientists disagree, of course, partly out of occupational bias, but also from a different way of viewing the course and progress of science in the past 50 years. As they see it, science is still a brand-new venture. The principal discoveries in this century, taking all in all, are the glimpses of the depth of our ignorance about nature. Things that used to seem clear and rational, matters of absolute certainty—Newtonian mechanics, for example—have slipped through our fingers, and we are left with a new set of gigantic puzzles, cosmic uncertainties, ambiguities. Some of the laws of physics require footnotes every few years, some are canceled outright, some undergo revised versions of legislative intent like acts of Congress.

Biology presents us with one stupefaction after another. Less than 30 years ago we called it a biological revolution when the fantastic geometry of the DNA molecule was exposed to public view and the linear language of genetics was decoded. For a while things seemed simple and clear; the cell was a neat little machine, a mechanical device ready for taking to pieces and reassembling, like a tiny watch. But now, just in the last few years, it has become almost imponderably complex, filled with strange parts with functions that are beyond today's imagining. DNA is itself no longer a straightforward set of instructions on a tape; there are long strips of what seem nonsense inside and in between the genes, edited out for the assembly of proteins but essential nonetheless for the process of assembly; some genes are called jumping genes, moving from one segment of DNA to another, rearranging the messages, achieving instantly a degree of variability that we once thought would require eons of evolution. The cell membrane is no longer a simple boundary for the cell, but a fluid mosaic, a sea of essential mobile signals, an organ in itself. Cells communicate with each other, exchange messages like bees in a hive, regulate each other. Genes are switched on, switched off, by molecules from the outside whose nature is a mystery;

somewhere inside are switches that when thrown one way or the other can transform any normal cell into a cancer cell, and sometimes back again.

It is not just that there is more to do, there is everything to do. Biological science, with medicine bobbing somewhere in its wake, is under way, but only just under way. What lies ahead, or what can lie ahead if the efforts in basic research are pursued and the field continues to attract and train sufficient numbers of bright young people, is much more than the conquest of human disease or the amplification of agricultural technology or the cultivation of nutrients in the sea. As we learn more about the fundamental processes of living things in general we will learn more about ourselves, including perhaps the ways in which our brains, unmatched by any neural structures on the planet, achieve the earth's awareness of itself. It may be too much to say that we will become wise through such endeavors, but we can at least come into possession of a level of information upon which a new kind of wisdom might be based. At the moment we are an ignorant species, flummoxed by the puzzles of who we are, where we came from and what we are for. It is a gamble to bet on science for moving ahead, but it is, in my view, the only game in town.

The near views in our instruments of the dead soil of Mars, the bizarre rings of Saturn, and the strange features of other planets, literally unearthly, are only brief glances at what is ahead for mankind in the exploration of our own solar system. In theory, there is no reason why human beings cannot make the same journeys in person, or out beyond into the galaxy.

It has become the fashion to express fear of computers: the machines will do our thinking, quicker and better than human thought, construct and replicate themselves, take over and eventually replace us—that sort of thing. I confess to apprehensions of my own, but I have a hunch that those are on my mind because I do not know enough about computers. Nor, perhaps, does anyone yet, not even the computer scientists themselves. For my comfort, I know for sure only one thing about the computer networks now being meshed together like interconnected ganglia around the earth: what they contain on their microchips is bits of information put there by human minds; perhaps they will do something like thinking on their own, but it will still be a cousin once removed of human thought, and potentially of immense usefulness.

The relatively new term "earth science" is itself an encouragement. It is nice to know that our own dear planet has become an object of as much obsessive interest to large bodies of professional researchers as a living cell, and almost as approachable for discovering the details of how it works. Satellites scrutinize it all day and night, recording the patterns of its clouds, the temperatures at all parts of its surface, the distribution and condition of its forests, crops, waterways, cities, and barren places. Seismologists and geologists have already surprised themselves over and over again, probing the movement of crustal plates afloat on something or other deep below the surface, meditating on the evidence now coming in for the reality and continuing of continental drift, and calculating with increasing precision the data that describe the mechanisms involved in earthquakes. Their instruments are becoming as neat and informative as medicine's CAT scanners; the earth has deep secrets still, but they are there for penetrating.

The astronomers have long since become physicists, the physicists are astronomers; both are, as well, what we used to call chemists, examining the levels of ammonia or formaldehyde in clouds drifting thousands of light-years away, measuring the methane in the relatively nearby atmosphere of Pluto, running into paradoxes. Contemporary physics lives off paradox. Niels Bohr said that a great truth is one for which the opposite is also a great truth. There are not so many neutrinos being measured from our sun as theory predicts; something has gone wrong, not with the sun but with our knowledge. There are radioastronomical instruments for listening to the leftover sounds of the creation of the universe; the astronomers are dumbstruck, they can hardly hear themselves think.

The social scientists have a long way to go to catch up, but they may be up to the most important scientific business of all, if and when they finally get down to the right questions. Our behavior toward each other is the strangest, most unpredictable, and most unaccountable of all the phenomena with which we are obliged to live. In all of nature, there is nothing so threatening to humanity as humanity itself. We need, for this most worrying of puzzles, the brightest of our most agile minds, capable of dreaming up ideas not dreamed up before, ready to carry the imagination to great depths, and, I should hope, handy with big computers but skeptical about long questionnaires and big numbers.

Fundamental science did not become a national endeavor in this country until the time of World War II, when it was pointed out by some influential and sagacious advisers to the government that whatever we needed for the technology of warfare could only be achieved after the laying of a solid foundation of basic research. During the Eisenhower administration a formal mechanism was created in the White House for the explicit purpose of furnishing scientific advice to the president—the President's Science Advisory Committee, chaired by a new administration officer, the Science Adviser. The National Institutes of Health, which had existed before the war as a relatively small set of laboratories for research on cancer and infectious disease, expanded rapidly in the postwar period to encompass all disciplines of biomedical science. The National Science Foundation was organized specifically for the sponsorship of basic science. Each of the federal departments and agencies developed its own research capacity, relevant to its mission; the programs of largest scale were those in defense, agriculture, space, and atomic energy. The investment in science by the federal government rose from less than a billion dollars in the late 1940s to about $30 billion in 1980.

Most of the country's basic research has been carried out by the universities, which have as a result become increasingly dependent on the federal government for their sustenance, even their existence, to a degree now causing alarm in the whole academic community. The rising costs of doing modern science, especially the price of today's sophisticated instruments, combined with the federal efforts to reduce expenditures, are placing the universities in deep trouble. Meanwhile, the philanthropic foundations, which were once the principal source of funds for university research, are no longer capable of more than a minor contribution to science.

Besides the government's own national laboratories and the academic institutions, there is a third resource for the country's scientific enterprise—industry. Up to very recently, industrial research has been conducted in relative isolation. There are signs that this is beginning to change, and the change should be a source of encouragement for the future. Some of the corporations responsible for high technology, especially those involved in energy, have formed solid links with a few research universities—MIT and Caltech, for example—and are investing substantial sums in long-range research in physics and chemistry. Several pharmaceutical companies have been investing in fundamental biomedical research in association with medical schools and private research institutions.

There needs to be much more of this kind of partnership. The nation's future may well depend on whether we can set up within the private sector a new system for collaborative research. Although there are some promising partnership ventures now in operation, they are few in number; the tendency remains within industry to concentrate on applied research and development, excluding any consideration of basic science. The academic community tends to stay out of fields closely related to the development of new products. Each side maintains adversarial and largely bogus images of the other: money makers on one side and ivory tower dreamers on the other. Meanwhile, our competitors in Europe and Japan have long since found effective ways to link industrial research to government and academic science, and they may be outclassing us before long. In some fields, most conspicuously the devising and producing of new scientific instruments, they have already moved to the front.

There are obvious difficulties in the traditional behavior of the two worlds of research in the United States. Corporate research is obliged by its nature to concentrate on profitable products and to maintain a high degree of secrecy during the process; academic science, by its nature, must be carried out in the open and depends for its progress on the free exchange of new information almost at the moment of finding. But these are not impossible barriers to collaboration. Industry already has a life-or-death stake in what will emerge from basic research in the years ahead; there can be no more prudent investment for the corporate world, and the immediate benefit for any corporation in simply having the "first look" at a piece of basic science would be benefit enough in the long run. The university science community, for all the talk of ivory towers, hankers day and night for its work to turn out useful; a close working connection with industrial researchers might well lead to an earlier perception of potential applicability than is now the case.

The age of science did not really begin 300 years ago. That was simply the time when it was realized that human curiosity about the world represented a deep wish, perhaps embedded somewhere in the chromosomes of human beings, to learn more about nature by experiment and the confirmation of experiment. The doing of science on a scale appropriate to the problems at hand was only launched in the 20th century and has been moving into high gear only within the last 50 years. We have not lacked for explanations at any time in our recorded history, but now we must live and think with the new habit of requiring reproducible observations and solid facts for the explanations. Uncertainty, disillusion, and despair are prices to be paid, from time to time, for

living in an age of science. Illumination is the product sought, but it comes in small bits, and there can be no promise that we will ever emerge from the great depths of the mystery of being.

Nevertheless, we have started to do science on a world scale, and to rely on it, and hope for it. Not just the scientists, everyone, and not for the hope of illumination but for the sure, predictable prospect of new technologies, which have always come along like spray in the wake of science. We need better ways of predicting how a piece of new technology is likely to turn out, better measures available on an international level to shut off the ones that carry hazard to the life of the planet. We will have to go more warily with technology in the future, for the demands will be increasing and the stakes will be very high. Instead of coping, or trying to cope, with the wants of four billion people, we will, sooner or later, be facing the needs, probably desperate, of double that number, and perhaps thereafter, double again. The real challenge to human ingenuity, and to science, lies in the century to come.

How will we meet this challenge? I can think of three essential places to begin:

We should commit a certain percentage of the gross national product to the funding of pure, basic research, covering all fields of science and guaranteeing stability for the enterprise over the long term. It is no longer a question of staying ahead of the rest of the world; it is becoming a matter of catching up. Part of the money should come, as it does now, from government, part (through tax benefits, but as investments rather than just philanthropy) from the industrial sector. The total amount of support for science in general should be at least five per cent of the GNP, and the amount for basic science ought to be at least one per cent.

We should radically improve the country's educational system if we are to have a citizenry with a general understanding of the value and potential of science, and if we are to produce future generations of bright, talented young people for careers in research. The crucial educational periods are in the primary and secondary schools. We are now turning out high school graduates with little or no understanding of chemistry, physics, biology, or astronomy, and with no comprehension at all of real mathematics (a small minority of our high school students learn a small amount of calculus; their Soviet counterparts emerge with two years of calculus).

At the university level, we should be emphasizing the future possibilities of science much more than the past and present accomplishments. College students gain the impression that most, if not all, available bits of scientific information are already at hand, needing only to be mastered by rote in endlessly reductionist detail. The really interesting aspects of science, irresistible in their appeal to the imagination of young people, are the puzzles, the vast areas of ambiguity and plain ignorance about nature that have emerged in the past half century. There has never been a time in human history when it was known that there were so many unknown things lying just ahead, waiting to be found out. Students need to be taught, candidly and in detail, about human ignorance; this is the most exciting and challenging of all the things to be learned in college.

We should also be opening up the primary and secondary school systems for teachers who really know science. For some time to come, the universities will be producing more advance-degree graduates in science than can be absorbed by the available jobs in the academic or industrial worlds. Some of these people should be teaching science to our children, with positions carrying the same kind of dignity and respect, and financial reward, as are now provided for college teachers. The education of teachers of science should not be the sole responsibility of teachers' colleges, nor be regulated at the state level by teachers' unions; the graduate departments of the universities are better at this.

We should reduce the public pressure for quick and immediately usable results from science, in favor of more pressure for fundamental knowledge from long-term research. It is all very well to worry about the 1980s and the country's needs for improved technologies, but the real worry, for all of us, and our children and theirs, should be the 1990s and the turn into the 21st century. To meet that time we will need to learn a lot more than we know today, and there is no imaginable source of that information, whatever it turns out to be, other than basic research.

I cannot guess at the things we will need to know about from science to get through the time ahead, but I am willing to make one prediction about the method: we will not be able to call the shots in advance. We cannot say to ourselves, we need this or that sort of technology, therefore we should be doing this or that sort of science. It does not work that way. We will have to rely, as we have in the past, on science in general, and on basic, undifferentiated science at that. Science is useful, indispensable, sometimes, but whenever it moves forward it does so by producing a surprise; you cannot specify the surprise you'd like. Technology should be watched closely, monitored, criticized, even voted in or out by the electorate, but science itself must be given its head if we want it to work.●

LIONS CLUB OF WILMINGTON, CALIF., HOSTS COMMUNITY RECOGNITION NIGHT HONORING EVELYNE POINDEXTER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. ANDERSON. Mr. Speaker, on February 18, 1981, the Lions Club of Wilmington, Calif., will host Community Recognition Night to honor one of my district's fine leaders, Mrs. Evelyne Poindexter.

The Community Recognition Award is given annually to the citizen who has done the most for the community in the past year.

In 1938 Evelyne moved to Wilmington from Colorado with her husband Max. A dedicated homemaker for 44 years, she helped raise two children, Jane and Roy.

In 1953, Evelyne started the Women's Division of the Wilmington Chamber of Commerce, and served as its first secretary.

In 1956, she served as president of the Wilmington Toastmistress Club. She was honored as Toastmistress of the Year in 1958.

Evelyne became the youngest president of the Wilmington Women's Club in 1959. She served on the Los Angeles Mayor's City Advisory Committee in 1960, and in 1979 was president of the Women's Division of the Wilmington Chamber of Commerce.

Additionally, Evelyne has served 32 years with the Red Cross, where she holds a Red Cross certificate for the blood bank. She has been a Girl Scout leader for 5 years, and received the highest of Girl Scout leader awards, the Gold Pin. She also served for years as Cub Scout den mother. She worked on the Cerritos Women's Club for 25 years, presiding over various committees, and has been charter chairman and member of the Los Cerritos District Art Festival for 15 years.

My wife, Lee, joins me in paying tribute to this great lady and her fine record of community participation. The recognition she is to receive on February 18 is truly deserved. We wish the best of success and prosperity in the years ahead for Evelyne Poindexter, her husband, Max, son, Roy Poindexter, daughter, Jane Forsberg, grandchildren, Edwin and Janice Lynn Forsberg and Gary, Brenda, and Scott Eugene Poindexter.●

CASE FOR CB RADIOS ON BUSES A GOOD ONE

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. HARKIN. Mr. Speaker, on most interstate public transportation modes, communications equipment has proven to be not only convenient but also crucial in assisting travelers and reducing the possibilities for serious accidents.

Airplanes, of course, are equipped with communications equipment to not only help the aircraft navigate but to also assist passengers who may have serious medical problems and to assist the aircraft commander in avoiding possibly serious or fatal incidents. Also, all passenger trains are equipped with communications equipment to provide two-way communications.

There is one exception to this, however, interstate buses generally carry no communications equipment.

I have been in contact with busdrivers across the country who tell of numerous instances of drivers being assaulted, buses being caught in blizzards, passengers having medical difficulties, and accidents occurring because of road hazards.

Let me give you just one example of what can happen. Recently, in St. Petersburg, Fla., 23 people died in a bus accident when a bridge was knocked down during a storm. A motorist with a CB radio was on the bridge trying to

warn drivers approaching the bridge. The bus was not equipped with a CB radio because the bus company did not allow drivers to have CB radios. The driver and all of the passenger perished.

Many bus companies do not allow their drivers to use CB radios because they fear the radios may be a distraction. However, the Department of Transportation, the Federal Communications Commission, and the Interstate Commerce Commission have adopted a Federal policy that the CB radio can offer a significant contribution to safety on the highways and encourage its use to provide highway safety and service.

Today I am introducing a bill which will allow the use of CB radios by those interstate busdrivers who desire to temporarily install a CB radio at their own expense. They would be allowed to use the radios for the safety and benefit of the passengers, for assisting operators of other motor vehicles when they are in difficulty, and for aiding law enforcement officials.

With this procedure, we will move toward the solution of this problem with a minimum of regulation and cost.

I am including in the RECORD at this point a column which appeared in the January 25, 1981, Cincinnati Enquirer. It lists a number of incidents which are typical of those I believe might be avoided with the use of CB radios.

CASE FOR CB RADIOS ON BUSES A GOOD ONE

(By Fred Simon)

"I'm not selling anything," said Phil Bezy. "I'm just trying to help improve transportation safety and trying to enlist your help in doing it."

His letter, sent to Breaker-Breaker, several police agencies and others around the country, outlined his one-man campaign. We thought you might be interested.

What Phil is trying to do is to get the interstate bus lines to install citizens band (CB) radios. He has made a pretty good case.

St. Petersburg, Fla.: When a span of the Sunshine Skyway Bridge was knocked out by a freighter during a thunderstorm, a motorist was on the bridge warning drivers via his CB radio. An interstate bus drove past the motorist and plunged off the bridge, killing the driver and 22 passengers. Company policy prevented the driver from having a CB radio.

Charleston, Mo.: At a recently posted detour, an overturned truck was lying on the shoulder of a road. After passing it, another truck driver started warning approaching traffic on his CB. He and four other truckers attempted to warn an oncoming bus of the hazard to no avail. The bus ripped open on impact, killing eight and injuring 45.

McLean, Texas: The driver and 24 passengers were injured when the bus they were on struck a jack-knifed tractor trailer on icy, fog-shrouded Interstate 40.

Binger, Okla.: A man at the rear of a bus became abusive and started arguing with another man. After stopping the vehicle for a third time to break up the ruckus, the driver put the offender into a front seat and told him he would be put off the bus at the next stop if he moved. The man grabbed the driver by the throat, throwing the bus out of control and into the path of a pickup truck. The bus overturned and burst into flames. Three passengers and the elderly couple in the pickup truck died; 33 other passengers were injured.

Bezy offered many more situations from other places around the country where the CB might have helped the driver of an interstate passenger bus cope with an emergency situation. None is a hypothetical situation; all have been well documented by newspaper clippings.

"Am I saying some or all of the above suffering, deaths and inconvenience could have been avoided if the buses had CB?" Bezy wrote. "Some—yes; all—who's to say for sure?"

Bus drivers have been requesting federal intervention to get CB radios into their vehicles. Allowing the drivers to use CB on the National Emergency Channel Nine would provide them with instant access to help when an emergency arose.

Phil Bezy is asking for help from the Surface Transportation Subcommittee of the Committee on Public Works and Transportation. He has enlisted the aid of a good many congressmen. It is possible his efforts will pay off.●

CALL TO CONSCIENCE VIGIL HONORS MENDELEVICH ON HIS DAY OF FREEDOM

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. BARNES. Mr. Speaker, today I join my colleagues and the family and friends of Josif Mendelevich who rejoice throughout the world on the occasion of his surprise release from Soviet prison following 10 years of hard labor as a result of the infamous Leningrad trials of 1970.

Throughout this ordeal, Mr. Mendelevich suffered through serious illness and squalid living conditions while managing to cling to his devout Judaic faith and observe strict dietary laws.

Nearly 2 years ago, I was pleased to meet personally with his sister, Rivka Drori of Israel, who came to the Nation's Capital to plead her brother's cause. I share her happiness now—and her hope that her brother will soon be restored to full and robust health in order to enjoy a meaningful and free life.

It is important that we now implore the Soviets to release as well the only two remaining prisoners convicted during the Leningrad trials—Alexi Murzhenko and Yuri Fiodorov. Neither shall we forget the other prisoners of conscience who have languished too long in Soviet camps.

But I perceive the release of Mendelevich—before his prison term officially ended—with some cautious optimism. Is his unexpected release a signal that the Soviets are responding to dialogs at the Madrid Conference and repeated congressional and other pressures exerted by the U.S. Government? I sincerely want to believe so, and will continue to work toward this aim in every possible way.●

CETA CAN WORK

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. ANDERSON. Mr. Speaker, all too often, certain programs are lambasted and severely criticized for not having lived up to their potential, or for having been supervised incorrectly, or for having spent too much of the American taxpayer's money. One such program that has been placed in these categories by some is the CETA program. I, however, am fortunate to have within my district CETA programs that effectively and efficiently achieve their objectives—giving those in need of training, workplace experience that will enable them to get and hold a job after their time with CETA is over. The CETA program in Torrance, Calif., is one I would like to especially call to your attention. As I have recently discovered, I am not the only one who still has faith in this program, since a public letter from the president of the Torrance chapter of the League of Women Voters, Kay White, has put it very well for the whole world to see. This letter is especially significant as it comes from a non-Government source with no parochial ax to grind. It is refreshing to note that a private citizen feels that a CETA program can and does work well, and that in the bargain, can be recognized for the good it contributes to the entire community.

So, Mr. Speaker, I am inserting Ms. White's "Letter to the Editor" of the Torrance Daily Breeze, which appeared in the December 28 edition, as evidence that not all CETA programs should be dispensed with. I hope that my colleagues will make note of it, and perhaps they will discover that some of the CETA programs in their districts are also recognized for the benefits they provide.

CETA PROGRAM A SUCCESS

EDITOR, THE DAILY BREEZE: In response to your editorial of Dec. 8, "Phase out CETA," the League of Women Voters of Torrance would like to point out that there are municipal Comprehensive Employment and Training Act programs which are highly successful and beneficial, an example being the Torrance program.

We find our local CETA program is efficiently and effectively administered, avoiding many of the pitfalls of the program elsewhere.

Specifically, there is a strong antinepotism policy that precludes relatives of city employees from participating in the program.

Administration costs are kept low. Good use is made of local training resources and innovative, economical programs.

Statistics from CETA personnel indicate that approximately 60 percent of the participants served each year move on successfully to unsubsidized employment within the regulated time.

Special programs are designed to meet the needs of the elderly, the handicapped, unemployed heads of households, unemployed veterans and low-income youths and young adults.

Last year the Torrance CETA staff was selected as one of the 10 prime sponsors in the country to participate in the Young Integrated Grants Demonstration Project. This national recognition confirms the confidence we place in our well-run program.

KAY WHITE,
President, League of Women Voters.●

A PREVIEW OF PRESIDENT REAGAN'S ECONOMICS

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. VANDER JAGT. Mr. Speaker, in connection with research on tax reduction legislation, I have discovered some very interesting testimony before the Committee on Ways and Means that was presented in 1958—23 years ago. That particular appearance before the committee has taken on renewed significance today in the light of the identity of the spokesman, intervening events, and currently evolving fiscal developments.

The testimony to which I refer concerned a Kemp-Roth type tax plan which was then known as the Sadlak-Herlong bill—a tax reduction proposal designed to alleviate the stiffling disincentive of excessively high tax rates. Under that bill the tax relief would have occurred within the framework of fiscal responsibility with declining Federal expenditures and increasing Federal revenues. The cut in spending levels and the cut in tax rates contemplated in the bill were designed to provide inflation-free sustainable economic growth. The higher revenues were to be produced by lower tax rates applied to an expanding economic base. Like Kemp-Roth, the Sadlak-Herlong plan would have provided tax reduction in multiple stages over a period of years. The phased-in approach to tax reduction was eventually adopted in the so-called Kennedy tax reduction program, as ultimately approved in 1964.

The appearance before the Committee on Ways and Means to which I allude occurred on January 27, 1958. No presently sitting member on the Committee on Ways and Means was then a member of that committee or even a Member of Congress. The testimony advocating the adoption of the Sadlak-Herlong plan was offered by a spokesman who represented both labor and management organizations associated with an important American industry. In the witness' statement he made these points which I have excerpted:

* * * I represent the Motion Picture Industry Council and the Hollywood AFL Film Council * * * the organizations support * * * the Sadlak-Herlong bill * * * the personal income tax structure is unrealistic, confiscatory, and contrary to the principles of free enterprise * * * has tended to stifle * * * production * * * in this country * * * the result is unemployment * * * and * * * a loss of tax revenue to the government * * * the tax problems * * * are shared by * * * citizens in all lines of endeavor, varying only in the manner in which the taxes adversely affect them and curb their initiative * * * and we remember that Karl Marx said, and Lenin echoed, that the way to impose socialism on the people would be to first tax the middle class out of existence * * * it is imperative that some relationship * * * exist between the individual's sacrifice and the Government's fiscal needs * * * such relationship does not exist * * * no revenue will be lost * * * the normal growth of our economy * * * will actually result in the Government's share * * * increasing rather than decreasing * * * Government spending can be cut * * * we are pledged * * * support of our system based on individual freedom and liberty * * * as against a philosophy of statism and collectivism.

Then the witness effectively and persuasively responded to extensive questioning by several committee members at the conclusion of which our distinguished former colleague from Wisconsin, Hon. John W. Byrnes, said:

May I make a comment that I think Mr. Reagan ought to run for Congress because we need more of his philosophy and persuasiveness here in Congress.

Yes, the witness was Ronald Reagan—the motion picture executive and actor. He did not run for Congress as suggested by Congressman Byrnes but he subsequently was a great Governor of California and, of course, he is now the esteemed President of the United States.

President Reagan is working diligently to restore responsibility and restraint in the conduct of the Nation's fiscal affairs, to remove undue tax constraints on economic growth and opportunity, and to permit the American citizen to retain a larger share of the fruits of his own productivity.

As we confront our urgent fiscal problems, we must recognize the only revenue the Government can spend is that which it takes away from the citizens either through taxes or debt—which is deferred taxation just as inflation is a concealed tax. The Treasury Department has no secret source of revenue of its own. Government spending has to be paid for by the people. And the Reagan administration is committed to spend less of the people's money and to spend it more effectively in providing for the realistic and legitimate needs of our citizens for governmental goods and services.

The testimony by witness Ronald Reagan before the Committee on Ways and Means which I have excerpted can be found in the printed record of general revenue revisions hearings before the Committee on Ways and Means, part 2, pages 1980-1993, 85th Congress, 2d session (1958). It is on the record. We should have heeded his sound fiscal advocacy then; we must heed it today if we would expand economic opportunity, curb inflation, and create a revitalized America. The abuses and excesses of governmental programs that do not work must be controlled and curtailed and those Federal programs that serve a legitimate public interest must be refocused and strengthened to serve better their intended missions.

President Reagan's state of the Union address tonight will outline the steps to be taken now and continued in the future to repress the skyrocketing growth of our Government and improve its efficiency in accomplishing necessary governmental functions. I am fully supportive of the President, and I urge my colleagues to give expeditious approval to the administration's program to restore economic vitality.

Government enterprise must relinquish its depressively dominant role in our economy and in the lives of our people. Private enterprise must be encouraged to move America forward once again to leadership and preeminence in serving freedom's noble cause in peace and prosperity.

The Reagan administration deserves the chance—the time and the opportunity—to correct the errors and excesses of our past ways and to restore our Government to a posture of being servant, not master, of our people. It will not be done overnight but we must begin now, stay steady on the course, and make a sustained and disciplined effort to attain these exigent ends.●

THE SEIZURE AND FORFEITURE OF ILLICIT DRUG ASSETS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. GILMAN. Mr. Speaker, narcotics trafficking and drug abuse have reached epidemic proportions both in this country and abroad. Drug trafficking is a multibillion dollar business estimated to have reached a staggering $64 billion just in this Nation alone. The profits from the illicit sale of marihuana, cocaine, heroin, Phencyclidine (commonly known as PCP or "Angel Dust"), Quaaludes and other dangerous drugs are enormous.

Until recently, our law enforcement agencies have been attacking the drug trafficking problem primarily by interdicting the illicit drugs (including the arrest, conviction and incarceration of the drug traffickers) and by cooperating with host nations to eradicate the illicit production of drugs at their source. In 1978, a third major ingredient was added to our law enforcement arsenal by permitting, under section 881(a)(6) of the Controlled Substances Act, the seizure and forfeiture of the drug traffickers' criminal assets—the cash, boats, aircraft, cars, homes, securities and other financial instruments used in the sordid drug trafficking business.

Mr. Speaker, narcotics trafficking is a highly sophisticated, well-financed operations conducted by international criminal syndicates, independent entrepreneurs, and so-called "respectable citizens." Drug trafficking tentacles reach into every region of the world, undermining the political, economic, and social institutions of every nation and causing human misery for millions of citizens throughout the world. Incarcerating the drug trafficker, such as Kingpin Nicky Barnes, formerly New York City's Mr. Untouchable, is important in removing that criminal influence from society. However, incarceration, as a single law enforcement strategy, only temporarily disrupts the drug organization; it does not immobilize that organization's drug trafficking operations. But the seizure and forfeiture of illegally obtained drug assets strike the drug traffickers where it hurts the most . . . at their pocketbooks.

During fiscal year 1980, our Federal Drug Enforcement Administration (DEA), working with the Internal Revenue Service, the U.S. Customs Service, and State, local and foreign law enforcement agencies seized a total of $90.8 million in illicit drug assets, of which more than $42 million was forfeited to the Federal Treasury. To date, DEA Administrator Peter Bensinger estimates a weekly seizure-forfeiture rate of between $2 million and $3 million.

Mr. Speaker, during the closing days of the 96th Congress, I introduced H.R. 8233 that would permit Federal drug law enforcement officials to use the proceeds from the sale of forfeited property to purchase evidence and other information in connection with their drug trafficking investigations. Within the next few weeks, I will be reintroducing this legislative proposal. In the interim, in an effort to more fully inform my colleagues of the efforts of our law enforcement authorities to seize illegally obtained drug assets, I am inserting at this point in the RECORD an article from the Los Angeles Times (Feb. 9, 1981), entitled "Forfeitures Up to $3 Million Weekly: Seizure of Ill-Gotten Gains Hailed in Fight on Drugs."

[From the Los Angeles Times, Feb. 9, 1981]

FORFEITURES UP TO $3 MILLION WEEKLY, SEIZURE OF ILL-GOTTEN GAINS HAILED IN FIGHT ON DRUGS

(By Ronald J. Ostrow)

WASHINGTON.—For years narcotics agents have confiscated tools of the drug dealers' trade—contraband drugs, cars, guns, occasionally an airplane, as long as the tools were used to make or distribute illicit drugs.

But now, thanks to a recent law, the government can be even tougher on drug pushers.

Recently in St. Louis federal agents seized a Cessna aircraft, a farm, $300,000 in cash and a private airport after breaking up one of the biggest marijuana smuggling operations in the United States.

In Miami, undercover agents for the Drug Enforcement Administration arranged for the delivery of 8,000 pounds of marijuana and then seized the smuggler's $1.2-million house, $34,500 in currency and two expensive cars, a Mercedes and a Lincoln.

CAPITAL HEART OF BUSINESS

In a Midwestern city, the agents targeted 64 automobiles for seizure—including as many as 35 Cadillacs—after cracking down on a curbside heroin and cocaine distribution ring.

The three cases show how the Drug Enforcement Administration is using the new law in the fight against illicit narcotics: seizing not just those items involved in producing and selling drugs; but also the illegally accumulated profits that drug traffickers invest in such entities as a private home or a bank account.

"Capital is at the heart of all businesses, both legal and illegal," said DEA Administrator Peter B. Bensinger. "Depriving drug traffickers of their assets, including their operating tools and their illegally accumulated profits is an essential step in crippling these organizations."

Bensinger said in an interview that many drug pushers have accumulated millions of illegal dollars and "the best way to hit them is in the pocketbook.

"As long as their assets remained untouched, they could quickly replace seized drugs and arrested people," he said.

The new seizure-forfeiture authority was enacted by Congress at the DEA's request in 1978 as an amendment to the Controlled Substances Act.

In Fiscal 1980, the first full year that the DEA went after accumulated drug profits, the agency used the new authority in more than half of its 1,685 seizures, taking over drugs and property it valued at $90.8 million. Its 521 forfeitures were valued at $42.6 million.

Bensinger estimated the seizure-forfeiture totals now at between $2 million and $3 million a week.

There is nothing new about law enforcement relying on forfeiture—taking illegally used or acquired property without compensating its owner. Bensinger said the practice is thousands of years old.

In 1970, with public concern over crime mounting, Congress enacted two major forfeiture provisions. One was part of the Racketeer Influenced Corrupt Organizations statute, the so-called RICO law that has become a major weapon in fighting organized crime. The other was a Continuing Criminal Enterprise statute.

But problems have developed in the agency's reliance on the laws to pursue illegally accumulated profits, according to Harry Myers, the DEA's associate chief counsel. The corrupt organizations law is almost useless, because courts have held that it does not apply to accumulated profits, Myers said.

He said court rulings have not been as clear on the Continuing Criminal Enterprise law but that the kind and amount of proof required for confiscation makes narcotics agents less likely to use it than the 1978 provision that subjects all money used in drug deals to forfeiture and, most important, all proceeds traceable to illegal drug trade.

If narcotics agents are seeking under the 1978 law to seize a $500,000 house that an apprehended drug dealer bought, they must prove "to a substantial certainty" that the money used to buy it stemmed from illegal drug activities. That standard of proof is much easier to meet than the "beyond a reasonable doubt" required in a criminal case.

"When you see people suspected of drug dealing who have listed their occupations as bakers and are buying $500,000 homes, it kind of stretches the imagination," Bensinger said.

Bensinger says his agency's pursuit of drug dealer profits gives it a three-fold strategy for waging the war on drugs at a time when two of the strategies—wiping out drug crops in host countries and stopping drugs at the border—are not as successful as federal officials would like.

"When you have defendants posting bail and fleeing jurisdiction or receiving minor jail sentences, you have to go after them another way," Bensinger said.

The FBI used to defend the agency's vigorous pursuit of car thieves by saying that it saved the taxpayers enough money in recovered cars to pay for the cost of its investigations. Similarly, Bensinger noted that the DEA's "cash flow" has climbed well above last year's level of asset seizures.

As enticing as Bensinger and other drug agency officials find the new enforcement tool, Bensinger said it is no panacea.

Bensinger's agency has drafted a model Forfeiture of Drug Profits Act which it hopes state legislatures will adopt.

"No state can afford to ignore the modern potential of this ancient doctrine," Bensinger said.

Although there are no easy answers or single approaches to effectively waging "war" against drug traffickers, the newly enacted seizure-forfeiture provision of the Controlled Substances Act is a welcome addition to the Nation's efforts to control narcotics trafficking both at home and abroad. In this regard, I commend our law enforcement officials and urge that my colleagues help them to intensify their investigations and seizures of illegally obtained drug assets by providing the personnel, equipment, and funding needed to do the job.●

TRIBUTE TO ELLA T. GRASSO

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. MINETA. Mr. Speaker, it is with profound sadness that I join Congressman MOFFETT and Members of the Connecticut delegation in paying tribute to the late Honorable Ella T. Grasso. Penetrating that sadness, however, is an abiding admiration for a woman who gave to her elected positions of leadership those qualities of compassion and fair judgment which are all too rare in our fast-paced world.

In her service as Representative of Connecticut's Sixth District, Mrs. Grasso revealed a strong commitment to the needs of her constituency. She won the friendship and professional admiration of her colleagues in the House through her service on the Veterans' Affairs and Education and Labor Committees, and gained the esteem of the people of Connecticut, who elected her Governor in 1974. As the first woman in American history elected in her own right to that position, Mrs. Grasso set an exemplary standard in political office for all legislators, male and female alike.

I know that my colleagues in the House share with me a deeply felt sympathy for Mrs. Grasso's family during this sad and difficult time.●

GREEN BILL—RELIEF TO PUBLISHERS

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. GREEN. Mr. Speaker, today I have introduced legislation which would exempt publishers from a crippling Supreme Court ruling which forces them to destroy their inventories of books and discourges publishing of books that are not likely to be best sellers.

Some time ago the IRS ruled that the inventory practice of "writing down" the cost of unsold goods would no longer be accepted. The Supreme Court upheld this ruling and stated that the only way goods could be "written down" for tax purposes is if they are "remaindered"—sold at low prices—or if they are destroyed. The result is that book publishers, long dependent on this system of inventory, are having to destroy books in order to survive and are reluctant to publish new works that may meet the same fate.

This has created an intolerable situation. The Supreme Court ruling has forced book publishers to destroy thousands of books and is affecting the editorial decisions of publishing houses throughout the country.

Small publishers and academic publishers are being hit particularly hard. There are many books which sell fewer copies than expected and can be disposed of only over a long period of time. Past inventory practices have allowed publishers to "write down" the unsold books and then continue marketing them in the following year. Now, in order to take the "write down" loss, these books are being destroyed. It is making it very difficult for small publishing companies and those companies which specialize in academically oriented books to make a profit.

A typical example is Octagon Books, in New York City. Octagon has destroyed 11,000 books, including copies of "Baudelaire the Critic" and "The Tennessee Yeoman, 1840-60." These books are important, but do not have a mass appeal. The new tax ruling created a situation where it was more profitable for Octagon to destroy these books than to continue to keep them in inventory, because they could no longer be "written down."

What is especially disturbing is the way this decision is affecting editorial decisions. Now that companies know that they have this problem they will be very reluctant to publish books of a specialized nature. As a result, we are risking the loss of many important works.

My legislation would exempt publishers of books, maps, sheet music, and periodicals from this decision. The legislation would change the taxing policy of the IRS for the taxable years ending after December 1979. This was the date the publishers were forced to adhere to this new policy.

Providing swift relief to the publishing industry is critical. I hope my colleagues will join me in this effort to rectify this unfortunate situation.●

DEPARTMENT OF LABOR CONTRACT

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. MAZZOLI. Mr. Speaker, I commend to the attention of my colleagues the following editorial, "Does Anybody Labor at the Labor Department," which appeared in the February 8, 1981, Washington Post.

This is the latest in a series of articles written concerning a recent contract negotiated for Labor Department employees.

That contract includes a provision designated "Use of Personal Audio Devices." The provision reads, in part:

Employees have the right to play radios, cassettes, etc. on the worksite so long as the use does not disturb the productivity of the employee * * *.

I find it hard to believe that any employees—Federal or private—can perform capably, efficiently, and with concentration when radios, cassettes, and possibly televisions can be played near and around them.

I do not think that use of these noisemaking devices can do other than "disturb the productivity" of the worker operating the radio or cassettes or TV, and any other worker in the adjacent area. If their productivity is unaffected, they cannot be doing much to begin with.

Furthermore, the inclusion of the term "etc." in this contract is, maybe, a global first. Certainly this makes the contract so open ended as to be impossible to enforce.

To compound this problem, this Labor Department contract could well become a pattern for Government contracts to be negotiated in the years ahead.

I respect collective bargaining and feel it strengthens the Nation. But, this particular contract could prove very damaging.

It comes at a time when the Nation is desperately trying to increase the rate of productivity in the public and private sectors so America can compete with foreign nations. It comes when we are starting the painful—but necessary—process of reducing inflation which is eroding the strength and vitality of our Nation. This contract flies in the face of all this.

When the public reads about this Labor Department contract it is not hard to understand why Federal service and Federal employees are held in such low esteem.

We are all considered as lazy, incompetent, and inefficient workers. This is not a fair appraisal of our worth and our talent. But that is the appraisal which sticks with the public.

I have written the Department of Labor to express my concerns about this contract. I would ask my colleagues to give this matter careful attention.

The article follows:

DOES ANYBODY LABOR AT THE LABOR DEPARTMENT?

(By Barbara Palmer)

The Labor Department, I've heard, is to federal employe trends what California is to everything else—the place where everything happens first. So when a friend who is a lawyer there told me about a new collective bargaining agreement the department had signed with its employees, I listened.

Quite a progressive agreement, my friend said. Not only did it mandate "flexitime," a new federal program that allowed employes, within limits, to set their own hours; it also provided up to two years' "child care" leave after pregnancy. It even gave employes the right to play radios or tape decks at their desks.

This sounded like some federal paperwork I might actually want to read. I wasted no

time getting down to Labor to see if I might get a copy of the contract. The Frances Perkins Building, Labor's headquarters, is a modern concrete-and-glass facility familiar to many Washington commuters since it straddles Interstate 95 as the highway deadends near the Capitol. The gridlike cubicles of the building's facade do little to lift the spirits, and most of the offices inside its vast seven stories have no access to natural light—though I am told that an early problem with carbon monoxide fumes seeping into the lower floors from the freeway has been solved.

Inside, the atmosphere seemed generally relaxed. At one desk, a woman was doing her knitting, while in another office a secretary seemed engrossed in her novel. Farther along I noticed another woman padding toward her office in a pair of fuzzy bedroom slippers.

I wandered deeper into the maze of hallways, pausing every few yards to check whether I was approaching North 4408, the office of Local 12 of the American Federation of Government Employes (AFGE).

Thumpa, thumpa, thumpa, another one bites the dust.

I glanced in the direction of the sound, but all I could see was a reception area and the corner of a desk. In a nearby office, all of the five or six desks apparently had been left unoccupied. As I passed, a phone was ringing.

A NEW CONTRACT ENCOURAGES KNITTING, SLIPPERS, TV'S, TAPE DECKS AND FLEXIBLE HOURS, BUT TRY FINDING SOMEBODY AT HIS DESK

The contract proved to be an intimidating document 160 pages thick. On the last page was a list of the 14 representatives of the union and the 11 representatives of the department who had negotiated the agreement.

Instead of wading through the text, I decided to save some time by calling the participants directly. It was 2 p.m.—a good hour, I thought, to catch people in their offices. I picked a name from the top of the union list, one Jeffrey Salzman.

"Hello, is Mr. Salzman in?"

"He's not here," came the curt reply.

"Do you know when he'll be back?"

"No."

"Is he expected back at all today?"

"I really don't know."

Next on the list was Doris Thomas, third vice president of the union, according to the contract. I dialed her office in the Bureau of Labor Statistics.

"Is Ms. Thomas in?"

"No, I don't know where Doris is."

"Do you know when she'll be back?"

"No, she didn't say where she was going."

"Can I leave a message?"

"I guess so."

Third was Charles Wood. "Yes, this is his office," the reply came, "but he's usually not here. He spends most of his time over at the union office."

After the fourth name, I began to get worried. By the time the ninth person on the list was out of her office ("No, I don't have any idea when she'll be back"), I was getting desperate. I dialed number 10, a Paul Gifford.

Luckily, Gifford was in, and more than happy to talk about the contract.

I asked first about "flexitime." Gifford explained that limited experiments in "alternative work schedules" were going on in various government agencies, but that Labor's contract was the first to ensure that all the employes in the "bargaining unit" who weren't already participating in an experiment would be covered by one of several flexitime plans.

These ranged from a slight variation on the traditional work week to the most liberal plan, known as "maxiflex." In maxiflex, an employe's 40 hours of work can be concentrated into four days between 6 a.m. and 8 p.m., as the employe sees fit—providing he is present during the "core hours" (10 a.m. to 3 p.m.) of the "core days" (usually Tuesday, Wednesday and Thursday). Gifford explained: "Maxiflex means that if I get up on a Friday morning and it's an absolutely gorgeous day out, I can say, 'Gee, I'd rather go biking along the C & O Canal than go to work,' and I don't have to bother calling anyone to say I'm not coming in."

Gifford also cleared up some confusion I had over the provision of the contract relating to maternity leave, which reads:

"Child Care Leave: An employe may be granted any combination of annual leave or leave without pay, for a period up to two years for the purposes of pregnancy, or for assisting or caring for the minor children of the employe or the mother of a male employe's newborn child while the mother is incapacitated for maternity reasons."

I told Gifford the syntax of the paragraph struck me as odd. He explained that this was because the provision had been written to apply to fathers as well as mothers, and—in a concession management had initially resisted—to unwed fathers as well as unwed mothers. What the clause means, he said, is that any employe who has a child and takes "child care leave" is guaranteed either his old job or a comparable one when he returns, up to two years later. The union, Gifford said, had originally asked for five years.

Finally, there was this paragraph:

"Use of Personal Audio Devices: Employes have the right to play radios, cassettes, etc., on the worksite so long as the use does not disturb the productivity of the employe or other employes within the worksite and does not distract clientele."

I asked Gifford what the "etc." meant.

"It means televisions."

Indeed, said Gifford, the union interpreted the contract to include TVs under "audio devices." On this issue there seemed to have been some tactical debate within the union negotiating team. Later, Wayne Lauderdale, another union negotiator, told me: "Our biggest problem was whether to include televisions because a lot of clerical people are into soap operas. Originally, the word 'television' was in there, but it didn't cost us anything to strike it because it was covered anyway under 'etc.'."

Otherwise, said Lauderdale, "This provision was no big deal because all it did was affirm a practice that has been fairly widespread in the department for a long time."

Now I was getting somewhere. I decided it was time to check out management's view of all this. So I put in a call to Robert Hastings, the director of the department's Office of Labor-Management Relations.

"Is Mr. Hastings in?"

"No, he isn't."

"Do you expect him today?"

"I'm not sure."

I tried Hastings again the next day, and again the next. He wasn't in, so I left messages. The third day, when he hadn't returned my calls, I asked the receptionist whether he might be on leave, or sick perhaps?

"I'm not sure whether he's on leave or traveling," she said. "Mr. Hastings does travel a lot. But I'll give him your message when he comes in." She suggested that in the meantime I talk to Isaac Cole, another of the management negotiators.

Tipping my hand somewhat, I asked Cole whether management hadn't found a few of the union's demands unreasonable. Cole got angry.

"I didn't find any of the union's demands unrealistic," he snapped. "I assumed they were all made in good faith . . . It's a good contract. Management wouldn't have signed it unless we thought it was a good contract." Cole added, "I don't accept the premise that there has to be an adversarial relationship between management and the union." When I pressed him on this, he hung up.

I learned later the Department of Labor has historically been one organization where the traditional adversary relationship between unions and management has been successfully tempered, after a fashion.

When collective bargaining in the federal sector was recognized by executive order in 1962, Labor Secretary Arthur Goldberg made it a point of pride that his department would be the first to sign an agreement.

To achieve this goal, the story goes, he directed the department's negotiating team to make whatever concessions were necessary to the union.

"Those of us who were all familiar with collective bargaining agreements in the private sector were appalled with that agreement," recalls Leonard Nichols, a department veteran who is a member of management's negotiating team. "We really gave them the store. And once we had a soft agreement to start with, it just kept getting mushier and mushier."

The natural tendency of many Labor managers to sympathize with their union extended into the most recent contract talks last April. Ben Segal, one of the negotiators for the department, is a dues-paying member of the union he was negotiating with (although as special assistant to an assistant secretary he is too far up the management ladder to benefit directly from the contract).

"We recognize the union, accept the union and want it to be more effective," Segal told me. "We in the Labor Department are, in effect, preaching to employers about fair practices and labor-management relations, and I think that gives us an obligation to practice what we preach."

Many of the department's negotiators during the latest contract talks had no previous experience with collective bargaining on either the union or management side, while others were drafted as negotiators at the last minute and had little time to familiarize themselves with the issues.

Nichols recalls that he'd just returned from a two-week vacation and "barely had sat down in my chair before they told me to get over to the Georgetown Inn," where the negotiations dragged on for several weeks at government expense.

"That whole issue of flexitime was so damned complicated," added Nichols, "that at one point we were offering them something much more generous than they were asking for."

Across the table, on the other hand, the union negotiators knew what they wanted and were seemingly less concerned with setting an example of nonadversarial behavior. "We behaved like a union—self-interested," says Jeffrey Salzman. "And we achieved accordingly."

Just how much they achieved will only become evident over the next few years, but

a first impression can be gleaned by looking at the fine print in the contract.

There are, as expected, provisions that go beyond the civil service laws in making it harder to fire or otherwise discipline a nonperforming employe. If a supervisor wants a statistician to hit his calculator a little more often and accurately, for example, he must think twice before sidling up to the accountant's desk and saying so. According to the new contract, if the supervisor later attempts to suspend, demote or fire the employe, such "oral counselings, warnings, reprimands or admonishments" may not be used as evidence at the required disciplinary hearing. Only warnings in written memo form count.

If the supervisor, daunted by the task of building a paper record against his no-account accountant, decides to use the time-honored technique of transferring him to an open slot in Spokane or Dubuque, he again runs afoul of the contract. Under the new scheme if an employe doesn't accept a transfer, the department has to try to find him another job in Labor's Washington offices—and provide any training necessary.

Other provisions, which appear blandly innocuous, assume more meaning when they are explained by Local 12 officers. There is, for example, a clause entitled "work plans," which says that "employes have the right to propose new and innovative ways to carry out the mission or function of the department . . . [and] when feasible the department will implement the plan. If an employe's plan is rejected, the department will inform the employe, in writing, as to why it was rejected."

Sounds like nothing more than an official tribute to the suggestion box. But here was how union negotiator Gifford illustrated its importance:

"Suppose you're an investigator in the Bureau of International Labor Affairs and your job is to go out and examine the records of shoe companies or electronics firms to see how foreign imports are affecting their business. But you're also going to law school at night, and the traveling is interfering with your classes.

"Under the work plan provision, you could decide that it's unnecessary to go out in the field because you could really do the whole thing by phone and mail. You could just send forms to the company to fill out and analyze them back in Washington. It might save the government money."

"But what if you send out these forms," I asked, "and the companies send back false information that suits their own interests?"

"Well, management would have the right to bring up that point in its written explanation of why your suggestion isn't feasible." Gifford added that, of course, the union could disagree with management's explanation, and maybe even take the matter to arbitration.

On paper, many of the contract's provisions look sensible enough—unusual, to be sure, but phrased in language that truly cooperative union and management teams might be expected to arrive at. Most of the rights it grants employes are followed by reasonable-sounding qualification:

Employes can play their radios "so long as the use does not disturb the productivity of the employe." They can choose their own hours, but their bosses can set "coverage requirements" to assure, for example, that there are enough people to answer the phones at all times. They can work a 30-hour week, but only if they have built up a 10-hour credit by working overtime the previous week.

These are the sorts of innovations that might work in an environment where both managers and workers are motivated by a goal of performance—like producing a good product—or are afraid of the consequences of not performing—like getting fired, or going out of business.

Unfortunately, it is this shared motivation to perform that is so notably absent from the federal government, and that, in my conversations, seemed particularly absent from the Department of Labor. The contract's talk of productivity, after all, takes place within the context of a civil service system in which productivity is rarely measured, and mediocre performance rarely punished on either an individual or collective level.

Historically, in this system, about the only assurance of the government's *output* has been the federal work ethic's fairly rigid control over *input*. "9 to 5" was the substance of this ethic, and "I'm giving you my 40 hours" its creed.

One reason the Department of Labor was willing to sign the agreement, according to management negotiator Lockwood, was that, "Basically, there aren't any tangible costs"—no actual wage increases or budget-breaking fringe benefits. Intangible costs, on the other hand, are not so easy to spot, particularly in an organization like the Department of Labor that produces an intangible product.

(Theoretically, at least the flexitime portion of Labor's experiment is being evaluated by the federal Office of Personnel Management, which is scheduled to announce its findings in 1982. But OPM's effort is already bogged down in disputes over whether its evaluation plan will actually measure anything worth measuring. The General Accounting Office, for example, has pointed out that OPM has no plans to ask the public if the services provided by the government offices using "flexitime" have improved or deteriorated.)

It is quite likely that the "advances" embodied in the Department of Labor contract will spread to other agencies, as the AFGE is already urging. Barring hard numbers proving either an increase or decrease in productivity, the basic ratchet-rule of collective bargaining can be expected to take hold. As the AFGE's director of labor-management services, John Mulholland, put it, "Once one agency gets a new package of benefits, it doesn't take long for the rest to catch up."

I decided to give Robert Hastings one last try. A dozen calls over two weeks had produced no response, and only one indication of Hasting's actual presence in the national capital area (he had been "in a meeting"). I dialed.

"Mr. Hastings isn't in right now."

"Is Mr. Hastings ever in?"

"I'm sorry, but he's always in a meeting or out of the office. That's what he does all day."

I thought of Hastings a few days later when I read a report which said that the Office of Personnel Management was considering a new experiment in "alternative work scheduling." This experiment, I read, will go one step beyond "flexitime." It is called "flexiplace." Under it, a federal employe, if he can perform his work at home, would not have to show up at the office at all.

Actually, I had heard this idea before, from Paul Gifford, when he was discussing the demands the union had left to raise at the next round of contract talks.

"I could see," he had said enthusiastically, "where this contract could be improved . . ."●

75TH ANNIVERSARY OF SAN PEDRO CHAMBER OF COMMUNITY DEVELOPMENT AND COMMERCE HONORS LONGTIME MEMBERS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. ANDERSON. Mr. Speaker, on Friday, February 20, 1981, the San Pedro Chamber of Community Development and Commerce will conduct a special recognition luncheon to commemorate 75 years of incorporation.

The main event of this luncheon will be the honoring of the many longtime members.

Special guests at this luncheon include Dr. Roy Smith, the oldest living past chamber president, who served in 1939. Additionally, all members who have held continuous membership for 25 years or more will be honored. Chamber records show 65 businesses will be so honored.

Included in the honorary roll will be: Southern California Gas Co., 63 years; C. J. Hendry Co., Chevron, U.S.A., Inc., Foots Mayflower, the San Pedro News Pilot, and Seaside Prescription Pharmacy, all with 62 years; Pacific Telephone, 61 years; Harbor Office Supply, 58 years; Louisiana Pacific Corp., 57 years; Louis M. Sepulveda, 53 years; Bank of America, Security Bank, United California Bank, and Van Camp Insurance, each with 52 years; the San Pedro YMCA, with 51 years; Atchison Realty and San Pedro Peninsula Hospital with 50 years each.

Also honored will be Becker Insurance Co. and San Pedro Harbor Ship Supply Co., 49 years; Star-Kist Foods, Inc., 48 years; Palos Verdes Properties, and Safeway Stores, Inc., 46 years; Tolbert's, and Jugoslav-American Club, 44 years; Glendale Federal Savings & Loan Association, and Savage Insurance Agency, 43 years; Anchor Press, 41 years; Pleasure Craft Co., Richard's Cleaners, and Tyler Printing Co., Inc., 38 years; Harbor Insurance Agency, Southwest Instrument Co., and Todd Pacific Shipyards Corp., 37 years; Frank Coletto Ford, Inc., Mesa Nursery, Seaside Supply Stores, Inc., and Supremeco, Inc., 36 years; San Pedro Hardware & Gift Co., 35 years; Independent Press Telegram, 34 years; Green Hills Memorial Park, 33 years; Olsen's Restaurant, 32 years; Lite House Electric Co., Moretti Tire Service, San Pedro Boat Works, Elton C. Spires, D.D.S., and Union War Surplus, 31 years; Hards-Fleming-Trutanic Insurance, 30 years; California Yacht Anchorages, Inc., Clara's for Flowers, R. J. Frie, M.D., 28 years; McCowan's

Market, McNerney's Mortuary, and Harry B. Meisel, O.D., 27 years; Allen & Son Jewelers, William R. Anderson, M.D., Ben's TV & Appliances, Cross Pharmacy, Robert F. Lande, D.D.S., San Pedro Board of Realtors, Inc., San Pedro Lock & Key, Roy Smith, M.D., George N. Stephenson, Trant's Shoes, and Wilmington Transportation Co., 26 years; Hilja's, Ben Karmelich, William Busby, A.I.A., and San Pedro Glass & Mirror, 25 years.

The San Pedro Chamber's list of accomplishments is as impressive as its honorary member list. My wife, Lee, joins me in celebrating the chamber's anniversary, and in wishing continued success to an organization that has greatly served the Los Angeles Harbor community.●

RESHAPING POLITICAL INSTITUTIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, February 11, 1981, into the CONGRESSIONAL RECORD:

RESHAPING POLITICAL INSTITUTIONS

Most Americans are convinced that their national government does not work well. Every poll shows it, and the declining participation of voters at election time confirms it. Conversations with Hoosiers leave me with the very same impression: the government is simply not responding adequately to the problems the nation faces. Americans lack confidence in the government because many of the adverse events and trends of recent years—the Vietnam War, Watergate, inflation, unemployment, the energy shortage, Soviet adventurism, the hostage crisis—have been perceived by them as failures of government.

I have often wondered why the government has performed poorly. A principal reason seems to be that our political institutions have become so weak that we are not able to use them to build the consensus necessary for effective government action. The President finds his authority reduced by unresponsive civil servants, conflicts between his personal staff and his cabinet, and legislative restrictions Congress has imposed on him. The power of Congress is undercut by a diffusion of leadership among many members, the intense pressure of special interest groups, and antiquated, complicated procedures. The political parties have seen their influence wane because of advances in mass communications, reforms intended to open up the nominating process, and changes in the laws that control campaign financing. The challenge is to reshape these and other political institutions so that they will be more useful.

After thinking about this challenge for some time and reading several new reports, I want to offer a few suggestions on ways to strengthen three key political institutions: the Presidency, Congress, and the political parties. Unless these institutions work well, there will be little support for policies which are in the interests of the general public.

The Presidency: The American political system is not at its best without strong presidential leadership. Only the President can articulate national goals clearly and lead the nation in sensible efforts to reach those goals. The hand of the Chief Executive should be strengthened in several ways. His immediate staff should be small, highly professional, and unbiased, with expertise in international, economic, and domestic affairs. He needs one unit to search for talented people and another to anticipate general trends and develop long-range policies. There must be more cooperation between White House aides and department heads. The President's control of the bureaucracy must be tightened and his ties with Congress improved. Congress must release the President from legislative restrictions, especially those in foreign policy, that have made it more difficult for him to exercise his mandate. In recent years Congress has rejected its traditional deference to the President in foreign affairs, but it has not been able to come up with consistent policies on its own. No one wants it to be a "rubber stamp," but Congress must not ignore presidential leadership altogether.

Congress: Despite all its faults, Congress is still the best national institution for the reconciliation of divergent interests. The public's loss of confidence in Congress, however, can be corrected only by solid performance. Congress must "get its act together" and solve the major problems on the national agenda. If it is to do so, it needs to have its vulnerability to special interest groups reduced, its heavy workload lightened, and its unwieldy procedures streamlined. Congressional committees must be reorganized so that they parallel the functions of government. Responsibilities must be distributed more evenly among them. Both the number of subcommittees and the number of subcommittee assignments per member should be cut. Congressional leadership needs to be fortified, so that Congress can help give the country a sense of direction. It must be allowed to force timely consideration of the issues as it blends the various actions of Congress into a coherent whole. The roles of the Speaker, the key committees, and the party caucuses must be broadened.

The political parties: The consensus-building role of the political parties is probably more important than is generally appreciated. Political parties have often molded majorities out of disparate interests within our country, easing relationships within Congress, between Congress and the President, and among the governors, state legislatures, and mayors. If political parties are to assume their consensus-building role once again, they must be strengthened in several ways. We might increase the percentage of elected officeholders, candidates, and party officials in delegations to nominating conventions. We might shorten election campaigns and require presidential primaries, organized by time zone, to be held on a few dates. We might provide television time to political parties, make voter registration easier, and boost voter participation by declaring election day a national holiday. Public funding for congressional campaigns (with a portion of the funds going to political parties) should be considered, and a limitation should be placed on contributions that a candidate may accept from political action committees.●

TELECOMMUNICATIONS IN AMERICA

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. BROYHILL. Mr. Speaker, since its creation in March of 1978, the National Telecommunications and Information Administration within the Department of Commerce has assumed a far-ranging national role in telecommunications and information issues. As such, NTIA is the lead agency in the executive branch for telecommunications-related matters.

I cannot overemphasize the importance of telecommunications to American society, and indeed, to our economy. There are few issues which have an effect on so many of our people. When NTIA formulates telecommunications policies or when it suggests regulatory changes to benefit the industry and the consumers it serves, this agency is making proposals which could have a substantial impact on millions of Americans.

On February 6, as my colleagues are aware, I introduced H.R. 1801, a bill to provide for a regular authorization for the Federal Communications Commission.

I am today introducing an authorization bill for NTIA and many of the reasons which prompted me to introduce the earlier legislation hold true in this case as well.

At present, there is no separate authorization for NTIA. Yet, the agency is making policy recommendations which affect great numbers of people and which involve millions of dollars. With a regular authorization process firmly in place, I believe we would have a mechanism to insure a thorough congressional scrutiny of the agency's activities. Additionally, this would afford us an opportunity to look at the full range of executive branch actions in the area of telecommunications, so that we could insure a comprehensive and coordinated approach in our actions.

This is not to say that NTIA has acted irresponsibly and should now be refined in. I worked very closely with NTIA officals during our attempts to enact the Telecommunications Act last year, and I valued their wise counsel. However, I do feel that the agency has many important functions—management of the electromagnetic spectrum to name just one—and these functions should be reviewed by the Congress on a regular basis. Consequently, I urge my colleagues to work with me to see that this bill is enacted into law.●

PATENT TERM AND REGULATORY DELAY

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. KASTENMEIER. Mr. Speaker, on December 12, last year, the President signed into law the most far-reaching amendments to the patent law in nearly 30 years.

These amendments were designed to modernize the patent system so as to promote commitment of the risk capital necessary to develop the advanced technology which is central to our Nation's economic well-being.

Patents and the patent system play an important role in the process of investment in new technology in several ways.

First, the grant of a patent assures to an inventor and investor a 17-year period during which the enormous costs of development may be amortized.

Second, the patent, although creating exclusive rights in an invention, is also a publicly disseminated document, publicized widely and available to competing inventors. This encourages the rapid dissemination of information about new technology which in turn spurs additional inventions.

Public Law 96-517, the bill signed last year, addressed three critical problem areas in the patent system: reexamination, Government patent policy, and patent fees.

However, during the course of hearings and markup on that legislation other issues arose, including the administrative structure of the patent system and the question of loss of effective patent life due to premarket regulatory delay. On the question of loss of effective patent term, members of the subcommittee, in particular my distinguished colleague from Michigan, Mr. Sawyer, graciously withdrew proposed amendments with the understanding that the question of restoring patent term lost due to regulatory delay would be considered separately in the 97th Congress.

It is with that understanding in mind that I am today introducing the Patent Term Restoration Act of 1981.

Proponents of patent life restoration argue that in many cases, especially in the pharmaceutical and chemical industries, the extensive and necessary premarket clearance procedures of agencies such as the FDA and EPA, reduce effective patent life so drastically as to make it increasingly difficult to attract the risk capital necessary to developing useful new products.

It is argued that the negative impact of lost patent life upon innovation is readily apparent in the pharmaceutical field. When a researcher uncovers a promising new chemical compound, he files for a patent. That patent usually is granted within 2 years, and the 17-year period of protection commences. New compounds are rarely marketable at this point, however, it now takes an average of 7 to 10 years and about $70 million to complete the testing period and the Food and Drug Administration's approval procedures before medicines are made available to the general public. The effective patent life for such products is, therefore, in the neighborhood of 7 to 10 years.

As a result of declining patent lives and the concomitant increase in time and expenses required to develop and market new therapies, many in the pharmaceutical industry believe that the flow of new medicines to the public has diminished. From 1955 through 1962, an average of 46 new drugs were introduced annually in the United States; today that average is only 17 a year, a decline of 63 percent. Late in the last Congress, I introduced for comment H.R. 7952, embodying the patent term restoration concept. My purpose in introducing the bill was to generate study, comment, and criticism on the issue. That process has now begun and is continuing. For example, we expect that preliminary information on this issue and other patent related matters soon will be forthcoming in connection with a study by the Office of Technology Assessment.

It is my intention that hearings on the bill will elicit many more comments, information, and criticism.

The legislation I am introducing today is very similar to the bill I introduced last Congress with one exception. Last year the legislation covered medical devices, drugs, and other chemical products such as pesticides and industrial chemicals. This year a new provision has been added at section 155(c)(4)(D) to cover other products subject to Federal premarketing review or notification requirements, because a number of people have expressed the concern that Federal premarketing requirements have eroded the patent life in less visible areas as well. Although I take no position on its merits. I have included the additional provision in the bill in order to draw attention to the issue when we have our hearings. Proponents of the broader coverage will be invited to make their case during our hearings, so that members of the subcommittee can make an informed decision on the issue.

I also urge groups representing consumers and other interested parties to plan on presenting their views during our hearings. Such broad participation will insure that there is a full and fair examination of the need for the legislation.●

BUSINESSES ASSIST ADOPTION

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. GORE. Mr. Speaker, last week, the Nashville Banner printed an article about a number of major companies which are encouraging their employees to adopt homeless children by helping them to pay for the adoption expenses. I find this program refreshing and commendable and want to bring this item to the attention of my colleagues:

BIG COMPANIES HELP WORKER ADOPT CHILD

MINNEAPOLIS.—Big business is reaching out a helping hand to employees wishing to adopt a child.

A typical new adoption policy now offered by Honeywell, for example, provides that the company will pay all direct adoption expenses up to a maximum of $1,000 per child. Typically adoption costs here range from $300 for a stepchild to $3,500 for a foreign child.

"Since the company provides medical coverage to employees who have children through childbirth, we decided it made sense to also help our employees who have children through adoption," explained Ed Lund, vice president of administration.

The policy applies to some 55,000 employees in the United States. Other major firms with similar policies include IBM, Eli Lilly, Hallmark, Abbott Laboratories and Xerox.●

PUBLIC BUILDING ACT OF 1981

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. LEVITAS. Mr. Speaker, I have today introduced a bill entitled the Public Buildings Act of 1981, designed to provide Congress with a unique and long overdue process whereby we will have the opportunity to significantly modify ongoing practices of the General Services Administration, with respect to providing the necessary space to house departments and agencies of our Government. This bill represents what I believe to be a culmination of efforts undertaken during the 96th Congress by your House Committee on Public Works and Transportation and the Senate Environment and Public Works Committee.

This legislation does not have a great constituency throughout our country due to the fact that it deals with our housekeeper agency of Government, the General Services Administration. Yet, it is designed to save all taxpayers of our country a significant amount of money within a few years. So I suppose that the support constituency for this bill will be the taxpayers. The public is tired of haphazard operations, mismanagement, un-

necessarily costly and poor quality building and space programs, as pork-barrel solutions. The bill I am introducing will deal effectively with all these problems in a comprehensive way.

Mr. Speaker, this legislation directs that emphasis be placed on increased ownership of Government space and requires a reduction in our dependence on leasing to satisfy the long-term housing needs of our Government. The legislation requires GSA to undertake long-term planning. As an interim measure, during the 96th Congress, the House Committee on Public Works and Transportation approved the following resolution, which has, for the first time, brought about the transmission to the Congress from GSA a plan accommodating the public building needs of the United States through fiscal year 1987:

COMMITTEE RESOLUTION

Resolved by the Committee on Public Works and Transportation of the House of Representatives, That the Administrator of General Services is directed to submit to Congress, not later than the fifteenth day after Congress convenes each year, a program, for the first fiscal year beginning after such date, of projects and actions which the Administrator deems necessary to carry out his duties under the Public Buildings Act of 1959, as amended. Such program shall include, but not be limited to, the following:

(A) a plan for accommodating the public building needs of the United States for such fiscal year and the next succeeding five fiscal years,

(B) a list, in priority order, of construction, alteration, and acquisition projects for which authorization is requested for such fiscal year, including a description of the project and the number of square feet of space involved,

(C) a list, in priority order, of lease and lease renewals for which authorization is requested for such fiscal year,

(D) a list of all public buildings proposed in such fiscal year to be vacated in whole or in part, to be exchanged for other property, or to be disposed of,

(E) a proposed budget for such fiscal year for the Public Buildings Service (including, but not limited to, a proposed budget for such fiscal year for the repair and maintenance of public buildings and the total amount of funds proposed to be expended by the Administrator for leasing space in such fiscal year),

(F) if a prospectus for a project to be carried out, or a lease to be entered into or renewed, in any fiscal year must be transmitted to Congress under section 7 of the Public Buildings Act of 1959, as amended, the Administrator, whenever possible, shall transmit such prospectus to Congress, together with the annual program for such fiscal year.

Date: December 9, 1980.

HAROLD T. (BIZE) JOHNSON,
Chairman.

In addition, I am enclosing pertinent sections encompassed in the report which appear to complement efforts undertaken by passage of the committee resolution:

PBS MANAGEMENT PLANNING SYSTEM, GSA, FY 83 CYCLE

Hon. JAMES J. HOWARD,
Chairman, Committee on Public Works and Transportation, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Volume I of the PBS Management Plan is transmitted in accordance with your committee's resolution of December 9, 1980, directing the Administrator of the General Services Administration to submit to the Congress a plan accommodating the public buildings need of the United States through Fiscal Year 1987.

The prospectus projects shown for Fiscal Years 1983 through 1987 have not been reviewed and approved by this Administration and are tentative until the individual prospectuses are forwarded to the Congress. We are currently scheduled to complete submission to the Office of Management and Budget of prospectuses for new construction, lease and lease amendment and repairs and alterations for Fiscal Years 81, 82 and 83 by the middle of March 1981.

Copies of this volume are being transmitted to the Honorable Robert T. Stafford, Chairman, Senate Committee on Environment and Public Works.

Sincerely,

RAY KLINE,
Acting Administrator.

PREFACE

This document is Volume I of three volumes which make up the PBS Management Plan and contains the Public Buildings Service Plan for accommodating the public building needs of the U.S. for the FY 81-87 period.

Five parts comprise Volume I. Part One summarizes the key aspects of the PBS Strategic Posture for the FY 81-87 planning horizon. Part Two documents historical populations and space trends over the past ten years and presents the forecasts of Federal population and space requirements for the plan period. Part Three lists the FY 81-87 proposed prospectus projects in priority order for each of the Management Plan years. Parts Four and Five provide the FY 82 PBS Budget Request. Appendices are provided to supplement the understanding of the PBS Management Planning Process and the information contained in this volume, including a special listing of prospectus projects for each of the Management Plan years by major client areas.

Volumes II and III, respectively, contain the National and Regional Program Plans, which cover all PBS multi-year operations. These will be available at a later date.

Inquiries concerning this report should be addressed to the Commissioner, PBS, Attn: Office of Program Support, Management Planning Office, 19th and F Sts., N.W., Washington, DC 20405.

PUBLIC BUILDINGS SERVICE MANAGEMENT PLAN EXECUTIVE SUMMARY

The Public Buildings Service Posture for the FY 81-87 period represents a significant shift in direction. Emphasis during this period will be increased ownership of space and on reducing our dependence on leasing to satisfy the long-term housing needs of our client agencies.

Because of the demonstrated economies of long-term ownership, the plan proposes to achieve by FY 93 a 60/40 ratio of personnel housed in Government-owned space as compared to those housed in leased space. This ratio will be achieved through a stepped-up construction and acquisition program.

The Management Plan calls for an increase in PBS controlled Government-owned space of approximately 41 million square feet from FY 80-93. This increase achieves the 60/40 ratio and is based on the assumptions that the PBS housed population will grow by less than one percent per year for FY 80-93 and that a 17% reduction in leased space from FY 87-93 can be achieved, as Government-owned space enters the inventory.

Approximately 9 million of the 41 million square feet enters the inventory from FY 80-85 primarily as a result of prior year design starts, acquisitions and lease activity. Total deliveries into the inventory from FY 86 through FY 93 are planned at approximately 32 million square feet as a result of planned design starts and other inventory actions during the FY 82-87 period. Designs starts during the FY 83-87 period will average 5 million square feet per year.

The Management Plan proposes total prospectus level project authorizations of $5.7 billion for acquisitions and for sites, design and new construction of 31.1 million square feet of space. Repairs and Alterations to the inventory for FY 81-87 are planned at total authorization levels of $1.0 billion.

To meet the FY 93 target the plan proposes congressional approval of the use of time financing. With time financing the program can proceed at the planned rate of design starts to attain the 60/40 project mix, while cutting estimated rental costs by 29% by FY 93. Without time financing the program would proceed at less than half this rate and the 60/40 objective would not be met.

It currently takes six to eight years to complete major construction projects. Two to three of those years are taken up in project development and obtaining authorization. The PBS Management Plan proposes congressional approval of procedures to allow site selection and design before final construction authorization. The result would be two years eliminated from the process and, therefore, two years of cost inflation eliminated. Other costs control measures to be emphasized include the PBS Capitalized Income Approach to Budgeting, achieving improved utilization of GSA-controlled space, establishing lease terms consistent with conversion to ownership, and energy conservation.

We will also be emphasizing responsiveness to our client agencies and to the public. Important in this regard are the timely delivery of commercially equivalent real property services, and space acquisition.

PART I—KEY CONCEPTS OF THE PBS STRATEGIC POSTURE

MANAGEMENT PHILOSOPHY AND STRATEGIC DIRECTION

On June 16, 1980, the Commissioner of PBS approved the management philosophy and strategic direction for the FY 81-87 plan period, as recommended by the PBS Planning and Project Review Board. This will govern implementation of the PBS Management Plan toward attainment by the end of the plan period of the directed operating posture.

A copy of this posture statement is attached as Enclosure A. Within this statement, the key concepts which provide the foundation for development of the PBS Facility Plan are:

a. Emphasis upon government ownership of the space inventory, and

b. Use of time-financing to finance new construction, purchase of existing buildings and conversion projects.

EMPHASIS UPON GOVERNMENT-OWNERSHIP IN THE SPACE INVENTORY

One of the Key Strategic Posture statements governing the preparation of the Facility Plan is the commitment on the part of GSA Management during the decade of the eighties to move toward increased ownership of buildings to be used for the principal offices of personnel housed by PBS. The actions proposed in this Facility Plan are keyed to achieving the targeted 60/40 ownership mix by the end of FY 93.

This commitment is based upon studies, which show that under expected ranges of discount and inflation rates, it is more beneficial for the Federal Government to own the majority of its space. In addition, it will also enable GSA to reduce significantly its dependence upon leased space, where rates are continuing to escalate at a very rapid rate.

In a recent study, a decision model based upon life cycle costs was used to examine Federal construction and lease alternatives.[1] Annual costs for comparable construction and lease projects in 126 geographic areas representing 84 percent of the current Federal office space inventory under GSA control were used to synthesize a national build/lease mix.

The study showed that the key factor in a build/lease decision centered upon the difference between the discount and inflation rates. Figure 1 illustrates this point. As the amount by which the discount rate exceeds the inflation rate increases, a lease decision becomes more favorable.

Historically, this difference has remained at approximately 2.5 percent as shown on Figure 2. This chart is based upon the assumption that the discount rate usually is equivalent to the Treasury bill rate. The assumption has been recognized as valid by GAO studies. Using this 2.5 percent difference as a basis, the evidence would support an economic decision to build rather than lease in most cases.

However, provisions of OMB Circular A-104; now require that GSA/PBS economic lease/build analysis be made when the difference between the discount and inflation rates is 7 percent. Figure 1 shows that this requirement will almost always result in a lease decision. Appropriate changes to the circular have been recommended to OMB based upon study results as discussed above.

Even without changes in OMB Circular A-104, recent dramatic increases in rental costs are driving PBS analyses toward government ownership. In prospectuses that are now being prepared, the decision is consistently in favor of owning the building when annual rental rates for comparable leased space approach or exceed $20 per occupiable square foot.

PART II—GSA HOUSED POPULATION AND SPACE TRENDS

PLANNED GROWTH IN HOUSED POPULATION AND GSA CONTROLLED

As stated in the Strategic Posture, (Appendix A), space-needs projections in the PBS Management Planning System are community based. They are derived from forecasts in Federal-population-to-be-housed in GSA controlled space. A summation of the Plan projections for space requirements over the FY 80-87 period are shown in Table 1. These projections are based upon the following assumptions:

a. That, as previously stated, a ratio of 60% personnel housed in government-owned space to 40% in leased space will be attained by the end of FY 93, and

b. That government population housed in GSA space will grow very modestly, (slightly less than 1% compounded per year) from 861,000 in FY 80 to 977,000 by the end of FY 93.

This personnel growth pattern compares favorably with projections made by the Bureau of Labor Statistics and by the Office of Personnel Management. This magnitude has also been independently confirmed through the results of a GSA regression multiples model, which forecasts space as a function of Federal white collar population and utilization rates.

Under these assumptions, a need for a total of approximately 41 million additional Government-owned square feet is projected above the FY 1980 amount. Leased space decreases from a high of 100.3 million sq. ft. in 1987 to 83.2 million by 1993. Planned deliveries from prior year space actions will bring approximately 9.2 million feet of Government-owned space into the inventory between 1980 and 1985. Since the FY 1982 program has been submitted, and allowing five years for site selection and acquisition, design, construction, and delivery of newly constructed space, 32 million square feet must be planned, approved, and funded over the seven-year period, FY 1983-1989, or approximately five million square feet of deliveries per year for FY 87-93.

REDUCED DEPENDENCE UPON LEASED SPACE

As demonstrated in Part I, the planned construction program will be a more effective way to satisfy housing requirements.

Figure 3 shows the historical mix of the percent of personnel housed in all GSA-owned space to leased space. Since FY 71, leased office space has risen from 35.7 million square feet or about 37% of the inventory to 68.1 million square feet or 47% of the inventory in 1980. This trend must be reversed if GSA is to reduce its dependence upon leased space, where sharply rising rental rates have become a major characteristic of the market place.

Figure 4-A depicts the impact of the planned stepped-up construction and acquisition program. By that date, the government-owned space inventory will approximate 163.4 million square feet, whereas leased space will total 83.2 million square feet. As new space deliveries begin to reach the inventory leased space levels drop sharply commencing in FY 88.

Figure 4-B, on the other hand, shows the more undesirable alternative space inventory pattern if PBS is limited to a small construction program comparable to the last five years of about 800,000 square feet annually. In this case by FY 93, 115.6 million square feet of space must be leased while 158.1 million would be government-owned.

Figure 5 shows the detrimental cost impact that would be experienced if the present lower-scale construction program is continued. Over the FY 80-93 period, rental costs would rise from approximately $500 million to 2.8 billion. Implementation of the program, as set forth in the PBS management plan would reduce this escalation, with rental costs rising from $1.2 billion in FY 87 to 2.0 billion in FY 93.

PART III-A—FISCAL YEARS 1981-87 PROPOSED CONSTRUCTION AND ACQUISITION PROGRAM

The attached list represents the General Services Administration's (GSA) proposed construction and acquisition program by Fiscal Year (FY). This includes those projects in the FY 1981 proposed budget, currently pending before Congress, the FY 1982 proposed budget, presently in the submittal process, and the balance of the plan for the period FY 1983-1987. The FY 83-1987 listings are in priority order based on current planning assumptions, and the review and evaluation of data available at this point in time.

This national program plan has been reviewed and approved by the Public Buildings Service's Planning and Project Review Board, after a series of board meetings and presentations by the GSA regional office staffs.

This proposed program was developed consistent with the GSA policy of housing Federal agencies in Government-owned space when feasible and working toward a goal of 60/40 personnel housed in owned to leased space by 1993, in accordance with recent legislative initiatives. It assumes a modest increase of approximately one percent per year compounded through 1993.

PROGRAM SUMMARY

Fiscal year	Sq. ft. (millions)	Millions of dollars
1981	0.60	18.1
1982	1.73	195.8
1983	6.18	965.7
1984	6.75	1,000.0
1985	8.75	1,165.5
1986	5.00	1,131.7
1987	5.00	1,247.4
Total	31.10	5,734.0

PART III-B—REPAIR AND ALTERATION PROGRAM

This portion of the facility plan addresses projects over $500,000 proposed for accomplishment in GSA-owned buildings and those structures planned for acquisition and renovation. Approximately 2,200 buildings are owned by GSA and of this inventory 60% are more than 35 years old. Four hundred fifty-five thousand (455,000) employees are housed in buildings that are currently available for meeting the space needs of Federal agencies. The Repair and Alteration Program emphasizes the maximum utilization of this existing resource, however, to continue optimum use of these buildings major repairs and alterations are proposed.

Facilities, systems, and equipment that become obsolete due to age, lack of replacement parts, and usage require repair and upgrading. Vacant and underutilized space is converted and upgraded to house employees in government-owned space rather than in leased locations. Alterations are necessary to bring structures into compliance with public laws regarding environmental protection, energy utilization and conservation, and handicapped accessibility. Life and property protection features not required when older buildings were constructed are now mandatory. Special programs in response to one time needs such as the Omnibus Judgeship and Bankruptcy Reform Acts are accomplished when needed.

[1] "An Economic Analysis of Future Federal Office Space Requirements and Options," October 1980, GSA Office of Planning and Analysis.

Projects within the facility plan address providing space on a priority basis so that Federal agencies can continue to fulfill their missions. Special one-time immediate program needs are proposed. Repairs and alterations are planned to maintain the existing inventory of buildings in an operational state. Projects planned throughout the Fiscal Year 1983-87 cycle take into account the expiration of leases; availability of space; acquisition schedules; appointment of judicial officers; alterations required by public laws; and condition of existing space, equipment and building systems.

PROGRAM SUMMARY

Fiscal year	Millions of dollars
1981	57.8
1982	97.00
1983	113.3
1984	206.0
1985	184.5
1986	145.2
1987	185.9
Total	1,019.7

Mr. Speaker, legislation affecting public buildings has consisted of various measures going back to 1902 when the First General Act was passed. A significant accomplishment affecting the acquisition and construction of Federal buildings was put in place by passage of the Public Buildings Act of 1959, whereby the Administrator of the General Services Administration was authorized to acquire public buildings by purchase, condemnation, donation, or exchange. At that time, direct Federal construction and acquisition was determined to be the most efficient and economical means of meeting Government space needs. The Federal Property and Administrative Services Act of 1949 remained intact, which authorizes the Administrator of General Services to lease, for a period up to 20 years, existing buildings or buildings to be erected for Government use by private or public lessors.

The futility of seeking funds for direct Federal construction projects in competition with other spending priorities brought about the Public Buildings Amendments of 1972, which set up a 3-year purchase contract program designed to eliminate a backlog of authorized projects which had not been funded. This authority was a stopgap measure, an attempt to reconcile the urgent need for new Federal facilities with lagging annual appropriations for construction.

Under the 1972 purchase contract program, a total of 68 public buildings throughout the country were completed, providing 15 million square feet of occupiable space at an estimated construction cost of $1.26 billion.

The 1972 amendments also established the Federal Buildings Fund, which began operation in fiscal year 1975. Briefly, collections for rents charged to Federal agencies occupying GSA space are deposited in the funds and made available to GSA for operation, maintenance, and acquisition of real property. Although GSA officials testified in 1972 that an estimated $225 million a year would be available from the fund for direct Federal construction of facilities, the reality of the situation soon became clear. Local real estate taxes over the purchase contract term place a substantial drain on the fund's resources. Real estate taxes of $1.3 billion represent about 30 percent of the fund's liability for purchase contract payments.

Since 1975, the fund has provided only about $50 million a year for meeting construction needs. In February 1979, GSA officials reported a backlog of approved or pending construction projects totaling $281 million—that figure has now escalated to $500 million. As a result of insufficient construction funds, GSA has relied increasingly on leasing rather than Government ownership in meeting space requirements.

Due to the fact that it has been some 20 years since passage of the Public Buildings Act of 1959, the need to review past policies and propose a new solution to the problem of how to provide space for Federal agencies in the most efficient and effective manner was clear. A key concern to the committee during the 96th Congress was the considerable expansion in the leasing program of GSA; therefore, it became necessary to look at the resources of GSA and insure the economic use of space by tenant agencies and attempt to facilitate an orderly and economical approach to meeting long-range facility requirements.

Expenditures for leased space have increased from $364 million in 1975 to the current level of $728.7 million in fiscal year 1982. An annual rental bill of $1 billion is right around the corner. It should be noted that the $728.7 million requested in fiscal year 1982 represents only a partial payment since the gross commitment of all GSA outstanding leases currently total approximately $2.4 billion. The omission of lease-payment obligations for all future years by the executive branch in submitting prospectuses to the Congress grossly understates leasing costs. This off-budget, hidden expense distorts the true fiscal impact of leasing and falsely understates the real extent of the national debt. It skews decision away from the least costly method of construction and acquisition—namely, Federal construction—and introduces a bias in favor of leasing since costs are only justified on an annual basis. Further, at the end of the lease term the taxpayer only has rent receipts and not a valuable asset.

The GSA fiscal year 1982 budget request of $195.8 million for construction and acquisition of facilities reflects a substantial increase over funds sought for identical purposes in the fiscal year 1981 budget, amounting to $37.5 million. Congress has attempted for many years to bring about an emphasis on construction of facilities, as opposed to leasing, and I am pleased to see that our efforts have been productive.

Mr. Speaker, passage of the Public Buildings Act of 1981 will provide for the establishment of a new method of financing Federal construction projects similar to the mortgage system used by the private sector, under which GSA borrows money from the Treasury for such construction and pays back over a 30-year period; will authorize the Administrator to carry out preliminary and design for projects prior to total project authorization, thereby reducing the time and cost for building; will require long-range planning of GSA's building needs; will provide Congress not later than the 15th day after Congress convenes each year a program of projects and actions which the Administrator deems necessary to carry out his duties under the Public Buildings Act of 1959, as amended, and shall include but not be limited to, a plan for accommodating the public buildings needs of the United States for the next 5 fiscal years, and a priority listing of projects for which authorization is sought in such fiscal year; will establish policies to be followed in locating Federal offices; will establish procedures providing for better architectural design of Government buildings; will establish the Public Buildings Service; will establish an art-in-architecture program; and for other purposes.

Passage of the legislation early in the 97th Congress, I believe, is essential to bring about more effective Government by reforming GSA's current policies. It is truly a taxpayers' relief and benefit bill by making Government more accountable, efficient, and frugal.●

PUBLIC BUILDING ACT OF 1981

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. STANGELAND. Mr. Speaker, I wish to commend the gentleman from Georgia, the Honorable ELLIOTT H. LEVITAS, on his leadership in sponsoring this bill and am pleased to cosponsor this important piece of legislation amending the Public Buildings Act of 1959, as amended. As ranking minority member of the Subcommittee on Public Buildings and Grounds of the House Committee on Public Works and Transportation, I look forward to working with interested Members of Congress and the new administration to implement major policy changes within the General Services Administration in an attempt to reduce the exorbitant lease costs now being incurred to house Federal departments and agencies.

Specifically, in order to insure a thoroughly comprehensive hearing on this legislation, it is my hope that the Reagan administration will provide the committee with executive comments on this subject in the near future. During the previous administration, no official comments were specifically received on proposed legislation, thereby preventing thorough review of all provisions encompassed within this legislation.

By cosponsoring this bill, I do not mean to imply I am wedded to each and every provision contained in it. My main purpose is to join with the gentleman from Georgia in pinpointing these important issues so that our committee will be in a position to report out meaningful legislation at an early date.

Mr. Speaker, it is my expectation that the final product that emanates from our committee will save the taxpayers of this Nation millions of dollars. Thus, I look forward to a successful resolution of this legislation which incorporates many complex issues.●

ISRAEL: GOOD TO THE LAST DROP

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. WHITEHURST. Mr. Speaker, the February 23, 1981, issue of Newsweek contained a brief article by Peter Gwynne and Milan J. Kubic, writing from Jerusalem, outlining some of the steps that Israel has taken to insure an adequate water supply for its people.

Surely we in the United States can learn from Israel's experience and take some prompt and positive steps to provide the needed water for Americans.

The article follows:

[From Newsweek, Feb. 23, 1981]

ISRAEL: GOOD TO THE LAST DROP

(Peter Gwynne with Milan J. Kubic)

JERUSALEM.—By American standards, Israel is a hydrological disaster area. Its 25 inches of annual rainfall—a drought in many other countries—falls at the wrong time in the wrong place, soaking the remote northern hills in winter while leaving the south and center dry in the summer. The Sea of Galilee, Israel's only reservoir of fresh water, lies 696 feet below sea level and miles from major population centers. And Israel's Arab neighbors bitterly dispute rights to the Jordan River, the largest of its three meager streams.

Yet no one goes thirsty in Israel. An eclectic mixture of age-old habit and computer-controlled engineering squeezes every last drop out of what water there is. Since 1950 the country has increased its water utilization from 17 percent to almost 95 percent. Experts attribute such success largely to shrewd planning. When Israel became a state in 1948, the founding fathers immediately proclaimed all water a national property and entrusted it to an independent agency known as the Tahal. "We did not wait for a crisis," recalled Yaacov Vardi, a founder of Tahal. "We spent money, we used our best brains, we worried. And, of course, we knew that our backs were against the wall."

CLOUDS

As its first priority, the Tahal began collecting water from every possible source. Along Israel's 125-mile-long coast, engineers dug 30 wells per mile to trap 10 billion gallons of fresh water annually before it could seep out under the sea. Planes regularly seed clouds with silver iodide to encourage rain, while kibbutzniks and farmers burn the chemical in special generators on the ground. The land and air attacks on clouds have swollen rainfall by about 15 percent.

The Tahal distributes its bounty through a system of canals, pipes, tunnels and wells. Each year it channels close to 90 billion gallons of fresh water across the length and breadth of Israel. So flexible is the system that its pipes served Israeli troops stationed at the Suez Canal before the recent pullback from Sinai. At Avdot, deep in the Negev desert, ecologists from Ben-Gurion University have refurbished a 2,000-year-old network of dry riverbeds and stone-lined conduits to direct the runoff of rain from the hills to nearby fields.

Modern technology ensures that farmers use no more water than their produce requires. Sprinklers have given way to drip irrigation. Computers monitor air temperature, humidity and wind speed and adjust the amount of water delivered to the roots of the crops. In one test, a region that had yielded 9.52 tons of melons per acre using sprinklers produced 17.2 tons with drip irrigation.

Genetic engineers have also joined the battle to preserve water. A miniature peach tree developed by government scientists can be planted at the astonishing density of 3,200 trees per acre (compared with the normal 120). Because the trees grow so close together, they can be drip-irrigated and their fruit harvested quickly. Researchers have divided all fruits and vegetables that are grown in Israel into four categories, according to their tolerance for salt. This allows water managers to stretch scarce irrigation water by mixing fresh and brackish supplies. New varieties of cucumbers, tomatoes, melons and peppers, developed by careful cross-breeding, thrive in water whose salt content is five times greater than normal.

FEES

Israel actively encourages its citizens to save water, combining the carrot of public-service announcements with the stick of stiff fees. Jerusalem households pay 25 cents for their first 4,227 gallons of water each month, but 50 cents for each 264 gallons beyond that. No industrial plant can be built unless water commissioner Meir Ben-Meir has approved its water-recycling plan. "To get a license to dig a private well is *via dolorosa*," says Ben-Meir.

Not every scheme has worked. An experiment to prevent evaporation from the Sea of Galilee by covering it with alcohol failed when winds blew aside the cover. An effort to retain moisture in the soil by spraying it with silicones proved too expensive. Still, Israel has exported its hydrological know-how to 28 countries. "What we've done is take the existing knowledge and apply it on a large scale," said Yaacov Vardi. "We used all Israel as a laboratory."●

FREE VIKTOR BRAILOVSKY

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1981

● Mr. DAUB. Mr. Speaker, I strongly support the concurrent resolution offered by my distinguished colleague, Congressman HAMILTON FISH, JR., which urges the Soviet Union to honor its commitment to international law and to its own Constitution by allowing Dr. Viktor Brailovsky to receive proper medical care and permitting his family and him to emigrate to Israel.

Article 42 of the Soviet Constitution of 1977 guarantees that "citizens of the U.S.S.R. have the right to health protection" and cites that nation's commitment to "reduce the incidence of diseases and insure citizens of a long and active life." I call upon the Soviet Government to give meaning to these words by providing Dr. Brailovsky with the medical treatment he critically needs.

I further call on the Soviet Government to recognize the final act of the Conference on Security and Cooperation in Europe. As a signator to this document, the Soviet Union has agreed to respect individual rights and fundamental freedoms, and its commitment to these principles can be demonstrated by allowing the Brailovsky's to emigrate.

The imprisonment and treatment of Dr. Brailovsky contravenes the basic tenets of universal human rights, and I am privileged to join in supporting this resolution.●

CHRYSLER AND THE FUTURE

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. VANDER JAGT. Mr. Speaker, only a few short weeks ago the country was treated to another orgy of doomsaying relative to the future of our Nation's third largest automobile manufacturer. I, for one, am getting a little tired of hearing and reading so much "can't do" thinking. Again and again over the past year financial institutions, responsible economists, and the ordinary people who put the pieces together in plants all over this country have, by their personal support, said that Chrysler "can do."

And model year 1981 is proving exactly that. In spite of continuing na-

tional economic problems which adversely impact costs, prices, and interest rates, Chrysler is doing better than it has in years. Because of the commitment of tens of thousands of people to quality and innovation, the future of Chrysler is brighter than it has been for years. While some may disagree with the involvement of the Government in this turn-around, I think that the thousands of workers who continue to labor proud and strong and to produce a fine product are a more vital witness to our system than would be thousands of those same workers in unemployment lines.

Recently, I had the opportunity to read over a review prepared by Chrysler officials of their company's past and future which I believe deserves our careful attention. I am pleased to have this opportunity to bring an encouraging word into the discussion of the Chrysler situation.

CHRYSLER'S FUTURE—JANUARY 1981

I'm glad to be here today to bring you up to date on what's happening at Chrysler Corporation and to tell you about Chrysler's future. With all the attention that has been given to Chrysler's problems, I'm sure some of you are wondering to yourselves whether Chrysler has a future of any kind—let alone one worth telling about. The answer to both questions is yes. Chrysler has a future that people should know about; and I'm here to tell you about it.

For the past two years, a lot of people, including reporters, editors, cartoonists, and editorial writers, have been trying to write Chrysler out of the automobile business. The Chrysler crisis has been the biggest business news story in the country. No other company has ever been through what we've been through—or has ever come back against such incredible odds.

Just over one year ago, we were reported to be on the verge of bankruptcy. And we were.

But 600,000 jobs were at stake. We wanted to save those jobs, and maintain the competitive strength of the nation's 10th largest industrial company. And with the help of the greatest grass roots coalition in history, we succeeded against all the odds. Dealers, suppliers, civic groups, community leaders, customers, and concerned citizens all spoke up on our behalf. Congress listened. They looked at our plans and our future products, and they liked what they saw. Congress passed the Loan Guarantee Bill by a 2 to 1 vote. No one in Washington had ever seen anything like it before.

Then last spring, we fulfilled the terms of the Loan Guarantee Act by putting together a $7 billion financial restructuring package. All together it involved 400 banks, eight states, five foreign countries, 4,000 dealers, 19,000 suppliers, and thousands of lawyers. The Secretary of Treasury called it the most complicated transaction in history.

And while the legal, finance, and local government affairs staffs were working 24 hours a day, seven days a week to keep our company together, a lot of people in the plants and offices were hard at work building a new Chrysler Corporation with the best products, the best plants, the best quality, and the best fuel economy in the industry.

The company that was once on the leading edge of everything that was wrong with America was becoming the symbol of everything that was right about the American automobile industry.

And we were on our way. But then last October, just when everything was coming together for us, we were hit with 20 percent interest rates, rising inflation, and fears about the economy.

Almost overnight we were stuck in the worst automotive depression in the history of the business. As a result, we had to apply for an additional $400 million in loan guarantees. That stirred up all the negative speculation about Chrysler's future all over again.

We didn't quit before when a lot of people tried to write us off. We proved them wrong.

We didn't quit this time, either. Chrysler Corporation is a fighting organization. We're in business to stay.

We developed a new operating plan which we submitted to the Loan Guarantee Board along with our application for additional loan guarantees. We cut costs. We brought production into line with sales. We reached new agreements with our employees, banks, suppliers, and others that will lead to new, positive relationships, and a more productive, competitive company. The plan is designed to make us profitable even in a depressed market.

The Loan Guarantee Board and its consultants spent thousands of hours going over every aspect of our plan. Nothing was taken for granted. They challenged all our assumptions. They checked and double-checked all our calculations. And when they were done, they said it is a practical, realistic plan that will keep Chrysler viable for years to come.

We are cutting new ground with this plan. There has never been anything like it before. It is tough. It is historic. It is substantial. Treasury Secretary Miller has called the plan "an economic milestone."

We know we're not out of the woods yet. The economy is still in deep trouble—inflation, recession, unemployment and a prime rate hovering around the 20 percent mark. That's a noose that's being tightened around the necks of automobile companies, their dealers, and their customers. It is choking off business at the wholesale and retail levels.

But we at Chrysler are in a better position to weather this crisis than we have been for some time. As the economy improves in 1981, and as interest rates moderate, the pent-up demand that exists today for cars and trucks will finally be unleashed. Chrysler has the programs and the products to capitalize on that inevitable market turnaround.

Let me tell you about them.

First, we put together one of the strongest management teams in the business, led by our Chairman, Lee Iacocca. All told, five of the top six jobs in the company are filled by experienced auto men new to Chrysler Corporation.

Second, we have six of the most modern automotive plants in the world. At our assembly plants, 98 percent of all welds are made by robots. That means accurate, consistent welds, and solid, durable car bodies.

At our engine plant where we are building our all-new 2.2 liter, 4-cylinder engines, we have installed sophisticated computer-operated engine test stands. Computers run checks on all vital engine functions, with the engine running at a variety of engine speeds—there are over 50 separate tests.

At our transaxle plants, we check every transaxle 70 times during the assembly process to make sure it meets specifications. Then it goes to an electronic test stand which perform 200 separate quality checks.

Third, our quality is outstanding. One independent survey reported that new car buyers now rate the quality of Chrysler products better than those of GM and Ford. It's the first time in eight years Chrysler has been in first place. It represents a 44 percent improvement in the quality of our products over the last two years.

Fourth, we are leaders in front-wheel-drive technology. It is the way of the future in automobile design. With front-wheel drive, the engine and drivetrain are up front and out of the way so that there's maximum interior space for any given design. In other words, there's plenty of leg room and shoulder room inside a car that's small on the outside. In 1981 Chrysler can offer the American public 1 million front-wheel drive cars. That's about 250 on average for each of our dealerships—three times what Ford and GM dealers can deliver.

Fifth, we have the best fuel economy in the industry—an average of 25.5 miles per gallon. Ford is 22.6, AMC is 23, and GM is 23.1 miles per gallon.

We also have more models that get over 25 miles per gallon than any other company—more than GM, more than Ford, more than AMC—and also more than Honda, more than Datsun, more than Toyota.

And sixth, we have the most competitive product line in our history.

Our cars are priced to sell. In the five segments that account for 75 percent of total sales—subcompact, subcompact sport, compact, mid-size, and mid-size wagon—nobody beats our products on fuel economy or price. We have more models under $7,000 than Ford or GM. Let me tell you a little bit about these products.

The stars of our 1981 line are the K-cars—Dodge Aries and Plymouth Reliant. We have a 2-door, a 4-door, and a station wagon model.

Aries and Reliant 2-door and 4-door models get 25 miles per gallon in city driving and 41 miles per gallon on the highway. That's the kind of fuel economy you'd expect to get in a subcompact. Yet Aries and Reliant seat six passengers.

In addition, Aries and Reliant are easy and economical to service. Estimated costs for parts and labor for scheduled maintenance are only $169 for 50,000 miles of normal service. That's just three-hundredths of a cent per mile.

When you add everything up, Aries and Reliant are the most fuel-efficient, economical, six-passenger cars on today's market. That could be why Motor Trend magazine has named the K-car the 1981 Car of the Year. This is the second time in four years we have received Motor Trend's Car of the Year Award for front-wheel drive technology. No other company can say that.

The K-cars aren't the only front-wheel-drive models Chrysler builds that beat out the competition. Dodge Omni and Plymouth Horizon, America's original front-wheel-drive compacts, are pound-for-pound one of the best values on the market today. According to a recent report by the National Automotive Dealers Association, Omni and Horizon hold their resale value a year after purchase better than any other U.S. car.

The Miser model of the Omni and Horizon is the most fuel-efficient 5-passenger car on the market.

Miser gets 30 miles per gallon in the city and 50 miles per gallon on the highway. Fifty miles per gallon is what you expect from a large motorcycle. Nobody else comes close.

We have the sporty 024 and TC3 hatchback models. And we have some exciting front-wheel drive products from our Japanese partner, Mitsubishi.

That's our front-wheel-drive line. We also have some very competitive rear-wheel-drive cars. LeBaron, Diplomat, Cordoba, Mirada, and the new Imperial—our entry in the luxury car market.

Imperial has elegance, sophistication, and outstanding engineering. It is loaded with space-age electronics, developed by Chrysler engineers who helped develop the systems to send a man to the Moon. It has a unique electronic fuel injection system. And it sets a new standard of quality for the auto industry.

The 1981 Imperial embodies all that is excellent in Chrysler engineering—it's the flagship of our fleet.

We have a good story to tell on the truck side, too. We have a new pick-up for 1981, and a new sport-utility vehicle which Four Wheeler magazine named "Four Wheeler of the Year."

That's a brief description of our 1981 product line. Chrysler's 1981 products are just the beginning of what's ahead for Chrysler and for the entire automobile industry. The industry is moving in a whole new direction—a direction that is being determined by the changing needs and values of American car-buyers.

There is a whole new set of priorities motivating today's car buyers. The public has told us in no uncertain terms that it expects something different from the automobile companies today and in the future than it expected in the past.

People who buy cars today are making hard judgments about value and quality of workmanship. They don't care as much about prestige or loyalty to an old brand. They don't care as much about looks and appearance. The days of style being the only element to consider in designing a vehicle are over. To design something beautiful is no longer enough.

Looks count—they always will. But people want more. They want fuel economy. They want value. They want quality of workmanship. They want a vehicle that starts every time they turn the key. They want heaters and air conditioners to work every time they push the button. They want trim that lines up straight, doors that shut easily, and paint that's smooth as satin. If we ship cars that rust, that leak, that stall, and that just plain look shoddy, we deserve to lose our markets. And we should. Datsun, Toyota, Honda, and every one of the foreign manufacturers are ready to take advantage of every single mistake we make.

At Chrysler, we don't intend to let any of that happen. We are meeting the New Market Values head-on with our 1981 products. And we intend to keep on turning out products that are right for the times year in and year out, from now on. They will be some of the most fuel-efficient, technologically advanced cars and trucks you've ever seen.

We've got a brand-new, front-wheel drive truck coming.

We've bringing out a high-style, luxury version of the K-car.

We're introducing a brand-new, luxury model station wagon.

We've got some exciting sporty models coming that will be great to look at and fun to drive.

And there is much more to come. By 1984, we'll be a 100 percent front-wheel drive car company. For the rest of the 1980s and beyond, we'll have all the cars and trucks we need to stay competitive in all the major market segments.

I hope I've put to rest some of your doubts and answered some of your questions about Chrysler's future. It's been a long road back. And we're not out of the woods yet. But those of us closest to the action can sense the turnaround. Things are beginning to come our way. 1979 was our year of crisis. 1980 was our year of consolidation. 1981 will be our turnaround year.

We have access to the financing we need.

We have an operating plan designed to make us profitable in 1981, even in a depressed market.

We have the best management team in the business.

We have modern plants and equipment.

We have outstanding quality.

We are the leaders in front-wheel drive, value for the money, and fuel economy in the U.S. auto industry.

We have great products just right for America—starting with the K-car—Car of the Year and buy of the year.

We have an exciting line-up of future products.

For all those reasons, Chrysler Corporation is now in a unique position to lead this great country out of its current recession—up onto the high ground of recovery and renewed strength.

In the fall of 1979, people were saying, "You're on the ropes—you can't possibly pull it off." Now that it's 1981, and Chrysler is still in business, some of those same people are saying, "You guys are getting your act together . . . you've got some darn good cars . . . maybe you are going to pull it off after all."

I'll end on that note because we've not only got some darn good cars—we've got a good company and good people. I'm proud to be part of Chrysler, and I thank you for inviting me here to tell you about it.●

1981—FUTURE FARMERS OF AMERICA

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. NATCHER. Mr. Speaker, National Future Farmers of America Week will be celebrated February 21–28, and once again it is an honor for me to recognize this outstanding organization.

Founded in 1928, FFA now boasts over a half million members. Any young man or woman studying vocational agriculture or agribusiness is eligible to participate until age 21. At present, there are over 8,000 chapters.

The theme for the 1981 National FFA Week is "FFA—Building Tomorrow Today." Certainly this phrase is indicative of the goals and ambitions of this organization. FFA members are encouraged to build upon their classroom knowledge with practical work experience. Activities may range from a field trip to a local farm to an earning-while-learning program on a ranch, to competition at the State fair. Members may strengthen their leadership skills by holding office at the chapter, district, or State level. A spirit of cooperation is fostered when members work together on varied projects. As students increase their knowledge, they may advance from the rank of "Greenhand," to "Star Farmer of America."

The responsibility for feeding tomorrow's generations depends in part on these same students. The FFA member must be aware of new developments in agriculture, while at the same time, helping to improve agriculture himself. These youths are encouraged to better the community in which they live. As the world population increases, emphasis must be placed on developing improved protein resources. All FFA members realize that it is they who are to be the leaders in agriculture in the future.

Today, the Future Farmers of America know that agriculture is more than just farming. As Americans become increasingly aware of the need for energy conservation, the FFA is taking an active part. In 1980, the FFA received an Energy Efficiency Award from the President of the United States. In fact, quite a challenge faces agriculture's new generation. They must help cope with the problems of today while planning for tomorrow's energy requirements.

Together, these individuals are to be commended for their citizenship, patriotism, and dedication. I am pleased to congratulate them on their fine past achievements, and I would like to wish them continued success in the future.●

OUTLOOK FOR THE FUTURE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, February 18, 1981, into the CONGRESSIONAL RECORD:

OUTLOOK FOR THE FUTURE

According to a recent federal report entitled "Global 2000," the world may be facing a grim future if we do not act now to prevent it. If current social, economic, political, and technological trends continue, the year 2000 will see people all around the globe living in conditions worse than those they know today. The problems may not engulf us today or even tomorrow, but they will engulf us if we do not deal with them:

Population: The global population will grow from 4 billion in 1975 to 6.35 billion in 2000. The world's people will be adding 100 million to their number each year, one-third more than in 1975. About 90 percent of the growth will occur in the poorest countries.

Income: The wide gap between the "haves" and the "have-nots" will be wider still in 2000. There may be more than one

billion people living in desperate poverty, up from 800 million today.

Food: Production of food worldwide will grow about 15 percent per person in the last 30 years of the century, but most of the increase will benefit the well-fed countries. Already inadequate diets will deteriorate further in some regions. The real price of food is expected to double.

Farmland: Arable land will increase only 4 percent by 2000, so most of the gain in food production will result from farming techniques that require scarce oil and gas. An area of cropland and grassland more extensive than Maine will become barren every year. Increased urban sprawl will add to the problem.

Energy: The year 2000 will probably not bring relief from shortages of energy. Output of oil will level off in the 1990's. It will be more difficult for less developed countries to meet their energy needs. A shortage of wood fuel will plague the poorest nations.

Minerals: Minerals will be in sufficient supply through the end of the century, but more investment will be needed to maintain reserves. Increases in the price of energy may make some mining uneconomical. One-quarter of the world's people will continue to absorb three-quarters of its minerals.

Water: Regional shortages of water will be more severe by 2000. The need for water will double in half the world due to the increase in population alone. If standards of living are to be raised, the need will be even greater. New supplies of water will be more costly to develop.

Forest: During the next 20 years the demand for timber will increase, but an area of forest half the size of California is now disappearing every year. Some 40% of all forest in the Third World will be gone by 2000. Growing stocks of timber for commercial use will decline 50% per person.

Atmosphere: Depletion of ozone and concentration of carbon dioxide in the atmosphere may begin to alter the world's climate sometime in the next century. Acid rain may do serious damage, and pollution of the air will threaten health in an increasing number of countries.

Species: The extinction of plant and animal species will accelerate by the close of the century. Hundreds of thousands of species—perhaps 20% of all those in existence—may be lost forever. Since many of them have never been classified or examined by scientists, their value to man will never be known.

The scenario outlined in "Global 2000" is not a prediction. It is a projection of what will happen if nothing is done. We are not locked into a course of events that leads to human misery, material scarcity, and environmental destruction. We can take action to change things, and we have compelling reasons to do so. Not the least of these reasons is our own national interest: development and stability in the Third World, access to resources abroad, and a clean, healthy environment worldwide will make our nation stronger and more secure.

There are several principles we should follow in formulating an agenda of corrective action:

Since no nation can tackle global problems alone, international cooperation will be necessary. An important objective of American policy must be the management of global problems that can only be met if nations act in concert.

The federal government has impressive technical resources we can use to analyze and help solve global problems, but institutional change will be needed to focus these resources properly. We may want to draw experts from many agencies together into an office under direct control of the President.

If federal agencies are to bring global problems under control, they will require the private support of industry, labor unions, churches, universities, and environmental groups. We should consider the establishment of a public-private institute to channel private expertise into the effort.

Specific solutions to specific global problems are indispensable, but coordinated policy should be our primary goal. By "fitting all the pieces together" we can be assured that our initiatives will not undermine one another.

We know about global problems and we command the means to solve them, but we need an urgent commitment to the task.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, February 19, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 20

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for theater and tactical nuclear force modernization programs of the Department of Defense.
224 Russell Building

9:00 a.m.
Foreign Relations
To hold hearings on the nominations of Richard M. Fairbanks III, of the District of Columbia, to be an Assistant Secretary of State for Congressional Relations; Robert C. McFarlane, of Maryland, to be Counselor of the Department of State; and M. Peter McPherson, of Maryland, to be Administrator of the Agency for International Development.
4221 Dirksen Building

9:30 a.m.
Armed Services
Preparedness Subcommittee
To continue open and closed hearings on operational readiness and mission capability of major Army operational commands.
212 Russell Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Resources Administration of the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Panama Canal Commission; and the St. Lawrence Seaway Development Corporation of the Department of Transportation.
1318 Dirksen Building

Budget
To continue hearings to review the President's economic proposals.
6202 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Federal Bureau of Investigation.
2228 Dirksen Building

Joint Economic
To continue hearings to review the overall economic policy of the administration.
2128 Rayburn Building

FEBRUARY 23

10:00 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 31, removing certain limitations on deductibility of business expenses related to residences; S. 239, providing an individual tax credit for the purchase of commuter vans; and S. 452, excluding from tax as ordinary income gain realized on the sale of stock of a corporation with respect to earnings and profits accrued during a year in which such corporation was not a foreign investment company.
2221 Dirksen Building

Select on Intelligence
To meet in closed session to receive an intelligence briefing.
Room S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Assistant Secretary for Health, scientific activities overseas, and retirement pay program for commissioned officers of the Department of Health and Human Services.
1114 Dirksen Building

Energy and Natural Resources
To hold hearings on the President's proposed budget for fiscal years 1981 and 1982 for the Department of Energy.
1202 Dirksen Building

FEBRUARY 24

8:00 a.m.
Governmental Affairs
Civil Services, Postal Operations and General Services Subcommittee
To hold hearings on Senate Joint Resolution 11, establishing the policy with respect to the number of digits which should be used as zip codes, and other pertinent proposed legislation.
3302 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on the nomination of Donald I. Hovde, of Wisconsin, to be Under Secretary of Housing and Urban Development.
5302 Dirksen Building

*Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed legislation authorizing funds through fiscal year 1985 for the airport development aid program.
235 Russell Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Health Care Financing Administration of the Department of Health and Human Services.
1114 Dirksen Building

Budget
Business meeting, to mark up proposed revisions to the Second Concurrent Budget Resolution for fiscal year 1981.
6202 Dirksen Building

Finance
Savings, Pensions, and Investment Policy Subcommittee
To hold hearings on S. 12, 24, and 243, bills providing certain savings incentives.
2221 Dirksen Building

Rules and Administration
Business meeting, to consider committee resolutions requesting funds for operating expenses for 1981, and other legislative and administrative committee business.
301 Russell Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from the Disabled American Veterans.
318 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Human Development Services of the Department of Health and Human Services.
1114 Dirksen Building

Energy and Natural Resources
To hold hearings on the President's proposed budgets for fiscal years 1981 and 1982 for the Departments of the Interior and Agriculture.
3110 Dirksen Building

FEBRUARY 25

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain museum services, and Indian education programs.
1224 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on proposed recommendations of the Advisory Commission on Intergovernmental Relations and of the General Accounting Office on Intergovernmental Matters.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on proposed legislation authorizing funds through fiscal year 1985 for the airport development aid program.
235 Russell Building

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
3302 Dirksen Building

Labor and Human Resources
Business meeting, to consider its rules of procedure for the 97th Congress.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Social Security Administration of the Department of Health and Human Services.
1114 Dirksen Building

Banking, Housing and Urban Affairs
To hold hearings on the conduct of monetary policy.
5302 Dirksen Building

Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for fiscal year 1981.
6202 Dirksen Building

Foreign Relations
International Economic Policy Subcommittee
To hold hearings to examine current U.S. interests in developing countries and alternative strategies to advance U.S. interests.
4221 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Office for Civil Rights, policy research programs, and departmental management programs of the Department of Health and Human Services.
1114 Dirksen Building

Joint on Printing
To hold an organizational business meeting.
S-151, Capitol

FEBRUARY 26

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Woodrow Wilson International Center For Scholars; the National Capital Planning Commission, and the Navajo and Hopi Indian Relocation Commission.
1224 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
3110 Dirksen Building

9:30 a.m.
Governmental Affairs
Intergovermental Relations Subcommittee
To continue hearings on proposed recommendations of the Advisory Commission on Intergovernmental Relations and of the General Accounting Office on intergovernmental matters.
357 Russell Building

Special on Aging
Organizational business meeting, to consider its rules of procedure for the 97th Congress, and other pending committee business.
457 Russell Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain departmental management programs and the Office for Civil Rights of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Coast Guard of the Department of Transportation
1318 Dirksen Building

Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for fiscal year 1981.
6202 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

FEBRUARY 27

9:00 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
3302 Dirksen Building

10:00 a.m.
Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for fiscal year 1981.
6202 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

Foreign Relations
International Economic Policy Subcommittee
To resume hearings to examine current U.S. interests in developing countries and alternative strategies to advance U.S. interests.
4221 Dirksen Building

MARCH 2

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to review materials and minerals policy.
235 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for elementary and secondary educational programs of the Department of Education.
1114 Dirksen Building

MARCH 3

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the American Battle Monuments Commission, Army Cemeterial Expenses, the Office of Consumer Affairs, and the Consumer Information Center.
1224 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Fish and Wildlife Service, Department of the Interior.
1318 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for impact aid programs, and emergency school aid programs of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General of the Department of Transportation; and the National Transportation Safety Board.
S-126, Capitol

11:30 a.m.
Veterans' Affairs
To hold hearings to receive the Veterans of Foreign Wars legislative recommendations for fiscal year 1982.
318 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for library and learning resource programs and vocational and adult education programs of the Department of Education.
1114 Dirksen Building

MARCH 4

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Water Research and Technology, Department of the Interior, the Holocaust Memorial Commission, and the Advisory Council on Historic Preservation.
1318 Dirksen Building

9:30 a.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings to review Governmentwide debarment and suspension practices.
3302 Dirksen Building

Labor and Human Resources
To hold hearings on S. 234, to encourage the establishment of home health programs and to provide expanded coverage of home health services under the medicare and medicaid programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for educational, rehabilitation, and research programs for the handicapped of the Department of Education.
1114 Dirksen Building

Banking, Housing and Urban Affairs
To resume hearings on the conduct of monetary policy.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Fire Administration.
235 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain student financial assistance programs of the Department of Education.
1114 Dirksen Building

MARCH 5

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Governmental Affairs
Oversight of Government Management Subcommittee
To continue hearings to review Governmentwide debarment and suspension practices.
3302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain school improvement programs, special institutions, and Howard University of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the national Highway Traffic Safety Administration of the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Education, fund for the improvement of postsecondary education, educational statistics, educational research and training activities overseas of the Department of Education.
1114 Dirksen Building

MARCH 10

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Building Science, Federal Home Loan Bank Board, National Credit Union Administration, and the Office of Revenue Sharing (NYC).
1224 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Indian health service programs, and the Bureau of Land Management, Department of the Interior.
1318 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Administration, Research and Special Programs and the Office of the Secretary of the Department of Transportation.
S-126, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 11

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Railroad Retirement Board, domestic operations programs of ACTION, and the Soldiers' and Airmen's Home.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, the National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

MARCH 12

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Civil Aeronautics Board, Interstate Commerce Commission, and the Washington Metropolitan Area Transit Authority (Metro).
1318 Dirksen Building

MARCH 16

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Veterans' Administration.
1224 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearing on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration of the Department of Transportation.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Railroad Passenger Corporation (Amtrak).
1318 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 23

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics of the Department of Health and Human Services.
4232 Dirksen Building

MARCH 24

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

MARCH 25

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

MARCH 26

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

MARCH 27

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

MARCH 31

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Management and Budget.
S-146, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the White House Office, Office of Administration, official residence of the Vice President, executive residence, special assistance to the President, compensation of the President, and other unanticipated needs.
S-146, Capitol

APRIL 1

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 and for the Federal Emergency Management Agency and the Selective Service System.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.
1224 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, international affairs programs, Bureau of the Mint, Bureau of Engraving and Printing, and Bureau of Government Financial Operations of the Department of the Treasury.
1224 Dirksen Building

APRIL 2

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior; and the Smithsonian Institution.
1114 Dirksen Building

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, and Veterans of World War I.
412 Russell Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service.
S-146, Capitol

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS.
412 Russell Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco, and Firearms.
S-146, Capitol

APRIL 7

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court, and the Committee for Purchase from the Blind and Other Severely Handicapped.
1318 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability.
1318 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 23

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 29

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 12

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of the Interior.
1223 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 2

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

SENATE—*Thursday, February 19, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Let us pray.

Gracious God, to whom all hearts are open, all desires known, from whom we have no secrets, in humility we pray for Thy mercy and grace.

We thank Thee for Thine unconditional love which proffers forgiveness and renewal. We are grateful for the promise that if we confess our sins Thou art faithful and just to forgive us our sins and to cleanse us from all unrighteousness.

Deliver us from stubborn pride that refuses to acknowledge our need and confess our sin. Save us from the guilt that corrodes our souls. Free us from every emotion within and circumstance without which prevent us from effective service for our families, our constituents, and our Nation.

We ask this in the name of Him who died that we might be forgiven. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader, the Senator from Tennessee, is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW AND 11 A.M. TUESDAY, FEBRUARY 24, 1981

Mr. BAKER. Mr. President, I have discussed this with the distinguished minority leader. I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow, Friday, February 20, 1981, and that when the Senate convenes on tomorrow, pursuant to that arrangement, it immediately stand in recess until the hour of 11 a.m. on Tuesday, February 24, 1981.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER PERMITTING THE INTRODUCTION OF BILLS, RESOLUTIONS, STATEMENTS, AND AUTHORIZATION FOR COMMITTEES TO FILE REPORTS ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on Friday, February 20, 1981, between the hours of 9 a.m. and 3 p.m. Senators be permitted to introduce bills, resolutions, and statements, and that committees be authorized to file reports.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that following the time allocated to the two leaders, under the standing order and the special order for Mr. BUMPERS, there be a period for the transaction of routine morning business today not to exceed 2 hours in length, in which Senators may speak therein for not to exceed 15 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CERTAIN ACTION TO BE TAKEN DURING THE RECESS OF THE SENATE

Mr. BAKER. Mr. President, I ask unanimous consent that during the recess of the Senate over until Friday, February 20, 1981, and Tuesday, February 24, 1981, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred, and that the Vice President and the President pro tempore and the acting President pro tempore be permitted to sign duly enrolled bills and joint resolutions.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER REFERRING PRESIDENT'S MESSAGE ON THE BUDGET TO ALL STANDING COMMITTEES HAVING JURISDICTION AND TO THE COMMITTEE ON THE BUDGET

Mr. BAKER. Mr. President, I ask unanimous consent that the President's message on the budget be referred to all standing committees having jurisdiction over the subject matter as well as to the Committee on the Budget, which I have also consulted with the minority leader about.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PRESIDENT REAGAN'S ADDRESS

Mr. BAKER. Mr. President, I have need for another brief moment of the remaining time under the standing order to comment on the President's speech.

As I sat in the Hall of the House of Representatives last evening, I was overcome with the feeling that I was listening to and participating in a most historic moment, perhaps a watershed for the American Republic.

I applaud the President. I support the President. And, from the perspective of a Republican Member of this body and the leader of the President's party in the Senate, I wish to state that I wholly concur in his remarks and his proposals.

Others, here and elsewhere, perhaps do not concur. But, for this moment at least, I urge that all Americans, including our colleagues here in the Senate, set aside our partisan beliefs and convictions, our economic philosophies, and instead focus for a moment on the President himself, on the commitments he made to himself and to the citizens of our country, and the steadfast determination he holds to honor those commitments.

Many may have said in the days since November 4 that the President would be unable to keep his bargain with the people, uttered and proclaimed in the course of his campaign for our Nation's highest office, that the dictates of the "real world of Washington" might weaken his resolve or lessen his commitment to those initiatives.

I believe that his address last evening demonstrates clearly that such speculation was incorrect and that the supercharged political atmosphere of Washington has not clouded Ronald Reagan's vision, nor will it ever. I have spoken often of what I refer to as Ronald Reagan's core of commitment, an unwavering dedication to his principles. That core of commitment was in full evidence last evening. I happen to share personally the President's principles and commitments.

But even to those of other principles and commitments, I believe Ronald Reagan's address must have been a marvelous reaffirmation of the independence of the American spirit and the determination of her people.

We witnessed last evening a President of the United States keeping the bargain he struck with those who entrusted him with the Presidency. Despite all the cynicism and skepticism that so often overwhelms us in this Federal city, the President has set about to do what he pledged to do. That in itself, Mr. President, is quite simply a testimony to Ronald Reagan, both as a man and as our President.

As much as I laud the President for what he said, I laud him as well for how

he said it, with clear conviction, with an air of determination, and with courage to go forward.

Beyond this personal statement about the President himself, allow me to address the substance of his remarks. For not only is Ronald Reagan keeping his bargain with himself and the American people, he is proposing the absolutely correct, albeit difficult, course of action which this country should follow.

There can be no doubt from any partisan or philosophic quarters that our Nation faces economic distress unparalleled in five decades. Staggering inflation, expanding Federal budgets, oppressive taxation, burdensome Government intervention, all combine to threaten destruction of the fabric of American society. It is not a question of big business versus small, rich versus poor, East versus West, for all Americans are affected. All Americans are being denied the fundamental tenets of our way of life, the right to own a home, the right to advance and better their station in life.

Americans are losing that, Mr. President. Indeed they are losing more, for they are losing the prayers and dreams of all parents that the lives of their children will be better, more secure, than their own have been.

President Reagan has kept his bargain. Now, we in Congress must keep ours. We are no less bound, no less responsible, and I trust no less committed than the President.

Mr. President, may I conclude, as Americans are commemorating Abraham Lincoln's birth, with a brief passage from President Lincoln's second state of the Union address in 1862:

> The dogmas of the quiet past are inadequate to the stormy present, Lincoln said. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so must we think anew and act anew. We must disenthrall ourselves, and then we shall save our country.

The challenge of our time is no less demanding, Mr. President. I trust we will join with President Reagan in meeting it.

The PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I yield such time as he may require to Mr. PROXMIRE and to Mr. BUMPERS from the time allotted to me.

RECOGNITION OF SENATOR BUMPERS

The PRESIDENT pro tempore. The Senator from Arkansas.

Mr. BUMPERS. I thank the minority leader for yielding such time as he might have.

S. 494—MANDATORY 5-YEAR SENTENCE FOR FEDERAL FELONY COMMITTED WITH A FIREARM

Mr. BUMPERS. Mr. President, exactly 48 hours ago I introduced a bail reform bill which would allow the courts to jail dangerous defendants before trial. I said then that we as a Congress need to act quickly to strengthen our criminal laws. Since I stood here at my desk on Tuesday, 48 hours ago, based on past statistics I can safely say that 74 Americans have been murdered with firearms—that is 1 firearm murder about every 40 minutes. In that time, another 764 have been assaulted with firearms, and more than 1,000 armed robberies have occurred. So today, Mr. President, I am introducing a bill which will provide a mandatory 5-year term of imprisonment for the commission of any felony with a firearm.

Mr. President, the rate of violent crime in this Nation can only be described as staggering. A recent study found that fully 45 percent of our citizens are afraid to walk alone at night; in other words, 45 out of every 100 Americans, if asked, would admit that there are areas within a mile of their homes where they would not walk alone. That sounds as if we are living in a combat zone, and indeed, some parts of some American cities have become almost precisely that. About 21,000 murders occur in our Nation each year, and 63 percent of those are caused by firearms; 187,000 armed robberies are perpetrated each year, and 141,000 armed aggravated assaults. Mr. President, it is true that most of these crimes will not end up in Federal court; and my bill, of course, only goes to Federal crimes, but, as I said Tuesday, the Federal Government needs to lead the way in taking the necessary steps to fight crime. We must be vigorous; we must be resolute, and we must be creative. If we act decisively, the States will follow.

Mr. President, the causes of crime are complex, but you do not have to be a criminologist to name some of the obvious causes; there is the absence of fear of being caught and punished; there is avarice; there is poverty in the midst of plenty; there is the something-for-nothing mentality; there is uncontrollable passion; and there is downright meanness or what it used to be fashionable to refer to back in Arkansas as plain old sin. We can and should deal with the causes, and I urge my fellow colleagues in both the Senate and the House of Representatives to turn their creative attention to the crime problem. Yet I am convinced that some partial solutions are already within our grasp. There are some straightforward changes in the law we can pass quickly which will have a deterrent effect.

Mr. President, I am proposing one such measure today. This bill makes a 5-year prison sentence mandatory for any Federal felony committed with a firearm, or committed by a person carrying a firearm even if it is not used, if an element of the offense is the use or threat of violence. When I say mandatory, I mean mandatory. Under this bill, the court may not suspend the sentence, may not give the defendant probation, may not order the term of imprisonment to run concurrently with any term of imprisonment imposed by the court for the underlying felony, and the defendant cannot be paroled during the 5-year period. What is more, for a second firearm offense, the defendant will be sentenced to a mandatory 10-year term of imprisonment.

Granted, this is a tough proposal. I can assure the Members of this body that I have carefully thought this out, and I fully intend this measure to be as harsh as it sounds. I see no reason to be compassionate with any criminal who uses a deadly weapon in the commission of a crime. Firearms are deadly, pure and simple, and criminals who use them should be treated with appropriate outrage. Society simply does not have to tolerate that kind of activity—period. And I am convinced that the knowledge that a stiff prison sentence is mandatory will have a deterrent effect on those who would commit such a repulsive crime.

Mr. President, a recent survey found that 90 percent of all Americans believe that the courts deal too leniently with criminals. Now that tells me a great deal; if that figure were 40 or even 50 percent, it would not be quite as persuasive. But I am convinced that 90 percent of the American people cannot be all wrong about this; the public perceives that our criminal justice system is too soft, and we should respect their judgment enough to look closely at the problem.

Mr. President, I am not willing to sit idly by and allow our national crime epidemic to continue at least without trying. There may be as many as 200 million firearms in this country—no one really knows exactly how many. It is estimated that every third car you meet has a gun in the glove compartment. There are over 220 million people in the United States, and last year violent crimes numbered at least 340,000. In West Germany, with 70 million people, or less than a third of our population, the number of violent firearm crimes was less than 300—you think about that, 340,000 in this country, 300 in Germany; and in Japan, with 115 million inhabitants, or roughly half our population, the figure was 171; there were more killings last year in the District of Columbia alone than that. There were more than 1,700 killings in New York City alone.

Finally, Mr. President, I want to make sure that my colleagues understand that this bill has nothing to do with gun control. You can support this bill regardless of how you feel about the issue of gun control. This bill is simple; if you commit one Federal crime with a firearm, you go to jail for at least 5 years. If you commit another, you go to jail for at least 10 years. This can be accurately described as a tough measure, and it is intended to be.

But I think it is also the kind of measure that is necessary if we are to make a dent in the shocking number of senseless and brutal firearm crimes that occur every day in this country.

I strongly urge my colleagues to give serious consideration to the cosponsorship of this bill.

Mr. President, I ask unanimous consent that the bill I am introducing be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the bill follows:

S. 494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 924 of title 18, United States Code, is amended to read as follows:

"(c) Whoever—

"(1) uses any firearm to commit a felony with respect to which the district courts of the United States have original and exclusive jurisdiction under section 3231 of this title; or

"(2) carries a firearm during the commission of any such felony if an element of such felony is the use of violence or threat of imminent violence;

shall, in addition to the punishment provided for the commission of such felony, be sentenced to a term of imprisonment for not less than five years, nor more than ten years. In the case of the second or subsequent conviction of a person under this subsection, such person shall be sentenced to imprisonment for any term of years not less than ten, or to life imprisonment. Notwithstanding any other provision of law, the court shall not suspend the sentence in the case of a person convicted under this subsection, or give that person a probationary sentence, nor shall the term of imprisonment imposed under this subsection run concurrently with any term of imprisonment imposed for the commission of such felony. Notwithstanding any other provision of law, a person convicted under this subsection shall not be eligible for parole during the first five years of imprisonment in the case of a first conviction under this subsection and during the first ten years of imprisonment in the case of a second or subsequent conviction under this subsection. It is the intention of Congress that the executive vigorously investigate and prosecute every violation of this subsection."

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. PRESSLER). Under the previous order, there will now be a period for the transaction of routine morning business.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BALANCING THE DISTRIBUTION OF FEDERAL DOLLARS BACK TO THE STATES

Mr. DIXON. Mr. President, over the past several weeks, there has been much discussion about Federal spending running wildly out of control and ways to stop it. While everyone is talking about balancing the budget, I want to talk about another form of balancing that might get lost in the shuffle of budget cuts and spending controls. And that is balancing the distribution of Federal dollars back to the States.

My State, the State of Illinois, stands 46th in the amount of money received for each tax dollar sent to Washington. That means that only 71 cents out of every dollar sent out of Washington is returned to the people of Illinois in all kinds of Federal outlays.

During the 5-year period ending in 1979, Illinois sent Washington $31.7 billion more than it received in Federal grants and aid. In 1979 alone, the Federal balance-of-payment deficit for Illinois totaled $7.7 billion. It is a sad record. But Illinois is not alone.

The Great Lakes States of Michigan, Indiana, Ohio, and Wisconsin, along with Illinois, received only 71 cents in Federal money for each dollar sent to Washington in 1979. That represents only 1 cent per dollar more than they received 4 years earlier. In 1979, Michigan received back only 66 cents on every dollar paid out to Washington—the lowest of any State in the Union. In the same year, Indiana received 70 cents; Ohio received 71 cents; Wisconsin received 74 cents.

Clearly, the Frostbelt States are buckling under economic hardships that threaten the entire Nation. The midwest and northeast regions are losing out to the South and West in population, employment, and Federal spending. Recent newspaper reports show migration trends out of the region and into the Sunbelt States. Estimates project that Sunbelt growth will be four times faster than the Frostbelt in the rest of the century.

The figures speak for themselves. The Midwest and Northwest lost more than three-quarters of a million manufacturing jobs during the last 10 years. Unemployment throughout the region is well above the national average.

This should come as no surprise. It is the inevitable result of past practices in Federal spending patterns. The 18 States of the Midwest and Northeast have consistently paid more in taxes than they get back in Federal spending—according to one report, $165 billion more from 1975 to 1979. At the same time the Defense Department has cut employment in the region disproportionately; figures show that 80 percent of Defense Department employees live in the South and West.

Federal policies designed to generate growth in the South and West at a time when their per capita income fell far below the national average have served their purpose. These policies have in large measure achieved their goals. But with the West and Southwest now enjoying higher, more dynamic rates of economic growth the question arises whether certain expenditures are still needed and appropriate.

This problem, Mr. President, takes on added urgency amid all the talk of budget tightening and spending cuts.

Defense spending which now goes disproportionately to the South and Southwest is scheduled to increase. However, programs designed to help depressed, urban areas are slated for major cuts and in some cases total elimination.

I agree with my colleague, Representative BOB EDGAR of Pennsylvania, who, as chairman of a coalition of Midwest and Northeast States, said that it is irresponsible to reject and forsake as hopeless one region of the country in favor of another. The siphoning of tax dollars from the Midwest and Northeast has accelerated the economic decline in these regions while other regions prosper and strengthen economically.

Growth in the Sun Belt does not have to be at the expense of economic growth in the Midwest and Northeast regions of the country. Nor does it necessarily prevent a revitalization of older urban areas where some of the proposed administration budget cuts will fall hardest. On the contrary, we must tap the resources of these regions. We should target industries of the future, notably energy and specialty manufacturing. We should seek tax incentives for business in the urban areas. We should focus Federal contracts, aid, and tax credits on the distressed and oppressed areas of the Midwest and Northeast and end the practice of subsidizing development of one region of the country at the expense of another.

Mr. President, I submit that competition among the regions is healthy. Indeed, it is an American tradition. But amid this regional rivalry the role of the Federal Government should be that of an understanding parent who treats each child equally—a parent who does not force one child to pay room and board when another child is regularly given an allowance.

Mr. President, on behalf of my colleagues from the Midwest and Northeast, I am asking for a halt to the disproportionate, unequal allocation of Federal dollars back to the States.

I am asking simply, Mr. President, for our fair share.

Mr. President, I ask unanimous consent that two recent editorials from the Chicago Sun-Times that eloquently describe the impact of Federal spending inequities on the Midwest, and particularly in Illinois, be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

MIDWEST: FEDERAL LOSER—AND ILLINOIS IS HARDEST HIT

Tax dollars still flow from the North and East to the South and West, but the Sun Belt's share of the federal pie has shrunk slightly, according to a new National Journal report.

Two Frost Belt regions, New England and the Plains states, used to be net exporters of money to Washington. Now they get more back than they send in.

But the poor old Great Lakes states—Illinois, Indiana, Michigan, Ohio and Wisconsin—continue to be the big losers. In fiscal 1979, they sent $27.5 billion more to Washington than they got back in all types of fed-

eral spending, an increase of almost $9 billion in four years.

As the chart shows, Illinois' $7.7 billion imbalance kept it the nation's leading exporter of tax dollars. It got back only 71 cents for every dollar paid in federal taxes.

The unemployment level in the Great Lakes states is 30 percent higher than the national average. Their industries are growing old and their population isn't increasing as fast as the national average.

They shouldn't have to subsidize more prosperous states. But they will until their leaders demand a reasonable share of the federal contracts and targeted federal aid that other states accept as their right.

That's how Massachusetts managed to increase its federal take from 95 cents on the dollar to $1.13 in four years. Even New York gets back 96 cents on the dollar.

Gov. Thompson must keep his promise to organize the region's governors to lobby for national economic policies that benefit this neglected part of the country.

The governors of the Great Lakes states all are Republicans, as are 11 of the 13 members of the Midwest Governors' Conference, which Thompson heads. We hope they can influence their fellow Republican in the White House.

The study mentioned above analyzes federal tax and spending patterns. A second, newly compiled by the Northeast-Midwest Congressional Coalition, shows how those patterns help—and hurt—a state's economy.

For years Illinois has been the federal budget's biggest loser. No other state comes close to our miserable record of sending Washington $31.7 billion more in federal taxes in the five-year period ending in 1979 than we received in federal grants and aid.

The effect of federal pump-priming is evident in the Northeast-Midwest study. Tennessee, Mississippi, Missouri, New Mexico and Massachusetts, five winners in federal spending, managed to keep their jobless levels low despite the recession. Their unemployment is almost 50 percent under the Illinois level.

All are enjoying a growth in manufacturing jobs, an important factor in increasing local property-tax revenue as well as adding to state income-tax receipts. But poor Illinois:

Lost 151,000 manufacturing jobs during the 1970s, a decline of 11 percent.

Gained 252,000 service jobs, but these generally pay lower than manufacturing jobs and don't add as much to the local tax base. Even so, the growth rate in service jobs was almost 40 percent below the national rate.

Lost 19,000 Defense Department jobs—the principal source of disparity in federal spending. In Massachusetts and Missouri, defense spending totals seven times as much per person as in Illinois. In fact, 43 states get more per person in defense contracts than Illinois, despite its industrial riches.

THE 100TH ANNIVERSARY OF THE SETHNESS PRODUCTS CO.

Mr. DIXON. Mr. President, an example of a true American success story has been revealed in the observance of the 100th Aniversary of the Sethness Products Co., headquartered in Chicago.

This organization makes caramel for many of the soft drink manufacturers.

We are pleased to join in recognizing the continued success of this unique organization and to bring this commentary from the Chicago Tribune of January 19, 1981, to the attention of my colleagues.

Mr. President, I ask unanimous consent that the article from the Chicago Tribune be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A 100-YEAR-OLD FIRM KEEPS COOKIN' UP CARAMEL-COLORED SUCCESS

(By Margaret Carroll)

Brown never has been a romantic color. It doesn't have the passion of red, the elegance of black, the vibrance of green. And yet, there it is, part of life—the color of earth, of many living things, of roast beef gravy, of sparkling colas.

At the Sethness Products Co. plant in Clinton, Ia., big batches of brown cook up daily at temperatures up to 300 degrees Farenheit. The concoction's essence is a corn sugar molasses that colors colas, packaged gravies, cough syrups, dark breads, blended whiskies, and dog food, among other products. Brown isn't quite the accurate term for this coloring, however. On label ingredients lists it's called caramel coloring.

In meat sauces, caramel can amount to as much as 40 per cent of the ingredients, contributing to flavor and color. But in most instances, colas for instance, caramel is used sparingly and only as color. A tank car of caramel coloring goes a long way.

That carload may go as far in distance as in volume, in fact. Caramel is marketed worldwide. In 1979 Sethness became associated with White Stevenson Ltd., a longtime caramel manufacturer in Bletchley, England, to facilitate production abroad.

Sethness products, largest of three sources in the U.S. for this unsung but vital food additive, has been in business for 100 years, all of those under the stewardship of the Sethness family.

Charles H. Sethness, Jr. of Chicago, president of the company, represents the third generation of family ownership. His three sons represent the fourth. Charles B. Sethness, a vice-president, works in the Chicago office in the North Pier Terminal. Henry is in sales in the Avenel, N.J., plant, and Daniel works in maintenance in the Clinton plant.

The story began a century ago when Charles Olinus Sethness a Norwegian immigrant, went to work for a company that made food flavorings and colors. Eventually, Sethness acquired a drugstore on the North Side of Chicago. In the basement of the store he began manufacturing his own line of flavorings and syrups. In time, he sold the store, preferring to concentrate on his products. In 1892, he won the contract to supply flavored beverage bases to the World's Columbian Exposition.

"Prior to the Prohibition era," the founder's grandson recalled, "the company had a line of liquor flavors. The liquor industry needed a caramel color to color whiskey. I think that's how he got into it."

That was around the turn of the century, and by then the company had moved into larger quarters with a laboratory. Caramel coloring was produced by heating solidified crude corn sugar in iron kettles over open fires. When Charles O. Sethness's three sons—Charles Henry, Walter, and Ralph—joined him in the business, company products ranged from chocolate syrups to processed fruit.

A few years after Charles H. Sethness Jr. joined the firm in the early 1930s, the company divided. Charles O. and his son, Walter, continued the flavor and essence business. Charles H. and his son formed Sethness Products Co. to manufacture caramel color exclusively.

The company's current president did not begin his career in the executive suite.

"As I remember, my first job was working in the office as a sales clerk, handling correspondence, trying to drum up a few orders," Sethness recalled. "I would have graduated from the University of Illinois in 1932, but I left in 1931. I was in the commerce school, minoring in chemistry, but I was not a serious student. And I always took it for granted that I would work for the company, which was then in Chicago, at 4640 W. Belle Plaine Av.

"The Depression years were touch and go. We had bought a building in the 1920s, which we lost. We rented space for a while, then moved to Keokuk, Ia., in 1939. My father moved the plant there to be close to the Hubinger corn refining plant."

During the 1940s, stainless steel replaced iron processing and storage equipment, and new technology was developed to produce high intensity color caramels necessary for diet colas. (More carbohydrate is consumed in producing high intensity color, hence its lower caloric content.) Technical advances and a short sugar supply during World War II reduced the number of caramel suppliers in the U.S. from 27 in 1930 to three after the war.

In the '50s, Sethness Products began purchasing its raw material from Clinton Corn Products, and in 1965, Sethness moved from Keokuk to Clinton. Today, processed corn sugar syrup flows directly via a 2,800-foot pipeline from a Clinton Corn Products facility to its neighbor, Sethness Products.

Commercial corn sugars are converted from starch, one of the elements of a corn kernel when separated into its various parts—germ, gluten, starch, and hull. One bushel of corn yields 55 pounds or 5 gallons of caramel.

Sethness plant manager Ray North explained the procedure: "Basically, we cook a corn syrup solution with a couple of chemicals to get the characteristics we want in a final product. We use different types of equipment to do the cooking, depending, for example, on whether the final product will be coloring for colas and root beers or coloring for the bakery trade."

A tour of the plant, however, demonstrates that the process is more complicated in the doing than in the describing. Corn sugar syrup moves through the pipeline into storage tanks with capacities of a million pounds or more. Then, as needed, it's pumped into kettle-like stainless steel reactors, their capacities ranging from 1,000 to 5,000 gallons.

In larger, pressure reactors "cooking" time can be reduced by elevating the temperature of the syrup as high as 300 degrees Fahrenheit. A catalyst of ammonia bisulfide is used in slight amounts in the process. Those amounts help determine characteristics of the finished coloring and thus its ultimate use.

"The temperature near the reactors can get up to 120 degrees during the summer," said Harley Riley, production superintendent. "The men working there then go into the air-conditioned control room occasionally to cool off." In addition to escaping the heat, they chart time and other factors involved in producing various colorings.

After cooking, purifying, and cooling through several stages, the caramel is stored (warm enough to keep it from crystallizing) in other giant tanks, some holding 20,000 gallons. Coloring is shipped in containers as small as 55-gallon barrels and as large as 16,500-gallon railroad tank cars. At the height of the carbonated beverage season, the plant may produce 40,000 gallons a day. The soft drink industry isn't as seasonal as it once was, but the company's busiest time still begins in April when soft drink firms begin building their summer inventories.

The company laboratory tests coloring at different stages to assure compliance with customers' varying requirements. Coloring used for soft drinks, for example, differs from that used in beer.

"They want their products with certain amounts of color intensity and at certain pH (acid) levels and at certain specific gravity," said Dean Bodnar, the lab director. "The formulations they use later on in terms of their equipment, handling, and other high-speed operations depend upon that product being the same, time after time after time within those specifications."

Caramel coloring is on the Food and Drug Administration's GRAS (generally regarded as safe) list. But Bodnar said the regulatory agency is bothered somewhat by the industry's inability to define the product. The International Technical Caramel Association is working on a definition.

"It's not an easy task to define caramel coloring *chemically*," Bodnar said. "It has been around a long time. It's the same sort of thing you have when you toast bread or bake a cake or glaze a ham—anytime you get proteins and carbohydrates together and heat them up and it turns brown. It's not magic, it's just an occurrence that doesn't have a chemical definition."

For something used so commonly it seems caramel can be a sticky subject. Nonetheless, the Sethnesses have stuck with it—for a century.

MAJ. GEN. MICHAEL D. HEALY

Mr. DIXON. Mr. President, I believe that a serious injustice has been done regarding the treatment of Maj. Gen. Michael D. Healy; because he has been passed over for promotion to the rank of lieutenant general, he is being retired involuntarily after 35 years of outstanding service to his country.

Mr. President, I ask unanimous consent that a letter I wrote to Secretary of Defense Caspar Weinberger and a recent editorial from the Chicago Tribune on this subject be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., February 18, 1981.

Mr. CASPAR WEINBERGER,
Secretary of Defense,
The Pentagon,
Washington, D.C.

DEAR MR. SECRETARY: It has recently come to my attention that Major General Michael D. Healy has been passed over for promotion to the rank of Lieutenant General, and is being retired involuntarily after 35 years of outstanding service to his country.

General Healy has risen through the ranks of the Army, from the rank of private. He is an extraordinarily capable leader and in good health.

I believe that Mike Healy still has a great contribution to make to the U.S. Army.

Mr. Secretary, I urge you to review the decision to retire General Healy, and to recommend to the President that General Healy be retained on active duty.

Thank you for your consideration of this matter.

Kindest personal regards.

Sincerely,

ALAN J. DIXON.

DOES THE ARMY NEED FIGHTERS?

The Tribune Magazine today carries a fascinating profile by William Currie of the kind of man this country needs in its military officer corps, Army Maj. Gen. Michael D. Healy. He is gritty, profane, and inspiring. He is tough, courageous, and unashamed that his profession is war.

But officers such as Gen. Healy do not always thrive in the modern military, and that is why Mr. Currie's article is significant. Gen. Healy is about to be retired involuntarily. Under Army regulations, if he is not promoted he must leave, and he is not getting his promotion.

He has led men in battle in two wars and has engaged in the nerve-wracking business of cold war intrigue in between. He joined the service as a private and achieved his commands because of his ability in battle.

But there was a problem with Gen. Healy. "Mike didn't have the West Point ring," Mr. Currie quotes one retired general as saying. "He's from the old school. He's a fighter, not a manager, not a systems analyst." And that may be what did him in. The peacetime Army does not feel the need for men such as Gen. Healy. It may even be a bit embarrassed by them. They speak the language of the barracks, not of the bureaucracy. They chafe in staff jobs, yearn for command. If there is armed conflict, they want to be there—and not because six months in combat is the right thing to do for career advancement. They want to be there because they were born for it.

The Army and the other services have lost too many good officers of Gen. Healy's sort in recent years: some for want of promotion, others because they have chosen to resign rather than be domesticated into computer-assisted managers.

We do not intend to write a brief for Gen. Healy's retention. But we do see his story as evidence that something may be going terribly wrong with our officer corps. It is not the only evidence. A recently published book entitled "Self-Destruction: The Disintegration and Decay of the United States Army during the Vietnam Era" is a broadside attack on military leadership. It was written by an officer under the pen name Cincinnati [the name of a man who rescued the Roman Army from itself]. One thing that comes in for Cincinnatus' bitterest criticism is the military's inability to find places for skilled, inspiring combat leaders. Instead, the way to success and career longevity in the military is to get one's "ticket punched" through a variety of assignments, schools, and job experiences.

There is nothing wrong with the military encouraging its officers to be well-rounded and widely experienced. But in battle the Army does not need only renaissance technocrats and skilled administrators. It needs people who can grasp the whole of a clamorous combat situation instinctively, who know their opponents' strengths and weaknesses as thoroughly as they know their own, who can gain and hold the confidence of the men they take into the fire. These are gifts as rare as genius in mathematical obscurities or cunning in the politics of the Pentagon. They should be husbanded.

America has always been ambivalent about its military. It has not liked to admit in times of peace that it may be forced in the future to shed blood again. Those who are skilled in the techniques of combat bear the brunt of this ambivalence, for their presence is a reminder of a grim and tragic truth. But professional combat soldiers are needed even in times of peace, needed precisely because if war ever comes they become absolutely essential.

THE 63D ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF LITHUANIA

Mr. DIXON. Mr. President, on February 16, 1981, freedom-loving people worldwide observed the 63d annual commemoration of the declaration of independence of Lithuania.

In this day and age, as people struggle the globe over for the right to self determination and fight the forces of cultural extinction, we would do well to pause over the example of Lithuania.

The proud and courageous Lithuanians provide thoughtful insight into the human spirit; that flicker of hope which yearns for release from political bonds, in the face of overwhelming odds.

The Lithuanians have endured. They have fought off the shackles of foreign occupation time and time again.

Presently, they must endure a Soviet military presence which began in 1944.

If there is anyone who doubts that history proves right will conquer might, let him ponder the past of the Lithuanian people.

Secure in this knowledge, and with our prayers for a free Lithuania, we observe this day.

(Mr. PROXMIRE was recognized.)

Mr. BAKER. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. BAKER. Mr. President, I thank the distinguished Senator from Wisconsin for yielding for a moment so the distinguished minority leader and I might explore the possibility of getting a time agreement on a piece of business to be transacted on Tuesday.

UNANIMOUS-CONSENT AGREEMENT—NOMINATION OF WILLIAM P. CLARK, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF STATE

Mr. BAKER. Mr. President, I have discussed this matter with the minority leader and I believe it has been cleared now on both sides, with respect to the nomination of William P. Clark, of California, to be Deputy Secretary of State, vice Warren M. Christopher, resigned.

Mr. President, I ask unanimous consent that on Tuesday, following on after the recognition of the two leaders under the standing order and any special orders that may be entered, the Senate go into executive session for the purpose of considering that nomination beginning at 3 p.m.; that debate on the nomination be under the control of the distinguished chairman of the Foreign Relations Committee, the Senator from Illinois (Mr. PERCY) and the distinguished ranking minority member, the Senator from Rhode Island (Mr. PELL), equally divided in accordance with the usual form, except as to 2 hours which will be under the control of the distinguished Senator from Ohio (Mr. GLENN); and that the vote on the nomination occur not later than 6 p.m. on Tuesday next.

I might say parenthetically that I am advised there will be a rollcall vote.

I ask unanimous consent, as well, that it be in order now to order the yeas and nays on the nomination as part of this request.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, if the Chair will withhold for a moment.

Mr. President, before the Chair rules on my request, to reiterate the request, the Senate would go into executive session on Tuesday at 3 o'clock for the purpose of considering the Clark nomination. At that time, the time for debate on the nomination will be under the control of the distinguished chairman of the Foreign Relations Committee and the ranging minority member, equally divided, except for 2 hours which will be under the control of the Senator from Ohio (Mr. GLENN). At a time not later than 6 o'clock on Tuesday next the vote will occur by rollcall vote, which we are about to order, on the Clark nomination.

That is a reiteration of the request.

I yield to the distinguished minority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. This would mean that if the full 3 hours, running from 3 to 6 p.m., are consumed, 1 hour would be under the control of Mr. PERCY and Mr. PELL, equally divided, and, 2 hours would be under the control of Mr. GLENN. Am I correct?

Mr. BAKER. The minority leader is correct. That is the intention of the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader. The request has been cleared on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank all Senators.

Mr. President, did the request include the authorization to ask for the yeas and nays at this time?

The PRESIDING OFFICER. It did.

Mr. BAKER. Then I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I thank the Senator from Wisconsin.

The text of the agreement follows:

Ordered, That on Tuesday, February 24, 1981, at the hour of 3:00 p.m., the Senate go into executive session and proceed to the consideration of Executive Calendar Order No. 31, the nomination of William P. Clark, of California, to be Deputy Secretary of State, on which there shall be 3 hours debate, with 30 minutes controlled by the Senator from Illinois (Mr. Percy), 30 minutes controlled by the Senator from Rhode Island (Mr. Pell), and 2 hours controlled by the Senator from Ohio (Mr. Glenn).

Ordered further, That the vote on this nomination occur no later than 6:00 p.m., Tuesday, February 24, 1981.

OBJECTIONS TO THE GENOCIDE TREATY ARE NOT STRONG

Mr. PROXMIRE. Mr. President, for almost 12 years now, I have risen almost every day on the floor of the Senate to plead with the Senate to ratify the Genocide Treaty. As we all know, the Genocide Treaty would outlaw the planned, premeditated destruction of an entire ethnic group by a government. The classic example, of course, was the extermination of the Jews in Europe by Hitler, when 6 million Jews were murdered, cruelly murdered—starved to death, gassed, shot—in one of the cruelest performances in recent history.

Mr. President, this is something that has gone on and on. Since then, we have had the Cambodian genocide, we have had genocide in Africa.

We had this proposal for a genocide treaty offered by President Truman in the United Nations 32 years ago. It was accepted by the United Nations. It has been ratified by virtually every developed country in the world except the United States. Every President has called on us to ratify it. Secretary of State Haig has asked that we ratify it in a very fine statement before the Foreign Relations Committee at his confirmation hearing. He said it was a matter of embarrassment that we had not ratified the Genocide Treaty.

The fact is that every religious group in the country—Protestant, Catholic, Jewish—every responsible legal group, including the American Bar Association, has called for it. Every Attorney General of the United States, right through the present Attorney General, has said it is in our interest to ratify this convention. It is opposed by some extreme far right-wing groups. They are the only ones who oppose it, but somehow, they have succeeded in keeping the Senate from ratifying it.

Mr. President, some opponents of the Genocide Treaty say it should not be ratified because objections exist concerning the so-called mental harm section. I think we should keep in mind that this treaty does permit mental harm, but this reference, according to Richard Gardner, former Assistant Secretary of State for International Organization Affairs, was inserted at the request of the Chinese delegation, Chaing Kai-shek. Of course, this treaty is so old that it goes back to the time before the present governments were in office. The Chinese delegation wanted to deal with drugs which would cause fiscal impairment of mental facilities and exterminate an ethnic group in that way. But you have to demonstrate if this mental harm provision is to be used as the basis for prosecuting a government under genocide. You have to establish the fact that the intent was to destroy an entire group.

Mr. President, I earnestly hope that, at long last, the Senate will now find in its heart the will to support this convention. No treaty in all our history has sat in the Senate as long as this. It has been reported to the floor of the Senate four times. The longest previous time that a treaty has been held up and delayed was 21 years. This has been held up for 32 years, and I have yet to find any Senator who will give me a substantive argument as to why this convention should not be adopted.

So I hope that the time has come now when, with the support of the Reagan administration, which has indicated its support for the treaty, we can act on this treaty at long last and get it adopted.

FOOD AS A WEAPON

Mr. THURMOND. Mr. President, there has been much talk by U.S. Agriculture Secretary John Block and others in the Reagan administration about the use of food as a foreign policy tool.

A recent editorial aired by WSPA-TV of Spartanburg, S.C., expresses my sentiments about food as a potential weapon in America's dealings with other countries.

Mr. President, in order to share this excellent editorial with my colleagues, I ask unanimous consent that this viewpoint be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOOD AS A WEAPON

Increasingly, American leaders are coming to recognize that food has great potential as an instrument of foreign policy. With some effect, it has been used both against the Soviet Union over Afghanistan and Iran concerning the hostage situation. As people increase in numbers and acreage for cultivation decreases, the effect of American decisions about overseas food sales will be even more telling. Should the United States ever enter a food cartel with other food exporting nations such as Australia and Canada, the influence of such a cartel might some day exceed that of OPEC.

Hopefully, food exports can be used to win friends and stabilize areas in the name of peace. But as a potential weapon, food is important and should be kept in mind by the rest of the world. For food to be an important instrument in our foreign policy, we must protect those things in the country that produce food, soil and water. For this reason, WSPA urges that soil and water conservation programs be included in the omnibus farm bill now before Congress.

QUORUM CALL

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States

submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that he had approved and signed the following acts and joint resolution:

On January 26, 1981:

S.J. Res. 16. Joint resolution designating January 29, 1981, as "A Day of Thanksgiving To Honor Our Safely Returned Hostages."

On February 10, 1981:

S. 253. An act to increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

On February 17, 1981:

S. 272. An act to increase the membership of the Joint Committee on Printing.

REFERRAL OF PRESIDENT'S ECONOMIC MESSAGE—PM 31

The message from the President received yesterday (PM 31) transmitting the Economic Message of the President, was, by unanimous consent, referred jointly to the Committee on Agriculture, Nutrition, and Forestry, the Committee on Appropriations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on the Judiciary, the Committee on Labor and Human Resources, the Committee on Rules and Administration, and the Committee on Veterans' Affairs.

ECONOMIC ADDRESS OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT—PM 32

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which, by unanimous consent, was referred jointly to the Committee on Agriculture, Nutrition, and Forestry, the Committee on Appropriations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on the Judiciary, the Committee on Labor and Human Resources, the Committee on Rules and Administration, and the Committee on Veterans' Affairs:

To the Congress of the United States:

Mr. Speaker, Mr. President, distinguished members of Congress, honored guests, and fellow citizens:

Only a month ago, I was your guest in this historic building and I pledged to you my cooperation in doing what is right for this nation we all love so much.

I am here tonight to reaffirm that pledge and to ask that we share in restoring the promise that is offered to every citizen by this, the last, best hope of man on earth.

All of us are aware of the punishing inflation which has, for the first time in some 60 years, held to double-digit figures for two years in a row. Interest rates have reached absurd levels of more than 20 percent and over 15 percent for those who would borrow to buy a home. All across this land, one can see newly-built homes standing vacant, unsold because of mortgage interest rates.

Almost 8 million Americans are out of work. These are people who want to be productive. But, as the months go by, despair dominates their lives. The threats of layoff and unemployment hang over other millions, and all who work are frustrated by their inability to keep up with inflation.

One worker in a Midwest city put it to me this way: He said, "I'm bringing home more dollars than I thought I could ever earn but I seem to be getting worse off." Well, he is. Hourly earnings, of the American worker, after adjusting for inflation, have declined 5 percent over the past five years. And, furthermore, in the last five years, Federal personal taxes for the average family increased 67 percent.

We can no longer procrastinate and hope things will get better. They will not. If we do not act forcefully, and now, the economy will get worse.

Can we who man the Ship of State deny it is out of control? Our national debt is approaching $1 trillion. A few weeks ago, I called such a figure—a trillion dollars—incomprehensible. I've been trying to think of a way to illustrate how big it really is. The best I could come up with is to say that a stack of $1,000 bills in your hand only four inches high would make you a millionaire. A trillion dollars would be a stack of $1,000 bills 67 miles high.

The interest on the public debt this year will be over $90 billion. And unless we change the proposed spending for the fiscal year beginning October 1st, we'll add another almost $80 billion to the debt.

Adding to our troubles is a mass of regulations imposed on the shopkeeper, the farmer, the craftsman, professionals and major industry that is estimated to add $100 billion to the price of things we buy and reduces our ability to produce. The rate of increase in American productivity, once one of the highest in the world, is among the lowest of all major industrial nations. Indeed, it has actually declined the last three years.

I have painted a grim picture but I believe I have painted it accurately. It is within our power to change this picture and we can act in hope. There is nothing wrong with our internal strengths. There has been no breakdown in the human, technological, and natural resources upon which the economy is built.

Based on this confidence in a system which has never failed us—but which we have failed through a lack of confidence, and sometimes through a belief that we could fine tune the economy and get a tune more to our liking—I am proposing a comprehensive four-part program.

I will now outline and give in some detail the principal parts of this program, but you will each be provided with a completely detailed copy of the program in its entirety.

This plan is aimed at reducing the growth in government spending and taxing, reforming and eliminating regulations which are unnecessary and counterproductive, and encouraging a consistent monetary policy aimed at maintaining the value of the currency.

If enacted in full, our program can help America create 13 million new jobs, nearly 3 million more than we would without these measures. It will also help us gain control of inflation.

It is important to note that we are only reducing the rate of increase in taxing and spending. We are not attempting to cut either spending or taxing to a level below that which we presently have. This plan will get our economy moving again, increase productivity growth, and thus create the jobs our people must have.

I am asking that you join me in reducing direct Federal spending by $41.4 billion in Fiscal Year 1982, along with $7.7 billion in user fees and off-budget savings for a total savings of $49.1 billion. This will still allow an increase of $40.8 billion over 1981 spending.

I know that exaggerated and inaccurate stories about these cuts have disturbed many people, particularly those dependent on grant and benefit programs for their basic needs. Some of you have heard from constituents afraid that social security checks, for example, might be taken from them. I regret the fear these unfounded stories have caused and welcome this opportunity to set things straight.

We will continue to fulfill the obligations that spring from our national conscience. Those who through no fault of their own must depend on the rest of us, the poverty stricken, the disabled, the elderly, all those with true need, can rest assured that the social safety net of programs they depend on are exempt from my cuts.

The full retirement benefits of the more than 31 million social security recipients will be continued along with an annual cost of living increase. Medicare will not be cut, nor will supplemental income for the blind, aged, and disabled. Funding will continue for veterans' pensions.

School breakfasts and lunches for the children of low-income families will continue as will nutrition and other special services for the aging. There will be no cut in Project Head Start or summer youth jobs.

All in all, nearly $216 billion—providing help for tens of millions of Americans—will be fully funded. But government will not continue to subsidize individuals or particular business interests where real need cannot be demonstrated. And while we will reduce some subsidies to regional and local governments, we will at the same time convert a number of categorical grant programs into block grants to reduce wasteful administrative overhead and to give local government entities and states more flexibility and control. We call for an end to duplication in Federal programs and reform of those which are not cost-effective.

Already, some have protested there must be no reduction of aid to schools. Let me point out that Federal aid to education amounts to only 8 percent of total educational funding. For this Federal government has insisted on a tremendously disproportionate share of control over our schools. Whatever reductions we've proposed in that 8 percent will amount to very little of the total cost of education. It will, however, restore more authority to States and local school districts.

Historically, the American people have supported, by voluntary contributions, more artistic and cultural activities than all the other countries in the world put together. I wholeheartedly support this approach and believe Americans will continue their generosity. Therefore, I am proposing a savings of $85 million in the Federal subsidies now going to the arts and humanities.

There are a number of subsidies to business and industry I believe are unnecessary. Not because the activities being subsidized aren't of value but because the marketplace contains incentives enough to warrant continuing these activities without a government subsidy.

One such subsidy is the Department of Energy's synthetic fuels program. We will continue support of research leading to development of new technologies and more independence from foreign oil, but we can save at least $3.2 billion by leaving to private industry the building of plants to make liquid or gas fuels from coal.

We are asking that another major business subsidy, the Export-Import Bank Loan Authority, be reduced by one-third in 1982. We are doing this because the primary beneficiaries of taxpayer funds in this case are the exporting companies themselves—most of them profitable corporations.

And this brings me to a number of other lending programs in which government makes low-interest loans, some of them for an interest rate as low as 2 percent. What has not been very well understood is that the Treasury Department has no money of its own. It has to go into the private capital market and borrow the money to provide those loans. In this time of excessive interest rates the government finds itself paying interest several times as high as it receives from the borrowing agency. The taxpayers—your constituents—of course, are paying that high interest rate and it just makes all other interest rates higher.

By terminating the Economic Development Administration we can save hundreds of millions of dollars in 1982 and billions more over the next few years. There is a lack of consistent and convincing evidence that E.D.A. and its regional commissions have been effective in creating new jobs. They have been effective in creating an array of planners, grantsmen, and professional middlemen. We believe we can do better just by the expansion of the economy and the job creation which will come from our economic program.

The Food Stamp Program will be restored to its original purpose: To assist those without resources to purchase sufficient nutritional food. We will, however, save $1.8 billion in Fiscal Year 1982 by removing from eligibility those who are not in real need or who are abusing the program. Despite this reduction, the program will be budgeted for more than $10 billion.

We will tighten welfare and give more attention to outside sources of income when determining the amount of welfare an individual is allowed. This plus strong and effective work requirements will save $520 million next year.

I stated a moment ago our intention to keep the school breakfast and lunch programs for those in true need. But by cutting back on meals for children of families who can afford to pay, the savings will be $1.6 billion in Fiscal Year 1982.

Let me just touch on a few other areas which are typical of the kind of reductions we have included in this economic package. The Trade Adjustment Assistance Program provides benefits for workers who are unemployed when foreign imports reduce the market for various American products causing shutdown of plants and layoff of workers. The purpose is to help these workers find jobs in growing sectors of our economy.

And yet, because these benefits are paid out on top of normal unemployment benefits, we wind up paying greater benefits to those who lose their jobs because of foreign competition than we do to their friends and neighbors who are laid off due to domestic competition. Anyone must agree that this is unfair. Putting these two programs on the same footing will save $1.15 billion in just one year.

Earlier I made mention of changing categorical grants to States and local governments into block grants. We know, of course, that categorical grant programs burden local and State governments with a mass of Federal regulations and Federal paperwork.

Ineffective targeting, wasteful administrative overhead—all can be eliminated by shifting the resources and decision-making authority to local and State government. This will also consolidate programs which are scattered throughout the Federal bureaucracy. It will bring government closer to the people and will save $23.9 billion over the next five years.

Our program for economic renewal deals with a number of programs which at present are not cost-effective. An example is medicaid. Right now, Washington provides the States with unlimited matching payments for their expenditures. At the same time, we here in Washington pretty much dictate how the States will manage the program. We want to put a cap on how much the Federal government will contribute but at the same time allow the States much more flexibility in managing and structuring their programs. I know from our experience in California that such flexibility could have led to far more cost-effective reforms. This will bring a savings of $1 billion next year.

The space program has been and is important to America and we plan to continue it. We believe, however, that a reordering of priorities to focus on the most important and cost-effective NASA programs can result in a savings of a quarter of a billion dollars.

Coming down from space to the mailbox—the Postal Service has been consistently unable to live within its operating budget. It is still dependent on large Federal subsidies. We propose reducing those subsidies by $632 million in 1982 to press the Postal Service into becoming more effective. In subsequent years, the savings will continue to add up.

The Economic Regulatory Administration in the Department of Energy has programs to force companies to convert to specific fuels. It has the authority to administer a gas rationing plan, and prior to decontrol it ran the oil price control program. With these and other regulations gone, we can save several hundreds of millions of dollars over the next few years.

Now I'm sure there is one Department you've been waiting for me to mention. That is the Department of Defense. It is the only Department in our entire program that will actually be increased over the present budgeted figure. But even here there was no exemption. The Department of Defense came up with a number of cuts which reduced the budget increase needed to restore our military balance.

These measures will save $2.9 billion in 1982 outlays and by 1986 a total of $28.2 billion will have been saved. The aim will be to provide the most effective defense for the lowest possible cost.

I believe my duty as President requires that I recommend increases in defense spending over the coming years.

Since 1970 the Soviet Union has invested $300 billion more in its military forces that we have. As a result of its massive military buildup, the Soviets now have a significant numerical advantage in strategic nuclear delivery systems, tactical aircraft, submarines, artillery and anti-aircraft defense. To allow this imbalance to continue is a threat to our national security.

Notwithstanding our economic straits, making the financial changes beginning now is far less costly than waiting and attempting a crash program several years from now.

We remain committed to the goal of arms limitation through negotiation and

hope we can persuade our adversaries to come to realistic balanced and verifiable agreements. But, as we negotiate, our security must be fully protected by a balanced and realistic defense program.

Let me say a word here about the general problem of waste and fraud in the Federal government. One government estimate indicated that *fraud alone* may account for anywhere from 1 to 10 percent—as much as $25 billion—of Federal expenditures for social programs. If the tax dollars that are wasted or mismanaged are added to this fraud total, the staggering dimensions of this problem begin to emerge.

The Office of Management and Budget is now putting together an interagency task force to attack waste and fraud. We are also planning to appoint as Inspectors General highly-trained professionals who will spare no effort to do this job.

No Administration can promise to immediately stop a trend that has grown in recent years as quickly as government expenditures themselves. But let me say this: waste and fraud in the Federal budget is exactly what I have called it before—an unrelenting national scandal—a scandal we are bound and determined to do something about.

Marching in lockstep with the whole program of reductions in spending is the equally important program of reduced tax rates. Both are essential if we are to have economic recovery. It is time to create new jobs, build and rebuild industry, and give the American people room to do what they do best. And that can only be done with a tax program which provides incentive to increase productivity for both workers and industry.

Our proposal is for a 10 percent across-the-board cut every year for three years in the tax rates for all individual income taxpayers making a total tax cut of 30 percent. This three-year reduction will also apply to the tax on unearned income leading toward an eventual elimination of the present differential between the tax on earned and unearned income.

The effective starting date for these 10 percent personal income tax rate reductions will be July 1st of this year.

Again, let me remind you this 30 percent reduction in marginal rates, while it will leave the taxpayers with $500 billion more in their pockets over the next five years, is actually only a reduction in the tax increase already built into the system.

Unlike some past tax "reforms," this is not merely a shift of wealth between different sets of taxpayers. This proposal for an equal reduction in everyone's tax rates will expand our national prosperity, enlarge national incomes, and increase opportunities for all Americans.

Some will argue, I know, that reducing tax rates now will be inflationary. A solid body of economic experts does not agree. And certainly tax cuts adopted over the past three-fourths of a century indicate these economic experts are right.

The advice I have had is that by 1985 our real production of goods and services will grow by 20 percent and will be $300 billion higher than it is today. The average worker's wage will rise (in real purchasing power) by 8 percent and those are after-tax dollars. This, of course, is predicated on our complete program of tax cuts and spending reductions being implemented.

The other part of the tax package is aimed directly at providing business and industry with the capital needed to modernize and engage in more research and development. This will involve an increase in depreciation allowances and this part of our tax proposal will be retroactive to January 1st.

The present depreciation system is obsolete, needlessly complex, and economically counterproductive. Very simply, it bases the depreciation of plant, machinery, vehicles, and tools on their original cost with no recognition of how inflation has increased their replacement cost.

We are proposing a much shorter write-off time than is presently allowed. We propose a five-year write-off for machinery; three years for vehicles and trucks; and a ten-year write-off for plant.

In Fiscal Year 1982 under this plan business would acquire nearly $10 billion for investment and by 1985 the figure would be nearly $45 billion. These changes are essential to provide the new investment which is needed to create millions of new jobs between now and 1986 and to make America competitive once again in world markets. These are not make-work jobs, they are productive jobs with a future.

I'm well aware that there are many other desirable tax changes such as indexing the income tax brackets to protect taxpayers against inflation. There is the unjust discrimination against married couples if both are working and earning, tuition tax credits, the unfairness of the inheritance tax especially to the family-owned farm and the family-owned business and a number of others. But our program for economic recovery is so urgently needed to begin to bring down inflation that I would ask you to act on this plan first and with great urgency. Then I pledge to you I will join with you in seeking these additional tax changes at an early date.

American society experienced a virtual explosion in government regulation during the past decade. Between 1970 and 1979, expenditures for the major regulatory agencies quadrupled, the number of pages published annually in the *Federal Register* nearly tripled, and the number of pages in the *Code of Federal Regulations* increased by nearly two-thirds.

The result has been higher prices, higher unemployment, and lower productivity growth. Overregulation causes small and independent business men and women, as well as large businesses, to defer or terminate plans for expansion and, since they are responsible for most of our new jobs, those new jobs aren't created.

We have no intention of dismantling the regulatory agencies—especially those necessary to protect the environment and to assure the public health and safety. However, we must come to grips with inefficient and burdensome regulations—eliminate those we can and reform those we must keep.

I have asked Vice President Bush to head a Cabinet-level Task Force on Regulatory Relief. Second, I asked each member of my Cabinet to postpone the effective dates of the hundreds of regulations which have not yet been implemented. Third, in coordination with the Task Force, many of the Agency heads have taken prompt action to review and rescind existing burdensome regulations. Finally, just yesterday, I signed an Executive Order that for the first time provides for effective and coordinated management of the regulatory process.

Although much has been accomplished, this is only a beginning. We will eliminate those regulations that are unproductive and unnecessary by Executive Order where possible and cooperate fully with you on those that require legislation.

The final aspect of our plan requires a national monetary policy which does not allow money growth to increase consistently faster than the growth of goods and services. In order to curb inflation, we need to slow the growth in our money supply.

We fully recognize the independence of the Federal Reserve System and will do nothing to undermine that independence. We will consult regularly with the Federal Reserve Board on all aspects of our economic program and will vigorously pursue budget policies that will make their job easier in reducing monetary growth.

A successful program to achieve stable and moderate growth patterns in the money supply will keep both inflation and interest rates down and restore vigor to our financial institutions and markets.

This, then, is our proposal, "America's New Beginning: a Program for Economic Recovery." I do not want it to be simply the plan of my Administration—I am here tonight to ask you to join me in making it *our* plan. Together, we can embark on this road not to make things easy, but to make things better.

Can we do the job? The answer is yes. But we must begin now. Our social, political, and cultural, as well as our economic institutions, can no longer absorb the repeated shocks that have been dealt them over the past decades.

We are in control here. There is nothing wrong with America that we can't fix. So I'm full of hope and optimism that we will see this difficult new challenge to its end—that we will find those reservoirs of national will to once again do the right thing.

I'm sure there will be some who will raise the familiar old cry, "Don't Touch My Program—Cut Somewhere Else."

I hope I've made it plain that our approach has been even-handed; that only the programs for the truly deserving needy remain untouched.

The question is, are we simply going to go down the same path we've gone down before—carving out one special program here and another special program there. I don't think that is what the American people expect of us. More important, I don't think that is what

they want. They are ready to return to the source of our strength.

The substance and prosperity of our nation are built by wages brought home from the factories and the mills, the farms and the shops. They are the services provided in ten thousand corners of America; the interest on the thrift of our people and the returns from their risk-taking. The production of America is the possession of those who build, serve, create, and produce.

For too long now, we've removed from our people the decisions on how to dispose of what they created. We have strayed from first principles. We must alter our course.

The taxing power of government must be used to provide revenues for legitimate Government purposes. It must not be used to regulate the economy or bring about social change. We've tried that and surely must be able to see it doesn't work.

Spending by government must be limited to those functions which are the proper province of government. We can no longer afford things simply because we think of them.

Next year we can reduce the budget by $41.4 billion, without harm to government's legitimate purposes and to our responsibility to all who need our benevolence. This, plus the reduction in tax rates, will help bring an end to inflation.

In the Health and Social Services area alone, the plan we are proposing will substantially reduce the need for 465 pages of law, 1,400 pages of regulations, and 5,000 Federal employees who presently administer 7,600 separate grants at about 25,000 locations. Over 7 million man and woman hours of work by State and local officials are required to fill out Federal forms.

May I direct a question to those who have indicated unwillingness to accept this plan for a new beginning: An economic recovery? Have they an alternative which offers a greater chance of balancing the budget, reducing and eliminating inflation, stimulating the creation of jobs, and reducing the tax burden? And, if they haven't, are they suggesting we can continue on the present course without coming to a day of reckoning in the very near future?

If we don't do this, inflation and a growing tax burden will put an end to everything we believe in and to our dreams for the future. We do not have an option of living with inflation and its attendant tragedy, of millions of productive people willing and able to work but unable to find buyers in the job market.

We have an alternative to that, a program for economic recovery, a program that will balance the budget, put us well on the road to our ultimate objective of eliminating inflation entirely, increasing productivity and creating millions of new jobs.

True, it will take time for the favorable effects of our proposal to be felt. So we must begin now.

The people are watching and waiting. They don't demand miracles, but they do expect us to act. Let us act together.

Thank you and good night.

RONALD REAGAN.

THE WHITE HOUSE, *February 18, 1981.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-422. A communication from the Deputy Assistant Administrator for Pesticide Programs, Environmental Protection Agency, transmitting, pursuant to law, a final regulation of the Agency classifying certain uses of eight pesticide active ingredients for restricted use; to the Committee on Agriculture, Nutrition, and Forestry.

EC-423. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the annual report of the Forest Service for fiscal year 1980; to the Committee on Agriculture, Nutrition, and Forestry.

EC-424. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The MX Weapon System: Issues and Challenges"; to the Committee on Armed Services.

EC-425. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Water Resources Agencies Should Assess Less Costly Ways To Comply With Regulations"; to the Committee on Environment and Public Works.

EC-426. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, questions concerning the counting of the review period for statutes enacted by the Council and Amendments of the Criminal Law of the District of Columbia; to the Committee on Governmental Affairs.

EC-427. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a proposed prospectus for succeeding leases and renewed leases for 12 buildings in the District of Columbia; to the Committee on Governmental Affairs.

EC-428. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports concerning visa petitions which have been granted third and sixth preference classification under section 204(d) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-429. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, a copy of the February 16, 1981 appeal of the Commission to the Office of Management and Budget concerning its FY 1982 budget reduction; to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BUMPERS:

S. 494. A bill to amend chapter 44 of title 18, United States Code, to strengthen the mandatory penalty for the use of a firearm in the commission of a felony; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 495. A bill to amend section 3 (1) of the Food Stamp Act of 1977, relating to the definition of the term "household", to prevent the splitting of a household for the purpose of qualifying as two or more households under such Act; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MELCHER (for himself, Mr. BUMPERS, Mr. GOLDWATER, Mr. FORD, Mr. CHILES, Mr. HATFIELD, Mr. PRYOR, Mr. BURDICK, Mr. BAUCUS, Mr. BOSCHWITZ, Mr. CANNON, and Mr. WALLOP):

S. 496. A bill to amend the Federal Mine Safety and Health Act of 1977; to the Committee on Labor and Human Resources.

By Mr. INOUYE:

S. 497. A bill for the relief of Tokeo Kato; to the Committee on the Judiciary.

By Mr. HART (for himself, Mr. PERCY, Mr. TSONGAS, Mr. CRANSTON, Mr. HATFIELD, Mr. BRADLEY, Mr. BAUCUS, Mr. LEAHY, Mr. SARBANES, Mr. RANDOLPH, Mr. WILLIAMS, Mr. HEFLIN, Mr. LEVIN, Mr. METZENBAUM, Mr. DECONCINI, Mr. EXON, and Mr. DOMENICI):

S. 498. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 499. A bill to amend a provision of the Internal Revenue Code dealing with involuntary conversions of broadcast property; to the Committee on Finance.

S. 500. A bill to amend the Internal Revenue Code of 1954 with respect to the amount which certain private foundations are required to distribute; to the Committee on Finance.

S. 501. A bill to amend the Internal Revenue Code of 1954 with respect to the amount which certain private foundations are required to distribute; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. WALLOP):

S. 502. A bill to amend the Internal Revenue Code to permit foreign pension plans to invest in the United States on a nontaxable basis; to the Committee on Finance.

By Mr. BURDICK:

S. 503. A bill to authorize the purchase, sale and exchange of lands by the Devils Lake Sioux Tribe of the Devils Lake Sioux Reservation, N. Dak., and for other purposes; to the Select Committee on Indian Affairs.

By Mr. ANDREWS:

S. 504. A bill for the relief of Visitacion C. Ramirez, doctor of medicine, Vicente A. Ramirez, Emmanual Ramirez, and Esteban Ramirez; to the Committee on the Judiciary.

By Mr. HAYAKAWA:

S. 505. A bill to improve the quality of table grapes for marketing in the United States; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HAYAKAWA (for himself, Mr. WALLOP, Mr. TOWER, Mr. STEVENS, Mr. BENTSEN, Mr. CRANSTON, Mr. HART, Mr. SIMPSON, Mr. HATCH, Mr. BOREN, and Mr. ARMSTRONG):

S. 506. A bill to reinstate and validate United States oil and gas leases numbered OCS-P-0218 and OCS-P-0226; to the Committee on Energy and Natural Resources.

By Mr. BOREN (for himself and Mr. HEINZ):

S. 507. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to eliminate the national trigger, to provide for an optional State trigger, and to require 20 weeks of employment (or the wage equivalent) in order to qualify for benefits; to the Committee on Finance.

By Mr. BENTSEN:

S.J. Res. 32. Resolution to authorize and request the President of the United States to proclaim the week of February 16-22, 1982, and every year hereafter as national "League of United Latin American Citizen's (LULAC) Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND:

S. 495. A bill to amend section 3(1) of the Food Stamp Act of 1977, relating to the definition of the term "household," to prevent the splitting of a household for the purpose of qualifying as two or more households under such act; to the Committee on Agriculture, Nutrition, and Forestry.

DEFINITION OF HOUSEHOLD UNDER THE FOOD STAMP ACT

Mr. THURMOND. Mr. President, I rise today to introduce legislation to amend the Food Stamp Act of 1977, relating to the definition of a "household."

Mr. President, under current law a "household" is defined as, first, an individual who lives alone or who, while living with others, customarily purchases food and prepares meals for home consumption separate and apart from the others, or else pays compensation to the others for such meals, or second, a group of individuals who live together and customarily purchase food and prepare meals together for home consumption or else live with others and pay compensation to the others for such meals. The legislation I am introducing today would amend the definition of a "household" such that it would be defined as, first, an individual who lives alone or who, while living with others, customarily purchases food and prepares meals for home consumption separate and apart from the others, or second, a group of individuals who live together and customarily purchase food and prepare meals together for home consumption.

Mr. President, enactment of my bill would eliminate what has commonly come to be known as the "boarder loophole." The current definition of a "household" results in serious abuse of the food stamp program. Current law permits family members who reside at the same residence and who do not themselves meet the eligibility requirements for participation in the food stamp program to represent to food stamp officials that they are merely boarders in the household, rather than an integral part of it. Thus, in determining food stamp eligibility for other residents of the household, only the amounts contributed and received as room and board must be added to the income of an applicant rather than including the income and assets of all who actually reside in the same household.

In other words, by either claiming to pay board, or by paying a nominal amount of board, each person residing at the same residence is treated as a separate household. Thus, no matter how great the aggregate income of the family or group of individuals, those who individually meet the eligibility requirements can obtain food stamps. I do not believe that Congress intended for such a situation to occur, because it obviously allows persons who do not truly need food stamp assistance to use a loophole in the law to qualify for it.

Mr. President, participation in the food stamp program should be limited to only those truly in need of nutritional assistance. Enactment of my bill would be a step in that direction. In addition, prevention of a household splitting for the purpose of qualifying for food stamps as two or more households should result in savings to the taxpayers. I sincerely hope that my colleagues in the Senate will join me in pressing for early enactment of this legislation.

Mr. President, I request that this bill be appropriately referred and ask unanimous consent that it be included in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 495

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(1) of the Food Stamp Act of 1977 is amended—

(1) by striking out in clause (1) "or else pays compensation to the others for such meals,"; and

(2) by striking out in clause (2) "or else live with others and pay compensation to the others for such meals".

By Mr. MELCHER (for himself, Mr. BUMPERS, Mr. GOLDWATER, Mr. FORD, Mr. CHILES, Mr. HATFIELD, Mr. PRYOR, Mr. BURDICK, Mr. BAUCUS, Mr. BOSCHWITZ, Mr. CANNON, and Mr. WALLOP):

S. 496. A bill to amend the Federal Mine Safety and Health Act of 1977; to the Committee on Labor and Human Resources.

AMENDMENT OF FEDERAL MINE SAFETY AND HEALTH ACT

● Mr. MELCHER. Mr. President, today I am introducing legislation on behalf of myself and Mr. BUMPERS, Mr. GOLDWATER, Mr. FORD, Mr. CHILES, Mr. HATFIELD, Mr. PRYOR, Mr. BURDICK, Mr. BAUCUS, Mr. BOSCHWITZ, Mr. CANNON, and Mr. WALLOP to correct misinterpretation of the Federal Mine Safety and Health Act Amendments of 1977.

Section 1 of this bill will disentangle the overlapping jurisdiction of the Occupational Safety and Health Act (OSHA) and the Mine Safety and Health Act (MSHA) where surface construction by independent contractors is concerned. Currently independent construction contractors, subject to OSHA in all other work for which they contract, are covered by MSHA in the event they contract for construction work on the surface of mine property. In other words independent construction contractors are subject to two different agencies, each with its own set of regulations, inspection policies and penalty systems.

Construction workers are not miners. OSHA policies should apply to surface construction work, not MSHA. Independent construction contractors should be relieved of this double indemnity and double paperwork burden. The safety of these workers would not be endangered. This amendment would not apply to underground mining construction which should be, as it now is, covered by MSHA.

Section 2 of the bill eliminates the coverage of States and political subdivisions thereof—counties, cities, and townships—from coverage under MSHA. The current policy of harassment of county road building operations, because they produce a limited amount of gravel for rural road repair, is a flagrant abuse of Federal regulatory power. The only Federal labor law that "covers" counties, and so forth—and only by interpretation of the Labor Department—is MSHA.

Section 3 provides that MSHA furnish safety and health mining opportunities and materials to States and political subdivisions thereof who request such services. We recognize that county officials care more about the safety and health of their employees than can any Federal inspectors, since, especially in rural areas, such employees are neighbors and friends of the officials. Those who ask for assistance should find it readily available.

This legislation will provide for a desirable reduction in the Federal work force, since the current corps of Federal inspectors can be substantially reduced. Those who remain can and should concentrate their efforts on improving conditions for real miners, and stop harassing independent construction contractors and elected county officials.

There is a need for an effective mine safety and health agency. But there is no need for such an agency to dissipate its resources in a power grab, such as this bill will correct, merely for the purpose of empire building within the Federal bureaucracy.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 496

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That (a) section 3 of the Federal Mine Safety and Health Act of 1977 is amended—

(1) by amending subsection (d) to read as follows:

"(d) 'operator' means (1) any owner, lessee, or other person who operates, controls, or supervises a coal or other mine, or (2) any independent contractor performing services at such mine, except for a construction contractor;" and

(2) by adding at the end the following new subsection:

"(p) 'construction contractor' means any independent contractor—

"(1) whose primary business is in the contract construction industry; and

"(2) who is engaged by an operator for (A) the construction, repair, or alteration of structures, facilities, utilities, or private

ways or roads, located on (or appurtenant to) the surface areas of any coal or other mine; (B) excavations attendant to the activities described in clause (A); or (C) the installation of equipment attendant to the activities described in clause (A).".

(b) Section 109 of the Federal Mine Safety and Health Act of 1977 is amended by adding at the end the following new subsection:

"(e) Whenever any construction activity is undertaken by a construction contractor at any coal or other mine subject to this Act, the operator of such mine shall provide notice of the type of activity and number of employees involved to appropriate personnel of the area office of the Occupational Safety and Health Administration with jurisdiction regarding such activity.".

Sec. 2. (a) Section 3(d) of the Federal Mine Safety and Health Act of 1977, as amended (30 U.S.C. 802(d)), is amended by inserting immediately before the semicolon at the end thereof a comma and the following: "but does not include any State or political subdivision of a State".

(b) Section 4 of such Act is amended by inserting immediately before the period at the end thereof a comma and the following: "except that in no case (other than as provided for in section 117 of this Act) shall any coal or other mine owned by any State or political subdivision thereof be subject to the provisions of this Act".

Sec. 3. Title I of the Federal Mine Safety and Health Act of 1977, as amended, is amended by adding at the end thereof the following new sections:

"Sec. 116. Upon the request of any State or political subdivision thereof which owns or operates any coal or other mine, the administration is authorized to make available to such State or subdivision safety and health training opportunities and materials and other data for use for such State or subdivision in the operation of such mines.

"Sec. 117. (a) Nothing in this Act shall prevent any State agency or court from asserting jurisdiction under State law over any mandatory health or safety standard issue involving a coal mine or other mine owned by such State or a political subdivision thereof."●

By Mr. HART (for himself, Mr. PERCY, Mr. TSONGAS, Mr. CRANSTON, Mr. HATFIELD, Mr. BRADLEY, Mr. BAUCUS, Mr. LEAHY, Mr. SARBANES, Mr. RANDOLPH, Mr. WILLIAMS, Mr. HEFLIN, Mr. LEVIN, Mr. METZENBAUM, Mr. DECONCINI, Mr. EXON and Mr. DOMENICI):

S. 498. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics; to the Committee on Finance.

PASSIVE SOLAR TAX CREDIT

● Mr. HART. Mr. President, today I am reintroducing, with 16 cosponsors, legislation to encourage builders to include passive solar energy systems in new homes by providing tax credits based on the efficiency of the passive solar system.

This proposal has already received the overwhelming support of the Senate. It was adopted by a vote of 62 to 1 during the Senate's consideration of the windfall profits tax bill in December 1979. Unfortunately, though, it was not included in the compromise finally approved by the conference.

Since that time, however, support in the House has increased dramatically. Today, Representatives HEFTEL and FOWLER, along with more than 125 cosponsors, are introducing a nearly identical bill in the House. It is clear the House is now willing to cooperate with the Senate to insure the prompt enactment of this important bill.

Mr. President, about 7 percent of our total energy diet is consumed by heating and cooling our homes. A well-designed passive solar system can reduce the heating load of a home by as much as 80 percent. Clearly, the potential for passive solar systems to reduce our reliance on fuel oil, natural gas, and electricity, is substantial.

"Passive" solar systems rely on energy-efficient architectural techniques and the use of common building materials, rather than mechanical means, to make maximum use of the Sun's energy. In general, passive solar techniques are relatively simple, inexpensive, and just a matter of commonsense. For example, new homes should be constructed with eaves on their southern exposure to block the direct rays of the high summer Sun, while permitting direct light from the low winter Sun to heat the structure. Other passive solar features, such as Trombe walls capture and store the Sun's heat during the day, then release it gradually during the night.

In general, passive solar systems are the most cost-effective solar technology for heating and cooling homes. While opportunities exist to add passive features to existing homes, the greatest potential for energy savings is realized when passive solar systems are incorporated as part of the original design of the home. In light of the fact that the Nation's entire housing stock is expected to be replaced over the course of the next 50 years, it is vitally important that new housing incorporate passive solar systems—as well as other energy-efficiency measures—if future generations are not to be "locked in" to increasingly costly and uncertain supplies of energy for their residential needs.

Despite the compelling advantages of passive solar systems, they are not widely incorporated in new homes. Although a passive solar system will pay for itself within just a few years, the benefit accrues to the owner rather than to the developer. Builders and developers who must compete in an extremely tight capital market are understandably discouraged from making any addition to a home which will increase its cost. Consequently, we need to provide a strong incentive to builders to include passive solar features as an integral part of new housing construction.

This legislation has been carefully drafted to provide the credit to builders of new homes based on their effectiveness in reducing the energy load of the home, rather than providing a credit for a percentage of the cost of the components of a passive solar system. This approach has the additional advantage of encouraging the use of low-cost, high-performance passive solar designs.

To be eligible for the credit, a builder must demonstrate that all the elements of a passive solar system are included in the design of the home. To determine the amount of the credit, the builder must contribute only three pieces of information: First, the location of the home; second, the number of square feet of the collector area; and third, the energy efficiency of the home to begin with. These factors can be compared on a simple chart which will predetermine the amount of the credit based on the extent to which the passive solar system has reduced the heating and cooling requirement of a home.

The maximum credit for a passive solar system would be $2,000. It is expected the credit for an average passive solar system would be about $1,000. On the average, this would constitute about a 20-percent subsidy for residential passive solar systems. Individuals would be eligible for this credit beginning September 30, 1981. The Joint Tax Committee has estimated that the revenue loss for fiscal 1982 would be only $9 million and that the total revenue loss through 1987 would be only $437 million.

This proposal has found widespread support in a broad coalition of labor, industry, and environmental groups. In the last Congress, this bill was endorsed by a number of national organizations, including:

National Conference of State Legislatures; National League of Cities; National Association of Home Builders; Sierra Club; Friends of the Earth; Environmental Action; National Wildlife Federation; Environmental Policy Center; League of Woman Voters; Solar Lobby; American Institute of Architects; and National Woodwork Manufacturers Association.

Mr. President, the compelling arguments in favor of this proposal are clear. The facts are in. The consensus is a strong one. The reality of this Nation's energy situation makes it vitally important that new housing incorporate passive solar systems. This legislation provides important incentives toward that goal, and I urge my colleagues to once again support it.●

By Mr. MOYNIHAN:

S. 499. A bill to amend a provision of the Internal Revenue Code dealing with involuntary conversions of broadcast property; to the Committee on Finance.

INVOLUNTARY CONVERSIONS OF BROADCAST PROPERTY

● Mr. MOYNIHAN. Mr. President, the bill I am introducing today is a technical amendment to section 1071 of the Tax Code.

It addresses a problem being faced by taxpayers in New York and California; there may be individuals in other States who are also affected.

An example of the problem is the plight of the Johnson Newspaper Corp. of New York. The corporation owns the Watertown Daily-Times and television station WWNY, both in Watertown, N.Y.

In 1975, the Federal Communications Commission ordered the corporation to divest itself of one of these properties. The order was one of a series of directives aimed at preventing companies in

seven small- and medium-sized cities from owning the only newspaper and commercial TV station in town.

Since its expertise was in the newspaper field, the Johnson Newspaper Corp. decided to sell the television station. A buyer was found for it last year; and the FCC has been asked formally to approve the sale. The buyer is the United Communications Corp., a holding company with a string of newspaper and broadcast properties in several New England and Midwestern States.

The only other fact that is relevant as background is that the Johnson Newspaper Corp. hopes to use the proceeds from the sale to purchase another newspaper.

This brings one to the question of taxes. Section 1033 of the Tax Code states that a taxpayer who has had involuntarily to convert property into cash will not be taxed immediately on his capital gain, provided he uses the cash to buy another property that is similar in service or use to the original property, and he does so within 18 months after the sale. The capital gain is taxed at some future date when the second. newly acquired property is sold.

In 1943, Congress added another section to the code—section 1071—that describes in more specific terms when the capital gain connected with an FCC-ordered sale is to go unrecognized. Briefly, the taxpayer must satisfy two conditions. He must obtain a tax certificate from the FCC. The certificate states that the sale was required in order to effectuate FCC policy on the ownership and control of radio broadcasting stations. Possession of a tax certificate is proof that the sale was an involuntary conversion. The Johnson Newspaper Corp. will have no difficulty obtaining such a certificate.

Second, the taxpayer, in effect, must have exchanged a "property" for a "radio broadcasting station." I should add here that the Internal Revenue Service has defined the term "radio broadcasting" to include telecasting. It did so in 1956.

To restate the second condition, one can sell a newspaper, radio station or TV station under FCC order, but the capital gain will go unrecognized only if one reinvests the proceeds in a radio or television station—and not in a newspaper as the Johnsons plan.

What I am proposing, obviously, is that section 1071 be changed. In place of the requirement that one acquire a "radio broadcasting station," I would substitute "radio or television broadcasting station, or newspaper."

I think this is a perfectly reasonable request. It is entirely consistent with the spirit of section 1071. Section 1071 was enacted because the FCC was ordering people to swap radio stations in various cities so as to increase competition in individual markets. The agency could not easily implement its plan if it had to worry about tax consequences. In addition, it did not seem fair to station owners that an exchange under FCC order should trigger Federal taxes.

As I have said, section 1071 was enacted in 1943. At the time, the FCC was concerned exclusively with radio. Naturally, the statute spoke of exchanging a "property" for a "radio broadcasting station."

Congress did not foresee that in the 1960's, the FCC would also be ordering the divestiture of television stations and newspapers. The statute simply needs to be updated.

Second, if this part of the Tax Code is not amended, the results it produces will sometimes be perverse and unfair. In 1978, the IRS was presented with the mirror image of the Johnson case. A taxpayer proposed to exchange a newspaper for a television station. Revenue ruling 78-269 said that the transaction was protected by section 1071. But exchanging a television station for a newspaper is not protected.

I submit that the tax treatment in such cases should not turn on the order in which assets are exchanged. The test, rather, should be whether the taxpayer has been forced by the FCC to sell and whether the assets he proposes to swap are sufficiently similar in kind.

If a television station and a newspaper are to be considered similar in some cases, they should be considered similar in all cases. I merely propose that one be consistent.

Finally, Mr. President, let me note that this bill was introduced last year. Donald Lubick, the then Assistant Treasury Secretary for tax policy, said—when asked—that the Treasury had no objection to it.

I ask unanimous consent, Mr. President, that the text of the measure be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 499

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1.—Subsection (a) of section 1071 of the Internal Revenue Code (relating to gains from sale or exchange to effectuate policies of the FCC) is amended by striking the term "radio broadcasting stations" in the first sentence of such subsection and inserting in lieu thereof "radio or television broadcasting stations".

The subsection also is amended by striking the term "radio broadcasting station" in the second sentence and inserting in lieu thereof "radio or television broadcasting station, or newspaper".

SEC. 2.—The amendments made by this Act shall take effect on January 1, 1980.●

By Mr. MOYNIHAN:

S. 500. A bill to amend the Internal Revenue Code of 1954 with respect to the amount which certain private foundations are required to distribute; to the Committee on Finance.

S. 501. A bill to amend the Internal Revenue Code of 1954 with respect to the amount which certain private foundations are required to distribute; to the Committee on Finance.

AMENDMENT OF INTERNAL REVENUE CODE WITH RESPECT TO PRIVATE FOUNDATIONS

● Mr. MOYNIHAN. Mr. President, I am reintroducing two bills today that would reduce the payout requirement for private foundations. Under present law, every foundation must "pay out" each year in grants either all of its income—with the exception of its long-term capital gains—or the equivalent of 5 percent of its assets, whichever is greater.

I first introduced these bills last year. They should be seen as alternative, since each would do that same thing, just differently. One would not want to enact them both.

One bill proposes a simple payout requirement. That is that a foundation should make grants each year worth 5 percent of its assets.

The other bill suggests a more involved rule: A foundation should distribute each year either 5 percent of its assets, or its real income—its income after inflation—whichever is greater. The second bill may be more attractive in the abstract than the first, for reasons that I will explain later. But it also may be too complicated for the Internal Revenue Service to administer. That is a problem that I would expect to be discussed during hearings.

No matter which approach one selects, however, three points are clear. First, the present payout requirement is too high and should be reduced.

How does one know this? Because the requirement has not had the effect that Congress hoped it would have when it was enacted in 1969. Congress wanted private foundations to make more money available to charities and to colleges and universities. But in fact, less money—not more—is now going to these institutions.

According to the most recent Foundation Directory, the Nation's private foundations distributed $2.1 billion in grants in 1977, compared to $1.5 billion in 1972—more dollars in nominal terms, but not more after one adjusts for inflation. In terms of real purchasing power, the foundations distributed 8.2 percent less in 1977 than they had before.

This is not an aberration. Rather, it is precisely what one would expect when inflation is eating away at the value of foundations' capital, and the law says that foundations must spend their income, and not save a portion of it to reinvest.

My good friend Charles U. Daly, president of the Joyce Foundation in Chicago, used a table in his 1978 annual report to show how the assets of five foundations selected at random had declined in value since 1971. I ask unanimous consent, Mr. President, that that table be reproduced at this point in the RECORD.

[Chart referred to not reproduced.]

The Foundation Directory reports that from 1972 to 1977, the assets of the Nation's 3,100 largest foundations declined 29.2 percent in value.

In sum, the payout requirement has not enabled charities and universities to secure more funds from foundations, but has had the opposite effect. It has made the foundations fiscally weaker and less able to help.

A second point: Congress could let foundations protect themselves from inflation by reducing the payout requirement, and still do what it set out to achieve in 1969. There is a reasonable middle ground.

Congress wanted foundations to make

more grants to charities and universities—for two reasons. It wanted to close a tax loophole. Certain individuals had been using foundations to shelter family fortunes, investing their money and earning income on it that was not subject to tax.

At the same time, there was a need to guarantee that when money is donated to a foundation, some part of it is actually used for charitable and educational purposes. Otherwise, as the Ways and Means Committee put it, "the donor may receive substantial tax benefits from his contribution currently, (while) charity may receive absolutely no current benefit." Contributions to foundations are generally tax deductible.

Now it seems to me that we should be guided by two principles. One is that a foundation should be required to disburse as much as it can without impairing the purchasing power of its capital. In that way, a foundation could protect itself from inflation.

The other is that a foundation should disburse something each year, even when it has no income. Thus, the Government could be sure that the foundation is legitimate.

A payout rule that would require a foundation to disburse the equivalent of 5 percent of its assets, or all of its real income, whichever is greater, follows logically from these principles.

It may be too complicated to administer, however; thus, changing the present rule simply to 5 percent of assets would be a fair compromise.

Finally, Mr. President, let me point out that the experts predicted that Congress would have to come back and revise some of what it did in 1969.

Boris Bittker, in his book "Federal Income Taxation of Corporations and Shareholders," observes that—

(T)he Tax Reform Act of 1969 effected a massive overhaul of the tax treatment of foundations and exempt organizations. These provisions constitute the most complex and restrictive feature of the 1969 legislation, and even a brief summary of their scope and effect is well beyond this work. Suffice it to say that the 1969 changes can be characterized as 'modern mortmain' legislation—so much so that amelioration of its harsher aspects may be the order of the day when the passions of 1969 fade away.

I have two bills, Mr. President. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 500

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (f) of section 4942 of the Internal Revenue Code of 1954 (defining adjusted net income) is amended—

(1) by inserting ", reduced as provided in paragraph (5)," after "excess (if any)" in paragraph (1), and

(2) by adding at the end thereof the following new paragraph:

"(5) Inflation adjustment.—

"(A) IN GENERAL.—The amount of the excess determined under paragraph (1) shall be reduced by an amount equal to the product of—

"(i) the amount of such excess, multiplied by

"(ii) the inflation adjustment for the calendar year in which the taxable year begins.

"(B) Inflation adjustment defined.—For purposes of subparagraph (A), the term 'inflation adjustment' with respect to any calendar year means the percentage by which—

"(i) the first revision of the implicit price deflator for the gross national product as of the last day of the calendar year preceding such calendar year, exceeds

"(ii) such deflator as of the last day of the second calendar year preceding such calendar year.".

(b) The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1983.

S. 501

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (1) of section 4942(d) of the Internal Revenue Code of 1954 (defining distributable amount) is amended by striking out "or the adjusted net income (whichever is higher)".

(b) Paragraph (1) of section 4942(f) of such Code (defining adjusted net income) is amended by striking out "For purposes of subsection (d)" and inserting in lieu thereof "For purposes of subsection (j)(3)".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1980.●

By Mr. MOYNIHAN (for himself and Mr. WALLOP):

S. 502. A bill to amend the Internal Revenue Code to permit foreign pension plans to invest in the United States on a nontaxable basis; to the Committee on Finance.

EXEMPTION OF FOREIGN PENSION TRUSTS FROM TAX ON INVESTMENT INCOME

● Mr. MOYNIHAN. Mr. President, the bill that Senator WALLOP and I are introducing today would exempt foreign pension trusts from having to pay U.S. tax on their investment incomes.

It is offered for several reasons. First, private pension systems in Great Britain, in Holland, in Japan and in other countries hold billions of dollars in assets. In the United Kingdom, the amount is $80 billion. In Holland, estimates vary, but a recent article in one of the country's leading newspapers put the value of private pension assets at $100 billion. Japan, Sweden, Denmark, and Canada also have funded plans.

Little of this money is invested in the United States today. More would be if the pension systems were able to retain all of their income from investment, rather than having to turn a share of it over to the Federal Government in taxes.

Our bill, therefore, may increase the pool of capital from which investments in the United States are made.

Second, the fact that the bill may add new capital distinguishes it from most other capital formation proposals. Most other plans would merely shift capital from one sector to another. Depreciation reform, for example, would raise one's after-tax rate of return through the purchase of depreciable assets. It would encourage an investor, when he draws up a list of possible investments in the future, to place depreciable assets higher on his list than in the past. But some other investment must move down.

Thus, money that would have gone into another investment would go into commercial buildings, machinery and other depreciable property, instead. There would be a redistribution of capital, but no change in total investment.

Our bill, however, may add to the supply of capital by bringing in new money from abroad. This makes it an unusual and attractive capital formation proposal.

Third, the suggestion that foreign pension trusts should go untaxed on their incomes is not an outlandish one. Generally speaking, a U.S. pension trust is not taxed, provided the trust is a part of a "qualified plan." A "qualified plan" is a pension arrangement that meets the funding, vesting and other standards described in section 401(a) of the Federal Tax Code.

A foreign pension trust, on the other hand, is taxed. The rates vary. Often 30 percent of the foreign trust's income is withheld at the source. However, tax treaties, where they apply, have reduced the rates on most dividend and interest income to 15 or 10 percent, or even zero.

Our bill would merely make it the policy of this Government that the income earned by United States and foreign pension trusts should be taxed in a similar fashion.

Finally, Mr. President, let's point out that foreign governments would be expected to reciprocate. The President would have the power to withdraw the tax exemption from any foreign trust if the country in which the trust was formed refuses to reduce its taxes on U.S. pension trusts. The bill is to be used as a carrot. And in the absence of reciprocation, we intend that the carrot should be a disappearing one.

That, in essence, is the major argument for the bill. Now let me run down its principal provisions.

The bill would add a new subparagraph to section 501(c) of the Federal Tax Code. A trust, corporation or fund that is part of a foreign pension plan would be exempted from Federal income taxes if it passed three tests.

The plan of which the trust, corporation or fund is a part must be set up primarily to provide retirement or similar benefits; and it must be predominantly for individuals who are not American citizens and who are not living in this country.

The plan's assets must be kept separately from the assets of the employer in accordance with the laws of the country where the plan is maintained.

Furthermore, the income of the plan must be taxed at preferential rates, or not at all, in the home country.

The bill would also make clear that the tax exemption is to be subject to adjustment under section 896 of the Tax Code. Section 896(b) requires the President to act whenever he finds that a foreign country is taxing U.S. citizens or corporations more heavily than the United States taxes nationals of the same country. The President must ask the foreign country "to eliminate (the) higher effective rate of tax."

And if that does not work, he "shall

proclaim" that the U.S. taxes on the foreign nationals in question will be increased. The Senate and House must be given 30 days' notice.

Those are the key provisions. The bill would take effect with respect to income earned on or after January 1 this year.

I introduced a nearly identical measure last year. But because there have been a few changes, Mr. President, I ask that the text of the new bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 502

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That (a) section 501(c) (relating to organizations exempt from tax under section 501(a)) is amended by adding the following new paragraph:

"(22) A trust, corporation or fund which is formed pursuant to, or as part of, a foreign pension plan which satisfies the following requirements—

"(A) the plan is maintained primarily to provide retirement or similar benefits to employers who are primarily nonresident alien individuals;

"(B) the assets of the plan are segregated from the assets of the employer or employers maintaining the plan pursuant to the laws of the foreign country in which such plan is maintained; and

"(C) under the laws of the foreign country in which the plan is maintained, the income of the plan is exempt from tax or is subject to a lower rate of taxation than is generally imposed on other residents of such foreign country.

"The exemption provided by this paragraph shall be subject to adjustment under section 896 (relating to the adjustment of tax of nationals of foreign countries), and no later than January 1, 1984, the President shall report to Congress on the extent to which he has exercised the authority under that section with respect to relief from foreign income taxes for plans described in section 401(a).

"If all of the assets of a trust, corporation or fund are held for the benefit of one or more foreign pension plans described in this paragraph, such trust, corporation or fund shall itself be considered to satisfy the requirements of this paragraph."

(b) Section 512(a)(2) (relating to the unrelated business taxable income of certain foreign organizations) is amended by inserting "or section 501(c)(22)" immediately after "section 511".

(c) Section 505(d) (relating to pension plan reserves of life insurance companies) is amended by adding the following new paragraph:

"(7) purchased by foreign pension plan (within the meaning of section 501(c)(22)).".

(d) The amendments made by this Act shall become effective on January 1, 1981.●

By Mr. HAYAKAWA:

S. 505. A bill to improve the quality of table grapes for marketing in the United States; to the Committee on Agriculture, Nutrition, and Forestry.

IMPROVING THE QUALITY OF TABLE GRAPES FOR MARKETING IN THE UNITED STATES

● Mr. HAYAKAWA. Mr. President, I am introducing legislation to improve the quality of table grapes for marketing in the United States.

This bill amends the Agricultural Marketing Act of 1937 to include grapes. My bill would subject imported grapes to the same regulation in terms of size, quality, or maturity as table grapes from the Coachella Valley in California. Wherever such table grapes are subject to a marketing order, imported grapes would also be subject to the same quality controls.

At the present time our domestic producers are under a marketing order that consists of self-imposed regulation to insure that the quality of U.S. grapes going to our domestic markets is standard, in order to provide a desirable product to the consumer. The growers enter into this marketing order by voting among their grower membership. The growers have set their own production standards by which they comply. In this way the California table grape producers protect their reputation, and they consistently provide a tasty and dependable product to the market.

The Federal marketing order only applies to table grapes grown in the Coachella Valley in southern California. However, the Mexican-imported grapes, which compete directly with our Coachella Valley grapes, do not have to comply with the marketing order at this time. My bill would mandate that Mexican-imported grapes comply with the same standards as the U.S. grapes.

Once a grape is cut from the vine, its maturation process ends. Thus the grapes must completely mature before they are harvested. An immature grape, one that is cut too early, will be sour and it will be an undesirable product for the consumer. Once a consumer has eaten sour grapes, they are less likely to purchase more grapes the next time they go shopping. In the past, the Mexican-imported grapes have often been picked immaturely, and yet they compete directly with the American-grown grapes at the grocery store. There is no labeling in order to separate the grapes out from each other. Our growers in the Coachella Valley have self-imposed regulations in order to test the grapes for ripeness. This legislation, if enacted, would force the Mexican grapes to comply with the same standards as the American grapes.●

By Mr. HAYAKAWA (for himself, Mr. WALLOP, Mr. TOWER, Mr. STEVENS, Mr. BENTSEN, Mr. CRANSTON, Mr. HART, Mr. SIMPSON, Mr. HATCH, Mr. BOREN, and Mr. ARMSTRONG):

S. 506. A bill to reinstate and validate United States oil and gas leases numbered OCS-P-0218 and OCS-P-0226; to the Committee on Energy and Natural Resources.

VALIDATION OF CERTAIN OIL AND GAS LEASES

● Mr. HAYAKAWA. Mr. President, on behalf of myself and Senators WALLOP, TOWER, STEVENS, BENTSEN, CRANSTON, HART, SIMPSON, HATCH, BOREN, and ARMSTRONG, I am introducing legislation to reinstate and validate two U.S. Outer Continental Shelf oil and gas leases in the Santa Barbara Channel, Calif. This measure is identical to a bill that unanimously passed the House during the 96th Congress after extensive hearings were held in the Committee on Interior and Insular Affairs. The House-passed measure was also considered and favorably reported from the Senate Committee on Energy and Natural Resources. Unfortunately, passage of the bill by the Senate was procedurally blocked in the closing hours of the 96th Congress.

The legislation would reinstate the leases to a group of small, independent oil and gas developers for the remainder of the primary term, which was interrupted by the occurrence of the Union Company blowout in 1968. The group had previously invested $80 million in the two tracts. If allowed to resume drilling, the companies must file an exploration plan with the Secretary of the Interior within 45 days of enactment.

There is certainly no guarantee that oil will be found on the tracts. However, if oil is discovered, the bill would allow the Federal Government to receive a 50-percent share of the net profits, an unprecedented profit-sharing arrangement in offshore exploration.

Furthermore, the group would pay the windfall profit tax longer than any other leaseholder, would pay all back rentals, and the leases would be subject to all environmental and regulatory provisions of the OCS Lands Act Amendments.

Mr. President, reinstatement would be beneficial to all involved parties and consistent with our Nation's environmental and energy policies. The bill has broad bipartisan support as evidenced by the cosponsors, and I urge its prompt consideration.

I have an indepth explanation of this matter, and ask unanimous consent that it be printed along with the text of the bill at this point in the RECORD.

There being no objection, the bill and explanation were ordered to be printed in the RECORD, as follows:

S. 506

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Notwithstanding any other provision of law, and subject to the requirements of section 2 of this Act, United States oil and gas leases numbered OCS-P-0218 and OCS-P-0226, located in the Santa Barbara Channel, California, shall be deemed to be in full force and effect from date of enactment of this Act for a period of four years, one hundred and twenty-six days, and so long thereafter as oil or gas is produced in paying quantities.

SEC. 2. (a) Lessees must exercise due diligence in the exploration and development of oil and gas from these leases. Within forty-five days after the effective date of this Act, lessees shall submit an exploration and development plan to the Secretary of the Interior.

(b) Lessees shall be subject to the pertinent provisions of the Outer Continental Shelf Lands Act Amendments of 1978 (Public Law 95-372).

(c) Lessees shall pay to the United States the amount of unpaid rental accrued under said leases and shall continue to pay the annual rental payment for the period the lesses are in force.

(d) In lieu of the standard royalty interest payment required in each lease, the lessees shall pay to the United States a net profit share payment which—

(1) shall be made in accordance with part 390 of title 10 of the Code of Federal Regulations and which is determined on the basis of a recovery allowance of 15 per centum, and

(2) shall be an amount equal to 50 per centum of the net profits of the lessee under the lease as determined in accordance with such part 390: *Provided*, That, subject to the provisions of section 1337(a)(3) of title 43, United States Code, the payment to the United States in accordance with this subsection shall in each reporting period be at least equivalent to the royalty provided for in the original leases.

EXPLANATION

BACKGROUND AND NEED

The Pauley Group was created in 1967 as a joint venture by 11 independent oil companies to bid on OCS tracts in the Santa Barbara Channel. The Pauley Group was composed of Pauley Petroleum Company, as operator; Mesa Petroleum Company; Husky Oil Company; Colorado Oil and Gas Corporation; McCulloch Oil Corporation; J. M. Huber Corporation; Midwest Oil Corporation; Kewanee Oil Corporation; Ashland Oil and Refining, Inc.; MacDonald Oil Corporation; and Forest Oil Corporation.

On March 1, 1968, in exchange for a $73.8 million cash bonus payment and an annual rental of $34,560, the Pauley Group was granted an exclusive right to explore for oil and gas on two tracts in the Santa Barbara Channel for a primary term of five years and ". . . as long thereafter as oil and gas may be produced in paying quantities . . ." The member companies of the Pauley Group and the United States executed lease number OCS-P-0216 for Tract 375 and lease number OCS-P-0226 for Tract 384.

The Pauley Group began immediate exploration and drilled eight exploratory wells between March, 1968, and January, 1969, at a cost of $4 million. In late January, 1969, when the Group was preparing to drill a ninth well, a blowout occurred several miles north of the Pauley Group tracts on a tract operated by the Union Oil Company. In response, the Secretary of the Interior suspended all drilling operations in the Channel on February 7, 1969. Ten days later, on February 17, 1969, the Secretary of the Interior altered the Federal regulatory standard of negligence for oil spills to one of strict liability applicable to all those who were operating in the Channel. This new standard of strict liability made each participant operating on the OCS jointly and severally liable not only for all clean-up costs of an oil spill, but also liable for any and all damage whatsoever to a third party, regardless of fault.

Concurrent with the issuance of this new standard of liability and the suspension of drilling operations, the private liability insurance market for offshore oil operations collapsed. As a result, the Pauley Group lost its liability insurance for offshore oil spills and was financially unable to obtain coverage from other sources. Without insurance, the independents risked potential financial ruin by resuming drilling operations and, thus, were effectively barred from operating in the Channel. In contrast, once the drilling ban was lifted, the major oil companies were able to resume their drilling activities because they could self-insure their operations. This step was unavailable to the independents because they lacked sufficient financial resources.

Thus, in April 1969, the Pauley Group was confronted with a dilemma. On the one hand, the Pauley Group, forced to sit idle because the Interior Department's final decision on whether they could resume drilling in the Channel was unknown and, in any case, because it was faced with the government's strict liability regulation, could elect to do nothing and wait. In waiting, however, the Pauley Group, with large amounts of their exploration budgets tied up and enormous interest payments due, risked their total investment and their financial stability. On the other hand, the Pauley Group could attempt to protect its substantial investment by seeking judicial relief for breach of contract. The risk of financial disaster was great and, on April 9, 1969, suit was filed in the United States Court of Claims.

The Pauley Group filed a petition for damages against the United States Government alleging that the United States had violated its contract with the Group by suspending drilling operations and imposing strict liability. Counts included breach of contract, frustration and mutual mistake; a fourth count of partial breach was alleged at a later time. Because damages were sought, the action was filed in the United States Court of Claims.

The Pauley Group was not the only Channel leaseholder to challenge the Government's action in court. Other legal actions were filed by, among others, Union Oil Company and Gulf Oil Corporation against the United States in California Federal District Court. These actions challenged the lawfulness of suspension orders of the Secretary of the Interior and sought injunctive relief, rather than monetary damages, against the Secretary's suspension order, and an extension of the lease terms.

The case continued for 10 years before the court dismissed the petition on January 24, 1979. Although the court did not award damages to the Group, it did indicate the possibility of another remedy:

"Perhaps the legislative or executive branches could, as a matter of grace or policy, extend their lease-terms to permit them to drill further (if they still wish to) in the effort to discover oil in commercial quantities, but of course we cannot take that step. *Pauley Petroleum, Inc. v. United States*, 591 F. 2d 1308, 1328 (Ct. Cl. 1979)."

Thus, the Pauley Group came to the Congress for a reinstatement of the two leases.

Legislative reinstatement of these leases is dictated by several considerations. First, H.R. 5769 is consistent with the Congress' declared goal of rapidly increasing the domestic production of oil and gas. If the leases were successfully resold at the next scheduled sale of offshore leases in 1983, production would not begin for at least four additional years. However, if the leases are reinstated, the Pauley Group could begin exploration within 60 days and commence production, if commercially producible reserves exist, by late 1983—3 to 4 years sooner than if the leases are resold.

Second, reinstatement is consistent with the concern for the role of independents in the OCS expressed in the Outer Continental Shelf Lands Act Amendments of 1978, Public Law No. 95-372. Many of the problems confronting independent companies, such as those in the Pauley Group, have been resolved by the OCS Amendments. For instance, the Amendments established a limit to liability and an oil spill liability fund to resolve the absolute liability dilemma which confronted Pauley in 1969.

Finally, Congress has, in the past, reinstated leases where unique circumstances and equity considerations have justified such action. The Pauley Group's situation meets this standard and warrants resolution by the Congress. The Group was drilling on frontier OCS leases in water as deep as 600 feet. The Group was composed of independent oil exploration companies, many of whom individually dedicated most of their 1968 exploration budget to this highly speculative venture. After the Group had spent $80 million, drilled eight wells, and was preparing to drill a ninth well, the Union Oil Company blowout occurred on a tract several miles to the north. The Group's activities were suddenly suspended, and they were faced with an emotional and adverse public reaction to continued operations in the Channel, lawsuits brought by the State of California, and a change of policy direction by the Federal Government on drilling activities in the Channel. During this atmosphere of turmoil and confusion, the government imposed a new standard of liability, and private oil spill insurance was not available. The Pauley Group, being the only independents who held leases in the Channel, were barred by these circumstances from continuing their operations. The Group went through a decade of litigation in the courts and negotiation with the government which failed to resolve the matter, but which specifically pointed the way to a legislative solution.●

By Mr. BOREN (for himself and Mr. HEINZ):

S. 507. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to eliminate the national trigger, to provide for an optional State trigger, and to require 20 weeks of employment (or the wage equivalent) in order to qualify for benefits; to the Committee on Finance.

PROBLEMS IN UNEMPLOYMENT COMPENSATION SYSTEM

● Mr. BOREN. Mr. President, I am today introducing legislation that would correct longstanding problems in the unemployment compensation system. It seeks to complete the work begun last year by the Finance Subcommittee on Unemployment and Related Problems which I then chaired. Substantial progress was made but much remains to be done.

This bill seeks to achieve two objectives: to insure that unemployment compensation will be paid only to those who truly need it, and to save the Federal Government $3 billion. I am very pleased that President Reagan gave broad endorsement to the aims and concepts of this bill in his message to the Congress last night.

This legislation will achieve these objectives in three ways. First, the bill would target extended unemployment benefits to States experiencing high unemployment through elimination of the national trigger, a change expected to save about $2 billion. By "extended benefits" we mean 13 weeks of benefits paid at the end of the duration of regular unemployment benefits which are payable for a maximum of 26 weeks.

Currently extended benefits are triggered on in every State in the Union whenever the insured unemployment rate reaches 4.5 percent. This so-called national trigger provides that extended benefits will be paid even in those States where the unemployment rate is very low. As a means of insuring that extended benefits will be paid in pockets of high unemployment across the country, then, the national trigger is a very blunt and extremely expensive instrument. Not to discard it would be a disservice to the health of our unemployment compensation system.

The bill also gives States the option of setting the State trigger of extended benefits at 5 percent or higher when the State's insured unemployment rate is 20 percent higher than the past 2 years. Under current law States are required to trigger on to extended benefits when the insured unemployment rate (IUR) in that State reaches 4 percent and when that State's IUR is 20 percent higher than the level prevailing in the State in the prior 2 years. When the 20-percent-higher factor is not met, States may, under current law, pay at their option extended benefits when the State's IUR reaches 5 percent. Under current law States cannot set this optional State trigger at an IUR level any higher than 5 percent. The bill I introduce today would eliminate this prohibition; States would be allowed to set the optional State trigger at any IUR which is 5 percent or higher.

Finally, Mr. President, this legislation will prohibit the payment of extended unemployment compensation benefits to the individuals whose attachment to the work force has been shorter than 20 weeks in duration. This provision, effective October 1, 1981, will save close to $500 million in fiscal year 1982. In the process, it will insure that unemployment benefits will be paid to individuals who are, indeed, unemployed and in need of assistance. Enactment of this legislation will eliminate the revolving door which stands between the job market and unemployment offices across the country—a revolving door which allows some individuals to work for a brief period, draw 39 weeks of unemployment benefits, return to the work force for a short time, and then draw 39 weeks of benefits again. Thus this needed reform will encourage individuals to find permanent employment in which they can make positive contributions to society rather than calling upon society to make unnecessary contributions to them.

Mr. President, the need for this set of reforms is most graphically illustrated by the indebtedness of several States to the Federal unemployment loan account. As of December 31, 1980, 16 States had outstanding loans from the Federal system totaling $4.9 billion. The long-needed reforms I introduce today will serve to strengthen the financial solvency of the unemployment compensation systems in these debtor States as it simultaneously shores up the Federal system's financial status.

The benefits of this bill, however, are not confined to unemployment compensation systems. These reforms are also needed because of the current economic conditions in the country. More than ever we must find ways to reduce Government spending and to effectively target income maintenance programs to those who need such help. Mr. President, this bill does both. I urge its adoption.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 507

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ELIMINATION OF "NATIONAL TRIGGER" UNDER THE EXTENDED BENEFITS PROGRAM

SECTION 1. (a)(1) Paragraphs (1) and (2) of section 203(a) of the Federal-State Extended Unemployment Compensation Act of 1970 are amended to read as follows:

"(1) shall begin with the third week after the week for which there is a State 'on' indicator; and

"(2) shall end with the third week after the first week for which there is a State 'off' indicator.".

(2) Section 203(b)(2) of such Act is amended by striking out "(or all the States)".

(3) Section 203(d) of such Act is repealed.

(4) Section 203(f) of such Act is amended—

(A) in paragraph (1), by—

(i) striking out "subsections (d) and (e)" and inserting in lieu thereof "subsection (e)", and

(ii) striking out "all State agencies (or, in the case of subsection (e), by the State agency)" and inserting in lieu thereof "the State agency",

(B) by striking out paragraph (2), and

(C) by redesignating paragraph (3) as paragraph (2).

(b)(1) Section 204(a) of such Act is amended—

(A) by striking out paragraph (3), and

(B) by redesignating paragraph (4) as paragraph (3).

(c) The amendments made by this section shall become effective on October 1, 1981.

STATE OPTION AS TO CRITERIA FOR STATE "ON" AND "OFF" INDICATORS

SEC. 2. (a) Section 203(c) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended, in the first sentence following paragraph (2) thereof, by striking out the matter beginning with "(ii)" and ending with "except", and inserting in lieu thereof the following: "(ii) the figure '4' contained in subparagraph (B) thereof were '5' (or such number, or percentage of a number, which exceeds 5, as is specified by the State law); except".

(b) The amendment made by this section shall be effective with respect to weeks of unemployment beginning on or after October 1, 1981.

EMPLOYMENT REQUIREMENTS

SEC. 3. (a) Section 202(a) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by redesignating paragraph (5) as paragraph (6) and inserting after paragraph (4) the following new paragraph:

"(5) Notwithstanding the provisions of paragraph (2), payment of extended compensation under this Act shall not be made to any individual for any week of unemployment in his eligibility period unless such individual meets one of the following requirements (as selected by the State)—

"(A) such individual had at least 20 weeks of covered employment during his base period, or

"(B) such individual had earnings in covered employment during his base period equal to or greater than the average weekly wage for covered employment in such State (based upon the most recent data available to the State) multiplied by 20.

A State may select which of such requirements shall apply to individuals in such State, or the State may provide that individuals may meet the provisions of this paragraph by meeting either of such requirements.".

(b) Section 202(a)(6) of such Act (as redesignated by subsection (a)) is amended by striking out "paragraphs (3) and (4)" and inserting in lieu thereof "paragraphs (3), (4), and (5)".

(c) The amendments made by this section shall apply with respect to weeks of unemployment beginning on or after October 1, 1981.

REPAYMENT OF STATE UNEMPLOYMENT

SEC. 4. (a) Section 3302 of the Internal Revenue Code of 1954 (relating to credits against unemployment tax) is amended by adding at the end thereof the following new subsections:

"(f) CREDIT REDUCTION NOT TO APPLY WHEN STATE MAKES CERTAIN REPAYMENTS.—

"(1) IN GENERAL.—In the case of any State which meets the requirements of paragraph (2) with respect to any taxable year, subsection (c)(2) shall not apply to such taxable year; except that such taxable year (and January 1 of such taxable year) shall be taken into account for purposes of applying subsection (c)(2) to succeeding taxable years.

"(2) REQUIREMENTS.—The requirements of this paragraph are met by any State with respect to any taxable year if the Secretary of Labor determines that the repayments during the 1-year period ending on November 9 of such taxable year made by such State of advances under title XII of the Social Security Act are not less than the sum of—

"(A) the potential additional taxes for such taxable year, and

"(B) any advances made to such State during such 1-year period under such title XII.

"(3) DEFINITIONS.—For purposes of paragraph (2)—

"(A) POTENTIAL ADDITIONAL TAXES.—The term 'potential additional taxes' means, with respect to any State for any taxable year, the aggregate amount of the additional tax which would be payable under this chapter (subject to the cap provisions of subsection (g)) for such taxable year by all taxpayers subject to the unemployment compensation law of such State for such taxable year if paragraph (2) of subsection (c) had applied to such taxable year and any preceding taxable year without regard to this subsection.

"(B) TREATMENT OF CERTAIN REDUCTIONS.—Any reduction in the State's balance under section 901(d)(1) of the Social Security Act shall not be treated as a repayment made by such State.

"(4) REPORTS.—The Secretary of Labor may, by regulations, require a State to furnish such information at such time and in such manner as may be necessary for purposes of paragraph (2).

(g) CAP ON CREDIT REDUCTION.—

"(1) IN GENERAL.—In the case of any State which meets the requirements of paragraph (2) with respect to any taxable year, the reduction in credits otherwise applicable to taxpayers subject to the unemployment compensation law of such State under subsection (c)(2) shall not exceed the greater of—

"(A) the percentage reduction of such credits which was in effect with respect to such State under subsection (c)(2) for the preceding taxable year;

"(B) 20 percent of the tax imposed under section 3301 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State; or

"(C) in the case of a State which, for such taxable year, has a rate of insured unemployment (as determined under subsections (e) and (f) of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 as in effect for taxable year 1980) which is equal to or less than 80 percent of such State's average of such rates for the two preceding taxable years, 30 percent of the tax imposed under section 3301 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State.

"(2) SOLVENCY REQUIREMENTS.—The requirements of this paragraph are met by any State with respect to any taxable year if the Secretary of Labor determines on November 10 of such taxable year that—

"(A) the outstanding balance for such State of advances under title XII of the Social Security Act on the preceding September 30 was not greater than the outstanding balance for such State of such advances on the second preceding September 30;

"(B) no State action was taken during the 12-month period ending on the preceding September 30 (excluding any action required

under State law as in effect prior to the date of the enactment of this subsection) which has resulted or will result in a reduction in such State's unemployment tax effort (as defined by the Secretary of Labor in regulations); and

"(C) no State action was taken during the 12-month period ending on the preceding September 30 (excluding any action required under State law as in effect prior to the date of the enactment of this subsection) which has resulted or will result in a net decrease in the solvency of the State unemployment compensation system (as defined by the Secretary of Labor in regulations).

"(3) SECRETARIAL AUTHORITY TO ALTER DETERMINATION.—Any determination by the Secretary of Labor under subparagraph (B) or (C) of paragraph (2) may be altered or reversed by the Secretary of Labor if he determines that such action is warranted on the basis of the failure by such State to make available timely information with respect to State actions.

"(4) CREDIT REDUCTION FOR SUBSEQUENT YEARS.—In making determinations under subsection (c)(2) with respect to taxable years for which a State is not subject to the cap under this subsection, any taxable year, and January 1 of such taxable year, for which a State was subject to such cap shall not be taken into account in determining consecutive taxable years (or January 1 thereof).

"(5) DEFINITIONS AND SPECIAL RULES.—The definitions and special rules set forth in subsection (f) shall apply to this subsection in the same manner as they apply to subsection (c).

"(h) WAIVER OF NEW BORROWING PROVISIONS IN PERIODS OF RECESSION.—

"(1) REPAYMENTS IN LIEU OF CREDIT REDUCTION.—Notwithstanding subsection (f)(2)(P), advances made to a State during a 1-year period under title XII of the Social Security Act shall not be counted, at the option of the State, in determining eligibility for the State payment in lieu of credit reduction under subsection (f)(2) if such State, during the Federal fiscal year ending on the September 30 falling within such 1-year period, meets the requirements of paragraph (3) of this subsection.

"(2) CAP ON CREDIT REDUCTION.—The requirement of subsection (g)(2)(A) shall not be applicable to a State, at the option of the State, for a taxable year if such State, during the Federal fiscal year ending on the preceding September 30 referred to in such subsection, meets the requirements of paragraph (3) of this subsection.

"(3) REQUIREMENTS.—The requirements of this paragraph are met by a State during any Federal fiscal year if—

"(A) the rate of insured unemployment for such State (as determined under subsections (e) and (f) of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 as in effect for taxable year 1980) for such fiscal year is equal to or greater than 4.8 percent;

"(B) there is a State 'on' indicator for such State for 26 or more weeks during such fiscal year, as determined under section 203 (e) of the Federal-State Extended Unemployment Compensation Act of 1970 or any State option provided for under a State law enacted pursuant to such subsection; and

"(C) the average employer contribution rate under such State's unemployment compensation law (approved under section 3304) based upon the total wages (as defined in section 3306(b) without regard to the limitation contained in paragraph (1) of such section 3306(b)) paid by employers during such fiscal year with respect to employment (as defined in section 3306(c)) is equal to or greater than a rate equal to 150 percent of such average employer contribution rate for all the States for such fiscal year, based upon such total wages.

"(4) Repayment requirements.—

"(A) Any State which avails itself of a waiver allowed by paragraph (1) must, within 24 months after the beginning of any subsequent Federal fiscal year during which such State did not meet the requirements of paragraph (3), repay so much of its outstanding balance of advances under title XII of the Social Security Act as exceeds its balance of such advances as of November 9 of the taxable year preceding the first taxable year in the most recent period of consecutive taxable years with respect to which such State availed itself of such waiver.

"(B) Any State which avails itself of a waiver allowed by paragraph (2) must, within 24 months after the beginning of any subsequent Federal fiscal year during which such State did not meet the requirements of paragraph (3), repay so much of its outstanding balance of advances under title XII of the Social Security Act as exceeds its balance of such advances as of the September 30 second preceding the November 10 of the first taxable year in the most recent period of consecutive taxable years with respect to which such State availed itself of such waiver.

"(C) Any State which fails to meet the requirements of subparagraph (A) or (B) shall cease to be eligible under subsections (f) and (g) for taxable years beginning with the taxable year in which such 24-month period ends, and shall remain ineligible under such subsections until the taxable year which begins in the Federal fiscal year in which the repayments required under this paragraph have been made.

"(i) WAIVER OF NEW BORROWING PROVISIONS FOR CERTAIN BORROWING IN TAXABLE YEAR 1981.—

"(1) REPAYMENTS IN LIEU OF CREDIT REDUCTION.—Notwithstanding subsection (f)(2)(B), advances made to a State under title XII of the Social Security Act during the 1-year period ending on November 9, 1981 but prior to the date of the enactment of this subsection shall not be counted, at the option of the State, in determining eligibility for the State payment in lieu of credit reduction under subsection (f)(2).

"(2) CAP ON CREDIT REDUCTION.—For purposes of subsection (g)(2)(A), the amount of any advances made to a State under title XII of the Social Security Act during the Federal fiscal year ending September 30, 1981 shall not be included, at the option of the State, in determining such State's outstanding balance of such advances on September 30, 1981 or September 30, 1982.

"(3) REPAYMENT REQUIREMENTS.—

"(A) Any State which avails itself of a waiver under paragraph (1) or paragraph (2) must repay any advances not counted by reason of such paragraph prior to September 30, 1983.

"(B) Any State which fails to meet the requirements of subparagraph (A) shall cease to be eligible under subsections (f) and (g) for taxable years beginning with taxable year 1983, and shall remain ineligible under such subsections until the taxable year which begins in the Federal fiscal year in which the repayments required under this paragraph have been made.".

(b) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1980.

SEC. 2. (a)(1) Section 1201(a)(1) of the Social Security Act is amended by inserting "(except as otherwise provided in subsection (c))" after "without interest".

(2) Section 1201 of such Act is amended by adding at the end thereof the following new subsection:

"(c)(1) In the case of any advance made under this section to a State during a taxable year in which such State is availing itself of the cap on credit reduction under section 3302(g) of the Internal Revenue Code of 1954, such advance shall be repayable at a rate of interest equal to the adjusted annual rate, in effect at the time such advance is made, established by the Secretary of the Treasury under section 6621 of the Internal Revenue Code of 1954.

"(2) In determining the amount of any outstanding balance of advances made to States under this section for purposes of this Act and chapter 23 of the Internal Revenue Code of 1954 (Federal Unemployment Tax Act) there shall be included any interest owed on such advance.".

(3) Section 1203 of such Act is amended—

(A) by inserting "(a)" after "1203";

(B) by inserting ", except as provided in subsection (b)" after "without interest"; and

(C) by adding at the end thereof the following new subsection:

"(b) An amount equal to any interest paid by States on advances under section 1201 shall be repayable under this section into the Federal unemployment account in the same manner as an advance made under this section.".

(b) The amendments made by subsection (a) shall be effective with respect to advances made under title XII of the Social Security Act after the date of the enactment of this Act.

SEC. 3. (a) Section 904(b) of the Social Security Act is amended—

(1) by inserting "(1)" after "(b)";

(2) by striking out "Such investments may be made" and inserting in lieu thereof "Except as otherwise provided in paragraph (2), such investments may be made";

(3) by striking out "(1) on original issue" and inserting in lieu thereof "(A) on original issue";

(4) by striking out "(2) by purchase" and inserting in lieu thereof "(B) by purchase"; and

(5) by adding at the end thereof the following new paragraph:

"(2) The Secretary of the Treasury shall determine the available portion of the funds credited to the book account of each State agency which is not, in his judgment, required to meet current withdrawals. Each State may direct the Secretary of the Treasury to invest any part of such available portion, up to an amount equal to 50 percent of such available portion, in such manner as the State determines to be appropriate.".

(b) Section 904(e) of such Act is amended to read as follows:

"SEPARATE BOOK ACCOUNTS

"(e)(1) The Fund shall be invested as a single fund except as provided under subsection (b)(2), but the Secretary of the Treasury shall maintain a separate book account for each State agency, the employment security administration account, the Federal unemployment account, the railroad unemployment insurance account, and the railroad unemployment insurance administration fund.

"(2) The Secretary of the Treasury shall credit quarterly (on March 31, June 30, and December 31 of each year) to each State agency account, the earnings of the Fund for the quarter ending on such date which are attributable to the investments made by the Secretary of the Treasury at the direction of such State as provided in subsection (b)(2).

"(3) The Secretary of the Treasury shall credit quarterly (on March 31, June 30, September 30, and December 31 of each year) to each separate book account established under paragraph (1), on the basis of the average daily balance of such account, a proportionate part of the earnings of the Fund for the quarter ending on such date which are attributable to investments made by the Secretary of the Treasury, other than those

investments made at the direction of a State as provided in subsection (b)(2).

"(4) For the purpose of paragraph (3), the average daily balance shall be computed—

"(A) in the case of any State account and the total of all accounts, by reducing the amount in such account and such total by an amount equal to the amount invested from such State account at the direction of the State as provided in subsection (b)(2);

"(B) in the case of any State account, by reducing (but not below zero) the amount in the account by the balance of the advances made to the State under section 1201; and

"(C) in the case of the Federal Unemployment account—

"(i) by adding to the amount in the account the aggregate of the reductions under paragraph (2), and

"(ii) by subtracting from the sum so obtained the balance of the advances made under section 1203 to the account.".

(c) The amendments made by this section shall become effective on the date of the enactment of this Act.●

● Mr. HEINZ. Mr. President, I am pleased to join my friend and distinguished colleague from Oklahoma, Senator BOREN, as an original cosponsor of this measure. And I am particularly pleased that this unemployment compensation (UC) reform package also includes the provisions of legislation that I have been working on for some time dealing with repayment of State UC loans from the Federal account.

The senior Senator from Oklahoma has already stated eloquently the case for the reforms to the UC extended benefits program that the Senate Finance Committee approved last year: Elimination of the national trigger, redefinition of the insured unemployment rate, and a requirement that individuals receiving extended unemployment benefits have worked 20 weeks or earned 20 times the average weekly wage.

Not only will these reforms save the Federal Government billions of dollars over the next several years, they will target extended benefits to those most truly deserving of them: Individuals with a long-term attachment to the work force whose prolonged unemployment results from national economic problems beyond their direct control. Benefits to the truly needy—and benefits paid under the regular State-run UC systems—will not be affected.

Because the case for these reforms has already been made so eloquently by Senator BOREN, I shall confine the remainder of my remarks to the provisions of this legislation added at my request. These provisions are essential to helping restore the solvency of State UC trust funds—which collectively owed close to $5 billion to the Federal UC account as of the end of 1980. In addition, these provisions will provide long overdue relief from provisions of current law that have the perverse, unintended effect of increasing joblessness in those industrial States of the Northeast and Midwest already devastated by recession.

I cannot overemphasize the fact this legislation is not a bailout of my State of Pennsylvania and the other States—mostly industrial States of the Northeast and Midwest—indebted to the Federal trust fund. Instead, this measure provides a mechanism for insuring timely repayment of these loans in a manner that is least disruptive of the economic climate of debtor States—coupled with stringent requirements for insuring that State UC systems remain solvent and strong disincentives for any further borrowing.

Before explaining the problems confronting debtor States and how my legislation would address these problems, I would like to direct my distinguished colleagues' attention to the following table showing outstanding loan balances as of December 31, 1980:

States with outstanding title XII loan balances as of December 31, 1980

Arkansas	$29,200,000.00
Connecticut	370,894,191.15*
Delaware	43,767,370.30*
District of Columbia	65,541,165.53*
Illinois	934,000,000.00
Maine	36,400,000.00
Michigan	842,000,000.00
Minnesota	28,200,000.00
New Jersey	651,928,000.00
Ohio	245,778,000.00
Pennsylvania	1,387,265,061.43*
Puerto Rico	88,700,000.00
Rhode Island	121,238,551.52*
Vermont	40,738,629.97*
Virgin Islands	7,405,000.00
West Virginia	47,214,000.00
Total outstanding loans December 1980	4,990,269,969.90

*Indicates States making repayments through reduced employer credits.

Since the beginning of the year, the Labor Department reports, the above figures have changed for the following States:

Arkansas, which borrowed $11.5 million in January and has requested an additional $9.8 million;

Illinois, which borrowed $134 million in January and has requested an additional $93 million;

Ohio, which borrowed $121.3 million in January and has requested an additional $101.4 million;

Kentucky, which has requested $30 million;

West Virginia, which borrowed $15.1 million in January and has requested an additional $37.5 million;

Minnesota, which borrowed $16.7 million in January and has requested an additional $54.9 million;

Delaware, which borrowed $2 million in January and has requested an additional $7.5 million; and

Pennsylvania, which has requested $305 million.

The Labor Department also projects additional borrowing during 1981 by the States of Rhode Island, New Jersey, Missouri, and Michigan.

Although Pennsylvania's outstanding debt is now the largest, the States of Michigan and Illinois are fast approaching the same level of indebtedness. A recent executive memo published by the Illinois Manufacturers' Association noted:

In a December 2 letter, Governor James Thompson asked members of the Employment Security Advisory Board to study state U/I tax increases and related alternatives regarding the plight of the Illinois Unemployment Trust Fund . . . the present $946.5 million debt of the Trust Fund to the federal government will probably increase by $520 million by April, and will total a projected $2.1 billion by January 1982. . . .

Similarly, in Michigan, State trust fund borrowing is projected to reach $1.3 billion by April 1981.

How did Pennsylvania and other debtor States come to owe some $5 billion to the Federal account? Certainly some States were negligent and failed to increase taxes sufficiently to cover the costs of increased benefit levels and eligibility—many of which were the result of Federal mandates. But most of the problems now confronting Pennsylvania and other States result from national economic problems and policies over which the States have no direct control.

As an example of the impact of increased joblessness on the solvency of State trust funds, consider the case of Pennsylvania, whose economy suffered a net loss of 185,000 manufacturing jobs from 1970 to 1979. Philadelphia alone lost 106,000 manufacturing jobs. This loss of manufacturing jobs has had a ripple effect throughout the State's economy: for example, one manufacturing job supports seven in the retail sector. Not coincidentally, during this same 1970 to 1979 period the State UC trust fund borrowed some $1.2 billion from the Federal account. Yet if Pennsylvania had been able to retain these jobs, the State UC system would collect $500 million more in annual revenue than it now does.

Nor is the experience of Pennsylvania among the UC debtor States unique. A Northeast-Midwest institute analysis of the financial problems confronting the UC system concluded:

On average, the states of the Northeast and Midwest pay higher weekly benefits to jobless workers than other states. However, when these benefits are adjusted for wage variations, the differences are found to be very small. They also assess employers with higher tax bills than states in the South and West. (UI payroll taxes per worker were an average of 33 percent higher in the Northeast-Midwest region than the South and West from 1973 through 1976. As a percent of total covered wages, average tax rates in the Northeast and Midwest from 1975 through 1977 were 12 percent higher than in the rest of the country.) Yet the Northeast-Midwest region required the largest advances from Federal accounts in order to meet the benefit demands of the recent recession. These excess costs are due primarily to the extent and duration of unemployment in the region—a factor largely beyond the control of the states. (Northeast-Midwest Institute, The Crisis in Unemployment Insurance: A Regional Analysis, August 1978, p. v.).

But whatever factors led to this massive indebtedness, Pennsylvania and other States have since taken decisive steps toward restoring the solvency of their UC systems. In July 1980, the Governor of Pennsylvania signed into law a package of benefit reductions and tax increases whost net effect is to provide the State UC system with an additional $540-plus million during the first year.

The effect of this package is to increase State taxes on Pennsylvania employers by $716 million per year by 1986. Recog-

79-059 O - 84 - 66 (Pt. 2)

nizing how important this package was to restoring the solvency of the State UC system, members of the Pennsylvania business community actively supported its passage. When is the last time in Washington anyone of us has seen business lobbyists beating down our doors asking that we impose additional taxes on them?

As a result of the leadership demonstrated by our Governor, State legislature, and business community, Pennsylvania employers now pay UC taxes higher than any other State in the Nation but one. During taxable year 1980, employer taxes in Pennsylvania were 2.1 percent of total wages—compared to a national average of 1.1 percent—and 4.7 percent of the taxable wage base of $6,300—compared to a national average of 2.4 percent. Only Rhode Island, whose UC system has faced problems similar to those of Pennsylvania, pays a slightly higher tax rate: 2.5 percent of total wages, and 4.2 percent of a taxable wage base of $7,200.

Having bitten the proverbial bullet, Pennsylvania and other debtor States now confront the prospect of seeing their best efforts toward restoring the solvency of their UC systems thwarted—and, in the process, a worsening of the joblessness that contributed to their financial plight.

The reason is that employers in States whose Federal loans are not repaid within 2 years face the loss of the Federal Unemployment Tax Act (FUTA) tax credit at the rate of 0.3 percent per year. The effect of this loss of the FUTA tax credit—commonly referred to as the escalating penalty tax—is to eventually increase the Federal tax on employers from 0.7 percent of taxable wages to 3.4 percent. This 2.7 percent increase means that employers in debtor States eventually pay close to five times the Federal "head tax" that employers in most States pay—in essence, quintuple taxation of jobs. And unlike State employer taxes, this Federal penalty tax is not experience rated—that is, it is not adjusted so that employers with stable employment patterns pay relatively less.

One need not be a Ph. D. economist to predict the devastating impact that this combination of increased State taxes and quintuple taxation of jobs at the Federal level will have and is already having on the economies of debtor States—resulting in increased joblessness, further drains on the UC system, and added cost to the taxpayer, both Federal and State.

This escalating Federal penalty tax is already taking effect in debtor States. During taxable year 1980, taxes for which were due this month, employers in Pennsylvania, Rhode Island, Delaware, Vermont, and the District of Columbia paid a 0.6 percent penalty tax on top of the 0.7 percent base rate—in effect, double taxation of jobs in those States. Connecticut employers paid a penalty tax of 0.7 percent for taxable year 1980. Employers in Illinois, New Jersey, Maine, Puerto Rico, and the Virgin Islands paid a Federal penalty tax of 0.3 percent for taxable year 1980. And the penalty tax escalates by another 0.3 percent in these debtor States for taxable year 1981.

In Pennsylvania each 0.3 percent increase in the Federal penalty tax costs Pennsylvania employers approximately $74 million. Thus the full Federal penalty tax of 2.7 percent will cost Pennsylvania employers approximately $666 million per year over and above the base tax of 0.7 percent and the State taxes which are being increased by $716 million over their 1979 level.

The result: Accelerated loss of jobs from the State, compounded by an increased reluctance on the part of potential new employers to locate there and of existing employers to maintain and expand employment opportunities.

The provisions of this legislation represent what I believe is the most responsible solution to the dilemma of how to insure that State UC systems repay their outstanding loans and keep their systems solvent in the future while not having the counterproductive effect of current Federal law of driving jobs out of States with already high levels of joblessness. This proposal is similar in many respects to provisions approved by the Finance Committee last year as part of H.R. 4007 and passed by the Senate as part of H.R. 8146, which the lameduck Congress did not take up in conference. It has been modified, however, in view of changed economic and budgetary conditions and subsequent discussions with business and Government officials.

Specifically, this legislation would:

First, allow qualifying States to repay their debt out of State UC trust funds, which are financed by experience-rated taxes, rather than face the escalation of the Federal penalty tax;

Second, freeze the amount to be repaid out of State trust funds as if the penalty tax escalated to 0.6 percent, again subject to certain restrictions;

Third, require, as a prerequisite for being granted the freeze and the option to make repayment out of State trust funds, that State UC systems meet certain stringent solvency criteria;

Fourth, provide that if economic conditions improve substantially, the freeze would escalate from 0.6 percent to 0.9 percent, thereby accelerating the rate of repayment;

Fifth, allow States to borrow temporarily for other than short-term cash flow purposes if economic conditions worsen substantially;

Sixth, require States qualifying for the freeze to pay interest on any new borrowing, thereby providing yet another incentive for States to maintain solvent UC systems and avoid further borrowing; and

Seventh, allow a greater return on State trust fund investments.

Let me briefly explain each of these provisions.

First. Repayment from State trust funds. As a result of this provision, funds used to repay outstanding Federal loans would be collected through experience-rated taxes, not flat-rated taxes. In contrast to the Federal penalty tax—a flat-rated tax—State employer taxes take into account whether an employer has a stable or unstable employment history.

Second. Penalty tax freeze at 0.6 percent: Rather than escalating to 2.7 percent, the Federal penalty tax would in effect be frozen at 0.6 percent subject to certain criteria explained below. This is equal to the penalty tax rate already in effect in Pennsylvania, Rhode Island, Delaware, Vermont, and the District of Columbia during taxable year 1980, and in Illinois, New Jersey, Maine, Puerto Rico, and the Virgin Islands during taxable year 1981. Assuming the State qualified, the penalty tax on employers in Connecticut would remain frozen at 0.7 percent. As explained previously, the freeze on the escalating Federal penalty tax is necessary to insure that the increase mandated under current Federal law does not have the counterproductive effect of leading to increased unemployment in recession-plagued debtor States.

Third. Critria for solvency: To qualify for a freeze on the amount to be repaid out of State trust funds, a State would have to meet Labor Department certification that:

The outstanding loan balance of the State as of September 30 of that year was no higher than it had been on September 30 of the preceding year, for example, the State could engage in no additional net borrowing, but could borrow only for short-term cash flow purposes;

No State action had been taken during the Federal fiscal year ending in that year to reduce the State's overall unemployment tax effort; and

No State legislation had been enacted during that same Federal fiscal year whose net impact is to reduce the solvency of the State UC system (in other words, States receiving the freeze could not liberalize benefits without also increasing taxes commensurately).

Thus a State would have to meet solvency criteria and have its UC system on a "pay as you go" basis to qualify for the freeze—or face the alternative of an escalating Federal penalty tax. Only in cases of extreme economic emergency could these solvency criteria be relaxed, as described in further detail below.

Fourth. Escalation of penalty tax as economic conditions improve: Because it is in the interests of all parties to repay outstanding Federal loans as quickly as possible without disrupting the economic climate of debtor States, my legislation contains an added provision that if economic conditions improves markedly the rate of loan repayment will accelerate. Thus, if a State's insured unemployment rate (IUR) drops 20-percent below its average for the preceding 2 years, the amount to be repaid out of State trust funds would escalate as if the penalty tax had risen to 0.9 percent. The expectation is, of course, that a sharp reduction in the State's IUR would mean that revenues flowing into the State trust fund would increase while benefits paid out would drop.

Fifth. Temporary antirecession borrowing: As I mentioned previously, the legislation prohibits net new borrowing on the part of debtor States qualifying for the freeze. In times of severe economic distress, however, this requirement may not be reasonable. For this reason, a State would be able to borrow

for up to 2 years without penalty if its insured unemployment rate for the year was at least 4.8 percent, the State had paid out extended benefits under a State trigger for at least 26 weeks, and its average tax rate—based on total wages—was at least 150 percent of the national average tax rate—based on total wages. In addition, a State would have 2 years to repay any borrowing undertaken during taxable year 1981 before passage of this legislation.

Sixth. Interest charged on new borrowing: Federal advances to State UC trust funds are currently interest-free, often making it more attractive politically to borrow from the Federal account rather than increase taxes or reduce benefits. As a disincentive to further borrowing and a prod to States to maintain solvent UC systems, any further borrowing on the part of States qualifying for the penalty tax freeze would be subject to interest at the rate specified by the Internal Revenue Code for tax delinquencies.

Seventh. Greater return on State trust fund investments: Because State trust fund accounts are currently held by the U.S. Treasury and invested for by the Treasury, States receive a relatively low rate of return on their moneys held in trust. This provision would allow States to invest up to half the funds in their account, potentially increasing their investment income substantially.

In closing, Mr. President, I believe that this measure represents a responsible solution to the financial plight of the UC systems in Pennsylvania and other industrial States of the Northeast and Midwest whose economies have been particularly hard hit by national economic problems.

But I must emphasize that, important as this legislation is, it does not begin to address the many economic problems manifest in almost all Northeastern and Midwestern States. The legislation I introduce today will keep a bad situation from getting worse. But far more legislative action is needed to address the underlying problems common to our States: Redressing the inequities in Federal fund distribution between Sun Belt and Snow Belt, higher energy costs, deteriorating urban areas, a shrinking tax base, an inadequate trade policy, the problems of meeting the needs of large minority or disadvantaged populations, a bias in our Tax Code against the capital intensive industries upon which our economic base depends, and other issues of urgency and concern. Nonetheless, I think passage of this legislation by my colleagues will demonstrate their sense of fairness and concern for our region. In this they will be signifying a more than symbolic commitment to making every region of this Nation a strong and prosperous part of America.

I therefore urge my distinguished colleagues on the Finance Committee to expedite consideration of this measure so that we can get on with the task of attaining the goals we all share: Maintaining and creating jobs and developing a financially solvent unemployment compensation system for those who are unfortunate enough to lose their jobs.●

By Mr. BENTSEN:

S.J. Res. 32. Resolution to authorize and request the President of the United States to proclaim the week of February 16–22, 1982 and every year hereafter as national "League of United Latin American Citizens (LULAC) Week.".

LEAGUE OF UNITED LATIN AMERICAN CITIZENS WEEK

● Mr. BENTSEN. Mr. President, as the League of United Latin American Citizens celebrates its 52d anniversary, I am pleased to introduce a joint resolution proclaiming February 16–22 LULAC Week.

LULAC, the oldest and largest Hispanic organization in the United States, has long been in the forefront of efforts to win equal rights and equal opportunity for some 15 million Americans whose cultural heritage is rooted in Spain and in the Spanish-speaking Americas. Hispanic Americans are the fastest growing ethnic group in this Nation and were a vital part of the American experience a century before the landing at Plymouth Rock.

Despite the obvious and important role Hispanic Americans have played in building America, many have been slow to appreciate the problems and injustices suffered for so long by the community. For more than half a century, LULAC has been a leader in the effort to eradicate segregated schools, eliminate restrictions against Hispanics owning property and combating other forms of discrimination. For generations LULAC has championed the fundamental guarantees of our Constitution and sought equality of opportunity for all Americans.

But as LULAC has fought against social injustice, it has also been committed to developing programs in response to the unique problems faced by Hispanic Americans in the schools and in the workplace.

In 1957, LULAC developed a preschool program to teach Spanish speaking children English prior to their entry into the public schools. The project came to be known as the little schools of the 400 and became so successful that the Texas Board of Education provided funding to implement this concept statewide.

In 1965, President Lyndon B. Johnson impressed by the little schools concept, expanded on this model and proposed Operation Head Start, which has served tens of thousands of children since its inception.

LULAC's commitment to educational achievement has evolved in accordance with the changing requirements of the Hispanic community. In 1973, for example, the LULAC educational service centers were established and now provide academic and career counseling to 16,000 college students annually. LULAC also administers the Nation's largest Hispanic scholarship program, which began in 1975 and now raises $250,000 annually to benefit 500 students.

In an effort to improve employment opportunities for disadvantaged Hispanics, LULAC jointly organized SER-Jobs for Progress with another prominent Hispanic organization, the American G.I. Forum. SER has been in operation for 7 years and provides job training at 150 job centers in more than 100 cities in the country, serving some 50,000 trainees annually.

The achievements of this vital organization is a tribute to the ingenuity and sense of purpose so commendable of our American tradition. LULAC has served as an inspiration to the Hispanic community. The struggle for social justice, human dignity, better opportunity in education, and greater access to employment will remain cardinal points of LULAC concern. I am pleased to join in commending the leaders and members of LULAC on their 52d anniversary and ask your support in enacting this joint resolution honoring dedicated men and women who have sought and worked untiringly to make the American dream an integral part of the lives of all Hispanic Americans.

As this new decade brings new challenges, I know we can rely on LULAC to be a guiding force and play a key role in helping shape responses to the issues of the eighties.

I ask that my statement and joint resolution be printed and made part of the permanent RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 32

To authorize and request the President of the United States to proclaim the week February 16–22, 1982 and every year hereafter as national "League of United Latin American Citizens (LULAC) Week."

Whereas LULAC is celebrating 52 years of dedicated service to Hispanic Americans of this Nation;

Whereas LULAC has been committed to improving the social and economic life of some 15 million Hispanic Americans and has championed the cause of equal opportunity;

Whereas LULAC recognized the special needs of Hispanic children and pioneered the innovative project, the "Little Schools of the 400" to advance their educational achievement;

Whereas 16,000 students now benefit from the LULAC National Educational Service Centers, designed to counsel and help them set career goals and succeed in our institutes of higher learning;

Whereas the National Scholarship Fund sponsors a generous scholarship program enabling 500 gifted students throughout the nation to pursue a college education;

Whereas SER-Jobs for Progress, founded by both LULAC and the American G.I. Forum has worked to increase employment opportunities for disadvantaged Hispanic Americans through job-related training in more than 100 cities throughout the nation;

Whereas LULAC has for the past 52 years promoted a deep and abiding faith in the American way of life, as expressed by its unalterable faith in the democratic principles on which our Nation was founded: Now therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to proclaim the week of February 16 through February 22, 1982, and every year hereafter as national "League of United Latin American Citizens (LULAC) Week" and to call upon Federal, State and local government agencies, interested groups and organizations, and the people of the United States to observe such week with appropriate programs, ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 22

At the request of Mr. ARMSTRONG, the Senator from Missouri (Mr. DANFORTH), the Senator from Kansas (Mr. DOLE), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Utah (Mr. GARN), the Senator from Arizona (Mr. GOLDWATER), the Senator from California (Mr. HAYAKAWA), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Vermont (Mr. LEAHY), the Senator from Montana (Mr. MELCHER), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from New Mexico (Mr. SCHMITT), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Idaho (Mr. SYMMS), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Minnesota (Mr. BOSCHWITZ) were added as cosponsors of S. 25, a bill to amend title 38, United States Code, to provide a new educational assistance program for persons who enlist, reenlist, or otherwise enter the Armed Forces after December 31, 1980, and a career service person's educational assistance program, and to amend title 10, United States Code, to authorize an educational leave of absence for members of the Armed Forces.

S. 30

At the request of Mr. SASSER, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 30, a bill to provide for the payment of interest by the Federal Government on any amount due for more than 30 days to any person under the terms of a contract entered into by the Federal Government and such person.

S. 43

At the request of Mr. SASSER, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 43, a bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

S. 45

At the request of Mr. SASSER, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 45, a bill to reform the laws relating to the provision of Federal assistance in order to provide State and local governments with greater flexibility in managing programs and projects using such assistance.

S. 46

At the request of Mr. THURMOND, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 52

At the request of Mr. HAYAKAWA, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 52, a bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles.

S. 142

At the request of Mr. BENTSEN, the Senator from Oklahoma (Mr. NICKLES), the Senator from Nebraska (Mr. ZORINSKY), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 142, a bill to increase the amount of the exemption of certain interest and dividend income from taxation, and to make permanent the exemption of interest from taxation.

S. 252

At the request of Mr. ARMSTRONG, the Senator from Arizona (Mr. GOLDWATER), the Senator from Montana (Mr. MELCHER), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Idaho (Mr. SYMMS), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 252, a bill to increase the pay, allowances, and special and incentive pays of members of the uniformed services.

S. 293

At the request of Mr. THURMOND, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 293, a bill to amend the Food Stamp Act of 1977 to prohibit any household from participating in the food stamp program if such household has one or more members on strike as a result of a labor dispute.

S. 317

At the request of Mr. BENTSEN, the Senator from North Dakota (Mr. BURDICK), the Senator from Utah (Mr. GARN), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 317, a bill to amend the Internal Revenue Code of 1954 to provide faster tax deductions for depreciation and larger investment tax credits in order to help combat inflation and increase the United States position in world trade.

S. 321

At the request of Mr. BENTSEN, the Senator from Indiana (Mr. LUGAR), the Senator from Mississippi (Mr. COCHRAN), the Senator from New York (Mr. MOYNIHAN), the Senator from Wyoming (Mr. SIMPSON), the Senator from Tennessee (Mr. SASSER), and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of S. 321, a bill to amend section 265 of the Internal Revenue Code of 1954 with respect to the deduction, by certain financial institutions, of interest paid on deposits of public funds where those deposits are secured by tax-exempt organizations.

S. 395

At the request of Mr. WALLOP, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 395, a bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes.

S. 396

At the request of Mr. DANFORTH, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 479

At the request of Mr. ROBERT C. BYRD, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 479, a bill to designate the first Sunday in June of each year as "National Shut-In Day".

SENATE JOINT RESOLUTION 22

At the request of Mr. PROXMIRE, the Senator from Wisconsin (Mr. KASTEN), the Senator from New York (Mr. MOYNIHAN), the Senator from Montana (Mr. MELCHER), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Hawaii (Mr. INOUYE), the Senator from Texas (Mr. BENTSEN), the Senator from Oregon (Mr. HATFIELD), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Utah (Mr. HATCH), the Senator from Colorado (Mr. ARMSTRONG), the Senator from New Mexico (Mr. SCHMITT), the Senator from Georgia (Mr. NUNN), the Senator from Utah (Mr. GARN), the Senator from Iowa (Mr. JEPSEN), the Senator from Nebraska (Mr. EXON), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Delaware (Mr. ROTH), and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of Senate Joint Resolution 22, a joint resolution authorizing the President to proclaim March 16 of each year as "Freedom of Information Day".

SENATE CONCURRENT RESOLUTION 8—CONCURRENT RESOLUTION RELATING TO MONETARY POLICIES TO REDUCE INFLATION

Mr. PROXMIRE (for himself and Mr. GARN) submitted the following concurrent resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. CON. RES. 8

Resolved by the Senate (the House of Representatives concurring), Expressing the sense of the Congress that the Board of Governors of the Federal Reserve System should pursue monetary policies to reduce inflation and facilitate economic growth.

Whereas article I, section 8, of the Constitution provides that the Congress shall have the power to "coin money and regulate the value thereof";

Whereas the Congress established the Federal Reserve as its agent and delegated to it the day-to-day responsibility for managing the growth of money and credit;

Whereas the Congress in approving section 2A of the Federal Reserve Act has required the Board of Governors of the Federal Reserve System and the Federal Open Market Committee to twice yearly report their objectives and plans for growth or diminution of the monetary and credit aggregates to the Congress.

Whereas the economy's performance is affected by changes in the growth of money and credit; and

Whereas chronic inflation is a threat to the stability of our economic, social, and political system, and excessive growth of money and credit contributes to inflationary pressures: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Board of Governors and the Federal Open Market Committee—

(1) adhere to a long-run anti-inflation policy until significant progress has been made in reducing inflation and establishing a financial framework conducive to a noninflationary economy;

(2) pursue policies over the remainder of 1981 and 1982 so as to encourage reductions in the rate of inflation and expansion in the rates of growth of the monetary and credit aggregates appropriate to facilitating economic growth; and

(3) work toward establishing long-run rates of growth of money and credit consistent with the economy's long-run potential to expand output and productivity in order to promote full employment, balanced growth, and price stability, by gradually reducing the rates of growth of the monetary and credit aggregates in a firm and stable manner.

SENATE CONCURRENT RESOLUTION RELATING TO THE CONDUCT OF MONETARY POLICY

Mr. PROXMIRE. Mr. President, I am today introducing a concurrent resolution relating to the conduct of monetary policy by the Board of Governors of the Federal Reserve System and the Federal Open Market Committee. This resolution stresses the importance of monetary policy in the continuing fight against inflation. It reflects the views expressed by the members of the banking committee in the last three reports on monetary policy made to the Senate. It also reflects the recommendation by the newly formed Committee to Fight Inflation, which is chaired by Dr. Arthur F. Burns, who we all know as an eminent economist and a former chairman of the Federal Reserve Board.

This Burns committee is a bipartisan group composed of seven Democrats and six Republicans all with experience in economic policymaking. A great deal of the credit for this resolution should go to that committee.

I think that the Congress has made great strides in the last several years with regard to understanding the role of monetary policy in the fight against inflation. The semiannual hearings on the conduct of monetary policy that began in 1975 have been very important in helping us to understand the very complex task performed by the Federal Reserve in the formulation and execution of monetary policies. We all recognize more clearly that too much money and credit growth adds to expectations that inflation will continue and therefore to inflation itself.

Before I explain the intent of this resolution I would like to read from the policy statement of the Committee to Fight Inflation, their recommendation on monetary policy. It states:

> The ability of the Federal Reserve System to combat inflation has in the past been limited by lack of understanding and support in the Congress. Although the system has at times stepped hard on the monetary brakes, its policies have at other times accommodated a good part of the inflationary pressures in the market place. At present, the general thrust of monetary policy is appropriately, restrictive. The Federal Reserve has been and will remain the faithful agent of Congress: but if it is to continue to combat inflation forthrightly and with vigor, it must have the strong and steadfast support of Congress. We recommend that Congress adopt a concurrent resolution stressing the importance of restrictive monetary policies in furthering the goal of ending inflation.

This recommendation by the committee is really composed of two parts. First, it says that a resolution should be introduced stressing the importance of restrictive monetary policies in furthering the goal of ending inflation. Second, it says that the Congress should approve such a resolution so as to send a message to the Federal Reserve Board that it has the support of the Congress to pursue policies that will work toward ending inflation rather than policies that would tend to exacerbate inflation. I fully agree with these recommendations.

The Federal Reserve has been and probably will continue to be our principal anti-inflation fighter.

Some people feel that with the speech made by the President of the United States last night, the Congress is going to move in and play an active part in combating inflation. Well, I approve of the President's recommended budget cuts, but any analysis at all of that speech last night would have to admit that the President will still give us an unbalanced budget in 1981, in 1982, and in 1983. In view of the fact that the cuts in nonmilitary spending will be counterbalanced in part by increases in military spending, and in another part by tax reductions, very sharp tax reductions, I think that you would have to be extraordinarily naive to expect that the President's position is going to give us a balanced budget at any time.

Without a balanced budget, we continue to run the deficits. The President was very much against that in his inaugural speech.

Of course, that means once again that the burden of fighting inflation is on the Federal Reserve Board. If the Federal Reserve Board has to follow policies that drive interest rates up, it is our fault because we have not followed the kind of restrictive fiscal policy—not only balance the budget but running surpluses, not only for a year but for year after year—it will take to get the Federal Government out of the credit markets. The Federal Government borrowing almost a trillion dollars—think of that, almost a trillion dollars—every year, because the average maturity rate is less than a year, of course drives interest rates up through the roof. That is why the President's speech last night was a very interesting one, but one which said nothing about the Federal Government balancing the budget. I hope Congress will insist on it.

Mr. President, the choices of the Federal Reserve are difficult and painful to many, but given the current and recent past rates of inflation the Federal Reserve really has very little choice but to be firm in restraining the growth of money and credit.

Let us make it very clear, when they restrain money and credit, that means the price of credit goes up. And the price of credit is interest.

When I am talking about restraining credit, I am saying that they have to restrain credit because they are compelled to, unfortunately, follow a policy which I think most Americans would consider economically the cruelest policy we have, of high interest rates.

They have no choice. It is not their fault. It is forced on them by improvident policies that Congress has followed for more than 20 years.

The rate of inflation has moderated during the past 2 months, but it is still painfully high by any standard of measurement. We cannot hope to correct our economic problems unless inflation is brought under control and we restore price stability such as we had in the 1950's and early 1960's.

Most economists agree that the underlying rate of inflation, the inflationary tendency within the economy, will remain quite high. There is a danger that policies directed at reducing the adverse effects of the expected slowdown in the economy will rekindle inflationary expectations. If monetary policy were to become expansionary and ease up on interest rates, make credit more available and, therefore, bring interest rates down in the short run, it is likely that, in the long run, and the long run would only be a year or more, interest rates would rise dramatically.

That is the precise reason why this resolution calls on the Federal Reserve to continue to pursue anti-inflationary monetary policies.

Mr. President, this resolution has three parts. First, it calls upon the Federal Reserve to adhere to a long-run anti-inflation policy until significant progress has been made in reducing inflation and in establishing a financial framework conducive to a noninflationary economy. Inflation can only be sustained in the long run if rapid increases in nominal GNP are accommodated through excessive monetary expansion. In such circumstances the financial markets and companies have little incentive to provide funds for long-run investments whose earnings would be eroded quickly by inflation. Thus, it is important that we have in place a long-run monetary strategy aimed at getting rid of inflation in order to create a financial atmosphere conducive to long-term investment.

Second, the resolution calls upon the Federal Reserve to pursue policies over the remainder of 1981 and 1982 so as to encourage reductions in the rate of inflation and expansion in the rates of

growth of the monetary and credit aggregates appropriate to facilitating economic growth. The course of monetary policy set forth by the Federal Reserve in its February 1980 report to the Congress indicated that the rates of growth of the monetary and credit aggregates for 1980 would be somewhat lower than in 1979. These rates of growth are set forth as target ranges. Personally I think that the ranges are far too broad and that they should be narrowed. But the important point is that the target ranges implied slower growth of money and credit, sufficient to allow moderate economic growth, while serving to restrain inflationary forces.

This resolution does not indicate that those ranges of growth for the monetary aggregates could, would, or should be changed by the Federal Reserve. It is their responsibility to set those targets. But, once the targets are set they should be adhered to, unless there is some reason for change. It would probably be appropriate for money growth in 1981 to be directed at target ranges that are slightly lower than those set for this past year. That is a judgment that can best be made by the Federal Reserve and one that should be reviewed carefully as we obtain additional information as to the course of economic activity.

Mr. President, there will be a lot of complaint about that, because what I am saying is that they ought to put the credit screws on even tighter. When they do that, they do two things. It tends in the short run to drive up interest rates. It tends in the long run to hold down inflation and inflation must be our objective, even though we have to pay this painful, cruel price of high interest rates in the short run to achieve it.

Third, the resolution calls upon the Federal Reserve to work toward establishing long-run rates of growth of money and credit commensurate with the economy's long-run potential to expand output and productivity in order to promote full employment, balanced growth, and price stability by gradually reducing the rates of growth of the monetary and credit aggregates in a firm and stable manner. The purpose of this recommendation is to indicate to the Federal Reserve that in recent years the growth of money and credit has generally been higher than need be. What we really need is a multiyear commitment for a gradual, but steady, slowdown in the growth of the monetary and credit aggregates. We recognize that the monetary and credit aggregate growth rates cannot and should not be reduced in one shot to the long-run rate commensurate with the economy's potential. This would cause serious disruptions in the economy. But, at the same time, if slower money and credit growth is to be achieved, it must be done consistently over a period of time in a firm and stable manner.

Mr. President, I hope that my colleagues in the Senate will join me in support of this resolution. It is an important resolution, for it will signal our continued concern with inflation and our recognition of the need for monetary policies that continue to pursue the elimination of inflation.

Mr. President, I am happy to announce that my good friend, the chairman of the Banking Committee (Mr. GARN) has cosponsored this resolution.

● Mr. GARN. Mr. President, as the cosponsor of this resolution, I wish only to echo Senator PROXMIRE's remarks about the importance of the Federal Reserve's anti-inflation policies and to stress the need for Congress to reduce the inflationary pressures of deficit spending.

The proposed resolution recognizes that short-term, stopgap monetary policy solutions are not effective unless they are stretched into long-term economic growth and stability. Too often we ignore the critical need for long-term planning and opt for actions which only alleviate economic ills for brief periods.

The Federal Reserve should not be the sole anti-inflation fighter in Washington. It is a struggle which involves all of us and which requires a coordinated Federal economic policy. Without a congressional effort to eliminate Federal budget deficits, we will suffer from economic woes no matter what the Fed does.

By adopting the proposed resolution, we can inform people that we are seriously pursuing long-term economic goals and will do so in coordination with an effective monetary policy.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. PACKWOOD. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Finance Committee will hold a hearing at 10 a.m. on February 23, 1981. I have scheduled three bills for this hearing. The three bills are: S. 31, introduced by Senator ARMSTRONG, to override proposed IRS regulations concerning the family rental tax and home offices; S. 239, introduced by Senator DURENBERGER, to encourage companies to provide ride sharing programs for employees; and S. 452, introduced by Senator BOREN, relating to certain capital gains tax liabilities imposed on foreign subsidiaries of U.S. corporations.

The purpose of this statement is to briefly explain the issues raised by these bills. This may help you chart the progress of tax legislation before the Taxation Subcommittee. It also helps assure greater public awareness of tax amendments coming before hearings.

FAMILY RENTAL TAX—S. 31

S. 31, introduced by Senator ARMSTRONG for himself, Senator DOLE, Senator BOREN, and several other Senators, overrides regulations proposed by the Internal Revenue Service relating to business use of homes and rental of residences to family members.

ISSUE

S. 31 overrides the IRS regulations proposed under Code section 280A in three ways. The first relates to deductions for home offices. S. 31 provides that a taxpayer operating a business at home is not blocked from deducting the expenses of the home office merely because the taxpayer has another job outside the home. This overrides the proposed IRS regulation denying the home office deduction in these circumstances.

The second provision relates to rental of homes to family members. S. 31 provides that a taxpayer is not barred from deducting expenses relating to a rental property merely because it is rented to a family member. This overrides the proposed IRS regulation denying rental-related deductions if the rental is to a family member.

The third relates to vacation homes. S. 31 provides that a taxpayer will not be treated as using a rental property for personal use if he or she takes a family member to the house on a day that he or she performs work or other improvements on the house. This overrides the proposed IRS regulation charging the taxpayer with personal use of a vacation home on such occasions.

STATUS

Senator ARMSTRONG has done an excellent job of bringing this controversy to the attention of Congress. On August 7, 1980, the IRS proposed regulations relating to Internal Revenue Code section 280A. Under an initiative taken by Senators ARMSTRONG and DOLE, the Congress adopted an amendment blocking implementation and enforcement of these regulations until December 15, 1980. During congressional consideration of a provision to extend this enforcement ban, the Treasury Department indicated in writing that it will not publish final regulations on these points before Juy 1, 1981.

S. 2239, introduced by Senator DURENBERGER for himself, Senator BENTSEN, and several other Senators, creates several incentives for ride-sharing programs.

One type of ride-sharing program is vanpooling. Vanpooling is the use of 8—and more—passenger vans to transport people. The single most important use of vanpooling is transporting employees to and from work. The Department of Energy has estimated that one commuter vanpool saves an average of 5,000 gallons of gasoline per year.

The Energy Tax Act of 1978 included two tax provisions to encourage use of vanpools. Under one provision, an employer buying a van seating eight or more passengers to be used for vanpooling for its employees receives a full 10-percent investment tax credit (Code sec. 44(c)(6)). Prior to adoption of that rule, such a van would normally receive a 3½-percent investment tax credit, since the useful life of a van is 3 to 4 years.

Under the second provision added in 1978, employees are not taxed on certain vanpool benefits provided by the employer (Code sec. 124). This applies only if the employer provides vanpool benefits under a separate written plan which does not discriminate in favor of employees who are officers, shareholders, or highly compensated individuals.

PROPOSED CHANGES

S. 239 creates several new vanpooling and ride-sharing incentives. These are as follows:

First, provide a 15-percent tax credit for vans to be used for vanpools purchased by individuals.

Second, broaden the income tax exclusion for vanpool benefits to also include employee subsidies for mass transportation and carpooling.

Third, extend the 10 percent energy tax credit to vans purchased or leased by employers for use in employee vanpool programs. This would be available in addition to the 10-percent investment tax credit in current law.

Fourth, extend the tax credits to van pools sponsored by third parties. This provision was adopted by the Senate in the Windfall Profit Tax Act in 1979, but was deleted by conference committee on the Windfall Profit Tax Act.

Fifth, exclude employee incentive mileage from the rule requiring that 80 percent of the use of the van be for ride sharing purposes.

Sixth, provide a tax credit for employer administrative costs related to ride sharing programs. This credit varies according to the percentage of employees participating in the ride-sharing program.

Seventh, reinstate the Federal gasoline tax deductions for taxes on gasoline and motor fuels used in ride sharing vehicles. This would apply for ride sharing vehicles used at least 176 days per year and carrying an average of at least three persons.

CAPITAL GAINS TREATMENT FOR FOREIGN INVESTMENT INCOME

S. 452, introduced by Senator BOREN, provides that capital gains income from the conduct of an active business by a foreign operating company will not retroactively be reclassified as ordinary income because of the reclassification of the company as a foreign investment company.

Senator BOREN had indicated that the bill was brought to his attention by the Williams Cos., but that the proposed change is not drafted to solely benefit this company. In 1980, the Treasury Department did not oppose the identical proposal when offered by Senator BOREN in the Senate Finance Committee. It was approved by the Senate Finance Committee on June 27, 1979 and November 20, 1980, but failed to be enacted prior to the adjournment of the 96th Congress.

ADDITIONAL STATEMENTS

THE PRESIDENT'S PROGRAM FOR ECONOMIC RECOVERY

● Mr. HAYAKAWA. Mr. President, President Reagan was forthright and understandable in describing his program for economic recovery. The tenor of his manner was fitting to the tenor of the subject. We are facing an economic disaster if we do not act promptly. Inflation is rampant, productivity is sluggish, unemployment is rising, and taxes are prohibitively high. There is no incentive to grow.

I think the President's four part program addresses the problems we are confronted with, and offers a reasonable and realistic approach to solving them. The combination of budget cuts, reductions in taxes, recessions of regulations, and a consistently limited monetary growth policy confronts all of our economic problems in a complementary way.

The budget cuts will be severe, and affect all of us. Programs on which we have depended will no longer be available. We are going to have to rely on ourselves instead of the Government. Given the right circumstances, nothing could be better for the economy—the Government cannot provide for our needs at the expense of the economy. The truly needy will be provided for. The rest of us will have to use that ingenuity which made this country great.

The reductions in taxes, both in personal taxes and for business, will provide the incentive for the growth which will bring the economy back to prosperity. By cutting taxes now, we will be able to reindustrialize, provide more jobs, and begin to fill the gap in services which the Government can no longer provide. The personal tax reductions will encourage investment and savings, which have been dangerously low in this country. These investments will be transformed into capital needed by business to spur productivity. The accelerated depreciation allowances will give business the opportunity to maintain new and efficient technology in production, keeping productivity high and prices low.

One of the most serious problems affecting productivity is the mass of well-meaning regulations that restrict the activities of business. As a member of the Small Business Committee, I am painfully aware of the disastrous effects these regulations have on industry. The President's plan to reduce the regulatory burden on business means that industry can spend its time producing rather than filling out Government forms.

The cooperation of the Federal Reserve Board in establishing a consistent policy of limited monetary growth will help to curb inflation, and the psychology that accompanies it. If we can reduce the expectation of inflation, we will have come a long way toward reducing inflation itself.

Separately, these elements attack particular areas of the economy which need attention. Together, they present a workable solution for our economic ills. I am going to work to maintain the integrity of the proposal as a unified solution.●

SMALL BUSINESS NEEDS CAPITAL FORMATION HELP NOW

● Mr. SASSER. Mr. President, today I have signed on as a cosponsor of S. 360, the Omnibus Small Business Capital Formation Act of 1981. I am cosponsoring this bill because it will alleviate the critical shortage of capital facing small businesses of this country. The bill contains many promising provisions that will, I am sure, help small business. The bill leaves out, however, one very important concept that is strongly backed by the grassroots small business community. This concept is direct expensing, or first year writeoff.

Simply stated, direct expensing is a reform of the present, very complicated, depreciation system. Under the present system a taxpayer is allowed to deduct the cost of certain equipment, in increments, over a period of years. Both the size of these increments and the time period for depreciation can vary for each piece of equipment.

Furthermore, the taxpayer must keep a separate set of records for each item depreciated. In short, the system is extremely complicated and is very time consuming for the small business taxpayer. It is responsible for errors and confusion in preparing tax returns and surely results in many small business taxpayers foregoing tax benefits to which they are entitled and which they so desperately need.

Direct expensing, on the other hand, would allow the small business to write off in 1 year, not several, his investment in depreciable equipment up to a certain maximum amount. Extensive recordkeeping is not required. This method is simple, straightforward and it will result almost immediately in more retained earnings on which small businesses rely so heavily for capital investment.

Mr. President, the direct expensing concept was overwhelmingly endorsed by the White House Conference on Small Business. It ranked second in a priority list of recommendations to the Congress and the President voted on by the delegates to the conference. It received this support because of its universal appeal to small business people. It would be effective as a capital formation stimulus; it is easily implemented and readily understood by the small business taxpayer who cannot afford a staff of attorneys and accountants.

The Tennessee delegates to the White House Conference on Small Business worked hard to push direct expensing as a solution to the small business capital shortage. They have continued to push the idea through their newly formed organization, the Tennessee Roundtable for Small Business, Inc. In consultation with them, I introduced legislation in the last Congress (S. 2689), and again in this Congress (S. 172), to allow direct expensing up to $10,000 per year.

I submit that there is no more effective tool to deal with the small business capital formation problem. I regret that it was not made a part of S. 360, but I trust that the Finance Committee will consider folding in the features of S. 172 when they mark up the omnibus bill. I lend my support to the omnibus bill, however. It represents much needed legislation that will reinvigorate small business in the years ahead.

Small businesses are responsible for much of the innovation and most of the job creation in this country. It is time that we removed the economic roadblocks that hinder small business expansion.●

A NATIONAL INDUSTRIAL POLICY

● Mr. INOUYE. Mr. President, we are all aware, or should be aware, of the pressing need for the United States to compete economically with other industrialized nations of the world. It is deeply disturing to see the declining productiv-

ity of the American economy, compared with the rapidly escalating growth of foreign nations, as evidenced in economic statistics of recent years.

There is much that can be done by the Federal Government to encourage and promote the competitiveness of American international trade.

The time is long overdue for the United States to enact a national industrial policy, to establish a foundation on which American business can build.

The American worker is more than willing to compete with the foreign worker. Our workers are more highly educated, skilled and motivated than any others in the world. The challenge for Congress is to live up to the faith vested in us by the American people, to give them the tools with which they can compete fairly and economically with competitors abroad.

In short, we must translate our national willingness to compete into a national policy of competitiveness. In doing so, we will insure a stronger, more productive American economy for generations to come.

Many of the arguments supporting the need for a national industrial policy are expressed in a recent article by Mr. George Chaplin, editor in chief of the Honolulu Advertiser, and an authority for whom I have much respect.

Mr. President, I ask that the article be printed in the RECORD.

The article is as follows:

[From the Honolulu Advertiser, Jan. 28, 1981]

CHALLENGE TO U.S.: CATCH UP WITH JAPAN

(By George Chaplin)

Japan has replaced the United States as the world's top industrial power and will widen her lead over the next decade—with implications that go beyond the economic to domestic and global politics and national security.

The U.S. faces a gloomy and declining future—unless we develop a rational industrial policy at the federal level, an economic counterpart of our foreign and defense policies, and devise programs and strategies to achieve clearcut goals.

William L. Givens, a longtime student of U.S.-Japan relations, cited chapter and verse in support of his analysis in a talk yesterday sponsored by the Japan-America Society of Honolulu and Hawaii International Services Agency, at the Ala Moana banquet hall.

Givens served at the U.S. Embassy in Tokyo 1957–64, then with the Boston Consulting Group and now is chairman of Twain-Braxton Asia, a consulting firm which specializes in corporate strategy, with special focus on Japan and the developing economies of Asia.

The erosion of U.S. industrial competitiveness is "very far advanced" but "we are only beginning to feel its effects," he said, adding that our current economic problems reflect this growing disparity between the free world's two economic giants.

As we move into the Eighties, Japan—with 116 million people to our 220 million—is the second largest economy in history and her per capita GNP is on a par with that of the U.S. In a year or so she could surpass us "for good."

Givens said that Japan:

Is slightly ahead in technology and clearly superior in product quality and in the aggregate of industries which compete in world markets.

Is operating from a favorable base of modern, capital-intensive industries able to compete globally and at the leading edge of technology.

Is in a strong export position, with a large industrial trade surplus, an extremely strong currency, and the highest rates of savings and capital formation of the advanced economies.

Is controlling inflation, with real living standards continuing to rise.

Has educational standards and literacy rates that are among the world's highest.

Has the world's longest life expectancy for both men and women.

Givens presented this scenario of Japan's steady climb to her present dominance:

We don't think of Japan as being innovative, but the fact is she is at the forefront of industrial nations in absorbing and applying technology. (In 1978, with half of our population, she invested $143 billion in plant and equipment compared to our $148 billion).

This is no accident, but a deliberate policy sustained over 30 years. Japan reversed the world's competitive equilibrium, thereby achieving dominance in a long succession of major industries previously led by the U.S. and Europe—including textiles, consumer electronics, cameras, steel, ships, motorcycles and automobiles.

She is now advancing in such high technology areas as semi-conductors, computers, industrial robots, telecommunications (both voice and facsimile), optical fibers, aerospace, nuclear technology and bio-technology.

Ten years ago it was not believable that Japan would become the leading manufacturer of automobiles. We tend to think of her in terms of textiles, cameras, electronics, but the most significant post-war development was when Japan displaced us as number one in steel. With steel, a lot of industrial products—autos a major example—fall into place.

While Japan has maximized her exports, the U.S. by contrast has suffered a steady loss in our share of the world market, which means a decline of revenues, jobs and, ultimately, government revenues.

The dollar has deteriorated to about 55 percent of its previous value against the yen. This is reflected in our entire economy.

The U.S. is experiencing all the domestic stresses which one might expect would accompany a downward shift in our position in the international economic order: chronic inflation, chronic high unemployment, budgetary cutbacks, popular resistance to rising taxes, erosion of confidence in our leaders, a rising level of tension and infighting, and among domestic interest groups a competing for shares of a pie not growing as fast as our needs and expectations.

The prospect is for current patterns to continue in both countries.

In Japan, industry will almost certainly continue rolling forward in areas of increasing sophistication and productivity. Close collaboration will be ongoing between government and business. There will be levels of education, savings, capital formation, and worker motivation.

Trade policy will continue spohisticated. New technology will be absorbed at a faster rate than in the microprocessing and industrial robots, for example. Japan is moving ahead at a rate which will put her in a class by herself, and result in a larger share of the high-technology market. Productivity, incomes, living standards will continue to rise.

The prospect for the United States is considerably less attractive, unless we make a dramatic change of direction—which we are capable of doing.

If our only action is to continue our well-established pattern of economic behavior, the U.S. can anticipate:

A continuing decline in relative productivity.

A continuing loss of share in world and domestic markets, particularly in high technology industries.

A continuing relative decline in incomes and living standards.

A declining ability to support the entire spectrum of our domestic programs, our military defense programs, and our foreign policy programs—which, in totality, comprise American democracy.

A continuing decline in our influence and position in the world.

Givens had some observations about this scenario.

It's difficult to imagine a more serious position for the U.S., he said, than a continuing erosion of our industrial competitiveness. Everything that we plan or aspire to accomplish as a nation depends ultimately on our ability to generate the necessary resources largely through our industries. This is what we're not doing.

If there is a prolonged period of economic stress, marked by inflation, business failures, high unemployment and the like, the quality of life will suffer.

And there will be increased difficulty in funding government programs at all levels in education, social welfare, public works, law enforcement, housing, medicare and government-funded research and development.

Finally, it will increasingly be harder to meet our defense obligations, so we would face a guns-or-butter decision. Over time, the erosion of our capability can only contribute to political instability the world over.

Such developments would carry adverse implications for Japan as well.

Although the economic outlook for Japan is favorable, that very prospect is based to a significant degree on the probable decline of Japan's principal trading partner and military ally—a decline which almost would surely result in a deterioration of the global political climate in which both the U.S. and Japan must continue to live.

It's perhaps even more important to remind ourselves that although Japan is currently outperforming the U.S. as an industrial power, Japan is not inherently superior. In fact, the U.S. by all odds, should be the superior industrial power.

The U.S. has vastly superior resources and a two-to-one advantage in scale and has had a significant lead in most of the advanced technologies which will generate the world's economic growth for the remainder of this century.

The critical difference has been in basic industrial policy.

Japan has demonstrated a highly sophisticated comprehension of international competitive dynamics and the government has following a policy combining four major elements:

Systematically encouraging capital formation in progressively higher technology industries.

Maintaining high standards of education to enable its labor force to move rapidly up the technological scale.

Encouraging and assisting Japanese industry to compete aggressively for a global market share.

Facilitating those competitive efforts by skillful and sophisticated trade negotiations.

The U.S., on the other hand, Givens emphasizes, has had no industrial policy whatsoever. We have failed to do virtually all of the things which, as cornerstones of Japan's industrial policy, are essential to success in global competition. It shouldn't come as a surprise that we are losing pretty much across the board.

Givens submits that if, over the past 25 years, the U.S. government had created and maintained an environment in which personal savings and capital formation were more attractive; had provided encouragement, assistance and incentives for American firms to compete in foreign markets (includings, most notably Japan) and had used its considerable political influence to open those markets to U.S. products, Japan's economic accomplishments, while still remarkable, would have been significantly more limited in scale—and the U.S. would still today be the industrial/technological leader of the world.

In all of this, Givens sees Japan as having a dilemma:

That country is prospering to a degree which would not have been possible given a reasonably competitive U.S. The price of this windfall, over the longer term, will be considerable world instability as the U.S. decline creates a military power vacuum.

He thinks that Japan should encourage and assist the U.S. to adopt measures which will reverse the pattern and bring American industrial competitiveness closer to its true potential, even though that may reduce Japan's potential for future growth and rising affluence in the short term.

But long term if the U.S. fails to reverse course and continues to decline, the result may be even less attractive. If the U.S. operates below its true potential, it's not in the interest of either country.

The key, of course, is an effective American industrial policy, and on this Givens had the following to say:

Some people object to the concept as "socialistic" or "un-American." Some feel that if government will get out of the way, free enterprise will take care of things.

His view is that good industrial policy at the federal level does not mean a state-directed economy, but a counterpart of foreign or defense policy. It can and needs to be done. The need for more effective, rational channeling of resources is not only manifest, but urgent.

We need national economic objectives. We need legislative programs. We need, at the executive level, a sophisticated trade strategy. The thrust must be a bigger global share in higher technology sectors.

It can be done, Givens contends, if given the required effort.

Meanwhile, he urges the closest possible economic cooperation between the U.S. and Japan. Working toward common goals, these two largest industrial powers with a combined population approaching 350 million, with high incomes and educational levels, with huge technological and capital resources, could make technological advances, create trade flows and generate economic benefits which would dwarf anything yet seen.

He feels both countries have a common interest in moving in that direction.

During a question-and-answer period, Givens said:

President Reagan has had little exposure to Asia. (Lightly: "He's never even been in an Asia movie.") But Secretary of State Haig has had some exposure, having been assigned to Yokohama after World War II. And national security advisor Richard Allen has had experience in Japan.

The media are not doing a good job in economic reporting. They are not articulating the economic and political issues sufficiently well to serve as a bridge between the people and government.

Americans love this country. That includes those in the labor movement, who seem increasingly receptive to doing what's necessary to help meet the industrial crisis. A lot depends on national leadership.●

SECRETARY LEWIS' ACTIONS ON AIR SAFETY

● Mr. ANDREWS. Mr. President, the Secretary of Transportation has acted wisely in recommending that a Presidential task force be established to make a full and fair evaluation of how many pilots will be required in future airliners to assure maximum safety for the traveling public.

The issue of how many crew members should be in the airline cockpit has been a long-standing and divisive one in the airline industry, and it could have become worse in the next few years. As my colleagues are aware, the Air Line Pilots Association had planned to shut down the airline system early next month to protest the FAA's lack of action on this issue and others related to aviation safety.

However, ALPA decided to call off its planned work stoppage after being told by Secretary Lewis that President Reagan will appoint an impartial task force to study crew complement in the airline cockpit. In addition, the pilots have pledged to abide by whatever decision the task force reaches. Secretary Lewis also said the other safety issues raised by the pilots will be addressed by the new FAA Administrator.

The appointment of a Presidential task force to study crew complement is a prudent and reasonable step for the President and the Secretary of Transportation to take. I wish to point out that the Committee on Appropriations directed the previous Secretary of Transportation last fall "to conduct a comparative testing program designed to determine whether or not the highest possible level—degree—of safety * * * can be achieved with a minimum cockpit crew complement of less than three members." The committee also said this testing should be "as thorough as the existing state of the art permits, with special emphasis placed on operations conducted under emergency and adverse conditions." Thus, the committee earlier recognized the need for a study such as the one to be undertaken by the Presidential task force. I believe this task force will accomplish what the committee intended.

Secretary Lewis should be commended for moving quickly and decisively to resolve some complex problems in aviation safety. He is off to a fine start by relying more on cooperation than confrontation with those the Department oversees. I believe the results of his recent actions will be enhanced safety and less turbulent relations in the airline industry.●

JAPANESE AUTOMOBILE IMPORT RESTRAINTS

● Mr. DANFORTH. Mr. President, Japanese automakers are reporting record export sales for the month of January. Toyota's exports were up 13 percent from a year earlier. Nissan (Datsun) exports were up 28 percent and at Toyo Kogyo (Mazda), exports soared to 54 percent above the previous year. January deliveries to the United States for the three companies were up 10 percent, 13 percent, and 43 percent, respectively. It does not appear that the Japanese are exercising restraint in the face of the increasing auto industry problems in the United States and in other nations.

Two weeks ago Senator BENTSEN and I, along with six of our colleagues, reluctantly introduced S. 396, a bill that would limit Japanese imports through 1983 to the average annual levels of the last 4 years. The bill will help to provide breathing space for the U.S. industry while it retools to meet a changed market. The Japanese have shown no sensitivity to the seriousness of this situation. That is what forced us to take the course of action we are following.

I shall ask unanimous consent that the Senator from South Carolina (Mr. HOLLINGS) be added as a cosponsor to S. 396. This brings to 13 the number of cosponsors to this legislation.●

EXPORT TRADING COMPANIES

● Mr. GLENN. Mr. President, the need for legislation such as S. 144, a bill to encourage exports by facilitating the formation and operation of export trading companies, is, I believe, becoming more apparent with each passing day.

On Wednesday I presented testimony to the Banking Subcommittee on International Finance in support of this measure. I ask that my statement to the subcommittee be printed in the RECORD.

The statement follows:

STATEMENT OF SENATOR JOHN GLENN

Mr. Chairman, I want to thank you for this opportunity to testify in support of S. 144, a bill to encourage exports by facilitating the formation and operation of export trading companies. I cosponsored this legislation last year; the reasons for supporting it this year are even more compelling. The purpose of this bill is to improve U.S. export performance at a time when American companies are facing increasingly vigorous competition in the international market place. From every corner of the world, government planning and financing of foreign trade challenges the resources of American firms. To meet this challenge, American companies must organize the most efficient business operations possible and we in government must do what we can to help American firms improve their competitive edge.

One way in which we can do this is by facilitating the formation of trading companies. The trading company is not a new idea. It is as old as commerce itself and has enjoyed great success in other countries. In Japan, for example, the top ten trading organizations, the Sogo Shoshas, account for approximately 60 percent of Japan's imports and 50 percent of its exports. Trading companies have also played an important role in the economic growth of many European countries. Yet, despite their historical and international success, trading companies have not flourished in the U.S.

There are several reasons—both economic and legal—for this failure. It is my contention that the economic conditions no longer prevail and that the legal restraints are equally outdated. First, we have been generally self-sufficient for the bulk of our economic needs throughout our Nation's history. Second, the industrial revolution occurred early in our history and its effects spread quickly. This made the acquisition and distribution of goods easy and further reduced our need for foreign trade. Third, the large size of our domestic market meant

that American businessmen had ample growth opportunities close at hand and involving relatively small risk. These factors, all the products of our unique geographic and economic heritage, limited the attractiveness of and need for foreign trade companies. But these unique conditions no longer prevail. The interdependence and competitiveness of the world market make it impossible for the U.S. to sustain its economic growth while operating on outdated notions of resource self-sufficiency in limited domestic markets.

Unfortunately, Federal laws and regulations limit our ability to respond effectively to these new challenges. For example, government regulations prevent U.S. banks from offering many important trading services. In addition, antitrust uncertainties deter many U.S. firms from cooperating with other U.S. producers in their organization of export activities. These restrictions are anachronisms. They hamper American firms at a time when foreign governments are cooperating with and, in many instances, even subsidizing and directing the export efforts of their own firms. The result is that our unilateral export restrictions cost American businessmen opportunities abroad and cost American workers jobs at home.

S. 144 addresses many of these obstacles and facilitates the formation and operation of export trading companies. It does so by allowing banking organizations to play a significant role in the future success of American export trading companies. In the past, many small and medium-sized firms found foreign markets difficult to penetrate and too costly to do business in. That is one of the reasons why the Commerce Department estimates that some 20,000 smaller U.S. firms who could profitably export presently do not. Bank participation will enhance opportunities for small and medium-sized firms to enter world markets by giving them access to the capital, financing and marketing capabilities heretofore possessed only by larger firms.

While the degree of future bank participation in export trading companies—as well as the forms that such participation may take—remain uncertain at present, Section 105 of the bill sets certain limitations on the level of involvement permitted banking organizations that invest in or finance these companies. S. 144 allows banking organizations to invest up to $10 million in one or more export trading companies without prior regulatory agency approval, as long as that investment does not amount to control. Investments in excess of $10 million, or any investment or action which amounts to control of an export trading company, must be approved by the appropriate Federal banking agency. The bill sets an overall limit on a bank's involvement by prohibiting its direct and indirect investments in the ownership of one or more export trading companies from exceeding 5 percent of the bank's capital and surplus. Total investment by a banking organization, combined with extensions of credits to export trading companies, cannot exceed 10 percent of the bank's capital and surplus.

Some have argued that these restrictions do not go far enough; that banks should not be allowed to gain control of an export trading company, because that would represent a substantial departure from the long-established separation of banking and commerce in our economic system. They fear that the public's deposits may become exposed to undue risk if banks acquire ownership control of trading companies.

Legitimate questions concerning the scope of bank participation do merit careful consideration. It is true that banks, given their international offices, experience in trade financing and familiarity with domestic U.S. producers, will be likely sources of leadership in forming export trading companies. But I feel that S. 144 includes important safeguards which not only protect against unsound banking practices, but also against any unfair competitive advantages that might otherwise accrue to an export trading company having a bank investor.

A specific provision of the bill, for example, prohibits banks from extending credit on a preferential basis to an export trading company in which it has an equity interest. This subsection meets a traditional concern of U.S. policy that banks not favor their affiliates in loan transactions. But even without the inclusion of this provision, the Financial Institutions Regulatory and Interest Rate Control Act of 1978 already provides safeguards against such unfair lending practices by banking institutions. Similarly, the 5 percent limit placed on total equity investments, and the 10 percent limit placed on a bank's total investments in or financing of trading companies, protect banking organizations from overexposure.

I see no harm in allowing a bank to own a trading company as long as such limitations exist. In fact, permitting banks to have equity and management control over their affiliate relationships seems far wiser than mandating that bank capital be controlled solely by the decisions of nonbanking partners. Banking organizations will surely be more inclined to form export trading companies if they can control their investments. Such investments, in turn, will provide banks with a long-term incentive to establish the additional framework needed to offer a complete range of export services.

S. 144 also stipulates that any bank's proposed or existing investment in trading companies may be terminated by the appropriate Federal regulatory agency upon its determination that the ownership or control of any such investment constitutes a serious risk to the financial safety, soundness or stability of that bank. I believe that these limitations, coupled with the banking agencies' broad regulatory, supervisory and examination powers and other existing legal restrictions, assure that there will be no serious risk to the safety and soundness of bank participation in export trading companies.

The access to capital and international markets provided by Title I of S. 144 is a necessary, but not a sufficient, step in facilitating the formation of American trading companies. It is not sufficient because American firms have long been unwilling to risk investments in export activities, given the uncertain climate created by domestic antitrust rulings. So unless we are willing to clarify how our antitrust laws related to export trade, we cannot hope to utilize the full resources of the American business community in our effort to regain a competitive position in international trade.

On this last point, our competitiveness has deteriorated precisely because we have failed to develop a foreign trade policy consistent with changing international realities. Whereas private, multinational firms seeking the most efficient production and distribution of goods and services once dominated world markets, economic nationalism now prevails. In the critical areas of oil, steel and autos, government owned or directed, vertically integrated corporations shape the flow of trade. They do so as instruments of national governments and their actions are directed by political, rather than economic, consideration.

The postwar challenge America issued to her trading partners was not met by a purely American response. Industrial development programs in Italy, France, Great Britain, Japan and the developing nations are hybrids of the American model and their implementation has altered the evolution of world trade. Although I do not advocate the adoption of these nationalistic, economic policies here in the United States, neither do I believe we can shape a coherent, effective foreign economic policy without recognizing the unsettling effects of those policies on world trade and American industries.

Through the Marshall Plan and other development assistance programs, the U.S. helped Europe, Japan and the developing nations establish their industrial strength. We generously stood back while they nurtured their industries with financial assistance and protectionism. While we continue to provide the shelter of our defense umbrella, they continue along the path of independence and economic nationalism. It is time now to adjust our own policies to the new realities of the global market.

One way in which we can do this is by unleashing the full force of America's private enterprise from the restraints of needless and confusing regulation. I believe that this bill's clarification of long-standing ambiguities in the area of antitrust exemptions for export trading companies is a long overdue step in this direction. Title II of S. 144 encourages the formation of export trading companies by expanding the provisions of the Webb-Pomerene Act to include trade in services, as well as that in goods, wares or merchandise. This feature will greatly expand export opportunities for trading companies in areas where American companies are especially competitive.

Furthermore, Title II establishes a clearance procedure whereby firms can determine in advance whether their export activities are immune from antitrust suits. By establishing a certification procedure and codifying the enforcement intentions of our government's antitrust oversight branches, Title II of S. 144 eliminates some of the uncertainties in current law that have discouraged the formation of American consortia to bid on significant export projects. At the same time, however, S. 144 also protects against any anticompetitive effects that might result from the establishment and operation of export trading companies.

Mr. Chairman, this bill will not, by itself, solve America's foreign trade problems. Restoring the international competitiveness of the American enterprise will require us to do much more in the areas of capital formation, regulatory reform and research and development. But because S. 144 recognizes that cooperation between business and government is a critical ingredient in any comprehensive national effort to improve our export performance, I believe it is an important step in the right direction.●

JOINING THE JACKALS

● Mr. HOLLINGS. Mr. President, as a new administration and a new Congress begin to grapple with the many problems facing our country today, it is instructive to examine where we have been in order better to glimpse where we should be heading. In no area is this so true, and so urgent, as in addressing the foreign policy pitfalls confronting the United States.

In this Chamber we are fortunate indeed to have one of the country's shrewdest and far-seeing students of international security policy. I refer to the senior Senator from New York (Mr. MOYNIHAN). In the current issue of Commentary, Senator Moynihan has an article entitled "'Joining the Jackals:' The U.S. at the U.N. 1977–1980." It is an article informed by a refreshing sense of realism, and graced with that felicity of expression we have come to identify with our friend from the Empire State.

The Senator from New York states an understanding of the world and an appreciation of the need for more resolute foreign policy that is in the finest tradition of America—and of the Democratic Party of Harry S. Truman and John F. Kennedy. Senator MOYNIHAN is at his best in knocking the props from under the argument that East-West problems are over and that if we could end our mindless preoccupation with them, we could set ourselves free to solve the problems of North-South. In reality, of course, it does nothing to solve North-South problems to deny that East-West problems exist. The denial merely assures that the problems of no direction on the compass will be addressed. Those still unconvinced need only to look with some elemental objectivity on the events of the past few years. The assumptions that all we need is a little more understanding of the Soviets; that we have somehow been motivated by an "inordinate fear of communism;" and that our own country has been a source of international instability are all given their just desserts by the penetrating intellect of Senator MOYNIHAN.

Our friend from New York had a distinguished Ambassadorship to the United Nations. He presented the American viewpoint with a cogency and eloquence seldom seen there or anywhere else. He made us all proud again, and he made it clear to the nations assembled that at least insofar as his own tenure was concerned, the double standard had gone by the boards.

Mr. President, one does not have to agree with every conclusion drawn by the Senator from New York to realize the essential wisdom of his approach to the facts of international life. It is preeminently a time to clear our heads and to cast our policy in the light of the world as it is. The article by Senator MOYNIHAN takes us a long step in the right direction. It merits the attention of the widest possible audience, and I certainly hope my colleagues will peruse it well.

Mr. President, I ask that Senator MOYNIHAN's Commentary article be included in the RECORD.

The commentary follows:

[From the Commentary, February 1981]

"JOINING THE JACKALS"—THE U.S. AT THE U.N. 1977–1980

(By DANIEL P. MOYNIHAN)

A defeat so overwhelming as that which Governor Reagan inflicted on President Carter soon takes on the air of the inevitable. Before it does it may be useful to record that those who were defeated in no way looked upon the outcome as fated. To the contrary, the view in the White House was that things were going well until March 1, when Ambassador Donald F. McHenry voted in favor of a particularly vicious anti-Israel resolution in the Security Council of the United Nations, followed three weeks later by the appearance of Secretary of State Cyrus R. Vance before the Senate Foreign Relations Committee in which he refused to disavow the vote. Thereafter, in this view, everything spun out of control. The Carter administration left Washington convinced—and proclaiming—that defeat was brought on by malevolent incompetence at the U.S. Mission to the United Nations and the inability of the Secretary of State to control the Mission. What they did not proclaim and only dimly understood was that they themselves had put in place the ideas which helped bring them down; that indeed in that sense the outcome was fated.

Set forth by President Carter and others, the sequence of events was as follows. Senator Edward M. Kennedy's challenge to the President began poorly. On March 18 the two met in Illinois, the first industrial state to hold a primary. The President won handily. If Kenneay could be beaten a week later, in New York, his candidacy would collapse. A private pool conducted by Dresner, Morris & Tortorello Research in late January and early February showed the President leading the Senator 54 percent to 28 percent among probable Democratic primary voters in New York, with only 13 percent undecided. Yet in the end, Kennedy won, 59 percent to 41 percent.

In a gracious gesture, after the results were in, Lieutenant Governor Mario M. Cuomo, who headed Mr. Carter's campaign in New York, called the President to apologize. "No," said Mr. Carter as reported in the New York Times, "it was the United Nations vote." In an interview with Meg Greenfield of the Washington Post on March 27, Mr. Carter, speaking of an incumbent's problems in running for reelection, repeated the point:

". . . Then to make a mistake like we did on the UN vote and have the Secretary of State testify a few days before the election. . . ."

The same theme was sounded, finally, in a postmortem by Steven R. Weisman and Terence Smith of the Times after the national election:

"This blunder, in which the administration first voted in favor of a March 1 resolution rebuking Israel on settlements in Arab-claimed territory and then disavowed it, cost the President dearly among Jewish voters in the March 18 [sic] New York primary. Senator Kennedy carried the state and attracted new contributions to his campaign, which carried on through the last batch of primaries on June 3.

"New York was our chance to knock Kennedy out of the box early," said Mr. [Robert S.] Strauss, the campaign chairman. "We blew it with that vote."

Jody Powell told the Times reporters that in consequence, "We sure as hell spent a lot of time and money fighting him that would have been better spent against Reagan."

Now it will be clear that there are many reasons President Carter lost the election, of which the UN vote was only one and scarcely the most important. What is important, however, is that the administration had looked upon its United Nations record as a huge success. Other policies had failed, and that proved costly. But this had succeeded, and proved costly. When the fall of a President is involved, and possibly also the fall of a party, some notice should be taken. For I do not conceal my judgment that so long as the ideas underlying the Carter administration's UN policy are dominant within the Democratic party, we Democrats will be out of power.

In normal circumstances UN affairs play a marginal role in United States foreign policy, the simple reason being that American foreign policy is normally preoccupied with the Soviet Union, and the UN, with its profusion of small, even mini, states, is the last setting in which two powers would wish to conduct their affairs. But four years ago, to the incoming Carter administration, the main attraction of the UN as a setting in which to conduct foreign policy was precisely the prominent role Third World nations play in UN affairs, and the North-South axis of the place. This was a setting in which the cold war could at last be put behind us. In his first major foreign-policy address, given at Notre Dame on May 22, 1977, President Carter reported that the United States had overcome its "inordinate fear of Communism," and proposed that the two powers now join in a cooperative effort to improve North-South relations, specifically through economic assistance to the developing nations. In the meantime, the name of the UN Ambassador was promoted to second place on the directory of the State Department building, immediately below that of the Secretary.

In his Notre Dame speech, as in his appointments, President Carter brought together two strains in Democratic thinking on foreign affairs. The first was the old tradition of liberal internationalism—the extension of domestic standards of social justice to the world at large—exemplified by President Harry S. Truman's Point Four program or President John F. Kennedy's Alliance for Progress.

But there was another and newer strain of thought, one much at odds with the traditions of Truman and Kennedy. This was the view that had emerged in the course of the Vietnam war to the effect that the United States, by virtue of its enormous power, and in consequence of policies and perhaps even national characteristics that were anything but virtuous, had become a principal source of instability and injustice in the world. We were, in short, a status-quo power, and the status quo we were trying to preserve was abominable. By contrast, a more positive future was available to mankind if it could break out of the American dominion. Much has been written of this, and one need not expand. For my part the most evocative and excruciating memory of the onset of this point of view was the day that a group of former Peace Corps volunteers, protesting the war, ran down the American flag at Peace Corps headquarters in Washington and ran up that of the Vietcong.

Through the 1970's this view grew in strength within the Democratic party. It was most often to be encountered when issues of defense were involved. In an article written in November 1980, R. James Woolsey, who served with distinction as Under Secretary of the Navy in the Carter administration, described how leaders of many of the interest groups that claim to represent the traditional Democratic constituencies have convinced themselves over the last decade or so that they must be the enemies of increased American military power.

He explained why these constituencies had come to feel this way:

"What you spend on tanks you can't spend on schools or welfare, nor can you keep it. This is, however, an ageless problem of government. . . . Perhaps more important, the agony of Vietnam introduced a new element and led the interest-group spokesmen and many liberal Democratic politicians to attack the existence of American military power as a way to curtail its exercise. Throughout much of the 1970's, the halls of the Senate Office Buildings, for example, were jammed with young staff members looking for a weapons system to have their Senator oppose. They, and their friends in the executive branch, are now typing up their resumés in no small measure because the voters understood what many of the elected officials did not—that caution in using military power is wise, but unilateral restraint in obtaining it in the face of a massive build-up by a potential enemy is extremely dangerous."

There was a precise corollary to this doctrine of self-denial in defense, and it flowed from the idea that the political hostility which the United States encountered around the world, and especially in the Third World, was, very simply, evidence of American aggression or at least of American wrongdoing.

The aggression could be military, but just as often it would be diagnosed as economic (the role of the multinational corporation) or ecological (plundering the planet to sustain an obscenely gross standard of living). Often it would be presented as nothing more specific than not being "on the side of history" or "the side of change." No matter, the prescription was the same. If the United States denied itself the means of aggression, it would cease to be aggressive. When it ceased to be aggressive, there would be peace—in the halls of the United Nations no less than in the rice paddies of Southeast Asia.

As tanks and missiles were the instrument of military aggression, so ideas were the means of diplomatic aggression—specifically that array of attitudes, judgments, and prejudices which led Americans to suppose they represented on balance a successful society, one model of how developing societies, if fortunate, might turn out, and in the interval a fair standard by which to measure the merits of other societies.

Here, in the interest of what lawyers call full disclosure, let me acknowledge that, from the first, those members of the Carter administration responsible for policy at the UN, and more generally for relations with the developing nations, regarded my own brief tenure as U.S. Permanent Representative at the UN in 1975–76 as the prime example of American diplomatic aggression.

This was notably the view of C. William Maynes, who left the Carnegie Endowment for International Peace to become President Carter's Assistant Secretary of State for International Organization Affairs. It was the view of the Ambassadors who came and went at the U.S. Mission beginning with Andrew Young and ending with Donald McHenry. In an interview published in September 1980, contrasting his performance with mine, Ambassador McHenry said:

"I don't believe in confrontation politics, I don't believe in name-calling. I do believe in communicating with them [i.e., Third World nations], in stating my views, listening to theirs, respecting their views, expecting them to respect mine."

A few weeks later, on October 1, 1980, taking issue with a New York Times Magazine article entitled "How the Third World Runs the UN," he returned to this theme:

"The article was reminiscent of the speeches about the 'Tyranny of the Majority' that one of my predecessors used to deliver when he represented our country at what he later called 'A Very Dangerous Place'"*

Yet there was a fateful avoidance of reality in the new administration's view: a denial that there is genuine hostility toward the United States in the world and true conflicts of interest between this nation and others—an illusion that a surface reasonableness and civility are the same as true cooperation.

To be sure, if there are conflicts of interest among states, there are also truly shared interests, and even genuine friendships. The world, alas, is complex, and although the new men of the Carter administration professed to understand complexity where others had missed it, they were in fact great simplifiers. They trivialized the sources of real conflict between the United States and other nations, and they exaggerated our ability to resolve them to everyone's satisfaction.

Again, one notes a parallel with the approach of the new administration to defense and foreign policy. One of the first (and fateful) decisions of President Carter was to appoint Paul Warnke as negotiator for the strategic-arms-limitations talks with the Soviets. Warnke in his celebrated article "Apes on a Treadmill" had set forth the thesis that the Soviets essentially imitate American behavior in defense matters. Thus just as the United States could turn enmity into friendship merely by avoiding "confrontation politics" in its dealings with the Third World, so the United States could change Soviet behavior simply by changing its own.

But if these ideas had a parallel structure, they did not prove equally durable. Although President Carter had campaigned in 1976 on a pledge to cut the defense budget, his promise did not survive the first encounters with reality—the reality of conflicting interests and genuine danger. Instead, it was buried, and (admittedly modest) increases in defense spending commenced. The same readiness to retreat from unrealistic approaches was evident in the area of human rights (and indeed, here the administration's retreat was almost overeager). But if in these areas reality obliged the administration to think better of the ideas by which it had hoped to guide policy, no such perceptions ever managed to penetrate our approach to the United Nations. We would unilaterally change the whole international atmosphere simply by avoiding "confrontation politics." The United States would make amends for its past failures by a greater responsiveness, by greater openness, by at last understanding the problems of others and their perspectives. Thus the psychological arrogance that lay behind the seeming humility of our new relations with the Third World—it was we who still determined how others behaved—remained intact.

At the UN the arrogance of this view was particularly risky, for those convinced of the abuse of American power found themselves representing the United States at a time when our power was in fact much reduced. Whether American interests could, even so, be protected would depend on how well this decline was perceived, on the suppleness of the new tactics that would be brought to bear, and above all on the ability to sense failure when it struck one across the face. The new administration was conducting an experiment of a sort; much would depend on whether it could tell the difference between good results and bad.

Before defeat in the 1980 election forced a different conclusion upon them, the Carter people were of the opinion that the experiment had been a brilliant success. From the 1980 Democratic platform—prepared in cooperation with the staff of the National Security Council—one learned that when the administration came to power in 1977, "relations with the Third World were at their nadir. The United States appeared hostile and indifferent to the developing world's aspirations for greater justice, respect, and dignity. All this has changed."

Testifying before a House Subcommittee on March 27, 1980 (two days, mind, after the New York primary), Assistant Secretary Maynes spoke even more glowingly of changes that had come over the UN:

". . . the UN has become the crossroad of global diplomacy.

". . . [It] now appears to be less unfriendly and dangerous a place than some have led us to believe. It is also possible that we will find there a greater spirit of cooperation than before—not just in condemning the lawless but also in advancing the rule of law. But these promises may come to naught unless we adopt a more mature stance toward the UN itself.

We must remind ourselves that the United States needs the UN at least as much as it needs us.

One might have thought this assessment would be reflected in votes in the General Assembly or the Security Council. But it was not. Worse, the ideas of the new administration stood in the way of seeing opportunities to be seized and understanding problems to be met.

This was perhaps to be expected. The heavy emphasis on North-South relations, after all, was surely a way of coping with, or at least diverting attention from, the difficult realities of the post-Vietnam world. "American imperialism" had been defeated. Our defeat had been caused, to be sure, by overreaching and after a point it could not perhaps have been avoided. But its consequences, all the same, would have to be lived with, and adjusted to; foremost among them would be a major opening for, and stimulus to, Soviet imperialism. Susan Sontag has recently acknowledged how little she and others in the anti-war movement had understood this equation:

"It was not so clear to many of us as we talked of American imperialism how few options many of these countries had except for Soviet imperialism, which was maybe worse. When I was in Cuba and North Vietnam, it was not clear to me then that they would become Soviet satellites, but history has been very cruel and the options available to these countries were fewer than we had hoped. It's become a lot more complicated."

But the perception of such complexity was beyond the powers of the U.S. Mission to the UN under the Carter administration. Its members could not see the signs of a new phase of Soviet policy: military support for Ethiopia in 1977, coups in both Afghanistan and South Yemen in April 1978, the invasion of Cambodia in December 1978. Unable to explain all this or to fit it to the purposes they had set themselves, American diplomats at the UN grew increasingly silent.

It also emerged that our representatives had little sense of the UN Charter as law that had to be upheld, and to be expounded. A superb opportunity came in the fall of 1977 when the Soviets switched sides in the Horn of Africa. Abandoning Somalia, they actively entered the war in the Ogaden, an ethnically Somali territory, on the side of Ethiopia. Of a sudden the Somalis were pounding on our doors begging for help, pleading for us to understand the "nature of the Soviet threat," Soviet "neocolonialism," the "Soviet plot to encircle the Gulf," the "Soviet contempt for human rights and the rights of small nations."

Now it happens that in 1975 the principal sponsor of the resolution that declared Zionism to be a form of racism was none other than Somalia (acting in its then capacity as an especially fawning satellite of the Soviets). After the resolution was adopted, I rose in the General Assembly and addressed the following words directly to the Somalis:

"Today we have drained the word "racism" of its meaning. Tomorrow terms like. "national self-determination" and "national honor" will be perverted in the same way to serve the purposes of conquest and exploitation. And when these claims begin to be made . . . it is the small nations of the world whose integrity will suffer. And how will the small nations of the world defend themselves, on what grounds will others be moved to defend and protect them, when the language of human rights, the only language by which the small can be defended, is no longer believed and no longer has a power of its own?"

With the Somalis bleating in terror, pleading for help, did the U.S. Mission to the UN make a single reference to their behavior in 1975, and our response? None. This would have been to engage in "confrontation," a practice of the discredited past.

The United States helped found the UN, mostly wrote the Charter, has largely paid for the place. U.S. representatives have an obligation to insist that there are standards written into that Charter. Occasionally we would stand up for them. In 1978 William J. vanden Heuval, the U.S. representative to the UN in Geneva, actually objected to the appointment of a KGB officer as director of personnel for UN activities in that city. (The appointment was a clear violation of article 100 of the Charter.) But there were few such instances. Not even when UNESCO, that embodiment of a decent liberal optimism, set about developing an international regime for state control of the press under the insolent euphemism of "A New World Information Order" did we engage in "confrontation." No, never. And so it went.

But the crucial turning point came with Camp David, which involved an irony worthy to be called tragic. Perhaps the most impressive achievement of Henry Kissinger as Secretary of State had been to cooperate with Anwar Sadat in maneuvering the Soviets out of Egypt. Together Sadat and Kissinger had had to stand against the efforts of Soviet policy to scuttle the new pro-American alignment of Egypt and the step-by-step peace negotiations, which had scored a major success with the second disengagement agreement of May 1975. The Zionism-is-racism resolution in November of the same year was itself one part of this sabotage campaign.

That the UN and its Third World majority could be manipulated for the purposes of an assault on American policy was much more poorly apprehended after Kissinger's departure. In fact, in its desire to dissociate itself from the past, the Carter administration set out to bring the Soviets back. The still startling Soviet-American communiqué (issued jointly but plainly Soviet-drafted) of October 1, 1977 proposed to reconvene the Geneva Conference, a meeting under UN auspices at which the two nations would be cochairmen and to which all interested parties would be invited. To Sadat the meaning of this was clear: a veto in the hands of the radical forces, immediate stalemate, ultimately perhaps his overthrow. And so to avoid going to Geneva, he went to Jerusalem (where, he had every reason to know, a deal was waiting to be struck with the Begin government). This set in motion the events that ended with the Camp David accords of 1978, and the Egyptian-Israeli peace treaty of 1979—Carter's single greatest achievement, albeit purchased only by a reversal of his original "Geneva" approach and by shifting negotiations over the Middle East away from the UN.

Inevitably forces at the UN would resent this. Thus it is not too much to say that the supreme test of the Carter policy at the United Nations was whether that body would leave him alone to make peace between Israel and its neighbors. Had his diplomats, through their new approach, acquired sufficient influence with the far-flung nations of the Third World to persuade them to stay out of disputes with which most of them had in any event only the remotest connection?

The answer was not long in coming. First, the remaining Arab states, with Iraq only momentarily absent, convened a "confrontation summit" in Damascus to fight the Camp David settlement. Iraq soon was brought in, and before the year was out leaders of all Arab states except Egypt had met in Baghdad to form a "rejection front" against Egypt and Israel. Simultaneously the Soviet Union (returning to the tactics it had used in 1975 to counter its expulsion from Egypt) escalated its campaign to delegitimate Israel by identifying it with the Nazis.

Having been sounded in 1971 with a two-part article in Pravda entitled "Anti-Sovietism is the Profession of Zionists," this theme was steadily elaborated and diffused. (The original Pravda article, for example, asserted that the massacre at Babi Yar had been a collaboration of Nazis and Zionists.) Once the idea had been set, it proceeded to be popularized on television, in novels, and finally in children's publications. Thus the October 10, 1980 issue of Pionerskaya Pravda, a tabloid-size weekly for children aged nine to fourteen who belong to the Soviet youth organization, Pioneers:

"Zionists try to penetrate all spheres of public life, as well as ideology, science, and trade. Even Levi jeans contribute to their operations: the revenue obtained from the sale of these pants are used by the firm to help the Zionists."

Most of the largest monopolies in the manufacture of arms are controlled by Jewish bankers. Business made on blood brings them enormous profits. Bombs and missiles explode in Lebanon—the bankers Lazars and Leibs are making money. Thugs in Afghanistan torment schoolchildren with gases—the bundles of dollars are multiplying in the safes of the Lehmans and Guggenheims. It is clear that Zionism's principal enemy—is peace on earth.

. . . The United Nations described Zionism as a form of racism and racial discrimination. More and more people today are beginning to realize that Zionism is present-day fascism.

This propaganda seemed to possess the Soviets internationally as well as at home, and they began to insist that other nations join in the campaign to treat Israel as an outlaw state, indeed a nonstate, an entity without the rights of statehood. It began to work. In 1978 Cuba became head of the "nonaligned nations." A summit meeting of these states in Havana between September 3 and 7, 1979 adopted a resolution that declared:

"The heads of state or government reaffirmed that racism, including zionism [sic], racial discrimination, and especially apartheid constituted crimes against humanity and represented violations of the United Nations Charter and of the Universal Declaration of Human Rights [Paragraph 237, Final Declaration of the Conference]."

In June 1980 at the ministerial meeting of the Organization of African Unity, held in Freetown, Sierra Leone, Israel was referred to in official documents merely as the "Zionist entity." And on October 8, 1980 the Soviets signed a Friendship Treaty with Syria of which Article 3 declared:

"The High Contracting Parties, guided by their belief in the equality of all peoples and states, regardless of race and religious beliefs, condemn colonialism, racism and zionism [sic] as one of the forms and manifestations of racism, and reaffirm their resolve to wage relentless struggle against them."

This was perhaps the clearest statement to date of the Soviet Union's opposition to the very existence of the state of Israel, but its essential purpose had been evident for at least a decade.

No less evident was what the United States Mission to the United Nations should have done. The Arab nations were split; the United States was, in effect, allied with the largest of them, Egypt, and in the cause of peace in the Middle East. The Soviet Union, though it might declare that "thugs in Afghanistan" were "tormenting schoolchildren" for the profit of Zionists, had established itself beyond all question as a brutal conqueror of Third World peoples and as an anti-Semantic regime of near demented proportions. The moment to fragment or silence the opposition was at hand.

Faced with this assault on the UN Charter, on peace, on decency—and, not so incidentally, on the President of the United States—what did our people do? They took the other side.

To persons whose deepest conviction was that Third World nations were hostile to the United States because of our own neocolonial behavior; whose strong disposition was to believe that the Soviet Union in almost all instances supported the true liberationist forces in the former colonial world while the United States, on the wrong side of history, backed brutal but doomed dictatorships—the events from 1977 to 1980 could make no sense. It became ever more difficult for such people to understand and support their own government's policy. For had not the Camp David framework, its peaceful appearances notwithstanding, called forth a more sustained disagreement between the U.S. and the Third World than even the "confrontationist" policies of the past? To understand this one had to entertain the possibility that the opposition we encountered there was not a matter of long-held grievances against our abuses of power. One had to entertain the possibility that there were those whose great fear was that in seeking peace we might succeed.

Confused, and after a point not altogether straightforward, the strategy of our diplomats in New York, backed up in the Department of State, started to undergo a subtle and disastrous transformation. They had begun with the proposition that if the United States put itself on the "right" side of history, we would find the nations of the world, most of which of course were "new," coming over to our side in turn. Unaccountably, however, they were still not on our side. To the contrary, some were actively seeking to undo the greatest diplomatic achievement the administration had to its credit, and none—not one—was objecting to or trying to impede such efforts. Evidently, then, we must still be on the wrong side. Reasoning thus, our diplomats prepared themselves to vote for the Security Council Resolution of March 1, 1980 and (though this was certainly not their intention) to help bring down the administration they served.

The chain of resolutions passed in condemnation of Israel by the Security Council in 1979–80 forms a complex story. Yet to follow it only a single point needs to be understood. It is that, as a direct result of American policy, the Security Council was allowed to degenerate to the condition of the General Assembly.

Under the UN Charter the General Assembly reaches decisions by majority vote, but its decisions are purely recommendatory (Article 10). By contrast, the Security Council has power. In situations where it determines that there is a "threat to the peace, breach of the peace, or act of aggression," the Council "shall make recommendations, or decide what measures shall be taken. . . ." These include "such action by air, sea, or land forces as may be necessary. . . ." The Security Council, in a word, may make war. And for that reason the Security Council does not operate by majority vote. Any permanent member may veto any action, simply by voting No. However, in the face of the increasingly vicious Soviet-Arab assaults that followed Camp David, the United States be-

*It would be hard to pack more misinformation into a single sentence. It was President Gerald R. Ford, in an address at the opening of the General Assembly in the fall of 1976, who warned the UN against "the tyranny of the majority"; at the close of that session Ambassador John A. Scali repeated the warning. If I ever used the phrase, which I do not recall doing, it was only to cite them. As for "A Very Dangerous Place," in 1978 I published a memoir about the UN with a passage on the first page: "I had first gone to Washington with John F. Kennedy and then stayed on with Lyndon Johnson. There I learned as an adult what I had known as a child, which is that the world is a dangerous place—and learned also that not everyone knows this." My editor thought "A Dangerous Place" would be a good title; but I was not referring to the UN. As seamen are taught of the sea, the UN is not inherently a dangerous element, but is implacably punishing of carelessness.

gan to abstain. I have represented the United States on the Security Council; I have served as President of the Security Council. I state as a matter of plain and universally understood fact that for the United States to abstain on a Security Council resolution concerning Israel is the equivalent of acquiescing.

The first abstention in the sequence we are now tracing occurred on March 22, 1979 when the Council, in a resolution directed against Israel, established a three-member commission "to examine the situation relating to establishments in the Arab territories occupied since 1967, including Jerusalem." The phrasing here was ominous: "Arab territories . . . including Jerusalem." Jerusalem is the capital of Israel. How could its capital be in the territory of others?

Equally ominous, although at this point restrained, was the reaffirmation of earlier Council statements that the Fourth Geneva Convention "is applicable to the Arab territories occupied by Israel since 1967, including Jerusalem" and the strict injunction upon Israel "as the occupying Power, to abide scrupulously by the 1949 Fourth Geneva Convention." Now, the Fourth Geneva Convention on the Protection of Civilian Persons in Time of War is one of a series of treaties designed to codify the behavior of Nazi Germany and make such behavior criminal under international law. This particular convention applied to the Nazi practice of deporting or murdering vast numbers of persons in Western Poland—as at Auschwitz—and plans for settling the territory with Germans. The assertion that the Geneva Convention also applied to the West Bank played, of course, perfectly into the Soviet propaganda position that "Zionism is present-day fascism."

Within a year the new commission had submitted two reports. In response to these, on March 1, 1980, a resolution (465) was submitted to the Council that was as viciously anti-Israel—and as destructive of the Camp David accords—as any that had ever been encountered or could readily be devised. Israel was found to be in "flagrant violation of the Fourth Geneva Convention": the first nation in history to be found guilty of behaving as the government of Nazi Germany had behaved. It was determined "that all measures taken by Israel to change the physical character, demographic composition, institutional structure or status of the Palestinian and other Arab territories occupied since 1967, including Jerusalem, or any part thereof, have no legal validity. . . ."

In a word, according to Resolution 465, Israel is an outlaw state, guilty of war crimes. (Not the Vietnamese invaders of Cambodia, or the Soviets in Afghanistan. Israel!) Its alleged capital is not its capital at all—"Jerusalem or any part thereof"—and it is in illegal occupation of territory now for the first time designated "Palestinian."

Here, then, was the triumph of everything the Soviets and the "Rejectionists" had stood for: the repudiation of everything Sadat, and for that matter Begin and Carter, had sought. Yet the United States voted in favor of this resolution. Shortly thereafter the administration stated that this had been a "mistake." It was no mistake at all. Resolution 465 reflected the view of the majority of members of the United Nations, and the U.S. Mission there had simply come to accept that view. Their conception of the world, by now shared in Washington, gave them no alternative.

Once the vote was cast there came the shock of recognition, in Washington at least, that this was what that concention led to. But still they clung to it. The White House, sensing the disaster and the dilemma, did not want any testimony given before Congress. The State Department insisted, and so on March 20 the New York Times reported:

"VANCE REBUFFS CALL FOR FULL DISAVOWAL OF UN'S ISRAEL MOVE

"Yet it was more than that. Vance would neither disavow the episode nor acknowledge it. He could not bring himself to admit consequences he could not desire of a policy he could not repudiate."

The operative paragraphs of Resolution 465 began by stating that the Security Council:

1. Commends the work done by the Commission in preparing the report. . . .;

2. Accepts the conclusions and recommendations contained in the above-mentioned report of the Commission;

Yet Vance in his testimony on March 20 suggested that nothing, really, had happened, that voting for the resolution did not imply support for the commission report which had occasioned it.

Senator Paul S. Sarbanes of Maryland went directly to this point:

"SENATOR SARBANES. Mr. Secretary, the resolution that was passed and for which we voted, accepts the conclusions and recommendations contained in the report of the commission established by Security Council Resolution 446.

"Do I take your assertion to be that the word 'accepts' there means nothing more than 'receives'?

"SECRETARY VANCE. You do correctly understand.

"SENATOR SARBANES. Why wasn't the word 'receives' used? I would understand the word 'accepts' to carry with it some element of subscribing to the conclusions in the recommendation.

"SECRETARY VANCE. No; it was merely intended to connote receives. Accepts—they hand them to me, they are accepted."

I joined in the questioning:

"SENATOR MOYNIHAN. Very frankly, . . . Mr. Secretary, I am concerned with our reputation for plain dealing.

"Did anyone at the U.S. Mission to the United Nations tell you that in a Security Council resolution, the word 'accepts' should be read to mean 'receives'?

"SECRETARY VANCE. Yes; I have been told that.

"SENATOR MOYNIHAN. You have been told that?

"SECRETARY VANCE. Yes.

"SENATOR MOYNIHAN. Sir, I once served as U.S. Permanent Representative there. I can tell you that I could not conceive telling a Secretary of State that the word 'accepts' should be read to mean as in a letter, 'Dear Sir, I have received your letter of' so and so.

"The first paragraph, the preambular paragraph of a Security Council resolution starts out always, 'Taking note of.' This is the paragraph that says, 'We have received.'

" 'Accepts,' on the other hand, is a slight variation on the word 'endorse.' It would be the only way it would have been understood in my time there, sir.

"I think you have been misinformed, sir, and I think you have been done a disservice.*. . ."

Something quite extraordinary was happening here. It is of course possible that the members of the U.S. Mission had simply not told the truth to the Secretary of State. (They had evidently been less than candid on some other questions concerning the resolutions—informing him, for example, that references to Jerusalem had been excised from the text when they had not.) But how could a lawyer of Cyrus Vance's ability believe such an untruth save that at high and low levels alike the men of our government were deceiving themselves? The Carter administration had failed in its objectives at the UN; but to admit that failure was to cast in doubt the view of the world that justified the very existence of the administration. And to protect itself from having to face this failure, the administration had begun to undermine Camp David itself—its one great success.

The March 1 vote, then, was a disaster and should have stimulated a reappraisal of the route by which the administration had traveled to it. Israel had been permanently damaged, and (unless their perceptions are perilously dulled) other allies of the United States permanently warned. Yet no more was said than that it was a mistake, and only a partial mistake at that. The administration never thought its way through the matter. Those publicly most identified with these policies had already begun to leave—first Ambassador Young, then Assistant Secretary Maynes, and finally Secretary Vance himself. But the policies persisted. By the end of the Carter administration the pattern had become all but impossible to overcome. One can measure it this way: on nine substantive votes on the Middle East taken in the Security Council between January 1979 and August 1980 the United States abstained seven times.

Just once we cast a veto—striking down a Tunisian resolution of last April 30 which called for the creation of a Palestinian state. This resolution, one might note, unlike the one we voted for on March 1, did refer to "secure and recognized boundaries"—the language of Resolution 242—but only for the Palestinian state. Not for Israel.

To be sure, we occasionally made our unhappiness known. In August 1980, for example, Secretary of State Edmund S. Muskie went to New York and defended the American approach to a Middle East peace settlement based on the Camp David accords:

"Let me . . . repeat our belief that this constant recourse to debates and resolutions that are not germane to the peace process—and even harmful to it—should stop."

A salutary sentiment, but what must the other members have thought? For Secretary Muskie was asking on behalf of the United States for the end of a process that it was perfectly within our power to end. If we believed such resolutions to be harmful to the peace process, we were free to veto them. We were free to deny them the force of law they acquire when they pass. The same point could be made of such American statements on the March 1 resolution as this one by President Carter:

"While our opposition to the establishment of the Israeli settlements is longstanding and well known, we made strenuous efforts to eliminate the language with reference to the dismantling of settlements in the resolution."

Yet when the strenuous efforts failed, the U.S. Permanent Representative had only to raise his hand, to vote No, and the resolution would have failed.

Having committed itself, however, to solidarity with the majority at the UN, the Carter administration could not bring itself to exercise the veto. Thus in our flight from "confrontation" did we end not by understanding the perspectives of others, but by adopting them.

In so doing, we have acquiesced in a very great deal.

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*A brief review of UN documents will make clear that "accept" has the everyday meaning of "endorse." After the first commission report was submitted in July 1979, it became the subject of Security Council Resolution 452, in which the Council voted to "accept" its recommendations. The members of the commission easily understood what this meant. They wrote in their second report (which in turn became the subject of Resolution 465) that they had taken particular steps "bearing in mind that the Security Council, in Resolution 452 (1979), had *accepted the recommendations* contains in the commission's first report . . ." (emphasis added).

After March 1 the application of the Fourth Geneva Convention became a routine of Security Council resolutions. It was invoked in Resolutions 460 (May 8, 1980), 469 (May 20, 1980), and 471 (June 5, 1980), all three of which dealt with Israel's expulsion of two Palestinian mayors in the wake of terrorist attacks on Israeli civilian settlers. Where once there was the routine affirmation of Resolution 242, we now have routine indictments of Israel for Hitlerian crimes.

The U.S. abstained even when Israel's sovereignty itself was at issue. The last Security Council resolutions in this cycle of attacks on Israel were adopted in the summer of 1980 and dealt specifically with Jerusalem. Resolution 476 of June 30, 1980 warned Israel about its pending legislation on the annexation of East Jerusalem. One might well question the prudence of this Israeli law—and many have done so—but it was something else again to find that in Resolution 476 (as in its successor Resolution 477 of August 20) Israel had become the "occupying power" of its own capital. Both resolutions, in fact, seemed to include the entire city of Jerusalem within this charge. And Resolution 477 went still further: it declared the Basic Law on Jerusalem, by then passed, to be null and void. It declared in effect that Israel was not entitled to fix the location of its own capital city, and called—in a wholly unprecedented step—on member states to withdraw their embassies from this capital (which all did).

An epilogue of sorts took place in the third week of December 1980, as the Carter administration and the 35th General Assembly began winding down. On Monday, December 15, the General Assembly adopted five resolutions on the Middle East more virulent and anti-Semitic than perhaps anything the UN had yet seen. The debate was obscene. Thus the Ambassador of Jordan speaking of the Ambassador of Israel:

"The representative of the Zionist entity is evidently incapable of concealing his deep-seated hatred toward the Arab world for having broken loose from the notorious exploitation of its natural resources, long held in bondage and plundered by his own people's cabal, which controls and manipulates and exploits the rest of humanity by controlling the money and wealth of the world."

The occasion was the receipt of the most recent Report of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, a body established by General Assembly resolution on November 10, 1975, the same day Zionism was declared to be a form of "racism and racial discrimination."

The first of the resolutions was breathtaking:

"'Security Council Resolution 242 of 22 November 1967 does not provide an adequate basis for a just solution for the question of Palestine."

One of the more dishonest (and debilitating because profoundly misleading) assertions of the U.S. Mission during the Carter years was that the 1975 Zionism resolution was somehow brought about by the United States. Having resisted, America was judged to have provoked. That resolution passed 67 to 55 with 15 abstentions. This resolution, potentially far more destructive, was adopted 98 to 16 with 32 abstentions.

The United States said nothing. No American delegate went to the podium to offer the smallest demur. Next, a resolution denounced the Camp David accords, declaring that the General Assembly expresses its strong opposition to all partial agreements and separate treaties which constitute a flagrant violation of the rights of the Palestinian people, the principles of the Charter, . . . [*etc*].

The United States said nothing. The last of the resolutions reasserted Israeli violation of the Fourth Geneva Convention. This time the United States, by abstaining, said all there was to say.

There was something of note in the sponsors of the resolutions. The familiar Soviet-leaning or Soviet-dominated nations were present: Afghanistan, Cuba, Lao People's Democratic Republic. But present also were Nicaragua and Zimbabwe, two Third World nations with which the Carter administration had presumably established relations of friendship and respect.

As for North-South relations, on Wednesday of that week Ambassador McHenry acknowledged that the General Assembly's Special Session on economic development which had convened in September had come to nothing. Finally, on Friday, December 19, the United States voted for a Security Council resolution condemning Israel for the expulsion of two Arab mayors (an expulsion which followed upon parliamentary debate, trials before an independent judiciary, and the usual processes of a possibly wrong-headed but stubbornly democratic society). Ambassador McHenry explained that the Fourth Geneva Convention "prohibits deportations, whatever the motive of the occupying power."

In an editorial entitled, "Joining the Jackals," the Washington Post, which had supported the President for reelection, described this American vote against Israel in the Security Council on that Friday as representative of "the essential Carter." Now the President himself was being held to account.

American failure was total. And it was squalid. These men, in New York and Washington, helped to destroy the President who appointed them, deeply injured the President's party, hurt the United States, and hurt nations that have stood with the United States in seeking something like peace in the Middle East. They came to office full of themselves and empty of any steady understanding of the world. The world was a more dangerous place when at last they went away.

Those who now take office must deal with the aftermath of this massive failure of policy. The Security Council resolutions are time bombs. Ticking. The case has all but been made that Israel is an outlaw state, and indeed the General Assembly has now called on the Security Council to consider imposing sanctions against it. It will take the toughest-minded diplomacy to dismantle the indictment now in place—thanks to the Carter administration; thanks to those who brought the Democratic party to such confusions. The new administration will have to deal also with the whole question of the Third World. It should be clearer now that hostility toward the West, toward the United States, is abiding and, it may be, burgeoning.

Yet it remains for the United States to evolve a mode of dealing with the UN majority, and this in some measure turns on what kind of countries we think them to be. Irving Kristol has put the matter at its bleakest:

"The radical-nationalist ideologies of these nations, so far from being a prelude to the liberal-constitutionalism we revere, are a kind of epilogue. They—or at least their ruling elites—have seen our present and reject it as their future. So long as we refuse to confront this reality, we do not have a clear vision of the world the U.S. inhabits. And so long as there is no such clear vision, there can be no coherent foreign policy."

My own view is more sanguine: consider India, Sri Lanka, Trinidad and Tobago, Jamaica. There are others—many others. Still, with the experience of these four years, we should at least have learned that foreign policy cannot be conducted under the pretense that we have no enemies in the world—or at any rate none whose enmity we have not merited by our own conduct. For it was this idea more than anything else, perhaps, that led the Carter administration into disaster abroad and overwhelming defeat at home.●

THE SAVINGS CALLED FOR IN S. 421—THE GENERAL GOVERNMENT EXPENDITURE CONTROL AND EFFICIENCIES ACT OF 1981—ARE NECESSARY AND ACHIEVABLE

● Mr. DECONCINI. Mr. President, on February 5, Senator SASSER, Senator PRYOR, and I introduced S. 421—the General Government Expenditure Control and Efficiencies Act of 1981—which would reduce expenditures and effect savings in fiscal year 1982, totaling $3.9 billion, including: $750,000,000 in Federal travel; $1,000,000,000 in consultant services, consultant contracts, and special consultant studies; $250,000,000 in audiovisual/filmmaking activities; $150,000,000 in public relations, public affairs, public information, and advertising; and $1,750,000,000 in debt collection, through more aggressive collections by the executive branch. At first blush some of these proposed economy measures may seem harsh or perhaps cutting too deeply, too fast. But frankly, I believe that perhaps these cuts are not deep enough. In any event, after reviewing a number of reports and analyses since the introduction of S. 421, I am more convinced than ever that these economies can be achieved in the coming fiscal year.

Mr. President, since the introduction of this legislation, I have examined a report by the Congressional Budget Office entitled "Reducing the Federal Budget: Strategies and Examples, Fiscal Years 1982–86," which agrees that budget reductions can be made over the next 5 fiscal years in two of the areas targeted for savings in S. 421; namely, advertising and debt collection.

My legislation calls for savings of $30,000,000 in the Federal advertising budget in fiscal year 1982. The CBO report indicates that $18,000,000 of this savings could be achieved by the military through the increased use of joint-service advertising. CBO suggests that the Department of Defense has found that, for certain purposes, joint-service advertising would be more cost effective, pointing to tests that showed joint-service magazine advertising, for example, yields per dollar spent 1.5 times the number of applicant leads for recruiting as does single-service magazine advertising.

The report goes on to say that joint-service advertising may also help to avoid undesirable interservice competition for recruits. Therefore, 60 percent of my proposed savings in Federal advertising could be achieved, while actually improving the scope of the military's recruiting efforts.

This same Congressional Budget Office report indicates that a strengthening of Federal agency debt collection activities could result in significant budgetary savings. My legislation calls for the Director of OMB to effect savings

of $1,750,000,000 in fiscal year 1982, while the CBO estimates that a net savings of $1.6 billion could be achieved in fiscal year 1982 through improved debt collection efforts by the executive branch. CBO goes on to suggest that cumulative savings of $8.4 billion over the 5-year period of fiscal 1982–86 may be conservative and suggests that these savings might be achiveable even without the implementation of some of the more drastic collection methods being discussed by the Congress and the executive branch such as application of IRS tax refunds against nontax debts owed the Government, and garnishment of Federal salaries.

During the Lincoln Birthday recess, the problem of "uncollectible" debt has come home to roost in the District of Columbia, where it was discovered that over $139 million in debt owed the District has been written off as uncollectible. The Federal Government and the other government entities must come to grips with this multibillion dollar bad debt problem. The savings mandated by S. 421 are a good place to start.

Finally, the Office of Management and Budget/General Services Administration report on Federal travel has corroborated my contention that the Federal travel budget is totally out of control. S. 421 calls for a $750,000,000 reduction in travel expenditures in fiscal year 1982. This well-publicized report which I received on February 10 shows, among other things, that over 26.8 percent of the reasons given by agencies to OMB for travel were unknown. As I said in my floor speech of February 5, more than 25 percent of the Federal travel budget goes for information meetings, training attendance, speech or presentation, and conference attendance by Federal employees. So more than 51 percent of the Federal travel budget goes for these low-priority activities or is required for reasons that are unknown to the agencies that spend billions and billions of tax dollars every year on travel.

The object class analysis accompanying OMB Director Stockman's much-heralded "black book" of prospective budget cuts indicates that the Federal travel budget for fiscal year 1982 would not be the $8,841,000,000 that I projected in my floor statement on February 5, but a whopping $12.6 billion in fiscal 1982—an increase of $2,012,000,000 over the current 1981 estimates and a staggering $3,870,000,000 over the travel costs for fiscal 1980. Clearly, my proposed $750,000,000 reduction in travel expenditures would cause barely a ripple in the bloated Federal travel budget for 1982.

Mr. President, these reports from CBO, OMB, and GSA, coupled with those I referred to in my floor statement of February 5, make it crystal clear that the economy measures outlined in S. 421 are not only achievable, but absolutely essential if we are to bring order to the Federal budget in fiscal year 1982. I intend to pursue these issues through the Senate Budget Committee as they continue to develop their assumptions for the first concurrent budget resolution for 1982, and through the Senate Appropriations Committee, where these savings should ultimately be made through appropriations action. I urge my colleagues on both sides of the aisle to join with me in this effort.

OBJECTIONS TO ENHANCEMENT OF F-15 AIRCRAFT IN SAUDI ARABIA

● Mr. KENNEDY. Mr. President, I am strongly opposed to the suggestions apparently coming from very high sources that it is time for the United States to "enhance" the offensive capabilities of F-15 fighter planes supplied to Saudi Arabia.

I opposed the original sale of these advanced aircraft in 1978. They represented then and they represent now a potential threat to the security of Israel, our truest friend and closest ally in the Middle East. Saudi Arabia steadfastly refuses to recognize the existence of Israel or to support peace negotiations between Israel and her neighbors.

In fact, the F-15 sale aroused such concern that the previous administration promised explicitly not to enhance the offensive capabilities of the aircraft in the Saudi arsenal. The Secretary of Defense gave these assurances to the Congress, which would have disapproved the sale without them, and the same assurances were provided to our friends in the Middle East.

There are those who say that the new administration should abrogate the pledges of its predecessor. To do so would raise serious questions about the reliability of our word as a great power and as a guarantor of the peace process in the Middle East. And to forget the assurances of the past would undermine the credibility of future assurances from the executive to the legislative branch.

What is contemplated is not just any "enhancement" of the F-15 aircraft. What is contemplated is bomb racks, missiles, fuel tanks, and aerial refueling capabilities—which would enable Saudi F-15's to attack and devastate foreign territory including that of Israel. Not only do these new capabilities go well beyond what Saudi Arabia needs to defend its own territory; they increase the danger of Saudi involvement in any future Middle East conflict—and so to reduce rather than enhance the security of Saudi Arabia. Instead of making Saudi Arabia a greater military threat to Israel, we should be seeking a Saudi Arabia that is a force for peace between Israel and the nations of the Middle East.

We all know of the dangers to national and international security in the Persian Gulf region. The dangers come from Soviet military forces in Afghanistan; from militant regimes in Iran, Iraq, Yemen, and Ethiopia; from the PLO and other terrorist and subversive forces which undermine governments from within. But security for them, in the truest sense, will not come from bomb racks, missiles and refueling capabilities. The effective response must come instead from genuinely defensive capabilities, from military cooperation between regional and Western powers, and not least from the support of serious peace negotiations and the pursuit of social and economic progress.

Mr. President, I have discussed these concerns with my colleagues on the Foreign Relations Committee. I understand that committee members will soon be expressing their own strong objections to enhancing the F-15 aircraft in Saudi Arabia. I think many Senators in this Chamber will join us in opposing military transfers that threaten our own interests, the security of Israel, and the peace of the Middle East.●

SYNTHETIC FUELS DEVELOPMENT AND PRODUCTION MUST CONTINUE, SENATOR RANDOLPH BELIEVES

● Mr. RANDOLPH. Mr. President, last night we saw history adversely repeat itself. In 1955 a decision was made by a Republican administration to eliminate all Government involvement in development of coal gasification, coal liquefaction, oil shale, and other alternative energy projects, assuming that when the time was right private industry would anticipate and correctly respond to see the Nation had adequate fuel supplies. Of course, the events during the last decade show this was not the case. If we had continued the Government support for synthetic fuels initiated in the early forties we would have domestic, commercial production of the fuels today.

In his economic address to the Nation, President Reagan now proposes the Government reduce participation in pilot projects already operating, and stop all Department of Energy funding under their alternative fuels program, including over $3 million provided for feasibility studies and cooperative agreements. This is unacceptable. We must not take a step backward again in our national commitment to synthetic fuels. The money spent on this effort is an investment in our future, not subsidy, and is of equal importance, in fact, synonymous with defense spending for national security purposes.

I agree with the suggestion to declare the Synthetic Fuels Corporation operational and to let the provisions of the Energy Security Act guide the development of our synthetic fuels industry. But, this does not mean we should back away from the projects already committed to under Department of Energy programs, especially in the areas of direct and indirect liquefaction and gasification of coal which I consider to be the most promising of synthetic technologies.

I pledge to resist efforts to reduce Government participation in synthetic fuels while providing more research, development, and commercial funding for nuclear technologies. I will also work to see that the utility and industrial coal conversion program under the Economic Regulatory Administration is continued until necessary legislative proposals are made and enacted to assure the direct utilization of our coal resource.●

WHY REAGAN'S ECONOMICS WILL SUCCEED

● Mr. MATHIAS. Mr. President, nostalgia is a bittersweet emotion. It can be very sweet to look back to earlier, easier times. But if we allow the recollected sweetness of the past to blind us to the realities of the present and the requirements of the future, we will discover at very great cost how bitter the bitter aspect of nostalgia can be.

Right now, as we try urgently to get our limping economy back to full stride, one of the greatest mistakes we could make would be to try to patch things up to resemble the "good old days." There are good "new" days ahead for us, but only if we take a hardheaded look at and accept the inevitable changes that are taking place in our economy—changes which many believe will make us a predominately service economy by the end of this century.

Our present preoccupation with the economy has made armchair economists of us all and we avidly turn to the real economists among us for advice and guidance about how "to take arms against the sea of troubles and, by opposing, end them." In this process, we have become inundated with tactical suggestions about where to cut this specific program and how to squeeze waste from that one. And this advice is important and useful.

But we also need long-range, strategic thinking and vision to give some coherence to the tactics we adopt today. It is for this reason that I recommend to my colleagues' attention an article by George Gilder, program director of the International Center for Economic Policies Studies, which appeared in the Washington Post on February 8. In that article, entitled "Why Reagan's Economics Will Succeed," Mr. Gilder makes the absolutely vital point that:

(T)he future can prevail only if governments do not allow themselves to be paralyzed by the claims of the obsolescent past—the stagnant industries, socialist ideologies and government bureaucracies that stand between us and an exciting new decade of discovery and affluence.

I ask that Mr. Gilder's article be printed in the RECORD.

The article follows:

WHY REAGAN'S ECONOMICS WILL SUCCEED

Following a splendid series of appointments at the Treasury and the Office of Management and Budget, President Reagan's Thursday evening address signified a resounding triumph for supply-side theorists in his administration. As the cautionary tale of Margaret Thatcher's British regime will suggest, however, supply-side theory and monetary restraint can be easier to pronounce than apply.

Thatcher failed to combine her reduction in basic monetary growth rates with a reduction in government taxing and spending. But without spending cuts, tight money merely chokes the private sector. In 1980 and 1981, British manufacturing output is expected to drop by a total of 20 percent, while the obsolescent, inefficient and overmanned British public sector industries absorbed billions of pounds of scarce capital beyond their previously budgeted borrowing levels. Dramatically increasing the need for these bailouts is the very recession that is at least partly attributable to Thatcher's failure to cut taxes and government spending when she restricted monetary growth.

Now President Reagan has made a seemingly similar commitment to cut tax rates and government spending and to fight inflation by monetary restraint. The possibility naturally arises—indeed, Caroline Atkinson has already predicted it in this newspaper—that Reagan will suffer the same vicious circles of recession and failure.

But Reagan's deeper supply-side convictions—and more committed Cabinet—make this result unlikely. If Congress accepts the three-year schedule for Kemp-Roth, reducing the top tax rate on income to under 38 percent, the benefits will be even more dramatic than Reagan's advisers predict.

The current tax structure, in combination with transfer payments that must be given up as earnings rise, imposes marginal tax rates of over 50 percent on over half of the earners in America. This means that most Americans can do better by hiding a dollar of existing income than by earning another dollar: a sure formula for a tax system that on the margin loses more revenue than it gains. Moreover, these rates doubly penalize savings, both by deterring the effort to earn the additional dollars that are most likely to be saved and then by taxing the returns at the highest rate.

As has been shown repeatedly in both the United States and Japan, cutting marginal income tax rates will therefore impart twice the stimulus to savings as to consumption. In the lower brackets, people pay off debt and in the upper brackets they leave newly unprofitable tax shelters. Since the U.S. economy is swimming in consumer debt and honeycombed with tax shelters—and since personal savings are near alltime lows—there is vast room for response to substantial cuts in tax rates. The combined benefits of the Reagan programs on revenue, outlays and private savings mean that Kemp-Roth can be enacted without creating unmanageable federal borrowing requirements.

Overseas experience, however, strongly shows that these benefits cannot be achieved through the approach of focusing on corporate tax cuts or through the kind of compromise tax bill reported out of the Senate Finance Committee and now widely supported in Congress. Both Britain and Sweden maintained precisely this combination of high rates on personal income and low rates on corporations during the very years that their productivity plunged and their economies failed. Britain, in fact, has 100 percent one-year depreciation of investments, while Sweden raises just 4 percent of its tax revenue from corporations, less than any other European country and approximately one-third of the U.S. proportion.

The result is to concentrate most capital spending within the existing corporate structure and slowly to transform corporations from instruments of production into vessels of disguised consumption. Employees who cannot take money out of the firm without facing confiscatory taxation instead are compensated with company cars, vacation resorts, housing and other perks. These devices tie down workers to particular firms, obstruct entrepreneurship, foster totally spurious "capital formation" and retard productivity and growth.

The world's fast-growing Asian economies, on the other hand, have combined monetary restraint with lower rates of taxation on personal incomes and higher rates on corporations. Japan, for example, has depreciation allowances similar in effect to ours but has far lower marginal rates on comparable levels of personal income, with a top bracket of 70 percent that applies only to earnings over $396,000.

Under current political circumstances, so-called "surgically targeted" tax cuts are particularly perilous in the United States, as in England, because the likely beneficiaries are heavy industries in decline like steel and autos, and housing, already massively subsidized (though the United States has for decades spent an eight-times greater portion of its capital on housing than European countries and a three-times greater share than Japan). The decline of the housing, auto and steel industries portends a desirable shift in the U.S. economy toward vitally needed investments in energy, high technology, sophisticated services and other entrepreneurial ventures. Any effort to retard this change will greatly damage the nation's future.

The one bad portent in Reagan's speech, therefore, is his apparent nostalgia for the days when the United States dominated the world's horizons with industrial smokestacks. Those days are happily gone forever. But as is shown by the British experience—as well as by the effects of the Chrysler bailout on Ford and General Motors and by the continuing romance of subsidized synfuels—smokestack fetishism can lead rapidly from small doses of "targeted aid," on into the deadly addictions of lemon socialism.

The 1980's can be a period of global economic boom, as the energy prices recede as a result of new efficiencies and natural gas and oil discoveries, and as the full potential of the microcomputer revolution unfolds. But the future can prevail only if governments do not allow themselves to be paralyzed by the claims of the obsolescent past—the stagnant industries, socialist ideologies and government bureaucracies that stand between us and an exciting new decade of discovery and affluence.●

SUPPORT OF THE REGULATORY REFORM BILL

● Mr. DECONCINI. Mr. President, I would like to take this opportunity to express my support for the regulatory reform bill which Senator DOLE introduced on February 5, and to commend him for taking badly needed action in this area. I had hoped to have my statement included at the time the bill was introduced but it was inadvertently omitted. I would also like to commend Senator LAXALT as the chairman of the Regulatory Reform Subcommittee for his interest in this subject, as I strongly believe it is one that the American people are demanding we address. My constituents from Arizona have certainly so indicated.

This is a time in which our country needs greater accountability in Government and I believe that sponsoring legislation such as this is certainly a step in the right direction. I look forward to working with the other sponsors in their attempts to achieve this goal in the best manner possible.

I feel confident that the bill which Senator DOLE introduced will be the first in a series of regulatory reform measures considered during this congressional session. This measure requires agencies to consider alternative means of achieving their goal before adopting a particular rule. It also provides for the expiration of rules and regulations 5 years after they are adopted and for some level of judicial review of rules adopted by the Federal agencies. While I do not see this one piece of legislation as the answer to all the needs in this area, I feel confident that its introduction will give us a

79-059 O - 84 - 67 (Pt. 2)

framework from which to begin finding the solution to the problem of Federal agency accountability.●

THE OMNIBUS SMALL BUSINESS CAPITAL FORMATION ACT OF 1981

● Mr. LEAHY. Mr. President, last week I was pleased to add my name to the list of cosponsors of the Omnibus Small Business Capital Formation Act of 1981, S. 360.

As Congress prepares to debate the merits of President Reagan's major tax proposals—the 10 percent across-the-board reduction for individuals, and the so-called 10-5-3 capital cost recovery plan—I am concerned that the needs and interests of our Nation's small business sector not be overlooked. Accordingly, I have joined with the chairman of the Senate Small Business Committee, Senator WEICKER, and others in sponsoring this omnibus small business tax package.

Numerous revisions in our Nation's tax laws are needed if smaller businesses are to attract and retain the capital they need to remain in the forefront of new job creation, innovation, and productivity growth. The provisions of S. 360 would improve the ability of small business to raise capital from outside financing sources, increase the share of internally generated capital small businesses are permitted to retain, reduce the growing burden of gift and estate taxes on small business, enable smaller businesses to attract better management by encouraging the use of stock options for key employees, and improve methods of inventory accounting for small business.

Mr. President, I do not support each and every specific provision of the Omnibus Small Business Capital Formation Act, nor do I believe the bill should be enacted, in full, in its present form. I do believe that each tax revision proposed by S. 360 speaks to a real and pressing problem confronting small business and should be fully debated in the context of the comprehensive tax reduction legislation now beginning to take shape.

It is my hope that a balanced tax cut package, including many of the provisions of S. 360, will be enacted once we have determined that we can afford revenue reductions. Such tax cuts, I believe, will stimulate the capital investment needed to restrain inflation and foster increased productivity and economic growth.●

COLORADO ROCKIES HOCKEY TEAM SOLD TO MR. PETER GILBERT

● Mr. HART. Mr. President, I am pleased to join thousands of my fellow Coloradans in welcoming the news of the sale of the Colorado Rockies hockey team to Mr. Peter Gilbert. I also applaud the choice of Mr. Mark Hogan, former Lieutenant Governor of the State, as chairman of the board of the newly constituted franchise and wish both of these gentlemen and the team much success.

I had the opportunity to meet with Peter Gilbert here in Washington not too long ago, and was delighted to hear of his exciting plans for the team.

I welcome him to Colorado and hope that it will not be too long before we have our first Stanley Cup. Knowing of the tremendous odds Peter Gilbert has faced in the past, and of his own remarkable personal success story, this is certainly a possibility. Beyond his financial success, Gilbert's personal adventures read like a fascinating novel.

I submit for the RECORD an account of his background, which appeared in the magazine of the Buffalo News in 1979.

The article follows:

THE WAR AND PEACE OF PETER GILBERT

(By Mike Vogel)

On a wood-paneled wall of the cubbyhole office hangs a Mauldinesque cartoon of a war-weary, battered soldier—leafing through the pages of the Wall Street Journal.

The cartoon is old, but it still says a lot about the man whose features it echoes.

To Peter Gilbert—soldier and builder of financial empires—the tiny office is a command post, the center of operations for a business that touches tens of thousands of Western New Yorkers.

By radio, telephone and memo, orders flow to the producers, technicians and servicemen who keep his current empire growing.

A scanner monitors the work of installers who are busy hooking still more subscribers into the International Cable television system. A desk console controls the ever-glowing eye of a small television, a check on transmission quality.

Throughout the labyrinthine West Seneca quarters, International Cable employees scurry about Mr. Gilbert's business. Microwave relays and earth stations hum to the touch of his technicians, and on the television screens of Erie County electrons dance to his tune.

Peter Gilbert finds it fascinating.

"I like running a business," he says, "I like making decisions—good ones, bad ones."

Most of the recent decisions, it would seem, have been good. International Cable has grown to a 60,000-customer, $8 million-a-year business. It's not only a success, its owner says, it's fun.

Best of all, the president of this area's largest cable TV venture adds, is the "multifaceted" nature of the industry—its involvement in consumerism, technology, politics, business, education, entertainment and government regulatory policies.

In that, at least, the industry may well have met its match.

Peter Gilbert, as the cartoon on the wall indicates, is nothing if not multifaceted.

At the age of 7, he and his family fled Vienna to escape the Nazis.

At 19, he was the youngest British Army major in World War II's Mediterranean theater.

In his early 20s he was at sea, running refugees from behind the Iron Curtain to Palestine.

A few years later he was aloft, flying as a pilot for Israel in the War of Liberation.

Later still, he was delivering phone books in New York City, loading trucks, clerking—and working as a "girl Friday" in a high crime area machine shop office.

Within four years he was company vice president and on his way to his first financial empire, an empire that in another dozen years amounted to control of a 29-company, 9,000-employee manufacturing conglomerate.

Financial empire number two followed, a cable television firm in Long Island. In five years the number of customers had increased by 21,600 percent, and Peter Gilbert was making plans to come to Buffalo.

International Cable become empire number three. Peter Gilbert, as he had in Long Island, poured work into the community as well, into the Studio Arena fund drives, the United Way, cerebral palsy fund campaigns, the United Jewish Fund, the Buffalo Council of World Affairs, the Kenmore-Town of Tonawanda Chamber of Commerce.

The office walls are lined with awards for service and success. The workers who followed him here from their jobs in Long Island say it hasn't really changed the man.

Ask him what accomplishment he treasures most, and he seems startled by the question. Almost instantly, the surprise dissolves in laughter.

"I suppose I shouldn't say," he begins. "Perhaps, it was my first Little League win as a manager and the unbroken string of victories we had.

"Really, I don't think I could come up with an answer. The thing that warms me almost more than anything else is the relationship I've always had in business with my employees."

The cartoon soldier looks down on a man who is a bit heavier, a little balder and a lot more well-dressed. The young soldier has given way to a veteran of battles measured both in blood and in dollars.

"I've seen a lot of war, a lot of violence and a lot of good people," Mr. Gilbert says.

His family's flight from Vienna led to Palestine, where the boy became a young adult. He graduated from Jerusalem's Hebrew High Schol in time to enlist in the British Army for three years of wartime service.

He worked his way up through the ranks—"being an enlisted man was no fun," he recalls—and saw action in North Africa, Sicily, the Middle East.

"I volunteered for Burma, but I was too late," he adds.

He reached the rank of major—at 19, the youngest man of that rank in the Middle East—before World War II ended. After his discharge in 1946, he traveled to Houston to visit his father.

He got a job in a Houston burlap factory for 35 cents an hour. The job lasted three months.

The young ex-soldier went back to the Middle East, to the world of refugees and blockade running, shipping out on transports carrying a stream of humanity to the land known as Palestine.

"If you read Leon Uris' 'Exodus,' I lived that life for about two years," he says simply.

Blockade-running gave way to war, and Peter Gilbert returned to the United States long enough to learn how to fly. He married a girl from Brooklyn.

In the United States it was a time of peace, but the shadow of war fell across the wedding ceremonies in Bakersfield, Calif.

"There were ten people at my wedding," Peter Gilbert says quietly.

"Seven of them were killed in 1948."

Shirley, his bride, stayed behind as Peter joined the Israeli air force to fly bombers and transports in the war for Palestine.

His best friend, the man who had witnessed his wedding, died in the fighting. Peter remembers the night.

It was July, and the aircraft was loaded with wounded soldiers being evacuated to Tel Aviv. In the dark, the pilot mistook a nearby enemy-held airstrip for the Israeli field.

"They even turned the lights on for him," Mr. Gilbert recalls, "and when he got about 100 feet above the runway they let him have it.

"I remember that vividly."

He also remembers crash-landing his own transport, laden with stretcher cases, on a beach in No Man's Land south of Tel Aviv.

Nobody was hurt in the crash. His co-pilot, a Chicago man who spoke only English, offered to stay with the wounded while young Gilbert walked to a village for help.

"By the time I got to the village and telephoned for help, by the time they reached the airplane, everyone had been slaughtered, massacred. I can't describe how they found the bodies."

The killing of World War II, he says, was "more organized slaughter. But remember that I got in after the tide had turned, as Mr. Churchill would say.

"After the War of Liberation, I came back to my bride."

The future cable-TV magnate let his flying skills fade—"I was a lousy pilot," he maintains—and started in on New York City's world of finance.

"I had a very glamorous career," he explains.

"I delivered phone books in New York City, loaded trucks, worked as a payroll clerk in a shoe factory."

In 1961, he landed a job with Automatic Metal Products Corp., little more than a machine shop in one of the city's high crime areas.

"There were only 15 employees," he says, "and I was the office girl—no female would risk the neighborhood for the job.

"The company was on the rocks. I went out to get business for it, just to maintain my $45-a-week job. Then I bought out the owner."

By 1965 he was the company's vice president. By 1967 he not only owned the firm, he had built it into a $7 million-a-year manufacturer of electronics and microwave equipment—including, under contract to the Bell Telephone Laboratories, some of the first cable television components.

Having built his empire, he then sold it, merging with a national conglomerate bearing a New York Stock Exchange listing and emerging as the conglomerate's chief operating officer.

For two years, he served Alloys Unlimited Inc. (now Plessey) as vice president and director. He left Alloys in December 1969. In April 1970, he bought his first cable television system.

"I took over three major franchises for the most populated area of Suffolk County," he recalls.

"I knew very little about cable TV. I knew about the technology, since I've been involved in technological businesses all my working life."

He also knew Suffolk Cablevision was in trouble. When he bought out the previous owners, the system had fewer than 300 customers.

When he sold it two years later to Viacom Inc., a "spin-off of CBS" that owns television properties like "I Love Lucy" and "Hogan's Heroes," there were more than 30,000 subscribers.

Mr. Gilbert ran the company under contract for three more years after the $11 million sale, and the number of subscribers more than doubled.

His entry into the cable field, he says, offered itself."

"However, I felt that it had a very good future. It had a challenge aspect to it, and I like challenges, I always did."

Mr. Gilbert's contract ran out at the end of 1974. Once again, he found himself out of a job—until a group of lenders who had helped bankroll Buffalo's pioneering efforts in cable television sought him out.

He recalled "fond memories" of Buffalo, visits here when he was making electronic components for Wurlitzer, Sylvania, Bell Aerospace and Sierra Research. So he said yes.

In March 1975, he bought the Comax Telcom Corp. In September, the firm absorbed Amherst Cablevision. Early the next year, he acquired franchises for Kenmore and the Town of Tonawanda.

"I took over this rather ailing company at the end of March 1975," he says.

"It was almost beyond intensive care and approaching the mortuary stage."

Within 18 months, he adds, he broke even. International Cable's president admits that the business is turning a nice profit these days.

That's a feat no other local cable television firm has been able to duplicate.

"It's a very, very high risk business," Mr. Gilbert says.

"It can be very financially rewarding if you do things right, but there's no way of faking it."

There were decisions that helped International turn the corner: An increase in professionalism, purchase of the rights to Sabres home games, the entertainment packages offered by the Home Box Office options.

The company president—a man who describes himself as "terrified of the dehumanizing aspects of modern technology"—credits his employees for the success.

"They're very, very good people," he says. "It's a family-type business."

There's a Gilbert niece on the payroll, along with 14 employees who moved their families here from Long Island when their boss made his move, and dozens of locally hired staffers.

Along the way, Mr. Gilbert admits, there were a few decisions that weren't so successful."

An "arch Republican" who nevertheless strongly admires Harry S. Truman, Mr. Gilbert describes himself as "a rather prudish fellow—prudish, conservative, perhaps a fossil."

But it was one of his decisions that curled the hair of International's late-night channel watchers.

Marketing studies, he says, proved that a good portion of the audience wanted X-rated movies. International, without advertising fanfare but with dynamic word-of-mouth proliferation, began to show the flicks.

The rationale was that the shows were on way beyond children's bedtimes and the television could always be switched off.

"I believe that it's not television that molds an audience, but audience that molds television," Mr. Gilbert contends.

"Two things happened. I overlooked the young adult and the babysitter."

Some rather articulate letters began arriving at the West Seneca offices, describing home conflicts over the blue movies. That, rather than political pressure, led to the end of the X-rated showcase, Mr. Gilbert says.

International, he maintains, is "very responsive" to its audience. It is, after all, customer-funded, not supported by advertising.

And the man who admits to being a solid sports and theater fan also defends the proliferation of current movie and stage show attractions available on pay TV as a help, rather than a hindrance, to box office sales.

"I can see it that way," he says, "but I also see that I'm generating interest.

"I'm an old tennis player, and I can remember when you could fire a cannon through Forest Hills and not hit anyone. Then tennis got on television, and now you can't get a ticket—and everyone plays tennis."

The HBO option, he says, offers a chance to see live stage shows and a chance to avoid the "cost and hassle" of going to a theater, especially for young couples with children.

And "exposure to the arts," he maintains, generates an interest in direct participation.

"I believe cable television has a mandate to serve the community," he adds.

"It fills a niche that broadcast stations and newspapers cannot fill, without being competitive with them. It supplements, expands, without competition."

And, of course, Peter Gilbert likes the business.

It's not labor-intensive, he says. He can generate the same revenues with 100 people here that he did with 600 people in his conglomerate days.

"It's like owning a 747," he says.

"If you sell only 50 seats, you're broke. But the costs are basically the same for a full planeload, and our personnel and equipment expenditures are basically the same for 60,000 customers as they were for 30,000."

There are no rapid price fluctuations on materials, and it's a business where a successful man tends to stay successful. A satisfied customer remains a customer, month after happy month.

Having built his local empire, Mr. Gilbert feels no particular urge to move on.

The quality of life here, he says, is "vastly superior" to New York City's. He and his wife feel at home in Allentown, and their four children and three grandchildren are scattered from coast to coast.

"I have plans, as I always have, to put as much into a community as I get out of it," he maintains.

The record backs that up. He has served as a director of the Long Island Medical Center, headed Buffalo's Council on World Affairs, helped run the Studio Arena fund drive and this year serves as associate chairman of the United Way campaign.

He has earned awards for service to the disabled and the Anti-Defamation League's "Torch of Liberty Award." He has also, he says, had his share of disappointments.

The disappointments don't, however, extend to the business world.

"One fellow might like gardening," he muses, "another might like building sailboats or restoring antique cars."

He leans back from the cluttered office desk, and for a moment the features mirror the cartoonist's vision of the young merchant soldier.

"I like growing businesses."●

AMERICAN POLICY AGAINST INTERNATIONAL TERRORISM

● Mr. MOYNIHAN. Mr. President, as American policy takes aim against international terrorism, it must be our first task to understand more clearly than we have in the past precisely who our enemy is. Too long has the view prevailed that the terrorist resorts to his extreme means out of some passionate attachment to a political goal, sometimes a noble one. The extremism of a man in this inflamed state might not be admired, but it was at the very least to be understood, and often excused.

Great writers such as Dostoevsky and James have been responsible in part for this picture of the terrorist psychology, but the experience of our time shows that it is not correct. The terrorist of today is inhuman precisely in the coldness of his brutality. His vision is no more blurred by feverish zeal than was the vision of the men who set out to exterminate whole peoples in the Second World War. And, like the Nazi program, terrorist activities are not the work of fanatics in two's and three's. It is now plain that we face an international network of terrorist organizations; today, no such group need train and equip its own members, plan and organize its work, or even fund itself. The scale of this enterprise, and above all the intimate role of the

Soviet Union in its every phase, need to be seen if we are to have any success in meeting and destroying it.

Mr. President, I submit for the RECORD two recent analyses of this problem that demonstrate an unusual clarity: From the Washington Post of January 27, 1981, an editorial, "Fixing Responsibility for Terror"; and Claire Sterling's superb essay, "Who were those Student Terrorists?" which appeared in the Post of January 23, 1981.

The material follows:

[From the Washington Post, Jan. 27, 1981]

FIXING RESPONSIBILITY FOR TERROR

The romantic 19th-century notion of the terrorist as a person in the grip of a passion, as an individual making a statement, lingers on to pernicious effect. It nourishes in some quarters an unnecessary psychological indulgence of the act and it keeps people from realizing that in the 20th century terrorism is largely an organized group or state-sponsored and managed activity. This is important because such groups as the PLO and such states as the Soviet Union and its allies—the principal sources of terror in the world—have between them resources far surpassing those available to individuals. There was both a PLO and a Soviet hand behind the seizure of the American hostages in Iran. Any attempt to combat terrorism must cope, if not start, with that fact.

The PLO openly conducts acts of terror against Israel and more quietly maintains ideological or organizational contacts with killers with other obsessions—in what Claire Sterling called, in an op-ed article the other day, "the terror network." Do the people who "understand" PLO violence when it is directed at Israelis realize that they are thereby in some measure supporting attacks on others? The PLO needs to be called to account, by its friends, for this connection. The United States, which has linked its acceptance of the PLO to the PLO's renunciation of terror against Israel, needs also to ask that it sever its links with Carlos the Jackal and the Japanese Red Army. Certainly the PLO deserves no credit for attempting to intervene for the hostages in Iran, when its larger role was to help make the terrorists' assault possible in the first place.

There will always be an argument over the Soviet role in particular incidents, but overall it is undeniable that the Kremlin, politically and logistically, gives incalculable assistance to international terrorism. East Germany, Czechoslavakia and Cuba seem to have special sub-functions. Soviet-bloc nations are involved in multiple relationships with the United States and other countries. This makes it difficult to send an unequivocal stop-or-else message. Yet surely much can be done, in this country and abroad, to improve intelligence and counterterror measures and to raise the political costs to the perpetrators. How strange that Moscow should have gotten a free ride for being the hatchery of international terrorism. How unacceptable.

Should the United States fight fire by fire—"unleash" the CIA, resume covert operations on a broad scale and even go (back) into the terror business itself? Terror is real: we may not yet have seen its most extreme permutations. Yet a response that blurred the line between terrorism and tough legitimate self-defense could produce excesses that would feed the fire, complicate the search for allies and sow domestic distraction. What is more important, as a first step, is to realize that the old relaxed ways of dealing with terrorism will no longer do. Responsibility for it must be fixed, and new policies, operational and political, must be devised.

[From the Washington Post, Jan. 23, 1981]

WHO WERE THOSE "STUDENT" TERRORISTS?

(By Claire Sterling)

It seems strange that so little is known even now about the American hostages' Iranian "student" jailers. In nearly 15 months, we never did find out just who they were and whose orders they were taking, when and where they were trained, by whom and to what end, whether for an Islamic or Marxist revolution or both. If nothing else, though, we can at least put them in their proper international context.

They were accomplished terrorists: the kind who were made, not born, whose professional counterparts may be found in dozens of countries today from Japan and Turkey to Italy, Spain, West Germany, Northern Ireland, much or most of Central and South America. Whether they learned their craft abroad or at home has not been established but hardly matters. For Iranians especially, the most high-powered instructors in the world would have been available either way.

Iran was singled out for special attention long ago by a global terrorist network. Thousands of Iranians learned the arts of urban guerrilla warfare that way in the 70s, under the expert tutelage of Cubans, East Germans and veteran Palestinian warriors. The whole of Iran's revolutionary underground—including both Islamic and Marxist wings—has been locked into the network for more than a decade.

The Iranians have been a privileged elite in this network since it first took shape, under radical Palestinian auspices. They were among the earliest foreign recruits in Middle East guerrilla camps: all such camps, in Syria, Lebanon, South Yemen, Libya, Algeria, but especially those run by George Habash's Marxist Popular Front for the Liberation of Palestine.

Soon after Ayatollah Khomeini swept into power in January 1979, the PFLP's chief spokesman, Bassam Abu Sharif, spoke proudly of his group's having "been in touch with the Iranian people's struggle for the past seven years," providing them with training "in everything from propaganda to the use of weapons." On the very day he spoke, the Journal de Geneve reported the recent arrival, in Iran and elsewhere around the Persian Gulf, of yet another terrorist band freshly graduated from a PFLP camp in Beaufort Castle near Tyre, Lebanon. The band had just spent eight months in the camp, trained by Cuban instructors there, "in street and desert fighting, attacking people and buildings, regular demolition operations and sabotaging oil installations," the Swiss paper reported.

It was certainly neither the first nor last such band carefully groomed to fight inside Iran. As far back as Dec. 19, 1971, the Lebanese paper al-Ahad reported that "the Palestinian revolution has opened the way for many Iranian fighters to benefit from practical training in the use of arms. . . . This first aid began in 1968 when a contingent of the Iranian revolutionary movement left Iran for training with the resistance movement," the paper went on. "After their return to Iran they began to train other members. . . . Owing to the direct influence of the armed Palestinian struggle, revolutionary groups began to study armed struggle and to carry out armed actions inside Iran."

How many of them were at it—by 1971, eight years before Iran's Islamic revolution peaked—is suggested by the arrests of 75 Iranians in a single group returning to their country that year, all trained and armed by the PFLP.

Guerrilla training was only part of their accumulating worldly experience. Iranian terrorists have been honored guests at every international terrorist summit meeting known to Western intelligence services, starting with the one sponsored by Habash in May 1972 in Badawi, Lebanon. They belonged to the inner circle around the celebrated Carlos the Jackal, directing continent-wide multinational terrorist operations for Habash out of Paris. From their own Paris headquarters, they worked closely with the Turkish People's Liberation Army (whose office they shared until the French police raided it), the IRA Provisionals, the Spanish Basque terrorists in ETA, the Japanese Red Army European team, the Swiss anarchists running a weapons takeout service for terrorist bands of all Western Europe, the German Baader Meinhof Gang, helping them to plot the shah's assassination in 1975, among other things.

None of this proves that our particular Iranian "students" emanated directly from the international terror network. If not, though, a lot must have rubbed off on them from others who did. They had the benefits, besides, of its prodigious intelligence-gathering machinery, logistic support, expert counsel on the media, worldwide propaganda services, money and couriers from the network's Libyan branch and highly specialized Palestinian personnel to mine the U.S. Embassy compound. Whether as members or clients of the network, they obviously got much further with it than they ever could have done without it.

Some Americans may find all this academic, now that the hostages are free. In fact, it is central to the future security of the United States and its Western allies. The seizure of the American hostages in Tehran was hardly unique. Something very much like it has been happening to our friends abroad all along. Practically every one of them suffered a similar trauma at the terror network's hands during the '70s—Fright Decade I. If we cannot prevent it, we might at least brace ourselves for a fresh round of shock, bound to follow as night follows day in Fright Decade II.●

REV. DR. EDWARD L. R. ELSON

● Mr. BUMPERS. Mr. President, I would like to take this opportunity to say a few words of respect to my friend, the Reverend Dr. Edward L. R. Elson, who retired recently as Chaplain of the Senate. Dr. Elson has been a figure of inspiration and wisdom to all of us. The 12 years during which he served this body were among the most difficult our Republic has ever faced, and Dr. Elson helped give perspective to the frantic events of the day. During this time, Dr. Elson delivered the morning prayer more than 1,700 times, and I know that he did so with great thought and care each time.

But Dr. Elson has manifested his faith in more arenas than one. Prior to coming to the Senate, he spent nearly a quarter century at the National Presbyterian Church, and helped make that one of the most influential religious institutions in this city. Before that, he served bravely as a chaplain in the U.S. Armed Forces. In fact, he received 18 military decorations, in addition to 13 Freedom Foundation Awards. The Reverend Elson has also been socially aware. One of the things that he is personally most proud of is having invited the first American Indian, the first woman, and the first nun to offer the Senate's morning prayer.

As an indication of how close Dr. Elson came to Senators and their families on a personal basis, I might say that Dr. Elson officiated at the funerals of—among others—President Eisenhower, President Johnson, Supreme Court Justices Tom Clark and William O. Douglas, and Senators McClellan, Dirksen, Humphrey, and Allen. Dr. Elson has been an inspiration to me personally, and I wish him Godspeed in all his future endeavors.●

RIGHT VERSUS RIGHT: IMMIGRATION AND REFUGEE POLICY IN THE UNITED STATES

● Mr. HUDDLESTON. Mr. President, I would like to introduce to my colleagues the single most important article on immigration to the United States that I have seen in several years. Michael S. Teitelbaum, its author, has written a balanced, objective and thorough survey of the state of our knowledge on immigration issues, and has made excellent suggestions for the steps our Nation must take to meet the challenges immigration presents to us today.

His article, "Right Versus Right: Immigration and Refugee Policy in the United States," appears in the fall 1980, issue of Foreign Affairs. Mr. Teitelbaum is remembered by many of us as the very fine staff director of the Select Committee on Population in the House of Representatives from 1977 to 1979. Prior to that service, he had been on the faculties of Oxford University and Princeton University, and he is presently a program officer at the Ford Foundation.

As we proceed with our consideration of immigration issues this year, I am certain that we shall all refer many times to the authoritative analysis of our dilemma and to the thoughtful presentation of the facts which Mr. Teitelbaum has given us.

Due to the length of the article, I realize that it is not practical to reprint it in its entirety. However, I ask unanimous consent that parts I, III, and X be printed in the RECORD.

The material follows:

RIGHT VERSUS RIGHT: IMMIGRATION AND REFUGEE POLICY IN THE UNITED STATES

(By Michael S. Teitelbaum)

There is now a growing realization that immigration and refugee issues may prove to be among the most important and troubling world problems of the next decade. The recent large flows of refugees or expellees from Indochina, Afghanistan and Cuba, all typically treated as short-term crises, instead may be harbingers of long-trends of profound proportions. The same may be said for the accelerating trend of international migration, both legal and illegal.

Control over entry by non-citizens is generally considered one of the two or three universal attributes of national sovereignty; no government has ever explicitly abrogated this sovereign right, although on occasion a state has asserted the right of its citizens to enter another. Hence it is evident that problems of international migration, which are already large and of increasing magnitude, go to the heart of our collective definition of modern nation-states and of relations among them.

Immigration and refugee policy is of special and rapidly growing political importance in the United States. The debate is an increasingly unpleasant one, with anti-immigrant and anti-refugee sentiments apparently strong and growing. The most recent national poll on the subject of refugees showed only 19 percent supporting President Carter's decision to double the admission of Indochinese refugees to 168,000 each year, while 46 percent actually wanted a reduction from the previous level of 84,000 per year. In a later poll, 91 percent of the sample supported "an all-out effort to stop the illegal entry into the United States of 1½ million foreigners who don't have entry visas" and 80 percent wanted to "reduce the quotas of the number of legal immigrants who can enter the U.S. each year."[1] In 1977, the Carter Administration made a set of limited proposals that promptly dropped out of sight in the Congress. Now a national commission chaired by Theodore Hesburgh and including strong congressional representation is scheduled to come up with a new analysis and recommendations in early 1981. The problems can hardly fail to be faced in some fashion early in the next Administration.

The many critics of current U.S. immigration policies cannot be simply dismissed as xenophobic restrictionists. Even unthreatened and non-xenophobic people with progressive and humanitarian instincts differ greatly, sometimes vituperatively, in their perceptions of and prescriptions for American immigration policy. In large part this is because the debate is a contest of "right" versus "right." Excluding the kooks on the fringes, all sides advocate human rights and justice; none supports persecution and injustice. The disagreement is about which basic rights have precedence over which other basic rights; consensus in such a setting is, unsurprisingly, elusive.

The United States is by far the world's largest receiver of refugees and immigrants for permanent settlement. In 1978, the last year for which official statistics are available, over 600,000 legal immigrants and refugees were admitted for permanent residence in the United States.[2] (The 1980 figure seems certain to rise to 700–800,000 or even higher under current policies.) The 1978 total represents not only the largest number accepted by any nation in the world in that year, but perhaps twice as many as were received by all other countries combined.[3]

In addition to the legal flow, the United States is currently experiencing a large "illegal" or "undocumented" influx.[4] As with all clandestine processes, it is almost impossible to obtain accurate data on such migration. While there are extreme claims on both sides, most observers would agree that the annual inflow of illegal migrants is considerably larger than that of legal migrants and refugees, that the return flow is also considerably larger, and that the net inflow (i.e., those remaining after return migrants are subtracted) is perhaps roughly equal to the net legal flow.

Thus, a statistically conservative conclusion would be that in the past several years the United States has been receiving a net inflow, legal and illegal, amounting to at least one million persons per year—a minimum of 600,000 legal in-migrants, less perhaps 100,000 legal out-migrants, plus a comparable net flow of illegal migrants. The 1980 figures no doubt will be larger still.

Net immigration on this scale is at or near the highest levels ever experienced in American history. In the 1901–10 decade, the previous peak, legal immigration averaged 880,000 annually, and there was little known illegal entry. With a present U.S. population more than double what it was then, the current inflow represents a considerably smaller numerical ratio. On the other hand, the current record-low fertility of the U.S. population (lower even than in the depression years of the 1930s) means that international migration is accounting for a greater share of total population increase than ever before. If the above estimate of total annual net immigration is near the mark, it represents at least 40–50 percent of annual U.S. population change.

Estimates of the number of "undocumented" or "illegal" migrants presently in the United States range from as low as 2 million to as high as 12 million, with most responsible observers coalescing on a range of 4–6 million as of the mid-1970s, probably with substantial increases since then.[5] The absence of firm evidence has made this subject a popular one for demagogues. Some have tended to exaggerate the numbers radically and to speak of a "silent invasion"; others have sought to downplay the magnitude, claiming that it is insignificant in size and impact. But the consensus estimate of 4–6 million as of five years ago is, by any measure, very large and important.

The concentration of the modest enforcement efforts of the Immigration and Naturalization Service along the Mexican border has given rise to a popular impression that almost all illegal migrants are Mexicans. Most objective observers believe that the Mexican percentage is closer to 50–60 percent, with the other 40–50 percent coming from the Caribbean, Central and South America, Asia and Europe. Mexico is by far the largest single source country, but the program is wider.

American immigration flows have come to be dominated to an unprecedented degree by immigrants speaking a single foreign language—Spanish—contrary to the intention of recent immigration reforms to encourage all forms of diversity and pluralism. The 1965 reforms of the Immigration and Nationality Act did away at last with the blatantly racist nature of the quotas developed during the 1920s. Under the 1965 and 1976 reforms, each individual nation now has an equal ceiling of 20,000 potential immigrants per year, which however does not include those who are eligible for admission because of immediate family ties to U.S. citizens. Under these laws the national diversity of immigration to the United States has increased dramatically in the past decade.

Linguistic diversity is another matter. The 1965 Act also provided for a regional ceiling of 120,000 immigrants from the whole Western Hemisphere, and for a ceiling of 170,000 from all other areas together. In practice, however, the family ties provision has meant that the number of legal immigrants from Hemisphere Spanish-speaking countries has steadily grown and has itself usually exceeded the regional ceiling substantially.[6] More important, the recent heavy influx of illegal migrants has been heavily concentrated, as we have just noted, among Spanish-speakers. The INS reports that, in the period 1968–77, approximately 35 percent of all legal immigrants to the United States were Spanish-speaking. If one adds to this figure plausible estimates of Spanish-speaking illegal immigrants, it becomes clear that over the past decade perhaps 50 percent or more of legal and illegal immigrants to the United States have been from a single foreign-language group.[7]

Such linguistic concentration is quite unprecedented in the long history of U.S. immigration. While there were substantial concentrations of a particular language group in past decades (e.g., 28 percent German-speaking in 1881–90 and 23 percent Italian-speaking in 1901–10), previous immigration flows generally were characterized by a broad diversity of linguistic groups ranging from

Footnotes at end of article.

Chinese to Polish to Spanish to Swedish. Furthermore, those concentrations that did occur proved to be short-lived.

The pressures for international migration can be expected to increase greatly over the coming decades. Moreover the trend in U.S. immigration flows is almost certain to be toward even greater concentration among already predominant groups. According to the International Labour Organization, the developing world will have to generate between 600 and 700 million new jobs in the next 20 years merely to absorb the rapid growth in its labor force and keep its unemployment rate from increasing. This number of new jobs is more than presently exist in the whole of the industrialized world taken together.[9]

Even more to the point are the high rates of population increase in prospect for almost all the developing countries that in recent years have been primary sources of migrants to the United States.[9] With the exceptions of Jamaica and Cuba, all of these nations can expect population growth ranging from a third to nearly 90 percent over the next 20 years. While measures to limit population growth could have an increasing impact on longer-term population trends in these countries, the great bulk of these 20-year increases are foreordained by births that have already taken place.[10]

In rough terms one may assess the prospects for emigration pressures in four groupings of countries that have been leading sources of legal immigrants in recent years:

The first group, developed or near-developed countries with low rates of population increase—e.g., Canada, Italy, the United Kingdom, Portugal and Greece—seem unlikely to experience great continuing emigration pressures, barring political or economic upheavals.

In the second group of countries, large developing nations from areas other than Latin America, India deserves special mention. Although India has no long history of large-scale out-migration here (as it has to the U.K.), the numbers in recent years have been substantial and a "critical mass" may be emerging that could lead to increased flows, especially from family ties. India's population is projected to increase by 45 percent, or 300 million, over the next two decades. Depending on its economic and political fortunes, it may or may not produce heavy pressures for immigration to the United States. India is officially English-speaking, albeit with multiple regional languages.

The third group consists of a number of smaller Asian developing countries with close historical ties to the United States and with varying levels of political instability—e.g., South Korea, the Philippines, Taiwan and Vietnam. Most already have more or less well-established patterns of out-migration to the United States, with the Philippines and South Korea routinely oversubscribing available visas. Threats of international hostilities, civil war or internal convulsions face many of these countries more or less vividly. If such developments were to occur, strong pressures would arise for admission of large numbers of refugees, as in the recent cases of Vietnam, Cambodia and Laos. English is a relatively popular second language in most of these countries.

It is the fourth group about which one can state with assurance that all indicators favor the rapid escalation of pressures for out-migration to the United States. This group consists of the relatively contiguous countries of Latin America and the Caribbean, including Mexico, the Dominican Republic, Colombia and Jamaica. Most are predominantly Spanish-speaking (with obvious exceptions in Haiti, Jamaica and many small Caribbean islands), with generally little prevalence of English as a second language. Most of the countries in this group have long-established patterns of substantial out-migration to the United States; their rapid population growth and the high proportion of young people (typically 45 percent or more under age 15, as compared to 22 percent in the United States) portend daunting rates of labor force growth. As a study prepared at the Inter-American Development Bank puts the problem:

"Stated briefly and in comparative terms, the United States in its best year since the Second World War (1977) created four million jobs; but Latin America, with one-fifth to one-sixth the economic base (GDP) must from now to the end of the century annually create four million jobs, just in order not to fall behind in its present high rate of unemployment. Does anyone truly believe they can do this?" [11]

Mexico, for example, is hard put at present to provide jobs and sustenance for its 68 million people, even with millions having emigrated already to the United States. Yet Mexico is projected to add more than 60 million to its population in next two decades. Over the near future, 700,000 new jobs per year will have to be created if already high unemployment rates are not to rise, yet even optimistic official forecasts predict only about 350,000 new jobs per year.[12] Colombia, often considered one of the success stories of Latin America in attempts to lower rapid population growth, will nonetheless increase by over 15 million from its present 27 million by the year 2000. Unless there is great success in generating jobs for these additional millions, the already large pressures for illegal migration of Colombians to Venezuela and to the United States can be expected to increase accordingly.

Enforcement of American immigration law is remarkably lax by any standard of assessment. The open land borders of the United States have received far less enforcement attention than would be considered normal policing effort in any town or city. Although the INS concentrates the bulk of its small Border Patrol forces along the Mexico-U.S. border, during an eight-hour period there are on average only 350 border patrolmen assigned to this 2,000-mile unfortified perimeter—less than the normal force of police assigned to guard the U.S. Capitol and its office buildings, comprising in total 103 acres.

The entire fleet of INS aircraft used to survey the lengthy borders and coastlines of the world's leading producer of aircraft consists of three leased helicopters (one of which was downed and destroyed recently by smugglers or illegal aliens) and 28 Piper Cubs and Cessnas. The U.S.-Canadian border, thought to be an important entry point for illegal aliens from the Caribbean and Asia, is punctuated with many small road crossings where the only official presence is represented by a road sign requesting border crossers to kindly report to the nearest INS office.

Enforcement of U.S. law regarding those entering legally on temporary visas is equally lax, both at ports of entry and internally. Of the more than eight million persons entering the United States on such visas in 1977, the archaic INS administrative system was unable to account for the departure of 15 percent, or over 1,200,000; no one knows how many of these stayed on illegally. Despite abundant evidence of widespread visa abuse by nationals from Caribbean countries (especially from the Dominican Republic), the State Department continues to issue "shopping passes" (known as annotated visas) that allow applicants unable to qualify for tourist or business visas to enter Puerto Rico only, for purposes of "furthering the inter-island economy." Yet once a person holding an annotated visa enters Puerto Rico, there is no effective mechanism in place to determine if he/she ever departs the island, or to bar a domestic flight from Puerto Rico to the U.S. mainland.

There is also considerable evidence that both the issuance and use of student visas have been subject to widespread abuse. Most Americans, even members of Congress, would be surprised to learn that profit-making technical training schools (e.g., for beauticians and auto mechanics) have been authorized by the INS to issue the Form I-20 that generally results in the immediate issuance of a student visa. Even the respectable non-profit education sector has seen the emergence of unscrupulous foreign student recruiters and a black market in visa forms, especially as small and financially strapped colleges have a harder time finding domestic students willing and able to pay high tuition fees.[13]

While in most countries it is a violation of law for employers to hire persons without legal visas or working papers, in U.S. law the so-called Texas Proviso specifically exempts employers from the legal proscriptions on harboring illegal aliens.[14] This bizarre provision, adopted in 1952 apparently at the behest of Texas agricultural interests, injects an obvious asymmetry into law; a person without proper papers is not permitted to obtain employment in the United States, but it is quite legal for his employer to employ him.

In addition, the substantial internal controls on resident noncitizens in most developed countries (e.g., compulsory annual police registration in Great Britain, and such registration coupled with identity papers in France and West Germany) do not exist in the United States.[15] Finally, the investigative staff of the INS, responsible for detecting, apprehending and processing several million undocumented migrants, numbers only about 1,000 persons nationwide.

In summary, the 2,000-mile Mexico-U.S. border and the 4,000-mile Canada-U.S. border are essentially porous, and the administration of visas for tourists, students, "shoppers," and other temporary visitors is such that anyone able to enter on such a visa can stay on permanently and obtain employment if so desired.

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The factors affecting immigration flows are normally visualized as a confluence of "push" factors in the sending country, "pull" factors in the receiving country, and "barriers" between them that take a legal, geographical or economic form. A comprehensive effort to regularize and control immigration to the United States must consider all three types of factors. The "push" factors are increasingly the poverty and political instability of the developing world—problems that can be confronted only through foreign policy initiatives, development assistance, and trade and economic policies affecting the developing world. The "pull" factors are said by most illegal immigrants to be primarily economic—the ready availability of relatively attractive jobs. The reduction of this primary "pull" factor requires the elimination of the Texas Proviso, with proper safeguards to protect civil rights and liberties. Finally, the "barrier" factors, which overall have been declining due to cheaper and easier transportation and improved communication, can only be regulated through more effective enforcement of legal provisions. Approaches to all three factors are eminently the province of policymakers.

Part of the confusion that characterizes the ongoing debate is due to the fact that immigration and refugee policy is one of those few subjects in which the liberal-conservative continuum is utterly meaningless. Some conservatives have favored unrestrained immigration to cheapen labor and reduce the power of unions, while others have opposed it on xenophobic or racist grounds. It is easy to identify liberals who have supported unlimited immigration in the spirit of humanitarian concern for the poor of the world, and others who have opposed it in the spirit of humanitarian concern for the poor of the United States. The array of political forces favoring continued large-scale illegal immigration include such unlikely bedfellows as agribusiness and industrial interests seeking cheap and complaint labor, religious leaders promoting global egalitarianism, ethnic activists seeking supporters, liberal unions recruiting new members, and idealists desiring a world without borders. Opponents of illegal immigration include many members of disadvantaged minority groups, liberal labor unions, and racist groups such as the Ku Klux Klan. Such bizarre coalitions defy all normal political logic, and help explain why so many prefer to avoid the issues entirely—no matter what position one adopts, one is agreeing with the views of highly unattractive new allies, while antagonizing old or potential allies in other important causes. Willingness to deal sensibly with immigration issues is further diminished by the ready use of unfair accusations of "prejudice" or "racism" against those urging that immigration flows be regularized and brought under more rational control.

Yet it is clear that there is an overwhelming national consensus favoring effective efforts to curtail widespread (if declining) openness to controlled legal flows of immigrants and refugees. Hence the prospects for a sensible set of trade-offs are not as implausible as the loose rhetoric of advocates make them sound.

In the long term, the only humane and sustainable policy regarding immigration and refugees must be one that accurately reflects American national interest and humanitarian values, protects the civil liberties and rights of citizens and immigrants alike, and recognizes the importance of trade and foreign assistance policies for developing countries. Such a policy can continue to admit very substantial numbers of legal immigrants and refugees and to be firmly nondiscriminatory and pluralistic in its orientation. And a comprehensive approach designed to bring large-scale illegal or undocumented immigration under reasonable control would go far toward promoting several desirable goals at once: assuring that immigration policy does not unfairly burden disadvantaged Americans; reestablishing the plural mix of immigrants and refugees of which most Americans are justifiably proud; and reversing the widespread belief that American immigration policy is out of control. By so doing, it would represent the single most important contribution toward a rebirth of America's historical commitment to a liberal immigration policy.

In the coming year the task will fall to the next President and Congress to formulate legislation that will embody such an immigration policy, and to find the will to enforce it. Ignoring the uncompromising extremism of the fringes, such reforms can be forged and implemented with no damage to the basic values of American life.

FOOTNOTES

[1] Roper Poll, September 1979 and June 1980.

[2] This figure excludes those entering the U.S. under a small legal temporary-worker program. In continental Western Europe, by contrast, the overwhelming bulk of legal entry in recent decades has been under such temporary-worker ("Gastarbeiter") programs; in very few cases are such entrants expected to become citizens. In the United States, of course, it is assumed that the great bulk of those admitted for permanent residence eventually will become U.S. citizens.

[3] A minor caveat is in order for the specific year 1978; in that year the People's Republic of China, not ordinarily a country of immigration, admitted an unknown number of Vietnamese nationals of Chinese origin on a one-time basis.

[4] A word on nomenclature is in order here. Persons present in the United States in violation of immigration laws are described by a variety of terms, including illegal aliens, undocumented workers, and illegal immigrants or migrants. None of these several terms is entirely appropriate. The term "illegal" is offensive to some who believe it attributes blame to the victim. The term "undocumented" is offensive to others, who consider it a euphemism. The term "alien" has otherworldly connotations to some. The term "immigrant" assumes permanence of settlement that may not occur, and the term "migrant" has a connotation of non-permanence that may not be true. These various imperfect terms are used interchangeably in this article, with no offensive connotations intended.

[5] *The New York Times* (January 16, 1980, p. A1) quotes unnamed "authorities in the State Department" as estimating that as of 1980 "the number of illegal aliens in the United States is at least 10 million, and these ranks are swelling at a rate of about two million a year." The 4–6 million range as of the mid-1970s has been accepted as reasonable by such responsible sources as former INS Commissioner Leonel Castillo, the Select Committee on Population of the U.S. House of Representatives, and senior demographers at the Bureau of the Census.

[6] The unpredictable, and sometimes large, numbers of Cuban refugees admitted under special arrangements in particular years make it difficult to choose a "normal" year. But in 1977, for example, the total of legal immigrants from the Western Hemisphere was about 223,000, of whom perhaps 30,000 (from Canada, Jamaica, Haiti and Brazil) were non-Spanish-speaking. Mexico, the largest single source country, was responsible that year for 44,079 legal immigrants, of whom more than half came under the family ties provision. (For unrelated and probably temporary reasons, the 1978 figures, the latest available, for Mexico were even higher—see footnote 10.) By comparison, all of the countries of Africa, taken together, sent an average of only about 7,000 legal immigrants per year to the United States during the past decade.

[7] One of the reviewers of this article, Dr. Charles Keely of the Population Council, has reminded me that there is also a very high concentration of his fellow Catholics among current immigrants and refugees from Latin America and Asia, and suggests that this pattern, if continued, will engender important social dynamics within the Church and its hierarchy in the coming decades.

[8] International Labour Organization, *Labour Force Estimates and Projections. 1950–2000*, Second Edition, Volume V, (Geneva: 1977), Table 6.

[9] In Latin America and the Caribbean, prominent source countries include Mexico (92,367), Cuba (29,754), the Dominican Republic (19,45°), Jamaica (19,265), and Colombia (8,272°). In Asia, they include the Philippines (37,276,) South Korea (29,288) Taiwan (21,315), and India (20,753). Finally, among developed countries are the United Kingdom (14,245), Canada (12,688°), Portugal (9,657°), Greece (7,838°), and Italy (7,510°). The numbers in parentheses are the latest tabulations of legal immigrants by country of origin available from the INS, which is so tardy in its reporting that these are 1978 figures (1977 when asterisked). In addition, there were in 1978 88,543 Vietnamese refugees whose status was adjusted to immigrants.

[10] Examples of projected 20-year population increases are 89 percent for Mexico; 64 percent for the Philippines; 58 percent for both Colombia and the Dominican Republic; 45 percent for India; 34 percent for Taiwan and South Korea; and 27 percent for both Jamaica and Cuba. In contrast, the comparable figures for developed countries are: Canada, 21 percent (including substantial immigration); Portugal, 17 percent; Greece, 10 percent; Italy, 7 percent; and the United Kingdom, 1 percent. All figures are rounded and based on data from the United Nations and the World Bank, as compiled in Population Reference Bureau, *1980 World Population Data Sheet*, Washington, 1980.

[11] "Urbanizing Latin America," paper presented by Robert W. Fox of the Inter-American Development Bank at the Global Conference on the Future, Toronto, Canada, July 21, 1980. The International Labour Organization projects labor force growth for Latin America of between 86 million and 95 million over the 20-year period 1980–2000. *Op. cit.* footnote 9, Vol. 3, Table 6.

[12] Peter H. Smith, *Mexico: the Quest for a U.S. Policy*, New York: The Foreign Policy Association, 1980, p. 25.

[13] *The New York Times* of January 15, 1980 reported that these recruiters charge fees of up to 15 percent of first-year tuition payments, and that blank I-20 forms signed by U.S. college officials were on sale for $700 to $1500 on the black market in Iran. The president of as respectable an institution as Bennington College admitted to the *Times* that his college issued such blank presigned forms, while he "supposed it wasn't the moral thing to do."

[14] The Texas Proviso makes interesting reading: Any person who "willfully or knowingly conceals, harbors, or shields from detection, in any place . . . any alien . . . not duly admitted . . . shall be guilty of a felony, and upon conviction thereof shall be punished by a fine not exceeding $2,000 or by imprisonment for a term not exceeding five years, or both, for each alien in respect to whom any violation of this subsection occurs: *Provided, however, that for the purposes of this section, employment (including the usual and normal practices incident to employment) shall not be deemed to constitute harbouring.*" (Immigration and Nationally Act, Section 274(a), emphasis added.)

[15] Present U.S. law does require address notification by all aliens via completion of a postcard to be sent to the INS each January. While many aliens comply with this requirement, many do not, and there is no effort at enforcement.●

Footnotes at end of article.

IOSIF MENDELEVICH

● Mr. DANFORTH. Mr. President, yesterday, the Soviet Union released Iosif Mendelevich, the last member of the so-called Leningrad Ten to be held in prison. In 1970, Mr. Mendelevich was among the group which reportedly tried to take over an empty Soviet plane to escape to the West. The'r attempt was made after his family's fourth application to emigrate had been denied.

Mr. Mendelevich was sentenced originally to a 15-year term, a period which was reduced to 12 years under the pressure of public opinion. Now, thanks to the efforts of the World Jewish Congress, he is free, having spent 10 of his 33 years in Soviet prisons.

During those 10 years, Mr. Mendelevich was denied any direct contact with his family. He was forced to work in Soviet labor camps. And he was subjected to cruel persecution for his re-

ligious beliefs. Mr. Mendelevich's commitment to observe the laws and customs of Judaism earned him punishment and harassment. For simply wearing his skullcap—the yarmulke—prison authorities retaliated against him. For his refusal to work on the Jewish Sabbath, he was transferred to the worst of the Soviet labor camps.

Yesterday, Mr. Mendelevich walked off an El Al jetliner onto Israeli soil. He clutched the blue identity card that makes him an Israeli citizen, and said how thrilled he was to be home in Israel, the home of his forefathers. Those of us who have communicated with American and Soviet leaders to urge that Mr. Mendelevich be released share his joy. The World Jewish Congress is to be commended for its key role in achieving his freedom. And now that he has won that freedom, I hope the meaning of Mr. Mendelevich's ordeal will not be lost—for this meaning is based on the difference between freedom and imprisonment, between religious liberty and persecution, between respect for human life and violation of human dignity. This is the difference between societies which value liberty—like America and Israel—and those which deny it—like the Soviet Union. Ten years of Mr. Mendelevich's life stand as testimony to the importance of defending the values which make our land and people free.●

S. 270—THE RADIO DEREGULATION ACT OF 1981

● Mr. HOLLINGS. Mr. President, on January 27 I was pleased to join in sponsoring S. 270, the Radio Deregulation Act of 1981, along with Senators SCHMITT, PACKWOOD, GOLDWATER, PRESSLER, STEVENS, and CANNON. This bill is a reasonable step forward in reducing unnecessary and ineffective regulations imposed on the broadcasting industry. S. 270 in large part tracks efforts undertaken in the last Congress by myself and these same colleagues to foster robust marketplace competition in the provision of all communications services, for example, S. 611; S. 622; and S. 2827. The bill also parallels a recent move by the Federal Communications Commission to abandon unnecessary regulatory constraints on the commercial radio marketplace (Docket No. 79-219).

The contrast between radio broadcasting in 1934, the year of enactment of the statutory charter of the FCC, and in 1981 is dramatic. Since 1934 the number of local commercial radio outlets has increased almost fifteen fold. Today there are about 8,963 radio stations, of which over 1,000 are noncommercial educational stations providing a distinct service which did not exist in 1934. The profusion of stations offering a broad diversity of specialized services provides an opportunity for revamping, as well as streamlining, regulation of the radio industry. Eliminating burdensome and sterile requirements, concentrating on structural means of achieving diversity rather than emphasizing conduct, and preserving the core concept of public interest trusteeship should be the key elements of a deregulation plan.

The underlying reason for this selective deregulation is that the competitive marketplace serves as a better regulator—and guarantor of the public interest—than do formalistic procedures and guidelines dictated by the Commission. I am comfortable in taking the minimal risks involved in letting the marketplace work its way, because I know that competition and the tradition of community service which the radio industry has steadfastly maintained will result in responsive radio broadcast service. I think radio long ago reached maturity, and that the Government is very late in recognizing this plain fact.

While I applaud the eminently sensible proposals set forth in S. 270, I wish to express a few reservations, some tentative, some less so, with the specific provisions of the proposed Radio Deregulation Act of 1981.

My first reservation relates to the soundness of an unqualified reliance upon the power of the market to compel conduct which is fully responsible to the needs and interests of the entire listening public. Granted, no radio market is perfect or indeed perfectable. However, one of the purposes of the current regulatory scheme which we slate for elimination is to supply incentives for radio station licenses to respond to economically insignificant minorities—ethnic minorities and minorities of taste. This supplemental regulatory incentive recognizes that consumer interests are not uniformly coextensive with advertiser interests. While I do not think that such imperfections of the marketplace are cause to reject any specific proposal, I pause before sweeping away, in one broad stroke, 46 years of precedent regarding nonentertainment programing, ascertainment, and commercial practices. I would prefer a more cautious approach—similar to the one we supported last year in S. 2827.

Specifically, instead of removing any and all requirements for news, public affairs and other programing, I would direct the Commission to eliminate guidelines for specific amounts of any sort of nonentertainment programing. As to ascertainment requirements, I would retain the notion that licensees should be aware of and respond to community needs and interests. I would eliminate the litigious effects of the current primers on ascertainment by removing the decisional significance of any failure to adhere to Commission ascertainment guidelines.

For guidelines shou'd be just that, not rigid rules of conduct. Licensees should not be subjected to vexatious adjudications whenever failing to abide strictly by the Commission's expected ascertainment procedures. At worst, a negligent licensee should be admonished not to disregard its obligation to remain attuned to the needs and interests of its community of license.

This approach—elimination of the often nitpicking regulations coupled with preservation of the core concept of public trusteeship those regulations were designed, albeit poorly, to further—avoids foreclosing the Commission from ever taking corrective actions when the marketplace demonstrably has failed to serve identified public interests.

My second reservation—one that I believe many in radio share—is that in reducing formalistic rules, guidelines, and policies we diminish the stability and certainty which comes with compliance with those formalities. Today, a radio broadcaster in literal compliance with stated minimal requirements for nonentertainment programing, ascertainment, and commercial practices, reasonably feels safe from collateral attack. Substituting marketplace dictates instead of regulatory ones will inevitably raise anxieties. Thus a licensee which diligently competes in its local market can never be certain that in some objective sense it is operating in the public interest. Operating under a generalized public interest obligation, a station manager must rely at his or her peril upon the market to supply essential public services he or she chooses not to offer. With no benchmark, no standards, no regulatory content to the public interest obligation a licensee whose performance is under challenge would be hard pressed objectively to demonstrate compliance.

Incidentally, the challenging party, be it a member of the listening public or other licensee, would likewise be hard pressed to fashion a substantive petition to revoke. I wonder whether the bill creates only a hollow procedural right. The Commission in turn would be drawn into making difficult subjective judgments as to the reasonableness of the licensee's reliance upon other stations in the market to meet the needs of the challenging party. In any event we do not want to replace specific regulation with vague expectation, hoping that anxious licensees will outdo themselves in providing public interest programing beyond the local demand for such programs, for fear of being somehow caught short.

This is a difficult dilemma, one for which I have no ready answer, but one which we shall have to address as we proceed on this legislation. I can state that I am not prepared to abandon the public trustee concept for radio—not under present or immediately foreseeable circumstances. We shall have to explore the question which this bill begs—would there really be anything left of the public trust after enactment.

This question leads to my third reservation—the bill is out of balance. We should reduce or eliminate regulations which serve little or no useful purpose. We should also reduce or eliminate regulations where the marketplace is likely to produce the same results as those regulations. However, we should also look to ways to preserve and enhance competitive forces both within the broadcast media and between broadcasting and other telecommunications media.

Thus the radio deregulations proposed in S. 270 should be only part of an overall scheme to replace conduct regulation with a structural approach. Such an approach—one already partially in place—shifts emphasis from licensee conduct—

a focus which is fraught with first amendment dangers and to date has proved highly inefficient—to market structure. Such an approach requires effective multiple and cross-ownership restrictions curtailing media dominance and creating more representative local ownership interests. Most significantly, the emphasis should be on increasing the number of local outlets of expression by more efficient use of the spectrum, expanding the spectrum available to radio where technologically feasible and sensible, and fostering new competitive technologies. I do not propose a headlong rush to competition for competition's sake. I do propose, however, that, in addition to reducing or eliminating rules which do not adequately serve the public's interest in augmented and diverse radio programing services, we look to innovative measures to promote that same public interest.●

THE ECONOMY

● Mr. MATHIAS. Mr. President, last night the President of the United States outlined to a joint session of the Congress the stringent budgetary measures that his administration proposes to introduce an element of stability into our inflation-ridden economy. His proposed budget cuts leave few Federal programs unscathed. They call for sacrifice from almost every element of our society. No interest groups or individuals have been given special immunity.

While none of us will agree with every jot and tittle of the President's economic plan, there can be no doubt that our first priority is identical to the President's first priority: To get this country back on its feet economically.

To come to grips with the hard facts of economic life in American today and do battle with runaway inflation soaring interest rates and sagging productivity, will require a determined national effort. It will require sacrifice and belt-tightening from everyone. Every single person in America must be prepared to give up something he or she prizes in order to get something we all need—economic stability.

But belt-tightening alone will not do the job. Sacrifices grudgingly made are not what is needed now. We need to rekindle a spirit in the American people which George Washington identified almost 200 years ago as the essential underpinning to our democracy. His words ring as true as bell brass today as we face the tough budgetary tasks the President has set for us. George Washington identified as absolutely essential to the well-being of the United States:

> The prevalence of that pacific and friendly disposition among the people of the United States which will induce them to forget their local prejudices and policies, to make those mutual concessions which are requisite to the general prosperity and, in some instances, to sacrifice their individual advantages to the interest of the community.

That spirit of cooperation has characterized the American people whenever they have been faced with difficult challenges. I believe it is alive in America today waiting to be galvanized. I believe that each of us who bears the public trust bears an obligation to help kindle that spirit in the search for the new approaches to society's enduring problems that must come in the wake of budget cuts.

In a talk I gave earlier this week at the winter convocation of the George Washington University, I tried to suggest some new approaches that might help Americans to make the massive commitment of their faith and their energies to the future that the times demand. I ask that the text of my talk be printed in the RECORD at the conclusion of these remarks.

I call this speech to the attention of my colleagues not with any thought that the suggesions I make are a panacea but in the hope that they will stimulate other ideas and provoke a dialog that will help encourage "those mutual concessions which are requisite to the general prosperity."

The text of Mr. MATHIAS' remarks follows:

COMMENCEMENT ADDRESS BY SENATOR CHARLES MCC. MATHIAS, JR.

It is a great honor to be asked to address the Winter Convocation of The George Washington University. It is not easy, however, to combine a commencement address with a memorial lecture to the man whose name this university so proudly bears.

I will try to resolve that dilemma the way an old country preacher I knew solved the challenge of preparing a weekly sermon. My text will be from George Washington; my talk will be from the heart.

A commencement is an occasion for stocktaking. If is a time to stop and ask yourself where you are going; to ask yourself how you can make a contribution to the work of your generation, and to think about what you can do to improve the human condition.

But, because you are also citizens of the most richly-endowed and powerful nation on the face of the earth, it is also appropriate on such an occasion to take stock of our nation; to examine where it has been; where it is now, and, most importantly, to think a little about where this nation should go in the future.

This afternoon, as I explore these questions with you, my text will be a short paragraph from a document known as "Washington's Legacy". While waiting for the British to evacuate New York in the fall of 1783, George Washington addressed a "Circular to the States" as a sort of last will and testament before retiring to Mount Vernon where he expected, as he said, "to pass the remainder of life in a state of undisturbed repose".

That, of course, was not to be. But, when he wrote them, George Washington thought that these would be the last words of advice he would address to his fellow countrymen.

There are four things which I humbly conceive are essential to the well-being, I may even venture to say, to the existence, of the United States as an independent power:

> 1st. An indissoluble Union of the States under one federal head.
>
> 2nd. A sacred regard to public justice.
>
> 3rd. The adoption of a proper peace establishment, and
>
> 4th. The prevalence of that pacific and friendly disposition among the people of the United States which will induce them to forget their local prejudices and policies, to make those mutual concessions which are requisite to the general prosperity and, in some instances, to sacrifice their individual advantages to the interest of the community.

That fourth point of George Washington's is what I want you to keep in mind as we proceed with our stocktaking.

When our Founding Fathers launched this noble experiment in self-government, they gambled on the quality of the people themselves, on their civic-mindedness. That quality was virtually unknown and untested.

Alexander Hamilton made no bones about his views. "Your people", he said, "is a great beast". Even George Washington had some nagging doubts, which he confided to his friend Henry Lee in a letter written in October 1786, during the tumultuous debates over the Constitution. Washington wrote:

> "I am lost in amazement when I behold what intrigue, the interested views of desperate characters, ignorance and jealousy of the minor part, are capable of effecting, as a scourge on the major part of our fellow citizens of the union: for it is hardly to be supposed that the great body of people, though they will not act, can be so shortsighted or enveloped in darkness, as not to see rays of a distant sun through all this mist of intoxication and folly."

A year later the situation had improved; the Constitution had been adopted, and two years later it was ratified. The "rays of a distant sun" were becoming perceptible—the great experiment was on its way.

Americans quickly cottoned to the idea that life should be good, and they set to with a will to make it so. If they did not always perform nobly, they performed energetically, resourcefully and well. New lands were settled, new technologies invented, and new institutions, political parties among them, were devised in response to new needs. A bright, shiny, strident, self-confident nation emerged. Europe's tired, poor, huddled masses, yearning to be free, flocked to this America. We, the people, believed in ourselves and in our ability to shape the future.

A chicken in every pot; a car in every garage; turn the rascals out; he governs best who governs least—these were not just slogans. They were articles of faith. The people—tracking mud through Andrew Jackson's White House parlor—were in charge, they believed. There was upward mobility and forward momentum.

Of course, there were signs here and there that the brave new world abuilding was not abuilding equally for everyone. But who had time to read the signs?

Teddy Roosevelt was one of the few who did.

"We have plenty of sins . . . to war against," he reminded the nation in his annual message to Congress in 1904. "We can do more for the general uplifting of humanity by striving with heart and soul to put a stop to civil corruption, to brutal lawlessness and violent race prejudice here at home than by passing resolutions about wrongdoing elsewhere".

Obviously, the quality of life was not improving for everyone.

But, it was not until the Depression, with its peak 16 million people out of work, that America looked reality in the face: the blessings of the American dream were very unequally bestowed. Some people never ate chicken at all.

Franklin Roosevelt, like his Cousin Theodore before him, was quick to grasp the problem. In his 1944 State of the Union Message, he acknowledged that: "As our nation has grown in size and stature—as our industrial economy has expanded—(our political rights) have proved inadequate to assure us equality in the pursuit of happiness". Looking forward to a bright post-war America, Roosevelt declared:

> We cannot be content, no matter how high the general standard of living may be, if some fraction of our people—whether it be one-third or one-fifth or one-tenth—is ill-fed, ill-clothed and insecure.

He urged the country forward to "new goals of human happiness and well-being" to be equally shared "regardless of station, race or creed". He announced an Economic Bill of Rights which included:

The right to a useful and remunerative job;

The right to earn enough to provide adequate food and clothing and recreation;

The right of every family to a decent home;

The right to adequate medical care and the opportunity to achieve and enjoy good health;

The right to adequate protection from the economic fears of old age, sickness, accident and unemployment; and

The right to a good education.

Over the past several years social scientists have identified a few basic physiological needs that must be met if the quality of life is to be even minimally tolerable. Their list dovetails with Roosevelt's 1944 Economic Bill of Rights except that now, any such list must include: the right to freedom from bodily harm, the right to protection and to a living and working environment that is safe and stable.

America emerged from World War II the most powerful nation on earth—the most powerful nation the world had ever known. American industry could supply the world. American farms could feed it and the American people could look forward to an era of unprecedented prosperity and progress.

To some Americans the promise of the post-war era meant nothing more than upgrading the American dream to include two cars in every garage and at least two television sets in every house. To others—to Black Americans—it marked the beginning of an epic struggle to attain basic civil rights, to participate fully and freely in American life and to partake of the blessings of that life so long denied them. In the wake of the black civil rights movement, and certainly inspired by it, there has come a succession of non-violent people's revolts: the youth revolution, the anti-war movement, the consumer and environmental protection movements, and, most recently, the women's liberation movement. The achievements of these groups, both in improving the quality of life and in showing what people power can do, have been impressive.

If we look back to the America of 30-years-ago, we see a country that was segregated; an America where racial discrimination was the rule and not the exception; where women were relegated to an inferior role; where the elderly had little economic security, and where there were vast inequities in the quality and availability of health care and education.

Clearly, the quality of life has improved since then. Wider availability of better health care has lowered the infant mortality rate and raised life expectancy—almost 80 percent of the nation's children now graduate from high school as compared with less than 60 percent in 1950—enrollment in institutes of higher learning is five times greater than it was 30 years ago—and whereas, almost one-third of the nation was living in substandard housing in 1950 that figure had dropped to 3 percent by 1978.

The statistics are impressive, but statistics can also be misleading. In human affairs, it is better to trust what your eyes tell you. And we certainly cannot rejoice in what we see as we look at America today.

We have one of the highest standards of living in the world and the most appalling rate of crime. The streets of our cities are unsafe by day as well as night. Since 1960 our violent crime rate has more than quadrupled. In the first three-quarters of 1980 alone, there were an estimated 6,018 deaths by handguns.

We have the technology to send men to the moon and to explore the rings of Jupiter, but our urban transit systems can't get people to work on time.

We are the mightiest industrial nation the world has ever known and yet almost eight million of our people cannot find work.

We are graduating children from school who cannot read or write well enough to fill out simple employment application forms.

We are running out of water and fossil fuels.

We are squandering our human and natural resources. And inflation is destroying our faith in the future.

As a nation, we are faced with momentous decisions—how to control inflation—how to achieve energy independence—how to protect our environment and increase industrial productivity at the same time—how to come to grips with the world population explosion—how to deal with the changing demographic patterns in our society—how to provide millions of new jobs—how to preserve the world's forest and farmlands—and, most important of all, how to keep the peace and protect human rights in a world less dedicated to those goals than we are.

We have an urgent agenda before us. To attack it successfully, we must possess a unity of purpose and be prepared "to sacrifice . . . individual advantages to the interests of the community", as George Washington foresaw. But we also have at our disposal unprecedented resources—both human and technological—for attacking the problems on that agenda.

What is missing is long term goals to set a course by and the human will to achieve them.

In today's America the question of human will is a troubling one. Increasing numbers of people believe that our social and political systems no longer reflect their views or respond to their needs. Political apathy is visible at the polls: in the 1980 presidential election only 53 percent of the voting age population went to the polls—the fifth consecutive presidential election that turnout declined.

In this nation—which staked its future on the people's civic-mindedness—the individual now feels helpless and impotent in the presence of big business and big government. The large institutions that have grown up around modern technology seem immovable and unapproachable. They lack human dimension. They intimidate. So do the many complex and interrelated social problems crying for solutions.

The situation is certainly bad—but not irretrievable. I am convinced that we can reverse this drift toward alienation. I have a gut feeling that thousands of people, at all levels of our society, are ready, and more than ready, to make a massive commitment of their faith and their energies to the future. A sense of purpose is one of the elements crucial to the quality of life. It is lacking now in most of our lives.

I think the American people have grown apathetic while waiting for their so-called leaders to catch on to the fact that the time is long overdue to move in new directions, to espouse glorious causes and to find new methods for achieving them.

What is needed now is a goal to fire the imagination and to galvanize their energies, and the leadership to spark them forward.

I have no doubt about what this goal should be. America is an urban nation. Our rural days are far behind us. Close to three-quarters of all Americans live in cities. What better national goal could we set ourselves than the revitalization of our cities? How better could we improve the quality of life for all the people of this nation than by transforming our decaying cities into vibrant, wholesome, safe and humane environments where the human spirit can prosper?

I do not for one minute minimize the problems on the road to this goal. Our older cities are plagued with so many problems that a Presidential Commission recently actually suggested that everyone in them should just pick up stakes and move to the sunbelt.

There has been talk from time to time of a new Marshall Plan for the cities in the theory that national problems require national solutions. But, I think we've dabbled with national solutions long enough. Solutions, imposed from the top, just don't always work. The patchwork quilt of federal programs directed to the cities over the years has proved hopelessly inadequate, although billions have been spent. There is no reason to believe that more would somehow be better.

In the past, the cities have looked to the federal government for solutions, not because the federal government was wiser than they were, but because it was richer. The results have not been edifying. And, in any case, the days of general federal funding are over.

It seems to me that the time has come to try a completely opposite approach. We've tried working from the top down. Now let's try working from the bottom up.

I propose that we let the people who actually live and work in each of our cities dream their own dreams and build their own models of the city where they would like to bring up their children. Government's role—both local and federal—would be simply to encourage citizen initiative, to provide administrative infrastructure and, to some extent, to provide funding.

But I do not believe that government should provide all the funding or that it should play the midwife to our urban rebirth. That role should be reserved to the people themselves, with a massive assist from the private sector of our economy.

My proposal is this: that every business organization, every labor union, every professional group, every educational institution, which is involved in any way in the life of the city, contribute not only a certain percentage of its earnings to help finance urban revitalization, but make it possible for each of its employees to donate his and her ideas, labor and talent, on a regular basis, to the work of rebuilding the city.

Does this sound new-fangled and utopian? It shouldn't. The idea derives from the Middle Ages practice of tithing, in which people contributed 10 percent of their annual crop, or income, to the work of the church. But, my proposal calls for more than just a financial contribution from the private sector. It calls for the contribution of talent and work as well. This aspect of the proposal also is not new. It derives from a time-honored tradition of the American frontier—house-raising—when everyone pools their talents to get a job done quickly. This week it's your turn, next week mine. Pretty soon the town is built and many hands have made light work.

In feudal France, they had a word to describe work owed by a vassal to his lord. That word was *Corvée*. Happily, both the practice and the word have fallen into disuse. Now, I would like to build new meaning into that archaic word which has for so long symbolized man's inhumanity to man. I would like to take *Corvée* back to its Latin root, *Corrogare*, which means "to bring together by entreaty". And then, I would like to inject *Corvée* with a new humanity and let it describe the giving of work to benefit your fellowman.

Already, some of our law firms have programs of this sort where members of the firm donate a portion of their time to work for the good of the public—pro bono publico—while the firm defrays the cost. There is no reason why all professions and businesses couldn't do the same thing. Each employee would be given one day in 10 to go out to help with the rebirth of his city.

The great merit to this approach, it seems to me, is that it is people-oriented not project-oriented. It would give people an opportunity, once again, to shape their future and to feel that somewhere in their lives there was meaning.

Since George Washington's day, if we have proved anything, we have proved that the civic-mindedness of the American people is worth building on. We must now find people with the energy and the vision to catalyze the public spirit.

I hope that the members of this graduating class will provide the spark we need. I hope that you will take the lead in making what George Washington, so sweetly, termed "those mutual concessions which are requisite to the general prosperity".

I wish you good luck and Godspeed.●

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, has morning business been closed?

The PRESIDING OFFICER. It has not.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER PERMITTING THE INTRODUCTION OF BILLS, RESOLUTIONS, AND STATEMENTS AND AUTHORIZING COMMITTEES TO REPORT

Mr. BAKER. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills, resolutions, and statements, and that the committees may report until 3 p.m. this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I have no further business to transact and I see no Senators requesting recognition.

So, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11 a.m. on tomorrow.

The motion was agreed to; and at 12:03 p.m., the Senate recessed until tomorrow, Friday, February 20, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate February 19, 1981:

IN THE COAST GUARD

Vice Admiral James S. Gracey, U.S. Coast Guard, to be the Commander, U.S. Coast Guard Atlantic Area with the grade of vice admiral while so serving.

Rear Admiral James P. Stewart, U.S. Coast Guard, to be the Commander, U.S. Coast Guard Pacific Area with the grade of vice admiral while so serving.

The following named captain of the Coast Guard Reserve to be a permanent commissioned officer in the Coast Guard Reserve in the grade of rear admiral:

James H. Lipscomb III—267-32-3680.

IN THE NAVY

The following named captains of the Navy for temporary promotion to the grade of rear admiral in the staff corps, as indicated, pursuant to Title 10, United States Code, sections 5772 and 5791, subject to qualification therefor as provided by law:

To be rear admiral

MEDICAL CORPS

Norman V. Cooley, Jr.
Quintous E. Crews, Jr.
Robert C. Elliott
James A. Zimble

SUPPLY CORPS

Joseph S. Sansone, Jr.
Edward K. Walker, Jr.
Donald E. Wilson

CIVIL ENGINEER CORPS

Donald L. Conner

DENTAL CORPS

Carlton J. McLeod

UNITED NATIONS

Charles M. Lichenstein, of the District of Columbia, to be the Alternate Representative of the United States of America for Special Political Affairs in the United Nations, with the rank of Ambassador.

HOUSE OF REPRESENTATIVES—*Thursday, February 19, 1981*

The House met at 11 a.m.

The Reverend George S. Macres, national chaplain, American Legion, Plymouth, Minn., offered the following prayer:

Heavenly Father, our Creator, in whose image and likeness we are created, we humble ourselves before Thee.

Grant unto each and every Representative in this august body Thy gracious care and guidance.

Help, save, comfort, and protect them, O God, with Thy favor.

Help us, the citizens, O Lord, to render to the Members of the House, the love, the honor, and the respect which is proper, and to support them with our prayers and our good will.

Bless our country, bless our Government, bless our people, and make our Nation a blessing to the people of the world.

For Thou, O God, art righteous and full of compassion and to Thee we ascribe honor, praise, and glory. In Your name dear Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE REVEREND GEORGE S. MACRES

(Mr. FRENZEL asked and was given permission to address the House for 1 minute.)

Mr. FRENZEL. Mr. Speaker, because of our hard working, and much beloved, Chaplain, Jim Ford, and because of its Scandinavian heritage, Minnesota is often assumed to be monolithically Lutheran and Nordic. Father George Macres, who gave our prayer today is, however, a splendid example of Minnesota's spiritual and ethnic diversity.

Father Macres is assistant pastor of St. Mary's Greek Orthodox Church in Minneapolis, and therefore I must share him with my distinguished colleague, MARTIN SABO. Despite his ministry in MARTIN'S district, Father George is smart enough to reside in Plymouth, Minn., one of Minneapolis' suburbs.

Last summer, Father Macres was appointed national chaplain of the American Legion. He served in the U.S. Marine Corps on Active and Reserve duty from 1939 to 1962.

Father George, by education and early vocational career, was an electronics engineer. But, while employed by the 3M Co., he answered a higher call and in 1970 was one of only three people with lay professions to be ordained as a priest in the Greek Orthodox Church of North and South America.

Father Macres has been treasurer of the Twin Cities Ministerial Association, serves on the Twin Cities Education Council, and belongs to the Hellenic Post 129 of the American Legion, where he serves as post chaplain. He and his wife, Bess, have two children also living in Minnesota.

This House is fortunate, and I am proud to have been led in prayer today by Father George Macres.

UNITED STATES MUST BE MADE ENERGY INDEPENDENT AGAIN

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, the President in his message last night dealt primarily with budgetary and taxation matters. Most of us share his objectives of a strong national defense, revitalized industry, reduced regulatory burdens, and more efficient and less costly operation of the Government. The Committees on Budget and Ways and Means already have scheduled hearings.

It would be a major tragedy if, in our preoccupation with these matters, we were to lose sight of the continuing and impelling need to make this Nation energy independent again. Without a vigorous, dynamic energy policy including conservation and production of all potential forms of energy, we certainly will not stabilize the price of petroleum and electric power.

Until we stabilize energy prices—and begin a dramatic downward movement in interest rates, we will not scratch the surface of the basic underlying causes of inflation—no matter how successful we may be with the budget. In our zeal to produce an immediate budgetary showing, let us never for one moment lose sight of the larger goals of energy independence, availability and stability of affordable credit, and the consuming public without whom all of our production would be in vain.

REDUCTION OF GOVERNMENT SPENDING AND CUTTING OF TAXES NOT ENOUGH TO STOP INFLATION

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, last night the President brought to the Congress his plan for economic recovery.

In my view his proposals are a step in the right direction for stopping inflation by reducing Government spending and cutting taxes.

However, the President's proposals represent only a partial remedy. Inflation is caused more by cruelly high interest rates and by soaring energy prices than by budget deficits.

What is also needed is strong Presidential support for lowering the cost of credit to productive sectors of our economy and continuation of our aggressive export policy to eliminate chronic trade deficits which also fire inflation.

How can we ever expect to stop inflation if we allow the dragon of chronic high interest rates to swallow up the economic gains we achieve by cutting budgets and taxes?

Mr. Speaker, I urge the Democratic Members of the House to receive the President's proposals with open minds and constructive spirits, but I also urge that we look closely at all sides of the problem.

INTERESTS OF THE MAJORITY MUST NOT BE SACRIFICED FOR BENEFITS OF A SELFISH FEW

● Mr. BEVILL. Mr. Speaker, President Reagan's economic message to the people of this Nation showed his sincere dedication to balancing the Federal budget. Throughout his public career, Mr. Reagan has strongly supported restoring fiscal responsibility to Government spending, and I believe he is absolutely correct in that position.

The majority of American voters expressed their confidence in his ability to achieve that goal and it is the duty of the Congress to support him in that effort.

I am very impressed by the vast amount of work the President and his administration already have accomplished toward achieving that important goal.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

I feel that the Democrats in Congress will work very closely with the Reagan administration and the Republicans in Congress, in restraining Government spending, reducing excess Government regulation, readjusting the tax structure in our country, and strengthening our national security.

Of course, while we do not yet have the administration's specific budget proposals, I believe all of us in Congress will support equitable reductions in spending and responsible tax cuts.

The Appropriations Subcommittee I chair, on Energy and Water Development, will work closely with the administration to achieve meaningful and effective budget reductions, while maintaining our essential effort to achieve energy independence for America. In fact, this is my fifth year as chairman, and each year we have held our expenditures below the administration's budget request.

We must be sure, however, that cuts in spending and taxes do not bring added burdens to the millions of moderate- and middle-income earners of America, who have been forced to pay an unfair share of the costs of Government. The interests of the great majority must not be sacrificed for the benefits of a selfish few.●

PRESIDENT REAGAN'S SCENARIO NEITHER LOGICAL NOR POSSIBLE

(Mr. ROSENTHAL asked and was given permission to address the House for 1 minute.)

Mr. ROSENTHAL. Mr. Speaker, how in the world can the President of the United States suggest that we can effectively combat inflation when he asks us to:

Reduce the fiscal year 1982 budget by $41.4 billion;

Decontrol oil and natural gas, probably the most inflationary action possible;

Reduce taxes over a 3-year period by 30 percent; and

Propose at the same time an increase in the defense budget of approximately $7.2 billion just for fiscal year 1982.

I wish this scenario was either logical or even possible—I know it is not.

Not only is this package not likely to work, but these proposed budget cuts are inflammatory and inequitable. Those Americans most dependent upon the resources of the Federal Government will bear the heaviest burden of this Federal budget-cutting exercise, while Americans who are comfortably off will hardly feel any pain.

It is up to the Congress to establish firm priorities in any effort to balance the Federal budget and to do it with a clear recognition that equity, justice, compassion, and deliberation should prevail. I trust we will accept this serious responsibility.

□ 1110

PRESIDENT REAGAN'S REGULATORY REFORM PROPOSALS

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, last night our President, I was happy to see, pointed out that one of the things that he wants to stress in connection with his new program is regulatory reform. I am pleased to announce that we have been ready and willing to act in that field for a long time. In fact, in the 96th Congress my Subcommittee on Administrative Law of the Judiciary Committee reported out a very fine bill which addresses that problem directly.

So when the President says he would like to move ahead on that problem, I say hooray, we join you and I hope that you will present us with whatever plans you may have.

I did send to the President about a month ago, immediately after the inauguration, a copy of the bill which I introduced on the first day of this session, H.R. 746 which is substantially the same bill as that reported by the Judiciary Committee last year. It included treatment of such things as cost-benefit analyses, a regulatory agenda, a review period, oversight by the OMB, expedited procedures, subpena power of agencies, judicial review, and legislative veto, and also designed to avoid unnecessary litigation.

I was pleased on the day before yesterday, February 17, 1981, when Vice President BUSH said he would like to see a regulatory reform program which would include cost-benefit analysis, a regulatory agenda, a review period, oversight by the OMB, expedited procedures, subpena power of agencies, judicial review, and legislative veto, and paying attention to avoiding unnecessary litigation.

I hope the President will remember that, as with laws where it takes a law to repeal a law, it will take a regulation to repeal a regulation. That usually cannot be done by Executive fiat alone.

We stand ready, willing, and able to assist in bringing some order into the chaos of regulations and are awaiting proposals by the President to achieve that end.

BUDGET COMMITTEE READY TO ACT EXPEDITIOUSLY

(Mr. JONES of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Oklahoma. Mr. Speaker, I want to inform the House that not only has the Budget Committee already begun to act on the 1981 and 1982 budgets, but we are prepared to act expeditiously on the program recommended by President Reagan last night.

But in order to be successful and to meet the timetables that all of us want, and that all of the American people are expecting, we are going to need considerable cooperation from the administration. Right now, the Budget Committee is hamstrung because we do not have specific figures on about half of the proposed budget, including national defense and some of the other categorical programs and consolidations that the administration recommends. If we are able to get the specific recommendations, the specific budget proposals, from the administration by March 10, then the Budget Committee will act very expeditiously. We hope that we can report to the House, and pass through the Congress, an omnibus bill, including a reconciliation title that will include serious and significant spending cuts that will help reduce inflation. I think we will have such an omnibus bill passed by the Congress by mid-July, and that it will put in place the opportunity to have a tax cut before we recess for August.

In order to meet this timetable, however, we are going to require significant cooperation in getting the proper numbers and the proper details of the program from the administration. I think the Democrats on the Budget Committee as well as the Republicans are going to be very cooperative. We all want to move ahead so that we can get this economic program moving and get our economy back on a path toward real growth for all Americans.

PRESIDENT REAGAN'S ECONOMIC PROPOSALS

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, the President's speech last night was an extremely clear statement of his economic game plan. Most Members agree, as I do, that spending restraint, regulatory reform and a tighter monetary policy are in order and consistent with our need to fight an underlying 10 percent inflation rate and unemployment at the same time. The specifics and fairness of those three proposals will undoubtedly be debated and discussed but I sense a great deal of support for carrying out the President's overall goals. On tax policy it is harder to agree. The flaw there is not with the concept but the means. If the tax cut can be reshaped—to be conditioned on the spending cuts, to be

made fair to middle-income Americans, and if its size and composition can be modified and moderated so that we do not simply replace Government programs with personal consumption—then a tax reduction will spur economic growth without higher deficits, higher interest rates and higher inflation.

PRESIDENT REAGAN'S ECONOMIC PROPOSALS

(Mr. MATTOX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MATTOX. Mr. Speaker, I think the American people deserve to know that the Reagan proposals we heard last night of both budget cuts and tax cuts, if totally enacted, will still create the largest deficit in American history. I cannot agree with that program because I am in favor of a balanced budget, and I think if we are going to have tax cuts, for every $1 cut in taxes, we need to have a $1 cut in the budget.

Mr. Speaker, what is more, based on what the President said last night, we are in for 4 years of proposals that benefit the rich. I think the Democratic Party should restructure the tax proposals so that they benefit lower- and middle-income Americans. We need to help the working families of America by providing relief from social security taxes and the marriage penalty.

Let us not be stampeded. Tax relief is needed, but it must be fair. Let us enact a tax bill that does not make the rich richer, as the Reagan Kemp-Roth plan does.

DEMOCRATS' GOLDEN OPPORTUNITY FOR COOPERATION WITH REAGAN ADMINISTRATION

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, while I am sure that every Member of this body would disagree with at least one of the budget cut recommendations made by President Reagan, I think we must agree that Mr. Reagan's budget cuts are being made fairly across the board.

I would hope that rather than hitting on the small areas of disagreement we might have with the President's recommendations, that we would all work to cooperate with the administration and do our part to bring Federal spending under control. We on this side of the aisle have a golden opportunity to offer the hand of cooperation to the President. If we do not do so, we will be forsaking the American people and the people who elected us last November.

There is no doubt in my mind that the American people by a large majority favor significant budget reductions and they expect the Democrats in the House to facilitate the consideration of the recommendations made by President Reagan last night.

Mr. Speaker, we on the majority side of the aisle should not be obstructionists at this critical time in the history of our Nation. We must be willing to work with Mr. Reagan and the Republican-controlled Senate to formulate a new economic policy for America that will reduce the oppressive level of inflation and put the American people back to work in productive jobs. Mr. Speaker, I hope you will take the lead in this effort.

PRESIDENT REAGAN SHOULD NOT BE PENNY WISE AND POUND FOOLISH IN BUDGET CUTS

(Mr. WIRTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WIRTH. Mr. Speaker, in analyzing President Reagan's address last night, we must repeatedly emphasize to our colleagues and to the Nation the importance of taking a long-range view of our Nation's economic problems, and of facing the difficult decisions today which will lay the groundwork for a sound future for our economy.

I hope that the President shares the strong, traditionally bipartisan view that our Nation's investment in basic scientific research and in research and development efforts is a critical element in economic growth and American competitiveness in world markets—that maintaining our Nation's traditional leadership in the sciences is one of the keys to our economic future.

As with many other areas of the Federal budget, the President has proposed reductions in scientific programs—at NASA, in National Science Foundation programs, and in other scientific efforts in other areas of the budget. I hope that the President intends to continue to pursue the strong investment in research and development efforts pursued by past Presidents and past Congresses, in the context of his overall program of budget restraint.

There are a number of proposals which concern me—not because I believe that programs in the sciences should be immune from the kind of careful examination to which the entire Federal budget should be submitted, but because they appear to have been dictated by budget policy alone, and not by twin priorities of budget restraint and sound scientific investment. Among these are the President's proposal to defer the 5-year program begun last year of upgrading our Nation's university laboratory facilities, which are rapidly becoming obsolete.

Mr. Speaker, investments in science and research and development which are very small in budget terms may have very large effects on our Nation's scientific capabilities 5, 10, and 20 years from now. As a member of the Budget and Science and Technology Committees, I look forward to working with my colleagues to guarantee that our scientific investments are carefully channeled, and that what reductions must be made are not made in fields which sacrifice the important contributions which sound scientific investment can make to our economy, from spurring new growth to improving our Nation's sagging productivity.

IOSIF MENDELEVICH HAS BEEN RELEASED

(Mr. ZEFERETTI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. ZEFERETTI. Mr. Speaker, I wish to bring to the attention of my colleagues the case of Iosif Mendelevich, an original defendant in the Leningrad trials and my Soviet prisoner of conscience. I am very pleased to inform you that on February 17, the Reuters News Service confirmed reports that Mr. Mendelevich had been released and allowed to emigrate to Israel after 10 intolerable years of imprisonment in the Soviet Union.

Iosif Mendelevich has been pardoned from his harsh sentence of 12 years in prison and its extension of 3 additional years for his observance of the Jewish faith. After years of continual Soviet harassment and intimidation, his ordeal is now over. However, there are a great many other Soviet Jews that face daily persecution and long terms in Soviet labor camps. We must continue our commitment to educate and arouse public interest in their treatment and remind Soviet authorities of their responsibilities to human rights under the Helsinki agreement.

Whatever our religious beliefs, we share a true hatred of religious persecution in any guise, especially the type practiced by Soviet authorities. Nevertheless, our long-term commitment to these oppressed people can gain their freedom and afford them the human rights they so richly deserve.

Mr. Speaker, it gives me great pleasure to say that Iosif Mendelevich has been released and will soon be reunited with his family in Israel, and I would like to thank my colleagues for their support of my efforts on his behalf.

□ 1120

THE PRESIDENT'S MESSAGE

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I, too, wish to commend the President and especially Dave Stockman, our former colleague, for attacking excess spending in the Federal Government, and I pledge my support for that part of the program for economic recovery as contained in the message from the President. However, I do rise to say that the tax cuts as proposed must be restructured, because in analyzing them, I find that in my district 80 percent of the people will receive less than a $1-a-day tax cut. They will receive less than 25-percent-a-day tax cut overall. Eighty percent will receive less than 25 percent after you deduct the amount that gasoline has gone up. Because of the oil decontrol, of crude oil, they will receive less. My farmers will be paying more this year because of oil decontrol in the increase of gasoline and diesel fuel than they will receive in the tax cut.

I would also like to point out that the upper echelon people as contained in the President's own message right on this page receiving over $215,000 income will get back $81,000 in 3½ years, while my people will be getting back about $400 to $500 in the whole 3½ years.

DEALING WITH GOVERNMENT SPENDING AND TAXING POLICY DOES NOT GO NEARLY FAR ENOUGH

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, I fully intend to support the President in a number of areas in his economic recovery plan. I believe that some of his plans are bold and courageous. However, it is important to point out that an attempt to solve our inflation problem by simply dealing with Government spending and taxing policy does not go nearly far enough.

In fact, nearly one-half of the inflation today comes from the increasing cost of energy and if we are going to solve our inflation problem we must produce more energy and use less. Also, we must produce the right kind of energy. In the President's proposed budget cuts he cuts important programs to help produce more energy, namely, alcohol fuels, solar energy, and others, and I believe that is unwise.

I just think that the American people should understand that if we cut the Federal budget in half, we would not reduce the price of a barrel of oil by 1 cent and that is what is causing a major part of today's inflation. The President's program is just the first rough draft chapter in the inflation-fighting handbook. But we need a chapter on energy and interest rates as well.

Also, just a comment on the tax cut proposals. In the 1970's, it has been the middle-income wage earner who has seen a real and significant increase in the tax burden. Now we see the tax cutters aiming their benefits at the rich and the large corporations. It is the old cake-and-crumbs theory—the big interests get the cake and the little guy gets the crumbs. That's not fair or sound tax policy.

RONALD REAGAN'S PROPOSAL

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, Ronald Reagan's proposal to slash taxes, increase defense spending, and balance the budget, all at the same time was derided barely a year ago as "voodoo economics" by that prominent Republican statesman, GEORGE BUSH. Last night that very proposal, together with massive cutbacks in programs for America's neediest individuals and communities, was placed before the Congress and the American people. Pretending to be evenhanded, the President's program would devastate low- and middle-income Americans while providing in classic Republican fashion great tax benefits for big business and the wealthiest individuals in our society.

Sounding a clarion call to repeal the social advances of the 20th century, the President proclaimed that the Government's taxing power "must not be used to regulate the economy or bring about social change." True as this Republican administration seems to be to its tradition, I hope that we as Democrats will be also true to ourselves, and that the budget and the tax programs we adopt will be for the benefit of all Americans, not just for the privileged few.

THE REAGAN ECONOMIC PLAN

(Mr. BARNARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARNARD. Mr. Speaker, last evening, we heard the President's remedy for the economic ills of the country. It was a plan that showed much study and examination—and which touched all parts of Government and the economy. It is not a perfect plan, in that it does not please everyone, but it is a start.

For far too long, we have allowed the budget to grow without regard for the burden we have been placing on the American people. It is long past time for us to begin the process of deciding which programs are effective and help people, and which are wasteful and need to be eliminated.

The President's program is not perfect. As Members of Congress, we are duty bound to suggest positive changes instead of carping criticism. As President Reagan said last night, his is the only program before us at this time. If we are to fulfill our role as the Democratic alternative, the burden is on us to come up with alternative cuts, and not to act as a negative obstructionist force, but as a positive one, willing to work with the administration.

The American people have indicated the direction they want to move in, and we are bound to respect their wishes. What we want is a strong America—and for that, the time to rebuild it is now.

OUR ALLIES MUST ALSO DO MORE IN DEFENSE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I totally applaud most of the spending cuts, and I think they are very important and long overdue, but I also doubt whether we should have tax cuts at the moment. I do not think you hand out candy before everyone had taken the medicine, because I remind people we are still looking at a very heavy deficit. But I think there is a piece that already has been missing, and that is that we also have to tell our allies they must do more in defense also.

I just came from the Committee on Armed Services where General Rogers is testifying. He tells us that even before the new defense increases that the United States is putting in, even before those took place, Europe is only contributing one-half as much of their GNP as we are to defense. They are only contributing one-half as much per soldier enlisted as we are, and that is before we add and take on this very serious burden. We are still paying over 66 percent of NATO's costs. I think that we must say to our allies: "Yes, Europe is our first line of defense, but it is your ultimate line of defense, and you have got to do more." We must also say that to the Japanese and others who have been living happily under our umbrella, letting us pick up the tab.

DO NOT UNDERESTIMATE THE PATRIOTISM AND GOOD SENSE OF THE PEOPLE

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. HOLT. Mr. Speaker, I think the President's economic plan is a workable plan. All of us are familiar with that cry we hear in great volume and frequency when we deal with the budget: "Don't cut my program; cut somebody else's."

Well, the mail and phone calls to my office show a change this year. The people know the economy is in deep trouble; they know that the growing weight of Government spending is crushing the prospects for economic growth and opportunity; they are demanding change and willing to accept some sacrifice for a better tomorrow.

I have in hand a letter from the stepfather of three surviving children of a Marine Corps officer who was killed in the line of duty. These youngsters would be eligibile for support by the social security system when they attend college.

The adopted father of these young people writes me that he is supporting the President's proposal to cut those student benefits "even though it will ultimately mean great personal sacrifice for my family and myself."

He further said:

It means that I am going to have to work harder to make up the difference. The time has come for all of us to be willing to make sacrifices in order to preserve the economic viability of our country.

Mr. Speaker, this remarkable letter is an example of the kind of constituent communications I have been receiving. I have had special interest groups tell me they are willing to take some cuts in their programs to carry their share of the burden.

Mr. Speaker, I urge this House to listen to the people. Do not underestimate the patriotism and good sense of the people.

FEBRUARY 6, 1981.

Congresswoman MARJORIE HOLT,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSWOMAN HOLT: Last evening the President of the United States addressed the nation concerning our current economic crisis. He indicated that his formal proposals will be coming to the Congress on February 18th and from what the press has been reporting, some of his recommendations will include the reduction in cost-of-living increases for Social Security and the elimination of educational benefits under the Social Security system.

I am writing to support the President even though it will ultimately mean great personal sacrifice for my family and myself. I am the adopted father of three children whose father was a Marine Corps officer killed in the line of duty. As the result of his death these children are eligible for and receive Social Security and Veterans benefits. Obviously these benefits have contributed significantly to their economic and material security and stability. We have, of course, enjoyed the cost-of-living increases which have come each year and we were looking forward to the educational assistance that would have been available when the kids were ready for college. It is my opinion, however, that reduction in taxes, reduction in government spending, and reduction in inflation are far more important that receiving cost-of-living increases in Social Security and educational assistance in the future. The elimination of these two features to our benefits simply means that I am going to have to work harder to make up the difference; and what is working harder but increasing production—a very necessary ingredient to the elimination of inflation.

Undoubtedly, you will receive a great deal of correspondence from your other constituents urging that these measures as well as others in the present economic package not be adopted. The time has come for all of us to be willing to make sacrifices in order to preserve the economic viability of our country. It is essential that those in positions of leadership such as yourself set the best example when it comes to this matter of sacrifice, and that example cannot be set if your attitudes and decisions are going to be responsive only to those special interest groups who want everybody elses program cut but their own.

With best personal regards.

Sincerely yours,

LET US ON A BIPARTISAN BASIS RESTORE THE ECONOMY AND THE FAITH OF THE AMERICAN PEOPLE IN THE AMERICAN DREAM

(Mr. CARMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARMAN. Mr. Speaker, there was a breath of fresh air in this Chamber last night. The President of the United States laid out the economic facts of life.

His was a message of hope. We can really have more disposable income for our families and our working people. The program favors labor, business, indeed all of our people.

The American people do not want 4 more years of the economic claptrap they have just experienced. I say, let us stop partisan snipes that say we cannot do anything. I say let us on a bipartisan basis restore the economy and restore the faith of the American people in the American dream.

□ 1130

COURAGE

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, we were all here last night and heard the President of the United States deliver an outstanding message. It was a message which showed real courage. President Reagan called upon Congress to cut the budget by $49 billion. The real question is now: Does Congress have courage also?

We have an opportunity in a few weeks to see how much courage we have because the subject of committee staff funding is coming up. As we all know, these staff budgets are bloated. They are overinflated. They are way out of line.

Last night as I was sitting here, two Members on our side of the aisle pointed to one Member on the other side, and they said, "He is showing courage." They talked about Chairman GUS HAWKINS. They said that Chairman HAWKINS of California has already taken positive action. That he is showing courage. Chairman HAWKINS is working within his own committee and has made substantial reductions.

I want to tell the Members that the majority has the votes. The majority party, the Democrats have Republicans outnumbered by 51 votes, and the question is: How many of you have courage, and can we count on you to cut the size of those committee staffs? Because we need you.

CONGRESSMAN LATTA HAILS REAGAN "BLUEPRINT" FOR ECONOMIC RECOVERY

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, President Reagan has given the American people a blueprint for breaking out of the maddening maze of Federal spending, taxing, and regulation that has stalled our economy, crippled our ability to compete, stifled our initiative, given us double-digit inflation, and threatens our standard of living.

The proposed cuts in the growth of spending, taxation, and regulation, together with fiscal and monetary restraint, constitute the first coordinated and concerted effort to reshape the relationship of the Federal Government to our economy in nearly 50 years.

Furthermore, President Reagan has shown that we can reduce spending and taxs and leave intact the safety nets of the social programs which are vital to the disabled, the elderly, and the truly needy. Social security retirement benefits, medicare, and veteran's benefits will not be reduced, neither will Project Head Start, summer youth jobs, and school breakfasts and lunches for children of low-income families.

But, it must be recognized that the President has not set out a recovery program from which Congress and special interest groups can select only those proposals they find appealing.

He has brought forward a comprehensive, integrated package. It would be foolish, for example, for the Congress to pass a tax cut while continuing its business-as-usual attitude toward spending programs. As the President said, both are essential for economic recovery.

The President has placed a full plate before the Congress, and there are but 118 legislative working days in this session to complete action on this all-important program.

As the ranking Republican member of the Budget Committee, I intend to do all I can to insure that the President's program receives timely and expeditious action. I strongly believe that once the people of America come to realize that these actions must be taken to protect their future and their country's future, they will lay their parochial interests aside in favor of our national interest and overwhelmingly support them. America is still the best Nation on Earth and we all want to keep it that way. To do so, every American able to do so, must do his part.

CONGRESS SHOULD NOT BREAK RANKS WITH THE WORKINGMAN

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I have listened intently as a number of Members of the opposition party commented on the President's speech last night, and I certainly applaud those who indicate that they are going to be willing to support the spending cuts that the President outlined. I think it is vitally important that we do support those budget cuts in order to get our economic house in order here in Washington. But I was disappointed to hear so many of them break ranks with the workingman of this country by saying that they would oppose the tax cut policy. Because, you see, we can support those spending cuts and still have a budget that is in deficit. The only way that we are going to solve the problem of deficits is to get economic growth going, and that is what the tax cut policy is all about, economic growth. When you say you cannot support a tax cut, you are breaking ranks with the workingman who is going to be the beneficiary of those tax cuts and also the beneficiary of the jobs that are going to be created by economic growth.

I would hope that those Members would reconsider and support both the policy of spending reductions and tax cuts.

A PLEDGE OF SUPPORT FOR LEGISLATIVE SCHEDULE

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I just want to take this opportunity to applaud my colleague, the gentleman from Pennsylvania, for the very cogent remarks that he just made. I, too, would like to applaud those Members from the other side of the aisle who had some complimentary things to say about the President's address last night. I understand the Members who would be critical. They have positioned themselves over a period of years to be cast in that light.

Particularly the chairman of the Budget Committee, the gentleman from Oklahoma (Mr. JONES), I know that he has set out for himself a very rigid schedule, hoping to get to a markup of probably a three-part resolution by the end of March. I simply want to pledge to him the utmost support that we can give him from our side of the aisle to meet this very rigid schedule that is going to have to be met under the time frame where, if my calculations are correct, there are only about 118 working days before an August recess, if we take into account those occasions when we take off for Easter, for Memorial Day, Fourth of July, and all of the rest. It is an enterprising chore that we have before us, and I just want to thank those Members from the other side who have pledged their support to this effort.

REPORT ON RESOLUTION ESTABLISHING A SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. ZEFERETTI, from the Committee on Rules, submitted a privileged report (Rept. No. 97-4) on the resolution (H. Res. 13) establishing a Select Committee on Narcotics Abuse and Control, which was referred to the House Calendar and ordered to be printed.

LEGISLATIVE PROGRAM

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to inquire of the distinguished majority leader the program for next week.

The SPEAKER pro tempore (Mr. DANIELSON). Without objection, the gentleman from Illinois (Mr. MICHEL) is recognized.

There was no objection.

Mr. MICHEL. Mr. Speaker, I yield to the gentleman from Texas, the distinguished majority leader.

Mr. WRIGHT. Mr. Speaker, the House will not be in session tomorrow, and it will be my purpose, upon the completion of this colloquy, to ask unanimous consent that, upon today's adjournment, we adjourn to meet at 12 o'clock noon on next Monday.

Monday's session would be pro forma, in that there is no legislation for consideration on February 23.

On Tuesday, we again would meet at noon, and at the present time we have only one bill scheduled for consideration under a suspension of the rules. That bill is H.R. 31 concerning cash discount and antisurcharges. It is a bill from the Banking Committee.

On Wednesday, we meet at 3 o'clock and take up the Select Committee on Narcotics Abuse and Control resolution.

On Thursday, we will meet at 11 o'clock in a pro forma session.

We will not be in session on Friday.

It will be the policy of the leadership that, until legislation begins to find its way through the committees and their mills and becomes available for our consideration on the House floor, not to have Friday sessions. I do not know how long that will last. Perhaps, predictably, through the months of February and perhaps into March. But, of course, when legislation begins to flow from the committees and it becomes necessary for us to do so in order to complete our schedule, we will work a 5-day-week schedule.

Mr. MICHEL. Mr. Speaker, I thank the distinguished majority leader. If the gentleman from Illinois might be permitted to make a personal observation that, while the schedule on paper for activity in this House might appear to be very lean, it is my understanding that the Ways and Means Committee will begin hearings next week, will it not, on the tax measure proposed by the President and what other measures might come before it?

Mr. WRIGHT. The gentleman is absolutely right.

Mr. MICHEL. And having just made the comment that I did with respect to the chairman of the Budget Committee, it is all the more important, to meet that ambitious time schedule, that those Members be given the full opportunity to meet at a regularly scheduled time for committees, I think much more so than anything we might be doing out here on the floor, and I hope that we might address ourselves, then, with intensity to those committee deliberations which are so fundamental to our considering anything out here on the floor after the committees have done their work.

Mr. WRIGHT. I thank the gentleman for his comments. It is absolutely correct that the Committee on Ways and Means will begin hearings on the tax recommendations of President Reagan on next Tuesday, and on such other recommendations that would rightly come before that committee in the course of those hearings.

79-059 O - 84 - 68 (Pt. 2)

Similarly, the gentleman probably is aware that the Committee on the Budget already has been in the process of hearings and has established an ambitious time schedule in which it hopes to be able to bring the budget resolution, the third budget resolution for fiscal year 1981, and then the budget resolution for fiscal year 1982, and such reconciliation measures as may be required, in a timely fashion, fully on time.

□ 1140

It is my further understanding that the Committee on Ways and Means is targeting at least the hope and expectation of having a tax package to present to us upon completion of that budgetary action. And so, the purpose of both the minority and majority I should like to think will be to be constructive in every sense, and in no sense destructive or obstructive.

We will try to create a climate in which there will be early opportunity for ample, fair, full, and free consideration to be given to each of the recommendations that the President will be sending to us in specific form to implement the broad objectives that he discussed last night.

Mr. MICHEL. I thank the majority leader, and yield back the balance of my time.

ADJOURNMENT TO MONDAY, FEBRUARY 23, 1981

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to dispense with the business in order under the Calendar Wednesday rule on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

VIOLENCE AGAINST MINORITIES ON THE INCREASE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 60 minutes.

● Mr. CONYERS. Mr. Speaker, in recent months newspapers and magazines have reported on what appears to be an increasing incidence of criminal violence directed against minority group citizens. This violence has manifested itself in a variety of ways—random shootings and sniper attacks, assaults, attacks on civil rights leaders, firebombings, armed confrontations at political demonstrations, and intimidations and threats of violence. The violence is not confined to any one section of the Nation. It is a serious national problem.

Numerous acts of criminal violence have been committed by members of the Ku Klux Klan, including assaults, attempted arson, and shootings. Twenty-three Klansmen have been convicted of Federal violations of civil rights laws. But much of the violence directed against minority group citizens has been committed by individuals who were not members of or affiliated with any group or organization. It is clear that those individuals and groups such as the Ku Klux Klan have constitutional rights that are protected under the first amendment. But no individual or group has the right to commit criminal violence against other citizens.

My staff, in cooperation with the Congressional Research Service, compiled a partial listing of this violence in recent years. Although cross burnings are not included in this report, it should be noted that such acts are not meaningless acts of vandalism or pranks having no racial motivation. Cross burnings send an unmistakable signal of racial or religious bigotry.

I commend the following report "Selected Incidents of Criminal Violence Against Minority Group Citizens, 1978–81" to my colleagues:

SELECTED INCIDENTS OF CRIMINAL VIOLENCE AGAINST MINORITY GROUP CITIZENS, 1978–81

ALABAMA

October 22, 1980, Birmingham: A bomb was found on the steps of a black church.[1]

October 29, 1979, Muscle Shoals: Two black ministers were assaulted by Ku Klux Klansmen with pick ax handles. Two Klansmen later pled guilty to violations of federal civil rights laws.[2]

October 20, 1979, Hayden: Ku Klux Klansmen attacked a house occupied by a racially mixed group and beat and injured a black male. One Klansman was later convicted of violations of federal civil rights laws.[3]

September 28, 1979, Cullman: Several Vietnamese refugees employed at a textile mill were threatened by a knife-wielding Ku Klux Klansman. The Klansman was later convicted of violations of federal civil rights laws.[4]

July 5–6, 1979, Birmingham: Black citizens protesting the fatal shooting of a black woman by police clashed with Ku Klux Klansmen. Police arrested fourteen persons. A second confrontation occurred after armed white citizens drove through the city firing at least once. Eight whites including several Klansmen were later arrested.[5]

May 26, 1979, Decatur: More than one hundred heavily armed club-swinging Ku Klux Klansmen clashed with civil rights demonstrators and riot police. Two Klansmen and two black citizens were shot and wounded. Several Klansmen and black citizens were later arrested.[6]

December 15, 1978, Cullman: A black minister was abducted on an interstate highway by three white males and whipped after he had publicly denounced the rape conviction of a mentally retarded black male by an all white jury. A Ku Klux Klan leader asserted that Klansmen had been responsible for the abduction.[7]

Fall 1978, Talladega County: Ku Klux Klansmen fired a shotgun into the homes of NAACP leaders and racially mixed couples. Thirteen Klansmen later pled guilty to or were convicted of violations of federal civil rights laws.[8]

CALIFORNIA

November–December 1980, Contra Costa County: A series of attacks against black families by white vandals occurred including an attempted assault and a shooting incident.[9]

January 13, 1979, Chico: A deaf black male was shot and killed by two white males and one white female. According to press reports the assailants murdered their victim because they could not find any animals to shoot on a hunting trip. The assailants later pled guilty to murder charges.[10]

October 9, 1978, Cartago: Two Ku Klux Klansmen fired a shotgun into the home of a black family. Both Klansmen later pled guilty to violations of federal civil rights laws.[11]

CONNECTICUT

October 2, 1980, Manchester: The home of a black family was firebombed. Two white males were later arrested.[12]

GEORGIA

1978–81, Atlanta: Seventeen black children have been found murdered. One black child is still missing.[13]

INDIANA

May 29, 1980, Fort Wayne: Vernon Jordan, President of the National Urban League was shot and critically wounded by a sniper attack.[14]

Mid-January, 1980, Indianapolis: A black male was shot and killed by a sniper attack.[15]

January 1, 1980, Indianapolis: A black male was shot and killed by a sniper attack.[16]

June 11, 1979, Muncie: A white male attempted to run over a black citizen with a truck as he was removing a cross used at a Ku Klux Klan rally. Police later arrested a Klansman.[17]

June 11, 1979, Muncie: A group of white males armed with clubs and at least one gun forced an interracial couple to flee their home.[18]

MARYLAND

July 8, 1978, Baltimore: Three Ku Klux Klansmen were arrested on charges stemming from a plot to bomb the home of Congressman Parren Mitchell and a Baltimore synagogue. The Klansmen were later convicted.[19]

MASSACHUSETTS

January–March 1980, Great Barrington: A white female threatened and harassed a black family. The woman later pled guilty to violations of federal civil rights laws.[20]

July 13, 1980, Boston: A black sailor was stabbed by a group of white males.[21]

June 30, 1980, Boston: The home of a black family was firebombed. A white youth was later arrested.[22]

May 1, 1980, Boston: A black male was fatally stabbed by several white youths.[23]

October 31, 1979, Boston: A black off-duty Boston police officer was pelted with rocks by a crowd of white youths. A white youth was later arrested.[24]

September 28, 1979, Boston: A black teenager was shot and wounded by a white male sniper during a football game. The victim was left a quadriplegic. The assailant was later convicted.[25]

September 18, 1979, Boston: A group of white teenagers hurled stones and large metal bolts at three school buses with black passengers. Three black children were injured.[26]

July 13, 1979, Boston: Four members of a black family were injured when their home was stoned by a group of forty to fifty white youths. Several of the youths were later arrested.[27]

June 3, 1979, Boston: A twelve year old black youth was struck by several arrows fired by a white male who wore a white sheet and motorcycle helmet.[28]

1979, Boston: Eleven black women were found murdered within a five month period.[29]

July 22, 1978, Boston: The home of a Guatemalan family was firebombed shortly after the windows had been smashed by about two hundred white youths.[30]

MICHIGAN

August 3–7, 1980, Detroit: A group of Ku Klux Klansmen fired a shotgun and a rifle at a black male. Four Klansmen later pled guilty to violation of federal civil rights laws.[31]

MISSISSIPPI

June 10, 1978, Tupelo: Ku Klux Klansmen clashed with a white minister during a protest by civil rights demonstrators. A black male observer of the U.S. Department of Justice was later threatened by a white male with a bicycle chain.[32]

Summer 1978, Okolona: A group of white males attacked a black college president. Sixteen shots were fired at him as he sat in his car.[33]

NEW JERSEY

September 21, 1979, Plainfield: Three shots were fired from a shotgun into the home of a black family. Four white males were later arrested.[34]

September 13, 1979, Plainfield: Several white males assaulted a black male with a baseball bat. Another black male was also attacked in a separate incident by bat-wielding white males. Other black citizens were threatened. Three white males were later arrested.[35]

NEW YORK

December 29, 1980–January 5, 1981, Buffalo: A black male was fatally stabbed by a white male. Four other black males were also attacked by a knife-wielding white male assailant.[36]

December 30, 1980, Rochester: A black male was fatally stabbed by a white male.[37]

December 22–24, 1980, New York: Three black males and an Hispanic male were fatally stabbed. Witnesses to at least two of the stabbings have described the assailant as a white male. Police officials stated that one individual may be responsible for all four fatal stabbings. Three other black males were also attacked by a knife-wielding white male assailant.[38]

October 10, 1980, Erie County: A black male hospital patient was attacked by a white male who attempted to strangle him.[39]

October 8–9, 1980, Buffalo: Two black males were assaulted and beaten to death. Their hearts were cut out.[40]

September 22–24, 1980, Buffalo, Cheektowaga, Niagara Falls: Three black males and a black teenager were shot and killed by sniper attacks or in shooting incidents. Witnesses have described the assailant as a white male.[41]

August 8, 1979, Yonkers: The home of a black family was firebombed. City officials described the attack as racially motivated.[42]

NORTH CAROLINA

December 3, 1980, Weldon: Three black females were abducted by a gun-wielding white male. One of the women was raped and killed. The assailant was later arrested.[43]

November 3, 1979, Greensboro: Demonstrators protesting against the Ku Klux Klan clashed with Klansmen and Nazis. Five of the demonstrators including three white males, one black female and one Hispanic male were shot and killed. Six Klansmen and Nazis were later tried on State charges of murder and rioting. An all white jury acquitted all of the defendants.[44]

OHIO

November 1, 1980, Youngstown: A black teenager was shot and killed by a rifle fired from a pickup truck. Press accounts indicate that a group of white youths in a pickup truck had been driving around shooting randomly at black citizens. Three white youths have been arrested.[45]

June 8, 1980, Cincinnati: Two black teenagers were shot and killed by a sniper attack.[46]

OKLAHOMA

October 21, 1979, Oklahoma City: A black male and a white female companion were shot and killed by a sniper attack. Police said that the assailant was a white male.[47]

PENNSYLVANIA

June 15, 1980, Johnstown: A black male and a white female companion were shot and killed by a sniper attack.[48]

TENNESSEE

October 24, 1980, Chattanooga: A black teenager was shot and wounded by two white males.[49]

April 19, 1980, Chattanooga: Four black women were shot and wounded by a shotgun fired from a car. A Ku Klux Klansman was later convicted and two other Klansmen acquitted by an all white jury.[50]

UTAH

August 20, 1980, Salt Lake City: Two black youths were shot and killed by a sniper attack as they were jogging with two white female companions. A white male has been arrested on state and federal charges.[51]

VERMONT

October 27, 1980, Bennington: One of three white males was sentenced to between three months and one year in jail for his role in the abduction and stabbing of a black teenager.[52]

FOOTNOTES

[1] Washington Post, October 23, 1980.
[2] United States Department of Justice.
[3] United States Department of Justice.
[4] United States Department of Justice.
[5] St. Louis Post-Dispatch, July 8, 1979.
[6] New York Times, May 27, 1979, May 29, 1979 and May 30, 1979.
[7] New York Times, December 21, 1979.
[8] United States Department of Justice.
[9] New York Times, December 4, 1980.
[10] Los Angeles Times, February 10, 1980.
[11] United States Department of Justice.
[12] Washington Post, October 13, 1980.
[13] Washington Post, February 16, 1981.
[14] Washington Post, May 30, 1980.
[15] Washington Post, October 23, 1980.
[16] Washington Post, October 23, 1980.
[17] Muncie Evening Press, February 16, 1980.
[18] Muncie Evening Press, June 14, 1979.
[19] Washington Star, July 9, 1978.
[20] New York Times, December 19, 1980.
[21] Boston Globe, July 15, 1980.
[22] Boston Globe, August 16, 1980.
[23] Boston Globe, July 14, 1980.
[24] Boston Globe, November 2, 1979.
[25] Boston Globe, September 29, 1979 and Washington Post, December 7, 1980.
[26] New York Times, September 19, 1979.
[27] Boston Globe, July 15, 1979.
[28] Boston Globe, June 4, 1979.
[29] New York Times, June 2, 1979.
[30] Boston Globe, July 25, 1978.
[31] United States Department of Justice.
[32] New York Times, July 9, 1978.
[33] "Mississippi Relives Its' 60s" by Aryeh Neier Nation, September 23, 1978.
[34] New York Times, September 26, 1979.
[35] New York Times, September 22, 1979.
[36] New York Times, January 3, 1981 and January 6, 1981.
[37] New York Times, January 3, 1981.
[38] New York Times, December 24, 1980, December 25, 1980, and December 26, 1980.
[39] New York Times, October 20, 1980.
[40] New York Times, October 11, 1980.
[41] Washington Post, October 2, 1980.
[42] New York Daily News, August 9, 1979.
[43] Washington Star, December 5, 1980.
[44] New York Times, November 6, 1979 and November 16, 1979.
[45] New York Times, November 30, 1980.
[46] New York Times, November 30, 1980.
[47] Washington Post, October 23, 1980.
[48] Washington Post, June 16, 1980.
[49] Washington Post, October 25, 1980.
[50] Washington Post, July 23, 1980.
[51] Los Angeles Times, October 29, 1980 and November 6, 1980.
[52] Times Argus, October 30, 1980.●

LEGISLATION INTRODUCED RELATING TO CREDITS FOR PASSIVE SOLAR RESIDENTIAL CONSTRUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. FOWLER) is recognized for 30 minutes.

Mr. FOWLER. Mr. Speaker, I am extremely pleased to appear today as the sponsor of a bill to provide an energy performance-based tax credit to builders who incorporate passive solar energy systems in new homes.

This legislation has won widespread, bipartisan support within Congress and within the private sector. In the last session we had 146 cosponsors in the House for an identical bill. The other body approved a similar measure sponsored by Senator HART in December of 1979 by a vote of 82 to 1. Today Congressman HEFTEL and myself are joined by 127 other House Members in introducing the passive solar tax credit legislation.

Among the groups which have endorsed the passive solar tax credit for builders are: the National Association of Home Builders, the American Institute of Architects, the National Conference of State Legislatures, the National League of Cities, the League of Women Voters, the Sierra Club, the Bricklayers International Union, the Solar Lobby, Environmental Action, the National Concrete Masonry Association, the Passive Solar Products Association, the Friends of the Earth, the Brick Institute of America, the National Wildlife Federation, the International Masonry Institute, the Environmental Policy Center, Pittsburgh

Plate Glass, the National Woodwork Manufacturers Association, the Solar Energy Industries Association, and the Mason Contractors Association.

Clearly, there is a broad and growing awareness that passive solar energy can make an important contribution toward reducing our Nation's energy problems. As Modesto Maidique, author of the solar energy section of the Harvard Business School's acclaimed report, "Energy Future," wrote to me last September 11:

Passive solar design is the most desirable of all the solar technologies and should be strongly encouraged.

A well-designed passive solar energy system can produce energy savings of up to 80 percent of a standard home's conventional heating load. When one multiplies this by the over 1 million new houses constructed annually, it is obvious that these passive systems represent a tremendous potential for conserving conventional energy resources. A 1979 study prepared for the White House concluded that by the year 2000, passive solar could contribute 1 quad—the energy-equivalent of 180 million barrels of oil per year—of the Nation's energy needs.

But this potential will not be realized as fully or as quickly as is possible, or as the country needs, without positive action by the Federal Government. For many years we have subsidized the production and consumption of fossil fuels through special tax treatment, federally funded research and development, and most recently Federal price controls. Even though these policies have been or are in the process of being revised in light of new circumstances, they have created biases within our economic system against energy conservation or unconventional energy resources.

What we propose in the legislation being introduced today is to provide a partial offset against these past policies in order to let a promising new technology take root.

The approach we have chosen; namely, a tax credit to the builders of passive homes, grew out of our experience with the Energy Tax Act of 1978. In that legislation the Congress recognized the desirability of assisting the purchase of both active and passive solar energy systems by providing a tax credit to the homeowner who installed such systems. However, as the legislation has been interpreted, it bars credits for passive solar systems which serve a dual function; and, since many of the major passive features, such as specially designed eaves, Trombe walls, and south-facing windows, are of necessity structural components as well, current law excludes the vast majority of passive solar energy systems.

When it became apparent that the 1978 Energy Tax Act was not going to provide the intended spur to passive solar, a number of individuals in both the executive and legislative branches began to search for an alternative method to stimulate the adoption of passive solar techniques. What emerged from this effort was the decision to provide the credit to the builder rather than the homebuyer, and to spell out in detail how the credit would be determined rather than allowing for discretionary determination by the IRS.

Making the credit available to the homebuilder targets the assistance to the key decisionmaker in the building process.

A primary reason why passive systems, which would result in substantial life-cycle cost and energy savings, are not being built in large numbers today is that residential buyers are extremely sensitive to changes in the cost and availability of credit and hence give maximum consideration to the first cost of a home. Builders are certainly aware of this and must give priority to cutting first costs to a minimum.

The $2,000 maximum credit under my bill would represent a significant offset for the higher initial costs of a passive home and therefore is a substantial incentive for the construction of passive systems.

On September 8 of last year the Ways and Means Committee conducted a hearing on my legislation and the testimony from business, labor, and administration witnesses was virtually unanimous in support of the passive solar tax credit proposal.

Assistant Treasury Secretary Donald C. Lubick:

We believe that the credit is soundly conceived from a technical standpoint and support its adoption.

Assistant Energy Secretary Thomas E. Stelson:

The Administration continues to support this (passive solar tax credit) approach to stimulating rapid and widespread use of an important, basically simple, but widely misunderstood technology. . . . Estimated impact of the credit will be over 500,000 (housing) units through 1990 with a savings of 180 million barrels of oil equivalent.

Robert Peterson, on behalf of the National Association of Home Builders (NAHB):

NAHB strongly supports the bills before the Committee that would provide a tax credit to builders that construct passive solar homes. . . . A tax credit for a builder that incorporates a passive solar design is a needed incentive to spur such construction.

Furthermore, my bill's approach of promoting passive solar homebuilding through a tax credit is fully consistent with the philosophy contained in the economic message transmitted to the Congress yesterday by President Reagan: relying on tax incentives to spur solar energy and energy conservation efforts.

Finally, to those in this House who are quite properly concerned with preserving the integrity of the Federal Tax Code, I would point out that those of us who support the passive tax credit have no intention of making it a permanent part of our tax system. Rather, we seek a limited 5-year program followed by a 3-year phaseout in order to insure an orderly return to a subsidy-free environment. Thus, my bill is meant to be a temporary measure designed to give passive solar technology a fair chance in the marketplace by providing a partial financial offset against the various cheap-energy subsidies that in the past have discouraged energy-efficient building construction.

Despite recent improvements in our energy conservation efforts we still are faced with an unacceptably high foreign oil bill of over $90 billion a year and over 40-percent reliance on interruptible overseas sources of supply. For both economic and national security reasons, we cannot afford to let nature take its course in moving our country toward a more energy efficient future, but we must pursue public policies to speed this transition. In my opinion, the passive solar tax credit, which would utilize the private sector rather than governmental bureaucracy, represents one of the most cost-effective ways of achieving energy self-sufficiency.

In closing, I would like to stress the importance of moving this legislation this year. For each month that we delay, 100,000 new homes—homes that on average will be a part of our housing stock and a consumer of our energy resources for the next 30 years—will be constructed. We must not let this opportunity to improve our energy security and efficiency slip away.

Attached to my statement are: First, a list of the current cosponsors of the passive solar tax credit; second, the text of the bill; third, copies of charts explaining the operation of the credit; and fourth, a description, including revenue estimates, of the passive solar legislation prepared by the staff of the Joint Committee on Taxation.

(NOTE.—The Joint Committee on Taxation report was concerned with the passive solar tax credit legislation introduced in the last session. The bill I am submitting today is identical to my earlier proposal except that the effective dates have all been pushed back by 1 year.)

Mr. Speaker, I submit for the RECORD the list of cosponsors of the bill, the bill itself, an explanation of how the credit works, and a description of various bills relating to credits for passive solar residential construction:

PASSIVE SOLAR TAX CREDIT COSPONSORS

Alabama: Dickinson.

Arizona: Udall.

California: George Brown, Coelho, Dellums, Dixon, Dornan, Don Edwards, Fazio, Goldwater, Mineta, Panetta, Patterson.

Colorado: Kogovsek, Kramer, Schroeder, Wirth.

Connecticut: Moffett, Ratchford.

Florida: Fascell, Ireland, Lehman, Nelson, Pepper.

Georgia: Barnard, Billy Lee Evans, Fowler, Ginn, Hatcher, Jenkins, Levitas.

Hawaii: Akaka, Heftel.

Illinois: Porter.

Iowa: Bedell, Harkin, Leach, Tauke.

Kansas: Winn.

Kentucky: Hopkins, Mazzoli.

Louisiana: Boggs.

Maine: Emery, Snowe.

Maryland: Barnes, Mikulski, Parren Mitchell.

Massachusetts: Boland, Conte, Donnelly, Markey, Mavroules, Moakley, Studds.

Michigan: Albosta, Blanchard, Bonior, Brodhead, Conyers, Crockett, Kildee, Sawyer, Traxler, Wolpe.

Minnesota: Erdahl, Oberstar.

Missouri: Clay, Gephardt, Robert Young.

Montana: Marlenee, Pat Williams.

New Jersey: Fenwick, Florio, Guarini, Hollenbeck, Howard, Hughes, Rodino, Roe.

New Hampshire: D'Amours.

Nevada: Santini.

New York: Addabbo, Bingham, Downey, Fish, Garcia, LaFalce, Nowak, Scheuer.

North Carolina: Neal, Rose.

Ohio: Luken, Mottl, Pease, Seiberling, Stokes, Wylie.

Oregon: AuCoin, Weaver.

Pennsylvania: James Coyne, Dougherty, Edgar, Ertel, Goodling, Gray, McDade, Marks, Murphy, Ritter, Walgren, Yatron.

South Dakota: Daschle.

Tennessee: Duncan, Harold Ford, Gore.

Texas: Frost, Hance, Paul, Pickle, Stenholm, White, Wilson.

Utah: Marriott.

Virginia: Whitehurst.

Vermont: Jeffords.

Washington: Pritchard.

West Virginia: Mollohan.

Guam: Won Pat.

Puerto Rico: Corrada.

H.R. 1963

A bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CREDIT FOR PASSIVE SOLAR RESIDENTIAL CONSTRUCTION.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44F. CREDIT FOR PASSIVE SOLAR RESIDENTIAL CONSTRUCTION.

"(a) ALLOWANCE OF CREDIT.—In the case of a builder of a new residential unit which incorporates a passive solar energy system, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount determined under the solar construction credit table prescribed by the Secretary under subsection (d).

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT PER UNIT.—

"(A) IN GENERAL.—The amount of the credit allowed by subsection (a) shall not exceed $2,000 for a residential unit.

"(B) PHASEOUT OF CREDIT AFTER 1986.—In the case of a residential unit completed after December 31, 1986, there shall be substituted for '$2,000' in subparagraph (A) the amount determined in accordance with the following table:

Units completed in	The amount is—
1987	$1,500
1988	1,000
1989	500.

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than credits allowable by sections 31, 39, and 43.

"(c) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) BUILDER.—The term 'builder' means a person who is in the trade or business of building residential units and has a proprietary interest in the residential unit built.

"(2) NEW RESIDENTIAL UNIT.—The term 'new residential unit' means any unit—

"(A) which is located in the United States,

"(B) which is designed for use as a residence,

"(C) which is a unit of a building having less than 5 residential units,

"(D) the construction of which is completed after September 30, 1981, and before January 1, 1990, and

"(E) which is ready for occupancy before January 1, 1990.

"(3) PASSIVE SOLAR ENERGY SYSTEM.—The term 'passive solar energy system' means a system—

"(A) which contains—

"(i) a solar collection area,

"(ii) an absorber,

"(iii) a storage mass,

"(iv) a heat distribution method, and

"(v) heat regulation devices, and

"(B) which is installed in a new residential unit after September 30, 1981, and before January 1, 1990.

"(4) SOLAR COLLECTION AREA.—The term 'solar collection area' means an expanse of transparent or translucent material that—

"(A) is located on that side of the stucture which faces (within 30 degrees) south, and

"(B) the position of which may be changed from vertical to horizontal in such a manner that the rays of the Sun directly strike an absorber.

"(5) ABSORBER.—The term 'absorber' means a hard surface that—

"(A) is exposed to the rays of the Sun admitted through a solar collection area,

"(B) converts solar radiation into heat, and

"(C) transfers heat to a storage mass.

"(6) STORAGE MASS.—The term 'storage mass' means a dense, heavy material that—

"(A) receives and holds heat from an absorber and later releases the heat to the interior of the structure,

"(B) is of sufficient volume, depth, and thermal energy capacity to store and deliver adequate amounts of solar heat for the structure in which it is incorporated,

"(C) is located so that it is capable of distributing the stored heat directly to the habitable areas of the structure through a heat distribution method, and

"(D) has an area of directly irradiated material equal to or greater than the solar collection area.

"(7) HEAT DISTRIBUTION METHOD.—The term 'heat distribution method' means—

"(A) the release of radiant heat from a storage mass within the habitable areas of the structure, or

"(B) convective heating from a storage mass, through airflow paths provided by openings or by ducts (with or without the assistance of a fan or pump having a horsepower rating of less than 1 horsepower) in the storage mass, to habitable areas of a structure.

"(8) HEAT REGULATION DEVICE.—The term 'heat regulation device' means—

"(A) shading or venting mechanisms to control the amount of solar heat admitted through solar collection areas; and

"(B) nighttime insulation or its equivalent to control the amount of heat permitted to escape from the interior of a structure.

"(9) JOINT PROPRIETARY INTEREST IN RESIDENTIAL UNIT.—If 2 or more builders have a proprietary interest in a residential unit, the credit allowable under subsection (a) shall be apportioned to each builder on the basis of his ownership interest in the residential unit.

"(10) PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING.—

"(A) IN GENERAL.—For purposes of determining the amount of credit with respect to a residential unit, there shall not be taken into account any portion of a passive solar energy system which is financed from subsidized energy financing.

"(B) SUBSIDIZED ENERGY FINANCING.—For purposes of subparagraph (A), the term 'subsidized energy financing' has the meaning given such term by section 44C(c)(10)(C).

"(11) SWIMMING POOLS EXCLUDED.—The amount of credit under subsection (a) shall be determined without regard to any swimming pool.

"(d) SOLAR CONSTRUCTION CREDIT TABLE.—

"(1) PRESCRIPTION OF TABLE.—After consultation with the Secretary of Energy and the Secretary of Housing and Urban Development, the Secretary by regulations shall—

"(A) prescribe the solar construction credit table referred to in subsection (a) which meets the requirements set forth in paragraph (2), and

"(B) prescribe a table of insulation factors, based on the amounts of insulation in floors, walls, and ceilings and the number of panes of glass in the windows of a structure, for 8 categories of residential units ranging from one having no added insulation to one having the maximum feasible amount of insulation.

"(2) REQUIREMENTS FOR SOLAR CONSTRUCTION CREDIT TABLE.—

"(A) IN GENERAL.—In order to meet the requirements of this paragraph, the table prescribed by the Secretary—

"(i) shall provide a credit at the rate of $60 for each 1 million Btu's of annual energy savings per residential unit, and

"(ii) shall set forth different amounts of credit for different ratios of solar collection area to house heating load and for residential units located in different areas of the United States.

"(B) ANNUAL ENERGY SAVINGS PER RESIDENTIAL UNIT.—For purposes of subparagraph (A), the annual energy saving for a residential unit shall be the amount by which the number of Btu's of nonsolar energy required to provide heat to a reference house for a calendar year exceeds the number of Btu's of nonsolar energy required to heat a similar house, in the same or a similar location, which uses an incorporated passive solar energy system for a calendar year.

"(C) REFERENCE HOUSE.—For purposes of subparagraph (B), the term 'reference house' means a residential unit with 1,500 square feet of habitable floor space and a heating load of 7.5 Btu's per square foot per degree day.

"(D) HEATING LOAD.—For purposes of subparagraph (C), the term 'heating load' means the product of the number of square feet of habitable floor space of a residential unit multiplied by the appropriate insulation factor, set forth in the table prescribed by the Secretary under paragraph (1)(B), for that unit.

"(e) TERMINATION.—The credit allowable by subsection (a) shall not be allowed with respect to a residential unit the construction of which is completed after December 31, 1989."

(b) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately after the item relating to section 44E the following new item:

"Sec. 44F. Credit for passive solar residential construction."

(2) Section 6096(b) of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44E" and inserting "44E, and 44F".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after September 30, 1981.

HOW DOES THE CREDIT WORK?

SIMPLE, TWO-STEP PROCESS

Step 1. Recognition factor form

The builder will complete a simple form which identifies the requisite passive solar components.

Recognition factors: Storage Mass; Solar Collection Areas; Absorber; Heat Distribution; Heat Regulation Method. The five elements must be integrated into any building qualifying for the credit.

Step 2. Determination of amount of tax credit

To determine his tax credit, the builder must know—

1. Closest city to building (from list of 219 cities);

2. Solar collection area (total area of south facing windows); and

3. House heating load (amount of heating energy required by the house).

Factors 2, 3 will be used to determine the passive rating of the house.

To determine the house heating load: The builder multiplies the total floor area of the house by 1 of 8 selected insulation factors derived from the Insulation Factor Table.

The builder then determines the Passive Solar Rating by dividing the area of south glass by the house heating load:

Passive Solar Rating equals the area of south glass divided by the heating load.

The builder enters the Passive Solar Rating at the closest number on the Solar Construction Credit Table and finds the nearest city.

EXAMPLE

House location: Roseville, California.
Nearest location: Sacramento.
Passive collection area: 270 Ft².
House heating load*: 465 Btu/Hr °F.

*House heating load (1500 Ft²) (31—From Insulation Factor Table) equals 465 Btu/Hr °F.

Passive Rating: 270 divided by 465 equals 0.6.

Tax Credit: $708.

SOLAR CONSTRUCTION CREDIT EXAMPLE[1] TABLE

(Amounts in dollars)

Location	Passive rating							
	0.2	0.3	0.4	0.5	0.6	0.7	0.8	
Albuquerque	420	860	1,100	1,340	1,480	1,620	1,700	
Atlanta	250	475	620	820	972	1,080	1,144	
Boston	374	636	898	1,122	1,309	1,496	1,683	
Burlington	366	641	916	1,053	1,237	1,328	1,420	
Columbus	310	557	756	876	955	1,144	1,194	
Madison	432	778	1,080	1,296	1,512	1,555	1,854	
Sacramento	231	400	524	616	708	753	801	

[1]Illustrative purposes only—actual figures will vary.

Note: Insulation Factor Table unavailable at this time.

DESCRIPTION OF H.R. 7688, H.R. 7690, AND H.R. 8019 RELATING TO CREDITS FOR PASSIVE SOLAR RESIDENTIAL CONSTRUCTION

PRESENT LAW

Under present law, there is a credit for installation of a renewable energy source system of 40 percent of the first $10,000 of such expenditures on the taxpayer's principal residence. In the case of newly constructed homes, the original purchaser may claim the credit for separately stated renewable energy source costs when use of the new residence begins. Under recently issued Treasury regulations, renewable energy source property eligible for the credit is defined to include both active solar systems and passive solar systems. However, expenditures for components of a passive solar system which serve a dual function are not eligible for the credit. Thus, the credit is not available with respect to expenditures for structural components such as roofs, walls, and windows but is available for shading and venting devices that do not have a dual purpose.

EXPLANATION OF BILLS

H.R. 7688, H.R. 7690, and H.R. 8019, scheduled for hearings before the Committee on Ways and Means on September 8, 1980, would allow a credit to builders who install passive solar systems in new residences with one to four residential units. For residential units completed after September 30, 1980, and before December 31, 1985, the maximum credit per unit would be $2,000. For units completed in 1986, 1987, and 1988, the maximum credit would be $1,500, $1,000, and $500 respectively. No credit would be available for units completed after 1988.

A system would qualify if it contains each of the 5 components described below, and the tax credit would be determined by reference to a table, issued under regulations, which reflects the interrelationship of the solar collection area and the heating load for the geographic location of the residence.

A qualifying passive solar energy system must contain:

(1) a solar collection area that faces south (e.g., windows),

(2) an absorber (e.g., dark surfaced floors or walls),

(3) a storage mass with sufficient volume, depth and thermal capacity appropriate to the geographic area (e.g., dense stone walls or floors),

(4) a heat distribution method with ducts, openings, fans, and pumps to circulate air throughout the habitable areas, and

(5) heat regulation devices to control heat gain and heat loss, appropriate to the season (e.g., shades and insulation).

If a particular home qualifies for the credit, the builder would calculate the exact amount of credit as follows. First, the heating load of the house would be calculated by multiplying the floor area of the house by one of eight insulation factors. Next, the passive rating of the house would be calculated by dividing the passive solar collection area (essentially the number of square feet of south-facing windows) by the heating load. Finally, the amount of the credit would be taken from a credit table based on location and passive rating.

PRIOR CONGRESSIONAL CONSIDERATION

During consideration of the Crude Oil Windfall Profit Tax Act of 1980, a similar provision was adopted in a Senate floor amendment. The amendment was not agreed to in conference.

EFFECTIVE DATE

The bills would be effective for units completed after September 30, 1980, and before January 1, 1989.

REVENUE EFFECT

It is estimated that the provision would result in a reduction in budget receipts of $6 million in fiscal year 1981, $22 million in fiscal year 1982, $40 million in fiscal year 1983, $63 million in fiscal year 1984, and $365 million in fiscal years 1985 through 1989.

□ 1150

MANDATORY PENALTIES FOR CRIMES COMMITTED WITH DEADLY WEAPONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on the first day of the 97th Congress I introduced H.R. 35, a bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm or other deadly weapon.

Under current law, anyone who uses or carries a firearm when committing a felony as defined by Federal law must be sentenced to not less than 1 year and not more than 10 years in addition to the sentence imposed for the underlying felony itself. Under this law it is possible for those convicted to receive a suspended sentence, a probationary sentence, and also parole. Second or subsequent convictions require a sentence of an additional 2 to 25 years, and the court does not have the discretion to suspend it or impose a probationary sentence. However, parole is still possible.

The purpose of my bill is to see that those convicted of carrying a firearm or other deadly weapon do not avoid imprisonment. As we have discovered through experience, leaving the length of the prison sentence to the discretion of the court often allows offenders to return to society after having received few, if any, penalties for their crimes, free to resume their criminal activity. Because of the uncertainty of imprisonment, the offender knows the chances are great that even if convicted he will spend little time in prison, and once again he will be out on the streets victimizing innocent, hard-working, productive members of society. It is this injustice that I propose to help remedy with my bill.

The most important provision of H.R. 35 imposes a mandatory minimum sentence on anyone convicted, and it removes the possibility of parole. Specifically, the first time a person is convicted of committing a felony with the use of a dangerous weapon, he would receive not less than a 1-year prison sentence which would be served in its entirety, in addition to any other sentence for the commission of the crime itself. A felon who is convicted a second time would receive a minimum 5-year prison term, over and above any other prison sentence.

While these provisions remove any discretion by the judge in sentencing below the minimum or granting a suspended or probationary sentence, the court does retain discretion as to the length of the sentence so long as it remains within the minimum and maximum set by law. However, and I wish to stress this point, no matter what length the sentence, it must be served in its entirety in prison. Once the sentence has been imposed, the judge may not suspend it or any part of it; nor may he grant a probationary sentence for any part of it; nor may the felon be paroled. The number of years the judge declares as sentence in court will be the number of years served by the felon in prison.

I do not regard my bill as the solution to our society's problems with crime. I do believe, however, that my proposal will be more effective in putting those who are a danger to our society in prison than our present system. Under my proposal the risk of imprisonment is increased by the certainty of punishment, whereas, under the present law the chance exists that a person convicted of a crime will not have to serve any time at all. There is no certainty of punishment and very little risk which might serve to deter unlawful behavior. Also, if penalizing the use of dangerous weapons during the commission of a felony has any deterrent effect at all, it could well have a larger effect on deterring crime in general. By deterring the use of weapons, the law is punishing the criminal's means of coercion. If he is deterred at all, he will be less likely to commit crimes of coercion since he will be less likely to carry a weapon.

I urge the support of my colleagues for H.R. 35.●

TRIBUTE TO MALCOLM MACDONALD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, last month Great Britain and the world lost a beloved and distinguished statesman. The Right Honorable Malcolm MacDonald died at the age of 79. The event was noted with sadness, I am sure, not only in London and Washington, but in many other parts of the world, including Africa, India, and Southeast Asia.

I have never known any one who was more universally regarded with respect and affection by those with whom he had contact. He was not only a wise public servant in the great tradition of Britain's civil service, but a warm and compassionate human being.

Upon hearing that I planned to pay tribute to Malcolm MacDonald, our distinguished former colleague, John Brademas, wrote to me as follows:

I should like to add my own tribute to an extraordinary statesman whose death on January 11, 1981, deprives not only the British Commonwealth, which he so splendidly served, but the cause of free and democratic political institutions, of a distinguished champion.

Malcolm MacDonald played a most important role in the difficult process of decolonization following World War II. Decency, commonsense, sound judgment, practical skills—all these qualities he combined with sensitivity to the concerns of the peoples of Southeast Asia and Africa, the principal areas of his activities.

Like a number of Members of Congress, I became acquainted with Malcolm MacDonald through my participation in meetings of the Anglo-American Parliamentary Group on Africa, which periodically brought together members of the British House of Commons and Members of our Congress for discussions of major issues affecting Africa.

No person who participated in those sessions contributed more to our understanding than Malcolm MacDonald. He was a valiant servant of freedom and I am privileged to salute his memory.

Rather than undertake myself to review the record of Malcolm MacDonald's distinguished career and his many achievements, I would prefer to rely on the authoritative columns of the Times of London. That noted journal published the following obituary on January 12, 1981:

THE RIGHT HONORABLE MALCOLM MACDONALD—DISTINGUISHED SERVICES TO THE COMMONWEALTH

The Right Hon. Malcolm MacDonald, OM, who died yesterday at the age of 79, had a remarkable career first as a highly promising young Cabinet Minister between the wars and then a distinguished Commonwealth statesman. When he entered the Cabinet in the late 1930s there were experienced observers who predicted that he would emulate his father, Ramsay MacDonald, in becoming Prime Minister. But it is for his services to the Commonwealth that he will be particularly remembered.

As a young Cabinet Minister before the war he had held responsibility for Commonwealth affairs, but it was later when he held diplomatic posts in a number of Commonwealth countries that he was outstanding. The enthusiasm and idealism that he brought to the process of decolonisation were of great value to a number of new nations, and were incidentally a reassurance of the integrity of British intentions. He was probably most at home in south-east Asia and in Africa, but wherever he was posted he demonstrated an intense interest in the lives of the people. He valued the countries for themselves, not just as factors on the international scene.

Malcolm John MacDonald was born at Lossiemouth, Scotland, in August, 1901, the son of James Ramsay MacDonald, who was to become Britian's first Labour Prime Minister. He went to the co-educational school Bedales, at Petersfield, Hampshire, and then to Queen's College, Oxford. He began political activity while still at the university and contested Bassetlaw unsuccessfully in both 1923 and 1924. He then began the foreign travel which was to take up so much of his time later and to give him so much pleasure, touring the United States, Canada and Australia in 1924–25 as one of an Oxford debating team, and visiting Honolulu and Manchuria a little later. In 1929, at his third attempt, he was elected to Parliament as Labour member for Bassetlaw.

After the Labour split in 1931, when he went with the National group, he was appointed Parliamentary Under-Secretary at the Dominions Office—not without some accusation of nepotism, which was soon met by his obvious success in office. At the 1935 election he lost Bassetlaw but was returned at a by-election in Ross and Cromarty early in 1936, and shortly afterwards entered the Cabinet, first as Secretary of State for the Colonies and then as Dominions Secretary. From November, 1938, he combined the two posts, and when they were again separated in 1939 he retained the Colonial Secretaryship. He led the prewar discussions on a much more vigorous policy of assistance towards colonial development and was responsible for the drafting of the Bill which became the Colonial Development and Welfare Act, 1940.

In the Churchill Government of 1940 MacDonald was made Minister of Health, but in February, 1941 Churchill asked him to go to Canada as United Kingdom High Commissioner. In that post he was able by his sympathy with Canadian feelings and his ability to make contact with all sections of the population to serve admirably as an interpreter both of British feelings to the Canadians and of Canadian views to the United Kingdom Government.

In 1946 MacDonald left Canada for the sphere where he was to work longest and most distinctively. The postwar plans for Malaya envisaged separate governments for mainland Malaya and the island of Singapore, with a Governor-General as coordinator. To that post MacDonald was appointed, with persuasive rather than compulsive powers. The structure was changed in 1948 when, after long discussions in which MacDonald took a leading part, the initial Malayan Union was replaced by the Federation of Malaya under a High Commissioner, but MacDonald stayed on. Simultaneously he took over the role which Lord Killearn had played as Special Commissioner of coordinating diplomatic activity in South-East Asia as a whole, assuming the new title of Commissioner-General for South-East Asia.

In this post he continued without specific over-ruling powers to act as a higher level coordinator between the Governments of Malaya, Singapore and the three British

Borneo territories on the administrative side and the British Ambassadors in the emerging or developing countries of South-East Asia on the diplomatic side. He travelled constantly and developed a strong interest in the culture and art as well as the politics of this highly mixed area. His obviously sincere interest in the political progress of these emerging countries helped to convince them of fundamental British sympathy with their political aspirations. MacDonald worked in Malaya through all the most anxious years of Communist terrorist activity there and the ultimate smoothness of the transition to independence in Malaya and internal self-government in Singapore owed much to him. But as that movement progressed MacDonald found a diminishing scope for his coordinating activities within the Malayan area itself, particularly as the local political groups with which he had worked most closely turned out not to be the first wielders of power in the early stages of self-government.

He turned his personal attention more to the residual problems of colonial administration in British Borneo and to the diplomacy of Indonesia, Burma, Thailand and the former French territories of Indo-China, where inevitably he was much involved in the negotiations which culminated in the agreement of 1954 and the division of Vietnam. By 1955 it was clear that this particular role in the area was coming to an end and he was transferred to the post of High Commissioner in India, which he occupied until 1960.

His work there was inspired by the same sympathy with the political aspirations of a newly independent nation, which helped him to act as a mediator between London and Delhi during the Suez crisis, but he never appeared to be as much at home in India as he had been in South-East Asia and to outward appearance had less opportunity of influencing events during the greater part of his High Commissionership.

In 1961 he was asked to be head of the British delegation to the conference in Geneva summoned to consider the crisis in Laos. Here his talents and knowledge were particularly useful. He knew the area well and had followed events in French Indo-China since the war. He established good relations with his Russian opposite number, the late Mr. G. Pushkin and was also successful in his relations with the Chinese delegation led by the Foreign Minister, Marshal Chen Yi. Thanks as much as anything to MacDonald's patience and goodwill the conference reached agreement after a year of wayward negotiation.

Throughout his years in Singapore his interest in all aspects of Chinese civilization had steadily deepened and he was especially pleased to be invited by the Chinese to pay a visit to Peking when his official duties were ended. It was unfortunate that his trip coincided with the Chinese attacks on Indian troops in the North East Frontier Agency in October and November, 1962, though even in this situation he was able to act as a mediator. While absent on his visit he was once again appointed to official office as the Governor of Kenya with the task of bringing in a self-governing constitution and seeing the country through into independence.

It had become obvious that the only way in which this could speedily be done was to reinstate Mr. Jomo Kenyatta, who had been imprisoned for his alleged involvement in the Mau Mau rebellion, and who was rejected by Mr. MacDonald's predecessor as the "leader to darkness and death". MacDonald with great skill brought Kenyatta into parliament and into leadership—and through the constitutional negotiations and the rivalries of the Ianu (Kikuyu-Luo) party and the Kadu coalition of minor tribes, which was generally preferred by most white settlers. Kenyatta triumphed in the elections and after, and the wisdom of MacDonald's guidance was seen in his transmogrification into "Mzee" and "the Squire" beloved by the remaining settlers and his own countrymen alike, Modern Kenya's prosperity and moderation owes something to MacDonald's efforts; and he was not responsible for the subsequent less attractive development, of black rule.

After Kenya's independence in 1964, he became Governor-General and subsequent British High Commissioner. During this period the greatest challenge was the military revolts in East Africa, and though he exerted only a behind the scenes influence, his presence in Nairobi was invaluable in getting the agreement of all the African leaders to bring in British troops to crush the mutineers in all three countries.

His last post was his appointment by Mr. Wilson as Britain's roving envoy in Africa, with the particular function of reducing the disruptive effects upon the Commonwealth of UDI in Rhodesia in 1965. Again his work was mostly behind the scenes but from 1967 onward he was constantly in the air between African capitals, and in holding the Commonwealth association together he did more than was generally realised; sharing the credit for turning many awkward corners with Mr. Arnold Smith the Secretary General with whom he often worked closely. He relinquished the post in 1970—still a full eight years before the final resolution of the problem. But he returned to Africa frequently, and notably to work on an ambitious survey of third country problems under the auspices of Sussex University. He himself became Chancellor of Durham University.

During his periods of service abroad MacDonald found time for interests quite outside his political duties. One was the study of birds, which he pursued in Canada, Malaya, Borneo and the Himalayas and on which he wrote several books alone or in collaboration with a Singapore Chinese enthusiast in the same field, Mr. Loke Wan Tho. Another was the collection of objects d'art particularly ceramics, for which he naturally found many opportunities in South-East Asia. The pursuit of these interests as well as the making of contacts at all levels of the communities in which he worked benefited by his great liking for informal social contacts. He was always happier having supper in a Chinese restaurant in Singapore or travelling in the forests of Borneo than attending formal diplomatic functions. Characteristic also was his great interest in young people, which gave him an especial delight in going back regularly to Singapore for the discharge of his duties as the first Chancellor of the University of Malaya. His taste for informality increased the breadth of his local contacts but perhaps reduced the weight of his influence with the governments with which he had to deal.

He was made an OM in 1969 and had been made a PC in 1935.

He married, in 1946, Mrs. Audrey Fellowes Rowley. They had one daughter.●

PRESIDENT REAGAN'S UNEVEN HAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, the unevenness of the Reagan administration's so-called evenhanded approach to our Nation's economic troubles is illustrated clearly in its 10 percent across-the-board tax cuts. This form of tax cut, known as a proportional cut is a thinly disguised system to redistribute income upward. However, we have heard enough rhetoric about even versus uneven plans. Let us let the numbers speak for themselves about the supposed evenhandedness of the Reagan administration's tax cut plans as they effect people rather than aggregates.

If an individual makes $10,000 a year from his labor, he will receive a 1981 tax decrease of $67. That is roughly $1.27 a week added to his paycheck. On the other hand, if an individual receives $100,000 a year in unearned income from trust funds, investments in the stock market or other sources that do not require his labor, the Reagan tax plan will give him $1,755 extra this year, or almost $34—not cents, but dollars—a week extra. That is over 25 times as much tax relief for the coupon clipper as for the factory workers.

But that is only a small part of the total story. Since the tax relief does not take effect until July this year the full impact, and the full discriminatory relief is not obvious until 1982. In that year, a worker who makes $10,000 will get $180 of relief under the President's program. That may sound like a lot, but it is only $3.46 a week. On the other hand, a person who gets $200,000 a year in unearned income will take home $12,821 more in 1982 than he otherwise would. This person's massive tax break is a gift from the Federal Government of $246 a week. How can this be considered fair when the average take-home pay for workers in this country is $213 a week? Is it fair that the Government would choose to give handouts to the already wealthy? In fact, more money than the average American takes home?●

MILITARY CASUALTY MEDICAL TREATMENT PLANNING ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. LEATH) is recognized for 5 minutes.

● Mr. LEATH of Texas. Mr. Speaker, I rise today to introduce a bill which is designed to enhance the medical care provided to a new classification of veteran beneficiaries. This bill will: Offer priority treatment in Veterans' Administration hospitals to active duty members of the armed services who are wounded in combat under contingency or wartime situations.

H.R. 1969, the Military Casualty Medical Treatment Planning Act of 1981, authorizes the Veterans' Administration to provide medical care on a priority basis to members of the uniformed services who are injured during a period of war or national emergency. It would aid substantially in eliminating anticipated shortfalls in DOD medical facilities in the event that the U.S. forces are engaged in large-scale hostilities, either in a declared war or in a contingency situation. In the VA scale of priorities, the bill would place current battlefield casualties above veterans with non-service-connected nonemergency conditions.

Mr. Speaker, it is highly appropriate that the Veterans' Administration hospital system be the main backup to the military, particularly in time of war. The Olin E. Teague Veterans' Medical Center at Temple, Tex., is a perfect example of the potential that is available in time of war or conflict. We have a number of buildings at the center that were former wards during the days of McCloskey General Hospital. For a minimum amount of funds the interior of these buildings could be refurbished and utilized to house patients. There are 13 buildings that could be converted to the backup system, making a minimum of 666 beds available which would meet Joint Commission of Hospital Accreditation requirements.

If the center were to receive approval for a new domiciliary to accommodate 400 patient-members and if it were to be located on available vacant VA land, there could be an additional nine buildings available for conversion, capable of expanding to an additional 570 beds meeting joint commission requirements. At this station alone, Mr. Speaker, there is the potential for a total of 1,236 beds. It could be done without enormous expenditures of funds. I am certain there is similar potential existing at the two other VA medical centers in my district—those located at Waco and Marlin, Tex.

It concerns me that the Department of Defense is giving consideration to contracting outside of Government in order to have a backup system in case of defense mobilization. I question whether or not this should be done and I think the Secretary should proceed with caution until the provisions of my bill are enacted, which would provide specific authority for the Veterans' Administration to work with the Department of Defense in a national emergency.

With the concurrence of the chairman of the full committee, my good friend, "SONNY" MONTGOMERY, I will ask the chairman of the subcommittee of jurisdiction to hold early hearings on this bill so that we might proceed to put in place a proper backup system in case of national mobilization. I am particularly anxious to see that the Medical Center at Temple, as well as those at Marlin and Waco, are not overlooked in the discussions that will take place.●

INTERNATIONAL COMMUNICATIONS AND INFORMATION POLICY: THE NEED TO REORGANIZE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. ENGLISH) is recognized for 5 minutes.

● Mr. ENGLISH. Mr. Speaker, today I am introducing legislation designed to correct a basic flaw in the organization of the executive branch—one which cripples the ability of the United States to respond to the problems emerging from the imposition of barriers to the flow of information throughout the world. Unless corrected, it is a flaw which will cost this Nation billions of dollars in foreign trade and tens of thousands of jobs. It will also result in the further erosion around the world of the basic democratic principle of the free flow of information.

The flaw I speak of is the fragmented, uncoordinated, confused, and conflicting structure within the executive branch for the development and implementation of international telecommunications and information policies. In a yearlong investigation, the Subcommittee on Government Information and Individual Rights, which I chair, found that the U.S. Government is simply unprepared to respond to the expanding set of problems facing this Nation in international communications and information. Those findings are detailed in a report by the Committee on Government Operations, "International Information Flow: Forging A New Framework" (H. Rept. 96-1535) issued last December.

In simple economic terms, the United States is threatened with the loss of billions of dollars. In one of the few economic sectors in which American businesses hold a competitive edge—telecommunications and computer products and services—our ability to compete is threatened. At risk is a multibillion-dollar export sector growing at a rate of more than 30 percent each year.

The health and growth of other economic sectors dependent on the "information industries," such as international finance, are equally threatened—with billions more at stake. Barriers to the international flow of information also threaten injury to fundamental democratic freedoms and individual rights throughout the world.

The subcommittee investigation found that, in the face of these emerging threats, the U.S. Government is unprepared. It has developed neither comprehensive plans nor a coherent strategy for responding to the policies of other nations which may damage U.S. interests. The U.S. Government does not have even the organizational structure to develop such policies, coordinate its actions, and effectively protect U.S. interests. The report describes the problems emerging from the worldwide reconsideration of international communications policies and the flow of information. It explores the inability of current U.S. Government organization to respond to those problems. And, it recommends a basic reorganization of Government activities in international communications and information policy.

While the report examines the past and current inadequacies of existing government organization, these are not the only reasons for reorganization. Even if the existing organization had worked well in the past, it is incapable of providing the coordination of Government action and the development of policy necessary to anticipate and respond to the rapid change in international communications and the growth of barriers to the flow of information. The current organization is based on a dangerously obsolete compartmentalization of Government policymaking. The world has changed and continues to change with increasing speed. Yet, the U.S. Government holds to an organizational structure the essential weaknesses of which have been recognized for more than a decade.

The United States cannot afford an organization of Government which does not assure the most effective representation of U.S. interests.

For all of these reasons, I am introducing a bill which translates the key recommendations of the report into statute. The bill is patterned on H.R. 8443, introduced at the close of the last session, but is streamlined and more clearly focused on the central task of putting someone in charge. Like my distinguished predecessor, Richardson Preyer, I do not believe that we can wait to begin the debate and process which will lead to an organization of Government that will effectively represent our Nation's interests.

I welcome the help of my colleagues and the new administration in perfecting the bill I offer today. But in fashioning the best reorganization possible, we must not lose sight of the urgency of our task. We need a solution to our current organizational problems which works, and while we do not need to rush headlong, we cannot afford delay.

The text of the bill follows:

H.R. 1987

A bill to reorganize the international communications activities of the Federal Government

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Communications Reorganization Act of 1981".

ESTABLISHMENT OF COUNCIL ON INTERNATIONAL COMMUNICATIONS AND INFORMATION; TRANSFER OF FUNCTIONS

SEC. 2. (a)(1) There is established in the Executive Office of the President, for a period of five years beginning one month after the date of enactment of this Act, a Council on International Communications and Information (hereinafter in this Act referred to as the "Council"). The Council shall be composed of—

(A) an Executive Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate;

(B) the Secretary of State;

(C) the Secretary of Commerce;

(D) the Chairman of the Federal Communications Commission;

(E) the United States Trade Representative;

(F) the Director of the Office of Management and Budget; and

(G) the Assistant to the President for National Security Affairs.

(2) The Executive Secretary shall preside at meetings of the Council.

(3) The Council shall have a staff to be headed by the Executive Secretary. The Executive Secretary is authorized to exercise the powers of the Council.

(b)(1) All functions vested in the Secretary of State by section 5-201 of Executive Order 12046 of March 27, 1978, are transferred to the Council.

(2) All functions vested in the Secretary of Commerce by sections 2-301 (c), (d), (f), (g) and 2-404 and, to the extent their provisions relate to international telecommunications and information, by sections 2-401, 2-406, 2-407, 2-409, 2-501, and 2-502 of Executive Order 12046 of March 27, 1978, are transferred to the Council.

(3) All functions vested in the Director of the International Communications Agency by section 3 and, to the extent that its provisions relate to responsibility for advising the President, section 6 of Executive Order 12048 of March 27, 1978, are transferred to the Council.

(c) The Council shall, through performance of the functions transferred to it by subsection (b), develop and implement a uniform, consistent, and comprehensive United States policy on international communications and information and shall advise the President with respect to international communications and information. In order to implement such policy, to avoid duplicative activities and conflicting policies among Federal agencies, and to assure the greatest possible cooperation among such agencies, the Council shall—

(1) coordinate the policies and activities of all Federal agencies involving international communications and information; and

(2) review all policy determinations of Federal agencies, and all proposed statements of United States policy by such agencies, relating to international communications and information, and approve, disapprove, or modify any such policy determination or proposed statement.

(d) The Council shall serve as the office of the Federal Government to which United States citizens and United States organizations and enterprises may bring problems and concerns regarding international communications and information. The Council shall delegate to appropriate Government authorities responsibility to respond to such concerns and problems.

(e) The provisions of subsection (c)(2) shall not apply to any action or determination of an independent regulatory agency made pursuant to the rulemaking or adjudicatory procedures set forth in section 553, 554, 556, or 557 of title 5, United States Code, or pursuant to comparable statutory rulemaking or adjudicatory procedures.

(f) The Council shall, from time to time, make such recommendations and such reports to the President as it deems appropriate or as the President directs.

POWERS

SEC. 3. (a) For the purpose of carrying out its functions under this Act, the Council may—

(1) subject to the civil service and classification laws, appoint and fix the compensation of such officers and employees as the Council considers necessary;

(2) employ experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate individuals so employed for each day (including travel time) at rates not in excess of the maximum rate of basic pay payable for grade GS-18 of the General Schedule provided in section 5332 of title 5, United States Code, and while such experts and consultants are so serving away from their homes or regular place of business, pay such employees travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently;

(3) promulgate such regulations concerning its procedures and operations as may be necessary;

(4) utilize those services, personnel, and facilities of the Department of State, the Department of Commerce, the International Communications Agency, and the United States Trade Representative, that are used for international communications and information activities;

(5) utilize, with their consent, the services, personnel, and facilities of any other Federal agency;

(6) enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the work of the Council and on such terms as the Council considers appropriate, with any agency or instrumentality of the United States, or with any public or private person, firm, association, corporation, or institution;

(7) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)); and

(8) adopt an official seal, which shall be judicially noticed.

(b)(1) The Council may appoint, without regard to the provisions of title 5, United States Code, governing appointment in the competitive service, up to 5 scientific, technical, or professional employees and may compensate employees so appointed without regard to the provisions of chapter 51 and subchapter 3 of chapter 53 of such title relating to classification and General Schedule pay rates. The rate of basic compensation for such employees shall not be in excess of the minimum rate of pay currently paid for GS-16 of the General Schedule under section 5332 of such title.

(2) Notwithstanding any other provision of law, the Director of the Office of Personnel Management shall establish positions within the Senior Executive Service for three limited-term appointees. The Council shall appoint individuals to such positions as provided by section 3394 of title 5, United States Code. Such positions shall expire five years after the effective date of this Act. Positions in effect under this subsection shall be taken into account in applying the limitations on positions prescribed under section 3134(e) and section 5108 of such title.

(c) In carrying out any function transferred by this Act, the Council, or any officer or employee of the Council, may exercise any authority available by law (including appropriation Acts) with respect to such function to the official or agency from which such function is transferred, and the actions of the Council in exercising such authority shall have the same force and effect as when exercised by such official or agency.

(d) Except as otherwise provided in this Act, the Council may delegate any function to such officers and employees of the Council as the Council may designate, and may authorize such successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the Council under this section or under any other provision of this Act shall relieve the Council of responsibility for the administration of such functions.

COOPERATION OF OTHER AGENCIES

SEC. 4. (a) All Federal agencies shall provide the Council with any information which the Council determines is necessary to carry out its functions, except to the extent that a Federal agency is prohibited by statute from disclosing information to another Federal agency.

(b) No Federal agency may issue any policy statement, engage in any consultation, establish any policy, or implement any change in policy, relating to international communications or information, unless such agency first submits to the Council such statement, policy, or policy change or notifies the Council of the nature, terms and conditions of such proposed consultation and—

(1) the Council approves such statement, policy, policy change, or consultation;

(2) the Council modifies such statement, policy, or policy change, or modifies the nature, terms or conditions of the consultation, in which case the statement, policy, or policy change may be issued or consultation made only as so modified; or

(3) sixty days elapse after such submission or notification and the Council does not approve, modify, or disapprove the submission or consultation.

(c) The provisions of subsection (b) shall not apply with respect to any action or determination of an independent regulatory agency made pursuant to the rulemaking or adjudicatory procedures set forth in section 553, 554, 556, or 557 of title 5, United States Code, or to comparable statutory rulemaking or adjudicatory procedures.

ADVISORY COMMITTEE

SEC. 5. (a) The Council shall establish an Advisory Committee on International Communications and Information (hereinafter in this Act referred to as the "Committee") to provide overall policy guidance to the Council with respect to the functions of the Council. The Committee shall be composed of not more than thirty individuals and shall include representatives of labor, manufacturers of telecommunications and data processing goods, other manufacturers, providers of telecommunications and data processing services, financial institutions, other service industries, small business, consumer interests, the legal profession, and the general public.

(b) The Committee shall meet at the call of the Executive Secretary to provide policy advice, technical advice and information, and advice on other factors relevant to the activities of the Council. A meeting of the Committee shall be called and held at least once each calendar quarter.

(c) The Council shall, before approving under this Act any statement of new United States policy relating to international communications and information, consult with the Committee for the purpose of obtaining the views of the Committee on the effect of the proposed submission on the social and economic interests of the United States.

(d) The Council shall make available to the Committee such staff, information, personnel, and administrative services and assistance as may reasonably be required to carry out the activities of the Committee.

(e) The Council shall adopt procedures for consulting with and obtaining information and advice from the Committee on a continuing and timely basis. Such consultation shall include the provision of information to the Committee as to (1) significant issues and developments, and (2) overall objectives and positions of the United States with respect to the activities of the Council. The Council shall not be bound by the advice or recommendations of the Committee but the Council shall inform the Committee of failures to accept such advice or recommendations. The Council shall submit an annual report to the Committee on Government Operations of the House of Representatives and the Committee on Governmental Affairs of the Senate on consultations with the Committee, issues involved in such consultations, and the reasons for not accepting any advice or recommendations of the Committee.

INTERAGENCY COMMITTEE

SEC. 6. (a) There is established an interagency committee which shall be composed of the Chairman of the Federal Trade Commission, the Secretary of Defense, the Secretary of Labor, the Secretary of the Treasury, the Postmaster General, the Chairman of the Federal Reserve Board, the Administrator of the National Aeronautics and Space Administration, and the Director of the International Communications Agency.

(b) The interagency committee shall consider and advise the council with respect to problems which Federal agencies encounter in the performance of their responsibilities with respect to international communications and information.

CONFIDENTIAL INFORMATION

SEC. 7. Any information submitted by a person to the Council, the Committee, or the interagency committee established in section 6 of this Act, which is exempt from disclosure pursuant to 5 U.S.C. 552(b)(4) (relating to trade secrets and confidential commercial information)—

(1) shall not, except as provided in paragraph (2), be disclosed without the consent of the person who submitted the information; and

(2) may be disclosed—

(A) to officers and employees of the United States designated by the Council or Committee,

(B) to any appropriate committee in Congress, upon the request of such committee,

(C) to the Committee, or

(D) pursuant to court order,

where the Council has taken appropriate steps to inform the recipient of the confidential nature of the information.

REPORT OF COUNCIL

SEC. 8. The Council shall submit simultaneously to the President and to the Committee on Government Operations of the House of Representatives and the Committee on Governmental Affairs of the Senate—

(1) not later than three months after the date of the enactment of this Act, and periodically thereafter, a report setting forth the Council's plans for fulfilling its responsibilities under this Act, including its priorities for responding to problems and developing policies with respect to international communications and information; and

(2) not later than sixteen months after the date of the enactment of this Act, a report setting forth any legislative or administrative recommendations necessary to further coordinate and establish a uniform, consistent, and comprehensive United States policy with respect to international communications and information.

AMENDMENTS

SEC. 9. Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"Executive Secretary, Council on International Communications and Information."

DEFINITIONS

SEC. 10. For purposes of this Act—

(1) "appropriate committee in Congress" means any committee or subcommittee of the House of Representatives or the Senate having legislative or oversight jurisdiction over the subject matter involved;

(2) "independent regulatory agency" means the Civil Aeronautics Board, the Federal Communications Commission, the Federal Trade Commission, the Interstate Commerce Commission, and the Securities and Exchange Commission; and

(3) "Federal agency" means an agency as that term is defined in section 551(1) of title 5, United States Code.●

BALANCED BUDGET AND SPENDING LIMITATION AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. DASCHLE) is recognized for 5 minutes.

● Mr. DASCHLE. Mr. Speaker, I am today proposing an amendment to the Constitution which will require a balanced Federal budget and limit Federal spending.

The amendment I am proposing today is similar to the balanced budget amendment I proposed nearly 2 years ago, the first measure I introduced in the House of Representatives after being elected to Congress. Since I first proposed a balanced budget constitutional amendment, Federal spending has continued to exceed receipts, the national debt has continued to grow and is fast approaching $1 trillion, and Federal spending as a proportion of the gross national product has continued to increase. These ominous and troubling excesses are undisputable evidence of the continuing lack of Federal fiscal restraint and discipline. Continuing budget deficits, ever increasing public debt, and Federal Government growth must be eliminated. The constitutional amendment I am proposing today will eliminate these excesses by requiring badly needed Federal fiscal restraint and discipline.

Evidence of the current lack of Federal fiscal restraint and discipline is inescapable. In 1970 the national debt was $382 billion. By the end of fiscal year 1977, the gross Federal debt had increased to $785 billion, or $3,751 for every man, woman, and child in our Nation. Today, the total outstanding Federal debt is $934 billion and the debt ceiling limit has recently been increased by another $50 billion to $985 billion. The Federal budget has been balanced in only 2 of the last 20 years and the Federal budget has not been balanced once in the last 12 years. Federal spending and the size of the budget deficit have continued to increase. Federal spending increased by $86 billion from $493 billion to $579 billion between fiscal year 1979 and 1980. Federal spending during fiscal year 1981 is expected to increase to $660 billion. In fiscal year 1974 the budget deficit was $4.7 billion, increasing to a $45 billion deficit in fiscal year 1975 and a $65 billion deficit in fiscal year 1976. Federal fiscal restraint and discipline are needed and needed now.

A constitutionally mandated balanced budget and limitation on spending is essential to the restoration of Federal fiscal integrity. Without this constitutional mandate, business as usual will prevail and the American people can no longer afford more business as usual. Individuals must exercise fiscal restraint and discipline or suffer the economic consequences and the American people realize the Federal Government is not immune to this economic reality. Instead of deficit spending, the American people want Federal Government spending to be based on the principle of pay-as-you-go and a constitutional requirement for a balanced Federal budget is the surest means to achieve this goal.

Without a constitutionally mandated balanced Federal budget, business as usual will prevail as new and expanded uses of Federal funds are identified, articulated, and demanded. The number of Federal programs and the cost of the Federal Government will continue to increase and the ability to establish budgetary priorities will be further frustrated. Budgetary priorities must be established and priorities will be established when a balanced

Federal budget and limitation on spending is mandated.

A resounding consensus on budgetary priorities likely does not exist today because spending priorities have been incidental to Federal spending, but there certainly exists consensus support for a balanced Federal budget and a limitation on Federal spending. From the starting point of consensus support for a balanced Federal budget and a limitation on Federal spending, spending priorities will be achieved. Without first achieving the requirements for a balanced Federal budget and a limitation on spending, budgetary and spending priorities will continue to be as elusive as they are today.

The text of the constitutional amendment I am proposing today is as follows:

H.J. RES. 180

Joint resolution proposing an amendment to the Constitution of the United States to provide that, except in cases of war or national emergency to be declared by Congress, the budget of the United States must provide that the expenditures of the United States in each fiscal year shall not exceed the receipts of the United States for that fiscal year, and shall not exceed 20 percent of the average gross national product for the three calendar years immediately preceding such fiscal year

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years after the date of the final passage of this joint resolution:

"ARTICLE —

"SECTION 1. The Congress shall adopt for the United States a budget for each fiscal year. The budget adopted by Congress for each fiscal year must provide that the aggregate of expenditures of the United States, not including expenditures for the redemption of bonds, notes, or other obligations of the United States and interest on debt, shall not exceed the aggregate of receipts of the United States, not including receipts derived from the issuance of bonds, notes, or other obligations of the United States, and shall not exceed 20 percent of the average gross national product of the United States for the three calendar years immediately preceding the beginning of such fiscal year.

"SEC. 2. The aggregate of receipts in excess of the aggregate of expenditures during a fiscal year shall be deemed receipts of the United States for the succeeding fiscal year or shall be used for the purpose of providing tax relief for taxpayers of the United States.

"SEC. 3. A declaration of war made by Congress pursuant to section 8 of article I of this Constitution or the physical inability of Congress to meet and consider such a declaration as a result of armed attack shall suspend the application of sections 1 and 2 of this article. Such suspension shall be effective so long as the hostilities continue.

"SEC. 4. A concurrent resolution approved by a vote of two-thirds of the Members of each House of Congress declaring a state of national emergency shall suspend the application of sections 1 and 2 of this article. Such suspension shall be effective only during the fiscal year in which such resolution was adopted.

"SEC. 5. Public debt incurred as a result of the adoption of a concurrent resolution declaring a state of national emergency shall be extinguished by the end of the fifth consecutive fiscal year following the fiscal year in which such debt was incurred.

"SEC. 6. This article shall take effect on the first day of the first fiscal year of the United States beginning not less than two years after the date of the ratification of this article.

"SEC. 7. Congress shall have the power to enforce this article by appropriate legislation.".●

TRIBUTE TO RHEA HOWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HIGHTOWER) is recognized for 5 minutes.

Mr. HIGHTOWER. Mr. Speaker, last week, in Wichita Falls, Tex., an unusual man died at age 88, leaving an extraordinary record of unselfish public service.

Rhea Howard dedicated his life to the newspaper business but, more than that, he dedicated his own time and tireless energies to building a better life for the people of his city of Wichita Falls and north Texas. I do not believe there was a segment of his community that was left untouched by the helping hand of Rhea Howard. I am proud to have counted him as a friend for many years.

For over 33 years as editor and publisher of the Wichita Falls Times, Mr. Howard engaged in a tireless effort to bring jobs and businesses to Wichita Falls, aiding its charities, caring for its senior citizens, championing its university, seeking opportunities for its young people, supporting its fine arts, and exerting bold leadership in its political affairs.

Rhea Howard was not an armchair admiral, content to let others in the community carry the burdens every community faces. He got personally involved because he believed the old saying that: "Service is the rent we pay on the space we occupy."

As with many great men, he started his life's work at the bottom—selling papers on the street. He was energetic and before long had worked in every department at the newspaper, moving from melting type metal to setting type by hand to hand-feeding the presses to selling advertising to reporting stories. Rhea Howard knew the newspaper business as few do. He worked at it and broadened the influence of the newspaper in Wichita Falls' affairs far beyond normal ranges by the sheer force of his energy and civic pride.

His newspaper was one of the first in Texas to inaugurate a farm news department, a small thing in itself but another indication of the boldness and awareness that characterized his life.

Politically, Rhea Howard was a Democrat with both the small "d" and the capital "D." He served some 15 years on the Texas State Democratic Executive Committee, was a delegate to four national Democratic conventions and was a personal friend of several Texas Governors and three American Presidents. His paper was one of the few to endorse President Harry Truman in 1948. He worked hard for President John Kennedy and was one of President Johnson's closest friends for many years. Rhea Howard was not afraid to make a commitment; he kept the commitments he made.

Politics, however, was really an adjunct to his main focus: His community and the Red River Valley region where he lived and raised a family.

He and his wife of 67 years, Kathleen Howard, who died last October 21, were closely identified with virtually every civic undertaking for over 50 years.

Mr. Howard received numerous awards from all facets of the community and from his colleagues in the newspaper business. But, most important of all, Rhea Howard had the respect of his neighbors and his professional associates.

He was a builder.

He could be depended on.

He always carried more than his share of the load.

Rhea Howard was a committed man and every inch a Christian gentleman.

Texas and the Nation have lost one of those rare people who make a difference in the lives of their fellow Americans, who make a difference in whether or not a community moves forward.

I will miss Mr. Howard as a valued friend, but certainly not more than the people of Wichita Falls who will miss him as their best champion.

FIRE SAFETY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. FERRARO) is recognized for 5 minutes.

● Ms. FERRARO. Mr. Speaker, I am deeply concerned over the recent wave of disastrous fires involving major loss of lives that we have witnessed. Beginning with the MGM Grand Hotel fire on November 21 of last year, there have been four separate instances when tragic fires have dominated the evening news.

Another chapter in this distressing saga was almost written yesterday at the Harley Hotel in my own New York City. On the day of its official grand opening, just hours after a luncheon attended by Mayor Koch and Governor Carey, fire broke out in the hotel's

third floor generator room. Fortunately, no one was killed, although 12 persons, including 6 firefighters, were treated for smoke inhalation.

Disaster was avoided at the Harley Hotel yesterday because the hotel is equipped with an automatic sprinkler system. Neither the MGM Grand nor Las Vegas' Hilton Hotel, which caught fire February 11, had such systems. New York City Deputy Fire Commissioner John Mulligan said that the Harley's sprinkler system had checked the spread of the fire, giving firefighters time to get to the hotel and bring the fire under control.

It is clear to me that the installation of improved fire safety equipment is essential if we are going to put an end to these terrible disasters. One of the reasons hotels, office buildings, nursing homes, restaurants, and other establishments do not install such equipment is cost. On December 4, a fire in a conference room at Stouffer's Inn in White Plains, N.Y., took 26 lives. The terribly tragic irony of that situation was that the motel had installed sprinklers in its corridors, but for cost reasons had not put them in the conference rooms.

To assist businesses with their efforts to improve fire safety procedures, I have today introduced legislation that would provide a 30-percent tax credit on the purchase of automatic sprinkler systems, early smoke and fire detection systems, fire-rated doors and walls, and other features which upgrade fire protection systems in public buildings. The credit would be an add-on to the existing investment tax credit, and it would not be refundable. The credit also would not be available for private residences.

Mr. Speaker, in 1979, the last year for which full figures are available, almost 40,000 Americans were killed or injured in fires. I feel this legislation is a simple, practical means of addressing this very serious problem. There are some kinds of catastrophes, such as hurricanes, tornadoes, or floods, which are beyond our control. But the loss of life and property due to fires in public buildings can be greatly reduced, if we are willing to make the effort. Everybody supports fire safety. But the bottom line is money. By providing additional fire protection, we can save lives. I invite all my colleagues to join me in this effort.●

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON ENERGY AND COMMERCE—SUBPENA FOR DEPOSITION AND PRODUCTION OF DOCUMENTS OF HON. JOHN E. MOSS

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Energy and Commerce:

COMMITTEE ON ENERGY AND COMMERCE,
Washington, D.C., February 17, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

(Attention: Leonard Kirk O'Donnell, H202, The Capitol).

DEAR MR. SPEAKER: Pursuant to the provisions of H. Res. 722, 96th Congress and on behalf of the Honorable John E. Moss, the former Chairman of the Subcommittee on Oversight and Investigations, I am forwarding a copy of a subpoena, with attachments, directed to Mr. Moss calling for a deposition and the production of documents on February 24, 1981, in Sacramento, California. This is the notification required by Section 2 of H. Res. 722.

Sincerely,

JOHN D. DINGELL,
Chairman.

[U.S. District Court for the Western District of Washington at Seattle—Civil Action File No. C 79-443V]

FREMONT ENERGY CORPORATION, A UTAH CORPORATION, ET AL., *v.* THE SEATTLE POST-INTELLIGENCER, THE HEARST CORP., ET AL., TO JOHN E. MOSS

You are commanded to appear at Sacramento Deposition Reporters, 926 J Building, Suite 424, in the city of Sacramento, California, on the 24th day February, 1981, at 1:00 o'clock p.m. to testify on behalf of Plaintiffs at the taking of a deposition in the above entitled action pending in the United States District Court for the Western District of Washington and bring with you any and all reports, records, files, notes, memoranda, correspondence or other documents pertaining to certain remarks and comments more specifically described in attachment A to this subpoena.

Dated February 2, 1981.

ATTACHMENT A

(1) Mr. Moss' remarks made to Dan Seligman on or about January 23, 1979, during a telephone interview of Mr. Moss. For convenience and information purposes, copies of Mr. Seligman's notes of that conversation are attached as Exhibit *A*.

(2) The "Moss Report", a/k/a a *Report on Uranium Lode Mining Claims on Federal Lands*, dated December 1978, issued by the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce, U.S. House of Representatives, 95th Congress, Second Session, [hereafter, "the subcommittee"], the face sheet of which is attached as Exhibit *B*.

(3) The subcommittee hearings which occurred in October, 1977, on the subject matter described in the Moss Report.

(4) Comments made by Ben Smethurst to Dan Seligman during January—March 1979 about Fremont Energy Corporation (FEC), the Moss Report, or the related subcommittee hearings.

(5) The procedures and rules of the subcommittee and of Congress during the course of the subcommittee hearings.

DIFFICULTIES FACED IN CUTTING SPENDING

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HIGHTOWER. Mr. Speaker, last night President Reagan appeared before the Congress and issued a challenge to Congress and the Nation to cut back on Government spending as a means of bringing inflation under control. Many of us have been advocating cuts in spending for several years, but on a case-by-case basis it has been very difficult to get the needed support in Congress and with the public generally.

Last week the Perryton Herald, a newspaper in my district, carried an editorial which I believe expresses the difficulties that we now face very well. I commend this fine newspaper for their insight and understanding of the problem. I believe that this kind of information will be useful to my colleagues and I include the editorial at this point in the RECORD:

WHERE DO WE START

All of us are eager for the new Reagan administration to start cutting taxes, but we don't quite know where to begin.

Well, it came as quite a shock to some Ochiltree county citizens when they read last week in the Herald that this county received some $17.6 million in federal funds.

If we are sincere in this program for cutting federal spending, we ought to be willing to cut down on the amount of federal funds that come into Ochiltree county.

In addition to $17.6 in direct federal funds, another $6.9 million came in as indirect federal support, making a total of $24.5 million.

According to the report of the Community Services Administration, the largest "provider" of the federal agencies for Ochiltree county is the Department of Agriculture which spent $6,791,000 in direct federal support and another $5,730,000 in indirect federal support.

The direct support went for wheat production stabilization ($3.4 million), commodity loans ($2.3 million), feed grain production stabilization ($2.2 million), and grain reserve program ($228,000).

Other direct aid amounts in this county went into such things as food stamp bonus coupons, $30,000; extension activities, $19,000; agricultural conservation program, $75,000; soil and water conservation, $48,000; and storage equipment and facility loans, $153,000.

Within the indirect federal support total was over $4.5 million split between economic emergency loans and rural electric loans and loan guarantees. Other indirect support went to emergency disaster loans, $590,000; farm operating loans, $447,000; and farm ownership loans, $106,000.

It would be hard to single out any of these for elimination, although we really can't consider these loan programs as actual federal spending programs.

A favorite target for spending cuts is the Department of Health, Education and Welfare. HEW spent $4,268,000 in this county last year, and it would appear that here is a ripe spot to cut.

But the largest HEW expenditure was $2,009,000 for Social Security insurance payments; $880,000 went to Social Security survivors insurance; $509,000 went to Medicare payments; $281,000 went to Social Security disability insurance; $122,000 went to medi-

cal assistance programs and $49,000 went to education of deprived children.

Well, there's not much to cut here.

The Small Business Administration put out over $2.3 million, most in the form of loans for physical disaster loans and another $140,000 for direct small business loans.

Not much fat here, of course, because these are loans which are to be paid back.

The Veterans Administration paid out $947,000 in Ochiltree county. Of this amount, $367,000 went to veterans disability compensation; $143,000 went for veterans pensions; $167,000 went to veterans readjustment training; $83,000 went to dependents indemnity compensation and $79,000 went to veterans death benefits.

Another $109,000 went for veterans guaranteed and insured loans.

Not much to cut out here, of course.

The Office of Personnel Management paid out $655,000 for civil service retirement and another $428,000 for payment into the Postal Service retirement fund.

There is no way to cut out these payments, either.

The Department of Defense paid out $38,000 in military retirement pay which is certainly untouchable.

The Department of Housing and Urban Development spent $96,000 in direct support for mobile home loan insurance, $31,000 for mortgage insurance for low income family homes and $68,000 for property improvement loan insurance.

Some of this could probably be cut out, but this is small potatoes when compared to the overall sum of federal funds spent here.

Well, what do we have?

In looking over this list, about the only things that could be cut out, or at least not credited to federal spending, is the amount spent for agriculture loans in this county, and the SBA loans.

These loans total about $10 million, which is a sizable sum, but hardly enough to make a dent in the $24 million figure credited to this county, and we wouldn't want the loan programs eliminated.

We wouldn't want the Social Security payments ended, of course. Neither would we stand for trimming payments to veterans under the several programs authorized for them.

And we certainly believe in loan programs for agriculture.

The pension payments to retired civil service and postal people can't be cut because this is their money by law.

When you get right down to it, cutting federal spending is a lot harder when you deal in specifics rather than generalities.

President Reagan has a harder job than we thought.

RULES OF COMMITTEE ON FOREIGN AFFAIRS FOR 97TH CONGRESS

(Mr. ZABLOCKI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ZABLOCKI. Mr. Speaker, pursuant to rule XI, clause 2, I present for the printing in the RECORD the rules adopted by the Committee on Foreign Affairs:

RULES FOR THE COMMITTEE ON FOREIGN AFFAIRS OF THE HOUSE OF REPRESENTATIVES 97TH CONGRESS

(Adopted February 5, 1981)

1. GENERAL PROVISIONS

The Rules of the House, and in particular, the committee rules enumerated in Clause 2 of Rule XI, are the rules of the Committee on Foreign Affairs, to the extent applicable. Each subcommittee of the Committee on Foreign Affairs (hereinafter referred to as the "Committee") is a part of the Committee and is subject to the authority and direction of the Committee, and to its rules to the extent applicable.

2. DATE OF MEETING

The regular meeting date of the Committee shall be the first Tuesday of every month when the House is in session pursuant to Clause 2(b) of Rule XI of the House. Additional meetings may be called by the Chairman as he may deem necessary or at the request of a majority of the Members of the Committee in accordance with Clause 2(c) of Rule XI of the House of Representatives.

The determination of the business to be considered at each meeting shall be made by the Chairman subject to Clause 2(c) of Rule XI of the House of Representatives.

A regularly scheduled meeting need not be held if there is no business to be considered.

3. QUORUM

For purposes of taking testimony and receiving evidence, two Members shall constitute a quorum.

One-third of the Members of the Committee shall constitute a quorum for taking any action, with the following exceptions: (1) Reporting a measure or recommendation, (2) closing Committee meetings and hearings to the public, and (3) authorizing the issuance of subpenas.

No measure or recommendation shall be reported to the House unless a majority of the Committee is actually present.

4. MEETING AND HEARINGS OPEN TO THE PUBLIC

(a) Each meeting for the transaction of business, including the markup of legislation, of the Committee or a subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public. No person other than members of the Committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This subsection does not apply to open Committee hearings which are provided for by subsection (b) of this rule or any meeting that relates solely to internal budget or personnel matters.

(b)(1) Each hearing conducted by the Committee or a subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony—

(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate paragraph (2) of this subsection; or

(B) may vote to close the hearing, as provided in paragraph (2) of this subsection.

(2) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person—

(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of paragraph (1) of this subsection, if by a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony, the Committee or subcommittee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the Committee or subcommittee shall proceed to receive such testimony in open session only if a majority of the Members, a majority being present, determines that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

(3) No Member of the House may be excluded from nonparticipatory attendance at any hearing of the Committee or a subcommittee unless the House of Representatives has by majority vote authorized the Committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this subsection for closing hearings to the public.

5. ANNOUNCEMENT OF HEARINGS AND MARKUPS

Public announcement shall be made of the date, place, and subject matter of any hearing or markup to be conducted by the Committee or a subcommittee at least 1 week before the commencement of that hearing or markup unless the Committee or subcommittee determines that there is good cause to begin such meeting at an earlier date. Such determination may be made with respect to any hearing or markup by the Chairman or subcommittee chairman, as appropriate.

Public announcement of all hearings and markups shall be made at the earliest possible date and shall be published in the Daily Digest portion of the Congressional Record, and promptly entered into the committee scheduling service of the House Information Systems.

Members shall be notified by the Chief of Staff, whenever it is practicable, 1 week in advance of all meetings (including markups and hearings) and briefings of subcommittee and of the full Committee.

The agenda for each Committee and subcommittee meeting, setting out all items of business to be considered, including a copy of any bill or other document scheduled for markup, shall be furnished to each Committee or subcommittee Member by delivery to the Member's office at least 2 full calendar days (excluding Saturdays, Sundays, and legal holidays) before the meeting, whenever possible.

6. WITNESSES

A. Interrogation of witnesses

Insofar as practicable, witnesses shall be permitted to present their oral statements without interruption, questioning by the

Committee Members taking place afterward. After completing his questioning, the Chairman shall recognize the ranking majority and then the ranking minority Member, and thereafter in recognizing Members present, he may give preference to the Members on the basis of their arrival at the hearing, taking into consideration the majority and minority ratio of the Members actually present. A Member desiring to speak or ask a question shall address the Chairman and not the witness in order to insure orderly procedure.

Each Member may interrogate the witness for 5 minutes, the reply of the witness being included in the 5-minute period. After all Members have had an opportunity to ask questions, the round shall begin again under the 5-minute rule.

The Chairman shall take note of Members who are in their chairs when each day's hearing begins and, insofar as praticable, when the time occurs for interrogation, shall recognize each such Member ahead of all others.

B. Statements of witnesses

So far as practicable, each witness shall file with the Committee, 48 hours in advance of his appearance, a written statement of his proposed testimony and shall make a brief oral summary of his views.

7. PREPARATION AND MAINTENANCE OF COMMITTEE RECORDS

An accurate stenographic record shall be made of all hearings and markup sessions. Members of the Committee and any witness may examine the transcript of his or her own remarks and may make any grammatical or technical changes that do not substantially alter the record. Any such Member or witness shall return the transcript to the Committee offices within 5 calendar days (not including Saturdays, Sundays, and legal holidays) after receipt of the transcript, or as soon thereafter as is practicable.

Any information supplied for the record at the request of a Member of the Committee shall be provided to the Member when received by the Committee.

Transcripts of hearings and markup sessions (except for the record of a meeting or hearing which is closed to the public) shall be printed as soon as is practicable after receipt of the corrected versions, except that the Chairman may order the transcript of a hearing to be printed without the corrections of a Member or witness if the Chairman determines that such Member or witness has been afforded a reasonable time to correct such transcript and such transcript has not been returned within such time.

8. EXTRANEOUS MATERIAL IN COMMITTEE HEARINGS

No extraneous material shall be printed in either the body or appendixes to any Committee or subcommittee hearing, except matter which has been accepted for inclusion in the record during the hearing. Copies of bills and other legislation under consideration and responses to written questions submitted by Members shall not be considered extraneous material.

Extraneous material in either the body or appendixes to any hearing to be printed which would be in excess of eight printed pages (for any one submission) shall be accompanied by a written request to the Chairman, such written request to contain an estimate in writing from the Public Printer of the probable cost of publishing such material.

9. PUBLIC ANNOUNCEMENT OF COMMITTEE VOTES

The result of each rollcall vote in any meeting of the Committee shall be made available for inspection by the public at reasonable times at the Committee offices, including a description of the amendment, motion, order, or other proposition; the name of each Member voting for and against, and whether by proxy or in person, and the Members present but not voting.

A rollcall vote shall be ordered on any question at the request of 20 percent of those present.

10. PROXIES

Proxy voting is permitted in the Committee only under the following conditions:

The proxy authorization—

(a) Shall be in writing;

(b) Shall assert that the Member is absent on official business or is otherwise unable to be present at the meeting of the Committee; and

(c) Shall be limited to a motion to report a bill or a resolution.

Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies are not counted for a quorum.

11. PRIOR APPROVAL OF REPORTS

No Committee, subcommittee, or staff report, study, or other document which purports to express publicly the views, findings, conclusions, or recommendations of the Committee or the subcommittee may be released to the public or filed with the Clerk of the House unless approved by a majority of the Members of the Committee or subcommittee, as appropriate. In any case in which Clause 2(l)(5) of House Rule XI does not apply, each Member of the Committee or subcommittee shall be given an opportunity to have views or a disclaimer included as part of the material filed or released, as the case may be.

12. STAFF SERVICES

The Committee staff shall be selected and organized so that it can provide a comprehensive range of professional services in the field of foreign affairs to the Committee, the subcommittees, and all its Members.

The staff shall include persons with training and experience in foreign affairs who have a variety of backgrounds and skills so as to make available to the Committee services of individuals who have a firsthand acquaintance with major countries and areas and with major aspects of U.S. overseas programs and operations.

It is intended that the skills and experience of all members of the Committee staff shall be available to all Members of the Committee.

(a) The professional and clerical employees of the Committee, except those assigned to the minority or to a subcommittee as provided below, shall be appointed, and may be removed, by the Chairman with the approval of the majority of the Members of the Committee. Their remuneration shall be fixed by the Chairman within the ceilings set in Clause 6(c) of Rule XI, and they shall be under the general supervision and direction of the Chairman. Staff assignments are to be authorized by the Chairman or by the Chief of Staff under the direction of the Chairman.

(b) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined as the minority Members of the Committee shall determine within the general ceiling in Clause 6(c) of Rule XI: *Provided, however,* That no minority staff person shall be compensated at a rate which exceeds that paid his or her majority party staff counterpart. Such staff shall be under the general supervision and direction of the ranking minority Member with the approval or consultation of the minority Members of the Committee.

(c) In the matter of subcommittee staffing:

(1) The chairman of each standing subcommittee of this Committee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority Member of each of six standing subcommittees on this Committee is authorized to appoint one staff person who shall serve at the pleasure of said ranking minority Member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in Paragraph (c) of Clause 6 of Rule XI of the Rules of the House or (B) the rate paid the staff member appointed pursuant to subparagraph (1) of this paragraph.

(4) No Member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the ranking minority party Members pursuant to subparagraph (2) of this paragraph shall be made available from the staff positions provided under Clause 6 of Rule XI of the Rules of the House.

13. NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) The full Committee will handle the markup and reporting of general legislation relating to foreign assistance (including development assistance, security-related aid, and Public Law 480 programs abroad) or relating to the Peace Corps. Regional subcommittees will have responsibility with respect to foreign assistance as follows:

(1) The annual legislative programs of foreign assistance for each region shall be referred to the appropriate subcommittee for review and legislative recommendations, within a time frame to be set by the Committee.

(2) Those subcommittees shall be responsible for ongoing oversight of all foreign assistance activities affecting their region.

(3) Those subcommittees shall have the responsibility of annually reporting to the full Committee, on a timely basis, the findings and conclusions of their oversight, including specific recommendations for legislation relating to foreign assistance.

(b) There shall be eight standing subcommittees. The names and jurisdiction of those subcommittees shall be as follows:

A. Functional subcommittees

There shall be four subcommittees with functional jurisdiction:

Subcommittee on International Security and Scientific Affairs.—To deal with national security and scientific developments affecting foreign policy; strategic planning and agreements; war powers and executive agreements legislation; Arms Control and Disarmament Agency; security aspects of nuclear technology and materials; oversight of military aspects of foreign policy and foreign intelligence; and oversight of State and Defense Department activities involving arms transfers, arms export licenses, administration of security assistance, arms sales,

foreign military training and advisory programs, and conventional arms control.

Subcommittee on International Operations.—To deal with Department of State and International Communication Agency operations and legislation; the diplomatic service; international education and cultural affairs; foreign buildings; parliamentary conferences and exchanges; protection of American citizens abroad; and international broadcasting.

Subcommittee on International Economic Policy and Trade.—To deal with measures relating to international economic and trade policy; measures to foster commercial intercourse with foreign countries; export administration; international investment policy; trade and economic aspects of nuclear technology and materials; legislation pertaining to and oversight of the Overseas Private Investment Corporation; commodity agreements; and special oversight of international financial and monetary institutions, the Export-Import Bank, and customs.

Subcommittee on Human Rights and International Organizations.—To deal with oversight of, and legislation pertaining to, the United Nations, its related agencies, and other international organizations; implementation of the Universal Declaration of Human Rights and other matters relating to internationally recognized human rights generally; the American Red Cross; international environmental policy; and oversight of international fishing agreements.

B. Regional subcommittees

There shall be four subcommittees with regional jurisdiction: Subcommittee on Europe and the Middle East; Subcommittee on Asian and Pacific Affairs (including South Asia); Subcommittee on Inter-American Affairs; and the Subcommittee on Africa.

In addition to the responsibilities provided by subsection (a) of this rule, the regional subcommittees shall have jurisdiction over the following:

(1) Matters affecting the political relations between the United States and other countries and regions, including resolutions or other legislative measures directed to such relations.

(2) Legislation with respect to disaster assistance outside the Foreign Assistance Act, boundary issues, and international claims.

(3) Legislation with respect to region- or country-specific loans or other financial relations outside the Foreign Assistance Act.

(4) Resolutions of disapproval under section 36(b) of the Arms Export Control Act, with respect to foreign military sales.

(5) Oversight of regional lending institutions.

(6) Identification and development of options for meeting future problems and issues relating to U.S. interests in the region.

(7) Environmental, population, and energy affairs affecting the region.

(8) Base agreements and regional security pacts.

(9) Oversight of matters relating to parliamentary conferences and exchanges involving the region.

(10) Concurrent oversight jurisdiction with respect to matters assigned to the functional subcommittees insofar as they may affect the region.

14. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full Committee on all matters referred to it. Subcommittee chairmen shall set meeting dates after consultation with the Chairman of the full Committee and other subcommittee chairmen, with a view toward avoiding simultaneous scheduling of Committee or subcommittee meetings or hearings whenever possible. It shall be the practice of the Committee that meetings of subcommittees not be scheduled to occur simultaneously with meetings of the full Committee.

In order to insure orderly and fair assignment of hearing and meeting rooms, hearings and meetings should be arranged in advance with the Chairman through the Chief of Staff of the Committee.

The Chairman and the ranking minority Member of the full Committee may attend the meetings and participate in the activities of all subcommittees, except for voting and being counted for a quorum.

15. REFERRAL OF BILLS BY CHAIRMAN

All legislation and other matters referred to the Committee shall be referred by the Chairman to all subcommittees of appropriate jurisdiction within 2 weeks, unless by majority vote of the majority party Members of the full Committee, consideration is to be otherwise effected. Any subcommittee chairman who believes that the subcommittee has jurisdiction over the legislation or other matter may so notify the Chairman within the 2-week period.

The Chairman may designate a subcommittee chairman or other Member to take responsibility as "floor manager" of a bill during its consideration in the House.

16. PARTY RATIOS ON SUBCOMMITTEES AND CONFERENCE COMMITTEES

The majority party caucus of the Committee shall determine an appropriate ratio of majority to minority party Members for each subcommittee: *Provided, however,* That party representation on each subcommittee or conference committee shall be no less favorable to the majority party than the ratio for the full Committee. The Chairman of the full Committee and the ranking minority Member are authorized to negotiate matters affecting such ratios including the size of subcommittees and conference committees.

17. SUBCOMMITTEE BUDGETS AND RECORDS

(a) Each subcommittee shall have an adequate budget to discharge its responsibility for legislation and oversight.

(b) In order to facilitate Committee compliance with Paragraph (e)(1) of Clause 2, Rule XI, each subcommittee shall keep a complete record of all subcommittee actions which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each rollcall vote shall be promptly made available to the full Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

All subcommittee hearings, records, data, charts, and files shall be kept distinct from the congressional office records of the Member serving as chairman of the subcommittee. Such records shall be coordinated with the records of the full Committee, shall be the property of the House, and all Members of the House shall have access thereto.

18. MEETINGS OF SUBCOMMITTEE CHAIRMEN

The subcommittee chairmen shall meet on a regularly scheduled basis to be determined by the subcommittee chairmen, but in any event not less frequently than once a month. Such a meeting need not be held if there is no business to conduct. It shall be the practice at such meetings to review the current agenda and activities of each of the subcommittees. Each majority party Member of the Committee shall have the right to attend such meetings.

19. ACCESS TO CLASSIFIED INFORMATION

It shall be the policy of the Committee to afford access to classified information under its control for its own Members and other Members of the House of Representatives.

Authorized persons.—In accordance with the stipulations of the House Rules, all Members of the House shall be construed to be persons authorized to have access to classified information within the possession of the Committee.

Members of the Committee staff shall be construed to be authorized access to classified information within the possession of the Committee (1) when they have the proper clearances, and (2) when they have a demonstrable "need to know". The decision on whether a given staff member has a "need to know" will be made on the following basis:

(a) In the case of the full Committee majority staff, by the Chairman, acting through the Chief of Staff;

(b) In the case of the full Committee minority staff, by the ranking minority Member of the Committee, acting through the Minority Staff Director;

(c) In the case of subcommittee majority staff, by the Chairman of the subcommittee;

(d) In the case of the subcommittee minority staff, by the ranking minority Member of the subcommittee.

No other individuals shall be considered authorized persons, unless so designated by the Committee Chairman.

Designated persons.—Each Committee Member is permitted to designate one member of his or her staff as having the right of access to classified information in the "confidential" category. Such designated persons must have the proper security clearance and a "need to know" as determined by his or her principal. Upon request of a Committee Member in specific instances, a designated person also shall be permitted access to information classified "secret" which has been furnished to the Committee pursuant to section 36(b) of the Arms Export Control Act, as amended. Designation of a staff person shall be by letter from the Committee Member to the Committee Chairman.

Location.—Classified information will be kept in secure safes in the Committee rooms. All materials bearing the designation "top secret" must be kept in secured safes located in the main Committee offices, 2170 Rayburn House Office Building. "Top Secret" materials may not be taken from that location for any purpose.

Materials bearing designations "confidential" or "secret" may be taken from Committee offices to other Committee offices and hearing rooms by Members of the Committee and authorized Committee staff in connection with hearings and briefings of the Committee or its sub-units for which such information is deemed to be essential. Removal of such information from the Committee offices shall be only with the permission of the Chairman of the full Committee, under procedures designed to insure the safe handling and storage of such information at all times.

Notice.—Notice of the receipt of classified documents received by the Committee from the Executive will be sent promptly to Committee Members. The notice will contain information on the level of classification.

Access.—Except as provided for above, access to classified materials held by the Committee will be in the main Committee offices in a designated "reading room". The following procedures will be observed:

(a) Authorized or designated persons will be admitted to the reading room after inquiring of the Chief of Staff or an assigned staff member. The reading room will open during regular Committee hours.

(b) Authorized or designated persons will be required to identify themselves, to identify the documents or information they wish to view, and to sign the Classified Materials Log, which is kept with the classified information.

(c) No photocopying or other exact reproduction, oral recording, or reading by telephone, of such classified information is permitted.

(d) The assigned staff member will be present in the reading room at the option of the authorized person. Such staff member will be responsible for maintaining a log which identifies (1) authorized and designated persons seeking access, (2) the classified information requested, and (3) the time of arrival and departure of such persons. The assigned staff member will also assure that the classified materials are returned to the proper location.

(e) The Classified Materials Log will contain a statement acknowledged by the signature of the authorized or designated person that he or she has read the Committee rules and will abide by them.

Divulgence.—Any classified information to which access has been gained through the Committee may not be divulged to any unauthorized person in any way, shape, form, or manner. Apparent violations of this rule should be reported to the Chairman of the full Committee at once, and by him to the full Committee as promptly as possible.

Other regulations.—So long as they do not conflict with any of the rules herein set down, the Chairman of the full Committee may establish other regulations and procedures as in his judgement may be necessary to safeguard classified information under the control of the Committee. Members of the Committee will be given notice of any such regulations and procedures promptly. They may be modified or waived in any or all particulars by a majority vote of the full Committee. Furthermore, any additional regulations and procedures should be incorporated into the written rules of the Committee at the earliest opportunity.

20. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

When requested by the Superintendent of the House Radio and Television Gallery and upon approval by the Committee or its subcommittees, all Committee and subcommittee hearings which are open to the public may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any such methods of coverage: *Provided,* That such request is submitted to the Committee or its subcommittees not later than 4 p.m. of the day preceding such hearings.

The Chairman of the full Committee or the chairmen of the subcommittees are authorized to determine on behalf of the full Committee or its subcommittees respectively whether hearings which are open may be broadcast, unless the Committee or its subcommittees respectively by majority vote determine otherwise.

Such coverage shall be in accordance with the following requirements (Section 116(b) of the Legislative Reorganization Act of 1970; Clause 3(f) of Rule XI of the Rules of the House of Representatives):

(a) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(b) No witness served with a subpena by the Committee shall be required against his will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to Clause 2(k)(5) of Rule XI of the Rules of the House of Representatives, relating to the protection of the rights of witnesses.

(c) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among cameras permitted in a hearing room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(d) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or its subcommittees or the visibility of that witness and that Member to each other.

(e) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(f) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from the hearing or meeting room while the Committee or subcommittee is in session.

(g) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing room to the lowest level necessary to provide adequate television coverage to the hearing or meeting at the then current state of the art of television coverage.

(h) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(i) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Committee or its subcommittees.

(j) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(k) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(l) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery Committee of Press Photographers.

(m) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

21. SUBPENA POWERS

A subpena may be authorized and issued by the Committee or its subcommittees, in accord with House Rule XI, Clause 2(m), in the conduct of any investigation or series of investigations, only when authorized by a majority of the Members voting, a majority of the Committee or subcommittee being present. Pursuant to House Rules and under such limitations as the Committee may prescribe, the Chairman may be delegated the power to authorize and issue subpenas in the conduct of any investigation or series of investigations. Authorized subpenas shall be signed by the Chairman of the Committee or by any Member designated by the Committee.

22. RECOMMENDATION FOR APPOINTMENT OF CONFEREES

Whenever the Speaker is to appoint a conference committee, the Chairman shall recommend to the Speaker as conferees those Members of the Committee who are primarily responsible for the legislation (including to the fullest extent feasible the principal proponents of the major provisions of the bill as it passed the House), who have actively participated in the Committee or subcommittee consideration of the legislation, and who agree to attend the meetings of the conference.

23. OTHER PROCEDURES AND REGULATIONS

The Chairman of the full Committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the Committee. Any additional procedures or regulations may be modified or rescinded in any or all particulars by a majority vote of the full Committee.

RULES OF COMMITTEE ON SMALL BUSINESS FOR 97TH CONGRESS

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, pursuant to clause 2(a) of rule XI, I submit for printing in the RECORD the rules of the Committee on Small Business for the present Congress, which were adopted at the committee's organizational meeting on February 19, 1981:

RULES OF PROCEDURE OF THE COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES, 97TH CONGRESS

1. GENERAL PROVISIONS

The Rules of the House, and in particular the committee rules enumerated in clause 2 of rule XI, are the rules of the Committee on Small Business to the extent applicable and by this reference are incorporated. Each subcommittee of the Committee on Small Business (hereinafter referred to as the "committee") is a part of the committee and is subject to the authority and direction of the committee, and to its rules to the extent applicable.

2. DATE OF MEETING

The regular meeting date of the Committee on Small Business shall be the first Tuesday of every month when the House is in session. Additional meetings may be called by the chairman as he may deem necessary or at the request of a majority of the members of the committee in accordance with clause 2(c) of rule XI of the House of Representatives.

At least three days notice of such additional meetings shall be given unless the Chairman determines that there is good cause to call the meeting on less notice.

The determination of the business to be considered at each meeting shall be made by the Chairman subject to clause 2(c) of rule XI of the House of Representatives.

A regularly scheduled meeting need not be held if there is no business to be considered or, upon at least three days notice, it may be set for a different date.

3. QUORUM

No measure or recommendation shall be reported unless a majority of the committee is actually present; for purposes of taking testimony or receiving evidence, two members shall constitute a quorum; and for all other purposes one-third of the members shall constitute a quorum.

4. MEETINGS AND HEARINGS OPEN TO THE PUBLIC

(A) Meetings

Each meeting for the transaction of business, including the markup of legislation, of the committee or its subcommittees, shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than members of the committee, and such congressional staff and such departmental representatives as they may authorize, shall be present in any business or markup session which has been closed to the public.

This provision does not apply to any meeting that relates solely to internal budget or personnel matters.

(B) Hearings

Each hearing conducted by the committee or its subcommittees shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however,* That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearings.

No member may be excluded from nonparticipatory attendance at any hearing of the committee or any subcommittee, unless the House of Representatives shall by majority vote authorize the committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to members by the same procedures designated for closing hearings to the public.

5. ANNOUNCEMENT OF HEARINGS

Unless the chairman, or the committee by majority vote, determines that there is good cause to begin a hearing at an earlier date, public announcement shall be made of the date, place, and subject matter of any hearing to be conducted by the committee at least one week before the commencement of that hearing.

6. WITNESSES

(A) Interrogation of witnesses

The committee shall apply the 5-minute rule in the interrogation of witnesses in any hearing until such time as each member of the committee who so desires has had an opportunity to question each witness.

(B) Statement of witnesses

Each witness shall file with the committee, 48 hours in advance of his appearance, a written statement of his proposed testimony and shall make a brief oral summary of his views.

7. PROXIES

A vote by any member of the committee or any of its subcommittees by proxy is permitted, provided that such proxy shall be in writing, and delivered to the clerk of the committee, shall assert that the member so voting by proxy is absent on official business or is otherwise unable to be present at the meeting of the committee or its subcommittee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn, or other procedural matters. Each proxy shall be signed by the member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for quorum.

8. SUBPOENAS

A subpoena may be authorized and issued by the chairman of the committee in the conduct of any investigation or series of investigations or activities to require the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers and documents as he deems necessary. The ranking minority member shall be promptly notified of the issuance of such a subpoena.

Such a subpoena may be authorized and issued by the chairman of a subcommittee with the approval of a majority of the members of the subcommittee and the approval of the chairman of the committee or a majority of the members of the committee.

9. COMMITTEE STAFF

The staff of the Committee on Small Business shall be as follows:

(A) The professional and clerical employees of the committee, except those assigned to the minority or to a subcommittee chairman or ranking minority member as provided below, shall be appointed and assigned, and may be removed, by the chairman. Their remuneration shall be fixed by the chairman and they shall be under the general supervision and direction of the chairman.

(B) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined as the minority members of the committee shall determine: *Provided, however,* That no minority staff person shall be compensated at a rate which exceeds that paid his or her majority staff counterpart. Such staff shall be under the general supervision and direction of the minority members of the committee who may delegate such authority as they deem appropriate.

(C) Each subcommittee chairperson and each ranking minority member on not more than six subcommittees shall have the right to appoint and assign one person to work on subcommittee business at a salary commensurate with the responsibilities prescribed but at a rate not to exceed 75 percent of the maximum established rate for the employees on the professional staff of the committee. Such staff members shall perform services in facilities assigned to the committee and to the extent that they are not occupied during regular working hours with tasks assigned by the subcommittee chairperson or ranking minority member who appointed them, they shall perform other tasks as assigned by the chairman or the staff director.

10. NUMBER AND JURISDICTION OF SUBCOMMITTEES

There shall be six standing subcommittees as follows:

1. SBA and SBIC Authority, Minority Enterprise and General Small Business Problems.
2. General Oversight.
3. Antitrust and Restraint of Trade Activities Affecting Small Business.
4. Energy, Environment, and Safety Issues Affecting Small Business.
5. Tax, Access to Equity Capital and Business Opportunities.
6. Export Opportunities and Special Small Business Problems.

During the 97th Congress, the chairman and ranking minority member shall be *ex officio* members of all subcommittees, without vote, and the number of members assigned to subcommittees shall be as follows:

Subcommittee No. 1: 7 Democrats, 5 Republicans.

Subcommittee No. 2: 7 Democrats, 5 Republicans.

Subcommittee No. 3: 4 Democrats, 3 Republicans.

Subcommittee No. 4: 4 Democrats, 3 Republicans.

Subcommittee No. 5: 6 Democrats, 4 Republicans.

Subcommittee No. 6: 6 Democrats, 4 Republicans.

The jurisdiction of such subcommittees shall include the following:

I. SBA and SBIC authority, minority enterprise and general small business problems

Access to SBA services.
Illegal activities affecting small business.
Minority enterprise.
SBA and SBIC authorizations.

II. General oversight

General oversight of activities of Government agencies and legislation affecting small business.
Postal Service.
Procurement.

III. Antitrust and restraint of trade activities affecting small business

Anticompetitive activities affecting small business.
Federal Trade Commission and antitrust activities.
Robinson-Patman Act.
Sherman and Clayton Acts.
Unassigned Regulatory Agency activities.

IV. Energy, environment, and safety issues affecting small business

Department of Energy and related agencies.
Energy allocations, marketing, etc.
Energy Research and Development Contracts.
Impact of pollution laws and EPA rules.
Marketing of petroleum products.
Occupational Safety and Health Administration.
Science boards and commissions.
Tennessee Valley Authority.

V. Tax, access to equity capital and business opportunities

Access to equity capital.
Banking practices.
IDA.
Franchising practices.
HUD policies affecting small business.
Impact of tax policies on small business.
Job creation.
SEC handling of ventures.

VI. Export opportunities and special small business problems

Export opportunities for small business.
Reduction of unnecessary paperwork.
Regulatory Flexibility Act.
Various communications matters affecting small business.
Various Federal regulatory policies and programs affecting small business.
Various transportation matters affecting small business.

11. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it. Subcommittee chairmen shall set meeting dates after consultation with the chairman of the full committee and other subcommittee chairmen, with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible. Meetings of subcommittees shall not be scheduled to occur simultaneously with meetings of the full committee.

12. SUBCOMMITTEE REPORTS ON INVESTIGATIVE HEARINGS

The report of any subcommittee on a matter which was the topic of a study or investigation shall include a statement concerning the subject of the study or investigation, the findings and conclusions, and recommendations for corrective action, if any, together with such other material as the subcommittee deems appropriate.

Such proposed report shall first be approved by a majority of the subcommittee members. After such approval has been secured, the proposed report shall be sent to each member of the full committee for his supplemental, minority or additional views.

Any such views shall be in writing and signed by the member and filed with the clerk of the committee within 5 calendar days (excluding Saturdays, Sundays, and legal holidays) from the date of the transmittal of the proposed report to the members.

After the expiration of such 5 calendar days, the report may be filed as a House report.

13. REFERRAL OF BILLS BY CHAIRMAN

Unless retained for consideration by the full committee, all legislation and other matters referred to the committee shall be referred by the chairman to the subcommittee of appropriate jurisdiction within 2 weeks.

14. RECORDS

The committee shall keep a complete record of all actions which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each subcommittee rollcall vote, together with a description of the matter voted upon, shall be promptly made available to the full committee and such votes shall be available for inspection by the public at reasonable times in the offices of the committee.

15. ACCESS TO CLASSIFIED OR SENSITIVE INFORMATION

Access to classified information supplied to the committee and attendance at closed sessions of the committee or its subcommittees shall be limited to members, and to members of the committee staff and stenographic reporters who have appropriate security clearance when the chairman determines that such access or such attendance is essential to the functioning of the committee.

The procedure to be followed in granting access to those hearings, records, data, charts, and files of the committee which involve classified intelligence information or information deemed by a subcommittee to be sensitive shall be as follows:

(a) Only Members of the House of Representatives may have access to such information.

(b) Members who desire to read materials that are in the possession of the committee should notify the clerk of the committee or the subcommittee possessing the materials.

(c) The clerk will maintain an accurate access log which identifies without revealing the material examined, the staff member involved, and the time of arrival and departure of all members having access to the information.

(d) If the material desired is material which the committee or subcommittee deems to be sensitive enough to require special handling, before receiving access to such information, Members of the House will be required to identify the information they desire to read and sign an access information sheet acknowledging such access and that the Member has read these procedures.

(e) Such material shall not be removed from the room.

(f) A staff representative shall insure that the documents used by the Member are returned to the proper custodian or to original safekeeping as appropriate.

(g) No notes, reproductions or recordings may be made of any portion of such information.

(h) The contents of such information shall not be divulged to any person in any way, form, shape, or manner and shall not be discussed with any person who has not received the information in an authorized manner either under these rules or the laws or rules in effect for officials and employees of the executive branch.

(i) When not being examined in the manner described herein, such information will be kept in secure safes in the committee rooms.

(j) These procedures only address access to information the committee or a subcommittee deems to be sensitive enough to require special treatment.

(k) If a member believes the material should not be classified or considered restricted as to dissemination or use, the member may ask the committee or subcommittee to so rule; however, as far as materials and information in the custody of the Small Business Committee is concerned, the classification of materials as determined by the executive branch shall prevail unless affirmatively changed by the committee or the subcommittee involved, after consultation with the appropriate executive agencies.

(l) Other materials in the possession of the committee are to be handled in accordance with the normal practices and traditions of the committee and its subcommittees.

16. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

Upon approval by the committee or its subcommittee, all committee and subcommittee hearings which are open to the public may be covered, in whole, or in part, by television broadcast, radio broadcast, and still photography or by any such methods of coverage.

The chairman of the full committee or the chairmen of the subcommittees are authorized to determine on behalf of the full committee or its subcommittees, respectively, whether hearings which are open may be broadcast, unless the committee or its subcommittees respectively by majority vote determine otherwise.

Permission for such coverage shall be granted only under the following conditions:

(1) Live coverage by radio or television shall be without commercial sponsorship.

(2) No witness served with a subpoena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in the room. The allocation among the television media of the positions of television cameras in the room shall be in accordance with fair and equitable procedures as devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Television and radio media equipment shall not be installed in, or removed from, the room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used, except that the television media may install additional lighting in the room, without cost to the Government, in order to raise the ambient lighting level to the lowest level necessary to provide adequate television coverage at the then current state of the art.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage by the other media.

(11) Television and radio media personnel shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Still photography personnel shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

17. OTHER PROCEDURES AND REGULATIONS

The chairman of the full committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee.

The committee may not be committed to any expense whatever without the prior approval of the chairman of the full committee.

APPENDIX

EXCERPTS OF HOUSE RULES PERTAINING TO COMMITTEE PROCEDURE

RULE XI

* * * * *

COMMITTEE RULES

Adoption of written rules

2. (a) Each standing committee of the House shall adopt written rules governing its procedure. Such rules—

(1) Shall be adopted in a meeting which is open to the public unless the committee in open session and with a quorum present, determines by rollcall vote that all or part of the meeting on that day is to be closed to the public;

(2) Shall be not inconsistent with the Rules of the House or with those provisions of law having the force and effect of Rules of the House; and

(3) Shall in any event incorporate all of the succeeding provisions of this clause to the extent applicable.

Each committee's rules specifying its regular meeting days, and any other rules of a committee which are in addition to the provisions of this clause, shall be published in the Congressional Record not later than thirty days after the Congress convenes in each odd-numbered year. Each select or joint committee shall comply with the provisions of this paragraph unless specifically prohibited by law.

Regular meeting days

(b) Each standing committee of the House shall adopt regular meeting days, which shall be not less frequent than monthly, for the conduct of its business. Each such committee shall meet, for the consideration of any bill or resolution pending before the committee or for the transaction of other committee business, on all regular meeting days fixed by the committee, unless otherwise provided by written rule adopted by the committee.

Additional and special meetings

(c)(1) The chairman of each standing committee may call and convene, as he or she considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the chairman.

(2) If at least three members of any standing committee desire that a special meeting of the committee be called by the chairman, those members may file in the offices of the committee their written request to the chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of the filing of the request. If, within three calendar days after the filing of the request, the chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour of, and the measure or matter to be considered at, that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

Ranking majority member to preside in absence of chairman

(d) If the chairman of any standing committtee is not present at any meeting of the committee, the ranking member of the majority party on the committee who is present shall preside at that meeting.

Committee records

(e)(1) Each committee shall keep a complete record of all committee action which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each rollcall vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

(2) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access thereto, except that in the case of records in the Committee on Standards of Official Conduct respecting the conduct of any Member, officer, or employee of the House, no Member of the House (other than a member of such committee) shall have access thereto without the specific, prior approval of the committee.

Proxies

(f) No vote by any member of any committee or subcommittee with respect to any measure or matter may be cast by proxy unless such committee, by written rule adopted by the committee, permits voting by proxy and requires that the proxy authorization shall be in writing, shall assert that the Member is absent on official business or is otherwise unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

Open meetings and hearings

(g)(1) Each meeting for the transaction of business, including the markup of legislation, of each standing committee or subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public; *Provided, however,* That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a)(1) of Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by each committee or subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony,

(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate clause 2(k)(5) of rule XI; or

(B) may vote to close the hearing, as provided in clause 2(k)(5) of rule XI. No Member may be excluded from nonparticipatory attendance at any hearing of any committee or subcommittee, with the exception of the Committee on Standards of Official Conduct, unless the House of Representatives shall by majority vote authorize a particular committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this subparagraph for closing hearings to the public: *Provided, however,* That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

(3) Each committee of the House (except the Committee on Rules) shall make public announcement of the date, place and subject matter of any committee hearing at least one week before the commencement of the hearing. If the committee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible date. Any announcement made under this subparagraph shall be promptly published in the Daily Digest and promptly entered into the committee scheduling service of the House Information Systems.

(4) Each committee shall, insofar as is practicable, require each witness who is to appear before it to file with the committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a brief summary of his or her argument.

(5) No point of order shall lie with respect to any measure reported by any committee on the ground that hearings on such measure were not conducted in accordance with the provisions of this clause; except that a point of order on that ground may be made by any member of the committee which reported the measure if, in the committee, such point of order was (A) timely made and (B) improperly overruled or not properly considered.

(6) The preceding provisions of this paragraph do not apply to the committee hearings which are provided for by clause 4(a)(1) of rule X.

Quorum for taking testimony and certain other action

(h)(1) Each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence which shall be not less than two.

(2) Each committee (except the Committee on Appropriations, the Committee on the Budget, and the Committee on Ways and Means) may fix the number of its members to constitute a quorum for taking any action other than the reporting of a measure or recommendation which shall be not less than one-third of the members.

Prohibition against committee meetings during 5-minute rule

(i) No committee of the House (except the Committee on Appropriations, the Committee on the Budget, the Committee on Rules, the Committee on Standards of Official Conduct, and the Committee on Ways and Means) may sit, without special leave, while the House is reading a measure for amendment under the five-minute rule. For purposes of this paragraph, special leave will be granted unless 10 or more Members object.

Calling and interrogation of witnesses

(j)(1) Whenever any hearing is conducted by any committee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(2) Each committee shall apply the five-minute rule in the interrogation of witnesses in any hearing until such time as each member of the committee who so desires has had an opportunity to question each witness.

Investigative hearing procedures

(k)(1) The chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause 2(g)(2) of this Rule, if by a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. In each case the committee shall afford such person an opportunity voluntarily to appear as a witness; and receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

Committee procedures for reporting bills and resolutions

(l)(1)(A) It shall be the duty of the Chairman of each committee (except as provided in subdivision (C)) to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(B) In any event, the report of any committee on a measure which has been approved by the committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request. This subdivision does not apply to the reporting of a regular appropriation bill by the Committee on Appropriations prior to compliance with subdivision (C) and does not apply to a report of the Committee on Rules with respect to the rules, joint rules, or order of business of the House or to the reporting of a resolution of inquiry addressed to the head of an executive department.

(C) Before reporting the first regular appropriation bill for each fiscal year, the Committee on Appropriations shall, to the extend practicable and in accordance with section 307 of the Congressional Budget Act of 1974, complete subcommittee markup and full committee action on all regular appropriation bills for that year and submit to the House a summary report comparing the committee's recommendations with the appropriate levels of budget outlays and new budget authority as set forth in the most recently agreed to current resolution on the budget for that year.

(2)(A) No measure or recommendation shall be reported from any committee unless a majority of the committee was actually present.

(B) With respect to each rollcall vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(3) The report of any committee on a measure which has been approved by the committee (A) shall include the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X separately set out and clearly identified; (B) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures; (C) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and (D) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 4(c)(2) of Rule X separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(4) Each report of a committee on each bill or joint resolution of a public character reported by such committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(5) If, at the time of approval of any measure or matter by any committee, other than the Committee on Rules, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of

the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which—

(A) Shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(B) Shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (C) and (D) of subparagraph (3) are included as part of the report.

This subparagraph does not preclude—

(i) The immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(ii) The filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(6) A measure or matter reported by any committee (except the Committee on Rules in the case of a resolution making in order the consideration of a bill, resolution, or other order of business), shall not be considered in the House until the third calendar day (or the tenth calendar day in the case of a concurrent resolution on the budget), excluding Saturdays, Sundays, and legal holidays, on which the report of that committee upon that measure or matter has been available to the Members of the House. Nor shall it be in order to consider any measure or matter reported by any committee (except the Committee on Rules in the case of a resolution making in order the consideration of a bill, resolution, or other order of business, or any other committee in the case of a privileged resolution), unless copies of such report and the reported measure or matter have been available to the Members for at least 3 calendar days, excluding Saturdays, Sundays, and legal holidays during which the House is not in session before the beginning of such consideration: *Provided, however,* That it shall always be in order to call up for consideration, notwithstanding the provisions of clause 4(b), rule XI, a report from the Committee on Rules specifically providing for the consideration of a reported measure or matter notwithstanding this restriction. If hearings have been held on any such measure or matter so reported, the committee reporting the measure or matter shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House. This subparagraph shall not apply to—

(A) Any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(B) Any decision, determination, or action by a Government agency which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

For the purposes of the preceding sentence, a Government agency includes any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or the government of the District of Columbia.

(7) If, within seven calendar days after a measure has, by resolution been made in order for consideration by the House, no motion has been offered that the House consider that measure, any member of the committee which reported that measure may be recognized in the discretion of the Speaker to offer a motion that the House shall consider that measure, if that committee has duly authorized that member to offer that motion.

Power to sit and act; subpoena power

(m)(1) For the purpose of carrying out any of its functions and duties under this rule and Rule X (including any matters referred to it under clause 5 of Rule X), any committee, or any subcommittee thereof, is authorized (subject to subparagraph (2)(A) of this paragraph)—

(A) To sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(B) To require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The chairman of the committee, or any member designated by such chairman, may administer oaths to any witness.

(2)(A) A subpoena may be authorized and issued by a committee or subcommittee under subparagraph (1)(B) in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpoenas under subparagraph (1)(B) may be delegated to the chairman of the committee pursuant to such rules and under such limitations as the committee may prescribe. Authorized subpoenas shall be signed by the chairman of the committee or by any member designated by the committee.

(B) Compliance with any subpoena issued by a committee or subcommittee under subparagraph (1)(B) may be enforced only as authorized or directed by the House.

Use of committee funds for travel

(n)(1) Funds authorized for a committee under clause 5 are for expenses incurred in the committee's activities; however, local currencies owned by the United States shall be made available to the committee and its employees engaged in carrying out their official duties outside the United States, its territories or possessions. No appropriated funds, including those authorized under clause 5, shall be expended for the purpose of defraying expenses of members of the committee or its employees in any country where local currencies are available for this purpose; and the following conditions shall apply with respect to travel outside the United States or its territories or possessions:

(A) No member or employee of the committee shall receive or expend local currencies for subsistence in any country for any day at a rate in excess of the maximum per diem set forth in applicable Federal law, or if the member or employee is reimbursed for any expenses for such day, then the lesser of the per diem or the actual, unreimbursed expenses (other than for transportation) incurred by the member or employee during that day.

(B) Each member or employee of the committee shall make to the chairman of the committee an itemised report showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, any funds expended for any other official purpose and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. All such individual reports shall be filed no later than sixty days following the completion of travel with the chairman of the committee for use in complying with reporting requirements in applicable Federal law and shall be open for public inspection.

(2) In carrying out the committee's activities outside the United States in any country where local currencies are unavailable, a member or employee of the committee may not receive reimbursement for expenses (other than for transportation) in excess of the maximum per diem set forth in applicable Federal law, or if the member or employee is reimbursed for any expenses for such day, then the lesser of the per diem or the actual, unreimbursed expenses (other than for transportation) incurred, by the member or employee during any day.

(3) A member or employee of a committee may not receive reimbursement for the cost of any transportation in connection with travel outside of the United States unless the member or employee has actually paid for the transportation.

(4) The restrictions respecting travel outside of the United States set forth in subparagraphs (2) and (3) shall also apply to travel outside of the United States by Members, officers, and employees of the House authorized under clause 8 of rule I, clause 1(b) of this rule, or any other provision of these Rules of the House of Representatives.

(5) No local currencies owned by the United States may be made available under this paragraph for the use outside of the United States for defraying the expenses of a member of any committee after—

(A) The date of the general election of Members in which the Member has not been elected to the succeeding Congress; or

(B) In the case of a Member who is not a candidate in such general election, the earlier of the date of such general election or the adjournment sine die of the last regular session of the Congress.

RULES OF COMMITTEE ON VETERANS' AFFAIRS FOR 97TH CONGRESS

(Mr. MONTGOMERY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONTGOMERY. Mr. Speaker, pursuant to rule XI, clause 2, I present for printing in the RECORD the rules adopted by the Committee on Veterans' Affairs on February 4, 1981:

RULES OF THE COMMITTEE ON VETERANS' AFFAIRS

Rule I—General Provisions. The Rules of the House are the rules of the committee and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

Rule II—Meetings:

(a) The regular meeting day for the full committee shall be at 10 a.m. on the second

Tuesday of each month, and at such other times and in such places as the chairman may designate; however, a regular Tuesday meeting of the committee may be dispensed with by the chairman.

(b) The chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to the call of the chairman.

(c)(1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereto shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however:* That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to subparagraph (2) of this paragraph, or to any meeting that related solely to internal budget or personnel matters.

(2) Each hearing conducted by the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: *Provided, however:* That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

Rule III—Records and Roll Calls. There shall be kept in writing a record of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a roll call is demanded. The result of each such roll call vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present or, in the apparent absence of a quorum, by any one member. With respect to each record vote by the committee to report any bill or resolution, the total number of votes cast for and the total number of votes cast against the reporting of such bill or such resolution shall be included in the committee report.

Rule IV—Quorums. A majority of the members of the committee shall constitute a quorum of the committee for business and a majority of the members of any subcommittee shall constitute a quorum thereof for business: *Provided,* That any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

Rule V—Hearing Procedures:

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event, the chairman or the subcommittee chairman, whichever the case may be, shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 48 hours in advance of his or her appearance, a written statement of his or her proposed testimony and shall limit his or her oral presentation to a summary of the statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman of a majority of those minority members before the completion of such hearing, to call such witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) All other members of the committee may have the privilege of sitting with any subcommittee during its hearing or deliberations and may participate in such hearings or deliberations, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(e) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority.

Rule VI—Oversight:

(a) In order to assist the House in:

(1) Its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration and enactment of such modifications or changes in those laws, and of such additional legislation, as may be necessary or appropriate, the various subcommittees, consistent with their jurisdiction as set forth in Rule VIII, shall have oversight responsibilities as provided in paragraph (b).

(b) Each subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated.

In addition, each such subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that subcommittee.

(c) Each subcommittee shall review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within its jurisdictions.

Rule VII—Broadcasting of Committee Hearings. Broadcasting, either by radio or TV of all open committee hearings and meetings shall be permitted when, in the judgment of the chairman, in consultation with the ranking minority member, such action is warranted. Photographs shall be permitted during hearings of the full committee and subcommittees as the chairman decides.

All coverage shall be subject to the following provisions:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media

may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Rule VIII—Number and Jurisdiction of Subcommittees:

(a) There shall be five standing subcommittees as follows: Oversight and Investigations; Hospitals and Health Care; Education, Training and Employment; Compensation, Pension and Insurance; and Housing and Memorial Affairs. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees, respectively;

Oversight and Investigations: Investigative authority over matters that are referred to the subcommittee by the chairman of the full committee for investigation and appropriate recommendations.

Hospitals and Health Care: Veterans' hospitals, medical care, and treatment of veterans.

Education, Training and Employment: Education of veterans, vocational rehabilitation, and readjustment of servicemen to civilian life.

Compensation, Pension, and Insurance: Compensation, pensions of all the wars of the United States, general and special, and life insurance issued by the Government on account of service in the Armed Forces.

Housing and Memorial Affairs: Veterans' housing programs, and cemeteries of the United States in which veterans of any war or conflict are or may be buried, whether in the United States or abroad, except cemeteries administered by the Secretary of the Interior, and burial benefits.

(b) The chairman and the ranking minority member shall serve as ex-officio members of all subcommittees and shall have the right to vote on all matters before the subcommittee.

Rule IX—Powers and Duties of Subcommittees:

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings wherever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) In any event, the report of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. WALKER) to revise and extend his remarks and include extraneous material:)

Mr. DERWINSKI, for 1 hour, on February 24.

(The following Members (at the request of Mr. HIGHTOWER) to revise and extend their remarks and include extraneous material:)

Mr. FOWLER, for 30 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. BINGHAM, for 5 minutes, today.
Mr. BLANCHARD, for 5 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. MONTGOMERY, for 5 minutes, today.
Mr. LEATH of Texas, for 5 minutes, today.
Mr. ENGLISH, for 5 minutes, today.
Mr. DASCHLE, for 5 minutes, today.
Mr. HIGHTOWER, for 5 minutes, today.
Ms. FERRARO, for 5 minutes, today.

(The following Member (at the request of Mr. MICHEL) to revise and extend his remarks and include extraneous material:)

Mr. COLLINS of Texas, for 60 minutes, on February 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WALKER) and to include extraneous matter:)

Mr. SAWYER in two instances.
Mr. GILMAN in two instances.
Mr. LENT.
Mr. SHUMWAY.
Mr. FRENZEL.
Mrs. HECKLER in six instances.
Mr. BAILEY of Missouri in two instances.
Mr. REGULA.
Mr. PAUL.

(The following Members (at the request of Mr. HIGHTOWER) and to include extraneous matter:)

Mr. MCHUGH.
Mr. MAZZOLI.
Mr. BAILEY of Pennsylvania.
Mr. CONYERS.
Mr. STOKES in two instances.
Mr. LEATH of Texas.
Mr. MAVROULES.
Mr. MONTGOMERY.
Mr. ENGLISH.
Mr. DASCHLE.
Mr. MOLLOHAN.
Mr. OBEY in five instances.
Mr. DWYER.
Mr. MCDONALD in two instances.
Mr. ZABLOCKI.
Mr. HIGHTOWER.
Mr. HUBBARD.
Mr. FUQUA.
Mr. BIAGGI in two instances.
Mr. CONYERS.
Mr. BOLAND.

ADJOURNMENT

Mr. HIGHTOWER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 57 minutes a.m.), under its previous order, the House adjourned until Monday, February 23, 1981, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. ZEFERETTI: Committee on Rules. House Resolution 13. Resolution to establish the Select Committee on Narcotics Abuse and Control; with amendment (Rept. No. 97-4). Referred to the House Calendar.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

564. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually; to the Committee on Agriculture.

565. A letter from the Acting Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the wearing apparel activity at Fort Meade, Md., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

566. A letter from the Principal Deputy Assistant Secretary of the Navy (Logistics), transmitting notice of the proposed conversion to contractor performance of the keypunch services function at the Weapons Station, Yorktown, Va., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

567. A letter from the Principal Deputy Assistant Secretary of the Navy (Logistics), transmitting notice of the proposed conversion to contractor performance of the guard service function at the Cheatham Annex and the Craney Island Fuel Facility of the Naval Supply Center, Norfolk, Va., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

568. A letter from the Comptroller, Department of State, transmitting the quarterly report on the programing and obligation of international narcotics control funds as of December 31, 1980, pursuant to section 481 of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

569. A letter from the Secretary, Commission of Fine Arts, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

570. A letter from the Chairman, Marine Mammal Commission, transmitting the Commission's eighth annual report, covering calendar year 1980, pursuant to section 204 of Public Law 92-552; to the Committee on Merchant Marine and Fisheries.

571. A letter from the Secretary of Health and Human Services, transmitting the 1980 annual report on poverty-related research and demonstration projects, pursuant to section 232(b) of the Community Services Act of 1974, together with a related report on income maintenance activities carried out under section 1110 of the Social Security Act; jointly, to the Committees on Education and Labor, Ways and Means, and Energy and Commerce.

572. A letter from the Comptroller General of the United States, transmitting a report on progress toward the solution of technical problems with the F/A-18 naval strike fighter (MASAD-81-3, February 18, 1981); jointly, to the Committees on Government Operations and Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON:

H.R. 1948. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and for other purposes; jointly, to the Committees on Foreign Affairs, the Judiciary, and Public Works and Transportation.

By Mr. BIAGGI:

H.R. 1949. A bill to amend the Fair Labor Standards Act of 1938 to provide that blind persons may not be employed at less than the applicable minimum wage under that act; to the Committee on Education and Labor.

H.R. 1950. A bill to amend section 133 of the Elementary and Secondary Education Act of 1965 to permit the Secretary of Education to waive the requirements of subsection (b)(7)(B) of such section, relating to matching funds for services provided under schoolwide projects to children who are not educationally deprived; to the Committee on Education and Labor.

H.R. 1951. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system of the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. BREAUX (for himself and Mr. FORSYTHE):

H.R. 1952. A bill to authorize appropriations to carry out conservation programs on military reservations and public lands during fiscal years 1982, 1983, and 1984; to the Committee on Merchant Marine and Fisheries.

H.R. 1953. A bill to authorize appropriation for the operations of the Office of Environmental Quality and the Council on Environmental Quality during fiscal years 1982, 1983, and 1984; to the Committee on Merchant Marine and Fisheries.

By Mr. BRODHEAD (for himself, Mr. HILLIS, Mr. TRAXLER, and Mr. DINGELL):

H.R. 1954. A bill to impose quotas on the importation of Japanese automobiles during the 5-year period beginning with 1981; to the Committee on Ways and Means.

By Mr. DASCHLE:

H.R. 1955. A bill to authorize appropriations for fiscal year 1982 for the Navy for research, development, test, and evaluation of a shallow underwater missile (SUM) submarine system; to the Committee on Armed Services.

By Mr. DE LA GARZA (for himself, Mr. WAMPLER, Mr. LOEFFLER, Mr. ANTHONY, Mr. BOWEN, Mr. CHAPPIE, Mr. HAGEDORN, Mr. HANSEN of Idaho, Mr. JONES of Tennessee, Mr. MARLENEE, Mr. MORRISON, Mr. ROBERTS of Kansas, Mr. ROBERTS of South Dakota, Mr. ROSE, Mr. SKEEN, Mr. STENHOLM, and Mr. THOMAS):

H.R. 1956. A bill to amend the act of March 2, 1931, to require the Secretary of the Interior, in cooperation with the Secretary of Agriculture, to implement a program for animal damage control, and for other purposes; to the Committee on Agriculture.

By Mr. ENGLISH (for himself, Mr. BROOKS, Mr. WEISS, Mr. WAXMAN, Mr. JOHN L. BURTON, Mr. MOFFETT, Mr. BUTLER, and Mr. GOLDWATER):

H.R. 1957. A bill to reorganize the international communications activities of the Federal Government; to the Committee on Government Operations.

By Ms. FERRARO:

H.R. 1958. A bill to amend the Internal Revenue Code of 1954 to provide an additional investment tax credit for fire prevention equipment; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 1959. A bill to establish an energy stamp program to provide energy stamps to low- and moderate-income households to help meet the costs of rising fuel bills; to the Committee on Energy and Commerce.

By Mr. FOWLER (for himself, Mr. HEFTEL, Mr. BRODHEAD, Mr. DOWNEY, Mr. DUNCAN, Mr. FORD of Tennessee, Mr. GEPHARDT, Mr. GUARINI, Mr. HANCE, Mr. JENKINS, Mr. PEASE, Mr. PICKLE, Mr. ADDABBO, Mr. AKAKA, Mr. ALBOSTA, Mr. AUCOIN, Mr. BARNARD, Mr. BARNES, Mr. BEDELL, Mr. BINGHAM, Mr. BLANCHARD, Mrs. BOGGS, Mr. BOLAND, Mr. BONIOR of Michigan, Mr. BROWN of California, Mr. CLAY, Mr. COELHO, Mr. CONTE, Mr. CONYERS, Mr. CROCKETT, Mr. D'AMOURS, Mr. DASCHLE, Mr. DELLUMS, Mr. DICKINSON, Mr. DIXON, Mr. DONNELLY, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. EDGAR, Mr. EDWARDS of California, Mr. EMERY, Mr. ERDAHL, Mr. ERTEL, Mr. EVANS of Georgia, Mr. FASCELL, Mr. FAZIO, Mrs. FENWICK, Mr. FISH, Mr. FLORIO, Mr. FROST, Mr. GARCIA, Mr. GINN, Mr. GOLDWATER, Mr. GOODLING, Mr. GORE, Mr. GRAY, Mr. HARKIN, Mr. HATCHER, Mr. HOLLENBECK, Mr. HOPKINS, Mr. HOWARD, Mr. HUGHES, Mr. IRELAND, Mr. JEFFORDS, Mr. KILDEE, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAFALCE, Mr. LEACH of Iowa, Mr. LEHMAN, Mr. LEVITAS, Mr. LUKEN, Mr. MCDADE, Mr. MARKEY, Mr. MARKS, Mr. MARLENEE, Mr. MARRIOTT, Mr. MAVROULES, Mr. MAZZOLI, Ms. MIKULSKI, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOLLOHAN, Mr. MOTTL, Mr. MURPHY, Mr. NEAL, Mr. NELSON, Mr. NOWAK, Mr. OBERSTAR, Mr. PANETTA, Mr. PATTERSON, Mr. PAUL, Mr. PEPPER, Mr. PORTER, Mr. PRITCHARD, Mr. RATCHFORD, Mr. RITTER, Mr. RODINO, Mr. ROE, Mr. ROSE, Mr. SANTINI, Mr. SAWYER, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SEIBERLING, Mrs. SNOWE, Mr. STENHOLM, Mr. STOKES, Mr. STUDDS, Mr. TAUKE, Mr. TRAXLER, Mr. UDALL, Mr. WALGREN, Mr. WEAVER, Mr. WHITE, Mr. WHITEHURST, Mr. WILLIAMS of Montana, Mr. WILSON, Mr. WISE, Mr. WIRTH, Mr. WOLPE, Mr. WYLIE, Mr. YATRON, Mr. YOUNG of Missouri, Mr. CORRADA, Mr. WON PAT, and Mr. JAMES K. COYNE):

H.R. 1960. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics; to the Committee on Ways and Means.

By Mr. GILMAN:

H.R. 1961. A bill to amend the Internal Revenue Code of 1954 to increase the exclusion for dividends and interest and to make such exclusion permanent; to the Committee on Ways and Means.

By Mr. GILMAN (for himself and Mr. ATKINSON, Mr. BAILEY of Pennsylva-

nia, Mrs. COLLINS of Illinois, Mr. CORRADA, Mr. COURTER, Mr. JAMES K. COYNE, Mr. DELLUMS, Mr. DORNAN of California, Mr. DOWNEY, Mr. DWYER, Mr. ERTEL, Mr. FISH, Mr. GIBBONS, Mr. HORTON, Mr. JEFFORDS, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. MARTIN of New York, Mr. MITCHELL of Maryland, Mr. MURPHY, Mr. PEPPER, Mr. PORTER, Mr. SCHEUER, Mr. WEISS, Mr. WHITEHURST, and Mr. WOLPE):

H.R. 1962. A bill to amend the Veterans Health Programs Extension and Improvement Act of 1979 to require the Veterans' Administration and the National Academy of Sciences to enter into an agreement under which the Academy will conduct an epidemiological study of veterans exposed to agent orange; to the Committee on Veterans' Affairs.

By Mr. HEFTEL (for himself and Mr. POWLER):

H.R. 1963. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics; to the Committee on Ways and Means.

By Mr. HOLLAND (for himself, Mr. GUARINI, Mr. HANCE, Mr. ROUSSELOT, Mr. ARCHER, Mr. JACOBS, Mr. GEPHARDT, and Mr. DUNCAN):

H.R. 1964. A bill to allow an income tax deduction for certain motor carrier operating authorities to offset the impact of the Motor Carrier Reform Act of 1980; to the Committee on Ways and Means.

By Mr. HUGHES:

H.R. 1965. A bill to amend the Immigration and Nationality Act to provide criminal penalties for the knowing employment of illegal aliens; to the Committee on the Judiciary.

H.R. 1966. A bill to amend the Clayton Act to provide remedies for the enforcement of antitrust judgment, to provide review procedures for the purposes of modifying or vacating an antitrust judgment, and for other purposes; to the Committee on the Judiciary.

H.R. 1967. A bill to amend the Clayton Act and the Internal Revenue Code of 1954 with respect to punitive damages received by private litigants under the Clayton Act, and for other purposes; jointly, to the Committees on Ways and Means and the Judiciary.

By Mr. KILDEE (for himself, Mr. MURPHY, Mr. BRODHEAD, Mr. COELHO, Mr. BONIOR of Michigan, Mr. DOWNEY, Mr. ZEFERETTI, Mr. ADDABBO, Mr. FORD of Michigan, Mr. VENTO, Mr. ROE, Mr. HYDE, Mr. HOWARD, Mr. CORRADA, Mr. DOUGHERTY, and Mr. YATRON):

H.R. 1968. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to authorize the payment of benefits with respect to public safety officers who die of certain medical conditions sustained in the performance of duty; to the Committee on the Judiciary.

By Mr. LEATH of Texas (for himself, Mr. MONTGOMERY, Mr. HAMMERSCHMIDT, and Mr. HEFNER):

H.R. 1969. A bill to amend title 38, United States Code, to authorize the Veterans' Administration to provide medical care on a priority basis to members of the Armed Forces who are injured during a period of war or national emergency, and for other purposes; jointly, to the Committees on Armed Services and Veterans' Affairs.

By Mr. MINISH:

H.R. 1970. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits; to the Committee on Ways and Means.

By Mr. MITCHELL of New York:

H.R. 1971. A bill to amend chapter 55 of title 10, United States Code, to improve vision care services under CHAMPUS; to the Committee on Armed Services.

By Mr. PAUL:

H.R. 1972. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act; to the Committee on Education and Labor.

By Mr. RAILSBACK:

H.R. 1973. A bill to amend title VIII of the Act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMAS:

H.R. 1974. A bill to amend the Internal Revenue Code of 1954 to provide that the windfall profit tax shall not apply to an amount of crude oil equal to the amount of residual fuel oil used to produce the crude oil; to the Committee on Ways and Means.

By Mr. YOUNG of Missouri:

H.R. 1975. A bill granting the consent of Congress to the Southern States Energy Compact, and for related purposes; to the Committee on Energy and Commerce.

By Mr. DASCHLE:

H.J. Res. 180. Joint resolution proposing an amendment to the Constitution of the United States to provide that, except in cases of war or national emergency to be declared by Congress, the budget of the United States must provide that the expenditures of the United States in each fiscal year shall not exceed the receipts of the United States for that fiscal year, and shall not exceed 20 percent of the average gross national product for the 3 calendar years immediately preceding such fiscal year; to the Committee on the Judiciary.

By Mr. FITHIAN:

H.J. Res. 181. Joint resolution proposing an amendment to the Constitution of the United States to limit the expenditure of Government funds during any fiscal year to the total revenue of the government as projected by the Congress for such year; to the Committee on the Judiciary.

By Mr. MITCHELL of Maryland:

H. Res. 77. Resolution to provide for the expenses of investigation and studies to be conducted by the Committee on Small Business; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARNARD:

H.R. 1976. A bill for the relief of Svea von Hanstein, Werner von Hanstein, Melanie von Hanstein, and Philipp von Hanstein; to the Committee on the Judiciary.

By Mr. SHARP:

H.R. 1977. A bill for the relief of Maria Gloria (Joy) C. Villa; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 27: Mr. CRAIG, Mr. DANNEMEYER, Mr. RUDD, Mrs. SCHNEIDER, Mr. SIMON, and Mr. ZEFERETTI.

H.R. 84: Mr. WON PAT, Mr. MOTTL, Mr. FAZIO, Mr. HORTON, Mr. ECKART, Mr. GARCIA, Mr. FISH, Mr. BINGHAM, Mrs. SCHNEIDER, and Mr. GREGG.

H.R. 85: Mr. EMERY, Mr. BONKER, Mr. PRITCHARD, Mr. DYSON, Mr. DOUGHERTY, Mr. ADDABBO, Mr. RODINO, Mr. SCHEUER, Mr. PEPPER, Mr. GREEN, Mr. MURPHY, Mr. WEISS, Mr. VENTO, Mrs. BOGGS, Mr. ROE, Mr. FORD of Michigan, Mr. OTTINGER, Mr. LAFALCE, Mr. MOAKLEY, Mr. STOKES, Mr. RANGEL, Mr. LEHMAN, and Mr. SEIBERLING.

H.R. 215: Mr. MOLLOHAN, Mr. KAZEN, Mr. LOWERY of California, Mr. ROBERTS of South Dakota, Mr. ANTHONY, Mr. WINN, Mr. MURPHY, Mr. GINGRICH, Mr. KOGOVSEK, Mr. HUBBARD, Mr. COELHO, and Mr. WYLIE.

H.R. 364: Mr. WOLPE.

H.R. 391: Mr. McDONALD, Mr. HARTNETT, Mr. HANSEN of Idaho, Mr. JEFFRIES, and Mr. PHILIP M. CRANE.

H.R. 556: Mr. MITCHELL of Maryland, Mr. GUARINI, Mr. SMITH of New Jersey, Mr. GRAY, Mr. OBERSTAR, and Mr. ROSENTHAL.

H.R. 757: Mr. FISH, Mr. RINALDO, Mr. DOWNEY, Mr. MURPHY, and Mr. MITCHELL of Maryland.

H.R. 874: Mr. WEISS.

H.R. 913: Mr. WEBER of Minnesota, Mr. COLLINS of Texas, Mr. GINGRICH, Mr. HYDE, Mr. BURGENER, Mr. IRELAND, Mr. HARTNETT, Mr. BONKER, Mr. HUGHES, Mr. NEAL, and Mr. RAILSBACK.

H.R. 953: Mrs. SMITH of Nebraska, Mrs. HOLT, Mr. WALKER, Mr. JOHNSTON, Mr. PETRI, Mr. COLLINS of TEXAS, Mr. KOGOVSEK, Mr. WEBER of Minnesota, Mrs. BOUQUARD, Mr. BAILEY of Missouri, Mr. KRAMER, Mr. VENTO, Mr. DYSON, Mr. FORSYTHE, Mr. HUGHES, Mr. FRENZEL, Mr. CRAIG, Mr. BEDELL, Mr. BEARD, Mr. NEAL, Mr. GUNDERSON, and Mr. GREGG.

H.R. 1007: Mr. SOLARZ, Mr. SCHEUER, Mr. DOWNEY, Mr. AKAKA, Mr. MURPHY, Mr. WOLPE, Mr. WON PAT, Mr. BONIOR of Michigan, Mr. WEISS, Mr. FOWLER, Ms. OAKAR, Mrs. COLLINS of Illinois, Mr. VENTO, Mr. CLAY, Mr. DIXON, Mr. MAZZOLI, Mr. CORRADA, Mr. WEAVER, Mr. MOAKLEY, Mr. SIMON, Mr. STOKES, Mr. RAHALL, Mr. CROCKETT, Mr. FOGLIETTA, Mr. ADDABBO, Mr. LOWRY of Washington, Mr. MITCHELL of Maryland, Mr. LONG of Maryland, Mr. EDGAR, and Mr. MAVROULES.

H.R. 1100: Mr. WYLIE.

H.R. 1200: Mr. GINGRICH and Mr. CRAIG.

H.R. 1260: Mr. BROWN of California, Mr. MURPHY, Mr. VENTO, Mr. WEISS, Mrs. BOUQUARD, Ms. MIKULSKI, Mr. PEPPER, and Mr. WHITEHURST.

H.R. 1261: Mr. BROWN of California, Mr. MURPHY, and Mr. VENTO.

H.R. 1262: Mr. BROWN of California and Mr. MURPHY.

H.R. 1263: Mr. BROWN of California and Mr. MURPHY.

H.R. 1264: Mr. BROWN of California and Mr. MURPHY.

H.R. 1265: Mr. BROWN of California and Mr. MURPHY.

H.R. 1300: Mr. BEDELL, Mr. BROWN of Ohio, Mr. CORRADA, Mr. COURTER, Mr. DANIEL B. CRANE, Mr. HUGHES, Mr. KOGOVSEK, Mr. MOTTL, Mr. SOLOMON, Mr. MICHEL, Mr. STANGELAND, Mr. PORTER, Mr. HYDE, and Mr. PASHAYAN.

H.R. 1339: Mr. GOODLING, Mr. GINGRICH, Mr. EVANS of Iowa, Mr. ROUSSELOT, Mr. BROWN of Ohio, Mr. HILER, Mr. BEDELL, Mr. PORTER, and Mr. BARNARD.

H.R. 1340: Mr. GOODLING, Mr. GINGRICH, Mr. EVANS of Iowa, Mr. IRELAND, Mr. MOFFETT, Mr. BROWN of Ohio, Mr. HILER, Mr. BEDELL, Mr. PORTER, and Mr. BARNARD.

H.R. 1373: Mr. WHITTAKER, Mr. HANCE, Mr. CRAIG, and Mr. MARLENEE.

H.R. 1378: Mr. BAFALIS, Mr. DUNCAN, Mrs. FENWICK, Mr. SABO, Mr. FORSYTHE, Mr. JEFFORDS, Mr. ECKART, Mr. KRAMER, Mr. GINGRICH, Mr. PETRI, Mr. BROWN of Ohio, Mr. ERDAHL, Mr. FRANK, Mr. HARTNETT, Mr. D'AMOURS, Mr. WOLPE, Mr. LOWERY of California, Mr. PEPPER, Mr. FAZIO, Mr. KILDEE, and Mr. BAILEY of Missouri.

H.R. 1400: Mr. MAZZOLI.

H.R. 1596: Mr. SMITH of New Jersey.

H.R. 1918: Mr. CAMPBELL, Mr. CHAPPELL, Mr. GUYER, Mr. McDADE, Mr. TAUKE, and Mr. ZABLOCKI.

H.J. Res. 100: Mr. CAMPBELL, Mr. BROYHILL, Mr. BROWN of Ohio, Mr. DORNAN of California, Mr. CORCORAN, Mr. MILLER of Ohio, Mr. KRAMER, Mr. GRADISON, Mr. COLEMAN, Mr. HANSEN of Idaho, Mr. SHUMWAY, Mr. MARRIOTT, Mr. SAM B. HALL, JR., Mr. BROWN of Colorado, Mr. JOHNSTON, Mr. FIELDS, Mr. LOWERY of California, Mr. LOTT, and Mr. SMITH of Oregon.

H. Res. 13: Mr. HUBBARD, Mr. GONZALEZ, and Mr. YOUNG of Florida.

H. Res. 50: Mr. GUARINI.

EXTENSIONS OF REMARKS

TOXICITY OF ARTISTS' SUPPLIES

HON. FREDERICK W. RICHMOND
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. RICHMOND. Mr. Speaker, 3 years ago, I began an investigation into the toxicity of artists' supplies after receiving letters from several artists who had developed serious, chronic illnesses while working with their art materials. Because of the lack of information in the labels of artists' supplies, these artists had no way of knowing the potential hazards of using these materials, or the proper precautionary measures to take to avoid misuse.

As I explored the problem further, I discovered that hundreds of artists and hobbyists are suffering from a number of illnesses, such as permanent nerve damage, liver and kidney damage, lung disease and miscarriages, as a result of their exposure to toxic art supplies. Conclusive evidence of the connection between the art materials and resulting illnesses was provided by research conducted by Battelle Laboratories of Ohio.

To provide my colleagues with an idea of the scope of this problem, I have prepared a list to show a few of the professions which routinely use hazardous chemicals and the health-related problems associated with various degrees of use of the chemicals:

PAINTING

Cadmium Vermilion Red (Pigment Red 113) may cause mercury poisoning, which can severely damage the nervous system and kidneys.

Flake White (cremnitz white, white lead, Pigment White 1) may cause lead poisoning and birth defects, including mutations, through ingestion.

Turpentine (gum turpentine, gum spirits, spirits of turpentine, wood turpentine, steam-distilled turpentine) can cause skin irritation and allergies, sometimes years after exposure. Accidental entry into lungs through ingestion is common and can cause fatal pulmonary edema.

PRINTING

Chrome Yellow (lead chromate, Pigment Yellow 34) may lead to skin irritation, allergies and ulcers through direct contact. Chronic inhalation may cause lead poisoning and lung cancer. Ingestion may cause immediate chromium poisoning (Gastroenteritis, vertigo, muscle cramps and kidney damage).

Carbolic Acid (Phenol) may cause nervous system depression and liver, kidney and spleen damage with a single exposure. Direct skin contact can be fatal.

Toluene (Toluol, aromatic naphtha) may cause menstrual disorders, skin defatting, narcosis and possible chronic liver and kidney damage. Inhalation of large amounts may cause heart sensitization and death.

CERAMICS, GLASSBLOWING, AND ENAMELING

Arsenic Oxide (used in glassblowing) can lead to skin ulceration and skin cancer through direct contact. Inhalation or ingestion may cause lung cancer, liver damage, permanent nerve damage, and kidney and blood damage.

Clays may cause silicosis, a disease involving severe lung scarring, through inhalation of clay dust.

Fluorspar (Fluorite, calcium fluoride, used in ceramics) may cause lung irritation, bone and teeth defects, and anemia through inhalation or ingestion.

Manganese Carbonate (used in enameling) can cause a serious nervous stystem disease resembling Parkinson's Disease.

SCULPTURE

Cedar Wood Dust (Western Red) can lead to severe skin allergies, asthma, bronchitis and conjunctivitis.

Methyl Ethyl Ketone (a peroxide hardener used with polyester resin) can cause immediate and permanent blindness upon contact with eyes.

Sandstone may cause silicosis through inhalation.

METALWORKING PROCESSES

Bronze often causes metal fume fever (chills, fever) through inhalation. May cause lead poisoning.

Lead may cause lead poisoning, affecting the gastrointestinal system (lead colic); red blood cells (anemia); and neuromuscular system (weakening of wrists, fingers, ankles, toes). May also cause liver and kidney damage and possible birth defects.

PHOTOGRAPHY AND PHOTOPROCESSES

Acetic Acid can cause severe skin corrosion and chronic bronchitis.

Catechin (catechol, pyrocatechol, o-dihydroxybenzene) can cause acute poisoning with symptoms of cyanosis (blue lips/nails), convulsions and anemia, through inhalation.

Tertiary-Butylamine Borane can cause nervous system damage.

CRAFTS

Oxalic Acid (used in fabric dying) can lead to severe skin corrosion, ulcers and gangrene through skin contact.

Ortho-Dichlorobenzene (used in leathercraft) causes narcosis, and possible hepatitis and kidney damage.

Zinc Chloride (used in stained-glassmaking) may cause chronic bronchitis through chronic exposure or pulmonary edema through large acute exposures.

Over the past 3 years, innumerable articles on this subject have appeared in the New York Times, the Los Angeles Times, the Washington Post, as well as regional and local papers throughout the country. Art Hazards News, Art Workers News, Ocular magazine for visual artists, and a host of other trade papers have started regular series on this vital subject. One of the country's leading experts in the field, Dr. Michael McCann, has recently published a 378-page book entitled "Artist Beware" that explains in detail the dangers involved with the misuse of hundreds of artists products and chemicals.

In order to rectify this situation, which threatens the health and safety of the 36 million Americans who use art materials in the studio, the home, and the classroom, I introduced legislation that would require more comprehensive labeling information on artist supplies.

This legislation would require that the labels of potentially toxic artists' materials contain five pieces of information necessary to protect the consumer: a list of the common names of the chemicals contained in the product; the health hazards associated with misuse of the product; preventative measures to take to avoid misuse; measure to take in case illness occurs; and methods to safely dispose of the product.

In September 1980, our colleague, JIM SCHEUER, chairman of the House Subcommittee on Consumer Protection and Finance, held hearings on this legislation. During those hearings, testimony was given by artists and their physicians, toxicologists, artists' advocates and representatives from the art materials industry. At the conclusion of the testimony, Mr. SCHEUER suggested that, due to the serious consumer health risks created by the current situation, an appropriate resolution to the problem would be a cooperative effort between artists and industry representatives to draw up voluntary labeling standards for the art materials industry.

This discussion process has already begun, and I am happy to say that the art supply manufacturers have been very helpful and cooperative in attempting to work out a solution to our common problem.

Although I am reintroducing legislation that would set Federal standards for the labeling of art supplies, I am hopeful that more comprehensive labeling can be accomplished quickly through self-regulation of the industry. If industry self-regulation proves impossible, I believe it is the responsibility of Congress to recognize and address this issue that affects so many millions of Americans. I will continue to keep my colleagues up to date on this issue and will be happy to answer any questions they may have.

A summary of the legislation follows:

SECTION 1. Amends the Federal Hazardous Substances Act (FHSA) to include "chronic toxicity" under the definition of hazardous substances. This section also provides the Consumer Product Safety Commission with the authority to issue regulations concerning substances that cause chronic illnesses.

SECTION 2. Defines the term "chronic toxicity" as any substance which causes tumors or cancer, has an adverse reproductive or genetic effect, has an adverse effect on the central nervous system or peripheral nervous system, or any other chronic effects as determined by the Commission. The section goes on to add the word "chronic" to the term "toxic."

SECTION 3. Mandates that all labels of products containing substances that cause chronic or acute illness have: (a) a description of the physical side effects that could result from the misuse of the product; (b) a description of how to counteract the possible physical side effects resulting from misuse of the product; (c) a description of the proper precautionary measures to avoid misuse; and, (d) instructions for safely disposing of the product. Substances which may be carcinogenic must carry the following: Warning: Has Been Shown To Cause Cancer in Animals.

SECTION 4. Includes technical amendments to the FHSA and mandates that all labels of products containing substances that cause either chronic or acute illness provide instructions for procedures to counteract possible health side effects.

SECTION 5. Allows the Consumer Product Safety Commission two years to issue appropriate regulations under this Act.

The complete text of this bill follows:

H.R. 443

A bill to amend the Federal Hazardous Substances Act to establish labeling requirements applicable to substances which cause chronic health side effects, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2(f)(1) of the Federal Hazardous Substances Act (15 U.S.C. 1261(f)(1)) is amended by adding at the end thereof the following new clauses:

"(E)(i) Any substance or mixture of substances which possesses chronic toxicity (as defined in paragraph (g)(2)(A)), if such substance or mixture is capable of being ingested, inhaled, or absorbed into the human body through any customary or reasonably foreseeable handling, use, or misuse (including any reasonably foreseeable handling, use, or misuse by children).

"(ii) The Consumer Product Safety Commission shall have the authority to issue regulations, in accordance with the procedures prescribed in section 553 of title 5, United States Code, which provide that any particular substance or mixture of substances shall not be classified as a hazardous substance under subclause (i) if the Commission determines that such substance or mixture does not present any risk to humans if such substance or mixture is ingested, inhaled, or absorbed into the human body through any customary or reasonably foreseeable handling, use, or misuse (including any reasonably foreseeable handling, use, or misuse by children).

"(F) Any substance or mixture of substances which the Consumer Product Safety Commission determines, in accordance with the procedures prescribed in section 553 of title 5, United States Code, or in accordance with the procedures established in section 3(a), to possess chronic toxicity (as defined in clause (B), clause (C), or clause (D) of paragraph (g)(2)), except that a substance or mixture shall not be considered to be a hazardous substance under this clause unless such substance or mixture is capable of being ingested, inhaled, or absorbed into the human body through any customary or reasonably foreseeable handling, use, or misuse (including any reasonably foreseeable handling, use, or misuse by children).

"(G) Any substance or mixture of substances which—

"(i) possesses chronic toxicity, as defined in subclause (A), subclause (B), or subclause (C) of paragraph (g)(2), or as determined under subclause (D) of paragraph (g)(2); and

"(ii) is present as a contaminant in any household substance or mixture of household substances;

if the Consumer Product Safety Commission determines, in accordance with the procedures prescribed in section 553 of title 5, United States Code, or in accordance with the procedures established in section 3(a), that such substance or mixture is capable of being ingested, inhaled, or absorbed into the human body through any customary or reasonably foreseeable handling, use, or misuse (including any reasonably foreseeable handling, use, or misuse by children).".

SEC. 2. Section 2(g) of the Federal Hazardous Substances Act (15 U.S.C. 1261(g)) is amended—

(1) by inserting "(1)" after the paragraph designation;

(2) by inserting ", and to any substance which possesses chronic toxicity" after "body surface", and

(3) by adding at the end thereof the following new subparagraph:

"(2) For purposes of this paragraph, substances which possess chronic toxicity include the following:

"(A) Any substance which causes tumors or cancer (or which is metabolized to a substance which causes tumors or cancer) in humans or other mammals, including—

"(i) any substance which—

"(I) the Secretary of Health and Human Services (or the head of any bureau, administration, or other organization unit in the Department of Health and Human Services); or

"(II) the International Agency for Research on Cancer;

reviews and determines to cause tumors or cancer in humans or other mammals, if any such determination is based upon valid studies and procedures; and

"(ii) any substance which is regulated by the Environmental Protection Agency, the Food and Drug Administration, or the Occupational Safety and Health Administration as the result of a determination that such substance causes tumors or cancer in humans or other mammals, if any such determination is based upon valid studies and procedures.

"(B)(i) Any substance which causes any adverse reproductive effect or any adverse genetic effect.

"(ii) For purposes of this clause, adverse reproductive effects and adverse genetic effects include any birth defect, toxicity to a fetus, sterility or impaired reproductive capacity, spontaneous abortion, any mutagenic effect, and any damage to genetic material.

"(iii) Any determination of the Consumer Product Safety Commission that a substance causes any adverse reproductive effect or any adverse genetic effect shall be based upon valid studies and procedures. Such studies and procedures may include the use of human subjects, experimental animals, micro-organisms, culture cells, or other test systems.

"(C)(i) Any substance which causes any adverse effect upon the central nervous system or any peripheral nervous system.

"(ii) any determination of the Consumer Product Safety Commission that a substance causes any adverse effect upon the central nervous system or any peripheral nervous system shall be based upon valid studies and procedures. Such studies and procedures may include the use of human subjects, experimental animals, or other test systems.

"(D) Any substance which the Consumer Product Safety Commission determines (in accordance with the procedures prescribed in section 553 of title 5, United States Code, or in accordance with the procedures established in section 3(a)) to possess any form of chronic toxicity, other than those forms of chronic toxicity specified in clause (A), clause (B), or clause (C), if such substance or mixture is capable of being ingested, inhaled, or absorbed into the human body through any customary or reasonably foreseeable handling, use, or misuse (including any reasonably foreseeable handling, use, or misuse by children).".

SEC. 3. Section 2(p) of the Federal Hazardous Substances Act (15 U.S.C. 1261(p)) is amended—

(1) in subparagraph (1) thereof—

(A) by inserting ", in the case of any substance other than any substance or mixture of substances which is defined as a hazardous substance under clause (E) or clause (G) of paragraph (f)(1) and other than any substance which possesses chronic toxicity (as defined in paragraph (g)(2)(A))," after "(1) which"; and

(B) by adding at the end thereof the following: "(E) in the case of any hazardous substance which causes any physical side effect, a statement which describes the nature of such side effect and explains procedures which may be followed to counteract such side effect;";

(2) in subparagraph (1)(I) thereof—

(A) by striking out "and storage" and inserting in lieu thereof ", storage, and disposal"; and

(B) by striking out "or storage; and" and inserting in lieu thereof ", storage, or disposal;"; and

(3) by redesignating subparagraph (2) as subparagraph (3), and by inserting after subparagraph (1) the following new subparagraph:

"(2) which, in the case of any substance or mixture of substances which is defined as a hazardous substance under clause (E) or clause (G) of paragraph (f)(1) and which possesses chronic toxicity (as defined in paragraph (g)(2)(A)), states conspicuously (A) the information required in clause (A), clause (B), and clause (I) of subparagraph (1); (B) the phrase 'Warning: Has Been Shown To Cause Cancer in Animals' on any substance which has been determined to possess chronic toxicity (as defined in paragraph (g)(2)(A)), based upon any valid study or procedure using experimental animals; (C) the phrase 'Warning: Has Been Shown To Cause Cancer in Humans' on any substance which has been determined to possess chronic toxicity (as defined in paragraph (g)(2)(A)), based upon any valid study or procedure using human subjects; and (D) precautionary measures which describe actions to be followed and actions to be avoid-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ed in connection with any use of the substance; and".

SEC. 4. Section 20(a)(1)(A) of the Federal Hazardous Substances Act (15 U.S.C. 1275(a)(1)(A)) is amended—

(1) by inserting ", 2(p)(2)," after "sections 2(p)(1)";

(2) in clause (i) thereof, by inserting "and section 2(p)(2)(D)" after "section 2(p)(1)(F)";

(3) in clause (ii) thereof, by striking out "and" at the end thereof; and

(4) by adding at the end thereof the following new clause:

"(iv) instructions for procedures to counteract side effects under section 2(p)(1)(K); and".

SEC. 5. The amendments made in the foregoing provisions of this Act shall take effect at the end of the 2-year period following the date of the enactment of this Act. The Consumer Product Safety Commission shall have authority to issue regulations (in accordance with the Federal Hazardous Substance Act, as amended by such foregoing provisions) during such 2-year period for purposes of carrying out such amendments, except that the effective date of any such regulations shall not occur before the end of such 2-year period.●

TO HONOR SISTER AVELAR

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mrs. HECKLER. Mr. Speaker, the work of members of the religious community is work that seeks no reward or recognition from the public. Yet it is, in a very real sense, an essential part of the fabric of American society, a part of our lives that merits the highest form of accolade.

On February 22, the Luso-American Award Committee of Fall River, Mass., in conjunction with the Jornal de Fall River, will present a special award for community service to one member of the Massachusetts religious community whose piety and hard work have combined to touch the lives of thousands: Sister Avelar of New Bedford, Mass.

Over the years Sister Avelar's tireless work with the needy of New Bedford has earned her the nickname of "The Little Saint Franci Assisi." At the age of 78, this native of Corvo, Azores, still combines the strenuous duties of a teacher with countless hours spent assisting all those who come daily to her classroom, looking for relief from poverty and despair.

Mr. Speaker, Sister Avelar's lifetime of dedication to the less fortunate marks her as an invaluable contributor to the life and well-being of her community. I am proud to take part in honoring her, and I ask all my colleagues in this House to join me in this tribute.

Thank you.●

LATEST UNITED KINGDOM POLL FAVORS END OF ULSTER LINK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BIAGGI. Mr. Speaker, the ad hoc congressional committee, of which I am chairman, has as one of its major priorities, the dissemination of information on the current situation in Northern Ireland. I am inserting into today's CONGRESSIONAL RECORD, a copy of an article which appeared in a recent edition of the Irish Echo, detailing a poll conducted by the London Sunday Times, which found a majority of people in Britain—by a 2-to-1 margin—supportive of severing their relationship with Northern Ireland.

We have consistently maintained that the people of Northern Ireland deserve to determine their own political future, with due consideration to the interests of all parties in the conflict. The United States can and should play a role, both diplomatically and economically, in order to facilitate a just solution for all the people of Ulster.

The results of this poll strongly suggest that the time is now for a broad-ranging initiative in Northern Ireland. The visit of Prime Minister Thatcher to this country later this month provides an appropriate opportunity for our Government to encourage a solution to the tragedy there, one which includes all parties and all governments. We were heartened by the initial talks between Mrs. Thatcher and Prime Minister Haughey of Ireland on this topic, and seek to urge them to continue such dialog on substantive issues.

I commend this article to the attention of my colleagues:

U.K. POLL SAYS END NORTH LINK

LONDON.—A majority of people in Britain—almost two to one—would vote Northern Ireland out of the United Kingdom, according to a special opinion poll conducted for the London Sunday Times.

Some 63 percent say they would vote for the ending of the union, while only 37 percent want to retain it.

This is a dramatic rebuff to the leader of the Democratic Unionist Party, Rev. Ian Paisley, who suggested on television last week that such a poll be taken and repeated this to the British Prime Minister, Margaret Thatcher, at a stormy meeting in the House of Commons.

He has expressed the strong conviction that there would be a majority for retention of the link.

The poll was conducted by Market and Opinion Research International and the question put to 1,071 adults in 54 constituencies: "If there was a referendum tomorrow in England, Scotland and Wales on whether or not Northern Ireland should remain part of the UK, which way would you vote?"

The answer in percentages, says The Sunday Times, was:

Remain as part of the UK: 29 percent
Not remain: 50 percent
Would not vote: 13 percent
Undecided: 8 percent

Eliminating the abstainers and don't knows, this gives a huge 26 percent majority for ending the link, the newspaper concludes.

The poll also found that two out of three of the sample wanted the people of the North to have a say in their own affairs, and some 86 percent objected to the Provisionals.●

KLASSEN FAMILY PERSECUTED IN SOVIET UNION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. McDONALD. Mr. Speaker, human rights violations is a growth industry in the U.S.S.R. and the persecution of the Klassen family is no exception. Rudolph David Klassen was born on September 24, 1931, in the Ukraine. He has a wife, Talita. He presently lives in the Kazakhstan SSR at Mally Proezd 19A in the city of Karaganda, a city in which many former inmates of the Gulag system are forced to reside. Mr. Klassen was arrested on June 20, 1980, for the terrible crime of teaching the gospel of Jesus Christ to little children. His wife does not know where he is confined and has been told she has no visitation rights. She has received a smuggled letter informing her he has been beaten and tortured and does not expect to see her in this world again. He has been previously arrested for his Christian activities and served 5 years in a forced labor camp. So much for religious freedom in the U.S.S.R.

The Klassen family would like to leave the Soviet Union and join Mr. Klassen's father in Canada or his brother David in West Germany. Given the present attitude of the Soviet Government the chances are poor. There is always the hope that the Soviet Government might exercise a small amount of human decency and permit the Klassen family to leave, however.●

THE INDEPENDENT AGENT ORANGE STUDY ACT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. GILMAN. Mr. Speaker, today I am reintroducing the Independent Agent Orange Study Act, with 26 of my colleagues as cosponsors. This bill will remove from the jurisdiction of the Veterans' Administration the study of the effects of agent orange

required to be conducted under the provisions of Public Law 96-151, and place that study in the hands of the National Academy of Sciences.

There are many complex questions concerning the effects of agent orange on our health which must be resolved before we consider the important matter of compensation for those who have been exposed and who contend that they have suffered serious harm. We must resolve the question of whether or not agent orange causes any serious harm to humans.

While there are a number of ongoing research programs investigating the effects of agent orange, most of those directed by the executive branch bear the burden of being suspect by some portions of the public who perceive those agencies to be self-serving in the conduct of that research, the agencies involved being perceived to have bureaucratic interests to protect.

I believe that we should remove any suspicion of self-serving behavior in the conduct of the important epidemiological study and literature review to be conducted under Public Law 96-151. My bill authorizes and requires the Administrator of Veterans' Affairs to enter into an agreement with the National Academy of Sciences to enable the Academy to control the study and the Administrator to reimburse the Academy for all expenses incident to such a study. This bill also provides for the adjustment of the deadlines in existing law which are necessitated by the transfer.

The National Academy of Sciences is a private, nonprofit membership organization chartered by Congress in 1863 to perform research, upon the request by the Federal Government, in any area of science or technology.

The transfer of this study to independent auspices has been called for by action of the National Convention of the American Legion, which resolved that it "sponsor and support legislation to amend Public Law 96-151 by assigning the responsibility of designing a protocol for and conducting an epidemiological study of persons who, while serving in the Armed Forces of the United States during the period of the Vietnam conflict, were exposed to any of the dioxins including agent orange to an independent agency such as the National Academy of Sciences, the National Institutes of Health, the Center for Disease Control, et cetera"

The National Academy of Sciences is the sort of organization that has both the credibility and the capacity to answer, to the extent humanly possible, our questions about agent orange.

Mr. Speaker, I urge those of my colleagues who have not yet become cosponsors of this legislation to consider doing so. For the information of my colleagues, I ask that the full text of this bill be printed at this point in the RECORD.

H.R. 1962

A bill to amend the Veterans Health Programs Extension and Improvement Act of 1979 to require the Veterans' Administration and the National Academy of Sciences to enter into an agreement under which the Academy will conduct an epidemiological study of veterans exposed to agent orange

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Independent Agent Orange Study Act".

SEC. 2. (a) Section 307(a)(1) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151; 93 Stat. 1097) is amended—

(1) in the first sentence thereof, by striking out "design a protocol for and conduct" and inserting in lieu thereof "arrange, pursuant to subparagraph (B), for the designing of a protocol for and the conducting of";

(2) in the last sentence thereof, by striking out "conduct" and inserting in lieu thereof "arrange, pursuant to subparagraph (B), for the conducting of"; and

(3) by inserting "(A)" after "Sec. 307. (a)(1)", and by adding at the end thereof the following new subparagraph:

"(B) Not later than ninety days after the date of the enactment of the Independent Agent Orange Study Act, the Administrator and the National Academy of Sciences shall enter into an agreement under which the Academy shall design a protocol for and conduct the study required by subparagraph (A). Such agreement shall provide that any expenses incurred by the Academy shall be paid or reimbursed by the Administrator. The Academy shall give appropriate consideration to, but shall not be bound by, any action taken by the Administrator pursuant to this section before the date of the enactment of the Agent Orange Study Act.".

(b) Section 307(a)(2)(B)(ii) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151; 93 Stat. 1097) is amended by striking out "the date of the enactment of this Act" and inserting in lieu thereof "the date of the enactment of the Agent Orange Study Act".

(c) Section 307(b)(1) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151; 93 Stat. 1098) is amended by striking out "the date of the enactment of this Act" and inserting in lieu thereof "the date of the enactment of the Independent Agent Orange Study Act".●

DO IMPORTS COST JOBS?

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. FRENZEL. Mr. Speaker, "Do Imports Cost Jobs?" is the title of an article in the February 9 Newsweek by Dr. Milton Friedman, Nobel Prize-winning economist.

In this excellent article, Dr. Friedman points out that those who seek to limit imports are asking low-paid workers to sacrifice their jobs in order to save the jobs of high-paid workers. He maintains that fewer jobs would be saved by limiting imports than would be lost and calls the campaign to limit imports "180 degrees wrong."

In his concluding paragraph Dr. Friedman quotes Adam Smith's statement that it is always in the interest of the people to buy whatever they want from those who sell cheapest and that the interest of the merchants and manufacturers, and Friedman adds trade unions and government bureaucrats, is directly opposite to that of the great body of the people.

I invite my colleagues' attention to this very clear and persuasive analysis. To Dr. Milton Friedman, the limitation of imports is clearly bad economic policy.●

REESTABLISH THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL IN THE 97TH CONGRESS

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. ENGLISH. Mr. Speaker, I am pleased to offer my support for House Resolution 13, a resolution to reestablish the Select Committee on Narcotics Abuse and Control in the 97th Congress. I am sure that my colleagues are aware of the domestic and global proportions of the persistent and growing problem of drug abuse. No region of our country is immune and every segment of our society is susceptible to the menace of international drug trafficking.

While I am concerned about all aspects of our country's drug abuse problem, I have a special interest in seeing that the work of the select committee continue. For the past 4 years, I have been chairman of the select committee's task force on drug abuse in the U.S. military. There is perhaps no more important mission of the select committee than its work on drug abuse in the military; nor is there any area in which we have seen greater progress as a result of our efforts. Between 1977 and 1980, the task force conducted thorough onsite investigations—including the administration of thousands of our own personnel opinion surveys—and held seven hearings in the United States and abroad. These efforts have served to focus national attention on the threat drug abuse poses to our national security and combat readiness as well as establish a new sense of resolve within the administration and throughout the chain of command to reduce currently intolerable levels of drug abuse, particularly among lower enlisted personnel.

When the select committee held its first hearing in April 1978, we found

that the Department of Defense (DOD) and the service branches had systematically rendered inoperative its drug abuse reporting mechanisms. An authoritative worldwide self-report survey had not been conducted since 1974. Since the termination of our military involvement in Vietnam, other data collection procedures had also been dismantled. The evaluation of the impact of varying types and levels of drug abuse on unit performance and combat readiness had ceased. In short, the DOD had given drug abuse an extremely low priority and had no idea what the current levels of drug abuse were.

The Department of Defense eventually initiated a 12-point program designed to enhance its understanding of the nature and extent of the drug abuse problem among our military personnel. One product of this effort has been the administration and analysis of a worldwide self-report drug abuse survey. Consider these figures from that survey:

On a worldwide basis, 26 percent of U.S. military personnel report current usage of marihuana or hashish. Among lower enlisted personnel stationed in West Germany, current use of hashish was reported at 36 percent, while in Hawaii, current use among all E-1 to E-5's was a whopping 44 percent. Breaking the Hawaii figure down by service among lower enlisted personnel, the figures are 48 percent for the Army, 51 percent for the Navy, 44 percent for the Marine Corps, and 17 percent for the Air Force.

Worldwide among lower enlisted personnel, 21 percent reported some form of work impairment because of drug use—lowered performance, late for work/left early, did not come to work, and high while working. The type of work impairment most frequently reported by junior enlisted personnel was "high while working"—19 percent; and what is most alarming, nearly one-half of those indicated this had occurred on 40 or more days during the preceding 12 months. These figures are almost duplicated in data provided on alcohol abuse. It is hard to ignore the implications of these data on combat readiness.

The task force has been particularly concerned about the abuse of heroin among U.S. Army personnel stationed abroad, particularly in the Federal Republic of Germany. In November 1978, the task force administered a self-report survey to lower enlisted personnel stationed in high-risk areas of West Germany and found that 10.3 percent were using heroin monthly or more often. An alarming 16.9 percent reported using barbiturates that frequently. Since then, the U.S. Army in Europe has engaged in a vigorous law enforcement program—including massive urinalysis sweeps and treatment effort, and the new survey shows the levels of heroin abuse dropping, now to about 5 percent among lower enlisted personnel. The task force and the committee as a whole have worked hard to monitor this effort and to keep the Army's "feet to the fire." We are pleased to see the results of these efforts. However, we know that heroin remains readily available in Europe, though somewhat more expensive than 2 years ago. There was a bumper crop of opium harvested in Southwest Asia in 1979, primarily in Iran, Afghanistan, and Pakistan. The Drug Enforcement Administration reports the crop is estimated to be 1,700 metric tons. According to the U.S. Army in Europe, the problem is even more acute due to opium stockpiles in Pakistan, reported to be as high as 400 metric tons. Even if there is a crop production decrease in 1980, as has been reported, the stockpiles will assure the availability of a continuous opiate supply in the Federal Republic of Germany. There are also reports that the use of cocaine is on the increase and that it now accounts for 15 percent of all urinalysis positives among USAR EUR personnel.

While we are beginning to see progress, there remains much more to be done. An increase in defense spending for military hardware, while sorely needed, will not specifically impact on this problem. What is needed is the development of a permanent drug abuse deterrent structure in the military that will create an atmosphere inhospitable to drug abuse. This requires intensive study of the epidemiology of drug abusing behavior in the barracks, and major legislative revisions in order that military drug dealers and abusers can be dealt with in a firm and consistent manner. Most importantly, the DOD and the services must continue to develop programs that emphasize the priority of the drug and alcohol-abuse problem throughout the chain of command.

It is in the above areas that the select committee plays a vital role. The task force has issued three separately targeted reports, and many of our recommendations have been adopted by the DOD and the Army. Representatives of all military services have stated repeatedly on the official record that without this committee's ongoing vigilant attention, support and input, the momentum thus far achieved would have long waned in the face of more pressing, nonpersonnel oriented problems.

The military drug problem is but one component of the committee's broad mandate. It is for this reason that the Select Committee on Narcotics Abuse and Control should continue its important work in assisting the Congress to examine the multifaceted drug abuse problem in its entirety. Drug abuse is a persistent problem that requires the attention of us all and I urge my colleagues to support House Resolution. 13.●

TO HONOR DENNIS LOURA

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mrs. HECKLER. Mr. Speaker, the lives of our children are a crucial part of our own lives—because it is the next generation that will play such a great role in determining all our futures. Those who dedicate themselves to improving the lives of the young are owed a debt of recognition for their selfless work and caring.

On February 22, the Luso-American Award Committee of Fall River, Mass., in conjunction with the Jornal de Fall River, will present a special award for community service to one man who has shown a special concern for the young: Dennis Loura of Taunton, Mass.

After moving to Taunton several years ago from Santa Maria, Azores, Dennis Loura has spent much of his time and money to set up a youth soccer league in that city. Dedicated to the idea that vigorous, safe athletic competition is an essential part of a child's growing experience, he has turned his love of the game of soccer into a vital outlet for the energies of his city's young people. Almost 400 children now compete in the league he helped to found.

Mr. Speaker, Dennis Loura's involvement and concern for the children of Taunton are a fitting example of the sort of constructive work that can be done to create a truly well-rounded environment for our next generation. I am proud to take part in honoring him, and I ask all my colleagues in this House to join me in this tribute.

Thank you.●

RESEARCH AND DEVELOPMENT AUTHORIZATION ESTIMATES ACT, H.R. 1908

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, Feoruary 19, 1981

● Mr. FUQUA. Mr. Speaker, yesterday I introduced the Research and Development Authorization Estimates Act, the purpose of which is to provide additional budgetary and related information to the Congress to provide a basis for implementing multiyear research and development authorizations. The bill is designed to give the Congress and the Executive greater flexibility in managing authorizations in three ways. First, the bill requires the Executive to submit budget estimates of the major Federal research and development programs for at least 2 years. Second, the bill modifies reporting requirements of the Presidential Science and Technology Advisory Organization Act of 1976, and finally, the bill provides for a continuing analysis and evaluation of inflation factors on Federal research and development, to be carried out by the Director of OSTP, in consultation with OMB. I wish to point out to my colleagues that H.R. 1908 is the successor bill to H.R. 7689 in the previous Congress, which was approved unanimously by the Committee on Science and Technology and passed the House on July 21, 1980.

To review briefly the development of the original legislation in the 96th Congress, H.R. 7689 evolved following 15 months of full committee consideration which included two sets of hearings, an interim report, and the written contributions of many knowledgeable individuals. The bill, developed in collaboration with the Office of Management and Budget and the Office of Science and Technology Policy, received the endorsement of the General Accounting Office, the Congressional Budget Office, the Office of Technology Assessment, the National Science Board, the National Academy of Sciences, and most of the major academic associations.

As in the previous Congress, the new bill is a pilot endeavor to facilitate the handling of authorizations. It does not require subcommittees or committees to follow any particular procedure or do anything differently. It does require the Executive to submit estimates of its major research and development programs for at least 2 years—so that committees may authorize for more than 1 year if they so desire. The bill contains no provisions for new funding.

PROVISIONS OF THE BILL

H.R. 1908 contains four major provisions. These are as follows:

First, in addition to his statutory responsibilities to advise and assist the President and the OMB throughout the budget formulation process, the Director of the Office of Science and Technology Policy shall advise and assist the Director of OMB in the preparation of estimated budget requests for major R. & D. programs for at least 2 years. Such estimates are to be included in the R. & D. portion of the Federal budget submitted to Congress in even-numbered years.

Second, the foregoing requirement is designed to apply to programs which account for about 95 percent of all Federal R. & D. funding.

Third, in order to provide Congress with timely information which is coordinated with R. & D. budget requests, the following changes are made in the Science and Technology Policy and Organization Act of 1976.

The 5-year outlook dealing with trends, status, needs, uses, and evaluations of science and technology, which is now required to be revised annually, is changed to a 4-year outlook with updating at the 2-year midpoint.

The annual report required additionally of OSTP—which has been shifted together with the outlook to the National Science Foundation by Executive order—is eliminated—but its major focus and purposes are folded into the 4-year outlook and its update.

Fourth, OSTP is given the task of assisting and advising OMB in a continuing analysis and evaluation of how inflation factors are affecting R. & D., the nature of those factors, and how they should be applied in the Federal R. & D. budget process.

Mr. Speaker, this bill represents a step toward greater congressional use of multiyear authorizations. It would be unrealistic to expect such use to crystallize overnight. It will take time and patience to work out methods of operation and to sort out programs which may lend themselves to the multiyear procedure vis-a-vis those which may not. The ultimate effect is not readily predictable. However, as other demands on Congress continue to grow—and there are many—the mechanism suggested by H.R. 1908 could lead to marked benefits for Congress as a whole by permitting more flexible scheduling and greater freedom in the application of committee time.

Mr. Speaker, it is my intention to reopen hearings on the bill following completion of the committee's actions on its authorization activities and after the new administration's officials pertinent to this matter have all been appointed.●

NEED TO AMEND THE LONGSHOREMEN'S ACT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. PAUL. Mr. Speaker, today I am introducing legislation to exempt marinas and small boatyards from the provisions of the Longshoremen's and Harbor Workers' Compensation Act which presently requires them to pay extremely high insurance premiums for employees.

Under the Compensation Act, small boatyards and marine operations are placed in the same category as large shipyards for insurance purposes.

It is clearly unfair and unrealistic for the Government to require these smaller businesses to pay the same exorbitant rates as the larger shipyards where the work conditions are much more hazardous. This legislation would correct this inequity by differentiating between the small businesses and the large shipyard and harbor operations.

By amending the Longshoremen's Act to exempt small boatyards and other small marine operations, we will be able to provide needed economic relief to these small businesses which are forced to pay premiums that may be five to six times as much as ordinary workmen's compensation. One small businessman in my district is forced to pay rates of over $14 per $100 of salary, which represents over $2,000 per month just for insurance. A needless expenditure of $25,000 per year can fatally wound a small business.

Only by removing such bureaucratic regulations and providing substantial tax reductions can we provide the economic relief America's small businesses so badly need. Congress must begin now to remove this and other unnecessary burdens which have crippled our small businesses.●

A BETTER IDEA: THE MILITARY ENGINE WARRANTY

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. MAVROULES. Mr. Speaker, in the coming years, the military services and the Department of Defense must examine new policies in contracting for major weapons. While there is a strong public consensus to revitalize our military capabilities, there is a corresponding obligation to exercise prudent judgment in the expenditure of tax dollars.

I am encouraged to see evidence of just such a new initiative. Earlier this year, the Air Force entered into a warranty agreement with a major defense contractor on a military jet engine. A second agreement with another contractor is expected soon.

While these agreements are being implemented without much public attention, they are milestones in defense contracting and Government procurement.

What exactly are these warranty agreements?

Well, they are not that different in principle from the warranties most of us have for our automobiles and other major appliances. When you or I purchase a new car or other product, we have a guarantee that the item will work. If it does not operate as the warranty states, the item is put in working order.

Today, if only a tentative and experimental effort, we have the first warranty on a major piece of military equipment. This is an encouraging step for the U.S. taxpayers, who are entitled to receive the best possible

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value for their dollars. It is also good news for the soldiers and pilots in the field whose lives may depend upon whether a piece of military equipment works when needed.

The first warranty agreement, implemented earlier this year, is for the TF-34 engine, which powers the Air Force's A-10.

A second agreement, this one for the F-100 engine is expected to be completed and implemented soon. The F-100 engine powers the Air Force's F-15 and F-16 jet fighters.

We owe these warranty agreements to the hard work and personal initiative of Gen. Alton Slay, the former head of Air Force Systems Command, who retired last month.

While each component in a high performance aircraft is crucial to the successful performance of that aircraft's mission, engine reliability has been a matter of great concern to the Armed Services Committee, and military and defense officials. An aircraft with a faulty engine, and as a consequence grounded, adds little to our readiness and capability to respond during an emergency.

These warranty agreements are a step toward the greater operational readiness of these military aircraft. In making a contractor accountable for their product, the manufacturer will have a competitive incentive for building the best possible system.

The TF-34 warranty has been signed and implemented by the Air Force and the engine's manufacturer, the General Electric Co. For many years, manufacturers of commercial jet engines have issued warranties to the airlines for their products. Now, the principle behind the commercial jet engine warranty is extended to a military jet engine.

The TF-34 comprehensive warranty covers 329 engines manufactured in the fiscal year 1981 procurement. The fine print grants warranty coverage for 300 cycle hours operating time, or 2 years. The turbine's hot section is covered for a 3-year period. The cycle hours are measured as the number of times the engine heats to its operational temperatures.

The warranty provides credits for parts used in field maintenance, or credits for labor and parts used in repairs at a central depot.

If the Government elects to return the engine to the contractor for corrections, the contractor is required to meet a limited turn around time for parts, components, and engine overhauls. A liability ceiling is set at $6.4 million.

The second warranty covers engines for the F-15 and F-16 fighters, key aircraft in the inventory which will be deployed well into the 21st century. The warranty for the engines in these aircraft, the F-100, will be in place when the Air Force and Pratt & Whitney implement the agreement which has already been agreed to in principle.

Now in place is a limited warranty for the F-100 high-pressure turbine. The agreement covers 900 cycle hours or 42 months. It also extends to secondary damages.

Soon, the F-100 coverage on the high pressure turbine will be complemented by a comprehensive warranty for the entire engine. This agreement will cover the 398 engines delivered as the fiscal year 1981 procurements, and will extend coverage for 200 cycle hours or 2 years. A ceiling on liability is established at $19 million.

I point out that these military warranties are first steps only. But their significance grows as the weapons in the American arsenal grow more sophisticated and more expensive.

A mechanism must be devised to keep these sophisticated weapons systems at their highest level of operational readiness. Product warranties may be the answer.

The warranty agreements between the Air Force, General Electric, and Pratt & Whitney will establish a data base from which future warranty agreements may be considered and measured.

While representing a cautious initial step, the concept of warranty agreements for military systems is a significant tool for maximizing tax dollars spent for defense.

I want to commend the Air Force, General Electric, and Pratt & Whitney for their work in this innovative area.●

LET US BID FAREWELL TO ANOTHER STEREOTYPE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BIAGGI. Mr. Speaker, an impressive gain in breaking down stereotypes about the elderly was made with the debut this week of a new comic strip in newspapers across the country. For far too long, older people have been depicted in the mass media in a negative and sometimes derogatory fashion. But a new comic strip called "Ben Swift" may help change that unfair and grossly inaccurate image. To start with, the comic strip is unique in that its principal character is an elderly person, Ben Swift, a retired newspaper editor who is coping with life in the mythical small town of Sycamore Cove.

Ben is faced with the same kind of economic problem shared by many of the Nation's elderly—how to make ends meet on a social security check. His wife works to supplement their funds. Ben explains his trim figure this way: "It's called the fixed income eat-as-much-as-you-can-afford diet."

Ben spends his days fishing with his granddaughter while he philosophizes, making plans to write the great American novel and cooling his heels at the social security office. During one of his visits, he blasts away at a bureaucrat who has kept him waiting too long: "Excuse me. Do you work here, or are you retired, too?"

Ben earns extra money as a carrier for the newspaper he once edited. Sometimes his customers get annoyed at the ex-editor's stubborn pursuit of accuracy and perfection, like the time he kept them waiting for newspapers while he took a wagonload of them back to the printing plant because of a spelling error in the headlines.

Ben Swift is drawn by John Lane, who has spent the last 25 years as an artist, political cartoonist, and art director, and now is beginning a new career as a comic artist. The comic strip is distributed by the United Feature Syndicate in New York, with a starting run of 85 daily and Sunday newspapers.

What is important about the Ben Swift comic strip, aside from its humor, is its social implications. It is recognition that the Nation's 25 million elderly citizens are a part of the community fabric, that they have feelings, that they have their own lives to live and all too often are frustrated by a world dominated by young people. Does it have a message? Artist Lane says, "It's a cry out against everything in our society that says that young is the way it's got to be."

There are television programs aimed at the elderly, programs on cable, magazines, and several newspaper columns devoted to problems and concerns of the aging. Now, there is a comic strip and I welcome "Ben Swift" as an idea whose time has come.●

PASSIVE SOLAR SYSTEM STATEMENT

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. HEFTEL. Mr. Speaker, today, I am joining with my distinguished colleague from Georgia, Mr. FOWLER, and over 120 Members in introducing legislation intended to encourage builders to include passive solar energy systems in new homes by providing tax credits based on the performance of the passive solar system. This legislation is also being introduced today in the Senate by GARY HART of Colorado. I would like to take this opportunity to congratulate Senator HART for his tireless efforts on behalf of this proposal.

Mr. Speaker, it is my feeling that the passive solar legislation which we are introducing today would accomplish two major goals. First, it would give a needed boost to the housing industry to include passive solar systems in new construction at a very modest cost to the Federal Government over the 8-year duration of the program. The current recession has not only reduced new housing starts nationwide but it has also seriously hampered the ability of builders to incorporate passive solar in the housing which is started. The second major benefit to be derived from this proposal is quite obviously in the energy savings which we will realize by including passive solar systems as part of the original design of homes. Since the Nation's entire housing stock is expected to be replaced over the course of the next 50 years, it is vitally important that new housing incorporate passive solar systems, as well as other energy-efficiency features, if future generations are to be "locked in" to increasingly costly and uncertain supplies of energy for their residential needs.

The major obstacle facing passive solar is that builders and developers are increasingly constrained by today's inflationary economy and, therefore, inhibited from making any addition to a home which will increase its costs. The benefits of passive solar accrue to the homeowner rather than the developer over the life of the home. Consequently, there is a need to provide an incentive to builders to proceed with passive solar construction in new housing. The benefit to the builder will be an improved climate for passive investment. The benefit to the homeowner will be reduced energy costs over the life of the residence. The benefit to the Nation will be reduced consumption of fuel, particularly oil and natural gas.

Mr. Speaker, this legislation would provide a tax credit to builders and developers for residential passive solar systems based on their effectiveness in reducing the standard heating and cooling load on a home, rather than providing a credit for a percentage of the cost of all the components of the passive solar system—many of which might serve dual functions.

To qualify for the credit, a passive solar system will have to possess all of the following elements, which are strictly defined in the legislation: A solar collection area, an absorber, a heat storage mass, a heat distribution mechanism, and heat regulation devices. The amount of the credit for a given passive solar system would be determined by analyzing through a series of simple calculations the energy efficiency of the given passive house in a particular location.

The maximum credit for a passive solar system under this proposal would be $2,000. It is expected that the credit for an average system would be about $1,000, constituting about a 20-percent subsidy for residential passive solar systems. The program would be phased out by the end of 1989.

Mr. Speaker, our Nation must make every effort to encourage the use of currently available alternative energy systems. It is my feeling that passive solar can make a contribution to our Nation's energy needs in the near term if we give the homebuilding industry the financial boost that it needs to get these systems off the drawing boards and into new housing construction. Accordingly, I look forward to developing this important energy proposal with my colleagues in the coming months. It will, I believe, give a needed boost to our Nation's housing industry and allow us to take one more step down the road to energy independence.●

GAO CLEARS WAY FOR VA AGENT ORANGE STUDY

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. MONTGOMERY. Mr. Speaker, I rise to bring to the attention of my colleagues what I hope is good news in the continuing resolution of the controversy surrounding the use during the war in Vietnam of the herbicide defoliant, agent orange, and the subsequent allegations of delayed health impairments said to have been suffered by our military people who served there.

Many of my colleagues know that a major epidemiological study of possible long-term health effects of exposure to agent orange was mandated by the last Congress almost 14 months ago by Public Law 96-151. Section 307 of this law required the Veterans' Administration to conduct, and be responsible for, the results of the study. In an attempt to procure highly credible expertise from outside the agency, the VA—properly and wisely, I think—advertised for the design of a protocol for the study and promulgated a request for proposal (RFP) in March of last year.

Almost simultaneously with this initiative, an instant protest was filed with the General Accounting Office, and a complaint was filed for declaratory and injunctive relief in the U.S. District Court for the District of Columbia.

Because of this litigation, the VA properly suspended all negotiations for the letting of a contract for the design of the agent orange epidemiological protocol.

The district court denied the plaintiff's request for a temporary restraining order against the VA but retained jurisdiction over the case. The court requested a formal opinion by the GAO.

On Monday, February 2, the Comptroller General issued a final decision in this case after many, many months of GAO review. During this time all activities relating to this study were necessarily stalled, and the search for the answers to the agent orange questions was suspended for this extremely valuable investigation.

I feel it important to remind the Members of this Chamber that a great deal of abusive and unwarranted criticism was directed against the VA during this time. The VA was accused of ineptitude in drafting the RFP in the first place, and of foot dragging in not letting the contract, despite the fact that the alleged poor quality of the RFP had yet to be proven and that the VA was legally required to abstain from choosing a contractor while the case was in litigation.

I am pleased today to inform my colleagues that the Comptroller General has decided that the protest had no merit in any particular; and hence, the motion was denied.

It is my sincere desire that the VA move as expeditiously as possible to choose a contractor for protocol design. There must be an obvious public signal that this large-scale investigation, addressing the very serious concerns of Vietnam veterans, the public, and the Government, will be conducted with best speed, commensurate with scientific methodologies, and in parallel with the many other ongoing scientific investigations.

I think that there are some very important lessons to be learned from this episode:

First, castigation of the VA in this instance was not only unfair but was counterproductive in the sense of arriving rapidly at the truth about agent orange;

Second, the bias against the VA—and indeed, the Government—in this issue has been unreasoning in its vehemence; and

Third, opponents of proper, scientific methodology in getting the true facts about agent orange cannot have it both ways. They cannot accuse the Government of inaction while at the same time delay the Government from proceeding on its mandated course of action.

A few days ago, my friend, Senator ALAN CRANSTON of California, inserted into the RECORD a copy of the GAO opinion. It can be found on pages 2050 through 2053 of the RECORD dated February 6, 1981. Senator CRANSTON has been deeply involved in this sensitive issue, and his remarks should be noted by every Member of the House.●

TO HONOR OLGA PEREIRA

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mrs. HECKLER. Mr. Speaker, it is often easy to overlook the quiet, effective service to our communities that is rendered each day by concerned private citizens. Fortunately, occasions do arise on which we can pay fitting tribute to these people, without whom our communities would be so much the lesser.

On February 22 the Luso-American Award Committee of Fall River, Mass., in conjuction with the Jornal de Fall River, will present a special award for community service to Olga Pereira of Fall River, a tireless worker who has worked to improve the lives of the mentally retarded.

A native of Brazil, Mrs. Pereira came to this country more than 70 years ago. Since her retirement from the garment industry 10 years ago, she has worked with the severely retarded—first at the Paul Dever School in Taunton, Mass., and more recently at the Carroll Annex in Fall River. She is also a foster grandparent in a special program for the elderly sponsored by the Citizens for Citizens Agency.

Mr. Speaker, Olga Pereira has shown throughout her life a measure of compassion and dedication that inspire all who know her. She retains a youthful vigor that belies her long years of service. I am proud to take part in honoring her, and I ask all my colleagues in this House to join me in this tribute.

Thank you.●

WITHDRAWAL OF BILINGUAL EDUCATION REGULATIONS: THE AFTERMATH

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BIAGGI. Mr. Speaker, I wish to draw my colleagues' attention to the first major education decision of the Reagan administration which has received a great deal of attention of late—withdrawal of the regulations outlining Federal requirements for bilingual education.

These regulations, known as the Lau regulations, were proposed last August to implement title VI of the Civil Rights Act of 1964 which prohibits discrimination on the basis of national origin. Simply put, the regulations called upon school districts to teach bilingual children in their native language while they learn English.

The decision to withdraw these regulations must be viewed as a pragmatic response to a thorny and emotional issue. From the outset, I was deeply concerned over the fiscal, as well as educational implications of these regulations. I contacted Secretary Hufstedler to express my support for the Department's decision to provide guidelines to local schools, so they might have possible models of teaching methods to choose from. My concern rested with the nature of these models, and the implied lack of flexibility which they created by not encouraging intensive instruction in English. I also remained concerned over the implications these regulations posed for the types of personnel who would be staffing these programs.

Removal of these regulations will now allow us to focus on the real issue we must face in bilingual education—our Federal role in educating children whose native language is not English. I have never waivered in my commitment to the education of bilingual children. Our obligation to teach them is both social as well as legal. The Supreme Court ruled in 1974, in Lau against Nichols, that schools must provide special help to a child who could not understand English. This was a laudible decision. Equally as laudible was their decision not to say how this obligation must be fulfilled.

Of the 500-plus school districts operating bilingual education programs in this country, there exist several methods for teaching children English. One option has been the use of intensive instruction in English. Given the individualistic nature of LEA's, it seems most reasonable and practical to allow schools to implement programs best suited to their own local needs and resources. The role of the Federal Government in bilingual education should be the enforcement of the civil rights of these children by insuring that they learn English as quickly and effectively as possible.

As New York's senior member on the House Education and Labor Committee, I represent a school district which runs the second largest bilingual education program in the country, serving almost 50,000 students. I also remain concerned with the quality of personnel we are providing in bilingual education programs. I was the author of the provision in current law which mandates that bilingual education teachers be proficient in English. While we must be advocates for the rights of English-deficient children, we must be equal in our advocacy of high standards for the teachers who instruct them.

The issue of bilingual education remains with us and I pledge to conduct hearings in the Education and Labor Committee early in this session of Congress in order to ascertain what bilingual education is doing and what remains to be done. I would also like to insert editorials from the New York Times and Washington Post that I think provide a good map for the road before us and urge my colleagues to read them carefully.

[From the New York Times, Feb. 4, 1981]

BILINGUAL EDUCATION, AND FEDERAL DUTY

Secretary of Education Bell, in revoking the bilingual education regulations proposed by his predecessor, appears to be assailing a dragon when in fact he is only flogging a dead horse. The regulations have already been mortally wounded by Congress. It has forbidden the department to put them into effect pending legislative debate—wake might be more accurate—in the spring.

Most of the controversy over bilingual education stems from a 1974 Supreme Court ruling in Lau v. Nichols, a case involving the rights of Chinese children in San Francisco public schools. The court held unanimously that special education must be provided for children whose primary language is not English; it did not require any special pedagogical approach.

But bilingual education's most vocal supporters have favored programs under which non-English-speaking children continue to get much of their instruction in their native language until, in theory, they eventually become proficient in English. Critics of that approach have urged making those children fluent in English as rapidly as possible, by the best means available. In fact the proposed regulations, now revoked by Secretary Bell, had moved a long way toward giving local schools a choice of the approach they deemed most practical, while still giving the department the final say in the matter.

Secretary Bell is acting under the Reagan Administration's instructions to reduce Federal regulations. Politics aside, it makes sense to let the local districts work out which strategies are best suited to deal with their children's language problems. Those problems, not to mention the languages they speak, differ from district to district.

Yet legitimate reliance on local initiatives does not relieve the Federal Government, or Secretary Bell, of responsibility. The Supreme Court has ruled that non-English-speaking children have a constitutional right to special assistance. Washington has an obligation to enforce that ruling, and to provide fiscal support for programs that respond to extraordinary linguistic disadvantage. In the current fiscal year, that support totals $175 million. Having buried the dead regulations, Mr. Bell still faces a live problem.

[From the Washington Post, Feb. 4, 1981]

GOODBYE TO THE BILINGUAL REGS

The end of federal requirements for bilingual education was long overdue. The final blow to the regulations, struck Monday by Secretary of Education Terrel Bell, gave a merciful death to both the regulations and the years of tangled debate over how to handle children who come to American Schools speaking a foreign language. The debate was confused from the beginning because it was based on the idea the bilingual education is the best (make that "only") way for American schools to help children who speak foreign languages in their transition to English-speaking education. Without any proof of that hypothesis, the federal government went wild trying to force local school districts to adopt bilingual programs under the threat of loss of federal grant money. Out of that adventure grew the tangled debate now ending, a debate that long ago lost its focus.

With Mr. Bell's cutoff of the regulations, however, the argument is once again in proper focus: do school districts have an obligation to give extra help to students who don't speak English? The answer to that is an unequivocal yes. And the federal government, in case of default of other authorities, must act to require school districts to help such children. The question of what kind of help is a secondary issue and one that requires a good deal of discretion at the local level. It varies with the number of children who have the problem in a school district, the native language the majority of the children bring to the schools and so forth.

The end of bilingual education regulations does not mean an end, unfortunately, to many local and state actions (or court orders) taken by school districts to comply with the federal drive for nationwide bilingual education. There are about 500 school districts operating bilingual programs as a result of the years of federal pressure to do so. In some of those school systems, other methods of helping foreign-speaking students to make the transition to English may work more effectively or more cheaply. In one of its last attempts to keep the bilingual regulations alive, the Department of Education acknowledged this principle in granting Fairfax County schools an exemption to the regulations. Fairfax has an effective program, which uses only English to help foreign-speaking students adjust to their schools.

Now school boards on both the state and local level will inevitably begin to review their bilingual programs in the absence of any federal orders. What must be protected in this process in the idea that some help should be provided to children who come to American schools speaking a foreign language. This is the center of the tangled, emotional argument Mr. Bell has begun to sort out.●

RESOLUTION PROCLAIMING MARCH 1, 1981, AS NATIONAL DAY OF THE SEAL

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 19, 1981

● Mr. BONKER. Mr. Speaker, I wish to join my distinguished colleague from the State of Vermont, Representative JEFFORDS, in sponsoring a resolution proclaiming March 1, 1981, as National Day of the Seal.

March 1 is an appropriate day to celebrate the seal: It is early in March that about 400,000 baby harp seals will be born on the ice off Canada's Newfoundland coast. While our purpose is to focus on the birth of the seals, we cannot ignore the fact that some 180,000 of these seal pups will be brutally clubbed to death shortly after their birth. Their bright, white coats will be stripped by Canadian and Norwegian workers, and the pelts shipped off to Norway to be turned into fur collars and cuffs, glove linings, key chains, and toy stuffed seals. This is an exceptionally inhumane and senseless slaughter.

I urge my colleagues to join us in cosponsoring this resolution, and in observing March 1 as National Day of the Seal.●

TERRORISM IN EL SALVADOR

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. McHUGH. Mr. Speaker, in its February 23 issue, Time magazine reports that the Federal Bureau of Investigation and other independent investigators have developed evidence that could lead to the apprehension of those responsible for the murders of the four American women missionaries in El Salvador last December. The story also goes on to report that:

Salvadoran authorities are stonewalling, stubbornly refusing to press the inquiry to the point where their own security forces might become implicated.

This report is deeply disturbing to me, Mr. Speaker, and directly contradicts the State Department's January 14, 1981, statement on the resumption of U.S. military assistance to El Salvador, which justified that resumption in part on "progress in areas of concern to us, especially the investigation of the murders of the four American churchwomen."

Obviously, the longer this investigation is allowed to drag on, the less likely it is that these brutal murders will ever be solved and the terrorists responsible brought to justice. Thus, it is my hope that the State Department will be able to report that this story is not accurate when it appears before the Foreign Operations Subcommittee to testify on U.S. policy toward El Salvador next month.

Mr. Speaker, I know that many of our colleagues have a continuing interest in this investigation. Thus, for the benefit of those who may not have seen this story, I am inserting a copy into the RECORD at this point.

STONEWALLING—OFFICIALS IGNORE NEW CLUES

Sixteen sets of fingerprints. A revealing smear of red paint. Ballistics tests on high-powered rifle bullets. A collection of such solid clues has raised serious new questions about the official investigation into the brutal murder late last year of three American nuns and a lay religious worker in El Salvador. But Time has learned that while the inquiry has turned up an impressive amount of hard evidence about what took place. Salvadoran authorities are stonewalling, stubbornly refusing to press the inquiry to the point where their own security forces might become implicated.

When the American women missionaries were found shot to death last December, U.S. officials cited "circumstantial evidence of possible security force involvement." But Salvadoran police and military officers dragged their feet in trying to track down the killers of the women, prompting the Carter Administration to suspend all U.S. aid to El Salvador until a "complete, thorough and professional investigation" of the murders had been undertaken. A four-man Salvadoran commission of inquiry was finally appointed, and a team of FBI agents was dispatched to help.

Then came last month's offensive by El Salvador's leftist guerrillas. The U.S. moved swiftly to restore $5 million in nonlethal military aid and add $5 million in weapons and ammunition. One reason cited for the resumption was a vague claim by the State Department of "progress" in the murder investigation. In fact, the only real progress has been made by the FBI agents and other independent investigators.

Some of the FBI team's findings:

Sixteen sets of latent fingerprints were lifted from the burned, blackened paint of the white Toyota microbus the four women were driving the night they were killed.

The microbus bore a smear of red paint, where it had apparently scraped against another vehicle. Peasants in the area reported seeing the microbus being towed by a red vehicle.

Although official Salvadoran doctors refused to perform autopsies at the time, two of the nun's bodies were later exhumed in the U.S. and bullets were removed from them. Ballistics tests revealed the kind of high-powered rifle the bullets came from are a type regularly used by the security forces.

The names of all security forces personnel on duty in the area where the women were killed, about 20 men, were established. Some were national police troops; others belonged to the Hacienda (Treasury) Police.

The next steps should have been simple. The fingerprints of the 20 policemen could have been compared with the prints on the microbus. The weapons issued to the men that night could have been examined and ballistics tests performed. A search could have been made for a red vehicle. The Salvadoran government has failed to take any of these steps.

It is unlikely that the U.S. will apply any further pressure to find the killers. Last week the State Department reiterated its "concern" about the investigation but "delinked" it from future aid to the Salvadoran government. Shortly after the new U.S. chargé d'affaires, Frederic Chapin, arrived in El Salvador last week, he spelled out the Reagan Administration's new priorities: to give "full support to the present government" against the leftist insurgents and "to help impede the intervention of third countries" in El Salvador's affairs. "All else," the chargé concluded, "is subordinate."●

TO HONOR PAUL CARREIRO, JR.

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mrs. HECKLER. Mr. Speaker, the goal of American citizenship remains a cherished dream for many newcomers to America. The task of transforming that dream to reality can be a great challenge for those who do not speak English—but thanks to the efforts of a small but dedicated group, the dream is being realized every day.

On February 22, the Luso-American Award Committee of Fall River, Mass., in conjunction with the Jornal de Fall River, will present a special award for community service to one man who has helped hundreds of immigrants earn their citizenship papers: Paul Carreiro, Jr., of Bristol, R.I.

As a teacher of English and citizenship classes at the Fox Point Neighborhood Boys Club Center, and at St. Elizabeth's Parish in Bristol, Paul Carreiro, Jr., has worked long and hard to instill the central tenets and ideals of Americanism in the citizens of the future. His efforts are unstinting, because the goal is so great.

Mr. Speaker, Paul Carreiro, Jr.'s record of tireless work to teach the members of his community to be proud, responsible, and well-informed citizens, is work in the finest tradition of our Nation. I am proud to take part in honoring him, and I ask all my colleagues in this House to join me in this tribute.

Thank you.●

YOSEF BEGUN, SOVIET PRISONER OF CONSCIENCE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. DOWNEY. Mr. Speaker, as you know, one of the most distressing problems facing world society today is the continued oppression of Soviet citizens because of their political and religious beliefs.

Persons of conscience desiring to emigrate to other countries to practice their religion freely are being denied their basic right to leave the country. In addition to this injustice, many are being persecuted and sentenced to internal exile for having the courage to stand up and express their desire to emigrate.

Yosef Begun is a doctor of science. In 1971, when he applied for an exit visa he was turned down because of the secret classification of the position he had held two decades before as a senior scientist at a research institute in the 1950's. As a Jew, Mr. Begun's religious beliefs prompted the Soviet Government to persistently monitor him.

Constant interrogations and harassment by the Soviet Government left Yosef Begun, 4 years ago, unable to secure any kind of employment. Desperately in need of funds to support his family, Yosef began teaching private Hebrew lessons. However, the Russian Government does not recognize this as valid employment and arrested him for a uniquely Soviet crime—unemployment.

For this, Mr. Begun was sentenced for 2 years of internal exile. His crime was trying to earn a living to support his family. After spending 1 year in a Siberian labor camp, he was released and returned to Moscow to rejoin his family where he was arrested once again for not having the correct passport to live in Moscow with his family.

For the second time he was sentenced for 3 years internal exile in Siberia. Last August Yosef Begun was released, but is still being denied his right to live in Moscow with his wife and son. He now resides 60 miles away in Strunino. Mr. Begun has reapplied for an exit visa, but the Soviet Government has repeatedly thrown obstacles in the way of securing this document. These roadblocks have consisted of tremendously long waits for interviews and applications, and tedious requests for irretrievable documents. Most recently Mr. Begun's application was returned as incomplete due to the lack of his father's death certificate. Presently, Yosef is continuing his futile search for witnesses of his father's death.

It is difficult for Americans to understand how or why a person can be put through this kind of sustained ordeal simply because they desire to emigrate. It is difficult to believe that we are discussing an advanced industrial nation in the last quarter of the 20th century.

This case is only one illustration of the hundreds of unjustifiable cases of human suffering that exist inside the Soviet Union today. It is imperative that we be consistently reminded of the mass denial of civil liberties and the sufferings of men and women, like Yosef Begun, so that Yosef and all persons of conscience may have a brighter future for our effort to convince the Soviets to reexamine their archaic concept of human freedom.●

PASSIVE SOLAR TAX CREDIT BILL

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mrs. SCHROEDER. Mr. Speaker, I am happy to support Congressmen FOWLER's and HEFTEL's efforts to increase the use of solar energy in this country. Legislation of this kind is essential to insure that we move progressively toward energy efficient methods of heating and cooling our homes while reducing our reliance on fossil fuels.

Passive solar designs have proven their potential to significantly reduce our unhealthy dependence on diminishing energy resources, but have achieved only limited utilization because of the problems this bill remedies. Like all good legislation the bill solves these problems in a specific and direct way with an eye on eventually removing the Federal Government from the process. The phaseout provisions in the bill testify to the belief that in a free marketplace solar can and will stand on its own.

I thank Congressmen FOWLER and HEFTEL for their efforts in drafting this legislation and look forward to seeing my colleagues join me in supporting its passage.●

ADDITIONAL FLEXIBILITY FOR SCHOOLWIDE PROJECTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BIAGGI. Mr. Speaker, today I am reintroducing legislation which would amend title I, section 133, "Schoolwide Projects" of the Elementary and Secondary Act Amendments of 1978, Public Law 95-561. This program, in section 133, allows local educational agencies (LEA's) to use title I funds to upgrade entire educational programs in eligible schools. The "Schoolwide Projects" provision requires a comprehensive assessment of the educational needs of all students in a school, planning for and provision of educational services with the involvement of the community, as well as periodic improvement of the plan through the training and retraining of teachers.

This technical amendment I am introducing would remove one of the many restrictive requirements governing the use of schoolwide project funds, which require eligible schools to provide supplemental funds for nontitle I students in running a project. If at least 75 percent of the students in a school are eligible for title I services, then the school may be exempted from the matching provisions for its nontitle I students. It is obvious that the requirement for additional funds might make the program unworkable as the very schools which have large percentages of disadvantaged children are likely to be the same schools without additional sources of revenue.

The need for this legislation has been well documented. A recent nationwide survey by the Bay Area Research Group revealed what many members of the conference committee considering this legislation in 1978 feared—the matching requirement makes the program unattractive to a majority of school districts with large title I populations. Overall, they found very few districts are participating: a total of 19 districts in 6 States representing a total of 140, 102 of which are in 1 district.

Within these 140 schools conducting schoolwide projects, a number of encouraging findings surfaced—participation in schoolwide projects led to the elimination of pull-out programs which are so often psychologically and socially damaging to pupils. Another positive finding was the fact that teachers were relieved of the administrative burden of identifying title I pupils and schools were relieved of the administrative burden of maintaining separate accounts for title I funds. Finally, and most importantly, there was found no evidence that services to title I students were diluted by the implementation of this plan, an unwarranted fear of many title I advocates.

In my own home city of New York, there are estimated to be 151 schools out of a total of 913 schools which are eligible to run schoolwide projects. These include 139 elementary and junior high schools and 12 high schools, or 28 percent of 532 schools which are eligible for title I services. The law currently reads that local educational agencies make special supplemental moneys available for each student who is not educationally deprived. In our 151 schools, this represents a total of 51,540 students. New York State requires that we provide a minimum of $400 per eligible title I child. Thus 51,540 noneligible children times $400 is equal to $20,616,000 in additional funds required to run schoolwide projects in all our eligible schools. In our current effort to sustain a balanced city budget, combined with reductions in funds we receive from the State, it would be impossible for the New York City Board of Education to raise this money itself. At a time when we must make the most of what resources we currently have in our schools, my amendment makes good educational as well as fiscal sense.

It is my intention to work to include this bill in any technical amendments package considered by the House Education and Labor Committee this year. I would urge my colleagues to pay attention to this issue, particularly those who have large title I programs in their own school districts. We can provide compensatory education to disadvantaged children without sacrificing services by eliminating the restrictive provisions governing schoolwide projects and urge that it be done.●

EXTENDING AUTHORIZATION FOR APPROPRIATIONS FOR COUNCIL AND OFFICE OF ENVIRONMENTAL QUALITY

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BREAUX. Mr. Speaker, I am today introducing legislation to extend the authorization for appropriations for the Council on Environmental Quality (CEQ) and the Office of Environmental Quality which were established by the National Environmental Policy Act and by the Environmental Quality Improvement Act as part of the Executive Office of the President. The three members of CEQ are appointed by the President subject to Senate confirmation. Their main duties are to advise the President on environmental issues, to monitor the status and trends of the environment, and to provide information to the public on environmental matters. The Council also publishes an annual report to Congress on environmental quality which contains data on environmental conditions and trends as well as recommendations for Federal program improvement and legislation.

In addition, CEQ has been delegated, by Executive order, the responsibility for promulgating regulations for Federal agency compliance with NEPA's impact statement requirements. These regulations were promulgated in November of 1978 and the Council is currently reviewing the agency implementing procedures.

The legislation I am introducing today would simply continue the current level of authorizations through fiscal year 1984. It is intended only as a vehicle for committee hearings and is not intended to be a policy statement. The Subcommittee on Fisheries and Wildlife Conservation and the Environment will be holding hearings in the near future where the operation of the Council and Office of Environmental Quality will be examined. Those hearings will help the subcommittee determine the proper level of funding and what, if any, substantive amendments are needed.●

PROPER REINDUSTRIALIZATION STRATEGY

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. REGULA. Mr. Speaker, over the last year or so, the term "reindustrialization" has all but become Washington's latest catch phrase. Everyone, it seems, prescribes reindustrialization as the cure for what ails America's economy. Unfortunately, however, in this case our capacity for rhetoric has outstripped our ability to act.

While most of us, Democrats and Republicans alike, appear to agree on the elements of a proper reindustrialization strategy—tax changes, regulatory reform, increased research and development, and greater cooperation among industry, labor, and government—relatively little has been actually accomplished to date.

George Will, in a recent article, pointed out how desperate the situation is becoming. Mr. Will informs us that, "McDonald's has more employees than U.S. Steel. Golden arches, not blast furnaces, symbolize the economy." This is a chilling commentary on the economic situation now facing the United States.

Mr. Speaker, nearly 1 million manufacturing jobs have been lost in the Northeast and Midwest during the past 10 years. Hundreds of plants have closed or curtailed operations. Since 1970, the U.S. share of world manufactured goods trade has fallen by 23 percent. Last year alone, The Ford, Chrysler, and General Motors Corporations each lost between $1.5 and $2 billion. Because up to 20 percent of the American economy is either directly or indirectly dependent upon the automobile industry, the "ripple effect" has been staggering. In 1980, Firestone Tire & Rubber Co. lost $100 million.

In the heat of last year's reelection campaign, President Carter told us that almost 12 million new jobs had been created during the past 4 years. What he neglected to say was that more than 70 percent of the new private sector jobs between 1973 and 1979 were in services and retail trade. Clearly, this trend must not be allowed to continue if we wish to keep our Nation a leading industrial power. I insert Mr. Will's article in the RECORD and ask that my colleagues give it the careful consideration it deserves.

UNPADDING THE "PADDED SOCIETY"

The "science" of economics increasingly resembles a branch of psychology, nervously invoking such concepts as "confidence" and "spirit." Keynes considered society's "animal spirits" a crucial variable, and in this regard, at least, President Reagan is a Keynesian. He speaks of America's "spirit" being "ready to blaze into life" if we "stimulate our economy." But MIT's Emma Rothschild, who is descended from some spirited capitalists, asks: can the capitalist spirit blaze, now that America's employment structure has shifted further than any other large industrial nation's from manufacturing and toward labor-intensive, low-productivity services and trade sectors?

Reagan's promise to "put America to work" came at the end of a decade in which Americans went to work in record numbers. Even in the "stagflation" years, 1973-79, while total employment held steady in France and Britain and declined in West Germany, the U.S. private sector created almost 11 million new jobs. As Rothschild says, it is as though Canada's entire labor force moved south and found employment. Actually, the most important factor was that women, driven by economic necessity, moved out of the home, creating a supply of labor with a low level of experience, and hence low productivity. More than 70 per cent of the new jobs were in services and retail trade. By 1979, 43 per cent of all Americans in nonagricultural jobs were in those two fields.

Service: Rothschild says that the increase in employment in eating and drinking places since 1973 is greater than total employment in the auto and steel industries

combined. Three service industries—eating and drinking places, health, and business services (mailing, janitorial, etc.)—each produced more than 1 million new jobs in the 1973-79 period and now have a larger combined employment than "total employment in an entire range of basic productive industries: construction, all machinery, all electric and electronic equipment, motor vehicles, aircraft, shipbuilding, all chemicals and products, and all scientific and other instruments."

M'DONALD'S HAS MORE EMPLOYEES THAN UNITED STATES STEEL—GOLDEN ARCHES, NOT BLAST FURNACES SYMBOLIZE THE ECONOMY

Last week Reagan referred to America as "this once great industrial giant." Two days earlier General Motors, the dominant corporation in America's emblematic industry, had announced that in 1980, for the first time since 1921, it lost money. Chrysler probably now has more debts than assets: a negative net worth. Reagan also referred to the second symbol of American industrialism: steel. But golden arches, not blast furnaces, are becoming the symbols of American enterprise. Today McDonald's has more employees than U.S. Steel. This "once great industrial giant" used to make big locomotives, big Buicks. Now it makes Big Macs.

And litigation.

Here are the percentage increases of practicing engineers and lawyers: 1940s, engineers 83, lawyers 0; 1950s, engineers 59, lawyers 19; 1960s, engineers 40, lawyers 25; 1970s, engineers 15, lawyers 83.

Furthermore, America has become, for the majority, what Felix Rohatyn calls a "padded society," padded with cost-of-living allowances, automatic wage increases regardless of productivity, stock options and other benefits for executives regardless of performance, constantly increasing unemployment compensation and pensions. Padding? In the 1920-21 slump, the factory-wage level fell about 2 per cent. In the 1980 recession, it rose 11 per cent. The biggest padding is the biggest middle- and high-income subsidy: the deductibility of mortgage-interest payments.

That makes many Americans winners from inflation, and contributes to large capital gains for homeowners. Also, it diverts excessive credit resources. More savings are expended on mortgages than on any other use, to the detriment of capital formation and job creation in basic industries. The nation will really be serious about fighting inflation and about reindustrializing when such interest deductibility is at least limited. But don't hold your breath.

As Robert Samuelson of the National Journal says, "the essence of the orthodoxy inherited from the Depression" is that government must temper the rigors of the free market. Thus the proliferation of groups demanding "protection from normal economic change and chance." But today the question is: what do Americans consider "normal" change and chance?

Study: Risk, an indispensable facet of capitalism, has been plentiful for smaller businesses. One study estimates that a firm in business in the mid-1960s had a more than 50 per cent chance of being out of business by the mid-1970s. But the government keeps coming to the aid of large economic entities: Lockheed, Penn Central, Franklin National, New York City, Chrysler. Even when those two Texas cut-ups, the Hunt boys (who do not have a large constituency) got into hot water, Federal authorities encouraged banks to aid the boys' creditors. As Alfred Malabre says, "After so many years of governmental flinching," one task for inflation fighters is "the introduction of a believable element of risk into the economic environment."

There is going to be abundant risk in the political environment. Capitalists believe in the division of labor, and Reagan reportedly has told his aides, "You worry about the fiscal side and I'll worry about the political side." His aides should worry because the budget is a President's only substantial instrument for influencing the economy, but there is not substantial certainty about how the budget can be used to do that. Reagan's "political side" involves asking Congress to pull a bit of padding from the "padded society," which means in large measure from the middle class.

Government generally is a servant of the strong. In this middle-class nation, middle-class representatives generally legislate comforts for the comfortable, for those persons sufficiently educated, leisured, organized, articulate and confident enough to master the art of complaining. The middle class is the padded class. So in the long, hot summer of 1981, as Washington simmers in humidity and Congress shivers in fear, we may see confirmation of Rohatyn's rule: this country cannot muster a majority for anything but complaint.●

WORLD WAR I PENSION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. ANDERSON. Mr. Speaker, yesterday I introduced H.R. 1918, a pension for all World War I veterans and their widows.

That this pension has not yet been passed is both exasperating and a tragedy. I read recently the account by the gentleman from Texas (Mr. GONZALEZ) of the near enactment of a World War I pension in 1961, when 218 Members signed a discharge petition to consider it. At that time, such a pension was estimated to cost $11 billion per year—when the whole Federal budget was less than $100 billion. Millions of veterans and widows, who should have received that pension, have died in the intervening 20 years. The political clout of the World War I group has been decimated by death and old age. The average age of these veterans is over 85 and their death rate is over 15 percent. We have little time left if we are to make even the smallest gesture toward honoring our traditional responsibility to this group.

Though the diminished number of recipients has cut the projected first year cost down to almost $1 billion, I realize that there is not even that much money for new programs in the near future. So, after consulting with the leaders of the Veterans of World War I organization, H.R. 1918 is an authorization, not an entitlement. This would require us to fight for partial or complete appropriations in future years to be able to pay any of the pensions. At least with an authorization, we will finally have the pension on the books and will have recognized the justice of their claim. We will have achieved at least a moral victory for those veterans who do not survive to ever collect on this pension.

From the American Revolution through the Spanish-American War, Congress established a service pension for every wartime veteran and widow. When we entered the First World War, there was nothing in the enlistment papers about an old age pension. But, there was a 100-year tradition that the country owed such an honorarium to its men who went to war.

The veterans who came home after 1918 knew the trauma and dislocations caused by wartime service. So, during the Second World War, they were the leaders in setting up the GI bill, the home and farm loans, the education benefits and the other programs which so many of our generation took advantage of, and which have been so important in reestablishing in civilian life many citizen-soldiers when the fighting was over. But, if the World War I vets were technically eligible for parts of the GI bill, most of them were well beyond starting college or buying their first home. In the change from the old service pensions to the new GI bill, the World War Oners have mostly been left out. To be sure, there is what is currently misnamed a pension which the VA distributes; but that is really a poverty program. Most World War I veterans and widows who are poor enough to be eligible collect less than $100 per month; more than 60 percent of World War I veterans and widows collect nothing.

My bill, late as it might be, would partially right the injustice which several Congresses have done to the World War I group. It calls for $150 a month to be paid to each veteran and widow, regardless of income or source of income. It would be an actual pension, that is an unqualified payment for service. $150 a month is hardly a generous sum. When it can actually be paid, however, it will make a very substantial improvement in the lives of many of these aged veterans and widows. For the rest, passage of this authorization will be a long overdue acknowledgment that we remember and care about the service and sacrifice they gave for us.

The Veterans of World War I, the Veterans of Foreign Wars, and the American Legion all support a World War I pension. In order to overcome the opposition in Congress and in the administration to such a pension, the strong support of Members of Congress is essential. We would welcome the cosponsorship and support of the Members of the 97th Congress.●

SHALLOW UNDERWATER MISSILE SUBMARINE SYSTEM

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. DASCHLE. Mr. Speaker, I am today reintroducing legislation to authorize funds for the research, development, testing, and evaluation of the shallow underwater missile submarine system (SUM). In my estimation, this system has many elements that are far superior to the horizontal multiple protective basing system (MPS) nearing the construction stage in the Nevada/Utah desert. SUM would be capable of launching either existing Minuteman intercontinental ballistic missiles (ICBM's) or the M-X, which is now nearing the production stage. I believe that it is imperative that SUM be given further consideration before vast amounts of money are spent on the construction of the MPS. My legislation would approve this next level of development.

Full scale development of SUM would envision the procurement of small—1,000 ton or less—submarines with Minuteman or M-X missiles encapsulated outside their hulls. The submarines would be diesel powered and have a crew of around 12. Prototypes already exist in West Germany.

There are several advantages of SUM over the MPS. One of the most important is cost. Estimates for SUM range between $12 and $15 billion while conservative estimates of the MPS network figure $30 to $35 billion, excluding operation and support costs. Now the Congressional Budget Office has come out with a new report stating that the total cost of the MPS/-M-X system could go as high as $106 billion, assuming the Soviet Union seeks to match missile with missile and warhead with warhead. Recent history has shown that the Soviet Union will take whatever steps may be necessary to match the United States in military strength.

Another important advantage is that deployment could occur much earlier with SUM than with MPS. Estimates conclude that a SUM network could be operational within 3 to 6 years while the MPS will take until the end of this decade to complete. This is extremely important as our most dangerous period of vulnerability to a preemptive Soviet strike will be at the same time the MPS is under construction.

Another reason to further explore SUM is the fact that the Air Force is considering the possibility that an ABM defense network may be necessary to protect the M-X. Such a proposal seem ludicrous considering the MPS network was supposedly developed to lessen the chances that a Soviet preemptive strike would be successful in wiping out our land force of ICBM's.

Deployment of a new submarine force with strategic capabilities would further complicate Soviet targeting of our strategic targets and force them to increase spending for antisubmarine warfare (ASW), an area they are already noticeably behind in. This would divert money and resources from other areas they seek improvement in as well.

Development of SUM would also mean that the United States will possess a strategic quadrad, instead of the current triad. This extra dimension could give the United States additional leverage at the bargaining table. Since President Reagan intends to renegotiate the SALT II treaty, perhaps we could use this to restrict the Backfire bomber.

Finally, it is my sincere hope that our civilization has progressed beyond the need to ever again use nuclear weapons. Unfortunately, the balance of power in the world today necessitates that the United States be prepared for any eventuality, including nuclear war. Thus, it is up to the President and Congress to insure that the weapons systems we do develop are compatible with our national interests. An intelligent decision on this matter cannot be made unless such factors as cost, environmental impact, availability of scarce resources, especially water supplies, and the expediency with which such weapons can be developed and deployed are considered. I do not believe that the MPS network is compatible with these interests when considering the potential $106 billion total cost, the squandering of 13,000 acres of scarce western water per day, and our increased vulnerability to improving Soviet missile accuracy; MIRV capabilities; and the Backfire manned bomber. Mr. Speaker, the citizens of this country are demanding more control on Federal spending, a balanced budget, and an end to the misuse of taxpayer money on expensive boondoggles that contribute little to national productivity or the long-term viability of our economic and political system. The multiple protective basing system proposed for the Nevada/Utah desert achieves none of these objectives and is the reason why I am introducing this legislation today.

Following is a text of the bill:

H.R. 1955

A bill to authorize appropriations for fiscal year 1982 for the Navy for research, development, test, and evaluation of a shallow underwater missile (SUM) submarine system

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there are hereby authorized to be appropriated for fiscal year 1982 for the use of the Navy such sums as may be necessary for research, development, test, and evaluation of a shallow underwater missile (SUM) submarine system capable of launching intercontinental ballistic missiles, including the proposed M-X missiles.●

EMERGENCY HOME PURCHASE

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BLANCHARD. Mr. Speaker, yesterday I introduced legislation to provide a refundable tax credit for the purchase of a new home.

The legislation, called the Emergency Home Purchase and Inventory Reduction Act of 1981, is designed to provide a short-term stimulus for the sagging housing industry. It would provide a tax credit of 5 percent of price of a new home up to a maximum of $5,000 and would apply to any home whose construction began before February 18, the day of introduction of the bill. The credit would be available for home purchases during a 9-month period, again, retroactive to the date of introduction.

Current high interest rates and the sharp fluctuation of interest rates over the past year have dealt a devastating blow to the housing industry. It is essential that we give a short-term shot in the arm to this industry and help get it back on its feet.

We as Members of Congress cannot simply sit back and watch essential industries deteriorate. Industries like housing are not only critical in and of themselves, but also have direct relationship to other important industries in the manufacturing sector of our economy. And the housing industry, like other industries, has particular problems that require a targeted economic approach. This bill is an example of the kind of tax cut that should be a part of any economic program aimed at bringing about a strong and stable economic recovery.

The test of the Emergency Home Purchase and Inventory Reduction Act of 1981 follows:

H.R. 1032

A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for the purchase of a new principal residence

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Home Purchase and Inventory Reduction Act of 1981".

SEC. 2. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44E the following new section:

"SEC. 44F. PURCHASE OF NEW PRINCIPAL RESIDENCE.

"(a) GENERAL RULE.—In the case of an individual, there is allowed, as a credit against

the tax imposed by this subtitle for the taxable year, an amount equal to 5 percent of the purchase price of a new principal residence purchased by the taxpayer.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed under subsection (a) may not exceed $5,000.

"(2) LIMITATION TO ONE RESIDENCE.—The credit under this section shall be allowed with respect to only one residence of the taxpayer.

"(3) MARRIED INDIVIDUALS.—In the case of a husband and wife who file a joint return under section 6013, the amount specified under paragraph (1) shall apply to the joint return. In the case of a married individual filing a separate return, paragraph (1) shall be applied by substituting '$2,500' for '$5,000'.

"(4) CERTAIN OTHER TAXPAYERS.—In the case of individuals to whom paragraph (3) does not apply who together purchase the same principal residence for use as their principal residence, the amount of the credit allowed under subsection (a) shall be allocated among such individuals as prescribed by the Secretary, but the sum of the amounts allowed to such individuals shall not exceed $5,000 with respect to that residence.

"(c) DEFINITIONS.—For purposes of this section—

"(1) NEW PRINCIPAL RESIDENCE.—The term 'new principal residence' means a principal residence (within the meaning of section 1034), the original use of which commences with the taxpayer, and includes, without being limited to, a single family structure, a residential unit in a condominium or cooperative housing project, and a mobile home.

"(2) PURCHASE PRICE.—The term 'purchase price' means the total contract price of the new principal residence set forth in the contract for purchase, on the date of the acquisition thereof.

"(3) PURCHASE.—The term 'purchase' means any acquisition of property, but only if—

"(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b), (but, in applying section 267 (b) and (c) for purposes of this section, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descendants), and

"(B) the basis of the property in the hands of the person acquiring it is not determined—

"(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

"(ii) under section 1014(a) (relating to property acquired from a decedent.)

"(d) RECAPTURE FOR CERTAIN DISPOSITIONS.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), if the taxpayer disposes of property with respect to the purchase of which a credit was allowed under subsection (a) at any time within 36 months after the date on which he acquired it as his principal residence, then the tax imposed under this chapter for the taxable year in which terminates the replacement period under paragraph (2) with respect to the disposition is increased by an amount equal to the amount allowed as a credit for the purchase of such property.

"(2) ACQUISITION OF NEW RESIDENCE.—If, in connection with a disposition described in paragraph (1) and within the applicable period prescribed in section 1034, the taxpayer purchases a new principal residence, then the provisions of paragraph (1) shall not apply and the tax imposed by this chapter for the taxable year following the taxable year during which disposition occurs is increased by an amount which bears the same ratio to the amount allowed as a credit for the purchase of the old residence as (A) the adjusted sales price of the old residence (within the meaning of section 1034), reduced (but not below zero) by the taxpayer's cost of purchasing the new residence (within the meaning of such section) bears to (B) the adjusted sales price of the old residence.

"(3) DEATH OF OWNER; CASUALTY LOSS; INVOLUNTARY CONVERSION; ETC.—The provisions of paragraph (1) do not apply to—

"(A) a disposition of a residence made on account of the death of any individual having a legal or equitable interest therein occurring during the 36-month period to which reference is made under such paragraph,

"(B) a disposition of the old residence if it is substantially or completely destroyed by a casualty described in section 165(c)(3) or compulsorily and involuntarily converted (within the meaning of section 1033(a), or

"(C) a disposition pursuant to a settlement in a divorce or legal separation proceeding where the other spouse retains the residence as principal residence.

"(e) PROPERTY TO WHICH SECTION APPLIES.—

"(1) IN GENERAL.—The provisions of this section apply to a new principal residence—

"(A) the construction of which began before February 18, 1981,

"(B) which is acquired and occupied by the taxpayer after February 18, 1981, and before November 18, 1982, and

"(C) which was acquired by the taxpayer under a binding contract entered into by the taxpayer after February 18, 1981, and before November 18, 1981.

"(2) BINDING CONTRACT.—For purposes of this subsection, a contract for the purchase of a residence which is conditioned upon the purchaser's obtaining a loan for the purchase of the residence (including conditions as to the amount or interest rate of such loan) is not considered nonbinding on account of that condition.

"(3) CERTIFICATION MUST BE ATTACHED TO RETURN.— This section does not apply to any residence unless there is attached to the return of tax on which the credit is claimed a written certification (which may be in any form) signed by the seller of such residence that construction of the residence began before February 18, 1981. For purposes of this paragraph, a written certification filed by a taxpayer is sufficient whether or not it is on a form prescribed by the Secretary so long as such certification is signed by the seller and contains the information required under this paragraph."

(b)(1) Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)" and inserting in lieu thereof "43 (relating to earned income credit), and 44F (relating to purchase of new principal residence)", and

(B) by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44F".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof ", 43, and 44F".

(3) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44F".

(c) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Purchase of New Principal Residence."

(d) The amendments made by this section shall apply to taxable years ending after February 18, 1981.●

COLUMBIA COLLEGE'S DOUBLE SEXTET SINGS IN NATION'S CAPITAL

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BAILEY of Missouri. Mr. Speaker, on Monday, February 2, it was my pleasure to welcome 17 members of the Double Sextet of Columbia College in Columbia, Mo., to our Nation's Capital. These talented young men and women, under the musical direction of Columbia College's associate professor of music, Tom Mills, performed before appreciative audiences at the Pentagon on February 3 and the next day sang at the Regency Hyatt House for several convention groups. Later on February 4, the group performed for a meeting of the presidents of our Nation's independent colleges and universities, among whom was Columbia College's own president, Dr. Bruce B. Kelly. The Double Sextet is noted for its choreographed performances of lively melodies accompanied by drum, guitar and piano.

As some of my colleagues may not be acquainted with Columbia College, I would like to take this opportunity to share some of the unique history of this fine 4-year academic institution located in my district.

Columbia college was founded in 1851 as a 4-year women's educational center, based on high academic standards and whose purpose was to offer women a quality education equivalent to that offered by the University of Missouri system which, until 1869, remained open only to male student enrollment. One of the founders of the college was the then president of the University of Missouri, and the college has enjoyed close ties with the University of Missouri system throughout its 130-year history.

Although nondenominational, the college was known as Christian College until 1969 and was noted as the first college for women chartered by a State legislature west of the Mississippi. In 1913, the college under the guidance of its president, Mrs. Louella St. Clair, became a junior college for women and in 1918, Phi Theta Kappa, the junior college equivalent of Phi Beta Kappa, was founded as an honorary society on the campus to recognize high academic achievement.

Mrs. St. Clair was only 28 when she assumed the presidency of Christian College in 1893, succeeding her deceased husband. She served as president almost continually until her retirement in 1920 and was responsible for the active building program which today gives Columbia College its attractive physical plant. The next three presidents of the school, Edgar Lee (1920–34), James C. Miller (1937–56), and Kenneth Freeman (1956–65) continued to build the reputation of Christian College as a distinguished junior college, and each, as well-known educators in their own right, served as president of the American Association of Junior Colleges.

In 1969, Christian College expanded its academic program to a 4-year academic institution, became coed (with male enrollment jumping from 7 in 1970 to 526 in 1976), and changed its name to Columbia College. It continues to enjoy strong cross-academic ties with the University of Missouri, and today has a student enrollment of approximately 2,000, including the college's extended studies program.

Among Columbia College's many accomplished alumni are Lavinia Ream (class of 1856) who sculpted the famous bust of Abraham Lincoln which now stands in the Capitol Rotunda; Artie Mason Carter (class of 1900) who founded the Hollywood Bowl; Jane Froman (class of 1925) whose singing career formed the story for the movie, "With A Song In My Heart", and whose mother, Anna Froman, in the 1920's founded Columbia College's Double Sextet; Sally Rand who scandalized Chicago in 1933 with her historic fan dance; Deborah Bryant who was Miss America in 1965; and Susan Wilson, currently a senior at Columbia College, who was Miss Missouri and third runner-up in the Miss America pageant in Atlantic City in 1979.

Mr. Speaker, in recognition of the Double Sextet and their fine performance in Washington, I list below the members of this singing group who shared their talented voices with the people of the capital area: Ernie Adams, Liz Boss, Jesse Curry, Michael Durham, Nancy Eicken, Jerry Fochtmann, Mike Franzel, Ken Glass, Jay Johnson, Laurie Kirchoff, Mary Kuecker, Claire Moerles, Lisa Smith, Cynthia Sumner, Marshelle Vikers, Don Wahonick, and Larry Wooten.●

A SALUTE TO ICABOD FLEWELLEN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. STOKES. Mr. Speaker, thank you for providing me with this opportunity to bring to the attention of my colleagues a man whose work and achievements in Cleveland serve as an inspiration and challenge to us all—Mr. Icabod Flewellen. Mr. Flewellen is the creator and principal contributor to the Afro American Cultural and Historical Society in Cleveland. The historical society serves as a fountain of information and a beacon of light for both the young and old of all races within the Cleveland metropolitan area.

Mr. Speaker, Mr. Flewellen's unswerving dedication to the establishment of this center epitomizes the message of the poem "Dream Deferred" by the late Langston Hughes. Like the poet urged, Mr. Flewellen held steadfastly to his dream of creating a respository of information and artifacts capturing not only the history but also the culture of black Americans.

Convinced that his dream of establishing a center was not impossible, he began at the age of 13 to collect pertinent information for the museum. In the process, Mr. Flewellen overcame barriers and obstacles which at times seemed insurmountable. But, Mr. Speaker, nothing could deter him from his dream.

Even though Mr. Flewellen has never enjoyed large financial resources in this endeavor, he always possessed the richness of conviction and dedication to excellence which has characterized our black achievers in this country.

Mr. Speaker, with that in mind, I find it especially appropriate to cite Mr. Flewellen during this month—Black History Month. Through his exceptional fortitude and vision, Mr. Flewellen has preserved the rich history of blacks in this country. For generations to come, people from all walks of life will be able to trace and understand the plights, hardships, and unique contributions of black Americans to the history and culture of this Nation.

Mr. Speaker, the development of the Afro American Historical and Cultural Society into an institution of enormous stature and pride in Cleveland mirrors the feeling the Cleveland community has for Icabod Flewellen. His dream has become a reality and we are richer for it.

With that final thought, Mr. Speaker, I would like to enter an article about Mr. Flewellen, written by Denise Stinson of the Cleveland Plain Dealer, in the RECORD.

[From the Cleveland Plain Dealer, Feb. 10, 1981]

BLACK-HISTORY PATHFINDER—THE MUSEUM OF HIS DREAMS DOES NOT LOOK LIKE MUCH, BUT WITHIN ITS WALLS YOU'LL FIND THE PRIDE OF A PEOPLE

(By Denise L. Stinson)

Icabod Flewellen sees himself as something of an oddball.

Long before it became fashionable, Flewellen was an expert in black history and had dreams of establishing a black history museum.

From the outside, the Afro American Cultural and Historical Society, 1839 E. 81st St., looks to be nothing more than a ramshackle, old building. But on the inside are the remembrances of years of rich black history.

Born in Williamson, W. Va., Flewellen, who would not give his age, said his interest in black history began as a youngster.

"My daddy, who was a railroad brakeman, used to tell me of the great black inventors on the railroad," Flewellen said.

"Every now and then we found a self-motivated teacher who would throw in a few things that weren't in the textbooks. But still, we got very little black history."

This bothered young Flewellen. So at 13, he began clipping newspapers and collecting information on blacks. Those items, along with many others, were destroyed during a fire in the 1930s, set by what he calls "people who did not like what I was doing. I had a much richer collection then," Flewellen said.

That, however, is hard to believe.

Flewellen's home, 8716 Harkness Ave., is literally filled with black-history overflow that is not in the museum. One can barely walk through the array of file cabinets, paintings, newspapers, plaques and documents.

For the history student Flewellen's collection is a goldmine. There are collections of information on blacks in music, in the church and in science.

There are paintings of great black achievers and items of interest, such as the story of Cortez Peters, the world champion in speed typing on a manual typewriter.

Flewellen said Peters, who learned to type on the floor with a typing chart, could type so fast that he did not need to use shorthand and had been known to type blindfolded and with gloves on his hands.

There are photographs, such as the one of George G. Jones, who established the only brass mill in the United States in the early 1900s and sold brass to the old Cleveland transit System (CTS) for wheels that ran on the overhead cables.

Flewellen's quest for items for the museum often has him traveling.

"Everybody knows that I will go anyplace, any time to get something rare, particularly something that blacks haven't heard of before."

That traveling, combined with the day-to-day expenses of the museum, has proved to be a financial drain on the historian.

"Every now and then I get a small donation, $15, maybe $20, to help with the expenses," said Flewellen. "But for the most part, there are none."

To help support the museum, Flewellen works as a maintenance man at Case Western Reserve University.

Still Flewellen devotes most of his time to his dream.

"One reason I have been so intent all along in establishing this museum is because I feel that black children need it so badly," said Flewellen.

"Black children need to know there is a place they can come to and find out about their people. Something that will help to give them a sense of pride in who they are. And nothing helps to do that like learning you are a part of a remarkable people that have contributed millions and millions of things to the society you live in."●

SIKES ACT AUTHORIZATION

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BREAUX. Mr. Speaker, I am today introducing legislation to extend the authorization of appropriations for the Sikes Act, which authorizes the Secretaries of the Interior, Defense, and Agriculture to carry out fish and wildlife conservation programs on military reservations and public lands.

The Sikes Act became law in 1960. Title I authorizes the Secretary of Defense to carry out a program of fish and wildlife conservation and public outdoor recreation on military installations. The programs are carried out pursuant to cooperative plans mutually agreed to by the Secretaries of Defense and Interior and the appropriate agency in the State in which the installation is located. The current authorization levels for this title are $1.5 million per year for the Department of Defense and $3 million per year for the Department of the Interior.

Title II, adopted in 1974, directs the Secretaries of the Interior and Agriculture, in cooperation with appropriate State agencies, to plan, develop, maintain, and coordinate programs for the conservation and rehabilitation of fish and wildlife on certain lands under their respective jurisdiction. The Secretary of the Interior is also directed to adopt, modify, and implement such conservation and rehabilitation programs on lands under the jurisdiction of the Department of Energy (DOE) and the National Aeronautics and Space Administration (NASA), but only with the prior written approval of those agencies. The current authorization levels for title II are $10 million to the Department of the Interior and $15 million to the Department of Agriculture per year.

The legislation I am introducing would simply continue the current authorization levels for fiscal years 1982, 1983, and 1984. It is not a statement of policy and should be considered only as a vehicle to begin the committee process. The Subcommittee on Fisheries and Wildlife Conservation and the Environment will hold hearings on this legislation in the near future and we will, of course, examine the authorization levels carefully to see if they are appropriate. We will also reexamine the Sikes Act to see if any substantive amendments are needed.●

STRONGER MILITARY

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. HUBBARD. Mr. Speaker, the present military status of our Nation is under close scrutiny. I would like to share with my colleagues a few suggestions from my constituent and Vietnam veteran, Jerry Mart of Hopkinsville, Ky., regarding the combat readiness of our military. I submit Mr. Mart's recent letter to me:

I could sit here and write 200 pages or more about the horrors my contemporaries and I faced while in Viet Nam. I know you don't have time to read all of that, so I'll be as succinct as possible.

We are patriots, my brothers and I. As the story of the newly-liberated hostages spread across the television screen, the tears ran down my face . . . . just as they did when the POW's began returning from Viet Nam.

The thought crossed my mind: we all are Americans, some just have different jobs than others. And I hope, incidentally, that we will uphold our end of the bargain with Iran. To do anything less would be dishonorable in the extreme.

But—we must also prepare for other Iran's. Our armed forces have been going downhill since 1965. This must be very quickly turned around.

Some of my most frightening experiences in Viet Nam were the direct results of bad decisions by poorly-trained officers and NCO's. I don't know what happened to our military leadership training over the years, but it certainly fell by the wayside. I'll be so bold as to make this statement: today, there is not one, single field-grade officer, or NCO, qualified to lead men into combat. There were very few in Viet Nam.

The United States Military must be brought up to higher standards than ever before. Toward this end, as a veteran and a proud American, I offer a few suggestions:

1. Let the career officers and NCO's get some combat experience (theories taught from books and training manuals are quickly forgotten under fire). How? Well, there's always something going on somewhere. Iraq, for example. Attach, on a temporary basis, American military people to Iraqi combat units. Let 'em get shot at. Those who make it back will be much better leaders for the experience. Nobody in the world needs to know about this but the generals. I might add that precedents have already been set by other countries. I don't know if I'm free to talk about the people I met in Viet Nam; but, officers from other countries were there, observing, going out on patrols, getting wounded, learning.

2. Reinstate the draft . . . as quickly as possible. Get the manpower built up. Never mind about the women—this issue should have died a merciful death long ago. Once you look through all the fuss and feathers, you can see that the women always have served. Just examine the history.

3. Give the armed forces benefit of better training than ever before. This is where we Viet Nam veterans could play a vital part. Many of us are now too old to rejoin the military (I'm 38), but wouldn't have any objections to working for, or with, the military. The military could hire us, as consultants, if nothing else (everyone hires consultants these days). New jobs, new purpose for those of us who feel as though we've been forgotten.

The military could put us in uniform as prior-service advisors (this is done in other countries) and give us temporary commissions and let us work toward the strengthening of our country.

Truly, Congressman Hubbard, I feel that it is time to pull out all the stops to get things on the right track. I don't mean strength as in nuclear weapons—that's another thing altogether. I mean strength as in elite ground forces. These, I'm afraid, exist only in legend these days.

There are mercenaries all across the land who are far more skilled and better trained than most of our military. I know whereof I speak, for some of these men elected to leave the military and go on their own because of rampant incompetence in the ranks and among the leaders. I fully believe that 10 of these men, armed with rifles, knives, and ropes could have rescued the hostages with ease.

Perhaps it wouldn't be a bad idea to seek out some of these and hire them to put together ground combat training programs for the military.

Respectfully,

JERRY MART.●

EXPLOITATION OF BLIND WORKERS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BIAGGI. Mr. Speaker, today I am introducing legislation which would eliminate discrimination against blind workers by insuring them equitable wage and overtime pay treatment. This bill would extend to blind and visually impaired citizens the coverage of the minimum wage and overtime pay provisions of the Fair Labor Standards Act (FLSA) of 1938. This action is vital if we are to insure the full civic rights of our visually handicapped citizens and eliminate the exploitation of blind workers in sheltered workshops.

Current law allows a subminimum wage to be paid to workers with handicaps which might limit their productivity. This option has seldom been used except in the 200 sheltered workshops which employ more than 5,000 sightless workers to produce a host of individual appliances. In turn, the workshops are able to sell these products for millions of dollars in profit. It is the height of social injustice of allow these enormous profits while blind workers in these workshops are paid as little as 58 cents an hour—not even enough to subsist upon. For years, blind workers fought for access to the job market. Today they face a different form of discrimination which my bill will eliminate—economic discrimination.

This bill is a just method of rectifying this exploitation and I expect its timely consideration by the House Education and Labor Committee where I am the ranking New York member. Expeditious consideration is even all the more important after looking at the data from a recent Department of Labor study of this issue: There are an estimated 900 blind workers in competitive industry receiving subminimum wages and 6,196 visually impaired workers in more than 100 sheltered workshops nationwide. The exemption certificates show that these workers get less than $1 an hour, without any fringe benefits or job security. Some only get carfare. Additionally, nearly half of these 6,196 earn less than $1,500 per year while administrators of workshops which employ them earn as much as $50,000 with substantial benefits.

We have heard much about the need to put America back to work. There are thousands of sightless workers who should be a viable part of this effort and this legislation is critical to our work to insure that they become so. The blind and the visually impaired want the opportunity to earn a living themselves rather than relying on the earnings of others. We owe it to them to provide them the opportunity.●

WEST VIRGINIA'S VOICE OF DEMOCRACY WINNER

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. MOLLOHAN. Mr. Speaker, I am proud to note that Melissa Lee Dean, a senior at Wheeling Park High School and a resident of Wheeling in my congressional district, is this year's West Virginia winner of the Veterans of Foreign Wars' outstanding voice of democracy contest.

She and other State winners will be in Washington the first week in March for final judging that will result in five national winners being selected to receive scholarships.

To reach the finals of this competition is indeed an accomplishment. This year's voice of democracy contest was built around the theme "My Commitment to My Country," and more than 250,000 students participated. I congratulate Ms. Dean on being chosen to represent the State of West Virginia, and wish her the best of luck in the finals.

I commend her comments to my colleagues:

Silver and gold weigh heavy; and the meticulous job of weighing and balancing it is painstaking. But weighing heavier, is the job of balancing individual freedoms and governmental controls on the scale of democracy. This task lies in the hands of the American people, and no amount of silver or gold can reward us for successfully completing this task.

In order for us to strike this delicate balance, we must be committed to working with our local, state, and government officials. Realizing this need is the first step in equalizing the scale that makes for the success of this great Nation. My commitment, therefore, is to voice my opinion with respect for my government, to which I'm deeply indebted. I willingly will support and work with the government on issues with which I agree. I realize that I won't always agree with them; and it is at this time I will offer suggestions I believe to be beneficial to the functioning of our country.

In making this commitment, I looked back in history to see how the scales were balanced in the beginning of our Nation. I found that as early as 1787, our government realized our needs for balancing half of the scale with individual freedoms. The birth of our Constitution was just around the corner. The Constitution which guarantees these freedoms is what keeps America going. We have to respect these freedoms and use them always. Freedoms that are not used, or that are used incorrectly, are no freedoms at all.

Individual freedoms that are carried too far may result in what Dr. Joyce Brothers labels "Me-ism". Dr. Brothers, as well as Robert Coles, child psychiatrist, believe that we are suffering from a "me-first syndrome". If we are to carry on the tradition of preserving the America of the past for the generations of the future, we must return to practicing Americanism and break away from "Me-ism".

But the individual freedoms are only half of the scale. To prevent the scale from tipping, we must have a structured government to insure our freedoms as well as to keep the country functioning. Without our type of government, we would never have had the amount of freedoms that we often take for granted today. The government was set up with us in mind in the first place, and if we wish to continue exercising our many freedoms, we at least owe it our support and respect. We should not underestimate it. Like anyone or anything, if we expect nothing of it, it will continue to live up to our expectations.

Merely identifying individual freedoms, and governmental control, will not completely level out our problem.

Balancing a scale is not always easy. We must learn to give and take proportionately. With this in mind, we must not be afraid to attempt to balance the scale ourselves. We are permitted and encouraged to exercise our rights, so why not take advantage of it?

Each individual is given a choice. Our responses and actions won't be the same, just as no two people are the same. An equal distribution of individual freedoms and governmental control is what our country is striving for. We can help our country reach this goal by living up to our commitments. We will need help and guidance, but we will produce positive results for "A policy or goal has been formed only when commitments and power have been brought into balance." (Quote by Walter Lipperman.)●

VFW VOICE OF DEMOCRACY WINNING SPEECH

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. OBEY. Mr. Speaker, the winning Wisconsin speech in the Veterans of Foreign Wars voice of democracy contest was given by a fine young man from Webster, Wis., Mr. Mark E. Anderson. I'm enclosing a copy of his speech in the CONGRESSIONAL RECORD.

In an ancient story of Rome, a hero was needed to save the city in an hour of desperation. The Roman army was trapped outside the walls. A poor noble, nicknamed Cincinnatus, was asked to come to Rome to take command of the situation. Upon hearing their plight, Cincinnatus left his plow and oxen to go to Rome. There he rallied the citizens, organized defenses, and by a series of attacks, drove the invaders out of the country. Having finished his job in sixteen days, he asked to resign his dictatorship and go back to his plowing.

Once again, nineteen years afterwards, the enemy returned and again Cincinnatus left his farm and saved the day for Rome. After that, he could have had any honor office, or gift he wanted. As before he chose to return to his little four acre farm as a private citizen. So ever since, the name Cincinnatus has been a symbol of the man who is committed to his country but with no ambition for personal reward or glory.

This is the kind of commitment I have for America. I want to serve my country to keep her strong and free, and like Cincinnatus, serve it with no motivations for personal glory.

The purpose of our American constitution is that every man, woman, and child has certain rights to freedom, justice, protection and opportunity. What is my commitment in return to preserving that essential purpose of this great land? The three areas are obedience, responsibility, and loyalty.

First of all, I am committed to my country to obey the laws. If any law is foolish or unnecessary, we as people can easily have it changed. If we let it stand on the books, put there by the will of the majority, it is up to us as citizens to obey it. We are shareholders in this free land and we are cheating our own country if we do not obey the laws. Therefore, I will entrust myself to be a law abiding citizen.

An additional commitment is that of responsibility. Theodore Roosevelt once stated, "The first requisite of a good citizen in this republic of ours is that he shall be able and willing to pull his weight"

One major responsibility of mine is to vote and vote intelligently. The whole theory of a free, democratic country depends on the people as voters. Many pay little attention to voting, therefore do not have a voice in our government. I will vote for leaders who uphold strong moral principles upon which our nation was founded. I will exercise my privilege of voting and help preserve the freedom which I now cherish.

Finally, there is the commitment of loyalty. It is part of our tradition that every man able to bear arms should be willing to step forward in time of emergency. No one can have much to say in favor of a war, but it is better to endure war than to sacrifice the

clearly bought liberties handed down to us by our forefathers. They were not afraid to fight and die if need be for our freedom. That is how we came to have a country founded on democracy; that is how we eradicated slavery and prevented disunion. I will pledge myself to serve in the military and help preserve the peace and freedom we now enjoy.

Being committed to my country is not a business of merely taking favors and benefits from the government. It is the giving of myself to the principles of freedom for which America stands.

At Gettysburg, Abraham Lincoln called on his fellow citizens to dedicate themselves to the task before them. "That a nation of the people, by the people and for the people shall not perish from the earth." No one since Lincoln ever expressed the American ideal so well. My commitment to my country is to dedicate myself to that task again.●

WENDY WIEDEMANN: MISSOURI'S VOICE OF DEMOCRACY WINNER

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BAILEY of Missouri. Mr. Speaker, as our colleagues are well aware, each year the Veterans of Foreign Wars and its ladies auxiliary sponsor the excellent voice of democracy contest in which hundreds of thousands of our high school students match their writing skills in competition for college scholarships.

This year the VFW's contest theme was "My Commitment to My Country" and over 250,000 secondary school students representing over 8,000 schools submitted essays. The winning contestants from each State will come to Washington on March 3 for the final judging and the top five winners will receive national scholarships ranging from $14,000 to $2,500.

Mr. Speaker, I am pleased to advise my colleagues that the winning essayist from Missouri is Miss Wendy Wiedemann, a senior honors student at Washington High School in Washington, Mo., and I am proud to say, one of my multitalented constituents.

Wendy combines obvious academic and writing skills with active participation in school activities including serving as secretary-treasurer of the National Honor Society, business manager of the theater guild, and feature editor and business manager of her school newspaper, the Advocate. Wendy has also won numerous oratory and speech awards, is an accomplished singer and was both Washington's Junior Miss and the 1979 Union Fair Queen. She is the daughter of Marilyn and Warren Wiedemann, hopes to attend Benedictine College, and is interested in studying political science and law in the years ahead.

Mr. Speaker, Wendy's winning speech addresses the many problems facing our Nation and the consequent challenges which confront our young people today in their role as citizens of the United States and as our leaders of the future. Wendy's perception of her duty toward her country and fellow citizens can give us all heart that our future lies in secure and caring hands, and I take this opportunity to share her outstanding and discerning speech with my colleagues:

MY COMMITMENT TO MY COUNTRY

(By Wendy Wiedemann)

My country 'tis of thee
Sweet land of liberty,
Of thee I sing.
Land where our fathers died,
Land of the pilgrims' pride,
From every mountain side,
Let freedom ring.

Twenty years ago, the graduating class of 1961 "had it made". Gas was down to 19 cent a gallon—everyone drove big cars. There was no energy crisis, no environmental or conservation concerns. Assassination, drugs, race riots, and Vietnam were obscure in their minds. And almost none of them were interested in politics. They just thought things would turn out all right.

Today, however, the members of the 1981 graduating class face gas prices of $1.30 a gallon, registration of the draft, and two digit inflation. We are constantly being warned that this hair spray, or that trash bag will harm the environment, and assassination, drugs, and robbery are part of our everyday lives. We still have American men somewhere in Vietnam and we don't know if they are dead or alive. At this time, we still have hostages in Iran, and that conflict may never end. We are becoming more interested in politics. Young people today realize that in order for things to get better, we must work to make them that way.

With these changes come responsibilities. Now, more than ever before, America is in a critical period which needs careful handling. It is up to us, to me, as to how this period will progress.

The youth of America has been given a gift from our forefathers, a gift which many people in the world will never have—freedom. America has been the strongest, most powerful country in the world, but what about our future?

In order to keep our future secure, my generation must make a commitment to our country, to our constitution and our leaders. America doesn't owe me anything—but I owe it my life.

America has been my home and my refuge. It has protected me and has kept me out of war. Now, in these uncertain times, it is up to me and my generation to protect and overcome economic, defense, environmental, and foreign relation problems.

America's resources are diminishing, her military strength is being challenged, and faith in her government has been considerably shaken over the past few years. I as an individual, have a commitment to my country to help right the wrongs caused by uncaring, uncommitted people. It is up to me to help America back onto the bedrock of leadership once again.

I am committed to keep America a free democratic country. I am committed to right the faults in the system and to advocate the fact that America is still the greatest, most generous country on earth. I am committed to keep America strong and prosperous for the generations to come.

Indeed, I am committed to help my country, that sweet land of liberty, the land where our fathers died, the land of the pilgrims' pride, so that from every mountain side, freedom may still ring.●

ADAMS VFW POST HAS 60TH BIRTHDAY

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mrs. HECKLER. Mr. Speaker, I would like to call to the attention of my distinguished colleagues a very extraordinary event in my congressional district of which I am extremely proud. It is the celebration on Saturday, February 21, of the 60th anniversary of the David F. Adams Post 611 of the Veterans of Foreign Wars in Taunton, Mass.

I extend my congratulations to all the members, officers, and auxiliary of this post, and extend my appreciation of their community involvement and their civic pride and patriotism.

Chairman of the banquet committee is Gilbert F. Simmons; cochairman is Harold P. Dull, whose concern for medical care for the veteran is paramount; and cochair is F. Vernon Harrica, the post's adjutant.

The David F. Adams Post was chartered in 1921, consisting of veterans of World War I and the Spanish-American War. Today two charter members remain: Henry S. Williams, a past commander; and Arthur J. King.

State Senator John F. Parker will present a special certificate to both Mr. Williams and Mr. King. Senator Parker is also guest speaker, and I know the celebrants are in for a delight in this regard.

This year this post is most ably led by Commander Joseph R. Rose; Senior Vice Commander Russell Littlefield; Junior Vice Commander Douglas Ford; Quartermaster Thomas L. Smith; Adjutant Vern Harrica; and Chaplain Thomas Leonard.

This post has a very active auxiliary which is led this year by Stella Beaulieu. Senior vice president is Elsie Littlefield; junior vice president is Julia Guillemette; Kathleen Rose is secretary; Manion Menelly is treasurer. Stella Dull is chaplain; and patriotic instructor is Lena Silvia.

The active participation of these leaders, post members and auxiliary is important to me as a leader on the Veterans' Affairs Committee of the House. We are now considering a budget for the Federal Government for the fiscal year 1982. As you know, these are times of fiscal constraint and restraint. I shall do all I can to assure that the budget for the Veterans' Administration is adequate to provide the health care that is needed, and com-

pensation payments to our disabled veterans, pensions for the elder veteran, and readjustment education and employment for our youngest veterans.

I look forward to continuing to work with the members and auxiliary of the David F. Adams Post 611 of the Veterans of Foreign Wars of the United States, and wish them well on this grand occasion.●

PATENT RESTORATION ACT

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. SAWYER. Mr. Speaker, I have today joined my distinguished colleague, Mr. KASTENMEIER, chairman of the Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice on which I serve, in introducing the Patent Restoration Act of 1981. This bill is designed to restore equity and fairness to the American patent system and to help reverse the clearly evident decline in American technological innovation.

Specifically, this legislation would permit the restoration of patent life lost due to federally mandated premarket testing and regulatory review. The maximum restoration period allowed would be 7 years. Moreover, the patent life thus restored would apply only to the specific use for which regulatory review was required and not to the range of other products or uses which might otherwise derive from the patent in question.

As you all know, under current law, an innovator is awarded a patent on a new product or discovery that extends for a period of 17 years. This period of protection is designed to encourage the innovation process and has worked exceedingly well throughout most of our history. For some products, however, a considerable portion of patent life is eaten up by extensive premarket testing and regulatory review imposed by the Federal Government. Take the pharmaceutical industry, for example. It is now estimated to take some 7 to 10 years to move a new drug product through testing and development to final marketing approval. Throughout this process, the life of the patent is ticking away and is frequently reduced by one-half. The result has been a clearly discernible decline in therapeutic drug innovation in the United States. Chemical companies, medical device manufacturers, and agricultural chemical producers face a similar dilemma.

The Patent Restoration Act would eliminate this incongruous situation in which one arm of Government awards a 17-year patent to stimulate innovation and another arm of Government takes one-half of it away. It would in no way affect our strong commitment to the public that only safe products are placed on the market. Yet it will alleviate the inadvertent effect that such premarket testing and regulatory review requirements have had on the patent system to the detriment of innovation.

The legislation takes a simple and flexible approach to the problem. The relevant regulatory review periods for which patent restoration is available are clearly defined and easily measured. Hence no new bureaucracy will be needed to administer the act. In addition, the bill provides for the restoration of patent life only to the extent that it has been reduced by regulatory review requirement. If and when this regulatory period is reduced by whatever means, the available restoration period would be correspondingly less.

Enactment of this legislation could be particularly beneficial to our small innovative companies that have been most affected by the time-consuming and costly nature of the regulatory process and least able to afford the resulting loss of patent protection. I also believe it will bring significant benefits to our consumers as more resources are attracted back into the innovation process and new and better products are made available to the public.

One of the greatest challenges before the 97th Congress is to find ways to revitalize the American economy. Restoration of the incentive to innovate and create should become one of our principal objectives in this effort. The Patent Restoration Act of 1981 is a simple, equitable, and cost-effective means to achieve this goal and should be a priority on our legislative agenda in the 97th Congress.●

TRIBUTE TO JOHN AND MARGE FLAHERTY

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. SHUMWAY. Mr. Speaker, on February 25, the Young Men's Christian Association (YMCA) of San Joaquin County, Calif., will pay tribute to John and Marge Flaherty, my friends and constituents. The Flahertys have given more than 20 years of service to the Y, and to the community. During that tribute on February 25, they will be inducted into the YMCA Hall of Fame, an honor of the highest order. I request that my colleagues join with me in recognizing the many fine accomplishments of this remarkable couple, and in extending congratulations and best wishes to them for a job well done.

The Flahertys' contributions to the Y have been recognized previously. They have received the YMCA Meritorious Award, as well as the Volunteer Youth Award and the Paul Moritz Award. At least 10 years of direct service to youth is required to qualify for that latter recognition.

Together, the Flahertys have served on numerous YMCA committees, including the World Service Committee and the World Service Fundraising Committee, the Sustaining Membership Committee, the Youth Committee, Camp Committee, and Youth and Government Committee. They visited Camp Alpine for many years to insure that it was properly prepared for the new camping season, and, from 1954 to 1974 they were leaders of local "Hi-Y" programs. During that 20-year period, they were forced to request a 1-year absence due to travel in Japan. During that time, the leadership was assumed by individuals who had been thoroughly trained by the Flahertys.

Marge Flaherty served as the first woman YMCA board of directors president. She received the President's Award in 1973, and she has served on the YMCA Long Range Planning Committee. Additionally, she has attended workshops to consider possible rewording and updating of the YMCA constitution so that women as well as those with other religious beliefs might be included in YMCA programs. Marge has also participated in numerous YMCA board of directors' training labs and seminars.

John Flaherty organized and ran Easter Caravans, and planned fundraising activities to finance their trips to such places as Yosemite, Big Sur, and Death Valley. He served as a camp counselor for years, and was a member of the Raggers Club. His two sons joined him in the YIG program, and both Sean and Casey Flaherty are following in their parents footsteps as active, involved YMCA enthusiasts.

The Flahertys are indeed a credit to the YMCA, and it is especially appropriate that this couple who have given so much of themselves to the Y should be included in the Y's Hall of Fame. I know that my colleagues join with me in commending their work, and in congratulating their fine achievements.●

CALL TO CONSCIENCE VIGIL, 1981: IDA NUDEL EXEMPLIFIES THE COURAGE AND DETERMINATION OF SOVIET JEWS

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. LENT. Mr. Speaker, it is both my privilege and honor to take an active part in Vigil 1981. It is vitally important that we direct our attention to the hardships, cruelties, and oppres-

sions that thousands of Soviet Jews are forced to endure.

In the beginning of January, at the same time that our Government was undergoing a smooth transition of power, KGB officers were disrupting scientific seminars, Hebrew classes, and cultural activities in Moscow. This continual oppression of human rights is inexcusable. Fortunately however, the courage and desire for freedom of these innocent victims of the cruel Soviet regime remains firm and resolute. I cite as an example, my own adopted prisoner of conscience, Ida Nudel.

For a decade Ida Nudel has been held captive without reason, by the Soviets. As if this were not enough for any one person to endure, Ida must deal with the fact that her family has been separated in one of the Kremlin's vicious and heartless tactics to break up families. While Ida suffers in exile in the bleak Siberian wasteland, her husband and sister in Israel pray and anxiously await the issuance of her visa so that she may join them in Israel. The entire family has waited far too long.

I think it appropriate to inform this Chamber why Ida Nudel is being denied a visa. The official reason given was that she possessed state secrets. This is an absurdity. Ida's work in the Soviet Union dealt with hygiene standards in food stores and control of infection in foods. Ida herself said: "The biggest secret I had was knowing where the mice build their nests."

Ida Nudel's indefatigable courage has made her a model for Soviet Jews attempting to emigrate. So extensive have been her assistance and compassion for others that she has been acclaimed as the "Guardian Angel of Moscow" and the "Mother of the Prisoners."

The undaunted determination and strong character of people such as Ida Nudel should remind us in this country of the many freedoms we enjoy, and too often take for granted. Let this vigil serve as an unequivocable message to the Kremlin that we who support human rights will continue to do so tirelessly until the Soviet Jews seeking religious freedom and the tranquility of a free life in Israel are granted those liberties.

One of the refuseniks being held captive expressed his burning desire for freedom, as well as the prisoner's collective faith in our efforts when he said, "Do pray for us; maybe you will ask God to send us success this time." Let us continue to strive to win the sacred freedoms pledged for in Helsinki in 1975.

It is vital that we never cease in our pressure on the leaders of the Soviet Union. Just yesterday, Soviet authorities freed Josef Mendelevich, who had been imprisoned in the Soviet Union since 1970 for his efforts to seek the freedom to practice his religion in Israel.

Last night's television news reports showing Mendelevich's joyous arrival in Israel and his prayers at the wall of Second Temple should inspire every one of us to redouble our efforts on behalf of the Soviet Jews—like Ida Nudel—who still long for the joyous day when they, too, will breathe the air of freedom in Israel.●

A SALUTE TO ALBERT BANDSUH, JOHN BUSHER, MYLES GALLAGHER, GLADYS GILMORE, AND MARY NEWPORT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to join my colleagues in the Cuyahoga County Bar Association in honoring five outstanding employees who collectively have served the public for more than a century and a half. Mr. Albert F. Bandsuh, Mr. John T. Busher, Mr. Myles F. Gallagher, Mrs. Gladys I. Gilmore, and Ms. Mary Newport will be cited at the 35th Annual Public Servants Merits Awards luncheon in Cleveland on February 25.

Mr. Speaker, the exemplary work and unselfish contributions of the honorees undoubtedly has enhanced the work of the Cuyahoga County Bar Association. At a time when people increasingly are critical of the delivery and quality of services to the public, it is encouraging to be able to point to five individuals who made excellence and public service their daily goal.

Accordingly, the entire Cleveland community joins the Cuyahoga County Bar Association in saluting these fine public servants. At this time, Mr. Speaker, I insert some information on each of the honorees in the RECORD so that my colleagues can also pay tribute to them:

ALBERT F. BANDSUH

Mr. Albert Bandsuh currently serves as the Chief Clerk with the File Department of the Probate Court. He began his public service career with the County Clerk's Office a quarter of a century ago.

After two years with the Clerk's Office, he was transferred to filing for the Probate Court. Through his dedication and hard work, he was promoted through the ranks and is now in charge of all files at the Probate Court, some of which date back to the nation's Civil War era.

JOHN T. BUSHER

Mr. Speaker, Mr. Busher has carried on his family's tradition of public service. His father served as County Clerk from 1933 to 1939 and was later selected as Chief Justice of the Cleveland Municipal Court. His sister serves, with distinction, as the Chief Probation Officer in the Cleveland Municipal Court.

After serving in the U.S. Army from 1942 to 1945, he started with the County Clerk's Office on February 11, 1946, as a file clerk and counterman in the Auto Title Bureau. From 1952 until 1964, John Busher was in private industry but was lured back to the Clerk's Office to head the microfilm division within the legal section of the County Clerk's functions.

MYLES F. GALLAGHER

Mr. Myles F. Gallagher, Referee, in the Cleveland Municipal Court passed the Ohio Bar examination in March, 1957 but preferred to remain in the public service career he began as a city patrolman in 1951.

Following four years on the police beat, Myles joined the MUNY Clerk's staff. After 15 months of varied duties as a Deputy Clerk, he was appointed Deputy Bailiff. In March, 1974, he was named a Referee of the Court.

Today, he is recognized as one of the Court's most distinguished referees in the opinion of his nominator Judge Edward F. Katalinas.

GLADYS A. GILMORE

Mrs. Gladys Gilmore has been an employee of the Federal Government for 37 years, the last decade of which has been in the position of Executive Secretary to the U.S. Attorney at the Department of Justice. Her primary responsibilities today include the coordination of Grand Jury scheduling, record keeping and the training and orientation of new employees within the U.S. Attorney's office.

Her enthusiasm and dedication to her work resulted in her selection as a "Federal Woman of Achievement" last July by the Cleveland Federal Executive Board. At the awards ceremony for that honor, Mrs. Gilmore said that she "finds happiness and joy in helping others".

MARY NEWPORT

Ms. Newport began her career with the Federal Reserve in 1942 as a bank teller where she remained five years. After a period of private employment, she joined the staff of the Juvenile Court as a Deputy Clerk.

In 1966, she became Chief Docket Clerk, a position that she holds to this date. Her responsibilities include scheduling procedures requiring coordination of the court docket with the availability of counsel.

"She is extremely dependable and conscientious and begins her work day about 6 a.m.", reports Judge John J. Toner, Administrative Judge of Juvenile Court who recommended her selection to the Bar Association's Awards Committee.

The committee arranging the 35th Annual Luncheon is comprised of Franklin Polk, Chairman, Harry Auslander, Harold Sieman, Jack P. Nantel, Ranelle A. Gamble, Lucien Karlovec, Jr., Martin G. Lentz, Fred Mandel, Irvin Milner, Nelson Moss, Bernard Nosan, Arthur Wincek and Sam L. Lazzaro.

At this time, Mr. Speaker, I would like the members of the House to join with me and the Cuyahoga County Bar Association in saluting this year's recipients of the Public Servants Merits Awards. Indeed, they stand as a shining symbol of excellence and a challenge to us all.●

THE SMALL SAVERS ACT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. GILMAN. Mr. Speaker, last year, the Congress passed the windfall profit tax, a part of which allowed Americans to exclude from their taxable earning up to $200 of interest or dividend income per year—or $400 if married and filing jointly, beginning with tax year 1981. In other words, when taxpayers file their 1981 returns next year, they will be able to reduce their taxable income by the amount of interest and dividends received up to those amounts.

Mr. Speaker, I feel that the amount of the exclusions we enacted last year are inadequate to carry out the purpose of the bill, the stimulation of investment and savings to provide the capital our country needs for its economic growth. Therefore, I am today introducing legislation to increase the amount of the exemption from $200-$400 to $1,000-$2,000 and to make the exemption permanent. If enacted, the increase in the exemption would become effective retroactively, from January 1, 1981.

Many of our Nation's economic problems can be attributed to the low rate of savings and investment of Americans. For example, productivity is hurt by a shortage of private investment capital for efficient machinery and new buildings. Interest rates rise to frightening levels when insufficient funds are available for the construction of the homes young families need.

The fact is that Americans save only about 5.1 percent of every $1 of the gross domestic product. In contrast, Canadians save 9.1 percent, Britons save 7.4 percent, West Germans save 9.1 percent, Frenchmen 12 percent, and the Japanese save an incredible 16.9 percent, according to 1978 statistics compiled by the Library of Congress.

Our savings rate is so low, compared to these other countries, because we have not provided the necessary incentives for savings and investment. The after tax return on savings and investments, especially for investors and savers who do not have large amounts of money to devote to this purpose, is often exceeded by the rate of inflation, making saving a losing proposition.

The exclusion we have already enacted is a step in the right direction, but in my view, this further step is needed as well, to provide the incentive necessary for further investment in the future of this country.

For this reason, Mr. Speaker, I have introduced the Small Savers Act, to provide for a tax exclusion of $1,000 of interest and dividend, and I urge my colleagues to join me in cosponsoring this measure.

The bill follows:

H.R. 1961

A bill to amend the Internal Revenue Code of 1954 to increase the exclusion for dividends and interest and to make such exclusion permanent

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (1) of section 116(b) of the Internal Revenue Code of 1954 (relating to dollar limitation on exclusion of dividends and interest received by individuals) is amended by striking out "$200 ($400" and inserting in lieu thereof "$1,000 ($2,000".

(b) Subsection (c) of section 404 of the Crude Oil Windfall Profit Tax Act of 1980 is amended by striking out ", and before January 1, 1983".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1980.●

FREEDOM FOR THE BALTIC STATES

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. DWYER. Mr. Speaker, one February, 63 years ago, two proud Baltic nations, Lithuania and Estonia, bravely proclaimed their independence. It is a sad irony that this week and next, as we joyously hail their parallel quests for freedom, we must also lament the fact that they are still not free.

In 1940, the three Baltic States—Lithuania, Estonia, and Latvia—were forcibly incorporated into the U.S.S.R., their people harassed, deported, arrested, imprisoned, exiled, and executed, in complete violation of international law and human rights.

And so again, during what ought to be a completely joyous celebration of freedom, we must register our vehement opposition to the Soviet Union for its total disregard for fundamental human liberties. The Lithuanians, Estonians, and Latvians, like their compatriots in the Ukraine, have been denied their right to self-determination.

How often must we condemn the Soviets for their oppressive and cruel acts?

As long, Mr. Speaker, as the spirit of freedom still lives among those who have been denied it.

In the Baltic States, that spirit thrives.

After years of torture, even death, the Baltic freedom fighters—forever brave, steadfast—still persevere in their quest for release from Soviet domination.

The United States and most Western countries have not accorded diplomatic recognition to the Soviet incorporation of Estonia, Latvia, and Lithuania, emphasizing those countries' right to sovereignty. We must continue to strengthen this diplomatic posture of nonrecognition of a totalitarian rule imposed and maintained by force.

Through systematic russification, Russians are continuing to migrate to these countries, in an attempt by the Soviets to obliterate all traces of their unique ethnic cultures.

It is to the credit of these Baltic nations that the Soviet effort has failed to squelch—even discourage—their intense desire for independence, and with that, the preservation of their cultural heritage.

We in New Jersey's 15th District humbly salute all three of these Baltic nations which have stood fast in their commitment to freedom against all odds.

Let us pray that no more blood be shed; that the time will come when the Baltic States can be free once more, a freedom they have earned over and over and over again.●

HUMAN RIGHTS—EL SALVADOR

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BONKER. Mr. Speaker, as the Reagan administration proceeds to make El Salvador a test case of its new policy—priority emphasis on combating terrorism rather than combating human rights violations—the administration will be wise to heed the human rights comments made by Pope John Paul II in Manila. The Pope said:

> Even in exceptional situations that may at times arise, one can never justify any violations of the fundamental dignity of the human person or of the basic rights that safeguard this dignity.

In El Salvador the Carter administration had linked its aid commitment to better enforcement of human rights policies by Salvadoran authorities and to a thorough investigation into the death of four American religious workers. The Reagan administration has now removed these conditions. The danger in such a policy is best described by yesterday's Washington Post lead editorial entitled "El Salvador: The Political Dimension."

The Post said:

> The Salvadoran Government must show itself as eager to halt violence directed against civilians by soldiers and the right-wing death squads—often the same people—as it is to halt violence conducted by guerrillas. Precisely here lies the importance of keeping the heat on the Government to discover who killed the American church workers. This incident cannot be parked in a human rights cubbyhole. It is, for many Salvadorans, the test of whether their Government is on their side. The United States would not want to help the Government reduce the guerrillas, as could yet happen, only to find that the Government's failure

79-059 O - 84 - 71 (Pt. 2)

to rein in its own forces still denied it broad popular support.

If human rights as a policy does not sound tough enough for the Reagan administration officials then let them proclaim that their concern for strategic interest is matched by their concern for freedom. Let the administration tell the world that security for us and everyone else cannot be built on repressive governments of either the right or the left. I commend to the attention of my distinguished colleagues the Washington Post editorial:

[From the Washington Post, Feb. 18, 1981]

EL SALVADOR: THE POLITICAL DIMENSION

A military response is necessary in El Salvador, where a Nicaraguan-, Cuban-, Soviet-supported insurgency is attempting to overthrow an army-backed center-right government with a commitment to social reform. But a political response is necessary, too. It has not been in sufficient evidence as the Reagan administration cranks up to make El Salvador a demonstration of its worldwide anti-communist strategy.

A political response means two things. The Salvadoran government must show itself as eager to halt violence directed against civilians by soldiers and the right-wing death squads (often the same people) as it is to halt violence conducted by guerrillas. Precisely here lies the importance of keeping the heat on the government to discover who killed the American church workers. This incident cannot be parked in a "human rights" cubby hole. It is, for many Salvadorans, the test of whether their government is on their side. The United States would not want to help the government reduce the guerrillas, as could yet happen, only to find that the government's failure to rein in its own forces still denied it broad popular support.

The other requirement is to construct a negotiating framework, of which nothing has so far been heard from Reagan officials. Among the guerrillas and their civilian supporters, some are committed to armed struggle to the point of regarding compromise as betrayal of their revolution. But others appear to be more conciliatory. The code word "Zimbabwe," meaning talks by opposing forces in a civil war, is gaining a certain currency. The United States may not have the sole duty, or the best opening, to promote negotiations. Mexico, for instance, seems better placed, if it could break through its revolutionary rhetoric and try. Other international parties are standing by. But the American interest in negotiations must be asserted.

There is an undeniable military dimension to the El Salvador crisis, but the crisis remains essentially political. The administration should not oversell the notion that a military showdown, launched essentially for considerations of American global stategy, is everything. Its best chance of being successful and supported in the policy it is now unveiling is to show itself open to the political dimension as well.●

JOHN C. TOMLIN, CHAPLAIN OF AMERICAN LEGION POST NO. 20, ATTLEBORO, MASS.: REFLECTIONS ON THE RETURN OF THE AMERICAN HOSTAGES

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mrs. HECKLER. Mr. Speaker, several weeks ago this Nation welcomed home our hostages from Iran. We not only celebrated their return, but rejoiced as well in the reaffirmation of freedom—a tenet of American life that endures no matter what challenges we face or have faced as a people.

From the President to Cabinet Secretaries and Members of Congress to the man and woman on the street, Americans found words to match their joyous feeling.

One of my constituents, John C. Tomlin who is chaplain of Post No. 20 of the American Legion, Attleboro, Mass., wrote a poem that captures the consciousness of the American people during the days that followed the hostages return. I insert this poem in the RECORD.

Thank you.

It was the 20th day of January in 1981
For the United States of America, a new life had just begun.
For on this beautiful winter's day, fifty-two brave Americans were finally on their way.
On their way home—home where they belong.
After being so far away, for oh; so very long.
The shouts of joy were heard far and wide.
Men and women paused, thanked God, and then they cried.
Yes, the hostages are free—at last—free and coming home.
To see their families and Oh, how much they've grown.
So America rejoices as her nightmare ends.
Four hundred and forty-four days away from loved ones and friends.
Let's be thankful to God this ordeal is Over
And may it never happen again on this or any shore.●

END THE "MARRIAGE TAX"—THE SOONER, THE BETTER

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. SAWYER. Mr. Speaker, we have recently heard that the Reagan administration will present to Congress a comprehensive tax bill which, among other things, will propose long-overdue action to reduce the marriage penalty in the Tax Code which causes many married couples with two incomes to pay more taxes than if they were both single.

As the sponsor of a bill to eliminate the marriage tax, I strongly support consideration of a measure to eliminate this injustice which places the Federal Government in the awkward position of undermining traditional family values and the institution of marriage.

I am pleased to note the support of this position expressed in the February 3, 1981, editorial of the Detroit News. I want to echo their message which says that the sooner the marriage penalty goes, the better.

[From the Detroit News, Feb. 3, 1981]

THE MARRIAGE PENALTY

The Reagan administration, in its deliberations over cutting federal income taxes, should take a long look at the "marriage penalty."

Because of the progressive nature of the income tax structure (the more you earn the higher your tax rate), many married couples with two incomes wind up paying more in taxes than they would have if each was single. The situation has been exacerbated by rising incomes, which push taxpayers into higher tax brackets, and increased participation of women in the workforce, which raises total family income.

The marriage penalty can operate as a disincentive to wives entering the job market at a time when inflation is forcing families to seek additional income to keep up, not with the Joneses, but with their own former standard of living.

And this tax on the marriage vows falls largely upon those Americans who are most likely to put their after-tax dollars in savings, a source of badly needed investment capital.

Some lawmakers even worry that the marriage penalty will undermine the institution of marriage. "Our tax system shouldn't force people into cohabitation or divorce," says Rep. Millicent Fenwick, R-N.J. "It shouldn't penalize people who get married."

The marriage penalty's impact falls hardest on the husband and wife whose income is equal or nearly so. A House Ways and Means Committee study last year found that a couple with no dependents who earn $25,000 each, and do not itemize deductions, would pay $2,674 more in taxes than if they were unmarried.

As the disparity in a couple's wage levels widens, the marriage penalty lessens. If one spouse makes $40,000 and the other $10,000 the penalty for being wed drops to $454.

But assume, in the second example, that the wife, re-entering the workforce after a long absence, earns the $10,000, which amounts to $5 an hour. Her wages would add some $4,500 to the couple's joint federal tax bill. Tack on $665 for the wife's Social Security taxes. Add in state and local taxes and costs for commuting, parking, clothes, housekeeping, and incidentals. After taxes and expenses, the lower-paid spouse actually might be making only about $2 an hour.

Looking at it this way, many wives might understandably decide it's scarcely worthwhile to spend 40 hours a week at work and then have to devote their evenings and weekends to piled-up household chores.

The marriage penalty is inequitable and demeaning. The sooner it goes, the better.●

LITHUANIAN INDEPENDENCE DAY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. MAZZOLI. Mr. Speaker, I would like to join with my colleagues in the House of Representatives in commemorating Lithuanian Independence Day.

On February 16, 1918, 63 years ago, the people of Lithuania declared their independence. In 1940, during Soviet occupation during the Second World War, Lithuania was declared a Constituent Republic of the Soviet Union.

The United States has refused to recognize the Soviet incorporation of Lithuania, as well as that of her neighbors Estonia and Latvia. Despite the protest of freedom-loving peoples all over the world, the Lithuanian people have only enjoyed a scant 22 years of actual freedom out of the 63 years they have been independent.

We must not forget the peoples of Lithuania and the other Baltic States whose freedom and identity is suppressed. Commemorating their day of independence is one way of showing the world that we have not forgotten.●

PROCEDURES FOR THE PROTECTION OF CLASSIFIED INFORMATION ON FEDERAL COURTS

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BOLAND. Mr. Speaker, last year the Congress enacted and the President signed a much needed piece of legislation, the Classified Information Procedures Act, popularly known as the graymail bill.

Section 9(a) of this act (Public Law 96-456) states:

Within one hundred and twenty days of the date of the enactment of this Act, the Chief Justice of the United States, in consultation with the Attorney General, the Director of Central Intelligence, and the Secretary of Defense shall prescribe rules establishing procedures for the protection against unauthorized disclosure of any classified information in the custody of the United States district courts, courts of appeal, or Supreme Court. Such rules, and any changes in such rules, shall be submitted to the appropriate committees of Congress and shall become effective forty-five days after such submission.

The security procedures required by the act were submitted to the Judiciary and Intelligence Committees of the House and the Senate on February 12, and will become effective on March 29, 1981. While the act contains no provision for congressional approval or veto, I believe it is important that interested Members of Congress, the bar, and the public have an opportunity to comment before the procedures become effective. Therefore, I insert the security procedures in the RECORD at this point:

SUPREME COURT OF THE UNITED STATES,
Washington, D.C., February 12, 1981.

Hon. EDWARD P. BOLAND,
Chairman, Permanent Select Committee on Intelligence, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the provisions of Section 9(a) of the Classified Information Procedures Act of 1980, Pub. L. No. 96-456, 94 Stat. 2025, I transmit to you a copy of the rules to prevent the unauthorized disclosure of classified information in federal criminal court proceedings; they have been submitted to the President of the Senate and the Speaker of the House. Section 9(a) of the Act provides that the rules are to become effective 45 days after they are submitted to the Congress.

Cordially,

WARREN E. BURGER.

Enclosure.

SECURITY PROCEDURES ESTABLISHED PURSUANT TO PUB. L. 96-456, 94 STAT. 2025, BY THE CHIEF JUSTICE OF THE UNITED STATES FOR THE PROTECTION OF CLASSIFIED INFORMATION

1. Purpose

The purpose of these procedures is to meet the requirements of Section 9(a) of the Classified Information Procedures Act of 1980, Pub. L. 96-456, 94 Stat. 2025, which in pertinent part provides that:

". . . [T]he Chief Justice of the United States, in consultation with the Attorney General, the Director of Central Intelligence, and the Secretary of Defense, shall prescribe rules establishing procedures for the protection against unauthorized disclosure of any classified information in the custody of the United States district courts, courts of appeal, or Supreme Court. . ."

These procedures apply in all proceedings in criminal cases involving classified information, and appeals therefrom, before the United States district courts, the courts of appeal and the Supreme Court.

2. Court security officer

In any proceeding in a criminal case or appeal therefrom in which classified information is within, or reasonably expected to be within, the custody of the court, the court shall designate a court security officer. The Attorney General or the Department of Justice Security Officer, with the concurrence of the head of the agency or agencies from which the classified information originates, or their representatives, shall recommend to the court persons qualified to serve as court security officer. The court security officer shall be selected from among those persons so recommended.

The court security officer shall be an individual with demonstrated competence in security matters, and shall, prior to designation have been certified to the court in writing by the Department of Justice Security Officer as cleared for the level and category of classified information that will be involved. The court security officer may be an employee of the Executive Branch of the Government detailed to the court for this purpose. One or more alternate court security officers, who have been recommended and cleared in the manner specified above, may be designated by the court as required.

The court security officer shall be responsible to the court for document, physical, personnel and communications security, and shall take measures reasonably necessary to fulfill these responsibilities. The court security officer shall notify the court and the Department of Justice Security Officer of any actual, attempted, or potential violation of security procedures.

3. Secure quarters

Any in camera proceeding—including a pretrial conference, motion hearing, or appellate hearing—concerning the use, relevance, or admissibility of classified information, shall be held in secure quarters recommended by the court security officer and approved by the court.

The secure quarters shall be located within the Federal courthouse, unless it is determined that none of the quarters available in the courthouse meets, or can reasonably be made equivalent to, security requirements of the Executive Branch applicable to the level and category of classified information involved. In that event, the court shall designate the facilities of another United States Government agency, recommended by the court security officer, which is located within the vicinity of the courthouse, as the site of the proceedings.

The court security officer shall make necessary arrangements to ensure that the applicable Executive Branch standards are met and shall conduct or arrange for such inspection of the quarters as may be necessary. The court security officer shall, in consultation with the United States marshal, arrange for the installation of security devices and take such other measures as may be necessary to protect against any unauthorized access to classified information. All of the aforementioned activity shall be conducted in a manner which does not interfere with the orderly proceedings of the court. Prior to any hearing or other proceeding, the court security officer shall certify in writing to the court that the quarters are secure.

4. Personnel security—court personnel

No person appointed by the court or designated for service therein shall be given access to any classified information in the custody of the court, unless such person has received a security clearance as provided herein and unless access to such information is necessary for the performance of an official function. A security clearance for justices and judges is not required, but such clearance shall be provided upon the request of any judicial officer who desires to be cleared.

The court shall inform the court security officer or the attorney for the government of the names of court personnel who may require access to classified information. That person shall then notify the Department of Justice Security Officer, who shall promptly make arrangements to obtain any necessary security clearances and shall approve such clearances under standards of the Executive Branch applicable to the level and category of classified information involved. The Department of Justice Security Officer shall advise the court in writing when the necessary security clearances have been obtained.

If security clearances cannot be obtained promptly, personnel in the Executive Branch having the necessary clearances may be temporarily assigned to assist the court. If a proceeding is required to be recorded and an official court reporter having the necessary security clearance is unavailable, the court may request the court security officer or the attorney for the govern-

ment to have a cleared reporter from the Executive Branch designated to act as reporter in the proceedings. The reporter so designated shall take the oath of office as prescribed by 28 U.S.C. § 753(a).

Justices, judges and cleared court personnel shall not disclose classified information to anyone who does not have a security clearance and who does not require the information in the discharge of an official function. However, nothing contained in these procedures shall preclude a judge from discharging his official duties, including giving appropriate instructions to the jury.

Any problem of security involving court personnel or persons acting for the court shall be referred to the court for appropriate action.

5. Persons acting for the defendant

The government may obtain information by any lawful means concerning the trustworthiness of persons associated with the defense and may bring such information to the attention of the court for the court's consideration in framing an appropriate protective order pursuant to Section 3 of the Act.

6. Jury

Nothing contained in these procedures shall be construed to require an investigation or security clearance of the members of the jury or interfere with the functions of a jury, including access to classified information introduced as evidence in the trial of a case.

After a verdict has been rendered by a jury, the trial judge should consider a government request for a cautionary instruction to jurors regarding the release or disclosure of classified information contained in documents they have reviewed during the trial.

7. Custody and storage of classified materials

a. Materials Covered

These security procedures apply to all papers, documents, motions, pleadings, briefs, notes, records of statements involving classified information, notes relating to classified information taken during *in camera* proceedings, orders, affidavits, transcripts, untranscribed notes of a court reporter, magnetic recordings, or any other submissions or records which contain classified information as the term is defined in Section 1(a) of the Act, and which are in the custody of the court. This includes, but is not limited to (1) any motion made in connection with a pretrial conference held pursuant to Section 2 of the Act, (2) written statements submitted by the United States pursuant to Section 4 of the Act, (3) any written statement or written notice submitted to the court by the defendant pursuant to Section 5(a) of the Act, (4) any petition or written motion made pursuant to Section 6 of the Act, (5) any description of, or reference to, classified information contained in papers filed in an appeal, pursuant to Section 7 of the Act and (6) any written statement provided by the United States or by the defendant pursuant to Section 8(c) of the Act.

b. Safekeeping

Classified information submitted to the court shall be placed in the custody of the court security officer who shall be responsible for its safekeeping. When not in use, the court security officer shall store all classified materials in a safe or safe-type steel file container with built-in, dial-type, three position, changeable combinations which conform to the General Services Administration standards for security containers. Classified information shall be segregated from other information unrelated to the case at hand by securing it in a separate security container. If the court does not possess a storage container which meets the required standards, the necessary storage container or containers are to be supplied to the court on a temporary basis by the appropriate Executive Branch agency as determined by the Department of Justice Security Officer. Only the court security officer and alternate court security officer(s) shall have access to the combination and the contents of the container unless the court, after consultation with the security officer, determines that a cleared person other than the court security officer may also have access.

For other than temporary storage (e.g., brief court recess), the court security officer shall insure that the storage area in which these containers shall be located meets Executive Branch standards applicable to the level and category of classified information involved. The secure storage area may be located within either the Federal courthouse or the facilities of another United States Government agency.

c. Transmittal of Classified Information

During the pendency of a trial or appeal, classified materials stored in the facilities of another United States Government agency shall be transmitted in the manner prescribed by the Executive Branch security regulations applicable to the level and category of classified information involved. A trust receipt shall accompany all classified materials transmitted and shall be signed by the recipient and returned to the court security officer.

8. Operating routine

a. Access to Court Records

Court personnel shall have access to court records only as authorized. Access to classified information by court personnel shall be limited to the minimum number of cleared persons necessary for operating purposes. Access includes presence at an *in camera* hearing or any other proceeding during which classified information may be disclosed. Arrangements for access to classified information in the custody of the court by court personnel and persons acting for the defense shall be approved in advance by the court, which may issue a protective order concerning such access.

Except as otherwise authorized by a protective order, persons acting for the defendant will not be given custody of classified information provided by the government. They may, at the discretion of the court, be afforded access to classified information provided by the government in secure quarters which have been approved in accordance with § 3 of these procedures, but such classified information shall remain in the control of the court security officer.

b. Telephone Security

Classified information shall not be discussed over standard commercial telephone instruments or office intercommunication systems.

c. Disposal of Classified Material

The court security officer shall be responsible for the secure disposal of all classified materials which are not otherwise required to be retained.

9. Records security

a. Classification Markings

The court security officer, after consultation with the attorney for the government, shall be responsible for the marking of all court documents containing classified information with the appropriate level of classification and for indicating thereon any special access controls that also appear on the face of the document from which the classified information was obtained or that are otherwise applicable.

Every document filed by the defendant in the case shall be filed under seal and promptly turned over to the court security officer. The court security officer shall promptly examine the document and, in consultation with the attorney for the government or representative of the appropriate agency, determine whether it contains classified information. If it is determined that the document does contain classified information, the court security officer shall ensure that it is marked with the appropriate classification marking. If it is determined that the document does not contain classified information, it shall be unsealed and placed in the public record. Upon the request of the government, the court may direct that any document containing classified information shall thereafter be protected in accordance with § 7 of these procedures.

b. Accountability System

The court security officer shall be responsible for the establishment and maintenance of a control and accountability system for all classified information received by or transmitted from the court.

10. Transmittal of the record on appeal

The record on appeal, or any portion thereof, which contains classified information shall be transmitted to the court of appeals or to the Supreme Court in the manner specified in § 7(c) of these procedures.

11. Final disposition

Within a reasonable time after all proceedings in the case have been concluded, including appeals, the court shall release to the court security officer all materials containing classified information. The court security officer shall then transmit them to the Department of Justice Security Officer who shall consult with the originating agency to determine the appropriate disposition of such materials. Upon the motion of the government, the court may order the return of the classified documents and materials to the department or agency which originated them. The materials shall be transmitted in the manner specified in § 7(c) of these procedures and shall be accompanied by the appropriate accountability records required by § 9(b) of these procedures.

12. Expenses

Expenses of the United States Government which arise in connection with the implementation of these procedures shall be borne by the Department of Justice or other appropriate Executive Branch agency.

13. Interpretation

Any question concerning the interpretation of any security requirement contained in these procedures shall be resolved by the court in consultation with the Department of Justice Security Officer and the appropriate Executive Branch agency security officer.

14. Term

These procedures shall remain in effect until modified in writing by The Chief Justice after consultation with the Attorney General of the United States, the Director of Central Intelligence, and the Secretary of Defense.

15. Effective date

These procedures shall become effective forty-five days after the date of submission to the appropriate Congressional Committees, as required by the Act.

Issued this 12th day of February, 1981, after taking into account the views of the Attorney General of the United States, the Director of Central Intelligence, and the Secretary of Defense, as required by law.

WARREN E. BURGER,
Chief Justice of the United States.●

LITHUANIAN INDEPENDENCE DAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. ANDERSON. Mr. Speaker, Monday marked the 63d anniversary of the declaration of Lithuanian independence. At that time, the courageous and pioneering spirit of the Lithuanian people won out over the repressive Soviet and German forces which had held them back from their true desire to be free and self-governing.

The Government which the Lithuanian nation devised for itself guided the people for 22 remarkable years—years of growth and dedication to country. Yet this young country was not allowed to grow and prosper any further, as the Soviet army, 300,000 strong, overran the cities and the countryside in the summer of 1940. Lithuania was captive, and has remained so up to today. In 1940 the Soviets began a cruel cycle of repression, denying even the most basic social, religious, and political freedoms. It has continued to this day, yet the desires of the Lithuanian people to be free to govern themselves, as well as to practice their religion and celebrate Lithuanian national days, has not diminished one iota over the years. In fact, Mr. Speaker, I believe that the desire has grown stronger with each successive day.

Lithuanian Americans are firm in their identification with their brothers held captive by the Soviet Union. They take every opportunity possible to argue and plead their cause, because freedom for Lithuania is not something one can fight for only on the weekend. It is a day-to-day struggle which the Lithuanian people deal with, one that carries few rewards but great frustration. Thus it is up to us and the entire American people to speak out on behalf of the Lithuanian nation, who, while harassed by the Soviets, have not lost their fervor or determination to regain the freedom of nationhood that is rightfully theirs.

We cannot forfeit the human spirit in the face of totalitarianism, Mr. Speaker. This fight will continue as long as it is necessary.●

HUMAN RIGHTS—GUATEMALA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. BONKER. Mr. Speaker, as the Central American caldron continues to boil, every day produces a new horror. This week Amnesty International, the Nobel Peace Prize winning organization reported that President Romeo Lucas Garcia, of Guatemala directs "a long-established Government program of murder and torture" which last year alone accounted for over 3,000 people murdered and hundreds of others missing.

The international organization said its investigation clearly established that such killings are carried out by the Guatemalan Army and police force and not by secret death squads as the Government claims.

By most independent accounts Guatemala has the worst human rights record of any country in Latin America. Guatemala now stands accused of Government-inspired terror. The world will be observing how the Reagan administration responds to these outrageous violations of human rights. It will be especially interesting since the administration has proclaimed that its policy emphasis will be on violations committed by terrorists and Washington's adversaries, not by countries friendly to the United States such as Guatemala.

I commend to the attention of my distinguished colleagues two items that detail the tragedy in Guatemala. One, the Amnesty International news release describing its report on human rights conditions in Guatemala, and second, an op-ed piece in the New York Times by Jonathan Power, a writer for the International Herald Tribune. In his article entitled, "Behind the Killings in Guatemala," he lends further credence to the charges made in the Amnesty report against the Guatemalan Government.

The news release and article follow:

BEHIND THE KILLINGS IN GUATEMALA

(By Jonathan Power)

GUATEMALA CITY—Every day, the morning newspapers report more of the same: 14, or 10, or 12 bodies discovered—another wave of killings. Since 1966, there have been 30,000 deaths. Since Gen. Fernando Romeo Lucas Garcia became President in 1978, there have been 3,000, with more than 600 other persons arrested and unaccounted for. Bodies have been found piled in ravines, dumped at roadsides, buried in mass graves.

According to Amnesty International, in London, Guatemala has the worst human-rights record of any Latin American country. The violence has not reached the crescendo that it has in El Salvador, nor have as many people "disappeared" in as short a time as after the Chilean coup in 1973, but no Latin-American country can be compared to Guatemala for long-term, systematic assassinations and torture.

Guatemala has a long tradition of political violence. Miguel Angel Asturias, the Nobel Prize-winning Guatemalan novelist, wrote about it in his 1920 novel, "El Senor Presidente." Observers agree that the period from 1966 to the present has been unparalleled in viciousness and cruelty. Most of those killed are peasants; the next largest group is students. But in the last two years, Guatemala has lost the cream of the leadership of its Social Democratic and Christian Democratic Parties and many of its most independently minded professional people. By comparison, the army and the police have lost relatively few.

What triggered the violence is not easy to pinpoint. Many observers point to the 1954 coup, sponsored by the Central Intelligence Agency, in which the reformist President Jacobo Arbenz Guzmán was deposed, and that was followed by killings that left hundreds dead. Others point to a guerrilla movement a small group of army officers started among land-starved Indians in the hills in the early 1960's; the army and civilian paramilitary groups ruthlessly put it down, but it started again in 1975, fueled partly by frustrations brought on when vote fraud cheated the Christian Democrats out of an election victory. Still, there seems little doubt that the violence is overwhelmingly from the right. Torture, shooting, and garroting intimidate the population and maintain political dominance.

Who organizes the killings? High Government officials say that for the moment they are hopelessly caught in the violence between the left and right. The right-wing violence, they say, is caused by death squads. The Government denies having made a single political arrest or holding a single political prisoner. But Michael McClintock, an Amnesty International researcher, believes he has firm evidence that the Government has inspired most of the killings. His conclusions are about to be made public. Briefly, here is his main evidence.

On a number of occasions, prisoners known to be in police custody have turned up dead—for example, 37 who were garroted in 1979 and dumped in a ravine.

There is the evidence of one of only a handful of survivors who have escaped after having been picked up. Amnesty International plans to publish a taped interview with a former prisoner who tells how he was held at a military base and tortured.

There is Gregori Yuja Xona, a peasant who took part in the occupation of the Spanish Embassy in Guatemala City in 1980 to protest army abuses in El Quiche province. (A hundred Indians were killed when the army fired on a protest demonstration.) He and the Spanish ambassador were the sole survivors of the assault on the embassy. He was held under police guard in a hospital, the police removed him without explanation, and his mutilated body was found abandoned.

Mr. McClintock says he has information that the principle center for selecting assassination targets is housed in the offices of the Presidential guard in an annex of the Presidential palace. It is, he says, under the direction of Maj. Hector Montalan, who heads both the Presidential general staff

and military intelligence and who reports directly to President Lucas. Informed exiled sources in Costa Rica confirm Mr. McClintock's information. A former Vice President, Francisco Villagrán Kramer, who fled Guatemala late last year and now lives in Washington, says Mr. McClintock is accurate: While in power, he says, he learned how the system worked, and does not doubt that most killings are decided upon in the palace complex.

Until now, the State Department has refused to accept the proposition that the evidence points directly to the Guatemalan Presidency, and United States diplomats in Guatemala will acknowledge it only as a possibility. Mr. Villagrán and Mr. McClintock present a formidable case. But, then, a United States Embassy in Guatemala that is strongly advising Washington to renew arms sales and counterinsurgency training for Guatemala may not want to believe that the chain of horror begins on President Lucas's doorstep.

AMNESTY INTERNATIONAL DESCRIBES GOVERNMENT PROGRAM OF MURDER AND TORTURE IN GUATEMALA

Amnesty International said today (Wednesday 18 February 1981) that a long-established government program of murder and torture in Guatemala was run from an annex of the National Palace, under the direct control of President Romeo Lucas Garcia.

In a new report, Guatemala: A Government Program of Political Murder, published today, the international human rights organization said some 3,000 people were found murdered after being seized in the first ten months of 1980, and hundreds of others were missing.

The Guatemalan Government attributes such killings to independent groups outside its control, but the report summarizes detailed evidence that they are carried out by the army and police, and it adds two new pieces of evidence—interviews with a survivor and a former soldier.

Many thousands of people have been murdered by the security forces in Guatemala over the past two decades after being picked out as real or suspected critics of government policy. In 1976, Amnesty International estimated that about 20,000 people had been murdered or "disappeared" after being detained in the previous ten years, and it estimates that nearly 5,000 Guatemalans have been seized and killed since General Lucas Garcia became President in 1978. Bodies are found piled in ravines, at roadsides or in mass graves, often with the scars of torture. Most were killed by strangling, by being suffocated in rubber hoods or by being shot in the head.

The murder program is run, the report said, from offices in the palace complex by a presidential agency founded in 1964, known until recently as the Regional Telecommunications Center and before that by a series of other names.

Guatemalan authorities attribute the killings to the Escuadrón de la Meurte (Death Squad) and the Ejército Serreto Anticomunista (Secret Anti-Communist Army), described as independent groups, but Amnesty International said that no convincing evidence has been produced that such independent groups exist. It noted that there was violent guerrilla activity in Guatemala, but said this could not justify murder by a government.

The interview transcripts included in the new report contain recent eyewitness testimony corroborating other evidence of the security forces' responsibility. One of the interviews is with a man described as the only known survivor of political imprisonment in Guatemala in 1980. It tells of his detention at Huehuetenango army base where he says he witnessed the killing of three prisoners and saw the bodies of six others in the eleven days he was held. The other interview, with a conscript who was trained and sent out to take part in the detentions and killings describes the military units' license to kill "anyone who was a suspicious character", as well as people on target lists.

The report includes representative case histories of some of those seized by troops or police; some were later found dead and others are still missing.

Victims include people from all parts of Guatemalan society: peasants, urban workers, clergy, educators, students, lawyers, doctors, journalists, community workers. "By far the majority of victims were chosen," the report says, "after they had become associated—or were thought to be associated—with social, religious, community or labor organizations, or after they had been in contact with organizers of national political parties." In other words, it says, they "tend to be selected from grassroots organizations outside official control."

The escaped prisoner and former soldier whose interviews are included are not identified by name because of the danger of reprisals.

They said to me, if you discover your father is in subversive movements—I didn't understand the word—"subversive," they said is whatever is against the Government and is what causes disorder in Guatemala—if your father is involved in groups like that, kill him, because if you don't he'll try and kill us. . . . From the testimony of a former conscript, included in the report.●

A TRIBUTE TO MARY L. FONSECA

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mrs. HECKLER. Mr. Speaker, Americans are proud to think of this country as a mosaic of many nations and cultures. Citizens of every conceivable ethnic and cultural heritage can point with pride to the contributions of their forebears, who came from other lands, to the great American experiment in democracy.

But these contributions are not just a matter of history. They continue each day, with the new generations of Americans who combine a deep pride in their Americanism with a strong sense of the values and beliefs their ancestors brought to this country.

One of the most proud and active groups in this American mosaic are Americans of Portuguese heritage. Since the days of the great Revolutionary War hero Peter Francisco, Luso Americans have made great and lasting contributions to their Nation, and their communities.

On February 22 the Luso-American Award Committee of Fall River, Mass., in conjunction with the Jornal de Fall River, will honor one of the most distinguished and able Luso Americans ever to serve the people of Fall River. They will present their annual Luso American Award to the Honorable Mary L. Fonseca, State senator from Fall River and the majority whip of the Massachusetts State Senate.

For 36 years in public service—29 of those years spent in the State senate—Mary Fonseca has provided the citizens of Fall River, and all the people of the Commonwealth of Massachusetts, with determined and able leadership. She has defied the attempts of those who would seek to label her: as a woman, as a Luso American, as the senator from Fall River, she has served all those constituencies best, by fighting for the best interests of all the citizens of the Commonwealth.

She has been a leader in the age-old fight to eliminate discrimination against women in our society. By her example, she has shown the way for countless women to assume leadership positions in government and public service, on a completely equal footing with men.

She has fought tirelessly for the goal of quality higher education, and was influential in the establishment of two distinguished colleges to serve the people of the Fall River area.

Through all this, she has provided a brand of spirited and sage public service that has won her the respect, admiration and appreciation of all those whose lives she has touched.

Mr. Speaker, I believe that Senator Mary Fonseca embodies the highest qualities of public leadership and service that our Founding Fathers envisioned when they set our great experiment in democracy into motion. Her career is a sterling example of the great contributions the Luso American community has made to our society, and a monument to the finest traditions of American government in action. I ask all my colleagues in this Congress to join me in paying tribute to this most distinguished public servant, Senator Mary L. Fonseca.

Thank you.●

IN HONOR OF THE LATE ELLA TAMBUSSI GRASSO

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. GOODLING. Mr. Speaker, I am honored today to join my colleagues in paying tribute to the late Ella Tambussi Grasso, 83d Governor of the State of Connecticut and a former Member of this body. Each one of us can learn much from the example of Mrs. Grasso, who, in her more than 25 years of elected office, left her mark

not only as a professional politician, but more importantly as a public servant having genuine personal concern for her constituents.

Known for her vivacious personality and firm beliefs, Mrs. Grasso's reputation extended far beyond Connecticut's borders. We are all familiar with her remarkable record of public service, one which included 4 years in the State legislature, 12 years as Connecticut's Secretary of State, and two terms as the Representative from the Sixth Congressional District before her election as Governor in 1974.

Mrs. Grasso embodied the great American dream: the daughter of an immigrant baker from northern Italy who went on to become one of the most durable Connecticut politicians in recent years. As she once put it, she was the Nation's "first lady Governor who was not a Governor's first lady."

Her husband, Mr. Thomas Andrew Grasso, once told reporters about the time when the Grassos owned a movie house. Mr. Grasso reportedly said: "She sold the tickets, and I worked the projector. But now she runs the whole show."

And run the whole show Mrs. Grasso did, indeed. She led a State confronted with financial difficulties and recession, and fought to hold down public spending; she did this while resisting the imposition of an income tax, an act requiring political courage and conviction. She worked for a "sunshine" law that opened many functions of government to public scrutiny and championed efforts to aid the elderly and the retarded. Mrs. Grasso's performance during two natural disasters that struck Connecticut—a blizzard in 1978 and a tornado in 1979—perhaps exemplifed best the extent to which she cared for the people of the Constitution State.

Mrs. Grasso believed in open government, and encouraged citizens to visit her with their problems, a habit she developed while Connecticut's Secretary of State. She once said: "I think that's why I went into government, because I realized early on that if I was concerned with problems, the best way of getting them solved was to be part of the decisionmaking process."

During her two terms in this body, Mrs. Grasso served ably on the Committee on Veterans' Affairs and on the Education and Labor Committee. She flew home every weekend to meet with constituents. And, a legislative aide from those Washington years reportedly remembers that, when a constituent came in with a personal problem, one got the impression that he was "talking to your mother, someone generally concerned about the little things that were happening to you."

As she so often thought of the people whom she served so dutifully, I join my colleagues in remembering Ella T. Grasso, a truly remarkable woman. She will be remembered here for her flexible yet cautious service to Connecticut's Sixth District. May I extend my thoughts and prayers to Mrs. Grasso's family at this saddened time.

For myself, I can think of no greater testimony than that which was paid by one mourner at Mrs. Grasso's funeral: 16-year-old Shawn Hallisey, of New London, said then that when he first met Mrs. Grasso a few years ago, she sat him down and asked him questions about his school. "When I saw her again, she remembered me," Shawn said, according to reports. "Not many politicians remember you."●

LITHUANIAN INDEPENDENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. BIAGGI. Mr. Speaker, this week Lithuanians throughout the world observed the 63d anniversary of the declaration of the independence of Lithuania. Despite years of oppression in Estonia, Latvia, Lithuania, and other captive nations throughout the world, the Lithuanian desire to be free is still strong; their courage and dedication to liberty remains unyielding.

In 1940, after 22 years of independence, the Lithuanian State was robbed of the rights of a free nation by the aggressive imperialism of an expansion-minded Soviet Union which to this day, as evidenced by their invasion of Afghanistan and their troops on the Polish border, continues to threaten the free world.

Throughout many years of hardship Lithuanians have withstood the increased and improved subjugative tactics of the Soviets and have remained defiant. They are proof that the will and courage of those who wish to be free will endure over the methods of those who wish to control them through oppression and deprivation of human rights.

We in the United States must reaffirm our strong commitment to human rights throughout the world. The support of basic human, political, civil, and religious rights, along with the right of self-determination, is a fundamental policy objective and moral obligation of this country to the rest of the world, therefore it is essential that we do not forget the struggle and sacrifice of the Lithuanian people at this time.

The Soviet Union's annexation of Lithuania has never been recognized by the United States. We have recognized and supported the diplomatic corps established by independent Lithuania and will continue to do so.

As the leader of the free world, our country has always been in the forefront of the struggle to preserve personal liberties and basic human rights throughout the world. We must continue to push for self-determination for Lithuania and must not forget their courage and never ending determination.●

ANTI-NUKE STRATEGY CONFERENCE, PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. McDONALD. Mr. Speaker, the Mobilization for Survival (MFS), a disarmament and antinuclear power coalition, recently held its strategy conference for 1981. The MFS is the most current incarnation of the popular fronts of the anti-Vietnam period such as the National, Spring, and New Mobilization Committees and the People's Coalition for Peace and Justice (PCPJ) in which the Communist Party, U.S.A. (CPUSA) and groups which collaborated with the Soviet-controlled World Peace Council (WPC) played leadership roles.

The MFS grouping was formed to bring antinuclear power groups into the Soviet-orchestrated false peace campaign that presses for American disarmanent in the face of the Soviet military buildup.

The Western Goals Foundation, a nonprofit educational organization formed "to rebuild and strengthen the political, economic, and social structure of the United States and Western Civilization so as to make any merger with totalitarians impossible" has produced a report on the recent national conference of the MFS which details strategies, lobbying campaigns targeting Congress against new U.S. defense systems, and other programs. I have already made available to my colleagues the first section of that report on antinuclear and disarmament strategies. The second section, which includes a report on the coalition's support for Soviet-backed Third World terrorist groups, I offer now.

The report follows:

ANTI-NUKE STRATEGY CONFERENCE, PART II

(Western Goals Foundation, February 1981)

TERRORIST SUPPORT

Throughout the Mobilization for Survival conference members of various Marxist-Leninist parties and support groups for both U.S. and foreign revolutionary terrorist organizations worked to publicise and attract new support for their causes.

As part of the MFS conference, workshops were held backing Soviet-supported revolutionary and terrorist groups in the Middle East, in southern Africa and Central America.

The focus of MFS support in the Middle East is the Palestine Liberation Organization (PLO). An issue that appeared to have little "draw" for the environmentalists at

the MFS meeting, it certainly did have support among the "Old Left" contingent associated with the World Peace Council (WPC), its U.S. section, the U.S. Peace Council (USPC), Women's International League for Peace and Freedom (WILPF), Women Strike for Peace (WSP), and members of MFS's Religious Task Force which has a considerable overlap with Clergy and Laity Concerned (CALC).

Literature was distributed signed by the Palestine Human Rights Campaign (PHRC), in effect the PLO's full-time Washington, D.C., lobby, and several other groups such as Operation PUSH [whose International Affairs director is veteran Communist Party, U.S.A. organizer Jack O'Dell], the National Association of Arab-Americans, Southern Christian Leadership Conference (SCLC), Raza Unida Party, Black United Front (BUF), New American Movement (NAM), Antiochean Orthodox Church of North America, and one of the most ancient of CPUSA fronts, the Methodist Federation for Social Action (MFSA). These groups termed themselves the Middle East Peace Action Coalition (MEPAC) and call for U.S. recognition of the PLO.

The chaotic state of the MFS conference in its last stages precluded a full floor discussion of MFS "Middle East work." However, members of the MFS Coordinating Committee said that it would examine future Middle East activities which would probably be through the major pro-PLO "popular front," the Coalition for Peace and Justice in the Middle East (CPJME).

The CPJME founding conference on November 23, 1980, included Samih Farsoun, Palestine Congress of North America (effectively the U.S. section of the PLO's political front, the Palestine National Congress); Ramsey Clark; Alan Solomonow, Middle East Peace Project; Jack O'Dell, Operation PUSH; David Dellinger; and Rev. Paul Mayer, MFS Religious Task Force.

The workshop on El Salvador with Heidi Tarver of the Committee in Solidarity with the People of El Salvador (CISPES) distributed a document entitled "Work Plan for the Salvadorean Solidarity Movement as Recommended by the East Coast Conference in Solidarity with the Salvadorean People, Washington, DC, October 11-12, 1980." This document contains directives for a high-pressure "blitz" against Congressmen, the media and the religious community to support the revolutionary terrorist groups being armed and trained by the Soviet Union, Cuba, and the Soviet satellite states.

The El Salvador solidarity document was not subtle. It ordered:

"Pressure Congress to halt all U.S. military aid to El Salvador; Pressure the Administration to halt all U.S. military aid shipments * * *; Initiate letter writing campaigns to Congress * * *; confront Congresspersons [sic] in their local districts * * *; organize * * * delegations to El Salvador which can return and generate publicity and support; Pressure the traditional media * * *; Pressure journalists' associations, newspaper guilds, etc. * * *; Expose the repressive nature of the agrarian reform program * * * linking it to the * * * pacification program used in Vietnam; Denounce the role of the AIFLD * * *."

Under "Religious Sector," the CISPES document listed "specific recommendations" including distribution of "analysis" articles to the religious press and "prepare Op-Ed pieces for submission by local church officials." So much for spontaneity of thought on the subject.

A resolution was attached passed by those attending the CISPES founding conference in Washington, D.C. who included representatives from the Washington Office on Latin America (WOLA), Institute for Policy Studies (IPS), National Lawyers Guild (NLG), Council on Hemispheric Affairs (COHA), North American Congress on Latin America (NACLA), and EPICA. In part it stated:

"Recognizing, that the Salvadorean people express their immediate and historic interests through the Democratic Revolutionary Front; and that the Unified Revolutionary Directorate is the political-military vanguard of the Salvadorean people; and * * * that the just war * * * is the only possible means to achieve peace, freedom, self-determination, and social injustice; [the Conference] Resolves:

"To work in unity with the Democratic Revolutionary Front, recognizing it as the broadest expression of the Salvadorean people, and the Unified Revolutionary Directorate as its vanguard; * * * and to promote in the United States a broad-based and coordinated solidarity movement in support of their struggle * * *."

The resolution page closed with the slogans, "In the face of imperialist intervention, international solidarity!" "United in combat until the final victory!"

As of this writing, CISPES has not registered with the U.S. Department of Justice as an agent of the Democratic Revolutionary Front or Unified Revolutionary Directorate of El Salvador.

Domestic U.S. terrorists had their supporters present at the Mobilization for Survival conference also. Distributing literature proclaiming "Free the Eleven Puerto Rican Prisoners of War!" and "Long Live the FALN," members of the former Weather Underground Organization (WUO) and its Prairie Fire Organizing Committee (PFOC) who now form the New Movement in Solidarity with Puerto Rican Independence urged not only support for the Cuban-backed Puerto Rican terrorist movement, but also for the Salvadorean FDR, the Republic of New Africa, and the Black Guerrilla Family, a prison gang composed of former members of the Black Liberation Army (BLA) and Black Panther Party (BPP).

The former Weather Underground members promoted demonstrations against the trials on federal charges of convicted FALN terrorists in Chicago. Other groups also used the occasion to publicize demonstrations.

One such demonstration was a protest and picket at the Washington Hilton on February 11, 1981, against the Rockwell International Corporation, a major defense contractor. The irony that the MFS conference promoting the anti-Rockwell protest was being held in Duquesne University's Rockwell Hall, donated by that same American company for higher learning, appeared lost on the MFS participants.

Among the scheduled workshops were:

Jobs with Peace Referendum Campaigns—Vic Schumacher, Detroit MFS; Carl Casebolt; Tim Sperry.

Middle East Crisis—David Dellinger.

Feminism as a Tool for Analyzing the Present Crisis—Leslie Cagan, Donna Warnock.

El Salvador—Heidi Tarver, Committee in Solidarity with the People of El Salvador (CISPES).

South Africa—the Nuclear Connection—Rev. Don Morton, South African Military Refugee Aid Fund (SAMRAF).

Using the Fairness Doctrine to Combat Utility Media Bias—Deborah Costlow, Media Access Project (MAP)

Militarism and the Draft—John Judge, Central Committee of Conscientious Objectors (CCCO) and Harold Jordan, MFS staff.

Racism and the Cold War Serve the Same Master—Frank Chapman, National Alliance Against Racist and Political Repression (NAARPR), a CPUSA front; and AFSC Field Staff, St. Louis.

Health Effects of Radiation: Epidemiological Evidence—Dr. Ernst Sternglass.

U.S. Nuclear Weapons Strategy—Sidney Lens.

Political Surveillance: How to Identify It and What to Do About It—Susan Benda, Campaign for Political Rights.

The State of the Anti-Nuclear Movement—Anna Gyorgy, Montague, MA.

Women and Apartheid—Mary Wade, Quaker United Nations Office.

U.S. Prison System and Social Justice—Scott Myers, National Committee to Support the Marion Brothers.

The Next Battle: Flushing TMI Water into the Susquehanna—Michio Kaku, Columbia University.

Keynote speakers included Anna Gyorgy of the Women's Pentagon Action, Rev. Leon White of the United Church of Christ Commission for Racial Justice, and Eqbal Ahmad, Institute for Policy Studies (IPS).

Demonstrating the IPS elitism and arrogance that has become proverbial among "movement" left activists, Ahmad admitted that he had had Rev. White speak first so that he had time to scribble some notes for his speech. Ahmad's performance was not so much a speech as a diatribe of hatred of all things American. Maintaining with evident satisfaction that the "American century" was ending "without having ever existed and predicting that the U.S. system will be ended within ten years, Ahmad asserted that the "U.S. regime has proved unable to assure the country's continued prosperity."

Upholding the apparent consensus among IPS activists that there is "no Soviet threat" because the USSR "is not an expanding power" and "will not expand into the Third World," (ignoring inconvenient facts like Angola, Ethiopia, South Yemen and Afghanistan), Ahmad expressed additional satisfaction that the defeat of the U.S. in Southeast Asia demonstrated the U.S. "is no longer the number one country in the world."

Ahmad, who has been working closely with CounterSpy magazine, a favorite "source" of material for the Soviet propaganda machine, dismissed reports by the Americans held hostage in Iran of beatings and torture saying "For them, mistreatment was not having hot baths."

The conference closed with unresolved business being referred to the Coordinating Committee.

National organizations active in the MFS include the American Friends Service Committee (AFSC); Fellowship of Reconciliation (FOR), Communist Party, U.S.A. (CPUSA), U.S. Peace Council (USPC), Women's International League for Peace and Freedom (WILPF), Women Strike for Peace (WSP), Socialist Party, U.S.A., War Resisters League (WRL), the People's Alliance, SANE, the New American Movement (NAM) and Clergy and Laity Concerned (CALC).

Other organizations attending the MFS conference included the Communist Workers Party (CWP), Socialist Workers Party (SWP), Campaign for Political Rights [originally the Campaign to Stop Government Spying], Workers World Party (WWP), Coalition for a New Foreign and Military Policy (CNFMP), Democratic Socialist Organizing Committee (DSOC), Plowshares Eight Support Committee [backing a sabotage raid on a U.S. defense contractor], and the Committee Against Registration and the Draft (CARD).●

LITHUANIAN INDEPENDENCE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. ZABLOCKI. Mr. Speaker, this week, we observe the 63d anniversary of Lithuanian independence. Thus, it is a fitting time for us to reaffirm our support for the principles of freedom and self-determination for the peoples of the Baltic nations, and to honor individuals who have worked hard at great personal sacrifice to promote the realization of those principles.

On February 16, 1918, the Lithuanian people proclaimed their freedom and established an independent government. They enjoyed independence for 22 years, until the Soviet invasion and subsequent annexation of Lithuania in 1940. The Lithuanian people have endured Soviet subjugation far too long. We admire their heroic efforts to preserve their ethnic and cultural heritage, and to work toward basic freedoms and liberty which is the right of all people to enjoy.

In this regard, the particular contribution of one individual, Viktoras Petkus deserves special notice. Mr. Petkus created the Lithuanian-Helsinki monitoring group, and displayed valiant efforts to promote the observance of humanitarian principles of his homeland. However, because the Soviets do not tolerate such action, they arrested and sentenced Viktoras Petkus to a 7-year prison sentence and 5 years of internal exile. The U.S. delegation to the Conference on Security and Cooperation in Europe has recognized the outstanding and courageous contribution of Viktoras Petkus, and nominated him, along with three others, to receive the Nobel Peace Prize.

We applaud and support the brave efforts of Viktoras Petkus and those of other individuals in their determination to achieve independence and exercise personal liberties.

The United States will continue to remain steadfast in its policy of nonrecognition of the Soviet Union's forced annexation of the Baltic nations of Latvia, Estonia, and Lithuania, and its condemnation of foreign troop intervention, political imprisonments, and the denial of human rights including the right to self-determination of the Lithuanian people.●

THE ANTI-AFRICA LOBBY: WASHINGTON OFFICE ON AFRICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. McDONALD. Mr. Speaker, every day those of us who serve in this body are approached by lobbying individuals and groups asking us to support their causes. Just as they have a right to lobby, we who serve in this body have a duty to our constituents and to all Americans to be aware of the nature of these groups and to examine whether their causes are in the interests of the country as a whole.

Although modestly funded, one of the most active lobbying groups is the Washington Office on Africa (WOA), which last month launched an appeal for funds. The appeal used alarming language with its theme a claimed possibility that the new Reagan administration is planning to intervene in southern Africa with Angola almost certainly presenting the first test.

Quite oblivious to dangers created for the United States and the non-Communist world by the Soviet Union and its surrogates in southern Africa, and to the aggression already unleashed from Angola against Zaire, as well as South-west Africa, the WOA wrote: "The new administration's dominant emphasis on Soviet expansion could well lead to a dangerous insensitivity to the consequences of such a policy."

One can only infer that the WOA believes that to concentrate on blocking the expansion of Soviet totalitarianism which is already creating a chain of new colonies across Africa is an error. Perhaps WOA does not recall how much a failure appeasement proved to the world in the 1930's.

To conclude its funding appeal, WOA wrote:

> Today we are faced with President Reagan, who may lead our country into a new and dangerous period of United States-African relations. Can we afford to give up now, after the gains we have made?

Rhetoric aside, during the Nixon, Ford, and Carter administrations, the WOA had fluctuating and various degrees of success in influencing U.S. policies and legislation affecting Africa. Among the successes the WOA claims as its work are the Clark amendment which prohibits any Central Intelligence Agency covert action in Angola without explicit congressional approval and sanctions against Rhodesia which barred import of materials including strategic chrome ore produced under the former non-Marxist Rhodesian Government.

With the change of administrations, the new leadership in the Senate and developments in this body, WOA said:

> We anticipate efforts aimed at changing investment and trade policy, loosening export controls, and possibly renewing nuclear fuel exports.

All policies WOA takes credit for having facilitated.

The Washington Office on Africa (WOA), 110 Maryland Avenue NE., Washington, D.C. 20002 (202-546-7961), is a spinoff group and the lobbying arm of the New York-based American Committee on Africa (ACOA). According to WOA's associate director, Christine Root, who has been with WOA since its inception, WOA is a lobbying group, sponsored by several Protestant Church denominations and the American Committee on Africa, which focuses on U.S. policy toward those areas of southern Africa which are still under white rule.

Explained Miss Root:

> In our efforts to influence the passage of legislation, we do both direct lobbying with staff and Members of Congress in Washington and communicate with constituents in especially important districts, so that Members of Congress get both accurate information on the issues and a sense that people in their districts care about the issue.

In making these statements, Root was expanding on what WOA terms a focussed approach which they explain as follows:

> The WOA works for a progressive U.S. policy toward Africa. * * * We believe that such a policy cannot become reality unless we concentrate our limited resources and the support of a relatively small number of concerned Americans. We therefore focus on Congressional legislative issues, and try to win them one at a time.

WOA's fight against the former non-Marxist black majority government in Zimbabwe has demonstrated that its goals are not majority rule. Furthermore, WOA's rhetoric against whites living in Africa takes on a racialist tone as was demonstrated in a 1978 statement:

> The center of the lobby against white rule is the Washington Office on Africa. Its three-person staff works out of a tiny Capitol Hill office with an equally tiny budget of $52,000 a year. Its considerable clout comes from the support of influential domestic allies who are not usually identified as African lobbyists or registered as such.

The leadership position taken by the Washington Office on Africa was confirmed in a 1978 publication of the American Friends Service Committee (AFSC) which praised WOA's active lobbying with congressional offices; it is taking the lead in the successful effort to secure repeal of the Byrd amendment; and the drive to halt Eximbank help for South Africa.

The effect of WOA's lobbying is not merely to oppose governments dominated by whites in southern Africa, but to support Soviet-backed revolutionary movements in these areas. For example, WOA demanded a U.S. hands-off policy in Angola and declined to support the pro-Western

UNITA guerrillas, so that the effect was aiding the Marxist-Leninist MPLA forces receiving massive support from the Soviet Union, Cuba, and the Warsaw Pact countries.

WOA's parent organization, the American Committee on Africa (ACOA), originated from meetings held in London in 1951 between members of the Soviet-controlled African National Congress (ANC) and U.S. black activist Bill Sutherland. Sutherland, 62, is an employee of the American Friends Service Committee (AFSC) who is based in Tanzania.

Soon thereafter with the agreement of ANC's then-secretary general Walter Sisulu, a forerunner of ACOA called Americans for South African Resistance (ASAR) was organized by a U.S. citizen, peace activist and former executive director of the Congress of Racial Equality (CORE), George Houser. When Houser reorganized ASAR into the ACOA, support activities for pro-Soviet revolutionary terrorist movements continued with the Algerian FLN, Congo Premier Patrice Lumumba, Angola's MPLA, FRELIMO in Mozambique and the Zimbabwe Patriotic Front.

According to the AFSC:

The American Committee on Africa for a quarter of a century has given undivided time, attention and support to the liberation struggle in Africa. Trusted implicitly by liberation movement leaders, the ACOA is highly regarded by those who are working in this country to assist the freedom struggle in Southern Africa.

ACOA has taken a leadership role in coordinating the campaigns to stop U.S. bank loans to South Africa, to promote divestment of stock in companies doing business with South Africa, and to stop the sale of Krugerrand by U.S. banks and coin dealers.

In the United States, the ACOA and WOA work closely with revolutionary terrorist support and lobbying groups having a broader interest base such as the Institute for Policy Studies (IPS), the Coalition for a New Foreign and Military Policy (CNFMP) (of which the WOA is an affiliate), the American Friends Service Committee (AFSC) and Clergy and Laity Concerned (CALC). In addition, WOA and ACOA serve as primary resources for many other support groups for Soviet backed revolutionary and terrorist groups in Africa including the Southern Africa Committee, Pan African Skills Project/Patrice Lumumba Coalition and the International Defence and Aid Fund.

In 1967, the ACOA established a presence in Washington, D.C., and opened a full-time office in 1968. This direct ACOA lobbying activity ceased with the opening of the WOA in 1972. Operating as an independent organization for 9 years, the WOA now lists as its sponsors the ACOA; Christian Church Disciples of Christ; the Church of the Brethren; Episcopal Church, Public Affairs Office, Executive Council; Lutheran Church in America, Division for Mission in North America; the United Church of Christ, Board of World Ministries, Office for Church in Society; United Methodist Church, Board of Global Ministries, Women's Division, Africa Office; United Presbyterian Church, Program Agency; and the United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW).

Regarding WOA funding, it is noted that a 1980 report by David Jessup entitled "Preliminary Inquiry Regarding Financial Contributions to Outside Political Groups by Boards and Agencies of the United Methodist Church, 1977-79," shows that the WOA received $2,000 a year during the review period from the UMC while the total UMC funding to U.S. groups, many of them revolutionary, is nearly $50,000 a year. Mr. Jessup wrote:

The ACOA received $5,000 from the Women's Division and $4,000 from the World Division in 1977-79, while the WOA received $3,500 from the Women's Division in 1977-78. Twenty other organizations received approximately $38,600 over a two-year period from the two Divisions: Africa News, the Southern Africa Committee, the South Africa Freedom Committee, Trans-Africa, Eritreans for Liberation, African Survival Committee, Committee to Oppose Loans to South Africa, International Freedom Mobilization, Pan African Congress, Pan African Skills, South Africa Freedom Day Coalition, Soweto Childrens Group, South Africa Christian Council Refugee Program, S.W. Africa National Union, Zimbabwe African Women, Coalition of Concerned Black Americans, Commission for Racial Justice, MeHarry Medical Society Program, and the International Defense and Aid Fund.

The Washington Office on Africa has an estimated annual budget of $130,000 which includes salaries, $50,000; postage, $7,000; office rental, $4,000; printing and publications, $60,000; and lobbying expenses, $9,000.

Since October 1980, WOA's executive director has been Jean Sindab, who is completing her Ph. D. in political science from Yale University, having spent a year in Zambia doing research. WOA's associate director is Christine Root, active with WOA since its inception.

However, WOA's long-term executive director, Edgar "Ted" Lockwood, retired from that post in June 1980, but only to continue to exercise his influence on policy as director of the Washington Office on Africa Educational Fund (WOAEF) which shares WOA's office space.

Others who have worked for the WOA include David Neigus, George Wright, Maghan Keita, Sr., Janice McLaughlin, David McGloin, and Carolyn Long.

The considerable clout and influential domestic allies of which WOA boasts it described in more detail in 1979, stating:

In addition, we multiply our numbers by working with other networks. We help get the word out through the Coalition for a New Foreign and Military Policy and through IMPACT, a religious network. This year we joined with TransAfrica in establishing a Washington working group of over 30 national organizations to coordinate legislative strategies on southern Africa.

TransAfrica describes itself as the Black American Lobby for Africa and the Caribbean. It was founded in 1977 as a membership organization to inform and organize popular opinion in the United States to advocate policies and practices that will help to achieve a more progressive U.S. foreign policy toward the nations of Africa and the Caribbean and peoples of African descent generally throughout the world.

From its support for the Marxist terrorist groups in southern Africa, Trans-Africa appears to use the word "progressive" as a code word to signify change along lines sought by the Soviet Union.

TransAfrica's organizer and executive director is Randall Robinson, who is well known on Capitol Hill as the former director of the Congressional Black Caucus.

TransAfrica has an elected board of 23 directors who include Richard Hatcher, chairman; Harry Belafonte; Rev. Isaac Bivens; Bishop Hartford Brookins; Walter Carrington, Esq.; Dr. Herschelle Challenor; Courtland Cox; Robert Farrell; Dr. Carlton Goodlett; Dorothy Height; Dr. Willard Johnson; Eugene Jackson; C. Payne Lucas; William Lucy; Louis Morton; Representative PARREN MITCHELL of Maryland; Rev. Randolph Nugent; Rev. Robert C. S. Powell; Dr. Samuel Proctor; Frank Savage; Percy Sutton; Dr. James Turner; and Dr. Ron Walters.

It is noted that of the TransAfrica directors, several such as Percy Sutton, Harry Belafonte, Coalition of Black Trade Unionist (CBTU) Leader William Lucy, and World Peace Council Vice President Carlton Goodlett have in the past been involved with fronts and causes of the Communist Party, U.S.A. (CPUSA), while Courtland Cox is a veteran of the Institute for Policy Studies (IPS) and its anti-intelligence spinoff, the Center for National Security Studies (CNSS).●

A TRIBUTE TO A PUBLIC SERVANT

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. RATCHFORD. Mr. Speaker, the State of Connecticut grieves this month not only for the passing of our former Governor, Ella T. Grasso, for whom we paid tribute this week; but

for the recent loss of a public servant with whom I was honored to serve in our general assembly, State Representative Silvio A. Mastrianni.

Representative Mastrianni was far more than a distinguished colleague in the Connecticut Legislature, far more than a partner in good government in the years since my service beside him, far more than a staunch political ally with whom it was a pleasure and a lesson to stalk the campaign trail—far more, even, than a trusted friend. He was a public servant who sincerely devoted himself to the people he represented in the State capitol—the men and women of Derby and Ansonia, Conn., who live in the 104th assembly district.

This able legislator, just 60 years old when he died, was known to his colleagues in Hartford and his neighbors in the Naugatuck River Valley as the working man's representative—a man who could always be counted on to speak out for the working men and women of our part of the State. He was also known to his friends—and Silvio Mastrianni was a man with many friends—by his nickname, "Stork."

I know I'll miss Stork: His very practical wisdom in the human aspects of the sometimes inhuman business of politics and government; his leadership in the general assembly, and the promise of his post as house majority whip; his understanding of the problems of labor and of the real needs of workers; his patience and his caring and his friendship.

The people of the 104th assembly district of Connecticut were blessed with Stork's dedicated service for a decade. They and all his friends grieve for his loss, and I call on my colleagues in this body to join me in paying solemn tribute to a gentleman who honored the highest secular calling—the calling of public service.●

LITHUANIAN INDEPENDENCE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. HUGHES. Mr. Speaker, February 16, 1981, marked the 63d anniversary of Lithuanian independence from foreign domination. For over a century, from 1795 to 1915, the people of Lithuania courageously withstood subjugation and political domination by the Russians. Then, during World War I, this Soviet oppression was succeeded by the devastation of German occupation.

But in 1918, the Lithuanian fervor for freedom was forever affirmed. The brave people of this struggling nation cast off their yoke of oppression, and declared their homeland to be a sovereign state. International recognition of the Republic of Lithuania was formally granted when nations around the world, including the Soviet Union signed the Peace Treaty of 1920.

Each year, we Americans joyfully recall our Nation's independence day, the Fourth of July, with fireworks and festivities; for the brave people of Lithuania, however there will be no national celebrations. The Lithuanians mark the recognition of their anniversary of independence with silent contemplation and tears. For, in 1981 Lithuanian independence remains little more than a vivid memory for some, and a dream for others.

In 1940, after only 22 years of freedom, the promise of Lithuanian autonomy was inexorably broken by the Soviet Union. During World War II, Soviet forces again invaded Lithuania, their troops occupied Lithuanian territory, and the Lithuanian homeland was forcibly incorporated into Soviet boundaries. Soviet suppression called an abrupt halt to the great strides which the Republic of Lithuania had made both economically and culturally in this short time.

The people of Lithuania cannot be denied their national identity. Despite the russification process, the steadfast Lithuanians continue to retain their own language, their religious preferences, and their unique culture and heritage. In an effort to support the Lithuanian struggle for freedom, the United States refuses to acknowledge a permanent incorporation of the Republic of Lithuania into the U.S.S.R. While the Russians continue to maintain control over Lithuanian territory, the people of this courageous nation remain free in spirit.

On the 63d anniversary of Lithuanian independence, let the United States again affirm its national commitment to the inalienability of basic human rights for all. Let the strength of the Lithuanian dissidents serve as a beacon to oppressed individuals throughout the world.

I urge the Soviet Union, and all of the signatory nations, to comply with the Helsinki accords, which set forth the principles of individual liberty and basic human rights. I salute the courageous people of Lithuania, and share their hope that once again they will be granted the right to self-determination and individual freedom that we in the United States so dearly love.●

THE ANTI-AFRICA LOBBY: WASHINGTON OFFICE ON AFRICA, PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1981

● Mr. McDONALD. Mr. Speaker, we have been discussing the activities of a lobbying group, the Washington Office on Africa (WOA), which has boasted that its "considerable clout comes from the support of influential domestic allies who are not usually identified as African lobbyists or registered as such."

A part of that "clout" can be seen in the contacts of the Southern African Working Group, which is not inappropriately abbreviated SWAG. This group was put together by the WOA and TransAfrica in January 1979, and is an outgrowth of a 1978 economic warfare project called South African Summer initiated by the American Friends Service Committee (AFSC) and the Coalition for a New Foreign and Military Policy (CNFMP) of which the WOA is an active member.

In promoting this project, the AFSC stated:

The Coalition, working in close collaboration with the Washington Office on Africa, through its extensive coast-to-coast outreach informs a large variety of people about Southern Africa issues, and suggests specific actions, especially legislative, for concerned people to take.

From the list of participants in the founding meeting of the Southern Africa Working Group one can see part of the scope of domestic allies who are not usually identified as African lobbyists or registered as such. They included the following individuals:

Millard Arnold, Lawyers Committee for Civil Rights Under Law (LCCRUL), 733 15th Street NW., Suite 520, Washington, D.C. 20005.

Leonard Ball, CBTU, 1010 Vermont Avenue NW., Washington, D.C. 20005.

Tartt Bell, AFSC, 1822 R Street NW., Washington, D.C. 20009.

Ron Brown, National Urban League, 425 13th Street NW., Suite 515, Washington, D.C. 20004.

Cindy Buhl, CNFMP, 120 Maryland Avenue NE., Washington, D.C. 20002.

Roger Cochetti, United Nations Association, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.

Ken Colburn, Congressional Black Caucus, 306 House Annex I, Washington, D.C. 20515.

Cecelie Counts, Southern Africa News Collective, 2901 18th Street NW., No. 204, Washington, D.C.

Courtland Cox, Emergency Fund for Southern Africa, 1625 I Street NW., No. 725, Washington, D.C. 20006.

Olapido Dada, 1644 11th Street NW., Washington, D.C.

Jennifer Douglas, National Urban League.

Bob Edgar, African Studies Center, Howard University, WDC 20059.

Gretchen Eick, United Church of Christ (UCC), Office of Church in Society (OCIS), 110 Maryland Avenue, NE., Washington, D.C. 20002.

Koko Farrow, UCC-Committee for Racial Justice, 1029 Vermont Avenue, Washington, D.C. 20005.

Elizabeth French, Women Strike for Peace (WSP), 8817 Chalon Drive, Bethesda, Md. 20034.

John W. Garland, National Conference of Black Lawyers (NCBL), 1926 6th Street NW., Washington, D.C. 20001.

Lou Gerber, Communications Workers of America (CWA), 1925 K Street NW., Washington, D.C. 20006.

James Hickney, Lawyers Study Group, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

Bob Hayden, United Steelworkers, 815 16th Street NW., Washington, D.C. 20006.

Sylvia Hill, Southern Africa News Collective, 1823 9th Street NW., Washington, D.C. 20001.

Helen Hopps, Institute for Policy Studies (IPS), 1901 Q Street NW., Washington, D.C. 20009.

Ed Killackey, Maryknoll Fathers, 1325 Otis Street NE, Washington, D.C. 20017.

Stephanie Klein, International Human Rights Law Group, 1700 K Street NW., Washington, D.C. 20006.

Alex Knopp, Members of Congress for Peace through Law (MCPL), 201 Massachusetts Avenue NE., Washington, D.C. 20002.

Francis Kornegay, African Bibliographic Center, 1346 Connecticut Avenue, NW., Washington, D.C. 20036.

Helen Kramer, International Association of Machinists (IAM), 1300 Connecticut Avenue, NW., Washington, D.C. 20036.

Rollins Lambert, U.S. Catholic Conference, 1312 Massachusetts Avenue, NW., Washington, D.C. 20005.

Johnnie Landon, Institute for Labor Relations, 2345 Sherman Avenue, NW., Washington, D.C.

Edgar Lockwood, WOA.

Singleton McAllister, TransAfrica.

Mary Jane Patterson, United Presbyterian Church, 110 Maryland Avenue, NE., Washington, D.C. 20002.

Bonnie Potter, United Auto Workers (UAW), 1125 15th Street, NW., Suite 600, Washington, D.C. 20005.

Emmitt Roberts, LCCRUL, 733 15th Street, NW., No. 520, Washington, D.C. 20005.

Randall Robinson, TransAfrica.

Christine Root, WOA.

Charles Sklar, Women Strike for Peace (WSP), 201 Massachusetts Avenue, NE., Washington, D.C. 20002.

Damu Smith, AFSC, 1822 R Street, NW., Washington, D.C. 20009.

Edward Spriggs, Esq., Arnold and Porter, 1712 16th Street, NW., No. 805, Washington, D.C. 20009.

Martha Wenger, Clergy and Laity Concerned (CALC), 1322 18th Street NW., Washington, D.C. 20036.

Laurie Wiseberg, Human Rights Internet, 1502 Ogden Street NW., Washington, D.C. 20010.

Amy Young-Anawaty, International Human Rights Law Group, 1700 K Street NW., Washington, D.C. 20006.

Not all the groups and individuals collaborating with the Washington Office on Africa, TransAfrica and the Southern Africa Working Group (SAWG) were able to attend the first meeting. Those invited who missed the first meeting include:

Bruce Cameron, legislative representative, Americans for Democratic Action (ADA), 1411 K Street NW., Washington, D.C. 20005.

Bob Cummings, African Studies Department, Howard University.

Gladys Dorgedt, National Council of Negro Women, 1346 Connecticut Avenue NW., No. 832, Washington, D.C. 20036.

Helen Ellsworth, Amnesty International (AI), 413 East Capitol Street SE., Washington, D.C. 20003.

Joyce Hamlin, United Methodist Women, 110 Maryland Avenue NE., Washington, D.C. 20002.

George Houser, ACOA, 198 Broadway, 4th Floor, New York, N.Y. 10038.

Jane Leiper, National Council of Churches, 110 Maryland Avenue NE., Washington, D.C. 20002.

Carolyn Long, Bank Campaign, 2800 Woodley Road NW., No. 42, Washington, D.C. 20008.

William Lucy, American Federation of State, County and Municipal Employees (AFSCME), 1625 L Street NW., Washington, D.C. 20005.

Mel McCaw, African-American Institute (AAI), 1201 Connecticut Avenue NW., No. 902, Washington, D.C. 20036.

Howard McGuigan, AFL-CIO, 815 15th Street NW., Washington, D.C. 20005.

Calvin Moore, Oil, Chemical and Atomic Workers (OCAW), 1126 16th Street NW., Washington, D.C. 20036.

Yvonne Price, Leadership Conference, 2027 Massachusetts Avenue NW., Washington, D.C. 20036.

Ruby Rhoades, Church of the Brethren, 110 Maryland Avenue NE., Washington, D.C. 20002.

Althea Simmons, director, NAACP Washington Office, 733 15th Street NW., No. 410, Washington, D.C. 20005.

Ed Snyder, Friends Committee on National Legislation (FCNL), 245 2nd Street NE., Washington, D.C. 20002.

Patrick Tobin, Washington Representative, International Longshoremen's and Warehousemen's Union (ILWU), 417 4th Street SE., Washington, D.C. 20003.

Dr. Ronald Walters, 1113 Woodside Parkway, Silver Spring, Md. 20910.

Robert White, NAFPE, 1644 11th Street NW., Washington, D.C. 20001.

Herman Will, United Methodist Church, 100 Maryland Avenue NE., Washington, D.C. 20002.

Among the groups most active with the SWAG in 1980 were:

American Friends Service Committee (AFSC), which excuses its support of a wide range of revolutionary and terrorist groups on the grounds that the "violence of the status quo"—meaning the existence of social and economic inequalities, poverty, hunger, unemployment and "lack of a decent education"—justify "the armed violence of the freedom fighters." AFSC operates also through the Friends Committee on National Legislation (FCNL) whose director, Ed Snyder, has been associated with the Institute for Policy Studies (IPS) since the early 1960's.

Americans for Democratic Action (ADA) a lobbying organization with a longstanding record for anti-anti-communism which has supported the campaigns for drastic limits on U.S. foreign intelligence operations, to abolish U.S. internal security programs, and to promote disarmament and détente with the Soviet Union.

Amnesty International (AI) a human rights group formed in 1961, during the past decade it has increasingly focused its attacks on Free World governments while only mildly criticizing Marxist-Leninist regimes. AI's opinion-molding techniques were instrumental in promoting U.S. human rights policies against Rhodesia, South Africa, Iran and Latin America. One indication of AI's longstanding leftward curve is the fact that its targeting policies have remained consistent regardless of the fact that for the past two years AI's research director has been Derek Roebuck, a member of the Moscow-line Australian Communist party.

Clergy and Laity Concerned (CALC) a group founded by the National Council of Churches (NCC) to oppose U.S. support of South Vietnam, it has interpreted "anti-imperialism" to include support for Soviet-backed Third World revolutionary terrorist movements and Marxist totalitarian regimes.

Coalition of Black Trade Unionists (CBTU) an organization in which veterans of the Communist Party, U.S.A. (CPUSA) and its trade union and civil rights fronts have played leading roles. Among CBTU's efforts have been promoting support for the African National Congress (ANC) and pension fund divestment moves among black trade union officials.

Institute for Policy Studies (IPS) a Washington-based internationally active radical think-tank that has consistently advocated policies that support Soviet foreign policy goals whether the issue is disarmament (for the West), nonintervention (against Soviet-backed terrorist and insurgent groups), abolition of nuclear power (for the West), or efforts to curtail the intelligence and internal security agencies.

IPS and its Transnational Institute (TNI) project have documented ties to the Soviet and Cuban intelligence services. For more than fifteen years, IPS has played a central role in cultivating influence in Congress and the Executive Branch agencies and in coordinating pressure for policies of benefit to the U.S.S.R. IPS chairman Peter Weiss was president of the ACOA for a decade. Two ongoing IPS projects, the Southern Africa Project whose activists include Helen Hoppe and Prexy Nesbitt, and Mike Klare's Militarism and Disarmament Project have played key roles in coordinating divestment and antibank loan campaigns in Western Europe and the United States. The present TNI director, Basker Vashee, was subsidized by IPS/TNI while he was serving as the European spokesman of the Soviet-controlled faction of the Zimbabwe Patriotic Front, the Zimbabwe African People's Union (ZAPU).

Lawyers Committee for Civil Rights Under Law (LCCRUL) founded during the Kennedy Administration with the assistance of the Justice Department, the organization was intended to undercut the role of the CPUSA-controlled National Lawyers Guild (NLG) in the civil rights movement by providing a vehicle through which liberal attorneys could work. However, NLG lawyers promptly joined LCCRUL, have played significant roles LCCRUL projects and staffing. LCCRUL has operated a project on southern Africa for several years and has supported the leaders of both newer South African militant groups and the older Soviet-aligned African National Congress (ANC) and Peking-supported Pan Africanist Congress (PAC).

National Congress of Black Lawyers (NCBL) an organization of Marxist and revolutionary lawyers which serves as an adjunct to the predominantly white National Lawyers Guild (NLG). The NCBL is an affiliate of the Western Hemisphere affiliate of the Soviet-controlled International Association of Democratic Lawyers (IADL), the American Association of Jurists (AAJ), which is based in Havana.

Women Strike for Peace (WSP) a group thoroughly penetrated by the CPUSA and which shortly after its formation affiliated with the Soviet-controlled Women's International Democratic Federation (WIDF). WSP members often hold dual membership in the Women's International League for Peace and Freedom (WILFF), another affiliate of the Coalition for a New Foreign and Military Policy (CNFMP), and which collaborates with the World Peace Council and the WIDF.

World Peacemakers—Organized by IPS founder and "senior fellow" Richard Barnet and his IPS/TNI associates, the "Peacemakers" group apparently was originally targeted at establishing direct contact with President Carter. The organization is targeted at encouraging religious group participation in various disarmament, détente, "myth of the Soviet threat" and "human rights" campaigns.

The range of the Washington Office on Africa's influential domestic allies who are not usually identified as African lobbyists or registered as such was demonstrated perhaps best in the collection of signatories to a letter sent in March 1979 to the President opposing U.S. recognition of the non-Marxist elected black majority government in Zimbabwe.

The WOA/TransAfrica letter, which used TransAfrica's return address, particularly opposed any lifting of U.S. economic sanctions against Zimbabwe/Rhodesia, an action which would undoubtedly have prevented that country's economic collapse and forced capitulation to the Soviet-backed Patriotic Front.

The letter termed jailed terrorists "political prisoners" and called for the end of martial law and legalization of both Patriotic Front terrorist parties because "the people of Zimbabwe cannot vote freely with a gun at their heads." Of course as independent U.S. observers confirmed, once the United States did follow this course supported by the WOA and its radical allies, Zimbabweans did vote "with a gun at their heads"—those of the Soviet and East German trained Zimbabwe African Peoples Union (ZAPU) and the Red Chinese and Cuban trained Zimbabwe African National Union (ZANU).

Among those who signed that letter were:

Mia Adjali, executive secretary, United Nations/International Affairs, Women's Division, Board of Global Ministries, United Methodist Church.

Eqbal Ahmad, IPS.

Robert Z. Alpern, Washington Office, Unitarian Universalist Association.

Richard Barnet, IPS.

B. Tartt Bell, director, Washington Public Affairs Program, American Friends Service Committee.

Rev. Issac Bivens, United Methodist Church, Board of Global Ministries.

Robert Boehm, board of directors, The Africa Fund; and chairman, Center for Constitutional Rights (CCR), a radical litigation group of National Lawyers Guild activists in which IPS chairman Peter Weiss is a leader.

Robert Borosage, IPS.

Ramsey Clark, former U.S. Attorney General and a CCR "cooperating attorney."

Charles E. Cobb, Commission for Racial Justice, United Church of Christ.

Jean Dorsett, vice president, Women's Division, Board of Global Ministries, United Methodist Church.

Richard Falk, Institute for World Order.

Carl Feil, OSM, administrative assistant, U.S. Catholic Mission Council.

Henry Foner, president, Joint Board of Fur, Leather and Machineworkers.

Moe Foner, executive secretary, District 1199, National Union of Hospital and Healthcare Employees.

Douglass Fraser, president, United Auto Workers and current IPS trustee.

Victor Goode, executive director, National Conference of Black Lawyers (NCBL).

Carlton B. Goodlett, a veteran Communist Party member, active vice-president of the World Peace Council (WPC), and San Francisco publisher who preferred to use a more respectable "cover" in signing the White House letter, "president, National Black United Fund."

Hon. Richard Hatcher, Gary, Indiana.

Edward A. Hawley, executive editor, *Africa Today*, a publication founded by the ACOA.

George M. Houser, ACOA.

Rev. Jesse L. Jackson, Operation PUSH.

Hon. Maynard Jackson, Atlanta.

Edward Killackey, MM, Maryknoll Washington Office for Justice and Peace.

Saul Landau, director, IPS Transnational Institute.

Edgar Lockwood, WOA.

William Lucy, president, Coalition of Black Trade Unionists.

Barbara Lupo, co-director, Clergy and Laity Concerned (CALC).

Hilda Mason, D.C. City Council.

Lloyd McBride, president, United Steelworkers of America.

Melvin A. McCaw, director, Washington Office, African American Institute (AAI).

Paul McCleary, associate secretary, Division on Overseas Ministries, National Council of Churches.

Sr. Janice McLaughlin, MM, associate, WOA.

Kathleen McTigue, South Africa Catalyst Project—West.

Patsy T. Mink, president, Americans for Democratic Action (ADA).

Charlene Mitchell, executive secretary, National Alliance against Racist and Political Repression (NAARPR), and a member of the Communist Party, U.S.A. Central Committee.

Michael Moffitt, an IPS fellow listed on the White House letter as of the "Letelier-Moffitt Memorial Human Rights Fund."

L. Calvin Moore, legislative director, Oil, Chemical and Atomic Workers Union (OCAW).

Prexy Nesbitt, IPS.

Sr. Merle Nolde, co-director, National Assembly of Women Religious (NAWR).

Sr. Mary O'Keefe, co-director, NAWR.

Rev. Randolph Nugent, associate general secretary, National Division, Board of Global Ministries, United Methodist Church.

Fr. Robert C. S. Powell, director, Africa Office, National Council of Churches.

Ruby Rhoades, Washington representative, Church of the Brethren.

Lawrence M. Rich, Coalition for Responsible Investment.

Cleveland Robinson, secretary-treasurer, District 65, Distributive Workers of America.

Randall Robinson, TransAfrica.

Louis W. Schneider, executive secretary, American Friends Service Committee.

Karl Seidman, South Africa Catalyst Project—East.

Stanley K. Sheinbaum, a former member of Counter-Spy magazine's advisory board now a University of California regent.

Timothy Smith, director of the Interfaith Center on Corporate Responsibility, formerly with ACOA and other projects supporting southern Africa revolutionary terrorist groups.

John Stockwell, the CIA defector who "burned" pro-Western CIA agents in Angola and has worked with IPS's project to attract additional U.S. intelligence defectors, the Government Accountability Project (GAP).

Stephen Talbot, Africa editor, Internews.

Ethel Taylor, national coordinator, Women Strike for Peace and a veteran World Peace Council activist.

Patrick F. Tobin, ILWU.

Peter Weiss, IPS chairman and vice-president of the Center for Constitutional Rights (CCR).

William Wipfler, director, Human Rights Office, Division on Overseas Ministries, National Council of Churches.

Amy-Young-Anawaty, executive director, International Human Rights Law Group.●

SENATE—*Friday, February 20, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. The Senate will come to order.

Under the previous order, the Senate stands in recess until 11 a.m. next Tuesday.

RECESS UNTIL TUESDAY, FEBRUARY 24, 1981, AT 11 A.M.

Thereupon, at 11:01 a.m., the Senate recessed until Tuesday, February 24, 1981, at 11 a.m.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mrs. KASSEBAUM (for herself, Mr. PACKWOOD, and Mr. CANNON):

S. 508. A bill to provide for the improvement of the Nation's airport and airway system, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HELMS (by request):

S. 509. A bill to amend Section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HELMS:

S. 510. A bill for the relief of Muradali P. Gillani, Yasmeen Muradali Gillani, and Anesia Gillani; to the Committee on the Judiciary.

By Mr. CANNON (for Mr. LAXALT (for himself and Mr. CANNON)):

S. 511. A bill to designate the hospital known as the Veterans' Administration Medical Center, located in Reno, Nev., as the "Ioannis A. Lougaris Veterans' Administration Medical Center;" to the Committee on Veterans' Affairs.

By Mr. CANNON (for Mr. LAXALT (for himself and Mr. CANNON)):

S. 512. A bill to direct the Secretary of Agriculture to convey certain National Forest System lands in the State of Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 513. A bill to provide for the construction of a Veterans' Administration hospital in the State of Nevada; to the Committee on Veterans' Affairs.

S. 514. A bill to provide hospital care facilities operated by the Veterans' Administration within a reasonable distance of veterans with service-connected disabilities who live in the area of Las Vegas, Nev.; to the Committee on Veterans' Affairs.

S. 515. A bill to provide for the establishment of a national cemetery in the State of Nevada; to the Committee on Veterans' Affairs.

By Mr. KASTEN:

S. 516. A bill for the relief of Chuen-Yung Yu and Chuen-Yuh Yu; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 517. A bill to amend the Clean Air Act to provide for further assessment of the validity of the theory concerning depletion of ozone in the stratosphere by halocarbon compounds before proceeding with any further regulation of such compounds, to provide for periodic review of the status of the theory of ozone depletion, and for other purposes; to the Committee on Environment and Public Works.

By Mr. MELCHER:

S. 518. A bill to provide tax incentives to encourage new personal saving and enhance personal retirement; to the Committee on Finance.

S. 519. A bill to amend the Internal Revenue Code of 1954 to adjust the unified credit against estate and gift taxes to take into account the rate of inflation; to the Committee on Finance.

By Mr. RIEGLE:

S. 520. A bill for the relief of Eduardo Velesco Barlan, Doctor of Medicine, his wife, Senen Macalinao Barlan, and their daughter, Madelynn Gay Barlan; to the Committee on the Judiciary.

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 521. A bill for the relief of Benjamin Bane; to the Committee on the Judiciary.

By Mr. HAYAKAWA:

S. 522. A bill to amend section 302(a) of the Fishery Conservation and Management Act of 1976 to create a new California Pacific Council with authority over the fisheries in the Pacific Ocean seaward of the State of California; to the Committee on Environment and Public Works.

By Mr. MELCHER:

S. 523. A bill to repeal the credit against U.S. taxes for foreign taxes paid, and allow a deduction; and to repeal the deferral of U.S. tax on the income of foreign subsidiaries of U.S. companies (as permitted under present law), and tax profits of foreign subsidiaries currently to their U.S. parents in the same manner as domestic companies; to the Committee on Finance.

By Mr. BAUCUS:

S. 524. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be labeled "imported" at all stages of distribution until delivery to the final consumer; to require that the cost of conducting such tests, and the cost of conducting certain inspections and identification procedures on imported meat and meat food products, be borne by the exporters of such articles; to require certain eating establishments, which serve imported meat, to inform customers of that fact; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. WILLIAMS (for himself and Mr. BRADLEY):

S. 525. A bill to provide that not less than one very high frequency commercial television broadcasting station be located in each state; to the Committee on Commerce, Science, and Transportation.

By Mr. MATHIAS (for himself and Mr. BAUCUS):

S. 526. A bill to amend the Congressional Budget Act to limit the growth of Federal taxation and spending and to achieve balanced budgets, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

By Mr. BAUCUS:

S. 527. A bill to amend the Internal Revenue Code of 1954 to subject pension trusts to the tax imposed by section 511 on unrelated business income for income related to the sale or rental of farmland and grazing land; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. KASSEBAUM (for herself, Mr. PACKWOOD, and Mr. CANNON):

S. 508. A bill to provide for the improvement of the Nation's airport and airway system, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AIRPORT AND AIRWAY SYSTEM DEVELOPMENT ACT OF 1981

● Mrs. KASSEBAUM. Mr. President, I am today introducing legislation which would reauthorize the airport and airway development program. The Airport and Airway Development Act was originally passed in 1970 to establish an aviation trust fund. In the last Congress the Senate Commerce Committee reported a reauthorization bill in November 1979 which passed the full Senate February 5, 1980.

However, reauthorization legislation did not pass in the House. As a result, the expenditure program expired on June 30, 1980 and the revenue program expired on September 30, 1980.

Mr. President, I believe it is essential that we move forward to reauthorize both the expenditure program and tax program in the early months of this year. Over $4 billion sits in the airport and airways trust fund right now, Mr. President, and the development needs of our airport and airway systems are going unmet. It is an injustice to the users of that system who have contributed this money to allow this program to lapse. I therefore urge my colleagues to work with me to seek early enactment of the necessary legislation to get the program moving again.

In President Reagan's budget message delivered to the joint session of Congress Wednesday, he indicated the administration would propose legislation to reduce funding available for airport construction grants during 1981 and 1986 by 33 percent. The President indicated that one way this reduction could be accomplished is through the elimination of large commercial airports from grant eligibility.

While the legislation I am introducing today does not reach the 33-percent reduction advocated by the President, it does come close, and I want to indicate a willingness to work with the administration in order to come to common ground regarding funding levels.

I, also, want to indicate my appreciation for the administration's recognition that, whatever the cuts may be, they can be accomplished by excluding large self-sufficient airports from the grant program.

This approach, which is the basis of the legislation I am introducing today, will allow us to concentrate the remaining funds on those airports which are the most in need of Federal assistance.

I am, however, concerned about the administration's proposal regarding the user taxes which help to fund our airport and airway systems. The legislation which I am introducing today, would allow for a decrease in the taxes charged to passengers on commercial aircraft. The justification for such a decrease is that $4 billion surplus which sits in the airport and airway trust fund right now. Through the use of this surplus over the next 5 years and through an increase in general aviation fuel taxes to 8.5 cents plus other miscellaneous taxes, we believe we can generate revenues adequate to fund those needs which have traditionally been supported by the trust fund. Apparently, the administration feels that there should be substantial increases in taxes to fund areas of Federal Aviation Administration operation which have traditionally been supported by the general public. I am wary, Mr. President, of embarking upon a program of substantial increases in user taxes at this time. Such increases seem to be inconsistent with the philosophy of the President's avowed intention to reduce taxes on both business and individuals.

There can be no question, Mr. President, but that the general public reaps enormous benefits from the efficient and safe operation of the American air system. In most communities, airports are the heart of the economic life in the area. Plants are located in areas where either commercial or general aviation can be utilized for their company's transportation needs.

The availability of safe and reasonably priced air transportation has been essential in the dispersal of industry throughout our Nation. The bill I am now introducing is premised upon a doubling of the current fuel tax. To go beyond that increase risks imposing excess costs which could threaten our goal of strengthening the ability of the Nation's business community to provide jobs for Americans.

Mr. President, I understand that an early proposal of the administration included a 20-percent fuel tax on general aviation fuel. However, in discussions with administration officials, I have determined that that report was in error and that while an increase in general aviation fuel taxes is contemplated, a 20-percent tax is not.

As I said earlier, Mr. President, I contemplate introducing legislation which would propose an increase in general aviation fuel taxes from the current 4-cent-per-gallon tax to an 8.5-cent-per-gallon tax. I will be happy to work with administration officials in fashioning appropriate tax legislation to reflect a reasonable contribution from users to the cost of operating our airport and airway systems. I share the administration's intention of having those who benefit from FAA operations contribute to its funding. That must clearly include the general public, which benefits immensely from the safe and efficient airway system that we have in this country.

The legislation which I am introducing today is basically the same as that which passed the Senate last year. The principal concept of this legislation is the elimination of large and medium hub airports—those which enplane more than 815,000 passengers annually—from the ADAP program.

The theory behind this concept is that the Nation's largest airports are large business operations which do not need the Federal Government involved in their financial relationships. These airports are professionally staffed, they have the ability to raise large amounts of revenue and certainly have the ability to generate sufficient funds to replace the amount of money passed to them through the Federal Government in the old airport development aid program. This proposal recognizes this economic reality and would remove the Federal Government as the "middleman" in airport development programs. I believe that this is wholly consistent with the philosophy which has wrought such significant changes in this body.

I think we have all come to realize that there are many Federal programs which can be better planned and more economically funded at the local level. I believe the airport aid program is just such a program and that it is a good place to start in our efforts to move funds and decisionmaking back to the local level.

I think we all realize, Mr. President that construction, for example, can move ahead much more rapidly, and at significantly lower costs, if the Federal Government is not in the decisionmaking process. The establishment of priorities with respect to airport projects can much more effectively be determined by the users and providers at the local level.

There are of course, Mr. President, airports which do not wield the necessary economic power to be equal negotiating partners with the airlines. This legislation recognizes that. Indeed, by eliminating the larger airports from the Federal dole, we can provide more funds for the development of the smaller airports. This is extremely important in meeting the demands on our airport and airway system occasioned by the Airline Deregulation Act.

Mr. President, I want to stress that while the sponsors of this legislation are strongly committed to the concept of defederalization, we are certainly open to suggestions regarding ways to improve upon the bill.

As I noted earlier, we are particularly interested in comments regarding authorization levels and those changes which we have made in the legislation since its passage in the Senate last year. I would note again that this bill is quite consistent with the Reagan administration's desire to cut Federal spending.

Indeed, aside from the figure for fiscal year 1981, our suggested authorizations are remarkably close to those suggested in the new budget proposals. We will be holding Aviation Subcommittee hearings on the 24th and 25th of February to discuss these and other issues involved.

The major provisions of the bill are as follows:

DEFEDERALIZATION

The bill provides that the Nation's 69 largest airports will become ineligible for Federal airport development assistance after September 30, 1982. In total, the bill, "defederalizes" 69 airports: 40 by September 30, 1981, and 29 by September 30, 1982. As I stated earlier the rationale for this provision is plain and simple. These airports are basically self-sufficient, they can generate revenues adequate to meet their capital expenditure needs by increasing landing fees and there is no need for the Federal Government to play "middleman" in their development programs.

APPORTIONMENT OF FUNDS

For those airports not "defederalized," the bill provides for money to be apportioned from the trust fund both on the basis of enplanements at those airports and on the basis of need (as determined in the discretion of the Secretary). In the past, the program required the administration of separate Federal aid programs for airport development at "air carrier," "air-commuter service," "reliever," and "general aviation" airports as well as a separate program for planning. The proposed bill would combine the grant and planning program for all such airports into a single grant program for airport development and planning. This section provides for enhanced discretion on the part of the Secretary to move the available funds to higher priority projects. In the past, the program has been criticized on the basis that the administration had separate programs for different kinds of airports. This often meant that the highest priority needs were not met while Federal spending was sponsoring programs of much less significance because the Secretary was unable to move funds to the area of highest needs.

MINIMUM GUARANTEE

Within the discretionary fund, 5-year minimum guarantees are provided for reliever, general aviation, and small carrier airports. Here I want to stress the position of the sponsors of this legislation that minimums provided in this provision are just that, minimum guarantees, not a maximum, not an average. We hope that more, much more, will be spent in meeting the needs of these various kinds of airports. By setting minimums and still having a large discretionary fund with the flexibility to move moneys around, we hope to insure that the greatest needs will be met first.

RELIEVER AIRPORTS

The bill stresses the important role that reliever airports are going to play in the future years. It provides a special apportionment for airports which are part of "primary hubs" or air traffic hubs whose commercial service airports collectively enplane 0.05 percent or more of the passengers enplaning annually at all commercial service airports. Approximately 1,375,000 passengers would have

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

to be enplaned by the airports comprising an air traffic hub in calendar year 1979 in order for that air traffic hub to qualify in this program in this fiscal year.

Each primary hub is apportioned 50 cents for each passenger enplaned at each commercial service airport which is a part of the primary hub—with a limit of $5 million per primary hub. Funds apportioned under this section cannot be distributed for use by the airports comprising the primary hub until the sponsors of each commercial service airport and each publicly owned reliever airport which is part of the primary hub have agreed upon and jointly submitted to the Secretary a consolidated improvement plan and an annual expenditure program.

The largest airports in the primary hub would be ineligible to receive the assistance and therefore the money will be directed toward those airports in the primary hub area which are providing a reliever function. The requirement of participation of all the sponsors of all the airports comprising the primary hub encourages local evaluation of metropolitan air system needs.

STATE PARTICIPATION

This provision is a change in the bill as it was passed by the Senate last year although a similar provision was in the bill as introduced. It provides that qualifying States will be allowed to administer funds allocated to general aviation airports. We believe that this is an important precedent to set, particularly in light of the increasing recognition of the necessity of turning over the management of Federal programs to the States and local communities.

While this provision ran into substantial opposition last year, we believe the situation has changed and that there is evidence that many airport owners and operators would prefer to deal with the State rather than the Federal Government on airport aid financing. The program we establish is, however, a precautionary first step as we understand that there are legitimate concerns about the ability of some States to administer aviation development funds. Indeed, the provision requires a finding by the Secretary that the States have the resources to allocate airport development funds before any grants to the States are made.

Mr. President, we know that the States are already partners with the localities and the Federal Government in airport development. Indeed, of 890 airport projects including planning grants—reported for 1978—only 7.3 percent were funded by Federal and local sponsors only without any State dollars involved. Nearly 9 out of 10 airport projects over the last 10 years have involved some State funding—either outright grants or a share of the local matching dollars.

Forty-six States now participate in airport and development projects, within an average of $2 million per year per State. Mr. President, we believe the time is right for an increased State role in airport assistance programs and are confident that the approach we suggest here is an appropriate first step in that direction.

AIRPORT ACCESS

Mr. President, one of the chief concerns of those of who have been wary of defederalization process is that once the Federal Government has stopped funding airport development projects at our Nation's largest airports, those airports may tend to implement fee schedules or other rules regarding the use of airport facilities which will discriminate against general aviation and commuter users.

Therefore, we have included in this legislation strong language amending the Federal Aviation Act which we believe will insure a reasonable degree of equitable access to airports which are no longer a part of the ADAP system.

This, is, of course, essential to providing all airport and airway facility users with the type of service they are demanding in the deregulated environment.

Finally, Mr. President, I want to discuss an amendment which I am submitting separately from the legislation which would permit airports that become ineligible to receive Federal assistance for airport development and airport planning to replace such revenues through the imposition of a limited passenger facility charge.

The chief opponents of the "defederalization" concept contained in this legislation are those airports which would lose Federal funds under the bill. They insist that they have insufficient economic power to renegotiate long-term contracts which they have entered into with the airlines which provide service at the airports.

I am skeptical of this argument because the airports we are talking about "defederalizing" are multimillion dollar operations, the smallest of which is worth $100 million in annual gross revenues to the airlines which serve it. It seems to me obvious that airlines and airports rely on each other for their economic life.

Such a relationship does not, it seems to me, give credence to the argument that one partner in this relationship would attempt to drive the other to ruin.

Indeed, I believe it provides an ideal situation where in the negotiation process can determine the amount and timing of improvements to an airport.

It simply cannot be denied that both parties have a financial interest in perpetuating an efficient airport operation. Nevertheless, I do understand that the airports are parties to long-term contracts, that attempts at renegotiation could be difficult.

There is, therefore, some merit to providing airports with an alternative means of collecting the revenues which they will lose by being "defederalized."

Therefore, I have, through the introduction of this passenger facility charge amendment, provided one way in which such replacement funds could be raised by airports without the renegotiation of contracts.

This amendment would provide that the operator of a commercial service airport that is ineligible to receive Federal assistance or which elects not to receive assistance could impose a passenger facility charge.

This charge would be limited to the amount that the airport would have been otherwise able to collect under the formulas contained in the ADAP legislation.

In order to protect the interests of consumers who will be paying this fee, the amendment requires that the charge will be imposed on all passengers in a nondiscriminatory fashion and that it will be a part of the ticket price. It is hoped that this latter requirement will avoid situations where, in the past, such fees have been collected at booths in the airport or some other such arrangement which is equally inconvenient to passengers.

Because we require that the fee be imposed as a part of the ticket price, this of course, imposes an administrative burden on the airlines which sell the tickets. The amendment therefore provides that the airlines can recover their costs of administration.

Moreover, we provide that the charge can be imposed only on the first day of the fiscal year in question and not changed until the next fiscal year to minimize the administrative costs and we provide that the Secretary of Transportation will do the calculations necessary to determine the amount of a passenger facility charge that airports are eligible to impose.

As you know, Mr. President, if airports are to impose such a charge, an amendment such as the one I have just outlined is necessary because section 113 of the Federal Aviation Act of 1958 currently prohibits the imposition of such a fee.

This prohibition grew out of an abuse of such fees in the past. As I noted above, in the past, such fees have been collected in an inconvenient way, and more importantly some airports which were imposing such fees were siphoning them off the airport to finance other projects unrelated to airport development.

The amendment which I today introduce would require that any funds collected from such a fee remain on the airport. It provides, indeed, that all revenues generated by such charge and all other revenues generated by the airport, or their equivalent amount, will be extended for the capital and operating costs of the airport, the local airport system, or other local facilities which are owned or operated by the airport operator and used for the transportation of passengers or property.

The intent of this language is to make sure that the passenger fee is not used to replace any other fee generated by the airport which would then be sent off the airport to finance the projects unrelated to airport development.●

● Mr. CANNON. Mr. President, I am pleased to join my distinguished colleagues in sponsoring the reauthorization of the Airport and Airway Development Act.

This bill will provide an early opportunity for the Congress to demonstrate the fiscal conservatism so many politicians have been expounding. We have provided legislation which removes funding eligibility for those airports which are capable of raising their own revenues, and focuses the airport development program on the smaller airports which are not self-sufficient. While the bill increases funding for direct, safety-related navigational aids, it reduces total Federal spending on airport development. As noted by CBO airport defederalization will save more than $1 billion over the term of this authorization.

I am pleased to say that this bill reflects much of what we worked so hard to achieve last year in S. 1648, a bill which was overwhelmingly approved by the full Senate.

This legislation again introduces the concept of a State role in allocating funds for smaller airports. That same concept was introduced in the original version of S. 1648, but later deleted in committee, with my support, because of strong opposition by nearly all the aviation user groups. I am willing to again put this idea of State block grants forward for comment, but I would be less than candid if I did not admit to continuing questions in my own mind as to its advisability.

While last year's primary debate focused on defederalization and taxes, this year's debate will be on federalization and taxes. In other words we already have achieved defederalization of more than 3,000 public airports with a 5-percent ticket tax level, so this year's question is, How many of those airports should be reinstated for funding, based upon need, and what is an appropriate 5-year tax level for balancing the trust fund? While the status quo is highly undesirable, it is not nearly as offensive as continuing the Federal funding of all airports, whether they require financial assistance or not, or continuing to overtax the airport and airway system, principally airline passengers, by $1 billion a year.

Once the authorization bill has been approved we can look forward to setting an appropriate tax level. Issues such as defederalization will clearly dictate my position on whether the ticket tax should be lower or higher than the historic level.

I am hopeful that all the parties involved in the upcoming debate will recognize the consistency of the Senate's position and its dedication to the principles and commitments we made last year. Such a consistency in position is the key, in my view, to reauthorizing the ADAP program in a reasonable period of time.

In closing, I want to congratulate Chairman PACKWOOD and Subcommittee Chairman KASSEBAUM for their diligent efforts to reauthorize this important program without delay.●

By Mr. CANNON (for Mr. LAXALT (for himself and Mr. CANNON)):

S. 511. A bill to designate the hospital known as the Veterans' Administration Medical Center, located in Reno, Nev., as the "Ioannis A. Lougaris Veterans' Administration Medical Center;" to the Committee on Veterans' Affairs.

● Mr. LAXALT. Mr. President, today I wish to reintroduce legislation to rename the Veterans' Administration Medical Center in Reno, Nev., the "Ioannis A. Lougaris Veterans' Administration Medical Center,' which Mr. CANNON and I originally introduced in the last session of Congress. I am confident that my colleagues will find this bill worthy of passage, and I call on them to support it.

The reason I ask to change the name of the Reno Veterans' Hospital is that the medical center was established in 1927 in large part due to Mr. Lougaris' efforts. It is truly fitting that the hospital be named after him, in commendation of his many years of service to veterans in the State of Nevada, and as a tribute to his lifelong achievements.

Ioannis Anastasiou "Johnny" Lougaris was born on February 17, 1887, in Zante, Greece. As he was third of four sons in a poor family, his father sent him to America when he was 19 years old. Upon his arrival in New York, Lougaris shined shoes and sold bags of peanuts from a pushcart along the streets of the city.

He worked for a time with the Edison Phonograph Co., then wound up in San Francisco after working with a group of fellow Greeks on railroad construction. While in San Francisco, Lougaris placed an advertisement in the newspaper seeking a room in a private home where he might have the opportunity to improve his English. However, discrimination against Greeks was strong at the time, and those who responded to his ad refused him when they discovered his ethnic origin. Finally, he told a family in a prospective household that he was Russian, and they agreed to take him. Later when they discovered he was Greek, his nationality no longer mattered, because he had proven his good character.

In December 1917, Lougaris enlisted in the Army to fight in World War I. He fought several battles in France until he was seriously wounded and sent back to the States.

Lougaris became inflicted with tuberculosis, and left a Chicago veterans' hospital for the West after being told by his doctor that he only had 6 months to live.

When his train stopped in Sparks, Nev., before crossing the glistening, snow-covered Sierras, Lougaris hopped off the train to stretch his legs. His first breath of the cool, clean Truckee Meadows air convinced him to settle there and make his home. He took a mail order course in law and passed the bar examinations of both California and Nevada. At 92 years of age, he still continues to work on specialized cases at his law office in Reno.

He has been a dedicated advocate for better services to veterans for more than a half a century. It was due to his increasing efforts that the Veterans' Administration Medical Center in Reno was established. On August 13, 1979, Mr. Lougaris received a certificate of commendation from the American Legion, Department of Nevada, expressing gratitude for his efforts and emphasizing that "the Reno Veterans' Administration Medical Facility stands as a tribute to his dedicated service." The Nevada American Legion further "endorses that the Veterans' Administration Medical Center in Reno, Nevada be named Ioannis A. Lougaris Medical Center."

Mr. President, it is entirely fitting and proper that the Reno Veterans' Hospital be named in this manner. Twelve other veterans' hospitals have been named by Congress. In view of all of Mr. Lougaris' contributions on behalf of the veterans in Nevada, I believe it is wholly appropriate that the Veterans' Administration Medical Center in Reno, Nev., be renamed the "Ioannis A. Lougaris Veterans' Administration Medical Center."●

By Mr. CANNON (for Mr. LAXALT (for himself and Mr. CANNON)) (by request):

S. 512. A bill to direct the Secretary of Agriculture to convey certain National Forest System lands in the State of Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

CONVEYANCE OF NATIONAL FOREST LANDS IN NEVADA

● Mr. LAXALT. Mr. President, it has come to my attention that S. 250, a bill to direct the Secretary of Agriculture to convey certain National Forest System lands in the State of Nevada, which Senator CANNON and I recently introduced, contains two minor drafting errors that need correction. Therefore, I am today introducing a new bill which is technically correct and will facilitate committee action on this piece of legislation. Thank you.●

By Mr. CANNON (for himself and Mr. LAXALT):

S. 513. A bill to provide for the construction of a Veterans' Administration hospital in the State of Nevada; to the Committee on Veterans' Affairs.

VETERANS' HOSPITAL IN SOUTHERN NEVADA

● Mr. CANNON. Mr. President, I am introducing a bill today for myself and my Nevada colleague, Senator LAXALT, to provide for the construction of a Veterans' Administration hospital in the southern part of the State of Nevada.

At the present time, veterans in Nevada are served by only one VA hospital located in Reno, in northwest Nevada.

Veterans in more populous southern Nevada, 500 miles to the southeast, have no VA facilities, except for limited services provided by an outpatient clinic in the Las Vegas area, and are therefore almost completely dependent on VA hospitals in crowded Los Angeles, 300 miles away.

I think it is a gross disservice to our veterans to force them to travel to Los Angeles to get treatment of service-

related disabilities. In addition, it certainly is not fair to make the veterans of southern California wait for treatment because their facilities are overcrowded.

I urge serious consideration of this proposal at the earliest possible opportunity. Unfortunately, the former VA Administrator opposed this proposal in his September 1975 report to the Senate Committee on Veterans' Affairs on the basis that administration studies indicated the location did not meet the changing requirements of veterans. I want to urge the Veterans' Affairs Committee to request an updated study from the Veterans' Administration. Hopefully, that study will take into consideration that the majority of veterans in my State are located in the southern part of Nevada. Our principal city is Las Vegas. This particular location will also be accessible to many veterans in California and Utah.

It is my hope that the 97th Congress and the new administration will give this problem the serious consideration it warrants.●

By Mr. CANNON (for himself and Mr. LAXALT):

S. 514. A bill to provide hospital care facilities operated by the Veterans' Administration within a reasonable distance of veterans with service-connected disabilities who live in the area of Las Vegas, Nev.; to the Committee on Veterans' Affairs.

BEDS FOR VETS IN SOUTHERN NEVADA

● Mr. CANNON. Mr. President, I wish to introduce a bill for myself and Senator LAXALT pertaining to civilian hospital care for veterans in southern Nevada.

The Veterans' Administration has just opened a new veterans outpatient clinic in Las Vegas to replace the former facility in Henderson, Nev. The old clinic provided 9,600 square feet and the new facility has 38,500 square feet in a new two-story building. This is something the Nevada delegation has been working on for several years. It will meet the outpatient needs of our veteran community very nicely but still leaves a void insofar as hospital care is concerned. The Nevada delegation finds that veterans with service-connected disabilities who live in or in the areas surrounding Las Vegas must travel unreasonable distances to obtain hospital care in a Veterans' Administration facility. The delegation further finds that physical facilities suitable for use by the Veterans' Administration to provide such care are available in the city of Las Vegas and that such facilities can be leased and staffed without excessive cost to the United States.

Specifically located across the street from the new outpatient clinic is the Southern Nevada Memorial Hospital. Its facilities are presently being utilized for emergency care on a fee basis for veterans with service-connected disabilities. They have two empty wings comprised of 58 beds which could be used for the establishment of a veteran hospital facility.

The Las Vegas area is believed to be the largest isolated metropolitan population of veterans in the United States being 300 miles distant from the nearest veteran hospital. There are over 60,000 veterans in southern Nevada, including what has been considered the highest percentage of Vietnam-related service veterans in the country. Here is a remarkable opportunity to provide hospital care at a nonprofit county operated hospital directly across the street from our new veterans outpatient clinic.

The Southern Nevada Memorial Hospital is a comprehensive service general hospital. It has been used extensively for the emergency treatment of veterans, and under this legislation it would be available for general care as well. I hope my colleagues will agree that this is an expeditious way to greatly increase medical opportunities for Nevada veterans and will join me in support of this measure.●

By Mr. CANNON (for himself and Mr. LAXALT):

S. 515. A bill to provide for the establishment of a national cemetery in the State of Nevada; to the Committee on Veterans' Affairs.

NATIONAL CEMETERY IN STATE OF NEVADA

● Mr. CANNON. Mr. President, on behalf of myself and Senator LAXALT, I introduce, for appropriate reference, a bill to establish a national cemetery in the State of Nevada. At present, there is no national cemetery in Nevada to provide for the burial of deceased veterans.

Although national cemeteries came into being during the Civil War to provide for the burial of soldiers who had died in service, most of them are situated where battles occurred and, therefore, are not evenly distributed in the 50 States. For this reason, the western part of the United States has few national cemeteries, and the many veterans who served during World War II have no place within reasonable proximity to their domicile for burial. During the last World War we had approximately 16 million men under arms, and when you consider their dependents, we have a total of about 50 million people who are eligible for burial.

Due to the march of time, the need for this legislation is increasing in urgency. Early in the 2d session of the 92d Congress the Senate Committee on Veterans' Affairs considered the proposal to establish a national cemetery in Nevada. Unfortunately, the bill was not adopted. Nevada's congressional delegation has offered this proposal for many years and I am especially hopeful that the 97th Congress and the new administration can work together effectively to enact this proposal into public law.

I urge the committee to reconsider this proposal at the earliest possible opportunity.●

By Mr. BENTSEN:

S. 517. A bill to amend the Clean Air Act to provide for further assessment of the validity of the theory concerning depletion of ozone in the stratosphere by halocarbon compounds before proceeding with any further regulation of such compounds, to provide for periodic review of the status of the theory of ozone depletion, and for other purposes; to the Committee on Environment and Public Works.

OZONE DEPLETION VALIDATION ACT OF 1981

● Mr. BENTSEN. Mr. President, this country now faces and has consistently faced a multitude of complex problems. In addressing these problems Congress must continually seek solutions that draw a reasonable balance between the competing demands of a given issue. Often we have shifted the burden of drawing these delicate balances to regulatory agencies that are ill prepared to or statutorily prohibited from making such decisions. I have long been concerned about the growth of regulation and its impact on the American economy. When I was chairman of the Joint Economic Committee, we studied this critical question and found that the cost of Government regulation is now estimated to exceed $100 billion a year. The realization that the combined effect of congressional action could result in an unaccountable $100 billion annual cost to the American economy prompted me to develop and introduce the Regulatory Budget Act of 1981 (S. 399) and the Regulatory Cost Reduction Act of 1981 (S. 401). The Regulatory Budget Act would set a ceiling on the total impact that regulations could have in a given year. It would force the administration to prioritize regulations based on need. The Regulatory Cost Reduction Act would require that an agency choose the most cost effective method to regulate when it has several ways to achieve the same regulatory result.

These bills are designed to deal with the general problem of regulatory reform. Today, I am introducing a bill to bring perspective and balance to a single regulatory issue—the control of chlorofluorocarbons.

Chlorofluorocarbons, or CFC's as they are commonly called, are a family of extraordinarily useful chemicals that have a huge economic and social benefit to our Nation.

They are a family of chemical compounds made up of carbon fluorine, chlorine and, sometimes, hydrogen atoms. Developed in the 1930's as replacements for the highly corrosive, flammable and toxic materials then used as refrigerants, CFC's subsequently became the basic propellant for aerosol sprays. Today, they continue to be used as the primary refrigerant in home and commercial refrigeration and air-conditioning systems and in mobile air-conditioning. They are also widely used as blowing agents for plastic foams including insulating foams, industrial solvents, and food freezants, and inerting agents for flammable sterilent gases. As such CFC's have become essential to many facets of American lifestyles. For many

of these uses, there are no available safe substitutes.

CFC's are valued because they are relatively nontoxic, and are nonexplosive, noncorrosive, and nonflammable. They use energy efficiently, and are compatible with most construction materials. They also possess excellent heat transfer properties.

CFC's are produced in more than 20 countries and are used in virtually all countries of the world. The United States accounts for about a third of world CFC production, selling over 800 million pounds at a value of approximately $500 million a year.

In April 1980 the EPA announced its intention to limit production of CFC's to current levels and then to reduce production by as much as 70 percent. EPA's concern is based on a theory, first advanced in 1974, that CFC's, upon their release in the lower atmosphere, the troposphere, gradually make their way into the upper atmosphere, the stratosphere, where they are broken apart by high-energy sunlight. One of the decomposition products—chlorine—is theorized to attack the ozone in the upper atmosphere, resulting in a decrease in the natural ozone concentrations. Ozone in the upper atmosphere serves the important function of screening out part of the Sun's ultraviolet radiation. Although ultraviolet radiation has both beneficial and detrimental effects, there is concern that there could be an increase in the harmful effects should the naturally occurring ozone concentrations be reduced significantly by CFC's.

The ozone depletion theory, as it is known, remains neither proved nor disproved. Based on the theory, computer programs have been developed to attempt to simulate what might go in the upper atmosphere. Because the atmospheric processes are complex, numerous assumptions and estimates had to be made. Thus, the models do not accurately reflect current atmospheric conditions, much less conditions as they may exist 100 years from now, when maximum depletion is predicted to occur.

Already, a number of atmospheric measurements have shown disagreement with the predictions provided by computer calculations. Additionally, trend analyses of actual measurements of the ozone do not show any depletion to date. This contrasts with the computer prediction that approximately 2.1 percent depletion should already have occurred.

Clearly, more research is necessary to adjust the theory to actual occurrences in the atmosphere. Work is continuing to improve the computer models to account for actual atmospheric measurements. Ozone trend analysis, which is the statistical analysis of actual ozone concentrations, is receiving increasing attention. This technique, already refined to the point that it can detect a plus or minus change of approximately 1 percent in ozone concentration over a period of 20 years, can serve as an early warning system for any developing problem.

Ozone trend analysis, with the sensitivity of detecting depletion within approximately 1 percent, can serve as an early warning system should depletion occur from any cause. Should depletion be detected, at a level potentially harmful to human health and the environment, the wisdom of waiting for additional research would be reexamined.

In October 1978, EPA, along with the Food and Drug Administration and the Consumer Product Safety Commission, banned the use of CFC's as propellants in aerosols, except for limited essential applications such as in medihalers. And on October 7, 1980, EPA announced its intent to regulate all nonaerosol uses of CFC's in an advanced notice of proposed rulemaking.

Outside the United States, only Canada, Norway, and Sweden have essentially banned the use of CFC's as aerosol propellants. A 30-percent voluntary cutback in production of CFC's for use as aerosol propellants, but not bans, is being implemented in countries of the European Economic Community. No other country currently plans to regulate the nonaerosol uses of CFC's.

Among the major industrialized nations, there is widespread conviction that the scientific evidence currently available does not justify severe regulation such as a total aerosol propellant ban.

The question then arises as to why EPA is proposing additional regulations and its justification for further action. EPA's cited justification is a November 1979 report from the National Academy of Sciences (NAS) which concluded, based on theoretical calculations derived from computer models, that continued worldwide emissions of CFC's at 1977 rates might—probably would—result in 16.5 percent less ozone in the stratosphere in about 100 years. A 16.5 percent loss, said NAS, would result in significant increases in the incidence of skin cancer, and possibly have adverse effects on marine life, crop production, and weather.

However, it should be noted that the NAS report contrasted sharply with findings by the United Kingdom Department of the Environment's Stratospheric Research Advisory Committee. Examining essentially the same data, the U.K. team concluded that the validity of the theory is still in doubt. They acknowledged major errors or omissions in the current theory and recommended a further review of the technical status of the issue in about two years.

More recently, a study commissioned by the European Economic Community said that "a delay of 5 years before any decision is taken on CFC's can be reasonably accepted."

In the advance notice of proposed rulemaking, published in the October 7, 1980, Federal Register, EPA stated its preference for an economic incentives approach to regulation over the traditional approaches of mandated standards or bans. Specifically, EPA proposed capping U.S. CFC production or use at current levels. The resultant restriction on supplies would then drive the prices up, thus creating an incentive to reduce CFC use. EPA hopes to eventually reduce CFC use by 50 to 70 percent.

In implementing a production cap, EPA would utilize the "permit pounds" concept. Each CFC would be assigned a potential ozone depletion factor. From the ozone depletion factor and the number of pounds of each CFC produced in a base year, a total production ceiling in permit pound units would be calculated.

All major CFC's would be included in the cap, and producers would be allowed to swing production between products so long as a total ceiling level of permit pounds were not exceeded. EPA would issue permits—by direct allocation or through auctioning to producers or users in permit pound units. These permits would be transferable between users or producers. Exports and possibly imports would be included in the cap.

The economic implications of regulating nonaerosol uses of CFC's, Mr. President, are serious matters which cannot be ignored. More than 780,000 jobs and 260,000 business locations related to CFC use would likely be impacted in some way. The annual value of goods and services dependent to some extent upon CFC's exceeds $28 billion, and there is about $135 billion of installed equipment which depends upon CFC's.

Small businesses could be at a disadvantage in trying to compete for restricted supplies under a cap. Closing of manufacturing plants and use locations could follow. Production could be transferred to nonregulated countries. All of these factors would add to the U.S. unemployment problem. At the same time, it should be recognized that CFC's are the basis of a major U.S. export market that would be jeopardized by a restriction on CFC use. Imports of CFC's to the United States also might be jeopardized by a restriction, affecting U.S. concerns dependent on those imports.

According to the Rand report for EPA, a production cap would result in product shortages which could lead to higher prices. Long term, many CFC users will find it difficult to remain competitive abroad as no other CFC producing nations plan to regulate. Unemployment would likely increase in those industries where no viable alternatives to CFC's exist. Many industries that switch to current state-of-the art non-CFC alternatives will likely pay a penalty in terms of workplace safety. Moreover CFC using industries would face negative growth prospects.

A total ban on all uses of CFC's would result in a net annual energy penalty in 10 years equivalent to almost 10 billion gallons of fuel, according to a 1980 study by the Battelle Columbus Laboratories. This 10 billion gallons can be equated with the fuel required to drive 12 million average automobiles—about 10 percent of all autos on U.S. roads—for 1 year, 45 percent of current annual oil production from Alaska's North

Slope, or 9.5 percent of total U.S. crude oil imports in 1978.

Although EPA is not considering a total ban, it can be expected that any cutback in CFC use would result in proportional energy penalties. Energy consequences of shortages for new applications, such as the heat transfer fluid in solar collectors, could also be significant.

Although alternatives are available for some CFC uses, all alternatives have one or more limitations. Some of the alternatives are facing health, safety, or environmental regulations. Others would require major adjustments in production techniques of products currently dependent upon CFC's or would be unable to deliver the desired characteristics in the end product with optimum utilization of raw materials, or would result in energy penalties. And some others are less safe for the worker and consumers.

The search for safe, environmentally sound and commercially acceptable alternatives to CFC's has been underway since the theory was first postulated. However, to date, no candidate alternative has passed all the screening tests. Industry researchers believe that acceptable alternatives are 7 to 10 years away, if they can be developed at all.

The legislation I am introducing today is a sound and realistic approach to an important health issue. Obviously, the ozone depletion theory warrants serious concern and should be investigated. My bill recognizes the importance of such investigation. However, scientific measurements and evaluations, not theory, should decide the issue. Experimental evidence can be obtained quantitatively to verify or disprove the theory, and there is time, in my judgment to perform these necessary experiments without undue risk to our health and welfare.

Mr. President, I ask unanimous consent that a summary of the bill and the text of the bill be printed in the RECORD.

There being no objection, the bill and the summary were ordered to be printed in the RECORD, as follows:

S. 517

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Ozone Depletion Validation Act of 1981."

SEC. 2. Part B of title 1 of the Clean Air Act is amended by adding at the end thereof:

"FINDINGS

"SEC. 159A. The Congress finds that—

"(a) Protection of the ozone layer in the stratosphere is a global concern and requires international cooperation.

"(b) There is considerable scientific uncertainty relating to man's understanding of stratospheric science and of many of the principal assumptions concerning the theory that chlorofluorocarbons deplete the stratospheric ozone layer. Ozone depletion estimates are calculated by mathematical models. However, to date none of these models can be validated by actual atmospheric measurements.

"(c) Advanced analytical techniques can detect long-term changes of approximately one percent in the stratospheric ozone concentration, should they occur from any cause. These techniques provide an early warning monitoring system, and to date no depletion of the stratospheric ozone has been detected. Therefore, there is no unreasonable risk to health or welfare in taking time to conduct needed research.

"(d) Research programs are under way to reduce or resolve the key scientific uncertainties in the ozone depletion theory.

"(e) Chlorofluorocarbons have a large economic and employment significance to the United States. These compounds have vital housing, automotive, and industrial uses. There are no safe, environmentally sound, and commercially feasible substitutes for chlorofluorocarbons in most of these uses.

"(f) There is no government proposal outside the United States to control non-aerosol uses of chlorofluorocarbons, and few countries have even taken action to control chlorofluorocarbons as aerosol propellants. Other major producing countries have considered the existing scientific data and rejected any further control of chlorofluorocarbons at this time.

"(g) Further unilateral action by the United States to control chlorofluorocarbons will do little to reduce any potential threat of depletion of ozone in the stratosphere, but is likely to result in increased energy utilization, decreased competitiveness of United States industries in international trade, and other adverse economic consequences.

"(h) A disproportionate share of the economic burden of further unilateral control by the United States would be borne by small business users of chlorofluorocarbons.

"CONTINUED STUDIES; POSTPONEMENT OF REGULATIONS

"SEC. 159B(a). In light of these findings, and in particular the rapid development of knowledge of the physical and chemical structure of the stratosphere and the serious adverse consequences associated with unilateral control by the United States of chlorofluorocarbons, the Administrator shall—

"(1) continue to conduct the studies and research authorized by section 153 (a) and (b) of this title, with emphasis given to increasing actual measurements of stratospheric ozone and to improving methods of identifying potential trends in actual ozone measurements;

"(2) undertake to contract with the National Academy of Sciences to (i) continue the review and research efforts heretofore conducted by the Academy pursuant to section 153(d) of this title; (ii) determine if changes in the concentration of ozone in the stratosphere have occurred or are occurring and, if so, the extent, nature and causes of any such changes; (iii) investigate whether there are unreasonable effects on health and welfare from any such changes; and (iv) report all findings as well as any uncertainties associated with such findings; and

"(3) not propose further regulations for the control in the United States of any chlorofluorocarbon under this statute or any other statute until such time as an international agreement or agreements among the major free-world producing countries of chlorofluorocarbons are reached as to the nature, extent and implications of any threat to the concentration of ozone in the stratosphere and as to the appropriate regulatory action to be taken by such countries pursuant to such agreement or agreements to provide protection against the depletion of ozone in the stratosphere, or until depletion of the stratospheric ozone by chlorofluorocarbons at a rate determined to be eventually harmful to human health and the environment is actually detected.

"(b) Any final regulation adopted pursuant to subsection (a)(3) shall not take effect until at least ninety days after the date of its promulgation, and in any event shall not take effect until expiration of the time provided for adoption of a resolution of disapproval, as hereinafter set forth.

"EXPANSION OF CONTINUING PROGRAMS

"SEC. 159C. The research and monitoring programs provided for in section 154 of this title shall be continued and expanded, with particular emphasis given to determining whether changes in the concentration of ozone in the stratosphere have occurred or are occurring and, if so, the extent, nature, causes and effects of any such changes and any uncertainties associated therewith.

"REPORT ON RESEARCH EFFORTS

"SEC. 159D. The National Academy of Sciences, in consultation with the National Aeronautics and Space Administration and the Administrator of the National Oceanic and Atmospheric Administration, shall not later than two years from the effective date of this section, and annually thereafter until such time as the theory of ozone depletion by chlorofluorocarbons has been validated, report to the Administrator and the Congress all findings concerning actual or potential alteration of the concentration of ozone in the stratosphere and the causes of any such alteration, and the implications and uncertainties associated with such findings. Copies of such reports shall be made available to the public.

"REPORT ON INTERNATIONAL EFFORTS

"SEC. 159E. The President shall no later than two years from the effective date of this section, and annually thereafter, report to Congress on the status of efforts undertaken to reach an international agreement or agreements among the major free world producing countries of chlorofluorocarbons as to the nature, extent, and implications of any threat to the concentration of ozone in the stratosphere and the appropriate regulatory action to be taken by such countries pursuant to such agreement or agreements to provide protection against the depletion of ozone in the stratosphere. Copies of such reports shall be made available to the public.

"STATE REGULATIONS

"SEC. 159F. Except as provided in section 159(b) of this title, no State or political subdivision thereof may adopt or attempt to enforce any regulation respecting the control of chlorofluorocarbons for the purpose of protecting the stratosphere or ozone in the stratosphere until such time as the Administrator, pursuant to section 159B(a)(3) of this title and other applicable requirements, has promulgated a regulation or regulations respecting the control in the United States of chlorofluorocarbons.

"PRIOR REGULATIONS; OTHER STATUTORY PROVISIONS

"SEC. 159G. Nothing contained in sections 159A through 159F of this title shall affect (1) the validity of regulations concerning aerosol propellants containing chlorofluorocarbons promulgated by the Administrator prior to the effective date of those sections, or (2) the Administrator's obligation to comply with other applicable requirements in adopting regulations for the control of chlorofluorocarbons consistent with the international agreement or agreements or after the actual detection of eventually harmful depletion, referred to in section 158B(c).

"DEFINITION

"SEC. 159H. As used in sections 159A through 159G of this title, the term "chlorofluorocarbon" means any of the halocarbon compounds commonly known as CFC-11, CFC-12, CFC-113, CFC-114, CFC-115, and CFC-22 as well as any other simple saturated compounds of carbon, chlorine, fluorine, and optionally hydrogen containing not more than four carbon atoms.

"RESOLUTION OF DISAPPROVAL

"SEC. 159I. (a)(1) Any rule promulgated pursuant to section 159B(a)(3) shall not become effective if within ninety legislative days after the date of promulgation, either House of Congress adopts a resolution disapproving such rule.

"(2) If at the end of ninety legislative days after the date of promulgation of such rule, neither House of Congress has adopted a resolution disapproving the rule, the rule shall take effect unless a later date may be required by law or specified in the rule.

"(b)(1) The Administrator may not promulgate a new rule pursuant to section 159B (a)(3) identical or substantially identical to one disapproved pursuant to this section unless a statute is adopted affecting the Administrator's powers with respect to this subject matter.

"(2) If the Administrator proposes a new rule dealing with the same subject matter as the disapproved rule, he shall comply with the procedures required for the issuance of a new rule, except that, if less than twelve months have passed since the date of such disapproval, such procedures may be limited to changes in the rule.

"COMPUTATION OF LEGISLATIVE DAYS

"SEC. 159J. For the purposes of this chapter the term 'legislative days' does not include any calendar day on which either House of the Congress is not in session.

"PROCEDURE FOR CONSIDERATION OF RESOLUTIONS

"SEC. 159K. (a) The provisions of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by section 159I of this title; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(b)(1) Resolutions of disapproval of a rule shall, upon introduction or receipt from the other House of Congress be immediately referred by the presiding officer of the Senate or of the House of Representatives to the standing committee having oversight and legislative responsibility with respect to the Environmental Protection Agency in accordance with the rules of the respective House; and such resolutions shall not be referred to any other committee.

"(2) If a committee to which is referred a resolution which has not been adopted by the other House of Congress does not report such resolution within sixty legislative days after such referral, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(3) Such motion to discharge must be supported by one-fifth of the Members of the House of Congress involved, and is highly privileged in the House and privileged in the Senate; and debate thereon shall be limited to not more than one hour, the time to be divided in the Senate equally between, and controlled by, the majority leader and minority leader or their designees. An amendment to the motion is not in order, and it is not in order to reconsider the vote by which the motion is agreed to or disagreed to.

"(c)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a resolution of disapproval shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a resolution with respect to a rule, it shall be in order at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(3) Debate on the resolution shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to or motion to recommit the resolution is not in order and it is not in order to move to reconsider the vote by which the resolution is agreed or disagreed to.

"EFFECT ON JUDICIAL REVIEW

"SEC. 159L. Congressional inaction on or rejection of a resolution of disapproval or of a resolution for reconsideration shall not be deemed an expression of approval of such rule.".

SUMMARY OF THE PROVISIONS OF THE BILL

This bill would amend Part B of Title I of the Clean Air Act to provide for the continuation and expansion of studies and research regarding the ozone layer of the stratosphere, the possible alteration, if any, of the concentration of ozone in the stratosphere, and the potential effects, if any, upon health and the environment of any change in ozone concentration. The bill also provides that further regulation of chlorofluorocarbons to the American economy, and the global nature of the issues involved.

The bill provides in Section 159B(a) (1) and (2) that the Administrator of the Environmental Protection Agency shall continue to conduct studies and research previously authorized by Congress under Section 153 of the Clean Air Act, and that the Administrator shall contract with the National Academy of Sciences (NAS) to continue and expand research heretofore undertaken by the NAS under the Clean Air Act. A principal focus of these studies will be to determine whether changes in the ozone concentration have occurred or are occurring and, if so, the extent, nature, and causes of such changes and whether there are any unreasonable effects on health and the environment from any such changes.

Section 159B(a)(3) of the bill provides that the Administrator shall not propose any further regulations for the control of chlorofluorocarbons until there is an international agreement or agreements among the major free-world producing countries of chlorofluorocarbons as to both the nature, extent, and implications of any threat to the ozone concentration in the stratosphere and the appropriate regulatory action to be taken by such countries. In the absence of such an international agreement, the Administrator can propose regulations for the control of chlorofluorocarbons if depletion of the stratospheric ozone by chlorofluorocarbons at a rate determined to be eventually harmful to human health and the environment is actually detected. Other sections provide for Congressional review of any Agency action on this subject. Section 159G makes it clear that in proposing or adopting regulations under Section 159B(a)(3), the Administrator must comply with other applicable requirements.

Other sections of the bill direct that research and monitoring programs previously mandated by Congress will be continued and expanded. The NAS, in consultation with NASA and NOAA, is to make periodic reports to the Congress and the Administrator on its findings. The President is to report to the Congress on the status of efforts to reach an international agreement or agreements respecting chlorofluorocarbons.

Section 159F continues in effect the existing limitations in Section 159(b) of the Clean Air Act upon state or local government regulations to control chlorofluorocarbons. Section 159H defines chlorofluorocarbons for purposes of this bill.●

By Mr. MELCHER:

S. 518. A bill to provide tax incentives to encourage new personal savings and enhance personal retirement; to the Committee on Finance.

PERSONAL SAVINGS AND RETIREMENT ENHANCEMENT ACT

● Mr. MELCHER. Mr. President, today I am introducing a bill to provide tax incentives to encourage new personal savings and enhance retirement programs. The bill is comprised of three basic provisions:

The first is an increase in the current exemption from tax for income from savings account interest and dividends. We took a good first step during the windfall profit tax bill in providing an exemption of up to $200 per individual and $400 per joint tax return from the tax on interest and dividend income. The problem is that these amounts are really too small to gain our objective, which is to encourage additional savings. Since that time there have been several suggestions that Congress act to increase this exemption. I think that it is high time to act. My bill would increase this exemption to $5,000 per individual and $10,000 per joint tax return. I do not think this is too large an exemption in the face of the severe need for new investment funds that would be generated by increasing this exemption.

The second, aimed at immediately encouraging greater personal savings, provides for a tax credit of 7 percent for the purchase of special 1-year, emergency, small denomination savings certificates. These certificates, which will be available for purchase for a period of 180 days from enactment, will provide the small saver a combined return from the tax credit and interest earned that is competitive with the return on Treasury bills and large denomination commercial certificates of deposit.

The third, aimed at encouraging additional long term personal savings and enhancing the retirement program of the average person, expands the opportunity of establishing individual retirement accounts to everyone, whether or not they are in other retirement programs. It also increases the limits on what can be put into IRA's to make up for what has been lost to inflation. This provision of the bill will become effective immediately, but also upon the termination of the special tax credits for the emergency savings certificates, the amount invested in the certificate can be transferred into

an IRA without applying against IRA account limits.

President Reagan recently told the nation that we face an economic crisis greater than any since the Great Depression. To fight this crisis he has called for spending and tax cuts. Congress is going to respond to the call to cut spending and tighten the Federal belt. But spending cuts and budget balancing alone is not going to get us out of the crisis that President Reagan referred to. Neither are simple across the board tax cuts, badly needed as they are. The real crisis that we face as a nation is the disappearance of one of the vital elements in a capitalistic economy—namely capital.

If we are ever to get our economy back on its feet again, it is clear that we need to stimulate capital accumulation through greater personal savings. The personal savings rate in the United States has dropped to abysmal levels in recent years—reaching a record low of 3.4 percent in 1979, and continuing to run at levels well below historic rates.

Greater personal saving will provide the reasonably priced investment funds needed to get our housing and automobile industries moving again, and to help many of our older businesses modernize their plants. It will also spur new investment in small businesses and insure that our working farmers have the operating funds they need.

This legislation does more than that stated in the old proverb of "killing two birds with one stone"; it actually meets three of our economic goals at the same time—it provides an important tax incentive to help taxpayers provide for their future; it creates reasonably priced investment capital for our businesses; and it fights inflation by encouraging personal saving instead of increased consumption.

Mr. President, I hope that my colleagues will agree that this approach makes good sense, and I ask unanimous consent that my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 518

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Personal Savings and Retirement Enhancement Act".

SEC. 2. FINDINGS BY CONGRESS.

Whereas, the rate of personal saving dropped to an all time low of 3.4 percent of disposable income in 1979, and continues to remain below historic national levels;

Whereas, the low level of personal savings is a significant factor in the current high cost of borrowing;

Whereas, the current high cost of borrowing is having a devastating impact on small businesses, and on the housing, agriculture, auto, and other industries, causing a drastic jump in the national level of unemployment; and

Whereas, conventional retirement programs are not providing adequate retirement income for many taxpayers.

It is the determination of Congress that legislative action must be taken now to provide tax incentives to encourage new personal savings, and enhance personal retirement programs.

SEC. 3. INCREASE IN EXEMPTION OF CERTAIN INTEREST INCOME FROM TAX.

Section 116 of the Internal Revenue Code of 1954, as amended, is further amended by striking out "$200($400" in subsection (b)(1) and inserting in lieu thereof "$5,000($10,000".

SEC. 4. TAX CREDIT FOR SPECIAL EMERGENCY SAVINGS CERTIFICATES.

(a) IN GENERAL.—Subpart (A) of part IV of subchapter (A) of chapter (1) of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 44(D)(1) SPECIAL EMERGENCY SAVINGS CERTIFICATES

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to 7 percent of the amounts paid during the taxable year for the purchase of special emergency savings, certificates.

"(b) LIMITATION.—The amount of the credit allowed by subsection (a) for any taxable year shall not exceed $126 ($252 in the case of a married individual filing a joint return).

"(c) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) SPECIAL EMERGENCY SAVINGS CERTIFICATE.—The term 'special emergency savings certificate' means a certificate of deposit—

"(A) issued by an institution described in subparagraph (A) or (B) of section 116(c)(1),

"(B) which has a face value of $50 or $100,

"(C) which bears interest at an annual rate of—

"(i) 5 percent in the case of $50 certificates, or

"(ii) 6 percent in the case of $100 certificates,

"(D) which has a term of 1 year, and

"(E) which is purchased within 180 days after the date of enactment of the Interest Rate Reduction and Savings and Retirement Enhancement Act.

"(2) PENALTY FOR EARLY WITHDRAWAL.—No amount shall be allowed as a credit under subsection (a) with respect to any special emergency savings certificate if the amounts on deposit reflected by such certificate are withdrawn by the taxpayer less than 1 year after the date on which the certificate was purchased by the taxpayer.".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting immediately before the item relating to section 45 the following new item:

"Sec. 44D. Special emergency savings certificates.".

(c) CREDIT TO BE REFLECTED IN WITHHOLDING.—The Secretary of the Treasury shall provide for the credit allowed by section 44D of the Internal Revenue Code of 1954 (relating to special emergency savings certificates) to be reflected, to the extent appropriate, in the first withholding period for the taxpayer beginning after the date on which the taxpayer purchases such a certificate, or in the first estimated quarterly income tax payment of that taxpayer as may be appropriate.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years ending after the date of enactment of this Act.

SEC. 5. INDIVIDUAL RETIREMENT ACCOUNT ENHANCEMENT PROGRAM.

(a) INCREASE IN RETIREMENT SAVINGS.—Section 219 of the Internal Revenue Code of 1954 (relating to retirement savings) is amended—

(1) by striking out "15 percent" in subsection (b)(1) and inserting in lieu thereof "20 percent",

(2) by striking out "$1,500" in subsection (b)(1) and inserting in lieu thereof "the deductible amount described in subsection (c)(6)",

(3) by striking out "15 percent" in subsection (b)(7)(A) and inserting in lieu thereof "20 percent",

(4) by striking out "$1,500," in subsection (b)(7)(B)(ii) and inserting in lieu thereof "the deductible amount described in subsection (c)(6),", and

(5) by adding at the end of subsection (c) the following paragraph:

"(6) DEDUCTIBLE AMOUNT.—For purposes of this section—

"(A) TAXABLE YEARS BEGINNING IN 1981.—The deductible amount for taxable years beginning in 1981 is $2,000.

"(B) RETIREMENT SAVINGS FOR MARRIED INDIVIDUALS.—Section 220 of such Code (relating to retirement savings for certain married individuals) is amended—

"(i) by striking out '15 percent' in subsection (b)(1)(B) and inserting in lieu thereof '20 percent',

"(ii) by striking out '$1,750,' in subsection (b)(1)(C) and inserting in lieu thereof 'the deductible amount described in subsection (c)(7)', and

"(iii) by adding at the end of subsection (c) the following new paragraph:

"'(7) DEDUCTIBLE AMOUNT.—For purposes of this section—

"'(A) TAXABLE YEARS BEGINNING IN 1981.—The deductible amount for taxable years beginning in 1981 is $2,400.'".

(b) CONFORMING CHANGES.—

(1) Section 408 of such Code (relating to individual retirement accounts) is amended—

(A)(i) by striking out "$1,500" in subsections (a)(1), (b)(2), (b)(5), and (i) and by inserting in lieu thereof "the deductible amount described in section 219(c)(6)", and

(ii) by striking out "$1,750" in subsection (d)(5)(A) and inserting in lieu thereof "the deductible amount described in section 220(c)(7)".

(2) Section 409 of such Code (relating to retirement bonds) is amended by striking out "$1,500" in subsection (a)(4) and inserting in lieu thereof "the deductible amount described in section 219(c)(6)".

SEC. 6. RETIREMENT SAVINGS TO BE AVAILABLE WITHOUT REGARD TO COVERAGE BY OTHER PLANS.

(a) SECTION 219 AMENDMENTS.—Section 219 of the Internal Revenue Code of 1954 (relating to retirement savings) is amended—

(1) by striking out paragraph (2) of subsection (b), and

(2) by striking out paragraph (4) of subsection (c).

(b) SECTION 220 AMENDMENTS.—Section 220 of such Code (relating to retirement savings for certain married individuals) is amended—

(1) by striking out paragraph (3) of subsection (b), and

(2) by striking out paragraph (5) of subsection (c).

SEC. 7. SPECIAL RULES.

Any funds invested under the provisions of section 4 of this bill may be transferred to the individual retirement accounts authorized under section 5 of this bill during the first three hundred and sixty days following enactment of the bill, without regard to the limits set in section 5.

SEC. 8. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to taxable years ending after the date of enactment of this Act.●

By Mr. MELCHER:

S. 519. A bill to amend the Internal Revenue Code of 1954 to adjust the unified credit against estate and gift taxes to take into account the rate of inflation; to the Committee on Finance.

FAMILY ENTERPRISE PROTECTION ACT

● Mr. MELCHER. Mr. President, today I am introducing a bill to adjust the estate tax reforms of 1976, and the gift exemption, for the inflation that has occurred in the past 4 years. This bill will adjust the Federal estate and gift exemption levels for 1981 to bring them into line with the higher prices caused by inflation. It will increase the effective exemption from inheritance taxes to $400,000 in 1981 and $500,000 in 1982. It will increase the amount of property that an individual may give tax free annually to another individual from $3,000 to $10,000.

Based on the price increases caused by inflation during the last 4 years, a farm or business which passes to children as a result of the parent's death could be subject to over $25,000 more in inheritance taxes than it would have been in 1976. This is not because of any increase in real value of the estate, but just because of inflation.

Increases like this in inheritance taxes might well make the difference between survival and extinction for thousands of family businesses. The problem may not be as serious if the enterprise is passed to a surviving spouse. But it can be critical when it is necessary to transmit a farm or business to children; and the more children, the worse the difficulties.

It is not just the individual farm or business that is affected. It is the pattern of land ownership and business ownership in Montana and throughout the entire country. If we do not act to relieve this tax pressure, the danger is that the present estate tax, inflated because of price increases, can mow down a whole generation of family enterprises before we realize what has happened.

That would threaten our entire economic system. If we are going to preserve family ownership of farms and commercial enterprises, we must prevent them from being taxed out of existence at the time they are being passed on to the next generation.

This whole process has been worsened because tax authorities often insist on a far higher valuation of the farm or the business than the heirs believe reasonable under the circumstances. We are now fighting new IRS regulations that would do that to many of our farms. On top of that, there are often long delays and the added expense of negotiation, and often lawsuits. These have convinced many family entrepreneurs to take the quick, painless route—sell out and get out.

A tax structure that encourages this trend is not only bad economic policy, it is bad social policy. As we put together a tax bill this session of Congress that has as one of its primary aims the revitalization of the American economy, we must not ignore the family-owned businesses. Family-owned businesses are an intregal component of our economy and society. As a source of entrepreneurial spirit and for their many contributions in the fields of technology, innovation, and social advancement, family-owned small businesses must be preserved and protected. The family business is a source of pride which gives the family a personal sense of freedom, accomplishment, and pride in ownership. The perpetuation of the family business in America is of significant importance to the survival of free enterprise that has built the foundation of our country and economy.

I hope that my colleagues in the Senate will agree with this and help me press the tax writing committees to include provisions in the up-coming tax bill that will adjust inheritance taxes for inflation.

Mr. President, I ask unanimous consent that my bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 519

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Family Enterprise Protection Act of 1981"

SEC. 2. (a) Subsection (a) of section 2010 of the Internal Revenue Code of 1954 (relating to unified credit against estate tax) is amended by striking out "$47,000" and inserting in lieu thereof "$155,800".

(b)(1) The table contained in subsection (b) of such section 2010 is amended by adding at the end of the table the following:

"1981 ---------- $121,800";

and,

by striking out "$47,000" in the caption thereof and inserting in lieu thereof "$155,800".

(2) The heading for such subsection (b) is amended by striking out "$47,000" and inserting in lieu thereof "$155,800".

(c)(1) Subsection (a) of section 6018 of such Code is amended by striking out "$175,000" in paragraph (1) and inserting in lieu thereof "$500,000".

(2) Paragraph (3) of section 6018 of such Code is amended by adding at the end of the paragraph, the following:

"(E) in the case of a decedent dying during 1981, by substituting '$400,000' for '$500,000'".

SEC. 3. (a) Subsection (a)(1) of section 2505 of the Internal Revenue Code of 1954 (relating to unified credit against gift tax) is amended by striking out "$47,000" and inserting in lieu thereof "$155,800".

(b)(1) The table contained in subsection (b) of such section 2505 is amended by adding at the end of the table the following:

"After December 31, 1980, and before January 1, 1982---------- $121,800"; and

by striking out "$47,000" in the caption thereof and inserting in lieu thereof "$155,800".

(2) The heading of such subsection (b) is amended by striking out "$47,000" and inserting in lieu thereof "$155,800".

SEC. 4. (a) The amendments made by the first section of this Act shall apply to the estates of decedents dying after December 31, 1980.

(b) The amendments made by section 2 of this act shall apply to gifts made after December 31, 1980.

SEC. 5. (a) Subsection (b) of section 2503 of the Code (relating to exclusions from gifts) is amended by striking out "$3,000" and inserting in lieu thereof "$10,000".

(b) The amendment made by this section shall apply to gifts made after December 31, 1980.●

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 521. A bill for the relief of Benjamin Bane; to the Committee on the Judiciary.

BENJAMIN BANE

● Mr. HAYAKAWA. Mr. President, I am introducing today a bill on behalf of myself and Mr. CRANSTON that will provide that Benjamin Bane shall be considered not to have lost his status as a citizen of the United States.

Through the years, Dr. Bane has fallen victim to a series of catastrophic and administrative situations beyond his control. Dr. Bane was born in Durham, N.C. in 1905. In 1911, Benjamin Bane traveled with his parents to South Africa where he remained until he was 23 years old. At that time, he decided to continue his education as a dentist in the United States. However, upon discovering that his premedical education would not be accepted in the United States, Dr. Bane alternatively pursued his education in England where he obtained his doctorate of dentistry.

When Dr. Bane attempted to return to the United States, he was informed by the U.S. Embassy in England that a passport could not be issued in the absence of a birth certificate. Unfortunately, the hall of records in North Carolina, where his birth certificate was filed, had been destroyed by fire. In a subsequent attempt to obtain a U.S. passport, he was told that it would be expeditious to apply for and travel on a British passport. Therein lies the tragedy. In the haste of the processing, Dr. Bane was not informed that his application for a British passport would in any way affect his American citizenship.

Unfortunately, the rest of Dr. Bane's efforts to prove his citizenship have been unsuccessful, even though he eventually was able to secure another record of his American birth. This American born doctor, a California constituent of mine, is now terminally ill, and I am most proud to sponsor this bill on his behalf.●

By Mr. HAYAKAWA:

S. 522. A bill to amend section 302(a) of the Fishery Conservation and Management Act of 1976 to create a new California Pacific Council with authority over the fisheries in the Pacific Ocean seaward of the State of California; to the Committee on Environment and Public Works.

CALIFORNIA PACIFIC COUNCIL

● Mr. HAYAKAWA. Mr. President, I would like to introduce a bill to create a new California Pacific Council.

This legislation would amend the Fishery Conservation and Management Act of 1976 by giving a newly created California Pacific Council the authority over the fisheries in the Pacific Ocean seaward of the State of California. The California Pacific Council would have nine voting members, including seven to be appointed from the State of California by the Secretary of Commerce.

California has over 1,000 miles of coastal water, more than the other Pacific Council States combined. Yet California has a relatively small representation on the Pacific Management Council. California has well over half of the fishery resources of the present council, which consists of Washington, Oregon, Idaho, and California, and yet California has only 3 voting members on the 15 member council.

The fishermen in my State are fearful of having their industry jeopardized by disputes in other States and in which California is not directly involved. Therefore, our fishermen feel that the Pacific Fisheries Management Council is not really representing them. These fishing groups, in addition to many municipal groups, support this legislation that I am introducing.

My bill does not address what would happen to the terms of the California representatives on the existing Pacific Fisheries Management Council. This matter would be determined by the Secretary of Commerce. I do not believe this matter will present any problems.●

By Mr. MELCHER:

S. 523. A bill to repeal the credit against U.S. taxes for foreign taxes paid, and allow a deduction; and to repeal the deferral of U.S. tax on the income of foreign subsidiaries of U.S. companies—as permitted under present law—and tax profits of foreign subsidiaries currently to their U.S. parents in the same manner as domestic companies; to the Committee on Finance.

TAX TREATMENT OF FOREIGN EARNED INCOME

● Mr. MELCHER. Mr. President, the bill I am introducing today is comprised of two major provisions that modify the U.S. tax treatment of foreign earned income by U.S.-owned companies.

The first provision repeals the foreign tax credit. Instead of permitting U.S.-owned multinational corporations a dollar-for-dollar credit against their U.S. corporate taxes for the taxes they pay overseas, this provision will allow only a deduction from taxable income. This change will bring greater equity to the tax treatment of multinational and wholly owned domestic U.S. companies by treating the taxes paid to foreign governments the same as taxes paid to State and local governments here at home.

The second part of the bill repeals the deferral of U.S. tax on the income of foreign subsidiaries of U.S. companies—as permitted under present law—and tax profits of foreign subsidiaries currently to their U.S. parents in the same manner as profits of domestic companies. The foreign tax credit would be allowed for the repatriated earnings.

The issue of the foreign tax credit and tax deferral has been raised in Congress before, both by me and others. I introduced this same legislation during consideration of the windfall profit tax bill a little over a year ago. It seemed incomprehensive to me at that time that we were approving legislation that was going to tax the domestic production of crude oil an additional $227 billion between 1979 and 1990, on top of the corporate and other taxes they already pay, and at the same time, refuse to close up some of the tax loopholes that permit U.S.-based multinational companies to avoid billions of dollars in U.S. taxes. It was clear to me that we were penalizing domestic oil production and rewarding overseas oil production. The latest figures show that the oil companies understood this and have continued to get fat on their overseas operations.

A recent Jack Anderson article on the abuses of the foreign tax credit points out that 75 percent of all the foreign tax credits claimed by American companies go to the oil industry. I will ask unanimous consent that the Jack Anderson column from the February 2 Washington Post be printed in full at the conclusion of my remarks.

Another recent article on the abuses of the foreign tax credit appeared in the January issue of People and Taxes. It is an article Congress should take heed of and I will also ask that it be printed in full at the conclusion of my remarks.

Although the greatest abuse of the foreign tax loopholes in the code is by the oil companies, this is not the only area that needs attention. The combined use of foreign tax credits and tax deferral give multinational firms a competitive advantage over their purely domestic counterparts. If a domestic firm in my State of Montana, or any other State, is required to pay local or State corporate taxes as part of their operating costs, they are allowed a deduction for the taxes paid against their Federal corporate tax obligation. However, if a multinational firm pays taxes abroad, they are permitted a dollar-for-dollar credit against the foreign taxes they pay. This is a significant tax advantage.

Tax deferral is also a useful tool that multinational corporations have at their disposal to lower U.S. tax obligations that is not available to domestic corporations.

A simple hypothetical example can show the tax advantages of deferral. Let us assume there are two corporations, "A" and "B." Let us say that corporation A is located in Billings, Mont., and that corporation B is a subsidiary of a U.S. company located in a foreign country that has offered it a "tax holiday" for a period of 9 years. Let us follow these two corporations through 9 years of operation to see what effect U.S. tax deferral has on their reinvested profits.

In the first year, corporation A, the Billings corporation, earns $1 in profits. Because it is located in the United States, it must pay corporate income taxes at the rate of 45 percent on that dollar. This leaves 55 cents for reinvestment. Let us say the corporation reinvests the entire 55 cents for an additional 8 years and can earn a 15-percent annual rate of return on its investment, and will pay a 45-percent tax on each year's profits. After 9 years, corporation A's investment will be worth $1.04. The profit on this investment is $0.50. The net results of these transactions is a total net profit after taxes of $1.04 for corporation A.

Now, let us look at corporation B undergoing similar transactions, but operating abroad under a tax holiday. Corporation B also earns $1 of profits in the first year. But, because corporation B owes no income taxes on that income, it is able to reinvest the entire amount. In effect, the U.S. Government is making an interest-free loan to corporation B for the duration of its investment. Of course, it is really the American taxpayers who foot the bill for this generosity.

After 8 years at a 15-percent rate of return, corporation B's investment will be worth $3.06. If corporation B now decides to return these profits to the United States, it will finally be subject to U.S. corporate income taxes. Of course, corporation B can reinvest this profit also and delay the tax still further if it wishes. But, assuming it brings the profits back home, the U.S. corporate income tax due will be $1.40. This leaves corporation B with a net profit after taxes of $1.66.

Mr. President, this is 59 percent higher than the profits corporation A—the one operating in my home State—was able to earn on a similar investment. And the only reason for this difference is that corporation B could defer its U.S. tax liability.

Some will argue that this example is unrealistic because corporation B pays no foreign income tax on its profits. Mr. President, there are many schemes and devices by which our corporations operating abroad can escape all or substantially all foreign taxes on their incomes. Many foreign nations offer special tax inducements to corporations to entice them to locate in their countries. But, even in countries that collect taxes from subsidiaries of the U.S. multinationals, there are substantial advantages. Of the 63 major countries where U.S. multinationals have investments, 9 have a realized corporate tax rate of 10 percent or less. In these countries our hypothetical reinvestment would provide a return at least 39 percent greater than in the United States.

There are 11 countries that have a realized corporate rate of between 10 and 20 percent. Here our investment would bring a return at least 22 percent greater than in the United States. There are 11 countries with a realized corporate tax of 20 to 30 percent. In these countries, our investment would bring a return at least 17 percent greater than in the United States.

Only in eight countries with less than 9 percent of foreign investments—and that is U.S. foreign investments—in 1979 would the rate of return not be larger than a similar investment in the United States.

In an effort to be as accurate as possible, I have included a table showing what the different returns would be for varying foreign tax rates.

Mr. President, I will ask unanimous consent that the tables showing the tax rates in various countries be printed in the RECORD at the conclusion of my remarks.

Mr. President, President Reagan has outlined a broad approach of tax and spending cuts in his program for national economic recovery that are aimed at getting our domestic economy back on its feet. I intend to support these efforts as best I can. However, I am emphatically against putting the interest of the multinational corporations ahead of the needs of our own citizens. There are going to be deep budget cuts, and the American people have said they are willing to sacrifice for the general good. I do not think it is too much to ask the same of the giant multinational companies, both inside and outside the oil business, to do the same. They have gotten fat over the years through these tax loopholes and it is high time they returned some of the benefit to the American people. I hope that my colleagues will agree with me.

Mr. President, I now ask that the text of the bill as well as the other material referred to earlier in my statement be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 523

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPEAL OF THE FOREIGN TAX CREDIT AND TREATMENT OF FOREIGN TAXES AS A DEDUCTION AGAINST UNITED STATES TAXES.

This section repeals sections 901, 902, 903, 904, 905, 906, 907, and 908 of the Internal Revenue Code of 1954 (relating to the foreign tax credit).

SEC. 2. TAXATION OF EARNINGS AND PROFITS OF CONTROLLED FOREIGN CORPORATIONS.

(a) GENERAL.—Part III of subchapter N of chapter 1 (relating to income from sources without the United States) is amended by inserting after subpart II thereof the following:

"Subpart I—Controlled Foreign Corporations

"Sec. 983. Amounts included in gross income of United States shareholders.
"Sec. 984. Definitions.
"Sec. 985. Rules for determining stock ownership.
"Sec. 986. Exclusion from gross income of previously taxed earnings and profits.
"Sec. 987. Adjustments to basis of stocks in controlled foreign corporations and of other property.
"Sec. 988. Records and accounts of United States shareholders.
"Sec. 989. Election by individuals to be subject to tax at corporate rates.
"Sec. 990. Records and accounts of United States shareholders.
"Sec. 990A. Transition rules for period before subpart I is completely phased in.

"Sec. 983. AMOUNTS INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS.

"(a) AMOUNT INCLUDED.—

"(1) IN GENERAL.—If a foreign corporation is a controlled foreign corporation for an uninterrupted period of 30 days or more during any taxable year, every United States shareholder of such corporation which owns (within the meaning of section 985(a)) stock in such corporation on the last day in such year on which such corporation is a controlled foreign corporation shall include in its gross income, for its taxable year in which or with which such taxable year of the corporation ends, its pro rata share of the corporation's earnings and profits for such year.

"(2) PRO RATA SHARE OF EARNINGS AND PROFITS.—A United States shareholder's pro rata share referred to in paragraph (1) is the amount—

"(A) which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 985(a)) in such corporation if on the last day, in its taxable year, on which the corporation is a controlled foreign corporation it had distributed pro rata to its shareholders an amount (i) which bears the same ratio to the earnings and profits for the taxable year, as (ii) the part of such year during which the corporation is a controlled foreign corporation bears to the entire year, reduced by

"(B) an amount (i) which bears the same ratio to the earnings and profits of such corporation for the taxable year, as (ii) the part of such year described in subparagraph (A) (ii) during which such shareholder did not own (within the meaning of section 985(a)) such stock bears to the entire year.

"(b) EARNINGS AND PROFITS.—For purposes of this subpart, under regulations prescribed by the Secretary, the earnings and profits of any foreign corporation, and the deficit in earnings and profits of any foreign corporation, for any taxable year—

"(1) except as provided in section 312(m)(3), shall be determined according to rules appropriate to carry out the rules of this subpart.

"(2) shall be reduced (or in the case of a deficit, shall be increased) by the amount, if any, by which the sum of the deficits in earnings and profits of such corporation for any prior taxable years beginning after December 31, 1979, exceed the sum of the earnings and profits of such corporation of such prior taxable years.

"(3) shall not include any item of income which is effectively connected with the conduct by such corporation of a trade or business within the United States unless such item is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States, and

"(4) shall not include any amount of earnings and profits which could not have been distributed by such corporation because of currency or other restrictions or limitations imposed under the laws of any foreign country but any such amounts shall be included in earnings and profits for the first taxable year in which such restrictions or limitations are terminated or modified to permit distribution of such amounts.

"(c) COORDINATION WITH ELECTION OF A FOREIGN INVESTMENT COMPANY TO DISTRIBUTE INCOME.—A United States shareholder who, for his taxable year, is a qualified shareholder (within the meaning of section 1247(c)) of a foreign investment company with respect to which an election under section 1247 is in effect shall not be required to include in gross income, for such taxable year, any amount under subsection (a) with respect to such company.

"(d) COORDINATION WITH FOREIGN PERSONAL HOLDING COMPANY PROVISIONS.—In the case of a United State shareholder who, for his taxable year, is subject to tax under section 551(d) (relating to foreign personal holding company income included in gross income of United States shareholders) on income of a controlled foreign corporation, the amount required to be included in gross income by such shareholder under subsection (a) with respect to such company shall be reduced by the amount included in gross income by such shareholder under section 551(b).

"(e) CONSOLIDATION OF EARNINGS AND PROFITS FROM MULTIPLE FOREIGN CORPORATIONS.—(1) Subsection (a) shall be applied to a United States shareholder who owns stock in more than one controlled foreign corporation, or who owns stock in other foreign corporations (whether controlled foreign corporations or not) through stock owned by a controlled foreign corporation, by taking into account the aggregate earnings and profits of all such foreign corporations.

"(2) The Secretary shall prescribe regulations to carry out the purposes of subparagraph (1).

"SEC. 984. DEFINITIONS.

"(a) UNITED STATES SHAREHOLDER DEFINED.—For purposes of this subpart, the term 'United States shareholder' means, with respect to any foreign corporation, a United States person (as defined in section 957(d) who owns (within the meaning of section 985(a)), or is considered as owning by applying the rules of ownership of section 985(b), 1 percent or more of the total combined voting power of all classes of stock entitled to vote of such foreign corporation.

"(b) CONTROLLED FOREIGN CORPORATION DEFINED.—For purposes of this subpart, the term 'controlled foreign corporation' means any foreign corporation—

"(1) of which more than 50 percent of the total combined voting power of all classes of stock entitled to vote is owned (within the meaning of section 985(a)), or is considered as owned by applying the rules of ownership of section 985(b), by United States shareholders on any day during the taxable year of such foreign corporation, or

"(2) over which United States shareholders exercise actual control, as determined by the Secretary, from all facts and circumstances in the case.

"(c) LIMITATION ON ACTUAL CONTROL DETERMINATION.—In the case of a foreign corporation of which not more than 20 percent of the total combined voting power of all classes of stock entitled to vote is owned (within the meaning of section 985(a)), or is considered as owned by applying the rules of ownership of section 985(b), by one or more United States shareholders on any day during the taxable year of such foreign corporation, the burden of proof in respect of the issue, for purposes of subsection (b)(2), as to whether such United States shareholders exercise actual control shall be upon the Secretary.

"SEC. 985. RULES FOR DETERMINING STOCK OWNERSHIP.

"(a) DIRECT AND INDIRECT OWNERSHIP.—

"(1) GENERAL RULE.—For purposes of this subpart, stock owned means—

"(A) stock owned directly, and

"(B) stock owned with the application of paragraph (2).

"(2) STOCK OWNERSHIP THROUGH FOREIGN ENTITIES.—For purposes of subparagraph (B) of paragraph (1), stock owned, directly or indirectly, by or for a foreign corporation of foreign estate (within the meaning of section 7701(a)(31)) or by or for a partnership or trust shall be considered as being owned proportionately by its shareholders, partners, or beneficiaries. Stock considered to be owned by a person by reason of the application of the preceding sentence shall, for purposes of applying such sentence, be treated as actually owned by such person.

"(b) CONSTRUCTIVE OWNERSHIP.—For purposes of section 984, section 318(a) (relating to constructive ownership of stock) shall apply to the extent that the effect is to treat any domesic corporation as a United States shareholder within the meaning of section 984(a), or to treat a foreign corporation as a controlled foreign corporation under section 984(b), except that—

"(1) In applying subparagraphs (A), (B), and (C) of section 318(a)(2), if a partnership, estate, trust, or corporation owns, directly or indirectly, more than 50 percent of the total combined voting power of all classes of stock entitled to vote of a corporation, it shall be considered as owning all of the stock entitled to vote.

"(2) In applying subparagraph (C) of section 318(a)(2), the phrase '10 percent' shall be substituted for the phrase '50 percent' used in subparagraph (C).

"SEC. 986. EXCLUSION FROM GROSS INCOME OF PREVIOUSLY TAXED EARNING AND PROFITS.

"(a) EXCLUSION FROM GROSS INCOME.—For purposes of this chapter, the earnings and profits for a taxable year of a foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 963(a) shall not, when such amounts are distributed directly, or indirectly through a chain of ownership described under section 985(a), to—

"(1) such shareholder (or any person which acquires from any other person any portion of the interest of such United States shareholder in such foreign corporation, but only to the extent of such portion, and subject to such proof of the identity of such interest as the Secretary may by regulations prescribe), or

"(2) a trust (other than a foreign trust) of which such shareholder is a beneficiary, be again included in the gross income of such United States shareholder (or of such domestic corporation or of such trust).

"(b) EXCLUSION FROM EARNINGS AND PROFITS OF CERTAIN FOREIGN SUBSIDIARIES.—For purposes of section 963(a), the earnings and profits for a taxable year of a controlled foreign corporation attributable to amounts which are, or have been, included in the gross income of a United States shareholder under section 963(a), shall not, when distributed through a chain of ownership described under section 985(a), be also included in the earnings and profits of another controlled foreign corporation in such chain for purposes of the application of section 963(a) to such other controlled foreign corporation with respect to such United States shareholder (or to any other United States shareholder who acquires from any person any portion of the interest of such United States shareholder in the controlled foreign corporation, but only to the extent of such portion, and subject to such proof of identity of such interest as the Secretary may prescribe by regulations).

"(c) ALLOCATION OF DISTRIBUTIONS.—For purposes of subsections (a) and (b), section 316(a) shall be applied by applying paragraph (2) thereof, and then paragraph (1) thereof—

"(1) first, to earnings and profits attributable to amounts included in gross income under section 963(a), and

"(2) then to other earnings and profits.

"(d) DISTRIBUTIONS EXCLUDED FROM GROSS INCOME NOT TO BE TREATED AS DIVIDENDS.—Any distribution excluded from gross income under subsection (a) shall be treated, for purposes of this chapter, as a distribution which is not a dividend.

"SEC. 987. ADJUSTMENTS TO BASIS OF STOCK IN CONTROLLED FOREIGN CORPORATIONS AND OF OTHER PROPERTY.

"(a) INCREASE IN BASIS.—Under regulations prescribed by the Secretary, the basis of a United States shareholder's stock in a controlled foreign corporation, and the basis of property of a United States shareholder by reason of which it is considered under section 957(a)(2) as owning stock of a controlled foreign corporation, shall be increased by the amount required to be included in its gross income under section 963(a) with respect to such stock or with respect to such property, as the case may be, but only to the extent to which such amount was included in the gross income of such United States shareholder.

"(b) REDUCTION IN BASIS.—

"(1) IN GENERAL.—Under regulations prescribed by the Secretary, the adjusted basis of stock or other property with respect to which a United States shareholder or a United States person receives an amount which is excluded from gross income under section 986(a) shall be reduced by the amount so excluded.

"(2) AMOUNT IN EXCESS OF BASIS.—To the extent that an amount excluded from gross income under section 986(a) exceeds the adjusted basis of the stock or other property with respect to which it is received, the amount shall be treated as gain from the sale or exchange of property.

"SEC. 988. SPECIAL RULES FOR FOREIGN TAX CREDIT.

"(a) TAXES PAID BY FOREIGN CORPORATION.—

"(1) FIRST TIER FOREIGN SUBSIDIARY.—For purposes of subpart A of this part, if there is included, under section 983(a), in the gross income of a domestic corporation any amount attributable to earnings and profits of a foreign corporation at least 1 percent of the voting stock of which is owned by such domestic corporation then, under regulations prescribed by the Secretary, such domestic corporation shall be deemed to have paid the same proportion of the total income, war profits, and excess profits taxes paid (or deemed paid) by such foreign corporation to a foreign country or possession of the United States for the taxable year on or with respect to the earnings and profits of such foreign corporation which the amount of earnings and profits of such foreign corporation so included in the gross income of the domestic corporation bears to the entire amount of the earnings and profits of such foreign corporation for such taxable year.

"(2) SECOND TIER FOREIGN SUBSIDIARY.—If the foreign corporation described in paragraph (1) (hereinafter in this subsection referred to as the 'first foreign corporation') in the gross income of which there would be included (under section 983(a) applied as if the first foreign corporation were a domestic corporation) any amount attributable to the earnings and profits of a second foreign corporation in which it owns 10 percent or more of the voting stock the first foreign corporation shall be deemed to have paid the same proportion of any income, war profits, or excess profits taxes paid or deemed to be paid by the second foreign corporation to any foreign country or to any possession of the United States for the taxable year on or with respect to the earnings and profits of the second foreign corporation as the amount of earnings and profits of the second foreign corporation included (under rules similar to the rules prescribed under paragraph (1)) in the gross income of the first foreign corporation bears to the entire amount of the earnings and profits of the second foreign corporation for such taxable year.

"(3) THIRD TIER FOREIGN SUBSIDIARY.—If the first foreign corporation owns 10 percent or more of the voting stock of a second foreign corporation in the gross income of which there would be included (under section 983(a) applied as if the second foreign corporation were a domestic corporation) any amount attributable to the earnings and profits of a third foreign corporation in which it owns 10 percent or more of the voting stock, the second foreign corporation shall be deemed to have paid the same proportion of any income, war profits, or excess profits taxes paid by such third foreign corporation to any foreign country or to any possession of the United States for the taxable year on or with respect to the earnings and profits of the third foreign corporation as the amount of earnings and profits of the third foreign corporation included (under rules similar to the rules prescribed under paragraph (2)) in the gross income of the second foreign corporation bears to the entire amount of the earnings and profits of the third foreign corporation for the taxable year.

"(b) TAXES DEEMED PAID.—

"(1) TAXES PREVIOUSLY DEEMED PAID BY DOMESTIC CORPORATION.—If a domestic corporation receives a distribution from a foreign corporation, any portion of which is excluded from gross income under section 986, the income, war profits, and excess profits taxes paid or deemed paid by such foreign corporation to any foreign country or to any possession of the United States in connection with the earnings and profits of such foreign corporation from which such a distribution is made shall not be taken into account for purposes of section 902, to the extent such taxes were deemed paid by a domestic corporation under subsection (a) for any prior taxable year.

"(2) TAXES PAID BY FOREIGN CORPORATION AND NOT PREVIOUSLY DEEMED PAID BY DOMESTIC CORPORATION.—Any portion of a distribution from a foreign corporation received by a domestic corporation which is excluded from gross income under section 986(a) shall be treated by the domestic corporation as a dividend solely for the purposes of taking into account under section 902 any income, war profits, or excess profits taxes paid to any foreign country or to any possession of the United States, on or with respect to the accumulated profits of such foreign corporation from which such distribution is made, which were not deemed paid by the domestic corporation under subsection (a) for any prior taxable year.

"(c) SPECIAL RULES FOR FOREIGN TAX CREDIT IN YEAR OF RECEIPT OF PREVIOUSLY TAXED EARNINGS AND PROFITS.—

"(1) INCREASE IN SECTION 904 LIMITATION.—In the case of any taxpayer who—

"(A) either (i) chose to have the benefits of subpart A of this part for a taxable year in which he was required under section 983(a) to include in his gross income an amount in respect of a controlled foreign corporation, or (ii) did not pay or accrue for such taxable year any income, war profits, or excess profits to any foreign country or to any possession of the United States, and

"(B) chooses to have the benefits of subpart A of this part for the taxable year in which he receives a distribution or amount which is excluded from gross income under section 986(a) and which is attributable to earnings and profits of the controlled foreign corporation which was included in his gross income for the taxable year referred to in subparagraph (A), and

"(C) for the taxable year in which such distribution or amount is received, pays, or is deemed to have paid, or accrues income, war profits, or excess profits taxes to a foreign country or to any possession of the United States with respect to such distribution or amount, the applicable limitation under section 904 for the taxable year in which such distribution or amount is received shall be increased as provided in paragraph (2), but such increase shall not exceed the amount of such taxes paid, or deemed paid, or accrued with respect to such distribution or amount.

"(2) AMOUNT OF INCREASE.—The amount of increase of the applicable limitation under 904(a) for the taxable year in which the distribution or amount referred to in paragraph (1)(B) is received shall be an amount equal to—

"(A) the amount by which the applicable limitation under section 904(a) for the taxable year referred to in paragraph (1)(A) was increased by reason of the inclusion in gross income section 983(a) of the amount in respect of the controlled foreign corporation, reduced by

"(B) the amount of income, war profits and excess profits taxes paid or deemed paid, or accrued to any foreign country or possession of the United States which were allowable as a credit under section 901 for the taxable year referred to in paragraph (1)(A) and which would not have been allowable but for the inclusion in gross income of the amount described in subparagraph (A).

"(3) CASES OF WHICH TAXES NOT TO BE ALLOWED AS DEDUCTION.—In that case of any taxpayer who—

"(A) chose to have the benefits of subpart A of this part for a taxable year in which he was required under section 983(a) to include in his gross income an amount in respect of a controlled foreign corporation, and

"(B) does not choose to have the benefits of subpart A of this part for the taxable year in which he receives a distribution or amount which is excluded from gross income under section 986(a) and which is attributable to earnings and profits of the controlled foreign corporation which was included in his gross income for the taxable year referred to in subparagraph (A),

no deduction shall be allowed under section 164 for the taxable year in which such distribution or amount is received for any income, war profits, or excess profits taxes paid or accrued to any foreign country or to any possession of the United States on or with respect to such distribution or amount.

"(4) INSUFFICIENT TAXABLE INCOME.—If an increase in the limitation under this subsection exceeds the tax imposed by this chapter for such year, the amount of such excess shall be deemed an overpayment of tax for such year.

"SEC. 989. ELECTION BY INDIVIDUALS TO BE SUBJECT TO TAX AT CORPORATE RATE.

"(a) GENERAL RULE.—Under regulations prescribed by the Secretary or his delegate in the case of a United States shareholder who is an individual and who elects to have the provisions of this section apply for the taxable year—

"(1) the tax imposed under this chapter on amounts which are included in the gross income under section 983(a) shall (in lieu of the tax determined under section 1 be an amount equal to the tax which would be imposed under section 11 if such amounts were received by a domestic corporation and

"(2) for purposes of applying the provisions of section 988 (relating to foreign tax credit) such amounts shall be treated as if they were received by a domestic corporation.

"(b) ELECTION.—An election to have the provisions of this section apply for any taxable year shall be made by a United States shareholder at such time and in such manner as the Secretary or his delegate shall prescribe by regulations. An election made for any taxable year may not be revoked except with the consent of the Secretary or his delegate.

"(c) SURTAX EXEMPTION.—For purposes of applying subsection (a)(1), the surtax exemption provided by section 11(c) shall not exceed, in the case of any United States shareholder, an amount which bears the same ratio to the surtax exemption as the amounts included in his gross income under section 983(a) for the taxable year bears to his pro rata share of the earnings and profits for the taxable year of all controlled foreign corporations with respect to which such United States shareholder includes any amount in gross income under section 983(a).

"(d) SPECIAL RULE FOR ACTUAL DISTRIBUTIONS.—The earnings and profits of a foreign corporation attributable to amounts which were included in the gross income of a United States shareholder under section 983(a) and with respect to which an election under this section applied shall, when such earnings and profits are distributed, notwithstanding the provisions of section 986(a)(1), be included in gross income to the extent that such earnings and profits so distributed exceed the amount of tax paid under this chapter on the amounts to which such election applied.

"SEC. 990. RECORDS AND ACCOUNTS OF UNITED STATES SHAREHOLDERS.

"(a) RECORDS AND ACCOUNTS TO BE MAINTAINED.—The Secretary may by regulations require each person who is, or has been, a United States shareholder of a controlled foreign corporation to maintain such records and accounts as may be prescribed by such regulations as necessary to carry out the provisions of this subpart.

"(b) TWO OR MORE PERSONS REQUIRED TO MAINTAIN OR FURNISH THE SAME RECORDS AND ACCOUNTS WITH RESPECT TO THE SAME FOREIGN CORPORATION.—Where, but for this subsection, two or more persons would be required to maintain or furnish the same records and accounts as may by regulations be required under subsection (a) with respect to the same controlled foreign corporation for the same period, the Secretary may by regulations provide that the maintenance or furnishing of such records and accounts by only one person shall satisfy the requirements of subsection (a) for such other persons.

"(b) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 864(c)(4)(D) is amended to read as follows:

"(D) No income from sources without the United States shall be treated as effectively connected with the conduct of a trade or business within the United States if it consists of dividends, interest, or royalties paid by a foreign corporation in which the taxpayer owns (within the meaning of section 958(a)), or is considered as owning (by applying the ownership rules of section 958(b)), more than 50 percent of the total combined voting power of all classes of stock entitled to vote.".

(2) Section 951 is amended by adding at the end thereof the following:

"(c) TAXABLE YEARS BEGINNING ON ENACTMENT OF THIS ACT.—No amount shall be required to be included in the gross income of a United States shareholder under subsection (a) (other than paragraph (1) of such subsection) with respect to a taxable year of a controlled foreign corporation beginning after December 31, 1979, to the extent that such amount is required to be included in the gross income of a United States shareholder under section 983(a).".

(3) Section 1016(a)(19) is amended by striking out "section 961" and inserting in lieu thereof "sections 961 and 987".

(4) Section 1246(a)(2)(B) is amended by inserting "or 983" after "section 951" and by inserting "or 986" after "section 959".

(5) Section 1248 is amended by amending subsection (d)(1) to read as follows:

"(1) AMOUNTS INCLUDED IN GROSS INCOME UNDER SECTION 951 OR 983.—Earnings and profits of the foreign corporation attributable to any amount previously included in the gross income of such person under section 951 or 983, with respect to the stock sold or exchanged, but only to the extent the inclusion of such amount did not result in an exclusion of an amount from gross income under section 959 or 986.".

(6) Section 78 (relating to dividends received from certain foreign corporations by domestic corporations choosing foreign tax credit) is amended by striking out "or under section 960(a)(1) (relating to taxes paid by foreign corporation)" and inserting in lieu thereof the following: ", under section 960(a)(1) (relating to taxes paid by foreign corporation), or under section 988(b) (relating to taxes deemed paid by corporations)".

SEC. 3. EFFECTIVE DATE

The amendments made by this section shall apply with respect to taxable years of foreign corporations beginning after December 31, 1980, and to taxable years of United States shareholders which end within or with such taxable years of such foreign corporations.

[From the Washington Post, Feb. 2, 1981]

BIG OIL ESCAPING U.S. INCOME TAXES

(By Jack Anderson)

Americans are understandably not impressed by the obscene spectacle of Big Oil weeping crocodile tears all the way to the bank. Even the most naive consumers can see a connection between the doubling of gasoline and fuel oil prices and the fat quarterly profits the major oil companies keep racking up.

But, what many don't realize is that Uncle Sam's tax collectors—who are such relentless tigers when they stalk the ordinary taxpayer—are tame tabby cats for the Big Oil boys. Through a transparent tax dodge enacted by a compliant Congress, the oil companies evade enough taxes each year to handle a healthy chunk of the federal budget.

The device is called "foreign tax credit." On the surface, it seems fair enough: For every dollar in foreign taxes an oil company pays, it is given a dollar of credit against its U.S. income taxes. Ostensibly, this prevents double taxation—or so the slick propagandists of Big Oil would have us believe.

The hitch is this: The foreign "taxes" are in fact part of the purchase price—the same kind of royalties an oil company might pay to private landowners in this country for the right to pump oil from their property. Overseas, the landowners are the various foreign governments, so most royalties paid to them are construed as taxes.

It makes no difference to the foreign governments; a royalty using the alias of a tax is still money. But to the oil companies—and the rest of the American taxpayers—it makes a colossal difference.

Literally billions of dollars are at stake. Comprehensive figures in a revealing Internal Revenue Service study have been reviewed by my associate Dale Van Atta. They cover the tax returns of all American oil companies for the 12-month period from July 1975 through June 1976. Here's what the figures show:

The 39 biggest oil companies grossed a staggering $291 billion.

The deductions worked out by their accounting wizards totaled $254 billion.

After a few further allowances, the total profit admitted to by the 39 oil companies came to an impressive $36.5 billion. For most corporations, this would mean an income tax owed of $17.5 billion.

Instead, the oil companies wound up paying about $2.5 billion in U.S. income taxes.

How could this happen? Simple enough: The oil moguls claimed foreign tax credits totaling $15 billion. So on an aggregate income of nearly $300 billion, the companies paid a total of about less than 1 percent in income taxes—while individual American taxpayers were giving the federal government 20, 30, 40 percent or more of their annual earnings.

Big Oil's special place in the hearts of Congress is made clear by some figures in another IRS study. Even with all the huge multinational American corporations entitled to claim foreign tax credits—like IBM, ITT, etc.—the oil industry accounted for 75 percent of all foreign taxes claimed by U.S. companies. Obviously, the foreign tax credit law is as tailor-made as an oil baron's $800 suit.

As if the disguising of royalties as taxes weren't bad enough, the fine needlework in the law allows an even trickier use of the foreign tax credits by Big Oil. With IRS and Department of Energy blessings, some oil companies are permitted to charge their U.S. refineries—that is, themselves—much higher prices for crude oil than their cost for drilling and shipping it to the United States. Thanks to various bookkeeping tricks, only

minimal taxes are paid on this so-called "foreign profit."

These legal ruses allow the oil companies to reassure outraged American consumers that, really now, they're not making exorbitant profits from their U.S. customers. Most of those eye-popping profits they announce every three months come from their foreign operations, they say with a straight face.

[From the People & Taxes, January 1981]

THE FOREIGN TAX CREDIT: WILL THE LOOPHOLES BE PLUGGED

(By George Riley)

Big oil has an early demand for the new Treasury secretary, Donald Regan. A week after the presidential election, the Carter administration issued new regulations to narrow a loophole which has wedded the oil companies and OPEC in a profitable relationship unwittingly financed by American taxpayers. But the new regulations are temporary, and Regan could alter or relax them before they become permanent.

The new rules govern application of the foreign tax credit, one of the most controversial and complex areas of the tax law. For almost three decades, U. S. petroleum companies have treated many payments made by their subsidiaries to OPEC governments as tax credits, and not as mere deductions. The difference is critical. As a deduction, the payment would only reduce overall taxable income. A credit, however, directly offsets the amount of tax owed to the U.S. Treasury when the subsidiary repatriates its profits to the parent company. With a 48 percent corporate income tax, a one dollar payment to a foreign government reduces U.S. taxes by 48 cents when treated as a deduction. As a credit, the dollar payment reduces U.S. tax liability by a full dollar.

The foreign tax credit has beeen available to all corporations and citizens since it became law with the passage of the 1918 Revenue Act. The credit applies, however, only to foreign taxes levied against income. Other payments and taxes must be treated as deductions.

The idea behind the credit was to avoid double taxation on foreign income. The policy was intended neither to encourage nor to discourage foreign investment. Theoretically, the total tax on overseas income—both the foreign and U.S. income taxes—would equal the tax as if the income were earned exclusively within the United States.

With the knowledge and possible connivance of the U.S. government, this neutral policy toward foreign investment was twisted into a massive subsidy for multinational oil companies and their OPEC partners. By cleverly disguising as income taxes what were actually royalties, the corporations shifted millions of U.S. tax dollars into the coffers of OPEC governments.

Only after Congressional inquiries and some unfavorable IRS rulings did the Carter administration cut back on the credits. Yet the history of the credit hardly suggests that the regulations will be immune from political pressures, especially from an administration openly supportive of the industry.

The first oil companies to profit from the creative use of the foreign tax credit were Exxon, Mobil, Standard Oil of California and Texaco. Together these companies owned the Arabian American Oil Company, better known as Aramco.

In the late 1940's, Saudi Arabia began to press the Aramco companies to increase the country's share of the price of a barrel of crude oil from 12 percent to 50 percent. At first, the companies balked at the proposal, and with the birth of OPEC ten years in the future Saudi Arabia was not in a position to dictate terms. The stalemate was shifted when the U.S. State Department, fearing hostile nationalism in the Middle East, allegedly intervened on behalf of Saudi Arabia.

The solution seemed to please everyone. Saudi Arabia would raise its net take to 50 percent by instituting a national income tax which, in reality, only affected the oil companies. The companies, in turn, preserved their profits because the credit allowed them to pay Saudi Arabia with money that would have gone into U.S. income taxes.

American officials were not unaware of the consequence of this covert form of foreign aid. George McGhee, who served as assistant secretary of State during the negotiations, told a Senate subcommittee in 1974: "I find in my records that I pointed out at the time, that the U.S. Treasury would in a sense be financing this change." In 1978, a House consumer subcommittee reported that the Treasury lost $50 million for the 1950 tax year, the first year the credit was taken.

Other countries quickly followed Saudi Arabia's example. In 1951, Kuwait set up a similar tax scheme. The next year saw Lebanon and Iraq establish a levy on corporate income. An income tax was also included in the Iranian Consortium agreement of 1954.

The U.S. Treasury initially objected to the credit. The 1978 congressional study found that from 1950 to 1954, the Secretary of Treasury went on record as "emphatically opposing a favorable ruling on the ground that the payment was in fact an increased royalty exacted in the guise of an income tax." After Eisenhower's election, however, Treasury reversed itself and issued a favorable retroactive ruling in 1955. The same study found that the State Department and National Security Council pressured Treasury to make the change.

Through the credit, the oil companies have realized enormous savings on U.S. taxes. The consumer subcommittee estimated that from 1950 to 1978, the companies saved some $14 billion in U.S. taxes. In other words, the Treasury lost $14 billion because tax payments to oil producing nations were credited against—rather than deducted from—U.S. tax liability.

The new regulations are designed to strike at a fiction that is central to the foreign tax credit scheme. Because most of the OPEC oil was transferred from the foreign subsidiary to the U.S. parent companies, the subsidiary's income was determined entirely by the parent. To establish a more realistic income for taxation purposes, OPEC governments used an accounting procedure known as "posted prices." Under this system, the foreign government assumed that the subsidiary "sold" each barrel to the parent at a price posted by the government. After deducting royalties and production costs from the posted price, the government applied its tax to the remaining "income." As long as the posted price reflected worldwide market conditions, the levy was roughly equivalent to an income tax.

The fiction became apparent when the posted prices began to depart drastically from world prices. Simply by raising the price, the producer government could increase its tax revenues. The companies would offer little resistance as long as the new costs were met with money that would have gone to satisfy U.S. income tax liability.

The new regulations codify a 1978 IRS ruling that companies cannot take credits for payments based on artificially posted prices. In order for the payments to qualify as credits, the country must compute the company's income in a fashion that will not exceed the fair market price of the goods or services produced by the subsidiary.

Other aspects of the regulations may reduce misuse of the foreign tax credit. For example, the foreign country's income tax must not treat the oil companies "significantly different" from other taxpayers. Also, a credit will not be allowed if the tax is clearly intended only to shift U.S. tax dollars to foreign treasuries.

The multinational oil companies condemned the new regulations immediately after they were announced. In newspaper ads, Mobil accused the lame duck administration of exceeding its Constitutional limitations by making "punitive changes" that Congress refused to enact. In a curious allusion, Mobil compared Carter to John Adams who, in a fit of pique after his election defeat by Thomas Jefferson, appointed the famous "midnight judges" just before leaving office.

But far from being a last minute change, the new regulations were four years in the making. Moreover, the Treasury Department has been quite generous to the companies. The consumer subcommittee found that the Department impeded the issuance of new rulings after the IRS struck down the use of foreign tax credits by companies operating in Indonesia in 1976. When the IRS finally ruled against the arrangement in Saudi Arabia in 1978, Treasury insisted that the ruling apply only prospectively, despite the fact that IRS rulings are usually retroactive.

Though Congress has refused to heed the calls to abolish the credit, it has cut back on the scope of the provision. The Tax Reduction Act of 1975 and the Tax Reform Act of 1976 both limit the amount of credit that the oil companies can claim on overseas payments.

As the history of the tax credit shows, the key policy decisions are not made in Congress. Through regulations and rulings, Treasury and IRS exercise tremendous power in shaping the final results of any law. And, even if the new regulations remain unchanged, desultory enforcement and poor auditing can vitiate the guidelines.

The Reagan administration's position on the new regulations will be an important indication of the future course of tax and energy policy. If Reagan's promise to unleash the oil companies means relaxing restrictions on the tax credit, the results will be increased profits from foreign operations with no benefit for U.S. production.

Comparative returns on investment

[Assuming annual earnings of 15 percent]

	After tax profits
U.S. foreign subsidiary (zero foreign tax)	$1.66
U.S. foreign subsidiary (10 percent foreign tax and using available foreign tax credits)	1.45
U.S. foreign subsidiary (20 percent foreign tax and using available foreign tax credits)	1.27
U.S. foreign subsidiary (30 percent foreign tax and using available foreign tax credits)	1.22
U.S. domestic company	1.04

Realized corporate income tax rates, 1974

Country:	*Realized corporate tax rate*
Canada	41.1
Austria	33.4
Belgium	37.5
Denmark	32.5
France	48.0
Germany	43.0
Greece	11.9
Ireland	12.7
Italy	41.9
Luxembourg	17.1
Netherlands	36.0
Norway	40.5
Spain	30.3
Sweden	43.1
Switzerland	27.1
United Kingdom	44.6
Australia	42.9
New Zealand	51.7
Mexico	42.2

Country:	*Realized corporate tax rate*
Argentina	28.2
Brazil	30.3
Chile	39.4
Colombia	47.3
Ecuador	18.7
Peru	47.7
Uruguay	25.2
Venezuela	30.0
Costa Rica	33.7
El Salvador	7.6
Guatemala	21.0
Honduras	25.2
Nicaragua	1.8
Panama	15.4
Algeria	0.0
Morocco	54.5
Liberia	5.7
Ethiopia	38.6
Kenya	19.0
Nigeria	4.7
Rhodesia	30.9
South Africa	41.9
Zambia	28.0
Iran	10.5
Israel	44.7
Lebanon	15.1
Sri Lanka	21.2
India	57.0
Malaysia	27.9
Pakistan	52.6
Philippines	29.6
Singapore	26.9
Taiwan	6.0
Thailand	14.9
Hong Kong	15.5
Japan	47.4
Indonesia	36.4
Bahamas	5.1
Bermuda	0.3
Netherlands Antilles	4.5
Dominican Republic	21.7
Jamaica	22.6
Puerto Rico	12.2
Trinidad and Tobago	36.7

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By Mr. BAUCUS:

S. 524. A bill to require that imported meat and meat food products made in whole or in part of imported meat to be subjected to certain tests and that such meat or products be labeled "imported" at all stages of distribution until delivery to the final consumer; to require that the cost of conducting such tests, and the cost of conducting certain inspections and identification procedures on imported meat and meat food products, be borne by the exporters of such articles; to require certain eating establishments, which serve imported meat, to inform customers of that fact; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

MEAT LABELING AND INSPECTION ACT OF 1981

● Mr. BAUCUS. Mr. President, today I am introducing the Meat Labeling and Inspection Act of 1981. This is a bill to establish stronger inspection standards for imported meat products and to require that these products carry labels explaining that they are imports.

A significant part—6 percent or more—of the beef Americans eat is imported. But there are serious questions about the safety and wholesomeness of imported meat. And consumers have no way of knowing whether the meat they buy is safe, wholesome American product or foreign product produced and slaughtered under questionable conditions.

U.S. livestock producers suffer too, when unsafe or adulterated meat products are imported. Foreign producers can compete unfairly when they do not have to comply with the same stringent wholesomeness and safety requirement as domestic producers.

DOMESTIC VERSUS FOREIGN INSPECTION

Inspection procedures for imported meat are so shoddy that even the agency doing the inspecting has said:

We have no basis for determining the level of effectiveness achieved by the present program. We know that it provides some protection against the entry of adulterated products into the United States food channels, but we do not know precisely how much. (USDA–FSQS in Task Force Report on the Inspection of Imported Meat and Poultry; November, 1979).

USDA inspectors constantly monitor domestic plants which produce meat to move in interstate commerce.

Federal inspectors examine animals both before and after slaughter to insure that they are free from disease and contamination. Samples taken from carcasses and internal organs are tested for the presence of chemical residues and disease.

Federal inspectors insure that clean operating practices are used and that sanitary conditions are maintained in domestic slaughter facilities. Inspectors also assure that only permitted amounts of acceptable ingredients are used in product formulation.

This is in sharp contrast to the relatively haphazard inspection of foreign meat markets. The USDA does not conduct continuous inspection in foreign plants.

Rather, countries wishing to be eligible to export meat request USDA and State Department approval. Before granting approval, the USDA evaluates the countries' laws, regulations, and inspection staff and conducts onsite reviews.

Once a country is authorized to export, its inspection procedures are not routinely reexamined. For example, the task force report points out that although foreign countries are supposed to maintain laws and regulations to limit biological residues to levels permitted in the United States, the USDA has only recently begun to monitor compliance in this area.

Officials of the U.S. Food Safety and Quality Service do make periodic inspections of foreign plants. However, only 17 inspectors are available to monitor 1,159 certified foreign meat plants. At best, USDA inspectors visit foreign plants quarterly. Some overseas establishments are visited only once every 2 years.

These infrequent inspections cannot insure compliance with U.S. standards. The problem is aggravated because inspections must be announced in advance; plant operators thus have ample warning to prepare for inspections.

During 1978, only 38 times did an inspection result in plants being rejected for failure to meet U.S. standards.

Imported meat must undergo an additional inspection when it arrives at a U.S. port. But this inspection—supposedly a second line of defense—also is minimal.

Eight-five inspectors examined the 2 billion pounds of meat imported in 1978.

In fact, an imported product is routinely marked "U.S. inspected and passed" before it is actually inspected. Later, if for some reason the product fails to pass inspection, these "U.S. inspected and passed" marks are supposed to be removed or obliterated. There is at least a great potential for abuse under this procedure.

MEAT LABELING AND INSPECTION ACT

The legislation I am introducing today contains three basic provisions:

First, whenever imported meat is sold to consumers, its country of origin would have to be printed on the label.

Second, meat products could not be imported unless tests had been conducted by competent inspectors to insure that the meat did not contain substances prohibited in food produced in the United States.

Third, restaurants serving imported meat products would have to inform their customers of this fact.

The legislation would require testing of carcasses and internal organs of animals slaughtered overseas to insure that they do not contain more of any substance than the maximum level permitted in domestic meat or meat products.

Foreign inspectors would be required to meet criteria established by the Secretary of Agriculture that would be equivalent to the qualifications of domestic meat inspectors.

Appropriate officials in foreign countries would be required to certify to our Secretary of Agriculture that the products being imported have been tested and meet the standards established. Under current law, there is no such assurance.

Mr. President, no inspection system can be perfect. The present inspection system is so disjointed that it is impossible to even estimate its effectiveness. But no matter how much we improve this inspection system, the possibility exists for unsafe or unwholesome food products to be imported.

Thus, as a last line of defense, foreign meat and meat products must be labeled as imported. Consumers must be given the opportunity to avoid purchasing and consuming potentially unsafe food.

For the sake both of consumers who eat meat and of the domestic producers who provide it, I hope the 97th Congress will enact legislation to strengthen inspection and require labeling of imported beef.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 524

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—MEAT LABELING AND INSPECTION

SEC. 101. Section 20(a) of the Federal Meat Inspection Act (21 U.S.C. 620(a)) is amended by inserting "(1)" after "(a)", and by adding at the end thereof the following:

"(2) Any imported meat or meat food product referred to in paragraph (1), and any meat food product made in whole or in part of such imported meat, or its package or container, shall be labeled as 'imported', 'imported in part', or 'may contain imported meat', as appropriate. This paragraph shall

not apply if the meat or meat product, or its package or container, is marked and labeled to show the country of origin as required under regulations referred to in paragraph (1).

"(3) If any person other than the ultimate consumer cuts meat or a meat food product into pieces or breaks a package or container containing meat or a meat food product and such meat, product, package, or container is required to be marked or labeled as provided in paragraph (1) or (2), such person shall affix a label to each piece of such meat or product or to each package or container in which any such meat or product is placed to provide the information required by paragraph (1). For purposes of this paragraph and paragraph (2), the term 'label' includes 'labeling' as defined in section 1(p).

"(4) No carcasses, parts of carcasses, meat or meat food products of cattle, sheep, swine, goats, horses, mules, or other equines which are capable of use as human food shall be imported into the United States unless—

"(A) tests have been conducted on the carcasses, parts of carcasses, and meat and meat food products, including internal organs, of the animals from which such articles came, to determine whether such articles (i) contain any substance prohibited in any carcass or meat or meat food product from any domestically produced animal referred to above, and (ii) contain a level of any substance in excess of the maximum level of such substance permitted under law or regulation in any carcass or meat food product from any domestically produced animal referred to above;

"(B) such tests have been conducted, in the country from which such articles are being imported, by persons who have been initially certified (and subsequently recertified) in the same manner or similar manner and under the same criteria as persons who are initially certified (and subsequently recertified) by the Department of Agriculture to conduct such tests on articles of animals produced in the United States; and

"(C) the appropriate government official of the country from which any such article is being imported has certified to the Secretary that such article has been tested in accordance with regulations issued by the Secretary and that such article does not contain any substance referred to in subparagraph (A) or contain a level of any substance in excess of the maximum level referred to in such subparagraph, as appropriate.

"(5) In order to verify the accuracy of testing required for substances referred to in paragraph (4), the Secretary shall conduct a program under which inspectors of the Department of Agriculture take, from time to time, samples of carcasses, parts of carcasses, and meat and meat food products of animals referred to in paragraph (4) which are intended for export to the United States, including the internal organs of the animals from which such carcasses and meat and meat food products came, and send such samples to the United States for appropriate testing.

"(6) As used in paragraphs (4) and (5) of this subsection, the term 'substance' means any chemical matter for which the Department of Agriculture conducts tests on carcasses, parts of carcasses, and meat and meat food products, including the internal organs, of cattle, sheep, swine, goats, horses, mules, or other equines which are capable of use as human food, for the purpose of determining whether residues of such chemical matter are present in such articles or to determine whether the residues of such chemical matter present in such articles exceeds levels authorized by law or regulation.

"(7)(A) The Secretary shall prescribe such assessments and fees on imported meat and meat food products as he determines necessary to cover the costs of inspections, certifications, testing, and labeling (or other marking) required under this section.

"(B) In establishing the level or rate of assessments and fees to be imposed under this title, the Secretary shall take into consideration the volume of exports, the value thereof, and such other factors as he deems appropriate in order to achieve a fair and equitable allocation of such assessments and fees among exporters.

"(8) The Secretary shall have authority to suspend or revoke the privilege of any exporter of meat or meat food products to export such meat or products to the United States if such exporter fails to pay the assessments or fees for which he is responsible to pay under this title.".

TITLE II—REQUIREMENT OF CERTAIN EATING ESTABLISHMENTS TO INFORM CUSTOMERS THAT IMPORTED MEAT OR MEAT FOOD PRODUCTS ARE SERVED IN SUCH ESTABLISHMENTS

SEC. 201. (a) The owner of any eating establishment shall inform individuals purchasing food from such establishment that such establishment serves meat or meat food products imported from a foreign country, or meat food products containing meat imported from a foreign country. The owner shall inform such individuals—

(1) by displaying, in a conspicuous place in such establishment, a sign indicating that foods containing meat imported from a foreign country are served in such establishment; or

(2) by indicating such fact on the menus offered to such individuals.

(b) Any owner of an eating establishment who knowingly violates subsection (a) of this section, or whose employee or other agent knowingly violates such subsection, shall be fined an amount not to exceed $100 for each day such subsection is violated.

(c) For purposes of this section—

(1) The term "eating establishment" means any restaurant, cafeteria, lunch counter, or other facility (including any such facility located on the premises of any retail establishment)—

(A) which engages in operations affecting commerce; and

(B) which sells (for consumption on the premises) meat or meat food products which have been imported from a foreign country, or food containing meat imported from a foreign country.

(2) The term "commerce" means travel or transportation between any of the several States, or between any foreign country and any State, or between points in the same State but through any other State or any foreign country.

(3) The term "owner" means a corporation, partnership, association, any other legally organized entity or an individual.

(4) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

(d) For purposes of this section, an eating establishment engages in operations affecting commerce if (1) such establishment serves or offers to serve food to any individual engaged in commerce, or (2) a significant portion, as determined by the Attorney General of the United States under section 202, of the food which such establishment offers for sale has moved in commerce.

SEC. 202. The Attorney General of the United States shall prescribe a regulation defining the term "significant portion", as used in section 201(d) of this Act, within thirty days from the date of the enactment of this Act.

SEC. 203. The provisions of this title shall become effective ninety days after the date of the enactment of this Act or thirty days after the effective date of the regulation described in section 202 of this Act, whichever occurs later.●

By Mr. WILLIAMS (for himself and Mr. BRADLEY):

S. 525. A bill to provide that not less than one very high frequency commercial television broadcasting station be located in each State; to the Committee on Commerce, Science, and Transportation.

THE FAIR BROADCASTING ACT OF 1981

● Mr. WILLIAMS. Mr. President, not since 1961 has the State of New Jersey had a VHF television station.

This is a unique situation, and one which by now is no doubt familiar to many of my colleagues. But for the benefit of our newer Members on both sides of the aisle, I would like to summarize the problems this lack of television service has caused in New Jersey, and briefly outline the considerable body of evidence which has pushed me to continue this effort to have a VHF station assigned to our State.

One can hardly overestimate the importance and the impact of television in our society. The overwhelming majority of Americans depend on television for their news and information about the public affairs in their States and communities. Clearly, New Jerseyans are at a disadvantage because they must depend on stations in New York and Philadelphia for coverage of New Jersey events. Oftentimes this amounts to news of a fire in Newark or tragic accident in Camden; hardly a well-balanced or thorough attempt at State coverage.

Since 1971, I have served as cochairman of the New Jersey Coalition of Fair Broadcasting, a citizens group which was formed to advocate New Jersey's cause. The coalition has a long record of attempts to convince the Federal Communications Commission of the importance of our mission. Back in 1974, the group petitioned the FCC for relief. We were delighted to find that the FCC believed that "New Jersey's television needs and its overall circumstances constitute a special case warranting unique and responsive action by the Commission."

We have not been so delighted, however, with the followup responses by the Commission. We have seen the Commission request New York and Philadelphia stations to pay more attention to New Jersey coverage. We have heard the Commission suggest adding six new UHF stations, and consider whether it can require networks to affiliate with those stations. Many different avenues have been recommended to resolve New Jersey's grievance, but I am afraid they have all fallen short of the mark.

I am convinced New Jersey residents need a VHF television station and that no other proffered alternative can come close to filling the media void they now endure. In my opinion, the legislation which I am offering today would provide the most concise and most effective solution to the State's problem. It would clearly establish a fair and workable solution and pave the way for early action by the FCC.

The legislation, as introduced, would amend the Communications Act of 1934 to provide not less than one VHF commercial television broadcasting station for each State. It would require that if, and only if, a VHF station becames available in a State which already has other VHF stations, the Commission must allocate the available license to a State without a station, if it is technically feasible to do so.

Until recently, there has not been such an auspicious environment for action of this kind. There have simply been no stations available for reassignment. Recently, however, several related events made my hopes for a New Jersey commercial VHF station seem more attainable.

Last year, the FCC decided to deny the license renewal application of the licensee for three major television stations, including channel 9 in New York. While New Jersey's needs were not a factor in the decision, it nevertheless presents the Commission with an excellent opportunity to resolve New Jersey's nagging problem.

My colleague from New Jersey (Mr. BRADLEY) and I joined in petitioning the FCC to seize this opportunity to reallocate the channel to our State, and I am pleased to note that the formal rulemaking on this petition has begun. I am most hopeful that the FCC will act favorably on this petition so that the very long and arduous task of actually putting a station on the air may get underway.

Senate action, and certainly congressional approval on the measure I am proposing here today would surely ease the difficult task by spelling out the intent of Congress and clearing the path for the Commission.

I urge my colleagues to carefully consider the legislation I am introducing today, and I hope that when the Commerce Committee considers broadcast issues later this year under the able leadership of the Senator from Oregon (Mr. PACKWOOD), that it will again review the advisability of a legislative solution to New Jersey's problem.

I am also looking forward to working with the chairman of the Communications Subcommittee (Mr. GOLDWATER), and I would again like to express my appreciation for the time he and members of that subcommittee have given to our concerns in the past.

Senator GOLDWATER has long been concerned about the television void in New Jersey, and we have always appreciated his willingness to consider legislative proposals designed to ease the problem. His careful study of the issues, and his thoughtful concern as well as his words of encouragement in the past have been a source of hope for New Jerseyans awaiting a solution to this unfair situation. His willingness once again to consider a legislative solution is deeply appreciated.

Mr. President, I ask unanimous consent that the text of my legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 525

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 307 of the Communications Act of 1934 is amended by adding at the end thereof the following new subsection:

"(f) In order to carry out the intent of subsection (b) of this section, it shall be the policy of the Commission to assign channels for very high frequency television broadcasting in a manner which ensures that not less than one such channel shall be licensed to a commercial station located in each State, if technically feasible. If the Commission at any time on or after January 1, 1980, declines to renew, or revokes, the license of any very high frequency commercial television station whose authorized channel of operation is assigned to a State with more than one such assignment, it shall, if technically feasible, assign such channel to a State in which no very high frequency television broadcasting station is operating commercially.".●

● Mr. BRADLEY. Mr. President, I am pleased to join my colleague from New Jersey in introducing legislation to end a historic injustice against New Jersey. We are currently one of only two States in the country which lack a commercial VHF television station. This legislation would require the Federal Communications Commission to assign a VHF station to any State without such a station when a license becomes available in a neighboring State.

Last spring Senator WILLIAMS and I petitioned the FCC for a rulemaking to reassign WOR-TV channel 9 in New York to New Jersey. I am pleased that they have issued a notice of proposed rulemaking to do that. Final action on this matter will be delayed until the conclusion of litigation challenging the revocation of the RKO-owned station's license.

Passage of this legislation will have two effects. It will underscore the seriousness with which the problem is treated by the Senate. It will also offer potential relief to the other similarly deprived State—Delaware.

Many arguments have been advanced over the years on the need for a New Jersey commercial VHF station. Chief among these is the need for residents of our State to communicate with each other. We know more about the events of New York City and Philadelphia than we do about what's happening in Trenton, Newark, Jersey City, or Camden. Our view of ourselves is that which non-New Jerseyans have of us.

It is my hope that this legislation, combined with our petition before the FCC will correct the problem.●

By Mr. MATHIAS (for himself and Mr. BAUCUS):

S. 526. A bill to amend the Congressional Budget Act to limit the growth of Federal taxation and spending and to achieve balanced budgets, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

FISCAL RESPONSIBILITIES ACT OF 1981

● Mr. MATHIAS. Mr. President, twice in the past 2 weeks President Reagan has spoken to us about our ailing economy, and he struck as responsive a chord in us as he has in the American people. For the past 2 years, rarely a week went by without another report of an economic indicator gone wild. One thing emerges clearly—our complex trillion dollar economy needs a major overhaul.

Public enemy No. 1 is inflation. Today's inflation defies all traditional economic theory—we have a dangerous mix of economic forces that gives us both high prices and high unemployment with sluggish growth.

While we cannot control many of the factors that contribute to inflation—including energy prices, declining innovation, lagging productivity, and the scarcity of venture and investment capital—we can control the Federal budget. So let us begin our fight against inflation with a permanently balanced Federal budget.

As our opening salvo in that fight, Senator BAUCUS and I today reintroduce our Fiscal Responsibilities Act. This bill would amend the 1974 Budget Act to require a permanently balanced budget, with revenues and outlays limited to 21 percent of the gross national product.

Over the past 2 years, we have seen an encouraging and dramatic change in thinking on and off Capitol Hill. For the first time, I think everyone agrees that we have got to put a lid on Government spending. Some would prefer to amend the Constitution to require a balanced budget. Others, like Senator BAUCUS and me, would prefer the statutory route.

Last year, when the Senate Judiciary Committee considered an amendment to the Constitution, I voted against it. I have always thought that we should amend the Constitution only as a last resort. We should first try to balance the budget by tightening up the Congressional Budget Act of 1974. As an original cosponsor of the Budget Act, I think it can be an effective tool against excessive Government spending. Rather than resort to the lengthy and uncertain constitutional amendment process, I think Congress should amend the Budget Act to require a permanently balanced budget. Our bill will do just that.

I urge all of my colleagues to study the Fiscal Responsibilities Act and to join us in support of it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 526

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fiscal Responsibilities Act of 1981".

TITLE I—TO DISCOURAGE TAXFLATION BY REQUIRING AN AFFIRMATIVE VOTE OF CONGRESS BEFORE TAX RECEIPTS INCREASE AS A PERCENTAGE OF GROSS NATIONAL PRODUCT

SEC. 2. (a) Section 301(a) of the Congressional Budget Act of 1974 (31 U.S.C. 1322) is

amended by renumbering paragraphs (6) and (7) as (7) and (8) respectively, and by inserting after paragraph (5) the following new paragraph:

"(6) an estimate of the gross national product at the close of such fiscal year and of the fiscal year in progress;".

(b) Such Act is amended by inserting after section 301 the following new section:

"INCREASES IN REVENUES AS A PERCENTAGE OF GROSS NATIONAL PRODUCT

"SEC. 301A. If, immediately prior to the final vote on the adoption of any concurrent resolution on the budget for any fiscal year (or the conference report thereon) in either the House of Representatives or the Senate, the percentage which the recommended level of Federal revenues for such fiscal year is of the estimated gross national product at the close of such fiscal year exceeds the percentage which the estimated level of Federal revenues for the fiscal year in progress is of the estimated gross national product at the close of the fiscal year in progress, then a separate vote shall be taken on agreeing to the recommended level of Federal revenues for such fiscal year. In the case of a concurrent resolution on the budget for a fiscal year after such fiscal year has begun, the level of Federal revenues for the preceding fiscal year shall be substituted for the estimated level of Federal revenues for the fiscal year in progress, and the gross national product at the close of the preceding fiscal year shall be substituted for the estimated gross national product at the close of the fiscal year in progress.".

TITLE II—TO REQUIRE APPROVAL BY THREE-FIFTHS OF THE MEMBERS OF THE HOUSE OF REPRESENTATIVES AND THE SENATE OF ANY BUDGET WHICH PROVIDES FOR A DEFICIT

SEC. 2. (a) Section 305(a)(6) of the Congressional Budget Act of 1974 (31 U.S.C. 1326(a)(5)) is amended by inserting before the period at the end of the first sentence the following: ", except that after all amendments to the figures set forth pursuant to paragraph (1) and paragraphs (3) through (6) of section 301(a) have been considered, a vote shall be taken on such figures, but such vote shall not prevent further amendment of such figures as provided by this paragraph".

(b) Section 301(b)(1) of such Act (31 U.S.C. 1326(b)(1)) is amended by adding at the end thereof the following new sentence: "Prior to the consideration of any amendments to the figures set forth pursuant to paragraph (2) of section 301(a), (A) action shall be concluded, except as provided by paragraph (7) of this subsection, on all amendments to the flugres set forth pursuant to paragraph (1) and paragraphs (3) through (6) of such section, and (B) a vote shall be taken on the figures as then set forth pursuant to paragraph (1) and paragraphs (3) through (6) of such section, but such vote shall not prevent further amendment of such figures as provided by paragraph (7) of this subsection".

SEC. 4. The Congressional Budget Act of 1974 is amended by inserting after section 301A (as added by section 2 of this Act) the following new section:

"THREE-FIFTHS MAJORITY REQUIRED FOR DEFICIT BUDGETS

"SEC. 301B. On the question of adoption of any concurrent resolution on the budget for any fiscal year (or the conference report thereon) in either the House of Representatives or the Senate, if a deficit in the budget is set forth as appropriate, an affirmative vote of three-fifths of the Members present and voting, a quorum being present, shall be required.".

TITLE III—TO REQUIRE THE PRESIDENT TO SUBMIT A BALANCED BUDGET IN WHICH NEITHER EXPENDITURES NOR REVENUES EXCEED 21 PER CENTUM OF THE GROSS NATIONAL PRODUCT

SEC. 5. The Budget and Accounting Act, 1921 (31 U.S.C. 1 et seq.), is amended by inserting after section 201 the following new section:

"SEC. 201A. (a) If the budget transmitted pursuant to section 201 for any fiscal year sets forth—

"(1) estimated expenditures of the Government during such fiscal year exceeding 21 per centum of the estimated gross national product at the close of such fiscal year; or

"(2) estimated receipts of the Government during such fiscal year exceeding 21 per centum of the estimated gross national product at the close of such fiscal year; or

"(3) estimated expenditures in excess of estimated receipts,

the President shall transmit an alternate budget for that fiscal year in which estimated expenditures and estimated receipts do not exceed such percentages of the estimated gross national product, and in which estimated receipts exceed estimated expenditures.

"(b) An alternative budget transmitted pursuant to subsection (a) or (b) for any fiscal year shall be transmitted on the same day as the budget transmitted pursuant to section 201 for such fiscal year and shall be in the same form and detail as the budget so transmitted, except that, at the discretion of the President, such alternate budget may omit the detail of matters that are the same as the budget so transmitted.".●

● Mr. BAUCUS. Mr. President, I am pleased to join with Senator MATHIAS in introducing the Fiscal Responsibilities Act of 1981. This legislation proposes what I believe is the correct way to impose constructive restraint on the burgeoning Federal budget.

The measure uses two basic procedures to accomplish this objective: first, no deficit spending could be enacted unless both Houses of Congress have agreed to the deficit by three-fifths votes; second, each Member of Congress would be required to vote for or against any tax increase that exceeds the gross national product—including the tax increases brought on by inflation.

In essence, the measure will insure that Congress decisively confronts proposed increases in Federal taxation and Federal spending.

The bill's requirements are triggered early in the congressional budget process, and continue to operate throughout the steps leading to adoption of the budget.

The congressional budget process has now begun with submission of the administration's proposals. The administration is uniquely positioned to analyze and recommend spending priorities and needs, given its substantial staffing and resources.

Recognizing this capacity, the measure would require the submission of an alternative budget if the administration's proposed budget contains a deficit or if estimated expenditures or receipts exceed 21 percent of the gross national product. The alternative budget would have to be a balanced budget, and revenues and expenditures would have to be no greater than 21 percent of the estimated gross national product.

The submission of an alternative budget is critical, since it would permit Congress quickly and directly to consider and evaluate the option of adopting a balanced budget.

Later, during consideration of any concurrent budget resolution or conference report on such a resolution, a second requirement is applied. If the percentage of proposed Federal revenues compared to the estimated gross national product exceeds the percentage for the previous year, a separate vote must be taken on the question whether the increase should be accepted.

In this manner, Congress will be forced to address an issue of concern to the taxpayers and the voters of this country—the growth of Federal spending beyond growth in the economy.

Last, if Congress decides to approve a deficit budget, it can do so under this proposal. But, a three-fifths majority vote of both Houses would be required. I believe this extraordinary majority requirement properly places the presumption in favor of a balanced budget. It would still be possible to use deficit spending if economic exigencies required it. However, the burden of establishing the need for a budget in balance would be placed on its advocates—not its opponents.

In the past, some have suggested that the U.S. Constitution might be amended to require balanced budgets. I have not taken this point of view lightly. But, I have concluded that such material is not appropriate for inclusion in the Constitution. The Constitution should—and does—contain the broad principles by which we govern ourselves. Lockstep economic policies—no matter how critical—no not belong there and are properly matters to be addressed by the Congress as our economic circumstances change.

So, I am pleased to offer this statutory approach with Senator MATHIAS for the consideration of our colleagues. It requires us to stand up and be counted—to cast a clear and decisive vote on budgetary restraint and balance.

I am under no illusion that this legislation will solve all our economic problems. It will not. But, it represents an important first step.

Congress must address the public's demand for restraint on Government spending and appropriately balanced budgets. We must address it this session.●

By Mr. BAUCUS:

S. 527. A bill to amend the Internal Revenue Code of 1954 to subject pension trusts to the tax imposed by section 511 on unrelated business income for income related to the sale or rental or farmland and grazing land; to the Committee on Finance.

FAMILY FARM PRESERVATION ACT

● Mr. BAUCUS. Mr. President, today I am reintroducing legislation I developed last year to curb pension fund investments in agricultural land.

During a hearing of the Senate Small Business Committee which I chaired last October, representatives of the Department of Agriculture and farm organizations testified that pension fund investments are a serious threat to our family farm system. The witnesses recommended that legislation be enacted to prevent the land price inflation, soil and water erosion, and reduction of competition that would accompany pension fund control of agricultural land.

After the hearing I drafted and introduced legislation to close the tax loopholes that give pension funds purchasing agricultural land an unfair competitive advantage over family farmers. The 96th Congress did not have time to complete action on this legislation. Its enactment should be a priority now.

THREAT OF PENSION FUND INVESTMENTS

Farm leaders have called pension fund investments in farmland "unneeded, unwelcome, undesirable, and disruptive."

The American Agricultural Investment Management Co. formed last year to channel pension fund capital into agricultural land claims that it will help young people enter agriculture by providing capital to finance farmland.

But farm experts disagree. They point out that there is no shortage of capital to buy farmland. Pension fund investments could radically inflate already spiraling land prices, making it even more difficult for existing farmers to expand their operations and for young people to get started in farming.

Pension fund investments in farmland are particularly disturbing because of their huge potential impact. The funds control massive amounts of capital. If pension funds invested only 1.5 percent of their nearly $600 billion in assets annually, they could buy up all the farmland that is normally available for public sale. Theoretically pension funds have enough assets to purchase all the farms and ranches in the United States.

Pension funds are likely to be less careful stewards of soil and water resources than family farmers and will not contribute nearly as much to local towns and communities.

Most important, however, concentration of control over our farmland by a few large investors would set the stage for control over the price of food. Family farmers who compete among themselves in a free market have provided abundant supplies of food at low prices. Reducing competition, by concentrating control of farmland in the hands of a few investors, could be the most damaging effect of pension fund investments.

PENSION FUND TAX ADVANTAGES

All of us recognize the importance of pension funds. They encourage a voluntary private retirement system and provide badly needed investment capital for U.S. industry. But while these investments are crtical in this Nation's efforts to reindustrialize, they yield no benefits when made in our fixed supply of agricultural land.

Pension funds are interested in farmland because in recent years it has been a more profitable investment than stocks or bonds. Experts predict that farmland price appreciation will continue, partly because of inflation and partly because of greater pressures on our food supply.

But because of their tax status, pension funds receive an added bonus for their investments. Under present law, most income to pension trusts is nontaxable and contributions to establish the trust are tax deductible. Tax only is paid when pension fund benefits are distributed to the plan's beneficiaries. At this point the beneficiary has benefited from the deferral of taxes for all the years his or her money was in the plan, plus he is able to pay taxes at the lower rate established for persons over age 65.

Thus, pension funds can compete unfairly with family farmers who must pay taxes on their current income.

THE FAMILY FARM PRESERVATION ACT

Mr. President, the Family Farm Preservation Act I am reintroducing today modifies the present Tax Code so that pension fund income from the sale or rental of agricultural land will be taxed. Under present law if pension funds operate farms or ranches directly their income will be taxed. But income from rental or sale of agricultural lands is tax exempt for pension funds.

My bill will close this loophole to discourage pension fund purchases of agricultural land and help preserve family farms. As a member of the Senate Finance Committee I will be asking for quick hearings and enactment of the Family Farm Preservation Act.

At this time I ask unanimous consent that the text of the Family Farm Preservation Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 527

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as "The Family Farm Preservation Act."

SEC. 2. APPLICATION OF UNRELATED BUSINESS INCOME TAX.

(a) MODIFICATIONS TO INCOME.—Subsection (b) of section 512 of the Internal Revenue Code of 1954 (relating to modifications) is amended by adding at the end thereof the following new paragraph:

"(16) Notwithstanding paragraphs (3) and (5), in the case of a trust described in section 401(a), or section 501(c)(17), which is exempt from tax under section 501(a)—

"(A) there shall be included in unrelated business taxable income gain from the sale or exchange of, and rents from, open land used for pasturage of livestock and farmland (as defined in section 1252(a)(2)), and

"(B) deductions directly connected with such gain or rents shall be taken into account.".

(b) UNRELATED TRADE OR BUSINESS.—Subsection (b) of section 513 of such Code (relating to special rule for trusts) is amended by adding at the end thereof the following new sentence: "In the case of a trust described in paragraph (2), the term includes the activity of purchasing, renting, and selling land described in section 512(b)(16)(A).".

SEC. 3. EFFECTIVE DATE.

The amendments made by section 1 shall apply with respect to taxable years beginning after December 31, 1981.●

ADDITIONAL COSPONSORS

S. 63

At the request of Mr. HEINZ, the Senator from Illinois (Mr. PERCY), and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

S. 141

At the request of Mr. BENTSEN, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 141, a bill relating to tax treatment of qualified dividend reinvestment plans.

S. 317

At the request of Mr. BENTSEN, the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 317, a bill to amend the Internal Revenue Code of 1954 to provide faster tax deductions for depreciation and larger investment tax credits in order to help combat inflation and increase the U.S. position in world trade.

S. 360

At the request of Mr. WEICKER, the Senator from Vermont (Mr. LEAHY), the Senator from Indiana(Mr. LUGAR), the Senator from Illinois (Mr. PERCY), the Senator from Tennessee (Mr. SASSER), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 360, a bill to amend the Internal Revenue Code of 1954 to improve productivity and employment by promoting capital investment in small business, and for other purposes.

S. 414

At the request of Mr. CHAFEE, the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 414, a bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

SENATE JOINT RESOLUTION 30

At the request of Mr. RIEGLE, the Senator from Arkansas (Mr. PRYOR), the Senator from Utah (Mr. HATCH), the Senator from Maryland (Mr. SARBANES), the Senator from Missouri (Mr. EAGLETON), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Louisiana (Mr. LONG), the Senator from Indiana (Mr. LUGAR), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from New York (Mr. MOYNIHAN), the Senator from Utah (Mr. GARN), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Kentucky (Mr. FORD), the Senator from Maine (Mr. COHEN), the Senator from Missouri (Mr. DANFORTH), the Senator from Oklahoma (Mr. BOREN), the Senator from Tennessee (Mr. SASSER), the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. CANNON), the Senator from Arizona (Mr. DECONCINI), the Senator from North Dakota (Mr. BURDICK), the Senator from Alabama (Mr. DENTON), and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of

Senate Joint Resolution 30, a joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era."

SENATE RESOLUTION 76—RESOLUTION PROVIDING FOR TWO ADDITIONAL MEMBERS OF THE JOINT COMMITTEE ON PRINTING

Mr. MATHIAS submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 76

Resolved, That S. Res. 36, 97th Congress (a resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee on the Library), agreed to February 3, 1981, is amended on the first page (1) by inserting on line 5, immediately after "Virginia," the following: "Mr. Hatfield of Oregon,", (2) by striking out "and" on line 5, and (3) by inserting immediately after "Nevada" on line 6 the following: ", and Mr. Ford of Kentucky".

SEC. 2. The amendment's made by the first section of this resolution shall take effect on the date this resolution is agreed to.

AMENDMENTS SUBMITTED FOR PRINTING

AIRPORT AND AIRWAY SYSTEM DEVELOPMENT ACT OF 1981—S. 508

AMENDMENT NO. 5

(Ordered to be printed and referred to the Committee on Commerce, Science, and Transportation.)

Mrs. KASSEBAUM submitted an amendment intended to be proposed by her to the bill (S. 508) to provide for the improvement of the Nation's airport and airway system, and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

● Mr. HELMS. Mr. President, as chairman of the Committee on Agriculture, Nutrition, and Forestry, I wish to announce that hearings have been scheduled on the reauthorization of the Food and Agriculture Act of 1977. These hearings will be comprehensive, and the Committee expects to receive testimony on a wide range of agricultural and food policy issues.

The hearings will begin on March 2 and are scheduled to conclude on March 26. All hearings will begin at 9 a.m., and will be held in room 324 Russell Senate Office Building, unless otherwise changed. Since the Senate majority leader has announced his intention that the bulk of committee business be conducted on Mondays and Wednesdays, two sessions will be held on those days with the afternoon hearing beginning at 2 p.m.

Specific subjects have been assigned to each day and are listed below:

March 2—Members of Congress, General Farm Organizations.

March 3—Wheat: Also, the Secretary of Agriculture is expected to make a brief, general statement with detailed comments coming at the conclusion of the hearings:

March 4—Feed Grains.
March 5—Cotton.
March 6—Sugar.
March 9—Soybeans and Rice.
March 10—Peanuts.
March 11—Dairy.
March 12—General.
March 13—Livestock.
March 16—Food Stamp Program.
March 17—Food Stamp Program.
March 19—Rural Development.
March 20—Conservation.
March 23—Agricultural Exports and P.L. 480 (Food for Peace Program).
March 24—Research and Extension.
March 25—Secretary of Agriculture and USDA witnesses.
March 26—Forestry.

In order to accommodate as many persons as possible who wish to testify, each witness will be limited to an oral statement of no more than 10 minutes. Comprehensive written statements will be accepted and inserted into the hearing record. Also, each witness or organization may testify only once, so each statement should encompass all concerns regarding the farm bill. Twenty-five advance copies of the statement should be delivered to the committee by noon on the day prior to the witness' appearance, and 75 additional copies should be submitted on the hearing day.

Anyone wishing to testify should contact John McCarthy, chief clerk, or Denise Alexander, hearing clerk, of the Agriculture Committee at 224-0013 or 224-0014.●

ADDITIONAL STATEMENTS

RULES OF THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY FOR THE 97TH CONGRESS

● Mr. HELMS. Mr. President, paragraph (2) of rule XXVI of the Standing Rules of the Senate requires that each committee of the Senate adopt and publish its rules not later than March 1 of each year.

At its organizational meeting, held January 28, 1981, the Committee on Agriculture, Nutrition, and Forestry adopted rules governing committee procedure for the 97th Congress. These rules are identical to those adopted by the committee for the 96th Congress and are ancillary to those governing Senate committees contained in the Standing Rules of the Senate.

I submit for the RECORD the rules of the committee:

RULES OF THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

1. Regular meetings shall be held on the first and third Wednesday of each month when Congress is in session.

2. Voting by proxy authorized in writing for specific bills or subjects shall be allowed whenever a majority of the committee is actually present.

3. To assure the equitable assignment of members to subcommittees, no member of the committee will receive assignment to a second subcommittee until, in order of seniority, all members of the committee have chosen assignments to one subcommittee, and no member shall receive assignment to a third subcommittee until, in order of seniority, all members have chosen assignments to two subcommittees.

4. Six members shall constitute a quorum for the purpose of transacting committee business: *Provided*, That for the purpose of receiving sworn testimony, a quorum of the committee and each subcommittee hereof shall consist of one member.●

RULES OF THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. McCLURE. Mr. President, the Energy and Natural Resources Committee, at its organizational meeting on January 2, 1981, adopted the committee rules for the 97th Congress.

I submit for the RECORD the rules of the committee:

RULES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES 97TH CONGRESS

GENERAL RULES

Rule 1. The Standing Rules of the Senate as supplemented by these rules, are adopted as the rules of the Committee and its Subcommittees.

MEETINGS OF THE COMMITTEE

Rule 2. (a) The Committee shall meet on the third Wednesday of each month while the Congress is in session for the purpose of conducting business, unless, for the convenience of Members, the Chairman shall set some other day for a meeting. Additional meetings may be called by the Chairman as he may deem necessary.

(b) Business meetings of any Subcommittee may be called by the Chairman of such Subcommittee, *Provided*, That no Subcommittee meeting or hearing other than a field hearing, shall be scheduled or held concurrently with a full Committee meeting or hearing, unless a majority of the Committee concurs in such concurrent meeting or hearing.

OPEN HEARINGS AND MEETINGS

Rule 3. (a) Hearings and business meetings of the Committee or any Subcommittee shall be open to the public except when the Committee or such Subcommittee by majority vote orders a closed hearing or meeting.

(b) A transcript shall be kept of each hearing of the Committee or any Subcommittee.

(c) A transcript shall be kept of each business meeting of the Committee or any Subcommittee unless a majority of the Committee or the Subcommittee involved agrees that some other form or permanent record is preferable.

HEARING PROCEDURE

Rule 4. (a) Public notice shall be given of the date, place, and subject matter of any hearing to be held by the Committee or any Subcommittee at least one week in advance of such hearing unless the Chairman of the full Committee or the Subcommittee involved determines that the hearing is noncontroversial or that special circumstances require expedited procedures and a majority of the Committee or Subcommittee involved concurs. In no case shall a hearing be conducted with less than twenty-four hours notice.

(b) Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee or Subcommittee, at least 24 hours in advance of the hearing, a written statement of his or her testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

(c) Each member shall be limited to five minutes in the questioning of any witness until such time as all Members who so desire

have had an opportunity to question the witness.

(d) The Chairman and ranking Minority Member or the ranking Majority and Minority Members present at the hearing may each appoint one Committee staff member to question each witness. Such staff member may question the witness only after all Members present have completed their questioning of the witness or at such other time as the Chairman and the ranking Majority and Minority Members present may agree.

BUSINESS MEETING AGENDA

Rule 5. (a) A legislative measure or subject shall be included on the agenda of the next following business meeting of the full Committee or any Subcommittee if a written request for such inclusion has been filed with the Chairman of the Committee or Subcommittee at least one week prior to such meeting. Nothing in this rule shall be construed to limit the authority of the Chairman of the Committee or Subcommittee to include legislative measures or subjects on the Committee or Subcommittee agenda in the absence of such request.

(b) The agenda for any business meeting of the Committee or any Subcommittee shall be provided to each Member and made available to the public at least three days prior to such meeting, and no new items may be added after the agenda is so published except by the approval of a majority of the Members of the Committee or Subcommittee. The Staff Director shall promptly notify absent Members of any action taken by the Committee or any Subcommittee on matters not included on the published agenda.

QUORUMS

Rule 6. (a) Except as provided in subsections (b), (c), and (d), seven Members shall constitute a quorum for the conduct of business of the Committee.

(b) No measure or matter shall be ordered reported from the Committee unless eleven Members of the Committee are actually present at the time such action is taken.

(c) Except as provided in subsection (d), one-third of the Subcommittee Members shall constitute a quorum for the conduct of business of any Subcommittee.

(d) One Member shall constitute a quorum for the purpose of conducting a hearing or taking testimony on any measure or matter before the Committee or any Subcommittee.

VOTING

Rule 7. (a) A rollcall of the Members shall be taken upon the request of any Member. Any Member who does not vote on any rollcall at the time the roll is called, may vote (in person or by proxy) on that rollcall at any later time during the same business meeting.

(b) Proxy voting shall be permitted on all matters, except that proxies may not be counted for the purpose of determining the presence of a quorum. Unless further limited, a proxy shall be exercised only upon the date for which it is given and upon the items published in the agenda for that date.

(c) Each Committee report shall set forth the vote on the motion to report the measure or matter involved. Unless the Committee directs otherwise, the report will not set out any votes on amendments offered during Committee consideration. Any Member who did not vote on any rollcall shall have the opportunity to have his position recorded in the appropriate Committee record or Committee report.

(d) The Committee vote to report a measure to the Senate shall also authorize the staff of the Committee to make necessary technical and clerical corrections in the measure.

SUBCOMMITTEES

Rule 8. (a) The number of Members assigned to each Subcommittee and the division between Majority and Minority Members shall be fixed by the Chairman in consultation with the ranking Minority Member.

(b) Assignment of Members to Subcommittees shall, insofar as possible, reflect the preferences of the Members. No Member will receive assignment to a second Subcommittee until, in order of seniority, all Members of the Committee have chosen assignments to one Subcommittee, and no Member shall receive assignment to a third Subcommittee until, in order of seniority, all Members have chosen assignments to two Subcommittees.

(c) Any Member of the Committee may sit with any Subcommittee during its hearings and business meetings but shall not have the authority to vote on any matters before the Subcommittee unless he is a Member of such Subcommittee.

SWORN TESTIMONY AND FINANCIAL STATEMENTS

Rule 9. Witnesses in Committee or Subcommittee hearings may be required to give testimony under oath whenever the Chairman or ranking Minority Member of the Committee or Subcommittee deems such to be necessary. At any hearing to confirm a Presidential nomination, the testimony of the nominee and, at the request of any Member, any other witness shall be under oath. Every nominee shall submit a statement of his financial interests, including those of his spouse, his minor children, and other members of his immediate household, on a form approved by the Committee, which shall be sworn to by the nominee as to its completeness and accuracy. A statement of every nominee's financial interest shall be made public on a form approved by the Committee, unless the Committee in executive session determines that special circumstances require a full or partial exception to this rule. Members of the Committee are urged to make public a statement of their financial interests in the form required in the case of Presidential nominees under this rule.

CONFIDENTIAL TESTIMONY

Rule 10. No confidential testimony taken by or confidential material presented to the Committee or any Subcommittee, or any report of the proceedings of a closed Committee or Subcommittee hearing or business meeting, shall be made public, in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee at a business meeting called for the purpose of making such a determination.

DEFAMATORY STATEMENTS

Rule 11. Any person whose name is mentioned or who is specifically identified in, or who believes that testimony or other evidence presented at, an open Committee or Subcommittee hearing tends to defame him or otherwise adversely affect his reputation may file with the Committee for its consideration and action a sworn statement of facts relevant to such testimony or evidence.

BROADCASTING OF HEARINGS OR MEETINGS

Rule 12. Any meeting or hearing by the Committee or any Subcommittee which is open to the public may be covered in whole or in part by television broadcast, radio broadcast, or still photography. Photographers and reporters using mechanical recording, filming, or broadcasting devices shall position their equipment so as not to interfere with the seating, vision, and hearing of Members and staff on the dais or with the orderly process of the meeting or hearing.

AMENDING THE RULES

Rule 13. These rules may be amended only by vote of a majority of all the Members of the Committee in a business meeting of the Committee: Provided, That no vote may be taken on any proposed amendment unless such amendment is reproduced in full in the Committee agenda for such meeting at least three days in advance of such meeting.●

RULES OF THE SELECT COMMITTEE ON SMALL BUSINESS

● Mr. WEICKER. Mr. President, the Select Committee on Small Business held its organizational meeting on January 27, at which we adopted the committee rules for this Congress.

The Small Business Committee rules for this Congress are essentially the same rules adopted by the committee during the last Congress, with two minor changes. A regular meeting day for the committee is now provided for, which shall be the first Wednesday of each month unless otherwise directed by the chairman. This change conforms the committee rules to section 133 of the Legislative Reorganization Act of 1946 which requires each standing committee of the Senate to fix a regular meeting day each month for the transaction of committee business. The committee rules have also added a section which provides the procedure by which the membership of the committee can amend the committee rules if it so desires.

I would also like to take this opportunity to say that I look forward to working with all of our members, in my new role as chairman, during what appears to be a very challenging year for all of us on the Small Business Committee.

The committee's principal focus in the upcoming year will be a vigorous oversight of the Small Business Administration's programs and policies. In the last Congress, comprehensive legislation was enacted, Public Law 96-302, that extended most of SBA's programs through fiscal year 1982. As chairman of this committee, I do not believe we should create more programs for this agency to administer. Instead, it is time to review what is already on the books. It is the duty of this committee to scrutinize the agency's performance in the areas of management assistance, procurement assistance, advocacy, and loan making.

I intend to play a leadership role in the oversight process. However, the task is a large one and will require the active involvement of all the members. The work will often be tedious and demanding, but it must be done.

Critics of SBA, seeing evidence of an agency in serious trouble, have called for it to be abolished and folded into another executive department. I believe that would be a mistake. SBA, as part of the executive branch, has an important role to play in the small business community. It is the duty of this committee to redefine SBA's mission, allocate its resources accordingly and insure that SBA's constituency, the small business community, is no longer ill-served.

I look forward to working with this new administration and my colleagues on this committee in this common enterprise.

Therefore, as chairman of this committee, I intend to stress the oversight responsibility of the committee. However, I am also aware of the need for this committee to be a legislative "watchdog" for the small business community in the Senate.

The agenda of the White House Conference on Small Business remains unfinished. The capital formation/retention issue remains the top priority item for the small business community.

Recent and prospective economic difficulties have exacerbated the chronic shortage of capital that has long plagued small business in America and have jeopardized the survival of many small businesses—our country's principal creator of new private sector jobs and innovation. Internally generated earnings are inadequate to finance the escalating costs of doing business; and external financing sources have simply dried up in the present restrictive credit environment.

In short, unless specific legislative action to open the capital lifeline is taken as a matter of urgent priority in the 97th Congress, many smaller businesses will be unable to survive and many others will be forced into retrenchment at the very time our Nation desperately needs their contribution to employment and productivity growth.

The formation of an agenda of this committee will be an evolving process. As chairman, I intend to seek the counsel of my colleagues and the small business community. On February 18, the staff of the committee will meet with representatives of small business organizations to receive their views on what items should receive the attention of our committee.

Mr. President, I submit for the RECORD the rules of the committee.

The rules follow:

STANDING RULES OF THE SENATE SMALL BUSINESS COMMITTEE

(As adapted in executive session February 8, 1979)

1. GENERAL

All applicable provisions of the Standing Rules of the Senate and of the Legislative Reorganization Act of 1946, as amended, shall govern the Committee and its Subcommittees. The Rules of the Committee shall be the Rules of any Subcommittee of the Committee.

2. MEETINGS AND QUORUMS

[(a) The regular meeting day of the Committee shall be the first Wednesday of each month unless otherwise directed by the Chairman. All other] meetings may be called by the Chairman as he deems necessary, on three days notice where practicable. If at least three Members of the Committee desire the Chairman to call a special meeting, they may file in the office of the Committee a written request therefor, addressed to the Chairman. Immediately therafter, the Clerk of the Committee shall notify the Chairman of such request. If, within three calendar days after the filing of such request, the Chairman fails to call the requested special meeting, which is to be held within seven calendar days after the filing of such request, a majority of the Committee Members may file in the Office of the Committee their written notice that a special Committee meeting will be held, specifying the date, hour and place thereof, and the Committee shall meet at that time and place. Immediately upon the filing of such notice, the Clerk of the Committee shall notify all Committee Members that such special meeting will be held and inform them of its date, hour and place. If the Chairman is not present at any regular, additional or special meeting, the ranking majority Member present shall preside.

(b)(1) Nine Members of the Committee shall constitute a quorum for reporting any legislative measure or nominations.

(2) Six Members of the Committee shall constitute a quorum for the transaction of routine business, provided that one minority Member is present. The term "routine business" includes, but is not limited to, the consideration of legislation pending before the Committee and any amendments thereto, and voting on such amendments.

(3) In hearings, whether in public or closed session, a quorum for the taking of testimony, including sworn testimony, shall consist of one Member of the Committee or subcommittee.

(c) Proxies will be permitted in voting upon the business of the Committee by Members who are unable to be present. To be valid, proxies must be signed and assign the right to vote to one of the Members who will be present. Proxies shall in no case be counted for establishing a quorum.

(d) The Chairman and Ranking Minority Member shall serve as ex officio members of all subcommittees on which they do not serve as members.

3. HEARINGS

(a)(1) The Chairman of the Committee may initiate a hearing of the Committee on his authority or upon his approval of a request by any Member of the Committee. The Chairman of any subcommittee may, after approval of the Chairman, initiate a hearing of the subcommittee on his authority or at the request of any member of the subcommittee. Written notice of all hearings shall be given, as far in advance as practicable, to Members of the Committee.

(2) Hearings of the Committee or any subcommittee shall not be scheduled outside the District of Columbia unless specifically authorized by the Chairman and the Ranking Minority Member or by consent of a majority of the Committee. Such consent may be given informally, without a meeting.

(b)(1) Any Member of the Committee shall be empowered to administer the oath to any witness testifying as to fact if a quorum be present as specified in Rule 2(b).

(2) Any Member of the Committee may attend any meeting or hearing held by any subcommittee and question witnesses testifying before any subcommittee.

(3) Interrogation of witnesses at hearings shall be conducted on behalf of the Committee by Members of the Committee or such Committee staff as is authorized by the Chairman or Ranking Minority Member.

(4) Witnesses appearing before the Committee shall file with the Clerk of the Committee a written statement of the prepared testimony at least 24 hours in advance of the hearing at which the witness is to appear unless this requirement is waived by the Chairman and the Ranking Minority Member.

(c) Witnesses may be subpoenaed by the Chairman with the agreement of the Ranking Minority Member or by consent of a majority of the Members of the Committee. Such consent may be given informally, without a meeting. Subpoenas shall be issued by the Chairman or by any Member of the Committee designated by him. Subcommittees shall not have the right to authorize or issue subpoenas. A subpoena for the attendance of a witness shall state briefly the purpose of the hearing and the matter or matters to which the witness is expected to testify. A subpoena for the production of memoranda, documents and records shall identify the papers required to be produced with as much particularity as is practicable.

(d) Any witness summoned to a public or closed hearing may be accompanied by counsel of his own choosing, who shall be permitted while the witness is testifying to advise him of his legal rights.

(e) No confidential testimony taken, or confidential material presented to the Committee, or any report of the proceedings of a closed hearing, or confidential testimony or material submitted voluntarily or pursuant to a subpoena, shall be made public, either in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee.

[4. AMENDMENT OF RULES

The foregoing rules may be added to, modified or amended: provided, however, that not less than a majority of the entire Membership so determine at a regular meeting with due notice, or at a meeting specifically called for that purpose.] ●

LITHUANIAN INDEPENDENCE DAY

● Mr. QUAYLE. Mr. President, forgotten among the reports of Soviet intervention in Afghanistan and their threatened invasion of Poland, is the plight of the Lithuanian people. On June 15, 1940, the Soviet Union invaded the Republic of Lithuania. This action was in direct violation of the Soviet-Lithuanian Non-Aggression and Non-Intervention Pacts in which the Soviet Union committed itself to respect the sovereignty and territorial integrity of Lithuania. The continued Soviet occupation of Lithuania is also in violation of international law and the Universal Declaration of Human Rights adopted by the General Assembly of the United Nations.

Today, I rise to lend my voice in celebration of the 63d anniversary of the Declaration of Independence of Lithuania. It is, of necessity, a somewhat muted celebration. Imagine what July 4 here would be like if we were subjected to foreign domination and annexation. still, the flame of hope for Lithuanian freedom burns brightly. Lithuanian Americans, in particular, continue their indefatigable work to restore self-determination for their brethren in Lithuania.

Mr. President, to our credit, the United States has never recognized the Soviet military occupation and annexation of Lithuania. The U.S. Government accredits diplomatic representatives of independent Lithuania. Members of the U.S. Congress have consistently indicated their sympathy with the desire of Lithuanians for release from Soviet domination. I share their concern. The continued Soviet occupation is an act of unprovoked aggression by a cruel and inhuman regime that must never be acceded to by the Lithuanian people themselves, or by any of the freedom-loving people of the world.

Therefore, on this, the 63d anniversary of their independence, I sincerely hope that the Lithuanians will take heart from the example of their courageous neighbors to the South and will remember the words of Franklin Roosevelt who once said to a delegation of Lithuanian Americans:

Lithuania did not lose her independence. Lithuanian independence was only temporarily put aside. Time will come and Lithuania will be free again.●

THE LEE METCALF AND SPANISH PEAKS WILDERNESS AREAS

● Mr. BAUCUS. Mr. President, 15 years ago, Senator Lee Metcalf wrote to the U.S. Forest Service's region I forester to express his support for wilderness designation of the Spanish Peaks Primitive Area. Senator Metcalf stated—

Wilderness serves the recreational, scientific, educational, conservation, and historical needs of the people. Wilderness has become a rare and precious resource in this country. Many states have little, if any, of it left. Montana is more fortunate—and I want to assure that it will always be that way.

Throughout his renowned career of service to Montana, Senator Metcalf treasured the concept of protection of Montana's wildlands. Where possible without causing hardship to other diverse interests in our public lands, Lee Metcalf sought to preserve a portion of Montana as it was before civilization. Due in large part to his efforts, Montanans today can take pride in a living heritage of pristine lands which include the Great Bear, Absaroka-Beartooth, and Welcome Creek Wilderness areas.

The year 1981 presents a considerably different public landscape than that which existed in 1952 when Lee Metcalf was first elected to the U.S. Congress. Today, we are at the conclusion of the much debated RARE I and RARE II wilderness inventory processes. The study of three of the areas mandated for special attention under the Montana Wilderness Study Act (S. 393) is also nearing completion. Simultaneously, pressures are mounting for the release of hundreds of thousands of acres of roadless forest lands to multiple use. Given this scenario and my personal assessment that vast additions to the wilderness system are unlikely in the future, I want to take this opportunity to endorse the establishment of Lee Metcalf Wilderness Area within the Taylor-Hilgard study area and designation of the Spanish Peaks area for inclusion in the wilderness system.

Naming any wilderness for Senator Metcalf would, of course, be a fitting and appropriate tribute to this giant in America's conservation movement. More importantly, however, this particular designation will write the final chapter in one of the conservation efforts which Lee Metcalf advocated throughout his distinguished career. In fact, only Senator Metcalf's untimely death, January 12, 1978, was able to draw the curtain on his own efforts to designate a wilderness area in the Madison and Gallatin Ranges.

THE LEE METCALF WILDERNESS

I am supporting designation of the area generally outlined in the Forest Service's alternative D for the Taylor-Hilgard Wilderness Study Area together with the Monument Peak area which lies adjacent to Yellowstone National Park for inclusion in the National Wilderness Preservation System. As a part of a legislative package which would also include final designation of the Spanish Peaks Primitive Area as a wilderness, I am confident this proposal represents a balanced position which is in the public interest. Furthermore, following consultations with Senator MELCHER, Congressman WILLIAMS and Congressman MARLENEE, I believe this is legislation which will have unified delegation support.

In essence, the Lee Metcalf Wilderness Area would consist of the 157,000 acres contained in the Forest Service's alternative D, supplemented with additional acreage in the Monument Peak area. Together with the more than 70,000 acres in the proposed Spanish Peaks Wilderness Area, this represents a reasonable compromise between those who would have no wilderness and those who would have unlimited wilderness. Careful consideration must be given to specific boundaries in the drafting of this legislation. In addition, any measure will also be scrutinized by the Senate Energy and Natural Resources Committee on which Senator MELCHER sits and the House Interior and Insular Affairs Committee on which Congressmen WILLIAMS and MARLENEE sit. Ample opportunity for necessary modifications will thus exist through amendments at the committee level as well as on the floor.

In making this proposal, I am cognizant of possible resource conflicts. Of particular concern to me is the effect which wilderness designation might have on the area's timber industry. After careful study of the data developed by the Forest Service, however, I believe that an honest appraisal of this proposal will demonstrate that relatively minimal impact on timber production of the Beaverhead and Gallatin National Forests will be experienced. Indeed, proper management of those areas selected for nonwilderness within the Taylor-Hilgard Study Area should contribute much to forest productivity in the area.

As concerns mineral production, the jury is still out on this question. Historically, the area has been of marginal value for its mineral production. As a result, I believe that recreational, wildlife, watershed and social values provide a compelling counterbalance to foregone mineral production.

THE SPANISH PEAKS

The spectacular Spanish Peaks Primitive Area is rare in two ways. First, the magnificence of this 63,000 acre section of the Madison Range is virtually unparalleled. Second, support for the permanent withdrawal of these lands from development is nearly unanimous. Indeed, following public hearings conducted in Bozeman, Mont., September 9, 1966, the Forest Service summarized public reaction as follows:

A large majority of those commenting favored an enlarged wilderness, which involves several different boundary proposals. Since there was absolutely no opposition to establishment of a wilderness, the Forest Service considered the several recommendations for making the wilderness larger.

Public support for this area has not diminished. Even those Montanans who only enjoy the view of the Spanish Peaks with its 25 peaks over 10,000 feet high have a special feeling for the protection of this resource.

In line with this sentiment, I advocate inclusion of the Spanish Peaks within our National Wilderness Preservation System. At a minimum, the 63,000-acre area currently managed as a primitive area should be expanded by about 7,000 acres as recommended by the Forest Service. In addition, other boundary adjustments should be considered where necessary to enhance and protect the wilderness values of this region.

LAND OWNERSHIP

Most frequently mentioned as a stumbling block to wilderness legislation in the Madison Range is the checkerboard ownership pattern. Dating back to the Federal Government's land grants to the Northern Pacific Railroad, this archaic situation prevents proper management of public and private lands. The controversy which has been generated seems endless at times. I am, therefore, unalterably committed to adjustments in land ownership patterns within the Beaverhead and Gallatin Forests. A land-exchange plan between the principal private landholder, the Burlington Northern, and the Forest Service, must be part and parcel of any wilderness legislation. Of course, commonsense and the law require that any such exchange be on a value-for-value basis.

This is not a new position. On June 23, 1977, I testified before the House Subcommitee on Public Lands on the subject of the Montana Wilderness Study Act. On the issue of checkerboard land ownership, I requested the subcommittee to "urge the Forest Service to move expeditiously to effect an exchange of the private lands for other national forest land." The report on the bill responded favorably to this suggestion which had been made by others as well.

Regrettably, planning efforts in the form of an environmental impact statement on a land exchange were halted by the Secretary of Agriculture on February 22, 1979 due to external factors beyond my control. In a letter to the Secretary dated May 14, 1979, I expressed my strong opposition to this action and urged immediate resumption of the study. No action was forthcoming.

The time may now be right for resumption of planning for a land exchange in the Taylor-Hilgard Study Area. Accordingly, I am, by letter, expressing this opinion to the U.S. Forest Service and the management of Burlington Northern with the urging that their negotiations be continued in earnest.

The most likely course available to these negotiations appears to be consolidation of Burlington Northern's holdings in the Jack Creek drainage on a value for value basis, rather than acre for acre. In exchange, the Forest Service would control the former Burlington Northern checkerboard lands held south of the Jack Creek drainage. This action would thus clear the decks for legislative action on this wilderness proposal.

While Burlington Northern is the principal property owner with some 22,000 acres in the proposed Lee Metcalf Wilderness Area, other private landholders control more than 3,400 acres of land

which must be dealt with. A plan of purchase or exchange must be settled upon which treats these parties equitably as well.

I stand ready to lend whatever assistance may be needed to bring these land exchange negotiations to a successful conclusion.

MONUMENT PEAK AREA

The Monument Peak area presents a difficult management decision. Difficult decisions, however, provide the opportunity for innovation solutions. In this instance, the requirements of wildlife and the grizzly bear, in particular, conflict with other resource management objectives.

The arguments which have been advanced by scientists actively involved in grizzly bear research in this area are compelling. The proximity of the Monument Peak Area to Yellowstone National Park and its native grizzly bear population convince me that this prime habitat must be protected. This, in essence, suggests the need for open space and solitude.

Wilderness designation would provide one mechanism for protecting wildlife values. However, in light of other resource demands, I am not advocating wilderness status for the entire area. Instead, I support the establishment of a wilderness area surrounding Monument Peak and adjacent to Yellowstone National Park. This designation would have very limited effect on areas with recreational, timber, and mineral potential. By the same token, critical habitat for the threatened grizzly bear would be undisturbed.

SNOWMOBILING

Public comment presented at hearings conducted by the Forest Service on the environmental impact statement for the Taylor-Hilgard Area and my own experience indicate that snowmobiling is an increasingly popular method of enjoying many areas of the Madison Range. In light of the area's sluggish wintertime economy, snowmobiling also contributes to the health of the tourism industry.

Fortunately, most snowmobiling appears to be concentrated along what has been informally labeled the "Big Sky Snowmobile Trail." Under the outline of this proposal, snowmobiling can generally continue in an uninterrupted fashion. In light of the proposed wildlife priority for the Monument Peak area, some restrictions may be necessary in this area and where otherwise necessary, for resource protection. Given the continued cooperation of snowmobile users, these restrictions should be minimal, however.

RELEASE LANGUAGE

As a result of the wilderness studies which have been and are being conducted in Montana, several million acres of forest lands have been withdrawn from the resource production base of our national forests. Of these lands, a great deal of acreage simply has little potential for inclusion in the wilderness system. This territory should be released from wilderness study.

Accordingly, I support inclusion of language in this legislation which would release specific roadless areas by recognizing the sufficiency of the wilderness inventory. This release language reflects the necessity of finalizing the study of and planning for our national forests. In addition, it responds to the importance of maintaining a healthy timber industry for Montana's economy.

The specifics of this "release language" will require further study to identify an appropriate approach. This will require consultation with the public, industry groups, conservationists, and the Forest Service.

CONCLUSION

My purpose is to set forth a plan of action for legislation to establish wilderness areas in the Madison Range of Montana. I do not intend that it should be considered a rigid position. On the contrary, I recognize that flexibility will be needed throughout the legislative process. I would, as a result, welcome any suggestions which this statement may generate.●

THE RELEASE OF IOSEF MENDELEVICH

● Mr. LEVIN. Mr. President, I was pleased to learn on Wednesday that Iosef Mendelevich, the last Soviet Jewish prisoner of conscience remaining in jail after being convicted during the Leningrad trials of 1970, was released from prison and allowed to emigrate to Israel by the Soviet Union.

For Iosef Mendelevich, the last 10 years have been harrowing. He has served his term doing hard labor. He has suffered serious illness and encountered squalid living conditions. Because of his religious beliefs, he has subsisted on a diet of less than 1,200 calories each day, and he often fasted on the Sabbath. In fact, because of his desire to observe strict orthodox religious practices, his original 12-year prison term was increased by 3 years. He is now celebrating his freedom with friends and relatives in Israel.

I met some of the people he is celebrating with 2 years ago when they came to Washington to tell Members of Congress and the people of the United States about Iosef's situation. In June 1979, after I met with Rivka Drori, his sister, I wrote Ambassador Anatoly Dobrynin about this case. I never received an answer to that letter, or to others I signed with my colleagues about Mendelevich.

Now, the release of Iosef Mendelevich and the reported moderate increases in the number of exit visas being granted to Soviet Jews may be a most positive sign that Soviet policy may be shifting.

Perhaps these actions are gestures timed to coincide with next week's opening of the 26th Congress of the Communist Party of the Soviet Union. Perhaps they are signals to the new administration that the Soviet Union will now be willing to reopen further negotiations with the United States on arms control and other security matters of mutual interest. Perhaps they are an indication of the beginning of a new trend toward greater Soviet adherence to international agreemeents, especially the Helsinki accords of 1975, designed to revive Soviet-American diplomatic and trade relations. Perhaps the actions are only isolated interests based on internal policies and they should not be interpreted as anything more or less.

One thing is clear—they are positive steps but we will have to wait some time before we can understand whether they indicate a substantive change in Soviet policy and practices.

Meanwhile, we must remember that we, in the West, have, for some time now, been calling on the Soviet Union to make such a gesture of good faith. The new administration, therefore, finds itself faced with a serious policy question: How to respond to this "human rights" initiative in a context which does not contradict American reactions to other Soviet activities and which recognizes the importance of the release of Iosef Mendelevich and others.

Further, I believe that we must remember that two prisoners remain in jail following the Leningrad trials, and we must remember that there are still other prisoners of conscience languishing in Soviet prisons. Aleksei Murzhenko, Yuri Federov, Anatoly Shcharansky, Ida Nudel, Viktor Brailovsky, and others cannot be forgotten.●

OVERTIME PAYMENTS AT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

● Mr. BAUCUS. Mr. President, on January 21, 1980, I wrote Secretary Richard Schweiker of the Department of Health and Human Services concerning a recent Inspector General audit of internal controls over the payment of overtime at HHS. The report delineated four major problem areas in the control of overtime payments. In addition, the auditors found that these problems had been identified in earlier Inspector General and General Accounting Office reports. Since the payment of overtime is a sensitive area and an area susceptible to waste and abuse, I asked Secretary Schweiker to review the audit and take corrective action.

I received Secretary Schweiker's response yesterday. I shall submit for the RECORD at the conclusion of my remarks, Secretary Schweiker's response and my original letter.

I am encouraged by Secretary Schweiker's letter. He has issued a memorandum to the heads of all principal operating components, heads of the Office of the Secretary staff offices, and principal regional officials requiring immediate action to correct the deficiencies found by the audit staff, including the elimination of payments for overtime worked at home. In addition, Secretary Schweiker has asked the auditors to report back to him in 90 days on all actions taken.

Such immediate and positive action is to be congratulated. We have all heard a lot of rhetoric about eliminating waste and fraud from the Government. Secretary Schweiker's response indicates he is serious about this common goal. I look

forward to working with him during the next 4 years.

The letters follow:

U.S. SENATE,
Washington, D.C., January 21, 1981.

Hon. RICHARD S. SCHWEIKER,
Secretary, Department of Health and Human Services, Washington, D.C.

DEAR MR. SECRETARY: As we discussed at your confirmation hearing, eliminating wasteful spending, mismanagement and fraud in federal programs, must be a top priority. I am committed to that goal, and look forward to working with you in that effort.

Periodically, I review audit reports issued by the Office of Inspector General of the Department of Health and Human Services. Critical analyses of HHS programs, such as those provided by that office, are absolutely essential in reducing waste.

Recently two internal audits came to my attention. Their findings are disturbing, and I am writing to urge you to take immediate corrective action.

The first audit is entitled "Review of Internal Controls Over Payment of Overtime," Audit Control No. 12-13076, issued December 1, 1980. This audit reviews the procedures used by 102 HHS offices for payment of overtime to Federal employees. The auditors found that:

Often, written overtime request and approval documents were not used or were not prepared in advance to ensure that overtime, valued at $133,965, was justified and authorized. Timesheets and Administrative Time and Leave Records were not properly documented to support overtime payments of $122,778 for 12,747 hours. Discrepancies of $8,892 in overtime payments were not identified because supervisors were not adequately reviewing timesheets and T&A cards to ensure that overtime hours were accurately reported. Timekeeper duties were also not segregated to provide effective internal controls and minimize the possibilities for fraud, abuse or unauthorized actions. These conditions persisted despite identification of internal control weaknesses and errors in time and attendance reporting in prior Office of Inspector General and GAO audit reports.

While the first four findings are serious and demand immediate attention to prevent further abuses in these sensitive areas, the last finding is most disturbing to me.

After repeated reports dating back several years by the Inspector General and the General Accounting Office detailing the same problems, the only action taken by HHS administrators appears to be the issuance of memoranda detailing plans to make plans. If we are to eliminate government waste, fraud and inefficiency, government administrators must be held responsible for those duties they are paid to perform. If those administrators are unwilling or unable to perform those duties, they should be replaced. I recommend that an immediate and specific follow up review be done to determine if the 102 offices surveyed are now in compliance with departmental overtime procedures. I would appreciate receiving from you a list of all actions taken.

The second report, Audit Control No. 12-13105, issued December 2, 1980, discusses the Department's efforts to reduce energy consumption. The auditors found that: although the targeted reduction in energy use had been achieved, further reductions can be made by (1) eliminating significant energy waste which we observed throughout HHS-owned and leased buildings in the metropolitan Washington, D.C. area and (2) providing funds for retrofit projects. We estimate that about $790,000 annually could have been saved by eliminating the energy waste—much of it at no cost to the Government—and $930,000 from the retrofit projects.

I am distressed to discover that over $1.7 million is being wasted each year because government employees fail to take advantage of energy conservation measures. I expect the federal government to be a leader in energy conservation. Yet this report documents that HHS is not even using the common-sense approaches to energy conservation being used by millions of home owners and businesses.

I urge you to take action to assure that the very basic measures of energy conservation, such as reduction of unnecessary heating, cooling and lighting, are implemented immediately. I also urge you to begin a vigorous retrofit program to take advantage of projects with short payback periods. I would appreciate receiving from you a list of all actions taken.

Thank you for your attention to this matter. I look forward to working with you during the next four years.

With best personal regards, I am

Sincerely,

MAX BAUCUS.

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, D.C., February 18, 1981.

Hon. MAX BAUCUS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAUCUS: I am responding to your January 21 letter which requested that I address the problems cited in two recently issued internal audit reports: "Review of the Internal Controls over the Payment of Overtime" and "More Can Be Done to Conserve Energy in HHS Occupied Buildings."

To address the findings of that report, which related to the documentation of overtime payments, I have directed the Department's managers to take immediate action to insure compliance with and strengthen these procedures. Also, I have instructed the Acting Inspector General to perform a follow-up survey to report on our compliance and progress here.

Following receipt of the follow-up survey, I will send you a report on our actions. You can expect this report by mid-June.

The second audit report you cited suggests that further actions are needed to promote energy conservation in DHHS facilities. By March 15, I will provide you a response to that report's findings and your particular concerns.

I appreciate your concern over the problems raised by these two audit reports. Let me assure you that identifying and combating waste, inefficiency and fraud in the Department is a high priority of mine.

Sincerely,

RICHARD S. SCHWEIKER,
Secretary.

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, D.C., February 18, 1981.

Memorandum to heads of principal operating components, heads of OS staff offices, and principal regional officials.

Subject: Strengthening controls on overtime.

I have just become aware of the attached December 1, 1980, report by our Inspector General of his 1978 review of internal controls over the payment of overtime. The report reveals numerous and significant discrepancies in our offices with respect to compliance with procedures for requesting, authorizing, and documenting overtime and for controlling overtime payments. While the report does not identify specific instances of fraud or illegal payments, it clearly identifies control failures with a high potential for fraud and abuse.

The four major problem areas identified in an initial draft of the report by the Inspector General and the needed corrective actions were brought to your attention by the Assistant Secretary for Personnel Administration in December 1979. At that time, you were asked to remind your managers and supervisors of the importance of effective implementation of overtime policies and to develop a plan for strengthening the implementation of those policies. The December 1 report states that the problems still exist.

We cannot tolerate any further delay in taking the necessary steps to eliminate completely any deficiencies in our oversight and control of overtime. To that end, I am directing the following actions be taken:

Each component head will take immediate steps to insure that managers and supervisors are properly authorizing, certifying and documenting overtime. You should evaluate a sufficient sample of your overtime usage across the country to convince you that your supervisors and managers are in full compliance and will stay in full compliance, with governing policies and procedures;

The Inspector General will conduct a follow-up audit of overtime control procedures after 90 days and report the findings directly to me;

The Assistant Secretary for Personnel Administration will review overtime policies and procedures for sufficiency with particular attention to internal payroll audit and control procedures, will increase the number of time cards audited each fiscal year, and will complete and distribute the new timekeeper manual and self-training package by March 31.

Finally, the audit report reveals some cases of overtime worked at home. This practice cannot be adequately controlled, and I want steps taken immediately to eliminate it.

The Department's poor record in exercising control of overtime payments represents, in itself, a potential area for substantial fraud and abuse. When you identify performance failures in this area, I expect you to take prompt and direct action to correct them. I want to be sure that our managers understand we expect effective management and control of overtime. We will not tolerate an attitude of indifference with respect to this situation.

RICHARD S. SCHWEIKER,
Secretary.●

SMALL BUSINESS IS KEY TO REINDUSTRIALIZATION IN NEW ENGLAND

● Mr. WEICKER. Mr. President, for the benefit of my colleagues who are interested in the issue of reindustrialization and the consideration of Federal policies to spur regional economic development, I ask to have printed in the RECORD an article that appears in the current issue of the New England Economic Review entitled "New England's Economy in the 1980's."

The article very clearly indicates the importance of the contribution of two factors in enabling a mature region not only to survive potentially disruptive structural change but also to continue growing and providing improved living standards. These two critical factors are the region's human resources, who are served by such a fine network of educational institutions, and its small businesses, the key to virtually all new private sector job growth in New England.

Mr. President, what is so instructive about this article is that it suggests directions for economic policy formulation aimed at the so-called "older" regions of our country. We must be very careful that the economic program to be considered by the Congress this year includes policies that enable our Nation's smaller businesses to continue making their vital contribution to job development and economic growth and we must be mind-

ful of the possible regional disparities in the distribution of the benefits of general business tax reduction. And, on the spending side, we must not permit the budget cutter's ax to fall too indiscriminately, jeopardizing the community and human resource development efforts so instrumental to the region's economic recovery.

As chairman of the Select Committee on Small Business I intend to do all I can to insure that small business tax reduction is an element of the first tax bill considered in the Senate this year. I hope very much to have the support of my colleagues in this effort and commend this important article to them.

The article follows:

NEW ENGLAND'S ECONOMY IN THE 1980'S

(By Lynn E. Browne and John S. Hekman*)

New England's image is rapidly changing in the public mind. It was formerly looked on as "old," or more graciously as "mature." Its basic industries had shrunk to mere vestiges of their earlier size, its cities were stagnant, and unemployment in some areas was alarmingly high. Today New England has a healthy manufacturing base which is growing at a higher rate than the national average, an unemployment rate which is lower than most other regions, and many cities which are rejuvenating themselves. A comprehensive picture of the region today would show that there is some of the old as well as some of the new in this economy. This article provides an analysis of the strengths and weaknesses of New England's economy in the 1980s. It attempts to sort out both the potential problem areas and the industries and occupations that are likely to prosper.

How should we think of New England? The often-used term "mature economy" has widely varied overtones. It has been used to mean an economy which is aged, with an antiquated capital stock that cannot compete with newer regions. This was true to a certain extent in the 1960s, but it does not apply today. Nevertheless, New England is mature in several other senses. It is especially mature in the sense that the region is no longer in a growth stage like that of the South, the West or a developing nation. The population and labor force have been growing at a slow, fairly steady pace for the past 40 years; net immigration has been modest. New England has had substantial numbers of women in its labor force far longer than other regions, so the increase in female participation in recent decades has been smaller here than elsewhere in the United States.

New England is also mature with respect to the utilization of its resources and land area. There will probably not be large moves to develop coal, oil shale, ores or hydroelectric power which would change the nature of the region's economy. And there are no large undeveloped areas which can experience rapid growth or industrialization on the order of that in the South, the West, and the Northwest.

There are many ways in which a mature economy can change, however, even if its population growth is steady and its industrial potential is well developed. Structural changes in the form of outside competition or altered demand for industrial output can greatly disrupt a mature region, creating the need for large-scale reinvestment of capital and reallocation of labor. Such changes have been particularly great for New England, with the result that the region is "developing" today in that its industrial mix is being substantially transformed by these pressures. One question for the eighties is whether the region will move smoothly along its present path or whether additional structural changes will require further shifts in direction. To answer this question it will help to look at the factors involved in the decline of the region's economy in the fifties and sixties as well as the forces behind the growth of recent years.

ECONOMIC PERFORMANCE IN THE 1970S

While the changes in a mature region may seem modest in relation to those taking place in rapidly growing areas, they can mean the difference between a prosperous, vital economy and stagnation. This was clearly evident in New England's experience in the seventies.

From the early fifties through 1970 New England's per capita income was 7–10 percent above the national average. However, the 1970 recession, which for much of the nation represented only a slowing in growth, affected the region severely. Employment fell more sharply than in the nation and remained depressed long after the national recovery had begun. The region's unemployment rate increased relative to that elsewhere and remained a percentage point above the national rate throughout the early seventies. Wage rates, responding to the pressure of unemployment, grew more slowly than in the country as a whole. New England's per capita income fell from 109 percent of the national average in 1970 to 104 percent in 1974.

The region was only just beginning to recover fully from the earlier recession when the 1973–75 downturn began. Again New England suffered a sharper employment decline than the nation and in 1975 New England's unemployment rate of 10.2 percent was the highest of the major regions. The region's per capita income continued to fall relative to the nation.

New England's fortunes reached a low in 1975. In retrospect, however, the year seems to have been a turning point. In contrast to the experience in 1970–71 the New England economy began to recover at the same time as the nation. Employment growth in the region closely tracked the national pattern both during the recovery period and in the ensuing expansion.

From the trough of the recession in early 1975 through the end of 1979 nonagricultural employment in New England grew 16 percent, while nationally 14 percent. Not only was New England's employment growth much stronger, both absolutely and relative to the rest of the country, than in the first half of the decade, but relative to the nation it was stronger than at any time since World War II. The growth in manufacturing is particularly striking when one considers that there was no increase in the number employed in manufacturing in New England over the preceding 25 years. The recent strength has been concentrated in durable goods manufacturing. However, employment in nondurables, which had been declining for many years, also increased.

This vigorous employment growth has occurred at a time when the region as a whole has experienced very modest population growth. The labor force—the number of people employed or seeking work—has grown much more rapidly because of increasing participation rates and changing age structures. However, because population growth has been limited, the labor force in New England has not grown as rapidly as in the nation. This combination of vigorous employment growth and moderate population growth has brought about a dramatic improvement in New England's unemployment rate. In 1979 the unemployment rate in the region averaged 5.4 percent, compared to a national rate of 5.8 percent. As yet there is no indication that the tighter labor market has caused an increase in wages relative to those elsewhere; however, the decline in relative per capita incomes has been arrested.

UNDERLYING TRENDS

Why was the second half of the seventies so different from the first? More importantly, are the eighties likely to be a continuation of New England's recent experience or will there be a return to earlier doldrums?

The period 1975–79 was a time of unusual prosperity for New England. However, the region's poor performance in the early seventies was also unusual. Although employment growth in New England lagged that in the nation throughout the fifties and sixties, the disparities were never as great as in the early seventies. Unfavorable trends dating back at least 30 years were reinforced by developments peculiar to the first half of the seventies.

Throughout the postwar period New England has faced continued employment losses in its older industries—particularly textiles and, more recently, leather goods. New England's prosperity was built on textiles and shoes, but the technology of large segments of these industries is such that, today, low wage costs are the primary locational consideration. New England is not a high wage area but manufacturing wages are not as low as in the South and in many parts of the world. Consequently, there has been a steady loss of jobs in these industries to the south and abroad. In 1950 there were 264,000 textile jobs in New England, in 1979 61,000.

Despite the employment losses in these industries, New England's unemployment rates and per capita income growth were comparable to those of the nation through most of the fifties and sixties. The region's population growth was less than that of the nation, so that the need for new jobs was correspondingly less. Also, total employment did increase in New England: opportunities in nonmanufacturing activities, especially in services, grew vigorously and at times the durable goods sector showed considerable strength. In particular, during the mid to late sixties there was a large expansion in aircraft and shipbuilding and in the manufacture of electrical and electronic equipment to serve the needs of the aerospace program and the Vietnam war.

Then came the early seventies, a period marked by two national recessions—the second commonly characterized as the worst since the Great Depression—and sharp cutbacks in defense expenditures. New England was severely impacted by the recessions. New England still has a high portion of its employment in manufacturing which is more vulnerable to cyclical downturns than nonmanufacturing. There were large employment losses in the older textiles and leather goods industries. From 1969 to 1971 employment in these industries fell more than 30,000; from 1973 to 1975, another 17,000. These losses have not been made up to any extent. The demand for textiles and leather goods is not as cyclical as that for many other manufacturing industries. However both industries face severe competitive pressures from other parts of the country and from abroad, and marginal operations are more vulnerable in recessionary periods than in expansions.

The defense cutbacks in the early seventies also fell particularly heavily on New England. Although New England has only 6 percent of the nation's population, it typically receives 10 percent or more of the nation's prime defense contracts. Between FY67 and FY71 defense contracts fell roughly 40 percent in real terms and then remained flat for the next five years. In 1973 and 1974 the federal government pulled its fleet out of Newport and closed down the Quonset Airbase and repair facility in Rhode Island as well as the South Boston Naval Annex. Finally, 1974 was also the year in which oil prices rose 2½ times. New England, with 80 percent of its energy coming from oil, was again more severely affected than the country as a whole. Thus, for New England the first half of the seventies brought one economic shock after another.

The unfavorable character of the early seventies obscured the fact that some firms, especially in the instrument and computer areas, were growing very rapidly. Indeed, the growth of these firms may actually have been enhanced by the difficulties elsewhere in the region as manpower, particularly with scientific and engineering skills, could be obtained very readily. The seventies saw a tremendous expansion in computer applications. It was also a time of considerable change. Not all firms were successful. However, New England was fortunate to be at the most scientific end of the computer spectrum and to be the home of some of the most innovative firms. Thus not only did New England benefit from the national expansion in computer use but the region's share of the computer market increased. Instruments also fared well, with increased emphasis on pollution control and, after 1974, on energy conservation, fostering a demand for precise measuring and control devices.

The key factor of production for such industries is professional labor—scientists, engineers, computer programmers. New England has long been a center for research and development and has had a relatively abundant supply of scientific and professional personnel. This resource has in turn fostered the growth of industries heavily reliant on research and innovation, so that competition for highly trained manpower is keen. In the early seventies, however, the defense and aerospace cutbacks released many engineers and scientists making them available to the young computer and instrument firms. Search costs were minimal.

It also seems likely, although the evidence is anecdotal, that the difficulties of the times forced some of the more established industries to seek out new and growing markets. They found these markets, frequently in the export area. In 1972 5.2 percent of the shipments of New England manufacturers went abroad; in 1976 9.2 percent. (For the United States as a whole the increase was from 4.8 percent to 7.0). It is not easy to penetrate export markets. One must learn new government regulations, new customs, new ways of doing business. Therefore, such an expansion in New England's export business suggests an aggressiveness which may not have been present before. The high cost of energy may also have served as a catalyst, forcing firms to take a hard look at their operations to see what cost cutting measures were available. Even the textile industry seems to have recognized that its future in New England is dependent upon cost saving investments and developing new markets.

The second half of the seventies also brought a turnaround in defense spending. From FY76 to FY79 the real value of prime defense contracts awarded to New England plants increased 42 percent. This increase reflected both an increase in the value of national defense contracts and an expansion in New England's share of these contracts.

Fortunately too, after the dramatic increase in 1974, real oil prices remained fairly stable until 1979. In the intervening years the price of natural gas, which is the most important industrial fuel nationally, rose sharply.

This combination of favorable developments produced the vigorous expansion of the second half of the seventies, particularly the strong growth in manufacturing. Most of the new manufacturing jobs in this period came in the instrument, electrical equipment, and computer industries. However, traditional industries held their own. The decline in textile and leather goods employment slowed dramatically. Employment in primary metals, paper, and jewelry actually increased from 1976 to 1979. The duration of the expansion was of course a benefit—not only to the older, more troubled industries but also to the high technology firms, since many of their products are capital goods and therefore sensitive to economic downturns.

LOOKING AHEAD

The future appears to hold considerable opportunity for New England's continued growth, led by the rapid expansion of high technology manufacturing and professional services, many of which, such as consulting firms in business, economics, engineering and architecture, are export oriented. It is possible to argue that the recent growth of these industries cannot be maintained in the long run. These pitfalls will be noted first, and then the basic strengths of New England's industry will be examined.

The problems experienced by the region's industry in the past have come either from the demand for particular industrial products or from the strength of outside competition. To illustrate, it was a sudden drop in the national demand for defense goods that produced a severe slump in several defense-related industries in the early seventies and created a large oversupply of engineering personnel, while it was mainly outside competition which nearly wiped out New England's textile and footwear industries since World War II.

It is one thing to say that "high tech" has a bright future, but the picture becomes less clear when one looks at any particular industry. New England produces a wide variety of industrial process controls, testing equipment and sophisticated instruments for manufacturers. One factor in the growth of these products has been the need to reduce industrial pollution and energy consumption. Once these demands have been met the market may not continue to grow as rapidly. Similarly, the demand for defense equipment may be going through a temporary upward adjustment rather than a long-run upswing.

In electronics, New England has helped to create and has profited enormously from the move from large main frame computers to smaller, less expensive minicomputers and more recently from the "microprocessor revolution." The broad applicability of these machines virtually assures a long period of growth for this industry. However, New England's share of this growth is less certain. Presently many New England firms have a technological edge over their competitors in other regions, but this could be lost either through increased investment in research in other areas or through a lessening of the importance of technological ability, through the standardization of design, for example. Other regions could turn out to be more favorable locations for computer manufacturing as the industry increases in its scale of operation. At the very least, major portions of the production process, such as peripheral equipment and subassemblies, will tend to be increasingly located outside New England, with the design and development work staying here. Thus the growth of computer-related employment in this region may be at a lower rate than that for the nation or the world.

These speculations regarding instruments, controls, and computers are intended to suggest that the presence of high technology industry does not guarantee a high rate of growth in the economy for a long period. With this reservation in mind, however, New England's technological and knowledge-based industries do appear to have good prospects, not so much because the demand for individual products will grow as because the demand for New England's particular skills will remain strong.

New England's advantage in manufacturing does not derive from any natural resources, from its location or from a low cost of production. Rather, the region has long specialized in products which have a large component of skilled labor and which often utilize relatively new technologies that have not found their way into general use. The fundamental reason for the emergence of New England's particular group of industries is the common needs that they share. In the nineteenth century the machine tool industry which was concentrated in the region created the critical metalworking machinery which in turn allowed other industries to develop high-speed, sophisticated machinery for textiles, shoes, paper, rubber, clocks, bicycles and other products. The final goods producers were more productive in New England than elsewhere because of their connection with the toolmakers and machinery builders. Thus, developments in the early years of this century laid the foundation for the high technology industries we have today. The combined skills from metalworking, machine tools, instrument making and, increasingly, industrial and scientific research from the region's universities helped give New England a head start in industries such as electric and electronic equipment, industrial controls and specialized machinery. These fields began growing rapidly after World War II and passed the traditional industries in importance in the 1960s.

The presence of a large base of skilled engineers, metalworkers and designers is both an asset and a liability. Being the incubator for new products has produced periods of rapid growth for New England, primarily from textiles in the nineteenth century and from electronics-related firms at present. But many industries in the region have experienced a product life cycle in which rapid growth resulting from technological development is followed by a more stable maturity during which standardization of production and labor-cost orientation have made other regions more attractive to producers. Even within the newer industries there has been considerable change in the particular products made in the region. Hand-held calculators were produced here for a time, but their production moved to other regions and overseas very quickly as mass production methods became available. Similarly, the manufacture of certain electronic components like circuit boards has largely moved overseas. The future strength of high technology industry in New England is related more to the pool of skills residing here than to the prospects for any individual group of products.

A technologically oriented industrial structure requires a more technically trained labor force. More people must be engaged in research and in developing commercial applications for this research—more scientists and engineers. The need does not stop, however, with scientists and engineers or with computer programmers. There is a need for managers who understand and can take maximum advantage of the skills of their specialized staffs; for technical writers to make new developments and products readily comprehensible to those who would use them; and for technicians who can use new, more complicated processes in the workplace. Thus in addition to the need for particular professions, there is a need at all levels for a broader understanding of the fundamentals of technology—an understanding of mathematics; a familiarity with computers; and, most importantly, an innovative outlook and an acceptance of change.

New England's position as a technological

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center owes much to the quality of its labor force. The average educational attainment of people in New England is above that of the country as a whole. The difference is due in part to a lower proportion of the population with very little education, but more so to the high percentage of New England residents who have completed at least four years of college. The region's advantage is even greater for those who have had some graduate education.

New England's educational system has a strong scientific orientation. The number of scientists and engineers who graduate from New England colleges and universities is greater than would be expected, based on the region's population. Students are attracted from all over the country and many choose to stay in New England. The availability of such professionals clearly fosters the growth of industries with large research requirements. At the same time, the existence of a cluster of high technology firms attracts scientific and technical personnel because of the diversity of opportunities and greater employment security it offers.

The rapid growth in New England's high technology firms over the past several years has greatly expanded the demand for scientists, engineers and people trained in computer applications. The surplus of personnel created by the defense cutbacks in the late sixties and early seventies has been absorbed. With defense spending now rising in real terms, competition for scientists, engineers and technicians is keen.

As firms compete for personnel, salaries will be bid up and firms will be forced to recruit from more distant locations. Rising costs may slow the growth in employment. Moreover, if firms cannot obtain the necessary labor within New England, they may eventually look to other locations in which to expand their operations. For every professional who is hired, technicians, production workers, and office staff will also be needed. Thus a critical question for New England is whether the growth in the technical component of the region's labor force will sustain a continuation of the recent expansion in high technology employment.

Young people are responding to the strong demand for electrical engineers and computer programmers. College enrollments in these subjects are up. However, universities and colleges are limited in how rapidly they can respond to changing market demands. Financial constraints prevent them from simply adding personnel in the new fields, while the tenure system restricts the extent to which resources can be diverted from one area to another. Moreover, universities are understandably reluctant to make major changes until the nature of the new direction is clear. The demand for engineers has been volatile in the past; no school wants to expand its engineering program only to find that the emphasis has shifted again.

Changes in the age structure of the population make this problem more severe. From 1980 to 1990 the number of people aged 16–24 will fall more than 15 percent at the national level. This will mean sharp declines in what has traditionally been considered the college age population. Educational institutions, particularly four-year resident colleges, will face severe financial pressures. Funds for new programs will be scarce. Colleges and universities will be forced to reach out more and more to older adults who already have a college degree. Presumably many institutions will find that the way to attract such students is by offering training in the skills which are in so much demand today. However, the transition will be difficult; not all institutions will survive.

The decline in the number of young adults also means that it will be more difficult for society to respond to new industry requirements. A young labor force is flexible. The eighties will undoubtedly see an increased emphasis on retraining. However, it is still easier to teach new skills to young people who have not yet made a career commitment, than to persuade someone who has invested considerable time and money in one career path to shift to another.

The changing age structure has positive implications as well. Young people tend to have higher unemployment rates; they lack experience. Consequently, the decline in the number of new entrants to the labor force will have a favorable impact on unemployment; the greater maturity of the labor force is likely to mean greater stability and therefore higher productivity for a given technology. Nevertheless, fewer new entrants mean less flexibility. And this lack of flexibility may limit the application of new technologies. This is a problem for the country as a whole but certainly for New England as the region's recent growth has been so tied to the expansion in high technology industries.

Several trends at the national level have beneficial implications for this region's industry. Reindustrialization is being used as a catchall term for attempts by business and government to revitalize America's industry. In the private sector this is taken to mean more emphasis on research and development and on investment in more sophisticated equipment and production processes. In the public sector it also means the encouragement of research and (according to some, at least) the promotion of fast-growing "new" industries rather than noncompetitive "old" ones. These trends indicate that New England has the industry mix, and more importantly the skill mix, that is right for the 1980s. Revitalization of industry will mean more robots, more microprocessor-controlled machines, more sophisticated process controls and more consulting services demanded from this region.

Manufacturing increased its share of New England's employment between 1975 and 1979, reversing a downward trend that started at least as long ago as 1947. Looking ahead, it is quite possible that manufacturing will continue to grow as rapidly as the economy as a whole. The employment categories which have had the largest increase in the past have been services and retail trade. However, these areas will probably not continue to expand so rapidly in the future; this would mean an increase in the relative importance of manufacturing. For example, the medical services area has increased its employment by over 200,000 since 1967; this has been by far the biggest factor in total services growth. But much of the growth over this period was an adjustment to the Medicare and Medicaid programs. Considering that the facilities for these programs are now largely in place and that the current drive is to contain overall medical costs, it is doubtful that medical services will continue to expand as rapidly as in the past.

In retail trade, over half the employment increase of 225,000 since 1967 was in eating and drinking establishments. Much of this was in fast food restaurants and a good deal of this employment is part time, so that it overstates the economy's expansion in comparison with areas like manufacturing. Again, there is probably a limit to further expansion here, as meals purchased outside the home are not expected to sustain recent growth rates.

Other nonmanufacturing areas of the region's economy are similarly unlikely to grow as rapidly as they have of late. Federal, state and local government employment increased rapidly from 1967 to 1973 but growth then leveled off to about one-third of that rate of increase from 1973 to 1979. The outlook for private education is for no growth or a reduction in size because of demographic trends.

New England's strong performance in the late seventies was attributable, in part, to increases in defense contracts and expanding export markets. Both defense and exports hold considerable promise for New England in the eighties. The mood of the country now favors a stronger defense and calls for fiscal restraint generally exclude defense spending. Thus it would seem that the nation can expect a significant increase in defense expenditures over the next several years. Since New England typically captures such a large share of prime contracts, this expansion should work to the region's particular advantage.

Between 1972 and 1976 New England's exports almost doubled. This growth reflects both increasing penetration of world markets by New England manufacturers and the rapid growth of some of the nation's major trading partners. Manufacturing is not, however, the only sector which has developed ties to other countries. New England management and economic consulting firms advise firms in many countries; New England engineering firms help build power plants and other large installations around the world. Yet some markets are still largely untapped. The United States still has very limited trade with much of the developing world. There are also opportunities in the industrial countries: recent tariff cuts negotiated in the Multilateral Trade Negotiations open up interesting export possibilities in Japan, particularly for high technology products. The Commerce Department has identified computers and peripheral equipment, electronic components, and communications equipment as areas where exports to Japan might increase substantially because of tariff reductions.[1]

While defense spending and exports offer opportunities to New England firms, there are pitfalls as well. As the experience of the early seventies so painfully taught, attitudes about defense spending can change. While public sentiment is strongly for more defense today, what will be the situation five or ten years from now? Because the government is such a large purchaser any cutback can have severe effects. Thus New England firms must take care not to become so dependent on defense contracts that private sector markets are not developed.

In the export area the problem is also one of changing attitudes and the federal response to these attitudes. There appears to be a growing protectionist sentiment in the country brought on by the difficulties of U.S. auto and steel companies in competing with imports. The auto companies are now actively lobbying for quotas on auto imports and the federal government has just agreed to increase the trigger price at which imports of steel are restricted. One must sympathize with the difficulties of these industries.

However, restrictions on imports will most certainly lead to retaliatory measures which will then limit the growth in U.S. exports. The issue is not simply the United States vs. Japan or the United States vs. West Germany. If American firms are to penetrate foreign markets, particularly those of the developing nations, the United States must be prepared to let the products of these countries into our own markets. Export markets hold considerable potential for New England firms; but these markets will not be developed if other countries are not allowed to compete for a share of the U.S. market. And it would be foolish to deny that such competition may create difficulties for some industries, including some in New England.

Federal efforts to promote "reindustrialization" through increased expenditures on research and development and greater incentives for capital formation will also affect New England's future. Because of its concentration of prestigious universities and because of the technological orientation of its industry, New England should benefit from more emphasis on research. The effects of accelerated depreciation and other incentives to investment are less clear. On the one hand, New England industries—both the new high technology and the more traditional ones—tend to be labor intensive. Therefore, the region can probably not expect to get a share of federal investment incentives corresponding to its share of economic activity. Even if the percentage increase in investment in New England is comparable to that elsewhere, the dollar increase will be relatively small because of the low capital intensity of its industry. However, if New England does not benefit directly, it will gain indirectly from the expansion in the demand for capital goods. New England's manufacturing industries today are oriented to the production of producer durables; many high technology products are investment goods. The region is an important supplier of architectural and engineering services. Consequently, national efforts to stimulate capital investment will expand the demand for New England products.

What of energy? One cannot talk about the future without some discussion of the energy situation. New England still derives roughly 80 percent of its energy from oil; nationally oil accounts for just under 50 percent of energy use. And the Iran-Iraq war has made clear once again that world oil supplies are not secure. A number of efforts and initiatives are underway that could reduce New England's dependence on oil: the conversion of some oil-fired power plants to coal; the possibility of significant purchases of hydroelectric power and natural gas from Canada; numerous small scale efforts to tap renewable energy sources in the region—wood, low-head hydro, solid waste, and solar power. Eventually aggressive pursuit of such options may leave New England in a relatively favorable energy situation. However, for the eighties New England remains vulnerable to energy supply disruptions.

New England will also continue to face an energy cost disadvantage. The average cost of energy in New England in 1979 was about 24 percent above the country as a whole.[2] This disparity is due, in large measure, to New England's dependence on oil. Elsewhere natural gas is the primary fuel for industrial and commercial purposes and, for much of the country, natural gas prices have been held artificially low by federal regulation. These controls on gas prices are being relaxed and in 1985 controls on new natural gas will be completely eliminated. These increases plus the replacement of old, low cost supplies with newly discovered gas subject to today's higher ceilings are causing sharp increases in the cost of gas to the end-user. It will be some time, however, before oil and gas costs are comparable. New gas prices will not be fully deregulated until 1985. Other categories of gas will be deregulated still later, while gas from wells already committed to interstate markets will not be fully deregulated. And meantime, of course, the price of oil is not standing still.

Thus for most of the eighties and perhaps beyond, New England will continue to pay more for its energy. The region has, however, adapted to high energy costs. The most important manufacturing industries in New England—nonelectrical machinery, electrical equipment and instruments—all use relatively little energy per dollar of value added. With the exception of paper, those industries which use energy intensively—primary metals, chemicals, glassmaking—are substantially less important in New England than nationally. New England's industrial structure is, therefore, less sensitive to energy costs than that in other regions; so the effects of future energy cost increases may prove less disruptive here than elsewhere.

Finally, even adversity offers opportunities. Emphasis on energy saving has increased the demand for measuring and controlling instruments and has spawned numerous manufacturing and consulting enterprises dedicated to developing alternative energy resources.

CONCLUSION

The picture that emerges for New England in the 1980s is one with good growth prospects for the important durable goods industries and the professional services related to them. The lack of natural resources and poor geographical location which have worked against the region in the past are becoming less important liabilities as New England's economic activity turns more and more to durable goods with very high value-to-weight ratios and to export-oriented services in which the region has a sharp comparative advantage.

Manufacturing employment may increase in size relative to government, trade, and services, since analysts see favorable growth prospects for high technology goods, while the other major employment areas may experience a leveling off of their growth. It is important to note in this regard that manufacturing is becoming increasingly specialized in the production of capital goods. Consumer goods such as apparel, textiles, and shoes will probably see little or no growth in the eighties, nor will durable consumer goods such as autos or appliances have many opportunities for employment. Most of New England's industrial output is now in the capital goods category—computers, instruments, control devices, aircraft parts and defense equipment. This specialization may make the region highly sensitive to cyclical swings in investment spending; when the country catches a cold, New England will have pneumonia, as the saying goes. At present many of our capital goods are cost-saving products that are in steady demand, but as this market is saturated, demand will be dependent on replacement decisions by users, and this will put us squarely in the investment cycle. Fortunately there is at present such a diversity of uses for these products that this problem may never materialize.

Defense employment is another area which experiences erratic cycles. New England is almost certain to see an expansion of defense jobs in the early eighties. The negative side of this is that substantial unemployment will result if a defense cutback subsequently occurs; the positive side is that new product spin-offs for the private sector may be created as has been the case before. These spin-offs could soften the blow from a loss of defense jobs.

The growth of the newer industries and services in New England in the 1970s has underscored the importance of small business in creating employment. Many of the products produced in the region today did not exist 20 years ago, and of these a large proportion were developed by small firms, whether as a result of university research, government projects, or subcontracts from larger firms. The "reindustrialization" of New England has come about not through reinvestment by existing industries but by their replacement with new ones. It is well to keep this in mind when formulating economic development strategies. So often such strategies tend to pay the most attention to large, established businesses.

The other ingredient in New England's growth formula has been its unique labor force. To a large extent the region's industry mix is a result of its labor mix and not the other way around. Thus development policies should be aware of the fact that New England attracts people, not industry. The availability of skilled and professional workers is currently one of the factors constraining growth in some industries. While this is widely understood, there is disagreement over what can and should be done to make the region competitive in this national labor market. There will undoubtedly be much discussion in the next few years regarding the proper balance of social and cost considerations in developing a favorable economic climate.

One way to attract workers is to provide facilities available for their education. New England is being called on to make difficult decisions at the public and private levels to determine what kinds of professional and technical training programs should be established or expanded. Today we have a surplus of teachers and a shortage of computer programmers. The challenge will be to remove this imbalance without reversing it.

Finally, one must look outside the region to see what national policies will affect the region. New England's industry is highly dependent on exports to sustain its growth. In the nineteenth century our textiles competed with imported goods in the domestic market, causing New England to favor tariff protection, while the South wanted free trade policies to help their exports of cotton. Today the situation is reversed, as New England produces export goods and the South struggles to compete with imported textiles. New England's interest clearly lies with free trade in the eighties.●

[1] Alan O. Maurer, "MTN Agreement on Tariff Cuts Opens Opportunities in Japan," Business America, 22 September 1980.

[2] New England Congressional Caucus, New England Energy Fact Book, July 1980.

NOMINATION OF MURRAY WEIDENBAUM AS CHAIRMAN, COUNCIL OF ECONOMIC ADVISORS

● Mr. GARN. Mr. President, as chairman of the Banking Committee, it is a pleasure for me to bring before the Senate the nomination of Murray Weidenbaum to be Chairman of the President's Council of Economic Advisors. Dr. Weidenbaum is eminently qualified for this position, having both distinguished academic and employment careers.

Over the past several years, he has served as an Assistant Secretary of the Treasury, as Mallinckrodt Distinguished University Professor and director of the Center for the Study of American Business, both at Washington University in St. Louis, and as adjunct scholar of the American Enterprise Institute here in Washington. In all of these endeavors, Dr. Weidenbaum has excelled as an outstanding theoretician whose views are firmly based in reality.

The Banking Committee has completed a thorough review of Dr. Weidenbaum's background and suitability to be Chairman of the Council of Economic Advisors. On February 5, 1981, the committee held a hearing on the nomination and, having subsequently concluded their consideration of this matter, the members of the committee unanimously recommend that Dr. Weidenbaum be confirmed by the full Senate.

During the Banking Committee's hearing on the nomination, Dr. Weidenbaum stressed the need for a balanced approach to our economic problems, and indicated his intention to deal simultaneously with the closely related issues of high inflation and high unemployment. He expressed his support for tax

cuts accompanied by a "vigorous program of expenditure restraint." Dr. Weidenbaum also emphasized that we normally deal with economic problems on a short-term basis, without ever achieving long-term solutions. I wholeheartedly agree that we have too often applied band-aids to our economic problems and that we must now insure that our fiscal and economic policies promote long-term growth and stability.

In addition to being an outstanding economist, Dr. Weidenbaum is an expert on the regulatory burdens that the Federal Government has placed on our economy. He has not advocated the immediate elimination of all regulations, but rather an analysis of the cost benefits of the multitude of regulations that have been imposed in the past couple of decades. This approach is critical to the future effectiveness of our Government and is one which we as legislators should keep in mind more often.

Being one who has quoted Dr. Weidenbaum many times, I urge my colleagues to promptly confirm his nomination.●

LITHUANIAN INDEPENDENCE DAY

● Mr. ZORINSKY. Mr. President, yesterday was a momentous occasion for the Lithuanian American community, marking both the 63d anniversary of Lithuanian Independence Day and the 730th anniversary of the founding of the Lithuanian state. It is unfortunate that such an auspicious occasion must be tarnished by the fact that 1981 also signifies the 41st year of Soviet occupation of the Baltic States, Estonia, Latvia, and Lithuania.

In the wake of the Soviet invasion of Afghanistan, the plight of the Lithuanians comes ever more clearly into focus. Soviet aggression in the free world is not only a threat, it is now a reality to the Afghans, and it has been a reality to the Lithuanians for four decades. The United States has an obligation to oppressed peoples everywhere to voice our opposition to the Soviet Union's blatant violation of human rights. On this important anniversary, it is particularly appropriate for Americans to contemplate and express our disdain for Soviet abuses in Lithuania.

Let us not forget, Mr. President, that this occasion is not only one of remembrance of independence and a celebration of a people striving to overcome their plight of oppression. Let not the spirit of Lithuanian independence be smothered by the cloud of Soviet oppression which hovers over that nation. Let us revel in the celebration, and, if only for a moment, divert our attention from the tragedy that has befallen the Baltic States.●

FEDERAL CIVILIAN HIRING FREEZE

● Mr. SPECTER. Mr. President, I recently toured the Philadelphia Navy Shipyard and was surprised to learn that the shipyard had been required to discharge, as a consequence to the job freeze, several people who had been employed a few days for work on the $500 million service life extension rehabilitation of the U.S.S. *Saratoga*. Furthermore, the Philadelphia Navy Yard is scheduled to employ additionally, 250 engineers, architects, and so forth, for this work by mid-March 1981. As there are other federally owned Navy shipyards in other States, it occurred to me that similar manpower problems may have been encountered in these yards as well. I, therefore, wish to record the following telegram which was sent on February 9 to Mr. David Stockman, Director of the U.S. Office of Management and Budget, Executive Office of the President. The telegram follows:

Last Tuesday when you met with some of us on the Senate Appropriations Committee, you asked us to advise you on any special problems relating to budget costs.

Today, I toured the Philadelphia Navy Shipyard, a unit of the United States Navy. One ship, the U.S.S. *Saratoga*, is now undergoing a $500 million Service Life Extension rehabilitation. Two other ships, the U.S.S. *Inchon* and the U.S.S. *LaSalle* are also being refitted. As a matter of National Defense, it is important that these rebuilding and rehabilitation projects be completed competently, completely, and on time.

However, at the present time 65 workers, already recruited and ready to go to work at the Navy Yard have been denied employment, under the provisions of OMB Bulletin 81-6. In most of these cases, appeals have been filed per your January 29, 1981 memorandum "Federal Civilian Hiring Freeze."

It is my thought that the "freeze" was not intended to apply to such jobs in the light of the President's stated intentions on National Defense.

If the work on the three ships is to be completed on a timely basis, the Navy Yard is scheduled to employ 250 additional engineers, naval architects, etc. by mid-March, 1981. Failure to employ these professional and technical people on a timely basis will inevitably stretch out the dry dock time for one or all three of these ships.

Under these circumstances and in the interest of National Defense, it is my request that this work at the Philadelphia Navy Yard be exempted from the freeze, or at least that the processing of all Philadelphia Navy Yard applications per the January 29 memorandum be expedited.

I need not remind Members of this body of the extreme importance which we all attach to national defense. The decision by DOD was made some time ago that the service life extension program would be, in many cases, the most economical way to proceed with fleet modernization. I am sure that the national administration will correct this oversight as soon as the issue has been examined.●

S. 284—WASTE AND INEFFICIENCY IN GOVERNMENT LITIGATION

● Mr. BAUCUS. Mr. President, eliminating wasteful duplication and mismanagement from Federal programs is one of my top priorities. As a member of the Senate Judiciary Committee, I share responsibility for overseeing the activities of the Department of Justice. For 2 years I have studied the Department's handling of litigation and during the last Congress I chaired hearings on this subject.

I have become convinced that congressional action is necessary to bolster our oversight of how the Federal Government manages its litigation. Wasteful duplication of effort and mismanagement of litigation on the part of lawyers both in the Department of Justice and in the client agencies contributes to an incessant drain on taxpayers' dollars.

One problem is that the authority to conduct litigation is consistently being diffused and delegated out to client agencies thereby undermining the Department's control of the management of litigation and causing unnecessary duplication. Another problem is that once litigation is initiated it is not adequately monitored.

I introduced legislation earlier this month that would improve the management of litigation in the Federal Government. I wish to expand on four major aspects of my bill, S. 284, the Department of Justice Litigation Improvement Act.

TITLE I: LITIGATION POLICY

Mr. President, Congress recognized the need for the Government to speak with a single voice in legal matters when it established the Department of Justice in 1870. However, this single voice concept has never existed in practice. Exceptions have always been provided by statute, and there are presently approximately 27 agencies with some degree of independent litigation authority.

In the past, Congress has passed several pieces of legislation giving litigation authority to agencies other than the Department of Justice. Congress examined each of these proposals within the context of the individual agency but did not examine the larger question of Government litigation.

Often, the Judiciary Committee will not be aware of the delegation of litigation authority contained in a bill until the legislation reaches the floor of the Senate or House. Consequently, the litigation authority of the Department of Justice is often decentralized without the knowledge of the House and Senate Judiciary Committees.

Another way that litigation authority is decentralized is through the widespread use of special agreements between the Department of Justice and individual agencies. Often these memorandums of understanding determine which agency will litigate and under what circumstances. But in many instances, these memorandums of understanding tend to be ambiguous or unnecessarily complex. Consequently, a substantial amount of agency time and legal resources may be spent solely on drafting and interpreting such memorandums.

For the most part, Congress has had no voice in reviewing these memorandums. In some cases, specific committees have had in interest in them, but the Senate and House Judiciary Committees have not been able to review them and insure that these memorandums are in the best interests of Government litigation policy as a whole.

Mr. President, the bill I introduced last week will address these problems.

S. 284 would require the Attorney General to submit to Congress a copy of any agreement with any other agency that affects the basic litigation authority of the Department. The bill would require that the Attorney General submit such agreements no later than 60 days prior to their effective date. This provision is not intended to provide for a congressional veto of memorandums of understanding. Rather, this provision will substantially increase congressional awareness of agreements that affect Government litigation authority. In this way, ample opportunity will be provided for congressional consultation.

Moreover, S. 284 would require the Attorney General to submit to the Senate and House Judiciary Committees written statements on legislation which affects the litigation authority of the Department of Justice. In this way, the Judiciary Committees would be fully informed and aware of the impact of proposed legislation on the Department's authority. This would be a first step in creating a congressional structure that would more effectively review Government litigation policy.

An additional step is needed, however, which is the requirement that every piece of legislation affecting the Department's litigation authority be referred to the Senate and House Judiciary Committees prior to floor consideration by either the full House or the Senate. A few years ago, Senators Eastland, THURMOND and KENNEDY urged the majority leader to adopt such a policy. I believe their request was a sound one; and I intend to work with Senators THURMOND and BIDEN and the Senate leadership to revive the discussions of this proposal.

Finally, title I of my bill provides the Attorney General with the authority to resolve all legal disputes between Federal agencies with respect to litigation authority. Current law implicitly grants the Attorney General the authority. In my view, it is important to make this authority explicit. As chief legal officer of the United States, the Attorney General is best able to resolve disagreements or uncertainties concerning litigation authority. This provision will result in more efficient use of tax dollars and Federal legal resources by eliminating costly court battles between agencies who are trying to decide which agency has jurisdiction to litigate.

I want to make clear that my bill is not offered as a panacea to Government litigation problems. Rather, this legislation represents a constructive, flexible approach to deal with an increasingly uncoordinated Government litigation policy.

TITLE II: CASE MANAGEMENT REPORT

Mr. President, the problem with management of litigation is not solved once the litigation authority question is resolved. There are still ongoing problems of coordinating the litigation. Title II of S. 284 addresses the management of Government litigation.

Currently, the Department of Justice is not capable of adequately tracking the status of litigation as it meanders through the bureaucratic maze. During congressional oversight hearings that I chaired last year I was somewhat dismaved by the Department's inability to give me information on case management. I concluded that the Department of Justice, the world's largest law firm, does not have a comprehensive case management information system.

The lack of data on Federal litigation and the justice system compounds the difficulty in assessing the existence and scope of the various issues facing the Department and the public it serves. There are no uniform crime reports on Federal crimes, no Federal offender-based transaction statistics, and no Federal program-oriented civil litigation case statistics. The net effect is an unremitting absence of the types of information necessary for planning, implementing and evaluating justice programs.

In a first effort to close the information gap, the Judiciary Committee in the fiscal year 1980 Authorization Act directed the Attorney General to prepare a plan to activate case management information and tracking systems in the 95 U.S. attorney offices and the legal divisions. The Department submitted the plan as required. Unfortunately, we were uncertain as to the sufficiency of the Department's plan. The Department of Justice still needs a case management information system that will yield the statistics necessary for planning programs and managing resources efficiently.

Title II of my bill would address this problem. S. 284 would require the Attorney General to prepare a systems development plan for the activation and coordination of a comprehensive tracking system for each judicial district of the United States. The plan would have as its goal the development of a system that would stress the retrievability of quality data having maximum utility to users. The plan would also assess the costs of implementing such a system and compare those costs to the benefits derived from correcting the confusion currently surrounding the status of Justice Department cases.

It is also hoped that as a byproduct of this system, data which the Congress needs to legislate and effect oversight will also be produced. Specifically, I anticipate that the management information system will ultimately be able to produce aggregated data on:

First, matters and cases, by case-type and program-type, from intake or commencement of the investigation to the final disposition, including judgments and collections of fines; second, decisions whether to prosecute or litigate, whether to settle a case, and whether to plea bargain, the stage of the proceeding at which such decision is made and the reasons for such decision, again, by case-type and program-type; third, the number of matters and cases handled by each division or office primarily responsible for the matter or case, and by each supporting division or office responsible for assisting in such matter or case, again, by case-type and program-type; fourth, the number of cases and matters by case-type and program-type referred to the Department of Justice for prosecution or litigation by any local, State or Federal Government organization, including any organization within the Department of Justice; and fifth, the number of cases and matters by case-type and program-type referred by the Department of Justice for prosecution or litigation to any local, State, or Federal Governmental organization.

TITLE III: STATUS OF CASES REFERRED TO THE DEPARTMENT OF JUSTICE

Mr. President, until the planned system under title II is completed the Attorney General should be required to advise Congress of the status of cases referred to the Department by client agencies. Title III of S. 284 would require the Attorney General to include this information in his authorization request to the House and Senate Committees on the Judiciary.

My past oversight hearings on this subject have convinced me that it is essential that the Department monitor referrals from client agencies so that cases are not forgotten and slip through the bureaucratic cracks. Requiring the Department of Justice to report referrals to Congress will impress upon them the need to keep track of their cases.

Such tracking capability is not only essential for Congress as it performs its oversight responsibility, but will be important to each agency so that if judicial action is not warranted, the case can be returned promptly to the agency for possible administrative action. All too often nothing is done with a case because too much time has lapsed between opening the investigation and final determination of action.

My legislation would require the Department to determine the status of all civil and criminal cases and to give the House and Senate Judiciary Committees access to this information.

Enactment of this measure will not mean any interference whatsoever in actual handling of cases but it will mean that Congress will have a new capability for monitoring enforcement of the laws it has passed.

TITLE IV: DEPARTMENT OF JUSTICE REPORT TO CONGRESS ON CONSTITUTIONAL QUESTIONS

Mr. President, the final section of my bill would require the Attorney General to advise Congress when the Department of Justice intends to refrain from defending the constitutionality of a law passed by Congress. This title is a companion bill to Congressman LEVITAS' bill, H.R. 1134, introduced last month in the House.

There is an alarming rise in the frequency of incidents where the Department of Justice refuses to defend a provision of a law passed by Congress. It is of historic interest that in the first 100 years of the Department's history only three times have they failed to defend a provision of a Federal statute because they thought it was unconstitutional. Since 1970, however, the Department has refrained from defending the constitutionality of a Federal statute seven times. In three other incidences, the Department of Justice actually initiated litigation contesting the constitutionality of a statute.

During oversight hearings I chaired last year. I questioned officials at the Department of Justice about their obliga-

tion to defend Federal statutes. I was somewhat concerned by their response. It seems there is a feeling in the Department that discretion exists with the Attorney General to refrain from defending statutes that he views as unconstitutional. This is despite the fact that the laws have been passed by both Houses of Congress and signed by the President. Attorney General Civiletti admitted in a letter to me on this issue dated July 30, 1980, that there was a heavy presumption against failing to defend the constitutionality of a statute. Nevertheless, he said, rare situations may occur where the Department must exercise its discretion and refrain from defending a law.

Mr. President, there may be merit to the Department's position, but unfortunately, the Department seems to be taking the position more and more often. The final provision of my bill merely requires the Attorney General to advise Congress when the Department intends to refrain from defending the constitutionality of a Federal law. This will enable us to at least be forewarned of the Department's intentions so that we can take appropriate action.

CONCLUSION

Mr. President, all four titles of my bill will help improve the efficiency and effectiveness of programs at the Department of Justice. A more centralized authority to litigate will decrease wasteful duplication. An improved case management information system will enhance the Department's ability to conduct better program evaluations. Report to Congress on the status of cases referred by agencies to the Department of Justice will increase our ability to legislate more rational policies. Management at the Department of Justice will be improved and the Congress will be better informed.

Mr. President, I intend to offer this bill as an amendment to the Justice Department's authorization bill when it is considered by the Judiciary Committee.

In addition, I hope my colleagues in the Senate will consider and pass title IV of this bill separately. I introduced it last month as S. 285 and an expanded RECORD statement will appear in the RECORD in the near future.

Mr. President, I ask to have S. 284 printed in the RECORD.

The bill follows:

S. 284

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Justice Litigation Improvement Act".

TITLE I—LITIGATION AUTHORITY OF THE ATTORNEY GENERAL

SEC. 101. (a) Section 516 of title 28, United States Code, is amended by inserting "(a)" immediately before "Except as otherwise authorized".

(b) Section 516 of such title is amended by adding at the end thereof the following new subsections.

"(b) The Attorney General shall submit to the Committees on the Judiciary of the Senate and the House of Representatives a copy of each written agreement between the Department of Justice and another agency affecting the litigation authority of the Department for particular categories of cases. Each agreement shall be submitted no later than thirty days before the agreement is effective.

"(c) Unless specific statutory authority for litigation responsibility is otherwise provided, the Attorney General shall be the exclusive arbiter for the resolution of any legal dispute between two or more executive agencies or departments, including a dispute as to which agency or department shall litigate an action, administer a particular program, or regulate a particular activity.

"(d) The Attorney General shall report, at the beginning of each Congress, to the Committees on the Judiciary of the Senate and the House of Representatives on—

"(1) bills or resolutions affecting the litigation authority of the Department of Justice, of which the Attorney General is aware, that were introduced in the previous Congress but were not enacted;

"(2) the status of litigation authority in the Federal Government, including the extent to which agencies other than the Department of Justice are authorized to litigate and whether such agencies are conducting litigation by formal or informal agreement with the Department of Justice;

"(3) the Attorney General's assessment of each agreement between the Department of Justice and another agency affecting the litigation authority of the Department for particular categories of cases, including—

"(A) a description of any problems relating to any such agreement;

"(B) the steps the Attorney General intends to take to remedy those problems; and

"(C) any legislative recommendations the Department of Justice may have to improve the coordination of legal activities between the Department of Justice and its client agencies; and

"(4) the efforts the Attorney General has undertaken in the preceding two years and the efforts the Attorney General expects to undertake during the forthcoming years to coordinate activities and resolve conflicts between the Department of Justice and other Federal agencies, and to increase the efficient and effective operation of Federal litigation resources.".

TITLE II—DEPARTMENT OF JUSTICE REPORT ON FEDERAL CASE MANAGEMENT

SEC. 201. The Attorney General shall prepare and submit to the Committees on the Judiciary of the Senate and House of Representatives a systems development plan for the activation and coordination, within the Department of Justice, of compatible, comprehensive case management information and tracking systems for each of the judicial districts of the United States as described in chapter 5 of title 28 of the United States Code and for each of the divisions of the Department of Justice.

SEC. 202. The plan prepared pursuant to section 201 shall—

(1) determine the functional, informational, and data service requirements of each of the legal divisions of the Department, the United States Attorneys Offices, and a representative sampling of key client agencies;

(2) identify, from the requirements determined under paragraph (1), data that should be uniformly collected for purposes of inclusion in the systems, and determine how such data should be defined for purposes of inclusion in and access to the systems;

(3) evaluate existing case management information and tracking systems to determine the responsiveness of such systems to the requirements determined under subsections (1) and (2);

(4) assess what data is required to be collected to improve the effectiveness and responsiveness of the existing systems and develop the policies and procedures for the collection and generation of such data;

(5) have as its goal, maximum service and data quality, retrievability, and utility to the users; and

(6) include a timetable for the implementation of such plan, and an assessment of the costs for implementation of such plan.

SEC. 203. There are authorized to be appropriated for the fiscal year ending September 30, 1981, $300,000 for the purposes of development and implementation of a systems development plan as described in this title.

TITLE III—STATUS OF CASES REFERRED TO THE DEPARTMENT OF JUSTICE

SEC. 301. Until completion of the planned systems under title II, the Attorney General shall include in his authorization request to the Committees on the Judiciary of the Senate and the House of Representatives a report on the status of cases referred to the Department of Justice by any Inspector General of an agency.

SEC. 302. The report required under section 301 shall include—

(1) the name of the referring agency and the agency program involved;

(2) a brief description of the nature of the case, including a citation of the alleged violation;

(3) the name of the division within the Department of Justice or the United States attorney responsible for the handling of the case;

(4) the current status of the case, including any action taken with respect to the prosecution of the case, and if no action has been taken, an explanation of why such case was not prosecuted and any administrative action recommended; and

(5) the result of any court action, if any, including any sentence of imprisonment or fine imposed as a result of such court action and the amount of any restitution awarded, if any, and the amount, if any, collected.

SEC. 303. (a) Except as provided in subsection (b), the file of any case described in section 301, with respect to which further action by the Department of Justice is terminated, shall be available for review by members of the Committees on the Judiciary of the Senate and the House of Representatives, and the staff of such committees, after removal from such files of the names and identifiers of any sources or informants, if any, and all grand jury material under an obligation of secrecy required by Rule 6(e) of the Federal Rules of Criminal Procedure

(b) The provisions of subsection (a) shall not apply to any case relating to national security.

TITLE IV—DEPARTMENT OF JUSTICE REPORT TO CONGRESS

SEC. 401. Chapter 31 of title 28 of the United States Code is amended by inserting immediately after section 522 the following:

"§ 522A. Report and declaration of the Attorney General with respect to the constitutionality of laws of the United States

"(a) The Attorney General shall transmit a report to each House of the Congress in any case in which the Attorney General—

"(1) establishes a policy to refrain from the enforcement of any provision of law enacted by the Congress, the enforcement of which is the responsibility of the Department of Justice, because of the position of the Department of Justice that such provision of law is not constitutional; or

"(2) determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States or before any court of a State, or in any administrative or other proceeding, because of the position of the Department of Justice that such provision of law is not constitutional.

"(b) Any report required in subsection (a) shall be transmitted not later than thirty days after the Attorney General establishes the policy specified in subsection (a)(1) or makes the determination specified in subsection (a)(2). Each such report shall—

"(1) specify the provision of law involved;

"(2) include a detailed statement of the reasons for the position of the Department of Justice that such provision of law is not constitutional; and

"(3) in the case of a determination specified in subsection (a)(2), indicate the nature of the judicial, administrative, or other proceeding involved.

"(c) If the Attorney General determines that the Department of Justice will contest, or will refrain from defending, any provision of law enacted by the Congress in any proceeding before any court of the United States or before any court of a State, or in any administrative or other proceeding because of the position of the Department of Justice that such provision of law is not constitutional, then the representative of the Department of Justice participating in such proceeding shall make a declaration in such proceeding that such position of the Department of Justice regarding the constitutionality of the provision of law involved constitutes the position of the executive branch of the United States with respect to such matter.".

SEC. 402. The table of sections of Chapter 31 of title 28 of the United States Code is amended by inserting immediately below the item relating to section 522 the following:

"522A. Report and declaration of the Attorney General with respect to the constitutionality of laws of the United States.".●

NEED FOR EXPORT TRADING COMPANY LEGISLATION

● Mr. HEINZ. Mr. President, the position of the United States in the international marketplace has continued to decline throughout the past decade and threatens to grow worse if aggressive new policies are not instituted promptly. One needed step is the enactment of export trading company legislation (S. 144) which will help promote a significant increase in U.S. exports. According to a study done by the National Association of Manufacturers last year, imports of manufactured goods increased nearly four times as fast as exports since 1970, with that margin growing in the last half of the decade.

The study reported that our industrial competitiveness is declining, measured both by increased import penetration here and loss of export markets elsewhere. The U.S. share of world markets declined from 21.3 percent to 17.4 percent over the past 10 years, the largest relative decline among major industrial exporters. We have lost market share in 8 of the 9 EC countries and 12 of the 13 OPEC countries. While our manufactured goods trade has stayed in rough balance, Japan and West Germany in 1979 had surpluses of $70 billion and $60 billion respectively.

Mr. President, these statistics are indeed alarming and make a clear and compelling case for the need to mobilize the Nation's exporting resources. On February 17 and 18, the Subcommittee on International Finance and Monetary Policy held hearings on S. 144, which now has 59 cosponsors. Several witnesses expanded on the need for this legislation to improve our export picture. Notable among them was former Senator Adlai Stevenson, the real "father" of the bill.

Mr. President, I ask that Senator Stevenson's testimony be printed in the RECORD.

TESTIMONY ON EXPORT TRADING COMPANIES

(By Adlai E. Stevenson)

I thank you for the opportunity to appear before this distinguished Subcommittee and continue an effort we began together some years ago, to examine U.S. export performance and develop the elements of a national export strategy.

The nation's oil import bill will exceed $85 billion this year and leave us with a merchandise trade deficit of almost $20 billion. Last month, the Commerce Department recorded the nation's 57th consecutive monthly trade deficit. The deficits mount, with no end in sight, adding to inflation and unemployment, weakening the dollar and, ultimately, our influence in the world. The deficits persist, yet we leave the nation's vast export potential largely untapped.

U.S. exports have grown over the past decade from 4.3 percent of our national product to 8 percent today. But this expansion has not kept pace with the growth of overseas markets. Since 1970, the U.S. share of total world exports has declined from 15 percent to 12 percent, while our competitors have maintained or increased their shares. For exports of manufactures, the decline in U.S. share has been even more precipitous—from 21.3 percent in 1970 to 17.4 percent in 1979.

These figures are not abstractions; they represent billions of dollars of export business which have fallen to our trading partners in Europe and Japan. And with each billion dollars of lost exports, we lose an estimated 40,000–50,000 domestic jobs. Other countries, such as West Germany, go all out to produce and sell in world markets, and export upward of 22 percent of their GNP. This country, despite countless studies documenting untapped export potential, still lacks a coherent national export policy and the institutions and channels which could mobilize it.

Foreign trade remains the province of the largest U.S. corporations, with 1 percent of U.S. firms responsible for 80 percent of all exports. Export expansion on the scale required to offset U.S. trade deficits will depend on the development of new channels to link tens of thousands of small and medium sized American firms with global markets. Today, fewer than one in ten U.S. manufacturers sell any part of their production overseas (20,000 out of 250,000 U.S. firms). Yet studies by the Department of Commerce and testimony before this Subcommittee have indicated that more than 20,000 other U.S. producers offer goods and services which could be highly competitive abroad. The small size and inexperience of these firms, however, leave them unaware of overseas opportunities and ill-equipped to absorb the front end costs and risks involved in developing foreign markets.

Export trading companies could link these exporters with global markets. They could represent small as well as large U.S. companies world wide, spotting market opportunities, meeting price competition, absorbing exchange rate fluctuations, handling the details of export transactions—and offering a full range of services and products to foreign purchasers and domestic producers.

Regional and international banks, with their financing capabilities, international correspondent networks, and expertise about foreign economic conditions, are especially well positioned to develop trading company subsidiaries handling export goods and services. Banks could buy into existing firms or form alliances with manufacturers or other banks to create new ones.

Large manufacturers and merchandisers already involved in sizeable export trade could, via export trading companies, handle the goods of myriad other firms. A corporation's international contacts and expertise offer economies of scale in the overseas marketing of products from small and medium sized firms which could not otherwise be exported profitably. Export trading companies would also give corporations the flexibility to deal with multi-country, multi-currency transactions, or massive "turnkey" projects involving multiple suppliers. Perhaps most importantly, it would enable firms to handle the complex trade deals increasingly being carried out on a barter basis with socialist and Third World countries. According to the Commerce Department, as much as 40% of East-West trade this year will involve some sort of barter arrangement. Companies such as GE, GM and Rockwell International already have established "counter-trade subsidiaries." With passage of S. 144, these could become full-line trading companies and in a better position to carry out counter-trade transactions.

Despite the success of trading companies as "export middlemen" in Europe, Japan, and other countries, such companies have been slow to develop in the United States, due to deterrents presented by banking regulations, antitrust uncertainties, and the traditional insularity of the U.S. market. Last year, legislation was developed by this Subcommittee to remove some of these deterrents. The Export Trading Company Act of 1980 modified provisions of existing law which discourage the establishment or expansion of export trading companies, and offered modest incentives to their development. It passed the Senate last session by a vote of 77–0. Unfortunately, the House was unable to act on the bill before the session ended. I am pleased the export trading company legislation has been reintroduced and I am hopeful that through your efforts, Mr. Chairman and those of other Senators concerned about U.S. export performance, the clock will not run out on this legislation again.

Although a variety of existing enterprises provide export services to U.S. producers, most are small, thinly-capitalized firms which fulfill only a few of the many functions required for export trade. Concern has been raised that these firms would be at a competitive disadvantage against the full-line export trading companies contemplated by this legislation. This concern is misplaced, for several reasons.

First, the whole premise of this legislation is that U.S. export potential has barely been tapped. The export business is not a static pie. Major opportunities exist for existing export management firms as well as new export trading companies, opportunities which will be enhanced by passage of this legislation and as more firms gain export experience.

This has been the case in Japan, where despite the existence of nine dominant export trading companies, over 6,000 smaller export trading companies continue to compete profitably for export business.

Second, nothing in this legislation precludes existing export management firms from seeking bank or corporate equity and expanding into full-line trading companies. Indeed, many firms have testified before this Subcommittee of their eagerness to do so. This legislation basically affords existing firms the flexibility to structure their operations as comprehensively as they find profitable.

Third, I agree that the formation of export trading companies will increase compe-

tition in the export trade business. But I find that outcome wholly desirable. Competitive export management firms will remain competitive, whether or not they remain specialized. If they choose to expand, they will be prime candidates for (bank or corporate) equity investors. Less competitive export firms will be forced to improve efficiency or go out of business. The result—increased productivity in the export service sector and expanded U.S. exports.

The success of large-scale general purpose trading companies in Europe and Japan has contributed significantly to the export earning, of all our major trade competitors. Foreign-owned trading companies operating in the U.S., in a manner precluded to U.S. export trade associations, have been equally successful. Last year, a Japanese-owned trading company was responsible for 1 percent of total U.S. exports—serving 34 corporations in the Fortune 500. The sixth largest U.S. exporter is another Japanese trading company—Mitsui. While these companies successfully expand U.S. exports, the profits go to Japan. Why should U.S. firms be precluded from competing for this business, offering a full range of services and keeping the profits here?

The growth of U.S. export trading companies has been hindered by government regulation, the structure of American enterprise, and the traditional insularity of the U.S. market. U.S. banking laws exclude banks from offering export trading services or investing in export trading companies. Antitrust uncertainties deter U.S. companies from pooling resources with other producers in order to expand exports. American businessmen, especially small businessmen, are unfamiliar with foreign customs and languages, unaware of foreign market opportunities, and ill-equipped to deal with the bureaucratic requirements of licensing, insurance, financing and shipping arrangements. Large multinational companies have developed their own export markets, but do little to assist other potential exporters.

Without S. 144 to reduce impediments and encourage U.S. trading companies, small and inexperienced firms will continue to be locked out of foreign markets, except as suppliers to large firms which will themselves remain handicapped.

THE NECESSITY FOR BANK PARTICIPATION

If export trading companies are to develop on a scale sufficient to affect overall U.S. export levels, it is imperative that banks and major corporations be involved in their formation. Commercial banks especially, with their financial resources, international correspondent networks and trade financing experience are well positioned to assist in the establishment of trading companies. Even more importantly, commercial bank networks extend throughout the U.S., touching virtually all small and medium sized firms. U.S. banking organizations have the systems, skills and experience to develop trading companies offering one-stop export service to U.S. firms, but need broader authority to do so. S. 144, within carefully defined limits, would provide that authority, by enabling banks, banking holding companies and Edge corporations to make limited investments in export trading companies, subject to prior approval and conditions imposed by appropriate Federal bank regulatory agencies. These limitations include the specifications that no bank may invest more than 5 percent of its capital in an export trading company, and that all investments over $10 million, as well as any controlling (25 percent or more) equity positions, be reviewed by the appropriate bank regulatory agency and subject to conditions designed to ensure the safety of bank involvement and fair competition.

The legislation comprehends a number of safeguards to protect against breaches of the traditional wall separating domestic banking and commercial activities. The bill makes clear that trading companies must be engaged exclusively in international trade. It does not grant ETCs any authority to engage in, for example, manufacturing, farming or the securities industry.

The separation of banking and commerce is an American tradition with some justification. It is not true, however, that banks have been limited exclusively to credit and deposit related functions for 100 years. In 1919, for example, Congress recognized that banks must compete in the foreign market and authorized banks to form Edge Act corporations which may engage in activities abroad which are prohibited within the United States. Another instance of bank participation in commercial activity is bank ownership of Small Business Investment Corporations, which Congress deemed necessary to make capital available for small businesses.

Section 105(4) of S. 144 squarely prohibits preferential bank lending to any affiliated export trading company or its customers, a prohibition which exceeds anything now in the Bank Holding Company Act or International Banking Act. The legislation ensures that banking organizations would have to exercise the same credit judgments in lending to export trading companies and their customers as they do in other banking activities. The limit on aggregate bank investments in export trading companies further protects against too great an incentive to lend to an affiliated trading company or its customers.

Above and beyond these statutory limitations, the bill vests bank regulatory agencies—the Federal Reserve, Comptroller, FDIC and FHLBB—with authority to establish standards, guidelines, regulations, inventory-to-capital ratios, or other requirements governing the activities of export-trading companies with commercial bank involvement. Any initial investment by a banking institution in an export trade subsidiary must be specifically approved by a federal banking agency. Thereafter, the agency has the right to disapprove additional investments in an ETC, or additional lines of activity the ETC may want to engage in. The agencies can set conditions limiting a particular bank's financial exposure to an ETC and prevent any operations or practices they deem unsound. They also have the authority to enforce any conditions or limitations imposed with cease-and-desist orders, and require such reports as necessary to monitor a banking organization's export trade involvement. All this is in addition to the stringent statutory limitations limiting total investments (equity and loans) in ETCs to 10 percent of a bank's capital and prohibiting preferential lending. These comprehensive controls, devised in cooperation with the Federal Reserve, ensure against any conceivable threat to a bank's depositors, shareholders or competitors which could be posed by the equity involvement of banks in export trading companies.

THE NECESSITY OF ANTITRUST IMMUNITY TO ENCOURAGE TRADING COMPANIES

Title II of S. 144 would revise the Webb-Pomerene Act of 1918 to clarify the antitrust provisions applicable to export trade associations and export trading companies. It also extends the Act's coverage to the export of services and transfers administrative responsibility for Webb-Pomerene from the FTC to the Commerce Department. Most importantly, it provides a certification procedure which would enable Webb associations and export trading companies to obtain antitrust preclearance for specified export trade operations. The clearance procedure would facilitate exports by permitting firms to determine in advance exactly which export trade activities would be immune from antitrust suit and which ones would not.

It should be clearly understood that this title constitutes no substantive change in U.S. antitrust law. It merely codifies what ambiguities in the wording of Webb-Pomerene left unclear, in a manner consistent with court interpretations and Justice Department Enforcement practices. Legal uncertainties about what export activities constitute a "substantial restraint of domestic trade," and the threat of antitrust litigation have severely limited the statute's utility. The 33 Webb-Pomerene associations in existence today account for less than 2 percent of U.S. exports.

The United States can ill-afford inconsistencies in antitrust policy which, in the name of competition, effectively prevent U.S. firms from competing in world markets. Title II of this legislation recognizes the significant export gains which could be made if export trading companies and Webb-Pomerene associations were allowed to engage in specific activities without fear of prosecution under the anti-trust laws. The certification process mandates the Department of Commerce to consult with the Justice Department and the Federal Trade Commission in determining that proposed export activities do not violate antitrust standards. The Secretary of Commerce must also find that the export operations to be certified will serve a specified need. Any change in the export trade or methods of operation must be reported to the Secretary of Commerce and the certification accordingly modified.

Even after the export activities of a trading company or association have been certified, they remain subject to the continuing scrutiny of the Departments of Commerce and Justice and the Federal Trade Commission. Either Justice or the FTC may at any time initiate an action to revoke a trading company's certification. Once the certification has been revoked, civil or criminal suits may be brought against an export trading company.

Mr. Chairman, it is extremely difficult to comprehend how the modest clarification of existing law and elaborate safeguards of Title II could be deemed in any sense a legislative endorsement of cartels or a violation of U.S. antitrust statutes. Careful reading of this Title and the legislative and case history of the Webb-Pomerene Act makes clear not only the established need for clarification of permissible export trade activities, but the fact that nothing in this legislation constitutes a substantive change in antitrust law.

PROVISIONS FOR IMPLEMENTATION OF S. 144

In order to encourage the direct participation of smaller exporters in the formation of export trading companies, the legislation urges the Economic Development Administration and the Small Business Administration to give special attention to the financing needs of small and medium sized concerns interested in exploring export opportunities. S. 144 authorizes $20 million per year in fiscal years 1981 through 1985 to EDA and SBA to support loans or guarantees for these purposes. The level of funding proposed is modest, both in relation to the need or export promotion activities directed towards small businesses and in comparison with the tremendous employment and balance of payments gains which accompany increased export activity. In 1978, in fact, the Carter administration's "export policy" proposed a $100 million SBA program to assist small businesses interested in exporting. Unfortunately, nothing on this scale has been implemented.

The bill also directs the Secretary of Commerce to promote actively the formation of export trading companies and to disseminate information about related opportunities. Finally, S. 144 directs Eximbank to establish a guarantee program for commercial loans to U.S. exporters when potential export business is threatened by a small exporter's inability to secure adequate financing. The legislation leaves the size of this program unspecified, with amounts to be appropriated annually to the Export-Import bank. The section makes clear, however, that the program is designed to aid small and medium sized exporters.

In my judgment, all of these provisions are essential if this legislation is to reach its intended beneficiaries—the large pool of small and medium sized firms with export potential, but lacking the expertise and resources to bring their products to world markets.

Finally, Mr. Chairman, I would like to comment on certain tax provisions which were contained in earlier versions of this legislation. The original bill's third title extended tax deferrals available under the DISC (Domestic International Sales Corporation) provisions of the tax code to export trading companies, including income from the export of services. It also allowed for limited use of subpart S of the tax code by export trading companies—permitting certain passthroughs to shareholders of closely held corporations. The title directed the Commerce Department, in consultation with the IRS, to prepare a guide to help export trading companies form DISCs or elect subpart S tax treatment.

These provisions were intended to help small exporters benefit from favorable tax provisions in existing law. Since its inception in 1971, over 60 percent of total DISC benefits have gone to parent corporations with more than $250 million in assets. A Treasury Department analysis of the program concluded the legal and accounting costs of complying with the complex DISC legislation inhibited small company participation in the tax benefits.

It is only fair to ensure that export trading companies, and especially smaller companies or Webb associations, are able to take advantage of legitimate tax benefits. Eligibility for favorable tax treatment could also present a significant incentive to formation of export trading companies. For these reasons, I hope the tax provisions will be reintroduced, and receive favorable consideration by the Senate Finance Committee as an integral element of export trading company legislation.

In conclusion, S. 144 is not a national export strategy; it will not overnight reverse a $20 billion merchandise trade deficit. But this legislation will substantially improve the nation's ability to compete in a highly competitive, trade-dependent world. No other first step will do more to strengthen the marketing of American goods and services abroad. S. 144 proposes no costly or cumbersome new federal programs. It simply repeals disincentives and impediments in existing law. It helps put American industry on an equal footing with its foreign competitors. It gives American business, especially small business, a chance to win new markets, create new employment, and foster the broad expansion of U.S. export potential required to reverse dangerous deficits and stabilize the dollar.●

LITHUANIAN INDEPENDENCE

● Mr. METZENBAUM. Mr. President, this week, Lithuanian-Americans are meeting in cities and towns across this country to observe the 63d anniversary of Lithuania's Declaration of Independence. In doing so, they will renew their commitment to preserving their rich culture here in America, and at the same time, they will remember the time when that small country was free.

Our friends and neighbors of Lithuanian heritage have a profound and abiding concern about their brethren who must live every day with the reality of Soviet oppression.

All Americans should know that Lithuania has produced far more than its share of the incredibly brave men and women who make up the human rights movement in the Soviet Union, and in spite of nearly four decades of Soviet dominance, the Lithuanian people continue to demand their fundamental right to practice their religious faith and to preserve their identity as a nation.

Lithuanians can take pride in their nation's stubborn resistance to overwhelming Soviet power. But pride is tempered by sadness because the independence that was restored to Lithuania on February 16, 1918, lasted only until 1940. In that year, in the aftermath of the infamous treaty between Stalinist Russia and Nazi Germany, the Soviet Union moved ruthlessly to extinguish the freedom of three small neighbors—Lithuania, Latvia, and Estonia.

The Soviets in 1940 were not bothered by the fact fully 20 years before, they had formally given up all claims to the Baltic States.

It did not concern Stalin that the people of those countries had no desire to be a part of the oppressive Soviet system.

To this day, the United States, to its great credit, has never recognized the Soviet conquest of the Baltic States.

A Lithuanian Embassy still exists in Washington.

Lithuanian diplomats are still accredited to this country.

And to this day, the United States stands firm in its belief that the question of the Baltic States is not and cannot be closed.

That position has—and will continue to have—my strong support.

But whatever our point of view in this country might be, the fact remains that the Soviet Government is just as determined now as it ever was to crush dissent, to eradicate, religion, and to eliminate minority cultures.

Consider for example, what it means to be a member of a religious community in the Soviet Union:

No religious believer—Christian, Jew, or Moslem alike—may be a teacher in the Soviet Union.

No religious believer may be a civil servant or an official in the government.

No religious believer may be assured of access to places of worship or to the services of the clergy.

In the Soviet Union, official permission is required for a priest or a minister or a rabbi to visit the sick. Official permission is required even to administer the last rites to the dying. And often in the Soviet Union, official permission is refused.

Yet in Lithuania today, church officials estimate that 75 percent of the people are practicing Catholics. The Church of Silence is silent no more and the human rights movement has grown into a major force. When one of its leaders—Father Alfonsas Svarinskas—was asked by foreign journalists if he considered himself a dissident, he gave a reply that must have caused great consternation at the headquarters of the KGB:

"In Lithuania," he said, "everybody is a dissident. As far as we are concerned," he added, "it is the collaborators whose numbers are small here, not the dissidents."

I am sure that Father Svarinskas spoke the truth.

But in the Soviet Union, speaking the truth is a costly and dangerous thing.

For Balys Gayauskas, editor of the Chronicles of the Catholic Church in Lithuania—the oldest of the underground papers in the Soviet Union—speaking the truth meant a sentence of 15 years—10 of them to be spent in what the Soviets call a "special regime" prison.

A special regime prison in the Soviet Union is very special indeed.

The food in such places is especially bad.

Living quarters are especially cold and crowded.

Medical care and hygienic facilities are especially absent.

And the risk to life and health and sanity is especially great.

For Viktoras Petkus, a member of the group established in Lithuania to monitor Soviet compliance with the Helsinki accords, speaking the truth has meant arrest, a ludicrous trial and a 12-year sentence—7 years in special regime camp, followed by another 5 years of internal exile.

Petkus, who is 52 years old, is a scholar of Lithuanian literature, a devout Catholic, and a founding member of the Helsinki Watch Group. What was his crime? He was convicted of anti-Soviet agitation and propaganda for asking the Soviet Government to honor its own solemn word, given in writing to the other nations of the world, that it would observe the human rights provisions of the Helsinki accords. It is no crime in the Soviet Union for the Government to promise such things. It is a crime only when a Soviet citizen asks the Government to live up to its promises.

At Helsinki, the Soviets promised to permit emigration to reunite families. That is a hollow promise to Ben Paulionis, a Lithuanian American in my home city of Cleveland, who has been trying without success for 34 years to secure permission for his wife to come from Lithuania to America. His children have grown up without him. He has never seen his grandchildren. His wife is retired from her job as a midwife—hardly an occupation that involves state security. But still, she cannot leave.

Mr. President, the Paulionis case is a classic example of the open Soviet contempt for the most elementary standards of decency and human rights.

The American Embassy in Moscow has pressed this case as a priority.

I have written about it repeatedly to Ambassador Dobrynin. I have raised it in meetings with Soviet officials.

Always, the Soviets promise to look into the case. They say that these matters can be resolved quietly, that there is no need for a public outcry.

But what resolution has there been?

None. Not one word has come from the Soviet Embassy. And Mrs. Paulionis is still in Lithuania.

That is an outrage—the kind outrage with which millions of people in the Soviet Union have to live with every day.

Mr. President, it has been said that the human rights thrust in our foreign policy was a mistake.

I have heard the argument that support for human rights in the Soviet Union and other countries complicates our international relations. They are sensitive to criticism, I am told, and if we want to get along, we should go along.

I am not prepared to go along—not with a regime that presides over the jailhouse of nations that is the Soviet Union today.

I am not prepared to get along with a country that routinely violates its own promises to observe basic human rights guarantees.

And to those who believe that human rights is not a proper subject for American diplomacy, I say ask the people whose independence day we observe this week.

The Lithuanians know how important it is to keep up the pressure on the Soviet Government.

They understand what human rights means to those whose who do not enjoy them.

And they know what a tragedy it would be were this Nation to back away from its commitment to speak up for those whose voices have been silenced.

Mr. President, I salute the Lithuanian-American community on this special occasion and I commend them for keeping alive the hope that the ancient Lithuanian nation will again know freedom.●

MONTANA LAW SCHOOL MOOT COURT TEAM WINS NATIONAL CHAMPIONSHIP

● Mr. BAUCUS. Mr. President, occasionally I cannot resist the impulse to express my pride in the accomplishments of certain Montanans. In this instance, I commend the University of Montana Law School moot court team for winning the national championship in New York City recently.

As many of my colleagues who have participated in this competition know, it is rigorous and the standards by which the appellate advocacy of these student competitors is judged are demanding. Team members Carey Matovich, Paul Meismer, and Karl Seel are especially deserving of praise. They have proven that, although the UM Law School is one of the smallest in the Nation, it is one of the finest.

Of course, behind every successful competitor stands a contingent of advisors, trainers, and supporters who also share in the victory. Accordingly, I would also like to congratulate my good friends, Prof. J. Martin Burke who served as faculty advisor for the team and Dean John O. (Jack) Mudd who has worked diligently to foster the kind of academic environment that encourages this level of excellence in legal education. In addition, the entire faculty of the law school is to be commended.

I ask that the following article from the January 31, 1981, Missoulian be printed in the RECORD.

The article follows:

UM TEAM WINS NATIONAL COMPETITION

Three University of Montana law students will return to Missoula laden with cash awards, trophies, books and a championship title earned at the National Moot Court Competition in New York City this week.

UM's team of students out-argued law students from Northwestern University Friday in the final round of the moot-court contest, one of the most prestigious of all law-school competitions.

Carey E. Matovich of Jordan, the only woman on UM's team, won the "best-all argument" award for her presentation. Paul C. Meismer, Billings, and Karl P. Seel, Missoula, were also members of UM's team.

Friday's victory was the first national moot-court championship won by UM students. Another team of UM students qualified for national competition in 1957.

Nine justices sat as a mock supreme court to hear the final-round of arguments Friday as nearly 1,000 spectators watched UM and Northwestern compete for the title. Potter Stewart, associate justice of the U.S. Supreme Court, presided over the contest as chief.

The moot court competition is sponsored by the Young Lawyers Committee of New York's Association of the Bar and the American College of Trial Lawyers. It is meant to encourage "appellate advocacy," or the presentation of a case before an appeals court, among law students and to provide a common meeting ground for faculty, staff, students, judges and lawyers.

UM's faculty adviser was J. Martin Burke, associate professor of law.

In the semifinals, also held Friday, Missoula students defeated Indiana University's team of law students while Northwestern beat Drake University.

In earlier rounds, UM topped teams from Baylor University, University of New Mexico, University of Alabama and Southern Methodist University. Twenty-nine teams from across the country qualified for national competition.●

HOUSE OF REPRESENTATIVES—*Friday, February 20, 1981*

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS

The following registrations were submitted for the fourth calendar quarter 1980:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
	(Mark one square only)			

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)

(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§302(e).

(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

A. A-K Associates, Inc., 1225 Eighth Street, Suite 590, Sacramento, Calif. 95814.

B. City of South Lake Tahoe, P.O. Box 1210, South Lake Tahoe, Calif.; California Society of Pathologists and Pathologist Practice Association, 1225 Eighth Street, Suite 590, Sacramento, Calif. 95814.

A. Akin, Gump, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.

B. Zale Corp., 3000 Diamond Park Drive, Dallas, Tex. 75247.

A. All Unions Committee To Shorten the Workweek, 4300 Michigan Avenue, Detroit, Mich. 48210.

A. Morris J. Amitay, 400 North Capitol Street NW., Suite 368, Washington, D.C. 20001.

B. EMI Cos., 1417 116th Avenue NE., call No. C21611, Belleview, Wash. 98009.

A. Morris J. Amitay, 400 North Capitol Street NW., Suite 368, Washington, D.C. 20001.

B. Hickory Association, 560 South Broadway, Hicksville, N.Y. 11801.

A. Morris J. Amitay, 400 North Capitol Street NW., Suite 368, Washington, D.C. 20001.

B. Northrop Corp., 1701 North Fort Myer Drive, Arlington, Va. 22209.

A. Anderson & Pendleton, 1000 16th Street NW., Suite 701, Washington, D.C. 20036.

B. Military Mission of Chile, 1736 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Arnold & Porter, 1220 New Hampshire Avenue NW., Washington, D.C. 20036.

B. The Great Western Sugar Co., P.O. Box 5308, Denver, Colo. 80217.

A. Association for the Advancement of Psychology, 1200 17th Street NW., No. 200, Washington, D.C. 20036.

A. Lloyd G. Ator, Jr., 228 Shorey Road, Silver Spring, Md. 20901.

B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Robert A. Bacha, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for Continental Materials), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

A. Christine M. Bangert, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.

B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.

A. Judy Bardacke, American Federation of Teachers, AFL-CIO, 11 Dupont Circle NW., Washington, D.C. 20036.

B. American Federation of Teachers, AFL-CIO, 11 Dupont Circle NW., Washington, D.C. 20036.

A. Carol Barger, Consumers Union, 500 West 13th Street, Austin, Tex. 78701.

B. Consumers Union of U.S., Inc., 256 Washington Street, Mount Vernon, N.Y. 10550.

A. Barnes, Richardson & Colburn, 1819 H Street NW., Suite 400, Washington, D.C. 20006.

B. Tartaric Chemicals Corp., 515 Madison Avenue, New York, N.Y. 10022.

A. Neil D. Baron, Booth & Baron, 122 East 42d Street, New York, N.Y. 10168.

B. Standard & Poor's Corp., 25 Broadway, New York, N.Y. 10004.

A. Laura L. Beaty, 806 North Jefferson Street, Arlington, Va. 22205.

B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.

B. St. George/Highly Corp., 1127 West Seventh Avenue, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 400 Jenifer Street NW., No. 300, Washington, D.C. 20015.

B. Teamster 959 Employee Pension Trust, 1200 Airport Heights Road, Anchorage, Alaska 99504.

A. Phil M. Bitter, Chevron U.S.A., Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.

B. Chevron U.S.A., Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.

A. Black, Manafort & Stone, Inc., 435 North Lee Street, Alexandria Va. 22314.

B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

A. Neal Blair, 2727 Jones Branch Drive, Suite 400, McLean, Va. 22102.

B. Free the Eagle, 2727 Jones Branch Drive, Suite 400, McLean, Va. 22102; Educational Corp., and Target, Inc., 2411 Old Crow Canyon Road, San Ramon, Calif. 94583.

A. Blatchford, Epstein & Brady, 1000 Potomac Street, NW., Washington, D.C. 20007.

B. Insulation Contractors Association, 905 16th Street NW., Washington, D.C. 20006.

A. Blatchford, Epstein & Brady, 1000 Potomac Street NW., Washington, D.C. 20007.

B. Mineral Insulation Manufacturers Association, 382 Springfield Avenue, Summit, N.J. 07901.

A. Richard W. Bliss, 1899 L Street NW., Suite 1200, Washington, D.C. 20036.

B. St. Joe Minerals Corp., 1730 Rhode Island Avenue NW., Suite 612, Washington, D.C. 20036.

A. Susan A. Boolukos, American Frozen Food Institute, 1700 Old Meadow Road, Suite 100, McLean, Va. 22102.

B. American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.

A. Stephen S. Boynton, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Arlington, Va. 22209.

B. The Wildlife Legislative Fund of America, 50 West Broad Street, Columbus, Ohio 43215.

A. Jerry M. Brady, 1000 Potomac Street NW., Suite 103, Washington, D.C. 20007.

B. National Energy Efficiency Coalition, 1000 Potomac Street NW., Suite 103, Washington, D.C. 20007.

A. Peter Elliot Braveman, 500 Newport Center Drive, Suite 555, Newport Beach, Calif.

B. Loeb & Loeb, 1 Wilshire Boulevard, 16th floor, Los Angeles, Calif. 90017 (for Joan Irvine Smith).

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000 North, Washington, D.C. 20036.

B. Northern Solar Systems, Inc., 30 Pond Park Road, Hingham, Mass. 02043.

A. Brownstein, Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.

B. Home Owners Warranty Corp., National Housing Center, 15th and M Streets NW., Washington, D.C. 20005.

A. Joseph A. Bruno, 15 Chester Street, No. 28, Cambridge, Mass. 02140.

B. Shawmut Corp., 1 Federal Street, Boston, Mass. 02211.

A. Busby, Rehm & Leonard, 1629 K Street NW., Suite 1100, Washington, D.C. 20006.

B. Automobile Importers of America, Inc., 1735 Jefferson Davis Highway, Arlington, Va. 22202.

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C. 20003.

B. Safetran Systems Corp., P.O. Box 1037, Louisville, Ky. 40201.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.

B. Council on Foundations, Inc., 1828 L Street NW., Washington, D.C. 20036.

A. Cary & Baron, 500 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.

B. Puget Sound Power & Light Co., Puget Power Building, Bellevue, Wash. 98009.

A. John J. Castellani, TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.

B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

A. Elizabeth Prewitt Chalmers, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

A. Richard M. Charlton, Professional Insurance Agents, 600 Pennsylvania Avenue SE., Suite 202, Washington, D.C. 20003.

B. Professional Insurance Agents, 600 Pennsylvania Avenue SE., Suite 202, Washington, D.C. 20003.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.

B. Stichting Philips Pensioenfonds A and B, Tramstraat 62, Eindhoven, The Netherlands.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.

B. Murray Ohio Manufacturing Co., Franklin Road, Brentwood, Tenn. 37027.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.

B. Norris Industries, 5215 South Boyle Avenue, Los Angeles, Calif. 90058.

A. Marvin Collins, American Council of Life Insurance, 1850 K Street NW., Washington, D.C. 2006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. The Committee for Freedom of Access to Legal Lotteries, P.O. Box 92, Guilford, Maine 04443.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.

B. Bulova Systems & Instruments Corp., Green Acres Road NW., P.O. Box 189, Valley Stream, N.Y. 11582.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.

B. First Bank & Trust Co., 1544 Winchester Avenue, Ashland, Ky. 41101.

A. Cook, Purcell, Hansen & Henderson, 11th Floor, 1015 18th Street NW., Washington, D.C. 20036.

B. Guam Growth Council, P.O. Box BV, Agana, Guam 96911.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.

B. Hamilton Technology, Inc., P.O. Box 1609, Columbia Avenue, Lancaster, Pa. 17604.

A. J. Barry Coughlin, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Ford Motor Company, Dearborn, Mich. 48121.

A. Council for American Private Education, 1625 I Street NW., Washington, D.C. 20006.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.

B. Phillips Petroleum Co., 1262 Adams Building, Bartlesville, Okla. 74004.

A. Cramer & Cramer, 1320 19th Street NW., Suite 200, Washington, D.C. 20036.

A. William C. Cramer, Cramer & Cramer, 1320 19th Street NW., Suite 200, Washington, D.C. 20036.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Eli Lilly, Inc., 307 East McCarty Street, Indianapolis, Ind. 46285.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. National Association of Wholesaler-Distributors, 1725 K Street NW., Washington, D.C. 20006.

A. Charles H. Crutchfield, Suite 104, 6230 Fairview Road, Charlotte, N.C. 28210.

B. General Tire & Rubber Co., One General Street, Akron, Ohio 44329.

A. Gerard L. Cullen, 7900 Callaghan Road, San Antonio, Tex. 78229.

B. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex. 78284.

A. Sharon Allen Currens, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Suite 340, Washington, D.C. 20006.

B. Korea Leather & Fur Exporter's Association.

A. Cheryl C. Davis, David Vienna & Associates, 510 C Street NE., Washington, D.C. 20002.

B. National Association of Credit Management, 475 Park Avenue South, New York, N.Y. 10016.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 950 17th Street, Denver, Colo. 80202 and Suite 400, 1300 19th Street NW., Washington, D.C. 20036.

B. Snyder Oil Co., 410 17th Street, Suite 1300, Denver, Colo. 80202.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 950 17th Street, Denver, Colo. 80202 and Suite 400, 1300 19th Street NW., Washington, D.C. 20036.

B. Tenneco Oil Co., 126 North Point Drive, P.O. Box 2888, Houston, Tex. 77001.

A. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.

B. Recording Industry Association of America, Inc., 1633 Broadway, New York, N.Y. 10019.

A. Daniel B. Denning, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

B. Gulf Mineral Resources Co., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

A. Patsy B. Dix, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.

A. Karen A. Doherty, Sierra Club, 800 Second Avenue, New York, N.Y. 10017.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. John J. D'Onofrio, 1125 University Building, 910 16th Street, Denver, Colo. 80202.

B. Ute Mountain Ute Tribe, Towaoc, Colo. 81334.

A. Timothy L. Donohoe, Enserch Corp., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.

B. Enserch Corp., 301 South Harwood Street, Dallas, Tex. 75201.

A. C. R. Duggan, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.

B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.

A. Don R. Duncan, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., No. 460, Washington, D.C. 20006.

B. Toyota Motor Sales, U.S.A., Inc., 2055 West 190th Street, Torrance, Calif. 90504.

A. William A. Edwards, 250 Old Country Road, Mineola, N.Y. 11501.

B. Long Island Lighting Co., 250 Old Country Road, Mineola, N.Y. 11501.

A. Keith H. Ellis, Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. Paul A. Equale, Travel Industry Association of America, 1899 L Street NW., Washington, D.C. 20036.

B. Travel Industry Association of America, 1899 L Street NW., Washington, D.C. 20036.

A. Donald C. Evans, 290 Cocoanut Avenue, Sarasota, Fla. 33577.

A. Penelope S. Farthing, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

A. Mary Clare Fitzgerald, The Chase Manhattan Bank, 900 17th Street NW., Washington, D.C. 20006.

B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10081.

A. Martha Flory, Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.

B. Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.

A. John P. Foley, Sisk, Foley, Hultin & Driver, 2501 M Street NW., Suite 380, Washington, D.C. 20037.

B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.

A. Gregory W. Frazier, P.O. 427, Englewood, Colo. 80151.

A. Free Alaska Lands Committee, 425 G Street, No. 930, Anchorage, Alaska 99501.

A. Free the Eagle, 7927 Jones Branch Drive, Suite 400, McLean, Va. 22102.

A. Fred Gaboury, 343 South Dearborn Street, Room 600, Chicago, Ill. 60604.

B. All Unions Committee To Shorten the Work Week, 4300 Michigan Avenue, Detroit, Mich. 48210.

A. Michael R. Gale, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

A. David McLane Gardiner, Sierra Club, 330 Pennsylvania Avenue SE., Washington, D.C. 20003.

B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.

A. Dwight M. Geduldig, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

A. Phyllis H. Gerstell, American Council of Life Insurance, 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. John J. Gould, 27 Wilmot Road, Waltham, Mass. 02154.

B. Shawmut Corp., 1 Federal Street, Boston, Mass. 02211.

A. John R. Graff, International Association of Amusement Parks & Attractions,

Suite 330, 1025 Vermont Avenue NW., Washington, D.C. 20005.

B. International Association of Amusement Parks & Attractions, Suite 303, 7222 West Cermak Road, North Riverside, Ill. 60546.

A. Mark E. Grayson, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc. (for The Navajo Nation, Window Rock, Ariz.), 633 Third Avenue, New York, N.Y. 10017.

A. Mark N. Griffiths, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.

B. Ad Hoc Group on Life Insurance Company Taxation of Pension Funds, Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.

A. Craig Hackler, 400 North Capitol Street NW., Suite 320, Washington, D.C. 20001.

B. Beneficial Management Corp., 200 South Street, Morristown, N.J. 07960.

A. Craig Hackler, 400 North Capitol Street NW., Suite 320, Washington, D.C. 20001.

B. Stichting Philips Pensioenfonds A and B, Tramstraat 62, Eindhoven, The Netherlands.

A. Beverly Halem, P.O. Box 1591, Cocoa, Fla. 32922.

B. Halem Industries, Inc., 414 Highpoint Drive, Suite 206, Cocoa, Fla. 32922.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.

B. Agri-Business, Inc., Board of Trade Building, 1700 Iron Street, Salina, Kans. 67401.

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B. Operation Independence, 406 San Jacinto Building, Austin, Tex. 78701.

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A. Helicopter Association of America, Inc., 1110 Vermont Avenue NW., Suite 430, Washington, D.C. 20005.

A. Thomas R. Hendershot, Obermayer, Rebmann, Maxwell & Hippel, 2011 I Street NW., Suite 500, Washington, D.C. 20006.

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A. Thomas R. Hendershot, Barnett, Alagia & Carey, 1627 K Street NW., Suite 900, Washington, D.C. 20006.

B. Partnership Placements, Inc., 1801 Century Park East, Suite 1901, Los Angeles, Calif. 90067.

A. Thomas R. Hendershot, Barnett, Alagia & Carey, 1627 K Street NW., Suite 900, Washington, D.C. 20006.

B. Petroleum Heat & Power Co., 3000 Peltz Street, Philadelphia, Pa.

A. Thomas R. Hendershot, Barnett, Alagia & Carey, 1627 K Street NW., Suite 900, Washington, D.C. 20006.

B. Philadelphia Gas Works, 1518 Walnut Street, Philadelphia, Pa. 19102.

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B. Philadelphia Stock Exchange, 17th Street and Stock Exchange Place, Philadelphia, Pa. 19103.

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A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for Continental Materials), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

A. Beverly L. Hines, Visa U.S.A., Inc., 1620 I Street NW., Washington, D.C. 20006.

B. Visa, U.S.A., Inc., 300 Clearview Way, San Mateo, Calif. 94403.

A. Philip R. Hochberg, Vorys, Sater, Seymour & Pease, 1828 L Street NW., No. 1111; Washington, D.C.

B. North America Soccer League, 1133 Avenue of Americas, New York, N.Y. 10036.

A. J. William Hudson, Travel Industry Association of America, 1899 L Street NW., Washington, D.C. 20036.

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A. James D. Isbister, Blue Cross and Blue Shield Associations, 1700 Pennsylvania Avenue, Washington, D.C. 20006.

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A. Kaye, Scholer, Fierman, Hays & Handler, 1575 I Street NW., Suite 1150, Washington, D.C. 20005.

B. American Psychoanalytic Association, 1 East 57th Street, New York, N.Y. 10022.

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A. Jeanne P. Kowalski, Southern Pacific Communications Co., 1801 K Street NW., Suite 221, Washington, D.C. 20006.

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A. Charles C. Krautler, 1100 H Street NW., Washington, D.C. 20080.

B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Washington, D.C. 20036.

B. Engineering Supervision Co., 170 Newport Center Drive, No. 150, Newport Beach, Calif. 92660.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Washington, D.C. 20036.

B. Kona Coast Co., care of Karl B. Rodi, 611 West Sixth Street, Los Angeles, Calif. 90017.

A. Edward A. Lenz, 1750 K Street NW., Washington, D.C. 20006.

B. Health Insurance Association of America, Inc., 1750 K Street NW., Washington, D.C.; 919 Third Avenue, New York, N.Y.; 332 South Michigan Avenue, Chicago, Ill.

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A. Lord, Day & Lord, 25 Broadway, New York, N.Y. 10004.

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B. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex. 78284.

A. Daniel R. Miller, Truck Trailer Manufacturers Association, 2430 Pennsylvania Avenue NW., Washington, D.C. 20037.

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A. James C. Miller, The National Grange, 1616 H. Street NW., Washington, D.C. 20006.

B. The National Grange, 1616 H. Street NW., Washington, D.C. 20006.

A. James P. Mooney, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

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A. Michael C. Normile, 5771 Harwich Court No. 233, Alexandria, Va. 22311.

B. National Community Action Agency Executive Directors Association, 815 15th Street NW., Washington, D.C. 20005.

A. Julia J. Norrell, American Council of Life Insurance, 1850 K Street NW., Washington, D.C. 20006.

B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.

A. Nossaman, Krueger & Marsh, 1140 19th Street NW., Washington, D.C. 20036.

B. AEtna Life & Casualty, 151 Farmington Avenue, Hartford, Conn., 06156.

A. Nossaman, Krueger & Marsh, 1140 19th Street NW., Washington, D.C. 20036.

B. Dividend Support Group, Care of Northwestern National Life Insurance Co., 20 Washington, Avenue South, Minneapolis, Minn. 55440.

A. Nossaman, Krueger & Marsh, 1140 19th Street NW., Washington, D.C. 20036.

B. Insurance Association of Connecticut, 60 Washington Street, Hartford, Conn. 06106.

A. Nossaman, Krueger & Marsh, 1140 19th Street NW., Washington, D.C. 20036.

B. New York Life Insurance Co., 51 Madison Avenue, New York, N.Y. 10010.

A. Nossaman, Krueger & Marsh, 1140 19th Street NW., Washington, D.C. 20036.

B. Phoenix Mutual Life Insurance Co., 1 American Row, Hartford, Conn. 06115.

A. David S. O'Bryon, American Chiropractic Association, 1735 DeSales Street NW., Washington, D.C. 20036.

B. American Chiropractic Association, 2200 Grand Avenue, Des Moines, Iowa 50312.

A. O'Neill, Forgotson & Roncallo, 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Premiere, 10880 Wilshire Boulevard, Los Angeles, Calif. 90024.

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B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Congress of Surveyors & Mappers, 210 Little Falls Street, Falls Church, Va. 22046.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. American Movers Conference, 1117 North 19th Street, Arlington, Va. 22209.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Redwood Industry Park Committee, 2750 Sand Hill Road, Menlo Park, Calif. 94025.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue, Suite 1200, Washington, D.C. 20036.

B. International Communications Association, P.O. Box 10013, Houston, Tex. 77206.

A. Richard F. Phillips, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C. 20006.

B. Phillips Petroleum Co., Bartlesville, Okla.

A. M. M. Pierce, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.

B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Molly J. Pierce, Blue Cross & Blue Shield Associations, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

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A. Pierson, Ball & Dowd, 1000 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.

B. National Association of Royalty Owners, Inc., 117 North Broadway, Ada, Okla. 74820.

A. Pierson, Ball & Dowd, 1000 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.

B. Oklahoma Mineral Owners & Surface Owners Association, Route 2, Sayre, Okla. 73662.

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A. Michael M. Pousner, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.
B. Robert H. Kellen Co. (for Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342), 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.

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A. Brainard E. Prescott, 670 Main Street, East Aurora, N.Y. 14052.
B. Security New York State Corp., 1 East Avenue, Rochester, N.Y. 14638.

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A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Commercial Union Assurance Co., 1 Beacon Street, Boston, Mass. 02108.

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A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Ronan Telephone Co., P.O. Drawer 3, Ronan, Mont. 59864.

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B. Priest & Fine, Inc., 1725 K Street NW., Washington, D.C. 20006.

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A. Project Advisory Group, 1029 Vermont Avenue NW., Suite 880, Washington, D.C.

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A. Puget Sound Power & Light Co., Puget Power Building, Bellevue, Wash. 98009.

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A. John M. Rector, National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
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A. Emil A. Romagnoli, ASARCO, Inc., 120 Broadway, New York, N.Y. 10271.
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A. Vincent R. Sandusky, Sheet Metal & Air Conditioning Contractors' National Association, Inc., 8224 Old Courthouse Road, Vienna, Va. 22180.
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A. Schlossberg-Cassidy & Associates, Inc., 955 L'Enfant Plaza SW., Suite 1401, Washington, D.C. 20024.
B. Ocean Spray Cranberries, Inc., Plymouth, Mass. 02360.

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A. Seifman & Lechner, 1000 Potomac Street NW., Washington, D.C. 20007.
B. National Association of Police Organizations, 12th and L Streets, Sacramento, Calif. 95814.

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A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Council for American Private Education, 1625 I Street NW., Washington, D.C. 20036.

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A. L. Philip Sheldon, Jr., Christian Voice Moral Government Fund, 418 C Street NE., Carriage House, Washington, D.C. 20002.
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A. Donald E. Sinville, 227 North Street, Manchester, N.H. 03104.
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A. Sisk, Foley, Hultin & Driver, 2501 M Street NW., Suite 380, Washington, D.C. 20037.
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A. James R. Smircina, P.O. Box 5000, Cleveland, Ohio 44101.
B. The Cleveland Electric Illuminating Co., P.O. Box 5000, Cleveland, Ohio 44101.

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A. David H. Smith, 507 2d Street NE., Washington, D.C. 20002.
B. Blue Ribbon Sports, Inc., 3900 Southwest Murray Boulevard, Beaverton Oreg. 97005.

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A. Peter Leigh Snell, David Vienna & Associates, 510 C Street NE., Washington, D.C. 20002.
B. National Association of Credit Management, 475 Park Avenue South, New York, N.Y. 10016.

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A. Ted C. Springer, P.O. Box 1219, Idaho Falls, Idaho 83401.
B. Salmon River Electric Cooperative, Inc., Challis, Idaho 83226.

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A. George C. Steiner, 9708 Marshall Avenue, Silver Spring, Md. 20901.

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A. Alan Stover, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
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A. Donald R. Sweitzer, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
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A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., No. 708, Washington, D.C. 20036.
B. Taft, Stettinius & Hollister (for Telephone & Data Systems, Inc., 79 West Monroe Street, Chicago, Ill. 60603), Dixie Terminal Building, Cincinnati, Ohio 45202 .

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A. Target, Inc., 2411 Old Crow Canyon Road, San Ramon, Calif. 94583.

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A. Teamsters for a Democratic Union, 2000 P Street NW., No. 612, Washington, D.C. 20036.

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A. Paul M. Tendler, 2020 K Street NW., Suite 420, Washington, D.C. 20006.
B. Paul Tendler Associates, 2020 K Street NW., No. 420 Washington, D.C. 20006. (for Rasch Elektronik, Albert Einstein-Straeb 18, 6074 Rodermark 2 West Germany).

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A. Tennessee Home Medical Providers Association, Inc., 424 North Central Avenue, Knoxville, Tenn. 37917.

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A. Thevenot, Murray & Scheer, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

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A. Daniel W. Vannoy, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
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A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Washington, D.C. 20036.
B. Nissan Motor Corp., Ltd., 17-1 Ginza, 16-Chome, Chuo-Ku, Tokyo, Japan, Nissan Motor Corp., U.S.A., 18501 South Figueroa Street, Carson, Calif. 90248.

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A. W. P. West, Jr., Delta Air Lines, 1629 K Street NW., Room No. 204, Washington, D.C. 20006.
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B. O'Connor & Hannon, 1919 Pennsylvania Avenue NW., Washington, D.C.

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A. David E. Whitten, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
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B. Mustang Fuel Corp., 1100 First National Center East, Oklahoma City, Okla. 73102.

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A. Perry F. Williams, 225 Main Street, Newington, Conn. 06111.
B. The American Radio Relay League, Inc., 225 Main Street, Newington, Conn. 06111.

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A. Women's Equity Action League, 805 15th Street NW., Suite 822, Washington, D.C. 20005.

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A. Janice Zarro, 9 West 57th Street, New York, N.Y. 10019.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

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A. Michael J. Zimmer, Cogeneration Coalition, Inc., Suite 1010, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. ENTEX, Inc., P.O. Box 2628, Houston, Tex. 77001.

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A. Michael J. Zimmer, Cogeneration Coalition, Inc., Suite 1010, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Potlatch Corp., 1015 15th Street NW., Washington, D.C.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the fourth calendar quarter 1980:

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
	(Mark one square only)			

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.
2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (a) Description, (b) quantity distributed; (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.
(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.
(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.
(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.
(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.
(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)
1. $.....Dues and assessments
2. $.....Gifts of money or anything of value
3. $.....Printed or duplicated matter received as a gift
4. $.....Receipts from sale of printed or duplicated matter
5. $.....Received for services (e.g., salary, fee, etc.)
6. $.....TOTAL for this Quarter (Add items "1" through "5")
7. $.....Received during previous Quarters of calendar year
8. $.....TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received
"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).
9. $.....TOTAL now owed to others on account of loans
10. $.....Borrowed from others during this Quarter
11. $.....Repaid to others during this Quarter

12. $.....'Expense money" and Reimbursements received this Quarter

Contributors of $500 or more
(from Jan. 1 through this Quarter)
13. Have there been such contributors?

Please answer "yes" or "no": .....
14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:
Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and address of Contributor* ("*Period*" from Jan. 1 through..... 19.....)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.
(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)
1. $.....Public relations and advertising services
2. $.....Wages, salaries, fees, commissions (other than item "1")
3. $.....Gifts or contributions made during Quarter
4. $.....Printed or duplicated matter, including distribution cost
5. $.....Office overhead (rent, supplies, utilities, etc.)
6. $.....Telephone and telegraph
7. $.....Travel, food, lodging, and entertainment
8. $.....All other expenditures
9. $.....TOTAL for this Quarter (Add "1" through "8")
10. $.....Expended during previous Quarters of calendar year
11. $.....TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others
"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).
12. $.....TOTAL now owed to person filing
13. $.....Lent to others during this Quarter
14. $.....Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More
In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

PAGE 2

A. Robert J. Aagre, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $824. E. (9) $141.55.

A. Paul C. Abenante, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. Thomas G. Abernethy, 3973 Stuart Place, Jackson, Miss. 39211.
B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

A. Abourezk, Shack & Mendenhall, 1129 20th Street NW., Suite 500, Washington, D.C. 20036.
B. Eazor Express, Inc., Eazor Square, Pittsburgh, Pa. 15201.

A. Abourezk, Shack & Mendenhall, 1129 20th Street NW., Suite 500, Washington, D.C. 20036.
B. Kiowa-Comanche-Apache Intertribal, Land Use Committee, P.O. Box 72, Lawton, Okla. 73501.

A. Abourezk, Shack & Mendenhall, 1129 20th Street NW., Suite 500, Washington, D.C. 20036.
B. Kootznoowoo, Inc., P.O. Box 116, Angoon, Alaska 99820.

A. Abourezk, Shack & Mendenhall, 1129 20th Street NW., Suite 500, Washington, D.C. 20036.
B. Seneca-Cayuga Tribe of Oklahoma, P.O. Box 1283, Miami, Okla. 74354.

A. Abourezk, Shack & Mendenhall, 1129 20th Street NW., Suite 500, Washington, D.C. 20036.
B. Ukpeagvik Inupiat Corp., P.O. Box 427, Barrow, Alaska 99723.

A. Albert E. Abrahams, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611 and 925 15th Street NW., Washington, D.C. 20005.
D. (6) $5,875. E. (9) $594.38.

A. Sherman Abrahamson, Control Data Corp., 3717 Columbia Pike, Arlington, Va. 22204.
B. Control Data Corp., 3717 Columbia Pike, Arlington, Va. 22204.
D. (6) $150.

A. Actors Equity Association, 165 West 46th Street, New York, N.Y. 10036.
D. (6) $2,500. E. (9) $2,500.

A. Action for Children's Television, 46 Austin Street, Newtonville, Mass. 02160.
D. (6) $23,694.25. E. (9) $820.

A. Bruce Adams, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,400.

A. John J. Adams, 1919 Pennsylvania Avenue NW., Suite 700, Washington, D.C. 20006.
B. Vepco, Seventh & Franklin Streets, Richmond, Va.
D. (6) $800.

A. Kenneth R. Adams, Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
B. Volkswagen of America, Inc., 888 West Big Beavor, Troy, Mich. 48084.
D. (6) $300.

A. Thomas L. Adams, Jr., 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Hobson H. Adcock, PepsiCo, Inc., 700 Anderson Hill Road, Purchase, N.Y. 10577.
B. PepsiCo, Inc., 700 Anderson Hill Road, Purchase, N.Y. 10577
D. (6) $600.

A. The Adherence Group, Inc., 21 West Street, New York, N.Y. 10006.
E. (9) $4.70.

A. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $14,206.56. E. (9) $14,206.56.

A. AFL-CIO Maritime Committee, 100 Indiana Avenue, NW., Washington, D.C. 20001.
D. (6) $5,660. E. (9) $5,753.09.

A. Donald G. Agger, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Robert S. Agman, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,217.45. E. (9) $7.52.

A. Air Products & Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.
E. (9) $50.

A. Randolf H. Aires, Sears, Roebuck & Co., 1211 Connecticut Avenue NW. Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $450. E. (9) $82.32.

A. G. Colburn Aker, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Alaska Interstate Co., No. 2200 Post Oak Tower, 5051 Westheimer Road, Houston, Tex. 77056.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. American Petroleum Partners, 350 North St. Paul, Dallas, Tex. 75201.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Brooklyn Industrial Development Corp., 2 Belmont Avenue, Rye, N.Y. 10580.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. City of Houston, City Hall, Houston, Tex. 77001.
D. (6) $7,500.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. The Coastal Corp., 9 Greenway Plaza, Houston, Tex. 77046.
D. (6) $25,000.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Goldston Oil Corp., P.O. Box 22568, Houston Tex. 77027.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Contract Carrier Conference, 1730 Rhode Island Avenue NW., Washington, D.C. 20036.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Deloitte, Haskins & Sells, 1114 Avenue of the Americas, New York, N.Y. 10036.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Energol Corp., Inc., P.O. Box 91246, Seattle, Wash. 98108.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Filmways, Inc., 2049 Century Park East, Los Angeles, Calif. 90067.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. FSC Corp., 110 East 59th Street, 37th Floor, New York, N.Y. 10022.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. General Cryogenics, Inc., 2524 Rodney Lane, Dallas, Tex. 75229.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. E & J Gallo Winery, P.O. Box 1130, Modesto, Calif. 95353.
D. (6) $1,250.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Leaseway Transportation Corp., 21111 Chagrin Boulevard, Cleveland, Ohio 44122.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Louisiana Alcohol Fuel Co., 1102 Sixth Street, New Orleans, La. 70115.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. MAPCO, Inc., 1800 South Baltimore Avenue, Tulsa, Okla. 74119.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Metropolitan Transit Authority of Harris County, P.O. Box 61429, Houston, Tex. 77208.
D. (6) $6,000.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Military Accessories Service Association, Inc., 2 Park Avenue, Suite 1118, New York, N.Y. 10016.
D. (6) $1,500.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.

B. National Association of Condominium and Cooperative Housing, 5415 North Sheridan Road, Chicago, Ill. 60640.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. New Energy Corp. of Indiana, 915 15th Street NW., No. 200, Washington, D.C. 20005.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Northwest Alaskan Pipeline Co., 1801 K Street NW., No. 901, Washington, D.C. 20006.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Northwest Pipeline Co., 314 East Second South, Salt Lake City, Utah 84111.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Ringling Bros. Barnum and Bailey Combined Shows, Inc., 1015 18th Street NW., Washington, D.C. 20036.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Shearson Loeb Rhoades, 15 Wall Street, Ninth Floor, New York, N.Y. 10005.
D. (6) $1,500.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Sun Co., Inc., 1608 Walnut Street, Philadelphia, Pa. 19103.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Sun Pipe Line Co., P.O. Box 2039, Tulsa, Okla. 74102.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Sun Ship, Inc., Morton Avenue, Chester, Pa. 19013.
D. (6) $7,500.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Texas Bankers Association, 203 West Tenth Street, Austin, Tex. 78701.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Texas Instruments, Inc., P.O. Box 225474—MS 241, Dallas, Tex. 75265.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Valley View Bank, P.O. Box 30100, Dallas, Tex. 75230.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., No. 400, Washington, D.C. 20036.
B. Worldwide Church of God, P.O. Box 385, Pasadena, Calif. 91102.

A. Akin, Gump, Strauss, Hauer & Feld, 1333 New Hampshire Avenue NW., Suite 400, Washington, D.C. 20036.
B. Waterman Steamship Corp., 1133-15th Street NW., Suite 1130, Washington, D.C. 20005.
D. (6) $7,500.

A. Alaska Coalition, 530 Seventh Street SE., Washington, D.C. 20003.
D. (6) $35,618.12. E. (9) $32,426.71.

A. Joan H. Albert, National Association of Casualty & Surety Agents, 600 Pennsylvania Avenue SE., Apt. 202, Washington, D.C. 20003.
B. National Association of Casualty & Surety Agents, 5225 Wisconsin Avenue NW., Apt. 302, Washington, D.C. 20015.

A. James J. Albertine, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Air Florida, A.M.F.P.O. 592337, Miami, Fla. 33159.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. American Fishing Tackle Manufacturers Association, 2625 Clearbrook Drive, Arlington, Heights, Ill. 60005.
D. (6) $4,500.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Associated Industries of Florida, 303 S. Adams Street, Tallahassee, Fla., 23202.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. The Brunswick Corp., One Brunswick Plaza, Skokie, Ill. 60076.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. City of Tucson, Tucson, Ariz.
D. (6) $1,000.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Coalition for Energy Efficient Transportation, 1901 North Fort Myer Drive, Rosslyn, Va. 22209.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Computer Sciences Corp., 650 North Sepulveda Boulevard, El Segundo, Calif. 90245.
D. (6) $3,000.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. The Continental Group, Inc. One Harbor Plaza, Stamford, Conn.
D. (6) $1,000

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Newspaper-Broadcaster Committee, P.O. Box 3412, San Francisco, Calif. 94119.
D. (6) $7,000.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Pan American World Airways, Inc., Pan Am Building, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $3,000.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Pratt & Whitney Aircraft Group, 400 Main Street, East Hartford, Conn.
D. (6) $12,000.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Tampa Electric Co., P.O. Box 111, Tampa, Fla. 33601.
D. (6) $1,500.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Tampa Port Authority, P.O. Box 2192, Tampa, Fla. 33601.
D. (6) $3,600.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. Jim Walter Corp., P.O. Box 22601, Tampa, Fla.
D. (6) $3,000.

A. Alcalde, Henderson, O'Bannon & Bracy, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.
B. The Wildlife Legislative Fund of America, 50 W. Broad Street, Columbus, Ohio 43215.
D. (6) $6,000.

A. Alderson, Ondov, Leonard & Sween, 105 East Oakland Avenue, Austin, Minn. 55912.
B. The Hormel Foundation, Austin, Minn. 55912.

A. Claude D. Alexander, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $214.10.

A. Donald C. Alexander, Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.
B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.

A. Donald C. Alexander, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.
B. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800N, Washington, D.C. 20036 for Evans Products, 1121 SW. Salmon Street, Portland, Oreg. 97208.
D. (6) $750.

A. Willis W. Alexander, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,500. E. (9) $6,135.70.

A. Maxton M. Allcox, Brotherhood of Maintenance of Way Employes, 400 First Street NW., room 801, Washington, D.C. 20001.
B. Brotherhood of Maintenance of Way Employes, 12050 Woodward Avenue, Detroit, Mich. 48203.
D. (6) $11,403.24.

A. Robert D. Allen, 2845 Summit Drive, Hillsborough, Calif. 94010.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

E. (9) $4,782.30.

A. Alliance to Save Energy, 1925 K Street NW., No. 507, Washington, D.C. 20006.

A. Jonathan Alter, The Save the Dunes Council, 308 Second Street SE., Washington, D.C. 20003.
B. The Save the Dunes Council, Box 114, Beverly Shores, Ind. 46301.
E. (9) $540.19.

A. Richard H. Altman, 444 North Capitol Street NW., Room 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Room 412, Washington, D.C. 20001.
D. (6) $1,125.

A. Ricardo R. Alvarado, 6108 Fort Hunt Road, Alexandria, Va. 22307.
B. Lockheed Corp., P.O. Box 551, Burbank, Calif. 91520.
D. (6) $540. E. (9) $432.06.

A. Robert Alvarez, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,499.99. E. (9) $30.

A. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

A. John O. Ambler, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

A. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $9,102.47. E. (9) $9,102.47.

A. American Arts Alliance, 424 C Street NE., Washington, D.C. 20002.
D. (6) $45,151.96. E. (9) $55,708.45.

A. American Association of Foundations for Medical Care, 11325 Seven Locks Road, Potomac, Md. 20854.

A. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
D. (6) $2,822. E. (9) $2,822.

A. American Association of Meat Processors, 224 East High Street, Elizabethtown, Pa. 17022.
D. (6) $661.22.

A. American Association of Port Authorities, Inc., 1612 K Street NW., Suite 900, Washington, D.C. 20006.
D. (6) $81,300. E. (9) $28,584.34.

A. American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Potomac, Md.
E. (9) $81.44.

A. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $38,833.65. E. (9) $38,833.65.

A. American Congress on Surveying & Mapping, 210 Little Falls Street, Falls Church, Va. 22046.

A. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., Suite 201, Washington, D.C. 20006.
D. (6) $3,080. E. (9) $3,986.58.

A. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
E. (9) $1,457.31.

A. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068 and 425 13th Street NW., Washington, D.C. 20004.
D. (6) $74,855. E. (9) $74,855.

A. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
E. (9) $150,329.08.

A. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,500. E. (9) $2,500.

A. American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.

A. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $21,530. E. (9) $21,530.

A. American Honey Producers Association, P.O. Box 368, Minco, Okla. 73059.
D. (6) $2,170. E. (9) $3,899.62.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $12,457. E. (9) $12,457.

A. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $11,317.98. E. (9) $5,775.98.

A. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
E. (9) $1,925.68.

A. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
E. (9) $1,250.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.
D. (6) $1,175. E. (9) $1,175.

A. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $74,988. E. (9) $69,432.18.

A. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
E. (9) $4,225.

A. American League for Exports and Security Assistance, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $32,174.45. E. (9) $32,174.45.

A. American Library Association, 50 East Huron Street, Chicago, Ill. 60611.
D. (6) $2,467.80. E. (9) $3,909.75.

A. American Mandate Committee, 374 Broad Street, Elyria, Ohio 44035.

A. American Maritime Association, 17 Battery Place, New York, N.Y. 10004 and 1612 K Street NW., Washington, D.C. 20006.

A. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007 (1700 North Moore Street, Arlington, Va.).
D. (6) $4,846.10. E. (9) $4,846.10.

A. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $1,898.75. E. (9) $27,316.26.

A. American Movers Conference, 1117 North 19th Street (P.O. Box 9204), Arlington, Va. 22209.
E. (9) $380.43.

A. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
D. (6) $7,912.73. E. (9) $40,695.22.

A. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $9,526.17. E. (9) $9,526.17.

A. American Optometric Association, 395 Orchard Street, Antioch, Ill. 60002.
D. (6) $759.68. E. (9) $759.68.

A. American Orthotic and Prosthetic Association, 717 Pendleton Street, Alexandria, Va. 22314.

A. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.
D. (6) $28,192. E. (9) $3,256.13.

A. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $158,170. E. (9) $173,158.

A. American Podiatry Association, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
E. (9) $8,178.00.

A. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $986,858.85. E. (9) $157,798.99.

A. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.
E. (9) $11,350.00.

A. The American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $5,380.02. E. (9) $5,380.02.

A. American Society for Medical Technology, 1725 DeSales Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $2,594.50. E. (9) $2,879.00.

A. American Subcontractors Association, 815 15th Street NW., Suite 902, Washington, D.C. 20005.

A. American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $42,187.75. E. (9) $42,187.75.

A. American Veterinary Medical Association, 1522 K Street NW., No. 828, Washington, D.C.
E. (9) E. $120.

A. The American Waterways Operators, Inc., 1600 Wilson Boulevard, Suite 1101, Arlington, Va. 22209.
D. (6) $13,805. E. (9) $1,263.

A. American Waterways Shipyard Conference, Suite 1101, 1600 Wilson Boulevard, Arlington, Va. 22209.
E. (9) $41.75.

A. Morris J. Amitay, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.

D. (6) $5,416.66.

A. John G. Ams, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,750. E. (9) $353.49.

A. Edward Andersen, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $750.

A. J. L. Anderson, Time Inc., 888 16th Street, NW., Washington, D.C. 20006.
B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020.
E. (9) $16.05.

A. Anderson & Pendleton, 1000 16th Street NW., Suite 701, Washington, D.C. 20036.
B. Military Mission of Chile, 1736 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $3,750. E. (9) $57.52.

A. Robert L. Anderson, Deere & Company, John Deere Road, Moline, Ill. 61265.
B. Deere & Company, John Deere Road, Moline, Ill. 61265.

A. Sally M. Anderson, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $20.

A. Steven C. Anderson, American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.
B. American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.

A. Wayne C. Anderson, 1629 K Street NW., Washington, D.C. 20006.
B. Nabisco, Inc., East Hanover, N.J. 07936.
D. (6) $5,000. E. (9) $2,135.09.

A. William C. Anderson, 1101 Sixteenth Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 Sixteenth Street NW., Washington, D.C. 20036.
E. (9) $50.

A. Robert C. Angel, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $300.

A. Jack R. Angell, United Gas Pipe Line Co., 1101 17th Street NW., Washington, D.C.
B. United Gas Pipe Line Co., P.O. Box 1478, Houston Tex. 77001.

A. Jay Angoff, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,583.33.

A. J. Donald Annett, Texaco, Inc., 1050 17th Street NW., No. 500, Washington, D.C. 20036.
B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $200.

A. Apartment and Office Building Association, 1511 K Street NW., No. 319, Washington, D.C. 20005.
D. (6) $10,745.

A. John D. Aquilino, Jr., 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $779. E. (9) $21.27.

A. John Archer, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Rodney E. Armstrong, Armstrong, Byrd & Associates, 1606 20th Street NW., Washington, D.C. 20009.
B. Toyota Motor Sales (USA), Inc., 2055 West 190th Street, Torrance, Calif. 90509.
D. (6) $2,700. E. (9) $2,700.

A. W. Stanley Armstrong, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
D. (6) $25.04. E. (9) $6.50.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Family Corp., 1902 Wynnton Road, Columbus, Ga. 31906.
D. (6) $600.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Iron and Steel Institute, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $600.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,666.66.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Corporate Property Investors, 230 Park Avenue, New York, N.Y. 10017.
D. (6) $313.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Realty Committee, 2033 M Street NW., Washington, D.C. 20036.
D. (6) $800.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Petroleum Corp., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $469.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Quintana Refinery Co., P.O. Box 3331, Houston, Tex. 77001.
D. (6) $469.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Securities Industry Association, 20 Broad Street, New York, N.Y. 10005.
D. (6) $292.

A. Carl F. Arnold, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Security First Group, Inc., 1800 Avenue of the Stars, Los Angeles, Calif. 90067.
D. (6) $825.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. American Invsco Corp., 120 South LaSalle Street, Chicago, Ill. 60603.
E. (9) $40.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Federation of Apparel Manufacturers, 450 Seventh Avenue, New York, N.Y. 10001.
D. (6) $925. E. (9) $24.19.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Werner J. Fleischmann, 300 Jacksonville Road, Pompton Plains, N.J. 07444.
D. (6) $625. (E) (9) $1.70.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Maritz, Inc., 1355 North Highway Drive, Fenton, Mo. 63026.
D. (6) $5,955. E. (9) $55.09.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. MFA Mutual Insurance Co., 1817 West Broadway, Columbia, Mo. 65201.
D. (6) $1,000. E. (9) $18.10.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. National Coordinating Committee for Multiemployer Plans, 816 16th Street NW., Suite 603, Washington, D.C. 20006.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Table Grape Growers Association, Boulevard Transversal KM 4.5, Hermosillo, Sonora, Mexico.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. West Mexico Vegetable Distributors Association, P.O. Box 838, Nogales, Ariz.

A. Associated Employers, Inc., 6009 Rittiman Plaza, San Antonio, Tex. 78218.

A. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $17,628. E. (9) $579.01.

A. Associated Credit Bureaus, Inc., 16211 Park-Ten Place, P.O. Box 218300, Houston, Tex. 77218.
E. (9) $73.20.

A. Associated Third Class Mail Users, Suite 607, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $466.66. E. (9) $466.66.

A. Association for the Advancement of Invention & Innovation, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $500. E. (9) $648.50.

A. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Association of American Foreign Service Women, P.O. Box 8068, Washington, D.C. 20024.
D. (6) $430.75. E. (9) $41.14.

A. Association of American Publishers, 1707 L Street NW., Washington, D.C. 20036.
D. (6) $8,130.54. E. (9) $8,130.54.

A. Association of American Railroads, American Railroads Building, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $29,582. E. (9) $29,582.

A. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.
E. (9) $120.

A. Association of Data Processing Services Organization, Inc. (ADAPSO), 1300 North 17th Street, Suite 300, Arlington, Va. 22209.

E. (9) $1,397.76.

A. Association of Government Accountants, 727 South 23d Street, No. 100, Arlington, Va. 22202.

A. Association of Independent Corrugated Converters, 1101 30th Street NW., Suite 304, Washington, D.C. 20007.
E. (9) $365.20.

A. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street N.W., Washington, D.C. 20036.
E. (9) $1,110.00.

A. The Association of Private Pension and Welfare Plans, Inc., 1725 K Street NW., Suite 801, Washington, D.C. 20006.

A. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $3,600. E. (9) $3,600.

A. Assure Competitive Transportation, Inc., 10 South LaSalle Street, Suite 1600, Chicago, Ill. 60603.
D. (6) $12,800.

A. George J. Aste, United Airlines, 1825 K Street NW, No. 607, Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $500.

A. Carl E. Atkinson, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20005.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $50. E. (9) $8.

A. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $3,285.

A. Lloyd G. Ator, Jr., American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C.
D. (6) $500. E. (9) $187.44.

A. Deborah Marie Atwood, P.O. Box 937, Ferndale, Wash. 98248.
B. Intalco Aluminum Corp., P.O. Box 937, Ferndale, Wash. 98248.
D. (6) $1,130. E. (9) $615.16.

A. James A. Austin, American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,500.

A. John S. Autry, Sperry Corp., 2000 L Street NW., Suite 810, Washington, D.C. 20036.
B. Sperry Corp., 2000 L Street NW., Suite 810, Washington, D.C. 20036.
E. (9) $1,900.

A. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.
E. (9) $336.

A. Walter C. Ayers, Virginia Petroleum Council, 1809 Staples Mill Road, Richmond, Va. 23230.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Craig H. Baab, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $63.86.

A. Dale R. Babione, The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.
B. The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.
D. (6) $1,055.

A. Bache Halsey Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
E. (9) $2,100.

A. Baer Marks & Upham, 299 Park Avenue, New York, N.Y. 10171.
B. Commodity Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

A. Joan N. Baggett, 815 15th Street NW., Washington, D.C. 20005.
B. International Union of Bricklayers and Allied Craftsmen, 815 15th Street NW., Washington, D.C. 20005.
D. (6). $4,700. E. (9) $266.38.

A. George F. Bailey, Jr., P.O. Box 21, Montgomery, Ala. 36101.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. William W. Bailey, Merck & Co., Inc., 1050 17th Street NW., Suite 1050, Washington, D.C. 20036.
B. Merck & Co., Inc., Box 2000, Rahway, N.J. 07065.
D. (6) $1,000. E. (9) $289.50.

A. Judith L. Baird, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $250.

A. John Baize, 1575 I Street NW., No. 360, Washington, D.C. 20005.
B. American Soybean Association, 1575 I Street NW., No. 360, Washington, D.C. 20005.

A. Edward R. Bajer, 1015 15th Street NW., Suite 802, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1015 15th Street NW., Suite 802, Washington, D.C. 20005.
D. (6) $450.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Houston Lighting & Power Co., P.O. Box 1700, Houston, Tex. 77001.
D. (6) $375.

A. Baker & Botts, 1701 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77002.

A. Baker & Daniels, 1920 N Street NW., Suite 600, Washington, D.C. 20036.
B. The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.

A. Baker & Daniels, 1920 N Street NW., Suite 600, Washington, D.C. 20036.
B. Rock Island Refining Corp., P.O. Box 68007, Indianapolis, Ind. 46268.
D. (6) $310.

A. Emil F. Baker, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Baldwin Knauf, Iphofen, West Germany.

A. Baker & McKenzie, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. G. D. Searle & Co., P.O. Box 1045, Skokie, Ill. 60076.

A. Jacqueline Balk-Tusa, Boise Cascade Corp., 1625 I Street NW., Suite 809, Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., Suite 809, Washington, D.C. 20006.
D. (6) $11,430.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.
B. Alaska Housing Finance Corp., Plaza 201 East Third Avenue, Anchorage, Alaska 99510.

A. Ballard, Spahr, Andrews & Ingersoll, 1101 Connecticut Avenue NW., Suite 406, Washington, D.C. 20036.
B. Idaho Housing Agency, 405 South Eighth Street, Suite 395, Boise, Idaho 83701.

A. Michael Baly, III, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $3,481. E. (9) $545.64.

A. Sheila MacDonald Bamberger, 311 First Street NW., Washington, D.C. 20001.
B. National Restaurant Association, 311 First Street NW., Washington, D.C. 20001.
D. (6) $3,000. E. (9) $55.66.

A. Samuel J. Baptista, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Barber Oil Corp., 245 Park Avenue, New York, N.Y. 10017.

A. Dennis J. Barbour, 1015 15th Street NW., Suite 403, Washington, D.C. 20005.
B. American College of Preventive Medicine, 1015 15th Street NW., Suite 403, Washington, D.C. 20005.

A. Dennis J. Barbour, 1015 15th Street NW., Suite 403, Washington, D.C. 20005.
B. Association of Teachers of Preventive Medicine, 1015 15th Street NW., Suite 403, Washington, D.C. 20005.

A. Carol M. Barger, Consumers Union, 500 West 13th, Austin, Tex. 78701.
B. Consumers Union of U.S., Inc., 256 Washington Street, Mount Vernon, N.Y. 10550.

A. Robert O. Barker, NAM, 801 Northland Towers West, Southfield, Mich. 48075.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $30.

A. Thomas H. Barksdale, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,200. E. (9) $315.85.

A. Barley & Malt Institute, 733 North Van Buren Street, Suite 610, Milwaukee, Wis. 53202.
D. (6) $23,037.68. E. (9) $5,045.95.

A. Donna R. Barnako, National Council of Health Centers, 2600 Virginia Avenue NW., Suite 915, Washington, D.C. 20037.
B. NCHC, 2600 Virginia Avenue NW., Suite 915, Washington, D.C. 20037.

D. (6) $812. E. (9) $82.50.

A. John H. Barnard, Jr., 803 Ironbark Place, Orinda, Calif. 94563.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Roger H. Barnard, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Barnes, Richardson & Colburn, 1819 H Street NW., Washington, D.C. 20006.
B. Committee of Domestic Steel Wire Rope & Specialty Cable Manufacturers, care of Mr. Robert Cornog, Macwhyte Co., 2906 14th Avenue, Kenosha, Wis. 53140.

A. Barnes, Richardson & Colburn, 1819 H Street NW., Washington, D.C. 20006.
B. John W. Thatcher, c/o Banana Supply Co., Inc., 3030 NW. Second Avenue, Miami, Fla. 33137.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
B. American School Food Service Association, 4101 East Iliff Avenue, Denver, Colo. 80222.
D. (6) $10,180.40. E. (9) $831.87.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
B. Florida Fruit & Vegetable Association, 4401 East Colonial Drive, Orlando, Fla. 32814.
D. (6) $3,896.30.

A. Barnett, Alagia & Carey, 1627 K Street NW., Washington, D.C. 20006.
B. Florida Tomato Exchange, 4401 East Colonial Drive, Orlando, Fla. 32814.
D. (6) $1,250.

A. Larry P. Barnett, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,900.

A. Barnett Yingling & Shay, Suite 940, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Citibank, 399 Park Avenue, New York, N.Y. 10043.
D. (6) $250. E. (9) $8.

A. Barnett Yingling & Shay, Suite 940, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Crocker National Bank, One Montgomery Street, San Francisco, Calif. 94104
D. (6) $125. E. (9) $4.

A. Richard L. Barr, Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.
B. Iowa Railway Association, 620 Capital City Bank Building, Des Moines, Iowa 50309.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
B. Coffee, Sugar & Cocoa Exchange, Inc. and New York Coffee and Sugar Clearing Association, Four World Trade Center, New York, N.Y. 10048.
D. (6) $7.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
B. New York Cocoa Clearing Association, Inc., Four World Trade Center, New York, N.Y. 10048.
D. (6) $7.

A. Barrett Smith Schapiro Simon & Armstrong, 26 Broadway, Suite 1400, New York, N.Y. 10004.
B. Prudential Lines, Inc., One World Trade Center, 37th Floor, New York, N.Y. 10048.
E. (9) $27.22.

A. Robert W. Barrie, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $1,500.

A. Barrier Islands Coalition, Suite 4500, 122 East 42nd Street, New York, N.Y. 10168.
E. (9) $125.

A. Thea Rossi Barron, 106 Little Falls Street, Falls Church, Va. 22046.
B. Right To Life Crusade Inc., Box 2703, Tulsa, Okla. 74101.
D. (6) $1,500. E. (9) $35.44.

A. David S. Barrows, 1201 Southwest 12th Street, Suite 200, Portland, Oreg. 97205.
B. Association of Oregon and California Land Grant Counties, Douglas County Court House, Roseburg, Oreg. 97470.
D. (6) $1,200.

A. Linda Leigh Bartlett, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Lawrence R. Baskerville, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $450.

A. James P. Bass, 1101 17th Street NW, Washington, D.C. 20036.
B. American Airlines, Inc., 1101 17th Street NW, Washington, D.C. 20036.
D. (6) $215.

A. Barbara Bassuener, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Robert E. Bates, Jr., Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125. E. (9) $48.24.

A. Davis M. Batson, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
D. (6) $2,200.

A. Laurie C. Battle, U.S. League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $3,250.

A. Lynne D. Battle, College Placement Council, 1101 Connecticut Avenue NW, No. 705, Washington, D.C. 20036.
B. College Placement Council, Inc., P.O. Box 2263, Bethlehem, Pa. 18001.

A. John F. Battles, Massachusetts Petroleum Council, 11 Beacon Street, Boston, Mass. 02108.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Batzell, Nunn & Bode, 1015 15th Street, NW., Suite 1100, Washington, D.C. 20005.
B. Emergency Small Independent Refiners Task Force, 1015 15th Street NW., Suite 1100, Washington, D.C. 20005.
D. (6) $500.

A. Batzell, Nunn & Bode, 1015 15th Street NW., Suite 1100, Washington, D.C. 20005.
B. Independent Terminal Operators Association, 1015 15th Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Batzell, Nunn & Bode, 1015 15th Street NW., Suite 1100, Washington, D.C. 20005.
B. Mount Airy Refining Co., International Energy Building, 265 North Belt East, Suite 150, Houston, Tex. 77060.
D. (6) $500.

A. Karen J. Bauer, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Richard H. Bauer, Union Pacific Corp., Suite 600 South, 1120 20th Street NW., Washington, D.C. 20036.
B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10154.
D. (6) $500. E. (9) $185.09.

A. Robert J. Baughman, 717 Pendleton Street, Alexandria, Va. 22314.
B. American Orthotic and Prosthetic Association, 717 Pendleton Street, Alexandria, Va. 22314.

A. Tina Marts Beach, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $84.

A. Bruce A. Beam, American Electric Power Service Corp., 1801 K Street NW., Suite 1041, Washington, D.C. 20006.
B. American Electric Power Service Corp., 2 Broadway, New York, N.Y. 10004.
D. (6) $114.45. E. (9) $265.63.

A. Donald S. Beattie, Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $2,885.80.

A. Christine T. Beatty, St. Joe Minerals Corp., 1730 Rhode Island Avenue NW., Suite 612, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $3,600. E. (9) $295.24.

A. Richard S. Beatty, Alston, Miller & Gaines, 1800 M Street NW., Washington, D.C. 20036.
B. Great American Management & Investment, Inc., 5775-D Peachtree Dunwoody Road, Suite 600, Atlanta, Ga. 30342.
D. (6) $1,679. E. (9) $90.86.

A. Laura L. Beaty, 806 N. Jefferson Street, Arlington, Va. 22205.
B. National Parks and Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $64.26. E. (9) $15.

A. Robert J. Becker, Joint Council of Allergy & Immunology, 401 East Prospect

Avenue, Suite, 210, Mount Prospect, Ill. 60056 or 229 North Hammes Avenue, Joliet, Ill. 60435.
B. Joint Council of Allergy & Immunology, 401 East Prospect Avenue, Suite 210, Mount Prospect, Ill. 60056.

A. William W. Beddow, 1101 15th Street NW., Washington, D.C. 20005.
B. National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005.

A. Edwin L. Behrens, The Procter & Gamble Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Co., 301 East Sixth Street, Cincinnati, Ohio 45201.
D. (6) $45.

A. Max J. Beilke, National Association for Uniformed Services, 903 South Highland Street, Arlington, Va. 22204.
B. National Association for Uniformed Services, 903 South Highland Street, Arlington, Va. 22204.
D. (6) $1,005.

A. James Beiser, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
D. (6) $306.24.

A. Alexander B. Bell, 9618 Cottrell Terrace, Silver Spring, Md. 20903.
B. United Association of Journeymen and Apprentices of the Plumbing & Pipe Fitting Industry of the United States and Canada, 901 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $3,750. E. (9) $112.

A. J. Raymond Bell, 2113 S Street NW., Washington, D.C. 20008.
B. National Association of Theatre Owners.

A. Winston Everett Bell, P.O. Box 5463, Las Vegas, Nev. 89102.

A. C. Thomas Bendorf, 3615 Overcreek Road, Columbia, S.C. 29206.
B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $3,000. E. (9) $100.

A. C. Robert Benedict, 643 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Osteopathic Hospital Association, 930 Busse Highway, Park Ridge, Ill. 60068.
D. (6) $210. E. (9) $90.

A. Beneficial Management Corporation of America, 1300 Market Street, Wilmington, Del. 19899.

A. Bruce Benefield, TRW, Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 2030 M Street NW., Suite 500, Washington, D.C. 20036.
D. (6) $1,000.

A. Kenneth U. Benjamin, Jr., American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $2,887.50. E. (9) $117.38.

A. W. M. Benkert, American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
B. American Institute of Merchant Shipping, 1625 K Street NW., Suite 1000, Washington, D.C. 20006.
D. (6) $1,250.

A. Douglas P. Bennett, 3238 Prospect Street NW., Washington, D.C. 20007.
B. National Restaurant Association, 311 First Street NW., Washington, D.C. 20001.
D. (6) $2,000.

A. James M. Bennett, Jos. Schlitz Brewing Co., 235 W. Galena Street, Milwaukee, Wis. 53212.
B. Jos. Schlitz Brewing Co., 235 W. Galena Street, Milwaukee, Wis. 53212.

A. Kathleen M. Bennett, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C. 20036.
B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.

A. William C. Bennett, Jr., Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $400.

A. Walter L. Benning, 14901 Ritchie Road, Centreville, Va. 22020.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.
D. (6) $300.

A. John C. Bennison, American Society of Travel Agents, Inc., 1300 19th Street NW., Washington, D.C. 20036.
B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. 10022.
D. (6) $5,000.

A. Benoit, Smith & Laughlin, 2001 Jefferson Davis Highway, Suite 501, Arlington, Va. 22202.
B. Hughes Aircraft Co., Los Angeles, Calif.
D. (6) $23,264.64. E. (9) $24,100.50.

A. Frederick S. Benson, III, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Nancy C. Benson, 1575 I Street NW., Suite 220, Washington D.C. 20005.
B. American Cyanamid Co., Wayne, N.J. 07470.
D. (6) $855. E. (9) $216.40.

A. James E. Benton, N. J. Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW, Washington, D.C. 20037.

A. David A. Beren, 910 17th Street NW, Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW, Washington, D.C. 20006.

A. Rebecca J. Berg, RJR Industries, Inc., 2550 M Street NW., Suite 770, Washington, D.C. 20037.
B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $400. E. (9) $1,129.07.

A. Paul C. Bergson, RJR Industries, Inc., 2550 M Street NW., Washington, D.C. 20037.
B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $162.08. E. (9) $5.

A. Jane W. Bergwin, Consumers Power Co. of Michigan, 1050 17th Street NW., Suite 290, Washington, D.C. 20036.
B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.
D. (6) $200.

A. David Berick, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,000. E. (9) $697.

A. Peggy Berk, Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017.
B. Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017 (for William M. Mercer, Inc., 1211 Avenue of the Americas, New York, N.Y. 10036).

A. Jason S. Berman, Warner Communications, Inc., 1776 K Street NW., Suite 701, Washington, D.C. 20006.
B. Warner Communications, Inc., 75 Rockefeller Plaza, New York, N.Y. 10019.
D. (6) $7,500.

A. William R. Berman, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Max N. Berry, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Committee To Assure the Availability of Cassein, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Berry & Sandstrom, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Centre National Interprofessionnel De L'Economic Laitiere, 8, Rue Danielle Casanova, 75002 Paris, France.

A. Berry & Sandstrom, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cheese Importers Association, 460 Park Avenue, New York, N.Y. 10022.

A. Berry & Sandstrom, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Berry & Sandstrom, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Great Western Sugar Co., P.O. Box 5308, Denver, Colo. 80217.
D. (6) $250. E. (9) $435.61.

A. Berry & Sandstrom, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Meat Importers Group, American Importers Association, 11 West 42d Street, New York, N.Y. 10036.

A. Berry & Sandstrom, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Orkin Exterminating Co., Inc., 2170 Piedmont Road NE., Atlanta, Ga. 30324.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. American League for Exports and Security Assistance, Inc. (ALESA), Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $15,000.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Archer-Daniels-Midland Co., Decatur, Ill. 62525.
D. (6) $3,000.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. International Association of Bio-Energy Producers, Inc., 126 High Street, Boston, Mass. 02110.
D. (6) $2,000 E. (9) $500.

A. Robert A. Best, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.

B. Pullman Swindell, 441 Smithfield Street, Pittsburgh, Pa. 15222.
D. (6) $2,000.

A. Robert B. Betz, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,222.02. E. (9) $262.11.

A. Robert L. Bevan, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,075.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. New England Electric System, 20 Turnpike Road, Westborough, Mass. 01581.
D. (6) $1,099. E. (9) $15.

A. Beveridge, Fairbanks & Diamond, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Union Mines, 1212 Avenue of the Americas, New York, N.Y. 10036.

A. Walter J. Bierwagen, 5151 Wisconsin Avenue NW, Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW, Washington, D.C. 20016.

A. Thomas E. Biery, Mid-Continent Oil & Gas Association, 1919 Pennsylvania Avenue NW., No. 503, Washington, D.C. 20006.
B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $726. E. (9) $170.37

A. Moe Biller, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $4,371.69.

A. Billig, Sher & Jones, P.C., 2033 K Street NW., Washington, D.C. 20006.
B. The Adherence Group, Inc., 21 West Street, New York, N.Y. 10006.
E. (9) $4.70.

A. Ken Billington, 6537 24th Avenue NE., Seattle, Wash. 98115.
B. Public Power Council, 1310 Main Street, Vancouver, Wash. 98666.
D. (6) $350. E. (9) $141.05.

A. Sarah Massengale Billock, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $122.56.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Alascom, Inc., 949 East 36th Street, Anchorage, Alaska 99502.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Alaska Power Authority, 333 West Fourth Avenue, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. City of Haines, Box 576, Haines, Alaska 99827.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Coastal Corp., 9 Greenway Plaza, Houston, Tex. 77046.

A. Birch, Horton, Bittner & Monroe, Pestinger & Anderson, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Cook Inlet Regional Corp., 2525 C Street, Anchorage, Alaska 99509.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. MAPCO, Inc., 1800 South Baltimore Avenue, Tulsa, Okla. 74119.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Municipality of Anchorage, 623 West Sixth Avenue, Anchorage, Alaska 99502.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Sealaska Corp., 1 Sealaska Plaza, Juneau, Alaska 99801.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Shan-Kon International, Inc., P.O. Box 57, Fort Yukon, Alaska 99740.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Teamster 959 Employee Pension Trust, 1200 Airport Heights Road, Anchorage, Alaska 99504.

A. Birch, Horton, Bittner & Monroe, 1140 Connecticut Avenue NW., No. 1100, Washington, D.C. 20036.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Robert J. Bird, Suite 804, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Occidental Life Insurance Co., 12th Street at Hill, Los Angeles, Calif. 90054.

A. Robert J. Bird, Suite 804, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Paul Revere Corp., Worcester, Mass. 01805.

A. C. Thomason Bishop, III, 704 Lisburn Road, P.O. Box 355, Camp Hill, Pa. 17011.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $212.50.

A. Neal R. Bjornson, National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $2,500.

A. Brent Blackwelder, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,499.99.

A. Donna C. Blair, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $200.

A. Neal Blair, 2727 Jones Branch Drive, Suite 400, McLean, Va., 22102.
B. Free the Eagle, 2727 Jones Branch Drive, Suite 400, McLean, Va. 22102; and Target, Inc., 2411 Old Crow Canyon Road, San Ramon, Calif. 94583.
D. (6) $4,000.

A. Richard W. Blake, 1156 15th Street NW., No. 1019, Washington, D.C. 20005.
B. American Sugarbeet Growers Association, 1156 15th Street NW, No. 1019, Washington, D.C. 20005.

A. Paul M. Blanton, P.O. Box 970, Fort Worth, Tex. 76101.
B. Texas Electric Service Co., P.O. Box 970, Fort Worth, Tex. 76101.
D. (6) $98.56. E. (9) $23.40.

A. Blatchford, Epstein & Brady, 1000 Potomac Street NW., Washington, D.C. 20007.
B. Constructora Nacional de Carros de Ferrocarril, S.A., San Lorenzo No. 925, 5 Piso, Mexico, D.F., Mexico.

A. Blatchford, Epstein & Brady, 1000 Potomac Street NW., Washington, D.C. 20007.
B. National Association of Private Enterprise (Asociacion Nacional de la Empresa Privada-ANEP), Alameda Roosevelt 2827, San Salvador, El Salvador.
D. (6) $7,000. E. (9) $294.66.

A. Blatchford, Epstein & Brady, 1000 Potomac Street NW., Washington, D.C. 20007.
B. North American Car Corp., 222 South Riverside Plaza, Chicago, Ill. 60606.
D. (6) $12,500. E. (9) $236.83.

A. Blatchford, Epstein & Brady, 1000 Potomac Street NW., Washington, D.C. 20007.
B. Radiological Services, Western Radiological Group, Armacost Management Services, Inc., 2044 Armacost Avenue NW., Los Angeles, Calif. 90025.

A. David Blatt, Municipal Labor Committee, 818 18th Street NW., Suite 750, Washington, D.C. 20006.
B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.
D. (6) $6,979.78. E. (9) $1,568.33.

A. Kenneth T. Blaylock, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $20,601. E. (9) $2,183.62.

A. Richard W. Bliss, 1899 L Street NW., 12th Floor, Washington, D.C. 20036.
B. New England Electric System, 25 Research Drive, Westborough, Mass. 01581.
D. (6) $750. E. (9) $251.60.

A. Richard W. Bliss, 1899 L Street NW., Suite 1200, Washington, D.C. 20036.

B. St. Joe Minerals Corp., 1730 Rhode Island Avenue NW., Suite 612, Washington, D.C. 20036.
D. (6) $805. E. (9) $40.80.

A. Richard W. Bliss, 1899 L Street NW., 12th Floor, Washington, D.C. 20036.
B. SUNEDCO, 12700 Park Central Place, Dallas, Tex. 75251.
D. (6) $1,800. E. (9) $195.40.

A. L. Thomas Block, Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.
D. (6) $500. E. (9) $110.

A. Peter L. Blocklin, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $220.

A. H. E. Blomgren, National Manufactured Housing Federation, 1310 New Hampshire Avenue NW, Suite 1007, Washington, D.C. 20036.
B. National Manufactured Housing Federation, 1310 New Hampshire Avenue NW, Suite 1007, Washington, D.C. 20036.
D. (6) $12,500.01.

A. Douglas M. Bloomfield, 444 North Capitol Street NW, No. 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW, No. 412, Washington, D.C. 20001.
D. (6) $1,250.

A. Mark Bloomfield, American Council for Capital Formation, 1919 Pennsylvania Avenue NW, No. 201, Washington, D.C. 20006.
B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW, No. 201, Washington, D.C. 20006.
D. (6) $1,250.

A. Jack A. Blum, 1015 18th Street NW, Washington, D.C. 20036.
B. Independent Gasoline Marketers Council, 1015 18th Street NW, Washington, D.C. 20036.
D. (6) $10,000. E. (9) $535.

A. Jared O. Blum, 1730 M Street NW, Washington, D.C. 20036.
B. Direct Selling Association, 1730 M Street NW, Washington, D.C. 20036.
D. (6) $500. E. (9) $141.63.

A. Blum & Nash, 1015 18th Street NW, No. 408, Washington, D.C. 20036.
B. Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.

A. Blum & Nash, 1015 18th Street NW, No. 408, Washington, D.C. 20036.
B. General Electric Co., 3125 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $2,625. E. (9) $30.25.

A. Blum & Nash, 1015 18th Street NW, No. 408, Washington, D.C. 20036.
B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.
D. (6) $8,200. E. (9) $857.60.

A. Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Albert H. Blumenthal, 40 West 57th Street, New York, N.Y. 10019.
B. Phillips, Nizer, Benjamin, Krim & Ballon, 40 West 57th Street, New York, N.Y. 10019 (for American Bobst Holdings, Inc.).
D. (6) $195.

A. Wayne F. Boan, National Association of Manufacturers, 601 North Vermont Avenue, Los Angeles, Calif. 90004.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,300.

A. Boat Owners Association of The United States, 880 South Pickett Street, Alexandria, Va. 22304.
D. (6) $13,000. E. (9) $9,668.64.

A. Robert S. Boege, Sperry Corp., 2000 L Street NW., Suite 810, Washington, D.C. 20036.
B. Sperry Corp., 200 L Street NW., Suite 810, Washington, D.C. 20036.

A. Helen Bogolubov, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
E. (6) $375.

A. Robert Z. Bohan, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

A. Patricia M. Boinski, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Robert J. Bolger, National Association of Chain Drug Stores, Inc., 413 North Lee Street, Alexandria, Va. 22314.
B. National Association of Chain Drug Stores, Inc., 413 North Lee Street, Alexandria, Va. 22314.
D. (6) $1,650.

A. Jeffrey W. Bolotin, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. RCA Global Communications, Inc., 60 Broad Street, New York, N.Y.

A. Bernadette Bolton, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Ill. 60056.
D. (6) $300.

A. M. Warren Bolton, 2500 DeKalb Pike, Norristown, Pa. 19404
B. Provident Indemnity Life Insurance Company, 2500 DeKalb Pike, Norristown, Pa. 19404.

A. A. Dewey Bond, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1700 North Moore Street, Arlington, Va.
D. (6) $500.

A. L. H. Bonin, Jr., Gulf Oil Corp., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., Pittsburgh, Pa. 15230.
D. (6) $2,400.

A. Jay Bonitt, 300 Maryland Avenue NE., Washington, D.C. 20002.
B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $165.

A. Sharon Lee Bonitt, Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Susan A. Boolukos, American Frozen Food Institute, 1700 Old Meadow Road, Suite 100, McLean, Va. 22102.
B. American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.

A. Edward T. Borda, 1625 Eye Street NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 Eye Street NW., Washington, D.C. 20006.
D. (6) $4,000.

A. Laurence D. Bory, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1015 15th Street NW., No. 802, Washington, D.C. 20005.
D. (6) $750.

A. G. Stewart Boswell, American Apparel Manufacturers Association, Inc., 1611 North Kent Street No. 800, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.
D. (6) $2,650. E. (9) $217.70.

A. Charles G. Botsford, The Botsford, Co., 1730 M Street NW., No. 515, Washington, D.C. 20036.
B. The Botsford Co., 1730 M Street NW., No. 515, Washington, D.C. 20036.
D. (6) $1,500. E. (9) $60.

A. Frank J. Bowden, Jr., Associated Petroleum Industries of Pennsylvania, P.O. Box 925, Harrisburg, Pa. 17108.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. David W. Bowers, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $1,000.

A. Robert R. Bowers, West Virginia Petroleum Council, Suite 714 Atlas Building, Charleston, W. Va. 25301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Deborah K. Bowker, National Association of Postal Supervisors, P.O. Box 23456, L'Enfant Plaza Station, Washington, D.C. 20024.
B. National Association of Postal Supervisors, P.O. Box 23456, L'Enfant Plaza Station, Washington, D.C. 20024.
D. (6) $2,884.62.

A. Edward L. Bowley, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL-CIO, 817 14th Street, NW., Washington, D.C. 20005.
D. (6) $6,022.29. E. (9) $1,454.98.

A. Joan Costain Bowyer, Phelps Dodge Corp., 1015 15th Street NW., Washington, D.C. 20005.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $150.

A. Elisa Boyd, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.

B. BOMA International, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $3,200. E. (9) $2.

A. John G. Boyd, IBM, 1801 K Street NW., Washington, D.C. 20006.
B. International Business Machines, Old Orchard Road, Armonk, N.Y. 10504.
D. (6) $138. E. (9) $4.50.

A. Robert K. Boyd, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $1,600. E. (9) $331.

A. Stephen S. Boynton, 1901 North Fort Myer Drive, Suite 1204, Arlington, Va. 22209.
B. The American Fur Industry, 101 West 30th Street, New York, N.Y. 10001.
D. (6) $700.

A. Stephen S. Boynton, 1901 North Fort Myer Drive, Suite 1204, Arlington, Va. 22209.
B. The Wildlife Legislative Fund of America, 50 West Broad Street, Columbus, Ohio 43215.
D. (6) $350.

A. Robert E. Bradford, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. Frank W. Bradley, 1700 K St. NW., Washington, D.C. 20006.
B. Chevron U.S.A., Inc. (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $1,200.

A. Mitchell H. Bradley, American Society of Mechanical Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. American Society of Mechanical Engineers, 345 East 47th Street, New York, N.Y. 10017.

A. Wayne W. Bradley, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $500. E. (9) $372.76.

A. Charles N. Brady, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Charles G. Bragg, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $2,500. E. (9) $88.97.

A. Raymond F. Bragg, Jr., American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.
B. American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.
D. (6) $100.

A. Stuart J. Brahs, American Council of Life Insurance, 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, 1850 K Street NW., Washington, D.C. 20006.
D. (6) $80.31.

A. S. Gail Bramblett, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,689.80. E. (9) $30.

A. Robert M. Brandon, 1300 Connecticut Avenue NW., Room 401, Washington, D.C. 20036.
B. Citizen/Labor Energy Coalition, 1300 Connecticut Avenue NW., Room 401, Washington, D.C. 20036.
D. (6) $1,850. E. (9) $75.

A. T. Edward Braswell, Jr., Corcoran, Youngman & Rowe, 1511 K Street NW., Washington, D.C. 20005.
B. Newport News Shipbuilding & Drydock Co., 4101 Washington Avenue, Newport News, Va. 23607.
D. (6) $3,750.

A. Roy Braunstein, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL-CIO, 817 14 Street NW., Washington, D.C. 20005.
D. (6) $6,724.51. E. (9) $90.

A. Peter Elliot Braveman, 500 Newport Center Drive, Suite 555, Newport Beach, Calif.
B. Loeb and Loeb, 1 Wilshire Boulevard, 16th Floor, Los Angeles, Calif. 90017 (for Joan Irvine Smith).
D. (6) $37,500. E. (9) $180.

A. Edward T. Breathitt, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000 North, Washington, D.C. 20036.
B. Board of Trade Clearing Corp., 141 W. Jackson Boulevard, Chicago, Ill. 60604.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000 North, Washington, D.C. 20036.
B. Northern Solar Systems, Inc., 30 Pond Park Road, Hingham, Mass. 02043.
D. (6) $598.

A. John Henry Brebbia, Alston, Miller & Gaines, 1800 M Street NW., Suite 1000 North, Washington, D.C. 20036.
B. RCA Global Communications, Inc., 60 Broad Street, Room 700, New York, N.Y. 10004.
D. (6) $3,549. E. (9) $38.05.

A. George W. Breece, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $387.50.

A. Breed, Abbott & Morgan, 1875 I Street NW., No. 1000, Washington, D.C. 20006
B. Associated Hospital Service of New York, 80 Lexington Avenue, New York, N.Y. 10016.

A. Breed, Abbott & Morgan, 1875 I Street NW., Washington, D.C. 20006.
B. Lasker, Stone & Stern, 20 Broad Street, New York, N.Y.

A. Breed, Abbott & Morgan, 1875 I Street NW., No. 1000, Washington, D.C. 20006
B. Lefrak Organization, 97-77 Queens Boulevard, Forest Hills, N.Y.

A. Breed, Abbott & Morgan, 1875 I Street NW., No. 1000, Washington, D.C. 20006
B. David H. McConnell, 375 Park Avenue, New York, N.Y.

A. Breed, Abbott & Morgan, 1875 I Street NW., No. 1000, Washington, D.C. 20006
B. Panhandle Eastern Pipe Line Co., 3000 Bissonnet Avenue, P.O. Box 1642, Houston, Tex. 77001.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. The Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20006.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. American Car Rental Association (ACRA), 1750 Pennsylvania Avenue NW., Suite 1303, Washington, D.C. 20006.
D. (6) $1,250.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Committee for Effective Tax Incentives, 1634 I Street NW., 8th Floor, Washington, D.C. 20006.
D. (6) $3,000.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Hilton International, Inc., 301 Park Avenue, New York, N.Y. 10022.
D. (6) $2,000.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Trans World Airlines, 1000 16th Street NW., Suite 704, Washington, D.C. 20036.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. Truck Renting and Leasing Association (TRALA), 1750 Pennsylvania Avenue, Suite 1303, Washington, D.C. 20006.
D. (6) $1,250.

A. Bregman, Abell & Kay, 1900 L Street NW., Suite 610, Washington, D.C. 20036.
B. The Washington Psychiatric Society, 1700 18th Street NW., Washington, D.C. 20009.

A. Michael J. Brennan, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Association of Bridge, Structural and Ornamental Iron Workers, AFL-CIO, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $8,580. E. (9) $394.42.

A. Edward J. Brenner, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.
B. Association for the Advancement of Invention & Innovation, Suite 605, 1735 Jefferson Davis Highway, Arlington, Va. 22202.

A. Miles H. Bresee, Jr., 170 Altura Way, Greenbrae, Calif. 94904.
B. Bechtel Power Corp. 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. John B. Brewer, American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.
B. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington, Va. 22209.

A. Carolyn Brickey, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $2,750.01.

A. Bill Brier, 1850 K Street NW., Suite 550, Washington, D.C. 20006.
B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
D. (6) $500.

A. Belva B. Brissett, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,406.25. E. (9) $449.80.

A. Ellen Broadman, Consumers Union, 1511 K Street NW., Suite 1033, Washington, D.C. 20005.
B. Consumers Union, 256 Washington Street, Mount Vernon, N.Y. 10550.

A. David A. Brody, Anti-Defamation League of B'nai B'rith, 1640 Rhode Island Avenue NW., Washington, D.C. 20036.
B. Anti-Defamation League of B'nai B'rith, 823 U.N. Plaza, New York, N.Y. 10017.
D. (6) $375.

A. Michael D. Bromberg, 1111 19th Street NW., Suite 402, Washington, D.C. 20036.
B. Federation of American Hospitals, 1111 19th Street NW., No. 402, Washington, D.C. 20036.
D. (6) $4,500.

A. Dale E. Brooks, Chevron U.S.A., Inc., 1700 K Street, Suite 1204, Washington, D.C. 20006.
B. Chevron U.S.A., Inc., (a subsidiary of Standard Oil Co. of California), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $300.

A. E. E. Brooks, P.O. Box 841, Abilene, Tex. 79604.
B. West Texas Utilities Co., P.O. Box 841, Abilene, Tex. 79604.

A. Phillip W. Brooks, Volunteer State Oil Committee, 18th Floor, Third National Bank Building, Nashville, Tenn. 37219.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
(d) $50.

A. Carol L. Bros., National Women's Political Caucus, 1411 K Street NW., Suite 1110, Washington, D.C. 20005.
B. National Women's Political Caucus, 1411 K Street NW., Suite 1110, Washington, D.C. 20005.
D. (6) $2,711. E. (9) $1,501.30.

A. Daniel T. Bross, United Gas Pipe Line Co., 1101 17th Street NW., Suite 704, Washington, D.C.
B. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
D. (6) $986. E. (9) $460.92.

A. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $19,150. E. (9) $19,150.

A. Donald G. Brotzman, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $10,000.

A. Ben J. Brown, 1101 15th Street NW., Washington, D.C. 20005.
B. U.S. & Overseas Tax Fairness Committee, Inc., 1101 15th Street NW., Washington, D.C. 20005.

A. Charles B. Brown, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.
D. (6) $175.

A. David S. J. Brown, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $450. E. (9) $312.73.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. CENTAR Associates, 369 Passiac Avenue, Fairfield, N.J. 07006.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. National Association of Life Sciences, Inc., 1919 Pennsylvania Avenue NW., No. 702, Washington, D.C. 20006.

A. J. D. Brown, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C.
D. (6) $300.

A. Jesse B. Brown, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.
D. (6) $14.92.

A. Karen H. Brown, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $500.

A. Theoran Brown, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,265.

A. Brown, Todd & Heyburn, 1600 Citizens Plaza, Louisville, Ky. 40202.
B. Brown & Williamson Tobacco Corp., 1600 West Hill Street, Louisville, Ky. 40232.
D. (6) $7,451.50. E. (9) $2.40.

A. Vincent D. Brown, Nebraska Petroleum Council, P.O. Box 95063, 334 South 13th Street, Lincoln, Nebr. 68509.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $200. E. (9) $4.

A. William E. Brown, Ford Motor Co., 815 Connecticut Avenue, NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $414. E. (9) $251.30.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Canadian Financial Corp., 2030 Northwestern Financial Center, 7900 Xerxes Avenue South, Minneapolis, Minn. 55431.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mortgage Guaranty Insurance Corp., MGIC Plaza, Milwaukee, Wis.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. National Corp. for Housing Partnerships, 1133 15th Street NW., Washington, D.C. 20005.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. National Housing Rehabilitation Association, 1300 19th Street NW., Suite 310, Washington, D.C. 20036.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. New York State Urban Development Corp., 1515 Broadway, New York, N.Y. 10036.

A. Richard L. Brubacher, Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul. Minn. 55102.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $500. E. (9) $18.

A. James W. Bruner, Jr., League To Save Lake Tahoe, P.O. Box 10110, So. Lake Tahoe, Calif. 95731.
B. League To Save Lake Tahoe, 2197 Lake Tahoe Boulevard, P.O. Box 10110, South Lake Tahoe, Calif. 95731.
D. (6) $7,980. E. (9) $1,016.78.

A. Kathryne M. Bruner, General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $700. E. (9) $25.

A. Michael E. Brunner, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007; 1700 North Moore Street, Arlington, Va.
D. (6) $3,000. E. (9) $328.90.

A. Robert O. Brunner, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $310.61. E. (9) $25.45.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., No. 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. J. Charles Bruse, 1700 Pennsylvania Avenue NW., No. 750, Washington, D.C. 20006.
B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. Harvey F. Brush, 2006 Washington Street, San Francisco, Calif. 94109.
B. Bechtel Inc., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Garry Bryant, 806 15th Street NW., Suite 600, Washington, D.C. 20005.
B. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.
D. (6) $5,911.58. E. (9) $1,001.23.

A. Ronald B. Buckhalt, National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.
B. National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

D. (6) $1,600. E. (9) $1,250.

A. Robert D. Buehler, B. F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $400.

A. Douglas W. Bulcao, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue, Suite 300, Washington, D.C. 20036.
B. American Textile Manufacturers, Inc., 1101 Connecticut Avenue, Suite 300, Washington, D.C. 20036.
D. (6) $504. E. (9) $18.45.

A. Norman D. Burch, College of American Pathologists, 1333 New Hampshire Avenue NW., Suite 520, Washington, D.C. 20036.
B. College of American Pathologists, 7400 North Skokie Boulevard, Skokie, Ill. 60077.
D. (6) $5,220. E. (9) $43.

A. David G. Burden, 200 East Randolph Drive, Chicago, Ill. 60601.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago. Ill. 60601.

A. Paul F. Burdett, 10 Emerson Court, Severna Park, Md. 21146.
B. Richardson-Merrell, Inc., 10 Westport Road, Wilton, Conn. 06897.
E. (9) $35.

A. William J. Burhop, Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,000.

A. Burke & Burke, 529 Fifth Avenue, New York, N.Y. 10017.
B. Laura H. Beer, P.O. Box 139, Corning, N.Y. 14830, et al.
D. (6) $5,500. E. (9) $425.36.

A. J. J. Burke, Jr., 40 East Broadway, Butte, Mont. 59701.
B. The Montana Power Co., Butte, Mont. 59701.
E. (9) $69.46.

A. Burley and Dark Leaf Tobacco Export Association, 1100 17th Street NW., Washington, D.C.
D. (6) $30,685.01. E. (9) $1,000.47.

A. Phillip C. Burnett, National Cotton Council of America, 1918 North Parkway, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $426.14. E. (9) $40.75.

A. Mahlon A. Burnette III, 1010 Wisconsin Avenue, NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. David G. Gurney, United States Tuna Foundation, Suite 208, 2040 Harbor Island Drive, San Diego, Calif. 92101.
B. United States Tuna Foundation, 2040 Harbor Island Drive, Suite 208, San Diego, Calif. 92101.
D. (6) $6,000. E. (9) $3,000.

A. Charles S. Burns, Phelps Dodge Corp., 1015 15th Street NW., Washington, D.C. 20005.
B. Phelps Dodge Corp., 300 Park Avenue, New York, N.Y. 10022.
D. (6) $1,200.

A. Gerrie Bjornson Burns, B. F. Goodrich Co., 1800 K Street NW., Suite 929, Washington, D.C. 20006.
B. The B. F. Goodrich Co., Akron, Ohio 44318.
D. (6) $100.

A. Timothy F. Burns, CMA, 2501 M Street NW., Washington, D.C. 20037.
B. Chemical Manufacturers Association, 2501 M Street NW., Washington, D.C. 20037.
D. (6) $300.

A. Busby, Rehm & Leonard, P.C., 1629 K Street NW., Suite 1100, Washington, D.C. 20006.
B. Ad Hoc Committee on Lead Consumers, 1629 K Street NW., Suite 1100, Washington, D.C. 20006.
D. (6) $75. E. (9) $7.23.

A. Busby, Rehm & Leonard, P.C., 1629 K Street NW., Suite 1100, Washington, D.C. 20006.
B. Automobile Importers of America, Inc., 1735 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $6,500. E. (9) $100.

A. Busby, Rehm & Leonard, P.C., 1629 K Street NW., Suite 1100, Washington, D.C. 20006.
B. Bacardi Imports Inc., 2100 Biscayne Boulevard, Miami, Fla. 33137.

A. Nicholas J. Bush, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $330.55.

A. Business Executives Move for New National Priorities, 901 N. Howard Street, Baltimore, Md. 21201.
D. (6) $1,417.82. E. (9) $611.50.

A. Business Products Council Association, P. O. Box 35047, Fayetteville, N.C. 28303.

A. John Butler, Council of Energy Resource Tribes, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.
B. Council of Energy Resource Tribes, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW. (for American Family Mutual Insurance Company), Washington, D.C. 20006.

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Cabot Corp., 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John W. Byrnes, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvaina Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (for Insurance Association of Connecticut), 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John F. Byset, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Cable, McDaniel, Bowie & Bond, 900 Blaustein Building, Baltimore, Md. 21201.
B. Crown Central Petroleum Corp. P.O. Box 1168, One North Charles Street, Baltimore, Md. 21203.

A. Cadwalader, Wickersham & Taft, 1333 New Hampshire Avenue NW., Suite 700, Washington, D.C. 20036.
B. General Dynamics Corp., Pierre Laclede Center, St. Louis, Mo. 63105.
D. (6) $165.

A. Cadwalader, Wickersham & Taft, 1333 New Hampshire Avenue NW., Suite 700, Washington, D.C. 20036.
B. Mocatta Metals Corp., 4 World Trade Center, Suite 5200, New York, N.Y. 10048.
D. (6) $280.

A. Cadwalader, Wickersham & Taft, 1333 New Hampshire Avenue NW., Suite 700, Washington, D.C. 20036.
B. Rohm & Haas Co. 1899 L Street NW., Suite 870, Washington, D.C. 20036.

A. Cadwalader, Wickersham & Taft, 1333 New Hampshire Avenue NW., Suite 700, Washington, D.C. 20036.
B. Rohm & Haas Co., 1899 I Street NW., Suite 870, Washington, D.C. 20036.

A. Cadwalader, Wickersham & Taft, 1333 New Hampshire Avenue NW., Suite 700, Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $1,220. E. (9) $464.74.

A. Morrison Cain, Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.
B. Association of General Merchandise Chains, Inc., 1625 I Street NW., Washington, D.C. 20006.
D. (6) $4,000.

A. Alan Caldwell, Del Monte Corp., 1825 K Street NW., Washington, D.C. 20006.
B. Del Monte Corp., One Market Plaza, San Francisco, Calif., 94119.
D. (6) $1,000. E. (9) $50.

A. Califano, Ross & Heineman, 1575 I Street NW., Washington, D.C. 20005.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301

A. Califano, Ross & Heineman, 1575 I Street NW., Washington, D.C. 20005.
B. Quality Care, Inc., 100 North Centre Street, Rockville Centre, N.Y. 11570.

A. Peter E. Callanan, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Honeywell Inc., Honeywell Plaza, Minneapolis, Minn. 55408.
D. (6) $575. E. (9) $220.

A. Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga., 30342.
E. (9) $4,407.

A. Gordon L. Calvert, Box 34-531, Washington, D.C. 20034.
B. Commercial Collection Agency Section, Commercial Law League of America, 222 West Adams St., Chicago, Ill. 60606.
D. (6) $2,000. E. (9) $50.58.

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington D.C. 20003.
B. Ferro Corp, Cataphote Division, P.O. Box 2369, Jackson, Miss. 39205 and General Steel Industries, Inc., Flex-O-Lite Division, P.O. Box 4366, St. Louis, Mo. 63123.

D. (6) $3,000.

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C. 20003.
B. Gulf + Western Industries, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $4,000.

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C. 20003.
B. LFE Corp., 1601 Trapelo Road, Waltham, Mass. 02154.
D. (6) $1,875.

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C. 20003.
B. Primo Universal Corp., 300 Lanidex Plaza, Parsippany, N.J. 07054.
D. (6) $5,561.67

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C. 20003.
B. Safetran Systems Corp., P.O. Box 1037, Louisville, Ky. 40201.
D. (6) $4,912.50.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. Champlin Petroleum Co., 345 Park Avenue, New York, NY. 10022.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. Eastern Central Motor Carrier Association, Inc., P.O. Box 3600, Akron, Ohio 44310.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. Offshore Marine Services Association, Suite G, 2701 Houma Boulevard, Metairie, La. 70002.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. Rocky Mountain Energy Corp., 345 Park Avenue, New York, N.Y. 10022.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. Union Pacific Railroad, 345 Park Avenue, New York, N.Y. 10022.

A. C. Russell Campbell, Jr., Suite 900, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. General Telephone & Electronics Corp., One Stamford Forum, Stamford, Conn. 06904.
D. (6) $1,500. E. (9) $32.31.

A. Carl C. Campbell, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. Jerry L. Campbell, 831 Chestnut Street, Chattanooga, Tenn. 37402.
B. Tennessee Valley Public Power Association, 831 Chestnut Street, Chattanooga, Tenn. 37402.

A. John E. Campbell, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

A. Thomas D. Campbell, 1000 16th Street NW., Suite 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60610.
D. (6) $1,500. E. (9) $298.84.

A. Alyce D. Canaday, Pacific Power & Light Co., 404 World Center Building, Washington, D.C. 20006.
B. Pacific Power & Light Co., Public Service Building, Portland, Oreg. 97204.
D. (6) $522. E. (9) $711.85.

A. Robert P. Canavan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,592.40. E. (9) $58.

A. Sharon M. Canavan, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $3,645.

A. Paul W. Cane, 5 Corte Alegra, Greenbrae, Calif. 94904.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. David L. Cantor, 1111 19th Street NW., 9th Floor, Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., 9th Floor, Washington, D.C. 20036.
D. (6) $175.50. E. (9) $48.59.

A. Capital Advocates, 1127 11th Street, Sacramento, Calif. 95814.
B. Summa Corp., et al., Box 14000, Las Vegas, Nev.
D. (6) $9,015. E. (9) $291.63.

A. Marvin H. Caplan, Industrial Union Department, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $6,853. E. (9) $134.84.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Aetna Life & Casualty Co., 151 Farmington Avenue, Hartford, Conn. 06115.
D. (6) $9,951.50. E. (9) $39.05.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. American Family Life Assurance Co. of Georgia, P.O. Box 1459, Columbus, Ga. 31902.
D. (6) $1,445.10 E. (9) $24.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Public Broadcasting Communications, Inc., 304 West 58th Street, New York, N.Y. 10019.
E. (9) $170.54.

A. Ronald A. Capone, Kirlin, Campbell & Keating, 1150 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.
B. Council of European & Japanese National Shipowners' Association, 30/32 St. Mary Axe, London, EC3A 8ET England.
D. (6) $8,400. E. (9) $431.72.

A. Charles E. Capron, 2401 Calvert Street NW., No. 905, Washington, D.C. 20008.

A. Arnold P. Caputo, 1970 Hopewood Drive, Falls Church, Va. 22043.
B. National Concrete Masonry Association, 2302 Horse Pen Road, Herndon, Va. 22070.

A. Isaac R. Caraco, 4532 Park Monaco, Calabasas Park, Calif. 91302.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 9365, San Francisco, Calif. 94119.

A. Denise A. Cardman, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Norval E. Carey, General Atomic Co., 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $3,224. E. (9) $397.86.

A. Peter Carlson, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,375.

A. Thomas H. Carmody, 507 Second Street NE., Washington, D.C. 20002.
B. Blue Ribbon Sports, Inc., 3900 SW. Murry Boulevard, Beaverton, Oreg. 97005.
D. (6) $2,500. E. (9) $1,300.

A. Chapin Carpenter, Jr., Magazine Publishers Association, 1629 K Street NW., No. 603, Washington, D.C. 20006.
B. Magazine Publishers Association, 575 Lexington Avenue, New York, N.Y. 10022.
D. (6) $1,500.

A. Jack M. Carpenter, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
D. (6) $33.87. E. (9) $50.15.

A. Richard M. Carrigan, National Education Association, 1201 16th Street NW., Washington, D.C. 20036
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,884.80. E. (9) $134.50.

A. John R. Carson, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
B. American Podiatry Association, 20 Chevy Chase Circle NW., Washington, D.C. 20015.
D. (6) $8,000.

A. Hans L. Carstensen III, Weyerhaeuser Co.,1625 I Street NW., Suite 902, Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98477.
D. (6) $700. E. (9) $17.

A. David C. Carter, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.
B. United States Beet Sugar Association, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.

A. Harlon B. Carter, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,875.

A. Joseph L. Carter, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $358.74. E. (9) $166.26.

A. James P. Carty, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $500.

A. Donato Caruso, Lorenz, Finn, Giardino & Lambos, 25 Broadway, No. 1755, New York, N.Y. 10004.
B. New York Shipping Association, Inc., 80 Broad Street, New York, N.Y. 10004.

A. Cary & Baron, 500 Pioneer Building, 600 First Avenue, Seattle, Wash. 98104.
B. Puget Sound Power & Light Co., Puget Power Building, Bellevue, Wash. 98009.
D. (6) $5,161.89. E. (9) $4,788.71.

A. David H. Casey, 101 Constitution Avenue NW., Washington, D.C. 20001.
B. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington, D.C. 20001.
D. (6) $6,650. E. (9) $3,620.31.

A. Jim Casey, 1629 K Street NW., Suite 800, Washington, D.C. 20006.
B. Amfac Nurseries, Inc., 840 Malcom, Burlingame, Calif. 94010.
D. (6) $600. E. (9) $145.

A. Jim Casey, 1629 K Street NW., Suite 800, Washington, D.C. 20006.
B. Belle Fourche Irrigation District, Newell, S. Dak. 57760.
D. (6) $500. E. (9) $124.

A. Jim Casey, 1629 K Street NW., Suite 800, Washington, D.C. 20006.
B. Committee on Power for the Southwest, Inc., 400 South Broadway, Suite No. 3, Edmond, Okla. 73034.
D. (6) $300. E. (9) $64.

A. Jim Casey, 1629 K Street NW., Suite 800, Washington, D.C. 20006.
B. Garrison Diversion Conservancy District, P.O. Box 140, Carrington, N. Dak. 58421.
D. (6) $900. E. (9) $188.

A. Jim Casey, 1629 K Street NW., Suite 800, Washington, D.C. 20006.
B. Salt River Valley Water Users Association, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $3,000. E. (9) $660.

A. Jim Casey, 1629 K Street NW., Suite 800, Washington, D.C. 20006.
B. Twin Falls Canal Co., P.O. Box 326, Twin Falls, Idaho.
D. (6) $4,000. E. (9) $889.

A. John S. Casey, P.O. Box 266, Heflin, Ala. 36264.
B. Alabama Railroad Association, P.O. Box 21, Montgomery, Ala. 36101.

A. James B. Cash, Jr., 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Eugene I. Casraiss, Jr., United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $10,047.62. E. (9) $108.30.

A. Daniel J. Cassidy, 1001 Connecticut Avenue NW., No. 1120, Washington, D.C. 20036.
B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

A. John J. Castellani, TRW, Inc., Suite 800, 2030 M Street NW., Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.

A. Joseph E. Cavanagh, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brotherhood of Electrical Workers, AFL-CIO-CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $2,675.

A. Dorothy Cecelski, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,250.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307.
B. Grumman Corp., 1600 Wilson Boulevard, Arlington, Va.
D. (6) $400.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307.
B. Martin-Marietta Corp., Rockville, Md.
D. (6) $300.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307.
B. R.C.A., 1901 North Moore Street, Arlington, Va.
D. (6) $450.

A. Cederberg & Associates, 7100 Sussex Place, Alexandria, Va. 22307.
B. United Technologies, 1125 15th Street NW., Washington, D.C.
D. (6) $300.

A. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365

A. Central States Resource Center, P.O. Box 477, Urbana, Ill. 61801.
D. (6) $6,339.50. E. (9) $6,116.20.

A. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
E. (9) $2,000.

A. Owen R. Chaffee, 203 Yoakum Parkway, No. 1012, Alexandria, Va. 22304.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, VA. 22202.
D. (6) $700. E. (9) $80.

A. John A. Chambers, 1050 17th Street, NW., Suite 680, Washington, D.C. 20036.
B. Satra Corp., 1211 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $3,200. E. (9) $800.

A. Thomas Champion, 1111 19th Street, NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street, NW., Washington, D.C. 20036
D. (6) $1,365. E. (9) $442.43.

A. Steven M. Champlin, 329 8th Street NE., Washington, D.C. 20002.
B. Vietnam Veterans of America, 419 Park Avenue South, New York, N.Y. 10016.
D. (6) $1,200.

A. Ed Chandler, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $4,250. E. (9) $500.

A. J. W. Chandler, York Division, Borg-Warner Corp., 1575 Eye Street NW., Washington, D.C. 20005.
B. York Division, Borg-Warner Corp., South Richland Avenue, York, Pa. 17405.
E. (9) $7.10.

A. William U. Chandler, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,499.99.

A. Leslie Cheek III, Crum and Forster Corp., 1120 Connecticut Avenue NW., Suite 1142, Washington, D.C. 20036.
B. Crum and Forster Corp., Madison Avenue at Canfield Road, Morristown, N.J. 07960.
D. (6) $14,500. E. (9) $1,321.98.

A. Jane Cheever, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Jane Cheever, The First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.
B. The First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. Chemical Manufacturers Association, 2501 M Street NW., Washington, D.C. 20037.
D. (6) $5,000. E. (9) $3,000.

A. David L. Chew, 1615 H Street NW., Washington, D.C. 20062.
B. Citizen's Choice, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $3,000. E. (9) $26.27.

A. Children's Rights, Inc., 3443 17th Street NW., Washington, D.C. 20010.
D. (6) $263.50. E. (9) $365.55.

A. Phillip R. Chisholm, National Oil Jobbers Council, 1707 H Street NW., Washington, D.C. 20006.
B. National Oil Jobbers Council, 1707 H Street NW., Washington, D.C. 20006.
D. (6) $6,125. E. (9) $367.44.

A. William T. Christian, Atlantic Richfield, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $250.

A. Chugach Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501.
E. (9) $3,766.84.

A. Cigar Association of America, Inc., 1120 19th Street NW., Suite 410, Washington, D.C. 20036.

A. Citizen/Labor Energy Coalition, 1300 Connecticut Avenue NW., Room 401, Washington, D.C. 20036.
D. (6) $1,925. E. (9) $1,925.

A. Citizens Committee for the Right To Keep and Bear Arms, 1601 114th SE., Suite 151, Bellevue, Wash. 98004.
D. (6) $175,978.99. E. (9) $17,077.27

A. Citizens for Government Fairness, P.O. Box 1336, Brawley, Calif., 92227.
D. (6) $8,804.62. E. (9) $10,899.76.

A. Norman M. Clapp, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Cooperative League of the USA, 1828 L Street NW., Suite 1100, Washington, D.C. 20036.

D. (6) $4,050. E. (9) $61.95.

A. James W. Clark, Jr., American Optometric Association, 1730 M Street NW., Suite 203, Washington, D.C. 20036.
B. American Optometric Association, 395 Orchard Street, Antioch, Ill. 60002.
D. (6) $135.24. E. (9) $189.30.

A. Kimball Clark, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $490.10. E. (9) $392.37.

A. Thomas R. Clark, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. Vernon A. Clark, 1899 L Street NW., Suite 403, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $750.

A. Donald M. Clarke, International Harvester, 1707 L Street NW., Washington, D.C. 20036.
B. International Harvester, 1707 L Street NW., Washington, D.C. 20036.
D. (6) $1,250. E. (9) $312.97.

A. Wade P. Clarke, Jr., Deere & Co., John Deere Road, Moline, Ill. 61265.
B. Deere & Co., John Deere Road, Moline, Ill. 61265.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Industrial Health Council, 1075 Central Park Avenue, Scarsdale, N.Y. 10583

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Columbia Nitrogen Corp., P.O. Box 1483, Augusta, Ga. 30903 & Nipro, Inc., P.O. Box 1483, Augusta, Ga. 30903.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Securities Clearing Corp., 55 Water Street, New York, N.Y. 10041.
D. (6) $1,117 E. (9) $5.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Sporting Arms and Ammunition Manufacturers' Institute, 420 Lexington Avenue, New York, N.Y. 10017.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Synthetic Organic Chemical Manufacturers Association, 1075 Central Park Avenue, Scarsdale, N.Y. 10583.

A. Ronald D. Clements, 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $1,125. E. (9) $275.

A. Clifford & Warnke, 815 Connecticut Avenue, Washington, D.C. 20006.
B. Coffee, Sugar, & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.
D. (6) $2,920 E. (9) $730.

A. Clifford & Warnke, 815 Connecticut Avenue, Washington, D.C. 20006.
B. Joint Corporate Committee on Cuban Claims, c/o Lone Star Industries, Inc., P.O. Box 5050, Greenwich, Conn. 06830.
D. (6) $900. E. (9) $270.

A. Clifford & Warnke, 815 Connecticut Avenue, Washington, D.C. 20006.
B. National Tour Brokers Association, Inc., 120 Kentucky Avenue, Lexington, Ky. 40502.
D. (6) $4,750. E. (9) $1,425.

A. Clifford & Warnke, 815 Connecticut Avenue, Washington, D.C. 20006.
B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Dexanne B. Clohan, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $1,112.05.

A. Coalition for Energy Efficient Transportation, 1901 North Fort Myer Drive, Rosslyn, Va. 22209.

A. The Coalition for Full Nuclear Accountability, Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $6,662.16 E. (9) $6,662.16.

A. Coalition of Automotive Associations, 1607 New Hampshire Avenue, Washington, D.C. 20009.

A. Coalition of Concerned Charities, c/o Annette Miller, 1776 F Street, NW., Suite 200, Washington, D.C. 20006.
D. (6) $1,250.

A. Thomas B. Coates, c/o Connecticut Petroleum Council, 410 Asylum Street, Hartford, Conn. 06103.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Richard B. Cobb, Petroleum Council of Georgia, 230 Peachtree Street NW., Suite 1500, Atlanta, Ga. 30303.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $460. E. (9) $619.08.

A. John J. Coffey, 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A. Inc., 1700 K Street NW., Washington, D.C. 20006.
D. (6) $650.

A. Don V. Cogman, 1100 Connecticut Avenue NW., Suite 820, Washington, D.C. 20036.
B. MAPCO, Inc., 1800 South Baltimore Avenue, Tulsa, Okla. 74119.
D. (6) $3,750. E. (9) $564.04.

A. David Cohen, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $11,750. E. (9) $691.57.

A. Cohen & Uretz, 1775 K Street NW., Fourth Floor, Washington, D.C. 20006.
B. Contract Staffing of America, Inc., 17601 East 17th Street, Tustin, Calif. 92680.
E. (9) $16.50.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.
B. CSL Industries, 1 Century Plaza, 2029 Century Park East, Los Angeles, Calif. 90067.
D. (6) $23,993.75. E. (9) $3,246.78.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.
B. Estate of Sylvia S. Buring, 1837 Harbor Avenue, Memphis, Tenn. 38113.
E. (9) $322.94.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.
B. Northwest Energy Co., 315 East 200 South, Salt Lake City, Utah 84111.
D. (6) $16,659.25. E. (9) $452.66.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.
B. Stichting Philips Pensioenfonds A and B, Tramstraat 62, Eindhoven, The Netherlands.
D. (6) $4,128.75. E. (9) $3,836.90.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.
B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33138.
D. (6) $13,125. E. (9) $705.50.

A. Herbert B. Cohen, Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.
B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800 N, Washington, D.C. 20036.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.
B. American Petroleum Refiners Association, Ring Building, Washington, D.C. 20036.
D. (6) $300.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.
B. Council of American Chambers of Commerce, Europe and Mediterranean.

A. Cole Corette & Bradfield, 1200 17th Street NW., Washington, D.C. 20036.
B. Lubar & Youngstein, 29 St. John Street, London SW1A 1HB, England.
D. (6) $17,656.72. E. (9) $314.38.

A. E. William Cole, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
D. (6) $600. E. (9) $70.

A. Eleanor Cole, UBA, Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.
B. UBA, Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.
D. (6) $1,000.

A. Ken W. Cole, Amoco Public & Government Affairs, P.O. Box 3092, Houston, Tex. 77001.
B. Standard Oil Co., (Indiana), 200 East Randolph Street, Chicago, Ill. 60601.

A. Robert E. Cole, Industry Government Relations, 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $2,500. E. (9) $1,264.89.

A. Stacey W. Cole, c/o New Hampshire Petroleum Council, 23 School Street, Concord, N.H. 03301.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.

B. Cardio Pulmonary Contractors Association, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $3,000.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. College of American Pathologist, 7400 North Skokie Boulevard, Skokie, Ill. 60076.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. National Association of Truck Stop Operators, P.O. Box 1285, Alexandria, Va. 22313.

A. William J. Colley, 2550 M Street NW., Washington, D.C. 20037.
B. National Pharmaceutical Alliance, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $7,500.

A. Calvin J. Collier, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10022.

A. Calvin J. Collier, Hughes, Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. John M. Collier, 4436 Perrier Street, New Orleans, La. 70115.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $9,131.04.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. Bicycle Manufacturers Association of America, Inc., 1101 15th Street NW., Washington, D.C. 20005.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Ferrous Scrap Consumers Coalition, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Suite 308, Washington, D.C. 20007.
B. Tanners' Council of America, Inc., 411 Fifth Avenue, New York, N.Y. 10016.

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Tool and Stainless Steel Industry Committee, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.

A. Bruce D. Collins, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $412.50.

A. George R. Collins, 1126 16th Street NW., Washington, D.C.
B. IUE-AFL-CIO, 1126 16th Street NW., Washington, D.C.
D. (6) $600. E. (9) $300

A. Mary M. Collins, Shell Oil Co. 1025 Connecticut Avenue NW, Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Paul L. Collins, American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.
B. American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.
E. (9) $134.45.

A. Colorado Railroad Association, 420 Denver Club Building, Denver, Colo. 80202.

A. W. Kent Combs, 1801 K Street NW., Washington, D.C. 20006.
B. International Business Machines Corp., Old Orchard Road, Armonk, N.Y. 10504.
D. (6) $517.14. E. (9) $8.40.

A. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800 N., Washington, D.C. 20036.

A. Committee for Effective Capital Recovery, 1901 L Street NW., Suite 303, Washington, D.C. 20036.
D. (6) $2,453.18. E. (9) $2,453.18.

A. Committee for Effective Tax Incentives, 1 Farragut Square, 6th Floor, Washington, D.C. 20006.
E. (9) $3,000.

A. Committee for Equality of Citizens Before the Courts, 3401 West Division Street, Chicago, Ill. 60651.
D. (6) $500.

A. The Committee for Freedom of Access to Legal Lotteries, P.O. Box 92, Guilford, Maine 04443.

A. Committee for Humane Legislation, Inc., 2101 L Street NW., Washington, D.C. 20037. Business: 11 West 60th Street, New York, N.Y. 10023.
D. (6) $8,842.37. E. (9) $7,242.65.

A. Committee of Urban Program Universities, 1300 19th Street NW., No. 220, Washington, D.C. 20036.
D. (6) $13,500. E. (9) $8,731.70.

A. Committee To Assure the Availability of Casein, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $1,696,170. E. (9) $279,322.18.

A. Community Nutrition Institute, 1146 19th Street NW., Washington, D.C. 20036.
E. (9) $144.52.

A. Lance Compa, 1411 K Street NW., Suite 410, Washington, D.C. 20005.
B. United Electrical, Radio & Machine Workers of America (UE), 11 East 51st Street, New York, N.Y. 10022.
D. (6) $4,387.87. E. (9) $97.50.

A. Computer & Communications Industry Association, Suite 512, 1500 Wilson Boulevard, Arlington, Va. 22209.

A. Edward C. Cone, Jr., P.O. Box 1606, Forest Park, Ga. 30050.
B. Southeastern Lumber Manufacturers Association, P.O. Box 1606, Forest Park, Ga. 30050.
D. (6) $27.04.

A. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $1,350.

A. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $33,601. E. (9) $33,601.

A. Raymond F. Conkling, 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $200.

A. Robert J. Conner, 1100 Connecticut Avenue, NW., Washington, D.C. 20036.
B. Chrysler Corp., 1200 Lynn Townsend Drive, Highland Park, Mich. 48203.
D. (6) $500. E. (9) $588.77.

A. Stephen N. Conner, Route 1, Box 165, Easton, Md. 21601.
B. Ministry of Foreign Affairs, Kingdom of Saudi Arabia, c/o Royal Embassy of Saudi Arabia, 1520 18th Street NW., Washington, D.C.
E. (9) $1,874.63.

A. Albert J. Conners, Air Force Sergeants Association, 5211 Auth Road, Camp Springs, Md. 20023.
B. Air Force Sergeants Association, 5211 Auth Road, Camp Springs, Md. 20023.

A. John J. Connolly, American Waterways Operators, Inc., 1600 Wilson Boulevard, Arlington, Va. 22209.
B. American Waterways Operators, Inc., 1600 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $700.

A. Jerry C. Connors, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $2,500.

A. Constructora Nacional de Carros de Ferrocarril, S.A., San Lorenzo No. 925, 5 piso, Mexico, D.F. Mexico.

A. Consumers Union of U.S., Inc., 256 Washington Street, Mount Vernon, N.Y. 10550.
E. (9) $9,040.

A. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.
E. (9) $91,796.42.

A. Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.
E. (9) $760.

A. John T. Conway, 410 First Street SE., Washington, D.C.

B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
D. (6) $6,562.50. E. (9) $515.84.

A. EDS Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. EDS Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $303.75. E. (9) $218.48.

A. Charles F. Cook, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
D. (6) $211.53. E. (9) $7.50.

A. Frederick N. Cook, c/o Vermont Petroleum Association, P.O. Box 566, Montpelier, Vt. 05602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $450.

A. Harry N. Cook, 1130 17th Street NW., Washington, D.C. 20036.

A. K. Richard Cook, 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $400.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. Aleutian/Pribilof Islands Association, Inc., 1689 C Street, Anchorage Alaska 99501.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., 11th Floor, Washington, D.C. 20036.
B. American Motorcycle Association, P.O. Box 141, Westerville, Ohio 43081.
D. (6) $939.85.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. Bank of Louisville, 500 West Broadway, Louisville, Ky. 40202.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. B.A.T. Industries, Ltd., P.O. Box 345, Windsor House, 50 Victoria Street, London SW1H 0NL England.
D. (6) $14,175.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. The Board of Trade of Kansas City, Mo., Inc., Kansas City, Mo. 64112.
D. (6) $4,250. E. (9) $668.65.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. Bulova Systems & Instruments Corp., Green Acres Road West, P.O. Box 189, Valley Stream, N.Y. 11582.
D. (6) $1,731.25

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. Citizens Deposit Bank, P.O. Box 8, Vanceburg, Ky. 41179.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. Consolidated Natural Gas Co., Four Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $2,000.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $750.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. First Bank & Trust Co., 1544 Winchester Avenue, Ashland, Ky. 41101
D. (6) $500.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. Guam Growth Council, P.O. Box BV, Agana, Guam 96911.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. Hamilton Technology, Inc., P.O. Box 1609, Columbia Avenue, Lancaster, Pa. 17604.
D. (6) $1,731.25.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., 11th Floor, Washington, D.C. 20036.
B. Harley Davidson Motor Co., Inc., P.O. Box 652, Milwaukee, Wis. 53201.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Suite 1100, Washington, D.C. 20036.
B. Iowa Beef Processors, Inc., Dakota City, Nebr. 68731.
D. (6) $5,300. E. (9) $918.51

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. N.C. Machinery, Box 3562, Seattle, Wash. 98124.
D. (6) $250.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. Ohio Valley Improvement Association, Inc., 401 Carew Tower, Cincinnati, Ohio 45202.
D. (6) $700.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. Roadway Express, Inc., P.O. Box 471, 1077 Gorge Boulevard, Akron, Ohio 44309.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. St. George Tanaq Corp.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. Texas Gas Transmission Corp., 3800 Frederica Street, Owensboro, Ky. 42301.
D. (6) $2,000.

A. Cook, Purcell, Hansen & Henderson, Chartered, 1015 18th Street NW., Washington, D.C. 20036.
B. The Tobacco Institute, 1875 I Street, NW., 8th Floor, Washington, D.C. 20006.
D. (6) $2,000. E. (9) $13.34.

A. Robert M. Cook, 201 Holiday Plaza, 1105 South 13th Street, Norfolk, Nebr. 68701.
B. Livestock Marketing Association.

A. Paul E. Cooney, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006.
B. First Wisconsin National Bank of Milwaukee, 777 East Wisconsin Avenue, Milwaukee, Wis. 53202.

A. Paul E. Cooney, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006.
B. Phosphate Rock Export Association, 1311 North West Shore Boulevard, Tampa, Fla. 33607.

A. Paul E. Cooney, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs (from Smith Barney, Harris Upham & Co., Inc.).

A. Edward Cooper, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. Janet R. Cooper, 1016 16th Street NW., Washington D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $978.12.

A. Joshua W. Copper, 626 South Lee Street, Alexandria, Va. 22314.
B. Portsmouth-Kittery Armed Services Committee, Inc., Box 1123, Portsmouth, N.H. 03801.
D. (6) $1,400. E. (9) $607.48.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Council of Forest Industries, 1055 West Hastings Street, Vancouver 1, Canada.
D. (6) $3,000.

A. Mitchell J. Cooper, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. Footwear Division, Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington D.C. 20006.
D. (6) $10,500. E. (9) $7.50.

A. Cooperative League of the U.S.A., 1828 L Street NW., Suite 1100, Washington, D.C. 20036.
D. (6) $14,240. E. (9) $14,707.98.

A. Darrell Coover, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $2,000. E. (9) $286.

A. John F. Corcoran, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000.

A. Samuel C. Corey, Sr., 2500 DeKalb Pike, Norristown, Pa. 19404.
B. Provident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa. 19404.

A. Bennett J. Corn, Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

B. Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

A. Corn Refiners Association, Inc., 1001 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,221. E. (9) $1,703.40.

A. Cornell Oil Co., 5440 Harvest Hill Road, Suite 200, Dallas, Tex. 75230.
E. (9) $2,099.32.

A. Donald E. Cornett, 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. Richard L. Corrigan, 1015 15th Street NW., Suite 802, Washington, D.C. 20005.
B. American Consulting Engineers Council, 1015 15th Street NW., Washington, D.C. 20005.
D. (6) $875.

A. Alfred W. Cors, Jr., 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $536. E. (9) $24.38.

A. Allan D. Cors, 1800 K Street NW., Suite 1104, Washington, D.C. 20006.
B. Corning Glass Works, Corning, N.Y. 14830.
D. (6) $300.

A. Glen S. Corso, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $6,000. E. (9) $473.

A. R. H. Dick Cory, 1510 American Bank Tower, Austin, Tex. 78701.
B. Central & South West Services, Inc., 1 Main Place, Suite 2700, Dallas, Tex. 75250.

A. John E. Cosgrove, Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $12,673.36.

A. Cosmetic, Toiletry and Fragrance Assoc., Inc., 1133 15th Street NW., No. 1200, Washington, D.C. 20005.

A. Clark R. Cossé III, 5644 Hawthorne Place, New Orleans, La. 70124.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $7,750.02.

A. James R. Costello, Jr., American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
B. American Textile Manufacturers, Inc., 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $500. E. (9) $30.40.

A. Michael E. Costello, 1660 L Street NW., Suite 901, Washington, D.C. 20036.
B. Texas Eastern Tranmission Corp., P.O. Box 2521, Houston, Tex. 77001.
E. (9) $327.17.

A. Cotton Farmers Association, 700 Texas Center, 900 Washington, Waco, Tex. 76703.

A. Paul J. Coughlin, Jr., 1120 20th Street NW., Suite 600 South, Washington, D.C. 20036.

B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10154.
D. (6) $1,250.

A. Craig A. Coulter, Cities Service Co., 1660 L Street NW., No. 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Washington, D.C. 20036.

A. Council for a Competitive Economy, 410 First Street SE., Washington, D.C. 20003
D. (6) $2,895. E. (9) $1,716.41.

A. Council for a Livable World, 11 Beacon Street, Boston, Mass. 02108.
E. (9) $12,683.67.

A. Council for American Private Education, 1625 I Street NW., Washington, D.C. 20006.
D. (6) $600. E. (9) $600.

A. Council of Energy Resource Tribes, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.
E. (9) $600.

A. Council of Industrial Boiler Owners, 11222 Silverleaf Drive, Fairfax Station, Va. 22039.
E. (9) $300.

A. Council of State Chambers of Commerce, 499 South Capitol Street SW., Suite 412, Washington, D.C. 20003.
D. (6) $265.50. E. (9) $101.31.

A. James H. Cousins, Sr., National Savings and Loan League, 1101 15th Street NW., Washington, D.C. 20005.
B. National Savings and Loan League, 1101 15th Street NW., Washington, D.C. 20005.
D. (6) $2,000.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Association of Oral and Maxillofacial Surgeons, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $6,000. E. (9) $22.75.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. American Watch Association, 10 East 40th Street, New York, N.Y. 10016.
D. (6) $400.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Association of Maximum Service Telecasters, Inc. (MST), 1735 DeSales Street NW., Washington, D.C. 20036.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Bristol Bay Native Corp., P.O. Box 220, Anchorage, Alaska 99510.

A. Covington & Burling, 888 16th Street NW., Washington D.C. 20006.
B. Houdaille Industries, Inc., 1 Financial Plaza, Fort Lauderdale, Fla. 33394.
D. (6) $977.50.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Hugo Neu, 380 Madison Avenue, New York, N.Y. 10017.

A. Covington & Burling, 888 16th Street NW., Washington D.C. 20006.
B. Interbank Card Association, 888 Seventh Avenue, New York, N.Y. 10019.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. International Business Machines Corp., Armonk, N.Y. 10504.
D. (6) $10,000.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Irving Trust Co., 1 Wall Street, New York, N.Y. 10015.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) 20,000. E. (9) $24.30.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Lydall, Inc., 615 Parker Street, Manchester, Conn. 06040.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. National Committee for Limited Profit Housing, c/o HHH Construction Corp., 515 Madison Avenue, New York, N.Y. 10022.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. New York State Urban Development Corp., 1515 Broadway, New York, N.Y. 10036.
E. (9) $15.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Securities Industry Association, 490 L'Enfant Plaza East SE., Washington, D.C. 20024.

A. Eugene S. Cowen, 2750 Unicorn Lane NW., Washington, D.C. 20015.
B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $21.30.

A. Cowper & Madson, 712 8th Avenue, Fairbanks, Alaska 99701.
B. State of Alaska, Pouch A, Juneau, Alaska 99811.
D. (6) $1,467.96.

A. Archibald Cox, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,916.67. E. (9) $1,691.54.

A. C. Bryan Cox, P.O. Box 139, Kansas City, Mo. 64141.
B. Kansas City Life Insurance Co., P.O. Box 139, Kansas City, Mo. 64141.

A. Karl E. Cox, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.
B. American Footwear Industries Association, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.
D. (6) $250. E. (9) $57.06.

A. Kenneth A. Cox, 1150 17th Street NW., Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $1,085 E. (9) $48.20.

A. Cramer & Cramer, 1320 19th Street NW., Suite 200, Washington, D.C. 20036.
D. (6) $5,476.81. E. (9) $23.19.

A. Cramer & Cramer, 1320 19th Street NW., Suite 200, Washington, D.C. 20036.
B. Hoffman, Hendry, Stoner, Sims & Sawicki, 215 East Central Boulevard, Orlando, Fla. 32801 and Global Exploration & De-

velopment Corp., 1414 Collins Avenue, Lakeland, Fla. 33801.

A. William C. Cramer, 1320 19th Street NW., Suite 200, Washington, D.C. 20036.

A. William C. Cramer, 1320 19th Street NW., Suite 200, Washington, D.C. 20036.
B. Hoffman, Hendry, Stoner, Sims & Sawicki, 215 East Central Boulevard, Orlando, Fla. 32801 and Global Exploration & Development Corp., 1414 Collins Avenue, Lakeland, Fla. 33801.

A. William D. Crawford, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood Railway Carmen of the United States & Canada, Railroad Labor Union, 4929 Main Street, Kansas City, Mo. 64112.
D. (6) $2,031.96.

A. Aileene E. Creech, National Associations of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $98.13.

A. Kathryn Hilton Creech, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $125.

A. Joseph M. Cribben, 6900 Valley Brook Drive, Falls Church, Va. 22042.
B. United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States & Canada, 901 Massachusetts Avenue, NW., Washington, D.C. 20001.
D. (6) $1,750. E. (9) $30.

A. Byrun M. Crippin, Jr., 303 20th Street SW., Austin, Minn., 55912.
B. Geo. A. Hormel & Co., P.O. Box 800, Austin, Minn. 55912.
E. (9) $10.

A. Richard E. Cristol, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.
B. The Robert H. Kellen Co., 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.
D. (6) $406.

A. Critical Mass Energy Project, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $400. E. (9) $261.25.

A. P. H. Croft, The American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
B. The American Short Line Railroad Association, 2000 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $1,450. E. (9) $103.38.

A. Robert W. Cromartie, 1800 Massachusetts, Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts, Avenue NW., Washington, D.C. 20036.
D. (6) $50.

A. Charles H. Cromwell, Inc., 6709 Georgia Street, Chevy Chase, Md. 20015.
B. General Electric Company, 777 14th Street NW., No. 1000, Washington, D.C. 20005.

A. Charles H. Cromwell, Inc., 6709 Georgia Street, Chevy Chase, Md. 20015.

B. Hughes Helicopters, 1140 Connecticut Avenue NW., No. 1005, Washington, D.C. 20005.

A. Charles H. Cromwell, Inc., 6709 Georgia Street, Chevy Chase, Md. 20015.
B. Motorola, Inc., 1776 K Street NW., No. 200, Washington, D.C. 20006.

A. Charles H. Cromwell, Inc., 6709 Georgia Street, Chevy Chase, Md. 20015.
B. Northrop Corp., 1701 North Fort Myer Drive, Arlington, Va. 22209.

A. William E. Cumberland, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

A. Donald A. Crosier, c/o Nebraska Petroleum Council, P.O. Box 95063, 334 South 13th Street, Lincoln, Nebr. 68509.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. David T. Crow, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $5,000. E. (9) $2,140.14.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Avon Products, Inc., 9 West 57th Street, New York, NY. 10019.
D. (6) $316. E. (9) $20.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
E. (9) $30.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Commuter Airline Association of America, Inc., 1101 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $420.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.

A. Crowell & Moring, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pacific Southwest Airlines, 3225 North Harbor Drive, San Diego, Calif. 92101.

A. David C. Crowley, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
B. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
D. (6) $450. E. (9) $25.

A. George D. Crowley, Jr., Groom & Nordberg, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bally Manufacturing Corp., 2640 West Belmont Avenue, Chicago, Ill. 60618.

A. Kenneth R. Crowley, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.

A. Cuba Claims Association, Executive Committee, P.O. Box 014004, Miami, Fla. 33101.
E. (9) $171.

A. Barry M. Cullen, International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.

B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $125.

A. John T. Curran, Legislative Director, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of North America, AFL-CIO, 905 16th Street NW., Washington, D.C. 20006.
D. (6) $12,880. E. (9) $325.15.

A. Carl T. Curtis, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Don Rich Co., 372 Franklin Avenue, Redlands, Calif. 92373.

A. Carl T. Curtis, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Green Field Transport Co., Inc., P.O. Box 1235, Fort Dodge, Iowa, 50501, et al.
D. (6) $335.60.

A. Henry G. Curtis, 2121 Fifth Avenue, Seattle, Wash. 98121.
B. Industrial Customers of BPA, 464 Lloyd Building, 700 Northeast, Multnomah, Portland, Oreg. 97232.

A. William K. Dabaghi, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,574.

A. Fred L. Dahl, 10808 South Glen Road, Potomac, Md. 20854.
B. Bechtel Power Corporation, 1620 I Street NW., Washington, D.C. 20006.

A. William Kay Daines, American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $19.15.

A. Terese C. D'Alessio, Room 402, 2020 North 14th Street, Arlington, Va. 22201.
B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.

A. Donald W. Dalrymple, American Cyanamid Co., 1575 I Street NW., Suite 220, Washington, D.C. 20005.
B. American Cyanamid Co., Wayne, N.J. 07470 (for Lederle Laboratories, Pearl River, N.Y. 10965).
D. (6) $2,593.75. E. (9) $283.87.

A. James G. Dalton, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $2,000.

A. John M. Damgard, ACLI International Inc., 1735 I Street NW., Suite 716, Washington, D.C. 20006.
B. ACLI International, Inc., 717 Westchester Avenue, White Plains, N.Y. 10604.

A. Frank C. Damrell, Jr., 5900 Wilshire Boulevard, Suite 2600, Los Angeles, Calif. 90036.
B. The Coastal Corp., Nine Greenway Plaza, Houston, Tex. 77046.
D. (6) $3,880. E. (9) $862.43.

A. Tracy Danese, Florida Power & Light Co., P.O. Box 529100, Miami, Fla. 33152.
B. Florida Power & Light Co., P.O. Box 529100, Miami, Fla. 33152.

D. (6) $352. E. (9) $20.

A. John E. Daniel, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., Washington, D.C. 20006.
B. American Importers Association, 11 West 42d Street, New York, N.Y. 10036.
D. (6) $3,750. E. (9) $295.58.

A. Daniels, Houlihan & Palmeter, P.C., 1819 H Street NW., Washington, D.C. 20006.
B. Japan Lumber Importer's Association, Tokyo, Japan.
A. Dan Danner, 1747 Pennsylvania Avenue NW., Suite 702, Washington, D.C. 20006.
B. Armco, 1747 Pennsylvania Avenue NW., Suite 702, Washington, D.C. 20006.
D. (6) $300. E. (9) $222.87.

A. Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Population Crisis Committee, 1120 19th Street NW., Washington, D.C. 20036.
D. (6) $160.

A. Danzansky, Dickey, Tydings, Quint & Gordon, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Stewart Capital Corp., 485 Madison Avenue, New York, N.Y. 10022.
D. (6) $410.

A. Danzansky, Dickey, Tydings, Quint & Gordon, Louis H. Diamond, Steven H. Schram, and Frank N. Ikard, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. TVI Corp., 4261 Howard Avenue, Kensington, Md. 20795.

A. William H. Darden, Reynolds Metals Co., 1620 I Street NW., Washington, D.C. 20006.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.
D. (6) $750. E. (9) $30.

A. Thomas Roger Dart, Alabama Petroleum Council, P.O. Box 4220, Montgomery, Ala. 36195.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $207.96.

A. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex.
E. (9) $6,551.95.

A. Philip J. Daugherty, Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $6,867. E. (9) $226.

A. John B. Davenport, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $165.

A. Larry C. Davenport, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.
B. The Robert H. Kellen Co., 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342 (for: Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.)
D. (6) $788.

A. Daniel I. Davidson, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.

B. Northern California Power Agency (770 Kiely Boulevard, Santa Clara, Calif. 95051), and the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, California and associate member, Plumas-Sierra Rural Electric Cooperative.

A. David R. Davis, Indiana Petroleum Council, 714 Harrison Building, Indianapolis, Ind. 46204.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Drew M. Davis, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

A. Edward M. Davis, American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
D. (6) $2,250. E. (9) $382.79.

A. Davis, Gillenwater, Lynch & Doane, 6801 Whittier Avenue, McLean, Va. 22101.
B. Industrial Consultants Netherlands, B.V., P.O. Box 13373, 2501 EJ, The Hague, Netherlands.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, P.O. Box 185, Denver, Colo. 80201; and Suite 400, 1300 19th Street NW., Washington, D.C. 20036.
B. Colorado Counties, Inc., 1500 Grant Street, Suite 301, Denver, Colo. 80203.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 950 17th Street, Denver, Colo. 80202; and Suite 400, 1300 19th Street NW., Washington, D.C. 20036.
B. Integrity Oil & Gas Co., 410 17th Street, Suite 1670, Denver, Colo. 80202.
D. (6) $228. E. (9) $191.65.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 950 17th Street, Denver, Colo. 80202; and Suite 400, 1300 19th Street NW., Washington, D.C. 20036.
B. Northern Colorado Water Conservancy District, P.O. Box 679, Loveland, Colo. 80537.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 950 17th Street, Denver, Colo. 80202; and Suite 400, 1300 19th Street NW., Washington, D.C. 20036.
B. John T. Oxley, c/o R. B. Jowell, Route 2, Box 151, Owasso, Okla. 74055.
D. (6) $144. E. (9) $121.04

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 950 17th Street, Denver, Colo. 80202; and Suite 400, 1300 19th Street NW., Washington, D.C. 20036.
B. Purgatoire River Water Conservancy District, 430 East Main Street, Trinidad, Colo. 81082.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 950 17th Street, Denver, Colo. 80202; and Suite 400, 1300 19th Street NW., Washington, D.C. 20036.
B. Rio Grande Water Conservancy District, P.O. Box 816, Alamosa, Colo. 81101.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 950 17th Street, Denver, Colo. 80202; and Suite 400, 1300 19th Street NW., Washington, D.C. 20036.
B. Snyder Oil Co., 410 17th Street, Suite 1300, Denver, Colo. 80202.
D. (6) $1,932. E. (9) $1,623.95.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 2600 Colorado National Building, P.O. Box 185, Denver, Colo. 80201; and Suite 400, 1300 19th Street NW., Washington, D.C. 20036.
B. Sport & Culture, U.S.A., Inc., 10 West Broadway, Suite 810, Salt Lake City, Utah 84101.

A. Davis, Graham & Stubbs, 2600 Colorado National Building, 950 17th Street, Denver, Colo. 80202; and Suite 400, 1300 19th Street NW., Washington, D.C. 20036.
B. Tenneco Oil Co., 126 North Point Drive, P.O. Box 2688, Houston, Tex. 77001.
D. (6) $1,776. E. (9) $1,492.52.

A. Kenneth E. Davis, Rohm & Haas Co., 1899 L Street NW., Suite 807, Washington, D.C. 20036.
B. Rohm & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
D. (6) $500. E. (9) $73.30.

A. Ovid R. Davis, The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.

A. R. Hilton Davis, Chamber of Commerce of United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $73.60.

A. Robert W. Davis, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $720. E. (9) $318.52.

A. William Lee Davis, 299 Park Avenue, New York, N.Y. 10171.
B. Westvaco Corp., 299 Park Avenue, New York, N.Y. 10171.
D. (6) $529.17. E. (9) $401.03.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Associated Third Class Mail Users, 1725 K Street NW., Washington, D.C. 20006.

A. J. Edward Day, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Electronic Industries Association, Consumer Electronics Group, 2001 I Street NW., Washington, D.C. 20006.

A. John Russell Deane III, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.
B. Coalition of Automotive Associations, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.

A. John Russell Deane III, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.
B. Specialty Equipment Market Association, 11540 East Slauson Avenue, Whittier, Calif. 90606.

A. Deaver & Hannaford, Inc., 1225 19th Street NW., Suite 750, Washington, D.C. 20036.
B. Americans for the Voter Initiative, 3115 N Street NW., Washington, D.C. 20007.
D. (6) $200. E. (9) $49.

A. Deaver & Hannaford, Inc., 1225 19th Street NW., Suite 750, Washington, D.C. 20036.
B. Asociacion de Amigos del Pais, 6a Avenue A, 10-38, Zona 9, Guatemala City, Guatemala, C.A.
D. (6) $32,550. E. (9) $1,075.70.

A. Deaver & Hannaford, Inc., 1225 19th Street NW., Suite 750, Washington, D.C. 20036.

B. National Venture Capital Association, 1225 19th Street NW., Suite 750, Washington, D.C.
D. (6) $16,800. E. (9) $1,378.80.

A. Mark A. de Bernardo, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,248. E. (9) $177.60.

A. Robert L. Debo, Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Mark O. Decker, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $45.

A. Winston M. Decker, American Veterinary Medical Association, 1522 K Street NW., Suite 828, Washington, D.C. 20005.
B. American Veterinary Medical Association, 1522 K Street NW., Suite 828, Washington, D.C. 20005.
D. (6) $120.

A. Winston M. Decker, Association of American Veterinary Medical Colleges, 1522 K Street NW., Suite 828, Washington, D.C. 20005.
B. Association of American Veterinary Medical Colleges, 1522 K Street NW., Suite 828, Washington, D.C. 20005.
D. (6) $120.

A. George K. Degnon Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.
B. Association of State & Territorial Health Officials, 1015 15th Street NW., Washington, D.C. 20005.
D. (6) $400.

A. George K. Degnon Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.
B. National Association of Children's Hospitals and Related Institutions, 1601 Concord Pike, Suite 34, Independence Mall, Wilmington, Del. 19803.

A. DeHart Associates, Inc., 1505 22d Street NW., Washington, D.C. 20037.
B. Recording Industry Association of America, Inc., 1633 Broadway, New York, N.Y. 10019.
D. (6) $325. E. (9) $63.64.

A. John W. Delaney, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. John W. Delaney, First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.
B. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. Robert B. Delano, American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $2,250.

A. Myra J. DeLapp Security Pacific National Bank, 1901 L Street NW., Washington, D.C. 20036.
B. Security Pacific National Bank, 333 South Hope Street, Los Angeles, Calif. 90071.

D. (6) $1,260.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.
B. Consejo Estatal de Desarrollo, Carretera A Tecate No. 1, Apartado 1798, Tijuana, Baja, Calif.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.
B. Governor Roberto de la Madrid, Gobernador de Baja, Calif., P.O. Box 286, San Ysidro, Calif. 92073.

A. Dell, Craighill, Fentress & Benton, 888 17th Street NW., Suite 1200, Washington, D.C. 20006.
B. Sn. Jesus Almeide N., Mexican National Confederation of Livestock Producers, 16th Street, Chihuahua, Mexico.

A. Cartha D. DeLoach, 700 Anderson Hill Road, Purchase, N.Y. 10577.
B. PepsiCo, Inc., 700 Anderson Hill Road, Purchase, N.Y. 10577.
D. (6) $600. E. (9) $29.50.

A. Stephen L. DeMaris, P. O. Box 3498, San Francisco, Calif. 94119.
B. Bendix Forest Products Corp., P.O. Box 3498, San Francisco, Calif. 94119.
D. (6) $1,500.

A. Tania L. Demchuk National Association of Independent Insurers, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $100.

A. Bradford T. Dempsey, 512 W. Maple Avenue, No. 210, Vienna, Va. 22180.

A. George H. Denison, 4837 Del Ray Avenue, Washington, D.C. 20014.
B. Westinghouse Electric Corp. 1801 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Ray Denison, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $16,057.40. E. (9) $228.19.

A. John H. Denman, Missouri Oil Council, 428 East Capitol, Suite 203, Jefferson City, Mo. 65101.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Daniel B. Denning, Gulf Mineral Resources Co., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Mineral Resources Co., 1720 South Bellaire Street, Denver, Colo. 80222.

A. Wells Denyes, Eastman Chemical Products, Inc., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $70. E. (9) $2.50.

A. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $7,239.73. E. (9) $7,239.73.

A. Derrel B. De Passe, Container Corp. of America, 1100 Connecticut Avenue NW., Suite 540, Washington, D.C. 20036.
B. Container Corp. of America, 1100 Connecticut Avenue NW., Suite 540, Washington, D.C. 20036.

D. (6) $9,750. E. (9) $4,950.

A. R. Daniel Devlin, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10158.
D. (6) $385.

A. Ralph B. Dewey, Pacific Gas & Electric Co., 1050 17th Street NW., Suite 1180, Washington, D.C. 20036.
B. Pacific Gas & Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $681.50. E. (9) $809.57.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France.
D. (6) $812.50. E. (9) $5,954.79.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Government of Morocco, Rabat, Morocco.
D. (6) $1,525. E. (9) $794.78.

A. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. Sofreavia, 75 rue la Boetie, Paris 8eme, France.
D. (6) $3,035. E. (9) $2,573.08.

A. Miller D. Dial, 1850 K Street NW., Suite 550, Washington, D.C. 20006.
B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
D. (6) $500. E. (9) $137.54.

A. Charles J. DiBona, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,875.

A. John M. Dickerman, John Dickerman & Associates, Inc., 1730 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Lumber & Building Material Dealers Association, 1990 M Street NW., Suite 350, Washington, D.C. 20036.
D. (6) $6,000. E. (9) $296.78.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. American Fisheries Defense Committee, 2101 L Street, 10th Floor, Washington, D.C. 20037.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Capeway Seafoods, Inc., 16 Front Street, New Bedford, Mass. 92742.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Custom Automotive Sound Association, Inc., Suite 1000, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $1,000.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Government of Liberia, Monrovia, Liberia.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Hi-Energy Research & Development Corp., 1830 Flametree Way, Hemet, Calif. 92343.

D. (6) $600.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. L-5 Society, 1620 North Park, Tucson, Ariz. 85719.
D. (6) $240.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Marine Engineers Beneficial Association, 444 North Capitol Street, Washington, D.C. 20001.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Mitsubishi International Corp., 1111 19th Street NW., Washington, D.C. 20037.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. National Federation of Societies for Clinical Social Work, 167 Araca Road, Babylon, N.Y. 11702.
D. (6) $500.

A. Dickstein, Shapiro & Morin, 2101 L Street NW., Washington, D.C. 20037.
B. Tennessee Gas Transmission Co., P.O. Box 2511, Houston, Tex. 77001.

A. J. R. Dierker, 1150 17th Street NW., Suite 500, Washington, D.C. 20036.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

A. Nancy Dietz, 46 Austin Street, Newtonville, Mass. 02160.
B. Action for Children's Television, 46 Austin Street, Newtonville, Mass. 02160.
D. (6) $500.

A. Paula A. Dilley, Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. Timothy V. A. Dillion, 1850 K Street NW., Suite 380, Washington, D.C. 20006.
B. Westlands Water District, P.O. Box 5222, Fresno, Calif. 93744.
D. (6) $2,353.80. E. (9) $103.83.

A. Thomas A. Dine, 444 North Capitol Street NW., Suite 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Suite 412, Washington, D.C. 20001.
D. (6) $7,500.

A. Michael F. Dineen, Lumbermens Mutual Casualty Co., Suite 206, 600 Pennsylvania Avenue, SE., Washington, D.C. 20003.
B. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
D. (6) $1,800.

A. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $51,503.12. E. (9) $51,503.12.

A. J. L. Disque, 556 Morris Avenue, Summit, N.J. 07901.
B. Ciba-Geigy Corp., 556 Morris Avenue, Summit, N.J. 07901.
D. (6) $459. E. (9) $523.

A. Steven P. Doehler, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
B. Mortgage Insurance Cos. of America, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.

D. (6) $2,500.

A. Hollis M. Dole, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
D. (6) $5,000. E. (9) $86,754.68

A. Dana B. Dolloff, 1485 East Putnam Avenue, Old Greenwich, Conn. 06870.
B. International Paper Co., 1620 Eye Street NW., Suite 700, Washington, D.C. 20006.

A. Richard M. Donaldson, 1700 Guildhall Building, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio), Guildhall Building, Cleveland, Ohio 44115.

A. Timothy L. Donohoe, Enserch Corp., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Enserch Corp., 300 South Saint Paul Street, Dallas, Tex. 75201.
D. (6) $6,250. E. (9) $538.

A. William J. Donovan, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
D. (6) $300. E. (9) $222.33.

A. Francis X. Dooley, 525 School Street SW., Washington, D.C. 20024.
B. American Road & Transportation Builders Association, 525 School Street SW., Washington, D.C. 20024.
D. (6) $3,000. E. (9) $212.75.

A. Joseph W. Dorn, Kilpatrick & Cody, 2501 M Street NW., Suite 500, Washington, D.C. 20037.
B. Kilpatrick & Cody, 2501 M Street NW., Suite 500, Washington, D.C. 20037. (For: Furniture Rental Association of America.)
D. (6) $980.

A. Dean R. Dort II, Deere & Co., Suite 808, 910 17th Street NW., Washington, D.C. 20006.
B. Deere & Co., John Deere Road, Moline, Ill. 61265.
D. (6) $150.

A. Joseph K. Doss, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

A. Leo D. Dougherty, 187000 Walkers Choice, No. 404, Gaithersburg, Md. 20760.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $3,523.76. E. (9) $1,042.70.

A. Theodore Douglas, 2501 59th Street, St. Louis, Mo. 63130.
B. Missouri State Conference of Painters and Allied Trades, 2501 59th Street, St. Louis, Mo. 63130.

A. Dow, Lohnes & Albertson, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. Hampton Roads Energy Co., Security Marine Terminal Co., Suite 202, Central Office Building, 330 County Street, Portsmouth, Va. 23704.

A. Jane Lind Downey, American Movers Conference, 1117 North 19th Street (P.O. Box 9204), Arlington, Va. 22209.

B. American Movers Conference, 1117 North 19th Street (P.O. Box 9204), Arlington, Va. 22209.

A. John C. Doyle, Jr., 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,499.99.

A. John P. Doyle, Jr., Bell Helicopter Textron, 1666 K Street, Suite 300, Washington, D.C. 20006.
B. Bell Helicopter Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $3,221.87. E. (9) $1,879.05.

A. Robert H. Doyle, 1120 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.
B. Water Quality Association, 477 East Butterfield Road, Lombard, Ill. 60148.

A. Robert H. Doyle, 1120 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.
B. Water Systems Council, 221 North LaSalle Street, Chicago, Ill. 60601.

A. Nancy Drabbie, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $4,250.01.

A. James E. Drake, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,726.

A. Andrew Drance, 2020 North 14th Street, Room 402, Arlington, Va. 22201.
B. Media General, Inc., 333 East Grace Street, Richmond, Va. 23219.

A. Anthony V. Dresden, 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Jerome L. Dreyer, 1300 North 17th Street, Suite 300, Arlington, Va. 22209.
B. Association of Data Processing Services Organizations, Inc. (ADAPSO), 1300 North 17th Street, Suite 300, Arlington, Va. 22209.

A. Drinker Biddle & Reath, 1815 H Street NW., Suite 1200, Washington, D.C. 20006.
B. Phoenix Steel Corp., 4001 Philadelphia Pike, Claymont, Del. 19703.
D. (6) $925.

A. Kevin J. Driscoll, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Thomas E. Drumm, Jr., 4613 Great Oak Road, Rockville, Md. 20853.
B. MacMillan, Inc., 4613 Great Oak Road, Rockville, Md. 20853.

A. Evelyn Dubrow, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $8,775. E. (9) $3,127.54.

A. Morgan D. Dubrow, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $140.

A. Evan M. Dudik, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $6,000.

A. Henry A. Dudley, 1737 H Street NW., Washington, D.C. 20006.
B. Republic of Turkey, 1606 23d Street NW., Washington, D.C. 20008.
D. (6) $6,249 E. (9) $376.41.

A. Francis J. Duggan, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $469.55. E. (9) $397.10.

A. Evelyn Dukovic, Morality in Media, Inc., 3 East 86th Street, New York, N.Y. 10035.
B. Morality in Media, Inc., 475 Riverside Drive, Suite 239, New York, N.Y. 10115.
D. (6) $8.15.

A. Mervin E. Dullum, Delta Air Lines, Inc., 1629 K Street NW., Room No. 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $200. E. (9) $57.40.

A. Duncan, Weinberg & Miller, P.C., 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Adolph Kizas, 5715 Timothy Place, Alexandria, Va. 22303.

A. Duncan, Weinberg & Miller, P.C., 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Delaware 5.

A. Duncan, Weinberg & Miller, P.C., 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. East Bay Regional Park District, 1150 Skyline Boulevard, Oakland, Calif. 94169.

A. Duncan, Weinberg & Miller, P.C., 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Huron-Clinton Metropolitan Authority, 3050 Penobscot, Detroit, Mich. 48226.

A. Duncan, Weinberg & Miller, P.C., 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Iva May Harvey, Route 7, Box 117, Blythe, Calif. 92225.

A. Duncan, Weinberg & Miller, P.C., 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Kenai Natives Association, Inc., P.O. Box 1210, Wildwood, Kenai, Alaska 99611.

A. Duncan, Weinberg & Miller, P.C., 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Koniag, Inc., P.O. Box 746, Koniag, Alaska.

A. Duncan, Weinberg & Miller, P.C., 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.
B. Mid-West Electric Consumer Association, P.O. Box 5089, Evergreen, Colo.

A. Duncan, Weinberg & Miller, P.C., 1775 Pennsylvania Avenue NW., Suite 1200, Washington, D.C. 20006.

B. Western Fuels Association, Inc., 1225 19th Street NW., Suite 700, Washington, D.C. 20036.

A. Louise C. Dunlap, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $300.

A. Douglas C. Dunn, InterNorth, 1015 15th Street NW., Suite 900, Washington, D.C. 20005.
B. InterNorth, 1015 15th Street NW., Suite 900, Washington, D.C. 20005.
D. (6) $1,500.

A. Mari Lee Dunn, American Council for Capital Formation, 1919 Pennsylvania Avenue NW., No. 201, Washington, D.C. 20006.
B. American Council for Capital Formation, 1919 Pennsylvania Avenue NW., No. 201, Washington, D.C. 20006.
D. (6) $332.

A. James A. Dupree, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $3,600. E. (9) $1,233.66.

A. Joseph L. Duran, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. L. L. Duxbury, Burlington Northern Inc., 413 New Jersey Avenue SE., Washington, D.C. 20003.
B. Burlington Northern Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $2,400. E. (9) $1,460.53.

A. Denis J. Dwyer, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $225.

A. R. Ken Dyar, 1620 Southeast 127th Avenue, Vancouver, Wash. 98664.
B. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.

A. Jean F. Dye, National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.
B. National Congress of Parents and Teachers, 700 North Rush Street, Chicago, Ill. 60611.

A. Dennis J. Earhart, 1753 Euclid Street, NW., Washington, D.C. 20009.
B. Bonneville Associates, Inc., 200 East South Temple, Suite 300, Salt Lake City, Utah 84111. (for: Federal Research Committee, Box 8144, Salt Lake City, Utah 84108)
D. (6) $292.50.

A. Dennis J. Earhart, 1753 Euclid Street NW., Washington, D.C. 20009.
B. Bonneville Associates, Inc., 200 East South Temple Street, Suite 300, Salt Lake City, Utah 8411 (for: Roncalio & Associates, Box 1707, Cheyenne, Wyo. 82001).

A. Dennis J. Earhart, 1753 Euclid Street NW., Washington, D.C. 20009.
B. Bonneville Associates, Inc., 200 East South Temple, Suite 300, Salt Lake City, Utah 84111 (for: The Western Regional Council, Box 81244, Salt Lake City, Utah 84108).

A. Jack D. Early, The Madison Building, Suite 514, 1155 15th Street NW., Washington, D.C. 20005.

B. National Agricultural Chemicals Association, 1155 15th Street NW., Suite 514, Washington, D.C. 20005.

A. Roy W. Easley, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.

A. East-West Trade Council, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $500.

A. Patricia S. Ebaugh, St. Joe Minerals Corp., 1730 Rhode Island Avenue NW., Suite 612, Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.
D. (6) $1,531. E. (9) $144.17.

A. D. R. Ebe, Goodyear Tire & Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $1,200.

A. Robert E. Ebel, Enserch Corp., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Enserch Corp., 301 South Harwood Street, Dallas, Tex. 75201.
D. (6) $1,450. E. (9) $887.

A. Harold F. Eberle, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $3,532.93.

A. N. Boyd Ecker, Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42nd Street, New York, N.Y. 10017.
D. (6) $1,500. E. (9) $18.75.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. American Seat Belt Council, P.O. Box 467, New Rochelle, N.Y. 10802.
D. (6) $9,000. E. (9) $412.26.

A. Daniel J. Edelman, Inc., 1730 Pennsylvania Avenue NW., Suite 460, Washington, D.C. 20006.
B. Toyota Motor Sales, U.S.A., Inc., 2055 West 190th Street, Torrance, Calif. 90504.
D. (6) $2,900. E. (9) $15.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. DGA International, 1225 19th Street NW., Washington, D.C. 20034 (for Airbus Industrie, 31700 Blagnau, Toulouse, France).
D. (6) $5,790.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. DGA International, 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, No. 75 Rue La Boetie, 75008 Paris, France).
D. (6) $2,475.

A. Edelman International Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Republic of Uganda, Embassy of Uganda, 5909 16th Street NW., Washington, D.C. 20011.

D. (6) $30,000. E. (9) $25.24.

A. William R. Edgar, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
D. (6) $3,250.

A. Helen H. Edge, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $323.44.

A. Arthur B. Edgeworth, Jr., U.S. League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $3,562.50.

A. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $14,416.24. E. (9) $52,901.16.

A. Stephen L. Edmiston, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $7,826. E. (9) $371.45.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.
B. Cherokee Nation. P.O. Box 119, Tahlequah, Okla. 74464.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.
B. Doss Aviation, Inc., P.O. Box 725, Fort Rucker, Ala. 36360.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.
B. IU International Management Corp., 1500 Walnut Street Philadelphia, Pa. 19102.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.
B. Oklahoma Association of Electric Coops, P.O. Box 11047, Oklahoma City, Okla. 73111.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.
B. U.S. Maritime Committee, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.

A. EDS Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
E. (9) $1445.18.

A. Edwards Associates, 507 Second Street, NE., Washington, D.C. 20002.
Southwest Salmon Street, Portland, Oreg. 97204.

A. J. Rodney Edwards, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016

A. Macon T. Edwards, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $1,562.50. E. (9) $23.26.

A. William A. Edwards, 250 Old Country Road, Mineola, N.Y. 11501.
B. Long Island Lighting Co., 250 Old Country Road, Mineola, N.Y. 11501.
D. (6) $1,660.00. E. (9) $815.00

A. Paul S. Egan, National Legislative Commission, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $5,046. E. (9) $26.83.

A. Eggers & Greene, 1407 Main Street, Suite 335, Dallas, Tex. 75202.
B. The LTV Corp., P.O. Box 225003, Dallas, Tex. 75265.
D. (6) $3,000. E. (9) $107.98.

A. Charles E. Ehrhart, Ralston Purina Co., 1800 K Street NW., Suite 924, Washington, D.C. 20006.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.
D. (6) $400. E. (9) $134.

A. Sara Ehrman, 444 North Capitol Street NW., Suite 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Suite 412, Washington, D.C. 20001.
D. (6) $7,875.

A. Jonathan P. Ela, Sierra Club, 142 West Gorham Street, Madison, Wis. 53703.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $960.

A. H. J. Elam III, Cone Mills Corp., 1201 Maple Street, Greensboro, N.C. 27405.
B. Cone Mills Corp., 1201 Maple Street, Greensboro, N.C. 27405.

A. George K. Eliades, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
D. (6) $100. E. (9) $154.50.

A. J. Burton Eller, Jr., National Cattlemen's Association, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1000 Lincoln Street, Denver, Colo. 80203
D. (6) $1,000. E (9) $24.29.

A. Charles W. Elliott, Wisconsin Petroleum Council, 25 West Main Street, Room 703, Madison, Wis. 53703
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. John Doyle Elliott, 5500 Quincy Street, Hyattsville, Md. 20784.
D. (6) $25. E. (9) $71.12.

A. Kimberly Elliott, Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $4,875. E. (9) $47.37.

A. Dorothy A. Ellsworth, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,868.85. E. (9) $184.65.

A. Perry R. Ellsworth, National Council of Agricultural Employers, 435 Southern Building, 1425 H Street NW., Washington, D.C. 20005.

B. National Council of Agricultural Employers, 435 Southern Building, 1425 H Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $22.65.

A. Joseph T. Elvove, 54 Surfwatch Drive, Kiawah Island, S.C. 29455.
B. Publicker Industries, Inc., 777 West Putnam Avenue, Greenwich, Conn. 06830.
D. (6) $15,750. E. $10,609.38.

A. Carl F. Emde, Air Products & Chemicals, Inc., 1800 K Street NW., Suite 1016, Washington, D.C. 20006.
B. Air Products & Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.
D. (6) $50.

A. Emergency Committee for American Trade, 1211 Connecticut Avenue NW., Suite 801, Washington, D.C. 20036.
D. (6) $28,801.50. E. (9) $26,951.42.

A. Emerson Electric Co., 8000 Florissant, St. Louis, Mo. 63136.
E. (9) $1,746.21.

A. Employee Relocation Council, 1627 K Street NW., Suite 600, Washington, D.C. 20006.
E. (9) $2,189.30.

A. Lowell J. Endahl, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $175.

A. Energy Action Educational Foundation, 2000 P Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $505. E. (9) $262.97.

A. Energy Consumers & Producers Association, P.O. Box 1726, Seminole, Okla. 74868.
D. (6) $37,238.44. E. (9) $8,569.62.

A. Gertrude Engel, 2450 Virginia Avenue NW., Washington, D.C. 20037.
B. National Health Federation, P.O. Box 688, Monrovia, Calif. 91016.
D. (6) $3,000.

A. Gertrude Engel, 2450 Virginia Avenue NW., Washington, D.C. 20037.
B. York Barbell Co., York, Pa. 17405.
D. (6) $1,800. E. (9) $454.61.

A. Ralph Engel, 1001 Connecticut Avenue NW., Suite 1120, Washington, D.C. 20036.
B. Chemical Specialities Manufacturers Association, 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. Lewis A. Engman, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $2,500. E. (9) $5.

A. Patricia Hanahan Engman, 1155 15th Street NW., Washington, D.C. 20005.
B. Bristol-Myers Co., 345 Park Avenue, New York, N.Y. 10154.
D. (6) $500.

A. M. Dale Ensign, Sinclair Oil Corp., 1100 17th Street NW., Suite 406, Washington, D.C. 20036.
B. Sinclair Oil Corp., P.O. Box 1677, Englewood, Colo. 80150.
D. (6) $500. E. (9) $126.50.

A. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $45,105.16. E. (9) $44,559.43.

A. Epstein Becker Borsody & Green, P.A., 1140 19th Street NW., Suite 900, Washington, D.C. 20036.
B. American Association of Foundations for Medical Care, Suite 214, Cabin John Mall, 11325 Seven Locks Road, Potomac, Md. 20854.
D. (6) $802.50.

A. Epstein Becker Borsody & Green, P.A., 1140 19th Street NW., Suite 900, Washington, D.C. 20036.
B. American Association of Professional Standards Review Organizations, Suite 214, Cabin John Mall, 11325 Seven Locks Road, Potomac, Md. 20854.
D. (6) $22.50.

A. Vickie L. Erickson, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $600.

A. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
E. (9) $5,200.

A. European Travel Commission, 488 Madison Avenue, New York, N.Y. 10022.

A. Donald C. Evans, 290 Coconut Avenue, Sarasota, Fla. 33577.

A. Joseph O. Evans, 4401 Lee Highway, Apartment 21, Arlington, Va. 22207.

A. Evans Products Co., 1121 Southwest Salmon Street, Portland, Oreg. 97205.
E. (9) $1,000.

A. Robert D. Evans, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Fawn K. Evenson, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.
B. American Footwear Industries Association, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.
D. (6) $900. E. (9) $30.08.

A. Michael E. Paden, Union of Concerned Scientists, Inc., 1725 I Street NW., Suite 601, Washington, D.C. 20006.
B. Union of Concerned Scientists, Inc., 1384 Massachusetts Avenue, Cambridge, Mass. 02238.
D. (6) $4,650.

A. Robert R. Fahs, Cargill, Inc., 1050 17th Street NW., Suite 1202, Washington, D.C. 20036.
B. Cargill, Inc., P.O. Box 9300, Minneapolis, Minn. 55440.
D. (6) $2,500.

A. Far West Ski Association, 3325 Wilshire, Suite 1340, Los Angeles, Calif. 90010.
E. (9) $1,051.43.

A. Thomas Boyd Farley II, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,850. E. (9) $81.30.

A. The Farmers' Educational & Cooperative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $88,716.75. E. (9) $54,150.02.

A. Robert S. Faron, LeBoeuf, Lamb, Leiby & MacRae, 1333 New Hampshire Avenue NW., Washington, D.C.
B. LeBoeuf, Lamb, Leiby & MacRae, 1333 New Hampshire Avenue NW., Washington, D.C.; 140 Broadway, New York, N.Y.
D. (6) $6.12.

A. John Farquhar, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Dolores L. Farr, American Nurses' Association, 1030 15th Street NW., Washington, D.C. 20005.
B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $3,271. E. (9) $217.16.

A. Michael Farrar, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Penelope S. Parthing, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Penelope S. Farthing, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. David Fasken, Whitaker & Brooks, 608 First National Bank Building, Midland, Tex. 79701.

A. Clinton Fawcett, The Coastal Corp., Nine Greenway Plaza, Houston, Tex. 77046.
B. The Coastal Corp., Nine Greenway Plaza, Houston, Tex. 77046.

A. Jane Fawcett-Hoover, Proctor & Gamble Mfg. Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Proctor & Gamble Mfg. Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. Federation for American Immigration Reform, 2028 P Street NW., Washington, D.C. 20036.
E. (9) $2,564.23.

A. Federation of American Controlled Shipping, 50 Broadway, New York, N.Y. 10004.
D. (6) $1,450.51. E. (9) $1,450.51.

A. Federation of American Hospitals, 1111 19th Street NW., Suite 402, Washington, D.C. 20036.
D. (6) $9,000. E. (9) $9,000.

A. Roger D. Feldman, 1333 New Hampshire Avenue NW., Suite 1100, Washington, D.C. 20036.
B. LeBoeuf, Lamb, Leiby & MacRae, 1333 New Hampshire Avenue NW., Suite 1100, Washington, D.C. 20036.

A. Kenneth E. Feltman, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Fensterwald & Associates, 2101 L Street NW., Suite 203, Washington, D.C. 20037.
B. National Nutritional Foods Association, 7747 South Painter Avenue, Whittier, Calif. 90602.
D. (6) $4,250. E. (9) $618.49.

A. Edward T. Fergus, Bache Halsey Stuart Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
B. Bache Halsey Stuart Shields, Inc., 100 Gold Street, New York, N.Y. 10038.
D. (6) $700.

A. Betsy Ferguson, Times Mirror Co., 1875 Eye Street NW., Suite 1110, Washington, D.C. 20006.
B. Times Mirror Co., Times Mirror Square, Los Angeles, Calif. 90053.
D. (6) $5,500. E. (9) $20.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. Alascom, 949 East 36th Avenue, Anchorage, Alaska 99502.
E. (9) $650.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. Alaska International Industries, 3201 C Street, Suite 600, Anchorage, Alaska 99503.
D. (6) $6,400. E. (9) $675.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. Northwest Alaskan Pipeline Co., P.O. Box 1526, Salt Lake City, Utah.
D. (6) $6,900. E. (9) $775.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. U.S. Borax & Chemical Corp., 3075 Wilshire Boulevard, Los Angeles, Calif. 90010.
D. (6) $12,400. (9) $815.

A. James H. Ferguson, American Society for Personnel Administration, 1140 Connecticut Avenue NW., Suite 609, Washington, D.C. 20036.
B. American Society for Personnel Administration, 30 Park Drive, Berea, Ohio 44017.
D. (6) $7,500. E. (9) $4,483.

A. Blaine Fielding, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Gary W. Fields, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Manual D. Fierro, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $4,000. E. (9) $162.

A. Herbert A Fierst, 610 Ring Building, 1200 18th Street NW., Washington, D.C. 20036.
B. Council of Forest Industries of B.C., 1500/1055 West Hastings Street, Vancouver V6E 2H1, British Columbia, Canada.
D. (6) $11,250. E. (9) $298.

A. Matthew P. Fink, Investment Co. Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Co. Institute, Washington, D.C. 20006.

A. Sheldon I. Fink, Sonnenschein, Carlin Nath & Rosenthal, 8000 Sears Tower, Chicago, Ill. 60606.
B. First Wisconsin Mortgage Trust, 233 S. Wacker Drive, Chicago, Ill. 60606.

D. (6) $18,400. E. (9) $1,475.52.

A. Thomas D. Finnigan, Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
E. (9) $28.26.

A. M. J. Fiocco, 1909 K Street NW., Suite S-410, Washington, D.C. 20006.
B. The National Industrial Traffic League, 1909 K Street NW., Suite S-410, Washington, D.C. 20006.
D. (6) $2,500. E. (9) $14.65.

A. Laurie A. Fiori, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $317.30. E. (9) $172.18.

A. H. Barney Firestone, 10 S. LaSalle Street, Suite 1600, Chicago, Ill. 60603.
B. Assure Competitive Transportation, Inc., 10 S. LaSalle Street, Suite 1600, Chicago, Ill. 60603.

A. First Class Mailers Association, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.
E. (9) $56.

A. First Congressional District Action Committee, 6 Maxfield Court, Barrington, R.I. 02806.
D. (6) $554.25. E. (9) $716.61.

A. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
E. (9) $5,750.28.

A. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. Richard L. Fisher, Standard Oil Co. (Indiana), 1000 16th Street NW., Suite 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60601.
D. (6) $630.

A. Fisheries Development Corp., 17 Battery Place, New York, N.Y. 10004.

A. Victor E. Fitzmaurice, Union Oil Co. of California, 1100 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. Five Freedoms, Inc., P.O. Box 656, Columbia Md. 21045.

A. Hilliard J. Fjord, 602 Main Street, Room 600, Cincinnati, Ohio 45202.
B. The Ohio River Co., 580 Walnut Street, Suite 1400, Cincinnati, Ohio 45202.
D. (6) $1,500. E. (9) $317.65.

A. Susan G. Flack, American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $12.50.

A. James J. Flanagan, 25 Research Drive, Westborough, Mass. 01581.
B. New England Power Service Co., 25 Research Drive, Westborough, Mass. 01581.
D. (6) $310.14. E. (9) $75.80.

A. M. Kendall Fleeharty, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.

A. Robert P. Fogarty, 3499 Ridgewood Drive, Columbus, Ohio 43220.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Howard W. Fogt, Jr., Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006.
B. Phosphate Rock Export Association, 1311 North West Shore Boulevard, Tampa, Fla. 33607.

A. Foley & Lardner, 777 East Wisconsin Avenue, Milwaukee, Wis. 53202.
B. Smith Barney, Harris Upham & Co., Inc., 1345 Avenue of the Americas, New York, N.Y. 10019.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Family Mutual Insurance Co., 3099 East Washington Avenue, Box 7430, Madison, Wis. 53707.
D. (6) $120. E. (9) $1.80.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cabot Corp. & Subsidiaries, 125 High Street, Boston, Mass. 02110.

A. Foley, Lardner, Hollabaugh & Jacobs, Suite 1000, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. First Wisconsin National Bank of Milwaukee, 777 East Wisconsin Avenue, Milwaukee, Wis. 53202.
D. (6) $13,025. E. (9) $7.10.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Insurance Association of Connecticut, 60 Washington Street, Hartford, Conn. 06160.
D. (6) $1,000. E. (9) $5.50.

A. Foley, Lardner, Hollabaugh & Jacobs, Suite 1000, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Phosphate Rock Export Association, 1311 North West Shore Boulevard, Tampa, Fla. 33607.
D. (6) $16,715. E. (9) $612.52.

A. Food & Beverage Trades Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $10,926.34. E. (9) $10,926.34.

A. Food Marketing Institute, 1750 K Street NW. Washington, D.C. 20006.
E. (9) $10,300.

A. Foodservice & Lodging Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Carol J. Forbes, 604 North Carolina Avenue SE., Washington, D.C. 20003.
B. Grand Laboratories/Freeman, S. Dak. and Impro, Waukon, Iowa. General Leasing Corp., Rockville, Md.
D. (6) $16,150. E. (9) $15,839.

A. Forest Farmers Association, Box 95385, Atlanta, Ga. 30347.

A. Forest Industries Committee on Timber Valuation and Taxation, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,449.25. E. (9) $1,449.25.

A. Ira N. Forman, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., No. 412, Washington, D.C. 20001.
D. (6) $8,374.98.

A. Sallie H. Forman, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $975. E. (9) $217.20.

A. Robert U. Foster, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.
B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.
D. (6) $10,000.

A. Ebert E. Fournace, 3706 Eaton Road NW., Canton, Ohio 44708.
B. American Electric Power Service Corp., 180 East Broad Street, Columbus, Ohio 43215.

A. Joseph L. Fraites, Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.
B. Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

A. William H. G. France, National Motorsports Committee of ACCUS, 1701 K Street NW., No. 1204, Washington, D.C. 20006.
B. National Motorsports Committee of ACCUS, 1701 K Street NW., No. 1204, Washington, D.C. 20006.

A. Douglas L. Francisco, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $25.75.

A. J. Dee Frankfourth, P.O. Box 403, Eagle River, Alaska 99577.
B. Alaska Coalition, 530 Seventh Street SE., Washington, D.C. 20003.
D. (6) $1,750. E. (9) $109.

A. Walter L. Frankland, Jr., 1717 K Street NW., Washington, D.C. 20006.
B. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $1,074.90. E. (9) $66.37.

A. Thomas C. Franks, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $455.53.

A. Welby M. Frantz, American Movers Conference, 1117 North 19th Street, P.O. Box 9304, Arlington, Va. 22209.
B. American Movers Conference, 1117 North 19th Street, P.O. Box 9304, Arlington, Va. 22209.

A. Robert M. Frederick, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $4,212.50.

A. Free Alaska Lands Committee, 425 6th Street, Suite 930, Anchorage, Alaska 99501.

D. (6) $37. E. (9) $1,636.49.

A. Free the Eagle, 7927 Jones Branch Drive, Suite 400, McLean Va. 22102.
D. (6) $4,500. E. (9) $48,067.78

A. Leslie E. Freed, American Can Co., 1660 L Street NW., Suite 201, Washington, D.C. 20036.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
E. (9) $180.97.

A. James O. Freeman, U.S. League of Savings Associations, 1709 New York Avenue, Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $3,555.

A. Linda J. Freeman, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $275.

A. David W. Freer, Western Oil & Gas Association, 2101 L Street NW., Washington, D.C. 20037.
B. Western Oil & Gas Association, 727 West 7th Street, Suite 850, Los Angeles Calif. 90017.
D. (6) $525.

A. Pamela B. Freer, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
B. International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $4,610. E. (9) $45.10.

A. Verrick O. French, National Retail Merchants Association, 1000 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $550. E. (9) $15.

A. George L. Frick, Delaware Oil Men's Association, 20 East Division Street, Dover, Del. 19901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Susan Fridy, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $1,575.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Automotive Dismantlers & Recyclers of America, 1000 Vermont Avenue, Washington, D.C. 20006.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Beth Israel Medical Center, 10 Nathan Perlman Place, New York, N.Y. 10003.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Dr. Halla Brown, 2475 Virginia Avenue NW., Washington, D.C. 20037.
E. (9) $1.35

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Czechoslavak claimants.
E. (9) $44.81.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Davy McKee, 6200 Oak Tree Boulevard, Cleveland, Ohio 44131.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Schenley Industries, Inc., 888 Seventh Avenue, New York, N.Y. 10019.

A. Fried, Frank, Harris, Shriver & Kampelman, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
B. Sea Colony, Inc., c/o Carl Freeman Associates Inc., Cabin John Center, 11325 Seven Locks Road, Potomac, Md. 20854.
D. (6) $20,546.25. E. (9) $394.35.

A. Philip P. Friedlander, Jr., 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.
D. (6) $1,500.

A. Barry A. Friedman, Wilner & Scheiner, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. 10022.

A. Gay H. Friedmann, 1150 Connecticut Avenue NW., No. 717, Washington, D.C. 20036.
B. Southern California Gas Co., 720 West 8th Street, M.L. 1208, Los Angeles, Calif. 90017.
D. (6) $5,310.

A. James M. Friedman, 650 Terminal Tower, Cleveland, Ohio 44113.
B. Cleveland Electric Illuminating Company, 55 Public Square, Cleveland, Ohio 44113.

A. Margery Sinder Friedman, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.
B. Morgan, Lewis & Bockius (for Evans Products, 1121 S.W. Salmon Street, Portland, Oreg. 97208), 1800 M Street NW., Suite 800N, Washington, D.C. 20036.

A. Gustave Fritschle, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Fisheries Institute, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
D. (6) $6,000. E. (9) $50.

A. Charles H. Fritts, 2009 North 14th Street, Suite 600, Arlington, Va. 22201.
B. New Bedford Seafood Council, Inc., 17 Hamilton Street, New Bedford, Mass. 02740.
D. (6) $6,600. E. (9) $216.67.

A. Charles H. Fritzel, National Association of Independent Insurers, 499 South Capitol Street SW., No. 401, Washington, D.C. 20003.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $300. E. (9) $150.

A. Jeffrey A. Fritzlen, Tenneco Inc., 490 L'Enfant Plaza East SW., Suite 2202, Washington, D.C. 20024.
B. Tenneco Inc., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $1,000.

A. Gordon H. Fry, 1130 19th Street NW., Suite 410, Washington, D.C. 20036.
B. Cigar Association of America, Inc., 1130 19th Street NW., Suite 410, Washington, D.C. 20036.

A. Fulbright & Jaworski, 1150 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.
B. Kenyon & Kenyon, 1101 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.

A. Fulbright & Jaworski, 1150 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.
B. Kenyon & Kenyon, 3300 North West Yeon Avenue, Portland, Oreg. 97210.

A. Full Employment Action Council, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $7,147.

A. Richard G. Fuller, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $1,104.

A. Ronald K. Fuller, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. San Diego Gas and Electric Co., 101 Ash Street, San Diego, Calif. 92101.
D. (6) $1,200. E. (9) $105.

A. Fulton Energy Corp., 5201 Leesburg Pike, Suite 205, Falls Church, Va. 22041.

A. Claudia R. Fuquay, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $50.50.

A. David H. Fyock, P.O. Box 376, Germantown, Md. 20767.
B. GPU Service Corp., 100 Interpace Parkway, Parsippany, N.J. 07054.
D. (6) $2,083. E. (9) $474.64.

A. Terry Gabrielson, Transcontinental Gas Pipe Line Corp., 490 L'Enfant Plaza SW., No. 3202, Washington, D.C. 20024.
B. Transcontinental Gas Pipe Line Corp., 2700 South Post Oak Road, Houston, Tex. 77001.
D. (6) $450.

A. James E. Gaffigan, American Hotel & Motel Association, 1101 Connecticut Avenue NW., Suite 1006, Washington, D.C. 20036.
B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $888.46.

A. Norman S. Gaines, RJR Industries, Inc., 2550 M Street NW., Suite 770, Washington, D.C. 20037.
B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $619.

A. Michael R. Gale, 444 North Capitol Street NW., Suite 412, Washington, D.C. 20001.
B. American Israel Public Affairs Committee, 444 North Capitol Street NW., Suite 412, Washington, D.C. 20001.
D. (6) $4,326.92.

A. Ann E. Gallagher, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
D. (6) $150.

A. Mark J. Gallagher, 1707 L Street NW., Suite 400, Washington, D.C. 20036.
B. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., Suite 400, Washington, D.C. 20036.

D. (6) $4,822. E. (9) $2,181.

A. William R. Ganser, Jr., 4804 Folse Drive, Metairie, La. 70002.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $1,658.50.

A. Robert M. Gants, 1101 15th Street NW., Washington, D.C. 20005.
B. National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005.

A. M. D. Garber, Jr., Phillips Petroleum Co., 2101 L Street NW., 6th Floor, Washington, D.C. 20037.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. Gardner, Carton & Douglas, 1875 I Street NW., No. 1050, Washington, D.C. 20006.
B. Council of Industrial Boiler Owners, 11222 Silverleaf Drive, Fairfax Station, Va. 22039.

A. Gardner, Carton & Douglas, 1875 I Street NW., No. 1050, Washington, D.C. 20006.
B. Heizer Corp., 20 North Wacker Drive, Chicago, Ill. 60606.

A. Gardner, Carton & Douglas, 1875 I Street NW., No. 1050, Washington, D.C. 20006.
B. Marathon Oil Co., 1800 M Street, NW., Washington, D.C. 20036.

A. Gardner, Carton & Douglas, 1875 I Street NW., No. 1050, Washington, D.C. 20006.
B. Peoples Gas Co., 1875 I Street NW., No. 1050, Washington, D.C. 20006.

A. Gardner, Carton & Douglas, 1875 I Street NW., No. 1050, Washington, D.C. 20006.
B. Sealed Power Corp., 2001 Sanford Street, Muskegon, Mich. 49443.

A. Gardner, Carton & Douglas, 1875 I Street NW., No. 1050, Washington, D.C. 20006.
B. Zeigler Coal Co., 1700 North Moore Street, Arlington, Va. 22209.

A. Sherwin Gardner, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Theodore J. Garrish, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.
B. American Metal Detectors Manufacturers, Inc., 2814 National Drive, Garland, Tex. 75041.

A. Theodore J. Garrish, National Outdoor Coalition, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.
B. National Outdoor Coalition, 8387 Tamarind Avenue; Fontana, Calif. 92335.

A. James J. Garry, Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.
B. Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

A. E. June Garvin, Ohio Petroleum Council, 88 East Broad Street, Suite 1960, Columbus, Ohio 43215.
B. American Petroleum Institute, 2101 L Street NW., Washington D.C. 20037.
D. (6) $150. E. (9) 32.15.

A. W. Bradford Gary, Anheuser-Busch Cos., Inc. 1211 Connecticut Avenue NW., Suite 502, Washington, D.C. 20036.
B. Anheuser-Busch Companies, Inc., 721 Pestalozzi Street, St. Louis, Mo. 63118.
E. (9) $10.

A. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $75.

A. Lillian B. Gaskin, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Philip Gasteyer, U.S. League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $2,100.

A. Margaret L. Gehres, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,300. E. (9) $176.96.

A. Robert C. Gelardi, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.
B. The Robert H. Kellen Co., 5775 Peachtree-Dunwoody Road, Suite 500-D. Atlanta, Ga. 30342 (for: Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342).
D. (6) $1,200.

A. Morton A. Geller, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Jose A. Gemell, 1100 17th Street NW., Suite 302, Washington, D.C. 20036.
B. Samuel E. Stavisky & Associates Inc., 1100 17th Street NW., Washington, D.C. 20036. (for: Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10153.)
E. (9) $50.

A. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
E. (9) $3,250.

A. General Instrument Corp., 1775 Broadway, New York, N.Y. 10019.
D. (6) $1,250. E. (9) $457.30.

A. Georgia Association of Petroleum Retailers, Inc., 315 W. Ponce de Leon Avenue, 933 First National Bank Building, P.O. Box 789, Decatur, Ga. 30031.
B. Service Station Dealers of America, Inc., 2021 K Street NW., Washington, D.C. 20006.
E. (9) $2,500.

A. Joseph G. Gerard, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $999. E. (9) $710.01.

A. Louis Gerber, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $6,956.52 E. (9) $64.50.

A. Dorothy F. Gevinson, Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. William T. Gibb III, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $850. E. (9) $ 5.

A. Wayne Gibbens, Mid-Continent Oil & Gas Association, 1919 Pennsylvania Avenue NW., Suite 503, Washington, D.C. 20006.
B. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $1,540. E. (9) $ 36.

A. Anne Marie Gibbons, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
D. (6) $400

A. John A. C. Gibson, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $10,625. E. (9) $2,313.19.

A. Thomas F. Gibson, 1750 Old Meadow Road, McLean, Va. 22102.
B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.

A. Theresa M. Gibson, American Express Co., 1700 K Street NW., Washington, D.C. 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. William G. Giery, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foodservice and Lodging Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Arthur P. Gildea, 274 Glenfield Court, Cincinnati, 45238.
B. Brewery & Soft Drink Workers National Conference International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America, 1400 Renaissance Drive, Park Ridge, Ill. 60068.

A. Michael Gildea, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $13,305.

A. John E. Giles, 1600 Eye Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 Eye Street NW., Washington, D.C. 20006.

A. Mark W. Gillaspie, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.

A. Neal P. Gillen, American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.
B. American Cotton Shippers Association, 1707 L Street NW., Suite 460, Washington, D.C. 20036.
D. (6) $15,000. E. (9) $1,180.75.

A. Joe L. Gilmore, Chrysler Defense, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.

B. Chrysler Defense, Inc., 6000 E. 17-Mile Road, Sterling Heights, Mich. 48078.

A. Michael J. Giuffrida, National Frozen Food Association, Inc., 1019 19th Street NW., Suite 800, Washington, D.C. 20036.
B. National Frozen Food Association, Inc., P.O. Box 398, Hershey, Pa. 17033.
D. (6) $450.

A. Sol Glasner, Sperry Corp., 2000 L Street NW., Suite 810, Washington, D.C. 20036.
B. Sperry Corp., 2000 L Street NW., Suite 810, Washington, D.C. 20036.

A. George L. Gleason, 410 First Street SE., Washington, D.C. 20036.
B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
D. (6) $2,960.31. E. (9) $67.32.

A. John P. Gleason, Jr., 1750 Old Meadow Road, McLean, Va. 22102.
B. Brick Institute of America, 1750 Old Meadow Road, McLean, Va. 22102.

A. Law Offices of Thomas W. Gleason, One State Street Plaza, New York, N.Y. 10004.
B. International Longshoremen's Association, AFL-CIO, 17 Battery Place, New York, N.Y. 10004.

A. The Glenmede Trust Co., 229 South 18th Street, Philadelphia, Pa. 19103.

A. J. F. Godfrey, P.O. Box 186, Fort Worth, Tex. 76101.
B. The Western Company of North America, P.O. Box 186, Fort Worth, Tex. 76101.
D. (6) $16.

A. Harvey S. Gold, Velsicol Chemical Corp., 1015 15th Street NW., Suite 909, Washington, D.C. 20005.
B. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.
D. (6) $300. E. (9) $50.

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien, Servanty, 31700 Blagnac, France).

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. Howard S. Goldberg, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 rue la Boetie, Paris 8eme, France).

A. Carl Goldfield, American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
D. (6) $500.

A. William M. Goldstein, Morgan, Lewis & Bockius, 123 South Broad Street, Philadelphia, Pa. 19109.
B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800 N, Washington, D.C. 20036.

A. Jack Golodner, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Actors Equity Association, 165 W. 46th Street, New York, N.Y.
D. (6) $2500. E. (9) $322.44.

A. Jack Golodner, 815 16th Street NW., Washington, D.C. 20006.
B. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $3,132.99.

A. Ruth Gonze, American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $500.

A. Don A. Goodall, American Cyanamid Co., 1575 I Street NW., Suite 220, Washington, D.C. 20005.
B. American Cyanamid Co., Wayne, N.J. 07470.
D. (6) $429. E. (9) $199.84.

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for government of Morocco, Rabat, Morocco).

A. Charles E. Goodell, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 rue la Boetie, Paris 8eme, France).

A. Vance V. Goodfellow, 304 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
B. Crop Quality Council, 304 Fourth Avenue South, P.O. Box 15047, Minneapolis, Minn. 55415.
D. (6) $7,423.32.

A. Robert F. Goodwin, Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.
B. Meredith Corp., 1850 K Street NW., Suite 275, Washington, D.C. 20006.
D. (6) $40. E. (9) $33.

A. Peter J. Gossens, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
D. (6) $9,300. E. (9) $213.18.

A. John R. Graff, Suite 330, 1025 Vermont Avenue NW., Washington, D.C. 20005.
B. International Association of Amusement Parks and Attractions, Suite 303, 7222 West Cermak Road, North Riverside, Ill. 60546.

A. Lawrence T. Graham, American Hotel & Motel Association, 1101 Connecticut Avenue NW., Suite 1006, Washington, D.C. 20036.
B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $888.46.

A. Luis L. Granados, Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.
B. The ESOP Association of America, 47 Kearny Street, San Francisco, Calif. 94108.
D. (6) $1,875. E. (9) $604.04.

A. Edward Shawn Grandis, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,500.

A. William W. Grant, Utah International Inc., 1150 Connecticut Avenue NW., Suite 710, Washington, D.C. 20036.
B. Utah International Inc., 550 California Street, San Francisco, Calif. 94104.
E. (9) $683.22.

A. James L. Granum, Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
B. Southern Railway Co., 920 15th Street NW., Washington, D.C. 20005.
D. (6) $1,000.

A. Michael R. Graul, Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.
B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.
D. (6) $1,000.

A. James A. Gray, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va., 22102.
D. (6) $639.63. E. (9) $25.

A. Mark E. Grayson, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Mark E. Grayson, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Health Insurance Association of America, Washington, D.C.).

A. Mark E. Grayson, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Navajo Nation, Window Rock, Ariz.).

A. Mark E. Grayson, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, NY, 10017 (for RKO General, New York, N.Y.).

A. Mark E. Grayson, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017, (for Seattle First National Bank, Seattle, Wash).

A. Mark E. Grayson, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for Uniroyal, Inc., Washington, D.C.).

A. Samuel A. Grayson, Union Pacific Railroad Co., P.O. Box 1745, Boise, Idaho 83701.
B. Union Pacific Railroad Co., 1416 Dodge Street, Omaha, Nebr. 68179.

A. The Great Western Sugar Co., P.O. Box 5308 T.A., Denver, Colo., 80217.

E. (9) $509.70.

A. Donald R. Greeley, Celanese Corp., 1101 17th Street NW., Suite 307, Washington, D.C. 20036.
B. Celanese Corp., 1211 Avenue of the Americas, New York N.Y. 10036.
D. (6) $750. E. (9) $94.85.

A. George R. Green, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $900.

A. James W. Green, National Education Association, 1201 16th Street NW., Washington D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $2,156.40 E. (9) $169.55.

A. Mark Green, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Alison E. Greene, March of Dimes Birth Defects Foundation, 1707 H Street NW., Suite 600, Washington, D.C. 20006.
B. March of Dimes Birth Defects Foundation, 1275 Mamaroneck Avenue, White Plains, N.Y. 10605.
D. (6) $2,500. E. (9) $237.91

A. P. Michael Greenwald, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $430.33.

A. Saunders Gregg, Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.
B. Entex, Inc., P.O. Box 2628, Houston, Tex. 77001.
D. (6) $1,417. E. (9) $3,121.72.

A. Lori Gribbin, Rohm & Haas Co., 1899 L Street NW., Suite 807, Washington, D.C. 20036.
B. Rohm & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
D. (6) $500.

A. Harold H. Griffin, Family Health Program, Inc., 1050 17th Street NW., Suite 320, Washington, D.C. 20036.
B. Family Health Program, Inc., 9930 Talbert Avenue, Fountain Valley, Calif. 92708.
D. (6) $2,750. E. (9) $126.89.

A. Joan M. Griffin, 1717 Massachusetts Avenue N.W., Suite 503, Washington, D.C. 20036.
B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue, NW., Suite 503, Washington, D.C. 20036.
D. (6) $4,500. E. (9) $50.53.

A. L. George Griffin, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500.

A. Edward D. Griffith, Atlantic Richfield Co., 1333 New Hampshire Avenue, NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $1,000.

A. Mark N. Griffiths, National Association of Manufacturers, 1776 F Street N.W., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $4,375. E. (9) $35.45.

A. A. Jack Grimes, 8150 Leesburg Pike, No. 1100, Vienna, Va. 22180.
B. National Pest Control Association.

A. Robert J. Grimm, 9 West 57th Street, New York, N.Y. 10019.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

A. Gary Grobman, Suite 704, 1735 I Street NW., Washington, D.C. 20006.
B. Smith and Howard Associates, Inc., Suite 704, 1735 I Street NW., Washington, D.C. 20006.
D. (6) $900. E. (9) $55.

A. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Ad Hoc Group on Life Insurance Company Taxation of Pension Funds, c/o Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
D. (6) $1,500. E. (9) $8.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Aetna Life & Casualty, 151 Farmington Road, Hartford, Conn. 06115.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. American President Lines, 1950 Franklin Street, Oakland, Calif. 94612.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Connecticut General Insurance Co., Hartford, Conn. 06115.

A. Groom and Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Eli Lilly and Co., 307 E. McCarty Street, Indianapolis, Ind. 46206.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. The Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $100. E. (9) $6.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. John Hancock Mutual Life Insurance Co., P.O. Box 111, Boston, Mass. 02117.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Matson Navigation, 333 Market Street, San Francisco, Calif. 94105.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Natomas Co., 601 California Street, San Francisco, Calif. 94108.
D. (6) $100. E. (9) $6.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Phoenix Mutual Life Insurance Co., One American Row, Hartford, Conn. 06115.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. The Prudential Insurance Co. of America, Prudential Plaza, Newark, N.J. 07101.
D. (6) $250. E. (9) $8.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. The Travelers, One Tower Square, Hartford, Conn. 06115.

A. Groom & Nordberg, 1775 Pennsylvania Avenue NW., Suite 450, Washington, D.C. 20006.
B. Western Conference of Teamsters Pension Trust Fund, P.O. Box 7880, San Francisco, Calif. 94102.

A. David B. Gross, Shell Oil Co., Suite 200, 1025 Connecticut Avenue, Washington, D.C. 20036.
B. Shell Oil Co., One Shell Plaza (P.O. Box 2463), Houston, Tex. 77001.
D. (6) $1,000.

A. Nina G. Gross, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,400. E. (9) $346.97.

A. Frank N. Grossman, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.
D. (6) $1,500. E. (9) $300.

A. Jerome Grossman, Council for a Livable World, 11 Beacon Street, Boston, Mass. 02108.
B. Council for a Livable World, 11 Beacon Street, Boston, Mass. 02108.
D. (6) $5,236.82.

A. John R. Groundwater, Jr., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

A. Gail Pardue Grubb, 1101 15th Street, Suite 205, Washington, D.C. 20005.
B. Home Health Services & Staffing Association, 1101 15th Street NW., Suite 205, Washington, D.C. 20005.
D. (6) $1,500.

A. Richard P. Guay, 1101 15th Street NW., Washington, D.C. 20005.
B. National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005.

A. Jerome R. Gulan, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $4,500.

A. Jerome R. Gulan, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Gun Owners of America, Inc. 101 S. Whiting Street, Alexandria, Va. 22304.

D. (6) $94,195.26. E. (9) $69,510.89.

A. Thomas M. Gunn, P.O. Box 516, St. Louis, Mo. 63166.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

A. David Gusky, National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $3,759.66.

A. Susan L. Gustafson, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Robert F. Guthrie, 815 16th Street NW., Washington, D.C. 20006.
B. Department for Professional Employees, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $9,838.24.

A. Ellen Haas, Community Nutrition Institute, 1146 19th Street NW., Washington, D.C. 20036.
B. Community Nutrition Institute, 1146 19th Street NW., Washington, D.C. 20036.
E. (9) $6.00.

A. C. James Hackett, American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.
B. American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.

A. James M. Hacking, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $461.53. E. (9) $277.65.

A. Craig Hackler, 400 North Capitol Street NW., Suite 320, Washington, D.C. 20001.
B. Beneficial Management Corp., 200 South Street, Morristown, N.J. 07960.

A. Craig Hackler, 400 North Capitol Street NW., Suite 320, Washington, D.C. 20001.
B. Cadillac Fairview U.S., Inc., c/o The Corporation Trust Co., 100 West 10th Street, Wilmington, Del. 19801.
D. (6) $3,000.

A. Craig Hackler, 400 North Capitol Street NW., Suite 320, Washington, D.C. 20001.
B. California Westside Farmers, 955 L'Enfant Plaza North SW., Room 1101, Washington, D.C. 20024.

A. Craig Hackler, 400 North Capitol Street NW., Suite 320, Washington, D.C. 20001.
B. National Living Centers, 777 South Post Oak Road, Suite 600, Houston, Tex. 77056.

A. Craig Hackler, 400 North Capitol Street NW., Suite 320, Washington, D.C. 20001.
B. Stichting Philips Pensioenfonds A and B, Tramstraat 62, Eindhoven, The Netherlands.

A. George Hackler, 400 North Capitol Street NW., Suite 320, Washington, D.C. 20001.
B. Cadillac Fairview U.S., Inc., c/o The Corporation Trust Co., 100 West 10th Street, Wilmington, Del. 19801.

A. Loyd Hackler, American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $52.85.

A. William G. Haddeland, Minnesota Petroleum Council, 300 Northern Federal Building, St. Paul, Minn. 55102.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Ann Hagemann, 6503 North Rochester Street, Falls Church, Va. 22043.
B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C. 20036.

A. Ronald D. Hagen, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $288.46. E. (9) $61.94.

A. Bruce N. Hahn, 9300 Livingston Road, Washington, D.C. 20022.
B. National Tool, Die & Precision Machining Association, 9300 Livingston Road, Washington, D.C. 20022

A. James S. Hahn, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,500. E. (9) $343.20.

A. Donald M. Haines, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $7,408.10.

A. Thomas F. Hairston, Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
E. (9) $1,141.91.

A. Haley, Bader & Potts, 1730 M Street NW., Washington, D.C. 20036.
B. Pilots Rights Association, P.O. Box 7000-367, Redondo Beach, Calif. 90277.
D. (6) $35. E. (9) $219.14.

A. Cheryl A. Haley, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $317.67. E. (9) $35.05.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.
B. Agri-Business Inc., 11411 Rendezvous, San Antonio, Tex. 78216.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.
B. American Energy Inc., Forman, N. Dak. 58032.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.
B. Central Texas Grain Products Marketing Cooperative, Box 184, Hutto, Tex. 78634.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.
B. Grain Products Alcohol Cooperatives, 1 Pleasant Valley Plaza, 2200 Hidden Valley Drive, Little Rock, Ark. 72212.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.
B. M&M/Mars Division of Mars, Inc., High Street, Hackettstown, N.J. 07840.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.
B. New England Mutual Life Insurance Co., 501 Boylston Street, Boston, Mass. 02117.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.
B. Operation Independence, 406 San Jacinto Building, Austin, Tex. 78701.

A. Martin Ryan Haley & Associates, Inc., 1015 15th Street NW., Washington, D.C. 20005.
B. Tobacco Tax Council, P.O. Box 8269, 5407 Patterson Avenue, Richmond, Va. 23226.

A. Hall Estill, Hardwick, Gable, Collingsworth & Nelson, P.C, 1750 K Street NW., Suite 350, Washington, D.C. 20006.
B. The Williams Cos.; P.O. Box 2400, Tulsa, Okla. 74101.

A. Richard F. Hall, Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.
D. (6) $900. E. (9) $333.

A. Joseph Halow, North American Export Grain Association, Inc.,1800 M Street NW., Suite 610-N, Washington, D.C. 20036.
B. North American Export Grain Association, 1800 M Street NW., Suite 610-N, Washington, D.C. 20036.
D. (6) $450.

A. Maurice E. Halsey, Northern Illinois Gas Co., 1627 K Street NW., Suite 202, Washington, D.C. 20006.
B. Northern Illinois Gas Co., P.O. Box 190, Aurora, Ill. 60507.
D. (6) $2,500.

A. Jerald V. Halvorsen, Allied-General Nuclear Services, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.
D. (6) $5,000.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Belize Sugar Industries, Ltd., Belize City, Belize (Central America).

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Beneficial Foundation, 1300 Market Street, Wilmington, Del.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Government of Republic of Panama, Compania Azucarera La Estrella, S.A., and Azucarera Nacional, S.A., Panama City, Panama.
E. (9) $5.39.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.

B. National Wool Growers Association, 600 Crandall Building, Salt Lake City, Utah 84101.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. Sugar Association of the Caribbean, Port of Spain, Trinidad.
E. (9) $84.43.

A. Hamel, Park, McCabe & Saunders, 1776 F Street NW., Washington, D.C. 20006.
B. United Student Aid Funds, Inc., 200 East 42d Street, New York, N.Y. 10017.

A. Bruce Hamilton, Sierra Club, Box 1078, Lander, Wyo. 82520.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $450. E. (9) $252.58.

A. James L. Hamilton III, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $113.75. E. (9) $93.55.

A. Philip W. Hamilton, 1901 L Street NW., No. 711, Washington, D.C. 20036.
B. Hamilton & Associates, Inc., 1901 L Street NW., No. 711, Washington, D.C. 20036 (for: National Labor-Management Foundation, Louisville, Ky.).

A. Stanley Hamilton, Common Carrier Conference-Irregular Route, 1616 P Street NW., Suite 204, Washington, D.C. 20036.
B. Common Carrier Conference-Irregular Route, 1616 P Street NW., Suite 204, Washington, D.C. 20036.
D. (6) $500. E. (9) $50.

A. J. E. Hansen, Brotherhood of Railroad Signalmen, 400 First Street NW., Washington, D.C. 20001.
B. Brotherhood of Railroad Signalmen, 601 West Golf Road, Mount Prospect, Ill. 60056.
D. (6) $350

A. Jill A. Hanson, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
D. (6) $1,000

A. Rayburn Hanzlik, 523 West Sixth Street, Suite 400, Los Angeles, CA 90014.
B. The Coastal Corp., 9 Greenway Plaza, Houston, Tex. 77046.
D. (6) $1,916.25. E. (9) $ 1,041.10

A. Peter J. Hapworth, 1511 K Street NW., Washington, D.C. 20005.
B. The Sugar Association, Inc., 1511 K Street NW., Washington, D.C. 20005.
D. (6) $437.50. E. (9) $ 228.52.

A. William E. Hardman, 9300 Livingston, Road, Washington, D.C. 20022.
B. National Tooling & Machining Association, 9300 Livingston Road, Washington, D.C. 20022.

A. Eugene J. Hardy, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Andrew E. Hare, 8001 Braddock Road, Suite 600, Springfield, Va. 22160.
B. National Right To Work Committee, 8001 Braddock Road, Springfield, Va. 22160.
D. (6) $250. E. (9) $122.

A. Charles N. Harkey, Beneficial Management Corporation of America, 1700 North Moore Street, 1925 Rosslyn Center Building, Arlington, Va. 22209.
B. Beneficial Management Corporation of America, 1300 Market Street, Wilmington, Del. 19899.

A. Bryce L. Harlow, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Donald L. Harlow, 310 Riley Street, Falls Church, Va. 22046.
B. Air Force Sergeants Association, 5211 Auth Road, Camp Springs, Md. 20023.

A. John L. Harmer, 350 South 400 East, Suite G-5, Salt Lake City, Utah 84111.
D. (6) $15,000. E. (9) $3,850.

A. C. Wayne Harmon, Gulf Oil Corp., 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $250. E. (9) $110.15.

A. Robert L. Harness, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $450. E. (9) $441.15.

A. Wiley C. Harrell, Anheuser-Busch Cos., Inc., 1211 Connecticut Avenue NW., Suite 502, Washington, D.C. 20036.
B. Anheuser-Busch Cos., Inc., 721 Pestalozzi Street, St. Louis, Mo. 63118.
E. (9) $10.

A. Michael T. Harrigan, 2033 M Street NW., Washington, D.C. 20036.
B. United States Olympic Committee, 1750 East Boulder, Colorado Springs, Colo. 80909.

A. Toni Harrington, American Honda Motor Co., Inc., 955 L'Enfant Plaza SW., Suite 905, Washington, D.C. 20024.
B. American Honda Motor Co., Inc., 100 West Alondra Boulevard, Gardena, Calif. 90247.
D. (6) $150. E. (9) $119.53.

A. Robert H. Harris, General Electric Co., 777 14th Street, Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $380.

A. Robert L. Harris, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $50.

A. Jim Harrison, Committee of Urban Program Universities, 1300 19th Street NW., Suite 220, Washington, D.C. 20036.
B. Committee of Urban Program Universities, 1300 19th Street NW., Suite 220, Washington, D.C. 20036.
D. (6) $5,750.

A. Richard Hart, National Association of Manufacturers, 601 North Vermont, Los Angeles, Calif., 90004.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $300. E. (9) $15.

A. Charles D. Hartman, Texaco, Inc., 1050 17th Street NW., Suite 500, Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $425.75.

A. Robert S. Hartmann, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Norman B. Hartnett, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $16,541. E. (9) $1,212.56.

A. Clifford J. Harvison, National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Michael M. Hash, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $2,935.14. E. (9) $102.35.

A. Walter A. Hasty, Jr., Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 20006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. Rodney E. Haugh, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Rubber Manufacturers Association, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Mary W. Haught, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $700. E. (9) $38.60.

A. Charles W. Havens III, 1025 Connecticut Avenue NW., Suite 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., Suite 512, Washington, D.C. 20036.

A. Sidney G. Hawkes, The Mead Corp., 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Mead Corp., Mead World Headquarters, Courthouse Plaza Northeast, Dayton, Ohio 45463.

A. John H. Hawkins, Jr., Alabama Power Co., 600 North 18th Street, Birmingham, Ala. 35291.
B. Alabama Power Co., 600 North 18th Street., Birmingham, Ala. 35291.
D. (6) $8,814. E. (9) $546.49.

A. Patrick B. Healy, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $543.75.

A. Robert L. Healy, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $285.

A. Heavy Specialized Carriers Conference, Inc., 1156 16th Street NW, Washington, D.C. 20036.

A. William H. Hecht, 1875 I Street NW., Washington, D.C. 20006.

B. The Tobacco Institute, 1875 I Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Jay Hedlund, 2030 M Street NW., Washington, D.C. 20036.
Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $5,750. E. (9) $177.53

A. Edward D. Heffernan, Shannon, Heffernan, Moseman & Goren, Suite 1025, 1875 I Street NW., Washington, D.C. 20006.
B. Ductile Iron Pipe Research Association, Oak Brook, Ill.

A. Edward D. Heffernan, Shannon, Heffernan, Moseman & Goren, Suite 1025, 1875 I Street NW., Washington, D.C. 20006.
B. E Street Associates, Washington, D.C.

A. Edward D. Heffernan, Shannon, Heffernan, Moseman & Goren, Suite 1025, 1875 I Street NW., Washington, D.C. 20006.
B. State of Alaska, Anchorage, Alaska.
D. (6) $11,002.50.

A. John F. Heilman, Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $11,596. E. (9) $515.22.

A. Kristine E. Heine, Toyota Motor Sales, U.S.A., Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Toyota Motor Sales, U.S.A., Inc., 2055 West 190th Street, Torrance, Calif. 90504.
D. (6) $2,800.

A. Robert B Heinet, Box 569 LOW, Locust Grove, Va. 22508.
B. Gerber Products Co., Fremont, Mich.
D. (6) $6,000. E. (9) $2,634.05.

A. Helicopter Association of America, Inc., 1110 Vermont Avenue NW., Suite 430, Washington, D.C. 20005.
E. (9) $12,368.

A. Steven B. Hellem, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $2,500.

A. Harry V. Helton, Reynolds Metals Co., P.O. Box 27003, Richmond, Va. 23261.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.

A. Noel Hemmendinger, Arter Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Arter Hadden & Hemmendinger, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006 (for: Japan Iron & Steel Exporters' Association, Tokyo, Japan).

A. Douglas F. Henderson, Rocky Mountain Oil & Gas Association, 1155 15th Street NW., Suite 314, Washington, D.C. 20006.
B. Rocky Mountain Oil & Gas Association, 345 Petroleum Building, Denver, Colo. 80202.
E. (9) $33.

A. John B. Henderson, Textron Inc., 1666 K Street NW., Suite 300, Washington, D.C. 20006.
B. Textron Inc., 40 Westminister Street, Providence, R.I. 02903.
D. (6) $1,990. E. (9) $280.

A. Richard Dean Henderson, Private Truck Council of America, Inc., 1101 17th Street NW, Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW, Suite 310, Washington, D.C. 20036.
E. (9) $30.

A. Edmund P. Hennelly, 150 East 42d Street, New York, N.Y. 10017.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500.

A. George F. Hennrikus, Jr., The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $3,954.

A. Donald A. Henriksen, 515 South Flower Street, Los Angeles, Calif. 90071.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.

A. Lawrence R. Herman, Independent Insurance Agents of America, Inc., 1120 19th Street NW, Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $1,843.27.

A. Lyla M. Hernandez, American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Potomac, Md. 20854.
B. American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Potomac, Md. 20854.
E. (9) $14.

A. Heublein, Inc., Munson Road, Farmington, Conn. 06032.
E. (9) $18,940.

A. Ted A. Heydinger, 1615 H Street NW, Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW, Washington, D.C. 20062.
D. (6) $1,650. E. (9) $98.20.

A. Andrew I. Hickey, Jr., Federal National Mortgage Association, 3900 Wisconsin Avenue NW, Washington, D.C. 20016.
B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW, Washington, D.C. 20016.
D. (6) $20,687.48 E. (9) $1,097.91.

A. Paul T. Hicks, Rhode Island Petroleum Association, 154 Francis Street, Providence, R.I. 02903.
B. American Petroleum Institute, 2101 L Street NW Washington, D.C. 20037.
D. (6) $100.

A. Hide Action Program, 1611 North Kent Street, Suite 900, Arlington, Va. 22209.

A. J. Thomas Higginbotham, Mellon Bank N.A., Pittsburgh, Pa. 15230.
B. Mellon Bank N.A. and Mellon National Corp., Mellon Square, Pittsburgh, Pa. 15230.
D. (6) $2,000. E. (9) $1,428.31.

A. Kevin M. Higgins, 9 West 57th Street, New York, N.Y. 10019.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

A. Hill and Knowlton, Inc., 1425 K Street, NW., Suite 1000, Washington, D.C. 20005.
B. Florists' Transworld Delivery Association, P.O. Box 2227, Southfield, Mich. 48037.
D. (6) $8,250.

A. J. Eldred Hill, Jr., UBA, Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.
B. UBA, Inc., 1800 M Street NW., Suite 460 South, Washington, D.C. 20036.
D. (6) $2,000.

A. Morton A. Hill, Morality in Media, Inc., 980 Park Avenue, New York, N.Y. 10028.
B. Morality in Media, Inc., 475 Riverside Drive, Suite 239, New York, N.Y. 10115.

A. E. Joseph Hillings, P.O. Box 44, Winter Park, Fla. 32790.
B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.
E. (9) $4,010.86.

A. Sheila K. Hixson, 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Lawrence S. Hobart, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $350.

A. Claude E. Hobbs, Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp. Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $3,200. E. (9) $108.

A. Robert J. Hobbs, National Consumers Law Center, Inc., 11 Beacon Street, Boston, Mass. 02108.
B. National Consumer Law Center, Inc., 11 Beacon Street, Boston, Mass. 02110.

A. Jerald E. Hobson, El Paso Co., 1775 K Street NW., Suite 310, Washington, D.C. 20006.
B. The El Paso Co., P.O. Box 2185, Houston, Tex. 77001.
D. (6) $2,500. E. (9) $244.92.

A. Howard E. Hoelter, Illinois Petroleum Council, P.O. Box 5034, Springfield, Ill. 62705.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Irvin A. Hoff, 20 Live Oak Road, Hilton Head Island, S.C. 29928.
B. U.S. Cane Suger Refiners' Association, 1001 Connecticut Avenue NW, Washington, D.C. 20036.

A. Ellen Hoffman, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Children's Defense Fund of the Washington Research Project, Inc., 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $1,357.29. E. (9) $239.96.

A. Herbert E. Hoffman, American Bar Association, 1800 M Street NW., Washington, D.C. 20036.
B. American Bar Association, 1155 East 60th Street, Chicago, Ill. 60637.
D. (6) $400. E. (9) $50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Council of European and Japanese National Shipowners' Associations, 30/32 St. Mary Avenue, London EC3A 8ET, England.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Direct Selling Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $267.50.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.

B. Energy Transportation Systems, Inc., 50 Beale Street, San Francisco, Calif. 94106.

A. Hogan & Hartson, 815 Connecticut Avenue NW, Washington, D.C. 20006.
B. Guam Power Authority, Agana, Guam.

A. Hogan & Hartson, 815 Connecticut Avenue NW, Washington, D.C. 20006.
B. National Rehabilitation Association, 1522 K Street NW, Washington, D.C. 20006.

A. Hogan & Hartson, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Vinland National Center, 3675 Ihduhapi Trail, Loretto, Minn. 55357.
E. (9) $46.67.

A. Richard F. Hohlt, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,387.50. E. (9) $9.50.

A. Walter Holan, 20 North Wacker Drive, Chicago, Ill. 60606.
B. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. Bruce E. Holbein, Digital Equipment Corp., 111 Powdermill Road, B79, Maynard, Mass. 01754.
B. Digital Equipment Corp., 111 Powdermill Road, Maynard, Mass. 01754.
D. (6) $7,500.

A. Michele O' Donnell Holbrook, National Fuel Gas Distribution Corp., Room 900, 10 Lafayette Square, Buffalo, N.Y. 14203.
B. National Fuel Gas Distribution Corp., National Fuel Gas Supply Co., Penn-York Energy Co., Seneca Resources Co., National Fuel Gas Co.
D. (6) $186. E. (9) $583.71.

A. Marcus A. Hollabaugh, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylanvia Avenue NW., Suite 1000, Washington, D.C. 20006.
B. Phosphate Rock Export Association, 1311 North West Shore Boulevard, Tampa, Fla. 33607.

A. Kelly Holley, American Paper Institute, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Wendell M. Holloway, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich.
D. (6) $1,245. E. (9) $773.24.

A. Lee B. Homes, United States League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $1,725.

A. Moses D. Homes, Jr., National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) 1,790.40. E. (9) $20.96.

A. Peter E. Holmes, 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $500.

A. Holt Cicatiello Neiswanger & Ross, Inc., 1441 Irving Street, Rahway, N.J. 07065.
B. New York Mercantile Exchange, Four World Trade Center, New York, N.Y. 10048.

A. E. Y. Holt, Jr., National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. James L. Holt, 1111 19th Street NW., Suite 310, Washington, D.C. 20036.
B. Kennecott Corp., 10 Stamford Forum, Stamford, Conn. 06904.
D. (6) $500. E. (9) $368.93.

A. John W. Holton, 1120 Connecticut Avenue NW, Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW, Washington, D.C. 20036.

A. Gary Hong, 1717 Massachusetts Avenue, Suite 701, Washington, D.C. 20036.
B. Group Health Association of America, Inc., 2121 Pennsylvania Avenue NW., Washington, D.C.

A. The Hormel Foundation, Austin, Minn. 55912.

A. Geo. A. Hormel & Co., P.O. Box 800, Austin, Minn. 55912.
E. (9) $10.

A. Robert Jack Horn, Detroit Edison Co., 1819 H Street NW., Suite 960, Washington, D.C. 20006.
B. The Detroit Edison Co., 2000 Second Avenue, Detroit, Mich. 48226.
D. (6) $358. E. (9) $55.

A. John F. Horty, 1735 I Street NW., Suite 710, Washington, D.C. 20006.
B. National Council of Community Hospitals, 1735 I Street NW., Suite 710, Washington, D.C. 20006.
E. (9) $906.71.

A. Houdaille Industries, Inc., 1 Financial Plaza, Fort Lauderdale, FL 33394.

A. Thomas B. House, American Frozen Food Institute, 1700 Old Meadow Road, McLean, Va. 22102.
B. American Frozen Food Institute, 1700 Old Meadow Rd., McLean, Va. 22102.

A. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
E. (9) $3,454.78.

A. C. T. Hoversten, 209 West 53d Street, Western Springs, Ill. 60558.
B. National Advertising Co., 6850 South Harlem Avenue, Argo Post Office, Bedford Park, Ill. 60501.

A. Arthur L. Howard, 1100 H Street NW., Washington, D.C. 20080.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

A. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Donald L. Howell, First City National Bank Building, Houston, Tex. 77002.
B. Vinson & Elkins, First City National Bank Building, Houston, Tex. 77002 (for: Slurry Transport Association)
D. (6) $1,937.50. E. (9) $1.80.

A. J. William Howell, International Business Machines Corp., 1801 K Street NW., Washington, D.C. 20006.
B. International Business Machines Corp., Old Orchard Road, Armonk, N.Y. 10504.
D. (6) $198. E. (9) $21.75.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Enterprises, Inc., Allstate Plaza, Northbrook, Ill. 60062.

A. Joe L. Howell, 1700 Pennsylvania Avenue NW., Suite 750, Washington, D.C. 20006.
B. Allstate Insurance Co., Allstate Plaza, Northbrook, Ill. 60062.

A. Mary J. Lynch Howell, Textron Inc., 1666 K Street NW., Suite 300, Washington, D.C. 20006.
B. Textron Inc., 1666 K Street, NW., Suite 300, Washington, D.C. 20006.
D. (6) $1,500. E. (9) $270.

A. John B. Howerton, ASARCO Inc., 1730 Rhode Island Avenue NW., Suite 206, Washington, D.C. 20036.
B. ASARCO Inc., 120 Broadway, New York, N.Y. 10271.
D. (6) $1,500. E. (9) $576.91.

A. David Emery Hughes, Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine.
B. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine.
D. (6) $25.

A. Peter W. Hughes, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $785.07.

A. Robert Hughes, American Association of Foundations for Medical Care, 11325 Seven Locks Road, Potomac, Md. 20854.
B. American Association of Foundations for Medical Care, 11325 Seven Locks Road, Potomac, Md. 20854.

A. Vester T. Hughes, Jr., 1000 Mercantile Dallas Building, Dallas, Tex. 75201.
B. Barber Oil Corp., 245 Park Avenue, New York, N.Y. 10017.

A. Vester T. Hughes, Jr., 1000 Mercantile Dallas Building, Dallas, Tex. 75201.
B. Cornell Oil Co., 5440 Harvest Hill Road, Suite 200, Dallas, Tex. 75230.
D. (6) $500. E. (9) $1,599.32.

A. William E. Hughes, Jr., 11 Hills Avenue, East Hampton, Conn. 06424.
B. Northeast Utilities Service Co., Selden Street, Berlin, Conn. 06037.

A. William G. Hughes, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $108.71.

A. Edward L. Hule, Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
B. National Association of Air Traffic Specialists, Suite 415, Wheaton Plaza North, Wheaton, Md. 20902.
D. (6) $7,430.24. E. (9) $1,389.53.

A. Cordell W. Hull, 497 Stockbridge Avenue, Atherton, Calif. 94025.

B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. David C. Hull, National Cotton Council of America, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. Hunker-Fedric, P.O. Box 1837, Roswell, N. Mex. 88201.
B. David Fasken, c/o Whitaker & Brooks, 608 First National Bank Building, Midland, Tex. 79701.
E. (9) $326.12.

A. A. Truman Hunt, Jr., Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Acacia G. Hunt, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $78.75. E. (9) $3.15.

A. Harriet Hunt, 82 Second Street, San Francisco, Calif. 94105.
B. The Trust for Public Land, 82 Second Street, San Francisco, Calif. 94105.
D. (6) $1,177. E. (9) $580.72.

A. Richard M. Hunt, NL Industries, Inc., Suite 1009, Connecticut Building, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $2,968.

A. Michael M. Hunter, International Telephone & Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $1,500. E. (9) $60.

A. Milton F. Huntington, Maine Petroleum Association, 283 Water Street, Augusta, Maine 04330.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $88. E. (9) $16.50.

A. John Edward Hurley, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.

A. John Edward Hurley, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.
B. National Association for Free Enterprise, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.

A. Raymond D. Hurley, 1 Farragut Square South, Washington, D.C. 20006.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. John F. Hussey, Monsanto Co., 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 N. Lindbergh Boulevard, St. Louis, Mo. 63166.
E. (9) $56.32.

A. Dewey M. Hutchins, Jr., Eastman Kodak Co., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastman Kodak Co., 343 State Street, Rochester, N.Y. 14650.
D. (6) $400. E. (9) $136.

A. Philip A. Hutchinson, Jr., Volkswagen of America, Inc., 475 L'Enfant Plaza SW., Suite 2450, Washington, D.C. 20024.
B. Volkswagen of America, Inc., 888 W. Big Beaver, Troy, Mich. 48084.
D. (6) $250.

A. Randy Huwa, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,400.

A. Robert D. Hynes, Jr., 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $25.85.

A. John Iaccio, Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union, AGLIW District, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $2,125.

A. I.G.C., Inc., 2550 M Street NW., Suite 405, Washington, D.C. 20037.
B. Republic of Turkey, 1606 23d Street NW., Washington, D.C. 20008.
D. (6) $6,000.

A. Ronald K. Ikejiri, Japanese American Citizens League, 1730 Rhode Island Avenue NW., Suite 204, Washington, D.C. 20036.
B. Japanese American Citizens League, 1765 Sutter St., San Francisco, Calif. 94115.
D. (6) $5,156.10. E. (9) $82.95.

A. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $19,881.63. E. (9) $19,881.63.

A. Independent Local Newspaper Association, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $7,500.

A. Independent U.S. Tanker Owners Committee, 1612 K Street NW., No. 510, Washington, D.C. 20006.

A. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $18,589.69. E. (9) $18,589.69.

A. Nancy J. Ingalsbee, 3325 Wilshire, Suite 1340, Los Angeles, Calif. 90010.
B. Far West Ski Association, 3325 Wilshire, Suite 1340, Los Angeles, Calif. 90010.
D. (6) $435. E. (9) $616.43.

A. G. Conley Ingram, Alston, Miller & Gaines, 35 Broad Street, Suite 1200, Atlanta, Ga. 30335.
B. Great American Management Investment, Inc., 5775-D Peachtree-Dunwoody Road, Suite 600, Atlanta, Ga. 30342.
D. (6) $612.50.

A. Andrea L. Innes, Coal Building, Washington, D.C. 20036.
B. National Coal Association, Coal Building, Washington, D.C. 20036.
D. (6) $7,125. E. (9) $805.40.

A. Deborah A. Insley, General Motors Corp., 1660 L Street NW., Suite 800, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $380.78.

A. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
E. (9) $34,173.14.

A. International Union of Bricklayers and Allied Craftsmen, 815 15th Street NW., Washington, D.C. 20005.
E. (9) $4,966.38.

A. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $65,491.75. E. (9) $65,491.75.

A. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
E. (9) $401.38.

A. Investment Counsel Association of America, Inc., 50 Broad Street, New York, N.Y. 10004.

A. Iron Ore Lessors Association, Inc., 1500 First National Bank Building, St. Paul, Minn. 55101.
D. (6) $4,755.01 E. (9) $11,016.37.

A. Joseph S. Ives, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $130.

A. Robert A. Jabion, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Fort Pierce Utilities Authority of the City of Fort Pierce, Gainesville-Alachua County Regional Electric Water & Sewer Utilities, Sebring Utilities Commission, Cities of Homestead, Kissimmee, Lakeland, Starke, Tallahassee, Fla.

A. Mercer L. Jackson, National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.

A. Mary Jo Jacobi, 3M, 1101 15th Street NW., Washington, D.C. 20005.
B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55101.
D. (6) $1,023.

A. Jaeckle, Fleischmann & Mugel, 700 Liberty Bank Building, Buffalo, N.Y. 14202.
B. Samuel Strapping Systems, Ltd., 2620 Dixie Road, Mississauga, Ontario, Canada.
E. (9) $31.43.

A. Margo L. James, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $4,500. E. (9) $315.83.

A. Leslie A. Janka, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20034.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for government of Morocco Rabat, Morocco).
D. (6) $34.78. E. (9) $55.70.

A. Barbara Diane Steigler Jarrell, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,500. E. (9) $274.12.

A. Thomas Destry Jarvis, National Parks & Conservation Association, 529 Tennessee Avenue, Alexandria, Va. 22305.
B. National Parks & Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.

D. (6) $415.82. E. (9) $25.

A. Joseph A. Jeffrey, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
D. (6) $329.70.

A. Joseph S. Jenckes, Abbott Laboratories, 1730 M Street NW., Suite 808, Washington, D.C. 20036.
B. Abbott Laboratories, Abbott Park, North Chicago, Ill. 60064.

A. Jenkens & Gilchrist, 2200 First National Bank Building, Dallas, Tex. 75202.
B. American College of Emergency Physicians, P.O. Box 61911, Dallas, Tex. 75261.
D. (6) $434.50. E. (9) $87.19.

A. Jennings, Strouss & Salmon, 111 West Monroe, Phoenix, Ariz. 85003.
B. Shamrock Foods Co., 2228 North Black Canyon Road, Phoenix, Ariz. 85009.

A. Chris L. Jensen, Florida Petroleum Council, 111 N. Gadsden Street, Tallahassee, Fla. 32301
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037

A. Jensen, Sanders & McConnell, 1200 North Main Street, Suite 900, Santa Ana, Calif. 92701 and 244 Maryland Avenue NE., Washington, D.C. 20002
B. County of Orange, 10 Civic Center Plaza, Santa Ana, Calif. 92701.
D. (6) $9,500. E. (9) $1,274.

A. Jensen, Sanders & McConnell, 1200 North Main Street, Suite 900, Santa Ana, Calif. and 244 Maryland Avenue NE., Washington, D.C. 20002.
B. Orange County Transportation Commission, 1020 North Broadway, Santa Ana, Calif. 92701.
D. (6) $6,500. E. (9) $847.

A. A. W. Jessup, Exxon Corp., 1899 L Street NW., Apt. 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $1,651.78.

A. Guy E. Jester, J. S. Alberici Construction Co., 2150 Kienlen Avenue, St. Louis, Mo. 63121.
B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Charles E. Joeckel, Jr., Disabled American Veterans, 807 Maine Avenue SW., Washington, D.C. 20024.
B. Disabled American Veterans, 3725 Alexandria Pike, Cold Spring, Ky. 41076.
D. (6) $8,601. E. (9) $1,207.37.

A. Ronald P. Johnsen, Columbia Gas Service Corp., 1625 I Street, Suite 303, Washington, D.C. 20006.
B. Columbia Gas Service System Corp., 20 Montchanin Road, Wilmington, Del. 19807.
D. (6) $175. E. (9) $342.80.

A. Bruce T. Johnson, The Bowery Savings Bank, 110 East 42d Street, New York, N.Y. 10017.
B. The Bowery Savings Bank, 110 East 42d Street, New York, N.Y. 10017.
D. (6) $12,500 E. (9) $13,329.56.

A. David H. Johnson, Mississippi Petroleum Council, P.O. Box 42, Jackson, Miss. 39205.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Jess Johnson, Jr., Shell Oil Co., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Shell Oil Co., 1 Shell Plaza, P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. John B. Johnson, Alabama Petroleum Council, P.O. Box 4220, Montgomery, Ala. 36195.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $215.

A. Rady A. Johnson, Standard Oil Co. (Indiana), 1000 16th Street NW., No. 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 200 East Randolph Drive, Chicago, Ill. 60680.
D. (6) $400. E. (9) $11.50.

A. Reuben L. Johnson, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational and Co-Operative Union of America, Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $8,938.44. E. (9) $172.43.

A. Richard W. Johnson, Jr., 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. National Headquarters, Marine Corps League, 933 North Kenmore Street, Suite 321, Arlington, Va. 22201.

A. Richard W. Johnson, Jr., 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non-Commissioned Officers Association of the USA (NCOA), P.O. Box 33610, San Antonio, Tex. 78233.
D. (6) $3,097.26 E. (9) $183.09.

A. Spencer A. Johnson, Paperboard Packaging Council, 1800 K Street NW., Suite 600, Washington, D.C. 20006.
B. Paperboard Packaging Council, 1800 K Street NW., Suite 600, Washington, D.C. 20006.

A. Stanley L. Johnson, Texaco Inc., 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $200.

A. William Johnson, Consumers Power Co. of Michigan, 1050 17th Street NW., Suite 290, Washington, D.C. 20036.
B. Consumers Power Co., 212 West Michigan Avenue, Jackson, Mich. 49201.
D. (6) $600.

A. James D. Johnston, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,600. E. (9) $2,596.07.

A. Charlie W. Jones, Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $400.

A. James E. Jones, Jr., 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $875. E. (9) $30.

A. James E. Jones, Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24022.
B. Appalachian Power Co., 40 Franklin Road SW., Roanoke, Va. 24022.

A. Norvill Jones, Reynolds Metals Co., 1620 I Street NW., Washington, D.C. 20006.
B. Reynolds Metals Co., 6601 West Broad Street, Richmond, Va. 23261.
D. (6) $250.

A. De Soto Jordan, EDS Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. EDS Corp., 229 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $374. E. (9) $162.95.

A. James V. Jordan III, P.O. Box 2563, Birmingham, Ala. 35202.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

A. Jeffrey H. Joseph, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,365. E. (9) $29.21.

A. Linda Kline Joseph, National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $5,621.49. E. (9) $123.10.

A. Ellen Josephson, National Legal Aid and Defender Association, 1625 K Street NW., 8th Floor, Washington, D.C. 20006.
B. National Legal Aid and Defender Association, 1625 K Street NW., 8th Floor, Washington, D.C. 20006.
D. (6) $7,000.

A. Mary T. Joyce, CF Industries, Inc./Energy Cooperative Inc., 1850 K Street NW., Suite 550, Washington, D.C. 20006.
B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
D. (6) $500. E. (9) $270.64.

A. Braniff International, James N. Juliana, 1750 New York Avenue NW., Suite 340, Washington, D.C. 20006.
B. Braniff International, Braniff Boulevard, P.O. Box 61747, Dallas-Fort Worth Airport, Tex. 75261.

A. Robert E. Juliano, Hotel and Restaurant Employees & Bartenders International Union, 1875 I Street NW., Suite 450, Washington, D.C. 20006.
B. Hotel and Restaurant Employees & Bartenders International Union, 120 East Fourth Street, 13th Floor, Cincinnati, Ohio 45202.
D. (6) $9,999.96. E. (9) $769.50.

A. Ruth E. Jurman, Glass Packaging Institute, 2000 L Street NW., Washington D.C. 20036.
B. Glass Packaging Institute, 2000 L Street NW., Washington D.C. 20036.

A. H. Richard Kahler, Caterpillar Tractor Co., 1850 K Street NW., Suite 925, Washington D.C. 20006.
B. Caterpillar Tractor Co., 100 NE. Adams Street, Peoria, Ill. 61629.
D. (6) $2,500. E. (9) $2,617.16.

A. Ann P. Kahn, 9202 Ponce Place, Fairfax, Va. 22031.
B. National Congress of Parents & Teachers, 700 North Rush Street, Chicago, Ill. 60611.

E. (9) $24.90.

A. Linda Heller Kamm, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006.
B. Phosphate Rock Export Association, 1311 North West Shore Boulevard, Tampa, Fla. 33607.

A. Donald J. Kaniewski, Laborers' International Union of N.A., AFL-CIO, 905 16th Street NW., Washington, D.C. 20006.
B. Laborers' International Union of N.A., AFL-CIO, 905 16th St. NW., Washington, D.C. 20006.
D. (6) $5,573.32. E. (9) $159.60.

A. Charles W. Karcher, Room 1702, Midland Building, Cleveland, Ohio 44115.
B. The Standard Oil Company (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Gene Karpinski, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Congress Watch, 215 Pennsylvania Ave. SE., Washington, D.C. 20003.
D. (6) $3,750.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. American League for Exports and Security Assistance, Inc. (ALESA), Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $12,500.00

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Archer-Daniels-Midland Co., P.O. Box 1470, Decatur, Ill. 62525.
D. (6) $3,500.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $3,500.

A. Joseph E. Karth, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Pullman-Swindell, 441 Smithfield Street, Pittsburgh, Pa. 15222.
D. (6) $1,500.

A. Lawrence W. Katz, 8283 Greensboro Drive, McLean, Va. 22102.
B. Satellite Business Systems, 8283 Greensboro Drive, McLean, Va. 22102.
D. (6) $1,300. E. (9) $64.25.

A. Linda E. Katz, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20006.
D. (6) $2,524.67. E. (9) $482.76.

A. Milton M. Kaufmann, 19102 Roman Way, Gaithersburg, Md. 20760.
B. The Fund for Animals, Inc., 140 West 57th Street, New York, N.Y. 10019.

A. Everett E. Kavanaugh, Cosmetic, Toiletry & Fragrance Association, Inc., 1133 15th Street NW., No. 1200, Washington, D.C. 20005.
B. Cosmetic, Toiletry & Fragrance Association, Inc., 1133 15th Street NW., No. 1200, Washington, D.C. 20005.

A. Thomas O. Kay, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,500. E. (9) $512.34.

A. William J. Keating, National Grain and Feed Association, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain and Feed Association, P.O. Box 28328, Washington, D.C. 20005.

A. Howard B. Keck, Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
B. Superior Oil Co., 555 South Flower Street, Los Angeles, Calif. 90071.
E. (9) $300.

A. W. M. Keck, Jr., 1801 Avenue of the Stars, Suite 1110, Los Angeles, Calif. 90067.

A. Teresa A. Keefe, League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,938. E. (9) $7.

A. Patricia Keefer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.

A. Vicki, R. Keenan, 5597 Seminary Road, No. 1907-S, Falls Church, Va. 22041.
B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.

A. Robert C. Keeney, North Washington at Madison, Alexandria, Va. 22314.
B. United Fresh Fruit & Vegetable Association, North Washington at Madison, Alexandria, Va. 22314.
D. (6) $466.77 E. (9) $124.65.

A. Keiki Kehoe, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,750. E. (9) $398.58.

A. Jefferson D. Keith, 8150 Leesburg Pike, No. 1100, Vienna, Va. 22180.
B. National Pest Control Association, 8150 Leesburg Pike, No. 1100, Vienna, Va. 22180

A. Robert H. Kellen, Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342.
B. The Robert H. Kellen Co., 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342 (for: Calorie Control Council, 5775 Peachtree-Dunwoody Road, Suite 500-D, Atlanta, Ga. 30342).
D. (6) $540.

A. Don Kellermann, Times Mirror Co., 1875 Eye Street NW., Suite 1110, Washington, D.C. 20006.
B. Times Mirror Co., Times Mirror Square, Los Angeles, Calif. 90053.
D. (6) $18,175. E. (9) $1,470.

A. John B. Kelley, Avco Corp., 1025 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. Avco Corp., 1275 King Street, Greenwich, Conn. 06830.
D. (6) $1,500.

A. Michael T. Kelley, Houston Natural Gas Corp., 1700 North Moore Street, Suite 919, Arlington, Va. 22209.
B. Houston Natural Gas Corp., 1700 North Moore Street, Suite 919, Arlington, Va. 22209.
D. (6) $204.48. E. (9) $49.40.

A. Ty Kelley, National Association of Chain Drug Stores, Inc., 413 North Lee Street, Alexandria, Va. 22314.
B. National Association of Chain Drug Stores, Inc., 413 North Lee Street, Alexandria, Va. 22314.
D. (6) $1,500.

A. Stephen S. Kellner, 1001 Connecticut Avenue NW., No. 1120, Washington, D.C. 20036.
B. Chemical Specialties Manufacturers Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

A. Carol A. Kelly, American Textile Manufacturers Institute, Inc., 1101 Connecticut Avenue, Suite 300, Washington, D.C. 20036.
B. American Textile Manufacturers, Inc., 1101 Connecticut Avenue, Suite 300, Washington, D.C. 20036.
D. (6) $234. E. (9) $33.71.

A. Ernest B. Kelly III, Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
B. Communications Satellite Corp., 950 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $1,000. E. (9) $60.09.

A. Harold V. Kelly, Republic Steel Corp., 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, OH 44101.

A. James J. Kennedy, Jr., Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees, 3 Research Place, Rockville, Md. 20850.
D. (6) $7,000. E. (9) $1,100.

A. William F. Kennedy, General Electric Co., Fairfield, Conn. 06431.
B. General Electric Co., Fairfield, Conn. 06431.

A. Jeremiah J. Kenney, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
E. (9) $1,214.53.

A. Peter B. Kenney, National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Co., Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Robert T. Kenney, Texaco, Inc., 1050 17th Street NW., Washington, D.C. 20036.
B. Texaco Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.

A. J. H. Kent, Kent & O'Connor, Inc., 1919 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.
B. American Supply Association, 221 N. LaSalle Street, Chicago, Ill. 60601.
D. (6) $1,483.28. E. (9) $880.77.

A. J. H. Kent, Kent & O'Connor, Inc., 1919 Pennsylvania Avenue NW., Suite 300, Washington, D.C. 20006.
B. Senior Centers of America, 2640 Peerless Road NW., Cleveland, Tenn., 37311.
D. (6) $1,598.97. E. (9) $598.97.

A. Vytautas Kazimieras Kerbelis, 69 Cottage Street, Bar Harbor, Maine 04609.
B. Aras Pyschomotor Domain of Self, 69 Cottage Street, Bar Harbor, Maine 04609.
D. (6) $600.

A. Paul A. Kerschner, National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Assocation-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $571.16. E. (9) $51.08.

A. Robert M. Ketchel, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. Gilbert W. Keyes, P.O. Box 3999, M/S: 8F-77, Seattle, Wash. 98124.
B. The Boeing Company, P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $68.98. E. (9) $89.74.

A. Earline A. Keyser, 7352 Lee Highway, Falls Church, VA. 22046.
B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.

A. Richard F. Kibben, 200 Park Avenue, New York, N.Y. 10166.
B. Business Roundtable, 200 Park Avenue, New York, N.Y. 10166.

A. William S. Kies, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Daniel L. Kiley, 8 North Jefferson Street, Roanoke, Va. 24042.
B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $4,350. E. (9) $2,402.78.

A. Kilpatrick & Cody, 2501 M Street NW., Suite 500, Washington, D.C. 20037.
B. Furniture Rental Association of America, 50 West Broad Street, Suite 1331, Columbus, Ohio 43215.
E. (9) $1,426.85.

A. Margaret A. Kimball, Route 1, Box 118A, Bealeton, Va. 22712.
B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.

A. Kimberly-Clark Corp., N. Lake Street, Neenah, Wis. 54956.
E. (6) $706.63.

A. Richard H. Kimberly, Kimberly-Clark Corp., 1400 Holcomb Bridge Road, Roswell, Ga. 30076.
B. Kimberly-Clark Corp., 401 North Lake Street, Neenah, Wis. 54956.
D. (6) $34. E. (9) $555.82.

A. James L. Kimble, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.

A. Charles L. King, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $320.

A. Dean King, National Rural Letter Carriers' Association, Suite 1204, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Rural Letter Carriers' Association, Suite 1204, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Edward H. King, Walgreen Co., 200 Wilmot Road, Deerfield, Ill. 60015.
B. Walgreen Co., 200 Wilmot Road, Deerfield, Ill. 60015.

A. G. Jack King, U.S. Air, Inc., Washington, National Airport, Washington, D.C. 20001.
B. U.S. Air, Inc., Washington National Airport, Washington, D.C. 20001.
D. (6) $1,000.

A. King & Spalding, 1800 M Street NW., Suite 825 South, Washington, D.C. 20036.
B. Branch & Associates, Inc., Suite 1630, 400 Colony Square NE., Atlanta, Ga. 30361.
D. (6) $5,000.

A. King & Spalding, 1800 M Street NW., Suite 825 South, Washington, D.C. 20036.
B. Palm Beach Civic Association, 235 South County Road, Palm Beach, Fla. 33480.
D. (6) $6,737.

A. King & Spalding, 1800 M Street, NW., Suite 825 South, Washington, D.C. 20036.
B. Tri-South Mortgage Investors, 1532 Dunwoody Village Parkway, Atlanta, Ga. 30338; Great American Management, 2850 Equitable Building, Atlanta, Ga. 30303; CMEI Inc., 300 Interstate North, Atlanta, Ga. 30339.
D. (6) $5,000.

A. W. Russell King, Freeport Minerals Co., 1050 17th Street NW., Suite 1301, Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10166.
D. (6) $300.

A. Roger P. Kingsley, 10801 Rockville Pike, Rockville, Md. 20852.
B. American Speech-Language-Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.
D. (6) $6,000. E. (9) $15.

A. Francis L. Kinney, 76 Pheasant Run, Newington, Conn. 06111.
B. Northeast Utilities Service Co., Selden Street, Berling, Conn. 06037.

A. Janie A. Kinney, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Alan G. Kirk II, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.
D. (6) $13.76.

A. John R. Kirk, Bingham, Dana & Gould, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Sally Ann Kirkpatrick, Alliance of American Insurers, 1776 F Street NW., Washington, D.C. 20006.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $588. E. (9) $325.25.

A. Saul B. Klaman, National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10166.
B. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10166.
D. (6) $586.54.

A. Catherine B. Klarfeld, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006.
B. Phosphate Rock Export Association, 1311 Northwest Shore Boulevard, Tampa, Fla. 33607.

A. Richard P. Kleeman, Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.

A. Joann Klimschot, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,638.

A. Richard A. Kline, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.
B. Council of Active Independent Oil & Gas Producers, 1100 17th Street NW., Suite 313, Washington, D.C. 20036.
D. (6) $5,781.

A. James E. Kneale, Lockheed Corp., 2335 South Meade Street, Arlington, Va. 22202.
B. Lockheed Corp., P.O. Box 551, Burbank, Calif. 91520.
D. (6) $560. E. (9) $311.04.

A. Peter E. Knight, Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.
D. (6) $5,200. E. (9) $491.58.

A. John C. Knott, Burlington Northern Inc., Burlington Northern Station, Casper, Wyo. 82601.
B. Burlington Northern Inc., 176 East Fifth Street, St. Paul, Minn. 55101.

A. C. Neal Knox, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $1,575.

A. Philip M. Knox, Jr., Sears, Roebuck & Co., 1211 Connecticut Avenue NW., Suite 802, Washington, D.C. 20036.
B. Sears, Roebuck and Co., Sears Tower, Chicago, Ill. 60684.

A. Ruth E. Kobell, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational & Co-Operative Union of America (National Farmers Union), Denver, Colo. 80251, 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $4,603.83. E. (9) $87.

A. Thomas G. Kobus, National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
B. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $12,115.34.

A. Bradley R. Koch, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $133.75.

A. George W. Koch, 1010 Wisconsin Avenue NW., Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Robert M. Koch, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

A. Stanley E. Kolbe, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,749.30.

A. Kominers, Fort, Schlefer & Boyer, 1776 F Street NW., Washington, D.C. 20006.
B. Aeron Marine Shipping Co., Triad Office Center, 2001 Marcus Avenue, Lake Success, N.Y. 11042.
D. (6) $871.12.

A. Kominers, Fort, Schlefer & Boyer, 1776 F Street NW., Washington, D.C. 20006.
B. Colt Industries Inc., 430 Park Avenue, New York, N.Y. 10022.

A. Kominers, Fort, Schlefer & Boyer, 1776 F Street NW., Washington, D.C. 20006.
B. Southern Overseas Corp., P.O. Box 2110, Wilmington, N.C. 28402.

A. Nicholas Kominus, 1001 Connecticut Avenue NW., Washington, D.C. 20036.
B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue NW., Washington, D.C. 20036.

A. Stephen Koplan, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $14,550. E. (9) $164.17.

A. Horace R. Kornegay, Suite 800, 1875 Eye Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, Inc., 1875 I Street NW., Washington, D.C. 20006.
D. (6) $150. E. (9) $10.75.

A. Kenneth S. Kovack, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, Five Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $8,998.44.

A. Michael J. Kowalsky, 1120 19th Street NW., Suite 410, Washington, D.C. 20036.
B. Cigar Association of America, Inc., 1120 19th Street NW., Suite 410, Washington, D.C. 20036.

A. E. J. Krabacher, Cincinnati Milacron Inc., 4701 Marburg Avenue, Cincinnati, Ohio 45209.
B. Cincinnati Milacron Inc., 4701 Marburg Avenue, Cincinnati, Ohio 45209.
D. (6) $2,100. E. (9) $498.

A. Myllo S. Kraja, American Legion, 1608 K Street NW., Washington, D.C.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $9,138. E. (9) $524.65.

A. Amos Kramer, Kansas Petroleum Council, 1414 Merchants Bank Building, 8th and Jackson Street, Topeka, Kans.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
E. (9) $1,164.71.

A. Charles C. Krautler, 1100 H Street NW., Washington, D.C. 20080.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

A. Lawrence E. Kreider, Conference of State Bank Supervisors, 1016 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.

A. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio.
E. (9) $4,282.30.

A. L. Wayne Krug, Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Union Oil of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. Joseph Kuchler, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,062.45.

A. Lloyd R. Kuhn, Aerospace Industries Association, 1725 DeSales Street NW., Washington, D.C. 20036.
B. Aerospace Industries Association of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.
D. (6) $12,978.

A. Thomas R. Kuhn, American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
D. (6) $2,062.50. E. (9) $106.44.

A. Daniel M. Kush, CertainTeed Corp., 1627 K Street NW., Suite 610, Washington, D.C. 20006.
B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.
D. (6) $500. E. (9) $210.10.

A. Kutak Rock & Huie, 1650 Farnam Street, Omaha, Nebr. 68102.
B. E. F. Hutton & Co., Inc., One Battery Park Plaza, New York, N.Y. 10004.

A. Dan Kuykendall, DK Consultants, Inc., P.O. Box 40841, Washington, D.C. 20016.
B. Alpha 21 Corp., P.O. Box 4605, Midland, Tex. 79701.

A. Labor Bureau of Middle West, 1200 15th Street NW., Washington, D.C. 20005.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $7,450. E. (9) $11,945.

A. Laborers' International Union, 905 16th Street NW., Washington, D.C. 20006.
E. (6) $8.40.

A. Phillip Ray Lackey, 823 15th Street NW., Washington, D.C. 20005.
B. International Masonry Institute, 823 15th Street NW., Washington, D.C. 20005.
D. (6) $1,131.

A. Philip A. Lacovara, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Bristol-Myers Co., 1155 15th Street NW., Washington, D.C. 20036.

A. Philip A. Lacovara, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.

A. Philip A. Lacovara, Hughes Hubbard & Reed, 1660 L Street NW., Washington, D.C. 20036.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Bruce C. Ladd, Jr., 4406 Franklin Street, Kensington, Md.
B. Laclede Gas Co., 720 Olive Street, St. Louis, Mo.
D. (6) $7,500. E. (9) $40.

A. Walter B. Laessig, 1115 Massachusetts Avenue NW., Suite 6, Washington, D.C. 20005.
B. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,062.65. E. (9) $14.

A. Sandra L. LaFevre, Nationwide Insurance Companies & Affiliates, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Nationwide Insurance Companies & Affiliates, One Nationwide Plaza, Columbus, Ohio 43216.
D. (6) $500.

A. Sarah M. Laird, League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $4232. E. (9) $26.

A. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. David F. Lambert III, Automotive Occupant Protection Association, 2001 Jefferson Davis Highway, Suite 1101, Arlington, Va. 22202.
B. Automotive Occupant Protection Association, 2001 Jefferson Davis Highway, Suite 1101, Arlington, Va. 22202.
D. (6) $10,665.

A. David M. F. Lambert, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Jewish Employment Vocational Services, 1727 Locust Street, St. Louis, Mo. 63103.

A. David R. Lambert, American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.
B. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.
D. (6) $5,000.

A. C. Peter Lambos, Lorenz, Finn, Giardino & Lambos, 25 Broadway, No. 1755, New York, N.Y. 10004.
B. New York Shipping Association, Inc., 80 Broad Street, New York, N.Y. 10004.

A. Stephen K. Lambright, Anheuser-Busch Cos., Inc., 1211 Connecticut Avenue NW., Suite 502, Washington, D.C. 20036.
B. Anheuser-Busch Cos., Inc., 721 Pestalozzi Street, St. Louis, Mo. 63118.
E. (9) $10.

A. David W. Landsidle, National Association of Manufacturers, 1719 Route 10, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $600.

A. Karl S. Landstrom, Geothermal Resources International Inc., 510 N. Edison Street, Arlington, Va. 22203.
B. Geothermal Resources International Inc., 4676 Admiralty Way, Suite 503, Marina del Rey, Calif. 90291.
D. (6) $750. E. (9) $10.

A. Lane and Edson, P.C., 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.
B. City of Baltimore, Mayor William Donald Schaefer, Office of the Mayor, 250 City Hall, Baltimore, Md. 21202.

D. (6) $2,000.

A. Lane and Edson, P.C., Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.
B. National Leased Housing Association, Suite 400 South, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450.

A. Laurence F. Lane, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
B. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
D. (6) $975.

A. Robin W. Lanier, National Retail Merchants Association, 1000 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $100. E. (9) $5.

A. Wayne R. LaPierre, Jr., 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $750. E. (9) $150.

A. Clifford C. LaPlante, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $637.50.

A. J. Stephen Larkin, International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $500. E. (9) $77.81.

A. LaSalle National Bank, 135 South LaSalle Street, Chicago, Ill. 60690.

A. Lawrence C. Laser, Cities Service Co., 1660 L Street NW., No. 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street, NW., No. 207, Washington, D.C. 20036.

A. Michael Lashbrook, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $750.

A. Glenn T. Lashley, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. Latham, Watkins & Hills, 1333 New Hampshire Avenue NW., Suite 1200, Washington, D.C. 20036.
B. Engineering Supervision Co., 170 Newport Center Drive, No. 150, Newport Beach, Calif. 92660.
D. (6) $1,140. E. (9) $13.50.

A. Theodore A. Lattanzio, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $648.

A. Louis F. Laun, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Dennis Lavallee, National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.

B. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.

A. Charles B. Lavin, Jr., American Subcontractor Association, 815 15th Street NW., Suite 902, Washington, D.C. 20005.
B. American Subcontractor Association, 815 15th Street NW., Suite 902, Washington, D.C. 20005.

A. Kathryn Lavrina, League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $2,594. E. (9) $34.

A. Jane A. Lawlor, American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.
B. American Automobile Association, 8111 Gatehouse Road, Falls Church, Va. 22047.

A. George H. Lawrence, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $195. E. (9) $101.65.

A. Henry J. Lawrence, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,250.

A. Lead-Zinc Producers Committee, 1320 19th Street NW., Suite 600, Washington, D.C. 20036.
D. (6) $8,000. E. (9) $8,462.91.

A. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $23,040. E. (9) $23,040.

A. John I. Le Berre, 900-17th Street NW., Washington, D.C. 20006.
B. Chemical Corp., 900-17th Street NW., Washington, D.C. 20006.
D. (6) $200. E. (9) $28.

A. LeBoeuf, Lamb, Leiby & MacRae, 1333 New Hampshire Avenue NW., No. 1100, Washington, D.C. 20036.
B. Ad Hoc Rail Shippers Group, 1333 New Hampshire Avenue NW., No. 1100, Washington, D.C. 20016.
D. (6) $263. E. (9) $263.

A. LeBoeuf, Lamb, Leiby & MacRae, 140 Broadway, New York, N.Y., 1333 New Hampshire Avenue NW., No. 1100, Washington, D.C.
B. Underwriters at Lloyd's, London, c/o Wm. G. Hockensmith, 409 McClure Building, Frankfurt, Ky. 40601, c/o John Smith, Lord, Bissell & Brook, 115 LaSalle Street, Chicago, Il. 60603.
D. (6) $20. E. (9) $6.12.

A. Lee, Toomey & Kent, 1200 18th Street NW., Washington, D.C. 20036.
B. Specialty Advertising Association International, 1404 Walnut Hill Lane, Irving, Tex. 75062.
D. (6) $230. E. (9) $8.

A. Joanna S. Lehane, 1120 19th Street NW., Suite 333, Washington, D.C. 20036.
B. Motor and Equipment Manufacturers Association, 1120 19th Street NW., Suite 333, Washington, D.C. 20036.
D. (6) $40.

A. William T. Lehner, Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., One Montgomery Ward Plaza, Chicago, Ill. 60671.
E. (9) $50.

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. AGRI International, Inc.

A. Leighton, Conklin, Lemov, & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Alarm Industry Telecommunications Committee, of the National Burglar & Fire Alarm Association, 1101 Connecticut Avenue, NW., Washington, D.C. 20036.
D. (6) $9,826.26. E. (9) $6,044.35.

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street NW., No. 800, Washington, D.C. 20036.
B. City & Regional Magazine Association, 2033 M Street NW., No. 800, Washington, D.C., 20036.

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Clorox Company, 1221 Broadway, Oakland, Calif. 94612.

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Developmental Healthcare & Wellness, Inc., 6188 Oxon Hill Road, Oxon Hill, Md. 20021

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Family Practice Life and Health Action Research Institute, Inc., 6188 Oxon Hill Road, Oxon Hill, Md. 20021

A. Leighton, Conklin, Lemov, & Jacobs, Chartered., 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. GEM Mailing, 9760 B George Palmer Highway, Lanham, Md. 20801.

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. General Instrument Corp., 320 West 57th Street, New York, N.Y. 10019.

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Grocery Manufacturers of America, 1010 Wisconsin Avenue NW., No. 500, Washington, D.C. 20007.

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Jet America International, Inc., General Aviation Terminal, Washington National Airport, Washington, D.C. 20001.

A. Leighton, Conklin, Lemov, & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Liberty Communications, Inc., P.O. Box 7009, Eugene, Oreg. 97401.
D. (6) $1,027.06. E. (9) $554.66.

A. Leighton, Conklin, Lemov, & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Milicom, Inc., Suite 5500, 153 East 53rd Street, New York, N.Y. 10022.

D. (6) $4,087.82. E. (9) $2,226.78.

A. Leighton, Conklin, Lemov, & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. National Association of Small Business Investment Corp., 618 Washington Building, Washington, D.C. 20035.
D. (6) $25,000. E. (9) $200.

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Professional Air Traffic Controllers Organization, 444 North Capitol Street NW., Washington, D.C. 20001.

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. Security Associates, Inc., 1111 19th Street, Arlington, Va. 22209.

A. Leighton, Conklin, Lemov, & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRT Telecommunications Corp., 1747 Pennsylvania Avenue, NW., Washington, D.C. 20006.
D. (6) $7,841.14. E. (9) $5,644.94.

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street, NW., Suite 800, Washington, D.C. 20036.
B. Universal Medical Laboratory, Inc., 2141 K Street NW., Suite 108, Washington, D.C. 20006.

A. Leighton, Conklin, Lemov, & Jacobs, Chartered, 2033 M Street, NW., Suite 800, Washington, D.C. 20036.
B. Whey Products Institute, 130 North Franklin Street, Chicago, Ill. 60606.

A. Joseph L. Leitzinger, 900 Fourth Avenue, Seattle, Wash. 98164.
B. Simpson Timber Co., 900 Fourth Avenue, Seattle, Wash. 98164.
D. (6) $32. E. (9) $40.76.

A. Gilbert Lekander, 1629 K Street NW., No. 801, Washington, D.C. 20006.
B. Montana Power Co., 40 E. Broadway, Butte, Mont. 59701, Washington Water Power Co., P.O. Box 3727, Spokane, Wash.
D. (6) $300.

A. Lynette B. Lenard, Dow Chemical Co., 1800 M Street, NW., Suite 700S, Washington, D.C.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $100. E. (9) $50.

A. Earl T. Leonard, Jr., The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
B. The Coca-Cola Co., P.O. Drawer 1734, Atlanta, Ga. 30301.
D. (6) $382. E. (9) $ 702.28.

A. Lloyd Leonard, League of Women Voters of the United States, 1730 M Street, NW., Washington, D.C. 20036.
B. League of Women Voters of the United States, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $3,132. E. (9) $59.

A. Rodney E. Leonard, Community Nutrition Institute 1146 19th Street NW., Washington, D.C. 20036.
B. Community Nutrition Institute, 1146 19th Street NW., Washington, D.C. 20036.

A. Charles Leppert, Jr., Procter & Gamble Manufacturing Co., 1801 K Street NW., Suite 230, Washington, D.C. 2006.
B. The Procter & Gamble Manufacturing Co., 301 East Sixth Street, Cincinnati, Ohio 45202.

A. Dale Lestina, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $ 1,884.80. E. (9) 79.50.

A. Ernest M. LeSueur, 1700 North Moore Street, 1925 Rosslyn Center Building, Arlington, Va. 22209.
B. Beneficial Management Corporation of America, 1300 Market Street, Wilmington, Del. 19899.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. American Electric Power Service Corp., 2 Broadway, New York, N.Y. 10004.
D. (6) $168.75.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Boston Edison Co., et al.
D. (6) $3,537.50.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Commonwealth Edison, 1 National Plaza, Chicago, Ill. 60601.
D. (6) $1,635.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for American Relief Everywhere (CARE), Inc., 660 First Avenue, New York, N.Y. 10016.
D. (6) $25. E. (9) $1.75.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Estate of Blanca Rosa Langenegger; Langenegger AG. Service, Inc., P.O. Box 575, First & Warehouse Avenue, Sunnyside, Wash.
D. (6) $350. E. (9) $20.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Holy Cross Hospital, 15031 Rinaldi Street, Mission Hills, Calif. 91345.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Association for Hospital Development ("NAHD"), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $510.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Council of Community Hospitals ("NCCH"), 1735 I Street NW., Suite 710, Washington, D.C. 20006.
D. (6) $1,170.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.
B. Association of American Railroads, American Railroad Building, Washington, D.C.
D. (6) $2,000.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.
B. Independent Local Newspaper Association, Suite 701, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500.

A. Harry LeVine, Jr., General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $525.

A. Manuel Levine, 6404 Elray Drive, Baltimore, Md. 21209.
B. Wood, Luckainger & Epstein, One Houston Center, Suite 1600, Houston Tex. 77010.
D. (6) $408.

A. Roger N. Levy, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $2365.53.

A. Cathy A. Lewis, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036 (for First City Bancorporation of Texas, Inc., Houston, Tex.)
D. (6) $21.25.

A. Charles L. Lewis, American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.
B. American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

A. E. David Lewis, Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
B. Society of American Wood Preservers, Inc., 1401 Wilson Boulevard, Suite 205, Arlington, Va. 22209.
D. (6) $110. E. (9) $224.50.

A. Michael R. Lewis, International Longshoremen's & Warehousemen's Union, 1133 15th Street NW., Suite 640, Washington, D.C. 20005.
B. International Longshoremen's & Warehousemen's Union, 1188 Franklin Street, San Francisco, Calif. 94109.
D. (6) $5,000. E. (9) $340.

A. Wm. J. Lhota, Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702.
B. Ohio Power Co., 301 Cleveland Avenue SW., Canton, Ohio 44702.
D. (6) $763.55. E. (9) $836.72.

A. Herbert Liebenson, National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
B. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $5,625.

A. Herbert Liebenson, Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
B. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.

A. William C. Lienesch, 238 10th Street NE., Washington, D.C. 20003.
B. National Parks and Conservation Association, 1701 18th Street NW., Washington, D.C. 20009.
D. (6) $898.22. E. (9) $27.75.

A. Lillick McHose & Charles, 1333 New Hampshire NW., Washington, D.C. 20036.
B. Pacific Maritime Association, 635 Sacramento Street, San Francisco, Calif. 94120.

D. (6) $222.50. E. (9) $1.20.

A. Edward J. Lincoln, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. Kathleen M. Linehan, 1025 Connecticut Avenue NW., No. 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $210. E. (9) $37.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Ambassador Bridge Co., P.O. Box 447, Detroit, Mich. 48232.
D. (6) $3232.50.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Lake Superior District Power Co., 101 West Second Street, Ashland, Wis. 54806.
D. (6) $389.59.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Madison Gas & Electric Co., 100 North Fairchild Street, Box 1231, Madison, Wis. 53701.
D. (6) $864.48.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20011.
B. The Metropolitan Sanitary District of Greater Chicago, 100 East Erie Street, Chicago, Ill. 60611.
D. (6) $4,169.44. E. (9) $20.05.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Northern States Power Co., 100 North Barstow Street, Eau Claire, Wis. 54701.
D. (6) $1,168.55.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Oregon Department of Transportation, Transportation Building, Salem, Oreg.
D. (6) $3,000.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. State of Illinois, Department of Transportation, 2300 South Dirksen Parkway, Springfield, Ill. 62764.
D. (6) $4,674. E. (9) $32.85.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. State of Illinois, Department of Transportation, Division of Water Resources, 2300 South Dirksen Parkway, Springfield, Ill. 62764.
D. (6) $1,800. E. (9) $17.60.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Superior Water, Light & Power Co., 1230 Tower Avenue, Superior, Wis. 54880.
D. (6) $234.19.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Electric Power Co., 231 West Michigan, Milwaukee, Wis. 53201.
D. (6) $3,701.93. E. (9) $53.06.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Power & Light Co., Madison, Wis. 53701.
D. (6) $1,622.23.

A. Linton, Mields, Reisler & Cottone, Ltd., 1015 18th Street NW., Suite 200, Washington, D.C. 20036.
B. Wisconsin Public Service Corp., P.O. Box 700, Green Bay, Wis. 54305.
D. (6) $1,567.97.

A. Thomas A. Lisk, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $450.

A. Robert G. Litschert, 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $1,127. E. (9) $376.28.

A. William F. Little, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 41821.
D. (6) $362,50. E. (9) $296.

A. Roy Littlefield, 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.
D. (6) $4,900. E. (9) $186.

A. David A. Litvin, 1111 19th Street NW., Suite 310, Washington, D.C. 20036.
B. Kennecott Corp., Ten Stamford Forum, Stamford, Conn. 06904.
D. (6) $500. E. (9) $43.47.

A. E. F. Livaudais, Jr., Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif., 90071.

A. Livestock Marketing Association, 4900 Oak Street, Kansas City, Mo. 64112.

A. H. Richard Lloyd, Jr., General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $65.55.

A. Harold D. Loden, American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.
B. American Seed Trade Association, 1030 15th Street NW., Suite 964, Washington, D.C. 20005.
D. (6) $4,000.

A. Nils A. Lofgren, Motor Vehicle Manufacturers Association of the U.S., Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the U.S., Inc., 300 New Center Building, Detroit, Mich., 48202.
E. (9) $320.

A. Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.
B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.
D. (6) $1,500.

A. Long, Aldridge, Heiner, Stevens & Sumner, 134 Peachtree Street, Suite 1900, Atlanta, Ga. 30043.
B. Cable Atlanta, Inc., 1038 West Peachtree Street, Atlanta, Ga. 30309.

A. Mira Hardon Long, Smothers, Douple, Gayton & Long, 1800 M Street NW., Suite 880 South, Washington, D.C. 20036.
B. City of Los Angeles, Los Angeles, Calif. 90012.
D. (6) $7,162.22.

A. Robert S. Long, Clark Oil & Refining Corp., 1025 Connecticut Avenue NW., Suite 202, Washington, D.C. 20036.
B. Clark Oil & Refining Corp., 8530 West National Avenue, Milwaukee, Wis. 53227.

A. Robert W. Long, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
D. (6) $165.85. E. (9) $8.

A. John H. Lonnquist, Jr., Johns-Manville Corp., 1025 Connecticut Avenue NW., No. 214, Washington, D.C. 20036.
B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.
D. (6) $100.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Association of Bituminous Contractors, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Classroom Publishers Association, 2020 K Street NW., Washington, D.C. 20006.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Industrial Diamond Association, 50 East Main Street, Moorestown, N.J. 08057.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Optical Manufacturers Association, 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Loomis, Owen, Fellman & Howe, 2020 K Street NW., Washington, D.C. 20006.
B. Textile Rental Services Association of America, 1250 Hallandale Beach Boulevard, Hallandale, Fla. 33009.

A. Lord, Day & Lord, 25 Broadway, New York, N.Y. 10004.
B. Bowater North America Corp., 1500 East Putnam Avenue, Old Greenwich, Conn. 06870.

A. Lord, Day & Lord, 25 Broadway, New York, N.Y. 10004.
B. Phosphate Chemicals Export Association, Inc., 200 Park Avenue, New York, N.Y. 10017.
D. (6) $18,811.25 E. (9) $1,287.31.

A. Philip J. Loree, 50 Broadway, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 50 Broadway, New York, N.Y. 10004.
D. (6) $200.

A. Robert E. Losch, P.C., Losch & DePuy, 1716 New Hampshire Avenue NW., Washington, D.C. 20009.
B. American Dredging Co., et al.
D. (6) $17,500. E. (9) $2,617.20.

A. Robert E. Losch, P.C., Losch & DePuy, 1716 New Hampshire Avenue NW., Washington, D.C. 20009.
B. Pelican Terminal Corporation (PELCO), 734 Walt Whitman Road, Suite 304, Melville, N.Y. 11747; and Port of Gal-

veston (Galveston Wharves), P.O. Box 336, Galveston, Tex. 77550.
D. (6) $10,000. E. (9) $2,157.06.

A. Claudia J. Louis, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

A. John T. Lounsbury III, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $500.

A. James F. Lovett, 1801 K Street NW., Washington, D.C. 20006.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $500. E. (9) $200.

A. James P. Low, American Society of Association Executives, 1575 I Street NW., Washington, D.C. 20005.
B. American Society of Association Executives, 1575 I Street NW., Washington, D.C. 20005.

A. William C. Lowrey, Shell Oil Co., 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Gerald M. Lowrie, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,000.

A. Freddie H. Lucas, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $307.95.

A. Lucas, Friedman & Mann, 810 18th Street NW., Suite 202, Washington, D.C. 20006.
B. Coushatta Tribe of Louisiana, c/o Ernest Sickey, Tribal Chairman, Elton, La. 70532.

A. William F. Ludlam, Sr., P.O. Box 5282, Virginia Beach, Va. 23455.
B. American Revolution Bicentennial Administration Licensees Association, P.O. Box 10, Cocoa Beach, Fla. 32931.
E. (9) $2,590.

A. Kathy K. Luhn, 1899 L Street NW., Suite 403, Washington, D.C. 20036.
B. Outdoor Advertising Association of America, Inc., 1899 L Street NW., Suite 403, Washington, D.C. 20036.
D. (6) $58. E. (9) $37.

A. Lumbermens Mutual Casualty Co., Long Grove, Ill. 60049.
E. (9) $3,367.39.

A. Milton F. Lunch, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,000.

A. Christian J. Lund, 1125 15th Street NW., Washington, D.C. 20005.
B. United Technologies Corp., United Technologies Building, Hartford, Connecticut 06601, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $12,324.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 50 Broadway, New York, N.Y. 10004.
D. (6) $600. E. (9) $ 29.03.

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. National Product Liability Council, 600 New Hampshire Avenue, Suite 920, Washington, D.C. 20037.
D. (6) $250. E. (9) $14.38

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Pennsylvania Power & Light Co., Two North 9th Street, Allentown, Pa. 18101.
D. (6) $2,672.80. E. (9) $240.16

A. Lund Levin & O'Brien, 1625 I Street NW., Washington, D.C. 20006.
B. Shanghai Power Co., 100 West Tenth Street, Wilmington, Del. 19801.
D. (6) $361.75. E. (9) $9.98.

A. William T. Lyons, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ciba-Geigy Corp., Ardsley, N.Y. 10502.
D. (6) $3,062. E. (9) $1,549.55.

A. Russell MacCleery, 1343 L Street NW., Washington, D.C. 20005.
B. National Tire Dealers & Retreaders Association, Inc., 1343 L Street NW., Washington, D.C. 20005.
D. (6) $3,100. E. (9) $75.

A. Jack A. MacDonald, National Council of Health Centers, 2600 Virginia Avenue NW., No. 915, Washington, D.C. 20037.
B. NCHC, 2600 Virginia Avenue NW., No. 915, Washington, D.C. 20037.
D. (6) $862.50. E. (9) $143.32.

A. James E. Mack, National Confectioners Association, 5101 Wisconsin Avenue, Suite 506, Washington, D.C. 20016.
B. National Confectioners Association, 36 South Wabash Avenue, Chicago, Ill. 60603.
D. (6) $21,625. E. (9) $820.69.

A. James E. Mack, Peanut Butter & Nut Processors Association, 5101 Wisconsin Avenue, Suite 504, Washington, D.C. 20016.
B. Peanut Butter & Nut Processors Association, 5101 Wisconsin Avenue, Suite 504, Washington, D.C. 20016.
D. (6) $14,499.98. E. (9) $3,979.90.

A. James H. Mack, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $7,494.26. E. (9) $500.

A. John P. Mackey, Ad Hoc Committee in Defense of Life, Inc., 810 National Press Building, Washington, D.C. 20045.
B. Ad Hoc Committee in Defense of Life, Inc., 150 East 35th Street, New York, N.Y. 10016.
D. (6) $8,150.72. E. (9) $3,568.63.

A. Edward C. Maeder, 2550 M Street NW., Washington, D.C. 20037.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $560. E. (9) $374.32.

A. Thomas D. Maher, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. John F. Mahoney, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $3,710. E. (9) $209.43.

A. Robert L. Maier, 900 17th Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.

A. F. Anthony Maio, Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Suite 1000, Washington, D.C. 20006.
B. First Wisconsin National Bank of Milwaukee, 777 East Wisconsin Avenue, Milwaukee, Wis. 53202.

A. Andre Maisonpierre, Alliance of American Insurers, 1776 F Street NW., Washington, D.C.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.

A. David L. Mallino, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $8,998.44.

A. J. Wilson Malloy, Jr., Eastman Chemical Products, Inc., 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastman Chemical Products, Inc., P.O. Box 431, Kingsport, Tenn. 37662.
D. (6) $700. E. (9) $18.50.

A. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
E. (9) $400.

A. Carter Manasco, 5932 Chesterbrook Road, McLean, Va. 22101.
B. National Coal Association, 1130 17th Street NW., Washington, D.C. 20036.
D. (6) $6,249.99. E. (9) $67.50.

A. Manchester Associates, Ltd., 1155 15th Street NW., Suite 1010, Washington, D.C. 20005.
D. (6) $2,325. E. (9) $9,211.06.

A. Forbes Mann LTV Corp., 1155 15th Street NW., Suite 1004, Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.
D. (6) $500. E. (9) $20.

A. Armand G. Manson, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
B. Bell Aerospace Textron, 1666 K Street NW., Suite 300, Washington, D.C. 20006.
D. (6) $2,614.

A. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.
D. (6) $1,300. E. (9) $105.

A. Allen J. Mansano, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $421.50.

A. March for Life, Inc., P.O. Box 2950, Washington, D.C.

D. (6) $19,013.83. E. (9) $20,705.11.

A. Ronald N. Marcus, 4638 South 34th Street, Arlington, Va. 22206.
B. National Committee for Auto Crash Protection, 1220 19th Street NW., Washington, D.C. 20016.

A. David J. Markey, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $2,000. E. (9) $413.49.

A. Lawrence D. Markley, P.O. Box 3518, Anchorage, Alaska 99501.
B. Chugach Electric Association, Inc., P.O. Box 3518, Anchorage, Alaska 99501.
D. (6) $1,827.20. E. (9) $1,939.64.

A. John Marlin, 307 West Nevada, Urbana, Ill. 61801.
B. Central States Resource Center, P.O. Box 447, Urbana, Ill. 61801.
D. (6) $2,687.49.

A. Howard Marlowe, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.
D. (6) $15,159.80. E. (9) $203.06.

A. D. V. Maroney, Jr., Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Chalmers Marquis, NAPTS, 955 L'Enfant Plaza SW., Washington, D.C. 20024.
B. National Association of Public Television Stations, 955 L'Enfant Plaza, S.W. Washington, D.C. 20024.
D. (6) $750. E. (9) $75.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Abbotts Dairies, Division of Fairmont Foods Co., 333 West Loop North, Houston, Tex. 77024.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. ADP Pension Services, Inc., 180 Newport Center Drive, Newport Beach, Calif. 92663.

A. Marshall, Bratter, Greene, Allison & Tucker, 430 Park Avenue, New York, N.Y. 10022.
B. Cadillac Fairview U.S., Inc., c/o The Corporation Trust Co., 100 West 10th Street, Wilmington, Del. 19801.
D. (6) $21,570. E. (9) $545.83.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue NW., Washington, D.C. 20036.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $6,556.24. E. (9) $172.50.

A. Marshall, Bratter, Greene, Allison & Tucker, 1140 Connecticut Avenue, NW., Washington, D.C. 20036
B. The Institute of Electrical & Electronics Engineers, Inc. 345 East 47th Street, New York, N.Y. 10022
D. (6) $975.

A. C. Travis Marshall, 1776 K Street NW., Washington, D.C. 20006.
B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $1,500. E. (9) $167.98.

A. Donald N. Martin, Donald N. Martin & Co., Inc., 488 Madison Avenue, New York, N.Y. 10022

A. J. Paull Marshall, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $24.86. E. (9) $400.89.

A. David O. Martin, Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
B. Kimberly-Clark Corp., North Lake Street, Neenah, Wis. 54956.
D. (6) $50. E. (9) $66.81.

A. John B. Martin, Jr., National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $627.69. E. (9) $44.

A. Katherine E. Martin, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $114.99. E. (9) $61.39.

A. Larry K. Martin, Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.

A. Thomas A. Martin, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $225.

A. Steven A. Martindale, 1220 19th Street NW., Washington, D.C. 20036.
B. DGA International Inc., (for Government of Morocco, Rabat, Morocco), 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $200.

A. Joseph J. Martyak, Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y., 10017.

A. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.
E. (9) $234.94.

A. Mike M. Masaoka, 900 17th Street NW., Suite 520, Washington, D.C. 20006.
B. Japan Binocular Manufacturers Association, 45-8 Ohyama-Kanai-Cho, Itabashi-ku, Tokyo, Japan.
D. (6) $500.

A. Mike M. Masaoka, 900 17th Street NW., Suite 520, Washington, D.C. 20006.
B. Toyota Motor Sales, U.S.A., Inc., 1809 L Street NW., Suite 703, Washington, D.C. 20036.
D. (6) $750.

A. Mike M. Masaoka, 900 17th Street NW., Suite 520, Washington, D.C. 20006.
B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
D. (6) $500.

A. Scott A. Mason, 6137 East Calle Camelia, Scottsdale, Ariz. 85251.
B. Samaritan Health Service, 1410 North Third, P.O. Box 25489, Phoenix, Ariz. 85002.
E. (9) $5,206.50.

A. W. A. Mason, 442 Ontario, Shreveport, La.
B. Southwestern Electric Power Co., P.O. Box 21106, Shreveport, La. 71156.

A. Cliff Massa III, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Carolyn Massell, Colonial Penn Group, Inc., 5 Penn Center Plaza, Philadelphia, Pa. 19181.
B. Colonial Penn Group, Inc., 5 Penn Center Plaza, Philadelphia, Pa. 19181.

A. William F. Massman, Dr. Pepper Co., P.O. Box 225086, Dallas, Tex. 75265.
B. Dr. Pepper Co., P.O. Box 225086, Dallas, Tex. 75265.

A. Charles D. Matthews, 1100 17th Street NW., No. 410, Washington, D.C. 20036.
B. National Ocean Industries Association, 1100 17th Street NW., No. 410, Washington, D.C. 20036.
D. (6) $2,048.20. E. (9) $124.50.

A. Robert A. Matthews, Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
B. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.
D. (6) $623.50.

A. Joanne E. Mattiace, Sears, Roebuck & Co., 1211 Connecticut Avenue NW., No. 802, Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.

A. C. V. & R. V. Maudlin, 1111 E Street NW., Washington, D.C.
B. Georgia Power Co., 270 Peachtree Street, Atlanta, Ga.

A. C. V. & R. V. Maudlin, 1111 E Street NW., Washington, D.C.
B. Joint Government Liaison Committee, 1111 E Street NW., Washington, D.C.

A. Anthony P Mauriello, N.Y.S. Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10176.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Samuel L. Maury, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.
D. (6) $209.16. E. (9) $4.

A. Thomas H. Maxedon, Kentucky Petroleum Council, 4010 DuPont Circle, Louisville, Ky. 40207.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Albert E. May, Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
B. Council of American-Flag Ship Operators, 1625 K Street NW., Washington, D.C. 20006.
D. (6) $3,000. E. (9) $3.31.

A. James C. May, Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C.
B. Aerospace Industries of America, Inc., 1725 DeSales Street NW., Washington, D.C. 20036.

A. Mayer, Brown & Platt, 888 17th Street NW., Washington, D.C. 20006.
B. The ERISA Industry Committee, Suite 500, 1919 Pennsylvania Avenue NW., Washington, D.C. 20005.
D. (6) $295. E. (9) $2.75.

A. H. Wesley McAden, 1707 L Street NW., Washington, D.C. 20036.
B. J. G. Boswell Co., Inc., 333 South Hope Street, Los Angeles, Calif. 90017.
D. (6) $7,500. E. (9) $2,540.

A. William J. McAuliffe, American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.

A. Ann McBride, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $8,000. E. (9) $341.52.

A. John A. McCahill, United States Olympic Committee, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States Olympic Committee, 1750 East Boulder, Colorado Springs, Colo. 80909.

A. Julie P. McCahill, The Mead Corporation, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Mead Corporation, Mead World Headquarters, Courthouse Plaza NE., Dayton, Ohio 45463.
D. (6) $275.

A. William C. McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $900.

A. John A. McCart, Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
B. Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $3,404.76.

A. James W. McCarthy, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $1,500. E. (9) $515.49.

A. Sean A. McCarthy, 8283 Greensboro Drive, McLean, Va. 22102.
B. Satellite Business Systems, 8283 Greensboro Drive, McLean, Va. 22102.

A. McClure & Trotter, Suite 600, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cigar Association of America, 1120 19th Street NW., Washington, D.C. 20036.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Cities Service Company, Box 300, Tulsa, Okla. 74102.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. The Coca-Cola Co., P.O. Box 1734, Atlanta, Ga. 30301.
D. (6) $1,737.50. E. (9) $68.29.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Hercules, Inc., 910 Market St., Wilmington, Del. 19899.
D. (6) $270.

A. McClure & Trotter, 1100 Connecticut Avenue NW., Suite 600, Washington, D.C. 20036.
B. Mobil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $835. E. (9) $126.25.

A. Joel C. McConnell, Jr., Independent Bankers Association of America, 1625 Massachusetts Avenue NW., No. 202, Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.
D. (6) $8,000. E. (9) $1,000.

A. Richard M. M. McConnell, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. John L. McCormick, 317 Pennsylvania Avenue, Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,499.99.

A. Molly McCormick, Philadelphia Electric Co., 2301 Market Street, S23-1, P.O. Box 8699, Philadelphia, Pa. 19101.
B. Philadelphia Electric Co., 2301 Market Street, P.O. Box 8699, Philadelphia, Pa. 19101.
D. (6) $1,500. E. (9) $753.25.

A. Sally McCormick, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,273.75.

A. E. L. McCulloch, Brotherhood of Locomotive Engineers, 819 Railway Labor Building, 400 1st Street NW., Washington, D.C. 20001.
B. Brotherhood of Locomotive Engineers, Engineers Building, Cleveland, Ohio 44114.
D. (6) $284.60. E. (9) $85.20.

A. Rose A. McCullogh, Sierra Club, 715 South 14th Street, Lincoln, Nebr. 68508.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $520. E. (9) $1,269.72.

A. Albert L. McDermott, American Hotel & Motel Association, 1101 Connecticut Avenue NW., Suite 1006, Washington, D.C. 20036.
B. American Hotel & Motel Association, 888 Seventh Avenue, New York, N.Y. 10019.
D. (6) $1,874.06.

A. Marianne McDermott, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Michael D. McDonald, Maryland Petroleum Association, 60 West Street, Annapolis, Md. 21401.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Patrick J. McDonough, American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.
B. American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

A. Susan K. McDowell, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,625.

A. Paul J. McGeady, 27 Hampton Place, Nutley, N.J. 07110.
B. Morality In Media, Inc., 475 Riverside Drive, Suite 239, New York, N.Y. 10115.
D. (6) $371.26.

A. Jane S. McGhee, 507 Second Street NE., Washington, D.C. 20002.
B. The Confederated Tribes of Warm Springs, Warm Springs, Oreg. 97761.

A. Jane S. McGhee, 507 Second Street NE., Washington, D.C. 20002.
B. The Navajo Nation, Window Rock, Ariz. 86515.

A. P. Anne McGhee, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $450.

A. Robert M. McGlotten, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $15,075. E. (9) $536.10.

A. Gregory E. McGowan, The Firestone Tire & Rubber Company, 1730 K Street NW., Suite 915, Washington, D.C. 20006.
B. The Firestone Tire & Rubber Company, 1200 Firestone Parkway, Akron, Ohio 44317.

A. Jerome J. McGrath, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $500.

A. Walter P. McHugh, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,483.55. E. (9) $76.25.

A. Clarence M. McIntosh, Jr., Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
B. Railway Labor Executives' Association, 400 First Street NW., Washington, D.C. 20001.
D. (6) $1,178.29.

A. Lyndley R. McIntosh, 410 First Street SE., Washington, D.C.
B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
D. (6) $762.50. E. (9) $19.85.

A. Christine E. McKechnie, RJR Industries, Inc., 2550 M Street NW., Suite 770, Washington, D.C. 20037.
B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $250. E. (9) $78.91.

A. William F. McKenna, 1800 M Street NW., No. 950N, Washington, D.C. 20036.

B. Sliver, Freedman, Housley, Taff & Goldberg, 1800 M Street NW., No. 950N, Washington, D.C. 20036.

A. Janet E. McKenzie, Allied-General Nuclear Services, 1150 Connecticut Avenue NW., Suite 702, Washington, D.C. 20036.
B. Allied-General Nuclear Services, P.O. Box 847, Barnwell, S.C. 29812.
D. (6) $500.

A. William Colm McKeveny, Chadbourne, Parke, Whiteside & Wolff, 30 Rockefeller Plaza, New York, N.Y. 10112.
B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. C. A. Mack McKinney, 110 Maryland Avenue NE., Box 43, Washington, D.C. 20002.
B. Non Commissioned Officers Association of the U.S.A., P.O. Box 33610, San Antonio, Tex. 78233.
D. (6) $6,831.89. E. (9) $13,621.05.

A. Gail H. McLarnon, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Gail H. McLarnon, First National Boston Corporation, 100 Federal Street, Boston, Mass. 02110.
B. First National Boston Corporation, 100 Federal Street, Boston, Mass. 02110.

A. James D. McLaughlin, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $925. E. (9) $93.15.

A. John S. McLees, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $721.80. E. (9) $139.40.

A. William F. McManus, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Company, Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $370.

A. Jane Pierson McMichael, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $12,423.60. E. (9) $20,212.99.

A. C. W. McMillan, National Cattlemen's Association, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203.
D. (6) $1,500.

A. James D. McMillan, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $70.35.

A. William C. McMurtrie, 8150 Leesburg Pike, No. 503, Vienna, Va. 22180.
B. William H. Sullivan, Jr., 1 Federal Street, 29th Floor, Boston, Mass. 02110.
D. (6) $2,000.

A. Laramie F. McNamara, Flexible Packaging Association, 1111 19th Street NW., Washington, D.C. 20036.
B. Flexible Packaging Association, 1111 19th Street NW., Washington, D.C. 20036.

A. James A. McPherson, Mo-Ark Basins Flood Control and Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.
B. Mo-Ark Basins Flood Control and Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.

A. Francis X. Meaney, 1 Center Plaza, Boston, Mass. 02108; 1015 15th Street NW., Washington, D.C. 20005.
B. Mintz, Levin, Cohn, Glovsky & Popeo, 1 Center Plaza, Boston, Mass. 02108 and 1015 15th Street, NW., Washington, D.C. 20005 (for The Claremont Co., Inc., 628 Pleasant Street, P.O. Box E-81, New Bedford, Mass. 02742).

A. Francis X. Meaney, 1 Center Plaza, Boston, Mass. 02108; 1015 15th Street NW., Washington, D.C. 20005.
B. Mintz, Levin, Cohn, Glovsky & Popeo, 1 Center Plaza, Boston, Mass. 02108 and 1015 15th Street, NW., Washington, D.C. 20005 (for Goldman, Sachs & Co., 55 Broad Street, New York, N.Y. 10004).

A. Francis X. Meaney, 1 Center Plaza, Boston, Mass. 02108; 1015 15th Street NW., Washington, D.C. 20005.
B. Mintz, Levin, Cohn, Glovsky & Popeo, 1 Center Plaza, Boston, Mass. 02108 and 1015 15th Street, NW., Washington, D.C. 20005 (for Northern Energy Corporation, 470 Atlanta Avenue, Boston, Mass. 02210).

A. Francis X. Meaney, 1 Center Plaza, Boston, Mass. 02108; 1015 15th Street NW., Washington, D.C. 20005.
B. Mintz, Levin, Cohn, Glovsky & Popeo, 1 Center Plaza, Boston, Mass. 02108 and 1015 15th Street, NW., Washington, D.C. 20005 (for Refuse Fuels, Inc., P.O. Box 83, Bradford, Mass. 08130).

A. Francis X. Meaney, 1 Center Plaza, Boston, Mass. 02108; 1015 15th Street NW., Washington, D.C. 20005.
B. Mintz, Levin, Cohn, Glovsky & Popeo, 1 Center Plaza, Boston, Mass. 02108 and 1015 15th Street, NW., Washington, D.C. 20005 (for Securities Industry Association, 20 Broad Street, New York, N.Y. 10005).
D. (6) $1,500. E. (9) $24.

A. Joseph J. Meder, Interlake, Inc., 1050 17th Street NW., Washington, D.C. 20036.
B. Interlake, Inc., 2015 Spring Road, Oak Brook, Ill. 60521.
D. (6) $9,000.

A. John Martin Meak, 1730 Pennsylvania Avenue, Suite 460, Washington, D.C. 20006.
B. Toyota Motor Sales, U.S.A., Inc., 2055 West 190th Street, Torrance, Calif. 90504.
D. (6) $3,500. E. (9) $211.29.

A. David Olan Meeker, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. William H. Megonnell, Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $192.85. E. (9) $18.56.

A. F. A. Meister, Jr., 1611 North Kent Street, Arlington, Va. 22209.
B. American Footwear Industries Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
D. (6) $350. E. (9) $15.

A. Edward L. Menning, National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
B. National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
D. (6) $107.87.

A. Ellis E. Meredith, American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, Inc., 1611 North Kent Street, Arlington, Va. 11109.
E. (9) $14.04.

A. Ted H. Meredith, 6030 Warwick Court, New Orleans, La. 70114.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.

A. Charles L. Merin, National Rural Letter Carriers' Association, Suite 1204, 1750 Pennsylvania Avenue NW., Washington, D.C.
B. National Rural Letter Carriers' Association, Suite 1204, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $10,208. E. (9) $164.

A. Edward A. Merlis, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Tele-Press Associates, Inc., 342 East 79th Street, New York, N.Y. 10021 (for Japan Fisheries Association).

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Central Gulf Lines, Inc., International Trade Mart, No. 2 Canal Street, New Orleans, La. 70130.
D. (6) $1,250. E. (9) $64.52.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. Coalition of United States Citizen Award-Holders Against Czechoslovakia.
E. (9) $319.09.

A. Edward L. Merrigan, 6000 Connecticut Avenue NW., Washington, D.C. 20015.
B. National Association of Recycling Industries, Inc., 330 Madison Avenue, New York, N.Y. 10017.
D. (6) $6,111.10. E. (9) $444.34.

A. Harold E. Mesirow, Lillick McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Foss Launch & Tug Co., Foss Alaska Line, 660 West Ewing Street, Seattle, Wash. 98119.
D. (6) $856.50.

A. Harold E. Mesirow, Lillick McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Rotan Mosle, Inc., 1500 South Tower Pennzoil Place, Houston, Tex. 77002.
E. (9) $212.42.

A. Harold E. Mesirow, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Three R Trust, 702 Moody National Bank Tower, Galveston, Tex. 77550.

A. Metzger, Shadyac & Schwarz, One Farragut Square South, Washington, D.C. 20006.

B. Melex U.S.A., Inc., 1201 Front Street Raleigh, N.C. 27609.

A. M. Barry Meyer, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. The Aluminum Association, 818 Connecticut Avenue NW., Washington, D.C. 20006.
E. (9) $1,020.

A. James G. Michaux, Federated Department Stores, Inc., 1801 K Street NW., Suite 903, Washington, D.C. 20006.
B. Federated Department Stores, Inc., 7 West Seventh Street, Cincinnati, Ohio 45202.
D. (6) $500.

A. Ronald A. Michieli, National Cattlemen's Association, 425 13th Street NW., Suite 1020, Washington, D.C. 20004.
B. National Cattlemen's Association, 1001 Lincoln Street, Denver, CO 80203.
D. (6) $1,000.

A. Michigan Knife Co., 120 Pere Marquette Street, Big Rapids, Mich. 49307.

A. Mid-Continent Oil & Gas Association, 1111 Thompson Building, Tulsa, Okla. 74103.
D. (6) $33.30. E. (9) $3915.40.

A. Joy Midman, National Association of Private Psychiatric Hospitals, 1701 K Street NW., Washington, D.C. 20006.
B. National Association of Private Psychiatric Hospitals, 1701 K Street NW., Suite 1205, Washington, D.C. 20006.
D. (6) $150.

A. Migrant Legal Action Program, Inc., 806 15th Street NW., Washington, D.C. 20005.
D. (6) $27,502.65. E. (9) $27,502.65.

A. Milbank, Tweed, Hadley & McCloy, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. LaSalle National Bank, 135 South LaSalle Street, Chicago, Ill. 60690.
E. (9) $18.64.

A. Roy H. Millenson, Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Room 480, Washington, D.C. 20036.
D. (6) $2,050. E. (9) $165.28.

A. A. Stanley Miller, 910 16th Street, Room 402, Washington, D.C. 20006.
B. Federation of American Controlled Shipping, 50 Broadway, New York, N.Y. 10004.
D. (6) $300.

A. Miller Associates, Inc., 2500 Q Street NW., Washington, D.C. 20007.
B. Tosco Corp., 10100 Santa Monica Boulevard, Los Angeles, Calif. 90067.
D. (6) $1,500. E. (9) $42.

A. C. John Miller, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. The Assocation of Private Pension and Welfare Plans, Inc., 1725 K Street NW., Suite 801, Washington, D.C. 20006.
D. (6) $17,593.01.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.

B. Litton Industries, Inc., 360 North Crescent Drive, Beverly Hills, Calif. 90210.
D. (6) $23.75.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.

A. Miller & Chevalier, 1700 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
B. Nuclear Fuel Services, Suite 600, 6000 Executive Boulevard, Rockville, Md. 20852.
D. (6) $150.

A. Clinton R. Miller, National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.
B. National Health Federation, 212 West Foothill Boulevard, Monrovia, Calif. 91016.
D. (6) $658.40. E. (9) $1,186.

A. James C. Miller, The National Grange, 1616 H Street NW., Washington, D.C. 20006.
B. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $3,062.50

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. O&C Counties Association, 1980 Haydon Road, Roseburg, Oreg. 97470.

A. Linda B. Miller, Suite 405, 2550 M Street NW., Washington, D.C. 20037.
B. Volunteer Trustees of Not-for-Profit Hospitals, 2550 M Street NW., Suite 405, Washington, D.C. 20037.
D. (6) $600. E. (9) $115.72.

A. Robert H. Miller, Tenneco, Inc., 490 L'Enfant Plaza East SW., No. 2202, Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. W. Kirk Miller, 733 North Van Buren Street, Suite 610, Milwaukee, Wis. 53202.
B. Barley and Malt Institute, 733 North Van Buren Street, Suite 610, Milwaukee, Wis. 53202.
D. (6) $4,000. E. (9) $695.95.

A. Christine Topping Milliken, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
B. National Association of Independent Colleges & Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
D. (6) $7,320. E. (9) $97.18.

A. John C. Milliner, Jr., P.O. Box 1606, Forest Park, Ga. 30050.
B. Southeastern Lumber Manufacturers Association, Forest Park, Ga. 30050.
D. (6) $137.25

A. John F. Mills, 1875 I Street NW., Washington, D.C. 20006.
B. The Tobacco Institute, 1875 I Street NW., Washington, D.C. 20006.
D. (6) $400. E. (9) $10.

A. Edward J. Milne, Jr., 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $452. E. (9) $251.46.

A. Minnesotans for SALT, 1414 Soo Line Building, Minneapolis Min. 55402.

A. Thomas B. Miranda, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $145.

A. Thomas F. Mitchell, Georgia-Pacific Corp., 1875 I Street NW., Washington, D.C. 20006.
B. Georgia-Pacific Corp., 900 SW Fifth Avenue, Portland, Oreg. 97204.
E. (9) $260.

A. Michael S. Moe, Tenneco Inc., 490 L'Enfant Plaza East, SW., Washington, D.C. 20024.
B. Tenneco Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Robert M. Moliter, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.

A. John V. Moller, Manchester Associated, Ltd., 1155 15th Street NW., Suite 1010, Washington, D.C. 20005.
B. Manchester Associated, Ltd., 1155 15th Street NW., No. 1010, Washington, D.C. 20005.
D. (6) $705. E. (9) $17.50.

A. Michael J. Molony, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $60.

A. C. Manly Molpus, American Meat Institute, P.O. Box 3556, Washington, D.C. 20007.
B. American Meat Institute, P.O. Box 3556, Washington, D.C. 20007 (1700 North Moore Street, Arlington, Va.)
D. (6) $1,000. E. (9) $17.20.

A. Elizabeth R. Monro, Air Transport Association of America, 1709 New York Avenue, Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue, Washington, D.C. 20006.
D. (6) $1,300.

A. Michael Monroney, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., 1 Montgomery Ward Plaza, Chicago, Ill. 60671.
E. (9) $100.

A. G. Merrill Moody, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $259.36. E. (9) $245.75.

A. Alan J. Moore, The Atchison, Topeka & Santa Fe Railway Co., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Atchison, Topeka & Santa Fe Railway Co., 80 East Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $1,000.

A. Janis E. Moore, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

D. (6) $250.

A. Joy E. Moore, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,750. E. (9) $461.07

A. Moore McCormack Resources, 1 Landmark Square, Stamford, Conn.
E. (9) $685.50.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Rheinmetall GMBH, Ulmmenstrasse 125, 4000 Dusseldorf, FRG.

A. Powell A. Moore, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

A. Morality in Media, Inc., 475 Riverside Drive, Suite 239, New York, N.Y. 10115.
D. (6) $617.77. E. (9) $617.77.

A. Jo V. Morgan, Jr., American Humane Association, 1828 L Street NW., Washington, D.C. 20036.
B. The American Humane Association, P.O. Box 1266, Denver, Colo. 80201.
D. (6) $1,000.

A. John Morgan, Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
B. Communications Workers of America, 1925 K Street NW., Washington, D.C. 20006.
D. (6) $875. E. (9) $22.

A. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.
B. Committee for Capital Formation Through Dividend Reinvestment, 1800 M Street NW., Suite 800N, Washington, D.C. 20036.

A. Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.
B. Evans Products Co., 1121 Southwest Salmon Street, P.O. Box 3295, Portland, Oreg. 97208.
D. (6) $1,000. E. (9) $1,000.

A. Robert E. Morin, Society of Real Estate Appraisers, 2600 Virginia Avenue NW., Suite 901, Washington, D.C. 20037.
B. Society of Real Estate Appraisers, 645 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $2,400. E. (9) $6,210.24.

A. Victor G. Morris, Montgomery Ward & Co., Inc., 1100 Connecticut, No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., One Montgomery Ward Plaza, Chicago, Ill. 60671.
E. (9) $50.

A. Helen Dubino Morrison, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Helen Dubino Morrison, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., (for Florists Transworld Delivery Association, P.O Box 2227, Southfield, Mich. 48037), 633 Third Avenue, New York, N.Y. 10017.
D. (6) $1,800.

A. Helen Dubino Morrison, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.

B. Hill & Knowlton, Inc. (for the Navajo Nation, Window Rock, Ariz. 86515), 633 Third Avenue, New York, N.Y. 10017.

A. William C. Morrison, Meat Importers Council of America, Inc., 2001 North Adams Street, Arlington, Va. 22201.
B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $875.

A. Sol Mosher, Crown Zellerbach, 1660 L Street NW., Suite 215, Washington, D.C. 20036.
B. Crown Zellerbach, 1 Bush Street, San Francisco, Calif. 94119.

A. Lynn E. Mote, InterNorth, 1015 15th Street NW., Suite 900, Washington, D.C. 20005.
B. InterNorth, 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,000.

A. Motor & Equipment Manufacturers Association, 1120 19th Street NW., Suite 333, Washington, D.C. 20036.
E. (9) $40.

A. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.
D. (6) $518. E. (9) $518.

A. William G. Mullen, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
B. Associated Third Class Mail Users, 1725 K Street NW., Suite 607, Washington, D.C. 20006.
D. (6) $466.66.

A. John P. Mulligan, 1101 17th Street NW., Washington, D.C. 20036.
B. Tuna Research Foundation, Inc., 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,375.

A. Robert M. Mulligan, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. Albert E. Mullin, Jr., Digital Equipment Corp., 111 Powdermill Road, B79, Maynard, Mass. 01754.
B. Digital Equipment Corp., 111 Powdermill Road, Maynard, Mass. 01754.
D. (6) $3,750.

A. Tracy Mullin, National Retail Merchants Association, 1000 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
D. (6) $100. E. (9) $15.

A. Robert J. Mullins, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational and Cooperative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
D. (6) $4,738.44. E. (9) $18.24.

A. Daniel J. Mundy, Building & Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
B. Building & Construction Trades Department, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $14,057.78. E. (9) $8,194.58.

A. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.
D. (6) $34,684. E. (9) $34,684.

A. Richard E. Murphy, 2020 K Street NW., Suite 200, Washington, D.C. 20006.

B. Service Employees International Union, AFL-CIO, CLC, 2020 K Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $1,000. E. (9) $68.15.

A. Richard W. Murphy, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $625. E. (9) $150.04.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chicago, Milwaukee, St. Paul & Pacific Railroad, 516 West Jackson Boulevard, Chicago, Ill. 60606.
D. (6) $500.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The Cleveland Cliffs Iron Co., 1460 Union Commerce Building, Cleveland, Ohio 44115.
D. (6) $150.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $200.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Iron Ore Lessors Association, 1500 First National Bank Building, St. Paul, Minn. 55101.
D. (6) $400.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. The LTV Corp., P.O. Box 5003, Dallas, Tex. 75222.
D. (6) $250.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Association of Industrial & Office Parks, 1700 N. Moore Street, Suite 1010, Arlington, Va. 22209.
D. (6) $450.

A. D. Michael Murray, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Council of Coal Lessors, Inc., 1150 1 Valley Square, Charleston, W. Va. 25301.
D. (6) $250.

A. William E. Murray, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $179.50.

A. Frank Dominic Musica, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,750.

A. Harold D. Muth, 1600 Wilson Boulevard, No. 1101, Arlington, Va. 22209.
B. American Waterways Operators, Inc., 1600 Wilson Boulevard, No. 1101, Arlington, Va. 22209.

D. (6) $300.

A. Fred J. Mutz, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $35.

A. Paul J. Myer, 2409 Red Maple Lane, Reston, Va. 22091.
B. American Broadcasting Co., 1150 17th Street NW., Washington, D.C. 20036.

A. Gary D. Myers, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $1,706.88.

A. J. Walter Myers, Jr., Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.
B. Forest Farmers Association, P.O. Box 95385, Atlanta, Ga. 30347.

A. Law Office of Timothy D. Naegele, Suite 1280, 1850 K Street NW., Washington, D.C. 20006.
B. BayBanks, Inc., 175 Federal Street, Boston, Mass. 02110.

A. Law Office of Timothy D. Naegele, Suite 1280, 1850 K Street NW., Washington, D.C. 20006.
B. Republic National Bank of New York, Fifth Avenue at 40th Street, New York, N.Y. 10018.

A. Clifford M. Naeve, 2550 M Street NW., Suite 770, Washington, D.C. 20037.
B. RJR Industries, Inc., P.O. Box 2959, Winston-Salem, N.C. 27102.
D. (6) $115.37.

A. Gerald P. Nagy, National Home Furnishings Association, 900 17th Street NW., Suite 514, Washington, D.C. 20006.
B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill 60654.
D. (6) $1,000.

A. N. Naman, Howell, Smith, Lee & Muldrow, 700 Texas Center, 900 Washington, Waco, Tex. 76703.
B. Cotton Farmers Association, 700 Texas Center, 900 Washington, Waco, Tex. 76703.
E. (9) $0.06.

A. Bernard Nash, Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Equitable Life Assurance Society of the United States., 1285 Avenue of the Americas, New York, N.Y. 10019.

A. Bernard Nash, Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. General Electric Co., 3125 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $2,625. E. (9) $20.25.

A. Bernard Nash, Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.
D. (6) $8,200. E. (9) $857.60.

A. Hardy L. Nathan, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Raymond Nathan, 4242 East-West Highway, Chevy Chase, Md. 20015.
B. American Ethical Union, 2 West 64th Street, New York, N.Y. 10023.
D. (6) $555. E. (9) $436.89.

A. National Agricultural Chemicals Association, 1155 15th Street NW., Washington, D.C. 20005.

A. National Air Carrier Association, 1730 M Street NW., Suite 710, Washington, D.C. 20036.
D. (6) $2,000. E. (9) $2,000.

A. National Association for Free Enterprise, 1101 New Hampshire Avenue NW., Suite 107, Washington, D.C. 20037.

A. National Association for Neighborhood Schools, Inc., P.O. Box 14887, Columbus, Ohio 43214.
D. (6) $13,287.10. E. (9) $10,413.37.

A. National Association for Uniformed Services, 903 S. Highland Street, Arlington, Va. 22204.
D. (6) $56,264.25. E. (9) $2,363.99.

A. National Association of Air Traffic Specialists, Suite 415, Wheaton Plaza North, Wheaton, Md. 20920.
D. (6) $119,158.77. E. (9) $8,819.77.

A. National Association of Chain Drug Stores, Inc., 413 North Lee Street, Alexandria, Va. 22314.
E. (9) $3,250.

A. The National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
B. The National Association of Federal Veterinarians, Suite 836, 1522 K Street NW., Washington, D.C. 20005.
E. (9) $258.21.

A. National Association of Furniture Manufacturers, 8401 Connecticut Avenue, Suite 911, Washington, D.C. 20015.
D. (6) $1,750. E. (9) $1,230.

A. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
D. (6) $59,618.32. E. (9) $121,648.48.

A. The National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $69,930.51. E. (9) $65,930.51.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Mutual Insurance Companies, 7931 Castleway Drive, Indianapolis, Ind. 46250.

A. National Association of Mutual Savings Banks, 200 Park Avenue, New York, N.Y. 10166.
D. (6) $14,771.57. E. (9) $14,771.57.

A. The National Association of Pension Consultants & Administrators, Inc., 3 Piedmont Center, Suite 300, Atlanta, Ga. 30042.
D. (6) $17,300. E. (9) $376.14.

A. National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor, Washington, D.C. 20005.
D. (6) $568.71. E. (9) $5,867.65.

A. National Association of Plumbing-Heating-Cooling Contractors, 1016 20th Street NW., Washington, D.C. 20036.
D. (6) $300. E. (9) $300.

A. National Association of Private Enterprise (Association Nacional de la Empresa Privada-ANEP), Alameda Roosevelt 2827, San Salvador, El Salvador.
E. (9) $8,128.09.

A. National Association of Real Estate Investment Trusts, Inc., 1101 17th Street NW., Suite 700, Washington, D.C. 20036.
D. (6) $1,100. E. (9) $1,076.65.

A. National Association of Wheat Growers, 415 Second Street NE., Suite 300, Washington, D.C. 20002.
D. (6) $5,829.14. E. (9) $38,324.57.

A. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $13,492. E. (9) $4,982.25.

A. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.

A. National Business Aircraft Association, 1 Farragut Square South, Washington, D.C. 20006.

A. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $7,843.50. E. (9) $7,843.50.

A. National Cattlemen's Association, 1001 Lincoln Street, Denver, Colo. 80203
E. (9) $3,524.29.

A. National Coalition for Marine Conservation, Inc., P.O. Box 23296, Savannah, Ga. 31403.
D. (6) $12,997. E. (9) $14,586.14.

A. National Committee for a Human Life Amendment, Inc., 1707 L Street NW., No. 400, Washington, D.C. 20036.
D. (6) $68,492.38. E. (9) $7,003.

A. National Committee on Small Issue Industrial Development Bonds, Box 1, 900 South, 1800 M Street NW., Washington, D.C. 20036

A. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $10,548.14. E. (9) $10,548.14.

A. National Council of Agricultural Employers, 435 Southern Building, 1425 H Street NW., Washington, D.C. 20005.
D. (6) $501. E. (9) $2,262.65.

A. National Council of Community Mental Health Centers, 2233 Wisconsin Avenue NW., No. 322, Washington, D.C. 20007.
D. (6) $3,000. E. (9) $150.

A. National Council of Health Centers, 2600 Virginia Avenue NW., Suite 915, Washington, D.C. 20037.
D. (6) $3,179.35. E. (9) $2,465.86.

A. National Electrical Manufacturers Association, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $55.16. E. (9) $55.16.

A. National Employee Benefits Institute, 515 National Press Building, Washington, D.C. 20045.
D. (6) $1,125.

A. National Family Farm Coalition, 918 F Street NW., Washington, D.C. 20004.
D. (6) $9,626.22. E. (9) $8,046.35.

A. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036,

D. (6) $11,609.53. E. (9) $11,609.53.

A. The National Federation of Licensed Practical Nurses, Inc., 888 Seventh Avenue, 18th Floor, New York, N.Y. 10106.
D. (6) $1,780. E. (9) $1,780.

A. National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
D. (6) $4,625. E. (9) $2,427.14.

A. National Grain & Feed Association, 725 15th Street NW., Washington, D.C. 20005.

A. The National Grange, 1616 H Street NW., Washington, D.C. 20006.
D. (6) $11,250. E. (9) $9,650.

A. National Guard Association of the United States, 1 Massachusetts Avenue NW., Washington, D.C. 20001.
D. (6) $143,220.30. E. (9) $746.60.

A. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
E. (9) $2,000.

A. The National Industrial Traffic League, 1909 K Street NW., Suite 410, Washington, D.C. 20006.
D. (6) $3,750. E. (9) $2,974.65.

A. National Leased Housing Association, Suite 400S, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $450. E. (9) $450.

A. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.
D. (6) $6,094.38. E. (9) $6,094.38.

A. National Manufactured Housing Federation, 1310 New Hampshire Avenue NW., Suite 1007, Washington, D.C. 20036.
D. (6) $23,913.07.

A. National Maritime Council, 1748 N Street NW., Washington, D.C. 20036.
D. (6) $182,350.82. E. (9) $6,447.57.

A. National Milk Producers Federation, 30 F Street NW., Washington, D.C. 20001.
D. (6) $7,013.21. E. (9) $7,013.21.

A. National Motorsports Committee of ACCUS, 1701 K Street NW., No. 1304, Washington, D.C. 20006.

A. National Oil Jobbers Council, 1707 H Street NW., 11th Floor, Washington, D.C. 20006.
D. (6) $176,810.05. E. (9) $17,369.63.

A. National Organization for Women, 425 13th Street NW., No. 1048, Washington, D.C. 20004.

A. National Parking Association, 1101 17th Street NW., Washington, D.C. 20036.
E. (9) $20,900.95.

A. National Pest Control Association, 8150 Leesburg Pike, No. 1100, Vienna, Va. 22180.

A. National Product Liability Council, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $41,050. E. (9) $5,564.03.

A. National Realty Committee, Inc., 2033 M Street NW., Washington, D.C. 20036.
D. (6) $1,887.80. E. (9) $1,887.80.

A. National Rehabilitation Association, 633 South Washington Street, Alexandria, Va. 22314.
E. (9) $4,500.

A. National Retail Merchants Association, 100 West 31st Street, New York, N.Y. 10001.
E. (9) $3,785.

A. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $32,500. E. (9) $56,360.

A. National Right to Life Committee, Inc., 529 14th Street NW., No. 341, Washington, D.C. 20045.
D. (6) $221,399.54. E. (9) $6,782.22.

A. National Right to Work Committee, 8001 Braddock Road, Suite 600, Springfield, Va. 22160.
D. (6) $3,435. E. (9) $3,435.

A. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
E. (9) $3,709.88

A. National Rural Letter Carriers' Association, Suite 1204, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $8,558. E. (9) $11,445.

A. National Savings & Loan League, 1101 15th Street NW., No 400, Washington, D.C. 20005.
D. (6) $830,341. E. (9) $70.77.

A. National School Transportation Association, 9001 Braddock Road, Springfield, Va. 22151.
D. (6) $2,918.28. E. (9) $2,918.28.

A. National Security Traders Association, 55 Broad Street, New York, N.Y. 10004.
E. (9) $2,208.

A. National Small Business Association, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $5,000. E. (9) $806.65.

A. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $12,500. E. (9) $15,450.

A. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

A. National Solid Wastes Management Association, 1120 Connecticut Avenue NW., Suite 930, Washington, D.C. 20036.

A. National Tire Dealers & Retreaders Association, 1343 L Street NW., Washington, D.C. 20005.
D. (6) $10,769. E. (9) $10,769.

A. National Tour Brokers Association, Inc., 120 Kentucky Avenue, Lexington, Ky. 40502.
D. (6) $25,763. E. (9) $25,763.

A. National Wheel & Rim Association, 4836 Victor Street, Jacksonville, Fla. 32207.

A. Alexander W. Neale, Jr., Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
B. Conference of State Bank Supervisors, 1015 18th Street NW., Washington, D.C. 20036.
D. (6) $1,350.

A. Alan M. Nedry, 1111 19th Street NW., Suite 303, Washington, D.C. 20036.
B. Southern California Edison Co., P.O. Box 800, Rosemead, Calif. 91770.
D. (6) $100. E. (9) $50.

A. Mary Elizabeth Neese, National Savings & Loan League, 1101 15th Street NW., Washington, D.C. 20005.
B. National Savings & Loan League, 1101 15th Street NW., No. 400, Washington, D.C. 20005.
D. (6) $1,000. E. (9) $70.77.

A. Stanley Nehmer, 1320 19th Street NW., Washington, D.C. 20036.
B. International Leather Goods, Plastics & Novelty Workers' Union, 265 West 14th Street, New York, N.Y. 10011.

A. Elizabeth Colette Nelson, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders & Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $4,125. E. (9) $341.91.

A. Robert W. Nelson, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Sharon L. Nelson, Consumers Union of United States, Inc., Suite 1033, 1511 K Street NW., Washington, D.C. 20005.
B. Consumers Union of United States, Inc., 256 Washington Street, Mount Vernon, N.Y. 10550.
D. (6) $6,375. E. (9) $38.

A. Network, 806 Rhode Island Avenue NE., Washington, D.C. 20018.
D. (6) $40,136.25. E. (9) $27,682.03.

A. E. John Neumann, Baltimore Gas & Electric Co., 1100 Connecticut Avenue, No. 520, Washington, D.C. 20036.
B. Baltimore Gas & Electric Co., Gas & Electric Building, P.O. Box 1475, Baltimore, Md. 21202.
D. (6) $769.22. E. (9) $863.50.

A. Robert B. Neville, 311 First Street NW., Washington, D.C. 20001.
B. National Restaurant Association, 311 First Street NW., Washington, D.C. 20001.
D. (6) $2,000. E. (9) $2,000.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.
B. Bill Newbold & Associates, (for American Protestant Hospital Association, 1 Woodfield Place, Suite 311, 1701 East Woodfield Drive, Schaumburg, Ill. 60195).
D. (6) $10,000.02.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.
B. Bill Newbold & Associates (for Arkansas Hospital Association, 1501 North University, Suite 400, Little Rock, Ark. 72207).
D. (6) $1,500.

A. Bill Newbold, Bill Newbold & Associates, 1901 North Fort Myer Drive, No. 809, Arlington, Va. 22209.
B. Bill Newbold & Associates (for Texas Hospital Association, P.O. Box 15587, Austin, Tex. 78761).
D. (6) $3,000.

A. Kathryn L. Newman, Republic Steel Corp., 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Street Corp., Republic Building, Cleveland, Ohio 44101.

A. Thomas E. Newman, National Association of Manufacturers, 1719 Route 10, Parsippany, N.J. 07054.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. Janet G. Newport, National Oil Jobbers Council, 1707 H Street NW., Washington, D.C. 20006.

B. National Oil Jobbers Council, 1707 H Street NW., Washington, D.C. 20006.
D. (6) $3,875. E. (9) $147.23.

A. New York Committee of International Committee of Passenger Lines, 35 Broadway, New York, N.Y. 10004.

A. New York Shipping Association, Inc., 80 Broad Street, New York, N.Y. 10004.

A. M. Ray Niblack, 1101 15th Street NW., Washington, D.C. 20005.
B. American Bankers Insurance Group, 600 Brickell Avenue, Miami, Fla. 33131.
D. (6) $4,000. E. (9) $171.81.

A. Nicholas John Nichols, 1620 I Street NW., Washington, D.C. 20006.
B. American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $2,000. E. (9) $10,613.22.

A. F. Clayton Nicholson, Box 15, Route 1, Henryville, Pa. 18332.
B. Northern Helex Co., 2223 Dodge Street, Omaha, Nebr. 68102.
D. (6) $2,800. E. (9) $643.40.

A. John B. Nicholson, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $230.12.

A. Donald R. Niemi, Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $700. E. (9) $799.19.

A. Patrick J. Nilan, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $13,451.10. E. (9) $7,254.30.

A. Nissan Motor Co., Ltd., c/o Engineering Office of North America, 560 Sylvan Avenue, P.O. Box 1606, Englewood Cliffs, N.J.

A. NL Industries, Inc., 1230 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $3,865.26.

A. Robert W. Nolan, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $100.

A. H. Christopher Nolde, Chemical Manufacturers Association, 2501 M Street NW., Washington, D.C. 20037.
B. Chemical Manufacturers Association, 2501 M Street NW., Washington, D.C. 20037.
D. (6) $300.

A. Charles M. Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.
B. American Medical Technologists, 710 Higgins Road, Park Ridge, Ill. 60068.
D. (6) $343.51. E. (9) $34.35.

A. Charles M. Noone, 490 L'Enfant Plaza East, Suite 3306, Washington, D.C. 20024.
B. National Association of Small Business Investment Companies, 618 Washington Building, Washington, D.C. 20005.
D. (6) $1,500. E. (9) $113.89.

A. James O. E. Norell, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $850.

A. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
E. (9) $6,896.94.

A. Richard B. Norment IV, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. Julia J. Norrell, American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Council of Life Insurance, Inc., 1850 K Street NW., Washington, D.C. 20006.
D. (6) $207.

A. Richard G. Norris, 8826 Santa Fe Drive, Shawnee Mission, Kans. 66201.
B. Standard Oil Co., (Indiana), 200 East Randolph Drive, Chicago, Ill. 60680.
D. (6) $300.

A. North American Car Corp., 222 South Riverside Plaza, Chicago, Ill. 60606.
E. (9) $12,782.50.

A. North American Export Grain Assn., Inc., 1800 M Street NW., Suite 610-N, Washington, D.C. 20036.
E. (9) $450.

A. Northeast Utilities Service Co., Selden Street, Berlin, Conn. 06037.
E. (9) $880.21.

A. Morgan Worval, 1202 South Washington Street, Alexandria, Va. 22314.
B. Citizens Committee for the Right to Keep and Bear Arms, 1601 114th SE., Suite 151, Bellevue, Wash. 98004.
D. (6) $300.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071 and 1140 19th Street NW., Suite 600, Washington, D.C. 20006.
B. Montco, Billings, Mont. 59107, Nance Cattle Co., Birney, Mont. 59012.
D. (6) $2,866.98. E. (9) $54.87.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071 and 1140 19th Street NW., Suite 600, Washington, D.C. 20036.
B. Ocean Energy Council, 1303 South Michigan Avenue, Chicago, Ill. 60605.

A. Nossaman, Krueger & Marsh, 445 South Figueroa Street, Los Angeles, Calif. 90071 and 1140 19th Street NW., Suite 600, Washington, D.C. 20006.
B. Office of the Governor, Commonwealth of Northern Mariana Islands, Saipan CM 96950.
E. (9) $606.17.

A. Victor L. Nutt, 600 New Hampshire Avenue NW., Suite 920, Washington, D.C. 20037.
B. Gulf & Western Industries, Inc., 600 New Hampshire Avenue NW., Suite 920, Washington, D.C. 20037.

A. Franklin W. Nutter, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Mark J. Nuzzaco, 7901 Westpark Drive, McLean, Va. 22102.
B. National Machine Tool Builders' Association, 7901 Westpark Drive, McLean, Va. 22102.
D. (6) $3,500.01 E. (9) $250.

A. Donald A. Nyberg, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. George O'Bea, Jr., 815 16th Street NW., No. 304, Washington, D.C. 20006.
B. United Paperworkers International Union, 815 16th Street NW., No. 304, Washington, D.C. 20006.

A. Coleman C. O'Brien, U.S. League of Savings Associations, 1709 New York Avenue NW., Suite 801, Washington, D.C. 20006.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $3,325. E. (9) $62.10.

A. John F. O'Brien, Connecticut Petroleum Council, 410 Asylum Street, Room 626, Hartford, Conn. 06103.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. R. V. O'Brien, International Telephone & Telegraph Corp., 1707 L Street NW., Suite 200, Washington, D.C. 20036.
B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.
D. (6) $200 E. (9) $40.

A. Rosemary L. O'Brien, 1850 K Street NW., Suite 550, Washington, D.C. 20006.
B. CF Industries, Inc./Energy Cooperative, Inc., Salem Lake Drive, Long Grove, Ill. 60047.
D. (6) $500.

A. David S. O'Bryon, American Chiropractic Association, 1735 DeSales Street NW., Washington, D.C. 20036.
B. American Chiropractic Association, 2200 Grand Avenue, Des Moines, Iowa 50312.
D. (6) $450. E. (9) $29.90.

A. G. H. Ochenrider, Grumman Aerospace Corp., 1600 Wilson Boulevard, Arlington, Va. 22209.
B. Grumman Aerospace Corp., Bethpage, N.Y. 11714.
D. (6) $2,500. E. (9) $705.

A. William B. O'Connell, 111 East Wacker Drive, Chicago, Ill. 60601.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $8,750. E. (9) $1,480.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Family Life Assurance Co., P.O. Box 1459, Columbus, Ga. 31902.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Institute of Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $7,950.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Invsco Corp., 120 South LaSalle, Chicago, Ill. 60603.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Public Transit Association, 1225 Connecticut Avenue NW., No. 200, Washington, D.C. 20036.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Borden, Inc., 277 Park Avenue, New York, N.Y. 10017.
D. (6) $12,224.19.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Charles River Breeding Laboratories, Inc., 251 Ballardvale Street, Wilmington, Mass. 01887.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. CKLW Radio Broadcasting, Ltd., 1640 Ouellette Avenue, Windsor, Ontario, Canada.
D. (6) $703.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Commonwealth of Puerto Rico, 734 15th Street NW., Washington, D.C. 20005.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. David Fasken, Hunker-Fedric, Box 1837, Roswell, N. Mex. 88201.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. First National Monetary Corp., 4000 Town Center, 15th Floor, Southfield, Mich. 48075.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hennepin County, 2300 Government Center, Minneapolis, Minn. 55415.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hospital Financing Study Group, New York, N.Y.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Association of Health Career Schools, 11687 Bellagio Road, Suite 16, Los Angeles, Calif. 90049.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Coal Consumer Alliance, 414 Nicollet Mall, Minneapolis, Minn. 55401.
D. (6) $1,076.25. E. (9) $2,037.40.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Committee for Quality Health Care, New York, N.Y.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. O'Connor & Hannan, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Police Association of the District of Columbia, 2701 Pennsylvania Avenue SE., Washington, D.C. 20020.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Securities Industry Association, 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
D. (6) $3,188.89.

A. Leonard F. O'Connor, The First National Bank of Boston, 99 High Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.

A. Patrick C. O'Connor, Kent & O'Connor, Inc., 880 North Lake Shore Drive, Chicago, Ill. 60611.
B. American Supply Association, 221 North LaSalle Street, Chicago, Ill. 60601.
D. (6) $1,483.28. E. (9) $880.77.

A. Patrick C. O'Connor, Kent & O'Connor, Inc., 880 North Lake Shore Drive, Chicago, Ill. 60611.
B. Senior Centers of America, 2640 Peerless Road NW., Cleveland, Tenn. 37311.

A. Larry A. Oday, Combined Insurance Co. of America, Suite 630, 1819 H Street NW., Washington, D.C. 20006.
B. Combined Insurance Co. of America, 5050 Broadway, Chicago, Ill. 60640.
D. (6) $750.

A. Thomas A. O'Day, Alliance of American Insurers, 1776 F Street NW., Washington, D.C.
B. Alliance of American Insurers, 20 North Wacker Drive, Chicago, Ill. 60606.
D. (6) $560. E. (9) $94.05.

A. T. J. Oden, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $2,250. E. (9) $83.48.

A. Ashton J. O'Donnell, 80 Fair Oaks Lane, Atherton, Calif. 94025.
B. Bechtel Incorporated, 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Bradford C. Oelman, Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.
B. Owens-Corning Fiberglas Corp., Fiberglas Tower, Toledo, Ohio 43659.

A. Robert C. Odle, Jr., International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $75. E. (9) $200.

A. Joseph L. Ogiony, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $20.

A. Jane O'Grady, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor & Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $14,550.

A. Barbara E. O'Hara, American Society of Travel Agents, Inc., 1300 19th Street NW., Washington, D.C. 20036.
B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. 10022.

A. Bartley O'Hara, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $10,467.56.

A. James G. O'Hara, 2550 M Street NW., Suite 800, Washington, D.C. 20037.
B. American Federation of Teachers, 11 Dupont Circle NW., Washington, D.C. 20036.

A. James G. O'Hara, 2550 M Street NW., Suite 800, Washington, D.C. 20037.
B. General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
D. (6) $2,210.

A. Alvin E. Oliver, National Grain and Feed Association, 725 15th Street NW., Washington, D.C. 20005.
B. National Grain and Feed Association, P.O. Box 28328, Washington, D.C. 20005.

A. Austin P. Olney, 1333 New Hampshire Avenue NW., No. 1100, Washington, D.C. 20036.
B. LeBoeuf, Lamb, Leiby & MacRae, 1333 New Hampshire Avenue NW., No. 1100, Washington, D.C. 20036.

A. Van R. Olsen, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.
B. United States Beet Sugar Association, 1156 15th Street NW., Suite 1019, Washington, D.C. 20005.

A. Charles E. Olson, National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $1,884.80. E. (9) $103.

A. Nancy J. Olson, Johns-Manville Corp., 1025 Connecticut Avenue NW., No. 214, Washington, D.C. 20036.
B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo. 80217.
D. (6) $400.

A. Roy E. Olson, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Samuel Omasta, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20035.
B. Bank of America, Bank of America Center, 10th Floor, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Blyth Eastman Paine Webber, Inc., 555 California Street, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Citizens For Government Fairness, P.O. Box 269, El Centro, Calif. 92243.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Dean Witter Reynolds, Inc., 45 Montgomery Street, San Francisco, Calif. 94104.

A. O'Melveny & Myers, 1800 M Street NW., Washington, D.C. 20036.
B. Smith Barney, Harris Upham & Co., 350 California Street, San Francisco, Calif. 94104.

A. Donald K. O'Neill, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20036.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. O'Neill, Forgotson & Roncalio, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Allegheny County Commission, 119 Courthouse, Room 101, Pittsburgh, Pa. 15219.

A. O'Neill, Forgotson & Roncalio, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. California Westside Farmers, Security Bank Building, 1060 Fulton Mall, Fresno, Calif.

A. O'Neill, Forgotson & Roncalio, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. CDEDO Maritime Dredging Co., P.O. Box 1458, Mansfield, Ohio 44901.

A. O'Neill, Forgotson & Roncalio, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. Chicago Board of Trade Clearing Corp., 141 West Jackson, Chicago, Ill. 60604.

A. O'Neill, Forgotson, Roncalio & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. Commercial Union Assurance Co., One Beacon Street, Boston, Mass. 02108

A. O'Neill, Forgotson, Roncalio & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. Dorchester Gas Corp., P.O. Box 31049, Dallas, Tex.

A. O'Neill, Forgotson, Roncalio & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. Holly Corp., 2001 Bryan Tower, Dallas, Tex. 75201.

A. O'Neill, Forgotson, Roncalio & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. Houston Natural Gas Corp., 1700 North Moore Street, Suite 919, Arlington, Va. 22209.

A. O'Neill, Forgotson, Roncalio & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. Massachusetts General Hospital, Fruit Street, Moseley Building, Boston, Mass. 02114.

A. O'Neill, Forgotson & Roncalio, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. Motorola, Inc., 1776 K Street NW., Washington, D.C. 20006.

A. O'Neill, Forgotson & Roncalio, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. Premiere, 10880 Wilshire Boulevard, Los Angeles, Calif. 90024.

A. O'Neill, Forgotson & Roncalio, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. Republic National Bank of New York, Fifth Avenue at 40th Street, New York, N.Y. 10018.

A. O'Neill, Forgotson, Roncalio & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. Texas Oil & Gas Corp., Fidelity Union Tower, Dallas, Tex. 75201.

A. O'Neill, Forgotson, Roncalio & Haase, P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.
B. Texas Utilities Services, Inc., 2001 Bryan Tower, Dallas, Tex. 75201.

A. O'Neill, Forgotson, & Roncalio P.C., 1333 New Hampshire Avenue NW., Suite 1110, Washington, D.C. 20036.

B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Philip C. Onstad, Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.
B. Control Data Corp., 500 West Putnam Avenue, Greenwich, Conn. 06830.
D. (6) $50. E. (9) $560.

A. Michel Orban, American Express Co., 1700 K Street NW., Suite 702, Washington, D.C. 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. J. Denis O'Toole, American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $880.

A. Roland A. Ouellette, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,600. E. (9) $4,421.31.

A. Robert H. Overmyer, 818 C Street SE., Washington, D.C. 20003.
B. Committee for Humane Legislation, 11 West 60th Street, New York, N.Y. 10023.
D. (6) $15,000. E. (9) $448.

A. Joseph A. Overton III, TRW, Inc., 2030 M Street NW., Suite 800, Washington, D.C. 20035.
B. TRW, Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,000.

A. Thomas J. Owens, 207 Olympic National Building, Seattle, Wash., 98104.
B. Dollar Savings Bank, Fourth and Springfield, Pittsburgh, Pa. 15230; Washington Mutual Savings Bank, P.O. Box 834, Seattle, Wash. 98111.
D. (6) $4,770. E. (9) $2,646.16.

A. William H. Owens, Jr., 1101 17th Street NW., Washington, D.C. 20036.
B. American Dental Association, 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Raymond S. Page, Jr., Campbell Soup Co., Camden, N.J. 08101.
B. Campbell Soup Co., Camden, N.J. 08101.

A. W. D. Page, American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.
B. American Plywood Association, P.O. Box 11700, Tacoma, Wash. 98411.

A. Steven J. Paggioli, Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. Henry S. Palau, The Retired Officers Association, 201, North Washington Street, Alexandria, Va. 22314.
B. Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $646.

A. Diane M. Palmer, 1200 Northwestern Bank Building, Minneapolis, Minn. 55480.
B. Northwest Bancorporation, 1200 Northwestern Bank Building, Minneapolis, Minn. 55480.
D. (6) $375. E. (9) $307.

A. John N. Pannullo, National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.

B. National Utility Contractors Association, 815 15th Street NW., Suite 838, Washington, D.C. 20005.
D. (6) $800. E. (9) $500.

A. Fred Panzer, The Tobacco Institute, 1875 I Street NW., Suite 800, Washington, D.C. 20006.
B. The Tobacco Institute, 1875 I Street NW., Suite 800, Washington, D.C. 20006.
D. (6) $125. E. (9) $100.

A. Paperboard Packaging Council, 1800 K Street NW., Suite 600, Washington, D.C. 20006.

A. G. Oliver Papps, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Herschell E. Parent, Arkansas Petroleum Council, 302 Commercial National Bank Building, Little Rock, Ark. 72201.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Ann L. Parenteau, National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.
B. National Association of Federal Credit Unions, 1111 North 19th Street, Suite 700, Arlington, Va. 22209.

A. Douglas L. Parker, 600 New Jersey Avenue NW., Washington, D.C. 20001.
B. Institute for Public Representation, 600 New Jersey Avenue, NW., Washington, D.C. 20001.

A. John N. Parker, Mobil Oil Corp., 1100 Connecticut Avenue NW., Suite 620, Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $800.

A. Kimberly C. Parker, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $7,170.10. E. (9) $119.44.

A. Paula Parkinson, Parkinson & Associates, 1640 20th Street NW., Washington, D.C. 20007.
B. Committee for Equitable Crop Insurance Legislation, 1640 30th Street NW., Washington, D.C. 20007.
E. (9) $6,839.05.

A. Ken Parmelee, 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
B. Ethyl Corp., 1155 15th Street NW., Suite 611, Washington, D.C. 20005.
D. (6) $2,000.

A. Tom E. Paro, Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
D. (6) $210.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.
B. Aerospatiale Helicopter Corp., 2701 Forum Drive, Grand Prarie, Tex. 75051.
D. (6) $10,002. E. (9) $784.15.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.

B. Bangor & Aroostook Railroad, Northern Maine Junction, Bangor, Maine 04401.
D. (6) $3,600. E. (9) $805.95.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.
B. Boston & Maine Railroad, Iron Horse Park, North Billerica, Mass. 01862.
D. (6) $4,749.99. E. (9) $784.15.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.
B. Chicago & North Western Transportation Co., 400 West Madison, Chicago, Ill. 60606.
D. (6) $17,000. E. (9) $868.80.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.
B. Delaware Otsego System, 1 Railroad Avenue, Cooperstown, N.Y. 15825.
D. (6) $2,800. E. (9) $783.45.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.
B. European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005.
D. (6) $8,001. E. (9) $842.96.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.
B. Genesee & Wyoming Industries, 71 Lewis Street, Greenwich, Conn. 06830.
D. (6) $3,000. E. (9) $784.15.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.
B. Lehigh Valley Estate, 415 Brighton, Bethlehem, Pa. 18015.
D. (6) $7,500. E. (9) $784.15.

A. Parrish & Chambers, Inc., 1011 Arlington Boulevard, Suite W-231, Arlington, Va. 22209.
B. Pittsburg & Shawmut, R.D. No. 2, Middle Street, Brookville, Pa. 15825.
D. (6) $2,100. E. (9) $784.15.

A. Linda K. Parson, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.

A. Jack Partridge, Jr., 1014 Vine Street, Cincinnati, Ohio 45201.
B. The Kroger Co., 1014 Vine Street, Cincinnati, Ohio 45201.
D. (6) $500. E. (9) $13.75.

A. Robert D. Partridge, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $430.

A. Alan K. Parver, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
B. American Association of Homes for the Aging, 1050 17th Street NW., Suite 770, Washington, D.C. 20036.
D. (6) $840. E. (9) $25.

A. Richard M. Patterson, Dow Chemical Co., 1800 M Street NW., Suite 700S, Washington, D.C. 20036.
B. The Dow Chemical Co., Midland, Mich. 48640.
D. (6) $500. E. (9) $239.50.

A. Thomas Patterson, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.

B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $231.

A. William H. Patterson, General Electric Co., 777 14th Street NW., Washington, D.C.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn.
D. (6) $195.

A. Kenton H. Pattie, National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
B. National Audio-Visual Association, Inc., 3150 Spring Street, Fairfax, Va. 22031.
D. (6) $2,656.25.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Alaska Housing Financial Corp., P.O. Box 1020, Anchorage, Alaska 99510.
D. (6) $940.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Congress of Surveyors and Mappers, 210 Little Falls Street, Falls Church, Va. 22046.
D. (6) $1,270.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Imported Automobile Dealers Association, 1220 19th Street NW., Washington, D.C. 20036.
D. (6) $4,200. E. (9) $111.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Maritime Association, 1612 K Street NW., Washington, D.C.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Movers Conference, 1117 North 19th Street, Arlington, Va. 22209.
D. (6) $170.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Pharmaceutical Association, 2215 Constitution Avenue NW., Washington, D.C. 20037.
D. (6) $150.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. American Society of Association Executives, 1575 I Street NW., Washington, D.C. 20005.
D. (6) $800.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Armco Steel Corp., General Offices, Middletown, Ohio 45052.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Bath Iron Works Corp., 700 Washington Street, Bath, Maine 04530.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Benamy International, Inc., 3937 Oakcliff Industrial Court NE., Atlanta, Ga. 30340.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Bixby Ranch Co., 523 West Sixth Street, Los Angeles, Calif. 90014.
D. (6) $227.50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Bradford National Corp., 80 Pine Street, New York, N.Y.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. The Business Round Table, 1801 K Street NW., Washington, D.C. 20006.
D. (6) $85.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. California Westside Farmers, 9555 L'Enfant Plaza North, SW., Room 1101, Washington, D.C. 20024.
D. (6) $2,188.75. E. (9) $48.75.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Castle and Cooke, Inc., P.O. Box 3928, San Francisco, Calif.
D. (6) $276.25.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Central American Sugar Council, 2550 M Street NW., Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Chemical Manufacturers Association, 1825 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $1,728.75. E. (9) $281.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. City of Birmingham, City Hall, Birmingham, Ala. 35203.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Committee of Railroad Shippers, 2550 M Street NW., Washington, D.C. 20037.
E. (9) $60.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Council of State Chambers of Commerce, 1028 Connecticut Avenue NW., Suite 1018, Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Diagnostic Imaging and Therapy Systems Division, 2101 L Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Dillingham Corp., P.O. Box 3288, Honolulu, Hawaii 96801.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Donaldson, Lufkin & Jenrette, Inc., 140 Broadway, New York, N.Y. 10005.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. E.G.G. Industries, 2550 M Street NW., Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Handicraft Designs, Inc., 87 Commerce Drive, Talford, Pa. 18969.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.

B. Hobby Industry of America, 319 East 54th Street, Elmwood, N.J. 07407.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Institute of Scrap Iron and Steel, Inc., 1627 K Street NW., Washington, D.C. 20006.
D. (6) $440.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. International Cogeneration Society, 1111 19th Street NW., Washington, D.C. 20036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Jack Philip and Son, Inc., 724 Dupont Plaza Center, Miami, Fla. 33131.
D. (6) $1,020.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Kori Industries, Inc., 2900 NCNB Plaza, Charlotte, N.C.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. LOOP, Inc., 1010 Common Street, 250 Bank of New Orleans Building, New Orleans, La. 70112.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Louisiana Pacific Corp., 1300 SW Fifth Avenue, Portland, Oreg. 97201.
D. (6) $403.75.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Mars, Inc., 1651 Old Meadow Road, McLean, Va. 22101.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. The Merchants National Bank of Mobile, Merchants National Bank Building, P.O. Box 2527, Mobile, Ala. 36622.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Mocatta Metals Corp., 35 Broad Street, New York, N.Y. 10004.
D. (6) $400.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Multi Mineral Corp., 330 North Belt East, Houston, Tex. 77060.
D. (6) $450.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. National Association of Chain Drug Stores, 413 North Lee Street, Alexandria, Va. 22314.
D. (6) $150.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. National Marine Manufacturers Association, 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,270. E. (9) $7.55.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. National Multi-Housing Council, 1800 M Street NW., Washington, D.C. 20036.
D. (6) $500.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. New Process Co., 220 Hickory Street, Warren, PA. 16365.
D. (6) $1,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Northwest Energy Corp., 315 East 200 South, Salt Lake City, Utah 84111.
D. (6) $10,610.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Ocean Minerals Co., 465 North Bernardo, Mountain View, Calif. 94040.
D. (6) $612.50.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Options Clearing Corp., 233 S. Wacker Drive, Room 5950, Chicago, Ill. 60605.
D. (6) $170.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. OSG Bulk Ships, Inc., 1114 Avenue of the Americas, New York, N.Y. 10036.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Penn Central Corp., 1725 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Pepsico, Inc., Purchase, N.Y. 10577.
D. (6) $710.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Ralston Purina Co., Checkerboard Square, St. Louis, Mo. 63188.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Reader's Digest Association, Inc., Pleasantville, N.Y. 10570.
D. (6) $1,000.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Redwood Industry Park Committee, 2750 Sand Hill Road, Menlo Park, Calif. 94025.
D. (6) $1,700. E. (9) $45.25.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Retail Tax Committee, 2550 M Street NW., Washington, D.C. 20037.
D. (6) $600.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. SSIE Council to Protect Earned Employment Rights, Smithsonian Science Information Exchange, 1730 M Street NW., Washington, D.C. 20037.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. State of Alaska, Suite 345, 444 North Capitol Street, Washington, D.C.
D. (6) $910.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. State of Louisiana, Department of Conservation, P.O. Box 44275, Baton Rouge, La. 70804.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Town of Dune Acres, Indiana, 11 South La Salle Street, Chicago, Ill. 60603.
D. (6) $1,041.25. E. (9) $30.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. United Brands Co., 1271 Avenue of the Americas, New York, N.Y. 10020.
D. (6) $340.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. U.S. Industries, Inc., 250 Park Avenue, New York, N.Y. 10017.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Westinghouse Electric Corp., 1801 K Street NW., Washington, D.C. 20006.

A. Patton, Boggs & Blow, 2550 M Street NW., Washington, D.C. 20037.
B. Wilshire Oil Co. of Texas, 250 Park Avenue, New York, N.Y.
D. (6) $16,180. E. (9) $25.

A. Andrew R. Paul, 600 New Hampshire Avenue NW., Suite 920, Washington, D.C. 20037.
B. Gulf & Western Management Co., 600 New Hampshire Avenue NW., Suite 920, Washington, D.C. 20037.
D. (6) $400. E. (9) $163.98.

A. Paul, Hastings, Janofsky & Walker, 11 Dupont Circle NW., Suite 405, Washington, D.C. 20036.
B. BEST Employers Association, 4201 Birch Street, Newport Beach, Calif. 90226.

A. Paul, Hastings, Janofsky & Walker, 11 Dupont Circle NW., Suite 405, Washington, D.C. 20036.
B. Capitol Oil Co., 1100 17th Street NW., Suite 313, Washington, D.C. 20036.

A. Paul, Hastings, Janofsky & Walker, 11 Du Pont Circle NW., Suite 405, Washington, D.C. 20036.
B. Council of Active Independent Oil and Gas Producers, 1100 17th Street, Suite 313, Washington, D.C. 20036.

A. Paul, Hastings, Janofsky & Walker, 11 Du Pont Circle NW., Suite 405, Washington, D.C. 20036.
B. ENSERCH Corp., 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Michigan Knife Co., 120 Pere Marquette Street, Big Rapids, Mich. 49307.
D. (6) $220.

A. Beth Peacock, 1707 L Street NW., Suite 950, Washington, D.C. 20036.
B. General Foods, 1707 L Street, Suite 950, Washington, D.C. 20036.
D. (6) $1,765.

A. Frank Pecquex, Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $3,000. E. (9) $300.79.

A. James M. Peirce, Jr., 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $1,317.16.

A. Pennsylvania Power & Light Co., 2 North Ninth Street, Allentown, Pa. 18101.
E. (9) $2,912.96.

A. Dominic V. Pensabene, 1700 K Street NW., Washington, D.C. 20006.
B. Chevron U.S.A. Inc., a subsidiary of Standard Oil Company of California, 1700 K Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Gregory M. Pensabene, Santa Fe Industries, Inc., Suite 840, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Santa Fe Industries, Inc., 224 South Michigan Avenue, Chicago, Ill. 60604.

D. (6) $1,140.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Coalition of Concerned Charities, 1776 F Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $1,250.

A. Pepsico, Inc., 700 Anderson Hill Road, Purchase, N.Y. 10577.
E. (9) $1,229.50.

A. Barbara K. Pequet, 1922 Kalorama Road NW., No. 103, Washington, D.C. 20009.
B. National Consumers League, 1522 K Street NW., No. 406, Washington, D.C. 20005.
D. (6) $200. E. (9) $30.

A. Elinor Peretsman, 55 Tain Drive, Great Neck, N.Y. 11021.
B. United Action for Animals, Inc., 205 East 42nd Street, New York, N.Y. 10017.
D. (6) $660. E. (9) $809.47.

A. Perito Duerk, Carlson & Pinco, P.C., 1140 Connecticut Avenue NW., Suite 400, Washington, D.C. 20036.
B. Foremost-McKesson, Inc., Crocker Plaza, One Post Street, San Francisco, Calif. 94100.
D. (6) $5,257. E. (9) $21.75.

A. Tony Perkins, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $50.

A. Jeffry L. Perlman, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $2,000. E. (9) $268.55.

A. John P. Perrin, American Osteopathic Association, 499 South Capitol Street SW., Suite 104, Washington, D.C. 20003.
B. American Osteopathic Association, 499 South Capitol Street SW., Suite 104, Washington, D.C. 20003.
D. (6) $2,847.20 E. (9) $43.40.

A. Susan Perry, American Public Transit Association, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Public Transit Association, 1225 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,350.

A. Tom E. Persky, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $250.

A. John J. Pesch, 1701 North Ft. Myer Drive, Suite 1208, Arlington, Va. 22209.
B. Northrop Corp. 1701 North Ft. Myer Dr., Suite 1208, Arlington, Va. 22209.
D. (6) $400. E. (9) $216.00.

A. Todd A. Peterman, American Movers Conference, 1117 North 19th Street P.O. Box 9204, Arlington Va. 22209.
B. American Movers Conference, 1117 North 19th Street, P.O. Box 9204, Arlington Va. 22209.
D. (6) $380.43.

A. Peterson, Engberg & Peterson, 1730 M Street NW., Washington, D.C. 20036.
B. Federated Research Corp., 421 7th Avenue, Pittsburgh, Pa. 15219.
D. (6) $9,180. E. (9) $334.88.

A. Kenneth Peterson, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $15,075. E. (9) $127.33.

A. Michael J. Petrina, Jr., 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $4,000. E. (9) $34.75.

A. Paul F. Petrus, Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42nd Street, New York, N.Y. 10017.
D. (6) $1,200.

A. Lorraine Petti, National Committee Against Repressive Legislation, 709 Massachusetts Avenue NE., Suite 1, Washington, D.C. 20002.
B. National Committee Against Repressive Legislation, 1250 Wilshire Boulevard, Los Angeles, Calif. 90017.
D. (6) $3,055.

A. John E. Pflieger, Time Inc., 888 16th Street NW., Washington, D.C. 20006.
B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020.

A. James R. Phalen, 1100 Connecticut Avenue NW., Suite 820, Washington, D.C. 20036.
B. MAPCO Inc., 1800 South Baltimore Avenue, Tulsa, Okla. 74119.
D. (6) $2,500. E. (9) $307.34.

A. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $18,721.55. E. (9) $18,721.55.

A. Marshall A. Pharr, 6103 Adirondack, Amarillo, Tex. 79106.
B. Southwestern Public Service Co., P.O. Box 1261, Amarillo, Tex. 79170.
D. (6) $1,025. E. (9) $60.

A. Phelps, Dunbar, Marks, Claverie & Sims, 1300 Hibernia Bank Building, New Orleans, La. 70112.
B. Estate of Sylvia S. Buring, 1837 Harbor Avenue, Memphis, Tenn. 38113.
E. (9) $75.

A. John P. Philbin, Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500.

A. John D. Phillips, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
B. National Association of Independent Colleges and Universities, 1717 Massachusetts Avenue NW., Suite 503, Washington, D.C. 20036.
D. (6) $12,960. E. (9) $780.34.

A. Mark W. A. Phillips, 507 Second Street NE., Washington, D.C. 20002.
B. The Confederated Tribes of Warm Springs, Warm Springs, Oreg. 97761.

A. Mark W. A. Phillips, 507 Second Street NE., Washington, D.C. 20002.
B. The Navajo Nation, Window Rock, Ariz. 86515.

A. Phillips, Nizer, Benjamin, Krim & Ballon, 40 West 57th Street, New York, N.Y. 10019.
B. American Bobst Holdings, Inc., 146 Harrison Avenue, Roseland, N.J.
D. (6) $255. E. (9) $21.10.

A. Susan L. Phillips, Industrial Union Department, AFL-CIO, 815 16th Street, NW., Washington, D.C. 20006.
B. Industrial Union Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $3,591. E. (9) $17.85.

A. Phosphate Chemicals Export Association, Inc., 200 Park Avenue, New York, N.Y. 10017.
E. (9) $20,289.73.

A. Sam Pickard, Monsanto Co., 1101 17th Street NW., Washington, D.C. 20006.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.
D. (6) $500.

A. Bill Pickens, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington D.C. 20036.
D. (6) $526. E. (9) $296.66.

A. Pierce, Atwood, Scribner, Allen, Smith & Lancaster, 1 Monument Square, Portland, Maine 04101.
B. Great Northern Paper Co., et al.
D. (6) $480. E. (9) $48.

A. Mark M. Pierce, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Pierson, Ball & Dowd, 1200 18th Street NW., Washington, D.C. 20036.
B. The Dun & Bradstreet Corp., 299 Park Avenue, New York, N.Y. 10017.

A. Pierson, Ball & Dowd, 1200 18th Street NW., Washington, D.C. 20036.
B. General Tire & Rubber Co., 1 General Street, Akron, Ohio 44329

A. Pierson, Ball & Dowd, 1200 18th Street NW., Washington, D.C. 20036.
B. Satellite Business Systems, 8003 Westpark Drive, McLean, Va. 22101.
D. (6) $2,500.

A. Pierson Semmes Crolius and Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
D. (6) $55. E. (9) $5.73.

A. Pierson Semmes Crolius and Finley, 1054 31st Street NW., Washington, D.C. 20007.
B. Edgington Oil Co., Inc., 2400 East Artesia Boulevard, Long Beach, Calif. 90805.

A. Pillsbury, Madison & Sutro, 1050 17th Street NW., Suite 900, Washington, D.C. 20036.
B. National Venture Capital Association, 2030 M Street NW., Washington, D.C. 20036.

A. Pilots Rights Association, P.O. Box 7000-367, Redondo Beach, Calif. 90277.
D. (6) $4,732.35. E. (9) $4,876.51.

A. Linda Pinegar, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue, Washington, D.C. 20006.

D. (6) $675.

A. Pitney Bowes, 69 Wheeler Drive, Stamford, Conn. 06926.

A. Peter K. Pitsch, Montgomery Ward & Co. Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., 1 Montgomery Ward Plaza, Chicago, Ill. 60671.
E. (9) $50.

A. Plains Cotton Growers, Inc., P.O. Box 3640, Lubbock, Tex. 79452.

A. Ronald L. Plesser, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.

A. Robert Plett Associates, Ltd., 1200 18th Street NW., Suite 700, Washington, D.C. 20036.

A. Ronald L. Plesser, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Richard J. Pollack, American Nurses' Association, 1030 15th Street NW., Washington, D.C. 20005.
B. American Nurses' Association, 2420 Pershing Road, Kansas City, Mo. 64108.
D. (6) $2,688.73. E. (9) $491.57.

A. Frances A. Pollak, Goodyear Tire & Rubber Co., 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $1,000.

A. Richard P. Pollock, Critical Mass Energy Project, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Critical Mass Energy Project.
D. (6) $361.25.

A. Henry E. Poole, 9 West 57th Street, New York, N.Y. 10019.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

A. Raymond K. Pope, 1639 K Street NW., Suite 800, Washington, D.C. 20006.
B. AMPAC, Inc., 50 O'Farrell Street, San Francisco, Calif. 94108.
D. (6) $3,145. E. (9) $409.

A. Joan E. Porte, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,250.

A. Phillip Porte, Phillip Porte & Associates, Inc., 1301 S. Arlington Ridge Road, Arlington, Va. 22202.
B. American Association for Respiratory Therapy, 1720 Regal Row, Dallas, Tex. 75235.
D. (6) $4,800.

A. Phillip Porte, Phillip Porte & Associates, Inc., 1301 S. Arlington Ridge Road, Arlington, Va. 22202.
B. National Association of Medical Directors of Respiratory Care, Box 10832, Chicago, Ill. 60610.
D. (6) $3,000.

A. Porter, Wright, Morris & Arthur, 1776 G Street NW., Suite 501, Washington, D.C. 20006.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $270. E. (9) $10.75.

A. Alonzo M. Poteet, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $2,500.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.
B. Rockwell International, Inc., 600 Grant Street, Pittsburgh, Pa. 15219.
D. (6) $7,500. E. (9) $4,200.

A. Potter International, Inc., 900 17th Street NW., Suite 300, Washington, D.C. 20006.
B. Western Shipbuilding Association, P.O. Box 3976, San Francisco, Calif. 94119.
D. (6) $3,000.

A. Ramsay D. Potts, Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW. (900-S), Washington, D.C. 20036.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. John M. Powderly, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $8,998.44.

A. Robert D. Powell, 734 15th Street NW., Suite 401, Washington, D.C. 20005.
B. National Business Aircraft Association, 1 Farragut Square South, Washington, D.C. 20006.

A. Carlton H. Power, 1918 North Parkway, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 28112.
D. (6) $346.50.

A. John (Jay) Power, 815 16th Street NW., Washington, D.C.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $11,733.63.

A. William D. Powers, National Housing Law Project, 1016 16th Street NW., Suite 800, Washington, D.C. 20036.
B. National Housing Law Project, 2150 Shattuck Avenue, Suite 300, Berkeley, Calif. 94704.
D. (6) $7,396.80. E. (9) $60.

A. William C. Prather, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $750.

A. Richard H. Prendergast, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $231.72.

A. William B. Prendergast, Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
B. Distilled Spirits Council of the United States, Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
D. (6) $500. E. (9) $72.80.

A. Brainard E. Prescott, 670 Main Street, East Aurora, N.Y. 14052.
B. Security New York State Corp., One East Avenue, Rochester, N.Y. 14638.
D. (6) $900. E. (9) $25.

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).

A. Lloyd T. Preslar, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005).

A. Lloyd T. Preslar, DGA International, Inc., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).

A. Lloyd T. Preslar, DGA International, Inc., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 rue la Boetie, Paris 8eme, France).

A. Paul F. Preston, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,265. (9) $24.88.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. American Waterways Shipyard Conference, Suite 1101, 1600 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $36.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Bonneville Power Administration, Suite 310, Lloyd Building, 700 Northeast Multromak Street, Portland, Oreg. 97232.
D. (6) $13,188.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Calista Corp., 516 Denali Street, Anchorage, Alaska 99501.
D. (6) $1,149.50.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Employers Reinsurance Corp., 21 West 10th Street, Kansas City, Mo. 64105.
D. (6) $656.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Moore McCormack Resources, 1 Landmark Square, Stamford, Conn.
D. (6) $685.50.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Organization for the Protection & Advancement of Small Telephone Companies, 1104 Gary Court, Wheaton, Ill. 60187.
D. (6) $5,327.50.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.

B. Seatrain Lines, Inc., 1 Chase Manhattan Plaza, New York, N.Y. 10005.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Seattle Housing Authority, Seattle, Wash.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. State of Alaska, Juneau, Alaska.
D. (6) $15,825.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Tennessee Gas Pipeline Co., P.O. Box 2511, Houston, Tex. 77001.
D. (6) $387.50.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Transportation Institute, 923 13th Street NW., Washington, D.C.
D. (6) $135.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. United States Cruises, Inc., 2200 Sixth Avenue, Seattle, Wash. 98121.
D. (6) $230.50.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33128.
D. (6) $2,242.50.

A. Preston, Thorgrimson, Ellis & Holman, 1776 G Street NW., Suite 500, Washington, D.C. 20006.
B. Western Resource Alliance, Star Route Box 98, Eastsound, Wash.
D. (6) $34.50.

A. Forrest J. Prettyman, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Companies, 730 15th Street NW., Washington, D.C. 20005.
D. (6) $756.25.

A. Woodruff M. Price, CSX Corp., 840 Washington Building, 15th Street and New York Avenue, Washington, D.C. 20005.
B. CSX Corp., 3600 West Broad Street, Richmond, Va. 23261
D. (6) $3,000. E. (9) $236.15.

A. Patricia Pride, Financial Accounting Standards Board, 1129 20th Street NW., Washington, D.C. 20036.
B. Financial Accounting Standards Board, High Ridge Park, Stamford, Conn. 06905.

A. Arnold J. Prima, Jr., The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,200.

A. Pro Life/Congressional District 11, P.O. Box 727, San Carlos, Calif. 94070.
D. (6) $706. E. (9) $482.

A. Pro-Life Congressional District Action Committee No. 12, P.O. Box 7145, Menlo Park, Calif. 94025.
D. (6) $452. E. (9) $892.56.

A. Profit Sharing Council of America, 20 North Wacker Drive, Chicago, Ill. 60606.

A. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C.
E. (9) $2,343.75.

A. Provident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa.

A. Jerry Z. Pruzan, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $300.

A. Public Employee Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $27,357.75. E. (9) $28,095.16.

A. Puget Sound Power & Light Co., Puget Power Building, Bellevue, Wash. 98009.
E. (9) $7,542.28.

A. David E. Pullen, Johns-Manville Corp., 1025 Connecticut Avenue NW., Suite 214, Washington, D.C. 20036.
B. Johns-Manville Corp., P.O. Box 5108, Denver, Colo.
D. (6) $600.

A. Jack Pulley, Dow Corning, Midland, Mich. 48460.
B. Dow Corning, Midland, Mich. 48460.

A. Earle W. Putnam, 5151 Wisconsin Avenue NW., Washington, D.C. 20016
B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016

A. Howard Pyle, 4930 Quebec Street NW., Washington, D.C. 20016.
B. Houston Lighting & Power Co., P.O. Box 1700, Houston, Tex. 77001.
D. (6) $2,678.58.

A. Mark C. Pyle, P.O. Box 3731, Washington, D.C. 20007.
B. Retail Bakers of America, 6525 Belcrest Road, Suite 250, Hyattsville, Md. 20782.
D. (6) $1,000.

A. Robert N. Pyle, P.O. Box 3731, Washington, D.C. 20007.
B. Independent Bakers Association, P.O. Box 3731, Washington, D.C. 20007.
D. (6) $3,000.

A. John R. Quarles, Jr., Morgan, Lewis & Bockius, 1800 M Street NW., Washington, D.C. 20036.
B. National Environmental Development Association Clean Air Act Project, 3 National Press Building, Washington, D.C. 20045.

A. Clifford H. Raber, 1 McDonald's Plaza, Oak Brook, Ill. 60521.
B. McDonald's Corp., 1 McDonald's Plaza, Oak Brook, Ill. 60521.

A. Alex Radin, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $265.36.

A. Robert A. Ragland, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $200.

A. Richard W. Rahn, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $1,370.28. E. (9) $268.64.

A. Railway Labor Executives' Association, 400 First Street NW., Suite 804, Washington, D.C. 20001.
D. (6) $48,250. E. (9) $75,500.52.

A. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

A. Law Offices of John V. Rainbolt, 1800 K Street NW., Suite 926, Washington, D.C. 20006.
B. MidAmerica Commodity Exchange, 125 West Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $195. E. (9) $286.04.

A. W. Vincent Rakestraw, 8 East Broad Street, Columbus, Ohio 43215.
B. North American Telephone Association, 1030 15th Street NW., Suite 360, Washington, D.C. 20005.
D. (6) $3,277.36 E. (9) $822.36

A. Craig J. Rancourt, 5 Washington Street, Biddeford, Maine 04005.
B. American Association of Classified School Employees, 6805 Oak Creek Drive, Columbus, Ohio 43229.
D (6) $3,671.86. E. (9) $3,671.86.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H Street NW., Washington, D.C. 20006.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 1828 L Street NW., Washington, D.C. 20036.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.
B. Grocery Manufacturers of America, 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Donald A. Randall, 1625 K Street NW., Washington, D.C. 20006.
B. Automotive Service Councils, Inc., 188 Industrial Drive, Suite 112, Elmhurst, Ill. 60126.
D. (6) $1,500.

A. Donald A. Randall, 1625 K Street NW., Washington, D.C. 20006.
B. National Association for Milk Marketing Reform, 1625 K Street NW., Washington, D.C. 20006.

A. Gary B. Randall, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $140.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.
B. City of Independence Missouri, 103 North Main Street, Independence, Mo. 64050.
D. (6) $1,500. E. (9) $1,552.65.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.
B. Soil, Inc., c/o Keith Artman, Orrick, Missouri 64024; and Clifford R. Kerby, 6916 Lake Drive, Raytown, Mo. 64133.

D. (6) $750.

A. Wm. J. Randall, Suite 821, 1515 Jefferson Davis Highway, Arlington, Va. 22202.
B. United States Railway Association, 955 L'Enfant Plaza North SW., Washington, D.C. 20595.
D. (6) $6,000. E. (9) $390.

A. R. Ray Randlett, Allied Chemical Corp., 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.
D. (6) $150.

A. Arthur G. Randol III, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (9) $200.98.

A. D. Michael Rappoport, P.O. Box 1980, Phoenix, Ariz. 85001.
B. Salt River Project, P.O. Box 1980, Phoenix, Ariz. 85001.
D. (6) $1,125. E. (9) $2,984.85.

A. Marda Ratajski, Norfolk & Western Railway Co., P.O. Box 23652 L'Enfant Plaza Station, Washington, D.C. 20024.
B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $146.16.

A. Carol Raulston, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. G. David Ravencraft, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. Eller C. Ravnholt, Hawaiian Sugar Planters' Association, 723 Investment Bldg., Washington, D.C. 20005.
B. Hawaiian Sugar Planters' Association, Aiea, Hawaii 96701.

A. W. Lee Rawls, Pennzoil Co., 1155 15th Street NW., Suite 602, Washington, D.C. 20005.
B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77001.
D. (6) $495.

A. W. Randall Rawson, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

A. J. Gene Raymond, National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $597.

A. Sydney C. Reagan, 10 Duncannon Court, Glen Lakes, Dallas, Tex. 75225.
B. Southwestern Peanut Shellers Association, 10 Duncannon Court, Glen Lakes, Dallas, Tex. 75225.
D. (6) $150.

A. Susan E. Recce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $625. E. (9) $44.93.

A. Recreation Vehicle Industry Association, Box 204, 14650 Lee Road, Chantilly, Va. 22021.

A. Robert E. Redding, Shippers National Freight Claim Council, Suite 310, 910 17th Street NW., Washington, D.C. 20006.
B. Shippers National Freight Claim Council, 120 Main Street, Huntington, N.Y. 11743.

A. Dwight C. Reed, National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.
B. National Soft Drink Association, 1101 16th Street NW., Washington, D.C. 20036.

A. John H. Reed, 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
B. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $8,628. E. (9) $189.67.

A. Charles C. Reely, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

A. David E. Reeves, 4803 Scarsdale Road, Bethesda, Md. 20016.
B. Alaska Coalition, 530 Seventh Street, SE., Washington, D.C. 20003.
D. (6) $1,744.

A. J. Ronald Reeves, U.S. Air, Inc., Washington National Airport, Washington, D.C. 20001.
B. U.S. Air, Inc., Washington National Airport, Washington, D.C. 20001.
D. (6) $2,000. E. $128.61.

A. Frank D. Register, National Association of Retail Grocers of the U.S., Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.
B. National Association of Retail Grocers of the United States, Inc., 11800 Sunrise Valley Drive, Reston, Va. 22091.
D. (6) $50.

A. David M. Reicher, Foley & Lardner, 777 East Wisconsin Avenue, Milwaukee, Wis. 53202.
B. Foley & Lardner, 777 East Wisconsin Avenue, Milwaukee, Wis. 53202. (for Smith Barney, Harris Upham & Co., Inc.).

A. Charlotte T. Reid, 1776 K Street NW., Washington, D.C. 20006.
B. Motorola Inc., 1776 K Street NW., Washington, D.C. 20006.
D. (6) $3,000.

A. Reid & Priest, 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.

A. Reid & Priest, 1111 19th Street NW., Washington, D.C. 20036.
B. Northeast Utilities Service Co., P.O. Box 270, Hartford, Conn. 06101.

A. Reid & Priest, 1111 19th Street NW., Washington, D.C. 20036.
B. South Caroline Electric & Gas Co., P.O. Box 764, Columbia, S.C. 29202.

A. Jerry E. Reider, Emerson Electric Co., 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Emerson Electric Co., 8000 Florissant, St. Louis, Mo. 63136.

A. John A. Reilly, Private, 25th Floor, 530 Fifth Avenue, New York, N.Y. 10036.
B. Estate of Bert N. Adams, et al.
E. (9) $5.

A. Gary B. Reimer, Tiger International, Inc., 1800 K Street NW., Suite 600, Washington, D.C. 20006.
B. Tiger International, Inc., 1888 Century Park East, Los Angeles, Calif. 90067.
D. (6) $303.

A. Thomas K. Reinhard, International Trading Associates Inc., 806 15th Street, NW., Suite 210, Washington, D.C. 20005.
B. International Trading Associates Inc., 806 15th Street NW., Suite 210, Washington, D.C. 20005.
D. (6) $150.

A. Harry O. Reinsch, 1310 Jones Street, Apartment 902, San Francisco, Calif. 94109.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. W. W. Renfroe, 69 Fountain Place, Wilkinson Street, Frankfort, Ky. 40601.
B. Kentucky Railroad Association, 69 Fountain Place, Wilkinson Street, Frankfort, Ky. 40601.

A. Diane Rennert, 1707 L Street NW., Washington, D.C. 20036.
B. Association of American Publishers, 1707 L Street NW., Washington, D.C. 20036.
D. (6) $3,330. E. (9) $609.82.

A. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $5,899.

A. Forrest I. Rettgers, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.

A. John H. Reurs, 25 Broadway, New York, N.Y. 10004.
B. New York Committee of International Committee of Passenger Lines, 25 Broadway, New York, N.Y. 10004.

A. Patricia Blau Reuss, 805 15th Street NW., Suite 822, Washington, D.C. 20005.
B. Women's Equity Action League, 805 15th Street NW., Suite 822, Washington, D.C. 20005.
D. (6) $1,000 E. (9) $1,100.

A. Lynne Revo-Cohen, National Press Building, Room 481, Washington, D.C. 20045.
B. Federally Employed Women, Inc., National Press Building, Room 481, Washington, D.C. 20045.
D. (6) $4,920. E. (9) $420.

A. Allan R. Rexinger, The Proprietary Association, 1700 Pennsylvania Avenue NW., Suite 700, Washington, D.C. 20006.
B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $2,218.75. E. (9) $125.

A. Nancy Clark Reynolds, 300 Maryland Avenue NE., Washington, D.C. 20002.
B. The Bendix Corp., 300 Maryland Avenue NE., Washington, D.C. 20002.

A. Austin T. Rhodes, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. Edmund B. Rice, American Hospital Association, 444 North Capitol Street NW. Suite 500, Washington, D.C. 20001.

B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill 60611.
D. (6) $1,667.47.

A. Rice Genocide Research, P.O. Box 7307, Washington, D.C. 20044 and 3046 Roosevelt, Detroit, Mich. 48216.
E. (9) $169.89.

A. Theron J. Rice, Conoco Inc., 1025 Connecticut Avenue, Suite 1000, Washington, D.C. 20036.
B. Conoco Inc., High Ridge Park, Stamford, Conn. 06904.

A. Alan H. Richardson, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Washington, D.C. 20037.
D. (6) $500.

A. Douglas B. Richardson, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.
B. Council of Energy Resource Tribes, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.

A. Russell W. Richardson, Lear Siegler, Inc., Suite 1002, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.

A. Bruce Rickerson, American Society of Civil Engineers, 1625 Eye Street NW., Suite 607, Washington, D.C. 20006.
B. American Society of Civil Engineers, 345 East 47 M Street, New York, N.Y. 10017.
D. (6) $3,000.

A. Lowell J. Ridgeway, ND Petroleum Council, Box 1395, Bismarck, N. Dak. 58502.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Mark J. Riedy, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.

A. S. F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. E. Philip Riggin, National Legislative Commission, 1608 K Street NW., Washington, D.C. 20006.
B. The American Legion, 700 North Pennsylvania Street, Indianapolis, Ind.
D. (6) $6,306. E. (9) $513.53.

A. John S. Rippey, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Co., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $687.50 E. (9) $20.

A. Carol A. Risher, Association of American Publishers, Inc.,, 1707 L Street NW., Suite 480, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $1,200. E. (9) $79.30.

A. Nancy J. Risque, Standard Oil Co. (Ohio), 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. James E. Ritchie, 499 South Capitol Street SW., Suite 400, Washington, D.C. 20003.
B. Gaming Industry Association of Nevada, Inc., One East First Street, Suite 1007, Reno, Nev. 89501.
D. (6) $2,800 E. (9) $4,555.48.

A. James E. Ritchie, 499 South Capitol Street SW., Suite 400, Washington, D.C. 20003.
B. National Association of Off-Track Betting Corp., P.O. Box 446, Batavia, N.Y. 14020.

A. James E. Ritchie, 499 South Capitol Street SW., Suite 400, Washington, D.C. 20003.
B. Nevada Resort Association, 1785 East Sahara Avenue, Suite 250, Las Vegas, Nev. 89104.
D. (6) $4,200. E. (9) $910.99.

A. Stark Ritchie, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Robert L. Roach, 12801 River Road, Potomac, Md.
B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.
D. (6) $4,106.25. E. (9) $1,819.60

A. Roadside Business Association, 9001 West Braddock Road, Springfield, Va. 22151.
D. (6) $1,740.37. E. (9) $1,740.37.

A. Perry A. Roberts, 8000 Florissant, St. Louis, Mo. 63136.
B. Emerson Electric Co., 8000 Florissant, St. Louis, Mo. 63136.
E. (9) $375.51.

A. Betty S. Robinson, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036.
B. International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $9,897.62. E. (9) $93.60.

A. Charles A. Robinson, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $275.

A. Antoinette K. Roche, General Atomic Co., 2012 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $500. E. (9) $25.

A. Thomas G. Roderick, Consolidated Natural Gas Service Co., Inc., 1101 16th Street NW., Washington, D.C. 20036.
B. Consolidated Natural Gas Service Co., Inc., Four Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $2,500.

A. Rodey, Dickason, Sloan, Akin & Robb, P.A., P.O. Box 1888, Albuquerque, N. Mex. 87103.
B. Navajo Tribe, Window Rock, Ariz. 86515.
D. (6) $312.98.

A. Quincy Rodgers, General Instrument Corp., Suite 320, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. General Instrument Corp., 1775 Broadway, New York, N.Y.
D. (6) $1,250. E. (9) $457.30.

A. Ted V. Rodgers, Nationwide Insurance Co., & Affiliates, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. Nationwide Insurance Co., & Affiliates, One Nationwide Plaza, Columbus, Ohio 43216.
D. (6) $2,500.

A. Willi Roelli, Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.
B. Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

A. Donald L. Rogers, 730 15th Street NW., Washington, D.C. 20005.
B. Association of Bank Holding Co., 730 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500.

James T. Rogers, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $600.

A. Terrence L. Rogers, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $7,649.60.

A. Rogers & Wells, 1666 K Street NW., Washington, D.C. 20006.
B. Florida West Coast Condominium Group, c/o Albert C. Werly, P.O. Box 40750, St. Petersburg, Fla. 37743.
D. (6) $1,000.

A. Richard A. Rohrbach, Boise Cascade Corp., 1625 I Street NW., Suite 809, Washington, D.C. 20006.
B. Boise Cascade Corp., 1625 I Street NW., Suite 809, Washington, D.C. 20006.
D. (6) $17,655.

A. Kenneth S. Rolston, Jr., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Pulpwood Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.

A. Teno Roncalio, P.O. Box 1707, Cheyenne, Wyo. 82001.
B. Northwest Alaska Pipeline Co., 1801 K Street NW., Washington, D.C. 20036; Colorado Interstate Gas Co., P.O. Box 1087, Colorado Springs, Colo. 80944.
D. (6) $3,000.

A. Teno Roncalio, P.O. Box 1707, Cheyenne, Wyo. 82001.
B. State of Wyoming, Capitol Building, Cheyenne, Wyo. 82002.
D. (6) $1,500.

A. Tatiana Roodkowsky, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $2,500. E. (9) $17.19.

A. Nicholas Roomy, Jr., Appalachian Power Co., P.O. Box 1986, Charleston, W. Va. 25327.
B. Appalachian Power Co., P.O. Box 1986, Charleston, W. Va. 25327 (subsidiary of the American Electric Power Co., Inc., 180 East Broad Street, Columbus, Ohio 43215).

A. Fred B. Rooney, 1300 19th Street NW., Suite 404, Washington, D.C. 20036.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.

D. (6) $200.

A. Fred B. Rooney, 1300 19th Street NW., Suite 404, Washington, D.C. 20036.
B. Mudge Rose Guthrie & Alexander, 20 Broad Street, New York, N.Y. 10005.

A. Fred B. Rooney, 1300 19th Street NW., Suite 404, Washington, D.C. 20036.
B. PACCAR Inc., Business Center Building, P.O. Box 1518, Bellevue, Wash. 98009.
D. (6) $125.

A. Kevin M. Rooney, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $1,028. E. (9) $411.37.

A. Christine Root, 1532 Swann Street NW., Washington, D.C. 20009.
B. Washington Office on Africa, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $5,769.30. E. (9) $239.97.

A. Mark A. Root, 1100 17th Street NW., Suite 302, Washington, D.C. 20036
B. Samuel E. Stavisky & Associaties Inc., 1100 17th Street NW., Washington, D.C. 20036 (for Broadcast Music Inc. (BMI), 320 West 57th Street, New York, NY.).
E. (9) $30.

A. John C. Roots, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $200.

A. Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty, 1575 I Street NW., Washington, D.C. 20005.
B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.
D. (6) $74,350. E. (9) $4,068.22.

A. Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty 1575 I Street NW., Washington, D.C. 20006.
B. Institute of Makers of Explosives, 420 Lexington Avenue, New York, N.Y. 10017.
D. (6) $18,050. E. (9) $1,279.60.

A. Walda W. Roseman, National Public Radio, 2025 M Street NW., Washington, D.C. 20036.
B. National Public Radio, 2025 M Street NW., Washington, D.C. 20036.
D. (6) $13,500. E. (9) $177.96.

A. Burt Rosen, National Association of Independent Insurers, Suite 401, 499 South Capitol Street SW., Washington, D.C. 20003.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $1,500. E. (9) $280.

A. Albert B. Rosenbaum III, National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036
B. National Tank Truck Carriers, Inc., 1616 P Street NW., Washington, D.C. 20036.

A. Arthur F. Rosenfeld, Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $400.50. E. (9) $8.

A. Harvey Rosenfield, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,540.40

A. Robert W. Ross, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,650.

A. William F. Ross, SC Petroleum Council, American Petroleum Institute, 716 Palmetto State Life Building, Columbia, S.C.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. A. F. Rossberg, 1166 Northwestern Bank Building, Minneapolis, Minn. 55402.
B. Insurance/Financial Affiliates of America, Inc., 1166 Northwestern Bank Building, Minneapolis, Minn. 55402.

A. Alan J. Roth, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington, D.C. 20037.
B. Fort Pierce Utilities Authority of the City of Fort Pierce, Gainesville-Alachua County Regional Electric Water & Sewer Utilities, Sebring Utilities Commission, Cities of Homestead, Kissimmee, Lakeland, Starke, Tallahassee, Fla.

A. Barry N. Roth, The Williams Cos., 1750 K Street NW., Suite 350, Washington, D.C. 20006.
B. The Williams Cos., P.O. Box 2400, Tulsa, Okla. 74101.
D. (6) $100.

A. Edwin Rothschild, Energy Action Educational Foundation, 1615 Anderson Road, Mclean, Va. 22102.
B. Energy Action Educational Foundation, 2000 P Street NW., Suite 310, Washington, D.C. 20036.
D. (6) $67.48.

A. Donald D. Rounds, South Dakota Petroleum Council, P.O. Box 669, Pierre, S. Dak. 57501.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. William C. Rountree, Standard Oil Co. (Ohio), 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building—Cleveland, Ohio 44115.
D. (6) $50.

A. Rouss & O'Rourke, Lawyers Bldg., 231 E. Vermijo, Colorado Springs, Colo. 80903.
B. Union Nacional de Productores de Azucar, S.A. de C.V., Balderas 36, Mexico, D.F., Mexico.
D. (6) $2,400. E. (9) $3,977.68.

A. Mark Rovner, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $3,400.

A. Eugene F. Rowan, J.C. Penney Co., Inc., 1156 15th Street NW., Washington, D.C. 20005.
B. J.C. Penney Co., Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

A. James C. Rowland, Jr., Union Carbide Corp., 1730 Pennsylvania Avenue NW., Suite 1250, Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.

A. John W. Rowland, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

A. George S. Royal, American Movers Conference, 1117 North 19th Street (P.O. Box 9204), Arlington, Va. 22209.
B. American Movers Conference, 1117 North 19th Street (P.O. Box 9204), Arlington, Va. 22209.

A. Kathryn Coe Royce, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $625. E. (9) $35.

A. James S. Rubin, Allied Chemical Corp., 1150 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J.

A. Paul M. Ruden, Wilner & Scheiner, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. American Society of Travel Agents, Inc., 711 Fifth Avenue, New York, N.Y. 10022.

A. Gloria Cataneo Rudman, International Longshoremen's Association, 815 16th Street NW., Suite 104, Washington, D.C. 20006.
B. International Longshoremen's Association, 815 16th Street NW., Suite 104, Washington, D.C. 20006.
D. (6) $7,500.

A. Philip E. Ruppe, AMAX Inc., 1101 Connecticut Avenue NW., Suite 605, Washington, D.C. 20036.
B. AMAX Inc., AMAX Center, Greenwich, Conn. 06830.
D. (6) $1,000. E. (9) $50.

A. Leonard H. Ruppert, New Jersey Petroleum Council, 170 West State Street, Trenton, N.J. 08608.
B. American Petroleum Institute 2101 L Street NW., Washington, D.C. 20037.

A. Albert R. Russel, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.

A. Robert M. Russell, 2170 Piedmont Road NE., Atlanta, Ga. 30324.
B. Orkin Exterminating Co., Inc., 2170 Piedmont Road NE., Atlanta, Ga. 30324.

A. Wally Rustad, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $25.

A. Sheryl P. Rutledge, 1100 H Street NW., Washington, D.C. 20080.
B. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.

A. Ella Marice Ryan, J. C. Penney Co., Inc., 1156 15th Street, NW., Washington, D.C. 20005.
B. J. C. Penny, Inc., 1301 Avenue of the Americas, New York, N.Y. 10019.

A. John F. Ryan, International Telephone & Telegraph Corp., 1707 L Street NW., Washington, D.C. 20036.

B. International Telephone & Telegraph Corp., 320 Park Avenue, New York, N.Y. 10022.

A. Lynn Ryan, 1025 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $150. E. (9) $34.

A. Daniel Saltzman, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue, Washington, D.C. 20003.
D. (6) $150.

A. Rohan J. Samaraweera, 1725 K Street NW., Washington, D.C. 20006.
B. The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $385.08.

A. Samaritan Health Service, 1410 North 3d Street, P.O. Box 25489, Phoenix, Ariz. 85002.
E. (9) $5,206.50.

A. Frank P. Sanders, 1575 I Street NW., Washington, D.C. 20005; The Signal Companies, Inc., 11255 North Torrey Pines Road, La Jolla, Calif. 92037.
B. The Signal Companies, Inc., 11255 North Torrey Pines Road, La Jolla, Calif. 92037.
D. (6) $650.

A. Charles E. Sandler, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $5,000.

A. Peter G. Sandlund, Room 315, 1725 I Street NW., Washington, D.C. 20006.
B. Council of European & Japanese National Shipowners' Associations, 30-32 St. Mary Axe, London EC3A 8ET, England.
D. (6) $300.

A. Albert C. Saunders, 1155 15th Street NW., Washington, D.C. 20005.
B. Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $4,000. E. (9) $3.

A. William B. Saxbe, 8 East Broad Street, Columbus, Ohio 43215.
B. North American Telephone Association, 1030 15th Street NW., Suite 360, Washington, D.C. 20005.
D. (6) $2,445.

A. Henry Schacht, California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
B. California Canners & Growers, 3100 Ferry Building, San Francisco, Calif. 94106.
D. (6) $5,000. E. (9) $970.95.

A. Mark Schacht, 807 15th Street NW., Suite 600, Washington, D.C. 20005.
B. Migrant Legal Action Program, Inc., 806 15th Street NW., Suite 600, Washington, D.C. 20005.
D. (6) $5,902.64. E. (9) $1,397.39.

A. Harold A. Schaitberger, International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $10,309.26.

A. Herbert Y. Schandler, Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
B. American League for Exports & Security Assistance, Inc., Suite 4400, 475 L'Enfant Plaza SW., Washington, D.C. 20024.
D. (6) $3,000. E. (9) $220.45.

A. Kenneth D. Schanzer, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $3,000. E. (9) $720.

A. Jay T. Scheck, Jr., Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., Dearborn, Mich. 48121.
D. (6) $499.69. E. (9) $296.

A. Jacques T. Schlenger, 1800 Mercantile Bank and Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland-Savings Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.
E. (9) $234.94.

A. Schlossberg-Cassidy & Associates, Inc., 955 L'Enfant Plaza SW., Suite 1401, Washington, D.C. 20024.
B. American Dietetic Association, 430 North Michigan Avenue, Chicago, Ill., 60611.
D. (6) $1,875. E. (9) $20.

A. Schlossberg-Cassidy & Associates, Inc., 955 L'Enfant Plaza SW., Suite 1401, Washington, D.C. 20024.
B. Boston University, 147 Bay State Road, Boston, Mass. 02215.
D. (6) $875. E. (9) $15.

A. Schlossberg-Cassidy & Associates, Inc., 955 L'Enfant Plaza SW., Suite 1401, Washington, D.C. 20024.
B. National Frozen Food Association, 1019 19th Street NW., Washington D.C. 20036.
D. (6) $1,500. E. (9) $25.

A. Schlossberg-Cassidy & Associates, Inc., 955 L'Enfant Plaza SW., Suite 1401, Washington, D.C. 20024.
B. Ocean Spray Cranberries, Inc., Plymouth, Mass. 02360.
D. (6) $125. E. (9) $3.

A. Schlossberg-Cassidy & Associates, Inc., 955 L'Enfant Plaza SW., Suite 1401, Washington, D.C. 20024.
B. Tufts University, Medford, Mass. 02155.
D. (6) $1,250. E. (9) $20.

A. Allan D. Schlosser, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $400.

A. Rosalie K. Schlosser, Armstrong, Byrd & Associates, Inc., 1606 20th Street NW., Washington, D.C. 20009.
B. Armstrong, Byrd & Associates, Inc. (for Toyota Motor Sales, U.S.A., Inc.), 1606 20th Street NW., Washington, D.C. 20009.
D. (6) $550. E. (9) $75.

A. Richard M. Schmidt, Jr., 1333 New Hampshire Avenue NW., Suite 600, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., Suite 480, Washington, D.C. 20036.
D. (6) $500.

A. Mahlon C. Schneider, The Pillsbury Co., 608 Second Avenue South, Minneapolis, Minn. 55402.
B. The Pillsbury Co., 608 Second Avenue South, Minneapolis, Minn., 55402.
D. (6) $250.

A. Andrew A. Scholtz, Coffee, Sugar & Cocoa Exchange, Inc. Four World Trade Center, New York, N.Y. 10048.
B. Coffee, Sugar & Cocoa Exchange, Inc., Four World Trade Center, New York, N.Y. 10048.

A. Michael M. Schoor, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $2,500.

A. A. Kolbet Schrichte, 311 First Street NW., Washington, D.C. 20001.
B. National Restaurant Association, 311 First Street, NW., Washington, D.C. 20001.

A. N. Donald Schroeder, Maryland Petroleum Association, 60 West Street NW., Annapolis, Md. 21401.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Stanley W. Schroeder, Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
B. Gas Appliance Manufacturers Association, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.
E. (9) $75.

A. Robert L. Schulz, Iowa Petroleum Council, 1012 Fleming Building, Des Moines, Iowa 50309.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Donald H. Schwab, National Legislative Service, Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
B. Veterans of Foreign Wars of the United States, 200 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $4,250. E. (9) $205.90.

A. Schwabe, Williamson, Wyatt, Moore & Roberts, 1200 Standard Plaza, Portland, Oreg. 97204.
B. American Greyhound Track Operators Association, 139 Southeast 14th Lane, Miami, Fla. 33131.

A. Schwabe, Williamson, Wyatt, Moore & Roberts, 1200 Standard Plaza, Portland, Oreg. 97204.
B. Clatskanie People's Utility District, P.O. Box 216, Clatskanie, Oreg. 97016.
D. (6) $17,870.50. E. $2,075.45.

A. Schwabe, Williamson, Wyatt, Moore & Roberts, 1200 Standard Plaza, Portland, Oreg. 97204.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $15,000. E. (9) $26.11

A. Schwartz & Connolly, Inc., 1747 Pennsylvania Avenue NW., Suite 650, Washington, D.C. 20006.
B. ASARCO, Inc.
D. (6) $8,900. E. (9) $240.91.

A. Schwartz & Connolly, Inc., 1747 Pennsylvania Avenue NW., Suite 650, Washington, D.C. 20006.
B. Owens-Illinois, Toledo, Ohio.
D. (6) $20,347.50. E. (9) $1,628.74.

A. Harry K. Schwartz, 1800 M Street NW., Suite 400 South, Washington, D.C. 20036.
B. City of Philadelphia, Department of Commerce, 1650 Municipal Services Building, Philadelphia, Pa. 19107.

D. (6) $600.

A. Richard Schwartz, Boat Owners Association of the United States, 880 South Pickett Street, Alexandria, Va. 22304.
D. (6) $2,500.

A. Tiberio Schwartz, Phillips, Nizer, Benjamin, Krim & Ballon, 40 West 57th Street, New York, N.Y. 10019.
B. American Bobst Holdings, Inc., Harrison Avenue, Roseland, N.J. 07068.
D. (6) $60.

A. Carl F. Schwensen, 415 2d Street NE., Suite 300, Washington, D.C. 20002.
B. National Association of Wheat Growers, 415 2d Street NE., Washington, D.C. 20002.
D. (6) $3,368.63.

A. Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $6,798.57. E. (9) $4,679.20.

A. Michael Sciulla, Boat Owners Association of the United States, 880 South Pickett Street, Alexandria, Va. 22304.
D. (6) $2,500.

A. H. B. Scoggins, Jr., 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $7.

A. Deirdre S. Searles, 7900 Callaghan Drive, San Antonio, Tex. 78229.
B. Datapoint Corp., 9725 Datapoint Drive, San Antonio, Tex. 78284.
D. (6) $4,500. E. (9) $1,649.

A. Earl W. Sears, P.O. Box 12285, Memphis, Tenn. 38112.
B. National Cotton Council of America, P.O. Box 12285, Memphis Tenn. 38112.
D. (6) $937.50. E. (9) $20.48.

A. Sandra Sedacca, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Steet NW., Washington, D.C. 20036.
D. (6) $3,600.

A. Sadie E. Seeley, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.

A. H. Richard Seibert, Jr., National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $807.46.

A. Stanton P. Sender, 1211 Connecticut Avenue NW., Washington, D.C. 20036.
B. Sears, Roebuck & Co., Sears Tower, Chicago, Ill. 60684.
D. (6) $120. E. (9) $3.25.

A. Service Station Dealers of America, Inc., 2021 K Street NW., Suite 303, Washington, D.C. 20006.
E. (9) $10,957.97

A. Sarah Setton, 1511 K Street NW., Washington, D.C. 20005.
B. The Sugar Association, Inc., 1511 K Street NW., Washington, D.C. 20005
D. (6) $103. E. $44.

A. Seven Months Session for Congress, 7201 Wood Hallow Drive, No. 337, Austin, Tex. 78731.
E. (9) $448.

A. Seward & Kissel, 1050 17th Street NW., Washington, D.C. 20036.
B. A. W. Jones Co., 26 Broadway, New York, N.Y; Avalon, 140 Broadway, New York, N.Y; Jubilee, 140 Broadway, New York, N.Y.
D. (6) $6,000.

A. Seward & Kissel, 1050 17th Street NW., Washington, D.C. 20036.
B. Merrill Lynch Money Markets, Inc., 165 Broadway, New York, N.Y. 10080.
D. (6) $18,450. E. (9) $1,284.22.

A. J. Richard Sewell, 1111 19th Street NW., Suite 1102, Washington, D.C. 20036.
B. Florida Power & Light Co., P.O. Box 529100, Miami, Fla. 33152.

A. Seyfarth, Shaw, Fairweather & Geraldson, 1111 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Dresser Industries, Inc., P.O. Box 718 Dallas, Tex. 75221.

A. Seyfarth, Shaw, Fairweather & Geraldson, 1111 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Trans-Union Corporation, 90 Half Day Road, Lincolnshire, Ill. 60015.

A. Robert L. Shafer, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017.
D. (6) $100. E. (9) $117.59.

A. James M. Shamberger, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.
B. Reinsurance Association of America, 1025 Connecticut Avenue NW., No. 512, Washington, D.C. 20036.

A. Shamrock Foods Co., 2228 North Black Canyon Road, Phoenix, Ariz. 85009.

A. Lloyd D. Shand, 1101 17th Street NW., Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindberg Boulevard, St. Louis, Mo. 63166.
D. (6) $400.

A. David L. Shapiro, 1615 H Street NW., Washington, D.C. 20062.

A. Harry D. Shapiro, 1800 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201.
B. Maryland Savings-Share Insurance Corp., 901 North Howard Street, Baltimore, Md. 21201.
E. (9) $234.94

A. Karen Dolmatch Shaw, 1800 K Street NW., Suite 920, Washington, D.C. 20006.
B. BankAmerica Corp., BankAmerica Center, San Francisco, Calif.
D. (6) $48.72. E. (9) $324.74

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Association for the Improvement of the Mississippi River, 10 Broadway, St. Louis, Mo. 63102.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., No. 900-S, Washington, D.C. 20036.
B. Atlas Minerals Division, Atlas Corp., P.O. Box 1207, Moab, Utah 84532.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Cayman Turtle Farm, Ltd., P.O. Box 645, Grand Cayman Island, Cayman Islands, British West Indies.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900-S, Washington, D.C. 20036.
B. Consolidated Grain & Barge Co., 5100 Oakland Avenue, St. Louis, Mo. 63110.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Council for American Private Education, 1625 I Street NW., Washington, D.C. 20036.
D. (6) $600.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900-S, Washington, D.C. 20036.
B. Emerson Electric Co., 8000 Florissant, St. Louis, Mo. 63136.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Institute of Foreign Bankers, 200 Park Avenue, Suite 303 East, Room 23, New York, N.Y. 10017.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900-S, Washington, D.C. 20036.
B. Investment Counsel Association of America, Inc., 50 Broad Street, New York, N.Y. 10004.

A. Shaw, Pittman, Potts & Trowbridge, 1800 M Street NW., 900-S, Washington, D.C. 20036.
B. National Committee on Small Issue Industrial Development Bonds, Box 1, 1800 M Street NW., 900-S, Washington, D.C. 20036.

A. Shaw, Pittman Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. St. Joe Minerals Corp., 250 Park Avenue, New York, N.Y. 10017.

A. Shaw, Pittman Potts & Trowbridge, 1800 M Street NW., Washington, D.C. 20036.
B. Utility Nuclear Waste Management Group, c/o Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $1,733.

A. Russell H. Shay, Sierra Club, 6014 College Avenue, Oakland, Calif. 94618.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $1,000.01. E. (9) $612.30.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. Allied Chemical, 1250 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. Eleanor Clark, c/o J. Reynolds Barnes, 11 American Bank Building, 621 North West Morrison Street, Portland, Oreg. 97205.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. CoaLiquid, Inc., 1215 Citizens Plaza, Louisville, Ky. 40402.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. Consumer Solar Electric Power Corp., 5811 Uplander Way, Culver City, Calif. 90230.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.

B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. Independent Research Library Association, 185 Salisbury Street, Worchester, Mass. 01609.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. Nabisco, 100 DeForest Avenue, East Hanover, N.J. 07936.
E. (9) $48.31.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. Norfolk & Western, 8 North Jefferson Street, Roanoke, Va. 24011.
E. (9) $35.13.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. Ryder Systems, Inc., 3600 Northwest 82d Avenue NW., Miami, Fla. 33166.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. Tosco Corp., 1919 Pennsylvania Avenue NW., No. 3706, Washington, D.C. 20006.

A. Maureen Shea, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $6,687.49. E. (9) $180.10.

A. John J. Sheehan, United Steelworkers of America, 815 16th Street NW., Suite 706, Washington, D.C. 20006.
B. United Steelworkers of America, 5 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $11,807.62

A. John P. Sheffey, National Association for Uniformed Services, 903 South Highland Street, Arlington, Va. 22204.
B. National Association for Uniformed Services, 903 South Highland Street, Arlington, Va. 22204.
D. (6) $543.18.

A. Jay P. Sherman, 918 F Street NW., Washington, D.C. 20004.
B. National Family Farm Coalition, 918 F Street NW., Washington, D.C. 20004.
D. (6) $4,249.98. E. (9) $31.99.

A. Harvey A. Shipman, The Penn Central Corp., 1776 G Street NW., Suite 502, Washington, D.C. 20006.
B. The Penn Central Corp., 245 Park Avenue, 44th Floor, New York, N.Y. 10017.

A. Fred B. Shippee, American Apparel Manufacturers Association, 1611 North Kent Street, Suite 800, Arlington, Va. 22209.
B. American Apparel Manufacturers Association, 1611 North Kent Street, Suite 800, Arlington, Va. 22209.

A. Mary Frances Shlagel, Union Oil Co. of California, 1100 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. W. Ray Shockley, American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
B. American Textile Manufacturers Institute, 1101 Connecticut Avenue NW., Suite 300, Washington, D.C. 20036.
D. (6) $2,550. E. (9) $15.

A. Donald S. Shook, 1025 Connecticut Avenue, NW., No. 700, Washington, D.C. 20036.
B. Gulf Oil Corp., P.O. Box 1166, Pittsburgh, Pa. 15230.
D. (6) $190. E. (9) $35.

A. G. Scott Shotwell, 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
D. (6) $2,475.

A. Richard G. Shoup, Union Pacific Corp., 1120 20th Street NW., Suite 600 South, Washington, D.C. 20036.
B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10154.

A. Barbara A. Shuman, Chevron U.S.A. Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
B. Chevron U.S.A. Inc., 1700 K Street NW., Suite 1204, Washington, D.C. 20006.
D. (6) $100.

A. Candice J. Shy, 1025 Connecticut Avenue NW., Suite 1014, Washington, D.C. 20036.
B. Enserch Corp., 300 S. St. Paul Street, Dallas, Tex. 75201.
D. (6) $1,300. E. (9) $538.

A. Carlton R. Sickles, 8401 Corporate Drive, Landover, Md. 20785.
B. United Van Bus Delivery Co., 2601 32d Avenue South, Minneapolis, Minn. 55406.
D. (6) $5,350. E. (9) $154.98.

A. Richard H. Siemsen, 8000 Florissant, St. Louis, Mo. 63136.
A. Emerson Electric Co., 8000 Florissant, St. Louis, Mo. 63136.
E. (9) $1,078.

A. Bernard H. Sieracki, Illinois Petroleum Council, 79 West Monroe Street, Suite 514, Chicago, Ill. 60603.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $200. E. (9) $90.70.

A. Mark Silbergeld, Consumers Union of U.S., Inc., 1511 K Street NW., Suite 1033, Washington, D.C. 20005.
B. Consumers Union, 256 Washington Street, Mt. Vernon, N.Y. 10550.
D. (6) $2,000.

A. David Silver, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Company Institute, 1775 K Street NW., Washington, D.C. 20006.

A. Silver, Freedman, Housley, Taff & Goldberg, 1800 M Street NW., 950N, Washington, D.C. 20036.

A. Silver Users Association, Inc., 1717 K Street NW., Washington, D.C. 20006.
D. (6) $6,571.75. E. (9) $2,448.92.

A. Barbara A. Silverman, 2500 DeKalb Pike, Norristown, Pa. 19404.
B. Provident Indemnity Life Insurance Co., 2500 DeKalb Pike, Norristown, Pa. 19404.

A. Leslie D. Simon, International Business Machines Corp., 1801 K Street NW., Washington, D.C. 20006.
B. International Business Machines Corp., Old Orchard Road, Armonk, N.Y. 10504.
D. (6) $533. E. (9) $9.25.

A. Stanley C. Simon, Simon, Twombly & Terry, 17130 Dallas Parkway, Suite 160, Dallas, Tex. 75248.
B. The Southland Corp., 2828 North Haskell Avenue, Dallas, Tex. 75204.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $300. E. (9) $219.43.

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20036.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,217.45. E. (9) $51.25.

A. C. Kyle Simpson, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $750. E. (9) $1,189.65.

A. Jean Sindab, 2480 16th Street NW., No. 610, Washington, D.C. 20009.
B. Washington Office on Africa, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $3,466.65. E. (9) $72.93.

A. Robert C. Singer, The Soap & Detergent Association, 475 Park Avenue South, New York, N.Y. 10016.
B. The Soap & Detergent Association, 475 Park Avenue South, New York, N.Y. 10016.

A. Richard L. Sinnott & Co., 2021 K Street NW., Suite 306, Washington, D.C. 20006.
B. Port of Oakland, Oakland, Calif. 94607.
D. (6) $1,250.

A. Donald E. Sinville, 227 North Street, Manchester, N.H. 03104.
B. Public Service Co. of New Hampshire, Manchester, N.H. 03105.
D. (6) $250.

A. William J. Skinner, 815 15th Street NW., Washington, D.C. 20005.
B. United States Pharmacopeial Convention, Inc., 12601 Twinbrook Parkway, Rockville, Md. 20852.
D. (6) $1,125.

A. Richard M. Skutt, 1366 Joliet Place, Detroit, Mich. 48207.
B. Project Advisory Group, 1029 Vermont Avenue NW., Washington, D.C. 20005.

A. Carstens Slack, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C. 20006.
B. Phillips Petroleum Co., Bartlesville, Okla. 74004.

A. Matthew B. Slepin, National Association of Housing Cooperatives, 1012 14th Street NW., No. 805, Washington, D.C. 20005.
B. National Association of Housing Cooperatives, 1012 14th Street NW., No. 805, Washington, D.C. 20005.
D. (6) $750.

A. William T. Slider, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,500. E. (9) $477.50.

A. Small Business Legislative Council, 1604 K Street NW., Washington, D.C. 20006.
D. (6) $3,000. E. (9) $1,001.85.

A. Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017.
B. William M. Mercer, Inc., 1211 Avenue of the Americas, New York, N.Y. 10036.

A. Small Producers For Energy Independence, 1000 Sutton Place, Wichita, Kans. 67202.

D. (6) $118,754.68. E. (9) $5,581.

A. Smathers, Symington & Herlong, Suite 400, 1700 K Street NW., Washington, D.C. 20006.
B. American Horse Council, Suite 300, 1700 K Street NW., Washington, D.C. 20006.
D. (6) $5,500.

A. Smathers, Symington & Herlong, Suite 400, 1700 K Street NW., Washington, D.C. 20006.
American Inland Waterway Committee, 7733 Forsyth Boulevard, St. Louis, Mo.
D. (6) $3,500.

A. Smathers, Symington & Herlong, Suite 400, 1700 K Street NW., Washington, D.C. 20006.
B. Florida East Coast Railway Co., 1 Malaga Street, St. Augustine, Fla. 32084.
D. (6) $5,000.

A. Smathers, Symington & Herlong, Suite 400, 1700 K Street NW., Washington, D.C. 20006.
B. Goldman Sachs, 55 Broad Street, New York, N.Y. 10004.
D. (6) $1,500.

A. Smathers, Symington & Herlong, Suite 400, 1700 K Street NW., Washington, D.C. 20006.
B. Kansas City, Mo., through Federal Relations Associates, 400 North Capitol Street NW., Suite 368, Washington, D.C. 20001.
D. (6) $666.

A. Smathers, Symington & Herlong, Suite 400, 1700 K Street NW., Washington, D.C. 20006.
B. Penzoil Co., Houston, Tex. 77001.
D. (6) $6,000.

A. Smathers, Symington & Herlong, Suite 400, 1700 K Street NW., Washington, D.C. 20006.
B. Republic of South Africa, 3501 Massachusetts Avenue NW., Washington, D.C. 20008.
D. (6) $7,500.

A. Donald E. Smiley, Exxon Corp., 1899 L Street NW., No. 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.
E. (9) $73.40.

A. Arthur J. Smith, Shell Oil Co., 1025 Connecticut Avenue NW., No. 200, Washington, D.C. 20036.
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10105.
E. (9) $21,412.

A. Gordon L. Smith, 1425 K Street NW., No. 1000, Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 1425 K Street NW., No. 1000, Washington, D.C. 20005 (for Florists' Transworld Delivery Association, P.O. Box 2227, Southfield, Mich. 48037).

A. J. Kenneth Smith, Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $3,480. E. (9) $74.87.

A. Kathleen Cramp Smith, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.
B. Council of Energy Resource Tribes, 1140 Connecticut Avenue NW., Suite 310, Washington, D.C. 20036.

A. Smith & Pepper, 1776 K Street NW., Washington, D.C. 20006.
B. Southern Satellite Systems, Inc., P.O. Box 45684, Tulsa, Okla. 74145.

A. Robert B. Smith, Jr., 1155 15th Street NW., Washington, D.C. 20005.
Pharmaceutical Manufacturers Association, 1155 15th Street NW., Washington, D.C. 20005.
D. (6) $4,000. E. (9) $16.80.

A. Robert T. Smith, Weyerhaeuser Co., 1625 I Street NW., No. 902, Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98477.
D. (6) $900 E. (9) $12.95.

A. Susan E. Smith, Distilled Spirits Council of the U.S., Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
B. Distilled Spirits Council of the U.S. Inc., 1300 Pennsylvania Building, Washington, D.C. 20004.
D. (6) $500. E. (9) $93.40.

A. Susanne J. Smith, 1660 L Street NW., Suite 201, Washington, D.C. 20036.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
E. (9) $225.90.

A. Talbott C. Smith, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $3,000. E. (9) $18.60.

A. William H. Smith, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.

A. Wayne H. Smithey, Ford Motor Co., 815 Connecticut Avenue NW., Washington, D.C. 20006.
Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $2,750. E. (9) $608.23.

A. Arthur V. Smyth, Weyerhaeuser Co., 1625 I Street NW., No. 902, Washington, D.C. 20006.
B. Weyerhaeuser Co., Tacoma, Wash. 98477.
D. (6) $600. E. (9) $154.65.

A. Frank B. Snodgrass, 1100 17th Street NW., Washington, D.C. 20036.
B. Burley and Dark Leaf Tobacco Export Association, 1100 17th Street NW., Washington, D.C. 20036.
D. (6) $1,000.47.

A. Snyder & Ball Associates, Inc., Suite 1610, 1700 North Moore Street, Arlington, Va. 22209.
B. Aerojet-General Corp., 9100 East Flair Drive, El Monte, Calif. 91734.

A. Snyder & Ball Association, Inc., 1700 North Moore Street, No. 1610, Arlington, Va., 22209.
B. DSP, Inc., 1700 North Moore Street, Arlington, Va. 22209.
D. (6) $143.

A. Snyder and Ball Associates, Inc., Suite 1610, 1700 North Moore Street, Arlington, Va. 22209.
B. Gould, Inc., 10 Gould Meadows, Rolling Meadows, Ill. 60008.
D. (6) $183.33.

A. J.R. Snyder, United Transportation Union, 400 First Street, NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street, NW., Suite 704, Washington, D.C. 20001.
E. (9) $1,200.

A. John M. Snyder, 600 Pennsylvania Avenue SW., Suite 205, Washington, D.C. 20003.
B. Citizens Committee for the Right to Keep and Bear Arms, Bellefield Office Park, 1601 114th SW., Suite 151, Bellevue, Wash. 98004.
D. (6) $5,700.

A. Society of Real Estate Appraisers, 2600 Virginia Avenue NW., Suite 901, Washington, D.C. 20037.
B. Society of Real Estate Appraisers, 645 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $2,400. E. (9) $6,210.24.

A. Michael L. Soloman, 5726 Thomas Edison Court, Alexandria, Va. 22310.
B. National Apartment Association, 1825 K Street NW., Suite 604, Washington, D.C. 20006.
D. (6) $1,750.

A. Frederick P. Somers, Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.
B. Seafarers International Union, 815 16th Street NW., Room 510, Washington, D.C. 20006.
D. (6) $3,000. E. (9) $1,171.27.

A. S. L. Sommer & Associates, Inc., 1701 North Fort Myer Drive., Suite 1208, Arlington, VA. 22209.
B. Northrop Corp., 1701 North Fort Myer Drive., Suite 1208, Arlington, Va., 22209.
D. (6) $3,000. E. (9) $6,688.50.

A. Edmund T. Sommer, Jr., Council of American-Flag Ship Operators, 1625 K Street NW., Suite 1200, Washington, D.C. 20006.
B. Council of American-Flag Ship Operators, 1625 K Street NW., Suite 1200, Washington, D.C. 20006.

A. Charles B. Sonneborn, American Academy of Ophthalmology, 1750 K Street NW., Suite 370, Washington, D.C. 20006.
B. American Academy of Ophthalmology, 1750 K Street NW., Suite 370, Washington, D.C. 20006.
E. (9) $50.

A. Sonosky, Chamber & Sachse, 2030 M Street NW., Washington, D.C. 20036.
B. Assinniboine and Sioux Tribes, Fort Peck Indian Reservation, Poplar, Mont., 59255.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington D.C. 20036.
B. Confederated Tribes of the Colville Indian Reservation, Nespelem, Wash. 99155.

A. Sonsky, Chambers & Sachse, 2030 M Street NW., Washington D.C. 20036.
B. Houlton Band of Maliseets, P.O. Box 223, Houlton, Maine 04730.

A. Sonsky, Chambers & Sachse, 2030 M Street NW., Washington D.C. 20036.
B. Seminole Indian Tribe of Florida, 6073 Stirling Road, Hollywood, Fla. 33024.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington D.C. 20036.

B. Shoshone Indian Tribe, Wind River Indian Reservation, Fort Washakie, Wyo. 82514.

A. Sonosky, Chambers & Sachse, 2030 M Street NW., Washington D.C. 20036.
B. Standing Rock Sioux Tribe, Fort Yates, N. Dak. 58538.

A. Mary Sophos, National Food Processors Association, 1133 20th Street NW., Washington, D.C. 20036.
B. National Food Processors, Association 1133 20th Street NW., Washington D.C. 20036.
D. (6) $375. E. (9) $12.50.

A. Roberta L. Sorensen, 499 South Capitol Street SW., Suite 104, Washington D.C. 20003.
B. American Osteopathic Association, 499 South Capitol Street SW., Suite 104, Washington D.C. 20003.
D. (6) $760. E. (9) $30.10.

A. Shelby E. Southard, 1828 L Street NW., Suite 1100, Washington D.C. 20006.
B. Cooperative League of the USA, 1828 L Street NW., Suite 1100, Washington D.C. 20036.
D. (6) $1,250. E. (9) $352.56.

A. Southern Satellite Systems, Inc., P.O. Box 45684, Tulsa, Okla. 74145.

A. Southwest Homefurnishings Association, 4313 North Central Expressway, P.O. Box 64545, Dallas, Tex. 75206.

A. Southwestern Peanut Shellers Association, 10 Duncannon Court, Glen Lakes, Dallas, Tex.
D. (6) $50. E. (9) $150.

A. Larry Speakes, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Frank J. Specht, Schenley Distillers, Inc., 1725 DeSales Street NW., Washington D.C. 20036.
B. Schenley Distillers, Inc., 888 Seventh Avenue, New York, N.Y. 10106.

A. Specialty Equipment Market Association, 11540 East Slauson Avenue, Whittier, Calif. 90606.

A. John F. Speer, Jr., 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. George Spiegel, Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington D.C. 20037.
B. Northern California Power Agency, 770 Kiely Boulevard, Santa Clara, Calif. 95051 (cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompac, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, California, and Associate Member, Plumas-Sierra Rural Electric Cooperative).

A. Spiegel & McDiarmid, 2600 Virginia Avenue NW., Washington D.C. 20037.
B. Northern California Power Agency, 770 Kiely Boulevard, Santa Clara, Calif. 95051 (cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompac, Palo Alto, Redding, Roseville, Santa Clara, Ukiah, California, and Associate Member, Plumas-Sierra Rural Electric Cooperative).

A. Larry N. Spiller, 1015 15th Street NW., No. 802, Washington D.C. 20005.
B. American Consulting Engineers Council, 1015 15th Street NW., No. 802, Washington D.C. 20005.
D. (6) $900.

A. Joseph L. Spilman, Jr., 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington D.C. 20037.
D. (6) $200.

A. Frederick C. Spreyer, Pacific Resources, Inc., 2501 M Street NW., Suite 540, Washington, D.C. 20037.
B. Pacific Resources, Inc., 733 Bishop Street, P.O. Box 3379, Honolulu, Hawaii 96813.
D. (6) $500.

A. Ted C. Springer, P.O. Box 1219, Idaho Falls, Idaho 83401.
B. Salmon River Electric Cooperative, Inc., P.O. Box 384, Challis, Idaho 83226.
D. (6) $800. E. (9) $1,088.30.

A. Earl C. Spurrier, Monsanto Co., 1101 17th Street NW., Suite 604, Washington, D.C. 20036.
B. Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.
B. American Society of Anesthesiologists, 515 Busse Highway, Park Ridge, Ill. 60068.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.
B. National Collegiate Athletic Association, U.S. Highway 50 and Nall Avenue, P.O. Box 1906, Shawnee Mission, Kans. 66222.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.
B. Public Securities Association, 1 World Trade Center, New York, N.Y. 10048.

A. Squire, Sanders & Dempsey, 21 Dupont Circle NW., Washington, D.C. 20036.
B. United States Wrestling Federation, 405 West Hall of Fame Avenue, Stillwater, Okla.
D. (6) $241.50.

A. Elvis J. Stahr, Martin Dale, North, Greenwich, Conn. 06830.
B. National Audubon Society, 950 Third Avenue, New York, N.Y. 10022.
D. (6) $13,650. E. (9) $4,950.

A. Lynn E. Stalbaum, 30 F Street NW., Washington, D.C. 20001.
B. National Milk Producers Federation, 30 F Street, Washington, D.C. 20001.
D. (6) $2343.75. E. (9) $50.71.

A. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.
E. (9) $1,673.22.

A. David P. Stang, 1629 K Street NW., Washington, D.C. 20006.
B. McDermott, Inc., 1010 Common Street, New Orleans, La. 70160.

A. David P. Stang, 1629 K Street NW., Washington, D.C. 20006.
B. Ocean Minerals Co., P.O. Box 4531, Mountain View, Calif. 94040.

A. David P. Stang, 1629 K Street NW., Washington, D.C. 20006.
B. Fred J. Russell, P.O. Box 54228, Los Angeles, Calif. 94040.

A. David P. Stang, 1629 K Street NW., Washington, D.C. 20006.
B. Superlite Builders Supply, Inc., 4150 West Turney, Phoenix, Ariz. 85019.

A. David P. Stang, 1629 K Street NW., Washington, D.C. 20006.
B. Zapata Corp., 711 Louisiana Avenue, Houston, Tex. 77001.

A. Michael J. Stanton, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Suite 300, Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 300 New Center Building, Detroit, Mich. 48202.
D. (6) $58.

A. Melvin L. Stark, Suite 321, 1707 L Street NW., Washington, D.C. 20036.
B. Hartford Fire Insurance Co., Hartford Plaza, Hartford, Conn. 06115.
D. (6) $6,000.

A. Walter M. Starke, P.O. Box 2563, Birmingham, Ala. 35202.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

A. Charles D. Statton, 2130 Oaks Drive, Hillsborough, Calif. 94010.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Samuel E. Stavisky, 1100 17th Street NW., Suite 302, Washington, D.C. 20036.
B. Samuel E. Stavisky & Associates, Inc., 1100 17th Street NW., Washington, D.C. 20036 (for Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10153).
E. (9) $150.

A. Samuel E. Stavisky, 1100 17th Street NW., Suite 302, Washington, D.C. 20036.
B. Samuel E. Stavisky & Associates, Inc., 1100 17th Street NW., Washington, D.C. 20036 (for Broadcast Music Inc., 320 W. 57th Street, New York, N.Y.).
E. (9) $60.

A. Samuel E. Stavisky & Associates, Inc., 1100 17th Street NW., Washington, D.C. 20036.
B. Brazilian Coffee Institute, 767 Fifth Avenue, New York, N.Y. 10153.
D. (6) $1,500. E. (9) $200.

A. Samuel E. Stavisky & Associates, Inc., 1100 17th Street NW., Washington, D.C. 20036.
B. Broadcast Music Inc., 320 W. 57th Street, New York, N.Y. 10019.
D. (6) $800. E. (9) $90.

A. Randolph J. Stayin, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; and Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.
D. (6) $7,632. E. (9) $522.19.

A. Randolph J. Stayin, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202; and Special Committee for Workplace Product Liability Reform, 1800 Massachusetts Avenue NW. No. 705, Washington, D.C. 20036.

A. John L. Steele, Time Inc., 888 16th Street NW., Washington, D.C. 20006.
B. Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y.
D. (6) $2,200.

A. Theodore P. Stein, 2030 M Street NW., Washington, D.C. 20036.

B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,064.

A. Mary E. Stenberg, American Personnel and Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.
B. American Personnel and Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Nuclear Insurers, 270 Farmington Avenue, Farmington, Conn. 06032.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Committee for Effective Capital Recovery, 1901 L Street NW., Washington, D.C. 20036.
E. (9) $2,453.18.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Forest Industries Committee on Timber Valuation and Taxation, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $1,449.25.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Pfizer, Inc., Minerals, Pigments & Metals Division, 235 East 42d Street, New York, N.Y. 10017.

A. Steptoe & Johnson, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Rule of Law Committee, Suite 800, 1250 Connecticut Avenue NW., Washington, D.C. 20036.

A. Richard W. Sternberg, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $120.

A. Stewart Capital Corp., 485 Madison Avenue, New York, N.Y. 10022.
E. (9) $410.

A. John W. Stillwaggon, Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.
B. Coffee, Sugar & Cocoa Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. Edward W. Stimpson, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.
B. General Aviation Manufacturers Association, 1025 Connecticut Avenue NW., Suite 517, Washington, D.C. 20036.

A. Lisa Stolp, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Vinson & Elkins, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.
D. (6) $680.

A. Adam D. Stolpen, Pitney Bowes, Inc., 1101 30th Street NW., Suite 203, Washington, D.C. 20007.
B. Pitney Bowes, Inc., 69 Wheeler Drive, Stamford, Conn. 06926.

A. George W. Stone, National Farmers Union, Denver, Colo. 80251; National Farmers Union, 1012 14th Street NW., Washington, D.C. 20005.
B. The Farmers' Educational and Co-Operative Union of America (National Farmers Union), Denver, Colo. 80251; 1012 14th Street NW., Washington, D.C. 20005.
E. (9) $250.42.

A. William M. Stover, Chemical Manufacturers Association, 2501 M Street NW., Washington, D.C. 20037.
B. Chemical Manufacturers Association, 2501 M Street NW., Washington, D.C. 20037.
D. (6) $1,000

A. David E. Strachan, National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor, Washington, D.C. 20005.
B. National Association of Personnel Consultants, 1012 14th Street NW., 15th Floor, Washington, D.C. 20005.
D. (6) $4,200. E. (9) $167.65.

A. J. Stephen Street, 1806 Barbee Street, McLean Va.
B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Suite 420, Washington, D.C. 20037.
D. (6) $10,750. E. (9) $72.31.

A. George W. Strong, Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
B. Houston Natural Gas Corp., P.O. Box 1188, Houston, Tex. 77001.
D. (6) $487.50. E. (9) $430.65.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. J. Aron & Co., Inc., 160 Water Street, New York, N.Y. 10038.
D. (6) $18,500. E. (9) $24.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Crown Coach Corp., 2428 East 12th Street, Los Angeles, Calif. 90021.
D. (6) $8,000.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Patsy Perry, 70 Glen Cove Road, Roslyn Heights, N.Y.
E. (9) $13.50.

A. Stroock & Stroock & Lavan, 1150 17th Street NW., Washington, D.C. 20036.
B. Puerto Rico Federal Affairs Administration, 734 15th Street NW., Washington, D.C. 20005.

A. Norman Strunk, United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $1,312.50. E. (9) $561.92.

A. Walter B. Stults, NASBIC, 618 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Companies, 618 Washington Building, Washington, D.C. 20005.
D. (6) $1,500.

A. Eugene F. Sturgeon, 182 Crater Lane, Kensington, Conn. 06037.
B. Northeast Utilities Service Co., Selden Street, Berlin, Conn. 06037.
D. (6) $330.49. E. (9) $549.72.

A. Austin P. Sullivan, Jr., General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.
B. General Mills, Inc., P.O. Box 1113, Minneapolis, Minn. 55440.

A. Sullivan & Cromwell, 125 Broad Street, New York, N.Y. 10004; 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. AMAX Inc., AMAX Center, Greenwich, Conn. 06830.

A. Sullivan & Cromwell, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Goldman, Sachs & Co., 55 Broad Street, New York, N.Y. 10004.

A. Sullivan & Cromwell, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. INCO Ltd., Toronto-Dominion Centre, Toronto, Ontario, Canada M5K 1E3.

A. Daniel C. Sullivan, 10 South LaSalle Street, Suite 1600, Chicago, Ill. 60603.
B. Assure Competitive Transportation, Inc., 10 South LaSalle Street, Suite 1600, Chicago, Ill. 60603.

A. Harold R. Sullivan, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Scott K. Sullivan, American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
B. American Federation of Government Employees, 1325 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $7,649.60

A. Sullivan & Worcester, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Marion Laboratories, Inc., 9221 Ward Parkway, Kansas City, Mo. 64114.
D. (6) $10,920. E. (9) $52.86.

A. J. Mitchell Summers, 1747 Pennsylvania Avenue NW., Suite 702, Washington, D.C. 20006.
B. Armco, 1747 Pennsylvania Avenue NW., Suite 702, Washington, D.C. 20006.
D. (6) $117. E. (9) $185.50.

A. Clyde W. Summerville, The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $1,749. E. (9) $192.25.

A. Peter B. Summerville, 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 3rd Avenue, New York, N.Y. 10017.

A. Duward F. Sumner, Jr., Professional Insurance Agents, 400 North Washington Street, Alexandria, Va. 22314.
B. Professional Insurance Agents, 400 North Washington Street, Alexandria, Va. 22314.
D. (6) $100. E. (9) $150.

A. Surrey & Morse, 1156 15th Street NW, Washington, D.C. 20005.
B. Government of the Republic of Zaire, Kinshasha, Zaire.
D. (6) $1,572.50. E. (9) $25.

A. Surrey & Morse, 1156 15th Street NW., Washington, D.C. 20005.
B. U.S. Pipe & Foundry Co., 3300 1st Avenue North, Birmingham, Ala. 35202.
D. (6) $707. E. (9) $8.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, 22d floor, St. Louis, Mo. 63105; and 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, 22d floor, St. Louis, Mo. 63105.

D. (6) $25,000.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, 22d floor, St. Louis, Mo. 63105; and 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. Midland Enterprises, Inc., 1400 580 Building, Cincinnati, Ohio 45202.
D. (6) $5,750.

A. Susman, Stern, Heifetz, Lurie, Sheehan, Popkin & Chervitz, 7733 Forsyth Boulevard, 22d floor, St. Louis, Mo. 63105; and 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. The Valley Line, 120 South Central Avenue, Clayton, Mo. 63105.
D. (6) $3,750.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Anglo-American Clays Corp., P.O. Box 471, Sandersville, Ga. 31082.
D. (6) $1,894.44. E. (9) $5.60.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Connecticut Mutual Life Insurance Co., 140 Garden Street, Hartford, Conn. 06115.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Consumer Credit Insurance Association, 307 North Michigan Avenue, Chicago, Ill. 60601.
D. (6) $264. E. (9) $3.40.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Engelhard Minerals and Chemicals Corp., 299 Park Avenue, New York, N.Y. 10017.
D. (6) $1,894.44. E. (9) $5.60.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Equifax, Inc., P.O. Box 4081, Atlanta, Ga. 30302.
D. (6) $287. E. (9) $13.40.

A. Sutherland. Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Freeport Kaolin Division of Freeport Minerals Co., 161 East 42d Street, New York, N.Y. 10017.
D. (6) $1,894.44. E. (9) $5.60.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. J. M. Huber Corp., Thornall Street, Edison, N.Y. 08817.
D. (6) $1,894.44. E. (9) $5.60.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Kaiser Aluminum & Chemical Corp., 900 17th Street NW., Washington, D.C. 20006.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Kansas Farm Bureau Life Insurance Co., 2321 Anderson Avenue, Manhattan, Kans. 66502; and Farm Bureau Mutual Insurance Co., KFB Insurance Co., Manhattan, Kans. 66502.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Kentucky Farm Bureau Mutual Insurance Co., 120 South Hubbard Lane, Louisville, Ky. 40207; and FB Insurance Co., 120 South Hubbard Lane, Louisville, Ky. 40207.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Lifetime Communities, Inc., 2740 Beach Boulevard, Suite 202, Jacksonville, Fla. 32207.
D. (6) $1,369. E. (9) $45.56.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Massachusetts Mutual Life Insurance Co., 1295 State Street, Springfield, Mass. 01111.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Mullite Co. of America, Andersonville, Ga. 31711.
D. (6) $1,894.44. E. (9) $5.60.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Mutual Benefit Life Insurance Co., 520 Broad Street, Newark, N.J. 07107.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Mutual Life Insurance Co. of New York, 1740 Broadway, New York, N.Y. 10019.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
Mutual of Omaha Insurance Co., Mutual of Omaha Plaza, Omaha, Neb. 68175.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. National Association of Life Co., Suite 1060, Tower Place, 3340 Peachtree Road ND., Atlanta, Ga. 30326.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. National Home Life Assurance Co., Liberty Park, Frazer, Pa. 19355.
D. (6) $2,148. E. (9) $65.67.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. New England Mutual Life Insurance Co., 501 Boylston Street, Boston, Mass. 02117.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Nord Resources Corp., Ole Town Park, 29 Iron Gate Drive, Dayton, Ohio 45459.
D. (6) $1,894.44. E. (9) $5.60.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. The Northwestern Mutual Life Insurance Co., 720 East Wisconsin Avenue, Milwaukee, Wis. 53202.

A. Sutherland, Asbill & Brennan, 3100 First National Bank Tower, Atlanta, Ga. 30303; and 1666 K Street NW., Washington, D.C. 20006.
B. Oglethorpe Power Corp., 2888 Woodcock Boulevard, Atlanta, Ga. 30341.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Process Gas Consumers Group, 1666 K Street NW., Suite 800, Washington, D.C. 20006.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006; and 3100 First National Bank Tower, Atlanta, Ga. 30383.
B. Sanderville Railroad Co., P.O. Box 269, Sandersville, Ga. 31082.
D. (6) $3,343.77. E. (9) $422.08.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Southern Farm Bureau Life Insurance Co., P.O. Box 78, Jackson, Miss. 39205; Southern Farm Bureau Casualty Insurance Co., P.O. Box 1985, Jackson, Miss. 39205; Mississippi Farm Bureau Mutual Insurance Co., Jackson, Miss. 39205.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. Thiele Kaolin Co., Kaolin Road, Sandersville, Ga.
D. (6) $1,894.44. E. $5.60.

A. Sutherland, Asbill & Brennan, 1666 K Street NW., Washington, D.C. 20006.
B. United Farm Bureau Family Life Insurance Co., 130 East Washington Street, Indianapolis, Ind. 46204.

A. Sutin, Thayer & Browne, P.O. Box 1945, Albuquerque, N. Mex. 87103.
B. Taxation & Revenue Department, P.O. Box 603, Santa Fe, N. Mex. 87509.
D. (6) $490.

A. W. Thomas Suttle, 1741 T Street NW., No. 104, Washington, D.C. 20009.
B. The Institute of Electrical and Electronics Engineers, Inc., IEEE, 1111 19th Street NW., Suite 608, Washington, D.C. 20036.
D. (6) $1,260. E. (9) $1,348.

A. William W. Suttle, American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue NW., Suite 415, Washington, D.C. 20036.
D. (6) $442.50. E. (9) $13.40

A. Irving W. Swanson, 11212 Farmland Drive, Rockville, Md. 20852.
B. Harris Corp., 2600 Virginia Avenue NW., Suite 800, Washington, D.C. 20037.
D. (6) $12,412.50. E. (9) $421.89.

A. David A. Sweeney, 25 Louisiana Avenue NW., Washington, D.C. 20001.
B. International Brotherhood of Teamsters, 25 Louisiana Avenue NW., Washington, D.C. 20001.
D. (6) $12,879.

A. John Sweeney, 800 Solar Building, 1000 16th Street NW., Washington, D.C. 20036.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.

A. Rosemarie Sweeney, American Academy of Family Physicians, 475 L'Enfant Plaza West SW., Suite 2970, Washington, D.C. 20024.
B. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $1,645. E. (9) $252.56.

A. Donald R. Sweitzer, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $1,600. E. (9) $1,200.

A. Richard Preston Swigart, 1660 L Street NW., Suite 201, Washington, D.C. 20036.
B. American Can Co., American Lane, Greenwich, Conn. 06830.
E. (9) $419.11.

A. Russell A. Swindell, P.O. Box 2635, Raleigh, N.C. 27602.
B. North Carolina Railroad Association, P.O. Box 2635, Raleigh, N.C. 27602.
E. (9) $199.24.

A. Howard Symons, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

D. (6) $3,249.99.

A. Lewis M. Taffer, American Express Co., 1700 K Street NW., No. 702, Washington, D.C. 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for American Hospital Association, 444 North Capitol Street, Washington, D.C. 20001).
D. (6) $1,250. E. (9) $5.91.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Cincinnati Stock Exchange, 205 Dixie Terminal Building, Cincinnati, Ohio 45202).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Family Leisure Centers, 1718 Young Street, Cincinnati, Ohio 45210).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Hanna-Barbera Productions, Inc., 3400 Cahuenga Boulevard, Los Angeles, Calif. 90068).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Hanna-Barbera's Marineland, Box 937, Rancho Palos Verdes, Calif. 90274).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910).

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Sisters of Charity of Cincinnati, Ohio, Mount St. Joseph, Ohio).
D. (9) $61.18.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Special Committee for Workplace Product Liability Reform, 1800 Massachusetts Avenue NW., No. 708, Washington, D.C. 20036).
D. (6) $4,500. E. (9) $102.35.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Taft Broadcasting Co., 1718 Young Street, Cincinnati, Ohio 45210).
D. (6) $600.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Washington Magazine, Inc., c/o Frank, Bernstein, Conaway & Goldman, 1300 Mercantile Bank & Trust Building, 2 Hopkins Plaza, Baltimore, Md. 21201).
D. (6) $5,159.38. E. (9) $108.41.

A. Robert Taft, Jr., 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. Taft, Stettinius & Hollister, Dixie Terminal Building, Cincinnati, Ohio 45202 (for Werner Von Clemm, 214 East 17th Street, New York, N.Y. 10003).

A. Joe Tallakson, Suite 421, 1010 Vermont Avenue NW., Washington, D.C. 20005.
B. SENSE, Inc. (for Quinault Indian Nation) Suite 421, 1010 Vermont Avenue NW., Washington, D.C. 20005.
D. (6) $4,092.57. E. (9) $2,266.11.

A. Daniel F. Tandy, 23 Pascack Road, Woodcliff Lake, N.J. 07675.
B. Alaska Coalition, 530 Seventh Street SE., Washington, D.C. 20003.
D. (6) $2,497.50.

A. Susan Tannenbaum, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $4,012.50. E. (9) $53.45.

A. Target, Inc., 2411 Old Crow Canyon Road, San Ramon, Calif. 94583.
E. (9) $2,000.

A. William M. Tartikoff, 1775 K Street NW., Washington, D.C. 20006.
B. Investment Institute, 1775 K Street NW., Washington, D.C. 20006.
D. (6) $160. E. (9) $241.38.

A. Clayton C. Taylor, One McDonald's Plaza, Oak Brook, Ill. 60521.
B. McDonald's Corp., One McDonald's Plaza, Oak Brook, Ill. 60521.

A. Charles A. Taylor III, National Association of Independent Insurers, 499 South Capitol Street SW., No. 401, Washington, D.C. 20003.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $1,000. E. (9) $47.43.

A. David K. Taylor, Mobil Oil Corp., 1100 Connecticut Avenue NW., No. 620, Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $375.

A. Dennis J. Taylor, 3238 Prospect Street NW., Washington, D.C. 20007.
B. Central States Health & Life Co. of Omaha, Box 34350, Omaha, Nebr. 68134.
D. (6) $1,322.50

A. Dennis J. Taylor, 3238 Prospect Street NW., Washington, D.C. 20007.
B. Committee on Federal Contracting Practices, 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,700.

A. Dennis J. Taylor, 3238 Prospect Street NW., Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Washington, D.C. 20007.

A. Peggy Taylor, 815 16th Street NW., Washington, D.C. 20006.
B. American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $13,680. E. (9) $400.

A. Sid Taylor, National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $2,100. E. (9) $382.

A. B. W. Teague, Central Power & Light Co., P.O. Box 2121, Corpus Christi, Tex. 78403.
B. Central Power & Light Co., P.O. Box 2121, Corpus Christi, Tex. 78403.
D. (6) $50. E. (9) $30.

A. Tele-Press Associates, 342 East 79 Street, New York, N.Y. 10021.
B. Japan Fisheries Association, 9-13 Akasaka 1, Minatoku, Tokyo, Japan.
D. (6) $38,425.80. E. (9) $36,304.86.

A. Paul M. Tendler, 2020 K Street, NW., Suite 420, Washington, D.C. 20006.
B. Paul Tendler Associates (for The National Federation of Licensed Practical Nurses, Inc.), 2020 K Street, NW., Suite 420, Washington, D.C. 20006.
D. (6) $1,600. E. (9) $180.

A. Paul M. Tendler, 2020 K Street, NW., Suite 420, Washington, D.C. 20006.
B. Paul Tendler Associates (for Rasch Elektronik, Albert Einstein-Straeb 18, 6074 Rodermark 2 West Germany). 2020 K Street NW., No. 420, Washington, D.C. 20006.
E. (9) $551.

A. Tennessee Gas Pipeline Co., P.O. Box 2511, Houston, Tex. 77001.
E. (9) $421.24.

A. Betty-Grace Terpstra, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $155.32.

A. Textron, Inc., 40 Westminster Street, Providence, R.I. 02903.
E. (9) $10,026.05.

A. Bruce D. Thevenot, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Casson, Calligaro & Mutryn, 2600 Virginia Avenue NW., Washington, D.C. (for Humana, Inc., One Riverfront Plaza, Box 1438, Louisville, Ky. 40201).
D. (6) $4,500.

A. Bruce D. Thevenot, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Oklahoma State Nursing Home Association, 200 Northeast 28th Street, Oklahoma City, Okla. 71305.
D. (6) $2,280.

A. Bruce D. Thevenot, 1155 15th Street NW., No. 424, Washington, D.C. 20005.
B. Spectrum Emergency Care, Inc., 970 Executive Parkway, St. Louis, Mo. 63141.
D. (6) $2,200.

A. E. Wayne Thevenot, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Hallmark Cards, 25th & McGee Streets, Kansas City, Mo. 64108.
D. (6) $300.

A. Thevenot, Murray & Sheer, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Petroleum Refiners Association, 1200 18th Street NW., Suite 607, Washington, D.C. 20036.
D. (6) $500.

A. Thevenot, Murray & Sheer, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Eastern Airlines, 1030 15th Street NW., Washington, D.C. 20005.

D. (6) $600.

A. Thevenot, Murray & Sheer, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. National Business Aircraft Association, One Farragut Square South, Washington, D.C. 20006.
D. (6) $250.

A. Thevenot, Murray & Scheer, Suite 1128, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Swaziland Sugar Association, Mbabane, Swaziland.

A. Craig G. Thibaudeau, 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.
B. National Limestone Institute, Inc., 3251 Old Lee Highway, Suite 500, Fairfax, Va. 22030.

A. Barbara Brendes Thies, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
E. (9) $450.

A. Barbara Brendes Thies, 1100 Connecticut Avenue, Suite 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 1100 Connecticut Avenue, Suite 800, Washington, D.C. 20036.
E. (9) $150.

A. 38th Pro-Life Congressional District Action Committee, 8654 Bonview Terrace, Williamsville, N.Y. 14221.

A. 36th Congressional District Action Committee, 129 Belmont Avenue, Buffalo, N.Y. 14223.
E. (9) $29.94.

A. John W. Thomas, 1522 K Street NW., No. 828, Washington, D.C. 20005.
B. Association of American Veterinary Medical Colleges, 1522 K Street NW., No. 828, Washington, D.C. 20005.

A. Lawrence L. Thomas, 1740 Franklin Street, No. 3, San Francisco, Calif. 94109.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Robert L. Thomas, National Association of Private Psychiatric Hospitals, 1701 K Street NW., Washington, D.C. 20006.
B. National Association of Private Psychiatric Hospitals, 1701 K Street NW., Washington, D.C. 20006.
D. (6) $50.

A. Boyd Thompson, American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Potomac, Md. 20854.
B. American Association of Professional Standards Review Organizations, 11325 Seven Locks Road, Potomac, Md. 20854.
E. (9) $67.44.

A. Charles P. Thompson, Arizona Public Service Co., P.O. Box 21666, Phoenix, Ariz. 85036.
B. Arizona Public Service Co., P.O. Box 21666, Phoenix, Ariz. 85036.
D. (6) $11,875.66. E. (9) $1,547.29.

A. Kenneth W. Thompson, Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
B. Interstate Natural Gas Association of America, 1660 L Street NW., Suite 601, Washington, D.C. 20036.
D. (6) $300.

A. Roger G. Thompson, 1701 Central Avenue, Ashland, Ky. 41101.
B. Kentucky Power Co., 1701 Central Avenue, Ashland, Ky. 41101.
D. (6) $875. E. (9) $1,178.29.

A. W. Reid Thompson, Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.
B. Potomac Electric Power Co., 1900 Pennsylvania Avenue NW., Washington, D.C. 20068.

A. William D. Thompson, Lear Siegler, Inc., 1001 Connecticut Avenue NW., Suite 601, Washington, D.C. 20036.
B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.
D. (6) $3,000. E. (9) $197.16.

A. James L. Thorne, Tenneco, Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco, Inc., P.O. Box 2511, Houston, Tex. 77001.

A. D. Whitney Thornton, II, c/o Sullivan & Beauregard, 1800 M Street NW., No. 925, Washington, D.C. 20036.
B. Flyer Industries Ltd., Box 245, Transcona P.O., Winnipeg, Manitoba, Canada R2C 3T4.
D. (6) $3,500. E. (9) $148.68.

A. Gil Thurm, 925 15th Street NW., Washington, D.C. 20005.
B. The National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,500. E. (9) $456.78.

A. Samuel Thurm, Association of National Advertisers, 1725 K Street NW., Washington, D.C. 20006.
B. Association of National Advertisers, 155 East 44 Street, New York, N.Y. 10017.

A. R. J. Tice, Marathon Oil Co., 1800 M Street NW., Washington, D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. Cyrus C. Tichenor, III, 1050 17th Street NW., Suite 1104, Washington, D.C. 20036.
B. A. H. Robins Co., Inc., 1407 Cummings Drive, Richmond, Va. 23220.
D. (6) $775. E. (9) $96.50.

A. Drew V. Tidwell, 1725 K Street NW., Washington, D.C. 20006.
B. The Consumer Bankers Association, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $2,265.45

A. Paul J. Tierney, Transportation Association of America, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.
B. Transportation Association of America, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.

A. Wallace F. Tillman, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
A. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $130.

A. Martin R. Tilson, Jr., P.O. Box 2563, Birmingham, Ala. 35202.
B. Southern Natural Gas Co., P.O. Box 2563, Birmingham, Ala. 35202.

A. C. H. Timberlake, Phillips Petroleum Co., 1825 K Street NW., Suite 1107, Washington, D.C. 20006.
B. Phillips Petroleum Co., Bartlesville, Okla.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Inland Waterways Committee, 7733 Forsyth Boulevard, Suite 2201, St. Louis, Mo. 63105.
D. (6) $55.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $375.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. The Association of Trial Lawyers of America, 1050 31st Street NW., Washington, D.C. 20007.
D. (6) $100.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. Chrysler Corp., P.O. Box 1919, Detroit, Mich. 48288.
D. (6) $187.50.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. Filmways, Inc., 2049 Century Park East, Los Angeles, Calif. 90067.
D. (6) $31.25.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. H. J. Heinz Co., P.O. Box 57, Pittsburgh, Pa. 15230.
D. (6) $137.50.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. Major League Baseball, 75 Rockefeller Plaza, New York, N.Y. 10019.
D. (6) $275.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. Middle South Services, Inc., Box 61000, New Orleans, La. 70161.
D. (6) $330.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $93.75.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. Northrop Corp., 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $250.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. Office of the Governor of the State of Alaska, 444 North Capitol Street NW., Washington, D.C. 20001.
D. (6) $250.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. G. D. Searle & Co., P.O. Box 1045, Skokie, Ill. 60076.
D. (6) $55.

A. Timmons & Co., Inc., 1850 K Street NW., Washington, D.C. 20006.
B. Standard Oil Co. of Indiana, 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $281.25

A. E. Linwood Tipton, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Founda-

tion, 910 17th Street NW., Washington, D.C. 20036.

A. Eben S. Tisdale, Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 2006.
B. Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $1,450. E. (9) $23.40.

A. Title Associates, Inc., Route 2, Box 89, Columbia, Tenn. 38401.

A. Tobacco Associates, Inc., Suite 912, 1101 17th Street NW., Washington, D.C. 20036.
E. (9) 1,563.50.

A. Warren D. Toburen, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
D. (6) $186.

A. David G. Todd, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. M. Douglas Todd, 410 First Street SE., Washington, D.C.
B. American Nuclear Energy Council, 410 First Street SE., Washington, D.C.
D. (6) $533.34. E. (9) $18.59.

A. David R. Toll, 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. GPU Service Corp., 100 Interpace Parkway, Parsippany, N.Y. 07054.

A. William R. Tolley, Jr., Harris Corp., Melbourne, Fla. 32919.
B. Harris Corp., Melbourne, Fla. 32919.
E. (9) $13.50.

A. Davis J. Tomasin, The American Institute of Architects, 1735 New York Avenue NW., Washington, D.C. 20006.

A. Wanda Townsend, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $2,937.50.

A. John P. Tracey, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
B. United States Independent Telephone Association, 1801 K Street NW., Suite 1201, Washington, D.C. 20006.
D. (6) $1,000.

A. Joseph P. Trainor, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $6,000. E. (9) $1,250.

A. Transportation Association of America, 1100 17th Street NW., Suite 1107, Washington, D.C. 20036.

A. Transportation Institute, 923 13th Street NW., Washington, D.C. 20005.
E. (9) $312.16.

A. Hubert Travaille, 1015 15th Street NW., Suite 801, Washington, D.C. 20005.
B. Potlatch Corp., P.O. Box 3591, San Francisco, Calif. 94119.
D. (6) $400.

A. Paula C. Treat, National Home Furnishings Association, 900 17th Street NW., Suite 514, Washington, D.C. 20006.
B. National Home Furnishings Association, 405 Merchandise Mart, Chicago, Ill. 60654.
D. (6) $1,000.

A. Richard S. Tribbe, Trans World Airlines, Inc., 1000 16th Street NW., Washington, D.C. 20036.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10158.
D. (6) $285.

A. Paul E. Trimble, Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.
B. Lake Carriers' Association, 1411 Rockefeller Building, Cleveland, Ohio 44113.

A. William C. Triplett II, American Honda Motor Co., Inc., 955 L'Enfant Plaza SW., Washington, D.C. 20024.
B. American Honda Motor Co., Inc., 100 West Alondra Boulevard, Gardena, Calif. 90247.
D. (6) $150. E. (9) $96.24.

A. Glenwood S. Troop, Jr., United States League of Savings Associations, 1709 New York Avenue, NW., Suite 801, Washington, D.C. 20006.
B. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Ill.
D. (6) $7,700. E. (9) $53.50.

A. Leonard M. Trosten, 1333 New Hampshire Avenue NW., No. 1100, Washington, D.C. 20036.
B. LeBoeuf, Lamb, Leiby & MacRae, 1333 New Hampshire Avenue NW., No. 1100, Washington, D.C. 20036.

A. George G. Troutman, 1901 North Fort Myer, No. 809, Arlington, Va. 22209.
B. General Electric, Northrop Corp.
D. (6) $100.

A. Thomas L. Trueblood, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,000. E. (9) $655.81.

A. The Trust for Public Land, 82 Second Street, San Francisco, Calif. 94105.
E. (9) $2,148.78.

A. Philip J. Tulimieri, Jr., 9 West 57th Street, New York, N.Y. 10019.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

A. Tuna Research Foundation, Inc., 1101 17th Street NW., Washington, D.C. 20036.
D. (6) $2,172.44. E. (9) $3,241.82.

A. Richard F. Turney, 1725 K Street NW., Washington, D.C. 20006.
B. Courtney & McCamant, 1725 K Street NW., Washington, D.C. 20006.
D. (6) $900.

A. St. Clair J. Tweedie, Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.
B. Scientific Apparatus Makers Association, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $2,100. E. (9) $18.

A. Edgar H. Twine, Atlantic Richfield Co., 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Atlantic Richfield Co., 515 South Flower Street, Los Angeles, Calif. 90071.
D. (6) $400.

A. Jerry Udell, American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
D. (6) $500. E. (9) $254.25.

A. E. Carl Uehlein, Jr., 1800 M Street NW., Suite 800N, Washington, D.C. 20036.
B. Morgan, Lewis & Bockius, 1800 M Street NW., Suite 800N, Washington, D.C. 20036. (for Evans Products, 1121 Southwest Salmon Street, Portland, Oreg. 97208).
D. (6) $250.

A. Union Mutual Life Insurance Co., 2211 Congress Street, Portland, Maine.
E. (9) $25.

A. United Action for Animals, Inc., 205 East 42d Street, New York, N.Y. 10017.
D. (6) $1,118.62. E. (9) $1,118.62.

A. United Brotherhood of Carpenters & Joiners of America, 101 Constitution Avenue NW., Washington D.C. 20001.
E. (9) $10,270.31

A. United Fresh Fruit & Vegetable Association, North Washington at Madison, Alexandria Va. 22314.
D. (6) $895.13. E. (9) $895.13.

A. United Gas Pipe Line Co., P.O. Box 1478, Houston, Tex. 77001.
E. (9) $2,366.57.

A. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.

A. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,220. E. (9) $1,220.

A. United States League of Savings Associations, 111 East Wacker Drive, Chicago, Illinois 60601.
E. (9) $117,324.59.

A. U.S. & Overseas Tax Fairness Committee, Inc., 1101 15th Street NW., No. 1000, Washington, D.C. 20005.
D. (6) $78,216. E. (9) $40,463.46.

A. Lloyd N. Unsell, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.

A. Updike, Kelly & Spellacy, P.C., 1111 19th Street NW., Washington, D.C. 20036.
B. Danbury Airways, 49 Miry Brook Road, Danbury, Conn. 06810.
E. (9) $9.70.

A. Updike, Kelly & Spellacy, P.C., 1111 19th Street NW., Washington, D.C. 20036.
B. Yellow Cab of Hartford, 8 Jewel Court, Hartford, Conn. 06103.
D. (6) $130. E. (9) $12.05.

A. Utility Nuclear Waste Management Group, c/o Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $1,733. E. (9) $1,733.

A. Jack J. Valenti, 1600 I Street NW., Washington, D.C. 20006.
B. Motion Picture Association of America, Inc., 1600 I Street NW., Washington, D.C. 20006.

A. David T. Van Camp, 1700 K Street NW., Washington, D.C. 20006.

B. Chevron U.S.A., Inc. (a subsidiary of Standard Oil Co. of America), 1700 K Street NW., Washington, D.C. 20006.
D. (6) $450.

A. C.D. Van Houweling, P.O. Box 69, Centreville, Va. 22020.
B. National Pork Producers Council, P.O. Box 10383, Des Moines, Iowa 50306.
D. (6) $154.

A. Nicholas L. Van Nelson, American Paper Institute, Inc., 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Allied General Nuclear Services, P.O. Box 847. Barnwell, S.C. 29812.
D. (6) $287.50. E. (9) $36.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American Institute for Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.
D. (6) $50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. American President Lines, Ltd., 1950 Franklin Street, Oakland, Calif. 94612.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Arctic Slope Regional Corp., Barrow, Alaska.
D. (6) $537.50. E. (9) $90.50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Basin, Inc., P.O. Box 2297, Midland, Tex. 79702.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Committee on Status and Transition, Seventh Palauan Legislature, P.O. Box 8, Koror, Palau, Western Caroline Islands 96940.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Continental Resources Company, P.O. Box 44, Winter Park, Fla. 32790.
D. (6) $4,062.50. E. (9) $149.50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Florida Agriculture Coalition, Inc., 249 Royal Palm Way, Palm Beach, Fla. 33480.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Hawaiian Electric Co., P.O. Box 2750. Honolulu, Hawaii 96840.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Huntington's Disease Coalition, 250 West 57th Street, New York, N.Y. 10019.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. New York Air, La Guardia Airport, Flushing, N.Y. 11317.
D. (6) $2,637.50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. North Slope Borough, P.O. Box 69, Barrow, Alaska 99723.
D. (6) $380. E. (9) $16.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Northern Tier Pipeline Co., 1776 Lincoln Street (P.O. Box 5568), Denver, Colo. 80217.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Pacific Gas and Electric Co., 77 Beale Street, San Francisco, Calif. 94106.
D. (6) $1,062.50.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Palm Beach-Broward Farmers Committee for Legislative Action, P.O. Box 396, Boynton Beach, Fla. 33425.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Republic Geothermal, Inc., 11823 East Slauson Avenue, Suite One, Sante Fe Springs, Calif. 90670.
D. (6) $1,412.50. E. (9) $11.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Southwest Winter Vegetable Growers Association, P.O. Box 1670, Immokalie, Fla. 33934.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. South Florida Tomato & Vegetable Growers Association, P.O. Drawer B.B., Homestead, Fla. 33030.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Standard Oil Co. (Indiana), 1000 16th Street NW., Washington, D.C. 20036.
D. (6) $550. E. (9) $59.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. 25 E Street Associates, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
D. (6) $425. E. (9) $11.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Union Carbide Corp., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,062.50 E. (9) $8.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Western Crude Oil, Inc., P.O. Box 5568, Denver, Colo. 80217.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Wheelabrator-Frye, Inc., Liberty Lane, Hampton, N.H. 03842.

A. Van Ness, Feldman & Sutcliffe, 1220 19th Street NW., Suite 500, Washington, D.C. 20036.
B. Windfarms, Ltd., 402 Jackson Street, San Francisco, Calif. 94111.

A. Murle L. Vaughan, Beneficial Management Corp. of America, 1700 North Moore Street, 1925 Rosslyn Center Building, Arlington, Va. 22209.
B. Beneficial Management Corporation of America, 1300 Market Street, Wilmington, Del. 19899.

A. A. Randall Vehar, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

A. Velsicol Chemical Corp., 341 East Ohio Street, Chicago, Ill. 60611.
E. (9) $500.

A. Gilda Ventresca, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,567.86. E. (9) $94.70.

A. Jerry T. Verkler, P.O. Box 2521, Houston, Tex. 77001.
B. Texas Eastern Transmission Corp., P.O. Box 2521, Houston, Tex. 77001.

A. C. John Vermilye, United States Steel Corp., 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. United States Steel Corp., 600 Grant Street, Pittsburgh, Pa. 15230.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Coalition of United States Citizen Award-Holders Against Czechoslovakia.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Nissan Motor Corp., Ltd., 17-1 Ginza, 16-Chome, Chuo-Ku, Tokyo, Japan and Nissan Motor Corp. in the U.S.A., 18501 S. Figueroa Street, Carson, Calif. 90248.
E. (9) $2,840.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Pan American World Airways, Inc., Pan American Building, New York, N.Y. 10017.
D. (6) $9,375.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Semiconductor Industry Association, 20380 Town Center Lane, Suite 155, Cupertino, Calif. 95014.
D. (6) $2,927.02 E. (9) $2,927.02.

A. Verner, Liipfert, Bernhard & McPherson, 1660 L Street NW., Suite 1100, Washington, D.C. 20036.
B. The Travelers Corp., One Tower Square, Hartford, Conn. 06115.
D. (6) $1,370. E. (9) $1,370.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., Washington, D.C. 20036.
B. Vinson & Elkins (for city of Houston), 1101 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,143.75.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.
B. Vinson & Elkins (for Continental Resources Co.), 1101 Connecticut Avenue NW., Washington, D.C. 20036.

D. (6) $8,450. E. (9) $616.45

A. Larry R. Veselka, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.
B. Vinson & Elkins (for First City Bancorporation), 1101 Connecticut Avenue NW., Washington, D.C. 20036.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.
B. Vinson & Elkins (for Houston Natural Gas Corp.), 1101 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,706.25. E. (9) $10.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.
B. Vinson & Elkins (for Slurry Transport Association), 1101 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,200. E. (9) $622.24.

A. Larry R. Veselka, 1101 Connecticut Avenue NW., No. 900, Washington, D.C. 20036.
B. Vinson & Elkins (for Texas Eastern Transmission Corp.), 1101 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $125.

A. John C. Vickerman, American Society of Association Executives, 1575 I Street NW., Washington, D.C. 20005.
B. American Society of Association Executives, 1575 I Street NW., Washington, D.C. 20005.

A. David Vienna, 510 C Street NE., Washington, D.C. 20002.
B. National Association of Credit Management, 475 Park Avenue South, New York, N.Y. 10016.
D. (6) $2,470. E. (9) $103.99.

A. R. Eric Vige, Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
B. Cities Service Co., 1660 L Street NW., Suite 207, Washington, D.C. 20036.
D. (6) $40.

A. Rudolph A. Vignone, 1800 K Street NW., Suite 800, Washington, D.C. 20006.
B. Goodyear Tire & Rubber Co., Akron, Ohio 44316.
D. (6) $1,500.

A. Steven A. Villas, 1050 17th Street NW., Suite 650, Washington, D.C. 20036.
B. The Standard Oil Co. (Ohio), Midland Building, Cleveland, Ohio 44115.

A. Howard A. Vine, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $400.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Continental Insurance Co., 80 Maiden Lane, New York, N.Y. 10038.
D. (6) $200.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. Hartford Fire Insurance Co., Hartford, Conn. 06115.
D. (6) $300.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. John Nuveen & Co., Inc., 209 South La Salle Street, Chicago, Ill. 60604.

A. Walter D. Vinyard, Jr., Alston, Miller & Gaines, 1800 M Street NW., Suite 1000, Washington, D.C. 20036.
B. St. Paul Fire & Marine Insurance Co., 385 Washington Street, St. Paul, Minn. 55102.
D. (6) $300.

A. Andrew Vitali, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,000.

A. Volkswagen of America, Inc., 888 W. Big Beaver, Troy, Mich. 48084.
E. (9) $923.11.

A. Volume Footwear Retailers of America, 51 East 42d Street, New York, N.Y. 10017.
E. (9) $16,719.46.

A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
B. Grocery Manufacturers Association of American, Inc., 1010 Wisconsin Avenue NW., Washington, D.C.

A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
B. International Agricultural Development Service, 1133 Avenue of the Americas, New York, N.Y. 10036
D. (6) $7,225. E. (9) $1,107.66.

A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
B. B. J. Paul McNamara, 88 East Broad Street, Columbus, Ohio.

A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
B. National Hockey League, 1221 Avenue of the Americas, 14th floor, New York, N.Y. 10020.
D. (6) $3,720. E. (9) $8.40.

A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
B. North American Soccer League, 1133 Avenue of the Americas Suite 3500 New York, N.Y. 10036.
D. (6) $1,965. E. (9) $9.65.

A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
B. Ohio Manufacturers Association, 100 East Broad Street, Columbus, Ohio 43215.
D. (6) $75. E. (9) $16.50.

A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
B. Virginia State University, Petersburg, Va. 23803.
D. (6) $25. E. (9) $8.01.

A. Vorys, Sater, Seymour & Pease, 1828 L Street NW., Suite 1111, Washington, D.C. 20036.
B. Wagnalls Memorial, 150 East Columbus Street, Lithropolis, Ohio.
D. (6) $115.

A. Donn L. Waage, 1200 Northwestern Bank Building, Minneapolis, Minn. 55480.
B. Northwest Bancorporation, 1200 Northwestern Bank Building, Minneapolis, Minn. 55480.
D. (6) $500. E. (9) $332.40.

A. Linda Wade, Sierra Club, 2410 Beverly Boulevard, Suite 2, Los Angeles, Calif. 90057.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $458. E. (9) $1,346.

A. Robert J. Wager, Suite 850, 2020 K Street, NW., Washington, D.C. 20006.
B. American Bakers Association, Suite 850, 2020 K Street NW., Washington, D.C. 20006.
D. (6) $437.50. E. (9) $3.85.

A. Howard W. Whal, 240 Barton Shore Drive, Ann Arbor, Mich. 48105.
B. Bechtel Power Corp., 777 East Eisenhower Parkway, P.O. Box 1000, Ann Arbor, Mich. 48106.

A. Herbert R. Waite, First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.
B. First National Boston Corp., 100 Federal Street, Boston, Mass. 02110.

A. Herbert R. Waite, The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
B. The First National Bank of Boston, 100 Federal Street, Boston, Mass. 02110.
D. (6) $2,465. E. (9) $5,750.28.

A. Robert E. Waldron, Associated Petroleum Industries of Michigan, P.O. Box 10070, Lansing, Mich. 48901.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $608.80.

A. E. F. Waldrop, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $733.50.

A. Leonard F. Walentynowicz, 4970 Sentinel Drive, Apt. 301, Sumner, Md. 20016.
B. Polish American Congress, 1200 North Ashland Ave., Chicago, Ill. 60622.
D. (6) $3,750. E. (9) $428.49.

A. Charles W. Walker, International Brotherhood of Electrical Workers, 1125 15th Street NW., Washington, D.C. 20005.
B. International Brotherhood of Electrical Workers AFL-CIO-CLC, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $8,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Airco, Inc., 100 Mountain Avenue, Murray Hill, N.J. 07974.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Aluminum Co. of America, 1200 Ring Building, Washington, D.C. 20036.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Airlines, Inc., P.O. Box 61616, Dallas/Port Worth Regional Airport, Tex. 75261.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Can Co., American Lane 1A9, Greenwich, Conn. 06830.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Telephone & Telegraph Co., 1120 20th Street NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Anheuser-Busch, Inc., 727 North 1st Street, St. Louis, Mo. 63102.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ashland Chemical, P.O. Box 2219, Columbus, Ohio 43216.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. BASF Wyandotte Corp., 100 Cherry Hill Road, Parsippany, N.J. 07054.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bechtel Power Corp., 1620 I Street NW., Washington, D.C. 20006.
D. (6) $1,175.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Bethlehem Steel Corp., Bethlehem, Pa. 18016.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Board of Trade of the city of Chicago, 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $1,500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $625.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. CF Industries, et al.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Chicago Mercantile Exchange, 444 West Jackson Boulevard, Chicago, Ill. 60606.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Commodity Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Crown Zellerbach Corp., One Bush Street, San Francisco, Calif. 94119.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dealer Bank Association, 1800 K Street NW., Washington, D.C. 20006.
D. (6) $1,875.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Deere & Co., John Deere Road, Moline, Ill. 61265.
D. (6) $600.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dresser Industries, Inc., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,125.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Eastern Air Lines, Inc., 10 Rockefeller Plaza, New York, N.Y. 10020.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.
D. (6) $750.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. First Chicago Corp., One First National Plaza, Chicago, Ill. 60670.
D. (6) $1,250.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Ford Motor Co., The American Road, Dearborn, Mich. 48121.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. General Telephone & Electronics, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Goodyear Tire and Rubber Co., 1800 K Street, Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. International Paper Co., 1620 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Kaiser Aluminum and Chemical Corp., 900 17th Street NW., Suite 1000, Washington, D.C. 20006.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Lone Star Steel Co., 2200 W. Mockingbird Lane, Dallas, Tex. 75215.
D. (6) $168.75.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill. 60606.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Olin Corp., 120 Lake Ridge Road, Stamford, Conn. 06904.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Owens Corning Fibergias Corp., Fibergias Tower, Toledo, Ohio 43659.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Owens-Illinois, Inc., P.O. Box 1035, Toledo, Ohio 43666.
D. (6) $1,000.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Procter & Gamble Co., Cincinnati, Ohio 45201.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Pullman-Kellogg, Division of Pullman, Inc., 1300 Three Greenway Plaza East, Houston, Tex. 77046.
D. (6) $625.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.
D. (6) $750.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Trans World Airlines, Inc., 605 Third Avenue, New York, N.Y. 10016.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Union Carbide Corp., 270 Park Avenue, New York, N.Y. 10017.
D. (6) $500.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. United Air Lines, Inc., P.O. Box 66100, Chicago, Ill. 60666.

A. Charls E. Walker Associates, Inc., 1730 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. Weyerhaeuser Co., 1625 I Street NW., Washington, D.C. 20006.

A. Linda Walker-Hill, Hill & Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. Warren W. Walkley, General Electric Co., 777 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 777 14th Street NW., Washington, D.C. 20005.

A. R. Duffy Wall, 1050 17th Street NW., Suite 301, Washington, D.C. 20036.
B. Freeport Minerals Co., 200 Park Avenue, New York, N.Y. 10166.
D. (6) $250.

A. Carl S. Wallace, Purolator, Inc., 1600 K Street NW., No. 614, Washington, D.C. 20006.
B. Purolator, Inc., 255 Old New Brunswick Road, Piscataway, N.J. 08854.

A. Don Wallace Associates, Inc., 232 East Capitol Street NE., Washington, D.C. 20003.
B. American Sugar Cane League of the U.S.A., Inc., 416 Whitney Building, New Orleans, La. 70130.
D. (6) $6,000. E. (9) $700.

A. Don Wallace Associates, Inc., 232 East Capitol Street NE., Washington, D.C. 20003.
B. American Textile Machinery Association, 1730 M Street NW., Washington, D.C. 20036.

A. Don Wallace Associates, Inc., 232 East Capitol Street NE., Washington, D.C. 20003.
B. Applied Ceramic Technologies, Inc., 418 East Ninth Street, Rochester, Ind. 46975.

A. Don Wallace Associates, Inc., 232 East Capitol Street NE., Washington, D.C. 20003.
B. Cotton Warehouse Association of America, 232 East Capitol Street, Washington, D.C. 20003.
D. (6) $11,000. E. (9) $1,500.

A. Raymond C. Wallace, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Amalgamated Transit Union, AFL-CIO, 5151 Wisconsin Avenue NW., Washington, D.C. 20016.

A. Lionel L. Wallenrod, 260 Madison Avenue, New York, N.Y. 10016.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. R. Douglas Wallin, Jr., Emerson Electric Co., 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Emerson Electric Co., 8000 Florissant, St. Louis, Mo. 63136.
E. (9) $292.70.

A. Eleanor Walters, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Environmental Policy Center, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $750.

A. Bonnie B. Wan, Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., 1 Montgomery Ward Plaza, Chicago, Ill. 60671.
E. (9) $50.

A. John F. Wanamaker, the Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
B. The Retired Officers Association, 201 North Washington Street, Alexandria, Va. 22314.
D. (6) $1,299.

A. Barbara Wanner, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
B. United States-Japan Trade Council, 1000 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $300.

A. Alan S. Ward, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Baker & Hostetler, 818 Connecticut Avenue NW., Washington, D.C. 20006 (for Soap and Detergent Association, 475 Park Avenue South at 32d Street, New York, N.Y. 10016).

A. G. Fletcher Ward, Jr., Montgomery Ward & Co., Inc., 1100 Connecticut Avenue NW., No. 530, Washington, D.C. 20036.
B. Montgomery Ward & Co., Inc., 1 Montgomery Ward Plaza, Chicago, Ill. 60671.
E. (9) $50.

A. John E. Ward, 182 Soundview Avenue, White Plains, N.Y. 10606.
B. Meat Importers Council of America, Inc., 1901 North Fort Myer Drive, Arlington, Va. 22209.

A. Richard D. Warden, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 1757 N Street NW., Washington, D.C. 20036
B. International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW), 8000 East Jefferson Avenue, Detroit, Mich. 48214.
D. (6) $15,491.17. E. (9) $103.65.

A. Jack Ware, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $6,600. E. (9) $263.58.

A. Michael O. Ware, Conoco Inc., 1025 Connecticut Avenue NW., Washington, D.C. 20036.
B. Conoco Inc., High Ridge Park, Stamford, Conn. 06904.
D. (6) $1,000.

A. Peter F. Warker, TRW Inc., 2030 M Street NW., Washington, D.C. 20036.
B. TRW Inc., 23555 Euclid Avenue, Cleveland, Ohio 44117.
D. (6) $1,250.

A. Ernest R. Warner, Jr., DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Sofreavia, 75 rue la Boetie, Paris, 9eme, France).
D. (6) $98.08. E. (9) $51.99.

A. Ernest R. Warner, Jr., DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France).
D. (6) $128.73. E. (9) $94.48.

A. Betsy R. Warren, 1111 19th Street NW., Washington, D.C. 20036
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $2,571. E. (9) $61.50.

A. Washington Gas Light Co., 1100 H Street NW., Washington, D.C. 20080.
E. (9) $1,123.

A. Washington Office on Africa, 110 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $22,107.25. E. (9) $17,144.12.

A. Washington State NARAL, P.O. Box 15549, Seattle, Wash. 98115.
D. (6) $4,569.54. E. (9) $4,845.07.

A. Ralph J. Watson, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
B. Rockwell International, 1745 Jefferson Davis Highway, Arlington, Va. 22202.
D. (6) $495. E. (9) $171.20.

A. Carolyn Herr Watts, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $75.

A. George B. Watts, National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.
B. National Broiler Council, 1155 15th Street NW., Washington, D.C. 20005.

A. James L. Watts, NASBIC, 618 Washington Building, Washington, D.C. 20005.
B. National Association of Small Business Investment Companies, 618 Washington Building, Washington, D.C. 20005.
D. (6) $3,000.

A. Judith G. Waxman, National Health Law Program, 1424 16th Street NW., Suite 304, Washington, D.C. 20036.
B. National Health Law Program, 2639 South La Cienega Boulevard, Los Angeles, Calif. 90034.
D. (6) $2,089.11. E. (9) $4,091.79.

A. William J. Way, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $678.89.

A. Raymond J. Weatherly, 2733 Carter Farm Court, Alexandria, Va. 22306.
B. Manufactured Housing Institute, 1745 Jefferson Davis Highway, Suite 511, Arlington, Va. 22202.
D. (6) $300. E. (9) $25.

A. William H. Weatherspoon, N.C. Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.

A. Douglas M. Webb, Kennecott Corp., 1111 19th Street NW., Suite 310, Washington, D.C. 20036.
B. Kennecott Corp., Ten Stamford Forum, Stamford, Conn. 06904.
D. (6) $500. E. (9) $298.87.

A. Horace S. Webb, P.O. Box 351, Cedar Rapids, Iowa 52406.
B. Iowa Electric Light & Power Co., P.O. Box 351, Cedar Rapids, Iowa 52406.

A. Frederick L. Webber, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $4,221.

A. Jack Weber, 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.
B. Grocery Manufacturers of America, Inc., 1010 Wisconsin Avenue NW., Suite 800, Washington, D.C. 20007.

A. Webster & Chamberlin, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.

B. American Society of Radiologic Technologists, 55 East Jackson Boulevard, Chicago, Ill. 60604.

A. Webster & Chamberlain, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Charles Stewart Mott Foundation, Mott Foundation Building, Flint, Mich. 48502.
D. (6) $1,500. E. (9) $54.56.

A. Webster & Chamberlin, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Club Association, 1129 20th Street NW., Washington, D.C. 20036.

A. John F. Webster, International Business Machines, 1801 K Street NW., Washington, D.C. 20006.
B. International Business Machines, Old Orchard Road, Armonk, N.Y. 10504.
D. (6) $310.50. E. (9) $152.72.

A. Webster & Sheffield, 1200 New Hampshire Avenue NW., Suite 350, Washington, D.C. 20036.
B. National Conference of Bankruptcy Judges, c/o Webster & Sheffield, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $10,000. E. (9) $322.19.

A. Webster & Sheffield, One Rockefeller Plaza, New York, N.Y. 10020.
B. Smith, Barney Real Estate Corp., 1345 Avenue of the Americas, New York, N.Y. 10105.
D. (6) $20,340. E. (9) $1,078.

A. Lee Weddig, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Fisheries Institute, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $25.

A. Fred Wegner, National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association-American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $426.92. E. (9) $164.31.

A. Lauren C. Weilburg, 499 S. Capitol Street SW., Suite 104, Washington, D.C. 20003.
B. American Osteopathic Association, 499 S. Capitol Street SW., Suite 104, Washington, D.C. 20003.
D. (6) $646. E. (9) $16.15.

A. Donald G. Weinert, National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. National Society of Professional Engineers, 2029 K Street NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Joan Weinstock, American Optometric Association, 1730 M Street NW., Suite 206, Washington, D.C. 20036.
B. American Optometric Association, 395 Orchard Street, Antioch, Ill. 60002.
D. (6) $70.67. E. (9) $143.47.

A. Michael A. Weiss, Tenneco Inc., 490 L'Enfant Plaza East SW., Washington, D.C. 20024.
B. Tenneco Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Morton N. Weiss, National Security Traders Association, 55 Broad Street, New York, N.Y. 10004.
B. National Security Traders Association, Inc., 55 Broad Street, New York, N.Y. 10004.
D. (6) $2,208.

A. Judith H. Weitz, 1520 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Children's Defense Funds, 1520 New Hampshire Avenue NW., Washington, D.C. 20036
D. (6) $1,771. E. (9) $20.

A. L. H. Wells, Sr., Shell Oil Company, 1025 Connecticut Avenue NW., Suite 200, Washington, D.C. 20036
B. Shell Oil Co., P.O. Box 2463, Houston, Tex. 77001.
D. (6) $500.

A. Elizabeth S. Weltner Hill & Knowlton, Inc., 1425 K Street NW., No. 1000, Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. W. R. Werner, CertainTeed Corp., 1627 K Street NW., Suite 610, Washington, D.C. 20006.
B. CertainTeed Corp., P.O. Box 860, Valley Forge, Pa. 19482.

A. Fred Wertheimer, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036
D. (6) $10,500 E. (9) $417.

A. Joy C. West, 806 15th Street NW., Suite 600, Washington, D.C. 20005.
B. Migrant Legal Action Program, Inc., 806 15th Street NW., Suite 600, Washington, D.C. 20005.
D. (6) $4,724.61 E. (9) $1,243.84.

A. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
E. (9) $500.

A. W. P. West Jr., 1629 K Street NW., Room 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta International Airport, Atlanta, Ga. 30320.
D. (6) $273. E. (9) $119.39.

A. Harry H. Westbay III, 1625 I Street NW., Suite 805, Washington, D.C. 20006.
B. St. Regis Paper Co. 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,350. E. (9) $650.

A. The Western Co. of North America, P.O. Box 186, Fort Worth, Tex. 76101.
E. (9) $29.80.

A. Western Radiological Group, Suite 2, 2044 Armacost Avenue, Los Angeles, Calif. 90025.

A. Harvey J. Wexler, Continental Airlines, Inc., 1025 Connecticut Avenue NW., Suite 1017, Washington, D.C. 20036.
B. Continental Airlines, International Airport, Los Angeles, Calif. 90009.
D. (6) $2,000. E. (9) $1,019.

A. Brian B. Whalen, International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
B. International Harvester Co., 401 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $1,250. E. (9) $73.77.

A. Curtis E. Whalen, P.O. Box 44, Winter park, Fla. 32790.
B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.
D. (6) $2,500. E. (9) $799.84.

A. Clyde A. Wheeler, Jr., Sun Co., Inc., 1800 K Street NW., Suite 820, Washington, D.C. 20006.
B. Sun Co., Inc., 100 Matsonford Road, Radnor, Pa. 19087.
D. (6) $15,000. E. (9) $227.96.

A. Edwin M. Wheeler, The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington, D.C. 20036.
E. (9) $25.00.

A. Thomas E. Wheeler, National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
B. National Cable Television Association, Inc., 918 16th Street NW., Washington, D.C. 20006.
D. (6) $1,375.

A. June M. Whelan, 1120 20th Street NW., Suite 600 South, Washington, D.C. 20036.
B. Union Pacific Corp., 345 Park Avenue, New York, N.Y. 10154.
D. (6) $1250. E. (9) $47.99.

A. William Whichard, Jr., Union Oil Co. of California, 1100 Connecticut Avenue NW., No. 800, Washington, D.C. 20036.
B. Union Oil Co. of California, 461 South Boylston Street, Los Angeles, Calif. 90017.

A. Donald F. White, American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,000. E. (9) $50.

A. John C. White, Private Truck Council of America, Inc., 1101 17th Street NW., Washington, D.C. 20036.
B. Private Truck Council of America, Inc., 1101 17th Street NW., Suite 310, Washington, D.C. 20036.
E. (9) $20.

A. John S. White, Marathon Oil Co., 1800 M Street NW., Washington D.C. 20036.
B. Marathon Oil Co., Findlay, Ohio 45840.

A. John Thomas White II, Tenneco Inc., 490 L'Enfant Plaza East SW., Washington D.C. 20024.
B. Tenneco Inc., P.O. Box 2511, Houston, Tex. 77001.

A. Donald W. Whitehead, 1120 Connecticut Avenue NW., Washington D.C. 20036.
B. O'Connor and Hannon, 1919 Pennsylvania Avenue NW., Washington D.C.
D. (6) $3,000. E. (9) $30.45.

A. Alton W. Whitehouse, 1750 Midland Building, Cleveland, Ohio 44115.
B. The Standard Oil Co. (Ohio), Guildhall Building, Cleveland, Ohio 44115.
D. (6) $123.

A. Whitman and Ransom, 1333 New Hampshire Avenue NW., Suite 650, Washington D.C. 20036.
B. Shimano American Corp., 205 Jefferson Road, Parsippany, N.J. 07054.
D. (6) $2,400. E. (9) $2.02.

A. David E. Whitten, The Fertilizer Institute, 1015 18th Street NW., Washington D.C. 20036.
B. The Fertilizer Institute, 1015 18th Street NW., Washington D.C. 20036.
D. (6) $500. E. (9) $1,464.21.

A. Mr. Gary L. Whittle, North Carolina Petroleum Council, P.O. Box 167, Raleigh, N.C. 27602.

B. American Petroleum Institute, 2101 L Street NW., Washington D.C. 20037.

A. Wickham & Craft, P.C., Suite 1160, 1050 17th Street NW., Washington D.C. 20036.
B. Association of Oil Pipe Lines, Suite 1206, 1725 K Street NW., Washington D.C. 20036.

A. Wickham & Craft, P.C., 1050 17th Street NW., Suite 1160, Washington D.C. 20036.
B. Congaree Limited Partnership, 222 West Adams Street, Suite 1354, Chicago, Ill. 60606.

A. Wickham & Craft, P.C., 1050 17th Street NW., Suite 1160, Washington D.C. 20036.
B. Encyclopaedia Britannica, Inc., 425 North Michigan Avenue, Chicago, Ill. 60611.

A. Wickham & Craft, P.C., 1050 17th Street NW., Suite 1160, Washington D.C. 20036.
B. Ryder System, Inc., 3600 Northwest 82d Avenue, Miami, Fla. 33166.

A. Wickham & Craft, P.C., 1050 17th Street N.W., Suite 1160, Washington D.C. 20036.
B. Trailer Train Co., 101 North Wacker Drive, Chicago, Ill. 60606.

A. Wickwire, Lewis, Goldmark & Schorr, 500 Maynard Building, Seattle, Wash. 98104.
B. Mayor and City Council, City of Seattle, Seattle, Wash. 98104.
D. (6) $12,641.50. E. (9) $1,675.80.

A. Nina Faye Widenmann, Arizona Public Service Co., P.O. Box 21666, Phoenix, Ariz. 85036.
B. Arizona Public Service Co., P.O. Box 21666, Phoenix, Ariz. 85036.
D. (6) $6,510. E. (9) $3,466.02.

A. Richard J. Wiechmann, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. Jerry C. Wilkerson, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
B. International Franchise Association, 1025 Connecticut Avenue NW., Suite 1005, Washington, D.C. 20036.
D. (6) $650. E. (9) $1,749.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Arapahoe Tribe of Indians, Fort Washakie, Wyo.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Association of Data Processing Service Organizations, Inc., 210 Summitt Avenue, Montvale, N.J. 07645.
D. (6) $1,385. E. (9) $12.76

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Bonneville International Corp., 36 South State Street, Salt Lake City, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Brigham Young University, Provo, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Church of Jesus Christ of Latter-Day Saints, 10 East North Temple, Salt Lake City, Utah.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.
E. (9) $4.60.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. European Travel Commission, 488 Madison Avenue, New York, N.Y. 10022.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Hoopa Valley Tribe, P.O. Box 817, Hoopa, Calif.
E. (9) $58.25.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Data Communications Manufacturers Association, Inc., 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $4,442. E. (9) $48.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $5,241.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Nana Regional Corp., Inc., Box 49, Kotzebue, Alaska 99752.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. Shee Atica, Inc., P.O. Box 4578, Mount Edgecomb, Ala. 99835.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. State of Hawaii, Department of Regulatory Agencies, P.O. Box 531, Honolulu, Hawaii.
D. (6) $1166.50. E. (9) $4.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. The Three Affiliated Tribes of the Fort Berthold Reservation, New Town, N. Dak.

A. Wilkinson, Cragun & Barker, 1735 New York Avenue NW., Washington, D.C. 20006.
B. U.S. National Bank of Oregon, Portland, Oreg., (for the "remaining members" of the Klamath Indian Tribe, Oreg.)
E. (9) $17.50.

A. Sandra L. Willett, 624 C Street SE., Washington, D.C. 20003.
B. National Consumers League, 1522 K Street NW., Suite 406, Washington, D.C. 20005.
D. (6) $325. E. (9) $40.

A. Ralph E. Willham, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Sheet Metal Workers' International Association, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $8,977.50.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. The LTV Corp., LTV Tower, 1525 Elm Street, Dallas, Tex. 75201.

A. Williams & Connolly, 1000 Hill Building, Washington, D.C. 20006.
B. Ralph A. Pari, Rhode Island Housing & Mortgage Finance Corp., Suite 1700, 17th Floor, 40 Westminster Street, Providence, R.I. 02903.
D. (6) $150.

A. Williams & Connolly, 839 17th Street NW., Washington, D.C. 20006.
B. William H. Sullivan, Jr., 500 Neponset Avenue, Dorchester, Mass. 02122.

A. Williams & Ince, 1620 I Street NW., Suite 800, Washington, D.C. 20006.
B. American Netting Manufacturers Organization, c/o Reggie N. Steele, Jr., 7 Vance Avenue, Memphis, Tenn. 38101.
D. (6) $2,000.

A. Lee Williams, American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
B. American Retail Federation, Inc., 1616 H Street NW., Washington, D.C. 20006.
D. (6) $1,600.

A. Lucinda L. Williams, 1111 19th Street NW., Suite 402, Washington, D.C. 20036.
B. Federation of American Hospitals, 1111 19th Street NW., Suite 402, Washington, D.C. 20036
D. (6) $4,500.

A. Margie R. Williams, 415 Second Street NE., Suite 300, Washington, D.C. 20002.
B. National Association of Wheat Growers, 415 Second Street NE., Washington, D.C. 20002.
D. (6) $1,202.29.

A. Williams, Myers and Quiggle, 888 17th Street NW., Washington, D.C. 20006.
B. Church Alliance for Clarification of ERISA, c/o Mr. Gary S. Nash, 511 North Akard Building, Suite 311, Dallas, Tex. 75201.
D. (6) $23,353.75. E. (9) $1,891.79.

A. Nathaniel Williams, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,265.

A. Robert E. Williams, United Airlines, 1825 K Street NW., Washington, D.C. 20006.
B. United Airlines, P.O. Box 66100, Chicago, Ill. 60666.
D. (6) $1,500.

A. John C. Williamson, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
B. Mortgage Insurance Cos. of America, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
D. (6) $2,700.

A. Frederick L. Williford, 8401 Connecticut Avenue NW., Suite 911, Washington, D.C. 20015.
B. National Association of Furniture Manufacturers, 8401 Connecticut Avenue NW., Suite 911, Washington, D.C. 20015.
D. (6) $500. E. (9) $30.

A. Betsy Willson-Messer, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $259.61. E. (9) $25.

A. Charlotte Wilmer, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, Washington, D.C. 20036.
D. (6) $50.

A. Wilmer & Pickering, 1666 K Street NW., Washington, D.C. 20006.
B. The Business Roundtable, 1828 L Street NW., Washington, D.C. 20006.

A. Bjorg Opdahl Wilson, UNICEF Information Service, 110 Maryland Avenue NE., Washington, D.C. 20002.
B. United States Committee for UNICEF, 331 East 38th Street, New York, N.Y. 10016.

D. (6) $500.

A. Charles D. Wilson, 1850 K Street NW., Suite 390, Washington, D.C. 20006.
B. Union Camp Corp., 1850 K Street NW., Suite 390, Washington, D.C. 20006.
E. (9) $1,776.

A. Dena L. Wilson, 1600 Wilson Boulevard, No. 1101, Arlington, Va. 22209.
B. American Waterways Operators, Inc., 1600 Wilson Boulevard, No. 1101, Arlington, Va. 22209.
D. (6) $250. E. (9) $13.

A. Donnie E. Wilson, 1800 M Street NW., Suite 295 North, Washington, D.C. 20036.
B. Husky Oil Co., P.O. Box 380, Cody, Wyo. 82414.
D. (6) $250.

A. James E. Wilson, Jr., 1150 17th Street NW., Washington, D.C. 20036.
B. McDonnell Douglas Corp., P.O. Box 516, St. Louis, Mo. 63166.

A. Albert Winchester, 2030 M Street NW., Washington, D.C. 20036.
B. Common Cause, 2030 M Street NW., Washington, D.C. 20036.
D. (6) $2,540.

A. Joseph B. Winkelmann, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $2,500. E. (9) $926.75.

A. Kathleen J. Winn, Pennzoil Co., 1155 15th Street NW., Suite 602, Washington, D.C. 20005.
B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77001.
D. (6) $475.

A. Winner/Wagner & Associates, 1024 10th Street, Sacramento, Calif. 95814.
B. Rockwell International.

A. James R. Winnie, Cities Service Co., P.O. Box 25185, Oklahoma City, Okla. 73125.
B. Cities Service Gas Co., P.O. Box 25128, Oklahoma City, Okla. 73125.

A. Louise V. Winstead, Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $1,012. E. (9) $118.09.

A. Winston & Strawn, 2550 M Street NW., Suite 500, Washington, D.C. 20037.
B. Building Owners & Managers Association International, 1221 Massachusetts Avenue NW., Washington, D.C. 20005.
D. (6) $261.25.

A. Winston & Strawn, 2550 M Street NW., Suite 500, Washington, D.C. 20037.
B. International Council of Shopping Centers, 665 Fifth Avenue, New York, N.Y. 10022.
D. (6) $237.50.

A. Mark E. Winter, American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
B. American Land Title Association, 1828 L Street NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Richard F. Witherall, Colorado Railroad Association, 420 Denver Club Building, Denver, Colo. 80202.
B. Colorado Railroad Association, 420 Denver Club Building, Denver, Colo. 80202.

A. Witkowski, Weiner, McCaffrey and Brodsky, P.C., 1575 I Street NW., Suite 350, Washington, D.C. 20005.
B. Coordinating Council on Manufactured Housing Finance, Suite 350, 1575 I Street NW., Washington, D.C. 20005.
D. (6) $970.

A. Glenn P. Witte, 910 17th Street NW., Washington, D.C. 20006.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation, 910 17th Street NW., Washington, D.C. 20006.

A. H. C. Witthaus, General Motors Corp., 1660 L Street NW., Suite 800, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $3,000. E. (9) $1,040.98.

A. Frank R. Wolf, 1901 N. Moore Street, Suite 804, Arlington, Va. 22209.
B. National Farm & Power Equipment Dealers Association, 10877 Waston Road, St. Louis, Mo. 63127.

A. James E. Wolf, The Trane Co., 2020 14th Street, North, Arlington, Va. 22201.
B. The Trane Co., 3600 Pammel Creek Road, La Crosse, Wis.,
D. (6) $250.

A. Don Womach, 1150 Connecticut Avenue NW., Suite 1013, Washington, D.C. 20036.
B. Texas Utilities Services Inc., 2001 Bryan Tower, Dallas, Tex. 75201.
D. (6) $2,356. E. (9) $96.25.

A. Women's Equity Action League, 805 15th Street NW., Suite 822, Washington, D.C. 20005.
D. (6) $990. E. (9) $6123.06.

A. Burton C. Wood, Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
B. Mortgage Bankers Association of America, 1125 15th Street NW., Washington, D.C. 20005.
D. (6) $9,150. E. (9) $707.

A. Charles A. Wood, National Fuel Gas Distribution Corp., Room 900, 10 Lafayette Square, Buffalo N.Y. 14203.
B. National Fuel Gas Distribution Corp., National Fuel Gas Supply Co., Penn-York Energy Co., Seneca Resources Co., National Fuel Gas. Co.
D. (6) $476.19. E. (9) $553.64.

A. W. Alan Woodford, Chemical Manufacturers Association, 2501 M Street NW., Washington, D.C. 20037.
B. Chemical Manufacturers Association, 2501 M Street NW., Washington, D.C. 20037.
D. (6) $300.

A. Diane Woodruff, Committee of Urban Program Universities, 1300 19th Street NW., Suite 220, Washington, D.C. 20036.
B. Committee of Urban Program Universities, 1300 19th Street NW., Suite 220, Washington, D.C. 20036.
D. (6) $2,136.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., (for Airbus Industrie, Avenue Lucien Servanty, 31700 Blagnac, France), 1225 19th Street NW., Washington, D.C. 20036.
D. (6) $36.06. E. (9) $27.50.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., (for European Aerospace Corp., 1101 15th Street NW., Washington, D.C. 20005), 1225 19th Street NW., Washington, D.C. 20036.

A. M. Alan Woods, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.
B. DGA International, Inc., (for Sofreavia, 75 rue la Boetie, Paris, 9eme, France), 1225 19th Street NW., Washington, D.C. 20036.

A. Perry W. Woofter, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $9,000. E. (9) $50.

A. Edward A. Woolley, 30 Rockefeller Plaza, Suite 3420, New York, N.Y. 10112.
B. CTI—Container Transport International Inc., et al.
D. (6) $4832. E. (9) $59.37.

A. Linda Anzalone Woolley, 1615 H Street NW., Washington, D.C. 20062.
B. Chamber of Commerce of the United States, 1615 H Street NW., Washington, D.C. 20062.
D. (6) $500.

A. Ronald L. Wooten, Consolidation Coal Co., 1025 Connecticut Avenue NW., Suite 1000, Washington, D.C. 20036.
B. Consolidation Coal Co., Consol Plaza, 1800 Washington Road, Pittsburgh, Pa. 15241.
D. (6) $450. E. (9) $40.

A. George M. Worden, Hill and Knowlton, Inc., 1425 K Street NW., Washington, D.C. 20005.
B. Hill and Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017.

A. World Federalist Political Education Committee, 600 Valley Road, Wayne, N.J. 07470.
D. (6) $1,544.86. E. (9) $11,048.08.

A. Edward E. Wright, 1819 H Street NW., Suite 1175, Washington, D.C. 20006.
B. G-4 Childrens' Coalition, 7309 Delfield St., Chevy Chase, Md. 20015.
D. (6) $575. E. (9) $24.21.

A. Richard E. Wyckoff, 1771 N Street NW., Washington, D.C. 20036.
B. National Association of Broadcasters, 1771 N Street NW., Washington, D.C. 20036.
D. (6) $1,500. E. (9) $498.

A. T. Albert Yamada, 900 17th Street NW., Suite 520, Washington, D.C. 20006.
B. Toyota Motor Sales, U.S., 1899 L Street NW., Suite 703, Washington, D.C. 20036.
D. (6) $500.

A. T. Albert Yamada, 900 17th Street NW., Suite 520, Washington, D.C. 20006.
B. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
D. (6) $500.

A. Yardarm Knot Corp., 17221 Palatine Avenue North, Seattle, Wash. 98133.

A. Edward R. Yawn, 1111 19th Street NW., Washington, D.C. 20036.
The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $535.71. E. (9) $304.70.

A. Kim Yelton, 8120 Fenton Street, Silver Spring, Md. 20910.
B. Americans United for Separation of Church and State, 8120 Fenton Street, Silver Spring, Md. 20910.

D. (6) $4,230.37. E. (9) $4,265.11.

A. Jack Yeiverton, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Fleet Reserve Association, 1303 New Hampshire Avenue NW., Washington, D.C. 20036.

A. D. Scott Yohe, 1629 K Street NW., Rm. 204, Washington, D.C. 20006.
B. Delta Air Lines, Inc., Hartsfield Atlanta, International Airport, Atlanta, Ga. 30320.
D. (6) $390 E. (9) $82.65.

A. G. Reynolds Young, American Bankers Association, 1120 Connecticut Ave NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $1,000.

A. Hugh F. Young, Jr., National Paint & Coatings Association, 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
B. National Paint & Coatings Association, 1500 Rhode Island Avenue NW., Washington, D.C. 20005.
D. (6) $3,000.

A. John Andrew Young, Suite 207, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. The Coastal Corp., Nine Greenway Plaza, Houston, Tex. 77046.

A. John Andrew Young, Suite 207, 13333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Nueces County Navigation District No. 1 (Port), 222 Power Street, Corpus Christi, Tex. 78403.

A. Judith A. Young, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
D. (6) $1,500. E. (9) $17.30.

A. Stephen T. Young, 158 Hampshire Street, Cambridge, Mass. 02139.
B. National Audubon Society, 950 3rd Avenue, New York, N.Y. 10022.
D. (6) $5,360. E. (9) $1,338.30

A. Betsy Younkins, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $4,000. E. (9) $224.06.

A. Eugene A. Yourch, 50 Broadway, New York, N.Y. 10004.
B. Federation of American Controlled Shipping, 50 Broadway, New York, N.Y. 10004.
D. (6) $200.

A. Harry M. Zachem, Ashland Oil, Inc., 1025 Connecticut Avenue NW., Suite 507, Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $2,000.

A. Donald M. Zahn, 8001 Braddock Road, Suite 600, Springfield, Va. 22160.
B. National Right To Work Committee, 8001 Braddock Road, Suite 600, Springfield, Va. 22160.
D. (6) $180. E. (9) $22.

A. Lynn Zakupowsky, General Electric Co., 777 General Electric Co., 14th Street NW., Washington, D.C. 20005.
B. General Electric Co., 3135 Easton Turnpike, Fairfield, Conn. 06431.
D. (6) $500.

A. Steven Zaleznick, National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
B. National Retired Teachers Association/American Association of Retired Persons, 1909 K Street NW., Washington, D.C. 20049.
D. (6) $266.53. E. (9) $37.

A. Barnaby W. Zall, Federation for American Immigration Reform, 2028 P Street NW., Washington, D.C. 20036.
B. Federation for American Immigration Reform, 2028 P Street NW., Washington, D.C. 20036.
D. (6) $2,389. E. (9) $169.56.

A. Barry W. Zander, 6113 Amhurst, Metairie, La. 70003.
B. Southern Forest Products Association, P.O. Box 52468, New Orleans, La. 70152.
D. (6) $6,238.02

A. John S. Zapp, American Medical Association, 1776 K Street NW., Washington, D.C. 20006.
B. American Medical Association, 535 North Dearborn Street, Chicago, Ill. 60610.
D. (6) $4,092. E. (9) $167.96.

A. Janice Zarro, 9 West 57th Street, New York, N.Y. 10019.
B. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019.

A. L. Andrew Zausner, Pennzoil Co., 1155 15th Street NW., Suite 602, Washington, D.C. 20005.
B. Pennzoil Co., Pennzoil Place, P.O. Box 2967, Houston, Tex. 77001.
D. (6) $1,000.

A. Jerome M. Zeifman, National Senior Citizens Law Center, 1424 16th Street NW., Suite 300, Washington, D.C. 20036.
B. National Senior Citizens Law Center, 1424 16th Street NW., Suite 300, Washington, D.C. 20036.
D. (6) $1,750. E. (9) $1,881.

A. Zoological Action Committee, 1320 19th Street NW., Suite 400, Washington, D.C. 20036.

A. John L. Zorack, 11th Floor, 1015 18th Street NW., Washington, D.C. 20036.
B. Federal Express Corp., AMF 727, Memphis, Tenn. 38194.
D. (6) $5,700.

A. Zuckert, Scoutt & Rasenberger, 888 17th Street NW., Washington, D.C. 20006.
B. Harcourt Brace Jovanovich, 757 3rd Avenue, New York, N.Y. 10017.
D. (6) $12,325.25. E. (9) $361.81.

A. Charles O. Zuver, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. American Bankers Association, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $3,000.

A. Frances A. Zwenig, Center to Protect Workers' Rights, 815-16th Street NW., Washington, D.C. 20006.
B. Center to Protect Workers' Rights, 815-16th Street NW., Washington, D.C. 20006.
D. (6) $6,000.

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the third calendar quarter of 1980 were received too late to be included in the published reports for that quarter:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective letter and number.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.
2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§302(e).
(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

APPIDAVIT

[Omitted in printing]

PAGE 1

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $.....Dues and assessments
2. $.....Gifts of money or anything of value
3. $.....Printed or duplicated matter received as a gift
4. $.....Receipts from sale of printed or duplicated matter
5. $.....Received for services (e.g., salary, fee, etc.)

6. $.....TOTAL for this Quarter (Add items "1" through "5")
7. $.....Received during previous Quarters of calendar year

8. $.....TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $.....TOTAL now owed to others on account of loans
10. $.....Borrowed from others during this Quarter
11. $.....Repaid to others during this Quarter

12. $.....'"Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": .....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and address of Contributor* ("*Period*" from Jan. 1 through....., 19.....)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $.....Public relations and advertising services
2. $.....Wages, salaries, fees, commissions (other than item "1")
3. $.....Gifts or contributions made during Quarter
4. $.....Printed or duplicated matter, including distribution cost
5. $.....Office overhead (rent, supplies, utilities, etc.)
6. $.....Telephone and telegraph
7. $.....Travel, food, lodging, and entertainment
8. $.....All other expenditures

9. $.....TOTAL for this Quarter (Add "1" through "8")
10. $.....Expended during previous Quarters of calendar year

11. $.....TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $.....TOTAL now owed to person filing
13. $.....Lent to others during this Quarter
14. $.....Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

A. Abourezk, Shack & Mendenhall, 1129 20th Street NW., Suite 500, Washington, D.C. 20036.
B. Kootznoowoo, Inc., P.O. Box 116, Angoon, Alaska 99820.
D. (6) $6,767.52. E. (9) $6,767.52.

A. Abourezk, Shack & Mendenhall, 1129 20th Street NW., Suite 500, Washington, D.C. 20036.
B. Seneca-Cayuga Tribe of Oklahoma, P.O. Box 1283, Miami, Okla. 74354.
D. (6) $1,916. E. (9) $10,934.37.

A. Albert E. Abrahams, National Association of Realtors, 925 15th Street NW., Washington, D.C. 20005.
B. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611.
D. (6) $5,875. E. (9) $369.87.

A. Action for Children's Television, 46 Austin Street, Newtonville, Mass. 02160
D. (6) $17,128.50. E. (9) $701.13.

A. Charles F. Adams, American Association of Advertising Agencies, 1899 L Street NW., Washington, D.C. 20036.
B. American Association of Advertising Agencies, 200 Park Avenue, New York, N.Y. 10017.
D. (6) $5,000. E. (9) $750.

A. Thomas L. Adams, Jr., Republic Steel Corp., 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. The Adherence Group, Inc., 21 West Street, New York, N.Y. 10006.

A. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $5,420. E. (9) $4,796.87.

A. Robert S. Agman, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. Labor-Management Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $1,217.45. E. (9) $27.

A. Air-Conditioning & Refrigeration Institute, 1815 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $21,000. E. (9) $4,870.

A. Air Products and Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.
E. (9) $50.

A. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $11,995. E. (9) $11,995.

A. Alaska Coalition, 530 Seventh Street SE., Washington, D.C. 20003.
D. (6) $112,809.47. E. (9) $127,871.14.

A. David Alberswerth, 1006 Massachusetts Avenue NE., Washington, D.C. 20002.
B. Western Organization of Resource Councils, 317 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $1,032.

A. Jonathan Alter, The Save the Dunes Council, 308 Second Street SE., Washington, D.C. 20003.
B. The Save the Dunes Council, Box 114, Beverly Shores, Ind. 46301.
D. (6) $1,950. E. (9) $1,185.28.

A. AMATEX Corp., 1032 Stanbridge Street, Norristown, Pa. 19404.

A. American Academy of Family Physicians, 1740 West 92d Street, Kansas City, Mo. 64114.
D. (6) $6,767.52. E. (9) $6,767.52.

A. American Association for Respiratory Therapy, 1720 Regal Row, No. 112, Dallas Tex. 75235.
D. (6) $1,916. E. (9) $10,934.37.

A. American Association of Port Authorities, Inc., 1612 K Street NW., Washington, D.C. 20005.
D. (6) $25,000. E. (9) $10,155.09.

A. American Cancer Society, Inc., 777 Third Avenue, New York, N.Y. 10017.
E. (9) $1,813.50.

A. American Dental Association, 211 East Chicago Avenue, Chicago, Ill. 60611.
D. (6) $20,839.51. E. (9) $20,839.51.

A. American Federation of State, County & Municipal Employees, AFL-CIO, 1625 L Street NW., Washington, D.C. 20036.
E. (9) $66,788.16.

A. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,500. E. (9) $2,500.

A. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $23,351. E. (9) $23,351.

A. American Health Planning Association, 1601 Connecticut Avenue NW., Suite 700, Washington, D.C. 20009.
D. (6) $21,666.17. E. (9) $2,881.10.

A. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $18,853.04. E. (9) $18,924.68.

A. American Insurance Association, 85 John Street, New York, N.Y. 10038.
D. (6) $1,608. E. (9) $1,608.

A. American Textile Machinery Association, 1730 M Street NW., Washington, D.C. 20036.
D. (6) $45.13.

A. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,290.06. E. (9) $75,544.52.

A. The American Wind Energy Association, 1609 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $2,070. E. (9) $2,103.51.

A. Americans for the National Voter Initiative Amendment, 3115 N Street NW., Washington, D.C. 20007.
D. (6) $5,000. E. (9) $8,226.

A. Nancy Amidei, Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $514.48.

A. Scott G. Anderson, Burlington Northern Inc., 413 New Jersey Avenue SE., Washington, D.C. 20003.
B. Burlington Northern Inc., 176 East Fifth Street, St. Paul, Minn. 55101.
D. (6) $1,900. E. (9) $1,612.18.

A. Emmet Andrews, American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
B. American Postal Workers Union, AFL-CIO, 817 14th Street NW., Washington, D.C. 20005.
D. (6) $7,836.40.

A. Leonard Appel, Woods, Villalon, Hollengreen & Lindeman 425 13th Street NW., Suite 1032, Washington, D.C. 20004.
B. Everett Terminal Co., Inc., & Port Gardner Timber Co., Inc., P.O. Box 1478, Hewitt Avenue Marine Terminal, Everett, Wash. 98206.
D. (6) $6,739.36. E. (9) $177.17.

A. Roy A. Archibald, National Education Association, California Teachers Association, 1705 Murchison Drive, Burlingame, Calif. 94010.
B. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $953. E. (9) $1,332.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. National Coordinating Committee for Multiemployer Plans, 816 16th Street NW., Suite 602, Washington, D.C. 20006.
D. (6) $15,000. E. (9) $1,285.

A. Arnold & Porter, 1200 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Securities Industry Association, 490 L'Enfant Plaza, Suite 3112, Washington, D.C.
D. (6) $4,280. E. (9) $10.80.

A. Joseph Ashooh, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Associated Builders and Contractors, Inc., 444 North Capitol Street NW., Suite 409, Washington, D.C. 20001.
D. (6) $17,628. E. (9) $159.58.

A. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Association of American Railroads, American Railroads Building, 1920 L Street NW., No. 720, Washington, D.C. 20036.
D. (6) $28,424.62. E. (9) $28,424.62.

A. Association of Data Processing Services Organization, Inc. (ADAPSO), 1300 North 17th Street, Suite 300, Arlington, Va. 22209.
E. (9) $15,445.06.

A. The Association of Private Pension and Welfare Plans, Inc., 1725 K Street NW., Suite 801, Washington, D.C. 20006.

A. James A. Austin, 1701 North Fort Myer Drive, Arlington, Va. 22209.
B. American Feed Manufacturers Association, 1701 North Fort Myer Drive, Arlington, Va. 22209.
D. (6) $2,500.

A. Avon Products, Inc., 9 West 57th Street, New York, N.Y. 10019
E. (9) $627.85.

A. Robert A. Bacha, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for Alvin Nederlander Association, Inc.), 1564 Broadway, New York, N.Y. 10036.
D. (6) $2,500.

A. Robert A. Bacha, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for Westinghouse), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $2,500.

A. Robert A. Bacha, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

B. The Keefe Co. (for Youngs Drug Products Corp.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $500.

A. Margaretha H. Backers, 5534 Crossrail Court, Burke, Va. 22015.
B. Populations Action Counsel, 2101 L Street NW., Washington, D.C. 20037.

A. Dennis J. Baker, Norton Co., 1 New Bond Street, Worcester, Mass. 01606.
B. Norton Co., 1 New Bond Street, Worcester, Mass. 01606.
D. (6) $6450.

A. Baker & Hostetler, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cleveland Institute of Electronics, 1776 East 17th Street, Cleveland, Ohio 44114.
D. (6) $156.25. E. (9) $4.

A. George C. Baker, 220 S. Clovis Avenue, Fresno, Calif. 93727.
B. U.S. Cane Sugar Refiners' Association, 1001 Connecticut Avenue, Washington, D.C. 20036.
D. (6) $562.50.

A. Albert L. Baldock, Richardson-Merrell, Inc., 1050 17th Street NW., Washington, D.C. 20036.
B. Richardson-Merrell, Inc., 10 Westport Road, Wilton, Conn. 06897.
D. (6) $140,000. E. (9) $2,500.

A. Donald F. Bale, 7436 Chummley Court, Falls Church, Va. 22043.
B. Center to Protect Workers Rights, 815 16th Street NW., Suite 603, Washington, D.C. 20006.
D. (6) $9,999.99. E. (9) $290.80.

A. Michael Baly III, American Gas Association, 1515 Wilson Boulevard, Arlington, VA 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, VA. 22209
D. (6) $3,481. E. (9) $568.79.

A. Sheila MacDonald Bamberger, 311 First Street NW., Washington, D.C. 20001.
B. National Restaurant Association, 311 First Street NW., Washington, D.C. 20001.
D. (6) $3,000. E. (9) $34.30.

A. Dennis J. Barbour, 1015 15th Street NW., Suite 403, Washington, D.C. 20005.
B. American College of Preventive Medicine, 1015 15th Street NW., Suite 403, Washington, D.C. 20005.

A. Dennis J. Barbour, 1015 15th Street NW., Suite 403, Washington, D.C. 20005.
B. Association of Teachers of Preventive Medicine, 1015 15th Street NW., Suite 403, Washington, D.C. 20005.

A. Larry P. Barnett, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $1,500.

A. Robert E. Bates, Fr., Mobil Oil Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Mobil Oil Corp., 150 East 42d Street, New York, N.Y. 10017.
D. (6) $1,125. E. (9) $18.64.

A. Batzell, Nunn & Bode, 1015 15th Street NW., Suite 1100, Washington, D.C. 20005.
B. Emergency Small Independent Refiners Task Force, 1015 15th Street NW., Suite 1100, Washington, D.C. 20005.
D. (6) $500.

A. Batzell, Nunn & Bode, 1015 15th Street NW., Suite 1100, Washington, D.C. 20005.
B. Independent Terminal Operators Association, 1015 15th Street NW., Washington, D.C. 20005.
D. (6) $500.

A. Batzell, Nunn & Bode, 1015 15th Street NW., Suite 1100, Washington, D.C. 20005.
B. Mount Airy Refining Co., International Energy Building, 265 North Belt East, Suite 150, Houston, Tex. 77060.
D. (6) $500.

A. Gary L. Bauer, Direct Mail-Marketing Association, Inc., 1730 K Street NW., Suite 905, Washington, D.C. 20006.
B. Direct Mail/Marketing Association, Inc., 6 East 43d Street, 12th floor, New York, N.Y. 10017.

A. James R. Baxter, 2033 K Street NW., Suite 200, Washington, D.C. 20006.
B. National Construction Employers Council, 2033 K Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $475.

A. Michael K. Beard, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. National Coalition To Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $4,485. E. (9) $1,340

A. Hubert Beatty, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John Berard, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Peggy Berk, Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017.
B. Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017 (for William M. Mercer, Inc., 1211 Avenue of the Americas, New York, N.Y. 10036).

A. Robert B. Betz, American Hospital Association, 44 North Capitol Street NW., No. 500, Washington D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,691.91 E. (9) $315.91.

A. Sarah Massengale Billock, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago. Ill., 60611.
D. (6) $378.53. E. (9) $52.75.

A. Smith Blair, National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
B. National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $414.

A. Helen K. Blank, 1520 New Hampshire Avenue NW., Washington, D.C. 20036
B. Children's Defense Fund, 1520 New Hampshire Avenue NW., Washington, D.C. 20036
D. (6) $615. E. (9) $6.90.

A. Blount International, Ltd., P.O. Box 4577, Montgomery, Ala. 36101.
E. (9) $6,404.65

A. Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $125. E. (9) $8.

A. Blum & Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. General Electric Co., 3135 Easton Turnpike, Building WS-23, Fairfield, Conn. 06431.
D. (6) $4,750. E. (9) $312.

A. Blum & Nash, 1015 18th Street NW., No. 408, Washington, D.C. 20036.
B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.
D. (6) $1,250. E. (9) $9.50.

A. Blum & Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Boasberg, Hewes, Klores, Feldesman & Tucker, 2101 L Street NW., Suite 906, Washington, D.C. 20037.
B. National Board of Young Men's Christian Associations, 291 Broadway, New York, N.Y. 10007.
D. (6) $1,791.67.

A. Edward N. Bond, Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.
B. Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $1,000. E. (9) $800.03.

A. Connie Borken-Hagen, 29 Cambridge Street, London SW1 England.
B. American Chamber of Commerce (U.K.), 75 Brook Street, London W.I.

A. The Boston Shipping Association, Inc., 223 Lewis Wharf, Boston, Mass. 02110.
E. (9) $5,434.26.

A. Mary M. Bourdette, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $836.64. E. (9) $35.35.

A. Robert K. Boyd, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $3,200. E. (9) $619.95.

A. Boyden, Kennedy & Romney, 1000 Kennecott Building, 10 East South Temple, Salt Lake City, Utah 84133.
B. Hopi Indian Tribe, New Oraibi, Ariz. 86039.
D. (6) $4,792. E. (9) $1,927.47.

A. Bradley, Arant, Rose & White, 1500 Brown-Marx Building, Birmingham, Ala. 35203.
B. Blount International, Ltd., P.O. Box 4577, Montgomery, Ala. 36101.
D. (6) $5,579.65. E. (9) $793.40.

A. Dan J. Bradley, 733 15th Street NW., Washington, D.C. 20005.
B. Legal Services Corp., 733 15th Street NW., Washington, D.C. 20005.
D. (6) $462.42. E. (9) $7.75.

A. Mitchell H. Bradley, American Society of Mechanical Engineers, 2029 K Street NW., Washington, D.C. 20006.
B. American Society of Mechanical Engineers, 345 East 47th Street, New York, N.Y. 10017.

A. Dennis M. Bradshaw, 1957 E Street NW., Washington, D.C. 20006.

B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Jerry M. Brady, 1000 Potomac Street NW., Washington, D.C. 20007.
B. Thermo-Electron, Inc., 101 First Avenue, Waltham, Mass. 02154.

A. Peter Elliot Braveman, 500 Newport Center Drive, Suite 555, Newport Beach, Calif.
B. Loeb and Loeb, 1 Wilshire Boulevard, 16th floor, Los Angeles, Calif. 90017; (for Joan Irvine Smith).
D. (6) $37,500. E. (9) $2,000.

A. Michael J. Brennan, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Association of Bridge, Structural and Ornamental Iron Workers, AFL-CIO, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $8,580. E. (9) $255.71.

A. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $51,740. E. (9) $51,740.

A. Ellen S. Brown, 1000 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.
B. Council of Energy Research Tribes, 1000 Connecticut Avenue NW., Suite 610, Washington, D.C. 20036.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. Centar Associates, 369 Passaic Avenue, Fairfield, N.J. 07006.

A. Howard C. Brown, Jr., 9618 Carriage Road, Kensington, Md. 20795.
B. National Association of Life Sciences, Inc., 1919 Pennsylvania Avenue NW., Suite 702, Washington, D.C. 20006.

A. John J. Brown, 1125 17th Street NW., Washington, D.C. 20036.
B. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $275.

A. Brown, Todd & Heyburn, 1600 Citizens Plaza, Louisville, Ky. 40202.
B. Brown & Williamson Tobacco Corp., 1600 West Hill Street, Louisville, Ky. 40232.
E. (9) $52.80.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. New York City Housing Development Corp., 42 Broadway, 10th floor, New York, N.Y. 10004.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. New York City Urban Development Corp., 1515 Broadway, New York, N.Y. 10036.

A. Brownstein Zeidman & Schomer, 1025 Connecticut Avenue NW., Suite 900, Washington, D.C. 20036.
B. New York State Mortgage Loan Enforcement & Administration Corp., 11 West 42d Street, New York, N.Y. 10036.

A. Marguerite E. Bryan, Joint Maritime Congress, 444 North Capitol Street NW., Suite 801, Washington, D.C. 20001.
B. Joint Maritime Congress, 444 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
D. (6) $50.48.

A. William J. Burhop, Air Transport Association, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $2,000.

A. B. Kent Burton, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $115.45.

A. John M. Burzio, Hydeman, Mason & Goodell, P.C., 1220 19th Street NW., Washington, D.C. 20036.
B. Magazine Publishers Association, Inc., Magazine Center, 575 Lexington Avenue, New York, N.Y. 10022.
E. (9) $30.25.

A. Busby, Rehm and Leonard, 1629 K Street NW., Suite 1100, Washington, D.C. 20006.
B. Automobile Importers of America, Inc., 1735 Jefferson Davis Highway, Arlington, Va. 22202.

A. Busby, Rehm and Leonard, 1629 K Street NW., Suite 1100, Washington, D.C. 20006.
B. Bacardi Imports Inc., 2100 Biscayne Boulevard, Miami, Fla. 33137.
D. (6) $250. E. (9) $10.

A. Christine Bushway, United Egg Producers, 499 South Capitol Street SW., No. 411, Washington, D.C. 20003.
B. United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
D. (6) $4,000.

A. Butler, Binion, Rice, Cook & Knapp, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. City of Philadelphia, 1600 Municipal Services Building, Philadelphia, Pa. 19107.
E. (9) $28,354.89.

A. Butler, Binion, Rice, Cook & Knapp, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Dorchester Sea-3 Products, Inc., 1300 Main Street, Houston, Tex. 77002.

A. Butler, Binion, Rice, Cook & Knapp, 1747 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Seatrain Lines, Inc., 1 Chase Manhattan Plaza, New York, N.Y. 10005.
D. (6) $2,910.

A. John W. Byrnes, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006 (for Cabot Corp.).

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C. 20003.
B. Ferro Corp., Cataphote Division; P.O. Box 2369, Jackson, Miss. 39205; General Steel Industries, Inc., Flex-O-Lite Division, P.O. Box 4366, St. Louis, Mo. 63123.
D. (6) $3,000.

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C. 20003.
B. Gulf & Western Industries, Inc., 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $4,000.

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C. 20003.
B. LFE Corp., 1601 Trapelo Road, Waltham, Mass. 02154; Safetran Systems Corp., 7721 National Turnpike, Louisville, Ky. 40214.
D. (6) $3,750.

A. Arthur E. Cameron, 499 South Capitol Street SW., Suite 110, Washington, D.C. 20003.
B. Prismo Universal Corp., 300 Lanidex Plaza, Parsippany, N.J. 07054., et al.
D. (6) $5,499.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. ACLI International, Inc., New York City, N.Y.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. Champlin Petroleum Co., 345 Park Avenue, New York, N.Y. 10022.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. Chemical Manufacturer's Association, 1825 Connecticut Avenue NW., Suite 401, Washington, D.C. 20009.
D. (6) $1,500.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. Committee of Railroad Shippers, 2550 M Street NW., 8th floor, Washington, D.C. 20037.
D. (6) $1,287.50

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. Eastern Central Motor Carrier Association, Inc., P.O. Box 3600, Akron, Ohio 44310.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. Louisiana Gasification Associates, 1 Gateway Center, Pittsburgh, Pa. 15222.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. Mobil Oil Corp.; 150 East 42d Street, 30th floor, New York City, N.Y. 10017.
D. (6) $1,612.50.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. Occidental Petroleum Corp., 10889 Wilshire Boulevard, Suite 1500, Los Angeles, Calif.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. Offshore Marine Services Association, Suite G, 2701 Houma Boulevard, Metairie, La. 70002.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. Pennzoil Co., Suite 602, 1155 15th Street NW., Washington, D.C. 20005.

D. (6) $300.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. PPG Industries, Inc., 1 Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $150.

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. Rocky Mountain Energy Corp., 345 Park Avenue, New York, N.Y. 10022

A. Camp, Carmouche, Palmer, Barsh & Hunter, 2550 M Street, Suite 695, Washington, D.C. 20037.
B. Union Pacific Railroad, 345 Park Avenue, New York, N.Y. 10022.
D. (6) $150.

A. Camp, Carmouche, Palmer, Barsch & Hunter, 2550 M Street NW., Suite 695, Washington, D.C. 20037.
B. U.S. League of Savings Associations, 111 East Wacker Drive, Chicago, Ill. 60601.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. Aetna Life & Casualty Co., 151 Farmington, Avenue, Harford, Conn. 06115.
D. (6) $29,500. E. (9) $217.92.

A. Caplin & Drysdale, 1101 17th Street NW., Washington, D.C. 20036.
B. American Family Life Assurance Co. of Georgia, P.O. Box 1459, Columbus, Ga. 31902.

A. Charles T. Carroll, Jr., 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington D.C. 20006.
D. (6) $2,500. E. (9) $500.

A. Joseph L. Carter, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington D.C. 20036
D. (6) $560. E. (9) $41.33.

A. John J. Castellani, National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
B. National Association of Manufacturers, 1776 F Street NW., Washington, D.C. 20006.
D. (6) $660. E. (9) $11.50.

A. Catholics for a Free Choice, Inc., 1411 K Street NW., Suite 430, Washington, D.C. 20005.
D. (6) $8,516.

A. Cayman Turtle Farm, Ltd., P.O. Box 645, Grand Cayman Island, Cayman Islands, British West Indies.
E. (9) $250

A. Central Lincoln People's Utility District, 255 SW., Coast Highway, Newport, Oreg. 97365.
E. (9) $1,935.20

A. Steven M. Champlin, Vietnam Veterans of America, Inc., 329 8th Street NE., Washington, D.C. 20002.
B. Vietnam Veterans of America, Inc., 212 Fifth Avenue, Room 703, New York, N.Y. 10010.
D. (6) $1,050. E. (9) $1,218.84.

A. Yvonne Chicoine, American Conservative Union, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Conservative Union, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Ashland Oil, Inc., 1401 Winchester Avenue, Ashland, Ky. 41101.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Crown Central Petroleum Corp., 1 North Charles, P.O. Box 1168, Baltimore, Md. 21203.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Petroleum Refining & Supply, Sdad., Ltda., 1270 Avenue of the Americas, Suite 2308, New York, N.Y. 10020.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Processors, 4100 One Shell Square, New Orleans, La. 70139.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Seaview Petroleum Co., P.O. Box 231, Blue Bell, Pa. 19422.

A. Cladouhos & Brashares, 1750 New York Avenue NW., Washington, D.C. 20006.
B. Toyota Motor Sales, U.S.A., 2055 West 190th Street, Torrance, Calif., 90504.

A. Donald D. Clancy, 7403 Greenfarms Drive, Cincinnati, Ohio 45224.
B. Tele-Press Associates, Inc., 341 East 79th Street, New York, N.Y. 10021; (for Japan Fisheries Association).
D. (6) $6,500. E. (9) $2,447.15.

A. Kimball Clark, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $497.64. E. (9) $266.74.

A. Clean Water Action Project, Suite 200, 1341 G Street NW., Washington, D.C. 20005.
D. (6) $102,533. E. (9) $3,076.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Columbia Nitrogen Corp., P.O. Box 1483, Augusta, Ga. 30903; Nipro, Inc., P.O. Box 1483, Augusta, Ga. 30903.
D. (6) $375. E. (9) $29.30.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Sporting Arms and Ammunition Manufacturers Institute, 420 Lexington Avenue, New York, N.Y. 10017.

A. Cleary, Gottlieb, Steen & Hamilton, 1250 Connecticut Avenue NW., Washington, D.C. 20036.
B. Synthetic Organic Chemical Manufacturers Association, 1075 Central Park Avenue, Scarsdale, N.Y. 10583.

A. Ronald D. Clements, 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $1,525. E. (9) $425.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. National Tour Brokers Association, Inc., 120 Kentucky Avenue, Lexington, Ky. 40502.
E. (9) $16.

A. Clifford & Warnke, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. The Proprietary Association, 1700 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Charles M. Clusen, The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $5,652.91. E. (9) $189.

A. Jerry S. Cohen, Suite 708, 1776 K Street NW., Washington, D.C. 20006.
B. Service Station Dealers of America, Inc., 2021 K Street NW., Washington, D.C. 20006.
D. (6) $3,000.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.
B. Estate of Sylvia S. Buring, 1837 Harbor Avenue, Memphis, Tenn. 38113.
E. (9) $306.93.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.
B. Northwest Energy Co., 315 East 200 South, Salt Lake City, Utah 84111.
D. (6) $17,092.50. E. (9) $722.21.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.
B. Pan American World Airways, Inc., Pan Am Building, New York, N.Y. 10017
D. (6) $18,600 E. (9) $153.23.

A. Cohen & Uretz, 1775 K Street NW., Washington, D.C. 20006.
B. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33138.
D. (6) $12,515. E. (9) $97.76

A. Timothy A. Colcord, 1620 I Street NW., Washington, D.C. 20006.
B. Visa, U.S.A., Inc., 300 Clearview Way, San Mateo, Calif. 94403.
D. (6) $6,875. E. (9) $4,497.75

A. Collier, Shannon, Rill & Scott, 1055 Thomas Jefferson Street NW., Washington, D.C. 20007.
B. Allegheny Ludlum Industries, Inc., Two Oliver Plaza, Pittsburgh, Pa. 15222.

A. Frank Collins, 1126 16th Street NW., Washington, D.C. 20036
B. Oil, Chemical & Atomic Workers International Union, 1636 Champa Street, Denver, Colo. 80201.
D. (6) $2,000.

A. Paul L. Collins, American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.
B. American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

A. Committee for 806.30 and 807, Inc., 1611 North Kent Street, Suite 800, Arlington, Va. 22209.
D. (6) $8,401.33 E. (9) $11,584.23

A. Stephen R. Conafay, 1700 Pennsylvania Avenue NW., No. 730, Washington, D.C. 20006.
B. Pfizer, Inc., 235 East 42d Street, New York, N.Y. 10017
D. (6) $450. E. (9) $256.45

A. George A. Conn, Paralyzed Veterans of America, 4350 East-West Highway, Suite 900, Washington, D.C. 20014.
D. (6) $30,000.

A. Stephen N. Conner, Route 1, Box 165, Easton, Md. 21601.
B. Ministry of Foreign Affairs, Kingdom of Saudi Arabia, care of Royal Embassy of

Saudi Arabia, 1520 18th Street NW., Washington, D.C.
D. (6) $10,000 E. (9) $1,236.82.

A. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.
E. (9) $82,483.44.

A. Harry N. Cook, 1130 17th Street NW., Washington, D.C. 20036.
B. Waterways Conference.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. Aleutian/Pribilof Islands Association Inc., 1689 C Street, Anchorage, Alaska 99501.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. Ashland Oil, Inc., P.O. Box 391, Ashland, Ky. 41101.
D. (6) $1,800.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. Bank of Louisville, 500 West Broadway, Louisville, Ky. 40202.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. Citizens Deposit Bank, P.O. Box 8, Vanceburg, Ky. 41179.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. Consolidated Natural Gas Co., Four Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $2,000.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. N.C. Machinery, Box 3562, Seattle, Wash. 98124.
D. (6) $500.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. Ohio Valley Improvement Association, Inc., 401 Carew Tower, Cincinnati, Ohio 45202.
D. (6) $750.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. Roadway Express, Inc., P.O. Box 471, 1077 Gorge Blvd., Akron, Ohio 44309.
D. (6) $1,524.50. E. (9) $50.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. St. George Tanaq Corp.
D. (6) $250.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. Texaco, Inc., 2000 Westchester Avenue, White Plains, N.Y. 10650.
D. (6) $1,000.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. Texas Gas Transmission Corp., 3800 Frederica Street, Owensboro, Ky. 42301.
D. (6) $2,000. E. (9) $139.75.

A. Cook, Purcell, Hansen & Henderson, 1015 18th Street NW., Washington, D.C. 20036.
B. The Tobacco Institute, 1875 I Street NW., 8th floor, Washington, D.C. 20006.
D. (6) $5,000. E. (9) $91.57.

A. Edward Cooney, Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $7443.53. E. (9) $19.75

A. P. H. Corcoran, Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.
B. Association of Oil Pipe Lines, 1725 K Street NW., Washington, D.C. 20006.

A. Allan D. Cors, Corning Glass Works, 1800 K Street, Suite 1104, Washington, D.C. 20006.
B. Corning Glass Works, Corning, N.Y. 14830.
D. (6) $300.

A. William R. Corson, 1707 H Street NW, Washington, D.C. 20006.
B. Penthouse International Ltd., 1707 H Street NW., Washington, D.C. 20006.
D. (6) $8,750. E. (9) $6,180.

A. Diane M. Costenoble, 815 16th Street NW., Washington, D.C. 20006.
B. Food and Beverage Trades Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $340.87. E(9) $5.65.

A. Council of Industrial Boiler Owners, 11222 Silverleaf Drive, Fairfax Station, Va. 22039.
E. (9) $300.

A. Roger C. Courtney, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.

A. Covington & Burling, 888 16th Street NW., Washington, D.C. 20006.
B. Association of Maximum Service Telecasters, Inc., 1735 DeSales Street NW., Washington, D.C. 20036.
D. (6) $200.

A. Kenneth A. Cox, 1150 17th Street NW., Washington, D.C. 20036.
B. MCI Communications Corp., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $6,669. E. (9) $42.40.

A. Cramer & Lipsen, 1700 Pennsylvania Avenue NW., Suite 500, Washington, D.C. 20006.
B. National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005.

A. Cramer & Lipsen, 1700 Pennsylvania Avenue NW., Suite 550, Washington, D.C. 20006.
B. U.S. and Overseas Employee Tax Fairness Committee, 1101 15th Street NW., Suite 1000, Washington, D.C. 20005.
D. (6) $7,500.

A. Richard C. Creighton, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $5,000. E. (9) $500.

A. James H. Cromwell, Sr., 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $3,000. E. (9) $500.

A. Cummins Engine Co., Inc., Columbus, Ind. 47201.

A. William Cunningham, P.O. Box 1184, Helena, Mont. 59601.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C.
D. (6) $336.89. E. (9) $46.60.

A. Henry G. Curtis, 2121 Fifth Avenue, Seattle, Wash. 98121.
B. Industrial Customers of BPA, 464 Lloyd Building, 700 Northeast Multnomah Street, Portland, Oreg. 97232.
D. (6) $275. E. (9) $797.98.

A. Jay B. Cutler, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $4,257. E. (9) $882.10.

A. Daniels, Houlihan & Palmeter, 1819 H Street NW., No. 340, Washington, D.C. 20006.
B. American Importers Association, 11 West 42d Street, New York, N.Y. 10036.
D. (6) $3,750. E. (9) $634.62.

A. Daniels, Houlihan & Palmeter, P. C., 1819 H Street NW., Washington, D.C. 20006.
B. Korean Traders Association, 10-1, 2-KA Hoehyun-Dong, Chung Ku, Seoul, Korea.

A. John L. Davidson, Jr., The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63101.
B. The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63101.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. Agrico Chemical Co., P.O. Box 3166, Tulsa, Okla. 74101.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. Anheuser-Busch, Inc., 721 Pestalozzi Street, St. Louis, Mo. 63118.
D. (6) $1,500.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. Beneficial Corp., Wilmington, Del.
D. (6) $5,000.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. C.I.T. Financial Corp., 650 Madison Avenue, New York, N.Y. 10022.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. Dial Finance Corp., 207 Ninth Street, Des Moines, Iowa 50307.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. Hormel Foundation, Austin, Minn. 55912.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. Ingersoll-Rand Co., Woodcliff Lake, N.J. 07675

D. (6) $1,000.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. International Paper Co., 220 East 42d Street, New York, N.Y. 10017.
D. (6) $1,500.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. Kellogg Co., 235 Porter Street, Battle Creek, Mich. 49016.
D. (6) $7,500.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. W.K. Kellogg Foundation, Battle Creek, Mich. 49016.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. Rohm & Haas Co., Independence Mall West, Philadelphia, Pa. 19105.
D. (6) $1,000.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. United States Brewers Association, Inc., 1750 K Street NW., Washington, D.C. 20006.
D. (6) $10,950.

A. Dawson, Riddell, Fox, Holroyd & Wilson, 723 Washington Building, Washington, D.C. 20005.
B. The Williams Companies, One Williams Center, Tulsa, Okla. 74101.

A. Brian Deery, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Tania L. Demchuk, 499 South Capitol Street SW., Suite 401, Washington, D.C. 20003.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $100.

A. Dewey, Ballantine, Bushby, Palmer & Wood, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. American Can Co., American Lane, Greenwich, Conn. 06830.

A. Dewey, Ballantine, Bushby, Palmer & Wood, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Edgar Schwalbold, 307 North Harrison Street, Lansing, Mich. 49431.

A. Nancy Dietz, 45 Everett Street, Newton Center, Mass. 02159; and 46 Austin Street, Newtonville, Mass. 02160.
B. Action for Children's Television, 46 Austin Street, Newtonville, Mass. 02160.
D. (6) $500. E. (9) $24.36.

A. Timothy V. A. Dillon, 1850 K Street NW., No. 780, Washington, D.C. 20006.
B. Westlands Water District, P.O. Box 5222, Fresno, Calif. 93755.
D. (6) $3,324.66. E. (9) $199.66.

A. John D. Doherty, Jr., Chase Manhattan Bank, 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10081.
D. (6) $106.75. E. (9) $38.37.

A. Julie Domenick, Municipal Labor Committee, 818 18th Street NW., Suite 750, Washington, D.C. 20036.
B. Municipal Labor Committee, 140 Park Place, New York, N.Y. 10007.
D. (6) $9,936.51. E. (9) $1,619.85.

A. Domestic Petroleum Council, 1101 Connecticut Avenue NW., No. 500, Washington, D.C. 20036.

A. Domestic Wildcatters Association, 900 First City National Bank Building, Houston, Tex. 77002.
D. (6) $25,000. E. (9) $9,796.26.

A. Leo J. Donahue, 230 Southern Building, Washington, D.C. 20005.
B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. H. Eugene Douglas, Memorex Corp., 1970 Chain Bridge Road, McLean Va. 22102.
B. Memorex Corp., San Tomas at Central Expressway, Santa Clara, Calif. 95052.
D. (6) $5,000.

A. Theodore Douglas, 2501 59th Street, St. Louis, Mo. 63130.
B. Conference of Painters and Allied Trades, 2501 59th Street, St. Louis, Mo. 63130.
E. (9) $571.43.

A. Richard Morgan Downey, American Speech and Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.
B. American Speech and Hearing Association, 10801 Rockville Pike, Rockville, Md. 20852.
D. (6) $7,250.

A. Beatrice P. Doyle, 1638 Rose Street, Pittsburgh, Pa. 15218.
B. Alaska Coalition, 530 7th Street SE., Washington, D.C. 20003.
D. (6) $994.73.

A. Jerome L. Dreyer, 1300 North 17th Street, Suite 300, Arlington, Va. 22209.
B. Association of Data Processing Services Organizations, Inc., 1300 North 17th Street, Suite 300, Arlington, Va. 22209.

A. C. R. Duggan, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $800. E. (9) $600.

A. Francis J. Duggan, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $718.61. E. (9) $219.60.

A. Michael V. Durando, American Farm Bureau Federation, 425 13th Street NW., Washington, D.C. 20004.
B. American Farm Bureau Federation, 225 Touhy Avenue, Park Ridge, Ill. 60068.
D. (6) $3,250. E. (9) $43.

A. R. Ken Dyar, 1620 Southeast 127th Avenue, Vancouver, Wash. 98664.
B. Central Lincoln People's Utility District, 255 Southwest Coast Highway, Newport, Oreg. 97365.
D. (6) $452.45. E. (9) $296.44.

A. Harold F. Eberle, Independent Insurance Agents of America, Inc., 1120 19th Street NW., Suite 503, Washington, D.C. 20036.
B. Independent Insurance Agents of America, Inc., 85 John Street, New York, N.Y. 10038.
D. (6) $3,870.20.

A. Ed Edmondson, P.O. Box 11, Muskogee, Okla. 74401.
B. Doss Aviation, Inc., P.O. Box 725, Fort Rucker, Ala. 36360.

A. Phyllis Eisen, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $328. E. (9) $28.

A. Adelaide K. Eisenmann, 607 G Street SW., Washington, D.C. 20024.
B. Panamanian Committee for Human Rights, 5700 Southwest 59th Court, Miami, Fla. 33143.

A. Richard Eisemann, 607 G Street SW., Washington, D.C. 20024.
B. Panamanian Committee for Human Rights, 5700 Southwest 59th Court, Miami, Fla. 33143.
E. (9) $49.80.

A. Jonathan P. Ela, Sierra Club, 142 W. Gorham Street, Madison, Wisc. 53703.
B. Sierra Club, 530 Bush Street, San Francisco, Calif 94108.
D. (6) $960. E. (9) $3,015.19.

A. Jane E. Elder, Sierra Club, 142 West Gorham Street, Madison, Wis. 53703.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $1,000.

A. John Ellis, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Dorothy A. Ellsworth, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
B. International Association of Machinists & Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $4,868.85. E. (9) $97.65.

A. Joseph T. Elvove, 54 Surfwatch Drive, Kiawah Island, S.C. 29455.
B. Publicker Industries, Inc., 777 West Putnam Avenue, Greenwich, Conn. 06830.
D. (6) $14,250. E. (9) $8,434.83.

A. Carl F. Emde, Air Products & Chemicals, Inc., 1800 K Street NW., Suite 1016, Washington, D.C. 20006.
B. Air Products & Chemicals, Inc., P.O. Box 538, Allentown, Pa. 18105.
D. (6) $50.

A. Christopher Engquist, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Vickie Erickson, Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $600.

A. John M. Erskine, Jr., 1108 Lavaca, Suite 400, Austin, Tex. 78701.
B. Standard Oil Co. (Indiana), P.O. Box 3092, Houston, Tex. 77001.
D. (6) $769.23. E. (9) $58.59.

A. Thomas E. Esterly, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.

B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $6,000. E. (9) $45.35.

A. Evans Products Co., 1121 South West Salmon Street, Portland, Oreg. 97205.

A. William J. Evans, 1800 K Street NW., Washington, D.C. 20006.
B. Pan American World Airways, 1800 K Street NW., Washington, D.C. 20006.
D. (6) $85.00. E. (9) $93.

A. Dale W. Fallat, First Federal Building, 5740 Southwyck Boulevard, Toledo, Ohio 43614.
B. The Andersons, P.O. Box 119, Maumee, Ohio 43537.
D. (6) $525. E. (9) $180.

A. Michael I. Fanning, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Far West Ski Association, 3325 Wilshire, Suite 1340, Los Angeles, Calif. 90010.
E. (9) $1,164.60.

A. Clinton Fawcett, The Coastal Corp., 9 Greenway Plaza, Houston, Tex. 77046.
B. The Coastal Corp., 9 Greenway Plaza, Houston, Tex. 77046.

A. Federal Express Corp., P.O. Box 727, Memphis, Tenn. 38194.
E. (9) $29,079.73.

A. Federation for American Immigration Reform, 2028 P Street NW., Washington, D.C. 20036.
E. (9) $2,399.30.

A. Bradford L. Ferguson, 1 First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Chicago Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $1,350. E. (9) $373.15.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. Alascom, 949 East 36th Avenue, Anchorage, Alaska 99502.
D. (6) $2,600. E. (9) $650.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NW., Washington, D.C. 20002
B. Alaska International Industries, 3201 C Street, Suite 600, Anchorage, Alaska 99503.
D. (6) $1,900. E. (9) $675.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002.
B. Northwest Alaskan Pipeline Co., P.O. Box 1526, Salt Lake City, Utah 84110.
D. (6) $5,100. E. (9) $690.

A. Jack Ferguson Associates, Inc., 203 Maryland Avenue NE., Washington, D.C. 20002
B. U.S. Borax & Chemical Corp., 3075 Wilshire Boulevard, Los Angeles, Calif. 90010.
D. (6) $12,850. E. (9) $810.

A. Theodora Fine, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $1,786. E. (9) $743.08.

A. William C. Finneran, Jr., 60 East 42d Street, Room 3510, New York, N.Y. 10165.

The General Contractors Association of New York, Inc., 60 East 42d Street, New York, N.Y. 10165.

A. First Congressional District Action Committee, 6 Maxfield Court, Barrington, R.I. 02806.
E. (9) $197.01.

A. First Pro-Life Congressional District Action Committee, 10 North 77th Avenue, Pensacola, Fla. 32506.
D. (6) $60.

A. David M. Fitzgerald, 205 The Strand, Alexandria, Va. 22314.
B. Goodyear Aerospace Corporation, 1210 Massillon Road, Akron, Ohio 44315.
D. (6) $1,500.

A. David M. Fitzgerald, 205 The Strand, Alexandria, Va. 22314.
B. Litton Data Systems, P.O. Box 7601, Van Nuys, Calif. 91409.
D. (6) $1,200.

A. Mary Clare Fitzgerald, The Chase Manhattan Bank, 900 17th Street NW., Washington, D.C. 20006.
The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10081.
D. (6) $255. E. (9) $38.37.

A. T. E. Fitzgerald, 18913 Quail Valley Boulevard, Gaithersburg, Md. 20760.
B. Household Finance Corp., HFC International Headquarters, 2700 Sanders Road, Prospect Heights, Ill. 60070.
D. (6) $3,317. E. (9) $1,509.40.

A. Five Freedoms, Inc., P.O. Box 656, Columbia, Md. 21045.

A. Charles D. Fleishman, 2625 Clearbrook Drive, Arlington Heights, Ill. 60005.
B. American Fishing Tackle Manufacturers Association, 2625 Clearbrook Drive, Arlington Heights Ill. 60005.
D. (6) $1,725. E. (9) $1,181.66.

A. Foley, Lardner, Hollabaugh & Jacobs, 1775 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Cabot Corporation and Subsidiaries, 125 High Street, Boston, Mass. 02110.

A. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
E. (9) $24,183.47.

A. Foodservice & Lodging Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. David H. Foster, Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 402, Washington, D.C. 20036.
B. Natural Gas Supply Association, 1025 Connecticut Avenue NW., Suite 402, Washington, D.C. 20036.
D. (6) $3,562.51. E. (9) $620.95.

A. Albert A. Fox, Allied Chemical Corp., 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Allied Chemical Corp., P.O. Box 3000-R, Morristown, N.J. 07960.
D. (6) $300. E. (9) $95.33.

A. William C. France, National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

A. William H. G. France, National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.
B. National Motorsports Committee of ACCUS, 1701 K Street NW., Suite 1204, Washington, D.C. 20006.

A. J. Dee Frankfourth, P.O. Box 493, Eagle River, Alaska 99577.
B. Alaska Coalition, 530 7th Street SE., Washington, D.C. 20003.
D. (6) $3,600. E. (9) $174.37.

A. David W. Freer, Western Oil & Gas Association, 2101 L Street NW., Suite 555, Washington, D.C. 20037.
B. Western Oil & Gas Association, 727 West 7th Street, Suite 850, Los Angeles, Calif. 90017.
D. (6) $825.

A. Pamela B. Freer, International Ladies' Garment Workers' Union, 1710 Broadway, New York, N.Y. 10019.
D. (6) $4,610. E. (9) $493.35.

A. Owen V. Frisby, The Chase Manhattan Bank, 900 17th Street NW., Washington, D.C. 20006.
B. The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N.Y. 10081.
D. (6) $1,050. E. (9) $132.85.

A. Gustave Fritschie, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Fisheries Institute, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
D. (6) $6,000. E. (9) $50.

A. Robert D. Fritz, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $2,560. E. (9) $1,800.

A. Cary F. Fulbright, Hill & Knowlton, 1425 K Street NW., Washington, D.C. 20005.
B. Hill & Knowlton, Inc., 633 Third Avenue, New York, N.Y. 10017 (for the Navajo Nation, Window Rock, Ariz. 86515).

A. G-4 Children's Coalition, 9309 Delfield Street, Chevy Chase, Md. 20015.
D. (6) $530.

A. Robert P. Gardner, Standard Brands Food Co., 1899 L Street NW., Washington, D.C. 20036.
B. Standard Brands Food Co., Standard Brands, Inc., 625 Madison Avenue, New York, N.Y. 10022.
D. (6) $700.

A. Theodore J. Garrish, 1607 New Hampshire Avenue NW., Washington, D.C. 20009.
B. American Metal Detectors Manufacturers, Inc., 2814 National Drive, Garland, Tex. 75041.

A. Marie Gavigan, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. The General Contractors Association of New York, Inc., 60 East 42d Street, Room 3510, New York, N.Y. 10165.
E. (9) $261.37.

A. General Instrument Corp., 1775 Broadway, New York, N.Y. 10019.
D. (6) $1500. E. (9) $514.19.

A. John Gentille, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Ak-Chin Indian Community Council, Route 2, Box 27, Maricopa, Ariz. 85239.
D. (6) $420.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Colville Business Council, Box 150, Nespelem, Wash. 99155.
D. (6) $2,416. E. (9) $41.32.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Commissioned Officers Association, U.S. Public Health Service, 1750 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $464.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Inter-Tribal Council of Arizona, 124 West Thomas Road, Phoenix, Ariz.
D. (6) $150.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. The Minnesota Chippewa Tribe, P.O. Box 217, Cass Lake, Minn. 55633.
D. (6) $478. E. (9) $42.37.

A. Gerard, Byler & Associates, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. Papago Tribe of Arizona, Box 837, Sells, Ariz. 85634.
D. (6) $714. E. (9) $4.

A. Gerard, Byler & Associated, Inc., 1100 17th Street NW., Suite 1100, Washington, D.C. 20036.
B. The Tulalip Tribes, 6700 Totem Beach Road, Marysville, Wash. 98270.
D. (6) $1,520. E. (9) $14.25.

A. William G. Giery, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Foodservice and Lodging Institute, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.

A. Larry Glantz, National Employment Law Project, 236 Massachusetts Avenue NE., Washington, D.C. 20002.
B. National Employment Law Project, 236 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $1,250. E. $640.

A. Robert G. Glavin, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,144.50.

A. Claude R. Glaze, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $800 E. (9) $600.

A. The Glenmede Trust Co., 229 South 18th Street, Philadelphia, Pa. 19103.

A. Carl Goldfield, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
B. American Public Power Association, 2600 Virginia Avenue NW., Suite 212, Washington, D.C. 20037.
D. (6) $500.

A. Neil B. Goldstein, Sierra Club, 800 Second Avenue, New York, N.Y. 10017.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $1,234.97. E. (9) $1,720.88.

A. Alfonso J. Gonzalez, National Association of Social Workers, Inc., 1425 H Street NW., Suite 600, Washington, D.C. 20005.
B. National Association of Social Workers, Inc., 1425 H Street NW., Suite 600, Washington, D.C. 20005.
D. (6) $9,000. E. (9) $670.

A. Michael R. Graul, Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.
B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.
D. (6) $1,000.

A. Ruth P. Graves, c/o RIF, Inc., 475 L'Enfant Plaza, Suite 4800, Washington, D.C. 20560.
B. Reading Is Fundamental, Inc., 475 L'Enfant Plaza, Suite 4800, Washington, D.C. 20560.
D. (6) $25. E. (9) $3.40.

A. The Great Atlantic & Pacific Tea Co., Inc., 2 Paragon Drive, Montvale, N.J. 07645.
E. (9) $79.90.

A. Mark Green, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Congress Watch, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. P. Michael Greenwald, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $476.19. E. (9) $23.20.

A. Richard J. Grunewald, 2033 K Street NW., Suite 200, Washington, D.C. 20006.
B. National Construction Employers Council, 2033 K Street NW., Suite 200, Washington, D.C. 20006.
D. (6) $2,625. E. (9) $1,138.79.

A. John T. Grupenhoff, Science and Health Communications Group, Inc., 1600 Research Boulevard, Suite 105, Rockville, Md. 20850.
B. Mego Corp., 41 Madison Avenue, New York, N.Y. 10010.
D. (6) $2,020.10. E. (9) $2,020.10.

A. David Gusky, National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
B. National Federation of Federal Employees, 1016 16th Street NW., Washington, D.C. 20036.
D. (6) $7,586.80.

A. Cheryl A. Haley, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $369.66. E. (9) $58.40.

A. Harry L. Hall, National Multiple Sclerosis Society, 1120 20th Street NW., S-520, Washington, D.C. 20036.
B. National Multiple Sclerosis Society, 205 East 42d Street, New York, N.Y. 10017.
D. (6) $4,500.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding (for MBPXL Corp.), 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
D. (6) $225.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding (for the National Campground Owners Association), Washington, D.C. 20036.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding (for Sun-Diamond Growers of California), 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
D. (6) $300.

A. Thomas A. Hammer, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding (for Western Growers Association), 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
D. (6) $500.

A. Handgun Control, Inc., 810 18th Street NW., Washington, D.C. 20006.
D. (6) $182,766.77. E. (9) $41,346.41.

A. Erling Hansen, Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
B. Group Health Association of America, Inc., 1717 Massachusetts Avenue NW., No. 701, Washington, D.C. 20036.
D. (6) $375.

A. Harrah's Inc., P.O. Box 10, Reno, Nev. 89504.
E. (9) $750.

A. Thomas R. Hendershot, Obermayer, Rebmann, Maxwell & Hippel, 2011 I Street NW., Suite 500, Washington, D.C. 20006.
B. Petroleum Heat & Power Co., 3000 Peltz Street, Philadelphia, Pa. 19145.
D. (6) $100.13.

A. Hercules, Inc., 910 Market Street, Wilmington, Del. 19899.
E. (9) $10,017.63.

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for Alvin Nederlander Association Inc.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $1,250.

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for American Family Life Assurance Co.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $1,250.

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for National Coal Consumer Alliance), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $1,250.

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for Trans World Airlines), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.

D. (6) $1,250.

A. Bert Ingalls Hickman, Jr., 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for Young Drug Products Corp.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $1,250.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Chicago Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.
D. (6) $1,350. E. (9) $373.15.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Commonwealth Edison Co., One First National Plaza, Chicago, Ill. 60603.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. First Chicago Corp. One First National Plaza, Chicago, Ill. 60670.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. National Association of Independent Insurers, 2600 River Road, Des Plaines, Ill. 60018.
D. (6) $1,485.

A. Federic W. Hickman, One First National Plaza, Chicago, Ill. 60603.
B. Northwest Industries, Inc., 6300 Sears Tower, Chicago, Ill.
D. (6) $1,100.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago Ill. 60603.
B. Peoples Energy Corp., 122 South Michigan Avenue, Chicago, Ill.
D. (6) $3,100.

A. Frederic W. Hickman, One First National Plaza, No. 5200, Chicago, Ill. 60603.
B. Trans Union Corp., 90 Half Day Road, Lincolnshire, Ill. 60015.

A. E. Joseph Hillings, P.O. Box 44, Winter Park, Fla. 32790.
B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.
E. (9) $4,031.99.

A. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.
E. (9) $1,200.

A. Howell Corp., 800 Houston Natural Gas Building, Houston, Tex. 77002.

A. Cordell W. Hull, 497 Stockbridge Avenue, Atherton, Calif. 94025.
B. Bechtel Power Corp., 50 Beale Street, P.O. Box 3965, San Francisco, Calif. 94119.

A. Gregory A. Humphrey, American Federation of Teachers, AFL-CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, AFL-CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $10,174.08. E. (9) $130.

A. Robert C. Hunt, Cooperative Food Distributors of America, 1910 K Street NW., Suite 700, Washington, D.C. 20006.
B. Cooperative Food Distributors of America, 1910 K Street NW., Suite 700, Washington, D.C. 20006.

A. Hydeman, Mason & Goodell, 1220 19th Street NW., Washington, D.C. 20036.
B. States Line, 320 California Street, San Francisco, Calif. 94101.
D. (6) $21,475. E. (9) $42.05.

A. Independent Bankers Association of America, 1625 Massachusetts Avenue NW., Suite 202, Washington, D.C. 20036.
B. Independent Bankers Association of America, 1168 South Main Street, Sauk Centre, Minn. 56378.
D. (6) $82,889. E. (9) $63,390.01.

A. Independent Data Communications Manufacturer Association Inc., 1735 New York Avenue NW., Washington, D.C. 20006.
D. (6) $19,592.70. E. (9) $19592.70.

A. Independent Local Newspaper Association, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500. E. (9) $7,500.

A. Nancy J. Ingalsbee, 3325 Wilshire, Suite 1340, Los Angeles, Calif. 90010.
B. Far West Ski Association, 3325 Wilshire, Suite 1340, Los Angeles, Calif. 90010.
D. (6) $435. E. (9) $729.60.

A. Deborah A. Insley, General Motors Corp., 1660 L Street NW., Suite 800, Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $299.34.

A. Institute of Foreign Bankers, 200 Park Avenue, Suite 303 East, Room 23, New York, N.Y. 10017
D. (6) $500. E. (9) $500.

A. International Association of Bridge, Structural, and Ornamental Ironworkers, AFL-CIO, 1750 New York Avenue NW., Washington, D.C. 20006.
E. (9) $8,580.

A. International Association of Machinists, and Aerospace Workers, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
E. (9) $19,931.45.

A. International Communications Association, P.O. Box 10013, Houston, Tex. 77206.
E. (9) $637.50.

A. International Union of Bricklayers and Allied Craftsmen, 815 15th Street NW., Washington, D.C. 20005.
E. (9) $5,075.56.

A. International Union of Operating Engineers, 1125 17th Street NW., Washington, D.C. 20036.
E. (9) $7,875.

A. John D. Isaacs, Council for a Livable World, 100 Maryland Avenue NE., Washington, D.C. 20002.
B. Council for a Livable World, 11 Beacon Street, Boston, Mass. 02108.
D. (6) $4,788.48.

A. Walter K. Jaenicke, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $5,000.

A. E. A. Jaenke & Associates, Inc., 1575 I Street NW., Suite 230, Washington, D.C. 20005.
B. Cooperative League of the USA, 1828 L Street NW., Washington, D.C. 20036
D. (6) $1,000.

A. E. A. Jaenke & Associates, Inc., 1575 I Street NW., Suite 230, Washington, D.C. 20005.
B. Farmland Industries, Kansas City, Mo.
D. (6) $500.

A. E. A. Jaenke & Associates, Inc., 1575 I Street NW., Suite 230, Washington, D.C. 20005.
B. University of Kansas, Lawrence, Kans.
D. (6) $250.

A. Margo L. James, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $3,997.50. E. (9) $195.12.

A. Joseph A. Jeffrey, American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
D. (6) $164.85. E. (9) $42.95.

A. A. W. Jessup, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y. 10020.
E. (6) $524.79.

A. Stuart H. Johnson, Jr., 910 17th Street NW., Washington, D.C. 20006.
B. New York Dock Railway & Brooklyn Eastern District Terminal, 334 Furman Street, Brooklyn, N.Y. 11201.
D. (6) $6,975. E. (9) $20.50.

A. David Johnston, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Joint Maritime Congress, 444 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
D. (6) $14,963.21. E. (9) $14,963.21.

A. Allan R. Jones, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $8,000. E. (9) $1,194.32.

A. Charlie W. Jones, Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036
B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036
D. (6) $300.

A. Ernest W. Jones, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. H. Richard Kahler, Caterpillar Tractor Co., 1850 K Street NW., Suite 925, Washington, D.C. 20006.
B. Caterpillar Tractor Co., 100 Northeast Adams Street, Peoria, Ill. 61629.
D. (6) $2,500. E. (9) $3,302.38.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for Alvin Nederlander Associates), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $1,250.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for American Family Life Assurance Co.), 1625 Massachusetts

Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $1,250.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for the Cordage Institute), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $1,250.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for Knoxville International Energy Exposition (KIEE)), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $1,250.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for National Coal Consumer Alliance), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $1,250.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for Trans World Airlines), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $1,250.

A. Robert J. Keefe, 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
B. The Keefe Co. (for Westinghouse Electric Corp.), 1625 Massachusetts Avenue NW., No. 505, Washington, D.C. 20036.
D. (6) $1,250.

A. Harold V. Kelly, Republic Steel Corp., 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corporation, Republic Building, Cleveland, Ohio 44101.

A. James J. Kennedy, Jr., Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $7,000. E. (9) $800.

A. Peter B. Kenney, National Broadcasting Company, Inc., 1800 K Street NW., Washington, D.C. 20006.
B. National Broadcasting Company, Inc., 1800 K Street NW., Washington, D.C. 20006.
D. (6) $1,770. E. (9) $182.82.

A. Dennis M. Kies, 2900 Power & Light Building, Kansas City, Mo. 64105.

A. William S. Kies, Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
B. Food Marketing Institute, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $750.

A. Roberta D. Kimball, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. James L. Kimble, American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.
B. American Insurance Association, 1025 Connecticut Avenue, Suite 415, Washington, D.C. 20036.
D. (6) $40. E. (9) $12.

A. John M. Kinnaird, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $10,000. E. (9) $661.39.

A. Janie A. Kinney, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Twin Coasts Newspaper, Inc., the Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. Peter Kirby, the Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $3,155.64. E. (9) $38.

A. Donald R. Kirtley, Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $625. E. (9) $148.

A. Richard P. Kleeman, Association of American Publishers, Inc., 1707 L Street NW., No. 460, Washington, D.C. 20036.
B. Association of American Publishers, Inc., 1707 L Street NW., No. 460, Washington, D.C. 20036.

A. Jerry D. Klepner, National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.
B. National Treasury Employees Union, 1730 K Street NW., Suite 1101, Washington, D.C. 20006.
D. (6) $12,000. E. (9) $1,291.13.

A. Peter E. Knight, Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.
B. Federal National Mortgage Association, 3900 Wisconsin Avenue NW., Washington, D.C. 20016.
D. (6) $5,200. E. (9) $422.37.

A. Jeanne P. Kowalski, Southern Pacific Communications Co., 1801 K Street NW., Suite 221, Washington, D.C. 20006.
B. Southern Pacific Communications Co., P.O. Box 974, Burlingame, Calif. 94010.
D. (6) $3,120. E. (9) $125.27.

A. Louis C. Kramp and Associates, 1919 Pennsylvania Avenue NW., Suite 301, Washington, D.C. 20006.
B. Harrah's, Inc., P.O. Box 10, Reno, Nev. 89504.
D. (6) $750.

A. Louis C. Kramp & Associates, 1919 Pennsylvania Avenue NW, No. 301, Washington, D.C. 20006.
B. Holiday Inns, Inc., 3742 Lamar Avenue, Memphis, Tenn. 38118.
D. (6) $1,200.

A. Louis C. Kramp and Associates, 1919 Pennsylvania Avenue, Suite 301, Washington, D.C. 20006.
B. National Association of Homes for Children, 200 South Tyron Street, Suite 1500, Charlotte, N.C. 28202.
D. (6) $2,700.

A. Louis C. Kramp & Associates, 1919 Pennsylvania Avenue NW, No. 301, Washington, D.C. 20006.
B. ServiceMaster Industries, Inc., 2300 Warrenville Road, Downers Grove, Ill. 60515.
D. (6) $4,500.

A. Joseph Kuchler, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,334.64. E. (9) $22.42.

A. Kutak Rock & Huie, 1650 Farnam Street, Omaha, Nebraska 68102.
B. E. F. Hutton & Company Inc., 1 Battery Park Plaza, New York, N.Y. 10004.

A. Peter M. Lafen, 530 Seventh Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 530 Seventh Street SE., Washington, D.C. 20003.
D. (6) $2,530.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. National Potato Council, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. James H. Lake, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
B. Nelson & Harding, 1101 Connecticut Avenue, Suite 800, Washington, D.C. 20036 (for Western Growers Assn.).

A. A. M. Lampley, United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.
B. United Transportation Union, 400 First Street NW., Suite 704, Washington, D.C. 20001.

A. Wayne R. LaPierre, Jr., 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
B. National Rifle Association of America, 1600 Rhode Island Avenue NW., Washington, D.C. 20036.
D. (6) $750. E. (9) $100.

A. George H. Lawrence, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $391.

A. Kenneth L. Lay, 641 Lugano, Winter Park, Fla. 32789.
B. Slurry Transport Association.

A. Kenneth A. Lazarus, 1625 K Street NW., Washington, D.C. 20006.
B. Boettcher & Co., Denver, Colo..
D. (6) $100. E. (9) $150.

A. Lead-Zinc Producers Committee, 1320 19th Street NW., Suite 600, Washington, D.C. 20036.
D. (6) $32,000. E. (9) $32,874.55.

A. Robert F. Lederer, 230 Southern Building, Washington, D.C. 20005.
B. American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005.

A. Lee, Toomey & Kent, 1200 18th Street NW., Washington, D.C. 20036.
B. Towers, Perrin, Forster & Crosby, Inc., Center Square West, 1500 Market Street, Philadelphia, Pa. 19102.

A. David A. Leff, Joint Maritime Congress, 444 North Capitol Street NW., Suite 801, Washington, D.C. 20001.
B. Joint Maritime Congress, 444 North Capitol Street NW., Suite 800, Washington, D.C. 20001.
D. (6) $389.42.

A. Leighton Conklin, Lemov & Jacobs, 2033 M Street NW., Suite 800, Washington, D.C. 20036.

B. American Psychoanalytic Association.

A. Daniel W. Lenehan, 15 Brook Street, Cohasset, Mass. 02025.
B. The Boston Shipping Association, Inc., 223 Lewis Wharf, Boston, Mass. 02110.
D. (6) $4,620.

A. Kaye C. Leonard, 1015 15th Street NW., Suite 801, Washington, D.C. 20005.
B. Potlatch Corp., P.O. Box 3591, San Francisco, Calif. 94119.
D. (6) $7,500.

A. Leva, Hawes, Symington, Martin & Oppenheimer, 815 Connecticut Avenue NW., Washington, D.C. 20006.
B. Cooperative for America Relief Everywhere, Inc., 660 First Avenue, New York, N.Y. 10016.
D. (6) $400. E. (9) $505.25.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.
B. Association of American Railroads, American Railroad Building, Washington, D.C.
D. (6) $2,000.

A. Morris J. Levin, 1050 17th Street NW., Washington, D.C. 20036.
B. Independent Local Newspaper Association, Suite 701, 1050 17th Street NW., Washington, D.C. 20036.
D. (6) $7,500.

A. Charles L. Lewis, American Personnel Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.
B. American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

A. Lewis, Rice, Tucker, Allen & Chubb, 611 Olive Street, St. Louis, Mo. 63101.
B. The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63101.
D. (6) $134.93. E. (9) $8.46.

A. Lewis, Rice, Tucker, Allen & Chubb, 611 Olive Street, St. Louis, Mo. 63101.
B. Spectrum Emergency Care, Inc., 970 Executive Parkway, St. Louis, Mo. 63141.
D. (6) $4,327.50. E. (9) $299.98.

A. Stuart A. Lewis, Suite 300, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Manufacturers Hanover Corp. 350 Park Avenue, New York, N.Y. 10022.
D. (6) $1,000.

A. Stuart A. Lewis, Suite 300, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Bank of Detroit, P.O. Box 116, Detroit, Mich, 48232.
D. (6) $400.

A. Stuart A. Lewis, Suite 300, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Seattle First National Bank, P.O. Box 3586, Seattle, Wash. 98124.
D. (6) $400.

A. Lillick, McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036 and 2 Embarcadero Center, San Francisco, Calif. 94111.
B. Pacific Maritime Association, 635 Sacramento Street, San Francisco, Calif. 94120.
D. (6) $11,908.30. E. (9) $631.24.

A. Charles B. Lipsen, 1700 Pennsylvania Avenue NW., Suite 550, Washington, D.C. 20006.
B. Hoffman, Hendry, Stoner, Sims & Sawicki, 215 East Central Boulevard, Orlando, Fla. 32801 and Global Exploration & Development Corp., 1414 Collins Avenue, Lakeland, Fla. 33801.

A. Charles B. Lipsen, 1700 Pennsylvania Avenue NW., Suite 550, Washington, D.C. 20006.
B. National Constructors Association, 1101 15th Street NW., Washington, D.C. 20005.

A. Charles B. Lipsen, 1700 Pennsylvania Avenue NW., Suite 550, Washington, D.C. 20006.
B. U.S. & Overseas Employees Tax Fairness Commission, 1101 15th Street NW., No. 1000, Washington, D.C. 20005.
D. (6) $7,500.

A. Janice C. Lipsen, 900 17th Street NW., Suite 504, Washington, D.C. 20006.
B. Counselors for Management, Inc., 900 17th Street NW., Suite 504, Washington, D.C. 20006.
D. (6) $4,000.

A. David A. Litvin, 1111 19th Street NW., Suite 310, Washington, D.C. 20036.
B. Kennecott Corp., 10 Stamford Forum, Stamford, Conn. 06904.
D. (6) $500. E. (9) $58.10.

A. Robert R. Locklin, 1707 H Street NW., Washington, D.C. 20006.
B. California Savings & Loan League, 9800 South Sepulveda Boulevard, Los Angeles, Calif. 90045.
D. (6) $7,500.

A. Law Offices of Sheldon I. London, 1725 DeSales Street NW., Suite 401, Washington, D.C. 20036.
B. American Hardware Manufacturers Association, 117 East Palatine Road, Palatine, Ill. 60067.
D. (6) $1,500.

A. Timothy B. Lovain, New Directions, 305 Massachusetts Avenue NE, Washington, D.C. 20002.
B. New Directions, 305 Massachusetts Avenue NE., Washington, D.C. 20002.
D. (6) $2,749.98.

A. Robert C. Lower, Alston, Miller & Gaines, 1200 C. & S. National Bank Building, Atlanta, Ga. 30335.
B. Board of Trade Clearing Corp., 141 West Jackson Boulevard, Chicago, Ill. 60604.

A. Suellen Lowry, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $4,811.17.

A. Charles Emmet Lucey, McDermott, Will & Emery, 1850 K Street NW., Suite 500, Washington, D.C. 20006.
B. Catholic Press Association, 119 North Park Avenue, Rockville Centre, N.Y. 11570.

A. Charles Emmet Lucey, McDermott, Will & Emery, 1850 K Street NW., Suite 500, Washington, D.C. 20006.
B. Food Fair, Inc., 6500 North Andrews Avenue, Fort Lauderdale, Fla. 33309.
D. (6) $1,000. E. (9) $30.

A. Charles Emmet Lucey, McDermott, Will & Emery, 1850 K Street NW., Suite 500, Washington, D.C. 20006.
B. National League for Nursing, 10 Columbus Circle, New York, N.Y. 10019.

A. William F. Ludlam, Sr., P.O. Box 5282, Virginia Beach, Va. 23455.
B. American Revolution Bicentennial Administration Licensees Association, P.O. Box 10, Cocoa Beach, Fla. 32931.
E. (9) $2,639.

A. Samuel A. Mabry, Hercules Inc., 1800 K Street NW., Washington, D.C.
B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $2,375. E. (9) $1,175.27.

A. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
E. (9) $450.

A. Forbes Mann, 1155 15th Street NW., Suite 1004, Washington, D.C. 20005.
B. The LTV Corp., 1525 Elm Street, Dallas, Tex. 75222.

A. Richard J. Mannix, Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201.
B. The Brooklyn Union Gas Co., 195 Montague Street, Brooklyn, N.Y. 11201.
E. (9) $210.

A. Allen J. Manzano, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $344.85. E. (9) $94.53.

A. John V. Maraney, 324 East Capitol Street NE., Washington, D.C. 20003.
B. National Star Route Mail Carriers Association, 324 East Capitol Street, Washington, D.C. 20003.

A. Robert V. Mariani, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $2,480. E. (9) $1,800.

A. Marshall, Bratter, Greene, Allison & Tucker, 430 Park Avenue, New York, N.Y. 10022.
B. Cadillac Fairview U.S., Inc., c/o The Corporation Trust Co., 100 West 10th Street, Wilmington, Del. 19801.
D. (6) $5,750. E. (9) $2,170.

A. J. Paull Marshall, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $277.98. E. (9) $286.76.

A. James P. Martin, 60 East 42d Street, Room 3510, New York, N.Y. 10165.
B. The General Contractors Association of New York, Inc., Room 3510, 60 East 42d Street, New York, N.Y. 10165.
D. (6) $154. E. (9) $107.37.

A. Katherine E. Martin, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $205.28. E. (9) $290.21.

A. Larry K. Martin, Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
B. Man-Made Fiber Producers Association, Inc., 1150 17th Street NW., Washington, D.C. 20036.
D. (6) $150.

A. Steven A. Martindale, DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036.

B. DGA International, Inc., 1225 19th Street NW., Washington, D.C. 20036 (for Government of Morocco, Rabat, Morocco).
D. (6) $300.

A. Anthony F. Mauriello, N.Y.S. Petroleum Council, 551 Fifth Avenue, Room 718, New York, N.Y. 10176.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $554.60. E. (9) $575.49.

A. Arnold Mayer, United Food and Commercial Workers International Union, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. United Food and Commercial Workers International Union, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $14,442.39. E. (9) $268.89.

A. MEPXL Corp., 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
E. (9) $325.

A. McCandless & Barrett, 1707 H Street NW., Washington, D.C. 20006.
B. Energy Consumers & Producers Association, Petroleum Plaza, Seminole, Okla. 74868.
D. (6) $3,600.

A. McCandless & Barrett, 1707 H Street NW., Washington, D.C. 20006.
B. Transamerica Insurance Corp. of Calif., Occidental Center, Hill & Olive at 12th Street, Los Angeles, Calif. 90015.
D. (6) $18,200.50.

A. McCandless & Barrett, 1707 H Street NW., Washington, D.C. 20006.
B. Transamerica Life Insurance and Annuity Co., and Occidental Life Insurance Co., 1150 South Olive Street, Los Angeles, Calif. 90015.
D. (6) $5,039.

A. James W. McCarthy, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
D. (6) $1,230. E. (9) $558.85.

A. Sean A. McCarthy, 8283 Greensboro Drive, McLean, Va. 22102.
B. Satellite Business Systems, 8283 Greensboro Drive, McLean, Va. 22102.
D. (6) $1,000. E. (9) $85.13.

A. McClure & Trotter, Suite 600, 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Cigar Association of America, 1120 19th Street NW., Washington, D.C. 20036.

A. Rose A. McCullough, Sierra Club, 715 South 14th Street, Lincoln, Nebr. 68508.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $992. E. (9) $2,130.32.

A. James W. McDade, McDade and Lee, 1130 17th Street NW., Washington, D.C. 20036.
B. Stewart Capital Corp., 485 Madison Avenue, New York, N.Y. 10022.

A. Edward T. McDonald, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $1,680. E. (9) $1,400.

A. Patrick J. McDonough, American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.
B. American Personnel & Guidance Association, 5203 Leesburg Pike, Falls Church, Va. 22041.

A. John E. McGill, Alascom, Inc., 949 East 36th Avenue, Anchorage, Alaska 99502.
B. Alascom, Inc., 949 East 36th Avenue, Anchorage, Alaska 99502.

A. Gregory E. McGowan, Firestone Tire & Rubber Co., 1730 K Street NW., Suite 915, Washington, D.C. 20006.
B. The Firestone Tire & Rubber Co., 1200 Firestone Parkway, Akron, Ohio 44317.
D. (6) $3,500. E. (9) $1,152.56.

A. Joseph B. McGrath, National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C.
B. National Forest Products Association, 1619 Massachusetts Avenue NW., Washington, D.C.
D. (6) $6,500.

A. Walter P. McHugh, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $844.56. E. (9) $45.21.

A. Robert S. McIntyre, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. Public Citizen Tax Reform Research Group, 215 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. Philip A. McKeaney, American Federation of Teachers, AFL-CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
B. American Federation of Teachers, AFL-CIO, 11 Dupont Circle NW., Washington, D.C. 20036.
D. (6) $7,213.38. (9) $120.

A. James D. McMillan, Exxon Corp., 1899 L Street NW., Suite 1100, Washington, D.C. 20036.
B. Exxon Corp., 1251 Avenue of the Americas, New York, N.Y.

A. William C. McMurtrie, 8150 Leesburg Pike, Vienna, Va. 22180.
B. William H. Sullivan, Jr., 1 Federal Plaza, 29th Floor, Boston, Mass.
D. (6) $1,500.

A. James A. McPherson, Mo-Ark Basins Flood Control & Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.
B. Mo-Ark Basins Flood Control & Conservation Association, P.O. Box 1160, Kansas City, Kans. 66117.

A. Memorex Corp. 1970 Chain Bridge Road, McLean, Va. 22102.
D. (6) $9,000.

A. Harold E. Mesirow, Lillick McHose & Charles, 1333 New Hampshire Avenue NW., Washington, D.C. 20036.
B. Foss Launch and Tug Company, Foss Alaska Line, 660 West Ewing Street, Seattle, Wash. 98119.
D. (6) $3,280. E. (9) $37.

A. Sharon Mihnovets, 2809 South Joyce Street, Arlington, Va. 22202.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $4,500. E. (9) $610.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Navajo Nation, Window Rock, Ariz. 86515.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Port of Portland, Box 3529, Portland, Oreg. 97208.

A. Joseph S. Miller, 19 Third Street NE., Washington, D.C. 20002.
B. Western Forest Industries Association, 1500 Southwest Taylor, Portland, Oreg. 97205.
D. (6) $3,000. E. (9) $180.

A. Kathleen A. Miller, ACLU, Suite 301, 600 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Civil Liberties Union, 132 West 43d Street, New York, N.Y. 10036.
D. (6) $3,750.

A. Richard L. Miller, The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.
B. The Boeing Co., P.O. Box 3707, Seattle Wash. 98124.
D. (6) $150. E. (9) $235.

A. Edward J. Milne, Jr., 1111 19th Street NW., Washington, D.C. 20036.
B. The Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $452. E. (9) $210.05.

A. Thomas B. Miranda, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
B. National Rural Electric Cooperative Association, 1800 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $140.

A. Clarence Mitchell, Jr., NAACP, 1025 Vermont Avenue NW., Suite 820, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $3,125.

A. Kurt Mohay, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Christopher Monek, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of American, 1957 E Street NW., Washington, D.C. 20006.

A. Elizabeth R. Monro, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Associaton of America, 1709 New York Avenue NW., Washington D.C. 20006.
D. (6) $1,000.

A. G. Merrill Moody, Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $240.62. E. (9) $50.95.

A. Roy Morgan, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Zero Population Growth, 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $529. E. (9) $47.

A. Larry E. Moss, Star Route, Box 202, 5277 Ocean View Drive, Trinidad, Calif. 95570.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.

D. (6) $254.11. E. (9)$8.85.

A. James T. Mular, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express and Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express and Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $800. E. (9) $600.

A. Karen Mulhauser, National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
B. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $403.86.

A. Richard J. Muller, Chrysler Corp., 1100 Connecticut Avenue NW., Washington, D.C. 20036.
B. Chrysler Corp., 12000 Lynn Townsend Drive, Highland Park, Mich. 48288.
D. (6) $2,000. E. (9) $100.

A. William T. Murphy, Jr., American Natural Resources System, 1899 L Street NW., Suite 500, Washington, D.C. 20036.
B. American Natural Service Co., 1 Woodward Avenue, Detroit, Mich. 48226.
D. (6) $2,500.

A. Bernard Nash, Blum & Nash, 1015 18th Street, Suite 408, Washington, D.C. 20036.
B. Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.
D. (6) $125. E. (9) $8.

A. Bernard Nash, Blum & Nash, 1015 18th Street NW., Washington, D.C. 20036.
B. General Electric Co., 3125 Easton Turnpike, Building WS-23, Fairfield, Conn. 06431.
D. (6) $4,750. E. (9) $312.

A. Bernard Nash, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Merck & Co., Inc., P.O. Box 2000, Rahway, N.J. 07065.
D. (6) $1,250. E. (9) $9.50.

A. National Abortion Rights Action League, 825 15th Street NW., Washington, D.C. 20005.
D. (6) $454,515.81. E. (9) $37,993.97.

A. National Associated Businessmen, Inc., 1000 Connecticut Avenue NW., Suite 615, Washington, D.C. 20036.
D. (6) $658.50. E. (9) $1,269.85.

A. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $49,694. E. (9) $50,060.

A. National Association of Homes for Children, 200 South Tyron Street, Suite 1500, Charlotte, N.C. 28202.
E. (9) $2,700.

A. National Association of Latino Elected & Appointed Officials (NALEO), 236 Massachusetts Avenue NE., Suite 603, Washington, D.C. 20002.
D. (6) $16,115. E. (9) $18,645.77.

A. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. National Association of Realtors, 430 North Michigan Avenue, Chicago, Ill. 60611; and 925 15th Street NW., Washington, D.C. 20005.
E. (9) $46,642.83.

A. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
E. (9) $2,027.28.

A. National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $24,997.71. E. (9) $1,722.69.

A. National Campground Owners Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. National Coal Consumers' Alliance, 1919 Pennsylvania Avenue NW., Suite 800, Washington, D.C. 20006.
D. (6) $14,905.62. E. (9) $14,905.62.

A. National Coalition to Ban Handguns, 100 Maryland Avenue NE., Washington, D.C. 20002.
D. (6) $53,034.23. E. (9) $54,593.45.

A. National Consumer Finance Association, 1000 16th Street NW., Suite 601, Washington, D.C. 20036.
E. (9) $3,000.

A. National Education Association, 1201 16th Street NW., Washington, D.C. 20036.
D. (6) $27,291.26. E. (9) $27,291.26.

A. National Family Farm Coalition, 918 F Street NW., Washington, D.C. 20004.
D. (6) $7,279.65. E. (9) $8,566.27.

A. The National Federation of Business & Professional Women's Clubs, Inc., 2012 Massachusetts Avenue NW., Washington, D.C. 20036.
D. (6) $432,326.50. E. (9) $6,684.30.

A. National Federation of Licensed Practical Nurses, Inc., 888 Seventh Avenue, 18th Floor, New York, N.Y. 10019.
D. (6) $1,775. E. (9) $1,775.

A. National Housing Conference, Inc., 1126 16th Street NW., Washington, D.C. 20036.
D. (6) $4,075.

A. National Motorsports Committee of ACCUS, 1701 K. Street NW., Suite 1204, Washington, D.C. 20006.

A. National Organization for Women, 425 13th Street NW., Suite 1048, Washington, D.C. 20004.

A. National Potato Council, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.

A. National Tax Equality Association, 1000 Connecticut Avenue NW., No. 615, Washington, D.C. 10036.
D. (6) $4,969.60. E. (9) $6,387.32.

A. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $10,003.53. E. (9) $8,152.55.

A. The National Youth Pro-Life Coalition, P.O. Box 67, Newport, Ky. 41072.
D. (6) $2,017.16. E. (9) $7,040.73.

A. Natural Gas Supply Association, 1025 Connecticut Avenue NW., No. 402, Washington, D.C. 20036.
D. (6) $10,957.50. E. (9) $5,992.55.

A. Michael C. Nave, National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
B. National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $396.62. E. (9) $9.85.

A. Stanley Nehmer, Suite 600, 1320 19th Street NW., Washington, D.C. 20036.
B. Lead-Zinc Producers Committee, Suite 600, 1320 19th Street NW., Washington, D.C. 20036.
D. (6) $500. E. (9) $350.

A. Gordon E. Nelson, 12005 Millstream Drive, Bowie, Md. 20715.
B. Farm/Water Alliance, 1707 L Street NW., S-650, Washington, D.C. 20036.
D. (6) $18,000. E. (9) $1,446.82.

A. Jane Nevins, 101 G Street SW., Apt. A508, Washington, D.C. 20024.
B. Friends of New Melones, 343 East Main Street, Suite 810, Stockton, Calif. 95202.
D. (6) $3,000. E. (9) $1,489.34.

A. Kathryn L. Newman, 1101 15th Street NW., Washington, D.C. 20005.
B. Republic Steel Corp., Republic Building, Cleveland, Ohio 44101.

A. Nicholas John Nichols, American Institute of Certified Public Accountants, 1620 I Street NW., Washington, D.C. 20006.
B. American Institute of Certified Public Accountants (AICPA), 1211 Avenue of the Americas, New York, N.Y. 10036.
D. (6) $6,000. E. (9) $6,541.

A. Norfolk and Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
E. (9) $1,801.52.

A. Julia J. Norrell, 1828 L Street NW., Suite 201, Washington, D.C. 20036.
B. The Business Roundtable, 200 Park Avenue, New York, N.Y. 10166; and 1828 L Street NW., Washington, D.C. 20036.
D. (6) $1,000. E. (9) $40.

A. North American Telephone Association, 1030 15th Street NW., Suite 360, Washington, D.C. 20005.
D. (6) $28,791.17. E. (9) $28,791.17

A. J. Hallock Northcott, 1101 15th Street NW., Washington, D.C. 20005.
B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55144.
D. (6) $1,000.

A. Mary E. Oakes, Hercules Inc., 1800 K Street NW., Washington, D.C. 20006.
B. Hercules Inc., 910 Market Street, Wilmington, Del. 19899.
D. (6) $260. E. (9) $215.36.

A. Richard O'Brecht, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Charles River Breeding Laboratories, Inc., 251 Ballardvale Street, Wilmington, Mass. 01887.
D. (6) $587.50.

A. O'Connor & Hannan, Suite 800, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. Deak National Bank, Fleischmanns, N.Y. 12430.
D. (6) $1,000.

A. O'Connor & Hannan, 1919 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. National Coal Consumers Alliance, 414 Nicollet Mall, Minneapolis, Minn. 55401.

D. (6) $14,905.62. E. (9) $638.35.

A. Law Offices of John F. O'Neal, 600 New Hampshire Avenue NW., Suite 952, Washington, D.C. 20037.
B. Commodity Exchange, Inc., Four World Trade Center, SE., Plaza Building, New York, N.Y. 10048.
D. (6) $2,712.49.

A. Organization for the Protection and Advancement of Small Telephone Companies, 1104 Gary Court, Wheaton, Ill. 60187.
E. (9) $15,454.29.

A. J. Allen Overton, Jr., American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
B. American Mining Congress, 1920 N Street NW., Washington, D.C. 20036.
D. (6) $664.33. E. (9) $28.50.

A. Pacific Northwest Utilities Conference Committee, 1151 Valley Mall Parkway, East Wenatchee, Wash. 98801.
D. (6) $8,332. E. (9) $55,368.86.

A. Judith E. Park, National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
B. National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $8,468.09. E. (9) $9.75.

A. Sara Lynn Parker, Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $901.32. E. (9) $3.84.

A. Renee Parsons, 530 Seventh Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 530 Seventh Street SE., Washington, D.C. 20003.
D. (6) $2,255.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue NW., Suite 1200, Washington, D.C. 20036.
B. American Consulting Engineers Council, 1155 15th Street NW., Suite 713, Washington, D.C. 20005.
D. (6) $789.78. E. (9) $9.26.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue, Suite 1200, Washington, D.C. 20036.
B. International Communications Association, P.O. Box 10013, Houston, Tex. 77206.
D. (6) $637.50.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue, Suite 1200, Washington, D.C. 20036.
B. Japan Fisheries Association, care of Telepress Associates, 340 East 79th Street, New York, N.Y. 10021.
D. (6) $2,054.20 (9) $116.77.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue, Suite 1200, Washington, D.C. 20036.
B. National Mass Retailing Institute, 570 Seventh Avenue, New York, N.Y. 10018.
D. (6) $800. (9) $5.

A. Peabody, Rivlin, Lambert & Meyers, 1150 Connecticut Avenue, Suite 1200, Washington, D.C. 20036.
B. Westinghouse Electric Corp., Westinghouse Building, Gateway Center, Pittsburgh, Pa. 15222.
D. (6) $408.75. (9) $12.91.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Alcalde, Henderson & O'Bannon, 1901 North Fort Myer Drive, Suite 1204, Rosslyn, Va. 22209.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Amatex Corp., 1032 Stanbridge Street, Box 228, Norristown, Pa. 19404.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. The Glenmede Trust Co., 222 South 18th Street, Philadelphia, Pa. 19103.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Harris Corp., Melbourne, Fla. 32919.
E. (9) $13.50.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. TRAIN, 1776 F Street NW., Washington, D.C. 20006.

A. Pepper, Hamilton & Scheetz, 1776 F Street NW., Washington, D.C. 20006.
B. Western Union Corp., One Lake Street, Upper Saddle River, N.J.
D. (6) $1,925.

A. Edmund J. Perret II, American Psychiatric Association, 1333 New Hampshire Avenue NW., Suite 670, Washington, D.C. 20036.
B. American Psychiatric Association, 1700 18th Street NW., Washington, D.C. 20009.
D. (6) $1,426. (9) $735.87.

A. Bert E. Perrigan, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, Three Research Place, Rockville, Md. 20850.

A. John J. Pesch, 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.

A. Linda Pinegar, Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
B. Air Transport Association of America, 1709 New York Avenue NW., Washington, D.C. 20006.
D. (6) $875.

A. Ronald L. Plesser, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Equitable Life Assurance Society of the United States, 1285 Avenue of the Americas, New York, N.Y. 10019.

A. Ronald L. Plesser, Blum & Nash, 1015 18th Street NW., Suite 408, Washington, D.C. 20036.
B. Twin Coasts Newspaper, Inc., The Journal of Commerce, 110 Wall Street, New York, N.Y. 10005.

A. J. Francis Pohlhaus, Washington Bureau, NAACP, 1025 Vermont Avenue NW., Suite 820, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $3,150.

A. Ronald Pollack, Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $2,296.11. E. (9) $6.

A. Rafe Pomerance, 530 Seventh Street SE., Washington, D.C. 20003.
B. Friends of the Earth, Inc., 530 Seventh Street SE., Washington, D.C. 20003.
D. (6) $4,950.

A. John Post, 1828 L Street NW., Washington, D.C. 20036.
B. The Business Roundtable, 200 Park Avenue, New York and 1828 L Street NW., Washington, D.C. 20036.
D. (6) $200. E. (9) $40.

A. Prather, Seeger, Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20036.

A. Prather, Seeger, Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.
B. Bankers' Association for Foreign Trade, 1101 16th Street NW., Washington, D.C. 20036.
D. (6) $5,000.

A. Prather, Seeger, Doolittle & Farmer, 1101 16th Street NW., Washington, D.C. 20036.
B. The First National Bank of Chicago, One First National Plaza, Chicago, Ill. 60670.
D. (6) $8,000.

A. Project Advisory Group, 1029 Vermont Avenue NW., Suite 860, Washington, D.C.
E. (9) $168.71.

A. Railway Progress Institute, 700 North Fairfax Street, Alexandria, Va. 22314.

A. Law Offices of John V. Rainbolt, 1800 K Street NW., Suite 926, Washington, D.C. 20006.
B. MidAmerica Commodity Exchange, 125 West Jackson Boulevard, Chicago, Ill.,
D. (6) $1,885. E. (9) $211.60.

A. Randall, Bangert & Thelen, 1625 K Street NW., Washington, D.C. 20006.
B. American Retail Federation, 1616 H. Street NW., Washington, D.C. 20006.

A. Donald A. Randall, 1625 K Street NW., Washington, D.C. 20006.
B. National Association for Milk Marketing Reform, 1625 K Street NW., Washington, D.C. 20006.

A. Howard W. Randolph, Jr., Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, Three Research Place, Rockville, Md. 20850.
D. (6) $2,400. E. (9) $1,800.

A. Magda Ratajski, Norfolk & Western Railway Co., P.O. Box 23652, L'Enfant Plaza Station, Washington, D.C. 20024.
B. Norfolk & Western Railway Co., 8 North Jefferson Street, Roanoke, Va. 24042.
D. (6) $219.24. E. (9) $147.50.

A. G. William Ray, 815 15th Street NW., Suite 610, Washington, D.C. 20005.
B. National Community Action Agency, Executive Directors Association, 815 15th Street NW., Suite 610, Washington, D.C. 20005.
D. (6) $11,705. E. (9) $3,863.

A. Reading Is Fundamental, Inc., 475 L'Enfant Plaza, Smithsonian Institution, Washington, D.C. 20560.

E. (9) $105.85.

A. Recreation Vehicle Industry Association, Box 204, 14650 Lee Road., Chantilly, Va. 22021.

A. Campbell L. Reed, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Thomas M. Rees, 1101 Connecticut Avenue, Suite 403, Washington, D.C. 20036.
B. American Savings & Loan Association, 9465 Wilshire Boulevard, Beverly Hills, Calif. 90212.

A. Thomas M. Rees, 1101 Connecticut Avenue, Suite 403, Washington, D.C. 20036.
B. Fluor Corp., 1627 K Street NW., Washington, D.C. 20006.

A. Thomas M. Rees, 1101 Connecticut Avenue, Suite 403, Washington, D.C. 20036.
B. Great Western Savings & Loan Association, 8484 Wilshire Boulevard, Beverly Hills, Calif. 90212.

A. Thomas M. Rees, 1101 Connecticut Avenue, Suite 403, Washington, D.C. 20036.
B. Home Savings & Loan Association, 3731 Wilshire Boulevard, Beverly Hills, Calif. 90212.

A. Thomas M. Rees, 1101 Connecticut Avenue, Suite 403, Washington, D.C. 20036.
B. Imperial Resources Association, P.O. Box 119, Brawley, Calif. 92227.

A. Robert S. Reese, Jr., American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $8,000. E. (9) $1,155.88.

A. Louis D. Reilly III, Telephone & Data Systems, Inc., 517 North Segoe Road, Madison, Wis. 53705.
B. Telephone & Data Systems, Inc., 517 North Segoe Road, Madison, Wis. 53705.

A. Reserve Officers Association of the United States, 1 Constitution Avenue NE., Washington, D.C. 20002.
D. (6) $2,396.47. E. (9) $6,783.91.

A. Marvin Resnikoff, Sierra Club, Box 64, Station G, Buffalo, N.Y. 14213.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $2,200.96. E. (9) $2,200.96.

A. Edmund B. Rice, American Hospital Association, 444 North Capitol Street NW., Suite 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $1,687.20. E. (9) $176.25.

A. Rice Genocide Research, P.O. Box 7307, Washington, D.C., 20044 and 3046 Roosevelt, Detroit, Mich. 48216.
E. (9) $234.41.

A. K. O. Richardson, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $2,560. E. (9) $1,800.

A. Russell W. Richardson, Lear Siegler, Inc., Suite 1002, 1911 Jefferson Davis Highway, Arlington, Va. 22202.
B. Lear Siegler, Inc., 3171 South Bundy Drive, Santa Monica, Calif. 90406.

A. S. F. Riepma, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.
B. National Association of Margarine Manufacturers, 1725 K Street NW., Suite 1202, Washington, D.C. 20006.

A. Leonard I. Rippa, 110 Maryland Avenue NE., Washington, D.C. 20002.
B. National Taxpayers Union, 325 Pennsylvania Avenue SE., Washington, D.C. 20003.
D. (6) $3,125. E. (9) $206.18.

A. RJR Industries, Inc., 1100 Reynolds Boulevard, Winston-Salem, N.C. 27105.
E. (9) $5,050.74.

A. Robinson, Silverman, Pearce, Aronsohn & Berman, 230 Park Avenue, New York, N.Y. 10017.
B. National Realty Committee, Inc., 2033 M Street NW., Washington, D.C. 20036.
D. (6) $12,000. E. (9) $750.

A. Antoinette K. Roche, 2021 K Street NW., Suite 709, Washington, D.C. 20006.
B. General Atomic Co., San Diego, Calif.
D. (6) $500. E. (9) $25.

A. Rodey, Dickason, Sloan, Akin & Robb, P.O. Box 1888, Albuquerque, N. Mex. 87103.
B. Navajo Tribe, Window Rock, Ariz. 86515.
D. (6) $66.09. E. (9) $312.98.

A. Quincy Rodgers, General Instrument Corp., Suite 320, New Hampshire Avenue NW., Washington, D.C. 20036.
B. General Instrument Corp., 1775 Broadway, New York, N.Y.
D. (6) $1,500. E. (9) $514.19.

A. Bruce N. Rogers, General Motors Corp., 1660 L Street NW., Washington, D.C. 20036.
B. General Motors Corp., 3044 West Grand Boulevard, Detroit, Mich. 48202.
D. (6) $2,500. E. (9) $2,758.30.

A. Thomas Root, 1957 E Street NW., Washington, D.C. 20006.
B. Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Gary W. Rossow, Motor Vehicle Manufacturers Association of the United States, Inc., 1909 K Street NW., Washington, D.C. 20006.
B. Motor Vehicle Manufacturers Association of the United States, Inc., 320 New Center Building, Detroit, Mich. 48202.
D. (6) $400. E. (9) $10.

A. Michael J. Rourke, 2 Paragon Drive, Montvale, N.J. 07645.
B. Great Atlantic & Pacific Tea Co., Inc., 2 Paragon Drive, Montvale, N.J. 07645.
E. (9) $79.90.

A. Ruder & Finn, 1225 19th Street NW., Washington, D.C. 20036.
B. National Distillers & Chemical Corp., 99 Park Avenue, New York, N.Y. 10016.
D. (6) $640. E. (9) $690.

A. Barry Russell, 1101 16th Street NW., Washington, D.C. 20036.
B. Independent Petroleum Association of America, 1101 16th Street NW., Washington, D.C. 20036.
E. (9) $40.

A. The St. Louis Mercantile Library Association, 510 Locust Street, St. Louis, Mo. 63188.
E. (9) $143.39.

A. Samaritan Health Service, 1410 North Third Street, P.O. Box 25489, Phoenix, Ariz. 85002.
E. (9) $5,355.80.

A. Michael Sandifer, Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research & Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.

A. Harold A. Schaitberger, International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.
B. International Association of Fire Fighters, 1750 New York Avenue NW., Washington, D.C. 20006.
D. (6) $10,183.

A. Jerome D. Schaller, 1101 15th Street NW., Washington, D.C. 20005.
B. Minnesota Mining & Manufacturing Co., 3M Center, St. Paul, Minn. 55144.
D. (6) $10,000. E. (9) $51.30.

A. Wendy W. Schiller, National Consumer Law Center, 236 Massachusetts Avenue NE., Washington, D.C. 20002.
B. National Consumer Law Center, 11 Beacon Street, Boston, Mass. 02108.
D. (6) $3,517. E. (9) $1,050.

A. Arthur L. Schmuhl, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. Frank Schneller, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
E. (9) $200.

A. Anthony Schopp, Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.
B. Machinery Dealers National Association, 1110 Spring Street, Silver Spring, Md. 20910.

A. Marsha Schramm, 1101 Connecticut Avenue, Washington, D.C. 20036.
B. Domestic Petroleum Council Trade Association, 1101 Connecticut Avenue, Washington, D.C. 20036.

A. William B. Schultz, Public Citizen Litigation Group, Suite 700, 2000 P Street NW., Washington, D.C. 20036.
B. Public Citizen, Inc., Box 19404, Washington, D.C. 20036.
D. (6) $420. E. (9) $10.

A. Amy Schussheim, 815 16th Street NW., Washington, D.C. 20006.
B. Food and Beverage Trades Department, AFL-CIO, 815 16th Street NW., Washington, D.C. 20006.
D. (6) $347.62.

A. Bari Schwartz, Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
B. Food Research and Action Center, 2011 I Street NW., Suite 700, Washington, D.C. 20006.
D. (6) $4,985.03. E. (9) $13.30.

A. Donald A. Scott, 1957 E Street NW., Washington, D.C. 20006.

B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. William E. Seale, Commodity Exchange, Inc., 1875 I Street NW., Suite 730, Washington, D.C. 20006.
B. Commodity Exchange, Inc., 4 World Trade Center, New York, N.Y. 10048.
D. (6) $400. E. (9) $825.

A. Deirdre S. Searles, 7900 Callaghan Drive, San Antonio, Tex. 78229.
B. Datapoint Corporation, 9725 Datapoint Drive, San Antonio, Tex. 78284.
D. (6) $4,500. E. (9) $512.90.

A. Pamela Sederholm, SMACNA, 8224 Old Courthouse Road, Vienna, Va. 22180.
B. Sheet Metal and Air Conditioning Contractors' National Association, Inc., 8224 Old Courthouse Road, Vienna, Va. 22180.
D. (6) $800.

A. ServiceMaster Industries, Inc., 2300 Warrenville Road, Downers Grove, Ill. 60515.
E. (9) $4,500.

A. Richard N. Sharood, Wilcox & Sharood, 1899 L Street NW., No. 705, Washington, D.C. 20036.
B. National Federation of Fishermen, 915 15th Street NW., No. 600, Washington, D.C. 20005.
E. (9) $207.69.

A. Richard N. Sharood, Wilcox & Sharood, 1899 L Street NW., No. 705, Washington, D.C. 20036.
B. Shipbuilders Council of America, 600 New Hampshire Avenue NW., Washington, D.C. 20037.
D. (6) $1,323. E. (9) $1,592.99.

A. James E. Shaw, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $800. E. (9) $600.

A. Russell H. Shay, Sierra Club 6014 College Avenue, Oakland, Calif. 94618.
B. Sierra Club, 530 Bush Street, San Francisco, Calif. 94108.
D. (6) $1,961.80. E. (9) $904.43.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. CoaLiquid, Inc., 1215 Citizens Plaza, Louisville, Ky 40402.
D. (6) $5,000. E. (9) $1.80.

A. Shea & Gould, 330 Madison Avenue, New York, N.Y. 10017.
B. The General Contractors Association of New York, Inc., 60 East 42d Street, New York, N.Y. 10017.
E. (9) $456.51.

A. Jay P. Sherman, 918 F Street NW., Washington, D.C. 20004.
B. National Family Farm Coalition, 918 F Street NW., Washington, D.C. 20004.
D. (6) $4,249.96. E. (9) $240.30.

A. G. Scott Shotwell, 1619 Massachusetts Avenue, Washington, D.C. 20036.
B. National Forest Products Association, 1619 Massachusetts Avenue, Washington, D.C. 20036.
D. (6) $2,475.

A. Mark A. Siegel, 3903 Thornapple Street, Chevy Chase, Maryland 20015.
B. The Couzens Distribution System, 6600 South River Road, Hodgkins, Illinois 60525.
D. (6) $5,500. E. (9) $477.50.

A. Sierra Club, 530 Bush Street, San Francisco, CA 94108.
D. (6) $132,304.17. E. (9) $132,304.17.

A. Althea T. L. Simmons, NAACP, 1025 Vermont Avenue NW., Suite 820, Washington, D.C. 20005.
B. National Association for the Advancement of Colored People, 1790 Broadway, New York, N.Y. 10019.
D. (6) $4,000.

A. Mark Simon, 815 16th Street, Washington, D.C. 20006.
B. Food and Beverage Trades Department, AFL-CIO, 815 16th Street, Washington, D.C. 20006.
D. (6) $379.20

A. Talmage E. Simpkins, 100 Indiana Avenue NW., Washington, D.C. 20001.
B. AFL-CIO Maritime Committee, 100 Indiana Avenue NW., Washington, D.C. 20001.
D. (6) $240. E. (9) $40.

A. C. Kyle Simpson, American Gas Association, 1515 Wilson Boulevard, Arlington, Va. 22209.
B. American Gas Association, 1515 Wilson Boulevard, Arlington, VA. 22209.
D. (6) $1,500. E. (9) $1,346.52.

A. Stephen L. Skardon, Jr., National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
B. National Association of Retired Federal Employees, 1533 New Hampshire Avenue NW., Washington, D.C. 20036.
D. (6) $7,489.95. E. (9) $24.

A. Peter Small & Associates, Inc., 400 Madison Avenue, New York, N.Y. 10017.
B. William M. Mercer, Inc., 1211 Avenue of the Americas, New York, N.Y. 10036.

A. Catherine Smith, 530 Seventh Street SE., Washington, D.C. 20003.
B. Friends of the Earth, 530 Seventh Street SE., Washington, D.C. 20003.
D. (6) $2,632.

A. Elizabeth M. Smith, Amalgamated Clothing & Textile Workers Union, 815 16th Street, No. 310, Washington, D.C. 20006.
B. Amalgamated Clothing & Textile Workers Union, 15 Union Square, New York, N.Y. 10003.
D. (6) $3,964.48. E. (9) $81.18.

A. Hugh H. Smith, 1700 K Street NW., No. 702, Washington, D.C. 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.
D. (6) $1,000.

A. Michael P. Smith, New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
B. New York State Bankers Association, 485 Lexington Avenue, New York, N.Y. 10017.
D. (6) $328. E. (9) $285.

A. Randall D. Snodgrass, 3030 Old Decatur Road, No. 201B, Atlanta, Ga. 30305.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $415.97. E. (9) $394.15.

A. Edmund T. Sommer, Jr., Council of American-Flag Ship Operators, 1625 K Street NW., Suite 1200, Washington, D.C. 20006.
B. Council of American-Flag Ship Operators, 1625 K Street NW., Suite 1200, Washington, D.C. 20006.
D. (6) $85.

A. S. L. Sommer & Associates, Inc., 1701 North Fort Myer Drive, No. 1208, Arlington, Va. 22209.
B. Northrop Corp., 1701 North Fort Myer Drive, Suite 1208, Arlington, Va. 22209.
D. (6) $2,500. E. (9) $3,765.05.

A. Wilbur D. Sparks, Air-Conditioning & Refrigeration Institute, 1815 North Fort Meyer Drive, Arlington, Va. 22209.
B. Air-Conditioning & Refrigeration Institute, 1815 North Fort Meyer Drive, Arlington, Va. 22209.
D. (6) $1,600. E. (9) $470.

A. James M. Sprouse, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. John Sroka, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.

A. David P. Stang, 1629 K Street NW., Washington, D.C. 20006.
B. Ocean Minerals Co., P.O. Box 4531, Mountain View, Calif. 94040.

A. State of South Dakota, Department of Transportation, Division of Railroads, Pierre, S. Dak. 57501.
E. (9) $4,171.43.

A. William N. Steele, The Boeing Co., 1700 North Moore Street, Rosslyn, Va. 22209.
B. The Boeing Co., P.O. Box 3707, Seattle, Wash. 98124.
D. (6) $1,000. E. (9) $785.96.

A. Elliot Stern, American Health Planning Association, 1601 Connecticut Avenue NW., Washington, D.C. 20009.
B. American Health Planning Association, 1601 Connecticut Avenue NW., Washington, D.C. 20009.
D. (6) $2,406. E. (9) $175.10.

A. LaVerne Still, 1030 15th Street NW., Suite 700, Washington, D.C. 20005.
B. National Cotton Council of America, P.O. Box 12285, Memphis, Tenn. 38112.
D. (6) $273.75.

A. Kenneth P. Stinger, American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $8,000. E. (9) $279.68.

A. George Stockton, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
E. (9) $200.

A. Norman Strunk, United States League of Savings Accociations, 111 East Wacker Drive, Chicago, Ill. 60601.
B. United States League of Savings Association, 111 East Wacker Drive, Chicago, Ill. 60601.
D. (6) $1,312.50.

A. Roger Sullivan, Hawaiian Sugar Planters Association, 723 Investment Building, Washington, D.C. 20005.

B. Hawaiian Sugar Planters Association, 723 Investment Building, Washington, D.C. 20005.

A. Sun-Diamond Growers of California, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
E. (9) $600.

A. Donald R. Sweitzer, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $3,600. E. (9) $2,600.

A. Lewis M. Taffer, American Express Co., 1700 K Street NW., Washington, D.C. 20006.
B. American Express Co., American Express Plaza, New York, N.Y. 10004.

A. Teamsters for a Democratic Union, 2000 P Street NW., Suite 612, Washington, D.C. 20036.
D. (6) $400. E. (9) $400.

A. Tele-Press Associates, Inc., 342 East 79th Street, New York, N.Y. 10021.
B. Japan Fisheries Association, 98-13 Akasaka 1, Minato-ku, Tokyo, Japan.
D. (6) $52,363.64. E. (9) $45,742.35.

A. Tennessee Gas Pipeline Co., P.O. Box 2511, Houston, Tex. 77001.
E. (9) $137.50.

A. Bryan Thomas, 1467-A Atkins Avenue, Lancaster, Pa. 17603.
B. National Youth Pro-Life Coalition, P.O. Box 67, Newport, Ky. 41072.

A. Samuel Thurm, 1725 K Street NW., Washington, D.C. 20006.
B. Association of National Advertisers, 155 East 44th Street, New York, N.Y. 10017.

A. Michael L. Tiner, United Food & Commercial Workers International Union, 100 Indiana Avenue NW., Washington D.C. 20001.
B. United Food & Commercial Workers International Union, 100 Indiana Avenue NW., Washington D.C. 20001.
D. (6) $9,288.44. E. (9) $147.23.

A. Ronald J. Tipton, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
B. The Wilderness Society, 1901 Pennsylvania Avenue NW., Washington, D.C. 20006.
D. (6) $1,188.02. E. (9) $6.75.

A. Kim T. Tisdale, American Conservative Union, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.
B. American Conservative Union, 316 Pennsylvania Avenue SE., Washington, D.C. 20003.

A. C. Richard Titus, 1619 Massachusetts Avenue NW., Washington, D.C. 20036.
B. American Paper Institute, Inc., 260 Madison Avenue, New York, N.Y. 10016.

A. William D. Toohey, 1899 L Street NW., Washington, D.C. 20036.
B. Travel Industry Association of America, 1899 L Street NW. Washington, D.C. 20036.
D. (6) $2,000.

A. TRAIN (Transportation by Rail for Agricultural & Industrial Needs) Suite 200, 1776 F Street NW., Washington, D.C.
E. (9) $6,592.

A. Joseph P. Trainor, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $6,000. E. (9) $1,500.

A. Philip John Travaglione, 21 Sixth Street NE., Apt. 1-B, Washington, D.C. 20002.
B. National Community Action Agency Executive Directors Association, 815 15th Street NW., Suite 610, Washington, D.C. 20005.
D. (6) $2,400. E. (9) $989.

A. Travel Industry Association of America, 1899 L Street NW., Washington, D.C. 20036.
D. (6) $2,045. E. (9) $2,045.

A. United Egg Producers, 3951 Snapfinger Parkway, No. 580, Decatur, Ga. 30035.
D. (6) $14,900. E. (9) $14,900.

A. United Food and Commercial Workers, International Union, AFL-CIO, 1775 K Street NW., Washington, D.C.
D. (6) $40,622.61. E. (9) $40,622.61.

A. United Societies of Physiotherapists, Inc., 163 Cold Spring Road, Syosset, N.Y. 11791.
D. (6) $1,060. E. (9) $762.

A. Utility Nuclear Waste Management Group, care of Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $340.64. E. (9) $340.64.

A. Richard F. Vander Veen, 590 Union Bank Building, 200 Ottawa Avenue NW., Grand Rapids, Mich. 49503.
B. American Seating Co., 901 Broadway Avenue NW., Grand Rapids, Mich. 49504.
D. (6) $12,420.32.

A. A. Randall Vehar, 900 15th Street NW., Washington, D.C. 20005.
B. United Mine Workers of America, 900 15th Street NW., Washington, D.C. 20005.

A. Gilda Ventresca, American Hospital Association, 444 North Capitol Street NW., No. 500, Washington, D.C. 20001.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
D. (6) $2,021.94. E. (9) $239.20.

A. David Vienna, 510 C Street NE., Washington, D.C. 20002.
B. National Association of Credit Management, 475 Park Avenue South, New York, N.Y. 10016.
D. (6) $2,170. E. (9) $109.32.

A. Abe J. Voron, 6204 White Oak Lane, Tamarac, Fla. 33319.
B. National Radio Broadcasters Association, Suite 500, 1705 DeSales Street NW., Washington, D.C. 20036.
D. (6) $2,500. E. (9) $1,775.

A. Ingrid A. Voorhees, 1957 E Street NW., Washington, D.C. 20006.
B. The Associated General Contractors of America, 1957 E Street NW., Washington, D.C. 20006.
D. (6) $2,000. E. (9) $500.

A. E. F. Waldrop, Jr., Association of American Railroads, 412 First Street SE., Suite 200, Washington, D.C. 20003.
B. Association of American Railroads, 1920 L Street NW., Washington, D.C. 20036.
D. (6) $883.90.

A. Leonard F. Walentynowicz, 4970 Sentinel Drive, Apt. 301, Sumner, Md. 20016.
B. Polish American Congress, 1300 North Ashland Avenue, Chicago, Ill. 60622.
D. (6) $3,750 E. (9) $231.88.

A. Alan S. Ward, 818 Connecticut Avenue NW., Washington, D.C. 20006.
B. Baker & Hostetler, 818 Connecticut Avenue NW., Washington, D.C. 20006 (for The Soap and Detergent Association, 475 Park Avenue South at 32d Street, New York, N.Y. 10016).

A. Gregg Ward, SMACNA, 8224 Old Courthouse Road, Vienna, Va. 22180.
B. Sheet Metal and Air Conditioning Contractors' National Association, 8224 Old Courthouse Road, Vienna, Va. 22180.
D. (6) $800.

A. Jack Ware, 2101 L Street NW., Washington, D.C. 20037.
B. American Petroleum Institute, 2101 L Street NW., Washington, D.C. 20037.
D. (6) $8,200 E. (9) $364.36.

A. Frederick L. Webber, 1111 19th Street NW., Washington, D.C. 20036.
B. Edison Electric Institute, 1111 19th Street NW., Washington, D.C. 20036.
D. (6) $4,221.

A. Lee Weddig, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
B. National Fisheries Institute, 1101 Connecticut Avenue NW., Suite 700, Washington, D.C. 20036.
D. (6) $4,000. E. (9) $10.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., Suite 317, Washington, D.C. 20036.
B. Canada-France-Hawaii Telescope Corp., P.O. Box 1571, Kamuela, Hawaii 96743.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., Suite 317, Washington, D.C. 20036.
B. Council of Creative Artists, Libraries & Museums, 250 West 57th Street, New York, N.Y.
D. (6) $500.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., No. 317, Washington, D.C. 20036.
B. National Football League Players Association, 1300 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $2,000.

A. Weisman, Celler, Spett, Modlin & Wertheimer, 1025 Connecticut Avenue NW., Suite 317, Washington, D.C. 20036.
B. Trans-Lux Corp., 110 Richards Avenue, Norwalk, Conn. 06854.
D. (6) $1,500.

A. West Mexico Vegetable Distributors Association, P.O. Box 848, Nogales, Ariz. 85621.
E. (9) $500.

A. Western Growers Association, 1101 Connecticut Avenue NW., Suite 800, Washington, D.C. 20036.
E. (9) $750.

A. Western Organization of Resource Councils, 317 Pennsylvania Avenue SE., Washington, D.C. 20002.
D. (6) $2,300. E. (9) $1,419.

A. Western Resource Alliance, Star Route Box 98, Eastsound, Wash.
E. (9) $404.

A. Curtis E. Whalen, P.O. Box 44, Winter Park, Fla. 32790.

B. Continental Resources Co., P.O. Box 44, Winter Park, Fla. 32790.
E. (9) $3,618.80.

A. Bryan K. Whitehead, Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 815 16th Street NW., Washington, D.C. 20006.
B. Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employes, 3 Research Place, Rockville, Md. 20850.
D. (6) $1,920. E. (9) $1,440.

A. Donald W. Whitehead, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. Emergent Technologies, Inc., Drawer 3218, San Jose, Calif. 35156.
E. (9) $12.80.

A. Donald W. Whitehead, 1120 Connecticut Avenue NW., Washington, D.C. 20036.
B. O'Connor and Hannon, 1919 Pennsylvania Avenue NW., Washington, D.C.
E. (9) $30.45.

A. Bennett C. Whitlock, Jr., American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
B. American Trucking Associations, Inc., 1616 P Street NW., Washington, D.C. 20036.
D. (6) $7,500 E. (9) $390.

A. Wickwire, Lewis, Goldmark & Schorr, 500 Maynard Building, Seattle, Wash. 98104.
B. Arctic Slope Regional Corporation and Inupiat Community of the Arctic Slope, P.O. Box 129, Barrow, Alaska 99723.
D. (6) $2,700. E. (9) $10,300.53.

A. Perry F. Williams, 225 Main Street, Newington, Conn. 06111.
B. The American Radio Relay League, Inc., 225 Main Street, Newington, Conn. 06111.
D. (6) $6,000. E. (9) $207.83.

A. John C. Williamson, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
B. Mortgage Insurance Companies of America, 1725 K Street NW., Suite 1402, Washington, D.C. 20006.
D. (6) $2,700. E. (9) $102.16.

A. Alan W. Wills, 1970 Chain Bridge Road, McLean, Va. 22102.
B. Memorex Corp., San Tomas at Central Expressway, Santa Clara, Calif. 95052.
D. (6) $4,000.

A. Peters D. Willson, Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
B. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $200.

A. Frank R. Wolf, 1901 North Moore Street, No. 604, Arlington, Va. 22209.
B. Gerber Products Co., 445 State Street, Fremont, Mich. 49412.

A. Wometco Enterprises, Inc., 306 North Miami Avenue, Miami, Fla. 33128.
E. (9) $3123.

A. William E. Woods, National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
B. National Association of Retail Druggists, 1750 K Street NW., Washington, D.C. 20006.
D. (6) $750. E. (9) $150.

A. W. R. Worley, 730 Densley Drive, Decatur, Ga. 30033.
B. Georgia Power Co., 270 Peachtree Street NW., Atlanta, Ga. 30303.
D. (6) $3,890. E. (9) $2,795.86.

A. Wyatt and Saltzstein, 1725 DeSales Street NW., Washington, D.C.
B. American Business Press, Inc., 205 East 42d Street, New York, N.Y. 10017.

A. Thomas K. Zaucha, Cooperative Food Distributors of America, 1910 K Street NW., Suite 700, Washington, D.C. 20006.
B. Cooperative Food Distributors of America, 1910 K Street NW., Suite 700, Washington, D.C. 20006.

A. Kevin B. Zeese, 530 Eighth Street SE., Washington, D.C. 20003.
B. National Organization for the Reform of Marijuana Laws (NORML).

A. Zero Population Growth, Inc., 1346 Connecticut Avenue NW., Washington, D.C. 20036.
D. (6) $10,729. E. (9) $4,141.

A. Michael J. Zimmer, Cogeneration Coalition, Inc., Suite 1010, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. ENTEX, Inc., P.O. Box 2628, Houston, Tex. 77001.
D. (6) $3,000.

A. Michael J. Zimmer, Cogeneration Coalition, Inc., Suite 1010, 1150 Connecticut Avenue NW., Washington, D.C. 20036.
B. Potlatch Corp., 1015 15th Street NW., Washington, D.C.
D. (6) $1,500.

A. Daniel Zwick, American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.
B. American Hospital Association, 840 North Lake Shore Drive, Chicago, Ill. 60611.

QUARTERLY LOBBY POSTCARD

The following Quarterly Lobby Postcards were filed with the Clerk of the House of Representatives for the fourth calendar quarter of 1980:

A Postcard May Be Used When A Registrant Has Not Incurred Reportable Receipts And Expenditures And Has Not Engaged In Any Lobbying Activity During The Quarter.

Note: The Following Information Is Being Provided For Informational Purposes Only.

The Postcard has been reproduced below:

HLF3

QUARTERLY LOBBY POSTCARD

To be submitted in lieu of a Quarterly Report when registrant has not incurred reportable receipts or expenditures and has not engaged in any lobbying activity during the quarter.

IMPORTANT: File a separate postcard for each employer or client

REGISTRANT _____

Business Address _____
(number, street/P.O. Box)

_____
(city, state, zip code)

Employer _____

(If REGISTRANT is an agent of someone OTHER THAN "EMPLOYER" state below whose interest is represented. If not applicable, state "NONE".)

CLIENT _____

For the period (check one box only): 19____

☐ April 10 Report (Jan. 1—Mar. 31) ☐ Oct. 10 (July 1—Sept. 30)
☐ July 10 Report (April 1—June 30) ☐ Jan. 10 (Oct. 1—Dec. 31)

I certify that the above named registrant did not engage in any lobbying activities or incur reportable receipts or expenditures in connection with previous or future lobbying activities. I am aware that the Act requires a resumption of reporting in the event that activity commences; otherwise I can continue to submit a postcard in lieu of a report.

Executed on _____ _____
(date) (signature)

A. Thomas G. Abernethy.
B. U.S. Cane Sugar Refiners' Association.

A. John J. Adams.
B. Ethyl Corporation.

A. Raymond T. Adams.
B. Superior Oil Co. and Superior Farming Co.

A. V. J. Adduci.
B. Motor Vehicle Manufacturers Association of the United States, Inc.

A. Agency for Instructional TV.

A. G. Colburn Aker.
B. Hill and Knowlton, Inc.

A. Akin, Gump, Hauer & Feld.
B. Alaska Interstate Co.

A. Akin, Gump, Hauer & Feld.
B. American Petroleum Partners.

A. Akin, Gump, Hauer & Feld.
B. Brooklyn Industrial Development Corp.

A. Akin, Gump, Hauer & Feld.
B. Contract Carrier Conference.

A. Akin, Gump, Hauer & Feld.
B. Deloitte, Haskins & Sells.

A. Akin, Gump, Hauer & Feld.
B. E & J Gallo Winery.

A. Akin, Gump, Hauer & Feld.
B. Energol Corp., Inc.

A. Akin, Gump, Hauer & Feld.
B. Flexways, Inc.

A. Akin, Gump, Hauer & Feld.
B. FSC Corp.

A. Akin, Gump, Hauer & Feld.
B. General Cryogenics, Inc.

A. Akin, Gump, Hauer & Feld.
B. Leaseway Transportation Corp.

A. Akin, Gump, Hauer & Feld.
B. Louisiana Alcohol Fuel Co.

A. Akin, Gump, Hauer & Feld.
B. MAPCO, Inc.

A. Akin, Gump, Hauer & Feld.
B. National Association of Condominium & Cooperative Housing.

A. Akin, Gump, Hauer & Feld.
B. New Energy Corp. of Indiana.

A. Akin, Gump, Hauer & Feld.
B. Northwest Alaskan Pipeline Co.

A. Akin, Gump, Hauer & Feld.
B. Northwest Pipeline Co.

A. Akin, Gump, Hauer & Feld.
B. Ringling Bros. Barnum & Bailey Combined Shows, Inc.

A. Akin, Gump, Hauer & Feld.
B. Sun Company, Inc.

A. Akin, Gump, Hauer & Feld.
B. Sun Pipe Line Co.

A. Akin, Gump, Hauer & Feld.
B. Texas Bankers Association.

A. Akin, Gump, Hauer & Feld.
B. Texas Instruments Inc.

A. Akin, Gump, Hauer & Feld.
B. Valley View Bank.

A. Akin, Gump, Hauer & Feld.

B. Worldwide Church of God.

A. Anne Genevieve Allen.
B. Rockwell International.

A. Robert D. Allen.
B. Bechtel Power Corp.

A. Alliance to Save Energy.

A. Joseph C. Allwarden.
B. Kollsman Instrument Co.

A. Amalgamated Transit Union, AFL-CIO.

A. Amalgamated Transit Union, National Capital Local 689.

A. American Advertising Federation.

A. American Association of Blood Banks.

A. American Association of Ophthalmology.

A. American Association of University Women.

A. American Associations of Foundations for Medical Care.

A. American Business Council.

A. American Frozen Food Institute.

A. American Hellenic Institute Public Affairs Committee, Inc.

A. American Orthotic and Prosthetic Association.

A. American Pulpwood Association.

A. American Radio Relay League, Inc.

A. American Soybean Association.

A. Americans for Salt.

A. Jane K. Anderson.
B. Kennecott Corp.

A. Steven C. Anderson.
B. American Frozen Food Institute.

A. Jack R. Angell.
B. United Gas Pipe Line Co.

A. Robert E. Ansheles.
B. CITC Industries, Inc.

A. Tobias Anthony.
B. Research-Cottrell, Inc.

A. Associated Employers, Inc.

A. Association of Government Accountants.

A. George J. Aste.
B. United Airlines.

A. Frank M. Ault.
B. Norwich-Eaton Pharmaceuticals.

A. John C Baize.
B. American Soybean Association.

A. Richard L. Baldwin.
B. American Radio Relay League, Inc.

A. John H. Barnard, Jr.
B. Bechtel Power Corp.

A. Barnes, Richardson & Colburn.
B. John W. Thatcher.

A. Neil D. Baron.
B. Standard & Poor's Corp.

A. Richard L. Barr.

B. Iowa Railway Association.

A. Barbara Bassuener.
B. American Paper Institute, Inc.

A. W. H. Bates.
B. Midwest Gas Users Association.

A. Lynne D. Battle.
B. College Placement Council, Inc.

A. John E. Baughman.
B. Pennsylvania State Education Association.

A. Robert J. Baughman.
B. American Orthotic and Prosthetic Association.

A. Howard H. Bell.
B. American Advertising Federation.

A. Douglas P. Bennett.
B. Association of Executive Recruiting Consultants, Inc.

A. James M. Bennett.
B. Joseph Schlitz Brewing Co.

A. Frederick S. Benson III.
B. American Paper Institute, Inc.

A. John B. Benton.
B. Howell Corp.

A. David A. Beren.
B. International Association of Ice Cream Manufacturers and Milk Industry Foundation.

A. O. M. Berge.
B. Brotherhood of Maintenance of Way Employes.

A. Peggy Berk.
B. Peter Small & Associates, Inc. (for William M. Mercer, Inc.).

A. Richard B. Berman.
B. Steak and Ale Restaurants of America, Inc.

A. Charles Bernhardt.
B. National Federation of Federal Employees.

A. Max N. Berry.
B. Committee to Assure Availability of Cassein.

A. Berry & Sandstrom.
B. Centre National Interprofessionnel De L'Economic Laitierre France.

A. Berry & Sandstrom.
B. Cheese Importers Association.

A. Berry & Sandstrom.
B. East-West Trade Council.

A. Berry & Sandstrom.
B. Meat Products Group.

A. Walter J. Bierwagen.
B. Amalgamated Transit Union, AFL-CIO.

A. Gerda V. Bikales.
B. National Parks & Conservation Association.

A. Robert J. Bird.
B. Zachry, Inc.

A. Bison & Wenning.
B. National Association of Retail Grocers of the United States.

A. Bison & Wenning.

B. National Food Brokers Association.

A. Tom Black.
B. National Federation of Federal Employees.

A. Richard W. Blake.
B. American Sugarbeet Growers Association.

A. L. H. Blanchard.
B. Credit Union Financial Services, Inc.

A. Robert W. Blanchette.
B. Board of Trade Clearing Corp.

A. Robert W. Blanchette.
B. RCA Global Communications, Inc.

A. Glenn Blitgen.
B. American Mining Congress.

A. Robert Z. Bohan.
B. National Soft Drink Association.

A. M. Warren Bolton.
B. Provident Indemnity Life Insurance Co.

A. Susan A. Boolukos.
B. American Frozen Food Institute.

A. William H. Borghesani, Jr.
B. Private Carrier Conference.

A. Charles E. Boswell.
B. Amalgamated Transit Union, National Capital Local 689.

A. J. Patrick Boyle.
B. United Fresh Fruit & Vegetable Association.

A. Mitchell H. Bradley.
B. American Society of Mechanical Engineers.

A. David C. Branand.
B. American Mining Congress.

A. Gerard M. Brannon
B. American Council of Life Insurance.

A. John Henry Brebbia.
B. Board of Trade Clearing Corporation.

A. Breed, Abbott & Morgan.
B. Associated Hospital Service of New York.

A. Breed, Abbott & Morgan.
B. Lefrak Organization.

A. Breed, Abbott & Morgan.
B. David H. McConnell.

A. Breed, Abbott & Morgan.
B. Panhandle Eastern Pipe Line Co.

A. Miles H. Bresee
B. Bechtel Power Corp.

A. Claude S. Brinegar.
B. Union Oil Co. of California.

A. David W. Broome.
B. Burlington Industries, Inc.

A. Charles T. Brown.
B. Cities Service Co.

A. Ellen S. Brown.
B. Council of Energy Resource Tribes.

A. Howard S. Brown, Jr.
B. Centar Associates.

A. Thomas H. Brownell.
B. Boeing Co.

A. David Brubaker.

B. National Rehabilitation Counseling Association.

A. Harvey F. Brush.
B. Bechtel Inc.

A. Building Owners & Managers Association International.

A. Gerard P. Burke.
B. International Air Leases, Inc.

A. Francis X. Burkhardt.
B. International Brotherhood of Painters & Allied Trades.

A. Burns Public Relations Services, Inc.
B. DeHart Associates.

A. James L. Burridge.
B. FMC Corp.

A. Burr, Pease & Kurtz, Inc.
B. Eklutna, Inc.

A. Butler, Binion, Rice, Cook & Knapp.
B. City of Houston/Department of Aviation.

A. Butler, Binion, Rice, Cook & Knapp.
B. City of Philadelphia.

A. Butler, Binion, Rice, Cook & Knapp.
B. Dorchester Sea 3 Products, Inc.

A. Butler, Binion, Rice, Cook & Knapp.
B. Seatrain Lines, Inc.

A. Thomas D. Byrne.
B. Stone Container Corp.

A. J. Fred Byset.
B. United States Chamber of Commerce.

A. Roy C. Cahoon Associates.
B. National Automatic Merchandising Association.

A. Victoria R. Calvert.
B. National Council of Farmer Cooperatives.

A. Donald L. Calvin.
B. New York Stock Exchange.

A. Jerry L. Campbell.
B. Tennessee Valley Public Power Association.

A. Paul W. Cane.
B. Bechtel Power Corp.

A. W. Dean Cannon, Jr.
B. California Savings and Loan League.

A. Charles E. Capron.

A. Donald Capshaw.
B. Airline Pilots Association.

A. Issac R. Caraco.
B. Bechtel Power Corp.

A. William Carmichael.
B. American Floral Services, Inc.

A. David C. Carter.
B. United States Beet Sugar Association.

A. Danato Caruso.
B. New York Shipping Association, Inc.

A. John L. Casey.
B. Investment Counsel Association of America, Inc.

A. Allen R. Caskie.
B. American Council of Life Insurance.

A. Daniel J. Cassidy.

B. Chemical Specialties Manufacturers Association.

A. Rita L. Castle.
B. Caterpillar Tractor Co.

A. CDAC District No. 7.

A. Henry Chajet.
B. American Mining Congress.

A. David F. Chavkin.
B. National Health Law Program

A. Chemical Specialties Manufacturers Association.

A. Howard P. Chester.
B. Stone, Glass & Clay Coordinating Committee.

A. Children's TV Workshop.

A. Donald T. Chunn.
B. Title Associates, Inc.

A. City of Houston Department of Aviation.

A. Cladouhos & Brashares.
B. Crown Central Petroleum.

A. Cladouhos & Brashares.
B. International Petroleum Refining & Supply.

A. Cladouhos & Brashares.
B. International Processors.

A. Cladouhos & Brashares.
B. Seaview Petroleum Co.

A. Bob Clark & Associates.
B. Ryder Systems, Inc.

A. Gilbert M. Clark.
B. American Association of Blood Banks.

A. Thomas R. Clark.
B. General Electric Co.

A. Joseph J. F. Clarke.
B. Eaton Associates, Inc.

A. William F. Clarken.
B. International Council of airshows.

A. Cleveland Electric Illuminating Co.

A. Clifford & Warnke.
B. Warner-Lambert Co.

A. Coalition of Automotive Associations.

A. Cole Corette & Bradfield.
B. American Express Co.

A. Cole Corette & Bradfield.
B. Chase Manhatten Bank.

A. Calvin J. Collier.
B. Bristol-Myers Co.

A. Calvin J. Collier.
B. Pfizer, Inc.

A. Collier, Shannon, Rill & Scott.
B. American Frozen Food Institute.

A. Collier, Shannon, Rill & Scott.
B. Cylinder Manufacturers Association.

A. Collier, Shannon, Rill & Scott.
B. Ferrous Scrap Consumers Coalition.

A. Collier, Shannon, Rill & Scott.
B. Food Marketing Institute.

A. Collier, Shannon, Rill & Scott.

79-069 O 1984 — 81 — (Vol. 127 Pt. 2)

B. National Broiler Council.

A. Collier, Shannon, Rill & Scott.
B. Society of Independent Gasoline Marketers of America.

A. Collier, Shannon, Rill & Scott.
B. Tool and Stainless Steel Industry Committee.

A. Committee for Limit of Oil Import.

A. James T. Conner.
B. Mobay Chemical Co.

A. Gregory E. Conrad.
B. American Mining Congress.

A. Benjamin Y. Cooper, Jr.
B. Printing Industries of America, Inc.

A. Patrick H. Corcoran.
B. Association of Oil Pipe Lines.

A. Alfred C. Cordon.
B. Buffalo Broadcasting Co., Inc.

A. Samuel C. Corey, Jr.
B. Provident Indemnity Life Insurance Co.

A. Bennett J. Corn.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. Mary Marcotte Corrigan.
B. National Rifle Association of America.

A. Cosmetic, Toiletry & Fragrance Association.

A. Daniel T. Coughlin.
B. Joseph Schlitz Brewing Co.

A. Craig A. Coulter.
B. Cities Service Co.

A. Raymond L. Courage.
B. Carl Byoir & Associates, Inc.

A. William R. Courtney.
B. Tribal Council of the Coushatta Tribe of Louisiana.

A. C. Brayan Cox.
B. Kansas City Life Insurance Co.

A. Charles H. Cromwell, Inc.
B. General Electric.

A. Charles H. Cromwell, Inc.
B. Hughes Helicopters.

A. Charles H. Cromwell, Inc.
B. Motorola.

A. Charles H. Cromwell, Inc.
B. Northrup.

A. Charles H. Cromwell, Inc.
B. Vought.

A. James H. Cromwell, Sr.
B. Med-E-Jet Corp.

A. James H. Cromwell, Sr.
B. Worldgate Office Park, Inc.

A. Bobby E. Crow.
B. Columbia Gulf Transmission Co.

A. Crowell & Moring.
B. Associated Gas Distributors.

A. Cryogenic Vacuum Technology Co.

A. William E. Cumberland.
B. Mortgage Bankers Association of America.

A. Jack Curran.

B. National Coordinating Committee for Multiemployer Plans.

A. Curtis, Mallet-Prevost, Colt & Mosle.
B. United States Trust Company of New York.

A. Everett E. Cutter.
B. Oregon Railroad Association.

A. Fred L. Dahl.
B. Bechtel Power Corp.

A. Damon Corp.

A. John E. Daniel.
B. Johns-Manville Corp.

A. Daniels, Houlihan & Palmeter.
B. Japan Lumber Importer's Association.

A. Michael P. Daniels.
B. Korean Traders Association.

A. David S. Danielson.
B. American Optometric Association.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. Government of Antigua.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. Japan Atomic Industrial Forum.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. Metropolitan Washington Savings & Loan League.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. National Railway Utilization Corporation.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. Perpetual Federal Savings & Loan Association.

A. Danzansky, Dickey, Tydings, Quint & Gordon.
B. Potomac Electric Power Co.

A. Stephen I. Danzansky.
B. Danzansky, Dickey, Tydings, Quint & Gordon (for Government of Antigua).

A. Diane Davenny Darneille.
B. Schering-Plough Corp.

A. Drew M. Davis.
B. National Soft Drink Association.

A. Ovid R. Davis.
B. Coca-Cola Co.

A. P. M. Davison, Jr.
B. North Dakota Railway Lines.

A. J. Edward Day.
B. Associated Third Class Mail Users.

A. J. Edward Day.
B. Electronic Industries Association.

A. John Russell Deane III.
B. Coalition of Automotive Associations.

A. John Russell Deane III.
B. Specialty Equipment Market Association.

A. Gaston de Bearn.
B. Hoffmann-La Roche, Inc.

A. Francis R. deBondt.
B. Credit Union Financial Services, Inc.

A. George K. Degnon Associates, Inc.

B. National Association of Children's Hospitals & Related Institutions.

A. Stephen T. Delamater.
B. Halliburton Co.

A. John L. Delano.
B. Montana Railroad Association.

A. O. Mark De Michele.
B. Arizona Public Service Co.

A. Bradford T. Dempsey.

A. Claude J. Desautels.
B. Carl Byoir & Associates, Inc. (for Flavor & Extract Manufacturers Association).

A. Detroit Edge Tool Co.

A. James T. Devine.
B. Bowling Proprietors' Association of America, Inc.

A. Dickstein, Shapiro & Morin.
B. American Fisheries Defense Committee.

A. Dickstein, Shapiro & Morin.
B. Capeway Seafoods, Inc.

A. Dickstein, Shapiro & Morin.
B. Government of Liberia.

A. Dickstein, Shapiro & Morin.
B. International Brotherhood of Teamsters.

A. Dickstein, Shapiro & Morin.
B. Marine Engineers Beneficial Association.

A. Dickstein, Shapiro & Morin.
B. Mitsubishi International Corp.

A. Dickstein, Shapiro & Morin.
B. Tennessee Gas Transmission Co.

A. James F. Doherty.
B. Group Health Association of America, Inc.

A. Hollis M. Dole.
B. Atlantic Richfield Co.

A. John J. D'Onofrio.
B. Ute Mountain Ute Tribe.

A. William D. D'Onofrio.
B. National Association for Neighborhood Schools, Inc.

A. Jack C. Donovan.
B. Cleveland Electric Illuminating Co.

A. James A. Dorsch.
B. Health Insurance Association of America.

A. Robert H. Doyle.
B. Plumbing Manufacturers Institute.

A. Anthony V. Dresden.
B. Hill and Knowlton, Inc.

A. Thomas E. Drumm, Jr.
B. MacMillan, Inc.

A. W. H. Drushel, Jr.
B. Vinson & Elkins (for Quintana Refinery Co.).

A. Michael F. Duffy.
B. American Mining Congress.

A. C. R. Duggan.

B. Brotherhood of Railway & Airline Clerks.

A. Duncan, Weinberg & Miller.
B. Delaware 5.

A. Duncan, Weinberg & Miller.
B. East Bay Regional Park District.

A. Duncan, Weinberg & Miller.
B. Iva May Harvey.

A. Duncan, Weinberg & Miller.
B. Huron-Clinton Metropolitan Authority.

A. Duncan, Weinberg & Miller.
B. Kenai Natives Association, Inc.

A. Duncan, Weinberg & Miller.
B. Adolph Kizas.

A. Duncan, Weinberg & Miller.
B. Koniag, Inc.

A. Duncan, Weinberg & Miller.
B. Mid-West Electric Consumer Association.

A. Duncan, Weinberg & Miller.
B. Western Fuels Association, Inc.

A. Joseph L. Duran.
B. First National Bank of Boston.

A. Henry I. Dworshak.
B. American Mining Congress.

A. Roderick T. Dwyer.
B. American Mining Congress.

A. Dennis J. Earhart.
B. Bonneville Associates, Inc. (for Roncalio & Associates).

A. Dennis J. Earhart.
B. Bonneville Associates, Inc. (for Western Regional Council).

A. Jack D. Early.
B. National Agricultural Chemicals Association.

A. Eaton Associates, Inc.

A. Robert E. L. Eaton.
B. Eaton Associates, Inc.

A. Economic Service Counsel, Inc.

A. Daniel J. Edelman, Inc.
B. Nestle Corp., Inc.

A. Anne Edlund.
B. Motor Vehicle Manufacturers Association.

A. Ed Edmondson.
B. American Inland Waterways Committee.

A. Ed Edmondson.
B. Cherokee Nation.

A. Ed Edmondson.
B. IU International Management Corp.

A. Ed Edmondson.
B. Oklahoma Association of Electric Coops.

A. Ed Edmondson.
B. U.S. Maritime Committee.

A. J. Rodney Edwards.
B. American Paper Institute, Inc.

A. Jonathan P. Ela.
B. Sierra Club.

A. Jane E. Elder.

B. Sierra Club.

A. Timothy L. Elder.
B. Caterpillar Tractor Co.

A. Stephen W. Elliott.
B. Fidelity Union Trust Co.

A. Joseph J. Ely.
B. Squibb Corp.

A. Law Offices of Northcutt Ely.
B. Jasper-Newton Electric Cooperative.

A. Law Offices of Northcutt Ely.
B. Ocean Mining Associates.

A. Law Offices of Northcutt Ely.
B. Outer Banks Civic League.

A. Ralph Engel.
B. Chemical Specialties Manufacturers Association.

A. Steven L. Engelberg.
B. American Association of Marriage and Family Therapy.

A. John R. Englehorn.
B. Texasgulf, Inc.

A. Mary Ann Eriksen.
B. Sierra Club.

A. John M. Erskine, Jr.
B. Standard Oil Co. (Indiana).

A. Donald C. Evans.

A. Joseph O. Evans.

A. Robbie Exley.
B. National Federation of Federal Employees.

A. Dale W. Fallat.
B. The Andersons.

A. George W. Failtrick.
B. Brotherhood of Railway & Airline Clerks.

A. Michael Farrar.
B. American Paper Institute, Inc.

A. Arthur Fefferman.
B. American Council of Life Insurance.

A. John W. Feist.
B. Kaiser Steel Corp.

A. C. W. Fendrich.
B. Research-Cottrell, Inc.

A. John L. Festa.
B. American Paper Institute, Inc.

A. Blaine Fielding.
B. American Paper Institute, Inc.

A. Victor E. Fitzmaurice.
B. Union Oil Co. of California.

A. Five Freedoms, Inc.

A. Aaron I. Fleischman.
B. Cablecom-General, Inc.

A. Aaron I. Fleischman.
B. Warner Amex Cable Communications, Inc.

A. Raymond J. Foley.
B. National Candy Wholesalers Association, Inc.

A. Gordon Forbes.
B. Minnesota Railroads Association.

A. James W. Foristel.

B. American Association of Ophthalmology.

A. Joseph L. Fraites.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. William C. France.
B. National Motorsports Committee of ACCUS.

A. William H. G. France.
B. National Motorsports Committee of ACCUS.

A. Richard H. Francis.
B. National Multi Housing Council.

A. Lewis R. Freeman, Jr.
B. Society of the Plastics Industry, Inc.

A. Robert E. Freer, Jr.
B. Kimberly-Clark Corp.

A. Fried, Frank, Harris, Shriver, & Kampelman.
B. Cheyenne River Sioux Tribe.

A. Fried, Frank, Harris, Shriver, & Kampelman.
B. Doyon, Ltd.

A. Fried, Frank, Harris, Shriver, & Kampelman.
B. Metlakatla Indian Community.

A. Fried, Frank, Harris, Shriver, & Kampelman.
B. Miccosukee Tribe of Indians of Florida.

A. Fried, Frank, Harris, Shriver, & Kampelman.
B. The Nez Perce Tribe.

A. Fried, Frank, Harris, Shriver, & Kampelman.
B. Oglala Sioux Tribe of the Pine Ridge Reservation.

A. Fried, Frank, Harris, Shriver, & Kampelman.
B. Rosebud Sioux Tribe.

A. Fried, Frank, Harris, Shriver, & Kampelman.
B. Senaca Nation of Indians.

A. Barry A. Friedman.
B. Wilner & Scheiner (for American Society of Travel Agency, Inc.).

A. Gay H. Fridemann.
B. Southern California Gas Co.

A. R. D. Fritz.
B. Brotherhood of Railway & Airline Clerks.

A. Terry Gabrielson.
B. Transcontinental Gas Pipeline Corp.

A. Gailor, Elias & Matz.
B. National Association of State Savings & Loan Supervisors.

A. Gardner, Carton & Douglas.
B. Council of Industrial Boiler Owners.

A. Gardner, Carton & Douglas.
B. Heizer Corp.

A. Gardner, Carton & Douglas.
B. Marathon Oil Co.

A. Gardner, Carton & Douglas.
B. Peoples Gas Co.

A. Gardner, Carton & Douglas.

B. Sealed Power Corp.

A. Gardner, Carton & Douglas.
B. Zeigler Coal Co.

A. Theodore J. Garrish.
B. American Metal Detector Manufacturers.

A. James J. Garry.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. Morton A. Geller.
B. First National Bank of Boston.

A. George & George.
B. Pepsico, Inc.

A. Thomas W. George.
B. Texas Water Conditioning Association.

A. George W. Gephart.
B. Baltimore Gas & Electric Co.

A. Phyllis H. Gerstell.
B. American Council of Life Insurance.

A. Thomas F. Gibson.
B. Brick Institute of America.

A. Susan Gilbert.
B. National Federation of Federal Employees.

A. Arthur P. Gildea.
B. National Conference Brewery Workers-International.

A. Jonah Gitlitz.
B. American Advertising Federation.

A. Larry L. Glantz.
B. National Employment Law Project.

A. Claude Glaze.
B. Brotherhood of Railway & Airline Clerks.

A. John P. Gleason, Jr.
B. Brick Institute of America.

A. Richard C. Gohla.
B. Retail Bakers of America.

A. Vance V. Goodfellow.
B. Crop Quality Council.

A. Bruce G. Goodman.
B. Damon Corp.

A. Ann M. Gosier.
B. American Mining Congress.

A. John R. Graff.
B. International Association of Amusement Parks and Attractions.

A. Donald Edward Graham.
B. National Council of Farmer Cooperatives.

A. Ruth Graves.
B. Reading Is Fundamental, Inc.

A. Mark E. Grayson.
B. Hill and Knowlton, Inc.

A. Mark E. Grayson.
B. Hill and Knowlton, Inc. (for Health Insurance Association of America).

A. Mark E. Grayson.
B. Hill and Knowlton, Inc. (for Navajo Nation).

A. Mark E. Grayson.
B. Hill and Knowlton, Inc. (for RKO General).

A. Mark E. Grayson.
B. Hill and Knowlton, Inc. (for Seattle First National Bank).

A. Mark E. Grayson.
B. Hill and Knowlton, Inc. (for Uniroyal, Inc.).

A. Great Atlantic & Pacific Tea Co., Inc.

A. Edward M. Green.
B. American Mining Congress.

A. Dale Greenwood.
B. Washington Railroad Association.

A. A. Jack Grimes.
B. National Pest Control Association.

A. Robert J. Grimm.
B. Avon Products, Inc.

A. Chester A. Groseclose, Jr.
B. South Dakota Railroads Association.

A. John T. Grupenhoff.
B. National Association for Hospital Development.

A. Thomas M. Gunn.
B. McDonnell Douglas Corp.

A. Jerome A. Guth.
B. Armco, Inc.

A. Maria Faller Gwaltney.
B. American Hellenic Institute Public Affairs Committee, Inc.

A. C. James Hackett.
B. American Plywood Association.

A. William D. Hager.
B. American Academy of Actuaries.

A. Peter H. Hahn.
B. Chromalloy American Corp.

A. Martin Ryan Haley & Associates.
B. Agri-Business, Inc.

A. Martin Ryan Haley & Associates.
B. American Energy Inc.

A. Martin Ryan Haley & Associates.
B. Central Texas Grain Products Marketing Cooperative.

A. Martin Ryan Haley & Associates.
B. Grain Products Alcohol Cooperatives.

A. Martin Ryan Haley & Associates.
B. M&M/Mars Division of Mars.

A. Martin Ryan Haley & Associates.
B. New England Mutual Life Insurance Co.

A. Martin Ryan Haley & Associates.
B. Operation Independence.

A. Martin Ryan Haley & Associates.
B. Tobacco Tax Council.

A. Floyd D. Hall.
B. International Air Transport Association.

A. Halt, Inc.

A. Hamel, Park, McCabe & Saunders.
B. State of Alaska.

A. Philip W. Hamilton.
B. Hamilton & Associates, Inc. (for National Labor-Management Foundation).

A. George J. Hanks, Jr.
B. Union Carbide Corporation.

A. Erling Hansen.
B. Group Health Association of America, Inc.

A. Ralph R. Harding.
B. AMPCO Foods, Inc.

A. David T. Hardy.
B. National Rifle Association of America.

A. Michael Harrigan.
B. United States Olympic Committee.

A. Robert S. Hartmann.
B. Hill and Knowlton.

A. Edwin H. Harvey.
B. National Federation of Federal Employees.

A. Paul T. Hasse.
B. Halt, Inc.

A. Paul M. Hawkins.
B. Health Insurance Association of America.

A. Heavy Specialized Carriers Conference, Inc.

A. Richard L. Hellwege.
B. Lear Siegler, Inc.

A. Thomas R. Hendershot.
B. Barnett, Alagia & Carey (for American Gas Association).

A. Thomas R. Hendershot.
B. Barnett, Alagia & Carey (for American Society of Farm Managers & Rural Appraisers).

A. Thomas R. Hendershot.
B. Barnett, Alagia & Carey (for P. Mastrippolito & Sons, Inc.).

A. Thomas R. Hendershot.
B. Barnett, Alagia & Carey (for National Custom Brokers & Forwarders of America, Inc.).

A. Thomas R. Hendershot.
B. Barnett, Alagia & Carey (for Partnership Placements, Inc.).

A. Thomas R. Hendershot.
B. Barnett, Alagia & Carey (for Pennsylvania Food Processors Association).

A. Thomas R. Hendershot.
B. Barnett, Alagia & Carey (for Petroleum Heat & Power Co.).

A. Thomas R. Hendershot.
B. Barnett, Alagia & Carey (for Philadelphia Gas Works).

A. Thomas R. Hendershot.
B. Barnett, Alagia & Carey (for Slurry Transport Association).

A. C. Dayle Henington.
B. Chicago Mercantile Exchange.

A. Henkel & Lamon.
B. Colonial Life & Accident Insurance Co.

A. Henkel & Lamon.
B. National Association of Pension Consultants & Administrators, Inc.

A. Donald A. Henriksen.
B. Atlantic Richfield Co.

A. Bruce Heppen.

B. National Federation of Federal Employees.

A. Hercules, Inc.

A. William R. Hesse.
B. Fahlgren & Ferriss, Inc.

A. Kevin M. Higgins.
B. Avon Products, Inc.

A. Hill, Christopher & Phillips.
B. Michigan State Housing Development Authority.

A. Hill, Christopher & Phillips.
B. Morgan Guaranty Trust Co. of New York.

A. Hill, Christopher & Phillips.
B. Republic National Bank of New York.

A. Gerald "Jerry" Hill.
B. Standard Oil Co. (Indiana).

A. Beverly Hines.
B. VISA-USA, Inc.

A. Robert J. Hobbs.
B. National Consumer Law Center, Inc.

A. Philip R. Hochberg.
B. Canadian Cablesystems, Ltd.

A. Irvin A. Hoff.
B. United States Cane Sugar Refiners' Association.

A. William H. Hoffman.
B. American Iron & Steel Institute.

A. Hogan & Hartson.
B. Guam Power Authority.

A. Hogan & Hartson.
B. National Rehabilitation Association.

A. Robert L. Holding.
B. Association of Home Appliance Manufacturers.

A. Kelly Holley.
B. American Paper Institute, Inc.

A. Henry W. Holling.
B. Caterpillar Tractor Co.

A. Richard C. Holmquist.
B. American Mining Congress.

A. Holt Cicatiello Neiswanger, Inc.
B. New York Mercantile Exchange.

A. John W. Holton.
B. American Bankers Association.

A. Linwood Holton.
B. American Council of Life Insurance.

A. Michael J. Horowitz.
B. National Association of Coin Laundry Equipment Operators.

A. Thomas B. House.
B. American Frozen Food Institute.

A. Mary Greer Houston.
B. Hamilton & Associates, Inc. (for Farm Labor Research Committee).

A. C. T. Hoversten.
B. National Advertising Co.

A. Howell Corp.

A. Margaret Renken Hudson.
B. Korf Industries, Inc.

A. Gary E. Hughes.
B. American Council of Life Insurance.

A. Robert Hughes.
B. American Association of Foundations for Medical Care.

A. Vester T. Hughes, Jr.
B. Sammons Enterprises, Inc.

A. William E. Hughes, Jr.
B. Northeast Utilities Service Co.

A. Cordell W. Hull.
B. Bechtel Power Corp.

A. Frederick D. Hunt, Jr.
B. Society of Professional Benefit Administrators.

A. Lawrence H. Hunt, Jr.
B. Sidley & Austin (for Heinold Commodities, Inc.).

A. Peter C. Hunt.
B. Brooklyn Union Gas Co.

A. Robert C. Hunt.
B. Cooperative Food Distributors of America.

A. Raymond D. Hurley.
B. Owens-Corning Fiberglas Corp.

A. Robert R. Hurt.
B. Merck & Co., Inc.

A. Bernard J. Imming.
B. United Fresh Fruit & Vegetable Association.

A. Independent United States Tanker Owners Committee.

A. Inter-American Services, Inc.

A. International Brotherhood of Painters & Allied Trades.

A. Investors Diversified Services, Inc.

A. Linda Jenckes.
B. Health Insurance Association of America, Inc.

A. Donald A. Johnson.
B. Plains Cotton Growers, Inc.

A. H. Bradley Johnson.
B. American Mining Congress.

A. Donald W. Jones.
B. Harsh-Rotman & Druck.

A. James E. Jones.
B. Appalachian Power Co.

A. Ardon B. Judd, Jr.
B. Dresser Industries, Inc.

A. Kaiser Steel Corp.

A. Kaye, Scholer, Fierman, Hays & Handler.
B. American Psychoanalytic Association.

A. William J. Keating.
B. National Grain and Feed Association.

A. Vicki R. Keenan.
B. Bechtel Power Corp.

A. Jefferson D. Keith.
B. National Pest Control Association.

A. Donald W. Keller.
B. Quintana Petroleum Corp.

A. John G. Keller.
B. Exxon Corp.

A. Stephen G. Kellison.
B. American Academy of Actuaries.

A. Stephen S. Kellner.
B. Chemical Specialties Manufacturers Association.

A. Robert F. Kelly.
B. E. I. du Pont de Nemours & Co., Inc.

A. William T. Kendall.
B. Alliance for Free Enterprise.

A. Kenyon & Kenyon.
B. Estate of Bert N. Adams, et al.

A. Robert M. Ketchel.
B. General Electric Co.

A. Earline A. Keyser.
B. Bechtel Power Corp.

A. Richard F. Kibben.
B. Business Roundtable.

A. Kies, Dennis M.
B. Midwest Gas Users Association.

A. Edward H. King.
B. Walgreen Co.

A. G. Jack King.
B. U.S. Air, Inc.

A. Francis L. Kinney.
B. Northeast Utilities Service Co.

A. Robert B. Kittredge.
B. Investment Counsel Association of America, Inc.

A. Allie C. Kleinpeter, Jr.
B. Louisiana Bankers Association.

A. William H. Knapp.
B. Chamber of Commerce of the United States.

A. Gary D. Knight.
B. American Mining Congress.

A. Jeffrey W. Knight.
B. Friends of the Earth.

A. Keith R. Knoblock.
B. American Mining Congress.

A. Paul E. Kuhl.
B. Archdiocese of New York.

A. Nicholas Kominus.
B. U.S. Cane Sugar Refiners' Association.

A. Charles B. Kornmann.
B. South Dakota Railroads Association.

A. Stephen W. Kraus.
B. American Council of Life Insurance.

A. Philip Kugler.
B. American Federation of Teachers, AFL-CIO.

A. Labor Bureau of Middle West.

A. C. Peter Lambos.
B. New York Shipping Association, Inc.

A. Thomas M. Landin.
B. SmithKline Corp.

A. Bruce A. Landy.

A. Michael S. Lang.
B. American Productivity Center, Inc.

A. Reed E. Larson.
B. National Right to Work Committee.

A. Lawrence C. Laser.
B. Cities Service Co.

A. Louis F. Laun.

B. American Paper Institute, Inc.

A. Linda L. Lawrence.
B. Brown & Root, Inc.

A. Ivan Lawyer.
B. GCC Beverages, Inc.

A. William T. Lehner.
B. Montgomery Ward & Co., Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. City & Regional Magazine Association.

A. Leighton, Conklin, Lemov & Jacobs.
B. Clorox Co.

A. Leighton, Conklin, Lemov & Jacobs.
B. Developmental Healthcare & Wellness, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. Family Practice Life and Health Action Research Institute, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. First Boston Corp.

A. Leighton, Conklin, Lemov & Jacobs.
B. GEM Mailing, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. General Instrument Corp.

A. Leighton, Conklin, Lemov & Jacobs.
B. Greater Boston Real Estate Board.

A. Leighton, Conklin, Lemov & Jacobs.
B. Grocery Manufacturers of America, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. Jet America International, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. National Cable Television Association, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. National Development Services Corp.

A. Leighton, Conklin, Lemov & Jacobs.
B. Oakdale Corp.

A. Leighton, Conklin, Lemov & Jacobs.
B. Professional Air Traffic Controllers Organization.

A. Leighton, Conklin, Lemov & Jacobs.
B. Savings Banks Association of Massachusetts.

A. Leighton, Conklin, Lemov & Jacobs.
B. Security Associates, Inc.

A. Leighton, Conklin, Lemov & Jacobs.
B. Whey Products Institute.

A. Richard L. Lesher.
B. Chamber of Commerce of the United States.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Commerzbank AG.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Consolidated Edison Co. of New York, Inc.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. General Electric Co.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. GK Technologies, Inc.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Glass Packaging Institute.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. National Alliance of Supermarket Shoppers.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Pacific Gas & Electric Co.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. TOSCO.

A. Leva, Hawes, Symington, Martin & Oppenheimer.
B. Union-Investment-GmbH.

A. Robert J. Levering.
B. Direct Selling Association.

A. Caroline A. Lewis.
B. Apartment and Office Building Association.

A. Charles L. Lewis.
B. American Personnel & Guidance Association.

A. James B. Liberman.
B. Public Service Electric and Gas Company, et al.

A. Russell B. Light.
B. Boeing Co.

A. John F. Lillard III.
B. National Insulators Association.

A. Richard A. Liliquist.
B. Flexible Packaging Association.

A. Elena Linthicum.
B. Allied Chemical Corp.

A. Charles B. Lipsen.

A. Charles B. Lipsen.
B. Hoffman, Hendry, et al. (for: Global Exploration & Development Corp.).

A. Charles B. Lipsen.
B. National Constructors Association.

A. Charles B. Lipsen.
B. Norman, Lawrence, et al. (for: Fur Conservation Institute of America).

A. Charles B. Lipsen.
B. Northwest Alaska Pipeline Co.

A. Charles B. Lipsen.
B. U.S. & Overseas Employee Tax Fairness Committee.

A. Zel E. Lipsen.
B. Westinghouse.

A. William F. Little.
B. Ford Motor Co.

A. Theodore M. Littman.
B. Rockwell International.

A. Robert H. Loeffler.
B. State of Alaska.

A. Nira Hardon Long.
B. National Black Media Coalition.

A. John H. Lonnquist, Jr.
B. Johns-Manville Corp.

A. Loomis, Owen, Fellman & Howe.
B. National Water Well Association.

A. Annie B. Lorber.

A. Claudia J. Louis.
B. National Soft Drink Association.

A. Robert C. Lower.
B. Board of Trade Clearing Corp.

A. Judy D. Lynch.
B. Intitute for Public Representation.

A. Timothy C. MacCarthy.
B. Motor Vehicle Manufacturers Association.

A. James E. Mack.
B. National Association of Mirror Manufacturers.

A. Curtis T. Mackey.
B. National Insulation Contractors Association.

A. Marion M. MacRae.
B. BankAmerica Corp.

A. Lee G. Magnussen.
B. Heinold Commodities, Inc.

A. Robert L. Maier.
B. Kaiser Aluminum & Chemical Corp.

A. Richard E. Mallory.
B. California Westside Farmers.

A. Milton C. Mapes, Jr.
B. National Peace Academy Campaign.

A. Philip N. Margolis.
B. Young Woman's Christian Home.

A. Ronald Anthony Marks.

A. D. V. Maroney, Jr.
B. Amalgamated Transit Union, AFL-CIO.

A. Chalmers Marquis.
B. Agency for Instructional TV.

A. Chalmers Marquis.
B. Children's TV Workshop.

A. Larry K. Martin.
B. Man-Made Fiber Producers Association, Inc.

A. E. C. Marty.

A. Judith Marty.

A. Mike M. Masaoka.
B. American Japanese Trade Committee.

A. Mike M. Masaoka.
B. Nisei Lobby.

A. Paul J. Mason.
B. American Council of Life Insurance.

A. Jon G. Massey.
B. Oil Investment Institute.

A. C.V. & R.V. Maudlin.
B. Georgia Power Co.

A. C.V. & R.V. Maudlin.
B. Joint Government Liaison Committee.

A. Douglas E. McAllister.
B. American Mining Congress.

A. William J. McAuliffe, Jr.
B. American Land Title Association.

A. Michael J. McCabe.
B. Allstate Enterprises, Inc.

A. John McCahill.
B. United States Olympic Committee.

A. A. R. McCammon.

B. Tennessee Railroad Association.

A. Robert S. McConnaughey.
B. American Council of Life Insurance.

A. Marianne McDermott.
B. Hill and Knowlton, Inc.

A. Edward McDonald.
B. Brotherhood of Railway & Airline Clerks.

A. Jack McDonald Assoc., Inc.
B. Northrop Corp.

A. James McDonald.
B. Jack McDonald Associates, Inc. (for Northrop Corp.).

A. Patrick J. McDonough.
B. American Personnel & Guidance Association.

A. Robert H. McFadden.
B. Motor Vehicle Manufacturers Association of the United States, Inc.

A. James M. McGarry, Jr.
B. Eaton Associates, Inc.

A. William F. McKenna.
B. Silver, Freedman, Housley, Taff & Goldberg.

A. William Colm McKeveny.
B. American Pulpwood Association.

A. Margaret McNamara.
B. Reading Is Fundamental, Inc.

A. Robert E. McVicker.
B. Kollsman Instrument Co.

A. R. E. McWilliams.
B. Boeing Commercial Airplane Co.

A. George G. Mead.
B. American Trucking Associations, Inc.

A. R. Otto Meletzke.
B. American Council of Life Insurance.

A. Howard N. Menaker.
B. American Optometric Association.

A. Andrice J. Michaels.
B. American Mining Congress.

A. Dale Miller.
B. Gulf Intracoastal Canal Association.

A. Dale Miller.
B. Texasgulf, Inc.

A. Luman G. Miller.
B. Oregon Railroad Association.

A. Paul J. Miller.
B. Investment Counsel Association of America, Inc.

A. Robert H. Miller.
B. Tenneco, Inc.

A. John G. Milliken.
B. LaChoy Food Products.

A. Glenn W. Million.
B. Disabled Officers Association.

A. Richard V. Minck.
B. American Council of Life Insurance.

A. Minerals Exploration Coalition, Inc.

A. Stacey J. Mobley.
B. E. I. du Pont de Nemours & Co.

A. Moery & Co.
B. Surrey & Morse (for Amsterdam-Rotterdam Bank).

A. Moery & Co.
B. Surrey & Morse (for Government of the Republic of Zaire).

A. Robert M. Moliter.
B. General Electric Co.

A. C. Austin Montgomery.
B. Credit Union Financial Services, Inc.

A. Donald L. Mooers.
B. Facts and Comparisons, Inc.

A. Donald L. Mooers.
B. Westinghouse Electric Corp.

A. E. Joyce Morgan.
B. American Mining Congress.

A. Victor G. Morris.
B. Montgomery Ward & Co., Inc.

A. Fareed Abdullah Muhammad.
B. Indiana State Prisoners, et al.

A. J. T. Mular.
B. Brotherhood of Railway & Airline Clerks.

A. Robert M. Mulligan.
B. International Association of Ice Cream Manufacturers & Milk Industry Foundation.

A. Law Offices of Timothy D. Naegele.
B. BayBanks, Inc.

A. Law Offices of Timothy D. Naegele.
B. Republic National Bank of New York.

A. National Agricultural Chemicals Association.

A. National Alliance of Teenagers, Inc.

A. National Association of Federally Licensed Firearms.

A. National Broiler Council.

A. National Committee for Citizens in Education.

A. National Consumer Center for Legal Services.

A. National Council for a Responsible Firearms Policy.

A. National Grain and Feed Association.

A. National Motorsports Committee of ACCUS.

A. National Organization for Women.

A. National Peace Academy Campaign.

A. National Pest Control Association.

A. National Railway Utilization Corp.

A. National Resource Center for Consumers of Legal Service.

A. National Small Business Index.

A. National Turkey Federation.

A. National Wheel & Rim Association.

A. National Youth Pro-Life Coalition.

A. Mark D. Nelson.
B. E. I. du Pont de Nemours & Co., Inc.

A. Milton E. Neshek.
B. Kikkoman Foods, Inc.

A. New Directions.

A. New York Committee of International Committee of Passenger Lines.

A. New York Shipping Association, Inc.

A. George O'Bea, Jr.
B. United Paperworkers International Union.

A. M. Eileen O'Brien.
B. Dow Corning Corp.

A. O'Connor & Hannan.
B. American Public Transit Association.

A. O'Connor & Hannan.
B. Commonwealth of Puerto Rico.

A. O'Connor & Hannan.
B. Hennepin County.

A. O'Connor & Hannan.
B. Hospital Financing Study Group.

A. O'Connor & Hannan.
B. National Committee for Quality Health Care.

A. O'Connor & Hannan.
B. Pfizer, Inc.

A. O'Connor & Hannan.
B. Police Association of the District of Columbia.

A. John A. O'Donnell.
B. Philippine Sugar Commission.

A. Oil Investment Institute.

A. Alice O'Leary.
B. Alliance for Cannabis Therapeutics.

A. Robert A. Olexy.
B. Browning-Ferris Industries.

A. Alvin E. Oliver.
B. National Grain and Feed Association.

A. Van R. Olsen.
B. United States Beet Sugar Association.

A. Nancy J. Olson.
B. Johns-Manville Corp.

A. Roy E. Olson.
B. American Paper Institute, Inc.

A. John T. O'Neill.
B. Apartment and Office Building Association.

A. Gerard Paul Panaro.
B. Retail Bakers of America.

A. Douglas L. Parker.
B. Institute for Public Representation.

A. Linda K. Parson.
B. Cities Service Co.

A. David J. Pattison.
B. Health Insurance Association of America.

A. Larry E. Paulick.
B. National Spa & Pool Institute.

A. Peabody, Rivlin, Lambert & Meyers.
B. Association of Media Producers.

A. Peabody, Rivlin, Lambert & Meyers.
B. Tuna Research Foundation.

A. Victor J. Perini, Jr.

B. Highway Users Federation for Safety & Mobility.

A. John E. Pflieger.
B. Time Inc.

A. Pierson, Ball & Dowd.
B. Dun & Bradstreet Corp.

A. Pierson, Ball & Dowd.
B. General Tire & Rubber Co.

A. Stuart F. Pierson.
B. Verner, Liipfert, Bernhard & McPherson (for Pan Am, LTV Corp., Consolidated Freightways, Overnite, Trailways, Airline of Portugal, Finnair, Commonwealth of Puerto Rico, Puyallup Indians, Northwest Indian Fisheries Committee).

A. Rena S. Pies.
B. American Footwear Industries Association.

A. Pineapple Growers Association of Hawaii.

A. Pitney Bowes, Inc.

A. Peter K. Pitsch.
B. Montgomery Ward & Co., Inc.

A. Ronald L. Platt.
B. Burger King Corp.

A. Robert E. Plett.
B. Robert Plett Associates, Ltd.

A. William N. Plymat.
B. American Council on Alcohol Problems.

A. Michael A. Poling.
B. American Mining Congress.

A. Nathaniel Polster.
B. Research to Prevent Blindness, Inc.

A. Robert F. Pontzer.
B. Lear Siegler, Inc.

A. Henry E. Poole.
B. Avon Products, Inc.

A. Potomac Electric Power Co.

A. E. A. Potter.
B. NCR Corp.

A. Janet Power.
B. VISA-USA, Inc.

A. Graydon R. Powers, Jr.
B. Scientific Apparatus Makers Association.

A. Preston, Thorgrimson, Ellis & Holman.
B. Chugach Natives, Inc.

A. Preston, Thorgrimson, Ellis & Holman.
B. City of Juneau.

A. Preston, Thorgrimson, Ellis & Holman.
B. Commercial Union Assurance Companies.

A. Preston, Thorgrimson, Ellis & Holman.
B. Dravo Corp.

A. Preston, Thorgrimson, Ellis & Holman.
B. Fisheries Development Corp.

A. Preston, Thorgrimson, Ellis & Holman.
B. Kyokuyo Co., Ltd.

A. Preston, Thorgrimson, Ellis & Holman.
B. National Education Association.

A. Preston, Thorgrimson, Ellis & Holman.
B. Northern Tier Pipeline Co.

A. Preston, Thorgrimson, Ellis & Holman.
B. Port of Seattle.

A. Preston, Thorgrimson, Ellis & Holman.
B. Ronan Telephone Co.

A. Preston, Thorgrimson, Ellis & Holman.
B. St. Louis Ship.

A. Preston, Thorgrimson, Ellis & Holman.
B. Schnitzer Investment Corp.

A. Preston, Thorgrimson, Ellis & Holman.
B. Seatrain Lines, Inc.

A. Preston, Thorgrimson, Ellis & Holman.
B. Seattle Trust & Savings Bank.

A. Preston, Thorgrimson, Ellis & Holman.
B. 13th Regional Corp.

A. Preston, Thorgrimson, Ellis & Holman.
B. Washington Department of Ecology.

A. Preston, Thorgrimson, Ellis & Holman.
B. Washington Natural Gas.

A. Preston, Thorgrimson, Ellis & Holman.
B. Yardarm Knot Corp.

A. Patricia Pride.
B. Financial Accounting Standards Board.

A. Paul C. Pritchard.
B. National Parks & Conservation Association.

A. Pro-Life Congressional District Action Committee.

A. Provident Indemnity Life Insurance Co.

A. David E. Pullen.
B. Johns-Manville Corp.

A. Earle E. Putnam.
B. Amalgamated Transit Union, AFL-CIO.

A. William A. Quinlan.
B. Retail Bakers of America.

A. Quintana Refinery Co.

A. Clifford H. Raber.
B. McDonald's Corp.

A. Nancy Ramsey.
B. Americans for Salt, Inc.

A. Robert Randall.
B. Alliance for Cannabis Therapeutics.

A. H. W. Randolph.
B. Brotherhood of Railway & Airline Clerks.

A. Carol Raulston.
B. American Paper Institute, Inc.

A. Julian O. Read.
B. Central and South West Corp.

A. Reading Is Fundamental, Inc.

A. Dwight C. Reed.
B. National Soft Drink Association.

A. Paul Reiber.
B. International Air Leases, Inc.

A. Charlotte T. Reid.
B. Volunteer Trustees of Not for Profit Hospitals.

A. Reid & Priest.
B. Shanghai Power Co.

A. W. W. Renfroe.
B. Kentucky Railroad Association.

A. Research-Cottrell, Inc.

A. John H. Reurs.
B. New York Committee of International Committee of Passenger Lines.

A. Austin T. Rhoads.
B. International Association of Ice Cream Mfrs. & Milk Industry Foundation.

A. R. Paul Richard.
B. Association of American Law Schools.

A. K. O. Richardson.
B. Brotherhood of Railway & Airline Clerks.

A. Lloyd C. Richardson, Jr.
B. South Dakota Railroads Association.

A. Mark J. Riedy.
B. Mortgage Bankers Association of America.

A. James E. Ritchie.
B. National Association of Off-Track Betting Corp.

A. Stark Ritchie.
B. American Petroleum Institute.

A. Jerome Robinson.
B. Florida Restaurant Association.

A. Robinson, Silverman, Pearce, Aronsohn & Berman.
B. National Reality Committee, Inc.

A. Lois M. Rodney,
B. Credit Union Financial Services, Inc.

A. Willi Roelli.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. Rogers & Wells.
B. F. & M. Schaefer Corp.

A. Rogers & Wells.
B. A. Johnson & Co., Inc.

A. Rogers & Wells.
B. Merrill Lynch International Inc.

A. Rogers & Wells.
B. Overseas Shipholding Group.

A. Rogers & Wells.
B. Squibb Corp.

A. Rogers & Wells.
B. Teachers Insurance & Annuity Association/CREF.

A. Rogers & Wells.
B. Twentieth Century Fox Film Corp.

A. Kenneth S. Rolston, Jr.
B. American Pulpwood Association.

A. Rose, Schmidt, Dixon, Hasley, Whyte & Hardesty.
B. Edison Electric Institute.

A. Gary W. Rossow.
B. Motor Vehicle Manufacturers Association.

A. Michael J. Rourke.
B. Great Atlantic & Pacific Tea Co., Inc.

A. James C. Rowland, Jr.
B. Union Carbide Corp.

A. John W. Rowland.
B. Amalgamated Transit Union, AFL-CIO.

A. Eric M. Rubin.
B. Meadville Corp.

A. Eric M. Rubin.

B. Outdoor Advertising Association.

A. Paul M. Ruden.
B. Wilner & Scheiner (for: American Society of Travel Agents, Inc.).

A. Ella Marice Ryan.
B. J. C. Penney Co., Inc.

A. Thomas L. Sager.
B. E. I. du Pont de Nemours & Co.

A. Whitney G. Sampson.
B. American Association of Ophthalmology.

A. Dale E. Schell.
B. GATX Corp.

A. Andrew A. Scholtz.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. Robert I. Schramm.
B. Superior Oil Co. and Superior Farming Co.

A. William B. Schultz.
B. Public Citizen, Inc.

A. Walter A. Schumann III.
B. Potomac Overlook Associates, Inc.

A. 2d Congressional District Action Committee, FL.

A. Seyfarth, Shaw, Fairweather & Geraldson.
B. Dresser Industries, Inc.

A. Seyfarth, Shaw, Fairweather & Geraldson.
B. Trans-Union Corp.

A. J. E. Shaw.
B. Brotherhood of Railway & Airline Clerks.

A. Shaw, Pittman, Potts & Trowbridge.
B. Datapoint Corp.

A. Shea & Gould.
B. Allied Chemical.

A. Shea & Gould.
B. Consumer Solar Electric Power Corp.

A. Shea & Gould.
B. Encyclopedia Britannica, Inc.

A. Shea & Gould.
B. Independent Research Library Association.

A. Shea & Gould.
B. Ryder Systems.

A. Allan L. Sher.
B. Merrill Lynch & Co., Inc.

A. Michael S. Sher.
B. National Alliance of Teenagers, Inc.

A. Seymour Sheriff.
B. Man-Made Fiber Producers Association, Inc.

A. Russell L. Shipley, Jr.
B. National Candy Wholesalers Assn., Inc.

A. James K. Shiver.
B. Hughes, Sears & Shiver, Inc.

A. Mary Frances Shlagel.
B. Union Oil Co. of California.

A. Debbie Leilani Shon.
B. National Education Association.

A. Silver, Freedman, Housley, Taff & Goldberg.

A. Barbara A. Silverman.
B. Provident Indemnity Life Insurance Co.

A. Robert C. Singer.
B. Soap and Detergent Association.

A. Ruth L. Sky.
B. Union Mutual Life Insurance Co.

A. Barry S. Slevin.
B. Seifman & Lechner (for United Food & Commercial Workers International Union).

A. Small Business Council of America, Inc.

A. Peter Small & Associates, Inc.
B. William M. Mercer, Inc.

A. Owen Meredith Smaw.

A. Delbert D. Smith.
B. Communications Satellite Corp.

A. M. H. Smith.
B. National Committee to Re-Establish a Strong Defense for America.

A. Smith and Pepper.
B. Southern Satellite Systems, Inc.

A. Robert Wm. Smith.
B. Railway Progress Institute.

A. Snyder & Ball Associates, Inc.
B. Aeroject-General Corp.

A. Edmund T. Sommer, Jr.
B. Council of American-Flag Ship Operators.

A. Charles B. Sonneborn.
B. American Academy of Ophthalmology.

A. Soules, McCamish, Ingram, Martin & Brown, Inc.
B. Datapoint Corp.

A. South Dakota Railroads Association.

A. Southern Satellite Systems, Inc.

A. Larry M. Speakes.
B. Hill and Knowlton, Inc.

A. Specialty Equipment Market Association.

A. John F. Speer, Jr.
B. Int'l. Assn. of Ice Cream Mfrs. & Milk Industry Foundation.

A. William C. Spence.
B. Columbia Gulf Transmission Co.

A. Squire, Sanders & Dempsey.
B. National Collegiate Athletic Association.

A. Squire, Sanders & Dempsey.
B. Public Securities Association.

A. State & Federal Associates, Inc.
B. National Association of Convenience Stores.

A. State & Federal Associates, Inc.
B. Schering-Plough Corp.

A. Charles D. Statton.
B. Bechtel Power Corp.

A. Leon P. Stavrou,
B. American Hellenic Institute Public Affairs Committee, Inc.

A. David J. Steinberg.
B. National Council for a Responsible Firearms Policy.

A. Mary E. Stenberg.
B. American Personnel & Guidance Association.

A. Travis B. Stewart.
B. Hoffmann-La Roche, Inc.

A. John W. Stillwaggon.
B. Coffee, Sugar & Cocoa Exchange, Inc.

A. Adam D. Stolpen.
B. Pitney Bowes, Inc.

A. Roger J. Stroh.
B. United Fresh Fruit & Vegetables Association.

A. Austin B. Sullivan, Jr.
B. General Mills, Inc.

A. Surrey & Morse.
B. Amersterdam-Rotterdam Bank.

A. John R. Sweeney.
B. Bethlehem Steel Corp.

A. A. B. Swindell IV.
B. North Carolina Railroad Association.

A. Clayton C. Taylor.
B. McDonald's Corp.

A. Frank A. Taylor.
B. National Federation of Federal Employees.

A. Teamsters for a Democratic Union.

A. 39th Congressional District Action Committee.

A. John W. Thomas.
B. American Veterinary Medical Association.

A. John W. Thomas.
B. Association of American Veterinary Medical Colleges.

A. Lawrence L. Thomas.
B. Bechtel Power Corp.

A. Boyd Thompson.
B. American Association of Foundations for Medical Care.

A. Thompson, Hine and Flory.
B. Seaboard Allied Milling Corp.; Dixie-Portland Flour Mills; ADM Milling Co.

A. Jerry P. Thompson.
B. International Association of Machinists.

A. W. Reid Thompson.
B. Potomac Electric Power Co.

A. William R. Thornhill.
B. Tennessee Gas Pipeline Co.

A. Paul J. Tierney.
B. Transportation Association of America.

A. E. Linwood Tipton.
B. International Association of Ice Cream Mfrs. & Milk Industry Foundation.

A. Title Associates, Inc.

A. Edward Tonat.
B. Robert Goff & Associates.

A. Transportation Association of America.

A. Robert C. Troup.

A. Rebecca C. True.
B. Browning-Ferris Industries, Inc.

A. Philip J. Tulimieri, Jr.

B. Avon Products, Inc.

A. 22d Congressional District Action Committee.
B. National Committee for a Human Life Amendment.

A. 23d Congressional District Action Committee.

A. Joseph R. Tyler.
B. U.S. Fiber Corp.

A. U.S. Cane Sugar Refiner's Association.

A. Drew A. Upton.
B. Scientific Apparatus Makers Association.

A. Mathew Valencie.
B. Halt, Inc.

A. Richard A. Van Deuren.
B. National Employee Benefits Institute.

A. John P. Venners.
B. Venners & Co. (for Koch Industries).

A. Jerry T. Verkler.
B. Texas Eastern Transmission Corp.

A. Brenda R. Viehe-Naess.
B. American Insurance Association.

A. Marcos Von Golhman.
B. Guyana Airways Corp.

A. Vorys, Sater, Seymour & Pease.
B. Grocery Manufacturers of America.

A. Vorys, Sater, Seymour & Pease.
B. J. Paul McNamara.

A. Catherine Waelder.
B. National Federation of Federal Employees.

A. Howard W. Wahl.
B. Bechtel Power Corp.

A. Linda Walker-Hill.
B. Hill and Knowlton, Inc.

A. Warren W. Walkley.
B. General Electric Co.

A. Carl S. Wallace.
B. Purolator, Inc.

A. R. C. Wallace.
B. Amalgamated Transit Union, AFL-CIO.

A. Lionel L. Wallenrod.
B. American Paper Institute, Inc.

A. Charles S. Walsh.
B. National Cable Television Association.

A. Bonnie B. Wan.
B. Montgomery Ward & Co., Inc.

A. Alan S. Ward.
B. Baker & Hostetler (for Soap and Detergent Association).

A. G. Fletcher Ward, Jr.
B. Montgomery Ward & Co., Inc.

A. Robert B. Washington, Jr.
B. Dansansky, Dickey, Tydings, Quint & Gordon (for Government of Antigua).

A. George B. Watts.
B. National Broiler Council.

A. Webster & Chamberlain.
B. American Society of Radiologic Technologists.

A. Webster & Chamberlain.
B. National Club Association.

A. Jack R. Wehrly.
B. Dow Corning Corp.

A. Robert E. Weigend, Jr.
B. Communications Satellite Corp.

A. William Whichard, Jr.
B. Union Oil Co. of California.

A. B. K. Whitehead.
B. Brotherhood of Railway & Airline Clerks.

A. Bennett C. Whitlock, Jr.
B. American Trucking Associations, Inc.

A. Louis M. Whitlock.
B. Beker Industries Corp.

A. Richard J. Weichmann.
B. American Paper Institute, Inc.

A. Perry F. Williams.
B. American Radio Relay League, Inc.

A. Robert E. Williams.
B. United Airlines.

A. John C. Williamson.
B. National Apartment Association.

A. David K. Willis.
B. Motor Vehicle Manufacturers Association of the United States, Inc.

A. Wilmer & Pickering.
B. Dealer Bank Association.

A. Wilmer & Pickering.
B. Morgan Guaranty Trust Co.

A. Wilmer & Pickering.
B. Motor Vehicle Manufacturers Association of the United States., Inc.

A. Wilmer & Pickering.
B. National Corp. for Housing Partnerships.

A. Dorothy Ruth Wilson.
B. Coalition of Concerned Charities.

A. James E. Wilson, Jr.
B. McDonnell Douglas Corp.

A. Winner/Wagener Associates, Inc.
B. Rockwell International.

A. James R. Winnie.
B. Cities Service Gas Co.

A. Curtin Winsor, Jr.
B. Alliance for Free Enterprise.

A. Winston & Strawn.
B. American Association of Museums.

A. Winston & Strawn.
B. Gould, Inc.

A. Ann R. Wise.
B. Hollingsworth & Vose Co.

A. Witkowski, Weiner, McCaffrey & Brodsky.
B. National Manufactured Housing Finance Association.

A. Witkowski, Weiner, McCaffrey & Brodsky.
B. National Truck Equipment Association.

A. Glenn P. Witte.
B. International Association of Ice Cream Mfrs. & Milk Industry Foundation.

A. Ronald Wolsey.
B. Standard Oil Co. (Indiana).

A. George M. Worden.
B. Hill and Knowlton, Inc.

A. Dee Workman.
B. Mobil Oil Corp.

A. Edward A. Yopp.
B. State National Bank of El Paso.

A. Carmen E. Young.
B. National Federation of Federal Employees.

A. Michael Zagorac, Jr.
B. Jack Eckerd Corp.

A. Janice Zarro.
B. Avon Products, Inc.

A. Thomas K. Zaucha.
B. Cooperative Food Distributors of America.

A. Ziontz, Pirtle, Morisset & Ernstoff.
B. Confederated Tribes of Colville Reservation.

A. Ziontz, Pirtle, Morisset & Ernstoff.
B. Lummi Indian Tribe.

A. Ziontz, Pirtle, Morisset & Ernstoff.
B. Makah Indian Tribe.

A. Ziontz, Pirtle, Morisset & Ernstoff.
B. Northern Cheyenne Indian Tribe.

A. Ziontz, Pirtle, Morisset & Ernstoff.
B. Quileute Indian Tribe.

A. Ziontz, Pirtle, Morisset & Ernstoff.
B. Tulalip Indian Tribe.

A. Carl E. Zwisler III.
B. International Franchise Association.

HOUSE OF REPRESENTATIVES—*Monday, February 23, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, as You have promised to be with us always, even unto the end of the age, we pray that Your Spirit would accompany us in all the moments of life—in our laughter and in our tears, in our times of achievement and in our failures, in our attempts toward righteousness and in our weakness. As You have never forgotten us, may we not try to hide from You, that Your love will continue to light our path and lead us in the way, this day and every day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

EL SALVADOR: THE POLITICAL DIMENSION—II

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. McHUGH. Mr. Speaker, last week I expressed concern that the Reagan administration appeared to be defining the fundamental issues in El Salvador in a manner that obscures rather than illuminates the choices we face. In particular, by overly dramatizing the military threat to the present Government of El Salvador, the administration seems to be downplaying those internal political issues that should be fundamental in shaping U.S. policy toward that nation.

While I am sure that it is tempting for some in the State Department to attempt to fit the conflict in El Salvador into a larger global context, such an interpretation is inappropriate and appears designed to stampede Congress, the American people, and our allies into an uncritical support of increased levels of U.S. military assistance.

The interpretation is flawed because it does not take into account those internal political factors that are fundamental. As the New York Times noted in an editorial last week:

Conditions inside El Salvador, not arms from Moscow and Havana, are the main causes of this revolution. Blaming the Salvadoran explosion on imported arms is like blaming the Polish explosion on Radio Free Europe.

American global interests are not well served by a definition of the problem that ignores the fundamental political nature of the conflict in El Salvador, and we can only hope that the administration will revise its course and focus attention on the real causes of the crisis in that nation.

Mr. Speaker, for the benefit of those of our colleagues who may not have seen the editorial to which I just referred, I am inserting a copy into the RECORD at this point:

[From the New York Times, Feb. 20, 1981]

WHAT NEEDS CONTAINING IN EL SALVADOR

In its attempt to snuff out the flames of revolution in El Salvador, the Reagan Administration is sounding a global fire alarm. It is serving notice on Communist adversaries, Latin neighbors and European allies that any aid to the Salvadoran guerrillas will disturb a nation's relations with the United States. The Soviet Union and Cuba, in particular, are being warned to stay out of a region of primary American influence.

The obsessive nature of this campaign aside, it is a perfectly reasonable objective in today's world. What is far from clear, however, is whether the new Administration understands that a campaign of military insulation needs to serve a deeper political purpose. Secretary of State Haig is managing the alarm bell but there is no sign of anyone yet commanding hemisphere policy in his department.

The civil war in El Salvador seems to be a standoff. The leftist guerrillas' "final offensive" has failed to topple the junta. Yet the junta has only contained, not eliminated, the insurgency. Militarily, it might now preserve itself in power if Washington pours arms and advisers into this small country of over four million people. But that cannot be the sum total of policy.

Conditions inside El Salvador, not arms from Moscow and Havana, are the main causes of this revolution. Blaming the Salvadoran explosion on imported weapons is like blaming the Polish explosion on Radio Free Europe. Unless the junta can demonstrate independence from the old oligarchs who oppose both land reform and any negotiation with disaffected social democrats, it will not be able to govern peacefully.

The price of support for the junta ought to be very plain: its energetic prosecution of the right-wing "death squads" that have contributed as much as leftists to the murder of 10,000 people in the last year. The apparent complicity of some Government forces in the death of American missionaries and failure to find the killers of land-reform advisers make the junta's sympathies highly suspect.

So far the Reagan team, like the Carter Administration, seems to be trying to shore up a frail "center"—by discouraging rightist coups, promoting land reform and providing low-level military aid to the junta. What is missing in this formula is action against the "death squads" and a genuine political approach to the democrats among the insurgents.

The military deadlock may permit real negotiations in which other nations, notably Mexico, should be welcome. If the opportunities are lost to military exertions, relations with the democratic nations of the Caribbean would be sacrificed for a very minor dividend. Halting aid to the guerrillas can support a political policy that aims to isolate the extreme right as well as the left. It will backfire if it signals only a concern for American global interests without regard for the well-being of the peoples in upheaval.

LEGISLATION TO CHANGE CENSUS ALLOCATION OF SEATS IN THE HOUSE

(Mr. FITHIAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FITHIAN. Mr. Speaker, I would today advise my colleagues that I am introducing a bill on behalf of our delegation and others to change the formula by which the census allocation of seats in the House of Representatives shall be formed. It does two things. First, it makes numerous changes in the technical nature of the census itself. Many of these are very much needed by the House in reporting to the House and many of these are also requested by the Bureau itself.

The second thing it does is to change the formula of distribution of seats in the House to what is known as the Hamilton-Vinton formula. I would point out that the Hamilton-Vinton formula is the longest used, most used formula for allocation of seats to the House. It has many advantages.

First, it is understandable because it is based on simple mathematical concepts.

Second, of all of the known apportionment methods, it honors the concept of quota more often than any others.

Third, the method is absolutely neutral—and I stress this, Mr. Speaker—it is absolutely neutral toward large and small States, a built-in bias that other formulas contain, including the formula of equal proportions which we now use.

Fourth, the method adheres more closely to the spirit of Baker against Carr, one man, one vote, than other formulas.

This method, fifth, has been used more for reapportionment than any other in American history for very good reason: It is more equitable. It

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

deals more fairly with all of the States, regardless of size.

In the present formula the error rate is very high and in this particular case, the error rate is serious.

DEFENSE SPENDING COMMITMENTS

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, today I am introducing a concurrent resolution which requests that the President call on pertinent member nations of the North Atlantic Treaty Alliance and on Japan to meet or exceed their pledges to increase their defense spending.

Defense spending in the United States is escalating by billions and billions of dollars each year. At the same time, some of our NATO allies are making few or no increases, despite the mutual pledge of NATO members in 1977 to increase their respective levels of defense spending in real terms by 3 percent annually.

Several NATO countries did not meet their pledges in 1980. The list includes Belgium, Denmark, Italy, and West Germany. Furthermore, Denmark is projecting no real growth in defense spending over the next 5 years, and Germany is projecting less than a 1-percent real increase. Yet the fiscal year 1982 Carter national defense budget statement discussion of the NATO 3-percent agreement says:

> If we are to maintain a credible capability to oppose the Soviets and their Warsaw Pact allies in the future, such increases will continue to be required. Every effort must be made by the United States and its allies to maintain that commitment, even in the face of economic difficulties.

Japan, although not a NATO ally, has also proved to be very disappointing in its defense commitments. Between 1979 and 1980, Japan decreased its defense expenditures by over a billion dollars. This translates to an 11-percent reduction of its already small base of defense spending.

In spite of enormous economic growth in the past three decades, Japan has continued to rely on the United States for military security. Mr. Robert Komer, former Under Secretary for Policy at the Department of Defense, recently stated:

> The American taxpayer has been paying unconscionably for the defense of Japan. We provide the nuclear umbrella, we provide the high seas capability, we're defending their oil.

In reply to such criticism, Japanese officials lamely cite problems such as the antimilitary attitude of their citizens and the restrictions of their constitution.

The Reagan administration has pledged a reduction in spending which includes proposed drastic reductions in foreign aid. But continued tolerance of negligible defense spending by the Japanese is foreign aid disguised as allied defense moneys.

The Reagan administration has repeatedly forewarned the American people of fiscal conservatism in all areas with the exception of defense. But even in defense, the billions of dollars spent could be significantly reduced or reassigned if international agreements were kept. If our allies had kept their agreements, there would have been almost $2½ billion more available in allied defense moneys in 1980.

I urge my colleagues to support this resolution. The defense and support capabilities of our allies are essential to the world's perception of the United States and what it stands for. The burden of increased military strength cannot rest solely on our shoulders.

NATO MUST DO MORE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I am proud to join the gentleman from Ohio in his resolution. This resolution is addressing rhetoric that has been going on for years. This rhetoric must be converted into action.

When my husband was in college, way back in the fifties, research on NATO was his major project. Reading his thesis is very interesting because it says exactly what we are saying now: NATO must do more. The United States has been saying NATO allies must do more for so long and for so many years that I do not think our allies ever hear it. I think they just smile and nod knowing we will keep carrying the load. After all the years of this dog and pony show, last year they finally agreed to increase their share by 3 percent. Before you applaud—they have backed off even that minor increase. They just do not believe we are serious.

I think the time has come to say: Enough is enough. We also must say that to Japan and many other of our other allies. The cost of U.S. support to NATO every year is now more than what we were spending during the height of the Vietnam war. We are asking our citizens to do much more. We must ask NATO allies to do much more also. No tokens. Europe may be our first line of defense, but it is their ultimate line of defense.

So I am pleased that the gentleman from Ohio is introducing the resolution. I join him and I hope we say we are really serious; we cannot tolerate 30 years more of rhetoric.

NEED FOR GREATER ALLIED EFFORT TO COUNTER SOVIET EXPANSIONISM

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LANTOS. Mr. Speaker, as we witness the opening of the 26th Soviet Communist Party Congress, the aggressive and oppressive forces of the Red army are in Afghanistan, direct or indirect Soviet attempts to further infiltrate our own hemisphere are in full swing, and the fate of Poland is hanging in the balance.

In these perilous times, our Government is correct in calling on our friends and allies to carry their fair share of the burden in our common defense. From Japan through the Middle East to Western Europe, it is the umbrella of security provided by the United States which remains the cornerstone of freedom. I am confident that our newly affluent associates and our old allies will want to join with us in assuming their fair share of the burden of the efforts to contain direct and indirect Soviet aggression.

At the same time we must resume at the earliest possible and appropriate moment the search for meaningful, equitable, and verifiable reduction in strategic armaments—a sword of Damocles which so perilously hangs over us all.

Mr. Speaker, I insert here into the RECORD excerpts from our Deputy Defense Secretary's remarks at the allied military policy conference just concluded in Europe:

EXCERPTS FROM ADDRESS TO U.S. ALLIES

WASHINGTON, February 21.—Following are excerpts from remarks prepared for delivery by Frank C. Carlucci, Deputy Secretary of Defense, to a privately sponsored annual military policy conference in Munich, West Germany, and made available by the Defense Department here today:

Some of the challenges that confront us in the 1980's are those that forged our alliance in the 1940's—the menacing and continuing growth of Soviet military power in Europe. Yet, in many ways, the context for even these familiar challenges has changed. The Soviet buildup in Europe clearly exceeds any rational requirement for defense. It bears all the marks of an offensive military capability, consistent with Soviet military doctrine.

This steady and cumulative expansion of conventional chemical and theater nuclear forces has been accompanied by a long-term and major shift in the strategic nuclear balance, from one of unquestioned U.S. superiority to essential equivalence, and the prospect, if appropriate steps are not taken, of possible inferiority. The twin results of this shift are that the United States no longer enjoys a strategic edge to compensate for other deficiencies and that Soviet ability to use the threat of conventional force for political purposes could be significantly enhanced. On all levels of military capability, the trends are ominous.

FAILURES OF THE PAST

Neither Europe nor America has devoted the resources necessary to meet our agreed defense goals. Many of the NATO force goals have not been achieved and many long-term defense program measures are far from full implementation. Further, neither we Americans nor Europeans have been sufficiently engaged in the search for ways to protect our common interests in the Persian Gulf and other areas.

All too often in the past we have talked of consultation and acted on our own.

Europe is no longer shattered, impoverished and disunited. Indeed, Western Europe's total G.N.P. exceeds that of the United States. In this situation, the United States cannot be expected to improve and strengthen U.S. forces in Europe unless other Allies increase their own contribution to the combined defense effort. Nor can the United States, unaided, bear the burden of promoting Western interests beyond Europe.

We are unequivocally committed to a major and sustained increase in military capability and therefore in defense spending.

A MORE DURABLE FRAMEWORK

We are equally determined to demonstrate to old allies and to potential friends alike the reliability and value of American friendship. In key areas of the world beyond Europe, we will begin to build a more durable framework of relationships designed to enhance the security of those regions.

We intend to demonstrate a realistic approach to arms control, to ensure that arms control will serve our security needs and that our approach to negotiations is guided by a realistic strategy.

We are confident that our European allies will want to join with us in assuming a fair share of an enhanced effort within Europe itself.

The harsh realities confronting us, however, dictate even greater efforts by all in the future. There is a critical need to strengthen the conventional force structure in Europe. This requires substantial additional resources, rather than more rhetoric or disputes about percentages. We should place more emphasis on specific force increases and defense improvements.

NEED TO SHARE BURDEN

The threat to vital Western interests in key areas, such as the Persian Gulf, can be met only if all concerned share the burden and find new ways to make greater contributions in support of our common interests. Western Europe's stake in the security and stability of the Persian Gulf is enormous and well-recognized. What is perhaps less well understood is the great contribution the Western European members of the alliance could make to help protect the security of this region so vital to them.

Force deployments in Southwest Asia by the European members of the alliance, together with supporting facilities, should be strengthened and coordinated with U.S. military activities in the region.

We want to be able to say that a new awareness has arisen in the alliance, a new consensus to give first priority to the defense of freedom. We will want to explain that, on both sides of the Atlantic, we share a new sense of realism and have mustered the political courage to reverse the downward drift in our common security. We want to demonstrate that our allies and friends are contributing their fair share of the common burden.

□ 1210

INCREASED USE AND FLEXIBILITY OF INDIVIDUAL RETIREMENT ACCOUNTS NEEDED NOW

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, I introduced on January 23, 1981, H.R. 1250 and am circulating a dear colleague letter asking all Members of Congress to cosponsor it with me. This bill is a most needed savings incentive measure increasing the use and flexibility of individual retirement accounts.

One of the organizations working with me, the American Council of Life Insurance, had a telephone survey conducted from January 20 through February 8, 1981, by Roger Seasonwein Associates, Inc., of New Rochelle, N.Y. The survey was of 1,000 American adults all across the country. The survey produced very important attitudinal evidence in support of the concept of H.R. 1250.

Sixty-three percent of those questioned felt that they were saving too little and 72 percent felt their savings were inadequate for retirement. Seventy-two percent of those questioned favored allowing a tax deduction for retirement savings for employees currently covered by pension plans. Such persons cannot now have an individual retirement account according to the current law, but could under H.R. 1250.

Fifty-one percent of those interviewed said they were saving nothing for their retirement years. A substantial number, 44 percent, felt that it was not going to be possible for them to be able to retire at age 65. An impressive 89 percent of those questioned felt that current tax policies are preventing persons from saving money. Based on the results of the poll, it was indicated that 47 percent of working adults who are presently covered by pension plans would avail themselves of an individual retirement account if the law was changed to allow them to do so and would make an average contribution of $617 a year to such a plan. The pollster computed that this represented a potential increase in savings for this country for retirement just from this segment of the population of $11.3 billion per year.

It should be noted that this potential is based on the current $1,500 tax-exempt contribution level whereas H.R. 1250 raises that figure to $2,000. It also does not take into account those persons who are not covered by a private pension plan and who either have an IRA now and will probably increase the contributions from $1,500 to $2,000, or those persons who are not covered by pension plans and do not now have IRA's but might well do so after the passage of this bill due to its increased limits and flexibility. Therefore, the potential would seem to be now well in excess of the $11.3 billion in potential new savings estimated by this poll.

I wanted to share this information with you as I think it is important evidence in support of this concept of savings incentive. I urge you join in cosponsoring this bill with me. Senator JOHN CHAFEE has introduced the same bill on the Senate side (S. 243) and hearings will commence on February 24, 1981, before the Savings, Pension, and Investment Policy Subcommittee, which he chairs, of the Senate Finance Committee.

REAGAN TAX PROGRAM DOES NOT HELP THE RICH AND SOAK THE POOR

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, some critics of the President's economic reform program have contended that it is a program which cannot be passed because it tends to favor the rich as opposed to the poor.

Mr. Speaker, such a contention is a phony. It is a distortion of the facts. Mr. Speaker, some figures that I have developed indicate that under the President's program—if it is allowed to be put into effect as the President has defined it—those making over $50,000 per year will, by the end of the time the program is in effect, be bearing more of the tax burden than they are today; and those who are in the lower income range will be bearing less of the tax burden.

That is precisely the kind of program the American working people have wanted in this country for a long, long time. It is precisely the program the President has sent forward. It is time that we get about enacting that program.

To say that this is a program that favors the rich is to deceive the working people of this country. I think it is time that we stop deceiving them and start working on a tax program that will do them a lot of good.

APPOINTMENT AS MEMBERS OF TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF DISTRICT OF COLUMBIA

The SPEAKER. Pursuant to the provisions of section 1(b)(2), Public Law 94-399, the Chair appoints as members of the Temporary Commission on Financial Oversight of the Dis-

trict of Columbia the following Members on the part of the House:

Mr. DELLUMS of California; Mr. DIXON of California; and Mr. MCKINNEY of Connecticut.

APPOINTMENT AS MEMBERS OF BOARD OF TRUSTEES OF HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

The SPEAKER. Pursuant to the provisions of section 5(b), Public Law 93-642, the Chair appoints as members of the Board of Trustees of the Harry S. Truman Scholarship Foundation the following Members on the part of the House:

Mr. SKELTON of Missouri, and Mr. TAYLOR of Missouri.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. COAST GUARD ACADEMY

The SPEAKER. Pursuant to the provisions of section 194(a), title 14 of the United States Code, the Chair appoints as members of the Board of Visitors to the U.S. Coast Guard Academy the following Members on the part of the House:

Mr. GEJDENSON of Connecticut, and Mr. MCKINNEY of Connecticut.

CUT STAFF BUDGETS

The SPEAKER pro tempore (Mr. DANIELSON). Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 60 minutes.

Mr. COLLINS of Texas. Mr. Speaker, President Reagan has proposed a new economic plan for this country which contains many cuts in spending by the executive branch of Government which are designed to help reduce inflation. Before we consider Mr. Reagan's proposals, it is important that we move to cut waste in our own House. The growth in the funding of congressional committee staffs needs correction immediately. How can we talk of cutting waste in other programs when the worst examples of overspending in the Government are the excess investigative staff members on House committees?

Let me make very clear what I am talking about. I am not speaking about the 18 personal staff that each of us are allowed. Together these employees number up to 7,830 people that may assist us in the preparation of legislation. I am making no proposal to cut these members of our personal staffs. All but 3 of the committees are granted 30 statutory staff to perform committee business. I am not proposing cuts in the 757 statutory staff we now employ. On top of these statutory staff, committees hire investigative staff whose salaries are provided via funding resolutions. The fact that these additional staff are called investigative is misleading. It is not required that they perform investigative work. They are just additional committee staff on the public payroll in positions that should not exist.

The number of staff has exploded in the last few years. In 1973 there were 570 investigative staff and 308 statutory staff. By 1979, the number of statutory staff had grown to 738. This would appear to eliminate the need for any growth in investigative staffing during the same time. On the contrary, investigative staffing ballooned from 570 to 1,221 from 1973 to 1979.

Although committees have had similar workloads in past years, let us look at Federal paperwork. The Federal Register printed 35,572 pages in 1973 but this rose to a staggering 87,012 pages in 1980. The Federal Register contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions, and rulings, delegations of authority, filing of petitions and applications, and agency statements of organization and functions are examples of items published in this record. Overgrown staff created this added Federal activity to justify their staff positions.

Is is also interesting to note that two committees—Appropriations and Budget, which authorize spending for hundreds of agencies and departments, are allowed to have more than 30 statutory staff. The budgets of these committees are not reviewed by the full House. Not surprisingly, these committees are near the top of the list when it comes to staffing and spending.

Last week the Subcommittee on Accounts began reviewing the funding resolutions for the other committees. The early returns are not good. Committees are requesting, and the Subcommittee on Accounts is recommending higher funding levels than before. It is time to take a close look at each committee and determine the proper investigative staff levels and appropriate amounts for each of the funding resolutions.

Only three committees are behaving in a frugal, commonsense manner—Armed Services, Veterans' Affairs, and Standards of Official Conduct. These committees should stick to their 1980 funding amounts.

My own committee, Energy and Commerce is a good place to start looking for possible cuts. Frankly, my committee is vastly overstaffed. In 1974, 58 staff were employed by Energy and Commerce, yet I recall that we were more than adequately staffed at that time. Our latest figures from 1980 show that Energy and Commerce employs 146 total staff at this time.

I propose that 73 investigative staff be cut from my committee. We would still have 73 total staff. We would have a 25 percent increase over the 1974 staffing level.

Two years ago I served on the Oversight Subcommittee in Commerce. Thirty-one staff served the Democrats, while the Republicans had one staff member. It would be much more efficient if these staff were all cut, allowing the members to rely on oversight from their subcommittees.

This year in the Telecommunications Subcommittee, the Democrats have asked for 18 staff. The Republicans requested one person. By reducing the 1980 funding level by an amount proportionate with my proposed staff cuts, $2,359,914 can be saved.

In 1974 the Agriculture Committee had 22 employees on its staff. The investigative expenditures for the full committee in 1974 were but $145,905. Today Agriculture has 3½ times the staff with 70 employees. In 1979 the committee spent over $1,000,000 in investigative expenditures.

Thirty five of the investigative staff must be cut. Expenditures should be reduced accordingly. A move to reduce the number of subcommittees to five would facilitate these cuts.

The staff of the Banking, Finance and Urban Affairs Committee are as prosperous as they are numerous. In November 1980, no less than 35 of the staff of this committee drew salaries over $30,000 per year; 9 commanded over $50,000 annually. The number of staff on the Banking Committee has nearly doubled since 1973—from 51 to 96.

We should cut back three-quarters of this increase, including a proportionate amount of the high-priced talent. This measure would result in a savings of over $1,200,000 from the 1980 funding level.

The District of Columbia Committee is a classic example of overstaffing. Since the District was given home rule in 1974, the Senate has only had a subcommittee dealing with the District of Columbia. Only seven Senate staffers work in this area. Our District of Columbia Committee employed 41 staff in 1980.

This committee should rightfully be only a subcommittee under Government Operations. I endorse the immediate elimination of the 11 investigative staff positions on this committee. This saves $289,670 but it is still over four times the staff which the Senate has in this area.

No committee has had a staff which has been bloated for a longer period of time than Education and Labor. Congressional awareness of this fact was such that the funding resolution for this committee only carried by 26 votes in 1980.

There is no logical reason that this committee should have more staff than Armed Services' total of 50. However, Education and Labor employed 135 total staff in 1980.

A drastic cut is needed to get this committee in line. If 85 investigative staff were cut, the committee would still have 50 staff, yet over $2,000,000 would be saved. It is interesting to note that this committee reported fewer bills in the 96th Congress than did Armed Services although it had nearly triple the staff.

We faced as many problems in Foreign Affairs in 1974 as we do now. Although the war was over, we were still heavily involved in Southeast Asia. However, the Foreign Affairs Committee of the House had only 41 staff in 1974. Today the number is 85, although the committee reported fewer bills in the 96th Congress than it did in the 92d.

The committee could be allowed a 25-percent increase over 1974 while still cutting 34 investigative staff. Such a move would save over $1,100,000 of the committee's 1980 appropriation of over $1,800,000.

Unlike many committees that have shown sharp increases in staff levels in the past few years, the Government Operations Committee has been large for some time. In 1980, the committee employed 67 investigative staff—including 17 who each drew $40,000 or more annually. This figure was an increase over previous years although the number of bills reported by the committee took a sharp dip in the 96th Congress.

In this period of general review, I feel the Committee on Government Operations could eliminate one-third of its total staff—29 investigative staff—and reduce the amount of its funding resolution from over $2,400,000 in 1980 to $1,400,000 in 1981.

Currently, the House Administration Committee runs the House Information Systems. HIS now employs over 200 people, yet its computer services are nearly identical to those offered by the Library of Congress. HIS should be dismantled, while its useful functions are absorbed by the Library of Congress and Office of the Clerk. This would result in a savings of several million dollars.

The workload, in terms of bills reported, for the Interior and Insular Affairs Committee dropped by 50 percent during the 96th Congress. However, its staffing did not follow suit. This committee should be reduced to a level only 25 percent above its staffing level in 1974. This cut of 19 investigative staff would translate into a dollar reduction of over $600,000.

The Judiciary Committee had need for a large staff during the Watergate hearings several years ago. However, this committee never returned to its pre-Watergate staff levels. Currently the committee employs 80 staff compared to only 44 which it found necessary as recently as 1973.

This committee should cut over $550,000 from its investigative budget while cutting staff by 20. This would still allow a 50-percent increase in staffing since 1973.

In 1974, just 7 years ago, the Merchant Marine and Fisheries Committee had only 22 total staff. In 1980, the number was 88. This was 38 more staff than was employed by the Armed Services Committee, which has jurisdiction over the entire defense budget.

I propose that 55 investigative staff be cut from Merchant Marine and Fisheries, and that its funding be reduced proportionally. Over $1,500,000 could be saved while still allowing the committee to increase its staff size by 50 percent since 1974.

Although the Post Office became quasi-independent in 1974, the Post Office and Civil Service Committee has continued to increase its staff. Democrats now have 32 investigative staff on this committee; Republicans have but 4.

Since this committee's workload has been reduced, I feel that it would be proper for the committee to cut from investigative staff the 22 staff added since 1974. This would be but a step toward the efficient way the Senate handles this area, but would save over one-half a million dollars from the 1980 appropriations.

The Public Work and Transportation Committee is currently spending over $2,500,000,000 dollars. This figure has been increasing although the number of bills referred to the committee has dropped from 746 in the 92d Congress to 473 in the 96th Congress. During that period of time, the committee has added 11 new employees.

The Public Works investigative staff should be cut so that the total staff figure is back to the 1974 level—11 must be cut. The investigative budget should be reduced by a proportionate amount.

The Rules Committee is another prime target for cuts. As James Kilpatrick pointed out in his syndicated news column, in 1950 when he came to the Hill the Rules Committee had three employees on its staff. As late as 1973, this committee had seven staff. I suggest this committee eliminate its entire investigative staff. It could quadruple its staff from 1973 without even using up its 30 statutory staff. This would result in a savings of $530,000 from 1980 appropriations.

Science and Technology is another committee which has tripled its total staff in the last 6 years. Total authorizations for "inquiries and investigations" for this committee grew from $790,000 for the entire 92d Congress to $3,496,800 for the 96th Congress.

I propose reducing the investigative staff of this committee from 60 to 15. This would still allow for a 50-percent increase in total staffing from the 1974 figure of 29 to 45 when statutory staffers are considered. This measure would result in a decrease in the funding resolutions of $1,422,600 from 1980 figures.

The Small Business Committee is that in name only. Its expenditures are big business amounting to over $700,000 in 1979. This committee has seen its staff grow from 27 to 55 during the period from 1975 to 1979. However, the committee was referred fewer bills in the 96th Congress than in the 94th—80 compared to 96. This committee only reported 14 bills in the entire 96th Congress.

The Small Business Committee should be reduced back to its 1975 level. All of the investigative staff should be cut. The great majority of the investigative budget can then be eliminated.

Another committee with a high-priced staff is Ways and Means. When Wilbur Mills chaired this committee in 1974, it employed 31 total staff. The latest figures I could obtain from 1980 show a total staff of 90 for Ways and Means. Five of these executive investigative staffers make over $50,000 per year.

Large cuts could be made in this committee if each member was not given his own personal staff member. I favor cutting 51 investigative staff from Ways and Means. More than $1,800,000 could be saved from 1980 appropriations while allowing the staff to increase 33 percent over 1974 figures.

As we consider these important cuts, let us remember that investigative spending has increased by a factor of seven in less than a decade.

During the time that this staff explosion has occurred, let us review the ratio of minority investigative staff/majority investigative staff. In Foreign Affairs there are 3 Republican and 47 Democratic staffers. In House Administration the ratio is 60 Democratic staff to 1 Republican for investigative staff. The figures for District of Columbia, Government Operations, and Judiciary are very similar. These ratios contrast with the 44 percent of the House which are Republican members.

These excess committee staffs are also promoting unnecessary legislation which results in Congress being in session longer, and Americans having to deal with more redtape.

The President is trying to cut areas of the executive branch that are loaded and counterproductive. We must do the same. Let us make these necessary cuts in committee staffs.

COMMITTEE ON AGRICULTURE

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—9	1980—40	344
Total	1973—20	1980—70	250
Cost:			
Investigative authorization	$250,000	$2,272,000	808
	1973	1979	
Expenditures:			
Investigative	$108,175	$1,011,711	835
Total	375,027	1,996,218	432
Salaries	104,473	[1] 572,409	448

RECOMMENDATION

Reduce investigative staff by 33 to level of 5.
Reduce budget request by $1,081,300 to level of $155,900.[2]

[1] Includes minority subcommittee.
[2] From 1980 funding level.

COMMITTEE ON BANKING

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1971—42	1980—67	60
Total	1973—51	1980—96	88
Cost:			
Investigative authorization	$1,518,500	$5,004,007	230
	1973	1979	
Expenditures:			
Investigative	$904,130	$2,190,746	142
Total	1,200,588	2,991,829	149
Salaries	823,529	2,012,732	144

RECOMMENDATION

Reduce investigative staff by 32 to level of 35.
Reduce budget request by $1,222,824 to level of $1,337,453.[1]

[1] From 1980 funding level.

COMMITTEE ON DISTRICT OF COLUMBIA

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—21	1980—11	−91
Total	1973—34	1980—41	21
Cost:			
Authorized investigative funding	$250,000	$604,670	42
	1973	1979	
Expenditures:			
Investigative	$251,942	$251,531	
Total	570,546	1,122,658	96
Salaries	244,558	232,586	−5

RECOMMENDATION

Reduce investigative staff by 11 to level of 0.
Reduce budget request by $289,670 to level of 0.

[1] From 1980 funding level.

COMMITTEE ON EDUCATION AND LABOR

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—83	1980—106	28
Total	1973—95	1980—135	42
Cost:			
Investigative authorization	$2,470,000	$4,930,500	99
	1973	1979	
Expenditures:			
Investigative	$1,000,580	$1,921,364	90
Total	1,467,222	2,957,962	101
Salaries	986,067	1,761,222	79

RECOMMENDATION

Reduce investigative staff by 85 to level of 21.
Reduce budget request by $2,022,350 to level of $409,642.[1]

[1] From 1980 funding level.

COMMITTEE ON ENERGY AND COMMERCE

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—40	1980—116	190
Total	1973—56	1980—146	161
Cost:			
Investigative authorization	$1,474,000	$7,458,000	406
	1973	1979	
Expenditures:			
Investigative	$810,267	$3,410,583	321
Total	1,529,719	4,414,089	188
Salaries	740,529	137,122	324

RECOMMENDATION

Reduce investigative staff by 73 to level of 43.
Reduce budget request by $2,359,914 to level of $1,380,086.[1]

[1] From 1980 funding level.

COMMITTEE ON FOREIGN AFFAIRS

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—31	1980—56	81
Total	1973—35	1980—85	143
Cost:			
Investigative authorization	$936,582	$3,620,923	287
	1973	1979	
Expenditures:			
Investigative	$476,985	$1,514,153	217
Total	791,409	2,538,260	220
Salaries	439,324	1,402,634	219

RECOMMENDATION

Reduce investigative staff by 34 to level of 22.
Reduce budget request by $1,138,467 to level of $736,655.[1]

[1] From 1980 funding level.

COMMITTEE ON GOVERNMENT OPERATIONS

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—47	1980—67	43
Total	1973—58	1980—86	48
Cost:			
Investigative authorization	$1,832,600	$3,620,923	99
	1973	1979	
Expenditures:			
Investigative	$147,294	$496,661	237
Total	1,231,077	2,503,073	89
Salaries	861,070	1,669,482	94

RECOMMENDATION

Reduce investigative staff by 29 to level of 38.
Reduce budget request by $1,071,226 to level of $1,403,675.[1]

[1] From 1980 funding level.

COMMITTEE ON INTERIOR

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1974—31	1980—41	32
Total	1974—41	1980—70	71
Cost:			
Investigative authorization	$704,000	$2,516,679	257
	1973	1979	
Expenditures:			
Investigative	$497,983	$1,140,500	129
Total	817,638	2,386,666	189
Salaries	407,668	985,879	142

RECOMMENDATION

Reduce investigative staff by 19 to level of 22.
Reduce budget request by $610,168 to level of $706,511.[1]

[1] From 1980 funding level.

COMMITTEE ON THE JUDICIARY

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—29	1980—51	76
Total	1973—44	1980—80	82
Cost:			
Investigative authorization	$800,500	$2,838,674	255
	1973	1979	
Expenditures:			
Investigative	[1] $370,903	$1,197,935	223
Total	954,810	2,273,668	138
Salaries	[1] 339,634	1,046,591	208

RECOMMENDATION

Reduce investigative staff by 20 to level of 31.
Reduce budget request by $551,638 to level of $855,038.[2]

[1] 1972.
[2] From 1980 funding level.

COMMITTEE ON MERCHANT MARINE

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—12	1980—58	383
Total	1973—22	1980—88	300
Cost:			
Investigative authorization	$519,000	$3,176,245	512
	1973	1979	
Expenditures:			
Investigative	$203,086	$1,467,191	622
Total	442,409	2,959,945	487
Salaries	181,052	1,262,610	597

RECOMMENDATION

Reduce investigative staff by 55 to level of 3.
Reduce budget request by $1,595,162 to level of $87,009.[1]

[1] From 1980 funding level.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—33	1980—36	9
Total	1973—44	1980—55	25
Cost:			
Investigative authorization	$1,056,000	$1,800,00	70
	1973	1979	
Expenditures:			
Investigative	$486,846	$728,424	50
Total	815,716	1,810,949	122
Salaries	411,015	644,704	57

RECOMMENDATION

Reduce investigative staff by 22 to level of 14.
Reduce budget request by $580,556 to level of $369,444.[1]

[1] From 1980 funding level.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—52	1980—53	2
Total	1973—64	1980—83	30
Cost:			
Investigative authorization	$1,871,560	$3,740,000	100
	1973	1979	
Expenditures:			
Investigative	$1,060,058	$1,613,061	52
Total	1,389,830	2,649,586	90
Salaries	934,295	1,450,887	56

RECOMMENDATION

Reduce investigative staff by 11 to level of 42.
Reduce budget request by $388,113 to level of $1,481,887.[1]

[1] From 1980 funding level.

COMMITTEE ON RULES

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—0	1979—15	
Total	1973—7	1979—42	500
Cost:			
Investigative authorization	$5,000	$1,134,000	22,500
	1973	1979	
Expenditures:			
Investigative	[1] $1,744	[2] $779,660	44,605
Total	150,000	1,136,509	658
Salaries	[1] 0	[2] 465,000	

RECOMMENDATION

Reduce investigative staff by 17 to level of 0.
Reduce budget request by $530,000 to level of $0.

[1] 92d Congress.
[2] 96th Congress.

COMMITTEE ON SCIENCE AND TECHNOLOGY

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—15	1980—60	300
Total	1973—27	1980—90	233
Cost:			
Investigative authorization	$790,000	$3,496,000	343
	1973	1979	
Expenditures:			
Investigative	$328,987	$1,519,806	362
Total	633,500	2,571,117	305
Salaries	284,688	1,318,171	363

RECOMMENDATION

Reduce investigative staff by 45 to level of 15.
Reduce budget request by $1,422,600 to level of $474,200.[1]

[1] From 1980 funding level.

COMMITTEE ON SMALL BUSINESS

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—(?)	1980—24	
Total	1973—(?)	1980—55	
Cost:			
Investigative authorization	$928,000	$1,528,650	65
	1973	1979	
Expenditures:			
Investigative	[1] $331,360	$734,802	122
Total	611,109	1,231,665	101
Salaries	433,043	622,681	44

RECOMMENDATION

Reduce investigative staff by 24 to level of 0.
Reduce budget request by $576,000 to level of $100,000.[2]

[1] Committee was not a standing committee until 1975.
[2] 1975.
[3] From 1980 funding level.

COMMITTEE ON WAYS AND MEANS

	92d Congress	96th Congress	Percent increase
BACKGROUND			
Staff:			
Investigative	1973—74	1980—41	1,025
Total	1973—31	1980—90	190
Cost:			
Investigative authorization	$75,000	$4,252,000	5,569
	1973	1979	
Expenditures:			
Investigative	$60,790	$1,663,061	2,570
Total	666,464	3,038,132	355
Salaries	45,411	1,708,718	3,663

COMMITTEE ON WAYS AND MEANS—Continued

	92d Congress	96th Congress	Percent increase

RECOMMENDATION

Reduce investigative staff by 50 to level of 11.
Reduce budget request by $1,045,907 to level of $406,000.[1]

[1] From 1980 funding level.

□ 1220

AMERICAN PEOPLE LOOKING TO CONGRESS FOR LEADERSHIP

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, I want to say to my colleague, the gentleman from Texas (Mr. COLLINS), that I thought his remarks were well constructed, and the point made is one which I hope everyone takes heed. The American people are indeed looking for this Congress to set the example, and that will offer true leadership. So I wish to commend the gentleman from Texas (Mr. COLLINS) for his very appropriate remarks.

STATEMENT REGARDING INTRODUCTION OF THE YOUTH EDUCATION AND WORK OPPORTUNITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS), is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, today I am introducing, with Mr. PERKINS and Mr. GOODLING, the Youth Education and Work Opportunity Act. This essential legislation will extend and consolidate the youth employment programs authorized under title IV-A of the Comprehensive Employment and Training Act, and link these programs with remedial education programs of secondary schools in targeted areas thoughout the country. Except for a few minor changes, this is the bill that overwhelmingly passed the House on a 337-to-51 vote last August, and that had received the unanimous endorsement of the Republican Policy Committee. This bill joins education with employment and training programs for youth in a unique combination that can resolve the problems of youth unemployment.

Youth unemployment is now higher than at any time over the past 4 years. The jobless rate for youth was 19 percent in January. If we let this condition continue, our Nation will pay a heavy economic and social cost by generating a future work force that simply cannot do the job. We will have relegated an entire generation to years of low productivity and dependency on the Government. If people remain largely unemployed for the first 10 years of their working life, it is exceedingly difficult for them to develop stable employment patterns. Alternatively, those who work as teenagers do better as young adults. Likewise, those with training, education, and labor market information have more stable and remunerative employment as adults.

We have retained three titles in the bill. The first title details the employment training programs; the second title establishes remedial education programs at the secondary level; and the third title requires the ultimate linking of the two sides of the issue, a single line item appropriation for titles I and II. Major provisions of the bill include:

Strong links between education and labor programs for youth;

Close involvement with vocational education programs;

Reservation of funds for joint CETA/education programs, starting at 22 percent and increasing to 31 percent;

Forward funding of CETA youth programs;

Planning and decisionmaking at the local level;

Required interaction among the principle actors in joint CETA/education programing, such as lay citizens, private industry, school personnel, and CBO's;

Targeting to the most needy students;

Coordinated recordkeeping and eligibility standards; and

Incentives for youth to return to or to complete high school or its equivalent.

Two specific changes contained in this bill include an expansion of solar energy employment training opportunities for youth and a clarification of incentive activity. The solar energy area is expanded to incorporate the principles contained in H.R. 3532, a bill that had over 40 cosponsors in the 96th Congress. Additionally, rather than mislabel the work activities in title I as entitlement activities, these activities are called incentive projects. The intention is not to create an entitlement program with an associated automatic draw on the Treasury, but rather to design a matching program which is available only to qualified prime sponors and is limited by Federal appropriations.

This legislation is the outcome of a decade's efforts to address youth unemployment. By 1977, the Congress had passed the Youth Employment and Demonstration Projects Act with the expectation that these pilot programs would provide the basis for a national youth policy. The Education and Work Opportunity Act builds on the experience gained through these projects, forming a comprehensive approach.

Through our efforts we have learned that to be truly effective, programs for young people need to address both education and employment needs. It is generally accepted that without basic literacy skills, youth are unable to take advantage of further education or training and will be permanently consigned to the bottom of the economic and social ladder. A recent Wall Street Journal article indicated:

> The lack of literate workers is creating problems for a variety of industries—problems ranging from wasted investment in more efficient equipment to outright safety hazards. More broadly, poorly educated workers are contributing to the U.S.'s productivity difficulties.

The bill I am introducing closely links schools and employment training programs in a combined effort to instill in youth the basic educational and employability skills which they need to become productive members of society. It emphasizes this combination as a total approach to the structural unemployment problems faced by youth.

The Youth Education and Work Opportunity Act seeks to increase the relevance of education to high school youth. By encouraging students to stay in school, joblessness among high school dropouts may be stemmed. Dropouts are three times as likely as graduates to be unemployed. Employment, training and education programs are targeted to the neediest youth and to those who can most benefit from these services. The major design, planning, and initiation of these programs are at the local level where the needs of the youth can best be recognized.

The concern of Members who may question the timeliness of a new domestic issue is understandable. I support the need to cut back on Federal spending, but even though the mood of the country is one of budget austerity, it is not necessarily a time to end, or to cut back on policy development. If we fail to take the initiative on youth unemployment, and we fail to take up the obvious need to blend education and training programs for youth then we place an unfair burden on today's youth who will be the workers and taxpayers of tomorrow. It is more cost effective to break the structural unemployment cycle in the beginning than to pay for supportive services, incarceration, and unemployment insurance later on.

Without this bill, we may not make further progress toward solving the youth unemployment problem. We must continue to discuss, examine and consider carefully all the alternatives. This bill builds upon what has proven to be successful. Youth unemployment is not an issue that will merely disappear.●

ETHYL ALCOHOL DUTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 5 minutes.

● Mr. FRENZEL. Mr. Speaker, I am introducing today a bill to repeal the tariff on imports of ethyl alcohol recently enacted as part of the Omnibus Reconciliation Act of 1980. Although clothed in the popular language of promoting energy self-sufficiency, action to impose such a prohibitive tariff in reality will dampen the development in the United States of efficiently produced alternative fuels.

My bill would return the duty on ethyl alcohol to 1979 levels of 3 percent ad valorem for most-favored-nation entries and 20 percent ad valorem for entries from nonmarket economies. That is in contrast to the recent law which imposes an additional 10 cents per gallon duty beginning January 1, 1981, jumping to 20 cents in 1982 and to 40 cents thereafter through 1992.

I can find little justification, either based on unfair import competition or national energy policy, for enactment of such a prohibitive tariff. It constitutes a unilateral action in violation of international trade agreements, undermines the operation of U.S. trade laws, and runs counter to the national goal of encouraging alternative fuel production and thereby gaining independence from foreign sources of fossil fuel.

The current additional duty was enacted in order to eliminate for importers the benefit of the 40 cents per gallon tax credit given to producers of fuels with an alcohol content. The credit was enacted in the Windfall Profit Tax Act of 1979 and applied to producers of gasohol and other special fuels regardless of whether they used imported or domestic alcohol. Since only one U.S. firm at the present time produces ethyl alcohol for use in gasohol, competitively priced imports were a positive factor for emerging domestic producers of gasohol.

There is, however, a misconception that any foreign content in the production of alternative fuels threatens energy self-sufficiency. Since the first increment of the newly imposed tariff on ethyl alcohol will effectively eliminate imports, all domestic gasohol producers will have to rely on a single domestic source to supply the alcohol—a situation that usually results in high costs all the way around. The resulting economic environment is not one that encourages the development of alternative fuels in this country.

I also would like to reiterate the arguments against this duty increase that I made on the floor of the House when the reconciliation measure was being considered last fall. Specifically, to raise tariffs unilaterally in order to focus a subsidy solely on domestic producers violates two important principles of international trade law. The first is that bound rates of duty are not to be increased except under very limited circumstances and then only after an investigation and other procedures established by law are completed. The second principle is that of "national treatment" whereby the United States and its major trading partners agree to treat importers no less favorably than domestic producers with respect to internal taxes, laws, and regulations.

Basic trade principles have been summarily set aside without any legitimate argument for abandoning our international obligations or for disrupting the free operation of the marketplace. No domestic producer has filed any complaint of unfair trade practices or otherwise exercised the import relief procedures provided in U.S. law. Neither has any investigation of national security implications as they relate to overall energy policy been made as directed by law before duties are raised for the purpose of protecting a vital national security interest.

Although national security concerns associated with energy independence were cited as a principal motive in enacting the tariff on ethyl alcohol, it is hard to believe that imports which peaked in 1980 at 75 million gallons for the entire year and are expected to decrease substantially over the next several years could be a threat to our national security. This is especially true since the use of ethyl alcohol, whether domestic or foreign, to make gasohol encourages the development of alternative fuels in this country and contributes to our overall energy independence from foreign sources of fossil fuel.

Brazil is the principal supplier of ethyl alcohol to the United States. It does not produce alcohol for export, but rather exports residual amounts that were temporarily high last year because the development of gasohol supplies exceeded the demand anticipated by the conversion of various fleets to gasohol use. The Brazilian Government has estimated that in 1981 exports will drop to a minimal level as a result of increased internal demand along with their national commitment to substitute alcohol fuels for 20 percent of overall fuel consumption by 1985.

Brazil also is a member of the General Agreement on Tariffs and Trade (GATT), and, like the United States, accepts certain commitments as a member of the world trading community. Brazil is an important export market for the United States, especially in agricultural products. The duty we have imposed is a serious impairment of benefits for Brazil under negotiated tariff cuts, and that country has already requested consultations with the United States in an effort to determine the concessions which will have to be paid for our unilateral action. These concessions very likely will come from the agriculture sector.

In short, our action to preserve a market position for a single domestic firm will not be without cost. Other domestic sectors will be adversely affected, the price of ethyl alcohol and subsequently gasohol as the end product will be pushed up artificially, and the manipulation of market forces will hinder the efficient development of alternative fuels industry in this country.

In my view, the consequences cannot be justified on national security, energy policy, or trade policy grounds. Imposition of such a high-duty rate is a costly overreaction to a mild surge in import levels that were never very high to begin with and that are expected to decrease as a result of normal market forces. It is special legislation that should never have become part of U.S. law. I hope it can be repealed in the 97th Congress.●

CALL TO CONSCIENCE VIGIL, 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PORTER) is recognized for 5 minutes.

● Mr. PORTER. Mr. Speaker, I rise today to participate in the Call to Conscience Vigil, 1981.

I applaud the Soviets' recent increase in the number of exit visas issued to Jews and the release last week of Iosef Mendelevich, one of the three remaining defendants in the 1971 Leningrad trials. Although the current emigration figures are nowhere near the 1979 figures of 51,000, the upward swing of the past 2 weeks cannot go unnoticed. This trend could represent a step toward Soviet willingness to comply with previously agreed international accords and could be a hopeful sign for all those concerned with human rights.

Yet our optimism must be cautious. We must not relinquish pressure on the Soviets to end the mistreatment of refuseniks and prisoners of conscience until all human rights violations have been eliminated.

One such violation remains in the case of Vladimir Kislik, a distinguished scientist at the Kiev Institute of Nuclear Research in the 1960's, who has been attempting to emigrate to Israel since 1973.

Since the denial of his visa application, Kislik has held only menial jobs and has not worked in the scientific field in any capacity. Mr. Kislik was forcibly separated from his family when his wife and son were allowed to leave for Israel in 1973—at which time he was given the impression that he would soon be allowed to follow.

Mr. Kislik has been subjected to constant harassment, including threats, KGB surveillance, interrogations, and brutal beatings. Last July, Kislik was committed by Soviet authorities to a state mental institution to prevent any anti-Soviet activity during the Moscow Olympics.

After the resolution I introduced condemning Mr. Kislik's mistreatment passed the House, he was released from the mental institution but remains locked in the Soviet jail denied emigration rights.

Vladimir Kislik's case is not an isolated one, but yet another example of Soviet violations of principles set forth in the Helsinki Final Act. Hundreds of Soviet refuseniks have been subjected to similar persecution. It is time for the Soviets to live up to their commitment and for Congress to reaffirm this Nation's belief in basic human rights and personal freedoms.●

INTRODUCTION OF NUCLEAR WASTE RESEARCH, DEVELOPMENT AND POLICY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LUNDINE) is recognized for 5 minutes.

Mr. LUNDINE. Mr. Speaker, today I am introducing legislation for consideration by the House of Representatives which addresses our long neglected problem of disposal of our high-level radioactive wastes. We have discussed the issue of what to do with our nuclear wastes for a long time, but have not yet been able to arrive at a consensus on fundamental issues surrounding this debate. I am convinced that the long-term management of our high-level nuclear wastes is one of the most formidable environmental problems facing this country. In addition to this, the current stalemate over nuclear energy in this country, in part, can be directly attributed to a failure to deal with this problem.

Last year, largely through the efforts of Mr. FUQUA, chairman of the Science and Technology Committee, Mr. UDALL, chairman of the Interior Committee, and Mr. DINGELL, chairman of the Energy and Commerce Committee, this House made substantial progress in resolving the impasse over nuclear waste management. Although the House was unable to reach final agreement with the Senate on a policy for managing our radioactive wastes, there appeared to be an agreement in principle regarding several important policy aspects. First, there was agreement on the need for a definitive timetable for the development of repositories for ultimate disposal of our radioactive wastes. Second, there was agreement to reject the notion of an absolute State veto over repository siting decisions. But, there was agreement on the need to define a procedural mechanism for resolving disagreements between the individual States and Indian tribes regarding the siting of disposal facilities for our Nation's radioactive wastes. The legislation I am introducing today builds on this consensus, and, I believe, goes even further in addressing problems underlying the nuclear waste dilemma. It offers a truly comprehensive policy approach to radioactive waste management.

My bill calls for the development by January 1, 1982, of a national "mission plan," which is subject to congressional disapproval, to identify the logical research and development steps necessary to implement a successful high-level radioactive waste management program; and to link these steps to site characterization, design, construction, and operation of permanent geologic repositories for the disposal of our high-level radioactive wastes.

Such a planning mechanism is a prerequisite to a successful program. The Department of Energy is in the process of trying to develop a national plan for radioactive waste management. However, I am suggesting that such a planning process be modeled on the project planning guidelines which have been developed by NASA. Such planning procedures successfully places a man on the Moon and have enabled our space program to accomplish many other research and development goals. I believe such an approach is applicable to our long-term radioactive waste disposal program and therefore have set down a planning framework in the legislation I am introducing today.

The Department of Energy plan does not as yet adequately address all of the issues connected to our radioactive waste management problem, or set forth a careful and comprehensive strategy for resolving them. The Department must clearly define the specific task and obstacles before us in the radioactive waste management area; and set forth programmatic and managerial resources and schedules to accomplish these tasks. Furthermore, ways to deal with the implications of implementation of a national program and to provide assurances that the required technology can be made available to accomplish this task must be incorporated into the overall planning process.

The bill recognizes the possibility that as part of the mission plan, the Secretary may find it necessary to utilize a combination of concepts to repository development. It provides the Secretary the authority to proceed with unlicensed research and development repositories, giving preference to existing Department of Energy sites, if such an undertaking can be justified as part of the mission plan. These repositories will not be permanent, but

will rather serve as test facilities for accumulating necessary experimental data. Furthermore, the bill acknowledges the probable need for an interim step in repository development and provides the Secretary the option of interjecting as part of the mission plan the licensed development of retrievable intermediate scale repositories prior to siting, licensing, and emplacement of wastes into a permanent nonretrievable repository.

Fully consistent with the planning process which enabled us to put a man on the Moon within a 10-year time period, my proposal sets time-oriented goals for site characterization, identification, and construction of repositories for high-level radioactive wastes. Under my bill, at the time of submission of the mission plan, the Secretary is required to designate sites for characterization as possible repositories for the disposal of high-level radioactive wastes. By 1985, the Secretary shall have completed site characterization activities which are designated in the mission plan. By 1987, the Secretary shall have completed environmental assessments and engineering design plans and consulted with the States regarding the possible utilization of these sites for repository development. At this time, the Secretary shall designate at least two sites in preparation for application to the Nuclear Regulatory Commission for a construction permit for either a small-scale intermediate, retrievable repository or a permanent repository, depending on the status of our knowledge under the mission plan. Nuclear Regulatory Commission review of this application for a construction permit must be completed within 4 years after the date of application.

The bill sets forth a carefully defined and meaningful role for the States and affected Indian tribes which might possibly be impacted by repository development. This legislation makes permanent and further defines the role of the existing State planning council in working with the States and acting as a liaison between the States and Federal Government. State review boards will be established in the individual States to review site characterization, siting, and development activities of the Secretary. The Secretary is authorized to provide assistance to those States within whose borders there is potential repository development. In addition, an independent review and arbitration board will be created to settle disputes between the individual States or Indian tribes and the Federal Government. The board will be charged specifically with the task of determining whether the site characterization activities, engineering designs, other plans for the facility, and the environmental impact assessments address the concerns of the State and were conducted in accordance with the mission plan.

My proposal recognizes that establishment of a repository within a State's borders will result in restricted use of that site for a lengthy period of time. To provide just compensation for the State contribution to the national program in this regard, the Federal Government shall on a regular basis make payments to the States in the amount which would be paid to the State if the property were subject to taxation by the States.

In a tight Federal budget climate, one major obstacle in moving ahead with implementation of a system for disposal of our high level radioactive wastes will continue to be providing adequate funding levels. To address this, I am proposing the establishment of a trust fund drawn from payments by utilities with title to spent fuel to fund implementation of the mission plan and to make the payments to the States referred to above. The amount of money in this fund will be supplemented by amounts appropriated by Congress for necessary research and development activities and to provide for the disposition of federally owned high level radioactive wastes. The Secretary will have the authority to set the fee and adjust it accordingly as changing economic circumstances demand. Actual title to the spent fuel at the utility will not pass to the Federal Government until the fuel actually reaches the repository for disposal.

A utility fee is fully justified as a mechanism for the private sector to provide the Government timely reimbursement for the service being provided by the Federal Government in designing a system to dispose of their nuclear wastes. Also, timely payment of such a fee will insure that the consumers who benefit from nuclear energy resulting in the creation of given quantities of radioactive wastes are also the ones who bear the economic costs of its ultimate disposal.

I believe that the program I am suggesting for development of repositories for disposal of our high level radioactive wastes can succeed. But, I am also aware that a repository program is only one element of our radioactive waste management problem. My proposal also addresses two other heretofore unaddressed aspects of the picture by establishing Federal policies regarding the interim storage and reprocessing of commercial spent fuel.

The bill states that it is the primary responsibility of the private sector for the interim management of spent fuel. It should be our national goal to minimize the transportation of spent fuel.

There has been considerable discussion to date regarding the possibility of the Federal Government assuming the responsibility for interim storage of utility spent fuel by creating away-from-reactor storage facilities for spent fuel. Not only will this greatly increase the transportation of spent fuel among sites, but more importantly there is no need for the Federal Government to assume this responsibility. Estimates from the Department of Energy and others of the need for such interim storage capacity which cannot be accommodated by existing capacity at reactor sites has steadily declined.

In addition, there are alternative technologies which can be utilized. Rod consolidation, one such technology, involves the dismantling of fuel assemblies and the storage of just the fuel rods in a smaller space within a stainless steel canister. Storage of up to twice the original amount of spent fuel may be possible in some existing storage racks with this technology.

Several other dry storage concepts are also available for onsite expansion of spent fuel storage capacity. Canyon storage, for example, is being used commercially in Great Britain and at nonlicensed Department of Energy facilities in Idaho and Nevada. This technique utilizes air instead of water as a coolant. Caisson storage, another concept, would store spent fuel underground in lined containers holding one or more fuel assemblies. A third dry storage concept, cask storage, which involves storage of spent-fuel assemblies in transport casks with air acting as a coolant, has been certified for use in Germany.

The United States cannot afford to procrastinate regarding these technologies any longer. For the most part, they are not new technologies, but rather for several reasons are technologies particularly appropriate to the situation utilities are facing now as reactor pools fill up. First, they will likely prove more economical than away-from-reactor facilities because they can reduce the need for transportation and will enable the utilities to add storage capacity at reactor sites in an incremental fashion as needed. Second, they will likely prove to be safer and simpler systems requiring less attention and minimizing the chances of a loss of coolant accident which is a concern to us today with wet pool storage.

The Department of Energy has conducted promising research on the dry storage concepts and the Nuclear Regulatory Commission has recently completed the rulemaking procedure necessary to license a dry storage facility. The Tennessee Valley Authority has expressed considerable confidence in dry storage technologies as a promising option to address their interim storage needs. My bill would help us move forward in this area by authorizing the Department of Energy to enter into contracts with private utilities to provide for an onsite demonstration of a licensed facility for

canyon, caisson, and cask storage. Dry storage, combined with the policy statement included in this bill making clear private sector responsibility for interim management of spent fuel, should provide the basis for a resolution of the problem facing some utilities over the next decade with interim spent fuel management.

One other yet unresolved issue which has complicated efforts to reach a national consensus on nuclear waste management is the question of whether or not to permit the commercial reprocessing of spent fuel. In 1977, President Carter acted to halt development of the necessary regulatory mechanisms for reprocessing and to temporarily defer consideration of commercial reprocessing of spent fuel. He took this action primarily to support a broader international effort to coordinate a nonproliferation policy. Unfortunately, the record indicates that this action has not substantially contributed to altering the international climate on nonproliferation.

I believe it is time that a Federal policy be established regarding the commercial reprocessing of spent fuel. My bill would direct the Nuclear Regulatory Commission to proceed with necessary rulemaking procedures to license commercial reprocessing facilities. At the same time, it would declare that it is the policy of the Federal Government not to provide direct subsidies for such activity or to assume the task of Government reprocessing for commercial purposes. This will permit the regulatory framework to be developed and market forces to work their will in regard to the backend of the nuclear fuel cycle.

In summary, I believe this proposal offers a comprehensive policy framework for resolution of our high-level nuclear waste management problems. Development of a national mission plan for the disposal of our radioactive wastes coupled with meaningful procedural mechanisms for State participation in siting decisions, and financing mechanisms to implement the mission plan will move us forward toward a resolution of this difficult problem. Firm policy statements regarding the interim management and reprocessing of spent fuel can provide the necessary climate to make the mission plan work effectively. I look forward to working with my colleagues in the House and Senate to examine these proposals and to develop a comprehensive national nuclear waste management policy.

CHORE SERVICE PROGRAMS NEED SEPARATE TREATMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, it is not uncommon in the pursuit of worthy public policy goals of a national scope that equally worthy State and local programs come into conflict with those goals and are crippled and sometimes destroyed. I am today introducing legislation that would help resolve one such conflict and preserve an effective and needed community-based program that may be faced with a substantial operating burden next year as a result of an IRS ruling scheduled to become effective in June 1982.

The program, variations of which are in operation in many States across the country, is known in my home State of Iowa as chore services. Administered by the Department of Social Services, chore services is a small-scale neighbor-to-neighbor program through which individuals provide services to the elderly and disabled who, on a limited or temporary basis, need assistance with small chores such as minor household repairs, occasional meal preparation, and yardwork. The providers are often youths or other senior citizens who would like to earn a little extra money and help a neighbor in the process. The Iowa Department of Social Services pays the client, who then reimburses the provider. In conjunction with other in-home services, such as homemaker health and adult day care, the chore services program is intended to keep the elderly in their homes and out of institutions where possible.

Since the program's inception in Iowa, chore services workers have been treated as independent contractors by the State; that is, as self-employed, occasional workers responsible for paying their own social security and income taxes, if applicable. However, the IRS in recent years has undertaken a major effort to reclassify workers as employees or independent contractors, and ruled in 1975 that chore services workers were employees for whom the State must withhold social security taxes. This classification controversy was one of many across the country that were put on hold by section 530 of the Revenue Act of 1978, an interim statute which temporarily forgave such potential tax liabilities until Congress could develop a clear statute governing the classification of workers. This interim statute was extended late last year and is due to expire in June 1982.

I support efforts by the IRS, and the Congress, to develop a rule that insures the prompt, equitable, accurate collection of Federal taxes. However, in my view, the classification of chore services workers as employees of the State is clearly inappropriate, and would inflict a heavy paperwork burden on a small-scale program operating on a limited budget. It does not make sense to me to force States to divert thousands of dollars in potential services moneys to pay FICA for these workers, many of whom are already retired or are youth earning a minimal amount of pocket money after school. Due to an admittedly worthy national goal, a small Iowa neighbor-to-neighbor program and many others like it throughout the country face the prospect of bureaucratization that is potentially crippling.

I am today introducing legislation to provide that chore services performed under certain State programs designed to assist the elderly and the handicapped be exempt from social security and income tax withholding. Chore workers could thus continue to be responsible for paying their own income and social security taxes after June 1982, if any are owed, and States could continue to operate these programs without unnecessary redtape, paperwork, and expenses.

The chore services program in Iowa typifies the strong community spirit on which so many small towns across the country have been built. The need for such programs will increase markedly in future years with the dramatic increase in the number of older Americans. These highly effective programs, designed to keep the elderly and disabled at home by providing for assistance by neighbors where needed, should not be jeopardized by potentially devastating cutbacks caused by undue Federal Government—in this case IRS—interference. I strongly urge my colleagues to give their support to the legislation I am introducing today.

The text of the bill follows:

H.R. 1978

A bill to amend the Internal Revenue Code of 1954 to provide that social security taxes and income tax withholding shall not apply to certain chore service performed under a State program designed to assist the elderly and the handicapped

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) subsection (b) of section 3121 of the Internal Revenue Code of 1954 (defining employment for FICA tax purposes) is amended by striking out "or" at the end of paragraph (19), by striking out the period at the end of paragraph (20) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(21) chore service performed by an individual under an arrangement with a State program if—

"(A) only individuals who have attained age 65 or who are handicapped are eligible to receive such service under the program,

"(B) such service consists only of the performance of housework, yardwork, meal preparation, or minor household repairs at the home of the recipient of the service or errands for food, clothing, medicine, or paying bills, and

"(C) 80 percent or more of the chore services under the program for the calendar year can reasonably be expected to be performed by individuals who perform an average per week of 20 or fewer hours of such service under the program during such year."

(2) Paragraph (2) of section 1402(c) of such code (defining trade or business) is

amended by striking out "and" at the end of subparagraph (E), by striking out the semicolon at the end of subparagraph (F) and inserting in lieu thereof ", and", and by inserting after subparagraph (F) the following new subparagraph:

"(G) service described in section 3121(b)(21);".

(b) Subsection (a) of section 3401 of such Code (defining wages for purposes of income tax withholding) is amended by striking out "or" at the end of paragraph (19), by striking out the period at the end of paragraph (20) and inserting in lieu thereof "; or", and by adding after paragraph (20) the following new paragraph:

"(21) for service described in section 3121(b)(21)."

(c)(1) Subsection (a) of section 210 of the Social Security Act is amended by striking out "or," at the end of paragraph (19), by striking out the period at the end of paragraph (20) and inserting in lieu thereof "; or" and by adding after paragraph (20) the following new paragraph:

"(21) Chore service performed by an individual under an arrangement with a State program if—

"(A) only individuals who have attained age 65 or who are handicapped are eligible to receive such service under the program,

"(B) such service consists only of the performance of housework, yardwork, meal preparation, or minor household repairs at the home of the recipient of the service or errands for food, clothing, medicine, or paying bills, and

"(C) 80 percent or more of the chore services under the program for the calendar year can reasonably be expected to be performed by individuals who perform an average per week of 20 or fewer hours of such service under the program during such year."

(2) Paragraph (2) of section 211(c) of such Act is amended by striking out "and" at the end of subparagraph (E), by striking out the semicolon at the end of subparagraph (F), and inserting in lieu thereof ", and" and by inserting after subparagraph (F) the following new subparagraph:

"(G) service described in section 210(a)(21);".

(d)(1) The amendments made by subsection (a)(1) and subsection (c)(1) shall apply to services performed after July 1, 1982.

(2) The amendments made by subsections (a)(2) and (c)(2) shall apply to taxable years ending after December 31, 1980.

(3) The amendments made by subsection (b) shall apply to remuneration paid after July 1, 1982.

□ 1240

ANNUAL REPORT TO THE AMERICAN BAR ASSOCIATION

The SPEAKER pro tempore (Mr. LUNDINE). Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, the Congress and the country owe a great debt of gratitude to our distinguished Chief Justice Warren E. Burger. I want to bring to your attention and to the attention of the Members of Congress a speech which he gave on February 8, 1981, at a meeting of the American Bar Association in Houston, Tex., captioned "Annual Report to the American Bar Association." The speech by our Chief Justice hit the bull's-eye on a matter of greatest concern to many people in our society, the problem of the scope and impact of crime upon our society and upon our economy. He pointed out many of the problems which are involved, but most importantly, he has perceived and he spoke of an ever-present concern of every person whom I meet in my district.

The people of America are afraid, they are frightened. They are scared to death of the possibility of becoming victims of crime. It is my practice when in my district to visit senior citizens' complexes, senior citizens' clubs, and other community groups as well. And I am convinced that the subject uppermost in the minds of most of our peace-abiding citizens is the fact that they have a high probability of becoming the victims of crime.

Now, Chief Justice Burger does not purport to be a law-enforcement officer, and he did not speak from that perspective. But he does head up our judicial system. And inevitably he has an overview of the scope, the spread, the manner of handling violations of the criminal laws within our United States.

In reviewing criminal cases he sees what many of the problems are. I commend to every Member of the Congress a reading of Chief Justice Burger's speech, which will be appended to my remarks and made a part of the RECORD.

I want to point out his saying, accurately, that crime and the fear of crime have permeated the fabric of American life damaging the poor and minorities even more than the affluent. A recent survey shows that 46 percent of all women and 48 percent of all Negroes in our society are significantly frightened by pervasive crime in America.

He points out that the basic purpose of our society is the protection and security of each individual. The basic need is security, security of the person, the family, the home, and property. That is the meaning of civilized society.

The Chief Justice points out that currently in our judicial system there are massive safeguards for accused persons including pretrial freedom for most crimes, defense lawyers at public expense, trials and appeals, retrials and more appeals, almost without end, and that yet this fails to provide elementary protection for its law-abiding citizens.

He points out that for at least 10 years our national leaders and those of other countries have spoken of international terrorism. Yet our own rate of routine day-to-day terrorism in almost any large city in our land exceeds the casualties of all of international terrorism in any given year.

Why do we show such indignation over alien terrorists and yet such tolerance for the domestic variety? He asks: "Must we be hostages within the borders of our own self-styled enlightened civilized country?" Accurate figures on the cost of home burglar alarms, of three locks on every door and, sadly, of handgun sales to householders are not available, but they must run into the hundreds of millions of dollars. We hear people talk of having criminals make restitution and have the State compensate the victims. The first of these suggestions is largely unrealistic. The second is unlikely. Restitution. I am reminded of a saying of my father, "You can't get blood out of a turnip."

Frankly, I think it applies exactly, how do you get a criminal to make restitution to his victims?

The Chief Justice points out that deterrence is a great factor in reducing crime and the greatest deterrent factor is one of swift and certain consequences, swift arrest, prompt trial, certain penalty, and at some point, finality of judgment instead of the endless appeals.

The Chief Justice points out along farther in his speech that we in the United States seem to be reluctant to spend money to help control crime and to provide proper places of confinement for our criminals. Yet we do not seem to find any reluctance in providing money for national defense. As a matter of fact, the two are of equivalent importance. To take care of our criminal problem is as much a part of our national defense as is the Pentagon budget, not as large, but equally as significant.

The Chief Justice then makes a few suggestions as to changes that can be made in the judicial process which will help. And I agree with him, it will help considerably in reducing crime.

First, to restore to all pretrial release laws the critical element of dangerousness to the community;

Second, to provide for trial within weeks of arrest;

Third, review on appeal with 8 weeks of a judgment of guilt; and

Fourth, following appellate review, confine all subsequent judicial review to claims of miscarriage of justice.

Mr. Speaker, I commend Chief Justice Burger's message to you and to all Members. It is essential that we understand the problems of crime and the criminal justice system before they destroy the freedom of our people.

The complete message follows:

ANNUAL REPORT TO THE AMERICAN BAR ASSOCIATION

(Transcript of remarks by Warren E. Burger, Chief Justice of the United States, Houston, Tex., February 8, 1981)

Today, for the twelfth time, you allow me this opportunity to lay before you problems

concerning the administration of justice, as I see them from my chair. For this, Mr. President and Fellow Members of the Association, I thank you.

On previous occasions I have discussed with you a range of needs of our system. Your responses beginning in 1969 were a major factor in bringing into being the Institute for Court Management, The National Center for State Courts, The Provision for Court Administrators in the Federal System, and many other changes. And in light of my subject today, I should also mention the important contributions made beginning in 1970 by your Commission on Correctional Facilities and Services. The value of these improvements is beyond precise calculation. But the value is great. We do not always agree, but our differences are few indeed. All I ask for is equal time.

The new President who has just taken office is confronted with a host of great problems, domestic and worldwide: inflation, unemployment, energy, an overblown government, a breakdown of our educational system, a weakening of family ties, and a vast increase in crime. As he looks beyond our shores, he sees grave, long-range problems, which begin ninety miles off the shores of Florida and extend around the globe.

Today I will focus on a single subject, although one of large content. Crime and the fear of crime have permeated the fabric of American life, damaging the poor and minorities even more than the affluent. A recent survey indicates forty-six percent of women and forty-eight percent of Negroes are "significantly frightened" by pervasive crime in America.

Seventy-five years ago, Roscoe Pound shook this association with his speech on "The Causes of Popular Dissatisfaction with the Administration of Justice." In the 1976 Pound Conference, we reviewed his great critique but also examined criminal justice. My distinguished colleague, Judge Leon Higginbotham, carefully noted the imperative need for balance, in criminal justice, between the legitimate rights of the accused and the right of all others, including the victims. And, of course, we are all victims of every crime.

When I speak of "Crime and Punishment" I embrace the entire spectrum beginning with an individual's first contact with police authority through the stages of arrest, investigation, adjudication and corrective confinement. At every stage the system cries out for change, and I do not exclude the adjudicatory stage. At each step in this process the primary goal, for both the individual and society, is protection and security. This theme runs throughout all history.

When our distant ancestors came out of caves and rude tree dwellings thousands of years ago to form bands and tribes and later towns, villages and cities, they did so to satisfy certain fundamental human needs: Mutual protection, human companionship, and later for trade and commerce. But the basic need was security—security of the person, the family, the home and of property. Taken together, this is the meaning of a civilized society.

Today, the proud American boast that we are the most civilized, most prosperous, most peace-loving people leaves a bitter aftertaste. We have prospered. We are, and have been, peace-loving in our relations with other nations. But, like it or not, today here at home we are approaching the status of an impotent society—a society whose capability of maintaining elementary security on the streets, in schools, and for the homes of our people is in doubt.

I thought of this recently in a visit to the medieval city of Bologna, Italy. There, still standing are walled enclaves of a thousand years ago with a high corner tower where watch was kept for roving hostile street gangs. When the householder left his barricaded enclave he had a company of spearmen and others with cross-bows and battle-axes as guards.

Possibly some of our problem of behavior stems from the fact that we have virtually eliminated from public schools and higher education any effort to teach values of integrity, truth, personal accountability and respect for others' rights. This was recently commented on by a distinguished world statesman, Dr. Charles Malik, former president of the U.N. General Assembly. Speaking to a conference on education, he said:

"I search in vain for any reference to the fact that character, personal integrity, spiritual depth, the highest moral standards, the wonderful living values of the great tradition, have anything to do with the business of the university or with the world of learning."

Perhaps what Dr. Malik said is not irrelevant to what gives most Americans such deep concern in terms of behavior in America today.

I pondered long before deciding to concentrate today on this sensitive subject of crime, and I begin by reminding ourselves that under our enlightened Constitution and Bill of Rights, whose bicentennials we will soon celebrate, we have established a system of criminal justice that provides more protection, more safeguards, more guarantees for those accused of crime than any other nation in all history. The protective armour we give to each individual when the State brings a charge is great indeed. This protection was instituted—and it has expanded steadily since the turn of this century—because of our profound fear of the power of Kings and States developed by an elite class to protect the status quo—their status above all else—and it was done at the expense of the great masses of ordinary people.

Two hundred years ago we changed that. Indeed, in the past 30 or 40 years we have changed it so much that some now question whether the changes have produced a dangerous imbalance.

I put to you this question: Is a society redeemed if it provides massive safeguards for accused persons including pretrial freedom for most crimes, defense lawyers at public expense, trials, and appeals, re-trials and more appeals—almost without end—and yet fails to provide elementary protection for its law-abiding citizens? I ask you to ponder this question as you hear me out.

Time does not allow—nor does my case require—that I burden you with masses of detailed statistics—I assure you the statistics are not merely grim, they are frightening. Let me begin near home: Washington, D.C., the capital of our enlightened country, in 1980 had more criminal homicides than Sweden and Denmark combined with an aggregate population of over twelve million as against 650,000 for Washington, D.C. and Washington is not unique. From New York City, to Los Angeles, to Miami the story on increase in violent crime from 1979 to 1980 is much the same. New York City with about the same population as Sweden has 20 times as many homicides. The United States has one hundred times the rate of burglary as Japan. Overall violent crime in the United States increased sharply from 1979 to 1980, continuing a double-digit rate. More than one-quarter of all the households in this country are victimized by some kind of criminal activity at least once each year.

The New York Times recently reported that one documented study estimated that the chances of any person arrested for a felony in New York City of being punished in any way—apart from the arrest record—were 106 to 1! And it is clear that thousands of felonies go unreported in that city as in all others.

For at least ten years many of our national leaders and those of other countries, have spoken of international terrorism, but our rate of routine, day-by-day terrorism in almost any large city exceeds the casualties of all the reported "international terrorists" in any given year.

Why do we show such indignation over alien terrorists and such tolerance for the domestic variety?

Must we be hostages within the borders of our own selfstyled enlightened, civilized country? Accurate figures on the cost of home burglar alarms, of three locks on each door—and sadly of handgun sales for householders—are not available but they run into hundreds of millions of dollars.

What the American people want is that crime and criminals be brought under control so that we can be safe on the streets and in our homes and for our children to be safe in schools and at play. Today that safety is fragile.

It needs no more recital of the frightening facts and statistics to focus attention of the problem—a problem easier to define than to correct. We talk of having criminals make restitution or have the State compensate the victims. The first is largely unrealistic, the second is unlikely. Neither meets the central problem. Nothing will bring about swift changes in the terror that stalks our streets and endangers our homes, but I will make a few suggestions.

To do this I must go back over some history which may help explain our dilemma.

For a quarter of a century I regularly spent my vacations visiting courts and prisons in other countries, chiefly Western Europe. My mentors in this educational process were two of the outstanding penologist of our time: the late James V. Bennett, Director of the United States Bureau of Prisons and the late Torsten Erickson, his counterpart in Sweden, where crime rates were once low, poverty was nonexistent, correctional systems enlightened and humane. Each was a vigorous advocate of using prisons for educational and vocational training.

I shared and still share with them the belief that poverty and unemployment are reflected in crime rates—chiefly crimes against property. But if poverty were the principal cause of crime as was the easy explanation given for so many years, crime would have been almost nonexistent in affluent Sweden and very high in Spain and Portugal. But the hard facts simply did not and do not support the easy claims that poverty is the controlling factor; it is just one factor. America's crime rate today exceeds our crime rate during the great depression.

We must not be misled by cliches and slogans that if we but abolish poverty crime

will also disappear. There is more to it than that. A far greater factor is the deterrent effect of swift and certain consequences: swift arrest, prompt trial, certain penalty, and—at some point—finality of judgment.

To speak of crime in America and not mention the drugs and drug-related crime would be an oversight of large dimension. The destruction of lives by drugs is more frightening than all the homicides we suffer. The victims are not just the young who become addicts. Their families and, in turn, their victims and all of society suffer over a lifetime. I am not wise enough to venture a solution. Until we effectively seal our many thousands of miles of borders—which would require five or ten times the present border guard personnel and vastly enlarge the internal drug enforcement staffs, there is little else we can do. Our Fourth and Fifth Amendments and statutes give the same broad protection to drug pushers as they give to you and me, and judges are oath-bound to apply those commands.

It is clear that there is a startling amount of crime committed by persons on release awaiting trail, on parole, and on probation release. It is not uncommon for an accused to finally be brought to trial with two, three or more charges pending. Overburdened prosecutors and courts tend to drop other pending charges when one conviction is obtained.[1] Should we be surprised if the word gets around in the "criminal community" that you can commit two or three crimes for the price of only one and that there is not much risk in committing crimes while awaiting trial?

Deterrence is the primary core of any effective response to the reign of terror in American cities. Deterrence means speedy action by society, but that process runs up against the reality that many large cities have either reduced their police forces or failed to keep them in balance with double-digit crime inflation.

A first step to achieve deterrence is to have larger forces of better trained officers. Thanks to the FBI Academy we have the pattern for such training.

A second step is to re-examine statutes on pre-trial release at every level. This requires that there be a sufficient number of investigators, prosecutors, and defenders—and judges—to bring defendants to trial swiftly. Any study of the statistics will reveal that "bail crime" reflects a great hole in the fabric of our protection against internal terrorism.

To change this melancholy picture will call for spending more money than we have ever before devoted to law enforcement, and even this will be for naught if we do not reexamine our judicial process and philosophy with respect to finality of judgments. The search for "perfect" justice has led us on a course found nowhere else in the world. A true miscarriage of justice, whether 20-, 30- or 40-years old, should always be open to review, but the judicial process becomes a mockery of justice if it is forever open to appeals and retrials for errors in the arrest, the search, or the trial. Traditional appellate review is the cure for errors, but we have forgotten that simple truth.

Our search for true justice must not be twisted into an endless quest for technical errors unrelated to guilt or innocence.

The system has gone so far that Judge Henry Friendly, in proposing to curb abuses of collateral attack, entitled his article, "Is Innocence Irrelevant?"

And Justice Jackson once reminded us that the Constitution should not be read as a "suicide pact."

Each of these men, of course, echoed what another great jurist, Justice Benjamin Cardozo, wrote more than fifty years ago in his essays on "the nature of the judicial process."

I am not advocating a new idea but merely restating an old one that we have ignored. At this point, judicial discretion and judicial restraint require me to stop and simply to repeat that governments were instituted and exist chiefly to protect people. If governments fail in this basic duty they are not excused, they are not redeemed by showing that they have established the most perfect systems to protect the claims of defendants in criminal cases. A government that fails to protect both the rights of accused persons and also all other people has failed in its mission. I leave it to you whether the balance has been fairly struck.

Let me now try to place this in perspective: first, the bail reform statutes of recent years, especially as to non-violent crimes, were desirable and overdue; second, the provisions for a lawyer for every defendant were desirable and overdue; third, statutes to insure speedy trials are desirable but only if the same legislation provides the means to accomplish the objective.

Many enlightened countries succeed in holding criminal trials within four to eight weeks after arrest. First non-violent offenders are generally placed on probation, free to return to a gainful occupation under close supervision. But I hardly need remind this audience that our criminal process often goes on two, three, four or more years before the accused runs out all the options. Even after sentence and confinement, the warfare continues with endless streams of petitions for writs, suits against parole boards, wardens and judges.

So we see a paradox—even while we struggle toward correction, education and rehabilitation of the offender, our system encourages prisoners to continue warfare with society. The result is that whatever may have been the defendant's hostility toward the police, the witnesses, the prosecutors, the judge and jurors—and the public defender who failed to win his case—those hostilities are kept alive. How much chance do you think there is of changing or rehabilitating a person who is encouraged to keep up years of constant warfare with society?

The dismal failure of our system to stem the flood of crime repeaters is reflected in part in the massive number of those who go in and out of prisons. In a Nation that has been thought to be the world leader in so many areas of human activity our system of justice—not simply the prisons—produces the world's highest rate of "recall" for those who are processed through it. How long can we tolerate this rate of recall and the devastation it produces?

What I suggest now—and this association with its hundreds of State and local affiliates can be a powerful force—is a "damage control program." It will be long; it will be controversial; it will be costly—but less costly than the billions in dollars and thousands of blighted lives now hostage to crime.

To do this is as much a part of our national defense as the Pentagon budget.

Sometimes we speak glibly of a "war on crime." A war is indeed being waged but it is a war by a small segment of society against the whole of society. Now a word of caution: That "war" will not be won simply by harsher sentences; not by harsh mandatory minimum sentence statutes; not by abandoning the historic guarantees of the Bill of Rights. And perhaps, above all, it will not be accomplished by self-appointed armed citizen police patrols. At age 200, this country has outgrown the idea of private law and vigilantes. Volunteer community watchman services are quite another matter.

Now let me present the ultimate paradox: After society has spent years and often a modest fortune to put just one person behind bars, we become bored. The media lost interest and the individual is forgotten. Our humanitarian concern evaporates. In all but a minority of the States we confine the person in an overcrowded, understaffed institution with little or no library facilities, little if any educational program or vocational training. I have visited American prisons built more than 100 years ago for 800 prisoners, but with two thousand crowded today inside their ancient walls.

Should you look at the records you will find that the 300,000 persons now confined in penal institutions are heavily weighted with offenders under age thirty. A majority of them cannot meet minimum standards of reading, writing, and arithmetic. Plainly this goes back to our school systems. A sample of this was reflected in a study of pupils in a large city where almost half of the third graders failed reading. This should not surprise us, for today we find some high school graduates who cannot read or write well enough to hold simple jobs.

Now turn with me to a few steps which ought to be considered:

(1) Restore to all pretrial release laws the crucial element of dangerousness to the community based on a combination of the evidence then available and the defendant's past record, to deter crime-while-on-bail;

(2) Provide for trial within weeks of arrest for most cases, except for extraordinary cause as shown;

(3) Priority for review on appeal within eight weeks of a judgment of guilt;

(4) Following exhaustion of appellate review, confine all subsequent judicial review to claims of miscarriage of justice;

And finally:

A. We must accept the reality that to confine offenders behind walls without trying to change them is an expensive folly with short term benefits—a "winning of battles while losing the war";

B. Provide for generous use of probation for first nonviolent offenders, with intensive supervision and counseling and swift revocation if probation terms are violated;

C. A broad scale program of physical rehabilitation of the penal institutions to provide a decent setting for expanded educational and vocational training;

D. Make all vocational and educational programs mandatory with credit against the sentence for educational progress—literally a program to "learn the way out of prison," so that no prisoner leaves without at least being able to read, write, do basic arithmetic and have a marketable skill;

E. Generous family visitation in decent surroundings to maintain family ties, with rigid security to exclude drugs or weapons;

F. Counseling services after release paralleling the "after-care" services in Sweden, Holland, Denmark, and Finland. All this should be aimed at developing the prisoner's respect for self, respect for others, accountability for conduct and appreciation of the value of work, of thrift, and of family.

G. Encourage religious groups to give counsel on ethical behavior and occupational adjustment during and after confinement.

The two men I spoke of as my mentors beginning twenty-five years ago—James V. Bennett and Torsten Eriksson of Sweden, were sadly disappointed at the end of their careers, on their great hopes for rehabilitation of offenders. A good many responsible qualified observers are reaching the stage that we must now accept the harsh truth that there may be some incorrigible human beings who cannot be changed except by God's own mercy to that one person. But we cannot yet be certain and in our own interest—in the interest of billions in dollars lost to crime and blighted if not destroyed lives—we must try to deter and try to cure.

This will be costly in the short run and the short run will not be brief. This illness our society suffers has been generations in developing, but we should begin at once to divert the next generation from the dismal paths of the past, to inculcate a sense of personal accountability in each schoolchild to the end that our homes, schools and streets will be safe for all.

[1] The official D.C. reports show that in the last quarter of 1978, i.e., October, November and December 1978, 540 of all the persons arrested for serious crimes were, at the time of their arrest, awaiting trial on one or more prior indictments. In the same period 402 persons who were arrested were, at the time of arrest, at large either on parole from a penal institution, on probation after a judgment of conviction, or on a conditional release other than the traditional parole. Remarks of Warren E. Burger at the ALI Opening Session, May 18, 1978.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SAVAGE (at the request of Mr. WRIGHT), for this week, on account of a death in the family.

Mr. LONG of Louisiana (at the request of Mr. WRIGHT), for an indefinite period, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DAUB) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 5 minutes, today.
Mr. FRENZEL, for 5 minutes, today.
Mr. DAUB, for 10 minutes, today.
Mr. PORTER, for 5 minutes, today.

(The following Members (at the request of Mr. LUNDINE) to revise and extend their remarks and include extraneous material:)

Mr. LUNDINE, for 5 minutes, today.
Mr. BLANCHARD, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. BEDELL, for 5 minutes, today.
Mr. DANIELSON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DAUB) and to include extraneous matter:)

Mr. CARMAN.
Mr. HANSEN of Utah.
Mr. LEBOUTILLIER.
Mr. JEFFORDS.
Mr. CONABLE.
Mr. MCCLORY.
Mr. COLLINS of Texas in two instances.
Mr. O'BRIEN in two instances.
Mr. PINDLEY.
Mr. MOORHEAD.
Mrs. SCHNEIDER.

(The following Members (at the request of Mr. LUNDINE) and to include extraneous matter:)

Ms. MIKULSKI.
Mr. HALL of Ohio.
Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. EDWARDS of California in two instances.
Mr. CORRADA in two instances.
Mr. FASCELL in five instances.
Mr. RANGEL.
Mr. BAILEY of Pennsylvania.
Mr. SKELTON in two instances.
Mr. ROSENTHAL.
Mr. GAYDOS.
Mr. ZEFERETTI.
Mr. BARNES.
Mrs. SCHROEDER.
Mr. CONYERS.
Mr. STARK.
Mr. LANTOS.
Mr. PERKINS.

ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 48 minutes p.m.), the House adjourned until tomorrow, Tuesday, February 24, 1981, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and delegations traveling under an authorization from the Speaker, concerning the foreign currencies and U.S. dollars utilized by them during the fourth quarter of calendar year 1980 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Thomas Coleman	11/10	11/12	Belgium	3,865.00	174.05		36.27				
	11/12	11/17	Denmark	1,049.50	336.27			48.13	1.01		
	11/17	11/17	France								
Military transportation per person							2,650.05				
Fred Richmond	11/10	11/12	Belgium	3,865.00	174.05						
	11/12	11/17	Denmark	1,049.50	336.27			48.13	1.01		
	11/17	11/17	France								
Military transportation per person							2,650.05				
William Thomas	11/10	11/12	Belgium	3,865.50	125.05		36.27				
	11/12	11/17	Denmark	1,049.50	336.27			48.13	1.01		
	11/17	11/17	France								
Military transportation per person							2,650.05				
Committee total					1,300.96		8,025.00				

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

I do hereby certify that the above is a true and complete statement of all expenditures made by me in connection with my official foreign travel during the period covered by this report.

Chairman, February 5, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Bill Alexander	12/13	12/14	France		110.00						110.00
	12/14	12/21	Egypt		525.00		243.64				768.64
	12/21	12/26	Israel		428.00						428.00
	12/26	12/31	Greece		362.66		376.76				739.42
Transportation by DOD							2,887.00				2,887.00
Joseph McDade	11/22	11/25	England		387.00						387.00
	11/25	11/30	Germany		459.00		1,204.00				1,663.00
Bob Traxler	11/6	11/11	Bahamas		282.00		360.00				642.00
George Allen	10/17	10/19	United Kingdom		258.00						258.00
	10/18	10/21	Germany		210.00						210.00
	10/21	10/22	France		117.00						117.00
	10/23	10/29	Italy		687.00						687.00
	10/29	10/30	Belgium		117.00						117.00
	10/30	10/31	Germany		105.00		1,295.00				1,400.00
	12/7	12/9	Egypt		150.00						150.00
	12/9	12/14	Kenya		375.00						375.00
	12/14	12/15	Djibouti		82.00						82.00
	12/15	12/17	Oman		245.00						245.00
	12/17	12/20	Saudi Arabia		904.00		3,096.00				3,900.00
Robert V. Davis		10/8	United States		75.00						75.00
	10/9	10/12	Egypt		255.00						255.00
	10/12	10/13	Israel		150.00						150.00
	10/13	10/15	Turkey		150.00						150.00
	10/15	10/16	Greece		75.00						75.00
	10/16	10/18	Italy		150.00						150.00
	10/18	10/21	Netherlands		225.00						225.00
	10/21	10/23	Germany		150.00						150.00
	10/23	10/27	Scotland		300.00		2,854.00				3,154.00
Aubrey A. Gasaway	11/1	11/4	Ireland		544.00						544.00
	11/5	11/5	England		129.00						129.00
	11/6	11/6	Germany		105.00						105.00
	11/8	11/8	France		234.00		2,277.09				2,511.09
Richard H. Nelson	11/6	11/9	Bahamas		282.00		330.00				612.00
John G. Offner	10/9	10/11	Nicaragua		150.00						150.00
	10/11	10/13	Guatemala		150.00						150.00
	10/13	10/15	Mexico		225.00						225.00
	10/15	10/17	United States		100.00		1,031.76				1,131.76
Terry Peel	10/12	10/14	do		150.00						150.00
	10/14	10/16	Korea		150.00						150.00
	10/16	10/18	Hong Kong		150.00						150.00
	10/18	10/19	Philippines		75.00						75.00
	10/19	10/21	Diego Garcia		150.00						150.00
	10/21	10/24	Australia		225.00						225.00
	10/24	10/26	Thailand		150.00						150.00
	10/26	10/27	Egypt		75.00						75.00
	10/27	10/28	Spain		75.00						75.00
	10/28	10/29	Azores		75.00						75.00
Transportation—Commercial							6,274.08				6,274.08
Transportation—DOD							4,521.75				4,521.75
Edwin F. Powers	10/11	10/13	France		234.00						234.00
	10/13	10/16	Switzerland		300.00						300.00
	10/16	10/19	Italy		273.00						273.00
	10/19	10/23	Turkey		300.00						300.00
	10/23	10/28	Egypt		450.00						450.00
	10/28	10/29	Switzerland		100.00		3,081.40				3,181.40
Austin G. Smith		10/8	United States		75.00						75.00
	10/9	10/12	Egypt		225.00						225.00
	10/12	10/13	Israel		150.00						150.00
	10/13	10/15	Turkey		150.00						150.00
	10/15	10/16	Greece		75.00						75.00
	10/16	10/18	Italy		150.00						150.00
	10/19	10/21	Germany		225.00						225.00
Transportation—DOD							2,564.00				2,564.00
Donald Smith	10/12	10/14	United States		150.00						150.00
	10/14	10/16	Korea		150.00						150.00
	10/16	10/18	Hong Kong		150.00						150.00
	10/18	10/19	Philippines		75.00						75.00
	10/19	10/21	Diego Garcia		150.00						150.00
	10/21	10/24	Australia		225.00						225.00
	10/24	10/26	Thailand		150.00						150.00
	10/26	10/27	Egypt		75.00						75.00
	10/27	10/28	Spain		75.00						75.00
	10/28	10/29	Azores		75.00						75.00
Transportation—Commercial							4,539.75				4,539.75
Transportation—Defense							6,243.00				6,243.00
Black Water School		10/5	United States		50.00						50.00
	10/6	10/7	Greenland		75.00						75.00
	10/8		United States		25.00		136.00				161.00
		10/13	United States		75.00						75.00
	10/14	10/14	United Kingdom		75.00						75.00
	10/15	10/17	Kenya		150.00						150.00
	10/17	10/18	Diego Garcia		75.00						75.00
	10/18	10/20	Indian Ocean Fleet		150.00						150.00
	10/20	10/21	Oman		75.00						75.00
	10/21	10/22	Singapore		75.00						75.00
	10/22	10/24	Japan		150.00						150.00
	10/24	10/27	Philippines		225.00						225.00
	10/27	10/28	Guam		75.00						75.00
	10/28	10/29	Hawaii		100.00						100.00
	10/30		United States		50.00						50.00
Transportation							4,478.31				4,478.31
Committee total					15,304.66		47,983.70				63,288.36

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; U.S. currency is used, enter amount expended.

JAMIE WHITTEN, Chairman.
February 9, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, SURVEYS, AND INVESTIGATIONS STAFF, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, 1980, AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
C. R. Anderson	11/30	12/4	Mexico		300.00		619.50				919.50
Stuart W. Angevine	11/30	12/4	do		300.00						300.00
	12/4	12/7	Costa Rica		312.50		991.75				1,304.25
Lewis E. Evans	11/30	12/4	Mexico		300.00						300.00
	12/4	12/7	Costa Rica		312.50		991.75				1,304.25
Committee total					1,625.00		2,603.00				4,228.00

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMIE WHITTEN, Chairman.
February 9, 1981.

REPORT OF EXPENDITURES FOR OFFICAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per Diem [1]: Foreign currency	Per Diem [1]: U.S. dollar equivalent in U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
G. V. Montgomery	10/5	10/9	Panama		300.00		[3] 896.63				1,196.63
Patricia Schroder	11/23	12/5	Thailand		825.00		[4] 2,170.00				2,995.00
G. Ron Wecup	12/1	12/5	Germany		375.00		[4] 1,064.00				1,439.00
Committee total					1,500.00		4,130.63				5,630.63

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation paid by Department of the Army.
[4] Transportation paid by Department of State.

MELVIN PRICE, Chairman.
January 30, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, 1980, AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Stephen S. Cohen	10/12	10/23	France		1,387.00		[3] 589.00				1,976.00
							[4] 128.26				128.26
James K. Galbraith	10/12	10/20	France		1,053.00		[3] 20.04				1,073.04
	10/20	10/24	West Germany		553.00		[4] 199.00				752.00
	10/24	10/31	England		803.00						803.00
	10/31	11/05	Sweden		836.00		[3] 1,149.00				2,005.00
Richard Neeley	10/12	10/25	West Germany		1,136.00		[4] 231.11				1,367.11
							[3] 793.00				793.00
Andrew Martin	10/24	11/10	Sweden				[4] 677.70				2,933.70
John Zysman	10/01	10/08	France		819.00						819.00
	10/08	10/12	England				[4] 255.86				255.86
	10/12	10/18	France				[4] 108.70				108.70
	10/12	10/12	England				[4] 255.86				255.86
	10/12	10/18	France				[4] 542.86				
Catherine Hill	10/26	11/4	England		1,677.00		[4] 99.20				2,776.20
Stephen S. Cohen	11/16	11/22	France		1,521.00		[4] 566.00				2,087.00
							[4] 222.71				222.71
John Zysman	11/15	11/20	France		1,170.00		[4] 412.00				1,582.00
	11/20	11/20	London				[4] 357.95				357.95
	11/21	11/22	France								
J. William Stanton	11/10	11/12	Belgium		228.00		[4] 36.27				264.27
	11/12	11/15	Denmark		[4] 420.00		[4] 977.66				1,397.66
Return							[4] 1,310.00				1,310.00
Bruce Vento	11/10	11/12	Belgium		228.00		[4] 36.27				264.27
	11/12	11/17	Denmark		525.00						525.00
	11/17	11/17	France				[4] 2,650.85				2,650.85
Chalmers Wylie	11/10	11/12	Belgium		228.00		[4] 36.27				264.27
	11/12	11/17	Denmark		525.00						525.00
	11/17	11/17	France				[4] 2,650.85				2,650.85
Norman Shumway	11/10	11/12	Belgium		228.00		[4] 36.27				264.27
	11/12	11/17	Denmark		525.00						525.00
	11/17	11/17	France				[4] 2,650.85				2,650.85
John J. LaFalce	11/22	11/29	Spain		573.00		[4] 3,085.31				3,718.31
Edwin Webber	12/13	12/23	Israel		630.00						2,244.00
1 way							[4] 1,614.00				
Committee total					17,301.00		23,424.39				40,815.39

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended. [3] Transportation—Department of State. [4] Transportation—Department of Air Force. [5] Returned $105 unused per diem to Treasury Department.

HENRY S. REUSS, Member.
January 3, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
G. R. Dawkins	10/22	10/23	Great Britain		129.00						129.00
	10/23	10/26	Oman		369.00		21.00				390.00
	10/26	10/30	Kenya		380.00						380.00
	10/30	11/2	Somalia		77.00						77.00
	11/2	11/6	Saudi Arabia		646.00		127.66		50.16		823.82
	11/6	11/9	Egypt		225.00						225.00
	11/9	11/12	Israel		239.00		112.00		105.43		456.43
	11/12	11/14	Great Britain		258.00						258.00
Committee transportation							4,108.00				4,108.00
H. P. Brennan	11/22	12/29	Spain		2,492.00						2,492.00
Military transportation, 1 way							1,547.66				1,547.66
Civilian transportation, 1 way							647.65				647.65
A. G. Bray	10/23	10/30	Philippines		600.00		61.00				661.00
	10/30	11/5	South Korea		534.00						534.00
	11/5	11/6	Singapore		75.00						75.00
	11/7	11/14	Pakistan		682.00						682.00
	11/14	11/18	West Germany		408.00						408.00
Committee transportation							4,131.00				4,131.00
H. M. Crosby	10/26	11/1	Switzerland		639.82						639.82
Committee transportation							982.00				982.00
J. Cusson	11/24	11/25	France		117.00						117.00
	11/25	12/1	Mozambique		150.00						150.00
	12/1	12/2	South Africa		75.00						75.00
	12/2	12/2	Namibia			75.00					75.00
	12/3	12/4	South Africa		75.00						75.00
	12/4	12/5	Great Britain		261.00						261.00
Committee transportation							4,250.00				4,250.00
F. W. Cleveland	10/19	10/24	Papua New Guinea		460.00						460.00
	10/24	10/30	Philippines		525.00		73.00				598.00
	10/30	11/5	South Korea		534.00						534.00
	11/5	11/6	Singapore		75.00						75.00
	11/6	11/13	Pakistan		588.00						588.00
	11/13	11/14	Great Britain		129.00						129.00
Committee transportation							48.00				177.00
J. C. Conyers	11/10	11/12	Belgium		133.63		5,453.20				5,653.20
	11/12	11/17	Denmark		525.00		36.27				169.90
	11/17	11/17	France				1.01		48.13		574.14
Military transportation							2,650.85				2,650.85
E. Dixon	11/10	11/12	Belgium		228.00		36.27				264.27
	11/12	11/17	Denmark		525.00		1.01		48.13		574.14
	11/17	11/17	France								
Military transportation							2,650.85				2,650.85
P. Fenley	11/22	11/29	Spain		623.00						623.00
Military transportation							3,095.31				3,095.31
F. Fillion	11/10	11/12	Belgium		288.00		36.27				324.27
	11/12	11/17	Denmark		525.00		1.01		48.13		574.14
	11/17	11/17	France								
Military transportation							2,650.85				2,650.85
A. B. Fowler	11/12	11/17	Denmark		525.00		1.01		48.13		574.14
	11/17	11/17	France								
Military transportation							1,673.79				1,673.79
A. B. Fowler	10/22	10/23	Great Britain		129.00						129.00
	10/23	10/27	Oman		418.89		21.00				439.89
	10/27	10/29	U.A.E.		264.00						264.00
	10/30	10/31	Saudi Arabia								
	11/3	11/6	do		519.00		496.96		50.16		1,066.12
	10/31	11/3	Yemen		355.43						355.43
	11/6	11/9	Egypt		225.00						225.00
	11/9	11/12	Israel		239.00		112.00		105.43		456.43
	10/29	10/30	Bahrain		123.70						123.70
Committee transportation							3,530.30				3,530.30
D. H. Fowler	11/12	11/17	Denmark		343.00		1.01		48.13		392.14
	11/17	11/17	France								
Military transportation							1,673.79				1,673.79
	10/22	10/23	Great Britain		129.00						129.00
	10/23	10/27	Oman		405.00		21.00				426.00
	10/27	10/29	U.A.E.		264.00						264.00
	10/29	10/30	Bahrain		123.70						123.70
	10/30	10/31	Saudi Arabia								
	11/3	11/6	do		525.00		682.37		50.16		1,257.53
	10/31	11/13	Yemen		354.44						354.44
	11/6	11/9	Egypt		225.00		112.00		105.43		442.43
	11/9	11/12	Israel		239.00						239.00
Committee transportation							3,530.30				3,530.30
	11/12	11/17	Denmark		343.00		1.01		48.13		392.14
	11/17	11/17	France								
Committee transportation							1,673.79				1,673.79
H. E. Foley	10/27	11/1	Switzerland		639.82						639.82
Committee transportation							982.00				982.00
Benjamin Gilman	11/22	11/29	Spain		612.61						612.61
Military transportation							3,095.31				3,095.31
L. Gulick	10/9	10/10	France		117.00						117.00
	10/11	10/18	Zaire		545.31						545.31
	10/18	10/23	Kenya		298.60						298.60
	10/23	10/26	Somalia		141.56						141.56
	10/26	10/29	Italy		273.00						273.00
Committee transportation							3,228.00				3,228.00
Hamilton, J. D.	10/18	10/24	Papua New Guinea		462.00						462.00
	10/24	10/30	Philippines		525.00		61.00				586.00
	10/30	11/5	South Korea		534.00						534.00
	11/5	11/6	Singapore		75.00						75.00
	11/7	11/13	Pakistan		588.00						588.00
	11/13	11/14	Great Britain		129.00						129.00
Committee transportation							5,653.20				5,653.20
Hansen, E. C.	11/15	11/22	Belgium		450.00		78.00				537.00
Military transportation							1,255.00				1,255.00
Hobson, S. D.	10/9	10/10	France		117.00						117.00
	10/11	10/17	Zaire		366.79						366.79
	10/18	10/25	Kenya		478.29						478.29
	10/25	10/28	Zimbabwe		225.00						225.00
Committee transportation							3,228.00				3,228.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
B. Penn	11/10	11/12	Belgium		124.05		36.27				160.32
	11/12	11/17	Denmark		336.27		1.01		48.13		385.41
	11/17	11/17	France								
Military transportation							2,650.85				2,650.85
G. E. Pickett	10/6	10/10	France		234.00						234.00
	10/11	10/17	Zaire		418.55						418.55
	10/18	10/25	Kenya		525.00						525.00
	10/25	10/29	Zimbabwe		300.00						300.00
Committee transportation							3,228.00				3,228.00
A. Roberts	11/29	12/6	Great Britain		706.00						706.00
	12/6	12/12	France		770.00		75.00				845.00
Committee transportation							1,267.00				1,267.00
V. Schmatt	11/12	11/13	Great Britain		258.00						258.00
	11/13	11/15	France		234.00						234.00
	11/15	11/17	Switzerland		200.00						200.00
	11/17	11/19	Portugal		176.00						176.00
Committee transportation							2,290.00				2,290.00
Stephen Solarz	10/6	10/19	U.S.S.R.		253.51						253.51
	10/20	10/22	Poland		279.00				97.62		376.62
Committee transportation							1,475.00				1,475.00
R. L. Sorian	11/10	11/12	Belgium		228.00						228.00
	11/12	11/17	Denmark		332.18						332.18
	11/18	11/21	Belgium		235.20		431.61				666.81
	11/17	11/17	France				56.32				56.32
	11/21	11/23	Italy				63.96				63.96
Military transportation							627.50				627.50
I. J. Spadola	10/22	10/23	Great Britain		129.00						129.00
	10/23	10/26	Oman		369.00		21.00				390.00
	10/26	10/30	Kenya		300.00						300.00
	10/30	11/2	Somalia		77.00						77.00
	11/2	11/6	Saudi Arabia		646.00		127.66				773.66
	11/6	11/9	Egypt		225.00						225.00
	11/9	11/12	Israel		239.00		112.00		105.43		456.43
	11/12	11/13	Great Britain		129.00		6.86				135.86
Committee transportation							4,108.00				4,108.00
M. H. Van Dusen	10/22	10/23	Great Britain								
	11/12	11/13	do		258.00						258.00
	10/23	10/27	Oman		492.00		21.00				513.00
	10/27	10/29	U.A.E.		209.50						209.50
	10/30	10/30	Bahrain		142.00						142.00
	10/30	10/31	Saudi Arabia								
	11/3	11/6	do		634.00		127.66		50.16		811.82
	10/31	11/3	Yemen		414.00						414.00
	11/6	11/9	Egypt		225.00						225.00
	11/9	11/12	Israel		239.00		112.00		105.43		456.43
Committee transportation							3,910.00				3,910.00
S. Wilcox	11/10	11/12	Belgium		228.00		36.27				264.27
	11/12	11/17	Denmark		525.00		1.01		48.13		574.14
	11/17	11/17	France								
Military transportation							2,650.85				2,650.85
Larry Winn	11/10	11/12	Belgium		228.00		36.27				264.27
	11/12	11/17	Denmark		525.00		1.01		48.13		574.14
	11/17	11/17	France								
Military transportation							2,650.85				2,650.85
Grand total											129,201.18

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CLEMENT J. ZABLOCKI, Chairman.
January 30, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Michael F. Barrett	11/29	12/03	England	296.00	706.00	(*)	2,086.30				2,862.30
	12/03	12/06	Germany	(*)							
	12/06	12/12	France	3,426.50	770.00	298.00	54.00			298.00	824.00
Michael J. P. Boland	10/20	10/25	Germany	828.00	450.00		86.11				536.11
						(-)	2,582.00				2,582.00
David B. Finnegan	10/20	10/25	Germany	828.00	450.00	(-)	2,582.00				3,042.00
David M. Gustafson	12/14	12/15	Canada	181.00	152.00	(-)	851.00				1,004.00
Robert M. Howard	10/20	10/25	Germany	828.00	450.00	(-)	2,582.00				3,042.00
Edward Madigan, M.C.	11/10	11/12	Belgium	7,104.00	228.00		36.27				264.27
	11/12	11/17	Denmark	2,887.50	525.00	(*)	2,650.85				3,175.85
Nancy Mathews	10/17	11/08	France	2,012.40	468.00	952.00	221.38			952.00	689.38
	11/08	11/17	England	407.00	979.36	82.00	196.00			82.00	1,175.36
						(*)	2,536.00				2,536.00
Nancy Ward	10/20	10/25	Germany		375.00	(-)	800.00				1,175.00
	10/25	10/28	France		351.00	(-)	180.29				531.29
Edward F. Weaver	10/20	10/25	Germany		375.00	(-)	955.00				1,330.00
	10/25	10/28	France		351.00						351.00
Peter D. H. Stockton	11/29	12/03	England	296.00	706.00	$298.00	54.00			$298.00	760.00
	12/03	12/06	Germany	(*)		(*)	2,086.30				2,086.30
	12/06	12/12	France	3,426.50	770.00						770.00
Michael J. Ward	10/24	10/27	Germany	414.00	225.00	(*)	2,479.00				2,704.00
	10/28	10/31	Sweden	2,182.00	498.00	850.00	304.20			850.00	802.20
	11/01	11/08	France	4,024.00	936.00	200.00	62.55			200.00	998.55
	11/08	11/15	England	364.04	875.00						875.00
Henry A. Waxman, M.C.	11/22	11/26	Spain	20,560.00	259.21	(*)	3,095.31				3,354.52

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Kenneth J. Plumber	10/20	10/26	Germany		474.00	(*)	2,382.00				2,856.00
Lisa Dercum	10/20	10/26	do		474.00	(*)	894.00				1,368.00
Committee total					11,847.77		29,834.44				41,682.21

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended. [3] Per diem for Germany received in London, England. [4] Commercial. [5] Military.

JOHN D. DINGELL, Member.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Hubbard, Hon. Carroll	10/18	10/23	Republic of Panama		375.00		[3]942.00				1,317.00
Lawson, Jack L.	10/18	10/26	do		600.00		622.00				1,222.00
Bailey, Jack R.	10/18	10/18	do		600.00		622.00				1,222.00
Seifert, Gerald	10/5	10/10	France		[4]702.00		980.00				1,682.00
Wallace, Sidney A.	10/18	11/1	United Kingdom		1,806.00		1,084.00				2,890.00
Committee total					4,083.00		4,250.00				8,333.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation paid by Department of Defense.
[4] Traveler returned $118.78 to Department of State via letter from acting chairman dated October 16, 1980.

WALTER B. JONES, Member.
January 29, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Yeager, Philip B.		9/27	United States				704.00				704.00
	9/28	10/1	England	160.58	387.00					160.58	387.00
	10/1	10/5	Norway	1,092.45	388.00					1,092.45	388.00
	10/5	10/8	Sweden	1,750.70	423.00	483.00	116.32			2,242.70	539.32
	10/8	10/12	France	2,427.75	585.00					2,427.75	585.00
	10/12		United States								
Mahoney, John D.		10/16	do				187.50				187.50
	10/16	10/18	Canada	173.78	150.00					173.78	150.00
	10/18		United States								
Spensley, James W.		11/2	do				2,348.00				2,348.00
	11/3	11/7	Sweden	2,999.78	705.00	407.50	95.38			3,407.28	800.38
	11/7		United States								
Blackburn, Frederick H.		11/2	do				2,348.00				2,348.00
	11/3	11/7	Sweden	2,999.78	705.00	407.50	95.38			3,407.28	800.38
	11/7		United States								
Marcus		11/14	do			1,899.54	2,239.50			1,899.54	2,239.50
	11/15	12/11	Australia					349.17	410.11	349.17	410.11
	12/12		United States								
Russell, Paul C.		11/15	do				2,713.90				2,713.90
	11/15	11/20	Venezuela	2,225.60	520.00	2,900.00	677.57			3,125.60	1,197.57
	11/20	11/25	Brazil	30,455.22	498.00	4,260.00	69.66			34,715.22	567.66
	11/26	11/29	Mexico	6,915.00	380.00					6,915.00	380.00
	11/30		United States								
Tripplett, Lillian M.		11/25	do				580.00				580.00
	11/25	11/29	Mexico	10,372.50	450.00					10,372.50	450.00
	11/29		United States								
Brown, George E., Jr.		11/23	do								
	11/23	11/28	Canada	177.38	150.00					177.38	150.00
	11/28		United States								
Moss		11/23	do								
	11/23	11/28	Canada	88.69	75.00					88.69	75.00
	11/28		United States								
Holland, Earl		11/28	do				1,267.00				1,267.00
	11/29	12/3	United Kingdom	296.00	706.00	176.52	421.01			472.52	1,127.01
	12/3	12/6	Germany								
	12/6	12/12	France	3,426.50	770.00	200.00	43.47			3,626.50	813.47
	12/12		United States								
Chapman		11/28	do				1,267.00				1,267.01
	11/29	12/3	United Kingdom	296.00	706.00	176.52	421.01			472.50	1,127.01
	12/3	12/6	Germany								
	12/6	12/12	France	3,426.50	770.00	509.00	118.65			3,935.50	888.65
	12/12		United States								
Davis, Robert W.		12/10	do								
	12/10	12/12	Canada		150.00		780.00		251.87		1,181.87
	12/12		United States								

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980—Continued

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Ertel, Allen E. [3]	11/6	10/30	Bahamas								
Hollenbeck, Harold C. [3]	11/6	10/30	do								
Hanson [3]	11/6	10/30	do								
Committee total					8,438.00		16,504.35		661.98		25,604.33

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Supplemental report to be filed on this trip as soon as State Department cost information is received.

DON FUQUA, Chairman.
January 29, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of Member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Diane E. La Voy, staff			Central America		150.00						150.00
Martin C. Faga, staff			Europe		1,145.00						1,145.00
Duane P. Andrews, staff			do		1,016.00						1,016.00
James O. Bush, staff			Asia		1,768.00						1,768.00
Committee total					4,079.00						4,079.00

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LEONOR K. SULLIVAN, Chairman.
January 29, 1981.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

573. A letter from the Secretary of Agriculture, transmitting notice of a delay until January 31, 1982, in the submission of the rural development strategy report required by section 607 of the Rural Development Policy Act of 1980; to the Committee on Agriculture.

574. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at McConnell Air Force Base, Kans., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

575. A letter from the Deputy Assistant Secretary of Defense (Installation and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

576. A letter from the Acting Director, of ACTION, transmitting notice of proposed final guidelines for applications for minigrants, pursuant to section 420(d) of Public Law 93-113; to the Committee on Education and Labor.

577. A letter from the President, National Railway Passenger Corporation, transmitting the annual report of the Corporation for fiscal year 1980, pursuant to sections 308 and 805 of the Rail Passenger Service Act of 1971, as amended; to the Committee on Energy and Commerce.

578. A letter from the Assistant Attorney General (Antitrust Division), transmitting the semiannual report covering the 6 months ended September 30, 1980, on the voluntary agreement and plan of action to implement the International Energy Program, pursuant to section 252(l) of the Energy Policy and Conservation Act; to the Committee on Energy and Commerce.

579. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

580. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $148,742.32 in excess gas royalties to the Gulf Oil Exploration and Production Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

581. A letter from the Deputy Assistant Secretary of the Interior for Land and Water Resources, transmitting a copy of an application by the Buffalo Rapids project, Irrigation District No. 2, Custer and Prairie Counties, Mont., for a loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the act, as amended; to the Committee on Interior and Insular Affairs.

582. A letter from the Secretary of Transportation, transmitting a report on the utilization of the authority to make payments to officers of the U.S. Coast Guard holding positions of a critical nature during calendar year 1980, pursuant to 37 U.S.C. 306(f); to the Committee on Merchant Marine and Fisheries.

583. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a quarterly report on the Commission's hiring and promotion of women and minorities, covering the period ended September 30, 1980, pursuant to section 201(h) of Public Law 93-438, as amended; to the Committee on Post Office and Civil Service.

584. A letter from the Joint Chairman, Interagency Task Force on Acid Precipitation, transmitting the draft National Acid Precipitation Assessment plan, pursuant to section 704(c) of Public Law 96-294; jointly, to the Committees on Energy and Commerce, and Science and Technology.

585. A letter from the Comptroller General of the United States, transmitting a report on Federal-Interstate Compact Commissions usefulness, and their effectiveness in managing river basin operations (CED-81-34, Feb. 20, 1981); jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

586. A letter from the Secretary of Energy, transmitting the annual report for fiscal year 1980 on the West Valley Demonstration project, pursuant to section 4 of Public Law 96-368; jointly, to the Committees on Science and Technology, Energy and Commerce, and Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEDELL:

H.R. 1978. A bill to amend the Internal Revenue Code of 1954 to provide that social security taxes and income tax withholding shall not apply to certain chore service performed under a State program designed to assist the elderly and the handicapped; to the Committee on Ways and Means.

By Mr. BROWN of California:

H.R. 1979. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

By Mr. PHILLIP BURTON:

H.R. 1980. A bill to amend the Immigration and Nationality Act to permit more persons to immigrate from colonies of foreign states; to the Committee on the Judiciary.

By Mr. GRAMM (for himself and Mr. WRIGHT):

H.R. 1981. A bill to amend the Congres-

sional Budget and Impoundment Control Act of 1974 to require generally that each congressional budget resolution for any fiscal year provide a balanced budget for that year and for the succeeding fiscal year, to provide for midyear corrections and to avoid unanticipated deficits, and for other purposes; jointly, to the Committees on Rules and Government Operations.

By Mr. COELHO:

H.R. 1982. A bill to amend the Internal Revenue Code of 1954 to provide that, in the case of an employee annuity, the employee may elect to exclude from gross income all amounts received by the employee under the annuity until the employee recovers his consideration for the annuity, without regard to whether such consideration is recovered during the first 3 years of the annuity; to the Committee on Ways and Means.

By Mr. CONABLE (for himself, Mr. ARCHER, Mr. FRENZEL, Mr. JONES of Oklahoma, and Mr. MARTIN of North Carolina):

H.R. 1983. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States; to the Committee on Ways and Means.

By Mr. LEVITAS:

H.R. 1984. A bill to amend the Administrative Procedure Act to require the performance and publication of economic impact analyses in the Federal Register for all proposed and final rules which are subject to the provisions of that act; to the Committee on the Judiciary.

By Mr. PASCELL:

H.R. 1985. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. PINDLEY:

H.R. 1986. A bill to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually; to the Committee on Agriculture.

By Mr. FRENZEL:

H.R. 1987. A bill to amend the Tariff Schedules of the United States to increase from $200 to $600 and from $600 to $1,200, respectively, the valuation limitations relating to the duty-free importation of personal articles by returning U.S. residents; to the Committee on Ways and Means.

H.R. 1988. A bill to suspend the duty on carob flour until December 31, 1984; to the Committee on Ways and Means.

H.R. 1989. A bill to repeal the additional duties imposed until 1993 under the Omnibus Reconciliation Act of 1980 on imported ethyl alcohol; to the Committee on Ways and Means.

By Mr. FITHIAN (for himself, Mr. HAMILTON, Mr. EVANS of Indiana, Mr. BENJAMIN, Mr. SHARP, Mr. JACOBS, Mr. MYERS, Mr. HILLIS, Mr. DECKARD, Mr. HILER, and Mr. COATS):

H.R. 1990. A bill to amend title 13, United States Code, to require the Secretary of Commerce to prepare certain reports with respect to census activities and the decennial census, and for other purposes; jointly, to the Committees on the Judiciary and Post Office and Civil Service.

By Mr. GRADISON (for himself, Mr. GEPHARDT, Mr. BROWN of Ohio, Mr. ERLENBORN, Mr. FRENZEL, Mr. LAGOMARSINO, Mr. PORTER, Mr. ROE, and Mr. WHITEHURST):

H.R. 1991. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for certain contributions to product liability loss reserve accounts; to the Committee on Ways and Means.

By Mr. JEFFORDS (for himself, Mr. PERKINS, and Mr. GOODLING):

H.R. 1992. A bill to extend the authorization of youth training and employment programs and improve such problems, to authorize intensive and remedial education programs for youth, and for other purposes; to the Committee in Education and Labor.

By Mr. LUNDINE:

H.R. 1993. A bill to provide for the development of a plan for the disposal of radioactive waste and spent nuclear fuel, to require the construction of repositories in accordance with the plan, to establish a Federal policy regarding the interim storage and commercial reprocessing of spent nuclear fuel, to provide for a demonstration program for dry storage of such fuel, and for other purposes; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, Rules, and Science and Technology.

By Mr. MOORE:

H.R. 1994. A bill to amend the Internal Revenue Code of 1954 to provide that members of the uniformed services assigned to duty outside the United States shall be eligible for the earned income credit; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 1995. A bill to amend the Federal Reserve Act to provide an 8-year transitional period with respect to reserve requirements for certain depository institutions which withdrew from membership in the Federal Reserve System; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1996. A bill to amend the Railroad Retirement Act of 1974 to provide that certain additional military service shall be deemed part of years of service of an individual for the computation of certain annuities; to the Committee on Energy and Commerce.

H.R. 1997. A bill to amend title 39 of the United States Code to prohibit the Postal Service from limiting regular daily mail delivery to fewer than 6 days each week, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SEIBERLING:

H.R. 1998. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for any contribution, bequest, or gift to the United Nations; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. APPLEGATE, Mr. BENJAMIN, Mr. BONIOR of Michigan, Mr. CROCKETT, Mr. KILDEE, Mr. MITCHELL of Maryland, Mr. MOTTL, Mr. MURPHY, Ms. OAKAR, Mr. PEASE, Mr. PRICE, Mr. REGULA, Mr. ROE, Mr. TRAXLER, Mr. WILLIAMS of Ohio, and Mr. YOUNG of Missouri):

H.R. 1999. A bill to impose quotas on the importation of automobiles during 1981, 1982, and 1983; to the Committee on Ways and Means.

By Mr. BLANCHARD:

H.R. 2000. A bill to create the U.S. Revitalization Bank and to authorize such bank to issue obligations and provide loans and loan guarantees to qualifying business enterprises and local governmental units; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SIMON:

H.R. 2001. A bill to amend the Fair Labor Standards Act of 1938 to authorize a special minimum wage for the limited employment of individuals under the age of 19 and for the employment of full-time students; to the Committee on Education and Labor.

H.R. 2002. A bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profit tax the first 250 barrels a day of crude oil production of independent producers and royalty holders; to the Committee on Ways and Means.

By Mr. TAUKE:

H.R. 2003. A bill to eliminate the retroactive application of the provisions of the Omnibus Reconciliation Act of 1980 which require proration of initial adjustments to civil service annuities; to the Committee on Post Office and Civil Service.

By Mr. WAXMAN:

H.R. 2004. A bill to amend the Public Health Service Act to revise and extend the programs for the National Health Service Corps and to revise and extend the programs of assistance under titles VII and VIII of such act for the education of health professions personnel, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WHITEHURST:

H.R. 2005. A bill to establish an age limit for participation in the school lunch program; to the Committee on Education and Labor.

By Mr. YOUNG of Florida:

H.R. 2006. A bill to amend title 17, United States Code, to authorize the nonprofit use of copyrighted works, and for other purposes; to the Committee on the Judiciary.

H.R. 2007. A bill to amend title 17 of the United States Code to exempt nonprofit veterans' organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders; to the Committee on the Judiciary.

H.R. 2008. A bill to amend the Internal Revenue Code of 1954 to increase the exclusion for dividends and interest and to make such exclusion permanent; to the Committee on Ways and Means.

By Mr. ALBOSTA:

H.J. Res. 182. Joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era", to the Committee on Post Office and Civil Service.

By Mr. KASTENMEIER:

H.J. Res. 183. Joint resolution designating November 21, 1983, as "Bicentennial of Manned Flight Day"; to the Committee on Post Office and Civil Service.

By Mr. VANDER JAGT:

H.J. Res. 184. Joint resolution to provide for the issuance in the year 1982 of a commemorative postage stamp in honor of the bicentennial anniversary of the establishment of diplomatic relations between the United States and the Government of the Netherlands; to the Committee on Post Office and Civil Service.

By Mr. JEFFORDS (for himself, Mr. BONKER, Mr. D'AMOURS, Mr. DORNAN of California, Mrs. FENWICK, Mr. LONG of Maryland, Mr. WEISS, and Mr. YATES):

H. Con. Res. 72. Concurrent resolution to declare March 1, 1981 as "National Day of the Seal;" to the Committee on Post Office and Civil Service.

By Mr. MARKS (for himself, Mr. DERWINSKI, Mr. WON PAT, Mr. GORE, Mr. LAGOMARSINO, Mr. RITTER, Mr. GINN, Mr. HILER, Mr. LAFALCE, Mr. VENTO, Mr. DONNELLY, Mr. LOTT, Mr. MCDADE, Mr. ROSE, Mr. PORTER, Mr. WOLPE, Mr. FISH, Mr. COLLINS of Texas, Mr. FORSYTHE, Mr. KOGOVSEK, Mr. ROE, Mr. CORCORAN, Mr. MCDONALD, Mr. MOLLOHAN, Mr. DOUGHERTY, Mr. GUYER, Mr. BARNARD, Mr. MAVROULES, Mr. WILSON, Mr. YATRON, Mr. RAILSBACK, and Mr. CHAPPELL):

H. Con. Res. 73. Concurrent resolution expressing the sense of the Congress that legislation providing for withholding of Federal income tax from dividends and interest should not be enacted; to the Committee on Ways and Means.

By Mr. PEASE (for himself, Mrs. SCHROEDER, and Mr. LANTOS):

H. Con. Res. 74. Concurrent resolution requesting the President to call on pertinent member nations of the North Atlantic Treaty Organization and on Japan to meet their respective commitments to increase defense spending in 1981; to the Committee on Foreign Affairs.

By Mr. DELLUMS:

H. Res. 78. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on the District of Columbia; to the Committee on House Administration.

By Mr. SKELTON:

H. Res. 79. Resolution authorizing the printing as a House document of the publication entitled "Programs and Papers Portraying the Personality, Character, and Achievements of George Washington"; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DANIELSON:

H.R. 2009. A bill for the relief of the estate of Dorothy Meserve Kunhardt; to the Committee on the Judiciary.

By Mr. PRITCHARD:

H.R. 2010. A bill for the relief of Kai-Mee Chen; to the Committee on the Judiciary.

H.R. 2011. A bill for the relief of Sun Cha Cho Walker; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 2012. A bill for the relief of Martin R. Goodall, his wife Mary and their son, James; to the Committee on the Judiciary.

H.R. 2013. A bill for the relief of Dennis D. Jones; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 18: Mr. BERKLEY.

H.R. 375: Mr. MITCHELL of Maryland, Mr. FISH, Mr. RICHMOND, Mr. KILDEE, Mr. SCHEUER, Mr. BARNES, Mr. MARKEY, Mr. PEPPER, Mr. CONYERS, Mrs. CHISHOLM, Mr. SOLARZ, Mr. OBERSTAR, Mr. STOKES, Mr. HARKIN, and Mr. CROCKETT.

H.R. 397: Mr. RITTER and Mr. AKAKA.

H.R. 465: Mr. VOLKMER and Mr. VENTO.

H.R. 556: Mr. DELLUMS, Mr. MCKINNEY, Mr. YATRON, Mr. DOWNEY, Mr. AKAKA, and Mr. HOWARD.

H.R. 911: Mr. IRELAND, Mr. MINETA, Mr. VANDER JAGT, Mr. CORCORAN, Mr. BARNARD, Mr. AUCOIN, Mr. JACOBS, and Mr. CHAPPELL.

H.R. 1005: Mr. BLANCHARD.

H.R. 1011: Mr. PEPPER.

H.R. 1339: Mr. RAILSBACK and Mr. CHAPPELL.

H.R. 1340: Mr. RAILSBACK and Mr. CHAPPELL.

H.R. 1598: Mr. HAWKINS, Mr. PHILLIP BURTON, Mr. SOLARZ, Mr. STOKES, AND Mr. FAUNTROY.

H.R. 1644: Mr. RALPH M. HALL.

H.R. 1711: Mr. PRITCHARD, Mr. JACOBS, Mr. MARRIOTT, Mr. PASHAYAN, Mr. PANETTA, Mr. AKAKA, Mr. LOTT, Mr. GUARINI, Mr. JOHNSTON, and Mr. WOLF.

H.R. 1764: Mr. BENEDICT, Mr. RAHALL, and Mr. STATON of West Virginia.

H.R. 1765: Mr. WHITEHURST, Mr. STENHOLM, Mr. ROEMER, Mrs. FENWICK, Mr. THOMAS, Mr. BROOKS, Mr. LOTT, Mr. CHAPPELL, and Mr. JOHNSTON.

H.J. Res. 113: Mr. BENEDICT and Mr. HOPKINS.

H. Con. Res. 52: Mr. BEDELL, Mr. BINGHAM, Mr. PEPPER, Mr. ROE, Mr. DERWINSKI, Mrs. FENWICK, Mr. SOLARZ, Mr. NEAL, Mr. ROSE, Mr. SEIBERLING, Mr. OTTINGER, Mr. DE LUGO, Mr. EDGAR, Mr. FORSYTHE, Mr. VENTO, Mr. HEFNER, Mr. DOWNEY, Mr. HUGHES, Mr. SIMON, Mr. PATTERSON, Mr. BLANCHARD, Mr. GARCIA, Mr. HOWARD, Mr. MINETA, Mr. MURPHY, Mr. LEHMAN, Mr. OBERSTAR, Mr. ROSENTHAL, Mr. ERLENBORN, Mr. CORRADA, and Mr. ECKART.

H. Res. 50: Mr. PEPPER.

H. Res. 51: Mr. OBERSTAR, Mr. ST GERMAIN, Mr. ROSENTHAL, Mrs. COLLINS of Illinois, Mr. STUDDS, Mr. KILDEE, Mr. RATCHFORD, Mr. WASHINGTON, Mr. JEFFORDS, Mr. VENTO, Mr. YATES, Mr. HALL of Ohio, Mr. ATKINSON, Mr. SEIBERLING, Mr. FORD of Michigan, Mr. FRANK, Mr. WEISS, Mr. RANGEL, Mr. SAVAGE, Mr. PHILLIP BURTON, Mr. MITCHELL of Maryland, Mr. YATRON, Mr. MURPHY, Mr. CLAY, Mr. NOWAK, Mrs. CHISHOLM, Mr. GEJDENSON, Mr. BENJAMIN, Ms. MIKULSKI, Mr. WEAVER, Mr. DELLUMS, Mr. CONTE, Mr. ECKART, Mr. DOWNEY, and Mr. SCHUMER.

PETITIONS, ETC.

Under clause 1 of rule XXII,

26. The SPEAKER presented a petition of the Gertrude Stein Democratic Club, Washington, D.C., relative to declaring the birthday of Dr. Martin Luther King, Jr., as a national holiday, which was referred to the Committee on Post Office and Civil Service.

EXTENSIONS OF REMARKS

FIVE MYTHS ABOUT THE GOLD STANDARD

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. McDONALD. Mr. Speaker, the United States of America is at a point of decision in its history today. Either we step into the open grave of economic collapse caused by 50 years of criminal economic policy, or start a third century of liberty and prosperity based upon the revitalizing truths of constitutional law and free enterprise. These are the choices we face. This country has seen similar moments of decision before in its history such as when we started this great Nation and at several points during the intervening years. There are, however, no guarantees we will again surmount the insurmountable, choosing the right path of constitutional law and free market economics, and even fewer assurances than ever before because of this Nation's hidden enemies.

My allusion is to the many individuals who have chosen to violate their stewardship as free men at this moment and have advocated the superficial, the dishonest, the criminal as solutions to our problems. This ignorance or malice is historically reprehensible. For the path that we must take and the solutions we must choose are as open and plain as they have been before.

An example of just such a path and one of the men of proper convictions advocating it is Congressman RON PAUL and his bill to reestablish the gold standard. In Representative PAUL'S "Freedom Report" dated January 1981, he explodes five myths that have done much to confuse the issue of a gold standard in this country and in the world. In a succinct fashion he points out the fallacy in believing that there is not enough gold, a gold standard would enable Russia and South Africa to hold us hostage, gold causes depression, gold causes inflation or that gold would be speculative. Because it indeed points out the clear and historically proven course we must take, I commend it to the attention of my colleagues. It is about time we started facing the decisions we must make as a nation and doing so immediately if we are to avert a national disaster.

The report follows:

FIVE MYTHS ABOUT THE GOLD STANDARD

(By Congressman RON PAUL)

Thank you very much, Mr. Chairman, for allowing me to appear before your subcommittee this morning to discuss the feasibility of establishing a gold standard.

As you know, I have introduced, and other members have cosponsored, H.R. 7874, which is a comprehensive bill to place the United States on a full gold coin standard within two years of the date of its passage.

I believe such a standard to be not only desirable and feasible, but absolutely necessary if we are to avoid the very real possibility of hyperinflation in the near future, and economic collapse. But in Washington today we have five myths about the gold standard.

The first myth is, "There isn't enough gold." The second myth is, "Since the Soviet Union and South Africa are the world's principal producers of gold, they could hold our economic system hostage and benefit if we were to establish a gold standard." The third myth is, "The gold standard would cause a depression." The fourth myth is, "The gold standard will cause inflation." And the fifth myth is, "The gold standard is subject to undesirable speculative influences."

MYTH NO. 1: THERE ISN'T ENOUGH GOLD

I find it amazing that economists can make statements like this, for it is an elementary principal of economics that if one raises the price of a commodity, one will always have enough of that commodity. What we saw in the runup of gold prices is in fact the raising of the price of gold to match the depreciation of the dollar that has occurred, and still is occurring.

Simply put, there will always be enough gold so long as no one interferes with the free market mechanism.

At $700 an ounce the United States government has enough gold reserves to more than cover all the Federal Reserves notes outstanding. If we were to establish a gold standard by the procedure I have outlined in my bill H.R. 7874, then the world would be fully informed of the gold holdings of the United States government, and the price of gold could adjust accordingly, so that when redemption of our greenbacks—our Federal Reserve notes—began, the price would be the market-clearing price. Quite simply, the statement that there is not enough gold is false. It is a scare tactic used by opponents of the gold standard.

MYTH NO. 2: A GOLD STANDARD WOULD ENABLE RUSSIA AND SOUTH AFRICA TO HOLD US HOSTAGE

The second myth that should be challenged is that the Soviet Union and South Africa could hold us hostage were we to establish the gold standard. It is true that the Soviet Union and South Africa, because they have vast gold deposits, have reaped a windfall in the past decade. Yet we are not today on any sort of gold standard. It is the present inflationary policies of governments the world over that create these windfalls. Rather than giving the U.S.S.R. and South Africa windfalls, we should institute the gold standard.

Stabilization of our monetary system—and perhaps the world monetary system, if the world emulated us—would remove any speculative premium that the Soviet Union and South Africa presently receive. We would see a stabilization of the world price of gold and an end to inflation throughout the world. In such a condition, the Soviet Union and South Africa would no longer be in a position to reap windfall benefits.

During the first several months of this year the Soviet Union has withheld gold from the international gold markets. It has recently been rumored that they have sold hundreds of tons to Saudia Arabia at a premium price. Whether or not that is the case, it is easy to see that the inflationary problems that beset us and the rest of the world create the conditions for Russia and South Africa to reap vast economic benefit. The present inflation causes fear and panic among the world's peoples.

Were we to institute a sound money system—a full 100 percent gold coin standard—the fear and panic would be eliminated. There would be no premium to be reaped by the Soviet Union and South Africa, and they would not receive any windfall from the sale of their bullion and their coins. Nor would Russia and South Africa be able to hold us hostage.

The gold reserves of the United States are immense, but no matter what their size, it is extremely difficult to see how Russia and South Africa, either by restraining their production or by dumping gold, could seriously affect us here in the United States.

When we reach a full gold coin standard and our unit of account is a weight of gold, as I have indicated in my bill, H.R. 7874, the world's entire production for one year would not influence significantly the value of that weight of gold.

MYTH NO. 3: GOLD CAUSES DEPRESSIONS

The third myth is that "a return to the gold standard will cause a depression." Now this statement is a half-truth, for if we improperly institute a gold standard, then we might in fact have a depression. Following World War I, the government of Great Britain returned to a gold standard, but in a deflationary fashion. Britain re-established the link that existed between the pound and gold prior to World War I, not taking into account the increase in the number of pounds that had occurred during the war when Great Britain was off the gold standard. The result was a short depression, because the political experts completely ignored the damage that had been done by their policies during the war.

Were we to establish a gold standard, we would have to pursue a course that would not result in deflation and would not cause a depression. We would redeem at the market price for a period of one year the greenbacks we have printed, and then cease redemption, allowing the gold coins we have put into circulation to function as our money of account.

If we proceed to a gold standard in an orderly fashion, such as I have proposed in my bill H.R. 7874, then there will be no depression. A gold standard cannot be achieved if we do not end our budget deficits as well. The standard must be accompanied by tax cuts, an end to the printing of paper money, and a significant reduction of federal regulations if we expect a restoration of a sound economy.

Unless we are committed to all these things, even the establishment of 100 percent gold coin standard cannot stop our descent into economic chaos. We must cut the federal government down to constitutional size, and the establishment of a full gold standard is part of that process. The Constitution explicitly forbids any state government, and implicitly the Federal government, from making anything except gold or silver coin a legal tender in payment of debt.

MYTH NO. 4: GOLD CAUSES INFLATION

The fourth myth about the gold standard is that "It will cause inflation." Opponents of the gold standard point out that the world supply of gold increases by about two or three percent per year, and such an increase in supply would result in inflation in any country that adopts a gold standard.

I do not wish to challenge the proposition that the world gold supply increases by 2 to 3 percent per year. For the sake of argument, I will accept that as given. The result of such an increase is that prices might stay stable rather than falling. It is useful in this regard to point out the behavior of prices during our history. For most of the 19th century we had an imperfect gold coin standard. In the 67 years prior to the beginning of the Federal Reserve system in 1913 the consumer price index in this country increased by 10 percent, and in the 67 years subsequent to 1913 the C.P.I. increased 625 percent. This growth has accelerated since 1971 when President Nixon cut our last link to gold by closing the gold window.

In 1833 the index of wholesale commodity prices in the U.S. was 75.3. In 1933, just prior to our going off the gold standard, the index of wholesale commodity prices in the U.S. was 76.2: a change in hundred years of nine-tenths of one percent. The index of wholesale commodity prices in 1976 was 410.2. Today, the index is 612.3. For 100 years on the gold standard wholesale prices rose only nine-tenths of 1 percent. In the last 45 years of paper money they have gone up 536 percent.

The index of wholesale commodity prices emphasizes the stability of these prices during the entire 19th century. This stability was first overturned during the Civil War—the greenback period—then in World War I, and once again in World War II, and with the inflation that has persisted since that war.

Rather than causing inflation, the gold standard has historically been a bulwark against inflation. It is politically-manipulated money such as we have had since 1934 that causes our inflation.

People today have come to expect that prices will continue to rise, and we see the beginnings of a hyperinflationary psychology setting in.

If we are to avoid the horrendous consequences of such a psychology, we must take dramatic action and give our country an historically proven system, a full gold coin standard.

MYTH NO. 5: GOLD WOULD BE SPECULATIVE

The last myth about the gold coin standard that I would like to address is the notion that such a standard would be subject to undesirable speculative influences.

This assertion was most recently made in a letter sent by the Federal Reserve to Chairman William Proxmire of the Senate Banking Committee. The letter argued that because gold is a commodity used in jewelry and in industry, it is subject to speculative influences that are undesirable in setting up a stable monetary system.

I find such an argument amazing, for it is precisely because it is a commodity and not subject to the manipulation of a bureaucracy in Washington or London that it is desirable. If one wishes to speak of undesirable speculative influences, one need only look at the speculation that occurs daily in the U.S. dollar.

A gold standard would eliminate all speculation about the political motivations of the monetary authorities in governing the supply of money. The great virtue of the gold standard is that it removes discretionary power over the money supply from any one agency, thus ending the most fertile source of speculation. A gold standard puts the power of the monetary system into the hands of the people and takes it away from the politicians and bankers, thus removing a potential vehicle for establishing a tyranny.

Gold cannot be mined as cheaply as Federal Reserve notes can be printed. Nor can its supply be manipulated on a daily basis. There is a great dispersion of power in a gold standard system. That is the strength of the system, for it allows the people to check any monetary excesses of their governors and does not allow the governors to exploit the people by debasing the money.

The letter from the Federal Reserve System to Chairman Proxmire closed with a call for more faith in the System and its good intentions. For over 60 years the American people have been exercising such faith and they have suffered the worst depression and the worst inflations in their history. Let us hear no more of faith in men, but bind government with the chains of an honest monetary system—the full gold coin standard.

In the Coinage Act of 1792 the Founders provided the death penalty for any government employee who debased the money. One wonders that if such a penalty were enforced today how may members of the Federal Open Market Committee would survive the month.

GOLD: THE MEASURING ROD

In his "Tract on Monetary Reform" published in 1923, the father of the age of inflation, John Maynard Keynes, wrote: "The individualistic capitalism of today . . . presumes a stable measuring rod of value. It cannot be efficient—perhaps cannot survive—without one."

Lord Keynes was correct. Unless we have a stable measuring rod of value, such as a gold coin standard, capitalism and freedom cannot survive. If not vigilant, we will evolve into the sort of fascism that resulted from the great German inflation following World War I.

The choice before us is simple: Shall we have gold and political freedom or shall we have paper and political tyranny?●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

DO CONSERVATIVES CONTROL THE HOUSE?

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. GINGRICH. Mr. Speaker, when Nicholas Lemann, of the Washington Post, wrote "People who call themselves conservatives control both Houses of Congress," page 1, February 22, 1981, everyone who is conservative should have been frightened and aroused. The national news media is buying the liberal Democratic argument that TIP O'NEILL is helpless in a House controlled, de facto, by conservatives.

We know better. We lost the fight for a conservative speaker. A liberal now presides over the House. And he recognizes motions, sets the calendar, and dominates the proceedings. He is in control.

Liberals still control most of the committee and subcommittee chairmanships, and most of the staffs.

Liberals preside, in particular, over the Ways and Means, Joint Economic, and Rules Committees. These three committees will have enormous impact on Reagan's program for economic recovery. It is obvious that they have been stacked by the liberals to block that program.

It is vital that we tell the country over and over again that we do not control the House, and that TIP O'NEILL and the liberals do. It is essential that the country knows who to blame if economic recovery is blocked by the Democratic leadership.●

WATT HAS FUNNY IDEA OF "NEIGHBORLY"

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. EDWARDS of California. Mr. Speaker, I would like to share with my colleagues an editorial which appeared in the San Jose Mercury on February 16, 1981.

The editorial examines Interior Secretary James G. Watt's announcement that he is considering reopening four basins off the coast of California and Oregon for oil and gas development. As the author points out, this announcement has enraged not only environmentalists, but Government officials at all levels, chambers of commerce, fishing and tourist industries, and other businesspeople.

None of these groups, including those of us here in the House who have spoken out against Secretary Watt's decision, fails to recognize the need for some offshore drilling to develop offshore energy resources. However, in this instance, the small amount of oil and gas resources in these four basins hardly warrants development; especially when one considers the adverse effects this development could have on a variety of different things, including the fishing industry, wildlife habitats, water supplies to a number of counties, the San Francisco Bay delta system recreational and scenic beaches, property values, as well as several seismic faults.

I commend the article to the attention of my colleagues.

WATT HAS FUNNY IDEA OF "NEIGHBORLY"

On the lovability scale, environmentalists rank James G. Watt somewhere between the Boston Strangler and Ming the Merciless, and his first acts as Secretary of Interior are doing nothing to improve his rating.

Watt announced last Wednesday that he's planning to allow oil and gas development in four tracts off the California coast from Eureka south to Santa Cruz.

A day later, it was learned that Watt is reviewing the Carter administration's decision to include California's five North Coast rivers in the wild and scenic rivers system, thereby protecting them from development.

In a letter to the governors of California and Oregon, Watt declared that he has made "no final decision" on allowing oil companies to bid for leases in the four offshore basins, but added, "The president has instructed me to take the necessary steps to increase the domestic production of oil and gas, and I firmly intend to take those steps."

Last October Watt's predecessor, Cecil Andrus, refused to allow oil and gas development in those basins, correctly reasoning that their limited fuel potential wasn't worth the risk of severe damage to some of the most beautiful coastline in the world.

Watt says the U.S. Geological Survey's latest estimate puts the oil potential of Lease Sale 53—the four North Coast tracts plus a fifth one off Santa Barbara in which Andrus already has approved leasing—at 982 million barrels and the gas potential at 1.2 trillion cubic feet. But that may be an over-optimistic guess. As of last fall, the U.S.G.S.'s median estimate for all five tracts was only 540 million barrels of oil—about a 30-day supply for the United States.

The Friends of the Earth, the Sierra Club and other environmental groups are, of course, loudly protesting Watt's move. But the opposition isn't confined to hard-core nature buffs. Even people who couldn't tell a bowfin whale from a black-footed ferret understand what oil spills and industrial blight could do to the North Coast's multi-million-dollar tourism and fishing industries.

Eleven California congressmen, including local representatives Don Edwards, Norman Mineta and Leon Panetta, as well as Donald Clausen of Santa Rosa, the ranking California Republican in the House and the senior GOP member of the House Interior and Insular Affairs Committee, have sent Watt a stiff letter of protest. The point out that "every local unit of government in the central and northern California coastal area, including the state and its various agencies, has opposed" drilling in the four basins. Gov. Jerry Brown has denounced Watt's move, and the head of the California Coastal Commission has promised a court battle and a "snarl of red tape" if the leases go through.

In his letter to Brown, Watt affirmed his intention "that the federal government establish a 'good neighbor' policy with the states." Good neighbors don't put drilling rigs and oil slicks in other people's front yards. If Secretary Watt wants to be neighborly, he'll stick with Andrus' decisions and leave our coast and our rivers alone.●

HONORING JOHN RALSTON

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. MURTHA. Mr. Speaker, it was a pleasure for me to tour the Elderton/Plumcreek Area Park which is a magnificent example of what a community can achieve by working together.

The Elderton/Plumcreek Area Recreation Commission started their work back in 1976. The project includes a baseball diamond, tennis courts, handball courts, park shelters, a large picnic area, and a two-level playground area.

It is particularly rewarding because of the work of Mr. John Ralston. Mr. Ralston is a retired civil engineer who volunteered his services for the planning, designing, and supervising of the construction at the park. He received no wages for his work but did it as a volunteer. In addition, he contributed financially to the project, and has paid for materials out of his own pocket so the project could continue and CETA workers would have materials with which to work.

Who can say what family might be pulled closer together by an afternoon spent at that park, or what child might stay out of trouble because he or she has an opportunity at constructive recreation? I can say the community is better for the contribution of this park, and to that contribution we all say thank you to John Ralston.●

THE NATO SACRED COW: STILL ROAMING THE RANGE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mrs. SCHROEDER. Mr. Speaker, among the sacred cows still roaming the range after President Reagan's much ballyhooed Wednesday night roundup is NATO.

The U.S. taxpayer annually spends between $35 and $81 billion on NATO defense, depending on whose figures you care to believe.

At House Armed Services Committee hearings this week on European defense posture, Gen. Bernard W. Rogers, commander in chief of the U.S. European Command, testified that the United States pays two-thirds of all NATO defense costs.

There is a great deal of hand wringing on both sides of the ocean these days on how much our NATO allies ought to increase their defense spending. According to our so-called allies the answer falls somewhere between very little and not at all. A summary of the debate appeared in the February 18 Wall Street Journal.

Yet the assumption, the incredible assumption, is rarely questioned: Why must the U.S. taxpayer bear the brunt of European defense costs?

The Journal article follows:

U.S. ALLIES DEBATE DEFENSE BOOSTS

Even as President Ronald Reagan seeks to add at least $20 billion to his predecessor's $196 billion defense budget for the coming fiscal year, the U.S. allies are searching their souls and treasuries to determine their proper share of the common defense effort.

There is a consensus to do more, but there are problems.

Where spirits are willing, economies are often weak. And where economic muscle may be sufficient, ghosts of history and politics are troubling.

The Carter administration pressed the members of the North Atlantic Treaty Organization to live up their pledge to boost their individual defense budgets by a real, or inflation-adjusted, 3% a year. But Mr. Reagan's top national-security advisors backed away from the 3% target even before he took office. While they indicated that they wanted the allies to do more to bolster Western defenses in Europe, they declared that a fixed percentage increase isn't a valid measure of strengthened security.

Whatever Washington's expectations turn out to be, West Germany isn't likely to meet its NATO pledge this year. That's because of the looming economic slowdown, a desire to restrain the federal budget's expansion, and what Defense Minister Hans Apel calls a "growing pacificism" in the country.

Late last month, 24 parliamentarians from the Social Democratic Party called for the equivalent of $466.2 million to be removed from the defense budget and transferred to development aid, arguing that such aid represented a better use of the funds. Though that call was rejected by the Social Democratic caucus, it is indicative of the current pacifist mood.

REAL RISE OF 2.8%

The German government increased defense outlays last year to about $22.61 billion, converting at current exchange rates. That amounted to a real rise of about 2.8% and to about 3.2% of gross national product, or total output of goods and services. Final figures aren't in for 1981, but German officials reckon that defense spending will show a real increase of about 2.2%, though some supplements could raise that figure.

In neighboring France, military expenditures have risen considerably in recent years, now amounting to almost 4% of GNP, and cutbacks aren't expected no matter who wins the presidential election in the spring. Of the total $21.13 billion budgeted this year, about a third will be spent on nuclear weapons.

While France hasn't been part of NATO's integrated military command since 1966, the Pentagon calculates that France's real 3.5% defense-spending increase last year outdistanced that of any country within the integrated command.

Britain's defense-spending plans are complicated by the sagging economy. It is committed to spend more in real terms, but it must stay within the limits imposed by the British treasury. Even so, a British defense spokesman contends that the nation's defense outlays will continue to grow by a real 3% annually.

In the fiscal year ended April 1, 1980, spending was $20.05 billion, or 4.9% of GNP. Proportionally, that put Britain second only to the U.S. among NATO members. Fiscal 1981 outlays are budgeted at $26.12 billion. But that is $585.6 million above the treasury's cash limits, which will mean big cuts in the fiscal 1982 defense budget.

Other European NATO countries where defense spending has been a major issue in the past year present a mixed picture—with Italy going beyond the NATO target and both Denmark and the Netherlands falling short.

Italy's spending for 1981 is expected to show a 6% real rise from 1980, compared with zero growth last year and a 3% real increase in 1979. Though this is the biggest increase planned by any NATO nation, Italy is starting from a low base. Its per-capita defense spending is less than a third of that in all NATO countries.

But military observers credit Italy with making great strides in its weapons procurement and modernization program.

The Danes, by contrast, have always been reluctant to make the sacrifice entailed in increased defense spending. Their military budget showed a real increase of only 6% for the four years beginning April 1977, and fiscal 1980 saw a real drop of 0.6%. Defense spending in fiscal 1982 will increase to $1.25 billion, for a real increase of less than 1%. But a diplomat in Copenhagen observes that "growth could be somewhat larger" thereafter.

The Netherlands' defense budget has been close to the 3% target in the past two years. But this year, the Ministry of Finance won a battle with the Ministry of Defense, and the real 1981 increase will be closer to 2%.

Politics played a key role in this decision. Dutch elections will be held on May 26, and the unilateral nuclear disarmament lobby has been gathering momentum. According to a diplomat in The Hague, however, "the betting is that defense spending will go up again next year."

BUILT INTO POLICY

Across the Atlantic, Canada holds rigidly to the NATO target. The 3% real growth has been built into federal policy and is assured regardless of other budget demands or the inflation rate.

On the other hand, Canada's defense outlays, at about 1.8% of GNP for the fiscal year ending March 31, are at the bottom of the NATO scale. "We seem to run neck and neck with Luxembourg," says a senior defense planner.

Spending will rise to about $6 billion (Canadian) next year from $5.07 billion in the current fiscal year. While that is a sharp nominal (or unadjusted) increase of 18%, it doesn't represent much change relative to GNP. A boost to a more aggressive 4% of GNP would more than double Canadian military outlays and eat up a major portion of the relatively small discretionary portion of the national budget. "Politically and financially, that kind of jump isn't possible," says a Canadian official.

Japan, though it isn't a member of NATO, has also come under pressure from the U.S. to boost its defense spending. The prime minister, Zenko Suzuki, is known in political circles as Mr. Fish because he hails from a fishing prefecture and has been Japan's chief negotiator in fishing talks with the Russians.

Several weeks ago, Mr. Suzuki used a fishing allegory to explain to some visiting U.S. Government officials why Japan is increasing its defense budget only 7.6% in the fiscal year beginning April 1, rather than the nominal 9.7% the U.S. had expected.

"YOU PULL GRADUALLY"

"When you are a deep-sea fisherman trying to pull in a big fish, you don't pull on the line too suddenly or the line will snap and you'll lose the catch," Mr. Suzuki said. "You pull gradually, gradually, gradually."

The "big fish" to which Mr. Suzuki alludes is Japanese public opinion, which is only slowly losing the pacifist strain that has marked it since World War II.

Partly because of this political restraint, the $12 billion (U.S.) in spending in the coming fiscal year will constitute only 0.9% of GNP, unchanged from the current year. But Japanese officials note that spending on new weapons will rise more than 17%. And while the 1981 budget doesn't legally commit Japan to do anything beyond 1981, the award of contracts for new weapons "necessarily presumes" that more of these weapons be bought in future years, a Japanese official suggests.

Even with the higher defense spending being proposed by Mr. Reagan, the U.S. is likely to devote to the military only about half the 12% to 14% share of GNP that the Soviet Union earmarks for defense. But most of the major U.S. allies spend even smaller shares of their GNP on defense, so the new administration will still press them to step up spending.

Defense Secretary Caspar Weinberger and Secretary of State Alexander Haig explain that their disavowal of the 3% NATO target isn't intended to de-emphasize the urgent need for a greater defense effort by U.S. allies. But they insist privately that the allies are likely to do more if the U.S. recognizes their contributions rather than criticizing their deficiencies, as the Carter administration often did.

Some defense experts in Washington and in Europe worry that the Reagan administration may have dropped the 3% goal prematurely. That figure was the only measure of defense effort agreed on by all members of the alliance. And, without a common goal, it is feared that some nations facing economic difficulties may seize the opportunity to relax their defense efforts.●

THE 250TH BIRTHDAY OF GEORGE WASHINGTON

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. SKELTON. Mr. Speaker, February 22 of next year will mark the 250th birthday of this Nation's most famous, and probably most revered, citizen—George Washington. Washington served his country both as a heroic military man and as a great leader. He served as Commander in Chief of the Continental Army in the American Revolutionary War, presided over the Constitutional Convention in 1787, and was unanimously chosen to be the first President of the United States of America. The story of Washington's life reveals the courage, dedication, perseverance, and action that make for a model citizen.

Because I believe that all Americans, and our young citizens in particular, would benefit from a knowledge of the life and times of George Washington, I am today introducing a bill to authorize the reprinting of a document called the "Programs and Papers Portraying the Personality, Character, and Achievements of George Washington." This document was published by the George Washington Bicentennial Commission in 1932. It is my hope that this document will be available by February 1982 as a fitting tribute to the 250th birthday of this truly great American—George Washington.●

MY FRIEND PETE MILLIGAN OF ILLINOIS BELL

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. McCLORY. Mr. Speaker, in the course of our experiences here in the Congress, we come in contact with many individuals who represent large private corporate and professional interests. One of the most effective, persuasive, and also likable of such representatives or legislative advisers has been C. G. "Pete" Milligan, who has represented the interests of Illinois Bell Telephone Co., an affiliate of American Telephone & Telegraph Co.

Pete Milligan as a legislative adviser or lobbyist, and more particularly as a dedicated and effective representative of Illinois Bell and the Bell Telephone System, has become one of my good friends both during my service here in the U.S. House of Representatives and before that time when I was a State senator in the Illinois General Assembly.

Mr. Speaker, Pete Milligan possesses a personality which engenders a friendly and generally favorable response from those with whom he has contact. In his presentation of legislative issues, he has always been completely fair and understanding. Naturally, he has never failed to present Illinois Bell and the Bell System in their most favorable light. However, when differences have arisen, he has responded with reasonable explanations and never with rancor or impatience.

Mr. Speaker, may I say that Pete Milligan has been a good contact for me whenever any disputes or questions have arisen regarding my personal or official contacts with the telephone company. He has cooperated fully in supplying me and my office with telephone directories and other useful information enabling me to maintain close communications with my Illinois constituents.

More recently in the hotly contested issues surrounding the competition between the Bell System and competitors on so-called long lines, as well as

in the more intense rivalry involving communications equipment, systems, and related technology in which various other Illinois interests have been pitted against the huge Bell System, Pete Milligan, in behalf of Illinois Bell and the parent and affiliate companies, has advanced arguments compatible with our private enterprise system while recognizing the unique and dominant role which the Bell System occupies in our Nation.

Mr. Speaker, as Pete Milligan takes his well-deserved retirement, I join with other Members of this body in wishing him well. Recognizing that Pete Milligan will not indeed retire from an active and productive life, I suspect that he will be turning his interests toward other useful activities from which society will continue to benefit.

Mr. Speaker, in behalf of my wife Doris and myself, as well as my entire congressional staff, both here in our Nation's Capital and in my congressional district in Illinois, I extend to Pete Milligan and to his wife Patty my best wishes for good health and satisfying lives in their years of active retirement.●

MEDICAL DIRECTION IN NURSING HOMES

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. GINGRICH. Mr. Speaker, the high cost of medical care for elderly citizens in our Nation's nursing homes should concern us all.

The greatest problem we face is how to cut medical costs while maintaining the highest standards we can for medical care.

Dr. George Artress, from Smyrna, Ga., is working on a project with me on ways to improve health care in this country. I would like to share with you Dr. Artress' essay that he presented to the Georgia Joint Legislative Committee on Aging in the fall of 1980.

About five years ago, a group of physicians in Georgia started an organization to improve the medical care of nursing homes. It is now a national organization operating in many states—New York, Texas, Minnesota, California, and all the Southeastern states. My remarks here will deal with the pressures to improve nursing homes and not increase red tape or government support.

I have personally spent my entire professional career trying to upgrade medical care of all types. I started out in Nicaragua 24 years ago and later spent nine years in Asia. The Cambodians tried to destroy my clinic by government-inspired riots years ago, but the Afghans were the greatest while I was there 4½ years. I say this to emphasize the need for pragmatism, to get the most bang for the buck.

In Afghanistan my young assistant was drafted into the army and was assigned to a 100-bed hospital. He reported the equipment and supplies consisted of a dozen bottles of pills, two syringes to give penicillin shots, and regular string to do suturing—without any anesthetic.

In contrast, in Manila in 1966 we prepared for President Johnson and the Asian Summit Meeting and sort of overdid things. I had a private telephone hookup direct to the White House doctor. We arranged for a private hospital in the Embassy. While the President was traveling we had a helicopter with paramedics and complete resuscitation equipment, a little maneuver that cost $3,000,000 over four days.

A nursing home in Georgia is supposed to completely care for an intermediate patient for $24 a day, but the hospital averages $175 per patient admitted. The nursing home has to pay the same tax, insurance, food, and utilities as well as to have most of the same committees and regulations. So obviously, something has to give.

Since at present, the government health care costs are approaching the defense budget and the taxpayers are at their limit, there is no remote or feasible way to upgrade nursing home care to hospital status. I hate to say this, but like it or not, there is going to be a two-tier system. Pragmatism comes into play, and we need some old-fashioned horse trading.

My classic example is an elderly gentleman who was at the end stage of lung disease. He told us he was ready to die, but somehow he got to the intensive care unit at the hospital, and one specialist after another did heroic things until he had been in I.C.U. with breathing tubes, pacemaker, and so forth for 73 days before he died. His hospital bill was $86,000. I often think if we had let this man "go in peace" and could have had this money to spend to improve the care of maybe a thousand people for a couple of months, it would be better.

There is a need to be realistic with what is available. However, I am not satisfied that the same patient that we care for for $24 per day in Georgia, if moved into South Carolina, has $36 per day for his or her care. With the present state of our society, we have to upgrade things in Georgia to be fair to our chronically disabled people. Since mostly I am talking about "a home," as well as adequate medical care, the task is more complex. We have to come to grips with a major unsolved problem in nursing homes.

With common sense and good faith, the nursing home situation can be changed commensurate with reality. A primary consideration is that in this era of taxpayer revolt governments can't increase costs overall. There has to be rearranging of priorities. Figuring out how to do this can be complicated, time-consuming operation.

Three or four years ago my nursing home administrator had budget cuts, so he had to reduce this staff from 80 people to 50 people. In spite of that, it was actually costing him more a day for each Medicaid patient than he was getting. Care has to go down in such circumstances. Let's get it back up.

My broad recommendations to the legislative committee are to (1) horse trade with doctors, and this is one of the reasons for the Medical Directors Association. Contact through me or the Georgia Health Care Association. Hopefully, we could save great sums of money on hospital related care and upgrade nursing home care generally; (2) Have selective increase in staffing—for example, allow three hours of nursing home care per patient in place of two, etc.; (3) Push a Grant Program to interest and train more nurses interested in long term care, then budget to pay on par with the hospitals for select personnel; (4) Figure some way to increase the prestige of the nurse's aides, since they will likely never make the wage of the clerks at Kroger's; (5) Sweeten the financial return of the physician, so they will at least listen to the medical directors who are trying to entice them into nursing homes.

Let me expand on the last point. As an example, in my solo practice office, the cost for my staff wages averages $60 per hour (or a dollar a minute). Before paying any bills or taxes or whatever, this has to come in. Notwithstanding, the Medicaid reimbursement to a doctor for a month's care of a nursing home patient is about $8-12. That means that counting travel and time checking the chart, seeing the patient, talking to the relatives, can't average much more than four minutes a month—unless he is doing charity work. Now, all doctors believe in charity work, but they cannot do more than so much because there is practically no creditor who will let a doctor go long without paying his bills. Until this can be rectified, doctors, out of necessity, will continue to send the sick patients to the emergency room or hospital at perhaps ten times the cost of caring for them at the nursing home.

This last discussion will be confusing if one doesn't separate the medical director's postition from the fact he is a physician—he or she wears two hats at the same time. A medical director is an employee (consultant) of a nursing home paid for by government funds. Most medical directors are also attending physicians along with other doctors in the community. So as a medical director, I want my nursing home to be the best place attainable for "physicians" to care medically for patients. But we have problems because the nursing home cannot ever be like a hospital, even though the regulations are set up on the basis of the hosptial model, although the funding is $300 less.

Let me suggest ways to rearrange funds:

(1) A requirement that those in government who propose rules and regulations get with funding people to be sure there is a way to pay for the regulation and that the benefit justifies the cost. More and more the personnel have to spend so much time on documenting regulations that they cannot care for the patients;

(2) A requirement that new nursing homes be built near to hospitals so doctors would incorporate nursing home rounds with hospital rounds;

(3) More licensed personnel in the nursing home so physician instructions can physically and safely be carried out without always going the route of the $300 emergency room visit for a $30 cause;

(4) Arrange physician reimbursement so they can physically afford to care for more patients in the nursing home. Country doctors are paid about one-half as much as city doctors. We recently asked Prudential why. Several logical reasons were given, but this process costs the state and federal governments millions of dollars, and has to be changed;

(5) Vigorously push the use of physician's assistants in nursing homes. There are a lot of red-neck doctors left in Georgia who believe P.A.'s are a tool of the devil, but I couldn't afford to take care of more than 25 patients without a P.A. The P.A. can spend four times as much time, cost accounted, as I can. There is no way that this does not produce better care. Yes, those who want to do charity work can perhaps do better, but they usually don't go to a nursing home. We are lucky if we get one out of ten physicians in a community to ever go to a nursing home. With the economic realities of today, the P.A. is a must in long term care settings;

(6) Do away with at least half of the regulators and the regulations. There is just no sense in the massive duplication of verification procedures. There have at times been three separate survey teams in my nursing homes. Let's sit down and do away with the unnecessary duplication and cost. Patient care could be immensely improved.

One way of implementing the above reduction would be to send all nursing home medical directors in the state to a yearly convention and go over problems and solutions for which the medical director would be responsible. As basic humanitarians, there would be no better way to get a bunch of birds with one stone.

I could go on, but here is a start on ways to upgrade medical care and suggestions on rearranging funds with no overall hikes in cost.●

WELFARE

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. HUBBARD. Mr. Speaker, last Wednesday evening the President presented to the Congress his proposed spending reductions for this fiscal year and fiscal 1982. In this same vein, I would like to share with my colleagues the views of my constituent, Mr. J. E. Rhoades, of Central City, Ky., about welfare and social programs and the role of the Federal Government. Mr. Speaker, I submit Mr. Rhoades' letter:

I am 52 years old and have kept my mouth shut all these years, but the time has come that I have to let you know how a few of us working people feel. To start off with I have heard Welfare, Food Stamps, Black Lung, Workmen's Compensation and Senior Citizens until I am sick and tired of it. It appears that our nation promotes the no work attitude, get something for nothing and the country owes me a living. That is a bunch of bolony. The good Lord didn't intend for man to live off his neighbor. Every man should provide for himself. I will admit that there are a few cases that need help, but only a few and that is the responsibility of the churches not the State.

I could write pages to substantiate my complaints, but I don't have the time. I do want to say it is time that the dead beat get off his can and do something eight hours a day for his hand-out, if is nothing but count cars. About everybody can do something, like picking up trash, this would at least keep them out of the house which would in turn eliminate a few Welfare babies. That is another thing our nation is promoting is illegitimate children, which naturally lowers the class of people and in turn decays the overall intelligence of our country. At the rate we're going our country will be a bunch of idiots in the next five or six generations.

No, I know I have exaggerated some, but seriously I definitely believe in the simple old rule: Don't work, don't eat.

I know I covered a lot of territory when I mentioned Welfare, Food Stamps, Black Lung and Senior Citizens, but these are the categories that are killing us in this area. I know there are thousands of other items and maybe the next time I write I will stick to only one category, but I wanted you to know how I felt, and that I want to help better this country and I think to do so everybody must learn to carry his own load, but the Government is going to have to stop feeding them for nothing in order to do so.

Thanks.

Respectfully yours,

J. E. RHOADES.●

MIAMI REGION OF HADASSAH COMMEMORATES 120TH ANNIVERSARY OF BIRTH OF FOUNDER, HENRIETTA SZOLD

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. FASCELL. Mr. Speaker, I would like to take this opportunity to bring to the attention of our colleagues, a very special occasion that must not go unnoticed. The largest women's Zionest organization in the world, Hadassah, is celebrating the 120th anniversary of the birth of its founder, Henrietta Szold. The Miami region of Hadassah is commemorating this event in honor of Miss Szold who should be a symbol of hope and inspiration to all the people of the world. This great woman must be remembered for her devotion to humanity. Her accomplishments—as an American, as a friend of the State of Israel, and as a woman—are worthy of our attention and admiration.

Henrietta Szold was born in 1860 in Baltimore, Md. She was the daughter of an abolitionist rabbi, a well respected teacher and scholar in the Jewish community there. As a child, Henrietta observed the funeral of Abraham Lincoln from the shoulders of her father. An extremely bright and curious child, Henrietta was an avid learner and an exceptional student. During this period of our history, it was unusual for a woman to pursue such an interest in education; however, with an obvious zeal for learning and eager for the attention of her scholarly father, she far outshone her sisters and many of the learned men who studied with her father.

After Miss Szold finished her formal education, she herself became a teacher in a girls school. However, her real energies were devoted to writing for various Jewish publications. Early on, Miss Szold earned the reputation of being one of the leading Jewish essayists in America. She also became a well known Biblical scholar and, in the 1890's, she became the editor and translator of the Jewish Publication Society of America.

Henrietta Szold's life is remarkable in that she can be considerd a "first" in a number of areas. While still living in Baltimore, she founded night schools for immigrants. In the late 1800's and early 1900's, many immigrants were coming to America from Europe and Miss Szold recognized the need for education and training programs for these people.

Her true passion lay in pursuing Jewish study and thought and, after her father died, she felt she could fulfill her scholarly aspirations by studying Jewish law. She approached Rabbi Solomon Schechter of the Jewish Theological Seminary in New York to see if there were some way for her to study there. In 1902, it was unheard of for any woman to study at a rabbinical seminary but, because Rabbi Schechter had been a colleague of her father's and because Rabbi Schechter was also impressed with Miss Szold's scholarly reputation, she was admitted to the seminary as a special student early in 1903.

At the age of 50, Miss Szold traveled to Jewish Palestine. She recognized the urgent need there for a variety of human and health services and when she returned to the United States she was able to secure funds to send the first American trained public health nurses to Palestine. Miss Szold returned there herself and began a career in health administration that is yet to be equaled. First she established a program to set up "well baby" stations. The public health nurses taught mothers about hygiene and nutrition, and about the basics in child care, such as how to clean milk, boil water for health purposes, and to put drops in their babies' eyes.

In 1912, Henrietta Szold founded Hadassah, an organization dedicated to activities to improve the living conditions of Jews in Palestine. During World War I, she brought medical volunteers to Palestine, and out of this medical unit grew the Hadassah Medical Organization. Miss Szold ostensibly became the first secretary for health, education and welfare for the Jewish community of Palestine at the same time that she was president of Hadassah. In addition, Miss Szold was busy building the famous Hadassah Hospital in Jerusalem. Miss Szold was responsible for bringing medicine, social services, and health care to that part of the world. In addition, under her direction, the first recreation programs were brought to Palestine. Until this time, no one had recognized any need for children's recreation programs.

In 1934, when Henrietta Szold was 74 and preparing to return to Baltimore, she was asked to become the Director of Youth Aliyah * * * an offshoot organization of Hadassah, established to rescue children from Nazi Germany and other countries and resettle them in Palestine. Miss Szold accepted the position and, during the period from 1934 and 1945 when she

died, thousands of children were brought to Palestine and saved from the horrors of the Holocaust. Miss Szold set up scores of children's villages and those who were not sent to such villages were placed in Kibbutzim around the country. Her work served as a model for the rehabilitation and education of children. Miss Szold's efforts combine the dignity of labor with educational training and culture. Under her direction, the peer group was encouraged to develop with an emphasis on social values. Early in the 1940's, Miss Szold opened a high school for girls because, in those days, career training was not considered important for young women. Originally, the school only offered programs in foods and clothing, but it has grown enormously and now maintains a curriculum of the most sophisticated medical and scientific technologies.

As deeply religious as she was, Miss Szold never cut herself off from the common person. In addition, she was devoted to the idea of cultivating an understanding between Arabs and Jews. Although she came from an educated and fairly affluent family, she never thought of immigrants as less than equals. She told her father when she was opening the night schools for immigrants in Baltimore that there was something to learn from every group or culture. She viewed her work then, and later with other immigrant groups in Palestine, as a learning experience. To Henrietta Szold, it was more important to learn about people and derive an understanding from various groups of people than for them to learn about her.

Henrietta Szold was respected and admired as a humanitarian by many prominent people including Eleanor Roosevelt and Frances Perkins. David Ben Gurion called her the greatest Jewish woman in 400 years. She has also been called the first modern Jewish woman. Among her accomplishments is her admittance to the Jewish Theological Seminary at a time when even the secretarial staff at the seminary was all male (women are still not admitted to the seminary for formal rabbinical study); she was the first woman on the Bible Translation Commission; she was the only woman and the only American to serve on the Vad Leumi, the governing council of Jewish Palestine; and she was Israel's first Minister of Health, Education and Welfare. Her efforts were certainly innovative. She combined scholarship with a great expertise as a standard setter and philosopher.

Today, the women of Hadassah consider themselves to be disciples of Henrietta Szold. The organization boasts over 370,000 members. Hadassah raises money to send to various projects in Israel, many of which originated under Miss Szold. Most of the funds go to the Hadassah Hebrew University Medical Center in Jerusalem, a very modern, highly sophisticated and technological hospital, serving Jews and Arabs alike. Hadassah also supports various educational, community and vocational guidance services. Hadassah provides counseling in 15 different languages and administers tests of skill and knowledge to newly-arrived immigrants. The organization is also a major contributor to Youth Aliyah and the Jewish National Fund and is instrumental in underwriting land redevelopment projects.

The outstanding activities of Hadassah are a monument to Henrietta Szold's achievements during her lifetime. In closing, I would like to commend the Miami Region of Hadassah for its efforts in honoring this great woman, the founder of their organization, and for carrying on her work.●

THE STEEL INDUSTRY AND AIR POLLUTION LAWS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. MURTHA. Mr. Speaker, I was pleased to join last week with House steel caucus chairman JOSEPH GAYDOS in sponsoring legislation to provide a 3-year stretchout on steel industry air pollution control expenditures.

This is the legislation to implement the agreement reached last fall by the steel industry, United Steelworkers, Environmental Protection Agency, and environmental groups. It was endorsed in principle by President Reagan during the Presidental campaign.

Basically, the approach realizes the need to revitalize the steel industry and provides additional time to meet air standards. This, in turn, will free money for needed modernization of production facilities, which will help us to compete with foreign industries and provide jobs for American steelworkers.

The bill insures no air quality problems will result from the delay, and does not change the requirements, only extends the time for meeting them.

While this will not directly affect the situation at the Bethlehem plant in Johnstown, I believe it will be a significant step in strengthening the economic position of the industry which will have a very strong impact on improving the entire American steel industry.

As a member of the executive committee of the steel caucus, I will work diligently for this bill, which I believe is extremely important to the steel industry and steelworkers.●

THE SILVER SCAM—HOW THE HUNTS WERE OUTFOXED—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. McDONALD. Mr. Speaker, there was a great deal of speculation some months ago by our usually misinformed press that the Hunt brothers, together with some Members of Congress, had conspired to drive up the price of silver. This inspired many misleading articles in the popular press written along very simplistic lines. However, the truth was otherwise. Completely overlooked were the machinations of those serving on the Commodities Futures Trading Commission (CFTC). Actually, the Hunt brothers lost a lot of money due to some sudden changes in the rules. And after a long bounce downward, the price of silver is working its way up again in accordance with the law of supply and demand as it always will. This situation was very astutely reported in Atlantic Monthly magazine for September 1980 by Mr. Alan Trustman. In this article he explodes most of the myths written about by the popular press on the Hunts and the silver market. I commend the first part of the article to the attention of my colleagues.

THE SILVER SCAM—HOW THE HUNTS WERE OUTFOXED

When the Hunt brothers lost upwards of a billion dollars in the silver market, much of the world felt that it couldn't have happened to two nicer guys. After all, the Texans were out to "corner the market" and cheat the small investor . . . Or were they? The author, himself a speculator in precious metals, has a different view. And he casts a cold eye on the methods and motives of those members of the financial establishment who brought the Hunts' empire crashing down.

Two greedy Texas speculators got too big for their britches and tried to corner silver. They were defeated by the free market and got their just deserts; they lost more than a billion dollars, and ended up in hock up to their eyeballs. It is a good story, a populist morality tale, and by now everybody knows it.

But is it true?

Nelson Bunker Hunt and William Herbert Hunt were good ol' boys from deep in the heart of. Quiet, intensely private, they took care of themselves, and minded their own business. No one accused them of being lovable. They were rich by inheritance and made their money grow. They had a history of aggressive speculation in art, in horses, in soybeans. They lived hard, worked hard, took big risks, and knew how to count. Which is where it all started.

They counted the annual world consumption of silver. It exceeded the annual world production of silver. The rest was coming from above-ground stocks, so Nelson Bunker and William Herbert tried to count those. It was difficult. As near as they could figure,

there were approximately 600 million ounces, but a third of it adorned the wrists of Indian ladies and export from India was prohibited. That left an available supply of 400 million ounces.

Not much. With the market price $4 an ounce, somebody could buy all of it for $1.6 billion. It seemed to Nelson Bunker and William Herbert that the price should be much higher, or someone would buy much of it up. What would happen if they did?

Well, that depended. If they tried to buy too much, too fast, the price would likely go way up. But that was all right; they were willing to pay considerably more. Maybe they should buy a little at a time, and spread the buy over a couple of years until they had half of the 400 million ounces. If they started buying at $4 an ounce, and bought at prices up to say, $36, their average price for the 200 million ounces would be $20 an ounce, a total investment of $4 billion. A good deal, exciting, big.

They started to buy. The price went up. What they were doing was no secret. They told everyone. News travels fast in the commodity markets. They say they operate independently. The constant use of both names here doesn't imply they act in concert. Maybe they do, maybe they don't. They do operate out of adjoining offices in Dallas. The point is they were both in the market, everyone knew it, and that probably did affect the price.

"Fair market value" is usually defined as the price willing buyers pay willing sellers, neither being under any pressure. In the case of silver, it depended on supply and demand, which itself depended on a number of economic and political factors and rumors: What would industrial demand be? What would be the new supply? Would there be a commodity boom? Would the OPEC countries invest more petrodollars in gold? Would they invest in silver? How far up would they drive the gold price? Would silver move from its recent 1:37 relationship to the gold price to the 1:20 relationship which had usually prevailed over the ages? And would there be a silver "corner"?

Corner? A pause for explanations. Silver is traded on numerous markets, principally physical bullion "spot," and "forward" markets overseas, and "futures" markets on the exchanges here. "Spot" trades are cash on delivery, now. "Forward" and "Futures" trades are agreements to buy and sell on set future date specified quantities which are sometimes but not always, on deposit with banks or warehouses approved by the markets. By way of analogy, banks customarily lend more money than they have on deposit—on the reasonable assumptions that most transactions will be settled by offsetting debits and credits, that only certain depositors will demand their funds at any one time, and that in the event of a run, the government and bank will shut operations down, and liquidate in an orderly and fair manner. In very much the same way, commodity markets customarily deal in forward and future contracts for more of the commodity than the approved banks and warehouses have on deposit—on the similar reasonable assumptions that most transactions will be settled by offsetting debits and credits, that only certain contract holders will demand delivery at any one time, and that in the event of a run, the government and "exchange" will shut the market down, and liquidate in an orderly and fair manner. The "exchange" is the more or less formal association of member firms operating a market.

"Forward" and "futures" sales may be "long" or "short": "long" if the seller has the commodity on deposit, "short" if the seller does not own it.. The short seller thinks the price will go down, and plans to buy the commodity cheaper later, on or before the date he has to deliver. In all cases, the functioning of the "forward" and "futures" markets depends on the right to require or the obligation to make physical delivery against payment on the due date. "Leverage" is the ratio of the total value of the commodity bought or sold to the required cash down payment in a "forward" or "future" contract. The leverage available in the U.S. futures markets was impressive: 20-30: 1 on silver and most other commodities; as much as 666:1 ($1500 for $1 million face amount) on three-month U.S. Treasury bills. The banks and exchange members executing customer orders guarantee the credit of their customers, making certain customer debts are adequately collateralized by sufficient initial and additional cash margin, and the exchanges usually guarantee the credit of their members, making certain that member debts are adequately collateralized by sufficient cash margin. Most of the time, the system works well, efficiently and fairly.

What do we mean by "corner"? A corner exists when one party or group owns substantially the entire available supply of a commodity and "squeezes" people who have sold short by demanding delivery and forcing the shorts to buy from the cornerer the quantity they are short at higher and higher and ever more unfair prices.

There have been a number of more or less effective commodity corners over the years, but they have been increasingly rare recently because of the internationalization of markets, the proliferation of exchanges, government regulation of the exchanges, more effective management of the exchanges, new and improved communications, technological advances in the production of most commodities, and the like. On the other hand, a corner remains an exciting conception, and as Nelson Bunker and William Herbert enlarged their investment in silver, the possibility of a corner became a major factor affecting the silver price.

Why? Not because a corner was likely. And not really because of what the Hunt brothers said or did. But the corner story was being told by brokers, whose business it was to sell commodities to their customers, and tell it the brokers did, enthusiastically. Pretty soon, when people bought or sold silver, they were speculating not in silver but on the possibility of a corner. When they bought, they were betting on the corner. When they sold, they were betting against it. And lots of people did bet, on it or against it, including not only the professionals, super-rich, and multinationals but also some little people.

The little people were in the game because of the enormous leverage available in the U.S. futures markets. You could put down $1000 and buy or sell a 5000-ounce silver future worth $20,000 at $4 an ounce, $25,000 as the price went to $5.

Both of the relevant U.S. futures markets, the Commodities Exchange (Comex) in New York and the Chicago Board of Trade (CBOT), are operated by exchanges, much like the stock exchanges, governed by their members, and making markets in commodities, originally agricultural commodities such as wheat, sugar, soybeans, and pork bellies, and more recently foreign currencies, precious metals, and financial instruments, all of which are also traded as commodities. These markets exist, at least in theory, so that makers and users of the commodities can hedge against the risk of price fluctuations in the future. You can make a small "initial margin" down payment and agree that at a specified date in the future you will buy or sell a specific quantity of the commodity at a price which is, in general, the "spot" price the day the future is bought or sold, adjusted up or down according to the cost of borrowing money until the day set for payment and delivery.

If you buy, you are betting that the price will go up; if you sell, you are betting that the price will go down. If the price goes up or down in your favor, you can wait until the delivery date and then pay the balance of the purchase price and take delivery if you are "long" the commodity, or buy the specified quantity, deliver it, and collect the balance of the purchase price if you are "short" the commodity.

Or you need not wait until the delivery date. If the price goes up or down in your favor, you can borrow a portion of your paper winnings "equity," in effect getting a portion of your profits before you have earned them by completing your trade. If the price goes up or down against you, you will be "called" for "additional margin," and if you fail to post it promptly, your broker will close out your position by selling your future at the market price, holding you liable for any deficiency. To illustrate the impact of leverage on the stakes: at 10:00 a.m. you buy a one-month 5000-ounce silver future for $4.10—and post initial margin of $1000 on the $20,500 purchase price. At 11:00 a.m. the price rises to $4.20 and you promptly sell—for $21,500: a profit of $1000 less commissions on your $1000 investment, doubling your money in one hour. For much of 1978 and 1979 you doubled your margin investment or lost it all on any 20-cent move. And your $1000 margin investment wasn't even due your broker until the next day.

It is a wild and risky game, and there are those who love it. The principal players are the exchange members, who make the markets, the makers and users of the commodities, and the "speculators." That appellation in this context is free from any derogatory taint; they are respectable and necessary parties whose willingness to gamble is essential to a properly functioning market.

Another class of player, the investor, has started to emerge recently. Speculators are by definition short-term players. People buy and sell pork bellies to make money, and virtually no one invests in pork bellies long-term. People do, however, invest long-term in the financial-instrument, currency, and precious-metal commodities. Many long-term holders are genuine investors there.●

RECENT HEATING OIL PRICE INCREASES

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. ROSENTHAL. Mr. Speaker, last year I released a study showing that price increases for middle distillate fuels—primarily home heating oil and diesel fuel—were totally unjustified. The study identified the major oil companies' role in the huge price

increases of middle distillate during September 1978 through September 1979. Since October 1980, we have witnessed another huge and unjustifiable price increase in home heating oil. As Mr. Bruce Rothwell's editorial in the February 6, 1981, edition of the New York Post indicates, the major oil companies are into the consumer again. Again the price increases are unjustified by recent crude oil price increases.

The editorial follows:

RIPOFFS ON HEATING OIL

The scandalous increases in the price of heating oil week after week throughout this cold winter are being explained away as a result of the usual greed on the part of the OPEC sheiks and President Reagan's recent decontrol of oil.

Poppycock.

Reagan lifted the controls only a couple of days ago and the home heating oil now being distributed is from stocks produced at much lower crude oil acquisition costs.

The attempt to place the blame on OPEC is also phony.

Let us compare the $1.27 a gallon retail price today with the price of 98.8 cents last October.

To justify this increase there would have to have been an increase in the price of crude oil on the world market of $11.80 per barrel: as there are 42 gallons to a barrel, you multiply the price difference of 28.1 cents by 42.

But the price of OPEC oil during this period did not go up by $11.80 a barrel. It went up by between $3 and $4 a barrel, depending on whether the crude was purchased from the Saudis or from other price gouging Arab states.

What happened to the big oil companies and their refineries—even allowing for maximum labor cost increases during all of last year—to cause them to rip us off by a further $7.80 per barrel?

When it comes to avarice, they clearly need no lessons from OPEC.●

PERSPECTIVE OF CITIZENS STEERING COMMITTEE OF THE EPA CHESAPEAKE BAY PROGRAM

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. BARNES. Mr. Speaker, the Chesapeake Bay is one of our Nation's most magnificent natural resources. As the States of Maryland and Virginia, and the Federal Government reflect on the continuing challenge of how to best protect and preserve this resource, I insert in the RECORD a paper which expresses the views of the steering committee of the Citizens Program for the Chesapeake Bay, Inc. I look forward to working with my colleagues in the Maryland and Virginia congressional delegations, along with all Members of Congress who share an appreciation for the bay and a commitment to its preservation, toward a Federal policy that will nurture the bay's health through this decade and beyond.

The material follows:

THE CHESAPEAKE BAY PROGRAM: ACCOMPLISHMENTS AND FUTURE NEEDS

STATEMENT OF THE CITIZENS STEERING COMMITTEE OF THE EPA CHESAPEAKE BAY PROGRAM, APPROVED FEBRUARY 1981

The Chesapeake Bay is a resource of national importance. Congress recognized this when, in 1976, it created the Chesapeake Bay Program and gave the Environmental Protection Agency $25 million to carry out that program. Conceived as a five-year program, this study has reached a critical phase. As it begins the process of assembling and analyzing millions of dollars worth of data, and preparing management options based on that data, it is important to reflect on what has been accomplished and to form recommendations on what should happen when the five-year program ends.

The Chesapeake Bay Program has been a unique effort to look at a valuable resource as an entity, make some assessment of its health, and lay out a series of options with regard to future uses. This is the first time that water quality studies have been undertaken on a Bay-wide scale. When the data are computerized, the Bay Program will have prepared a good and accessible set of information on circulation patterns in the Bay, sediment distribution, dissolved oxygen, trace metals, organic pollutants, nutrients, and salinity. It will also have information on the distribution and ecological value of submerged grasses. The Bay Program will have quantified the pollutant loads being delivered to the Bay by the major tributaries and the relative contributions of land sources to those loads. All this information, when combined with historical data, will enable the Chesapeake Bay Program to assess the current "state of the Bay," make some predictions about water quality under various population and land use projections, and offer alternative solutions for attaining the desired goals. These are significant accomplishments.

The technical information has been developed by a cadre of competent scientists working in research institutions around the Bay. The Bay community is grateful to have this corps of talented people working on the Bay and recognizes the value of their collective knowledge and experience. Continuity in research and the maintenance of a good data bank are fundamental to improved management. If the Chesapeake Bay Research Coordination Act is implemented, it should be closely coordinated with the Chesapeake Bay Program so that the momentum the Bay Program has created in the research community will not be stifled.

The accomplishments of the Chesapeake Bay Program are much broader, however, than merely the acquisition of technical information. The Bay Program has created a state-federal partnership which has successfully focused on the complex nature of managing a resource which is under multiple jurisdiction. This partnership will foster identification of the alternative solutions and participation in their implementation. The Bay Program's management committee has been an interesting experiment in voluntary joint decision-making, and there is strong sentiment among that group for continuing an informal structure.

In addition, the Bay Program has developed a method, called segmentation, to organise technical data in a format that can enhance management capabilities for state and local governments. Based on previous work done on the Bay and on similar approaches which have been successfully applied to other water bodies, segmentation appears promising. The Citizens Steering Committee is encouraging further development of the segmentation concept.

Another major accomplishment of the Bay Program has been the increased level of public awareness of and concern for the future of the Bay. EPA's commitment to public involvement in the Bay Program is unmatched in other research efforts. The involvement of interest groups including industry, maritime trade, agriculture, commercial fisheries, recreation, and conservation has produced a broad base of support for intelligent resource management based on adequate and accurate scientific assessments of causes and effects.

Politically, the Bay Program appears to have been responsible, at least in part, for two significant recent developments. In 1978, the Maryland and Virginia legislatures created a bi-state legislative commission to look at the Bay; in 1980 this temporary commission was given a ten-year life and is currently in the process of hiring an executive director. In 1979, the governors of the two states signed an agreement creating a bi-state working committee which brings together the agencies in both states having jurisdiction over the Bay. This committee has reached agreement on a number of bi-state issues. Both of these developments bode well for continued informal cooperation on Chesapeake Bay affairs.

In the future, the Bay is going to need the same kind of attention that the Chesapeake Bay Program has focused on it for the past four years. It is necessary that a specific plan of action be developed now so that the efforts currently underway will not lapse at the end of 1981. The Citizens Steering Committee of the EPA Chesapeake Bay Program has determined that, at a minimum, the following actions are needed to secure the future of the Bay:

The Bay ought to be recognized in the Clean Water Act as a national resource, the kind of recognition already given the Great Lakes.

Continued federal presence on the Bay is vital. Federal funding of research and management programs and oversight of state planning, construction, and enforcement actions will continue to be necessary.

The Bay community needs to develop a clearly articulated set of objectives for the Bay. Present pollution control actions are likely to be inadequate to maintain the status quo, given the expected growth in the area. The public needs to decide how clean it wants the Bay, and what actions it will support to achieve that.

A mechanism, perhaps informal, for bi- or tri-state decision making is needed. The lack of success of most Title II Commissions would suggest that the Bay states need to create something that will work for them, allowing the necessary flexibility for state and local decision making. The segmentation concept now in the developmental stages ought to be considered a decision making tool.

Public access to information about the Bay and a means to be involved in decision making need to be continued.

The ability of the states to monitor and enforce existing water quality regulations needs to be strengthened. It is suggested that monitoring and enforcement be priorities in federal grants to the states.●

WOMEN OF ACHIEVEMENT

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. LEE. Mr. Speaker, in the most recent years, America has matured to a point where recognition long-overdue is being afforded to a segment of our population whose work was often taken for granted, overlooked, or placed in a lesser priority than those they worked beside. I am speaking of the healthy and exciting recognition afforded to women in America who provide business and industrial acumen equal to their male coworkers yet frequently unmentioned.

I take great pleasure each year to remind Americans that long ago in my congressional district's largest city, Syracuse, N.Y., a most progressive newspaper and the city's primary women's organization have teamed up to select the community's outstanding female figures. I am honored again this year to present this list of central New York's Women of Achievement, selected by the Syracuse Post-Standard and the Syracuse Federation of Women's Clubs.

Mr. Speaker, of all the traditional celebrations in this central New York city, announcement of the annual Women of Achievement awards captures more of the imagination and spirit of the new America than any other. They represent the uniquely American capacity to recognize hard work, dedication to community, and willingness to help others that created this Nation's bedrock foundation. Each of these recipients, in her own way, could be held before the entire Nation as an example of the individual efforts which our new President would like for each of us.

My heartiest congratulations are extended to each honored community resident today, just as, I am sure, the congratulations of my colleagues here in the Congress are extended. I proudly present this list of central New York's Women of Achievement:

Ida Benderson, All-Time recipient.

Orletta Vadeboncoeur, All-Time recipient.

Patricia Gonzales, Business/Industry recipient.

Arpena Mesrobian, Career recipient.

Lois Stuber Spitzer, Citizenship recipient.

Patricia Howard, Education recipient.

Eunice Aikman, Good Neighbor recipient.

Ann Biesemeyer, International Friendship recipient.

Dr. Marie S. Blackman, Medicine recipient.

Gladys McElroy, Volunteer Leadership recipient.●

WOMEN IN AMERICA

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Ms. MIKULSKI. Mr. Speaker, on February 4, 1981, as 3,000 women convened on the Hill to observe Women's Rights Day in Congress, I reintroduced a bill which would designate the week beginning March 8, 1981, as National Women's History Week. The new bill, House Joint Resolution 162, now has 127 cosponsors as we near the designated week.

The very existence of such proposed legislation has stimulated a flurry of activities around the Nation celebrating the achievements and contributions of women in America. My own great State of Maryland is planning an exciting week of events in the public schools and libraries around the State. Our Maryland Commission for Women has been working with our State department of education to provide every public school with an excellent resource packet, an 8-page list of knowledgeable speakers who are willing to travel anywhere in the State to talk about historical Maryland women, and posters, brochures, and profiles of Maryland women for public displays.

Recently, I came across an article in the New York Times which clearly shows that women's history is here to stay, that recent discovery of women's letters and diaries stashed in collections throughout the Nation represent a rich treasure of information to be shared with our people. I am happy to insert the article in today's CONGRESSIONAL RECORD:

[From the New York Times, Jan. 5, 1981]

LIBRARIES ON HISTORY OF WOMEN BUSY AND GROWING

(By Nan Robertson)

Spurred by the feminist movement of the last decade, libraries and collections on the history of women have opened their doors across the United States and are expanding as never before.

The giants among them, notably the Elisabeth and Arthur Schlesinger Library on the History of Women in America, at Radcliffe College in Cambridge, Mass., and the Sophia Smith Collection, at Smith College in Northampton, Mass., both founded in the early 1940's, are being showered with donations and students' and authors' requests for access. Research visits at the Schlesinger—considered the foremost repository in the country devoted solely to the history of women—shot up from 247 in 1970 to more than 4,000 in 1980. The 20,000 volumes in the library, including 3,000 cookbooks, grew from 8,000 in 1968.

The great collections at the Schlesinger range from those of Betty Friedan and the National Organization for Women to "the French chef," Julia Child; from the records of the Lydia Pinkham Company, maker of "little pink pills," to those of the suffragists, the abolitionists and the Female Bible Society of Boston and Vicinity. The Sophia Smith Collection is famous above all for the papers of Margaret Sanger and the birth control movement; its lesser-known photo collection is choice and historic.

Carl Degler, a historian at Stanford University in California, was asked what changes he saw in women's history collections. He replied, "If you went to an ordinary library 20 years ago, they'd say, 'We don't have anything on women here. We have papers on this man and that family, but nothing on women.' It was discouraging and time consuming to pick out the material you knew was there. Now, the rise of the specialized libraries focuses in one place the sources dealing with the history of women. I call it exciting."

RIPPLE EFFECT SEEN

A ripple effect of the big libraries' popularity and visibility shows in much smaller and very new collections opened in the late 1970's and 1960's. They include the National Black Women's History Archives in Washington and Jane Addams and Midwest Women's History collections, both at the University of Illinois Chicago Circle Campus. A magnificent private collection built over a lifetime, that of the late Miriam Y. Holden, was donated to the Princeton University library only in 1979, after her death.

How did these and other libraries come into being? What motivated them? Why have a women's history library anyway?

One answer came from the historian Gerda Lerner, among the most forceful and articulate scholars on the history of women. The president-elect of the Organization of American Historians, Mrs. Lerner, who taught for years at Sarah Lawrence College and is now going to the University of Wisconsin, said in a recent interview: "Women's history was neglected and ignored by the men who made the culture—and who recorded only their own experiences. If you want to find out the truth about women's role in society, you have to restore women's history. You can't restore women's history if you don't collect the sources." She and others believe the biggest single impetus in the last decade came from the feminist movement.

Jill Conway, the President of Smith and a specialist in women's history, said that until recent years, "women's history scholars continually had to rediscover the past."

HEART-RENDING LETTERS

The history of American women, as told in these libraries, is recounted not only in the papers of reformist, heroines such as Jane Addams, Susan B. Anthony and Margaret Sanger, or in the sagas of prominent families such as the Garrisons. It is told in the turn-of-the-century journals of Maimie, a reformed Philadelphia prostitute, and in the thousands of heart-rending letters from anonymous housewives that overwhelmed Betty Friedan after the publication of her watershed book, "The Feminine Mystique," in 1963. Here is one response:

"This book will do for American women what the Emancipation Proclamation did for the slaves. I have felt this way for years and have thought that there was something wrong with me." It was signed: "Enlightened."

The most important recent event in women's history archives, opening a new era of research into women's lives, is not the opening of a library or the expansion of a collection or the donation of a spectacular set of a woman's papers. It is the debut of a book, now known familiarly as "The Binding Book," which was published by the R.R.

Bowker Company a year ago. It proved what many women's history scholars had suspected or believed—that women's history could be found not just in a few specialised libraries, but in thousands of treasure troves everywhere.

Titled simply, "Women's History Sources: A Guide to Archives and Manuscript Collections in the United States," this groundbreaking 2,506-page two-volume tome was edited by Andrea Hinding, a librarian at the University of Minnesota, and represents the labor of 2,000 historians, librarians and scouts over seven years. What they found were 18,026 women's history collections across the length and breadth of the United States, many of them buried or "lost" in 1,586 locations, muffled in general archives such as the colossal Library of Congress and modest state historical societies or gathering dust in attics and basements. The Hinding team identified and described each of its finds, arranging them geographically by state and city in a typographically handsome and easy-to-read format. The "Hinding Book" (the first syllable is pronounced like "din") costs $175.

The "grand manuscripts search," as the Duke University historian Anne Firor Scott characterized the survey, was financed by the National Endowment for the Humanities and the University of Minnesota. The preface notes that in addition to serving as a traditional reference work, the book is "a compendium of women's experience in the United States."

"It describes women who were arsonists, astronomers, attorneys, botanists, legislators, madams, paleobotanists, physicians and stagecoach drivers," along with wives and mothers, "those who promoted suffrage while opposing birth control," and "others who did the reverse," those who were conventional and those who were eccentric.

Meantime, the specialized women's history libraries continue to open their doors, grow and prosper. Mrs. Lerner points out that the principal reason for this is the contemporary feminist movement, which dates from Betty Friedan's "The Feminine Mystique" in 1963 but took hold only in the early 1970's. There were precursors, earlier collectors of women's sources, but these are little known today.

The first collectors of women's sources were early 19th-century feminists. They compiled books, biographies of famous women, volumes assembling their great deeds. The next big effort was made by feminists in the 19th-century women's rights movement. It included Elizabeth Cady Stanton, Susan B. Anthony and Mathilda Gage.

They edited a six-volume history of the women's suffrage movement, published in the 1880's, that was out of the same motivation, recognizing that their current movement would be part of history some day. That generation of feminists worked for the 19th Amendment—women's suffrage.

Mrs. Lerner took up the thread: "Then there was a second generation of college-trained women. This group included Elizabeth Schlesinger, wife of Arthur Sr. and mother of Arthur Jr.; Miriam Holden and Mary Beard, wife of Charles, the historian. Elizabeth Schlesinger was totally neglected. She wrote 14 books, seven co-authored and always ascribed to her husband, and seven herself. The seven she wrote herself were largely ignored. She wrote, most importantly, 'Women as Force in History,' very badly reviewed by historians. It was the single most significant work written on the theory of women's history until the 1960's, and has been only recently revived. With Eugenia Leonard, these four women tried to create a women's archives from 1929 to 1940. It came to nothing. When the group gave up, Mrs. Schlesinger helped to found the Radcliffe Library. Holden continued to collect and after her death, her husband gave her collection to Princeton. The Mary Beard collection went to Columbia University."

The next step was the World Center for Women's Archives, created in 1936. The sponsors included Eleanor Roosevelt, Ida Tarbell, Margaret Sanger, Mrs. Vincent Astor, Mrs. Louis D. Brandeis, Frances Perkins, Oswald Garrison Villard, Alice Paul, Pearl Buck and Mary McLeod Bethune (the founder in 1935 and driving force behind the National Council of Negro Women, whose papers form the core of the newly activated National Black Women's History Archives). The World Center lasted only five years before financial and other problems caused its dissolution.

"In each case," said Mrs. Lerner, "we have an archive as a result of a feminist movement."

The origins of few collections are more eccentric, more original or more single-minded than the archives of the woman in Berkeley, Calif., who calls herself "Laura X." It began when she was 29 years old, grew and flourished in her hillside home from 1969 to 1974, overflowing at one point into a nonfunctional shower. Then, pressed for funds in the mid-1970's, she dispersed her collection to the University of Wyoming at Laramie and Northwestern University in Evanston, Ill. Important chunks were microfilmed and are now available at the Women's History Research Center in Berkeley. The Laura X collection, although scattered, is considered by experts such as Patricia King, director of the Schlesinger Library, to be an offbeat and fascinating record of the modern feminist movement, "with echoes of the student left and radicalism."●

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. ZEFERETTI. Mr. Speaker, last week the Rules Committee favorably reported out House Resolution 13 to establish the Select Committee on Narcotics Abuse and Control. I commend my colleagues on the Rules Committee for recognizing that the problem of drug abuse remains critical and that the important work of the select committee must continue.

Additional Members of the House have joined with me and 14 of my colleagues from the select committee in cosponsoring House Resolution 13.

The following Members are currently cosponsoring House Resolution 13:

LIST OF COSPONSORS

Mr. Zeferetti, Mr. Beard, Mrs. Collins of Illinois, Mr. Coughlin, Mr. de la Garsa, Mr. Dornan of California, Mr. English, Mr. Evans of Georgia, Mr. Gilman, Mr. Guyer, Mr. Neal, Mr. Railsback, Mr. Rangel, Mr. Rodino, Mr. Scheuer, Mr. McDonald, Mr. Richmond, Mr. Levitas, Mr. Akaka, Mr. Fish.

Mr. Barnes, Mr. Nowak, Mr. DeNardis, Mr. Atkinson, Mr. Hertel, Mr. Howard, Mr. Grisham, Mr. Mineta, Mr. Lowry of Washington, Mr. Shaw, Mr. Yatron, Mr. Hightower, Mr. Erdahl, Mr. Mavroules, Mr. Pepper, Mr. Pritchard, Mr. Downey, Mr. Fauntroy, Mr. Chappell, Mr. Won Pat.

Mr. Dougherty, Mr. Anderson, Mr. Brown of California, Mr. Dixon, Mr. Stratton, Mr. Daub, Mr. Garcia, Mr. Nichols, Mr. Young of Alaska, Mr. Lagomarsino, Mr. Addabbo, Mr. Roe, Mr. Barnard, Mr. Hyde, Mr. Conyers, Mr. Corrada, Mr. Andrews, Mr. Schumer, Mr. Winn, Mr. James K. Coyne.

Mr. Solarz, Mr. Sunia, Mr. Biaggi, Ms. Ferraro, Mr. Carman, Mr. Rosenthal, Mr. Stokes, Mr. Dyson, Mr. Bingham, Mr. de Lugo, Mr. Lent, Mr. Mica, Mr. Kemp, Mr. Dellums, Mrs. Chisholm, Ms. Fiedler, Mr. Porter, Mr. Anthony, Mrs. Schneider, Mr. Ottinger.

Mr. Roybal, Mr. Green, Mr. Jones of North Carolina, Mr. Solomon, Mr. Foglietta, Mr. McCollum, Mr. Peyser, Mr. Gray, Mr. Guarini, Mr. Dwyer, Mr. Hubbard, Mr. Gonzalez, Mr. Young of Florida.●

SO MUCH FOR CAMPAIGN PROMISES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. STARK. Mr. Speaker, I would like to commend to my colleagues the following editorial from the Oakland Tribune regarding the Reagan administration's imminent review and expected repeal of Federal standards affecting the hiring of minorities by Federal contractors.

There is a lot of talk by the advocates of supply-side economics about the expected benefits of abolishing such regulations. The claim is that if business is untethered from these restrictions, the job of providing and creating employment opportunities will be handled more efficiently and that more jobs will result.

I would like to see some evidence of the private sector's dedication to providing not just jobs, but jobs to those who need them most. As long as 10,000 of my constituents line up in Oakland looking for work, there is no reason for employers to complain they can not find enough willing labor. And there is no reason to cease Federal efforts to get those with jobs and those out of work together.

The editorial follows:

[From the Oakland Tribune, Monday, Jan. 26, 1981]

LOCKING IN DISCRIMINATION

On Wednesday an estimated 10,000 job-seekers showed up at a job fair in Oakland, waiting in line up to two hours for a chance to talk to prospective employers.

The turnout was so much higher than sponsors expected that some job-seekers never got in the door. Of those who did, more than half appeared to be members of minority groups.

That same day in Washington, D.C., two prominent Republicans from the San Francisco Peninsula renewed their efforts to modify requirements for federal contractors to hire minorities—because they say they cannot find enough.

At issue is a 1967 executive order by Lyndon B. Johnson which requires that the workforce of federal contractors reflect the racial makeup of the communities in which they are located.

Since Johnson set up the regulations by executive order, Reagan could wipe them out just as easily. No congressional approval is necessary.

The industries want regulations allowing their workforces to reflect the percentages of minority workers already in a particular field, rather than their percentage in the general population, according to Peninsula Rep. Paul N. McCloskey.

In return for McCloskey's endorsement in his presidential campaign, Reagan promised that, if elected, he would take a hard look at the affirmative action program.

Also spearheading the move to change the requirements is David Packard, multi-millionaire partner in the Hewlett-Packard electronics firm, a former deputy secretary of defense, and Northern California chairman for Richard Nixon in 1972.

With such supporters, it seems likely that the proposal will be considered seriously.

But to see the effect of setting goals based on past practice, one need only look at the old immigration quotas, based on patterns set when most immigrants came from Northern Europe. They effectively discriminated against immigrants from Asia and Mexico, as well as the Italians, Greeks and Eastern Europeans who made up the second wave of newcomers to this country.

Linking requirements for hiring to the available workforce would do the same, locking in the effects of the discrimination that has kept women and minorities out of technical and professional jobs for so many years.

It would take away incentives for industry to work with government and education to find ways to bring women and minorities into nontraditional fields.

It is hard to be sympathetic to McCloskey's claim that, at any given time, 4,000 jobs are vacant because employers cannot find workers, considering that only two small electronics firms showed up at the job fair in Oakland, a city with substantial unemployment, less than 50 miles away.

Yet many of these same companies have been willing to go to the developing nations of Asia to find workers, even in cases where it has meant helping workers move from scattered villages to company-provided housing near their factories.

If electronics companies can find the ways to train workers across the Pacific Ocean, one would think they could find ways to train workers from across the Bay. While prospective employees may need help in finding adequate transportation to the Peninsula, this would seem to be a relatively simple obstacle to overcome. McCloskey said he can make a good argument that the cost of affirmative action adds 5 percent to the inflation rate. We find that hard to believe.

But even if it were true, the cost of refusing to offer equal opportunities to all of this country's population is far greater.

It is a sad commentary on our values when congressional representatives and corporate chieftains would rather work to change the laws than work to solve the very real social problems which made the laws necessary in the first place.●

MY COMMITMENT TO MY COUNTRY

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. GINGRICH. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a voice of democracy contest. This year, I am happy to say that the winner for the State of Georgia, Miss Karen Kay Martin, is from Griffin, one of the cities in my district.

I would like to share with you her patriotic essay. I hope you'll find it as inspiring as I did.

AN OLD-FASHIONED AMERICAN

I want to be an old-fashioned American. You may call me cornball if you wish, but I want to be a flag-waving, tear-shedding, apple pie-eatin', red-white-and-blue American. I am committed to preserving those proven ideals of patriotism, participation and pride in my country.

Thinking back, I have always been filled with intense feelings of patriotism. In grade school, one of my favorite parts of the day was reciting the pledge of allegiance and singing a patriotic song. I never grew tired of reading about Betsy Ross, Abraham Lincoln, or the American Revolution. Now, as in the past, on the Fourth of July, you can always find me waving sparklers or watching the local fireworks display. As I "ooh" and "aah" at the POP! and BANG! of the fireworks, I am remembering those battles long ago in which men and women died to gain independence for America. While I enjoy a Fourth of July picnic lunch at the park with my family and others, I thank God not only for the delicious food and fellowship, but also for the brave men and women who fought the elements and a hostile, unbroken land to establish a free America. As I watch parades, I wait impatiently for the color guard to approach, bearing America's symbol of independence—the flag; then, as my hand proudly goes to my heart, I feel the tears of love for this land of mine.

Through my example of a patriotic American, I am fulfilling my commitment to love my country. Even though I am only one young adult, I will always fight to preserve my old-fashioned ideals. Edward Everett Hale wrote, "I am only one, but still I am one. I cannot do everything, but still I can do something, and because I cannot do everything, I will not refuse to do the something that I can do."

Along with my commitment to patriotism comes my responsibility of participation. I must fulfill my duties as an American citizen. Voting for the officials who are to lead me, getting involved in local government, and working for civic groups are a few of the privileges that I am responsible for maintaining. My support of programs such as the United Way, Salvation Army, Goodwill, March of Dimes, and other service and charity organizations will help preserve American friendliness and concern for all people's welfare.

Another area of my commitment to preserving American values lies in my participation in the defense of my country. I am humbled when I think of our American soldiers huddled in the breastworks of Bunker Hill, crawling on the beaches of Anzio, crouched in the foxholes of Korea, and wading in the rice paddies of Viet Nam. I am responsible for continuing this defense of my country at home and abroad, in back of the lines or in front.

Through my strong feelings of patriotism and through my enthusiastic participation in my citizenship activities, I hope to exhibit a pride which will stand as a worthy example for future young Americans to follow.

Yes, I am a proud, old-fashioned American. I am committed to preserving those values which unified our country in the past and can bring together our broad diversities today and tomorrow.

Through my example of a caring young adult, I hope to fulfill my commitment to my country—my commitment to those time-honored ideals of patriotism, participation, and pride in the United States of America.●

YOUNG INTRODUCES TAX INCENTIVES FOR SAVERS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. YOUNG of Florida. Mr. Speaker, we all realize the need to provide a real growth on the supply side of our economy, as opposed to a growing Federal bureaucracy. In order to promote that real growth we need to provide incentives to Americans for investment in the private sector. For many years now, the Federal Government has been establishing a false sense of financial security by printing money that we really do not have. This practice has fueled inflation, which makes it increasingly more difficult for the American people to utilize financial and savings institutions, because they need that money just to keep up with the cost of living. The alternative is to provide incentives to the American people to save their money, to create a money supply for capital creation and productivity, and thereby create jobs by promoting the expansion of industry.

The Federal thirst for deficit spending drives it into the money market to borrow enough funds to stay afloat. The Government competes with the private sector for scarce investment dollars, and pays high interest rates in order to attract investors. If someone can afford to invest money, he will certainly seek the highest return possible, and the subsidized Federal borrowers can easily outbid the money-starved private sector for capital. We need to reverse this trend and instead encourage investments in the private sector if we are to create more jobs and enjoy real economic growth.

The 96th Congress realized this, and was successful in enacting a temporary remedy in the windfall profits tax law, which provides individuals $200 and married couples $400 in free interest and dividend income for calendar years 1981 and 1982. I supported that action and believe it will help reduce the strain on the available money supply, since it encourages Americans to utilize savings accounts. However, I do not believe those provisions go far enough. We must provide permanent incentives to the taxpayers of our Nation, and today I am introducing just such legislation.

My bill provides a $1,500 tax exclusion for individuals on interest and dividend income, and a $3,000 exclusion for persons who are married and file joint tax returns. I believe this legislation is a good step in providing permanent saving incentives to those who prefer to follow a sound savings program, while at the same time creating more capital for investment and productivity in the private sector.

Mr. Speaker, the American people are fed up with the Federal Government's economic policies. This legislation will help alleviate the problem and I hope we can consider it at the earliest possible date.●

ADDRESS BY ORVILLE K. SWEET

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. SKELTON. Mr. Speaker, the executive vice president of the National Pork Producers Council, Orville K. Sweet, addressed the Annual Pork Producers and Legislators Banquet here in Washington on the evening of February 4. His talk was most interesting and thought provoking. I commend it to Members of this body.

AGENDA FOR THE 80'S

Pork producers gather here tonight for a unique purpose. We are here not to be hosted but to be hosts, not for a handout but to help out.

We are here not to complain and criticise but to encourage and support.

We are concerned that the average American does not comprehend the greatest threat to world peace and security. That threat is the increasing probability of world food shortages.

Fate has placed the greatest burden in human history on the American farmer.

He bears that burden for two reasons. First, because of all the great industries throughout the world, American agriculture is the most efficient. And second, because America lies in that narrow band around the earth known as the temperate zone. This rare combination of rich soil and optimum climate makes it possible to produce more food than any other nation on earth.

But today's food producer is caught in a cost squeeze from which many will not survive. In 1950, a dozen eggs cost the consumer 73¢, today eggs are 70¢.

The cost of producing pork today is 54¢ while the price received is about 40¢. A new pickup costs $1,500 in 1950 and today it costs $9,500 and fuel costs have gone up 16 times. Keep in mind we are not talking about an expendable product. Food is not optional. There are no substitutes.

What if I were to tell you—a time bomb will explode in this room at any minute? The doors to the room are all locked. We have to act quickly. What could we do to prevent the bomb from going off? Suppose you suggest I call the bomb squad; so I do. But I get a recorded message: "Sorry, due to lack of funding, the bomb squad has been disbanded." Then what? Ultimately, we would all have to join together in a concerted effort to find that bomb and somehow deactivate it.

There is a time bomb scheduled to go off at any minute—not in this room, but throughout the entire world. That time bomb is world hunger and it's just as deadly as any bomb we've ever known.

It's hard to think about hunger when we're wax fat and full. Most Americans rarely think about real hunger because we're so well fed. Even our poorest have access to food stamps. But hunger is a very real threat in the future. This time bomb keeps ticking.

But what are we going to do when bacon and hamburger costs twenty dollars a pound? What are we going to do when our source of protein is as costly and precious as an ounce of caviar?

We must increase our food supply, not only to keep prices affordable, but also to keep up with population growth. World population is increasing at a rate of five persons a second. There are eighty (80) million more people to feed each year. The United Nations' World Food Council estimates conservatively there are more than one-half billion people in underdeveloped countries who literally are starving right this minute. Their diets lack protein—the scientific definition of malnutrition is lack of protein. The time bomb keeps ticking.

A lot of hungry people clamored onto America's shores during 1980—more than a million aliens. They didn't leave Cuba, Haiti and Cambodia simply because they didn't like the politics there. They came to the United States because they were hungry. The time bomb keeps ticking.

The United Nations' World Food Council has labeled the turbulent 1980's the "food-crisis prone decade". We're suffering from a variety of shocks to our food supply—climate change, OPEC embargoes, Middle East conflicts and rampant inflation. Our time bomb of hunger keeps on ticking—and we must learn how to deactivate it—NOW!

We can't plan for future shocks from a state of ignorance. We need research to help us solve our food problems—and we have only a slender time margin to work with. Anson Bertrand, the United States Department of Agriculture's research director has said—if research efforts are not increased, our fundamental knowledge of food production will have been picked bare long before the year 2000. He has warned us that the general public does not have the slightest idea of how precarious our position is.

Let's take a look at some of the ways research can help us.

Our productivity has plateaued because there haven't been any recent breakthroughs in technology to increase our efficiency. Besides that, our resources are dwindling. We're being asked to do more with less—provide more meat, more milk and more eggs with less energy, less land and less water.

The amount of land available for agricultural use is shrinking. Our land is being transferred to urban and industrial use at a rate of one million acres a year. We're going to have to grow more food on less acreage.

Of all the wonderful things about democracy, it has one serious flaw. It's simply those of us who enjoy it don't understand it. The dynamics of democracy is catastrophe.

In 1939 we passed the draft law by only one vote. In the 30's we passed the insurance savings plan after we were bankrupt. We fund research for airline safety but only after the greatest tragedy.

A great number of the world's population is starving today, what can we, what should we do before the crisis hits the U.S.? How do we de-activate the time bomb?

Research can make our jobs as pork producers much easier in ways other than increasing the reproductive efficiency of sows. We have much more to learn about feed efficiency, swine nutrient requirements and better utilization of feed additives. Genetic improvements can help us improve economic performance of our animals through the development of superior germ plasm. And we all know how important disease control is to our operations. Research in marketing is the only solution to the gross inequalities between a farmer's cost of production and the prices received. We score much higher on production efficiency than we do on marketing.

Research on food safety and nutrition can give us information we need to deal with consumer issues. The diet-heart controversy isn't going to go away unless more facts can be established. We need also to resolve issues of food contamination and spoilage, the nitrite problem and the question of toxic chemicals in food.

With all of those issues to face, what are we doing about them? Very little. This year, only 2.2 percent of our national research budget will be spent on agriculture. Food supply has dropped drastically on America's list of priorities. During 1949, 39 percent of all U.S. research funds were allocated to projects aimed at improved food production. During 1950, agricultural funding had slipped to 6 percent. We have many more people to feed now than we did then. And yet, our only means of increasing food supply—research—has diminished substantially. The time bomb keeps ticking.

Where are our priorities? This year, the U.S. will spend more than 161 billion dollars for defense; five and one-half billion for space; 5 billion for energy; 4 billion for human health. Agriculture will get only $600 million. Secretary Block assured us today that he is equally concerned.

Priorities need to be re-arranged within the realm of agricultural research. Less than one-half of our total agricultural research budget goes to animal research. Although animal food provides more than 40 percent of our food supply, only one-half percent of the value of those products is spent on research.

Funding for research is a very good investment. In the swine industry, return on research investment is about 52 percent higher than any other type of livestock and much higher than most manufacturing industries.

Because agricultural research is such an important investment in our future, I ask all of you to support me in waking up America to the need for increased research. Be an activist yourself. Get the facts. Become a spokesman in your community on the need for animal agricultural research. The National Pork Producers Council is working in tandem with the newly formed Forum for Animal Agriculture to obtain research funding. We're going to present our case to the American public. And we need all the support we can get.

Through research, we can act now to avert food crises and necessary profit for the producer. And through that research we can and we will deactivate that time bomb that threatens our industry.

People who are challenged by a higher purpose are those who not only achieve great things for others but they accomplish more for themselves. There is an old cliche among hog men that hogs don't bed up together to keep each other warm but to keep themselves warm.

An attitude and a mind set for serving others is the key to happiness and success. So often our immediate goal is economic but when our goal is serving others, the economics seem to always fall in place. For tens of thousands of years, man has dreamed of a world free of hunger and oppression. We still hold that dream.

Freedom. Freedom—do we really know what it means? Just this past week, 52 people returned home. Church bells rang. Anthems were sung. Bands played. Parades marched. Yellow ribbons were strung and last Thursday was a day of Thanksgiving.

What was your reaction? What have we learned from this experience? Do we really know what it is to be free? If we have never been without air, do we really know how sweet it is? To be free is the greatest gift on earth.

But there are other kinds of bondage. There is the bondage of hunger, poverty and ignorance. To be enslaved by any of these captors is a horrible thing.

New Year's morning 1981, a select group of celebrities who were also naturalized citizens were guests on the early morning Today Show. They each told their story and related their own opinion as to what contributed the most to their rise to fame. Without exception, each said the greatest factor contributing to their success was the opportunity America provided. Henry Kissinger said the most difficult problem for him to understand as Secretary of State was the period of time when America, through internal strife, seemed to be bent on self-destruction while millions around the world would swim oceans just to be part of her and to enjoy her bounty.

My father lies tonight under the grassy sod and the starlight skies of central Oklahoma. His grave is marked by a small granite stone, with this simple inscription: "He is a good man." He left me neither gold nor silver, but he left me something far more precious. He left me the memory of an honest, Christian father who loved America and the soil. He also left me this moral philosophy, "It is far more important what a man is than what he has or what he does."

May God grant us the privilege of passing this philosophy on to our children and their children, because that is not only the basis for Christianity, but is the foundation upon which this country was built and our only hope for its future.

CONCLUSION

We share a magnificent obsession, an achieveable dream. We can feed the world without bankrupting America and selling the future of our children and grandchildren. We must, however, think big, plan big, and perform efficiently. We need not prostitute America by exporting her non-replaceable natural resources. Above all, we must protect and reserve the soil.

There is a special relationship between God, man and the soil. You can recognize a true farmer by the way he cherishes the soil.

The solution is in replenishing our bank of technology through research and sharing the technology with the Third World. Not a new idea but still a good one.

Feed a man a fish and he will enjoy a meal—teach him how to fish and he will eat for the rest of his life and those who come after him. That's the way we deactivate the time bomb.

Edna Saint Vincent Millay wrote a poem entitled "Renaissance" about a man who returned to earth and had a beautiful perspective about life and success. I give you only the last verse—

The world stands out on either side
No wider than the heart is wide
Above the world is stretched the sky
No higher than the soul is high

The heart can push the sea and land
Farther away on either hand
The soul can split the sky in two
And let the face of God shine through

But East and West can pinch the heart
That cannot keep them pushed apart
And he whose soul is flat—the sky
Will cave in on him—by and by.

We are delighted you are here tonight. Where else but in America can farmers come to their nation's capital and converse with the highest levels of government. Where else but in America can we meet on social terms and break bread together and discuss our country's problems and challenges. I think you all agree it is worth saving.●

VIOLA GRACE CROSTHWAITE

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. PERKINS. Mr. Speaker, the Nation owes a great debt to the individuals who render service in classrooms. These dedicated professionals are one of the Nation's greatest resources. Most often their services to their community continue long after retirement from educational systems.

I would like to share with my colleagues the outstanding achievements of Viola Grace Crosthwaite, who has taught almost 50 years in Rowan County, Ky., one of the counties I am privileged to represent in the Congress. Recently the Kentucky Retired Teachers Association newsletter commended her service with the following commentary, which I insert in the RECORD at this point:

Miss Grace Crosthwaite is a native Kentuckian. She was born and reared in Rowan County.

She received her elementary education in a one-room rural school called Charity Branch School. She got her high school diploma in Morehead, Kentucky. She received her BS Degree from Morehead State University in 1934 and her MA Degree in 1953.

Grace taught 49.1 years in Rowan County—10.1 years in the rural school which she attended, 5 years in the Morehead Grade School, and 34 years teaching Mathematics in the Rowan County High School. She was also senior sponsor most of those years, and she also sponsored the yearbook and the school paper.

In 1934-44 she was president of the Morehead State University Alumni Association and has served on the Alumni Executive Council for several years. She is a member of the Farmers Rebekah Lodge #23, the Kentucky Federation of Homemakers, the Rowan County and Licking River Extension Council, the American Legion Auxiliary, the Historical Society, and the St. Claire Ladies Auxiliary of which she was president for three years.

Since she retired she has been active in the retired teachers groups in Eastern Kentucky. She has been the secretary of the Eastern District of retired teachers since 1975.

In 1975 she helped organize the Rowan County Retired Teachers Association and has served as its secretary and treasurer since it was organized. She has also helped Mildred McLain, NRTA Assistant State Director, organize retired teacher units in Morgan, Martin, Magoffin, Fleming, and Robertson Counties.

In 1975 the Lions Club presented her with an award as the Outstanding Woman of the Year for Outstanding Community Work. In 1976 the Farmers Rebekah Lodge #23 chose her for the Rebekah of the Year. The Editorial Board of the American Biographical Institute, a Division of Historical Preservation, presented her with an award. She was selected to appear in the 1979-80 edition of Community Leaders and Noteworthy Americans. The honor comes in recognition of her outstanding service to her community, state, and nation.●

NATIONAL DAY OF THE SEAL

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. JEFFORDS. Mr. Speaker, today I am introducing a resolution to proclaim March 1, 1981, the National Day of the Seal. This resolution is meant to celebrate the birth of the seal rather than its often brutal death, which has frequently been noted in the past. March 1 has been proclaimed the International Day of the Seal in many nations. In the United States, the focus of the festivities is New York City, where the Paul Winter Consort will give two benefit concerts in the Cathedral of St. John the Divine.

March 1 is a particularly significant day in the eternal cycle of the harp seal. Each year around this time, about 400,000 harp seal pups are born off the coast of Newfoundland and in the Gulf of St. Lawrence. In the first 2 months of their lives, approximately 180,000 of them will be killed before their bright white coat begins to molt and turns to the gray adult coat.

Much has been made of the often brutal and inhumane method of killing these animals. The hunt is con-

ducted by Canadian and Norwegian nationals under the supervision of the Canadian Government, which justifies the "harvest" on the grounds of herd management techniques that are supposed to allow the herd to increase. However, a recent study by two population dynamics experts concluded that the methods used to determine quotas contained biases that led to underestimations of both the decline of the stock and the natural mortality rate. Nevertheless, the quotas remain unchanged and will be filled in the next 2 months.

Many U.S. citizens have expressed outrage over the clubbing that is used to kill the seal pups. On March 1, however, we can project a more positive, upbeat feeling about the seal by celebrating its birth. I urge my colleagues to support this resoulution and observe the International Day of the Seal in any manner they see fit.

The resolution follows:

H. CON. RES. 72

Concurrent resolution to declare March 1, 1981, as National Day of the Seal

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas the seal is an essential and inseparable part of the marine ecosystem, and

Whereas the seal, of which there are some 33 species, is a land mammal that returned to the oceans 20 to 30 million years ago, and

Whereas the presence of the seal helps maintain the health and balance of this environment, and

Whereas the presence of the seal is an indication of a whole and healthy ecosystem, and

Whereas the seal is a social carnivore with a highly evolved nervous system and physiology especially adapted to its marine environment, and

Whereas the seal epitomizes the freedom and the mystique of the oceans and in many cultures is revered as a spiritual embodiment of the mind in the waters, and

Whereas March is the month of the year when the harp seals pup, renewing their eternal cycle, and

Whereas the growing worldwide awareness of the ecological and esthetic value of the seal has led to a desire to designate a special day of recognition: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress proclaims March 1, 1981, as the National Day of the Seal and urges all citizens to join in this celebration of life with appropriate activity.●

VOICE OF DEMOCRACY CONTEST WINNER

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. HANSEN. Mr. Speaker, it is with great pride that I share with my colleagues, today, a noteworthy essay on patriotism written by a high school student in my district, David Terry Warner of Provo, Utah. David is a winning contestant in the voice of democracy contest conducted by the Veterans of Foreign Wars of the United States, and its ladies auxiliary.

I congratulate this fine young man on this outstanding achievement, and wish him continued success in the coming years. The essay follows:

A dawn mist rose from Lexington Green, and Concord welcomed the clear, April morning. The young men and their fathers gathered in anticipation, and their sparse numbers grew. This was a moment of decision. Each colonist had to make a choice. Was a war that would last over seven hard years worth their freedom?

There has seldom been such patriotic fervor as there was in those early days, but the United States is no longer young. American society has reached a point that marks a people in middle passage. We have lost the innocence of youth and we seek the wisdom of maturity. Like the revolutionist of Lexington, we stand in a clearing; we stand on a green. Our path has been paved with sacrifices we did not make. By birth we inherit freedoms we haven't fought for. In living we adopt an ideal of a generation long gone by. As heirs of our history we are given our past and it gives us our future. Just as those of Concord, we must make that decision, for we will fight for today's freedom now, or relinquish tomorrow's hope in the future.

For me, it is not easy. Manhood spreads hopeful ambition, and I embrace my future with great anticipation. But like the boys of Lexington, I must consider a future without the niceties of my past. History echoes with the voices of those who have made that choice. The stories of over one million Americans who died in combat must be heard, and to the wounded we must listen, and for their families we must care. These too were young people on the threshold of adult life. And as adults the decision is ours. Is the American ideal worth our future?

For every ambitious American who like me has ever reaped a beneift from this society, I would suggest a debt, one paid by one million young lives and yet still owed. It is a personal deficit that must be cleared by every individual. To this society we owe a commitment: a commitment to past efforts, a commitment to tomorrow's attempts, a commitment to defend America in whatever capacity our abilities will afford—and defending America does not mean going to war. The majority of our citizens have never been in battle. We can't think less of them because they were not friends of Paul Revere or field scouts for MacArthur. Though I may never fight on a battlefield, my war for independence must never cease. For those like me, we fight a silent war, a muted foe. It is the cynicism, the ignorance, the apathy we battle. And perhaps it would be easier to fight a concrete opposition, but this deterioration of the American ideal is a relentless and destructive enemy. Americans must defend America with their personal attitudes and with their individual actions. It is the quiet things that win a quiet war: a conscientious vote, a constructive criticism, a supportive voice. It is the quality of caring and the caring for the quality. That is the voice of Democracy. These are our responsibilities, for we are the agents of our future. And if America ever rises as the standard it will not be because of an army but because of a unity: a unity in commitment, a unity in personal attitude, a unity in individual action.

My commitment to my country is a pledge to defend it, whether on the battlefront or on the homefront, whether in war or in peace. The dream of those at Lexington and Concord is mine, and I will pay my price for dreaming. Nothing is free, and freedom is no exception. Let my commitment to my country give my children and their children the opportunity to make such a choice. Let my integrity find me loyal in that moment when I must choose between my own future and the future of this nation. Let history number me among the patriots of that April morning, for together we stand in a clearing.

On this green of decision, let me contribute to a nation that survives only because my commitment to defend America in attitude as well as action, does not stand alone.●

BRAZILIAN MODEL FOR REAGAN TO STUDY

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. GINGRICH. Mr. Speaker, it seems as if our neighbors down in Brazil have mastered the art of cutting federal bureaucracy. I think it is time our country took some lessons from Brazil's 10-member Ministry of Debureaucratization.

In a recent Washington Post article, Jim Brooke reported how, in just 18 months, the ministry has abolished over 500 obligatory documents and streamlined paperwork for Brazil's citizens. This saved Brazilians from having to fill out and send in almost 400 million forms in a year.

I would like to share this amazing article with my colleagues. Maybe cutting the bureaucracy will not be as harmful as some make it out to be.

[From the Washington Post, Feb. 15, 1981]

"CHAMPION MINISTER" SKEWERS BUREAUCRACY AS BRAZIL CHEERS

(By Jim Brooke)

RIO DE JANEIRO.—President Reagan's apprentice red-tape cutters could take a look at the shining record of Brazil's 10-member Ministry of Debureaucratization.

Since birth 18 months ago, it has abolished in excess of 500 formerly obligatory documents and streamlined paperwork for passports, wills, drivers' licenses, export licenses and voter registration—sparing Brazil's 119 million citizens the chore of filling out, having stamped, sealing, notarizing or authenticating roughly 400 million forms annually.

Last year, the ministry introduced legislation to exempt most small businesses from filing income taxes, cutting the number of returns by 60 percent but reducing revenue by only 1 percent. The ministry has unveiled new rules exempting small farmers and other low-income groups from paying income tax, a reform expected to reduce the number of returns by 20 percent and save 340 million sheets of paper.

This partial list of accomplishments is why Hélio Beltrão, "extraordinary minister for debureaucratization," has become a hero

to Brazilians, wealthy and poor. He receives more than 100 letters daily, some addressed to "Mr. Champion Minister," making his office a few doors from the president's a national suggestion box for ways to attack bureaucratic excesses.

Beltrão, 62, a former New York University law student, modestly attributes his popularity to the fact that "no one in Brazil likes bureaucracy." In an interview, he described Brazil as a nation where "officials believe more in death certificates than in cadavers."

Bureaucratic horror stories abound. A woman applying for retirement benefits patiently stood in line for several hours, clutching her bundle of papers. When her turn arrived, a conscientious official scrutinized her forms, page by page. Then he pounced. She had forgotton to obtain an *atestado de vida*—a document proving she was alive.

In his first proclamation, Beltrão abolished that and five similar forms that he said "made life hell for the poor."

The heart of his program was unveiled a few months later in a startling presidential decree: "Until proved in the contrary, people are telling the truth."

To get the word out, Beltrão ordered that 750,000 posters bearing these and later measures be tacked up in Brazil's 50,000 federal offices. Today in post offices and police stations across the 27 states and territories, clerks work under such slogans as "Excessive control does not stop the dishonest, it just makes life difficult for the honest," or "Your word is worth more than a lot of documents."

At the bottom of these posters and at the end of a series of television spots appears Beltrão's mailing address in Brasilia and the message: "Complain to the minister."

Few complain about his crusade.

In Congress, Beltrão's programs have enjoyed bipartisan backing, some passing unanimously. But a bill to release automatically federal revenues owed to states and cities ruffled a few feathers.

One government deputy was overhead grousing, "Now my mayors aren't going to need me to free their highway funds."

While Beltrão's reforms remain largely noncontroversial in Brazil's increasingly peppery politicial climate, the minister's work is carving into the livelihood of despachantes, or professional middlemen.

For a fee, these despachantes will cut through the bureaucracy that has grown corpulent, cushioned from public displeasure, in almost 17 years of uninterrupted military rule. Although they learn the trade in a school, serve an apprenticeship, and register with a union, one of their primary skills is knowing where and when to drop a generous "tip" to a public functionary.

Rio's yellow pages list about 500 despachantes and even government offices have resorted to using them to conduct business with each other. But Beltrão has eliminated much of their work and union officials complain that they do not foresee offering new courses within the next few years.

In addition to simplifying life for the ordinary Brazilian, Beltrão aims to reduce the state's role in the economy.

In a country where 60 percent of industrial production comes out of state-controlled factories, private business leaders hail Beltrão as their savior. He was honored as "man of the year" by Visão magazine, the leading business weekly. In a speech kicking off a small-business conference, the minister estimated that Brazilian businesses, large and small, must keep up with 500 bureaucratic forms and obligations each year.

Beltrão also keeps at his fingertips statistics for the U.S. bureaucratic burden—"41,000 regulations for your hamburger"—and he says the United States is ripe for debureaucratization.

Looking back on his first 18 months of running Brazil's pioneer program, his advice to the Reagan administration is: vigorous presidential support, a tight nucleus of advisers, dramatic, eye-catching measures at the outset, and a leader with the prestige and personal qualities to capture public and congressional support.

Beltrão has the qualities to win respect. He served for two years as planning minister and until his present post was one of Brazil's highest paid executives.

He also has a sense of humor.

A lifelong guitar player, he has composed a "Samba of Debureaucratization." The refrain translates roughly as: "In the nest of the bureaucrat, there are millions of little bureaucrats—plenty of work for the simplifying cat."●

VOICE OF DEMOCRACY CONTEST WINNER

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. CARMAN. Mr. Speaker, one of our Long Island young people has distinguished herself by winning the New York State honors in the voice of democracy contest, conducted every year by the Veterans of Foreign Wars. I think the winning speech from my State should be an inspiration to all. It was written by Miss Tara Marie Kazak, 33 Polly Drive, Huntington, N.Y.

The essay follows:

In 1941, Franklin Delano Roosevelt declared that the world was founded upon four freedoms: freedom of speech, freedom of religion, freedom from want, and freedom from fear. It is these words that have helped me to understand my commitment to my country. Without these freedoms democracy would cease to exist. These freedoms are basic to man's nature. Since these freedoms are so important to me as a person, it is my responsibility to safeguard them. This is the basis for my commitment to my country.

A presidential election year dramatizes the role of the electorate in a representative democracy. Our government requires the consent and active participation of informed citizens. As a prospective voter it is my duty to learn as much as I can about the nation's problems and the proposed solutions to these problems. This will help me to become a more effective citizen. A democracy can never succeed if everyone passes the burden on to someone else. Thomas Paine, during the Revolutionary War, described a real patriot as one who comes to the aid of his country during any emergency. A loyal citizen is not a sunshine patriot. A sunshine patriot is one who shrinks away from the service of his country in times of crisis. The hostages in Iran and their families are true patriots. I can learn a great deal from their example about commitment to my country.

How much sacrifice would I be willing to make for my country? Would I be willing to interrupt my education in order to stop aggression? Would I be willing to conserve energy to prevent the United States from becoming dependent on the oil-producing nations? I answer yes to these questions. To me the preservation of democratic principles stands above everything else.

In a few years I shall vote and take an active part in government affairs. By choosing government officials wisely, I will be assured of having my interests represented in both the local and federal levels of government. By participating in community affairs, I will continue to increase my knowledge of government problems.

Franklin Roosevelt's statement of the four freedoms has given me insight into my responsibilities as a United States citizen. With every benefit comes a responsibility. One responsibility is to keep informed about public issues and government actions. Another is to take part in community affairs and elections. Finally, my duty includes the willingness to serve my country. Eleanor Roosevelt recognized the importance of the individual in a democracy. She stated, "A democratic government represents the sum total of the courage and the integrity of its individuals. It cannot be better than they are."●

RESTRICTING IMPORTS OF FOREIGN AUTOMOBILES

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. SEIBERLING. Mr. Speaker, the 96th Congress considered and enacted a number of resolutions dealing with the problem of automobile imports. I cosponsored several of them, as well as legislation to provide tax credits for the purchase of American cars.

I have long supported the concept of lowering both tariff and nontariff barriers to global trade. In the long run we and our trading partners benefit from the free flow of international trade. However, the continued import penetration of foreign cars, and the serious effects of the penetration on the U.S. auto industry, leads me to conclude that Congress must take strong steps to prevent the irretrievable decline of the domestic auto industry. One of the options available to us is to impose some type of temporary auto import restrictions.

In January, the Department of Transportation released a profoundly disturbing study of the future of the U.S. auto industry. The study indicates that the current trend in job loss in the domestic auto industry is not likely to be halted in the near future. In fact, the study predicts the loss of half a million manufacturing jobs over the next 10 years, principally in the already hard-hit Northeast-Midwest industrial area. Furthermore, the U.S. auto industry may have to spend as

much as $70 billion over the next 5 years if the industry wishes to overcome its current trade disadvantage with foreign car manufacturers.

The DOT study calls for a new spirit of cooperation between the auto industry, the Federal Government, and labor unions, in order to create the climate best suited for aiding the industry. The study calls on the Government to provide for a refundable investment tax credit to help the industry acquire the capital it needs for retooling, as well as for an accelerated depreciation schedule. The study also calls for the Government to provide increased programs for worker retraining and community redevelopment. Finally, the study calls for the Government to negotiate an orderly marketing agreement with Japan in order to restrict imports of Japanese cars to reflect the time needed for the U.S. auto industry to retool and meet the import challenge.

I am the author of legislation to provide a refundable investment tax credit, and I support legislation to accelerate the depreciation schedule. I have also introduced legislation amending and broadening the provisions of the Trade Act of 1974 governing trade adjustment assistance benefits to workers and firms. Today I am introducing legislation to establish a mandatory limit on imported automobiles for 3 years.

I am not suggesting that the only cause of rising auto industry unemployment is the high rate of import sales. With few exceptions, the management of America's great auto corporations failed to accommodate their production plans to meet the clear need for improved fuel efficiency after the great OPEC price squeeze that started in 1974. Congress was also slow to react, though in 1977 Congress finally mandated a gradually rising scale of fuel efficiency in successive model years.

Moreover, U.S. automakers have frequently failed to price their fuel-efficient cars to compete effectively with imports. Nor have U.S.-made economy cars always been as competitive, in terms of quality and reliability, although U.S. cars have been found to be considerably safer in crashes than imports. Fortunately, the new generation of fuel-efficient U.S. cars appears to be considerably improved in quality over previous efforts.

As Members of the House of Representatives, we simply cannot sit back and watch the U.S. auto industry collapse. We must help the industry buy the time to retool and obtain sufficient income to pay for retooling and to survive in the meantime. The DOT auto industry study indicates that Japanese auto manufacturers benefit from a government-industry-labor relationship designed to maximize efficiency of production and minimize its cost. Furthermore, foreign auto manufacturers benefit from tax structures which encourage auto exports by "rebating" certain indirect taxes, thus, in effect, subsidising their exports. While not the subject of the bill I am introducing, I believe Congress should look at the general question of how Federal tax policies may indirectly benefit foreign car manufacturers.

It is my hope that our trading partners will take serious note of the increasing pressure for a permanent limit on auto imports. We have passed resolutions which ought to persuade our allies that we are deeply concerned about the high level of auto and truck exports to the United States. However, thus far it does not appear that foreign car manufacturers are willing voluntarily to limit exports to the United States. Indeed, Toyota Motor Sales U.S.A. recently filed suit in the U.S. Court of International Trade challenging a decision by U.S. customs officials to increase the tariff on imported small pickup trucks from 4 percent to 25 percent. This has led me to conclude that we must provide for a mandatory temporary limit on auto imports if we are to prevent the collapse of the U.S. auto industry.

The legislation I am introducing today sets an import limit of 1.7 million units for each of 3 years, 1981, 1982, and 1983. Each individual foreign car manufacturer would be allowed to retain its 1979 market share ratio. In other words, if a foreign car manufacturer held a 20-percent share of the U.S. import market in 1979, that manufacturer would be entitled to a share of the U.S. import market no larger than 340,000 cars in each of the quota years. My bill does give the President authority to waive the import restrictions for 6 months if it is determined that such a waiver is in the national interest and would not harm the U.S. auto industry. Congress would have 30 days in which to disapprove the waiver by concurrent resolution.

Industry studies indicate that U.S. auto manufacturers already have sufficient productive capacity to satisfy the probable demand for fuel-efficient cars to the extent that it exceeds the number of cars that could be imported under the proposed quota.

There is a risk that mandatory import restrictions may strain our relationships with our allies in Europe and Japan. However, our trading partners must also realize that declining U.S. auto industry employment seriously strains the good will Americans hold for them. If our trading partners will not take steps to reduce this strain, then we must do so ourselves.●

ONE HUNDREDTH BIRTHDAY TRIBUTE TO MARY AGNES KELLEY

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mrs. SCHNEIDER. Mr. Speaker, it gives me great pleasure today to pay tribute to Mary Agnes Kelley of Smithfield, R.I., who will celebrate her 100th birthday on March 6, 1981. Miss Kelley is the oldest living graduate of St. Xavier Academy in Providence, where she worked as a bookkeeper before her retirement. I am sure my colleagues will join me in wishing Miss Kelley a happy birthday on this auspicious occasion.●

HUAC? IN 1981? TODAY?

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. LANTOS. Mr. Speaker, my distinguished colleague and neighbor from California, Mr. EDWARDS, with his penetrating sense of history, cautioned us all not to slip into repeating some of the least distinguished episodes in our recent history in an article in the New York Times. I am pleased and proud to introduce into the RECORD his thoughtful and perceptive comments on the possible restoration of the so-called House Un-American Activities Committee.

[From the New York Times, Feb. 19, 1981]

WASHINGTON.—Most Americans probably have little or no recollection of the dark decades of the House Un-American Activities Committee. For them, it must be difficult to understand the dread many of us feel when we learned of the re-establishment in the Senate Judiciary Committee of an internal security subcommittee and of possible action in the House of Representatives to reconstitute HUAC.

From 1938 to 1975, HAUC, later called the House Committee on Internal Security, traveled like a carnival throughout the country.

House rule No. 11 defined HUAC's duties as the investigation of "un-American activities" and of "the extent, character and objects of un-American propaganda activities." What the committee actually did was break up families, turn friends into enemies, and destroy reputations and lives, while demonstrating that the United States Government could take on characteristics that are usually associated with our totalitarian adversaries.

When I was elected to Congress, in November 1962, votes against appropriations for HUAC would trigger reams of protesting letters from constituents as well as attacks on one's patriotism. That in January 1975, the House voted to eliminate HUAC and assign its jurisdiction to the Judiciary Committee was a tribute to years of devoted opposition of constitutional experts—members of Congress such as the late William Fitz Ryan, the Rev. Robert F. Drinan, Robert W. Kastenmeier, Benjamin S. Rosenthal, Bella S. Absug, and Phillip Burton.

Today, a Republican majority controls the senate and a bipartisan conservative coalition is feeling its muscle in the house. Keeping an eye on "subversives" appears to be a major item on the agenda of the new Senate majority, at least in the Judiciary Committee.

Citizens who see nothing wrong with keeping "suspicious" people under the surveillance of a committee of elected legislators do not understand the implications of establishing Congressional internal-security committees.

The Constitution wisely provides a system of checks and balances for the distribution of power among the three branches of Government. The legitimate functions of the Congress are to enact laws and to oversee their execution by the executive department. If a person or an organization is suspected of violating laws, it is the responsibility of the executive branch to investigate the alleged violation and of the judiciary to conduct the trial.

But what HUAC did—and would do again if reconstituted—was usurp the investigative powers of the executive department and the adjudicatory authority of the judiciary.

As a committee in Congress, HUAC would have might and power without equal. When it leveled its guns at a "suspicious" or "oddball" or "possibly subversive" citizen, the damage could well be irreparable.

It is because of guarantees of procedure (the right to be informed of the nature and cause of the accusation, the right to a lawyer, the right to public trial by jury, the right to confront and cross-examine witnesses, the compulsory process for obtaining witnesses in one's favor), not because of the goodness of our leaders, that people's rights are safeguarded.

Few of these safeguards apply in a Congressional hearing where the entire procedure, which might be televised, would amount to a trial in which the nation sat as a jury. In the glare of Klieg lights, legislative functions are forgotten: the Committee sits as a kangaroo court and tries the victims for their loyalty, their political beliefs, or their different life styles.

The irony of this rush to turn back the clock is that the issue itself is such a fraud. Terrorism is decreasing, not increasing, in the United States. The Federal Bureau of Investigation has requested steadily decreasing funding for its antiterrorism program, attributing this "to the continuing downward trend in domestic terrorist activity which [requires] a decreased level of investigative effort."

The few organizations engaged in sporadic terrorism are under investigation by the F.B.I., and espionage and sabotage are being dealt with properly in accordance with Federal laws and the Constitution.

Sadly—alarmingly—momentum appears to be on the side of those who savor the bad old days. The Senate Judiciary Committee has already created a new Subcommittee on Security and Terrorism. In the House, a vote to resurrect HUAC could occur in March or April.

In the spring of 1976, Congress sent several rooms full of House Un-American Activities Committee/House Committee on Internal Security files to the National Archives, to be sealed for at least 50 years. In the spring of 1981, will we move those miles of records—rumor, gossip, innuendo, yellowing clippings—back to Capitol Hill?●

REV. ORA B. WASHINGTON

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. CONYERS. Mr. Speaker, the citizens and city of Detroit this Sunday, February 22, will honor and show their appreciation to Rev. Ora B. Washington for her outstanding work in the community.

Ora and William Washington moved with their family from Mississippi to Detroit over 25 years ago, overcoming formidable obstacles. As a citizen and active member of the Vernon Chapel A.M.E. Church, Ora Washington has reached out to help others, working with the elderly, the sick, and the needy. She now serves as assistant pastor of the Free Worship House of God. Her effective and unselfish service has both benefited and been a great source of pride to the city of Detroit.

Ora B. Washington's example of service and commitment should be a model for all of us. I commend her for her efforts and achievements.

DOES THE UNITED STATES WANT WAR IN EL SALVADOR?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. BROWN of California. Mr. Speaker, the question of the U.S. role in El Salvador must include the question of how far is our Government prepared to go in propping up the current regime? Are we, to put it bluntly, prepared to go to war in El Salvador?

This question will undoubtedly be considered provocative by many, who would similarly reject any analogies of El Salvador to the U.S. involvement in Vietnam. I find the analogies disturbing—and valid.

Mr. Speaker, those of us who recall the Vietnam war debates will also recall that one of the most prescient and most accurate chroniclers of the time was journalist I. F. Stone. Since his semiretirement a few years ago, I. F. Stone has written less frequently on current foreign policy matters, although he has continued to follow them closely. His views on current U.S. policy in El Salvador were recently published in the Los Angeles Times. Coincidentally, the Los Angeles Times has published their own editorial, making much the same point. I highly commend the following articles to my colleagues, who will be called upon to support, modify or oppose U.S. policy in El Salvador.

The articles follow:

[Los Angeles Times, Feb. 18, 1981]

AMERICA'S WAR-PRONE MOOD

WOUNDED PRIDE CRIES OUT, BUT COOL REFLECTION IS IN ORDER

(By I. F. Stone)

WASHINGTON.—There is a smell of blood in the air. Nobody wants war. But there seems to be a craving in the national psyche to bash someone around. If we could be stretched out on a psychoanalyst's couch, the doctor would warn us to watch out. We are in a war-prone mood.

The roots of the trouble go far back. Until the Korean War, we had always won. That was a stalemate. Vietnam was a defeat. The Iranian hostage affair seemed to advertise American impotence: We are wounded in our machismo.

War and the feeling of virility are closely related. The words for manliness and bravery are linked in most languages. "Virtue" itself goes back to manliness in battle. Its ethical connotations came much later. There are familiar colloquial obscenities for what a man seeks to prove in a fight.

El Salvador seems to be the No. 1 choice for an easy place to prove that "we've got what it takes." On Tuesday, Secretary of State Alexander M. Haig Jr. urged increased military aid to the junta in El Salvador. And Charles H. Percy (R-Ill.), chairman of the State Foreign Relations Committee, said that "this nation will do whatever is necessary to prevent a Communist takeover." But the clash may occur unexpectedly at half a dozen other places, like an accident when one begins to drive a little giddily. It's an unstable world, and we're in a mood where any upheaval may seem to cast doubt on our national ego or, better still, id: This new Administration seems to have a lot of id.

A few cooling reflections, before meals and at bedtime, may be helpful. One is to keep in mind something that President Reagan left out of his speech the other day on all the terrible things that have happened to us since the 1960s.

What he left out was what one of those "little wars" did to the federal budget and the public debt in that period. It was Vietnam that sparked the Great Inflation. The cost of the Vietnam War was the major factor that almost doubled the national debt from $284 billion in 1960 to $533 billion in 1975, when it finally ended. The value of the dollar was cut in half before we finally got that little war off our back.

That war too started as a test of macho—John F. Kennedy's. And it began with just a few advisers and a little military aid to put down "terrorism" against a government that, while of course a dictatorship and a little gory around the edges, was, after all "on our side," though similarly stubborn in refusing to heed our advice to clean up its act.

We're sending a high-level team to Western Europe this week to line up support for the coming crusade to make El Salvador safe again for its "super rich," the notorious Fourteen Families, which still hope to turn the clock back.

That mission and our growing intervention, which began in President Carter's last days and is now No. 1 on Reagan's foreign-policy agenda, are not going to increase the confidence of our European allies in our good sense and in our leadership.

Few Americans realize that the chief support of the El Salvadoran revolution—like that of Nicaragua—has come from the social democrats and the Christian Democrats in Western Europe. They see the fall of the Fourteen Families, like that of Nicaragua's former dictator, Gen. Anastasio Somoza, as long overdue.

That is how Mexico and Panama and most of Latin America see it, too. The whole operation will be seen as a reversion to classic Yankee imperialism, and just plain stupid, expecially when we're trying to muster worldwide pressure against a similar Humpty-Dumpty operation by the Russians in Afghanistan.

The silliest part of the whole spectacle will be our new propaganda line for the new crusade. It's against "terrorism." But how do you line up support for a regime that is itself the most terroristic in Latin America? A regime whose terror squads are allowed to shoot down an archbishop at Mass, to rape and murder American nuns, and to assassinate Americans who had the temerity to work on plans for land reform?

Will Reagan's ideologists ask Western Europe to distinguish between "good" terrorism and "bad"? To approve even the rape and murder of American nuns when, in the subtle casuistry of our new U.N. representative, Jeanne Kirkpatrick, they turn "activist"?

[Los Angeles Times, Feb. 20, 1981]

SALES PITCH FOR A QUAGMIRE?

The Reagan Administration is waging a strong public-relations campaign to build up domestic and international support for a new U.S. policy toward war-torn El Salvador.

The Administration has decided to make that Central American nation a test case for its new get-tough policy with the Soviet Union. The State Department has sent diplomatic missions to Europe and Latin America with detailed evidence to break up U.S. allegations that Soviet-bloc countries like Cuba and Vietnam are shipping arms to leftist guerrillas in El Salvador. Secretary of State Alexander M. Haig Jr. earlier this week briefed members of Congress on the same information.

Haig and others argue that this outside aid to the guerrillas justifies an increase in U.S. military assistance to the military-civilian junta ruling El Salvador. The United States provided $10 million worth of aid last year, along with about 20 military advisers. The type of assistance now being sought by the Salvadoran military—patrol boats, helicopters and radar equipment—would require about 100 U.S. military advisers for training and maintenance.

A diplomatic sales pitch like this has not been tried by the United States since John F. Kennedy won allied support for U.S. actions before the 1962 Cuban missile crisis. The Reagan Administration is making its case with such fervor because our allies abroad, and many decision-makers in this country, fear that El Salvador could become another Vietnam-like quagmire.

While Republican senators like Charles H. Percy of Illinois and Howard H. Baker Jr. of Tennessee were impressed by Haig's briefing, many Democrats remain unconvinced. More than 46 members of the House are cosponsoring a resolution to cut off all military aid to the Salvadoran junta, arguing that the situation in El Salvador is more complex than Haig's "Cold War rhetoric" makes it appear.

Reaction among allies to the State Department briefings has been noncommittal at best. The French and the West Germans were particularly cool, and the Latin American reaction could be even colder, considering the strong feelings there toward U.S. military involvement anywhere in the region. Top Mexican officials are already warning that, evidence or no evidence, they are unlikely to support the United States in El Salvador because of a fundamental disagreement with this country as to what precisely is happening there. While the United States sees the junta as a centrist government besieged by left- and right-wing terrorists, Mexico sees the junta as a regime without popular support, besieged by its own people.

The Reagan Administration seems determined to increase military aid to El Salvador regardless of the reaction that its selling job gets. But it will face a tough, delicate and dangerous balancing act in that country.

Supporting the junta militarily would strengthen the military elements of the Salvadoran government, but could also weaken the civilians who are pressing for social reforms. It might also encourage the right-wing forces, whose death squads, although responsible for a large part of the bloodshed in El Salvador, have not faced the same government repression that the leftist guerrillas have met.

A similar balancing act—to prop up a government waging a protracted guerrilla war while trying to also win the "hearts and minds" of a civilian population—failed in Vietnam. One hopes the United States is not destined to repeat that sad experience in El Salvador.●

A $147 MILLION SAVED IS $147 MILLION EARNED

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. FINDLEY. Mr. Speaker, in a letter to you as Speaker of the House, Secretary of Agriculture John R. Block last week urged passage of legislation to delete the requirement that the support price of milk be adjusted semiannually. The administration recommends prompt action on the proposed bill so that it may be enacted before April 1 when the support price of milk is scheduled for yet another increase under the present, rigid milk price support program.

I am introducing today the legislation which Secretary Block seeks because I believe action needs to be taken even though time is short. Avoiding the April 1 increase actually will help the position of diary farmers and it will save the U.S. Treasury $147 million. That is only a very small part of the larger cost picture. Figures I have just obtained from the U.S. Department of Agriculture predict that the dairy support program this year will cost in excess of $1.8 billion.

That is the cost to the Government of buying 11.3 billion pounds—milk equivalent—of butter, cheese, and nonfat dry milk to support the farm price of milk.

Add this year's cost to the $1.28 billion price tag of the program last year and you have a total Government cost of over $3 billion to support milk prices over a 2-year period.

As my colleagues know, I endeavored a year ago to amend the present rigid dairy program of 80 percent of parity support with semiannual adjustments because I believed then, and still do, that the program should have some flexibility to take account of changing supply and demand factors.

My efforts to maintain a degree of flexibility in the dairy price support program were just as much on behalf of dairy farmers as for taxpayers. My position is something like that of the farmer who sprays his apple orchard with insecticide to ward off worms. It is not that he is against worms, he is for apples. The apples in this case is my belief that any farm price support program ought to serve as an economic storm cellar for farmers without being too costly for the public benefits derived. What I was attempting to do was to get rid of the "worms" of inflexibility in order to preserve the "apples" of a responsive dairy program.

My amendment to the dairy price support bill in November 1979 was overwhelmingly defeated and the Congress and President Carter mandated the present 80 percent of parity price floor with semiannual adjustments—regardless of the increased level of milk production it would stimulate. When it became apparent that the Treasury costs of the dairy program would become considerably more burdersome than even I had anticipated, I introduced a bill in July 1980 to give the Secretary of Agriculture the authority to maintain the support level at 80 percent of parity or to adjust or forgo any scheduled semiannual increase in supports, conditional on a double-trigger-level formula based on Government acquisitions of dairy products. The bill was the same as the earlier amendment I had offered. Like that amendment, the bill offering a flexibile approach found its way into legislative oblivion.

Those legislative efforts were made to call congressional attention to the danger—to dairy farmers as well as consumers—of maintaining an open-ended program of increasing levels of price supports without regard to the consumer demand for dairy products.

We are now seeing the unfortunate effects of that mandated, inflexible support program enacted in November 1979—a program cost of $1.28 billion to acquire a mountainous 8.2 billion pounds of dairy products—milk equivalent basis—in the 1979–80 fiscal year and a projected added cost this year of more than $1.8 billion to buy an even larger mountain of 11.3 billion pounds of dairy products. Small wonder that record milk production has far outpaced consumer demand.

Maintaining the current milk support level without adjustment on April 1 would save the Government an estimated $147 million in this fiscal year—certainly a paltry sum when compared to the $1.8 billion cost if the program is left unchanged. But, to paraphrase Poor Richard's observation, I must point out to my colleagues that $147 million saved is $147 million earned.●

TAX DEDUCTIONS FOR CONTRIBUTIONS TO THE UNITED NATIONS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. SEIBERLING. Mr. Speaker, I am again reintroducing legislation that would authorize tax-deductible contributions to the United Nations and other specialized agencies of which the United States is a member.

Recent news accounts suggest that the current administration may seek to cut our already small foreign aid program. The desire in Congress to balance the budget and reduce Federal spending puts a premium on encouraging the spirit of voluntarism which is prevalent in this country. Frankly, if we are going to cut back Federal subsidies, we are going to have to encourage people to support vital organizations like the United Nations on a voluntary basis.

The United Nations has recurring problems in its effort to stay financially solvent—problems which could be substantially alleviated if American foundations and individual taxpayers were permitted to take a tax deduction for making contributions to the United Nations and its agencies. At the present time, deductions for such contributions are not permitted under the provisions of the U.S. Internal Revenue Code.

Congress is likely to find itself under increasing pressure to reduce our annual commitment to foreign economic assistance of all kinds, including our annual contribution to the United Nations. It seems to me that one way to retain the good will of the developing nations of the world, and to impress upon them the sincerity of our commitment toward the peaceful resolution of global problems is to permit foundations and private citizens to make tax-deductible contributions to the United Nations.

Since this bill provides for a tax deduction, not a tax credit, for contributions made to the United Nations, the total amount contributed by private taxpayers will be much more than the revenue loss to the Treasury. For example, a $100 contribution from a taxpayer in the 35 percent marginal tax bracket would result in only a $35 loss to the Treasury. Contributions by tax-exempt charitable foundations would result in no loss to the Treasury. If U.S. Government contributions to the United Nations were to be reduced as a result of private contributions, the Treasury could actually show a net gain from the effect of my legislation.

The text of the bill, and a list of agencies which would be eligible for tax-deductible contributions follows these remarks:

I. U.N. AGENCIES

U.N. Headquarters.

U.N. Office at Geneva.

Economic Commission for Europe (ECE).

Economic and Social Commission for Asia and the Pacific (ESCAP).

Economic Commission for Latin America (ECLA).

United Nations Conference on Trade and Development (UNCTAD).

United Nations Environment Programme (UNEP).

World Food Council (WFC).

United Nations Children's Fund (UNICEF).

United Nations Development Program (UNDP).

Office of the United Nations High Commissioner for Refugees (UNHCR).

United Nations Institute for Training and Research (UNITAR).

United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

United Nations Research Institute for Social Development (UNRISD).

II. SPECIALIZED AGENCIES

United Nations Development Organization (UNIDO)

International Labour Organization (ILO).

Food and Agriculture Organization of the United Nations (FAO).

United Nations Educational, Scientific and Cultural Organization (UNESCO).

World Health Organization (WHO).

International Bank for Reconstruction and Development (IBRD).

International Finance Corporation (IFC).

International Development Association (IDA).

International Monetary Fund (IMF).

International Civil Aviation Organization (ICAO).

Universal Postal Union (UPU).

International Telecommunication Union (ITU).

World Meteorological Organization (WMO).

Inter-Governmental Maritime Consultative Organization (IMCO).

World Intellectual Property Organization (WIPO).

International Atomic Energy Agency (IAEA). (This was established "under the aegis of the United Nations"; it reports annually to the General Assembly.)

H.R. 1998

A bill to amend the Internal Revenue Code of 1954 to allow a deduction for any contribution, bequest, or gift to the United Nations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (c) of section 170 of the Internal Revenue Code of 1954 (defining charitable contribution) is amended by inserting after paragraph (5) the following new paragraph:

"(6) The United Nations or an instrumentality or agency thereof of which the United States is a member, but only if the contribution or gift is to be used exclusively for the purposes for which such organization is established."

(b) Section 170(b)(1)(A) of such Code (relating to percentage limitations for individuals) is amended by striking out "or" at the end of clause (vii), by inserting "or" at the end of clause (viii), and by inserting after clause (viii) the following new clause:

"(ix) an organization referred to in subsection (c)(6),".

"SEC. 2. (a) Section 2055(a) of the Internal Revenue Code of 1954 (relating to transfers for public, charitable, and religious uses) is amended by striking out "or" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; or", and by inserting after paragraph (4) the following new paragraph:

"(5) to or for the use of the United Nations or an instrumentality or agency thereof of which the United States is a member, but only if the contribution or gift is to be used exclusively for the purposes for which such organization is established."

(b) Section 2006(a)(2)(A) of such code (relating to transfers for public, charitable, and religious uses) is amended by striking out "or" at the end of the clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof "; or", and by inserting after clause (iii) the following new clause:

"(iv) to or for the use of the United Nations or an instrumentality or agency thereof of which the United States is a member, but only if the contribution or gift is to be used exclusively for the purposes for which such organization is established."

SEC. 3. (a) Subsection (a) of section 2522 of the Internal Revenue Code of 1954 (relating to charitable and similar gifts) is amended by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; or", and by inserting after paragraph (4) the following new paragraph:

"(5) the United Nations or an instrumentality or agency thereof of which the United States is a member, but only if the contribution or gift is to be used exclusively for the purposes for which such organization is established."

(b) Subsection (b) of such section 2522 is amended by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; or", and by inserting after paragraph (5) the following new paragraph:

"(6) The United Nations or an instrumentality or agency thereof of which the United States is a member, but only if the contribution or gift is to be used exclusively for the purposes for which such organization is established.

SEC. 4. The amendments made by the first section of this Act shall apply with respect to any gift or contribution payment of which is made after the date of the enactment of this Act, in taxable years ending after such date. The amendments made by section 2 of this Act shall apply with respect to the estates of decedents dying after such date. The amendments made by section 3 of this Act shall apply with respect to gifts and transfers made after such date.●

LITHUANIAN INDEPENDENCE

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. CORRADA. Mr. Speaker, I am pleased to join my colleagues today in commemorating the 63d anniversary of the Lithuanian independence.

It is sad that because Lithuania as a nation has been swallowed up by Soviet expansionism and is not independent at this time that we can only commemorate rather than celebrate this day.

Nor should we forget the rest of the captive nations, some of which have basically disappeared through Soviet annexation, and others which, although still maintaining a semblance of independence, are so completely dominated in their political and economic life as to preclude any independent action by their governments.

At this time Mr. Speaker, one of those nations, Poland, is undergoing severe internal difficulties due to an effort by its people to assert themselves as a people. Congress, the administration, and the American people as a whole should send a message to the Soviet leaders that we will not tolerate Soviet repression and intervention in the internal affairs of Poland. That we will not tolerate another Hungary or another Czechoslovakia. And that any act of military intervention against their right of self-determination, will result in serious international sanctions.●

HERBERT CREECH, WINNER OF FIRST AMENDMENT ESSAY CONTEST

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. HALL of Ohio. Mr. Speaker, the first amendment to the Constitution guarantees us the most important freedom in any democracy: freedom of speech.

To recognize the importance of the first amendment, every year the Dayton Journal Herald conducts an essay contest on the subject. This year's winner is Dayton lawyer Herbert Creech, Jr.

In his unique style, Mr. Creech tells what the first amendment means to him, and how it has touched him personally. I commend him for his unusual approach to a subject on which much has been written.

The publication of the essay, first in the Journal Herald, and now in the CONGRESSIONAL RECORD, is testimony to the power of freedom of speech granted under the first amendment.

I herewith offer it to my colleagues for their enlightenment.

WHAT THE FIRST AMENDMENT MEANS TO ME (US)

(By Herbert Creech, Jr.)

The First Amendment does not lurk timidly amid the leaves of some ferny silent forest as if it were an outcast, a "bigfoot monster," unwilling to face the light of day.

The First Amendment leaps from the pages of the Constitution with a roar of cannon and the crack of musketry. Yorktown, Trenton and Valley Forge were its borning places. Its coming sprayed the streets of Boston with wildfire; its impetus forever carved in the minds of men "by a rude bridge that arched a flood."

Its birth pangs were apocalyptic and violent. It was worth dying for and the principle preceded the deed. So born, in an atmosphere of raging thunder, no wonder it abhors the "sounds of silence" and stands instead at one with the free, the robust, the uninhibited and, yes, even the wild.

And it belongs to us: a birthright. Our fathers having suffered and died for it, we need to make no other plea. It is ours. Inviolable. "Unalienable." Like a dearly beloved, it is important to us and is surfeit with meaning.

The First Amendment is important to our psychological well-being, essential to our mental health.

No matter how humble, we have our thoughts, our say. No matter how slow, we have opportunity and time. We are unalienably human with intrinsic worth because we speak equal.

He may be intelligent, but our right also has its silver; she may be superior, but our claim is of the same pure gold.

They have power, but we have our questions. Our self-respect, self-esteem, our fundamental worth is affirmed. We are deemed by the Constitution good enough to talk with "the best of them." If we do not like it, we can talk about it, talk about it, talk about it.

Politically, we need not choose in darkness, need not go to the polling places blind. Ignorant or brilliant, we hear them out; sane or crazy, they have their say; skilled or ridiculous, they debate. We debate. They listen. We listen. And it all comes out "in the wash."

We bathe in information, revel in facts. The fewer the secrets, the wiser the ballot. The more we hear, the better we think. The more ideas exposed, the wider selection for a grander civilization.

With no limits on our speech, there are no limits on our thoughts. With no limits on our thoughts, there are no limits on our potential. We can go all the way, the limit. We can fearlessly become more than we are. Our children can become more than we were.

The First Amendment gives us the right to unshackle thought, the freedom to harness ideas. We can talk about it, talk about it, talk about it.

We know how cruel the teacher experience. To need learn all thereby condemns me to a laborious agony, slow death with nothing to show finally but a few dried kernels of obsolescent quackery. But, I can read. I can see. I have a right to know, a claim on data.

I attend speakers and judge the worth of their thought for myself. If the thought has content, it becomes my own. I decide. The government abstains. In the cavern of my opinion, no regulation may enter. More personal than anything, my thoughts and words are mine. The only risk I run is to be thought a fool—small price for the full expansion of my fantastic possibilities.

Vicariously, I experience events in the news. I master a mountain on television; fight a shark at the movie. I study the machinations of the insane and murderous and, if I wish, curiously indulge the strange delights of pornography.

And for this I suffer not—because of the First Amendment. Indeed, the suffering, I am sure, would be more if I had to experience all these things "first hand."

The First Amendment expands my mind without pain or danger; increases my reach by the least exertion; doubles my pleasure while keeping me "on the right side of the law."

The First Amendment says in language which we are free to hear and, with God's grace, able to comprehend: "Come to the future."

Chains placed on minds by the backward and fearful are outlawed by the Constitution. The superstitious and the wicked are given no rein. Words and concepts may not be "burned at the stake" in America.

It is better to think than to carry dumbweight upon shoulders; better to experiment than to sulk grudgingly behind the proscriptions of petty tyrants; better to shout with fury than to be a timid jack rabbit of the mind ceaselessly fleeing the hounds of controversy, malice and mischief.

We need to talk about educators who are afraid of books. We need to talk about politicians who are afraid of ideas. We need to explore suspect places where the public may not gather.

Greatness of thought, clarity of speech and harmony of expression are not the wards of the First Amendment. These charlatans will fend for themselves; they have their own rewards.

Rather, the First Amendment says that if I need curse the king, I may. If I wish to damn the government, throw it down, complain about my boss, set up a committee, mock religion, envy the rich, despise the poor, slander the mighty, all in words common, I may exhale my grudges and talk about it, talk about it, spoiling myself with impunity.

No ticket is necessary, no permission required. The only bounds are the range of my capacity and my opinion of myself.

Surely, I realize that freedom of speech is the key that unlocks a wealth of untold thought and frees ideas of unspeakable brilliance in the minds of free persons everywhere, third planet voyagers to a great destiny.●

CAMBRIA COUNTY ALL SPORTS BANQUET

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. MURTHA. Mr. Speaker, recently the eighth all-sports banquet and Cambria County War Memorial Sports Hall of Fame inductions were held, saluting a number of outstanding athletes from the Johnstown area.

Sports serves the dual purpose of developing the talents and characters of the individuals involved, and of developing community pride and success. All these athletes exemplified both of those goals, and I would like to mention briefly their names and accomplishments.

The individuals inducted into the Sports Hall of Fame were:

Mr. Pete Vuckovich: A 1970 graduate of Conemaugh Valley High School, he starred in local baseball and then was selected in the 1974 draft by the Chicago White Sox. He now has a major league record of 53–43 and was St. Louis' leading pitcher last season.

Mr. Al Gionfriddo: A graduate of Cresson High School, his baseball career spanned a decade, and he will live forever in baseball memories for his catch off Joe DiMaggio in the 1947 World Series.

Mr. Gary Hrivnak: A football star at Greater Johnstown High, he was an all star at Purdue and played as a defensive tackle with the Chicago Bears.

Mr. Jeff Richardson: A member of the historic New York Jets team that won Super Bowl III, he started his football career at Greater Johnstown High School and also starred at Michigan State.

Mr. Norm Van Lier: He came to our area as an outstanding guard for the St. Francis College Red Flash and went on to a distinguished pro career. He still ranks as the fourth alltime scoring leader at St. Francis.

Two men were inducted posthumously. They were John Hubbard, an outstanding race car driver who died in 1976 while qualifying for a race, and George S. "Jock" Phenicie, a boxer early in this century who lost only twice in some 80 bouts.

The banquet also gave contemporary awards to a number of outstanding young athletes. Those individuals are:

Lisa Britt: She gained all-American status as a guard for the University of Pittsburgh at Johnstown women's basketball team, and has excelled in professional basketball.

Todd Thiele: Most recently, he won the Pennsylvania Junior Amateur Golf Tournament to cap a long list of golfing victories.

Artrell Hawkins: A running back at the University of Pittsburgh who started in the recent Gator Bowl game and helped lead the Panthers to a convincing victory over South Carolina.

Mike Chobany: Another running back at Pitt, he was part of the team's outstanding depth which was a key factor in their No. 2 national ranking.

Sam Medile: Played for 4 years as a defensive back with the University of Maryland during which time the Terps compiled a 35–11 winning record.

Mike Sewak: A 2-year starter on the Virginia Cavaliers offensive line was a key in rebuilding the Virginia football program.

Ted Helsel: Playing for St. Francis College, he set records and earned numerous honors as a running back for the Red Flash.

It should also be noted that two very special families were honored at the banquet. The Norman Hostetler family of Jerome has produced football-playing brothers, Ron, Doug, and Jeff, who have excelled on the college gridiron. Another son, Todd, starred in college baseball. Meanwhile, their daughters, Gloria, Cheryl, and Lori have starred in a wide range of sports activities. Meanwhile, the Samuel M. Bradley family of Johnstown has seven athletic children. Three sons, Jim, Tom, and Matt, have played excellent college football, while three daughters, Kitty, Patty, and Cassie, have been outstanding basketball players, and a fourth daughter, Betsy, participates regularly in the Special Olympics.

May I extend my congratulations to all these outstanding athletes and honor them on the awards they received at this banquet.●

DO WE HAVE THE RIGHT INFORMATION TO MAP OUR ECONOMIC RECOVERY?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. BROWN of California. Mr. Speaker, everyone shares in the desire for economic recovery and hopes the Reagan administration has a good program for accomplishing that recovery. Like most important issues, the program the new administration has put forward is complicated and the choice of policy options is based on a set of assumptions that are considered fact, but may be considerably less than that. The question we must ask before we accept the entire package is how do we know it is actually working, and how will we measure progress?

This may seem obvious to most people, but the truth is that we have a very poor understanding of the state of the economy today and how one major factor interacts with another. The fact that the economic theories of the last several years did not prove to be very useful does not mean that the new theories will be any more useful.

Mr. Speaker, for at least three administrations I have been advocating the improvement of our economic accounting system and a revamping of our system of economic indicators. Recently there has been discussion of the imprecision of the Consumer Product Index (CPI) in estimating inflation. At other times, there has been discussion of the limited utility of productivity figures of even unemployment figures. The debate over the use of the gross national product (GNP) as a sign of progress has raged for years with occasional efforts made to develop a quality of life index.

The new administration not only seems dedicated to acting on unproven theories and imprecise data, but they also seem determined to introduce economic cost-benefit analysis to governmental decisions that were not intended to be decided by a price tag, such as those which save lives. There should be no confusion between cost-effective analysis, where the most economically efficient means to accomplishing a goal is considered, and cost-benefit analysis, where the goal itself has a pricetag placed on it. If this new use, or abuse, of economics does not take place, there will be an even greater need for better economic data and some means to put a pricetag on good health, clean air, safe neighborhoods, peace of mind and human life, to name only a few of the items which must be considered.

Mr. Speaker, I raise these issues not to be difficult, but to suggest that now is the time to set up the economic research and information gathering program which will enable us to discuss these subjects with greater certainty. I know that most economists share this view, although as advocates of various programs most economists are reluctant to discuss how little they actually know. One economist who has been quite outspoken on this need is Nobel Laureate Wassily Leontief, who recently expressed his concern in an editorial. The two points Dr. Leontief makes are the need for better information and the need for a strategic plan on how to accomplish our goals. I commend this editorial to my colleagues:

[From the New York Times, Feb. 22, 1981]

IF MR. REAGAN'S POLICIES FLOP, THEN WHAT?

President Reagan has four years to demonstrate that tax cuts, accompanied by a spectacular increase in the military budget, but balanced by sharp reductions in social and other nonmilitary spending, can put the badly listing economy on an even keel. He must prove that the engine of private enterprise, freed from the shackles of environmental laws and other restrictive regulations, will propel it full speed ahead.

Let's hope he succeeds—that the inflation rate falls to 5 percent and the unemployment rate to 4 percent, while the average family's real income will resume what was considered its normal rate of growth: at least 3 percent.

But what if the new policies do not work? What if inflation continues unabated, if unemployment is not substantially cut, and the economy does not resume its prior growth rate? After new elections, the present team of supply-side economists likely will be sent back to their corporate offices, and the old team of Keynesian demand-side experts will be called in with their familiar tool kit of fine-tuning devices to regulate fiscal and monetary policies, and precision gauges to measure full-employment gaps. They might even start by imposing a general price-and-wage freeze that would bring us back to where we were in the fall of 1971.

If the supply-siders fail, not only the politicians but even the general public might finally realize that something is fundamentally wrong with the entire process by which the United States designs, implements, and monitors its national economic policies.

Fundamentally, there can be two approaches to formulation and implementation of national economic policies: A trial-and-error, hit-or-miss approach, or a strategic—corporate management calls it "planning"—approach.

The first consists in putting together a conventional package of policy measures, usually chosen on the basis of theoretical or doctrinal considerations; then introducing another package if the first fails; and if that fails as well, inaugurating a third. Sometimes, however, there is a tendency to stick by the original policy, even if it is obviously not working and threatens to bring the country to economic collapse.

Strategic planning, less simplistic, is more ambitious and thus more complex. To put it into practice, it is not enough to have a theoretical understanding of the principles on which the economic system works and to be possessed by a strong determination to attain certain national goals.

Trail-and-error is bound to fail because policies directed at one particular area—taxation, spending, industry, labor, the environment, foreign trade—will affect not only the areas to which they are addressed, but they are bound to have mostly unintentional and often negative repercussions in all the other fields. A modern economy is a complex body, all parts and functions of which are interdependent.

Strategic planning, on the other hand, is aimed at producing an internally consistent description of different states in which the national economy would find itself after the application of alternatives combinations of economic-policy measures.

Effective implementation of such an approach is hindered by a lack of necessary factual information. The continuous unwillingness of academic economists to give up their traditional reliance on abstract mathematical formulas—linked to reality only by a very fragile bridge of indirect statistical inference—is to a large extent responsible for this. Engaged in constructing elegant theories, they fail to press for creation of a reliable systematically organized data base, which is indispensable for any empirical science.

Creation and maintenance of a comprehensive data base that would permit a marked reduction of the amount of guessing now involved in policy making is a major task that could be easily carried out by the coordinated efforts of all elements of our statistical establishment. The example of Japan demonstrates that this is not impossible.

Japan is as much ahead of America in compiling the so-called input-output tables describing in detail the structure of national economies as it is in manufacturing efficient cars. The construction of the most recent American input-output table was assigned to a small team in one of the Commerce Department's bureaus. But in Japan, it was carried out by the combined efforts of 13 different ministries under the general supervision of a special Cabinet committee. The amount of detailed information in the Japanese tables is about four times as great as in ours; its compilation took only about half as much time.

Having entered what is proudly called The Information Age, neither the Government nor the private sector can afford to make crucial decisions while groping in the dark. It will take our automobile industry four years to tool up to produce an up-to-date car. It will take America at least as much time and effort to close the economic-information gap. Let us not postpone that task any longer.●

ELLA GRASSO

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. CORRADA. Mr. Speaker, I would like to join my colleagues today in paying tribute to Ella Tambussi Grasso.

Governor Grasso's life was marked by both a distinguised public career as a State legislator, a Member of Congress, and finally Governor of the great State of Connecticut, and also by her dedicated service to the people of that State.

I never had the pleasure of serving with Mrs. Grasso in the House of Representatives, but I am aware of her record here and particularly as Governor, where she showed great compassion and understanding of the very real problems encountered by the large Hispanic population of Connecticut, many of whom are Puerto Ricans.

Many times I have met with Puerto Ricans residing in that great State and without exception they always spoke very warmly of Governor Grasso and of her involvement with the Hispanic community.

Mr. Speaker, I would also like to take this opportunity to extend my condolences, and those of the people of Puerto Rico, to Mr. Grasso and the rest of the family.●

DR. WLADISLAW KOLAKOWSKI: FIRST AMERICAN KNIGHTS OF MALTA GRAND CHANCELLOR

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, today I would like to bring to the attention of this body the achievements and unique person of one Dr. Wladislaw Kolakowski. Dr. Kolakowski is a longtime resident of the Long Island community of Great Neck. On May 8, 1973, Dr. Kolakowski was given deserved tribute in this body when he received the Grand Cross of the Eloy Alfaro International Foundation of the Republic of Panama. He was awarded this because of his publication that year of the world renowned "Copernicus Portfolio," which celebrated the 500th anniversary of that great scientist's birth.

Now is a special time for Dr. Kolakowski. In January of 1980 he became the first American Knight of Malta to hold the position of International Grand Chancellor of the Knights of Malta Hospitallers—the third highest office in this ancient and respected order.

I would like to bring to the attention of this body, Mr. Speaker, an article that appeared in the January 10, 1980, issue of the Long Island Catholic. But before I submit this article, Mr. Speaker, I would like to offer a brief explanation of the Knights of Malta that will give the greater, historical overview of the organization that Dr. Kolakowski is such an important member of.

The brief explanation and the article follow:

A BRIEF EXPLANATION OF THE KNIGHTS OF MALTA

THE COMMON MAN FOR UNCOMMON ACHIEVEMENTS

This organization is a unique international organization. While it is primarily a charitable public foundation, it is also a sovereign international entity. The history dates back to 1048 and the time of the crusades. As time has passed the military aspects of the order have been reduced to ceremonial in nature and emphasis has been placed upon the hospitaller functions. Distinguished men and women of all races and creeds are eligible for the honor of investiture as Knights or Dames of the Order.

The Knights of Malta is a hospitaller, dynastic, lay order of universal brotherhood and knighthood. As regards the sovereignty, the Order is a juridical person, subject to inalienable and inviolable international rights, engaging in legislation, administration and jurisprudence. The Order is organized in territories of the states where it is constituted publicly in prior federal corporate consulates. This form merely facilitates doing business within those states and does not constitute forfeiture of the sovereignty of the Order, as established by the Supreme Court of the United States of America in 1794 and 1821 and by the approvals of Popes Gregory XII in 1581, Pius VII in 1818, Leo XIII in 1879, 1893, 1896, and John Paul II in 1978 and 1979.

The Knights of Malta has as issue and supreme purposes the hospitaller assistance, asylum and charity, relief of the suffering of humanity and continuing the traditions which have stood for centuries: science, faith, moral justice, social order and peace.

A large number of countries recognize the Knights of Malta Hospitallers Order, and between these and the Order, exist full diplomatic relations.

GRAND CHANCELLOR OF KNIGHTS OF MALTA

GREAT NECK.—Dr. Wladislaw Koscisza-Kolakowski, who lives here with his wife, is the first American ever to hold the position of International Grand Chancellor of the Knights of Malta Hospitallers—the third highest office in the ancient order.

Dr. Kolakowski (whose doctorate is in business administration) has been a member of the Knights of Malta since 1948.

The history of the Knights of Malta dates back to 1048 and the time of the crusades. It was originally founded as the Order of St. John of Jerusalem to care for the needs of pilgrims to the Holy Land who fell ill in foreign lands. Later, more military aspects developed.

Dr. Kolakowski proudly notes that he is associated with "the oldest section—the hospitallers" and has nothing to do with the military tradition.

He explained that the order is currently involved with charitable works in many countries, particularly those which have to do with health care and education.

Selection of members, which he described as "difficult but possible," is based on the individual candidate's history of philanthropy or contributions to humanity.

"When candidates come to us and want to belong to us, we look at what they represent," he said. Substantial donations are generally also required.

Traditionally candidates were also required to submit evidence of nobility in their family trees, at least to attain certain ranks within the order. Dr. Kolakowski said such distinctions still remain within the military tradition of the order, but not among the hospitallers.

"With us, it is helpful (to be of noble heritage)," he said. "Why not?" His own family coat of arms is proudly displayed. "But we have some very nice people" who do not boast noble lineage, he said, and there is no discrimination against them.

Nor, he said, does the order discriminate because of sex (there are Dames as well as Knights of Malta, whose candidacies are considered on their own merits), race, or creed, despite historically close ties with the Catholic Church.

"We are very cooperative with any one who does good," Dr. Kolakowski said.

The Knights of Malta have special status as a sovereign international entity, recognized as such by many countries. Dr. Kolakowski has a diplomatic passport; the order is organized into consulates in the various territories where it is established. There are currently between 8,000 and 9,000 members, with offices in 14 countries.

Dr. Kolakowski, who has been grand chancellor for just over one year, holds his appointment for life.

Membership in the Knights of Malta has been traditional in his family for generations, he said, brushing aside the assumption that the appointment was the result of his own years of service to the order.

He said he's just beginning to find his way around the job, and in the process of moving the grand chancellory to the U.S. from Rome. Coincidentally the grand master has also moved to California, so the base for the international order will be in the U.S.

Knights and Dames of Malta are recognizable at official Church functions by their choir dress, which consists of a black cape emblazoned with the eight-pointed cross of Malta. White capes are worn at other functions; ceremonial swords are also used.●

H.R. 1817

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. O'BRIEN. Mr. Speaker, the steel industry of the United States is in a struggle for its very existence. It faces stiff competition from foreign firms which enjoy significant support from their own governments. Its most crucial problem now is productivity. Due to layers upon layers of costly regulations and redtape, the American steel industry has been unable to fully modernize its plants. To help them modernize their plants and thus improve their productivity, Mr. BENJAMIN and I have introduced H.R. 1817, the Steel Industry Compliance Extension Act of 1981, which has the backing of both labor and management.

The Steel Tripartite Committee was formed several years ago as part of a program designed to assist in the revitalization of the steel industry. The Tripartite Committee studied various steel industry problems and made recommendations for potential areas of relief. One of those areas of concern had to do with environmental regulations. It is felt that additional time should be provided for the steel industry to comply with the Clean Air Act deadline. After meetings among representatives from industry, EPA, the United Steel Workers, and environmental groups, the conditions and limitations for a 3-year stretchout on steel industry air pollution control expenditures were agreed upon. Subsequently, H.R. 1817 would allow for full compliance no later than December 31, 1985.

The principle behind the 3-year stretchout amendment is to insure steel industry compliance with the Clean Air Act in a manner that would also provide for needed modernization of production facilities. This would result from financing such improvements with funds that otherwise would have to be spent on construction necessary to meet the December 31, 1982, Clean Air Act deadline.

Under present rules a company must initiate construction plans now because construction of facilities usually takes about 1½ to 2 years. Money must be committed soon in order to meet the 1982 compliance date. Thus, any money that could be utilized for modernization will be lost if this amendment is not adopted.

Because of the limited time available to the steel industry to meet the present Clean Air Act deadlines, it is essential that immediate action be taken on this bill. Timing is of the utmost importance.

H.R. 1817 addreases the concerns of the steelworker, EPA, and environmentalists. Among these are the following:

First, the company will be granted relief only at the discretion of the EPA Administrator.

Second, there must be an enforceable consent decree in all cases in which relief is granted covering control facilities as well as production facilities scheduled for modernization.

Third, safeguards to insure no air quality degradation problems will result from the stretchout, will be signed by agreeing parties—EPA and the steel plant owners.

Fourth, assurances that the company has the capability to meet the conditions of the agreement, thereby avoiding the potential of any delays beyond 1985, will also be made.

This bill is an important step in the revitalization of an industry that is the economic backbone of our Nation. The benefit of this proposal has been recognized by all parties and specifically enforced by the previous administration. During the Presidential campaign, President Reagan announced a four-point plan to revitalize the steel industry which specifically included stretching out the time period for further air pollution cleanup.

I urge my colleagues to join us in helping this battered industry get back on its feet. Improved modernization, productivity, employment, and energy savings will be the result.●

ACLU LIES ABOUT THE MORAL MAJORITY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. McDONALD. Mr. Speaker, with a "Big Lie" technique that might have brought a blush of embarrassment to even the muckslingers of Hitler's Third Reich, the American Civil Liberties Union has launched smear attacks on the Moral Majority organization in hopes of raising money.

The Moral Majority opposes exposing our children to corrupting pornography, supports allowing voluntary prayer in public schools, and opposes laws and policies that attack the integrity of the family. That is sufficient for the ACLU to throw about scare words like "nightmare," "dangerously deceptive," "alarming," and to assert that the Moral Majority's "kind of 'patriotism' violates every principle of liberty that underlies the American system of government."

The truth is that the framers of the Constitution would feel very much at home with the members of the Moral Majority and aghast at the extremist, anarchistic excesses of the campaign launched by the ACLU attackers. The ACLU for some 60 years has fought to banish the mechanisms of representative government designed to protect the United States from its foreign and domestic enemies. And ACLU has been a consistent opponent of public expressions of traditional American moral, ethical, and religious values in the education of children.

Cal Thomas, the Moral Majority's vice president of communications, answered the ACLU smears in the December 15, 1980, issue of "The Moral Majority Report." His response to 19

charges and allegations by the ACLU appear below, so that those of us in this Congress can judge the relative merits of the two positions on the issues.

The article follows:

ACLU 1. The Moral Majority—and other groups like them—think that children should pray in school. Not just their children. Your children.

MM 1. We have never said children should be forced to pray in school. We do believe children should not be prohibited from praying corporately. We also believe children who do not wish to pray should be excused from doing so, much as the Jehovah's Witnesses are exempted from pledging allegiance to the flag.

ACLU 2. They want their religious doctrines enacted into law and imposed on everyone.

MM 2. That is not true. We believe in the separation of church and state, but we also believe that cuts both ways. The free exercise of religion means God cannot be discriminated against because he happens to be God.

ACLU 3. If they believe that birth control is a sin, then you should not be allowed to use contraceptives.

MM 3. Moral Majority has never taken a position on birth control.

ACLU 4. If they believe that abortion is wrong, then you should not be allowed to have one.

MM 4. Yes, we do believe abortion is the taking of innocent human life and there is no such thing as a "safe" abortion. It is never safe for the child and sometimes not safe for the reluctant mother. We favor abortions only to save the mother's life.

ACLU 5. If they believe that the Bible condemns homosexuality, then the law should punish homosexuals.

MM 5. That is false. We favor civil rights for homosexuals but oppose those who choose to live a homosexual lifestyle from receiving treatment as a minority group, as if they were members of a legitimate minority such as black persons.

ACLU 6. If they believe that a man should be the breadwinner and the divinely appointed head of the family, then the law should keep women in their place.

MM 6. That is grade A baloney and the ACLU knows it. We support full equal rights for women, though we believe ERA is the wrong way to bring it about.

ACLU 7. If they are offended by the ideas in certain books, then the law should ban those books from your libraries and schools.

MM 7. Why is it that moral persons are attacked for opposing the secular humanism, evolution and situational ethics taught in many textbooks, yet those who would tear down our values are defended in the name of "academic freedom"?

ACLU 8. And like Joe McCarthy, they believe that anyone who disagrees with them should be barred from teaching in the public schools.

MM 8. Joe McCarthy? C'mon now, ACLU. Aren't you guilty of using the fear tactic here which you think we use and for which you condemn us? We have never suggested barring teachers who disagree with us from schools. Who is your researcher? He/she is over paid.

ACLU 9. These new groups are on the march and growing stronger each day. Their agenda is clear and frightening: they mean to capture the power of government and use it to establish a nightmare of religious and political orthodoxy.

MM 9. We have always opposed a theocracy and seek no power for ourselves. We are just addressing principles and will continue to do so.

ACLU 10. And they are dangerously deceptive. They appear to represent American patriotism because they wrap themselves in the American flag and use words like "family" and "life" and "tradition".

MM 10. We are deceptive? And what is the ACLU? They say the words we use, "family", "life" and "tradition", are deceptive. No pro-moral person thinks so. What about the pro-abortionists (such as the ACLU) who use deceptive words such as "pro-choice", "product of conception" and "postpregnancy contraception" to obscure the killing of the unborn?

ACLU 11. In fact, their kind of "patriotism" violates every principle of liberty that underlies the American system of government. It is intolerant. It stands against the First Amendment guarantees of freedom of expression and separation of church and state. It threatens academic freedom. And it denies to whole groups of people the equal protection of the laws.

MM 11. We violate no principles of liberty and seek only to exercise the rights that are ours under the Constitution. The ACLU's real problem is they don't like our agenda.

ACLU 12. Make no mistake about it: the new evangelicals are not a conservative movement. True conservatives place great value on the Bill of Rights—a time-tested document designed to guarantee individual rights by limiting the powers of government.

MM 12. So we're not true conservatives, huh? Thank goodness we don't have to rely on the ACLU for a definitive word on the meaning of a "true" conservative. Certainly it wouldn't be a person who agrees with the ACLU!

ACLU 13. In fact, the new evangelicals are a radical anti-Bill-of-Rights movement. They seek not to conserve traditional American values, but to overthrow them. Their agenda represents massive government intrusion. And conservatives as well as liberals should stand up against them.

MM 13. Baloney!

ACLU 14. These groups have already had alarming success. They have been pivotal in blocking passage of the E.R.A. in fifteen states. Public school boards all over the country have banned books and imposed prayer and other religious ceremonies. State legislatures have begun placing increasingly severe restrictions on a women's right to have an abortion. And there is mounting pressure to pass laws requiring the teaching of the Biblical account of creation as an alternative to evolution.

MM 14. What is alarming about success? Public school boards have not imposed prayer and other religious ceremonies, and the ACLU knows it. Why shouldn't Biblical creation be taught as a valid "theory"? Why the prejudices against Creation when the scientists can't even prove their own theories scientifically?

ACLU 15. They have grown into a rich and powerful force in this country.

How rich? In a week, the Moral Majority raises a million dollars with its television program.

MM 15. MM raised a little more than $2.2 million this entire year (1980). We wish we did take in $1 million a week. We could do more. We do not have a Moral Majority TV program.

ACLU 16. How powerful? In the last election, key members of Congress were successfully targeted by them for defeat, because of their positions on abortion, E.R.A., and other civil liberties issues.

MM 16. We have never and will not target individuals for election or defeat.

ACLU 17. And the head of the Moral Majority promises more of the same. At a press conference a week after the election, he warned elected officials, both Republican and Democrat, to "get in step" or "be prepared to be unemployed."

MM 17. The ACLU is confusing us with Paul Weyrich of the Committee for the Survival of a Free Congress, who made this statement. We did not even have a representative at the press conference.

ACLU 18. For 60 years, the American Civil Liberties Union has been the organization that protects the Bill of Rights. As former Chief Justice Earl Warren wrote:

"The ACLU has stood foursquare against the recurring tides of hysteria that from time to time threatened freedoms everywhere . . . Indeed, it is difficult to appreciate how far our freedoms might have eroded had it not been for the Union's valiant representation in the courts of the constitutional rights of people of all persuasions, no matter how unpopular or even despised by the majority they were at the time."

We've been there in the past and we'll be there in the days ahead. We will meet the anti-Bill-of-Rights forces in the Congress, in the courts, before state and local legislatures, at school board hearings. Wherever they threaten, we will be there—with lawyers lobbyists, staff and volunteers—to resist their attempts to deprive you of your liberty and violate your rights.

MM 18. The arrogance of ACLU is incredible. One might as easily be "frightened" and "alarmed" by ACLU views.

ACLU 19. The ACLU, like the Moral Majority, depends on individual contributions. But they raise more money in a few weeks than we raise in a year.

Already there is talk of constitutional amendments that would impose prayer in the public schools and outlaw all abortions. And legislation has been introduced that would strip federal courts of their authority even to hear constitutional cases.

In the Senate, Strom Thurmond will now chair the Judiciary Committee, which controls most legislation affecting the courts and the Constitution. Senator Thurmond favors repeal of the Voting Rights Act of 1965, and has announced his support of much of the Moral Majority's program. He has actively opposed civil rights and civil liberties for thirty years. Now he may prevail.

We are facing a major struggle over the Bill of Rights. This struggle does not involve the question of whether the Moral Majority and other groups like them have the right to speak. They do, and we would defend that right. Even those who oppose the Bill of Rights are protected by the First Amendment. The danger lies in the content of their views, not in their right to express them.

Nor is it a question of partisan politics. There have been shifts of power from one party to another before. That is not what concerns us. The American Civil Liberties Union is non-partisan and does not endorse or oppose candidates for public office. But we will make certain that, whatever other changes may occur in the political arena, the Constitution does not become a casualty of the new order.

We can only be as strong as the number of people who support us. Ultimately, the protection of your rights depends not on legislatures, not on who gets elected President, not even on the courts. It depends on individual citizens, aware of the fragility of liberty, alert to the forces that imperil it, and are prepared to give of themselves in order to preserve it.

In the past, when the Bill of Rights was in danger, enough people recognized the threat, and came together in time to repel it. Such a time has come again.

It is up to you to assure that the Bill of Rights will be passed on intact to the next generation.

Please send us your contribution before another day passes. Without your help, we don't have a prayer.

MM 19. Why does MM raise more money than the ACLU? Why do people buy one product over another? Because it performs better. They believe in the product on which they spend their money. Americans have proved their dislike for dirty tricks, lies and misrepresentation of facts, so the intent of ACLU's money-raising ad will be crystal clear to all who read it. The ACLU is hurting financially because it is out of step with the rest of the country.

If the ACLU has been a champion of minority rights, they should have supported us when we were under-represented in our government. Now they are suggesting that the majority should rule. They think they are the majority. But the real majority is pro-moral, and the real majority voted out those whose programs and platforms have nearly run the country into the ground.

We hope the ACLU raises enough money to survive. It would be a shame to deprive newspapers of the income from such full-page ads.●

THE CAPTIVE STATUS OF LITHUANIA

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. MOORHEAD. Mr. Speaker, I would like to take a moment, as many of my colleagues have done this month, to recognize the captive status of Lithuania and the campaign of the Lithuanian American community to change that status.

At the beginning of World War II, the Soviet Union, exercising its flawed penchant for geographical greed, imposed forced occupation on Lithuania.

It was a classic demonstration of a large nation unjustly and immorally stealing the freedom and independence of a small nation. It was a nation of might, lacking the restraints of civilized entities, crushing a weak nation.

But if Lithuania lacked military might, the nation and its people have since demonstrated uncommon courage and determination in their quest for freedom.

I urge the new administration to pursue with renewed vigor a policy that continues to recognize the diplomatic corps of an independent Lithuania and to continue its policy of nonrecognition of the Soviet's annexation of the Baltic State.

We cannot and will not forget these brave people and their equally valiant quest for liberty and independence.●

PROBLEMS OF PUBLIC HOSPITALS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. RANGEL. Mr. Speaker, the operational difficulties of hospitals have changed drastically in the past decade. Health care costs have been rising before medicare, medicaid, and peoples ability to pay. This has created a difficult situation for many hospitals because it has forced them to rely on other revenues, such as charitable contributions and endowment funds to stay afloat. This problem of hospital revenues is of grave concern to me because I have seen needed facilities threatened by lack of adequate resources, endangering the health of the people served by these institutions. I encourage my colleagues to read the remarks which I insert into the RECORD, of Joseph V. Terenzio, president of the United Hospital Fund of New York, where he discusses these issues:

REMARKS OF JOSEPH V. TERENZIO

The environment in which hospitals in New York City operate has undergone profound change in the last ten years, and they have had to cope with powerful and sometimes conflicting forces within the environment. The beginning of the decade saw full impact of Federal programs for financing the health care of the aged and the poor, programs that had been enacted near the end of the previous decade. However, many of the limitations and problems of these programs with which we are now familiar became apparent only after they had been underway for several years. Mandated health planning (administered by the Health Systems Agencies and the State Health Planning and Development Agencies) and utilization review (administered by the Professional Standards Review Organizations), were put into place in part to address the unforeseen escalation in the Federal health care budget. Both of these have directly affected hospitals' daily operations.

The changing role of medicine in our society has also had an important impact upon the environment which I describe. Progress in biomedical research and the development of new technology and treatment forms have been accompanied by increased awareness of the limitations of medicine. A legacy of success in medical and surgical intervention has been met with an intensified discussion of biomedical ethics. New cures have raised the expectations of patients, but other methods, some unorthodox and unproven, are also receiving a great deal of our attention. Within the medical community itself, many surgical and diagnostic procedures are being reviewed and reevaluated. Medical manpower issues are also being subjected to a rigorous reevaluation. We began the decade with medical schools expanding rapidly to reduce a perceived shortage of physicians, and it closes amidst dire forecasts of an impending oversupply.

Most significant for the hospitals, however, has been the austere economic climate that has evolved. Health care costs had been rising before Medicare and Medicaid, but these programs seem to have both exacerbated the trend and transformed what had previously been largely a private sector matter into an issue of government policy. The costs of the programs are being felt in different ways. Although Medicare and Medicaid provided a promise of care for those least able to pay, their escalating expenditures have engendered limitations on coverage and stringent reimbursement methods for the providers of services.

Therefore, it is becoming clear that the rapidly rising costs of medical care, on the one hand, and limitations on society's ability or willingness to pay for this care, on the other, have created a difficult situation for many hospitals, particularly those in New York City. In an effort to curb public expenditures for the Medicaid program, eligibility standards have been tightened and the cost of treating the "medically indigent" has been shifted, by default, to the individual hospitals.

Concurrently, methods for reimbursing hospitals were changed from a method of cost-based retrospective reimbursement to a new reimbursement system which sets rates prospectively. These changes were coupled with peer group ceilings for similar hospitals established to further restrict reimbursement rates, penalties for occupancy rates that fell below specified standards, and limitations imposed on reimbursement for ambulatory care services.

All of these developments have combined to result in substantial financial difficulty for hospitals in New York City, as evidenced by increasing operating deficits and many closures. According to a recent study by Alpert and Krasner, "in 1974, at least 26 voluntary hospitals experienced deficits totaling $39 million. By 1978, the number of hospitals with deficits had grown to 38, and the aggregate value of deficits had reached $77 million." Among the voluntary hospitals that are members of the United Hospital Fund, over 95 percent suffered operating deficits in 1979, and a third of all the member hospitals had deficits of eight percent or more. As a former hospital administrator and Commissioner of Hospitals for the City of New York, I find these trends especially disturbing, because these facilities are survivors of a period during which many other hospitals closed their doors.

Equally distressing to me are the various ways many of these hospitals are surviving despite continuing operating deficits. All too often, in my opinion, they have relied upon other revenues, such as charitable contributions, endowment funds, and depreciation funds, to supplement operating revenues. Obviously, dependence on these sources of revenue is merely a desperate short-term solution with ominous long-term ramifications. We are using the system's future to pay for its daily costs. Although philanthropy can help to mitigate hospital deficits, its role has declined substantially in recent years. Despite increases in the dollar measure of contributions, philanthropy now provides less than one percent of hospital revenues in New York City. Similarly, the value of endowment funds has decreased almost 60 percent over the past decade, when adjusted for inflation. In addition to resorting to the use of endowment funds, many hospitals have had to survive in the short run by diverting funds earmarked for the replacement of depreciating plant and

equipment. The effects of these activities are not always immediately apparent; however, I can assure you that indefinite continuation of this kind of financing seriously threatens the viability of our hospital system in New York City.

The publication which you have been given today, "A Decade of Change in New York City Hospital Services," is a compendium of information which describes hospital operations in New York City in recent years. These data are presented in a series of graphs, maps, and tables, and are accompanied by concise narrative. Together, these data reflect some of the problems which have confronted hospitals during this period, as well as trends toward improving the efficiency of health care delivery.

I would like to highlight for you a few of the findings of this study which I find to be particularly interesting:

Thirty-three hospitals in New York City have closed since 1969.—This dramatic 27 percent rate of closure undoubtedly has created hardships for communities, hospital employees and physicians. However, the 10 percent reduction in the number of hospital beds in the same period was generally consistent with national health planning objectives and guidelines. These guidelines were intended to reduce health care expenditures by tightening the supply of hospital beds and encouraging alternative and less expensive forms of treatment.

The average length of stay in New York City hospitals over the past ten years has declined.—As the number of hospital beds decreases, the alternative forms of care increase, and as reimbursement ceilings are imposed, hospitals are encouraged to handle increasingly difficult episodes of illness expeditiously, by more efficient scheduling of diagnostic and therapeutic procedures. Increased occupancy rates, also experienced in New York City since 1969, were similarly fostered by the reduction of beds and may also imply a more efficient use of resources.

The number of patient visits to hospital outpatient departments in New York City has increased by nearly a third from 1969 to 1979.—One reason for this increased dependency on hospital-based ambulatory care has been the 45.5 percent decrease in the local supply of general practitioners in office-based practices in New York City over the same period.

Emergency room visits in New York City hospitals also increased significantly in number during this same ten-year period, adding further to the role our hospitals have been called upon to play in providing ambulatory care for their communities.

Since 1969, the proportion of New York City's hospitals under voluntary auspices rose to fully two-thirds of all hospitals, and to an even larger percentage of total hospital beds available.

The report from which these observations arise provides information not only for general care hospitals aggregated into New York City as a whole, but also features chapters which provide information on each borough within the City and the individual hospitals serving those communities, as well as for two Congressional Districts which extend beyond the City's boundaries. Included in the Appendix to the report are the data upon which the graphics and narrative throughout the report are based.

This report clearly illustrates the substantial changes in hospital services that have occurred over the past decade. Unfortunately, the impact of these changes cannot be fully documented in a report such as this. What is apparent, however, is that because of the dynamic nature of the health care environment and the potential for social and policy changes to have unforeseen consequences, careful and continuous monitoring of the situation is necessary. The intent of this report is to provide a basis for evaluating the effects of programs introduced in the past and to serve as a foundation and stimulus for informed consideration and discussion of health care policies for the future.

It is for this reason that I am pleased to present you with "A Decade of Change in New York City Hospital Services." This document will add to your resources of information on New York City hospitals and health care environment. It represents another example of the United Hospital Fund's expanding portfolio of data and publications which, I believe, can provide information of special interest to you. If you have any comments or suggestions for future special studies or reports that would make our services more useful to you, please feel free to contact me or my staff.●

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE AND NURSE TRAINING AMENDMENTS OF 1981

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. WAXMAN. Mr. Speaker, today I am introducing H.R. 2004, the Health Professions Educational Assistance and Nurse Training Amendments of 1981.

I am especially pleased to introduce this bill since it is virtually identical to the health professions education bill—H.R. 7203—passed by the House in September by a vote of 368 to 8. Although the Senate also passed a health professions bill last year, it was not possible to reach agreement on all of the many provisions during the postelection session. As a result, health professions legislation is again on our agenda.

In introducing this bill, I want to stress that this bill was the product of extensive deliberations last year. Those considerations produced a consensus that this bill provided a sound and balanced health professions policy for the Nation. But while I believe this is a good bill, I do not expect the 97th Congress to endorse all of its provisions without revision. I anticipate further review of the student assistance, project support, nurse training, and National Health Service Corps programs, and the many other provisions in the bill. Many individuals and organizations will have suggestions on how to improve the bill. New members of the Subcommittee on Health and the Environment will bring their own views on how to shape these important programs. Thus, the introduction of this bill is only the beginning of a process that I hope will lead to the enactment of strong health professions legislation later this year.

H.R. 2004 reauthorizes the Federal health professions and nurse training programs for fiscal years 1982 through 1984. It revises the health professions authorities for the first time since 1976. Since 1976, the Nation's health professions priorities have changed and Federal budget constraints have tightened. H.R. 2004 tailors our health training programs to fit the new priorities and constraints.

H.R. 2004 includes major provisions in six areas:

First, the bill extends the nurse training authorities for 3 years. This extension insures that the Federal Government will do its share to alleviate the shortage of nurses that we have heard so much about. In particular, the bill supports nurse training by: Continuing direct support for schools of nursing with increased emphasis on assistance to the 2- and 3-year schools which train bedside nurses; authorizing special project grants to communities with the greatest shortage of nurses; and assisting working nurses to return to school to upgrade their skills and improve their professional status.

Second, the legislation provides financial assistance to health professions students. Student assistance is especially important at a time when the cost of education continues to increase. The bill extends the health professions student loan program, the exceptional financial need scholarship program, and the health education assistance loan—or HEAL—program. Together with the guaranteed student loan program, these programs assure that adequate funds will be available to health students in coming years.

Third, the bill phases out capitation grants to health professions schools over the next 2 years. This reduction responds to concerns about the continued need for institutional support. Federal expenditures are reduced in an orderly manner while the schools are provided adequate time to make necessary financial adjustments.

Fourth, the bill maintains the current efforts to develop area health education centers and the National Health Service Corps. The geographic distribution of physicians and other health professionals continues to be an important problem as many rural communities and inner-city neighborhoods do not have adequate numbers of health care providers.

In revising the statutory authority for the Corps, the bill assigns a greater role to physicians entering the private practice of medicine and allows professionals to be directly employed by local service programs. These provisions will both reduce direct Federal costs and increase the retention of professionals by these communities.

Fifth, the bill extends and revises assistance for primary care training. The number of family practice and other primary care residency programs has increased significantly over the past decade. Federal assistance has played a major role in this development. The bill continues the Nation's commitment to this important trend.

Sixth, the bill extends and strengthens the program of educational assistance to students from disadvantaged backgrounds. The number of these students enrolled in the health professions schools has not increased over the past 5 years. Goals set in early years have not been met. The bill encourages further efforts in this area. It continues assistance to Meharry Medical College and other minority health professions schools.

H.R. 2004 also revises and extends assistance to physician assistant, public health, health administration, and allied health training programs.

An important issue associated with this bill is the appropriate level for the authorizations for the health professions and nurse training programs for the next 3 years. The amounts provided in this bill are an attempt to set a reasonable balance between the sums necessary to maintain important existing programs and budget constraints. They are substantially less than authorizations for fiscal year 1980.

In conclusion, I would reiterate my hope that this bill can serve as the basis for subcommittee reconsideration of health professions training legislation. It is the product of extensive consideration last year. It can serve as a starting point for further deliberations this year.

The Subcommittee on Health and the Environment will initiate its consideration of the renewal of the health professions education and nurse training authorities with hearings on H.R. 2004 and all similar bills at 9:30 a.m., on Monday, March 2, in room 2322 of the Rayburn Building. At that time the subcommittee will hear from many of the organizations and individuals with special interest and expertise in health professions education and nurse training. Further information on these hearings, and other subcommittee activities, is available at the subcommittee office, 2415 Rayburn House Office Building, or by phone at 225-4952. Information on last year's deliberations on health professions education is available in the record of last year's hearings: "Health Professions Educational Assistance and Nurse Training Act of 1980" (Committee on Interstate and Foreign Commerce; serial No. 96-148) and in the committee report on H.R. 7203 (H. Rept. 96-978).●

A TRIBUTE TO AMBASSADOR AMORY HOUGHTON

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. LEE. Mr. Speaker, colleagues, I am deeply saddened today to bring news of the passing of a great American, Ambassador Amory Houghton, a lifelong resident and a moving force of Corning, N.Y., the city where I grew up and the city where today many of my constituents make their living.

Ambassador Houghton may best be remembered by American and international figures for his contributions to world stability and betterment as President Dwight Eisenhower's U.S. Ambassador to France during the years 1956-61. His service in France led the Government of that nation to award him the Grand Cross of the Legion of Honor. Yet his contributions were broad and meaningful beyond diplomatic circles.

During the years of World War II, Ambassador Houghton added to his role of the leader of a growing industrial giant—the Corning Glass Works—the many jobs of a selfless public servant. He used his expertise in industrial matters to help America and its Allies win that war by serving on the War Production Board and as Chairman from 1943 to 1945 of the U.S. Mission for Economic Affairs in London. Ambassador Houghton virtually never refused his country either his time or his talents. He was the very image of a statesman and world mover.

The Corning Glass Works was by no means a cottage industry when Ambassador Houghton joined the family in its employ in 1921. The Ambassador's great-grandfather, also named Amory, founded the business in 1851 and it was moving well when the Ambassador took the helm as president in 1930. He become chairman of the board of directors in 1941, chief of the firm's executive committee in 1961, and honorary board member in 1964 and, in 1971, received the title of chairman emeritous, the position he held until his death Saturday at the age of 81.

From the moment Ambassador Houghton assumed the leadership of his firm, its performance bedazzled the American industrial scene. During the period of his direction, the Corning Glass Works grew into a multibillion dollar enterprise and a multinational economic force. While America's gross national product multiplied six times—in the years of the greatest productivity growth this country has ever known—the Corning Glass Works multiplied its sales worldwide 32 times. Employment multiplied within the glass works family tenfold.

Mr. Speaker, when I call the glass works' employees a family, that is exactly what I mean. We hear much today in national economic circles of the need for improved relations between employers and those who work for them, yet the Corning Glass Works has always exemplified the perfection of an employer-employee relationship because of the Ambassador's influence. While the firm grew from a few hundred persons to many thousands, the Ambassador could be counted on to walk frequently through its plants and call each employee by his or her first name, to be familiar with their families and sincerely interested in their well-being. The same was true of the community which the Houghton family chose to hold its industry, Corning, N.Y.

The Corning Glass Works virtually rebuilt the city of Corning following a devastating flood in that community in June of 1972. It provided homes, community-use buildings and badly needed funds for both company and noncompany families following that disaster, even while suffering millions upon millions of dollars loss itself. The force of the Ambassador, and the sense of service and dedication to community and its family of employees which he instilled upon his family which still maintains the helm at the Corning Glass Works, was responsible for the profile which is held in the highest esteem there.

Finally, Mr. Speaker, I note that the Corning Glass Works of the late Ambassador has continued to be a contributor to this Nation's advancement. In the form of the Sullivan Park Research Center in Corning—the world's largest and most advanced glass and ceramics research facility—the work for America continues. Every American space probe has been fitted with highly specialized window glass from Corning and countless national security measures utilizing this most versatile substance continue to come from Corning. Its new, bright, museum of glass draws travelers from around the world. The family the Ambassador gave such attention to thrives in Corning and in facilities around the world.

Today I add my symphathies on the loss of this great American to those of the Houghton family and the larger family of employees of the Corning Glass Works and the city which he loved. This Nation has lost an important and very great citizen with the passing of Ambassador Amory Houghton.●

79-059 O 1984 — 85 — (Vol. 127 Pt. 2)

INTERSTATE TAXATION

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. CONABLE. Mr. Speaker, on several occasions Congress has attempted to wrestle with the subject of interstate taxation. In the last Congress Mr. JONES of Oklahoma and I introduced legislation which addressed the two aspects in that area which have become the leading edge of complaints and abuses. H.R. 5076 would have limited the use of that method of corporate tax assessment used by only a few individual States known as the worldwide combined reporting system. It also would have conformed the State rules for taxation of dividends received by domestic corporations from foreign subsidiaries to those of the Federal Government as to the quantity of the foreign source dividends which are taxed by the States. An identical bill, S. 1688, was introduced in the Senate by Senator MATHIAS.

Very complete hearings were held in both Houses of Congress. The records of the March 31, 1980, hearings of the Committee on Ways and Means on H.R. 5076 and of the hearings of the Senate Committee on Finance, Subcommittee on Taxation and Debt Management Generally, of June 24, 1980, on S. 1688 provide voluminous support for this type of legislation.

I am today introducing a bill for myself and Mr. JONES which is the same as H.R. 5076 except that minor revisions have been made to take into account technical comments of the Treasury Department and the Joint Committee on Taxation made during last year's hearings.

This legislation is consistent with principles of international taxation. The U.S. Government and virtually all other governments in the world determine taxable income on the basis of what are arm's-length transactions between related companies. The Organization for Economic Cooperation and Development, of which the United States is a member, has included the arm's-length standard in its Model Income Tax Convention. The "1974 Guidelines for Tax Treaties Between Developed and Undeveloped Countries," prepared under the auspices of the United Nations, and approved by this country, adopts the same principle.

The passage of this legislation will assure that the United States speaks with one voice regarding taxation of foreign source income and will relieve both United States and foreign-based businesses of the unfair and unjustified tax burden imposed by a small minority of States.

This legislation will increase corporate, commercial, and industrial investment in the United States by removing the obstacle of the worldwide combined reporting system which exposes worldwide and unrelated lines of business of corporate affiliates to the threat of such unfair methods of taxation. Increased job opportunities will result. It would also remove the threat of multiple taxation and retaliatory taxing methods by other governments that could place U.S. corporations at a disadvantage when competing in worldwide markets.

The purpose of the section of the bill regarding dividends paid to U.S. corporations by their affiliates overseas is to provide that a State may not tax a greater portion of the dividend than the Federal Government effectively taxes. Under general principles of State taxation, a State is only entitled to tax that part of a corporation's income which has been generated by that State's economy. Thus, properly States should not tax foreign source business profits or dividends paid from those profits of a corporation not doing business in those States. This legislation does not go that far, but imposes only a reasonable limitation parallel to the Federal system. It would permit States to tax foreign source dividends to the extent that the Federal Government effectively taxes those dividends after taking into account the foreign tax credit.

I urge all my colleagues to closely examine this bill and to review the record established last Congress in support of it. I am hopeful that we can move expeditiously to provide the uniformity in this one area of international taxation that is so badly needed. I ask unanimous consent that the text of the bill be reprinted in the RECORD.

H.R. 1983

A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 77 of the Internal Revenue Code of 1954 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"SEC. 7518. INCOME OF CORPORATIONS ATTRIBUTABLE TO FOREIGN CORPORATIONS.

"(a) IN GENERAL.—Where two or more corporations are members of the same affiliated group of corporations—

(1) for purposes of imposing an income tax on any corporation which is a member of such group, no State, or political subdivision thereof, may take into account, or include in income subject to such tax, any amount of income of, or attributable to,

(2) any other corporation which is a member of such group and which is a foreign corporation, unless such amount is includable in the gross income of the corporation described in paragraph (1) for purposes of chapter 1 (including any amount includable in gross income under subpart F of part III of subchapter N of chapter 1) for the taxable year in which or with which the taxable period (for purposes of State or local law) ends.

"(b) INCOME TAX DEFINED.—For purposes of this section, the term 'income tax' means any tax which is imposed on, according to, or measured by income.

"(c) AFFILIATED GROUP DEFINED.—For purposes of subsection (a), the term 'affiliated group' means a common parent corporation and one or more chains of corporations connected through stock ownership with such common parent corporation.

"(d) CERTAIN CORPORATIONS TREATED AS FOREIGN CORPORATIONS.—For the purpose of this section, a domestic corporation shall be treated as a foreign corporation if under section 861(a)(2)(A) a dividend received from such corporation in the taxable year referred to in subsection (a) would not be treated as income from sources within the United States.

"(e) CERTAIN DIVIDENDS PAID OR DEEMED PAID.—

"(1) DIVIDENDS EXCLUDED FROM TAX.—If a corporation receives in any taxable year a dividend from a foreign corporation (of is by application of section 951 treated as having received such a dividend), in imposing an income tax on such corporation no State, or political subdivision thereof, may tax, or otherwise take into account—

"(A) in the case of a dividend received from a corporation with respect to which an election under section 936 is' in effect for the taxable year in which such dividends are paid, the amount of deduction allowed by section 243,

"(B) in the case of a dividend received from a corporation described in subsection (d) which is not described in paragraph (A), more than the lesser of—

"(i) the amount of the dividend exclusive of any amount of dividend determined under paragraph (3), or

"(ii) the amount by which the dividend plus any amount of dividend determined under paragraph (3) exceeds the excluded portion of the dividend determined in accordance with paragraph (2).

"(C) in the case of a dividend received from any other foreign corporation more than the lesser of—

"(i) the amount of the dividend (exclusive of any amount determined under section 78), or

"(ii) the amount by which the dividend plus any amount determined under section 78 exceeds the excluded portion of the dividend determined in accordance with paragraph (2).

"(2) EXCLUDED PORTION OF A DIVIDEND.—The excluded portion of any dividend shall be determined by multiplying the amount of the dividend (including any amount of dividend determined under section 78 or paragraph (3)) by a fraction—

"(A) the numerator of the fraction shall be the sum of—

"(i) the total amount of tax withheld from all such dividends at the source.

"(ii) the total amount of tax which by application of section 902 or section 960 to all such dividends, the domestic corporation is deemed to have paid, and

"(iii) the total amount of tax deemed paid by application of paragraph (3).

"(B) The denominator of the fraction shall be 46 percent of all such dividends.

"(3) SPECIAL RULE WITH RESPECT TO DIVIDENDS RECEIVED FROM DOMESTIC CORPORATIONS TREATED AS FOREIGN UNDER SUBSECTION (d):—A corporation that receives a dividend which is described in subparagraph (B) of paragraph (1) shall—

"(A) treat as a dividend for purposes of subparagraph (B) of paragraph (1), and

"(B) treat as a tax deemed paid for purposes of subparagraph (A) of paragraph (2), foreign income taxes which such other corporation has paid or deemed paid in the same proportion on or with respect to the accumulated profits of such corporation from which such dividend was paid, which the amount of such dividend bears to the amount of such accumulated profits in excess of all income taxes (other than those deemed paid).

For purposes of this section, only a tax for which a credit against tax would be allowable under section 901 (determined without regard to the limitations in section 904 and 907) shall be taken into account."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable periods (for purposes of State or local law) beginning after December 31, 1980.

(c) AMENDMENT OF THE TABLE OF SECTIONS.—The table of sections for chapter 77 of such Code is amended by adding at the end thereof the following new items.

"Sec. 7518. Income of corporations attributable to foreign corporations."●

LITHUANIAN INDEPENDENCE DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. GILMAN. Mr. Speaker, the 63d anniversary of the Lithuanian Independence Day is certainly an occasion which warrants the attention of all of us who cherish individual freedom and national sovereignty. This month we once again acknowledge and support the Lithuanian people as a symbol of that struggle.

It was in February of 1918, the newly formed Lithuanian Council, which came about as the direct result of the end of World War I, issued its declaration of independence and eventually formalized a new government on November 11, 1918. When German troops evacuated Vilnius, the city was entered by Bolshevik forces that immediately installed a pro-Soviet Lithuanian regime in January 1919. However, it was with complete determination and sacrifice that the Lithuanians managed to drive the Bolsheviks out of Lithuania and a peace treaty recognizing Lithuania's independence was signed by Soviet Russia in July 1920. Lithuania enjoyed its hard won independence until 1939, which marked the outbreak of World War II.

In October 1939, after the start of World War II, the Soviet Union stationed troops in Lithuania. In return, the Russians transferred to Lithuania the city of Vilnius and its surrounding territory, which had just been seized from Poland. In June 1940, using the military alliance, the Soviet Government demanded that Lithuania form a government acceptable to Moscow. The start of this new Soviet annexation was halted only temporarily by the German invasion of Eastern Europe which, in turn, incorporated all conquered countries into the Third Reich's protectorate.

After the recapture of Lithuania from the Germans by the Red army, the sovietization was resumed in the economy through nationalization of industry and collectivization of agriculture. Political opposition to Soviet rule was completely wiped out.

Nevertheless, Lithuania's short-lived independence has been fruitful in a number of ways. Having experienced the freedom that we, as Americans have, only served to magnify the desire of Lithuanians to permanently acquire national sovereignty and to be recognized as a country that seeks to promote and protect the concept of human rights. It is this month that we acknowledge and admire the courage and resiliency of a small nation which has yet to turn away in the face of danger and persecution.

Mr. Speaker, I would urge my colleagues to join me in speaking out for a free Lithuania. In the name of the Helsinki accords, to which the Soviets are cosignatory, and for those who have dedicated their lives to this just cause, it is imperative that our country shoulder some of the responsibility of aiding those nations still seeking their independence.●

INTERVIEW WITH REV. JERRY FALWELL—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. McDONALD. Mr. Speaker, for many decades American society in general and the American political scene in particular have been influenced by a number of church related or religious groups. The Federal Council of Churches and the successor National Council of Churches are two examples of such religious forces. For many decades those same driving religious forces have been based upon a social gospel very closely linked to secular humanism.

More recently there has been a growing realization of the danger of secular humanism as a basis of morality. Accompanying this realization has been a rapidly growing appreciation for Biblical morality as a basis for law and society.

The most active force promoting a return to Biblical morality and rejection of secular humanism is the organization known as the Moral Majority whose founder is Rev. Jerry Falwell of the Thomas Road Baptist Church of Lynchburg, Va.

Recently two writers approached Reverend Falwell with the idea of doing an interview for a forthcoming book. As it turned out, there was misrepresentation because the interview appeared in Penthouse magazine.

While the interview has been an understandable embarrassment to Reverend Falwell, Penthouse being a pornographic, vulgar, and salacious magazine, the substance of the interview will be helpful to my colleagues in the Congress.

The first part of the March 1981, Penthouse interview follows:

PENTHOUSE INTERVIEW: REVEREND JERRY FALWELL

This Penthouse interview with the Reverend Falwell incorporates two taped conversations, conducted by two independent journalists, Sasthi Brata and Andrew Duncan, at two different times. Although the interviews were cut for space reasons (these cuts are indicated by ellipses in the text), neither the questions nor the answers have been altered in any respect.

Penthouse: . . . Your message seems to be . . . a very simple message. . . . One has to wonder why it needs such an expense—$50 million a year?

Falwell: Well, the gospel of Christ, which is a very simple message—that is, the death, burial, and resurrection of Christ—is as old as the Bible is. . . . Now the difference, however, in this generation, this age, than, for example, the first generation after Christ, is that there were about 250 million people on the earth during the days of Christ. There are about 18 times that many now. And we've long since passed the 4 billion mark, and we're moving on in a population explosion.

The commission that the Lord gave to the church was to "preach the gospel to every creature," meaning every living person. Well, if we were to do it as it was done in early New Testament, apostolic days, of two by two knocking on doors—house-to-house evangelism—by pure numerics we would never even keep up with the population explosion. And so, the ultimate answer is, as I see it, God gave you in the past 100 years most of the media that distinguished our world from Paul's world. The exception is the printed press. I think it's significant that the first major thing printed on the printing press, 500 years ago, was the English Bible. I think God gave the medium, including the printing press, to the church to make the great commission of preaching the gospel to every creature a possibility.

God is not unreasonable. God does not give commandments that cannot be kept. And so, if we're going to reach everybody, television, radio, the printed page, automation, computerization, et cetera, et cetera, all of this is essential—particularly to those of us who are living in the last quarter of the twentieth century. If the population of the world goes on to 7 billion, as some say it will by the turn of the century, I see a very real possibility that we can have preached the gospel to every one of them by that time, many times, by simply using what God has made available to us and to industry.

So in order to do that, it costs us this year (1980) $56 million to do it. Next year it will cost more like $75 million to do it. We have to decide whether or not the cost, or the end, justifies the means. If it is worth it—if really obeying God and preaching the

gospel to every creature is important, and I feel it's all-important—then cost should not stand in the way. . . .

Penthouse: What about the show business aspects of your presentation? Doesn't this tend to diminish and make facile the points you're putting across?

Falwell: Well, I don't know if you have watched the "Old Time Gospel Hour" or not, but we are a church service; that is, we actually videotape the 11:00 a.m.-to-noon Thomas Road Baptist Church worship service. . . . If we were not televising the service, we would probably conduct it just as we do. As a matter of fact, Sundays when we do not tape we don't make any changes. So we don't have a television production with the congregation or studio audience. Rather, just the reverse. We have a church service, a traditional church service, with the television cameras allowed to look on. So I don't look on that as show business, as some do . . .

Penthouse: I'm thinking more of the rallies . . .

Falwell: Okay. We are right now on a tour of all 50 states. And it's going to be next spring before we finish it, because we have a lot of other things going. This morning at 11:00 (in Montgomery, Ala.) the governor and the lieutenant governor, the attorney general, many of the legislators, will join us on the state steps. There's a purpose for that. We'll have thousands of Christian school students here. We'll have Christian educators. We'll have several hundred pastors here. And just thousands of Alabamians will join us.

And we're trying to accomplish a number of things. First of all, there is a phenomenon happening in America: it's the Christian school movement. So far the media hasn't picked up on it, but it's probably the most significant phenomenon of this era. . . . Local churches everywhere . . . feel that the public school system has completely adopted humanism as its philosophy, which is anti-Christ, as we see it, and antibiblical. The churches have been forced into starting an alternate school system. . . . By a federal U.S. Supreme Court mandate, the public schools cannot teach these children what we want to teach them: cannot teach them the Bible, cannot teach them morality, cannot teach them character-building traits, etc. But we do. So we are developing our own and accepting no tax monies, so that we really are involved in double taxation. We Christian parents—I have three children in a Christian school—pay our regular taxes that would enable us to get free education in the public school system, and then we go pay tuition in a Christian school. . . .

Now we've grown from 1,400 schools in 1961 to 16,000. We're adding a new school every seven hours. We want kids to see government not as their enemy but as their ally. And the imagery, the symbolism of that state capitol, provides for them that setting.

Penthouse: When you say the state schools don't provide character-building, surely that's a bit simplistic, because they do provide what they assume is character-building. What you mean is they don't provide what you see as character-building?

Falwell: Well, if the total vacuum of discipline, if the drug epidemic, if the amoral position of the National Education Association and the teaching profession of this day is building character, that's the kind of character we don't want built in our young people.

Penthouse: . . . You've said the goal of humanism was world socialism. . . . Where is the evidence for that?

Falwell: Well, I think that secular humanism has one thing in mind. First of all, it's based upon—and there's no way to question this premise—atheism. Now that doesn't mean that it automatically becomes equated with communism, et cetera. But it does mean that it has no absolute values. It has an amoral philosophy: nothing is absolutely right or wrong. We used to call it situation ethics, but it's really worse than that, because it develops a total society based upon what the Book of Judges in the Old Testament describes, during the most horrible time in Israel's history; Judges 21:25 says, "In those days there was no king in Israel"— that is, no authority—"and every man did that which was right in his own eyes." And, of course, that is chaos. And that is exactly, as I see it, where the public school system is today. . . . The ultimate end of promoting amorality, atheism, and developing a permissive society where there is no authority for right or wrong is, of course, ultimately going to be the wipeout of the family, the wipeout of all the traditional values that have made the United States, in my opinion, the greatest free society in the world for many years . . .

The ultimate goal [of humanism] is internationalism. I'm not an isolationist. I don't think that we should not be aware of the rest of the world. I preach very strongly that we have an obligation, that America's only importance to God is as we minister to the world. But I do see that one-world socialism, one-world government—internationalism—is just the opposite of what freedom is all about, what the world is all about. I think the futility of the United Nations at this moment in dealing with, for example, the Iranian situation, is an indication of how totally impotent and helpless and useless they are.

Penthouse: . . . Surely what you're advocating is a slight contradiction, because it's freedom for people who believe in what you believe. Abortion, for instance—your position seems to be absolutely certain and sure, which would not allow freedom to other people who don't feel the same way as you.

Falwell: Rules and regulations, standards of behavior, are absolutely essential in any civilized society. For example, I believe in freedom of speech, but that does not permit me to stand up in this restaurant and yell "Fire!" when there is no fire, because my freedom of speech is now infringing upon the rights and benefits and well-being of the people in this room. And I have no right to use my freedom of speech to libel or slander someone's character. My freedom of speech ends where someone else's well-being begins.

Now that is likewise true in the matter of abortion. . . . It has always been the position of the Bible that life has dignity; life begins with conception, not birth. And it's not a Roman Catholic position; abortion is not a Roman Catholic issue, as the politicians try to make it. It's a moral issue. And it's to our discredit, who are not Catholics, that we've allowed the Roman Catholics to carry that ball. Now the idea of "freedom of choice," which is what they prefer to use, rather than "freedom to kill," to me is an obnoxious statement and a ridiculous statement. It's like a bank robber saying, "I have freedom to break safes, and I want my freedom."

Well, we believe that rules, standard regulations—and this is regardless of what anyone thinks about America; it was, indeed, founded upon the Judeo-Christian ethnic. Our founding fathers were not all committed Christians or committed Jews, but they were committed to biblical principles, which are found written right through the documents—the Constitution, the Declaration, the Bill of Rights, et cetera—on which the nation is founded.

Penthouse: . . . It's quite okay for you to have your opinions . . . but other people may not share those. And yet you are trying to impose, are you not, your attitudes on them? Based on the Bible, which they may not believe in?

Falwell: Well, they can say the same thing about "Thou shall not steal." If we tell folks, if we write it down and say, "You're not going to break in this restaurant at nighttime and steal—" "Well, where did you get that?" "I got that from the Bible: 'Thou shall not steal.'" "Well, I don't believe the Bible." That doesn't matter! It's the matter of law! For example, in this country, homosexuality. . . . There are those who are saying, "Well, that's an alternate life-style." At this present moment, in all 50 states, and that's been the case since the days of the beginning of this country, is a violation not only of God's law, of written man's law. And yet we are trying to make it something other than that when, in fact, it is not.

Penthouse: Some people would call that progress, of course. Allowing people to live as they want to.

Falwell: Yes, I think it's perverse, too.

Penthouse: Some people would think it's progress.

Falwell: Oh, I'm sorry. I misunderstood you. Well, I suppose you could use the word progress to validate almost anything, but I look on it as regression instead.

Penthouse: . . . Don't people make the criticism . . . that it's a very simplistic doctrine which you're putting forward which makes people think there are easy answers to very complicated questions? Do you not feel that's a valid criticism?

Falwell: I really don't. I think that you could say that science is simplistic because it's exact. I was studying mechanical engineering before I even became a Christian. . . . You come to exact, simplistic answers if you follow the proper equations and the proper processes . . . Theology, to me, is an exact science. God is God. The Bible is the inspired, inherent word of God. And if everyone accepts the same theses and the same equations, they will arrive at the same answer.

Penthouse: Yes, but what if everybody doesn't? And there's no reason why they should. Are you not . . . steamrolling, with the money that you generate from television . . . to push forward a message which, in its way, is . . . repressive?

Falwell: Well, it is easy for people today who are violating God's law and man's law to ridicule those who oppose them by simply saying, "That fellow's repressive; he is suggesting a return to where America was fifty years ago, morally." That is exactly what I am proposing, morally. Not technologically. I certainly am very much a progressive person. If you come to our ministry and visit our complex and see the kind of innovative and up-to-date procedures we use in everything we do, you'd never accuse me of being against progress. But there's a vast difference between technology and theology. And whereas we are progressing in our world today, the science book I used in college is obsolete today. But I use the same Bible I used then.

Penthouse: . . . I understand that you are against the Equal Rights Amendment. Are you against the whole concept of feminism?

Falwell: Oh, no, just the opposite. I am more for equal rights for women than the true feminists are. What the true feminists are doing is advocating a unisexual society, which I think is demeaning to womanhood. Now in all fairness, many of the persons involved in the effort to pass or ratify the Equal Rights Amendment are very well-meaning, very well-intentioned people who, in my opinion, are misled as to what the ultimate results of that amendment would be.

The reason I oppose the amendment is this: the language is very ambiguous. I'm sure you've read it. It simply says that there shall be no discrimination on account of sex, period. . . . If it had been ratified and ever were ratified, it would do a number of things. It would leave open to every jurist, every judge, before whom some singular case appears in the future the right to determine what those words mean. It would put sex in the Constitution, not women. It would say that when, for example, two men applied for a marriage license, or two women applied for a marriage license, and a clerk of the court denied them on the basis one of them was of the wrong sex, somebody in court could prove that's discrimination on account of sex.

And I think another problem is that women in America, who have never been forced in combat, would, at some point in time, be forced into combat, because some man out there is going to court and say, "This is discrimination. . . ." Even financially, men have to support women when they desert them in this country. I think that's right. I don't think women should have to support men. There are benefits that women need to have. I think we need to discriminate in favor of women.

During the 1980s, what I plan to work on, and what Governor Reagan has said, and I approve of it, we've got to work through the states in every possible way to guarantee that women do, in fact, earn the same dollar for the same work that a man does. That's not true today. That they have the same opportunity for development and achievement of position in that job as a man. That is not true today. That they lose none of what they have gained. And the amendment, I fear, would do that. So I'm simply saying that we want to lead the vanguard of equal rights for women in this decade, but oppose this amendment.●

IN HONOR OF LITHUANIAN INDEPENDENCE

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. BAILEY of Pennsylvania. Mr. Speaker, it gives me great pleasure to take part in the commemoration of Lithuanian independence. In my district, the 21st Congressional District of Pennsylvania, there are many persons of Lithuanian descent.

The people of this Baltic nation truly aspire for freedom and independence. This country's support of their efforts, I feel, is evidenced in our refusal to accept the forcible incorporation of their nation into the Soviet Union.

On February 16, 1918, the Lithuanian nation declared its independence. This was a goal for which the Lithuanian people had been striving during a period of Russian domination, 1795 to 1915, followed by German occupation during the First World War. After 20 years, Lithuania fell under Russian domination when it was occupied by the Red army in the Second World War. It was declared a constituent Republic of the U.S.S.R. on August 3, 1940. Following the German attack on the Soviet Union 10 months later, Lithuania was in German hands until it was reoccupied by the Soviet Army in 1944. Since then, it has been considered by Russia as a component republic.

However, the United States has never recognized the Soviet incorporation of Lithuania or the other two Baltic States, Estonia and Latvia. It is my hope that persons all over this country share my feelings of concern for these people. Equally important is the strength of the Lithuanians themselves to hold fast to their principles—that their self-determination will ultimately prevail.

I commend Congressman ANNUNZIO for sponsoring this special order. It certainly is an occasion worthy of recognition. I am proud to extend my best wishes and sincere support of the Lithuanians here and abroad.●

EVENTS IN EAST TIMOR

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1981

● Mr. EDWARDS of California. Mr. Speaker, I would like to recommend to my colleagues the article, "The Silent Suffering of East Timor," which appeared in New York Times Magazine, February 15, 1981. Although there are some areas of disagreements between my understanding of events in East Timor and those characterized in the article, I welcome the extensive coverage presented in this article. Due to the Indonesian-imposed blackout on news coverage of East Timor, very little is known about the events in East Timor. However, certain frightening facts are certain.

Through the use of American supplied arms, and with the foreknowledge of top American officials, Indonesia invaded the island of East Timor in 1975. Since the date of that invasion, at least 100,000 of the population of about 600,000 have perished. The conditions on the island remain dismal.

East Timor is an ironic problem for our Government. It is one in which we have supplied not only the vast majority of the weapons of destruction visited upon the East Timorese by the Indonesians, but also the majority of the aid which has helped maintain the remaining Timorese on the fringe of survival.

By reading the article, one could get the impression that the civil war subsequent to the Portuguese departure from East Timor was long and bloody. In fact, it has been documented that the actual civil war occurred during the late summer and early fall of 1975. It is the Timorese resistance to the Indonesian invasion which has been long and bloody.

East Timor has become a source of embarrassment for our Government, the Indonesians, and the Portuguese. Many nations fail to understand our acquiescence in the Indonesian annexation of East Timor in the light of our outcry against Soviet aggression in Afghanistan and Vietnamese aggression in Cambodia.

I would like to suggest that the political problem which East Timor poses for our Government is not an insolvable one. As the article expresses, Indonesia's annexation of East Timor has not been recognized by the United Nations. The Portuguese have begun to recognize their responsibilities in the area and have indicated a willingness to enter discussions with the Indonesians. Our close relations with both Portugal and Indonesia, and our past involvement with East Timor, present the United States with an opportunity, and indeed, a responsibility, to encourage the involved parties to work toward a Zimbabweanlike solution to the problems plaguing East Timor.

The article follows:

THE SILENT SUFFERING OF EAST TIMOR

(By Henry Kamm)

No doubt there are more remote places, particularly on Timor, an island on the eastern fringe of the far-flung Indonesian archipelago [see map below], but on a Sunday morning last year, the village of Uatolare, inland from East Timor's southern coast, could have served as a metaphor for the end of the world.

I walked among thousands of people huddled together, from the outskirts of the village to its ravaged center. Men, women, children—all shared the look and scent of deprivation to the limits of human endurance: frail bodies clothed in rags, gaunt faces uttering mute pleas. The bloated bellies of children protruded over waists so scrawny that the smallest ones had to hold up their shorts or lose them.

Through the open doors of the village church, the chants of prayer could be heard. Recently patched holes showed how heavily the church had been hit by naval shellfire during the Indonesian invasion of December 1975. Inside, a large congregation sat on the bare floor, singing in Portuguese the Roman Catholic liturgy. But no priest officiated; the fervent prayers were offered in the face of an empty altar. Standing at an open side door, a girl as emaciated as the others, no older than 12 years, intoned a

new chant whenever the chorus thinned and faltered.

The deserted school house, also marked by the bombardment, stood across the square. On one wall, someone had scrawled, "Death to the traitors," also in Portuguese. By now, however, after years of civil war among East Timorese and war against Indonesia, no one recalled which faction the words applied to.

The war was over at the time of my visit in January 1980, despite sporadic guerrilla action against the Indonesian occupiers that continues to this day. Dismal and melancholy as the scenes I saw were, it was really not the end of the world. Those whom I saw were survivors, those who had graduated from starvation to malnutrition. The great dying was ending. Indonesia's belated call to the world community for help had been answered, largely by the United States, which had also furnished most of the weapons that Indonesia used for its invasion—although the United States intended that these weapons be used only for Indonesia's self-defense.

Indonesia's hold on East Timor is secure, but its annexation of the former Portuguese colony has not been recognized by a majority of members of the United Nations. In last year's voting on the annual question in the United Nations General Assembly, only 35 countries, including the United States, sided with Jakarta. But there is no fire in the annual debate; East Timor is too remote, it seems, to deserve serious attention. It was a backwater even of the Portuguese empire that collapsed after the Lisbon revolution of 1974. An island divided when the Portuguese and Dutch clashed there in the 17th century, Timor had remained colonized—if not pacified—more from force of habit than for any benefit it offered to its conquerors. West Timor became part of independent Indonesia with the rest of the Dutch East Indies in 1949.

Indonesia's invasion of East Timor, occurring in the same year as the Communist victories in Indochina, never became a major issue in the world, but in the United States and Australia small groups [illegible] in universities continue to protest their Governments' acquiescence in the act of force.

There is substance to these protests, even if, at their most extreme, they degenerate into hyperbole—accusations of "genocide" rather than mass deaths from cruel warfare and the starvation that accompanied it on this historically foodshort island, of American complicity rather than acquiescence. True, President Gerald R. Ford and Secretary of State Henry A. Kissinger visited President Suharto in Jakarta on the eve of the airborne and naval invasion, but there is no evidence that they discussed with him the impending attack. Indonesia, vast, populous, rich in petroleum and strategic minerals, and emphatically anti-Communist, is deemed too valuable a friend by the West to risk offending it for having committed aggression and Anschluss against so minor a land and people.

The progress toward oblivion has been advanced by East Timor's isolation from the world, and by the primitive condition in which Portugal left it, with only a minute fraction of its preannexation population of about 650,000 educated in the colonizer's language and fewer still in any other. Little is known about events in East Timor since the invasion, because Indonesia has reinforced its newest province's isolation, and the bulk of the testimony has come from highly partisan members or supporters of Fretilin, the Revolutionary Front of East Timor, which governed for four months until the Indonesian onslaught and whose armed resistance lingers on. The vast majority of East Timorese have suffered mutely and passively.

East Timor's descent into the abyss began on Aug. 11, 1975, when the people of Dili awoke to the sight of armed men patrolling the streets of their torpid colonial capital. The Timorese Democratic Union (U.D.T.) had staged a coup against the colonial Government. Four days later, the Central Committee of Fretilin, U.D.T.'s principal rival, announced from the mountains behind Dili, to which most of its members had fled, "a general armed insurrection against all traitors and enemies of the people."

In the final act of futility that had marked more than four centuries of Portuguese rule, the Governor and his administration abandoned the East Timorese to chaos and civil war and embarked, under the cover of the waning night of Aug. 26–27, for the safety of the offshore island of Atauro. Their arms remained to fuel the battle—most of the army's weapons going to Fretilin, the most left-wing of the three parties formed in the heady aftermath of Portugal's revolution, and those of the police to U.D.T., the gradualists who ostensibly favored slow progress to independence under Portugal's aegis.

What followed U.D.T.'s disastrous "whiff of grapeshot" can be summarized: Fretilin made good its armed insurrection. By the end of August it had gained control of Dili. Before September ended, it had driven most of the U.D.T. forces into Indonesian West Timor in disarray. Indonesia made clear its unwillingness to accept Fretilin rule by early October, striking with full military force to seise three towns across the international border. But except for this strip, Fretilin controlled East Timor insofar as any central force can exercise a hold over the forbiddingly mountainous and largely roadless interior.

In mid-November, Indonesian forces once more began to edge eastward. Late on the afternoon of Nov. 28, when the sea breeze usually lightens the humid air that lies heavy over the plaza between the Governor's palace and Dili's waterfront, Fretilin brought down for the last time the Portuguese flag that it had left flying despite the Government's desertion, and proclaimed the Democratic Republic of East Timor.

Two days later, on the Indonesian side of the border, leaders of U.D.T. and Apodeti—the third major party that sprang up after the revolution in Portugal, and which espoused joining Indonesia—presented Adam Malik, then Jakarta's Foreign Minister, with a declaration of integration. On the morning of Dec. 7, Indonesian paratroopers landed in Dili and Baucau, the territory's second largest town, landing craft discharged waves of soldiers on the beaches and troops poured across the frontier. Fretilin resistance was heavy, and on Christmas day, Indonesia, a nation of 135 million, brought ashore massive reinforcements.

When 1975 ended, Fretilin had been driven into the interior with much of the civilian population, but it had salvaged much of its fighting strength and leadership. A new phase of warfare began, witnessed only by those who did battle and by their victims. Indonesia banned the press—this continues with rare and closely shadowed exceptions to this day—as it proceeded with the task of "pacifying" its new possession. Word filtered back to Jakarta that fighting and casualties were heavy, that much of the population remained in the mountains with Fretilin and that the East Timorese were suffering.

Early in 1978, reports began to circulate in the Indonesian capital that a possibly decisive turn had occurred and large numbers of East Timorese were fleeing to Indonesian-held areas, telling of waning Fretilin control and, more importantly, critical shortages of food and medicines. Their physical appearance bore witness to this.

By September of that year, Indonesia felt the tide had turned sufficiently in its favor to invite a large party of ambassadors and journalists to visit Dili and nearby sites where recent refugees from the mountains had been gathered. What the group saw and heard convinced most of its members that famine and illness of frightening proportions were abroad in East Timor.

Fully a year later, the first international aid shipments reached the island. Tens of thousands had died, before and during that wasted year. How many? Figures as frightful as 200,000 have been advanced. An Indonesian census, recently completed but not made public, puts the population at 552,000. This would be more than 100,000 fewer East Timorese than the last published Portuguese statistics, dating to 1974, showed.

The belated relief effort, by all accounts, has been effective, and East Timorese are no longer dying of hunger or untreated ills. Indonesia ordered the two international relief groups that it allowed to work in East Timor to wind up their emergency operations at the end of last year.

Those are the bare bones of the East Timor story—but crucial questions remain unanswered. Why did the East Timorese elite, whatever its political differences, drive the colony so quickly into murderous civil war? Why did Portugal abandon East Timor before any pressure had been exerted on its administration and forces? Why did Indonesia intervene so heavy-handedly?

On my first visit to East Timor, during the final week of peace before the coup in August 1975, Dili and its surroundings presented an aspect reminiscent of the other Portuguese colonies in the aftermath of the Lisbon revolution. I saw in Dili, as I had in Mozambique, Angola, Guinea-Bissau and Cape Verde, gross underdevelopment, unrelieved as it was in Angola and Mozambique by glossy capital cities with huge slums. The paved roads of the capital petered out into dirt tracks even closer to the dusty town than in the larger African possessions. Instead of slums, there were clusters of flimsy shacks, grafted onto the edges of Dili, that housed the indigenous population.

When I visited one of these at midday, families were eating their meal, a mash of boiled tubers topped with some greens and spiced with chilies. What had they eaten in the morning? The same, they said through my interpreter. And what would the next meal be? The same. On the Indonesian side of the island, I had been told by a West German doctor who had been there for two years that the population was chronically malnourished, living on a diet very short on proteins, although on both sides of the border cattle were plentiful and the unfished ocean swarmed with protein-rich seafood. It is a measure of Dutch and Portugese colonial neglect that the East Timorese were never taught to take advantage, in any systematic way, of the food sources available. Even in times of peace, with the populations pursuing their generally seminomadic way of life, Timor and the other islands of

the Lesser Sunda group are victims of frequent crop failures and spells of hunger.

The Portuguese Governor of East Timor, Col. Mario Lemos Pires, received me graciously in a comfortable corner of his huge office, guarded by two East Timorese in glistening white uniforms and feathered headdresses who flashed swords and smiles. He was of the new breed, a military man sent after the revolution to oversee decolonization. It would not be easy here, he said. In East Timor, there was not just one liberation movement to which Portugal could hand over its authority, but three relatively large ones and two minor groups, all newly formed.

East Timor had three options and would have to exercise a choice, Colonel Pires's assistant for political affairs, Maj. Francisco Mota, said. They were immediate independence, gradual progression toward freedom under Portuguese guidance or integration with Indonesia. He did not think the last had much support. The Portugese Army's last remaining task was to maintain order and educate the East Timorese to exercise their choice before many more months.

I was directed to Fretilin headquarters to look for some of its leaders. They were in the countryside educating villagers, I was informed by a group of friendly youths in their teens and 20's, milling about a hut under a big tree at the edge of town. The boys inquired about my nationality and expressed admiration for the United States based largely on Muhammad Ali and blue jeans, which some were proudly wearing. They sheepishly sang a song when asked about Fretilin, and my interpreter, a man sympathetic to the Portuguese revolution, said he could not follow its meaning. One teen-ager had the names of Marx and Lenin tattooed on his forearm. He and his friends giggled when asked about their significance, and giggled again when asked why they were giggling.

I had met the U.D.T. leadership at the airport in Kupang, the capital of West Timor, awaiting the plane that took them and me to Dili. Surprisingly, for an independence movement committed to a residual Portuguese role until East Timor eventually gained its freedom, the three leaders seemed in close harmony with the senior, uniformed Indonesian officials seeing them off. They had been to Jakarta, they told me on the plane, and had been cordially received by a number of ministers. They had also visited Macao, Taiwan, Japan and Australia. The 34-year-old U.D.T. president, Francisco Xavier Lopes da Cruz, a grave and heavily bearded man, asked me to dinner at his house the following night.

His house was simple, befitting a minor customs official. He explained his movement and the others, discounting Apodeti because, he said, integration, although he would accept it if it were the people's choice, was unpopular. He described Fretilin as a divided movement. The established leaders, Francisco Xavier do Amaral (his senior in the customs department, who had completed his education for the priesthood and whom he described as a friend) and Nicolau Lobato, were Roman Catholics, but others, students who had returned from Lisbon after the revolution, were full of Communist, even Maoist, ideas and rhetoric. A coalition between Fretilin and U.D.T. had broken apart, said Mr. Lopes, and Fretilin people in the hills had taken to beating up U.D.T. members and breaking up their rallies. "Maybe we'll have to teach them a lesson," he said as a parting remark.

Two days later, Mr. Lopes staged his futile coup, providing the impulse for the Fretilin countercoup and the Indonesian intervention. In November, Mr. Lopes was among those petitioning Indonesia to accept East Timor into its republic. When I visited Dili last year, Mr. Lopes was Deputy Governor, living in a luxurious house, and the new owner of a 20-acre coffee plantation. I wondered, after the fact, whether he had struck a deal with Jakarta to create the conditions for annexation.

The recent publication in Australia of a series of secret diplomatic documents—later suppressed by the Government—sheds some light on this question. In a situation summary for the Australian Foreign Minister, senior aides wrote: "Other very delicate sources (which are being brought to your attention separately) suggest that U.D.T. acted with at least some fore-knowledge of the [Indonesian] state intelligence coordination body."

The summary continues by noting that the Dili radio under U.D.T. control was appealing to Southeast Asian nations to send help, including armed forces, and it concludes: "The broadcasts provide the pretext for Indonesian intervention in Portuguese Timor. All this stops well short of proof of Indonesian collusion with U.D.T. But if the Indonesians were intending to intervene, they could have hardly stage-managed the scene any better."

The presumption of a link between Indonesian military intelligence and U.D.T. is paralleled by the persistent allegation, made by East Timorese hostile to Indonesia but not affiliated with Fretilin, that Major Mota and a colleague from the Portuguese Armed Forces Movement, Maj. Silverio Jonatas, collaborated with Fretilin in order to bring about immediate independence, thus freeing Lisbon from costly further responsibility in the decolonization process. Friends of Fretilin do not deny the closeness between the most radical Fretilin leaders and the two Portuguese majors, and Fretilin's quick access to most of the arms and munitions stores of the Portuguese military provides additional evidence.

Dispatches from Australia's Ambassador in Jakarta, Richard A. Woolcott, provide the most revealing insights into the American position as Indonesian intervention drew near. Reporting on Aug. 17, the envoy cabled: "[United States Ambassador to Indonesia David D.] Newsom told me last night that he is under instructions from Kissinger personally not to involve himself with the Indonesians on the grounds that the United States is involved in enough problems of greater importance overseas at present. The State Department has, we understand, instructed the embassy to cut down its reporting on Timor.

"I will be seeing Newsom on Monday but his present attitude is that the United States should keep out of the Portuguese Timor situation and allow events to take their course. His somewhat cynical comment to me was that if Indonesia were to intervene the United States would hope they would do so 'effectively, quickly and not use our equipment.'"

The Australian dispatches also illustrate what was probably Indonesia's principal motivation for intervention: the fear of President Suharto, and the military officers around him, of Communism. The cables report conversations with Ambassador Newsom, in which Gen. Yoga Sugama, director of state intelligence, suggested that U.D.T. was pro-Moscow and Fretilin pro-Peking. Mr. Newsom tried, and failed, to persuade General Sugama that Portuguese socialism, with which the general linked U.D.T., was strongly anti-Communist.

The cables also report that Ambassador Newsom warned General Sugama that the use of American arms in East Timor could endanger future military assistance, and that he hinted it would provoke a negative reaction in Congress. Mr. Newsom's analysis proved correct. Such criticism of the invasion as was heard from the United States arose in Congress, where committee hearings continue to provide a forum for views critical of Indonesia. From the outset, the Administration of President Ford declared its acceptance of the Indonesian action, while conceding that the East Timorese had not been given an opportunity for an act of self-determination.

Officials at the American Embassy in Jakarta, now headed by Ambassador Edward E. Masters, profess not to remember or never to have known what their predecessors reported in 1975. Explaining the American position, which was limited to halting the weapons flow for six months, embassy officials cite reasons of state. Indonesia, they point out, is a valued ally, a third-world country that takes pro-Western positions, a founder-member of the nonaligned movement that is sternly anti-Communist, and an important petroleum producer (accounting for 5 percent of American imports) that does not, they say, use the commodity as a political weapon. Indonesia is also described as a Moslem nation that is not hostile, a reliable supplier of several raw materials, a country in which American investment exceeds $4 billion and which is strategically situated athwart vital air and sea routes between the Indian and Pacific Oceans.

American officials show signs of embarrassment when asked why the United States takes so lenient a view of the annexation of East Timor when Vietnam's invasion of Cambodia and creation of puppet government, stopping short of outright annexation, have met with such strong American opposition on the ground of violation of principles of international conduct.

As in Vietnamese-occupied Cambodia, the East Timorese use every possible occasion to make a foreigner aware of their unhappiness over foreign occupation. In the more than four years since my previous visit, East Timor had become a country broken in body and spirit. The 1978 Indonesian offensive—in which American-supplied aircraft played a major role—had reduced Fretilin to a handful of guerrillas and brought the people down from the hills to the coast, famished, sick, naked or in rags.

Indonesia initially turned a deaf ear to Western requests to be allowed to bring in aid. Finally, in January 1979, Adam Malik, now Indonesia's Vice President, told Bishop Edwin Broderick, executive director of the American organization, Catholic Relief Services, that it could begin a program of food and medical assistance.

But bureaucratic delays, typical in Indonesia, put off the first survey of needs by Francis X. Carlin, Catholic Relief's director in that country, until May. What he saw continues to haunt Mr. Carlin, a Philadelphian with long experience in Asia.

"The first group I saw . . . about 120 of them . . . were just down on the floor with all that they owned, which didn't amount to anything. The military had given them some corn. Their bellies were bloated, their eyes huge and empty, their limbs scrawny.

Their skin was dry and scaly, and they were unbelievably dirty.

"Hunger was killing not just the very young or the very old, but it was so bad there it was killing those in the prime of life. Many of that first group were definitely beyond recovery. Wherever we went afterward, people were skeletal and totally deprived of food and clothing. The Indonesian colonel with me said, 'Move fast.' I couldn't move fast enough."

The Moslem fasting month, when many services cease functioning in Indonesia, and what Mr. Carlin termed "internal delays" between Catholic Relief and the United States Government (which underwrote most of the assistance), kept aid from arriving until September, a year after the ambassadors, including Mr. Masters, had seen the first victims.

The ill and the starved were on their way to recovery when I saw them because, Mr. Carlin said, those who could not be saved had died by then. But their spirits seemed permanently wounded. The faces of those in the large resettlement areas, where perhaps half of East Timor's population has been gathered—to provide necessary services, say the Indonesian authorities, to keep the people under control, say others—reflect the horrors of war, famine and military occupation.

The stories of some East Timorese who oppose Indonesian rule but are not affiliated with any of the East Timorese parties suggest a typical Southeast Asian war—in which cruelty knew few bounds and both sides pushed and pulled a largely unpolitical people in order to deny them to the "enemy." Eventually, the superior numbers and equipment of the invader succeded in reducing Fretilin to perhaps 600 guerrillas who are still in the mountains—and still capable of sporadic attacks and thus of provoking Indonesian reprisals, arrests and mistreatment of innocent East Timorese.

"Above all, the people want more justice," a Timorese priest said recently. "They feel the moral injustice. Their rights are not respected. No one can talk. And they are worried about food. There is not enough land in the villages where they have to stay, and they haven't the health or the strength to make new fields. You have to eat to have strength."

The priest hesitated, then sadly resumed. "I think it is a situation beyond our force. I think it is the destiny of small countries. We have to accept."●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, February 24, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 25

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for land-based deterrent programs of the Department of Defense.
212 Russell Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain museum services, and Indian education programs.
1224 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on proposed recommendations of the Advisory Commission on Intergovernmental Relations and of the General Accounting Office on Intergovernmental Matters.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 508, authorizing funds through fiscal year 1985 for the airport development aid program.
235 Russell Building

Governmental Affairs
Permanent subcommittee on Investigations
To resume hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
3302 Dirksen Building

Labor and Human Resources
Business meeting, to consider its rules of procedure for the 97th Congress.
4232 Dirksen Building

10:00 a.m.
Banking, Housing and Urban Affairs
To hold hearings on the conduct of monetary policy.
5302 Dirksen Building

Environment and Public Works
Transportation Subcommittee
To hold hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Federal Highway Administration.
4200 Dirksen Building

Foreign Relations
International Economic Policy Subcommittee
To hold hearings to examine current U.S. interests in developing countries and alternative strategies to advance U.S. interests.
4221 Dirksen Building

Joint Economic
To resume hearings on the scope of monetary policy.
5126 Dirksen Building

11:00 a.m.
Select on Intelligence
To meet in closed session to receive an intelligence briefing.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Office for Civil Rights, policy research programs, and departmental management programs of the Department of Health and Human Services.
1114 Dirksen Building

Joint on Printing
To hold an organizational business meeting.
S-151, Capitol

FEBRUARY 26

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Woodrow Wilson International Center For Scholars; the National Capital Planning Commission, and the Navajo and Hopi Indian Relocation Commission.
1224 Dirksen Building

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Nuclear Regulatory Commission.
4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
3110 Dirksen Building

9:30 a.m.
Banking, Housing and Urban Affairs
Business meeting, to mark up S. 414, permitting merchants to offer unlimited discounts to cash-paying customers, and providing a 3-year extension of law prohibiting merchants from penalizing credit card customers by imposing surcharges made by credit cards.
4232 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To continue hearings on proposed recommendations of the Advisory Commission on Intergovernmental Relations and of the General Accounting Office on intergovernmental matters.
357 Russell Building

Special on Aging
Organizational business meeting, to consider its rules of procedure for the 97th Congress, and other pending committee business.
457 Russell Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Transportation Safety Board, and the Research and Special Programs Administration, Department of Transportation.
1318 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

Joint Economic
To hold hearings on the scope of energy policy.
6226 Dirksen Building

2:00 p.m.
Select on Ethics
To further discuss proposed revisions to the Senate Code of Official Conduct.
6228 Dirksen Building

FEBRUARY 27

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for land-based deterrent programs of the Department of Defense.
224 Russell Building

9:00 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
3302 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

Environment and Public Works
To hold hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Public Buildings Service.
4200 Dirksen Building

Foreign Relations
International Economic Policy Subcommittee
To resume hearings to examine current U.S. interests in developing countries and alternative strategies to advance U.S. interests.
4221 Dirksen Building

10:30 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Human Development Services, and for certain departmental management programs and the Office for Civil Rights of the Department of Education.
1114 Dirksen Building

MARCH 2

9:30 a.m.
Commerce, Science, and Transportation
*Science, Technology, and Space Subcommittee
To hold hearings to assess the Nation's critical shortages of strategic materials and minerals and evaluate the impact of the National Materials and Minerals Policy, Research and Development Act.
235 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for elementary and secondary educational programs of the Department of Education.
1114 Dirksen Building

MARCH 3

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the American Battle Monuments Commission, Army Cemeterial Expenses, the Office of Consumer Affairs, and the Consumer Information Center.
1224 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Fish and Wildlife Service, Department of the Interior.
1318 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for impact aid programs, and emergency school aid programs of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General of the Department of Transportation; and the National Transportation Safety Board.
S-126, Capitol

11:30 a.m.
Veterans' Affairs
To hold hearings to receive the Veterans of Foreign Wars legislative recommendations for fiscal year 1982.
318 Russell Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for library and learning resource programs and vocational and adult education programs of the Department of Education.
1114 Dirksen Building

MARCH 4

9:30 a.m.
*Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings to review Governmentwide debarment and suspension practices.
3302 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Water Research and Technology, Department of the Interior, the Holocaust Memorial Commission, and the Advisory Council on Historic Preservation.
1318 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 234, to encourage the establishment of home health programs and to provide expanded coverage of home health services under the medicare and medicaid programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for educational, rehabilitation, and research programs for the handicapped of the Department of Education.
1114 Dirksen Building

Banking, Housing and Urban Affairs
To resume hearings on the conduct of monetary policy.
5302 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Fire Administration of the Federal Emergency Management Agency.
235 Russell Building

Environment and Public Works
Environmental Pollution Subcommittee
To hold hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Environmental Protection Agency.
4200 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain student financial assistance programs of the Department of Education.
1114 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To hold hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the U.S. Fish and Wildlife Service.
4200 Dirksen Building

MARCH 5

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Governmental Affairs
Oversight of Government Management Subcommittee
To continue hearings to review Governmentwide debarment and suspension practices.
3302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain school improvement programs, special institutions, and Howard University of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration of the Department of Transportation.
1224 Dirksen Building

Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Economic Development Administration, Appalachian Regional Commission (title V), and the Federal Emergency Management Agency.
4200 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Education, fund for the improvement of postsecondary education, educational statistics, educational research and training activities overseas of the Department of Education.
1114 Dirksen Building

MARCH 6

10:00 a.m.
Environment and Public Works
To hold hearings on proposed legislation establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Services in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

MARCH 9

10:00 a.m.
Environment and Public Works
To resume hearings on proposed legislation establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Services in the General Services Administration authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

MARCH 10

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Building Science, Federal Home Loan Bank Board, National Credit Union Administration, and the Office of Revenue Sharing (NYC).
1224 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Indian health service programs, and the Bureau of Land Management, Department of the Interior.
1318 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Administration, Research and Special Programs and the Office of the Secretary of the Department of Transportation.
S-126, Capitol

Environment and Public Works
Business meeting, to consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 11

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Railroad Retirement Board, domestic operations programs of ACTION, and the Soldiers' and Airmen's Home.
1114 Dirksen Building

Environment and Public Works
Business meeting, to continue consideration of those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, the National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

MARCH 12

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Civil Aeronautics Board, Interstate Commerce Commission, and the Washington Metropolitan Area Transit Authority (Metro).
1318 Dirksen Building

Environment and Public Works
To mark up proposed legislation establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Services in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Services.
4200 Dirksen Building

MARCH 16

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Veterans' Administration.
1224 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearing on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration of the Department of Transportation.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Railroad Passenger Corporation (Amtrak).
1318 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 23

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics of the Department of Health and Human Services.
4232 Dirksen Building

MARCH 24

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

MARCH 25

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

MARCH 26

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

MARCH 27

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

MARCH 31

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Management and Budget.
S-146, Capitol

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the White House Office, Office of Administration, official residence of the Vice President, executive residence, special assistance to the President, compensation of the President, and other unanticipated needs.
S-146, Capitol

APRIL 1

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 and for the Federal Emergency Management Agency and the Selective Service System.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.
1224 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, international affairs programs, Bureau of the Mint, Bureau of Engraving and Printing, and Bureau of Government Financial Operations of the Department of the Treasury.
1224 Dirksen Building

APRIL 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior; and the Smithsonian Institution.
1114 Dirksen Building

9:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, and Veterans of World War I.
412 Russell Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service.
S-146, Capitol

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS.
412 Russell Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco and Firearms.
S-146, Capitol

APRIL 7

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court, and the Committee for Purchase from the Blind and Other Severely Handicapped.
1318 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability.
1318 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 23

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 29

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 12

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of the Interior.
1223 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 2

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

CANCELLATIONS

FEBRUARY 25

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Social Security Administration of the Department of Health and Human Services.
1114 Dirksen Building

Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for fiscal year 1981.
6202 Dirksen Building

FEBRUARY 26

10:00 a.m.
Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for fiscal year 1981.
6202 Dirksen Building

FEBRUARY 27

10:00 a.m.
Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for fiscal year 1981.
6202 Dirksen Building

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UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS

FIRST SESSION

VOLUME 127—PART 3

FEBRUARY 24, 1981 TO MARCH 11, 1981

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, FIRST SESSION

SENATE—*Tuesday, February 24, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Honorable ROBERT W. KASTEN, JR., a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Our Father in Heaven, who gives life and breath and all things to all people, we pray for Thy gracious guidance.

We are one as humans. We are one as Americans. We are one as Senators. We are one in responsibility to the Nation and the world. As the Senate begins the heavy task of discussion and debate in considering the President's proposals, grant that oneness will transcend division. In the fine art of compromise, may value and principle not be sacrificed. Out of the tension of disagreement let resolution bring peace and justice for all.

And grant that what is done in this powerful community to be the glory of God, in the name of the Father and the Son and the Holy Spirit. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 24, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT W. KASTEN, JR., a Senator from the State of Wisconsin, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. KASTEN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that following the time allocated to the two leaders under the standing order there be a period for the transaction of routine morning business not to exceed 30 minutes in length, and that Senators may be permitted to speak therein for not more than 10 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. ON THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. on Thursday next.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION DURING RECESS UNTIL THURSDAY NEXT

Mr. BAKER. Mr. President, I ask unanimous consent that during the recess of the Senate over until Thursday, February 26, 1981, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred, and that the Vice President, the President pro tempore, and the Acting President pro tempore be permitted to sign duly enrolled bills and joint resolutions.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JEPSEN ON THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order on Thursday next there be a special order for the recognition of the distinguished Senator from Iowa (Mr. JEPSEN) for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I am now prepared to yield the floor. Before I do that might I inquire of the distinguished minority leader if it would be possible to dispose of those nominations appearing on the Executive Calendar following on after the Department of State either now or at some time later today?

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I am happy to yield.

Mr. ROBERT C. BYRD. Mr. President, the minority is presently attempting to clear both of these nominations, and I should be able to get an answer back to the majority leader shortly. I understand a rollcall vote will be requested on the nomination of Mr. Murray Weidenbaum.

Mr. BAKER. I thank the minority leader.

I hope then it might be possible, in light of the request for a rollcall vote on Mr. Weidenbaum, we might be able to put those nominations in place in advance of the time for the vote at not later than 6 o'clock today on the Clark nomination. So I will confer with the minority leader later, if he will permit me to do so, and see if we can work that out.

Mr. President, I might say that in the ensuing period for the transaction of routine morning business it is my understanding that the distinguished Senator from New Mexico (Mr. DOMENICI) and the distinguished Senator from South Carolina (Mr. HOLLINGS) may offer a resolution on the budget for referral.

I have no further need for my time under the standing order, Mr. President, and I am prepared to yield to the minority leaders or any other Senator.

Mr. JOHNSTON. Mr. President, will the Senator yield to me?

Mr. BAKER. I am happy to yield. Let me yield at this point my remaining time under the standing order to the distinguished minority leader.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

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RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Mr. ROBERT C. BYRD. Does the distinguished Senator desire time?

Mr. JOHNSTON. I do.

Mr. ROBERT C. BYRD. I yield such time as the Senator may require from the time allotted to me.

(The remarks of Mr. JOHNSTON relating to the introduction of legislation are printed under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 6 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

Mr. President, does the Senator from Alabama (Mr. HEFLIN) wish some time?

Mr. HEFLIN. Yes.

Mr. ROBERT C. BYRD. Mr. President, I yield such amount of that time as the Senator may wish to use.

Mr. HEFLIN. Mr. President, I appreciate the courtesy extended by the minority leader.

(The remarks of Mr. HEFLIN relating to the introduction of legislation are printed under "Statements on Introduced Bills and Joint Resolutions.")

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business.

CHANGE IN NUMBER OF MEMBERS NECESSARY FOR TRANSACTION OF ROUTINE BUSINESS OF SELECT COMMITTEE ON ETHICS

Mr. BAKER. Mr. President, I believe this has been cleared with the minority leader.

Mr. President, on behalf of myself, Mr. WALLOP, and Mr. HEFLIN, I send a resolution to the desk in respect to the rules of the Senate Committee on Ethics and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 78) to change the number of Members necessary for the transaction of routine business of Select Committee on Ethics.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 78) was agreed to, as follows:

S. RES. 78

Resolved, that subsection (c) of the first section of Senate Resolution 338, agreed to July 24, 1964, is amended to read as follows:

"(c)(1) A majority of the Members of the Select Committee shall constitute a quorum for the transaction of business involving complaints and allegations of misconduct, including the consideration of matters involving sworn complaints, unsworn allegations or information, resultant preliminary inquiries, initial reviews, investigations, hearings, recommendations or reports and matters relating to Senate Resolution 400, agreed to May 19, 1976.

"(2) Three Members shall constitute a quorum for the transaction of the routine business of the Select Committee not covered by the first paragraph of this subparagraph, including requests for opinions and interpretations concerning the Code of Official Conduct or any other statute or regulation under the jurisdiction of the Select Committee, if one Member of the quorum is a Member of the Majority Party and one Member of the quorum is a Member of the Minority Party. During the transaction of routine business any Member of the Select Committee constituting the quorum shall have the right to postpone further discussion of a pending matter until such time as a majority of the Members of the Select Committee are present.

"(3) The Select Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony."

Mr. BAKER. Mr. President, I thank the Chair. I yield the floor.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. HEFLIN addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield so the majority leader and I might finalize a request and without the distinguished Senator from Alabama losing his right to the floor?

Mr. HEFLIN. Certainly.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I understand from my friend the minority leader that it may be possible to dispose of one of the nominations on the Executive Calendar and perhaps prepare for the disposition of the other.

If that is correct, I would be prepared at this time to go into executive session to consider those nominations.

Mr. ROBERT C. BYRD. Mr. President, if the majority leader would yield, the minority is prepared to proceed at this moment with the nomination of Richard E. Lyng, of Virginia, to be Deputy Secretary of Agriculture and to confirm the nomination by a voice vote.

The minority is also ready to debate the nomination of Murray L. Weidenbaum, to be a member of the Council of Economic Advisors, but with the understanding that there will be a rollcall vote and the minority would be agreeable to setting the rollcall vote to immediately follow the rollcall vote on the nomination of Mr. William P. Clark to be Deputy Secretary of State.

Mr. BAKER. Mr. President, I thank the minority leader.

In view of that, I ask unanimous consent that when the Senate turns to the consideration of the nomination of Murray L. Weidenbaum, of Missouri, that the votes thereon occur immediately following the vote on the confirmation of William T. Clark, of California, to be Deputy Secretary of State.

The ACTING PRESIDENT pro tempore. As in executive session, without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to executive session for the purpose of considering the nomination of Richard E. Lyng, of Virginia, and following the disposition of that nomination it return to the transaction of routine morning business, as previously ordered.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, I simply want to protect Mr. HEFLIN.

May I say to Mr. HEFLIN that I do not envision the debate on the nomination of Mr. Lyng taking any time; so, if the Senator will permit, I think that matter can be disposed of very quickly so that the Senator will not be imposed on.

Mr. HEFLIN. I only need 30 seconds, Mr. President.

Mr. ROBERT C. BYRD. Will the distinguished majority leader withhold his request?

Mr. BAKER. Mr. President, I withhold my request in respect to the executive session.

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized.

IN SUPPORT OF THE ESTATE AND GIFT TAX AMENDMENTS OF 1981

Mr. HEFLIN. Mr. President, I rise to support the bill introduced by Mr. WALLOP of which I am a cosponsor. This legislation would provide significant tax relief for all estates, and it is especially helpful and will provide assistance for family-owned farms and small businesses that are being ravaged by the combined effects of estate taxes and inflation. The major features of this bill in a nutshell are:

First, it increases from $175,000 to $600,000 the amount of property that may pass free of Federal estate and gift taxes;

Second, it reduces the rates and widens the brackets used in calculating Federal estate taxes;

Third, it repeals the so-called widows' tax by exempting from estate and gift taxes all property bequeathed or transferred to a spouse;

Fourth, it provides for an increase in the amount of property which an individual may give tax-free annually to another individual from $3,000 to $10,000—which, incidentally, Mr. President, despite the inflationary spiral which has plagued this country has not been changed in the last 35 years;

Fifth, simplifies the so-called special use valuation rules for family farms and closely held businesses to take into consideration the problems of those who are disabled or receiving old-age benefits; and addresses unique problems faced by this country's timberland owners.

Mr. President, inflation has pushed many modest estates that were once too small to worry about estate taxes into extremely high estate tax brackets. The result has created many inequities in the estate tax laws, particularly as they affect family-owned farms and businesses. All too often, Mr. President, family-owned farms, ranches, and small businesses have been forced out of business by the financial burdens created by the estate taxes. Often a substantial portion of the property or business must be sold just to provide the money to pay the estate taxes. This legislation will help many liquidity problems faced by many estates and will give our farmers new incentive to keep agricultural lands in production.

Existing law, specifically section 2032 (A) of the Internal Revenue Code, specifically included in the definition of a "farm," operations such as orchards and woodlands. Unfortunately, the regulations as issued by the Internal Revenue Service did not mention either orchards or woodlands. This is particularly unfortunate because woodlands, that is our timber industry, is perhaps the most obvious area in which the material participation test simply does not work. Because of long rotation periods which include intervals of management inactivity and a need for professional advice and service, material participation rules as written for other crop farming do not speak to timberland owners or tree farmers.

Mr. President, in contrast to other agricultural farming, the crop period for timber growing often spans 30 to 60 years. Many timber owners make only one timber sale in their lifetime, and for the timber stand, that one sale may be only a thinning, improvement, or other intermediate cut. Tree farming and the management of timber do not require frequent or substantial work each year, or even at 5- or 10-year intervals; and thus they cannot comply with the regulations although the industry was clearly and specifically intended to benefit from this provision. This legislation would eliminate the requirement of material participation but would provide other safeguards to eliminate casual investors or Wall Street cowboys from gaining a special treatment under the provision.

Mr. President, I think that this legislation is long overdue, and I urge each Member of this body to give it careful and deliberate consideration. I think, on the whole, that when the measure is studied and understood, they will conclude as I did that this is certainly an idea whose time has come.

ORDER OF PROCEDURE

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to executive session for the purpose of considering the nomination of Richard E. Lyng, of Virginia, to be Deputy Secretary of Agriculture vice James H. Williams and that following after the disposition of that nomination, the Senate return to legislative session and the resumption of the period provided for routine morning business.

I further ask unanimous consent that, following after the close of routine morning business, the Senate return to executive session for the purpose of considering the nomination of Murray L. Weidenbaum, of Missouri, to be a member of the Council of Economic Advisers, vice Charles L. Schultze and that debate thereon continue not later than 3 p.m. on this day, at which time, the Senate will proceed to debate on the nomination of Executive Calendar Order No. 31, William P. Clark, of California, to be Deputy Secretary of State.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

The Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The clerk will state the nomination.

DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of Richard E. Lyng, of Virginia, to be Deputy Secretary of Agriculture.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COUNCIL OF ECONOMIC ADVISERS

The clerk will state the nomination.

The legislative clerk read the nomination of Murray L. Weidenbaum, of Missouri, to be a member of the Council of Economic Advisers.

RESUMPTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, under the order previously entered, does the Senate now return to the transaction of routine morning business?

The ACTING PRESIDENT pro tempore. The Senator is correct that we return to morning business.

Mr. BAKER. Following the conclusion of the period for the transaction of routine morning business, the Senate will resume, in executive session, the consideration of the nomination of Murray L. Weidenbaum. Am I correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

RECONCILIATION REVISION TO THE FISCAL YEAR 1981 BUDGET

Mr. DOMENICI. Mr. President, Senator HOLLINGS and I have introduced one of the most dramatic fiscal measures of the last 25 years in this country—a revision to the fiscal year 1981 budget that would save a total of $125.9 billion in actual Federal outlays during the fiscal years 1981, 1982, and 1983.

We have introduced this measure, which is in the form of a reconciliation instruction under sections 304 and 301 of the 1974 Budget Act, in response to the dangerous state of the national economy and as a first step in the long process of changing the spending patterns within the Federal budget.

I am proud that Senator HOLLINGS has joined in this resolution, for two reasons: First, it shows that controlling spending is a bipartisan effort and a bipartisan concern; and, second, it gives proper recognition to the key role that Senator HOLLINGS has played in bringing the entire concept of reconciliation to life. His work last year during the difficult reconciliation bill conference, which resulted in the first reconciliation bill in the Nation's history, was a great example of firmness coupled with flexibility. I hope that this year we are as successful as Senator HOLLINGS was last year in his work, acknowledging that the job is a bigger one and that it is far more important and far more complex than anything we have undertaken in the past.

Mr. President, the actual resolution revision that we have introduced would require Congress to save $10.7 billion in budget authority and $4.8 billion in outlays during fiscal year 1981; $61.3 billion in budget authority and $41.4 billion in outlays in fiscal year 1982; and $88.4 billion in budget authority and $79.7 billion in outlays in fiscal year 1983. These are target figures, of course, but we will do our best during committee action to achieve these savings.

We have chosen reconciliation as the process to enact many of the savings proposed last week by the President for several reasons. First, it preserves the package concept that is critical to real fiscal reform. Second, reconciliation has special protections under Senate rules that will enable the Senate—not the Budget Committee, but the Senate—to work its will on spending cuts within the package unencumbered by the threat of unusual delays. Third, reconciliation enables Congress to revise already enacted laws in a thoughtful manner—and we simply must change already enacted laws if we intend to change the spending habits of Government.

We must remember, Mr. President, however, that reconciliation will not achieve all of the spending restraint that the President has proposed. The other committees of the Senate will have major roles to play: indeed, it is my judgment that the Budget Committee will merely start the process, that the Senate will issue a mandate, and that the actual cutting of spending will be the distinct and special province of the other committees in the Senate. I hope that the other committees will work as quickly as possible, as many chairmen have indicated to me that they will, and that we on the Budget Committee will

have the benefit of their counsel as we proceed on this difficult task.

As for our committee, Senator HOLLINGS and I intend to proceed quite quickly. We hope to have our committee's work done by mid-March, if at all possible, and to give the full Senate the opportunity to act its will by late March. I propose this ambitious timetable because I believe that our committee, and the entire Senate, for that matter, is ready to act quickly, and we want to give them that opportunity. I disagree with the pundits who have speculated that spending reductions of this magnitude will never pass, that Congress will drag its feet. I simply do not believe that is going to happen. I believe, on the contrary, that the Senate will act quickly and responsibly, because the good of the Nation is at stake and we know it.

Mr. President, this is the first time that the chairman and ranking member of the Senate Budget Committee have introduced a budget resolution. In the past, such resolutions have always originated within the committee itself. But Senator HOLLINGS and I have agreed that it is important for the Senate to move immediately toward achieving a large savings this year and in the outyears and that this resolution is an important first step in that endeavor.

Let me add that the numbers in this resolution are the numbers that the President of the United States has suggested in his proposals for economic recovery. But, certainly, at this point, they are not binding. No Senator's prerogatives or rights are curbed in any way by this resolution. I know that we will have many struggles about individual cuts while we work toward our common goal.

But I wanted the common goal to be at least the President's recommended savings. And I welcome the struggles, since from them will come a common package propelled by a common will, and all for the common good. I expect that our committee will add some cuts, make larger cuts in other areas and, perhaps, even reject some cuts that the President has proposed. This is the nature of the legislative process and it is healthy.

Mr. President, this resolution is the result of many meetings and much consultation. I hope that we can act quickly to carry out the Senate's will and I congratulate Majority Leader BAKER for his guidance and good counsel during the past several months as we have agonized over what path to take.

The path is not yet clear, for, certainly, we do not know how the U.S. House will choose to move with reference to the President's fiscal restraint package. But, Mr. President, I am certain that the people want to see us act and, as I indicated earlier, this is the first step in a long process. But if we do not begin now, we shall never get to where we must be before this year is out.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD.

(The text of the concurrent resolution is printed later in today's RECORD under "Routine Morning Business.")

Mr. DOMENICI. In addition, Mr. President, I ask unanimous consent that the RECORD be kept open for the remainder of the day so that all Senators who wish to join Senator HOLLINGS and me in this resolution can add their cosponsorship.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, it is a privilege and a pleasure to join the distinguished Senator from New Mexico on the reconciliation measure that has just been presented.

I have learned from experience that it pays to join the distinguished chairman of the Budget Committee. Some years back, as chairman of the campaign committee, I went to New Mexico. We thought we had a pretty good, red-hot candidate, but when the Italian mayor of Albuquerque got up and started speaking Spanish to the crowd, I lost entirely. I learned how to join them.

Senator DOMENICI and I have been working on trying to cut the budget and increase defense, notably after the SALT II hearings; and it proved the effete nature of the Nation's defenses that we joined to support a 5-percent real growth in the defense function. That amendment passed the Senate on September 18, 1979. It was defeated later.

The distinguished Senator and I have had the privilege of working together, and I have had the privilege of observing him, particularly during the early days of this new administration. There is no question in my mind that Senator DOMENICI has brought realism and good judgment to the economic initiatives of the Reagan administration.

There is a lot of good psychological buildup to trying to get politicians working together. The people spoke on November 4. They want to cut back on the budget itself. I believe that is clear.

It is clear from the experience of the distinguished Prime Minister of England, who will be here later this week, that her mistake was in trying to transfer tax cuts. She gave one tax cut, but then increased the value-added tax. She never got to the real problem of controlling spending. The Domenici resolution will help us avoid this problem.

I am cosponsoring the proposed legislation today as a major step toward regaining control of Federal spending. It continues the Senate's leadership role in the reconciliation process.

Last year, when some could not even pronounce the word "reconciliation"—actually, 2 years ago I could not, and I was wondering what they were talking about—the Senate saw it as a sound procedure to address the budget problems of this Nation in a cumulative fashion and took the lead in agreeing to budget savings in more than 30 programs contained in the Reconciliation Act of 1980. It is altogether fitting that the Senate again show its leadership in this area, especially at a time when the need for controlling the Federal purse strings is even greater.

The level of Federal spending is rising even as we stand here. Government programs have become overblown. Many programs that started with the best of intentions have gathered a lot of deadwood over the years. There are unintended recipients receiving inflated benefits. At a time of severe economic distress, we need to rethink our degree of commitment to some of the more marginal programs.

Everyone has talked a lot over the past few years about "uncontrollable" spending. It is almost as if some magical power has revoked our ability to control Government spending. As any Senator should know, there is no such thing as "uncontrollable" spending. We can begin to control it just as soon as we choose. The fact that most of the so-called uncontrollable spending results from entitlement programs does not mean that it is beyond our grasp, only that we must pursue it through more unfamiliar means.

Because of the broad range of these programs, the reconciliation process affords us the best chance for success. In reconciliation, the Congress instructs its committees to report a certain level of savings for those programs within its spending jurisdiction. In this way, the Congress can decide on the appropriate level of aggregate savings necessary to achieve its fiscal policy goals while relying on the expertise of the individual committees of the House and Senate to achieve the savings in the most effective manner.

In this way, Congress can assure that its budget decisions are made with regard for both their overall macroeconomic effect and their impact on specific programs and individuals.

In our present economic situation, we simply must have this kind of fiscal coordination offered by a reconciliation bill.

We must also act quickly on reconciliation. Not only do we need to establish the momentum to see these cuts through to actual enactment, but also, we must show the American people that Congress is committed to reducing spending before it cuts taxes. As we all know, it is too easy to cut taxes first and then say that spending cuts will follow, never to materialize at all.

That has been one of the things our distinguished chairman, Senator DOMENICI, has emphasized, I am sure, in the councils of the new administration.

The word "balance" is appealing, and tax cuts and spending cuts go together. They use words such as "macroeconomic" and "reconciliation," but the new word with this group is "simultaneity."

Politically it does not happen that way. You can pass a tax cut this afternoon in this body. We were prepared to do it, as Democrats, last fall, and had the good judgment to withhold; because we realized the enemy was inflation, and we had to stay on top of our revenues to try to eliminate deficit spending in the National Government.

Senator DOMENICI has pointed the way. His move today, in which I join, is most

timely. While respecting the constitutional authority of the House of Representatives to generate revenue-raising measures—we respect and will adhere to that—when it comes to cutting spending, there is no reason not to start on the Senate side. Frankly, there is every good reason to start in both bodies immediately.

If we were to have just the tax cuts, it would not only be highly inflationary and greatly increase our deficit, but also, it would send the wrong signals to the financial markets, thereby further damaging our economy. By beginning work on the reconciliation measure before we consider tax cuts, we demonstrate that Congress is taking the route of budgetary and fiscal responsibility and not simply taking the easy way out.

Mr. President, my support of the reconciliation process and this bill in particular, does not mean that I support each of the individual budget cuts that have been proposed so far by the Reagan administration. In fact, some of those cuts deeply trouble me. Although not all of the budget cuts have been announced yet, I am concerned that some of the proposals are really shortsighted. In a few areas, such as child nutrition, the President may achieve false economies by taking a short-term budget cut that ends up in reality costing this Nation more, in both human and monetary terms, over the long run.

My differences with the administration's proposals will be part of our deliberations as Congress works its will on the administration's budget package. But although I have grave misgivings about some of the specific cuts, it is absolutely essential that we begin now to achieve the overall level of reductions recommended by the President. I will work with our distinguisher chairman, Senator DOMENICI, to begin our work on this measure as soon as possible.

Last year, the Senate took the lead in converting the reconciliation process from an untested theory into a functioning tool of fiscal control. Based on our success last year, reconciliation is the best means we have to reduce the growth in Federal spending, control inflation and work toward our mutual goal of a balanced budget.

The PRESIDING OFFICER (Mr. WARNER). The majority leader is recognized.

Mr. BAKER. Mr. President, I take this opportunity to extend my heartiest congratulations and to express my greatest appreciation to the distinguished chairman of the Budget Committee, Senator DOMENICI, and the ranking Democrat, Senator HOLLINGS.

In my career in the Senate, I have seldom seen a better example of diligent and dedicated service, to say nothing of bipartisan cooperation, than has been exhibited both by Senator HOLLINGS and Senator DOMENICI. They have set an example for the rest of us in a delicate matter of extraordinary sensitivity.

Not only have they dealt with the budget aspects of this matter, but also, they have negotiated, on an informal basis, with the chairmen and ranking members of jurisdictional committees, to the point where I believe there is a general consensus in this body that the Budget Act does offer an appropriate and desirable technique for the adjustment of this budget.

I commend them for their effort. I congratulate them on their early success. I pledge to them my support in continuation of this process.

Mr. DOMENICI. Mr. President, I thank the majority leader for his kind words. I thank Senator HOLLINGS for his remarks and his cooperation.

Senator BAKER has mentioned the bipartisan nature of the cooperation among committee chairmen and myself and the ranking Members, but I believe we should particularly mention Senator HATFIELD and Senator DOLE.

The real problem we have had in the past with the budget process is that the Appropriations Committee and the Budget Committee were not approaching the budget process on the same wavelength, in a collegial manner, together, to try to accomplish common goals.

Senator HATFIELD has seen fit to appropriately offer his concern about the appropriations process and that committee's grave responsibility to pass money bills. His willingness to be part of this in the interest of getting a package and so that everyone is in this together is really something that I am indebted to him and to the majority leader for his help.

I have worked at it and between the majority leader and others we have brought that about.

Senator DOLE's committee, the Committee on Finance, is generally thought to be the taxing committee, but the majority leader and I know that many of the entitlement spending bills that are not subject to a year-to-year adjustment come from that committee and a substantial portion of the cuts will have to come from that committee changing the laws. The willingness to be part of this on the part of Senator DOLE from my standpoint as the Budget Committee chairman is something that I could not have done as I could not have gotten by without that cooperation and help. I simply wish to mention that here.

By selecting those two, I do not mean to say that others have not been willing in working with us, but those were the difficult ones in the past, and I think we have overcome that hurdle.

I wish to thank them here in this RECORD today because as we move down this path there will be many struggles, but I am hopeful the struggles will not be jurisdictional disputes and will not be catching anyone by surprise. We will not be sending anything to the Appropriations Committee that they have not been totally briefed on either in this reconciliation or our first resolution next year. They will know what the functional totals mean and what the expectations of expenditures are so that we will not cause the animosities to blossom as they have in the past.

I yield the floor.

Mr. HOLLINGS. Mr. President, I wish to thank the distinguished majority leader for his kind and generous remarks. I am glad to be working on cutting the spending. I am in a position to do so relative to the Appropriations Committee because I have served on that committee the same length of time as our distinguished chairman, Senator HATFIELD.

The Appropriations Committee has full authority with respect to how to cut its appropriations.

When we in a reconciliation resolution select a figure, and incidentally last year it was selected with the counsel and advice of the former chairman, the distinguished former President pro tempore, Senator Magnuson, it goes back to the Appropriations Committee. Where the Budget Committee may have said there ought to be an amount cut here from Defense or cut there from Labor, HEW—Labor and Health and Human Services now—or State, Justice, Commerce, the Appropriations Committee has the authority and should have the authority to decide where the cuts will be made. The Budget Committee cannot tell the Appropriations Committee. On the contrary, the Appropriations Committee has the exclusive authority to determine in which categories, adhering to the overall amount, they believe the spending should be cut or the appropriations should be cut.

What occurred last year were two things:

First, the staff changed the budget priorities around completely. They took from Defense and added to Labor-HEW which caused a great deal of consternation. Second, they finessed the amount of Labor-HEW spending required and that can be done if we do not have full disclosure of the estimates coming down from our Budget Office, which have been the genesis of some difficulty in both the Appropriations and the Budget Committees.

So they disregarded certain things that would have to be appropriated for. Momentarily they said: "The pay bill is not here yet, so we are not going to take care of that. There are certain other items. Fuel costs are inflating. We know another supplemental will be coming down for fuel costs."

What they did, in essence, was then send out the defense budget contending that they were adhering to the same figure as the Budget Committee and trying to tell the Senate that, but in reality finessing about $20 billion in amounts considered by the budget and the budget process and everyone else in Government, knowing all along that they would have to come and spend that amount later.

That is the very basis of Senator HATFIELD's concern. He is now, in February, in the saddle and estimates are coming down the pike. He sees some $20-some billion there, and he wants to go along with the process. But he, as I am trying to advise and counsel with him and with our colleagues all in the Senate, whether or not on the Appropriations Committee, is trying to similarly counsel and advise with all of us in the body itself, that this is a real problem and it has to be coordinated and understood.

The reconciliation process is not intended to force feed a committee chairman or anyone else. It is a mechanism for really coming about. And I say to our distinguished majority leader, being a camera buff, it is more or less a lens to bring in focus the consummate or concurrent majority will of this Senate in one particular spending cut package. It is very, very difficult to do with all the authorizing and appropriations authorities. But we do it not trying to force feed anyone, but are actually working as an instrumentality of the Senate itself.

I thank the distinguished majority leader.

Mr. BAKER. Mr. President, I thank both the distinguished Senator from South Carolina and the Senator from New Mexico.

Mr. GRASSLEY. Mr. President, I say to the Members of the Senate that I am happy to join the Senator from New Mexico in cosponsorship of his amendment to the budget resolution.

Mr. President, last year, Federal spending as a percent of gross national product was 22.6 percent—the highest level since World War II—and this year, the Congressional Budget Office estimates that it will reach 23.8 percent of GNP. This boom in the level of Federal spending has resulted in massive deficits, which serve as a drain on the private capital markets and obviously are a restriction on economic growth, productivity, and prosperity in this country.

This Federal contribution to inflation and high unemployment must be stopped. I support the concept of the balanced budget and the spending cuts necessary to achieve this. I am, therefore, pleased that as a member of the Budget Committee I have the opportunity to bring about spending restraint in the Federal budget.

I am cosponsoring this amendment to the second budget resolution for fiscal year 1981, in hopes that we in the committee will be able to enact the lower spending levels that the President has incorporated into his economic recovery package. Though I do not necessarily agree with all the President's specific program reductions, and probably no individual Senator would agree with everything exactly the way it was presented, we all do generally agree with the attempt toward fiscal restraint and will work for mutual cooperation to accomplish that goal.

This amendment will enable us in the Budget Committee to study the specific proposals in the administration's package, possibly add other cuts, and issue them as part of the reconciliation process. This procedure is vital if we are to impose some kind of fiscal discipline and embark on the road to economic recovery.

I thank the Chair.

● Mr. D'AMATO. Mr. President, I join with my colleagues in this resolution, which supports President Reagan's program of economic recovery and tax relief for the American people.

Generally speaking, President Reagan's program is right on target. For the first time since the 1930's a President has demonstrated the foresight and the political courage to reverse the size, scope and influence of the Federal Government, and to return control to the States where that control belongs. It is my belief that the President's rationale for his tax and budget cut programs are sound. We must begin now to put more money back into the pockets of our citizens, allow for more investment in new and better products, and put millions of our citizens back to work.

But, I believe that we need to continue those Federal programs, which have demonstrated effectiveness, particularly those as Federal aid to mass transit, which are clearly beyond the means of the States, and which will benefit the Nation as a whole.

Mass transit is the lifeblood of our large cities, especially those in the Northeast. Mass transit not only plays a key role in getting our people to and from work, it is an efficient substitute for the automobile in every aspect of life. Without mass transit, the lives of New Yorkers, and others who live in the large cities, would be affected on a devastating scale.

Mr. President, lest some accuse me of voicing parochial concerns, let me point out why aid to mass transit is vital to all Americans, not just those who reside in the large cities.

Over the years, we have continued to be ever more dependent on foreign oil, and despite recent gains our oil bill to OPEC still is staggering. Last year, this Nation sent to OPEC between $70 and $80 billion. Our oil dependence is draining the consumer's pockets, disrupting our balance of payments, driving up inflation, and is creating serious foreign policy problems.

Every expert tells us that the transportation is the one area where cutbacks in oil use are most needed, and are the easiest to accomplish. About 40 percent of all our oil use is to fuel transportation. In fact, studies show that the American automobile uses about one-ninth of all the oil produced in the world every day. Our energy policies must be consistent with our overall economic objectives. Clearly they have not been consistent or we would not find ourselves in the present situation.

Mass transit will save millions of barrels of oil at less cost to the American people. Federal aid to mass transit is an effective means of conservation. It is a much wiser investment than to pour billions of Federal dollars into synthetic fuel plants, which will produce oil at a minimum cost of between $30 and $40 per barrel.

Mr. President, I believe that if aid to mass transit is viewed in this perspective, it is clear that withdrawing that aid would be counterproductive—not just to our energy program, but to our overall economic objectives.

For these reasons, Mr. President I support this resolution with reservation. I hope that my concerns about Federal aid to mass transit, which I express in behalf of the people of New York, will be resolved quickly and satisfactorily.●

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended not beyond 12:15 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the Chair.

CENTENNIAL OBSERVATION OF SOUTH DAKOTA STATE UNIVERSITY

Mr. PRESSLER. Mr. President, on behalf of Senator ABDNOR and myself, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 79) relating to the centennial observation of South Dakota State University.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. HEFLIN. Mr. President, reserving the right to object, and I shall not object, I wish to make known for the RECORD that this matter has been cleared by the minority leader and by the ranking minority member of the Judiciary Committee. Therefore, I do not object.

There being no objection the Senate proceeded to consider the resolution.

Mr. PRESSLER. Mr. President, South Dakota State University is a product of the U.S. Congress through the passage of the Morrill Act to establish land-grant colleges throughout the country. In the 100 years since that time, South Dakota State University has achieved an excellent reputation as an educational institution of high quality. That quality is reflected in its students, administrators, faculty, alumni, educational programs, and activities.

An act of territorial legislation approved on February 21, 1981, marked the beginning of an agricultural college in Brookings, S. Dak. That agricultural college has since developed into a university offering baccalaureate programs in the arts and sciences, agricultural and biological sciences, engineering, home economics, nursing, and pharmacy. With over 125 academic majors within its seven colleges and division of education, South Dakota State University offers valuable learning environments for its students. This educational environment has been enhanced by the facilty and administrators whose dedication and expertise have guided thousands of students in their professional or vocational pursuits.

Realizing the interdependence and constantly changing needs of our society, South Dakota State University had the flexibility to respond. Its early goal was toward the promotion of agricultural science. As the technology of agriculture changed, South Dakota State University responded with research and innovation. The university's Institute on Irrigation Technology, Institute on Social Science for Urban-Rural Research and Planning, Remote Sensing Institute and Water Resources Institute have made it an invaluable resource for South Dakota and a leader in the advancement of agriculture for our Nation.

South Dakota State University and the later established cooperative extension services have provided useful, current agricultural and homemaking information to South Dakota. Working together, the university and extension service have the knowledge and resources to offer direction and assistance in the promotion of agriculture, the home and the family. Excellent programs, such as 4–H, have been skillfully administered through this relationship.

Mr. President, South Dakota is proud of this university and its 100 years of achievements. The school has successfully guided students in the attainment of intellectual and professional competence, and a sense of civic and social responsibility. And it has offered opportunities for a student's personal growth through not only the knowledge of a particular field or discipline, but also an enlarged perspective on life.

As South Dakota State University celebrates its 100th anniversary, I believe the university's record of impressive accomplishments should be recognized. In doing so, we commend that pioneer spirit that initiated the university and encourage the furtherance of educational excellence.

Mr. President, I do not wish the yeas and nays but only wish to have a voice vote on the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 79) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 79

Whereas South Dakota State University was established in 1881 as a land grant college dedicated to the study of agriculture and has since emerged as a leading institution of agriculture and liberal arts education;

Whereas South Dakota State University has demonstrated its commitment to quality education through high scholastic standards and training expertise;

Whereas South Dakota State University has provided leadership in the rapidly changing technology of agriculture in South Dakota, the nation and the world;

Whereas South Dakota State University maintains the spirit of its founding authority while responding to the future through research alternatives: Now, therefore, be it

Resolved, That the United States Senate hereby recognizes these contributions in honor of South Dakota State University's centennial observance.

OMNIBUS SMALL BUSINESS CAPITAL FORMATION ACT OF 1981 EDITORIALS

Mr. DURENBERGER. Mr. President, just a few short weeks ago I stood here as a primary cosponsor of the Omnibus Small Business Capital Formation Act of 1981. The response to this bill has been overwhelming. People from all over the country have expressed support for it. Today, I wish to place in the RECORD five editorials from my home State which are indicative of the widespread feeling about this legislation. I ask unanimous to have these editorials printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Sun Newspapers, Feb. 11, 1981]

DURENBERGER HAS PART OF THE ANSWER

In his address to the people last Thursday evening, President Reagan said his administration would attack inflation and unemployment jointly with a multi-faceted program that he would detail Feb. 18 in a message to Congress.

One attack on our economic difficulties is to improve the business environment affecting employers of large numbers of people—the automobile, steel, oil and other such major industries. These are receiving attention.

For the creation of new jobs, and millions are needed every year to accommodate young people entering the job market, the administration must look to small business for that's where most of the new jobs are generated, and the president would do well to embrace the provisions of a bill just introduced by a bi-partisan group of influential U.S. Senators led by Minnesota's David Durenberger.

To make it easier for small business to attract new investors this omnibus proposal gives every person a 10 per cent tax credit (up to $1000) on investments in small companies; it weights a reduction in corporate taxes in favor of the small firm; it reduces gift and estate taxes, eliminating inheritance tax on estates valued less than $500,000. Employees would be exempted from the tax on the spread between option and market price on stock purchases and small firms would have the benefit of revised accounting procedures on inventory evaluation.

Investors in small companies would avoid capital gains taxes if proceeds of a stock sale were reinvested in another small company. There are numerous other practical provisions that would direct investment to small firms, release their job creation potential, and give the economy the benefit of the new technology and high productivity associated with new enterprise.

The Durenberger proposal is the most practical job building bill to be offered within anyone's memory. It does not require the spending of huge amounts of public funds but rather stimulates private initiative and private employment. There is no question that its adoption would trigger a redirection of resources and generate vitally needed job building activity.

[From the St. Paul Pioneer Press, Feb. 5, 1981]

AID WHERE IT IS NEEDED

After years of talking about it, Congress finally will get a chance to pass legislation designed to give the small businessman a much-needed financial break.

Sens. David Durenberger, R-Minn., Max Baucus, D-Mont., and Sam Nunn, D-Ga., have introduced a bill that would make it easier for the small businessman to raise capital, both internally and externally, to finance improvements and expansion.

The bill, if passed, could have a significant impact on the U.S. job market. According to the 1980 White House Conference on Small Business, ". . . investment dollar for investment dollar, small companies produce far more jobs and as much as 24 times as many innovations" as the larger corporations. The healthier America's small business community, the better the job market and the economy as a whole.

To make investment in small business more attractive to outsiders, the bill would provide a 10 percent tax credit of up to $1,000 per person for investments in new stock issued by businesses with a net worth of less than $25 million.

The capital gains tax also would be reduced significantly for individuals and corporations investing in small businesses.

To encourage capital gains "rollovers," persons who sell stock in one firm and invest the proceeds in another qualifying small business within 18 months would not have to pay a capital gains tax on the net proceeds of the first sale.

To lessen the need for families to sell small businesses, the bill would increase the present federal estate tax exemption from $175,000 to $600,000. In conjunction with this provision, the bill would also establish an unlimited gift and estate tax marital deduction. These provisions also would make it possible for families to pass family farms from generation to generation.

The measure also contains reductions in corporate tax rates, with a definite emphasis on small businesses.

A tax provision which has heavily penalized the small businessman attempting to attract talented employees to his firm involves stock options. Today, an employee exercising a company stock option must pay ordinary income tax on the "spread" between option price and market price—even if the employee has not sold the stock. That tax penalty has virtually destroyed the stock option as a tool in building a vigorous small business in a world of giants. Under terms of the proposed bill, employees would be eligible for capital gains treatment when the stock is sold with option price being the cost basis.

America's economy needs a shot in the arm. This bill contains some potent medicine.

[From the St. Cloud (Minn.) Daily Times, Feb. 9, 1981]

DURENBERGER BILL WORTH SUPPORTING

A major bill to encourage the development and expansion of small businesses and protect family farms was introduced in the U.S. Senate by Sen. Dave Durenberger.

Called the Omnibus Small Business Capital Formation Act, the bill would reform current law in five areas: 1) it will provide the capital small businesses need to expand and create new jobs; 2) it reduces corporate tax rates, with the greater share of the benefits going to the smallest businesses, and provides for accelerated depreciation; 3) it reduces gift and estate taxes, including elimination of estate taxes on estates valued at less than $600,000; 4) it gives small businesses greater flexibility in the use of employee stock options; and 5) it reforms accounting procedures so that inventory costs reflect the impact of inflation.

During any period of national economic distress, small businesses and small farms are hardest hit. This holds true whether the economic trouble is inflation/recession or a major depression such as we faced in the 1930s. Major companies, if they are managed properly with an eye to the future, will usually survive some pretty difficult economic periods. It's not always so with small businesses.

Today, America's small businesses and farms need the federal government's special understanding. They have not been soared the over-regualtion and callous attitudes toward all business emanating from Washington in recent years, but have paid a greater price. Having little to fall back on in hard times, they have folded by the hundreds.

Small farms, which have been a family's pride for generations, are being sold to pay estate taxes and small businesses, which have built local reputations painstakingly over the decades, are sold off to chain stores. This doesn't have to happen and Durenberger's bill is one step in the right direction.

Stimulating capital, cutting corporate

taxes and setting a realistic estate tax are all solid steps toward shoring up small business. Each of these measures, and the others mentioned in the bill, will have a positive effect.

However, there is a philosophical problem here which is at the root of our small business and small farm woes. The federal government, especially using current estate tax laws, has adopted a policy of "redistributing the wealth." Appointing itself as a big brother who watches over our private enterprise and dictates who can prosper and who cannot.

Not debating the merits of this philosophy, but as it is applied in an inflationary economy, it can only devastate our system of free enterprise which rests heavily on small businesses. If each new generation of small businessmen is forced by punitive estate taxes to completely rebuild from scratch, each will use up a lifetime attempting to repeat the same growth pattern.

We need a country which is growing and moving ahead. One step in that direction right now is a letter to support Durenberger's bill.

[From the International Falls (Minn.) Daily Journal, Feb. 10, 1981]

SENATE TAX BILL HELPS LITTLE GUY

Reprinted below is an editorial about taxes that deserves the attention of everyone who hopes someday to leave a family business or farm to the kids.

Sen. Dave Durenberger, as outlined in the Pioneer Press editorial, has introduced legislation which will mean that tax collectors no longer will be the helpmates of big operators trying to get bigger.

Durenberger's bill is comprehensive and somewhat complicated. But reduced to its simple terms, it proposes to achieve the following:

1) Reduce gift and estate taxes.

2) Change the valuation rules for small businesses and farms to more closely reflect the value to family heirs rather than to outside companies seeking to gobble them up.

3) Eliminate tax penalties on stock which now stand in the way of cutting in employees for a piece of the action.

The bill does a lot of other necessary things, too. But the main point is that it will halt the trend in which closely-held businesses and farms have come to be sold to outsiders upon the death of a principal owner. Such sales have been triggered by the demand for cash to meet death taxes.

Farms serve as a good example, but the impact is identical on small businesses.

It's common today for a family farm in the good growing parts of Minnesota to be worth $1 million. Land prices alone have doubled and tripled.

Everything is going along fine, say, with mom and dad and a couple of sons operating such a farm. But passing ownership from parents to children under existing laws costs a heavy penalty.

Faced with a demand for cash to pay off the tax collector, the heirs are just as able to "surrender" to bigger operators who, in turn, are operating at such scale as to take maximum advantage of various government support programs.

In releasing details of the bill, Durenberger said, "Society asks small businesses to carry a huge burden. They provide 50 million jobs; 99 percent of the jobs created in the economy every year are in small businesses."

Yet, he said, "Federal tax policies make it almost impossible for small business to save money they need to expand, build new markets and stay competitive. These businesses have been forced to operate on the slimmest of margins—margins that evaporate when we have double-digit inflation and interest rates."

Given the current emphasis on tax and spending reform, Durenberger's bill should have a good chance. It stands to provide new incentive to upcoming generations to keep hometown businesses in the hands of owner-operators and out of the hands of impersonal, out-of-town corporations which save the bottom line as the main thrust.

[From the Red Wing Republican Eagle, Feb. 5, 1981]

BIG HELP FOR SMALL FARMS

We commend Sen. Dave Durenberger for pursuing a concept we've frequently addressed: keeping family farms "family."

Durenberger's federal-level approach is to aim for reforms in estate taxes, and he introduced a bill on Tuesday to that effect. Among the specifics of the bill are provisions to increase the present estate tax exemption from $175,000 to $600,000 and to make charges in farmland valuation rules.

As a way of life for Minnesota farmers and American farmers generally, the family farm increasingly finds itself on the short end of tax advantages, which work to the benefit of large investors. Family farmers are having a difficult time competing against the large operators who benefit from tax shelters, get bigger with the help of federal price supports, and who, simply because they are big, often get better purchase prices on their supplies.

What's happened over the years is that large farms have thrived to the point where 6 percent of the farms account for 50 percent of farm sales.

Apart from tax discrimination against family farms, there are some legitimate reasons for that trend. Dr. Earl Heady of Iowa State University explains:

"Over pervious decades the family farm was highly valued as such. A partial equity was inherited and the family worked toward an acceptable standard of living and to retire the farm's mortgage, live on its rental value in old age and pass the land down through the family.

"Fewer young farmers now view farming this way. Their income and management goals are more like those of a medium-size corporation. They see the farm more as a business generating cash flows and capital gains."

If Dr. Heady's perception is correct, let's not give the changing values any extra boost with discriminatory estate tax law. Around Goodhue County, we think, the family farm attitude still prevails for the most part.

Last year Durenberger introduced a similar reform bill, which went nowhere. This latest bill not only would help family farms but would extend reform to all small-family businesses. A measure of the Reagan Administration's success will be in how well it can trim government spending to create a receptive atmosphere in Congress for tax reform.

SUPPRESSION OF THE TRUTH OF HITLER'S FINAL SOLUTION

Mr. PROXMIRE. Mr. President, in his book, "The Terrible Secret: Suppression of the Truth of Hitlers' Final Solution," Walter Laqueur examines the reasons why accurate information about the Nazi extermination of European Jews was not believed.

A final solution—the implementation of a total extermination policy—had been accomplished principally in the death camps in Poland. Information about their existence and operation came to the Allies through various channels in the Polish underground. Laqueur documents instances of suppression of this information at high institutional levels in the British, American, and Soviet Governments. For example, in 1944, a senior Treasury official charged that State Department officials "have gone so far as to surreptitiously attempt to stop the obtaining of information concerning the murder of the Jewish population of Europe."

Acceptance of the facts was amazingly slow, and there was little comprehension of the actuality of the death camps until after the war. At that time, the horrors of Dachau, Buchenwald, and Auschwitz were laid open to us. But the degree of the atrocities was inherently unbelievable. For the intended victims, it was easier to believe the Nazi's false promise of relocation of labor in the East, than the terrible certainty of the gas chamber.

Laqueur contends that "these defense mechanisms spring from deep and inherent qualities shared by all mankind—a love of life, a fear of death."

There is the prevailing belief that the holocaust could never recur, that our shock and anger over past travesties would make us forever wary. Yet genocide has continued in many parts of the world—Uganda and Cambodia, to name but two. Such acts are often still beyond our capacity to imagine, or the media's capacity to report.

The Genocide Convention puts forth a declaration that is not abstract, but starkly clear: that genocide—"the intent to destroy, in whole or in part, a national, ethnical, racial, or religious group"—is an international crime whether committed during peace or war. Condemnation of the great horrors that taint our world's history is not unreasonable.

Ratification of the treaty by the United States would place the reality of genocide firmly within our imagination, and within the scope of current world events. It would serve as a first step in an international pledge to arrest such crimes against humanity, instead of staring past them in mute disbelief.

PROVISION OF TWO ADDITIONAL SENATE MEMBERS OF THE JOINT COMMITTEE ON PRINTING

Mr. BAKER. Mr. President, I ask unanimous consent that the Rules Committee be discharged from further consideration of Senate Resolution 76, and that the Senate proceed to its immediate consideration. I may say, by the way, this has been cleared on the minority side.

Mr. PROXMIRE. Mr. President, that is my understanding, that it has been cleared with the Rules Committee and the minority.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 76) providing for two additional Senate Members of the Joint Committee on Printing.

There being no objection, the Senate proceeded to the consideration of Senate Resolution 76, which was agreed to as follows:

Resolved, That S. Res. 36, Ninety-seventh Congress (a resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee on the Library), agreed to February 3, 1981, is amended on the first page (1) by inserting on line 5, immediately after "Virginia," the following: "Mr. Hatfield of Oregon,", (2) by striking out "and" on line 5, and (3) by inserting immediately after "Nevada" on line 6 the following: ", and Mr. Ford of Kentucky".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? There being no further morning business, morning business is closed.

EXECUTIVE SESSION—COUNCIL OF ECONOMIC ADVISORS

The PRESIDING OFFICER. The Senate will now proceed to executive session, and the clerk will report the nomination.

The assistant legislative clerk read the nomination of Murray L. Weidenbaum to be a member of the Council of Economic Advisers.

The Senate proceeded to consider the nomination.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the vote on the Weidenbaum nomination.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, the pending business, please?

The PRESIDING OFFICER. The pending business is the nomination of Murray L. Weidenbaum to be a member of the Council of Economic Advisers.

Mr. GARN. I thank the Chair.

I just wanted to make certain it had been placed on the Calendar and was before us.

Mr. President, this is an outstanding nomination by the President of the United States. When I first came to the U.S. Senate 6 years ago I was well aware of Murray Weidenbaum's expertise as an economist and, more particularly, of his background in regulation. He has a large number of publications, a list that makes you wonder how he had time to write all of the books, articles, and publications on the subject of Government regulation and its economic impact on the Nation.

Confirmation hearings were held in the Banking Committee. He was a most impressive witness, very responsive to all of our questions from both sides of the aisle, and he was confirmed unanimously, without objection, by the Senate Banking Committee.

I do believe it is one of the President's most outstanding nominations, and I certainly highly recommend Mr. Weidenbaum's confirmation by the entire Senate.

Mr. PROXMIRE. Mr. President, I intend to support Murray Weidenbaum for Chairman of the Council of Economic Advisers.

Mr. Weidenbaum is eminently well-qualified to serve in this post. I have been chairman of the Joint Economic Committee in the past, and we have had the most eminent economists in the country appear before us for many years, and I can tell you that there are few economists as highly respected in the profession for his competence as Murray Weidenbaum.

There are many areas in which I agree enthusiastically with Mr. Weidenbaum. He is a free-market economist, and that is what we need.

On the other hand, Mr. President, I do have some reservations, some very serious reservations, that I wish to state.

In order to control inflation we must take some tough medicine; a consistent and stringent monetary policy; we have to start running budget surpluses instead of deficits; we have to vigorously enforce our antitrust laws; welcome the anti-inflation effect of free trade; rely on the President to jawbone down inflationary wage and price increases; and use every tool available to fight inflation.

Action must be tough and must be fair. I am glad that Mr. Weidenbaum's advice to the President will be very friendly to business but concerned that it may be grossly unfair to other sectors.

Now, wherever anti-inflation policy collides with big business interests, guess who loses in the Weidenbaum philosophy, as was made very clear in our hearings? That is right, anti-inflation policy collapses.

Mr. Weidenbaum disappointed me with a feeble, pussycat response on antitrust law enforcement. There is no more important consumer protection than vigorous antitrust enforcement. Many of our industries are controlled by monopolies. Certainly in steel the price is set not in competition, it is set by one company that will announce a price increase, and within a few hours every other company in the business will match that price increase to the fourth decimal point. We know that in automobiles, for instance, where we have three big producers, one dominant producer provides price leadership and a price umbrella.

Prices are high because of monopoly control. Mr. Weidenbaum has no prescription for breaking that kind of control, and it requires the kind of rigorous procompetitive, anti-price-fixing policies that we need.

The administration has indicated that they favor destroying the Federal Trade Commission's antitrust division, which would invite the-sky-is-the-limit price hikes and price fixing. As a matter of fact, the transition team proposed that we not fund the antitrust division of the Federal Trade Commission for 3 years.

Mr. Weidenbaum waltzes away from any specific prescription for Government action to fight inflation and to reduce the wage-price spiral. COWPS has been abolished. In its place Mr. Weidenbaum thinks that macroeconomic policies will suffice.

There will be no guidelines for wages and prices, no jawboning, no tax-based incentives for rewarding anti-inflationary wage and price policies or punishing inflationary wage and price policies.

On free trade, which provides our only genuine anti-inflation competition, in steel and autos, and elsewhere, Mr. Weidenbaum is a timid, gentle, pussycat where we need a vigorous champion to stand up to the powerful protectionist interests in this country.

Also Mr. Weidenbaum is insensitive to the role that energy price increases have played in inflation, the OPEC price increases. He characterized the OPEC price increases as a temporary shock. Some temporary shock. It has now been with us for 8 years, and will be for the foreseeable future.

So here is an anti-inflation policy that Mr. Weidenbaum, who will be the chairman of the Council of Economic Advisers espouses, the principal economic adviser to the President of the United States, a man who will have more to do with setting policy or at least recommending policy than anyone else, based entirely on fiscal policy, and what a feeble, sickly, anemic, rundown fiscal policy, with no balanced budget this year, no balanced budget next year, no balanced budget in 1983, according to Mr. Weidenbaum's testimony before our committee, and if anybody thinks that this is going to bring us a balanced budget in 1984, he still believes in Santa Claus and the tooth fairy.

I wish Mr. Weidenbaum well. He is articulate, he is intelligent and, as I said earlier, he is eminently qualified as an economic professional.

Mr. President, Mr. Weidenbaum is now in the U.S. Government, and I think it will be interesting to see how well he does. We will give him a report card after a year in office. As I say, I will vote for his confirmation, but with somewhat more than slight misgivings.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER (Mr. DANFORTH). The Senator from Utah.

Mr. GARN. Mr. President, I doubt if there is anyone else who wishes to speak on this nomination, so I am sure we can yield back our time in a moment.

I would like to respond to my distinguished colleague from Wisconsin about the prospect of a balanced budget by 1984. I would only suggest that if a majority of the Senate would vote on appropriations bills the way Senator PROXMIRE and I have the last few years, it would be easy to have a balanced budget by 1984. So I will promise that the Senator from Utah will deliver a majority of my side of the aisle to vote for the expenditure reductions in tax cuts if the Senator will also convince his side of the aisle to vote as he has done and then we can have a balanced budget by 1984.

Mr. PROXMIRE. If the Senator would yield on that point, that is an interesting perception that the Senator has. It is

shared by a great majority of the Republicans that the Republicans are the economists and the Democrats are the spendthrifts.

Mr. President, that is completely wrong. In every single Eisenhower budget when he was President and we had a Democratic Congress, which was true from 1955 through 1961, every one was reduced by the Democratic Congress. Furthermore, in all except one Nixon or Ford budget, the Democratic Congress cut their budget.

I have sat on the Appropriations Committee now for nearly 20 years and I have found that the Democrats have just as good a record and just as poor a record as the Republicans have. There has not been any partisanship in the enormous increase that we have had in spending. So I think it will take a bipartisan majority. I know there is no question in my mind that on the overall spending reductions the Democrats will do every bit as well as the Republicans, and I think the Congress, which is half Democratic, is going to reduce the Reagan budget below his request as we have done, as I say, in virtually every single year in the last 20 years.

Mr. GARN. If the Senator would yield back, I really cannot go back that far in the history because I was not old enough to be in the Senate during those particular years. I was only talking about the service that I am familiar with during the last 6 years. So I do not dispute what the Senator says in that ancient period of time before being constitutionally eligible to serve in the Senate.

I certainly hope that that bipartisan majority will be delivered on both sides of the aisle so that the American people will get the budget cuts that they desire.

I would be happy to yield back the remainder of my time.

The PRESIDING OFFICER. There is no time limitation.

Mr. GARN. I understood there was a ½-hour time agreement.

Mr. PROXMIRE. It is my understanding that the yeas and nays have been ordered, but the yeas and nays will not take place, as I understand it, until later in the day, is that correct?

The PRESIDING OFFICER. Following the vote on the Clark nomination, that is correct.

Mr. PROXMIRE. That would be about 6 o'clock or so?

The PRESIDING OFFICER. No later than 6 o'clock.

Mr. PROXMIRE. I thank the Chair.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

Mr. STENNIS. Will the Senator withhold on that request?

Mr. GARN. Yes. I am happy to yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I just have very brief remarks here regarding the nomination of Mr. Clark this afternoon. Personally, I am crowded out timewise at 3 o'clock when it is coming up. Would I be in order, Mr. President, to ask for 5 minutes now on that extraneous subject matter? I want to comply with the rules. Is that out of order?

Mr. GARN. Mr. President, as far as I am concerned, it certainly is in order.

The PRESIDING OFFICER. There is no time agreement on the Weidenbaum nomination, so the Senator can speak on the Clark nomination at this time.

Mr. GARN. Mr. President, I will simply yield the floor, and the Chair could recognize the Senator from Mississippi in his own right.

The PRESIDING OFFICER. The Senator from Mississippi.

(The remarks of Mr. STENNIS are printed later in today's RECORD.)

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have discussed this with the distinguished minority leader. In view of the fact that we now have provided for a time certain to vote on the Clark nomination, which will become the pending nomination at 3 o'clock, and in view of the fact that we have provided for a time certain to vote on the Weidenbaum nomination, which will follow immediately after that, as soon as we conclude the matter at hand, it is my intention to ask unanimous consent that the Senate stand in recess until the hour of 3 o'clock. I shall withhold that request for the time being.

(Mr. DENTON assumed the chair.)

Mr. DANFORTH. Mr. President, I ask unanimous consent that I may proceed as though in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECORD LOSSES FOR U.S. AUTOMAKERS

Mr. DANFORTH. Mr. President, when introducing S. 396 earlier this month, I indicated that losses of the three large U.S. automakers would be over $4 billion for 1980. General Motors had just announced losses of more than three quarters of a billion dollars, its first early loss since 1921. Ford has now announced a loss of $1.5 billion for 1980. This is the largest single-year loss ever recorded by an American corporation. To make matters worse, Ford's claim on this dubious distinction will end as soon as Chrysler announces its loss figure for last year, expected to top $1.7 billion. The numbers are staggering and unprecedented.

S. 396 will temporarily limit Japanese auto imports to the annual average of the last 4 years. This will help to provide some measure of breathing space for U.S. automakers as they invest an estimated $70 to $80 billion to retool over the next several years in response to an unexpectedly rapid shift in the marketplace. The enormous losses by U.S. automakers make the need for such a measure even more apparent.

Mr. President, I ask unanimous consent that the Senator from Idaho (Mr. SYMMS) be added as a cosponsor to S. 396.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, this brings to 14 the number of cosponsors to this legislation.

I yield the floor.

AUTHORIZATION FOR THE COMMITTEE ON RULES AND ADMINISTRATION TO FILE REPORTS BETWEEN 9 A.M. AND 4 P.M. ON WEDNESDAY, FEBRUARY 25, 1981

Mr. BAKER. Mr. President, as in legislative session, I ask unanimous consent that the Committee on Rules and Administration be permitted to file reports between the hours of 9 a.m. and 4 p.m. on Wednesday, February 25, 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 3 P.M.

Mr. BAKER. Mr. President, I believe there is no further debate to be had on the pending nomination. May I inquire, are we still in executive session?

The PRESIDING OFFICER. We are in executive session.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 3 p.m.

There being no objection, the Senate, at 12:29 p.m., recessed until 3 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. RUDMAN).

DEPARTMENT OF STATE

NOMINATION OF WILLIAM P. CLARK, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF STATE

Mr. BAKER. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. Under the previous order, the hour of 3 p.m. having arrived, the Senate will now proceed to the consideration of Executive Calendar No. 31, the nomination of William P. Clark, of California, to be Deputy Secretary of State. The clerk will report the nomination.

The legislative clerk read the nomination of William P. Clark, of California, to be Deputy Secretary of State.

The Senate proceeded to consider the nomination.

Mr. BAKER. Mr. President, I see the distinguished minority manager of the nomination is on the floor, and I am advised that the distinguished chairman of the Committee on Foreign Relations is on his way to the Chamber and prepared to make his opening statement. I am now prepared to suggest the absence of a quorum or to withhold and yield to the Senator from Rhode Island.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Time for debate on this nomination we are about to consider is limited to 3 hours, with 30 minutes controlled by the Senator from Illinois (Mr. PERCY), 30 minutes controlled by the Senator from Rhode Island (Mr. PELL), and 2 hours controlled by the Senator from Ohio (Mr. GLENN), with the vote on the nomination occurring no later than 6 p.m.

The Senator from Rhode Island.

Mr. PELL. Mr. President, I doubt that all this time will be needed and will be used up, so I think our colleagues should be on notice that the vote may well occur before 6 o'clock.

In view of the intense study that my

colleague and friend from Ohio (Mr. GLENN) has given this matter, and his very strong views on the subject, I shall ask him to take over the minority viewpoint, the opposition viewpoint, on this nominaton. I ask him to sit in the minority leader's chair.

Mr. BAKER. Mr. President, do I understand the Senator from Rhode Island has asked unanimous consent that the time in opposition to the nomination be transferred to the Senator from Ohio?

Mr. PELL. The Senator is correct. The Senator may designate the time period.

Mr. BAKER. Mr. President, while we await the arrival of the distinguished chairman of the Committee on Foreign Relations, I ask unanimous consent that it may be in order for me to suggest the absence of a quorum without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum under those circumstances.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, my distinguished colleagues, this afternoon the Senate will consider the nomination of Justice William P. Clark to be Deputy Secretary of State. President Reagan submitted his name to the Senate on January 26 and Justice Clark testified before the Committee on Foreign Relations on February 2 concerning his nomination. The following day, February 3, the committee voted 10 to 4 with 3 committee members voting present to report the Clark nomination favorably to the Senate.

When Secretary of State Haig testified for 5 days before the Foreign Relations Committee, leading to his overwhelming confirmation by the Senate, he echoed an overriding theme upon which the foreign policy of this Nation must be based—consistency, reliability, and balance. In a personal sense, Bill Clark has demonstrated these important attributes—consistency, reliability, and balance—throughout his distinguished 14-year career of public service. After then-Governor Reagan's election in 1966, Bill Clark put aside his law practice and went to Sacramento to serve in the State administration, ultimately becoming executive secretary and chief of staff to the Governor.

In that capacity, he became known as a man of outstanding organizational and administrative abilities, a man who could get the job done and done well. He developed a reputation as an efficient and hard working public servant who could be counted on to deal with important Government matters without buckling under the pressure. Certainly, these qualities are essential to any Deputy Secretary of State if he is to effectively execute the duties of his office.

Bill Clark left the Governor's administration in 1968 and since that time has compiled an outstanding record of public service as a superior court judge, State appellate court justice, and, lastly, as an associate justice of the California State Supreme Court one of the country's most distinguished higher courts. In his many years on the bench, Justice Clark developed a reputation for honesty and integrity in office. Based upon his past record of significant accomplishments, there is every reason to expect that Justice Clark will bring his personal standards of consistency, reliability, and balance to the Department of State.

Mr. President, in recent months much of the debate in this Chamber has concerned what steps must be taken to restore this country to a strong position in the eyes of both our allies and our adversaries. One vital element in this rebuilding process must be the presence of a forceful and effective Secretary of State who can counsel the President on the wide range of foreign policy issues that demand immediate attention at the highest levels of Government. Clearly, the Secretary of State must be a strong leader with a broad vision of how best to achieve America's foreign policy objectives. I firmly believe that Al Haig is uniquely qualified to meet these demanding requirements.

But it is often said that the most brilliant foreign policy cannot succeed if it is not effectively implemented. I believe my distinguished colleagues concur with me that Secretary Haig is going to be kept very busy attending to America's interests around the globe and will have limited time to oversee the management of the State Department. It is all the more important, therefore, that someone be in place at the highest possible level within the Department who can bring effective direction and control to the Department's numerous and varied programs. In this regard, the distinguished Commission on the Organization of Government for the Conduct of Foreign Policy, known as the Murphy Commission, reported in 1975 that many of the management problems which have previously plagued the State Department could have been avoided had a senior official been designated to exercise vigorous direction and control over the Department's various offices. The Commission stated:

> Clearly the Secretary needs a Deputy in whom he can put the greatest reliance. However, this relationship—Deputy and principal—difficult in any organization, is especially sensitive with the Secretary of State for the very reason that he can pass to his Deputy only a limited number of his responsibilities. The Deputy cannot be an alter ego in the usual pattern. It makes it all the more important, therefore, that the Secretary delegate as much as possible of the management of the Department. At a minimum, the Deputy should be able to integrate the multiple geographic, functional and staff offices of which the Department is comprised. He should also be able to assist the Secretary in marshalling the personnel and administrative support elements—the resources of the Department—to the basic policy purposes.

Justice Clark has made it clear to the Committee where he will concentrate his efforts at the Department. He testified—

> Regarding making policy, I discussed this with both the President and the Secretary. . . . My position will not be involved in making policy, but rather coordinating and implementing in the position as Deputy Secretary of State.

I telephoned Secretary of Defense Weinberger, one of the many contacts I have made with people who have worked with Justice Clark in the past.

Secretary Weinberger has known Justice Clark for many years, and I asked him for a very frank appraisal. He enthusiastically endorsed Bill Clark as, and I will use his own words, "a superb manager and a tremendous asset to Governor Reagan during his first term of office." Cap Weinberger attributed a major part of the success of that administration to the administrative abilities and capabilities of Justice Clark. This same high regard for Justice Clark's talents have been expressed to me by senior members of the White House staff.

Mr. President, I am pleased to report that the distinguished assistant minority leader and member of the Foreign Relations Committee, Senator CRANSTON, supports the nomination of Justice Clark. In his additional view on the committee report of the Clark nomination, Senator CRANSTON noted:

> It is clear that Justice Clark is a man in whom the President has a very high degree of confidence, with whom the President has a particularly close relationship, and upon whom the President has depended on in the past and wants to depend upon now and in the future.

I am in complete agreement with Senator CRANSTON's conclusions. The President has made it clear that he has the highest admiration for and confidence in Bill Clark and the confidence that the President places in Justice Clark must be given the greatest consideration by the Senate. His presence at the State Department, enthusiastically endorsed by Secretary Haig, will help reinforce the Secretary's commitment to forcefully represent our vital foreign policy interests not only around the world, but also in the White House.

Mr. President, during the ensuing debate this afternoon, I fully expect that one or more of my colleagues will make mention of their displeasure with Justice Clark's performance at the committee confirmation hearing. I must admit that I, too, was disappointed with his reluctance to express his personal opinions on a wide variety of policy issues. But, as the distinguished senior Senator from Maryland recalled prior to his vote in favor of Justice Clark's nomination, President Coolidge once said. "No man was ever defeated for what he didn't say." Apparently, that phrase seemed to be the guiding principle when Justice Clark testified before the committee.

I have spoken personally with some of those who counseled Justice Clark about the form his testimony should take before the committee. They admitted to me that he was advised not to become controversial because the President and Secretary Haig set policy. In other words, "Don't speak out and cause an uproar." To my mind, he received bad advice and Justice Clark is now on no-

tice that when he comes before the Foreign Relations Committee he is expected to answer the committee's questions, fully and frankly.

I would also note that I have observed the performance of Justice Clark in several recent sessions directly with the State Department and, also involving the Foreign Relations Committee.

We saw him before the Foreign Relations Committee on one of the most complicated and perplexing issues that we have faced: El Salvador, a serious foreign policy concern. And yet we saw Justice Clark having been on the job a relatively short period of time, working directly with Secretary Haig, in command of the facts, moderating a meeting of men who have spent their lives in foreign policy, including one of our designate-to-be Under Secretaries of State.

We saw him conduct himself with the utmost confidence and a demeanor that would, I believe, bring him plaudits from every member of the committee with whom he worked at that time.

I would like to further report to the Senate, as I did to the Senate Foreign Relations Committee this morning, that in a telephone conversation with Secretary Haig this morning, Secretary Haig said that now that he has worked side by side for a matter of weeks with Justice Clark, that without qualification, he found him to be a superb manager, a man who quickly grasps the facts in a complicated matter, who carries out his duties and responsibilities as Deputy Secretary-designate in a highly intelligent way.

He said,

> I cannot imagine that I could have anyone who could carry out and fulfill the functions of Deputy Secretary who could have done a better job than Justice Clark has these past 2 weeks.

He has been on the job, in the thick of things, and acting for the Secretary who had previously briefed the leadership at the State Department. The Secretary was able to attend to other matters of state while the Deputy Secretary-designate came to the Senate of the United States and briefed us on the ongoing situation in that torn part of the world.

My distinguished colleagues, we must bear in mind that the confirmation hearing is only part of the confirmation process. In large part, my vote for Justice Clark today is based on the confidence so many people have in this man. The President has told me how much he wants Bill Clark for this job and it must be remembered that he did not seek the position, but was urgently requested to accept it by the President. Bill Clark has accepted the call to duty at great professional and financial sacrifice. The Senate should vote to confirm this dedicated public servant in whom the Nation's Chief Executive places his utmost trust, and whose confirmation has been urgently requested by his immediate superior, Secretary Haig—the man designated under the President to conduct the foreign policy of this country.

We should not deprive the Secretary of State of the administrative support that he has requested, and which he surely needs.

Mr. President, I trust the Senate, after full deliberation and careful consideration, will see fit to support the nomination of Justice William Clark to be Deputy Secretary of State.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Thank you, Mr. President. I yield myself such time as I may require.

Mr. President, there has been quite an indictment of the administration here in the last few moments. I was going to bring up. The matter of people advising a nominee for high office, the second highest office in the State Department, to come before a committee of the United States Senate and deliberately avoid giving specific answers. That is quite an indictment.

I must say Mr. Justice Clark must be a real team player because he certainly did carry out that advice to the nth degree.

All through the remarks just made with regard to support for Mr. Clark, words repeated over and over again from a number of people were about his organizational abilities, his management capabilities, the fact that the Murphy Commission indicated better management is needed in the State Department, Secretary of Defense Weinberger's comments that he thought Justice Clark would be a superb manager.

Mr. President, we are not here today to confirm a manager for the Department of State. This is the No. 2 man in the Department of State, a man who will be vitally involved in establishing foreign policy for this country; indeed, for leadership in the free world. He is not being put into the Under Secretary's position for management in the State Department. So, I must rise to oppose his nomination on the basis of the record we have out of the Foreign Relations Committee confirmation hearings.

As a member of the Committee on Foreign Relations, Mr. President, I believe it my duty to inform the Senate that after a detailed examination of his credentials and careful consideration of his testimony, I can only come to one conclusion. That is that I judge Justice Clark as unqualified to fill that important position.

Normally, I share the view of most of my colleagues that the President has a right to choose the people he wants to staff his administration. In fact, never since I have been in the Senate, which is 6 years, have I opposed a Presidential nominee for any position in the Department of State. In fact, Mr. President, I believe in the view that the President has such a right to name his own people that only once in 6 years have I cast a vote against any Presidential appointment. So I do not take this responsibility lightly.

But, Mr. President, never before has an individual so unfamiliar with foreign policy issues and so unprepared to answer even the most fundamental, rudimentary questions appeared before the Committee on Foreign Relations. To confirm Justice Clark as Deputy Secretary of State would, in my view, make a mockery of our responsibility to provide advice and consent regarding Presidential appointments.

I began Judge Clark's nomination hearing believing that I could fully support his confirmation by the Senate to become Deputy Secretary of State. Judge Clark had come to my office; we had met briefly a few days before to discuss his nomination and a few things that might come up at the hearing. At that time, I indicated to him the sort of questions that he could anticipate from me and other members of the committee. I emphasized that he should carefully study Secretary Haig's confirmation hearing testimony, that he had an excellent roadmap there for what lay ahead of him.

During that meeting in my office, he displayed a very high intelligence and an exceptionally pleasing personality. I enjoyed talking to him very much.

When I went to the hearing, I fully expected to attend the hearing, ask my questions, and vote to confirm his nomination. Judge Clark's testimony before the committee, however, caused me to change my mind. Not only his failure to prepare himself adequately for the hearing, but his lack of even very basic, fundamental foreign policy knowledge and his seeming disinterest in international events have caused me, for the first time in my senatorial career, to oppose a Presidential nominee for the Department of State.

Mr. President, the Constitution provides for a system of checks and balances. One provision requires that the Senate render advice and consent regarding Presidential appointments. The Constitution, however, does not contain specific criteria for making such judgments, and each Senator must establish for himself standards by which to measure the qualifications of executive branch nominees.

Since coming to the Senate, I have adopted two criteria for use in the confirmation process. First, I expect all nominees to possess honesty and integrity. That is fundamental. Senators can usually make a judgment of this sort based on information contained in the required FBI report.

Second, I insist that nominees be conversant with and knowledgeable of broad, general issues within the areas for which they are to have responsibility. A nominee's personal views are important, but never decisive, in my considerations. In fact, my own position has often been diametrically opposed to those held by nominees who have come before my committees. But that is not important. What is important is a nominee's basic understanding of the issues, and a demonstrable indication that he or she is eager to learn more.

I also share the view of many of my colleagues that the President has a right to choose the people he wants to staff his administration. Faith and trust in key subordinates can have an important bearing on the efficiency and effectiveness of Government. So I consider this factor carefully and, indeed, bend over

backwards to give the President wide latitude in these matters. But the President has an obligation to the Senate as well. The President should carefully match a nominee's background and experience with the position to be filled and insure that the nominee is at least minimally conversant in the area of his jurisdiction.

In Judge Clark's case, I believe the President failed in his responsibilities to the Senate by nominating a man unsuited to become Deputy Secretary of State. Judge Clark, for example, emphasized in his testimony that he has ". . . no formal training in foreign policy," and no ". . . major experience in foreign affairs. . . ." He also noted that—

> We have reached an intersection in history when enormous stakes rest on our ability to conduct a successful foreign policy.

He attempted to explain away the obvious contradiction between these statements and his nomination by arguing that he would concentrate on administrative duties—an area in which he has extensive experience—and would leave policy formulation to others within the administration.

Mr. President, I do not find that argument persuasive. I agree that these are, indeed, perilous times. And that is precisely what troubles me. Even if Judge Clark's primary duties were administrative, he nevertheless would be regularly called upon to act as a spokesman for U.S. foreign policy. On occasion, he would serve as Acting Secretary of State. Nothing in his testimony, which I urge each Senator to read in its entirety, suggests that he could effectively discharge these responsibilities anytime soon. Moreover, I do not believe we can afford to have the Deputy Secretary of State—whether he is a good administrator or not—bogged down in a long—and possibly dangerous—process of OJT, as we call it in the military, on-the-job training.

Lest we be misled, Mr. President, into thinking that his duties will be only administrative and only managerial, I understand that even now, he has already been assigned in the State Department to be a senior member of one of the interagency policy groups.

Mr. President, I do not expect a nominee to memorize a welter of facts and figures on specific foreign policy issues when preparing for his confirmation hearing.

The committee would be wrong to penalize Judge Clark for failing to answer excessively intricate or detailed questions. However, his inability to deal with even broad, general foreign policy issues is an entirely different matter.

Just as one example, after much questioning—and, I might add, somewhat in desperation, because I had not been getting good answers—I finally asked, "What do you see as the objectives of foreign policy?" I wanted this to be as broad as I possibly could. He answered finally, after thinking about it a few seconds, "Peace through strength."

That is a reasonable enough response. But when I asked him to explain what he meant, his answer was so vague that it was apparent that he had merely invoked a familiar slogan without fully understanding its meaning.

When I asked his view on nonproliferation, he responded that he had no opinion on the subject. As Senator PERCY noted, the Deputy Secretary of State must have a view on nonproliferation; it is the law of the land. And so it went throughout the entire hearing. On issue after issue, Judge Clark was able to respond only that he did not know, had no opinion or would be glad to study the matter. I find this level of foreign policy knowledge totally unacceptable for the man who would hold the second most important position at the Department of State of the United States.

Judge Clark's complete lack of preparation for his confirmation hearing also concerns me. In addition to myself, several other Senators recommended that he carefully study Secretary Haig's testimony before appearing before the Committee. We even suggested that this would adequately prepare him for any questions the committee might ask When I inquired if he had taken this advice, he admitted that he had not studied the testimony thoroughly.

In fact, he indicated that he was having some staff people index it for him so he could study it. This was at the time of his hearing.

I find this inexcusable. One can only conclude that Judge Clark, despite having 2 weeks to study, decided that his total lack of familiarity with the issues precluded him from even attempting substantive responses to our questions.

Mr. President, let me give just a few other examples of some of the questions that were asked of Justice Clark.

Senator BIDEN asked—

> What are the countries in Europe, in NATO, that are most reluctant to get along with theater nuclear force modernization? From what countries do we have the greatest difficulty getting cooperation in placement of long-range nuclear weapons on European soil?
>
> Justice CLARK. I am not in a position, as you have already suggested, Senator, to categorize them from the standpoint of acceptance on the one hand and resistance on the other.

Another question:

> Senator GLENN. What do you think we should do on nuclear nonproliferation? That is a big thing, a broad subject.
>
> Justice CLARK. At this juncture, again, in honesty, I do not have a personal view.

On another subject:

> Senator GLENN. The Carter Administration emphasized in its relationships with Third World states the theme of global interdependence and it devoted considerable energy to what had been titled "global reconstruction," relating to a new economic international order. Can you give us your views on that?
>
> Justice CLARK. I have great difficulty in finding the Third World any more as an entity. I have some idea of the genesis of it. Thus far in my study, I look at the globe as a one-world situation from the standpoint that I am just unable to cut it up in what started as academic terms. I am unaware of what the Carter position, as you have referred to it, has been in that reference. I know something about segments, such as the human rights effort and economic aid.

In another area:

> Senator GLENN. Should we give any help to the auto and steel industries? Should we try to negotiate a restraint agreement with the Japanese on autos and steel?
>
> Justice CLARK. I am unable to, and I think it would be presumptuous of me to attempt to, give a view on another sensitive area until I have studied it.

In another area:

> Senator GLENN. What do you think we need to do to achieve peace through strength? Strength can be defined in many ways—economic, military, and in other ways.
>
> Justice CLARK. Again, Senator, I feel that it would be presumptuous of me to give those priorities. . . . They are inextricably woven together and I am ill-prepared at the moment to answer that.

In another area:

> Senator PRESSLER. How do you view the Foreign Agricultural Service and its function?
>
> Justice CLARK. Again, Senator, I would have to state that I have no view at this time.

In another area:

> Senator PRESSLER. As I understand it, you will have sort of a management oversight. How do you view the Foreign Service union and the attempts to broaden the union within the Foreign Service?
>
> Justice CLARK. I am aware of the organized labor activity within the Department. But I have no view on it.

In another area:

> Senator BOSCHWITZ. I wonder if you would comment on what your viewpoint of detente and Russian-American relations is as you come into the position of Deputy Secretary.
>
> Justice CLARK. I have not heard the term "detente" for some time. . . . But, like, many other terms, "Third World" being one, I am still trying to learn what are the definitions of those words at the moment. I have some idea of what they were from my reading of Time and Newsweek, but I must say that those are all going to be part of the learning process which has been accelerated and which I am following through now.

In another area:

> Senator GLENN. You said that a summary of the foreign policy, as you see it, would be peace through strength. Would you spell out in greater detail for me what would be the elements of the strength part.
>
> Justice CLARK. Well, these are military, economic, and social. I just feel unable, at this juncture, to go into specificity.

In another area:

> Senator GLENN. Do we need more military strength?
>
> Justice CLARK. I have disallowed myself a personal view on something this sensitive this early in the game.

In another area:

> Senator GLENN. What about economic strength?
>
> Justice CLARK. Well, generally, foreign aid has been with us for many years. It has been the policy, without question, since the Truman era. I do not disagree with that policy of the necessity of helping nations that require it.

On another subject—I had been talking at the hearings about the importance, in the sub-Asian area, of religious differences between nations and how that causes difficulties that are at the heart of some of our foreign policy dilemmas in those areas. So in that area, I asked this question:

Senator GLENN. How much consideration do you think the State Department ought to give to religion, to the study of religion internationally?

Justice CLARK. I feel that the government has no place in suggesting anything about religion, here or there.

In another area:

Senator GLENN. Do you think Israel is wrong in nationalizing Jerusalem?

Justice CLARK. Again, in a very sensitive area, Senator, I first do not have an opinion, and, secondly, if I did have one, I feel it would be inappropriate to state the answer here.

We could go on with other examples, but I am sure Senators get the gist of how our hearings went.

Finally, I believe that Judge Clark's confirmation would make a mockery of the Senate's constitutional responsibility to render advice and consent regarding Presidential appointments. If we accept the specious argument that Judge Clark's administrative ability and close relationship with the President qualify him to become Deputy Secretary of State, by what criteria do we then judge the qualification of those who will be nominated for subordinate positions under Judge Clark? Let us not forget that a hundred or so subcabinet and ambassadorial nominees will soon come before the Senate for confirmation.

In fact, we have already gone into those in our confirmation hearings. We are considering them on a daily basis and reported six this morning, after we put them through very tough confirmation hearings. Are we now to apply higher standards for those nominees than we did for the man holding the State Department's No. 2 post? Or, are honesty and integrity to be the sole criteria for approving nominees?

I stated at our hearings a couple of days ago—I said it somewhat tongue-in-cheek, but I was not joking completely—that I thought we should just dispense with formal confirmation hearings and not waste any time on them, just accepting the FBI report as fulfilling all the responsibilities of the Senate's advice and consent under our constitutional process. That way, I felt, we could save a great deal of committee time, get on to important work, just approving nominees en masse once we received the FBI reports. If the No. 2 man in the State Department is to come under no more close scrutiny by this body, in our role of advice and consent, than we have exhibited so far, then I see no reason why we insist on holding lesser positions to a higher scrutiny.

Of course, this alternative is distasteful and, in the end, completely unacceptable. It would mean abandoning all pretense that the Senate has a meaningful role in the confirmation process. I do not believe that the U.S. Senate is ready to become a rubberstamp for executive branch decisions. Certainly, it is not too late for the President to heed our advice and reconsider this nomination. The nomination has not been confirmed as yet.

So I urge each Senator to examine for himself or herself the committee record of Judge Clark's confirmation hearing. Only by reading that transcript does it become fully apparent how truly ill suited Justice Clark is for the position to which he has been nominated.

I say that with great regret, because I like Judge Clark as a man, enjoyed being with him. He is a very personable gentleman. I understand that in his managerial capacity in previous positions he has done an outstanding job, but that is not the position for which he has been nominated here.

I repeat: Everything that was said in introducing the nomination a few moments ago by my friend and colleague from Illinois, the distinguished committee chairman, was along the line of stressing Justice Clark's organizational abilities, his honesty, his integrity, the fact that he is an effective manager, the fact that the Murphy Commission says we need management in the State Department, the fact that Cap Weinberger says he is a superb manager, the fact that ALAN CRANSTON says he has a close personal relationship with the President.

However, Justice Clark is not being nominated to be the "Under Secretary for Management" in the State Department. He is being nominated for the No. 2 spot in the Department of State. No matter how superb a manager he may be, that is not the sole requirement for this job.

I add, Mr. President, that all the Republican members of the Committee on Foreign Relations who spoke before their vote in committee on behalf of Mr. Justice Clark pointed out this administrative ability. It was notable that not one of them talked about his knowledge of foreign policy, which I see as critical. Even our distinguished committee chairman Senator PERCY, said during the hearing that if he had to make his confirmation vote in committee on the basis of what he had heard during those hearings alone—which is what the Senate as a whole has to go on—he, as committee chairman, could not vote for Mr. Justice Clark. That is the record we have to go on today.

So I regret very much having to speak this way against anybody who has been nominated by the President, particularly anyone as affable and as likeable as Mr. Justice Clark was when I met and talked with him. But it is our responsibility to make these difficult moves sometimes, and that is what I am doing today. I plan to vote against Justice Clark today, and I ask as many of my colleagues as can see their way to do so to join me. If they will review carefully the record of what happened during our confirmation hearings, I am confident that they will vote against confirmation.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. D'AMATO). Who yields time?

Mr. HAYAKAWA. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator from California has 14 minutes remaining.

Mr. HAYAKAWA. We have 14 minutes remaining.

The PRESIDING OFFICER. The Senator from Ohio has 2 hours and 5 minutes.

Mr. HAYAKAWA. I wish to yield 5 minutes to my distinguished colleague from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair and I, of course, thank my able friend from California.

I shall be brief.

Before too much levity is directed at Mr. Justice Clark, I think all of us would be well advised to wait and see what the capabilities of this man produce. I have visited with him. I think I am a fair judge of a man and his intellect. I believe that Senators who have apprehension or who have had concern will find that Mr. Justice Clark will be far more than an able administrator, which he is, and he will be far more than a confidant of the President of the United States, which he is.

It is very interesting I think, Mr. President, that no one has maintained that Mr. Clark does not have the intelligence or the character, and the dedication to perfrom the function that the President has called upon him to fulfill.

Look back at Mr. Clark's career in law and business and politics. And you can see the marks of a talented and determined individual. He is going to make a good representative of the President and more importantly a fine representative of the President's philosophy which is what is important in this job.

As for Mr. Clark's declining to get into foreign policy questions I rather imagine that it was suggested to him that he not open the door to questions about Taiwan or Chile or Latin America or the Middle East because at that particular time it would have sent a signal to one part of the world or the other.

Mr. Clark is not supposed to make policy. He certainly was not supposed to state policy at that time. He was being evaluated as a man the President had recommended on the basis of competence, integrity, character, and ability. He measured up. And I think that in some weeks and months hence the very sincere apprehensions and concerns expressed by some of my distinguished colleagues will have been remedied.

I predict a fine tenure for Mr. Clark and I heartily support his nomination.

I thank the distinguished Senator from California for yielding to me.

Mr. HAYAKAWA. Mr. President, I rise in support of the nomination of my distinguished constituent from the State of California, Justice William Clark, to be Deputy Secretary of State.

The position he finds himself in reminds me very much of the position I found myself in 4 years ago when I became a member of the Agriculture Committee without knowing anything about agriculture.

The problem was that despite the fact that California is the greatest agricultural producing State in the Nation we had not been represented on the Agriculture Committee for something like 40 years. So I volunteered to take a position there and then hastily tried to catch up and learn what agriculture is all about. So I find that Justice Clark is very much

in the same situation. He has not had extensive experience or not even a mild degree of experience in foreign relations, but he is going to find out quickly as I had to find out quickly about agriculture.

As has been pointed out, Mr. Justice Clark will bring to the State Department a well-earned reputation as a skillful lawyer, a jurist who has served as an associate justice for the California Supreme Court. He also brings a quality important to the effectiveness of the State Department, namely, high ability as an administrator and as an executive.

As chief of staff to Governor Reagan from 1967 to 1969, when he left for the bench, Bill Clark earned the respect of the public, the press, and the government, including the legislature controlled by the Governor's political opponents.

Of very great significance, Justice Clark also brings a special asset to the Department of State, the high confidence and personal relationship of the President of the United States. The Department's ability to reflect Presidential policy unquestionably will be enhanced by this key relationship.

Mr. President, I think, if the Chair will forgive me, it is appropriate for me to repeat some remarks made by our distinguished colleague from Maryland, Senator MATHIAS, when he made the following anecdote:

> President Kennedy, once in a state of exasperation, is supposed to have asked a very distinguished U.S. ambassador this question: "Ambassador, what is wrong with the State Department?" The ambassador was of sufficient age, experience, and distinction, so that he said, "Mr. President, you are. You are."
>
> This is because the President of the United States did not have confidence in the State Department, did not have sufficient communication with the State Department, so that there was, in effect, a rival foreign policy center established within the White House that was not always on the same track, or even on a parallel track, with the State Department.
>
> I think this story may illustrate the one virtue that Justice Clark can bring to the State Department because he obviously is one who has had a confidential relationship with the President of the United States. He has the President's total confidence, as the chairman of the committee has said to us. Therefore, he can perhaps bring about a situation in which the White House and the National Security Council will not be running on a different track than the State Department, and I think, on balance—on balance—this is in the national interest. A consistent, coherent foreign policy is a very desirable thing, and it is not something that we always have enjoyed.

That is the close of my quotation from Senator MATHIAS, to whom I am very grateful.

But that degree of warmth and communication between the two, between President Reagan and Justice William Clark, which has been established over the years and which had been tested in hundreds of situations, will be an asset and if Justice Clark is a faster learner than I am, and I hope he is, then within a matter of weeks he will have caught up an awful lot.

As a matter of fact, 10 days after the hearing that our distinguished Senator from Ohio criticized in which Justice Clark showed considerable unwillingness to act superior in certain questions about foreign policy, 10 days later he appeared before the Foreign Relations Committee and gave us a briefing on El Salvador, which was entirely satisfactory and very, very well informed. So on El Salvador at least he learned an awful lot within the 10 days. Of course, it is a big world that contains many things besides El Salvador. But it was a good sign that he did handle himself competently in that situation.

So I am very, very well aware of the criticism that has been directed at Justice Clark for his inexperience and his lack of knowledge in foreign relations. However, Justice Clark has a reputation in California for being very quick at his studies and for having the ability to get to the essence of the matter. Since the confirmation hearings, as I say, I have had occasion to be briefed in a session in which Deputy Secretary-designate Clark was a participant, and I was pleased with his comments on the subject matter and found them to be valuable.

This is the seventh time President Reagan has asked Justice Clark to serve and the seventh time he has accepted the call to duty. He knows full well the burdens he is accepting. But why is he leaving a virtually lifetime post on the highest court in California? Justice Clark says:

> The answer is simple. President Ronald Reagan has asked me to do this.

President Reagan has total confidence in this man. He has total confidence in his abilities. When he first appointed him to the bench, some members of the legal community balked. But their tune is different now.

> The consensus that he would be a miserable judge simply was not true.

Said a distinguished professor of Stanford Law School,

> It may be that we underestimated him all the time.

Even retired Chief Justice Wright, who 8 years ago would have denied Clark the seat on the court, now says:

> Justice Clark's opinions are on the whole, very workmanlike—even scholarly.

A Berkeley professor who publicly opposed Clark's appointment to the Bench said:

> On the whole, Justice Clark has refuted the criticism that some of us made at the initial appointment. It's only fair to say that his performance on the court surprised some of the people who opposed him. . . . Justice Clark has been an effective and articulate spokesman for his point of view.

Indeed his fellow justices, both liberal and conservative, had nothing but praise when his appointment to be Deputy Secretary of State was announced. Liberal Justice Stanley Mosk said:

> Justice Clark, in my opinion, is an able public servant—industrious and thorough in everything that he undertakes. In addition, he is a warm and thoughtful human being. He will be a splendid addition to the Washington scene. I think everyone whether they agree or disagree with his conclusions respected the quality of this work.

Justice Frank Richardson, who has consistently sided with Clark's conservative views in court decisions, said:

> I have nothing but praise for Justice Clark. He is thoughtful in his analysis and approach. He is not given to snap judgment. He has a fine mind. His character is beyond challenge. He is a very fair man . . . I hate to see him go. He has been such a fine companion. I think his voice on the court will be sorely missed. His point of view needs to be expressed.

And now that President Reagan has nominated him to be Deputy Secretary of State, some of my colleagues are hollering, asking narrowly focused questions and not looking at the man as a whole.

Justice Clark is of unquestioned character; he has demonstrated his competence as a farmer, a lawyer, a manager, and a judge. He is a man of vision with a wide range of abilities.

Our President has total confidence in this man. I have confidence he will serve him and the country well, and I am also confident that my colleagues who raise concerns now will later share my views. I am proud to vote in support of Justice Clark's confirmation.

I feel confident, therefore, that Mr. Clark will be able to fulfill the responsibilities of the job of Deputy Secretary of State, and I urge my colleagues to support his nomination.

If, after a year he proves not to be satisfactory, not to have learned enough, I join with my distinguished colleague from North Carolina in saying I shall begin to question the wisdom of his appointment, but until he has been given a thorough trial in that job I believe we should support the man that the President himself wants in the State Department.

I thank you, Mr. President.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Minnesota?

Mr. HAYAKAWA. Do I have time remaining? The Senator from Ohio has more time remaining.

Mr. GLENN. I have more time, but he is on the other side.

The PRESIDING OFFICER. The Senator from California has 2½ minutes remaining.

Mr. HAYAKAWA. I have 2½ minutes remaining.

Mr. GLENN. Mr. President, how much time does the Senator wish?

Mr. BOSCHWITZ. Mr. President, will the Senator yield me time not to exceed 20 minutes?

Mr. GLENN. Yes.

Mr. President, I yield 20 minutes to the Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I rise in support of the nomination of William Clark to be Deputy Secretary of State. I would like to review in my comments the other Deputy Secretaries who have come before the Foreign Relations Committee and who have been confirmed in the past 10 years. There were six of them, Mr. President. Three of them had very substantial foreign relations experience. Two had very, very little, and one had none.

One of those who had very little

experience was the most recent Deputy Secretary, Mr. Warren Christopher. Deputy Secretary Christopher served our country very honorably in the recent negotiations regarding our hostages. But when he came into office, while he was not entirely devoid of foreign relations background and experience, most of his experience had to do with specialized areas of trade.

Mr. President, Elliot Richardson, who became Deputy Secretary in 1969, had no previous foreign affairs experience. His experience was limited to, yes, a couple of years on the staff of Senator Saltonstall between 1953 and 1954, but, other than that, the offices that he held were all offices within his native State of Massachusetts, except for his brief tenure with the Department of Health, Education, and Welfare during the Eisenhower administration.

The committee hearings on Elliot Richardson were rather brief. They ran a total of 15 pages, as opposed to the 84 or 85 pages that Judge Clark's hearing ran during most of the day. As a matter of fact, with Secretary Richardson, who went from the Deputy Secretary's job to many jobs within Government, all of which he performed with great skill and honor, almost the entirety of Elliot Richardson's hearing had to do with his driving record. Six of the fifteen pages had to do entirely with his driving record. The committee made no attempt whatsoever to question him in the areas of international affairs.

In short, Mr. President, not every Deputy Secretary of State has come to the Department with extensive foreign policy experience.

It is interesting, too, Mr. President, to note how the new Deputy Secretary looks at his job. The State Department has often been called Foggy Bottom, and it has been so called not only because it is located near the river, but because it is often hard to get an answer from those folks. Many people have noted the importance of management, the importance of decisionmaking, the importance of a system that would more effectively bring the efforts of the State Department to fruition.

How does Judge Clark view his own position as Deputy Secretary of State?

Senator BIDEN asked him that question during the course of the hearing, and Judge Clark said:

> My position will not be involved in making policy but, rather, in coordinating and implementing in the position as Deputy Secretary of State.

Later on, Senator KASSEBAUM asked approximately the same question, and Judge Clark answered once again:

> But, as I mentioned to Senator Biden, the deputy position historically, as we have studied it and as stated by the Secretary, has been one of administration.

So, as you see, Judge Clark does indeed look at his job as one of administration.

Senator GLENN during another part of the hearing asked approximately the same question of Justice Clark, and he said:

> As I mentioned before, I think it is not too different from what has been said in this case.

And then he went on to describe that he once again felt the job of Deputy Secretary of State was one of administration.

Because Foggy Bottom was indeed Foggy Bottom, the 92d Congress formed the Murphy Commission that the distinguished chairman has spoken about earlier. That was in 1971, Mr. President, and the Murphy Commission worked for 4 years before coming to a conclusion. They indeed found the State Department to be a foggy bottom that required a great deal of study.

The mandate of the Murphy Commission was to submit findings and recommendations to provide a more effective system for the formulation and implementation of the Nation's foreign policy because, Mr. President, the implementation and formulation of the Nation's foreign policy requires not only theorists, not only people who are knowledgeable about who the President of this or that African nation is, but also individuals who can organize, who can systematize, who can effectively utilize the many fine minds that are found in the Department of State.

Senator PERCY read a good deal of the Murphy Commission and its conclusions. I would like to expand even further because, Mr. President, much has been made of the fact that there is an Under Secretary of Management in the Department of State. During the course of Judge Clark's hearing much was made of the fact that if he was indeed going to be the manager of the Department, that was the position that he should assume.

It is interesting to note that the Murphy Commission states on page 46 that the Under Secretary and the Deputy Under Secretary for Management, putting the words "for management" in quotes in the report, manage their own areas of responsibility just as each Assistant Secretary manages his bureau and each Ambassador manages his Embassy.

Later in the report, in further defining the Under Secretary for Management, the Murphy Commission stated:

> With respect to the Deputy Under Secretary for Management—

Which is apparently the title that is now Under Secretary for Management—

> we feel it is important once having removed the notion rather widely held that he manages the Department to recognize that he does play a critical role in marshalling the supporting services for the Secretary and in the Secretary's management of the Department.

Note, Mr. President, that the Murphy Commission says—

> Once we have removed the notion rather widely held that he (the Undersecretary for Management) manages the Department.

He does not manage the Department. Mr. President. The Deputy Secretary of State manages the Department as was stated earlier in the report.

Indeed, it is the job of the Deputy Secretary of State to be the manager, to be the expediter, to be the fellow who brings his administrative skills to Foggy Bottom, to the Department of State, in order that it can more effectively enunciate and determine the foreign policy of the United States.

So, Mr. President, I look back at the record of Judge Clark and I wonder is this man a man who is going to be able to fulfill the historic function of the Deputy Secretary of State. Mind you, I do not say that his job is limited to management of the Department, but, rather, that that is his primary job. Clearly, Judge Clark brings that position great experience.

He came to the Governor of California, Governor Reagan, I believe in 1967, at a time when things, managerially, were not going so well for the new Governor; when he could not get a hold on the State government of California, which has 120,000 people; when he could not get any type of recognition; when he could not get answers; when he could not get responses. He brought in his friend William Clark and in short order, Mr. President, Judge Clark was able to bring order to the bureaucratic processes of the State of California and indeed make the Governor a much more effective Governor.

That is why, Mr. President, because of that skill, that President Reagan asked him not only to be Deputy Secretary of State but indeed asked him to fill three other Cabinet offices, not as Deputy but, rather, as the Cabinet officer itself, and in each instance he refused. However, apparently the President finally got to him with respect to the State Department. Perhaps, Mr. President, the President spoke in the same way that I am speaking today about the State Department, or, as it is characterized, Foggy Bottom, not only because of its proximity to the river but because of the difficulty of the decisionmaking process that exists there. Perhaps that is why he was able to convince Judge Clark to accept the position of Deputy Secretary of State.

I agree, Mr. President, with the words of my distinguished colleague from California, Senator HAYAKAWA, that all of us have come to this Chamber deficient in expertise in many areas that we have to pass judgment upon.

Mr. President, I came to this Chamber as a businessman, and certainly not as an expert in agriculture. Yet, like my friend Senator HAYAKAWA who spoke earlier, I, too, am on the Agriculture Committee. I am developing in expertise in this field, but that does not always come quickly, since we here in the Senate have so much to deal with, such a wide variety of issues. My situation is similar with respect to foreign affairs. I recently joined that committee. I have always had an abiding interest in foreign affairs, but yet the expertise that is going to be needed for me to properly participate in the work of that committee is something that I, too, will have to develop over a period of time.

Really, the only committee assignment on which I can say that I do have an abiding expertise is the Small Business Committee.

I understand, Mr. President, that some of our colleagues said to Judge Clark that he had 2 weeks, and that he should study the hearings of General Haig and the 5 days of testimony that he gave. But during that 2 weeks, Mr. President, he also wound up the affairs of his judgeship in California. He had decisions to write; he had many things to do. In Washington he had to become familiar with a number of Senators. He was in my office as well as in the office of the other members of the committee, so that indeed in that transition period I could quite understand that he could not, and probably no person could, become expert in the areas of foreign policy in a 2-week period.

One other thing, Mr. President, and that is that as I observed Judge Clark as a witness, I felt that he was trying to be extremely exact in the way he answered his questions. That may surprise you to hear me say that, when he did not answer a large number of questions regarding foreign affairs.

I believe and I understand that he was advised not to answer questions that would perhaps impact on the foreign relations of our country. I understand, too, from observing him that he is a person who only likes to answer questions about subjects in which he has considerable understanding and knowledge.

There is no question about it, as I have learned to know him better in a number of meetings since those hearings and before those hearings, that Judge Clark will be indeed a fast learner, that Judge Clark is indeed an effective administrator, that Judge Clark indeed will make a distinguished Deputy Secretary of State, as those before him who have had a similar lack of experience have also been distinguished Deputy Secretaries.

Thank you, Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Will the distinguished Senator yield me 2 minutes?

Mr. GLENN. Mr. President, might I ask how much time remains on each side?

The PRESIDING OFFICER. The Senator from Ohio has 107 minutes remaining; the Senator from Illinois has 2½ minutes remaining.

Mr. PERCY. Mr. President, I should only like to say one thing to my colleagues. The Republic has gotten along for 196 years without the position of Deputy Secretary of State. We have operated with under secretaries. We have operated with assistant secretaries. We have operated with ambassadors. Only 8 years ago was this particular office created.

One of the occupants of that office was a businessman from Chicago, an outstanding industrialist, who also had served as Ambassador to Japan, but whose experience in foreign policy had been limited. The last individual to occupy the post was Warren Christopher, who came before the Senate of the United States as a distinguished lawyer, also from the State of California, but whose knowledge of foreign affairs was certainly limited. Ambassador Bog Ingersol and Warren Christopher, each served for a number of years in very distinguished roles, each of the roles somewhat different than was envisioned, because Secretary of State Henry Kissinger operated his office and the Department far differently than his successor Cy Vance or our own distinguished colleague Ed Muskie.

In a sense, the Deputy Secretary of State could best serve the Secretary of State by developing with him a definition of the Deputy's job. And it just so happens in this case that the needs of Secretary Haig are identical to the needs envisioned by the Murphy Commission; namely, an inside man who runs the store while various crises are being dealt with, while various dignitaries coming to Washington from around the world, meet with President Reagan or meet with Secretary Haig. Consequently, while the Secretary is concentrating on a particular concern raised by our distinguished guests from abroad, he will have someone who has access to the White House when needed, who has the confidence of the President and his most intimate advisers and who has a demonstrated ability to administer, analyze and get the necessary decisions made in a timely fashion. He can keep an even hand on the tiller while the Secretary is occupied with the particular critical situation of the moment.

The Republic has survived for 190-some years without the Deputy Secretary. We must remember that the Deputy Secretaries have had a variety of backgrounds, legal, industrial, or what have you. In this particular case, I think that the overall background of Justice Clark, though light on foreign policy, is heavy on managerial experience, it is heavy on his experience in government, and it is certainly heavy in his knowledge of and his working relationship with the President of the United States which will offer to the State Department a unique benefit that probably has not been connected with this office before.

For that reason, I urge my colleagues to support the nomination of the President.

Mr. GLENN. Mr. President, I yield such time to the Senator from Delaware as he may require.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I rise in opposition to Judge Clark. Much has been said. I will try not to repeat the ground so ably covered by Senator Glenn.

But let me point out something that must be obvious to all those who were within earshot of this debate. And that is, no one is particularly enthusiastic about this nominee. If you notice, those who speak for him do what I would do if I were in their position—talk about the only possible area he could have any competency, and that is the area of managerial ability. They talk about his relationship with the President. They talk about him being an honest man. And, were I they, I would submit, if this debate were going to take 5 days, we would have 2½ days worth of support based upon integrity, honesty, and administrative ability, but nary a word about the ability to understand what is happening in the world.

If you notice, our distinguished chairman stated today, and very forthrightly at the conclusion of the hearings, that his support for the nominee is not based upon the record made at the hearing. And that is completely understandable. He is a wise man. There is no basis upon which to support this man based upon the record made in the hearing.

The chairman himself said—and I paraphrase—that he would hope that the message would go out and that the administration would not again send up people as ill prepared as this nominee. In effect, many of my Republican colleagues, as I read between the lines, somewhat subjective, were saying, "We are going to give you a by on this one, Mr. President, but don't put us in this embarrassing position again. It is awfully difficult to walk out there on the floor and tell everyone, for the world to hear and for the press to hear, that this guy should have the No. 2 job in the State Department."

The reason I had to leave the floor and did not have an opportunity to hear the comments made by my distinguished colleagues, at least several of them—Senators HELMS, HAYAKAWA, and BOSCHWITZ—was that I was meeting with some distinguished members of the German Government.

Their first question to me was: "Is it true that this man, Mr. Clark, does not know anything about southern Africa? Is it true that he really doesn't know what is happening in Europe and what the debate regarding theater nuclear forces was about? I mean, that cannot be true. How can the President have someone like that?"

And as a good objective person I tried to explain how that could happen. I explained to them that he is a good manager. I explained to them that he is a good guy. I explained to them the President likes him. And I explained to them that there is the Republican Senate and a Republican President, and it is the inclination of all of us, but particularly if you are of the same party, to give the President "his man."

But I also became somewhat subjective then, I say to Senator BOSCHWITZ and Senator PERCY. I suggested that maybe one of the reasons is that the President wanted somebody close to him minding the store. I think we have heard that expression used today "minding the store."

Maybe another way of putting that is "minding the Secretary of State," not only when the Secretary of State is not there, but when the Secretary of State is there. For the life of me, Mr. President, I can find no other reasonable explanation.

One might say, "Well, Senator, you are being unduly harsh. We have a man who is honorable and, although he has no background in foreign policy, he has demonstrated an intellectual brilliance. He is a man of high academic standing; a man who has demonstrated in other fields, unrelated though they may be, an overwhelming capacity to be a quick

learner due to his exceptional academic and intellectual background."

I have not heard that said today. I shall be willing, when I have finished, to yield what time I have left for someone to substantiate that argument; that, "Although you are right, BIDEN, he does not know much about foreign policy; although you are right, BIDEN, he does not understand what is going on in southern Africa; although you are right, BIDEN, he can't tell you what the issues are in Europe; although you are right, BIDEN, he does not even know what is happening today in Great Britain in the Labour Party"— which is on the front page of every paper in America—"although he does not know that, the man is brilliant. He has a first-rate mind that shows he can overcome what everyone must acknowledge is an overwhelming impediment for someone who is to be the No. 2 foreign policy person."

So I am waiting to hear that. I suggest that what we are likely to hear is "The man is a good man, a successful lawyer, honest, good manager; had a little trouble with law school, had a little trouble with the bar association, had a little trouble with the bar exam."

But we have all had that. I am not all that bright. Someone might suggest, "Your speech demonstrates that, BIDEN." But I am not all that bright, I am not Thomas Jefferson. We all understand those things.

But you would think, when we add it all up, there has to be some reason why this man has been picked for the No. 2 spot. Again, let us go through it. What is it?

Is it that he knows foreign policy? No.

Is it that he is very, very bright? Well, no.

Is it that he has shown an inclination to be able to deal with diplomatic questions? Does he have a knowledge of diplomacy as opposed to foreign policy, if there can be such a distinction made? Well, no.

Well, what is he, then? He is a nice, reasonable, personable, likable managerial friend of the President of the United States of America, something that is a pretty good thing to be.

One of the things I asked him was—and I was not being facetious, and I ask it here—"Why the State Department?" Why not some place else? Why not Chief of Staff? Why not liaison in the White House with the State Department? Why not personal secretary to the President? Why not the President's scheduler? Why not the President's Administrative Assistant? Why State?

Let us assume that the hostages were not out. Can you all picture Mr. Clark shuttling back and forth to Algeria, negotiating the release of the hostages—a job which, at least, requires an understanding of the delicate relationships that exist in the Middle East? I do not think it is fair to do that to the man.

They say, "OK, we are not going to ask him to do those kinds of things. Warren Christopher did those kinds of things, but we are not going to ask this fellow to do those kinds of things. He is going to be a manager."

So, I said, "OK, that is good. If we are going to have a guy I do not think can do it, we might as well have somebody who can do the least that he knows to do, but no more, in a place where he might do a lot of damage."

I asked, "How about that? Are you going to make any policy?" He said, "No, that doesn't happen on my watch. I am not a policymaker."

So I said, "Well, that makes me feel better," because we have a Secretary of State who, although he demonstrated a prodigious knowledge of foreign policy, does not come from a diplomatic background. You would think he would need people around him, men and women around him that had specific expertise, that knew how the State Department works. Forget the issues, just knew where the dead bodies were, the who-struck-John, knew why department A does not speak to department B, knew whom not to put in a room together to get something resolved.

No, we are told he is an administrator, in spite of the fact that we have a Secretary of State, whom I supported, who impressed the devil out of me, who I think will be a good Secretary of State, who says he is going to be on the road a lot. When we asked him about shuttle diplomacy, he said, well, they would not call it shuttle diplomacy, but he likes to speak face to face. So unless Secretary Haig is going to bring everybody here, he is going to be going places.

(Mr. SYMMS assumed the chair.)

Mr. BIDEN. So, Mr. President, we have the man who is No. 2 saying, "I am not going to make policy." So, since I can count—one of the first things a man whom I never agreed with on policy, but liked very much, whom I worked for on the Judiciary Committee, the former chairman, Senator Eastland—one of the first things he used to say, every time I asked him a question, was, "Well, JOE, have you counted the votes?"

Well, I counted the votes. I figured since I counted the votes and I know I do not have the votes and Senator GLENN does not have the votes, at least it is good to know he is not going to be making policy. That makes me feel better, Mr. President.

Then I started reading the paper. We have a little old situation down in a place called El Salvador. We have a man who is the President of the United States who says we are going to draw a line at El Salvador. A number of my colleagues figure it is the place to get tough. I suspect we are about to have a real donnybrook—first here, on the floor of the Senate, and then, God forbid, but possibly, in El Salvador. At least I felt good that Mr. Clark, on the most immediate controversial issue facing him, would not be speaking about that, because he is not a policymaker. He is pure administration.

But at his press conference, he is talking about El Salvador, briefing diplomats. Now, what is it? What is he going to do at the State Department?

To reiterate, I understand why the proponents of Mr. Clark keep talking about his being a manager, because there is nothing else to talk about. But, my gosh, he is undercutting their argument already.

I suspect he is going to be a full-blown policymaker. I suspect he is going to be right in there with the best of them. The only problem is, the man does not know anything—anything—about foreign policy.

I was talking to my friend—and, as we say in this body, "and he is my friend"—Senator HELMS, a moment ago. I said, "You know, JESSE, this is the first time in the 8 years I have been in the Senate that there has been any controversy about a nominee that was not related to issues in some way, ideology in some way. This is the first time in 8 years that I am aware of that there was a full-blown discussion about somebody not knowing anything." I shall not say what he said, because that is executive privilege, but I will point out that reference was made to the fact that sometimes it is easier being in the minority than in the majority.

I am just glad my guy is not in the White House. I hope I would do the same thing. I hope I would be up here on the floor if President Carter sent up Mr. Clark. I realize it is harder for the Members on the other side of the aisle to stand up and vote against him at the start of a new administration, a start of a new 4 years. We have a President who says he wants him.

I know when that phone rings, from my past experience of 4 years, when it is the President and he says, "Hey, can you help me with this one?" It is kind of hard to say no.

I just wish, as we make this record, and when future nominees are sent here, that, in the Marble Room, some of you at least will come up to me and tell me—because I may feel better about you—"It is really for the President. It is not because we think this guy, all other tests applying, should have the job."

Mr. President, I am going to be a bit facetious. The chairman of the full committee pointed out, just before he sat down—and I was unaware of this; I always learn something when I listen on the floor—that for 190 years we did not have this spot. I respectfully suggest that it would be better not to have this spot than to have Mr. Clark in that spot; because not to have the spot means, at a minimum, that not a lot of damage can be done, but to have the spot occupied by someone—and all we can go on is his past record—who has not demonstrated in any way, in my opinion, an ability to be able to deal with the areas in question means that we very well may be in a spot where damage, at least confusion—unintentional, but nontheless confusion—can result.

I like Justice Clark, and I reiterate this for the RECORD. In my questioning of Mr. Clark, I started off by pointing out that I was not going to ask him his position.

I want to make this clear to my friends and colleagues: I am not voting against him because he has the wrong position on an issue. I am voting against him because he has no position on any issue.

I started off the questioning by pointing out that his lack of an academic background was not reason enough for him not to have the job. I understood that it was difficult to take a specific position. I had already learned my lesson. With the exception of General Haig, I could not get anybody in this new administration to take a position; because they all could say, with a degree of credibility, was "I don't want to prejudice what the President may say."

I wondered about that for a long while. My very capable staff people, like the two gentlemen sitting behind me, drafted all these questions, what to ask him. I concluded, 10 minutes before I asked the questions, that it would be of no value to ask those questions because it was likely that I would get the same answers: "It is too early for me to take a position, Senator."

So I decided to do something else. I want to put this in the RECORD once again, and then I will cease. I pointed out to him that I just wanted him to talk with me, just to discuss with me what the issues were—not the solutions, not the answers, not the positions, just the issues—that faced the United States in the area of foreign policy.

I said, "I would like you, Mr. Justice Clark, to be a professor for a moment. Let us discuss it as we would in a classroom. Don't take a position. Let's just talk about the issues."

So we started to talk. Senator GLENN has read many of the things into the RECORD. I will not take the time. I ask unanimous consent to have printed in the RECORD my questions to Mr. Clark and his answers.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator BIDEN. Thank you, Mr. Chairman. Justice Clark, good morning.

Let me get right to my main point, if I may.

I am not concerned about your academic background. We are not hiring you to be a lawyer. If you were appearing before another committee on which I sit, the Judiciary Committee, I would find it impossible to vote for you for the Supreme Court, for example, for I do think that absolutely impeccable, overwhelming academic credentials are needed to indicate beyond any shadow of a doubt a Supreme Court nominee's full, total, and absolute comprehension of the Constitution and the laws of this country.

But that is not the job you are here for. You are to be Deputy Secretary of State. You don't have to be a lawyer for that. You don't have to have any background in the law. I, for one, think it admirable, the way in which you have conducted yourself in getting to and through school. I have a great deal of admiration for you.

You are one of the few nominees on whom I have read every single paper prepared by the staff. I think it is admirable that you not only did something—well, you know the expression we used to have in law school. It said something like the "A" students become professors; the "B" students you don't hear from; and the "C" students become successful lawyers.

You are and were a fine lawyer, evidenced by the fact that you built an enviable practice, something that a lot of fellows on Law Review never get to do. I think many don't have the competence to do it.

So I have great admiration for you. But I also have great concern about why the State Department. Why not Agriculture? Why not Commerce? Why not anywhere but the State Department?

I will take 2 more minutes in my opening remarks to explain my position, to explain my dilemma, before I get to questions.

We questioned Secretary Haig at length on substantive, detailed matters. We did this in large part because he was a military man and he had not been involved in the State Department previously, unlike the last Secretary of State, Cyrus Vance, who everyone acknowledged was an expert in foreign policy. Whether or not you liked his position, no one had any doubt about who Cyrus Vance was before he came before us.

We questioned General Haig extensively. I must say that he made a believer out of me. He has a prodigious knowledge of foreign policy.

But he did state, in response to a question about shuttle diplomacy, that he did not think shuttling was all that bad, that he liked face-to-face confrontation. This leads me to believe you are going to be minding the store quite a bit. It further increases, from my perspective, the need for someone to have a substantive knowledge of foreign policy.

I had great concern with Mr. Smith to be our Attorney General. He is a brilliant lawyer, but he had no knowledge of the issues. He was devoid of any position, more than any other nominee. The reason I voted for him was he said he guaranteed he would have substantive experts heading up the Criminal Division and every other division, people who had specific backgrounds.

But now I am sort of caught in the middle in terms of the standards which I apply to determine whether or not I will vote for someone. We have here a Secretary who says he will be away a great deal and who does not come from a foreign policy background. So, I would look more toward having an expert person at the helm when he is out of country.

I see no indication of that in your background, and you have been forthright in expressing that you have no such background.

I also found, when we ask you or any other nominee for his or her position on a specific issue, that the nominee says, justifiably, he would rather not take a position now so as to prejudice the position of the President or the Secretary; but sometimes the person clothes a lack of knowledge in that answer. It is a good answer and it is very difficult for me to penetrate, to say, "Well, why don't you have a position on SALT or on this other issue?"

So, I have decided to take a new tack with you and, in terms of my vote. I sincerely hope you can answer these questions.

I don't want to know your position on any of the issues. I want you to be a professor and explain the issues to me. I want you to set out for me, in each of the areas of the world I want to discuss, what you view to be the compelling issues there and not what position you would take, as I don't really care what that is.

Let me begin with southern Africa—not South Africa, but southern Africa, such as Namibia, Zimbabwe, Swaziland, Mozambique, Angola, and so on.

Tell me, what do you think are the compelling issues concerning U.S. interests in southern Africa? What are the competing forces that we will have to be making decisions on

Justice CLARK. Senator, from the standpoint of the national interest, I would deem the compelling questions to be two, as stated by Secretary Haig, primarily, and by President Reagan. The first is Soviet intrusion and influence; the second, related to the first, is the problems created which must be met in the area of natural resources and our ability to rely on those resources in the face of that intrusion.

Senator BIDEN. Can you tell me who is the Prime Minister of South Africa?

Justice CLAY. No, sir, I cannot.

Senator BIDEN. Can you tell me who the Prime Minister of Zimbabwe is?

Justice CLARK. It would be a guess.

Senator BIDEN. Can you tell me what the major bilateral issues are between the United States and Brazil at this point?

Justice CLARK. I am unaware of the priorities. But from my general reading, I think one concern regarding Brazil is definitely balance-of-payments problems, the economy. I will stand corrected, I am sure, from all kinds of expertise when I get back to the State Department, but I believe Brazil is No 1 in debt at the moment on the international scene.

Senator BIDEN. I really don't like doing this, Justice Clark, but I don't know how else to get at the point.

What are the countries in Europe, in NATO, that are most reluctant to go along with theater nuclear force modernization? From what countries do we have the greatest difficulty getting cooperation in the placement of long-range nuclear weapons on European soil?

Justice CLARK. I am not in a position, as you already have suggested, Senator, to categorize them from the standpoint of acceptance on the one hand and resistance on the other.

Senator BIDEN. Well, then, let's talk about England for a moment. England is a long-standing and staunch ally and is going through some difficult times.

Can you tell us, from accounts in the newspaper, what is happening in the British Labor Party these days?

Justice CLARK. I don't think I can tell you with specificity what is happening in the British Labor Party these days.

Senator BIDEN. I really apologize, Mr. Justice. I know you are on the spot, but I don't know how else I can do my job.

This is one of the most distasteful question-and-answer periods in which I have participated. And, by the way, no one but me, not my staff, suggested that I use this approach.

The staff book is full of specific questions, questions which everyone else has. My staff persons who are not on the committee staff also had specific questions. But the issue with regard to you, Justice, in my opinion, is not whether or not you are bright. I think you are a bright man.

I am so sick of establishment-type lawyers. I have had them up to here [indicating]. I started off my practice of law the same way you did. I went out at age 27 and started my own law firm. There were many blue-blood lawyers in town who might have thought twice about hiring me, although one decided to do it. But I am a better lawyer than many of them were. They would not have known how to start a business if they had not inherited one.

So I have an incredible regard for you. I really mean that. But you are supposed to be the expert. I am not looking for someone who is a manager. You are going to be running that outfit a lot of the time. You will be heading up interagency groups.

For example, I was going to ask you to tell me about the makeup of the National Security Council, even though that is not your responsibility. But it is a big issue these days. I just don't know how else to go about this. I'm really sorry.

Justice CLARK. Senator, I don't want you to be sorry. Perhaps I can help you with your dilemma.

Senator BIDEN. Sure, please.

Justice CLARK. In the first part of your question you said why the State Department. I certainly think that is a fair ques-

tion. Of course, the best witness for that answer would be the gentleman who nominated me and asked me to come here today.

But my understanding of the answer to that question is this. First, President Reagan wants the Department of State returned to its historic preeminence as the place where foreign policy is created, where strategy is created, where it is announced. His analysis has been that this has not been the case. I think it is very well granted that the State Department has had its problems, not only in the creation but in the announcement of foreign policy, during the past several administrations. It has been in the area of communication, primarily, within the triangle of White House at the top, State in one corner, and Defense at the other.

Looking at the people involved here, based on his past experience, he made this decision.

I worked with the Secretary of Defense, Secretary Weinberger, for over 15 years, not only in Sacramento, but after going on the bench. He asked me to take 10 days away from that bench, between Christmas and New Years, over that holiday, and to come back with him and assist in the reorganization of the Federal Trade Commission. I did that.

I have communicated with him, not on a professional basis, of course, but certainly 2 weeks never have gone by in the interim period during which we have not talked.

Senator, the same situation prevails at the White House. I think this will benefit us. This does not mean that I will be undercutting the Secretary. I am told by our operations center that they guarantee my communication with the Secretary within 2 minutes, any time he is either within the country or without.

I do not intend to keep my own agenda or to be acting in any way that does not—and I might add, this has occurred this week—I have not spoken to the President or any of his staff without informing the Secretary of the substance and the procedure. So, if that assists your question of why the State Department, I offer it to you.

Senator BIDEN. Judge, I am not concerned about undercutting Secretary Haig any more than I am concerned about my son, with a shovel, undercutting a granite mountain. [General laughter.]

I say to anyone who tries to undercut Secretary Haig, "Good luck."

That is not my concern.

I would not be concerned if, in fact, there was a redefinition of this job. I think there is a place for a person such as you, with your consummate skill in being able to order things, to put things together. You did a fine job for the President when he was Governor. Obviously Caspar Weinberger and others believe you have that capability and I do not doubt that.

But here we have an administration and a Secretary of State telling us that we are not going to have this individual in a policy-making position. He is going to head up new committees, he is going to head up interagency committees. He is going to be somebody who, from the word "go," has some real knowledge about the issue, or has to.

My time is almost up.

Senator Pell said that we do not move people from citizen to admiral for political reason, we don't offer contributors the position of admiral in the U.S. Army because it would raise a furor.

Senator GLENN. Navy, Joe.

Senator BIDEN. Excuse me. I beg your pardon. Of course it is the Navy. I'm so upset, I don't know what I am saying.

We wouldn't do such a thing without expectation of creating a furor. But we do do that with ambassadors because somehow we seem to think ambassadors can learn on the job.

Senator Pell suggests, rightfully, that they can learn no more quickly on the job than someone could to learn to be an admiral in the Navy.

Well, I would respectfully suggest that this is not a place to learn on the job. You would have to learn on the job. I believe you could learn on the job. But I just think that the job of Deputy Secretary of State requires expertise—and the same standard should be applied to all other people down the line, in the Justice Department and other departments, particularly when there is not somebody who comes in with an overwhelming expertise and background with that agency. The people under him should not have to learn on the job either.

Unless something happens in the next 45 minutes to 6 hours, I seriously, respectfully, cannot support your nomination, Justice Clark.

Justice CLARK. I respect that position, Senator.

I have just one point to make.

Regarding making policy, I have discussed this with both the President and the Secretary. Perhaps I did not make that clear, or maybe you came in a little after my description of what we consider to be the role.

My position will not be involved in making policy, but rather in coordinating and implementing in the position as Deputy Secretary of State.

Senator BIDEN. I am sure you will be confirmed, and if confirmed, I would be happy, if you are willing, to work with you in any way I can. But I just cannot vote for you and maintain credibility with regard to my votes on all other nominees over the last 6 years and the next series of nominees that will come before us on the standard that I, perhaps incorrectly, set for what I think that job should be.

Justice CLARK. I will respect that position, Senator.

Senator BIDEN. Thank you.

Thank you, Mr. Chairman.

Mr. BIDEN. Mr. President, the answers ranged as follows:

Senator, I'm not prepared to answer that.

Senator, it would only be a guess.

Senator, I'm unaware of the priorities.

Senator, I'm not in a position, as you already have suggested, to categorize them from the standpoint of acceptance.

Senator, I don't know.

Mr. President, the practice in vogue during the last administration was to give everybody report cards. For what it is worth—and it will not be worth much, in light of the numbers—I give Mr. Clark an A for honesty, an A for forthrightness, an A for being a nice guy, an A for being a good person, an A for being a guy who would make a good fishing buddy or a racketball partner, an A for his relationship with the President, an F in the area of knowledge of foreign policy, and a C in the area of academic standing.

Overall, the best I could come up with, even with all those A's—because foreign policy is a four-credit course and the others are a one-credit course—is a D. [Laughter.]

The President may not know it, but he deserves better—not a better man, but a better person, who understands the area. This country deserves better.

As Senator GLENN so aptly put it, if we are going to agree to and vote for this man—which I expect we are—let us just send up the FBI records from now on. Two things: Have the President say, "I like him," and send up the FBI report and let us know that he is clean, and be done with it. We will save a lot of time for all of us, and it may save some embarrassment for some of us.

It is not a task that I enjoyed in the committee, nor one that I enjoy now. I actually considered not coming to the floor to say anything about this; but I do not know how in God's name we can say that the process has any meaning unless we at least lay out the record as to what we are about to do here.

I thank my colleagues for their indulgence in listening, and I particularly thank Senator GLENN for yielding time.

The PRESIDING OFFICER. Who yields time?

Mr. BOSCHWITZ. Mr. President, will the Senator yield me 5 or 8 minutes?

Mr. GLENN. I yield 5 minutes to the distinguished Senator.

Mr. BOSCHWITZ. Mr. President, I listened with great interest, as I always do, to my friend and distinguished colleague from Delaware, to whom it is always a pleasure to listen.

As I listened to him describe Judge Clark and the State Department, one would think that there is hardly going to be anybody else over there. If I have my numbers right, there is 1 Deputy Secretary but there are 4 Under Secretaries; there are 22 or 23 Assistant Secretaries assigned to the many segments of the world and to the many segments of the business of the Department of State.

Then my friend from Delaware said that we who are supporting Judge Clark talk about him as he would talk about Judge Clark if he were supporting him—that is, we talk about his integrity, his honesty, and his administrative ability. Those were the three categories set forth by my friend from Delaware. Those are pretty good qualities. Those are pretty good things for which to commend a person—integrity, honesty, and administrative ability.

While my friend was talking to the folks in Germany, he was not present to hear the reasonable explanation as to why Judge Clark was put where the President decided to put him, as the No. 2 man at the State Department. My friend from Delaware said there was no reasonable explanation other than the fact that Judge Clark was a friend of the President, other than the fact that he had to keep an eye on the Secretary of State, not only when the Secretary of State was gone but even while he was there.

This Secretary of State, as my friend from Delaware knows, is a very strong-willed, very intellectually capable person. I cannot imagine that the President would feel it necessary to have somebody there to keep an eye on him.

My good friend from Delaware talks about the administrative ability of Judge Clark, that administrative ability having been proved in spades in the State of California, where he did an admirable job in support of the then Governor of California.

I point out to my friend and colleague, once again, the Murphy report, which was commissioned by the 92d Congress in 1971.

I should like to quote a portion of the Murphy report that I did not quote before, a portion that the distinguished chairman of the committee did not quote, which stresses that the Deputy Secretary of State should be an administrator, a manager. The report makes the distinction between the Under Secretary for Management and the Deputy Secretary of State. The report states:

> Management is not housekeeping. Management is not even administration, although both administration and housekeeping are important aids to management. Management is direction and control.
>
> It follows that only the Secretary and the Deputy Secretary can manage the department in the sense of pulling together all the substantive policy efforts and the personnel and administrative support into a single effective whole. Only they are in a position to do so.

Only they, Mr. President, are in a position to do so.

Mr. BIDEN. Mr. President, will the Senator yield for a question?

Mr. BOSCHWITZ. I yield.

Mr. BIDEN. I wish to make it clear. I do not grant that he has this great management ability. The Senator might be able to enlighten me. How many people has he managed? I say that is the argument that the proponents use. How many people has he managed?

Mr. BOSCHWITZ. I did not say that the Senator granted that he had.

Mr. BIDEN. Fine.

Mr. BOSCHWITZ. However, the Senator did say the three aspects of this personality that we talk about are the same that the Senator would talk about, integrity, honesty, and administrative ability, and on that basis I presume that the Senator agreed that he had those attributes.

Mr. BIDEN. I will not debate that with the Senator now because I do not have much time on this. But I am going to ask the Senator a question.

The PRESIDING OFFICER. The time yielded to the Senator from Minnesota has expired.

Mr. BIDEN. Mr. President, will the Senator yield 2 additional minutes so I may ask a question?

Mr. GLENN. Yes.

Mr. BIDEN. Mr. President, will the Senator yield to the Senator a few additional minutes?

Mr. GLENN. I yield 5 minutes.

Mr. BIDEN. My question to the Senator from Minnesota is: How many people did he manage when he was in California?

Mr. BOSCHWITZ. The State of California has a total employment of 120,000 people. He did not manage. He was not the Governor. He did not manage 120,000 people. But he was the principal arm of the Governor in bringing some structure to the management of those people so that the Governor would be able to oversee the management of those 120,000.

Mr. BIDEN. In the same sense that each of our administrative assistants is a manager: is that correct?

Mr. BOSCHWITZ. I would make that analysis, though the analysis is a little out of sync because my administrative assistant manages three dozen people. That is a long shot away from 120,000, overseeing the activities of that many people.

Mr. BIDEN. My point is and my understanding is he did not manage many people at all. He did not head any department, to the best of my knowledge. He merely was, and although important, the closest person to the Governor and an adviser; a coordinator, in the same sense that the gubernatorial AA is, but he did not manage in the sense that he has managerial expertise and experience, to the best of my knowledge, either on the court or as the assistant or whatever his title was to the Governor.

So I really think we are talking about very different roles.

Mr. BOSCHWITZ. As the Senator knows, during his testimony he stated to the Senator that "my position will not be involved in making policy but rather in coordinating and implementing the position of the Deputy Secretary of State."

Further, in the Murphy report, it went on to say, and this is an additional quote to those that the Senator has heard before:

> The concept of the nature of management has two important implications to the Department. In the first place, the Secretary and Deputy cannot delegate the management of the Department as a whole. They can delegate authority to supervise functions and activities, but the control and direction of the entire Department remains with them. If personnel and budget and communications are to be marshalled, the support and policy and the strong single effort, only the Secretary and Deputy Secretary can bring that about.

This is approximately what he did in the State of California, where he was able to marshal and find the focus of the State bureaucracy and present that to the Governor so that the Governor would be able to properly oversee the bureaucracy of 120,000 people.

So, Mr. President, I think there is a good explanation for the nomination of Judge Clark.

Again, I state that the name of Foggy Bottom is something I hope that the present Secretary of State and his new deputy will be able to overcome, and I hope, as I know my friend and distinguished fellow Member from Delaware hopes, that at the end of his term people will say that indeed this choice was a strong choice. I believe it will be so.

I yield back the remainder of my time.

Mr. GLENN. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, the only thing to be said for this nomination, according to those who have spoken on behalf of him here in the Chamber, is that he is a management expert and he will not be involved in policy.

The U.S. Government Manual lists the duties of the Secretary of State. No. 1, and then it lists the Deputy Secretary of State. In describing the Deputy's duties, it says the following:

> The Deputy Secretary of State is the Secretary's principal Deputy and serves as acting Secretary in the Secretary's absence.

It goes on down, I might add, three or more levels until it gets to the Under Secretary for Management who advises the Secretary on management matters, but that is not the principal job of the Deputy Secretary of State for which Mr. Clark has been nominated.

When we opened our committee hearings on the nomination of Justice Clark, our distinguished chairman indicated in his opening statement the following:

> The Deputy Secretary of State is the second highest ranking official of the State Department. In this position, the Deputy Secretary functions as the Secretary's alter ego, principal adviser, and, in the Secretary's absence from the country, he acts as Acting Secretary of State.

Skipping a paragraph or two down here, the chairman said also:

> In recent years, Deputy Secretaries have performed many vital services for the Department. These have included: Acting as Chairman of the Under Secretary's Committee on the National Security Council System; supervising the work of the National Security Council group and State Department office which is concerned with Law of the Sea negotiations; and actively participating in many other negotiations, not the least of which have been carried on by Warren Christopher, most recent Deputy Secretary of State, who has performed tremendously valuable service for his country in connection with the agreements reached with Iran.

We go on over into our hearing record and, in response to a question that I asked regarding his duties, in an attempt to get this spelled out a little bit better, Justice Clark replied with some answers to the first part of my question and then said:

> Second, does the role, as viewed by the President, the Secretary and me, of Deputy Secretary of State change from what it has been in the past. The answer is "No."
>
> I believe before you came in I received that question, and I used the term "alter ego." It is a statutory position, and in the absence of the Secretary of State, the Deputy becomes the Secretary of State, to consider all issues across the board.

Those are Mr. Clark's own words of his perception of the position to which he has been nominated.

Mr. BOSCHWITZ. Mr. President, will the Senator yield?

Mr. GLENN. No; let me finish up and then I will answer questions on it.

Let me go ahead now to a little later in our hearing—

Senator GLENN. Well, I guess that is a difference here and the way we look at your job. We look at you as a pseudo-Secretary of State. We do not look at you as just an administrator, to make sure that the papers all get out of the box on time and things like that. We look upon you as setting policy, along with the Secretary of State because, if he is incapacitated or on a trip, then you are it. That is what I was trying to get your views on a little while ago. I think maybe we take a rather different view of this.

I think maybe you look at your job as being sort of an administrator to make sure that the trains run on time around the State Department, things like that, whereas we look at you as being part and parcel of the policy forming and implementing mechanisms of this Nation.

That is just a comment and maybe you wish to respond, or maybe you do not. I am just making an observation.

Justice CLARK. I would like to respond, Senator.

And he commented on something Senator DODD had said, and then said, and listen to this:

I am not here before you for a paper-pushing position. I expect to assume the full duties of the office, if confirmed, and to serve at the President's pleasure, until such time as he feels I am unable or incapable of carrying those duties out.

Senator GLENN. Do you have any assurance from the Secretary that you will be included in all the policymaking meetings and decision apparatus that is formed over there so that you will be part and parcel of the decisionmaking process? Do you have any assurances from the Secretary on that?

Justice CLARK. I do have such assurances, Senator, and I have conversely assured him that I have no separate agenda in that area.

That indicates his view of what his job is to be.

Later on when the chairman of our committee, the distinguished Senator from Illinois was winding up his comments, he made this statement:

If I had to make a judgment on the basis only of yesterday's hearing, I would have to vote no.

Later on in that same summary our distinguished chairman said:

Never again can we accept a candidate who professes ignorance in an area where he is going to be given responsibility. He will be required to get necessary information or to supply it for the record.

I guess my question would be if that is to be our policy in the future, Why do we not start it now?

I think we have gone through about as much of the debate here as is going to be productive. Soon I hope we can yield back our time and get on with the vote.

I believe that the other side is about out of time. If they wish any additional time, I will be glad to yield, but I am prepared to yield back my time and get on with the vote.

(Mr. SPECTER assumed the chair.)

Mr. PERCY. I think we can proceed immediately to the vote.

Mr. President, I would just like to reply to the quotation given by my distinguished colleague from Ohio when I did say if I had to base my judgment solely on the hearing I would have to vote "No." Now, fortunately, the hearing is only a part of the process.

An investigatory process in a job like this should begin with your own individual judgment: Can this man carry on the responsibilities and duties?

As I said to the President, I could not form a judgment on that until I had directly discussed with Justice Clark his views, and idea, and how he would fulfill the responsibilities of this office.

I had such an interview. It lasted several hours. I have subsequently on three or four different occasions discussed the job with Justice Clark, and I have satisfied myself that he can perform the functions of the office. I have also had extensive conversations not just with the President but subsequently on several occasions with Secretary Haig, including a conversation this morning, in which he reiterated after working with him for 2 weeks on the job day after day, giving him assignments, asking his assessments, asking him to substitute for his presence down here at the Senate Committee on Foreign Relations, that he is totally and completely satisfied that he will perform those functions in an admirable way.

This assessment comes from a man who for some 37 years has been used to issuing orders, working with people in various aspects of life, particularly the military, but also in diplomacy in Europe where he has served this country with great distinction.

My judgment then was based not only on my interviews with Justice Clark, but also the questioning that has been conducted with some 30 to 40 individuals, namely, his peers in California, who have known and worked with him. The universal judgment of these individuals has been extraordinarily high. They have looked upon him as a man of great integrity, a man of intelligence, a man who is able to analyze and appraise, whose judgments in complicated cases in the Supreme Court of California, the State's highest court, are on the record and available for study by anyone who wishes to see the workings of his mind as he thought through the complex problems with which he was dealing.

He performed his duties in such a way that he was regarded with considerable respect by those who worked with him.

My net conclusion was that he would serve the President of the United States, he would serve the Secretary of State, with great distinction, and our relationships with the State Department here in the Senate and with members of the Foreign Relations Committee where we have a particular constitutional responsibility for foreign policy, will be carried out by him in a way that will be a credit to the Department.

For that reason I support the nomination.

I believe Senator BOSCHWITZ would like to speak. How much time would the Senator desire?

Mr. BOSCHWITZ. Three minutes.

Mr. PERCY. Senator Boschwitz would like 3 minutes if it would be yielded by the minority floor leader.

Mr. GLENN. I yield 3 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. I do not want to unnecessarily prolong this debate, and I will not do so, Mr. President.

The matter of the Secretary's alter ego has come up. That is terminology that is used in the statute, and I would like to refer once again to the Murphy report which carefully defined the position of the Deputy Secretary. This is a section that has already been reviewed by the distinguished chairman, the Senator from Illinois, but I would like to read it once again because it really is an important part. It states, and I quote:

Clearly the Secretary needs a Deputy in whom he can put the greatest reliance. However, this relationship—Deputy and principal—difficult in any organization, is especially sensitive with the Secretary of State for the very reason that he can pass to his Deputy only a limited number of his responsibilities. The Deputy cannot be an alter ego in the usual pattern.

When Senator DODD asked Judge Clark about the term, "alter ego," Judge Clark said, yes, indeed, he would be the alter ego. Judge Clark replied, and I quote, "Yes, because that is a statutory designation," and indeed it is.

If I may just conclude by reading another sentence or two from the Murphy report, it continues, and I quote:

It makes it all the more important, therefore, that the Secretary delegate as much as possible of the management of the Department. At a minimum the Deputy should be able to integrate the multiple geographic, functional and staff offices of which the Department is comprised. He should also be able to assist the Secretary in marshalling the personnel and administrative support elements—the resources of the Department—to the basic policy purposes.

Certainly, this would involve the Deputy Secretary in meetings regarding policy; certainly this would involve, in order to make the Department go, a Deputy Secretary in all the councils of the Department.

Let me conclude, Mr. President, by saying that my friend and distinguished colleague from Delaware said that "No one speaks about Justice Clark enthusiastically." I want to correct him because I indeed do speak about him enthusiastically. He has demonstrated great administrative ability. There is no department in Government which needs him more.

I yield back the remainder of my time.

Mr. GLENN. Mr. President, I yield myself such time as I may require.

I would repeat to the Senator what I just read a few moments ago from Justice Clark's own statement:

I am not here before you for a paper-pushing position. I expect to assume the full duties of the office, if confirmed, and to serve at the President's pleasure, until such time as he feels I am unable or incapable of carrying those duties out.

Then I asked him:

Do you have any assurance from the Secretary that you will be included in all the policy-making meetings and decision apparatus that is formed over there so that you will be part and parcel of the decisionmaking process? Do you have any assurances from the Secretary on that?

Justice Clark's response was:

I do have such assurances, Senator, and I have conversely assured him that I have no separate agenda in that area.

The Murphy Commission, which has been referred to several times here today, issued recommendations. The current designation in the U.S. Government Manual of the duties of a Deputy Secretary of State is:

The Deputy Secretary of State is the Secretary's principal deputy and serves as Acting Secretary in the Secretary's absence.

There are no qualifications or removals of any part of that authority. That is the entire statement of his responsibilities.

I would only close by saying that the Senate judges on the hearing record. We cannot be going all over the country calling on friends concerning nominees. While that may be satisfactory for people who may have friends in areas from

which a nominee comes, the Senate as a whole relies basically on the hearing record that is made available by each committee with responsibility for the nomination.

It comes as a great pleasure to me to hear that on-the-job training at the State Department is alive and working very well, and that in the last couple of weeks Mr. Clark has been making great progress. Maybe there is hope yet.

Before we end this today I would say to Mr. Clark—as I am sure he will be reading the transcript of this debate—that there certainly is nothing personal in this. I think he was served very ill by those in the State Department who advised him that he should come over here and imitate a clam, giving as little information as possible.

I think his own best instincts were probably not in that direction.

I would counsel him not to be misled in the future by these advisers, but to be his own judge. I think they rendered him a great disservice, if that was the advice they gave him.

I would comment, in wrapping up this debate, on one thing that the Senator from Delaware said about having comments from those in foreign countries who were somewhat appalled by this nomination. I had an experience in that regard this past weekend myself.

I went to a defense seminar, the Wehrkunde Conference, in Munich, over this past weekend. There were comments made to me also brought up first by some of our own American diplomats there, and then also by some of our NATO allies' personnel who were attending that meeting. So this has not gone without notice on the international scene.

I believe the distinguished minority leader wishes to be recognized, and I yield him whatever time he may require.

Mr. ROBERT C. BYRD. Mr. President, I shall be very brief. I thank the distinguished Senator for yielding.

I commend the distinguished senior Senator from Ohio (Mr. GLENN) on his efforts to focus attention on this nomination.

The nomination process is a serious one, and the Constitution gives the Senate a major role to play in that process.

In this particular case, Senator GLENN has reminded all of us of this important responsibility, and he deserves great credit for doing so.

The message is a clear one: If we do not take this responsibility seriously, then we obviously cannot expect others to do it for us.

Very appropriately, I think that all of us owe Senator GLENN a debt of gratitude for his diligence and dedication in this matter. I commend him for bringing it to our attention.

Mr. PERCY. Mr. President, will the distinguished Senator yield?

Mr. GLENN. I yield.

Mr. PERCY. Mr. President, I join the distinguished minority leader in his commendation of Senator GLENN, who I have found, after working with him on two major committees, Governmental Affairs and Foreign Relations, to be the essence of what a Senator ought to be. He follows the dictates of his conscience. Although extraordinarily difficult to date he has on a number of occasions taken positions out of conscience in opposition to his own President. We deeply respect his right to do so and respect the fact that he follows that conscience and does so because he believes that is what the U.S. Senate is all about.

Mr. President, I would like to have incorporated as part of this RECORD the comments of Senator CRANSTON, the assistant minority leader, a Californian, a distinguished member of the Foreign Relations Committee.

He has taken upon himself a particular responsibility, because the nominee is a Californian, to consult with a wide number of prominent citizens who fulfill quite diverse roles in public and private life in California, including Democrats and Republicans and fellow justices of Justice Clark on the State supreme court. He said:

I have concluded that he is a fast learner when he wants to be and that he is a sound administrator.

Two particularly encouraging things were said to me. These were, first: "He is able to get right to the heart of an issue," and, second, "He can take a problem and boil it down to its essence."

I understand the concerns expressed by each of the members of the Committee's minority.

However, my conversations with numerous Californians indicate that Justice Clark has considerable ability to apply himself with full and effective vigor when challenged.

It is clear that Justice Clark is a man in whom the President has a very high degree of confidence, with whom the President has a particularly close relationship, and upon whom the President has depended in the past and wants to depend upon now and in the future.

For these reasons, I am prepared to support his confirmation.

Mr. BAKER. Mr. President, I rise to speak in support of the President's nomination of Justice William Clark for the position of Deputy Secretary of State.

Before the Senate is a nominee who, as an attorney, established a highly successful practice of law; who, as an administrator, earned high praise and esteem for his role in the streamlining of the government of the State of California; and who, as a jurist in the California court system, has served with the highest honor and distinction. He is a nominee of exceptional intelligence, of unquestioned character, and of consummate administrative skill.

I submit, Mr. President, that executives should be selected on the basis of their range of abilities, their decisiveness, and their breadth of experience.

Justice Clark meets these criteria.

Furthermore, he has the absolute confidence of the President. They are friends and associates of long standing.

Some 8 years ago, when Justice Clark took his oath of office for the California Supreme Court, then-Governor Reagan said:

I have the highest of expectations, the greatest of trust and confidence and the greatest of respect and affection for the man who will here take this oath.

Governor Reagan's expectations were fulfilled. His trust and confidence were justified. His respect and affection were deepened.

Bill Clark is about to assume a new and challenging assignment. I am absolutely confident that his performance in office will justify President Reagan's high expectations and trust which the Senate will shortly confer on him.

(The following proceedings occurred earlier today:)

Mr. STENNIS. Mr. President, as I have just stated here, I understand the Clark nomination for Deputy Secretary of State is scheduled to come before this body at 3 o'clock. I had expected to be here with some remarks to make and perhaps take further part in the debate to some degree, but I am confronted now with some additional matters that come at that time and, therefore, I am addressing the Senate now. It is out of order, in that it is not the pending matter, but it is certainly relevant to the nomination.

Mr. President, I have looked into the matter of the nomination of Justice William P. Clark to be Deputy Secretary of State. I read major parts of the record reflected by the hearings, and the hearings were very good and very timely, and, of course, they should have gone into any matter that they saw fit.

But the only thing I could find to seriously question is that this gentleman has been a judicial officer, but with a good record and now he is being switched over to one you might call of administration or deputy to the Secretary of State, an altogether different subject matter.

It just occurred to me that if you are going to rule a man out because he has been a judicial officer for a while and did not know a great deal about the State Department or any other part of the Federal Government, I would have been ruled out by that score when I got here as a Senator, because that had been my background for several years at least. I was a trial judge, not a member of the superior court or the Supreme Court, but a very busy time in the courtroom in the judicial branch to the exclusion of everything else. But I did find that experience worth a great deal, as I tried to find my way through the bottomless pits that anyone coming here as a stranger to the Federal Government, anyone coming here as a newcomer is confronted with those problems.

So I do not see any objection to the experience. It will not be a back step or a hindrance but in turn would be a benefit to Mr. Clark as I see it.

I have looked carefully into his background. It was not just a matter of wanting to rally to the cause of someone that had been in the judicial branch, but I did want to know what I was passing on.

I am very greatly interested in the Department of State at this critical time in our history where I have already said here on the floor that I thought we had to go back and make a superior effort again to have more of a bipartisan or nonpartisan foreign policy than we have been able to have in the last several years. I hope we can make some headway on that before we have had another Presidential election.

This is a highly important office. It is the second-ranking office within the State Department; and, in addition to acting as the Secretary of State's principal adviser, the Deputy Secretary of State, in the case of the Secretary's absence from the country, acts as Acting Secretary of State.

I do not know Justice Clark personally. However, I have examined his background very carefully, and I am impressed by the fact that since 1969 Justice Clark has been a member of the judiciary of California. When nominated as Deputy Secretary of State, he was a Justice of the Supreme Court of the State of California.

I know from my own experience that anyone who comes to Washington is faced with a learning experience. This is particularly true in the case of one who is from the judicial area. I was a judge myself before being elected to the Senate, and I am convinced by my own situation that judicial experience will be very helpful and useful in this position.

So I believe, Mr. President, in substance that the judicial experience with Justice Clark has had will be very valuable to him in this position. Everyone seems to agree that he is a man of character and experience, experience in government, a man of some imagination as well as judgment, and with time to get familiar with the workings of the Department of State I think the chances are that he would make a very good and valuable officer, too.

In any event, I have looked into this matter rather fully and was fully satisfied with the man's integrity as a public servant over a period of years that he has served and even part of that has been served directly with the present President, President Reagan. I am going to vote to confirm the nomination for these reasons.

Mr. HEFLIN. Mr. President, I have listened attentively to the remarks of the senior Senator from Mississippi and knowing his judicial background, having a judicial background also, I would like to concur in the remarks of the Senator from Mississippi. I think that he has evaluated Mr. Clark in a proper manner and I think his background is such that it will provide an analytical, studious, and scholarly approach to the affairs of state.

Mr. STENNIS. I thank the Senator. And I know I can commend him for his words as well as his outstanding experience in the judicial field.

Mr. President, I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I would like to add my words to those made by the distinguished senior Senator from Mississippi and the Senator from Alabama.

It might be of interest to the Senate to know that my support of the President's nominee for this important position will be there. My colleagues in the Senate might be interested in knowing that I do not come at this as a former member of the judiciary, as my great friend from Mississippi and my great friend from Alabama have just attested to, but rather I think that the President must be given great leeway in choosing the important officers in the executive branch of Government.

I share the feelings of the two previous speakers on this subject, that I do not think that it is critically important that a man coming out of the judiciary or any other function necessarily be attuned to all of the latest personalities that represent various governments around the world.

More important, it seems to me, is whether or not he has the background and the training and his given an indication of an understanding of the overall duties that he is about to undertake.

Therefore, from my study of the record, I agree with my colleagues who have just addressed this subject. I believe that this nominee has the background. I think that he has the confidence of the President of the United States. And like all of the other nominations, it seems to me, the first criterion must be, is there anything in the background that would indicate that this man is not qualified to serve? And, second, if he has been nominated by the President of the United States, then I, as a basic premise, feel that he is qualified unless proven otherwise. I would say in this case that it appears to me that the President's nominee is qualified and I intend to support the nomination when it is brought to a vote this afternoon.

(Conclusion of earlier proceedings.)

RATIONALE FOR A "YES" VOTE ON CLARK

● Mr. PELL. Mr. President, I have found Justice Clark to be engaging, honest, and intelligent. After his public confirmation hearings and our private conversations, I have become persuaded that there is a place in this administration for a man of Justice Clark's abilities. I am not convinced that the right place for Justice Clark is to serve as Deputy Secretary of State because of his lack of knowledge and experience in foreign affairs; but since he will concentrate primarily on administrative duties, I believe he will nevertheless be acceptable in this post.

I am impressed that Justice Clark has won such strong support from the President. I hope that such support will rapidly be translated into defining a deputy role in which Justice Clark can be truly effective. The fact that he is so close to the President is a further fact in my thinking. The decision for me is a close one. However, on balance and in a spirit of cooperation with a new administration, I have decided not to oppose the nomination of Justice Clark.●

● Mr. MITCHELL. Mr. President, our country's Constitution assigns to the Senate the responsibility to screen the individuals whom the President chooses to lead his administration. This is a process which should not be taken lightly by the appointing President, his nominees, or the Senators who examine the appointments.

Our law does not specify the criteria by which Members of this body should evaluate Cabinet and major sub-Cabinet nominees. Senators are free to determine, to the best of their abilities, what crucial questions must be answered satisfactorily before their votes are cast.

The questions which I ask about a prospective administration official are the following:

First, is the nominee an honest person with a record of integrity?

Second, does the nominee possess the managerial and administrative skills necessary to operate efficiently and effectively the department or agency which he shall join?

Third, is the nominee sufficiently free of financial ties and legal obligations, the existence of which might prompt him to place other considerations before his concern for the public's welfare and his loyalty to our President?

Last, does the nominee possess a true understanding of the important issues with which he, as a principal administration official, must deal?

I have reviewed the hearing record which contains the testimony presented by William Patrick Clark to the Committee on Foreign Relations. This testimony indicates that Justice Clark is a man of integrity who is recognized as possessing considerable managerial talents. The testimony also shows Justice Clark to be free of conflicts of interest. What Clark's testimony betrays is a lack of knowledge of U.S. foreign policies and of the pressing challenges which face the United States.

As a Senator, I do not expect a President to nominate Cabinet members, subcabinet members, and agency chiefs who share my views on most issues. Moreover, I do not believe that Senators should require nominees to share their political philosophies in order to win the Senators' approval at confirmation time. However, I do expect a nominee to possess enough general background knowledge of his department's area of jurisdiction so that he can enter the debate on vital issues at the beginning of his tenure.

Justice Clark, because of his lack of foreign policy experience and prior interest in international affairs, is not equipped to play the kind of active role at the Department of State which the Congress envisioned when it created the position of Deputy Secretary. We must continually bear in mind that the person occupying this position must function as "* * * the Secretary's principal deputy and serve as Acting Secretary in the Secretary's absence." (U.S. Government Manual.)

When asked by members of the Foreign Relations Committee for his thoughts on major international topics such as nuclear nonproliferation, arms control, and the Middle East conflict, Justice Clark could not comment because he was unfamiliar with the subjects. As a result, members of the committee could not get a clear idea as to how Justice Clark would attempt to solve difficult foreign policy problems or would conduct himself as Acting Secretary in times of crisis. Despite his many positive qualities, I cannot, in good conscience, overlook this major deficiency: his lack of foreign policy knowledge. Accordingly, I will oppose Justice Clark's confirmation when the vote occurs later today.●

● Mr. BOREN. Mr. President, I have today voted against the nomination of William P. Clark to be Deputy Secretary of State. Mr. Clark is the first Reagan nominee that I have opposed.

My general philosophy in considering Presidential nominees has been that if a person is qualified for the job to which he has been nominated, I will support him, believing that you cannot hold a President responsible for his policies and programs if you do not give him the people he desires to implement those policies and programs.

In this instance, the operative word is "qualified." His defenders say that his administrative ability is all that should be considered because in his capacity as Deputy Secretary of State, such would be his prime responsibility.

However, I take very seriously the Senate's constitutional responsibility to advise and consent, and unfortunately, Mr. Clark in his confirmation hearings before the Senate Foreign Relations Committee demonstrated little if any concept of foreign affairs.

He was unable to identify a large number of world leaders and others in this country who are directly related to and well known in the field of foreign policy.

Under direct questioning, he professed to have no opinion about a number of foreign policy issues, including nuclear nonproliferation, relationships with the Third World, relationships between the United States and the Japanese over problems related to the automobile industries, the foreign agricultural service, and détente with the Soviet Union.

In fact, under questioning from Senator GLENN, he said that although he believed in peace through strength, he could not spell out in greater detail what the elements of that strength should be.

I mean no disrespect for Mr. Clark. I am sure that he has many fine qualities as a person and that there are areas of service which dovetail with his qualifications. I simply do not believe that he is qualified to serve in the specific position for which he has been nominated.

Under these circumstances, I did not feel that in conscience I could support Mr. Clark without abandoning my responsibility to give advice and consent.●

○ Mr. DODD. Mr. President, I rise in opposition to the nomination of Justice William Clark to serve as Deputy Secretary of State.

As a member of the Foreign Relations Committee, I heard Justice Clark's testimony and had an opportunity to question him on a variety of issues. As I have with other nominees, I judged his fitness to serve on three criteria: Character and integrity, past experience, and substantive policy views.

I have no doubt that Justice Clark is a man of sound character. The committee heard nothing which would even suggest that he is not a man of integrity. Personally, I found him to be an engaging, cooperative, and forthright witness. However, I have reluctantly concluded that he cannot meet my criteria for approval because of his past experience, and his lack of foreign policy views.

Justice Clark candidly admitted his lack of experience in foreign affairs to the committee. He has joked that his foreign policy experience consists of "72 hours in Santiago." While I admire his candor and humor, I believe it is essential that the second highest ranking member of our foreign policy establishment must have broad-based experience in foreign relations. Justice Clark, by his own admission, clearly does not have such experience.

During his confirmation hearings, I read from a list of duties of the Deputy Secretary of State contained in the Foreign Affairs Manual of the State Department. The duties of the Deputy Secretary are substantive. He serves as the principal deputy and alter ego to the Secretary, and as Acting Secretary in the Secretary's absence. He serves as principal adviser to the Secretary and assists him in the formation, conduct, and implementation of all U.S. foreign policy. More specifically, he assists the Secretary in directing the Department's participation in the National Seecurity Council system, and provides final recommendations to the Secretary on important personnel appointments.

I asked Justice Clark whether he agreed that the duties listed were duties he would assume, if confirmed. He answered that they were. It is evident, however, that these duties require broad foreign policy experience.

I also judge nominees on their substantive policy views. During the confirmation hearings, Justice Clark was asked a number of questions concerning his views on important policy issues, such as nuclear nonproliferation, foreign policy goals, human rights, defense spending, and international terrorism, among others. Unfortunately, Justice Clark was unable to even offer informed opinions on any of these important issues. I can understand that he was unable to answer detailed questions about the leadership of particular countries, but a man nominated to this position should have a working knowledge of the broad currents of foreign affairs, at the very least. Justice Clark, however, does not have this minimal knowledge or understanding.

The Senate has the constitutional responsibility to "advise and consent" to the nominations of the President. We have the duty to assess carefully the qualifications of his nominees. In general, the President should be able to choose the men and women he wants to serve with him. However, they must have some qualifications for the positions for which they are nominated. I voted to confirm Secretary Haig, in spite of my policy differences with him, because I felt his experience qualified him to serve as Secretary of State.

However, I have reluctantly come to the conclusion that Justice Clark's lack of foreign policy experience and his inability to offer views on the broad currents of U.S. foreign relations do not qualify him to assume the second highest position in the U.S. State Department. Accordingly, I will vote against the nomination of Justice William Clark to serve as Deputy Secretary of State.●

● Mr. THURMOND. Mr. President. I rise today in support of the nomination of Justice William P. Clark, Jr., to be Deputy Secretary of the Department of State.

Mr. President, Justice Clark is a man of exceptional and proven abilities. Without the benefit of a college or law school degree, Justice Clark successfully passed the California bar exam and was appointed to the California State Supreme Court. In fact, he is the only State supreme court justice in the country who does not have a college or law school degree. These are not the accomplishments of a man of ordinary capabilities.

Mr. President, as a justice on the California Supreme Court, William Clark, Jr., has earned the reputation of one who believes in swift and effective punishment of criminals. This is a trait that I believe to be desired of one who will be assisting President Reagan in achieving his goal of reducing terrorism in the world.

Justice Clark is equally well known for his exceptional administrative talents. He is credited with being largely responsible for transforming the Governor's office of California into an efficient, well-organized, smooth-running operation. His ability to establish good, working relationships with adversaries and friends alike has served Justice Clark well in every position he has held.

Mr. President, I believe that Justice William P. Clark is just the kind of person we need as Deputy Secretary of the Department of State. He is intelligent, talented, and hard working. Moreover, he is blessed with an abundance of good commonsense. I sincerely hope that my colleagues will join me in supporting confirmation of Justice Clark to be Deputy Secretary of the Department of State.●

● Mr. LAXALT. Mr. President, Bill Clark has been a friend of mine for many years. I have been impressed with his competence as a farmer, a lawyer, a manager, and a judge.

This is the seventh time in Bill's long distinguished career that President Reagan has asked Bill to serve. Why? Because the President has total confidence in this man and he has never failed him. I have confidence he will serve the President and this Nation well.

Mr. President, the Senate has confirmed the nomination of a strong Secretary of State. Secretary Haig is the principal architect of our Nation's foreign policy; Bill Clark is just the man to implement that policy. He will give it the thorough attention to execution that is essential for our foreign policy to succeed.

In conclusion, Mr. President, I caution my colleagues not to be misguided by attempts to measure competence by a narrow focus. It appears to me that the No. 2 man at State should have broad-ranging abilities and proven competence and must not be just a narrow technical expert. Bill Clark is such a man, and I am pleased to support his nomination to be Deputy Secretary of State.●

● Mr. HART. Mr. President, the President should be permitted the fullest latitude in choosing the members of his Cabinet. So far, I have voted for all but one of President Reagan's appointees, despite personal reservations about some of the individuals he has chosen.

The President's nominee, however, should meet threshold requirements for service in the Cabinet: Personal integrity, a freedom from conflicts between public duties and personal interests, and an ability to occupy a Cabinet office in a competent and responsible fashion. It is also fair to apply these standards to the confirmation process when the office involved is as important as that of Deputy Secretary.

Mr. Haig met the above criteria. Mr. Clark does not. His inability to answer even the most elementary questions on the world beyond our shores portrays a man who apparently does not even read the front pages of the morning newspaper. His unwillingness to address policy questions at this point is understandable and he cannot be expected to be conversant with every issue on our complex foreign affairs agenda. But Mr. Clark will not only be faced with more than educating himself on our policy options, as his testimony lamentably revealed, he will require massive education on even the most fundamental issues.

A number of examples of the lack of competence in foreign affairs which Mr. Clark demonstrated during the hearings may be cited:

He was asked for his views on nuclear nonproliferation. He responded that he did not have a "personal view" on this crucial question.

Asked for his views on the Third World and concepts of the new economic order, he described to the committee a "big globe" in the Deputy Secretary's office on which, if I understood his answer correctly, the whole world looked pretty confusing. We can only admire the candor of such an admission.

The sum total of his philosophy on U.S. foreign policy objectives was stated to be "peace through strength," which is, of course, sound, so far as it goes. Under prompting, he identified the ingredients of these as "military strength, economic strength, and social strength," but they were "inextricably woven together and I am ill prepared at the moment to answer" how these could be defined. Again, his candor was total.

His answer on détente was typical of the level of dialog, if somewhat more effusive than his answers on other questions: "I have not heard the word 'détente' for some time. When I was following it, I had the feeling that while we were 'détenting,' the Russians were 'trucking' or 'tanking.' But, like many other terms, 'Third World' being one, I am still trying to learn what are the definitions of those words at the moment. I have some idea of what they were from my reading of 'Time' and 'Newsweek,' but I must say that those are all going to be part of the learning process. * * *"

Finally, when it was repeatedly noted that he would act as Secretary when Mr. Haig was away, he at one point replied by way, apparently, of reassuring my colleagues, that "our operations center assures communication with the Secretary on less than two minutes' notice."

Even in those areas which fall specifically under the Deputy Secretary's purview—human rights, law of the sea, and terrorism—about all Mr. Clark was able to convey was that he was opposed to each. Apparently he did not bother to more than "skim" the record on Secretary Haig's hearings, which would have at least given him some indication of what issues were of concern to the Senate, despite admonitions by the committee chairman and other committee members to prepare himself. I hesitate to conclude that his total lack of preparation for his confirmation hearings reflected any contempt for the Congress; I prefer to believe he just does not understand the issues. Either way, his performance before the committee was unacceptable.

The Senate cannot afford to confirm this man, who will frequently be called upon to act as our Secretary of State, regardless of his personal relationship with the President or his reported managerial talents. However minimally one defines the standard of competence, it must be used as a standard, else the Senate would relinquish altogether its constitutional responsibility to advise and consent. Mr. Clark's testimony before the Senate Foreign Relations Committee, in my judgment, shows he does not meet this minimum standard. For this reason, I will vote against the nominee.●

Mr. PERCY. Mr. President, this side of the aisle has completed its comments.

Mr. GLENN. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. The yeas and nays have already been ordered on the nomination.

Mr. GLENN. Mr. President, as far as I know, no one else desires to speak. I am prepared to yield back any remaining time. Mr. President, I yield back all remaining time.

The PRESIDING OFFICER. All time has been yielded back. The question is, Will the Senate advise and consent to the nomination of William P. Clark, of California, to be Deputy Secretary of State? The yeas and nays have been ordered and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Will the Senate advise and consent to the nomination of William P. Clark, of California, to be Deputy Secretary of State? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ZORINSKY when his name was called: Present.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN), is necessarily absent.

I also announce that the Senator from Kansas (Mr. DOLE), is absent due to illness.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Florida (Mr. CHILES), and the Senator from Massachusetts (Mr. TSONGAS), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 70, nays 24, as follows:

[Rollcall Vote No. 24 Ex.]

YEAS—70

Abdnor	Grassley	Nickles
Andrews	Hatch	Nunn
Armstrong	Hatfield	Packwood
Baker	Hawkins	Pell
Bentsen	Hayakawa	Percy
Boschwitz	Heflin	Pressler
Burdick	Heinz	Quayle
Byrd, Harry F., Jr.	Helms	Randolph
	Hollings	Roth
Cannon	Humphrey	Rudman
Chafee	Jackson	Schmitt
Cochran	Jepsen	Simpson
Cranston	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
DeConcini	Laxalt	Stevens
Denton	Long	Symms
Domenici	Lugar	Thurmond
Durenberger	Mathias	Tower
East	Mattingly	Wallop
Exon	McClure	Warner
Garn	Metzenbaum	Weicker
Goldwater	Moynihan	Williams
Gorton	Murkowski	

NAYS—24

Baucus	Ford	Matsunaga
Biden	Glenn	Melcher
Boren	Hart	Mitchell
Bumpers	Huddleston	Proxmire
Byrd, Robert C.	Inouye	Pryor
Dixon	Kennedy	Riegle
Dodd	Leahy	Sarbanes
Eagleton	Levin	Sasser

ANSWERED "PRESENT"—1

Zorinsky

NOT VOTING—5

Bradley	Cohen	Tsongas
Chiles	Dole	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. HUDDLESTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I move that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. BAKER. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. The majority leader is trying to be heard.

Mr. BAKER. Mr. President, I wish to announce that we will have another rollcall vote now, which has been ordered previously, and there will be no more rollcall votes tonight.

LEGISLATIVE PROGRAM

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, will the majority leader inform the Senate as to the business for the remainder of the week?

Mr. BAKER. I thank the minority leader. I will be happy to do that.

An order already has been entered that when the Senate completes its business today, it stand in recess until 11 o'clock next Thursday.

It is anticipated that the Rules Committee will file this day a series of 18 resolutions dealing with the funding of Senate committees.

I hope it might be possible for us to deal with those resolutions, although that will require the waiver of at least 1 day of the 3-day rule in order to do so.

Other than routine morning business, I know of no other business that may come before the Senate on Thursday, and it would be my expectation that we would then recess until Tuesday of next week, with a pro forma session in order to qualify.

Mr. ROBERT C. BYRD. Does the distinguished majority leader anticipate any rollcall votes on Thursday, or is he in any position to say?

Mr. BAKER. Mr. President, I honestly am not in a position to say now.

It is my hope that we could consider those 18 measures on Thursday, as reported by the Rules Committee, and perhaps even consider them en bloc, which we have done on previous occasions.

There is some chance that there will be a rollcall vote on Thursday. Senators should expect that. But at this time I have not been able to ascertain anything with greater certainty.

Mr. ROBERT C. BYRD. I thank the majority leader.

COUNCIL OF ECONOMIC ADVISERS

NOMINATION OF MURRAY L. WEIDENBAUM, OF MISSOURI, TO BE A MEMBER OF THE COUNCIL OF ECONOMIC ADVISERS

The PRESIDING OFFICER. Under the previous order, the question recurs on the nomination of Murray L. Weidenbaum, of Missouri, to be a member of the Council of Economic Advisers.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maine (Mr. COHEN) is necessarily absent.

I also announce that the Senator from Kansas (Mr. DOLE) is absent due to illness.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Florida (Mr. CHILES), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 25 Ex.]

YEAS—95

Abdnor	Boren	Cannon
Andrews	Boschwitz	Chafee
Armstrong	Bumpers	Cochran
Baker	Burdick	Cranston
Baucus	Byrd, Harry F., Jr.	D'Amato
Bentsen		Danforth
Biden	Byrd, Robert C.	DeConcini
Denton	Inouye	Percy
Dixon	Jackson	Pressler
Dodd	Jepsen	Proxmire
Domenici	Johnston	Pryor
Durenberger	Kassebaum	Quayle
Eagleton	Kasten	Randolph
East	Kennedy	Riegle
Exon	Laxalt	Roth
Ford	Leahy	Rudman
Garn	Levin	Sarbanes
Glenn	Long	Sasser
Goldwater	Lugar	Schmitt
Gorton	Mathias	Simpson
Grassley	Matsunaga	Specter
Hart	Mattingly	Stafford
Hatch	McClure	Stennis
Hatfield	Melcher	Stevens
Hawkins	Metzenbaum	Symms
Hayakawa	Mitchell	Thurmond
Heflin	Moynihan	Tower
Heinz	Murkowski	Wallop
Helms	Nickles	Warner
Hollings	Nunn	Weicker
Huddleston	Packwood	Williams
Humphrey	Pell	Zorinsky

NOT VOTING—5

Bradley	Cohen	Tsongas
Chiles	Dole	

So the nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. MATHIAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond 30 minutes in length, in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I inquire of the distinguished Senator from New York and the Senator from Arizona is there any business which they wish to present at this time?

Mr. GOLDWATER. Mr. President, I have two resolutions that were both passed unanimously by our legislative committee, being in respect to Earl Eisenhower and Bill Miller for their service, and I merely wish to have these resolutions considered.

Mr. BAKER. Mr. President, I am advised that both these resolutions are cleared on our side and I am advised by the minority leader that they are cleared on their side as well.

So if the Senator wishes to call those up for consideration at this time that is all right.

COMMENDATION OF WILLIAM G. MILLER, STAFF DIRECTOR TO THE SENATE SELECT COMMITTEE ON INTELLIGENCE AND EARL D. EISENHOWER, MINORITY STAFF DIRECTOR TO THE SENATE SELECT COMMITTEE ON INTELLIGENCE

Mr. GOLDWATER. Mr. President, I send two resolutions to the desk and ask that they be considered en bloc.

The PRESIDING OFFICER. The resolutions will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 81) to commend William G. Miller, Staff Director to the Senate Select Committee on Intelligence, and a resolution (S. Res. 82) to commend Earl D. Eisenhower, Minority Staff Director to the Senate Select Committee on Intelligence.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolutions?

There being no objection, the Senate proceeded to consider the resolutions.

Mr. GOLDWATER. Mr. President, these resolutions apply to former men who worked for the Select Committee on Intelligence of this body, Mr. Bill Miller who served as staff director, and Mr. Earl Eisenhower who served as minority staff director for the last several years.

It was the desire of the full committee, and they expressed themselves unanimously, that these resolutions be prepared and presented to the Senate for its actions. That is exactly what we are doing.

I yield to my friend from New York.

Mr. MOYNIHAN. Mr. President, I thank my distinguished chairman, the Senator from Arizona.

I would add to his remarks the simple observation that it is, perhaps, generally true that the public never says its thanks very well. That is even more rare in a situation where it is the nature of a public service job that the public not know in any way, other than the most general way, what it is he does.

These two gentlemen, Mr. Miller and Mr. Eisenhower, have served the Senate faithfully and well, and they have served their Nation.

It is the purpose of the Select Committee on Intelligence to know the details of that service. Others do not. It is through these resolutions that we wish to acknowledge our gratitude, thanks, and profound respect, and I thank the chairman for moving the resolutions.

The PRESIDING OFFICER. The question is on agreeing to the resolutions en bloc.

The resolutions (S. Res. 81) and (S. Res. 82), and their preambles were agreed to en bloc.

The resolutions, with their preambles, are as follows:

S. RES. 81

Whereas, William G. Miller honorably, faithfully and loyally served from May 1976 to January 1981 as Staff Director of the permanent Select Committee on Intelligence of the United States Senate;

Whereas, by virtue of his expertise, skill and knowledge he provided invaluable assistance to Chairman Daniel K. Inouye, Chairman Birch Bayh, Vice Chairman Barry Goldwater and other members of the Select Committee on Intelligence in the establishment of the permanent committee and thereafter

in the performance of the Committee's responsibilities;

Whereas, he recognized the essential purpose of intelligence was to help provide for the national defense and enhance the position of the United States in the world through its foreign policy and defense and that such work by the intelligence community was of the greatest importance;

Whereas, he worked diligently to help create a constitutional balance between the Executive and Legislative branches of government based on shared knowledge as well as shared responsibilities;

Whereas, by virtue of his leadership he made outstanding contributions to the development of a comprehensive process of budgetary review of intelligence activities making the intelligence community accountable to Congress for the first time.

Whereas, his thoughtful judgment, scholarship and knowledge of the Congressional process established a high standard for the work of the Intelligence Committee, particularly in achieving a bipartisan approach to strengthening United States intelligence and national security with a balanced concern for constitutional rights and individual liberties;

Whereas, he played a vital role in reaching agreement between Executive and Legislative branches on statutory provisions for congressional oversight and access to necessary information concerning intelligence activities which resulted in such procedures becoming a permanent part of the organic law governing the intelligence community; and

Whereas, he made other significant contributions to the work of the Committee, the Senate, and the Congress of the United States, now be it

Resolved, That the United States Senate express and record its deep appreciation for William Green Miller's exceptional contributions and for his dedication, loyalty, integrity and service to the Select Committee on Intelligence, and to the Congress of the United States.

S. RES. 82

Whereas, Earl D. Eisenhower, honorably, loyally and faithfully served from 1977 to 1981 as Minority Staff Director to the Select Committee on Intelligence of the United States Senate;

Whereas, in that capacity he untiringly and effectively served this Committee in an outstanding manner, demonstrating the highest qualities of responsible staff leadership;

Whereas, by virtue of his expertise, skill and knowledge, he rendered capable assistance in the development of the consolidation of all federal intelligence activities under the jurisdiction of a single committee in the United States Senate;

Whereas, by virtue of his leadership, he made outstanding contributions to the development of the Intelligence Budget Authorization process, making the intelligence community accountable to the whole Congress for the first time;

Whereas, he made invaluable contributions to the area of intelligence reform that provided a strong and stable influence on the Committee's staff and the intelligence community;

Whereas, through his knowledge of the Congressional process, he made a major contribution to the bipartisan approach to strengthening intelligence in full accord with the United States Senate's interest in support of the intelligence community in the national security area, now be it

Resolved, That the United States Senate express and record its deep appreciation for Earl D. Eisenhower's exceptional contributions and for his dedication, loyalty and service to the Select Committee on Intelligence, to the Senate and to the Congress of the United States.

Mr. GOLDWATER. I thank the Chair and I thank the majority and minority leaders for allowing us to do this.

I yield the floor.

Mr. MOYNIHAN. I thank the Chair and I thank the minority leader.

SECRETARY WATT'S RECUSAL STATEMENT AND HALTING REGULATIONS ENFORCING THE 1902 RECLAMATION LAW

Mr. McCLURE. Mr. President, on Saturday, February 21, 1981, a Washington Post article by Ward Sinclair alleged that the Secretary of the Interior, James Watt, had violated his recusal statement by halting regulations enforcing the 1902 reclamation law. By innuendo the article made the reader believe both the Mountain States Legal Foundation and its then President James Watt were actively involved in bringing the successful lawsuit which forced the Interior Department to prepare an environmental impact statement before issuing the regulations. The article goes on to allege that:

> Neither Mr. Watt's testimony nor questions from the Committee elicited information that he had been involved actively in the western water users fight to stop Interior's moves toward tougher enforcement of the reclamation law.

Not only is Mr. Sinclair's article incorrect in its conclusion, but it is also based on fundamental errors in fact.

As chairman of the Senate Committee on Energy and Natural Resources, I presided over both days of testimony on Secretary Watt's confirmation and was actively involved, along with Senator JACKSON, in the formulation of the extent and scope of Mr. Watt's recusal.

Secretary Watt's original disqualification statement said in relevant part:

> I would recuse myself from having any direct involvement in, or giving any advise or counsel on, the specific of any particular case brought while I have been employed by the Mountain States Legal Foundation in which both Mountain States Legal Foundation and the Department of Interior are parties. (Hearings, p. 48)

Later, Secretary Watt amended his statement to include:

> Any aspect of litigation in Federal or State Court and any Administrative proceedings, other than the formulation or promulgation of a rule of general application . . . when Mountain States Legal Foundation is a party or represents a party. (Hearings, p. 404)

I was pleased with Mr. Watt's willingness to come forward with these statements of disqualification because they put to rest any potential conflicts of interest, yet retained his ability to formulate policy. I said at the time:

> I believe that the agreement will ensure that there is no possibility of any appearance of a conflict of interest . . . while at the same time reserving his ability to formulate and implement policy for the Department of the Interior in the Reagan Administration. (Hearings, p. 402)

Contrary to the Post article, Secretary Watt made not only his involvement in the 1902 reclamation issue clear to the committee, but also his policy views as well. In response to a question from Senator BUMPERS, Mr. Watt stated:

> Secretary Andrus held a meeting in Denver and I presented a statement before him, calling for an environmental impact statement before he implemented the regulations on that matter. (Hearings, p. 82)

Furthermore, earlier in the proceedings Senator BUMPERS had asked concerning the 1902 reclamation law:

> Senator BUMPERS. You don't agree with the law, do you? I don't either.
>
> Mr. WATT. No, I don't.
>
> . . . I have already discussed, that the needed change to the 1902 act must be a high priority issue for this committee, and the House of Representatives. I pledge to you my commitment to work toward that end. (Hearings, p. 60)

In addition, the list of cases brought by the Mountain States Legal Foundation since its incorporation, which Mr. Watt volunteered for the record, clearly shows that none were brought on the issue of the 1902 law or its regulations. Mr. Watt's only involvement in the issue was of a general nature as part of the legal community in the West. He met for example, in Los Angeles with a group of water users and attorneys to discuss the best legal strategy for bringing a lawsuit. It is my understanding that Mr. Watt's suggestion to bring such a suit in Wyoming was rejected in favor of the Ninth Circuit in California. Eventually at least five lawsuits were filed, all in California. In none of these was either the Mountain States Legal Foundation or Mr. Watt a party or representing a party.

It therefore is apparent to anyone who had taken the time to review both the details of Secretary Watt's disqualification statement and his involvement in the reclamation issue, that no violation of either the letter or spirit of that disqualification has occurred as a result of the suspension of comment on both the regulation and draft EIS. In my opinion, Secretary Watt could have signed the orders himself since it is clearly an action which falls within the category of policy, "the formulation or promulgation of a rule of general application."

It was not my intention, nor the intention of the committee, to hamstring Secretary Watt or any other Secretary in the proper performance of policy determination. We fashioned an ethical standard for Mr. Watt which goes well beyond what is required by law and I think that is appropriate. However, I will not tolerate unreasonable interpretation of that standard or its unfair use to harass Secretary Watt in the proper performance of his duties.

THE 26TH CONGRESS OF THE COMMUNIST PARTY OF THE SOVIET UNION

Mr. HELMS. Mr. President, yesterday marked the opening of the 26th Congress of the Communist Party of the Soviet Union in Moscow. The headlines of our newspapers have centered on Chairman Brezhnev's oblique call for a summit meeting, but they did not point out clearly enough that this call for a summit was for a summit on Soviet terms.

Brezhnev made it quite clear that no dialog or meeting at the summit could change the basic policies and goals of the U.S.S.R. Speaking of Poland, for example, he stated "let no one doubt our intentions to secure our interests and defend socialist gains." As for Afghanistan, Brezhnev accused imperialism of having "launched an undeclared war against the Afghan revolution," thus creating "a direct threat to the security of Soviet southern frontiers." Western European nations were warned that deployment of new U.S. missiles would "prejudice their own security."

Thus it is quite clear that any summit in the near future would be too hasty. Talks with our national adversaries should not go forward until the new administration has had time to consolidate its new policies, and to reestablish our own economic and security structures on a firm basis. The greatest threat in the past to our security when we enter negotiations is not overconfidence, but underconfidence. Our negotiators typically have been too anxious to enter into negotiations, and too anxious to bring home an agreement—any agreement. Once U.S. diplomats begin negotiations, they surrender to the logic of a process that demands results, even when results threaten our national interests

That is precisely why Brezhnev is anxious to get us involved in negotiations quickly. In his opening speech, Brezhnev said—

> That it was universally recognized that . . . the international situation depends on the policy of the USSR and the USA. The state of relations between them at present and the acuteness of the international problems requiring a solution necessitate a dialogue, and an active dialogue, at all levels.

And he continued:

> We are prepared to have this dialogue. Experience shows that the crucial link here is meetings at the summit level. This was true yesterday, and is still true today.

The Soviets are certainly prepared, because they are skilled dialecticians, and dialectics is the essence of dialog. The whole philosophical framework of Marxism is based upon dialectical thinking and analysis, whereas our framework is largely pragmatic. We should not enter into a Marxist dialectical exercise until we have a firm enough understanding of absolute principles to avoid the kind of surrender which occurs when our diplomats abandon themselves to the process of diplomacy.

But to return to the purpose and significance of the party congress:

It must be understood that the party congresses, held every 5 years, are major, decisive events in Communist countries. Much has been written in the Soviet press in preparation for the congress, but it was only on December 2, 1980, that the press published the basic text of the draft plan prepared for the Congress. It was entitled "Basic Trends of Economic and Social Development of the U.S.S.R. for the 1981–85 Period as Well as for the Period Extending to 1990." It is noteworthy that the draft forecast a full decade, instead of merely covering the 5-year plan.

The significance of the basic trends was that it represented the considered judgment of the Communist Party of the Soviet Union. In the United States, we are accustomed to think of the legislative processes of Government as making the fundamental decisions for the future. But in Communist countries, the decision of the party is final, to be rubberstamped later by the Supreme Soviet.

On the domestic front, the basic trends reflected the seriousness of the Soviet economic situation, the continued failure of the Soviet agricultural system resulting in food shortages, the shortage of consumer goods—due to "heavy industry," that is, military priorities—and a general decline in Soviet production and rate of economic growth. Basic trends then called for numerous measures intended to improve the economic situation, particularly in agriculture, and to appease popular discontent. But they made no provisions for releasing the free initiative of the individual in his own sphere of actvity, thus guaranteeing the continuation of economic difficulties. It should be noted, parenthetically, that these difficulties are aggravated by the Polish labor troubles and the Afghan impasse and could well contribute to the slowdown in the technological race in which the Soviet Union is engaged. Perhaps the predictions of such foreign observers as Jean Pierre Brulé, whose book "Tomorrow . . . the Soviet Army," caused much comment in France in 1978, were correct in maintaining that the Soviet Union would reach its zenith in 1980.

From the day of their publication, basic trends have been the object of carefully monitored "discussions" in the Soviet press. These usually point to some particular shortage—such as the shortage of spare parts for motor vehicles operating in kolkhozes in a region of the Ukraine (Tud (Labo), February 14, 1981) the poor quality of bread available in Chita—Eastern Siberia (Sovvetskaya Rossiya, February 14, 1981) and so on.

Some of the guidelines given by basic trends are classical examples of the manner in which the Soviet Union "combines * * * cooperation with class warfare" in its foreign relations.

Thus, when dealing with development of what the Soviets prefer to call "the social sciences," the document refers to the need for "concentrated efforts" in the following areas:

Spreading the experience of "the revolutionary transforming activity" of the CPSU and of the international Communist and labor movement.

Research in the rules governing development of the world socialist system.

The problems of socialistic-economic integration.

Study of the problems of the economics and politics of capitalist countries.

Critique of anti-Communism, and of bourgeois and revisionist conceptions of social development.

Unmasking of the falsifiers of Marxism-Leninism.

The above instructions are clearly an effort to step up ideological warfare and subversive activities of every type on a worldwide scale. Yet this program does not interfere with the policy of détente.

Having thus insured the continuation of "concentrated efforts" to undermine the structures of the free world, Basic trends then proceeded with guidelines concerning efforts in the following areas and which may be summarized as follows:

Major long-range COMECON collaboration programs intended to insure greater integration and thus to tighten Soviet control over the economy, industry and agriculture of COMECON countries.

Improvement of direct relations between Soviet and COMECON ministries and enterprises.

Development of relations with developing countries, continued economic and technical assistance intended to strengthen their economic and political independence.

Establishment of stable, mutually profitable trade, economic, and scientific-technical relations with developed capitalist countries on the basis of peaceful coexistence and in view of the necessity to strengthen international détente.

Active participation in the solution of major international problems concerning fuel, energy, peaceful investigation of space, utilization of the resources of the world's oceans and so on.

Development of Soviet exports and improvement of their quality.

Development of imports in order to satisfy Soviet domestic need for latest equipment and technological processes, raw materials and consumer goods.

Perhaps in the fear that a Republican administration might hobble future Soviet efforts at expansion, détente has been very much to the fore in Soviet statements issued in anticipation of the 26th Party Congress. Already in June 1980, Brezhnev, in announcing the date of the coming Congress, declared that "in the future also we shall not spare our efforts to preserve détente, and all the good that the seventies have given us"—an obvious reference to Communist advances in the world in the last decade. "The main thing is to defend and push forward, to guarantee détente in the 1980's " wrote a Soviet commentator last August in World Economics and International Relations. And again in his televised New Year speech, Brezhnev stressed that "the U.S.S.R. was determinedly in favor of détente." The Soviet Union appears determined to present itself to the world-at-large as the champion par excellence of world peace.

On Feb. 15, 1981, Pravda commentator Vladimir Bolshakov called the program of the 26th Congress "a program for peaceful construction." And T. Kolesnichenko, another Pravda commentator, writing on February 10, blamed "the Pentagon—the chief spender of the U.S. taxpayer's money" for all the economic ills of the United States and opposed U.S. "military buildup" to the peace-loving policies of the U.S.S.R.

And so dialog, détente and summit meetings continue to be proposed by the Soviet Union. But the remarks of Breshnev at the opening of the present Congress leave little doubt that they will be pursued strictly according to the Soviet interpretation of these words. The Soviet Union is not likely to give up an inch of

the "conquests of socialism" whether in Poland or in Afghanistan or elsewhere unless it is forced to do so, but it is likely to advance even more if only the opportunity to do so arises.

Peaceful overtures and subversive activities—such parallel efforts are part of the Soviet technique in furthering its expansionist policies on the basis of the "immutable principles of Marxism-Leninism and Proletarian Internationalism."

THE ARREST AND TRIAL OF THE PRESIDENT OF THE NICARAGUA HUMAN RIGHTS COMMISSION

Mr. HELMS. Mr. President, this past Friday the Sandinista government of Nicaragua arrested the President of the Nicaragua Human Rights Commission as he was leaving a testimonial dinner, and have begun to try him today on charges of undermining state security and defaming the Sandinista revolution. He will be sentenced at the end of this week.

Mr. President, Jose Esteban Gonzalez is the author of a lengthy report on the human rights situation which states that more than 8,000 political prisoners are still being held in Nicaragua, and that more than 800 have "disappeared." The specific act of defamation cited by spokesmen for the Sandinista government in the press is Mr. Gonzalez' visit 2 weeks ago to Pope John Paul II, during which he presented the Pope with a copy of the report. One week after returning to Nicaragua, he was arrested.

Mr. President, at the present time the State Department, in yesterday's white paper on El Salvador, holds Nicaragua responsible for being a channel for sending arms from Cuba to El Salvador. The administration is certainly on the right track in this respect; indeed, those arms could well have been U.S. arms had it not been for legislation which this body adopted at my suggesting prohibiting military aid of Nicaragua. This finding of the new administration is grounds enough for an immediate cutoff of economic aid to Nicaragua under the law.

However, the arrest and trial of Mr. Gonzalez is a second cause for the immediate suspension of U.S. aid to Nicaragua. I cite the following paragraphs from Public Law 96–533:

SEC. 533. CENTRAL AMERICAN ECONOMIC SUPPORT.—

(b) In furnishing assistance under this chapter to the Government of Nicaragua, the President shall take into account the extent to which that Government has engaged in violations of the right to organize and operate labor unions free from political oppression, has engaged in or permitted violations of human rights, has engaged in violations of the right to freedom of the press, or has engaged in violations of the right to freedom of religion.

(c) The President shall encourage the Government of Nicaragua to respect the right to freedom of the press, the right to organize and operate free labor unions, the right to freedom of religion, as well as all other fundamental human rights.

(d) The Congress reaffirms the requirement of section 502B(a)(1) of this Act that a principal goal of the foreign policy of the United States shall be to promote the increased observance of internationally recognized human rights by all countries. In furtherance of the goal, assistance to Nicaragua for the fiscal year 1981 under this chapter shall be terminated, in accordance with sections 116 and 502B of this Act, if the Government of Nicaragua engages in a consistent pattern of gross violations of internationally recognized human rights.

(e) The President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report for each 6-month period in which funds are expended under this chapter for Nicaragua for the fiscal year 1981. Each such report shall discuss fully and completely the status of respect in Nicaragua for human rights, political pluralism, freedom of the press and assembly, freedom of religion, and freedom of labor to organize and bargain collectively.

(n) The President shall terminate assistance to Nicaragua under this chapter if he determines that the Government of Nicaragua engages in systematic violations of free speech and press.

Mr. President, these passages show quite clearly that human rights and free speech are also two of the standards which the President must take into consideration in giving economic assistance to Nicaragua. Moreover, the law states specifically that, assistance having been extended, it must be terminated if the Government of Nicaragua engages in systematic violations of free speech and the press.

At the present time, there remains about $15 million which has not been released of the $75 million authorized. The arrest and trial of the leading spokesman for human rights in Nicaragua uniquely combines, in the opinion of the Senator from North Carolina, the kind of violations of human rights and of the free press which Congress intended should terminate aid. Indeed, the presumption should be that this is not an isolated phenomenon, but is rather an example of systematic violation of those rights.

I call upon the President of the United States to examine this situation carefully and to consider whether or not this incident is symptomatic of systematic violations.

STUDY ON SOVIET ATTITUDE ON MILITARY EQUIVALENCE

Mr. THURMOND. Mr. President, I would like to call to the attention of the Senate a recent study by the Rand Corp. which states it is questionable that the Soviet Union will be willing to settle for a strategic posture that is essentially equivalent with the United States.

Mr. President, it has been my view that the Soviets would not enter into any strategic agreement which did not serve their long-term expansionist goals. While Salt I was aimed more at slowing Soviet buildup, even it apparently achieved only limited goals in this regard.

Today this Nation is faced with a serious Soviet drive to achieve military superiority. In meeting this challenge I think the Senate will be well served by giving attention to this Rand study.

Mr. President, I ask unanimous consent that this article from the Soviet Aerospace of February 16, 1981, entitled "Study Says Soviets Will Not Accept Military Equivalence" be printed in the RECORD.

STUDY SAYS SOVIETS WILL NOT ACCEPT MILITARY EQUIVALENCE

It is questionable that the Soviet Union will be willing to settle for a strategic posture that is "essentially equivalent" to that of the United States, or that any SALT agreement will be able to restrain the Soviet drive for military power.

This is, in part, the findings of a Rand Corporation report for the Air Force, which concludes that only a remobilization of the American defense industry and its technological assets may effectively dampen the Soviet strategic ambitions.

The study, conducted by Benjamin S. Lambeth for Air Force intelligence, stresses that the Soviet Union can no longer be considered a cooperative adversary sharing the beliefs of mutual deterrence and vulnerability, but that Soviet doctrinal uniqueness must be accepted as a fact of life.

"The Soviets have shown a consistent refusal to have any traffic with bilateral arms control schemes that require the Soviet Union to be an active partner in the enhancement of its own vulnerabilities," the report explains. Further, the Soviet's combat-oriented military philosophy" has resulted in "a penchant for immoderate levels of arms accumulation."

It is questionable, the Rand study adds, that the Soviets will have a long-term willingness to settle for an "essentially equivalent" strategic posture. Rather, the Soviet Union is demonstrating a drive for security "through a policy of ever-increasing military strength."

SALT WILL NOT CURB SOVIET BUILDUP

SALT under these conditions will not curb the Soviet military buildup, Lambeth explains, and "will never provide more than peripheral instruments for modulating the strategic arms competition at the margins."

It is pointed out that in arms agreements, such as the 1972 ABM Treaty, the Soviets have accepted temporary "self-denying ordnances when the alternative has appeared decidedly worse." This has little to do with Soviet interest in mutual deterrence and moderated arms competition, the report said.

"Rather, it has principally reflected a self-interested Soviet desire to head off or delay U.S. technological developments that might threaten to undermine the effectiveness of Soviet strategic force improvements."

It is imperative that the United States forge a new approach to stability that appeals to Soviet strategic "sensitivities and insecurities," such as continuation of the present effort to "project a refurbished image of strategic seriousness" with such programs as the MX ICBM, it is explained.

It may also require an end to the SALT process as it is now understood.

Lambeth proposes that it is plausible to believe that a purposeful remobilization of the United States defense industry and technological capabilities might be effective in helping to circumscribe Soviet expectations about the limits of the possible in their own strategic ambitions.

"Between the two undesirables of continued business as usual and a return to outright international jungle warfare, it is hard to imagine any other American alternative."

The following is the summary of Lambeth's report:

Over the past two decades, Soviet military planners have harbored a conception of deterrence and the operational requirements for maintaining it which has stood at distinct odds with the views that have largely informed American strategic policy. Unlike their U.S. counterparts, who have preferred a deterrent system based on the certainty of mutual annihilation should either side transgress the nuclear threshold, the Soviets have staunchly held to the time-worn military axiom that the only reliable deterrent lies in a force capable of fighting to victory should war actually occur.

During the period of Soviet strategic inferiority, American decisionmakers could console themselves with the belief that this Soviet portrayal of the deterrence problem was merely a parochial view of the professional military and that responsible civilians on the Politburo were quite intelligent and worldly enough to recognize the practical unattainability of nuclear victory. In light of Moscow's subsequent attainment of parity and associated efforts to acquire a comprehensive warfighting capability, however, it has become increasingly clear to most American observers that a more sober-minded appreciation of Soviet strategic motvations is in order.

Until recently, the United States approached its defense and arms control planning on the optimistic assumption that the Soviet Union was essentially a cooperative adversary with shared beliefs in the necessity of seeking security through a system of stable deterrence based on mutual societal vulnerability. As a result of the disappointments of SALT and the relentless pattern of Soviet force enhancement over the past decade, this perspective has gradually lost most of the appeal it formerly enjoyed and a new consensus has begun to emerge around the importance of accepting Soviet doctrinal uniqueness as a fact of life.

In practical planning terms, this evident Soviet leadership insistence on keeping its own strategic counsel suggests a number of policy implications for the United States. The Soviets have shown a consistent refusal to have any traffic with bilateral arms control schemes that require the Soviet Union to be an active partner in the enhancement of its own vulnerabilities. They have also revealed a penchant for immoderate levels of arms accumulation as a result of their combat-oriented military philosophy which raises fundamental questions about their long-term willingness to settle for a strategic posture "essentially equivalent" to that of the United States. Taken together, these features of Soviet strategic style constitute major obstacles in the path of achieving the sort of cooperative arrangement toward moderating the dangers of the nuclear standoff traditionally advanced by Western deterrence and arms control theory. Instead, they reflect a disturbing orientation toward the pursuit of Soviet security through a policy of ever-increasing military strength.

As long as the Soviets remain under the influence of these preferences, they will largely set the ground rules for future East-West strategic interaction, and such diplomatic endeavors as SALT will never provide more than peripheral instruments for modulating the strategic arms competition at the margins. If the West is to remain a respectable player in this competition, it will have to begin imposing measures conducive to stability in spite of Soviet intractability, rather than continue pursuing the elusive hope of eliciting Soviet cooperation on the cheap.

This is not to say that detente has become a goal without prospect or that arms control as a medium of superpower dialogue has proved to be irretrievably hopeless. As the 1972 ABM Treaty demonstrated, the Soviets have shown themselves quite capable of accepting temporary self-denying ordinances when the alternative has appeared decidedly worse. Yet this willingness has had little to do with any Soviet interest in a bilateral relationship governed by mutual deterrence and moderated arms competition. Rather, it has principally reflected a self-interested Soviet desire to head off or delay U.S. technological developments that might threaten to undermine the effectiveness of Soviet strategic force improvements.

The imperative thus facing the United States in the coming years is to begin forging a new approach to stability that appeals primarily to Soviet strategic sensitivities and insecurities rather than to the doubtful prospect of eventual Soviet convergence with the preferred concepts of the West. This will require, at the least, a continuation of the current U.S. effort to project a refurbished image of strategic seriousness through such programs as MX. Given the disappointing returns of SALT II and the profound concern generated by the Soviet invasion of Afghanistan, it may also require an end to the SALT process as it has been understood and conducted so far. In time, there is plausible reason to believe that a purposeful remobilization of American industrial and technological assets might effectively help circumscribe Soviet expectations about the limits of the possible in their own strategic ambitions. Between the two undesirables of continued business as usual and a return to outright international jungle warfare, it is hard to imagine any other American alternative.

COMMEMORATION OF THE 63D ANNIVERSARY OF THE PROCLAMATION OF INDEPENDENCE OF THE REPUBLIC OF ESTONIA

Mr. THURMOND. Mr. President, I rise today to join my colleagues in commemorating the 63d anniversary of the proclamation of independence of the Republic of Estonia.

Although Estonia suffered forced Soviet occupation in 1940, and was soon thereafter incorporated into the Soviet Union, the freedom-loving qualities of the Estonian people have not diminished. Even today, despite Soviet oppression, the citizens of Estonia embrace the same ideals which led to our own Declaration of Independence.

The Estonian American National Council has brought to my attention the case of two Estonians, Mart Niklus and Juri Kukk, who have been repeatedly arrested and imprisoned for their active and open support of the Helsinki principles. Their hopes and dreams of a free and independent Estonia are surely shared by the thousands of others being forced to live in subjugation to the Soviet Union.

Mr. President, I think that it is appropriate for us to recognize the will and determination of the Estonian people to once again exercise their right of self determination. These people most certainly deserve our respect and admiration for their continuing effort to free themselves from the shackles of Soviet domination and oppression.

PROPOSED ARMS SALES

Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the notifications which have been received. The classification annex referred to in some of the covering letters is available to Senators in the office of the Foreign Relations Committee, room 4229 Dirksen Building.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., January 29, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81–14 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Spain for defense articles and services estimated to cost $272 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81–14]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser. Spain.

(ii) Total Estimated Value:

	Millions
Major defense equipment*	$252
Other	20
Total	272

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered. Ninety-six MIM–72F Improved CHAPARRAL Air Defense Systems with 1760 Improved CHAPARRAL (MIM–72F) missiles and supporting equipment.

(iv) Military department. Army (VCS).

(v) Sales commission, fee, etc., paid, offered or agreed to be paid. None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report. Included in report for quarter ending 30 September 1980.

(viii) Date report delivered to Congress. 29 Jan 1981.

POLICY JUSTIFICATION

SPAIN—IMPROVED CHAPARRAL AIR DEFENSE SYSTEMS

The Government of Spain has requested the purchase of 96 MIM–72F Improved CHAPARRAL Air Defense Systems with 1760 Improved CHAPARRAL (MIM–72F) missiles and supporting equipment at an estimated cost of $272 million.

This sale will contribute to the foreign policy objectives of the United States by furthering cooperation under our Treaty of Friendship and Cooperation with Spain and improving Spain's air defense. Such improvement will benefit the defensive posture of the southern flank of NATO and add to the protection of U.S. in-country military facilities which are important staging and reinforcement sites.

The 96 MIM–72F Improved CHAPARRAL Air Defense Systems will increase Spain's anti-air capabilities against possible Soviet or Warsaw Pact threats. Spain will have no difficulty in absorbing this system.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Ford Aerospace Communications Corporation of Newport Beach, California.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel to Spain. One contractor representative will be assigned to Spain in 1985.

There will be no impact on U.S. defense readiness as a result of this sale since production will be in addition to any requirements for U.S. forces.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 6, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-16, concerning the Department of the Army's proposed Letter of Offer to Somalia for defense articles and services estimated to cost $12 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-16]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Somalia.
(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$7
Other	5
Total	12

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Twelve M167 (Towed) Vulcan air defense guns with radar, appropriate communications equipment, spare parts, training, and support.

(iv) Military Department: Army (UAA).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: Feb. 6, 1981.

POLICY JUSTIFICATION

SOMALIA—VULCAN AIR DEFENSE GUNS

The Government of Somalia has requested the purchase of 12 M167 (Towed) Vulcan air defense guns with radar, appropriate communications equipment, spare parts, training, and support at an estimated cost of $12 million.

This sale will contribute to the foreign policy objectives of the United States by enhancing relations with Somalia and fulfilling our commitments under the arrangements made for access to Somali air and port facilities, which are an important element in the ability of the U.S. to respond to any increased Soviet threat in the region.

The 12 Vulcan air defense guns will greatly improve Somalia's capability to protect facilities against unfriendly aircraft.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the General Electric Company of Burlington, Vermont.

Implementation of this sale will require the assignment of two contractor personnel to Somalia for one year.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 6, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-17, concerning the Department of the Air Force's proposed Letter of Offer to Somalia for defense articles and services estimated to cost $30 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-17]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Somalia.
(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$10
Other	20
Total	30

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Three TPS-43 long range air defense radars, appropriate communications equipment, spare parts, training, and support.

(iv) Military Department: Air Force (SAA).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: February 6, 1981.

POLICY JUSTIFICATION

SOMALIA—LONG RANGE AIR DEFENSE RADARS

The Government of Somalia has requested the purchase of three TPS-43 long range air defense radars, appropriate communications equipment, spare parts, training, and support at an estimated cost of $30 million.

This sale will contribute to the foreign policy objectives of the United States by enhancing relations with Somalia and fulfilling our commitments under the arrangements made for access to Somali air and port facilities, which are an important element in the ability of the U.S. to respond to any increased Soviet threat in the region.

The three TPS-43 air defense radars will greatly improve Somalia's capability to effectively detect and intercept unfriendly aircraft.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Westinghouse Corporation of Baltimore, Maryland.

Implementation of this sale will require the assignment of five contractor personnel to Somalia for two years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 10, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-18 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Austria for defense articles and services estimated to cost $500 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-18]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Austria.
(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$450
Other	50
Total	500

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Twenty-four F-16 aircraft with support equipment, spare engines, spare parts, technical services, and training.

(iv) Military Department: Air Force (SAA).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: February 10, 1981.

POLICY JUSTIFICATION

AUSTRIA—F-16 AIRCRAFT

The Government of Austria is interested in the purchase of 24 F-16 aircraft with support equipment, spare engines, spare parts, technical services, and training at an estimated cost of $500 million.

This sale would be in the interest of the United States because it would strengthen neutral Austria's capability to defend its sovereignty.

The acquisition of F-16 aircraft by Austria would not upset the regional military balance since this type of aircraft already exists in the region.

Austria would use the F-16s to replace squadrons equipped with obsolescent SAAB-105 aircraft. The result would be a more modern and supportable fighter fleet. There is no doubt of Austria's capability to absorb these sophisticated aircraft.

Implementation of this sale would require the assignment of 14 U.S. Government personnel and 24 contractor personnel to Austria for about 10 days each.

The prime contractor would be the General Dynamics Corporation of Fort Worth, Texas.

These aircraft would be procured from new production without interference with U.S. programs. There would be no adverse impact on U.S. defense readiness.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 18, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-19 and

under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost $49 million. Shortly after this leter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-19]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabia.
(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$44
Other	5
Total	49

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Various general purpose high explosive bombs, 2.75 inch aircraft rockets, empty general purpose bombs, and associated fuzes, fins, and other components necessary to build complete rounds of these items.

(iv) Military Department: Air Force (ADV).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 30 September 1980.

(viii) Date Report Delivered to Congress: 18 February 1981.

POLICY JUSTIFICATION

SAUDI ARABIA—AIRCRAFT MUNITIONS

The Government of Saudi Arabia has requested the purchase of various general purpose bombs, 2.75 inch aircraft rockets, and associated fuzes, fins, and other components at an estimated cost of $49 million.

This sale is consistent with the stated U.S. policy of assisting other nations to provide for their own self-defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to improve the security of the country through modernization of the Saudi armed forces.

The types of munitions requested are already in the Saudi inventory as well as the inventories of several of the nations of the region, and this sale will not introduce a new capability into the region. The quantities of munitions requested will allow for the replacement of War Reserve Materiel (WRM) air munitions which have been expended in training, and will satisfy the projected training requirements for the next two years.

The quantities and types of munitions involved are not considered to have a significant impact on the regional military balance.

Those assets being offered from U.S. Air Force inventories will not adversely affect U.S. defense readiness. Assets will be provided through procurement action where U.S. readiness would be adversely affected by supply from inventory.

The components for these munitions will be produced by numerous contractors throughout the United States. The components will be assembled at various U.S. Government-owned arsenals.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 10, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-20, concerning the Department of the Army's proposed Letter of Offer to Tunisia for defense articles and services estimated to cost $15 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-20]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Tunisia.
(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$14
Other	1
Total	15

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Nineteen 155mm M109A2 self-propelled howitzers, applicable support equipment, and services.

(iv) Military Department: Army (UDP).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Included in report for quarter ending December 31, 1980.

(viii) Date Report Delivered to Congress: February 10, 1981.

POLICY JUSTIFICATION

TUNISIA—155MM SELF-PROPELLED HOWITZERS

The Government of Tunisia has requested the purchase of 19 155mm M109A2 self-propelled howitzers, applicable support equipment, and services at an estimated cost of $15 million.

This sale supports the foreign policy objectives of the United States by helping to provide a friendly country with the means to maintain its own defense.

Other countries in the region possess similar, although not superior, artillery items and in sufficient numbers to constitute a significant threat to the recipient country. Planned use for these artillery pieces will be for force modernization and not for force expansion.

The sale of this equipment and support will not affect the basic military balance in the region.

With the initial assistance of a Mobile Training Team and Technical Assistance Team, Tunisia will have no difficulty absorbing this equipment.

The prime contractor will be the Bowen-McLaughlin-York Company of York, Pennsylvania.

Implementation of this sale will require the assignment of 17 U.S. Government personnel to Tunisia for 120 days. No contractor personnel will be required.

The proposed sale will be from the normal production schedule and will have no adverse impact on U.S. defense readiness.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 18, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-21 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Singapore for defense articles and services estimated to cost $26 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-21]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Singapore.
(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$12
Other	14
Total	26

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Two hundred AGM-65 series Maverick missiles with launcher equipment, aircraft (F-5) modifications, spare parts, support equipment, and training.

(iv) Military Department: Air Force (YAF).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(viii) Date Report Delivered to Congress: in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending December 31, 1980.

(viii) Date Report Delivered to Congress: 18 February 1981.

POLICY JUSTIFICATION

SINGAPORE—AGM 65 SERIES MAVERICK MISSILES

The Government of Singapore has requested the purchase of 200 AGM-65 series Maverick missiles with launcher equipment, aircraft (F-5) modifications, spare parts, support equipment, and training at an estimated cost of $26 million.

This proposed sale will contribute to the foreign policy and national security objectives of the United States by helping to improve the security of a friendly country which is a continuing force for peace and regional stability in Southeast Asia.

The Republic of Singapore Air Force (RSAF) requires the Maverick missiles to improve the air-to-surface support portion of its assigned mission and to be better able to combat any aggressor force that may threaten the territorial integrity of Singapore. The RSAF can easily absorb the articles requested within its existing facilities and technical capabilities.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Hughes Aircraft Company of Tucson, Arizona.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel to Singapore. It is

estimated that between one and ten contractor employees will be required to be in Singapore for short periods during the activation of the system and while modifications to the F-5 aircraft are in progress.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 18, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-24, concerning the Department of the Navy's proposed Letter of Offer to Indonesia for defense articles and services estimated to cost $27 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director.

[Transmittal No. 81-24]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Indonesia.

(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$26
Other	1
Total	27

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Sixteen A-4E aircraft.

(iv) Military Department: Navy (SAZ).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: 18 February 1981.

POLICY JUSTIFICATION

INDONESIA—A-4E AIRCRAFT

The proposed Letter of Offer (LOA) provides for the sale of 16 A-4E aircraft on an "as is, where is" basis. The estimated value of this case is to be $27 million.

This sale will contribute to the foreign policy objectives of the United States by helping to improve the security of a friendly country in Southeast Asia.

The Government of Indonesia is updating its outmoded and antiquated aircraft. The terms of payment for this case are to be cash with acceptance. The A-4 aircraft is currently owned by both Indonesia and Singapore, and the F-5 aircraft is owned by several Southeast Asian countries; sale of the A-4E, therefore, will not introduce a new capability into the region or significantly affect the regional balance.

Implementation of this sale will not require the assignment of any additional U.S Government or contractor personnel to Indonesia.

This sale will have no impact on U.S. defense readiness.

MINORITY ECONOMIC DEVELOPMENT

Mr. GLENN. Mr. President, 2 weeks ago on February 10, 1981, the Interstate Commerce Commission held the second in a nationwide series of hearings on minorities in transportation in Cleveland, Ohio.

The Cleveland hearings were chaired by the Commission's junior member, Commissioner Reginald E. Gilliam, Jr., who served as my legislative counsel for 5 years before joining the Commission.

The hearings included testimony from a total of 18 witnesses, including that of Harold Brazil, my present legislative counsel, who represented me at the session.

This current series of seven hearings represent a part of the ICC's attempt to comply with the excellently-drafted provision authored by our colleagues, the Senator from Nevada (Mr. CANNON) and the Senator from Oregon (Mr. PACKWOOD), establishing "increased minority participation" as one of the guidelines to follow in the new, substantially deregulated transportation environment. I am hopeful these hearings will identify problem areas as well as potential new business opportunities in what is most certainly a new era of increased competition and economic opportunity.

To further illustrate this point, Mr. President, I ask unanimous consent that an article by Commissioner Gilliam scheduled for inclusion in the March-April issue of the ICC Practitioners Journal and titled "Reindustrialization, Deregulation: Opportunity for Minority Economic Development" be printed in the RECORD, along with a news report on the Cleveland hearing from the Cleveland Plain Dealer.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

"REINDUSTRIALIZATION", "DEREGULATION": OPPORTUNITY FOR MINORITY ECONOMIC DEVELOPMENT

Transportation, in one form or another permeates every aspect of business or economic life in this country today. Whether one is involved in manufacturing, farming, processing, buying, selling, building or simply consuming, one is of necessity involved in commercial transportation as an integral part of everyday life. More fundamental is the fact that transportation considerations influence and often dictate where jobs are located, what type of local or regional economy exists, as well as how resources are to be developed and utilized.

Stated in economic terms, transportation expenditures in the United States amount to over twenty percent of the annual gross national product. Because of the everyday nature of transportation this large expenditure has often been taken for granted. To put this expenditure into proper perspective we need only consider a recent finding made in a major study for Congress by the National Transportation Policy Study Commission that in the next 20 years, the United States will spend $1.2 trillion in a combination of private, corporate and tax dollars on transportation alone.

Despite these huge expenditures few minorities are involved in the field of transportation. This phenomenon can largely be attributed to institutional factors which have operated historically to create an almost insurmountable barrier. One need not recite the history of obstacles and blatant discrimination, sanctioned and made legal by law and policy, that kept minorities out of most mainstream economic fields, including transportation, for many years. What needs to be emphasized at present is that many of these obstacles have been lifted as a result of both the struggle for racial equality and changed economic and political circumstances and that there is now room for greatly expanded minority participation in the field of transportation. Minorities must move quickly and decisively to take advantage of these opportunities.

America is now experiencing a wave of deregulation in the transportation industry. The first step was the Air Cargo Deregulation Act of 1977, followed by the Airline Deregulation Act of 1978, which significantly changed the degree of regulation in the commercial air transportation industry, and eventually eliminates the Civil Aeronautics Board. This year Congress passed the Motor Carrier Act of 1980, which makes major changes in the way trucking rates are established and in the regulatory controls on entry into the industry. Additionally, Congress has recently passed bills to deregulate the rail and household movements industries. Congress is considering further measures to deregulate both the bus and maritime industry.

Clearly, in the 1980's, there are deep and pervasive economic and political trends at work that are causing significant changes in the relationship of government to the private sector, and in the very nature of competitive price and service innovation within the private sector.

What is happening is much more than a manifestation of the oft-repeated rallying cry of "get government off our backs". It is also more than the very valid judgment that governmental bodies are ill-equipped to make business decisions. Congress and our political leaders are making a fundamental economic judgment that it is now time to reduce and de-emphasize government's role as a market place regulator while giving increased impetus to competition as a regulator. The commercial transportation industry is at the front line in this process because it, more than any other industry, is the weathervane of the economy. When industries begin to slip and deteriorate, or suffer from plant obsolescence and loss of trade competitiveness, the transportation industry immediately feels and reflects these circumstances. Conversely, when new industrial growth opportunities present themselves, by market, by region, or by commodity, transportation industries should be at the front line to share in that growth and to compete for the profits.

Modernized, reinvigorated domestic industries will demand equally modern and efficient transportation. Thus reindustrialization and reduced government regulation are combining to form a new economic environment.

As an example, consider how world oil prices have revived the United States Coal industry. The United States coal export business is now at record levels—domestic coal consumption is targeted for dramatic growth as a substitute for foreign oil. As a by-product, the hauling of coal offers the potential for halting much of the earlier decline of American railroads, as well as stimulating new growth in the rail industry. When 86 ships await coal loading in the Norfolk Harbor, it is easy to visualize the opportunities presented in mining, shipping, processing, and facility-building industries to name only a few. This is the heart of the process that is called "reindustrialization". Enterprising minority businessmen must be aware of the process and take advantage of it.

It is significant, but largely unnoticed that during this period of major deregulation legislation, the national transportation policy has been unequivocally amended with respect to the motor carrier industry to include "increased minority participation". Serious and well-advised minority businesses must be prepared to take advantage of this

strong articulation of support from Congress and start moving in a bold, new direction.

For the first time in 45 years, entry into the Motor Carrier Industry is almost assured if one seriously seeks that opportunity. In fact, all that the Motor Carrier Act of 1980 requires is a showing that the applicant for a license is "fit, willing and able" to provide a service and show that it meets a "useful purpose."

While the new law significantly relaxes entry standards, it also provides increased ratemaking freedom for competing carriers. Clearly, this is an example of congressional judgment that increased competition is what is needed to promote a healthy, thriving transportation industry. Couple that competitive thrust and increased rate flexibility with the minority participation provision and the opportunities for minority participation are myriad. Minorities and small businesses generally should now be better able to fashion innovative services and price structures and compete for shares of the market that were formerly the sole province of large companies.

Equally provocative, from a businessman's point of view, are the recent signs of resurgence in the railroad industry. Again, another specific reference to coal is particularly relevant. The National Coal Association estimates that total coal production east of the Mississippi River will increase 33 percent from 554 billion tons in 1979 to 736 billion tons in 1990. Western Coal production, on the other hand, is expected to increase approximately 140 percent from 216 billion tons last year to 514 billion tons in 1990. In addition to coal, there will be increased demands on the railroads to transport grain and other bulk commodities including oil shale, methanol and liquefied natural gas. Transportation of bulk commodities is particularly well suited to the railroads.

This phenomenon, combined with the fact that the trend is likely to continue, presents a unique incentive not only for minority businessmen to enter the railroad business, but also to participate in the spin-off businesses that will be spawned by this growth. Specifically, these ancillary businesses include providing railroad cars, equipment and parts, the manufacture of rail, ties, and spikes, the building of railroad signaling systems, railbed maintenance and so on. One other opportunity to be explored is the possibility of forming shortline railroads such as the ones being formed out of segments of abandoned Rock Island and Milwaukee Road Lines. Shippers and many local businesses that are located off of large roads have a strong interest in moving their products to larger rail facilities. Piggy-back and shortline railroads offer real opportunity for moving products to market while rewarding those who are enterprising enough to move those products efficiently.

In addition to opportunities in the motor carrier and rail sectors of the transportation arena, the intra-intercity bus industry offers a significant opportunity to minority businessmen. As a result of the recent oil embargo, Americans are turning to public transit in record numbers. In 1979, the intercity bus industry carried 360 million passengers, 22 million more passengers than in 1978. And along similar lines, ridership for the first 6 months of 1980 was up 2 percent from the same period in 1979. Also, it is important to note that of the 1100 intercity bus companies in America today many are small family operations. If this ridership trend continues, it will create increasingly tailored and specialized service needs which minority businessmen can capitalize upon by accommodating this regional and local growth pattern.

In conclusion, today's new economic climate has greatly enhanced the prospects of minority businessmen entering into the transportation field. As expertise and knowledge is developed to utilize the tools that are now available, the prospects for long-range growth and efficient, profitable business development are greatly increased. Surely the problems of financing and capitalization remain, however the obstacles of regulatory policy are at least being knocked down. The American minority businessman is, by virtue of his historical survival, a strong, industrious, imaginative individual. Today's new economic climate should serve to reward those characteristics in the years ahead.

[From the Plain Dealer, Feb. 11, 1981]

MINORITY-OWNED CARRIERS FIND SUCCESS ROAD ROUGH

(By Donald Sabath)

Despite new federal legislation, minority-owned trucking companies are finding a rough road in the fight for business opportunities.

That was the main view coming from an all-day hearing held yesterday in the Bond Court Hotel by Reginald E. Gilliam Jr., a commissioner of the Interstate Commerce Commission.

Gilliam, a former aide to Sen. John H. Glenn, D-O., said many of the problems facing minority-owned trucking companies may be due to the downturn in the economy.

Last year, Congress passed the Motor Carrier Act of 1980, amending the national transportation policy to include increased minority participation.

Gilliam said the ICC estimates that only 144 minority-owned firms hold ICC authority to operate trucking firms, and that that represents only 2.9 percent of the approximately 21,000 interstate regulated carriers.

Only about 9.4 percent of all employees involved in trucking in 1970 were minorities, said Gilliam.

William G. Hall, president of Industrial Transport Inc., 11910 Harvard Ave., told the hearing that when costs are squeezed, as they are today, "the squeeze always is harder at the lower end of the traffic spectrum."

"I have two ICC authorizations to operate, but this does not mean I do not have trouble with the ICC," he said. "The smaller trucking companies are just spread too thin."

Hall said in many cases some large companies will use minority firms, but that means the truck must travel a great distance from its home terminal and return empty.

"If you return empty, you are going to lose money, and that is what is happening with many minority firms," he said.

Hall thought some sort of financing should be made available to minority trucking firms so they can compete with larger companies.

He said minority truckers may last a year or two more, and then the "giants will get larger at the expense of the small ones."

Frank Sgro, vice president of W. H. Fay Co. here, said he thinks his company is a victim of reverse discrimination, since he had to lay off minority truck drivers because his firm is not minority-owned.

"We have been in business since 1937 and we have over 60 percent minority employees," he said. "But many of the large companies will not contract with us because we are not minority-owned."

Sgro said the federal government must realize that "we are a minority too."

Sandy Thompson, president of Autumn Industries Inc., Southington, O., said she is facing discrimination with her small company because she is a woman.

"Traffic agents, who are always men, want to talk to a man, not a woman," she said.

Thompson's company carries scrap between the Warren, O., area and Sharon, Pa.

Charles Flagg, president of Flash Transport & Leasing Co., Buffalo, said the main problem facing minority truck operators was education.

"There is no way for me to learn how to operate a trucking firm, and my decision to get into this work three years ago was one of the biggest mistakes I have ever made," he said.

RULES OF THE COMMITTEE ON FOREIGN RELATIONS

Mr. PERCY. Mr. President, on January 14, 1981, the Committee on Foreign Relations held its organizational meeting. At that meeting, the committee unanimously adopted its rules of procedure for the 97th Congress. Pursuant to paragraph (2) of rule XXVI of the Standing Rules of the Senate, I ask unanimous consent that a copy of the committee rules be printed at this point in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE COMMITTEE ON FOREIGN RELATIONS

(Adopted January 14, 1981)

RULE 1—COMMITTEE AND SUBCOMMITTEE MEETINGS

(a) Regular meeting day.—The regular meeting day of the Committee on Foreign Relations for the transaction of Committee business shall be on Tuesday of each week, unless otherwise directed by the Chairman.

(b) Each meeting of the Committee on Foreign Relations, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the Committee or a subcommittee on the same subject for a period of no more than fourteen calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in paragraphs (1) through (6) would require the meeting to be closed followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(2) will relate solely to matters of Committee staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(4) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(5) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis,

other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

A closed meeting may be opened by a majority vote of the Committee.

(c) Quorum requirements.—(1) a majority of the membership of the Committee shall constitute a quorum for reporting any measure or recommendation to the Senate. No measure or recommendation shall be ordered reported from the Committee unless a majority of the Committee members are actually present. The vote of the Committee to report a measure or matter shall require the concurrence of a majority of those members who are actually present at the time the vote is taken.

(2) A quorum for the transaction of Committee or subcommittee business, other than for reporting a measure or recommendation to the Senate or the taking of testimony, shall consist of one-third of the members of the Committee or subcommittee, including at least one member from each party.

(3) For the purpose of taking sworn or unsworn testimony at any duly scheduled meeting a quorum of the Committee and each subcommittee thereof shall consist of one member.

(d) Proxy voting.—Proxy voting shall be allowed on all measures and matters before the Committee. However, proxies shall not be voted for the purpose of reporting a measure or matter except when the absent member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded. All proxies shall be in writing.

(e) Subcommittees.—Unless otherwise authorized by law or Senate resolution, subcommittees shall be created by majority vote of the Committee and shall deal with such legislation and oversight of programs and policies as the Committee directs. Legislative measures or other matters may be referred to a subcommittee for consideration in the discretion of the Chairman or by vote of a majority of the Committee. If the principal subject matter of a measure or matter to be referred falls within the jurisdiction of more than one subcommittee, the Chairman of the Committee may refer the matter to two or more subcommittees for joint consideration.

The Chairman and Ranking Minority Member of the Committee shall be ex officio members, without vote, of each subcommittee.

(f) Subcommittee meetings.—Except when funds have been specifically made available by the Senate for a subcommittee purpose, no subcommittee of the Committee on Foreign Relations shall hold hearings involving reporting expenses without prior approval of the Chairman of the full Committee or by decision of the full Committee. Meetings of subcommittees shall be scheduled after consultation with the Chairman of the Committee with a view toward avoiding conflicts with meetings of other subcommittees insofar as possible. Meetings of subcommittees shall not be scheduled to conflict with meetings of the full Committee.

(g) Announcement of meetings.—The Committee, or any subcommittee thereof, shall make public announcement of the date, place, time and subject matter of any hearing to be conducted on any measure or matter at least one week in advance of such hearings, unless the Chairman of the Committee, or subcommittee, determines that there is good cause to begin such hearing at an earlier date.

(h) Assignments to subcommittees.—Assignments of members to subcommittees shall be made in an equitable fashion. No member of the Committee may receive assignment to a second subcommittee until, in order of seniority, all members of the Committee have chosen assignments to one subcommittee, and no member shall receive assignments to a third subcommittee until, in order of seniority, all members have chosen assignments to two subcommittees.

(i) Staff attendance at meetings.—A Member may have one member of his personal staff, for whom that Member assumes personal responsibility, accompany and be seated near him at committee meetings. Attendance of Committee staff at meetings shall be limited to those designated by the Staff Director or the Minority Staff Director.

Each member of the Committee may designate members of his personal staff, who hold a Top Secret security clearance, for the purpose of their eligibility to attend executive sessions of the Committee. The Committee, by majority vote, or the Chairman, with the concurrence of the Ranking Minority Member, may limit staff attendance at specified meetings.

(j) Reporting requirements.—

(1) When the Committee has ordered a measure or recommendation reported, the report thereon shall be filed in the Senate at the earliest practicable time.

(2) A member of the Committee who gives notice of his intentions to file supplemental, minority, or additional views at the time of final Committee approval of a measure or matter, shall be entitled to not less than 3 calendar days in which to file such views, in writing, with the Chief Clerk of the Committee. Such views shall then be included in the Committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the Committee report may be filed and printed immediately without such views.

(3) The results of all rollcall votes taken in any meeting of the Committee on any measure, or amendment thereto, shall be announced in the Committee report. The announcement shall include a tabulation of the votes cast in favor and votes cast in opposition to each such measure and amendment by each member of the Committee.

RULE 2—NOMINATION

(a) Waiting requirement.—Unless otherwise directed by the Chairman and the Ranking Minority Member, the Committee on Foreign Relations shall not consider any nomination until six days after it has been formally submitted to the Senate.

(b) Public consideration.—Nominees for any post who are invited to appear before the Committee shall be heard in public session, unless a majority of the Committee decrees otherwise.

(c) Required data.—No nomination shall be reported to the Senate unless (1) the nominee has been accorded a security clearance on the basis of a thorough investigation by executive branch agencies; (2) in appropriate cases, the nominee has filed a confidential statement with the Committee; (3) the Committee has been assured that the nominee does not have any interests which could conflict with the interests of the government in the exercise of the nominee's proposed responsibilities; and (4) for persons nominated to be ambassador or minister, the Committee has received a complete list of any contributions made by the nominee or members of his immediate family to any Federal election campaign during the year of his or her nomination and for the four preceding years.

RULE 3—WITNESSES

(a) General.—The Committee on Foreign Relations will consider requests to testify on any matter or measure pending before the Committee.

(b) Presentation by witnesses.—If the Chairman so determines, the oral presentation of witnesses shall be limited to ten minutes. However, written statements of reasonable length may be submitted by witnesses and other interested persons who are unable to testify in person.

(c) Filing of statements.—A witness appearing before the Committee, or any subcommittee thereof, shall file a written statement of his proposed testimony at least 48 hours prior to his appearance, unless this requirement is waived by the Chairman and the Ranking Minority Member following their determination that there is good cause for failure to file such a statement.

RULE 4—COMMITTEE TRAVEL

(a) Approval procedure.—No member of the Committee on Foreign Relations or its staff shall travel abroad on Committee business unless specifically authorized by the Chairman, who is required by law to approve vouchers and report expenditures of foreign currencies, and the Ranking Minority Member. Requests for authorization of such travel shall state the purpose and, when completed, a full substantive and financial report shall be filed with the Committee. Any proposed travel by committee staff for a subcommittee purpose must be approved by the subcommitee chairman and Ranking Minority Member prior to submission of the request to the Chairman and Ranking Minority Member of the full Committee.

(b) Travel by personal staff.—A member of the personal staff of a member of the Committee may travel with that member with the approval of the Chairman and the Ranking Minority Member of the Committee. During such travel, the personal staff member shall be considered to be an employee of the Committee.

(c) Foreign travel by Committee staff.—When the Chairman and the Ranking Minority Member approve the foreign travel of a member of the staff of the Committee not accompanying a member of the Committee, all members of the Committee shall be advised, prior to the commencement of such travel, of its extent, nature, and purpose. The report referred to in the first paragraph of this section shall be furnished to all members of the Committee and shall not be otherwise disseminated without the express authorization of the Committee.

(d) Staff travel in U.S.—All official travel in the United States by the Committee staff shall be approved in advance by the Staff Director, or in the case of minority staff, by the Minority Staff Director.

RULE 5—TRANSCRIPTS

(a) General.—The Committee on Foreign Relations shall keep verbatim transcripts of all Committee and subcommittee meetings and such transcripts shall remain in the custody of the Committee, unless a majority of the Committee decides otherwise. Transcripts of public hearings by the Committee shall be published unless the Chairman, with the concurrence of the Ranking Minority Member, determines otherwise.

(b) Maintenance and security of classified transcripts:

(1) The Chief Clerk of the Committee shall have responsibility for the maintenance and security of the classified transcripts.

(2) A record shall be maintained of each use of the classified transcripts.

(3) Classified transcripts shall be kept in locked combination safes in the Committee offices except when in active use by authorized persons. They must never be left unattended and shall be returned to the Chief Clerk promptly when no longer needed.

(4) Transcripts classified secret or higher may not leave the Committee offices except for the purpose of declassification.

(5) Classified transcripts other than those classified secret or higher may leave the Committee offices in the possession of authorized persons with the approval of the Chairman. Delivery and return shall be made only by authorized persons. Such transcripts may not leave Washington, D.C. unless adequate assurances for their security are made to the Chairman.

(6) Extreme care shall be exercised to avoid taking notes or quotes from classified transcripts. Their contents may not be divulged to any unauthorized person.

(c) Use of classified transcripts. The following persons are authorized to use classified transcripts:

(1) Members and staff of the Committee in the Committee rooms.

(2) Senators not members of the Committee, by permission of the Chairman, and designated personal representatives of members of the Committee with appropriate security clearances in the Committee's Capitol office, with the permission of the Chairman.

(3) Members of the executive departments involved in the meeting, in the department's offices, or, in the Committee's Capitol office, by permission of the Chairman.

(d) Declassification of executive transcripts and other executive records:

(1) Any executive transcript or classified Committee report, or portion thereof, may be declassified by the Committee less than 12 years after the date on which such transcript or record was made if—

(A) the Committee by majority vote approves; and

(B) each member of the Committee who participated in any meeting at which such transcript was made, approves of such declassification, except that the Committee may by majority vote declassify such transcript in the absence of such approval.

(2) Any such transcript, classified Committee report, or portion thereof, shall be declassified on a date 12 years thereafter unless the Committee by majority vote disapproves.

RULE 6—REGULATION FOR THE USE OF CLASSIFIED MATERIAL (OTHER THAN TRANSCRIPTS)

Receipt and distribution of classified material.—

(a) All classified material received or originated by the Committee shall be logged in at the Committee's offices in the Dirksen Senate Office Building, and except for material classified as "Top Secret" shall be filed in the Dirksen Senate Building offices for Committee use and safekeeping.

(b) Each such piece of classified material received or originated shall be card indexed and serially numbered, and where requiring onward distribution shall be distributed by means of an attached indexed form approved by the Chairman. If such material is to be distributed outside the Committee offices, it shall, in addition to the attached form, be accompanied also by an approved signature sheet to show onward receipt.

(c) Distribution of classified material among offices shall be by Committee members or authorized staff only. All classified material sent to members' offices, and that distributed within the working offices of the Committee, shall be returned to Room 4229, Dirksen Senate Office Building. No classified material is to be removed from the offices of the members or of the Committee without permission of the Chairman. Such classified material will be afforded safe handling and safe storage at all times.

(d) Material classified "Top Secret," after being indexed and numbered, shall be sent to the Committee's Capitol office for use by the members and authorized staff in that office only or in such other secure Committee offices as may be authorized by the Chairman or Staff Director.

(e) The Staff Director is authorized to make such administrative regulations as may be necessary to carry out the provisions of these regulations.

RULE 7—STAFF REGULATIONS

The following provisions shall apply concerning the staff:

(a) The staff works for the Committee as a whole, under the general supervision of the Chairman of the Committee, and the immediate direction of the Staff Director; provided, however, that such part of the staff as is designated Minority Staff, shall be under the general supervision of the Ranking Minority Member and under the immediate direction of the Minority Staff Director.

(b) Any member of the Committee should feel free to call upon the staff at any time for assistance in connection with Committee business. Members of the Senate not members of the Committee who call upon the staff for assistance from time to time should be given assistance subject to the overriding responsibility of the staff to the Committee.

(c) The staff's primary responsibility is with respect to bills, resolutions, treaties, and nominations.

(d) The staff and the Committee also have a responsibility under section 136 of the Legislative Reorganization Act which provides that ". . . each standing Committee . . . shall review and study, on a continuing basis, the application, administration, and execution of those laws or parts of laws, the subject matter of which is within the jurisdiction of the committee." The staff also has a responsibility to the Committee for carrying out the mandate of Senate Rule XXV which provides that, in addition to specific areas of jurisdiction, the Committee ". . . shall also study and review, on a comprehensive basis, matters relating to the national security policy, foreign policy, and international economic policy as it relates to foreign policy of the United States, and matters relating to food, hunger, and nutrition in foreign countries, and report thereon from time to time."

In the case of foreign relations, there is an additional responsibility deriving from the advice and consent clause of the Constitution. By the same token there are limitations deriving from the President's special constitutional position, in regard to foreign relations.

(e)(1) In addition to carrying out assignments from the Committee and its individual members, the staff has a responsibility to originate suggestions for Committee or subcommittee consideration. The staff also has a responsibility to make suggestions to individual members regarding matters of special interest to such members.

(2) It is part of the staff's duty to keep itself as well informed as possible in regard to developments affecting foreign relations and in regard to the administration of foreign programs of the United States. Significant trends or developments which might otherwise escape notice should be called to the attention of the Committee, or of individual Senators with particular interests.

(f) In carrying out the responsibilities in subsection (e), the staff shall bear in mind the workload of Senators and not deal in trivia but limit itself to broad questions of basic policy or specific matters which point up a question of basic policy.

(g) The staff shall pay due regard to the constitutional separation of powers between the Senate and the executive branch. It therefore has a responsibility to help the Committee bring to bear an independent, objective judgment of proposals by the executive branch and when appropriate to originate sound proposals of its own. At the same time, the staff shall avoid impinging upon the day-to-day conduct of foreign affairs.

(h) In those instances when Committee action requires the expression of minority views, the staff shall assist the minority as fully as the majority to the end that all points of view may be fully considered by members of the Committee and of the Senate. The staff shall bear in mind that under our constitutional system it is the responsibility of the elected Members of the Senate to determine legislative issues in the light of as full and fair a presentation of the facts as the staff may be able to obtain.

(i) The staff shall regard its relationship to the Committee as a privileged one, in the nature of the relationship of a lawyer to a client. In order to protect this relationship and the mutual confidence which must prevail if the Committee-staff relationship is to be a satisfactory and fruitful one, the following criteria shall apply:

(1) Members of the staff shall not be identified with any special interest group in the field of foreign relations or allow their names to be used by any such group.

(2) Members of the staff shall not accept public speaking engagements or write for publication in the field of foreign relations without specific advance permission from the Staff Director, or, in the case of minority staff, from the Minority Staff Director. In the case of the Staff Director and the Minority Staff Director, such advance permission shall be obtained from the Chairman or the Ranking Minority Member, as appropriate. In any event, such public statements should avoid the expression of personal views and should not contain predictions of future, or interpretations of past, Committee action.

(3) The staff shall under no circumstances discuss with anyone the proceedings of the Committee in executive session or conversations with individual Senators without specific advance permission from the Committee or the Senator concerned.

RULE 8—PROVISIONS OF LEGISLATIVE REORGANIZATION ACT AND SENATE RULES

In addition to the foregoing, the Committee on Foreign Relations is governed by the standing rules of the Senate and the rules and procedures set forth in the Legislative Reorganization Act of 1946, as amended.

RULE 9—AMENDMENTS

These Rules may be modified, amended, or repealed by a majority of the Committee, provided that a notice in writing of the proposed change has been given to each Member at least 48 hours prior to the meeting at which action thereon is to be taken.

MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of February 19, 1981, the Secretary of the Senate, on February 23, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on February 23, 1981, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which

were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

INTERNATIONAL FISHERIES AGREEMENT BETWEEN UNITED STATES AND NORWAY—MESSAGE FROM THE PRESIDENT—PM 33

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

In accordance with the Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 USC 1801), I transmit herewith a governing international fishery agreement between the United States and Norway, signed at Washington on January 26, 1981.

This agreement is one of a series to be negotiated in accordance with that legislation. I urge that the Congress give favorable consideration to this agreement at an early date. Several U.S. fishing interests have urged prompt consideration of this agreement, and I therefore recommend that the Congress consider issuance of a joint resolution to bring this agreement into force.

RONALD REAGAN.

THE WHITE HOUSE, *February 24, 1981.*

SUSPENSION OF CERTAIN LITIGATION AGAINST IRAN—MESSAGE FROM THE PRESIDENT—PM 34

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Pursuant to Section 204(b) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(b), I have today exercised the authority granted by this Act to suspend certain litigation against Iran.

1. The circumstance necessitating the exercise of this authority is the implementation of the Claims Settlement Agreement between the United States and Iran. After a complete review of the agreements with Iran leading to the release of the hostages held by Iran I have decided to implement them.

This order is part of a series of actions necessary to resolve the national emergencies declared in Executive Order 12170 of November 14, 1979 and in Executive Order 12211 of April 17, 1980 and described in reports submitted to Congress under the IEEPA by President Carter on November 14, 1979; April 7, 1980; April 17, 1980; and January 19, 1981.

2. Although the hostages have been released, financial and diplomatic aspects of the crisis have not yet been resolved and continue to present an unusual and extraordinary threat to the national security, foreign policy and economy of the United States.

3. Thus claims which may be presented to the Iran-United States Claims Tribunal are suspended in accordance with the terms of the attached Executive Order pursuant to the terms of the Claims Settlement Agreement, and my powers under Article II of the Constitution, Section 1732 of Title 22, known as the Hostage Act, and Section 203 of IEEPA.

I am also ratifying earlier Executive Orders signed by President Carter on January 19, 1981, to remove any doubt as to their effect, an issue that has been raised in recent litigation challenging them. In this connection I note that Executive Orders 12276 through 12285 were all signed by President Carter and made effective while he was still in office. The Report to Congress required by IEEPA dated January 19, 1981, indicates that some of the Executive Orders were not signed until the release of the hostages, an event that did not occur until after the end of his term. The report, which was prepared in advance, did not, because of the press of circumstances, reflect events precisely as they occurred and to that extent it stands corrected.

4. The present Executive Order is necessary for the United States to meet its obligations under the Claims Settlement Agreement to peacefully arbitrate certain claims.

5. The action is taken with respect to Iran for the reasons outlined above.

RONALD REAGAN.

THE WHITE HOUSE, *February 24, 1981.*

MESSAGE FROM THE HOUSE

At 11:17 a.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that pursuant to the provisions of section 194(a), title 14 of the United States Code, the Speaker appoints as members of the Board of Visitors to the U.S. Coast Guard Academy, the following members on the part of the House: Mr. GEJDENSON and Mr. MCKINNEY.

The message also announced that pursuant to the provisions of section 1(b)(2), Public Law 94-399, the Speaker appoints as members of the Temporary Commission on Financial Oversight of the District of Columbia, the following members on the part of the House: Mr. DELLUMS, Mr. DIXON, and Mr. MCKINNEY.

The message further announced that pursuant to the provisions of section 5(b) of Public Law 93-642, the Speaker appoints as members of the Board of Trustees of the Harry S Truman Scholarship Foundation, the following members on the part of the House: Mr. SKELTON and Mr. TAYLOR.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-430. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "F/A-18 Naval Strike Fighter: Progress Has Been Made but Problems and Concerns Continue"; to the Committee on Armed Services.

EC-431. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report on the officers and employees whose compensation exceeded the annual rate of basic pay authorized for level II of the executive schedule on the last day of the year; to the Committee on Armed Services.

EC-432. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report concerning the Air Force's proposed letter of offer to Signapore for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-433. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a proposed waiver of certain requirements under the Stevenson-Wydler Technology Innovation Act of 1980; to the Committee on Commerce, Science, and Transportation.

EC-434. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Stronger Federal Effort Needed to Foster Private Sector Productivity"; to the Committee on Armed Services.

EC-435. A communication from the Comptroller General of the United States, transmitting, pursuant to law, information on rescissions of budget authority and deferrals proposed in the President's third special message for fiscal year 1981, referred jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Labor and Human Resources, the Committee on Energy and Natural Resources, the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, the Committee on Governmental Affairs, the Committee on Environment and Public Works, the Committee on Foreign Relations, and the Select Committee on Small Business.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 80. An original resolution designating room S-120 in the U.S. Capitol as the "Hugh Scott Room."

By Mr. MATHIAS, from the Committee on Rules and Administration, with an amendment:

S. Res. 43. Resolution authorizing expenditures by the Committee on Agriculture, Nutrition, and Forestry (Rept. No. 97-5).

S. Res. 55. Resolution authorizing expenditures by the Committee on Appropriations. (Rept. No. 97-6).

S. Res. 60. Resolution authorizing expenditures by the Committee on Armed Services (Rept. No. 97-7).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 75. Resolution authorizing expenditures by the Committee on Banking, Housing, and Urban Affairs (Rept. No. 97-8).

By Mr. MATHIAS, from the Committee on Rules and Administration, with amendments:

S. Res. 50. Resolution authorizing expenditures by the Committee on the Budget (Rept. No. 97-9).

By Mr. MATHIAS, from the Committee on 10 years; to the Committee on Labor and Human Resources.

S. Res. 52. Resolution authorizing expenditures by the Committee on Commerce, Science, and Transportation (Rept. No. 97-10).

S. Res. 56. Resolution authorizing additional expenditures by the Committee on Energy and Natural Resources (Rept. No. 97-11).

By Mr. MATHIAS, from the Committee on Rules and Administration, with amendments:

S. Res. 49. Resolution authorizing expenditures by the Committee on Environment and Public Works (Rept. No. 97-12).

By Mr. MATHIAS, from the Committee on Rules and Administration, with an amendment:

S. Res. 25. Resolution authorizing expenditures by the Committee on Finance (Rept. No. 97-13).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 39. Resolution authorizing additional expenditures by the Committee on Foreign Relations for inquiries and investigations (Rept. No. 97-14).

By Mr. MATHIAS, from the Committee on Rules and Administration, with an amendment:

S. Res. 57. Resolution authorizing expenditures by the Committee on Governmental Affairs (Rept. No. 97X15).

S. Res. 53. Resolution authorizing additional expenditures by the Committee on the Judiciary (Rept. No. 97-16).

S. Res. 62. Resolution authorizing expenditures by the Committee on Labor and Human Resources (Rept. No. 97-17).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 61. Resolution authorizing expenditures by the Committee on Veterans' Affairs (Rept. No. 97-18).

By Mr. MATHIAS, from the Committee on Rules and Administration, with amendments:

S. Res. 45. Resolution authorizing expenditures by the Special Committee on Aging (Rept. No. 97-19).

By Mr. MATHIAS, from the Committee on Rules and Administration, with an amendment:

S. Res. 34. Resolution authorizing additional expenditures by the Select Committee on Small Business (Rept. No. 97-20).

S. Res. 54. Resolution authorizing expenditures by the Select Committee on Intelligence (Rept. No. 97-21).

By Mr. MATHIAS, from the Committee on Rules and Administration, without amendment:

S. Res. 51. Resolution authorizing expenditures by the Select Committee on Indian Affairs for inquiries and investigations (Rept. No. 97-22).

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under the authority of the order of the Senate of February 19, 1981, the following executive reports of committees were submitted on February 20, 1981:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Murray L. Weidenbaum, of Missouri, to be a Member of the Council of Economic Advisors.

(The above nomination was approved subject to the nominees commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

Richard E. Lyng, of Virginia, to be Deputy Secretary of Agriculture.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

Walter J. Stoessel, Jr., of California, to be Under Secretary of State for Political Affairs.

James L. Buckley, of Connecticut, to be Under Secretary of State for Coordinating Security Assistance Programs.

Richard T. Kennedy, of the District of Columbia, to be Under Secretary of State for Management.

Richard Fairbanks, of the District of Columbia, to be an Assistant Secretary of State.

Robert Carl McFarlane, of Maryland, to be Counselor of the Department of State.

M. Peter McPherson, of Maryland, to be Administrator of the Agency for International Development.

(The above nominations from the Committee on Foreign Relations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. PERCY. Mr. President, I also report favorably sundry nominations in the Foreign Service which have previously appeared in the CONGRESSIONAL RECORD of February 3, 1981, and, to save the expense of printing them on the Executive Calendar, ask unanimous consent that they lie on the Secretary's desk for the information of Senators:

Foreign Service Officers beginning John H. Trattner, and ending Daniel Alan Spikes.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JOHNSTON (for himself, Mr. LAXALT, Mr. THURMOND, Mr. HOLLINGS, Mr. DECONCINI, Mr. EXON and Mr. MCCLURE):

S. 528. A bill to establish reasonable limits on the power of courts of the United States in the imposition of injunctive relief in suits to protect the constitutional rights of individuals in public education and to authorize the Attorney General to institute suits to enforce such limits; to the Committee on the Judiciary.

By Mr. STENNIS:

S. 529. A bill for the relief of Lt. Col. Henry F. McGraw, U.S. Army, retired; to the Committee on Armed Services.

By Mr. HEFLIN:

S. 530. A bill to amend the Railroad Retirement Act of 1974 to provide that benefits shall be payable to divorced spouses and surviving divorced spouses if they were married to a covered employee for at least 10 years; to the Committee on Labor and Human Resources.

S. 531. A bill to provide a credit against Federal income tax for expenses involved in the planting of pecan trees to replace pecan trees destroyed by Hurricane Frederick; to the Committee on Finance.

S. 532. A bill to amend the Internal Revenue Code of 1954 to exclude certain service performed on fishing boats from coverage for purposes of unemployment compensation; to the Committee on Finance.

By Mr. STAFFORD (for himself, Mr. MOYNIHAN, Mr. CHAFEE, Mr. RANDOLPH, Mr. SIMPSON, Mr. BAKER, Mr. BAUCUS, Mr. BURDICK, Mr. DOLE, Mr. GORTON, Mr. HUDDLESTON, Mr. INOUYE and Mr. MATSUNAGA):

S. 533. A bill to establish public buildings policies for the Federal Government, to establish the Public Buildings Service in the General Services Administration, and for other purpose; and Public Works.

By Mr. HEFLIN:

S. 534. A bill for the relief of Frank L. Hulsey; to the Committee on the Judiciary.

S. 535. A bill for the relief of James E. Swanson; to the Committee on Finance.

S. 536. A bill to amend title 28 of the United States Code to request the Chief Justice of the United States to give an annual address to the Congress on the state of the judiciary; to the Committee on the Judiciary.

S. 537. A bill to aid State and local governments in strengthening and improving their judicial systems through the creation of a State Justice Institute; to the Committee on the Judiciary.

S. 538. A bill to increase the compensation of the Solicitor General of the United States; to the Committee on Governmental Affairs.

By Mr. DURENBERGER (for himself, Mr. JEPSEN, Mr. MATTINGLY, Mr. THURMOND, Mr. DOLE, Mr. GOLDWATER, Mr. DOMENICI, Mr. WALLOP, Mr. GARN, Mr. TOWER, Mr. EAST, Mr. DENTON, Mr. HAYAKAWA, Mr. PRESSLER, Mr. HUMPHREY, Mr. ARMSTRONG, Mr. WARNER, Mr. SIMPSON, Mr. STAFFORD, Mr. SCHMITT, Mr. MURKOWSKI, Mr. COHEN, Mr. BOSCHWITZ, Mr. PERCY, Mr. HEINZ, Mr. HATCH, Mr. DANFORTH, Mr. LUGAR, Mr. GRASSLEY, Mrs. HAWKINS, Mr. HEFLIN, Mr. BRADLEY, Mr. ANDREWS, Mr. EXON, Mr. LAXALT, Mr. DECONCINI, Mr. HUDDLESTON, Mr. ZORINSKY, Mr. BUMPERS, Mr. LONG, Mr. CHILES, Mr. BAUCUS, Mr. MATSUNAGA, Mr. NICKLES, Mr. EIEGLE, Mr. WEICKER, Mr. BURDICK, Mr. QUAYLE, Mr. HELMS, Mr. BOREN, Mr. SASSER, Mrs. KASSEBAUM, Mr. D'AMATO, Mr. MELCHER, Mr. COCHRAN, Mr. JOHNSTON, Mr. MCCLURE, Mr. KASTEN, and Mr. MITCHELL):

S. 539. A bill to prohibit the use of funds to establish a nine-digit ZIP code; to the Committee on Governmental Affairs.

By HUDDLESTON (for himself, Mr. ROBERT C. BYRD, Mr. FORD, and Mr. WARNER):

S. 540. A bill to amend the Clean Air Act to provide that the voluntary conversion from oil or gas to an alternate fuel by a stationary source shall be treated in the same manner as a conversion ordered under the Energy Supply and Environmental Coordination Act of 1974 or the Powerplant and Industrial Fuel Use Act of 1978; to the Committee on Environment and Public Works.

By Mr. HUDDLESTON (for himself, Mr. ROBERT C. BYRD and Mr. FORD):

S. 541. A bill to amend the Clean Air Act with respect to temporary emergency suspension of implementation plan provisions; to the Committee on Environment and Public Works.

By Mr. HUDDLESTON (for himself, Mr. FORD, and Mr. ROBERT C. BYRD):

S. 542. A bill to provide that major stationary sources complying with all applicable emission limitations and standards of performance established pursuant to the

Clean Air Act shall not be subject to any more stringent limitations or standards for a period of 10 years; to the Committee on Environment and Public Works.

By Mr. MOYNIHAN:

S. 543. A bill to provide unrestricted Federal aid to local educational agencies from an amount of 5 percent in fiscal year 1981, to 25 percent in fiscal year 1990, the non-Federal expenditures for free public education, and for other purposes; to the Committee on Labor and Human Resources.

S. 544. A bill to provide an entitlement to State and local educational agencies to receive financial assistance for the reimbursement of the costs of complying with the regulations issued under certain Federal education laws, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. ABDNOR:

S. 545. A bill to authorize a study of the feasibility of Federal development of the water resources of the Little White River unit located on the Rosebud Sioux Indian Reservation, South Dakota; to the Select Committee on Indian Affairs.

By Mr. RANDOLPH (for himself, Mr. LONG, Mr. HEFLIN, Mr. HUDDLESTON, and Mr. GOLDWATER):

S. 546. A bill entitled 'The Fish Restoration Act of 1981'; to the Committee on Environment and Public Works.

By Mr. HATFIELD:

S. 547. A bill to enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon; to the Select Committee on Indian Affairs.

By Mr. MOYNIHAN (for himself, Mr. RANDOLPH, and Mr. STAFFORD):

S. 548. A bill entitled 'The Union Station Act'"; to the Committee on Environment and Public Works.

By Mr. GOLDWATER:

S. 549. A bill for the relief of Samuel S. H. Leung, his wife Carol O. K. Leung, and his sons Johnny C. Y. Leung and Jimmy C. M. Leung; to the Committee on the Judiciary.

By Mr. PACKWOOD (for himself, Mr. MOYNIHAN, Mr. ROTH, Mr. GOLDWATER, Mr. ANDREWS, Mr. TOWER, Mr. THURMOND, Mr. DURENBERGER, Mr. SCHMITT, Mr. HEINZ, Mr. HATCH, Mr. D'AMATO, Mrs. HAWKINS, and Mr. JEPSEN):

S. 550. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Finance.

By Mr. PRYOR:

S. 551. A bill for the relief of Sayed Mohammed Hassan Bashiri; to the Committee on the Judiciary.

By Mr. COCHRAN:

S. 552. A bill to authorize post exchange and commissary store privileges for persons who have met all the requirements for retired pay under chapter 67 of title 10, United States Code, other than attaining 60 years of age; to the Committee on Armed Services.

By Mr. LEVIN:

S. 553. A bill for the relief of Teur-Swen Lin; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 554. A bill for the relief of Lagrimas Martinez and Ruis Redentor Martinez; to the Committee on the Judiciary.

S. 555. A bill for the relief of Michael Whitlock; to the Committee on the Judiciary.

S. 556. A bill for the relief of Krishnahi S. Pribadi; to the Committee on the Judiciary.

By Mr. COCHRAN:

S. 557. A bill to amend the Internal Revenue Code of 1954 to allow estates required to file estate tax returns before July 13, 1978, the date on which regulations under section 2032A of such code were proposed, to elect the valuation of certain farm, and so forth, real property, under section 2032A of such code within 90 days after the enactment of the amendment to such code proposed by this bill; to the Committee on Finance.

By Mr. TOWER:

S. 558. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to provide that in the case of injuries to persons covered by such act the liability of owners, operators, or charterers of vessels engaged in activities on the Outer Continental Shelf shall be limited to damages attributable to their negligence; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. PROXMIRE, Mr. SASSER and Mr. SIMPSON):

S. 559. A bill to amend the Internal Revenue Code of 1954 to allow the Veterans' Administration to redisclose in certain circumstances for debt-collection and study purposes Internal Revenue Service-provided mailing addresses of individuals indebted to the United States, and for other purposes; to the Committee on Finance.

By Mr. CRANSTON:

S. 560. A bill to extend the authorization of appropriations for the Sudden Infant Death Program under part B of title XI of the Public Health Service Act; to the Committee on Labor and Human Resources.

S. 561. A bill to extend the authorizations of the appropriations for programs under the Child Abuse Prevention and Treatment Act and the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MATSUNAGA:

S. 562. A bill for the relief of Wen Hwei Hsu; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 563. A bill to authorize the States and the Indian tribes to enter into mutual agreements and compacts respecting jurisdiction and governmental operations in Indian country; to the Select Committee on Indian Affairs.

By Mr. JEPSEN:

S. 564. A bill to establish a joint export marketing assistance program within the Department of Commerce to stimulate export promotion activity; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. STEVENS:

S. 565. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the deduction allowable for certain moving expenses; to the Committee on Finance.

By Mr. HELMS:

S.J. Res. 33. Joint resolution to establish a Commission to plan for the 200th anniversary celebration of the birth of our Constitution; to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself and Mr. DECONCINI):

S.J. Res. 34. Joint resolution to provide for the designation annually of "National Patriotism Week"; to the Committee on the Judiciary.

By Mr. WEICKER:

S.J. Res. 35. Joint resolution to direct the President to reinstate emergency building temperature controls; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS:

S.J. Res. 36. Joint resolution to authorize the President to designate the week of March 9 through March 15, 1981 as "Children and Hospitals Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JOHNSTON (for himself, Mr. LAXALT, Mr. THURMOND, Mr. HOLLINGS, Mr. DECONCINI, Mr. EXON and Mr. MCCLURE):

S. 528. A bill to establish reasonable limits on the power of courts of the United States in the imposition of injunctive relief in suits to protect the constitutional rights of individuals in public education and to authorize the Attorney General to institute suits to enforce such limits; to the Committee on the Judiciary.

NEIGHBORHOOD SCHOOL ACT OF 1981

Mr. JOHNSTON. Mr. President, today the distinguished Senator from Nevada (Mr. LAXALT) and I are introducing the Neighborhood School Act of 1981. It is designed to deal in a rational and reasonable way with the devisive issue of school busing.

Mr. President, this bill takes three new and unique approaches to the problem of school busing. First, it puts time and distance limitations upon the busing to be ordered by a court. The total daily time consumed in travel by school bus by any student may not exceed by 30 minutes the time in travel to the school closest to the students residence. Stated differently, courts would only have authority to require up to 15 minutes one way on a school bus over and above the time necessary to get to and from the school closest to the students residence. In like manner, the bill puts a distance limitation of 10 miles round trip or 5 miles one way as the maximum additional distance beyond the school closest to the students residence. Both the time and distance limitation are calculated by the route traveled by the school bus and not as the crow flies. The emphasis in this legislation is on the comparison of "actual" time and distance before and after the court order. Courts would have to use the best evidence available to determine the actual times and distances traveled by the school bus before and after an order involving student assignment or student busing.

The second unique approach taken by this bill prohibits court ordered student assignments or busing where such orders are likely to result in a greater degree of racial imbalance or a net harmful effect on the quality of education. Courts now have a wealth of experience in school desegregation and are in a good position to determine the likely effect of their proposed orders. The approach provided by the Neighborhood School Act of 1981 is plain, simple and obvious. It should be beyond argument.

In many instances, courts have issued orders which they knew would not work and which they knew would result in white flight or resegregation because they felt compelled by prior decisions to do so. In many instances, these orders have resulted in a deterioration in the quality of education. There is no attemot in this legislation to make the vindication of constitutional rights subject to referendum. However, courts should not, and by this legislation could not, hurt the cause of desegregation or the quality of education by issuing unworkable orders.

The third unique approach taken by this bill is to authorize the Attorney General to enforce the rights guaranteed by the Neighborhood School Act. If a student is bused or about to be bused in violation of these provisions, the student or his parent can complain to the Attorney General. If he is financially unable to maintain the legal proceedings in his own right, the Attorney General is authorized in the name of the United States to vindicate his rights to the same extent as he is empowered to do with respect to school desegregation cases.

Mr. President, it is not the intent of this bill to turn back the clock or to resegregate public schools. To the contrary, Senator LAXALT and I believe Congress remains committed to the cause of civil rights and to equal protection of the laws. But most of all, Mr. President, we are aware of what works and what does not work in the area of school desegregation.

Cross town busing simply has not worked. One can attempt to summon up the witches from the briney deep, but they will not come. Nor will students remain in public school when they are ordered to be bused long distances out of their neighborhoods. Some regard this phenomena as a tragedy, others as an inevitability; but we should all now recognize it as a fact. When students, particularly the more able and affluent students leave a public school system, they degrade it by their exodus and take from it essential public support. Support is lost both at the tax election level and at the PTA level. Each of these levels of support is important to the success of the public school system.

Mr. President, section 5 of the 14th amendment authorizes the Congress to implement the amendment by appropriate legislation. Numerous court decisions interpreting this provision have held that the Congress has wide latitude in determining the appropriate scope of legislation to implement the 14th amendment. Nothing could be more appropriate, it seems to us, than for this Congress to place reasonable and appropriate limits on the extent of busing which courts may order, particularly when such busing, if overused, detracts from the twin goals of desegregation and quality education. The drawing of lines and the setting of limitations are proper roles of a legislative body as opposed to a judicial tribunal. Mr. President, I believe that this bill will be found by the courts to be legal, appropriate and constitutional under the 14th amendment. I urge my colleagues to give it swift approval.

Mr. President, this is a bill introduced on behalf of myself, the distinguished Senator from Nevada (Mr. LAXALT), the distinguished Senator from South Carolina and chairman of the Judiciary Committee (Mr. THURMOND), Mr. HOLLINGS, Mr. DECONCINI, Mr. EXON, and Mr. MCCLURE.

Mr. President, the Neighborhood School Act of 1981 for the first time deals in a comprehensive way with school busing, and in a way, Mr. President, that is likely to make reasonable sense out of what has been a terrible mess in this country. It will do so, I believe, in a constitutional way.

What this bill does, Mr. President, is to take three new and unique approaches to the issue of school busing. The bill provides that school busing cannot be ordered by a court unless it is reasonable and, in turn, the bill defines what is reasonable and what is unreasonable.

It provides, first, that school busing is not reasonable if it is likely to result in a higher degree of segregation than what existed before the court order or if it is likely to result in net degrading of the quality of education.

The bill also provides, Mr. President, that school busing is not reasonable if the round trip distance ordered by the court for a student exceeds by 10 miles the school busing that would be required for a student to attend the school closest to the student's residence. Stated differently, the bill would permit a court to order 5 miles of busing one way or 10 miles round trip but no more than that.

Also the bill prohibits busing which exceeds by 15 minutes one way the time necessary to get by school bus to the school closest to the student's residence.

Section 5 of the 14th amendment gives Congress the power to implement the 14th amendment, to determine what it means and how to provide for its implementation.

The courts on numerous occasions have interpreted section 5 of the 14th amendment as giving the Congress broad authority and broad discretion as to the proper means of implementing the 14th amendment.

Congress has legislated with respect to school busing before and legislated with respect to racial balance in schools. Congress did this in the Civil Rights Act of 1965 and did it with respect to Federal aid. Congress legislated on this subject last year in a bill that was vetoed.

But Congress has never come to grips with that basic legislative issue as to what should be the limits of schoolbusing under the 14th amendment. This bill sets those limits in a reasonable way, Mr. President.

There are some things that work and some things that do not work. We have found that school desegregation in many respects has been a crowning success, a historic achievement. In the whole history of the world we have found a tremendous change peacefully made. But we have also found, Mr. President, that long-distance school busing does not work. As a matter of fact, it works counter to the very purposes which it seeks to achieve because what it seeks to achieve is a unitary school system marked by equal protection of the laws, marked by desegregation, marked by higher levels of education. That has not been achieved in long-distance busing and, accordingly, this bill would seek to exercise the power of Congress under section 5 of the 14th amendment to put reasonable limitations upon schoolbusing.

Mr. President, the bill would also give the authority to the Justice Department to enforce these limitations in the same way and to the same extent that the Justice Department is required and mandated to enforce school desegregation under the Civil Rights Act of 1964.

If someone were bused in violation of the Neighborhood School Act, he could file a complaint with the Justice Department and then the Justice Department, if it deemed the complaint to be meritorious and the plaintiff unable to take action on his own behalf because of monetary or other reasons, would be able to enforce the limits of this act.

Mr. JOHNSTON. Mr. President, I am assured by the distinguished Senator from South Carolina (Mr. THURMOND), the chairman of the Judiciary Committee, that this bill will receive quick and thorough hearings. I believe that the Senate and the Congress is in a mood to act decisively and reasonably in this area of schoolbusing. I am very optimistic, Mr. President, that this approach will provide such a reasonable direction and will soon be the law of the land.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and the analysis were ordered to be printed in the RECORD, as follows:

S. 528

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Neighborhood School Act of 1981".

SEC. 2. STATEMENT OF FINDINGS AND PURPOSES.

(a) The Congress finds that:

(1) Court orders requiring transportation of students to or attendance at public schools other than one closest to their residences for the purpose of achieving racial balance in public school systems have been an ineffective remedy and have not achieved unitary public school systems and that such orders frequently result in the exodus from public school systems of children which causes even higher racial imbalances and less support for public school sytems;

(2) Assignment and transportation of students to public schools other than to one closest to their residences is expensive and wasteful of scarce supplies of petroleum fuels;

(3) The pursuit of racial balance at any cost is without constitutional or social justification and that assignment of students to public schools or busing of students to achieve racial balance or to attempt to eliminate predominantly one race schools has been overused by courts of the United States and is in many instances educationally unsound and causes racial imbalances and separation of students by race to a greater degree than would have otherwise occurred.

(4) Assignment of students to public schools closest to their residence (neighborhood public schools) is the preferred method of public school attendance and should be employed to the maximum extent consistent with the Constitution of the United States.

(b) The Congress is hereby exercising its power to enforce, by appropriate legislation, the provisions of the Fourteenth Amendment.

SEC. 3. LIMITATION OF INJUNCTIVE RELIEF.—28 USC 1651 of the United States Code is amended by adding the following new subsection (c):

"(c) (1) No court of the United States may order or issue any writ ordering directly or indirectly any student to be assigned or to be transported to a public school other than that which is nearest to the student's residence unless:

(i) such assignment or transportation is provided incident to attendance at a "magnet", vocational, technical, or other school of specialized or individualized instruction;

(ii) such assignment or transportation is provided incident to a purpose directly and primarily related to an educational purpose;

(iii) such assignment or transportation is

provided incident to the voluntary attendance of a student at a school; or

(iv) the requirement of such transportation is reasonable.

"(c)(2) The assignment or transportation of students shall not be reasonable and a court of the United States shall not issue any writ ordering the assignment or transportation of any student if:

(i) there are reasonable alternatives available which involve less time in travel, distance, danger or inconvenience;

(ii) such assignment or transportation requires a student to cross a school district having the same grade level as that of the student;

(iii) such transportation plan or order or part thereof is likely to result in a greater degree of racial imbalance in the public school system than was in existence on the date of the order for such assignment or transportation plan or is likely to have a net harmful effect on the quality of education in the public school district;

(iv) the total actual daily time consumed in travel by school bus for any student exceeds by 30 minutes the actual daily time consumed in travel by school bus to and from the public school with a grade level identical to that of the student and which is closest to the student's residence;

(v) the total actual round trip distance traveled by school bus for any student exceeds by 10 miles the total actual round trip distance traveled by school bus to and from the public school closest to the student's residence and with a grade level identical to that of the student.

SEC. 4. SUITS BY THE ATTORNEY GENERAL.—Section 407(a) of Title IV of the Civil Rights Act of 1964 (P.L. 88-352, § 407(a); 78 Stat. 241, § 407(a); 42 USC 2000c-6(a)), is amended by inserting after the last sentence the following new subparagraph:

"Whenever the Attorney General receives a complaint in writing signed by an individual, or his parent, to the effect that he has been required directly or indirectly to attend or to be transported to a public school in violation of the Neighborhood School Act and the Attorney General believes that the complaint is meritorious and certifies that the signers of such complaint are unable, in his judgment, to initiate and maintain appropriate legal proceedings for relief, the Attorney General is authorized to institute for or in the name of the United States a civil action in any appropriate district court of the United States against such parties and for such relief as may be appropriate, and such court shall have and shall exercise jurisdiction of proceedings instituted pursuant to this section. The Attorney General may implead as defendants such additional parties as are or become necessary to the grant of effective relief hereunder.

SECTION-BY-SECTION ANALYSIS

Section 1: This section provides that the Act may be cited as the "Neighborhood School Act of 1981".

Section 2: This section contains the findings of Congress which justify the need for legislative action to establish reasonable limits on the power of courts to assign students and to transport students in public school systems in suits involving the constitutional rights of individuals as students. The major findings of Congress are (1) that court orders requiring students to attend schools beyond the closest one to their residences have been an ineffective remedy and have not achieved unitary school systems, (2) transportation to schools beyond one closest to a student's residence wastes petroleum fuels, (3) the pursuit of racial balance at any cost is without constitutional justification, has been overused by the courts and is educationally unsound, and (4) assignment of students to public schools closest to their residences (neighborhood public schools) is the preferred method of school attendance.

Section (2)(b) provides that the Neighborhood School Act is being enacted pursuant to the power of Congress under Section 5 of the 14th Amendment to enforce, by appropriate legislation, the provisions of the 14th Amendment.

Section 3: This section amends section 1651 of Title 28 of the United States Code to add a new subsection (c) which specifies the circumstances in which a court may and may not issue orders involving student assignments and student transportation.

Subsection (c)(1) permits court orders involving student assignment and student transportation to a public school which is not nearest to the students residence only if (i) the student assignment or transportation is incident to attending schools of specialized or individualized instruction, such as "magnet", vocational and technical schools, (ii) the student assignment or transportation is incident to a purpose directly and primarily related to an educational purpose, (iii) the student assignment or transportation is voluntary, and (iv) the transportation requirement is reasonable.

Subsection (c)(2) prohibits court orders involving student assignment and student transportation if (i) there are reasonable alternatives involving less time in travel, distance, danger, or inconvenience, (ii) a student would be required to cross a school district having the same grade level as that of the student, (iii) the court order is likely to increase the racial imbalance within the school system or is likely to diminish quality education in the public school district, (iv) the time required to travel to a public school exceeds by 30 minutes per day (15 minutes one way) the time required to travel to a public school which is closest to a student's residence and which has a grade level identical to that of the student, or (v) the distance to a public school exceeds by 10 miles (5 miles one way) the distance to a public school which is closest to a student's residence and which has a grade level identical to that of the student.

Section 4: This section authorizes the Attorney General to intervene on behalf of any individual who has directly or indirectly been required to attend or to be transported to a public school in violation of the Neighborhood School Act if the Attorney General believes that a complaint signed by such individual is meritorious and the individual is unable to initiate or maintain appropriate legal proceedings.

Mr. THURMOND. Mr. President, I am pleased today to join with Senators JOHNSTON and LAXALT in the introduction of the Neighborhood School Act of 1981, a bill to limit court-ordered busing of schoolchildren for racial balance purposes.

This legislation is not a complete answer to the problems of busing for racial quota purposes, but it is a significant step in the right direction. While the bill does not prohibit busing under all circumstances, it does put reasonable time and distance limitations upon court-ordered transportation plans. Under the terms of this bill, no child could be forced to travel in excess of 10 miles round trip—or 30 minutes daily travel time—beyond the school closest to the student's residence. This is an important, reasonable limitation that would stop some of the absolutely ridiculous, unnecessary busing of little schoolchildren for miles and miles away from their home, many times across school district lines.

Mr. President, this bill also incorporates another appropriate, reasonable limitation on court-ordered busing. It would prohibit mandatory desegregation plans that would likely result in a greater degree of racial imbalance or net harmful effect on the quality of education in the local school system. I view this as a much-needed restraint, Mr. President, for too often courts have simply ignored the long-term consequences of busing orders on the quality of education and future racial composition of the public schools.

For example, there is currently pending in the U.S. District Court for South Carolina a Justice Department desegregation suit against the Charleston County schools. While it is not my purpose here to take any position regarding the merits of that litigation or to become involved in it, I have been advised by the attorney handling the action for the school board that he could not foresee any conceivable remedy meeting the racial composition guidelines demanded by the Justice Department that would not, in all likelihood, leave the public school system worse off than before, with a massive new "white flight" from the public schools.

It is imperative, Mr. President, that the courts and the Justice Department orient their actions toward equal educational opportunity and improvements in the quality of education for all schoolchildren, rather than toward the achievement of arbitrary racial quotas through forced busing. This bill moves us toward that more equitable, desirable goal, and I am pleased to cosponsor it.

Mr. President, on a related matter, I am today asking the Attorney General of the United States to carefully review the four new school desegregation suits that were filed by the Carter administration just prior to leaving office and to request dismissal of any of these actions that are not clearly meritorious. I have also asked the Attorney General to adopt a policy of seeking reasonable practicable remedies in school desegregation cases that do not mandate busing for racial balance. Mr. President, I ask unanimous consent that the text of this letter be printed in the RECORD at the conclusion of these remarks.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

COMMITTEE ON THE JUDICIARY,
Washington, D.C., February 24, 1981.

The Honorable WILLIAM FRENCH SMITH,
The Attorney General,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: Between the period of the November general election and the inauguration of President Reagan, it is our understanding that four new school desegregation suits were initiated by the United States Department of Justice. These legal actions were brought against school districts in Marshall, Texas; Lima, Ohio; Yonkers, New York; and Charleston, South Carolina.

Since these actions were initiated by the previous Administration, would entail substantial expense for local school officials, and since such actions typically cause considerable anguish and controversy among the affected citizenry, we believe it would be appropriate and judicious for you to carefully review each of these suits. If your investigation reveals that the actions lack merit, we hope that you will request the Department attorneys handling the case(s) to promptly move the court(s) for dismissal.

If your review reveals, on the other hand, that some or all of these actions are clearly meritorious, then we fully recognize and support the responsibility of the Justice Department to enforce the law in an even-handed manner. It is our view and recommendation, however, that this Administration should adopt a policy of proposing and seeking reasonable, practicable remedies in school desegregation cases that do not mandate busing for racial balance. We believe that the Constitution's guarantee of equal educational opportunity for all public school children can be achieved without forcing an expensive, controversial transportation plan on any school district, and that the resources wasted on forced busing can be far better used in improving the quality of education within the particular public school system.

Thank you for your careful and prompt attention to this important matter, and we look forward to hearing from you regarding these pending cases.

With kindest personal regards and best wishes,

Sincerely,

STROM THURMOND,
PAUL LAXALT.

Mr. LAXALT. Mr. President, I am pleased to be a coauthor of the Neighborhood School Act of 1981 with the distinguished junior Senator from Louisiana, Mr. JOHNSTON. This act has been written to place reasonable limits on the power of courts to order busing to establish racial balance. In a sense, it allows children the continued right to attend neighborhood schools, and not be forced to travel miles to school because of a court-enforced order.

This legislation is a response to the overwhelming public opposition to court-ordered busing. While it would not bar all instances of busing for desegregation purposes, it would impose restraints on the court's ability to order busing at any cost.

The Neighborhood School Act of 1981 would not prevent voluntary busing. It would not prevent the transportation of students to magnet schools, or to achieve an educational purpose.

However, it would prevent court-ordered busing if reasonable alternatives with respect to travel time, distance, danger or inconvenience are available. It would prohibit busing if it requires a student to cross a school district or if the total daily bus ride per student exceeds 30 minutes and/or 10 miles more than the distance to the school closest to the student's home.

Busing as a court-ordered remedy to segregation would also be prohibited by this act if it would result in a greater degree of racial imbalance or have a net harmful effect on the quality of education.

In addition, it would offer a unique method for affected students and their families to challenge court-ordered busing as a remedy. In this legislation, the Attorney General is authorized to enforce the limitations on the courts if a student or his parents sign a written complaint, and also if the student is financially unable to maintain legal proceedings.

Court-ordered busing is a burden, even an obstacle to the universal goal of quality education. Certainly, in all instances, busing cannot be said to aid in this goal. The burden is borne by the students, their families, and by the school districts. Busing has a polarizing effect. It deflects attention and resources from the most important goal which is to improve the quality of education.

While school districts are faced with exorbitant bills due to court-ordered busing, they also suffer economic setbacks when fragmented communities fail to approve necessary tax levies. Families, who have sacrificed for their home in a convenient location near schools, often are forced to watch their children board buses headed for schools crosstown. And students, the majority of whom utilize school buses anyway, sometimes must be transported twice as far as they might ordinarily.

Not only do school districts and students bear the cost of busing, so does this Nation. Upwards of 155,000 gallons of gasoline a day are consumed shuttling children to and from schools in an attempt to achieve racial balance. And whether real racial balance can be achieved through busing is still the ultimate question.

I would say busing has not achieved that goal.

In fact, resegregation is becoming more evident in light of the increased injunctive relief ordered by our courts. Statistics from the cities of Boston and Detroit provide a substantive case of the white exodus. For example, in 1974, Boston's racial composition was 57 percent white and 43 percent black. By the late 1970's, the picture had changed. Boston's makeup was 39 percent white and 61 percent black and other minorities. Why? The finger is most often pointed at the increase in busing orders.

Finally, yet, perhaps foremost is the fact that desegregation has provided few academic benefits for minority students. Forced busing as a remedy to segregation has resulted in no real academic success in terms of reducing the gap in black-white achievement. Academic achievement tests have continued to decline throughout the country. As a result, both blacks and whites have responded negatively to busing in several recent nationwide polls.

Congress has been debating this issue for nearly two decades—since the Civil Rights Act of 1964. Numerous solutions to segregation have been proposed. Many methods have been introduced. Busing has continuously headed the list of solutions which provide less than the desired result, true educational quality. We have limited the administrative authority to assign students to schools in the Eagleton-Biden amendment in 1974. And we have restricted the use of Federal funds to bus students cross town in the Esch amendment of the Education Amendments of 1974. But no legislation has yet been passed which limits the court's ability to use busing, which is otherwise prohibited, as a remedy to the problem.

That fact, in itself, poses a real conflict in terms of judicial and legislative authority.

None of us will disagree that nothing is more important than providing quality education to our youth. Destruction of neighborhood schools hurts that goal, depriving schools of dollars, and denying children the opportunities to participate in activities near their own homes.

I urge my colleagues to give this legislation their support. It is time Congress place real, yet reasonable limits on the extent of busing as a remedy to segregation. This act would do just that.

By Mr. STAFFORD (for himself, Mr. MOYNIHAN, Mr. CHAFEE, Mr. RANDOLPH, Mr. SIMPSON, Mr. BAKER, Mr. BAUCUS, Mr. BURDICK, Mr. DOLE, Mr. GORTON, Mr. HUDDLESTON, Mr. INOUYE, and Mr. MATSUNAGA):

S. 533. A bill to establish public building polices for the Federal Government, to establish the Public Buildings Service in the General Services Administration, and for other purpises; to the Committee on Environment and Public Works.

PUBLIC BUILDINGS ACT OF 1981

Mr. STAFFORD. Mr. President, it is with mixed emotions that I introduce today the Public Buildings Act of 1981. I am glad to do so, because in the view of this Senator from Vermont it is excellent and belated legislation which I strongly recommend to all my colleagues here in the Senate. However, I am disappointed at the necessity to do so because I regret that the similar legislation in the last Congress—S. 2080—failed to be enacted into law. That bill, the Public Buildings Act of 1980, introduced by Senator MOYNIHAN and myself, was unanimously reported from the Committee on Environment and Public Works. It overwhelmingly passed the Senate by a margin of 9 to 1. Regrettably, I must report that we were unable to reach an acceptable compromise with the House in conference in spite of concerted efforts on the part of Senators MOYNIHAN, RANDOLPH, SIMPSON, CHAFEE, and the other conferees.

It is with a sense of pride that I say that the senior Senator from New York (Mr. MOYNIHAN) joins me in introducing this legislation. It was with equal pride that I joined with him when he introduced the similar legislation in the last Congress. I want the record to reflect that this bill, like its predecessor, is the product of partnership.

For several years the Committee on Environment and Public Works has been increasingly concerned about the public buildings program of the Government, as administered by the General Services Administration, and the need to alter the congressional authorizing procedures.

Mr. President, I ask unanimous consent that views from the committee's report to the Senate on several public building proposals of August 1979, be included in the RECORD at the conclusion of my remarks. These statements describe the committee's early and profound concern with the Nation's public buildings program.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STAFFORD. Mr. President, following reports and criminal proceeding alleging misfeasance and malfeasance in the GSA, the committee in March

1979, voted unanimously to impose a moratorium on further authorizations of nonemergency public buildings projects. The committee agreed at that time to undertake a comprehensive review of the public buildings program and to develop comprehensive remedial legislation.

Mr. President, I ask unanimous consent that the announcement and description of the moratorium, contained in the committee's report to the Senate Committee on the Budget be included in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. STAFFORD. Mr. President, during the succeeding year, the committee held 9 days of hearings receiving testimony from the many diverse interests, both public and private. Represented were the GSA; Treasury Department; General Accounting Office; Associated General Contractors of America; the Building and Construction Trades Department of the AFL–CIO; the Committee for Federal Procurement of Architect-Engineer Services; the National Urban League; Partners for Livable Places; and others. Additional groups have requested to testify this year, and they will have their opportunity. Hearings are scheduled to begin as early as next week.

While the serious problems of GSA require basic corrective actions that must be administrative and require first of all effective management, we in the Congress also have a responsibility to provide a statutory framework which gives clear direction and which will provide the checks and balances and the orderly procedures enjoyed by other Federal programs.

The current practices of the GSA and the attendant authorization procedures in the Congress do not reflect or encourage rational, foresighted planning and management which should be the cornerstone of effective management and of a successful public buildings program.

The Public Buildings Act of 1959—which would be repealed by this bill—requires GSA to submit to the Congress a prospectus for each project over $500,000 in cost. Each prospectus demonstrates the need for a particular project, but it does not show the project in relation to other projects. This project-by-project procedure defies rational decisionmaking or establishment of priorities, and it prohibits judicious analysis of alternative approaches to meeting program objectives.

Furthermore, each prospectus may be authorized piecemeal, throughout the year, by resolutions adopted by the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation. In this manner, the Congress loses sight of the long-range focus or even annual program of the public buildings program. Also lost in this process is any link between planning, authorization, and budgeting. In fact, public building authorizations do not fall under the congressional budgetary process.

In addition, there is no link with the appropriations process. The committees approve projects without regard to whether funds are available for them. As a result, GSA has a backlog of projects that have been approved and are pending but will cost about $664 million to complete, according to a recent GAO study.

Authorizations by committee resolutions do not have to be defended on the floor of either the Senate or House. Nor does any Member who is not a member of one of these "select" committees have the opportunity to participate in the decisions on public buildings, as they do in almost every other program of Government. In effect, public buildings is curiously the private purview of the Public Works Committees. It is an unusual situation in which the Congress has delegated its authority and responsibility to a single committee in each body. At times in the past, the question has been raised whether, under the Constitution, a single committee in each house can act for the whole Congress.

The bill would replace the current method of authorizing projects by prospectus with an annual authorization bill. It would require GSA to prepare and submit to the Congress each year a program for the coming year along with a 5-year plan. These documents would constitute a basis for an annual authorization bill—similar to that for military construction—putting Congress in a better position to assess project priorities; linking the authorization, budget, and appropriation processes; and encouraging authorization of only projects that fit within the likely funding level of the coming year.

In testimony before the committee last year and again in its report of September 9, 1980, entitled "Foresighted Planning and Budgeting Needed for Public Buildings Program" the General Accounting Office endorsed these provisions of S. 2080 which are also in this bill.

Another major weakness under present law is that the Public Works Committees of the Congress do not approve—nor are they even furnished information on—the vast majority of the activities of the Public Buildings Service, because those activities are not associated with projects requiring prospectus approval. For example, over 70 percent of the leasing budget—a particular source of concern because of the questionable practices that have characterized its usage and because of the sheer magnitude of the leasing budget—is thus immune from regular congressional oversight. The bill would strengthen oversight by bringing the entire PBS budget under greater congressional scrutiny. This feature of the bill is, I believe, very important given the record of the troubled agency in the past.

Mr. President, commensurate with the long-established plocy of the Committee on Environment and Public Works, the bill would alleviate the trend of rapidly escalating lease expenditures, which soon will exceed $1 billion a year. My colleague, Senator MOYNIHAN, will expand upon this situation.

Mr. President, I ask unanimous consent that an excerpt from the committee's report to the Budget Committee on the 1981 budget be included in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 3.)

Mr. STAFFORD. Mr. President, this statement explains the discrepancy in budget accounting procedures which grossly understates the budget impact of GSA's leasing activity.

Title VII of the bill would set as a goal more Government ownership of federally occupied space in relation to leased space. It would not alter that historic ratio.

It will be difficult, however, this year or perhaps even in the next several years, to reduce the leased inventory significantly if the Government has to rely solely on current resources in the Federal buildings fund. Title IX of the bill enables GSA to borrow construction funds from the Treasury, repaying the loans from "rental" income into the fund when the buildings are occupied in the manner of repaying a mortgage. This mechanism will not be "off budget" borrowing. GSA could borrow only in such amounts as are provided in annual appropriations acts.

The GAO has endorsed the borrowing mechanism and, last year, the Budget and Appropriations Committees advised us that the borrowing provisions conform to congressional budgeting and accounting procedures and policies.

Mr. President, title VII of this bill departs from the Public Buildings Act of 1980 in one respect which I will particularly mention because of the significant interest which has accompanied it. The bill last year prohibited the so-called lease construction method of acquiring space. That language has been modified to take into account concerns raised after the Public Buildings Act of 1980 was reported.

The language does not prohibit lease construction but requires that before entering into such contracts GSA must: First, establish specifications for the building comparable to the criteria for the construction of Government-owned buildings; second, secure an option to purchase the building; and third, solicit the lease acquisition through competitive bids.

Title II of the bill establishes siting priorities that take into account the need to locate Federal offices where they can best carry out their responsibilities and, where appropriate, be most conveniently visited by the public. The title also establishes planning criteria for finding space for Federal agencies. It reinforces previous efforts by the committee to assure that intensive use is made of the existing Government building inventory before space is sought elsewhere, and it reflects the committee's longstanding efforts to have permanent Federal functions placed in Government-owned buildings. The policy of purchasing and adapting existing and particularly historic buildings, established by Congress in the Public Buildings Cooperation Use Act of 1976, is clarified and strengthened.

Title III enumerates some of the components that must be taken into account in design of Federal buildings, including energy conservation and designs that facilitate access by the handicapped.

Title V would codify the existing art in architecture program of GSA, which does not now have the benefit of congressional sanction. Title VI provides for competition in the selection of private architects to encourage imagination and high quality designs.

In title I, the Public Buildings Service is given statutory status for the first time. Its top-ranking official would be appointed by the President with the advice and consent of the Senate, and the position of Supervising Architect is established to provide at a high level an individual whose background and responsibilities will combine to support improved design quality.

Mr. President, I characterize this legislation as a reform bill—a reform of some of the practices and procedures of the troubled agency and a reform of the congressional way of doing business. It should also produce buildings that we can be proud of architecturally and buildings which will efficiently house a Government work force convenient to the public served. But as important, this legislation, if firmly adhered to and strengthened where need be, can help restore order and build an agency and a program that we and the country can again be proud.

Mr. President, I have been deeply concerned with the rehabilitation and reemployment of handicapped individuals since I came to the Senate. I have a prepared statement, expanding on my remarks about section 307 of the bill which is designed to provide building accessibility to handicapped individuals. I ask unanimous consent that this statement appear in the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 4.)

Mr. STAFFORD. Mr. President, I also ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 5.)

Mr. STAFFORD. Mr. President, I thank the Chair. I yield the floor.

EXHIBIT 1

(Excerpts from the "Report to the Senate on Several Public Building Proposals Submitted by the General Services Administration" from the Committee on Environment and Public Works, August 1978 (Committee Print, Serial No. 95–15))

ADDITIONAL VIEWS OF SENATORS RANDOLPH, MOYNIHAN, STAFFORD, AND CHAFEE

Our committee has long discussed and intends to pursue its objective of improving the Federal building approval process under its jurisdiction. This includes acquiring, renting, or renovation of workspace housing Federal officeworkers. The procedures adopted by the committee when it approved the building prospectuses discussed in this report are only the most recent effort by the Senate Committee on Environment and Public Works to responsibly exercise its jurisdiction over Federal buildings (rule XXV(1)(h)(12)). They extend the existing procedures previously adopted by the committee.

There have been recent disclosures in the press of management failures, waste, and improprieties within the General Services Administration, which have been reviewed in hearings before a subcommittee of the Governmental Affairs Committee subsequent to the action discussed in this report. These disclosures are but one symptom of the need for clear policy direction and competent execution of defined programs—a need long evident to those who must deal with the agency. They expose, however, the urgency of attacking the fundamental problems which plague the agency—ranging from a coherent buildings policy to possible reorganization.

The committee acknowledges its responsibility in this area. It expects to address those problems which fall within its jurisdiction, and seeks the cooperation of the agency and the executive branch in this effort.

JENNINGS RANDOLPH.
ROBERT STAFFORD.
DANIEL P. MOYNIHAN.
JOHN H. CHAFEE.

SUPPLEMENTAL VIEWS OF MR. STAFFORD

I was glad to sponsor, with Senator Moynihan, the two new committee procedures described in this report. Following discussion by the committee, the first part of our proposal was adopted unanimously and the second part by a vote of 9–3. These first two steps should be viewed, however, as only the constructive beginning of the measures which must be taken.

As the ranking minority member of the committee, I have long believed that the prospectus process may no longer be adequate or appropriate. I have been equally concerned over the proper congressional role in building projects.

Our committee should carefully review not only the Nation's buildings policy, but specifically GSA management procedures and controls over building construction, leasing, alteration, and repair. I believe and expect the committee will pursue its concerns in these areas—areas that have been neglected by both the Executive and the Congress. To this end, I expect to introduce legislation which I hope will serve as a focal point for discussion, and a point of departure for full oversight of the agency's buildings program, its management controls and procedures, and the Nation's building policy.

There has not been, so far as I have observed, a coherent Federal policy on buildings. The policies that do exist appear to be in a state of continual change, if not increasing disarray and advanced deterioration. This lack of direction, and of defined policy, may be a failure of successive administrations and Congresses, as well as of the agency itself. It is painfully clear, however, that a policy must now be developed and adopted, logically defined and clearly enunciated. To protect its integrity, safeguards must be provided to assure that the chosen policy and program is then carried out, and firmly adhered to.

Before a coherent buildings policy can emerge, a number of issues must be addressed. I hope they may receive the prompt and close attention not only of the committee but also of the executive branch. Among the questions that may have a profound effect on the management of GSA and the buildings program are these:

Is the Federal buildings fund functioning in the manner intended when established by the Congress in 1972? If not, why, and what should be done?

What is the first purpose of a building policy, and which are the ancillary purposes, or compatible subsidiary goals? For example, how should functional efficiency, work effectiveness, urban policy, and "consolidation" rank in priority?

Is the prospectus process satisfactory, or the best choice as a management tool, for the executive branch? If it is useful to the Congress, does it provide controls and safeguards commensurate with the responsibility it imposes? What should be the congressional role in this or an alternate approval process?

What are the consequences of the proliferating construction authorities among numerous agencies?

Should not the Congress and the executive branch establish some common ground with respect to financing space acquisition—which involves budgetary impacts as well as comparative costs?

These questions are not exhaustive of the subjects that should be examined, or that may arise during oversight hearings. I believe they are instructive, however, of the task before the Congress and the administration.

The recent disclosures of improprieties and management failures, even if not at levels directly responsible to the Committee on Environment and Public Works, illustrate also the need to assure safeguards, proper procedures, and competent management in the very important field of building construction, leasing, alteration, and repair—where the committee is asked to assume initial approval responsibility for projects exceeding $500,000 in cost.

In the long run, only a coherent policy, clearly defined programs, and firm execution of those decisions backed by consistent authority, will fill the policy vacuum which otherwise attracts confusion and influence, if not exorbitant waste, favoritism, and scandal.

ROBERT STAFFORD.

EXHIBIT 2

Excerpt from the "Report to the Senate Committee on the Budget" from the Senate Committee on Environment and Public Works, March, 1979 (Committee Print, Serial No. 96–4)

MORATORIUM

On March 12, the committee voted unanimously to impose a moratorium on all nonemergency prospectus approvals by the committee. The moratorium will remain in effect for the duration of the 1st session of the 96th Congress.

This action was based upon committee concerns and questions which might be put on three levels. First the committee questions the soundness of the present national building policies and programs. Second, the committee is concerned about how effective are the administrative arrangements within the General Services Administration in carrying out these policies—whether present policies or prospective ones. Third, the committee wishes to review the prospectus approval process and the proper congressional role in building projects.

There have been recent disclosures of waste, mismanagement, and corruption within GSA, which have been reviewed in hearings before the Subcommittee on Spending Practices of the Governmental Affairs Committee. The Committee on Environment and Public Works has been and continues to be disturbed by disclosures. While much attention has focused on abuses in the supply area, significant problems exist also within the Public Buildings Service. Until the agency and the Congress has time to develop a policy and provide safeguards, the committee is greatly concerned that it has no assurances that projects which it approves for construction, acquisition, leasing, and alteration and repair, will be carried out with integrity and without waste and mismanagement.

The committee is aware that the agency has initiated a program to institute new

management procedures, controls, and reforms within GSA to assure that past abuses not only are corrected but also do not recur in the future. The committee applauds this effort and stand ready to assist by revising appropriate statutes, or enacting new legislation where necessary.

The committee has long discussed and intends to pursue its objective, to enact new legislation and to conduct thorough oversight of the Public Buildings Service, and it is confident that a policy can be developed and adopted, logically defined and clearly enunciated. To protect its integrity the committee is confident also that safeguards can be provided to assure that the chosen policy and program is then carried out and firmly adhered to.

It is the committee's hope and expectation that this process can be undertaken soon and complete during the first session of the 96th Congress. If so the moratorium need not impact on the fiscal year 1980 program of the agency or upon its 1980 budget which does not commence until October 1, 1979. The committee recommends a 1980 budget at the same level as requested by the President.

EXHIBIT 3

Excerpt from the "Report to the Senate Committee on the Budget" from the Senate Committee on Environment and Public Works, March, 1980 (Committee Print, Serial No. 96–10)

The budget proposed by the General Services Administration requests authority to enter into leases, first to renew or replace existing space, and second for expansion space, which would obligate the Government to rental payments estimated at $1,037 million during fiscal 1981 and the succeeding years of those lease commitments. However, only $112 million of that $1,037 million appears in the President's budget request. While this omission is not a new practice or device, the failure to reflect in the budget the extent of the GSA obligation understates by a factor of ten the impact on budget authority of the GSA leasing proposal, as outlined below:

The $925.7 million omission summarized above is not only "off budget"—that is, accounted for elsewhere—it is altogether unreported. Each year's new authority to lease is used by GSA to enter into leases of from one to twenty years, with only the current year's obligation counted against that authority.

In this case, the agency expects to renew or replace leases on 14.4 million square feet of its 102.4 million square feet of leased space. The President's budget includes $72 million (the half-year fiscal year 1981 cost) to represent this obligation which, upon inquiry, the agency states will cost the government $668.2 million (average 4-year leases at $10 per square foot plus 4 percent annual inflator).

In addition to lease renewals, the Public Buildings Service requests authority to lease "expansion space" of 6.9 million square feet. These new leases are budgeted at $39.8 million, but the agency states the resulting Federal commitment for expansion space will cost $369.3 million. The $329.5 million unreported difference between that estimated cost of $369.3 million and the $39.8 shown in the budget for expansion space, together with the unreported commitment for renewal leases discussed above, composes the $925.7 million unreported . . . .

This omission of lease commitments for all future years, from both the Executive Branch and Congressional budgets, grossly understates leasing costs. It skews decision away from construction and acquisition, and introduces a bias in favor of constantly escalating lease commitments. The Committee has found, for example, that the unaccounted obligation which will be required to liquidate existing GSA leases presently exceeds $2.3 billion and is rapidly growing.

The present GSA accounting system appears to report only the current year's outlay for a lease. That outlay is then used to lever an unreported budget authority of from one to twenty times the annual lease amount—so that total leasing activity may be essentially uncontrolled.

The Commitee on Environment and Public Works urges that the Budget Committee secure from the Congressional Budget Office an immediate analysis of this Public Buildings Service accounting practice, and take the appropriate steps in cooperation with the Office of Management and Budget to accurately and properly reflect in the FY 1981 and future budgets the true cost of leasing activities.

EXHIBIT 4

Mr. STAFFORD. Mr. President, there is one other provision of the bill that I wish to call to the attention of my colleagues. Section 307 of the bill requires that all buildings built under the authority of the Public Buildings Act of 1980 be fully accessible to handicapped individuals.

Mr. President, as my colleagues are aware, I have been deeply concerned with the rehabilitation and re-employment of handicapped individuals since I came to the Senate. It has been my privilege to sponsor and work actively for passage of the Rehabilitation Act of 1973 as well as the subsequent amendments to it in 1974, 1976 and 1978. One of the troubling aspects of that law has been that, although we have made every effort to ensure compliance with the Architectural Barriers Act of 1968 through the creation and subsequent reinforcement of the Architectural and Transportation Barriers Compliance Board, we have not been successful in fostering close cooperation between GSA and the other agencies responsible with the Board to assure that the space they build or lease is fully accessible to handicapped persons. Mr. President, as a result, we have in this bill provided for the first time a bridge to connect all the authorities in federal law which pertain to the removal of architectural barriers. Through this connection, the Committee intends to remedy the lack of cooperative effort and provide that the law will be more stringently adhered to.

Standards of accessibility—the ANSI standards—were first recommended for federal government use in 1961. The Architectural Barriers Act was enacted in 1968. Yet the government has continued to build and lease inaccessible space. The record of adherence and enforcement has been at best uneven. Yet federal law has required accessibility for the last 12 years. We are not then, in this bill, creating a wholly new requirement. We are not requiring massive expenditures of funds. We are merely trying to bring some order to the chaos of uneven application and enforcement of the several statutes now in place through coordination and a cooperative process.

Mr. President, through the language of section 307, the Committee wants one thing to be clear: The federal government should not, ever again, permit a building built at taxpayers expense that is not accessible to all the people, no matter how severe their mobility impairment. I wish to stress again that this will not require massive new expenditures. Experts in this matter estimate that the cost added to a building to make it fully accessible is perhaps no more than one half of one percent. What is needed then to assure full access is a thoughtful application of good sense and a practicality in design stages which is then carried uniformly through the construction phase in order to assure that all the people will be able to enter, use, and be employed in federal buildings despite their mobility impairment.

Mr. President, the original Rehabilitation Act prohibited those who receive federal funds or do business with the government to discriminate against any otherwise qualified individual solely on the basis of a handicapping condition. In 1978, the Congress wisely applied that law explicitly and directly to the agencies themselves. This has required them to look more closely at the buildings and facilities that they occupy to assure that, by the lack of physical access they are not denying services unlawfully to individuals with mobility impairments. In order to meet that requirement, this bill, and the earlier regulatory requirements, section 307 provides the presumption that if the agencies meet the requirements of this section, they will have met the physical access requirements under the Rehabilitation Act with respect to their own programs and facilities. This will preclude the need for the issuance of two sets of regulations, as well as assure that there is complete coordination between that law and this provision. A particularly crucial point if the spirit and intent and letter of this section is to be adhered to.

Mr. President, in the case of leased space, section 307 no longer permits an agency to waive the accessibility standards that it has in force for a particular building; a particular kind of building; or a particular group of buildings. This authority to waive the use of any standard of access as a matter of convenience has been the cause for much of the mischief in the law to date. An agency still may modify the access standard used in a building, but it may only do so in a building that is leased or in one which is being built which has some peculiarity in structure or site that may require it. It may seek that modification only in advance from the Board and it must be fully justified before it can be approved. While the bill sets a timetable for decreasing the number of federal employees working in leased space, when that process is completed, leased space will still make up a significant portion of the government's space inventory. The bill contemplates that leased space should meet as stringent a requirement as for any that are built under the authority provided in this bill. The modification procedure is provided because the Committee is cognizant that such a goal may not be attainable in every case. But I wish to stress that the modification process should only be employed when there is no demonstrable alternative.

Mr. President, there has been criticism of late that perhaps the handicapped individuals of this Nation ask too much, that they are confusing "rights" with "privileges", and that it is becoming too expensive not to make the distinction. It is my opinion, and one which I hope my colleagues share, that this section provides nothing more to handicapped persons than a basic right; the ability to treat with the agencies of the federal government on an equal basis with their nonhandicapped peers. It is important to have the federal government lead the way in making our mobility impaired citizens as much a part of the rhythm and pattern of normal life. This bill will help do that because it will bring uniformity and consistency to the accessibility of public buildings. That does not require more than an ordinary effort on our part. The fact that handicapped individuals are willing to make an extraordinary effort to lead an ordinary life in a society that often designs ways to frustrate their efforts should serve as an incentive for us to make that ordinary—and relatively inexpensive—effort. Providing a more coherent plan to allow the mobility impaired to enter, use and be employed in public buildings is a step in the right direction.

Mr. President, many Senators and their

able staffs were of great help to me in the formulation and drafting of section 307. They include the distinguished Chairman, Senator Randolph, the Majority Whip, Senator Cranston, as well as Senator Moynihan. I thank them all for their efforts and their concern. I hope that the efforts they lent to this will lead to a more accessible nation. That is my hope and the reason section 307 is included in this bill.

S. 533

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Buildings Act of 1981."

SEC. 2. It is hereby declared to be the policy of the Congress that the public buildings of the United States Government shall be located, designed, furnished, and maintained so as to insure the highest productivity and efficiency of Federal agencies and their employees and, further, to provide Government services throughout the United States in locations convenient to the people, to preserve and advance the Nation's legacy of architectural excellence, and to enhance commercial and cultural conditions in the vicinity of public buildings.

TITLE I—GENERAL AUTHORITIES

SEC. 101. The Administrator of General Services, acting through the Public Buildings Service, in conformance with the policies and provisions of this Act, shall have sole authority to acquire, design, construct, lease, manage, maintain, repair, renovate, and assign and reassign space in, buildings and sites to meet the public buildings needs of the Government.

SEC. 102. There is hereby established in the General Services Administration a Public Buildings Service. There shall be at the head of the Public Buildings Service a Commissioner of Public Buildings who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule (5 U.S.C. 5332).

SEC. 103. There shall be within the Public Buildings Service a Supervising Architect who shall be appointed by the Administrator of General Services and shall be compensated at the rate provided for level V of the Executive Schedule (5 U.S.C. 5332). The Supervising Architect shall supervise all design activities of the Public Buildings Service and shall perform such other duties as the Commissioner of Public Buildings may designate.

SEC. 104. Any authorities described in section 101 of this Act that have been delegated by the Administrator to another Federal agency prior to the date of enactment of this Act shall be revoked and vested in the Administrator on the one-hundred-and-twentieth day after the effective date of this Act unless, prior to said day, the Administrator has delegated such authority in accordance with section 105 of this Act.

SEC. 105. Notwithstanding the provisions of section 205 of the Federal Property and Administrative Services Act of 1949, as amended, the Administrator may delegate all or a portion of his authorities under this Act to the head of another Federal agency, but only with respect to the public buildings needs of that agency.

SEC. 106. The head of any Federal agency delegated authorities pursuant to section 105 of this Act, shall exercise those authorities in conformance with the provisions of this Act; however, the head of any such agency shall not submit the report required in section 107 but shall submit the information required in section 107 to the Administrator for inclusion in his records and reports.

SEC. 107. (a) The Administrator shall submit a report to the Congress on or before February 1 of each year describing activities undertaken, directly by him, or under authorities delegated pursuant to section 105 of this Act, to meet the public buildings needs of Federal agencies in the preceding fiscal year. Such report shall include, but is not limited to—

(1) an inventory of all public buildings, including for each building its location and the amount of space and number of employees assigned to each Federal agency;

(2) an inventory of locations of Federal agency offices in leased buildings, including for each leased location its annual leasing costs, total expected leasing costs over the remaining term of the lease, and the amount of space and number of employees assigned to each Federal agency;

(3) a list of all construction and renovation projects completed and in progress and the degree of progress toward the completion of each;

(4) a list of all leases and lease renewals executed;

(5) a list of construction, acquisition, and renovation projects the cost of which have exceeded, or are expected to exceed, the maximum cost set forth in any annual authorization under this Act, whether or not such projects meet the criteria established in section 803 of this Act;

(6) a list of all delegations of authority made by the Administrator pursuant to section 105 of this Act;

(7) a report on activities undertaken pursuant to—

(A) titles IV and V of this Act;

(B) section 210(a)(6) of the Federal Property and Administrative Services Act of 1949, as amended, or by transfer of funds from any Federal agency; and

(8) a discussion of achievements and problems in carrying out provisions of this Act and in meeting the public buildings needs of the Government.

(b) The Administrator shall collect and maintain such information as may be necessary to keep the Congress fully and currently informed of the conduct of the Public Buildings Service and to manage activities required under the provisions of this Act. Within one year after enactment of this Act, the Administrator shall assure that information is available on—

(1) for each public or leased building—

(A) the amount of vacant space,

(B) the amount of space leased under section 102 of the Public Buildings Cooperative Use Act of 1976, as amended,

(C) building operations costs,

(D) income derived for the Federal Buildings Fund,

(E) needed repairs and renovation,

(F) energy consumed,

(G) whether it is fully accessible to handicapped persons,

(H) the percent of the building leased by the Government,

(I) the total amount of funds that have been expended in improvements or alterations to each leased building, and

(J) the term of any leases in effect and their expiration dates.

(2)(A) All contracts in effect for architectural, engineering, construction, maintenance, protection, research and other services, including for each the name of the contractor, the services performed, and contract term and price, and

(B) the space utilization rate for each Federal agency.

SEC. 108. (a) The Administrator shall require, prior to executing any lease or other contract which would obligate funds in excess of $10,000 authorized pursuant to this Act, a certification from the owner of the space to be leased or the contractor. Any owner or contractor who fails to complete such certification required under this subsection shall not be eligible to receive a lease or contract award. Such certification shall include, but need not be limited to, statements, declaring under penalty of law provided under 18 U.S.C. 1001 or elsewhere, that such owner or contractor, or any of his officers or principal employees:

(1) has no business or employment relationship or interest or holding which constitutes a conflict of interest with his capacity as a lessor or contractor with the United States;

(2) has not offered or promised anything of value to a public official with the intent to influence any official act or to induce the official to perform, or to omit to perform, any act in violation of his lawful duties or to offer or give anything of value to a public official for performing an official act;

(3) has not been debarred or suspended from the award of public contracts;

(4) has not had a public contract terminated for default;

(5) has not been convicted, within ten years prior to the date of the solicitation, of, or is not currently under indictment for or otherwise charged with:

(A) a criminal offense incident to obtaining or attempting to obtain a public (Federal, State, or municipal) or private, contract or subcontract thereunder, or in the performance of such a contract or subcontract;

(B) a violation of the Organized Crime Control Act of 1970;

(C) a violation of Federal antitrust statutes arising out of the submission of bids or proposals or;

(D) embezzlement, theft, forgery, bribery, falsification or destruction of records, fraud, tax fraud, receiving stolen property, or equivalent crimes which are indicative of a lack of business integrity.

(b) The Administrator shall provide in the annual report required under section 107(a) of this Act, the name of each principal owner of each building or other space leased pursuant to section 803(3)(A) during the fiscal year covered by the report.

SEC. 109. (a) The Administrator shall keep the Congress fully and currently informed of policies and activities of the General Services Administration within the purview of this Act. In addition, he shall make available to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives on request, and in such manner as may be necessary to safeguard individual rights or the conduct of criminal investigations, any document, material, information, or report under his jurisdiction.

(b) Such reports as are required to be transmitted to appropriate committees of the Congress by the Administrator in accordance with sections 5(b) and 5(d) of Public Law 95–452 that pertain to problems, abuses, or deficiencies arising under this Act, shall be transmitted simultaneously to the Committee on Environment and Public Works and Transportation of the House of Representatives.

SEC. 110. (a) The Administrator shall be responsible for the interpretation of all contracts entered into on behalf of the United States Government to carry out the purposes of this Act, and shall be responsible for the approval of materials, workmanship, and services supplied pursuant to such contracts, approval of changes in contracts, certification of vouchers for payments due contractors, and final settlements.

SEC. 111. Nothing in this Act shall be construed to affect the authorities granted in section 403f, 403g, and 403j of title 50, United States Code.

SEC. 112. The General Services Administration shall furnish to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives by April 30, 1982, a survey report de-

scribing all of the steam generating units it owns or operates with a heat input rate of 50 million Btu/hr or greater. The report will include for each facility:

(1) description of the proposed facility after fuel substitution (i.e., number of units, name plate capacity, fuel choice);

(2) the estimated total cost of conversion or replacement to coal;

(3) the oil and gas savings which would result from such a conversion or replacement;

(4) the net annual fuel cost savings which would result from such a conversion or replacement;

(5) the project payback period using accepted life cycle costing procedures.

The report shall also include proposed funding schedules for conversions and replacements that could be undertaken immediately.

SEC. 113. As used in this Act—

(1) The term "Administrator" means the Administrator of General Services.

(2) The term "Federal agency" means any department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation, and any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and activities under his direction).

(3) The term "office" means any organizational component of a Federal agency or other public or private enterprise and also means the physical space in which the work of the component is conducted, including, but not limited to clerical offices, laboratories, warehouses, industrial plants, and garages.

(4) The term "officers and employees of the Government" means all persons included under sections 2104 and 2105 of title 5 of the United States Code.

(5) The term "locality" means a city, county, town, parish, village, or other area governed by a general purpose political subdivision of a State.

(6) The term "acquire" or "acquisition" includes purchase, payment for an option to purchase, condemnation, donation, and exchanges of real property, or interests therein, excluding leaseholds.

(7) The term "renovation" means alteration, addition, partial demolition, and other such actions that significantly enhance or change the use or architectural design of a public building.

(8) The term "historic, architectural, or cultural significance" includes, but is not limited to buildings listed or eligible to be listed on the National Register established under section 101 of the Act of October 15, 1966 (16 U.S.C. 470a).

(9) The term "handicapped person" includes any individual with a physical impairment that precludes such person's use of a building to the same extent as an individual with unimpaired mobility.

(10) The term "fully accessible" means the absence or elimination of physical and communications barriers to the ingress, egress, movement throughout, and use of a building by handicapped persons and the incorporation of the most scientifically advanced research, technology and equipment to assure access to a building by handicapped persons and, in a building of historic, architectural, or cultural significance, the elimination of such barriers and the incorporation of such research, technology, and equipment in such a manner as to be compatible with the significant architectural features of the building to the maximum extent possible.

(11) The term "public building" means any building along with its grounds, approaches, and appurtenances, owned by the United States Government or the subject of a contractual or other agreement under which it may be owned by the United States Government at some certain date in the future, that accommodates, did accommodate, or is intended to accommodate Federal agency offices, and includes, but is not limited to office buildings, courthouses, research and academic centers, border stations, garages and warehouses, and any other building or construction project the inclusion of which the President may deem to be in the public interest, but does not include buildings or installations of the United States Postal Service, except as provided for under section 2002(d) of the Postal Reorganization Act, or buildings or installations of the Tennessee Valley Authority, or buildings of the Government Printing Office, or buildings: on the public domain (including that reserved for national forests and other purposes), on properties of the United States in foreign countries, on Indian and native Eskimo properties held in trust by the United States, on lands used in connection with Federal programs for agricultural, recreational, and conservation purposes, on or used in connection with river, harbor, flood control, reclamation or power projects, chemical manufacturing or developing projects, or for nuclear production, research, or development projects, on military installations (including any fort, post, airbase, proving ground, supply depot, school or similar facility of the Department of Defense), on Veterans' Administration installations used for hospital, nursing home, or domiciliary purposes, on or used in connection with housing and residential projects, or on the United States Capitol grounds delineated in section 193(a) of title 40, United States Code.

(12) The term "public buildings needs" means the requirements of Federal agencies for suitable space, whether or not in a Government-owned building, to accommodate offices that may be located in a public building as defined in subsection (11) of this section, and includes requirements for space in accordance with section 102 of the Public Buildings Cooperative Use Act of 1976, as amended.

(13) The term "National Capital region" has the same meaning that it bears in section 71(b) of title 40, United States Code.

SEC. 114. The Public Buildings Act of 1959, as amended, is repealed.

TITLE II—LOCATIONS FOR FEDERAL AGENCY OFFICES

SEC. 201. (a) The headquarters offices of each department and major independent establishment in the executive branch shall be located within the National Capital region in conformance with the comprehensive plan prepared and adopted pursuant to the National Capital Planning Act of 1952, as amended, unless otherwise specified by Act of Congress.

(b) Regional, district, area, or local offices of Federal agencies shall be located so as to be centrally located with respect to, in proximity to, or within easy transportation access of, residential populations they serve or other governmental and private offices with which they must maintain continuing and frequent physical communication.

(c) Federal agency offices other than those that are located pursuant to subsection (a) or (b) of this section, or that otherwise must be located close to specific governmental or private offices or in specific geographic locations in order effectively to carry out their responsibilities, shall be located throughout the United States generally in proportion to the geographic distribution of the Nation's population.

SEC. 202. After conforming with section 201, the Administrator shall, in consultation with local officials, take into account the following factors in locating Federal agency offices—

(1) in the case of any office located in a standard metropolitan statistical area, the feasibility and desirability of a location in the central business district of a city within that area;

(2) the proximity of existing or planned public transportation facilities;

(3) the proximity of public amenities and commercial facilities;

(4) the availability, nearby or within reasonable public transportation commuting distance, of existing or planned housing adequate to the needs of present and prospective Federal employees and available on a nondiscriminatory basis.

SEC. 203. In responding to the public buildings needs of Federal agencies and in planning for future such needs, the Administrator shall first comply with sections 201 and 202 and shall—

(1) review needs to determine if they can be met in whole or in part through more productive use of existing space;

(2) prior to acquiring, constructing, or leasing space in any other building, locate Federal agency offices in—

(A) existing public buildings, giving first priority to utilizing fully, by renovating if need be, those public buildings of historic, architectural, or cultural significance; and if public building space is not available, then,

(B) in buildings of historic, architectural, or cultural significance acquired by the Administrator, and renovated if need be, unless use of such space would not prove feasible and prudent, taking into account cost expected date of occupancy, and the potential for the conservation of energy, compared with construction of a public building, and if such building space is not available, then

(C) in existing buildings acquired by the Administrator and renovated if need be, or in new buildings constructed by the Administrator under the provisions of this Act, and if such building space cannot be made available in time to meet urgent public buildings needs, then,

(D) in building space leased by the Administrator in accordance with the provisions of title VII of this Act, giving first priority to leasing space in buildings, of historic, architectural, or cultural significance.

SEC. 204. Federal agency offices in a locality may be consolidated to the extent justified by the need for immediate physical proximity—

(A) first, within and among the offices of a single Federal agency,

(B) second, within and among the offices of Federal agencies carrying out related functions, and

(C) third, within and among other Federal agency offices, and

generally so that resulting public buildings needs may, to the maximum extent possible, be met by using existing public buildings, by constructing or acquiring buildings similar in scale to buildings predominating or planned for their surroundings, or by acquiring two or more reasonably proximate buildings, particularly buildings of historic, architectural, or cultural significance.

SEC. 205. (a) In the event that the head of a Federal agency determines that the location assigned to any office of fifty or more employees of that agency by the Administrator would be deleterious to the efficient accomplishment of the office's responsibilities, the agency head may appeal the decision of the Administrator to the Director of the Office of Management and Budget. The Director shall review the Administrator's decision within thirty days in accordance with the provisions of this title, and shall nullify the decision only if the Director finds the Administrator's decision not reasonably supported by the facts. The Director shall report the findings of any review undertaken pursuant to this section within ten days to the Committee on Environment and Public Works of the Senate and the Committee on

Public Works and Transportation of the House of Representatives.

(b) Notwithstanding the provisions of subsection (a) of this section, in the event that the Director of the Administrative Office of the United States Court determines that the location assigned to an office of the judicial branch by the Administrator would be deleterious to the efficient accomplishment of the office's responsibilities, the Director shall report such determination to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives.

SEC. 206. (a) Nothing in this Act shall be construed to require the relocation of any Federal agency office from its location on the date of enactment of this Act.

(b) Any action to locate or relocate any Federal agency office subsequent to the date of enactment of this Act shall be undertaken in conformance with the provisions of this Act.

TITLE III—DESIGN AND MANAGEMENT OF PUBLIC BUILDINGS

SEC. 301. The Administrator shall design and maintain public buildings in such manner that they bear visual testimony to the dignity, enterprise, vigor, and stability of the American Government, embody the finest contemporary American architectural thought, and where appropriate, reflect regional architectural traditions.

SEC. 302. Except as provided in section 303, public buildings shall be of such design and construction as to approximate commercial buildings of the first quality that serve similar purposes.

SEC. 303. Whenever the Administrator designs and constructs—

(1) a general purpose office building expected to attract significant public use in any locality that serves as a center of its geographical region or area, or

(2) a headquarters building for any Federal agency,

such public building shall be designed and constructed to higher standards of quality than that provided for in section 302 of this Act and such design and construction shall symbolize the dignity of the United States Government through the quality or scale of some or all of its architectural details, internal and external materials, public entrances, corridors, rooms, lobbies, and courtyards: *Provided*, That this section shall not apply to public buildings described in clause (1) of this section whenever the Administrator determines that there already exists in the locality a public building of the quality described in this section.

SEC. 304. In the design, construction, acquisition, renovation, and management of public buildings, the Administrator shall assure that, to the maximum extent possible, such buildings—

(1) conform to or complement the scale of existing or planned surrounding buildings;

(2) conserve energy;

(3) provide efficient and attractive interiors, including public reception areas;

(4) provide sufficient parking space for Government motor vehicles, visitors, and handicapped employees, and such other parking space for employee vehicles as is consistent with a general policy or transportation efficiency; and

(5) contain architectural details and hardware that are an integral part of the structure or fixtures and that are designed and fabricated so as to enhance the function and appearance of the public building and to reflect regional architectural traditions or Federal agency functions. Artisans and craftsmen expert in the creative use of such materials as stone, brick, metal, wood, and stained glass may be employed to carry out the purposes of this paragraph. To the extent that items designed and fabricated pursuant to this paragraph exceed the ordinary cost of such items, funds allocated pursuant to section 503(c) of this Act may be used to defray the additional cost.

SEC. 305. The Administrator shall provide for employees and visitors, sheltered and secure locations and equipment for parking bicycles at public buildings and leased buildings, and may also provide suitable support facilities.

SEC. 306. (a) Public buildings shall be maintained at all times at a high level of appearance, cleanliness, and mechanical and structural fitness so as to maintain the dignified appearance of Federal offices and the health, safety, and efficiency of Federal employees, and to minimize major repair and replacement expenditures.

(b) Each public building shall be maintained and renovated so as to promote efficient Federal agency and public use and to preserve those portions or features that are significant to the building's historic, architectural, or cultural values.

SEC. 307. (a) Notwithstanding any provision of the Act of August 12, 1968, as amended, commonly known and hereinafter referred to as the Architectural Barriers Act of 1968, and of section 502 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 792)—

(1) in order to assure consistency in the application of the minimum guidelines and requirements established by the Architectural and Transportation Barriers Compliance Board (hereinafter referred to as "the Board") pursuant to section 502(b)(7) of such Rehabilitation Act, the standards described in sections 2, 3, 4, and 4a of the Architectural Barriers Act of 1968 shall, after compliance with the applicable provisions regarding rule making procedures of subchapter 5, title V, United States Code, be submitted by the head of the Federal agency concerned to the Board as proposed standards not later than one hundred and eighty days after the date of the enactment of this Act, and such proposed standards shall become final on the ninetieth day after they are so submitted unless the Board—

(A) issues an order approving such standards prior to the ninetieth day in which case they shall become final on the day approved and be published immediately as final standards in the Federal Register by such Federal agency head;

(B) issues an order disapproving such standards with a specification of reasons for such action and recommendations for appropriate revisions in order to assure consistency with such guidelines and requirements, in which case the standards shall become final at the time such Federal agency head publishes them in the Federal Register as final standards (not later than ninety days after the Board action) with a specification of the grounds for rejection of any of the Board's reasons and recommendations, or

(C) issues an order approving such standards with revisions in order to assure consistency with such guidelines and requirements, with a specification of the reasons for such action, in which case such Federal agency head shall immediately publish such revised standards in the Federal Register as final standards;

(2) no action may be taken under section 6 of the Architectural Barriers Act of 1968 to modify or waive a standard issue under such Act unless in the case of a modification—

(A) such modification pertains to (i) a building to be leased, or (ii) a building to be constructed, altered, or acquired and the need for such modification was not reasonably foreseeable when the design for such building was approved; or

(B) the Board has (i) received prior notification of such proposed modification, and (ii) made a determination that the Federal agency concerned has established and is implementing the system of surveys and investigations required by section 6(2) of such Act;

(3) the adherence by any Federal agency to any standard prescribed pursuant to the Architectural Barriers Act of 1968 and this Act, with respect to any building to which the Architectural Barriers Act of 1968 applies, shall be presumed to satisfy the nondiscrimination obligation of such Federal agency under section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), with respect to the physical accessibility of any program or activity conducted by such Federal agency; and

(4) for the purposes of the Architectural Barriers Act of 1968, the term "physically handicapped persons will have ready access to, and use of, such buildings" means that such building shall be fully accessible to handicapped persons.

After publication of the final standard described in this subsection and after soliciting and considering the results of technology reviews carried out by qualified entities, the Board shall periodically review advances in research, technology, and equipment and advise each Federal agency head concerned of such advances as the Board believes are relevant to implementation or revision of such standards.

(b) Not later than one hundred and eighty days after publication of the final standards described in subsection (a) of this section, the Federal agency head concerned shall prescribe such regulations as may be necessary regarding design, construction, and contracting to assure that all construction, acquisition, and renovation of buildings to which the Architectural Barriers Act of 1968 applies conform to such standards. In the list of completed projects required in section 109(a)(3) of this Act, the Administrator shall include a certification that each such project has been carried out in accordance with such standards.

(c) The annual plan submitted to the Congress by the Administrator in accordance with section 801 of this Act shall include a schedule for making all then existing public buildings conform to the final standards described in subsection (a), and the regulations described in subsection (b), of this section. Such schedule shall include an estimate of the cost of carrying out the plan, and include a list, in priority order, of the projects recommended to be undertaken, in the year for which the anual plan is submitted.

SEC. 308. (a) The Administrator is authorized, pursuant to subsection (b) of this section, and upon the request of appropriate local and State officials, to name any public building after, and establish a memorial in any public building in honor of, any person who has made notable contributions to government, science, industry, education, the arts, or other fields of human endeavor. Such person, if living, must be at least seventy years of age and, except within the National Capital Region, must be from the region of the country in which the building is located. No public building shall be named for a sitting Member of Congress or for a former Member of Congress who holds any other elective public office.

(b) The Administrator is authorized to expend, out of any funds available to him in any fiscal year, an amount equal to but no greater than contributions provided by State or local governments or private entities or individuals, and in no event greater than the sum of $10,000, for the design and construction of a memorial to a person designated pursuant to subsection (a) of this section, or designated by an Act of Congress.

(c) The Administrator, in consultation with appropriate local and State officials and other interested citizens, shall determine the form and location of such memorials. The memorials shall be fountains, gardens, walks,

stained glass windows, or other building appurtenances visable and accessible to visitors, and in harmony with the architectural and landscape design of such building. The Administrator shall provide the highest level of permanent maintenance for such memorials.

(d) The administrator may conduct a competition to select a designer for the memorial authorized by this subsection. Such competition shall be open to landscape and other architects, artists, artisans, and designers.

TITLE IV—MIXED USE AND ADAPTIVE USE IN PUBLIC BUILDINGS

SEC. 401. This title may be cited as the "Public Buildings Cooperative Use Act Amendments of 1981".

SEC. 402. (a) Section 102(a)(2) of the Public Buildings Cooperative Use Act of 1976 is amended to read as follows:

"(2) encourage the location of commercial, cultural, educational, and recreational activities as tenants primarily on major pedestrian access levels, courtyards, and rooftops of public buildings, and design, construct and lease space suitable for such activities: *Provided*, That the amount of space so leased in any public building—

"(A) shall be determined by the Administrator after undertaking studies to determine the market or need for such activities in the interest of promoting commercial or cultural activity in the vicinity of the building or serving the employees and visitors in the building; and

"(B) shall not exceed 15 per centum of the occupiable space in the public building, except in instances where the Administrator shall determine that exceptional local commercial, cultural or educational needs or opportunities justify the leasing of a greater amount of space;"

SEC. 402. (b) Section 102(a)(4) of the Public Buildings Cooperative Use Act of 1976 is amended to read as follows:

"(4) encourage the public use of public buildings for occasional cultural, educational, and recreational activities and design, construct, and maintain space and equipment in public buildings suitable for such activities, including activities described in section 503(a) of the Public Buildings Act of 1981."

SEC. 403. Section 103 of the Public Buildings Cooperative Use Act of 1976 is revealed and sections 104 and 105 are redesignated as sections 103 and 104, respectively.

SEC. 404. Section 103(a) of the Public Buildings Cooperative Use Act of 1976 as amended, and the first sentence of section 210(a)(16) of the Federal Property and Administrative Services Act of 1949 are amended to read as follows:

"(16) to enter into leases of space in public buildings, in accordance with section 102(a)(2) of the Public Buildings Cooperative Use Act of 1976, as amended, with persons, firms, or organizations engaged in commercial, cultural, educational, or recreational activities (as defined in section 104 of the Public Buildings Cooperative Use Act of 1976, as amended).

SEC. 405. Section 104 of the Public Buildings Cooperative Use Act of 1976 as amended is amended by striking paragraph (2) and inserting in lieu thereof the following:

"(2) The terms 'public building' and 'Federal agency' have the same meaning as are given them in Section 113 of the Public Buildings Act of 1981.".

TITLE V—EXHIBITIONS AND WORKS OF ART

SEC. 501. This title may be cited as the "Federal Buildings Enhancement Act of 1981".

SEC. 502. (a) The Congress hereby finds and declares that—

(1) the efficient use of Federal buildings can be increased, and public satisfaction with Federal buildings will be improved, by insuring that such buildings not only provide a congenial work environment but also function attractively for public service;

(2) Federal buildings should enrich the social, commercial, and cultural resources of the communities they serve; and

(3) Federal buildings will be enhanced by temporary exhibitions of art works and of the Nation's cultural heritage, as well as by suitable permanent works of art incorporated as an integral part of the architecture of Federal buildings.

(b) It is, therefore, the policy of the Congress to encourage and secure Federal building design which is distinguished, which expresses the dignity, enterprise, and stability of the American Government, and which enriches the quality of life in the communities served by such buildings. It is the purpose of this Act to contribute to such design by incorporating permanent installations of suitable works of art into Federal buildings. It is the further purpose of this Act to enhance existing Federal buildings by providing for temporary exhibitions of art and history to be circulated among Federal buildings.

SEC. 503. (a)(1) The Administrator, with the advice and assistance of the Chairman of the National Endowment for the Arts, shall acquire by loan, or by lease at nominal fees, works of art by living American artists. Works of art loaned or leased under this subsection shall be organized into exhibitions and circulated by the Administrator among Federal buildings throughout the United States. Such works of art shall be selected from artists representative of the different regions of the United States and its territories, and shall include diverse media.

(2) The Administrator, in conjunction with the Secretary of the Smithsonian Institution, and with other not-for-profit traveling exhibition services shall utilize existing exhibitions and develop new exhibitions which reflect the artistic, cultural, social, scientific, and industrial heritage of the United States or the continuing development of the Nation's art, culture, society, science, and industry.

(A) The Administrator shall circulate and show exhibitions developed under this subsection in Federal buildings throughout the United States. Preference shall be given to Federal buildings in communities that otherwise do not have convenient access to museums of art and history.

(B) The Administrator shall reimburse the Smithsonian Institution and other traveling services an amount not less than the cost to the Institution or to such other services of carrying out the provisions of this subsection.

(b)(1) The Administrator, with the advice and assistance of the Chairman acting in cooperation with the appropriate arts agencies at State and local levels, shall commission suitable works of art by American artists to be purchased and installed in Federal buildings or temporarily installed in leased buildings. The preliminary planning and design of each new Federal building shall include planning for such commissions, which may include a variety of compatible works. The Administrator shall insure that Federal buildings selected for the installation of such commissioned works of art are equitably distributed within the United States and its territories, and shall consider a diversity of artistic media in commissioning such works of art. The Administrator shall provide for necessary services to keep and preserve such works of art in a state of high quality.

(2) Whenever the Administrator commissions a work of art for a new Federal building pursuant to paragraph (1) of this subsection, he shall instruct that such work shall be an integral part of the architectural design. In the case of an existing public or leased building, such work shall be appropriate to the setting and space available. The administrator shall seek to avoid the development of an official style either in architecture or associated works of art. Federal commissions should give expression to the vitality and diversity of American life.

(3) In carrying out the provisions of this subsection, the Administrator, with the advice and assistance of the Chairman acting in consultation with the appropriate arts agencies at State and local levels, shall establish such procedures as may be necessary to commission suitable works of art, with or without competition, and shall give full consideration to the participation of local artists.

(c)(1) For the purpose of this section, the Administrator is authorized to utilize one-half of 1 per centum of the total sums available in fiscal year 1982 and each fiscal year thereafter for the design, construction, repair, renovation, alteration, and acquisition of public buildings, and one-twentieth of 1 per centum of the sums available for the lease of buildings.

(2) Funds available under this subsection shall be available, without fiscal year limitation, to the Administrator for the purposes set forth in subsections (a) and (b) of this section, and in subsection 304(5); *Provided*, That not to exceed 25 per centum of such funds shall be expended for purposes set forth in subsection (a) of this section, not to exceed 50 per centum of such funds shall be expended for purposes set forth in subsection (b) of this section, and not to exceed 25 per centum of such funds shall be expended for purposes set forth in subsection 304(5).

(d) For the purpose of this title—

"(1) the term 'Federal buildings' means public or leased buildings, under the jurisdiction of the Administrator of General Services, that attract, or are expected to attract, significant public use;

"(2) the term 'Chairman' means the Chairman of the National Endowment for the Arts; and

"(3) the term 'works of art' includes, but is not limited to, paintings, sculptures, crafts, works on paper, and environmental works.".

TITLE VI—ARCHITECTURAL SERVICES

SEC. 601. The Administrator shall employ professionally trained architects, engineers, landscape architects, interior and graphic designers, and urban planners to prepare, under the supervision of the Supervising Architect, plans, drawings, and specifications for such public building construction and renovation projects as the Commissioner of Public Buildings may designate, but in any case to provide the kind and number of projects necessary annually to enable such employees to utilize their professional skills and training.

SEC. 602. (a) Those architectural designs not prepared pursuant to section 601 shall be procured in accordance with title IX of the Federal Property and Administrative Services Act of 1949, as amended, and, with respect to at least half of the public building construction and renovation projects expected to cost no less than $5,000,000 each year, the Administrator shall conduct a design competition among no fewer than three qualified architectural firms.

(b) The Administrator shall indicate each year, in the program submitted pursuant to section 801 of this Act, on which public building construction and renovation projects he proposes to conduct design competitions. The projects selected shall reflect a mixture of large and small projects to the extent possible.

(c) With respect to a significant portion of the competitions conducted each year, the competitions shall last no longer than sixty days from the date the Administrator provides the firms with a competition program and the competitions shall elicit from each firm preliminary design concepts only.

(d) The Administrator shall negotiate first with the firm judged at the conclusion of each competition to have demonstrated the best design approach to the project. The Administrator shall make public and provide to the competing firms at the time a selection is announced under any of the provisions of this section, a brief report describing the reasons for the selection made.

(e) The Administrator shall provide, in total stipends or prizes to all firms that take part in any one competition conducted under this section, a sum equal to no more than one-half of one percent of the expected cost of the design and construction of the project, and shall conduct each competition under such rules and procedures as will assure that fair compensation for work required from the firms does not exceed that amount.

(f) The Administrator is authorized to acquire the services of privately employed architects, engineers, and other citizens on a temporary basis to serve on panels to assist in selecting and judging architectural firms under the provisions of this section. Persons so employed shall not be considered special Government employees under the provisions of section 201(a) of the Ethics in Government Act of 1968.

TITLE VII—LEASING

SEC. 701. It is the policy of the United States to house offices of officers and employees of the Government in public buildings and space shall be leased primarily to accommodate the emergency or temporary requirements of the Government, to provide space in locations where the size of Government activities does not warrant providing a public building, and to take account of temporary economic conditions that render infeasible or disadvantageous to the Government construction or acquisition of necessary public building space.

SEC. 702. Any other provision of this Act notwithstanding, the annual plan submitted to Congress by the Administrator in accordance with section 801 of this Act, shall assure that—

(1) within ten years of the date of enactment of this Act, no fewer than 60 per centum of the officers and employees of the Government whose offices are provided under this Act shall have their principal offices in public buildings;

(2) within twenty years of the date of enactment of this Act, no fewer than 75 per centum of the officers and employees of the Government whose offices are provided under this Act shall have their principal offices in public buildings;

(3) to the maximum extent possible, the percentages of officers and employees of the Government provided offices in leased space and public building space are achieved uniformly throughout the Nation, provided that, in achieving those percentages, the Administrator shall take into account comparative local vacancy and rental rates for office space and other market conditions in such manner as to maximize the economic benefit to the Federal Government and to localities throughout the Nation.

SEC. 703. (a) Notwithstanding the provisions of section 210(h)(1) of the Federal Property and Administrative Service Act of 1949, the Administrator shall not make any agreement or undertake any commitment that will cause the construction of any building other than a government-owned unless before so agreeing or undertaking—

(1) the Administrator establishes specifications for the building identical to the criteria established pursuant to section 302 of this Act for the construction of public buildings; and

(2) the Administrator secures the option to purchase the building at any time during or at the conclusion of the lease term; and

(3) the Administrator has conformed with the provisions of section 706 of this Act.

(b) The Administrator shall inspect every building to be constructed for lease to, and predominant use by, the United States during the construction of such building in order to determine that the specifications established for such building are complied with.

(c) Upon completion of a building constructed for lease to, and predominant use by, the United States, the Administrator shall evaluate the building for the purpose of determining the extent, if any, of failure to comply with the specifications established for the building. The Administrator shall insure that any contract entered into for such a building shall contain provisions permitting the reduction of rent during any period when the building is not in compliance with the specifications.

SEC. 704. No space shall henceforth be leased to accommodate, except as may be necessary to meet temporary and urgent requirements that cannot be met in public buildings—

(1) major computer operations;

(2) offices that conduct secure or sensitive activities related to the national defense or security, except to the extent that it would be inappropriate to locate such offices in public buildings or in other facilities identified with the United States Government;

(3) offices, the nature of which would require major alterations in the structure or mechanical systems of the building to be leased; or

(4) permanent courtrooms, judicial chambers, or administrative offices for any United States court.

SEC. 705. (a) For the purposes of this Act, sections 321 and 322 of the Act entitled "An Act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes" approved June 30, 1932, shall not apply.

(b) No lease may be negotiated for a rental exceeding the current commercial rates and charges for space and services of nearest comparable quality in that locality.

SEC. 706. (a) The Administrator shall publicly solicit competitive bids to procure space by lease for the Government. Each such solicitation shall specify any special requirements of building design, configuration, or location.

(b) In evaluating competing bids, the Administrator shall take into account proposed rental costs and services offered, overall quality and safety of the buildings, energy efficiency, and their relative conformity to the requirements of titles II and III of this Act.

(c) No option to purchase a building shall be paid for unless the payment for such option is made separately from any lease payment and unless such payment has first been authorized under the provisions of title VIII of this Act.

SEC. 707. The Administrator shall provide a copy of the lease agreement between the Government and the owner of each leased building, and subsequent additions or revisions to the lease agreement, to the highest ranking official in the leased building of each Federal agency occupying space in the building.

TITLE VIII—CONGRESSIONAL AUTHORIZATION

SEC. 801. (a) The Administrator shall submit to the Congress, not later than the fifteenth day after Congress convenes each year, a program for the next succeeding fiscal year of projects and actions which the Administrator deems necessary in carrying out his duties under this Act. Such program shall include but is not limited to—

(1) a five-year plan for accommodating the public building needs of the United States,

(2) a list, in priority order, of construction, renovation, and acquisition projects for which authorization for appropriations are requested for the next succeeding fiscal year, including a description of the project and the number of square feet of space involved,

(3) a list, in priority order, of lease and lease renewals for which authorization for appropriations are requested for the next fiscal year,

(4) a list of all public buildings proposed to be vacated in whole or in part, to be exchanged for other property, or to be disposed of,

(5) a proposed budget for the repair and maintenance of public buildings,

(6) a year by year program and costs to meet the provisions of section 702 of this Act, together with an analysis of costs and savings of alternative programs,

(7) a description of how the projects and leases included in the program, separately and together, conform to the provisions of this Act and the estimated annual and total cost of each project and lease.

(b)(1) The Administrator shall certify in the annual program submitted in accordance with subsection (a) that he has held a public hearing, or afforded the opportunity for such hearing, in the locality or proposed locality of each major construction, renovation, or acquisition project included in the annual program. Such hearing shall consider the economic and social effects of the project, its impact on the environment, its consistency with the goals and objectives of such urban planning as has been promulgated by the community, and its conformance with sections 202, 204, and titles III and IV of this Act: *Provided*, That, only such facts and issues as can reasonably be adduced during the planning and preliminary design of a project shall be considered at such hearing.

(2) The Administrator shall provide, along with each certification, the final environmental impact statement prepared pursuant to the National Environmental Policy Act, and a report which indicates the consideration given to facts and issues concerning the project and various alternatives which were raised during the hearing or which were otherwise considered.

LIMITATIONS ON AUTHORIZATIONS AND APPROPRIATIONS

SEC. 802. (a) No appropriation, including any appropriation from the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, shall be made by the Congress or obligated by the Administrator to carry out the purposes of this Act, unless it has been authorized by the Congress in accordance with this title.

(b) No public building construction, renovation, or acquisition shall be commenced unless an appropriation has first been made for the estimated cost of completion of such construction, renovation, or acquisition in the fiscal year for which such appropriation is authorized. No lease shall be entered into unless an appropriation has first been made for the maximum cost of such lease over its entire term in the fiscal year for which such an appropriation is authorized.

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 803. (a) There is hereby authorized to be appropriated for fiscal year 1982 not to exceed in the aggregate, the amount of $——— from the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended, for the real property management and related activities of the Public Buildings Service of which:

(1) Not to exceed $——— shall be available for fiscal year 1982 as follows:

(A) For construction of additional major public buildings (including funds for sites and expenses) and the acquisition of major existing buildings and sites for public build-

ings at the following locations and at the following maximum construction and acquisition costs:

(B) $——— for construction of minor public buildings of less than twenty-five thousand gross square feet of space and the acquisition of buildings and sites for public buildings of a value of $1,000,000 or less.

(2) Not to exceed $——— shall be available for fiscal year 1982 as follows:

(A) For major renovations and repairs of public buildings at the following locations and at the following maximum project costs:

(B) $——— for minor renovations and repairs of public buildings at project costs of less than $1,000,000;

(C) $——— for major alterations of leased buildings; and

(D) $——— for alterations of leased buildings, the maximum cost to a single building being less than $250,000.

(3) Not to exceed $——— shall be available for fiscal year 1982 as follows:

(A) $——— for new major lease agreements and lease renewals, over the entire term of each lease or renewal, of blocks of space of fifty thousand or more square feet;

(B) $——— for new lease agreements and lease renewals, over the entire term of each lease or renewal, of blocks of space of less than fifty thousand square feet; and

(C) $——— for payments in fiscal year 1982 on leases entered into prior to fiscal year 1982.

(4) Not to exceed $——— shall be available for fiscal year 1982 for obligations to the Treasury under section 902(a) of this Act for the acquisition, construction, or renovation of public buildings (including funds for sites and expenses).

(5) Not to exceed $——— shall be available for fiscal year 1982 for planning and preliminary design of construction, renovation, alteration, and repair projects.

(6) Not to exceed $——— shall be available for fiscal year 1982 for real property operations.

(7) Not to exceed $——— shall be available for fiscal year 1982 for program direction.

(8) Not to exceed $——— shall be available for fiscal year 1982 for payment of principal, interest, taxes and any other obligations for public buildings acquired by purchase contract.

(b) Funds appropriated under subsections (a)(1), (a)(2), (a)(3), and (a)(4) of this section shall remain available for obligation and expenditure without regard to fiscal year limitations: *Provided*, That construction, renovation, or acquisition has been commenced, or lease entered into, pursuant to section 802(b) of this Act.

(c) Ten percent of the funds made available to the Public Buildings Service for renovation, alteration, and repair of public buildings and leased buildings and for execution of lease renewals, pursuant to paragraphs (a)(2) and (3) of this section shall be available for repair or alteration projects and leases, respectively, not otherwise authorized by this Act, if the Administrator certifies that the space to be repaired, altered, or leased resulted from changing or additional programs of Federal agencies not anticipated at the time the program required by section 601 of this Act was submitted. Funds for such projects may not be obligated until thirty days after the submission by the Administrator of an explanatory statement to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives. The explanatory statement shall, among other things include a statement of the reasons why such project or lease cannot be deferred for authorization in the next succeeding fiscal year.

Sec. 804. (a) When the cost of a project exceeds the estimated maximum cost authorized under section 803 of this Act, the Administrator is authorized to either (A) increase expenditures by an amount equal to the percentage increase in the cost of the project, or (B) decrease the number of gross square feet to be constructed in the project. In no event shall the total increase in expenditures authorized by clause (A) of this paragraph exceed 10 per centum of the estimated maximum cost of the project. In no event shall the total decrease in square feet authorized under clause (B) of this paragraph exceed more than 10 per centum of the gross square feet stated in the approved authorization.

(b) If the Administrator determines that the cost of a project exceeds the estimated maximum cost authorized under section 803 of this Act to such an extent that action under subsection (a) of this section is not sufficient to meet such excess cost, the Administrator shall report to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives concerning the project. Such report shall include recommendations by the Administrator as to appropriate action to enable the continuance of the project. The Administrator may not take any action to continue the project, other than the action authorized by subsection (a) of this section, unless such action has been authorized by the Congress in accordance with this title.

TITLE IX—PUBLIC BUILDING FINANCING

Sec. 901. Section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended, is amended by deleting the existing second sentence thereof and inserting the following sentence: "Such rates and charges shall be established for each public building, and for each building containing space leased by the Administrator on behalf of the United States, no more frequently than once each year at a level approximating commercial rates and charges for space and services of comparable quality, but in no case less than the anticipated costs of providing space and services (including amortized construction costs or leasing costs).

Sec. 902. (a) The Administrator is authorized to issue obligations to the Secretary of the Treasury, to the extent and in such amounts as are provided in annual appropriations Acts, in order to obtain funds necessary to finance the acquisition, construction, or renovation of any public building when he determines the best interest of the United States will be served. The Secretary of the Treasury is authorized to purchase such obligations, and for such purpose the Secretary of the Treasury is authorized to use as a public transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under the Second Liberty Bond Act are extended to include such purchases. The repayment of loans made under this section shall be for terms up to thirty years and on such conditions as may be prescribed by the Secretary of the Treasury. In prescribing such terms and conditions, the Secretary of the Treasury shall take into account the useful life of the building for which funds are to be borrowed and shall not require that repayment begin until the building is ready for occupancy. Such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities.

(b) An obligation may be issued under subsection (a) to acquire, construct, or renovate a public building, only if such acquisition, construction, or renovation has been authorized by the Congress, pursuant to title VIII of this Act.

(c) The payment of principal and interest on such obligation issued under subsection (a) shall be payable from the fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949.

Sec. 903. Section 210(f)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(2)) is amended by inserting immediately after "activities" a comma and the following: "and for payments in connection with the financing of the acquisition, construction, or renovation of public buildings as authorized by section 902 of the Public Buildings Act of 1981".

TITLE X—MISCELLANEOUS

Sec. 1001. This Act shall become effective on October 1, 1981.

EXHIBIT 5—PUBLIC BUILDINGS ACT OF 1981

SECTION-BY-SECTION ANALYSIS

Section 2—Declaration of policy:

This section states general policies to be followed in locating, designing, furnishing, and maintaining public buildings of the U.S. Government. The buildings should contribute to the productivity and efficiency of Federal agencies and their employees, private Government services throughout the United States in locations convenient to the people, preserve and advance the Nation's legacy of architectural excellence, and enhance commercial and cultural conditions in the vicinity of public buildings.

Section 101—Public buildings authorities of the Administrator:

Section 101 assigns to the GSA Administrator sole authority to acquire, design, construct, lease, manage, maintain, repair, renovate, and assign and reassign space in buildings and sites to meet the public buildings needs of the Government.

Section 102—Establishment of the Public Buildings Service and Post of Commissioner of Public Buildings:

Section 102 establishes in law the Public Buildings Service within the General Services Administration and designates as head of the PBS a Commissioner of Public Buildings who is to be appointed by the President with the advice and consent of the Senate and compensated at level IV of the Executive Schedule.

Section 103—Establishment of the Post of Supervising Architect:

Section 103 establishes within the Public Buildings Service the position of Supervising Architect primarily to supervise all design activities of the PBS. The Supervising Architect is to be appointed by the Administrator at level V of the Executive Schedule.

Section 104 provides that any authorities described in section 101 of the bill that have been delegated by the Administrator to another Federal agency prior to the date of enactment of this bill are to be revoked and vested in the Administrator on the one-hundred-and-twentieth day after the effective date of the Act unless, prior to that day, the Administrator has delegated the authority in accordance with section 105.

Section 105 provides that notwithstanding section 205 of the Federal Property and Administrative Services Act of 1949, which authorizes the Administrator to delegate his authorities, the Administrator may delegate all or a portion of his authorities under this bill to the head of another Federal agency, but only with respect to the public buildings needs of that agency.

Section 106 provides that the head of any Federal agency delegated authorities under section 105 is to exercise those authorities in conformance with the provisions of this bill. The heads of those agencies are to submit the information required in section 109 to the Administrator for inclusion in his records and reports in lieu of submitting a separate report.

Section 107—Report to the Congress:

Section 107(a) requires the Administrator to submit a report to the Congress on or before February 1 of each year describing activities undertaken, directly by him, or under authorities delegated pursuant to section 105 of the bill, to meet the public buildings needs of Federal agencies in the preceding fiscal year.

Section 107(b) requires the Administrator to collect and maintain such information as may be necessary to keep the Congress informed of the conduct of the Public Buildings Service and to manage activities required under the provisions of the bill.

Section 108—Certification by lessors and contractors:

Subsection (a) requires (for each lease or contract in excess of $10,000) a certification from the owner or contractor. Such certification shall include statements, declaring under penalty of law, that such owner or contractor (1) has no conflict of interest with his capacity as a lessor or contractor, (2) has not offered or accepted a bribe, (3) has not been debarred or suspended from the award of public contracts, (4) has not had a public contract terminated for default, and (5) has not been convicted within ten years or currently under indictment for specific charges.

Subsection (b) requires the Administrator to include in the annual report under section 107(a) the name of each principal owner of major leased buildings.

Section 109—Providing information and Inspector General reports to the Congress and the Public Works Committees:

Section 109 requires the Administrator to keep the Congress continually informed on public buildings policies and activities within the purview of this bill.

Paragraph (b) of section 109 ensures that reports of the Inspector General that pertain to problems, abuses, or deficiencies in the public buildings program, are transmitted to the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation.

Section 110—Contract interpretation and approval:

Section 110 establishes that the Administrator is to be responsible for the interpretation of all contracts entered into on behalf of the Government to carry out the purposes of the bill, and he is to be responsible for the approval of materials, workmanship, and services supplier under contracts, approval of changes in contracts, certification of vouchers for payments, and final settlements.

Section 111—Preservation of certain authorities in the Central Intelligence Agency Act of 1949:

Section 111 states that nothing in this bill is to be construed to affect the authorities granted in section 403f, 403g, or 403j of title 50, United States Code.

Section 112—Study and report to Congress:

Section 112 requires GSA to furnish to the Congress by April 30, 1982, a survey report describing all of the steam generating units it owns and operates with a heat input rate of 50 million Btu/hr or greater. The report shall also include proposed funding schedules for conversions and replacements that could be undertaken immediately.

Section 113—Definitions:

This section contains definitions of significant terms.

Section 114—Repeal of the Public Buildings Act of 1959:

This section repeals the Public Buildings Act of 1959, which this bill would replace in its entirety.

Section 201—General criteria for locating Federal agency offices:

Section 201(a) states that headquarters offices of each department and major independent agency shall be located within the National Capital region in conformance with the National Capital Planning Act of 1952, as amended, unless otherwise specified by Act of Congress.

Section 201(b) requires regional, district area, or local offices of Federal agencies to be located conveniently with respect to residential populations they serve or other governmental and private offices with which they must maintain continuing and frequent physical communication.

Section 201(c) requires Federal offices other than those located pursuant to subsections (a) or (b), or that otherwise must be located close to specific governmental or private offices or in specific geographic locations in order effectively to carry out their responsibilities, to be located throughout the United States generally in proportion to the geographic distribution of the Nation's population.

Section 202—Further criteria for locating Federal agency offices:

Section 202 requires the Administrator, after conforming with section 201, to consult with local officials and take into account certain factors in locating Federal agency offices:

(1) in the case of any office located in a standard metropolitan statistical area, the feasibility and desirability of a location in the central business district of a city within that area;

(2) the proximity of existing or planned public transportation facilities;

(3) the proximity of public amenities and commercial facilities; and

(4) the availability of existing or planned housing adequate to the needs of present and prospective Federal employees and available on a nondiscriminatory basis.

Section 203—Providing space for Federal agency offices:

Section 203 establishes policies and priorities to be followed by GSA in responding to office space needs. GSA is to:

(1) see if needs can be met in whole or in part through more productive use of existing space;

(2) prior to acquiring, constructing, or leasing space in any other building, locate offices in—

(A) existing public buildings, giving first priority to utilizing fully, by renovating if need be, those public buildings of historic, architectural, or cultural significance; and if public building space is not available, then,

(B) in buildings of historic, architectural, or cultural significance acquired and renovated if need be, unless use of such space would not prove feasible and prudent taking into account cost, expected date of occupancy, and the potential for the conservation of energy, compared with construction of a public building, and if such building space is not available, then,

(C) in existing buildings acquired and renovated if need be, or in new buildings constructed under the provisions of this bill, and if such building space cannot be made available in time to meet urgent public building needs, then,

(D) in building space leased in accordance with the provisions of title VII of this bill, giving first priority to leasing space in buildings, of historic, architectural, or cultural significance.

Section 204—Criteria for consolidating Federal agency offices:

Section 204 provides that Federal agency offices in a locality may be consolidated to the extent justified by the need for immediate physical proximity—

(A) first, within and among the offices of a single Federal agency,

(B) second, within and among the offices of Federal agencies carrying out related functions, and

(C) third, within and among other Federal agency offices, and, generally so that resulting public buildings needs may be met by using existing public buildings, by constructing or acquiring buildings similar in scale to buildings predominating or planned for their surroundings, or by acquiring two or more reasonably proximate buildings, particularly buildings of historic, architectural, or cultural significance.

Section 205—Appeals of GSA location decisions:

Section 205(a) provides for an appeal to the Office of Management and Budget by the head of a Federal agency if the agency head determines that the location assigned by GSA to an office of 50 or more employees would be deleterious to the efficient accomplishment of the office's responsibilities. The Director of OMB is to review the GSA decision within 30 days and report the findings of the review within 10 days to the Senate Committee on Environment and Public Works and the House Committee on Public Works and Transportation.

Section 205(b) provides for an appeal to the Senate and House public works committees by the Director of the Administrative Office of the U.S. Courts if he determines that the location assigned by GSA to an office of the judicial branch would be deleterious to the efficient accomplishment of the office's responsibilities.

Section 206—Effect of the bill on existing agency location:

Section 206(a) provides that the bill shall not be construed to require the relocation of any Federal agency office from its location on the date of enactment of the bill.

Section 206(b) requires location and relocation actions subsequent to the date of enactment of the bill to be undertaken in conformance with the provisions of the bill.

Section 301—Guiding principles for Federal architecture:

Section 301 requires that public buildings be designed and maintained to bear visual testimony to the dignity, enterprise, vigor, and stability of the American Government, embody the finest contemporary American architectural thought, and where appropriate, reflect regional architectural traditions.

Section 302—General design standard for construction and renovation:

Section 302 stipulates that, except for buildings meeting criteria under section 303, public buildings are to be designed and constructed so as to approximate commercial buildings of the first quality.

Section 303—Exceptional design standard for construction:

Section 303 states that the design and construction of:

(1) a general purpose office building expected to attract significant public use in any locality that is a center of its geographical region or area, or

(2) a headquarters building for any Federal agency, are to meet higher standards of quality than that provided for in section 302 of the bill. The design and construction of those buildings are to symbolize the dignity of the U.S. Government through the quality or scale of its architectural details, materials, public entrances, corridors, rooms, lobbies, and courtyards. The section does not apply to general purpose office buildings in a central locality if there already exists in the locality a public building of the quality described in this section.

Section 304—Aspects of design and management:

Section 304 requires that, in designing, constructing, acquiring, renovating, and managing public buildings, the Administrator assures that, the buildings:

(1) conform to or complement the scale of existing or planned surrounding buildings;

(2) conserve energy;

(3) provide efficient and attractive interiors, including public reception areas;

(4) provide sufficient parking space for Government motor vehicles, visitors, and handicapped employees, and other parking

space for employee vehicles as consistent with a general policy of transportation efficiency; and

(5) contain architectural details and hardware that are an integral part of the structure or fixtures and that are designed and fabricated so as to enhance the function and appearance of the public building and to reflect regional architectural traditions or Federal agency functions.

Section 305—Parking for bicycles:

Section 305 requires the GSA Administrator to provide sheltered and secure locations and equipment for parking bicycles at public buildings and leased buildings, and authorizes provision of suitable support facilities.

Section 306—Standards of maintenance for public buildings:

Section 306(a) requires public buildings to be maintained at a high level of appearance, cleanliness, and mechanical and structural fitness.

Section 306(b) requires each public building to be maintained and renovated so as to promote efficient Federal agency and public use and to preserve those portions or features that are significant to the building's historic, architectural, or cultural values.

Section 307—Accessibility of the handicapped:

Section 307 of the Public Buildings Act of 1980 was intended to bring some consistency and uniformity to the process by which the various Federal agencies are required to issue accessibility standards. That language has been modified to take into account concerns raised after the bill was reported.

The section provides that all newly constructed, leased and renovated buildings be fully accessible to handicapped persons.

Procedures are provided to assure uniformity and consistency in the standards issued by those agencies required to do so by the Architectural Barriers Act of 1968 (GSA, HUD, DOD, and USPS). The agencies would be required to submit the standards they propose to issue—after the period of public comment has been completed as required by the Administrative Procedures Act—to the Architectural and Transportation Barriers Compliance Board, which is responsible for the enforcement of the 1968 Act. These procedures are designed to assure that the proposed standards meet at least the minimum guidelines and requirements published and approved by the Board.

Section 401—Public Buildings Cooperative Use Act amendments:

Section 401 cites this title as the "Public Buildings Cooperative Use Act Amendments of 1981."

Section 402—Amendment of section 102 of the Public Buildings Cooperative Use Act;

Section 402(a) amends section 102 of the Public Buildings Cooperative Use Act so that section 102(a)(2) requires GSA to encourage the location of commercial, cultural, educational, and recreational activities as tenants primarily on major pedestrian access levels, courtyards, and rooftops of public buildings, and design, construct and lease space suitable for such activities. The amount of space that may be leased in any public building is to be determined by studying the market or need for such activities in the interest of promoting commercial or cultural activity or serving the employees and visitors in the building but cannot exceed 15 percent of the occupiable space in the building, unless the Administrator explicitly waives the 15 percent limitation.

Section 402(b) amends section 102(a)(4) of the Cooperative Use Act to encourage the public use of public buildings for occasional cultural, educational, and recreational activities and the construction and maintenance of space and equipment in public buildings suitable for those activities, including activities described in section 503(a) of the bill.

Section 403—Repeal of Section 103 of the Public Buildings Cooperative Use Act:

Section 403 repeals section 103 of the Public Buildings Cooperative Use Act of 1976.

Sections 404 and 405—Conforming Amendments to the Public Buildings Cooperative Use Act:

Section 404 renumbers section 104(a) of the Public Buildings Cooperative Use Act of 1976 as section 103(a) and amends it and simultaneously amends section 210(a)(16) of the Federal Property and Administrative Services Act of 1949 to authorize GSA to enter into leases of space in public buildings, in accordance with section 102(a)(2) of the Public Buildings Cooperative Use Act.

Section 405 renumbers section 105 of the Public Buildings Cooperative Use Act to define the terms "public buildings" and "Federal agency" in conformity with the meaning given them in the bill.

Sections 501–503—Art-in-Architecture:

These sections authorize one-half of 1 percent of the funds available in each fiscal year for design, construction, repair, renovation, alteration, and acquisition, and one-twentieth of 1 percent of the funds available for leasing to be utilized for the so-called "art-in-architecture" program of GSA.

Seventy-five percent of these funds are to be available for commissioned works of art to be installed in Federal buildings. The works are to be made an integral part of the architectural design of the building and appropriate to the setting and space available. Diverse artistic media are to be represented.

The remaining 25 percent of the available funds are to be utilized for traveling exhibits. Section 503(a) requires the Administrator, with the assistance of the National Endowment for the Arts, to acquire by loan, or by lease at nominal fees, art by living American artists. These works of art are to be organized into exhibitions and circulated among Federal buildings throughout the United States. The works selected are to be representative of the different regions of the United States and its territories, and are to include diverse media.

In conjunction with the Secretary of the Smithsonian Institution, and with other traveling exhibition services, which may be reimbursed for this work, GSA is also to utilize and circulate existing or newly developed exhibitions which reflect the artistic, cultural, social, scientific, and industrial heritage of the United States. Preference is to be given to showing the exhibitions in Federal buildings in communities lacking access to museums of art and history.

Section 601—Employment of design professionals:

Section 601 requires the Administrator to employ professional architects, engineers, landscape architects, interior and graphic designers, and urban planners to prepare each year, under the Supervising Architect, plans, drawings, and specifications for a number of construction and renovation projects designated by the Commissioner of Public Buildings as necessary to enable those employees to utilize their professional skills and training.

Section 602—Design competitions:

Section 602(a) stipulates that architectural designs not prepared under section 601 are to be procured from private architects in accord with title IX of the Federal Property and Administrative Services Act (the Brooks Bill). With respect to at least half of the public building construction and renovation projects expected to cost at least $5 million each year, design competition is to be conducted among at least three architectural firms.

Section 602(b) requires the Administrator to indicate each year, in the program required under section 801 of the bill, which construction and renovation projects he proposes for design competitions. He is directed to propose a mixture of large and small projects.

Section 602(c) stipulates that a significant portion of each year's competitions are to be conducted to last no longer than sixty days and to elicit only preliminary design concepts from the competitors.

Section 602(d) directs negotiations for a design contract to be opened first with the firm judged in a competition to have demonstrated the best design approach. When a selection is announced following a competition, GSA is to make public and provide to all competing firms a brief report describing the selection criteria.

Section 602(e) authorizes payment in total stipends or prizes to be divided among all of the firms that take part in any one competition, no more than one-half of one percent of the expected cost of project design and construction. GSA is to conduct each competition under rules and procedures that will assure that fair compensation for work required from the firms would not exceed that amount.

Section 602(f) authorizes the Administrator to hire privately employed architects, engineers, and other citizens on a temporary basis to serve on design competition judging panels. Persons so employed are exempted from the provisions of section 201(a) of the Ethics in Government Act of 1968.

Sections 701 and 702—Policies on Government ownership of space:

Section 701 establishes the policy of the United States to house employees of the Government in federally owned space. It also establishes conditions under which space may be leased: (1) to accommodate the emergency or temporary requirements of the Government, (2) to provide space in locations where the size of the Government activities does not warrant providing a public building, and (3) to take account of temporary economic conditions that render construction or acquisition of necessary Government-owned space infeasible or disadvantageous to the Government.

Section 702 requires GSA to plan—and submit such plans to the Congress as a part of its annual program pursuant to section 801—so that (1) within ten years, at least 60 percent of Federal employees housed by GSA shall be housed in Government-owned space and (2) within twenty years, at least 75 percent of employees shall be in Government-owned space.

Section 702 also provides that, to the maximum extent possible, public buildings should be uniformly dispersed throughout the Nation and that priority be accorded to construction, acquisition, and renovation of such buildings as may be necessary to achieve such uniformity.

Section 703—Lease construction:

The Public Buildings Act of 1980 prohibited the so-called "lease construction" method of acquiring space. That language has been modified by this section to take into account concerns raised after the bill was reported.

Section 703(a) requires that prior to agreeing to enter into a commitment that will cause the construction of any building other than a Government-owned building (so-called "lease construction" projects) the GSA must (1) establish specifications for the building comparable to the criteria for the construction of Government-owned buildings, (2) secure the option to purchase the building at any time during or at the conclusion of the lease term, and (3) solicit the lease acquisition through competitive bids in conformance with the provisions of section 706 of this Act.

Section 703(b) directs GSA to inspect buildings constructed under the lease construction method of acquisition during the construction in order to determine compliance with the specifications established under subsection (a) of this section.

Section 703(c) requires that upon completion of any such building constructed for lease to the predominant use of the Government, GSA must evaluate the building to determine whether it complies with the specifications established for the building. Any contract entered into for such a building shall contain provisions permitting the reduction of rent during any period when the building is not in compliance with the specifications.

Section 704—Policies on leasing:

Section 704 establishes policies on leasing. It declares that, except as may be necessary to meet temporary and urgent requirements that cannot be met in Government-owned buildings, space shall not be leased for: (1) major computer operations, (2) offices that conduct secure or sensitive activities related to the national defense or security, (3) activities that would require major alterations in the structure or mechanical systems of a leased building, and (4) permanent courtrooms, judicial chambers, or administrative offices for any United States Court.

Section 705—Economy Act revision:

Section 705(a) states that for the purposes of this legislation, sections 321 and 322 of the Economy Act of 1932 shall not apply.

Subsection (b) states that no lease may be entered into for a rental exceeding the current commercial rates and charges for space and services of nearest comparable quality.

Section 706—Requirement of competitive bids:

Section 706(a) requires GSA to solicit and acquire leased space by competitive bids. It requires GSA to advertise its specific needs when soliciting bids of leased space and requires that such bids be publicly opened and awarded.

Subsection (b) provides that in evaluating competing bids, GSA shall take into account proposed rental costs and services offered, overall quality and safety of the building energy efficiency, and the bids' relative conformity to the requirements of titles II and III of this legislation.

Subsection (c) prohibits the GSA from paying for an option to purchase unless such option is made separately from any lease payment and unless such payment has first been authorized under the provisions of title VIII of this bill.

Section 707—Lease agreement circulation:

Section 707 requires GSA to provide copies of the lease between the Government and the building owner to agencies it houses in leased space.

Section 801—Annual program and five-year plan:

Section 801 requires GSA to submit to the Congress near the beginning of each calendar year a program of the Public Buildings Service for the next fiscal year and a five-year plan for accommodating the nation's public buildings needs.

Subsection (b) requires the Administrator to certify that he has held a public hearing, or afforded the opportunity for such hearing, in the locality of each major construction, renovation, or acquisition project included in the annual program. It also requires that he provide to the Congress the final environmental impact statement, if required pursuant to the National Environmental Policy Act, on projects contained in the annual program.

Section 802—Limitations on authorizations and appropriations:

Section 802(a) states that no appropriation shall be made by the Congress or obligated by the Administrator to carry out the purposes of this Act, unless it has been authorized by the Congress in an annual authorization bill.

Subsection (b) prohibits GSA from commencing any construction, renovation, or acquisition project unless an appropriation has first been made for the estimated cost of completion in the fiscal year for which such appropriation is authorized. No lease may be entered into unless an appropriation first has been made for the maximum cost of such lease over its entire term in the fiscal year for which such an appropriation is authorized.

Section 803—Annual program authorizations:

Section 803 authorizes appropriations for fiscal year 1982.

This section also gives GSA authority to reprogram some funds to undertake activities of an emergency nature which should not wait authorization in the next annual authorization legislation.

Section 804—Cost overruns:

When the cost of a project exceeds the estimate maximum cost authorized, GSA may either (A) increase expenditures up to ten percent or (B) decrease the number of gross square feet to be constructed in the project by not to exceed ten percent.

If this authority is insufficient to meet the excess cost, GSA must report to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House concerning the project, including recommendations as to appropriate action to enable continuance of the project.

Section 901—Standard level user charges:

Section 901 amends that subsection of the Federal Property and Administration Services Act of 1949 which establishes charges or "rents" imposed upon agencies occupying Government-owned or leased space which is under the jurisdiction of the GSA. Rates are to be established no more frequently than once a year at a level approximately equal to prevailing commercial rates but in no case less than the anticipated costs of providing space and services, including amortized construction costs or leasing costs and depreciation.

Sections 902 and 903—Time financing:

Sections 902 and 903 authorize GSA to borrow funds from the Treasury to finance acquisition, construction, or major renovation of public buildings. Repayments would be made annually out of the Federal Buildings Fund. Repayment schedules may be for up to thirty years on conditions prescribed by the Secretary of the Treasury, provided that the Secretary takes into account the useful life of the building and does not require repayment to begin until the building is ready for occupancy. The interest rate should be about equivalent to the cost of borrowing money to the Government.

Section 1001—Effective date:

This act takes effect on October 1, 1981.

● Mr. RANDOLPH. Mr. President, I am pleased to join in the reintroduction of legislation to reform the public buildings program of the General Services Administration. The Public Buildings Act of 1981 will create a firm and positive policy under which the Federal Government will provide facilities to house its operations.

The bill addresses in a comprehensive manner all of the components we believe necessary to give direction to the General Services Administration to correctly implement its mandate as the housekeeping agency of the Federal Government.

This measure is the result of 2 years of effort by members of the Committee on Environment and Public Works. Development of the bill began in March 1979, immediately after the committee imposed a moratorium on the approval of nonemergency building and leasing proposals of the General Services Administration. That action was the outgrowth of years of frustration in trying to carry out a public buildings program without the guides of a clear and concise policy and with an agency whose performance was uneven. It had been 20 years since the Congress addressed the total public buildings program. There had been many changes in government since then, and we had learned much about how buildings operations should be performed.

An earlier version of the legislation we offer today (S. 2080) was introduced in December 1979, following 9 months of committee hearings and staff meetings with private real estate, construction, and design experts. After more hearings, the committee ordered that bill reported by unanimous vote in March 1980. The Senate passed the bill by the overwhelming majority of 71 to 8.

Mr. President, the bill passed by the Senate died in conference last December. I was a conferee on that measure, and I assure this body that the Senate conferees made a good-faith effort to arrive at a workable compromise. The House conferees also negotiated in good faith, although the bill the House brought to conference was not a comprehensive reform of the public buildings program. Not having undertaken such a broad review of the program as we had, the House conferees were not prepared to accept some of the sweeping but necessary changes we proposed. It is my hope that this year the other body will review the entire public buildings program so that its Members can better understand the initiatives proposed in our bill.

The basic and overriding buildings function of the General Services Administration is to provide productive accommodations for the activities of the Federal Government. It is to that basic function that our bill is primarily addressed. But the way in which the GSA provides Federal facilities can have a significant impact not only on the operational efficiency of the Government but in other areas. Our buildings, for instance, should set standards of architectural excellence for the Nation. We must point the way in vigorously carrying out our commitment to make public facilities available to the physically handicapped. Public buildings must not be considered in isolation from the rest of the communities in which they are located, or from the problems that beset our country. Public buildings must contribute to local economic development efforts. In their design and operation they must set examples in conserving energy and in making use of America's most abundant and economical energy sources, coal primary among them. The bill addresses these issues, as well.

In the last Congress, the Senator from New York (Mr. MOYNIHAN) and the then-ranking minority member, Senator STAFFORD, now our chairman, led our efforts to write and pass this legislation. Senator MOYNIHAN has long been concerned with issues relating to buildings and urban design. In 1962, at the request of President Kennedy, he wrote "Guiding Principles for Federal Architecture," a statement containing sound and lasting advice that served as

the source of many ideas for this bill. Senator STAFFORD had, even previous to 1979, drafted thoughtful and creative legislation dealing with some of the problems of the public buildings program.

Similarly, Senator CHAFEE had proposed important legislation which is incorporated in this bill to establish policy for art-in-architecture expenditures. During the committee markup and floor debates on the bill last year, Senator SIMPSON contributed important sections designed to combat misconduct by government employees and outside interests.

The Public Buildings Act of 1981 deserves the attention of every member of this body. It will not attract great publicity, for its concerns are those of the day-to-day business of the Government. But those day-to-day matters are important in the long run. I urge my colleagues to examine this measure carefully and to give it their full support.●

● Mr. MOYNIHAN. Mr. President, I am delighted to join Senator STAFFORD in reintroducing legislation to overhaul the public buildings program of the General Services Administration. As Senator STAFFORD has noted, the bill we introduce today, the Public Buildings Act of 1981, is nearly identical to S. 2080, the Public Buildings Act of 1980, a bill that passed the Senate by a vote of 71 to 8 just last June. The bill unfortunately died in conference when we were unable to resolve differences with our colleagues in the other body. The writing and advocacy of S. 2080 in the 96th Congress were bipartisan efforts on the part of members and staff of the Committee on Environment and Public Works under the leadership of our beloved former chairman, JENNINGS RANDOLPH. Under our distinguished new chairman, Senator STAFFORD, work on the new Public Buildings Act has been no less bipartisan.

This is appropriate, for the mess in which we find the public buildings program has been of bipartisan making. Over the past 15 years, in successive Democratic and Republican administrations, the Office of Management and Budget has emasculated the public buildings program. In the shortsighted pursuit of budget trimming, with a "future be damned" attitude, the OMB has forced a drastic curtailment of Federal office space ownership and a concomitant increase in leasing.

According to a report of the General Accounting Office (GAO Report LCD-80-7, October 17, 1979), from fiscal year 1966 to fiscal year 1979, there was no appreciable increase in Government-owned space while leased space increased by over 100 percent, from 44.6 to 93.3 million square feet. Annual rental payments of the GSA in the same period increased from $131 to $520 million. Lease payments in fiscal year 1981 account for over 41 percent of the public buildings budget, while construction funds account for under 1 percent of the budget. For fiscal year 1980 the rental budget was $575 million; for fiscal year 1981 it is $680 million; for 1982, it is estimated at $729 million.

These last figures are most telling. Our leasing expenditures have increased $154 million, or 27 percent, in 2 years. They will increase nearly $50 million in fiscal year 1982, a year in which, according to GSA officials, no additional leased space will be acquired. Our leasing program is a captive of the forces of inflation, tight credit, and utility and property tax increases that characterize the private rental market. At the present rate, the rental bill will break the $1 billion mark in fiscal year 1985; just 5 years thereafter it will exceed $2 billion.

Twenty years ago, 85 percent of the Federal employees provided office space by the GSA were in Government-owned space. Now that figure is down to 53 percent, and it will drop to 50 percent in 2 years even if we undertake today the ameliorating initiatives proposed by this legislation. In short, our Public Building Service is fast becoming a "private buildings service."

How has this turnabout in the public buildings program come about? There is a simple answer. As the expenses of the Vietnam war escalated and occasioned a search for ways to cut the budget, some clever souls in OMB observed that leasing office space appears less expensive in any given year than building a building. Better, they reasoned, to show an expenditure of $2 million to rent a headquarters building for a Federal agency than to budget the $20 to $30 million it would cost to build a building. Of course, the $2 million—and more, with inflation—would have to be paid annually ad infinitum, but that was no concern of the budgeteers, who thought only of short-term budget balancing.

The OMB has masked this fiscal sleight-of-hand by skewing the assumptions and procedures upon which the GSA makes its economic analyses of whether to lease or build in individual instances. When comparing building and leasing the GSA performs a "present-value cost analysis." This is a sound practice, borrowed from private industry. In recent years, nearly all of those analyses have come down in favor of leasing.

A GAO report to the committee (GAO report LCD-80-61, June 20, 1980) explained why. One need look no further than the report's title: "GSA Lease versus Construction Present-Value Cost Analyses Submitted to the Congress were Inaccurate." Among other inaccuracies, GAO noted several that arose from OMB guidelines prescribing how GSA should compute the cost comparisons.

The GSA itself has now completed a study that makes the point more forcefully. The GSA studied comparable construction and lease projects in 126 geographic areas and demonstrated that, using the correct interest rate identified by GAO and appropriate inflation rates and other factors, "the evidence would support an economic decision to build rather than lease in most cases." Using the OMB requirements, however, "will almost always result in a lease decision."

The problem is not one of economics and fiscal responsibility alone. As vice chairman of the Select Committee on Intelligence, I must report I was astounded to learn that even the most sensitive national security functions of the Government have been provided rented space in private buildings constructed without even rudimentary security measures. Security features in these buildings are usually added later, at Government expense. One unfortunate result is that the Government, conscious of its capital investment in such buildings and the disruption to activities attendant upon a relocation, is loathe to vacate. The building owners know this, too, and negotiations for lease renewals are accordingly concluded on terms overwhelmingly favorable to the owners.

The same situation seems to occur in the case of nonsecret Government offices, too, particularly where the amount of space leased is large or where computers or other special equipment have been placed in the building. The Government can be a most lucrative tenant. It comes as no shock, then, that we have uncovered situations in which the "competition" in bidding for Government leases appears to have been unnaturally and unnecessarily restricted. Following one hearing, the committee referred five of seven proposed GSA leases to the Inspector General of GSA. He later reported to us that three of the five appeared worthy of investigation for misfeasance. One of the leases was about to be renewed at increased cost, when the expiration date on the existing lease was still a year and a half away.

It has taken us nearly 20 years to create this problem for ourselves. We cannot rectify it immediately. This bill would establish the policies and procedures necessary to begin to set matters aright.

First, it would establish goals for placing an increased proportion of the Federal work force in Government-owned buildings. Within 10 years, 60 percent of the workers housed by GSA would have to be placed in Government-owned space. In 20 years, that number would rise to 75 percent. I remind my colleagues that 20 years ago, before the office space budgetary shenanigans began, 85 percent of Federal workers were in Government-owned space.

Second, it would create a time-financing mechanism to enable the GSA to finance building construction with funds borrowed from the Treasury at interest and repaid over a term of years in the manner of paying off a mortgage. The GAO has endorsed the borrowing authority, which has been drafted to conform to congressional and executive branch accounting procedures. The borrowing will not be "off-budget;" it will not be exempt from ordinary budget-setting and oversight.

Third, it would require GSA to prepare annual and long-range building plans and permit the Congress the opportunity, through annual authorizations to bring under control the leasing outlay and to control the rate and composition of the construction program.

One cannot overemphasize the importance of tightening up the congressional authorization process for this program. One reason the leasing budget has gotten out of hand is that the existing authorization process permits the congressional Public Works Committees in any given year to review only about 10 percent of the leasing budget. Moreover, given the way leases are presented to us for approval, we have little opportunity to turn any down.

Senator STAFFORD has spoken at some length about the need to abolish the so-called prospectus system and reform the authorization procedures, and I completely concur in his arguments. I shall submit for the RECORD a paper which I prepared on this subject last year.

The GSA has completed plans that indicate the costs and savings of the first 10 years of this program. At the behest of the Committee on Environment and Public Works, and of the Committee on Public Works and Transportation of the House of Representatives, the Public Buildings Service of the GSA this year presented us with an annual and 5-year plan. I should say that the plan is excellently done and it is much to the credit of the executives and employees of the Public Buildings Service that it was entirely their product and not that of some contractor or consultant.

In the next 10 years, the construction program mandated by the bill would result in over 100 projects being undertaken at a cost of about $5.7 billion. In that period alone, over $2.8 billion in lease payments would be avoided, a figure all the more impressive when one considers that, for most of the period, the new projects will be unavailable for occupancy and the prospective tenants will, therefore, still be housed in leased space. The saving in fiscal year 1993 alone is $800 million. The entire cost of the 10-year program will be recouped in about 15 years. GAO has estimated that a Federal building pays for itself on the GSA ledgers in 14 years, when one considers its cost and the rental payments made by Federal agencies to GSA for space within it.

The GSA report is based on a realistic assumption of severely limited growth in Federal employment. It also takes into account another important initiative of the legislation designed to reduce the costs of Federal buildings. The bill requires that most Federal buildings be designed to standards approximating those for first-class private buildings. That is a reduction from current guidelines which require grandiose design features in even the most mundane Federal office structures. At the same time, it insures that Federal buildings will be designed to somewhat higher standards than those for many speculative private building ventures. Our aim is to buy durable, efficient buildings for the taxpayers' dollars.

The bill would also improve the design of Federal buildings by changing the process through which private architects are selected to work for the GSA. The process now in use militates in favor of relatively large architectural firms that deliver safe, unimaginative designs; it operates to the disadvantage of small, unknown firms.

This occurs because the process emphasizes evaluation of a firm's past work rather than its proposals for the projects at hand in GSA. There is neither price nor technical competition among the firms; selections are made behind closed doors by a small committee of GSA bureaucrats. Design talent and creativity appear to count for little in these selections.

Our legislation would require architects to compete for GSA commissions based on their proposed design concepts for Federal projects. Design competitions such as these have long been a staple of architectural practice. Many of the Nation's great buildings, including the Capitol, White House, and Library of Congress, have been outgrowths of design competitions.

Some architects are leery of design competitions, citing a few past competitions that were time consuming, expensive or in which fanciful designs won out over more practical solutions. All of these very real past problems can be overcome by conducting competitions under stringent, fair ground rules, and the legislation incorporates such guidelines. By limiting the time frame, expense, and complexity of submissions allowed to a competition, the bill insures the competitions place large and small firms on the same competitive footing. We are determined to see that talent, and not money or connections, win out.

I assure my colleagues that this legislation is wholly consonant with the goal of effecting economies in the Federal budget. It will, for the first time in the history of the Nation, place a sound and stable foundation under the congressional authority for erecting what the Constitution refers to as the Government's "needful buildings."

The material follows:

PROSPECTUSES CONTRASTED WITH ANNUAL AUTHORIZATION

I. Prospectuses embody only a portion of the Public Buildings Service programs.

As the attached charts show, the prospectuses that are approved in any given year generally represent nearly all of the year's funded new construction but:

Only about one-half of the repair and alteration budget;

Only about one-tenth of the leasing budget (and only about thirty percent of the total outstanding leasing obligation);

None of the building operations budget (including such things as cleaning and protection);

None of the administrative budget (including central planning, energy research, etc.).

As the Public Works committees necessarily concentrate their attention on their statutorily-mandated responsibility to review prospectuses, they therefore overlook most of the PBS program. The committees are diverted from overseeing PBS policy-making and operations, and even from monitoring approved prospectus projects. GSA, for its part, seems to regard matters not requiring prospectus approval as none of the committees' business, as can be seen from GSA's failure to inform the committees of even major policy changes. When responding to inquiries about specific space needs, GSA often says it will let the committee know "if a prospectus is required." The clear implication is that, if a prospectus is not required, GSA will respond no further.

II. Due to its ad hoc nature, the prospectus system does not contribute to effective project reviews, gives little or no incentive to overall program planning, and affords no tie-in to budgeting and appropriations.

Prospectuses are submitted by GSA throughout the year and are approved by the committees throughout the year. Prospectuses are sometimes approved by one or both committees years after their submission; alternatively, some are approved only days or hours after their receipt by the committees. Either eventuality makes it impossible for GSA to compile a predictable timetable for the public buildings program. Committee review and approval in these cases either cause interminable and costly project delays, on the one hand, or create the appearance of unseemly haste in judgment on the other hand.

Piecemeal submission, consideration, and approval of prospectuses precludes priority-setting by either GSA or the committees. Each prospectus submitted and approved appears to carry the same degree of urgency. There is little or no opportunity for analytically comparing prospectuses with respect, for example, to cost per square foot, or square feet per employee, or to compare the factors—such as employee crowding, age of existing building, etc.—which might be cited as justification for initiating projects. The sheer volume of prospectuses makes it impossible to give in-depth reviews to all, and yet, without an opportunity to compare all at once, it is nearly impossible to single out those which should undergo relatively more scrutiny.

Piecemeal approval, and the fact that prospectuses once authorized are authorized forever, gives the committees no incentive to keep their authorizations within realistic budget limits. A prospectus can be fully approved and lie dormant for years before it gains an appropriation. Since prospectuses carry no fiscal year authorization, the committees in any given year can approve many times the amount of funds expected to be available in the next fiscal year. It is indicative of this situation that the committees do not bother to keep running totals on the dollars amounts of projects they approve. The attached charts illustrate that the committee's approvals in new construction and repair-and-alteration projects do not jibe with either the Administration budget requests for those categories or with Congressional appropriations.

The timing or repair-and-alteration prospectus approvals is so unpredictable that, this past year, GSA made a conscious decision to base its R&A budget request for FY 1981 solely on projects that were already approved by January, 1980, when the budget had to be submitted to Congress. The appropriations committees do not know, until the day they go to final markup on the Treasury-General Government appropriation bill, what projects will win the approval of both Public Works committees and so be in competition for the limited public buildings funds.

It is in the nature of some prospectuses that the committees have little real alternative but to approve. Lease renewals, for example, present the committees with the Hobson's choice either to approve or to disapprove and so deprive Federal agencies of space already occupied without providing alternative space. Serious questioning of prospectuses proposing repair of a roof or upgrading of mechanical systems places the committees in the position of second-guessing, from Washington, determinations made by GSA technical personnel in the field.

III. Repair-and-alteration and lease prospectuses are already regarded by GSA as open-ended authorizations.

Even in the small part of the leasing operation controlled by prospectuses, the committee's approvals have small bearing on the eventual outcome of each lease. GSA leases carry escalator clauses that automatically increase the rent to match consumer price index and real estate tax increases. Prospectuses typically carry the notation that their

approval authorizes GSA to decide whether or not to exercise renewal options (without further committee review) five, ten or more years in the future. GSA alters leased buildings, and frequently increases the amount of space rented under the lease (and concomitantly, of course, increases its rental payments) without committee approval.

Repair and alteration prospectus approvals are even less meaningful. Except for major renovations, such as the Old Post Office in Washington and the Custom House in Manhattan, which are carried out promptly and in close conformity to what is set out in the prospectus, R&A projects drag on for years and end up bearing little resemblance to the projects described in the prospectus.

As of September 30, 1979, GSA reported there were 112 approved R&A prospectus projects that had not been completed. Only one project approved since 1975 has been completed; 28, or 25% of the total, were approved in the years 1970 through 1975; 10, or 9%, were approved from 1961 through 1969. In that span of time, inflation alone so eroded prospectus authorizations that only a portion of the activities described in original prospectuses could be carried out. Moreover, PBS officials admit that as buildings' conditions change, or as new needs (such as enhanced fire safety and handicapped features) are found, the committee's approvals are freely interpreted and PBS carries out whatever work it deems necessary, regardless of what the prospectus may originally have proposed.

The 112 projects cited above carried total authorizations of over $746 million. Through FY 1979, only $450 million of that total had actually been spent. GSA estimated that a backlog of about $228 million from these authorizations would still be on the books on October 1, 1980.

In other words, GSA regards R&A prospectus approvals as general authorizations to respond to changing repair and maintenance needs. This is not an unreasonable position; it is, in fact, the way an annual authorization would explicitly allow GSA to manage its building maintenance program.

IV. Annual authorization of the entire public buildings program overcomes these problems. Within the program authorization, project-by-project approvals of major undertakings would be retained.

The only effective way to exert Congressional control, and to impose Congressional priorities on the public buildings program is through an authorization that comprehends the entire PBS budget. This is the only way, for instance, to force a gradual decrease in all leasing expenditures and a concomitant increase in construction funding.

Any effective authorization process must require that all projects and expenditures for a succeeding fiscal year be submitted at one time and that they be reviewed, amended as necessary, and approved at one time. It is only in this manner that proposed projects and expenditure levels can properly be compared with each other and evaluated. This also encourages accurate Congressional accounting of total authorizations for any given year. Furthermore, the authorization procedures established in S. 2080 would authorize major projects only for one fiscal year. Projects unfunded in that year would have to be re-authorized. There would be no backlogs of unfunded projects which could be used, as old R&A approvals currently are used, to rationalize current budget requests and appropriations. As a result, Congress would have tighter control of the amount and allotment of annual PBS expenditures, and the authorizing committees would have greater influence in a corresponding manner over the amount and allotment of PBS appropriations.

An authorization bill must be reported to the floor of both Houses by May 15; this would be the established deadline for the authorizing committees to complete their comparative reviews of projects and budget allocations. This deadline assures that authorizations for the public buildings program are coordinated within the Congressional budget system; it also means that the bills reported out of the committees are the basis for any floor action. Any member challenging the committees' figures, or project authorizations, would have to assure that his or her proposed changes would not violate budget ceilings and result in authorized PBS expenditures in excess of budgeted amounts. Members attempting, during floor action, to add their own projects would be challenged to name those projects or expenditures they would cut to make room in the budget for their proposals.

Specific, line-item authorizations of major construction and renovation projects would be included in authorization bills by the committees, under the scheme established in S. 2080. These authorizations would not have to follow the recommendations submitted by the GSA; Congressional priorities would hold sway. However, as a matter of course, GSA would doubtless consult in detail with the committees before formally submitting its annual plans, and, indeed even before submitting for review its proposed budget for advanced planning. It could be expected that the formal GSA proposals each year would closely parallel committee priorities in the first place.

PROSPECTUS AUTHORIZATIONS COMPARED TO PUBLIC BUILDINGS SERVICE BUDGET

	Prospectuses approved by Environment and Public Works	Administration budget request	Appropriation (including supplementals)
1977			
Leasing	$50,533,734	$473,200,000	$473,200,000
R. & A.	218,061,345	60,700,000	110,700,000
Construct	53,602,000	28,100,000	32,800,000
Total	322,197,079		[1] 1,185,155,000
1978			
Leasing	100,608,354	489,000,000	487,000,000
R. & A.	46,054,860	204,731,000	200,000,000
Construct	226,893,000	17,354,000	69,000,000
Total	367,556,214		[1] 1,332,838,000

[1] Total PBS appropriation:

	Prospectuses submitted by GSA	Administration budget request
1981: Leasing	$64,306,274	$680,000,000

PROPORTION OF ANNUAL REPAIR-AND-ALTERATION BUDGET ACCOUNTED FOR BY PROSPECTUS AUTHORIZATIONS

Fiscal year	Total R. & A. appropriations	Over $100,000	Percent	Under $100,000
1977	$110,700,000	$52,748,000	48	$57,952,000
1978	200,000,000	119,237,000	60	80,763,000
1979	200,000,000	99,283,000	50	100,717,000
1980	155,024,000	49,953,000	32	195,071,000
1981	180,000,000	79,099,000	44	100,901,000

PROSPECTUS AUTHORIZATIONS AS A PERCENTAGE OF THE PBS ANNUAL BUDGET

Fiscal year 1977:	
Lease prospectuses approved	$50,533,734
R. & A. prospectus project funding	52,748,000
New construction funding	32,800,000
Total (11.4 percent of total appropriation)	136,081,734
Fiscal year 1977 appropriation	1,185,155,000
Fiscal year 1978:	
Lease prospectuses approved	100,608,354
R. & A. Prospectus project funding	119,237,000
New construction funding	69,700,000
Total (21.7 percent of total appropriation)	289,545,354
Fiscal year 1978 appropriation	1,332,838,000

By Mr. HEFLIN:

S. 531. A bill to provide a credit against Federal income tax for expenses involved in the planting of pecan trees to replace pecan trees destroyed by Hurricane Frederic; to the Committee on Finance.

TAX CREDIT FOR ALABAMA PECAN GROWERS

Mr. HEFLIN. Mr. President, the bill I am offering today is simple and straightforward. What this bill will do is allow a credit against income tax for planting pecan trees in south Alabama which were destroyed by Hurricane Frederic in September of 1979.

I am sure, Mr. President, that each Member of this body will recall that the gulf coast was devastated by Hurricane Frederic in September 1979, and one group which was particularly hard hit was the Alabama pecan growers. We have explored all the possibilities, but we can find no Federal aid programs which will enable this industry to get back on its feet. Accordingly, during the 96th Congress I introduced a bill, S. 1900, which would give special tax relief to all fruit and nut growers who suffer damage because of the whims of nature, such as floods, fires, or storms. At a hearing on this measure, the administration spoke in opposition to it, basically because it would impact on the symmetry of the Tax Code. Thus, because of this problem and because the cost of the bill is estimated at $20 million per year, that particular measure did not move forward.

In a spirit of compromise and to provide at least some measure of relief for these small family businesses, I have prepared the bill I have sent to the desk today. Basically, my bill would allow persons who lost pecan trees a tax credit of $10 for each tree that was destroyed in the hurricane if a tree is planted by the taxpayer to replace the destroyed tree. The cost of pecan trees in the market in Mobile today is approximately $10 per tree. Thus, a $10 tax credit will enable the pecan growers at least to recover the cost of initial planting of the tree. It does not even approach the cost to nurture the tree and bring it into full production, which takes a period of 8 to 10 years; but at least it would provide some resources to get the trees in the ground at their earliest possible date.

Last year, fewer than 10 percent of the trees that were destroyed were replaced, primarily because the pecan growers, mostly on small family farms, just do not have the funds to purchase new trees to set out.

Over 144,000 trees were destroyed by the hurricane. Even if every single tree were replaced and the tax credit claimed, the maximum amount of tax loss under this measure would be about $1.4 million. Most likely, the actual tax loss will be considerably less than that; and thus it is really not as significant an amount of money for the National Treasury to absorb. It is significant, however, in that it may enable the crippled pecan industry of south Alabama to get back on its feet and once again to be a tax-producing industry.

Mr. President, I hope that a majority of the Senators will feel compassion for these small businessmen and approve this bill.

I might point out, Mr. President, that at the time of this devastating storm, there was no such thing as crop insurance for pecan growers. Since newly enacted legislation does bring pecan and other fruit and nut trees under the Federal crop insurance programs, this should be a one-time, nonrecurring disaster. In the future, insurance will be available to offset these kinds of losses. Because this is a special situation, I think that special legislation is appropriate, and I urge my colleagues to support this bill.

By Mr. HEFLIN:

S. 536. A bill to amend title 28 of the United States Code to request the Chief Justice of the United States to give an annual address to the Congress on the state of the judiciary; to the Committee on the Judiciary.

ADDRESS ON STATE OF THE JUDICIARY

Mr. HEFLIN. Mr. President, I wish to introduce a bill which would request the Chief Justice of the United States to address on a periodic basis a joint session of Congress on the state of the U.S. judiciary. I deeply appreciate the bipartisan support this bill enjoyed when I introduced it in the 96th Congress and which resulted in its passage by the Senate on August 25, 1980. Unfortunately, it failed to pass in the House of Representatives.

Under the Constitution of the United States, the responsibility for governing this Nation are divided among the three coequal branches: the legislative branch, the executive branch, and the judicial branch. The President, of course, speaks in a joint session. We have many, many opportunities, of course, for the legislative branch to make known its desires and, of course, there is no limit on that.

In regard to the Chief Justice, who should, in my judgment, have an opportunity to either deliver in person or submit in writing an annual message on the state of the Federal judiciary, this can be worked out by agreement between the Chief Justice and the leadership of the Congress. It is not a mandatory request, but it is a request that the Chief Justice, if he desires, can give an annual address on the state of the Federal judiciary.

Members of Congress are, of course, familiar with the intricacies and workings of the legislative branch, as well as the problems that Congress faces. Moreover, through numerous contacts at the committee and subcommittee level, Members of Congress are informed of the many faceted activities of the executive branch of Government. Also, Congress is given the Chief Executive's plan of action on an annual basis by means of a state of the Union address given by the President before a joint session of Congress. It is my judgment, however, that outside of the House and Senate Judiciary Committees, Congress has given little attention to the third coequal branch of Government, the U.S. judiciary.

This legislation would provide at least a partial remedy to this situation by requesting the Chief Justice to either deliver in person or submit in writing an annual address on the state of the Federal judiciary upon the mutual agreement of the Chief Justice and the leadership of Congress.

The common responsibilities for many aspects of the administration of justice require good communications between the judiciary and Congress. An address by the Chief Justice would aid Congress in developing a more responsive understanding of the needs of the judiciary by providing Congress with new insight into the complexity of the judicial branch and the intricate relationships between its various parts. Following the advice of Chief Justice Burger to the Conference of Chief Justices in 1969, approximately half of the State legislatures throughout the country receive a state-of-the-judiciary message from the highest judicial officer in their respective States.

A state-of-the-judiciary message by the Chief Justice of the United States would be meaningful and proper in a number of ways.

First, such an address would be an appropriate method for the head of one coequal branch of Government to coordinate and communicate its activities and recommendations for legislation to another coequal branch of Government. It would bring to the attention of a wider segment of Congress problems facing the judiciary which might affect the work of Congressional committees other than the Judiciary Committee, enabling Congress to meet its responsibilities to the judicial branch more adequately.

Second, a state-of-the-judiciary message would raise the visibility of the problems of the administration of justice, thereby raising the level of their priority.

Third, such an address would bring to public attention the many problems facing the judiciary, making the functioning of the courts more open and accessible to the public. Moreover, by conveying directly the priorities of the judicial system seen by the public official with major responsibility of judicial improvement, the public will be brought into the process of modernizing the judiciary.

Finally, a state of the judiciary message would provide a forum and an opportunity to demonstrate the necessity for strengthening our Federal court system and would highlight the important role that an independent judiciary plays in protecting the rights and freedoms which are so much enjoyed by the people of this country.

As Congress considers new initiatives to meet the challenges facing the Nation, high priority must be given to the urgent needs of the third coequal branch of the Federal Government. A state of the judiciary address or written message to Congress by the Chief Justice of the United States will be a major step in better informing the Congress and the public on the functions and problems facing the Federal judiciary, thereby insuring this Nation's judicial future.

Mr. President, I would like to acknowledge the assistance of the distinguished chairman of the Senate Judiciary Committee, Senator THURMOND, and Senator METZENBAUM for their amendments during the consideration of this legislation by the Senate Judiciary Committee last Congress, which vastly improved this legislation and more accurately reflected the intentions of the committee. I am delighted to have their assistance and the bill I introduced today reflects their suggestions.

I wish to thank Senator KENNEDY, who introduced similar legislation in the 94th and 95th Congresses, for his assistance and guidance in this legislation. I would solicit support of this legislation by Members of the U.S. Senate in an effort to acknowledge our responsibility to the Federal judiciary.

By Mr. HEFLIN:

S. 537. A bill to aid State and local governments in strengthening and improving their judicial systems through the creation of a State Justice Institute; to the Committee on the Judiciary.

STATE JUSTICE INSTITUTE ACT OF 1981

Mr. HEFLIN. Mr. President, I wish to introduce the State Justice Institute Act of 1981. This legislation will establish a nonprofit corporation known as the State Justice Institute to provide technical and financial assistance to further the development and adoption of improvements in the administration of justice in State and local courts throughout the United States. I wish to thank all of my colleagues for the bipartisan support given the State Justice Institute Act when I first introduced it last Congress. The bill was passed by the Senate on July 21, 1980, without dissent.

Although State courts have always played a key role in our Nation's judicial history, over the last few decades we have witnessed a tremendous growth in their importance. State courts share with the Federal courts the awesome responsibility for enforcing the rights and duties of the Constitution and laws of the United States, a burden which has been increased in recent years through actions taken by the Federal Government. Congressional policy objectives are often dependent upon the State courts to aid in the implementation and enforcement of such legislation. Likewise, the Justice Department has requested State authorities to assume additional responsibility for the prosecution of many criminal matters now handled in Federal court, allowing Federal prosecutors to concentrate on matters that more properly are of higher priority by the Federal Government.

More importantly, the most significant increase of the responsibilities of State courts has come from the Suoreme Court of the United States through decisions that have diverted cases from Federal to State courts or increased the procedural due process protection guaranteed to citizens in criminal, civil, juvenile, and mental health proceedings. The result of these decisions has been an increase in the number of cases handled by State judiciaries as well as an increase in the procedural complexity of State court litigation requiring the development of new safeguards, more efficient procedures, and a much more intensive program of continuing education for members of the State judiciary. It is significant to note that in testimony before the Subcommittee on Jurisprudence

and Governmental Relations of the Senate Judiciary Committee it was revealed that State courts now handled approximately 90 percent of all cases litigated in this country.

It is quite apparent then that the quality of justice in this country is largely determined by the quality of justice dispensed by State courts. We, in the Congress, should thus be keenly aware of the substantial Federal interest involved in maintaining the quality of the administration of justice in State courts.

The State Justice Institute Act recognizes this substantial Federal interest by creating a mechanism whereby State and local courts will be able to receive financial assistance. More importantly, however, this legislation also recognizes the difficulties that have arisen with previous assistance and attempts to correct them. Specifically, the State Justice Institute Act was drafted to insure the independence of State courts from Federal control. By providing that the operations of the State Justice Institute will be supervised by an independent board of directors consisting primarily of representatives of State court judiciaries, this bill offers a clear congressional recognition of the separation of powers principle in the function of State governments and the constitutional requirement of an independent judiciary which is essential for any program of Federal assistance.

Mr. President, as a former State supreme court chief justice, I know full well the importance of an independent judiciary. I could not support legislation which infringes on that independence in any way. In this regard, I want to thank my distinguished colleague from South Carolina, Senator THURMOND, for his amendment adopted during committee consideration of the bill, which added specific language to S. 2387 insuring that the institute does not in any way interfere with the independent nature of the State courts. The amendment also prohibits institute money from being used for funding of regular judicial and administrative activities other than pursuant to the terms of a grant, cooperative agreement or contract with the institute consistent with the requirements of the act.

The State Justice Institute would provide funds for research and development programs with national application which would be beyond the resources of any single judicial system. It would build on previous experiences with financial assistance to State courts, but would insure that any Federal support is administered in the best and most efficient way possible to produce continued State court improvement. The State Justice Institute would furnish a sound basis of support for the national organizations that have been successful in providing support services, training, research, and technical assistance for State court systems. By establishing a mechanism such as the State Justice Institute to provide financial assistance to the State courts, it is not the committee's intent to suggest that primary responsibility for maintenance and improvement of State courts does not remain with the State themselves.

Once again I wish to thank Senator THURMOND for his amendment, adopted by the committee, which added a requirement to S. 2387 that the State or local judicial systems receiving funds administered by the institute provide a matching amount equal to 25 percent of the total cost of the particular program or project. The amendment also provides that in exceptionally rare circumstances this requirement may be waived upon approval of the chief justice of the highest court of the State and a majority of the board.

The State Justice Institute would not fund or subsidize ongoing State court operations, but rather would spotlight problems and shortcomings of our State judiciaries, provide national resources to assist in correcting them, and make the appropriate State judicial officials responsible for their solution. Even though Federal assistance to State courts would be modest compared to the basic financial support given them by State legislatures, Federal financial contribution through the State Justice Institute can provide a "margin of excellence," and thus improve significantly the quality of justice received by citizens who are affected by State courts.

By Mr. HEFLIN:

S. 538. A bill to increase the compensation of the Solicitor General of the United States; to the Committee on Governmental Affairs.

INCREASING COMPENSATION OF THE SOLICITOR GENERAL OF THE UNITED STATES

Mr. HEFLIN. Mr. President, I am today introducing a bill to amend chapter 53 of title 5, of the United States Code, to increase the annual base salary of the Solicitor General by placing that position in level II of the Federal executive salary schedule.

Under current law the position of Solicitor General is listed as a level III position of the Federal executive salary schedule. The effect of this legislation would be to bring the position of Solicitor General in line with the position of Deputy Attorney General by placing it in the higher pay scale of the level II schedule.

The position of Solicitor General was established by Congress in 1966 and represented the need for a lawyer of superior abilities to assist the Attorney General in the performance of his duties as chief law officer of the Federal Government. The duties and responsibilities of the Solicitor General have been vastly expanded and his role is widely recognized as one of the most important within the executive branch of our Government.

Among the many duties the Solicitor General is now charged with includes representing the Federal Government in the Supreme Court. In carrying out this awesome responsibility, the Solicitor General must decide what cases the Government should ask the Supreme Court to review and what position the Government should take in cases before the Court. The Solicitor General is also responsible for supervising the preparation of the Government's briefs and other legal documents submitted to the Supreme Court. He is also responsible for all oral arguments before the Court and in most of the important cases he will deliver the oral argument himself. Also included in the duties of the Solicitor General is deciding whether the United States should appeal in all cases the Government does not prevail in the U.S. district courts and U.S. court of appeals.

Mr. President, I believe the annual salary the Solicitor General now receives under the level III schedule no longer accurately reflects his contribution and importance to the United States. Without this adjustment we cannot expect the Justice Department to continue to attract the highly experienced and successful appellate attorneys so vitally needed to fill this position so important to us all. The legislation I am proposing today would remedy the inequity that now exists in the law by raising the annual pay of the Solicitor General to a level equal to other high-ranking officers within the executive branch of our Government.

By Mr. DURENBERGER (for himself, Mr. JEPSEN, Mr. MATTINGLY, Mr. THURMOND, Mr. DOLE, Mr. GOLDWATER, Mr. DOMENICI, Mr. WALLOP, Mr. GARN, Mr. TOWER, Mr. EAST, Mr. DENTON, Mr. HAYAKAWA, Mr. PRESSLER, Mr. HUMPHREY, Mr. ARMSTRONG, Mr. WARNER, Mr. SIMPSON, Mr. STAFFORD, Mr. SCHMITT, Mr. MURKOWSKI, Mr. COHEN, Mr. BOSCHWITZ, Mr. PERCY, Mr. HEINZ, Mr. HATCH, Mr. DANFORTH, Mr. LUGAR, Mr. GRASSLEY, Mrs. HAWKINS, Mr. HEFLIN, Mr. BRADLEY, Mr. ANDREWS, Mr. EXON, Mr. LAXALT, Mr. DECONCINI, Mr. HUDDLESTON, Mr. ZORINSKY, Mr. BUMPERS, Mr. LONG, Mr. CHILES, Mr. BAUCUS, Mr. MATSUNAGA, Mr. NICKLES, Mr. RIEGLE, Mr. WEICKER, Mr. BURDICK, Mr. QUAYLE, Mr. HELMS, Mr. BOREN, Mr. SASSER, Mrs. KASSEBAUM, Mr. D'AMATO, Mr. MELCHER, Mr. COCHRAN, Mr. JOHNSTON, Mr. MCCLURE, Mr. KASTEN, and Mr. MITCHELL):

S. 539. A bill to prohibit the use of funds to establish a nine-digit ZIP code; to the Committee on Governmental Affairs.

PROHIBITING USE OF FUNDS TO ESTABLISH NINE-DIGIT ZIP CODE

Mr. DURENBERGER. Mr. President, I am pleased to be joined today by 59 of my colleagues in introducing my bill to stop the U.S. Postal Service from expanding the present five-digit ZIP code.

I have spent a great deal of time studying the Postal Service's proposal for a nine-digit ZIP code. Last October, I requested that a hearing be held by the Civil Service, Post Office, and General Services Subcommittee so that the facts supporting a nine-digit ZIP might be examined by Congress.

As it turned out, there were few facts to examine. We were given, instead, an argument by the Postal Service based primarily on a series of assumptions as to costs and compliance rates.

After the hearings, I decided to oppose the nine-digit ZIP code. I did so for two reasons: One, there is no factual basis for accurately determining the costs that a nine-digit code will impose on the public. Two, even if there were sufficient data to determine costs, the argument in support of the nine-digit code lacks the force of persuasion.

Since that hearing we have received virtually no data to support the assumptions made by the Postal Service. As to their argument, it can be simply understood and placed aside.

Sometime ago, the Postmaster General commissioned a study to determine means to improve productivity and stabilize cost in the Postal Service. This study group recommended automation—essentially machine reading mail before it is mechanically sorted.

An automated system was designed which includes a series of optical character readers and bar code readers. The cost analysis indicated a return on investment of 22 percent for the automated system when applied to the five-digit ZIP mail. The threshold of investment at the Postal Service is by Mr. Bolger's testimony 15 percent. So even without the nine-digit ZIP the investment looks attractive.

But the cost analysis also indicated that the capacity of the OCR and BCR system could reach well beyond a sort to the five-digit level. In fact, it promised a 48 percent return if the automated system was couple with a nine-digit ZIP.

But this analysis included only the costs to the Postal Service and even then was based on optimistic assumptions as to the amount of business mail that would carry the nine-digit ZIP and the percentage of mail that would be machine readable.

What this analysis did not include was close scrutiny of the costs borne by mailers. These costs are the costs associated with converting a five-digit mailing list to a nine-digit mailing list. The Postal Service has not examined these costs because they do not view the nine-digit ZIP as imposing costs on the private sector. Rather, they expect that it will be implemented on a voluntary basis and only by those who can realize advantage by its use and savings through the incentive package that the Postmaster General has promised to announce next week.

The price tag on the OCR/BCR system to the Postal Service is $900 million. Again, their expected return on investment is 48 percent. My investigations indicate that conversion to a nine-digit ZIP will, at a minimum, cost the private sector an amount equal to the investment made by USPS—$900 million. This estimate is based on studies done by Minnesota companies and Government agencies and reflects my conversations with many large mailers over the past several weeks.

Suppose the cost to the mailers is in the $900 million range. How much will the Postal Service have to offer as an incentive to get the private sector mailers to convert their systems to the nine-digit ZIP? The Postal Service, as a Government agency, passes on the entire value of its savings in lower postal rates. The 48-percent ROI made by the Postal Service on its expenditure of $900 million becomes, through the incentive system, a 48-percent ROI for the private sector on its expenditure of $900 million to convert mailing lists from five digits to nine.

On the surface, it might be easy to predict a 90-percent participation rate by 1986, if the tandem package of automation and nine-digit ZIP is passed through as a single incentive. But remember that the Postal Service can earn a 22-percent ROI on the automation alone. So the incremental value of the nine-digit ZIP considered separately is only 26 percent. The other 22 percent is earned by the automation on the five-digit mail. A 26-percent ROI in the private sector is a much closer call, particularly when the prime rate is at 19 percent. And as a close call it deserves close study. At this point the cost to the mailer of converting five-digit systems to nine-digit systems becomes critical. And my $900 million was only a guess.

The Postal Service, of course, says that the whole thing is voluntary and mailers will not adopt it if the incentive is not sufficient to compensate for their investment. The current ZIP code is also voluntary. About 97 percent of the mail going through the Postal Service carries the five-digit ZIP. Putting ZIP codes on letters is probably the only thing that 97 percent of all Americans do. Why do they do it? Out of civic pride? Out of concern for the efficient movement of the mail? They use the ZIP code, because voluntary or not, they think that service will be greatly reduced—their letter will be delayed—if they do not.

If the Postal Service imposes a nine-digit ZIP, mailers will not carefully calculate their costs and benefits and decide to comply based on an ROI. They will comply because their first concern is service. So whether we pass a bill forever declaring ZIP codes as a voluntary civic duty, as the Postmaster General is encouraging some of my colleagues to do, mailers will view them as a mandatory requirement to receiving the same service provided others.

The decision to automate the Postal Service with OCR's and BCR's is not one that should be made by the Congress. But when the Postal Service would use its monopoly over the letter form of communication to impose costs on the private sector, the questions require legislative scrutiny. I have examined the evidence and the arguments advanced by the Postal Service for the nine-digit code and do not believe that sufficient cost savings are achieved by the private sector to justify imposition of the nine-digit code.

I ask unanimous consent that the bill be printed in full in today's RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2003 of title 39, United States Code, is amended by adding the following subsection at the end thereof:

"(a) None of the funds available to the Postal Service from the Fund shall be expended to implement a 9-digit ZIP code system.

● Mr. SASSER. Mr. President, I want to give my wholehearted support to S. 539, which would prohibit the use of funds by the U.S. Postal Service to implement a nine-digit ZIP code.

I do so because I remain unconvinced that nine numbers on a piece of mail will improve the delivery of mail, make the Postal Service more competitive or, most importantly, make it any easier for Americans to send and receive their mail.

From the start, I want to point out that I, for one, believe that the U.S. Postal Service does a commendable job—particularly in comparison to the mail delivery systems of other nations. Postal workers, on the whole, do a fine job, one that we as Americans can be proud of.

Furthermore, it should be noted that the U.S. Postal Service has a longstanding mandate from the Congress to cut costs and improve the efficiency of the mail delivery system in this country. So, I can understand why, on its face, the proposed nine-digit ZIP code would seem like a workable option to Postal Service officials. Ultimately, it would indeed result in savings, primarily through the elimination of certain labor costs.

A problem that I have—that so many of us in the Senate have—is that the Postal Service did not really test nor explain the idea of a nine-digit ZIP code adequately. And once the proposal became the chosen policy of the U.S. Postal Service, the idea was not subjected to a thorough review by the Congress. On the basis of hearings before the Senate Governmental Affairs Subcommittee on Energy, Nuclear Proliferation, and Federal Services last year, it became clear that there was not adequate consultation with major users of the U.S. mails. For instance, no one thought to ask the U.S. Internal Revenue Service—which, as we all know, conducts a lot of business through the mails—what it thought of the proposal.

In addition, major mailing houses, as well as those corporations and publishing houses that conduct regular transactions through the mails, were not consulted sufficiently as to their observations on an expanded ZIP code.

Beyond these considerations, however, are two unanswered questions which dictate that we delay implementation of the nine-digit ZIP code proposal.

First, the cost of the proposal could do serious damage to small businesses in the United States.

Despite the initial "setup" costs involved in a transfer to a nine-digit ZIP code, it is probable that large mail order houses and other large concerns that use the mails could cope with the transfer. Witnesses from the business community disputed even this suggestion, however, at last year's hearings.

Small businesses that advertise through the mail, distribute small-circulation publications or settle accounts through the mails, are ill equipped for such a transfer. I suspect that in most cases, a nine-digit ZIP code would involve a tremendous, labor-intensive, manual opera-

tion for a small business, which simply does not have the personnel or resources to conduct massive code transfers through a computerized system. It might even mean one person sitting for days, weeks, or months before a typewriter—preparing new master sheets for address labels or typing new codes on 3-by-5 index cards.

Such a dislocation of time on the part of an employee in a small business could have substantial consequences, especially—and this is so often the case—if the employee regularly performs other duties besides handling the business mail or accounts.

There is no ample evidence, then, to suggest that the Postal Service ever considered this loss of employee time and the resultant "up-front" costs to a small business that would transfer to a nine-digit ZIP code.

Second, there is that intangible factor raised by the nine-digit ZIP code proposal. Just how many more numbers and digits can Americans tolerate?

At the moment, 97 percent of all Americans use the five-digit ZIP code. It has taken 17 years to achieve this kind of usage.

Now, I realize that it might not require that much of an effort for a person addressing a letter to add a dash and four more numerals to an address.

But we ought to ask ourselves: "How far do we want to carry this?"

Already, the American has been reduced to a series of numbers and codes by banks, by credit card companies, by department stores, by schools and colleges, and by Federal, State, and local governments.

Should the nine-digit ZIP code system be implemented, it would not surprise me if some frustrated and confused person puts his or her nine-digit social security number on a piece of mail, rather than a nine-digit ZIP code.

Sure, many of us know our own social security number, but do we know those of our family? It is likely that, with a nine-digit ZIP code system, Americans will be able to adjust somewhat by remembering the additional four numbers of addresses which they use often—friends, relatives, neighbors, and regular business accounts, and even the Internal Revenue Service office that processes their income tax returns.

How often, though, will a person have to call the Postal Service or consult what will be an encyclopedic directory for an unfamiliar ZIP code? How long will it take?

Until these questions and others are more thoroughly explored and more adequately answered, I am afraid we should put off implementation of a nine-digit ZIP code, and I urge my colleagues to lend their support to this legislation.●

Mr. HAYAKAWA. Mr. President, I am pleased to join my friends and distinguished colleagues as an original cosponsor of this measure to prohibit the use of funds for the implementation of a nine-digit ZIP code. Businessmen and average citizens alike are skeptical of the plan to add four numbers to our current ZIP code.

In the business community the big question is "How much?" Just how much is the increased ZIP code going to cost businesses to update their mailing lists? I have heard estimates of $1 billion and more.

Of the many letters that I have received from constituents, almost all have spoken out against a lengthened ZIP code. I think that part of the problem rests with the Federal bureaucracy and its past penchant for creating regulations at breakneck speed and volume. The average citizen has been so zapped and zipped by Government intrusion and overregulation it is little wonder that he has thrown up his hands and said "enough."

As a communicator and educator I cannot help being concerned by what I see as a decline in common written communication in our Nation today. Our society has built up over the years a rich library of written material. The written word has helped to reflect our values, educate our people, and add a sense of permanence and stability to our communication. The art of letter writing has helped to maintain our skills of written communication.

Unfortunately, more and more people are turning from letter writing to easier forms of communication. It seems they would rather reach out and touch someone via Ma Bell than send a letter via Mr. ZIP. I fear that what the public perceives as a nuisance, whether it is voluntary or not, will add to the decline of written communication in our country.

Mr. President, I do not want to be misunderstood. I am an advocate of progress, but all change does not necessarily constitute advancement. Change that is needless or ill considered is a foe and not a friend of true progress. If it can be shown that the Postal Service's nine-digit ZIP code will increase efficiency and truly benefit mail users, then by all means, let us use it. But I think that we should pause and take a deep breath lest we rush America down a nine-lane highway of unconsidered costs and consequences.

● Mr. JEPSEN. Mr. President, I am proud to join with my distinguished colleague from Minnesota, Senator DURENBERGER, in introducing legislation to halt implementation of the nine-digit ZIP code. As you know, I have been opposed to this proposal for some time now. As a matter of fact, last session, Senator DURENBERGER and I joined together to postpone implementation of this proposal. Our amendment was approved by the Senate by a vote of 90 to 0.

After our amendment was approved, the Postmaster General decided to voluntarily postpone implementation. I was glad to see that the Postmaster General recognized the concern of Congress when he took this action.

As you may know, Mr. President, I have been contacted by hundreds of taxpayers from all across America expressing their displeasure with the nine-digit ZIP code. In light of this tremendous opposition—from the very people who will be called upon to make the system work—I should think the Postal Service would reconsider its proposal voluntarily. However, this does not appear to be the case.

I would like to state once again that my goal is to improve the Postal Service. I think it can become a viable service-oriented operation. Unfortunately, too much attention has been given to "pie in the sky" proposals and the word service has been forgotten.

In closing, I would like to commend Senator STEVENS, chairman of the Civil Service and Postal Operations Subcommittee, for his decision to hold more hearings on this important issue. Because the ZIP code expansion proposal will have such a tremendous impact on individuals and businesses, it is imperative that all interested parties be given an opportunity to voice their opinions. I look forward to testifying at these future hearings.●

By Mr. HUDDLESTON (for himself, Mr. ROBERT C. BYRD, Mr. FORD, and Mr. WARNER):

S. 540. A bill to amend the Clean Air Act to provide that the voluntary conversion from oil or gas to an alternate fuel by a stationary source shall be treated in the same manner as a conversion ordered under the Energy Supply and Environmental Coordination Act of 1974 or the Powerplant and Industrial Fuel Use Act of 1978; to the Committee on Environment and Public Works.

By Mr. HUDDLESTON (for himself, Mr. ROBERT C. BYRD, and Mr. FORD):

S. 541. A bill to amend the Clean Air Act with respect to temporary emergency suspensions of implementation plan provisions; to the Committee on Environment and Public Works.

By Mr. HUDDLESTON (for himself, Mr. FORD, and Mr. ROBERT C. BYRD):

S. 542. A bill to provide that major stationary sources complying with all applicable emission limitations and standards of performance established pursuant to the Clean Air Act shall not be subject to any more stringent limitations or standards for a period of 10 years; to the Committee on Environment and Public Works.

LEGISLATION TO ENCOURAGE THE USE OF COAL RATHER THAN FOREIGN OIL

Mr. HUDDLESTON. Mr. President, today I am introducing three bills to encourage the use of coal rather than foreign oil or natural gas in our Nation's utility and industrial boilers.

The hazards of foreign oil dependence and the virtues of domestic coal have been eloquently expressed in this Chamber time and time again.

Time and again, we have passed laws designed to convert coal-capable industries and utilities from oil and gas back to coal—first, the Energy Supply and Environmental Coordination Act (ESECA), then the Powerplant and Industrial Fuel Use Act (PIFUA). The most promising bill, the utility oil back out bill, passed the Senate overwhelmingly last year under the leadership of the distinguished Senator from West Virginia (Mr. BYRD) and my colleague from Kentucky (Mr. FORD), but died in the House at the end of the 96th Congress.

Yet, despite our eloquence, and our legislative efforts, the record of conversions to coal use is not good.

Coal, our most abundant energy source, constitutes over 80 percent of our fossil fuel reserve, yet still supplies only 18 percent of our energy needs.

We still are producing millions of tons of coal less than we are capable of producing.

Thousands of miners are on short work schedules or out of work altogether.

In short, coal use in this country remains demand rather than supply limited—a curious fact in a country constantly bemoaning its energy problems, but a fact nonetheless.

Throughout the coal mining regions, you constantly see bumper stickers asking "'Why Not Coal?" Too often the answer is inflexible or unnecessary Government requirements. Where this is the case, I strongly believe that it is in the best interest of our economy and national security to make some changes.

The bills I am introducing today are designed to help alleviate some of the regulatory obstacles to coal use.

The first bill would simply provide equal treatment under the Clean Air Act to utilities and industries which voluntarily convert from oil or natural gas to an alternate fuel and those which are mandated to convert under ESECA or PIFUA.

Under existing law, mandatory conversions are eligible for delayed compliance: voluntary conversions are not.

Mandatory conversions are eligible for exemption from noncompliance penalties: voluntary conversions are not.

By definition, mandatory conversions are excluded from the automatic imposition of new source performance standards; voluntary conversions may not be.

Under the prevention of significant deterioration provisions, mandatory conversions are automatically excluded by rule from new source review, and may be excluded from PSD increment consumption for up to 5 years. This is not the case for voluntary conversions.

Consequently, under existing law, a utility or industry which wishes to convert voluntarily from oil or gas to an alternate fuel may be better off if they come to the Government and request a conversion order. This is a ludicrous waste of time and money, and serves no useful environmental purpose.

The second bill is identical to S. 1416 from the 96th Congress. It is designed to provide sufficient flexibility during energy emergencies to allow a Governor or the President to suspend overly stringent air quality regulations for a period of time long enough to permit utility and industrial plants to switch from scarce fuels to more abundant alternatives.

Existing authority under section 110 (f) of the Clean Air Act limits emergency deviations from State implementation plan requirements to a maximum of 4 months. This is far too short a period of time to permit utility and industrial plants to switch fuels—for example, from oil to coal—particularly if some capital investment is needed.

This bill would extend the permissible period for suspension from a maximum of 4 months to 5 years, but with a strict requirement that the longer suspension not result in a violation of any national ambient air quality standard.

It would permit the President as well as a Governor to issue such a suspension.

And, it would establish as a new condition on which a suspension may be based, "that energy imports from outside the United States of fuel used by a source have reached an excessive level and such imports can be reduced by such emergency suspension."

I want to emphasize that any suspension under this provision could only be granted on a case-by-case basis. There is no question in my mind that we cannot sacrifice our hard-won environmental improvements to energy expediency, and it certainly is not the intent of this bill to do that.

At the same time, however, I am equally confident that in time of emergency we cannot permit ourselves to be strait-jacketed by regulations which may be more stringent than absolutely necessary to maintain ambient air quality.

Mr. President, we know what our foreign oil dependence has cost us in the past, and what it continues to cost us every day—not only in dollars, but in national security. If foreign oil dependence continues, the future is equally grim.

The Senate Energy Committee, in its report last year on the "Geopolitics of Oil" reached a number of sobering but unsurprising conclusions, among them that:

First. A major oil supply disruption within the next decade is likely;

Second. Oil has become a political instrument in the hands of the major oil-producing nations;

Third. Unless there is a major shift in current policies, the next two decades could witness growing competition among the governments of the consuming nations for scarce crude supplies; and

Fourth. The Soviet Union's growing interest in the Middle East and its increasing control over Western Europe's energy supplies pose grave dangers for the Western Alliance.

It is, therefore, altogether possible that a decision will have to be made that we cannot afford the energy costs of environmental decisions that were made in less austere and troubled times.

It is altogether possible that a decision will have to be made that it is in the national interest to suspend certain provisions of State implementation plans which are more stringent than necessary to meet national ambient air quality standards, and to suspend them for a period of time long enough to permit utility and industrial plants to switch from scarce fuels to more abundant ones.

This bill would provide flexibility under the law to act on such a decision. In and of itself, the bill does not suspend a single regulation. But, it does provide the option for doing so under specified limited conditions.

The third bill is intended to encourage and facilitate the increased use of coal by adding some reason and certainty to Government regulation.

Compliance wtih environmental laws and regulations often is a costly undertaking. Once expenditures are made, and a source is in compliance, the source owner should have assurance that his investment will not be jeopardized by adoption of more stringent requirements for a reasonable period of time unless there is a bona fide threat to public health. While it may, and probably will, be necessary to tighten emission limitations and standards from time to time, owners who in good faith comply should be given the opportunity and time to amortize their pollution control costs.

Changing ground rules and moving targets are extremely worrisome to those who must comply with environmental requirements. Each incremental control requirement becomes more difficult and costly. The uncertainty associated with potential rule changes renders corporate decisionmaking precarious and may cause delays in constructing or modifying new sources or in retrofitting controls on existing sources. While compliance at the time of construction of a new source may be accomplished with reasonable certainty at a given cost, compliance with more stringent control measures adopted subsequent to construction may be difficult, or physically impossible, and may be considerably more expensive than the original compliance measure.

This principle is recognized in section 306(d) of the Clean Water Act, which provides that any source constructed as to meet all applicable standards of performance shall not be subject to any more stringent standard of performance during a 10-year period, or until the equipment is depreciated or amortized, whichever comes first. The bill I am introducing today would add a provision to the Clean Air Act to provide a comparable period of assurance for all complying existing, modified or new sources against the application of more stringent standards unless an imminent threat to public health can be attributed to the source.

I ask unanimous consent that the texts of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 540

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 111(a)(8) of the Clean Air Act is amended—

(1) by striking out "or" at the end of clause (A); and

(2) by inserting after the comma at the end of clause (B) the following: "(C) which qualifies under section 113(d)(5)(A)(iii) of this Act,".

(b)(1) Section 113(d)(5)(A) of such Act is amended—

(A) by striking out "or" at the end of clause (i);

(B) by adding "or" after the comma at the end of clause (ii); and

(C) by inserting after clause (ii) the following:

"(iii) voluntarily converts to an alternate fuel,".

(2) Section 113(d)(5)(B) of such Act is

amended by inserting "or other alternate fuel" after "coal" each place it appears.

(c) Section 120(a)(2)(B)(i) of such Act is amended by inserting "or other alternate fuel" after "coal".

(d) Section 163(c)(1)(A) of such Act is amended—

(1) by inserting ", or by reason of a voluntary conversion," after "provisions)"; and

(2) by inserting "or such voluntary conversion" after "such order".

S. 541

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 110(f)(1) of the Clean Air Act is amended by inserting ", or by the President," after "Governor of any State covered by the President's determination".

(b) Section 110(f)(2) of such Act is amended—

(1) by inserting "or the President" after "Governor or such State";

(2) by inserting "(i)" after "(A)";

(3) by striking out "(B)" and inserting in lieu thereof "(ii)";

(4) by striking out the period at the end of the first sentence thereof and inserting in lieu thereof "; or"; and

(5) by inserting after clause (ii) (as so redesignated) the following new subparagraph:

"(B) foreign imports of fuels used by such source have reached an excessive level and such imports can be reduced by the emergency suspension.".

(c) Section 110(f)(3) of such Act is amended to read as follows:

"(3) A temporary emergency suspension issued by a Governor or the President under this subsection shall remain in effect for a maximum of five years, or such longer period as the owner or operator of such source may establish as reasonable to the satisfaction of the person issuing such suspension, or, in the case of a suspension issued by a Governor, such lesser period as may be specified in a disapproval order of the Administrator, if any; but no suspension may remain in effect for a period in excess of four months if such suspension results in a violation of any national ambient air quality standard. The Administrator may disapprove a suspension issued by a Governor if he determines that such suspension does not meet the requirements of paragraph (2).".

(d) Section 110(f)(4) of such Act is amended—

(1) by striking out "for a four month period" and inserting in lieu thereof "for a period of up to five years, or such longer period as the owner or operator of such source may establish as reasonable to the satisfaction of the President,"; and

(2) by inserting before the period at the end thereof the following: "; but no suspension may remain in effect for a period in excess of four months if such suspension results in a violation of any national ambient air quality standard".

(e) Section 110(f)(5) of such Act is amended by inserting "or President" after "Governor".

(f) Section 110(f) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) Any suspension issued under this subsection for a period in excess of four months shall be revoked by the person who issued it if he determines that such source did not change to an alternate fuel.".

S. 542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Clean Air Act is amended by inserting at the end thereof the following new section:

"COMPLIANCE PERIOD FOR CERTAIN STATIONARY SOURCES"

"SEC. 328. Notwithstanding any other provision of this Act, any existing major stationary source which comes into compliance with all emission limitations in the applicable implementation plan, or any new or modified major stationary source the construction or modification of which meets all applicable emission limitations and standards of performance, shall not be subject to any more stringent emission limitation or standard of performance during a ten-year period beginning on the date of completion of such compliance, construction, or modification, or during the period of depreciation, or amortization of such facility for the purposes of section 167 or 169 (or both) of the Internal Revenue Code of 1954, whichever periods ends first; except that this section shall not apply in the case of a source to which a substantial imminent threat to public health can be attributed (as determined by the Administrator).".

● Mr. FORD. Mr. President, today I join my colleague from Kentucky, Senator HUDDLESTON, in cosponsoring three amendments to the Clean Air Act, all of which are directed at increasing the use of coal in this country. Curbs presently imposed by the Clean Air Act on the coal industry affect not only jobs and consumer prices, but also our national economy and our national security. America's overdependence on expensive imported foreign oil is dangerous and must be brought to a halt, but we cannot wean ourselves if the most viable energy alternative is denied to us.

Senator HUDDLESTON is proposing measures that will make coal easier to use as a direct fuel without necessarily causing an increase in air pollution and a decrease in the quality of life. Rather than attempts to gut the act, they are adjustments that will bring flexibility, equity, and common sense to it.

The first bill removes penalties for voluntary conversion from oil or natural gas to coal. Curiously, under present law only those utilities and industries that are ordered to convert under the Energy Supply and Environmental Coordination Act (ESECA) and the Powerplant and Industrial Fuel Use Act (PIFUA) have an incentive to do so.

Only they are eligible under the Clean Air Act for delayed compliance, exemption from noncompliance penalties, automatic exclusion of new source performance standards and exclusion from new source review of preventative significant deterioration and possibly increment consumption.

This favorable treatment for mandatory conversion is neither fair nor logical. Voluntary conversion to a fuel that reduces reliance on imports should be rewarded, not punished. This legislation will be a necessity if the conversion laws are changed to lessen, or repeal, mandated conversions.

The second bill, the same as one I cosponsored in the last Congress, would give to the President or a Governor extended emergency authority to suspend certain air quality regulations applicable to a fuel-burning stationary source if either finds that foreign imports of fuels used by such source have reached an excessive level and that such imports can be reduced by the emergency suspension. At present such authority exists for a 4-month period, hardly sufficient time for any concern to make the change to coal.

While the legislation in question increases the period of suspension to a maximum of 5 years, it is accompanied by the stipulations that there be no violation of any national ambient air quality standard and that it would be revoked if the stationary source did not convert to an alternative fuel.

The final proposal, which I also cosponsored in the 96th Congress, provides a moratorium on applying additional emission control equipment to any sources which have complied with applicable existing technology regulations. It would run for a 10-year period but would exempt any source to which the Administrator of the Environmental Protection Agency has attributed a substantial imminent threat to public health.

Reevaluation of control technology often results in tremendous expenditures of money for questionable, short-term benefits and creates a degree of uncertainty that is a disincentive for utilities and plants considering conversion to coal. Those new or modified stationary sources which meet all performance standards and emission limitations at the time of construction or modification should have the opportunity to amortize their pollution control costs or realize their depreciation.●

By Mr. MOYNIHAN:

S. 543. A bill to provide unrestricted Federal aid to local educational agencies from an amount of 5 percent in fiscal year 1981, to 25 percent in fiscal year 1990, of the non-Federal expenditures for free public education, and for other purposes; to the Committee on Labor and Human Resources.

S. 544. A bill to provide an entitlement to State and local educational agencies to receive financial assistance for the reimbursement of the costs of complying with the regulations issued under certain Federal education laws, and for other purposes; to the Committee on Labor and Human Resources.

ELEMENTARY AND SECONDARY EDUCATION REFORM PROGRAM

● Mr. MOYNIHAN. Mr. President, I am today introducing three bills that, together, would constitute the core of an elementary and secondary education reform program for the 97th Congress. Each embodies a major principle not now clearly stated in Federal law. In combination, they would represent a significant reform in the relationship between the Federal Government, on the one hand, and the Nation's schools and students on the other. They comprise, I believe, a comprehensive agenda for the Congress in its efforts to insure the vitality, quality, and diversity of our primary and secondary education system.

The first responsibility of government is to the public schools. Accordingly, my first proposal is that the Federal Government commence to provide unrestricted aid to the Nation's public school systems. This would be done on a matching basis, such that by the end of the

1980's the Federal Government would supply $1 in unrestricted support money for every $4 provided out of State and local revenues. It would, in other words, pay for one-fifth of the ordinary operating costs of the public schools, apart from and in addition to the various forms of categorical aid it provides. To my knowledge, the United States is the only democratic nation in the industrialized world which provides no regular and routine support for schools.

My second proposal rests on the principle that the Federal Government should pay the full cost of complying with the mandates and regulations it imposes on schools. My bill would not alter those mandates. Rather, it would entitle all schools (and State and local education agencies that run public schools) to be reimbursed for the full costs of complying with all the major mandates and regulations issued by the Education Department.

The third proposal, introduced jointly with my distinguished colleague, Senator BOB PACKWOOD, would allow parents of children enrolled in nongovernmental schools at the elementary and secondary level to claim an income tax credit to offset a portion of their tuition costs. The credit would also be available to those incurring tuition costs for attendance at colleges and universities.

The three measures should be viewed as a package, encompassing related and complementary objectives. None would replace or supplant existing programs aimed at particular purposes or at students with special needs. The purposes of the Elementary and Secondary Education Act of 1965, and other extant Federal assistance programs, remain laudable and the programs remain necessary. I reaffirm my own commitment to do my upmost to see that they are maintained and adequately funded.

My new proposals are intended to fill three large gaps in the current array of programs.

The first gap, addressed by the first bill, is the lack of unrestricted operating funds. This was an intentional ommission, and one that had a definite rationale 15 years ago. There was a fear, clearly stated at the time, that Federal aid would lead to Federal control of the schools. By confining Federal assistance to categorical purposes, to supplementary purposes, to what might even be termed marginal activities, it was thought that the core of the educational process could be protected from Federal interference.

Regrettably, just the opposite has occurred. The rules requirements, and costs associated with Federal categorical assistance to elementary and secondary education have produced more Federal control than even the gloomiest prophets had foreseen. Although Washington still supplies less than 8 cents of every dollar spent on public education, local education agencies throughout the country are held accountable to the regulations of more than 150 separate programs. The control, in other words, has come about without the assistance. I propose that we now provide the assistance in the form of straightforward grants to local education agencies so that they can retrieve some of the control over their activities that categorical Federal programs have taken away. In this matter, I share the view of the National Education Association, and of many other educators, that resources are the thing most lacking in most public schools. There is a national responsibility to provide a free education of good quality to every boy and girl who attends our public schools.

The second gap in present policy, addressed by the second of my bills, results from the tendency of the Federal Government to impose requirements on State and local governments without supplying the resources needed to meet the costs of complying with those requirements. Mayor Koch has termed the results of this process a "mandate millstone" hanging around the neck of New York City and other local—and State—governments throughout the land.

Without exception, the social educational objectives sought through these requirements are worthy. A free, appropriate education of high quality for every child with handicaps or special needs. Bilingual instruction for students not yet fluent in English. A safe and healthful environment in the school buildings themselves. Access to educational facilities for boys and girls with physical disabilities. Full equality of educational opportunity for youngsters of every race, origin, and sex.

The list is long. I applaud it. But with very rare exceptions—chiefly the elimination of impediments to the fulfillment of constitutional rights—I do not think it is right or just or reasonable for the Federal Government to make rules or impose regulations that carry with them dollar costs that the Federal Government cannot, does not, or will not pay. For when it does, the result is added pressure on hard-pressed boards of education, school committees, municipal and State governments to divert scarce resources from other programs, activities, and priorities.

Currently, the most burdensome and costly of these requirements are those associated with Public Law 94-142, the Education for All Handicapped Children Act. Educating handicapped youngsters is costly, but it is a cost society must meet. It is unreasonable, however, for Washington to fix the terms and requirements and then supply only a tiny fraction of the costs: Currently just 12 percent, although the authorizing law conveyed the expectation that by now Washington's share would be a full 40 percent. The result has been a sudden and extremely heavy burden on local school boards, the siphoning away of resources needed for other purposes, and mounting discontent on the part of parents, citizens, and taxpayers.

My bill is not aimed at the many small categorical Federal programs that are wholly optional for individual schools and school boards, and that often carry matching costs as a condition for participation. Nor is it aimed at the various Federal regulations—occupational safety, social security, energy conservation, and the like—that affect all institutions. Rather, it is aimed at the major enactments affecting schools as schools, and in which participation—though sometimes technically voluntary—is for all practical purposes mandatory.

This would be an entitlement program. If the school board (or private school) can demonstrate that Federal requirements resulted in specific costs, and that the costs are legitimately described as required by Federal law or regulation, the school board is entitled to full reimbursement by the Education Department. It would not matter whether the school is public or private, or whether the costs were incurred at the local or State level. Under my proposal, the costs are reimbursable in full.

The third gap in Federal education policy is the absence of assistance to families that choose to enroll their children in nongovernmental schools. Presently, about 1 child in 10 attends such a school.

This is not a new idea, nor is it the least bit revolutionary. Included in the passage of the Elementary and Secondary Education Act of 1965 was a promise that nongovernmental schools would receive their fair share of Federal education assistance.

But this promise has not been kept. Youngsters attending nongovernmental schools do not now receive their fair share of Federal educational assistance.

The proposal to provide parents with modest amounts of assistance through the Federal income tax system, by permitting them to retain a bit more of their own earned income to use in meeting the costs of tuition, is a familiar idea. Many such bills have been introduced over the past 15 years. Hearings have been held. Debates have been conducted. In 1978, this idea was approved by the House of Representatives, and came close to approval by the Senate as well.

The present administration is pledged to support tuition tax credits. We therefore propose, once again, that such credits be made available to students and parents with tuition expenses in connection with elementary, secondary and postsecondary education.

The tax credit would offset only half the tuition cost, and in no case more than $500 per child per year. (It will be noted that the average cost of maintaining a child in public school now exceeds $2,000 per annum.)

The credit would be refundable, to permit low income families to avail themselves of its benefit.

In no case would a child be eligible for the credit if the school he or she attends denies admission to students on the basis of race, color or national origin.

The credit can only be claimed in connection with attendance at a tax-exemut, nonprofit educational institution. Nothing in the bill would alter, impair or interfere with the ability of individual States to determine and define what constitutes a school or other educational institution, to enact laws and prescribe regulations with respect to the operation of schools and other educational institutions within the borders of individual States, or with other rights and powers of the States and their subdivisions. It is the intent and the understanding of the sponsors that the Federal

Government should in no way supercede, limit or enlarge the sphere of State action in the field of education, and that the tuition tax credit bill is neutral with respect to the relationship between educational institutions and State governments (and their legal subdivisions). While it is my own belief that all levels of government should respect the essential independence and sovereignty of nongovernmental schools and other educational institutions, it is not the proper province of the Congress to affect in any way the relationships that now exist or may in the future exist between educational institutions and governments other than the Federal Government.

This is a controversial proposal. I know that many persons of good will, deep concern for education, and an active interest in progressive social policy are opposed to it. I welcome their views, deeply respect their sincerity, and very much understand their concerns. The sources of their opposition are varied. Certainly the most important is the fear that assistance to children in nonpublic schools could somehow injure or weaken the public schools.

If I believed that were true, I would not support tuition tax credits. The public schools come first and I would knowingly do nothing to harm them. But I do not believe that tuition tax credits will harm them or in any way diminish their ability to provide high quality education to the vast majority of American youngsters. I expect them to continue to provide the education of 9 children out of 10. I do not believe that families wish to flee the public schools, and reject out of hand the view that the only thing the public schools have going for them is the absence of affordable alternatives for their students. We do not build and maintain strong and vibrant public schools by turning them into educational monopolies.

The real danger, in my view, to the traditional American school system is that the nongovernment schools will disappear as an available option to families of average income. Private schools for upper-income families, schools resembling and often modeled on the English public schools, have been a common feature of American society for some centuries now. They will continue to be: They are a very considerable resource and by no means restrict their student body to the well to do. Just at present, the number of such schools is growing. At the same time, however, the parochial schools, that is to say the neighborhood schools, almost always associated with a church or synagogue, are not growing. Their number and their enrollments have been declining sharply. The object of tuition tax credits is to prevent further decline; to maintain the traditional American educational system.

I am aware of the concern that tuition tax credits for families of children attending nongovernmental schools, many of them associated with religious groups, may be incompatible with the requirement of the first amendment that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

I do not myself believe that there is any incompatibility. The final resolution of this question must be provided by the Supreme Court. All one asks is the opportunity to put it before the Court, something that can only happen if we stop interposing the constitutional question ahead of the public policy issue and proceed to enact a law that the Court can examine.

Although these measures will be seen as excessively liberal by some, I would wish to argue that their essential purpose is to conserve the values and traditions of the American educational system. Diversity. Quality. Universality.

I offer this judgment from a background that is not without relevance. I believe I am the only professor of education serving in the Senate; I have been told I am the first ever to have done. As a member of the Kennedy and Johnson administrations, I helped develop the major school-aid programs of that period, including most notably the Elementary and Secondary Education Act of 1965. As counselor to the President in 1970, I drafted the Presidential messages to Congress that proposed creation of the National Institute of Education, the President's Commission on School Finance, and the major program of aid to needy college students that we now know as Pell grants.

In 1977, the United Federation of Teachers honored me with its John Dewey award—

For his lifelong support of public education, his dedication to quality education for all children and his leadership in the struggle to obtain adequate resources for our Nation's schools.

I have voted for every single education authorization and appropriation bill since coming to the Senate. I will continue to do so. The vast bulk of the aid provided in those measures goes to the public schools and their students. This is as it should be. The vast majority of the aid provided in the bills I am now introducing will go to the public schools. If the general assistance bill were now fully effective, it would supply some $25 billion a year to the public schools, compared to less than $2 billion in revenues that would be lost if the elementary and secondary portion of tuition tax credits were now fully effective. The major beneficiaries of the mandate cost reimbursement bill will also be the public schools and the State and local education agencies that run them.

The essential point is that in my view there is no conflict between unstinting support of public education and a desire also to see that students in nongovernmental schools receive a modicum of assistance from the Federal Government. The public schools do and must come first. But that does not mean we should forget the nonpublic schools and their students. My legislation is intended to assist both. I urge the enactment of all three bills. I ask unanimous consent that the text of the Public Education Assistance Act, the Education Mandate Reimbursement Act, and their accompanying fact sheets be printed in the RECORD at this point. I also ask unanimous consent that a fact sheet explaining the Tuition Tax Relief Act be printed in the RECORD following my statement.

There being no objection, the bills and fact sheets were ordered to be printed in the RECORD, as follows:

S. 543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Education Assistance Act".

DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "current expenditures" means expenditures for free public education, including expenditures for administration, instruction, attendance, and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for commodity services, capital outlay and debt service.

(2) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(3) The term "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State, except that such term does not include any education beyond grade 12.

(4) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

(5) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

FEDERAL EFFORT ENTITLEMENT

SEC. 3 (a) Each local education agency in a State is entitled to receive from the Federal Government, in addition to the Federal financial assistance received by that local educational agency in fiscal year 1980—

(1) 5 percent for fiscal year 1981,
(2) 8 percent for fiscal year 1982,
(3) 11 percent for fiscal year 1983,
(4) 14 percent for fiscal year 1984,
(5) 16 percent for fiscal year 1985,
(6) 18 percent for fiscal year 1986,
(7) 20 percent for fiscal year 1987,
(8) 22 percent for fiscal year 1988,
(9) 24 percent for fiscal year 1989, and
(10) 25 percent for fiscal year 1990, of the current expenditures for free public education expended by that agency from non-Federal sources for the fiscal year for which the determination is made.

(b) No entitlement may be made under this section by the Secretary of Education unless an application is made to the Secretary at such time and in such manner as the Secretary may reasonably require.

(c) The Secretary shall approve an application from a local educational agency which the Secretary determines—

(1) sets forth the correct current expenditures for the fiscal year for which the determination is made; and

(2) describes the uses of the Federal funds to which the agency is entitled.

USES OF FEDERAL FUNDS

SEC. 4. Payments made under this Act may be used in accordance with applications approved under section 3 for educational programs and activities.

PAYMENTS

SEC. 5. (a) The Secretary shall pay, in accordance with the provision of this Act, to each local education agency, which has an application approved under section 3(c) an amount equal to the amount set forth in the application.

(b) Payments under this Act may be made in installments in advance or by way of reimbursement with necessary adjustments on account of overpayments and underpayments.

PUBLIC EDUCATION ASSISTANCE ACT
FACT SHEET

I. PURPOSE

To strengthen local education agencies and foster educational quality and equality by providing unrestricted federal assistance to local education agencies on an ambitious but orderly schedule until it reaches twenty-five percent of the regular operating costs of the public schools by 1990.

II. BACKGROUND AND NEED

The current federal share of elementary and secondary education expenditures has hovered around eight percent since the mid-1960's. Soaring costs and the diminishing capacity of state and local governments to meet them have made it difficult to maintain and improve the education offered in the public schools. Only by committing the federal government firmly and explicitly to a specific level of unrestricted funding and a precise timetable for attaining it can public education be safeguarded, strengthened and improved.

III. MATCHING BASIS

Funds under this act would be provided on a matching basis. This means that when fully effective in 1990, a local education agency would receive one dollar for every four dollars in local and state revenues that it spends. This would be apart from, and in addition to, any categorical aid provided by the federal government. Existing programs would be unaffected.

IV. PHASE-IN

The federal "matching rate" would increase according to the following schedule:

	Percent
Fiscal year 1981	5
Fiscal year 1982	8
Fiscal year 1983	11
Fiscal year 1984	14
Fiscal year 1985	16
Fiscal year 1986	18
Fiscal year 1987	20
Fiscal year 1988	22
Fiscal year 1989	24
Fiscal year 1990	25

V. ELIGIBILITY

Local education agencies that provide a free public education at the elementary and secondary level are eligible to receive funds under this act.

VI. DISTRIBUTION OF FUNDS

This is an entitlement program. Once an application is received from a local education agency setting forth current expenditures, the Secretary of Education would authorize payment.

S. 544

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education Mandate Reimbursement Act".

DEFINITIONS

SEC. 2. As used in this Act—

(1) the term "local educational agency" has the same meaning given the term under section 1001(f) of the Elementary and Secondary Education Act of 1965;

(2) the term "State educational agency" has the same meaning given the term under 1001(k) of the Elementary and Secondary Education Act of 1965;

(3) the term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands; and

(4) the term "State Board" means the State Board for vocational education established or designated pursuant to section 195 (9) of the Vocational Education Act of 1963.

ENTITLEMENT

SEC. 3. (a) Each State educational agency, State Board, and local educational agency is entitled to receive reimbursements for the costs of complying with regulations promulgated under—

(1) title I of the Elementary and Secondary Education Act of 1965, relating to financial assistance to meet special educational needs of children;

(2) title II of the Elementary and Secondary Education Act of 1965, relating to basic skills improvement;

(3) title IV of the Elementary and Secondary Education Act of 1965, relating to educational improvement, resources and support;

(4) title VI of the Elementary and Secondary Education Act of 1965, relating to emergency school aid;

(5) title VII of the Elementary and Secondary Education Act of 1965, relating to bilingual education programs, and any other bilingual education regulations;

(6) the Vocational Education Act of 1963;

(7) the Education of the Handicapped Act;

(8) section 504 of the Rehabilitation Act of 1973;

(9) title IX of the Education Amendments of 1972, relating to prohibition against sex discrimination; and

(10) any other program of assistance to a State educational agency, State Board, or local educational agency which is an entitlement or which is distributed on a State allotment basis.

(b)(1) The entitlement provided by subsection (a) of this section shall be available only for elementary and secondary school programs.

(2) The entitlement provided by subsection (a) of this section shall be available for expenditures made during the period beginning October 1, 1980 and ending September 30, 1984 which the Secretary determines to be reasonable.

LIMITATIONS

SEC. 4. No payments may be made with respect to the entitlement established under section 3 (a) of this Act—

(1) for any amounts for which the State educational agency, the State Board, or the local educational agency, as the case may be, has been reimbursed or is entitled to be reimbursed under any other provision of Federal law, or

(2) for activities covered by special amounts set aside for the administration of a State plan or application.

APPLICATION

SEC. 5. (a) Any State educational agency, State Board, and local educational agency entitled to receive assistance under section 3 of this Act shall submit an application, at such time, in such manner, and containing or accompanied by such information as the Secretary deems reasonably necessary. Each such application shall—

(1) describe with particularity the costs of complying with regulations issued pursuant to any statute listed in section 3 (a) incurred or to be incurred by such agency or board, and evidence showing that the limitations on the reimbursement of such costs contained in sections 3 (b) and (4) are or will be complied with;

(2) set forth a schedule for the reimbursement of any nongovernmental school or other private entity with which such agency or board has arrangements for total expenses related to the costs described in section 3 (a) and incurred by such school or entity;

(3) provide for such fiscal control and fund accounting procedures as may be necessary (A) to assure the proper disbursement of and accounting for Federal funds paid to the applicant under this Act, and (B) to assure the verification of the cost of complying with the regulations set forth in the application under clause (1) of this subsection; and

(4) provide for making such necessary reports as the Secretary may reasonably require.

(b) The Secretary shall approve any application that meets the requirements of this section.

WITHHOLDING

SEC. 6. Whenever the Secretary, after reasonable notice and opportunity for hearing to any State educational agency, State Board, or local educational agency, finds that there has been failure to comply with the provisions set forth in the application of that agency or board approved under section 5, the Secretary shall notify the agency or board, as the case may be, that further payments will not be made under this Act until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made under this Act.

PAYMENTS

SEC. 7. (a) The Secretary shall pay in accordance with the provisions of this Act to each State educational agency, State Board, and local educational agency, which has an application approved under section 5, an amount equal to the amount needed for the purposes set forth in the application.

(b) Payments under this Act may be made in installments in advance or by way of reimbursement with necessary adjustments on account of overpayments and underpayments.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary for the fiscal year 1982 and for each fiscal year ending prior to October 1, 1985 to carry out the provisions of this Act.

EDUCATION MANDATE REIMBURSEMENT ACT—
FACT SHEET

I. PURPOSE

To reimburse state and local education agencies and schools for the full cost of complying with regulations issued under certain federal education laws by the Department of Education.

II. BACKGROUND AND RATIONALE

As a general rule, the federal government should not impose requirements or mandates on state and local governments that carry with them dollar costs that the federal government does not pay. Positively stated, all federal mandates and requirements should be accompanied by the promise of sufficient resources to offset in full the costs of complying with them.

This bill seeks to establish that principle in federal education policy by creating an entitlement to full reimbursement for all state and local education agencies (and private schools) of costs incurred in complying with the major elementary and secondary programs operated by the Education Department. These include, but are not limited to, Titles I, II, IV, VI and VII of the Elementary and Secondary Education Act; Section 504 of the Rehabilitation Act of 1973; the Education For All Handicapped Children

Act; and Title IX of the Education Amendments of 1972.

The bill does not alter, weaken or eliminate any mandates, regulations or requirements. It simply provides full federal funding for the costs of compliance, so long as those costs are reasonably related to the actual federal requirements.

III. PROGRAMS NOT COVERED

No reimbursement would be available for the small categorical programs that are wholly optional for local school boards, and that often carry matching costs as a condition for participation.

IV. ELIGIBILITY

Local and state education agencies are eligible for reimbursement under the terms of this act. In addition, nongovernment schools are to be fully reimbursed for costs deemed eligible by this act.

V. DEFINITION OF ELIGIBLE EXPENSE

The Secretary of Education shall determine which expenditures by those eligible under the terms of this act are reasonable, and are necessarily incurred to comply with federal mandates and regulations.

VI. APPLICATION FOR REIMBURSEMENT

This is an entitlement program. Each education agency entitled to reimbursement would submit an application containing such information as deemed necessary by the Secretary of Education. Applications would describe the cost incurred for complying with federal mandates and regulations. The Secretary would determine with certainty that such expenses were directly related to the cost of complying with a particular statute or regulation.

VII. EFFECTIVE DATE

Reimbursement would be made available effective in fiscal year 1982.

TUITION TAX RELIEF ACT OF 1981 FACT SHEET

WHAT DOES THE TUITION TAX RELIEF ACT DO

The bill would provide a tax credit, subtracted directly from the amount of taxes owed, for tuition expenses paid by an individual for himself, his spouse or his dependents (this is unlike a tax deduction, which is subtracted from gross income). The amount of this credit will be 50 percent of tuition payments up to a maximum credit of $500 when the credit is fully effective.

ELIGIBILITY AND PHASE-IN

The credit will become effective as follows:

August 1982: Up to $250 for—fulltime undergraduate, vocational, elementary and secondary students.

August 1983: The credit is increased to $500.

August 1984: For college and vocational:—add graduate students, and—change the fulltime minimum enrollment to halftime.

ELIGIBLE EDUCATIONAL EXPENSES

Eligible educational expenses include tuition and fees required for enrollment or attendance at an educational institution. These do not include any amount paid directly or indirectly for books, supplies, meals, lodging, transportation, or similar personal, living, or family expenses.

LOW INCOME FAMILIES

The credit is refundable. This means that if a taxpayer is entitled to a credit greater than the amount of his tax liability, the difference will be refunded to him by the Treasury. This assures that low-income families will benefit from tuition tax credits.

PUBLIC ELEMENTARY AND SECONDARY SCHOOLS

These are not eligible.

CIVIL RIGHTS

In order for a student (at the elementary/secondary level) to be eligible for a tax credit, the school must meet the following requirements:

Be exempt from taxation under Section 501 (a) as an organization described in Section 501(c)(3) of the Internal Revenue Code.

Does not exclude persons from admission to it or participation in it on account of race, color, or national or ethnic origin.

AID TO THE SCHOOL

Receipt of a tax credit for tuition expenses is deemed to be aid to an individual and not to the school or institution. This is explicit in the bill.

OFFSETS

In determining the amount of educational expense on which the tax credit amount will be calculated, any tuition assistance provided from other sources will first be subtracted. This includes federal, state and private grants, subsidized loans, etc. Tax credits are confined to tuition paid by the taxpayer.

COST

The Congressional Budget Office is presently working on a cost estimate of the Tuition Tax Relief Act of 1981 The cost of a similar measure considered in 1978 was estimated to be $4.3 billion when fully effective. Of that, 22 percent of the total benefits would go to families with incomes below $15,000 and 54 percent would go to families with incomes below $25,000. More current estimates will be available shortly.●

By Mr. ABDNOR:

S. 545. A bill to authorize a study of the feasibility of Federal development of the water resources of the Little White River unit located on the Rosebud Sioux Indian Reservation, S. Dak.; to the Select Committee on Indian Affairs.

FEASIBILITY STUDY OF PROPOSED LITTLE WHITE RIVER UNIT

● Mr. ABDNOR. Mr. President, I am introducing legislation today to authorize a feasibility study of the proposed Little White River unit, to be located on the Rosebud Sioux Indian Reservation in South Dakota.

The Little White River has perhaps the best potential for water development west of the Missouri River in South Dakota. The feasibility study would review a number of possible project purposes, including irrigation, fish and wildlife benefits, municipal and industrial water use, flood control and hydroelectric power generation. Review of these potentials would be accomplished over a 4-year period.

The following is the text of Rosebud Sioux Tribal Council resolution No. 80-154, passed by the tribe on October 8, 1980:

Whereas, the Rosebud Sioux Tribe is a federally recognized Tribe organized under the Indian Reorganization Act of 1934 and all pertinent amendments, and

Whereas, the Rosebud Sioux Tribe is governed by a Tribal Council made up of elected representatives who act in accordance with the powers granted to it by its constitution and by-laws, and

Whereas, the federal government has ignored its responsibility for development of the water resources of the Rosebud Indian Reservation for over twenty years, and

Whereas, the Rosebud Sioux Tribe has been striving to achieve reservation economic development to overcome chronic poverty as presently manifested by tribal members experiencing 60% unemployment rate and with over 70% of incomes below the national poverty level, and

Whereas, the Tribal Indian water rights are being challenged from all quarters, and

Whereas: the Tribe realizes that it can best protect its water rights by developing beneficial use of its water resources, and

Whereas: needs exist on this reservation for the development of irrigation, hydroelectric power, flood control, municipal-industrial and rural domestic water supplies, fish and wildlife enhancement, and water based recreation, now therefore be it

Resolved, That the South Dakota Congressional Delegation is requested to support the Rosebud Sioux Tribe in obtaining authorization and appropriations necessary for the Water and Power Resources Service to conduct a feasibility study for Federal development of the water and associated land resources of the Little White River Basin, and

Be it further resolved, That, although the Tribe desires to provide water service to non-Indian interests, the Rosebud Sioux Tribe requests that this project be planned and authorized as an Indian project in the Pick-Sloan Missouri Basin Program (P-SMBP) to be known as the Little White Unit, and

Be it further resolved, That due to the urgent nature of adverse economic conditions and water rights challenges, the Rosebud Sioux Tribe requests that this study be implemented no later than the beginning of Fiscal Year 1983 and that serious consideration be given to an accelerated start during Fiscal year 1982.

It is my hope that the 97th Congress will approve this legislation so that water development on the Rosebud Reservation can proceed without delay.●

By Mr. RANDOLPH (for himself, Mr. LONG, Mr. HEFLIN, Mr. HUDDLESTON, and Mr. GOLDWATER):

S. 546. A bill entitled the Fish Restoration Act of 1981; to the Committee on Environment and Public Works.

FISH RESTORATION ACT OF 1981

● Mr. RANDOLPH. Mr. President, during the 96th Congress I introduced S. 1631, the Fish Restoration Act of 1979. This legislation would have provided additional assistance to the States for maintaining their recreational fisheries resources. The bill received strong support from State fisheries managers and fishing enthusiasts throughout the country, many of whom testified at a hearing held by the Environment and Public Works Committee on May 20, 1980. Today, I reintroduce the legislation and am pleased that Senators LONG, HEFLIN, HUDDLESTON, and GOLDWATER are joining as sponsors.

The Fish Restoration Act of 1981 would amend the Federal Aid to Sport Fish Restoration Act of 1950 (the so-called Dingell-Johnson Act). This successful and popular act places a 10-percent Federal manufacturers excise tax on most items of fishing tackle. Although paid by the manufacturers, the cost is passed along to the fishermen as a part of the cost of the tackle he buys. The tax is apportioned to the States on a matching basis for fisheries restoration, development, enhancement, and research.

The amendments which I introduce today would expand the Dingell-Johnson Act by adding a 3-percent manufacturers excise tax to recreational boats, motors, and boat trailers; and, with the tackle industry's endorsement, extending the present 10-percent tax to fishing tackle items not now covered. The bill differs from last years in that coastal States would be encouraged to apportion their Dingell-Johnson funds to marine and freshwater fisheries in proportion to the number of those anglers in the State.

If our fisheries resources are to meet the increasing demands upon them they must receive the best management that science can provide. Expanding the Dingell-Johnson Act will provide the necessary funding to insure recreational fishing opportunities for future generations.●

By Mr. HATFIELD:

S. 547. A bill to enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon; to the Select Committee on Indian Affairs.

IMPROVEMENTS ON A PARCEL OF LAND ON THE SILETZ RESERVATION

● Mr. HATFIELD. Mr. President, I am introducing legislation today which will correct a deficiency in the Siletz Reservation Act, Public Law 96-340, and enable the Secretary of the Interior to erect permanent improvements on a parcel of land known as Government Hill, which was acquired for the Confederated Tribes of Siletz Indians under the act. This dispute centers on regulations promulgated by the Department of Justice which prohibit the acquisition of a defeasible title to land upon which permanent improvements will be made. Thus, the Siletz Tribe will be unable to construct their tribal center on this land until this matter is taken care of.

Briefly, Government Hill originally belonged to the Siletz Tribe until the tribe was terminated from Federal recognition in 1954. At that time the land was transferred to the city of Siletz, which maintained the title to the land until 1979. In 1977, the Congress took the first step toward Federal recognition of the tribe by passing the Siletz Restoration Act. This act directed the Secretary of the Interior to undertake a 2-year reservation planning process with the intent of restoring the tribe to the status of reservation-based, federally recognized tribe. As part of that process, the city of Siletz held a referendum in 1979 where the city voted to donate Government Hill to the Siletz Tribe.

Included in the referendum language, though, was a use agreement negotiated between the city and the tribe which provides, among other things, that if the land is ever sold by the tribe or the United States, it would be sold back to the city. Thus, the process for restoring the tribe appeared to be completed when the Congress passed the Siletz Reservation Act, which provided that the Secretary of the Interior "* * * shall accept * * * any deed or instrument conveyed to the United States * * *" for the parcel of land in the city of Siletz, Oreg., known as Government Hill. It was envisioned at that time, by both the tribe and the city, that with the approval of Congress and the Bureau of Indian Affairs, the tribe would build various tribal facilities on the land to be shared by the city and the tribe.

Congressional intent, however, has been thwarted by the Department of Justice, which has informed the Department of the Interior regional solicitor that the acquisition of the Government Hill tract by Interior could not be approved because of the reverter clause in the use agreement, which would require the land to be sold back to the city if the tribe or the United States ever sold the land. Having been informed of that on October 30, 1980, I directed a letter to former Attorney General Benjamin Civiletti to seek a waiver of this regulation.

On December 4, 1980, I received a response to that letter from Assistant Attorney General James Moorman of the Land and Resources Division indicating that the waiver was denied because regulations promulgated by the Department of Justice prohibit the acquisition of a defeasible title to land upon which permanent improvements will be made absent congressional authority. I enclose copies of those letters for your information.

This legislation would provide the necessary congressional authority for the Attorney General to accept the title with the city's reverter clause and allow fulfillment of the Congressional intent in the Siletz Reservation Act to transfer ownership of the land to the tribe. Without congressional action, the purposes of the act would be frustrated and funds from the Department of Housing and Urban Development and the Economic Development Agency would be jeopardized. These funds are projected to be used for the building of a clinic, tribal offices, and community center. These facilities are extremely important to the tribe's efforts to administer vital tribal services to its members and to establish tribal headquarters.

I ask unanimous consent that a copy of the bill and the letters be printed in full in the RECORD at this point.

There being no objection, the bill and letters were ordered to be printed in the RECORD, as follows:

S. 547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law or regulation, the Attorney General shall approve any deed or other instrument conveying to the United States a defeasible or indefeasible interest in the land described in section 2 of the Act entitled "an Act to establish a reservation for the Siletz Tribes of Oregon", approved September 4, 1980 (94 Stat. 1073). The Secretary of the Interior or the Confederated Tribes of Siletz Indians of Oregon may erect permanent improvements, improvements of a substantial value, or any other improvements authorized by law on such land after such land is conveyed to the United States.

WASHINGTON, D.C.,
October 30, 1980.

Hon. BENJAMIN CIVILETTI,
Attorney General,
U.S. Department of Justice,
Washington, D.C.

DEAR MR. CIVILETTI: On September 4, 1980, President Carter signed into law the Siletz Reservation Act, P.L. 96-340, which provided that the Secretary of the Interior ". . . shall accept . . . any deed or other instrument conveying to the United States . . ." the parcel of land in the City of Siletz, Oregon, known as Government Hill. This Act culminated a five year legislative effort to restore the terminated Siletz Tribe to the status of a reservation based, federally recognized Indian Tribe. We sponsored this legislation as well as the 1977 Siletz Restoration Act which directed the Secretary of the Interior to undertake the two year reservation planning process which resulted in this Act.

In 1979, the City of Siletz, in a referendum election, voted to donate Government Hill to the Tribe and thereafter a use agreement was negotiated between the Tribe and the City. That agreement provides, among other things, that if the land is ever sold by the Tribe or the United States, it will be sold back to the City. Our offices were informed on a regular basis of the nature and progress of those negotiations.

On September 15, 1980, Assistant Attorney General James Moorman informed Interior's Regional Solicitor that the acquisition of the Government Hill tract by that Department would not be approved because of the reverter provision in the use agreement. The Justice Department's unpublished regulations apparently prohibit acquisition of a defeasible title to land upon which permanent improvements will be made absent Congressional authorization or a waiver by you of those regulations. On September 19, the Interior Department accepted title to Government Hill, pursuant to an agreement with your Department, on the condition that no federal funds would be spent for permanent improvements until either the regulation was waived by you, or Congress specifically authorized expenditure of federal monies on Government Hill. As Government Hill is to be the site of tribal headquarters and all community facilities on the reservation, failure to acquire that tract without such conditions will frustrate the central purpose of the Reservation Act.

By directing the Secretary of the Interior to "accept any deed or instrument," Congress has set the policy for this land acquisition and has provided the express authority for you to effectuate an unconditional transfer. Upon reflection, we are hopeful you will agree that further clarification of your authority is unnecessary in light of the express provisions of this Act.

Please let us know if you have further questions.

Sincerely,

MARK O. HATFIELD,
U.S. Senator.

LES AUCOIN,
Member of Congress.

DECEMBER 4, 1980.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATFIELD: This refers to your letter which was co-authored by Congressman Les AuCoin, dated October 30, 1980, relating to the acquisition of the parcel of land in the City of Siletz, Oregon, known as Government Hill in implementation of the Siletz Reservation Act (SRA), Public Law 96-340, approved Sepetmber 4, 1980.

The position of this Department with regard to the approval of the title to the lands donated by the City of Siletz of Government Hill, subject to the condition that "if the land is ever sold by the Tribe or the United States, it will be sold back to the City" is based upon the *Regulations of the Attorney General Promulgated in Accordance with the Provisions of Public Law 91-393 Approved September 1, 1970, 84 Stat. 835, An Act to Amend Section 355 of the Revised Statutes As Amended, Concerning Approval by the Attorney General of the Title to Lands Acquired For and On Behalf of the United States and For Other Purposes*, issued October 2, 1970 and amendment thereto issued July 22, 1974. The relevant sections of these regulations are sections 5 (b), (c) and (f) which read, in pertinent part, as follows:

(b) * * * [T]here may be restrictive covenants or agreements in conveyances to prior

owners under which the title might revert to the grantors in such deeds upon the use of the property for an unauthorized purpose or for other reasons. *When permanent type improvement or improvements of substantial value are to be erected on lands, a defeasible title to such lands is not acceptable and must not be approved, unless the estate is clearly authorized by the Congress.* (Italic supplied.)

(c) Other covenants and conditions in the deeds to the United States or in prior deeds may limit the use of the property in a manner which may prevent the sale and disposition of the property under laws relating to the disposition of surplus property so as to prevent the recovery of a substantial portion of the government's investment in the property. *Titles are not acceptable which are subject to such covenants and conditions in the absence of clear authorizing legislation.* (Italic supplied.)

* * * * *

(f) *A defeasible fee title to land may be acquired by purchase or donation when no permanent improvements are to be erected thereon,* provided that the statute authorizing the acquisition in question does not preclude acquisition of title to the interest which the agency intends to acquire, the interest intended to be acquired is sufficient to permit the use of the land contemplated, and the consideration for the land has been determined with reference to the value of the limited interest that is acquired. In the event it is decided at some future time to erect permanent improvements on such land, the provision for defeasance must be eliminated. (Italic supplied.)

The letters of this Department dated September 15 and 19, 1980, correctly state the obligatory responsibility vested in the Attorney General pursuant to the provisions of 40 U.S.C. 255, as amended, with regard to the then-proposed acquisition. I have reviewed the authorizing legislation and do not find the clear authorizing authority required by said regulations for the approval of a restricted fee title upon which permanent-type improvements or improvements of substantial value are to be erected.

In a recent memorandum opinion of the Office of Legal Counsel of this Department, relating to the then-proposed acquisition by the Department of Energy of certain lands in connection with the Strategic Petroleum Reserve Project under the Energy Policy and Conservation Act of 1975 (EPCA), 42 U.S.C. § 6201, *et seq.*, it was determined that there was no authority to acquire less than a full fee simple title since it was within the contemplation of the Department of Energy to erect permanent improvements of substantial value on the land in furtherance of the stated purposes of the Act. By that Act, the Department of Energy was authorized to acquire land or interest in land and, as defined in § 152(4) of the EPCA, 42 U.S.C. 6232(4), an "interest in land" included: "an ownership or possessory right with respect to real property, including ownership in fee, an easement, a leasehold, and any subsurface or mineral rights."

Although the authority of EPCA to acquire "land or interest in land" and of SRA to "accept * * * any deed or other instrument conveying to the United States, the * * * parcel of land * * * known as Government Hill" is dissimilar in phraseology, they are nevertheless analagous in that both authorize the acquisition of lands in furtherance of a legislative intent. In the case of EPCA, the Office of Legal Counsel could see no legal basis upon which to take issue with the consistent interpretation of the reach of § 255 that where permanent improvements of substantial value are to be erected on lands, the only interest sufficient to protect the Federal investment in the property is full fee simple title.

The regulations recognize that Congress may authorize the acquisition of any interest in real property, and may empower the making of expenditures to improve that property, no matter how risky, but they also recognize that "it is very seldom that a particular interest is authorized by legislation." In all such instances, the requisite approval has been desired, unless Congress has separately and explicitly approved the particular acquisition at issue.

Since there is no dispute that § 255 does apply to the instant acquisition, and that it requires Attorney General approval of land acquisitions of the Bureau of Indian Affairs, Department of the Interior, the question then becomes whether the transaction in question has been "clearly authorized by the Congress" so as to satisfy the requirements contained in Department of Justice Regulation 5. The fact that SRA authorizes the Secretary of the Interior to accept any deed or other instrument is not by itself sufficient. Nothing short of a direct and specific approval by Congress will suffice since substantial improvements are to be made and the acquisition of less than fee title is contemplated.

The position of this Department in this regard and the stated congressional purposes of SRA "To establish a reservation for the Confederate Tribes of Siletz Indians of Oregon" are not necessarily incongruous. The SRA does not authorize the expenditure of funds for any reason, except for the payment of a certain sum equal to the costs and expenses incurred by the City of Siletz in connection with the conveyance of Government Hill. The letter of this Department dated September 19, 1980, authorizes the acquisitions of such land even though the lands were to be conveyed subject to the rights of the City of Siletz to purchase the land in the event it is sold by the tribe or the United States. However, the general authority to acquire land does not in itself supersede the specific regulatory provisions promulgated pursuant to existing legislative authority prohibiting the expenditure of funds for the erection of permanent improvements of substantial value on less than full fee simple lands.

If I can be of further assistance, please do not hesitate to call upon me.

Sincerely,

JAMES W. MOORMAN,
Assistant Attorney General,
Land and Natural Resources Division.●

By Mr. MOYNIHAN:

S. 548. A bill entitled the Union Station Act; to the Committee on Environment and Public Works.

UNION STATION ACT OF 1981

● Mr. MOYNIHAN. Mr. President, this morning's Washington Post reports that the National Park Service yesterday closed the Union Station building out of fear for the safety of the public. The roof, which has been leaking and deteriorating for years while we in this Chamber and Members of the other body have debated the fate of the building, has actually begun to crumble. Railroad passengers, who have for years endured a walk of nearly a third of a mile to their trains because of the absurd remodeling of the building, have now to walk around the building altogether. The Park Service did the right thing, of course; better to brave a brief downpour than a deluge of plaster.

Just last December, I rose to propose Senate passage of an emergency $11 million repair bill for Union Station that had been originated in and reported favorably by the Committee on Environment and Public Works. That bill became Public Law 96-610, but the appropriation fell victim to the compromise over the continuing resolution. The Park Service has diverted about $2 million of its funds to undertake repairs of the central one-third of the roof, but even those repairs will not be completed until the summer.

Today, I propose, with the distinguished company of the chairman and ranking minority member of the Committee on Environment and Public Works, a bill to solve the Union Station dilemma once and for all. Others have done this before me, and I myself brought a bill to the Senate nearly 3 years ago, another bill reported by our committee. Members of the House have similarly tried and failed to remove the Union Station thorn from our side.

The bill I introduce, the "Union Station Act of 1981," would:

First, transfer operation of the building from the Department of the Interior to the Department of Transportation and emphasize the rail passenger function of the building in its renovation;

Second, authorize $40 million to return the building to productive use as a rail passenger terminal and to complete the parking garage which has never been used and has been left to rust for five years; and

Third, authorize the lease of space in the building to restaurants; and shops, and the like, in line with the recommendations of a task force of private developers convened by Amtrak. The leases would help defray the costs of the building renovation and maintenance.

I know it is distasteful to many of my colleagues even to consider the Union Station situation. It is true that altogether too much time and money have been spent on this building in the 13 years since its conversion to a National Visitors Center was authorized by the Congress. And it is true that what we propose today is primarily to return the building to its use before the Congress began fumbling with it.

It does us no good—and may result in a catastrophe, as yesterday's events show—to wring our hands and point fingers. For those who are interested, I can supply a mountain of studies, reports, and hearings that attempt to pinpoint responsibility and assess blame. As Representative ELLIOTT LEVITAS, a friend and colleague who has tried to shepherd remedial Union Station legislation through the House has said, "maybe we should hang a sign on the building that says 'this is a monument to bad government.'"

The Congress created this building at the turn of the century. The Congress commissioned the study of Washington's physical planning that recommended construction of the station. Congress authorized construction of the tunnel necessary to carry trains under Capitol Hill. For 50 years, the Congress had reason to be proud of its actions, for Union Station was one of the magnificent buildings of this city and one of the busiest train terminals in the country. Unless we want to allow the building to become a ruin, we must do something.

It may be that, at a moment when the railroad passenger appeared to be

on the verge of extinction, the idea of turning the building into a National Visitor Center was a sound one. It has not worked out, though and now, ironically, we find need for a functional passenger station at the southern terminus for our improved and increasingly popular Northeast Corridor railroad service.

I shall ask for early hearings on this bill in the Committee on Environment and Public Works. Given our extensive experience in this matter, I venture to hope that we shall return to the floor soon with a perfected bill deserving of the support of every Member of the Senate. In the meantime, I invite my colleagues to join us as cosponsors and to offer suggestions or comments on the legislation.

Mr. President, I ask unanimous consent that a copy of the Washington Post article and the text of the bill be inserted in the RECORD following these remarks.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Union Station Act of 1981".

SEC. 2. Section 101 of the National Visitors Center Facilities Act of 1968, 40 U.S.C. 801, is amended by redesignating the existing section as subsection (a) and adding the following new subsection:

"(b) On or before October 1, 1981, the Secretary shall assign to the Secretary of Transportation all right, title, and interest in each agreement and lease entered into with the Company pursuant to the preceding subsection prior to such date. The Secretary of Transportation shall sublet to the Secretary such portion of the Union Station Building, other than the main waiting room or Concourse, as they may agree is appropriate for use as a National Visitors Center. The Secretary of Transportation shall operate, or cause to be operated, that portion of the Union Station Building not so sublet, including the basement, as a rail passenger terminal, and may lease, or cause to be developed, any portion of such space for commercial retail, dining, entertainment, educational, and informational activities.

SEC. 3. Section 102(a) of the National Visitor Center Facilities Act of 1968, 40 U.S.C. 802(a), is amended—

(1) by amending paragraph (3) to read as follows:

"(3) The Secretary of Transportation shall construct or cause to be constructed, a parking structure, including approaches and ramps for adequate circulation, in the air space northerly of and adjacent to the existing Union Station building, the main deck of which shall be used only for local bus operations, which structure shall provide space for 1,400 automobiles. Such structure shall continue to be leased to the United States as a part of the facilities to be leased to the United States pursuant to section 101(a) of this title: *Provided, however,* That the automobile spaces provided hereunder shall be available only to rail passengers, visitors to the National Visitors Center, and patrons of activities in the Union Station Building, and such restriction shall be enforced by a mechanism agreed upon by the Secretary and the Secretary of Transportation.".

(2) by amending paragraph (4) to read as follows:

"(4) The Company shall cease construction of the new railroad passenger station in the area beneath and adjacent to the parking structure referred to in paragraph (3) of this subsection, and shall assign to the Secretary of Transportation all of the Company's rights and obligations (including, without limitation, occupancy, operation, and maintenance) in, to, or concerning a rail passenger station at Union Station and, upon such assignment becoming effective, shall cease operations of a rail passenger station at Union Station;"

(3) by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and" and by adding at the end thereof the following new paragraph:

"(9) The rental paid by the Secretary under the sublease entered into pursuant to section 101(b) of this title shall be a fair and equitable share of the cost of renting or purchasing and operating and maintaining Union Station, taking into account the respective fair market rental values and operating and maintenance costs of the space sublet to the Secretary and of the remainder of Union Station.".

SEC. 4. Section 109 of the National Visitors Center Facilities Act of 1968, 40 U.S.C. 807, is amended by redesignating the existing section as subsection (a) and adding the following new subsections:

"(b) The Secretary of Transportation is authorized to—

(1) use funds received from operations of that portion of the Union Station Building not sublet in accordance with section 101(b) of this Act, including revenues from the parking facility, to pay costs of operating, maintaining, and leasing such portion;

(2) expend funds appropriated pursuant to section 704(a)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976, 45 U.S.C. 854(a), to carry out rail passenger operations under this Act without regard to the matching funds requirement of section 703(1)(B) of such Act, 45 U.S.C. 853(1)(B); and

(3) waive such statutory or contractual restrictions on the parking structure and associated ramps constructed under authority of section 102(a)(3) of this Act as would otherwise be required or imposed because funds for such construction were or are provided under the Urban Mass Transportation Act, as amended.

"(c) The Secretary is authorized to use funds received through the operation of the space sublet pursuant to section 101(b) of this Act to pay the costs of operating and maintaining such space.

"(d) Funds obligated under this title after the date of enactment of this subsection shall be expended subject to section 3709 of the Revised Statutes, as amended, 41 U.S.C. 5. Every contract for construction, alteration, renovation, or repair of any facility authorized by this title which is entered into under this title after the date of enactment of this subsection shall be bid competitively on a fixed-price basis.

SEC. 5. The National Visitor Center Facilities Act of 1968 is further amended by renumbering section 110 as section 111 and by adding immediately after section 109 the following new section:

"SEC. 110. (a) Notwithstanding any other provision of law, the Architect of the Capitol, under the direction of the House Office Building Commission, is authorized, subject to such conditions as the Architect of the Capitol may prescribe, to enter into a contract or other agreement with the Secretary of Transportation pursuant to which the Architect of the Capitol will furnish steam from the Capitol Powerplant to the Union Station.

"(b) Any such contract or agreement shall include provisions pursuant to which the Secretary of Transportation agrees (1) to pay for such steam at rates, not less than cost, determined by the Architect of the Capitol, with the approval of the House Office Building Commission, and (2) to connect the Union Station with the Capitol Powerplant steam lines without expense to the Congress, and in a manner satisfactory to the Architect of the Capitol and the House Office Building Commission.

"(c) The Secretary of Transportation is authorized to design and construct steam lines and connections with the Capitol Powerplant steam lines in accordance with plans approved by the Architect of the Capitol and the House Office Building Commission, and to acquire interests in land, excepting the Capitol grounds, necessary for such purpose. The Secretary of Transportation shall bear all expenses associated with providing the steam lines, including the expenses of steam line design, construction, and connection.".

SEC. 6. Section 111 of the National Visitors Center Facilities Act of 1968, as redesignated by the preceding section, is amended by striking the first sentence and inserting in lieu thereof the following—

"The Secretary shall take such action as may be necessary to assure that all laborers and mechanics employed by contractors and subcontractors on alterations to that portion of the Union Station Building known as the Presidential Suite authorized by section 102(c) of this Act shall be paid wages at rates not less than those prevailing for the same type of work on similar construction in the locality as determined by the Secretary of Labor, in accordance with the Act of March 3, 1931, as amended, known as the Davis-Bacon Act (46 Stat. 1494, 40 U.S.C. 276a-276a-5). The Secretary of Transportation shall take such action as may be necessary to assure that all laborers and mechanics employed on alterations to the remaining portion of the Union Station Building authorized by section 102(c) of this Act or employed on construction authorized by sections 102(a)(3) and 110(c) of this Act or section 4(h) of the Department of Transportation Act, 49 U.S.C. 1653(h) are paid in accordance with the preceding sentence."

SEC. 7. (a) Section 102(c) of the National Visitors Center Facilities Act of 1968, 40 U.S.C. 802(c) is amended to read as follows:

"(c) The Secretary shall undertake by competitive bidding on a fixed price basis such alterations to that portion of the Union Station Building sublet pursuant to section 101(b) of this Act as are necessary to provide for visitor facilities. The Secretary of Transportation shall—

(1) undertake by competitive bidding on a fixed price basis such alterations to that portion of the Union Station Building not sublet pursuant to section 101(b) of this Act as are necessary to provide for ticket sales, baggage handling, and waiting areas; and

(2) provide, or cause to be provided, such services as are necessary or desirable for the benefit of rail passengers, and of visitors to the National Visitors Center: *Provided, however,* That no such service shall be provided without the concurrence of the Secretary.

The Secretary and the Secretary of Transportation may exercise the authority under this subsection without regard to whether or not title to the Union Station Building or the airspace adjacent thereto is in the United States.

(b) Section 102 of the National Visitors Center Facilities Act of 1968, 40 U.S.C. 802, is further amended by adding at the end thereof the following new subsection:

"(d) Of the funds authorized to be appropriated by section 109 of this Act—

(1) not to exceed $1,000,000 shall be available to the Secretary for the alterations required by the preceding subsection, and

(2) not to exceed $40,000,000 shall be available to the Secretary of Transportation

for the purpose of implementing sections 102(a)(3), 102(c) and 110(c) of this Act.

SEC. 3. The National Visitors Center Facilities Act of 1968 is further amended by adding at the end thereof the following new section:

"SEC. 11[illegible]. The Secretary and the Secretary of Transportation shall transmit in a timely manner—

(1) final plans for all construction or alteration authorized by this Act, and

(2) the enforcement mechanism agreed to in accordance with section 102(a)(3) of this Act.

to the Committee on Public Works and Transportation of the House of Representatives and the Committees on Environment and Public Works, and Commerce, Science, and Transportation, of the Senate.

[From the Washington Post, Feb. 24, 1981]

UNION STATION, LEAKING BADLY, CLOSED AS UNSAFE

(By Blaine Harden)

Union Station, Washington's 73-year-old train station, was declared unsafe and closed yesterday by the National Park Service as heavy rains poured through the roof of the white granite structure, causing plaster to fall from the ceiling and ruining more than $5,000 worth of books and posters in the National Bookstore.

The imposing station, a national landmark that has deteriorated under a leaky roof for more than a decade while Congress and the federal bureaucracy have been unable to decide what to do with it, will be closed until further notice pending "a safety-structural investigation," said Jack Fish, director of the national capital region of the park service.

Thousands of grumbling train passengers yesterday were forced to walk in the rain more than 400 feet around the old Union Station building to Amtrak's "replacement train station" in the rear. In Union Station, which was built to be the finest railroad station in the world and is now formally called the National Visitor Center, rainwater puddled up to two inches deep on carpeted floors and small chunks of plaster fell from the barrel-vaulted ceiling.

The rain-imposed closure yesterday is but the latest sad twist in the troubled 13-year history of federal involvement at Union Station. During that time, Congress has spent or committed itself to spend $117 million in the conversion of the once-great station into the visitor center. The project, which includes one of the world's most expensive uncompleted parking garages, has been plagued by cost overruns, mismanagement and bureaucratic fighting.

A $2 million effort to fix a small part of the station's leaky roof is now only 5 percent complete and will not be done until the end of June. Even when it is completed, more than two-thirds of the building will continue to leak every time rain falls, according to the park service.

There is no other federal money available for emergency repairs on the building and, according to sources in the Department of Transportation, the chance of coming up with any funds under the budget-slashing Reagan administration is slim.

"The administration has not totally dropped Union Station as a priority," said one top DOT official. "But the problems there are so complicated, so big and so dirty that it will be a while before we figure out what to do, if anything."

Last year Congress authorized an $11 million emergency repair bill that would fix the roof and pay for other structural repairs, but the money has not been approoriated and it is not listed on any proposed budget before Congress. A key House member, however, said yesterday that he will try to push through an emergency bill to fix the rapidly crumbling building.

"Something has got to be done. We just can't let the roof cave in," said Rep. Sidney Yates (D-Ill.), chairman of the House Appropriations subcommittee on Interior and related agencies. Yates said he will try to find money for the station with a supplemental appropriations bill and that he will hold hearings on the matter in the next six to eight weeks.

Under a 25-year deal with the railroads that owned Union Station, the federal government is bound to repay $3.5 million a year beginning in 1978 to lease the building, even if it falls down because of rain damage.

"It doesn't make sense to me to be paying on an empty shell for the next 20 years," Yates said. "We've got to get a program and get a handle on this thing."

In the station yesterday, clearly dispirited employees of the park service surveyed rain damage after the building was closed to the public at 1:30 p.m. "We don't know how long the plaster in the ceiling will hold," said Gary Pieroccioni, chief of visitor services.

In the National Bookstore in the east wing of the station, hundreds of water-sogged, full-color posters of the scenic United States were drying in the one dry corner, and the sound of falling water echoed through the building.●

● Mr. RANDOLPH. Mr. President, I join with the able Senator from New York, (Mr. MOYNIHAN) and the distinguished Senator from Vermont, the chairman of the Committee on Environment and Public Works (Mr. STAFFORD) in the introduction of legislation to correct a deplorable situation in our Nation's Capital.

Washington's Union Station has long been generally acknowledged as one of our country's architectural treasures. Yet, for the past dozen years, it has been the victim of bureaucratic infighting, hesitancy on the part of public officials and, yes, poor decisions by the Congress itself. The result has been our continued inability to resolve the Union Station questions which culminated yesterday in the closure of the building for safety reasons.

Mr. President, for the past 4 years, members of the Committee on Environment and Public Works have worked in an effort to develop a rational and reasonable solution to this problem. Hearings were conducted, extensive discussions were held with involved parties and legislation has been proposed. For a variety of reasons, none valid, the issue is unresolved.

The only positive action was the enactment late in the 96th Congress of a bill reported by our committee which authorized $11 million in emergency repairs to protect the structural integrity of Union Station. Roof repairs have been started. I urge Congress to give immediate consideration to appropriating the funds authorized by the Union Station Emergency Repairs Act—Public Law 96-610—which became law last December.

Mr. President, Senator MOYNIHAN, Senator STAFFORD and I recognize that substantial amounts of money have been expended on the Union Station building in recent years. Many of these expenditures were the result of the perhaps ill-advised plan to convert the building into a National Visitor's Center. To reverse the rapid deterioration of the building and to return it to its proper function as a major transportation center will require the expenditure of additional funds. This is a fact we must acknowledge. It is not, however, a case of throwing good money after bad. Whatever additional funds are needed for Union Station must be provided to protect the millions which have already been invested. The alternative is the further deterioration of the building to the extent that it could soon be beyond the point of salvation. The legislation we propose would restore to Union Station its primary function as a transportation center at a time when railroad travel is enjoying a resurgence. The authority to use some portion of the building as a visitor center would be retained.

Mr. President, we introduce this legislation to bring to the Senate the vehicle for expeditious correction of the dire situation at Union Station.

What we propose would do more than preserve a magnificent building that is a part of our architectural, transportation, and political heritage, even though this is a worthwhile objective. This bill would correct past mistakes in directing the use of Union Station and again make it a railroad station and an entrance to this great Capital City worthy of our Republic and the people of all our States. The very word "Union" Station means it as a living, useful center for citizens.

We would consider other approaches or proposals to modify the provisions of this bill even though we believe that it is a sound and proper proposal. The Congress can no longer wait to decide if Union Station should be allowed to further deteriorate or if we will face up to this problem and resolve it now, before it is too late.●

● Mr. STAFFORD. Mr. President, I am pleased to join with Senators RANDOLPH and MOYNIHAN in sponsoring this legislation, which authorizes repairs and renovation of the National Visitors Center at Union Station in Washington, D.C.

The recent history of this project is a sad one. The National Visitors Center has become a monument to poor Federal planning, with millions of dollars poured into a project that was supposed to cost the Federal Government practically nothing. Now the building has been closed to the public due to fear of the possible collapse of the roof.

This proposed bill authorizes some $40 million to complete roof and structural repairs, to complete the garage, and to bring trains back to the main building.

While I am not certain that this offers the best, most cost-effective approach, it may be the only one that will preserve the investment we have already made.

I should note that the Congress last year enacted Public Law 96-610, which authorized $11 million for emergency repairs in fiscal year 1981. It appears as if much of that money will not be appropriated, so that today's bill might have to be increased to assure a sufficient authorization to preserve this very important building and to assure its best use by the public.●

By Mr. PACKWOOD (for himself, Mr. MOYNIHAN, Mr. ROTH, Mr. GOLDWATER, Mr. ANDREWS, Mr. TOWER, Mr. THURMOND, Mr. DURENBERGER, Mr. SCHMITT, Mr. HEINZ, Mr. HATCH, Mr. D'AMATO, Mrs. HAWKINS and Mr. JEPSEN):

S. 550. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Finance.

TUITION TAX CREDIT BILL

● Mr. PACKWOOD. Mr. President, today, Senators MOYNIHAN, ROTH, and I are renewing our efforts to seek passage of tuition tax credit legislation. For the third time in as many Congresses, we will attempt to provide tax relief for those parents who so urgently need it. And with the wholehearted support of the Reagan administration, I expect the 97th Congress will see passage of this vital legislation.

The Tuition Tax Relief Act of 1981 provides a tax credit for college, vocational, elementary, and secondary students. The credit, when fully effective, would be equal to 50 percent of educational expenses up to a maximum credit of $500.

We have made the credit refundable. That is, if parents have a tax liability of less than $500, the credit claimed would be refunded directly to the taxpayer. This feature will benefit low-income parents who have little or no tax liability.

We have included strong civil rights language to guarantee that no tax credits would be available to students who attend so-called white flight schools—schools which discriminate on the basis of race. And, at the same time, we have included the Archer amendment to confirm that tuition tax credits are aid to students and their parents, not aid to schools.

In short, Mr. President, the Packwood-Moynihan tuition tax credit bill we are introducing today is the product of several years' work, discussion, and debate.

Let me take a moment here to review past Senate activity on tuition tax credits.

As many of you remember, tuition tax credits were a major issue before the 95th Congress. In 1977-78, the House of Representatives approved tuition tax credits for college, vocational, and elementary and secondary students. The Senate Finance Committee also overwhelmingly approved tuition tax credits for college, vocational, elementary, and secondary students. The Senate, however, deleted elementary and secondary students from the bill.

Two conference reports resulted. The first conference report provided tuition tax credits for college and vocational students only. This was rejected by the House of Representatives. The second conference report provided tuition tax credits for college, vocational, and secondary students. This was rejected by the Senate. Throughout congressional consideration of tuition tax credits in 1977 and 1978 it was apparent that a majority of both Houses favored some form of tuition tax credit bill. Congress, however, adjourned without reaching a compromise on this legislation.

We reintroduced tuition tax credits in the 96th Congress, again feeling that a majority of our colleagues favored this type relief to parents. However, then-President Carter promised a veto if Congress passed the bill. While we felt we had the votes to pass this legislation, it was doubtful we could override a Presidential veto. So we saw no action on tuition tax credits in the 96th Congress.

Today, we have a President who favors tuition tax credits, a Republican platform which endorses tuition tax credits and, I believe, a Senate and House which favor tuition tax credits. With strong and vocal support from the administration and the Congress, I am confident the 97th Congress will act favorably on this bill.

Mr. President, tuition tax credits should be an important part of our Nation's educational policy. I have consistently supported public education at all levels, and will continue to do so. But diversity is an important factor in our society, and should be encouraged in our education system as well.

We recognize that all Americans have a right to a basic education. The laws of our land dictate that all American children must be schooled. We have provided one system—a public school system—to meet the needs of our children.

Nowhere, however, do I find there was ever an intent to make public education the only alternative. We have told parents they must educate their children. We have provided one means to fulfill that obligation. But it should not be, nor was it ever intended to be, an exclusive means.

Some parents believe there is another, perhaps better, way. These parents feel their children's educational needs would best be met in a non-Government school. Their tax money will continue to go toward supporting public education, and our bill will do nothing to change that. However, these parents deserve tax relief for carrying a double burden.

Our country has flourished and prospered in an atmosphere which encourages diversity, freedom of choice, freedom of thought, and freedom of action. In fact, we stand apart from the rest of the world just because we encourage diversity, not sameness. Nonpublic education is not a threat to our public school system. Private education is a means for exercising our free choice as Americans. The concept is as basic to our ideals as the right to freedom of speech.

We are not rewarding parents for sending their children to private schools, as our critics would have us believe. Nor are we encouraging Americans to abandon public education. We are recognizing the plight of the many, many Americans who have chosen nonpublic education for their children. We must stop penalizing these parents for electing to exercise their freedom of choice. I honestly believe, Mr. President, that unless we encourage diversity and competition in our society, particularly in our educational system, we will be discouraging the very attribute that has made our country great.

The Packwood-Moynihan Tuition Tax Relief Act of 1981 is our way of recognizing and encouraging the right of every American citizen to choose the educational system which best suits their individual needs and goals. I invite my colleagues in the Senate to join me in this effort.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 550

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; DECLARATION OF POLICY.

(a) SHORT TITLE.—This Act may be cited as the "Tuition Tax Relief Act of 1981".

(b) DECLARATION OF POLICY.—The Congress hereby declares it to be the policy of the United States to foster educational opportunity, diversity and choice for all Americans. Federal legislation—

(1) should recognize—

(A) the right of parents to direct the education and upbringing of their children, and

(B) the heavy financial burden now borne by individuals and families who must pay tuition to obtain the education that best serves their needs and aspirations—whether at the primary, secondary, or postsecondary level, and

(2) should provide some relief (as set forth in the amendments made by this Act).

The Congress finds that without such relief the personal liberty, diversity, and pluralism that constitute important strengths of education in America will be diminished. The Congress finds that this assistance can appropriately be provided through the income tax structure with a minimum of complexity and governmental interference in the lives of individuals and families. While the Congress recognizes that the Supreme Court is ultimately responsible for determining the constitutionality of provisions of law, the Congress finds that the provision of such relief to individuals or families in this manner is in accord with all provisions of the Constitution. The primary purpose of this Act is to enhance equality of educational opportunity for all Americans at the schools and colleges of their choice.

SEC. 2. CREDIT FOR EDUCATIONAL EXPENSES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44F. EDUCATIONAL EXPENSES.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 50 percent of the educational expenses paid by him during the taxable year to one or more educational institutions for himself, his spouse, or any of his dependents (as defined in section 152).

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—The amount of educational expenses taken into account under subsection (a) for any taxable year with respect to any individual may not exceed—

"(A) $500, in the case of educational expenses allocable to education furnished after July 31, 1982, and before August 1, 1983, and

"(B) $1,000, in the case of educational expenses allocable to education furnished after July 31, 1983. The $1,000 limitation contained in subparagraph (B) for any tax-

able year shall be reduced by the amount of educational expenses described in subparagraph (A) which are taken into account for that taxable year.

"(2) CERTAIN PAYMENTS EXCLUDED.—

"(A) SECONDARY AND ELEMENTARY SCHOOL EXPENSES.—Educational expenses attributable to education at a secondary school (including a vocational secondary school) or elementary school shall not be taken into account under subsection (a) to the extent that they are attributable to education at an elementary or secondary school (as defined in section 198(a)(7) of the Elementary and Secondary Education Act of 1965, as in effect on January 1, 1981) of a State educational agency (as defined in section 1001 (k) of such Act as so in effect)) that is privately operated except for expenses attributable to education at a school or institution described in subparagraph (C) of subsection (c)(5).

"(B) PART-TIME AND GRADUATE STUDENTS.—

"(i) IN GENERAL.—Educational expenses allocable to education furnished before August 1, 1984, with respect to any individual who is not a full-time student or who is a graduate student shall not be taken into account under subsection (a).

"(ii) LESS THAN HALF-TIME STUDENTS.—Educational expenses allocable to education furnished after July 31, 1984, with respect to any individual who is not at least a half-time student shall not be taken into account under subsection (a).

"(C) CERTAIN PAYMENTS INCLUDED.—For purposes of subparagraph (B)(i), amounts paid before August 1, 1984, for educational expenses allocable to education which is furnished on or after such date shall be treated as having been paid on such date.

"(D) FULL-TIME STUDENTS.—For purposes of this paragraph, the term 'full-time student' means any individual who, during any 4 calendar months during the calendar year in which the taxable year of the taxpayer begins, is a full-time student at an educational institution.

"(E) HALF-TIME STUDENT.—For purposes of this paragraph, the term 'half-time student' means any individual who, during any 4 calendar months during the calendar year in which the taxable year of the taxpayer begins, is a half-time student (determined in accordance with regulations prescribed by the Secretary which are not inconsistent with regulations prescribed by the Secretary of Education under section 411(a)(2)(A)(ii) of the Higher Education Act of 1965 for purposes of part A of title IV of that Act as such Act was in effect on January 1, 1981) at an educational institution.

"(F) GRADUATE STUDENT DEFINED.—A graduate student is a student with a baccalaureate degree awarded by an institution of higher education.

"(c) DEFINITIONS.—For purposes of this section—

"(1) EDUCATIONAL EXPENSES.—The term 'educational expenses' means tuition and fees required for the enrollment or attendance of a student at an educational institution, including required fees for courses. Such term does not include any amount paid, directly or indirectly for—

"(A) books, supplies, and equipment for courses of instruction at an educational institution,

"(B) meals, lodging, transportation, or similar personal, living, or family expenses, or

"(C) education below the first-grade level, or attendance at a kindergarten or nursery.

In the event an amount paid for tuition and fees includes an amount for any item described in subparagraph (A), (B), or (C) which is not separately stated, the taxpayer shall document the portion of such amount which is attributable to educational expenses.

"(2) EDUCATIONAL INSTITUTION.—The term 'educational institution' means—

"(A) an institution of higher education;

"(B) a vocational school;

"(C) a secondary school; or

"(D) an elementary school.

"(3) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution described in section 1201 (a) or 481(a) of the Higher Education Act of 1965 (as in effect on January 1, 1981).

"(4) VOCATIONAL SCHOOL.—The term 'vocational school' means an area vocational education school (as defined in section 195(2) of the Vocational Education Act of 1963, as in effect on January 1, 1981) which is located in any State.

"(5) ELEMENTARY AND SECONDARY SCHOOLS.—

"(A) ELEMENTARY SCHOOL.—The term 'elementary school' means a privately operated, not-for-profit, day or residential school which provides elementary education and which meets the requirements of subparagraph (D).

"(B) SECONDARY SCHOOL.—The term 'secondary school' means a privately operated, not-for-profit, day or residential school which provides secondary education that does not exceed grade 12, and which meets the requirements of subparagraph (D).

"(C) HANDICAPPED FACILITIES INCLUDED.—The terms 'elementary school' and 'secondary school' include facilities (whether or not privately operated) which offer education for individuals who are physically or mentally handicapped as a substitute for regular public elementary or secondary education.

"(D) REQUIREMENTS.—An elementary school or secondary school meets the requirements of this subparagraph if such school—

"(i) is exempt from taxation under section 501(a) as an organization described in section 501(c)(3), and

"(ii) does not exclude persons from admission to such school, or participation in such school, on account of race, color, or national or ethnic origin.

"(6) MARITAL STATUS.—The determination of marital status shall be made under section 143.

"(d) SPECIAL RULES.—

"(1) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS AND VETERANS BENEFITS.—

"(A) REDUCTION OF EXPENSES.—The amounts otherwise taken into account under subsection (a) as educational expenses of any individual for any taxable year shall be reduced (before the application of subsection (b)) by any amounts attributable to the payment of educational expenses which were received with respect to such individual for the taxable year as—

"(i) a scholarship or fellowship grant (within the meaning of section 117(a)(1)) which under section 117 is not includible in gross income,

"(ii) an educational assistance allowance under chapter 32, 34, or 35 of title 38, United States Code, or

"(iii) a payment (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a)) which is for educational expenses, or attributable to attendance at an educational institution, and which is exempt from income taxation by any law of the United States.

"(B) REDUCTION FOR OTHER AMOUNTS.—Under regulations prescribed by the Secretary, the amounts otherwise taken into account under subsection (a) as educational expenses of an individual for any taxable year shall be reduced by any amount attributable to the payment of educational expenses which is received with respect to any individual for the taxable year and is not described in subparagraph (A), and which—

"(i) is equal to the amount of the interest subsidy on any loan proceeds received by such individual during such taxable year, or

"(ii) constitutes any other form of financial assistance to such individual.

The provisions of this subparagraph shall apply with respect to amounts received after the date on which the final regulations are issued.

"(C) AMOUNTS NOT SEPARATELY STATED.—If an amount received by an individual which is described in subparagraph (A) or (B) is not specifically limited to the payment of educational expenses, the portion of such amount which is attributable to payment of educational expenses shall be determined under regulations prescribed by the secretary.

"(2) TAXPAYER WHO IS A DEPENDENT OF ANOTHER TAXPAYER.—No credit shall be allowed to a taxpayer under subsection (a) for amounts paid during the taxable year for educational expenses of the taxpayer if such taxpayer is a dependent of any other person for a taxable year beginning with or within the taxable year of the taxpayer.

"(3) SPOUSE.—No credit shall be allowed under subsection (a) for amounts paid during the taxable year for educational expenses for the spouse of the taxpayer unless—

"(A) the taxpayer is entitled to an exemption for his spouse under section 151 (b) for the taxable year, or

"(B) the taxpayer files a joint return with his spouse under section 6013 for the taxable year.

"(e) DISALLOWANCE OF CREDITED EXPENSES AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed under any other section of this chapter for any educational expense to the extent that such expense is taken into account (after the application of subsection (b)) in determining the amount of the credit allowed under subsection (a). The preceding sentence shall not apply to the educational expenses of any taxpayer who, under regulations prescribed by the Secretary, elects not to apply the provisions of this section with respect to such expenses for the taxable year.".

(b) (1) CREDIT TO BE REFUNDABLE.—Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) as amended—

(A) by striking out "and 43 (relating to earned income credit)" and inserting in lieu thereof "43 (relating to earned income credit), and 44F (relating to tuition tax credit)", and

(B) by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44F".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof ", 43, and 44F".

(3) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44F".

(c) LIMITATION ON EXAMINATION OF BOOKS AND RECORDS.—Section 7605 of such Code (relating to time and place of examination) is amended by adding at the end thereof the following new subsection:

"(d) EXAMINATION OF BOOKS AND RECORDS OF CHURCH-CONTROLLED SCHOOLS.—Nothing in section 44F (relating to credit for educational expenses) shall be construed to grant additional authority to examine the books of account, or the activities, of any school which is operated, supervised, or controlled by or in connection with a church or convention or association of churches (or the examination of the books of account or religious activities of such church or convention or association of churches).".

(d) SEPARABILITY.—If any provision of section 44F of the Internal Revenue Code of 1954 (or any other provision of such Code relating to such section), or the application thereof to any person or circumstances, is held invalid, the remainder of the provisions of such section and the application of such provisions to other persons or circumstances, shall not be affected.

(e) DISREGARD OF REFUND.—Any refund of Federal income taxes made to any individual, and any reduction in the income tax liability of any individual, by reason of section 44F of the Internal Revenue Code of 1954 (relating to credit for educational expenses) shall not be taken into account as income or receipts for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program of educational assistance or under any State or local program of educational assistance financed in whole or in part with Federal funds.

(f) TAX CREDIT NOT TO BE CONSIDERED AS FEDERAL ASSISTANCE TO INSTITUTION.—Any educational institution which enrolls a student for whom a tax credit is claimed under the amendments made by this Act shall not be considered to be a recipient of Federal assistance under this Act.

(g) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately before the item relating to section 45 the following:

"Sec. 44F. Educational expenses.".

SEC. 3. EFFECTIVE DATE.

The amendments made by section 2 of this Act shall apply to taxable years ending after July 31, 1982, for amounts paid after such date for educational expenses incurred after such date.●

● Mr. ROTH. Mr. President, I am today joining my colleagues, BOB PACKWOOD and PAT MOYNIHAN, in introducing the Tuition Tax Relief Act of 1981. This measure provides a tax credit of up to $500 for tuition expenses incurred at colleges, vocational and nonpublic elementary and secondary schools.

The bill we are introducing today provides a tax credit of 50 percent of tuition and fees for full-time students in universities, colleges, junior, and community colleges, postsecondary vocational schools, and nonpublic elementary and secondary schools.

The maximum credit is $250 beginning in August 1982 and $500 beginning in August 1983 and thereafter.

Tuition paid by students attending less than full time but at least half time will become eligible for the credit in 1984 as will graduate students attending college and vocational schools.

This legislation is a modified version of the tuition tax credit bills passed in 1978 by both the House and Senate and is identical to the bill we introduced during the 96th Congress.

Mr. President, inflation and higher taxes are making it more and more difficult for many parents to send their children to colleges and universities. In addition to the rising costs of colleges, the cost of nonpublic elementary and secondary schools has also increased substantially. These rising costs combined with the incredible bureaucracy and red tape involved in the federally funded student aid programs for higher education make it essential to provide an alternative form of aid for middle-income families.

On the college level, tuition costs are escalating at a phenomenal rate. According to the Congressional Budget Office, total annual college costs increased approximately 75 percent between 1967 and 1976. Students will face total college costs—tuition, fees, room, board, and so forth—in the 1980–81 school year that average $3,409 at public 4-year colleges and $6,082 at private 4-year colleges.

However, tuition and required fees, the only expenses which will be eligible for the tuition tax credit, have increased at an even faster rate. According to the National Center for Education Statistics, the average tuition and fees at a private university increased 164 percent between 1967 and 1980, from $1,297 to $3,434. For a public university, tuition and fees increased 132 percent during the same 14-year period, from $283 to $657.

On the elementary and secondary school level, the picture is much the same. Rising costs have forced millions of middle-income students out of nonpublic schools and closed thousands of private schools. This has placed an increasing burden on our Nation's already overburdened public school systems. Middle-income Americans are being deprived of the freedom to choose whether to send their children to a public school or a nonpublic school.

I believe a tuition tax credit will restore freedom of choice to the millions of American families who are struggling to pay both nonpublic school tuition and higher taxes for public schools. Indeed, the tax burden on the average family has increased substantially during the past 14 years and middle-income families have less disposable income to spend on a college or private elementary and secondary education for their children.

The Federal Government is taking more money away from the average families of this country through higher taxes and inflation. In the years to come, rising energy costs and other inflation induced costs will continue to rob these families of their disposable income. At the same time, educational costs will continue to increase. The gap between one's disposable income and the amount necessary to purchase a quality education for one's children will invariably widen unless something is done now.

There are millions of families today who are neither affluent enough to afford the high cost of college nor considered poor enough to qualify for the many different Government assistance programs their taxes make possible.

We are rapidly approaching a situation in this country where only the very affluent and the very poor will be able to attain a higher education. The group in the middle—the very taxed—will be unable to afford it.

A tuition tax credit is the simplest and most equitable way to provide middle-income families relief from mounting educational costs. This credit will allow people to keep more of their own hard-earned money rather than have it taxed away by Uncle Sam. The tuition tax credit offers the beauty of no-administrative overhead, no forms to fill out, and no need to beg, plead or ask for a Government handout.

The credit approach is not the total solution to the problem of rising educational costs. But it will allow middle America to hold the line, at least in part, in the battle against inflation in our schools and universities. We owe our Nation's children nothing less.

Mr. President, the tuition tax credit is simple, direct, and easy to administer. It is far more preferable than the existing Federal programs and structures which have produced a maize of redtape and bureaucracy that is confusing parents and students alike and imposing enormous costs on educational institutions.

This is another step toward allowing Americans to keep more of their own hard-earned money rather than giving it to the taxman.●

By Mr. COCHRAN:

S. 557. A bill to amend the Internal Revenue Code of 1954 to allow estates required to file estate tax returns before July 13, 1978, the date on which regulations under section 2032A of such Code were proposed, to elect the valuation of certain farm, and so forth, real property, under section 2032A of such Code within 90 days after the enactment of the amendment to such Code proposed by this bill; to the Committee on Finance.

VALUATION OF CERTAIN FARM PROPERTY

● Mr. COCHRAN. Mr. President, I am today introducing legislation which implements congressional intent concerning special use valuation of small businesses and farmland for estate tax purposes.

This legislation was introduced by me during the 96th Congress. The bill number was S. 2946, and a detailed explanation of its purpose and the factors giving rise to its introduction is included in the hearing record of S. 2967.

Briefly explained, section 2032A of the Internal Revenue Code was enacted by the Tax Reform Act of 1976 in order to avoid the forced sale of farms and small businesses by estates to pay Federal estate taxes. The section allows the election of a special use valuation whereby a farm or small business may be valued on the basis of its actual use rather than its highest and best use. Through the use of this special use valuation, many estates have been able to avoid selling farms and small businesses because of lower valuation and lower estate taxes.

Unfortunately, because of a protracted delay in implementation of regulations pursuant to section 2032A, certain estates have been unable to avail themselves of this special use valuation.

Section 2032A provides that the election of valuation must be made within 9 months after the date of the decedent's death in such manner as prescribed by regulation. However, although section 2032A was effective for estates of decedents dying after December 31, 1976, the first proposed regulations were not issued until July 13, 1978. As a result, the time prescribed for filing the estate tax return expired for many estates before publication of any regulations.

My bill would allow estates for which the time prescribed for filing expired before July 13, 1978, to make or to revoke the election within 90 days after the date of enactment. The bill also provides for refunds to be made within this 90-day period.

Passage of this bill is necessary in order to insure that the congressional intent expressed in section 2032A is implemented by the Treasury Department and by IRS. Without the provisions of this bill, many estates which would have

elected section 2032A had guiding regulations been available will be required to sell their small businesses or farms to pay the estate tax.

The American Farm Bureau Federation, the National Cattlemen's Association and the National Association of Realtors support this bill. I hope that it will be acted on expeditiously.●

By Mr. TOWER:

S. 558. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act to provide that in the case of injuries to persons covered by such act the liability of owners, operators, or charterers of vessels engaged in activities on the Outer Continental Shelf shall be limited to damages attributable to their negligence; to the Committee on the Judiciary.

LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT AMENDMENT

● Mr. TOWER. Mr. President, I am introducing today a bill to amend the Longshoremen's and Harbor Workers' Compensation Act to provide that, in the case of injuries to persons covered by such act, the liability owners, operators, or charterers shall be limited to damages attributable to their negligence. This bill is identical to S. 1939, which I introduced in the 96th Congress.

This amendment to the Longshoremen's and Harbor Workers' Compensation Act is required because of an unintended combination of circumstances. In 1972, extensive amendments to the act were passed. Among other things, these amendments: First, limited the liability exposure of employers of longshoremen to benefits payable under the amendments, and second, abolished longshoremen claims against shipowners for unseaworthiness—a species of liability without fault—while establishing a negligence standard of fault as a predicate of shipowner liability. Unfortunately, court interpretations have indicated that the language of the 1972 amendments to the act permit shipowners to be exposed to 100 percent liability if there is any shipowner negligence, despite any contributory negligence.

I believe that result is unfair and unintended. The courts have indicated that any relief from this inequity must come from Congress. I believe this bill will provide that necessary relief.●

By Mr. CRANSTON (for himself, Mr. PROXMIRE, Mr. SASSER, and Mr. SIMPSON):

S. 559. A bill to amend the Internal Revenue Code of 1954 to allow the Veterans' Administration to redisclose in certain circumstances for debt collection and study purposes Internal Revenue Service-provided mailing addresses of individuals indebted to the United States, and for other purposes; to the Committee on Finance.

VETERANS' ADMINISTRATION DEBT COLLECTION EFFORTS

Mr. CRANSTON. Mr. President, I am today introducing a bill to enhance the Veterans' Administration's ability to collect debts owed to it. I am delighted to have joining me in introducing this bill the distinguished chairman of the Committee on Veterans' Affairs, Senator SIMPSON; the ranking minority member of the Appropriations Committee, Senator PROXMIRE; and the ranking minority member of the Governmental Affairs Committee's Subcommittee on Intergovernmental Relations, Senator SASSER. Specifically, our bill would amend the Internal Revenue Code of 1954 to authorize the Administrator of Veterans' Affairs to redisclose to contractors of the VA and to consumer reporting agencies—CRA's—for certain specified debt collection purposes addresses obtained from the Internal Revenue Service under section 6103(m)(2) of the Internal Revenue Code, which authorizes the IRS to disclose the mailing address of a taxpayer to officers and employees of Federal agencies for use in proceedings pertaining to the collection or compromise of a claim under sections 951 through 953 of title 31, United States Code, the Federal Claims Collection Act of 1966—FCCA.

The Department of Education was given comparable authority with respect to certain education loan programs in section 302 of Public Law 96-499, the Omnibus Reconciliation Act of 1980. Section 302 authorizes the Secretary of IRS to disclose to the Secretary of Education the mailing addresses of taxpayers who have defaulted on certain student loans administered by the Department of Education. The new law permits the Secretary to redisclose the IRS-provided addresses to lenders or State or nonprofit guarantee agencies participating in the guaranteed student loan program and to educational institutions participating in the national direct student loan program for use by officers, employees or agents of those institutions for purposes of locating defaulters in order to collect defaulted loans.

NEED FOR LEGISLATION

Mr. President, the dollar amount of the VA's accounts receivable—active accounts with respect to which collection efforts have not been terminated—is enormous and is increasing. The total accounts receivable increased from $577 million as of March 31, 1979, to $613.2 million as of December 31, 1980. Educational assistance overpayments represent the largest portion of these VA accounts receivable—$391.5 million. Also, as of December 31, 1980, the VA was owed $23.9 million as a result of education loan defaults. Despite certain legislative and resultant administrative actions, the VA education loan default rate remains alarmingly high—60.8 percent as of September 30, 1980.

As chairman of the Senate Committee on Veterans' Affairs in the 96th Congress, I made dealing with this problem a high priority. The result was the enactment of title VI of H.R. 5288, the Veterans' Rehabilitation and Education Amendments of 1980, on October 17, 1980, as Public Law 96-466. Title VI contains provisions that authorize the VA to disclose to CRA's certain information regarding an individual who has been determined to be indebted to the VA, in order to obtain current address information or consumer reports that the VA would then use to pursue collection procedures and, in certain cases, to affect a debtor's credit rating.

In addition, these title VI provisions remove any time bars that might prevent the VA from taking administrative actions to offset debts against future benefits payments; require the VA to charge interest and administrative costs on delinquent debts; and authorize the VA to use its own attorneys to pursue collection actions in court under the direction and supervision of the Attorney General.

However, if these provisions are to be as effective as possible in facilitating the VA's ability to collect outstanding debts, it is essential that the VA have better and more economical access to current address information.

DEBT-COLLECTION PROVISIONS

Mr. President, the basic purpose of our bill is to facilitate VA debt-collection efforts by providing the VA with a quick and inexpensive way of locating individuals who are indebted to the VA. As I have outlined, provisions of title VI of Public Law 96-466 authorize the VA to disclose information in VA files to CRA's in order to obtain current address information, but the costs to the VA of obtaining such information from CRA's is expensive—$1.80 per name. The cost to the VA of obtaining mailing addresses from the IRS is 11 cents per name. Moreover, there will doubtless be many cases in which the CRA's will not be able to provide current addresses that the IRS would have for particular individuals. Thus, this legislation would give the VA a way of substantially reducing administrative costs in collecting delinquent debts and obtaining current addresses not otherwise available to it for debt-collection purposes.

In this connection, I would note that although the VA is presently authorized to obtain current address information from IRS files under section 6103(m)(2) of the Internal Revenue Code, the VA's use of such addresses is, pursuant to the IRS interpretation of that provision, very limited. The address may be disclosed only to VA employees engaged in debt-collection efforts, and disclosures to non-Federal agencies—even solely for debt-collection purposes—are not made. For example, the VA is not permitted, according to the IRS, to disclose an IRS-provided address to a VA contractor for the purposes of obtaining a consumer report to help evaluate the individual's ability to repay the debt.

However, under current regulations issued pursuant to the FCCA—section 105.5 of title 4, Code of Federal Regulation—the VA must, in referring a debt to the Department of Justice for collection action, provide evidence of the debtor's ability to repay. In addition, it is generally advisable for the VA, before pursuing collection actions itself in court under the authority of Public Law 96-466 and the October 21, 1980, delegation from the Department of Justice, to make an assessment of debtors' abilities to repay in deciding whether to bring suit.

Our bill is intended to alleviate these problems by authorizing the VA to disclose IRS-provided information to a

contractor or CRA in order to obtain information that is necessary for the VA to refer a debt to the Justice Department or to make its own decisions whether to initiate court action. In addition, where an IRS-provided address is not current, this legislation would allow the VA to provide the address to a VA contractor to use—but not disclose—in tracing the debtor through the use of that address.

Our bill would also authorize the VA to disclose IRS-provided addresses to CRA's to the same extent that the VA is authorized in section 3301 of title 38, United States Code, to disclose debtors' names and addresses for the purposes of giving notice of delinquent debts. Provisions of Public Law 96-466 that I have previously described amended section 3301 to authorize the VA to disclose to CRA's the name and address of an individual who has failed to respond to reasonable VA efforts to collect the debt. However, these provisions do not themselves authorize VA disclosure of IRS-provided addresses to CRA's because of the IRS interpretation of section 6103(m) of the Internal Revenue Code. Under our bill, that disclosure would be authorized but CRA's would not be authorized to make any further disclosure of the IRS-provided addresses disclosed to them by the VA.

Thus, in the use of the authority in our bill for the VA to disclose an IRS-provided address to a CRA for any purpose—including the giving of notice of a delinquent indebtedness in connection with, for example, the CRA's provision of a so-called skip-locator service, whereby the CRA would notify the VA of any information it ever receives regarding a delinquent debtor who cannot be located even at the IRS-provided address—it would be necessary for the VA and the CRA to establish special arrangements to insure that any IRS-provided addresses are specially flagged as such and are not included in any documents or computerized records that the CRA would disclose to third parties.

Mr. President, the FCCA and regulations issued pursuant to it require Federal agencies to refer certain claims to the Department of Justice and the General Accounting Office for collection action. However, section 6103(m)(2) of the Internal Revenue Code does not expressly authorize a Federal employee or officer who has received an IRS-provided address to disclose the address to employees of other Federal agencies—including employees engaged in debt collection activities.

In the absence of such express authority, the VA's current practice, in referring a claim to the Department of Justice of GAO for collection action, is not to include in the referral address information obtained from the IRS even though that address is the most current one in the VA's files. This seems clearly to be an unintended result, and our bill would make clear that the VA may disclose IRS-provided addresses to employees of Federal agencies to which the VA refers a claim for collection under the FCCA for those employees to use in or in preparation for any administrative or judicial proceeding pertaining to the collection or compromise of a claim.

Similarly, although section 6103(m)(2) permits the IRS to disclose the mailing addresses of taxpayers for use by officers and employees of a Federal agency for use "in preparation for" any administrative or judicial proceeding pertaining to the collection or compromise of a claim, it does not expressly authorize the disclosure of such addresses "in" a judicial proceeding pertaining to such a claim. Thus, our bill would make clear that the VA may disclose an IRS-provided address in a judicial proceeding to collect or compromise a claim under the FCCA. This authority would be particularly useful to the VA, in pursuing collection actions in court under the authority of Public Law 96-466 and the October 21, 1980, delegation from the Department of Justice, since it would permit VA attorneys to disclose current address information obtained from the IRS in those proceedings.

VA STUDIES

Mr. President, this legislation would also authorize the IRS to disclose to the VA the mailing address of a taxpayer for purposes of conducting evaluations or studies authorized by section 219 of title 38 or required by other Federal law, and would permit the VA to redisclose the IRS-provided address to a contractor hired by the agency for the specific purpose of—and only of—carrying out such evaluations or studies. Section 219 studies generally involve contacting veterans to determine what VA benefits they have or have not utilized and why they have not utilized some or any benefits, and to elicit information bearing on whether VA programs are accomplishing their intended goals. These studies are generally carried out by agency contractors.

Prior to the Tax Reform Act of 1976—Public Law 94-455—the VA had been using IRS taxpayer-address information to locate veterans in connection with these studies. However, section 6103(m)(2) of the Internal Revenue Code currently limits IRS disclosures of addresses to the VA to those VA employees engaged in debt-collection efforts and prohibits redisclosures to others or the use of the information for nondebt-collection purposes. As a consequence, the VA now has a backlog of statutorily-based studies, which it testified on August 2, 1979, it cannot complete without being able to locate large numbers of veterans for whom it does not have current addresses.

Although the provisions of Public Law 96-466 I described earlier would permit the VA to disclose names and addresses from its files in order to obtain current addresses from CRA's for purposes of conducting these studies, the same issue arises with respect to the unreasonably high cost to the VA of obtaining addresses from CRA's rather than from the IRS.

In addition, under current credit reporting industry practices, a VA inquiry for current address information on an individual would be noted in the CRA's files. Although such a notation would, generally, be made in the CRA's files in such a way as to indicate that it does not reflect adversely on the individual concerned, it is conceivable that some persons unfamiliar with credit reporting industry practices might interpret such a notation as possibly indicating the existence of an indebtedness or as being otherwise adverse. Thus, it would be highly preferable to enact the provisions of our bill in order to authorize the VA to obtain address information from the IRS for purposes of conducting these studies rather than taking any chance, however slight it might be, of harming the individual's credit standing or reputation as a result of a CRA notation of a VA inquiry in the individual's files.

I would also point out that, under our bill, a VA contractor would not be permitted to disclose an IRS-provided address given to it by the VA for study purposes and that any unauthorized disclosure by such a contractor or its employees would be punishable under the penal provisions of the Internal Revenue Code relating to unauthorized disclosures of IRS-return information. Thus, any VA contractor to which an IRS-provided address is disclosed by the VA would have to make special arrangements to insure that such addresses are not disclosed by it or its employees to third parties.

PENAL PROVISION

Consistent with both the existing provisions of the Internal Revenue Code and section 302 of Public Law 96-466, our bill would make the unauthorized disclosure of IRS-provided address a felony punishable by a fine of not more than $5,000 or imprisonment of not more than 5 years, or both, together with the costs of prosecution.

CONCLUSION

Mr. President, I believe that this legislation represents a cost-effective, prudent approach that would be both protective of the legitimate privacy interests of the individuals involved and helpful in enabling the Federal Government to collect the moneys owed to it.

I would also note that I consider this legislation to be part of a continuing effort to work toward a balanced budget—a goal toward which we are striving in order to help cure the Nation's economic ills. Contrasted with other means of achieving that goal, such as cutting Federal programs and benefits, this bill represents a relatively painless approach, and I am thus hopeful that it will receive prompt, favorable action.

Mr. President, I ask unanimous consent that the text of our bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 559

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (m) of section 6103 of the Internal Revenue Code of 1954 is amended by adding at the end the following new paragraphs:

"(5) INDIVIDUALS WHO ARE INDEBTED AS A RESULT OF PARTICIPATION IN VETERANS' ADMINISTRATION PROGRAMS.—Any mailing address disclosed under paragraph (2) of this sub-

section to an officer or employee of the Veterans' Administration may be further disclosed by the Administrator of Veterans' Affairs—

"(A) in a judicial proceeding pertaining to the collection or compromise of a claim under the Federal Claims Collection Act of 1966 (31 U.S.C. 951–53) and regulations prescribed thereunder;

"(B) to employees of Federal agencies to which a claim has been referred by the Administrator of Veterans' Affairs under such Act for their use in or in preparation for any administrative or judicial proceeding pertaining to the collection or compromise of a claim under such Act and such regulations;

"(C) to a contractor of the Veterans' Administration for the purpose of obtaining from such contractor information that (i) pertains to the location of a debtor, or (ii) is necessary for collection or compromise of a claim under such Act and such regulations; or

"(D) to a consumer reporting agency (i) for either such purpose and (ii) to the extent that the Administrator is authorized under the provisions of section 3301 of title 38, United States Code, to disclose to such agencies the names and addresses of certain debtors for the purpose of giving notice of certain debts owed to the United States.

"(6) VETERANS' ADMINISTRATION EVALUATIONS AND STUDIES.—

"(A) Upon written request by the Administrator of Veterans' Affairs, the Secretary may disclose to the Administrator the mailing address of any taxpayer for use by officers and employees of the Veterans' Administration for the purpose of conducting evaluations or studies provided for by section 219 of title 38, United States Code, or required by any other provision of law pertaining to the evaluation of veterans' benefits programs.

"(B) Any mailing address disclosed under subparagraph (A) of this paragraph may be further disclosed by the Administrator of Veterans' Affairs to a contractor of the Veterans' Administration for the purpose of conducting an evaluation or study described in subparagraph (A) of this paragraph."

(b) The first sentence of section 7213(a)(2) of such Code is amended by inserting a comma and "(5), or (6)" after "(4)".

By Mr. CRANSTON:

S. 560. A bill to extend the authorization of appropriations for the sudden infant death program under part B of title XI of the Public Health Service Act; to the Committee on Labor and Human Resources.

SUDDEN INFANT DEATH SYNDROME AMENDMENTS OF 1981

Mr. CRANSTON. Mr. President, I am introducing today S. 560, the proposed Sudden Infant Death Syndrome Amendments of 1981, a bill to extend for 3 additional years the authorization of appropriations for the sudden infant death syndrome—SIDS—program in title XI, part B, of the Public Health Service Act which expires at the end of fiscal year 1981.

Mr. President, SIDS, also known as crib death, claims the lives of an estimated 7,000 babies annually. One out of every 500 babies born alive in this country becomes a SIDS victim. SIDS is the leading cause of death for infants between the ages of 1 and 12 months—as much as one-half of all infant deaths occurring between the first month and the end of the first year of life can be attributed to SIDS. But unlike other diseases there is no apparent warning as to when SIDS will strike. These babies die suddenly, quietly, and unexpectedly during what appears to be a normal sleep period. One of the most traumatic characteristics of SIDS is that the infants who fall victim to it are seemingly healthy, normal infants with no obvious or significant sign of disease. The fact that these babies appear normal at the time of death causes extreme suffering and guilt for their parents and surviving family members, leading them to ask, "Why did it have to happen to my baby?" or "What could I have done to prevent it?"

Mr. President, this guilt can be long lasting and it is compounded by the fact that so little is known about SIDS—not only about the causes and the methods of preventing the syndrome, but even the fact that it exists. Because of this lack of information, innocent parents who have experienced the tragedy of a SIDS loss are sometimes accused unjustifiably of child abuse or neglect, and in some cases, parents have been arrested and jailed.

SUDDEN INFANT DEATH SYNDROME PROGRAM

Mr. President, Federal efforts in the area of SIDS essentially began with the enactment in 1974 of the Sudden Infant Death Syndrome Act, Public Law 93–270. The act established three basic programs related to SIDS. First, it directed the Secretary of Health, Education, and Welfare—now Health and Human Services—to establish a program of research specifically related to SIDS through the National Institute of Child Health and Human Development and to provide annual reports to the Congress on the activities and funds devoted to SIDS research. Second, the statute directed the Secretary to carry out a program to develop public information and educational materials related to SIDS for distribution to health professionals, law enforcement personnel, and to the general public. Third, the statute authorized the Secretary to make grants and enter into contracts for the collection of data and information related to the causes of SIDS and for the provision of counseling and information services to the families of SIDS victims.

Mr. President, in 1978, as the chairman of the former Child and Human Development Subcommittee, I chaired hearings on the SIDS program and heard testimony from parents and health professionals on the effectiveness of the Federal efforts in the area of SIDS and on what further steps should be taken. Following those hearings, I authored legislation revising and extending the authorization of appropriations for the SIDS program. This legislation was approved by the Senate, but because of the press of legislation at the close of the 95th Congress, we agreed with the House to a simple 3-year extension of the authorization of appropriations for the SIDS program. In 1979, I reintroduced legislation containing the changes in the SIDS program that had been approved by the Senate in the 95th Congress, and these revisions to the 1974 statute were enacted in 1979 as Public Law 96–142.

Mr. President, I would like to review briefly for my colleagues what has been accomplished under the SIDS program since 1974.

SIDS RESEARCH

Mr. President, prior to the enactment of the SIDS legislation in 1974, little was known about SIDS and minimal research on SIDS was being done at the Federal level. In 1973, the Federal Government spent $603,575 on research directly related to finding the causes of and means to prevent SIDS. Last year, HHS reported in correspondence I will enter into the RECORD at the conclusion of my remarks, that 105 research projects pertaining to SIDS were being supported by Federal grants. This included 38 projects specifically related to SIDS, with funding totaling $5,380,000, and 67 projects concerned with high risk pregnancy and infancy, with funding totaling $14,475,000.

Mr. President, the money put into SIDS research is paying off. Seven years ago SIDS victims were generally believed to be healthy, normal infants with no apparent sign of distress. SIDS deaths were a mystery to the public and medical community alike. Today, as a result of the research that has been carried out under the Federal program, we know a great deal more about SIDS. Although most of the differences go undetected until after death, we now know that SIDS victims are not, in fact, normal, healthy babies. These infants have been found to differ anatomically, histologically, physiologically, and even behaviorally from normal infants. There is documented evidence of breathing difficulties, body temperature control problems, neurological abnormalities, and behavioral differences reflected in activity levels, crying characteristics, and feeding patterns in SIDS victims.

We have also learned much more about when a SIDS tragedy will strike by documenting the characteristics of the SIDS baby, the mother, and the infant's environment. We now know that the highest rate of SIDS is among infants born to mothers who are less than 20 years old. Moreover, the risk for SIDS is almost four times as great for those infants whose mothers received no prenatal care compared to infants whose mothers began prenatal care early in pregnancy.

A higher rate of SIDS has also been observed in infants of mothers who smoke. Investigations have shown that SIDS occurs more frequently between the second and fourth months of life, in premature infants, those of low birth weight, and male infants. We know that SIDS claims its victims more often during normal sleeping hours, more often in the winter, and more often when the infant is recovering from a slight upper respiratory infection. But with all this information, no predictive or diagnostic criteria have yet been developed to identify accurately potential SIDS victims in time to save the lives of these babies.

Mr. President, as I have tried to indicate, in the 7 years since enactment of the SIDS program, much has been accomplished to find ways to identify and prevent SIDS, and I firmly believe that within the next few years these efforts will lead to a reduction in the number of SIDS deaths. But much remains to be accomplished. The medical research that has been carried out as a result of the Federal program has produced promising leads for further exploration. The legislation I am introducing today to extend the SIDS program for another 3 years is necessary to insure that the progress we have made in the past 7 years is not lost but rather is constructively and productively built upon.

COUNSELING, INFORMATION, AND EDUCATIONAL PROGRAMS

Mr. President, prior to the passage of the 1974 SIDS legislation, virtually no efforts existed on the Federal level to assist in providing information and counseling services to families who had lost a child to SIDS or to educate health professionals who were to help these families. As I indicated previously, since so little was known in the past about SIDS, the parents of SIDS victims have faced the additional grief of not knowing why their baby died and in some circumstances have even been subjected to criminal investigations.

The SIDS counseling and information program presently consists of 42 projects covering entirely 34 States, the District of Columbia, and parts of two other States. The primary objective of these projects is to deliver humane and compassionate counseling and information services to families whose infants have died suddenly and unexpectedly as well as to educate those persons who may encounter bereaved families—such as police and fire officials and hospital workers—about the problem of SIDS and its effect on the survivors so as to provide more effective means to assist these families through their crises.

Mr. President, I am sure that each of my colleagues can appreciate how extremely important it is to the parents of IDS victims to know what condition caused their child to die. In a soon to be released GAO report on the SIDS program, families GAO contacted overwhelmingly indicated that the information aspect of the SIDS program was helpful to them in dealing with the death of their infant, and were reassured to know that a program such as the SIDS program existed and was available to help them.

Mr. President, these SIDS counseling and information projects have had an impact beyond dealing with individual families and professionals in contact with SIDS victims. Testimony at hearings I chaired of the former Child and Human Development Subcommittee indicated that the percentage of infants autopsied in States with SIDS projects was dramatically higher than in States without these projects. Until recently, only a small number of infants who died suddenly and unexpectedly were autopsied to confirm the cause of death and to learn more about the conditions contributing to the tragic event. These investigations are essential to contributing the data necessary to understand SIDS.

THE 1979 AMENDMENTS

Mr. President, as I indicated, in 1979 legislation I authored was enacted making certain changes in the SIDS program. These changes included strengthening the administration of the SIDS program through designation of an administrative unit to carry out the program, improving the distribution of informational materials by establishing an information clearinghouse, improving reporting requirements for SIDS projects, emphasizing the participation of voluntary groups in SIDS projects, conducting a study of State death investigation systems, and strengthening the reporting requirements to the Congress with respect to both the research program and the counseling and education projects.

The 1979 legislation specifically required HHS to develop a plan to extend counseling and information projects to all 50 States and the District of Columbia by July of 1980 and to the territories and possessions of the United States by July of 1981. Unfortunately, because there has not been any increase in funding levels for the SIDS counseling and education program in the past several years, projects have not been established in all of the States. As of October 1, 1980, 14 States, parts of 2 States, and the possessions and territories were not covered by a SIDS program grantee. However, Mr. President, progress has been made to extend the SIDS program to the unserved areas: 9 of the 14 currently unserved States have requested applications for 1981 and the programs in the 2 partially covered States are being expanded in 1981 to become statewide programs. Furthermore, four other States have agreed to participate in the Federal SIDS reporting system and appear to have some components of a SIDS program in place already.

In response to the oversight activities of the Child and Human Development Subcommittee in the last Congress, HHS has in the past year advised me in correspondence I will enter into the RECORD, at the conclusion of my remarks, that substantial progress has been made in implementing the other provisions of the 1979 amendments. I am hopeful that these changes—aimed primarily at strengthening the administrative aspects of the SIDS program, will serve to enhance the effectiveness of this program.

GAO REPORT

Mr. President, as I indicated, the GAO will soon be releasing a report on its review of the SIDS program. This review was in response to a request from myself, the chairman of the Senate Appropriations Committee, and the chairman of the House Subcommittee on Health and the Environment of the Committee on Interstate and Foreign Commerce, in anticipation of the reauthorization of the SIDS program this year, and I will enter that correspondence into the RECORD at the conclusion of my remarks. Overall, the GAO found that these programs were useful, but found areas where improvements were needed in administration. HHS indicated in its response to the GAO report that corrective action was being undertaken in these areas. The oversight subcommittees will undoubtedly want to continue monitoring of the implementation of these corrective actions and the 1979 amendments as well as maintaining close communication with the voluntary SIDS organizations who have expressed concerns about various aspects of the SIDS programs.

Mr. President, I want to comment briefly on one recommendation GAO made in its report. The GAO recommended that Congress consider consolidating the SIDS information and counseling program with the maternal and child health program authorized under title V of the Social Security Act. The GAO suggested that such a consolidation might facilitate the expansion of the SIDS programs into the presently unserved States, improve management of the program, and insure that certain services are provided more consistently throughout the country. I think that the Congress will need to examine this proposal closely and consider whether such a consolidation might jeopardize the public's and scientific community's focus on SIDS, particularly the research aspects of the existing SIDS program. Although SIDS research is the direct responsibility of the National Institute on Child Health and Human Development—NICHD—much of the progress made in SIDS research in recent years has resulted from the increased SIDS death information and data arising from the information and counseling program. The SIDS program office and NICHD work together to coordinate their activities in collecting SIDS epidemiological data and providing information to the public and scientific community.

Mr. President, careful consideration must be given to whether consolidation of the SIDS program with the title V programs would at this point disrupt the flow of information between the SIDS projects and NICHD researchers and otherwise jeopardize the progress that has been made in finding causes of and means to prevent SIDS. There are a number of questions—for example, what levels of activities and resources might title V agencies be required to devote to SIDS efforts and what effects would consolidation of the two programs have on the involvement of voluntary groups—which need to be thoroughly discussed before any decisions are made on such a consolidation.

AUTHORIZATION OF APPROPRIATIONS

Mr. President, the legislation I am introducing today would extend the authorization of appropriations for the SIDS programs for an additional 3 years at the level of $7 million authorized for fiscal year 1981. The present authorization level is clearly more than adequate to complete expansion of the SIDS projects to the unserved States and territories. The problem has been that the appropriations level has remained at a standstill since fiscal year 1978. President Carter's 1982 proposed budget increases funding for the SIDS program to $3,065,000—an increase of $265,000. This is a cost-of-living increase that will allow the program to continue operating at its 1981 level. Without an adequate increase in appropriations, projects cannot be started in the unserved States without diverting funds from existing projects.

CONCLUSION

Mr. President, since this program was enacted in 1974, tremendous progress has been made in finding answers to the SIDS tragedy. We must carry forward this effort on behalf of the thousands of infants who die each year because of SIDS and with the hope that we will find a way to prevent some or all of these tragedies in the future.

I ask unanimous consent that the text of S. 560 be printed in the RECORD at this point followed by correspondence regarding oversight carried out by the Child and Human Development Subcommittee with respect to SIDS research and project activities.

There being no objection, the bill and correspondence were ordered to be printed in the RECORD, as follows:

S. 560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sudden Infant Death Syndrome Amendments of 1981".

SEC. 2. Section 1121(d)(1) of the Public Health Service Act (42 U.S.C. 300c-11(d)(1) is amended by inserting before the period "and for each of the three succeeding fiscal years".

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., April 11, 1980.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: It is my pleasure to transmit to you the first Sudden Infant Death Syndrome (SIDS) Research Program Report as required by Section 1122(b)(1) of the Public Health Service Act and amended by Title II of P.L. 96-142.

The legislation requires an annual report about the SIDS research program of the National Institute of Child Health and Human Development (NICHD). The report is to include: the number of applications for grants and contracts approved by the Secretary and amounts funded for research specifically and generally on SIDS, the relationship of high-risk pregnancy and high-risk infancy research to SIDS, a summary of intramural and extramural research findings and a plan for taking advantage of these findings, and an estimate of the need for additional funds for the next five years for research activities.

The Fiscal Year 1979 Report highlights recent activities and accomplishments of the Program, which presently supports 105 research projects pertaining to SIDS. Also included are plans for application of research findings to the delivery of maternal and infant health services and projected budgetary needs. The estimated cost for preparing the Report this year is $1,175.

Sincerely yours,

PATRICIA ROBERTS HARRIS.

[Enclosure]

TABLE 1.—NICHD SIDS RESEARCH GRANTS AND CONTRACTS FISCAL YEAR 1979

	Projects (number)	Funds (thousands)
Specifically related:		
Approved	44	$5,595
Funded	38	4,912
Generally related:		
Approved	90	8,091
Funded	67	6,204

The FY 79 research grants and contracts identified in Table I as "generally related" are those concerned with high-risk infancy. High-risk pregnancy research related to SIDS will be shown in the FY 1980 report and reported as a separate category. It should be noted that the possible relationship of high-risk pregnancy to SIDS has only recently been recognized. Thus, the institute's previous special reports on SIDS-related research have included only research on high-risk infancy.

The Institute's estimates of funding levels for the next five fiscal years for grant and contract support for SIDS research follow:

Fiscal year 1980	$11,200,000
Fiscal year 1981	11,600,000
Fiscal year 1982	14,600,000
Fiscal year 1983	16,800,000
Fiscal year 1984	19,000,000

The Institute's estimates of funding levels for the next five fiscal years for grant and contract support for high-risk pregnancy research that is generally related to SIDS follow:

Fiscal year 1980	$8,400,000
Fiscal year 1981	8,700,000
Fiscal year 1982	11,000,000
Fiscal year 1983	12,700,000
Fiscal year 1984	14,400,000

For fiscal years 1980 and 1981 the above estimates are consistent with current appropriation and President's Budget levels. The estimates for fiscal years 1982–1984 represent the professional judgment of the Institute. Final budget figures for these years will be determined after consideration of competing priorities within the National Institutes of Health, the Department of Health and Human Services, and the Office of Management and Budget.

FISCAL YEAR 1979 REPORT TO CONGRESS ON SUDDEN INFANT DEATH SYNDROME RESEARCH PROGRAM OF THE NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

SUDDEN INFANT DEATH SYNDROME AMENDMENTS OF 1979 (PUBLIC LAW 96-142)

The sudden infant death syndrome (SIDS), also referred to as crib death, sudden unexplained death, and sudden death in infancy, is defined as the sudden death of any infant or young child that is unexpected by history and where the death remains inexplicable after performance of an adequate postmortem examination. It is a worldwide public health problem and the leading cause of death between the ages of 1 and 12 months, with an incidence rate in the United States estimated at 2 per 1,000 live births. Each year in this country between 6,000 and 7,000 infants, predominantly between the ages of one and six months, die suddenly, quietly, and unexpectedly during what is considered a normal sleep period.

The National Institute of Child Health and Human Development (NICHD) of the National Institutes of Health has primary Federal responsibility for research on the sudden infant death syndrome. Program objectives are to expand the base of knowledge; to understand the causes and underlying mechanisms of the syndrome; to identify infants at risk for becoming victims; to determine the relationship between a "near-miss event" and SIDS; to explore preventive approaches; to ascertain the epidemiologic characteristics of the SIDS victim, the SIDS family, and the victim's environment, both intrauterine and extrauterine; to clarify the relationship between high-risk pregnancy, high-risk infancy and SIDS; to search for SIDS specific lesions; and to elucidate the psychological impact of a sudden and unexpected infant death on parents, siblings, and the extended family.

The Institute's SIDS research program encompasses biologic, epidemiologic, pathologic, and behavioral considerations. Its nine research emphasis areas include developmental neurophysiology, autonomic disturbances and sleep state; respiratory, laryngeal, and cardiac functions in response to stimuli; metabolic and endocrine functions; immunology and infection; genetic factors; environmental influences; epidemiology; anatomic pathology; and the behavioral facets of the problem.

Disciplines and fields of study are numerous, including obstetrics, perinatology, pediatrics, pathology, embryology, fetology, cardiology, respiratory physiology, otolaryngology, developmental neurophysiology, sleep physiology, genetics, biochemistry, immunology, virology, infectious diseases, environmental biology, epidemiology, biometry, bioengineering, psychology, sociology, nursing, psychiatry, mental health counseling, and bereavement.

NICHD SIDS FUNDING

In Fiscal Year 1979, the NICHD obligated $11,116,226 to support 105 research projects pertaining to SIDS. This report summarizes the major research findings of these projects. Data relevant to the number of applications approved and funded by the Secretary in fiscal year 1979 for grants and contracts "specifically related" and "generally related" to the sudden infant death syndrome are shown in Table I.

THE NICHD RESEARCH PROGRAM ON SIDS

As a result of Institute supported research during the past seven years, there has evolved increasing evidence that the victims of SIDS are not completely healthy infants before death, and further that "as a group" these infants are different anatomically, histologically, physiologically, and even behaviorally from "normal." There is documented evidence of postnatal growth retardation, chronic hypoxemia, breathing difficulties, neurological abnormalities, body temperature control problems, a variety of minor illnesses two weeks before death, and behavioral differences as reflected in activity levels, cry characteristics, and feeding patterns. This is a significant change in current understanding of SIDS, since just a few years ago SIDS babies were assumed to be in no way abnormal before death. However, although anatomic, histologic, physiologic, and behavioral differences between groups of infants have been described, no single predictive or diagnostic criterion exists to accurately identify the infant likely to become a SIDS victim or to identify SIDS specific lesions at autopsy.

Significant progress has been made in documenting the characteristics of the SIDS baby, the victim's mother, and their environments. In the majority of cases, the SIDS baby is reported to be well-nourished, well-developed, and to have been in good health before death. There may be evidence of a slight cold or stuffy nose which is usually of such a minor degree that medical advice is not sought. The peak incidence of SIDS is consistently found, wherever it occurs, to be between the second and fourth month of life. The risk is higher for babies who have had recent upper respiratory infections, for males, for black babies, for low-birth-weight infants, and for infants whose gestational ages at birth were between 34 and 35 weeks.

It is also known that the highest rate of SIDS is among infants born to mothers less than 20 years old; the older the mother the lower the risk of sudden death for her baby. Moreover, the risk for crib death may be four times as great for those infants whose mothers received no prenatal care in comparison with infants whose mothers began prenatal care early in pregnancy. A higher rate of SIDS occurrence has been observed in infants of mothers who smoke.

Results from recently supported studies which examined physiologic variables in infants at increased epidemiologic risk for SIDS

(siblings of SIDS victims, twins, "near miss" infants) showed consistent physiologic differences from infants at low epidemiologic risk (normal, full-term infants with no maternal history of pregnancy complications). These differences included longer periods of quiet sleep (non-rapid eye movement or non-REM), intermittent periods of cessation of breathing (sleep apnea), increased heart rate, and a more rapid respiratory rate. The differences observed are compatible with the hypothesis that an important predisposing factor for a SIDS event is exposure of the infant to intermittent or chronic hypoxia.

A major effort is being undertaken by the Institute through support of a large multidisciplinary SIDS Major Research Program (MRP) grant. These investigators are examining several current etiologic hypotheses with a view to identifying for each of them a SIDS risk marker. Biochemical and immunological studies are underway on a large number of pregnant women who are followed prospectively through pregnancy, labor and delivery, and the postpartum period with newborn evaluations and risk profile scores being obtained on all infants. In addition, apparently healthy newborn infants are being examined during the early weeks of life for evidence of sleep apnea. Those infants with documented sleep apnea are studied closely during the first six months of life in search for clues relating sleep apnea to SIDS. The effectiveness of electronic monitoring of infant respiration in the home and the impact of the nuclear family of a SIDS death are also being investigated. Results of these studies will be available when specific goals are achieved.

The NICHD Cooperative Epidemiologic Study of SIDS Risk Factors, begun in FY 1976, is progressing satisfactorily. The Study involved six data study centers located in New York City, upstate New York, Chicago, St. Louis, northern California, and Seattle; a data coordinating center at the University of Washington in Seattle; and a pathology coordinating laboratory in the Medical Examiner's Office in San Francisco. The objectives of this study are (1) to identify from a broad array of infant, maternal, environmental, and medical care variables, risk factors associated with the sudden infant death syndrome and (2) to develop, based on the data obtained, a risk prediction scheme that will identify infants during the early weeks of life who are at high risk for succumbing to SIDS.

Selection of subjects for the study was completed December 31, 1979 following 15 months of acquisition of a study population of approximately 800 SIDS cases and 1,600 control cases. During 1980, entry of all information for patients enrolled in the study will be completed and analysis of data begun. A final report in the form of a monograph should be ready for publication by late 1982.

During FY 79, a number of infants in Tennessee died suddenly and unexpectedly within 24 hours following inoculation with a specific lot of diphtheria-tetanus-pertussis (DTP) vaccine. These deaths were attributed to SIDS. Data from the NICHD Cooperative Epidemiologic Study of SIDS Risk Factors specifically concerned with the occurrence of DTP vaccination and SIDS were invaluable in allowing the Center for Disease Control and the Bureau of Biologics, Food and Drug Administration, to analyze the frequency of occurrence of sudden unexplained infant death following DTP inoculation reported by the health authorities in Tennessee. There was no evidence from the data available of a positive correlation between DTP vaccination and SIDS, but surveillance for a possible association continues. It is planned that when the NICHD Cooperative Epidemiologic Study of SIDS Risks Factors is completed, data from the NICHD study, the Center for Disease Control, and the Bureau of Biologics will be evaluated to determine if a significant relationship exists between DTP inoculation and sudden unexpected infant death.

The Institute is also supporting two contracts concerned with the study of cardiorespiratory and neurophysiologic factors that may be useful as markers for identifying infants at risk for SIDS. Other projects grants specifically related to SIDS address a variety of developmental and functional issues pertaining to the syndrome. For example, one study aims to define the chemo reflexes for apnea and swallowing and to determine whether these reflexes relate to recurrent apnea of prematurity, SIDS, and neonatal aspiration syndromes. Another study is investigating the relationship between infant botulism and SIDS, while the objective of a third project is to determine whether SIDS can occur because of sequential infection by related viral vectors. Using the rat as an experimental model, an Institute supported investigator aims to determine whether mild hypoxia, repeatedly experienced, can alter the development of neuronal tissue in three brain stem regions which affect the upper respiratory tract, anatomic control, and rapid eye movement sleep.

Identifying and understanding the underlying mechanisms of the syndrome should provide the basis for development of effective approaches to prevention. The NICHD will continue to provide support for studies pertaining to SIDS that involve the disciplines of neurophysiology cardiovascular physiology, respiratory physiology, pathology, immunology, biochemistry, developmental biology, epidemiology, obstetrics, and pediatrics.

RELATIONSHIP OF HIGH-RISK PREGNANCY AND HIGH-RISK INFANCY RESEARCH TO SIDS

A decade ago SIDS was recognized as an isolated event, the tragic and sudden death of a healthy infant. No consideration was given to a possible association between SIDS and material health during pregnancy, fetal development, or newborn well being. Intensive and systematic research initiated over the years has looked into possible mechanisms responsible for these unexplained deaths. Examination of factors closely associated with these sudden deaths has led to the realization that some victims had an immature coordination of vital functions and probably could not adjust under minor stressful situations such as common colds, fluctuations in environmental temperature, or sleep deprivation. It has become clearer that SIDS, or the sudden and unexpected death of an infant two to four months after birth, is in some instances the result of events that occurred, or did not occur, some months earlier in the intrauterine environment or in the early weeks of extrauterine life. There is now suggestive evidence that in some SIDS victims conditions associated with high-risk pregnancy and high-risk infancy can be contributing factors.

The National Institute of Neurological and Communicative Disorders and Stroke's Collaborative Perinatal Study, a prospective study following more than 59,000 pregnancies, has revealed that future SIDS victims showed evidence of neonatal brain dysfunction and a variety of neurological defects, with abnormalities in respiration, feeding, and temperature regulation. These infants also were mildly underweight for gestational age and showed other evidence of growth retardation. The frequency of smoking was greater among the mothers of SIDS victims in contrast to the other pregnant women in the sample. Mothers of the SIDS victims also had a greater incidence of amniotic fluid infection, anemia, and proteinuria. The data obtained provided supportive evidence for a primary relationship between pregnancy events, neonatal health status, and SIDS.

In general, a greater number of low-birth weight babies are the result of high-risk pregnancies, and morbidity and mortality among this group of infants are high. Ongoing research on high-risk pregnancy is helping to delineate the material factors governing normal and abnormal fetal and neonatal growth and development and the regulatory processes responsible for the integration of maturing vital functions such as respiration, circulation, and sleep. Other studies are concerned with clarifying how stress affects the maternal endocrine system, fetal maturation, and uterine blood flow, and its possible interference with an adequate supply of nutrients and oxygen to the fetus.

For some SIDS victims there is documented evidence that while the mother's pregnancy was uneventful, the health condition of the infant during the early weeks of life was high-risk. For example, the infant might have been born prematurely or of low-birth-weight and needed a longer period of hospitalization following birth, had breathing difficulties or respiratory distress syndrome and required oxygen, or had problems in temperature regulation and needed a warmed environment.

A number of NICHD supported investigations are directed at unraveling the mysteries of what begins the process of labor and how premature labor may be prevented. Other studies are concerned with the processes and problems of adaptation to the extrauterine environment, for example, how the growth retarded fetus and infant respond to acute stress such as chilling or hypoglycemia.

When the factors capable of modifying the pattern of maturation of the fetus and newborn infant, or those curtailing the "adaptability margin" to stress of vital physiological functions are understood, uncovering the mechanisms responsible for SIDS should be possible. In turn, the development of appropriate strategies for the prevention of some SIDS cases could be undertaken.

PLANS FOR TECHNOLOGY TRANSFER

An important consideration in carrying out the research program pertaining to the sudden infant death syndrome is how new knowledge obtained will become incorporated into the health care delivery system. A natural conduit at the Federal level exists because of the cooperative and collaborative relationship that has been established between the National Institute of Child Health and Human Development of the National Institutes of Health, and the Office of Maternal and Child Health in the Bureau of Community Health Services, Health Services Administration. Staff of the NICHD report annually to staff members of the SIDS Program in the Office of Maternal and Child Health, and also to the operating personnel of the SIDS Counseling and Information Centers at a national meeting, providing them with information about the latest research advances pertaining to SIDS.

The NICHD develops, in collaboration with national organizations of medical practitioners, such as the American Academy of Pediatrics, and the American College of Obstreticians and Gynecologists, reports of research findings and their implications for clinical practice. Through its Office of Research Reporting, the NICHD makes new information about SIDS and high-risk pregnancy and high-risk infancy available to practicing physicians through published summaries in medical periodicals such as the Pediatric Annals and the Journal of the American Medical Association. A symposium entitled, "Physiological and Developmental Factors Associated with Risk for the Sudden Infant Death Syndrome" was jointly supported by

the NICHD and the American Academy of Pediatrics during the 1979 annual meeting of the Academy.

Data obtained under the auspices of the NICHD Cooperative Epidemiologic Study of SIDS Risk Factors should improve our ability to identify infants at risk for SIDS and may provide new clues to effective preventive approaches. Results from this NICHD study will be shared with State Health Departments and personnel of the SIDS Counseling and Information Centers as well as practicing physicians and visiting nurses.

Hon. PATRICIA ROBERTS HARRIS,
Secretary of Health, Education, and Welfare, Washington, D.C.

DEAR PAT, as the author of Public Law 96-143, title II of which amended part B of title XI of the Public Health Service Act, Sudden Infant Death Syndrome, I am writing with respect to the implementation of a number of the new provisions in that part.

1. Revised section 1121(a)(1) requires that the part B programs be administered through an identifiable administrative unit under the supervision of the Assistant Secretary for Health.

The report accompanying the Senate-passed bill makes it clear that there is no Congressional intent to bring about removal of the SIDS program from the Office of Maternal and Child Health. Rather, the intent is that a unit be designated as the focal point for the assignment of staff with primary responsibility for the SIDS program. The amendment calls for you to provide that unit with such full-time professional and clerical staff and with the services of such consultants and management and supporting staff "as may be necessary for it to carry out such functions effectively".

I would appreciate your notifying me of the actions you have taken to carry out these provisions.

2. New section 1121(a)(2) calls for the development and implementation of a system for the periodic reporting to the Department and dissemination by the Department of information collected by SIDS information and counseling projects. It further calls for the establishment of coordinated clearinghouse activities on SIDS and authorizes you to enter into contracts to carry out these clearinghouse activities. Again, I would appreciate your advising me of the actions you have taken and the timetable for future actions to carry out these provisions.

3. Revised section 1121(b) makes certain modifications relating to grants for information and counseling programs. These changes include specifying that information collected from the projects should cover other appropriate aspects, not just the causes of SIDS. In addition, it is specified that community representation on the projects is to include the appropriate involvement of voluntary groups with a demonstrated interest in SIDS. Amendments to this subsection also specify that the reporting requirements for the projects must include data that will assist in carrying out the information collection and dissemination activities newly authorized in subsection 1121(a)(2).

I would appreciate your advising me of steps you have taken to notify current grantees and potential grantees of the new conditions required of them, any other actions taken and the timetable for future actions to apply these new conditions.

4. Public Law 96-142, in addition, calls for the submission of four reports to Congress.

One report, required by new section 1121 (c), due February 1 of each year, is a comprehensive report on the administration of part B of title XI and is to include a report on the funds and positions allocated for personnel, in addition to a report on the results of the activities supported under part B. The report, in addition, is to set forth a plan to extend SIDS counseling and information services to the fifty states and the District of Columbia by July 1, 1980, and to extend counseling and information services to all possessions and territories of the United States by July 1, 1981.

The second report, a renewal—with some additional requirements—of an annual report previously required by Public Law 93-270, is due ninety days after the close of each fiscal year, and is to provide information on the numbers of approved applications for grants and contracts for research relating specifically to SIDS, and the number of approved applications for grants and contracts relating generally to SIDS. In addition, the report is to provide information on the number of grants and the amount of funds awarded under such grants and contracts.

The third report, due within five days after the President transmits his budget to Congress, requires an estimate of the amounts requested for the National Institutes of Health or research relating specifically and generally to SIDS and a comparison of those amounts in each category with the amounts requested for the preceding fiscal year.

It is most unfortunate that each of these reports is now overdue, especially since it was known by the operational units in the Department, well in advance of the December 12, 1979, enactment date of Public Law 96-142 that these types of reports would be required. The information in these reports is designed to be of use to Congress in developing the fiscal year 1981 budget, and I would appreciate receipt of these outstanding reports immediately. Please also provide a description of the processes developed to assure timely submission of these reports in the future.

The fourth report, due December 31, 1980, is to include the results of a study on state laws, practices, and systems relating to death investigations and their impact on sudden and unexplained infant deaths, and the results of a study of any appropriate means (such as model state laws) for improving the quality, frequency and uniformity of post mortem examinations in the case of sudden and unexplained infant deaths. In addition, the report is to include recommendations as to any appropriate actions by the Department with respect to the conduct of post mortem investigations, including a report on the desirability and feasibility of establishing pilot projects for centralized post mortem and specimen examination systems on a statewide or regional basis.

Please provide me with your plans for the conduct of the underlying study and timely submission of this report. The due date for this report was set so that the information in it will be available in connection with consideration for renewal of title XI, part B, in early 1981.

I appreciate your continuing cooperation with the Subcommittee and look forward to hearing from you at your earliest convenience.

Cordially,

ALAN CRANSTON,
Chairman, Subcommittee on Child and Human Development.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., April 16, 1980.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for your letter of March 13, 1980 to the Secretary requesting information on implementation of the SIDS Amendments Act of 1979 (P.L. 96-142, Title 2, Part B). The attached report provides detailed responses to each of the issues raised in your letter.

I want to assure you that the Department will implement the SIDS Amendments to the fullest extent possible and also, as pointed out in the attached report, assure the timely submission of future reports to the Congress.

Sincerely yours,

JULIUS B. RICHMOND, M.D.,
Assistant Secretary for Health and Surgeon General.

SUDDEN INFANT DEATH SYNDROME (SIDS) PROGRAM STATUS REPORT

1. Identifiable Administrative Unit.—

The Sudden Infant Death Syndrome (SIDS) Program Office has been established in the Office for Maternal and Child Health (OMCH), Bureau of Community Health Services (BCHS), Health Services Administration (HSA), Public Health Service (PHS), Department of Health and Human Services (DHHS). Staff positions for the Program are as follows:

(1) Geraldine J. Norris, R.N., M.S., Director, SIDS Program, Public Health Analyst, GS-685-14.

(2) Carol J. Bohannon, M.A., Consultant, SIDS Program, Public Health Analyst, GS-685-12.

(3) Vacant, Staff Assistant, SIDS Program, Staff Assistant, GS-301-9.

(4) Connie Ecton, Secretary, SIDS Program, Secretary, GS-318-5.

In addition, two staff year equivalents of program support are contributed from a variety of functional areas within the BCHS, HSA, and other levels of the PHS.

2. Coordinated Clearinghouse Activities on SIDS.—

We are in the process of establishing a SIDS Clearinghouse. The activities of the Clearinghouse will include developing mailing lists of public health and education institutions, professional organizations, voluntary groups with a demonstrated interest in SIDS and other groups or individuals; collecting and disseminating information pertaining to SIDS and related data such as death investigation systems, personnel training, biomedical research activities and information on the utilization and availability of treatment or prevention procedures and techniques; publishing and disseminating newsletters periodically; distributing and maintaining SIDS films, other audiovisual and printed materials; and answering routine inquiries for SIDS literature.

We attempted to negotiate a contract for the SIDS Clearinghouse in fiscal year 1979. In April 1979 activities were initiated for this procurement as a Total Small Business Set-Aside. Objections to this procurement were made by the National Sudden Infant Death Syndrome Foundation, Inc. (NSIDSF) which resulted in cancellation of the procurement during fiscal year 1979.

Plans to proceed with the Clearinghouse procurement were reinitiated in October 1979. Proposals were sought pursuant to Section 8(a) of the Small Business Act. At the direction of the Small Business Administration (SBA), the procurement was solicited from one firm which they identified. The Technical Review Panel judged the proposal to be unacceptable, and the SBA was so notified. SBA now has consented for the contracting office to invite proposals from three additional 8(a) firms. We do not anticipate any further problems and expect that the Clearinghouse will become operational when the contract is awarded this summer.

3. Revision in Grant Requirements for Information Collection from Grantees.—

The annual progress report required of each project grantee must include several items of information about SIDS, including demographic, epidemiological and therapeutic management data. (Rules and Regulations, Title 42, Chapter 1, Part 51a, Subpart E, Section 51a.505 and 51a.514.) These requirements are defined in the instructions for preparing a SIDS grant application and the material is submitted in tabular and narrative form. In June 1980, we plan to ask the project sponsors to review the data requirements and to recommend additions, changes or deletions. These recommendations, along with the findings and recommendations derived from the SIDS project evaluation contract, will be used to revise the data collection requirements. Clearance from the Office of Management and Budget will be needed before implementing the comprehensive and uniform reporting system.

Involvement of Voluntary Groups with Project Grantees.—

Involvement of voluntary groups with a demonstrated interest in SIDS always has been required of the SIDS projects (Rules and Regulations, Title 42, Chapter 1, Part 51a, Subpart E, Section 51a.506). Wide variation in the effectiveness of their involvement with the projects has been noted. Several steps have been taken to insure project compliance with these regulations. For example the bylaws, committee membership rosters, and minutes of meetings are reviewed annually. If weaknesses are identified, technical assistance and consultation are made available to the project and the council to correct the situation. Members of the Project Community Council and/or SIDS parents always are included in each site visit as a means of monitoring and assessing their working relationships with the project staff. As a part of the SIDS project evaluation contract, these relationships are being evaluated and recommendations for improvement are expected.

Fiscal year 1981 plans for the SIDS Program include the provision of intense consultation and training for staff and Project Community Council members of each project in order to explore and institute affirmative means for improving the effectiveness of this crucial working relationship.

All project sponsors were notified in writing of the passage of the SIDS Amendments Act of 1979. In addition, verbal discussions regarding the Amendments have been held individually with project staff members, as well as many concerned individuals from interested agencies, organizations, and private citizens. This legislation and its implications will be discussed at the National SIDS Conference scheduled for June 1980. Further clarification and direction will be provided at the Conference.

4. Reports to Congress.—

The new report required by section 1121 (c), calling for a comprehensive report on the administration of the SIDS program, is in preparation. The report should be ready for submission to Congress by the middle of June, 1980. Because of difficulties experienced in collecting the necessary data, the Secretary on February 25 notified the Congress that the report would be delayed. We have established new procedures for processing this report and future reports should be submitted to the Congress by the February 1 due date.

The second report, required by Section 1122 (b)(1) regarding the number of applications for research grants and contracts relating both generally and specifically to Sudden Infant Death Syndrome, has been prepared by the National Institute for Child Health and Human Development. This report is in the final clearance process and should be submitted to the Congress within the next two weeks.

The third report, Section 1122(c) comparing the 1981 budget request with the 1980 program level, has also been prepared. This report is also in final clearance and should be submitted within the next two weeks.

Both of these reports will be submitted to the Congress by the due date in future years.

The fourth report, Section 1122(c)(2) due December 31, 1980 will be prepared under contract authority. The report will include the results of a study on death investigation systems, their impact, and recommendations for improvements. The contract request was approved on December 14, 1979 and the closing date for receipt of proposals was March 21, 1980.

Because this is the first time such an extensive qualitative study of death investigation systems in this country has been conducted, we have endeavored to design a study that will result in meaningful and useful findings upon which sound recommendations can be based. The complexity of the report will require several months of study. Site visits must be made to counties in states which have different types of death investigation systems and determinations must be made of the impact of these systems on families. It is estimated that this study will require a minimum of 10 months to complete. A shorter contract period would not allow the in-depth analysis needed to provide the necessary information. Every effort will be made to complete this study in an orderly and responsible manner and a full report will be submitted to Congress by early summer of 1981.

COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, D.C., June 10, 1980.

Dr. JULIUS B. RICHMOND,
Assistant Secretary for Health and Surgeon General, Department of Health and Human Services, Washington, D.C.

DEAR JULIE: Thank you so much for your letter of April 16 and your very complete reply to the questions raised in my letter of March 13 to the Secretary regarding the Sudden Infant Death Syndrome program.

I deeply appreciate your responsiveness to the Committee's concerns and your commitment to ensure that future reports will be submitted on the dates due. As I pointed out, their timely submission enables the Committee to develop legislation within the Budget Act timetables with the information in hand that is necessary for appropriate action. In this regard, the information called for in the report on the Death Investigations Systems due December, 1980, will be very important in Committee consideration which must be completed by May 15, 1981, in connection with extending SIDS authorizations of appropriations. Your letter indicates that the report will not be ready for submission to Congress until the Summer of 1981. I can understand that the complexity of the information gathered may require more time to evaluate than is allowed by the December 1980 due date; however, I would appreciate your reviewing the feasibility of the Department submitting an informal interim report to the Committee in December 1980 so that a determination could be made at that time of any need for Committee action in 1981. Please let me know if such a procedure would be possible.

I am very appreciative of the Department's submission on April 24 of the report required by section 1122(c) of the Public Health Service Act, relating to the amounts requested for the National Institute of Child Health and Human Development and other Institutes of the National Institutes of Health for research relating to sudden infant death syndrome. Although the information submitted was helpful, it does not entirely comply with the report requirements of section 1122(c). That section calls for a breakdown of the total amount requested showing (1) the amount requested for research relating specifically to sudden infant death syndrome and (2) the amount requested relating generally to sudden infant death syndrome.

Officials of NICHD were very cooperative in providing this breakdown to a member of the Congress by the due date in future telephoned request; however, I believe it would be helpful if the report could be resubmitted to the committee chairmen showing the breakdown by research specifically related to SIDS and research generally related to SIDS, so that there will be an official report made in compliance with the statutory requirements.

Cordially,

ALAN CRANSTON,
Chairman, Child and Human Development Subcommittee.

DEPARTMENT OF HEALTH AND HUMAN SERVICES,
Washington, D.C., July 8, 1980.

The Honorable ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for your letter of June 10 requesting additional information on the Sudden Infant Death Syndrome (SIDS) program relating to the amount of funds requested for the SIDS programs and the feasibility of providing an interim report on the Death Investigations Study.

The report on the amounts requested for the SIDS program is enclosed. This information agrees wth that previously provided to you by NICHD.

The contract for the Death Investigations Study was awarded at the end of June. This is a complex study and the contract is designed to cover a 10-month effort. The contractor will be required to provide status reports at quarterly intervals. Site visits will be made to a representative sample of States with varying types of death investigations systems and an indepth analysis will be made of State laws and regulations, local ordinances, and actual practices in 50 States and 7 jurisdictions. It is expected that the contractor will finish all site visits by the end of November. Based on these early findings we should be able to provide you with preliminary data that could be useful for your deliberations. This data should be provided to you in late December.

I appreciate your continued interest in the SIDS program. As I stated previously, I assure you that the department will do everything possible to implement this program.

Sincerely yours,

JULIUS B. RICHMOND, M.D.,
Assistant Secretary for Health and Surgeon General.

DEPARTMENT OF HEALTH AND HUMAN SERVICES—PUBLIC HEALTH SERVICES, NATIONAL INSTITUTES OF HEALTH: SUDDEN INFANT DEATH SYNDROME RESEARCH

[Fiscal year estimate]

	1980	1981
NATIONAL INSTITUTES OF HEALTH		
National Institute of Child Health and Human Development	$19,600,000	$20,000,000
SIDS specific	(5,375,000)	(5,500,000)
SIDS general [1]	(14,225,000)	(14,800,000)
National Institute of Neurological and Communicative Disorders and Stroke (SIDS specific)	5,000	0
National Heart, Lung, and Blood Institute (SIDS general)	250,000	250,000
Total	19,855,000	20,000,000
SIDS specific (NICHD and NINCDS)	(5,380,000)	(5,500,000)
SIDS general (NICHD and NHLBI)	(14,475,000)	(15,050,000)

[1] See following table.

	Fiscal year 1980	Fiscal year 1981
NICHD SIDS general	$14,225,000	$14,800,000
High risk pregnancy	(8,400,000)	(8,700,000)
High risk infancy	(5,825,000)	(6,100,000)

U.S. SENATE,
Washington, D.C., February 23, 1980.

Hon. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR ELMER: We are willing to request a GAO audit of the Sudden Infant Death Syndrome Counseling and Information Project program authorized by part B of title XI of the Public Health Service Act.

The authorization of appropriations for this program will be due for reauthorization in fiscal year 1982 and the two authorizing committees will be developing legislative proposals in early 1981 to extend those authorizations.

This program has been authorized since fiscal year 1975, and we believe it is appropriate that a general program review and audit be undertaken at this time. Among the specific questions we suggest the General Accounting Office study are:

1. What general policies govern the awarding of the SIDS counseling and information project grants?

a. Does that policy require one program in every state and territory?

b. How many grants are awarded state agencies; how many grants are awarded to nonprofit voluntary groups; and what factors are considered in deciding whether a program should be directed by a state agency or a nonprofit voluntary group?

2. Are voluntary groups with a demonstrated interest in SIDS involved in each SIDS project? What is the extent of that involvement?

3. What mechanisms are utilized in awarding grants to ensure the programs can effectively carry out their responsibilities, are representative of and responsive to the needs of SIDS parents in the community, and are reviewed on a competitive basis? What role in that process is played by the advisory committee named by H.S.A. to review SIDS grant applications? What is the composition of that advisory committee? To what extent does it involve SIDS parents and other individuals with a professional interest in SIDS?

4. Has contract letting for SIDS programs been conducted in accordance with H.E.W. guidelines, and what provisions in those guidelines ensure protection of the public interest? Are the contracts awarded on a competitive basis? Are the requests for proposals adequately publicized?

5. Does the performance of the current contractee (Lawrence Johnson and Associates) meet H.E.W. standards normally applicable to contracts of this kind and adequately meet the contract terms?

6. How does this contract performance compare with the performance of the previous contractee, the National SIDS Foundation?

7. Is the contract for the clearinghouse activity consistent with the requirements of section 1121(a)(2)(B) of the Public Health Service Act as added by P.L. 96-142?

8. Has H.E.W. designated an administrative unit to carry out the SIDS program as required by section 1121(a)(1) of the Public Health Service Act as amended by P.L. 96-142? Has that unit been assigned such professional and clerical staff and consultants as well as management and supporting staff as are necessary for it to carry out its functions effectively, as required by law? Are there effective working relationships between the SIDS Administrative Unit in the Health Services Administration and those responsible for developing the SIDS research program at the National Institute of Child Health and Human Development that ensure appropriate coordination of clearinghouse and research activities?

In order for the results of your review to be taken into consideration by the authorizing committees when the statutory authorities for the SIDS programs are reviewed in the 97th Congress, we would appreciate an informal report by August 1, 1980, and a final report, including recommendations for program improvement and any legislative recommendation that may be suggested by your review, by November 15, 1981.

With every good wish,

Cordially,

WARREN G. MAGNUSON,
Chairman, Committee on Appropriations.

ALAN CRANSTON,
Chairman, Subcommittee on Child and Human Development, Committee on Labor and Human Resources.

HENRY A. WAXMAN,
Chairman, Subcommittee on Health and the Environment, Committee on Interstate and Foreign Commerce.

By Mr. CRANSTON:

S. 561. A bill to extend the authorizations of the appropriations for programs under the Child Abuse Prevention and Treatment Act and the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and for other purposes; to the Committee on Labor and Human Resources.

CHILD ABUSE PREVENTION AND TREATMENT AND ADOPTION OPPORTUNITIES AMENDMENTS OF 1981

Mr. CRANSTON. Mr. President, I am today introducing legislation to extend the authorization of appropriations for the Child Abuse Prevention and Treatment Act and the Adoption Reform Act. This legislation is similar to legislation, S. 3175, which I introduced last year on behalf of the Carter administration.

Mr. President, as the chairman during the 95th and 96th Congresses of the former Child and Human Development Subcommittee of the Committee on Labor and Human Resources and as a member of its predecessor Subcommittee on Children and Youth since the latter's inception in 1973, I have been deeply involved in and concerned about Federal efforts affecting disadvantaged and vulnerable children. I authorized the 1978 legislation, enacted as Public Law 95-266, which extended and strengthened the Child Abuse Prevention and Treatment Act, and enacted the adoption opportunities program. I believe that the Federal Government plays an important role, through these programs, in providing leadership and assistance to State and local activities aimed at helping children who are the victims of abuse and neglect or have been lost in the foster-care limbo.

CHILD ABUSE AND NEGLECT

Mr. President, the abuse and neglect of children by relatives or others responsible for their care is a serious and, unfortunately, widespread problem. Recent studies have confirmed that each year an estimated 1 million children suffer from abuse or neglect and between 1,000 and 2,000 children die. Many experts feel that the incidence may be even higher since surveys and studies of child abuse and neglect are based only upon cases which come to public attention.

Child abuse is a complex problem that is not limited to one segment of society. The stresses of poverty may place some children at higher risk, but abused and neglected children come from high-, medium-, and low-income families and from every racial and ethnic population. In the past 5 years, we have learned a great deal more about this devastating problem. Most parents who harm their children are not mentally ill or criminally motivated; a variety of social, economic, and personal stresses contribute to the kind of violent and neglectful treatment that results in harm to children. We also know that child abuse has consequences far beyond the immediate effects of maltreatment—children who are abused often grow up to become abusers themselves. This intergenerational transmission of violence has untold consequences for our society.

Mr. President, the responsibility for the well-being of children lies within the family, but when the physical safety and very life of a child is threatened, society as a whole has a responsibility to protect that child. Research and experience over the last few years have found that efforts to protect children at risk are most successful when they focus upon strengthening the family and helping abusive parents learn to cope with the stresses which contribute to the violence and maltreatment inflicted upon the children involved. The Federal Government, through the Child Abuse Prevention and Treatment Act, has played a valuable role in the development of effective State and local efforts to deal with these problems.

FEDERAL EFFORTS TO DEAL WITH CHILD ABUSE AND NEGLECT

When the Child Abuse Prevention and Treatment Act was enacted in 1974 as Public Law 93-247, it represented the first coordinated Federal effort to deal with the problem of child abuse and neglect. At that time, many Americans did not recognize—or did not wish to recognize—the scope and severity of this problem. In 1974, we knew virtually nothing about how to treat or prevent child abuse and neglect, how to encourage abusive and neglecting parents to seek help voluntarily, or how to aid the child and adolescent victims of abuse and neglect.

Since 1974, we have made substantial progress in both our knowledge and our treatment in this area. I believe this progress has been fostered in large part by the Child Abuse Prevention and Treatment Act of 1974, as amended in 1978 by title I of Public Law 95-266. I would like to describe briefly the four major provisions of the current law.

First, the act provides for the establishment and operation of the National Center on Child Abuse and Neglect. This Center, located in the Department of Health and Human Services, provides a focal point for Federal efforts dealing with child abuse and neglect. The Center operates programs for the collection and dissemination of information related to child abuse and neglect, including information on incidence and on effective prevention and treatment strategies. The National Center receives and responds to approximately 2,000 inquiries a month from the general public on matters relating to child abuse and neglect. It also provides technical assistance to States in establishing and upgrading pertinent

programs. Second, the act authorizes the appropriation of funds for research in the area of child abuse and neglect and for the support of innovative demonstration projects designed to identify, prevent, and/or treat it. Third, the act provides for a grant program to all qualifying States. This grant program provides financial assistance to the States to develop, strengthen, and fully implement State and local child abuse and neglect prevention and treatment programs. Finally, the act provides for an advisory board, composed of representatives of Federal agencies with program responsibility in the child abuse and neglect area as well as public members to assist the Secretary of HHS in efforts to coordinate pertinent Federal programs.

During the 95th Congress, in my capacity as chairman of the former Subcommittee on Child and Human Development, I authorized legislation to extend and modify the Child Abuse Prevention and Treatment Act. The resulting Public Law 95-266, signed into law in April 1978, extended the authorization of appropriations through fiscal year 1981 and made several amendments to the Child Abuse Prevention and Treatment Act.

One of the provisions in the 1978 amendments directed the National Center to prepare a plan for coordinating the activities of the various agencies and organizations involved in prevention and treatment of child maltreatment, in order to avoid duplication of activities among Federal agencies or by the public and private sectors. The 1978 amendments also directed the Secretary of HHS to make available to the National Center the staff and resources necessary for the Center to carry out effectively its functions. This provision reflected the concern of House and Senate authorizing committees that insufficient staff and resources had been made available to the National Center. Other provisions of the 1978 amendments increased the percentage of funds earmarked for State grant programs to the level, for each of fiscal years 1978 and 1979, of not less than 25 percent of funds appropriated, and not less than 30 percent for each of fiscal years 1980 and 1981; required the addition of not less than three public members to the advisory board; and authorized new appropriations for programs dealing with sexual abuse of children. The 1978 amendments authorized appropriations for the basic child abuse program at a level of $25,000,000 for fiscal year 1978, $27,500,000 for fiscal year 1979, and $30,000,000 for each of fiscal years 1980 and 1981. Funds have been appropriated at the level of $18.9 million for each of fiscal years 1976, 1977, 1978, 1979, 1980, and 1981.

The sexual abuse provision reflected the growing awareness, in 1978, of the plight of children victimized by sexual abuse, including child pornography. The level of authorization for programs to treat and prevent sexual abuse was $3 million for fiscal year 1978, $3.5 million for fiscal year 1979, and $4 million for each of fiscal years 1980 and 1981. Funds were first appropriated for this program for fiscal year 1980 at the $4 million level and are included in the continuing resolution for fiscal year 1981 at the same level.

In the past, Mr. President, the Child Abuse Prevention and Treatment Act has received strong bipartisan support in the Congress, and I believe we can be proud of its substantial impact on efforts to deal with the problems of child abuse and neglect. I would like to outline briefly the major accomplishments achieved under this program.

ACCOMPLISHMENTS OF THE CHILD ABUSE AND NEGLECT PROGRAM

The State grant program has provided a stimulus for States to examine and voluntarily improve procedures relating to reporting child abuse and neglect, to follow up on reports, and to provide treatment and services in the case of substantiated reports. In order to qualify for grants under the State grant provision of the Child Abuse Prevention and Treatment Act, States must meet certain requirements, including, among other things, the reporting and investigation of all cases of known or suspected child abuse or neglect, protection of families' privacy rights, and support of identifiable child protective services at the local level. Only three States met these requirements in 1974, the first year of the act. By 1978, technical assistance by the National Center and its regional offices and dissemination of such documents as the Model Child Protection Act had enabled 46 States to qualify for the State grant program. Thus, a relatively modest investment of Federal funds—$4.7 million in State grants in fiscal year 1978—has stimulated considerable State and local improvement of procedures for reporting and treating child abuse and neglect. Today, as a result of the Federal leadership developed under this act, child abuse and neglect cases are reported to the appropriate law enforcement or child protection agencies in virtually all the States. That was not the case prior to 1974 and is itself a tremendous accomplishment in dealing more successfully with this problem. Over the past 4 years alone, reporting has increased by more than 100 percent.

However, despite this tremendous progress, many, many cases of child abuse which come to the attention of professionals continue to go unreported. A recent study found that for every child abuse case reported, two similar cases known to professionals and agencies go unreported. Without adequate reporting and investigation of suspected child abuse cases, it is virtually impossible to provide protection and services for these children and their families.

A second area of accomplishment has been to focus public and professional attention on the problem of child abuse and neglect and to stimulate interdisciplinary cooperation in dealing with these problems. In the early 1970's, conflict between the medical and social service communities regarding the responsibility for handling child maltreatment was common. Now, this conflict has been replaced by unprecedented interprofessional cooperation, due in large part to the interprofessional conferences, research, and demonstration projects supported by the National Center. The growing number of multidisciplinary and multiagency bodies at the local and State levels all attest to the success of the National Center's efforts to promote this trend.

The National Center's development of television public service announcements and programing have helped transform child abuse and neglect from an invisible problem into the focus of considerable local action and concern. For example, the public television documentary, "Raised in Anger," supported by the National Center, was followed by local programs promoting parental self-help approaches to the problems of abuse and neglect. Today's media coverage of the problem of abuse and neglect reflects the dramatic change in public understanding of the problem—coverage focuses not simply on punishing offenders, but rather on understanding and helping families.

Third, the act has helped improve services to affected families. Two provisions of the act, in particular, have made this possible. First, many States have chosen to utilize the funds they receive under the State grant program to develop and improve State and local services for which there is a particular need.

For example, some States have used their grant money to establish or support local child protective services, to establish or update registries of abuse, to provide 24-hour comprehensive emergency services, and to train staff in the identification and treatment of abusive and neglecting families. Second, the act's funding of research and demonstration projects has been directed, in recent years, toward discovering what treatments effectively combat or prevent child maltreatment, and toward making such treatments more available to those in need. As the National Center gains information from its research and demonstration projects, this information is disseminated so that all States and localities may benefit from knowledge about effective treatments and modes of service delivery.

IMPROVED EFFORTS NEEDED

Mr. President, the act and the National Center have had substantial impact in a number of areas. Much, however, remains to be done to help in efforts to deal with this problem. The General Accounting Office, while recognizing the accomplishments I have just outlined, has delineated in a GAO report, HRD-80-66, released in 1980, entitled "Increased Federal Efforts Needed to Better Identify, Treat, and Prevent Child Abuse and Neglect," further areas where improvements could be made.

I would like to summarize some of the suggestions made in the GAO report.

First, as I have indicated, despite the increased professional awareness of child abuse and neglect and the increase in reporting, professionals still fail to report many instances of suspected child abuse and neglect. This failure is due, in some part, to ignorance of the responsibility to report or of the reporting procedure, concern about confidentiality conflicts, and belief that effective treatment services are not available.

Second, the GAO concluded that the

National Center should do more to assist in improving the investigative and treatment capabilities of the States. The GAO report indicated that many States and localities lack sufficient staff to investigate promptly reports of abuse and neglect, and that unmet client needs produce an increased potential for recurrences.

Third, the GAO report concludes that the National Center's efforts have been insufficient to deal with issues related to the prevention of child abuse and neglect. Prior to 1978, the Center's activities focused primarily upon identification and treatment. Only in 1978 did the Center begin to place high priority on prevention, and only in 1979 did the Center fund research assessing the effectiveness of various prevention programs.

Finally, the GAO report notes that some of the problems relating to the National Center's ability to provide adequate assistance and leadership for the States in carrying out their child abuse and neglect programs has resulted from the inadequate level of support provided to the National Center by HHS. The GAO identified several factors indicative of the inadequacy of HHS' support. These factors include inadequate staff allocations, the diversion of research funds from the National Center into cross-cutting research activities carried out by the Office of Human Development Services, and the failure of HHS to appoint the public members of the advisory board until some 16 months after enactment of the requirement for their inclusion.

Mr. President, I want to note here that the diversion of research funds from the National Center was done in the face of express disapproval by the Congress. As a result of HHS actions in the matter, the Senate approved an amendment I sponsored to the 1978 Amendments to the Rehabilitation Act, Public Law 95-602, to bring a halt to these fund transfers. I have strongly felt that HHS actions in this regard were particularly inappropriate given the limited funds available to carry out the child abuse program and the number of research proposals specifically related to child abuse which have gone unfunded because of these limited resources.

Additionally, Mr. President, the fact that HHS allowed the directorship of the National Center to remain vacant for almost 2 years has served as a hindrance to the Center's ability to carry out its responsibilities effectively.

Mr. President, HHS in its response to the GAO's report acknowledged the appropriateness of many of the GAO's recommendations and observations and in most cases indicated its intent to take steps to correct the various problems and thereby enhance the ability of the National Center to fulfill its responsibilities. I hope that continuing progress in this direction will take place.

SPECIAL PROBLEMS

Mr. President, I want to comment briefly upon three aspects of child abuse and neglect which until recently have received very little attention. These areas include the abuse and neglect of children residing in institutional settings, sexual abuse of children, and efforts directed at the prevention of child abuse.

Although the abuse and neglect of children in institutional settings has always been included within the purview of the child abuse program, it has only recently become a significant area of focus. In 1979, I chaired a series of hearings on the scope of the problem of abuse and neglect of children in public and private institutions. The testimony presented at these hearings was among the most disturbing and shocking public testimony I have heard during my entire service in the U.S. Senate. Many of the stories that witnesses told the subcommittee sounded like Charles Dickens' novels about the horrors of street urchins in 19th century London. For example, one witness testified that in an institution where her son had resided, the children were tied to chairs or their beds for lengthy periods of time, sitting in their own waste for hours. One witness described a child who had a trash can placed over his head and was forced to remain in a corner for a week. A parent told the subcommittee about finding her child tied to a chair in the middle of the play yard.

Another witness described a facility in which tear gas canisters were thrown into a room in which children were placed in solitary confinement. A State senator told the subcommittee of a facility in his State where children were strung up by their arms and legs in a cage for punishment. Another witness described a facility in my own State of California where electric cattle prods had been used for treatment of developmentally disabled children. One of the most articulate witnesses at these hearings was a 17-year-old boy who had spent most of his life in an orphanage where he said children were handcuffed to their beds, tied to chairs, denied medical attention and food, and subjected to beatings and other physical abuse.

Mr. President, the problem of abuse and neglect of children in institutions was described by one Federal law enforcement officer as a widespread and serious problem. What is equally disturbing is the fact that in many instances the facilities involved have been the recipients of Fedral funds for the care of these children. Data provided to me by the Congressional Research Service indicated that almost $1 billion of Federal funds were being spent annually on institutional care of children. It is ironic—although not in all respects surprising—that this type of maltreatment of children can occur in institutions supported by Federal funds and, in many cases, involves children who have been removed from their own families because of abusive or neglecting parents.

Only recently has there been any systematic effort undertaken to deal with this problem. In 1978, the National Center awarded four demonstration grants to public agencies focusing upon the investigation and development of techniques to deal with institutional abuse and has begun to focus increased attention upon this problem. The amendment I am introducing today contains a provision which I will describe in more detail in a few moments, designed to provide protection from adverse job actions for employees of institutions who report child abuse or neglect matters.

Mr. President, a second area which has only recently become a focus of attention is the problem of sexual abuse of children. Congressional concern about the problem of sexual abuse and exploitation of children led to the enactment in the 1978 amendments of specific authorization of appropriations for projects dealing with this aspect of child abuse. It is estimated that between 50,000 and 70,000 children are victims of sexual abuse each year. It is generally agreed that professionals who come into contact with these cases have very little training or guidance available to them on effective treatments.

Four million dollars was appropriated for fiscal year 1980 to begin the efforts of the National Center in the area of sexual abuse of children. These funds have been awarded to various projects to develop effective protective service programs for sexually abused children. The results of these projects—if completed—should provide helpful information to the States and localities in developing responses to sexual abuse cases.

Finally, Mr. President, both the GAO and the advisory board of the child abuse program have observed that too little attention has been given to prevention efforts. During the first 4 years of the child abuse program, resources were concentrated primarily on identification and treatment programs. The GAO noted that prior to 1978, the only program supported by the National Center specifically focused upon prevention that was evaluated as being effective was Parents Anonymous. The GAO in its report specifically stated that the National Center needs to do more to help identify and disseminate information about practical and effective prevention programs or approaches to help States and localities implement these approaches. HHS has indicated its intention to give new priority to developing and evaluating various prevention approaches.

PARENTS ANONYMOUS

Mr. President, I want to comment briefly on Parents Anonymous. I authored the provision in the 1974 law which provided a special emphasis on funding of programs that involved self-help approaches. Parents Anonymous has been the model for parental self-help approaches, and it has been an extraordinary success. Parents Anonymous, which has its headquarters in my own State of California, has grown from 60 chapters in 1974 to over 800 chapters by 1978, with at least one project operating in every State.

Mr. President, various evaluations have found the Parents Anonymous approach, which encourages abusing parents to help themselves and help others in comparable situations, is effective in reducing abuse. The support that the Federal Government has given to the Parents Anonymous program has paid off and has provided an approach where abusing parents can help themselves and each other. Other studies have found that projects which utilize self-help peer

counseling are more effective in preventing repetition of abuse than those which rely solely upon professional personnel. I think this is an extremely important finding that should guide policymakers in their development of programs aimed at reducing or preventing child abuse.

COMPREHENSIVE PLAN

Mr. President, as I indicated earlier, the 1978 amendments required the Advisory Board on Child Abuse and Neglect to submit to the President and the Congress a comprehensive plan for seeking to bring about maximum coordination of all agencies and organizations which have responsibilities for programs and activities relating to child abuse and neglect. This plan, entitled "Working Together: A Plan To Enhance Coordination of Child Abuse and Neglect Activities," was submitted to the Congress in May 1980.

It provides specific suggestions on how local, State, and Federal efforts to deal with child abuse and neglect problems can be enhanced. These include recommendations with respect to the development of mechanisms to stimulate activities to improve State and local child protective services, to encourage participation of the voluntary sector, to improve communication and coordination between Government agencies, and to encourage the development of community-based comprehensive plans for preventing child abuse and neglect. Many of these recommendations include specific roles for the National Center to play in serving as a catalyst for action at the State and local levels and in both the private and the public sector. Overall, the plan provides a potential blueprint for a comprehensive effort to increase and enhance child abuse and neglect activities.

CHILD ABUSE AMENDMENTS

Mr. President, the legislation I am introducing today would extend for 5 additional years the authorization of appropriations for the child abuse program at the level of such sums as may be necessary. Presently, fiscal year 1981 appropriations for the child abuse program are authorized at a level of $30 million for the basic child abuse program and $4 million for the sexual abuse program, and are funded at a level of $18.9 for the basic program and $4 million for the sexual abuse program.

This amendment also contains a provision to provide protection for employees of institutions who report child abuse or neglect within the institution. This amendment would require that States assure immunity against adverse job actions for employees who report known or suspected incidents of child abuse or neglect occurring in public or private residential institutions. The practice of firing employees for "whistle-blowing" was identified at our hearings last year as a serious obstacle to efforts to address the problem of maltreatment of children in residential care. This provision is designed to facilitate efforts to identify and correct problems of institutional abuse.

ADOPTION OPPORTUNITIES ACT

Mr. President, section 3 of the legislation I am introducing today would extend for 5 additional years the authorization of appropriations for the programs authorized under title II of Public Law 95-266. Title II of Public Law 95-266, enacted in 1978, established a program aimed at facilitating the elimination of barriers to the adoptive placement of children with special needs, many of whom have languished in foster care for years.

Mr. President, I was deeply involved in the development of title II of Public Law 95-266. I introduced versions of this legislation in 1974, 1975, and 1977. In 1977, as one of my first acts as chairman of the newly formed Subcommittee on Child and Human Development, I held hearings on this legislation. These hearings dramatically demonstrated the disincentives and barriers to adoption which exist in the foster-care system. These hearings also demonstrated that there are many compassionate, dedicated individuals who are eager to provide permanent loving homes for children with special needs if only these children could be freed from the limbo of foster care.

Following these hearings and after extensive negotiations with representatives and the Carter administration and concerned Members of Congress, I revised this legislation and divided it into two pieces of legislation. A portion of it, which I will outline shortly, was enacted into law in April 1978 as title II of Public Law 95-266. The remainder was contained in the Adoption Assistance and Child Welfare Act, which was enacted in June of 1980 as Public Law 96-272. Together, these two laws constitute a significant step forward toward providing permanent adoptive homes for thousands of children who remain unnecessarily in the foster-care system. Title II of Public Law 95-266 provides a framework for implementation of the reforms contained in Public Law 96-272.

For example, Public Law 96-272 authorizes the continuation of medicaid payments for handicapped children who can be moved from foster care to adoptive homes. Title II of Public Law 95-266 provides support for a mechanism—the adoption exchange—to help find the adoptive homes for these children. Similarly, title II of Public Law 95-266 authorizes the development of training programs to help acquaint the social workers in the field with new techniques for helping move children with special needs out of foster care and into adoptive homes. One of the barriers that witnesses at our hearings described as preventing special-needs children from being adopted is the attitude held by many social work professionals that these children are unadoptable. Through education and training programs authorized by title II of Public Law 95-266, these professionals receive information and training on how adoptive homes can be found for children with special needs.

Mr. President, I would like to outline briefly the provisions of title II of Public Law 95-266 and then discuss in detail what steps have been taken in the past 3 years to carry out these provisions. First, the law provides for the establishment of an administrative arrangement in HHS to provide a centralized focus for planning and coordinating all departmental activities affecting foster care and adoption. Second, it provides for the establishment and operation of a national adoption and foster-care data-gathering and analysis system and for the operation of a national adoption information exchange system. Third, it provides for the development of an education and training program on adoption and development of a technical assistance program. Fourth, the statute directs the Secretary of HHS to provide for a study of the nature, scope, and effects of unlicensed adoption placements. Fifth, and finally, the statute provided for the appointment of a panel of individuals experienced in the area of adoption to prepare and submit to the Secretary a proposed model adoption statute aimed at eliminating jurisdictional and legal obstacles to adoption, particularly of children with special needs.

Mr. President, as many of my colleagues know, this last provision has resulted in some controversy. I intend to address this issue at some length today in the hope of clarifying the relationship of the proposal submitted by this panel last spring to the overall thrust of title II.

Title II authorized the appropriation of $5 million for fiscal year 1978 and such sums as may be necessary for fiscal years 1979, 1980, and 1981. Funds were first appropriated for title II in the 1979 fiscal year appropriation at the level of $5 million. An additional $5 million was included in both the fiscal year 1980 and fiscal year 1981 appropriations. The Carter administration's fiscal year 1982 budget request included a request of $4 million for these programs.

In April 1980 I held oversight hearings to review the progress which had been made in implementing the various provisions of title II. Generally, the hearings indicated that the administration had made considerable progress in implementing the law. However, much of the public testimony at our April hearing centered on the controversy surrounding the implementation of section 202 which required the development of model adoption legislation to serve as a voluntary guide for States interested in upgrading their State laws relating to adoption. It is unfortunate that this controversy surrounding the model act has overshadowed much of the important work that has taken place regarding the implementation of the other provisions of title II.

MODEL ADOPTION LEGISLATION AND PROCEDURES

Mr. President, section 202 of title II directs the Secretary of HHS to appoint an independent panel of individuals experienced in the field of adoption to review current laws and practices relating to adoption as to their effect on facilitating or impeding the adoption process and to develop model legislation and procedures aimed at overcoming problems which serve as barriers to adoption. The statute required the panel to submit its proposal to the Secretary of HHS, who in turn was required to publish the proposal in the Federal Register for public comment. The Secretary is then directed, after giving due consid-

eration to the comments received, to issue and publish a final model act and procedures.

In August 1978, the Secretary appointed 17 individuals to the panel. The proposal developed by this panel was published in the Federal Register on February 15, 1980, and the public comment period closed on May 16, 1980. In addition to the regular process of public comment on the Federal Register publication, the Department of HHS held public meetings on the proposal in each of its 10 regions. The panel then met again, reviewed the comments, and agreed to recommend certain changes in its original proposal. However, certain of the controversial provisions—particularly those relating to adoption records—remained unchanged. Currently, the proposal and the panel's recommended changes are still being considered within HHS.

Mr. President, I shared the concerns of many of my colleagues about various aspects of the panel's proposal and on July 9, 1980, along with several of my colleagues then on the Labor and Human Resources Committee, expressed reservations about the current draft and suggested that the Secretary make substantial revisions in particular aspects of the model act.

I ask unanimous consent that the text of this letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, D.C., July 9, 1980.

Hon. PATRICIA ROBERTS HARRIS,
Secretary of Health and Human Services, Washington, D.C.

DEAR PAT: As you know, the Labor and Human Resources Committee, through its Child and Human Development Subcommittee, worked for many years in developing legislation—title II of Public Law 95-266—designed to eliminate barriers to adoption, particularly the adoption of children with special needs. In April, the Subcommittee held a hearing on the Department's implementation of title II of Public Law 95-266.

As you are well aware, there is considerable controversy surrounding implementation of section 202, which required the development of model adoption legislation and procedures with the assistance of an advisory panel of experts in the field of adoption. We share many of the concerns that were expressed by witnesses at the April 17 hearing regarding the draft model act and procedures and wish to provide you with our thoughts on four controversial aspects of the panel's proposal.

Before doing so, however, we do want to stress that many of the provisions of the draft model act which relate to the adoptive placement of children with special needs—as opposed to infant adoptions—are excellent and represent major steps forward in our efforts to free these children from foster care and provide them with loving permanent adoptive homes. It was the overwhelming view of the witnesses who testified at the April 17 hearing—many of whom strongly opposed other provisions of the proposed model act—that the portions of the proposal which dealt directly with the problems of adoption of children with special needs were important and desirable provisions.

The controversial portions of the proposed model act relate basically to those provisions regarding the adoption of healthy, new-born infants, specifically provisions that relate to open adoption records, rights of putative fathers, independent adoptions, and revocation of voluntary relinquishments.

Adoption records. The provisions of the proposed model act relating to access to adoption records are obviously the most controversial portions of the proposal. We recognize that there are strongly held views in this area, but, on balance, we do not feel that the panel's recommendations with respect to access to adoption records should be approved.

There are many serious and fundamental unanswered questions as to the effects this proposal would have. For example, the reports of a fifty-percent drop in adoptions in England following enactment of its open records statute concern us deeply. We are also troubled by the fact that there exists little objective data on the potential consequences of an open records policy on decisions relating to abortion and on other aspects of the adoption process. During the April 17 hearing, the Subcommittee Chairman requested Department representatives to undertake efforts to acquire data on these issues to provide guidance for further consideration of the policy implications of the panel's proposals. We hope the Department will move forward rapidly on this effort.

We also very strongly believe that the panel's treatment of past adoptions, as opposed to prospective adoptions, is inappropriate. Indeed, it is inconceivable to us that the federal government would propose such a fundamental breach of commitments of confidentiality without the consent of individuals affected. The suggestion of the panel that a biological parent who did not wish to be contacted has a tort remedy for invasion of privacy seems, to us, to be insensitive to the human needs of all parties to an adoption. We recommend with respect to past adoptions that records be made available only where there is consent.

With respect to prospective adoptions, we suggest consideration be given to recognizing a range of options for all parties. For example, if a pregnant woman would prefer adoption to abortion only if she could be guaranteed confidentiality, that option should be made available to her. Similarly, if a pregnant woman knew that she wanted to make her identity available to be learned by the child at some time in the future, she should have that option also, and potential adoptive parents would then be made aware of this condition. This approach, which recognizes the various interests and rights of all of the parties to an adoption and provides for a flexible approach designed to protect and respect these interests and rights, would seem to be preferable to that proposed by the panel.

However, since the issues relating to the open records question are so complex and clearly necessitate further review and data evaluation, we strongly urge that you give consideration to the recommendation which has been made by several organizations to separate the records provisions from the other provisions of the model act, and publish the records provisions separately at a subsequent date. It would be extremely unfortunate if the controversy over these provisions were to delay—as seems almost unavoidable at this point—final promulgation of the less-controversial and much needed provisions that are aimed at helping find adoptive homes for those special needs children in foster care.

Putative fathers. The provisions of the proposed model act relating to the rights of putative fathers, as presently drafted, are in need of substantial revision. They appear to give a putative father an absolute right to take custody of a child being placed for adoption by the mother, regardless of the mother's views or of the fitness of the putative father. Resolution of the rights of a putative father may be critical to freeing a child for adoptive placement, but they should not take precedence over the best interests of the child. We recommend that consideration be given to provisions that would allow for a showing of unfitness of the father to be proffered and an opportunity for the interests of the mother to be taken into consideration as part of a final determination of custody based on the best interests of the child.

Revocation of relinquishment. The provisions of the proposed model act relating to revocation of voluntary relinquishments are also of concern to us. States presently vary considerably in their policies regarding revocation of voluntary relinquishments. Some make relinquishments irrevocable when given. Others allow for revocation of a relinquishment up to the time of entry of a final adoption decree or within a specified period of time. A number of witnesses, however, expressed concern over the impact that the fourteen-day period in the proposed model act would have on infants who would probably be left in a hospital or in foster care during those critical first two weeks of life. We were impressed by the testimony of the American Academy of Pediatrics on the adverse impact such a delay would have on an infant's development. We strongly urge that in cases involving newborns you consider shortening this time period.

Independent adoptions. The provisions of the proposed model act relating to independent adoptions are also troublesome. We recognize that independent adoptions are legal in many states and that governmental intervention in the private lives and decisionmaking of individuals ought to be limited as much as possible. Yet, the Department's own study of independent adoptions—required by section 204 of title II—suggests that there are substantial risks for children involved in independent adoptions. Assistant Secretary Perales, in his April 17 testimony, outlined some of those problems found by your study: lack of appropriate information or counseling for biological parents and adoptive parents, problems with permanency being established for the child in independent adoptions, and a finding that placement of a child in a home that cannot meet his or her needs appears to be greater in independent adoptions.

The results of the section 204 study do not appear to warrant prohibiting all independent adoptions; they do, however, suggest a need for closer supervision of independent adoptions than is reflected in the proposed model act. For example, the proposed model act provides for post-adoptive home studies in independent adoptions; a *pre*-adoptive home study would provide greater safeguards for the child. We suggest revisions in these sections to provide for greater supervision and control over independent adoptions with the primary goal of protecting the interests of the infant.

We believe that the four problems outlined above merit the most serious consideration by the Department during the process of redrafting the proposed model act. As we stressed earlier, there is a wide consensus that many provisions of the proposal are helpful and will provide meaningful guides to state legislatures in reviewing, updating, and revising their adoption codes in an effort to remove unintended barriers to adoption. However, in our view, the provisions discussed above must be revised if the model act is to assist in eliminating barriers to adoption, as was envisioned by the underlying legislation.

Finally, there appears to be some question as to whether the Department intends to publish its revised model act for public comment before promulgation of a final version.

Since the draft published on February 16 represented the views of the panel and not the Department, we strongly urge that the Department allow for a public comment period on its version.

With warm regards,

Cordially,

HARRISON A. WILLIAMS, Jr.,
Chairman.

JENNINGS RANDOLPH,
ALAN CRANSTON,
Chairman, Subcommittee on Child and Human Development.
DONALD W. RIEGLE, Jr.

Mr. CRANSTON. Mr. President, I think it is extremely unfortunate that the controversial aspects of the panel's proposal, which basically involve infant adoptions, have drawn attention away from those provisions directly related to facilitating the adoptive placement of children with special needs. Indeed, witnesses who appeared at our April hearing who were very critical of certain aspects of the panel's proposal were unanimous in support of those provisions of the proposal directly focused upon facilitating the adoptive placement of children with special needs. Yet the controversial provisions have threatened the entire model act. For this reason I suggested in our letter to former Secretary Harris that consideration be given to separating some of these provisions, specifically those relating to adoption records, from the other provisions and publishing those provisions at a later time after further review and refinement.

Mr. President, I want to stress one point regarding the model act. No Federal law or regulation will emanate from promulgation of this model act. It is to be available for guidance only—to help State and local legislative bodies interested in reviewing or formulating changes in their adoption laws or regulations. The basic purpose underlying section 202 was to address the problems that arise when the 50 States, and sometimes jurisdictions within those States, deal with adoptions in such a way as to pose barriers to the interjurisdictional placement of "special needs" children. Testimony before our subcommittee indicated that all too often a "special needs" child might be waiting in one State and prospective parents waiting in another, but legal and regulatory barriers made it impossible to bring the parties together.

The panel made a decision at its first meeting that it could meet the requirements of title II only by developing a comprehensive adoption code covering the entire spectrum of State legislative requirements on adoption. The proposed model act drafted by the panel covers every aspect of adoption, including termination of parental rights, placements for adoption, adoption proceedings, records, agency adoption services, and subsidized adoption. The panel's decision to address every aspect of the adoption process was within the scope of section 202 requirements; however, as is expressed in the July letter to former Secretary Harris, I strongly believe that certain aspects of the panel's proposal must be revised if it is to serve as a realistic and responsible guide to help States eliminate barriers to adoption. I know that a number of organizations and agencies involved in the adoption field have expressed similar concerns, and I would certainly expect that substantial revisions will be made before a final model act is promulgated.

ADOPTION INFORMATION EXCHANGE

Mr. President, as I indicated before, there are a number of very important provisions in title II which are in no way related to the activities and controversy surrounding the model act. One of the most important is contained in section 203(b)(3) which provides for the establishment of a national adoption information exchange to be coordinated with State and regional exchanges in matching special needs children awaiting adoption with prospective adoptive parents. HHS has awarded a contract to the North American Center on Adoption of the Child Welfare League of America to operate the national exchange and to assist States in developing State and regional exchanges.

Mr. President, at our April meeting, some witnesses expressed concern over whether sufficient resources were being made available to assist in the development of regional exchanges. Following that hearing, HHS took several steps to rectify this problem. Each of the regional adoption resources centers was given additional resources for the specific purpose of providing assistance to States in developing regional cooperative efforts.

The contractor for the national exchange, the Northern American Center on Adoption, has also increased its technical assistance efforts in this area.

Mr. President, the impetus for the provisions in section 203(b)(3) came from testimony from witnesses who described situations where special needs children were waiting for adoptive homes in one State while prospective adoptive parents waited in another State. The approach HHS is taking in implementing section 203 is to encourage States to develop and strengthen intrastate exchanges so that children can be placed within their own States whenever possible and to seek interstate placements only after State efforts have failed. Regional exchanges developed through cooperative agreements between States can play an important part in this effort, and I find this increased activity by HHS encouraging. Emphasis must be placed upon the development of State exchanges, but it is essential that mechanisms remain available to help find homes for children who cannot be placed within their own States. For these children, regional and national efforts are essential.

NATIONAL INFORMATION SYSTEM

Section 203(b)(1) of title II directs the Secretary of HHS to provide for the establishment and operation of a national adoption and foster-care data-gathering and analysis system. This system will, for the first time, provide comprehensive national data on patterns of foster care and adoptive placement throughout the country. The lack of current national data on the children in foster care has been a major obstacle to implementing planning and to establishing accountability for the whereabouts of these children.

HHS is currently in the second year of a 3½-year contract for implementation of a national information system. HHS testimony in April indicated that the national information system will utilize data from States' own data-gathering systems and that no State will be required to develop an additional data-collection system in order to meet Federal specifications, although States will be expected to make gradual refinement in State reporting categories.

Three groups are assisting in the design of the national information system: A State liaison panel composed of representatives of each State, a panel of representatives from nongovernment organizations concerned with adoption and foster care, and a panel of representatives from selected Federal agencies.

Mr. President, as States begin implementation of the tracking systems provided for individual foster children under Public Law 96-272, the data will be fed into the national system being developed under Public Law 95-266. Together, these data systems will provide information on where individual children are in the foster-care system as well as national statistical data. This information will help not only to deal with the needs of individual children but will provide us with the information necessary for adequate budgetary and policy planning.

EDUCATION, TRAINING, AND TECHNICAL ASSISTANCE

Mr. President, sections 203(b)(2) and (4) require the Secretary of HHS to develop and disseminate educational and training materials on adoption and adoption assistance and to provide technical assistance to interested agencies and organizations.

HHS has developed an inservice training curriculum to assist adoption workers and supervisors on how to prepare families and "special needs" children for adoption. The curriculum will be available in English and Spanish. HHS has also developed radio and television spots designed to assist social services agencies in recruiting foster and adoptive parents, including minority parents, for children with special needs. Tests in New York State and in Oklahoma City have demonstrated the effectiveness of television and radio announcements, in conjunction with an overall recruitment effort, in attracting qualified prospective adoptive parents. HHS is also developing 32 television and radio public service announcements to be distributed free of charge to agencies and organizations concerned with foster care and adoption.

In addition, HHS is funding 10 regional adoption resource centers which provide technical assistance to local and State agencies and to adoptive parent groups. This technical assistance has included establishment and support of training programs for adoption workers, support for the growth and development of adoptive parent groups, and establishment of communication between foster-care workers and adoption workers.

HHS is also providing assistance to adoptive parent organizations to develop training and recruitment materials to

provide support for families interested in adopting "special needs" children and to train parents who work with agencies in the elimination of barriers to the adoption of these children.

Mr. President, at our April hearing, concern was expressed—concern which I shared—that insufficient resources were being made available to involve minority groups and families in efforts to find adoptive homes for "special needs" children. This is a critical problem in light of the fact that a high percentage of the children in foster care and awaiting adoption are from minority backgrounds. I was therefore extremely pleased to see that HHS has taken steps to rectify this problem and has recently funded three new projects directed at recruiting minority adoptive families and placing more minority youngsters with parents of similar racial background. One of these grants is going to the Detroit Home for Black Children to establish a training center to provide intensive specialized adoption training to agencies in seven urban areas of the United States. Another grant for the Hispanic adoption project has gone to the New York Council on Adoptable Children to develop a program to increase the number of Hispanic children placed with Hispanic families.

The third grant has been awarded to the National Association of Black Social Workers to develop technical assistance programs for projects around the Nation.

STUDY OF UNLICENSED ADOPTIONS

Mr. President, section 204 provides for a study of the nature, scope, and effects of adoptive placements by persons or agencies not licensed or subject to regulation by any Government entity. The requirement for this study arose out of congressional concern about the impact of independent adoptions—illegal in some States—on all of the parties concerned.

The mandated study, "Adoption Without Agencies," was submitted to Congress in October 1978. Basically, the study discussed the nature, scope, and effects of unlicensed or independent adoption placements. The study noted some of the problems associated with independent adoptions: Lack of information provided to either the birth parents or the adoptive parents about the child or the respective rights or obligations of the parties; increased possibility for the placement of a child in a home that cannot meet his or her needs; and lack of permanency for the child in some independent adoptions. The study makes 21 policy recommendations for policymakers at the State level to consider in dealing with nonagency adoptions.

CENTRALIZED PLANNING FOCUS

Finally, Mr. President, section 203(a) required the Secretary to establish within HHS a centralized administrative arrangement for planning and coordinating all HHS activities affecting foster care and adoption, and for carrying out the provisions of title II.

In accordance with this provision, HHS designated the Administration for Children, Youth and Families to administer title II. This unit also administers three other programs related to child welfare: the child welfare State grants program, the child welfare services training grant program, and the National Center on Child Abuse and Neglect. As implementation of Public Law 96–272 gets underway, its coordination with the programs carried out under title II of Public Law 95–266 will be critical.

AUTHORIZATION OF APPROPRIATIONS

Mr. President, the legislation I am introducing today would simply extend for 5 more years at a "such sums" level the authorization of appropriations for the programs carried out under title II of Public Law 95–266.

CONCLUSION

Mr. President, this bill would provide for the continuation for 5 additional years the important work being done in the fields of child abuse, foster care, and adoption under these programs. The Federal Government has the important role in these areas of providing technical assistance and support to the activities of State and local programs dealing on a daily basis with these problems.

Mr. President, I ask unanimous consent that the text of S. 561 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 561

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Abuse Prevention and Treatment and Adoption Opportunities Amendments of 1981".

EXTENSION OF CHILD ABUSE PREVENTION AND TREATMENT PROGRAM

SEC. 2. The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) is amended—

(a) in the first sentence of section 5(a), by striking out "and" after "1979," and inserting before the period a comma and "and such sums as may be necessary for each of the five succeeding fiscal years";

(b) in the second sentence of section 5(a), by striking out "for each of the fiscal years ending September 30, 1980, and September 30, 1981, respectively," and inserting in lieu thereof "for fiscal year 1980 and each of the six succeeding fiscal years."; and

(c) in section 5(b)(1), by striking out "and" after "1979" and inserting "and such sums as may be necessary for each of the five succeeding fiscal years," after "respectively,".

PROTECTION FOR REPORTERS OF CHILD ABUSE AGAINST ADVERSE ACTIONS RELATED TO EMPLOYMENT

SEC. 3. Section 4(b)(2)(A) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5103(b)(2)(A)) is amended by inserting immediately before the semicolon a comma and "and shall include provisions for immunity for persons reporting instances of child abuse and neglect occurring in public or private residential institutions from any adverse action, with respect to employment by or in such an institution, arising out of such reporting".

EXTENSION OF ADOPTION REFORM PROGRAM

SEC. 4. (a) Title II of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.) is amended by adding before section 201 the following new section:

"SHORT TITLE

"SEC. 200. This title may be cited as the 'Adoption Opportunities Act of 1978'."

(b) Section 205 of that Act is amended by striking out "three" and inserting in lieu thereof "eight".

By Mr. DECONCINI:

S. 563. A bill to authorize the States and the Indian tribes to enter into mutual agreements and compacts respecting jurisdiction and governmental operations in Indian country; to the Select Committee on Indian Affairs.

TRIBAL-STATE COMPACT ACT

● Mr. DECONCINI. Mr. President, today I am introducing the Tribal-State Compact Act of 1981. This bill passed the Senate during the 95th Congress and again during the 96th Congress. The Senate Select Committee on Indian Affairs has spent a significant amount of time considering this proposal in the past. I am confident that the committee will devote further attention to the subject during the 97th Congress. Although the Senate has passed the bill twice, unfortunately the House has failed to adopt similar legislation. This bill is identical to S. 1181 as passed by the Senate last year. It will provide legislative authority for Indian tribes and States, counties, and municipalities to enter into compacts and agreements allocating civil and criminal jurisdiction and other regulatory authority among themselves.

A great deal of time and attention was devoted by the American Indian Policy Review Commission (AIPRC) in its deliberations and in its report to the question of jurisdiction and governmental authority in a broad number of areas. The report also noted that there are significant tensions between States and tribes, at least some of which arise from these jurisdictional issues.

There are presently some 287 federally recognized Indian tribes in the lower 48 States, plus numerous organized villages and tribes in the State of Alaska. There are vast differences in physical, economic and human resources among these various governments, both State and tribal, and the concerns of each of these governmental units vary accordingly. It was the base line recommendation of the AIPRC that States and tribes enter into a dialog with each other. These discussions might lead to agreements at the local level regarding some of these jurisdictional questions.

The discussion process between States and tribes which was advocated by the AIPRC should be implemented. The issues which cause tensions at the local level should be resolved at the local level wherever possible. Two events have occurred in the past several years that indicate a need for general authorizing legislation. Participants attending meetings of State and county organizations have expressed interest in discussing jurisdictional issues with the tribes, but have questioned their legal authority to enter into agreements. Also, recent court decisions have confirmed that there are legal questions relating to the authority of State, county, and other units of local government to enter into agreements relating to jurisdictional issues.

The heart of the problem lies in two legal tests that are employed to determine whether State action in Indian

country can be sustained. The first text, formulated in *Williams* v. *Lee*, 358 U.S. 217 (1959), was whether the action of the State infringed on the power of the Indian people to be self-governing. In 1971, the Supreme Court, elaborating on Williams, said the true test was "Federal preemption." *Kennerly* v. *District Court*, 400 U.S. 423 (1971). Thus, in the absence of compliance by both the tribe and the State with some Federal enabling statute, the jurisdiction of the State over an Indian person in Indian country could not be sustained. In Kennerly, it was held that a State could not exercise civil jurisdiction over a purchase and sale transaction between an Indian and a non-Indian on the Flathead Reservation, even though a tribal ordinance authorized State jurisdiction over civil matters within the reservation.

In *Blackwolf* v. *District Court*, 158 Mont. 523 (1972), it was held that the State could not exercise jurisdiction over an Indian juvenile for conduct within a reservation, even though the child had been adjudicated delinquent in tribal court and remanded to State authorities for further proceedings in accordance with a tribal ordinance that provided for such a procedure. And, on September 12, 1977, the U.S. District Court for the District of South Dakota ruled that the State could not exercise jurisdiction over a mentally ill Indian who resided within a reservation, even though the tribal court had adjudicated her to be mentally ill and ordered her placed in the custody of her Indian Health Service psychiatric social worker for commitment to the State Human Resources Center. (*White* v. *Califano*, 437 F. Supp. 543 (1977)).

From these cases, it is clear that though State action does not infringe on the government of the tribe, and in fact may even be taken at the request of the tribe, that action will not be sustained unless both the State and the tribe have complied with some applicable Federal statute authorizing such action.

The only statute which currently allows States and tribes to enter into agreements respecting jurisdiction is Public Law 83–280 as amended by title IV of the 1968 Indian Civil Rights Act—25 U.S.C. section 1321–26. There are substantial legal questions under this act, such as the right of a tribe to rescind a jurisdictional grant to a State and reassume authority itself; whether the jurisdiction granted to a State must necessarily be exclusive, thus precluding possible concurrent tribal-State jurisdiction; whether the statute permits piecemeal subject matter or geographic jurisdiction or whether such State assumption must be all-inclusive; and, whether a State can assume any jurisdiction over an Indian in Indian country without first amending the State constitution.

There are other questions not addressed by Public Law 83–280. For example, can a State enter into an agreement with a tribe to enforce tribal laws relating to fish and game regulations, sale of alcoholic beverages within an Indian reservation, speed limits, et cetera?

Aside from these legal questions, the other impediment to agreements between States and tribes on jurisdictional issues is monetary support for the costs involved in necessary governmental operations. It was this problem which caused the State of South Dakota to retrocede jurisdiction to the Federal Government in 1964 that it had originally assumed under Public Law 83–280. It was partially this monetary burden which caused the State of Wisconsin to support restoration of the Menominee Tribe to federally recognized status in 1973. And it was this monetary burden which caused the State of South Dakota to resist jurisdiction over the mentally ill person in White against Califano, supra.

Presently, there are serious questions with respect to the authority of a tribe and a State to enter into an agreement which in any way involves a question of jurisdiction. There are also questions as to whether tribes can become members of a whole range of interstate agreements which have recently been developed: Uniform agreements on hot pursuit; child support; child placement; et cetera. Solutions to these nonjurisdictional agreements may involve full faith and credit, as well as Federal authorization.

As a result of these legal developments and the expressions received from State organizations, general Federal legislation authorizing tribes to enter into agreements with States, counties, or municipalities needs to be developed. The Tribal-State Compact Act of 1981 will help to reduce the existing barriers between tribes and local governmental units thereby creating an atmosphere for cooperation between the various parties.

Title I of the bill authorizes tribes to enter into agreements with States which will permit States to apply and enforce State or tribal laws over Indians in those cases where the tribe has the underlying authority. Further, title I authorizes States to enter into agreements with Indian tribes for the enforcement of State or tribal laws against non-Indians within Indian country within the tribal judiciary in those cases where the State has the underlying authority.

Also, title I provides that either party may withdraw from an agreement within 6 months of serving written notice to the other unless a greater or shorter period is established in the compact or agreement. However, any agreement or compact that contains a provision extending the agreement for 5 years or longer must be ratified by the members of the affected tribe in accordance with existing law.

Title I also provides that the Secretary of the Interior may provide financial assistance to the parties to any tribal-State compact for costs of personnel or administrative expenses in an amount up to 100 percent of the costs actually incurred. An authorization of appropriation for up to $10,000,000 annually is provided to carry out this assistance. The authorization is a secondary source of funding and is to be used only when other Federal funds are not available.

Title II encourages tribes and States to participate in planning and monitoring boards that deal with jurisdictional issues. Funds are authorized for this purpose.

Title III provides that enforcement of the agreement or compact lies with the U.S. district courts and that sovereign immunity of parties to such agreements is waived unless otherwise specified.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 563

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tribal-State Compact Act of 1981".

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of this Nation to continue to preserve and protect the tribes of the American Indian people. The policy of this Nation is premised on the status of tribal governments as a continuing part of the American political fabric. Accordingly, the United States has a responsibility to establish a legal framework which will enable the tribes and the States to achieve maximum harmony and facilitate their cooperative efforts in the orderly administration of their governments. Federal enabling authority for the establishment of viable intergovernmental agreements between the tribes and the States based on mutual consent must be established.

DEFINITIONS

SEC. 3. For purposes of this Act:

(1) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community which is exercising powers of self-government and which is recognized by the Secretary of the Interior as eligible for services provided by the United States to Indians because of their status as Indians.

(2) The term "State" means any State of the United States, including cities, counties, municipalities, or other political subdivisions thereof.

(3) The term "Secretary" means the Secretary of the Interior unless otherwise designated in this Act.

(4) The term "Indian country" shall be defined in accordance with the provisions in section 1151 of title 18, United States Code.

TITLE I—AUTHORIZATION OF COMPACTS AND AGREEMENTS

SEC. 101. (a) Notwithstanding the Act of August 15, 1953 (67 Stat. 588), as amended, or any other Act transferring civil or criminal jurisdiction over Indians within Indian country from the United States to the various States, or establishing a procedure for such transfers, and notwithstanding the provisions of any enabling Act for the admission of a State into the Union, the consent of the United States is hereby given the States and the Indian tribes and the same are hereby authorized to enter into compacts and agreements between themselves on matters relating to—

(1) the enforcement or application of civil, criminal, and regulatory laws of both within their respective jurisdiction,

(2) the allocation or determination of governmental responsibility of States and tribes over specified subject matters or specified geographical areas, or both, including agreements or compacts which provide for concurrent jurisdiction between the States and the tribes, and

(3) agreements or compacts which provide for transfer of jurisdiction of individual cases

from tribal courts to State courts or State courts to tribal courts in accordance with procedures established by the laws of the tribes and States.

(b) Such agreements and compacts shall be subject to revocation by either party upon six months written notice to the other unless a different period of time is agreed upon. No agreement may provide for a period for revocation in excess of five years unless first approved by a majority of the adult enrolled Indians within the affected area voting at a special election as prescribed in section 406 of the Act of April 11, 1968 (82 Stat. 80; 25 U.S.C. 1326), but such approval shall not curtail the right of the parties to revoke the agreement by mutual consent within a shorter period of time.

(c) Agreements or compacts entered into under the provision of this section must be filed with the Secretary within thirty days of consummation. In the event an agreement is not so filed, it shall be subject to immediate revocation by either party. The Secretary shall cause the jurisdictional provisions of any such agreement, compact, or revocation to be published in the Federal Register.

(d) Such agreements, compacts, or revocation thereof shall not affect any action or proceeding which arose prior to the effective date of such an agreement, compact, or revocation, and no such action or proceeding shall abate by reason of such agreement, compact, or revocation unless specifically agreed upon by all parties to any such action or proceeding and by the parties to the agreement or compact.

(e) Nothing in this Act shall be construed to—

(1) enlarge or diminish the jurisdiction over civil or criminal matters which may be exercised by either State or tribal governments except as expressly provided in this Act;

(2) authorize or empower State or tribal governments, either separately or pursuant to agreement or compact, to expand or diminish the jurisdiction presently exercised by the Government of the United States to make criminal, civil, or regulatory laws for or enforce those laws in the Indian country;

(3) authorize or empower the government of a State or any of its political subdivisions or the government of an Indian tribe from entering into agreements or exercising jurisdiction except as authorized by their own organizational documents or enabling laws;

(4) authorize agreements or compacts which provide for the alienation, financial encumbrance, or taxation of any real or personal property, including water rights, belonging to any Indian or any Indian tribe, band, or community that is held in trust by the United States or is subject to a restriction against alienation imposed by the United States; or

(5) to enter into agreements or compacts for the transfer of unlimited, unspecified, or general civil and criminal jurisdiction of an Indian tribe, except as provided under section 406 of the Act of April 11, 1968 (82 Stat. 80; 25 U.S.C. 1326).

(f) Nothing in this Act shall be construed as impairing or restricting the right of the United States, the States and the Indian tribes to enter into negotiations with each other with respect to settlement of property rights arising from aboriginal ownership, treaties or other Federal laws or judicial decisions.

FUNDING AND IMPLEMENTATION—FEDERAL ASSISTANCE

SEC. 102. (a) In any agreement or compact between an Indian tribe and a State authorized under this Act, the United States, upon agreement of the parties and the Secretary, may provide financial assistance to such parties for costs of personnel or administrative expenses in an amount up to 100 percent of costs actually incurred as a consequence of such agreement or compact, including indirect costs of administration which are clearly attributable to the services performed under the agreement or compact. In determining the amount of Federal assistance, if any, to be provided, the Secretary may consider among other things—

(1) whether or not the party assuming an obligation under the agreement or compact is already obligated or entitled to perform the function which is the subject of the compact,

(2) whether or not the Federal assistance will cause or enable the contracting party to perform the function at a standard above that which it is already obligated to perform,

(3) the financial capacity of the contracting parties to underwrite the expenses without Federal assistance,

(4) the extent to which the success or failure of the compact may depend upon Federal assistance,

(5) the extent to which the proposed compact or agreement will contribute to fostering of community relations between Indian and non-Indian communities,

(6) the extent to which the proposed compact or agreement will enhance protection of resources of both Indian and non-Indian communities,

(7) the comparative costs if the function which is the subject of the compact or agreement were to be performed by the United States, or

(8) the extent to which Federal funding is already supplied through revenue sharing, grants in aid, or other Federal program moneys.

(b) Whenever a party to such agreement or compact seeks financial assistance from the United States to offset their costs, such party shall prepare a detailed statement of the projected costs; a copy of such statement shall be supplied to the other party, and the original of such statement shall be supplied to the Secretary at the time such agreement or compact is tendered to the Secretary under section 101(c).

(c) In any agreement or compact in which a party qualifies for Federal assistance, the other party shall be supplied with copies of all vouchers for payment at the time such vouchers are submitted and shall be fully informed of all payments made by the United States to the recipient party. In the event disputes arise between the parties, either party may request an audit. The books and records of the party receiving Federal assistance which are relevant to the agreement or compact shall be open to inspection by authorized representatives of the United States.

(d) In the funding of governmental operations authorized under this Act, the Secretary may enter into agreements or other cooperative arrangements with any and all other Federal departments, agencies, bureaus, or other executive branches for transfer of funds or contributions of funds appropriated for programs within the category of the functions to be performed by the parties under such agreements or compacts, and such departments, agencies, or bureaus are hereby authorized to use such funds in the implementation of this Act.

(e) All Federal departments and agencies are authorized to provide technical assistance, material support, and personnel to aid tribal and State authorities in the implementation of the agreements or compacts entered into under the terms of this Act.

(f) The Secretary is hereby authorized to promulgate such rules and regulations as may be necessary to carry out the purposes of this Act.

(g) There are authorized to be appropriated for each fiscal year beginning after September 30, 1981, such sums as may be necessary (but not to exceed $10,000,000) to carry out the agreements or compacts entered into pursuant to this title. Such funds shall be expended by the Secretary only after determination that there are no funds available from alternative sources as provided in subsection (d) of this section. The Secretary shall provide for such records as may be necessary for the accounting and justification of the funds expended under this authorization.

TITLE II—PLANNING AND MONITORING BOARDS

SEC. 201. (a) The Secretary is hereby authorized and directed to encourage the tribes and the States to establish councils, committees, boards, or task forces comprised of representatives of the States and individual tribes, or on a statewide or regional basis, to discuss and confer upon jurisdictional questions which exist between the parties, and to provide Federal representatives at such conferences.

(b) In furtherance of this objective, the Secretary is authorized and directed to provide adequate representation of tribal members at such conferences, and such further conferences among the tribes as may be necessary for their separate deliberations, and to participate in the payments of expenses in employment of reporters, transcription of statements, and preparation of reports as may be appropriate.

(c) Beginning October 1, 1981, funds appropriated pursuant to the Act of November 21, 1921 (42 Stat. 208), may be utilized for the purposes of this title.

TITLE III—JUDICIAL ENFORCEMENT

SEC. 301. Any party to an agreement or compact entered into in accordance with this Act may bring a civil action to secure equitable relief, including injunctive and declaratory relief, for the enforcement of any such agreement or compact, but no action to recover damages arising out of or in connection with such agreement or compact shall lie except as specifically provided for in such agreement or compact. The United States district courts shall have original jurisdiction of any civil action authorized by this section. States and Indian tribes, by entering into compacts or agreements in accordance with this Act, shall be deemed to have consented to suit with respect to the subject matter of such compacts or agreements unless the agreement or compact specifically states otherwise.●

By Mr. JEPSEN:

S. 564. A bill to establish a joint export marketing assistance program within the Department of Commerce to stimulate export promotion activity; to the Committee on Banking, Housing, and Urban Affairs.

JOINT EXPORT MARKETING ASSISTANCE ACT OF 1981

● Mr. JEPSEN. Mr. President, the international market is of great importance to our national economy. The State of Iowa enjoys a particularly sound export trade situation: The percentage of our manufacturing companies that export is twice the national average. Currently, 750 Iowa manufacturers are involved internationally. More importantly, 300 others have expressed interest in entering the export market. They have not done so for a variety of reasons. Today I rise to introduce legislation to provide a means for many of these Iowa companies, and others like them throughout our Nation, to enter the export market.

This year, our trade deficit may well run to $50 or $60 billion. Export expansion and promotion has become critical to restoring the health of our economy. While large corporations enjoy substantial Federal assistance, little attention has been given to the small- and medium-sized company. The Joint Export Marketing Assistance Act of 1981 promises to fill this important gap. It offers a program designed to reduce the financial risks entailed in initial export market development. It also provides support to the small- and medium-sized firms of our Nation to take advantage of exporting opportunities that would otherwise be inaccessible to them. Finally, this legislation encourages them to commit themselves to a serious, ongoing export program.

As you are well aware, Mr. President, I am not an advocate of Government expansion and Government spending, and the Joint Export Marketing Assistance Act is not a Government subsidy. Repayment of the Government's share of the marketing costs is required, except in cases where the new marketing effort fails.

Individual firms as well as groups of exporters are eligible for assistance under this legislation.

Though many programs exist that attempt to benefit U.S. exporters, my bill can be distinguished from existing programs in three ways:

First, assistance. Since potential small exporters fear high risk in foreign marketing efforts, this program will relieve some of the financial burden. For example, a small- or medium-sized firm may need to invest between $30 thousand and $100 thousand during the initial 2 to 3 years of its export development activities before obtaining significant export sales. For a small- or medium-sized firm, this can constitute a significant financial exposure. To reduce the financial risk not addressed by traditional Government loan programs, the joint export marketing assistance program will share specified costs relating to initial overseas market development activities with individual firms or groups of firms on a contractual basis. Only marketing costs that can be specifically related to initial development of foreign markets for U.S. products are eligible.

Second, the requirements of the program. As I previously mentioned, participants will be required to repay Government costs based on total sales in the market during a period specified in the contract. The repayment provisions will be designed to minimize the possibility of default by participants. Firms seeking financial support will be required to prepare detailed development proposals, setting forth a comprehensive market plan that offers a reasonable prospect for sustained export sales after Government support is withdrawn. This is an important point because it will help to insure sound investment and assure a commonsense and responsible approach to Government involvement in export development.

Third, eligibility. Only firms with a proven track record and viable financial assets will be allowed to participate in this export assistance program. Emphasis will be given to the smaller exporter.

Mr. President, this country must aggressively develop marketing opportunities in every foreign market. We must realize also that the small- and medium-sized exporter can substantially affect our balance of trade. We need to guide and assist these companies in their trade efforts.●

By Mr. STEVENS:

S. 565. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the deduction allowable for certain moving expenses; to the Committee on Finance.

TAX RELIEF FOR EMPLOYEES INCURRING MOVING EXPENSES

Mr. STEVENS. Mr. President, I am introducing a bill to allow employees who relocate for business reasons to take a more reasonable and flexible income tax deduction for expenses incurred in such a move. Existing law provides a maximum deduction of $3,000 for the costliest aspects of a move; that is, the expenses associated with the selling and purchasing of a home. This bill eliminates the cap and instead ties the deduction associated with home sales and purchases to the maximum reimbursement allowed for a Federal employee for such expenses, presently $12,000.

Mr. President, money is the big obstacle in moving these days. Many businesses offer raises and bonuses to those who relocate, but workers are rejecting seemingly profitable offers because relocation costs would cut into the gain. Many workers find that the cost of a new house and mortgage would wipe out any raise or bonus that the company might give. The resulting effect is that the people are not willing to move.

Moreover, simple reimbursement by an employer is insufficient in most cases to cover the employee's actual costs because reimbursements above $3,000 must be included in income. Hence, the employee loses money. In addition, instances where businesses are willing to pay for the added tax burden are significantly decreasing due to the exorbitant costs that must be borne by the employers.

Ironically, however, Federal employees who are eligible for sizable reimbursements experience some of the most serious problems. The Federal Government normally reimburses an employee who is asked to relocate. Relocation usually means increased responsibility and pay. However, pay caps over the years have eliminated any incentive for those employees who are most likely asked to move. With the existence of the Senior Executive Service, employees can be relocated at the drop of a hat. Without any hope for increased pay, a required move, regardless of reimbursement, means losses of thousands of dollars.

For example, recently a GS-15 employee with the IRS was asked to move from Tennessee to Washington, D.C., to take a Senior Executive position. Without a pay cap on top salaries this individual could have expected an $8,000 pay increase. Instead, he received a $2,500 pay increase which was totally wiped out by the higher State income taxes in Virginia where he moved. He sold his home in Tennessee for $87,500 and purchased one with comparable square footage in northern Virginia for $120,000. His monthly mortgage payment increased from $500 per month to $880 per month. His nonreimbursed moving expenses amounted to $1,650. The cost to this family for a move requested by the Federal Government after all tax deductions and credits were accounted for was a loss of over $5,000 in 1980. Because of the higher mortgage on his new home, he will effectively lose over $1,500 a year in the future.

Mr. President, there is something seriously wrong with a system when a devoted and obviously hard-working Federal employee must pay $5,000 to take a promotion with increased responsibility. Enactment of the bill which I am introducing would substantially reduce such costs to future relocated Federal and private sector employees.

Finally, the problem with the system is especially evident in my home State of Alaska. Large distances between major population centers require a greater need for mobility. As a result of these large distances, Alaska has had volatile growth characteristics for many years. To adequately perform many aspects of businesses, our people need to have more mobility. Yet, the costs of moving in Alaska are prohibitive. Alaska's economic and employment conditions have worsened in the past 2 years. There are opportunities but people must be able to get to them. Without some form of relief, the depressed areas of the State will worsen, and the areas where opportunities do exist will increase in cost due to the low supply of workers.

Mr. President, this country was and is known as the land of opportunity. Its greatness is directly related to the ability of its people to move to places of opportunity. Prohibitive moving costs restrain mobility and indirectly foreclose opportunity. I urge early consideration of this bill which will remedy serious problems in the relocation of workers in this Nation.

I ask unanimous consent that the text of this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 565

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraph (A) of section 217(b)(3) of the Internal Revenue Code of 1954 (relating to dollar limits) is amended to read as follows:

"(A) DOLLAR LIMITS—

"(i) EXPENSES DESCRIBED IN SUBPARAGRAPH (C) OR (D) OF PARAGRAPH (1)—The aggregate amount allowable as a deduction under subsection (a) in connection with a commencement of work which is attributable to expenses described in subparagraph (C) or (D) of paragraph (1) shall not exceed $1,500.

"(ii) EXPENSES OF SALE OR PURCHASE OF RESIDENCE—The aggregate amount allowable as a deduction under subsection (a) in connection with a commencement of work which is attributable to expenses described in subparagraph (A) or (B) of paragraph (2) shall not exceed the applicable Federal maximum reimbursement.

"(iii) LEASE EXPENSES—The aggregate amount allowable as a deduction under subsection (a) in connection with a commencement of work which is attributable to expenses described in subparagraph (C) or (D) of paragraph (2) shall not exceed $2,500 reduced by the aggregate amount so allowable which is attributable to expenses

described in subparagraph (B) of paragraph (2).

"(iv) APPLICABLE FEDERAL MAXIMUM REIMBURSEMENT.—For purposes of clause (ii), the term 'applicable Federal maximum reimbursement' means—

"(I) in the case of expenses described in subparagraph (A) of paragraph (2), the overall limitation on reimbursement for expenses for the purchase of a home established pursuant to such regulations.

Determinations under the preceding sentence shall be made under the regulations as in effect on the date of the sale of the former residence or the purchase of the new residence (as the case may be)."

(b)(1) Subparagraph (B) of section 217 (b)(3) of such Code (relating to dollar limitations with respect to husband and wife) is amended by striking out the last sentence and inserting in lieu thereof the following: "In the case of a husband and wife filing separate returns, subparagraph (A) shall be applied by substituting '$750' for '$1,500', 'one-half of the applicable Federal maximum reimbursement' for 'the applicable Federal maximum reimbursement', and '$1,250' for '$2,500'."

(2) Subparagraph (B) of section 217(h)(1) of such Code (relating to increase in limitations in case of foreign moves) is amended by striking out "and by substituting '$6,000' for '$3,000'".

(3) Subparagraph (C) of section 217(h)(1) of such Code is amended to read as follows:

"(C) subsection (b)(3)(B) shall be applied as if the last sentence of such subsection read as follows: 'In the case of a husband and wife filing separate returns, subparagraph (A) shall be applied by substituting "$2,250" for "$4,500", "one-half of the applicable Federal maximum reimbursement" for "applicable Federal maximum reimbursement", and "$1,250" for "$2,500".'"

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

By Mr. HELMS:

S.J. Res. 33. Joint resolution to establish a commission to plan for the 200th anniversary celebration of the birth of our Constitution; to the Committee on the Judiciary.

ESTABLISHMENT OF COMMISSION TO PLAN FOR 200TH ANNIVERSARY CELEBRATION OF THE CONSTITUTION

Mr. HELMS. Mr. President, I am today offering a joint resolution that will establish a commission to plan for the 200th anniversary celebration of the birth of our Constitution. I do this with the encouragement and strong support of a fine group of Americans, the North Carolina Veterans Council. These dedicated men have been tremendously helpful to me and I commend them for their patriotism. Those who have sacrificed for this country know the true meaning of the Constitution.

Mr. President, on Monday, September 17, 1787, the U.S. Constitution was signed at the Constitutional Convention in Philadelphia. It reflected the inspiring message of the Declaration of Independence that our universal natural rights, and the right of the people to govern themselves, are of divine origin.

The declaration and the Constitution represent a unity of purpose. The declaration prepared the way for self-government and the ultimate achievement of the American Revolution—a constitutional system of limited government. The Constitution in turn transformed the Declaration of Independence from an abstract philosophy, justifying rebellion, into the creation of a nation. The declaration enunciated principles; but it was the Constitution which made those principles a living reality and the supreme law of the land. Without the declaration, the Constitution would lack much of its moral authority; without the Constitution, the Declaration of Independence would be mere words.

The preamble of our Constitution set high-level yet reasonable goals for all future generations. While a strong Union was needed, the Constitution wisely provided that all authority would be restrained from an abuse of power by the techniques of limiting, separating, and balancing.

Moreover, those great men—Washington, Hamilton, Madison, Franklin, and many others who hammered out the Constitution were not unmindful of change, so, they provided a method for adapting the Constitution to our changing Nation through the amendment procedure.

Mr. President, as the 200th anniversary of the signing of this immortal document approaches, we should turn our attention to the precedent set by our Constitution and to the blueprint it has provided for the building of our Nation's Government.

It is imperative that we examine our Constitution in such a manner, for I fear that we have strayed from this blueprint. My close friend, the Honorable I. Beverly Lake, a former member of the faculty of the Wake Forest University Law School, retired justice of the North Carolina Supreme Court, and now a member of the faculty at the Campbell University Law School, has expressed this concern in a lecture, the text of which I shared with my colleagues last session on the floor of the Senate. Because it is so timely, I would like to quote from it again. Mr. Justice Lake begins with an excerpt from George Washington's farewell address to the American people:

> If in the opinion of the people the distribution of modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way by which the Constitution designates. But let there be no change by usurpation; for though this in one instance may be the instrument of good, it is the customary weapon by which free governments are destroyed.

Similarly, Mr. Justice Black, with whose views I am less often in agreement, dissenting in Harper against Virginia Board of Elections, which held unconstitutional Virginia's requirement of payment of a poll tax as a condition upon the right to vote, said:

> When a political theory embodied in our Constitution becomes outdated, a majority of the nine members of this Court are not only without constitutional power, but are far less qualified to choose a new constitutional political theory than the people of this country proceeding in the manner provided by Article V.

The concept of men and women living in substantially complete personal freedom, and yet in the tranquil security of an orderly society, under a government limited in its powers by a written constitution, is America's great contribution to political science and governmental philosophy. We have a country marvelously rich in natural resources and climate and exceedingly fortunate in geographic location, but it is my belief that the chief factor in our becoming the great Nation we are, in our achieving the standard of living we enjoy, has been our Constitution. Whatever may have been true of czarist Russia, this country needs no "New Foundation." What we need is to return our Federal Government, and, more specifically, the Federal court system, to alinement with the foundation upon which our structure of justice, domestic tranquillity, prosperity, and secure liberty was built—the Constitution.

The sociological jurisprudence which has dominated the decisions of the Supreme Court of the United States for the past 40 years, has ignored the warning of George Washington and has created a governmental superstructure which is oppressive and already virtually beyond the control of the American people. It has flooded us with bad sociology and worse jurisprudence until today the statement, "The Constitution is what the judges say it is," is perilously close to the truth.

My friend, Mr. Justice Lake, closes by saying—

> The only hope of eventual improvement lies in the long slow process of electing presidents and senators who, themselves, have an awareness of the need for selection of judges who have a love for and an understanding of our Constitution, together with some awareness of their own limitations, both in authority and in wisdom.

Therefore, Mr. President, it is for three reasons that I introduce this resolution to establish a commission whose purpose will be to plan for the celebration of our Constitutional Bicentennial. First, we ought to honor the remarkable men who presented this Nation with so magnificent a document. Second, such an auspicious occasion will provide an opportunity to promote understanding and study of the document itself by the people of this Nation; and third, it is time to heed the warning of Mr. Justice Lake and so many other jurists who urge a return to the great principles of our Constitution.

Mr. President, I reiterate that it is with the encouragement and help of the North Carolina Veterans Council that I offer this bill to plan for our Constitution Bicentennial, which I hope will be both a celebration of our past and the beginning of a new era of maintenance and promotion of the solid principles our forefathers included in our Constitution.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 33

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Constitution Bicentennial Observance Act".

SEC. 2. (a) As this Nation approaches the bicentennial of the formulation and ratification of the United States Constitution and the historic events preceding and associated with the United States Constitution which are of such major significance in the development of our national heritage of individual liberty, representative government, and the attainment of equal and inalienable rights and which have also had so profound an influence throughout the world, it is appropriate and desirable to provide for the observation and commemoration of this anniversary and these events through local, State, National, and international activities planned, encouraged, developed, and coordinated by a national commission representative of appropriate public and private authorities and organizations.

(b) There is hereby established a commission to be known as the United States Constitution Bicentennial Commission (hereinafter referred to as the "Commission") to plan, encourage, develop, and coordinate the commemoration of the United States Constitution bicentennial.

(c) The Commission shall be composed of the following members:

(1) Four Members of the Senate appointed by the President of the Senate.

(2) Four Members of the House of Representatives appointed by the Speaker of the House of Representatives.

(3) The Secretary of State, the Attorney General, the Librarian of Congress, the Secretary of the Smithsonian Institution, the Archivist of the United States, and the Chairman of the Federal Council on the Arts and the Humanities, all of whom shall be ex officio members of the Commission.

(4) Four members of the Federal judiciary to be appointed by the Chief Justice of the United States.

(5) Twenty-five members who are not otherwise employees or officers of the United States appointed by the President, no more than thirteen of whom may be identified with any one political party. Such members shall be so chosen as to be broadly representative of the Nation's people, and one member shall be designated as the Chairman by the President.

(d) Vacancies shall be filled in the same manner in which the original appointments were made.

SEC. 3. (a) It shall be the duty of the Commission to prepare an overall program for commemorating the bicentennial of the United States Constitution, and to plan, encourage, develop, and coordinate observances and activities commemorating the historic events that preceded, and are associated with, the United States Constitution. The program for commemorating the bicentennial of the United States Constitution shall be celebrated over a three year period, each year being devoted to the relationship between, and the historical development, of the three branches of government, and the formation and establishment of the United States Constitution.

(b) In preparing its plans and program, the Commission shall give due consideration to any related plans and programs developed by State and local governments, and private groups, and it may designate special committees with representatives from such bodies to plan, develop, and coordinate specific activities.

(c) In all planning, the Commission shall give special emphasis to the ideas associated with the Constitution which have been so important in the development of the United States, in world affairs, and in mankind's quest for freedom.

(d) Not later than two years after the date of the approval of this joint resolution, the Commission shall submit to the President a comprehensive report incorporating its specific recommendations for the commemoration of the bicentennial and related events. This report may recommend activities such as, but not limited to, the following—

(1) the production, publication, and distribution of books, pamphlets, films, and other educational materials focusing on the history, culture, and political thought of the period of the United States Constitution;

(2) bibliographical and documentary projects and publications;

(3) conferences, convocations, and lectures, seminars, and other programs;

(4) the development of libraries, museums, historic sites, and exhibits, including mobile exhibits;

(5) ceremonies and celebrations commemorating specific events;

(6) programs and activities focusing on the national and international significance of the United States Constitution, and its implications for present and future generations; and

(7) the issuance of commemorative coins, medals, certificates of recognition, and stamps.

(e) The report of the Commission shall include recommendations for the allocation of financial and administrative responsibility among the public and private authorities and organizations recommended for participation by the Commission. The report shall also include proposals for such legislative enactments and administrative actions as the Commission considers necessary to carry out its recommendations. The President shall transmit the Commission's report to the Congress together with such comments and recommendations for legislation and such report of administrative actions taken by him as he deems appropriate.

SEC. 4. (a) In fulfilling its responsibilities the Commission is authorized and directed to consult, cooperate with, and seek advice and assistance from, appropriate Federal departments and agencies, State and local public bodies, learned societies, and historical, patriotic, philanthropic, civic, professional, and related organizations. Such Federal departments and agencies shall cooperate with the Commission in planning, encouraging, developing, and coordinating appropriate commemorate activities.

(b) The Secretary of the Interior shall undertake a study of appropriate actions which might be taken to further preserve and develop historic sites related to the formulation and ratification of the United States Constitution, at such time and in such manner as will insure that fitting observances and exhibits may be held at appropriate sites during the bicentennial celebration. The Secretary shall submit the results of his study to the Commission, together with his recommendations, affording the Commission an opportunity to review his study, and to incorporate such of its findings and recommendations as the Commission may deem appropriate in the report required by section 3(d).

(c) The Chairman of the Federal Council on the Arts and the Humanities, the Chairman of the National Endowment for the Arts, and the Chairman of the National Endowment for the Humanities shall cooperate with the Commission, especially in the encouragement and coordination of scholarly works and presentations focusing on the history, culture, and political thought of the period surrounding the formulation and ratification of the United States Constitution.

(d) The Librarian of Congress, the Secretary of the Smithsonian Institution, and the Archivist of the United States shall cooperate with the Commission in the development and display of exhibits and collections, and in the development and preparation of bibliographies, catalogs, and other materials relevant to the period surrounding the formulation and ratification of the United States Constitution.

(e) Each of the officers in subsections (c) and (d) of this section shall submit recommendations to the Commission in sufficient time to afford the Commission an opportunity to review them, and to incorporate such of the recommendations as the Commission may deem appropriate in the report required by section 3(d).

SEC. 5. (a) The Commission is authorized to accept donations of money, property, or personal services.

(b) All books, manuscripts, miscellaneous printed matter, memorabilia, relics, and other materials relating to the period surrounding the creation and ratification of the United States Constitution donated to the Commission may be deposited for preservation in National, State, or local libraries or museums or may be otherwise disposed of by the Commission in consultation with the Smithsonian Institution, the Archivist of the United States, and the Administrator of General Services.

SEC. 6. (a) The members of the Commission shall receive no compensation for their services. Members from the legislative and executive branches shall be allowed necessary travel expenses as authorized under law for official travel. Members appointed by the President under section 2(b)(5) shall be allowed necessary travel expenses as authorized by section 5703 of title 5, United States Code.

(b)(1) The Chairman, with the advice of the Commission, shall appoint a Director who will be compensated at level IV of the Executive Schedule established under section 5315 of title 5, United States Code, and three Deputy Directors who will be compensated at level V of the Executive Schedule established under section 5316 of such title. Such officers shall serve at the pleasure of the Chairman.

(2) The Commission shall have power to appoint and fix the compensation of such additional personnel as it deems advisable and to appoint such advisory committees as it deems necessary.

(3) The Commission shall delegate such powers and duties to the Director as may be necessary for the efficient operation and management of the Commission.

(c) The Commission may procure services as authorized by section 3109 of title 5, United States Code.

(d) The Commission, to the extent necessary, may procure supplies, services, and property; make contracts; expend in furtherance of this Act funds appropriated, donated, or received in pursuance of contracts hereunder; and exercise those powers that are necessary to enable it to carry out efficiently and in the public interest the purposes of this Act.

(e) Financial and administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) shall be provided the Commission by the Department of the Interior, for which payment shall be made in advance, or by reimbursement, from funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Secretary of the Interior, except that the regulations of the Department of the Interior for the collection of indebtedness of personnel resulting from erroneous payments (under the authority of section 5514(b) of title 5, United States Code) shall apply to the collection of erroneous payments made to or on behalf of a Commission employee, and regulations of said Secretary for the administrative control of funds under the authority of section 3679(g) of the Revised Statutes (41 U.S.C. 665(g)) shall apply to appropriations of the Commission.

(f) Any property acquired by the Commission remaining upon its termination may be used by the Secretary of the Interior for purposes of the National Park Service, or may be disposed of as excess or surplus property.

(g) Any person who, except as authorized under rules and regulations issued by the Commission, knowingly manufactures, reproduces, or uses any logos, symbols, or marks originated under authority of and certified by the Commission for use in connection with the commemoration of the United States Constitution Bicentennial, or any facsimile thereof, or in such a manner as suggests any such logos, symbols, or marks, shall be fined not more than $250, or imprisoned not more than six months, or both. This section shall only apply in the case of such logos, symbols, and marks for which the Commisison has published in the Federal Register a notification of certification.

SEC. 7. (a) There are hereby authorized to be appropriated $4,000,000 to carry out the purposes of this Joint Resolution through 1987.

(b) An annual report of the activities of the Commission, including an accounting of funds received and expanded, shall be furnished by the Commission to the Congress. A final report shall be made to the Congress no later than April 31, 1988, upon which date the Commission shall terminate.

SEC. 8. In carrying out the purposes of this Joint Resolution, the Commission is authorized to provide for—

(1) the preparation, distribution, dissemination, exhibition, and sale of historical, commemorative, and informational materials and objects which will contribute to public awareness of, and interest in, the bicentennial;

(2) competitions, commissions, and awards for historical, scholarly, artistic, literary, musical, and other works, programs, and projects relating to the bicentennial; and

(3) a bicentennial calendar or register of programs and projects, and in other ways provide a central clearinghouse for information and coordination regarding dates, events, places, documents, artifacts, and personalities of bicentennial historical and commemorative significance.

SEC. 9. The Commission is authorized to carry out a program of grants-in-aid in furtherance of the purposes of this Joint Resolution. The Commission shall, subject to such regulations as it may prescribe—

(1) make grants for not more than 50 percent of the total cost of a program or project, to nonprofit entities, including States and their political subdivisions, territories, the District of Columbia, and the Commonwealth of Puerto Rico, to assist in the development and support of bicentennial programs and projects; and

(2) make grants of money or property in any case in which—

(A) the money or property is donated, bequeathed, or devised to the Commission for a bicentennial program or project; and

(B) the Commission accepts such money or property for purposes of assisting a specified nonprofit entity, including States and their political subdivisions, territories, the District of Columbia, and the Commonwealth of Puerto Rico.

The Commission shall, in addition to the grant of the donated, bequeathed, or devised money or property, grant an amount of money not to exceed the value of the donation, bequest, or devise, if the recipient agrees to match the combined value of the grant for such bicentennial program or project.

SEC. 10. Appropriations or other funds available to any Government department or agency for purposes related to or in furtherance of the bicentennial commemoration may be transferred to the Commission. Similarly the Commission may transfer appropriations or other funds to any Government department or agency for such purposes.

By Mr. GOLDWATER (for himself and Mr. DECONCINI):

S.J. Res. 34. Joint resolution to provide for the designation annually of "National Patriotism Week"; to the Committee on the Judiciary.

NATIONAL PATRIOTISM WEEK

Mr. GOLDWATER. Mr. President, it was my privilege to attend a very fine ceremony in the Rose Garden Tuesday afternoon with other Members of Congress and a wonderful group of young people from Arizona, who were invited to join President Reagan in commemorating National Patriotism Week.

The fact that the Yuma High School Choralairs and other students composing a 150-member delegation worked for over 6 months to finance their own trip to Washington, D.C., is evidence of the revival of patriotism among Americans that is sweeping our Nation.

National Patriotism Week is for all Americans; but it is especially meant for the youth of America. The idea itself was founded by a young girl named Lori Cox, living in Scottsdale, Aris., who preaches patriotism and the American way of life, day after day, because she is convinced of the values found in our country. I could not agree more with her, so when she asked me to introduce legislation for a National Patriotism Week, I gladly did so.

Last February 26, the Senate passed our proposal and on September 30, it passed the House. President Carter signed the legislation into law on October 10, 1980.

The measure creates an educational week when schools and communities conduct appropriate programs celebrating patriotism, encouraging citizen responsibility, and honoring our national symbols and accomplishments. At least 12 national associations have offered to assist voluntarily during this week in activities to restore patriotism.

There are no Federal funds involved, but the week serves as a rallying point for Americans who still hold a strong love of their country.

Mr. President, the resolution we passed in the Senate last year called for the designation of National Patriotism Week each year. However, under the rules of the Post Office and Civil Service Committee in the House, the resolution could not be reported unless it was amended to make it a one-time observance. in 1981. As a result, the legislation was changed before it cleared the House.

Today, I am joining with my colleague from Arizona, Senator DECONCINI, in introducing a new joint resolution to designate the week annually, as it should be. Goodness knows, there can never be enough of patriotism. I hope our friends on the other side of Capitol Hill will see the truth of this statement and agree with us in the Senate that National Patriotism Week should be an annual event.

I ask unanimous consent that the text of the resolution appear in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 34

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the joint resolution of October 10, 1980, Public Law 96-421, 94 Stat. 1798, is amended by striking "1981" and inserting "each year".

SEC. 2. Section 2 of such joint resolution is amended by inserting "annually" immediately after "to issue".

SEC. 3. The title of such joint resolution is amended to read as follows: "Joint Resolution to designate the week commencing with the third Monday in February of each year as 'National Patriotism Week'".

By Mr. WEICKER:

S.J. Res. 35. Joint resolution to direct the President to reinstate emergency buildings temperature controls; to the Committee on Energy and Natural Resources.

EMERGENCY BUILDING TEMPERATURE RESTRICTIONS

● Mr. WEICKER. Mr. President, I rise today to submit a joint resolution requiring that the administration reinstitute the emergency building temperature restrictions program.

The emergency building temperature restrictions program was enacted under the Energy Policy and Conservation Act, put into force in July 1979 and twice extended by former President Carter first on April 15, 1980, and again as recently as January 15, 1981.

I propose reinstitution for two reasons: First, an abandonment of this conservation initiative sends the world exactly the wrong signal regarding how we intend to manage the continuing energy crisis; second, the emergency building temperature restrictions program has been effective.

Before going into detail on these points, let me explain my approach to the energy crisis. I have supported the decontrol of crude oil. My State is more than 70 percent dependent upon crude oil supplies, but I believe in and support the free market—however painful—so that we can achieve a realistic appreciation of this country's true cost of energy. By the same token, I will likely support the decontrol of natural gas.

As chairman of the Small Business Committee, I have seen what terrible burden Government regulations can impose upon our free enterprise system—and wherever possible, I supoprt the elimination of unnecessary Government regulation.

So, I do not support EBTR out of any knee-jerk reaction favoring excessive Government interference or regulation of business or because I think market pricing of energy is wrong.

I cannot support, however, the theory that market pricing is the magic wand to solving the energy crisis. There is, unhappily, no single solution to the energy crisis. But, for far too long our policy has been heavily tilted toward direct Government support of and tax incentives for production of energy while ignoring the vast potential of conservation. The Joint Economic Committee recently released a report establishing that in the past 9 years we have invested $55.6 billion for enhancement of energy supplies, while investing only $4.1 million in conservation efforts. Someday we will realize that conservation is the cheapest way to create energy.

And that is precisely what is wrong with revoking EBTR. Revoking EBTR says that conservation cannot contribute to solving the energy crisis. So, the administration, perhaps unintentionally, sends out the signal that we can do without conservation.

It sends that signal to the American consumer who is now digesting very substantial price increases through crude oil deregulation. It sends that signal to the International Energy Agency which must be wondering anew what kind of commitment, if any, this country has to reducing its reliance upon foreign oil. Worst of all, it sends the signal to OPEC inviting further price increases. It invites OPEC to reduce its output. To play havoc with our markets.

The simple fact is that we have little or no emergency preparedness for the next OPEC reduction or cutoff of supplies. Removing EBTR only means we will be that much less well prepared for the next OPEC oil cutoff. Over the past 8 years we have been subjected to three significant OPEC oil interruptions; the next one could come tomorrow, the next one could be total. And, we will not be prepared. EBTR is hardly the entire answer to emergency preparedness; EBTR is hardly the entire answer to energy conservation; but revoking EBTR telegraphs a signal to OPEC, to IEA, and to the American consumer that conservation does not count.

That's the wrong signal to send.

Since July 1979, when the program was put in place, it affected 2.8 million buildings. It exempted restaurants, hotels, hospitals, food stores, it even exempted laundromats. It only required that temperatures in other commercial buildings be set at 65° in the winter and 78° in the summer. That, my colleagues, is not sacrifice. It is a positive, if modest, conservation commitment.

Last year under Senator PERCY's leadership, the Senate Governmental Affairs Committee conducted an investigation of EBTR. That investigation explored the possibility of altering the temperature requirements 65°/78° to 68°/74° and concluded:

> Furthermore, to alter the standards would send a signal to the American public and the rest of the world that this Government perceives the need for conservation to have diminished—in effect, that the energy crisis is not a serious matter.

So, now a new administration comes along and in the face of a Senate investigation stating that an alteration of temperature requirements would send the wrong signal, totally eliminates the program.

The administration has revoked EBTR because it "imposes an excessive regulatory burden."

Let me tell you about that "excessive regulatory burden." During the 19 months the program was in effect, there were roughly 50,000 building inspections. But those 50,000 inspections produced no penalties, no fines, no indictments. This program did not send an energy gestapo into the streets of America. EBTR has, however, given building owners and operators the necessary guidelines and approaches to control costs and avoid pre-energy crisis lease requirements establishing "comfortable temperatures."

I submit that EBTR hardly meets any reasonable test to be identified as an "excessive regulatory burden." EBTR has been a wise partnership between Government and the private sector. The proper role for Government is to lead, guide, and direct—to do so benignly whenever possible, to do so vigorously when necessary. EBTR is an example of benign leadership. Revoking EBTR simply says the Government does not care any more, that the Government is prepared to abdicate its leadership role in energy conservation with the result that market pricing can willy-nilly dictate who freezes and who fries. That is not leadership. It may be good campaign rhetoric, but it is not leadership.

The second appropriate test for EBTR is its effectiveness in addressing our energy crisis. The most recent analysis, one prepared by the Argonne National Labs last November and updated through the 4th of this month, indicates that EBTR has been saving 384,000 barrels of oil equivalent a day—140 million barrels of oil equivalent a year. At an average cost of $30 per barrel over the 19 months of the program this reduction in consumption translates into a savings of $4.2 billion.

Let me cite two examples. First, American Telephone & Telegraph has had this very program in effect since 1973. A.T. & T. claims that its program, identical to EBTR, has reduced energy consumption by 7 percent since 1973, and that it has saved the equivalent of 23 million barrels of oil since 1973, for a total dollar savings of $800 million.

A second example: Pan American World Airways strictly enforced EBTR at its J. F. Kennedy Airport buildings, and in 1 year, from July 1979 to July 1980, Pan Am calculates a 33-percent reduction of heating and cooling consumption worth nearly $300,000 and has additionally reduced its energy maintenance costs by more than $400,000.

To recap nationally: 140 million barrels of oil saved per year. More than we have in our Strategic Petroleum Reserve. Balance of payments cut by $4.2 billion—at a total cost to the taxpayer of $9.2 million over 19 months.

These figures have been effectively confirmed by Senator PERCY's investigation which summarized its findings:

> The EBTR program served the purposes of the Energy Policy and Conservation Act particularly well for a number of reasons. Since nearly one-quarter of the petroleum consumed in the United States is used for space heating and cooling and the production of hot water, the program offered the potential for a significant and rapid reduction in energy demand. Furthermore, the EBTR plan heightened public awareness of conservation ethics, strengthened the resolve of those in the private sector desiring to conserve, was enforceable by Federal authorities, and imposed no undue hardship on any sector of the economy. In sum, the EBTR program was a good, commonsense approach to conservation. Also of significance, the DOE now has experience in implementing an emergency conservation measure, which may prove invaluable in the future.

That, my colleagues, is the case for EBTR. It has reduced energy consumption, saved money, promoted public awareness of energy conservation, and sent the right signals to the American consumer and to the world. Revoking EBTR does just the opposite.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD at the conclusion of my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 35

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and directed to reinstate emergency building temperature controls under section 202 of the Energy Policy and Conservation Act (42 U.S.C. 6262) not less stringent than those controls which were in effect on January 1, 1981.●

By Mr. MATHIAS:

S.J. Res. 36. Joint resolution to authorize the President to designate the week of March 9 through March 15, 1981 as "Children and Hospitals Week"; to the Committee on the Judiciary.

CHILDREN AND HOSPITALS WEEK

● Mr. MATHIAS. Mr. President, over 4½ million children are hospitalized in the United States every year. About 600,000 of them are under 1 year of age. Ten times as many visit outpatient and wellbaby clinics; millions more visit private physicians for well child care or treatment of episodic illness. Still others, suffering from congenital illnesses and developmental disabilities, receive long-term followup care.

Research by experts in child development has shown that hospitalization or even an appointment in a neighborhood clinic can be emotionally traumatic for all these children. Often concern for the developing child's psychological needs has not kept pace with the remarkable progress made in the prevention, diagnosis, and treatment of childhood disease during the past 35 years.

When a child is not prepared fully for a medical or surgical procedure, or when daily routine is altered and contact with friends and family is interrupted, anxiety, regression, or depression may result. These reactions do not occur in all children, and fortunately they are usually short term. However, they may also be longlasting and have been known to lead to permanent behavioral disturbances.

In short, all children are at risk for developing emotional problems as a result of physical illness. Those under the age of 5 are the most vulnerable; and it is this age group which needs total health care most often.

A child's hospitalization also causes stress for parents who are most important in helping their family deal successfully with this experience.

Many hospitals, in the United States, Canada, and abroad have already initiated special programs to insure that the unique needs of hospitalized children

and their families are fully met. Experience has indicated that such programs can effectively alleviate the emotional stress of illness, and that these children get better faster.

Public education is an effective way to familiarize parents, teachers, and health professionals with these needs and ways to meet them. An educated community can bring about the desired changes that are still needed in many child health care practices.

"Children and Hospitals Week" is a public education campaign focusing on these issues. It is organized by the Association for the Care of Children's Health and sponsored solely through private, nonprofit means.

In recognizing "Children and Hospitals Week," March 9–15, 1981, with the passage of my resolution, the Senate can begin the process of enacting legislation to safeguard the health of our Nation's children.

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MATHIAS, the Senator from Oklahoma (Mr. NICKLES), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 32

At the request of Mr. CHAFEE, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 32, a bill to grant a Federal Charter to the Italian American War Veterans of the United States of America.

S. 63

At the request of Mr. RANDOLPH, the Senator from Alabama (Mr. HEFLIN), the Senator from Illinois (Mr. DIXON), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

S. 93

At the request of Mr. MATHIAS, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 93, a bill to designate the birthday of Martin Luther King, Jr., a legal public holiday.

S. 144

At the request of Mr. HEINZ, the Senator from Colorado (Mr. HART), the Senator from Utah (Mr. GARN), the Senator from Virginia (Mr. WARNER), the Senator from New York (Mr. D'AMATO), and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of S. 144, a bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

S. 160

At the request of Mr. SCHMITT, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 160, a bill to authorize the Secretary of Agriculture to convey certain National Forest System lands, under specified conditions, to direct the Secretary of Interior to certify survey monuments within 180 days, and for other purposes.

S. 170

At the request of Mr. PACKWOOD, the Senator from Wyoming (Mr. SIMPSON), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Minnesota (Mr. DURENBERGER), the Senator from North Dakota (Mr. ANDREWS), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 170, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 181

At the request of Mr. CRANSTON, the Senator from Arkansas (Mr. BUMPERS), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Montana (Mr. MELCHER), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 181, a bill to provide for the extension of the authorization of appropriations for the Head Start program.

S. 207

At the request of Mr. MITCHELL, the Senator from Georgia (Mr. NUNN), the Senator from Maine, (Mr. COHEN), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of S. 207, a bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries.

S. 243

At the request of Mr. CHAFEE, the Senator from South Carolina (Mr. THURMOND), the Senator from Maryland (Mr. MATHIAS), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 243, a bill to amend the Internal Revenue Code of 1954 to increase the allowable contributions to individual retirement plans and to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement accounts.

S. 254

At the request of Mr. SCHMITT, the Senator from Alaska (Mr. STEVENS), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 254, a bill to authorize public land States to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes.

S. 255

At the request of Mr. MATHIAS, the Senator from Wyoming (Mr. SIMPSON), the Senator from Hawaii (Mr. INOUYE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Idaho (Mr. SYMMS), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 276

At the request of Mr. DECONCINI, the Senator from Mississippi (Mr. COCHRAN), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 276, a bill for the relief of Roger Eric Lord.

S. 307

At the request of Mr. COCHRAN, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 307, a bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profit tax oil produced from interests held by or for residential child care agencies.

S. 321

At the request of Mr. BENTSEN, the Senator from Alabama (Mr. HEFLIN), and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 321, a bill to amend section 265 of the Internal Revenue Code of 1954 with respect to the deduction, by certain financial institutions, of interest paid on deposits of public funds where those deposits are secured by tax-exempt obligations.

S. 329

At the request of Mr. PELL, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 329, a bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain home heating costs.

S. 391

At the request of Mr. CHAFEE, the Senator from Colorado (Mr. ARMSTRONG), the Senator from Maine (Mr. COHEN), the Senator from New York (Mr. D'AMATO), the Senator from Idaho (Mr. SYMMS), and the Senator from Washington (Mr. GORTON) were added as cosponsors of S. 391, a bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying agents, informants, and sources and to direct the President to establish procedures to protect the secrecy of these intelligence relationships.

S. 396

At the request of Mr. DANFORTH, the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 409

At the request of Mr. JOHNSTON, the Senator from Rhode Island (Mr. PELL), and the Senator from Nebraska (Mr. EXON) were added as cosponsors of S. 409, a bill to provide specific standby authority to deal with petroleum supply interruptions, and for other purposes.

S. 410

At the request of Mr. JOHNSTON, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 410, a bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants and to aid utilities in converting to alternate fuels.

S. 415

At the request of Mr. CRANSTON, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 415, a bill to amend title 38, United States Code, to increase the maximum amount payable in Veterans' Administration specially adapted housing assistance, and for other purposes.

S. 416

At the request of Mr. CRANSTON, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 416, a bill to amend title 38, United States Code, to increase the maximum amount of the automobile assistance provided to certain severely service-connected disabled veterans, to extend eligibility for the provision of automobile adaptive equipment to certain other service-connected disabled veterans, and for other purposes.

S. 441

At the request of Mr. NUNN, the Senator from Texas (Mr. BENTSEN) and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 441, a bill to provide limited assistance by the armed services to civilian drug enforcement agencies.

S. 452

At the request of Mr. BOREN, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 452, a bill to amend the Internal Revenue Code of 1954 with respect to the treatment of gain on the sale or exchange of foreign investment company stock.

S. 464

At the request of Mr. DURENBERGER, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 464, a bill to amend the Internal Revenue Code of 1954 to adjust provisions governing private foundations.

SENATE JOINT RESOLUTION 7

At the request of Mr. LUGAR, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of Senate Joint Resolution 7, a joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of Congress if the level of outlays exceeds the level of revenue.

SENATE JOINT RESOLUTION 11

At the request of Mr. HEFLIN, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of Senate Joint Resolution 11, a joint resolution establishing the policy with respect to the number of digits which should be used as ZIP codes or other codes used for mail delivery.

SENATE CONCURRENT RESOLUTION 5

At the request of Mr. LUGAR, the Senator from New York (Mr. MOYNIHAN), the Senator from Michigan (Mr. LEVIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from Illinois (Mr. PERCY), the Senator from Maryland (Mr. SARBANES), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Kansas (Mr. DOLE), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from New Jersey (Mr. BRADLEY), the Senator from Maine (Mr. COHEN), the Senator from Missouri (Mr. EAGLETON), the Senator, from Pennsylvania (Mr. HEINZ), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Utah (Mr. GARN), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from California (Mr. CRANSTON), the Senator from Arizona (Mr. DECONCINI), the Senator from Washington (Mr. GORTON), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of Senate Concurrent Resolution 5, a concurrent resolution expressing the sense of the Congress with respect to the imprisonment and treatment by the Government of the Soviet Union of Dr. Viktor Brailovsky, and for the other purposes.

SENATE CONCURRENT RESOLUTION 9—CONCURRENT RESOLUTION REVISING THE BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEARS 1981, 1982, AND 1983

Mr. DOMENICI (for himself, Mr. HOLLINGS, Mr. HATFIELD, Mr. PROXMIRE, Mr. BAKER, Mr. ARMSTRONG, Mr. CHILES, Mrs. KASSEBAUM, Mr. BOSCHWITZ, Mr. HATCH, Mr. TOWER, Mr. ANDREWS, Mr. SYMMS, Mr. GRASSLEY, Mr. KASTEN, Mr. QUAYLE, Mr. GORTON, Mr. CHAFEE, Mr. EAST, Mr. HUMPHREY, Mr. MCCLURE, Mr. PERCY, Mr. NICKLES, Mr. LUGAR, Mr. THURMOND, Mr. ROTH, Mr. DURENBERGER, Mr. HELMS, Mr. WARNER, Mr. SCHMITT, Mr. MURKOWSKI, Mr. LAXALT, Mr. NUNN, Mr. PRYOR, Mr. ZORINSKY, Mr. DANFORTH, Mr. PRESSLER, Mr. HAYAKAWA, Mr. HEINZ, Mr. GARN, Mr. MATTINGLY, Mr. D'AMATO, Mr. JOHNSTON, Mr. BENTSEN, Mr. METZENBAUM, Mr. STAFFORD, Mr. WALLOP, Mr. SIMPSON, Mr. EXON, Mr. JEPSEN, Mr. STEVENS, and Mr. RUDMAN) submitted the following concurrent resolution; which was referred to the Committee on the Budget:

S. CON. RES. 9

RECONCILIATION

SEC. 9. *Resolved by the Senate (the House of Representatives concurring)*, That the Congress hereby determines and declares pursuant to sections 304 and 301(b)(2) of the Congressional Budget Act of 1974, that: It is necessary to make changes in enacted laws in order to reduce budget authority by $10.7 billion, and outlays by $4.8 billion, in fiscal year 1981; to reduce budget authority by $61.3 billion, and outlays by $41.4 billion, in fiscal year 1982; and to reduce budget authority by $88.4 billion, and outlays by $79.7 billion, in fiscal year 1983.

(The remarks of Mr. DOMENICI, Mr. HOLLINGS, and Mr. D'AMATO on this concurrent resolution appear earlier in today's RECORD.)

SENATE CONCURRENT RESOLUTION 10—CONCURRENT RESOLUTION RELATING TO CONVERSION OF AGRICULTURAL LAND TO NONAGRICULTURAL USES

Mr. HATFIELD (for himself, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BAUCUS, Mr. BOSCHWITZ, Mr. BUMPERS, Mr. CHAFEE, Mr. COHEN, Mr. DIXON, Mr. DOLE, Mr. DURENBERGER, Mr. FORD, Mr. GORTON, Mr. HAYAKAWA, Mr. HEINZ, Mr. HUDDLESTON, Mr. INOUYE, Mr. JACKSON, Mr. JEPSEN, Mrs. KASSEBAUM, Mr. KASTEN, Mr. LEAHY, Mr. LEVIN, Mr. MATSUNAGA, Mr. MELCHER, Mr. PERCY, Mr. PRESSLER, Mr. PRYOR, Mr. RIEGLE, Mr. SPECTER, Mr. WILLIAMS, and Mr. ZORINSKY) submitted the following concurrent resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. CON. RES. 10

Whereas it is imperative that the U.S. produce an adequate and nutritious food and fiber supply, in order to feed the American population at reasonable prices and to provide food and fiber exports sufficient to meet present and expected needs of other nations; and

Whereas agricultural exports have contributed significantly to reducing the U.S. balance-of-payments deficit and to enhancing the livelihood of farmers and ranchers and related businesses; and

Whereas existing agricultural policies do not fully address new kinds of problems that a markedly changed farm sector will encounter in the emerging global and domestic economic settings; and

Whereas the period of persistent crop surpluses that U.S. agriculture has experienced is over; and

Whereas the conversion of important farmlands to nonagricultural uses is proceeding at such a rate in the U.S. as to jeopardize the future agricultural production capacity of the Nation; and

Whereas the programs and policies of the federal government often contribute to the unnecessary conversion of important farmlands to nonagricultural uses, by failing to recognize and correct the effects of federal construction projects, financial assistance, and regulatory programs on agriculture and on farm people:

Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring) that it is the sense of Congress that agricultural resources are of strategic importance to the future of this nation and its people, and that it is in the best interest of the U.S. to:

(1) Cooperate with local and state governments in their efforts to promote the continued use of important agricultural lands for the production of food and fiber; and

(2) Encourage and assist people who are engaged in agriculture to protect and enhance the productive condition of their agricultural land.

Mr. HATFIELD. Mr. President, today I am introducing a concurrent resolution to set down the sense of Congress regarding an important and vital renewable resource of this country—agricultural land.

In the 9 years from 1969–78, 88-million acres of agricultural land were lost to other uses. Some went to housing development, some to industrial uses, and some was taken out of production for other reasons. The agricultural lands project of the National Association of Counties Research Foundation suggests as much as 12-square miles of agricultural land is converted to other uses each day.

More importantly, after an extensive 2-year study, the national agricultural lands study has documented the extent of this national problem. The results of the study are clear; they show virtually every State in the Union losing farmland at an alarming rate. This study was a joint effort by 10 Federal agencies, cochaired by the Department of Agriculture and the Council on Environmental Quality.

These are disturbing figures, especially considering the imperative need for America's farmers to produce an adequate and nutritious food and fiber supply. Not only to feed and clothe our population at reasonable prices, but to provide the exports that have contributed significantly to improving our balance of trade. In the past, we have been able to

supply these needs without great difficulty. However, it appears the period of persistent crop surpluses the American farmer has experienced is over.

Existing agricultural and land use policies do not fully address the new kinds of problems that a greatly changed farm sector is experiencing in these emerging global and domestic settings.

We are all aware that State and localities are the proper governments to address this land use problem directly, and fortunately many have taken action to preserve and protect their dwindling farmland resources. However, the Federal Government has not taken a leadership role in the preservation of farmland. Indeed, it may be more a part of the problem than the solution. The national agricultural lands study (NALS) found that of the 131 Federal programs reviewed, 70 percent contributed significantly to the reduction in the availability of agricultural land. This is alarming considering the strategic, as well as economic, importance of our country's agricultural sector. The programs that have had the greatest effect on farmland conversion have been Federal construction projects, financial assistance—and the regulations that go with such assistance—and the regulatory programs on agriculture and on farmpeople. This is a travesty.

This is an issue that transcends political philosophy; Republican, Democrat; Liberal, Conservative. This is a national problem that affects all of us. Both major political parties, at their most recent conventions, endorsed the need to protect our farm resources. The Republican Party said:

> We believe that agricultural policy should give emphasis to the stewardship of the nation's soil and water resources. The permanent loss of productive farmland is a growing problem and we encourage states and local communities to adopt policies that help maintain and protect productive agricultural land as a national asset.

And the Democratic Party stated:

> We must move decisively to protect our countryside and our coastline from overdevelopment and mismanagement. Major efforts are underway to solve such problems as disappearing farmland and development on our barrier islands. These efforts should help forge a strong national consensus behind the realization that protection must be balanced with the need to properly manage and utilize our land resources during the 1980's.

I must emphasize this is not an attempt to involve the Federal Government in State and local land use planning. However, it is an attempt to put the Nation on notice that the Congress of the United States is aware of the problem of farmland conversion and is willing to put its own house in order, and suggests the need for the local governments to do the same.

A very good example of State and local action is my home State of Oregon's program. The Oregon program, through the use of the Land Conservation and Development Commission, has been most effective in controlling the conversion of farmland without stifling development.

The Oregon program is the most fully integrated and comprehensive in the country. It requires local planning and zoning consistent with State goals, which are mandatory statewide planning standards. The agricultural goal requires that agricultural lands be preserved and maintained for farm use. All class I–IV soils—and in eastern Oregon class V and VI soils in addition—not committed to nonfarm use must be zoned for agriculture according to general criteria set by the State. Cities must establish urban boundaries, within which new development must be contained and encouraged. Public facilities and services are to be provided at levels suitable for urban uses within urban growth boundaries, but few, if any, public services are to be provided outside the boundaries. Land in farm use zones qualifies for use value assessment for property tax and State inheritance tax purposes, is exempt from special levies of utility districts, and enjoys right-to-farm protection. In the Willamette Valley, where population pressure is by far the highest, 84 percent of the anticipated ultimate acreage is already in agricultural zoning.

With a new administration, there is always a shift in policy. Fortunately, even though the Carter administration took an active position on the need for agricultural land protection, the Reagan team, led by the new Secretary of Agriculture John Block, is firmly committed to slowing the rate of farmland conversion, as evidenced by his speech in Chicago recently. I am sure Congress will be willing to work toward this common goal.

I would hope my colleagues would join with me in supporting the resolution, stating their support for the most important renewable resource this country may have over the next decade. We can increase our defense budget, build arms, missiles, tanks, and planes, but our greatest security will be our food resources, both here and abroad.

Mr. President, I ask unanimous consent that the executive summary of the national agricultural lands study, a copy of technical paper X of that study and a copy of Secretary of Agriculture John Block's recent speech in Chicago, be included in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL AGRICULTURAL LANDS STUDY—1981

EXECUTIVE SUMMARY

U.S. agriculture is undergoing a major transition. For several previous decades the amount of land in cultivation had not changed significantly but during the 1970s cropland harvested increased by more than 60 million acres as American farmers responded to a dramatic rise in demand for U.S. agricultural exports. That demand is projected to grow larger still in the coming 20 years, and as it does, pressures on the U.S. agricultural land base will increase. By the year 2000, most if not all of the nation's 540 million acre cropland base is likely to be in cultivation. When seen from this perspective, continuing nonagricultural demands upon the agricultural land base become a matter for national concern.

The United States has been converting agricultural land to nonagricultural uses at the rate of about three million acres per year—of which about one million acres is from the cropland base. This land has been paved over, built on, or permanently flooded, i.e., converted to nonagricultural uses. For practical purposes, the loss of this resource to U.S. agriculture is irreversible.

The effects of agricultural land conversion have been felt locally, mainly in communities experiencing rapid growth; some citizens have grown concerned as they have seen their open spaces dwindle and the outlays for sewers, schools, and roads rise. States and local governments are experimenting with different means of keeping good agricultural land in farming.

Until quite recently, however, the conversion of agricultural land caused little concern at the national level. The land was being used to meet genuine demand for new housing and other goods and services, and the overall productive capacity of U.S. agriculture seemed undiminished. There was plenty of unused and underused agricultural land remaining and the steady gain in crop yield per acre (productivity) more than made up for agricultural land converted to other uses. But in the last few years, rapid international and national changes involving food, energy, inflation and economic instability have created uncertainties about the management of the nation's resources. The public is both concerned and uncertain about the capacity of the U.S. agricultural land base to supply food and fiber at the high levels of production that are likely to be demanded in the coming years.

This uncertainty has prompted a debate over the continued conversion of agricultural land. The National Agricultural Lands Study (NALS) was undertaken by the U.S. Department of Agriculture (USDA) and the President's Council on Environmental Quality (CEQ), with the support of ten other federal agencies, to assess the future implications of agricultural land conversion.

According to the data analyzed by NALS, the United States at present has approximately 413 million acres of cropland and about 127 million acres of potential cropland for a total of about 540 million acres. In addition, there are some 268 million acres of rural land with low potential for cultivated crops.

From its research, NALS concludes that agricultural land is converted to other uses in an incremental piece-by-piece of agricultural land at the current rate could have noteworthy national implications. The cumulative loss of cropland, in conjunction with other stresses on the U.S. agricultural system such as the growing demand for exports and rising energy costs, could seriously increase the economic and environmental costs of producing food and fiber in the United States during the next 20 years.

Demographic and economic pressures

In the 1970s, there was an unmistakable migration of the U.S. population from urban to more rural areas and from the North to the less densely settled South and West. Moreover, there was a surge in economic activity in rural America during the decade, especially new industrial plants, commercial distribution centers and processing facilities.

Over 40 percent of the housing constructed during the 1970s was built on rural land. The highest rates of population growth occurred in the open country and in unincorporated areas. Many homes were built on scattered, relatively large-sized lots. The availability of mobile or prefabricated homes also contributed to the population growth in the countryside.

At the same time, the suburbs continued to spread into rural America. The demand for rural land was enhanced by the increase

in households. The United States experienced a 22 percent increase in the number of households formed during the 1970s.

These recent demographic trends have disproportionately affected some of the nation's most productive agricultural land. In the top 100 counties ranked according to the value of their farm products, the population grew at nearly twice the national rate from 1970 to 1978.

Residential preference surveys repeatedly show that a higher percentage of urban dwellers would prefer to live in rural areas or small towns than in cities. NALS projected that almost 12 million new households will be added to nonmetropolitan areas between 1977 and 1995.

Population growth in rural areas not only affects agriculture directly by causing the conversion of agricultural land to other uses; it also has some serious indirect effects on agriculture. One of these effects is termed the "impermanence syndrome." As population increases in agricultural areas, land values rise and farms are broken into small parcels more suitable for housing than for farming. Looking beyond their fences to new developments, many farmers see the opportunity to sell their farms at a large profit for nonagricultural uses.

Depending on the intensity and proximity of the growth, farmers in such areas often believe that agriculture is no longer permanent. Investments in conservation practices may cease and building repairs may be neglected because many years of continued agricultural production would be required to justify such capital expenditures. Even if urban growth stops long before it reaches many farms, the perceived impermanence of agriculture in areas near expanding centers gives rise to a pattern of disinvestment in farmland, buildings, fences, and other farm property. In addition, agricultural equipment and supply stores lose business and may close if the number of farmers declines substantially.

Tensions between farming and nonfarming people often arise in rural areas with growing populations. The causes range from vandalism of crops and farm machinery to increased demands by new residents for public services, especially when the resulting tax increases to pay for those services fall heavily on the original residents.

Economic growth in rural America also outpaced growth in urban areas during the 1970s. Trade related jobs in non-metropolitan areas rose about 27 percent between 1970 and 1976, compared with 16 percent in metropolitan areas. Manufacturing jobs during the same period increased 8 percent in nonmetropolitan areas, while declining 5 percent in metropolitan areas.

These economic changes influence rural land use. Economic establishments and supporting infrastructures require land. The amount of land actually converted to accommodate economic growth is not known precisely; however, the direct and indirect effects of economic growth appear significant. Economic development in rural areas contributes to the increasing demand for housing and public services, but it also provides new job opportunities for farmers as well as other rural residents. Many farm families now rely on off-farm work to supplement their incomes.

Although future rural settlement patterns are uncertain, the current economic growth and rural development trends are not expected to change substantially in the near future. This suggests that the conversion of highly productive agricultural land will continue unless there is a major shift of development onto rural land that is less productive for agriculture.

The impact of federal assistance programs on agricultural land is broad and far-reaching. NALS identified about 90 programs that contribute to the conversion of agricultural land. Programs with major impact are administered by the Department of Housing and Urban Development (HUD), Farmers Home Administration (FmHA), and Economic Development Administration (EDA).

Federal programs that result in a loss of land for agriculture are generally ones that promote economic development, capital improvements, housing, environmental protection, or natural resources development. They encourage population growth in rural areas that either reduces farm profitability or directly results in conversion of agricultural land to nonagricultural use.

Sharp regional differences

There are wide regional variations in land resources and uses. Major shifts in agricultural land use among regions have occurred in the past, and factors which may contribute to additional shifts are underway today.

The Western Region.—Due to this region's population growth, the conversion pressure on existing cropland here is probably the strongest in the nation. Future increases in production on existing and potential cropland in this region are unlikely because of limited water supplies (underground and surface) for irrigation, and high energy costs for pumping. There are also new competing demands for limited water resources from new urban growth and energy development projects. The build-up of salts in the surface layer of the soil in some of the West's most productive valleys casts further doubt on the region's long-term agricultural productivity.

The North Central Region.—This region contains 55 percent of the nation's cropland and produces about 44 percent of its agricultural output in terms of the value of the products sold. Many communities in the region are surrounded by prime farmlands, so that any growth must occur at the expense of agriculture. Three major uncertainties in the region's agricultural outlook are (1) the decline of the underground water resources in the Northern Great Plains, especially in Kansas and Nebraska where irrigation has been so important to increasing productivity, (2) increased coal surface mining in the Corn Belt states such as Illinois, and (3) corn-based ethanol production in the Midwest.

The South.—Agricultural economists look to the productive capability of potential cropland in the South to meet projected demands for food and fiber, while forest economists look to the productive capability of its forests to meet projected demands for lumber and paper. In some cases, they are both looking at the same land.

Existing reserves of land suitable for agricultural use are sizable here compared to acreages in other regions. Partially offsetting the region's climatic advantages and available cropland is its serious problem with soil erosion, caused by the high intensity rainstorms common to the area. As in the Corn Belt, expanded cropland usage here requires that additional precautions be taken against soil erosion. The prospects for increased agricultural production in this region are generally good except for certain areas such as Florida (extremely rapid population growth) and the Southern Great Plains (decline of groundwater supplies).

States and local governments in the South have done less to protect agricultural land than any other region.

The Northeast.—There are nearly 14 million acres of prime farmland in this region, more than in the eight Mountain states or in the five Pacific states, and agricultural analysts expect a revival of local farming as energy prices push up the costs of transporting food from other regions. Nonetheless, this region, which has about 25 percent of the nation's population, contains only four percent of its total cropland and four percent of its potential cropland.

A fundamental transition

After four decades of agricultural surpluses, U.S. agriculture has moved away from underused production capacity. The principal underlying forces have been a gradual but marked overall decrease in the rate of annual productivity gains and a dramatic increase in foreign demand for U.S. agricultural products. The nation's continued conversion of cropland has to be evaluated within this context.

Over the next 20 years, USDA projects the volume of demand for U.S. agricultural products to increase by 60 to 85 percent over the 1980 level, assuming constant real prices. The three basic components of demand growth are exports, conventional domestic uses, and ethanol production.

Exports are expected to dominate the growth in overall agricultural demand. The volume of U.S. agricultural exports increased an average of 10 percent annually during the 1970s. The harvest from one in every three acres of cropland in the United States is now exported. In 1979, the market value of U.S. agricultural exports reached a record $40.5 billion. Agricultural exports now account for almost one-fifth of the nation's total exports and play a key role in the U.S. balance of payments. Over the next 20 years, USDA projects the volume of U.S. exports to grow by 140 to 250 percent above the 1980 level assuming constant real commodity prices. Rising real prices would dampen somewhat the expansion in export demand.

Domestic demand for food and fiber is projected to increase about one percent annually by volume during the 1980s and then slow to 0.9 percent annually during the 1990s. About one-third of this growth can be attributed to rising income and higher per capita consumption and the remainder to population growth.

As OPEC oil prices continue to rise, the use of domestically produced alcohol fuels from crops will increase. At present, ethanol (ethyl alcohol), distilled from corn, is being mixed in a 1 to 9 blend with gasoline and sold as gasohol. State and federal subsidies—totaling about $1 per gallon of ethanol—have stimulated demand. Experts project the ethanol industry to reach an annual production capacity of 4–6 billion gallons by 1990, although considerable uncertainty surrounds all alcohol fuel projections. The feedstock for this projected production level would require the corn grown on 15 to 23 million acres.

How much additional land will American farmers have to bring into cultivation to supply an average projected demand increase of about three-fourths over 1980 levels?

The answer to this crucial question depends heavily on the growth in yield per acre, a matter of considerable uncertainty. Agricultural experts disagree on how much the land's productivity will increase in the future. During the 1960's, nationally, crop yield per acre increased at an annual average rate of 1.6 percent and was by itself sufficient to meet increases in demand. In the 1970s, however, growth in yield per acre dropped to an average annual rate of 0.76 percent. During this time, about three-quarters of the gain in agricultural production came from newly cultivated acreage; only one-fourth came from increased yield per acre.

A number of factors apparently dampened productivity growth during the last decade, including:

The rising costs of fuel, fertilizers, and other energy intensive inputs;

Less fertile agricultural land available for cropland uses;

Lack of reserve supplies of water to sustain past growth rates in irrigated agriculture; and

The loss of natural soil fertility due to erosion or salinization.

If the yield per acre growth rate of the 1970s continues through the next two decades, and projected demands also materialize,

then American farmers would have to cultivate an additional 140 million acres of land for production of principal crops, an increase of about 50 percent. A higher rate of growth in yield per acre, one comparable to the 1960s, would require cultivation of an additional 85 million acres, an increase of 30 percent, to meet the projected demand.

Shifts of land into cultivation of this magnitude are technically possible, but they will require some major adjustments in the U.S. agricultural system. There will have to be large-scale shifts of forage land into crops, for example. Less land will be available for livestock grazing. As a consequence, confinement feeding operations will become more prevalent and the real cost of meat production will probably rise.

Higher real crop production costs are probable as well because potential cropland now coming into cultivation is more costly to till, is subject to more crop failures and yield variability, and produces poorer quality crops than cropland already in cultivation. Moreover, this land is usually more susceptible to erosion, grounwater overdrafts, and other environmental problems, hence its cultivation results in higher social costs either through conservation expenditures or through environmental degradation.

To draw into agriculture sufficient resources to meet the projected level of demand in the year 2000, farmers and ranchers will require incentives in the form of considerably higher real profits from their commodities, either through reduced production costs or increased prices. Protecting productive cropland that otherwise would be converted to nonagricultural use will help mitigate upward pressure on production costs, and indirectly, consumer prices, as the demand for food and fiber mounts throughout the remainder of the century.

Prime movers—State and local governments.

In its research, NALS found considerable grassroots interest in the protection of good agricultural land in widely different communities around the country. Citizens cite a variety of reasons for their interest. For some, their livelihood depends on the continued viability of the local agricultural economy. Others place a high value on open space or on access to fresh vegetables and fruits at reasonable prices. Still others believe strongly in the "stewardship" of the land. There are a growing number of Americans who, for whatever reasons, think good agricultural land has an intrinsic value to the community beyond its price in the market place.

State and local governments have responded by trying a remarkable number of different approaches to agricultural land protection. There are few widely imitated models. Each state, county and township seems to have tried its hand at creating a unique program to deal with one or more of the factors that threaten the continued vitality of farming and the rural quality of life.

A common thread running through these efforts is zoning. Some 104 counties and 166 municipalities have adopted agricultural zoning in the last 15 years. It is still too early to assess with certainty zoning's long-term effectiveness when it comes to protecting agricultural land. It does seem clear, though, that no one tool by itself, whether it be zoning, property tax relief, or purchase of development rights, is adequate.

NALS reviewed a wide variety of state and local programs designed to protect agricultural land. Most successful programs began very simply by involving citizens in studying the situation and identifying problems and policy alternatives. Among the key ingredients of an effective agricultural land protection effort are farmer participation from the beginning, adequate technical and often financial support, strong local leadership, patience, and good timing, i.e., getting started before development pressures become too strong. Successful programs make agricultural land protection a part of a comprehensive growth management program, providing room for development on less productive agricultural land. Local programs need active state support because the effects of development often spill over township and county lines.

The state and local work done to date on the protection of productive farmland is encouraging, but an enormous amount remains to be done. At present less than 20 million acres of existing or potential cropland are protected under comprehensive, multi-faceted state or local programs.

Federal initiatives—NALS recommendations

The federal government should begin by putting its own house in order. Of the 37 federal agencies reviewed by NALS whose programs sometimes encourage the conversion of productive agricultural land, only USDA and EPA have explicit policies designed to consider the effect of their programs on agricultural lands. And even in these two agencies, some program sub-units have not yet incorporated agricultural land reviews into their regulations and guidelines.

To remedy this situation, NALS recommends that the President or the Congress enunciate the national interest in the protection of productive agricultural land and direct the appropriate federal agencies to adopt an agricultural land policy to assure that they consider the potential negative effects of their activities on agricultural land.

The federal government should not finance or subsidize development projects that occur on good agricultural land. When a development project involves the conversion of agricultural land, the applicant for financial assistance should be required to demonstrate that there are no practical alternative sites on land less suited for agriculture.

In addition, federal loan programs should provide positive incentives in the form of lower interest rates to encourage development away from good agricultural land and onto land less suited for agricultural uses. Specifically, NALS recommends that the federal government offer preferential rates as part of the following ongoing programs:

Federal direct loan and grant programs for housing, commercial and industrial development;

Loan Guarantee Programs for development projects, community services, or infrastructure development;

Home Mortgage Assistance; and

Capital Improvement Loan Programs for water, sewer, and electrification.

Federal action should address two separate problems with the estate tax. First, the use valuation provision for agricultural land should be revised so it no longer benefits large estates more than small ones. Secondly, on the administrative side, the Treasury Department should simplify estate tax provisions and clarify instructions and information to farmers, land owners, and tax advisors.

An overall review of the Federal Tax Code should be undertaken by the Departments of Treasury, Commerce, and Agriculture to determine the desirability and feasibility of offering positive incentives for retaining agricultural land in production.

The second major federal initiative should come in the area of supporting local and state efforts to develop agricultural land protection programs by providing technical assistance, data, and, where appropriate, financial backing.

A final word

As a resource problem, the conversion of agricultural land does not constitute a present-day "crisis," and hence it lacks the equivalent of, say, a gasoline line for concentrating national attention. Nonetheless, it does pose some very serious long-term risks for the United States. In a sense, the issue of protecting agricultural land today is analogous to the energy conservation issue ten years ago. Looking ahead, we can see a resource problem developing but the immediate incentives for conserving the resource are weak. NALS recommends that the federal government make the protection of good agricultural land a national policy. NALS bases this recommendation on the two basic conclusions of its analysis:

(1) Given projected demand increases for U.S. agricultural products in the coming years, particularly for exports, and the uncertainty regarding future gains in crop yield per acre (productivity), the economic and environmental costs of continued conversion of the nation's most productive agriculture into housing tracts, shopping centers, industrial sites, and reservoirs could be very high within 20 years.

(2) Trend is not destiny. The population and economic growth trends now in progress in rural America can continue without disruption and without the loss of productive agricultural land at current rates. A concerted state and local government effort—buttressed with federal technical and financial support—combined with a redirection of federal loan programs could, if begun now and carried out energetically over the next two decades, channel much of the growth and development onto less productive agricultural land.

RECOMMENDATIONS

These recommendations emphasize the primacy of state and local governments in the protection of agricultural land and the supporting roles which should be played by federal agencies. The recommendations are organized in five areas, and summarized below:

I. Characteristics of successful agricultural land protection programs offered for consideration by States and local governments:

The goals of protecting agricultural land and guiding urban growth are best achieved in combination with a comprehensive growth management system.

State governments should assume an active leadership role in protecting agricultural land.

Agricultural land protection programs should be established before development patterns foreclose options.

Efforts to protect agricultural land should be based on accurate information about agriculture and future growth patterns.

Agricultural land protection programs should have able political leadership.

Agricultural land protection programs should support the economic viability of agriculture in an area.

Agricultural land protection programs should be designed so that they are legally defensible.

II. National policy and Federal agency initiatives:

The national interest in agricultural land should be articulated by a Presidential or by a Congressional statement of policy.

Positive incentives should be designed within federal programs to encourage development away from good agricultural land and onto land less suited for agricultural uses.

The adoption of an agricultural land policy by each federal agency whose programs

result in converting agricultural land to nonagricultural use should be required by an Executive Order or by Congressional action.

The coordination and implementation of agricultural land policies should be monitored across agency lines through an interagency group.

Single-purpose federal assistance programs should be coordinated at the state or local level to ensure that agricultural land issues are adequately addressed in state or local planning efforts.

Tax provisions that affect the agricultural sector should not favor purchasers of agricultural land who do not intend to retain the land in argicultural use. Periodic review of the Federal Tax Code should be made to determine the desirability and feasibility for offering positive incentives for retaining agricultural land in productive agricultural use.

III. Technical assistance and education:

The Soil Conservation Service (SCS) and the Cooperative Extension Services should improve their capacity, within existing resources, to provide technical assistance to units of government seeking to develop agricultural land protection programs.

USDA and other federal agencies should provide technical assistance to state governments which request help in developing land protection policies or programs.

USDA should design an educational program describing the importance of agricultural land to the nation's well being and distribute educational materials through the mass media, schools, groups, and other federal agencies.

USDA should establish an Agricultural Land Information Center to serve as a central depository and distribution point for information on agricultural land issues, policies, programs, and innovations.

IV. Financial assistance:

Appropriate federal assistance programs should be revised as needed to permit eligibility of local government units, including soil and water conservation districts, to receive financial aid in developing agricultural land protection programs.

USDA should consider small matching grants for "capacity building" to state departments of agriculture (or other appropriate state agencies) that seek to manage agricultural land issues.

The Soil Conservation Service should give higher priority to completion of Detailed Soil Surveys in counties with important land under conversion pressure, and should respond to information requests from those counties now in the process of developing agricultural land retention programs.

V. Information and research needs:

The Federal Office of Statistical Policy and Standards, in consultation with other agencies, should develop a statistical protocol for federal agencies which collect and use natural resource data. Components of the protocol should cover standards for data collection techniques and requirements for appropriate statements of data limitations in connection with data publication or public release.

USDA should develop a capacity for providing state or local governments with detailed statistical information on agricultural land use collected by federal agencies.

A Data Advisory Group should be established in each state with membership of state and local officials. This group should advise agencies on how to make federal data collection programs more useful and accessible at the state and local level.

The establishment of an agricultural land resource fund should be given serious consideration.

DEFINITIONS—NATIONAL AGRICULTURAL LANDS STUDY

(All acreage estimates based on the 1977 National Resource Inventory, Soil Conservation Service.)

Rural land.—The National Agricultural Lands Study defines "rural land" as all nonfederal land except for urban and built-up land. There were 1.443 billion acres of rural land in 1977.

Agricultural land.—"Agricultural lands" are lands currently used to produce agricultural commodities including forest products, or lands that have the potential for such production. These lands have a favorable combination of soil quality, growing season, moisture supply, size, and accessibility. This definition includes about 590 million acres of land that has no potential for cultivated crop use but is now in agricultural uses including range, pasture, or forestland. There were 1.361 billion acres of agricultural land in 1977.

Cropland.—Land used to produce crops for harvest, either alone or in rotation with grasses and legumes. Cropland uses include row crops, close grown field crops, hay crops, rotation hay and pasture, nursery crops, orchard crops, other specialty crops, summer fallow, and other cropland temporarily idled or in conservation uses. There were 413 million acres inventoried as cropland in 1977.

Potential cropland.—"Potential Cropland" is land not currently in cropland use. Four "Potential Cropland" ratings reflect the relative ease and profitability of converting potential cropland to cropland use. There are high, medium, low and zero ratings of the potential for conversion to cropland.

In 1977, there were 36 million acres of high potential cropland, 91 million acres of medium potential, 268 million acres of low potential, and 588 million acres with zero potential for conversion to cropland use.

Cropland base.—The "cropland base" is defined as land currently used for cropland plus high or medium potential cropland. In 1977, there were 540 million acres in the cropland base.

Pastureland.—Land producing forage plants for animal consumption. Vegetation on pastureland is primarily introduced grasses and legumes. Some native plants may also grow on pastureland. A number of management practices are carried out where appropriate on pastureland. These include grazing management, reseeding, renovation, reestablishment, mowing, weed or brush control, and liming or fertilization.

Range!and.—Land producing predominantly native grasses, grass-like plants, forbs, or shrubs. These native plants dominate the mix of the climax vegetation on rangeland. These lands can be revegetated either naturally or artificially and can be managed to preserve or enhance native vegetation. Rangelands include natural grasslands, savannahs, shrublands, most deserts, tundra, alpine communities, coastal marshes, and wet meadows. They include land with less than 10 percent stocking with forest trees of any size. In 1977, there were 414 million acres of rangeland.

Forestland (woodland).—Land with at least a 25-percent tree canopy cover or land at least 10-percent stocked by forest trees of any size. Forestland includes land recently cleared by man or natural forces suitable for natural or artificial reforestation. There were 376 million acres of forestland in 1977.

Urban and built-up.—Land used for residences, industrial sites, commercial sites, construction sites, railroad yards, small parks of fewer than 10 acres within urban and built-up areas, cemeteries, airports, golf courses, sanitary land fills, sewage treatment plants, water control structures and spillways, shooting ranges and so forth. There were 69 million acres of urban and built-up land in 1977.

Rural transportation.—Land used for roads and railroads in rural areas. Generally, this includes the entire right-of-way (26 million acres in 1977).

Water.—Water bodies less than 40 acres in size and streams less than ⅛ mile wide (9 million in 1977).

Conversion.—"Conversion" is defined as a change between major land use categories such as cropland, pasture or range, or developed uses. The changes may be within agricultural uses or to nonagricultural uses.

Changes to urban, built-up, rural transportation or water uses are considered by the NALS to be, for all practical purposes, irreversible. Changes within agricultural uses, such as forestland to pasture or potential cropland to cropland are considered generally reversible.

Farmsteads.—Land for dwellings, buildings, barns, pens, corrals, farmstead windbreaks, family gardens, and other uses connected with operating the farms and ranches (11 million acres in 1977).

Other land in farms.—Land reserved for wildlife and windbreaks, not directly associated with farmsteads, and including commercial feedlots, greenhouses, and nurseries (12 million acres in 1977).

Other nonfarm.—Land used for greenbelts, large unwooded parks, cropland idled prior to development, and other nonfarm uses not elsewhere defined, including land in strip mines, quarries, gravel pits, and borrow pits that have not been reclaimed for other uses (47 million acres in 1977).

Nonfederal land.—"Nonfederal land" is defined as all lands except those in federal ownership. Included are lands that are privately owned; corporation or partnership owned; state, county, or municipally owned; Indian tribal ownerships, etc. (1.512 billion acres in 1977).

Prime farmland.—"Prime farmland" has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops. It has the soil quality, growing season, and moisture supply needed to economically produce sustained high yields of crops when properly managed.

Prime farmland includes cropland, pastureland, rangeland and forestland. It does not include land converted to urban, industrial, transportation, or water uses.

TECHNICAL PAPER X: FEDERAL PROGRAM IMPACTS ON AGRICULTURAL LANDS AVAILABILITY

(By Tom Mierzwa and Hal Hiemstra)

INTRODUCTION

Because of the dominant presence of federal programs in rural America generally, and in the agricultural sector specifically, a review of their influence on the nation's agricultural land base was an essential part of the overall NALS effort. The purpose of this review was to:

Identify the role of federal government programs in the agricultural land conversion process;

Identify important federal programs that affect the use and availability of agricultural land;

Identify the type and extent of impacts on agricultural land resulting from federal programs;

Illustrate those impacts through a series of case studies of representative federal programs;

Provide a prototypical methodology to track future impacts of federal programs on agricultural land;

Identify a range of opportunities for in-house agency actions to reduce unintentional conversion of agricultural land.

Influence of Federal programs on agricultural land

Programs sponsored by the federal government are among a range of potentially decisive factors that contribute to changes in our agricultural land base. Increased urban and built-up uses of land, inundation of agricultural land for water supplies, fragmentation and isolation of economically viable farm parcels, displacement of farmland by transportation corridors, or simply the idling of previously productive agricultural acreage, are a sampling of processes which may lead to conversion of agricultural land.

Federal programs influence agricultural land conversion both directly and indirectly. Direct effects result from acquisition of agricultural land to achieve a policy or program mission. Indirect effects occur when a federal program provides financial assistance for actions (such as capital improvements) which lead to development that preempts future agricultural uses of land adjacent to those improvements. This review examines federal programs that encourage these conversion processes, and assesses the extent to which they influence the availability of agricultural land for future use.

Because the cause-effect relationships between federal programs and agricultural land availability are complex, a framework incorporating conversion characteristics was developed as a means for consistent interpretation of impacts.

The framework distinguishes between effects on capability (which influences the availability of agricultural land through changes in the inherent ability of the soil to produce a crop), effects on suitability (which influences the availability of agricultural land through changes in farm management practices), and effects on availability (i.e. changes in ownership or use of the land itself).

NALS staff identified eight characteristics of federal programs which affect the agricultural land base by causing changes in capability, suitability or availability. These characteristics, referred to as "conversion characteristics," reflect the unique ways in which each federal program is implemented to achieve its mission (e.g., federal economic development assistance for industrial park sites, to provide local employment and economic opportunities, are often constructed on prime agricultural land).

The figure below illustrates how federal programs influence these three aspects of agricultural land, and ultimately affect the availability of agricultural land.

[Chart not reproducible in Record.]

SUMMARY FINDINGS AND CONCLUSIONS

Identified within the NALS review of federal programs is the extent and pattern of impacts of federal activities on agricultural land. Data used to verify findings and identify those federal activities affecting agricultural land were developed from interviews, case studies, and this inventory. Findings and conclusions are summarized below.

Extent of Impact.—The impact of federal programs on agricultural land is broad and far-reaching. Approximately 70 percent of the 131 programs reviewed had effects which reduced the availability of agricultural land. Nearly all these contributed to conversion of agricultural land through development in one form or another. About 30 programs had positive secondary effects that helped maintain the availability of agricultural land. Approximately 30 percent of all programs reviewed had effects which were fully supportive of maintaining agricultural land. Federal programs affecting agricultural land are found in a wide range of federal agencies. While HUD, FmHA, and EDA stand out among those agencies reducing the availability of agricultural land, VA, WPRS, COE, TVA, DOE, REA, and EPA also exhibit conversion characteristics.

Pattern of Impact.—The types of programs that most often reduce agricultural land availability are: economic development, capital improvements, housing, and environmental protection/natural resources development. These programs often subsidize actions which foster urban and rural growth which leads to changes in the status of agriculture in communities, and ultimately to conversion of agricultural land. Economic development programs are dominant in EDA and FmHA; capital improvement programs are sponsored by numerous agencies, among them, DOT, EPA, FmHA, DOE, and REA; housing programs emanate primarily from HUD and to a lesser extent FmHA and VA; and environmental protection/natural resources development programs are administered predominantly by COE, EPA and DOE, from programs in these categories are not expected to diminish in the future since they represent basic demands and development needs.

Types of Impact.—Program actions most frequently causing conversion include:

Land acquisition

Capital improvements that encourage subsequent development

Financial assistance for housing and development activities.

These actions (or conversion characteristics) are repeatedly found among those influencing the rate of agricultural land conversion. Under the existing structure of federal assistance programs, such influences can be expected to continue.

Budget Patterns.—Budget support levels contribute to, but do not determine the extent to which federal assistance programs reduce the availability of agricultural land. Of the federal programs identified as having substantial or moderate adverse impacts on agricultural land, approximately 15 percent were supported by budget levels greater than one billion dollars; just over 65 percent were supported by budget levels greater than 100 million dollars. Federal programs identified as having substantial or moderate positive impacts on agricultural land are generally funded at a lower level. Less than 5 percent of the programs identified as positively affecting agricultural land are supported by individual budget levels greater than one billion dollars.

Geographic Scope.—Federal programs reducing agricultural land availability are generally national in scope. While many are directed specifically towards urban or rural areas, many others affecting agricultural land can be implemented in either urban, suburban, or rural areas. Federal assistance levels, particularly development assistance, tend to be greater in the Sun Belt. Development assistance tends to be most active at edges of urbanized areas.

Rather than adversely affecting agricultural land availability, federal programs directed exclusively towards urbanized areas often result in a more amenable urban environment. Such programs appear to curb the current outmigration trend, reducing development burdens on rural and agricultural land areas.

Mission Consistency.—Many federal programs with single-purpose or narrowly-defined missions often fail to mitigate inadvertent adverse agricultural land impacts. Individual missions of separate federal programs continue to produce conflict and diminish the collective results of federal programs, while neglecting broad policy goals such as agricultural lands protection. Indirect and unintentional impacts of program actions on agricultural land were found to be attributed to multiple causes, deemed unimportant, or often considered the responsibility of another agency. In the absence of agricultural land protection policies, direct and indirect conflicts between current federal assistance program objectives and goals of maintaining agricultural land are expected to continue.

Planning Support.—Federal planning assistance programs available to guide growth and development are primarily of a special-purpose nature (e.g., highways, waste water treatment, etc.) and seek to accomplish specific ends which are not consistent with retention of agricultural land.

None of the current federal planning assistance programs were found to provide either financial or technical planning support for agricultural land conservation. Those state and local government units normally eligible for federal planning assistance have generally relied on nongovernmental sources of support, such as research or private foundation funding in their efforts to establish agricultural land conservation programs.

Agency Awareness.—Federal program officials were found to be generally unaware and uninformed about agricultural land issues, and exhibit indifferent attitudes towards agricultural land protection. Technical program managers do not usually perceive the loss of agricultural land to be a problem; where perception of the problem exists, technical program managers lack the policy tools or authority to ensure mitigation of agricultural land conversion. Because it is often impossible to discern the necessary as opposed to the merely fortuitous impacts of various federal programs on farmland, in the final analysis, program managers' attitudes towards agricultural land conversion may prove a greater factor than program budget size, type of impact, etc. Until program impacts and constraints become visible in the minds and programs of program managers, conflicts between program mission completion and agricultural land protection will continue to exist.

Policy And Review Tools.—Only two of the 37 agencies reviewed currently have explicit policy tools designed to ensure the consideration of program impacts on agricultural land. (Some program sub-units within these organizations have yet to incorporate agricultural land reviews into their regulations and guidelines.) The degree of consideration of agricultural land varies greatly among agencies reviewed. Based in interviews with various program officials, the type of review and impact assessment tool most frequently used is the EIS process. However, EIS's are not prepared for most individual federal projects; of those that are completed, most fail to asses the incremental and cumulative adverse impacts on agricultural land. Interviewed officials generally agreed that until other tools such as the A-95 review process specifically require agricultural land considerations, their usefulness for this purpose will remain limited.

SUMMARY OF PROGRAMS REDUCING AGRICULTURAL LAND AVAILABILITY

The table below identifies those categories of federal programs which tend to reduce agricultural land availability as they are implemented.

FEDERAL PROGRAM CATEGORIES WITH CONVERSION CHARACTERISTICS REDUCING THE AVAILABILITY OF AGRICULTURAL LAND

Conversion characteristics/functional category	Economic development (28)	Capital improvement (14)	Housing (26)	Land management (13)	Agriculture (18)	Environmental protection and natural resources development (32)	Programs reducing agricultural land availability	(131 total) percent of total
Land acquisition	16	6	19	8	1	12	64	49
Hindered agricultural management practices	3	3	6	6	1	8	27	21
Reduced water availability	11	3	12	1	1	6	34	26
Reduced agricultural support services	4	1	4			2	11	8
Expanded community infrastructure	17	8	15	3	1	10	54	41
Increased residential development	2	7	17		1	5	32	24
Growth in nonagricultural employment	7	2	10	2		6	27	21
Population migration	15	5	14	5		9	48	37
Conversion characteristic reducing agricultural land availibility	77	35	97	25	5	58		
Percent of total [1]	77/102	35/45	97/115	25/36	5/51	58/112		
	75	78	84	69	10	52		

[1] Column totals for conversion characteristics include activities that reduce availability, activities that maintain availability, and activities judged to be "indeterminant."

SUMMARY OF PROGRAMS MAINTAINING AGRICULTURAL LAND AVAILABILITY

The table below identifies those categories of federal programs which tend to maintain agricultural land availability as they are implemented.

FEDERAL PROGRAM CATEGORIES WITH CONVERSION CHARACTERISTICS MAINTAINING THE AVAILABILITY OF AGRICULTURAL LAND

Conversion characteristics/functional category	Economic development (28)	Capital improvement (14)	Housing (26)	Land management (13)	Agriculture (18)	Environmental protection and natural resources development (32)	Programs maintaining agricultural land availability	(131 total) percent of total
Land acquisition	1			1	3	2	6	5
Hindered agricultural management practices	4	3	1	2	12	8	30	23
Reduced water availability	1	1			3	13	18	14
Reduced agricultural support services	4	4	2		10	7	27	21
Expanded community infrastructure			2			1	3	2
Increased residential development	1		2		1	1	5	4
Growth in nonagricultural employment					14	4	18	21
Population migration	1		1			9	11	8
Conversion characteristics maintaining agricultural land availability	11	8	8	3	43	36		
Percent of total [1]	11/102	8/45	8/115	3/36	43/51	36/112		
	11	18	7	12	84	32		

[1] Column totals for conversion characteristics include activities that reduce availability, activities that maintain availability, and activities judged to be "indeterminant."

CASE STUDIES

Ten case studies were compiled to add a tangible illustration to the technical nature of much of the NALS research on federal programs. These case studies should be reviewed as representative examples of numerous case studies and are not necessarily the most significant case studies identified by NALS. NALS staff chose case studies which: highlighted one or more of the agricultural land conversion characteristics; represented one of the agencies identified by NALS as most adversely affecting agricultural land availability; represented a diverse geographical background; and were readily documentable.

A brief outline of each of the case studies follows:

Tennessee.—Columbia Dam/Duck River Development Project (TVA). When completed, development of this dam and reservoir project by the Tennessee Valley Authority will permanently inundate 11,000 acres of prime agricultural land and purchase an additional 17,000 acres of agricultural land for easement and high pool flooding rights. This case study exemplifies land acquisition conversion characteristics.

California.—Sacramento Metropolitan Airport Project (DOT/FAA). This Department of Transportation, Federal Aviation Administration-assisted project was developed on 7200 acres of prime agricultural land formerly used for rice and other irrigated crop production. Agricultural land loss was not considered in the original construction phases (3700 acres), completed in the mid-1960's. Later additions (3500 acres), completed in 1976, also failed to consider or mitigate direct agricultural land loss resulting from project land acquisition. This case study also exemplifies land acquisition conversion characteristics.

Washington.—LO MO-ASHE High Voltage Transmission Corridor (DOE/BPA). This Department of Energy, Bonneville Power Administration transmission corridor project was constructed on both dry and irrigated agricultural land. While only a small amount of acreage was actually converted to nonagricultural uses, many agricultural management difficulties were created by the project. Among the management difficulties cited by the farmers were the difficulty or inability to convert agricultural acreages to cost-effective, fully mechanized circular irrigation systems; increased costs due to increased manpower needs stemming from inefficient irrigation practices; productivity losses of selected crops grown under the high voltage lines; and increased difficulty and costs associated with aerial pesticide application and weed control. This case study includes hindered agricultural management conversion characteristics.

Texas.—Guaranteed Home Mortgage Insurance (HUD). Guaranteed home mortgage loans from the U.S. Department of Housing and Urban Development have contributed to Harris County's rapid residential growth rate. Currently one of the fastest growing areas in the United States, Harris County has been losing approximately 15,000 acres of prime rice and soybean land per year over the last several years. Most of this agricultural land is converted to urban and built-up uses. While difficult to show that fewer acres would be converted without HUD participation, the association between HUD mortgage insurance and continued rapid residential development is clear, and documented within HUD's own environmental impact statements. This case study includes residential development conversion characteristics.

Colorado.—Narrows Dam Project (DOI/WPRS). The Department of Interior/Water and Power Resources Service's (formerly Bureau of Reclamation) proposal to construct the Narrows Dam in Colorado's Eastern High Plains would inundate approximately 15,000 acres of irrigated and dryland farms. While this project is currently not being considered for further funding, justification for the project (should it be resurrected) includes enlarging the water supply for increased irrigation of surrounding farmland and new municipal water supplies. This case study includes land acquisition conversion characteristics.

Tennessee.—Madison West Industrial Park Development (EDA) This industrial park development project, jointly assisted by the Economic Development Administration and Farmers Home Administration, is contributing to Jackson Tennessee's transformation from an agricultural community to an industrial/commercial community. This industrial site is located on agricultural land on the west side of Jackson, and opens up another area where further conversion of prime agricultural land can take place. This case study includes agricultural support services conversion characteristics.

Virginia.—Remington Regional Sewer System (FmHA/EPA) Jointly funded by the Environmental Protection Agency and Farmers Home Administration, this project allows for a 162 percent increase in residential, commercial and industrial development within an important farming area 40 miles northwest of Washington, D.C. This case

study includes community service infrastructure conversion characteristics.

Montana.—Rural Housing Loans (FmHA) Rural housing loans from Farmers Home Administration have contributed to the removal of a significant amount of good agricultural land around Helena, Montana. NALS found that this program is encouraging urban dwellers to relocate to rural subdivisions, that are being built on agricultural land, so that they will be eligible for low cost FmHA residential financing. This case study includes residential development conversion characteristics.

Illinois.—Development of Supplemental Freeway 412 (DOT) This Department of Transportation/Federal Highway Administration project involves the development of Supplemental Highway 412 through prime agricultural land in North Central Illinois. Agricultural land conversion for this project is estimated to reach 5000 acres depending on final route selection in the Southern portion of the project. This case study includes land acquisition conversion characteristics.

Kansas.—Elm Creek Water District (FmHA) This Departemnt of Agriculture/Farmers Home Administration project involved assistance in the development of a water district several times larger than needed. Such a project acts as a growth magnet and encourages resident and commercial uses of land adjacent to the newly developed water lines. This case study includes community service infrastructure conversion characteristics.

STUDY APPROACH

In determining the impacts of federal programs on the agricultural land base, NALS staff employed a systematic approach, comprised of a series of successive steps including an inventory and screening of federal programs, an assessment of their effects on agricultural land, and recommendations on how to mitigate those impacts. These steps are outlined below.

[Chart not reproducible in Record.]

REMARKS OF THE U.S. DEPARTMENT OF AGRICULTURE*

On Tuesday night, December 30, 35 folks from my home county—Knox County here in Illinois—got together with two officials of the Illinois Department of Agriculture. The purpose of the session was to discuss the Agricultural Areas Act, as relatively new piece of state legislation and one of which I'm particularly proud.

Ron Darden and Chris Mosher explained the Act's purpose—to protect Illinois farmland from development and from state and local pressure to shift land to other uses. They talked about its practicality, the fact that it's a basic tool to be used with county zoning laws. They emphasized the role of local government in protecting prime Illinois land and estimated the consequences of the continued annual loss of 100,000 acres of Illinois farmland to non-agricultural uses: fewer exports, higher food prices, and a reduced national balance of payments by the year 2000.

Perhaps most important, Ron and Chris stated for the people of Knox County the significance of the Agricultural Areas Act: the fact that for the first time it makes official, lays out in legislated black and white, state recognition of the value of farmland for agricultural purposes.

I don't recount our state experience to boast. We did what had to be done. I believe that those of us in Illinois government had an obligation to ourselves and to the people of this country to protect our land. And I believe that responsibility was mandated long before we passed legislation on July 1, 1980, by certain facts and figures that are as much part of this state as the city of Chicago.

I tell you about our state experience because the contradictions in Illinois agriculture are what the National Agricultural Lands Study is about.

Eighty percent of Illinois cropland is prime land. That's a rich blessing, but it's also a tremendous responsibility. With that bountiful land, the state provides more than one-tenth of the nation's food supply and over 17 percent of its exports. That means a continuing high level of dependence on Illinois by our own country which must look to agriculture to redeem an oil-heavy trade deficit and by other nations which face a growing gap between their ability to produce and their consumption demands.

Now weigh those obligations against the fact that Illinois each year is losing about 6.7 tons of soil per acre to erosion and the equivalent of 373 average-sized farms to farmland conversion. It becomes apparent that the increasing pressure on our best land and our decreasing ability to produce prime farm land are pulling against each other.

We Americans are a funny people. We're people of surplus. We consider it our heritage and our right. Yet in taking bounty for granted in our own lifetime, we may deny our children. We see no limits, recognize no boundaries.

As I see it, everyone involved in the National Agricultural Lands Study, everyone who will influence agricultural land policy in the coming decade, has three difficult, immediate and top-priority responsibilities.

The first is to change the way Americans think about their land—to make them think about their land. R. Neil Sampson, of the National Association of Conservation Districts, calls for a new "land ethic."

All of the statistics, legislation and studies mean nothing without a basic understanding that in the next 20 years we cannot realize a 60–85 percent increase in demand for U.S. agricultural products while urbanizing three million acres of productive land each year and maintaining current low productivity rates.

The second responsibility is to make Americans understand that the situation is a crisis in the making. The present agricultural land situation has been compared to the energy conservation issue of ten years ago. Since 1973, we've increased our dependence on foreign oil by nearly 50 percent. Our foreign oil bill has increased thirty-fold in the last decade. But until gas lines wrapped three times around the block in the summer of 1979, the crisis wasn't immediate and Americans didn't take note.

The conversion of our agricultural lands is a potential crisis on several counts. To meet projected demands for the next 20 years, most of the nation's 540-million-acre cropland base would have to be in cultivation. This would mean major shifts in the U.S. agricultural system: taking land away from forage and grazing uses, farming poor-quality land that is costly to cultivate and subject to erosion and environmental problems, and resulting higher food prices. The chain of problems would be lengthy and expensive.

The third responsibility is to convince the nation that once we reach the crisis stage, there's no turning back. The effects of urbanization are irreversible. We won't be talking critical problems; we'll be talking fatalities.

The National Agricultural Lands Study has built a strong case for establishing a national policy for protecting good agricultural land. I support such a policy. I support wrapping up the studies now and taking action. And in this time of severe fiscal restraint, as discussed last Thursday night by President Reagan, I also support the study's recommendation that state and local governments take the lead and federal agencies lend support.

In discussing fiscal responsibility, the President talked about leaving our children liberty.

Liberty is really what we're talking about today. Liberty doesn't mean the freedom to squander resources and evade responsibility. It means taking on responsibility so that we have freedom to make deliberate, conscious choices about our future. Thank you.

*Remarks prepared for delivery by Secretary of Agriculture John R. Block, before the National Agricultural Lands Conference, Chicago, Illinois, February 10, 1981.

SENATE CONCURRENT RESOLUTION 11—CONCURRENT RESOLUTION TO ESTABLISH THE NATIONAL DAY OF THE SEAL

Mr. WEICKER (for himself and Mr. MOYNIHAN) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 11

Whereas the seal is an essential and inseparable part of the marine ecosystem, and,

Whereas the seal, of which there are some 33 species, is a land mammal that returned to the oceans twenty to thirty million years ago, and,

Whereas the presence of the seal helps maintain the health and balance of this environment, and,

Whereas the presence of the seal is an indication of a whole and healthy ecosystem, and,

Whereas the seal, is a social carnivore with a highly evolved nervous system and physiology especailly adapted to its marine environment, and,

Whereas the seal epitomizes the freedom and the mystique of the oceans and in many cultures is revered as a spiritual embodiment of the mind in the waters, and,

Whereas March is the month of the year when the harp seal renew their eternal cycle, and,

Whereas the growing world-wide awareness of the ecological and aesthetic value of the seal has led to a desire to designate a special day of recognition,

Resolved by the Senate (the House of Representatives concurring) That the Congress proclaims March 1, 1981, as the National Day of the Seal and urges all citizens to join in this celebration of life with appropriate activity.

⊙ Mr. WEICKER. Mr. President, today I am pleased to introduce, along with my distinguished colleague, Mr. MOYNIHAN, a resolution to declare March 1, 1981, as "National Day of the Seal."

As you know from previous statements that I have made on this floor, I believe that the oceans are becoming increasingly important to this Nation and the rest of the world in terms of food, energy, minerals, transportation, and recreation. The very survival of mankind in the future may very well depend on a healthy marine environment to provide us with many of the essentials of life.

The seal and other members of the suborder Pinnipedia are an essential part of the ocean environment. They are warm blooded, fur bearing predators that inhabit coastal areas all over the world. Seals are predominantly fish eaters, but they occasionally feed on squid, decapods, crustaceans, krill, and other invertebrates. The Leopard Seal in the Antarctic is the only known seal to feed on warmblooded animals, occasionally taking penguin for food. Seals, of which there are 33 species, are predominantly cold and temperate water dwellers. The rare and endangered Hawaiian Monk Seal is an exception, living in the quiet tropical waters of the Hawaiian Islands. Its counterpart, the Caribbean Monk Seal is now thought to be extinct since no sightings have been reported for many years.

The seal has been hunted for food and its fine fur for centuries. Some species have been depleted so badly by hunters that a number of nations, including the United States, now protect seals along with other marine mammals. Presently, the only exemption for the hunting of seals in this country is by Alaskan Natives on the Pribilof Islands.

An average annual harvest of 26,507 of the North Pacific Fur Seal has been taken in recent years. The Pribilof Seals are clubbed to death in the same manner as the Harp Seal pups are harvested in Northern Canada.

For more than two centuries, the Newfoundland fishermen have hunted the Harp Seal for cash income during the spring when income is normally low. The annual landed value of the Harp Seal catch is estimated at about $4 to $5 million.

Much of the impetus for passage of the Marine Mammal Protection Act of 1972 came from public outrage over the Canadian clubbing of the baby Harp Seal. The act has thus had a great impact on the protection and revitalization of several species of marine mammals.

Mr. President, not only is the seal an essential part of the marine ecosystem, it is, to many of us, an esthetic symbol of a free-spirited animal in complete accord with its environment. Left to their own devices, without the interference of man, the seal's highly adaptive behavior flows with the rhythm of the sea, assuring its health and survival.

Man has much to learn in this regard and I trust that this resolution will bring a greater awareness to us all of the essential place of the seal in the global ecosystem in which man also plays an integral role.●

SENATE RESOLUTION 77—RESOLUTION RELATING TO GRANTING OF EXIT VISAS FOR IRINA AND BORIS GHINIS AND THEIR CHILDREN FROM THE SOVIET UNION

Mr. HEFLIN submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 77

Whereas the Universal Declaration of Human Rights and the Final Act of the Conference on Security and Cooperation in Europe recognize that all individuals have a right to freedom of movement and freedom of religion;

Whereas Soviet authorities have refused exit visas for Irina and Boris Ghinis and their children, Julia and Allis Ghinis, four times since January 1979;

Whereas Irina Ghinis' parents, Valentin and Clara Litvin, and her brother and his family live in Birmingham, Alabama, and Boris, Irina, Julia, and Allis Ghinis seek entry into the United States for the purpose of reuniting with these other members of their family; and

Whereas Boris and Irina Ghinis have directed a Jewish kindergarten in Moscow which has been harassed by Soviet authorities: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should strongly urge the Government of the Union of Soviet Socialist Republics to grant exit visas for Boris, Irina, Julia, and Allis Ghinis in order that they may reunite with other members of their family in the United States.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

SENATE RESOLUTION 80—RESOLUTION DESIGNATING THE "HUGH SCOTT ROOM"

Mr. MATHIAS, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. RES. 80

Resolved, That room S-120 in the United States Capitol is designated as the "Hugh Scott Room".

SENATE RESOLUTION 83—RESOLUTION DESIGNATING RELATING TO PURGE OF RIKIZO HIRANO

Mr. MATSUNAGA submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 83

Whereas in 1947, the Honorable Rikizo Hirano was the Japanese Minister of Agriculture and Forestry, and a member of the Japanese Diet; and

Whereas recently released American military records of the occupation of Japan following the Second World War reveal that—

(1) Rikizo Hirano was effectively purged from his positions as Minister of Agriculture and Forestry and as a member of the Diet in the House of Representatives, as a result of the intervention against its own rules, by the Office of the Supreme Commander for the Allied Powers (SCAP) in the Japanese judicial process, and

(2) the intervention of SCAP was without basis or justification in that it violated the Allies' duty to respect the Japanese judicial process in the Japanese administration of the purges, and to carry out the task of teaching the principles of democracy and justice; and

Whereas, the result of the purge was to subject Mr. Hirano to public scorn, humiliation, and loss of honor, as well as loss of public office: Now, therefore, be it

Resolved, That in recognition of the egregious harm inflicted upon Rikizo Hirano by the intervention of the Office of SCAP in the Japanese judicial process, resulting in his being purged, and, in recognition of Rikizo Hirano's distinguished career of public service in the affairs of agriculture, wherein his contributions have been lauded throughout the agricultural world, it is the sense of the Senate that the intervention of the office of SCAP resulting in the purge of Rikizo Hirano in 1947 was without basis or justification, improper and in violation of its own rules, and that all records of all United States Government agencies involved should be corrected to clear Rikizo Hirano of any wrong-doing and to restore the honor and reputation of Rikizo Hirano to their rightful standing in his country and in the world.

Mr. MATSUNAGA. Mr. President, today I am introducing a resolution that will help, in a small way, to rectify an injustice that has existed for over three decades; an injustice that tarnishes the almost unblemished record of our reconstruction efforts in postwar Japan.

The wrong that I seek to redress is an old one. Soon after the allied occupation of Japan, the Supreme Commander of Allied Powers (SCAP) initiated a series of rules designed to purge undesirable individuals from the Government and political parties of Japan. As prescribed by SCAP, the purge could be implemented in two ways: By the Supreme Allied Commander or by the Japanese Government itself.

In 1947, Mr. Rikizo Hirano was the Minister of Agriculture and Forestry. Despite his high visibility, his reputation for honesty and moderation was well known, and no attempt was ever made by the supreme commander to remove him from participating in the Government. However, Mr. Hirano did have political enemies within the ruling Japanese Cabinet who twice initiated votes against him in order to permanently ostracize him from public life. Both attempts failed.

In January 1948, his political opponents forced yet a third vote and this time succeeded in obtaining a bare 5 to 4 majority. The vote, however, was tainted by controversy. Immediately afterward, a member of the cabinet publicly confessed that his vote to purge Mr. Hirano was the result of pressures brought to bear on him by the political opponents of this outstanding Minister of Agriculture.

Mr. Hirano sought redress in the Japanese courts, seeking to effect the protection of due process that we in this country have always enjoyed. On February 2, 1948, the Tokyo district court granted him the equivalent of an injunction, permanently suspending the purge order.

The matter automatically went before the Supreme Court of Japan, but the court was never permitted the opportunity to review the case, for an official of the Supreme Allied Command ordered the Japanese High Court to reverse the ruling of the lower tribunal. No reason was ever given for the arbitrary SCAP directive which was, in fact, a violation of its own rules against interfering with the Japanese legal system on domestic matters. Nevertheless, citing the SCAP directive, the Japanese Supreme Court immediately reversed the lower court

ruling, thus reinstating the purge order which permanently disqualified Mr. Hirano from holding public office, and imposed on him the stigma of dishonor that he has now carried for over 32 years.

Mr. Hirano, now in his 80's, lives in Tokyo and has remained active in agricultural affairs through a variety of activities. He is the founder and president of Nikkan Nogyo Shimbun, a journal which addresses the agricultural problems of Japan and the world. His other publications include a Japanese translation of "World Without Hunger," by former Secretary of Agriculture Orville Freeman, with whom he met in 1968 to discuss food problems; and a book entitled "New Trials for Japanese Agriculture," published in 1971.

Despite his advanced age, Mr. Hirano has also traveled extensively in recent years. In 1976, he visited Korea, where a series of his lectures attracted audiences totaling 50,000 people, and in 1977, he met with then U.S. Secretary of Agriculture Bob Bergland to discuss both food policy and the 200-nautical-mile boundary.

In appreciation for Mr. Hirano's contribution to the world of agriculture, a monument was erected in his honor in his home precinct. The fact that this edifice was built with donations from 1,400 farmers makes it a fitting testimonial to an individual whose lifetime has been dedicated to public service on behalf of that occupational group.

Mr. President, no forum now exists either in this country or Japan to properly redress this grave injustice. But by resolution of this body, we can reaffirm that in postwar Japan, our intention was to encourage establishment of a society governed by the rule of law and founded on the principles of fundamental fairness. In this, we most assuredly succeeded, for today, Japan has a firm heritage of democracy that is viewed with pride by all members of the world community. By acknowledging the wrong that has been perpetrated aaginst Rikizo Hirano, we will be enhancing our own national integrity while restoring the honor that he so greatly cherishes and so richly deserves.

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. COCHRAN. Mr. President, as chairman of the Agriculture Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, I wish to announce that a hearing has been scheduled on S. 509, a bill to eliminate the semiannual adjustment in the support price of milk. The hearing will be held on Wednesday, February 25, at 9:30 a.m. in room 324, Russell Building. Anyone wishing further information should contact the Agriculture Committee staff at 224-2035.

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Subcommittee on Labor of the Labor and Human Resources Committee will hold a public hearing at 9:30 a.m. on March 12, 1981. The subject of the hearing will be the jurisdiction of the Mine Safety and Health Administration (MSHA) as it relates to surface sand, gravel, and stone operation. Specific legislation on this issue, S. 351, has been introduced by Senators WALLOP and BUMPERS. Similar proposals will also be considered at this time.

For further information, please contact Rick Lawson or Chuck Carroll at 224-5546 or 224-5547.

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Subcommittee on Labor of the Labor and Human Resources Committee will hold a public hearing at 9:30 a.m. on March 10, 1981. The subject of the hearing will be S. 398, a bill introduced by Senator ARMSTRONG amending the Walsh-Healey Act and the Contract Work Hours Standards Act thereby permitting employees of Federal contractors to work four 10-hour days.

For further information on the hearing, please contact Rick Lawson or Chuck Carroll at 224-5546 or 224-5547.

AUTHORITY FOR COMMITTEES TO MEET

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the permanent Subcommittee on Investigations be allowed to meet during the session of the Senate if there be such a session on Wednesday, February 25, at 9:30 a.m.; on Thursday, February 26, at 9 a.m.; and if there be a session on Friday, February 27, at 9 a.m., to hold hearings on organized crimes, influence, and control over waterfront industry along the East and Gulf Coasts.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

U.S. POLICY IN EL SALVADOR: THE NEED FOR A BALANCED APPROACH

● Mr. PELL. Mr. President, yesterday the administration issued a White Paper presenting "irrefutable" evidence of Cuban and other Communist aid to the guerrillas in El Salvador. I am deeply concerned about the threat detailed in the White Paper, and my own view is that if the intelligence is as hard as the administration maintains that it is, we ought to take this matter to the Organization of American States immediately with a view toward arriving at a hemisphere-wide approach to the problem. This is not a matter of sole concern to the United States. The democratic states in the region such as Mexico, Costa Rica, Venezuela, and Peru have a genuine interest in a peaceful settlement.

The administration, by the issuance of this White Paper, appears to be preparing the way for a program of increased U.S. military assistance to El Salvador. A strictly military approach to the problem, however, concerns me very much. If the Salvadoran military and other right-wing elements in El Salvador interpret an increasing U.S. military aid program as a license to destroy all semblance of opposition in the country and to step up their acts of terrorism against the people of El Salvador, it is likely that public support for the guerrillas will increase. In that case the ranks of the guerrillas, now numbering only a few thousand, will grow. If that happens, increased American involvement in the Salvadoran conflict could, paradoxically, increase the threat of a Communist takeover. That is certainly not our objective.

We need a balanced approach to the situation in El Salvador that would have as its objective a sustained campaign to promote the suppression of right-wing terrorism that has taken the lives of thousands of Salvadorans as well as four American churchwomen, and the strengthening of economic reform programs at the same time that we are acting to prevent a Communist military takeover. I am convinced that a military solution alone will not work.●

ESTONIAN INDEPENDENCE

● Mr. WILLIAMS. Mr. President, I wish to join my colleagues in offering congratulations to the people of Estonia and her many sons and daughters in America as they observe this 63d anniversary of Estonia's declaration of independence.

The very fact the Estonian nation managed to come into existence is eloquent testimony to the courage and determination of the Estonian people. The Estonians proclaimed their independence after the tzarist government fell, and from 1918 until 1940, they enjoyed a short-lived period of progress and, more importantly, freedom. In 1940, through manipulation and intimidation, the Soviet Union annexed the Republic of Estonia, along with its sister republics of Latvia and Lithuania. Before fleeing the advancing German forces in 1941, Soviet troops destroyed countless towns and executed thousands of innocent people. Under the reign of the Nazis, conditions in Estonia did not improve. When the Nazis were finally expelled in 1944, Estonia had lost more than 70,000 of its population. In 1944, the Soviet Union once again resumed its illegal occupation. After 1945, the once independent and free Estonia became a land of numerous executions and deportations.

The repeated violation of the basic human rights of the Estonian people is indeed a tragedy. Estonians have proved their courage continually by enduring years of unrelenting suffering.

The declaration of Estonian independence on February 24, 1918, was a landmark in history. On the anniversary of that historic occasion, it is important to recognize the unique spiritual strength of these people and look forward to the day Estonia will again be a free nation.●

LITHUANIAN INDEPENDENCE COMMEMORATION

● Mr. LUGAR. Mr. President, I would like to join my colleagues and the Lithuanian-American community today in commemorating the 63d anniversary of the declaration of Lithuanian independence.

Lithuania embarked on its role as a free nation in 1918, full of hope and promise. For a brief 22 years, the people of Lithuania controlled their own destiny.

Soviet territorial aggrandizement toward the end of World War II led to the enslavement of Lithuania and her sister republics. In 1940, the Republic of Lithuania was overrun and annexed by the Soviet Union.

Since 1940, the proud Lithuanian nation has been governed as a colony of the Soviet Union and denied freedom and the right to determine its own form of government.

Soviet domination has not and will not eradicate the spirit and desire for freedom and self-determination of the Lithuanian people. The Soviet Union is sitting on a powder keg of discontent within its own borders. Soviet adventurism and subjugation of neighboring peoples is a policy that is both abhorrent and doomed to failure.

Our expressions today carry with them a recognition of that fact and a feeling of hope for the future for the captive Lithuanian people.

The U.S. Government does not nor has it ever recognized the illegal Soviet takeover of Lithuania, Latvia, and Estonia.

Today, I urge the leaders of the Kremlin to reexamine their deeds and consider the millions of freedom-loving people now captive in the Soviet empire.

The Soviet Union's denial of the exercise of the principle of self-determination for the Baltic peoples is a reprehensible affront to the international community and a direct violation of the Helsinki accords.

I hope it will not be too long before the quest of the Lithuanians and the other Baltic peoples for freedom and self-government and their release from Soviet domination will be realized.●

LITHUANIAN NATIONAL DAY

● Mr. ROTH. Mr. President, on February 16, Lithuanians throughout the world observed the 63d anniversary of Lithuania declaration of independence.

The flame of freedom was temporarily snuffed out in 1940 when the Soviet Union, in collaboration with the Nazi regime, invaded and occupied the Baltic States of Lithuania, Estonia, and Latvia.

To its credit, the United States has never recognized the annexation of Lithuania or any of the Baltic States. The U.S. Government reaffirmed this policy in a blunt statement at the Conference on Security and Cooperation in Europe last December. In that statement, the U.S. spokesman noted that although four decades have passed, "the passage of time will not make that wrong right. Time does not make right any more than might makes right."

This month, we join the over 1 million Americans of Lithuanian background in rededicating ourselves to the basic principle of self-determination for Lithuania and the other captive nations in the Soviet Empire. In so doing, we serve notice to the Soviet Union that freedom-loving peoples everywhere will indeed persevere until Lithuania is liberated from the oppressive yoke of foreign domination.●

TRIBUTE TO THE 150TH TACTICAL FIGHTER GROUP OF THE NEW MEXICO AIR NATIONAL GUARD

● Mr. SCHMITT. Mr. President, often, when we discuss our military capabilities and shortcomings, we only focus on our Active Forces and neglect to mention our Reserve and National Guard forces. The Reserve and Guard units, however, form an integral part of our overall military capability. This was recently demonstrated when the U.S. Rapid Deployment Force conducted its first overseas operational exercise.

Appropriately, the Rapid Deployment Force exercise took place in the strategic and troubled Persian Gulf area. The Rapid Deployment Force units were based in Egypt with the tactical air support based at Cairo West airfield.

It is with genuine pride that I point out that the 150th Tactical Fighter Group of the New Mexico Air National Guard participated in these exercises. I am confident that my colleagues will agree that the assignment of the Air National Guard to such a high priority frontline national defense role is a remarkable event in the development of our combat-ready forces.

In a recent letter to me, Lt. Gen. P. X. Kelley, Commanding General of the Rapid Deployment Force, pointed out that the performance of the New Mexico Air National Guard was superb. In the letter, General Kelley tells how the 150th Tactical Fighter Group flew its single-seat aircraft nonstop from the United States to Egypt, setting a record for the longest nonstop flight by a group of A-7's Yet, 2 hours after landing, six of these eight "Corsairs," with fresh pilots, took off on a training mission. The performance and technical skill of the ground crews is evidenced by the fact that the A-7D's were operationally ready 97 percent of the time, a reliability achievement "quite remarkable when you consider that they were operating in a barebase environment."

Clearly, the pilots and ground crews of the 150th Tactical Fighter Group of the New Mexico Air National Guard and their aircraft have demonstrated our ability to move tactical airpower on emergency notice to distant parts of the world, and under rugged conditions keep flying and combat ready. The New Mexico Air National Guard has set a high standard of performance in support of our Rapid Deployment Force and has again demonstrated the National Guard's role as a combat-ready element of our Nation's frontline defense forces.

Mr. President, I submit the letter from Gen. P. X. Kelley to be printed in the RECORD at this point.

The letter is as follows:

RAPID DEPLOYMENT JOINT TASK FORCE,
MacDill AFB, Fla., January 23, 1981.

Hon. HARRISON SCHMITT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR SCHMITT: I understand that members of our staffs have been discussing "BRIGHT STAR," the Rapid Deployment Joint Task Force exercise conducted last November in Egypt. As you know, the 150th Tactical Fighter Group of the New Mexico Air National Guard participated, and I would like to give you my personal assessment of their performance.

In a word, the 150th's performance was superb! From the moment I watched the group arrive at Cairo West, it was clear to me that the 150th was a first rate, professional organization.

Colonel Dave Quinlan, the group commander, and his pilots had been slated to deploy to Egypt via the Azores for a brief fuel stop; but, because of high winds there, the eight A-7D Corsairs flew 11½ hours nonstop from Pease Air Force Base, New Hampshire, refueling en route an average of seven times each. Not only did this set a record for the longest nonstop flight by a group of A-7s, but the planes were back in the air (with fresh pilots) for six training sorties within two hours of the time they touched down at Cairo West.

In addition, during the exercise, the 150th:

Was operationally ready 97 percent of the time. That's far higher than most squadrons, including active duty squadrons. It means that all eight Corsairs were ready to fly some 97 percent of the time; quite remarkable when you consider that they were operating in a bare base environment.

Flew an average of 12 sorties a day for the entire period they were in Egypt.

Took part in a live firepower demonstration with other U.S. and Egyptian forces.

Dropped over 70 500-pound bombs and fired over 5,000 rounds of 20-mm. cannon fire.

If all military units performed as capably and professionally as the 150th Tactical Fighter Group of the New Mexico Air National Guard did, my job as the Rapid Deployment Force commander would be a far easier one!

With warm personal respect and best wishes, I am,

Most respectfully,
LT. GEN. P. X. KELLEY,
Commander, U.S. Marine Corps.●

RULES OF THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

● Mr. GARN. Mr. President, the Committee on Banking, Housing, and Urban

Affairs held its organizational meeting on February 4, 1981. At that time, the committee adopted its rules of procedure for the 97th Congress, and also formally adopted procedures which the committee intends to follow in the consideration of Presidential nominees.

Mr. President, I ask that the text of the committee's rules of procedure, together with the committee procedure for Presidential nominees, be printed in the RECORD.

The material is as follows:

RULES OF PROCEDURE FOR THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

(Adopted in executive session, February 4, 1981)

RULE 1.—REGULAR MEETING DATE FOR COMMITTEE

The regular meeting day for the Committee to transact its business shall be the last Tuesday in each month; except that if the Committee has met at any time during the month prior to the last Tuesday of the month, the regular meeting of the Committee may be canceled at the discretion of the Chairman.

RULE 2.—COMMITTEE

(a) Investigations.—No investigation shall be initiated by the Committee unless the Senate or the full Committee has specifically authorized such investigation.

(b) Hearings.—No hearing of the Committee shall be scheduled outside the District of Columbia except by agreement between the Chairman of the Committee and the ranking minority member of the Committee or by a majority vote of the Committee.

(c) Confidential testimony.—No confidential testimony taken or confidential material presented at an executive session of the Committee or any report of the proceedings of such executive session shall be made public either in whole or in part by way of summary, unless specifically authorized by the Chairman of the Committee and the ranking minority member of the Committee or by a majority vote of the Committee.

(d) Interrogation of witnesses.—Committee interrogation of a witness shall be conducted only by members of the Committee or such professional staff as is authorized by the Chairman or the ranking minority member of the Committee.

(e) Prior notice of mark-up sessions.—No session of the Committee or a Subcommittee for marking up any measure shall be held unless (1) each member of the Committee or the Subcommittee, as the case may be, has been notified in writing of the date, time, and place of such session at least 48 hours prior to the commencement of such session, or (2) the Chairman of the Committee or Subcommittee determines that exigent circumstances exist requiring that the session be held sooner.

(f) Prior notice of first degree amendments.—It shall not be in order for the Committee or a Subcommittee to consider any amendment in the first degree proposed to any measure under consideration by the Committee or Subcommittee unless twenty written copies of such amendment have been delivered to the office of the Committee at or before 2:00 p.m. on the business day prior to the meeting. This subsection may be waived by a majority of the Members of the Committee or Subcommittee voting. This subsection shall apply only when at least 48 hours written notice of a session to mark up a measure is required to be given under subsection (e) of this rule.

(g) Cordon rule.—Whenever a bill or joint resolution repealing or amending any statute or part thereof shall be before the Committee or Subcommittee, from initial consideration in hearings through final consideration, the Clerk shall place before each member of the Committee or Subcommittee a print of the statute or the part or section thereof to be amended or repealed showing by stricken-through type, the part or parts to be omitted, and in italics, the matter proposed to be added. In addition, whenever a member of the Committee or Subcommittee offers an amendment to a bill or joint resolution under consideration, those amendments shall be presented to the Committee or Subcommittee in a like form, showing by typographical devices the effect of the proposed amendment on existing law. The requirements of this subsection may be waived when, in the opinion of the Committee or Subcommittee chairman, it is necessary to expedite the business of the Committee or Subcommittee.

RULE 3.—SUBCOMMITTEES

(a) Authorization for.—A Subcommittee of the Committee may be authorized only by the action of a majority of the Committee.

(b) Membership.—No member may be a member of more than three Subcommittees and no member may chair more than one Subcommittee. No member will receive assignment to a second Subcommittee until, in order of seniority, all members of the Committee have chosen assignments to one Subcommittee, and no member shall receive assignment to a third Subcommittee until, in order of seniority, all members have chosen assignments to two Subcommittees.

(c) Investigations.—No investigation shall be initiated by a Subcommittee unless the Senate or the full Committee has specifically authorized such investigation.

(d) Hearings.—No hearing of a Subcommittee shall be scheduled outside the District of Columbia without prior consultation with the Chairman and then only by agreement between the Chairman of the Subcommittee and the ranking minority member of the Subcommittee or by a majority vote of the Committee.

(e) Confidential testimony.—No confidential testimony taken or confidential material presented at an executive session of the Subcommittee or any report of the proceedings of such executive session shall be made public, either in whole or in part or by way of summary, unless specifically authorized by the Chairman of the Subcommittee and the ranking minority member of the Subcommittee, or by a majority vote of the Subcommittee.

(f) Interrogation of witnesses.—Subcommittee interrogation of a witness shall be conducted only by members of the Subcommittee or such professional staff as is authorized by the Chairman or the ranking minority member of the Subcommittee.

(g) Special meetings.—If at least three members of a Subcommittee desire that a special meeting of the Subcommittee be called by the Chairman of the Subcommittee, those members may file in the offices of the Committee their written request to the Chairman of the Subcommittee for that special meeting. Immediately upon the filing of the request, the Clerk of the Committee shall notify the Chairman of the Subcommittee of the filing of the request. If, within 3 calendar days after the filing of the request, the Chairman of the Subcommittee does not call the requested special meeting, to be held within 7 calendar days after the filing of the request, a majority of the members of the Subcommittee may file in the offices of the Committee their written notice that a special meeting of the Subcommittee will be held, specifying the date and hour of that special meeting. The Subcommittee shall meet on that date and hour. Immediately upon the filing of the notice, the Clerk of the Committee shall notify all members of the Subcommittee that such special meeting will be held and inform them of its date and hour. If the Chairman of the Subcommittee is not present at any regular, additional, or special meeting of the Subcommittee the ranking member of the majority party on the Subcommittee who is present shall preside at that meeting.

(h) Voting.—No measure or matter shall be recommended from a Subcommittee to the Committee unless a majority of the Subcommittee are actually present. The vote of the Subcommittee to recommend a measure or matter to the Committee shall require the concurrence of a majority of the members of the Subcommittee voting. On Subcommittee matters other than a vote to recommend a measure or matter to the Committee no record vote shall be taken unless a majority of the Subcommittee are actually present. Any absent member of a Subcommittee may affirmatively request that his vote to recommend a measure or matter to the Committee or his vote on any such other matter on which a record vote is taken, be cast by proxy. The proxy shall be in writing and shall be sufficiently clear to identify the subject matter and to inform the Subcommittee as to how the member wishes his vote to be recorded thereon. By written notice to the Chairman of the Subcommittee any time before the record vote on the measure or matter concerned is taken, the member may withdraw a proxy previously given. All proxies shall be kept in the files of the Committee.

RULE 4.—WITNESSES

(a) Filing of statements.—Any witness appearing before the Committee or Subcommittee (including any witness representing a Government agency) must file with the Committee or Subcommittee (before noon, 24 hours preceding his appearance) 75 copies of his statement to the Committee or Subcommittee. In the event that the witness fails to file a written statement in accordance with this rule, the Chairman of the Committee or Subcommittee has the discretion to deny the witness the privilege of testifying before the Committee or Subcommittee until the witness has properly complied with the rule.

(b) Length of statements.—Written statements properly filed with the Committee or Subcommittee may be as lengthy as the witness desires and may contain such documents or other addenda as the witness feels is necessary to present properly his views to the Committee or Subcommittee. It shall be left to the discretion of the Chairman of the Committee or Subcommittee as to what portion of the documents presented to the Committee or Subcommittee shall be published in the printed transcript of the hearings.

(c) Fifteen-minute duration.—Oral statements of witnesses shall be based upon their filed statements but shall be limited to 15 minutes duration. This period may be extended at the discretion of the Chairman presiding at the hearings.

(d) Subpoena of witnesses.—Witnesses may be subpoenaed by the Chairman of the Committee or a Subcommittee with the agreement of the ranking minority member of the Committee or Subcommittee or by a majority vote of the Committee or Subcommittee.

(e) Counsel permitted.—Any witness subpoenaed by the Committee or Subcommittee to a public or executive hearing may be accompanied by counsel of his own choosing who shall be permitted, while the witness is testifying to advise him of his legal rights.

(f) Expenses of witnesses.—No witness shall be reimbursed for his appearance at a public or executive hearing before the Committee or Subcommittee unless such reimbursement is agreed to by the Chairman and ranking minority member of the Committee or by a majority vote of the Committee.

(g) Limits of questions.—Questioning of a witness by members shall be limited to 10 minutes duration, except that if a member is unable to finish his questioning in the 10-minute period, he may be permitted further questions of the witness after all members have been given an opportunity to question the witness.

Additional opportunity to question a witness shall be limited to a duration of 10 minutes until all members have been given the opportunity of questioning the witness for a second time. This 10-minute time period per member will be continued until all members have exhausted their questions of the witness.

RULE 5.—VOTING

(a) Vote to report a measure or matter.—No measure or matter shall be reported from the Committee unless a majority of the Committee are actually present. The vote of the Committee to report a measure or matter shall require the concurrence of a majority of the members of the Committee who are present.

Any absent member may affirmatively request that his vote to report a matter be cast by proxy. The proxy shall be sufficiently clear to identify the subject matter, and to inform the Committee as to how the member wishes his vote to be recorded thereon. By written notice to the Chairman any time before the record vote on the measure or matter concerned is taken, any member may withdraw a proxy previously given. All proxies shall be kept in the files of the Committee, along with the record of the rollcall vote of the members present and voting, as an official record of the vote on the measure or matter.

(b) Vote on matters other than a report on a measure or matter.—On Committee matters other than a vote to report a measure or matter, no record vote shall be taken unless a majority of the Committee are actually present. On any such other matter, a member of the Committee may request that his vote may be cast by proxy. The proxy shall be in writing and shall be sufficiently clear to identify the subject matter, and to inform the Committee as to how the member wishes his vote to be recorded thereon. By written notice to the Chairman any time before the vote on such other matter is taken, the member may withdraw a proxy previously given. All proxies relating to such other matters shall be kept in the files of the Committee.

RULE 6.—QUORUM

No executive session of a Committee or a Subcommittee shall be called to order unless a majority of the Committee or Subcommittee, as the case may be, are actually present. Unless the Committee otherwise provides or is required by the Rules of the Senate, one member shall constitute a quorum for the receipt of evidence, the swearing of witnesses, and the taking of testimony.

RULE 7.—STAFF PRESENT ON DAIS

Only members and the Clerk of the Committee shall be permitted on the dais during public or executive hearings, except that a member may have one staff person accompany him during such public or executive hearing on the dais. If a member desires a second staff person to accompany him on the dais he must make a request to the Chairman for that purpose.

COMMITTEE PROCEDURES FOR PRESIDENTIAL NOMINEES

Procedures formally adopted by the U.S. Senate Committee on Banking, Housing, and Urban Affairs February 4, 1981, establish a uniform questionnaire for all Presidential nominees whose confirmation hearings come before this Committee.

In addition, the procedures establish that:

(1) A confirmation hearing shall normally be held at least five days after receipt of the completed questionnaire by the Committee unless waived by a majority vote of the Committee.

(2) The Committee shall vote on the confirmation not less than 24 hours after the Committee has received transcripts of the hearing unless waived by unanimous consent.

(3) All nominees routinely shall testify under oath at their confirmation hearings.

This questionnaire shall be made a part of the public record except for financial information, which shall be kept confidential.

Nominees are requested to answer all questions, and to add additional pages where necessary.

THE STATUS OF FREEDOM

● Mr. GOLDWATER. Mr. President, another very important publication by the Association of the U.S. Army entitled, "The Status of Freedom," which is a year-end assessment of 1980 should be must reading for Members of the Congress and the Senate. It will demonstrate to all readers just how far freedom has slipped from the grasp of people around this world who truly want it.

I ask that this publication be printed at this point in my remarks.

The publication is as follows:

SPECIAL REPORT: THE STATUS OF FREEDOM, A YEAR-END ASSESSMENT, 1980

(Association of the U.S. Army)

The world is grown so bad,
That wrens make prey where eagles dare not perch.
—Shakespeare, Richard III, Act 1, Scene iii.

INTRODUCTION

If nothing else, 1980 was a year in which the power symbolized by the American eagle was frustrated by the wrens, the pigeons and even the cuckoos. They were perceptive enough to see the eagle shackled to its perch by a deepening lack of purpose and by uncharacteristic timidity. In every corner of the world challenges were thrown at the eagle and the concepts it represents but those challenges brought little response beyond breast-beating and a fluttering of wings.

The people of the United States saw the fluttering and did not like it. As early as the Spring of the year, a poll confirmed a continuing downward trend in the number of citizens who felt the United States should stay aloof from the rest of the world and corresponding increases in the number who supported the defense of our allies, both in Europe and in Asia. By November public dissatisfaction had increased to a point at which voters overwhelmingly turned out the administration most recently responsible for our impotence and for the first time in our history refused to reelect an incumbent president who sought a new term.

Certainly nothing happened during the past twelve months to lessen the United States' dependence on the rest of the world. We are at least 50 percent dependent on overseas sources for 15 out of 22 key raw materials needed to keep our economy healthy. The commander of the Air Force Systems Command recently told a House Armed Services Committee panel investigating the expansion capabilities of our industrial base that of the 62 strategic materials needed for the national stockpile only 21 had been accumulated in sufficient quantity. While we have curbed our use of petroleum products by about six percent over the past year, our dependence on imported oil has increased from 42 percent to 46 percent. American automobile manufacturers have begun to take serious action in the direction of smaller, more fuel-efficient cars but, as 1980 came to a close, there was plenty of gasoline available and American car buyers were not buying the small cars in numbers large enough to justify the industry investment in retooling. One manufacturer, Chrysler, introduced a family of small cars judged by the automotive experts as excellent in both workmanship and economy but its sales have lagged far below the expected level and the company is once again in the shadow of bankruptcy.

As 1980 ended, 52 Americans were still being held hostage in Iran. In April a belated and ill-starred rescue effort failed, accomplishing little except to harden Iranian demands. Negotiations between the United States and Iran, carried on with Algeria acting as intermediary, have been stalled by at least one major obstacle—a full accounting of and promise to return all Iranian assets frozen in the United States. Iranian attention to the hostage problem was also diverted by the onset of war with Iraq, begun by the Iraqis, ostensibly to recover disputed territory along their mutual border. The war has long since expanded past the areas in dispute and has taken on the features of a war of contest, with Iraq seemingly getting the better of the fighting so far.

The dusk of the last day of 1980 also fell on Soviet soldiers in combat in Afghanistan. A U.S. organized boycott of the Olympic Games in Moscow as a protest of the Afghan invasion was not completely successful since a number of the United States' allies chose to participate on the basis that the games were "above political considerations."

The free labor movement in Poland gained substantial autonomy from government control after a series of strikes that profoundly embarrassed the Polish communist government and its sponsor, the Soviet Union. At the height of the strikes many Europeans expected a Russian takeover of Poland similar to the one in Czechoslovakia in 1969. Soviet reaction was initially mild, but, when a second round of strikes was threatened in late November, Moscow newspapers openly promised intervention and Soviet, Czech and East German Army Reserves were activated in the area adjacent to the Polish border. That crisis, too, has apparently cooled for the time being.

For the past several years this report has presented a tabular comparison of the military status of all the nations capable of projecting sizeable armed forces beyond their borders. The trend found in those tables has been almost universally downward in the United States' columns and upward in those of the Soviet Union and the People's Republic of China. This year's tables continue the trend. Since last year the Soviet forces have gained in numbers of tactical combat aircraft, major surface combatant ships and attack submarines while the United States has fewer of all three categories.

The growing willingness of the people of the United States to become involved in af-

fairs overseas may also be a function of the time elapsed since we last fought a conventional war overseas. A poll taken by the magazine U.S. News & World Report early in 1980 showed that 94 percent of those surveyed had no recollection of World War I, 68 percent could not remember World War II and 59 percent did not remember the Korean War. It is not known whether the respondents were asked if they could recall the frustrations of Vietnam.

The purpose of this report, as it is each year, is to examine the state of the world as one year ends and another begins. At this point in time, though, we are moving further into a decade that, on its surface at least, seems to be dotted with traps, pitfalls and other perils. Hopefully our analysis of the state we are in at the close of 1980 will help us chart a path through those perils.

A 12-YR FORCE COMPARISON (1968-80)—NATIONS ABLE TO PROJECT MAJOR COMBAT ELEMENTS

	Soviet Union		China (People's Republic)		United Kingdom		France		United States	
	1968	1980	1968	1980	1968	1980	1968	1980	1968	1980
Personnel, all services	3,220,000	3,658,000	2,761,000	4,450,000	427,000	329,204	505,000	494,730	3,500,000	2,050,000
Army divisions	140	173	115+	129+	(1)	(2)	(3)	14+	18+	16+
Marines	8,000	12,000	30,000	38,000	9,000	7,574	600	(4)	302,000	189,000
Tactical fighter aircraft	4,000	5,000	2,500	5,200	600	228	304	295	2,800	1,870
Interceptors	3,700	2,600	3,000	4,000	100	110	120	120	588	327
Strategic aircraft	155	156	12	90	80	98	45	33	520	381
Major surface ships	130	289	45	38	78	70	51	48	337	173
Patrol/torpedo boats	400	460	157	950	50	28	14	20	0	3
Attack carriers	1	4	0	0	2	0	3	2	15	13
Attack submarines	187	180	32	97	32	27	19	21	113	79
Missile submarines	43	87	0	3	4	4	0	5	41	41
SLBM's	0	1,003	0	0	64	64	0	80	656	656
ICBM's	1,000	1,400	0	70-90	0	0	0	18	1,054	1,054
Tanks	30,000	50,000	8,000	11,000	1,000	1,171	2,000	2,270	8,000	10,900
Tube artillery	15,000	20,000	15,000	16,000	390	425	(5)	625	4,800	6,500
Tactical nuclear missile launchers	800	1,300	0	0	0	(6)	60	32	456	108

[1] 15 Bde plus 21 Regts.
[2] 24 Regts plus 56 Sep Bns.
[3] 6 plus 8 Regts.
[4] 1 Bn.
[5] Unknown.
[6] 1 Regt.

EUROPE IN 1980

France

French President Valery Giscard d'Estaing faces a hard fight for reelection in the Spring of 1981 and has chosen to take a hard line with the United States as evidence of his intent to continue Gaullist policies. His prime opponent, Socialist Francois Mitterand, was narrowly beaten by Giscard in 1974 and attributed that loss to the failure of communist voters to switch their votes to him. In his early campaign oratory Mitterand has appealed to the individual communist to disregard the direction of the party leadership and vote for him.

The French Government has been openly hostile to U.S. Secretary of State Edmund Muskie. The French knew and trusted Muskie's predecessor, Cyrus Vance, but considered the new Secretary inexperienced. Muskie's relationship with the French was not helped by a petulant letter he wrote to complain that the United States had not been consulted before President Giscard met Soviet Premier Leonid Breshnev in Warsaw. The conservative French newspaper Le Figaro said Muskie ". . . apparently has decided to break with the prudent protocol of his predecessor." The French foreign minister pointed the finger at poor coordination in the Carter Administration, claiming that President Carter had been informed of the Giscard/Breshnev meeting well in advance.

Early in October a bomb exploded outside a Paris synagogue, killing four people and setting off a spasm of protest against what has been seen as growing antisemitism in France. Prime Minister Begin kept the issue alive by accusing the French government of being anti-Israel and therefore anti-semitic but many French Jews, including European Parliament President Simone Vail, took the position that Begin would label as anti-semitic anyone who opposed the Israeli expansion policy.

The status of the French armed forces is a continuing enigma as far as the rest of the Western European and NATO nations are concerned. The French forces are among the best equipped and trained in Europe but since the late President de Gaulle withdrew them from NATO there has been a question about their participation in the defense of Western Europe in the event of a Warsaw Pact attack. Most observers believe they would fight with NATO but there has been no public assurance of that. The growing force of communism and socialism in France has contributed to that uncertainty but even the most ardent French communist is a Frenchman first and holds no special allegiance to international communism of the Soviet Union.

The outbreak of war between Iran and Iraq, with its accompanying threats to free passage through the Straits of Hormuz for oil tankers, has accentuated France's dependency on imported oil (90 percent). The French navy has formed a mine sweeping task force of five vessels that can be quickly dispatched to the Persian Gulf in case there is a mining threat. At the same time, however, the French announced they had no intention of subordinating this force to the much larger U.S. naval forces in the gulf area but would still expect U.S. mine warfare helicopters to assist in the mine-clearing task.

The United Kingdom

Slightly more than a year and a half ago, the British voters gave Prime Minister Margaret Thatcher a mandate to reduce inflation and to bring the topsy-turvy economy under control. Her task was made all the more difficult by the fact that the British economy and the government are inextricably tied together by government involvement in the automaking, aerospace, airline, railroad, coal and steel industries. One British family in three lives in government-owned housing. The only major "plus" working for Mrs. Thatcher is the growing flow of oil from North Sea wells that is gradually reducing Britain's import dependency (now at about 17 percent).

Despite the fact that Prime Minister Thatcher has publicly supported the NATO member agreement to increase real defense spending by three percent each year her treasury ministry has been actively planning a defense spending cut. Documents describing the planned cuts were leaked to the press and to the Defense Ministry, which apparently had not been informed of the treasury plans. The leak is now under investigation as a violation of the very stringent Official Secrets Act. If actually put into effect the reduction of defense spending would be embarrassing to Mrs. Thatcher and to outgoing President Carter, who has used the three percent pledge frequently in justifying requests for higher U.S. defense spending.

The cut, together with resistance from the radical element of the opposition Labor Party, could spell the end of Thatcher's plan to modernize Britain's submarine-launched ballistic missile force with U.S. Trident missiles and to replace British Isles-based intermediate range ballistic missiles with U.S. cruise missiles. Defense Minister Francis Pym has already begun enforcing some austerity in defense spending by ordering a reduction of the cruising speed of British ships participating in NATO exercise, by pulling two ships out of on-going NATO exercises and by cancelling joint exercises with Danish forces.

A noticeable slow-down in terrorist activity in Northern Ireland has permitted a reduction of the British troops needed there. From a high of 21,000 during the intense violence in 1972 the number has now dwindled to 12,000 but still represents a major drain on the combat battalions available for use elsewhere. The lower level of terrorism is attributed in part to a major effort by the government of Ireland to control the flow of people and supplies north across the border into Ulster and the growing effectiveness of a local force called the Royal Ulster Constabulary.

Italy

Thirty-seven years have elapsed since Benito Mussolini was deposed as the dictator of Italy and there have now been 44 Italian governments. The average life expectancy of those governments has been just 8.4 months, hardly enough time to deal with the multitude of political and economic problems the country has faced. That Italy has survived at all is more a tribute to a resiliency than to good sense.

The Italian communist party, the biggest outside Russia, just missed gaining control of the government four years ago as it followed a policy of cooperation with other factions that almost resulted in a communist-dominated coalition. Since that time the communist vote has been declining and represented only 31 percent of the popular vote in the June, 1980, election. The party has now abandoned its previous policy of cooperation and has returned to hard line radicalism in an effort to recover its popular strength. In a month-long strike against the Fiat automobile factory in Turin this year, communist leader, Enrico Berlinguer, urged the workers to occupy the plant and guaranteed both moral and material support. Like

its French counterpart, the Italian communist party is Italian first and communist second. Berlinguer has openly chastised the USSR on the invasion of Afghanistan, has reestablished relations with the People's Republic of China, and has been outspoken in his support of striking workers in Poland.

The frailty of the Italian government was illustrated most recently when major earthquakes in southern Italy killed several thousand and left many more thousands homeless. Rescue and relief efforts bogged down and the inefficiency was illustrated by the sight of homeless people burning donated clothing to keep warm because there was no fire wood or fuel oil. The hue and cry over the mishandling could well bring down the government of Arnaldo Forlani who became Italy's premier on October 18.

Greece and Turkey

If there was a single important piece of good news for the North Atlantic Treaty Organization this year it was the agreement by Greece to return its armed forces to NATO operational control. Greece pulled its forces out of NATO in 1974 following the Turkish invasion of Cyprus, claiming that the rest of NATO, particularly the United States, had not taken a sufficiently strong stand against the Turkish action. The return of Greece to the NATO military fold was engineered largely by NATO Supreme Commander General Bernard Rogers who worked out a new command and control relationship involving both Greek and Turkish forces. Without the Greek participation, NATO's Southeast flank was badly weakened. While Greece does not have a large Army (140,000 compared to Turkey's 470,000) its air force and navy can play a major role in controlling the eastern Mediterranean and access to the Mid East.

But despite the pleasure over the return of the Greek armed forces, NATO leaders are looking a year ahead to the elections which must be held by November 1981. Popular dissatisfaction with the regime of moderate premier Constantine Karamanlis and his successor George Rallis makes it likely that a socialist, anti-NATO movement led by Andreas Papandreou will gain more power in parliament. The inflation rate in Greece is running nearly 25 percent this year and, if press reports are correct, the average Greek citizen does not think Mr. Rallis and his moderates are doing much for him.

In Turkey, several years of economic frustration and political turmoil finally drove the armed forces to take over the government on September 12. In any other country in the world this action would have been assailed as undemocratic but the Turkish constitution specifically charges the armed forces with the responsibility to step in if the government falters. Leaders of opposing political factions were placed under house arrest temporarily. In the intervening months, there have been very few incidents of unrest and the confidence of the Turkish people in their government has been substantially restored.

The anarchy that had grown so prevalent was fueled by open warfare between the political left and right and by the preaching of Moslem fundamentalists who sought to engineer an Islamic state on the pattern of that created in Iran by the Ayatollah Khomeini. The Turkish constitution directs the establishment of a purely secular government with no active participation by any religious sect in spite of the fact that 95 percent of the population is Moslem. General Kenan Evren, chief of staff of the armed forces, described the military takeover as a measure, ". . . to assure the healthy functioning of the democratic order." The military acted after they issued a series of warnings, beginning on New Year's day, 1980, to all the opposing factions that the turmoil would have to cease or the country would collapse. The junta leaders have pledged a return to democratic civilian control as soon as possible.

While the return to relative stability has been helpful, the Turkish armed forces still face the very real problem of maintaining and modernizing an arsenal of very good weaponry. Most of the equipment in the hands of all the Turkish forces is of Korean War vintage or only slightly newer and the four-year span of the U.S. embargo on arms shipments to Turkey, following the Cyprus crisis, even cut off the supply of spare parts. Military aid from the U.S. has now been renewed at the pre-embargo level of about $400 million a year. Unfortunately inflation has eaten into the value of that funding. The Turks are not convinced that even a modest modernization program would require assistance at a level of about $800 million each year.

Federal Republic of Germany

Nowhere in the Western Alliance was the election of Ronald Reagan to be President of the United States greeted with more pleasure than in Germany. Chancellor Helmut Schmidt publicly applauded, ". . . a new decisiveness in the American nation, that certainly will make itself felt in the new Senate, the new House and obviously in the new White House and President Reagan." Schmidt said many Europeans want the United States to act as a leader and would welcome more assertive U.S. policies.

Schmidt's statements came at a time when he found himself in the position of having to follow Britain in backing off from the pledge of three percent annual growth in defense expenditures. While the Federal Republic is not experiencing a recession of the magnitude of that in the United States, inflation is on the rise, there is a continuing problem with unemployment and lavish social programs demand an ever-growing share of the German budget. It is becoming more apparent that the United States can no longer expect the Federal Republic to pick up a major share of the cost of keeping U.S. forces in Germany, particularly as those costs relate to the construction and modernization of facilities for the sole use of American troops.

THE SOVIET UNION AND EASTERN EUROPE

The U.S.S.R.

The past 12 months have not been good ones for the Soviet Union, either internally or as they reflect Soviet efforts to expand its sphere of influence. For the second consecutive year grain harvests were substantially below the planned goal and this in turn has held down meat and dairy production. Western observers travelling in the U.S.S.R. at the time of the Moscow Olympic games noted that while stores in the immediate vicinity of the capital were well stocked, those just a few miles away had no meat and had not had any to sell for several weeks. The Olympics themselves were less than a smashing success in spite of excellent facilities created for the event.

Soviet attempts to build a power base in Africa made little progress during 1980. In fact, Mozambique, Angola, Guinea and even Ethiopia have begun to back off from entanglements with the U.S.S.R. In Asia there has been an almost continuous rash of incidents along the border with China, the North Koreans could drag their Soviet supporters into a new conflict at any time and continued help for Vietnamese expansionist adventures has proved to be very expensive. In spite of the continued presence of about 85,000 Soviet troops in Afghanistan, fully supplied with the latest arguments, they seem to be making little progress toward controlling the rebellious tribesmen. Reports from Afghanistan indicate Soviet casualties (dead, wounded and ill from diseases) have reached about 15,000. For the first time some of the dead are being buried in a newly opened cemetery outside Kabul and the sick and wounded are being sent to hospitals in East Germany rather than being returned to the U.S.S.R. In the meantime, Pakistan has accused the U.S.S.R. of beginning a permanent annexation of a portion of Afghanistan that lies between China and Pakistan. If the U.S.S.R. takes and holds the Wakhan Salient, as the area is called, it will have direct access to Pakistan for the first time.

Surely the most perplexing problem for the U.S.S.R. in 1980 is the labor unrest which began in Poland in August. Its manifestations have already toppled Polish Premier Edward Gierek and brought a wave of sympathy in other Eastern European satellites. The Polish strikers also received strong moral support from many western countries. However, those same western countries became very apprehensive in late November and early December when reports from several East Europe locations indicated the Soviets had sealed the Polish frontier and had called up reservists in the area of the U.S.S.R. adjacent to Poland. The reports drew warnings from the United States and other Western nations that a Soviet march into Poland would be unwise. A spokesman for President Carter described the likely consequences as, "serious and adverse," while President-elect Reagan's senior foreign policy advisor said, ". . . the consequences of an invasion would be severe and long-lasting. It could border on wrecking relations for a long time."

During 1980, the Soviet Navy continued to increase its sea control and intercontinental missile launching capabilities. The first of a class of very large nuclear-powered missile-launching subs has been observed on sea trials in Soviet home waters. This Typhoon class submarine displaces 30,000 tons, just 8,000 tons smaller than a U.S. World War II Essex class aircraft carrier, and has 20 missile-launching tubes. The biggest U.S. submarine class, the Trident, will displace 18,700 tons and carry 24 missile tubes but the first one of these is not expected to start its sea trials until early in 1981. The Soviets have also launched the first of a new class of sea-control submarine that can launch anti-shipping cruise missiles while submerged and have added two more Alpha class submarine-killing subs to an existing pair. The Alpha's can dive to 4,000 feet and speed at 45 knots, only five knots slower than the standard American sub-killing torpedo.

The leadership of the Soviet Union underwent a major change in 1980 when Premier Alexei Kosygin resigned because of ill-health and was replaced by Nikolai Tikhonov. In a speech at ceremonies observing the 63d Anniversary of the Bolshevik Revolution, Tikhonov appealed to President-elect Reagan: "We are coming out in favor of mutually advantageous cooperation with that biggest Western country for the sake of the Soviet and American peoples, for the sake of detente and the maintenance of peace."

Ex-premier Kosygin died on December 19 but official news of his demise was delayed for two days, apparently because it might detract from the birthday celebration for President Brezhnev. Kosygin was 76 at the time of his death, Brezhnev is now 74 and Tikhonov, Kosygin's replacement, is 72. The advanced age of the top Soviet leadership is of concern, both inside the USSR and elsewhere. The Soviets worry about the possibility of a power vacuum and the Kremlin-

watchers outside Russia are concerned that a new generation of Marxist zealots could fill that vacuum, possibly triggering more aggressive policies.

Poland

The labor unrest in Poland has not only ended the career of Communist Party Chief Edward Gierek but also forced the relief of the chief party officials in almost every major city. As he took office the new national party head, Stanislaw Kania, sent a message to Moscow stating that the Polish leadership, " . . . will from here on out be guided by the fundamental principles of Marxist-Leninist ideology." The statement was interpreted as an attempt to calm Soviet nerves and avoid overt intervention in Polish affairs.

For the time being at least, the Polish labor movement has gained a degree of autonomy unparalleled in any communist country but it seems very doubtful that other goals, like better pay, improved food supplies, earlier retirement for women workers, better child care facilities and paid maternity leave for as long as three years will be achieved to their fullest extent. Long before the strikes began the Polish economy was shaky and the agricultural program was faltering, perhaps even worse than its Soviet model. Poland is heavily in debt to western bankers (about $21 billion) and has asked the United States for credits of up to $3 billion to support industrial modernization and other basic programs to improve efficiency. The Carter Administration so far has declined to offer more than $200 million in credits and that was made contingent on guarantees of reform within Poland.

A recent study done under the aegis of the scholarly magazine Armed Forces and Society underlines the reason the Soviet Union might be considering intervening in Polish affairs. The study finds that the conscript-manned armies of the non-Soviet Warsaw Pact countries are most unlikely to be effective against an internal disturbance. After examining seven instances since 1953, when the Czechoslovakian army refused to put down riots the report concluded, " . . . the armed forces consistently refused to support the regimes when confronted with a serious internal disturbance." The other six instances cited were:

1953: East German troops in East Berlin refused to leave their barracks and march on demonstrators.

1956: Regular Polish troops in Poznan refused to disperse rioters (and in some cases joined them).

1956: The Hungarian army refused to intervene against attacks on the secret police headquarters in Budapest. After the USSR intervened 80 percent of the Hungarian officer corps refused to sign pledges to the new regime.

1969: Almost 60 percent of the Czech army officers under the age of 30 resigned after the Soviet invasion. The regime was forced to use special security troops and border guards because it did not trust the army.

1970: The Polish army refused to intervene against rioters in Gdansk in spite of orders to use, "overwhelming force."

1976: When the Polish defense minister was asked about the possibility of using the army against rioters in Lodz and Warsaw he said, "Polish soldiers will not fire on Polish workers."

Czechoslovakia

Other nations in the Soviet sphere of influence in Europe have reacted to the Polish unrest in different ways. In Czechoslovakia, the last European nation to feel the strength of Soviet armed repression, the regime of President Gustav Husak has taken a very hard line, forbidding the import of any pro-union, pro-Catholic publications originating in Poland and refusing to accept Vatican-nominated archbishops and bishops because their loyalty to the regime is doubtful. With 80,000 Soviet troops still stationed in Czechoslovakia the workers there dare not risk open demonstrations like those in Poland but there has been widespread malingering and work slowdowns.

East Germany

Workers in East Germany have expressed sympathy for the Polish strikers, saying that conditions in Poland have always been worse than those in East Germany and that those conditions undoubtedly led to the unrest. The East Germans have the singular advantage of being able to receive West German radio and television news broadcasts and are better informed than most Eastern Europeans. The German Democratic Republic has responded to the Polish situation by putting stringent controls on travel between the countries, reinstituting the requirement for visas that had been dropped eight years ago.

NON-SOVIET WARSAW PACT ARMIES RELIABILITY IN A WARSAW PACT ATTACK ON NATO

	Short-term operation		Long-term operation	
	Successful operation	Unsuccessful operation	Successful operation	Unsuccessful operation
Poland	Medium low	Very low	Medium low	Very low
East Germany (GDR)	Medium	Low	Medium	Very low
Czechoslovakia	Very low	Very low	Very low	Very low
Hungary	Very low	Very low	Very low	Very low
Romania	Very low	Very low	Very low	Very low
Bulgaria	Medium	Low	Medium	Low

Source: "Political Reliability in the Eastern European Warsaw Pact Armies," Armed Forces and Society, winter 1980, p. 289.

Hungary

In Hungary communist leader Janos Kadar has sought to forestall an upsurge of labor unrest by jumping into the labor camp. He has been urging leaders to get tough on management and insist on greater participation in management decisions. To date Kadar's attempt to amalgamate socialism and capitalism have not been much of a success. Prices have been on the rise, unemployment has increased and the workers' real income has declined.

Romania

Romania does not permit Soviet troops to be stationed within its borders but there is probably no need for them in the first place. President Nicolae Ceausescu has made it clear that he will not tolerate dissent. When coal miners struck in 1977 to protest harsh working conditions and low pay, 4,000 of them were simply fired. When a group of intellectuals attempted to form a free-trade union movement last year, they were " . . . permitted to emigrate."

Bulgaria

The Bulgarians are probably the Soviets' most loyal Eastern-European allies. Bulgaria is an oddity because it is an abundant agricultural producer and has few, if any, food problems. The USSR is its chief customer for surplus food and is viewed more as a savior than as an oppressor since Soviet troops liberated the country from the Turks in the 19th century and from the Germans in World War II.

U.S. FORCES OVERSEAS (AS OF SEPT. 30, 1980)

Locations	1980	1979	Change
Total in foreign countries	488,726	458,424	+30,302
In Europe:[1]			
West Germany	244,320	239,148	+5,072
Britain	24,312	23,015	+1,297
Italy	11,903	11,732	+171
Spain	8,974	8,714	+260
Turkey	5,263	4,918	+345
Greece	4,445	3,328	+1,117
Iceland	2,864	2,859	+9
Belgium	2,114	2,034	+80
Netherlands	2,630	2,220	+410
Portugal	1,367	1,404	−37
Sixth Fleet	22,313	25,001	−2,688
Total	331,705	325,240	+6,465
In the Western Hemisphere:[1]			
Bermuda	1,350	1,286	+64
Canada	691	660	+31
Cuba (Guantanamo)	2,150	2,117	+33
Panama	9,146	9,443	−297
Puerto Rico	3,707	3,532	+175
Total	16,874	16,693	+181
In the Pacific and Far East:[1]			
Japan and Okinawa	46,004	46,207	−203
South Korea	38,788	39,018	−238
Philippines	13,387	14,101	−714
Guam	9,053	8,756	+297
Australia	644	653	−9
Midway Island	498	472	+26
Afloat	15,515	21,910	−6,395
Total	114,845	122,227	−7,382
In other areas:			
Egypt	495	100	+395
Diego Garcia	1,373	1,053	+320
Eastern Europe	178	173	+5
Morocco	40	37	+3
Saudi Arabia	502	419	+83
Afloat—Africa, Mideast, South Asia	18,559	(2)	

[1] Major concentrations only.
[2] New category for this report.

Source: U.S. Department of Defense.

Yugoslavia

Yugoslav President Josip Broz Tito died in May after a long illness, during which much of the rest of the world worried about the possibility of a power struggle among his potential successors and the likelihood of Soviet intervention in that struggle. There was no strife, however, as the committee of top Yugoslav politicians designated by Tito to run the country during his illness continued to function after his death. A new President, Cvijetin Mijatovic, was elected less than two weeks after Tito died and is acting as the mostly ceremonial figurehead of the country. The real power continues to be held by Tito-designated committee. The United States was one of the few nations whose head of state did not attend the Tito funeral but President Carter did visit Yugoslavia late in June. His visit coincided with a conference of so-called "non-aligned nations" being held in Havana, Cuba and the President took pains to tell the Yugoslavs that their nation was truly non-aligned, not a Soviet dependency like Cuba.

NATO AND THE WARSAW PACT—A 1980 BALANCE

An article in the Summer, 1980, issue of Strategic Review magazine analyzed the military balance in Europe at the onset of World War II and that which exists today. It found that in 1940 France and Britain had more troops, more divisions, more and better tanks and more aircraft than the invading German army and yet were unable to stand up against the *blitzkrieg*. The German victory was attributed to better leadership, better strategy, better training and the advantage of being on the offensive. As military historians have pointed out repeatedly, the existence of the Maginot Line caused the French to make gross errors in planning and execution.

Today the situation is reversed. The defenders of Western Europe have fewer troops, fewer divisions, fewer tanks, smaller amounts of artillery and a host of other negative balances in comparison with the forces of the Soviet Union and its Warsaw Pact allies. Whereas better leadership, strategy and training won the day for the Germans, the Strategic Review article concludes, there is no logical expectation that the Western allies will have that kind of a subtle edge.

This is not to say that NATO lacks capable leaders, has not been trying to meld its forces into a more homogeneous whole, or attempting to eliminate problems of non-standard equipment, non-compatible communications and conflicting standards of reinforcement and resupply. To the contrary, there have been some fifty successful projects designed to improve standardization and interoperability in major areas. But the October, 1980, issue of NATO Review, the alliance's official publication, cites 19 important equipment areas in which there are a total of 600 differing items. The list includes:

100 different kinds of ships
50 different kinds of ammunition
23 different families of combat aircraft
41 different types of naval guns of 22 mm or larger
8 different families of armored personnel carriers
31 different types of antitank weapons
7 different main battle tanks

Obviously, it would be unrealistic to attempt to create a single type of ship, one universal armored personnel carrier or a standard NATO tank. Rather the goal is, to the greatest extent possible, to make sure that the ships and aircraft have common capabilities and resupply requirements and that the armored personnel carriers and tanks can drive into any friendly supply point and draw fuel and ammunition. The NATO Review article observes that the greatest support for commonality and interoperability comes from the military people who will have the most personal stake in a NATO/Warsaw Pact battle. But the military people most often do not have the final say. The article observes, further:

"Political arguments are among the toughest to overcome; they lurk behind most of the others. They have their roots in sovereignty, nationalism, concepts of power, equality and independence. In a survival situation they must be grounded in notions of equity, interdependence and internationalism. The current thrust to discuss the problem more openly, the improving image of NATO, the actions of the potential enemy—these and many more recent developments augur well toward improving the political will to go forward with the necessary initiatives."

The commander of all U.S. Army forces in Germany told the 1980 Annual Meeting of the Association of the United States Army, "If we go to war tomorrow morning, we go with an obsolescent army." General Frederick J. Kroesen did not mean that the U.S. forces in Germany could not give a credible account of themselves or that the weapons with which they are equipped are bad. He meant that we could do much better as far as having more modern weapons is concerned. Broadly speaking, every item of "obsolescent" equipment in the hands of our troops worldwide has a tested, approved and producible modern replacement. Unfortunately, constraints in funding and production capacity will delay the widespread availability of this new equipment. For example, the Army does not expect to be able to complete its buy of the new XM-1 tank until the end of the decade. Plans for U.S. Army/Europe to achieve qualitative armament parity with the Warsaw Pact forces do not focus on 1982 or 1983 but on 1985 and the Army will indeed be fortunate to reach that plateau in that time frame. Similar stretchouts are expected in new armored personnel carriers, helicopters, air defense systems and other basic tools of the trade.

None of the partners in NATO is free from problems in fielding adequate military forces. Among the major contributors to the deterrent capability of the alliance these are some of the problems faced:

Britain is having a hard time stretching its shrinking forces to cover all its commitments. For the record the British Army of the Rhine is 55,000 strong but it really musters about 45,000. Britain lacks depth in replacements for first-line equipment and to provide for its reserves. It would have to create a lash-up transportation system of commercial vessels and civilian aircraft to move reinforcements to combat in Germany. Plans for modernization of its armored force and submarine-based nuclear weapons may very well fall prey to a staggering economy and the need for government belt-tightening. Its all-volunteer service members are among the best paid in the world but they lack depth.

The Federal Republic of Germany maintains a defense structure of 495,000 people, 40 percent of whom are draftees. With a declining birth rate (one of the lowest in the world) the West Germans may be forced to extend the term of obligated service beyond the current 15 months in order to keep the ranks filled. With completely internal lines of communication the West German forces are in excellent shape for resupply as long as stockpiles last but cannot rely on continued new production after a war starts. Material weaknesses in the air force will soon be corrected. The small navy is well designed to maintain control of the in-shore lines of communication that would be so important after a war started.

A 12-YEAR COMPARISON OF THE BALANCE IN EUROPE, 1968 AND 1980

	Northern and Central Europe			Southern Europe		
	NATO	Warsaw Pact	Of which U.S.S.R.	NATO	Warsaw Pact	Of which U.S.S.R.
1968:						
Divisions[1]	25	[2] 57	[2] 32	33	[2] 37	[2] 19
Tanks	4,800	11,500	6,000	1,680	4,300	1,100
Tactical aircraft:						
Light bombers	50	450	400	0	280	280
Close support	1,500	1,650	1,120	540	980	740
Interceptors	720	3,000	2,000	280	1,360	1,000
Reconnaissance	530	280	200	130	210	160
1980:						
Divisions	27	[2] 70	41	44	33	4
Tanks	7,000	19,500	12,500	4,000	6,700	2,500
Tactical aircraft:						
Close support	1,602	1,350	930	612	325	70
Interceptors	386	2,050	1,000	202	1,000	400
Reconnaissance	263	550	300	106	200	125

[1] Division equivalents. ISS data for 1968 expressed in terms of brigades. Conversion to division equivalents based on 3 brigades per division.
[2] Includes all categories of readiness (I, II, and III).

[2] Includes Soviet divisions stationed in the portion of the European U.S.S.R. adjacent to Poland and Czechoslovakia.

If we assume that the French will quickly choose to act with the NATO forces in response to a Warsaw Pact attack the overall defense of the Western Alliance would be substantially improved. The French Army is being equipped with a new family of armored vehicles considered to be of excellent quality and France's nuclear forces are being modernized (probably including the production of neutron weapons). Two French divisions are stationed in Germany but are located at a substantial distance away from the likely first points of contact.

In spite of its political and economic problems Italy has managed to keep its armed

forces reasonably well prepared. The Italian navy is rebuilding with a fleet of small, high-speed craft with heavy firepower that will help maintain control of the Western Mediterranean. Its air force is participating with the West Germans and British in the development of a new NATO fighter, the Tornado. Deliveries are expected to begin in 1981.

The forces of Belgium, the Netherlands and Denmark occupy key positions in NATO defense plans but their ability to execute those plans is growing more doubtful. None maintains substantial forces in Germany, close to initial defensive positions, so unless there was ample warning time they would have to try to move their troops forward during the critical days and hours following the outbreak of hostilities. The Belgians and the Dutch are holding out against U.S. plans to station new ground-based cruise missiles on their territory and may force a risk concentration of the missiles in Germany. About a fourth of the Belgian force is made up of draftees who serve only eight months and NATO inspectors are not impressed by the Netherlands' unionized Army.

NATO efforts to improve the defense of its northern flank in Norway have progressed well with the designation of British and U.S. forces for reinforcement. The Norwegian government has joined the Netherlands, Belgium and Denmark in purchasing U.S.-designed F-16 fighters. Unfortunately the NATO campaign to help Norway has been so highly publicized that vocal, left-leaning Norwegians have been alarmed, claiming that their country will become a battleground. There are signs that the Norwegian government may be beginning to back off from ambitious plans to improve their defense capabilities.

There is little identifiable change since 1979 in the precise balance between NATO and Warsaw Pact forces facing each other. The number of tanks available to Pact forces has been adjusted downward during the year, reflecting a Soviet plan to move some of its forces further Eastward. But although they permitted some limited observation of the movement of the initial increment of tanks there has been no overt opportunity to observe any follow-on movements. In spite of the adjustment the Pact advantage in tanks now stands at about 2.8 to 1 (It was 2.4 to 1 in 1968). The number of NATO close support aircraft has gone up slightly but it must be remembered that many of the NATO aircraft have a dual air defense ground support role and will have to be committed to gaining control of the air before they can be used for close support. The Pact air forces, to the contrary, have over 2000 pure interceptor aircraft to commit to the air battle while the separate close support force can concentrate on that mission.

Events in other parts of the world, the formation of a U.S. Rapid Reaction Force and the frustrations of U.S. political and military leaders over the struggle to find ways to move and support that force, will probably pay substantial dividends to NATO readiness over the long run. As the U.S. Congress gained insight into our transportation and resupply capabilities many of the objections to the acquisition of dedicated ocean shipping and to the development of a new generation of strategic airlift craft began to melt away. A real appreciation is building for the fact that having combat forces in being is only part of the answer to military preparedness, unless you are expecting to fight on your home ground—and U.S. foreign policy is supposed to prevent that.

DIVISIONS (AND EQUIVALENTS) FOR REINFORCEMENT [1]

	NATO	Warsaw Pact
Armored	10½	27½
Mechanized	8½	76
Other	33½	10
Total	52½	113½

[1] NATO reinforcements include only existing active and reserve formations. Warsaw Pact reinforcements include all category II and III divisions of Poland, Czechoslovakia, and East Germany, plus all Soviet divisions in the European U.S.S.R.

AFRICA—NO RESPITE FROM TERROR

Terror stalked the African continent during 1980 in the form of open warfare, guerrilla attacks, revolution by assassination and grinding hunger. There were few pockets of calm in the richest of continents but where those pockets existed there was growing proof that, given a chance, Africa could work for the betterment of its own people and for the sustenance of the people who need its resources.

Liberia

Perhaps the biggest surprise of the year came on April 12 when a group of Liberian soldiers fought their way into the Presidential Palace in Monrovia and assassinated long-time President William Tolbert. The coup was headed by Master Sergeant Samuel Doe whose People's Redemption Council claimed a shopping list of abuses by the Tolbert regime, probably the chief of which was the retention of government control by Americo-Liberians, descended from former U.S. slaves. The Liberian political situation had been stable for 133 years and although foreign diplomats had been aware of growing resentment on the part of indigenous Liberians over the iron-clad control exercised by the Americo-Liberians, they were caught completely by surprise. Sgt. Doe's supporters quickly rounded up and executed the hard core supporters of the Tolbert government. Almost immediately after the coup, Doe received feelers from Libyan dictator Muammar Qaddafi who offered economic and military aid but Doe, who is not a hardline leftist, delayed a response and, so far, has stayed away from an agreement with Qadaffi. The new Liberian government is now seeking assurances that the United States and European commercial interests which have long played a major role in the country's economy will continue that policy.

Zimbabwe/Rhodesia

In April seven years of guerrilla warfare in the former British colony of Rhodesia came to an end as the British flag was lowered for the last time and Britain's Prince Charles delivered the documents of independence to the people of the new nation of Zimbabwe. The newly-elected Prime Minister, Robert Mugabe, has appointed a bi-racial cabinet and set a non-aligned foreign policy in the hope of encouraging assistance from Western industrial nations in developing the rich mineral and agricultural resources of the country.

One of the things Mugabe realizes must be done is to keep many white farmers, administrators and businessmen involved in the new nation's affairs, at least until black Zimbabwans can be properly trained in sufficient numbers. Immediately after Mugabe's election there was a sizeable exodus of whites, including almost 350 senior police officials and the best of the former Rhodesian Army's officer corps. The exodus slowed somewhat after Mugabe demonstrated conciliatory policies but speeded up again when one of Mugabe's black cabinet ministers was accused of murdering a white farmer. The minister was later acquitted when a three-judge panel of one white and two blacks voted one to two against a guilty verdict. Many whites interpreted this as an indication that it will be impossible for a white to be judged fairly by courts with a majority of black members.

Mozambique

One of the many side effects of the end of the insurgency in Zimbabwe was the loss of Soviet influence in Mozambique. Throughout the seven years of strife, guerrillas from Rhodesia/Zimbabwe used base areas in Mozambique where they were supplied with Soviet weapons, with the government of Mozambique acting as go-between. The Soviets, at the same time, were also arming Mozambique forces and attempting to get a firm foot in the door of local politics. The guerrilla base camps are now deserted and Mozambique has realized that it cannot rely only on Soviet help. President Samora Machel announced in April that private enterprise will have an important role to play in his country's development. A former colony of Portugal, Mozambique was not able to keep very many of the 250,000 white settlers who ran the country and its institutions before independence and the literacy rate among the black population is estimated at no higher than 5 percent. Machel wants to create a climate that will encourage a return of the talent and investment capital that could restore the country's economy to at least pre-independence levels and he realizes this is more likely to come from someplace other than the Soviet Union.

South Africa

In the view of many observers, South Africa is a time bomb of racial tension that could explode at any moment. Certainly there is no evidence that the white minority which rules South Africa has learned very much from the experience of Rhodesia/Zimbabwe. The rules of apartheid, which set strict limits on blacks and coloreds (those of mixed race), are applied by the whites with an almost-religious fervor.

The government of Prime Minister Pieter Botha, instead of finding ways to lessen the apartheid-driven tension, seems more intent on preparing for the inevitable explosion than on defusing the bomb. Although most European nations and the United States refuse to sell arms and military-capable equipment to South Africa its armed forces are unquestionably the best on the continent and have been very carefully designed to counter insurgency and to seal off the borders against infiltration of troops and supplies that might be sent to aid an insurgency. For thirteen years guerrillas based in Angola and Zambia have been contending with South African forces for control of Nambia (also called Southwest Africa). South African tactics are designed to inflict as many casualties as possible on the guerrillas (currently about 80 to 120 per month) while minimizing their own casualties (the ratio is about 30 to one at the present time). Strangely, the South African forces are a mixture of blacks, coloreds and whites. In the navy blacks, whites and coloreds eat and sleep together aboard ship and some non-whites are in positions of leadership over whites. Most of South Africa's military manpower is obtained through a draft that is stringently applied—conscientious objectors are required to serve three years of alternative hard labor. Although South Africa denied having detonated a nuclear device which may have been the source of a mysterious flash observed by satellite monitoring stations in 1979, the nation's leaders have made no secret of the fact that they have both sufficient enriched uranium and adequate technology to produce nuclear weapons if they were needed.

Nigeria

Nigeria is one African nation that seems to be on the brink of realizing its potential. Although it has been independent for 20 years, it has been a battleground on which its 250 ethnic and tribal groups have contended for the advantage. The long rebellion of the Ibo tribesmen in Biafra has finally given way to government promises of equal treatment for all sub-groups. The Nigerian military has backed away from the political leadership of the country after 13 years in control and now supports the elected government of President Shehu Shagari. The stability of Nigeria is of particular importance to the United States because it is our second-largest source of imported oil, consuming about half of Nigeria's total export income and 80 percent of the government's total receipts.

Morocco/Algeria

In 1980 there was very little but trouble across the northern crest of Africa. Algeria continued to support the Polisario guerrillas contending with Morocco for control of the mineral-rich Western Sahara. That contest has flowed back and forth across the desert with little advantage being achieved by either side although the guerrillas were able, briefly, to carry the fighting into Morocco itself. Aid from the United States in the form of F-5 fighters, OV-10 observation aircraft and helicopters has improved the efficiency of the Moroccan forces but they still have not been able to achieve a decisive victory.

Libya

Libya was frequently in the news in the United States. President Carter's brother was investigated for allegedly acting improperly as a paid agent of the Libyan government. Four Libyan diplomats were accused by the United States of harassing opponents of Colonel Muamar Qaddafi in the United States and they briefly refused to obey an order to leave the U.S. Qaddafi himself threatened to cut off or reduce oil shipments to the U.S. Relations between the two countries reached a perilous state in September when Libyan interceptors were reported to have fired air-to-air rockets at an unescorted U.S. Air Force intelligence plane flying 200 miles off the Libyan coast. A few days later the Libyans launched eight fighters to intercept another U.S. patrol plane being escorted by a single Navy F-14. As the Libyan aircraft started to press their attack two more F-14's from the carrier U.S.S. Kennedy arrived and, on instruction from their ground controller, the Libyan aircraft broke off and returned to their base.

Libya has openly sent troops to the neighboring nation of Chad in an attempt to assure victory for the Islamic contenders in a long-term civil war. About 3000 Libyan troops, with armor, artillery and supporting aircraft have added a new dimension to what had been an unsophisticated war. As the year ended, it appeared that Qaddafi's effort in Chad would be successful and this apparent success was causing growing concern in the neighboring nations of Nigeria and Cameroon. Libya was also involved, in January, with a raid against the Tunisian city of Gafsa. The Tunisian government claimed about 300 raiders, some Libyans and some dissident Tunisians, attempted to take over the city in order to embarrass Tunisian President Habib Bourguiba. Qaddafi has gone out of his way to harass Bourguiba since 1974 when the Tunisians backed out of an agreement to unite the two countries.

Ethiopia/Somalia

Ethiopia has apparently decided to make an all-out push against Somali regulars and guerrillas in the Ogaden region between the two countries. With help from the USSR in the form of new shipments of arms and equipment and by turning its back momentarily on its own insurgency in Eritrea, Ethiopa is slowly driving the Somalis out of the Ogaden. The region has been under dispute for many years and until 1978 the USSR was supporting both Ethiopia and Somalia, apparently trying to make sure it came down on the side of the eventual winner. Ethiopia is now in the position of threatening Somalia proper and conceivably could play havoc with U.S. hopes for access to harbor and support facilities at Berbera on the Gulf of Aden.

Refugees and Famine

More than a million refugees are gathered in camps around the fringes of the Ogaden, driven out of their homes and away from their already-scant sources of food. The United Nations and many volunteer organizations have rallied to help but have had to overcome a wide array of handicaps in order to furnish housing, water and a bare subsistence diet for the refugees. A fleet of about 120 trucks travels 14,000 miles daily between the refugee camps and ports in Somalia to provide a diet of about 1000 calories a day. The other 18 million starving people in Africa are not so fortunate.

The United Nations' World Food Council has reported that there are 26 countries in the world experiencing famine. Seventeen of those countries are in Africa, stretching from Mauritania on the Atlantic coast, across the widest part of the continent to Somalia on the Indian Ocean and down the center of the continent to Botswana. Nineteen million people are starving in Africa due to a combination of drought, mismanagement and outlaw activity. The nations along the Southern edge of the Sahara desert, known as the Sahel region (Chad, Niger, Mauritania, Mali, Upper Volta, and Gambia) are literally blowing away with the dry dust. Some countries that were once food exporters (Kenya, Zambia and Zimbabwe) have all become importers and both Mozambique and Botswana are encountering periodic food shortages. (Oddly enough, one of Mozambique's problems results from overfishing by Soviet trawlers off the Mozambican coast). There have been armed attacks on food convoys in Uganda and the United Nations relief agencies have been forced to stop shipments because the Ugandan government has been unable to establish security. In Kenya bands of armed men fight over the dwindling herds of emaciated cattle and the government seems content to let them kill each other. In much of Africa this year, only the hyenas are well-fed.

THE MIDDLE EAST—PEACE SEEMS MORE DISTANT THAN EVER

Egypt and Israel

A year ago there seemed to be real promise for agreement and a lasting peace between two of the major Mid-East antagonists, Israel and Egypt. The agreements so painfully and hopefully succored by President Carter have now been overtaken by what seems to be total intransigence on the part of the Israeli government. Prime Minister Menachem Begin's government has at least twice been driven to the brink of a non-confidence vote by its refusal to compromise, by clinging to its policy of permitting more settling of Arab land by Israelis and by a series of incidents in which Israeli security troops have used deadly force against Arabs protesting the settlements.

Iraq and Iran

The war between Iraq and Iran has served to increase tension in the region. Iraqi forces at first appeared to be headed toward an easy win over the skeleton of the Iranian forces created by the late Shah but, as the distance between the fighting front and their home bases increased, the Iraqi armor lost its momentum and at the end of the year saw the fighting at a virtual stalemate. Both countries now find themselves running out of fuel for their aircraft and vehicles because of the severe damage done to refining facilities (and in the case of Iran, the loss of production from a major portion of its oil fields). The Iranian economy, which was on the verge of collapse before the war started its slowing down even more as its trade is all but stopped.

Observers of the fighting are puzzled by the inability of the Iraqi forces to press home their advantage. While they did a good job of organizing and mounting the initial attack there has been a lack of decisive action once contact was made with the Iranians. The speculation is that their Soviet advisors did a good job of teaching them some of the basics but, either by design or inadvertence, failed to teach them how to close with an enemy and destroy him. Air Forces on both sides have not been very effective with few operations involving large numbers of aircraft and the appearance of seeking more propaganda impact than military benefit. It must be said, however, that the Iranian forces, even though stripped of the bulk of their leaders by revolutionary firing squads, have committed themselves reasonably well against the desultory Iraqi offensive.

The war began in earnest on September 22, five days after Iraq's President Saddam Hussein declared void a 1975 agreement between the two countries about the control of territory at the head of the Persian Gulf. Saddam declared Iran had never kept its part of the agreement and Iranian President Bani-Sadr admitted this was true, saying the deposed Shah had signed the agreement, not the revolutionary government. By the end of November, Saddam was trying to reestablish some degree of normalcy in his own country and to eliminate public concern over what by then was appearing to be a protracted war. He has reopened schools and universities everywhere except in the war zone, relaxed controls over civilians, cut back warlike propaganda and begun to increase the import of consumer goods.

There is no question that the Iraq/Iran war has slowed the progress of negotiations for release of the American hostages held by Iran. Prime Minister Rajai came to New York in mid-October to plead his country's case against Iraq before the United Nations but ignored U.S. hints that President Carter would be willing to meet with him. A week later, President Carter announced he would release Iranian assets and end the trade embargo if the hostages were freed but this proposal was rejected by the Iranian parliament with the comment that they were too busy with the war. At this point, the three-sided U.S./Algerian/Iranian diplomacy took over. It now seems to have foundered because of Iranian inability or unwillingness to understand the legalities of the way the late Shah's personal wealth might be returned to Iran. In an interview for the CBS *Sixty Minutes* television program aired on December 14, President Bani-Sadr claimed President Carter had lost interest in the hostage issue and that nothing would happen until after the new U.S. administration took office in late January 1981.

Syria and Jordan

For a few weeks late in the year, it appeared that the Mid-East might have still another war as Syria and Jordan massed troops and armor along their mutual border, reflecting another deep division among the states of the region. At the time of the

confrontation, Jordan was acting as the host of an Arab summit meeting which had been boycotted by Syria and other hard line Arab nations (including Algeria, Libya, South Yemen and the Palestine Liberation organization).

The hard-liners side with Iran, a Moslem but non-Arab nation, against Iraq, which is supported by Jordan and the rest of the Arab states. By early December, Syria had about three divisions of troops along the Jordanian border and the United States was giving serious consideration to dispatching emergency shipments of supplies to bolster the forces of Jordan's King Hussein. By mid-month, however, it became apparent that Syria's sabre rattling was mostly a defense mechanism to shore up the shaky regime of President Hafez Assad. Mediation by Saudi Arabia seems to have turned aside the threat of actual war.

Lebanon

Over the past year, Lebanon has experienced a period of relative quiet and a resumption of commerce even though Christian militiamen and Palestinian irregulars still exchange gunfire in the outskirts of Beirut. The Christian/Moslem confrontation that triggered the civil war has now given way to a three-sided problem with the Palestinians in the middle, between the Christians who consider them interlopers and the Israelis who consider them a threat to their security. Enough confidence has been restored in the economy to start the construction of some apartment buildings in Beirut but many of the hotels and other structures damaged in the earlier heavy fighting remain unrepaired.

Saudi Arabia

The maintenance of good relations with Saudi Arabia is vital to the United States for reasons that go far beyond its position as the chief supplier of imported oil. Saudi Arabia stands as a model to other oil-rich countries in the Mid-East because, even though there are some imperfections in the way the country is run by the royal family, it has made great progress in using its oil income to better the life of all its people. Because of its position of wealth and because the Saudi rulers are still considered by most of the rest of the Moslem world to be true protectors of the Faith, the Saudis have successfully acted as negotiators and problem-solvers in inter-Arab disputes. It was no surprise, then, to have the United States agree quickly to a Saudi request for early warning aircraft to patrol the skies after the onset of the war between Iran and Iraq.

There was no easy choice, though, when the Saudis asked the United States to permit the installation of special equipment on a fleet of F-15 fighters they had bought. The Saudis asked for air-to-air refueling gear, extra fuel tanks and bomb racks, all of which combine to give a fighter aircraft greater offensive capability. After a furious debate within Congress, and between the Congress and the White House, fueled by pressure from the pro-Israel lobby, everyone agreed that the aircraft could be equipped with the refueling gear but not the other items. The tenderness of our relations with Saudi Arabia was also illustrated in 1980 by a substantial furor over the decision by some U.S. public TV stations to air a dramatization of the execution of a Saudi princess and her lover for adultery. At year's end, the Saudis had completed an agreement with the rest of the members of the Oil Producing and Exporting Countries (OPEC) for still another increase in the per barrel cost of oil and the people of the United States were stoically looking forward to paying more for every gallon of gasoline they use.

North and South Yemen

The U.S. and Saudi Arabia share a deep concern over the growing Soviet influence in both North and South Yemen, which border on Saudi Arabia and jointly control the narrow sea passage between the Gulf of Aden and the Red Sea. South Yemen is firmly in the Soviet camp, with a growing Soviet military and naval presence based at Aden. North Yemen has been a dependency of Saudi Arabia for some time (the Saudis provide a $250 million annual budget) but the North Yemens have been dissatisfied with the speed at which the U.S. and the Saudis have been providing arms. The Soviets have stepped into that gap, sending 500 T-55 tanks while the U.S. was providing 30 M-60's. The result of this game of influence peddling has been the creation of a situation in which two warring nations, North and South Yemen, have become the pawns of three other nations, with one of those other nations helping both antagonists.

The Soviets are also making another effort to increase their permanent presence in the region, by building a base on the Ethiopian island of Dahlak in the Red Sea. At one point during October about half of the Soviet Indian Ocean squadron was at anchor there and, according to reports, construction has begun on port and airfield facilities. Other reports note that Soviet ships have been ferrying large numbers of natives from Dahlak to the Ethiopian mainland in an apparent attempt to improve security and gain absolute control.

ASIA AND THE PACIFIC

The Soviet presence

From the mountains of Afghanistan, through the jungles of Southeast Asia and Northward along the rim of the Asian continent, the Soviet presence is growing in size and activity. Whether this encircling reflects only the Russians' almost-paranoid fear of China or a design for the eventual extension of Soviet influence through out the area, one fact is quite clear: The Soviet Union is the predominant military and naval power in Asia and the Western Pacific.

Along their own borders with China, the USSR has deployed more than a million soldiers, organized into 46 divisions. A fleet of 80 major surface combat vessels and 80 submarines patrols the Indian Ocean, the China Sea and the waters of the Philippines, Taiwan, Japan and Korea, using bases at Cam Ranh Bay in Vietnam and their own port of Vladivostok. Long range reconnaissance planes fly from the former U.S. bases at Da Nang, Vietnam and from Vladivostok, ranging over the entire region. Throughout a major portion of 1980 the only aircraft carrier operating in the Western Pacific was the Soviet *Moskva*. The deployed U.S. carrier force was committed to the Persian Gulf.

COUNTRIES WITH POTENTIAL TO PRODUCE NUCLEAR WEAPONS

Country	Nonproliferation treaty signatory?	Uranium reserves?	Research reactor operating or being built?	Enrichment capability	Other key technology?	Shortest time to construct a weapon	Potential delivery system
Argentina	No	Yes	Yes	No	Yes	3 yr	Canberra bomber, Mirage IIIEA.
Brazil	No	Yes	Yes	By 1984	By 1984	5-6 yr	Mirage IIIEBR, possible missile.
Egypt	Signed but did not ratify.	No	Yes	No	Some	7-10 yr	Mirage IIIE, SCUD missile, Mig-23.
India	No	Yes	Yes	Probable	Yes	Less than a year	Canberra bomber, Jaguar Atk. Aircraft.
Iraq	Yes	Maybe	Yes	No	No	6-10 yr	SCUD missiles, Mirage F.1EQ, Soviet aircraft.
Israel	No	Yes	Yes	Yes	Yes	Small number now	A-4 and F-4 aircraft.
Libya	Yes	Maybe	Being built	No	No	10 yr but may attempt direct purchase sooner.	SCUD missiles, Mirage aircraft Mig-23.
Pakistan	No	Search underway	Yes	Yes	Yes	Less than a year	Canberra bombers, Mirage 5PA and 11EP.
South Africa	No	Yes	Yes	Yes	No	do	Canberra bombers Mirage 111CZ and F.1.
South Korea	Yes	Yes	Yes	No	No	4-6 yr	Honest John, F-4D and F-4E.
Taiwan	Yes	No	Yes	Yes	Yes	2-3 yr	Honest John, F-104A/G.

Afghanistan

By November, U.S. concern over events in Afghanistan had dropped to such a low ebb that the Washington Post asked, "Whatever happened to 'the most serious threat to world peace since the second World War?'" That was the way President Carter had initially categorized the Soviet invasion but, understandably, the tension building up over the possibility of Soviet intervention in Poland had pushed Afghanistan far out of the public consciousness. The Soviet forces themselves seemed to be largely content with doing only what is necessary to get through the harsh Afghan winter but their aircraft continue to bomb the Afghan provinces adjoining Pakistan and to seed mountain passes with anti-personnel mines in the hope of slowing down the flow of supplies to the Afghan rebels. At the United Nations, Soviet Ambasador Troyanovsky accused the United States, China, Egypt and Britain of jointly sending 3000 tons of supplies to the rebels each day, saying that the rebels were nothing more than "cutthroats and mercenaries." At the United Nations, too, 40 Third World countries introduced a General Assembly resolution calling for the immediate withdrawal of Soviet forces.

Pakistan

Many thousands of refugees have surged out of Afghanistan and crossed the border into Pakistan, creating a support problem for the hard-pressed Pakistanis. On a number of occasions armed helicopters, with Afghan Air Force markings but presumably flown by Soviet pilots, have attacked refugee camps in Pakistan without any retaliation or effort to defend on the part of Pakistani forces. Pakistan's President Mohammad Zia-ul-Haq has made it quite clear that his antiquated air force (equipped mainly with Korean War-vintage U.S. F-86's) is not up to the task of defending the border area and he is obviously unwilling to risk a confrontation with the USSR over this issue.

There is growing concern in the United States and elsewhere over Pakistan's efforts

to create its own arsenal of nuclear weapons. In spite of U.S. protests the Swiss government has authorized the export of sophisticated technology that will enable Pakistan to create enriched uranium. It is estimated that enough enriched uranium will be on hand to support the first test of a nuclear weapon late in 1981 and the supply will grow thereafter at a rate sufficient for building two to three weapons each year. The United States is also concerned that a recent loan to Pakistan of $1.6 billion from the International Monetary Fund (the United States is the fund's largest supporter) will be used to further the nuclear program instead of repairing Pakistan's severely ill economy.

India

India's Prime Minister Indira Gandhi has responded to Pakistan's nuclear program and what she called ". . . the deteriorating security environment in South Asia," by telling the Indian parliament it must start an all-out effort to gain the latest technology and scientific knowledge and, at the same time, build up its domestic arms production capability. The transfer of high technology from the West to the People's Republic of China, she said, also constitutes a threat to India. However, Gandhi is not waiting for a domestic arms industry to provide the weapons she thinks are needed. The Soviet Union has already provided India with tanks, helicopters, surface ships, submarines, transport aircraft and Mig-23 fighters (the delivery of the latter was timed to coincide with the recent visit to India of Soviet Premier Leonid Brezhnev) and India is buying artillery and antitank missiles from the United States.

Vietnam/Thailand/Cambodia

In June, tension along the border between Thailand and Cambodia finally erupted into real combat when elements of the Vietnamese Army crossed the border into Thailand in a campaign overtly designed to eliminate guerrilla camps. The Vietnamese, who occupy Cambodia with a force of about 200,000, claim the Thai refugee camps have become a haven for both the remnants of the Khmer Rouge troops who supported the late Cambodian dictator Pol Pot and the rightist Khmer Serei guerrillas who still fight for the anticommunist regime once led by Lon Nol. The July incursion took on the appearance of a full-scale invasion and the United States responded with emergency shipments of tanks, antitank missiles and F-5 fighter aircraft. The Vietnamese troops withdrew almost immediately, however, claiming they had destroyed the guerrilla bases. Throughout the balance of the year, there have been sporadic incidents of artillery and mortar fire across the border which caused casualties among refugees in the Thai camps. In the meantime, shipments of food from the United States and elsewhere to aid refugees in Cambodia have been virtually halted because of the unwillingness of the Vietnamese occupation forces to help move the food to where it is needed. The Association of Southeast Asian Nations (ASEAN) has suggested the establishment of a neutralized Cambodia under United Nations supervision but this proposal has been hung up by Vietnamese refusal to remove its troops. Thailand has attempted to react against Vietnam with measures short of breaking diplomatic relations, including closing its border with Laos, cutting off that country from its supply of fuel and food and forcing Vietnam to support Laos from its scant supplies. At year's end, Vietnamese artillery was once again shelling camps in Thailand.

The Philippines

The Philippines has existed under martial law for seven years and its security problems seem to be getting worse instead of better. In the north, there is a growing army of Maoist-inclined insurgents whose goal is the establishment of a state patterned after the People's Republic of China. In the south, the almost-perpetual battles continue between government forces and the Moslem guerrillas who have been trying to establish an Islamic state ever since the islands became a Spanish colony in 1565. In the middle, both geographically and politically, there are the disaffected whose prime goal is the elimination of President Marcos and the resumption of a more democratic exercise of government. Marcos has promised an end to martial law by March, 1981, if the economy has righted itself and if the Moslem insurgency has been brought under control. Realistic observers take that promise lightly, saying that the economy could not possibly be on its feet in such a short time and the Moslems are not likely to give up a revolt begun more than 400 years ago.

Australia

The political polls in Australia proved to be as faulty as those in the United States when, after a year-long series of reports indicating the left-learning Labor Party was headed for an overwhelming victory in parliamentary elections, the conservative coalition of Prime Minister Malcolm Fraser won an easy decision. One of the major issues in the election was Fraser's plan to let the U.S. Navy established a permanent base at Cockburn Sound, near Perth, to help support the U.S. Indian Ocean flotilla. Labor Party leader Bill Hayden said in his election campaign that although he supports an alliance with the United States he did not believe that alliance should be extended to include the provision of permanent U.S. bases. The fact that most major U.S. vessels, like aircraft carriers, using the port would be carrying nuclear weapons was also an issue for the Laborites but the voters, even those in nearby Perth, did not see it that way. The Austrialian government has not been as cooperative over the request by President Carter for a ban on food shipments (and other exports) to Iran. While the Australians have agreed to stop their very minor sales of military supplies, they declined to end food shipments to Iran, just as they refused to stop sending grain to the USSR after the invasion of Afghanistan.

Micronesia

During 1980, the 2000 small islands that make up Micronesia were divided into four mini-republics, ending U.S. control of the islands begun after World War II by United Nations action. Although the four nations are nominally independent they retain "free association" with the United States and will continue to receive a total of about $100 million each year in aid from the U.S. The island of Guam, with its major U.S. air and naval bases, will continue its present status and the U.S. has the right to establish other bases as needed throughout the area. This action, the U.S. hopes, will keep other nations from moving into the area, which can control the main approaches to the Western Pacific.

Korea

The Republic of Korea has jumped from one political crisis to another since the October, 1979, assassination of President Park. The military junta that took control of the country following Park's death yielded briefly and reluctantly to a new civilian government but when evidence was found of widespread corruption within the government the military reasserted itself. In August, General Chun Doo Hwan was elected President by the Electoral College and then resigned from the Army in order to accept the office. Chun is known to be staunchly anticommunist and seems to be intent on pushing Korea ahead economically while purging those elements of society he sees as dangerous. President Chun has already incurred international displeasure by arranging the trial and conviction for sedition of Kim Dae Jung, the figurehead leader of the opposition party. Kim had been in exile in Japan until seven years ago when he was kidnapped, returned to Korea and jailed. His conviction and resulting death sentence were based on charges that he fomented last year's student riots, even though he was in jail. Kim's sentence has been upheld by the military tribunals which have replaced the courts and now only President Chun can stay his execution. Chun has been pressured by the United States, Japan, Australia and West Germany to lift the death sentence but, at year's end, had not acted.

President Chun's government has also run into conflict with Japan over a plan by a Japanese business cartel to widen trade with North Korea. Several of Japan's largest manufacturing companies have begun negotiations with the communist regime in the northern half of the peninsula to open a market for Japanese goods and, in return, gain access to North Korean minerals, particularly its rich iron ore deposits. Chun has taken the position that widened trade between Japan and North Korea would strengthen the north's military capacities.

Japan

When Japan surrendered to end World War II, its American conquerors insisted that its new constitution should renounce war and military force forever. Japan was expected to rely on the good will of other nations to defend it. Later General MacArthur, the architect of Japan's reconstruction, relaxed enough to permit a 75,000-man police reserve force, the forerunner of today's Self-Defense Force. But over the past few years, it has become painfully apparent to the Japanese that the United States has lost the power to act as a credible deterrent in the Western Pacific. Pressure has been growing, some of it from the United States, for Japan to increase the capabilities of the Self-Defense Force. Until now many Japanese politicians have used the language of the constitution as an excuse for limiting military expenditures but now growing concern over the adequacy of the Japanese defense establishment is creating pressure for revision of the constitution. Japan now spends about 0.9 percent of its gross national product on defense compared to about 5 percent being spent by the United States. The Japanese have announced a defense budget increase of just 7.6 percent for next year, causing U.S. defense secretary Brown to categorize the increase as ". . . so modest that it conveys a sense of complacency that is not justified by the facts."

China

Chinese Communist Party Chairman Hua Guofeng visited Japan in May and announced that his country favors a buildup in Japan's military strength. Hua was the first leader of China to visit Japan in 2000 years. Also, while in Japan, Hua confirmed his country's commitment to the development of strategic nuclear weapons to, ". . . break the nuclear stranglehold of the superpowers." For China, of course, the Soviet Union and its "forces of hegemonism" remains the arch enemy and the Chinese leaders are anxious to do whatever they can to improve relations with any nation that can help them better their position vis-a-vis the USSR. To do this the Chinese are mostly destroying the ramparts of total self-dependency built by Mao Tse-Tung's cultural revolution.

The leader of this march away from the teachings of Mao is Deputy Premier Deng Xiaoping who is attempting to eliminate the personality cults that have, in the past, caused Mao and other revolutionary figures to be viewed as faultless, godlike figures. Departing from Mao's intent to "go it alone" by producing everything China needs from internal sources only, Deng has brought about closer relations with the United States and Japan and has opened a flow of trade

that is growing year-by-year. U.S. exports to China are expected to reach an annual value of $5 billion by 1985. Relations between China and Taiwan have improved, also, with China making a concerted effort to lower philosophical barriers with the long range hope of reunification.

None of China's actions has demonstrated the end of the cultural revolution more clearly than the well-staged trial of "The Gang of Four." The group includes Jiang Qing, the widow of Mao and three former officials of the Chinese Communist Party. They are accused of plotting to kill Mao and to overthrow the established leaders of the party. They have been blamed for many of the excesses of the revolution including the persecution of millions of bureaucrats, intellectuals and skilled workers, many of whom have now been returned to a state of grace and are anxious for revenge. At year's end the trial was still under way but the only unsettled issue seems to be the sentences they will receive after being found guilty.

Hua Guofeng resigned his post as premier in September, as had been predicted for some time. Hua had been a close protege of Mao and it seemed inevitable that he would be caught up in the shift away from Mao's hard-line idealism. His place was taken by Zhao Ziyang, a professor of economics and a close associate of Deng. Alarmed by a statement by candidate Ronald Reagan that indicated he favored a return to full diplomatic relations with Taiwan, the Chinese moved to counsel him immediately after his election. Only hours after President Carter conceded the election, the Chinese foreign ministry issued a statement emphasizing the importance they place on adherence to past agreements, ". . . so that Sino-American relations may continue to make good progress and grow."

THE WESTERN HEMISPHERE

Canada

Pierre Trudeau swept back into Canadian politics early this year after a brief retirement. Trudeau's Liberal Party overwhelmed Prime Minister Joe Clark's conservatives after just eight months in office, marked by utter failure to implement the austerity measures Clark claimed were necessary to bring Canada out of the economic doldrums. Almost immediately Trudeau faced the claim of years of effort to take the French-speaking province of Quebec out of the Canadian federation. The long-awaited plebicite in Quebec was held in May and resulted in rejection of separatism. Of the 3.5 million ballots cast almost 60 percent were against the split and even a slight majority of the French-speaking voters relected it.

His success in keeping Quebec in the federation notwithstanding, Trudeau has so far failed in his effort to re-shape the Canadian constitution in a way that would bind the provinces more closely to the national government. The provinces have a high degree of autonomy and their ability to resist pressure from the national government was recently reflected in the refusal of the province of Alberta to abide by oil prices set in Ottawa. One of Trudeau's advisors compared the situation with Alberta to the independent actions of the OPEC nations, setting oil prices without regard for their impact on others. Under the present constitution the prime minister can do little more than suggest actions to the provinces.

In April, Canada chose the McDonnell Douglas F-18 fighter to replace its current fleet of air defense and attack aircraft. The Canadian buy will be at least 130 aircraft with deliveries beginning in late 1982. The U.S. has agreed to lower the usual charge it adds to foreign sales to cover the cost of research and development so Canada will be buying the F-18's for less than the U.S. Navy is paying. The decision on the part of the Carter administration to forgive part of the R&D costs set off a hue and cry from Chairman Jack Brooks (D-TX) of the House Government Operations Committee who claimed it was improper to do this for Canada while at the same time making other NATO allies pay their full share of R&D on other aircraft they buy.

Several actions taken or pending in the U.S. Senate have strained relations with Canada. The Senate has been dragging its feet on ratification of an East Coast fishing treaty because of objections from Senators Kennedy of Massachusetts and Pell of Rhode Island. The Canadians signed the treaty more than 18 months ago and the absence of an agreement has raised the possibility of a battle among U.S. and Canadian fishermen. An action by the Senate to order the conversion of 80 oil-burning electric generating plants to coal burning, without any new environmental controls, has raised the Canadian's fear of acidic fallout. The Senate has also approved funding for a flood control and irrigation project in North Dakota that Canadians fear will result in the diversion of Missouri River waters into the Hudson Bay drainage basin, harming sport fishing and tourism.

Mexico

Mexico, our neighbor to the south, has been described as being afloat in a sea of oil. During 1980 geologists exploring in Mexico and its adjacent waters were able to confirm the existence of 20 percent more oil than had been known previously. If managed properly over the long run these oil reserves can be turned to alleviate a large share of the crushing poverty that has been a Mexican heritage for centuries. But, perhaps because of the deep-seated suspicion most Mexicans hold toward the United States, Mexican officials and intellectuals have made it clear that they do not intend to become a filling station for the world's greatest consumer of petroleum. Mexican President Lopez Portillo has strengthened his country's relations with Cuba and, during the revolt in Nicaragua, undercut early U.S. efforts to shore up the Somoza government. Mexico has generally taken a "wait and see" attitude toward other political turmoil in Central America, apparently preferring to deal with whatever sort of government may eventually emerge. President-elect Reagan showed his concern about relations with Mexico by scheduling informal meetings with Lopez Portillo before he actually assumed office.

Nicaragua

The revolutionary leaders of Nicaragua are finding that Marxist ideals are not as palatable to the people of the country as they were expected to be and that their relations with Cuba and other communist countries have not been entirely satisfactory. The 3500 Cuban advisors in Nicaragua have largely worn out their welcome and a Cuban-designed plan to use the schools to generate support for the revolution has been rebuffed by the Church as well as by the parents of the students. Even Fidel Castro has warned the Nicaraguan leaders to avoid the mistakes he made by creating an inflexible, all-dominating government and suppressing free enterprise. A contract with East Germany for the purchase of trucks went sour when the vehicles were found to be unsatisfactory and the supplier refused to correct the deficiencies or cancel the contract. After a year and half of freedom from the Somoza regime, Nicaragua appears to be headed for a relatively moderate form of socialism and may turn out to be a model for other Central American countries in transition.

Guatemala

The military rulers of Guatemala are intent on resisting the tide of change now sweeping through the region. This richest, strongest and most populous nation in Central America has been kept suppressed for so long that its leaders are afraid to relax and accept changes recommended from either the right or the left. Any criticism makes its author a target for the assassination squads. As a result, all political elements are becoming more and more polarized and the few moderates are being driven toward the left.

El Salvador

More than 7000 people died in El Salvador during 1980 as a direct result of political violence. The civilian-military junta now ruling the country has implemented land reforms and commercial improvements forcibly recommended by the United States and these improvements have deprived the leftist revolutionaries of much of their strength. But wealthy landowners, who have lost some of their land in the reforms, have been financing their own right-wing guerrillas. The Army has struck back indiscriminately, killing guerrillas and peasants alike and radicalizing a growing segment of the population.

Honduras

In Honduras, the role of the army has been reversed, with the military leading the way toward social and economic reform. The poorest of all the Central American countries, Honduras does not have the same wide gap between social classes that is so frequently the seed for unrest elsewhere. One businessman is quoted as saying, "Here even the rich people seem poor." Nevertheless a small leftist rebel movement has appeared to exploit those at the lower end of the narrowed social spectrum.

Panama

The Panamanian flag has flown over the Panama Canal since October, 1979, and few, if any, of the worst fears of opponents to the treaty transferring control of the waterway have been realized. The average daily number of ship transits is up and revenue (with higher rates) is higher than ever before. There has not been a mass exodus of U.S.-citizen technicians and other canal employees as had been predicted. Panamanian strongman Gen. Omar Torrijos has backed off from a seemingly close relationship with Cuba. It has been speculated that Torrijos used his apparent affinity for Cuba as a lever to gain concessions from the United States. Having gotten those concessions he no longer needs anything from the Cubans.

Cuba

As 1980 came to a close the United States was still struggling to find ways to assimilate the last of many thousands of Cubans who reached Florida during the "boat lift" permitted by the Cuban government. Many of those who arrived in the United States already had relatives here and were taken care of with little government involvement. Others with no special skills—and still others who are considered bad behavioral risks—are still in U.S. resettlement camps under guard, with little expectation of being released soon. In mid-December Fidel Castro crowed that the boat lift had permitted him to cast off many undesirables.

Cuba remains a Soviet dependency, relying on the USSR to bolster a failing economy in return for sending Cuban troops and advisors to do the Soviet's missionary work in Latin America, Africa and the Mid East. Cuba's missionary efforts in the Caribbean won one convert during the year and lost another. It became apparent that the government of Prime Minister Maurice Bishop in Grenada was strongly pro-Cuban and Marxist but the voters in Jamaica refused to reelect Castro's friend Prime Minister Michael Manley and instead elected Edward Seaga, who is strongly anti-Cuban and anti-Marxist.

Brazil

In Brazil the economic optimism of 1979 has been replaced by worry as the inflation rate has soared to more than 100 percent and foreign investors are increasingly reluctant to finance the industrialization the country needs. The need to import oil has been a large contributor to Brazil's problems and the government has had to raise the price of gasoline to $3 a gallon to try to regain control of the supply. One of Brazil's industries is booming, though. It has armament customers in Africa, in the Mid East and in Europe, as well as throughout Latin America. Brazilian tanks and armored cars are in action with the Iraqi army in its war with Iran. Two Brazilian small arms factories sold more than $200 million in rifles, pistols, and shotguns in the United States last year. The military have been in control of Brazil since 1964 but that control has recently been softened, with political prisoners freed, press censorship ended and street demonstrations once again permitted.

Bolivia

The interim president of Bolivia was forced out of office by a military coup just before she was to hand over the reins of government to the first elected president in several years. Lidia Gueiler managed to escape to Paris where she denounced the coup as a deliberate delay to the resumption of democracy in Bolivia. It has since become apparent that neighboring Argentina played a major role in supporting the coup, out of fear that the Bolivian government would ultimately be taken over by leftists.

Uruguay

In December the voters of Uruguay rejected a new constitution because it contained provisions that would have given the military a perpetual role in running the country. The constitution would have permitted the military to select a president to serve until the first free elections were held in 1986, would have established a military council to share power with the elected president and a military-approved tribunal would have had the power to remove the president or any other official for "ethical, moral or civic" reasons.

Chile

President Augusto Pinochet of Chile showed how to get a constitution approved when he got 67 percent of the votes in an election to ratify his retention of power, at least until 1989. The new Chilean constitution guarantees the presidency to Pinochet for eight years after the end of his present term. There were accusations of fraud on the part of the opposition parties but they admitted that, even after discounting the 173,000 ballots declared invalid and the ruling that any blank ballots dropped into the boxes would be counted for Pinochet, his margin would have been sufficient.

Argentina

The electorate in Argentina consists of three men, the military triumvirate who unseated the corrupt government of Maria Peron, widow of the late dictator. Since that takeover in 1976, the country has been ruled by General Jorge Videla who has been given high marks for putting down a communist-inspired insurgency and for getting the economy into better shape. He has also been given very low marks for setting aside human rights in his quest for internal security. Unknown thousands of Argentinians have been jailed or simply disappeared as the military government sought to eliminate the leaders of the insurgents. Unlike the situation in Brazil, there has been little moderation of the military's control.

The United States' relations with its hemispheric neighbors, in spite of honest, good intentions, have historically been muddled and ineffective. Part of that ineffectiveness can be explained away by the difficulty in dealing with a constant parade of changing regimes in countries where the side with the most guns is the most frequent winner. Over the course of two centuries the United States has been the slave of the status quo in Latin America, tending to support whomever happened to be in power, in the interest of commercial enterprise and expediency. Our relatively recent concentration on the preservation of human rights in the volatile Latin atmosphere has been ineptly executed and therefore misunderstood. In the Western Hemisphere, more than anywhere else, the United States needs an understandable, workable foreign policy.

CONCLUSION

From this glance around the world, it is clear that any oasis of peace and contentment is hard to find. Therein lies the lesson for the modern world and particularly the United States. These are, and will continue to be, perilous times—for some survival and for others the retention of some semblance of freedom and the good life.

Maintenance of peace, among the superpowers, will require measures of effort and sacrifice that we have not yet been willing to face. But the scorecard is there for all to read. Peace and comfort are losing.

There will be many new members of the Administration and the Congress who will find this an incongruous and bewildering maze. A new generation to which depression and major war are unknown, cannot be expected to respond intuitively to the dangers that lurk constantly on the fringes of major actions.

The world became a more dangerous place in which to live this past twelve months—and our decisions about how to confront our deteriorating position are overdue. It is imperative that we be guided by our past experience and what is surely being shown to us by the global developments of this past year to move swiftly to improve our defense posture.

George Washington tried to tell this nation in its infancy that preparedness with its inherent credibility was the only way to go. Despite his reputation for truthfulness, we've never quite been willing to accept his dictum. The message of this year-end assessment is that time becomes a rapidly diminishing luxury. If we are to maintain any control of our national destiny, we need the strength and military credibility to back up what we believe must be done.●

ADOBE AS ENERGY SAVER

● Mr. DOMENICI. Mr. President, while America looks for new forms of building materials which are cost effective and energy efficient, it might do us well to take another look at a centuries-old building material that has been successfully used in the Southwest.

Adobe, a form of sun-dried brick which was developed by early Native Americans of the Southwest, is now achieving a new prominence in construction because of its properties as an energy-saving material. I have personally toured a site in Tesuque, N. Mex., which is demonstrating these energy-saving characteristics of adobe.

Mr. President, I ask that the article in the Christian Science Monitor on Wednesday, February 11, headlined "Adobe Gets New Start as Energy Saver," be printed in the RECORD.

The article follows:

ADOBE GETS NEW START AS ENERGY SAVER

(By Jennifer S. Youngman)

GLENWOOD, N. MEX.—Centuries ago, Southwestern Indians employed elements of solar design and orientation in their soil-and-stone dwellings.

Today, with a new name and some refinement in materials and technology, the earth and sun are making a comeback in contemporary "solardobe" structures.

Sun merges with soil and water to produce adobe. It is only natural, then that solar heating and cooling are combining with adobe in a time of skyrocketing material and construction costs in a nation that now at last is beginning to confront its energy limitations.

Solaradobe structures affect the environment minimally in the making and upkeep.

The term solaradobe was coined by Adobe Today and its possibilities have been explored in the New Mexico magazine for the past six years. The publication began with Joe Tibbets's desire to improve communication between individuals who were interested in adobe.

"People right around the corner from each other didn't know each other," he asserts. "I saw a chance to come in with a publication that would bring them together and strengthen them."

Mr. Tibbets aimed to discourage adobe's demise and the aesthetic loss to the landscape and artistic community. As a landscape painter, he was acutely aware of the adobe house as a part of New Mexico's pastoral landscape. Returning to the state in 1965 after military service, he was concerned by the advent of the house trailer. Adobe was "treading water."

"I saw the landscape changing for the worse. People didn't seem to realize the alternatives they had.

"Adobe was seen as a poverty symbol—something to get out of."

Yet the newer forms of housing, Mr. Tibbets maintains, are not necessarily better. Too many conventional houses have poor insulating qualities, they're often susceptible to terminates, and they're an obtrusion on the landscape.

"Adobe moderates outside temperature extremes," reports Mr. Tibbets. "That's probably the most important thing about it."

Massive masonry walls are the key. Soundproof, rotproof, and fireproof, adobe appreciates in value with age.

Additional reasons for his devotion to solaradobe are its necessity for local labor and the boost to the local economy, its nonuse of fuel that must be imported, and the avoidance of such high-technology products as plastics, which pollute the locations where they are manufactured.

"Adobe is such an honest statement on the landscape," he declares.

Perceiving a need for more direct communication of solaradobe concepts than Adobe Today could provide, Mr. Tibbets founded the Southwest Solaradobe School, where a practical understanding of adobe construction, solar design, wiring, and plumbing are taught in a week-long course.

Students attend classes, muddy their hands making bricks, participate in adobe construction, tour homes and talk with the owners, and receive advice on individual projects.

Classes are conducted in New Mexico and Arizona.

A recent session here in Glenwood included an Oklahoma drugstore clerk who will build a house with her husband, a Colorado advocate for the poor who is having a house built, and a Texas architect.

A New Mexico builder in the class said that after observing nine homes on tour day: "I don't think I'll ever feel good about building another frame building. My heart just won't be in it."

New Mexico leads the Southwest in energy-efficient building and research. High utility bills and low per capital income have generated strong grass-roots interests. The Indians' early use of solar design was recognized by architect William Lumpkins and solar pioneer Peter van Dresser, both of Santa Fe.

The Southwest Solaradobe School was inspired by Abiquiu, New Mexico's Ghost Ranch Conference Center. There, Quentin

Wilson, Mark Chalom, and Aubrey Owen were instrumental in developing the solar housing construction training program.

New Mexican participants chosen by manpower centers were trained in adobe construction and passive solar systems.

Solaradobe to some presents a conflict between adobe tradition and modern solar design. Joe Vaughan, an architect with the Southwest Solaradobe School, disagrees. Speaking of adhering strictly to tradition or breaking entirely from it, Mr. Vaughan says: "I think both positions are limited. We're constantly in a state of change."

Solaradobe simply presents new variations on a very ancient theme. Being sensitive to what the Indians have done, to what the Spanish missionaries brought to the area, to energy uses, and to new technology, "allows us to go back to the beginning, to let the material speak to us, to let new ideas work on us," according to Mr. Vaughan.

Then the architect adds: "Another way of building will come that is today, but that honors the past and learns from it."

The next Southwest Solaradobe School is scheduled for Mesa, Ariz., in later winter. Information about it or future schools may be obtained by writing to PO Box 1178, Belen, N.M. 87002.●

THE NEED TO ESTABLISH A BETTER APPROACH ON NATIONAL WATER POLICY

● Mr. DOMENICI. Mr. President, the cover story of the Newsweek Magazine last week offered an interesting and perceptive discussion on our Nation's growing water problem. Despite the recent rains in the East, this article on "The Browning of America" deserves careful attention by the Senate.

The Committee on Environment and Public Works will soon begin its evaluation of the broad issue of national water policy, which is one of the most significant issues to be considered this Congress. How we handle water resources development now will determine whether we confront crises in the years ahead.

Mr. President, I believe the Reagan administration has a great opportunity to develop new approaches to water policy, ones that involve the States to a far greater degree, policies that will move priority projects ahead more rapidly. I intend to do all that I can to work with them on innovative solutions.

It is significant, I should note, that the High Plains Study Council, which was initiated as a result of legislation I sponsored, will provide an interim report to the Congress tomorrow on the severe water depletion of the Ogallala Aquifer, possibly the Nation's No. 1 water problem.

I ask that this article be printed in the RECORD.

The article is as follows:

[From Newsweek, Feb. 23, 1981]

THE BROWNING OF AMERICA

Just outside Phoenix, which gets less than 8 inches of rain a year, the fountains shoot high into the arid air, gurgling defiance of the laws of evaporation, advertising the subdivisions whose green lawns eat further and further into the Arizona desert. But in parts of the Texas High Plains, the water that made farms green with cotton and melons is giving out; land is now brown with tumbleweeds, which farsighted agronomists are investigating as a cash crop. And in stately Greenwich Conn., surely one of the last places from which civilization will vanish, suburban matrons guard water like Bedouins, and town officials lay plans for silt-trench latrines against the not-too-distant day when the reservoirs may run dry.

For decades, Americans have used water as though their wells would never fail. But in just a few months they have come to realize how close to bottom they really are. Twice in the past year, the great engine that fills the nation's reservoirs and runs its streams has gone awry, dumping rain uselessly over the ocean and parching the land. It has made farmers edgy about next summer's crops and Easterners panicky about next week's baths; some communities report less than a month's supply of water in their reservoirs. The big snow and rainstorm across the country last week may have signaled the breakup of the dry weather pattern, but it will take a spring of more than twice normal rainfall to bring the Northeast's reservoirs back to a safe level before summer.

Rain, in fact, is not the answer to the nation's most serious water problems. Even in the driest years, rain across the country enormously exceeds water use. The trouble is that the nation's water resources are badly out of balance. The Northwest has a big surplus, for example, while the agricultural states of the Southwest scrap for the last salty dregs from the Colorado River. The water wars Hollywood made famous in "Chinatown" have erupted once again, as dry Los Angeles tries to tap its wet neighbors to the north. The Federal government has spent billions of dollars to divert water so farmers can grow crops on arid land, but that creates trouble of another kind; mineral residue from decades of irrigation has poisoned once fertile soils. Pollution is a problem, too. Acid rain is killing the fish in Adirondack lakes, and America's drinking water has been tainted with substances as exotic as PCB's and as commonplace as highway salt.

Most alarming of all, vast underground reserves of water, deposited over thousands of years, have been seriously depleted in a matter of decades. All water comes as rain from the sky, but 92 percent of it either evaporates immediately or runs off, unused, to the oceans (page 30). One-quarter of the water that irrigates, powers and bathes America is taken from an ancient network of underground aquifers. In 1950, the nation took 12 trillion gallons of water out of the ground; by 1980, the figure had more than doubled, and each day, 21 billion more gallons flow out than seep in. Water from the great Ogallala Aquifer (map, page 28), which stretches from West Texas to northern Nebraska, is being used up, as irrevocably—and some would say as wantonly—as the oil that lies beneath it. "It varies, depending on where you are," says Nebraska water planner Michael Jess, "but there are some people projecting that as early as the year 2000, there will be parts of Nebraska with their water supplies so depleted that farming may never return." The nation's water outlook now is frighteningly reminiscent of of the oil outlook a decade ago—affording, cynics say, a matchless opportunity to make the same mistakes again. And in this pinch, Saudi Arabia is not going to be of much help.

Hidden Costs: The energy crisis and the water shortage are inextricably linked. The limiting factor in irrigation tends to be the high cost of electricity to run the pumps as the water table recedes. California's vast State Water Project uses almost as much electricity to pump water around the state as all the people of Los Angeles use—and beginning in a few years, when the old cheap contracts expire, farmers are going to see that cost reflected in their water rates. Lack of water threatens some of the 30 gasohol plants planned in Iowa, and may limit the development of oil shale in Colorado; another Battle of the Little Bighorn looms over a proposal to divert water that now flows through a Crow Indian reservation for a coal-slurry pipeline. With the Mississippi River at historic lows in recent weeks, barges were backed up for as long as five days awaiting dredges to clear a safe channel between Cairo, Ill., and Memphis—a reminder that water-borne transport is usually the most energy-efficient way to move goods.

Just as Americans have discovered the hidden energy costs in a multitude of products—in refrigerating a steak, for example, on its way to the butcher—they are about to discover the hidden water costs. Beginning with the water that irrigated the corn that was fed to the steer, the steak may have accounted for 3,500 gallons. The water that goes into a 1,000-pound steer would float a destroyer. It takes 14,935 gallons of water to grow a bushel of wheat, 60,000 gallons to produce a ton of steel, 120 gallons to put a single egg on the breakfast table.

The water that will make next year's steaks lies frozen now in the subsoil of the Corn Belt, and within the next few weeks farmers will have to decide how much grain it will support. Much of the nation's farmland is dangerously dry, following a hot, dry summer and a snow-poor winter. Last week's blizzard helped, "but it could snow every day until spring and we'd still be short of moisture," warns Sam Knipp of the Kansas State Farm Bureau. With heavy precipitation, farmers will plant more corn, the most water-sensitive major crop; if it stays dry, many will probably plant soybeans, sorghum and milo. In Iowa, where last summer's blazing drought brought back memories of Dust Bowl desolation, at least some farmers seem to have decided. "I don't think I'll be planting quite as heavy as usual," says Wilbur Mann, who farms 357 acres near Moorhead. "I'm going to leave more space between the rows, the same as we did in the '30s. Nineteen eighty was the closest I've seen to those days. I sure hope 1981 isn't any closer."

Around New York City, the period most often evoked by the drought was the mid-1960s, when a series of dry years threatened to empty the city's upstate reservoirs. At the worst of that crisis, the reservoirs were down to 25 per cent of capacity. This time the drain has been frighteningly swift. The reservoirs, literally brimming with water after last spring's rains, emptied to 31 per cent before last week's storms.

Pray for Rain: New York, which declared a drought emergency Jan. 19, faced the problem in the way it knows best. It began a public-relations blitz, led by the irrepressible Mayor Edward Koch, who posed for the press shaving in the approved manner, with the basin filled and the tap closed. Measures like that helped the city reduce its daily water use by 150 million gallons. But beyond that there was little anyone could do but pray for rain—preferably late at night so fickle citizens would not peer from their windows and wrongly conclude that the need for conservation was past. Even harder hit were smaller cities and towns in New Jersey and Pennsylvania, some of which were reduced to scavenging for water in abandoned strip-mine pits. In eastern Pennsylvania, residents have been put on a spartan 40-gallon-per-day regimen, enforced by fines and jail terms.

The Northeast and Midwest were victims of the same phenomenon: a high-pressure ridge anchored over western Canada that forced the moisture-rich winds from the Pacific far north of their normal course, where the arctic wrung them dry before they dipped back over the United States. A low-pressure region on the East Coast, meanwhile, sent Gulf storms spinning far out over the Atlantic, bypassing thirsty Easterners like New York taxicabs at rush

hour. A stable high-pressure system had also caused last summer's dry weather, but in both cases it was the persistence of the pattern that was so unusual, and destructive. Meteorologists groped for explanations: in ocean temperatures, in the sunspot cycle, even in the dust sent sky-high by the eruption of Mount St. Helens.

Theories that the Northeast was entering a long period of drought were guesses at best. But a disconcerting report came from Columbia University climatologist Edward Cook, who studied three centuries of Hudson River Valley tree rings and discovered that what the Northeast now regards as normal weather has in fact been an unusually stable interlude. "The period from 1900 to 1960 was less variable, with fewer extremes of wetness and dryness, than the preceding 200 years," he found. That stable era may now have ended—but it was during those years, and for those conditions, that the Northeast's water systems were planned and built.

Easterners may not have been thinking much about the Ogallala Aquifer last week, but it could soon be as familiar to resource-minded Americans as the North Slope. Named after an Indian tribe that once roamed the High Plains, it is perhaps the largest underground reserve of fresh water in the world—an estimated 2 billion acre-feet* trapped in sand, gravel and silt laid down by the rivers of the Pliocene and early Pleistocene. As the ancestral streams cascaded down—and eroded—the eastern front of the Rocky Mountains, they carried along sand and gravel to the lowlands. In time, the flood plains coalesced, and since rain was plentiful during Pleistocene times, water saturated what is now the aquifer. Eventually it was trapped between a layer of impermeable shale on the bottom and an erosion-resistant cap rock on top.

Bottom: Those ancient waters now trickle through West Texas cotton fields and spurt from the quarter-mile-long arms of center-pivot irrigation systems, making hundreds of circles of green corn in the Nebraska plains. Each year farmers withdraw more water from the Ogallala than the entire flow of the Colorado River. But because sparse rain barely penetrates to the aquifer, very little water flows back in. Water tables are falling from 6 inches to 3 feet a year, and, on average, the Ogallala has 40 years of useful life remaining; in some localities the bottom will be reached much sooner. A. Wayne Wyatt, manager of the High Plains Underground Water Conservation District No. 1 in Lubbock, Texas, likens the problem to "taking money out of a checking account faster than you put it in; sooner or later, you're going to come up with a zero balance."

Already, irrigated acreage is declining in five of the six states that draw water from the Ogallala, with predictable results: lower yields and a shift down the water scale from corn crops to cotton or sorghum. Northwest of Lubbock, where 20 inches of rain marks a lush year, farmer Y. F. Snodgrass has had to cut back his irrigated land from 60 acres to 50 in the past few years; he harvested 375 pounds of cotton per acre on the irrigated land, 25 pounds on the dry land. "I just cannot cover the territory with the water I have," he told NEWSWEEK's Ronald Henkoff. Through the 1970s, corn production in the High Plains of Texas averaged over $170 million a year. Gerald Higgins, an economist with the Texas Department of Water Resources, predicts that "corn will disappear from the Texas High Plains within the next few years."

Texas law acknowledges that the underground water will run out eventually: farmers get a ground-water depletion allowance, just as wildcatters get one on oil. But like most states, Texas lets it farmers pump away. The last American frontier is underground, where miners, developers and big farmers race each other to the bottom of the aquifer. "They get rick quick," notes Berkeley geographer Richard Walker, "and when the bonanza is over, they expect the Feds or the state to bail them out." The land bears the scars on its surface: so much ground water has been drawn up by Arizona cotton and alfalfa farmers that the desert floor between Tucson and Phoenix is laced by cracks up to 25 feet wide. For years, Houston slowly sank as water was sucked from beneath it; California's San Joaquin Valley has dropped by nearly 30 feet in some places. The compacted subsoil loses its capacity to hold water, so that even if pumping stopped the aquifers could never fully recharge.

There are innumerable large and small aquifers underlying the United States, supplying nearly one-half its drinking water. Unfortunately, their complex geology does not conform to property lines or state boundaries. "One well can change the entire hydrologic configuration," observes Georgia state geologist William H. McLemore. "When an industrial pump is turned on in Jesup, its effects can be seen in Savannah," 40 miles away. Heavy pumping from the Ocala Aquifer has created a "cone of depression" 50 miles wide beneath Savannah and is slowly sucking ocean water toward the city's wells. It is not a problem yet, and may not be for years, but engineers are studying whether it may someday be necessary to reinject fresh water into the aquifer to re-establish the pressure balance.

Pollute: A nation's health can be read in its water, and not even 4 trillion gallons of rain a day can dilute the results of decades of folly and greed. Rain falling through the sulfurous air of the Northeast occasionally reaches the ground with the acidity of lemon juice, poisoning fish in the high Adirondack lakes. Salt spread on icy roads has leached so deeply into the aquifers supplying dozens of Massachusetts communities that citizens on low-sodium diets have been warned to drink bottled water. Cattle feedlots in Iowa, pesticide-laden potato fields in Long Island and bacteria from human sewage have all contaminated precious ground water. Municipal treatment plants can clean and recycle biologically polluted water. But they are not much help when it comes to chloroform, benzene, PCB's and the whole spectrum of chemical pollutants that have been found in the wells of many states—and that may prove to be carcinogens. A growing number of Americans are afraid to drink the water that comes into their homes, and the situation will get worse as scientists learn to detect pollutants with even more frighteningly polysyllabic names. Engineer Robert Weimar of Camp, Dresser & McKee summed it up: "The hysteria is caused by quantum leaps in evaluating what's in the water."

Laymen sometimes naively think of aquifers as swift-running underground streams, and assume that they cleanse themselves like a river. But water moves sluggishly underground—perhaps only tens of feet a year—and purifies itself slowly, if at all. Had the town fathers of Bedford, Mass., known that, they probably would not have situated an industrial park right above the aquifer that supplied 80 percent of their drinking water. Bedford had to close its well when tests found trichlorethylene, and the town now buys most of its drinking water from surrounding towns. "The contamination of ground water is almost irreversible," warns James E. Smith, a top Environmental Protection Agency official. "Once it's done, there's damned little you can do about it."

Even the seemingly innocent practice of irrigation can cause ecological havoc. Irrigation water carries dissolved salts, which build up in poorly drained soil as the water evaporates and eventually make it impossible to grow most crops. By 1990, as much as a quarter of California's immensely productive San Joaquin Valley could be threatened. The situation is reversible, although at great cost. Farmers can take their land out of production for two to five years, wash it clean with huge quantities of water and then install perforated drainage pipes underground. In the San Joaquin, the Interior Department has begun to build what is essentially a sewer for 4 million acres of farmland: the "San Luis Drain," a $300 million, 188-mile concrete ditch, will carry irrigation runoff north to the Sacramento River Delta near San Francisco. The last hundred miles have yet to be built—and it remains to be seen if President Reagan's Interior Department will allocate the funds to complete it.

Damage: An even more mind-boggling project is well under way southwest of Yuma, Ariz., where the depleted Colorado River crosses into Mexico burdened with the irrigation runoff from 150 nearby farms. After the Mexican Government complained that its allotment of Colorado River water was too salty to be of use, the Interior Department conceived a $356 million desalting plant to remedy the damage done to the river—sucking up nearly 100 million gallons a day, removing most of the minerals and then depositing the water back into the riverbed. The project includes a separate canal paralleling the river to drain the brine into the Gulf of California. (The plant will work by reverse osmosis, passing the water through a membrane impermeable to salt molecules. In theory the process can be applied to sea water, but it would be much more expensive because sea water is saltier.)

Such grand projects are in the great tradition of the Far West, where for decades the meager supply of water has been stretched by adding liberal amounts of money—frequently the Federal government's. (In return, Westerners point out, they feed much of the rest of the country.) "The Western states never accepted the wisdom of God when he didn't put all the water there," the EPA's Smith wryly observes. Nor have they been stymied by the mountains they found instead; as it is said in the West, water flows uphill to money.

Water has inflamed far more passions in the West than whisky, and by far the greatest clashes have been over the Colorado River. It is an insignificant river in the nation's over-all water picture; with an annual flow of 13.5 million acre-feet, it is about the same size as the Hudson—but so vital to the West that barely 10 per cent of its waters are allocated to Mexico. Because of a tangle of interstate compacts and court decisions, Mexico and the seven states through which the Colorado flows actually have legal rights to use more water than it contains; until now, luckily, the states have not taken their full shares. But that may change by the late 1980s, when the $1.6 billion Central Arizona Project will begin delivering more than a million acre-feet a year to fast-growing Phoenix and Tucson. The water the CAP will provide years from now is already being fought over in court, as Arizona challenges the Interior Department's decision to allocate one-fourth of the project's flow to a dozen small Indian tribes. California—which for decades has consumed part of Arizona's share of the river water as well as its own—will have to surrender much of its neighbor's share.

California's water economy faces some difficult adjustments, and Los Angeles, particularly, is not likely to give up much water without a fight. One of the oldest Western water wars, in fact, is now seething again in southern California. It pits the Los Angeles water-supply system against the residents of Inyo County, 250 miles to the north. The first round was fought more than 60 years ago, when a dam and aqueduct began divert-

* An acre-foot is the amount of water needed to cover 1 acre 1 foot deep; it is the equivalent of 325,851 gallons.

ing the Owens River to slake the thirst of the growing city. Desperate farmers tried to blow up the aqueduct, a tactic that some darkly hint has been only temporarily shelved. The renewed war, which so far has been fought mostly in the courts, was touched off in 1970 when Los Angeles built a second aqueduct to the Owens Valley and began pumping ground water through it. No one denies that Los Angeles bought the legal rights to the water in the early years of the century; but valley residents question the city's moral right to turn their settlement into a desert.

Huge Surpluses: By reaching a long arm north, southern California has managed to keep its water supplies growing faster than its multiplying population, and there has usually been plenty left over to sell at bargain prices to the big Central Valley farmers. "In a normal year," asserts Berkeley's Walker, "the water projects have huge surpluses. And agriculture plans on those surpluses." But with supplies from the Colorado River due to decrease, the water-hungry south is looking even farther north. A new battle is raging over the Peripheral Canal—a proposal to cut a 400-foot-wide ditch, 43 miles long, around the eastern rim of the Sacramento River delta, drawing off billions of gallons into the mouth of the great California Aqueduct. Gov. Jerry Brown strongly supports the $5 billion-plus project, but opponents have forced the issue to a referendum, which must be held by June of next year. San Franciscans envision the canal sucking so much from the Sacramento River that salty bay water would back up into the delta, a potential ecological hazard. More important, they see it as the first step of a massive water grab ultimately aimed at drawing off their last free-flowing rivers.

Their fears are not groundless: history records many grand proposals to convert the Northwest into a watershed for Los Angeles and the Central Valley farmers. Rivers as far away as the Snake in Idaho and the Yellowstone in Montana have been eyed covetously. Plans have been proposed to tap the Columbia River, although the energy required to lift it over Oregon's mountains may have stood in the way; one engineer suggested a $20 billion fiber-glass pipeline to parallel the coastline along the ocean floor. Grandest of all schemes was the proposed North American Water and Power Alliance, which would have run water from the Yukon down to Mexico and from the Great Lakes to the Pacific, at a cost estimated in 1964 at $200 billion. Walker dismisses all such schemes as preposterous. "It reflects the water users' conviction that there's no need to worry about conservation when there's a whole continent to go after," he says. "There's no end to peoples' imagination when there's a buck to be made."

Tidal Backwater: Nature has a way of reasserting itself over such hubris. The West might do well to study a report by two Louisiana State University professors who recently concluded that not even the Army Corps of Engineers will be able to stand against the Mississippi River when it decides to switch its channel at a point 250 miles upstream from New Orleans. The shift—which Professors Raphael G. Kazmann and David B. Johnson say is inevitable and could come as early as next spring if the river floods—will send North America's biggest river cascading down the peaceful path of the Atchafalaya River toward Morgan City, La.—ripping out highways, gas and oil pipelines and anything else in its path. The new channel would leave New Orleans on a tidal backwater without drinking water; it would also do $4 billion or more of damage in carving its path to the sea. The Army Engineers are confident that a $216 million construction project will keep the river in its present channel, but pessimists point out that the Mississippi has switched back and forth along many paths since long before the Army Engineers came on the scene. "It's going to be a mess," Kazmann warns.

Whether or not the West learns to defer to nature, there are signs that it is bowing to economic reality. Voters in Tucson—who recalled three City Council members in a revolt against higher water rates in 1976—have decided to accept a rate hike after all, and have cut their per-capita consumption by more than a quarter. The government's century-old policy of encouraging the settling of the West through cheap water is increasingly viewed as an anachronism; there is no need to lure settlers to the Sun Belt. The old pork-barrel approach to Western water projects in Congress is also breaking down. "We've gone four years without a new water-projects-authorization bill," observes Gerald D. Seinwill, acting director of the U.S. Water Resources Council. "There are new members of (Congress) who see they can be reelected without bring home a dam." Farmers are beginning to realize that they can no longer use 90 per cent of the water in some Western states. As Arizona's cities have boomed, central Arizona farmers have grudgingly agreed to limit the amount of ground water they use—a possible first step toward a state buy out and retirement of their lands after the year 2000.

That will be expensive, but by no means the most painful adjustment the nation will have to make. The rain will continue to fall, but Americans will have increasingly difficult decisions to make about what to do with it on the ground. Piping pure drinking water hundreds of miles to wash cars and sprinkle lawns may no longer make sense. The aging cities of the Northeast may have to spend billions to replace their leaky water mains. New York, which began talking about metering all of its water during the last big drought, may finally have to do it—if only to learn how much water it loses to leaks each year; the city puts the figure at 3 per cent, but one New York state official maintains the loss is five times that. In Colorado, a handful of self-sufficient homeowners have already installed the hydrologic equivalent of the all-solar house: a $15,000 system to treat and endlessly recycle every drop of water used in the home. Americans who have learned to car pool may soon be pooling pools as well.

Maximum Efficiency: Farmers have begun to lay expensive pipes that drip a measured quantity of water right at a plant's roots, replacing open furrows and sprinklers that sloshed water all over the landscape. Laser-guided earthmovers grade huge fields as flat as hockey rinks, for maximum efficiency in spreading water. The U.S. Water Conservation Laboratory in Phoenix has developed infra-red thermometers that can scan acres at a time from the air and identify, by elevated leaf temperatures, which fields need water.

Measures such as these will help the nation stretch its water supplies, but in the long run Americans will have to learn that the era of cheap water, like the era of cheap energy before it, is over. Even while the airborne thermometer is being tested in Phoenix, the University of Arizona in Tucson is studying the economic potential of tumbleweed, a ragged shrub that flourishes throughout the West on almost no water. Shredded and pressed into logs, it makes a very nice fireplace fuel. It is unlikely, though, to take the place of corn—and it is a sad irony that the nation that made its deserts bloom may soon be scrounging them for weeds.

ISRAEL: GOOD TO THE LAST DROP

By American standards, Israel is a hydrological disaster area. Its 25 inches of annual rainfall—a drought in many other countries—falls at the wrong time in the wrong place, soaking the remote northern hills in winter while leaving the south and center dry in the summer. The Sea of Galilee, Israel's only reservoir of fresh water, lies 696 feet below sea level and miles from major population centers. And Israel's Arab neighbors bitterly dispute rights to the Jordan River, the largest of its three meager streams.

Yet no one goes thirsty in Israel. An eclectic mixture of age-old habit and computer-controlled engineering squeezes every last drop out of what water there is. Since 1950 the country has increased its water utilization from 17 per cent to almost 95 per cent. Experts attribute such success largely to shrewd planning. When Israel became a state in 1948, the founding fathers immediately proclaimed all water a national property and entrusted it to an independent agency known as the Tahal. "We did not wait for a crisis," recalled Yaacov Vardi, a founder of Tahal. "We spent money, we used our best brains, we worried. And, of course, we knew that our backs were against the wall."

Clouds: As its first priority, the Tahal began collecting water from every possible source. Along Israel's 125-mile-long coast, engineers dug 30 wells per mile to trap 10 billion gallons of fresh water annually before it could seep out under the sea. Planes regularly seed clouds with silver iodide to encourage rain, while kibbutzniks and farmers burn the chemical in special generators on the ground. The land and air attacks on clouds have swollen rainfall by about 15 percent.

The Tahal distributes its bounty through a system of canals, pipes, tunnels and wells. Each year it channels close to 90 billion gallons of fresh water across the length and breadth of Israel. So flexible is the system that its pipes served Israeli troops stationed at the Suez Canal before the recent pullback from Sinai. At Avdot, deep in the Negev desert, ecologists from Ben-Gurion University have refurbished a 2,000-year-old network of dry riverbeds and stone-lined conduits to direct the runoff of rain from the hills to nearby fields.

Modern technology ensures that farmers use no more water than their produce requires. Sprinklers have given way to drip irrigation. Computers monitor air temperature, humidity and wind speed and adjust the amount of water delivered to the roots of the crops. In one test, a region that had yielded 9.52 tons of melons per acre using sprinklers produced 17.2 tons with drip irrigation.

Genetic engineers have also joined the battle to preserve water. A miniature peach tree developed by government scientists can be planted at the astonishing density of 3,200 trees per acre (compared with the normal 120). Because the trees grow so close together, they can be drip-irrigated and their fruit harvested quickly. Researchers have divided all fruits and vegetables that are grown in Israel into four categories, according to their tolerance for salt. This allows water managers to stretch scarce irrigation water by mixing fresh and brackish supplies. New varieties of cucumbers, tomatoes, melons and peppers, developed by careful cross-breeding, thrive in water whose salt content is five times greater than normal.

Fees: Israel actively encourages its citizens to save water, combining the carrot of public-service announcements with the stick of stiff fees. Jerusalem households pay 25 cents for their first 4,227 gallons of water each month, but 50 cents for each 264 gallons beyond that. No industrial plant can be built unless water commisisoner Meir Ben-Meir has approved its water-recycling plan. "To get a license to dig a private well is via dolorosa," says Ben-Meir.

Not every scheme has worked. An experiment to prevent evaporation from the Sea of Galilee by covering it with alcohol failed when winds blew aside the cover. An effort to retain moisture in the soil by spraying it with silicones proved too expensive. Still, Israel has exported its hydrological know-how to 28 countries. "What we've done is take the existing knowledge and apply it on a large scale," said Yaacov Vardi. "We used all Israel as a laboratory."—Peter Gwynne with Milan J. Kubic in Jerusalem.●

THE 63D ANNIVERSARY OF INDEPENDENCE OF ESTONIA

● Mr. LEVIN. Mr. President, today is the 63d anniversary of the independence of Estonia. After World War I, Estonians fought a brave war of independence against the invading Bolshevik Russians. Independent Estonia developed a flourishing economy with western Europe.

Recognizing the importance of ethnic identity, Estonia became the first country to grant all its minorities cultural autonomy through government-subsidized ethnic schools, theaters, and libraries.

Of all the European countries, Estonia, along with Latvia and Lithuania, were the only ones to lose their sovereignty during World War II. While East European nations such as Poland and Hungary had Communist governments imposed on them by the Soviet Red Army, the three Baltic countries were incorporated forcibly outright into the U.S.S.R. after the Russian forces invaded them in 1940 as a result of the Hitler-Stalin pact.

The Soviet annexation not only terminated the independence of Estonia, but also led to massive slaughter and deportations, especially in 1941 when 60,000 Estonians were either killed or sent to Soviet labor camps, and again in 1949 when 80,000 rural Estonians were deported to Siberia as a result of the transfer of privately owned farms to government cooperatives. A total of 350,000 people were lost between 1939 and 1949—a third of Estonia's population.

To escape the Russian horrors, 100,000 Estonian citizens managed to flee their country before the Red Army reentered Estonia in 1944. Of these refugees, many settled in the United States. Today, Estonian communities exist in every major metropolis area, with the largest in New York, Los Angeles, and Chicago. Estonian Americans take deep pride in the United States. A pride exhibited for the pursuit of human rights which the United States has never let die.

I join with these proud Estonian Americans in deep concern that the people of Estonia, who are part of a culture which goes back for thousands of years, are not forgotten.

Mr. President, on Sunday, the Estonian community of Detroit and southeastern Michigan commemorated the 63d anniversary of Estonian independence.

I sent a letter to the gathering and I ask that the letter be printed in the RECORD.

The letter follows:

U.S. SENATE,
Washington, D.C., February 10, 1981.

Mr. RAIMOND TRALLA,
Oak Park, Mich.

DEAR FRIENDS IN THE ESTONIAN COMMUNITY OF DETROIT AND SOUTHEASTERN MICHIGAN: Thank you for inviting me to be with you at the 63rd anniversary commemoration of Estonian Independence. I am sorry that I am unable to be in Michigan this weekend, but I would like to share some thoughts with you on this occasion.

Human rights is a topic which has been uppermost in our minds for many years, and our interest in the subject is heightened at this time as the Conference on Security and Cooperation in Europe is meeting in Madrid. It is the business of this conference to review the Helsinki Final Act of 1975.

For Estonians, there is a man who symbolizes the overbearing oppression of the Soviet Union. Last month, Mart Wiklus, a biologist and former language teacher, was sentenced to a labor camp for ten years and then to five years of Siberian exile. The sentence seems particularly harsh to us for his so called "anti-Soviet agitation".

Mart Niklus is a dissident who has been protesting Soviet authority for over twenty years. He was incarcerated once before for over eight years.

On the 40th Anniversary of the Molotov-Ribbontrop Pact, that infamous act which led to the annexation of all three Baltic nations, he protested by signing the "Baltic Appeal" with 44 other dissidents.

He has signed an open letter to Leonid Brezhnev and Kurt Waldheim condemning the Soviet invasion of Afghanistan and he also asked the International Olympic Committee to change the site of the 1980 summer games.

Mart Niklus is only one of many dissidents, but I single him out because his story is typical of all dissidents. He is a man who has agitated for basic rights for his people for a very long time. He has spoken up against the transgressions of the Soviet government. His "crimes", the harassment he has suffered and his frequent and harsh penalties tell the story of so many brave people who struggle for freedom in their own lands.

It is important to remember Mart Niklus, and the many others just like him, as you meet to commemorate a too-brief independence and as you speak out against a prolonged period of domination by a cruel conquerer.

I know that you treasure your freedom in America as those in your homeland are prohibited from traveling abroad or emigrating.

I know that you strive to preserve and perpetuate your individuality in America—your religion, culture and customs—as you hope for a restoration of self-expression in Estonia.

I know that you value your citizenship in this great country while you pray that the people of Estonia will once again enjoy self-determination in their own land.

I know that you speak out for the human rights of all people, and especially the Estonians, so that the Soviet Union will clearly understand that your dream of an independent Estonia will never die.

I join you in these thoughts today, and I urge you to never give up hope. The United States has never recognized the annexation of the Baltic countries and will continue this struggle with you.

Good luck in all your endeavors. I look forward to a long and friendly association with you.

Sincerely,

CARL LEVIN.●

SOCIAL SECURITY DISABILITY AWARDS

● Mr. DECONCINI. Mr. President, during Senate consideration of H.R. 3236, the Social Security Disability Amendments of 1980, I cast the lone nay vote. My decision to oppose this legislation was reached only after carefully balancing the cost savings that would be achieved against the impact of the various proposals on individual disabled recipients. Although I have introduced legislation and consistently supported amendments to achieve a balanced Federal budget, I felt this bill placed on inequitable financial burden on the least fortunate members of our society—the disabled and handicapped. The benefit reductions incorporated in the legislation were not inconsequential. Prior to enactment of this bill, a disabled recipient with a family of four earning $250 a week was entitled to a weekly disability benefit of $184. Under H.R. 3236, disability benefits were reduced by $23 a week. In an era of burgeoning inflation, I felt it was fundamentally unfair to significantly reduce benefits to those whose expenses exceed those of healthy citizens.

With the best of intentions, legislation is too often drafted without sufficient regard to the human suffering which may result. I submit for printing in the RECORD a letter I received from an attorney in Phoenix who represents claimants seeking disability benefits. During the past year alone, two of his clients committed suicide and another was dissuaded from terminating his life only after being promised that his disability case would be reviewed. I hope this letter will serve as a reminder of the desperate human struggle many disabled and handicapped experience.

The letter follows:

JEROME & GIBSON, P.C.,
Phoenix, Ariz., January 29, 1981.

Hon. DENNIS DECONCINI,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR DECONCINI: The world was shocked when John Lennon was wantonly shot down in the street by a mentally disturbed person for unknown reasons. Much news coverage was given to this killing, and much outrage was voiced. It is ironic that, as I read this, news of another killing also lies on my desk. It is the second needless killing that I have dealt with this year. I am sure that none of those who read this letter would otherwise know these victims' names, Howard Cluckey and Evelyn Mattson. The killer we all know, but it will continue, unnoticed, about this business. The killer is our government. How does this killer work?

Let us examine these deaths. Howard Cluckey was 38 years old. He had a 12th grade education and was a medical technician. He had served in the armed forces and received an honorable discharge. Unfortunately, he had a serious disease. He was under the care of the neurology service department in the Phoenix Veteran's Administration Medical Center for neurofibromatosis, proven by biopsy of subcutaneous nodules. He also had been proven by myelogram to have multiple tumors on the spinal roots. Mr. Cluckey had been on Social Security disability payments for two years when Social Security decided to terminate these benefits. Prior to this termination, Social Security received an evaluation from one of its doctors which clearly stated that Mr. Cluckey was suffering from a depressive neurosis, and had admitted to three suicide attempts earlier in his life. This doctor's summary stated "this patient presents a rather sad case of genetic illness which has caused a severe intervention of a normal life. The seizures have probably been as great a detriment as memory loss, which, combined with seizures, have made this man have a mild castration anxiety because of his inability to produce. He appears ambitious and anxious for work and retraining; and with the suitable type training he requests, I believe that he may eventually be able to become independent and work on his own

time." In spite of the absence of any medical statement that Mr. Cluckey was able to return to work, he was terminated. Thirty days after his last check, Mr. Cluckey analyzed his situation: no improvement in his medical condition, inability to work, a wife and two small children, inadequate income, a life tormented with pain and marginal hope for improvement. It takes little insight to see his point of view. Alive, there was but small hope and no means to support his family, with him dead, his family could draw dependents' benefits. The irony of this case is that even after his death, the Social Security reconsideration section would not admit error and it was necessary to take his case to a hearing to obtain his last month's benefits. The reconsideration section apparently feels that some malingerers will go to any length to get another month's benefits.

Evelyn Mattson was a slightly different case. She was 60 years old. She had a 7th grade education and had worked as an assembler, packer and inspector in a plastics factory. Shortly before she would have been eligible for retirement, she began to have severe dysequilibrium which caused her to cease work in 1978. Mrs. Mattson began the long battle for her Social Security disability benefits. Along the way she received the advice that she did not need a lawyer, so she went to her hearing without counsel and without a fully developed case. She, like so many others who do not have legal assistance, lost at the hearing. She then got a lawyer who appealed her case. Unfortunately, on December 6, 1980, a few days before the Appeals Council's reversal of the hearing officer's decision would arrive in the mail, this 60-year-old lady, suffering from dysequilibrium, depression, heart trouble and despair, gave up and took her life.

In the last month one other example occurring in our area was the case of a Mr. Horne. He invaded the Mesa office where he poured gasoline all over himself and the office, with the stated intention of ending his life so that his children would be entitled to dependents' benefits. He was ultimately persuaded not to take his life and that his case would be reexamined.

But, these deaths are happening. Our system is killing people who have worked and paid for benefits. Their number will grow if the attitude toward the disabled does not change. Unfortunately at least two of the 1980 amendments to the Social Security Act will make matters worse. One requires review of continuing cases every three years. The goal is logical, but how many claimants, ill in body and mind will die or suffer severe hardship by having shoddy development improperly end these benefits? Mr. Cluckey will not be alone.

This amendment must be changed to allow for continued payments if an appeal is filed pending the outcome of the appeals hearing. The management of cases involving suspension of benefits has, from my own experience, been poor. Claimants that I have taken to hearing and won primarily due to psychiatric problems have been later terminated solely on the basis of an orthopedic examination of their back. Claimants I have helped get set-up in a small trailer to get by on a limited budget have returned after such incorrect terminations and I have personally seen the hardship and economic distress as these people try to keep from losing everything they have, including their shelter and personal effects. There is an average of nine-months from termination to restoration of payments. This period without benefits is sufficient to crush these fragile and disabled people. What little financial security they have developed is destroyed.

A second feature in the 1980 amendments prevents post-hearing evidence from being submitted to the Appeals Council. This amendment does not allow those in Mrs. Mattson's predicament to obtain help on their appeal. The amendment should be dropped to allow evidence to be received by the Appeals Council. There is, at present, a strong feeling among lawyers practicing in the Social Security field that the Appeals Council fails to serve a useful purpose and is more or less a rubber stamp level. If the Appeals Council cannot by law receive newly developed evidence without showing a good cause, this opinion will only be reinforced.

It is truly ironic that a government so protective of criminal rights shows so little regard for the rights of its honest workers who have paid into this system. I am just one lawyer, working in one city, and I have personally handled this year these two cases ending in suicide. I wonder, nationwide, how many have occurred? I have written this letter for anyone who cares to listen, to call attention to the fact that this system deals with individual people, not vast statistics. Each decision has significant impact on a tiny segment of our society.

Our criminal justice system goes to great lengths to protect the innocent person from wrongful conviction. Yet our Social Security system seems to disregard the rights of the innocent in order to insure catching the occasional malingerer.

I hope that the deaths of these two people can call attention to the purpose of the act and help improve its function.

It is hoped that these two case histories will impress upon legislators and administrators that they are dealing with people's lives. That there will be deaf ears has already been shown. When Mrs. Mattson's social worker, Jim Hyslop, was informing the Social Security District Office of her death, the response he received was, "Well, what a cop out."

It is hoped that this letter will begin to overcome this attitude of distrust and impress upon those administrating and legislating the act that we are, in fact, dealing with real people who are honest, worn-out workers unable to continue in the work force.

Very truly yours,

RICHARD A. GIBSON.

THURSDAY NIGHT

Nancy don't come in.

Please do not open this door as I don't know what you will find. I am taking pills and hope I just fall asleep with no mess around. Call police or someone else than family to go thru window as I will block this door but leave window unlocked for police. If I make it be happy for me and don't grieve at it is what I want and takes a lot of courage as I'm not sure if I will succeed. I promised Dad I'd be buried in Pepperell please do. My wish is Don't let it spoil Christmas for anyone. I did promise Dad I'd be buried in Pepperell cemetary beside him so as he is still living this is what I'd like to do. It means a lot to him.

The cheapest way to do it, cremated or in a box. No more than grave side service. Very private. No suretts (sic). If money don't cover it maybe you can scratch up a little from loan. I mean cheap, the cheapest possible casket etc. to be buried. The living need the money as I always did say.

Dad beneficiary

I have a $1,000 life policy with John Hancock. Social security still does give $250 I believe for burial as of yet. They are talking to discontinue it but haven't as yet. They should at least give that. I owe Barbara $50 from long ago but she remembers it as we talked about it. Please see that she gets it from balance I have coming off loan. There is plenty of time to get it over and back to normal living before Christmas and don't grieve for me. It's what I want.

My biggest regret for doing this is its in Nancy and Bob home. Forgive me for this. I couldn't figure another way. What I am doing has nothing to do with what anybody has said or done.

I have a lovely home here though had my social security come through I think I would have gone back with Dad as I feel rotten for leaving him alone when he needed someone most. I stayed so many years I should have put my feelings aside, and stayed to help him when he is at this point in life.

Don't feel bad for me, I never wanted to get old and not be able to care for myself and I can see it coming. I'm sure now I won't get my disability. All tests are coming through nothing wrong so that I can't work. I know I can't. I'm not lazy.

Something is causing it. It is not my imagination. And I never would have quit if I could have worked another 1½ years. Who needs the hassle it's not today but the time ahead next year, etc., etc.

I know Dad plans to come in Spring and talk me into going back with him. I am really sorry I know I should do this now and not wait until then.

I love you all. Tell everyone in Massachusetts, Barb and Family and Dad I love them all but we all have to go sometime. Pretend it was a heart attack.●

UNITED STATES-CHILE RELATIONS

● Mr. KENNEDY. Mr. President, I strongly object to the administration's decision to make Export-Import Bank credits available to Chile and to permit the Chilean Navy to participate in inter-American naval exercises.

The administration has made the fight against international terrorism one of its highest priorities. Yet it is now associating with a military regime which has not only engaged in repression of its own citizens, but which is responsible for the terrorist assassinations of former Foreign Minister Orlando Letelier and his American associate Ronni Moffitt on the streets of Washington—and which has refused the U.S. extradition request for the Chilean intelligence officers indicted by the U.S. grand jury for those political murders. The Washington Post in a recent editorial calls President Reagan's action "an appalling decision, signaling that rightwing thugs can get away literally with murder on the very streets of Washington and cutting the moral heart out of the Reagan antiterror campaign."

The State Department itself has reported on the involvement of the Chilean secret police with other intelligence services in terrorist actions against exiles. The administration's overtures to welcome Chile under our financial and security umbrellas marks a dangerous shift in our relations throughout the Americas.

Mr. President, the United States must not condone acts of terrorism anywhere in the world—but the administration has failed the first test in the case of Chile. I now ask that an appropriately indignant editorial from the February 23 issue of the Washington Post be inserted in the RECORD.

The editorial follows:

OUR PAL PINOCHET

Scarcely had the administration announced its crusade against "state-sponsored terrorism" than it embraced the one state, Chile, that has incontrovertibly sponsored terrorism on American soil. An American court had actually convicted four men for acting at the behest of the Pinochet dictatorship and murdering the Chilean political exile Orlando Letelier and an American colleague on Massachusetts Avenue. The previous administration had demanded that Chile bring to trial or extradite three high officials implicated in the assassination and, when Chile refused, had imposed limited sanctions. The Reagan administration is now lifting those sanctions in the name of American security and business. It is an appalling decision, signaling that right-wing thugs can get away literally with murder on the very streets of Washington and cutting the moral heart out of the Reagan anti-terror campaign.

The administration's decision contributes, too, to the evolution of its human rights policy. That Mr. Reagan was not going to follow the explicitly moralistic, interventionist, high-profile line of his predecessor was certain. That line had not proved wise bureaucratically, even to Jimmy Carter. Some of the president's advisers have been suggesting, nonetheless, that a more modest line could still be developed as a useful element of a broadly conceived anti-communist foreign policy. They have hoped Mr. Reagan would avoid the ripples Mr. Carter encountered when he was seen to have an inconsistent focus—more on the shortfalls of authoritarian friends than of totalitarian foes.

It is against this hope for a more contained, pragmatic but still respectable human rights policy that the decision on Chile must be seen. It represents a victory for a contrary current flowing in the administration. This current holds that the United States does not have the geopolitical luxury of being able to tax friendly anti-communist states for their internal failings and that, to the extent that the United States has any interest at all in the matter, human rights in those countries can best be advanced indirectly in the course of pursuing security and peace.

The Chile decision indicates a lack of the two essential elements of a sound conservative human rights policy: proportion and consistency. A sense of proportion would have let the administration anticipate and avoid the scandal of coming to early and conspicuous terms with a regime that commits murder. A sense of consistency would have kept it from a decision that turns its anti-terror and human rights policies alike into one-dimensional political campaigns.●

UNITED STATES-EL SALVADOR RELATIONS

● Mr. KENNEDY. Mr. President, I am deeply concerned by increasing military involvement in El Salvador. In the midst of a virtual civil war, our efforts should aim at halting the violence, bloodshed, and repression which already have cost more than 13,000 lives, not in adding to the conflict with American military advisers, arms, and equipment.

Increased U.S. military involvement endangers the remaining hopes for a negotiated settlement that many of our Latin American and Western European allies have been urging.

U.S. military aid to El Salvador recently has been extended to include military armaments—including rifles, grenade launchers, and ammunition. Major new weapons supplies to the security forces of the military-civilian junta now are being proposed by the Reagan administration. Some 20 American military advisers are engaged in both the training and the direction of the counterinsurgency campaign and increasing numbers of advisers are being proposed.

The consequences of a deeper U.S. military commitment cannot be ignored. There is a grave risk that more American personnel will be committed—and that more American lives will be lost. Then we may find ourselves on the precipice of a full-scale military intervention.

The very security forces which will be recipients of U.S. military support have been those identified by a host of international institutions and private human rights organizations as involved in the repression and killing of opposition political, labor, and religious leaders. Even the Department of State has acknowledged that elements of the security forces have been involved with rightwing death squads. And those groups also may have been responsible for the murders of three nuns, a religious worker, and two labor representatives—all U.S. citizens.

The consequences of military aid to such a government for the long-term interests of the United States must be weighed with the utmost care. Rejecting the strong opposition of democratic allies in the region to U.S. military involvement places us on a path toward self-imposed regional isolation.

My concern over raising the military stakes in the civil strife in El Salvador extends fully and completely to the continuing flow of arms from all international markets and foreign governments. The administration has released evidence of military support from Communist and other radical states to the insurgent forces in El Salvador. I strongly oppose such military involvement, and I support efforts to cut off all armaments entering El Salvador.

Instead of contributing further to the militarization of this small Central American nation of 5 million persons, we should take the lead in pressing for a political solution to the conflict. This remains essentially a political crisis with a broad opposition of Christian and Social Democrats, labor and religious leaders, as well as the far left including Communists in that country. Outside military support changes neither the nature of the crisis nor the essential need for a political solution.

First, we should join with our friends and allies in Europe and the hemisphere, particularly Mexico and Ecuador, in pressing for a political dialog to begin between Salvador's warring factions. We should encourage mediation of their differences, including the possibility of a conference of all political elements committed to a long-term peaceful solution to this tragic conflict, as Britain did so successfully through the Lancaster House talks on Zimbabwe. We must be determined to see through the difficult process of dialog in El Salvador, encouraging an in-place military truce with no further external military supplies to permit such mediation to succeed.

Second, we should pursue jointly an end to government repression of political opposition and encourage determined steps to halt the senseless killings of innocent civilians in that nation. We should support expanded operations of the U.N. High Commissioner for Refugees to protect and provide for these victims of civil war.

Third, we should insist on bringing to justice those responsible for the recent murders of six American citizens. As the Washington Post remarked in an editorial on February 18, the investigation into these deaths "cannot be parked in a 'human rights' cubbyhole. It is, for many Salvadorans, the test of whether their government is on their side."

Finally, we should stand ready to assist in achieving social and economic reforms to reduce the fundamental inequalities of wealth and denial of political and economic participation which are the core of the civil strife. An editorial, in the February 19 issue of the New York Times points out—

> Unless the junta can demonstrate independence from the old oligarchs who oppose both land reform and any negotiation with disaffected social democrats, it will not be able to govern peacefully.

The national interests of the United States in Central America are advanced through peace, respect for human rights, and economic development—and the stability these policies bring. Our interests are best served through a multilateral, negotiated solution rather than through mutual military escalation.

Mr. President, I request that a New York Times editorial of February 19, and another editorial appearing in the February 18 issue of the Washington Post, be inserted at this point in the RECORD. I strongly concur with the views expressed in both articles on the necessity for a political solution to an essentially political crisis in El Salvador.

The articles follow:

[From the Washington Post, Feb. 18, 1981]

EL SALVADOR: THE POLITICAL DIMENSION

A military response is necessary in El Salvador, where a Nicaraguan-, Cuban-, Soviet-supported insurgency is attempting to overthrow an army-backed center-right government with a commitment to social reform. But a political response is necessary, too. It has not been in sufficient evidence as the Reagan administration cranks up to make El Salvador a demonstration of its worldwide anti-communist strategy.

A political response means two things. The Salvadoran government must show itself as eager to halt violence directed against civilians by soldiers and the right-wing death squads (often the same people) as it is to halt violence conducted by guerrillas. Precisely here lies the importance of keeping the heat on the government to discover who killed the American church workers. This incident cannot be parked in a "human rights" cubbyhole. It is, for many Salvadorans, the test of whether their government is on their side. The United States would not want to help the government reduce the guerrillas, as could yet happen, only to find that the government's failure to rein in its own forces still denied it broad popular support.

The other requirement is to construct a negotiating framework, of which nothing has so far been heard from Reagan officials. Among the guerrillas and their civilian supporters, some are committed to armed struggle to the point of regarding compromise as betrayal of their revolution. But others ap-

pear to be more conciliatory. The code word "Zimbabwe," meaning talks by opposing forces in a civil war, is gaining a certain currency. The United States may not have the sole duty, or the best opening, to promote negotiations. Mexico, for instance, seems better placed, if it could break through its revolutionary rhetoric and try. Other international parties are standing by. But the American interest in negotiations must be asserted.

There is an undeniable military dimension to the El Salvador crisis, but the crisis remains essentially political. The administration should not oversell the notion that a military showdown, launched essentially for considerations of American global strategy, is everything. Its best chance of being successful and supported in the policy it is now unveiling is to show itself open to the political dimension as well.

[From the New York Times, Feb. 19, 1981]

WHAT NEEDS CONTAINING IN EL SALVADOR

In its attempt to snuff out the flames of revolution in El Salvador, the Reagan Administration is sounding a global fire alarm. It is serving notice on Communist adversaries, Latin neighbors and European allies that any aid to the Salvadoran guerrillas will disturb a nation's relations with the United States. The Soviet Union and Cuba, in particular, are being warned to stay out of a region of primary American influence.

The obsessive of this campaign aside, it is a perfectly reasonable objective in today's world. What is far from clear, however, is whether the new Administration understands that a campaign of military insulation needs to serve a deeper political purpose. Secretary of State Haig is managing the alarm bell but there is no sign of anyone yet commanding hemisphere policy in his department.

The civil war in El Salvador seems to be a standoff. The leftist guerrillas' "final offensive" has failed to topple the junta. Yet the junta has only contained, not eliminated, the insurgency. Militarily, it might now preserve itself in power if Washington pours arms and advisers into this small country of over four million people. But that cannot be the sum total of policy.

Conditions inside El Salvador, not arms from Moscow and Havana, are the main causes of this revolution. Blaming the Salvadoran explosion on imported weapons is like blaming the Polish explosion on Radio Free Europe. Unless the junta can demonstrate independence from the old oligarchs who oppose both land reform and any negotiation with disaffected social democrats, it will not be able to govern peacefully.

The price of support for the junta ought to be very plain: its energetic prosecution of the right-wing "death squads" that have contributed as much as leftists to the murder of 10,000 people in the last year. The apparent complicity of some Government forces in the death of American missionaries and failure to find the killers of land-reform advisers make the junta's sympathies highly suspect.

So far the Reagan team, like the Carter Administration, seems to be trying to shore up a frail "center"—by discouraging rightist coups, promoting land reform and providing low-level military aid to the junta. What is missing in this formula is action against the "death squads" and a genuine political approach to the democrats among the insurgents.

The military deadlock may permit real negotiations in which other nations, notably Mexico, should be welcome. If the opportunities are lost to military exertions, relations with the democratic nations of the Caribbean would be sacrificed for a very minor dividend. Halting aid to the guerrillas can support a political policy that aims to isolate the extreme right as well as the left. It will backfire if it signals only a concern for American global interests without regard for the well-being of the peoples in upheaval.●

ESTONIAN NATIONAL DAY

● Mr. ROTH. Mr. President, today is the 63d anniversary of the Republic of Estonia's declaration of independence, but Estonia still chafes under the weight of Soviet occupation. Despite the Helsinki accords, which were to guarantee national rights within the Soviet Union, these rights have been repeatedly and consistently violated, not only in Estonia but in all of the captive nations in the Soviet empire.

Nevertheless, the lamp of freedom still burns brightly in the breasts of these brave people who were massively slaughtered when the Soviets annexed Estonia in 1940. Estonian patriots like Mart Niklus and Juri Kukk have become international heroes for expressing their opposition to Soviet tyranny. They deserve our support and admiration. Their imprisonment is an affront to all civilized nations and I call upon the Soviet leadership to release them forthwith.

Mr. President, it took over a year to secure the release of our hostages in Iran. We—and they—never lost faith; and, in the end, we were rewarded. It has been four decades since the Soviets occupied Estonia, but the struggle for freedom continues. Today, we honor that struggle and declare that we stand as one people in opposing tyranny, for we know that, no matter how long it takes, the Estonian people will one day again be free.●

OIL DECONTROL

● Mr. MITCHELL. Mr. President, when President Reagan removed price and allocation controls from domestic crude oil production, a crucial provision of the law was slated to expire as well.

This is the State set-aside program, which gives States the authority to allocate a small percentage of the fuel in their States to alleviate spot shortages and local emergencies.

Although the Department of Energy maintains that current adequate supply levels make it unnecessary to retain a set-aside authority for use in emergencies, the National Governor's Association and State energy officials do not agree.

In a recent letter to Secretary Edwards, the chairmen of the three energy-related committees of the National Governors' Association expressed strong support for reinstating the set-aside authority when it expires.

And a recent article in the New York Time reports the fears of other State energy officials that, without this authority, supply and distribution changes could work hardships on local areas.

This is not a problem that affects only Maine or New England. It is common to all rural States and to the Midwestern States which, like New England, are distant from refineries and distribution centers.

I have proposed legislation to reinstate the set-aside program, and I urge prompt action on it.

Local spot shortages or supply disruptions would not trigger a national emergency response—nor should they—but they do represent a serious potential threat to Americans in many parts of the country. This is a problem that readily lends itself to State-level resolution, but it demands a national response to give State Governors the authority they need to protect their people against serious local shortages and emergencies.

I ask that the letter to Secretary Edwards and the New York Times article be printed in the RECORD at this point.

The material follows:

NATIONAL GOVERNORS' ASSOCIATION,
January 27, 1981.

Hon. JAMES B. EDWARDS,
Secretary of Energy,
U.S. Department of Energy,
Washington, D.C.

DEAR SECRETARY EDWARDS: In the event of immediate decontrol of crude oil and petroleum products, we strongly urge that the state set aside program be retained. As you know, the state set aside program gives each state discretion over five percent of specific petroleum fuels sold by prime suppliers in the state during each month. Each state is authorized to allocate this "set aside" fuel to consumers to mitigate emergencies and hardships. This program is absolutely essential to Governors' capacity to respond to local and intrastate fuel shortages. In particular, the state set aside program will be instrumental in easing the hardships which may occur if controls are immediately lifted.

There will be numerous adjustments to the oil market after decontrol. As the industry adjusts to operating in a normal, unregulated environment, regions of our state and/or sectors of our economy may unnecessarily experience fuel shortages. Refiners, for example, may withdraw from certain market areas, leaving consumers without immediate access to supplies. Trade territories of suppliers may be modified, also contributing to shortrun supply imbalances. In addition, jobbers, dealers, and others may alter their distribution practices.

The state set aside program provides the Governors with the flexibility to respond quickly to specific energy related problems until normal supply relationships can be established. For example, the set aside can be used to:

Meet peak demands of the agricultural sector during planting and harvesting times of the year.

Reduce energy production interruptions such as the closing of coal mines or reduction of oil and natural gas drilling during shortages.

Provide supplies to retail outlets to insure that they remain open during a severe shortage.

Meet the home heating needs of residential consumers.

Meet fuel switching needs during a shortage.

The state set aside program has been useful in the past. Since 1976, when middle distillates were decontrolled, the state set aside program has been retained to cope with winter heating fuel needs. The set aside for gasoline was used to mitigate the effects of gasoline shortages during the summer of 1979. It should be noted that set aside programs, except for a partial reimbursement in 1975, have been financed by state resources.

States will continue to need the set aside program to respond to the hardships created either by immediate decontrol or by future disruptions in oil supplies from the Middle East. We recommend that the state set aside program be retained whenever controls on crude oil and petroleum products are removed.

Sincerely,

GOV. JOHN D. ROCKEFELLER IV,
Chairman, Committee on Natural Resources and Environmental Management.

GOV. BOB GRAHAM,
Chairman, Subcommittee on Renewable Resources and Conservation.

GOV. GEORGE NIGH,
Co-chairman, Subcommittee on Oil and Gas.

MIDWEST FEARS IMPACT OF OIL DECONTROL

(By Douglas E. Kneeland)

DES MOINES, Feb. 13—President Reagan's decontrol of oil prices has raised fears in Iowa and a number of other Middle Western states that they could be among the principal victims in any national petroleum shortage.

"Decontrol will accelerate the decline of the Frost Belt," Doug Gross, director of the fuels division of the Iowa Energy Policy Council, said in an interview here this week. "There will be rivers of money flowing out of here and into the Sun Belt. I'd be crazy if I didn't tell you that the energy situation in Iowa was bleak."

While he is concerned about the impact of rising prices on Iowa, which he said spent $3.5 billion for energy last year out of its $35 billion total output for goods and services, Mr. Gross said he was just as worried about what would happen to the state in an oil shortage such as those of 1973 and 1979.

"Iowa's vulnerable because we don't have any refineries and we're a long way from our supplies," he said. "And the rural areas are more vulnerable because they're low-volume areas. There's a tendency among the oil companies to leave those areas anyway."

TROUBLE IN TWO FORMS

Two aspects of decontrol trouble Mr. Gross and officials in several other states. First, since allocation controls were removed with price controls, farmers and distributors are no longer assured a specific amount of the oil they need, and suppliers may withdraw from markets, as they could not before, without providing an alternative source to dealers. Second, provisions for a state set-aside, or fuel reserve for emergency use, were abandoned.

When Mr. Reagan signed the executive order lifting the controls Jan. 28, he rejected the urgent pleas of the National Governors Association that he continue the set-aside program.

In letters to the President and to Energy Secretary James B. Edwards, Governors John D. Rockefeller 4th of West Virginia, Bob Graham of Florida and George Nigh of Oklahoma, who are chairmen of association committees dealing with energy, declared that the program was "absolutely essential to governors' capacity to respond to local and intrastate fuel shortages."

While they noted that no nationwide shortages appeared likely at present, the Governors warned that major oil companies could pull out of some rural markets at a time when the states no longer had a set-aside supply to ease hardships in such areas.

We were shocked that they didn't keep it," Mr. Gross said of the set-aside program. "Every state in the country was recommending that they keep it."

"We fought very hard to obtain the set-aside," Ned Helm, director of the Committee on Natural Resources and Environmental Management for the National Governors Association, said in a telephone interview from Washington.

Mr. Helm said that when the Emergency Petroleum Allocation Act of 1973, which provided for the controls removed by Mr. Reagan, expires Sept. 30, "there's going to be a whole debate on what the standby authority is going to look like." He added, "We will strongly recommend that set-asides and allocations be maintained."

In Iowa, meanwhile, Mr. Gross said that a subcommittee of the Energy Policy Council was studying whether a state set-aside bill would be feasible. In Minnesota, Dixie Diesl of the state's Energy Agency said that the State House Commerce Committee had formed a special subcommittee to study the problems caused by decontrol and to consider a state set-aside bill.

But in Wisconsin, Greg Krohm, manager of the Energy Division's Bureau of Policy and Analysis, expressed fears that a state bill might unconstitutionally interfere with interstate commerce.

"Our preferred position is to have a standby set-aside that would be triggered by a well specified shortage," he said in choosing Federal action.

William H. Palmer, director of the Nebraska Energy Office, said: "We don't have a problem as it stands right now. The supplies are adequate. But in 1979, when there were shortages of diesel fuel during the planting season, the set-asides were very useful."

Under the 1973 act, states were allowed, when they deemed it necessary, to decide upon the allocation of 3 percent of the propane supplies, 4 percent of the diesel fuel and heating oil and 5 percent of the gasoline delivered within their boundaries by each oil company each month.

Despite the announced intention of the Governors and other officials to get that program renewed, at least on a standby basis, the Reagan Administration appears adamantly opposed.

"This Administration and this Secretary of Energy are setting a new direction for the course of America," Robert G. Liming, a spokesman for the Federal Department of Energy, asserted in a telephone interview. "We are not going to replace one set of regulations with another set of regulations. We're maintaining that with the free market the oil industry will be forced to act responsibly and that they will."●

ESTONIAN INDEPENDENCE DAY

● Mr. D'AMATO. Mr. President, today marks the 63d anniversary of the Estonian declaration of independence. I speak about the proclamation of the Estonian National Council of Independence of this Baltic nation on February 24, 1918.

Mr. President, the heritage of the Estonian people is a proud heritage. Estonians are strong, hard-working people, who have demonstrated their success as a free nation. From 1918 to 1939, when Estonia was independent, the Estonian people made significant cultural, educational, and economic progress. Estonia was a model of progressive and prosperous democratic action.

Soviet treachery cut short this development, as it has so many times in history. The Communists invaded Estonia in 1940, and annexed the nation politically into the U.S.S.R. The price was high. Thousands of Estonians were exiled, imprisoned or killed. Russification of the Estonian people was begun, and that continues to this day.

The Estonian people are being denied their right to worship, their right to pursue their own cultural heritage, and other basic freedoms. Once again, however, the Kremlin leaders have misjudged the will of the people. Forcible occupation of Estonia has not dimmed the people's hopes for freedom.

Mr. President, our Government never has recognized the occupation of Estonia and the other Baltic states by the Soviet Union, and this nonrecognition policy must continue. To commemorate this day it is my understanding that Secretary of State Haig has sent an independence day message to the Estonian Consulate.

As we commemorate Estonian Independence Day, let us also remember the plight of millions of people across our globe who live under tyranny and despotism. Let us recall especially the millions of people who must live under the iron hand of the Soviet Union, and her satellites.

Our Nation must continue its policies to speak out for, and defend freedom, and support all peoples on Earth who seek it.●

S. 354—AGRICULTURAL EXPORT ADMINISTRATION ACT OF 1981

● Mr. ABDNOR. Mr. President, on February 5, 1981, I cosponsored S. 354, the Agricultural Export Administration Act of 1981, which would remove the President's unilateral authority to embargo agriculture commodities without also embargoing other products.

I share the concern of Chairman PERCY of the Foreign Relations Committee that the existing authority under the Export Administration Act was never intended to allow food to be used as a national security weapon, and I hope this legislation is incorporated in the rewriting of the act this year.

In a meeting at the White House I strongly expressed to the President my belief that this is a question of commitment and credibility. During the campaign he committed himself to budget cuts, tax cuts, and to lifting the embargo, among other things. To date the President has taken steps to fulfill many of those commitments, but not the lifting of the Soviet grain embargo.

It has been said that lifting the embargo now would be a sign of softening to the Russians, with the threat of the invasion of Poland hanging in the air. But, those who take that position ignore the fact that Mr. Breshnev followed the 1980 Presidential campaign as closely as any of us, and he knows that President Reagan made a commitment to the American farmers to lift the grain embargo. Under these circumstances, if President Reagan lifts the embargo, it clearly would be interpreted as a sign of honor and not of softening.

The strongest disincentive to Soviet aggression would be to resume grain shipments, with the certainty of a com-

plete, across-the-board embargo if Poland is invaded or if the Soviets take other aggressive acts. If the President can negotiate assurances from the Soviets in advance, well and good; but there is no incentive for them to provide such assurances if the United States takes the position that the embargo will not be lifted.

I submit the text of Senate Concurrent Resolution 12, which the South Dakota Legislature passed to show their disapproval of the grain embargo imposed by former President Carter. Especially noteworthy is the point they make that a truly effective embargo would have been placed across the board on all exports to the Soviet Union. It is my sincere hope that if President Reagan chooses to continue this embargo that he will impose it in the same "evenhanded" across-the-board manner that he felt was necessary in cutting the budget.

The American farmer will not shirk his duty. All he asks is that his treatment be fair; I believe S. 354 is important to insure just that—fairness.

The resolution follows:

SENATE CONCURRENT RESOLUTION NO. 12

A Concurrent Resolution, requesting the President and the Congress to withdraw the Soviet grain embargo and replace it with more appropriate and effective means.

Whereas, the Soviet intervention in Afghanistan was a political and a military exercise to which the United States and its allies were obligated to respond; and

Whereas, the grain embargo, which was a part of that response, neither has had nor is likely to have any significant effect upon Russian political or military power since alternative grain markets have been providing most if not all of the grain that the embargo was supposed to deny them; and

Whereas, the American agricultural sector has already suffered serious loss as a result of the embargo and is likely to suffer even greater long-term losses if the embargo continues due to the development of trade patterns unfavorable to American markets; and

Whereas, an alternative policy of embargoing sales of high technology, expertise and capital goods, especially computer equipment and petroleum-distilling equipment, would have a real impact upon Soviet military effectiveness since these goods are not readily available in alternative markets: Now, therefore, be it

Resolved, by the Senate of the Fifty-sixth Legislature of the state of South Dakota, the House of Representatives concurring therein, that the President and the Congress be requested to lift the Soviet grain embargo and replace it, if necessary, with an embargo on high-technology American capital goods; and

Be it further resolved, that the Secretary of the Senate send copies of this resolution to the President of the United States and each member of the state congressional delegation.●

MESSAGE ON THE DANGERS OF NUCLEAR WAR BY THE CHURCH OF CHRIST OF THE LATTER DAY SAINTS

● Mr. HATFIELD. Mr. President, as the new President and Congress begin to debate the enormous problems which confront us, I believe it is vital to remember that there is a single, overreaching issue which remains central to our times: the question of the ongoing survival of mankind in an age shadowed by the threat of nuclear war.

We have entered an era of great strain between nations, of unease about the prospects for a new nuclear arms race in a world that already possesses the equivalent of 1 million Hiroshima bombs, of complex weapons and nuclear strategies to use those weapons. It is then with great joy therefore that I read of the recent message of the leaders of the Church of Christ of the Latter Day Saints. This was an effective and supremely rational plea, expressing the dismay of church leaders over the gaining tensions among nations, and the "unrestricted building of arsenals of war, including huge and threatening nuclear weaponry."

This was, in my opinion, a vital and significant moral message of our time. I ask that it be printed in its entirety in the RECORD, along with a related editorial which appeared in the Church News.

The material follows:

CHRISTMAS MESSAGE FROM THE FIRST PRESIDENCY

At this holy season we extend our love and a special greeting to all people everywhere. Christmas means a solemn mood and a sacred feeling blending with an air of joyful celebration, to elevate the spirit and promote good will.

The reason for such warmth of emotion is the spirit of the Savior, the Lord Jesus Christ, whose birth we commemorate at this season. He came to earth as the Son of God, the Prince of Peace. To the degree that men have put His gospel into their lives they have partaken of the peace which He came to bring. But as we contemplate His birth, and reflect on the words of the angelic chorus, we are dismayed by the growing tensions among the nations, and the unrestricted building of arsenals of war, including huge and threatening nuclear weaponry. Nuclear war, when unleashed on a scale for which the nations are preparing, spares no living thing within the perimeter of its initial destructive force, and scars and maims and kills wherever its pervasive cloud reaches.

While recognizing the need for strength to repel any aggressor, we are enjoined by the word of God to "renounce war and proclaim peace." We call upon the heads of nations to sit down and reason together in good faith to resolve their differences. If men of good will can bring themselves to do so, they may save the world from a holocaust, the depth and breadth of which can scarcely be imagined. We are confident that when there is enough of a desire for peace and a will to bring it about, it is not beyond the possibility of attainment.

Not only do we urge renewed effort to resolve international difficulties, but also those of a domestic nature in communities and families. Ours is a diverse society, but we are persuaded that most men and women long for peace as they hunger for bread. Again, where there is a strong enough desire to bring it about, it may be achieved. The application of the Golden Rule laid down by the Savior of mankind will bring a resolution of almost any disagreement. This applies in the home, in the neighborhood, in the marketplace, the state, the nation and the world.

We wish for all people everywhere the peace that may come into the heart by exercising faith in the Lord Jesus Christ, applying the principle of the Golden Rule in all of our relationships and by adhering to the whisperings which come through the Holy Spirit.

May the true spirit of Christmas rest upon the people and nations of the earth, and may we all re-dedicate ourselves to knowing and following the divine principles taught by the Savior of mankind. May we demonstrate our concern for others not merely with gifts or messages, but with love and kindness and daily deeds of good will. And may these expressions be expanded to our personal relationships with Jesus Christ, our Savior, the Son of God.

THE PROPHETIC MESSAGE

Members of the Church sustain the First Presidency as prophets, seers and revelators. They similarly sustain the Twelve Apostles.

The scripture indicates that when these brethren speak by the Holy Ghost their message is inspired. Whether it comes directly from the mouth of God, or from His authorized servants, "it is the same." (D&C 1:38; 68:4.)

Official declarations of the presiding brethren are not frequently issued, especially those signed by the three members of the First Presidency. When these statements are published, indeed they are of utmost importance to the Church.

Such a statement was made on Dec. 20 (just two weeks ago) in the Church News. It cannot be taken lightly by the saints, and should not be set aside by world leaders either, for it contained a vital message to them also.

The Presidency said, "We are enjoined by the word of God to renounce war and proclaim peace."

Then they declared: "We call upon the heads of nations to sit down and reason together in good faith to resolve their differences. If men of good will can bring themselves to do so they may save the world from a holocaust the depth and breadth of which can scarcely be imagined."

They said further: "We are confident that when there is enough of a desire for peace and a will to bring it about, it is not beyond the possibility of attainment."

This is a great declaration. It is an inspired message. It came from the Lord's modern prophets who are duly authorized to speak for God and who do so by the power of the Holy Ghost. Their message is no trifling matter.

The dreadful spectre of nuclear war now faces us. The build-up of atomic weapons on both sides in the international dispute is frightful to contemplate. If such arsenals were unleashed much of the world's population most certainly would be wiped out.

Almost it makes us think of the words of Isaiah who said that just such a possibility will exist for if men fail to repent, the "land shall be utterly emptied and utterly spoiled."

It was to be in a time, the prophet said, when the earth is "defiled under the inhabitants thereof because they have transgressed the laws, changed the ordinance and broken the everlasting covenant. Therefore the inhabitants of the earth are burned and few men left." (Isa. 24:3–6.)

Nuclear war, if it ever comes, will be just such a scorched earth conflict. The Japanese were given a brief taste of it in the dreadful experience that came to them in World War II.

If such a tragedy ever comes on a worldwide scale it could mean almost total annihilation on both sides. Is anyone ready for that? Of course, not. No one wants it. And yet we march steadily toward it! And why?

Because mankind has flagrantly transgressed the divine laws and continues to do so.

Preservation of life can be assured only through obedience to the rules of heaven. God will save no one in wickedness.

He has now spoken firmly through His living prophets. May both individuals and nations heed their words and sit down and reason together in good faith. It is not too late to avoid the holocaust if they will do so now.●

U.S. DEFENSE POLICY: A LONG-RANGE VIEW

● Mr. GARN. Mr. President, Congressman ROBIN BEARD, a member of the House Armed Services Committee, has written an article on U.S. defense policy which I believe deserves the attention of my colleagues in the Senate. The article, "Agenda for Defense: A Congressional Perspective," is published in the winter edition of Strategic Review.

The fundamental theme of Congressman BEARD's article is one that we would do well to ponder as the Congress readies itself to review the fiscal year 1982 defense budget proposals of the new administration. In short, Congressman BEARD points out that:

While the focus (of the Congress and the Reagan administration) must be on the immediate and crucial problems relevant to the readiness of existing U.S. forces in the field, what is required above all is a recommitment to the urgency of defense, and to the kind of prudently paced, long-range effort that was disrupted in the past by mismanagement and self-delusion. What is required, in short, is a regaining of the "defense momentum" which alone can lead the United States into a more secure future.

Together with the effort to fight inflation by cutting back on spending by the Federal Government, setting our Nation's foreign and defense policies on a firm footing constitutes the highest priority of the Reagan administration. It is an effort that calls for thoughtful action and nonpartisan political support. I believe that Congressman BEARD's article contributes to the need for serious reflection, and I look forward to working with my colleagues in the effort to build the nonpartisan political backing necessary to support a revitalized U.S. defense posture.

Mr. President, I recommend Congressman BEARD's article to my colleagues and ask that it be printed in the RECORD.

The article follows:

AGENDA FOR DEFENSE: A CONGRESSIONAL PERSPECTIVE

(By ROBIN BEARD)

(In brief an incoming Administration and a new Congress offer finally the opportunity for the Executive-Legislative partnership that can shoulder the inordinate task of closing the gaping fissures in the U.S. defense posture. While the focus must be on the immediate and crucial problems relevant to the readiness of existing U.S. forces in the field, what is required above all is a recommitment to the urgency of defense, and to the kind of prudently paced, long-range effort that was disrupted in the past by mismanagement and self-delusion. What is required, in short, is a regaining of the "defense momentum" which alone can lead the United States into a more secure future.)

Rationally defined, the military requirements of the United States issue from the structure of our national security objectives. This structure, in turn, is conditioned by the shifting tides of the international environment within which we seek to promote the freedom, security and well-being of our nation, as well as that of our friends and allies.

There are obvious limits to our capacity to sustain those objectives and fulfill the military requirements. For the short run, we are limited by our capabilities-in-being. Over the longer run, the limits are set only by the resources, effort and wisdom which we invest in our capacities of defense—or, in reverse, by the improvidence with which we permit them to deteriorate.

ASSESSING THE ADVERSARY'S POWER

America's military requirements are dictated in large part by the imperative of countering and offsetting the military capabilities of our avowed and powerful adversary: the Soviet Union and its clients. A realistic assessment of U.S. national security needs, therefore, must encompass an objective analysis of trends in Soviet policies and capabilities. Those trends have traced a fairly steady pattern in the past. Indeed, they seem to have evolved in relative imperviousness to U.S. actions. As outgoing Secretary of Defense Harold Brown has testified, when the United States has increased its capabilities, the Soviet Union has kept stride; but even when we exercise restraint in military programs, as we have for over a decade, the USSR has sustained its military build-up. With or without the negotiated agreements of arms control, the Soviet military effort has expanded at an ever-accelerating pace. Official U.S. intelligence estimates expect it to continue to do so.

Soviet policy has consistently aimed at undermining and paralyzing the ability of potential opponents to contest the global "march of socialism" spearheaded by the Soviet Union. In practical and geographical terms, this strategy has called for the patient consolidation of wartime conquests and postwar gains in Eurasia, the amassment of military capabilities of global reach, and their outward projection to cover extensions of Soviet political and economic influence on other continents.

In line with this strategy, Soviet policy for nearly four decades has assigned priority to three military objectives. The first is unchallenged military superiority on the landmasses adjacent to the Soviet Union. In the early postwar period, the superiority was expressed in conventional military strength on Europe's Central Front and on its northern and southern flanks. This conventional supremacy has endured, due in part to geography—the USSR enjoys a commanding continental position and the advantages of interior lines of communication—as well as a greater Warsaw Pact effort in military manpower and armaments. In the first three postwar decades, Soviet conventional superiority in Europe was offset by U.S. strategic nuclear supremacy, and later by a residual NATO edge in theater nuclear weapons. Today this edge has all but vanished in the face of the massively mounting Soviet deployment of SS-20 MIRVed missiles and Backfire and other high-performance bombers targeted on Western Europe.

A second priority Soviet military objective has been the neutralization of U.S. naval predominance. In recent years, the Soviets have flexed their growing capacity to project military power well beyond the continental confines that traditionally kept Russia a land-locked nation. For most of the post-World War II era, the U.S. Navy exercised unchallenged control of the seas: It carried out the pivotal role in America's global mobility and the forward projection of power, where needed, along the peripheries of the Eurasian landmass. Today, the Soviet Union not only has breached its earlier "containment," but growing Soviet naval capabilities are challenging the United States for the control of important sea lines of communication that purvey the life-blood of raw materials to the Western industrial democracies. And this Soviet naval expansion and extension are proceeding under an umbrella of intermediate-range nuclear weapons, such as SS-20 missiles and Backfire bombers, that arches out from Soviet borders some two or three thousand miles over Europe, the Middle East, South Asia, China and the bordering seas.

Most importantly, the Soviet Union has passed the milestone of strategic nuclear parity with the United States and stands at the threshold of strategic nuclear predominance.

In short, the last decade has witnessed dramatic shifts in the global balance of power to the detriment of the United States. The trend almost certainly will continue during the early 1980s. Our obligation to ourselves, to our security and our welfare is inseparable: We must work out and implement on an urgent footing the needed repairs and improvements in a sagging U.S. defense posture, and we must finance them through some real and progressive increases in the defense budget. This is not only our sole chance for shoring up our security, but also the only rational road toward the possibility of achieving useful and equitable arms control agreements with the USSR.

This is the somber background for the mood that the new Congress is likely to strike with respect to defense issues and what it will look for from the Executive Branch.

MANPOWER ISSUES

The problems that afflict U.S. military manpower are well documented. We are suffering from serious shortfalls in quantity and quality of personnel, particularly with the combat arms and the more technical career fields. The quality of recruits in the past few years has plummeted to an alarming level. There is an exodus from the Armed Services of experienced non-commissioned officers, and more than one-third of new recruits are leaving before the end of their first term. U.S. reserve forces are critically deficient, and the list goes on. These dangerous trends have picked up in momentum, and even the best corrective measures of the incoming Administration will have difficulty in reversing them quickly.

The first needed step toward correcting these crippling deficiencies is a radical change in the attitude on the part of the leaders of our defense establishment. For too long the military services have been viewed as little more than fertile ground for social experimentation. Combat readiness must be the single, overriding objective for our armed forces.

One thing is clear: Solutions to our military manpower problems require a partnership between the incoming Administration and the Congress, a partnership that has been missing for many years. In the past, Administration officials have either refused to confront our manpower problems or even gone so far as to conceal them.

The new Administration must be honest with the public and the Congress. It must undertake a thorough appraisal of the manpower deficiencies and their impact on the U.S. readiness posture and forthrightly report the findings to the Congress. Perhaps an appropriate vehicle for that appraisal and a step toward a new partnership is a piece of legislation which I introduced two years ago. The bill calls for the establishment of a joint select committee of Congress to study the readiness posture and report its findings in nine months. I intend to reintroduce this bill in the coming term and would hope that the new Congress will support it.

RESEARCH AND DEVELOPMENT PERSPECTIVE

Until the end of the 1960s, the United States was universally viewed as a technological giant capable of advancing any area of technology that was not in violation of the laws of physics. U.S. scientists garnered a lion's share of Nobel Prizes, American astronauts strode on the moon, and U.S. nuclear technology for civilian and military use still was leagues ahead of any competing power.

Our technology spawned the kinds of weapon systems that accredited the United States as the ranking superpower. Beginning with the McNamara era, however, we somehow lost sight of the effective management of technology—until today we run the ironic risk of having technology emerge as one of

the causes of, rather than a cure for, a declining military capability. In both the realms of conventional and strategic warfare, we have instituted a research, development and procurement pattern that can best be characterised as a "start, stop, restart, stop again" strategy—one that is absorbing billions of dollars with no commensurate, tangible enhancement of either our ability to deter war or, should that fail, a war-fighting, war-winning capacity.

For example, a review of the Army's record in weapons development and deployment shows a stark void of nearly two decades in the ability to push technology to the battlefield in order to meet the requirements of the combat forces. Tracing back to 1960, we find, for example, that the Army:

Invested $407 million in the Cheyenne helicopter program, which was terminated and replaced with the Advanced Attack Helicopter (AAH) program. The AHH represents an investment of nearly three-quarters of a billion dollars. After a total of $1 billion in expenditures, there are no Advanced Attack Helicopters ready for today's Army in the field. The Soviet Hind–D attack helicopter, which flies as fast as the AAH and with comparable endurance, has been operational for over three years.

Invested over $1.5 billion in the Army's Patriot surface-to-air missile system ever since the requirement for that system was adopted in 1962. Yet, during this eighteen-year span the Soviet Union has developed and deployed nine new surface-to-air missile systems, each more capable than its predecessor.

A "develop but do not deploy" syndrome blights the entire spectrum of U.S. defense efforts. Thus, the expenditures by the U.S. Air Force since 1962 to develop a strategic manned penetrating bomber have exceeded $7 billion when we draw into account the investments in the B-70, the Advanced Manned Strategic Aircraft (AMSA) and the B–1 program. The total return on this investment is one B–70 museum piece and four B–1 research and development aircraft. In contrast, the Soviets have developed and deployed over 100 advanced Backfire strategic aircraft.

A major mistake by the Carter Administration was to substitute the rosy promises of future technological potential for the weapons systems that are needed today. In an era of high technology, however, war, once it erupts, will not be decided in the laboratories or in the contractor plants. It does little good to compare a prototype American AAH with an operational Soviet Hind–D, or a nonexistent American Stealth bomber with an operational Soviet Backfire. We simply cannot gloss over the severe U.S. shortages in military equipment today by projecting a glowing future for the 1990s. This approach strangely credits self-denying objectives and behavior to our opponents—it assumes that the Soviets will not initiate a conflict between now and the 1990s, patiently waiting for us to deploy our technology, and/or that they will permit their own technology and military capabilities to wither with the gentlemanly aim of letting us catch up.

The present U.S. technological dilemma is fundamentally attributable to a lack of resolve in behalf of national objectives and interests. In the absence of the kind of firm and clear commitment to the force structure that can underpin basic U.S. security interests and obligations, our vaunted technological prowess is of little avail. The MX missile system will not solve the problem of the vulnerability of land-based U.S. ICBMs until the system is actually deployed. Yet this objective will not be reached pending the full resolve to ensure the survivability of the land-based leg of the U.S. strategic triad.

Thus, the overriding task for a new partnership of the Congress and the Executive is to revitalize a sense of national commitment to the real and hard requirements of defense today—rather than to the vague promises of a future to be redeemed by technology or arms control. And a priority step in demonstrating the new resolve to fashion a U.S. force structure that is commensurate with our strength and our obligations is a badly needed restructuring of the strategy and process whereby the United States procures its weapons.

Today it is taking the United States between ten and twelve years to move a weapons system from the drawing board to its actual deployment in the field. There are some particularly horrendous examples: the Patriot system entered concept formulation in 1962; Aegis, the Navy's shipboard weapon control system, was conceived in the early 1960s; and development of the Army's Infantry Fighting Vehicle was begun in 1963. Yet, none of these urgently required systems are in today's operational inventory. Contrast this with the 1950s, when the Nike-Ajax system was deployed within two-and-one-half years of its development start, or the 1960s when the Polaris missile system was developed in four years and the HAWK system in five years. Surely, the acquisition process for technology and hardware is in need of vast improvement.

Congress and the Administration will be forced to decide on how funds will be allocated in establishing the proper mix of those programs and systems that are addressed to an immediate enhancement of military readiness, and other technology projects that are required to guard against a future technological surprise by our opponent. A logical approach would be: first, to undertake the necessary improvements in order to bridge the glaring deficiencies in existing forces and weapons in the field; second, to increase the operational and maintenance account to provide for sufficient spare parts and fuel; third, to procure hardware and manpower that will boost forces and readiness to levels consistent with an increasingly hazardous international environment; and fourth, to promote research and development with heavy emphasis on applying readily available technology. We must return to an effective and efficient concept of management of the technology program—one that avoids lengthy, costly and debilitating detours into complex technology with uncertain payoffs, concentrating instead on proven and available technological assets.

AIR FORCE ISSUES

The Air Force has entered the decade of the 1980s with imbalances and deficiencies in force structure, readiness, sustainability, modernization and manning that extend across the full gamut of its assigned missions. Complex in their evolution and interaction, these problems reap a common result: severe mismatch between capabilities and requirements. The consequences of this mismatch are at once grave and far-reaching, and will take years to overcome.

The Air Force is responsible for two of the three legs of the U.S. Strategic Triad: land-based ICBMs and manned, pentrating bombers. Program cancellations and delays have eroded both of these Triad forces—to the point where they face obsolescence vis-a-vis new-generation Soviet intercontinental capabilities. As a result, the strategic nuclear balance, once overwhelmingly in favor of the United States, has tilted toward the Soviet Union in most measurements of capabilities.

The most cutting problem is the vulnerability of U.S. fixed-base ICBMs. Recent estimates show that up to 90 percent of this force could be destroyed in a first strike by Soviet ICBMs. A significant fraction of the U.S. alert bomber force is similarly exposed to either a Soviet SLBM attack or a precursor raid by Soviet bombers penetrating the highly porous North American air defense system.

The remedies to these vulnerabilities are in hand, but will need time to take effect. Although the overlapping and mutually supportive elements of the Triad may sustain some shield of deterrence in the interim, it is absolutely essential to move ahead rapidly with deployment of the MX, the selection and production of a new manned, strategic aircraft, and the fielding of the Air Launched Cruise Missile (ALCM) on modified versions of the aging B–52 fleet. Once the ALCM begins to enter the force in 1981, followed by the MX in 1986 and a new strategic aircraft shortly thereafter, America's strategic assets will improve.

The present state of the Air Force's tactical fighter forces serves as a classic illustration of the self-evident but often ignored truth that in a constrained budget there are no choices. Given severely pinched resources and a fighter force prematurely aged by Vietnam, a conscious decision was made in the late 1970s to buy new fighters first and to procure only later the necessary spare parts and munitions to equip them. That decision was victimized by two unanticipated events: abroad, an expansion in the quality and scope of Soviet tactical fighter programs; at home, inflation-ravaged budgets which forced a stretching out of acquisition programs, thus compounding the lack of spare parts and munitions with an inadequate force structure. The consequences are urgency and a sense of frustration. A heated debate is in progress over quality versus quantity, but the debate turns on a faulty assumption: The reality of the threat—a new, high-quality Soviet fighter is produced every seven hours—is such that this nation must have both quality and quantity in its tactical fighter forces. The frustration is that we could easily attain both quality and quantity through slightly expanded expenditures which will permit more efficient production rates, which will in turn reduce unit costs. For example, in the case of the F–15, current production rates have been two-and-one-half per month rather than the optimum rate of twelve per month. The added unit cost is a staggering six million dollars per copy.

We simply must abandon this penny-wise, pound-foolishness by funding efficient production rates for new, highly capable aircraft such as the F–15 and F–16. Equally important, these "best in the world" aircraft must be properly provisioned with spare parts and munitions to permit adequate peacetime training and effective wartime employment. The current exodus of pilots and navigators from Air Force ranks can be traced to a central cause; not enough flying time to keep these young, dedicated officers at the peak of their professional skills. The aircrew officers know that in the event of a war in Europe, for example, a shortage of munitions, particularly air-to-air missiles, will severely hamper their ability to carry out their missions. In addition they know that the qualitative edge vaunted by our fighters could easily be overwhelmed by a numerically superior force.

As alarming as is the state of U.S. tactical airpower, it pales by comparison with the deficiencies in U.S. mobility forces. The problem is particularly acute with respect to providing airlift support to a wide range of contingencies with deployment schedules that far exceed current capabilities. This situation has been exacerbated by the creation of a Rapid Deployment Force (RDF), whose very name presupposes an adequate airlift. The Army forces to be moved are too massive in number and size to be transported with the urgency implicit in the RDF mission.

A number of programs are underway to enhance current and future airlift capabilities. These include modifications to aircraft already in the fleet, such as stretching and adding an aerial refueling system to the C–141, and strengthening the fragile wing of the C–5 long-range transport in order to extend the life of this invaluable aircraft into the next century. In the future, an increased aircraft capability is essential to move heavy equipment over intercontinental ranges—with the option of inserting these forces into small, austere airstrips close to the scene of battle. The credibility of the U.S. conventional deterrent hinges on our ability to project power to any point where U.S. interests are threatened. Increased airlift capability is the symbol of our commitment to protect those interests, no matter how distant, through a rapid and forceful response.

As is true in all the military services, the Air Force's steady loss of career professionals, in both officer and enlisted ranks, is of grave and mounting concern. The Air Force will be short of its manning requirements by no less than some 3,000 pilots and navigators by the end of 1981, and it is already suffering a 20 per cent shortage among the scientific and engineering personnel vital to its high-technology research and development laboratories. Retention rates in key enlisted skills, such as first-term F–15 avionics support, range as low as 15 per cent, an intolerable circumstance. These manpower hemorrhages are by and large the consequence of inadequate pay and the unrelenting assault that has been waged on military benefits over the past several years. Ceilings on military salaries have been totally counterproductive: this management expedient simply has forced highly trained, skilled and motivated people to leave the service in search of the wages that can provide for their families. As a result, the workload must be spread over fewer professionals, thus prompting even greater manpower losses.

ARMY ISSUES

The U.S. Army is suffering from a critical case of "can-do-ism"—that mind-set which holds that any mission can be accomplished, irrespective of the tangible resources available, provided sufficient ingenuity and leadership are brought to bear on the problem. The Army's leadership is traditionally drawn from among the "fast burners" in the system—those who have fashioned the reputation of accomplishing the most with the least. Admirable though it may be in human terms, the "can-do" mind-set serves neither the Army nor the nation well as we enter the 1980s. Its legacy from the 1970s is an inadequately manned, equipped and sustainable force. What the Army needs today is leadership with the honesty and courage to manifest a "can't-do" spirit—that is, the insistence on major changes in policy and resource allocation.

The FY 1982–1986 defense plan developed by the Carter Administration portends a fundamental change in national strategy. Naval, air and strategic improvements are programmed at the expense of land warfare capabilities. Unless the incoming Administration redresses this resource imbalance, the Army is destined to become an obsolete force by the end of the decade. Congress and the members of the new Administration are well versed in the arguments about the deficiencies in U.S. strategic, naval and air combat capabilities. But the Army lacks an articulate, aggressive ombudsman. Consequently, its needs have not registered very well in either the Department of Defense or the Congress. Among the more notable "can't-do" issues which the Army and the Congress must redress, beginning in the 1982 budget, are the following:

Civilian Manpower.—Reductions in civilian employees of the U.S. Army during the 1970s have severely impacted on unit training and readiness. Over 15,000 soldiers—a division's worth—are borrowed daily from units to perform nonmilitary tasks that should be conducted by civilians. The shortage of civilian workers also hampers Army mobilization capabilities and creates logistical backlogs that directly impinge upon the readiness of combat units.

Military Manpower.—The United States must either return to the draft or try to make do with a combination of bonuses, pay increases and special duty pay incentives on a scale never before contemplated—not only to recruit adequate numbers of personnel, but to retain those with special skills.

Force Structure.—The past preoccupation of the Congress with the issue of improving the "tooth-to-tail" ratio in U.S. Army divisions forced the Army to create three new divisions and several smaller combat units without commensurate increases in active-duty manpower. The result is that most of the combat support and combat services support (CS/CSS) structure is vested in the Reserves and in the National Guard. The lack of CS/CSS units in the active force (in areas like water supply and distribution, transportation and resupply) inhibits the Army's ability to sustain itself in potential combat, particularly with respect to the Rapid Deployment Force. The most critical requirement is for 3 CSS units to support the RDF

Training.—Because of funding constraints and misguided policy decisions, the initial entry training (IET) of recruits has been shortened to the point where they join units while lacking even basic skills. The Army needs to expand and toughen IET, especially in the combat arms. It also needs to expand greatly the scope and tempo of training to include more live firing, rapid-deployment training exercises and significant improvements in facilities for training in cold weather and urban warfare.

Mobilization.—A major overhaul is required in the U.S. mobilization capability to enable it to accommodate as many as 130,000 draftees in the first 30 days. The key elements needed are the construction of housing and training ranges, and the purchase and storage of ammunition for weapons training.

Logistics Over the Shore.—The Army cannot count on the availability of port facilities near the potential areas of combat. It must begin now to organize and equip the boat companies to move equipment and supplies from ship to shore, and the stevedore units to unload the ships.

Strategic Mobility.—Current airlift/sealift capability is woefully inadequate. Priority must be given in Air Force and Navy procurement budgets to strategic lift, with emphasis on the accelerated conversion of SL–7s to roll-on/roll-off vessels and the acquisition of additional fast sealift ships. In the meantime, we must fill the shortages of prepositioned supplies in Europe; this includes an initiative to provide equipment for essential combat service support units.

Equipment Modernization.—The Army is the only branch of service which is both qualitatively and quantitatively inferior to its Soviet counterpart. We must adopt a national goal of completely modernizing our forces by 1987. Conservatively, this will require $20 billion more for Army procurement over the next five years than has been planned by the Carter Administration.

The requirements stretch across the entire spectrum. They range from accelerated production of XM–1 tanks and Infantry Fighting Vehicles to the fielding of a whole new generation of air defense systems now completing R&D; they include a new multiple-launch rocket system, new attack and assault helicopters and even such mundane items as trucks.

We also need to invest in R&D in order to exploit more effectively the strategic mobility of our light infantry divisions. That means the development and fielding of a new generation of lightly armored vehicles to combine the advantages of strategic mobility with the battlefield mobility, firepower and survivability normally associated with heavy divisions.

MARITIME ISSUES

Over the past thirty years the maritime forces of the United States have been the military instrument most often called upon in support of national policy. It is fair to project that the Navy will continue to be thus tested in the future. The two battle groups standing guard in the Indian Ocean today underscore this projection.

A revitalized maritime strategy must be predicated on several new assumptions about the nature of U.S. and Soviet naval power. First, it should be clearly understood that the principal utility of maritime forces in general, and of naval forces in particular, lies in their capacity to influence events on land. Aircraft, missiles and amphibious forces give the Navy this capacity to project power landward, provided it can gain command of the air and sea in the immediate operating area. This applies as validly to the Central Front in Europe and to the NATO flanks as it does to any theater in the Third World. It follows that the Navy should be able to defeat opposing fleets in order to control the seas and thereby influence events ashore. The implication is obvious: local "sea control" is only a means to an end, the battle against the shore.

Second, it should be understood that only the Soviet Navy is in a position to mount a credible challenge to U.S. use of the seas. This situation will not change through the end of the twentieth century, even if other nations should aspire to naval power, given the large capital investments and the long lead-times entailed in ship construction. This means, for example, that the United States will need convoy escorts only in a full-scale war with the Soviet Union, because no other country can muster a threat to the sea lines of communication of sufficient intensity to call for such protective measures.

Naval theory and forces must be brought into line with reality. The objective of naval power is to influence the course of events on land. This requires that a conceptual bridge be built between peacetime forward deployments and warfighting, especially as it applies to an understanding of the offensive strike role of surface and sub-surface platforms in the future Navy.

Over the past decade the Navy has been allowed to shrink from 1,055 ships to its present size of 540. Even the latter might seem like a reasonable force—until we examine more closely its composition. Of the 540 total, only 462 vessels are in the active fleet. Of these, only 257 (119 battle group forces, 63 amphibious warfare forces and 75 attack submarines) might be used in global deployments. According to the Chief of Naval Operations, "The simple fact is that today we are trying to meet a three ocean requirement with a one-and-a-half ocean Navy."

The reasons for this decline are numerous and well documented, and need not be dwelled upon here. Rather, I would like to offer some possible solutions.

First, we must consciously broaden our thinking about defense. We tend to be captivated by "input measures"—budgets, numbers of men and women in uniform, numbers of aircraft, ships and tanks being overhauled annually, etc.—and to lose sight of the real output benefits. Investment in naval forces represents a long-term security commitment: A ship that is authorized this year will take about five years to build and will remain in service for about thirty years.

Let us make the commitment to build ships that will last for that long a period of time—ships which are capable of meeting and defeating the likely challenges on the high seas and which are designed with an eye toward both growth and adaptability to changes in the threat environment. I refer specifically to the current debate over the cost and size of the DDGX, the next generation battle group capable escort, and the so-called FASSN, the fleet attack submarine which is supposed to be a successor to the SSN-688-class. Because of arbitrary fiscal constraints on the initial procurement costs of these ships, their size has been limited. Unfortunately, the notion that numerous small platforms, with far less capability, are more effective than larger multi-mission platforms simply does not correspond to reality.

Size constraints have been imposed on naval vessels before—with unhappy results. Tonnage limitations created by the Washington and London Naval Agreements of the 1920s, plus the notion that a greater number of smaller carriers would better fill the skies with aircraft, clearly stinted the capability of the aircraft carriers built during the 1930s. Only after years of operational experience did it become apparent that the *Ranger* class carriers, including the *Yorktown* and *Enterprise*, were much less effective in air operations than the older, much larger *Lexington* and *Saratoga*. This mythology of tonnage limitation was finally dispelled in a 1938 directive by the Chief of Naval Operations that the method to determine the size of carriers would be "first to consider what needs or functions new carriers must provide, next decide the necessary characteristics to accomplish these functions, and then determine the size which will best and most economically embody those characteristics." This approach is as sound today as it was some forty years ago.

Next, we have to shorten the time that it takes to move U.S. naval systems and components from the blueprint and the laboratory into the fleet. Testimony before the Congress indicates that the United States sustains a clear edge in naval technology over the Soviet Union. The difference is that U.S. systems linger in the laboratory long after the Soviets have installed their comparable systems aboard ships. If our technological superiority is to have meaning, clearly we must reduce the seventeen-year cycle from program start to Initial Operating Capability (IOC). Fear of concurrency, overly extensive testing and evaluation and interminable analysis and re-analysis are only some of the causes of delay.

The current U.S. five-year shipbuilding program must be restructured to accommodate a realistic appraisal of "outyear" programs. Today there is the prevalent tendency to restrict ourselves in the first year of the five-year plan, with the hope of opening the throttle in the "outyears." Maintaining a fleet of 540 ships means an average construction of eighteen or nineteen ships per year. Over the last decade, however, the average U.S. construction rate has been about fourteen ships per year. Even this number is deceiving, because many of the ships built have been on the lower side of the so-called high-low mix: frigates, oilers, etc. Effective planning calls for a programming horizon extending well beyond one year at a time.

In this connection, an avenue of potential progress is that of multi-year contracting for procurements—an avenue that applies not only to naval construction but to all areas of defense procurement. For the most part, defense contracting in the United States is conducted on a year-to-year basis. Under this system, the defense industry is reluctant to commit resources to capital improvements in the face of the substantial risk that the outyear program will never materialize. Essential are longer-term procurement commitments, coupled with the necessary commitment of funds.

Finally, U.S. naval forces must be tailored according to the criteria of flexible, offensive power to meet the exigencies of a constantly shifting but ever more hazardous global environment. We have seen the Soviet Navy emerge from a coastal defense force into a blue-water navy over the past fifteen years. Yet, even though, as has been mentioned, only the Soviets are capable of mustering a real challenge to the United States for sea-control in the foreseeable future, nevertheless our dependence on foreign resources, the quickening pace of regional conflicts and the spread of military weaponry to lesser powers combine to portend any number of possible crises and tests for U.S. naval capabilities.

We must develop maritime forces which can respond efficiently to such crises. As was emphasized earlier, U.S. carrier forces cannot always be present wherever crisis flares. Rather, there must be a distribution of offensive strike capabilities throughout U.S. surface and subsurface forces. In this respect, the advent of the long-range, land-attack cruise missile, with its varied warhead options, promises a significant upgrading and spreading of offensive capabilities throughout the fleet—to compound the defense problem of a potential enemy, to allow the more efficient use of U.S. carrier forces, and finally and most important, to expand the options that the President has available in responding to crises.

THE CHANCE TO REGAIN MOMENTUM

It is imperative that during the next four years the United States concentrate its efforts on the achievement of a consistent set of defense and foreign policy goals. Only through a clear and honest recognition of our defense problems—coupled with a sustained program commitment that includes adequate funding—can we hope to repair the deep damage done to the U.S. posture by past neglect and illusions, and to regain the kind of sustained momentum in defense efforts which alone can ensure our future security.

This recommitment, however, must invoke both durability and patience. We did not stumble into our deep predicament overnight, and it is illusory to believe that we can recoup quickly through simple applications of money and American ingenuity.

There is every reason to expect that the new Administration and Congress, with the popular mandate with which they are vested, are prepared to enter into a partnership to initiate the policies and programs necessary to close the dangerous gaps in the U.S. defense posture. Such firm and consistent policies, in turn, will provide the basis for a restoration of confidence from our allies and friends, whose more concerted and more consistent defense efforts will also be indispensible to a common security posture. The time is not too late, but the time is now.●

COLLECTING INCOME TAXES

● Mr. GARN. Mr. President, in 1913 the States ratified the 16th amendment to the Constitution, the authorization to collect income taxes.

The Government spent $800,000 the first year the income tax was in place to implement the tax, and issued 24 pages of regulations. Less than one-half of 1 percent of the wage earners in the country had to file returns. Now, 68 years later, it seems we have created a monster. This year, the IRS will spend $2.5 billion and use 85,000 employees to enforce the 6,000-page tax code, and 92 million Americans will spend 600 million hours filling out about 300 different forms.

I have received a letter from a Utahan, Charles A. Engberson, who has a background in accounting and taxation. Mr. Engberson explains the difficulty he had filling out IRS Form 2210. He even had difficulty finding an IRS agent who understood the form well enough to help him fill it out. The enormity and complexity of the Internal Revenue Code has clearly gotten out of hand. This Congress can take two vital steps for the Republic: We can reduce inflation, and we can simplify the tax code and reduce its burden. I will be only too happy to support the administration and our colleagues in this effort.

Mr. President, I ask that Mr. Charles Engberson's letter be printed in the RECORD.

The letter follows:

DECEMBER 16, 1980.

Senator JAKE GARN,
U.S. Senator, 125 South State, Salt Lake City, Utah.

DEAR SENATOR: I have just finished "attempting" to fill out IRS form 2210—Underpayment of Estimated Tax by Individuals.

How the Internal Revenue Service can expect a taxpayer to comprehend and complete such a form is absolutely beyond reason.

Even with my background in accounting and taxation, I have had to seek assistance at two IRS offices. The first was unable to help and the second took 1½ hours to complete the one page form. The very helpful agent admitted that she could not understand the form but learned to fill them out by following, instead, the worksheets sent in by local CPA's.

I am particularly angered because I have attempted to complete the calculations based on the agent's computations and still cannot follow form 2210.

I grant that my situation is not usual but not uncommon since I have received lump sum amounts at different times of the year (bonus, capital gain, etc.) It seems ridiculous, however, that the IRS would generate a form that even they cannot understand.

Let me make my point in an example that I believe is not uncommon.

Taxpayer has tax refund due from IRS. Taxpayer receives notice of "penalty for not making timely estimated tax payments" of $700.00 or approximately ½ of refund due.

This notice is accompanied by a form 2210. Taxpayer is assumed guilty unless he can prove by use of form 2210 that he falls under one of the four exceptions.

Taxpayer falls under exception number four but is unable to knowledgeably submit completed form 2210.

What would I like done? For the first time since income taxes we will have a Republican Congress and President. Can't we please do something about the complexity of our tax laws? Yes, we need taxes but let's make them fair and simple. And, lets get the IRS working for us instead of the other way around. This great nation was built by independent people not by suppressive government.

Sincerely,

CHARLES A. ENGBERSON.●

ACCESS TO CRUDE OIL

● Mr. JOHNSTON. Mr. President, the 1980's are likely to be a difficult time for consumers of refined petroleum products. Nearly all our petroleum experts predict rising real prices and tight supplies during "normal" times and episodic disruptions causing shortages and sudden jumps in prices during periods of political upheaval in oil producing countries.

The sad truth is that there is little we can do in the shortrun to insulate ourselves from the threat of these oil supply disruptions. Even if we are successful in eliminating our own dependence on OPEC oil we are involved in a complex and necessary web of alliances with other oil-importing nations—Japan, Germany, France, a host of emerging Third World nations. These nations are even harder hit than we are when world oil supplies are disrupted and prices shoot up. Moreover, their dependence on OPEC oil cannot be significantly reduced in this century.

We have entered into an agreement with 21 of these countries, under the auspices of the International Energy Agency, to share crude oil supplies among countries during severe disruptions in oil supplies. One of the main conclusions of a recent study by the distinguished petroleum analyst, Walter J. Levy, is that to be successful in restraining price increases a system for international, country-to-country sharing of crude oil during supply disruptions must be accompanied by an intranational, company-to-company crude sharing program.

Specifically, Mr. Levy concludes:

U.S. policy toward its oil-refining companies could be as essential during supply crises as U.S. policy with its oil-importing-country allies. It is in the U.S. interest to see that neither countries nor companies are left unprovided for when an emergency arises. Having the mechanisms in place that assure equitable access during periods of shortage would clearly help also to preclude the disastrous price explosions of recent years and that otherwise would have to be anticipated with perhaps increasing frequency over the years ahead.

Mr. President, I have introduced legislation, S. 409, the Standby Petroleum Authorities Act of 1981, which provides such a mechanism for equitable access to crude oil during periods of shortage. I hope the Committee on Energy and Natural Resources will soon schedule hearings on this legislation. We should get started on finding out what the right approach is to dealing with crude oil supply disruptions. The establishment of mechanisms to cushion the impact of disruptions in oil imports is the most urgent energy issue we face this year.

Mr. President, I ask that the summary of the study, "Crude Price Decontrol—What It Will Mean for Competitive Capabilities in the U.S. Refining Industry," by W. J. Levy Consultants, Inc. be printed in the RECORD at this point.

The summary follows:

CRUDE PRICE DECONTROL—WHAT IT WILL MEAN FOR COMPETITIVE CAPABILITIES IN THE U.S. REFINING INDUSTRY

1. The time and circumstances under which domestic crude oil is scheduled to be decontrolled are critical to the potential impact of decontrol on competitive capabilities in the U.S. refining industry. For the foreseeable future, U.S. refineries will be dependent upon substantial volumes of foreign crude to meet their total feedstock requirements. Furthermore, U.S. refiners will be importing crude in a world oil environment characterized by tight supply/demand balances, a range of uncertain events that could disrupt supplies at any time, and prices that are volatile and subject to wide disparities.

2. The Report begins with a look at the likely circumstances under which foreign crude oil will be available to the U.S. refining industry in the 1980's. We then consider how markets for domestic crude oil may look after decontrol. The final part of the Report deals with the implications for government policy of problems of competitive access of U.S. refiners to crude oil supplies in periods of shortage.

FOREIGN OIL AVAILABILITY

Requirements vs. potential supply

3. The general outlook for the decade of the 1980's and beyond is for world-wide oil balances to be tight at best. Demand for oil will increase very slowly by historical standards, reflecting a very marked slowdown in growth of total energy requirements and major contributions to energy supplies from sources other than oil. Nonetheless, the demand for oil will still *increase* substantially in absolute terms (close to +10 million barrels per day between 1980 and 1990) and the non-Communist world will be consuming on average about 20 billion barrels of oil annually over the decade.

4. Even with a substantial increase in non-OPEC oil production, demand for OPEC oil output could average close to 30 million barrels daily in the 1980's. This level of demand for OPEC oil looks to press up against the ability and willingness of OPEC nations to produce over the years ahead.

5. The decade of the 1980's and beyond should see a rising long-term trend in the real price of crude oil, reflecting generally tight oil balances, a dwindling resource base, and higher replacement costs. However, the upward trend in foreign crude oil prices is not likely to be smooth.

6. With little in the way of available surplus productive capacity to turn to, it will not take much in the way of lost production somewhere around the world to disrupt international oil supplies in the 1980's. Cutbacks in oil availability could result from a wide range of possible developments—e.g., withholding of supplies by one or more exporting countries for political reasons, physical mishaps, and military conflicts such as the past Arab-Israeli wars and the current war between Iran and Iraq. With little slack and many potential shocks, it is reasonable to anticipate a greater frequency of disruptions to world oil supplies in the future than in the past. Furthermore, the disruptions that occur are likely to have a far greater impact than those of only a few years ago—e.g., contrast the minimal effect on oil supplies and prices of the Arab oil embargo arising out of the Israeli-Arab war of 1967, when substantial surplus productive capacity was available, and the devastating impact of the embargo/production cutbacks that followed the Arab-Israeli war in 1973, when there was relatively little in the way of unutilized capacity that could be drawn upon.

The impact of supply disruptions

7. When various random events trigger temporary cutoffs in the flow of oil, companies and countries who are left short of supplies—or even fear they will be left short—will inevitably seek out whatever oil is still made available in order to shore up their positions. The urgency to make up supplies can be expected to lead to hectic price competition in "spot markets"—i.e., anytime and anywhere uncommitted oil can be acquired by bidding up the price of such supplies.

8. However, with supplies being tight and shortages feared, companies with continuing access to foreign crude—e.g., through producing positions or supply contracts—are unlikely to make much in the way of supply available to others. In these circumstances, all companies have a strong interest in holding very closely whatever supplies they may have available. Higher-than-market price offers by crude-short companies may elicit little if any additional supply. Hence, dramatic runups in price offers in the effort to get potential sellers to let go of barrels. Even then, the volumes actually transferred tend to be relatively limited compared with the quantum increases in crude oil prices.

9. Withal sharp increases in spot prices will be followed in course by upward adjustment in contract and OPEC official prices, although not necessarily to the levels reached in spot markets.

10. In this kind of environment, disparities among prices at which various crude oils are moving are likely to be fairly wide. By way of illustration, in mid-1979 when buyers were still scrambling for crude in the wake of Iranian cutbacks, official government selling prices were in a considerable range—e.g., Saudi Arabia at $18 per barrel, Kuwait at $19.50, and the OPEC African producers at $23.50. *Term resales* of OPEC crudes were reported at official prices plus 35–50 cent premia in the Arabian Gulf and up to $2 for African crudes. Spot prices were approximately $32 for Arabian Gulf and $36 for African crudes. Spot prices were approximately $32 for Arabian Gulf and $36 for African crudes. By end-1979, Saudi Arabia had increased its official price by a steep $6 per barrel to $24, but didn't even come close to narrowing the gap on other escalating OPEC official and contract prices.

11. Companies will inevitably have differing crude costs even absent emergency supply conditions, reflecting relative resource positions and the commercial options they have chosen. The effect of shortages is to sharply widen the divergencies. However, the most critical aspect of price behavior during disruptions is that if there are no governmental policies in place assuring equitable access—among countries and among companies—competitive bidding for scarce supplies will lead to repeated price explosions. These can have dire consequences for the world's economies, for comity among oil-importing nations, and not-so-incidentally for incentives for essential investment to adapt U.S. refining capabilities to the country's changing product requirements (of which more later).

Temporary surpluses

12. The 1980's are likely to witness periods of temporary surpluses from time to time. These could emerge, for example, when production is restored after a supply disruption and/or demand is reduced substantially by sharp price increases and depressed economic activity. During temporary surpluses, there is the potential for price weakness and a narrowing of price differentials among crudes. However, there are several major factors that serve to vitiate downward price pressures and the narrowing of price disparities when crude balances become easier.

13. Most important, OPEC provides support to prices through the ability and willingness of its resource-rich members, notably Saudi Arabia, to live with substantial shut-in capacity when surpluses emerge. This underpinning serves to limit competitive selling pressures among OPEC nations and prevent a general downward price spiral.

14. Actions of oil-importing countries and companies also tend to help OPEC along in supporting prices in times of temporary surplus. After a shortage and in anticipation of the next one, there tends to be a compulsion to build up inventories as supplies become more plentiful. This adds to the total demand for oil and keeps balances tighter than they would be otherwise. Furthermore, offtaking companies often continue to accept high asking prices from producing countries even when oil balances ease up. To refuse high prices in the short term could prejudice long-term offtake rights

which would be of precious value later on when balances tighten once again.

15. It is possible that discounts off OPEC official prices could emerge during temporary periods of surplus, despite the support provided directly by key OPEC members and indirectly by the actions of oil importers. However, these discounts are likely to be modest as compared with premia during shortage periods. Price behavior thus is likely to be asymmetrical during periods of shortage and surplus.

Implications of uncertain supplies and exploding crude prices

16. The world would be able to adapt to a reasonably continuous upward trend in real oil prices that reflected the increasing scarcity of oil resources and rising costs of replacement. It is the explosive price increases during periods of shortage—coupled with rigidities on the downside when temporary surpluses emerge—that lead to serious economic difficulties for countries and commercial difficulties for companies.

17. Explosive increases in oil prices have a serious negative effect on international financial flows—adding to already high trade deficits of most oil-importing countries and adding still further to the huge financial surpluses of a few exporting countries—and world economic activity. Bidding among oil-importing countries for limited volumes of scarce supplies—which can only benefit one at the expense of another—is bound to undermine efforts for international economic cooperation. Companies whose only recourse in the event of supply disruption is frenetic bidding in what may be a futile effort to obtain needed crude supplies clearly do not have a sound basis for making future investments in refining operations.

18. These problems can only be dealt with by concerted policy efforts on the part of the governments of oil-importing countries. What is essential is that during periods of shortage, scant oil supplies are shared equitably among countries and there are assurances that companies also will share on some reasonable basis in whatever supplies are available (to which we return).

U.S. CRUDE OIL MARKETS AFTER DECONTROL

19. U.S. crude oil price controls are currently scheduled to be phased out by October, 1981. Decontrol sooner is being mentioned as a possibility under the incoming Reagan Administration. Whenever controls are lifted, prices for domestic crude oils will be oriented in general to the delivered costs of foreign crude.

20. In 1979, when limited volumes of domestic crude were free of controls and world oil supplies were scarce, prices for decontrolled domestic crudes tended to move up to—and at times even above—the delivered cost of foreign crude purchased at spot prices. In effect, a spot market developed in the United States—comparable to the so-called "Rotterdam" market abroad—for the volumes of domestic crude that were free of controls and could be obtained by bidding on price. Price premia paid for domestic crude over and above spot foreign crude presumably reflected the value attached by purchasers to the added supply security of domestic crude oil.

21. However, when all domestic crude is decontrolled, it is unlikely that some 8 million barrels daily of domestic crude will sell at prices tied inexorably to a very narrow foreign spot market. Prices posted by U.S. refiners for domestic crude after full decontrol are likely to reflect a combination of commercial, institutional, and political considerations. Such factors as the invoiced price of foreign supplies, assessments as to what level of prices may be necessary to acquire or hold supplies in competition with other refiners, and tax considerations (e.g., the incidence of excess profits tax on higher price realizations for an integrated producer) could enter into pricing decisions of individual refiners. All of these factors are likely to militate against very close or very quick adjustment in domestic postings to short-term changes in foreign spot markets.

22. In an environment of tight oil balances and supply uncertainties, substantial volumes of domestic—as also of foreign crudes—are likely to be tightly held. Refiners with access to their own domestic crude production and/or some form of control over purchased crude via gathering and other pipeline connections will have a strong interest in keeping such crude within their integrated systems.

23. As with the foreign oil market, the ability of crude-short refiners to dislodge domestic crude from others via price offers is likely to be relatively limited in times of severe supply stringency. To the extent necessary, refiners threatened with loss of domestic crude to which they have access via pipeline connections would tend to raise their own postings to the level at least necessary in order to assure their continuity of supply. Whatever domestic crude might be acquired through competitive bidding in such circumstances would almost inevitably be not only at the high end of the spread of prices that refiners pay, but would probably exceed that in net cost by virtue of collateral arrangements entered upon in order to complete the transaction.

ACCESS TO CRUDE AND GOVERNMENT POLICY

24. The future foreign and domestic crude oil environments described above suggest serious problems for various U.S. refiners in obtaining crude oil supplies in periods of shortage. It is very difficult to predict in advance which refiners are likely to feel the immediate or major brunt of shortfalls. In general, independent refiners are likely to be relatively exposed, owing to their more tenuous crude oil resource positions. Integrated refiners may have better security of supply when interruptions occur through their preferred access to large volumes of foreign oil as operators or under contract arrangements and to domestic oil either owned or controlled. However, major oil companies can also be very hard hit, especially because of their dependence on vulnerable foreign sources. Witness the experience of British Petroleum, which within a relatively short period of time lost its 40-percent interest in Iran, had contract purchase volumes sharply cut back in Kuwait, and was thrown out of producing positions in both Libya and Nigeria for political reasons that the respective host governments presumed to invoke whilst tight world oil balances made their actions less risky than would have been the case in an earlier period. U.S. majors may not be politically impervious.

25. Absent a cushion of spare productive capacity, refiners who suffer cutoffs in traditional oil supplies find themselves with limited let alone commercially unattractive options for making up the deficiency. It is unlikely that alternative offtake arrangements can be negotiated when supplies are generally short. The only real alternative then is competitive bidding in spot markets, foreign and/or domestic. And as discussed, the consequences tend to be disruptive, not only from the standpoint of the companies affected but also of the countries exposed to the shortfall.

26. From the standpoint of the individual refiner, if he is successful in obtaining spot supplies, it would only be at very high prices. But even at very high prices, an individual refiner is unlikely to obtain the volume of crude supplies in the spot market that he needs to sustain operations—not when a crisis significantly cuts into aggregate crude oil availability on world markets.

27. Competitive bidding for spot supplies in shortage situations is also an unsatisfactory alternative from the standpoint of oil-importing countries, individually and as a group. Since total volumes available are limited, what one refiner or country acquires by bidding is at the expense of another. Further, as experience has only too convincingly shown, the resulting explosive price increases can lead to serious economic problems of world-wide dimensions—as following the 1973–74 and 1979–80 episodes.

28. There is a parallel, then, between the concern of U.S. refiners for crude access during supply emergencies and the concern of the U.S. Government on an international level for both equitable access among nations and fending off economically disruptive price runups. The United States has joined with most other industrial nations, under the auspices of the International Energy Agency, in developing a plan for oil sharing among its members in emergencies. A key objective is to keep countries from competing among themselves for limited supplies by providing each country with reasonably assured access to whatever limited supplies are available.

29. U.S. policy toward its oil-refining companies could be as essential during supply crises as U.S. policy with its oil-importing-country allies. It is in the U.S. interest to see that neither countries nor companies are left unprovided for when an emergency arises. Having the mechanisms in place that assure equitable access during periods of shortage would clearly help also to preclude the disastrous price explosions of recent years and that otherwise would have to be anticipated with perhaps increasing frequency over the years ahead.

30. The United States has an obvious national interest in a viable domestic refining industry. The industry will have to provide adequate overall capacity to meet future demand. More important, the U.S. refining industry will have to adapt over the years ahead to a changing pattern of product requirements, more stringent product specifications (e.g., lower-sulphur content), and shifting mixes of available crude oils (particularly, heavier and higher in sulphur). This adaptation will inevitably require continuing investment in high-cost, complex processing facilities.

31. When it comes to a supply crunch, it may be reasonably assumed that some form of ad hoc allocation of available crude would be invoked, particularly if circumstances get bad enough. However, this is hardly the same kind of assurance of supplies as would be provided by a program-in-place that spells out in advance how refiners would share available oil in the event of emergencies.

32. To ensure incentives for continuing essential investment by the U.S. refining industry—particularly with the lapse of extant authority as from October, 1981 decontrol—legislative and administrative foundations would have to be reestablished to provide refiners with reasonable confidence of equitable access to crude in supply emergencies and at prices that are not disastrously out of line with competitive crude costs. The latter is not meant to imply that crude costs among refiners should be equalized on a continuing basis, or even in shortage situations. However, incentive to investment in new facilities requires some assurance that refiners will not be exposed subsequently to such extremely out-of-line crude prices that the continuity of viable operations would be seriously threatened.

33. In sum, during periods of supply crisis, a program for equitable access to crude oils by U.S. refiners would serve the national interest by paralleling international efforts to share available supplies among oil-importing countries and to fend off explosive price increases associated with the crisis or even in anticipation.●

ESTONIAN INDEPENDENCE DAY

(By request of Mr. BAKER the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Mr. President, February 24 marks the 63d anniversary of the proclamation of independence of the Republic of Estonia. In June 1940, the Soviet armed forces occupied Estonia, later annexing the area in violation of international law. As cochairman of the Helsinki Commission, I have long condemned the continued illegal Soviet occupation and violation of human rights in Estonia.

I admire the courage and strength of will displayed by the Estonian people in their struggle to regain their rightful independence from Soviet oppression.

Mr. President, I submit for the RECORD portions of a statement I received from the Estonian American National Council. The statement specifically illustrates the plight of two Estonian Helsinki watch activists, Mart Niklus and Juri Kukk. There are many more in similar situations, but the persecution of these two typifies the suffering leveled upon the Estonian people by the Soviet Union—simply for speaking their beliefs.

The excerpts follow:

HUMAN RIGHTS VIOLATIONS IN ESTONIA

The 63d anniversary of the Republic of Estonia's declaration of independence finds its people in the free West and in Soviet occupied Estonia both reflective and very concerned. While the 1975 Helsinki Accords have provided a vehicle for addressing human and national rights within the Soviet Union, the Soviet Union has repeatedly violated these rights in Estonia.

While we in the West commemorate this occasion and rededicate our efforts to freedom for all Estonians, we urgently turn to you for help in the case of two Estonians. Mart Niklus and Juri Kukk are both fighting for their very lives. Their lives are representative of the hundreds, perhaps thousands, of Estonians who in recent years have become active and open in support of the Helsinki principles. Both men are in precarious health and have just been reimprisoned. Your actions on their behalf could be instrumental.

Below are short summaries of the lives of these two Estonian national and human rights activists.

Mart Niklus: Born in Tartu, Estonia; age 46. Single, last residence with his parents. A Tartu University 1957 graduate with a degree in biology/zoology. He was first arrested on August 21, 1958 and sentenced on January 15, 1959 to ten years of forced labor plus three years of exile for sending photographs depicting Soviet reality to the West. He was released from Vladimir prison on July 29, 1966 due to his deteriorating health. Not given employment in his profession, he survived on odd jobs until 1972, when he was employed as a teacher of English, French and German at the Evening School of Foreign Languages in Tartu.

Since 1976 he has been arrested repeatedly, held for months in prison, been interrogated and had his home searched and belongings confiscated. All of this because of his activities in monitoring the Helsinki process. Concentrated harassment by the authorities began after he along with other Baltic nationalists signed the "Baltic Appeal" to the United Nations and several governments on the 40th anniversary of the Molotov-Ribbentrop Pact in 1979. This 1939 agreement opened the way for Soviet troops to march into Estonia, Latvia and Lithuania. The Appeal called for the Pact's repeal and for the right to self-determination for the three Baltic nations.

On November 13, 1979 Mart Niklus was dismissed from his post at the Evening School. On March 3, 1980 his request to emigrate to Sweden to join his brother was denied. He was again arrested on April 29, 1980, one day after the KGB forced him to leave the hospital where he was being treated for neuritis of the back—a condition resulting from his first eight years in forced labor camps. He was charged under Article 68-2 of the Estonian Soviet Socialist Republic Criminal Code for "anti-Soviet agitation and propaganda." The punishment by law is ten years imprisonment plus five years of internal exile. On August 23, 1980 Mr. Niklus started a hunger strike. His investigation was completed on December 2, 1980 and he was brought to trial on January 5, 1981. On January 8 he was sentenced to ten years of forced labor plus five years of internal exile. He has vowed to continue his hunger strike. We must note that the trial was held during the recess of the Madrid Conference on Security and Cooperation in Europe (the second follow-up to evaluate progress of Helsinki Accords).

Juri Kukk: Born in Parnu; age 40. Married and the father of a son, 12, and a daughter, 8. He graduated from Tartu University with a degree in chemistry and was subsequently employed as an assistant professor. During 1975/76 he studied in France. As a result of his study abroad, he renounced his membership in the Communist Party in 1978, requested that his Soviet citizenship be voided and that he be permitted to emigrate. On September 20, 1979 he was suspended from the university.

During 1979 and early 1980 Mr. Kukk signed numerous human rights documents and appeals that have reached the West. He was arrested in Moscow on January 28, 1980 after leaving the car of an American correspondent. On March 13, 1980 he was arrested again after a search of his apartment and confiscation of numerous manuscripts and his typewriter. He is accused of violating Article 194-1 of the Criminal Code for "spreading fabrications slandering the Soviet system," for which the law prescribes up to three years of forced labor. He was forced to undergo psychiatric examinations in Tallinn and Moscow and was declared sane. On November 25, 1980, he started a hunger strike in support of Mart Niklus. Tried at the same time as Niklus, Kukk was sentenced to two years of forced labor.

It is very unlikely that either will survive their imprisonment . . .

Recently, we all shared in the happiness and patriotism of the American prisoner release from Iran. We watched them come home to enjoy and treasure the freedoms of America. It is our fervent hope that one day Niklus and Kukk can partake of these same freedoms and their attendant responsibilities.●

WOOD: AN ANCIENT FUEL WITH A NEW FUTURE

● Mr. KENNEDY. Mr. President, a recent report by the Worldwatch Institute on the future of wood as an energy source is an excellent summary of wood's potential and a fair and balanced assessment of its problems. One of the aspects of this report that I found most interesting is that wood has recently surpassed nuclear power as a source of energy in the United States.

I commend this report to my colleagues, and I also commend its author, Mr. Nigel Smith, on the quality and comprehensiveness of the report he has prepared. I ask that a summary of the report, entitled "Wood: An Ancient Fuel With a New Future" may be printed in the RECORD.

The report follows:

WOOD: AN ANCIENT FUEL WITH A NEW FUTURE

Wood, humanity's oldest fuel, has a bright future, according to a new study released today in Washington by Worldwatch Institute. By the end of the century, wood fuel use around the world is likely to increase by at least 50 percent.

"Wood's potential contribution to the U.S. energy budget is even more promising," said Nigel Smith, author of the report, Wood: An Ancient Fuel With a New Future. "Wood has recently surpassed nuclear power as a source of energy in the United States and could provide up to one-fifth of the country's energy by the year 2000."

Forests cover about one-quarter of the earth's land surface, from the humid tropics to the vast expanses of coniferous and hardwood forests in Canada, the United States, and the Soviet Union. Wood resources are much more evenly distributed than natural gas, coal, or petroleum are. As a result, far more countries can turn to it as a significant, renewable source of energy.

"Most of the wood burned today is for residential cooking and heating," said Smith, a researcher with the international organization. "Approximately half the world's population still uses wood in this manner. In some countries, such as Ethiopia, Thailand, and even oil-rich Nigeria, nine out of ten families rely on this traditional fuel. For most Third World nations, the higher cost of kerosene and other fuels leaves them little choice but to continue to cook and heat their homes with wood and charcoal.

"Of the industrial nations," Smith noted, "the United States was one of the last to switch to home heating with fossil fuels, and it is now on the crest of the wave of nations returning to wood. Seven percent of the homes in the country are now entirely or partly heated with wood stoves or furnaces, and the proportion is steadily creasing. The trend is particularly apparent in the New England states, where about half the homes rely on wood to meet at least part of their heating needs."

The use of wood in industry has followed a similar path, according to the study. In the mid-sixties, wood-fired industrial boiler sales represented a negligible percentage of all boiler sales in the United States; by the mid-seventies, they had climbed to 5 percent of the total. Manufacturers of wood products have literally found energy resources in their factory yards. The U.S. pulp and paper industry now provides 50 percent of its own energy from waste products, while Swedish paper companies obtain 60 percent of their energy from wood scraps and pulp residue.

To improve the efficiency and the convenience of using wood in industry, machines have been developed that shred trees into matchbox-sized chips. Burlington, Vermont, plans to build a 50-megawatt wood-chip furnace that will generate electricity for 20,000 city residents. Wood waste is also being bound together into small pellets that can be used directly in coal furnances. Pellets are denser and drier than wood chips, so they can be transported economically over great distances. An added advantage is that their use is virtually pollution-free.

"Wood can also be used to produce methanol, a promising substitute for gasoline and diesel fuel," the author pointed out. "Wood alcohol is clean-burning, creates none of the environmental problems as-

sociated with coal gasification, and is technologically feasible. Its production is particularly suitable in heavily forested countries lacking their own oil resources. High production costs suggest methanol is cost-effective once gasoline reaches $3 to $4 a gallon, a price many motorists outside North America are already paying. The United States, Canada, France, and Brazil are refining the technology for producing methanol in preparation for the day, probably before the end of the century, when wood will become an important source of liquid fuel."

"The economic case for switching to wood gains strength with every increase in the price of oil and natural gas," Smith observed. "In the United States, homeowners using heating oil, which is expected to exceed $1.25 a gallon by spring 1981, would be advised to switch to a wood stove if they live in an area where a cord of wood costs less than $150. Large wood-fired boilers are also economical. The Burlington utility expects to generate electricity at a cost 20 percent below that of a comparable coal-fired plant."

The growing reliance on wood energy is not without environmental hazards, according to the study. Wood fuel exploitation is exceeding the regenerating capacity of forests in many Third World nations, and woodlands are shrinking steadily. Indiscriminate harvesting of fuelwood is having a devastating effect on thousands of plant and animal species in tropical forests. Atmospheric pollution from wood burning is also of growing concern. In Vail, Colorado, a limit of one wood stove per household has been set for new housing, while wood fires are already banned in London and in South Korean cities in order to reduce air pollution.

"None of these environmental problems are insurmountable," Smith said. "Small precipitators installed in chimneys can reduce harmful effluents and more-efficient stoves designed for short-lived, intense fires would emit fewer noxious compounds. The establishment of tree plantations can help reverse the process of deforestration. In fact, a threefold increase in tree plantings is needed around the world just to ease firewood shortages, which are particularly severe in some parts of the Third World. If the world can gear up to this level of planting, wood fuel use could grow even faster than projected."

There are encouraging signs that public institutions are becoming more aware of the renewed potential of wood as a fuel, Smith concluded. The World Bank has increased loans for forestry projects tenfold in the last decade. The U.S. Forestry Service is now offering free technical assistance to people with woodlots and the Tennessee Valley Authority arranges interest-free loans for individuals who wish to switch from electrical heating to wood stoves. As petroleum supplies dwindle and as the economic and environmental costs of developing coal reserves and producing synthetic fuels become more apparent, more and more countries are likely to see trees as a wise energy investment.●

MARSHALL MATZ ON BUDGET CUTS FOR SCHOOL LUNCHES

● Mr. KENNEDY. Mr. President, one of the major reductions in Federal spending recommended by the Reagan administration in its recent budget proposal is a cut of $1.5 billion from the child nutrition program in 1982.

The administration maintains that the cut will not affect poor children. Indeed, school nutrition programs for low-income children are listed among the components of the "social safety net" that will be spared from sharp reductions.

Nevertheless, there is widespread concern among those familiar with the child nutrition budget that many needy children will in fact, be affected by the proposed cuts. Yesterday, for example, in an important op-ed article in the New York Times, Marshall Matz, an expert familiar to many of us, explained in detail why it is so difficult, because of the structure of the school lunch program, to make substantial reductions without hurting poor children.

Mr. President, I believe that Mr. Matz's article will be helpful to all of us in Congress as we begin to analyze the impact of the administration's proposals, and I ask that it may be printed in the RECORD.

The article follows:

[From the New York Times, Feb. 23, 1981]

BYE, SCHOOL LUNCHES FOR THE "TRULY NEEDY"

(By Marshall L. Matz)

WASHINGTON.—While seeking to cut $1.575 billion from the $3.918 billion child-nutrition budget in fiscal 1982, the Reagan Administration has listed school lunches for the "truly needy" as one of seven programs that will not be affected by the drive to reduce Federal spending. On the contrary, poor children will be affected, for millions who qualify for a free or reduced-price lunch under the nutrition program stand to be lopped from it.

Granting that the Administration is proceeding in good faith, it appears that its analysis of the lunch program is being limited to only one dimension: direct Federal support to the states for free lunches.

Students qualifying for a reduced-price lunch are not being considered "truly needy," and the Federal subsidy for such lunches would be slashed substantially. Though some six million middle-class students—those whose family of four earns more than $15,630 a year—are likely to drop out of the program because of dramatic increases in lunch prices, the Administration apparently considers this irrelevant to the availability of the program to the poor. However, as participation drops, many schools, unable to finance the programs or unwilling to continue them because they no longer serve all the students, will end them, and they will be lost to the entire community, including the poor. Overall, of the 27 million in the program, conservatively nine million can be expected to drop out or be forced out.

The Agriculture Department's commodity-support program constitutes a major part of the proposed cutback in general assistance. Commodity support, unlike cash assistance, cannot be divided between free and paid meals. The commodities (such as potatoes, peaches, ground beef) are shipped in bulk to the states and then to schools; it is not possible for cooks to use different amounts of such commodities in preparing free meals and paid meals. Thus, the commodity cut will be felt across the board, affecting poor children receiving free lunches along with everyone else.

Not considered in the President's claim that the $1.575 billion cut will not hurt the "truly needy" is the effect on lunches of the Administration's proposal to deduct the cost of school meals from a person's food-stamp allotment. This request, labeled a "food-stamp cut," seems to be viewed as irrelevant to the lunch program. Other assistance called "nonessential" includes nutrition education and training, as well as equipment assistance to schools, both of which benefit the poor.

Under current law, the general subsidy for each lunch served in the 1981–82 school year (fiscal 1982) will be 39.5 cents per student per meal in cash and commodities. If the Administration's proposals are enacted, the 39.5 cent subsidy will be completely eliminated and the cost of a lunch can be expected to approximately double. It is this cut that represents the bulk of the child-nutrition savings. It is also this modest subsidy to middle-class students that has prevented the lunchroom from becoming economically and, in some cases, racially segregated.

The school-lunch program operates like a business. It receives income from four sources—Federal, states, and local governments, and the students—and if income does not equal expenses, local programs will close. Unlike food stamps or aid to families with dependent children, the lunch program does not involve direct payment to individuals. All income, from whatever sources, goes into the same school-lunch cash register: It is not possible to withdraw $1.575 billion from the child-nutrition budget and reasonably expect that the poor will not be affected.

The Federal effort to eliminate child malnutrition dates back at least to the creation, in 1946, of the national school-lunch program. Since then, the Federal commitment to child nutrition has grown steadily, along with the evidence of its success. When a team of medical doctors returned in the late 1970's to the poor rural counties they had visited 10 years earlier to determine if any progress had been made in combating hunger, they concluded, and reported to Congress: "Our first and overwhelming impression is that there are far fewer grossly malnourished in this country today than there were 10 years ago." Their report attributed the progress directly to Federal nutrition programs.

America's nutrition programs have been amazingly successful, perhaps more than any other social-policy endeavor. The "war on hunger," originally declared by President Richard M. Nixon in 1969, has been an unsung bipartisan success story that has dramatically reduced malnutrition and increased human productivity. It is incumbent on those who advocate cutting back our nutrition programs to show that such changes will not reverse the progress we have made.

Marshall L. Matz, formerly general counsel to the Senate Select Committee on Nutrition and Human Needs, and formerly special counsel to the Senate Committee on Agriculture, Nutrition, and Forestry, is a lawyer whose clients include the American School Food Service Association.●

CONCLUSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BAUCUS ON THURSDAY, FEBRUARY 26, 1981

Mr. STEVENS. Mr. President, I ask unanimous consent that, following Senator JEPSEN's special order on Thursday, February 26, Senator BAUCUS be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD H.R. 31 AT THE DESK

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate receives H.R. 31, a bill to amend the Truth-in-Lending Act to encourage cash discounts, from the House of Representatives, it be held at the desk pending further disposition.

Mr. MATSUNAGA. Mr. President, reserving the right to object, it is my understanding that this matter has been cleared with the minority leader and the ranking member of the appropriate committee. I do not object.

Mr. STEVENS. The Senator is correct, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE COMMITTEE ON ENERGY AND NATURAL RESOURCES TO MEET DURING THE SESSION OF THE SENATE TODAY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be allowed to meet during the session of the Senate today to hear Secretary of the Interior James Watt and Deputy Secretary of Agriculture Richard Lyng present their respective Department requests on the President's economic package. I might say parenthetically, this is after the fact, but it is necessary to legitimize the action taken by the committee today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD AT THE DESK NOMINATION OF THOMAS W. PAUKEN, OF TEXAS, TO BE DIRECTOR OF ACTION

Mr. STEVENS. Mr. President, I ask unanimous consent that the nomination of Thomas W. Pauken, of Texas, to be Director of ACTION, be held at the desk pending further disposition.

Mr. MATSUNAGA. Mr. President, reserving the right to object, and I shall not object, this matter has been cleared with the leadership on this side. I do not object.

Mr. STEVENS. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL THURSDAY, FEBRUARY 26, AT 11 A.M.

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate stand in recess pursuant to the previous order.

There being no objection, the Senate, at 6:21 p.m., recessed until Thursday, February 26, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate February 23, 1981, under authority of the order of the Senate of February 19, 1981:

FEDERAL RAILROAD ADMINISTRATION

Robert W. Blanchette, of Maryland, to be Administrator of the Federal Railroad Administration, vice John McGrath Sullivan, resigned.

INTERNAL REVENUE

Roscoe L. Egger, Jr., of the District of Columbia, to be Commissioner of Internal Revenue, vice Jerome Kurtz, resigned.

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

MEDICAL CORPS

To be captain

Church, Tommie G., 332-40-6873.

To be first lieutenant

Christensen, Alan W., 071-42-2581.
Dailey, Mary L., 220-58-1029.
Deering, Joseph A., 029-40-6169.
Fernandez, Douglas K., 228-56-8955.
Gibeily, George J., 232-84-8340.
Goetz, David W., 299-42-5402.
Greenberg, Daniel J., 359-46-4773.
Greenberg, Rosemary T., 230-86-2663.
Lacy, Diane C., 421-80-3064.
Lesser, John D., II, 170-40-1926.
Lischak, Michael W., 073-46-9631.
Moeller, Gerhard, 449-11-7688.
Morin, Garrison V., 293-46-7463.
Ohara, Mary A., 082-42-3252.
Rehe, Gregory T., 140-50-9045.
Roth, Rudolf R., 559-84-6882.
Shaughness, George P., 134-42-7060.
Strollo, Patrick J., 154-48-4216.
Zefo, Nancy, 306-60-9858.

DENTAL CORPS

To be captain

Haney, Stephen J., 458-76-6635.
Kretzschmar, David P., 564-62-9978.
Mitchell, Melvin G., 415-72-6569.
Reagan, Stephen E., 445-44-5124.
Snyder, James L., Jr., 314-42-3578.

To be first lieutenant

Stanya, Andrew E., 272-54-3876.

NURSE CORPS

To be captain

Liberty, Gail N., 005-36-6915.

The following cadet, U.S. Air Force Academy, for appointment in the Regular Air Force in the grade of second lieutenant, effective upon his graduation, under the provisions of sections 8284 and 9353, title 10, United States Code. Date of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

Riggins, James, 221-38-0516.

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Abraham, David A., 378-44-5604.
Blum, Herbert, 106-18-8321.
Boll, Karl H., 010-30-6919.
Buchanan, James R., 162-32-8086.
Craig, William F., 380-40-7687.
Dahlke, Francis G., 229-60-3212.
Davis, Charles W., 461-48-1747.
Desadier, Bennett B., 310-50-4927.
Doran, Frederick G., 032-12-5266.
Douglas, Glen A., 429-78-6463.
Edwards, Charles H., 250-42-0447.
Elm, Stephen R., 475-44-2624.
Floyd, John, 190-24-9374.
Gonzales, Salvador J., 295-38-7446.
Hermann, Howard T., 145-16-2510.
Hiliberg, Leland E., 549-32-5924.
Johnson, Larry D., 449-78-4491.
Johnson, Tom L., 323-12-9348.
Kemp, Wallace R., Jr., 384-24-1874.
Kwitken, Herbert, 315-36-6713.
Laude, Walter E. H., 226-52-5702.
Lautt, Marvin E., 160-24-7828.
Mendlick, Richard M., 500-44-7746.
Mimoso, Jose J., 580-78-2923.
Moore, James D., 406-54-8272.
Nicklas, Thomas O., 447-32-6718.
Poel, Richard A., 363-34-0315.
Roberts, Douglas J., Jr., 047-12-1649.
Ryan, Michael N., 410-68-7730.
Sheppard, Robert G., 547-16-3355.
Shipley, Robert N., 516-22-6157.
Swartz, Warren E., 512-18-0794.
Terrell, Paul W., 276-34-7432.
Thomas, Thomas C., 497-36-5079.
Torgerson, John R., 342-24-1348.
Vermilyea, Bayard C., 533-28-0465.
Walters, William E., 492-44-4705.
Weiss, Carl B., 186-26-2961.
White, Asher R., 470-36-6718.
Wolfe, John M., 266-16-6809.

The following persons for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of Section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Cutler, William H., 004-34-0021.
DeCarlo, Gasto, 112-34-3282.
Foor, Robert D., 188-20-6100.
Giles, Raymond B., 284-12-5836.
Goldstein, Frederick P., 053-24-8534.
Kuhn, John E., 406-42-4038.
Schubert, Justin C., 303-22-0181.
Steigmeyer, David J., 315-12-9760.
Tibbetts, Donald E., 003-18-9659.

The following persons for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, to perform the duties indicated.

LINE OF THE AIR FORCE

To be colonel

Scully, Thomas J., 564-32-8446.
Thomason, Richard H., 504-20-2698.

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code.

Lieutenant colonel to colonel

MEDICAL CORPS

Candy, Jon W., 344-28-7928.
Carver, Richard F., 125-28-8190.
Green, Paul F., 396-32-4424.
Holbrook, James M., 370-40-1657.
Mabeus, Duane F., 508-48-5690.
Mapes, Donald L., 561-44-7788.
Ortiz, Jesus, 264-76-3627.
Richter, Jaroslav K., 329-34-3730.
Stewart, Andrew M., 001-22-5441.
Winer, Bernard A., 490-34-2200.

Major to lieutenant colonel

LINE OF THE AIR FORCE

Baker, Roy B., III, 014-32-5992.
Benham, Clarence, Jr., 255-64-8810.
Beyer, Mary D., 457-66-6185.
Brown James E., Jr., 201-32-6177.
Brown, Richard C., 064-34-2569.
Calligan, Patrick J., 479-48-0010.
Curry, Robert G., 505-52-0729.
Deconti, Richard C., 036-26-0552.
Deluca, Robert, 056-34-0480.
Doughty, Benjamin T., Jr., 106-34-6996.
Fuller, Robert A., 222-36-2259.
Gillaspy, Edward D., 552-48-5629.
Han, Melvin T. S., 575-42-2997.
Hightower, Jerry B., 500-44-6019.

Janson, Gotthard, III, 547-58-0645.
Jones, Malvin G., 225-60-3862.
Kaye, Robert, 106-34-4516.
Linton, William, Jr., 214-40-6373.
Lockhart, Charles B., 505-52-2240.
Lystlund, James R., 254-64-7219.
Mack, Oliver T., 414-60-0101.
McAndrew, William H., 173-32-8555.
McGown, Robert W., 330-32-1305.
Mokuau, Norma L. K., 575-42-0067.
Moss, Dennis D., 516-48-6519.
Orsini, Joseph A., 133-32-0094.
Payne, David L., 444-40-5487.
Pearson, Donald J., 029-30-2920.
Reinhard, James T., 081-30-5383.
Roy, Osborne J., 206-32-0425.
Salinas, Gilberto, Jr., 459-64-4600.
Sato, Rodney T., 552-56-6376.
Shaughnessy, Dale J., 507-56-5511.
Tagnesi, John P., 236-60-5387.
Voxland, Michael D., 476-46-8622.
Warnimont, Daniel A., 273-38-3534.
Welch, Russell C., 255-62-3194.
William, Tate P., 242-64-0467.
Williams, Jimmy R., 256-60-6092.
Wood, John T., 248-76-9278.

Major to lieutenant colonel

CHAPLAIN CORPS

Mahon, John J., 115-22-8663.
Nielsen, Ralph R., 529-52-9498.

DENTAL CORPS

Knight, James S., III, 243-74-0379.
Wongwai, George W., 524-38-4952.

MEDICAL CORPS

Antonio, Melvin Q., 169-42-3423.
Aportela, Sinesio Z., 264-76-9422.
Aracxfraser, Gonzalo, 286-50-1638.
Bedford, Alfred J. M., 091-26-1478.
Bloodworth, Leon P., 262-48-4560.
Cabal, Eustaquio V., Jr., 295-48-0522.
Cohen, Edward L., 573-56-1603.
Corrales, Consuelo L., 062-48-2057.
Crawford, Raymond S., III, 431-86-0574.
Dealdayflores, Ruby, 034-38-8864.
Fan, Warner J., 562-70-6329.
Gale, Tristan M., 064-40-0321.
Greenman, John J., 052-32-3802.
Hart, Robert R., 364-44-1724.
Hess, George W., 375-36-8065.
Hohn, Gerald J., 369-26-4696.
Leibrecht, Murl E., 536-42-0673.
Mikelatos, Spyridon H., 567-56-8696.
Naval, Icarangal A., 164-38-3708.
Olson, John M., 469-48-0296.
Phillips, Daniel G., 256-64-6532.
Pueblatarilonte, Jose L., 584-34-1562.
Sago, Alvin L., 496-46-0720.
Sau, Kadan C., 136-46-5772.
Sau, Purnima S., 136-46-5771.
Sievert, Jose L., 235-72-5129.
Sigas, Ibis D., 583-26-9106.
Sigler, Robert W., 386-42-8295.
Trujillo, Joel, 509-46-0354.
Vanmeter, Francis M., Jr., 400-58-3777.
Wang, George Y. M., 382-42-0385.
Williams, Josie R., 441-42-0053.
Zimmerman, Robert G., 275-40-1735.

NURSE CORPS

Anderson, Dorothy A., 153-30-1212.

BIOMEDICAL SCIENCES CORPS

Carter, Malcolm J., 422-38-1261.
Myers, Milo G., 432-80-8785.

The following named officers for promotion in the United States Air Force, under the appropriate provisions of Chapter 839, Title 10, United States Code, as amended.

Major to lieutenant colonel

LINE OF THE AIR FORCE

Schwab, Charles F., 076-32-8093.
Singleton, James A., III, 239-52-3654.

The following named officers for promotion in the Regular Air Force under the appropriate provisions of Chapter 835, Title 10, United States Code, as amended. Officers are subject to physical examination required by law.

LINE OF THE AIR FORCE

Captain to major

Bogia, Talivaldis M., 067-26-4331.
Jacobs, Jerry A., 066-38-0772.

BIOMEDICAL SCIENCES CORPS

Fickess, Robert J., 569-44-3545.

The following named Air Force officers for reappointment to the active list of the Regular Air Force, in the grade of lieutenant colonel, Regular Air Force, under the provisions of Sections 1210 and 1211, Title 10, United States Code, with active duty grade of lieutenant colonel, in accordance with Sections 8442 and 8447, Title 10, United States Code.

LINE OF THE AIR FORCE

Eagle William C., 445-26-0718.
Woolwine, David F., 230-36-7745.

Executive nominations received by the Senate February 24, 1981:

ACTION AGENCY

Thomas W. Pauken, of Texas, to be Director of the ACTION Agency, vice Samuel Winfred Brown, Jr., resigned.

DEPARTMENT OF TRANSPORTATION

John M. Fowler, of Pennsylvania, to be General Counsel of the Department of Transportation, vice Thomas George Allison, resigned.

IN THE COAST GUARD

The following named Reserve officers of the Coast Guard to be permanent commissioned officers in the grades indicated:

Lieutenant comander

Michael G. Barrier

Lieutenant

Phillip C. Olenik
Michael B. Slack

Lieutenant (junior grade)

Gregory F. Adams	Christopher S. Kilgore
Ken J. Balajadia	Ronald E. Kilroy
Timothy L. Beltz	Randolph L. Klock
John B. Carine	Arthur D. Marks
Robert L. Carson, Jr.	James M. McCoy
Cynthia A. Coogan	Kathryn S. Miller
John P. Currier	Gerard M. Mooney
Wade A. Davis	Ralph C. Munn
Kirk A. Davis	Paul B. Murray, Jr.
Ernest L. Delbueno, Jr.	Gregory N. Needham
	Kay L. Oxley
Leonard P. Deutschmann	William R. Perrin
	Michael E. Quinn
Robert E. Dunn	Peter R. Rennard
James A. Pavero	Gregory A. Santer
Robert J. Fuller	Jerome F. Schammel
Robert M. Gauvin	Gary R. Schlabaugh
Keith E. Grant	Joseph L. Sciuto, Jr.
Patrick K. Gregory	Michael J. Skirchak
Debra S. Harbaugh	Joseph G. Spoja
Charles F. Hawkins	Richard E. Tinker
Larry E. Hazel	Joseph M. Touzin
Peter J. Hopkinson	Dennis H. Turner
Walter M. Hunt, Jr.	Michael G. Wallace
Stephen Jayson	David G. Westerholm
Larry E. Jaeger	Francis X. Whelan, Jr.
Ernest C. Johnson III	Richard M. Wright
Michael P. Jones	David B. Zamzall
William A. Kelsey	

The following named officers of the Coast Guard Reserve for promotion to the grade of captain:

Albert C. Buechler
Joseph T. Bronaugh
Philip C. Lancey

The following named officers of the Coast Guard Reserve for promotion to the grade of commander:

Thomas R. Pike
John M. Jacobs, III
Edward R. Williams

IN THE COAST GUARD

The following graduates of the Coast Guard Academy to be permanent commissioned officers in the grade of ensign:

Robert B. Albright II	Daniel T. Kuhn
Robert M. Atkin	Judith E. Lake
Gordon A. Baker, Jr.	Daniel A. Laliberte
Christine D. Balboni	John M. Lang, Jr.
Lance L. Bardo	Alexander R. Larselere II
Steven M. Barker	
Kirk J. Beasley	Robert J. Legier
Geoffrey L. Beausoleil	Eric M. Linton
James B. Beckham	Robert M. Loesch
Matthew M. Blisard	Marshall B. Lytle III
Eric B. Brown	Daniel R. MacLeod
Christopher L. Bruening	Robert J. Malkowski
	Jay G. Manik
Jonathan P. Burden	David J. Markland
Kenneth R. Burgess, Jr.	Mary E. McCaffrey
	Douglas A. McCann
Timothy E. Bushrow	Kevin L. McCarron
Timothy M. Butler	Skye McClain
James H. Button, Jr.	James C. McPhetridge
Bruce T. Campbell	William L. Michaels
Timothy M. Cantwell	Darrell E. Milburn
Timothy C. Chenoweth	Steven J. Minutol.
Dale L. Chittenden	Patrick J. Moran
Dawn A. Clampet	Pamela Morrow
Kurt J. Colella	Carol C. Munch
Brian C. Conroy	Ivan R. Nance
Harry D. Craig	John R. Ochs
Matthew B. Crawley	Steven J. Ohnstad
Thomas D. Criman	Peter K. Oittinen
William K. Culver	Thomas P. Ostebo
Orie T. Davis	Christopher J. Paquette
Cynthia Deens	
Daryl G. Dejean	Frank M. Paskewich, Jr.
Kurt W. Devoe	
Mark R. Devries	Brian D. Perkins
Stephen C. Duca	Mark A. Prescott
David M. Dunlevy	George G. Privon
Willie M. Dupriest III	John M. Prokop
James A. Esposito, Jr.	Kevin B. Rahl
Dean L. Fains	Michael F. Rall
Daniel E. Fancher	Charles W. Ray
Robert A. Farmer	Richard A. Rendon
Michael P. Farrell	Anthony S. Reynolds
Richard L. Feffer	Joseph H. Rogers
Gary E. Felicetti	Thomas J. Rogers
John C. Finley	Larry J. Rudy
Stephen P. Finton	Mark D. Rutherford
Michael L. Fisher	Peter H. W. Ryba
Lucretia A. Flammang	Joseph P. Sargent, Jr.
Lyle Y. Fleck	Craig V. Sattergren
John H. Geffken, Jr.	Vincent F. Scalesse
Joseph P. Geraghty, Jr	Scott D. Schaefer
Preston D. Gibson	Bryan D. Schroder
Thomas A. Giguere	Kenneth H. Sherwood
Brian J. Goettler	Richard M. Skillman
Scot S. Graham	Bradley S. Snowball
Mark S. Guillory	Michael J. Sobey
James G. Gunther	Warren E. Soloduk
Kurtis J. Guth	Donald S. Stadtfeld
Gifford A. Hammar	Richard A. Stanchi
Paul E. J. Hansen	Keith P. Steinhouse
Warren L. Haskovec	David S. Stevenson
Timothy M. Henry	Brad J. Suchanek
Bruce E. Hensel	Brian T. Sullivan
David L. Hill	Philip H. Sullivan
Thomas E. Hobaica	Brian K. Swanson
Mark S. Hoesten	Terrence W. Swanson
Matthew C. Holmstron	Jon B. Tingley
Jeffrey W. Holt	Patrick B. Trapp
Virginia K. Holtsman	David J. Turner
David A. Hoppell	George P. Vance, Jr.
James C. Howe	Robin M. Voiles
James T. P. Hubbard	Melisse A. Wall
Francis X. Irr, Jr.	Sandra M. Wiemann
Paul A. Jensen	Thomas H. Willis, Jr.
Richard M. Kaser	Daniel M. Wray
Terrence P. Keenan	John W. Yager, Jr.
Jonathan S. Keene	Milan T. Yagodich
Craig A. Kohler	David L. Yienger
Robert E. Korroch	Timothy J. Youmans
Scott L. Krammes	Mark H. Young
David W. Kranking	Jennifer L. Yount

The following officer of the U.S. Coast Guard for promotion to the grade of lieutenant (junior grade):

James R. Yacobi, Jr.

IN THE NAVY

The following named Naval Reserve Officers Training Corps candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law:

Digan, Thomas E.	Morgan, Catherine L. H.
Donovan, John L.	
Greene, Stephen	Palmer, Michael A.
Haberlin, Karen M.	Reed, Fred E., Jr.
Heiner, Lily A.	Rodriguez, Raul D.
Henderson, Jeffrey S.	Seerden, Diane E.
Horne, Charles T., III	Threlkeld, Robert D.
Lane, Peter M.	Tickner, Richard D.
Law, Robert H.	Wallick, David M.
Mollar, Mark A.	Webb, Billy E.

The following named candidates in the Enlisted Commissioning Program to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law:

Ackerman, Michael W.	Jordon, Thomas J.
	McGunigale, Richard A.
Baisey, Charles W.	
Baker, Randall D.	Olson, James L.
Black, Benjamin	Osborne, Gregory D.
Braxton, Roosevelt, Jr.	Page, Garry K.
	Pasarilla, Michael D.
Breon, John C.	Peterson, Charles
Campbello, Florencio L.	Potter, Eddie R.
	Powell, Jonny L.
Chappelle, Harlan H.	Ray, William R.
Cody, Percy D., III	Skinner, Gregory H.
Dailey, Charles H.	Smith, Timothy L.
Davis, Jerry L.	Smolana, Kenneth V.
Dexter, Michael D.	Sopko, Joseph A.
Ewald, Terrence L.	Stiglich, Joseph F.
Froger, Gary R.	Taylor, Jeffrey J.
Garner, Michael J.	Terrill, Bonita M.
Gilreath, Roy L.	Vaughn, Roy C.
Graybill, Jerry L.	Volluz, Raymond M.
Hafley, Johanna L.	Whiter, Jamie F.
Hoyle, Jeffrey E.	Wright, Steven G.
Jarvis, John T.	York, David A.
Jones, Terry G.	

Richard H. Harper, Naval Reserve Officer, to be appointed a permanent commander in the Dental Corps of the U.S. Navy, subject to qualification therefor as provided by law.

John C. Mangrum, Naval Reserve Officer, to be appointed a permanent lieutenant commander in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law.

Stephen M. Golden, Naval Reserve Officer, to be appointed a permanent lieutenant commander and temporary commander in the Medical Corps of the U.S. Navy, subject to qualification therefore as provided by law.

The following-named Navy officers to be appointed permanent lieutenant in the Medical Corps of the U.S. Navy, subject to qualification therefor as provided by law:

Adsit, William S.	Ellis, Richard B.
Almond, Myron D.	Eshman, Stephen J.
Anderson, Gareld W.	Fahlgren, Michael W.
Bacon, Glenn S.	
Biggs, Paul R.	Faircloth, Daniel E.
Blacky, Albert R.	Franke, Randal C.
Bozman, Raymond E.	Gerhard, Harry J.
Castner, Thomas D.	Hall, Frank W.
Diggs, Thomas E., II	Hayashi, Konrad E.
Edmunds, John H.	
Holm, Lawrence M.	Meyers, Harry F.
Huisman, Thomas E.	Moffat, Mitchell G.
	Munson, Keith D.
Johnson, Kathryn L.	Norconk, James J., Jr.
Kemerer, William J., Jr.	Peacock, Ivan Y.
	Piech, Richard F.
Kingsman, Kilton D.	Rosende, Carlos A.
Lamb, Harold B., Jr.	Wade, David S.
Linenger, Jerry M.	Walker, Susan J.
Lopez, Ismael P.	Wilson, Dennis A.
Mariano, Eleanor C.	

The following-named temporary chief warrant officers, W-3, to be appointed permanent chief warrant officers, W-2, in the U.S. Navy, subject to qualification therefore as provided by law:

Ashworth, Rodney E.	Orvis, Terry J.
	Rothe, Edward L., Jr.
Beavers, Harvie D.	
Driscoll, Steven L.	Ruiz, David P.
Green, Rheuben W., Jr.	Schafer, George W.
	Wright, James M.
Heard, Clayton J.	Zembuch, John A.
Hubbard, David L.	
Moddesette, Anthony	

The following named temporary chief warrant officers, W-2, to be appointed permanent chief warrant officers, W-2, in the U.S. Navy, subject to qualification therefor as provided by law:

Augsburger, John A.	McQuay, Edgar, Jr.
Hardin, Larry G.	O'Shaughnessy, Larry
Hinkle, Wilbur G.	Pemberton, John A.
McCall, Michael W.	Smith, Benjamin H.
McChesney, Adrian M.	Yankovich, Edward P.

The following named Navy enlisted candidates to be appointed permanent chief warrant officer, W-2, in the U.S. Navy, subject to qualification therefor as provided by law:

Bozeman, Jerry C.	O'Connor, Thomas F.
Delarosa, Armando S.	Skoblicki, Thomas W.
Hanks, Donald W.	Warf, Terry L.
McClearn, Donald B.	Wrobel, Phillip W.
Nickerson, Roger A.	

The following named Navy enlisted candidates to be appointed ensign in the U.S. Navy, for limited duty, for temporary service, subject to qualification therefor as provided by law:

Becklehimer, Jerrold L.	Higgins, Joseph E.
	Hollis, Rodney E.
Bjelland, Robert E.	Smith, Clyde F. B., II
Blankenship, Maurice R.	Upshaw, James I.
Floyd, Benjamin W., Jr.	

The following named chief warrant officers to be appointed lieutenant (junior grade) in the U.S. Navy, for limited duty, for temporary service, subject to qualification therefor as provided by law:

Arvin, James W.	Hinkle, Wilbur G.
Ashworth, Rodney E.	Hubbard, David L.
Augsburger, John A.	Johnson, William I.
Beavers, Harvie D.	Koca, Richard L.
Cornelius, Eddie J.	Krause, Walter H., Jr.
Cowart, Henry L.	Loporto, Gerald E.
Crawford, Frank L., Jr.	Magaraci, Francisco
Driscoll, Steven L.	Maynard, Paul
Evans, Robert W.	McCall, Michael W.
Green, Rheuben W., Jr.	McChesney, Adrian M.
	McQuay, Edgar, Jr.
Hammond, Rodric G.	Moddesette, Anthony
Hardin, Larry G.	Moran, L. Bernard
Heard, Clayton J.	Murdock, Judson W.
Orvis, Terry J.	Stamm, William P.
O'Shaughnessy, Larry	Teague, James E.
Outram, Cloyce W.	Teemley, Dennis D.
Pemberton, John A.	Thomas, Clarence A. J.
Penczek, Paul S.	Waddell, Thomas R.
Reher, Laurence W., II	Walkley, Gary F.
Rothe, Edward L., Jr.	White, Charles M.
Royal, William T.	Winston, Herbert C.
Ruiz, David P.	Wright, James M.
Schafer, George W.	Wright, Wayne A.
Smith, Benjamin H.	Yankovich, Edward P.
Smith, John E.	Zembuch, John A.

Lawrence P. McDonald, ex-Reserve officer, to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

John T. Elkins, Jr., civilian college graduate, to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following named civilian college graduates to be appointed permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Casebeer, Harvey L.	Tarnowski, William M.
Flynn, Michael B.	Wilhelm, Wesley G.
Meyer, Robert C.	

The following named Navy officers to be appointed temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Broadhead, Daniel D.	Shewmake, Stephen W
Kirkorowicz, Gregory B.	Wagner, Luke P.

Thomas J. O'Neill, ex-Reserve officer, to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Norbert R. Braeuer, civilian colleage graduate, to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following named Navy officers to be appointed temporary commander in the Dental Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Brian, John D.
Detsch, Steven G.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 24, 1981:

DEPARTMENT OF AGRICULTURE

Richard E. Lyng, of Virginia, to be Deputy Secretary of Agriculture.

DEPARTMENT OF STATE

William P. Clark, of California, to be Deputy Secretary of State.

COUNCIL OF ECONOMIC ADVISERS

Murray L. Weidenbaum, of Missouri, to be a Member of the Council of Economic Advisers.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, February 24, 1981*

The House met at 12 o'clock noon.

Dr. Arthur Voobus, pastor, First Deanery of the Estonian Lutheran Church, Oak Park, Ill., offered the following prayer:

On the occasion of the Independence Day of Estonia, let us pray:

Eternal God we give Thee thanks for the wonderful blessings in this country.

Enlarge within us the sense of fellowship with mankind's greatest part in Communist slavery, longing for freedom. Today, when the hearts of all Estonians are united, we pray: Strengthen this courageous nation whose history shows extraordinary cultural achievements, now is bleeding from countless wounds.

We pray for Mart Niklus and Jueri Kukk who embody the deepest aspirations, who now begin their cruel sentence.

O God, help us to understand how our own lives depend upon the courage and integrity of our fellow men.

Bless the President and the Congress in defending all the values mortally endangered by communism. Protect us from our enemies who conspire day and night to bury us. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

DR. ARTHUR VOOBUS

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, it is our distinct pleasure to welcome you to our Nation's Capital, Dr. Arthur Voobus of Oak Park, Ill., who offered the opening prayer.

It is most appropriate that Dr. Voobus join us today, for February 24 marks the 63d anniversary of the proclamation of independence of the Republic of Estonia.

Dr. Voobus was born and educated in Estonia. Before his homeland became a captive nation, he served as a Lutheran minister in Tartu, and also as a professor at the University of Tartu. Dr. Voobus has also taught at the Baltic University of Hamburg, Germany, from 1945 to 1948.

Dr. Voobus is a pastor of the First Deanery of the Estonian Lutheran Church in the United States and a member of the Consistory of the Estonian Lutheran Church in North America. He is also an internationally renowned scholar specializing in early Christianity and ancient Syrian Christianity a professor at the University of Chicago and the Lutheran School of Theology in Chicago, and the author of numerous books and studies, not only on his academic specialties, but on the scourge of communism, in this native land, and as it affects freedom throughout the world.

I know my colleagues join me in thanking Dr. Voobus for joining us today, and in wishing him continued success in his dedicated work in the church.

BUY AMERICAN

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, today I have reintroduced legislation to limit imports of cars, trucks, and engines to 10 percent of our domestic market for 3 years.

Last year the big three domestic automakers suffered losses estimated at a total of $4 billion. The American automakers endured their worst sales year since 1961. Meanwhile, imported cars increased their American market share to 25 percent.

By failing until now to limit auto imports, Mr. Speaker, we are helping bleed to death one of our most vital industries employing millions of workers.

I urge support for my import quota bill. If we wait much longer, we will all know what a feeling it is to drive a Toyota—that is all the American public will be able to buy.

The tremendous social cost of our inaction is reflected in Ohio's January unemployment rate of 10.4 percent. Thousands upon thousands of Ohioans are jobless directly or indirectly because of the depressed auto industry. Our State unemployment fund is broke, and millions of dollars are being borrowed from the Federal Governent.

Time is running out. With these staggering losses, our automakers are already having trouble finding capital to develop, build, and market the smaller, fuel-efficient cars that today's circumstances demand.

It is in the national interest to assure for our auto industry an orderly transition—a transition from decades of cheap fuel and stable consumer preferences to this new period of costly fuel and suddenly shifting buying needs. For the sake of this important industry, and its workers, please join me in working for temporary import quotas.

REGULATORY REFORM

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, today we hear a great deal about regulatory reform and the abuse of the regulatory process and the unnecessary generation of paperwork. I have in my hand, Mr. Speaker, what was sent to me over the weekend with a cover letter which reads, in part:

> For your information this is the Postal Rate Commission's opinion and recommended decision on the U.S. Postal Service's proposal for increased postal rates.

This is the thing which says you will pay 18 cents an ounce to send a letter in the future. This report is 8½ by 11 inches square and 3¼ inches thick and weighs 6 pounds and 12 ounces.

Under the present postage rates it would cost $14.06 to mail it. Under the proposed new rates it would cost $17.30 to mail it.

The cost of sending this, by itself, will require an increase of 3 cents in the postage rate. The reason I am bringing this up is not just to call your attention to it, but to illustrate that we do have to do something about reforming our regulatory process. Nobody in this Congress, in this House or the other body, has the time to read this thing. Anyone who did would not be able to understand it. Anybody who read it and understood it would be so exhausted, his energies so consumed, that he would no longer be qualified to be a Member of the Congress. I know of no reason why Abraham Lincoln can give a Gettysburg Address in 3 minutes and it takes 6 pounds and 12 ounces of closely packed paper to justify a 3 cent postage increase.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I am always happy to yield to the gentleman from Ohio.

Mr. ASHBROOK. I have been listening with interest. I get the impression the gentleman is a little upset with what they have done. Is that correct?

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. DANIELSON. It takes a lot to upset me. I have been in politics a long time. My skin is as thick as this report. But I also want to point out is that we cannot just blame the regulators. Very probably in the organic law setting up the Postal Commission the Congress told them that they must send their reports to us for our information. So it may come right on home to roost with us.

I do say this, though. Let us get rid of this garbage. It costs a tremendous amount of money. I have no idea how many forests had to be cut down to print this thing, but if one copy went to each Member of Congress, and to each Delegate that alone would be 539 copies which translates into 3,762.25 pounds of printed matter, and we know full well that many copies were printed beyond that number.

□ 1215

RETURN TO BUSINESS AS USUAL WITH CHILE

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, it was with deep concern that I learned from news stories of the Reagan administration's decision regarding Chile to renew Export-Import Bank credits and resume joint military exercises. A return to business as usual with Chile is a questionable move at best.

The new administration has replaced the Carter emphasis on human rights with an emphasis on international terrorism. Some Members of Congress were willing to give that change in policy a try. Not only did they feel that Mr. Carter's stress on human rights was sometimes too vocal and inconsistent but they were also genuinely concerned over a rising tide of international terrorism.

Is it not understandable then that Congress should be dismayed? Less than a week after announcing its new policy on terrorism the Reagan administration has apparently embraced Chile, a state that has clearly sponsored terrorism in our own Nation's Capital with the murder of Orlando Letelier and an American colleague. Where is the consistency in that situation?

The actions and attitude of the Chile Government, during the investigation of the Letelier murder and otherwise, has shown contempt for the judicial proceedings and precepts of democratic and civilized nations. To renew important government relations with such a regime is to reward terrorism, not punish it.

Mr. Speaker, with contradictory actions like this from Washington, how can the United States be taken seriously as a world leader and defender of democracy, and opponent of international terrorism?

To my knowledge, the decision was taken without consulting Congress. Despite the fact that the restrictions on Chile were supported by a majority of the 96th Congress no effort was made to review, justify, rationalize the decision with Congress. Regrettably, that fact does not augur well for the type of cooperative relationship with Congress promised by the administration. In fact, many in Congress may feel compelled to return to the confrontational atmosphere of the early 1970's in executive-legislative relations as a means of protecting congressional prerogatives.

TIME FOR THE GOVERNMENT TO CUT BACK

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, the residents of Green Bay, Wis., strongly support the broad thrust of President Reagan's budget-cutting strategy. A report I received today, based on results of a mail survey of 1,000 households in Green Bay, shows strong support for the President's proposed cuts in food stamps, welfare, and the CETA program.

At the same time, the people of Green Bay say that they oppose cuts in medicaid and social security disability benefits. Farm programs won the support of the majority of the people surveyed. One recurring theme was, if our dairy farms are being asked to cut back their programs, why are we not cutting back on subsidies to the tobacco growers?

By a margin of two to one, people said that they are opposed to increased spending for food stamps. Increased welfare spending was also opposed by three to one, the margin on other programs.

Mr. Speaker, I think one lady in Green Bay summed it up when she said, "Families have cut back. Small businesses have cut back. Now it's time for the Government to cut back."

ESTONIAN INDEPENDENCE DAY

(Mrs. FENWICK asked and was given permission to address the House for 1 minute.)

Mrs. FENWICK. Mr. Speaker I would like to put on the record today, as we have in the past and, I am afraid, will probably again in the future, that today is the anniversary of the independence of a small Baltic country, Estonia. Just last week we spoke also of the loss of independence of another Baltic country, Lithuania.

And most specially, we must speak of those two men who have now been sentenced, Jueri Kukk and Mart Niklus. I have seen what happens to someone who has been sent as was Mr. Kukk, to a psychiatric institution in lieu of a prison. When this man came out, and he had been there for 2 years, he could neither walk nor talk. He was absolutely shattered by the drugs and the treatment he had received. Mr. Niklus has been subjected to that, and is now under a sentence of 15 years, one of the heaviest that has ever been meted out.

Mr. Kukk was a gentle teacher. All he did, really, was to resign from the Communist Party, which of course is something that one simply cannot do. We are less than responsible than we should be as citizens of this Republic, if we do not remember these people and remember that these innocent countries were taken by an act of arms, by an agreement between Nazi Germany and the Communist Soviet Union. They were taken over by the armies of the Soviet Union, with Ribbentrop agreeing, as representative of Hitler.

That is how they lost their independence, and we are less than responsible if we do not speak for those who have no way of speaking for themselves.

Mr. ASHBROOK. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. I yield to my colleague from Ohio.

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for making that statement. As the gentlewoman well knows, she joined 2 weeks ago in observing Lithuanian Independence Day and pointed out that those three little countries, Estonia, Latvia, and Lithuania, each are unique. Yet, in our eyes the Baltic Three, as we call them, were the first countries to be under the heel of communism, and are very much in the hearts of Americans.

I thank the gentlewoman for yielding to me.

Mrs. FENWICK. I thank my colleague. I would like to just add that this certainly is the last empire. The Soviet Union is the last empire in the world, and I think the imperialist actions of this empire should be noted here.

TERRORIST ATTACK ON RADIO FREE EUROPE/RADIO LIBERTY

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, at 9:47 p.m., CET, a powerful bomb exploded in the building of Radio Free Europe and Radio Liberty in Munich, Germany. Four employees of RFE/RL were among the seven people injured. The explosion disrupted some newscasts but broadcasting was quickly resumed and soon returned to normal.

I will not speculate on the identities of the perpetrators of this terrorist act or their motives. RFE and RL are financed by this Congress. They broadcast the truth to the Soviet Union, Poland, Czechoslovakia, Hungary, Romania, and Bulgaria, where the truth is in short supply and, as a consequence, of great value.

We should be proud of the people who work for RFE and RL. They are ending the fabric of Communist lies with the bright rays of truth and hope for the people of the captive nations of Europe. I deplore this terrorist attack as an assault on freedom-loving peoples everywhere. I wish the injured a speedy and complete recovery and a rapid return to their assignments. I commend the staff of RFE/RL for their efforts in carrying out their mission, so important to the United States.

They will not be deterred.

TRIBUTE TO A RHODES SCHOLAR

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute.)

Mr. CAMPBELL. Mr. Speaker, I want to pay a special tribute to a young man from my district who has been recognized for his academic excellence and humanitarian efforts. Daniel Dreisbach, the son of Dr. and Mrs. John A. Dreisbach of 304 Kenilworth Drive in Greenville, S.C., was recently named a Rhodes Scholar to study in England. He is one of 32 national recipients of the Rhodes Scholarship which grants him tuition, fees, and maintenance funds to attend one of the University of Oxford's colleges.

Mr. Dreisbach's impressive record clearly merits this honor. Currently a senior political science major at the University of South Carolina in Spartanburg, Mr. Dreisbach graduated from Bob Jones Academy of Greenville in 1977. His concern for his fellow man took him to Africa for 1 year where he worked for humanitarian projects. His father was also a medical missionary in Africa for many years and now is associated with Bob Jones University.

When Cecil Rhodes founded the Rhodes Scholarship in 1902, he specified that a recipient should have scholastic ability, qualities such as truthfulness, courage, sympathy for the protection of the weak, unselfishness, fellowship, moral force of character, and physical vigor. Danny Dreisbach possesses these qualities. My community and State are very proud of his achievements at such an early age and look forward to continuing success for him in the future.

ESTONIAN INDEPENDENCE DAY

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, today we commemorate the 63d anniversary of Estonian Independence Day. This is not a jubilant celebration, but rather a symbolic tribute to the people of Estonia and all others who struggle for freedom in the face of Soviet oppression.

The Estonian culture has endured throughout three centuries of invasions—a testimony to the strength and courage of the people. During that time, they have known only 20 short years of independence.

While we do not recognize the Soviet annexation of the Baltic States, we have a responsibility to the people who inhabit them.

We who value the rights and freedoms of the individual must continue to advance the cause of Estonia, and support her struggle to regain the independence which was, and is, rightfully hers.

SALVADORAN BISHOPS DO NOT SUPPORT GUERRILLAS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, in late January, the Salvadoran bishops issued a statement declaring that they have not said anything which might be interpreted as support by the Catholic Church for the guerrilla struggle against the Salvadoran Government junta.

The statement explained that the Salvadoran Episocopal Conference is the sole representative of the Salvadoran Catholic Church, and that organization "denies that the Salvadoran Church continues to support the guerrilla struggle against the regime of President Duarte."

The bishops stated that a small number of priests, nuns, and laymen who have made a public commitment to the Revoluntary Democratic Front, the guerrilla organization of Hugo Navarrete, do not represent the Salvadoran Catholic Church.

I hope my colleagues will keep in mind the official position of the Salvadoran Catholic Church when they hear reports of its support for the guerrilla movement in that country.

WATER ISSUES DEMAND SERIOUS CONSIDERATION

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOLDWATER. Mr. Speaker, over the years, America has been victimized by severe water droughts. For too long, we have used water as if its sources were endless. But like the energy crisis of the seventies, we may soon experience the water crisis of the eighties.

Our water requirements are staggering. A large steer drinks enough water during its lifetime to float a naval destroyer. Over 100 gallons of water are required to put a single egg on the breakfast table. But drought, waste, and pollution threaten our water sources.

California has long been concerned about its limited water supplies. Better conservation measures are being practiced, especially by our agricultural community. We are seeking new water sources for our thirsty State, and we are currently examining ways to solve our ground water pollution problems.

I urge my colleagues to give water issues serious consideration. Although conservation practices will help America stretch its water supplies, we must all realize that the era of endless water sources, like the era of cheap energy supplies before it, is over.

DECLARING VACANCY IN 97TH CONGRESS FROM FIFTH CONGRESSIONAL DISTRICT OF MARYLAND

Mr. WRIGHT. Mr. Speaker, I offer a privileged resolution (H. Res. 80) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 80

Whereas a certificate of election has been received by the Clerk of this House showing the election of Gladys Noon Spellman as a Representative in the Ninety-seventh Congress from the Fifth Congressional District in the State of Maryland; and

Whereas Representative-elect Gladys Noon Spellman has not appeared to take the oath of office as a Member of this House as required by article VI of the Constitution of the United States; and

Whereas information has been provided to the Speaker that Representative-elect Gladys Noon Spellman has been unable to take the oath of office due to an incapacitating illness; and

Whereas the most recent medical information provided to the Speaker indicates that there is no likelihood that Representative-elect Gladys Noon Spellman will recover sufficiently to be able to take the oath of office and serve as a Member of this House, or to expressly resign the office in order to create a vacancy; Therefore, be it

Resolved, That this House of Representatives hereby determines that there is a vacancy in the Ninety-seventh Congress from the Fifth Congressional District in the State of Maryland because of the absence and continuing incapacity of Representative-elect Gladys Noon Spellman.

SEC. 2. That the Speaker of the House is hereby directed to notify the Governor of the State of Maryland of this action so that appropriate measures to fill the vacancy may be undertaken by the Governor pursuant to article I, section 2 of the Constitution of the United States.

SEC. 3. The first section of House Resolution 41 of this Congress shall cease to be effective on the adoption of this resolution and section 2 of House Resolution 41 shall cease to be effective when a successor is elected to fill the vacancy.

□ 1320

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I think there is an understanding of the intent and effect of this resolution. It would declare vacant a seat which was held in the last Congress by the Honorable GLADYS NOON SPELLMAN, she having been reelected to serve in this Congress.

I know that all of us share the sadness with which Dr. Freeman Cary, the attending physician for the Congress, after consultation with her physicians at Walter Reed, and with his personal observations, concluded that Mrs. SPELLMAN had no real likelihood of being able to serve out this term of office, and that in a trancelike state of consciousness she would not be able to take the oath of office.

Under those circumstances, sufficient time having elapsed and intensive efforts having been made to improve Mrs. SPELLMAN's condition, all of us have come to the unpleasant and unhappy conclusion that since she would not be able to take the oath of office, we must, therefore, and have the responsibility therefor, to declare the seat vacant and to set in motion that chain of events which would produce a successor through the normal electoral process in the State of Maryland.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Yes, of course, I yield to the minority leader.

Mr. MICHEL. Mr. Speaker, I appreciate the gentleman's yielding, and I just want to say to my colleagues that it is with great regret that we have to pass a resolution of this kind at this time. It is the first time in my 25 years here in the Congress that I have been faced with that kind of a decision, for having known GLADYS SPELLMAN as a wonderful Member of this House for the number of years in which she has served, I just regret that we have to face what the gentleman from Texas (Mr. WRIGHT) says is an inevitable decision that has to be met on this occasion.

I suspect that several of my gentlewomen colleagues on my side of the aisle would want to be recognized also to express their similar feelings, if the distinguished majority leader would be so kind as to yield to them should they ask for that recognition.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Of course I do. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I think this is a sorrowful day. All of us who knew GLADYS SPELLMAN here in the House will miss her. We hope she will recover and perhaps even be with us again one day.

Her calm, moderate way of talking, which so often I tried without success to copy, was very much needed in this House and very much appreciated, I think, by all of us. She has been a wonderful politician, but, more important, a fine public servant, and she is indeed greatly missed by this 97th Congress.

Mr. Speaker, I thank my colleague for yielding.

Mrs. HOLT. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Speaker, we certainly are very distressed by this task that is thrust upon us today, and I am sure that the entire House joins me in my prayers for the early recovery of GLADYS. As the gentlewoman from New Jersey (Mrs. FENWICK) has said, we have missed her very much during this period of absence, and we will continue to miss her intelligence, her energy, her diligence, and her personal warmth.

Mr. Speaker, I thank the gentleman for yielding.

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the letter addressed to the Honorable THOMAS P. O'NEILL, JR., by the attending physician, Dr. Freeman Cary, be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The letter referred to is as follows:

THE ATTENDING PHYSICIAN,
CONGRESS OF THE UNITED STATES,
February 20, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: As you know Congresswoman Gladys Spellman suffered cardiac arrest on October 31, 1980 while at a political rally. Despite prompt by-stander cardiopulmonary resuscitation and rescue squad response, there appeared to be a delay in restoring effective blood flow to the brain. Since that time she has been hospitalized first in her district and now at Walter Reed Army Medical Center Hospital, where intensive rehabilitative care is being given. A trance-like state of consciousness persists.

After consultation with her physicians at Walter Reed and with my personal observations, there is no likelihood that she will be able to serve out her term of office.

Yours sincerely,
FREEMAN H. CARY, M.D.

● Mr. MOAKLEY. Mr. Speaker, I wish to join the distinguished majority leader in expressing my sincere regret that we are forced to face this painful necessity.

I believe that the leadership on both sides of the aisle should be commended for the sensitivity, fairness, and caution with which this entire matter has been approached throughout the tragic illness of the gentlewoman from Maryland.

I have served with GLADYS NOON SPELLMAN since her election to the House and view her departure from the House as a tragedy, not only for her family and constituents, but for this institution. She has been an intelligent and effective Member. But, far more, she has been one of the finest and most decent people I have ever had the privilege to know. All of us in this House are richer for having known her and poorer for the painful, but necessary, resolution now before us.

Mr. Speaker, I join all of my colleagues in their prayers for her eventual recovery and the hope that she may one day rejoin us in the House to which she has contributed so much.●

● Mr. ADDABBO. Mr. Speaker, we have lost a good colleague by our action today in declaring the seat held by Mrs. GLADYS SPELLMAN to be vacant. At this point, all of us extend our prayers and our best wishes to Mrs. SPELLMAN and to her family and we can only hope that she will soon be able to rejoin her family.

But since the tragedy that occurred right before the election has not yet allowed her to return to consciousness, we have no choice but to wait for better news that will yet hopefully come. Though circumstances has today ended the career of GLADYS SPELLMAN here in this House, nothing will undo the good work, good humor, and strong dedication she brought with her to this Chamber. GLADYS was as determined a person as I have ever met and when she felt a cause was right, nothing would sway her from her course. When she was off duty she was the best of company and she could sing an Irish song sad enough to bring a tear even to the hardest heart. I have traveled with GLADYS and her husband, Reuben, and have found them to be as devoted a couple as one could ever hope for, and excellent company.

I cannot say enough good things about my friend and my colleague GLADYS SPELLMAN and I now that I join with every person serving in this body in praying for her speedy recovery. She is a first-class lady and we will sorely miss her.●

● Mr. BARNES. Mr. Speaker, today is a particularly sad occassion for many of us in this Chamber who have known GLADYS SPELLMAN and worked with her over the last few years. It is especially sad for me and for others from the Washington area who worked with GLADYS and benefited from her experience and hard work. She never rested when an issue of concern to her constituents was at stake, and her leadership, particularly on issues relating to service in the Federal Government, benefited the national interest. She will be a tough act for

anyone elected from her district to follow.

Mr. Speaker, even though GLADYS will not be able to resume her service here with us, I know we all join with her family and her thousands of friends outside this Chamber in praying for her recovery. Next week I will take a special order so that Members may speak at length about GLADYS SPELLMAN as a person and as a legislator. She remains a great lady.●

● Ms. OAKAR. Mr. Speaker, it is with deep regret that GLADYS SPELLMAN's seat is vacant. She is one of the finest people I have ever known. GLADYS SPELLMAN's relationship with her constituency was, indeed, a family affair. Her compassionate, yet well-seasoned leadership, promoted and implemented into law myriad rights for Federal workers. She staunchly defended and directly addressed the needs of the consumer. Congresswoman SPELLMAN never lost sight of her primary purpose as a U.S. Representative, that being to expertly legislate for her constituency's best interests. GLADYS SPELLMAN's personal and professional integrity warmed the Halls of Congress. Her sincerity of purpose called a conscience to the committee decision-making process. She lent us her art of honest, yet tough, negotiation. Although her presence will be sorely missed in Washington, her legacy of candid leadership and concise focus shall neither be lost nor forgotten.

Congresswoman SPELLMAN's "brilliant career," indeed, must not be underestimated. The editorial tribute paid to Congresswoman SPELLMAN in today's Washington Post will be reprinted in the RECORD.

GLADYS SPELLMAN'S BRILLIANT CAREER

By anyone's account, Gladys Noon Spellman entered the race for reelection to a fourth term in Congress as the most popular politician in Prince George's County. Today, that reputation has not changed a bit—but, as Mrs. Spellman's millions of admirers in the country, in Congress and throughout the Washington region have had to accept—her own circumstances have. Her remarkable 19-year political career has been halted, though it remains a classic for all who would seek public office and serve successfully.

To have watched Mrs. Spellman on the campaign trail, on the phones, in the schools or up and down the aisles and office hallways of Congress was to see a woman obviously reveling in her work and loving her constituents. You could watch with amusement, too, as Mrs. Spellman would bat those big dark eyes, smile, gosh-golly it a few times—and then systematically strip the socks off of unsuspecting colleagues in the House to make another point or two on behalf of her constituents.

There has always been more to it than charm and cunning, though; Mrs. Spellman has been a political pro in every way, with an uncanny sense of her constituency's interests—most notably those of federal employees, from elevator operator to secretary, clerk and middle-level professional. To this group that always suffers as the easy target of the "anti-Washington" candidates, what better music than Mrs. Spellman's "Beautiful Bureaucrat" column in her newsletter, commending "wonderfully responsive" government workers and championing those who, "far from slowing down the wheels of government, are really the people who keep them churning"?

This keen appreciation of her constituents and of government at its best has been instrumental in promoting the best of Prince George's County—where Mrs. Spellman first came into the public eye as a crusading PTA activist, elected as a Democratic reformer to the old County Board of Commissioners in 1962. Four years later, she became board chairman, the first woman to head Maryland's largest county. Mrs. Spellman remained in the political thick of things when the county changed to a charter form of government, winning election to the new county council and, in 1974, to the U.S. House.

The bubbling omnipresence of Gladys Spellman—in meetings large and small, at those open-door complaint sessions for constituents, at the nightly sessions throughout her district, at the PTAs, at the clubs or in the family rooms around the neighborhoods—is no more. And yesterday's declaration of a vacancy of this seat was only right, for representation of this district must continue.

Still, we can know what Mrs. Spellman's daughter means when she says, "I'm waiting for her to look up and tell me to cut my hair, or to tell the boys to trim their beards." After all, everybody knows by now that Gladys Spellman has never been one to be underestimated.●

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members who may desire to be heard on the matter covered by House Resolution No. 80 may have 5 legislative days in which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from TEXAS?

There was no objection.

Mr. WRIGHT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING U.S. CAPITOL HISTORICAL SOCIETY TO TAKE OFFICIAL PICTURES OF THE HOUSE IN ACTUAL SESSION

Mr. WRIGHT. Mr. Speaker, I send to the desk a resolution (H. Res. 81) and ask unanimous consent for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 81

Resolved, That a time designated by the Speaker, the United States Capitol Historical Society shall be permitted to take official pictures of the House while in actual session for inclusion in the new edition of "We the People". The pictures shall also be available for legitimate nonprofit news and educational purposes.

The SPEAKER. Is there objection to the request of the gentleman from TEXAS?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF MOTOR CARRIER RATE-MAKING STUDY COMMISSION

The SPEAKER. Pursuant to the provisions of section 14(b) of Public Law 96-296, the Chair appoints as members of the Motor Carrier Rate-making Study Commission the following Members on the part of the House: Mr. ROE, of New Jersey; Mr. SEIBERLING, of Ohio; and Mr. SHUSTER, of Pennsylvania.

APPOINTMENT AS MEMBERS OF NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

The SPEAKER. Pursuant to the provisions of title 44 United States Code section 2501, as amended, the Chair appoints as a member of the National Historical Publications and Records Commission the gentleman from Colorado, Mr. WIRTH.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 24, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 11:00 a.m. on Tuesday, February 24, 1981 and said to contain a message from the President wherein he transmits the International Fishing Agreement between the United States and Norway.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

GOVERNING INTERNATIONAL FISHERY AGREEMENT BETWEEN THE UNITED STATES AND NORWAY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-23)

The SPEAKER pro tempore (Mr. MOAKLEY) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, February 24, 1981.)

CASH DISCOUNT ACT

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 31) to amend the Truth in Lending Act to encourage cash discounts, and for other purposes, as amended.

The Clerk read as follows:

H.R. 31

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cash Discount Act".

TITLE I—CASH DISCOUNTS

SEC. 101. Section 167(b) of the Truth in Lending Act (15 U.S.C. 1666f(b)) is amended to read as follows:

"(b) With respect to any sales transaction, any discount from the regular price offered by the seller for the purpose of inducing payment by cash, check, or other means not involving the use of an open-end credit plan or a credit card shall not constitute a finance charge as determined under section 106 if such discount is offered to all prospective buyers and its availability is disclosed to all prospective buyers clearly and conspicuously in accordance with regulations of the Board.".

SEC. 102. (a) Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end thereof the following:

"(z) As used in this section and section 167, the term 'regular price' means the tag or posted price charged for the property or service if a single price is tagged or posted, or the price charged for the property or service when payment is made by use of an open-end credit plan or a credit card if either (1) no price is tagged or posted, or (2) two prices are tagged or posted, one of which is charged when payment is made by use of an open-end credit plan or a credit card and the other when payment is made by use of cash, check, or similar means. For purposes of this definition, payment by check, draft, or other negotiable instrument which may result in the debiting of an open-end credit plan or a credit cardholder's open-end account shall not be considered payment made by use of the plan or the account.".

(b) Effective April 10, 1982, section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended—

(1) by redesignating subsections (x) and (y) as subsections (y) and (z), respectively; and

(2) by redesignating subsection (z), as so designated before the amendment made by paragraph (1), as subsection (x) and inserting such subsection after subsection (w).

SEC. 103. Any rule or regulation of the Board of Governors of the Federal Reserve System pursuant to section 167(b) of the Truth in Lending Act, as such section was in effect on the day before the date of enactment of this Act, is null and void.

TITLE II—BAN ON CREDIT CARD SURCHARGES

SEC. 201. Paragraph (2) of section 3(c) of Public Law 94-222 (15 U.S.C. 1666f note) is amended to read as follows:

"(2) The amendments made by paragraph (1) shall cease to be effective on February 27, 1984.".

The SPEAKER pro tempore. Is a second demanded?

Mr. EVANS of Delaware. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from Delaware (Mr. EVANS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Cash Discount Act (H.R. 31) is a bill that would accomplish two important goals. The bill would extend until February 27, 1984, the current ban which forbids merchants to surcharge consumers who pay by credit card. Unless this extension is passed, the ban on surcharges will expire on this Friday, February 27. Then, already hard-pressed consumers may be hit with extra charges every time they use a credit card. This could result in a catastrophe for consumers. The bill would also deregulate the cash discount law so merchants would be encouraged to offer cash paying customers a reduced price. Deregulation of cash discounts would provide significant benefits to merchants as well as consumers. The ban on surcharges and cash discounts will both contribute to reducing inflation.

Extending the ban on surcharging credit card use is extremely important. Many credit card issuers have recently imposed annual fees and higher interest rates. Consumers now use credit cards for many necessary purchases such as their children's clothes rather than only for luxury items. Consequently, surcharges may deal a body blow to many consumers' financial well-being. With more than 600 million credit cards in circulation the impact of credit card surcharges on consumers could be devastating. The ban on surcharges has worked well since it began in 1976 and clearly merits an extension until 1984.

The cash discount law was designed to encourage merchants to offer cash-paying customers reduced prices. Consumers who paid by credit card were not penalized, since they continued to only have to pay the regular price.

There are many reasons why merchants will want to give cash discounts: It will reduce their cost by eliminating the fee they must pay credit card issuers, it will reduce paperwork and accounting, it will attract new customers because of lower prices, it will provide prompt cash payment for goods or services in contrast to waiting for payment to come in from the card issuer, and it will reduce backup at sales registers now caused by time-consuming credit card processing.

However, as a result of burdensome restrictions in the law and in the regulations on offering cash discounts, merchants have been discouraged from offering them. Currently, the law effectively limits discounts to no more than 5 percent and imposes other restrictions on the offering of cash discounts. Federal Reserve Board regulations impose additional restrictions that further discourage cash discounts, such as requiring disclosure of the availability of a cash discount by posting a sign at each cash register in a store. While these restrictions are well-meaning and intended to protect consumers, they are like medicine that cures a disease by killing the patient. This bill will revive the cash discount patient without the fatal, overregulatory side effects of the present law.

This bill encourages cash discounts by eliminating the 5-percent ceiling and repealing the existing regulations. A merchant only has to offer the discount to all prospective buyers and disclose the availability of the discount clearly and conspicuously to all prospective buyers.

With this deregulation, more cash discounts should be offered. Such discounts should reduce use of credit and reduce inflation.

Mr. Speaker, this bill passed the committee by a vote of 38 to 2. I urge the adoption of H.R. 31.

Mr. EVANS of Delaware. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join with my distinguished colleague from Illinois, Chairman ANNUNZIO, in speaking in support of H.R. 31, the Cash Discount Act, which I have cosponsored. Let me first point out that it is not often that we have an opportunity to pass a bill out of the Committee on Banking, Finance and Urban Affairs with only two dissenting votes. I congratulate Chairman ANNUNZIO for expeditiously moving this bill through the Consumer Affairs Subcommittee and here to the floor today.

Mr. Speaker, I point out that expedited procedure for handling this bill is necessitated because the current ban on credit card surcharges will expire on February 27 under the terms of an existing law. The Congress must pass this legislation in a timely manner to continue the prohibition on credit surcharges, protect the consumer, and avoid causing unneeded confusion in the marketplace.

The cash discount legislation which is before us today would eliminate a provision of existing law which imposes a 5-percent ceiling on merchants who offer a special discount to a customer who chooses to use cash—rather than a credit card—to purchase an item.

Mr. Speaker, rather than forcing merchants to operate under an artificial ceiling on the amount of a discount that is allowed for cash purchases, H.R. 31 would allow the marketplace and individual merchants to establish the appropriate marketplace discount for any cash purchase.

Under the provisions of the Cash Discount Act, merchants would have the flexibility to set discounts for cash purchases at their own discretion.

Consumers are more than able to judge for themselves what is the best deal—cash or credit. If merchants give discounts for cash purchases that effectively compete with the added gain of a credit card's free-ride period, then consumers could choose the cash discount and merchants would have an increased cash flow.

One of the issues we faced in drafting this legislation was the definition of a benchmark or regular price which would serve as the point for the cash discount. I believe we established a suitable definition.

According to H.R. 31, the regular price is to be the tagged price of an item, or if a tag is not present, it is to be the price that a customer would pay using a credit card. That same price would then serve as the benchmark from which the discount would be drawn for a cash purchase.

Another provision was included to address those instances where a consumer uses a check to make a purchase. The question arose as to whether a check which is covered by an overdraft protection plan is actually a cash transaction which would be eligible for the discount. Technically, it could have been argued in such a case that the merchant violated the law by offering a discount for a credit purchase since the overdrawn check did trigger a credit mechanism. Therefore, in order to avoid the possible problems associated with the use of checks, the committee decided that the check overdraft protection mechanism, for the purpose of this act, would be exempt from being classified as a credit transaction. In simple terms, the purchase of an item with any check will qualify for a cash discount.

Mr. Speaker, I feel strongly that by passing this legislation today, the House of Representatives will strongly encourage the provision of discounts by merchants for purchases made with cash. This will ultimately lead to more competitive pricing in the marketplace.

If there is any general consensus in America today, it is that we have entirely too many Federal regulations. In addition to removing the statutory restriction on the size of cash discounts, this bill will also eliminate the excessive regulatory restrictions that the Federal Reserve Board has in place today to enforce the 5-percent ceiling.

It has been persuasively argued by witnesses before our committee that the Fed's current cash discount regulations are so confusing that most merchants choose not to offer a discount for a cash purchase for fear of being in violation of one of the regulations. Under H.R. 31, a merchant who decides to offer a discount for cash would be required only to offer such a discount to all prospective buyers and to make sure that the discount's availability is clearly and conspicuously disclosed to all prospective buyers.

Mr. Speaker, title II of H.R. 31 quite simply extends for 3 additional years the ban against the practice of imposing an added cost on a credit card transaction by means of a surcharge. Credit card surcharges have been outlawed since 1976. The Congress extended the prohibition in 1979 and this law is due to expire on February 27.

I feel strongly that consumers should not be penalized if they choose one payment procedure over another. Both credit and cash transactions have inherent costs that the merchant must absorb as part of doing business. For instance, fraudulent checks add considerable costs to business transactions. Just how costly these two transactions are—of cash versus credit—and how those costs compare, is something that Congress should study completely in order to arrive at a permanent policy on discounts and surcharges.

Mr. Speaker, the 3-year extension contained in H.R. 31 will afford Congress that opportunity and simultaneously protect the consumer against surcharges.

There are a number of reasons to oppose credit surcharges. Because of our high rate of inflation, which adds considerably to the cost of money, unpaid monthly balances from credit card transactions are being billed at interest rates that equal or in some instances surpass State usury ceilings. In addition, many credit card companies have recently begun to charge an annual fee for the use of their cards.

Because of these additional costs, I doubt that many consumers would support a surcharge being added to their credit card transactions at the point of sale. Many people within both the business and the consumer community feel that the ban on surcharges has worked well for the past 5 years.

Mr. Speaker, I urge my colleagues to support H.R. 31.

□ 1245

Mr. ANNUNZIO. Mr. Speaker, will the gentleman from Delaware yield?

Mr. EVANS of Delaware. I yield to the distinguished gentleman from Illinois.

Mr. ANNUNZIO. I want to express my appreciation to the gentleman from Delaware for cosponsoring this legislation and for the time and effort he has put into the legislation and for his very instructive statement this afternoon.

Mr. EVANS of Delaware. Well, I thank the gentleman, my friend, the gentleman from Illinois (Mr. ANNUNZIO), but he is entirely too generous in his remarks. My contribution pales in comparison to the contribution of the gentleman from Illinois (Mr. ANNUNZIO).

Mr. STANTON of Ohio. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I certainly yield to the gentleman from Ohio, the ranking member of the Finance Committee.

Mr. STANTON of Ohio. Mr. Speaker, I rise in support of H.R. 31, the Cash Discount Act. I want to commend my colleague from Illinois and the chairman of our Consumer Affairs Subcommittee, FRANK ANNUNZIO, for moving this noncontroversial legislation so expeditiously. H.R. 31 truly is in the consumer's interest since it removes the statutory ceiling on the amount a merchant may offer as a discount on purchases made with cash as opposed to purchases using a credit card.

Title I amends the Truth in Lending Act to provide these unlimited discounts for cash purchases. Title II extends the present ban on credit card surcharges for 3 years until February 27, 1984. Last year this legislation passed the Banking Committee on a unanimous vote and on June 3, 1980, passed the House of Representatives by a voice vote under suspension of the rules. I fully expect that the House will do the same thing today.

Mr. Speaker, I would like to take this opportunity to raise an issue which frequently arises with legislation such as the bill before us today. My concern is the addition of nongermane amendments by the other body. From time to time, the other body has been known to add seemingly important, yet extraneous, amendments to the particular subject matter at hand. All too often this is done without the benefit of either a full hearing by the committee of jurisdiction or due deliberation by a majority of the Members of the other body.

In the future I would anticipate that we will have to examine on a case-by-case basis each bill which contains nongermane amendments from the other body. I would urge that we use great restraint in proceeding legislatively in this manner. At a minimum I would suggest that, whenever possible, any such amendments—no matter how well intentioned—be the subject of a hearing by at least one committee of either body.

In closing I encourage my colleagues to give H.R. 31 their full support and send the other body a clean bill which they hopefully will act upon yet this week. This legislation should lead to more competitive pricing by merchants in the marketplace and, consequently, should benefit consumers by contributing at least in a small way to the fight against inflation.

Mr. EVANS of Delaware. Mr. Speaker, if there is any general consensus in America today, it is that we have entirely too much regulation at the Federal level and at every level of government. In addition to removing the statutory restriction on the size of cash discount, this bill will also eliminate the excessive regulatory restrictions that the Federal Reserve Board has in place today to enforce the 5-percent ceiling.

I urge my colleagues to vote favorably on H.R. 31.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the distinguished member of the Committee on Banking, Finance and Urban Affairs, the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Well, I thank the gentleman for yielding.

I just want to add my commendation to the chief sponsor of this legislation. It is exceptional legislation and another product of the gentleman who is rapidly becoming the leading defender of the consumer in this country. I am pleased to be a cosponsor. I think it augers well for our entire committee that this is the first piece of legislation to come out of our committee under our brand new chairman. I hope this high standard is maintained throughout the rest of the session.

Mr. EVANS of Delaware. Not only is it a consumer oriented piece of legislation in terms of encouraging cash discounts, which I think is a move to fight inflation, but it also fights excessive regulation by the Federal Government, and in this instance the Federal Reserve Board.

I now yield 3 minutes to the former ranking minority member of the Subcommittee on Consumer Affairs of the Committee on Banking, Finance and Urban Affairs, the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank my good friend, the gentleman from Delaware, for yielding me this 3 minutes.

First of all, I wanted to join in congratulating Chairman ANNUNZIO and the new chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Rhode Island (Mr. ST GERMAIN) for moving so quickly to bring this bill to the floor of the House today. I think it does augur well for the future of our committee.

The substance of the cash discount provision is that a merchant should be allowed to sell his product at whatever price he wants to sell it for, if cash is offered.

If he wants to give it away, it seems to me that is up to him. This provision makes a lot of sense and this is a position which I have held for some time, so I am glad to see this legislation coming to the House floor today on the cash discount provision.

On the surcharge provision, this has been in the law now for 5 years, as has been said. I think if a credit card holder is charged a finance charge for use of the credit card, that the merchant should not be allowed to add a surcharge. In other words, the customer should not be charged twice. That is the sum and substance of the surcharge provision.

My main reason for asking for these 3 minutes is to engage the distinguished chairman of the Consumer Affairs Subcommittee in a colloquy for the purpose of establishing legislative history.

This legislation authorizes the Federal Reserve Board to write regulations. Is my understanding correct that Congress is providing this regulatory authority solely for the narrow purpose of satisfying the legislation's requirement that a cash discount policy must be made available to all prospective buyers and must be disclosed in a clear and conspicuous way?

Mr. ANNUNZIO. Will the gentleman from Ohio yield?

Mr. WYLIE. Of course, I yield.

Mr. ANNUNZIO. Before I answer the gentleman's question, I want to pay tribute to the gentleman from Ohio. He has been one of the most active members of the Consumer and Coinage Committee. The gentlemen has made very extensive contributions to the committee. I am deeply grateful for the outstanding support the gentleman has given this legislation over the years.

The gentleman is absolutely correct in his statement. The intent of the legislation is that any regulation the Board writes be limited to a simple regulation, free of any burdensome requirements. Merely restating the legislation's requirements concerning disclosure of the availability of a cash discount is precisely the kind of regulation I hope the Board will issue.

Overregulation is what has killed cash discounts since Congress first began to encourage them. The Board's regulations have been so burdensome and hypertechnical that few merchants have been willing to risk possible violation to offer cash discounts. For example, under the Board's current regulation, a merchant who hired the Goodyear blimp to advertise his cash discount policy still could be found in violation of the regulation, unless he also posted a sign about the cash discount on each and every cash register in his store. This legislation now leaves it up to the merchant to decide how to clearly and conspicuously notify all of his customers of his cash discount policy.

Mr. WYLIE. I thank the gentlemen for that response. I also thank him for his kind remarks with regard to my participation in this legislation. This legislation does reflect my position stated through an amendment which I offered some time ago.

The second question that I have, and to show what we are getting at really by this legislation is with reference to the surcharge provision, I would like to give an example and then ask the chairman to respond.

It is my understanding that if a gas station, for example, posts a sign pricing gasoline at $1.35 a gallon, that adding a 5-percent surcharge to the purchase price, if the purchase price is paid for by the customer using a credit card, would be a violation of the ban on surcharges. Is that correct?

Mr. ANNUNZIO. This would be a violation of the ban on surcharges. Posting a single price and then charging a customer who pays by credit card an extra charge would be a clear violation of the ban on surcharges. The bill's definition of regular price makes it clear that if only one price is tagged or posted, that must be the regular price, not a cash discount price. This means any price charged for payment by credit card that is above this posted regular price would be an illegal surcharge.

Also, if two prices are posted, the credit card price must be the regular price normally charged for the gasoline. For example, the regular normal price before a cash discount policy is begun cannot suddenly be inflated so that the cash discount price is the amount of the old regular price, rather than a lower price which a true discount would be. To illustrate, if gasoline sells for $1.35 a gallon, regular price and a cash discount policy is begun, the cash discount price would have to be the same amount, less than $1.35 a gallon.

Mr. WYLIE. I thank the gentleman very much for those responses. I had a feeling that is the way they would be.

Again I want to congratulate the gentleman and commend him for the Herculean effort he has made to bring this bill to the House so quickly.

Mr. ANNUNZIO. I thank the gentleman from Ohio.

● Mr. WORTLEY. Mr. Speaker, it is not often that we have an opportunity to report legislation from a committee that costs the Treasury no money, helps the consumer and is strongly supported by credit card companies,

consumer advocates, merchants, and even Federal regulatory agencies. Yet, that is exactly what the Banking Committee has done with H.R. 31, the Cash Discount Act.

This simple and straight forward bill amends the Truth in Lending Act so that merchants may continue to offer discounts to customers paying by cash or check. The important change that this legislation makes in current law, however, is that it permits merchants to determine just what that discount should be. They will no longer be bound by the 5-percent figure written into the original act.

I find this change to be timely and consistent with recent efforts to lighten the Government's hold on private enterprise. The bill encourages merchants to offer cash discounts to all prospective customers paying cash for their purchases. To make matters easier for both customers and merchants, the bill states that the seller only has to make this practice known to all potential buyers in a clear and conspicuous fashion. It does not call for fancy regulations, long waiting periods and expensive evaluations. Rather, it offers a real incentive to pay by cash and save.

However, we all know that it is sometimes impossible or just not preferable to make cash purchases. This fact is recognized in the bill in title II that continue to prohibit merchants from adding a surcharge to credit card customers' bills. In this way, both cash and credit card customers are protected and merchants are allowed to set their own policies.

This is a good bill and I commend its passage to my colleagues.

Mr. EVANS of Delaware. Mr. Speaker, I have no more requests for time.

Mr. ANNUNZIO. Mr. Speaker, I have one more request for time.

I yield whatever time he may consume to the distinguished full chairman of the Committee on Banking, Finance and Urban Affairs, and I want to congratulate him for helping to expedite to bring this piece of legislation to the floor of the House, which is the first piece of legislation coming out of the House Banking Committee.

The SPEAKER pro tempore. The gentlemen from Rhode Island (Mr. ST GERMAIN) is recognized for 15 minutes.

Mr. ST GERMAIN. I want to thank the gentleman for yielding. I shall be brief.

I would like to take this opportunity to commend the chairman of the Subcommittee on Consumer Affairs and Coinage, as well as the minority, for the cooperative effort that was put into this legislation. As has been stated, we were operating under a time constraint. The portion of the legislation that is being addressed had an expiration date of February 27. In order to accomplish what we, indeed, are accomplishing today, it was necessary that there be cooperation. I am very grateful to the committee members, but particularly to the gentleman from Illinois (Mr. ANNUNZIO) and the gentleman from Delaware (Mr. EVANS) and from the minority, the gentleman from Ohio (Mr. WYLIE) and the gentleman from Ohio (Mr. STANTON).

I hope that this is a portent of things to come as far as the committee action is concerned in the balance of the Congress.

I do, indeed, support the legislation and hope that it shall be adopted.

Mr. ANNUNZIO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the house suspend the rules and pass the bill, H.R. 31, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic devise, and there were—yeas 372, nays 4, not voting 56, as follows:

[Roll No. 11]

YEAS—372

Addabbo	Butler	Dwyer
Akaka	Byron	Dymally
Alexander	Campbell	Dyson
Anderson	Carman	Early
Andrews	Carney	Eckart
Annunzio	Chappell	Edgar
Anthony	Chapple	Edwards (AL)
Applegate	Clausen	Edwards (CA)
Archer	Clinger	Emerson
Ashbrook	Coats	Emery
Aspin	Coleman	English
Atkinson	Collins (IL)	Erdahl
AuCoin	Collins (TX)	Erlenborn
Bafalis	Conable	Ertel
Bailey (MO)	Conte	Evans (DE)
Bailey (PA)	Conyers	Evans (GA)
Barnard	Corcoran	Evans (IA)
Beard	Coughlin	Evans (IN)
Bedell	Courter	Fary
Beilenson	Coyne, James	Fascell
Benedict	Coyne, William	Fazio
Benjamin	Crane, Daniel	Fenwick
Bennett	Crane, Philip	Ferraro
Bereuter	Crockett	Fiedler
Bethune	D'Amours	Fields
Bevill	Daniel, Dan	Findley
Bingham	Daniel, R. W.	Fish
Blanchard	Danielson	Fithian
Bliley	Dannemeyer	Flippo
Boggs	Daschle	Florio
Boland	Daub	Foley
Bolling	Davis	Ford (MI)
Boner	de la Garza	Ford (TN)
Bonior	Deckard	Forsythe
Bouquard	Dellums	Fountain
Bowen	DeNardis	Fowler
Breaux	Derrick	Frenzel
Brinkley	Derwinski	Frost
Brodhead	Dickinson	Fuqua
Brooks	Dicks	Garcia
Broomfield	Donnelly	Gaydos
Brown (CA)	Dorgan	Gephardt
Brown (CO)	Dornan	Gibbons
Brown (OH)	Dougherty	Gilman
Broyhill	Downey	Gingrich
Burton, John	Duncan	Ginn
Burton, Phillip	Dunn	Glickman
Goldwater	Martin (NC)	Rostenkowski
Gonzalez	Martin (NY)	Roukema
Goodling	Matsui	Rousselot
Gore	Mattox	Roybal
Gradison	Mazzoli	Rudd
Gramm	McClory	Russo
Gray	McCloskey	Sabo
Gregg	McCollum	Santini
Grisham	McCurdy	Sawyer
Guarini	McDade	Scheuer
Guyer	McDonald	Schneider
Hall (OH)	McEwen	Schroeder
Hall, Sam	McGrath	Schumer
Hamilton	McHugh	Seiberling
Hammerschmidt	McKinney	Sensenbrenner
Hance	Mica	Sharp
Hansen (ID)	Michel	Shaw
Hansen (UT)	Mikulski	Shelby
Harkin	Miller (CA)	Shumway
Hartnett	Miller (OH)	Skeen
Hatcher	Mineta	Skelton
Hawkins	Minish	Smith (IA)
Hefner	Mitchell (MD)	Smith (NE)
Heftel	Mitchell (NY)	Smith (NJ)
Hendon	Moakley	Smith (OR)
Hertel	Moffett	Snowe
Hightower	Molinari	Solarz
Hiler	Mollohan	Solomon
Hillis	Moore	Spence
Hollenbeck	Moorhead	St Germain
Hopkins	Morrison	Stangeland
Horton	Mottl	Stanton
Howard	Murphy	Stark
Hubbard	Murtha	Staton
Huckaby	Myers	Stenholm
Hughes	Napier	Stokes
Hunter	Natcher	Stratton
Hyde	Neal	Studds
Ireland	Nelson	Stump
Jacobs	Nichols	Synar
Jeffords	Nowak	Tauke
Jeffries	Oakar	Taussin
Jenkins	Oberstar	Taylor
Johnston	Ottinger	Thomas
Jones (OK)	Panetta	Traxler
Jones (TN)	Parris	Trible
Kastenmeier	Pashayan	Vander Jagt
Kazen	Patterson	Vento
Kemp	Paul	Volkmer
Kildee	Pease	Walgren
Kindness	Perkins	Wampler
Kogovsek	Petri	Washington
Kramer	Peyser	Watkins
LaFalce	Pickle	Waxman
Lagomarsino	Porter	Weber (MN)
Lantos	Price	Weber (OH)
Latta	Pritchard	Weiss
Leach	Quillen	White
Leath	Rahall	Whitehurst
LeBoutillier	Rallsback	Whitley
Lehman	Ratchford	Whittaker
Lent	Regula	Whitten
Levitas	Reuss	Williams (MT)
Livingston	Richmond	Williams (OH)
Loeffler	Rinaldo	Winn
Long (MD)	Ritter	Wirth
Lott	Roberts (KS)	Wolf
Lowery (CA)	Roberts (SD)	Wolpe
Lowry (WA)	Robinson	Wortley
Lujan	Rodino	Wright
Luken	Roe	Wylie
Lundine	Roemer	Yates
Lungren	Rogers	Yatron
Madigan	Rose	Young (FL)
Marks	Rosenthal	Young (MO)
Marlenee	Rostenkowski	Zablocki
Martin (IL)	Roth	Zeferetti

NAYS—4

Frank	Swift	Walker
Shannon		

NOT VOTING—56

Albosta	Dingell	Holland
Badham	Dixon	Holt
Barnes	Dreier	Hutto
Biaggi	Edwards (OK)	Jones (NC)
Bonker	Foglietta	Lederer
Burgener	Gejdenson	Lee
Cheney	Green	Leland
Chisholm	Gunderson	Lewis
Clay	Hagedorn	Long (LA)
Coelho	Hall, Ralph	Markey
Cotter	Heckler	Marriott
Craig	Hinson	Mavroules

Montgomery	Rangel	Smith (AL)
Nelligan	Rhodes	Udall
O'Brien	Savage	Weaver
Obey	Schulze	Wilson
Patman	Shamansky	Wyden
Pepper	Shuster	Young (AK)
Pursell	Simon	

The Clerk announced the following pairs:

Mr. Rangel with Mr. O'Brien.
Mr. Long of Louisiana with Mr. Pursell.
Mr. Savage with Mr. Smith of Alabama.
Mr. Pepper with Mr. Rhodes.
Mr. Leland with Mr. Young of Alaska.
Mr. Dingell with Mr. Hagedorn.
Mrs. Chisholm with Mr. Ralph M. Hall.
Mr. Biaggi with Mr. Lee.
Mr. Albosta with Mr. Marriott.
Mr. Barnes with Mr. Lewis.
Mr. Hutto with Mr. Nelligan.
Mr. Montgomery with Mr. Burgener.
Mr. Obey with Mr. Cheney.
Mr. Gejdenson with Mr. Craig.
Mr. Foglietta with Mr. Dreier.
Mr. Simon with Mr. Green.
Mr. Udall with Mrs. Holt.
Mr. Weaver with Mrs. Heckler.
Mr. Patman with Mr. Schulze.
Mr. Wilson with Mr. Shuster.
Mr. Gunderson with Mr. Wyden.
Mr. Holland with Mr. Markey.
Mr. Jones of North Carolina with Mr. Mavroules.
Mr. Dixon with Mr. Edwards of Oklahoma.
Mr. Coelho with Mr. Cotter.
Mr. Clay with Mr. Bonker.
Mr. Shamansky with Mr. Badham.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill, H.R. 31, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMERICAN UNIVERSITIES ARE NOT FOR SALE

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LANTOS. Mr. Speaker, those of us who value the independence of American universities may breathe a bit more easily this morning. Georgetown University yesterday returned a $600,000 gift—with interest—to the Government of Libya, saying that it did not want to have its name associated with a country that supports terrorism. The president of the university, Timothy S. Healy, personally brought the check to the Libyan Embassy, commenting that—

Libya's accent on violence as a normal method of international policy and its growing support of terrorism made (keeping the money) incompatible with everything that Georgetown stands for.

I salute Father Healy and Georgetown University. Their example should be a lesson to all of academe. The independence and integrity of American institutions of higher learning are not for sale.

I include an article from the Washington Post with respect to this event:

GEORGETOWN RETURNS $600,000 FOR ARAB STUDY CENTER TO LIBYA

(By Lawrence Feinberg)

Georgetown University yesterday returned a $600,000 gift, plus interest, to the government of Libya, saying it did not want to have "its name associated" with a country that supports terrorism.

Libya had contributed the money over the past four years to endow a professorship at Georgetown's Center for Contemporary Arab Studies. Yesterday, university president Timothy S. Healy, who personally brought a check to the Libyan embassy, said Libya's "accent on violence as a normal method of international policy and its growing support of terrorism made [keeping the money] . . . incompatible with everything Georgetown stands for."

Healy said the professorship and the Arab studies program would continue unchanged, but that the teaching post would be financed by other university funds. Since 1975 Georgetown has received $3.5 million from seven other Arab governments for the center, whose program has been criticized by Jewish groups as "anti-Israel." In 1978 Georgetown sent back a $50,000 check from Iraq, but university officials said they could not remember ever returning as large a gift as the money from Libya.

When Healy first announced the Libyan gift in 1977, which came to a total pledge of $750,000 over five years, it stirred sharp criticism, including an attack by columnist Art Buchwald who described it as "blood money."

Three weeks ago, Secretary of State Alexander M. Haig Jr. said combating terrorism would be the top priority of American foreign policy. A subsequent State Department report accused the Libyan government of Col. Muammar Qadhafi of "supporting a wide range of terrorist groups in every area of the globe" and arranging the assassination of at least 11 dissidents living abroad. Overall, the State Department said, Qadhafi has used Libya's vast oil revenues—estimated at $24 billion last year—to support subversion or insurrection in 45 countries.

Healy said, however, that in returning the money to Libya he acted under "absolutely no pressure at all from the U.S. government."

He added, "I was under absolutely no heat and no pressure [to give back the money], but it worried me. I guess I'm just kind of slow to move, but I came to a growing realization that what Libya is up to is incompatible with Georgetown . . . I changed my mind. I didn't know as much [when the gift was first accepted] as I know now. I was new to the job. I think I was wrong to feel [that the gift should be accepted]. Now I'm certain I was wrong."

The Rev. Michael P. Walsh, Chairman of the university board of directors, said that over the past few years Healy "kept talking about [the Libyan gift] as a thing he thought he had [handled] wrong. It's been sort of a cloud around Georgetown . . ."

Walsh said the board's 10-member executive committee unanimously approved returning the money at a meeting Friday, and decided to add the interest Georgetown already had earned on it, making the total check given to Libya $641,721.

Healy said he decided to deliver the check personally to Ali Houderi, head of the Libyan embassy here, because "just putting it in the mail struck me as crude."

"It was painful for him," Healy continued, "and it was painful to me. Obviously, parting with $600,000, you can figure out how painful it was. But he [Houderi] was completely correct. He said he received it with regret, and hoped it would not stand in the way of good relations between the United States and Libya."

Houderi could not be reached for comment last night.

Michael C. Hudson, director of the Arab Studies Center who had sought the Libyan gift and strongly defended it in the past, yesterday declined comment on Healy's action. But he said "we never felt any pressure from the Libyan government" on how the money should be spent.

Hisham Sharabi, a Palestine-born historian who holds the professorship named after Libyan nationalist Umar al-Mukhtar, said the Libyans were "very decent, very thoughtful, very considerate, very correct" in financing the scholarly chair. "This whole thing is something out of the blue," Sharabi said. "It's very strange."

On the other hand, Ira Silverman, director of special programs for the American Jewish Committee, which has criticized Georgetown in the past, said he was "delighted that Georgetown has made this decision. It confirms our faith in the integrity of Georgetown and its president, Father Healy . . . To keep this money would be to confer honor on an unworthy donor."

In 1979, Silverman noted, the University of Southern California cancelled plans for a Middle East Studies Center and returned $1 million that already had been raised from corporations after criticism that the center would not be under firm university control. However, he said the Jewish Committee had endorsed a $5 million gift last year from Saudi Arabia to Princeton for life science teaching and research. He said that gift was accompanied by a strong antidiscrimination pledge.

IS FREEDOM BEING VIEWED AS A DOMESTIC LUXURY?

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, from the new administration there is much patriotic sentiment about freedom and the necessity for America to increase its military strength so that it may better accomplish its mission as defender of the free world.

But, curiously, at the same time, the new administration is making broad policy statements about backing off the human rights issue while ap-

proaching more firmly the issue of international terrorism.

What is not made clear is why it is necessary, or even logical, to trade one off against the other. Perhaps even more important, how is it that an administration which evokes much emotional rhetoric about the value of freedom cannot recognize that the human rights issue is simply another term for freedom.

In a recent issue of the New Yorker magazine, the point is made that our policymakers seem to think that freedom should be seen as a domestic luxury, to be defended, if not shared, by many of our allies.

I see this global vision as shortsighted, if not unpatriotic.

The article follows:

[From the New Yorker Magazine]

NOTES AND COMMENT

If a government official were to announce that increased subsidies to agriculture would now "take the place" of food stamps, someone would be sure to ask what the two things had to do with one another and why it wouldn't be possible to have both. But when Secretary of State Alexander Haig told reporters at his first press conference since he assumed office that "international terrorism will take the place of human rights in our concern, because it is the ultimate abuse of human rights," no one thought to ask why the government had to choose between them. Nor did anyone ask how, if international terrorism really was the worst of the human-rights abuses, you could speak of one taking the place of the other. A hint of what the new policy was going to mean in action came during the recent visit to Washington of President Chun Doo Hwan, of South Korea, the general who seized power a few weeks after his predecessor, President Park Chung Hee, was assassinated. President Carter had held up important negotiations with South Korea on economic and military matters because of human-rights abuses there, but the Reagan Administration resumed the negotiations, and the State Department announced that hereafter the United States would not "go into the internal state of affairs in the Republic of Korea"; at the same time, the Department asked Congress to postpone publication of a report on human rights which was said to contain information that would embarrass President Chun. The impression one gained was that the United States was lowering its concern about human rights not in order to fight terrorism better but in order to more firmly cement its ties with repressive right-wing regimes around the world. President Reagan did not do anything to clarify Administration policy when, in an appearance with President Chun at a White House luncheon, he remarked that Korean and American soldiers had fought together in Korea and again in Vietnam, where "the cause was freedom," leaving one to wonder how there could be a crusade that was for freedom without also being for human rights. Since South Vietnam in the days of the Vietnam War enjoyed no more freedom than South Korea does now, one has to assume that the freedom President Reagan had in mind was our own—a freedom we really do possess but are willing to defend, it seems by supporting regimes that deny freedom to their own people. (In his inaugural address, President Reagan, who has taken to claiming that God has a "divine plan" for the United States, said, "God intended for us to be free." He did not add that God intended South Korea or Vietnam to be free.) This policy is no novelty of the Reagan Administration—it has spanned many Administrations, and was only slightly disturbed by the Carter human-rights policy—and its cost to the United States has always been high. When the Soviet Union, a left-wing totalitarian nation, supports another left-wing totalitarian nation somewhere in the world, its action is consistent with its domestic policies and its beliefs. But when the United States, a constitutional democracy, supports a right-wing dictatorship, our belief in freedom, or human rights, or liberty, or whatever you choose to call it—our reason for existing as a nation, and our mission, if we have one, in the world—goes unsupported and unspoken for in international affairs. Even though we may extend a network of arms all around the globe, freedom shrinks to a purely domestic matter—a sort of luxury, like our large gross national product, and one that is defended, but not enjoyed, by other peoples. Our foreign policy then becomes nothing more than a military shield, containing no reflection of the spirit of our country. One unfortunate consequence of this abdication of our beliefs on the international scene is that American protests against repression by the Soviets of their own people and others lose their force. (It seems notable that Mr. Haig chose "international terrorism" as his target and did not even mention Soviet violations of human rights.) But the greatest danger for the United States—one that came menacingly to life in the period of Vietnam and Watergate—is that we will eventually regard our political system, with its inefficient constitutional restraints and its inconvenient individual liberties, as an unnecessary obstacle in our grandiose global struggle for "freedom" (but not "human rights"). There are already a few signs that our love of liberty is being construed as weakness toward our enemies. In a recent editorial, the Wall Street Journal remarked that "in the Carter Administration 'human rights' were code words for a lurch toward accommodation of the international left." The international left itself, of course, including, especially, the Soviet Union, regarded Carter's human-rights program as a disguise for an anti-Soviet lurch toward the right. (The Soviets were especially angry when Carter sent Andrei Sakharov a letter of support.) Between these views, the actual substance of human rights gets interpreted out of existence. It is perhaps unsurprising that the Soviet Union and its friends should look upon American devotion to human rights as a cover for something else, but that we, too, should do so is a needless disfavor to ourselves.

EL SALVADOR: THE POLITICAL DIMENSION (III)

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. McHUGH. Mr. Speaker, Saturday's edition of the Washington Star, February 21, 1981, reported on a very interesting interview with Jose Napoleon Duarte, the President of El Salvador. In formulating its policy toward El Salvador, I hope that the Reagan administration will carefully consider the comments attributed to Mr. Duarte in that article.

Among other things, Mr. Duarte stated that the economic crisis caused by the guerrilla war was a greater threat to the country than the Marxist guerrillas. In that article he is quoted as saying:

It is of no use to have the greatest and best army in the world if the people are dying from hunger.

Mr. Duarte seems to recognize that how his government responds to his people's concerns for peace and security outweigh military considerations. He expressly indicated that the junta's economic and social reforms over the past year were a vital part of a political strategy that he claims is winning the war for the government by weaning the populace from the guerrillas.

Moreover, while welcoming our Government's help in stemming the flow of arms to the guerrillas, he warned against too large a U.S. presence in El Salvador, saying that it would lead to an escalation of the conflict.

In expressing his fear of outside influence on both sides, he said:

Whether this is another Vietnam does not depend on us. It depends on what the others do. If the Cubans, the Russians, the Chinese and the United States want to come here and fight, this will be another Vietnam. But for that to happen, they will have to finish off all the Salvadorans.

In its apparent desire to make El Salvador a testing ground for East-West confrontation, I hope the Reagan administration will heed this warning and not recklessly pursue the military option. As Mr. Duarte has said, the problems in El Salvador are fundamentally economic and political. While it may be argued that some limited military aid is necessary to help contain the flow of arms to the guerrillas, military aid must be subordinated to the internal political and economic reforms which the Duarte government must pursue if it is to secure the support of the people upon whom its survival ultimately depends.

[From the Washington Star, Feb. 21, 1981]

DUARTE RANKS ECONOMIC OVER MILITARY AID

SAN SALVADOR, EL SALVADOR.—Jose Napoleon Duarte, the president of El Salvador's ruling junta, said yesterday that despite the great debate in Washington over military assistance, economic aid is more important to his country.

In an interview, Duarte said the economic crisis caused by the guerrilla war was a greater threat to the country than the Marxist guerrillas.

He said the junta's economic and social reforms over the last year were part of a political strategy that is winning the war for the government by weaning the populace from the guerrillas.

Meanwhile, the intensified U.S. campaign to portray the Salvadoran insurgency as a Cuba-related challenge by international communism was apparently running into resistance from the United States' closest Latin neighbor, Mexico.

In Mexico City, in an apparent rebuff to the Reagan administration, President Jose Lopez Portillo went out of his way this week to stress Mexico's close ties with Cuba.

The gesture came just three days after a U.S. delegation traveled to Mexico City with "proof" of Havana's support for Salvadoran guerrillas.

Following the signing of a sugar agreement with Cuba Thursday, Lopez Portillo said that Cuba was the Latin American country "most dear" to Mexico. He described relations between the two countries as an example "for our region, for our continent and for the world."

Salvadoran junta leader Duarte said in the interview that if the flow of weapons to the guerrillas through Cuba and Nicaragua continues at its present pace, the Salvadoran armed forces will need more arms. But he said that for the time being, the armed forces has sufficient military strength to counter the guerrillas. He said the military's primary need now is for communications and transportation equipment, including helicopters.

"It is of no use to have the greatest and best army in the world if the people are dying from hunger," he said. The country needs a $300 million loan to replace international private credit that has been scared away, he added.

Duarte praised the administration's efforts to cut the arms flow to the guerrillas and counter Soviet advances in the world. But he professed a wariness of too large an American presence here, saying it would lead to an unnecessary escalation of the conflict.

"Whether this is another Vietnam does not depend on us," he said. "It depends on what the others do. If the Cubans, the Russians, the Chinese and the United States want to come here and fight, this will be another Vietnam. But for that to happen, they will have to finish off all the Salvadorans."

Mexican officials pointed out that the Lopez Portillo administration has not only criticized stepped-up U.S. military assistance for El Salvador's besieged government, but is also disturbed by the Reagan administration's current offensive to rally U.S. allies against the Soviet bloc over the Salvadoran question.

"Mexico is not going to be pressured into choosing between friendship with the United States and Cuba," one well-placed official said. "Reagan has to learn that this is the wrong approach."

On Monday, a special delegation headed by Vernon Walters, former deputy director of central intelligence, met secretly with Mexico's foreign minister, Jorge Castaneda, and provided him with documentary evidence purporting to confirm Havana's intervention in the Salvadoran struggle.

TRIBUTE TO HOWARD J. KAUFMAN

(Mr. DeNARDIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DeNARDIS. Mr. Speaker, on Monday, February 9, 1981, Connecticut lost one of its most colorful and honorable politicians, Howard J. Kaufman, whose official position was registrar of voters in the city of Hartford, was, in reality, a person totally dedicated to politics, the political process, and the people of Hartford. His influence and his admirers stretched far beyond his city's borders. All of us, especially those who participate in Republican politics in Connecticut, enjoyed our political discussions with him, appreciated his free-flowing advice, and profited from the enthusiasm and interest he showed in our campaigns, our political activities, and indeed, our personal lives. He was dedicated to his party, to his city, to his State, and his country. The wide variety of friends in both parties and throughout the State, who enjoyed his company are testimony to the personality and integrity he had. Howard Kaufman will be sadly missed in Connecticut and by me, personally, who counted him among my friends and my advisers.

[From the Hartford Courant, Feb. 15, 1981]

TRIBUTE TO A JOYFUL POLITICIAN

(By Sidney L. Gardner)

Politics was his game, his love, and his life. No one in Hartford played it as joyfully as Howard J. Kaufman or carried as much of it around in his head. He was what he wanted to be: The center of dozens of networks of political talk and talent, and a peacemaker amidst the strife.

Howard was a wonderful one-man switching station for political intelligence. He could speculate endlessly on political scenarios only dimly visible to the rest of us. To know Howard was to be the intense object of hushed, conspiratorial whispers and affectionate finger jabs to the chest as he gave you the latest word.

Cigar in his left hand, he'd give you the best handshake in Hartford and ask "Whaddaya hear?" Then he'd tell you what he'd heard, or suspected, or hoped might happen.

At least three of us on the Hartford City Council in recent years owe Howard our jobs. His last minute advice, his hastily-arranged meetings in quiet, out-of-the-way diners, his strange-bed-fellow coalitions all helped to make a difference. In Hartford elections, the magic line between ninth and tenth in the vote totals is the line between victory and defeat. As heavily out-numbered Republicans, we all watched that line nervously over our shoulders as we ran. Howard watched with us, knowing where it was and what to look for, and helped us beat the odds more than once.

In politics, there are two kinds of builders, bridge-builders and wall-builders. Howard was a bridge-builder of impresario class. When you'd complain to him about some real, imagined, or anticipated slight at the hands of another politician or group, he'd constantly work you over to get you together with someone he thought should be an ally. He embodied and evoked the political adage that the best recruiting source for political allies should be the ranks of your former foes. From North End to South End, from downtown to the suburbs. Howard built bridges across the barriers of race, religion, language and ideology. Hartford can't work without those bridges, and Howard was one of the very few left who knew how and why to build them.

He was at his best in the thick of a political crowd. In a sad but consoling way, he passed from us Monday night at a richly deserved peak of personal pride. He took pride that his friend, Alexander Haig, whom he'd defended in newspaper ads a few weeks before, had come to Hartford as secretary of state to represent a Republican president whom Howard had worked to put in the White House.

On Monday, the solemn gathering of political figures that was so fine a tribute to Gov. Ella Grasso was where Howard was. The tragedy of his passing on the day of her funeral reminds us all that politics reflects life as change—sorrowful change, unforeseen and sudden change, and change which takes from us those who have been welcome and loved public fixtures for decades.

Howard drove himself—much too hard. He had to be at every meeting, go to every fund-raiser, and stop by every late-night political post-mortem. He'd call you early in the morning after going over the day's political news, happily charting the best way to respond. "Let's really steam 'em on this one."

A memorial for Howard? Let us have several. Let one of them, though, be a simple, sincere response to his unending professional crusade as registrar, best heralded by his famous license plate: VOTE. If everyone who has complained about the results of politics would bring to the act of voting and political choice just one percent of the commitment that Howard brought, the political world could be infused with a joy and a passion that could raise it to standards Howard would have loved.

Out of the furor of a recent political campaign in New York, one candidate disdainfully summed up local politics as "all smoke and mirrors." Howard Kaufman blew his share of tantalizing smoke, and he worked the mirrors as well as anyone, but he also cared deeply about what was beneath the surface flash and fire.

Five years ago, at a joint meeting of the Republican and Democratic Town Committees, Howard gave one of the best political speeches ever heard in Hartford. In his booming voice, with his own deep passion, Howard talked about what was really important in Hartford. He ended by saying that whatever the parties agreed or disagreed about, "The city comes first." He knew that the city was its people—all of its people—and his life's work was working through politics for people.

THE PRESSING NEED TO REVISE U.S. TAX POLICY RELATING TO AMERICANS EMPLOYED OVERSEAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ARCHER) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I appreciate this opportunity to join with a number of my colleagues in the House in focusing attention on a major barrier to the export of U.S.-produced goods and services.

Put simply, changes made in the Internal Revenue Code in 1976 and 1978 have greatly reduced the number of U.S. citizens employed abroad by U.S. companies—with the result that markets for our products are shrinking at a time when they should be expanded in order to ease our domestic economic dilemma.

According to one study, the number of Americans employed abroad by 306 U.S. companies decreased by 38.6 percent between 1979 and 1980 alone.

Actual examples presented last year by the U.S. Overseas Tax Fairness Committee in congressional hearings show clearly what is contributing to that horrendous statistic:

One engineer firm reported that on March 27, 1980, it had 103 Americans overseas, versus 2,200 in 1977.

An electronics company stated that on a small job in Jordan, it had to replace all but 2 of 14 American engineers with foreign engineers.

Another firm reports that 40 percent of its overseas staff were Americans before 1976, compared to 17 percent in 1980.

A Saudi Arabian diplomat pointed out last year that in 1976, 65 percent of the employees of U.S. firms operating in Saudi Arabia were Americans. By 1980, the figure had dropped to 35 percent.

Still another U.S. company bid on a contract in Saudi Arabia based on using Americans in its key positions, since the company felt the Americans were better qualified to perform the work. The Saudi Government asked that the bid be resubmitted using non-American personnel because of the savings in labor costs. Sixty-two contract personnel were eventually hired for the work. Sixty United Kingdom nationals, one Pakistani, and one Saudi. The problem was that the cost of using Americans amounted to an additional $10,000 to $12,000 a year per person—largely because of present U.S. tax treatment of American citizens working abroad.

The problem basic to all of this is the fact that ours is the only major industrialized Nation which taxes its citizens on their overseas income.

In order for employees to receive the same after tax spendable income—which ultimately will most likely be spent in the employees' countries of origin—American companies are forced to pay U.S. citizens far higher salaries than they do other foreign expatriates.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. ARCHER. I am happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, first of all, I wish to thank my colleague for bringing this important tax issue to our attention.

Mr. Speaker, I thank our friend, BILL ARCHER, for bringing to the attention of the House of Representatives the need for the elimination of the income tax on U.S. citizens working abroad.

Mr. Speaker, we hear advocates of a higher tax on foreign earned income say, "Why should people working overseas get a tax break?" I believe the answer is simple and straightforward. As a matter of national policy, our tax laws have long recognized that in, certain circumstances, there is the need for tax restraint for reasons of national interest.

As my colleague on the Ways and Means Committee, BILL FRENZEL, has informed us in the past, income exclusion legislation was originally enacted as the foreign trader exemption. Congress recognized it was in the best interest of the country to encourage businessmen and women to live and work abroad to promote American products and services. Today our tax laws contain many examples of a tax advantage because of an overriding national or public interest. Yet, in this situation, the Congress is being told that it must follow the principle of identical treatment of all taxpayers, regardless of circumstances.

The tax which the United States places on its citizens abroad is forcing many American exporters to replace their U.S. employees with foreign nationals whose income is not subject to tax by their native country. These individuals are likely to purchase products from their home country, as opposed to purchasing American made products.

A study done by the President's Export Council shows that the current tax treatment of Americans abroad has resulted in a drop of exports of at least 5 percent in 1980. Recent studies estimate that this decline will raise domestic unemployment by at least 80,000 and will reduce Federal tax receipts by more than $6 billion. Even if this estimate is a little high, it is still several times the $400 to $500 million the Treasury has estimated the total repeal of the foreign earned income would cost.

My colleagues will no doubt be interested in the findings resulting from a Joint Economic Committee East Asian Study Mission in which I participated in January of 1980. The purpose of the travel was to meet with the American business community abroad. I would like to include as a part of the RECORD pages 23–28 of this report, which discuss the reasons for the need to eliminate the income tax on U.S. citizens working abroad:

V. DISINCENTIVES AND INCENTIVES TO U.S. EXPORTING

Let us now turn to the crux of the specific problems faced by U.S. businessmen operating abroad.

Income tax issues

The United States is the only major country which taxes the foreign-earned income of citizens living abroad. Chart V-1 illustrates this unhappy situation.

Taxation of Americans living overseas was uniformly cited by American business representatives in East Asia as one of the most critical problems facing U.S. exporters in that region. Significantly, the attention given this issue at every stage of the Mission's visit was not based on personal hardship because most companies compensate their American employees for the added tax burden. Instead, American businessmen emphasized that because many companies do compensate their employees, their cost of employing an American national, compared to other third country nationals, is significantly higher. American tax laws, therefore, encourage these companies overseas to reduce the proportion of their expatriate staff who are Americans. The example of a firm operating in Singapore was cited. Of approximately 100 expatriates, 19 percent were third country nationals in 1975; by 1979 this proportion had increased to 41 percent. Where companies do not compensate, the effect is just the same. Because of the tax burden, Americans can simply not work or serve as business representatives at the same level of compensation as Britons, Australians, or other third country nationals.

The reduction of Americans working overseas has an adverse effect on U.S. exports because Americans involved in purchasing, equipping, or design decisions are familiar with U.S. goods and technology and tend to specify and order American equipment and services. Europeans and other third country nationals are naturally more familiar with and tend to buy the products of their own countries.

CHART V-1.—COMPARISON OF TAX POLICIES FOR OVERSEAS EMPLOYEES

Country	Tax on salary	Tax on incentives bonuses	Tax on benefits (requirement, health, insurance, etc.)	Tax on cost-of-living allowances	Tax on additional income earned out of home country	Government subsidies (to individual)
United States	Yes[1]	Yes	Yes	Yes[2]	Yes	No.
Japan	No	No	No	No	No[3]	Yes.
Italy	No[4]	No	No	No[5]	Complex formulas to discourage foreign investment.	Government-owned companies.

CHART V-1.—COMPARISON OF TAX POLICIES FOR OVERSEAS EMPLOYEES—Continued

Country	Tax on salary	Tax on incentives bonuses	Tax on benefits (requirement, health, insurance, etc.)	Tax on cost-of-living allowances	Tax on additional income earned out of home country	Government subsidies (to individual)
France	No[6]	No	No	No	Complex formulas	Do.
South Korea	No[8]	No	No	No	No	Yes.
Germany	No[9]	No[10]	No	No[11]	Some limitations. Commodity Board.	Few.
Canada	No[12]	No	No	No	No	No.
Sweden	No	No	No	No	No[13]	Few.
United Kingdom	No	No[14]	No[15]	No	Complex requirements	Few.

[1] 20,000 exclusion under section 911 for those in qualified camps. [2] Certain deductions permitted under complex section 913 tests. [3] Rental, interest, etc. on off-shore investments totally exempt from taxation during non-residence status only. [4] Complex non-residency requirements. [5] Limitation placed on daily expenses for home leave and R&R. [6] Assumes accompanied tour/rules for dual residency—unaccompanied—very complex. [7] Recent government policy aimed to encourage more French engineers to accept overseas work. [8] Most liberal policies with respect to individuals—focus committed to exports of domestic unemployment. [9] Complex non-residency requirements aimed at tours of less than 6 months. [10] Complex definitions. [11] Some limitations designed to reduce excesses. [12] Accompanied tour only. If family of head of household remains in Canada all worldwide earnings subject to full taxation. [13] Recently liberalized tax policies in order to encourage acceptance of overseas assignments. [14] U.K. recently liberalized tax policies in order to encourage. [15] Some limitations.

Source: "Report of the Task Force To Study the Tax Treatment of Americans Working Overseas," The President's Export Council, Subcommittee on Export Expansion (Dec. 5, 1979).

The heavy burden of American taxation, it was suggested, most adversely falls on independent businessmen, professionals, and employees of charitable organizations and international organizations, many of whom have been forced to repatriate. As one witness stated: "You are lookng at a dying breed. When your Committee comes back to Asia, you probably will not find us here."

Prior to 1977, Americans abroad were exempted from the first $20,000 to $25,000 of their income, a benefit constantly eroded by inflation and substantially reduced by Section 911 of the Internal Revenue Code, as amended by the Tax Reform Act of 1976. In 1978, to alleviate the burden on private Americans working abroad and achieve greater parity between them and Americans overseas in the government service, the Congress passed the Foreign Earned Income Act (FEIC) permitting, under Section 913 of the Internal Revenue Code, deductions for certain costs of living overseas. But the modifications made by the 1978 Act have, in many instances, made matters worse, not better.

One witness presented the conclusions of a study of the personal income tax returns of individuals located throughout East Asia. These returns were calculated both on the basis of the original 911 provisions (which Section 913 is supposed to correct) and on the new Section 913 basis, enacted in 1978. According to this testimony, following the strict guidelines and interpretations of Section 913 by the IRS, the average tax burden for most East Asian countries (except Japan) is significantly heavier under the supposedly more liberal Section 913, compared to the old Section 911, by an average of 15 to 20 percent. The relevant data are shown in table V-1.

TABLE V-1.—AVERAGE U.S. TAX BURDENS OF INDIVIDUAL AMERICANS IN SELECTED COUNTRIES, UNDER 1976 AND 1978 TAX ACTS

Country	Tax "as if" employed in the United States	Tax (before foreign tax credit) on pre-1976 rules	Actual 1978 tax (before foreign tax credit)
Hong Kong	$15,617	$22,683	$26,850
Indonesia	8,533	21,296	24,318
Japan	10,350	40,526	29,280
Malaysia	6,187	17,526	21,718
Philippines	5,652	13,116	16,423
Singapore	6,620	12,270	14,881
Taiwan	8,687	10,215	13,934

Source: Testimony presented in Manila, the Philippines, by George H. Lissenberg, chairman, Tax Committee, Asia-Pacific Council of American Chambers of Commerce (Jan. 6, 1980).

The Mission is seriously concerned about the impact of U.S. taxation on U.S. export performance. We believe the adverse trade impact of Sections 911 and 913 of the IRS Code has not been fully appreciated. Moreover, we note with concern allegations that IRS regulations relating to Section 913 have had a restrictive effect, contrary to the congressional intent. Therefore, the Study Mission calls upon the congressional tax committees to convene hearings on Sections 911 and 913, their impact on trade, their implementation by the IRS, and proposed legislative remedies. The evidence indicates that neither the interests of tax equity nor international trade are being served by the present law. We believe the serious deficiencies in the American system of taxing overseas nationals must be promptly corrected.

Once again, I thank my colleague for taking this time to bring to the attention of the House the need to eliminate the income tax on U.S. citizens working abroad.

Mr. ARCHER. Mr. Speaker, I thank the gentleman from California for his contribution to this colloquy.

It is obvious, as he said, that in the competitive world of international trade, this results in either lost contracts for U.S.-produced goods and services—or lost jobs for U.S. citizens if the companies are to compete successfully for overseas contracts.

Let us not forget. When those jobs formerly held by U.S. citizens are lost, we lose related service and product exports because of the natural tendency of the new foreign employees to rely upon foreign sources. U.S. influence in overseas industry and commerce is reduced as the presence of U.S. employees decreases.

All of this is prolog for the purpose of this discussion this afternoon.

Mr. BLILEY. Mr. Speaker, will the gentleman yield?

Mr. ARCHER. I yield to the gentleman from Virginia.

Mr. BLILEY. Mr. Speaker, I want to compliment my colleague from Texas (Mr. ARCHER) for bringing this matter before the House.

Mr. Speaker, for too long the Congress of the United States has viewed the tax system as an instrument to affect social change. This, Mr. Speaker, can no longer continue to be the case. With runaway inflation, prohibitive interest rates, and 7½ percent unemployment rates, we have no alternative but to reexamine the policies that have directed the ship of state over the past two decades. I should like to remind my distinguished colleagues that the power to tax is the power to destroy, and, clearly, the use of the tax system to attempt to engineer social change has contributed to wrecking our economy. We must remember that the tax system exists to raise revenue to pay for the legitimate functions of the Government, namely to provide for the common defense and to maintain what the President has called the social safety net.

The taxation of Americans working abroad provides an excellent illustration of my point: Excessive taxation serves as a disincentive to both work and investment. We are the only major industrial nation that fails to provide for the elimination of taxes on overseas workers. It has become too costly for many companies to keep American workers on the payroll, or too costly for American expatriates to remain on the payroll.

Americans, forced home by our unfair and noncompetitive tax laws, are being replaced by foreign nationals who often prefer to buy the products of their native countries. There is overwhelming evidence that the current taxation of overseas Americans has led to a significant decline in exports, costing the Federal Government billions in lost tax revenues, and, more importantly, costing many Americans their jobs.

A 1976 survey of 257 companies doing business overseas found that 73 percent of their overseas employees were Americans. By 1980, a survey of 306 companies found the figure to be only 37 percent. The President's Export Council, last year, determined that the decline in the expatriate work force was responsible for a 5-percent drop in U.S. exports, Mr. Speaker, that is between $6 and $7 billion.

The Department of Commerce contends that every billion in exports produces 40,000 American jobs. That is over a quarter of a million jobs that Americans do not have because of tax policies implemented by the Congress of the United States.

The Treasury Department will lose only about $500 million in tax revenue if we repeal the tax on all foreign income and this is in static terms. This

is an awful small price to pay for $7 billion in exports and 280,000 Americans working, collecting a paycheck, supporting their families and paying taxes.

Let us put the time when the Congress viewed the tax system as a tool for social engineering behind us, and recognize the tax system for what it is—a way to raise money. Because taxes are disincentives to work, to produce, and to invest, we should tax in a way designed to avoid the most severe disincentives.

By removing the onerous inequities between the tax treatment American expatriates and foreign nationals receive, we can stimulate exports and provide adequate incentives to Americans to work abroad at prices affordable to American firms. I ask that you join me in supporting the exemption of foreign earned income of Americans working abroad from taxation, as a means to help restore American competitiveness abroad, to aid in the elimination of our current balance-of-payments deficit, and to provide productive jobs for our workers here at home.

□ 1330

Mr. ARCHER. The gentleman from Virginia has aptly outlined the immediate pressing need for a change in the law that will place U.S. citizens in a more competitive position with their foreign counterparts.

While a total exclusion from U.S. income taxes on income earned abroad would be desirable, opposition to that approach from some quarters in Congress must not be allowed to stymie action for a major change in the law this year.

An alternative to that total exclusion exists in legislation I have sponsored with Congressman PICKLE and 32 other Members of the House, H.R. 911, which seeks to remove a major part of the barrier to U.S. overseas employment.

It provides a basic exclusion of $75,000 on foreign earned income—adjusted upward annually until a $95,000 figure is reached in 1984. In addition, it provides a deduction for excess housing expenses above a $5,500 base and reduces the residency requirement from 17 months to 11 months.

In the absence of a total exclusion, this approach represents a major step toward placing Americans on a more equal footing with their foreign expatriate counterparts. Its strong bipartisan appeal is reflected in the fact that of its 34 sponsors, 7 are Democrats on the Ways and Means Committee and 9 are committee Republicans.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. ARCHER. I am happy to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding, and I commend him for having this special order.

Mr. Speaker, for some time, I have been greatly concerned about U.S. international economic policy and the tendency for American policymakers to seek short-term solutions while ignoring the long-term effects of those policies. I am talking about decisions made in past sessions of Congress to adopt tax measures aimed at narrowing the budget deficit but which in fact have succeeded in enlarging our trade deficit.

I suppose, at the time, taxing American citizens working abroad seemed like an appropriate policy to many people since it served to treat all citizens equally and added to Treasury revenues to help ease the public debt burden. But, now after several years of experience with this policy, we are seeing as many of us had predicted that American industry is losing out to foreign competitors because the cost of having an American working overseas greatly exceeds the cost of hiring a foreign worker.

The U.S. tax structure on American businessmen working abroad imposes costs totaling $100,000 per year for an individual with a $32,000 base income. That results from taxes on income, schooling, and housing allowances, incentive bonuses and cost-of-living allowances. In East Asia, for example, a German, French, or Australian national could be hired at a cost of approximately $65,000 for the American firm compared to the $100,000 for hiring an American.

The added tax costs raise significantly the cost of operating a business overseas. Yet, if Americans expect to be successful in promoting exports, it is imperative that there be a strong, vigorous American presence overseas promoting American products. As we restrict the presence of American businessmen overseas, we unilaterally create disadvantages for our international trading position.

The United States is the only major trading nation in the world to tax the income of its businessmen abroad. We are the only major trading nation to tax schooling and housing allowances or incentive bonuses and cost-of-living allowances. With the high cost of serving overseas, it should come as no surprise that the number of American businessmen serving overseas is shrinking at the very time their presence is most needed to help combat our trade deficits.

I urge my colleagues to seriously reconsider the effectiveness of sections 911 and 913 of our Tax Code and support action to repeal them. The health of our domestic economy and our international trading position depends on it.

Mr. ARCHER. I thank the gentleman from California for his excellent comments, and I would add another example.

In all of this, it is important to remember that as high as the cost of living has reached here at home, costs of overseas are staggering by comparison. For example, a home that might rent here for $7,000 a year can easily rent for well over $50,000 a year in Saudi Arabia.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. ARCHER. I will be happy to yield to my friend from Minnesota.

Mr. FRENZEL. Mr. Speaker, I thank the distinguished gentleman for having this time, this special order, and for his leadership on the whole problem of export enlargement and of the 911 area. The gentleman has detailed some of the awful history of 911 taxation. In 1976, in an excess of zeal for reform, we loused up the Tax Code with respect to section 911 and section 913. We made some improvements in 1978. They were minuscule, and obviously sweeping improvements such as the gentleman from Texas has suggested in his H.R. 911 are needed for this year.

As the distinguished gentleman from Texas knows, I am an unreconstructed believer in having American salesmen abroad, selling American products; for that reason, I look on his solution as gradualism, and I do support instead a complete exemption of all income earned abroad from taxation.

I am, however, I hope, sometimes a practical man, and I understand that the solution that the gentleman from Texas has suggested, along with his distinguished colleague, Mr. PICKLE, may be a more convenient and more political solution for this body to adopt than my own style. But, I would like to invite the attention of this body to an article in the Wall Street Journal today which suggested the increasing difficulty American firms are having keeping Americans abroad. It is now estimated that it costs from three to four times more to put a person abroad than it does to hire or to keep a person in employment in the United States.

And so, increasingly we find American firms hiring British and Swiss and Italians and Japanese, and fewer Americans, to conduct their business abroad. It simply means less American sales because they know American products less well and they do not tend to order them automatically and to specify them in subcontracts or supplies ordering as Americans might do.

And so, it seems to me that if we are serious about expanding our exports; if we are trying to cover our enormously increased oil imports and to prevent just a terrible imbalance in trade, we are going to have to do first a reduction of the 911 taxes.

I also want to congratulate the gentleman from Texas on the two other elements of his bill; that is, the 11-month feature rather than the current 18 months, and on the housing feature. As I recall, the gentleman's bill eliminates the other exemptions under 913, and simply concentrates on the housing feature.

Mr. ARCHER. That is correct.

Mr. FRENZEL. In my judgment, that is meritorious. It simplifies the code.

Mr. Speaker, if you could see the amount of data that is necessary to put together for a 911 filing, not only can you not read it or understand it, you can barely lift it. It is a pile of papers about an inch thick, and the Archer-Pickle alternative would eliminate that, or at lest would reduce it to a very simple filing.

Mr. Speaker, again I say that while I support total exemption for earned income by Americans resident abroad as a way to put the Yankee peddler to work selling Yankee products again, I must congratulate the gentleman from Texas for his ideas and hope that one or the other of us will be successful.

Mr. Speaker, several times over the past years I have risen to explain to my colleagues the need to revise the tax treatment of U.S. citizens living and working abroad. I have pointed out that the 1976 Foreign Earned Income Act forced U.S. businesses to bring their employees home, and resulted in a dramatic decline in the U.S. share of the trade in many parts of the world, most notably the Middle East.

I have also noted that, while the changes in the tax laws pertaining to overseas Americans in 1978 helped a little, they did not go nearly far enough to put American workers on an equal footing with their counterparts from other major trading countries, none of which tax the overseas earnings of their citizens. Fortunately, it now appears that my colleagues are beginning to understand the need to change the tax treatment of U.S. citizens living and working abroad.

During the past month, several bills have been introduced in both the House and the Senate which would liberalize the income tax treatment of the earned income of Americans living and working outside of the United States. These bills include five which have been introduced by Ways and Means Committee members.

However, while all of these bills contain the necessary increase in the amount of foreign earned income excluded from taxation, only two of the bills, including H.R. 913 which I introduced, take the necessary step of excluding all foreign earned income from taxation, providing U.S. citizens abroad with the same tax treatment as their counterparts from all other major trading countries. Only complete repeal will make us competitive.

In the view of the need to increase the U.S. share of the export market in order to counter the increasing costs of imports, especially energy and other natural resources, it is important that the United States not put its front line trade representatives, the employees of major U.S. trading companies, at a competitive disadvantage with individuals from other competing trading countries. But, because the United States is the only major trading country to tax the earned income of its citizens who live and work abroad we do give our people a disadvantage.

In addition, the revenue loss to the Treasury does not significantly increase if the income exclusion is raised from $75,000, which is being proposed by some of my colleagues, to a total exclusion, as my bill proposes. Using the Treasury's estimates, a total exclusion would only increase the revenue loss to the Treasury by $100 million. And these figures do not take into account the positive impact on trade that a total exclusion would have. It has been estimated that a total exclusion of all earned income from taxation would result in a large increase in the amount of U.S. exports, which would provide the Treasury with several billion dollars in increased revenues.

In this case halfway measures and compromises will not work. This is not a matter of equity. It is purely and simply a matter of competitiveness. If we want Americans selling abroad, and I say we do, we need to make their tax status competitive. It now appears that the climate is right for a general revision of the tax laws pertaining to overseas Americans. Let us do the job right the first time, and provide a total exclusion of all foreign earned income from taxation, helping to remove one of the many barriers the Federal Government has placed to U.S. trade abroad.

Mr. ARCHER. Mr. Speaker, I thank the gentleman for his comments, and I would take this moment to congratulate my friend from Minnesota for the great leadership that he has given in this entire area, plus the leadership that he has given in general on the Trade Subcommittee, and his outstanding interest in limiting and reducing the barriers to the development of trade for the products of this country.

We must also note that overseas salaries which seem high in comparison to salaries here at home are often illusionary. For example, one married American with an actual salary of $40,000 living in Hong Kong recently faced a U.S. tax bill of $31,238 because of present law. That is hardly an incentive to stay over there representing U.S. interests.

U.S. companies are often forced by competition on contracts to employ non-Americans. One company, for example, learned that because of U.S. tax law, it would have to pay an American in middle management $62,500 for that person to take home $27,480. The firm could hire a West German for only $36,700 while providing him with $29,244 after adjusting for certain cost-of-living and exchange-rate variables only. That is quite a disincentive to hire the American.

As another example of how our tax law makes competition difficult, if a U.S. firm wanted to hire 100 Americans at a real salary of $30,000 each for a project in Saudi Arabia, the price of tax equalization for those employees would amount to more than $3.5 million—in many cases a prohibitive competitive disadvantage.

In this brief time, we have attempted to illustrate for the Congress the compelling need to act quickly on removing this massive barrier to U.S. overseas trade.

The strong, bipartisan consensus that clearly exists already in the Congress indicates to me that it is an issue which we cannot postpone any longer. Our domestic economy demands that we bring to a rapid halt the shrinking of overseas markets for products and services which mean so much to employment here at home. It is an issue on which the Congress and the administration can readily agree. We must not lose the momentum which now exists to provide an immediate shot of adrenalin to our economy by providing equitable tax treatment to our citizens willing to work abroad—often in harsh economic and environmental conditions—to increase markets for our goods and services.

● Mr. PICKLE. Mr. Speaker, our Nation has accumulated deficits in its trade accounts of some $150 billion over the past 4 years. I am concerned about this, as all of us should be. We are going to have to make some fundamental changes in our economic policy. At the same time, we must eliminate obstacles that restrain our ability to export. One of these obstacles is our tax treatment of Americans who live and work overseas. The United States is the only major trading Nation to tax the income of its businessmen overseas, to tax schooling and housing allowances as income and to tax incentive bonuses. Because of this policy, our Americans are abandoning the foreign markets and returning home. We must reverse this trend and increase our presence in overseas markets if we are to increase American exports.

Other countries pull together with their private sector and their labor movement in the search for exports.

Most do not tax their citizens on their worldwide income.

We must put Americans on the same footing as citizens from all of the competing industrial nations. We need our people overseas to represent our concerns. Their activity increases our viability as an exporting nation. More exports mean more jobs at home, a stronger economy and a stronger dollar.

I am supporting legislation that will change the Internal Revenue Code to insure that Americans working overseas receive tax treatment generally no less favorable than that accorded to our competitors.

If we are to bolster domestic policy, become a top competitor for world markets and diminish our trade deficit, then we must make the changes to keep our workers overseas.

I urge all my colleagues to support this effort.●

Mr. SHANNON. Mr. Speaker, I rise to state my support for substantial reductions in the tax disincentive we place on the Americans who live abroad, competing for a U.S. share in foreign markets. I commend the gentlemen from Texas (Mr. PICKLE and Mr. ARCHER) for their effective leadership on this issue.

The taxation of American citizens who live and work overseas is a difficult issue which Congress has attempted to resolve for a great many years. We have endeavored to frame tax legislation which would encourage Americans to work abroad and, thereby, to increase our share of foreign markets, but which would not, at the same time, create opportunities for tax avoidance by Americans overseas.

We must permit American companies operating in foreign countries to use American personnel in their efforts to sell American-made products. This will obviously increase the amount of goods and services we export, and can help create jobs for Americans here. We cannot compete effectively if we remain the only industrialized nation which relies on foreign intermediaries to sell our products because our own citizens are discouraged by punitive tax policy from living and working abroad.

We must, however, reach an appropriate compromise between total taxation and total exemption. There are those who argue for the complete exclusion from U.S. taxes of the income of all Americans who live and work overseas. I cannot support a proposal which would provide movie stars, high-paid corporate executives, and certain writers and artists all the benefits of American citizenship and, at the same time, would allow them to avoid paying U.S. income taxes.

The gentlemen from Texas have considered the merits of arguments on each side of the issue, and have come up with a workable compromise. They propose to exempt substantial amounts of income from taxation, and to address, specifically, the problems of high housing costs for Americans abroad. In addition, they would put a cap on the proposed tax exemption so that it will not provide unwarranted tax relief and encourage abuse.

The President did not include recommendations on this issue in his address last week, but Secretary Baldrige of the Department of Commerce in his testimony before the Joint Economic Committee, spoke of the need for action, and I would hope President Reagan will recognize the merits of this compromise legislation. Bipartisan consensus in Congress has been achieved on this bill; we ask for an affirmative reading by the President.

In recognition of the necessity to increase the U.S. share of foreign markets, and to increase sales of American-made goods overseas, I wholeheartedly support H.R. 911, the Pickle-Archer bill.

● Mr. BEREUTER. Mr. Speaker, I would like to thank Mr. ARCHER for his efforts to bring this matter to the attention of this body.

Rather than make comments myself, I prefer simply to share with you a letter I received just yesterday regarding this very matter. My constituent, Mr. Gerald Rush, explains clearly the justifications for changing our present laws. As an accountant with the Omaha-based Leo A. Daly Planning/Architecture/Engineering Co. who is now working in Saudi Arabia, Mr. Rush knows firsthand the problems and the disincentives posed by our current tax laws to individuals working abroad.

The letter follows:

DEAR REPRESENTATIVE: I would like to drop you a note to express my concern about the taxation of U.S. citizens abroad. So here goes—

I won't bother you with details of which I am sure you are aware (i.e. the hardship of working in Saudi Arabia, lack of services available to us over here from our government, non-taxed status of every other nationality except U.S. citizens, our losing out in the foreign market due to inability to compete, balance of trade, etc.). But I will tell you how this unfair tax situation is affecting a Nebraska corporation's people working in the foreign field.

Of the last forty architects and engineers either over here in Riyadh or soon to arrive, only six are U.S. citizens. Obviously, we would rather have Americans working for us—not only are they better qualified but they would be more company-oriented (perhaps staying with Leo A. Daly more than two years or so).

But Americans are unwilling to accept the challenge of foreign assignment when they would not make anything extra for it. Why put up with the heat, dust, society, etc., and possibly lose money! To make matters worse—foreigners are knocking at the doors to take advantage of the tax breaks their governments offer to induce people to work the foreign market.

Sir, this is a particularly sad situation when you consider the fine young Nebraska architects and engineers without a chance for a good job when they hit the job market. The work we generate in Saudi Arabia generates about forty professional type jobs per person working over here. The number of secondary jobs generated is probably three or four times this number.

All of the money we Americans make over here goes back into the U.S. economy—house payments, taxes, tuition, etc. So when we lose out in a particular position over here—that money goes to France, Germany, Japan or Korea.

I want to now stress that this is critically important—today. I really don't see how U.S. companies can compete over here much longer with the lack of support and outright hinderances presented by our government.

I sincerely hope you will give this your attention.

Sincerely,

GERALD V. RUSH.●

● Mr. AUCOIN. Mr. Speaker, I am pleased to join my colleagues today in voicing support for H.R. 911, which will reform our tax laws for Americans working overseas. More than this, however, it will help in its own way to reverse the downward slide of American international trade performance over the past decade and boost the sale of American goods and services abroad. That is why similar provisions to those of H.R. 911 have been included in the National Export Policy Act which I and other Members in the House will reintroduce shortly in conjunction with Senator ROTH and the Senate Export Caucus.

There is no doubt that this legislation is needed. Since our tax laws were changed for Americans working overseas, we have seen their individual tax liability increase as the total number of U.S. employees abroad has plummeted—a situation which has not only aggravated our trade deficit, but promises grave consequences over the long term.

We have seen during our dialog today the impact of present tax law on the individual American working abroad. In one company, for example, an American working in middle management would have to be paid $62,500 in order to receive a take home pay of $27,480. Better than half of the income paid out in taxes. This contrasts markedly with a West German who would have to receive a salary of only $36,700 to provide take home pay of $29,244, a savings to the company of $25,800. And then there is the incredible story of the unmarried American working in Saudi Arabia with a base salary of $30,000 who could be liable for U.S. taxes of $35,444.

For the individual worker, such a system of taxation is burdensome to say the least. But for the company that seeks to employ Americans, it is devastating. No wonder we have seen over the past 4 years a 359-percent increase in the number of expatriates from other countries working in the international marketplace. No wonder we have seen the total number of

American workers abroad decline by more than 38 percent between 1979 and 1980. No wonder American employees abroad are now only 60 percent of the total expatriate workers, down from 73 percent just 4 years ago. Clearly, any company that seeks to employ Americans abroad is at a competitive disadvantage.

But the real impact will be felt here at home. In one instance reported recently, the manager of an overseas manufacturing firm noted that the quantity of machinery and other materials imported from the United States dropped between 60 and 70 percent when local employees replaced the sole American in the firm. In another case, a design and building firm reported that 70 percent of its materials were of U.S. origin in 1977. But now only 20 percent is acquired from the United States as a result of fewer Americans working on overseas projects. These lost export sales mean lost profits and lost jobs—not just for Americans abroad but here at home.

Some will argue that American export performance compared to some of our competitors such as France or Germany is improving. But I would remind my colleagues that last year we again experienced a huge trade deficit exceeding $30 billion. The time to move to reverse this trend is now and one important step is the reform of section 911 of the Internal Revenue Code.

American presence means American sales. By increasing the presence of Americans overseas, we can help improve the demand for American goods and services. I urge my colleagues to support this important reform.●

● Mr. SCHULZE. Mr. Speaker, it is a time when the United States is facing aggressive competition from many foreign industrial nations; it is a time when we have substantial unused industrial capacity and attendant unemployment; and, Mr. Speaker, it is a time when the United States is taxing the best salesmen for its technology and products right out of the markets that we, as a nation, must penetrate to retain our status as a leader among the advanced industrial nations of the world.

Our tax laws, unlike most, tax our citizens on all income, wherever earned. Recent changes in our rules taxing expatriate Americans on their foreign-earned income have created a complex set of deductions and special status rules that seek to address the problems of Americans working overseas. However, these rules have not corrected the problem: Our heavily progressive rate structure creates a disincentive to Americans who are, or could be, working in nations that have a need for products we have developed and could sell. Normally high compensation reflecting the high cost of living that characterizes most overseas corporate locations forces a high proportion of income to be taxed at the highest tax rates, greatly reducing the real disposable family income. Frequently an engineer or adviser working for a foreign government or firm finds it to his economic advantage to return home to a lower salary, rather than pay out excessive taxes on illusory receipts.

Without Americans overseas selling—through their specification or recommendation—the American products they are familiar with, our market shares will continue to shrink. We must rethink our national policy toward the Americans who are on the front lines of what some have described as economic warfare.

I have introduced legislation which corrects this problem: H.R. 1924 excludes from U.S. taxable income all foreign earned income. Correspondingly, the foreign tax credit is unavailable to the extent that it reflects income excluded from U.S. taxation. Estimates of revenue impact from this proposal conclude that rather than being a continuing revenue loss to the Treasury, there will be a revenue gain in the near and long term because increased demand for U.S. goods and services will increase our gross national product, thereby enlarging the tax base.

I urge my colleagues to consider this proposal. It is clear that we cannot continue to allow our talented and patriotic sales force overseas to dwindle as we have in recent years.●

● Mr. BAFALIS. Mr. Speaker, a peril threatens our national economy, looming perversely over an estimated 10 million American jobs.

Those affected are workers alined directly and indirectly with exports of goods and services from this country.

Existing national policies discourage—even penalize—work and trade abroad by strangling our efforts to compete overseas; our presence in foreign markets lies trapped in a snare of contradictory laws and regulations.

At the root of the dilemma are current U.S. income taxes imposed on Americans employed abroad.

It is one of the export taxes inflating costs of American goods and services, spiraling costs higher, rendering America competitively second rate.

Our share of world markets stood at almost 24 percent in early 1970. That share now stands at less than 14 percent and is fast declining. Moreover, in just under 4 years, U.S. trade deficits climbed to over $100 billion. Clearly, not only have we failed to create foreign markets for our exports and services, but we have courted policies which discourage future formation of export markets.

It is not a healthy policy for a robust, productive economy. Rather, our national policy must encourage substantial increases in America's foreign markets.

To accomplish this, we first must tackle the problem of overburdening taxation on Americans working in those much-needed foreign markets.

Present U.S. income tax policies actually can sentence the American worker abroad to pay more in taxes than the amount of his entire base salary.

When asked if this can possibly be true, the Internal Revenue Service admits grudgingly: It is an accurate possibility.

Here is how it can occur: The overseas worker is paid over and above his base salary for various expenses. These cost differential allowances rocket our American foreign employee into a higher tax bracket.

While not taxed on all of the various allowances, and while permitted legal deductions, workers are taxed on enough allowances so that income taxes actually may exceed base salaries.

Ironically, some cost differential allowances are restitution for expenses incurred that may not actually contribute to the employee's income. Nonetheless, the IRS considers those funds as taxable compensation.

American workers abroad, because of these tax policies, therefore, must be paid a higher base wage than comparable foreign workers who pay fewer taxes. For example, an American foreign worker has to earn $62,500 to take home $27,480 after taxes. A West German hired in place of the American would have to receive only $36,700 to take home $29,244.

As a result, many U.S. companies do not hire Americans, preferring to save money by hiring foreign workers. Other countries do not tax incomes earned by their citizens employed in foreign markets; only Americans are taxed on incomes earned abroad.

Substantiating these findings are those revealed recently by Chase Econometrics.

The Chase figures show employment of Americans overseas during the past year was reduced by almost 10 percent. That lower employment figure resulted in a 5-percent drop in exports, which, in turn, resulted in a loss to the Federal Treasury of about $6 billion in tax revenues.

The explanation for such cause-effect relationships is simple: American exports link directly to Americans working in foreign markets.

Whatever their jobs, Americans overseas, directly or indirectly, create demand that paves the way for American goods and services abroad.

There is a rule of thumb, according to Chase—for each 1 percent reduction in American presence abroad, a loss of one-half percent in U.S. exports results.

Another startling fact revealed by the Chase study, is any reduction in numbers of U.S. workers overseas reduces competition of U.S. goods and services abroad, resulting in an export slump that contributes to U.S. unemployment in this country. This is because returning overseas Americans enter the domestic labor force, decreasing available jobs.

Obviously, tax policies which inhibit American exports and abate employment of American workers overseas muddle a most delicate economic balance.

For the well-being of the present and future economy of this great Nation, we must see changes made in those policies that will benefit—not hinder—American business.

That once proud slogan, "Made in the U.S.A.," must retrieve its birthright in the sphere of world economics.●

● Mr. COLLINS of Texas. Mr. Speaker, America, instead of allowing its citizens to prosper, has increasingly placed tax burdens and disincentives on all Americans. In particular, Americans who work abroad are victims of inequitable tax burdens created by changes in the Tax Code of 1976.

These changes, have placed the United States in a precarious posture in foreign markets. Individual investment and U.S. foreign trade and development have been stymied. Since 1976, U.S. exports have declined and U.S. companies have slipped from their ability to compete for foreign contracts. Also, because of the increased tax burden, U.S. companies can no longer support U.S. citizens overseas, and as a result, foreign nationals now fill their positions.

It is interesting to note, that the United States taxes persons based on their citizenship rather than their country of residence. This policy is unlike that of all other industrialized nations. Because of this, U.S. citizens are taxed on their income earned abroad, while most foreign nationals are not. Likewise, the United States taxes the worldwide income of its corporations which is again, unlike most major nations. These situations create an imbalance in our foreign trade and ultimately effect our domestic economic condition.

Is this healthy for America? I think, not. The damaging effect has already begun to appear, and can only get worse. We must think about the continued, long-term damaging effect these tax burdens will have on our foreign trade and put a stop to them now. At a time when America is experiencing a new beginning, we must see her begin to prosper again abroad, as well as at home.●

□ 1345

ALTERNATIVE ECONOMIC AND BUDGET PLANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 60 minutes.

GENERAL LEAVE

Mr. CONYERS. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks, and, further, that all Members may have 5 legislative days to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CONYERS. Mr. Speaker, this special order on the administration's economic and budget plans was called to fill a gaping hole in public debate.

There has been remarkedly little critical examination and discussion of the administration's proposals, its underlying assumptions, the desirability of the proposed shifts to so-called free-market solutions for problems ranging from energy conservation to funding of the arts to distressed industries and cities, and of the human and social impact of the changes being advanced.

A powerful crowd psychology seems to be sweeping Washington these days, including its political institutions as well as the communications establishment. We are being asked to rubber-stamp a profound reordering of Federal priorities, roles, and responsibilities that have been built up over three decades. All this is being proposed in the name of economic problem solving.

There are real and serious questions about the ability of the administration's proposals to solve the very problems they claim to intend to solve.

One of the leaders of the neoconservative movement that spawned the Reagan program, Mr. Irving Kristol, wrote recently in the Wall Street Journal:

> The interactions (in the Reagan program) are so subtle, the feedbacks so complex, that we do not have any econometric model capable of handling them.

Translated into layman's language, Mr. Kristol is telling us that nobody in the administration really knows what the effects of the plan will be. To some it appears that we are witnessing the end product of 20 years of work on the part of a band of conservative ideological crusaders bent on dismantling domestic programs, halting Federal action on the economy, curbing the Government, who are masquerading as problem solvers but who are in fact opponents of any Government action furthering equal opportunity, income redistribution, economic development, and social justice.

I think we who are in the opposition are being hoodwinked about the claims of what the program will accomplish and also what the American people really want done.

For example, according to every recent public opinion poll, the majority of Americans believe price controls would work more effectively to bring down inflation than any other measure. The public also wants to maintain child nutrition programs and opposes cuts in the Federal job training and employment programs. The public certainly does not want the credit squeeze and tight money policy that exists and that the administration wishes to perpetrate.

The problem is that in the absence of alternatives we are contributing to the self-fulfilling prophesy of the public demanding enactment of the Reagan program lock, stock, and barrel because the public has no alternative before it, or hears no opposition to it. And so I conceive our responsibility is to do something about it.

If we fail to defend the programs we believe in and provide reasonable and workable alternatives, then nothing truly will be left but to go along with the administration's program.

Because it is so important that we begin to talk not only in terms of what is wrong but what should be the alternatives, I would like to sketch out a number of the considerations that I hope will enter more fully into the dialog of this session of Congress.

First, economic controls on profits, interest rates, energy prices, and wage adjustments so that workers are not overpenalized in their legitimate desire to catch up to the cost of living. This would provide the breathing space and the cooling off period to create the plans that are needed to bring inflation down, raise productivity, and reorient consumption and investment. I consider it the only decent alternative to credit squeezes and arbitrary budget cuts.

Second, for your consideration, is credit control and allocation. The President already has the authority under the Credit Control Act of 1969 to direct the Fed to control and allocate credit so that the worst off industries and areas obtain what they need while nonessential and speculative borrowers are forced to pay higher interest rates. Credit allocation works effectively in European nations, where the targeting of credit to persons, places, and economic sectors in the greatest need is considered sensible public policy.

Third, the creation of specialized regional and national development banks to make available investment capital to economically distressed areas. In the same vein, the National Consumer Cooperative Bank, which the administration wants to dismantle, ought to be given our full support.

Fourth, the reimposition of price controls on oil and continued controls on natural gas. American consumers should not be subject to the whims of foreign producers who can price their oil at any level they wish in the absence of normal market constraints, nor should they be the victims of our own domestic oil corporations who would raise oil prices arbitrarily. Oil company profits rose 30 percent in 1980 over the previous year, and the 20 largest corporations in that industry reported profits in excess of $29 billion. The oil industry alone accounts for 40 percent of all the profits earned by U.S. manufacturing as a whole.

Fifth, the creation of a Federal oil imports agency that would be responsible for the purchase and sale of all foreign oil used in the United States. This is not a brandnew idea, but it is new in this country. It would establish for American consumers a countervailing market power in relation to the OPEC cartel that could bring oil prices down. The agency would be a passthrough, with no profit aims, and would supply oil on the open market to all American refiners and marketers. In any case, we should get the oil companies out of the business of imported oil since all their incentives are on the side of keeping world prices as well as domestic prices high.

Sixth, serious cuts and savings in the Defense Department programs, particularly the weapons programs. Not only is there considerable waste, noncompetitive bidding, uncontrollable cost overruns in defense contracts, but there are immense programs on the drawing board that are of questionable national security value, chief among them the MX missile system which, if cut, would save taxpayers tens of billions of dollars, maybe hundreds of billions of dollars. We should seriously explore the conversion of defense industries to peacetime activities.

Seventh, serious tax reform to make the tax code more intelligible and more equitable, including ways to finance social security under general revenue so as to reduce the enormous and growing burden of payroll taxes.

Eighth, the Federal Government should in my judgment encourage greater worker involvement in management and business decisionmaking, including representation on the boards of directors. As you know, Chrysler Corp. now has a member of the union on the board, and we think that this practice should be extended not only to the rest of the auto industry but throughout all American industry. This is standard practice in West Germany, France, and Sweden, where workers have a vital stake in the companies that they work for and are not denied any of the rights of participation. From a business standpoint it makes good sense to create incentives for workers to identify their interests with their firms. We need a dose of economic democracy in the workplace for the sake of productivity, innovation, efficiency, and economic growth.

Finally, let us implement at last the Full Employment and Balanced Growth Act. It contains the framework for economic planning that is needed to lead us back to full employment, price stability, and balanced growth.

So, Mr. Speaker, let me say to my colleagues that I propose that we begin to extend the debate not just on what is wrong with the Reagan economic program, that proposes to cut, slash, reduce, or merge 63 domestic programs, but to workable and decent alternative programs. I feel it is important that we move forward in that spirit of examining new alternatives, and try to reach some honest understandings about what really is needed to solve the Nation's problems.

Mr. CONYERS. Mr. Speaker, this special order on the Reagan administration's economic and budget plans was called to fill a gaping hole in public debate. There has been remarkably little critical examination and discussion of the administration's proposals, the underlying assumptions, the desirability of the proposed shift to free-market solutions for problems ranging from energy conservation and funding for the arts to distressed industries and cities, and of the human and social impact of the changes being considered.

If we have learned anything about economics during the past decade, it is that no single group, least of all professional economists, have a lock on the truth. Yet we face today a very determined band of conservative economists and policymakers in the White House—some might call them economic theologians, who trade in belief rather than proof—who are asking Congress to ratify sweeping changes in Federal policy without offering in return the hard economic and impact analysis that is needed to consider their proposals.

The Reagan administration's game plan represents far more than just a series of piecemeal budget cuts. It signifies a major reordering of Federal priorities, roles, and responsibilities, built up over the last three decades. As one example, the President proposes to consolidate health, education, and social service programs into a few block grants, while cutting aggregate funds in each area by about one-quarter. Under this plan, States and localities will have complete discretion to decide which program will receive funds and for what.

In the education field, it could mean that the claims of a disadvantaged child for funds will be set against the claims of adult or vocational education or even library support. Without Federal standards, political weight can prove decisive in the fight over block grant funds. Is this the concept Congress had in the historic battle against poverty and unequal opportunity?

The Reagan proposals also contain the seeds of a fundamental shift in the composition of Federal revenues. Already, during the past few decades the corporate share of the Federal tax burden has declined dramatically, while individual taxes have risen. Now under the Reagan proposal to cut business taxes through accelerated depreciation, business taxes could be cut by more than half of what they are presently. Yet there are no contemplated cuts in payroll taxes on individuals that in many cases already exceed the burden of income taxes. It should be clear by now that the administration's intention to cut taxes by 30 percent will impose on Congress the deepening burden to make even further domestic program cuts in future years, as the individual tax load grows ever more intolerable.

In the last several days I have talked to a number of economists, who have raised serious questions about the absence of hard economic analysis, the reliability of the administration's projections, the defensibility of its assumptions about how individuals and firms behave, and the chances that the new plan will seriously address inflation and stagnation.

Chairman FERNAND ST GERMAIN of the Banking Committee commented last week about the Reagan plan:

> I am fearful that this endless string of numbers (from OMB) is the product of a computer gone wild, bent on reaching some preconceived idea of a multibillion-dollar total without concern about needs or efficiencies.

He put his finger on a basic aspect of the approach: It is long on rhetoric and symbols that appeal to public discontents, and short on economic and impact analysis. Yet in the face of profound changes in Federal policy—in the very definition of what the Federal Government means to people—we are being asked to put out questions and doubts aside, and just have faith in the judgment of the orchestrators.

One of the leaders of the neoconservative movement that spawned the Reagan program, Irving Kristol, writing in the Wall Street Journal recently, observed:

> The interactions are so subtle, the feedbacks so complex, that we do not have any econometric model capable of handling them.

Translated into layman's language, Mr. Kristol is telling us that nobody in the administration really knows what the effects of its plans will be.

It almost appears as if we are witnessing the end-product of a band of ideological crusaders in high places in the White House, bent on dismantling

social programs, halting Federal action in the economy, curbing big Government, who are masquerading as economic problem-solvers. Their attacks on the Federal Government have been central to their politics for decades, irrespective of whether or not it makes sense in economic terms.

QUESTIONS ABOUT THE REAGAN ECONOMIC PLAN

Several questions come to mind about the administration's budget and fiscal policy proposals and what they intend as their goals. We had better look at these carefully.

INFLATION

The administration claims that major cuts in domestic Federal spending will bring down the inflation rate because Federal spending is the single greatest inflationary factor.

How does the administration respond to the findings of the Congressional Budget Office, and other outside analysts, that concluded last year a $20 billion budget cut by itself, within the context of a $3 trillion economy, would have only a negligible impact on the inflation rate, at most, one-half of 1 percent?

How else does the administration square its proposed boosts in defense spending—an additional $26 billion in obligations in fiscal year 1982, and an additional $170 billion, at a minimum, over the next 5 years—with its overall effort to reduce deficits and inflation? We know by now, from past history, that defense spending more than other programs has a built-in inflationary bias as a result of cost-overruns, supply bottlenecks, and widespread waste and abuse.

What are the specific anti-inflation measures the administration is advancing, that address the real inflation sources such as uncontrolled world and domestic oil prices, rising food prices, and the galloping cost of virtually every good and service as a result of the high interest rate costs that businesses pass along to consumers? Since most of the underlying inflation occurs in the basic necessities such as energy, food, health care, and housing, how does the administration expect to grapple with it in the absence of specific programs targeted to these areas?

How in the world will a 10-percent across-the-board tax cut in each of the next 3 years contribute to lowering inflation? As the economist Lester Thurow aptly points out—based on the effect of the Kennedy tax cuts in the 1960's, there is very little evidence that such a tax cut will raise the savings rate for investment sufficiently to offset its stimulus to consumption that can only add to inflation. Based on past history, Thurow finds that for any $100 in tax cuts, Americans typically will save $7 of it and spend the other $93.

The tax cut proposal typifies a more general problem in the administration's proposals. Nothing proposed is at all targeted to particular groups, geographical areas, or even problem-areas. The approach throughout is indiscriminate, across the board, scatter gun, as if the problems of the economy are of one stripe, and amendable to one general solution.

ENERGY INFLATION

The administration's decontrol of domestic oil has made American consumers totally dependent on the pricing whims of the OPEC producers since domestic prices now are pegged to world prices. The oil companies, it should be clear by now, lack any incentives to negotiate lower prices, which can only depress the value of the domestic reserves they own. The Carter administration's gradual decontrol policy, according to a study of the Oversight and Investigations Subcommittee last year, added 3 to 5 percentage points to the inflation rate. The removal of all controls last month undoubtedly will raise the inflation rate further.

On top of oil decontrol, the administration is bent on the complete decontrol of natural gas prices. A recent study by Energy Action, released last week, concludes that natural gas decontrol would cost the Nation between $370 and $620 billion over the next 5 years and, naturally, add substantially to inflation.

Given the continued dependence on foreign oil and the inflationary impact of oil and gas decontrol, how can the administration justify its proposals to cut out funding of energy alternatives such as solar energy, hydropower, alcohol fuels? Further, while there is broad agreement that energy conservation can produce enormous savings, how does the administration justify its proposals to eliminate conservation programs such as Federal standards governing thermostats in public buildings and the cuts in mass transit programs?

FEDERAL DEFICITS

The Reagan administration claims it will bring about a budget surplus by 1984—even though it already has recalculated upward its estimates of next year's deficit from the Carter target of $27.5 billion to the present aim of $45 billion. How does it propose to accomplish this without dramatically reducing the unemployment rate and at the same time raising additional revenue to close the budget gap?

Past economic history shows that recessions themselves are the major cause of budget deficits. For each additional 1 million unemployed persons beyond the so-called 5.1 percent full-employment benchmark, the Treasury has to pay out an additional $6 to $8 billion for income maintenance, that is, food stamps, unemployment compensation, public assistance, and so forth. At the same time each additional 1 percent increase in the jobless rate robs the Treasury of roughly $23 to $25 billion in revenues that economic activity generates. Recessions and high unemployment are, therefore, the major sources of Federal deficits.

OMB recently calculated that at the full-employment level, Federal outlays would drop more than $13 billion, while revenues would increase by approximately $60 billion. In other words, finding jobs for 2.5 million workers, now unemployed, would bring about the budget surplus the administration seeks, while leaving these workers idle and adding to their ranks can only produce more deficit spending.

Deficits also can be lowered by finding new revenue sources. The House Budget Committee calculated that tax expenditures—the total of Federal tax subsidies, loopholes, credits, and deferrals—will amount to more than $235 billion in fiscal year 1982, roughly one-third of Federal direct spending. Many of these subsidies and credits no longer serve the purposes they were created for years ago. For example, the oil-depletion allowance next year will eat up $1.5 billion in revenues. Yet the administration has chosen to maintain this subsidy, that makes no sense since oil prices are decontrolled, the industry has all the price incentives it needs, and oil profits apparently are unlimited.

There are all types of tax breaks that should now be reexamined, mostly benefiting upper-income groups and corporations without having any discernible broad public value. Yet instead of closing loopholes and reforming the tax code, the administration is proposing additional tax breaks. I suspect that once Congress completes its tax work, it will even exceed the tax breaks the administration proposes. How can the administration square this massive hemorrhaging of Federal revenues with its intention to balance the budget—unless, of course, it really is bent on scaling down domestic programs to unrecognizable proportions?

ECONOMIC REVITALIZATION

The supply siders in the administration, presumably, aim most of all to revitalize the economy and stimulate new economic activity. The administration expects GNP to grow at rates of more than 4 and 5 percent annually over the next several years, far higher than the economy has grown in the past several years. Legitimate questions can be raised, as CBO observed in January, whether these growth targets are at all realistic.

The nub of the problem, as the supply siders see it, is to raise dramatically the level of savings and investment that will pump badly needed investment capital into the economy. The average Japanese family saves 20 percent of its income, and the average German family now saves 14 percent.

The average American family saves, however, only 5.5 percent. So the administration proposes to cut marginal income tax rates and also business taxes. They assume that a tax cut will encourage everyone to save and invest. There is no hard evidence, however, that this will happen. Following the Kennedy tax cuts, the savings rate increased by only 1.5 percent.

How does the administration propose to boost savings and investment without any specific measures to raise the rate of return on personal savings for millions of ordinary citizens. How can a scattergun, across-the-boards tax cut boost productive investment in new plants and equipment, when the administration proposes tax cuts for speculative investment as well? A lower capital gains rate, for example, also will apply to speculative investment in antiques, Persian rugs, second or third homes, and a variety of other ventures that contribute little to economic revitalization and jobs. Since speculative investments usually pay off more quickly than productive ones, why should not investors take advantage of the Reagan tax program to divert funds from productive to nonproductive forms of investment?

If the administration really believes that a significant shift away from consumption must take place over the next several years, why is it not proposing real constraints on consumption? The economist Lester Thurow in recent testimony before the Joint Economic Committee observed that the Reagan supply siders were not really true supply siders, since they have failed to target their program to productive forms of investment.

Economic stimulus via tax cuts, most would agree, will take years to materialize in the form of new investment and capital. What does the administration propose to do in the next few years as the auto industry goes deeper in the red, plant closings in older industrial centers reach epidemic proportions, and whole communities and regions are torn apart by further economic dislocation?

The Carter administration in its closing months, at least, was moving to a concept of economic planning by industry and sector, and partnerships between labor, management, and Government. The Reagan administration alternative appears to be the free-enterprise model, in which strong firms and sectors will survive, while weaker ones, regardless of their importance to the economy, will go under. The Economic Development Administration will be terminated and economically depressed areas it served will have to find their own way back.

MONETARY POLICY

The Reagan administration, apparently, does not think the Federal Reserve Board has tightened the money supply enough, even though interest rates are at an all-time high, the small business sector is unable to borrow, and the housing and auto industries, to name a few credit-dependent sectors, have been devastated.

How does the administration square its supposedly fiscal stimulus plan of tax cuts and deregulation with its advocacy of more of the same, and even worse, monetarist policy?

If the administration really is concerned about curbing inflation and reviving the economy, how possibly can it wish to preserve a tight money policy that can only boost business costs and prices, undermine the inherent competitiveness of a healthy small business sector, and prevent the smallest, most innovative firms from financing new technologies that alone can lower costs and boost productivity?

BUDGET CUTS

The administration proposes in the first round to cut roughly $41.4 billion from the Federal budget. The vast majority of cuts—$34.8 billion—come out of a variety of human resource programs such as income maintenance, social insurance, housing, health care, education, job training, mass transit, and arts and humanities. Only $2.9 billion in savings comes out of the Defense Department, and this is overshadowed by the additional $26 billion in obligational authority the administration wants next year.

The administration defends these cuts because they ostensibly eliminate waste and inefficiency. Enough studies now exist that indicate dollar for dollar, there is an even greater amount of waste in the defense budget than in human resource programs.

The Corporation for Public Broadcasting, that has raised the cultural sights of many Americans, would be cut by $43 billion, while $79 million in subsidies to the tobacco industry are left untouched. So much for the rationality of the Reagan budget cuts, and the value system that underlies its program.

The administration wants to remove some 400,000 households from the food stamp program, to take one example of human resource cuts. It wishes to target funds only to the truly needy, and eliminate unneedy students, who now are eligible for stamps. Yet students account for only some 50,000 recipients out of nearly 22 million. Who are the other unneedy 350,000 households that the administration wants eliminated from the program?

Real benefits in major welfare programs such as AFDC and medicaid have declined significantly in the last several years as a result of inflation. For example, real AFDC benefits have declined by as much as 33 percent in a survey of 20 States, while real medicaid benefits have gone down as much as 47 percent. The Reagan cuts have to be considered in the context of a cumulative decline in program benefits. Or does not the administration think that the poor suffer as much from inflation as the rich?

While the administration professes to be serious about job creation and a shift away from welfare, the effect of its cuts will work in the very opposite direction. What does the administration propose to do with persons who are now employed, but who will lose their jobs or employability if the administration succeeds in eliminating CETA programs, UDAG and EDA public works programs, youth and adult conservation programs, and day care programs for working mothers? As the Washington Post editorialized recently, forcing persons out of jobs onto welfare rolls is "monstrous social and economic policy."

Moreover, if public job programs are eliminated, how will the administration absorb the additional welfare costs that will arise?

GOVERNMENT AS THE PROBLEM

Perhaps the most basic assumption behind the administration plan is that the Federal Government alone is at the root of our problems. Blaming the Government for virtually everything has been at the heart of the President's politics for two decades.

Is this realistic or justified? Since the Reagan administration does happen to sit on top of a Federal Government that is immensely complex, responsible for major roles in society, and on whom millions of individuals depend in their struggle to survive, does it make good policy sense to weaken further the Federal mission?

Are there not many actors to blame for the current state of affairs? Let us look at a few.

ITEM

A small American company invented the Betamax video tape system and tried to sell it to a large American corporation for production. The patent is American, but it was sold to Sony, the well-known Japanese company.

ITEM

The president of Sony in a recent Harvard speech laid the blame for America's economic distress squarely on the doorsteps of American corporations. He pointed out, for example, that American management has few of the incentives Japanese managers have to take the long view on investment, marketing, and production. American corporate leaders, he said, are too oriented to short-term profits and respectable ledger books because their own careers and financial interests encourage the shortrun perspective.

ITEM

Japanese students exceed American students in every category of scholastic achievement. College entrance exam scores of American students

have been falling for 15 years. Is this the result of too much investment, or too little?

ITEM

Japanese workers and workers in most Western European countries have positive incentives to produce because their fortunes are tied to the fortunes of the companies they work for. They also tend to have a voice in company management and decisionmaking. In the typical American company, on the other hand, hierarchy prevails, and workers are generally shut out of decisionmaking.

ITEM

The Federal Government has spent billions on cleaning up the air we breathe, cleaning up waters after oil spills, getting rid of toxic and hazardous substances in the ground and in the workplace. It also has spent billions to keep the passenger railroads running that private industry abandoned. So much for the voluntaristic and responsible spirit of American business that should have been doing these things on its own.

The Federal Government, of course, has accomplished a great many positive values. Because of Federal occupational health and safety regulations, occupational deaths in the mining industry went down from 1.5 per million in the late 1960's to 0.5 per million in 1980, and this was the result of Government action, not the voluntaristic efforts of the companies involved.

As a black American I can testify, without any ambiguity, that were it not for Federal action to remove barriers to equal opportunity and to enforce civil rights and constitutional laws, black Americans and other minority communities would still be marching on the road to freedom and still be encountering roadblocks.

ALTERNATIVES

Lest anyone think that what the Reagan administration is proposing for the economy and the Federal budget is the only thing workable, let me offer some alternatives, and make an observation.

A powerful crowd psychology is developing, and we are being asked to believe that the public stands foursquare behind all the administration's proposals. A majority of the public, according to numerous opinion polls, also wants price-and-wage controls. The public also is divided evenly over support for more urban assistance, and the great majority does not want any cuts in child nutrition programs, or funds cut from Federal job training programs.

We are in danger of being bamboozled into believing that the public mandate is loud and clear for immediate approval of all that the administration wants. This is not the case. Furthermore, if we in the opposition do not defend the programs we believe in, and recommend alternatives for citizens to consider, we then will be creating the self-fulfilling prophecy of the public demanding the Reagan program because it knows of no alternatives.

Because of time, I will only sketch some alternatives to the Reagan program, and elaborate on them at a later time.

First, economic controls on profits, interest rates, energy prices, and wage adjustments so that workers are not overpenalized in their legitimate desire to catch up to the cost of living. This would provide the breathing space and the cooling off period to make the plans that are needed to bring inflation down, raise productivity, and reorient consumption and investment. I consider it the only decent alternative to crippling credit squeezes and arbitrary budget cuts.

Second, credit control and allocation. The President has the authority under the Credit Control Act of 1969 to direct the Fed to control and allocate credit, so that the worst-off industries and areas obtain what they need, while nonessential and speculative borrowers are forced to pay the highest rates. Credit allocation works effectively in European nations, where the targeting of credit to persons, places, and economic sectors in greatest need is considered sensible public policy.

Third, creation of specialized regional and national development banks to make available investment capital to economically distressed areas. In the same vein, the National Consumer Cooperative Bank, which the Reagan administration seeks to dismantle, ought to be given our full support.

Fourth, reimposition of price controls on oil and continued controls on natural gas. American consumers should not be subject to the whims of foreign producers who can price their oil at any level they wish, in the absence of normal market constraints. Oil company profits rose 30 percent in 1980 over the previous year, and the 20 largest corporations reported profits in excess of $29 billion. The oil industry alone now accounts for 40 percent of all profits earned by U.S. manufacturing firms in 1980 as a whole.

Fifth, creation of a Federal oil imports agency that would be responsible for the purchase and sale of all foreign oil used in the United States. This would establish for American consumers a countervailing market power in relation to the OPEC cartel that could bring oil prices down. In any case, we should get the oil companies out of the business of imported oil since all their incentives are on the side of keeping world prices high.

Sixth, serious cuts and savings in Defense Department programs, particularly weapons programs. Not only is there considerable waste, noncompetitive bidding, uncontrollable cost overruns in Defense contracts, but there are immense programs on the drawing boards that of questionable security value, chief among the MX missile system that, if cut, would save taxpayers tens of billions of dollars. We should explore seriously conversion of defense industries.

Seventh, serious tax reform, to make the tax code more intelligible and more equitable, including ways to refinance social security so as to reduce the enormous and growing burden of payroll taxes.

Eighth, the Federal Government should encourage greater worker involvement in management and business decisionmaking, including representation on boards of directors. This already is standard practice in West Germany, France, and Sweden. Workers have a vital stake in the companies they work for, yet they are denied any rights of participation. From a business standpoint, it makes good sense to create incentives for workers to identify their interests with their firms. We need a dose of economic democracy in the workplace for the sake of productivity, innovation, efficiency, and economic growth.

Ninth, last but not least, let us finally implement the Full Employment and Balanced Growth Act of 1978, which is Federal law. The Carter administration, unfortunately, deferred its targets and timetables reducing unemployment. The law, tragically, has become a dead letter with the Reagan administration. Yet it contains the very framework for economic planning that is needed today to lead us back on the road to full employment, price stability, and balanced growth.

Mr. HAWKINS. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to my friend and colleague, the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Speaker, may I commend the gentleman from Michigan (Mr. CONYERS) for this very important special order. I believe that he has touched on the very heart of the problems that confront us today, and that he has not only dealt with the problems but, I think much more importantly, with concrete solutions.

A few days ago the President did indicate that if those of us who oppose the budget cuts did not have solutions, in effect we should be opposing the budget cuts. I think that challenge has certainly been answered by whether or not you would continue the feeding of arsenic to a sick patient, by whether or not you only have a solution or an alternative but also recommend the discontinuance of that which is wrong. I think that that is primarily the important message that seems to be lost, particularly in these Halls these days, because willy-nilly we see that otherwise courageous men and women,

knowing what is being advocated is wrong, are afraid to speak up.

I think that the gentleman from Michigan (Mr. CONYERS) is among those who have not only spoken out against what is wrong but also has, I think, well-designed programs to correct these injustices.

The problems that we spoke about during the campaign so beautifully a few months ago are still the problems that plague us today. Then we were led to believe that we should do something about inflation. Now inflation continues to rage at a 13-percent rate, and we hear practically nothing about it.

A few months ago we spoke about the 8 million unemployed persons among us, and we continue to have those 8 million unemployed and, added to their ranks, many hundreds of thousands since then. And before the end of the year it is pretty obvious, as we are now assuming, that we will have another 1 million persons who are going to be unemployed.

A few months ago we were talking about tax reduction as if all of us would get a piece of the action, as if we would all get some of those tax reductions, but now we are told that the tax reductions are primarily for those in the $100,000-and-over bracket, and that the common, ordinary people at the bottom of the pyramid are going to be asked to make the sacrifices. So, as for the burdensome taxes that we were led to believe we would be relieved of, we now understand that we are going to have to bear them much more than what we have in the past.

A few months ago the Republican platform indicated that it stood for full employment without inflation through economic growth, and that phrase has now been dropped and we are told that economic growth would only stimulate inflation. And so that great promise made to the American people has not been kept.

Yet we have one speaker after another say that the budget cutting, which now seems to be the centerpiece of a so-called new economic policy, is a new policy, and yet no one has been able to show how the budget cutting would help solve these severe economic problems. They run out of explanations as to whether or not it is going to help decrease inflation. They have run out of explanations as to a balanced budget. They have run out of explanations as to how budget cutting will help employ American wage earners, and now we are told that the budget cutting is not going to do any more than to impose some sort of a psychological impact on the American people. In other words, the budget cutters have become psychiatrists. They are going to solve the problem through trying to lull the American people into slumber.

I want to express again my great support for the program that the gentleman from Michigan (Mr. CONYERS) has outlined. It has been evidenced for a long time that by decreasing unemployment just 1 percentage point we would increase the revenues and provide savings of something in the neighborhood of $30 billion. It is a simple matter, therefore, to reason logically that if we could only reduce unemployment by 2 percentage points, we could thereby balance the budget and we could reduce inflation because we would be creating those goods and services in short supply.

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We would be providing more housing for the American people for the health care that they need. We would be providing something in the field of energy and transportation and so forth if we would but put the productive forces of America to work, its idle plants, its idle people. We could thereby bring about this tremendous change; but, unfortunately, the economists have become psychiatrists and those great leaders of a few months ago have suddenly gone back to playing their politics to give to their financial contributors a great windfall that they were not entitled to and certainly should not deserve during these days.

I want to again commend the gentleman for Michigan, to join with him in at least speaking out. Perhaps if his voice can be heard, there will be many others who will be inspired to do what he is doing in these Halls today and certainly we want to join with him in what I consider to be a tremendous message to the American people.

Mr. CONYERS. I thank my colleague, the gentleman from California. No one in this body is unaware that he is the author of the Full Employment and Balanced Growth Act, a measure designed to not only create jobs, but also deal with a myriad of other economic problems. I am grateful for his contribution in this debate.

Mr. Speaker, I yield now to my colleague, the gentleman from North Dakota (Mr. DORGAN).

Mr. DORGAN of North Dakota. I thank the gentleman very much. I, too, want to commend the gentleman for providing a forum for discussion on economic issues.

It seems to me that the proposals that have been pursued by the Reagan administration embody some good and some bad. I want to say, first, that I believe that there are excesses and extravagances and there is waste in the Federal budget. I want to join those who want to trim and prune where we should in the Federal budget. We want to find out what works and what does not and get rid of that which does not.

Reasonable people, I think, will disagree from time to time on what works and what does not work, but I think that in some areas President Reagan's proposals are bold and courageous. He is going in some directions on some programs that Democrats and Republicans in times past would not move on and I commend him on that; but I want to say that the economic recovery program will not promote economic recovery unless and until we deal with a couple other items. One is energy and the second is interest rates on monetary policy. About one-half of the inflation in this country comes from the burgeoning cost of energy. If we cut Government in half—if we eliminated half the cost of Government today—that would not reduce by 1 penny the cost of a barrel of oil; and so we have to have a meaningful energy policy, which means we have to produce more and we have to use less. We have to produce more of the right kind and, therefore, I am concerned about budget cuts for solar energy. I am concerned about budget cuts that take out loan authority for gasohol plants, and also when we use less it means a meaningful commitment to conservation programs in this country. I am concerned about the administration's lack of commitment to conservation.

Let me also say that monetary policy is something that has to be dealt with as part of an economic recovery program. High interest rates—20-percent interest rates—pursued by the current Federal Reserve Board do not cure inflation; they cause more inflation. If we had demand-full inflation of the 1950's, the 1960's type that we used to teach in basic economics courses, yes, high interest rates would dampen the demand for funds and, in fact, would be one part of a coordinated solution to deal with inflation; but the fact is that with today's economic patient, high interest rates do not cure inflation. They cause more inflation.

The Wall Street Journal in a recent article pointed out that the large corporations of America are still borrowing funds at about the same rate that they borrowed funds previously. They pay the higher interest rates and they pass them along in higher costs to their consumers.

It is the small business, it is the family farmer that not too many people understand are now on the brink of financial disaster. The increase in business failures in this country recently has been dramatic, particularly in the small business sector. Because of the burgeoning cost of energy and the increased cost of credit, there are far too many small businesses and family farms on the verge of financial disaster. We have to deal in a meaningful way with interest rate policy.

I think the best supply side economic theory would hold, if you believed in supply side economics, that low inter-

est rates fit in the supply side economic thought. Low interest rates do not mean that anyone who wants money gets money. It just means those who have a legitimate demand for credit get it at a reasonable cost.

I would like to say also with respect to tax policy, that having served as a State tax commissioner for 10 years in the State of North Dakota, that reasonable people disagree on what is tax reform. We have tax proposals before us that are called meaningful tax cuts when, in fact, they are illusory. The American people are not going to experience tax cuts. What we have in place is a highly elastic tax system that, without any action by any legislative body, increases dramatically because of inflation. The so-called tax cuts are simply an attempt to level out that curve, so tax cuts are not coming. It is an illusion. To the extent that they are trying to level out that curve that represents an unlegislated tax increase, those tax cuts, it seems to me, that they are talking about move in the wrong direction anyway. It is masquerading under a new title, but it is really the old trickle-down theory. I think Hubert Humphrey years ago talked about trickle down. He said:

> The trickle-down theory, that is where you give the horse some feed and you hope the sparrows have something to eat.

Well, the trickle-down theory does not make much sense to me. What we need is to give the people out there in this country—the middle income wage earner who in the decade of the 1970's has had a very real increase in their tax burden—some tax relief, because they spend that money and they create that consumer drive that makes this economic engine of ours function.

So I think when we talk about tax cuts, let us talk about real tax relief to the middle income wage earners of this country. Let us target tax relief to that part of our industrial sector that can use it best. Capital accumulation for the purpose of promoting silver speculation, the purchase of antiques, or the buying and selling of apartment houses between investors is not capital accumulation that is going to renew this economy.

I think what we need to do is look at all the data that has been made available in the last couple of years by recent research. It tells us, first, that the new jobs in this economy are created by small businesses. In the last 9 years, 67 percent of the new jobs in America have been created by business firms of 20 employees or less, according to a study by Professor Birch at MIT. It tells us the most innovative part of our industrial sector is the small business.

I maintain that if we want economic recovery in this country, first, we deal with our energy problem; second, we reduce interest rates; and third, we target tax cuts and the accumulation of capital that gives us the ability to invest in small businesses, which are the most productive part of this industrial sector of ours.

So I think what we should do is talk about tomorrow's strengths and not try and patch up yesterday's weaknesses. We have a strong economy that will work and an economic recovery program that includes energy, interest rate, and tax policies that make sense. I think it will put this Nation back on the road to economic recovery.

I thank the gentleman for allowing me the time to address that issue.

Mr. CONYERS. I welcome the expertise of my colleague from North Dakota that he brings with him from his previous role as State tax commissioner. It is refreshing to hear people talk about the need for the tax reform, rather than merely tax cuts. I think we have some systemic problems, as I listen to the analysis put forward by the gentleman from North Dakota.

I have always been troubled by the notion that inflation is the No. 1 problem with our economy, because I view inflation as a symptom of a much deeper malaise. Even high interest rates, as unconscionable and obscene as they are, are not a problem to be attacked in isolation. That, too, is a symptom of an economic system that is globally impacted now by forces that are far larger than the ones that we used to control much more conveniently, so that I am sometimes troubled by these attacks on symptoms alone.

You know, if we merely brought inflation under control, it might not necessarily create the 8 to 10 million jobs that are required for people in this country.

So it seems to me that we need some longer range analyses of these problems as well as short-range solutions. To that extent I think there is an uneasiness on the part of many who misread the loud applause that occurred when the President spoke before this body last week. I am reminded that on that night that the President came over here, the body was full of a lot of people that are not Members of the House of Representatives. I am not sure how many American people recognize that.

I think the reception was less than an overwhelming mandate, as I speak to Members of Congress about some of the difficulties in the proposals that were made that night.

So I welcome the gentleman's spirit of inquiry, his willingness to go along and cooperate with the administration. I do not see him as one trying to block and impede. Where he finds there is soundness and correctness in the programs, he will support them and where he does not he will not. I do not think anybody can ask for more than that. I thank him for his contribution.

I yield now to my colleague, the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. I thank the gentleman for yielding. I want to compliment the gentleman for calling this special order to discuss the most important issue facing the American people and the Congress. That issue is the response that we must make to the program the President has laid before the Congress and the people on the matter of the economy.

The Members of this House owe it to their constituents to work with President Reagan to control inflation and to stimulate the economy of the Nation to higher employment and greater productivity. These are economic goals that the Members and this House of both parties share.

The commitment to work with the President, however, does not absolve Members of the responsibility to evaluate carefully each budget proposal.

Careful consideration does not mean obstruction. The case for a prudent budget cut will be strengthened, not weakened, by that scrutiny.

Not all budget cuts are of equal merit. If they were, we could simply assign a target dollar figure, and pull budget cuts out of a hat to reach that target.

Before we consider the cuts, we should rid ourselves of the notion that all sectors of the economy and all citizens will bear the burden of these cuts equitably. We should be honest in recognizing that the Reagan administration proposals will heavily affect our poorest citizens and our oldest cities. If we accept the Reagan proposal, we should admit to ourselves and to our constituents that the poorest Americans will feel the pain of the cuts most. We should not mislead our constituents in arguing that there is equity.

The American people expect reductions in Federal spending. I believe Congress is likely to approve most of the President's proposal. At the same time, I have doubts about the effectiveness of these cuts in the fight against inflation.

The program does not address four major components of inflation: energy, health, food, and housing costs. One of the President's first major acts was inflationary—the complete decontrol of oil prices.

For the middle-income working people of this country, who are the overwhelming majority of the population, inflation is the most serious economic problem. It erodes paychecks and discourages efforts to save. Inflation has made us a nation of spenders—not a nation of savers.

While I am for control of wasteful, unnecessary spending, both by Government, and by the private sector, I must ask how effective the President's spending cuts will prove in controlling the root causes of inflation.

Furthermore, the President's tax proposal seems to present an enormous economic risk. A general across-the-board tax cut is not supply side economics. It puts more money in the economy, without providing assurances that money will actually be used to increase the productive capability of the economy.

I have other comments that I would like to make. I will not use, however, more of the gentleman's time. I know it is limited.

I would like to include the text of remarks on this subject that I delivered last week.

Again I compliment the gentleman for his courage in standing up as he so often does when the moment requires to speak out for what is right in our society and our economy.

Mr. Speaker, the material referred to above is as follows:

CONGRESS AND THE ECONOMY

(By Hon. JAMES L. OBERSTAR)

Clearly the most compelling issue confronting Congress and the nation is the health of our economy and President Reagan's prescription for it.

Since we have but one economy to sacrifice for our country, I thought I would attempt to discuss with you tonight the Congressional perspective on the challenges facing Congress and the Reagan Administration.

There is, unmistakably, a consensus throughout the nation and throughout the Congress to reduce inflation, eliminate fraud and waste, end unnecessary and cost-burdensome regulation, and restrain the growth in the federal budget.

There is no question about those goals. The question is where shall the cuts come and how large shall they be, and, who or which classes of society shall enjoy the benefits of tax reductions.

The President's proposals raise more sharply than at any time since the Vietnam war the question of priorities in national budget setting.

Most Members of Congress are agreed upon working toward the goal of a balanced budget and reducing federal outlays as part of an overall economic recovery program. They are not as agreed on how that goal shall be achieved.

On the other hand, there is no uncertainty on the part of the President or his advisors. They have laid out a sweeping economic recovery program that challenges old assumptions, undoes many tested and proven—as well as some disproven—concepts of the role of the national government in achieving social and economic justice. The President has made his proposal; it is now up to Congress and the public to respond.

In evaluating that program and each individual budget cut or tax benefit, we should be guided by certain basic principles. Every cut surely will have its price; the questions we must ask ourselves are:

1. Will it solve the problem or merely defer that problem until a later date, creating worse problems for society and the economy in the future?

Deferred highway construction and maintenance will erode our nation's most valuable transportation network, and cost far more in years to come to build or repair.

Housing for the elderly deferred until another generation may mean prohibitive costs of construction and a disastrous downturn in the domestic residential housing industry, forcing small builders out of the market altogether, reducing competition and increasing basic purchase costs.

2. Will it cost more in the long term for the total economy and the people than it saves in the short term?

Delayed urban development means more flight to the suburbs, increased population growth in the outlying areas, which was the pattern of the decade of the '70's, and higher costs of transportation, energy, as well as water pollution control and social and community services, which are at least partly funded by the federal government.

There may be other costs or unintended results, such as causing the shift in population growth and industrial development from the frostbelt states to the sunbelt.

3. What costs does society as a whole incur?

For example, in denying unemployment compensation benefits, cutting off food-stamps, putting a cap on Medicaid, denying trade adjustment assistance benefits—all may shift costs from one governmental unit to another; from the federal government to state and local governmental units whose tax base is narrower, less equitable and less able to bear these burdens.

We must carefully consider the consequences of eliminating funding for a wide range of social initiatives which have bettered the condition of Americans and avoided the recurrence of the riots of Watts, Bedford-Stuyvesant, and the like.

The budget revisions now underway are a good opportunity for all of us to reevaluate the quality of American life as a measure of our standard of living and determine the relationship of various government funded programs to that quality of life:

The progress in extending the life expectancy of the average American, as a reflection of funds invested into public health programs, including hospitals, research laboratories, as well as sewage treatment plants, the clean air program and community action agencies which help people to get good health care;

Federal funding for education which has brought 8 million more Americans into higher education programs than were enrolled 20 years ago;

Or improved housing standards, pension benefits, income levels, and working conditions.

This is not to say that federal funds have bought all these improvements but it is unquestionable that without the federal impetus, much of that progress would not have occurred by itself.

If the federal government is living beyond its means—and it admittedly has been for national social and economic purposes—so are private Americans and all of us are going to have to cut down some, beginning with the federal budget. In that process, it is important to recognize the gains that have been made while we grumble about the burdens we are now shouldering.

Perhaps one of the most difficult balancing acts in this process of reducing budgets to reduce the inflation rate will be to avoid an increase in the rate of unemployment. A one percent increase in the unemployment rate would mean a decrease in federal government revenues of 20-22 billion dollars, an increase in budget outlays of 5-7 billion dollars and an increase in the deficit of 25-29 billion dollars.

On the other hand, an increase of 1 percent in the inflation rate will mean an increase of 5-7 billion dollars in revenues, a 1-2 billion dollar increase in budget outlays and a 3-5 billion dollar increase in the federal deficit.

Avoiding these two opposite poles will be like steering the ship of state between Scylla and the Charybdis.

The steering process is now underway. The authorizing and appropriations committees of the House will report to the Budget Committee their views and estimates on the Carter budget and President Reagan's revisions by March 20. The Budget Committee will then hold hearings on the Fiscal Year 1982 budget and the revisions of the Fiscal Year 1981 budget.

By April 15 the Budget Committee will report to the House a budget resolution consisting of three titles:

Title I will revise the Fiscal Year 1981 budget;

Title II will set the Fiscal Year 1982 budget; and

Title III will consist of reconciliation instructions to the authorizing committees of the House.

Congress will complete action on the budget resolution by May 15.

The various authorizing committees of the House will then have until June 15 to submit their reconciliation proposals to the Budget Committee which will assemble them into a single bill and report it to the full House. Reconciliation is a process by which each committee must return to the basic authorizing law and report out legislation, changing that law, including the repeal of laws, to reflect the figures in the budget resolution.

The House has set a target of completing action on the budget and reconciliation measures by July 4.

Will we meet that deadline? Very likely.

Will the resulting budget include all the President recommended? Very unlikely—but not far from it. And in the process, we'll witness one of the most interesting chapters in the history of the United States Congress.

The question asked of anyone in elective office is: Where do you stand? I tend to be guided by Franklin D. Roosevelt who, in the depth of the depression, said: "The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little."

Mr. CONYERS. I welcome my colleague to this colloquy. I know that he will be very carefully and expertly evaluating the programs as they come down. I appreciate his contributions in past Congresses and say that they are needed more than ever presently.

My courage does not stem so much from intestinal fortitude, I might tell my colleague, as from a direct mandate from my constituency.

□ 1415

I am frequently told that the President has a mandate that is based on 28 percent of the eligible electoral vote, 54 percent of those who voted for President, and I must say that I come to the Congress for the 97th session

with a considerably larger mandate from the First District of Michigan.

I turn now to yield to my colleague, the gentleman from California (Mr. PASHAYAN) and welcome him to this special order.

Has the gentleman any observations to make now that he has heard the great statements made by some of his colleagues about this program?

Mr. PASHAYAN. I thank the gentleman for yielding.

I should just like to say with respect to the President's plan that I think the administration has made every effort possible to create a cut that will touch all segments of society. I agree with my colleague that the leading economic problem today is inflation. I should also add the observation that inflation ravages those on low fixed incomes and the poor, working poor, far worse than any of us here in this Chamber today.

This is the first time since 1932 that the American people are looking to change the structure and the effect of the National Government. I think the President's plan is in the order of reform and not repeal of the New Deal. I should like to add that unless we bring inflation under control, it is the poor and the lame and the helpless among us who are going to feel the effects of it in a far worse proportion than any of us will here. The President has done his best, I think, to apply the plan across the board, and it seems to me that we have got to give the thing a chance to work. I feel that it is going to permit the American people to make the first telling blow against inflation that we will have been able to do for 15 or 20 years.

Mr. CONYERS. I thank my colleague from California for his remarks. I know he did not plan to participate in this, but as a concerned Member we appreciate his input. I know that he examines these questions carefully. I have always felt that these equal cuts across the board have unequal results. True, the poor suffer from inflation more than the rich.

Mr. PASHAYAN. That was an unequal result of inflation.

Mr. CONYERS. Yes, and an example of what I was mentioning. The problem that bothers me is can I tell an unemployed automobile worker that inflation is the No. 1 problem in this country when his income is zero?

Mr. PASHAYAN. That is a very serious problem, it seems to me, to the extent that the gentleman wishes to explain the problem to him. I should think that the unemployment of the particular person the gentleman is talking to is of an equal magnitude.

Mr. CONYERS. Maybe larger.

Mr. PASHAYAN. I should be the first to say that unemployment is a leading problem in this country that affects millions of Americans whom it should not affect. That is to say, there should be millions of Americans now working who are unable to work simply because the jobs are not there, and I think that the shadow side or the other side of the inflationary coin is unemployment. I think it is interesting to note that a lot of the economists whose wisdom, or supposed wisdom, we have been following over the last so many decades have always told us according to their orthodoxy that it was the choice of unemployment on the one hand and inflation on the other, and they would go so far as to suggest in the classroom and other economists' forums that if one were a Republican, he would favor a policy that would diminish inflation but at the expense of raising unemployment, and if one were a Democrat, he would favor a policy that would diminish unemployment but at the expense of inflation. But now we are not confronted with a choice; we are confronted with these things en bloc. They are both upon us in some vicious kind of partnership.

So I think that some of the economic wisdom from the past perhaps is not as telling as it might be, and we are confronted with something that the economists have always said before should be an alternative. I think that must drive us back to a more fundamental analysis. I think we have worked Keynesian economics. I think that what Keynes suggested was that there were times that government could indulge in a deficit financing situation, but I think he meant that to be a temporary situation owing to various world circumstances of the times.

I think we have had a magnificent experience in this country on the question: Can we continually and permanently have an enormous deficit as a part of the financial structure of the Government? I think the answer now is becoming apparent that we cannot. It seems to me that the worst we can do to the very people that the gentleman seeks to protect and that I seek to protect is to continue in the same direction we are going. Things are bad, but they could be even worse. I think we have got to have the courage and, it seems to me, fortitude to try something else, the same kind of courage and fortitude that Franklin Delano Roosevelt called upon the people to exercise in 1932. His message was not so much the New Deal, but it was always try something more, even if it is different; and if that does not work, let us try something else, because in the end we shall prevail. I think that message is as telling today as it was in 1932.

Mr. CONYERS. I appreciate my colleague's statements and I am glad he could join us. We are not cutting everything equally. The Department of Defense authorization, as I understand it, is experiencing probably the largest single peacetime add-on in the history of this country.

I remember when former President Carter assumed office, the defense budget was under $100 billion. I think now when we consider all of the appropriations, the fiscal year 1982 authorization will probably come somewhere within $214 billion, and the $40 or $50 billion which through the 63 domestic programs are being cut or reduced somehow seem to equal the amount that is going additionally into the Department of Defense. It has not been revealed whether that was by design or whether those figures just happen to be in the same mutual range, but I think that it raises the question of whether the domestic program cuts are really intended to reduce the deficit or instead really to make room for accelerating defense spending.

Mr. PASHAYAN. I should say that it never hurts to look at these things. I am not familiar enough with those particular figures to comment on them, but I will say I recall that under President Nixon for the first time in history the amount of the budget for social services exceeded the amount of the budget for the Department of Defense. I think the gentleman will agree that that was a historical case then.

It seems to me that some of the programs we are talking about do not produce the results that I should hope the gentleman would hope would have been produced, and certainly that I hoped would be produced.

Mr. CONYERS. Is the gentleman referring to the Department of Defense area or the domestic area?

Mr. PASHAYAN. I am referring to the whole Government, because I am certainly one to say that there is waste in all quarters of the Government.

I think we are fortunate in that we have Caspar Weinberger as Secretary of Defense, because I served at HEW when he was Secretary of Health, Education, and Welfare. If anybody has the ability and willingness to go and seek out waste within a department, and has the courage to stamp out the waste, it is Caspar Weinberger. In that respect I should hope that the gentleman will join me in being thankful that he is there.

Mr. CONYERS. I remember that the gentleman or someone over there called him, "Cap, the Knife."

Mr. PASHAYAN. I never used that phrase; I had too much respect for him.

Mr. CONYERS. There were probably others of less rank. We hope he is not "Cap without the knife" now that he is Defense Secretary.

Mr. PASHAYAN. I think the gentleman will find that whatever waste exists—and I hope within the contracting area—that he will seek to eliminate it.

Mr. CONYERS. I thank my colleague again.

● Mr. RANGEL. Mr. Speaker, I rise to join my colleagues in expressing my severe doubts in the wisdom and equity of President Reagan's program for economic recovery. The President has repeatedly stated that everyone will have to suffer cuts equally. From what I can see he is correct: the poor will suffer cuts in services while the rich will suffer cuts in taxes. There is little that is equitable about this program and supply side economics which it is based upon is a relatively new theory, with little written on it and which is founded on a great deal of speculation about how best to revitalize our economy.

To begin with a 10 percent across the board tax cut for 3 years running will do nothing to relieve the tax burden of a family of four with an income of $20,000. By 1984 when the full 30 percent across the board tax cut is in effect, and you factor in inflation as well as increases in the social security tax, a family of four with an income of $20,000 would have an actual tax increase under the Reagan proposal of $18 over their present tax bill. At the same time, for the 0.2 percent of taxpayers with incomes over $200,000, the Reagan tax cut would mean a reduction in their tax liability of $19,427 in 1984. I fail to see how this will induce the $20,000 a year and under worker to increase his productivity let alone to increase his savings so that we will have more capital available for capital formation. At the same time, one could easily argue that the people in the over $200,000 tax bracket will have incentive to work less, if they can retain more of their income.

I think a more equitable program might be to increase the standard deduction for singles from $2,300 to $2,800 and for joint returns from $3,400 to $4,200. This would cost $7½ billion in 1981 and would be a little more then half of the proposed cuts for individuals in 1981 under the President's plan. The effect of this would be to delay for a longer period of time the tax entry point and would have more of a real effect in terms of bankable dollars for the working poor and lower middle class. It would also be beneficial to the middle class because it would act to delay their entry into higher marginal tax brackets. It is the wealthy, who would receive the least assistance from such a proposal because at their end of the tax scheme such reductions mean little.

The administration's proposals for accelerating depreciation are equally incomprehensible and unjustified. To begin with, by 1986, 1 year after the Reagan depreciation proposal would be fully phased in, corporate taxes would be cut by approximately $45 billion or a little less then half of projected corporate tax liabilities for that year.

The administration's accelerated depreciation proposals would do next to nothing to revitalize our depressed industries. Companies such as General Motors, Ford, Chrysler, and the steel industry cannot take advantage of such tax breaks since they are currently running huge deficits. Providing tax deductions, no matter how substantial, are of dubious benefit if a corporation has no profits from which to deduct those incentives from. The need for accelerated depreciation is also brought into question when one realizes that we already provide faster depreciation schedules than Japan and Germany which are our major competitors. I am also puzzled about all the noise about our lagging capital investments. Between 1953 and 1981 American investment as a percentage of GNP has remained remarkably steady. It has ranged from 9 percent in 1961 to 10.7 percent in 1979. This year it is estimated that investment will be on the high side of that range somewhere around 10.6 percent. One would have to seriously question the Reagan administration's grounds for asserting that lack of capital investment is what is tending to drag our economy down because it has remained so constant over the last 29 years during both good and bad times.

Finally, I question the constant analogy between the administration's proposed cuts and the Kennedy-Johnson cuts. The economic climate is entirely different. Then there was a budget surplus of $300 million, an inflation rate of 2 percent and low unemployment. Today we are facing a drastically different economic picture. The deficit is projected to be over $50 billion, our inflation rate is over 13 percent and unemployment is 7.4 percent. The times could hardly be compared in order to determine the economic effect of the cuts. Yet the Reagan administration persists in saying that the results of the Kennedy-Johnson cuts will be mirrored by their proposed cuts.

I think the evidence clearly shows that all we have here is aid to the well-off taxpayer and to the well-off business. In effect we are providing a windfall to those who have proved that they can make it in this society. I hardly think this is warranted.

In the area of budgetary cuts the administration's reasoning is equally baffling. Many of the cuts are in programs which are designed to help people out of dependence and into independence. Surely tighter criteria for unemployment insurance such as elimination of the national trigger, increasing the percentage that unemployment must reach in order to qualify the State trigger for extended benefits and imposing more stringent work requirements after the first 13 weeks of unemployment as well as the elimination of CETA public service jobs can only result in more people ending up on welfare. I have yet to see any data from the administration which takes into account the increased costs in welfare of those forced off of unemployment and from the elimination of CETA. The only thing this policy will achieve is shifting some, but not all, of the burden from the Federal Government to the States. For remember, the Federal Government participates in welfare payments to the tune of between 50 and 70 percent depending upon the medicaid reimbursement rate for a State. The savings by the curtailment of these programs are not what the administration has lead us to believe.

What is even more upsetting is that in eliminating the CETA public service employment program the administration has failed to provide any alternatives. Its all fine and good to talk about a safety net for the poor and that no one truly in need will be hurt, but the reality is that those who are working today in CETA will be out of a job. It does little good for me to tell them that when the Reagan economic program is fully in effect there will be 16 million new jobs. All the guy out of work knows is that he is out of a job and that if he is in a community with high unemployment, his chances of being employed are slim. Where do I tell him to go? To what State, local, or Federal agency? To what employer do I guide him? The administration's program certainly does not provide me with the answers to his questions.

Similarly the administration proposes to block grant and reduce by 25 percent such programs as low-income energy assistance, title XX, day care, community health care centers, adoption subsidies for hard-to-place children, foster care services, and services designed to prevent the breakup of families, just to name a few. All these programs are designed to either address a critical need and most were adopted as cost-savings measures; measures designed to address problems at the inception, before they get out of hand and end up costing astronomical amounts to resolve. When we passed the windfall profit tax, Congress stated its intention to set aside 25 percent of the net revenues to hold the poor harmless for increased energy costs as a result of decontrol. Over the period between fiscal 1982 and 1986 that would mean an average approximate cost of $5.25 billion for low-income energy assistance alone or approximately 77 percent of the administration's proposed $6.8 billion block grant. It would be impossible to fund the remaining programs which fall under the block grant with the remaining $1.55 which is allocated annually for these programs. It is obvious

that this administration's commitment to the poor is not what they would have us believe. There is no safety net, but rather a big hole through which the poor are going to fall.

It is all fine and well to call for cuts in spending, but it is incumbent upon us all to take a long hard look at exactly just what we are cutting. Are these really the cuts we want to make? Even more importantly will the American public be satisfied when they have nowhere to turn when they need assistance in what I believe will be increasingly hard times before we see an economic turnaround?●

● Mr. STOKES. Mr. Speaker, I would like to thank the gentleman from Michigan (Mr. CONYERS) for taking out this special order. This special order provides an opportunity to open the lines of communication relative to the economic situation in this Nation and the impact of the President's proposed budget on that situation.

First of all, Mr. Speaker, I would like to go on record as stating that I agree with President Reagan and my colleagues on both sides of the aisle that we are facing a major economic crisis in this Nation. Depending on your socioeconomic vantage point, this crisis could be described as a recession or even a depression. Second, I agree that the Federal Government must act aggressively yet in carefully calculated measures taking into account the well-being of all citizens to overcome this crisis. This is what I want to address myself to today.

Mr. Speaker, after reviewing Mr. Reagan's speech and the ensuing public relations program so to speak to sell the budget, I have formed strong fundamental objections to the Reagan administration's prescribed remedy for this economic malaise. These objections are not based on any pet projects or so-called sacred cows slashed in the budget, but on the very real plight of the poor and lower income people in this Nation. This budget renders these individuals to being a permanent low priority item on this Government's agenda.

But, Mr. Speaker, what we must remember as we consider or propose any budget or economic solution is that the Government is designed to serve all of the people of this Nation. That means that individuals regardless of their economic class are to be served by the Federal Government. What helps one group may very well hinder another group. Accordingly, there is little space for simplistic across-the-board remedies. The Reagan budget, in my opinion, does not truly address itself to this fact.

Mr. Speaker, what the President has given to the House and the Senate to consider is a budget with a $8 billion cut in spending in fiscal year 1981 and a $41 billion cut in fiscal year 1982. The primary points of the budget call for tax cuts in line with the supply side economic theory to spur investments and budget cuts to reduce Federal spending and combat inflation. In reality, the President's budget gives most of the tax cuts benefits to the higher income people who are already comfortable and most of the spending cuts to programs which affect low-income people.

Tax cuts may be good news for the well off in our Nation. But, what can a small tax cut do for the unemployed or the underemployed who already have little or no money and are simultaneously asked to bear the brunt of program cutbacks.

The President says that the cuts are necessary to reduce inflation and the truly needy will not be hurt. But, Mr. Speaker, CBO as well as noted economists, have estmiated that cutting $20 billion from the budget will affect inflation by less than one-half percent. A $50 billion reduction would probably result in a 1 percent reduction in inflation at best.

With that in mind, how can we justify cutting funds to CETA, the food stamp program, medicaid, certain housing programs, certain social security benefits, unemployment insurance, trade adjustment assistance and child nutrition just to name a few when the results in terms of bringing down the inflation rate are minimal. We are asking the poor, the welfare mother, the blue collar worker, the elderly and the young to sacrifice for something that will bring us little or no concrete results. In the final analysis to coin the President's phrase, we will be creating a large pool of the truly needy—those persons who he says the budget cuts will not hurt.

Additionally, Mr. Speaker, the President has preached that the cutting of budget items and giving the States more authority will eliminate fraud, waste and abuse of Federal funds. But, it is difficult to see how the fraud and abuse problem is addressed in the Reagan economic proposals.

And so I ask my colleagues, how can we pass such budget proposals which callously disregard the needs of a large segment of our country—the poor. Last year, in the Budget Committee deliberations, I asked that we not balance the budget on the backs of those least able to afford it. This time, I ask that we not break the backs of those individuals who are poor in the name of economic proposals which have at best only minimal chances of succeeding. Instead, we must come together and work on a more reasonable solution to our economic crisis.

Mr. Speaker, I and some of my colleagues who are committed to a fair deal for those individuals who are all too often voiceless and powerless when decisions like this are made, pledge to work for extensive changes in the proposed budget.●

● Mr. FAUNTROY. Mr. Speaker, on February 2 of this year, the members of the Congressional Black Caucus met with President Reagan in a get acquainted session. We introduced ourselves to him and expressed our concern that the then contemplated approaches of his administration to address the Nation's economic woes not place additional burdens upon those who have already been hardest hit by inflation and unemployment: the poor, the elderly on limited income, and low to moderate income Americans in particular. We urged that his policies not increase unemployment among the latter group of Americans and that they not be asked to bear a disproportionate share of the burden in fighting inflation. We urged that the Federal budget not be balanced on the backs of the poor, the elderly, and moderate income people of the country.

On Wednesday, February 18, the President announced his plan to address the Nation's economic, domestic and international problems. The first step in his approach, a step of which we had been previously advised, was to drastically change the spending patterns and practices of the Government. Upon reviewing the budget proposal which was outlined by President Reagan, the Congressional Black Caucus went on record at a press conference held on February 19, as being in fundamental disagreement with both President Reagan's proposed change in the budget and the assumptions upon which they are based. President Reagan and Federal Budget Director Stockman are saying their "spending cuts will not be at the expense of the truly needy." Regardless of what they are saying, what they are doing is hacking away at programs that are the lifelines of millions of the poorest families and children who will become hungrier, colder, and sicker than they already are. Through its press conference, the Congressional Black Caucus has submitted to the Nation our assessment of the true cause of the country's domestic and world problems and the subsequent approaches and steps that must be taken to remedy the Nation's ills.

The specifics of Congressional Black Caucus solutions, in terms of itemized legislative initiatives with targetted line item budget figures, have not been fully developed at this time. However, we plan to announce in March a detailed legislative and public policy agenda which is representative of the true cause of the Nation's economic, social, and international problems, as we, the members of the Congressional Black Caucus assess the national dilemma of the 1980's.

The differences between the caucus assessment of the problem and that of President Reagan, differences that will establish the foundation for the

specific legislative approach to be unveiled in March, are highlighted in the caucus statement "The Reagan Administration/CBC Assessments: A Matter of Sharp Contrasts," the text of which I submit for inclusion in the RECORD.

THE REAGAN ADMINISTRATION/CBC ASSESSMENTS: A MATTER OF SHARP CONTRASTS

The Reagan Administration has gone to great lengths to convince the American people that the cause of unemployment, inflation and problems in world affairs is government: government spending; government taxation; and government regulation. They offer, therefore, as solutions to our problems a program of budget cuts, tax cuts, and government deregulation with the promised result of lower inflation, accelerated growth, and full employment.

The Congressional Black Caucus believes that the implementation of such a program will only fuel inflation and unemployment, accelerate the flow of American capital to productive activity outside the United States, and substantially add to the problems of low and middle income Americans.

By contrast, the Congressional Black Caucus boldly and firmly asserts a different assessment of our problems, and therefore posits different solutions to address them. Our assessment of the State of the Union is that on the domestic scene we have not a balance-the-budget problem but a balanced-economic-growth problem.

Our different assessment leads us to posit different solutions. We call for targeted budget outlays to stimulate balanced growth, not for budget cuts in areas that will increase the burden of government spending itself and accelerate inflation. We call for tax reform that will assure capital formation and investment in world competitive enterprises that will put America back to work again, not across-the-board tax cuts that will only fuel inflation and increase our balance of payments deficits.

In the area of military spending it is the opinion of the Congressional Black Caucus that the nation does not have a balance of military power problem, but a balance of trade and a balance of payments problem. The root causes of today's international turmoil are social, economic, and political in nature; problems which we recently came to know only too well can not be solved thru military force—I reference the incident of this Nation held hostage by the government of Iran. In fact, military force as an instrument of security is ultimately useless in the absence of global stability.

Accordingly, the fundamental principles of any foreign policy should include a commitment to personal freedom and human rights, the full support for political self-determination, a willingness to accept other peoples' choices of political and economic systems different from our own, and finally, a dedication to non-intervention in the internal affairs of other governments.

Today, the security of a country cannot be assured by military power alone. Only the establishment of social, economic and political stability in the world can bring about peace. The issue is how to achieve security and stability—through use of force and military power or through political, economic and social means. Again, we support the latter.

The MX missile weapon system will not only heighten tension between the U.S. and the Soviet Union, but it will gravely tax our land and clean air resources without substantially adding to our nation's security vis a vis Soviet Russia.

The so-called "neutron" bomb will not increase the security of NATO Pact nations; it will just heighten tensions, cause a new arms build up, and make a reduction of forces in Europe more difficult. Moreover, the neutron bomb is a weapon for the kind of nuclear war that, God willing, we will never incur.

ADMINISTRATION ASSUMPTIONS BASED ON MYTH

The Administration's assumptions that government spending, government taxation and government regulation are the cause of inflation and unemployment are myths that are refuted by the facts.

Myth No. 1: The first myth is the claim that reduced government spending will have a substantial impact on reducing inflation. The fact is that it does not. Economists of all persuasions have testified to the limited impact reduced government spending has on inflation. For example, the Congressional Budget Office, agreeing with other experts testifying before the Employment Opportunities Subcommittee of the House, in February of 1979, stated that bringing the budget into true balance would have a negligible effect on inflation—less than two-tenths of a percent—but would have a very large effect on unemployment.

Myth No. 2: A second myth is that we have accomplished nothing through federal spending. The fact is that since the first days of the Republic it has been the responsibility of the government to promote our general welfare. That is, to address such issues as poverty, hunger, health care, the environment, business promotion, employment security, price stability, and the economy. The primary tool our government has to meet the needs of its citizens, particularly the poor, is the federal budget.

In the rush to blindly cut government spending for domestic social programs, one important fact has been overlooked; the social programs of the sixties and seventies have helped to reduce the proportion of people below the poverty line from 22.4 percent of the population two decades ago, to 11.6 percent in 1979.

The contribution of these programs cannot be denied when we consider just a few of their accomplishments:

During fiscal 1980 alone, nearly half a million of the nation's most disadvantaged people turned their CETA experience into "unsubsidized" jobs.

Seventy percent of AFDC families were able to make the transition from welfare to the world of work with the help of publicly subsidized day care centers.

Myth No. 3: A third myth is that high priority domestic programs are wasteful and misdirected. The fact is that the greatest waste and mismanagement in the economy is not found in the social and employment programs under attack (although such evils should be eliminated whenever existing), but in the conduct of economic policy by high level public officials sworn to uphold the law. The fault lies with the mismanagement of the economy by the continued use of discredited policies of contrived stagnation, the trade-off of jobs, the fueling of inflation by raising interest rates and oil prices in the name of fighting it, and a hysterical obsession with a balanced budget at the expense of a balanced economy.

These policies have reduced demand by creating unemployment, slowing the growth rate and pushing us into recession. They have increased the cost of government spending for unemployment insurance, food stamps, welfare, and medicaid by pushing people out of productive work and forcing them to rely on nonproductive transfer payments. They have increased the costs of goods and services which the government, itself must buy. Additionally, unconscionably high interest rates have added billions to the cost of government borrowing and increased the government's expenditure for subsidized loan programs.

THE REAL CAUSES OF INFLATION

The Congressional Black Caucus boldly confronts the above mentioned myths with the facts about the real causes of inflation. There are several. The first is an imbalance between investment and consumption in our nation which can be connected not by tax cuts generally but by tax reform in certain particulars.

The fact is that investment in plant and equipment, abetted by corporate profits that have been growing far more than wages and salaries, has grown much faster in real terms then ultimate demand for products. These imbalances, which have always led to cutbacks in investment plans and larger deficiencies in ultimate demand, have brought on stagnations and recisions.

Unfortunately, tax cuts have provided relatively too much stimulation to investment and too little to consumer income and spending, and have exacerbated this problem. Proposals currently being discussed, such as an across the board 10 per cent tax cut, and efforts to greatly speed up unqualified depreciation, would continue this imbalance. Across the board cuts are not fair, nor equal in who they help. They do not target the stimulation of demand where it will do the most good for the economy nor the people. Corporations, and the most wealthy of individuals would receive the bulk of the tax reduction, while middle-, and low-moderate income people would receive little, or in some cases, no relief at all.

Tax reform in which moderate- and low-income persons derive the major benefits will inevitably aid consumption, as will full employment and increases in spendable income.

Put another way, whenever people have money to spend in the market place, investors will be attracted to provide them with the goods and services they demand. No other incentive is needed.

A second cause of inflation has been our Federal Reserve Board Monetary Policies. Federal Reserve policies have done devastating damage to the whole economy, especially home building and occupants, the automobile industry, the farm population, and the more than half of all families who must rely upon heavy borrowing just to make ends meet. Excessive, repeated, and misguided reliance upon high interest rates to fight inflation has done nothing to abate ravaging inflation. High interest rates raise the cost of virtually all goods and services in the economy, and forces serious reductions in the consumer's ability to buy the basic necessities. Virtually all the increase in the inflation rate has occurred through price increases in the basic necessities sectors of energy, food, housing, and medical costs. Along with shortages, scarcities, price fixing and lack of competition, inflationary spirals have continued because interest rates do nothing to arrest the problems in these areas.

A CONGRESSIONAL BLACK CAUCUS PROGRAM TO MATCH OUR ASSESSMENT

In March, the Congressional Black Caucus will announce a specific legislative and

public policy agenda that will match our different assessment of what our problems in the nation and world are. That agenda will detail steps that we believe must be taken in three areas of concern to all Americans: the economy, world affairs, and matters of civil, political and human rights.

The economy

On the economy, our budget proposals will stress not budget cuts, but budget outlays that stimulate full employment and balanced growth in productivity. For example, we believe that increased spending in housing development is essential not only because it increases the supply in an inflationary sector of the economy of high demand, but also because it puts millions of people to work.

Our proposals will stress not across the board tax cuts, but tax reform designed to stimulate business and industrial productivity in this country in sectors of the world economy where we remain competitive. For example, to maximize growth in the Black community, we will support a tax policy which provides incentives for high-growth industries to invest in the Black community. Because most of the high growth sectors are in the labor-intensive, highly skilled service sector, the incentives must be targeted to upgrade the skill-development level of the community coupled with accelerated depreciation of the building, equipment, and machinery.

In the area of foreign policy, the Congressional Black Caucus will strongly support budget initiatives that increase foreign assistance in the areas of:

(1) International Food Aid Programs;

(2) Development assistance on a multilateral basis; and

(3) Technical assistance to underdeveloped and developing nations.

At the same time in the area of military expenditure, we recommend the elimination of the MX missile system, the B-1 bomber, and the neutron bomb.

Finally, as I stated earlier, the Congressional Black Caucus will continue to offensively and defensively protect the civil and human rights gained, not only by Black Americans, but those of underrepresented peoples throughout the world.

We recognize that in positing this different assessment and positing these alternative solutions, we are confronting a fierce storm of carefully generated public opinion.

But if it is said of no one else, we are determined that it will be said of the Congressional Black Caucus in the 97th Congress that we did not fear the weather and did not trim our sails, but instead challenged the wind itself in order to improve its direction and cause it to blow more softly and more kindly over the world and its suffering people.●

● Mr. LELAND. Mr. Speaker, President Reagan has offered the American people a broad program for the economic recovery of this country. As has become his trademark, Mr. Reagan gave a great performance in advocating his program of budget cuts and tax reductions. The problem is, however, that it is only a performance; the people are being sold a bill of goods. And if we are going to buy his program, I believe we should do it with our eyes wide open.

This so-called program for economic recovery is rife with inconsistencies and questionable premises. Despite what the President says it is by no means the panacea for inflation, productivity, and all our other economic woes.

First, the President cites excessive Government spending as the cause of all our concern and the root of all evil. If we will only reduce Government expenditures—on domestic social programs solely—and cut deficit spending, all will be well according to the President. Mr. Reagan and his conservative economists know full well that Federal spending is not even a major cause of inflation. They know that cutting the budget, even to the point of a balanced budget, will not have any significant effect on the inflation rate. To cite just one source of proof, the Director of the Congressional Budget Office testified before Congress last year that balancing the budget would reduce the inflation rate by only a few tenths of a single percentage point. Why would or should the President of the United States desire to mislead the people about the effect of his proposed budget cuts?

What is even more astonishing is that Mr. Reagan would barely mention the real causes of inflation and, more importantly, he is attempting to cover up his own recent actions that have actually made inflation much worse. Did Mr. Reagan stress the spiraling costs of energy as probably the major source of inflation? Or did he mention the fact that his recent accelerated decontrol of oil prices will add from 1.1 to 1.4 points to the Consumer Price Index? In this one Executive order, issued only weeks after taking office, Reagan forced you and me to pay an extra 10 to 15 cents a gallon at the gas pump every day and for the extra costs of heating oil and most other forms of energy. Little wonder he would want to avoid mention of this action, because it is totally inconsistent with his avowed fight against inflation.

A whopping 30 percent tax cut across the board over the next 3 years is the other main focus of the Reagan program. Of course, the most important thing to remember about this proposal is that it was a campaign promise, a political deal. Never mind that virtually every economist is deeply concerned that this will worsen inflation drastically.

Now, I am in favor of a tax reduction to lighten the burden of taxation on our citizens, but only if and when these reductions will be fair to all taxpayers, will not destroy Federal programs that are crucial, and will not adversely affect our economy. Under the Reagan plan none of these conditions are met.

It has been well documented that the tax cuts will benefit the very rich more than the average taxpayers who already pay more than their fair share. The Reagan administration has already admitted that 70 percent of the tax cut benefits will go to the wealthy. For example, by the time the tax cuts are fully effective in 1984, people with incomes of over $200,000 would have their taxes cut by about $30,000 a year on average. For those earning between $10,000 and $15,000 the tax cut will be worth about $350. When you cut taxes, Federal revenues are reduced, and unless there is other increased revenue we must reduce spending to avoid a larger deficit. It is obvious that Mr. Reagan is not proposing to close the many tax loopholes which would raise the money lost through the tax cut, and he is committed to further increase an already inflated defense budget. Therefore, the only thing left to cut, according to the Reagan plan, is our social programs which benefit the people. And, as I mentioned earlier, the tax cuts will surely be inflationary which directly conflicts with the alleged original intent of the overall Reagan plan. He promised to reduce inflation, not increase it.

So, as much as I would like to ease the tax crunch, for me to endorse the Reagan proposal would be hypocritical and grossly unfair to the working majority in our country.

Mr. Reagan has also singled out excessive Government regulation as a major cause of the downfall of our businesses and the ruination of our economy. Undoubtedly, there is waste in Government, and there are unsound and unnecessary regulations, and there are welfare cheaters, and there are ineffective Government programs. I, and all my colleagues in Congress, favor correcting these problems. But the Reagan administration wants to throw the baby out with the bath. He wants to destroy all the progress we have made to protect the health and safety and well-being of the millions of people who inhabit this country. He says, "Get Government off the back of business and we will again move forward."

Has Mr. Reagan forgotten, or did he ever know, how Government got there in the first place? Did he understand how bad our air had gotten before the EPA was given the authority to limit toxic emissions from industries and automobiles? Had he seen the cancer victims infected by the chemicals dumped into our rivers and waste sites before the Federal Government had to intervene? Was he aware of the sorry job the States and local school boards were doing to provide equal education to black and brown children before the Department of Education was forced to step in to enforce the Constitution? Had he suffered the excessive rates charged by A.T. & T. and the major oil companies before the FCC and the FTC interceded? Obviously not. Federal regulation did not evolve

or grow by accident; it was created and has grown because the private sector and business and the corporations in this country could not or would not further the public good.

What makes Mr. Reagan think that things would be different now? Would the automobile makers now consider the need for smaller, fuel-efficient cars on their own? Will the energy companies now decide to develop alternative energy sources. Would the chemical companies decide to stop dumping toxic substances into our air and water supplies? Would industries suddenly make their workplaces safe for their employees? Would companies adhere to the antitrust laws and give up profits voluntarily? Would businesses hire and promote minorities and women equally on their own without the EEOC? I think not. That is what worries me about efforts to end Federal regulations. I am concerned that the President wants business and corporation heads to have an absolute free reign to profit at the expense of the workers and the consumers of this great country.

I would be willing to work tirelessly, hand-in-hand with the President to streamline regulations and to make the agencies truly effective in their missions. But, I want to make sure that we are trying to solve the problems for which the agencies were created, not allow them to get worse. And believe me, they will get worse if this antiregulation mentality prevails.

To finally pass judgment on the specific budget cuts proposed by Mr. Reagan, we should look at the actual effects. What will they mean for Houston, for Texas, for the millions of poor and lower income residents of my State? I am convinced that the President has declared war on the working people of the United States, as well as on the poor. What is going to happen to our badly needed system of mass transit in Texas without any Federal funds? And who will suffer? How many millions of Texans will receive no medical care whatsoever when the Federal Government lowers medicaid payments to a State that already ranks near the bottom in terms of health care for the poor? What will the millions of working people do without the Federal loans for higher education for their children? Will they be able to pay the tuition and fees themselves? How will the millions in Texas who have benefited from CETA jobs in their struggle to break out of the welfare cycle survive? Will they be back on the welfare rolls? The answers to all these questions are serious for Texas and Texans. The simple fact is, these budget cuts will be a disaster not only for people in my district, but throughout the country.

In summary, I do not want to be labeled an "obstructionist," not because Mr. Reagan might threaten to defeat me at the polls, but because I am just as committed to improving the economy and reducing unnecessary government as Mr. Reagan or any Republican. However, I do not believe in duping the people. I do not believe in misstating the facts to meet a political commitment. And, most of all, I do not believe in selling out the majority of the people so that a few can benefit. I respect my commitment to the voters of the 18th Congressional District to inform them of the inaccuracies and untruths in the Reagan program and of the real results that will surely occur if this program is enacted. Furthermore, I offer this challenge to my constitutents: You should ask the questions that must be asked, make Reagan show you the results of his budget and tax cuts, demand a serious explanation of the ramifications of these proposals. In essence seek the truth. For only the truth shall make us free.●

● Mr. ROSENTHAL. Mr. Speaker, we have been hearing a great deal of late about the absolute necessity that we cut Federal spending. What we have not discussed often enough are the responsibilities this Congress has to the wellbeing of America's citizens.

How can we in good faith try and run the Federal Government at the expense of the poor and the minorities of this country? The massive budget cuts in social service programs that the administration has proposed would do just that, and no amount of fancy rhetoric can change that fact.

We hear about cuts in child nutrition programs—that can only mean undernourished and hungry American children.

We hear about reductions in medicaid—the program that was designed to provide medical insurance for the poor.

We are told that aid to families with dependent children should be cut—that would only impact on the low-income families of our Nation.

But this burden would also be shouldered by the cities of America.

Cutbacks on mass transportation programs would be disastrous for our urban centers. Mass transit represents the most efficient and energy effective means of moving from home to work, yet we are told that the axe must fall even on the effective and efficient.

The CETA program employs thousands of the unemployable and trains them to usefully enter the work force. Once this program is eliminated, we are guaranteed families without an income and a direct increase in the ranks of unemployed on welfare.

The urban development action grant program encourages local government and private funds for the purpose of rebuilding and revitalizing distressed localities. Once these projects are abandoned, this Congress is virtually abandoning the chance to make our cities work again.

The administration also wants to reduce the number of IRS agents enforcing our tax laws. I can imagine no more counterproductive or false economy.

These are only a few of the social and urban necessities we have been told we must do without.

If these cuts are truly evenhanded, where are the reductions in water projects and maritime administration loans? Where are the budget cutters and efficiency experts when it comes to multibillion-dollar programs to build obsolete weapons systems? The largest part of the Federal dollar will still go to the Pentagon without the necessary critical evaluation and oversight needed there.

I want my colleagues to know that some Members of this Chamber still feel their responsibility to the poor and underprivileged. If Federal programs are badly run, there is a remedy—run them well. Do not use a sledgehammer when a scalpel is called for. Effective oversight and tough administration of Federal programs has long been needed. It is not the goals of these programs, nor their beneficiaries that are at fault—it is their management. The President and his party have prided themselves on their management skills—let us see them run the Government, not undermine it.●

● Mr. WASHINGTON. Mr. Speaker, President Reagan's budget and tax proposals are designed to balance the budget on the backs of the poor and the near poor. They are designed with political expediency in mind—the expediency of a President who made too many mutually contradictory promises during his campaign, and now must try to make good those promises.

I urge my colleagues to closely study the administration program. If you do, you will be convinced that it is far more likely to produce economic disaster than economic recovery.

Let me focus on just one of the many fundamental flaws, the effect that this program will have on productivity and work incentive among lower income Americans.

It is self-evident that the administration tax plan would give the biggest benefit, the greatest tax relief, to upper income citizens. It may be slightly less evident, but only slightly, that the working poor and moderate income Americans would be forced to bear the biggest burden. President Reagan's proposals will deeply wound those hard-working citizens whose jobs provide them enough income to buy housing but not food, or housing and food, but not fuel to heat the house. It would, quite contrary to its stated intent, force some of the working poor onto welfare.

The administration's economic proposals make no sense even within the limited logic of so-called supply side economics. That fatal flaw was effectively exposed in the New York Times this past Sunday, in an article by Yale University economist William Nordhaus. Let me share a small portion of his analysis with you:

The most striking irony in the brandnew economics is the focus on incentives for the rich, while ignoring those for the poor. Surprisingly, low-income households face the highest "tax rates" (more precisely, the benefit-reduction rates). Upon landing a job, they may find that their disposable income declines as a result of tax rates built into programs such as food stamps. Poor families, then, may well face marginal tax rates over 100 percent.

A true supply-sider might wonder whether such rates do not stifle work effort. Yet, the brandnew economics actually raises the tax rate on the poor by technical changes in the food stamp program.

I, like many other Members, have received scores of letters from constituents who fear the consequences of Mr. Reagan's budget proposals. Only a few of those letters can be dismissed as special pleading. The great bulk come from ordinary citizens who want to contribute to society and fear that cutbacks in social programs will cripple their ability to do so. I want to share with you the words of a few such constituents.

A senior in one of my district's finest high schools wrote:

I feel that the cutbacks in student aid will affect minorities most severely, especially blacks. As a concerned black student who will attend college next year, I would like to know just how badly the cuts will affect me and others like me. The cutbacks will especially be a problem for single adults supporting a family. It would be a shame to waste our beautiful positive minds which have so much potential.

A woman who retired with social security disability benefits after working for 32 years, wrote because she fears the proposed foodstamp cutbacks:

I am just getting by, already cut as far as I can go, surviving on food stamps and social security. If those cuts are passed, I know I won't survive, because I am already suffering now. Let God call me, not some man who thinks he can, and in fact is, starving me to death.

They can't take me no lower. That's why I am trying to fight. If I have to, I must fight until hell freezes over to keep those rotten cuts from hurting me and thousands more just like me.

We cannot, and must not, ignore appeals like these from young people who want to contribute to our society and from older Americans who have made their contribution and ask only that they be treated with respect.●

● Mrs. HOLT. Mr. Speaker, the central theme of our new President's economic program is a principle that any person can arrive at by the application of commonsense: If we want prosperity tomorrow, we must work, save, and invest for it today.

The National Government forgot this fundamental concept some years ago and went on a spending binge that saw the Federal budget double in the 1960's and triple in the 1970's. The extravagance has been supported by rising taxes and debt that have crippled the private, productive sector of the economy and generated double-digit inflation.

We cannot extricate ourselves from this mess with gradual tinkering. We cannot bring about the economic recovery of our Nation without discipline and sacrifice. The President's bold economic program offers hope and opportunity for tomorrow if we are willing to accept the necessary discipline today. In a television appearance a few days ago, a distinguished senior Member of this House wondered about the courage of Congress and described it as a "craven collective." I regret to say that the term is applicable to the way Congress has behaved on many occasions in recent years, and never more so than when it considered budget issues.

The people are demanding change. The calls and mail to my office have been overwhelmingly in support of the President's economic program, and many are from people who are willing to accept some reductions of the programs which benefit them. Are we a craven collective that will succumb to special interest pressures and refuse to make the very hard decisions required for the future economic health of our country? Or do we have the courage to resist those pressures and do what we know is necessary for the economic recovery of our great country?

Do we cower in fear, or do we make the tough decisions, knowing that the hope of our citizens for a better tomorrow depends on our political courage today?

Our new President has had the courage to set his program before us and the American people. Do we have the courage to follow his lead?●

● Mrs. CHISHOLM. Mr. Speaker, President Ronald Reagan's speech last Thursday evening again demonstrated not only his compelling rhetorical abilities but also his conviction that his brand of economic medicine will cure our ills.

If he is right—and if the budget cuts, bureaucracy cuts, regulation cuts, and tax cuts turn out to be the right cures—Jimmy Carter may well have been the last Democratic Party President of this century.

Mr. Reagan's cuts are radical and severe. While his proposals will not reduce the size of Government, and will only slow its growth, they will reduce living standards for millions of lower income Americans. The Federal Government will take less from those who can afford to give more; and will give less to those who need more.

The economic theories on which President Reagan relies have praiseworthy goals but shaky foundations. I agree that we must end inflation: I question whether the size of the Federal budget directly relates to the inflation rate. I agree that American industry needs to be revitalized: I question whether more tax incentives and loopholes will result in productive business investments. I agree that some social service spending is wasteful and counterproductive: I question whether large cutbacks in that spending will end waste or weaken welfare dependency by poor, unskilled, unmarried mothers of preschool children.

President Reagan has made his speech. He has given the Congress his plan. Now, finally, is the opportunity for us to closely consider the details of his proposals, to weigh all the evidence, and to decide who wins and who loses in this year's fight over the Federal budget.●

● Mr. BRODHEAD. Mr. Speaker, all of us share President Reagan's concern over the state of our economic health. We are experiencing an economic crisis of dramatic proportions. Inflation is at unbelievable levels. The Federal deficit is burgeoning out of control. Interest rates are stifling and unemployment is at very high levels. The result is that our national economy has become stagnated.

Congress must address these problems quickly and responsibly. I for one wish to state my strong support for the goals expressed by the President in his address: Cutting waste and fraud in such a way as to insure that the truly needy are not hurt and that sacrifice is evenly distributed.

We need cuts in the Federal budget. The economic situation and the public's mood demand cuts. Clearly, Congress has not made a strong enough effort at eliminating waste and fraud. I am very sympathetic to the need for quick action to make up for this deficiency.

But I want to make sure that eliminating waste and fraud does not actually hurt those most in need in our society—the unemployed, the poor, the sick and handicapped, retirees, and working class families. As the President noted, we must "continue to fulfill the obligations that spring from our national concerns." For example, the President noted that 8 million Americans who want to be productive are out of work and their lives are dominated by despair. We must make sure that their burden is not increased by insuring that needed benefits are not indiscriminately slashed.

I am concerned that the sick will suffer severely as a result of the proposed medicaid cuts. The President's proposal would not reduce the actual cost of health care, but simply transfer health costs from the Federal Government to State governments. In my own State, we are suffering a drastic economic slump, requiring the State to make huge spending cuts. Michigan's only realistic alternative will be to cut health benefits for the poor. We must make sure that cutting waste and fraud in health programs does not result in a loss of essential services.

Because of these concerns, we owe it to the American people to carefully study the President's proposals. We must be certain that we are cutting only waste and fraud, and not needed services and benefits. I intend to work hard to meet this goal as set out by the President.

On the tax side, I believe that our economic stagnation can be helped by tax cuts. We must reduce excessive bracket creep, and our tax system must not be allowed to inhibit business productivity and expanding production.

However, the President's proposal for a 3-year, 30-percent across-the-board cut causes me great concern. I fear that it may be excessive, inflationary, and inequitable. We must try to target tax relief to those most burdened by inflation—low- and middle-income workers. We must be certain that tax cuts achieve the desired result—higher productivity and renewed economic growth.

I am concerned that the benefits of the proposed individual tax cuts will be unevenly distributed. I do not believe that the American people want to give those with incomes over $200,000 a tax break of roughly $30,000, while the average American will wind up with a next tax increase. Also, I believe Congress must be certain that massive tax cuts for business do not just increase the profits of healthy companies, but that they also help to restore economic health to companies in difficulty, such as the auto and steel industries.

This task will be difficult. The Ways and Means Committee has already begun hearings on the tax proposals. I believe that if we proceed in a thoughtful and compassionate manner, we can succeed.●

● Mr. FORD of Michigan. Mr. Speaker, the President's so-called economic recovery plan falls far short of its great pledge of rejuvenation for the American people in the field of education. In my home State alone, the cuts Mr. Reagan is proposing would be absolutely devastating.

Preliminary estimates by the Michigan Department of Education reveal that Michigan students, who have already suffered the brunt of severe slashes of $140 million in education funding resulting from the State's own economic crisis, would have to endure an overwhelming $216 million reduction in the first year of this precarious plan. Future years in the program spell even worse disaster for the classrooms of my State, which has a long and well-established reputation for education quality and leadership.

As I see it, many of our school administrators who have been pleading for less regulation and strings, could receive their long-awaited goal with the President's block grant approach, but at a very, very dear price—at least 20 percent less in education resources for their students.

Perhaps one of our most hailed programs, vocational education, is in line for a 20-percent cut. Using President Carter's fiscal year 1982 request as a base, this cut alone means $6 million less. A decrease in vocational education would be particularly harmful to our State when many of our workers are seeking new educational opportunities or retraining to extract themselves from the ever-growing unemployment lines. It is also clearly pennywise and pound foolish when one looks at the ever-increasing Federal expenditures for unemployment insurance, trade adjustment assistance, food stamps, and aid to families with dependent children.

Since the inception of the larger Federal aid to educational programs like title I, the Education to All Handicapped Children Act, and an updated Vocational Education Act, the elementary and secondary education community has done an outstanding job categorizing youngsters and targeting various forms of special assistance to enhance natural abilities and overcome any deficiencies or handicaps. All the progress we have made introducing children who would have been educationally neglected or forgotten to educational opportunities they would not have experienced just decades ago, would virtually be wiped out with the grants consolidation being proposed. The 28-percent reduction being offered for the various programs serving the gifted and talented, career-oriented, handicapped, adult and bilingual estimated at almost a $50 million cut.

And, in impact aid, which had played a vital role in insuring that local school districts are not shortchanged by the presence of a Federal installation, a 64-percent reduction means a loss of $1.5 million of the State's $2.24 million allocation.

Funds to improve the quality of the State agency itself would not escape the budget ax. A 28-percent reduction in funding to administer these very worthwhile programs would cost the agency still another $1.5 million.

Just months ago, I was honored to lead the House effort in reauthorizing our Federal student financial aid programs. The reality of budget constraints during that time prompted the House and Senate to pare back their original package by $11 billion. Now, less than 1 year later, the executive branch comes back to us with an across-the-board cut of 20 percent more for both grants and loans. This totally unjustified whack at recently renewed authorizations would cost some 53,000 students in Michigan alone about $95 million. It comes at a time when many of our unemployed citizens of all ages have returned to the classroom for enrichment and career training and boosted our post-secondary enrollments to all-time record levels. Another 7,000 Michigan students and their families, forced to rely on social security benefits to enable them to attend higher education institutions, would lose an additional $15 million per year under the President's recommendations.

Child nutrition programs which benefit countless elementary and secondary school children in our State would also face a potentially killing blow from the budget bludgeon. State officials have determined that Michigan, which has been one of a handful of model States in school breakfast and lunch programs would be forced to survive with $26.6 million less than what it got by with the year before. And, last year was by no means a banner year for child nutrition, given a budget reconciliation bill which chopped away one-sixth of the total program. A move of this drastic nature could force some districts to drop the programs altogether.

Vocational rehabilitation programs, which over the years have proven to be genuinely successful in rehabilitating injured workers, would also undergo a $7 million slash. As a result, services would not be available for 8,400 clients in my State; and another 1,300 persons would not be able to receive employment assistance aimed at job placement.

Critical to all of our education programs and the general population as well are our libraries. It is unconscionable to me how any budget cutting proposal—no matter how widespread—could take such a large slice from libraries. Targeted for a $2 million cut in Michigan, the library programs have encountered over the past few years perhaps some of the most difficult of times with skyrocketing book and periodical prices, increased postal rates, and exorbitant utility costs which have forced them to limit their hours. Libraries are accessible to all and often serve as a community's only cultural and artistic and learning outlet. To shortchange our libraries is to shortchange our children's future and our citizens' enrichment.

To say that I am stunned or even outraged that such proposals would be recommended with serious intent is an understatement. My State simply is in no position whatsoever to be able to swallow this bitter medicine and maintain any semblance and quality in its education program. I could not in good conscience give any serious considera-

tion to Mr. Reagan's recovery program. It may be recovery to him, but it would be ruin to us.

President Reagan's program for economic recovery is doomed to failure, for yet another reason. Although the Reagan program has many weaknesses, its most glaring error is its failure to address the urgent needs of the automobile industry and the communities which are dominated by it. In fact, Mr. Reagan's program promises to devastate hundreds of communities that currently are tenuously surviving a depression unrivaled since the thirties.

The automobile industry is the linchpin of the entire American economy. It directly employs 4 million people and accounts for one quarter of U.S. retail sales. Many other industries rely on the auto industry for a huge part of their market: Auto manufacturing consumes 21 percent of the Nation's steel production, 30 percent of its ferrous castings, 60 percent of its synthetic rubber, 11 percent of its primary aluminum, and 20 percent of its machine tools. Railroads, mines, the construction industry, and scores of other industries benefit from automobile production and sales.

If the health of the auto industry is not protected, the vitality of the entire Nation's economy is jeopardized.

The Carter administration ignored that simple fact until the end of its term, and the economy has suffered terribly as a result. Apparently, Mr. Reagan, too, has chosen to ignore the plight of our most important industry. The results undoubtedly will be the same: Massive unemployment, a loss of productivity, and uncontrolled inflation.

No program that concedes a third of our automobile market to foreign manufacturers will improve our economic well-being. Mr. Reagan cannot be heard to decry the loss of American capital investment and the decline in American productivity while standing idly by as new auto plants close, machinery is idled and experienced workers go without work. How will the U.S. auto industry retool and reinvest to improve productivity while unrestrained import competition is crippling its profitability?

Mr. Reagan's program does not merely ignore the condition of the U.S. auto industry, it actually worsens it. His decontrol of domestic oil prices has unleashed another round of runaway gasoline price increases, further depressing the market in car sales, and his policy of tightening the money supply guarantees high interest rates that discourage new car buyers and penalize auto dealers who must finance their inventories.

But Mr. Reagan's program does not just ignore the needs of the automobile industry and its workers. His program also ignores the needs of the communities which depend on that industry. At the nadir of the worst depression in the history of the industry, Mr. Reagan proposes to cut billions of dollars from three programs—trade adjustment assistance, food stamps, and unemployment insurance—that have thus far prevented widespread hunger, homelessness, and desperation from spreading through formerly prosperous manufacturing regions of the country.

Mr. Reagan's jellybean economists have forgotten that eliminating social programs and assistance payments does not end the problems or eliminate the social and financial costs of having jobless citizens. Rather, those costs are transferred to another line in the Federal budget or shifted onto the backs of already-burdened State taxpayers.

The 20,000 Michiganites who exhaust their extended unemployment insurance benefits each month do not disappear, and neither do their needs. It is no coincidence that Michigan accounted for more than half of the Nation's new welfare cases last year. Does it make sense to shift the public assistance burden to the States that can least afford it?

I submit that it does not make sense, and that in the case of trade adjustment assistance, cutbacks are a breach of faith that will devastate the import-impacted economy of Michigan and its neighboring States.

The 30-percent market share captured by the Japanese as a result of our one-sided and unfair trade policies has taken billions of dollars out of the economy of the north-central region. Plants have shut down; hundreds of thousands of formerly productive people are not working; goods are not being produced, and little wealth is being generated by the region's chief industries.

Autoworkers, steelworkers, and other blue-collar victims of our trade policies are not the only beneficiaries of trade adjustment assistance: every shopkeeper, landlord, and restaurant owner—and everyone they employ or do business with—benefits in a community where substantial numbers of workers are receiving TAA. All of them will suffer when that assistance is reduced or eliminated.

In many communities today, TAA and unemployment insurance are keeping the economy together. Without the $150 million a month in UI and TAA which the Federal Government is now pumping into Michigan's depressed economy there would be breadlines everywhere.

If TAA were cut in half, food stamps denied, and UI reduced, as President Reagan proposes, how would depressed cities and towns in Michigan, Indiana, and Ohio replace the millions of dollars that currently keep their schools open, pay their police and firefighters, and keep local businesses alive?

This Nation made a commitment to protect the workers and communities who would be hurt by our Government's free trade policies. The trade adjustment assistance program was created to compensate those of our citizens who Congress knew would pay with their jobs for the increased prosperity and lower consumer costs that an open door to imports promised the rest of our people.

Now, when my constituents and millions of others in communities dominated by the transportation industry have paid the price for free trade, President Reagan would renege on the bargain. Now, when Michiganites have suffered so that Texans might have cheaper cars, it is proposed that the promise of mitigation for that suffering be abandoned in all but name.

And for what purpose? To balance the budget so that inflation might be reduced by one-half of 1 percent? No. Even that good but insignificant goal will not be served. Mr. Reagan proposes to spend so much for guns, bombs, and missiles that the budget will never be balanced during his term in office. Mr. Reagan will spend over a trillion dollars of our tax money in the next 4 years on the military. And as Mr. Reagan will tell you, a trillion dollars is a staggering amount of money—a stack of thousand dollar bills 64 miles high.

Mr. Speaker, I am heartsick and angry at the thought that the Congress will abandon its responsibility to the people of the United States and will passively accept the administration's cynical abandonment of the New Deal, in favor of a "soak-the-poor" tax scheme and an economic program that ignores the needs of millions of working Americans.

I am submitting figures for the RECORD which make graphically clear the hardships that the Reagan proposals will work on Michigan and on my own congressional district. The TAA program provided $929 million in aid to Michigan between October 1979 and January 1981. Governor Milliken's office estimates that the Reagan plan would eliminate three-quarters of this aid. In October 1980 alone, my district would have lost $9 million in aid, with ruinous effect on the local economy. We cannot yet estimate the potential impact to Michigan of the proposed unemployment insurance cutbacks, which provide over $100 million a month in aid to our hard-pressed communities.

I hope no one will be deceived into thinking that the economic conditions in districts like mine are improving because the number of TAA and unemployment insurance claimants dropped

between November and December 1980. As the attached charts also show, the number of workers who have been unemployed so long that they have exhausted these benefits has increased proportionately. The charts do not show that general assistance cases increased 100 percent in Michigan over the past 13 months, even with the current levels of Federal TAA, food stamps, and unemployment insurance support.

UNEMPLOYMENT RATES BY MICHIGAN CONGRESSIONAL DISTRICT

(In percent)

	November 1980	October 1980	November 1979
District:			
1	17.5	17.3	12.4
2	8.5	8.6	7.0
3	10.3	10.0	5.7
4	12.4	12.2	8.7
5	9.6	9.3	5.8
6	11.2	10.7	6.2
7	15.2	16.3	8.0
8	13.5	13.7	8.3
9	12.2	11.1	7.1
10	12.3	11.7	7.6
11	13.0	12.4	10.5
12	14.6	13.5	9.3
13	22.7	22.5	16.4
14	12.7	12.3	8.5
15	10.4	10.3	7.2
16	11.6	11.5	8.0
17	9.9	9.8	6.5
18	10.1	9.7	5.4
19	14.6	14.4	7.4
Michigan	12.5	12.1	7.9

REGULAR UNEMPLOYMENT INSURANCE BENEFITS BY MICHIGAN CONGRESSIONAL DISTRICT

	December 1980 [1]	November 1980	December 1979
District:			
1	$3,559,000	$2,905,000	$3,884,000
2	2,891,000	2,371,000	3,432,000
3	3,521,000	2,875,000	2,318,000
4	4,040,000	3,298,000	4,185,000
5	3,373,000	2,757,000	2,740,000
6	4,115,000	3,358,000	2,971,000
7	3,707,000	3,074,000	3,342,000
8	3,818,000	3,112,000	4,245,000
9	4,226,000	3,439,000	3,312,000
10	4,003,000	3,261,000	3,824,000
11	5,486,000	4,476,000	5,450,000
12	5,671,000	4,624,000	5,058,000
13	3,404,000	2,846,000	3,764,000
14	3,925,000	3,201,000	3,754,000
15	4,337,000	3,527,000	4,456,000
16	3,521,000	2,875,000	3,794,000
17	3,447,000	2,810,000	3,317,000
18	4,157,000	3,379,000	3,071,000
19	4,633,000	3,765,000	2,439,000
Michigan	75,915,000	61,894,000	69,311,000

[1] Preliminary.

REGULAR UNEMPLOYMENT INSURANCE CLAIMANTS BY MICHIGAN CONGRESSIONAL DISTRICT

	December 1980 [1]	November 1980	December 1979
District:			
1	9,600	8,800	12,900
2	7,800	8,000	11,400
3	9,500	9,700	7,700
4	10,900	11,100	13,900
5	9,100	9,300	9,100
6	11,100	11,300	9,700
7	10,000	10,200	11,100
8	10,300	10,500	14,100
9	11,400	11,600	11,000
10	10,800	11,000	12,700
11	14,800	15,100	18,100
12	15,300	15,600	16,800
13	9,400	9,600	12,500
14	10,600	10,800	12,500
15	11,700	11,900	14,900
16	9,500	9,700	12,600
17	9,300	9,500	11,000
18	11,200	11,400	10,200
19	12,500	12,700	8,100
Total	204,700	208,700	238,100

[1] Preliminary.

EXTENDED BENEFIT PAYMENTS BY MICHIGAN CONGRESSIONAL DISTRICT

	December 1980 [1]	November 1980	December 1979
District:			
1	$1,433,000	$1,105,000	$1,324,000
2	1,084,000	843,000	761,000
3	1,162,000	901,000	563,000
4	1,510,000	1,163,000	1,058,000
5	1,162,000	901,000	728,000
6	1,173,000	977,000	695,000
7	1,568,000	1,221,000	794,000
8	1,781,000	1,367,000	985,000
9	1,278,000	988,000	860,000
10	1,433,000	1,105,000	1,026,000
11	1,510,000	1,163,000	1,292,000
12	1,936,000	1,483,000	1,291,000
13	1,394,000	1,076,000	1,291,000
14	1,471,000	1,134,000	1,191,000
15	1,580,000	1,221,000	977,000
16	1,394,000	1,076,000	1,060,000
17	1,317,000	1,010,000	1,092,000
18	1,394,000	1,076,000	794,000
19	1,278,000	989,000	563,000
Total	26,834,000	20,704,000	18,300,000

[1] Preliminary.

EXTENDED BENEFIT CLAIMANTS BY MICHIGAN CONGRESSIONAL DISTRICT

	December 1980 [1]	November 1980	December 1979
District:			
1	3,700	3,800	4,000
2	2,800	2,900	2,300
3	3,000	3,100	1,700
4	3,900	4,000	3,200
5	3,000	3,100	2,200
6	2,900	3,000	2,100
7	4,100	4,200	2,400
8	4,600	4,700	2,700
9	3,300	3,400	2,600
10	3,700	3,800	3,100
11	3,900	4,000	4,200
12	5,000	5,100	3,900
13	3,600	3,700	3,900
14	3,800	3,900	3,600
15	4,100	4,200	2,800
16	3,600	3,700	3,200
17	3,400	3,500	3,300
18	3,600	3,700	2,400
19	3,300	3,400	1,700
Total	69,200	71,200	55,200

[1] Preliminary.

INDIVIDUALS EXHAUSTING ALL U.I. BENEFITS BY MICHIGAN CONGRESSIONAL DISTRICT [1]

	December 1980 [2]	November 1980	December 1979
District:			
1	1,000	800	700
2	900	700	400
3	600	500	300
4	1,300	1,000	800
5	900	700	300
6	900	700	400
7	1,100	900	500
8	1,000	800	500
9	1,000	800	500
10	1,300	1,000	500
11	1,100	900	800
12	1,300	1,000	500
13	1,000	800	900
14	1,000	800	600
15	1,300	1,000	400
16	1,000	800	400
17	1,000	800	400
18	1,000	800	400
19	900	700	300
Michigan	19,800	15,600	9,200

[1] These claimants have exhausted their maximum U.I. entitlement including regular and extended benefits.
[2] Preliminary.

TRA PROGRAM BENEFITS BY MICHIGAN CONGRESSIONAL DISTRICT

	November 1980	October 1980
District:		
1	$4,637,000	$8,081,000
2	2,842,000	6,700,000
3	818,000	1,501,000
4	426,000	735,000
5	688,000	1,272,000
6	2,127,000	6,686,000
7	6,087,000	14,683,000
8	5,527,000	15,033,000
9	79,000	181,000
10	1,339,000	2,534,000
11	154,000	268,000
12	5,385,000	7,337,000
13	4,449,000	7,081,000
14	4,672,000	7,625,000
15	4,517,000	11,955,000
16	4,191,000	9,042,000
17	3,824,000	7,829,000
18	4,292,000	5,938,000
19	8,106,000	14,824,000
Total	54,000,000	129,114,000

Note.—Includes payment for retroactive TRA claims.

TRA PROGRAM CLAIMANTS BY MICHIGAN CONGRESSIONAL DISTRICT

	November 1980	October 1980
District:		
1	5,700	7,100
2	3,900	4,400
3	1,700	1,600
4	900	1,400
5	800	1,500
6	8,100	8,200
7	8,900	16,300
8	7,900	14,400
9	100	300
10	2,600	3,400
11	300	500
12	6,100	7,800
13	5,500	6,800
14	5,300	7,200
15	4,900	7,900
16	4,500	6,700
17	4,600	5,900
18	5,300	6,400
19	9,100	10,500
Total	79,900	118,500

Mr. CONYERS. Mr. Speaker, I yield back the remainder of my time.

ESTONIAN INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 60 minutes.

● Mr. DERWINSKI. Mr. Speaker, 63 years ago today, Estonia, the smallest of the Baltic States, declared its independence as a democratic repub-

lic. In that same year of 1918, Soviet Russia attacked Estonia with the aim of conquering that country. However, during this war of independence, Estonia repulsed the Red armies and in 1920 concluded a peace treaty with the Soviet Union.

Unfortunately, the signing of the notorious Stalin-Hitler pact of August 23, 1939, offered to Nazi Germany a welcome pretense for starting World War II and allowed parts of Eastern Europe, including the three Baltic nations—Estonia, Latvia, and Lithuania—to become part of Soviet Russia's so-called sphere of influence. Consequently, Stalin received a free hand to forcibly annex these three independent Baltic countries, which remain illegally occupied by the U.S.S.R. to this day. Soon after the conclusion of this pact, Estonia signed, on September 28, 1939, under military threat and without the possibility of any help from abroad, a pact of mutual assistance with the Soviet Union.

During the period of 20 years which the Estonian people enjoyed their independence, they demonstrated what a small nation is able to achieve in all fields while enjoying a democratic way of life. They achieved an exceptionally high educational level. The history of Estonian literature was documented by the publication of the first book in the Estonian language in 1935. The Estonian people may also be particularly proud of their agricultural accomplishments and impressive industrial achievements during this time. Their folklore continues to win recognition for its originality, colorful variety, and great artistic value.

As a result of the Soviet invasion, in 1940, this prosperous life came to an abrupt end by the brutal acts of their large totalitarian neighbor. Since then, the Estonian people have suffered extremely heavy human and material losses. This situation still persists. Estonia is economically exploited by the Moscow regime. Those who dare make any requests for freedom and justice, relying on the stipulations of the Helsinki Final Act, are either confined to mental hospitals or sentenced to prison terms. Such sentences are made in conformity with the ill-famed mock trials of the Stalin era.

Nevertheless, many Estonians have managed to flee from the Communist terror in their homeland and are now living in various parts of the free world. They are deeply concerned about the future of their ancestral homeland and continue to make their voices heard on behalf of the people of Estonia.

The United States, as well as a great number of other Western countries, have never recognized the forcible annexation of Estonia, Latvia, and Lithuania by the Soviet Union, which in fact is of great moral support to the people of these nations. I believe it is especially important for the United States to continue its full and uncompromising support for the basic concept of the sovereign rights of a people to the free and independent choice of the form of government under which they wish to live. I am especially pleased that the Reagan administration has reaffirmed our policy of nonrecognition of the Soviet occupation of the Baltic States.

Estonians in the United States and throughout the free world will commemorate their national holiday today, February 24. They confirm at such occasions their determination to fight for the restoration of the independence of their native Estonia. At the same time, they hope that world public opinion will support them in this struggle for freedom and justice. We join with them in expressing our determination to see that the aspirations of Estonian people for national independence and cultural freedom will once more be restored.●

● Mr. MOFFETT. Mr. Speaker, today commemorates the 63d anniversary of the proclamation of the independence of the Republic of Estonia. Although Estonian independence came to an abrupt end through the treachery of the Stalin regime in 1940 after only 20 years of self-rule, the Estonians' spirit of independence and national pride lives on. It is that spirit which we celebrate today.

In the years following the Soviet Union's illegal annexation of Estonia, the brave struggle for independence was ruthlessly crushed. In 1941 alone, approximately 60,000 Estonians—over 5 percent of the population—were killed or put in concentration camps. In all, during the 10-year span from 1939 to 1949, Estonia's native population declined by one-third.

Today, the oppression continues. Estonians Mart Niklus and Juri Kukk, for example, were recently sentenced to prison terms for their activism in promoting human rights and autonomy for the Baltic region. They also, along with several other Estonians, condemned the Soviet invasion of Afghanistan in an open letter to Leonid Brezhnev, and urged the International Olympic Committee and several national Olympic committees to boycott the 1980 Olympics in Moscow.

One of the greatest threats to Estonian freedom and identity, however, lies in the steady progress of cultural assimilation, or "russification." The years since World War II have brought a steady flow of Russian immigrants into Estonia. Attracted by Estonia's high standard of living and the labor shortage created by the massive deportations and killings of the postwar era, Russians now comprise over one-third of Estonia's population. Nevertheless, the Estonians continue to cling to their native language and their cultural heritage in admirable defiance.

As world attention focuses on events in Afghanistan and Poland, let us not forget another valiant struggle against Soviet imperialism. The Estonians deserve our support and admiration as they fight for their freedom and national identity against ominous odds.●

● Mr. BLANCHARD. Mr. Speaker, I take this opportunity to join in my distinguished colleague's special order commemorating the 63d anniversary of the proclamation of independence for Estonia.

The freedom enjoyed by the Estonian people was short lived, and was crushed by the military power of the Soviet Union in 1940. Freedom-loving men and women the world over join the men and women of Estonia and their relatives in America and elsewhere in hoping for the day to come when Estonia will once again be free.

For this reason, I gladly join the gentleman from Illinois in his celebration and remembrance of freedom that once was—in Estonia.●

● Mr. STRATTON. Mr. Speaker, February 24, 1981, marks the 63d anniversary of Estonian independence. I am pleased to join with my colleagues in Congress, and with Estonian Americans and Estonians throughout the world, in commemorating this day and in showing support for the struggle of the brave people of this Baltic State against Soviet domination.

After World War I, Estonia proclaimed itself an independent, democratic nation. Although invaded that same year, 1918, by Soviet armies, they were able to wage a successful war of independence and repulse the Soviets in February 1920. For the next 20 years Estonians lived as a free people.

The country thrived during this period, making great progress in agricultural production and industrial enterprise. The gross national product doubled. Estonian literature and culture flourished, as did human rights. Estonia become the first nation in the world to grant its minorities autonomy through Government-subsidized ethnic schools.

However, economic progress and social tolerance were ended in the summer of 1939 by the pact between Hitler and Stalin, which allowed the Baltic States to come under the Soviet sphere of influence. The Soviets consequently annexed Estonia, Lithuania, and Latvia, incorporating them into the U.S.S.R. in 1940.

For the last 40 years the country has been under Soviet domination. Through deportation, execution, and emigration the small nation has suffered a tragic loss of its people: In the 1940's one-third of the population was lost. Russification, the imposition of Russian language, culture, and the

influx of Russian peoples, has also challenged the country's endurance. But Estonians at home and abroad have struggled bravely and successfully to retain their culture and traditions. And I have been greatly impressed with the enthusiasm of Americans of Estonian descent in carrying on the culture and traditions of their broad heritage.

So I rise again today to support their justifiable struggle for independence, and to recognize their achievement of freedom 63 years ago. In this same spirit, I have joined in cosponsoring House Concurrent Resolution 36, which asserts the right of self-determination for the people of the Baltic States, and calling for the withdrawal of the Soviet military presence.

As we observe today with admiration and concern the struggles of the people of Poland and Afghanistan against Soviet oppression, our sense of the plight of people in all the captive nations is sharpened. The courageous resistance now waged by the Polish labor unions may in time set a pattern for a new measure of freedom from Soviet control, not only for Poland but for Estonia as well. Let us hope that that indeed will happen.●

● Mr. DORNAN of California. Mr. Speaker, today we commemorate the 63d anniversary of the proclamation of the independence of the Republic of Estonia.

The history of the brave and resourceful people of Estonia has been a tragic one. From the 13th century on, successive waves of foreign powers have invaded this tiny Baltic country. But the indomitable fighting spirit of the people manifested itself time after time, particularly in the successful war of independence against the invading armies of Russian communism after World War I. However, in June 1940, the dark night of Communist tyranny again descended on Estonia, resulting in its forcible incorporation into the Soviet empire. And that wretched condition of servitude continues to this day.

Mr. Speaker, in keeping with our own traditions of liberty and national self-determination, the United States has never recognized the forcible annexation of Estonia. By commemorating today the anniversary of the proclamation of Estonia's original independence 63 years ago, we recall, in Thomas Jefferson's words, that the price of liberty is eternal vigilance. The dark forces of modern totalitarianism go about, as scripture has it, roaring like a lion, seeking whom they may devour. But, while the Soviet Union may have forcibly incorporated the sovereign territory of Estonia, it will never succeed in destroying the hopes and aspirations for liberty, which spring eternally in the heart of the Estonian people. No state based slowly on force and fear can long endure. History bears solemn testimony to that.

The people of Estonia need never lose courage for fear that the West shall forget. The peoples of the West shall never forget until the last Soviet soldier withdraws from Estonian soil, and the Estonian people once again savor the freedom that the Almighty willed for each man and for every nation.

At this time, Mr. Speaker, I would also like to draw attention to the flagrant violation of human rights in Estonia by the Soviet Union, particularly the rights of Mart Niklus and Juri Kukk. Since 1976, Mart Niklus has been arrested repeatedly, and held in prison for months at a time, for attempting to monitor the Helsinki agreements. In the latest violation of the Helsinki accords, Mart Niklus was charged with "anti-Soviet agitation and propaganda" and sentenced to 10 years in prison and 5 years of internal exile.

During 1979 and early 1980, Mr. Juri Kukk signed a number of human rights appeals, which have found their way to the West. He was subsequently accused of "spreading fabrications slandering the Soviet system," forced to undergo psychiatric examinations, and sentenced to 2 years of forced labor. It is very unlikely that either of these brave men will survive their imprisonment.

In accord with the spirit of the Helsinki agreements, we request that the Soviet Union free Messrs. Niklus and Kukk and permit them to emigrate to the United States.●

● Mr. WAXMAN. Mr. Speaker, today marks the 63d anniversary of Estonian Independence Day. Yet to the Estonians independence means little. Despite the pledge of the Soviet Union to honor the Helsinki accords and to respect human rights, Estonia remains totally incorporated under Soviet domination—stripped of all cultural and political sovereignty and deprived of even the most basic human freedoms.

Estonia, a tiny country in the northeastern part of the Baltic region, has enjoyed a rich and varied heritage; Estonians can trace their past to times before the Christian era. Their unique culture reflects the influence of the neighboring countries: Sweden, Germany, and Russia, each of whom has ruled this small country. The strong nationalism of the Estonians contributed to their valiantly fought, successful struggle against the Soviet Union in 1920, at which time they were finally granted their long-sought freedom.

In the two decades that they enjoyed true sovereignty, the Estonians proved to the world what a tiny nation can do when allowed to come into its own. They showed that because of their previous domination by other countries, they truly understood the principles of democracy. The Estonian Constitution embraced the ideals of justice and liberty and protected the legal and ethical rights of all its linguistic minorities. On a global scale, Estonia joined the League of Nations and, as an ardent advocate for peace, became the spokesman for the small, democratic states.

Yet Estonia's hard-fought freedom was unfortunately short lived. In 1940, this tiny country committed to the virtues of justice and peace, was again invaded by the Soviet Union. After a brutal struggled in which the Estonian population was sharply decimated, the country fell prey to the Soviet hammer and sickle—bereft of even the slightest political or cultural autonomy.

Mr. Speaker, today a country that once prided itself on its industrialization and economic development now finds its economic wealth exploited. A country whose fine educational system allowed it at one time to export its highly educated public servants to help other less fortunate nations, now finds itself captive to censorship and the Soviet repression of free thought and ideas. A country whose very heritage and pride became the tools necessary to build itself into a self-sufficient state, must now submit to total russification. A country whose constitution espoused the ideals of freedom and human rights has ironically become a victim of oppression and the denial of these virtues.

It is especially incumbent upon us, a nation that is so free, to remember a country with no political forum—whose citizens such as Miklus and Kuss are jailed merely for their refusal to be silenced. Let us not take our freedom for granted and let us renew our commitment to the freedoms of others. The Estonians are a people of great courage and remarkable spirit. Let this, the anniversary of their independence, signal a new beginning in their undying fight for freedom.●

● Mr. ADDABBO. Mr. Speaker, today marks the 63d anniversary of the proclamation of the independence of the Republic of Estonia, a once free nation which in 1940, was forcibly and illegally annexed by the Soviet Union. On this important occasion I would like to take this opportunity to call to the attention of my respected colleagues in the House the plight of this once sovereign country and of its brave and determined people.

Since 1940, when the Soviet Union occupied Estonia, in violation of a peace treaty signed with Estonia, the people of Estonia have known much hardship. A government they created to protect their rights, was taken over by one which has seen fit to repeatedly violate their human and national rights. In years past, a deeply religious country, today Estonians live under a

Soviet regime which has restricted religion. It is a nation economically exploited by Moscow for its mining and manufacturing industries, the mines providing almost three-fourths of the Soviet Union's oil shale.

Fittingly, the United States has never recognized the validity of the Soviet annexation of Estonia and condemns the Soviet Union for its repeated violations of the Helsinki accords. As long as the United States has the power to speak out for those nations who are unable to speak out for themselves, it must continue to do all it can to free people who are prisoners in their own homeland.●

● Ms. FERRARO. Mr. Speaker, February 24, 1981, marks the 63d anniversary of the proclamation of the independence of the Republic of Estonia, illegally annexed by the Soviet Union in 1940.

At the start of World War II, Soviet forces occupied Estonia claiming, as in Afghanistan, that these armies had been invited. The occupation has continued ever since. In 1941, the Soviets began their purges of the Estonian people. In July of that year, literally tens of thousands of people were executed, imprisoned, and sentenced to hard labor. These purges approached a policy of genocide.

The current political situation in Estonia is much like that in the rest of the Soviet Union. Liberties which most of the Western World consider fundamental are still denied to the Estonian people.

In January of this year, two human rights advocates, Juri Kukk and Mart Niklus, were sentenced to hard labor for 2 and 10 years, respectively. Their convictions were based solely on political motivation. Their lives are representative of the hundreds, perhaps thousands, of Estonians who in recent years have become active and open in support of the Helsinki principles.

The plight of these people, and of all the Estonian people, may only be bettered by the continued attention of the free world leaders and press. Only when Soviet policies are revealed and repudiated by the rest of the civilized world, will these authorities make some concessions to humanitarian principles.

The U.S. Government has never recognized the occupation of Estonia. The United States has never relinquished its support for the principles of political freedom and self-determination for the Baltic States. American support for Estonian and Baltic causes is traditionally important and right.

The recent invasion of Afghanistan and events in Poland, as well as the campaigns against dissidents, have shown time and again Soviet brutalities in the treatment of the peoples whose homelands they have invaded. The time has come for an end to the Soviet occupation of Estonian soil. I urge my colleagues to join with other freedom-loving peoples throughout the world in support of the successful efforts of the Estonian people to resist russification policies. We must all support the struggle of the Estonian people to reachieve independence. The Estonian culture goes back for thousands of years, and it deserves not to be ignored—or forgotten.●

● Mr. ZABLOCKI. Mr. Speaker, on this occasion I join my colleagues in commemorating the observance of Estonian independence and reaffirming my deep concern for the citizens of the Republic of Estonia, who are being denied the freedoms they should rightfully enjoy.

This observance serves to remind the Soviets that the United States continues to regard the incorporation of the Baltic nations by the Soviet Union to be illegal and a violation of international law. It will also remind the Soviet Union of their commitment to the principles of the final act for security and cooperation in Europe. Having signed the Helsinki final act, the Soviets agreed to uphold the precepts of human rights and self-determination as set forth in principle VIII.

It was on February 24, 1918, that the Republic of Estonia declared its independence. Estonia enjoyed its sovereign status until 1940. Then the Ribbentrop-Molotov agreement was implemented, whereby Stalinist Russia invaded and annexed the Baltic nations with full support of Hitler's Germany.

The continued domination of Estonia, and of other Baltic nations, by the Soviet Union causes very serious concern. I find particularly reprehensible reports of torture of dissidents who are jailed and sentenced to degrading and inhuman treatment in psychiatric prisons.

The first phase of the Madrid meeting of the Conference on the Security and Cooperation of Europe last fall provided an opportunity to reaffirm the Helsinki principles and to review their implementation, including the tenets of principle VIII on humanitarian and human rights matters. The United States continues to believe that these principles should be upheld by all signatories to the Helsinki act.

We admire the courage and resolve of the Estonian people to resist cultural annihilation, and the abridgment of their rights and freedom. We encourage their spirit and quest for self-determination.●

● Mr. DOUGHERTY. Mr. Speaker, yesterday the attention of the world was drawn to Moscow as President Brezhnev addressed the opening session of the 26th Congress of the Soviet Communist Party. This morning's Washington Post carriers a photograph of a billboard erected in Moscow for the event which quotes Brezhnev as urging principles of "peace and cooperation among peoples."

Empty words? Most certainly. For we join together today to remind the world that one need go no further than the Soviet Union's own borders to witness oppression. Today we mark the 63d anniversary of the independence of the Republic of Estonia. We applaud our own Government's consistent policy of not recognizing the forcible and unlawful incorporation of Estonia into the U.S.S.R. in 1940. We join together today to commemorate the dream of freedom which the people in Estonia will not let die—despite more than four decades of a Soviet regime which has restricted national cultural life and religious freedom under the guise of an official policy of russification. We honor the people of Estonia for their courage and their refusal to surrender their desire for independence and self-determination as a nation and as a people.

Today I would like to call to the attention of my colleagues the plight of two Estonians who are at this moment fighting for their lives. They are representative of the hundreds, perhaps thousands, of Estonians who in recent years have become active and open in support of the Helsinki principles. Both men are in precarious health and have just been reimprisoned after trials which took place—with obviously intentional irony—during the recess of the Madrid Conference which is evaluating the progress of the Helsinki accords.

First arrested in 1958, Mart Niklus was sentenced to 10 years of forced labor plus 3 years of exile for sending photographs depicting Soviet reality to the West. Released in 1966 because of his deteriorating health, Niklus was subjected to constant harassment and interrogation because of his activities in monitoring the Helsinki process. In March of 1980 he was denied permission to emigrate to Sweden and was arrested in April. In January he was sentenced to 10 years of forced labor plus 5 years of internal exile. Since August he has staged a hunger strike and has vowed to continue regardless of the consequences for his health or, indeed, his life.

Tried at the same time as Niklus, Juri Kukk had already started a hunger strike in support of his fellow human rights activist. For his crimes of signing numerous human rights documents and appeals that have reached the West, Kukk was also arrested in March of 1980 and has been sentenced to 2 years of forced labor. Concerned observers agree that it is very unlikely that either Niklus or Kukk will survive their imprisonments.

I call on my fellow Members of Congress to join with the people of the Republic of Estonia, the Estonian

American community in the United States, and all freedom-loving peoples everywhere to plead the cause of Mart Niklus and Juri Kukk. Let us remind Mr. Brezhnev of the hollowness and fallaciousness of any call for peace and cooperation among peoples which does not include freedom and self-determination for those persons and nations held captive for their belief in the same principles on which this great Nation was founded. Mr. Speaker, we must not let that dream of freedom die.●

● Mrs. HOLT. Mr. Speaker, February has been a month of celebration here in America. Two of our greatest Presidents were born in the Valentine month, and it was in February 1781 that Maryland, my home State, ratified the Articles of Confederation. But in a small country in northeast Europe, there has been no celebrating. The Republic of Estonia, recognizing the 63d anniversary of the proclamation of its independence, has not been allowed to enjoy self-determination, representative government, development of national interests, nor to see her people live complete, full lives without foreign intervention.

In 1940, the army of the Soviet Union occupied the free Republic of Estonia. Following has been a 41-year reign of terror and continuous human and national rights violations. For it is only through fear and assault that Soviet hegemony can be maintained. These events are nothing new to the people who have felt the imperialistic hunger of the Soviets, and while free nations call for the withdrawal of Russian troops from other more recently invaded countries, we must not forget those patriots who have persisted in the fight to regain their freedom in little Estonia and her neighbors, Lithuania and Latvia.

Trying to monitor the Helsinki accords of 1975, two Estonians, Mart Niklus and Juri Kukk, have been repeatedly arrested, imprisoned, and harassed by Communists, who have much to fear from the truth. The truth is that military occupation is the only way that Soviet influence can be successful in Estonia, and they continue to arrest men and women working to liberate their nation. I call for the Soviet Union to evacuate the independent Republic of Estonia, to immediately adhere to the Helsinki accords, and to allow Niklus and Kukk to live their lives in peace.●

● Mr. SMITH of New Jersey. Mr. Speaker, today is another of those occasions both joyous and melancholy—it is the anniversary of Estonia's Declaration of Independence from the Russian Empire in 1918.

That independence was short lived. In 1940, in disregard of solemn treaty promises, the Soviet Union invaded and annexed Estonia. Estonia was caught between the great tyrants of the modern age, Hitler and Stalin, and when they decided to partition Eastern Europe, independent Estonia vanished.

More than 40 years after the Hitler-Stalin pact, and over 35 years after the Second World War ended, Estonia's freedom has still not been restored.

Independent Estonia was making great progress. It was the first nation to grant its ethnic minorities government-subsidized theaters, libraries, and schools. In 1927 Estonia won an award from the Jewish National Fund in Palestine.

Today, thanks to systematic depopulation by the Soviet Union, Estonians are rapidly becoming a minority in their own country. While 88 percent of Estonia's population was Estonian in 1939, only 64 percent is Estonian today. Russian immigrants are deliberately transplanted to Estonia by Moscow.

Thousands of Estonians have been murdered, thousands more have been deported to Siberia. This is a terrible record to contemplate.

This Nation has never recognized the annexation of the Baltic nations, nor should we ever. We should maintain the diplomatic legations of these countries now existing in the United States.

I note our representatives at the Madrid Conference on compliance with the Helsinki accords have raised the issue of the Baltic States. I hope we do so at every international conference and forum the Soviet representatives are present at.

Every now and then individual tales of heroism come through the Iron Curtain. Two young Estonians, Mart Niklus and Juri Kukk, are now in slave labor camps. Their crime is demanding the Soviet Union comply with the Helsinki accords. They wanted Estonia to be free. I would hope our State Department would take note of these men and do what it could to secure their release, for they are not expected to survive their term of imprisonment.

The Hitler-Stalin pact cost Estonia its freedom. Hitler is dead, the Nazis are no more, but Stalin's heirs continue to govern. Today they are meeting in the Kremlin to celebrate their power, their determination, their ruthlessness.

Let us oppose to these men the ideal of freedom. As Lincoln told us, "Let us have faith that might makes right." Our right is the right of small nations to live in peace and freedom.

In 1936 the Emperor of Ethiopia, after the brutal destruction of his nation, told the League of Nations, "Aside from the Kingdom of the Lord there is no kingdom on this Earth greater than another." Some day Estonia will have its freedom again. We will establish that no nation on this Earth is greater than another, that all nations, large and small, have the same rights.●

● Mr. SENSENBRENNER. Mr. Speaker, today is Estonian Independence Day and it reminds us again there are many people throughout the world who do not live in freedom. Yet these very same people hold a dream and hope for freedom.

It is important that this country which, as a policy for as long as we have existed, believes in human rights recognize there are many races and nationalities which exist under the totalitarian domination of the Soviet Union.

We must remember those freedom-loving people of Estonia when implementing a consistent and just foreign policy.●

● Mr. MICHEL. Mr. Speaker, February 24 marks the 63d anniversary of the proclamation of the independence of the Republic of Estonia. In 1940 the Soviet Union annexed Estonia. The people of this country have been under the control of the Soviet Union ever since.

I do not believe I have to bring to your attention the long and tragic history of the Soviet Union's conquest of Estonia. It is a tale whose outlines are well known. Mass deportations, loss of human and civil rights, systematic russification in education—in the hope that Estonian children will stop using their native tongue—all of the Soviet Union's brutal policies toward captive peoples have been put into practice in Estonia.

Despite this persecution—or perhaps, in part, because of it—the Estonian people still remain loyal to their culture and to a belief in God.

On the 63d anniversary of the creation of the Republic of Estonia, let us remember what a precious gift freedom is. Let us make certain that the Soviet Union lives up to the principles embodied in the Helsinki accords so that the Estonian people can exercise their God-given right to national self-determination.●

● Mr. LENT. Mr. Speaker, I would like to take this opportunity to bring to the attention of my distinguished colleagues, a most significant anniversary. This year, February 24, 1981, marks the 63d anniversary of the Declaration of Independence of the Republic of Estonia. This declaration evolved out of a series of struggles for freedom on the part of the Estonian people. For a brief period, between 1920–40, the Republic of Estonia flourished and the Estonian people demonstrated to the entire world what a small nation can pursue and achieve in all areas of endeavor when it enjoys the bounty of peace and freedom.

The peace and freedom that Estonia treasured were obliterated when Communist Russia invaded and conquered Estonia and two other Baltic States,

Latvia and Lithuania. Since that deplorable act of aggression, the Russians have continued to persecute and oppress the Estonian people denying them the basic human rights provided for and insured in the Helsinki final act.

Mr. Speaker, I would like to direct our attention to two courageous men. Mart Niklus and Juri Kukk are Estonian human rights activists who have helped inform the world of the plight of their fellow Estonians. They have personally suffered imprisonment which in turn, lead to serious health problems. Despite the constant adversity, these two men have stood fast and fought for what they knew was right—freedom. They believe in their cause, they believe in themselves and they believe in their countrymen. My colleagues, their dedicated efforts deserve our full support. Today, on this significant date in history, let us join together to reaffirm our determination to focus our efforts in support of the long and arduous struggle being carried on by the courageous Estonians. Let us pledge our continued support and strengthened efforts to oppose Soviet usurpation of human rights.●

● Mr. CARNEY. Mr. Speaker, today, February 24, commemorates the 63d anniversary of the proclamation of independence of the Republic of Estonia. This day commemorates the success of this Baltic country in its hard-fought struggle against the forces of Russian imperialism.

Estonia remained an independent nation for 22 years. During that short period, however, this nation achieved strong political, economic, and social advances. The culture of Estonia, which has existed for centuries, reached the height of its expression during 1918–40.

Tragically, the coming of World War II again made Estonia, and the other Baltic countries of Latvia and Lithuania, the target of imperialistic and ideological expansion. In 1940, Estonia was again occupied by Soviet forces. It remains under occupation at the present time. The U.S. Government has never recognized the Soviet invasion of Estonia and has continually repudiated the brutal denial of freedom for the people and self-determination for the nation.

Forty years ago, the Soviet authorities began their massive purge campaigns against the Estonian and other Baltic people. In June of 1941, literally hundreds of thousands of people disappeared; these individuals were imprisoned, sentenced to hard labor, and executed. The Soviet policies approached genocide.

The Soviet policies of oppression continue today. In an attempt to destroy the ethnic character of Estonia, the Soviet Union has conducted a policy of russification. It has reduced the ethnic-Estonian population of the country while increasing the Russian population. Other policies entail the subordination and suppression of Estonian language and culture, and the persecution of all religious movements.

The right to free political expression has been vigorously attacked. In January, two dissidents, Juri Kukk and Mart Niklus, were sentenced respectively to 2 and 10 years of hard labor. Their alleged crimes stemmed from their commitment to human rights and political freedom—rights which the Soviet Union supposedly adheres to under the Helsinki accords. Kukk and Niklus' plights are known to the Western press. Yet, there are many others who suffer harassment, confinement to psychiatric hospitals, and imprisonment for their beliefs and who remain unknown. Only the continued vigilance of the free world offers any prospect of improvement in the treatment of these people. Only when the most heinous of Soviet actions are revealed and repudiated can there be hope for modest reforms. In addition, the United States and the entire free world must continue a policy of nonrecognition of the occupation of Estonia and the Baltic States, and must insist on freedom and self-determination for these countries.

Many Estonians came to America following the invasion of their homeland. They are grateful for the freedom and the opportunity which this Nation has provided to them. They are grateful for the efforts of American leaders on behalf of their homeland, and they support the principles of liberty which America has always promoted throughout the world. They appreciate that America has never forgotten their plight, and the plight of all people under Communist oppression. For surely, time and Soviet propaganda efforts to hide the facts have been obstacles in Estonian-American efforts to help their friends and relatives in their homeland. The Soviets would like nothing better than for the free world to forget their crimes. Remembering and acting on behalf of the oppressed people gives hope and encouragement to all those who work for liberty, in the free world and under occupation.

Mr. Speaker, it is in the spirit of solemn rememberance of Estonia's independence that we salute the Estonian people. We salute Estonians who preserve their culture and work for their country's independence in the free world, and above all, we salute those brave people who struggle for survival, as well as independence, in their occupied homeland.●

● Mr. YATRON. Mr. Speaker, today marks the 63d anniversary of the proclamation of the independence of the Republic of Estonia. I join with my colleagues in commemorating this important event.

The Estonian people have withstood countless foreign invasions and have maintained a strong spirit and vibrant self-identity under the most adverse conditions. Currently, the Estonian people suffer under the oppressive domination of the Soviet Union.

Since the Soviet annexation of Estonia in World War II, the people of that Baltic republic have been subjected to extreme and heinous persecution. The Soviet annexation not only terminated Estonia's independence, but led to massive slaughter and deportations. In 1941, 60,000 Estonians, more than 5 percent of the entire population, were either killed or sent to Soviet concentration camps. In 1949, 80,000 Estonians were deported to Siberia to work on government owned, collective farms. In all, a total of 350,000 people were reportedly lost between 1939 and 1949, representing one-third of Estonia's population.

Unfortunately, Soviet oppression continues today. Many younger Estonians are required to leave their homeland for parts of the Soviet Union. National cultural life and religious freedom have all but been eliminated. Fortunately, the effort of the Soviet Union to crush the Estonian spirit has failed.

Many Estonians have come to the United States to escape Soviet persecution and have contributed significantly to the economic, cultural, and political life of the American society. The courage and stamina of the Estonian people is truly amazing, and should serve to remind all Americans how priceless freedom really is.●

● Mr. GREEN. Mr. Speaker, today the country and homeland of Estonia celebrates the 63d anniversary of its declaration of independence.

Unfortunately, this is not a celebration in the usual sense. Although we recognize Estonia as a free country, it is a country clearly dominated by the Soviet Union. This Soviet domination has brought with it the type of control characteristic of Soviet held territory throughout Eastern Europe. Political expression is suppressed. Freedom to emigrate is denied. Violations of human rights are routine.

As a result, it is especially important that this anniversary is recognized. Estonia has had difficulties for the last 63 years, yet it has persevered. In the last six decades, Estonia has gone from German to Soviet dominance, to freedom, and back to Soviet rule. We should recognize the current occupation by the Soviet Union as an unfortunate, but temporary, part of Estonian history.

The spirit of nationalism has survived in this country and will continue to survive. During its brief moments of freedom Estonia has demonstrated its

people's commitment to human rights and democratic principles. This spirit, which was typified by its courageous struggles against Germany and the Soviet Union, cannot die.

I salute the people of Estonia. The unwarranted occupation by the Soviet Union is intolerable. The citizens of Estonia deserve their freedom. Only then will they be afforded the basic human rights they so clearly deserve.●

● Mr. MOORHEAD. Mr. Speaker, I commend Congressman DERWINSKI for calling this special order so we can make known our awareness of the plight of Estonia, illegally annexed to Soviet Russia in 1940.

This Baltic nation is a tiny country that is passionately desirous of an independence that is denied to it by the ruling elite of the Soviet Union, a group with a real and functioning dislike for national and individual freedom.

Special orders such as this one recalling the 63d anniversary of the proclamation of the independence of the Republic of Estonia should be a constant reminder to all of us that we are uniquely blessed to live in this land of liberty.

It should remind us that the freedom we take advantage of each hour of every day is denied to millions. We must take this opportunity to renew our intentions to preserve and guard our liberty so that it will endure as a ray of hope and a model for emulation for all the people of Estonia and for all the peoples of all the captive nations of this Earth.●

● Mr. MINISH. Mr. Speaker, February 24, 1981, marks the 63d anniversary of the proclamation of independence of the Republic of Estonia. Regrettably, the courageous people of this Baltic State were not to enjoy their rightful freedom for these past 63 years, for invading Russian troops illegally annexed Estonia as part of Soviet territory in 1940. Since that year, native Estonians have endured occupation by the Soviet Union, which has persistently, yet unsuccessfully, attempted to deprive Estonia of its cultural, social, and political heritage. The Soviet military domination has not crushed the spirit of these proud people.

Estonian Independence Day presents an opportunity for commemoration and reflection by us in the United States. First, as a day of commemoration, we offer a tribute to the strength and courage of the Estonian people who have endured many hardships for the past 41 years. Moreover, as American citizens who enjoy guaranteed constitutional rights, we reflect upon the fact that not all people everywhere in the world are as privileged as we. Until human rights are the reality for all, let us not waiver in our commitment to human freedom and dignity.

The violations of individual human rights in Estonia have been well documented. Since the United States witnessed the flagrant and illegal abuse of American rights in Iran, we are more cognizant than ever of the vital connection between guaranteed legal rights, and the fundamental well-being of our citizenry. The unconscionable actions by the Iranians, holding our people hostage for 444 days, demonstrate the dark and unscrupulous depths to which human behavior can fall.

Mr. Speaker, it is my earnest hope that one day we will not have to call for human rights for individuals, because that goal will have been attained. Sadly, history presents no reason for optimism. Until the Estonians, and all their brothers and sisters in the Baltic region have regained their lawful autonomy as free states, let us never rest content in our quest for freedom.●

● Mr. HOWARD. Mr. Speaker, today is the commemoration of the 63d anniversary of the proclamation of the independence of the Republic of Estonia. It is also an opportunity for all Americans to honor the many valiant Estonians who have worked for the freedom of their nations.

Estonians have fought against oppression since the Soviet sponsored aggression into Estonia in 1940. After Estonia's isolation by the Soviet Union, many citizens were subjected to severe violations of their human rights. through crisis after crisis, the spirit of individual liberty shone throughout the character of Estonians in the United States and abroad.

It is this courageous spirit that we honor today. In the past America has supported the right of Estonians to self-determination and freedom from Soviet hegemony. Let the world know today that America will remain supportive of the efforts of Estonians and Estonian-Americans to gain their dream of liberty from Soviet oppression.

The plight of Estonia will always be a reminder to the free world of the value of our democracy. We must never relax our support for democracies throughout the world—the Estonian spirit serves as an admirable and righteous model of national and personal freedom.●

GENERAL LEAVE

Mr. PASHAYAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Illinois (Mr. DERWINSKI).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

U.S. REVITALIZATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BLANCHARD) is recognized for 5 minutes.

● Mr. BLANCHARD. Mr. Speaker, yesterday I introduced the U.S. Revitalization Act, legislation to establish a federally capitalized U.S. Revitalization Bank which could assist our ailing industries and cities to regain their financial health. I do not pretend that this Revitalization Bank bill necessarily represents the definitive solution to what is required to reverse the decline of our basic industries such as auto, steel, rubber, glass, and others, and our deteriorating older urban areas, particularly those in the Northeast and Midwest which are so intimately tied to the industries which are in the most difficulty. But I do believe it can serve as a starting point for our consideration of how to bring about the revitalization, the reindustrialization, or by whatever term we choose to describe it of these most valuable productive resources—the machinery, the know-how, and the people in our great country.

This bill, Mr. Speaker, is based on the very thoughtful and innovative ideas of Felix Rohatyn, who as Members know, fashioned the complex financial package which brought New York City back from the brink of collapse. Mr. Rohatyn has turned his attention now to the broader problems of regional and national revitalization and I, for one, am grateful to him for giving us some very useful proposals to think about.

Let me briefly describe the main features of the bill. It would establish a wholly owned Government bank whose job it would be to help business enterprises and cities either to regain their financial health if they are truly distressed, or for business, to modernize or expand to provide more employment and productivity if they cannot find the resources to do the job themselves.

The financial tools available for the bank to use would be loans, loan guarantees, and—in limited fashion and as a last resort for businesses if loans and guarantees will not do the job—equity capital. For those cities and businesses which need to be rescued from the brink of bankruptcy, and for those businesses which need the bank's assistance to modernize or expand, there is a requirement that there be an equal amount of non-Federal assistance to match the Government's financial help.

Quite frankly, Mr. Speaker, the Subcommittee on Economic Stabilization learned a great deal in our development of the New York City and

Chrysler legislation, and I have incorporated the tough features of both those laws into this Revitalization Bank bill. I believe it would provide an orderly mechanism for dealing with potential financial collapses which would have severe repercussions on the Nation and its various regions, and at the same time would represent a joint effort on the part of all parties involved—businesses, local and State governments, employees, creditors, and the Federal Government—to share in the return to financial health of these important entities.

I want to mention another window in the bank, Mr. Speaker, which I believe to be very important. Many of our cities, particularly the older ones, have deteriorating capital plants which, through no fault of their own, they are unable to replace or restore. For example, many of their roads and bridges are in sad need of repair, yet because of the financial problems brought about chiefly by the shrinking of their tax bases, they cannot afford to make the necessary repairs. The Revitalization Bank could help cities which because of fundamental economic shifts and changes cannot borrow sufficiently to improve their capital facilities by making long-term, low-interest loans for this purpose. These projects would be limited to roads, bridges, sewer or water lines, and must be for repair, restoration, or replacement. The loans could not be used for mass transportation systems—funds are available from other programs for those—and they could not be used for expansion of capital facilities.

The bank would be capitalized initially by the Federal Government at $5 billion appropriated for that purpose, and would be authorized to issue its own obligations, backed by its capital and its assets, up to five times its paid-in capital. If the bank needed an additional backstop for its own bonds, it could ask the Secretary of the Treasury for Federal guarantee of its bonds, but the Secretary would have complete discretion about whether such guarantees were warranted, and then there would have to be an additional appropriation by Congress before any guarantees could be issued.

Mr. Speaker, I am not wedded to this bill or to any particular feature of it. But I commend it to our colleagues as one approach to how to get our industrial and urban economies going again. This is a critical issue we must face—the sooner, the better.

A fuller summary of the bill follows:

H.R. 2000—UNITED STATES REVITALIZATION ACT

PURPOSE

To create the United States Revitalization Bank to assist financially distressed businesses and local governments to return to financial health, to assist businesses to modernise or expand to provide employment and greater productivity, and to assist local governments to renovate or replace deteriorating capital facilities.

FORMS OF ASSISTANCE

Loans, loan guarantees, and, with certain limitations, purchases of stock.

ELIGIBLE RECIPIENTS

Major business entities and local governments.

ADMINISTRATION OF PROGRAM

Through the "United States Revitalization Bank", an instrumentality of the U.S. Government, to be administered by a 7-member board of directors appointed by the President and confirmed by the Senate, one director to be nominated as chairman. Directors to serve four years, no more than three to be employees of the U.S. Government, no more than four from any one political party, all directors to serve without salary and may hold outside employment.

FUNDING OF THE "UNITED STATES REVITALIZATION BANK"

$5 billion capital stock to be paid in from funds appropriated in advance, authority in first six years to issue its own obligations up to five times paid-in capital for maturities up to 30 years, and authority for Secretary of the Treasury to guarantee Bank's obligations subject to advance appropriations.

CONDITIONS OF ELIGIBILITY FOR BUSINESS ENTITIES

1. "General financial assistance" may go to a single failing business entity where Bank determines assistance is in the national interest.

2. Financial assistance for modernization or expansion may go to a single business entity or group of firms to increase or maintain employmnent and productivity in a region of the U.S. if Bank determines applicants cannot modernize or expand on their own and where Bank determines the assistance is in the national interest.

3. All assistance requires a written request accompanied by a feasible plan covering financing and operations for maintenance of, or return to, profitability. Bank may refuse assistance if it regards recovery as improbable or employment and productivity objectives as unattainable.

4. There must be assurance of equal amount of financial assistance from non-Federal sources.

5. There must be reasonable assurance of repayment of the Federal financial assistance.

6. Recipients must agree to annual independent audits, revisions of plans and analyses reconciling actual performance with provisions of plans.

LIMITATIONS ON CAPITAL STOCK PURCHASES

1. Bank may purchase stock of a business enterprise only if a loan or loan guarantee will not accomplish the objectives of the applicant's plan.

2. Stock must be retired, repurchased or sold in 30 years, and there must be reasonable assurance that it can be sold.

3. Bank may not exercise its voting rights to control the enterprise by electing a majority of the board of directors.

CONDITIONS OF ELIGIBILITY FOR LOCAL GOVERNMENTS

1. For general financial assistance to failing local governments, Bank must determine assistance would be in the national interest because bankruptcy or default, or interruption of essential services, would have a severe impact on a State or region of the United States. Assistance could also be given to enable a local government to provide services or facilities for cooperative industry-government recovery plan to retain, expand, or establish significant business operations in the community or region.

2. Applicant must be unable to obtain sufficient credit elsewhere.

3. Requires written request accompanied by a plan for return to financial health and certification by Governor of the need for assistance and the inability of the State to provide such assistance.

4. Requires a State-created "financial control board" with authority to control applicant's fiscal affairs.

5. Applicant's plan must include goal of a truly balanced operating budget and a financing plan for meeting all financing needs while assistance is outstanding.

6. There must be a matching amount of non-Federal assistance from the State, other creditors, employees, private sources.

7. There must be reasonable assurance of repayment of Federal assistance.

8. Applicant must agree that on default or breach of a condition, U.S. may withold any Federal transfer payments to offset Bank's claims.

9. Applicant must agree to annual independent audits, to refrain from reducing significant taxes without Bank's approval, and to provide revised plans and reconciliation analyses.

10. Interest on guaranteed local government obligations would be subject to Federal income taxation.

ASSISTANCE FOR INFRASTRUCTURE IMPROVEMENTS

1. Bank may make long-term loans to local governmental units for improvement of capital infrastructure.

2. Loans restricted to repair, restoration, or replacement of roads, bridges, sewer or water systems.

3. Applicant must be unable to finance the infrastructure improvement because of shrinking tax base or other fundamental economic change.

4. Bank is authorized to charge interest at less than its own cost of borrowing.

TERMS FOR DIRECT AND GUARANTEED LOANS

1. Maturity: 30 years or useful life for capital projects; 5 years for working capital for business enterprises.

2. Interest Rate: Reasonable considering appropriate return to the Bank and U.S. Treasury's borrowing rate, except for infrastructure improvement loans which may carry a lower rate of interest.

3. Guarantee Fee: Requires at least 0.5%, may be higher to cover Bank's administrative expenses and provide appropriate rate of return.

LIMITATIONS

1. Amount of assistance to any one local government or business enterprise may not exceed 10% of paid-in capital of Bank plus permissible amount of obligations authorized to be outstanding (5 times paid-in capital) at any one time.

2. Federal Financing Bank prohibited from purchasing obligations of Bank or obligations guaranteed by Bank.

3. Commitments for financial assistance prohibited after six years after effective date of the Act, unless extended by Congress.●

EXPORT-IMPORT BANK HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, the Reagan administration's budget proposals would reduce the U.S. Export-Import Bank's direct lending authority in fiscal 1982 by 31 percent, diminishing the Bank's ability to finance the sale of American goods and services overseas.

The implications of this lending cutback for U.S. exporters and for the Nation's economy will be the topic of hearings on March 5, 12, and 19 before the House Banking Committee's Subcommittee on International Trade, Investment, and Monetary Policy, of which I am chairman.

We hope to take testimony not only on the Reagan budget proposals, but on several other major problems the Eximbank is facing, including the growing gap between its borrowing and lending rates that threatens the Bank's capacity to remain a profit-making institution. We also hope to get a report on the status of international negotiations in which the major trading nations have sought an agreement on reducing export subsidies.

The International Trade Subcommittee intends to hear public witnesses on March 5 and 12 and to hear representatives of the administration and the Eximbank on March 19. The hearings will be at 10 a.m. each day in room 2128 of the Rayburn House Office Building.

Any individuals or organizations wishing to testify at these hearings or to submit material for the record should get in touch with the International Trade Subcommittee staff at H2-139, House Annex No. 2, Washington, D.C. 20515. The subcommittee telephone number is 202-225-1271.

The administration's budget proposals would undercut the Eximbank's ability to support U.S. exports in many crucial industries, such as aircraft, construction, conventional and nuclear electric power, and other high technology sectors. Foreign governments freely subsidize their own exports, so U.S. businesses would be seriously disadvantaged if Eximbank could not offer them comparable support.

There are broader questions, however. Should those U.S. exporters receive preferential treatment at the expense of the rest of the economy? Are export subsidies really essential for our economy or just for certain industries? Does Eximbank support go to the sectors of our economy that need it most? The subcommittee wants to examine these fundamental questions, in addition to examining the Reagan budget proposal for Eximbank.●

ESTONIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, February 24 is the 63d anniversary of Estonian Independence Day, and Estonian-Americans all over this Nation are commemorating this inspiring benchmark in history for freedom-loving peoples the world over. It is with pride that I join my colleague and good friend, the Honorable EDWARD J. DERWINSKI, in this commemorative event in the House of Representatives.

It was in 1918, on February 24, that the people of Estonia proclaimed their independence from the Tsarist Russian Empire, and in 1919, they and their allies successfully defended their country from attacks by the Red army, which under Lenin tried to force communism on the newly independent nation. On February 2, 1920, a peace treaty was signed between the new Republic of Estonia and the Soviet Union, which "agreed to renounce voluntarily forever all rights over Estonian territory and people."

I extend my greetings to Americans of Estonian descent in the 11th District of Illinois, which I am honored to represent, in Chicago, and all over this Nation as they commemorate the 63d anniversary of the independence of a brave people. This significant event remains a symbol of hope for repressed people all over the world who continue to aspire to human dignity and freedom.

Mr. Speaker, Estonia remained free for only 20 years, because in 1940 the Soviet Union invaded this courageous country and incorporated it into the Soviet empire, just as the Communists are attempting to do 40 years later in Afghanistan. The United States has never recognized this brutal seizure and a historical background statement on this phase of Estonian history follows as excerpted from material by the Estonian Evangelical Lutheran Church. I am also enclosing an excerpt from a statement forwarded to me by the Estonian American National Council entitled "Human Rights Violations in Estonia With Particular Reference to Messrs. Mart Niklus and Jueri Kukk":

THE HISTORICAL BACKGROUND

Estonia, the country and people, located on the shores of the Gulf of Finland and the Baltic Sea, enjoyed the happiness of independence, cultural progress, agricultural and economical development in independent Estonia. The Estonian way of life was, however, destroyed by an unprovoked intervention which was based on the spectacular Nazi-Communist collaboration agreement of 1939, the Molotov-Ribbentrop pact.

On June 17, 1940, the Red Army crossed the borders and occupied the Independent Democratic Republic of Estonia. A Communist takeover, supported only by less than 150 Estonian Communists (out of a population of more than 1,000,000) was, on June 21, 1940, carried out by the Russian invaders under the protection of Soviet tanks and planes. On July 21, 1940, the Communists declared, in the presence of sailors of the Soviet Baltic Fleet, Estonia a so-called "Soviet Socialist Republic" which was, on August 6, 1940, incorporated into the Soviet Union. The Estonian people and a majority of democratic governments have not recognized this flagrant act of violence.

The physical destruction of the Baltic peoples began from the very first day of the Soviet occupation. The first mass deportations took place on June 14, 1941, and continued, on a still larger scale, during the second Soviet occupation which began in 1944. There were, in addition to this, arrestations and mobilizations. The total number of these victims in Estonia is estimated at 12 per cent of the total of the population.

When the cruellest terror ceased after 1953 a horrible danger became even more visible: the transformation of Estonia—where the Estonians as inhabitants are traced back to 3000 B.C.—into a country of Russians. The Russification is going on under the pretext of the influx of the "Gastarbeiter" ("workers as guests") filling up a shortage of laborers who, however, are settling down for good. Large industrial plants were created in, compared with Russia, highly industrialized Estonia (and Latvia). New jobs were filled mainly by Russians. Official Communist slogans pretend gratitude for this kind of "generous help". And now Russian laborers are being directed to rural parts of the country. The filling of the kolkhozes with them aims at making the country definitely Russian. As such, it is as reprehensible as was Hitler's "Herrenvolk" theory in the 1930s".[1]

One has to visualize the following: for the time being Estonian is the dominating local language. It is to be feared that as soon as the Russians become a majority they will set aside the Estonian language and Russian will be imposed as the official language of the ancient country of the Estonians. In spite of all kinds of misleading ideological phrases, this is racism in practice—an instrument for achieving hegemony. The Russians are, as a matter of fact, a Slavic people and the Estonians belong to the group of Finno-Ugrian nations having deeply different characteristics as history makes evident.

In addition to this, the economic exploitation of Estonia by the Soviet Union may also be mentioned.

According to recently finished studies of the Soviet economic system and statistics by professor Eduard Poom, the Soviet Union carries on an extensive economic exploitation in the baltic states. Thus, during the period of the last 15 years on avarage 50% of the yearly gross national product of Estonia was taken over, as a tribute, by the central administration in Moscow. This means a halving of the living-standard of the Estonian people and is an example of a flagrant colonial exploitation in Europe in the 20th century.

[1] Landsmanis, Artura. Persists of Perish. Soviet Russia Destroying Baltic Peoples, Stockholm 1976, p. 10.

ESTONIAN AMERICAN NATIONAL COUNCIL,
New York, N.Y.

STATEMENT: HUMAN RIGHTS VIOLATIONS IN ESTONIA WITH PARTICULAR REFERENCE TO MESSRS. MART NIKLUS AND JUERI KUKK

The 63rd anniversary of the Republic of Estonia's declaration of independence finds its people in the free West and in Soviet occupied Estonia both reflective and very concerned. While the 1975 Helsinki Accords have provided a vehicle for addressing human and national rights within the Soviet Union, the Soviet Union has repeatedly violated these rights in Estonia.

While we in the West commemorate this occasion and rededicate our effort to freedom for all Estonians, we urgently turn to you for help in the case of two Estonians. Mart Niklus and Jueri Kukk are both fighting for their very lives. Their lives are representative of the hundreds, perhaps thousands, of Estonians who in recent years have become active and open in support of the Helsinki principles. Both men are in precarious health and have just been reimprisoned. Your actions on their behalf could be instrumental.

Below are short summaries of the lives of these two Estonian national and human rights activists.

MART NIKLUS

Born in Tartu, Estonia; age 46. Single, last residence with his parents. A Tartu University 1957 graduate with a degree in biology/zoology. He was first arrested on August 21, 1958 and sentenced on January 25, 1959 to ten years of forced labor plus three years of exile for sending photographs depicting Soviet reality to the West. He was released from Vladimir prison on July 29, 1966 due to his deteriorating health. Not given employment in his profession, he survived on odd jobs until 1972, when he was employed as a teacher of English, French and German at the Evening School of Foreign Languages in Tartu.

Since 1976 he has been arrested repeatedly, held for months in prison, been interrogated and had his home searched and belongings confiscated. All of this because of his activities in monitoring the Helsinki process. Concentrated harassment by the authorities began after he along with other Baltic nationalists signed the "Baltic Appeal" to the United Nations and several governments on the 40th anniversary of the Molotov-Ribbentrop Pact in 1979. This 1939 agreement opened the way for Soviet troops to march into Estonia, Latvia and Lithuania. The Appeal called for the Pact's repeal and for the right to self-determination for the three Baltic nations.

On November 13, 1979 Mart Niklus was dismissed from his post at the Evening School. On March 3, 1980 his request to emigrate to Sweden to join his brother was denied. He was again arrested on April 29, 1980, one day after the KGB forced him to leave the hospital where he was being treated for neuritis of the back—a condition resulting from his first eight years in forced labor camps. He was charged under Article 68-2 of the Estonian Soviet Socialist Republic Criminal Code for "anti-Soviet agitation and propaganda." The punishment by law is ten years imprisonment plus five years of internal exile. On August 23, 1980 Mr. Niklus started a hunger strike. His investigation was completed on December 2, 1980 and he was brought to trial on January 5, 1981. On January 8 he was sentenced to ten years of forced labor plus five years of internal exile. He has vowed to continue his hunger strike. We must note that the trial was held during the recess of the Madrid Conference on Security and Cooperation in Europe (the second follow-up to evaluate progress of Helsinki Accords).

JUERI KUKK

Born in Parnu; age 40. Married and the father of a son, 12, and a daughter, 8. He graduated from Tartu University with a degree in chemistry and was subsequently employed as an assistant professor. During 1975/76 he studied in France. As a result of his study abroad, he renounced his membership in the Communist Party in 1978, requested that his Soviet citizenship be voided and that he be permitted to emigrate. On September 20, 1979 he was suspended from the university.

During 1979 and early 1980 Mr. Kukk signed numerous human rights documents and appeals that have reached the West. He was arrested in Moscow on January 28, 1980 after leaving the car of an American correspondent. On March 13, 1980 he was arrested again after a search of his apartment and confiscation of numerous manuscripts and his typewriter. He is accused of violating Article 194-1 of the Criminal Code for "spreading fabrications slandering the Soviet system," for which the law prescribes up to three years of forced labor. He was forced to undergo psychiatric examinations in Tallinn and Moscow and was declared sane. On November 25, 1980, he started a hunger strike in support of Mart Niklus. Tried at the same time as Niklus, Kukk was sentenced to two years of forced labor.

It is very unlikely that either will survive their imprisonments.●

JOHN K. NORTHROP: 1895-1981 AVIATION PIONEER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

● Mr. ADDABBO. Mr. Speaker, a few days ago, John K. Northrop, a man long recognized as one of the world's most accomplished, brilliant, and respected aircraft designers, passed away at the age of 86. In his honor, I would like to take this opportunity and call to the attention of my colleagues in the House, some of the highlights in a varied career of a man, who, in designing 48 aircraft, as well as perfecting numerous aeronautical methods used today, helped shape the course of modern aviation.

As in the case of other infant industries, whether it was railroads, or steel production, men had to step forward with the courage to face the challenges, and the wisdom to take the chances necessary to improve performance. John Northrop was such a man who, in the then young field of aviation, stepped forward, exemplifying an era in flight when those who dared, succeeded. In giving you a brief picture of just what John meant to aviation as we know it today, one of the single greatest moments in aviation history probably would have been delayed by many years had he not, while working at Douglas Aircraft, redesigned the wing which would eventually carry the *Spirit of St. Louis* and Charles Lindbergh nonstop from New York to Paris.

Of the 48 planes he designed, some in particular are certainly worth noting. One of his first accomplishments was the designing of the Lockheed Vega, the plane in which Wiley Post soloed around the world in 1933, and which Amelia Earhart piloted across the Atlantic and Pacific. In the late 1920's he designed the famed Northrop Alpha, Beta, Gamma, and Delta series of civilian aircraft, airplanes which demonstrated the then incredible ability to fly through the worst of weather and to survive accidents with a minimum amount of damage. Later, in partnership with Douglas Aircraft, John's knowledge of the all-metal aircraft design was utilized in the development of the Douglas DC-1, DC-2, and DC-3 commercial series.

John used his technological abilities to design aircraft which became valuable additions to our defense forces, designing in the 1930's the Army A-17 attack aircraft, and the Navy B-1 dive bomber. Later in his career, while heading the company which bore his name, he presided over the development of what was then the world's fastest seaplane, the N-3PB. In addition, other Northrop developments were the P-61 Black Widow night fighter, the first aircraft ever designed specifically for night fighting, the U.S. Air Force Northrop F-89 Scorpion, the first twin-jet, all-weather interceptor, and the USAF Northrop B-35 and B-49 flying wing bombers.

The life of John Northrop will long remain an inspiration to men and women, the world over, in countless fields of endeavor, who must step forward to produce progress; and my prayers are with his family in this time of mourning.●

THE COST OF REGULATIONS AND THE NEED FOR ECONOMIC IMPACT STATEMENTS ON NEW REGULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, the evidence is overwhelming that Government regulations have a significant economic impact upon those individuals and businesses required to comply with them. In the final analysis, it is the general public—the American consumer, worker, taxpayer—who receives the benefits and pays the costs for regulation.

According to a study conducted by the Center for the Study of American Business at Washington University in St. Louis, the total cost of complying

with Government regulations in fiscal year 1977 was $79.3 billion. Moreover, the price tag is rising. The same study estimated the aggregate cost of Government regulations in fiscal year 1979 to be a staggering $102.7 billion, consisting of $4.8 billion in direct expenses by regulatory agencies and $97.6 billion in costs of compliance on the part of the private sector.

Some time ago, I received a copy of a letter to the President from a small businessman in Georgia which really brought home to me the effect Government regulations can have. That letter began with the statement, "You win! I quit!" and proceeded to list the many Government regulations and forms with which this small businessman had to contend. He was driven out of business by the costs of complying with Government regulations and filling out Government reports. His 29 employees were put out of their jobs.

It is the consumer—the average American—who bears the cost of Government regulations because, by and large, these costs are passed on to consumers. Reducing the cost of compliance is not just a business concern, but it is equally a concern of consumers. For example, according to figures compiled by the center at Washington University, the price of a new house goes up from $1,500 to $2,500 because of Federal, State, and local regulations imposed on developers.

To be sure, there are important benefits which are derived from regulatory requirements—safe food, honest advertising, healthy work environments, and so forth. Most of these benefits would not happen without the requirements of law or regulation. But, the public is entitled to know and assess both the benefits and the cost of regulations.

There is clearly a need to establish the economic impact of Government regulations before they go into effect. Congress and the public need to know the cost/benefit comparison of new Government regulations. Yet, there is no statutory requirement for a systematic analysis of whether the benefits to be received from a proposed rule would exceed any negative economic impact. Regulations should only be promulgated after such an analysis has been made and the results examined.

I have introduced legislation which would amend the Administrative Procedures Act to require the preparation and development of specific economic impact analyses for all rules and regulations which are required to be published in the Federal Register. These economic impact statements would also be published in the Federal Register.

I have not introduced this bill so that, if enacted, it could be passed over with a simple coverup sentence such as—

There would be no adverse economic impact from implementing this proposed regulation.

My bill requires a detailed analysis that would address the cost impact of the regulation on consumers, businesses, markets, and Federal, State, and local governments. It would deal with the estimated cost of implementing, monitoring, and enforcing the rule by the agency, the effect of the rule on employment and the fiscal effects of any predicted increase in unemployment if the analysis so indicates, the effect of the rule on productivity of wage earners, businesses, and Government. It would also require the alternatives that were considered by the agency to the proposed rule to be published along with a finding as to why the alternatives were not proposed.

Mr. Speaker, we are in a phase of acute inflationary pressures. One of the significant steps we can take to lessen inflationary pressures is to decrease the costs imposed by Government regulations.

Both President Carter and President Reagan have recognized that Government regulations impose unnecessary costs on the American economy and fuel inflation, and both administrations have taken steps to alleviate these pressures. President Carter's Executive Order 12044, issued March 24, 1978, required executive branch agencies to prepare statements assessing the economic consequences of proposed regulations involving significant costs. President Reagan's Executive Order 12291, issued February 17, 1981, has built upon the experience of the previous administration, and President Reagan is to be commended for this. Yet, this Executive order is deficient in certain respects. It is nonstatutory so that it can be revoked or changed at any time by this administration or subsequent administrations. It does not apply to the independent regulatory agencies where much of the problem lies. And finally, like President Carter's Executive order, it does not establish criteria specific enough to insure the quality of the regulatory economic impact analyses.

I believe that the bill I have introduced addresses some of the deficiencies in the Executive order. Most importantly, it makes regulatory economic analyses part of the statutory requirements for promulgating regulations by both the executive branch and independent agencies. This would insure that such analyses are accomplished and available to Congress and the public. It would also insure that future administrations would not be able to change this policy.

Mr. Speaker, I introduced identical legislation during the last Congress which was cosponsored by 68 Members of the House from both sides of the aisle and many political philosophies. I am confident that this bill will receive similar support in the 97th Congress because it improves the public's confidence in Government and makes that Government better. I hope that we can move ahead with this proposal.●

EFFECTS OF HIRING FREEZE ON VA MEDICAL PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, recently I joined Senator ALAN CRANSTON, Senator ALAN SIMPSON, and the distinguished ranking minority member of our committee in asking the Comptroller General of the United States whether the hiring freeze imposed by President Reagan on January 20, 1981, violates section 5010(a)(4) of title 38, United States Code, which mandates the Office of Management and Budget to allow VA to fill all positions for which Congress has appropriated funds. It was our contention that OMB does not have legal authority to prevent the Veterans' Administration from hiring to fill those positions.

The veterans of our Nation should know that the Comptroller General has rendered an opinion that current law precludes the Administration from using the President's hiring freeze, as implemented by OMB bulletin No. 81-6, to reduce congressionally funded VA employment levels. The Comptroller General has also ruled that all the funds appropriated for the designated positions for the medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses accounts for fiscal year 1981 must continue to be available to fill these positions. I shall pass the Comptroller General's opinion on to the Attorney General so that he can take appropriate action to make certain the law is enforced.

Congress has clearly intended that these positions be filled so that all veterans who need care and treatment in VA medical facilities shall continue to receive the care and treatment necessary to restore them to good health.

There follows a copy of the Comptroller General's letter to me dated February 19, 1981:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., February 19, 1981.

Hon. G. V. MONTGOMERY,
Chairman, Committee on Veterans' Affairs, House of Representatives.

DEAR MR. CHAIRMAN: This is in response to your concern as to whether the hiring freeze imposed by President Reagan on January 20, 1981, violates section 5010(a)(4) of title 38 of the United States Code. That section requires the Director of the Office of Management and Budget, in each fiscal year, to provide to the Veterans' Administration the full funded personnel ceiling for

which the Congress has appropriated funds for the year in three specified accounts. The hiring freeze, on the other hand, with some exceptions, precludes all Executive branch agencies from hiring any employees after January 20, 1981.

As is our usual practice, we requested the views of the concerned agencies—in this instance, the Office of Management and Budget (OMB) and the Veterans' Administration (VA). We have not yet received the formal written comments of OMB. However, we have been told informally that it is OMB's position that: 1. The Director of OMB has already complied with the statute; 2. The temporary hiring freeze is not inconsistent with the full-time employee equivalent (FTE) certification because the VA could use all available staff years after the freeze is lifted; 3. The required certification does not limit the President's authority to impose a Government-wide hiring freeze; and 4. The certification requirement would be satisfied with a deferral report to the Congress delaying availability of some of the funds appropriated for medical care staffing, to be used later on to partially offset the need for a supplemental appropriation to cover the October 1, 1980, pay raise.

In its response to our inquiry the VA takes the position that 38 U.S.C. 5010(a)(4) is an absolute mandate to OMB to allow VA to fill all positions for which Congress has appropriated funds, and that the President does not have legal authority to prevent VA from hiring to fill those positions.

We agree with the Veterans Administration. For the reasons indicated below, it is our opinion that the presidential hiring freeze is not applicable to the positions which the Congress has required to be released for fiscal year 1981. We also hold that the funds needed to fill these positions may not be deferred or otherwise withheld during fiscal year 1981.

THE STATUTE

As is relevant to this decision, 38 U.S.C. §5010(a)(4) provides:

"(A) With respect to each law making appropriations for the Veterans' Administration, there shall be provided to the Veterans' Administration the funded personnel ceiling defined in subparagraph (D) of this paragraph and the funds appropriated therefor.

"(B) In order to carry out the provisions of subparagraph (A) of this paragraph, the Director of the Office of Management and Budget shall with respect to each such law (i) provide to the Veterans' Administration for the fiscal year concerned such funded personnel ceiling and the funds necessary to achieve such ceiling * * *.

* * * * *

"(D) For the purposes of this paragraph, the term 'funded personnel ceiling' means, with respect to any fiscal year, the authorization by the Director of the Office of Management and Budget to employ (under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses) not less than the number of employees for the employment of which appropriations have been made for such fiscal year."

This provision was passed by the Congress in response to actions by the Administration blocking VA from hiring all the health-care employees for which Congress had appropriated funds. The statute was intended to insure that VA was staffed at the level specified by the Congress by preventing the Administration from withholding funded personnel positions from VA. Thus, in the explanatory statement accompanying the compromise bill which contained paragraph 5010(a)(4), the House and Senate Committees on Veterans' Affairs jointly stated:

"The compromise agreement requires the Director of OMB to provide to the VA the personnel ceiling for VA health-care staffing for which appropriations are made * * *.

"The Committees believe that it is essential that when the Congress appropriates funds specifically designated for VA personnel levels, OMB not thwart the will of Congress by requiring the VA to use the funds so appropriated for other purposes (as occurred in fiscal year 1979 when funds appropriated for additional personnel were diverted, at OMB's direction, to cover in part the VA's cost of the Federal government pay raise)." 125 Cong. Rec. 34865 (December 6, 1979).

Also, in explaining the compromise bill to the House, Representative Hammerschmidt, Ranking Minority Member of the Subcommittee on Medical Facilities and Benefits, Committee on Veterans' Affairs, said:

"Another provision is aimed at preventing the recurrence of a situation that generated widespread outrage earlier this year. The Office of Management and Budget directed the Veterans' Administration to use funds appropriated by the Congress to prevent the planned closing of hospital beds within the VA medical system for another purpose. The appropriated funds were used, instead, to absorb the Federal pay raise for VA employees and the bed closings went ahead as planned.

"The Director of OMB is required by the bill before us to allocate funds to the VA for the health care staffing Congress intends. * * *" 125 Cong. Rec. 34871 (December 6, 1979).

See also the statements of Representative Satterfield, Chairman, Subcommittee on Medical Facilities and Benefits (125 Cong. Rec. H11645 (daily ed., December 6, 1979)), and Senator Cranston, Chairman of the Senate Veterans' Affairs Committee (125 Cong. Rec. 34984 (December 6, 1979).

By its terms, the statute requires the Director of OMB to make available to the VA the funds appropriated by the Congress for personnel and to authorize VA to employ at least the number of employees for which funds were appropriated in the three specified accounts. The means for determining the personnel ceiling intended by the Congress was specified in the compromise agreement explanatory statement referred to above:

"The term 'for which appropriations have been made for * * * [a particular] fiscal year' in subparagraph (D) of new paragraph (4) of section 5010(a), as used with respect to an appropriation Act, means the appropriations amount that is identified unequivocally in the legislative history of such Act (including the President's budget submissions for the appropriations account involved) as intended to support a specified employment level." 125 Cong. Rec. 34865 (December 6, 1979).

In the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, Pub. L. No. 96-526, 94 Stat. 3045, 3059, the Congress appropriated approximately $6 billion, $132 million, and $51 million respectively for "Medical Care", "Medical and Prosthetic Research", and "Medical Administration and Miscellaneous Operating Expenses." The committee reports accompanying the Act, when read with the President's budget requests, indicate the following mandated health-care positions under the three accounts:

Medical Care, 185,848.

Medical and Prosthetic Research, 4,418.

Medical Administration and Miscellaneous Operating Expenses, 832.

Under 38 U.S.C. §5010(a)(4) the Director of OMB is required to authorize VA to fill at least this number of positions, and must make available sufficient funds to pay their salaries.

Subparagraph (C) of paragraph 5010(a)(4) requires the Comptroller General to verify that the Director of OMB has complied with the statute. By letters of February 3, 1981, HR1-63 (B-198103), the Comptroller General reported to the Chairmen of the House and Senate Appropriations and Veterans Affairs committees that the Director had released at least the required number of positions to VA. However, the letters cautioned that any determination that the Director was in compliance with the law would turn on the application of the presidential hiring freeze to the VA.

THE HIRING FREEZE

On January 20, 1981, President Reagan issued to the Heads of Executive Departments and Agencies a Memorandum announcing "a strict freeze on the hiring of Federal civilian employees to be applied across the board in theexecutive branch." See 46 Fed. Reg. 9907. The Memorandum indicated that the Director of OMB would issue detailed instructions concerning the freeze. The President delegated to the Director of OMB the authority to grant exemptions from the freeze in special circumstances. Thus the Director of OMB is administering the freeze and it is by his directions that Executive Branch agencies are not hiring.

On January 24, 1981, OMB issued Bulletin No. 81-6 providing "for an immediate and total freeze on the hiring of Federal civilian personnel as directed by the President * * *." The Bulletin directs all Executive Branch departments and establishments to stop all hiring immediately. The Bulletin provides for exemptions from the freeze including "situations where medical, hospital or health care is furnished directly * * *."

In response to our inquiry we have been informally notified by OMB that the Director of OMB granted a blanket exemption from the freeze to VA with respect to positions delivering direct health-care services (doctors, nurses, dentists, etc.). However the Director denied a blanket exemption for VA administrative and other positions funded under the three specified appropriation accounts. The Director indicated that he would consider requests for exemptions for these positions on a facility by facility basis.

Because all three accounts contain appropriations for personnel other than direct health-care personnel, the Director's decision not to exempt these positions too amounts to an impoundment of funds which were made immediately available for obligation by 38 U.S.C. §5010 (a)(4). In this respect, we see no difference in the application of a Government-wide hiring freeze to the VA, or a freeze imposed only on the VA. Both types of actions would prevent the use of budget authority otherwise made immediately available for obligation and therefore constitute impoundments, even though

no formal impoundment message has been transmitted to the Congress to date.

CONTENTIONS OF OMB STAFF[1]

OMB, however, contends that the Director has already complied with the requirements of paragraph 5010(a)(4) by releasing funds and the Congressionally-directed employment ceiling to VA. It apparantly is OMB's position that paragraph 5010(a)(4) does not impose a continuing obligation on the Director to maintain the funded VA personnel ceiling throughout the entire fiscal year.

OMB's interpretation of paragraph 5010(a)(4) would completely defeat the intent of the Congress and we must reject it. As we have indicated, paragraph 5010(a)(4) was enacted specifically to prevent OMB from reducing VA staffing below the congressionally-funded level. It was the intent of the Congress that VA be free to fill all of the positions for which the Congress made annual appropriations. To interpret 5010(a)(4) as allowing the Director to withdraw the personnel ceiling after he had initially granted it would clearly thwart the will of the Congress.

OMB next argues that 5010(a)(4) merely requires the Director to release the positions; it is not a mandate to the VA to actually hire to the full employment ceiling. Therefore, the hiring freeze, which does not actually reduce the ceiling, does not violate the language of the statute.

Certainly, OMB is correct that by its terms 5010(a)(4) does not compel the VA to fill all the positions funded by the Congress. However, the paragraph does require that the Administration not deprive the Administrator of Veterans' Affairs of the authority to fill all the positions should he choose to do so. Clearly it was the intent of the Congress to remove by statute the power of the Administration to reduce VA employment ceilings below the congressionally authorized level. As we have indicated, 5010(a)(4) was enacted by the Congress specifically in response to Administration action which prevented the VA from filling congressionally funded health care positions in fiscal year 1979. In reporting the compromise language which became 5010(a)(4) the House and Senate Veterans' Affairs Committees made it clear that the statute would force OMB to release all congressionally funded positions to VA.

Interpreting 5010(a)(4) to allow OMB to control VA hiring by means of a hiring freeze would be as much contrary to the intent of the Congress as allowing OMB to actually withhold the positions from VA. The OMB Bulletin which implements the freeze purports to deprive the Administrator of Veterans' Affairs of the power to fill the congressionally funded positions, which is not permitted by paragraph 5010(a)(4).

OMB next contends that 5010(a)(4) does not deprive the President of his power to manage the Executive Branch of the Government.

The President's power to manage the Government derives from his constitutional designation as Chief Executive and his responsibility to see that the laws are faithfully executed. However, the President may not use his powers to prevent the law from being fulfilled. *See Kendall* v. *United States*, 12 Pet. (37 U.S.) 524, 613 (1838) *National Treasury Employees Ass'n* v. *Nixon*, 492 F.2d 587, 604 (D.C. Cir. 1974); *Haring* v. *Blumenthal*, 471 F.Supp. 1172, 1179 (D.D.C. 1979). A presidential order may not supercede contradictory statutory provisions or policies. *Marks* v. *Central Intelligence Agency*, 590 F.2d 997, 1003 (D.C. Cir. 1978); *Weber* v. *Kaiser Aluminum & Chemical Corp.* 563 F.2d 216, 227 (5th Cir. 1977), *rev'd on other grounds, United Steelworkers* v. *Weber* 443 U.S. 193 (1979).

Clearly paragraph 5010(a)(4) directs the Executive not to withhold from the VA the authority to fill the congressionally-funded personnel ceiling. The President cannot use his executive power to defeat this statute. Rather he has a constitutional obligation to see that it is fulfilled.

OMB contends that to the extent that 5010(a)(4) deprives the President of his executive powers it is contrary to the Constitution. This Office will not consider the constitutionality of congressional enactments in ruling on the legality of Federal agency actions. We consider every Federal law to be valid until such time as a Federal court of competent jurisdiction declares it to be unconstitutional.

OMB finally argues that 5010(a)(4) does not preclude the Administration from using the provisions of the Impoundment Control Act of 1974, 31 U.S.C. §1400 *et seq*, to attempt to control Federal expenditures. OMB indicates that it intends to propose a deferral of budget authority for the VA positions not filled and to instruct VA to use this budget authority later in the fiscal year in lieu of a supplemental to cover the costs of the Federal pay increase. We do not think the President's impoundment authority is available, however, to defeat a clear congressional mandate that certain funds be made immediately available for obligation.

On April 16, 1980, the President proposed a deferral (D80-65) of funds available for the Federal-Aid-Highways Programs. Several district courts held that the fourth disclaimer in the Impoundment Control Act, 31 U.S.C. §1400(4), precluded the President from impounding funds by reducing the obligational ceiling established by Congress and, thereby, reducing the allotments to the states.[2] The courts held that the fourth disclaimer exempts from the application of the Impoundment Control Act and law "which requires the obligation of budget authority or the making of outlays thereunder." The statute involved in the Highway cases requires the Secretary of Transportation to allot funds to the states by formula, subject to an obligational ceiling. Reducing the obligational ceiling would have had the effect of reducing the states' allotments, and, therefore, the amount that could be obligated to and expended by the states. Though the fourth disclaimer speaks in terms of obligations and outlays and the Federal-Highway Act's mandatory requirement is in terms of the apportionments to the states, the courts still held that the President was precluded by the fourth disclaimer from impounding funds under the Impoundment Control Act.

The situation involved here is analogous to the Highways cases. Both section 5010(a) and the Federal Highway Act require a type of allotment but neither statute requires the recipient of the funds to spend them. In both situations, some further action must occur after the allotment and before funds are actually obligated and spent. In the case of section 5010(a), VA determines that positions need to be filled, finds qualified individuals, and hires them. In the case of the Federal-Aid Highways Program, a state determines it needs the funds, submits a program plan and obtains Department of Transportation approval. Furthermore, the reduction of available positions in contravention of section 5010(a) and the reduction of the obligational ceiling in contravention of the Federal-Aid Highways Act have the same effect—the amount of funds available for obligation and expenditure are reduced. Since the Impoundment Control Act was not available in the Highway cases, it should not be available to OMB to reduce the positions allocated to VA and, thereby, reduce the funds available to it.

Section 1001 of the Impoundment Control Act 31 U.S.C. §1400, provides:

"Nothing contained in this Act, or in any amendments made by this Act, shall be construed as—

* * * * *

(4) superseding any provision of law which requires the obligation of budget authority or the making of outlays thereunder."

In light of the provisions of section 1001 it is our view that the Impoundment Control Act may not be used to deny to VA the funds and related positions mandated to be available by paragraph 5010(a)(4). In this connection, and in the context of paragraph 5010(a)(4), we see no distinction between a Congressional mandate to spend and a mandate to allot positions and make funds available to fill them.

We conclude that 38 U.S.C. §5010(a)(4) precludes the administration from using the President's hiring freeze, as implemented by OMB Bulletin No. 81-6, to reduce congressionally funded VA employment levels. We also hold that all the funds appropriated for the designated positions in the Medical Care, Medical and Prosthetic Research, and Medical Administration and Miscellaneous Operating Expenses accounts for fiscal year 1981 must continue to be available to fill those positions.

Sincerely yours,

MILTON J. SOCOLAR,
Acting Comptroller General of the United States.●

[1] As we have indicated, we have not received any formal written comments from OMB. For the remainder of this decision when we refer to OMB positions or contentions we are referring to the views of OMB staff informally communicated to us.

[2] In the 1980 Supplemental Appropriations and Rescissions Act, the Congress rendered the question of the legality of deferral D80-65 moot. Accordingly, in cases pending before courts of appeals, the district courts' rulings were vacated. However, we believe the analysis contained in many of these cases is useful and provides guidance in the situation before us.

REVERSE FREEDOM OF INFORMATION PROCEDURE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. ENGLISH) is recognized for 5 minutes.

● Mr. ENGLISH. Mr. Speaker, I am today introducing the Reverse Freedom of Information Procedure Act, a bill intended to provide fairer and more efficient procedures for the treatment of freedom of information requests for records submitted to the Government by third parties. The problems with agency handling of requests for these records were set out in a 1978 report of the House Committee on Government Operations entitled "Freedom of Information Act

Requests for Business Data and Reverse FOIA Lawsuits" (H. Rept. 95-1382).

My bill is based on the recommendations of that report. At the administrative level, it would require agencies to notify persons who have submitted information to Federal agencies that a FOIA request for that information has been received. Submitters would then have an opportunity to present arguments to the agency supporting the confidentiality of the data. While this appears to be standard operating practice at most agencies, I believe that these requirements should be added to the law.

I also propose to give submitters a new right that agencies cannot now provide. The bill would give submitters of information the right to appeal an adverse decision at the administrative level. This is comparable to rights presently granted to requesters and may help to cut out unnecessary litigation. In order to allow more time for agency consideration of confidentiality arguments, the bill also relaxes slightly the time limits now in the law.

These administrative changes make possible corresponding changes in judicial procedures for the handling of reverse FOIA lawsuits. A reverse FOIA lawsuit is one filed by a submitter of information in order to prevent the disclosure of the information by a Federal agency. One of the major problems with litigation of this type is getting all of the relevant parties together in the same courtroom. Under existing law, it is possible for a submitter to be suing an agency to prevent disclosure of documents in one court while at the same time the requester is suing to require disclosure in another court. Existing judicial procedures may not be flexible enough to bring the parties before the same judge so that only one decision need be made. My bill establishes rules for the consolidation of lawsuits by submitters and requesters.

Those who have followed this issue will note that my bill is similar to the Reverse FOIA Litigation Act (H.R. 5861) that was introduced but not acted upon in the 96th Congress. I look forward to working together with interested parties to improve and refine my bill. I am hopeful that the Subcommittee on Government Information and Individual Rights, which I chair, will be able to take up this matter later in this Congress. Anyone who would like to comment on the legislation is invited to contact the subcommittee.

The text of the bill follows:

H.R. —

A bill to amend the Freedom of Information Act with respect to procedures for the disclosure of certain types of information, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Reverse Freedom of Information Procedure Act".

SEC. 2. (a) Section 552(a)(4)(A) of title 5, United States Code, is amended—

(1) by inserting "(i)" immediately after "(4)(A)"; and

(2) by adding at the end thereof the following:

"(ii) Each agency shall also promulgate regulations, pursuant to notice and receipt of public comment, specifying procedures by which—

"(I) the agency shall, when requested by a submitter at the time of submission of information to the agency, notify the submitter, within five days of receipt of a request, that such a request for records containing such information has been made under this section; and

"(II) a submitter or requester may submit to the agency written argument regarding a request made for disclosure of records.

"(iii) An agency is not required to notify a submitter of the receipt of a request under division (ii)(I) if—

"(I) the agency determines, prior to giving such notice, that the request for disclosure should be denied;

"(II) the disclosure is pursuant to law (other than this section) or agency rule which requires disclosure of specific records in such a manner as to leave no discretion on the issue; or

"(III) the information has been published or otherwise made available to the public.".

(b) Section 552(a)(4) of title 5, United States Code, is further amended—

(1) by striking out subparagraph (B) inserting in lieu thereof the following:

"(B)(i) The district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are situated, or in the District of Columbia, has jurisdiction—

"(I) on complaint by a requester, to enjoin the agency for withholding agency records and to order the production of any agency records withheld from the requester; and

"(II) on complaint by a submitter, to order an agency to notify a submitter of a request as required by subparagraph (A)(ii), to enjoin the agency from disclosing agency records obtained from the submitter, and to order the withholding of any such records.

"(ii) The agency which is the subject of a complaint under this section shall promptly, upon service of a complaint—

"(I) seeking the production of records, notify each submitter (of information contained in the records which are sought by the requester) that the complaint was filed; and

"(II) seeking the withholding of records, notify each requester of the records that the complaint was filed.

"(iii) In an action based on a complaint—

"(I) by a requester, the court shall have jurisdiction over any submitter of information contained in the records which are sought by the requester, and any such submitter may intervene as of right or seek to be joined in such action; and

"(II) by a submitter, the court shall have jurisdiction over any requester of information which the submitter seeks to have withheld, any such requester may intervene as of right or seek to be joined in such action.

"(iv) Unless the court otherwise directs for good cause shown, in an action in which a requester is an intervenor, or is joined, the action shall on motion of the requester be transferred to a district court, designated in the motion, which would have had jurisdiction had the action been brought by the requester.";

(2) by redesignating subparagraphs (C), (D), (E), (F), and (G) as subparagraphs (D), (E), (F), (G), and (H), and by inserting immediately after subparagraph (B) the following new subparagraph:

"(C)(i) In an action under this section seeking the production of records, the court shall determine the matter de novo, and the burden is on the agency to sustain its determination.

"(ii) In an action under this section seeking the withholding of records, the court shall review the record of the agency's proceeding and shall uphold the agency's determination unless it is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

"(iii) In any action under this section, the court may examine the contents of such agency records in camera to determine whether such records or any part thereof shall be withheld under any of the exemptions set forth in subsection (b) of this section.";

(3) by inserting "and any intervenor" immediately after "the defendant" in subparagraph (D) (as redesignated by paragraph (2)); and

(4) by striking out "in which the complainant has substantially prevailed" in subparagraph (F) (as so redesignated) and inserting in lieu thereof "by a requester and award such fees and costs to a requester who has substantially prevailed".

(c) Section 552(a)(6) of title 5, United States Code, is amended—

(1) by striking out clause (i) of subparagraph (A) and inserting in lieu thereof the following:

"(i) determine within ten days (excepting Saturdays, Sundays, and legal public holidays) after the receipt of any such request whether to comply with such request and shall immediately notify the requester, and any submitter of information contained in the records which are the subject of the request, of such determination and the reasons therefor, and of the right of such persons to appeal to the head of the agency any adverse determination; and";

(2) by striking out "or" at the end of clause (ii) of subparagraph (B), by striking out the period at the end of clause (iii) of such subparagraph and inserting in lieu thereof "; or", and by inserting immediately after such clause the following new clause:

"(iv) the need to notify the submitter (in accordance with paragraph (4)(A)(i)) of the receipt of the request."; and

(3) by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C)(i) Any requester under this subsection shall be deemed to have exhausted his administrative remedies with respect to a request if the agency fails to comply with the applicable time limit provisions of this paragraph. If any requester initiates a complaint under paragraph (4)(B), then the administrative remedies of any submitter of information contained in the records which are the subject of such request shall also be deemed to have been exhausted.

"(ii) If the Government can show exceptional circumstances exist and that the agency is exercising due diligence in responding to the request, the court may retain jurisdiction and allow the agency additional time to complete its review of the records.

"(iii) Upon any determination by an agency to comply with a request for records, the records shall be made promptly available to the requester, except that if the disclosure of records was objected to by a submitter of information contained in the records, the agency shall not disclose such records for ten days after notice of the determination required by subparagraph (A)(i) has been received by the submitter.

"(iv) Any notification of denial of any request for records under this subsection shall set forth the names and titles or positions of each person responsible for the denial of such request."

(d) Section 552(d) of title 5, United States Code, is amended—

(1) by striking out "subsection (a)(4)(F)" in paragraph (4) and inserting in lieu thereof "subsection (a)(4)(G)"; and

(2) by striking out "subsections (a)(4)(E), (F), and (G)" in the second sentence and inserting in lieu thereof "subsections (a)(4)(F), (G), and (H)".

(e) Section 552 of title 5, United States Code, is further amended by adding at the end thereof the following new subsection:

"(f) For the purposes of this section—

"(1) 'submitter' means a person who voluntarily submits, or is required by rule or law to submit, information to an agency; and

"(2) 'requester' means a person who has made a request for disclosure of records under subsection (a)(3)."

SEC. 3. The amendments made by this Act shall take effect 180 days after the date of enactment of this Act, except that any provision in such amendments requiring an agency to promulgate regulations shall be effective upon such date of enactment and such regulations shall be promulgated not later than 180 days after such date.●

CONGRESS SHOULD REPEAL NGPA'S INCREMENTAL PRICING PROVISIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 10 minutes.

● Mr. CORCORAN. Mr. Speaker, together with our colleagues BUTLER DERRICK of South Carolina and PHIL GRAMM of Texas, I am today introducing legislation which would repeal title II of the Natural Gas Policy Act of 1978. Title II includes incremental pricing provisions. An identical bill, S. 29, was introduced on January 5 by Senator RICHARD LUGAR of Indiana. This legislation is also identical to H.R. 5862 and S. 2392 of the 96th Congress. These measures would eliminate the current program under which 5,000 to 7,000 industrial boiler users of natural gas from interstate pipelines must be charged the energy equivalent price of oil, even though the rates that they would otherwise pay for natural gas would normally be lower.

Those of my colleagues who served during the 96th Congress are well aware of the controversy which has surrounded the incremental pricing program. In fact, in May of last year, the House voted, by a margin of more than 10 to 1, to veto proposed Federal Energy Regulatory Commission (FERC) regulations that would have subjected approximately 45,000 additional industrial users to incremental pricing of natural gas. The House took that step because it was obvious that the limited first phase of the program was already posing serious problems without generating offsetting benefits in the process. Thus, significantly expanding a program that we knew to be ineffective and counterproductive would only have compounded the problem.

The outlook for natural gas supply is currently very encouraging. In 1979, the first full year the NGPA was in effect, additions to proved natural gas reserves from the lower 48 States were the highest since 1967. Additions to natural gas proved reserves in 1979 were up 35 percent over 1978 figures.

After a comprehensive 2-year assessment of the outlook for conventional and supplemental sources of gas energy to the year 2000, the American Gas Association's Gas Supply Committee has concluded that sufficient gas energy (methane) will be available in the year 2000 to continue to supply at least 25 percent of our Nation's total need for energy. Depending on assumptions regarding future technical, social, economic, and political conditions, gas could provide as much as 33 percent of our needs—the level provided by natural gas energy in the late 1960's and early 1970's. Since domestic gas energy supply and utilization projects, both large and small, generally require only two-thirds the capital investment of comparable projects to generate and utilize electricity and synthetic liquid fuels from domestic resources, gas energy can and should be an increasingly popular choice. To accomplish this, the restraint that incremental pricing places on the interstate market for natural gas should be removed. The bill we are today introducing would accomplish this.

Key reasons for repeal of incremental pricing include:

1. REDUCE INFLATIONARY IMPACT

Incremental pricing, by substantially and artificially increasing the prices which industry is required to pay for natural gas, adversely affects the economy. When industrial gas users pass through these increased energy costs to the consumer, the overall rate of inflation will be increased. To the extent that industrial gas users cannot pass through these costs, these higher gas prices will be paid through offsetting reductions in operations, personnel, and/or reduced investment. In some cases, marginal firms cannot pass through these artificially inflated gas rates and still remain competitive. In such instances, incremental pricing injures the economy by forcing these firms to make the aforesaid offsetting reductions.

2. REDUCE FUEL SWITCHING

Incremental pricing exposes industrial users to the likelihood of sudden, large increases in the price of natural gas and encourages industrial users to switch to alternate fuels. The incremental prices for each State change every month, but under the system established by the Department of Energy, an industrial user does not know until 7 to 10 days before the first of the month what the incremental price will be. Such uncertainty in gas prices, due to fluctuating oil prices, encourages fuel switching. For many, the convenient alternative is oil, which industrial users can buy on contract and thus be guaranteed a set price for a fixed period. It seems incongruous that, at a time when Government policy encourages energy users to reduce the use of imported oil, incremental pricing of natural gas actually encourages industries to use more oil. This is compounded by the fact that for those who do stay on natural gas, the inflationary impact of increasing oil prices is now being artificially duplicated. With the decision last month to speed up the decontrol of oil, this effect will be further exacerbated.

3. ELIMINATE COMPLEX REGULATIONS

Incremental pricing is an incredibly complex mechanism. Enforcement of it—and compliance with it—drains the administrative resources of the public and private sectors alike with no identifiable benefit. For instance, over half of the States on the interstate gas system have taken measures to circumvent the incremental pricing system envisioned by the Congress in 1978, and thus keep any surcharge revenues in the State rather than being spread throughout the pipeline system. Indeed, the National Association of Regulatory Utility Commissioners (NARUC), the organization of State regulatory commissioners, has opposed incremental pricing as an "unwarranted * * * intrusion of Federal control in retail ratemaking."

4. ELIMINATE GUISE OF SHIELDING RESIDENTIAL GAS USERS

Incremental pricing is not providing any benefits to offset the problems it has created. It was theoretically intended to reduce the gas bills of residential users—but FERC has concluded that this reduction is nominal, at best, in scope. Further, whatever very limited benefits that might be accruing to residential gas consumers are being achieved at the costs of greater inflation for all consumers including oil, electricity, and propane users who are bearing these higher costs of manufactured goods, but receiving no benefits whatsoever when their utility bills arrive. In effect, residential oil and electricity users are subsidizing residential gas users. In addition, whenever industrial users leave the gas system, the fixed costs of distribu-

tion and transmission of natural gas must be paid by a smaller pool of users. This, of course, raises rates to exactly those groups the Congress meant to protect when incremental pricing was proposed.

5. ELIMINATE MARKET SEGMENTATION

Because gas bought and sold in the intrastate market is exempt from this program, incremental pricing has effectively reintroduced the segmentation of the national gas market into interstate and intrastate components. Such segmentation could induce industries to relocate or expand their operations in those States not subject to incremental pricing.

Mr. Speaker, for these reasons, Mr. DERRICK, Mr. GRAMM, and I believe it is time to repeal title II—incremental pricing—of the Natural Gas Policy Act of 1978. We urge our colleagues to join us in this effort.●

WE SPEND TOO MUCH ON DEFENSE

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DELLUMS. Mr. Speaker, as we begin to examine the budget for fiscal year 1982, it is important that we look at every item with the same scrutiny. I would like to bring to the attention of my colleagues the following article which appeared in the New York Times on Sunday. I believe that it brings another much needed perspective on ways to cut Government spending.

[From the New York Times, Feb. 1, 1981]

WE SPEND TOO MUCH ON DEFENSE

(By Gene R. LaRocque) [1]

Ronald Reagan has come to power on a platform of alleged United States military weakness and imminent world dominance by the Soviet Union. Mr. Reagan calls for huge increases in military spending as the chief means of showing the world that the nation is still No. 1. The military budget is again to be used as the central symbol of America's world role.

Any assessment of military budgets must acknowledge that they are first of all political instruments in the hands of American leaders. No clear relationship has been established between the level of military spending and measurable calculations of national security, victory in battle or deterrence of conflict.

The vagaries of public opinion, political interests and media attention have more to do with budgets than strictly military considerations. The military budget is formed to accord with the mood of the American electorate, and is shaped by the American political process. There is little that is indisputedly rational or inevitable about it, but there is much that a consensus of habit and custom has sanctified. From year to year, the latest fad of military strategy or foreign policy prevents tinkering at the edges.

Today, the military budget is more than ever the victim of changing circumstances. The budget is increasingly utilized as a vehicle for sending "messages" and "symbols" of will and intention. However, because we do not understand the rest of the world very well and the rest of the world certainly does not understand us very well, the military budget as a symbol is even less effective than the military budget as a measure of our real defense capability.

Too many extensive programs are competing in the military arena and even the budget increases contemplated by the Reagan Administration cannot accommodate all of them. We cannot simultaneously acquire a vast new arsenal of nuclear weapons, expand costly forces for defending countries in Europe and Asia, add to substantial equipment and manpower for rapid intervention everywhere in the world, enlarge a very expensive Navy for deployment on all the world's oceans, develop new weapons that are always better than Soviet weapons and keep existing forces at a high level of readiness and training.

The most unneeded feature of the new budget is its stepped-up pursuit of nuclear weaponry. Mr. Reagan and his advisers have stated that their first priority is a "quick fix" of nuclear forces. Their plans include an expanded MX missile program, revival of a manned bomber, additions to the existing Minuteman missile force, acceleration of the Trident II submarine-based missile, speeded deployment of new Trident submarines, increased spending on antiballistic-missile programs, and accelerated and expanded new nuclear-tipped Cruise and Pershing missiles for deployment in Europe. Mr. Reagan's new Deputy Secretary of Defense, Frank Carlucci, has summed up this nuclear expansion program in claiming that the United States must develop a "nuclear war-fighting capability." As Mr. Carlucci admits, "that's a very large order."

But programs like the proposed MX missile and new nuclear missiles for Europe do not enhance our security. They contribute little to the defense of the United States and are probably harmful. New nuclear missiles do not help to secure oil supplies or promote the resolution of international turbulence. They are irrelevant to most real-world problems.

Obession with extremely remote scenarios for fighting nuclear war at a time when the nation has other clear and present dangers distracts us from taking those realistic steps that are genuinely needed for national defense.

"Quick fixes" in the area of nuclear weaponry will waste tens of billions of dollars over the next decade. These billions will likely come at the expense of other programs, both military and nonmilitary, which could contribute far more to the defense and well-being of America.

"The first priority for military expenditures should be insuring that the existing military establishment, including personnel and weapons, is utilized in the most appropriate and efficient manner. Of course, this only sounds like common sense and everyone rhetorically endorses the proposition. However, we cannot underestimate the power of the ingrained habit of undervaluing what we already have in pursuit of fancy new weapons incorporating the newest features of technology. The rush to produce these new aircraft, ships, tanks and missiles will inevitably lead to neglect of weapons already in the field. Congress and the American people, even in the current pro-defense climate, can only be brought to provide the funds for very expensive new weapons if they are convinced of the alleged inadequacies of existing weapons. At best, we will continue to hear partisan views about the purported inferiority of our weapons.

The economic costs of military power are great. The real present danger is rampant inflation that affects every American, and there should be strong pressures to contain all aspects of government spending. We must strive to maintain some sense of balance about our military and foreign policy problems. As Thomas Ross, who was Mr. Carter's Assistant Secretary of Defense for Public Affairs, recently said, "The military is getting such a favorable hearing that there is a danger that everything that drops from their lips will be taken as holy writ." The 1980 election-year rhetoric about American weakness could lead to an extremely wasteful period of throwing money at military problems. Overstatements of problems usually lead to overreactions and most frequently to "solutions" that offer no real solution.

The United States has strong and wealthy allies who today can more than ever look after their own defense. Consultation with our military allies to achieve a redistribution of the burdens of defense must be undertaken. This is a necessary component of a Western campaign to slow inflation in the world economy.

The sensible areas of military investment in the coming years are increased military pay, more funding for military readiness and maintenance of existing weapons, more spending on non-carrier Naval forces (particularly for antisubmarine warfare), greater procurement of proven existing weapons (such as A-10 antitank aircraft and antitank missiles), enhanced protection for sea-based strategic nuclear forces and adequate funding for fundamental and advanced military research and development. If we are to do what is required in these areas, we will have to be tough-minded in rejecting many other proposed military programs.

It is difficult to measure how much military spending is enough. But it is clear that spending is excessive if the nation's political, social or economic fabric is weakened in the process.●

[1] Gene R. LaRocque, a retired rear admiral, is director of the Center for Defense Information, a nonprofit, independent research institute.

OAKLAND RAIDERS SHOULD STAY IN OAKLAND

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DELLUMS. Mr. Speaker, I speak today in support of H.R. 823, which I am cosponsoring with Messrs. STARK and EDWARDS.

It has been said that victory has a thousand fathers, but that defeat is an orphan. I speak today as one who is concerned that, in its hour of victory, the city of Oakland might be in the process of being orphaned by the prospective departure of the Super Bowl Champion Oakland Raiders.

The fan support given the black and silver over the years compares more than favorably with any other team in the entire National Football League.

Despite the chaos engendered by the front office machinations to relocate the team—before, during, and after the season—Coach Tom Flores held the team together in order to present a united front to the opposition on the playing field. He provided inspiration and encouragement for Quarterback Jim Plunkett. He devised offensive and defensive game plans that stymied the opposition week after week, despite a long list of player injuries. And most of all, he leveled with the fans—always.

The fans reciprocated this faith by supporting the team on the field, even after their poor record in the early part of the season. The playoff victories against Houston, Cleveland, San Diego, and Philadelphia were testimonials to the mutual bond created between players and fans. These fans—and the city of Oakland—deserve to have a municipal voice in the retention of the team in the city where it all began.●

THE 63D ANNIVERSARY OF DECLARATION OF INDEPENDENCE OF LITHUANIA

(Mr. DENARDIS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DENARDIS. Mr. Speaker, I am pleased to join my colleagues in honoring the 63d anniversary of the Declaration of Independence of Lithuania. On February 16, 1918, the Lithuanian National Council unanimously proclaimed a free and independent State of Lithuania. Independence brought considerable progress in Lithuanian social, cultural, and economic life. This freedom was short-lived, however. On June 15, 1940, after only 22 years of independence, the Soviet Union invaded Lithuania. This action was in blatant violation of the peace treaty the Soviet Union had signed with Lithuania in 1920. At that time the Soviet Union had declared:

> Russia, without any reservation whatever, recognizes Lithuania as a self-governing and independent state with all juridical consequences that follow from such a recognition and in the spirit of free and good will renounces for all time all sovereignty rights of Russia concerning the Lithuanian nation and Lithuanian territory.

This obligation was confirmed by Russia on September 28, 1926, in a nonaggression pact with Lithuania.

Despite these commitments, however, Lithuania was forcesbly incorporated into the Soviet Union as the 14th republic in 1940. To this day the United States has refused to recognize this illegal conquest. The Lithuanian diplomatic missions that have been in our country since 1940 continue to enjoy full recognition as representatives of a free and independent Lithuania.

The United States must continue to speak out in support of determined Lithuanians who consistently fight to regain their independence. I truly admire the courage of these individuals. They deserve our respect and support. I strongly urge all Americans to join with the Lithuanian people in celebrating their independence day and in working toward the day when Lithuania can regain its sovereignty.●

RULES OF COMMITTEE ON THE BUDGET FOR THE 97TH CONGRESS

(Mr. JONES of Oklahoma asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. JONES of Oklahoma. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith for publication in the RECORD the rules of the Committee on the Budget which were adopted by the committee in open session on Wednesday, January 28, 1981.

RULES OF THE COMMITTEE ON THE BUDGET

A. MEETINGS

Rule 1. Regular meetings

The regular meeting day of the Committee shall be the 2nd Wednesday of each month at 11:00 a.m., while the House is in session.

The Chairman is authorized to dispense with a regular meeting when he determines there is no business to be considered by the Committee, provided that he gives written notice to that effect to each member of the Committee as far in advance of the regular meeting day as the circumstances permit.

Regular meetings shall be cancelled when they conflict with meetings of either party's caucus or conference. [Required by House Rule XI, cl. 2.]

Rule 2. Additional and special meetings

The Chairman may call and convene additional meetings of the Committee as he considers necessary, or special meetings at the the request of a majority of the members of the Committee in accordance with House Rule XI, clause 2(c).

In the absence of exceptional circumstances, the Chairman shall provide written or verbal notice of additional meetings to the office of each member at last 24 hours in advance while Congress is in session, and at least 3 days in advance when Congress is not in session.

Rule 3. Open business meetings

Each meeting for the transaction of Committee business, including the markup of measures, shall be open to the public except when the Committee, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public. No person other than members of the Committee and such congressional staff and departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This rule shall not apply to any meeting that relates solely to matters concerning the internal administration of the Committee.

Rule 4. Quorums

A majority of the Committee shall constitute a quorum. No business shall be transacted and no measure or recommendation shall be reported unless a quorum is actually present.

Rule 5. Recognition

Any member, when recognized by the Chairman, may address the Committee on any bill, motion, or other matter under consideration before the Committee. The time of such member shall be limited to 5 minutes until all members present have been afforded an opportunity to comment.

Rule 6. Consideration of business

Measures or matters may be placed before the Committee, for its consideration, by the Chairman or by a majority vote of the members of the Committee, a quorum being present.

Rule 7. Rollcall votes

A rollcall of the members may be had upon the request of at least 20% of those present.

Rules 8. Proxies

Any member of the Committee may vote by special proxy if the proxy authorization is in writing, asserts that the member is absent on official business or is otherwise unable to be present at the meeting of the Committee, designates the person who is to execute the proxy authorization, and is limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his or her vote and shall contain the date and time of day the proxy is signed. Proxies may not be counted for a quorum. [Required by House Rule XI, cl. 2(f).]

B. HEARINGS

Rule 9. Announcement of hearings

The Chairman shall publicly announce the date, place, and subject matter of any Committee hearing at least one week before the commencement of that hearing, unless he determines there is good cause to begin such hearing at an earlier date, in which case public announcement shall be made at the earliest possible date.

Rule 10. Open hearings

Each hearing conducted by the Committee or any of its Task Forces shall be open to the public except when the Committee or Task Force, in open session and with a quorum present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. The Committee or Task Forces may by the same procedure vote to close one subsequent day of hearing.

Rule 11. Quorums

For the purpose of hearing testimony, not less than two members of the Committee shall constitute a quorum. [Required by House Rule XI, cl. 2(h).]

Rule 12. Time for questioning witnesses

Committee members shall have not to exceed five minutes to interrogate each witness until such time as each member who so desires has had an opportunity to interrogate such witness.

After all members have had an opportunity to ask questions, the round shall begin again under the 5-minute rule.

In questioning witnesses under the 5-minute rule, the Chairman and the ranking minority member may be recognized first after which members may be recognized in the order of their arrival at the hearing. Among the members present at the time the hearing is called to order, seniority shall be recognized. In recognizing members to question witnesses, the Chairman may take into consideration the ratio of majority members to minority members and the number of majority and minority members present and shall apportion the recognition for questioning in such a manner as not to disadvantage the members of the majority.

For the purposes of House Rule XI. 2.(g)(2) The Task Forces of the Committee are considered to be Subcommittees.

Rule 13. Subpoenas and oaths

In accordance with House Rule XI, clause 2(m), subpoenas authorized by a majority of the Committee may be issued over the signature of the Chairman or of any member of the Committee designated by him, and may be served by any person designated by the Chairman or such member.

The Chairman, or any member of the Committee, may administer oaths to witnesses.

Rule 14. Witnesses' statements

So far as practicable, any prepared statement to be presented by a witness shall be submitted to the Committee at least 24 hours in advance of presentation, and shall be distributed to all members of the Committee in advance of delivery.

Rule 15. Committee prints

All Committee prints and other materials prepared for public distribution shall be approved by the Committee prior to any distribution, unless such print or other material shows clearly on its face that it has not been approved by the Committee.

C. BROADCASTING

Rule 16. Broadcasting of meetings and hearings

It shall be the policy of the Committee to give all news media access to open hearing of the Committee, subject to the requirements and limitations set forth in House Rule XI, clause 3. Whenever any Committee business meeting is open to the public, that meeting may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, in accordance with House Rule XI, clause 3. However, a majority of the Committee may decide at any time to exclude radio, television, and still camera equipment from the Committee room.

D. STAFF

Rule 17. Committee staff

(a) Subject to approval by the Committee, and to the provisions of the following paragraphs, the professional and clerical staff of the Committee shall be appointed, and may be removed, by the Chairman.

Committee staff shall not be assigned any duties other than those pertaining to Committee business, and shall be selected without regard to race, creed, sex or age, and solely on the basis of fitness to perform the duties of their respective positions.

All Committee staff shall be entitled to equitable treatment, including comparable salaries, facilities, access to official Committee records, leave, and hours of work.

(b) In addition to the staff provided in paragraph (a) each member of the Committee may select and designate an associate staff member who shall serve at the pleasure of that member. Such staff member shall be compensated at a rate, determined by the member, not to exceed 75 per centum of the maximum established in clause 6(c) of Rule XI of the House of Representatives; *provided*, that no member shall appoint more than one person pursuant to these provisions; *provided further*, that members designating a staff member under this subsection must certify by letter to the Chairman that the employee is needed and will be utilized for Committee work.

(c) In addition to the staff provided in the above paragraphs, the Chairman shall appoint three professional and two clerical staff, recommended by the minority members, who shall provide staff assistance to the minority members.

Rule 18. Staff supervision

Staff shall be under the general supervision and direction of the Chairman, who shall establish and assign their duties and responsibilities, delegate such authority as he deems appropriate, fix and adjust staff salaries (in accordance with House Rule XI, clause 6(c)) and job titles, and, in his discretion, arrange for their specialized training.

Staff assigned to the minority shall be under the general supervision and direction of the minority members of the Committee, who may delegate such authority as they deem appropriate.

E. COMMITTEE RECORDS

Rule 19. Preparation and maintenance of committee records

An accurate stenographic record shall be made of all hearings.

The proceedings of the Committee shall be recorded in a journal which shall, among other things, include a record of the votes on any question on which a record vote is demanded.

Members of the Committee shall correct and return transcripts of hearings as soon as practicable after receipt thereof.

Any witness may examine the transcript of his own testimony and make grammatical or technical changes that do not substantially alter the record of testimony.

The Chairman may order the printing of a hearing record without the corrections of any member or witness if he determines that such member or witness has been afforded a reasonable time for corrections, and that further delay would seriously impede the Committee's responsibility for meeting its deadlines under the Congressional Budget Act of 1974.

Transcripts of hearings and meetings may be printed if the Chairman decides it is appropriate, or if a majority of the members so request.

Rule 20. Access to committee records

The Chairman shall promulgate regulations to provide for public inspection of roll-call votes and to provide access by members to Committee records (in accordance with House Rule XI, clause 2(e)).

Access to classified testimony and information shall be limited to members of Congress and to House Budget Committee staff and stenographic reporters who have appropriate security clearance.

Notice of the receipt of such information shall be sent to the Committee members. Such information shall be kept in the Committee safe, and shall be available to members in the Committee office.

F. APPLICABILITY OF HOUSE RULES

Rule 21. Applicability of House Rules

Except as otherwise specified herein, the Rules of the House are the rules of the Committee so far as applicable, except that a motion to recess from day to day is a motion of high privilege.

G. CONFEREES

Rule 22. Appointment of conferees

Majority party members recommended to the Speaker as conferees shall be recommended by the Chairman subject to the approval of the majority party members of the Committee. The Chairman shall recommend such minority party members as conferees as shall be determined by the minority party, provided that the recommended party representation shall be in approximately the same proportion as that in the Committee.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DAVIS) to revise and extend their remarks and include extraneous material:)

Mr. CONTE, for 15 minutes, on February 26.

(The following Members (at the request of Mr. LEE) to revise and extend their remarks and include extraneous material:)

Mr. CORCORAN, for 10 minutes, today.

(The following Members (at the request of Mr. DWYER) to revise and extend their remarks and include extraneous material:)

Mr. BLANCHARD, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. ADDABBO, for 5 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. MONTGOMERY, for 5 minutes, today.
Mr. ENGLISH, for 5 minutes, today.
Mr. JONES of North Carolina, for 5 minutes, today.
Mr. FAUNTROY, for 60 minutes, on February 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DAVIS) and to include extraneous matter:)

Mr. GOODLING.
Mr. HAGEDORN.
Mr. HOLLENBECK.
Mr. HYDE in two instances.
Mr. DANNEMEYER in two instances.
Mr. MICHEL in two instances.
Mrs. HOLT.
Mr. SENSENBRENNER.
Mr. LAGOMARSINO in two instances.
Mr. HARTNETT in three instances.

Mr. DORNAN of California in five instances.
Mr. MCCLOSKEY.
Mrs. SCHNEIDER in three instances.
Mr. DERWINSKI in three instances.
Mr. SMITH of New Jersey.

(The following Members (at the request of Mr. DWYER) and to include extraneous matter:)

Mr. GAYDOS in three instances.
Mr. MCHUGH.
Mr. DORGAN of North Dakota.
Mr. FOLEY.
Mr. WAXMAN.
Mr. YATRON.
Mr. SCHUMER in two instances.
Mr. LANTOS.
Mr. STOKES in three instances.
Mr. FORD of Tennessee.
Mr. ROSENTHAL.
Mr. MONTGOMERY.
Mr. MOTTL.
Mr. SCHEUER.
Mr. GUARINI.
Mr. BLANCHARD.
Mr. PEASE.
Mr. SANTINI.
Mr. OBERSTAR.
Mr. STARK.
Mr. GEJDENSON.

ADJOURNMENT

Mr. CONYERS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Wednesday, February 25, 1981, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

587. A letter from the Secretary of Agriculture, transmitting the 1980 annual report on the Nation's agricultural research, extension, and teaching activities, pursuant to section 1410 of Public Law 95-113; to the Committee on Agriculture.

588. A letter from the Secretary of Labor, transmitting a report on the number of cases reviewed and the number of exemplary rehabilitation certificates issued during calendar year 1980, pursuant to section 6(f) of Public Law 90-83; to the Committee on Armed Services.

589. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelfstocking and custodial function at Castle Air Force Base, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

590. A letter from the Acting Adminstrator, Environmental Protection Agency, transmitting the main report on the Ohio River Basin Energy Study, requested by Senate Report No. 94-326; to the Committee on Energy and Commerce.

591. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on the executive branch's estimates of the international volume of arms traffic, including estimates on an annual basis of the sale and delivery of weapons and weapons-related defense equipment by all major arms suppliers to all major recipient countries since 1977, pursuant to subsection 25(e) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

592. A letter from the Acting Inspector General, Department of Agriculture, transmitting a report on the food stamp anti-fraud matching programs; to the Committee on Government Operations.

593. A letter from the Director of Administration, Department of Energy, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

594. A letter from the Acting Director, Community Services Administration, transmitting a report on the Administration's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

595. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on the Bank's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

596. A letter from the Comptroller General of the United States, transmitting a report on Federal records management (PLRD-81-2, Feb. 24, 1981); to the Committee on Government Operations.

597. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during January 1981, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

598. A letter from the Clerk, U.S. House of Representatives, transmitting his quarterly report of receipts and expenditures for the period October 1 through December 31, 1980, pursuant to section 105(a) of Public Law 88-454, as amended (H. Doc. No. 97-24); to the Committee on House Administration and ordered to be printed.

599. A letter from the U.S. Trade Representative, transmitting a draft of proposed legislation to authorize appropriations for the Office of the U.S. Trade Representative through fiscal year 1985 and to provide express authority for certain necessary actions; to the Committee on Ways and Means.

600. A letter from the Comptroller General of the United States, transmitting a report on management of battlefield intelligence data (LCD-81-23, Feb. 24, 1981); jointly, to the Committees on Government Operations and Armed Services, and the Permanent Select Committee on Intelligence.

601. A letter from the Comptroller General of the United States, transmitting a report on the national productivity effort established under Executive Order 12089 (AFMD-81-29, Feb. 18, 1981); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

602. A letter from the Comptroller General of the United States, transmitting a report on the civil case backlog in Federal district courts, and recommendations to increase efficiency (GGD-81-2, Feb. 24, 1981); jointly, to the Committees on Government Operations, and the Judiciary.

603. A letter from the Comptroller General of the United States, transmitting a report on revisions in nursing home regulations proposed by the Department of Health and Human Services (HRD-81-50, Feb. 20, 1981), pursuant to section 119 of Public Law 95-534; jointly, to the Committees on Government Operations, Ways and Means, and Energy and Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 2014. A bill to amend the Internal Revenue Code of 1954 to revise and simplify the exclusion of income of U.S. citizens and residents abroad; to the Committee on Ways and Means.

By Mr. AUCOIN:

H.R. 2015. A bill to enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon; to the Committee on Interior and Insular Affairs.

Mr. BROWN of Ohio:

H.R. 2016. A bill to add representatives of town officials to the membership of the Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

By Mr. CORCORAN (for himself, Mr. DERRICK, and Mr. GRAMM):

H.R. 2017. A bill to repeal the Federal requirement of incremental pricing under the Natural Gas Policy Act of 1978; to the Committee on Energy and Commerce.

By Mr. CORRADA:

H.R. 2018. A bill to amend title 44, United States Code, to designate the Public Library of Puerto Rico a depository library for Government publications; to the Committee on House Administration.

By Mr. DANNEMEYER:

H.R. 2019. A bill to amend the Natural Gas Policy Act of 1978 to eliminate Federal price control and allocation authority over natural gas; to the Committee on Energy and Commerce.

By Mr. FORD of Tennessee:

H.R. 2020. A bill to provide coverage for eyeglasses, hearing aids, and dentures under the medicare program; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ENGLISH:

H.R. 2021. A bill to amend the Freedom of Information Act with respect to procedures for the disclosure of certain types of information, and for other purposes; to the Committee on Government Operations.

By Mr. FLORIO:

H.R. 2022. A bill to incorporate the Pearl Harbor Survivors Association; to the Committee on the Judiciary.

By Mr. FLORIO (for himself, Mr. SMITH of New Jersey, Mr. ROE, Mr. DWYER, Mrs. FENWICK, Mr. GUARINI, Mr. HOWARD, Mr. RINALDO, Mr. HOLLENBECK, Mr. COURTER, and Mrs. ROUKEMA):

H.R. 2023. A bill to designate the proposed new Veteran's Administration Medical Center in Camden, N.J., as the "Carlton R. Rouh Memorial Veterans' Medical Center"; to the Committee on Veterans' Affairs.

By Mr. GAYDOS (for himself, Mr. ATKINSON, Mr. BAILEY of Pennsylvania, Mr. JAMES K. COYNE, Mr. DOUGHERTY, Mr. ERTEL, Mr. LEDERER, Mr. MARKS, Mr. MCDADE, Mr. MURPHY, Mr. MURTHA, Mr. RITTER, Mr. YATRON, Mr. BONER of Tennessee, Mr. ADDABBO, Mr. ANTHONY, Mr. HANSEN of Utah, Mr. ZEFERETTI, and Mr. FORD of Michigan):

H.R. 2024. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization; to the Committee on Energy and Commerce.

By Mr. GLICKMAN:

H.R. 2025. A bill to amend the Congressional Budget Act of 1974 to establish a ceiling on revenue loss from tax expenditures, to require authorization of new tax expenditures, and for other purposes; to the Committee on Rules.

By Mr. GUARINI (for himself, Mr. COURTER, Mr. DWYER, Mrs. FENWICK, Mr. FLORIO, Mr. HOWARD, Mr. HUGHES, Mr. MINISH, Mr. RINALDO, Mr. RODINO, Mr. ROE, Mrs. ROUKEMA, Mr. SMITH of New Jersey, and Mr. EVANS of Delaware):

H.R. 2026. A bill to amend the Communications Act of 1934 to provide that not less than one very high frequency commercial television broadcasting station be located in each State; to the Committee on Energy and Commerce.

By Mr. SAM B. HALL, Jr. (for himself, Mr. MONTGOMERY, and Mr. EDGAR):

H.R. 2027. A bill to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans; to the Committee on Veterans' Affairs.

By Mr. SAM B. HALL, Jr. (for himself, Mr. MONTGOMERY, and Mr. WYLIE):

H.R. 2028. A bill to amend title 38, United States Code, to increase the maximum amount of Servicemen's Group Life Insurance and Veterans' Group Life Insurance to $35,000; to the Committee on Veterans' Affairs.

By Mr. SAM B. HALL, Jr. (for himself and Mr. WYLIE):

H.R. 2029. A bill to amend title 38, United States Code, to provide that the Secretary of Defense shall be responsible for insuring that the Secretaries of the military departments properly carry out their functions required by such title to collect, account for, and transfer to the Veterans' Administration amounts necessary to cover the costs of insuring each member of the Army, Navy, Air Force, and Marine Corps participating in the Servicemen's Group Life Insurance program; to the Committee on Veterans' Affairs.

By Mr. SAM B. HALL, Jr. (by request):

H.R. 2030. A bill to provide that the injuries which qualify a member of the Armed Forces for award of the military decoration of the Purple Heart shall include, in the case of a member who was held as a prisoner of war, damage inflicted during captivity; to the Committee on Armed Services.

H.R. 2031. A bill to amend title 38, United States Code, to expand eligibility of former prisoners of war for certain health care benefits, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HARTNETT:

H.R. 2032. A bill to amend the Food Stamp Act of 1977 to prohibit certain households containing persons involved in labor-management disputes from participating in the food stamp program; to the Committee on Agriculture.

H.R. 2033. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions to saving accounts for use by first-time home buyers in purchasing a principal residence; to the Committee on Ways and Means.

By Mr. HYDE:

H.R. 2034. A bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy, and for other purposes; to the Committee on the Judiciary.

By Mr. KAZEN:

H.R. 2035. A bill to authorize certain employees of the Department of Agriculture to carry firearms in the performance of their duties; to the Committee on Agriculture.

By Mr. LAGOMARSINO:

H.R. 2036. A bill to require the U.S. Government and persons carrying on federally assisted programs, projects, and activities to pay interest to business concerns for overdue sales and lease agreement payments, and to take early payment discounts only when payment is timely made; to the Committee on Government Operations.

By Mr. LAGOMARSINO (for himself, Mr. PORTER, Mr. FISH, Mr. SOLOMON, Mr. FORSYTHE, Mr. KILDEE, Mr. KOGOVSEK, Mr. LEBOUTILLIER, Mr. WON PAT, Mr. CRAIG, Mr. GUYER, Mr. LOTT, Mr. ANNUNZIO, and Mr. DUNCAN):

H.R. 2037. A bill to amend the Internal Revenue Code to provide for individual housing accounts; to the Committee on Ways and Means.

By Mr. LEATH of Texas:

H.R. 2038. A bill to amend chapter 37 of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to guarantee loans for the purchase of single-family residential units in cooperative developments or projects; to the Committee on Veterans' Affairs.

By Mr. LEATH of Texas (for himself, Mr. GUYER and Mr. BRINKLEY):

H.R. 2039. A bill to amend chapter 37 of title 38, United States Code, to authorize the Administrator of Veterans' Affairs to guarantee home loans with provisions for variable payment plans; to the Committee on Veterans' Affairs.

By Mr. LEVITAS:

H.R. 2040. A bill to establish an Office of Regulatory Review in the General Accounting Office to assist the Congress in evaluating the economic impact of agency rules; to the Committee on Government Operations.

By Mr. MCCLOSKEY:

H.R. 2041. A bill to extend the right to vote in primary and runoff elections for Federal office to citizens who will be 18 years of age or older on the date of the related general and special election; to the Committee on House Administration.

H.R. 2042. A bill to amend the Shipping Act of 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. MAZZOLI (for himself, Mr. SAM B. HALL, Jr., Mrs. SCHROEDER, Mr. FISH, and Mr. LUNGREN):

H.R. 2043. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. MICA:

H.R. 2044. A bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to support the reduction of oil, air pollution, and consumer costs by existing electric powerplants; to the Committee on Energy and Commerce.

By Mr. MITCHELL of Maryland (for himself, Mr. BENJAMIN, Mr. HAWKINS, Mr. WOLPE, Mr. ADDABBO, Mr. MURPHY, Mr. RICHMOND, Ms. MIKULSKI, Mr. WEITENHURST, Mr. VENTO, Mr. CORRADA, Mr. ROE, Mr. FORD of Tennessee, Mrs. CHISHOLM, Mr. OTTINGER, Mr. FAUNTROY, Mr. DIXON, Mrs. COLLINS of Illinois, Mr. PHILLIP BURTON, Mr. GRAY, Mr. WASHINGTON, Mr. SAVAGE, Mr. GREEN, Mr. HUGHES, Mr. PEPPER, Mr. STARK, and Mr. CROCKETT):

H.R. 2045. A bill to provide for the striking of medals in commemoration of Maggie Lena Walker; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MITCHELL of New York:

H.R. 2046. A bill to amend title XVI of the Social Security Act to provide that payments of tuition, fees, or other training costs by any person for a mentally retarded adult individual attending a school for the retarded shall not be treated as income of such individual in determining his or her eligibility for supplemental security income benefits; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 2047. A bill to establish reasonable limits on the power of courts of the United States in the imposition of injunctive relief in suits to protect the constitutional rights of individuals in public education and to authorize the Attorney General to institute suits to enforce such limits; to the Committee on the Judiciary.

By Mr. MONTGOMERY (by request):

H.R. 2048. A bill to amend title 38, United States Code, to eliminate provisions of outpatient dental treatment for service-connected noncompensable dental conditions which are unrelated to service trauma or prisoner-of-war status; to the Committee on Veterans' Affairs.

By Mr. MOTTL:

H.R. 2049. A bill to impose quotas on the importation of automobiles, trucks, and certain engines for a 3-year period; to the Committee on Ways and Means.

By Mr. NICHOLS (for himself and Mr. DICKINSON):

H.R. 2050. A bill to authorize the Secretary of the Army to correct certain slope failures and erosion problems along the banks of the Coosa River; to the Committee on Public Works and Transportation.

By Ms. OAKAR:

H.R. 2051. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain retirement benefits received by individuals who have attained age 55; to the Committee of Ways and Means.

By Mr. OBERSTAR (for himself and Mr. RHODES):

H.R. 2052. A bill to require the Secretary of Transportation to administer a national driver register to assist State driver licensing officials in electronically exchanging information regarding the motor vehicle driving records of certain individuals; to the Committee on Public Works and Transportation.

By Mr. PATTERSON (for himself and Mr. BLANCHARD):

H.R. 2053. A bill to amend the Internal Revenue Code of 1954 to provide incentives for the construction and rehabilitation of

real property; to the Committee on Ways and Means.

By Mr. PORTER:

H.R. 2054. A bill to amend the Uniform Time Act of 1966 to provide that the period of observance of daylight saving time each year shall begin on the last Sunday in March, rather than the last Sunday in April, and shall end on the last Sunday in November, rather than the last Sunday in October; to the Committee on Energy and Commerce.

By Mr. REGULA:

H.R. 2055. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization; to the Committee on Energy and Commerce.

By Mr. RODINO (for himself and Mr. WAXMAN):

H.R. 2056. A bill to amend the Immigration and Nationality Act with respect to alien graduates of foreign medical schools; jointly, to the Committees on the Judiciary and Energy and Commerce.

By Mr. SCHUMER:

H.R. 2057. A bill providing for a reduction in the amount paid each year by the United States as its contribution toward the assessed budget of the United Nations, such reduction to be equal to the amount of that contribution which would be used for the expenses of the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the Special Unit on Palestinian Rights; to the Committee on Foreign Affairs.

By Mr. STANTON of Ohio:

H.R. 2058. A bill to modify the project for Ashtabula Harbor, Ohio, to authorize the enlargement of a turning basin; to the Committee on Public Works and Transportation.

By Mr. THOMAS (for himself, Mr. LUNGREN, Mr. LAGOMARSINO, Mr. CLAUSEN, Mr. MINETA, Mr. LOWERY of California, Mr. BEDELL, and Mr. JOHNSTON):

H.R. 2059. A bill to amend title I of the Elementary and Secondary Education Act of 1965 to permit the Secretary of Education to waive the requirements of subsection (c), (d), or (e) of section 126 of such act in the case of local educational agencies participating in experimental State programs that increase local flexibility in the use of educational funds by consolidating certain categorical educational programs; to the Committee on Education and Labor.

By Mr. TRAXLER:

H.R. 2060. A bill to amend title XIV of the Public Health Service Act to authorize States with primary enforcement responsibility for drinking water standards to grant variances from turbidity requirements for certain public water systems; to the Committee on Energy and Commerce.

H.R. 2061. A bill to amend title 18 of the United States Code to increase the sentences for certain gun-related offenses and to extend the mandatory nature of such sentences to certain additional gun-related offenses; to the Committee on the Judiciary.

H.R. 2062. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 2063. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable income tax credit of $1,000 for purchasing a new American-made passenger automobile; to the Committee on Ways and Means.

H.R. 2064. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for the elderly, and to eliminate the adjusted gross income limitation applicable to such credit; to the Committee on Ways and Means.

H.R. 2065. A bill to amend the Internal Revenue Code of 1954 to repeal the inclusion in gross income of unemployment compensation; to the Committee on Ways and Means.

H.R. 2066. A bill to amend the Internal Revenue Code of 1954 to allow individuals under age 55 to elect the one-time exclusion of gain from sale of principal residence; to the Committee on Ways and Means.

By Mr. TRAXLER (for himself and Mr. BRODHEAD):

H.R. 2067. A bill to amend the Internal Revenue Code of 1954 to make permanent certain rules relating to travel expenses of State legislators; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 2068. A bill to amend the Public Health Service Act to provide for research concerning Reye's syndrome, and for other purposes; to the Committee on Energy and Commerce.

H.R. 2069. A bill to provide a penalty for unlawful assault upon policemen, firemen, and other law enforcement personnel, and for other purposes; to the Committee on the Judiciary.

H.R. 2070. A bill to amend title 5 and title 44, United States Code, to lengthen the time period between the publication of a Federal rule and the effective date of such rule, and the time period between the publication of notice of a hearing and the beginning of such hearing; to the Committee on the Judiciary.

H.R. 2071. A bill to require that the U.S. Government prepare and make public annual consolidated financial statements utilizing the accrual method of accounting, and for other purposes; to the Committee on Government Operations.

H.R. 2072. A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes; to the Committee on Ways and Means.

H.R. 2073. A bill to amend title 18, United States Code, to provide for the personal safety of persons engaged in furthering the foreign intelligence operations of the United States; jointly, to the Committees on the Judiciary and the Permanent Select Committee on Intelligence.

H.R. 2074. A bill to repeal the Foreign Intelligence Surveillance Act of 1978; jointly, to the Committees on the Judiciary and the Permanent Select Committee on Intelligence.

By Mr. DELLUMS:

H.J. Res. 185. Joint resolution designating February 28, 1982, as "National Minority Military History Day"; to the Committee on Post Office and Civil Service.

By Mr. SAM B. HALL, Jr. (by request):

H.J. Res. 186. Joint resolution directing the President to designate April 9 as a day for observance each year as "National P.O.W./M.I.A./Hostage Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. ROBERT W. DANIEL, Jr.:

H. Con. Res. 75. Concurrent resolution disapproving the action of the Council of the District of Columbia approving the District of Columbia Statehood Constitutional Convention Initiative of 1979; to the Committee on the District of Columbia.

By Mr. UDALL:

H. Res. 82. Resolution to require a study of congressional employment levels; to the Committee on House Administration and Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HORTON:

H.R. 2075. A bill for the relief of Mordechai Dror; to the Committee on the Judiciary.

H.R. 2076. A bill for the relief of William Eugene Maney; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H.R. 2077. A bill for the relief of Jeffrey Parrack; to the Committee on the Judiciary.

H.R. 2078. A bill for the relief of Jeffrey Parrack and Wanda Parrack; to the Committee on the Judiciary.

By Mr. PORTER:

H.R. 2079. A bill for the relief of Mary Jane Shaw; to the Committee on the Judiciary.

By Mr. RODINO (by request):

H.R. 2080. A bill for the relief of Lucia Jurkauskas; to the Committee on the Judiciary.

By Mr. WOLF:

H.R. 2081. A bill for the relief of Chi K. Lee; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 13: Mr. BEREUTER.

H.R. 27: Ms. FERRARO, Mr. MCCLOSKEY, Mr. MILLER of California, Mr. MINETA, Mr. RAHALL, Mr. WYDEN, and Mr. YOUNG of Florida.

H.R. 31: Mr. EVANS of Delaware, Mr. WYLIE, Mr. CARMAN, Ms. OAKAR, Mr. MINISH, Mr. NEAL, Mr. GONZALEZ, Mr. PATTERSON, Mr. HUBBARD, Mr. HYDE, Mr. PARRIS, Mr. VENTO, Mr. MATTOX, Mr. SHUMWAY, Mr. BLANCHARD, Mr. JAMES K. COYNE, Mr. BARNARD, and Mr. WORTLEY.

H.R. 33: Mr. WORTLEY.

H.R. 380: Mr. BIAGGI, Mr. BROWN of Ohio, Mr. COLLINS of Texas, Mr. EDGAR, Mrs. HOLT, Mr. RUSSO, Mr. ST GERMAIN, Mr. DERWINSKI, and Ms. FERRARO.

H.R. 385: Mr. KILDEE.

H.R. 390: Mr. HUGHES, Mr. WILSON, Mr. JAMES K. COYNE, Mr. EDGAR, Mr. ROE, Mr. LUKEN, and Mr. BENJAMIN.

H.R. 750: Mr. HAGEDORN, and Mr. ANNUNZIO.

H.R. 760: Ms. FIEDLER.

H.R. 1064: Mr. MONTGOMERY, and Mr. BURGENER.

H.R. 1100: Mr. WHITE and Mr. CORCORAN.

H.R. 1125: Ms. FIEDLER.

H.R. 1294: Mr. WEITENHURST, Mr. MURPHY, Mr. VENTO, Mr. SAM B. HALL, Jr., Mr. PASCELL, Mr. HUGHES, Mr. SOLOMON, Mr. ZEFERETTI, Mr. AKAKA, Mr. NEAL, Mr. RINALDO, Mr. TRAXLER, Mr. CHAPPELL, Mr. COURTER,

Mr. KINDNESS, Mr. DAUB, Mr. FROST, Mr. JAMES K. COYNE, and Mr. BENJAMIN.

H.R. 1400: Mr. BRINKLEY.

H.R. 1504: Mr. DOWNEY, Mr. MURPHY, Mr. LAGOMARSINO, Mr. ZEFERETTI, Mr. MITCHELL of Maryland, Mr. DONNELLY, Mr. RUSSO, Mr. ST GERMAIN, Mr. YATRON, Mr. MOTTL, Mr. MILLER of California, Mr. CORRADA, Mr. BOLAND, Mr. SIMON, Mrs. CHISHOLM, Mr. BINGHAM, Mr. TRAXLER, Mr. EDGAR, Mr. BEVILL, and Mr. FLORIO.

H.R. 1509: Mr. FAUNTROY, Mr. EDWARDS of California, Mr. MAVROULES, Mr. DELLUMS, Mr. GARCIA, Mr. VENTO, Mrs. COLLINS of Illinois, Mr. STARK, Mrs. CHISHOLM, Mr. MITCHELL of Maryland, Mr. BROWN of California, Mr. FORD of Tennessee, Mr. CONYERS, Mr. DOWNEY, Mr. EARLY, Mr. OTTINGER, Mr. STOKES, Mr. WEAVER, Mr. PRICE, Mr. REUSS, Mr. MARKEY, Mr. CROCKETT, Mr. PHILLIP BURTON, Mr. PANETTA, Mr. RAHALL, and Mr. GEJDENSON.

H.R. 1523: Mr. STUMP.

H.R. 1541: Mr. JEFFRIES, Mr. ROBERT W. DANIEL, Jr., Mr. SNYDER, Mr. BARNARD, Mr. GOLDWATER, Mr. BENEDICT, Mr. YOUNG of Missouri, Mr. RAILSBACK, Mr. DUNCAN, Mr. ECKART, Mr. WYDEN, Mr. WILLIAM J. COYNE, and Mr. STANGELAND.

H.R. 1574: Mr. BONIOR of Michigan, Mr. BROWN of California, Mr. MATSUI, Mr. MURPHY, and Mr. SCHEUER.

H.R. 1580: Mr. ARCHER, Mr. KRAMER, Mr. FORSYTHE, Mr. MARTIN of North Carolina, Mr. MCKINNEY, Mr. WHITEHURST, Mr. WINN, and Mr. SABO.

H.R. 1640: Mr. KOGOVSEK, Mr. RAHALL, Mr. DASCHLE, Mr. GORE, Mr. CONYERS, Mr. HAILEY of Pennsylvania, Mr. MOTTL, and Mr. EVANS of Georgia.

H.R. 1765: Mr. LUJAN, Mr. LEATH of Texas, Mr. MICA, Mr. PATTERSON, and Mr. LEWIS.

H.R. 1768: Mr. WEAVER.

H.R. 1769: Mr. WEAVER.

H.R. 1853: Mr. CARNEY, Mr. RITTER, Mr. GOODLING, and Mr. HILER.

H.R. 1863: Mr. KILDEE, Mr. ROE, Mr. MITCHELL of Maryland, Mr. EDGAR, Mr. LEHMAN, Mr. JAMES K. COYNE, and Mr. DE LUGO.

H.R. 1911: Mr. JOHNSTON, Mr. DANNEMEYER, Mr. STUMP, Mr. DERWINSKI, and Mr. FLIPPO.

H.R. 1918: Mr. GONZALEZ, Mr. PETRI, Mr. MICA, and Mrs. BYRON.

H.J. Res. 50: Mr. DERWINSKI, Mr. CORCORAN, Mr. YOUNG of Missouri, and Mr. FIELDS.

H.J. Res. 84: Mr. DYMALLY, Mr. MOLLOHAN, Mr. WINN, Mr. LAGOMARSINO, Mr. TRAXLER, Mr. GUYER, Mr. BRODHEAD, Mr. GIBBONS, Mrs. COLLINS of Illinois, Mr. GRAMM, Mr. WEBER of Minnesota, Mr. JAMES K. COYNE, Mr. DUNCAN, Mr. MAVROULES, Mr. HAWKINS, Mr. CORRADA, Mr. GRADISON, Ms. MIKULSKI, Mr. PETRI, Mr. WIRTH, Mr. RUSSO, Mr. BENJAMIN, Mr. FARY, Mr. WALGREN, Mr. WAXMAN, Mr. LEHMAN, Mr. HANCE, Mr. SPENCE, Mr. CHENEY, Mr. MORRISON, Mr. AKAKA, Mr. HEFTEL, Mr. YATES, Mr. SHAW, Mr. LEACH of Iowa, Mr. PORTER, Mr. DELLUMS, Mr. BROWN of Ohio, Mr. MCDADE, Mr. BARNARD, Mr. LUKEN, Mr. GRAY, Mr. SNYDER, Mr. ST GERMAIN, Mr. MOTTL, Mrs. HOLT, Mr. SWIFT, Mr. O'BRIEN, Mr. ROBERTS of South Dakota, Mr. NICHOLS, Mr. DORNAN of California, Mr. FAUNTROY, Mr. GUARINI, Mr. HARTNETT, Mr. FINDLEY, Mr. TAUKE, Mr. HILER, Mr. BONIOR of Michigan, Mr. PRICE, Mr. BEARD, Mr. LOWERY of California, Mr. QUILLEN, Mr. DE LUGO, Mr. PASHAYAN, Ms. OAKAR, Mr. BINGHAM, Mr. ROBERTS of Kansas, Mr. STOKES, Mr. BAILEY of Pennsylvania, and Mr. LEATH of Texas.

H.J. Res. 102: Mr. EVANS of Delaware, Ms. MARTIN of Illinois, Mr. BENEDICT, Mr. GREGG, Mr. REGULA, and Mrs. HECKLER.

H.J. Res. 104: Mr. CARMAN.

H.J. Res. 124: Mr. NAPIER and Mr. MOAKLEY.

H.J. Res. 125: Mr. BREAUX, Mr. MCDADE, Mr. LOWERY of California, Mr. LIVINGSTON, and Mr. MADIGAN.

H.J. Res. 156: Mr. BROOMFIELD, Mr. WINN, Mr. MURPHY, Mr. FOUNTAIN, Mr. MAZZOLI, Mr. LOWERY of California, Mr. ERDAHL, Mr. PEPPER, AND Mr. CAMPBELL.

H. Con. Res. 1: Mr. SHARP.

H. Con. Res. 55: Mr. PORTER, Mr. GRAY, and Mr. WALGREN.

H. Con. Res. 67: Mr. FRANK, Mr. WOLPE, Mr. WEISS, Mrs. COLLINS of Illinois, Mr. KASTENMEIER, Mr. DOWNEY, Mr. EDWARDS of California, Mr. AUCOIN, Mr. VENTO, Mr. MOFFETT, Mr. WEAVER, MRS. CHISHOLM, Mr. HARKIN, Mr. OTTINGER, Ms. OAKAR, Mr. CONTE, Mr. GARCIA, Mr. STOKES, Mr. RAHALL, Mr. CROCKETT, Mr. PHILLIP BURTON, Mr. SEIBERLING, Mr. ECKART, Mr. MARKEY, Mr. KILDEE, Mr. MAVROULES, Mr. DELLUMS, Mr. JEFFORDS, and Mr. DE LUGO.

H. Res. 33: Mr. EMERY, Mr. BAFALIS, Mr. PETRI, Mr. DUNCAN, Mr. LAGOMARSINO, Mr. FORSYTHE, Mr. BUTLER, Mr. SAM B. HALL, JR., Mr. STANGELAND, Mr. MCCLORY, Mr. MOTTL, Mr. HOPKINS, Mr. LEE, Mr. LUNGREN, Mr. BARNARD, Mr. THOMAS, and Mr. BENEDICT.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

28. By the SPEAKER: Petition of the City Council, Berkeley, Calif., relative to Jobs for Peace; to the Committee on Armed Services.

27. Also petition of the Independent Petroleum Association of Mountain States, Denver, Colo., relative to the windfall profit tax; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

MILITARY PERSONNEL HARDSHIPS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. STARK. Mr. Speaker, I would like to bring to the attention of my colleagues the following San Francisco Examiner article on the hardships faced by our military personnel.

This scenario is shameful. America faces a shortage of its most important military resource, while it is spending billions on less essential components of defense. The number of people who consider making the military service a career has been steadily declining, and the token wage increases are simply not enough to compensate for the other disadvantages of military life.

Many enlisted men are being forced to leave military service after having received expensive training and rising to positions of responsibility simply because they can make a substantially better living in civilian job markets. This exodus of noncommissioned officers has produced serious shortages of experienced personnel in all services: More than 40,000 in the Army, 20,000 in the Navy, 5,000 in the Marine Corps, and 3,000 in the Air Force. With this magnitude of trained, experienced men and women leaving the military, it is no wonder our Nation's state of military preparedness is low.

Defense begins with manpower. What is the use of having some of the most technologically advanced weaponry in the world if the military cannot stop the outflow of dedicated professionals needed to insure that it will be maintained and utilized by knowledgeable, trained personnel? Before authorizing more money on elaborate weapons, we must first adequately compensate our dedicated military personnel.

The article follows:

THE SERGEANT CAN'T AFFORD THE ARMY

(By Arnold Abrams)

FORT DIX, N.J.—For the first time since he joined the Army more than six years ago, Sergeant Michael Estright had to make an unhappy decision last year about celebrating the holidays. The choice was clear-cut: he and his family would be able to have either Thanksgiving dinner or Christmas dinner. Not both.

"There was no way around it," said Estright, 24, a military policeman with two children and a third on the way. "We could not afford two celebrations."

So he and his wife skipped Thanksgiving and opted for a Christmas turkey with all the fixings—or mostly all, depending upon prevailing prices and the state of their checkbook.

But that forced decision, it turned out, involved more than a short-range financial problem. It was the last straw from a family man whose list of non-affordables extends well beyond holiday meals, and who views himself as a father first and a soldier second.

Unable to afford decent clothes for his children, or new furniture for his home, or even an occasional night out for himself and his wife, a heartsick Michael Estright made a more far-reaching decision: to forsake his Army career.

When his current service term expires this month, Estright, who likes the Army and enjoys his military police duties, will not reenlist. What he will do, with regret, is join a steady stream of skilled soldiers who are leaving the military for financial reasons.

After spending years in military service, receiving expensive training and rising to positions of responsibility, senior enlisted men like Estright find themselves and their families on the edge of poverty.

They earn low pay, live in shoddy housing, receive second-rate medical care and, perhaps most important of all, feel that neither Washington officials nor the nation they defend is concerned about their plight.

"Still, if it were just me and my wife, we probably would stay," said Estright. "But there's more than the two of us involved. We owe it to our children to improve our living circumstances."

That decision, made after much agonizing, has ironic overtones. It came in the wake of a recent military pay increase designed to forestall such action, and it was made by a man who is the re-enlistment officer of his military police unit, responsible for convincing soldiers to stay in the service.

The exodus of non-commissioned officers, who comprise the military's critical middle management, has produced serious shortages of experienced personnel in all services: more than 40,000 in the Army, 20,000 in the Navy, 5,000 in the Marine Corps, 3,000 in the Air Force.

Such shortages figure significantly in the nation's low state of military preparedness, which finds most stateside Army units unready for combat, increasing numbers of naval vessels unable to sail and key air squadrons grounded.

But that's the big picture, which is little more than an abstraction in the Estrights' dingy and cramped Fort Dix quarters, where an occasional Sunday night supper at McDonald's is an indulgence.

Estright, a hefty, broad-shouldered man with soft voice and easy-going manner, shook his head while contemplating the recent 11.7 percent military pay hike, which increased his gross monthly paycheck by about $80 to a total of $918—about $11,000 annually.

"I wasn't about to turn it down," he said about the raise, "but when you're hurting as bad as we are, that kind of money doesn't make much difference."

Although it is too soon to tell whether the pay raise and other increased military benefits will stem the service exodus, Pentagon officials are dubious. Senior enlisted men still find they can command much larger salaries for their skills in civilian society.

After taxes and other fixed deductions, the military policeman's take-home pay amounts to $770 per month. Food, gas and telephone bills, coupled with car insurance and loan payments, leave his family with approximately $50 at month's end.

"And that's on paper," observed the sergeant, who always carries a pocket calculator—for cost-planning purposes—on the family's weekly commissary visits. "In practice, we usually are left with less."

Pride, more than practicality, has prevented Estright and his wife Carol, 26, from applying for food stamps. But it has not stopped some 30,000 other military families who now utilize more than $10 million worth of stamps annually.

"It's not a national scandal," said a senior Fort Dix officer about enlisted men's financial plight, "but it should be a source of shame. We expect these people to fight, and possibly die, for their country. Yet we pay them wages below the poverty level."

In any event, the first place Estright will head after leaving the military will be an unemployment office in his home state of Pennsylvania. Then he will seek a job in the law-enforcement field or, failing that, enroll in college.

"I'm not afraid of what's ahead," he said. "I don't think we can end up any worse off than we are now."

Ironically, the civilian society into which Estright will venture has long assumed that military men are compensated for low salaries with such perquisites as housing allowances, cut-rate shopping facilities and free medical benefits.

That is no longer true. Military perks are less attractive these days; in addition, many similar benefits, such as health insurance, are commonplace in the civilian sector.

Free housing remains a major military selling point, but there are problems. When it is available, enlisted men usually must take base housing, which often consists of cheesebox apartments in look-alike blocks of row houses. When base quarters are not available, housing allowances rarely match inflated rental levels—particularly in urban areas, where demand invariably outstrips supply.

Moreover, while prices at base post exchanges and commissaries generally are cut-rate, there is a catch: Choices are narrow and usually limited to top-of-the-line items, forcing many enlisted men to spend more than they wish, even at reduced prices.

Equally limited is the free treatment offered servicemen at most military medical facilities, where low pay and the absence of a draft have produced a serious shortage of qualified physicians.

"We are treated like second-class citizens," said Sergeant Jorge Nicholas, 33, a ten-year veteran entrusted with troop training, one of the Army's most demanding jobs. "There is no medical concern shown for us," he added.

So lengthy is the normal wait at military facilities, and so haphazard the treatment, Nicholas said, that he usually opts to pay for civilian care. "I really can't afford it," he

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

said, "but what kind of life is it if you can't have decent medical help?"

A mean one, answers Colonel Richard E. George, commander of Fort Dix's Walson Army Hospital, who conceded that Nicholas' complaints were substantially justified.

"I've got real staff problems—numbers and otherwise," said the colonel, who explained that his hospital—like most military medical centers—is burdened not only by personnel shortages, but also by the professional shortcomings of those who serve.

"I've got some slots filled by uniformed personnel that would be better off empty," he said. "But you get what you pay for, and we're not paying much."

Although many of his colleagues have left the Army, creating significant shortages in the critical area of training, Nicholas, whose gross monthly pay is $943, said he will probably stay—reluctantly.

"I'm locked in," he explained, citing one of the service's prime benefits: the ability to retire at half-pay, with other perks, after 20 years' duty. "I've thought a lot about leaving," he added, "but I've already done ten years, and I'm one of those people who's scared about old age and security."

So is Sergeant James M. Clay, a 13-year veteran who is reponsible for quality control on all aircraft maintenance work done by the Fort Dix Flight Detachment.

Clay, who oversees the professional and personal welfare of 12 enlisted men, earns $1,220 a month for a demanding job that, in civilian society, would pay three to four times as much. He is so financially strapped that, by his own account, shopping for Christmas gifts began in his household last July.

"We need sufficient time to do some price-comparing," he said, "and also to lay away some money."

Shortly after starting his summer Christmas shopping, the 31-year-old staff sergeant recalled, he confronted the most difficult decision he has ever made: whether or not to stay in the military.

He chose to stay, largely because of time already invested. "Thirteen down, seven to go," Clay said of his years in service. "I'm not about to throw all those years away by turning my back on retirement pay."

That pay—about $800 per month, according to Clay's estimate—will be applied to monthly mortgage payments on a house, which is what he and his wife Donna, 26, have wanted since being married in 1972.

What's more, although he expressed confidence in his technical abilities, Clay noted that he would need a year's schooling before taking the certification test required of maintenance personnel by civilian airlines.

"Who would feed my family during that time?" asked the father of two, who then wondered aloud about future security even if he landed a good job.

"There's something about that monthly check, however small, that's very comforting," he said. "At least an enlisted man can say this about the Army: you're not going to come in work one day and find a pink slip on your desk. That kind of security is important to me."

And that kind of attitude prompted the following observation from a senior Pentagon official: "The story of enlisted men in today's Army is not a proud one. The good ones are gone or going. The remaining ones are either counting their years or not very good to begin with. Either way, we lose."●

YOUNG INTRODUCES LEGISLATION TO COMBAT REYE'S SYNDROME

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, today I am reintroducing legislation I offered in the 96th Congress to provide for research by the National Institutes of Health on Reye's syndrome.

Reye's syndrome is a mysterious condition which follows outbreaks of influenza or other viral diseases, usually affecting children between the ages of 1 and 18 years. It is frightening in that it appears quickly—without warning—and often causes death within hours. Vital research is needed in this area, to find the exact cause of and the treatment necessary to combat and eventually eliminate this child killer. Although Reye's syndrome has received considerably more attention on a national level, due to the dramatic increase in Reye's syndrome cases reported, most people are unaware of the disease and the potential threat which it creates to children of all ages. For the most part, Americans are not informed of the symptoms associated with Reye's syndrome, and many cases go unreported, making it virtually impossible to keep track of just how many children are afflicted with Reye's syndrome each year. This realization in itself proves that not only does the general public need to be alerted to the potential dangers associated with Reye's syndrome, but vital research is needed so that a cure or immunization can be discovered for this childhood killer.

I was grateful to the House when my efforts to secure passage of my Reye's syndrome legislation in the 96th Congress were successful with the adoption of my bill as an amendment to the Health Research Act of 1980. However, it was disappointing to me and to many other people in the Nation that the other body did not agree to the amendment when the Health Research Act of 1980 went to conference. Because my concerns over Reye's syndrome have not been altered, I am reintroducing my bill in the 97th Congress.

The bill would provide for the establishment of a Reye's Syndrome Coordinating Committee to make grants to and enter into contracts with public and nonprofit private entities for a 3-year project to establish two comprehensive Reye's syndrome diagnostic and treatment centers. These centers would serve four basic functions in helping doctors diagnose and treat Reye's syndrome patients. Those functions include: First, conducting basic and clinical research; second, developing new and improved treatments; third, providing physician training programs; and fourth, information services with respect to the detection, diagnosis, and treatment of the disease. My bill would also authorize the Reye's Syndrome Coordinating Committee to provide financial assistance to public agencies, nonprofit private entities, and individuals not associated with the centers, to conduct research on Reye's syndrome.

Realizing the need for this important legislation, it is my hope that the House will act in a most expeditious manner to consider this serious threat to children, early in the 97th Congress. Vital research to combat and eventually eliminate this child killer could save the lives of many young children in America.●

LOUIS J. GIACONA, CITIZEN OF THE YEAR

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. RINALDO. Mr. Speaker, on March 8, Union Lodge 1782 of B'nai B'rith will honor one of New Jersey's most outstanding public administrators, Mr. Louis J. Giacona, of Union Township, N.J., with its "Citizen of the Year" award.

During a period when Washington is seeking to shift the administration of more federally funded programs to the States and local communities, it is particularly reassuring to know that we have such capable and proven administrators as Lou Giacona on the local scene. His breadth of experience and ability to supervise programs and public funds in a prudent and effective manner give us hope that Federal programs transferred to local communities will give our citizens the highest possible return on their tax dollars.

Lou Giacona has demonstrated this over a period of 24 years of outstanding public service, beginning with his appointment as assistant building inspector of Union Township in 1957. He helped to direct the orderly growth of Union during a period of residential and commercial expansion. As a result of his capable handling of these responsibilities, Mr. Giacona was named the township's first and only administrator in 1974. He supervises 400 employees and a budget of $16 million.

During this period, Union Township was singled out as an all-American city because of the mix of public and private services, and the depth of the human resources contributed to the community through its many private institutions. Mr. Giacona has encouraged this development by respecting the rights and property of our private institutions and businesses.

In 1976, Mr. Giacona was honored by the Union Housing Corp., which dedicated its recreation center in his name. A man of talent and enthusiasm, Mr. Giacona has encouraged the development of the arts, cultural activities, sports, outdoor recreation, and many other healthy and constructive pursuits in Union, N.J.

As the B'nai B'rith award also testifies, Lou Giacona's service has been marked by respect for the principles of equal justice in our society, and for the rights of people of all faiths and races. He exemplifies the American spirit of service to our fellow man and Nation.●

METRICS AND 1984

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DORNAN of California. Mr. Speaker, we, in California, are proud of the fact that in 1984 Los Angeles will become the international capital of the sports world when it hosts the Olympic games. Since its beginnings in 1896, the Olympics have used the metric system. Phrases such as the 100 meter dash and the 5,000 meter run are familiar to all sports fans. Moreover, as far back as 1893, the United States made the international meter and kilogram standard units of measurements in sports competition. America's entries in those long ago Olympic games had to train using metric measurements, and they continue to do so today.

Recently, the South Bay Chapter of the U.S. Metric Association hosted Col. Barney Oldfield (USAF ret., former newspaperman, radio/TV script writer, lecturer, educator, and ghost writer for celebrities) as a speaker, and his topic was "Getting Metrification Off the Flat Wheel by Public Relations." I commend his remarks as worthy of your attention:

GETTING METRIFICATION OFF THE FLAT WHEEL WITH PUBLIC RELATIONS

(By Col. Barney Oldfield (USAF, ret), Litton Industries, Inc.)

Being invited to discuss metrification raises some misgivings . . . because metric matters at Litton Industries seem to revolve around your USMA president, Valerie Antoine. If we get a metric question at Litton, it usually is referred to her. My own first encounter with metric terminology was a country boy's "Saturday night special": the film that was delivered to our small town in a battered tin can, off an afternoon passenger train, for the Saturday night movie. The film width was 35 millimetres and it was never spoken of in inches and fractions of an inch, just 35 millimetres.

My second encounter was more lethal and less imaginative. It was metric units used with the rifle I first used to hunt rabbits and later the weapons and ammunition used in the Infantry. The third occurred during WWII. As we were poised in England, before Normandy, the word was passed that in France there would be roadside signposts with numbers on them, coupled with two letters (km) and those letters stand for kilometres. So we wouldn't get confused, we were told each kilometre is six-tenths of a mile. But it was in Helsinki, Finland, in 1952 that I tumbled onto something. The Olympic games which embrace athletic excellence from everywhere have always used metric measurements for length, area, volume, and mass. It was in Helsinki, in the Olympic stadium pressbox, that we received score cards after each event. There were columns for the metric measurements—and the one for the outlanders was given in feet, yards, miles, fractions of a mile, and pounds. Considering the few representatives from other nations who had to have the feet, miles, and pounds toted up for them, I had the vague feeling that I had come from a backward country.

When working in the military environment of the North Atlantic Treaty Organization (NATO), where a defeated Europe was being re-armed with mainly American-produced equipment, the continent was busily learning about feet, yards, miles, and just to make it more exciting and obscure, about knots. It was the popular thing to say in the NATO experience that what America wanted above all was for all these continental nations to recover their economy and their pride. U.S. military aid and U.S. military advisors were to help accomplish this. The next step was having military-weapons-system contracts carry the proviso that significant parts of the weapons systems would be manufactured in facilities in various European countries (where metric units were used), to restore Europe's economy and build its aerospace expertise.

Metrication again showed up when Litton Industries participated in that (up to then) biggest of all international contractual undertakings, the over $2 billion consortium buy of the Lockheed F-104 Starfighter. The fine print said that 950 of these planes would be built on the continent, on four assembly lines. This meant every drawing, chart, model . . . every measurement used . . . had to be converted to metric units. The manhours involved were fantastic. It got done. It did work. But as I look back, I think how costly this American backwardness is. How cumbersome it is for the U.S. to engage in international trade, unless of course we hasten in the metric direction.

But the metric changeover currently has its problems. The resistance is formidable. The pace is slow, and the progress almost imperceptible. I do think, however, that there is something on the horizon which can get metrics off the flat wheel that is slowing its progress. This is something that lends itself to a public relations metrication effort, provides something to talk about, and furnishes an exciting backdrop before which to play on imaginations, particularly among all school age people. This involves writing off the older dunderheads, resisters, the intellectual plodders and the obstructionists. Go for the young people, and tie it to something they relate to more than anybody else.

In any public relations effort or in any communications out-reach, there are usually two ways to go. One is to plow your own furrow, break new ground, and this means one has to mount a prodigious, sustained effort. The other is to tie onto something which already has its own generated momentum . . . something that is a comfortable associated effort which has been demonstrated as working and has enduring characteristics about it.

For example, when I was in high school, I heard a statement which I have never forgotten. One teacher said, as we were struggling with Latin, that while the root of many languages was Latin, there were really two international languages: mathematics and music. People who could not talk to each other could calculate together. People who could not read each others' language could enjoy and be entertained by the same music.

In promoting metrication, I see an even better means of international communication coming down the pike. I refer to the language of sports, its vast reach, and the riveting of attention it attracts. Even politicians have begun to realize the value of this international language and use sports in ways never before imagined.

In 1984, Los Angeles will become the international or world capital of sport, by being the host for the Olympic games. I believe with the Olympic games on our front lawn in 1984, this is an opportunity to promote metric consciousness and its general acceptance. Tie it in with sports in the schools of this country. Given the Olympics tie, you can suggest a kind of knowledge gamesmanship when the family is out for a drive. Challenge them to use the occasional highway sign that posts kilometers to acquaint themselves with the measurement units they will hear throughout the Olympic games.

Where there is a speech to be made, against the backdrop of preparing for the Olympics of 1984, it can be the peg on which to hang your rationale for metric acceptance at a faster pace than it enjoys now. Where there's a "talk" show on TV or radio, just bringing in the topic of metric measurements will not command as much interest from listeners as would be the case if you bring in the fact that Americans will understand the upcoming Olympics better if they learn the metric units to be used.

How strong is this sports linkage and language? To get the metric message across, there is no activity that will equal the stimulation the Olympic games can provide. Moscow had intended to show the world its best face in 1980, via the Olympic games. It was left with egg on its face because it understood how valuable pageantry is to its leadership, but it never calculated how bad it would look without full world participation. Japan rose from the ashes of defeat in a war to a new respect in the world by hosting the Olympics. Host countries allocate billions for the staging of these games because of the total focus on them which results.

The objective of promoting international marketing via acceptance of the metric system is a practical one. Oncoming generations now in our schools are going to be in tougher international marketing competition than this country has known before. I don't have to tell you what cumbersome baggage it is for us to carry as a nonmetric country in world trade. What more painless way would there be to encourage metric learning than against the sports panorama soon to be with us in Los Angeles? We render all kinds of homage to that long-ago unknown who first moved heavy loads by putting logs under them, leading to invention of the wheel. We never seem to give as much credit to that equally unknown indi-

vidual who invented the ball, threw it, and somebody caught it.

I recommend to your attention and assessment for the crutch to consciousness you see for metrics: the entrancing, transfixing communications medium of sports, and the upcoming Olympic games in Los Angeles.●

ESTONIAN INDEPENDENCE

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. GEJDENSON. Mr. Speaker, it is a great pleasure for me to join with my colleagues today in celebrating the 63d anniversary of the proclamation of the independence of the Republic of Estonia. After centuries of struggle against domination by Imperial Russia, Estonia, on February 24, 1918, became an independent, sovereign country.

During the following 22 years, the Estonian Republic developed economic relations with the countries of Western Europe, doubled its gross national product, and distinguished itself as the first nation to grant cultural autonomy to its minorities. Tragically, however, in 1941, Russian armies again invaded the Baltic States, as a result of the Nazi-Soviet pact. Among those who had to escape the occupation of their countries by the Germans and the Soviets were my parents, both native Lithuanians. The Red army imposed puppet regimes on these freedom loving nations and intimidated the population with executions and mass arrests.

Ever since, almost 1 million ethnic Estonians have fought and suffered in the struggle against Soviet suppression of freedom and individual rights. They have remained outspoken in the face of Communist prosecution, although 350,000 of them have been killed, imprisoned, or forced into exile.

We have observed during the last months how the people of Poland, a nation very close to Estonia, have made progress in their efforts to gain human rights. That progress is still being overshadowed by fear of a Soviet invasion. Had it not been for the encouragement and the moral support rendered to the Polish workers by the peoples of democratic nations, Soviet battalions might already have moved into Poland. So far they have not; but let us not forget that Poland might still suffer the same fate as the Ukraine, Byelorussia, and the Baltic States, which have lost their sovereignity and let us extend our sympathies to these nations.

America has a responsibility to support the efforts of peoples to achieve national self-determination everywhere. We have never recognized Soviet annexation of Estonia, and we never shall. Instead, we shall honor the Estonian struggle by commemorating, today, the all too brief period of Estonian independence.●

IOSEF MENDELEVICH

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SCHUMER. Mr. Speaker, only 2 weeks ago, I participated in a vigil at the Isaiah Wall of the United Nations on behalf of Soviet prisoner of conscience Iosef Mendelevich; today, I am delighted to be able to join my colleagues in the House, the Jewish community around the world, and all people concerned with human rights in celebrating his release on February 18, 1981, after 10 years of brutal incarceration in a Soviet labor camp. His arrival in Israel that same day marked the end of a long and determined struggle for freedom.

Of the 12 Jews convicted at the infamous 1970 Leningrad trials of attempting to emigrate to Israel, Mr. Mendelevich is the last to be freed. Only 19 years old at the time of his arrest, Mendelevich suffered special persecution during his years in prison for refusing to cave in to Soviet pressures to abandon his Jewish faith and heritage. His commitment to keeping the Sabbath, to observing Jewish dietary laws, and to preserving his beliefs brought him terrible punishment. His singular courage and dedication should serve as an example to us all.

Iosef Mendelevich's release is an occasion for rejoicing. Yet it must also serve as a time to remember the thousands of his fellow citizens in the Soviet Union who are still not free to express their identity as Jews, or to participate in the world Jewish community. The Soviet Union must be required to fulfill its international commitments to human rights. I urge my colleagues to join me in rededicating ourselves to the task of securing full human rights, including the right to emigrate, for all of Soviet Jewry and the entire people of the U.S.S.R.●

THE ADMINISTRATION'S NEW HUMAN RIGHTS POLICY: FOXES GUARDING THE HEN HOUSE?

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. VENTO. Mr. Speaker, the editorial in this morning's Saint Paul Pioneer Press cogently describes a fundamental flaw in the emerging foreign policy of the Reagan administration. It is a concise and accurate portrayal of a potentially disastrous and counterproductive change in American foreign policy. The editorial need no other introduction and I commend this excellent article to the attention of my colleagues:

WHAT'S THE DIFFERENCE?

Move over, Sam Hayakawa: There's another semanticist in the federal government and he's a real whiz at orthological distinctions.

Ernest Lefever, President Reagan's new assistant secretary of state for human rights (an appropriate office for a man who has said it's not the business of this country to promote human rights abroad), says the United States must support friendly "authoritarian" governments so they won't be replaced by "totalitarian" ones.

What's the difference? Lefever says a "totalitarian" (i.e., Communist) government allows no rights, while an "authoritarian" government allows some, such as freedom of religion and the press. This is shaky political science at best (where's the evidence for press or religious freedom being synonymous with "authoritarian" regimes?), but Lefever's drift is clear enough. He means the United States should support—with arms and money—any government that is (a) not Communist and (b) doesn't give the United States any trouble. Such a government can be as repressive as it damned well pleases.

That this is to be administration policy has been evident from the start. Alexander Haig, the new secretary of state, began his incumbency with the declaration that human rights were not a top priority. The appointment of Lefever seconded the motion. Now we have the application of this policy in strident statements about blockading Cuba if arms shipments to guerrillas in El Salvador aren't halted, while at the same time we make plans to ship our own weapons to the "authoritarian" junta there.

One of the reasons Latin America—Central America in particular—seethes with revolution today is that the United States has so long pursued just such a policy of buttressing the status quo, helping to keep in power feudal aristocracies of landlords and, military officers that haven't changed much in nearly 500 years. We have supported those who could maintain "stability"—and to hell with what happened to the peasantry or to the aspirations of a struggling middle class.

Finally, in the last decades of the fifth century of such exploitation in Spanish America, the days remaining to the oligarchies appear to be numbered, their overthrow inevitable. And American conservatives, blind both to history and to ordinary justice, insist on acting as if nothing had changed.

And who benefits from such a policy? No one but the very elements the conservatives fear most.—The Marxists. The more miserable the condition of the ordinary people of Latin countries becomes, the better the Marxists like it, for that makes their influence the greater, their ultimate triumph the more certain. When we support the reactionaries, we polarize the situation. Moderation, the only hope of democracy, is doomed. Moderation loses. We lose.

One more thing must be said about Lefever's reported remarks. He was critical of priests and nuns who have involved themselves in the political struggle in Latin America. They have, he said, "overstepped their bounds."

Lefever's appreciation of religion and its responsibilities is as flawed as his knowledge of political science. By what right does he deline the "bounds" of political participation by priests, nuns or anyone else in another country (or this one, for that matter)? Does he understand the difference between "separation of church and state" (in the American sense) and the church's obligation to seek the greatest common good, to fight evil and to favor justice (all in the universal sense)?

Obviously he does not. Nor does he know much of Latin American history. For most of the centuries since the Conquest, the Roman Catholic church has been the prop and servant of the ruling class. Only in recent years has a considerable body of the clergy turned to the fight for social reform, seeking, among other things, to undo the vast harm of the past. Some of these clerics are, to be sure. Marxist-oriented. The vast bulk are not, and whatever they can accomplish in changing the condition of Latin America's masses can only act to frustrate the aims and purposes of the Communists.

Lefever ought to be applauding, not condemning, these priests and nuns. He doesn't know it, to be sure, but they are among his—and America's—best friends in the hemisphere.●

SAVINGS INCENTIVES

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. LEHMAN. Mr. Speaker, I have recently introduced legislation, H.R. 1725, which would permanently increase to $500 the amount of dividends and interest an individual may exclude from gross income on an individual tax return. For married persons filing jointly, the amount would be $1,000. During the 96th Congress, legislation was enacted which excluded $200, or $400 on a joint return, from gross income. This exclusion is only available for 1981 and 1982.

My legislation would provide even more of an incentive for the average citizen to save. More savings means more private money for investment, and eventually higher productivity. This in turn would help lower the inflation rate and strengthen our dollar.

At the present time, the incentives for saving are impaired by inflation and taxation. We must make it more attractive for people to save rather than to spend money on credit-financed goods.

The increased accumulation of funds by savings institutions can also lead to the lowering of mortgage rates. Families who cannot now afford houses would be able to enter the housing market.

The elderly of our society would also benefit since they are the ones who primarily depend upon their savings and dividends to pay for everyday necessities. By increasing this exclusion, we would be helping our elderly to survive in these difficult economic times.

Mr. Speaker, it is my sentiment that this legislation is not only beneficial to the individual but to our society as a whole. I am confident that my colleagues will agree with me concerning the need for this legislation and enact H.R. 1725 into law.●

CONGRATULATIONS TO THE SANTA MONICA FOUNDATION ON ITS 25TH ANNIVERSARY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DORNAN of California. Mr. Speaker, on February 27, 1981, the Santa Monica Foundation will be honored at a community luncheon commemorating its 25 years of service to the city of Santa Monica and the students of Santa Monica College.

The Santa Monica Foundation was formed in 1956 for the purpose of receiving and investing funds to provide scholarships and loans to students attending Santa Monica College. A 2-year institution of higher learning, the college offers education in the liberal arts, science, commercial fields, and vocational training in day and evening programs. The Santa Monica Foundation has enabled approximately 2,000 students to attend the college through scholarship and loan funding.

The foundation has taken its role to heart. By encouraging gifts to the scholarship fund and investing wisely, the group has increased the fund principal over the past 25 years from $13,000 to $700,000, with earnings of $335,000.

The city of Santa Monica, and the many students who have benefited from the efforts of the foundation, owe a debt of gratitude to the men and women who have dedicated their time and effort toward improving the educational opportunities at Santa Monica College. I am proud to join with Santa Monica community leaders in honoring the Santa Monica Foundation.●

THE ILA'S 50-MILE RULE

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. McCLOSKEY. Mr. Speaker, I have today introduced a bill to outlaw a particularly bad type of featherbedding, the so-called 50-mile rule promoted by the International Longshoreman's Association (ILA) in order to protect longshoremen's jobs which are no longer necessary because of the use of containers in ocean shipping.

The 50-mile rule violates every concept of our national policy to increase productivity. It adds to the costs of most U.S. exports, and thus makes such exports less competitive.

The 50-mile rule, conceived by the ILA some years ago, requires that shipping containers—large, metal boxes, 8 by 8 feet square and from 20 to 40 feet long—that have been filled by nonlongshoreman labor, be emptied—stripped—and then repacked—stuffed—before they can be loaded aboard ship, if the containers originate within 50 miles of a seaport. This is make-work featherbedding at its worst.

Containers were a U.S. innovation in shipping; they have revolutionized ocean shipping procedures. They can be moved on and off vessels by large cranes and placed intact on a truck chassis or railroad car. They are customarily stuffed or stripped away from the dock at company plants, or by consolidators who package the goods of several small exporters and importers into one container. The containers, themselves, are loaded on and off ships by longshoremen, but a few men using cranes can move the tonnage that formerly required hundreds of men. Containers can reduce handling costs by 80 percent. In order to avoid job losses the ILA has not only insisted on the 50-mile rule in its labor contracts, but now insists, as a means of enforcing the rule, that employers be prohibited from even making their containers available to known consolidators within the 50-mile radius.

This rule has been fought over in the courts, the Federal Maritime Commission, and the National Labor Relations Board for years. The NLRB found these practices to be unlawful, but the Supreme Court overturned the decision, without going to the merits, after concluding that the Board had based its decision on an incorrect interpretation of the law. The four-justice minority decision which did go to the merits concluded that the rule was "nothing less than an invidious form of featherbedding to block full implementation of modern technological progress." The issue will now have to be relitigated again in several different forums unless Congress acts.

If we are to restore U.S. competitiveness and productivity, this rule and all like it should be clearly and simply prohibited by law.

A recent Department of Transportation study has concluded that freight rates out of U.S. ports average over 100 percent higher than those from our major trading partners. The 50-mile rule clearly contributes to this serious competitive disadvantage.

Between 1974 and 1976, more than $1 billion in U.S. cargo was transported by land to Canada for shipment overseas in order to avoid restrictions such as these.

If U.S. exporters and importers, and the jobs they sustain, are to have a fair chance in the increasingly competitive world marketplace, they need to use the technological benefits that are freely available to our foreign competitors.

Last year, Congress enacted the first maritime industry antifeatherbedding law in history, the Small Vessel Manning Act of 1980—Public Law 96-378. This bill to accomplish a similar result on the waterfront is one more small step back to a productive and competitive U.S. economy.●

NATIONAL DRIVER REGISTER

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. OBERSTAR. Mr. Speaker, I am introducing a bill today which will help States prevent the issuance of a driver's license to an individual whose driving privilege has been denied or suspended in another State. My legislation converts the already existing National Driver Register to an online, rapid response communications network, significantly improving the exchange of problem driver information among the States.

The National Driver Register was established in 1961 in recognition of the need for a nationwide clearinghouse for locating and identifying individuals with unsafe driving records. At the time, State motor vehicle officials cited the obvious impracticality and expense of checking each licensing jurisdiction for a problem driving record before the issuance of a license. Responding to these concerns and recommendations by the Department of Commerce for a national records clearance center, Congress enacted Public Law 86-660 on July 14, 1960. The National Driver Register subsequently became operational a year later.

The files contained in the Register are limited to those drivers whose licenses have been suspended, revoked, or denied by the States. Information is kept as an index of adverse driver records, duplicating those maintained on the State level. The States voluntarily participate in the program by notifying the NDR when an individual's driving privileges have been revoked or suspended and in turn requesting checks on applicants for original or renewal driver licenses. Inquiries from the States are received by the NDR through the mail and positive identification reports are mailed back. The whole process takes anywhere from 10 to 14 days.

Over the 20 years of its operation, the Register has not been used to the fullest extent possible. In 1977, for example, the NDR received over 25 million inquiries. These inquiries were processed for matches with the names listed in the NDR and approximately 215,000 identifications were made. Although the figure varies according to the particular level of use by each State, the overall average rate of identification—1 percent—has remained constant. Several deficiencies in the operation of the Register, relating to the timeliness, accuracy, and useability of the data, account for the relatively low level of effectiveness.

When the Register was first established, the States required time to check State driving records and the NDR was able to respond within that allotted time. Many States currently have automated driving licensing systems which enable them to perform over-the-counter service in the issuance of a license. The response time of the NDR remains the same as 20 years ago—10 to 14 days. In most States, the NDR report is not received until after the applicant is issued a license.

The need for reliable and useable driver records is another concern. For State driving officials to effectively perform their functions, they need access to complete driving history records of those persons classified as problem drivers, regardless of which State has the record. One significant reason for inadequate participation by some States has been the varying degrees of NDR use among the States. States are selective in the type of data submitted to the Register, in the type of retrieval request, and in the subsequent use of the data. These inconsistencies hinder the effectiveness of the States to detect problem drivers and discourage effective participation.

Another weakness of the system relates to legislative restrictions on the use and access to the Register. The present law limits use to only that of license issuance or renewal. Both the National Highway Safety Board and the National Highway Traffic Safety Administration have recommended motor carrier access to NDR information for employment purposes. Many interstate commercial drivers obtain multiple State licenses in order to divide their record of accidents and highway violations among several licensing jurisdictions. As a result, drivers can maintain their legal driving privilege and obtain a job driving a truck, despite the fact that they have incurred enough driving violations to warrant a suspension, if the issuing States were aware of the complete record.

I became interested in NDR revision when the 14-year-old daughter of my next door neighbors, Ken and Fran Nathanson, was tragically killed in a highway accident, involving a truck-driver whose license had been suspended in the State of New Jersey 3 months earlier. The driver had had a record of 25 driving violations in a period of 8 years. Nevertheless, when he lost his license in New Jersey, he simply went to Arizona and acquired another license, and was, once again, driving. The Department of Transportation estimates there are 14 million other drivers on our Nation's highways which have taken advantage of the system and illegally obtained another license.

Under my new legislation, the current index system would be changed to a referral type system, supported by quick-response electronics communication equipment. All substantive data on the driver will remain in the State—only the identification data and the name of the State of record would be sent to the Register. The overall reliability and integrity of the information would be improved because the States would have complete control and management over the actual driving records. The Register would serve only as a clearinghouse of information on problem drivers, only the chief motor vehicle licensing official of the State would have authorization to use the Register. The States would continue to make the final decision as to issuance or renewal, according to their own criteria. Employers would be permitted to check a prospective employee's license status through the chief State licensing official.

The National Highway Traffic Safety Administration has recently released a comprehensive report on the potential advantages of the improvements incorporated under this new proposal. The primary improvement concerns the timeliness of the information. Notification of the existence of a driving record in another State will be provided within 60 seconds versus the 10 to 14 days under the present system. In other words, the driving record of the individual will be accurate up until to the point of inquiry. The report concludes that the referral type system is the most preferable because it provides the "highest information usability level at the lowest cost of all the systems compared."

An improved, more responsive NDR has long had the support of a wide range of interest groups, including State motor vehicle officials, national trucking organizations, and citizen public safety groups. I believe my legislation to be a positive step in providing this much-needed revision in order to provide adequate means for States to obtain complete, accurate and usable driver records in carrying out their driving licensing responsibilities. I urge my colleagues to join me in supporting this legislation.●

VHF TELEVISION FOR THE CITIZENS OF NEW JERSEY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. GUARINI. Mr. Speaker, today I have introduced a bill which will have significant ramifications for the citizens of the two States in our Nation which have been deprived of their own VHF commercial broadcasting station. The legislation I have introduced will redress a situation that has continued much too long for the citizens of New Jersey and Delaware.

After years of petitioning the FCC the citizens of these two States still have not achieved their objective. My bill calls for amending the Communications Act of 1934 to bring a locally based VHF station to each State of the Nation. New Jersey needs its own VHF station, and the legislation I am proposing today is the quickest and surest way to solve the present problem.

With the importance of television in bringing the local news to the people of America, it is beyond reason to allow the Nation's ninth most populated State to remain without any VHF television stations. Members of New Jersey's delegation have been working for years to achieve the provisions of my bill. We need to provide each State with at least one commercial VHF television station.

At the present time New Jersey residents receive their television coverage from New York and Philadelphia stations. Because of the local nature of TV news reporting, New Jersey citizens receive very little information concerning the affairs of their own State. The situation varies very little in Delaware. However, VHF stations located in each individual State would be required to serve the needs and interests of its local broadcasting area. This would be much better than present FCC attempts to get the Philadelphia and New York stations to provide for better news coverage, attempts that have been well meaning but considerably short of being effective.

The legislation I am introducing today will provide a process for the FCC to follow in order to move a station from a State which has more than enough VHF stations to the two States which do not have any. The bill states that the rights of all broadcasters shall be protected. No license can be removed because of this legislation. However, if the FCC in the normal course of its decisionmaking declines to renew, or revokes, a VHF license, it must move that station from a State that has more than one VHF station to a State that has none if it is technically feasible.

The issue of bringing a VHF commercial broadcasting station to New Jersey and Delaware has broad bipartisan support. During the last session a bill with the same language as the one I am introducing today was reported by the House Committee on Interstate and Foreign Commerce. I hope that the committee will once again find this bill with merit.

On Friday, February 20, Senators WILLIAMS and BRADLEY introduced companion legislation in the Senate. It is my belief that the circumstances surrounding this issue are such that the citizens of New Jersey and Delaware will be successful in their fight during this Congress.●

LEAGUE OF WOMEN VOTERS LETTER TO PRESIDENT REAGAN

HON. HAROLD WASHINGTON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. WASHINGTON. Mr. Speaker, the Chicago League of Women Voters recently sent President Reagan a very timely, thoroughly researched, and factually precise memo on the consequences of his proposed budget reductions for low-income people in Chicago, and across the Nation. The leaders of the league were good enough to share that letter with me. Because they have done such an outstanding job of analyzing the consequences—most of them extremely harmful—of Mr. Reagan's proposed cuts in social programs, I wish to urge all my colleagues to closely study that memo. I would also suggest to my fellow Members of Congress that they encourage other civic groups across the country to undertake similar analysis of Mr. Reagan's proposals. I think they will find, as the Chicago League of Women Voters found, that the budget cuts are a disaster which must be prevented.

The text of the League of Women Voters letter follows:

LEAGUE OF WOMEN VOTERS OF CHICAGO,
Chicago, Ill., February 20, 1981.

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR PRESIDENT REAGAN: We add the voice of the Chicago League of Women Voters to the nationwide plea by leagues and other concerned citizen groups that your Administration's budget address the basic priority needs of all Americans. In the immediate context failure to do so is inhumane; in the longer prospect the result will be a costly boomerang.

In that vein we applaud the announcement regarding "protected programs," particularly the assurance of continued funding for school lunches and breakfasts, Headstart, and summer youth jobs, all of which are preventive and supportive measures designed to promote the health of both society and individuals.

As for the promise that the proposed budget cuts will not harm the "truly needy," we believe that your Administration misreads both the current programs and the plight of the poor. The broad-gauged legislative vehicles like food stamps and CETA have already been strictly and narrowly targeted to those most in need by restrictive amendments in 1978. The determining income eligibility regulation for most the CETA participation is the poverty line or welfare status. The allowable monthly income for a family of four on food stamps is $542 which is below the poverty line. How much more truly needy must one be?

The harsh fact is that 57% of the cuts you have proposed come from programs for the poor and unemployed.

It is noted with poignant irony that recent reports attest to the success of CETA initiatives: for example, over 5,000 general assistance recipients were moved off welfare rolls in New York City and into CETA training and jobs, providing a vital "middle step" for those who have little chance without preparation. CETA VII provides a further link to unsubsidized work with the provision of tailored training for private sector jobs.

The League strongly urges, also, continued public service employment. Elimination would have a devastating effect on Chicago and Chicagoans—the immediate loss of over 6,000 jobs.

There can be no doubt about the eagerness for work. The opening of seventy Social Security Administration entry level jobs in Baltimore last fall resulted in a line of 10,000 people. Laid-off Wisconsin Steel workers in Chicago have responded similarly to job openings, far too few for their numbers. It is true that eventually despair and bitterness result in the "discouraged worker" who finds himself outside the market system; thus, approximately one million discouraged workers are not counted among the officially defined unemployed.

In Chicago BLS statistics indicate that 600,000 persons are trapped in permanent deprivation with little hope in the mainstream economy of earnings incomes above the poverty line. The Illinois Bureau of Employment Security year-end report said it had over 140,000 applicants and only 11,000 jobs on file, a situation not likely to be reversed soon by tax incentives and reductions. CETA programs, though shrinking and threatened, are an essential retraining and job resource when low-skill jobs are disappearing.

The League is especially concerned about racial inequity. Eighty-five percent of the poor in Chicago are non-white. Unemployment, in fact, exacerbates all inequity; for every 1% increase in unemployment, there is a 2.2% decline in income equality; seniority and hiring practices tend to leave the black male, black female and white female out in the cold. The median wage of black men, age 20 to 55, is 59% of that of whites. The party of Lincoln should view that as an urgent, unfinished agenda.

The idea of shifting social programs to state control is strongly opposed by the League. The result, the League believes, would be fifty welfare systems and inevitable unfairness. The probable net federal cutback implicit in the block grant approach would strain state budgets, particularly those beset by the "Great Lakes recession." The projected food stamp cuts will cost the Illinois economy $80 million—and bring necessary pressure to increase the state's basic welfare grant level. (The Chicago Food Stamp Hotline averages 165 calls per day.) Governor Thompson has already asserted the need to cut Medicaid and has

reduced his original increase in school aid, desperately needed by Chicago public schools.

The shrinking supply of affordable housing and the rising cost of mass transit, both of which are severe hardships on the working poor, are thrown into deeper crisis by your budget. Of the highest order of necessity, housing and transit are also prime sources of jobs. Your place in history would be assured, Mr. Reagan, if you would put people to work rebuilding the railroads and housing stock of this nation.

The oft-cited psychological imperative for federal budget cutting is ephemeral when compared with the plight of those affected. Further, contrary to the claims of the Office of Management and Budget, the proposed cuts cannot be equitable; we urge you to note that the cost of necessities—food, housing, energy, health care—rose even faster than the over-all inflation rate, 13.8% compared with 12.3%, a blow with compound impact on the lowest incomes. Removal of aid in any category is a retreat from humane policy. The poor have already sacrificed.

If psychological effect is a purpose in the Administration's proposed budget cutting, the League is more concerned about the signals sent to those who are left out of the economic system. The connection between joblessness and rising crime is now well documented. One percentage point of unemployment increases state prison admissions by four percentage points. With the average total cost of maintaining an individual in prison now approaching $20,000 per year (not to mention the social cost), it is clear that measures that deliberately induce unemployment—or cutting programs designed to train and employ—are myopic and expensive. Jobs programs, now honed to greater effectiveness, offer escape from dependency, a trained work force, and an alternative to crime.

Finally, we respectfully question the matching of problem and solution. By any calculation the proposed budget cuts would have a negligible effect on inflation—a fraction of a percent—too small to justify the removal of aids which are a vital margin on the receiving end. It is at best an unfair gamble, with real suffering as one side of the equation.

Even if the combination of incentive and spending reduction should restore American prosperity, we are worried about what could be the prolonged interim to which you have alluded, the loss of hope for marginal families, and misery-bred explosions.

We hope that meanness will not characterize your Administration, President Reagan. All Americans would be diminished.

Sincerely,

PAULINE FANTSIOS,
President.

BETTY WILLHOITE,
Vice President, Welfare Study.●

SOVIET REPRESSION OF POLAND

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. RINALDO. Mr. Speaker, Soviet oppression and policies of terrorism both at home and abroad have been systematic and unrelenting. They have deviously and mercilessly spread political and economic repression, ruthlessly imposed military control over Eastern Europe, and have shamelessly rewritten history to disguise their dastardly tyranny.

Soviet treatment of its own citizens and people in other lands comes as no surprise to us. The present threat to Polish sovereignty by Soviet troops along the Polish border has been a fact of life ever since the Soviets joined with the Nazis in a pact to carve up Poland. We must not allow the Soviets and their Communist partners to forget the massacre of Polish Army officers at Katyn Forest. These events were recounted by Dr. Jan Zaprawa Ostromecki, chairman of the Polish Cultural Society at Seton Hall University in South Orange, N.J., in an address delivered on the 40th anniversary of the Katyn Forest massacre.

Dr. Ostromecki was a leader of the Polish underground home army in World War II and was imprisoned by the Nazis in the infamous concentration camp at Auschwitz. He is determined that the events of the Katyn Forest massacre of 5,000 Polish Army officers on orders of the Soviet Government, and another 10,000 Polish officers executed in Soviet camps, should not be forgotten.

In his address at Seton Hall commemorating the 40th anniversay of this brutal mass murder, Dr. Ostromecki said:

The indifferent and passive western powers have emboldened Soviet rulers to further aggressiveness and crimes. There would be, perhaps, no Afghanistan-Katyn recently, nor the disastrous and tragic situation in peace-loving Poland if the perpetrators were punished for the Katyn Forest massacre 40 years ago, and if there was no infamous Yalta Agreement in 1945.

Katyn stands as a tragic and ghastly warning to the free world of what the Soviet Russia can do. It lies deeply upon the conscience of all civilized nations.

Dr. Charles Allan Baretski, a distinguished historian and member of the Research History Cultural Society at Seton Hall University, submitted a resolution which was adopted by the Polish Cultural Society for presentation to President Reagan. This resolution documents the evidence of Soviet atrocities and the failure of the United States and our allies to confront the Soviets with these charges in the same fashion as the Nuremberg war trials which found the Nazis guilty of mass murder.

Furthermore, the resolution calls on the President to seek the formation of an international commission to set up a judicial panel to judge the Katyn massacre evidence and to recommend punishment for those guilty of this act of genocide.

I also hope, Mr. Speaker, that one of the worst atrocities of World War II by the Soviet Union would attract the interest of the television networks in order to remind the American people and the world of the horrible deeds and genocidal politics that have enabled the Communist Politburo in Moscow to forge its military and political control of Eastern Europe.

The strongest enemy of Soviet power is the truth. In order to bring freedom to the people of Poland and other nations in Eastern Europe, Afghanistan, Cuba, and other Soviet-dominated countries, we must speak the truth at every opportunity without fear of upsetting diplomatic ties with the Soviet Union.●

PROTECTION FOR LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, today I am reintroducing legislation to address the issue of adequate protection for the many men and women in our Nation whose responsibility it is to protect the American people from crime and violence. This important group of dedicated individuals—local, State, and Federal law enforcement officers and firefighters—put their own lives on the line every day in the hope that our communities will be safer for each and every one of us. Unfortunately, many of these dedicated public servants are slain each year in the course of performing their official duties while protecting others, and I believe legislation is desperately needed to deter those who commit these acts of injustice.

My bill would penalize individuals who assault, strike, wound, or discharge a firearm or explosive at any firefighter or law enforcement officer during the course of their official duties. Such offenders would subject themselves to a 10-year imprisonment or a fine of $10,000, or both. If personal injury results, the criminal would be subject to imprisonment for 20 years or a fine of $20,000, or both; and, if death should occur the criminal would be subject to the death penalty, unless specifically qualified by a jury or a court. Such threats, in my opinion, will be powerful deterrents to criminals who would assault such dedicated public servants.

Mr. Speaker, with the increasing incidence of assaults upon policemen, firefighters, and other law enforcement officials while engaged in the conduct of their duties, it is our responsibility to see that these brave men and women have protection for themselves as well. I believe my legislation addresses this problem and hope this issue will be considered early in the 97th Congress, so we can deter those who would commit this type of personal injustice to dedicated public servants.●

SERVING THE NATIONAL INTEREST THROUGH HUMAN RIGHTS POLICY

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. PEASE. Mr. Speaker, to be successful our foreign policy must be based upon broad-based support among the American people. The basic fairness of the American people and the importance we attach to liberty and self-determination manifest themselves most clearly in our commitment to human rights for all people and not just ourselves.

This fundamental point that seemingly escapes Mr. Ernest Lefever, President Reagan's appointment to be Assistant Secretary of State for Human Rights and Humanitarian Affairs. I call my colleagues' attention to the following article I authored in the February 16 edition of the Cleveland Plain Dealer which summarizes my view that defending human rights serves our national interest.

AMERICA MUST REPRESENT HUMAN RIGHTS

(By Don J. Pease)

President Reagan is a patriot who seeks to serve the national interests. That's why I am hopeful he will continue the Carter administration emphasis on human rights as a base for our foreign policy and foreign assistance programs.

For human rights as a key foreign policy factor need not depend on do-gooder cries for simple humanity or on appeals to U.S. traditions of support for individual liberty, as valid as they are.

The case for a strong human rights policy can be made best on the practical basis of serving American national interests.

Continuation of a strong, consistent human rights commitment will enhance the national interests. Retrenchment or abandonment of human rights could severely damage those interests.

It is no accident that one reads few Third World diatribes anymore about Americans as "imperialist pigs." To be sure, the United States still serves as a whipping boy for extremist governments like those in Iran and Libya. But our standing is much higher among non-aligned, developing countries now that we have focused international concern on defense of basic rights.

Nor is it coincidental that the United States received as much, if not more, support on the hostage situation in Iran, the Soviet invasion of Afghanistan and the subsequent Olympic boycott from Third World nations as from our traditional Japanese and West European allies.

Nor that U.S. credibility among African nations has never been higher than it is today.

Nor that democratic values are being reasserted in Peru, Panama, Brazil and elsewhere in Latin America, and that the exploiter/manipulator image of the "giant of the north" has been dimmed in the eyes of the average Latin American.

Human rights policy cannot claim sole credit for these developments, but it has played an important role.

Right now, there is only one recognized imperialist power in the world—the Soviet Union. Surely it is not in the U.S. national interest to return to the days when the Third World viewed both the United States and the U.S.S.R. as imperialist behemoths.

Increasingly, the East-West struggle will be waged in Africa, Asia and Latin America. An important element of the struggle will be over ideologies and values. Common sense dictates that the United States will gain to the extent that the Soviets are viewed as imperialists while we as a nation are viewed as having a genuine interest in the economic well-being and individual human rights of ordinary people.

A strong human rights policy allows us to capitalize on the power of the ideas—individual liberty, freedom and self-determination—for which we stand as a nation.

For the United States to prosper economically over the next two decades, we will badly need the oil, gas and uranium, the metals without which our factories cannot operate, and the markets of the Third World nations.

In some cases, we'll also need their land for military bases and their political support in international forums.

Holding steady our human rights banner will assure us of a receptive relationship for difficult negotiations.

Recently Reagan met with President Lopez-Portillo of Mexico. Isn't it beyond argument that abandonment of human rights would adversely affect our relationship with Mexico, whose vast oil reserves may make it the single most important country in the world to the U.S. economy?

Two impediments may face a Reagan commitment to human rights as a cornerstone of foreign policy.

One is the identification of human rights with the vanquished Jimmy Carter. In truth, however, this nation's international human rights commitment pre-dates Carter. As long ago as 1904, Theodore Roosevelt criticized human rights violations against Armenians in Turkey. In the early 1970s, while Richard Nixon was president, Congress wrote a statutory commitment to human rights into the Foreign Assistance Act and other basic laws.

A second impediment, especially for a president committed to decisiveness, is the zigs and zags which are inevitable when human rights considerations are factored into foreign policy. And it doesn't help that consistency if human rights policy requires the punishment of right-wing dictators who torture and kill opposition leaders who may have Marxist leanings.

But Reagan can overcome those hang-ups if he rivets his attention on the central issue: the national interest of the United States.

Pending a policy review, I implore the president to avoid any single step—such as backing away from our commitment to a ceasefire and internally supervised elections for Namibia—that could be taken as a premature signal in the Third World that the United States is no longer interested in human rights.●

MRS. CONSTANCE ADAMS SPARKS A REVIVAL

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to salute a dedicated citizen from Cleveland who has been a leader in the rehabilitation of the St. Clair-Superior area in the city—Mrs. Constance Ruby Adams. In many respects, she has been the spark which ignited community interest in housing and neighborhood revitalization in this section of the city.

As the revitalization has progressed, she has been the guiding force for other residents. Her efforts to renovate her own house in this area and actions have served as a blueprint for others to follow. Her activities within the St. Clair-Superior Coalition renovation branch called Cohab has earned her the respect and admiration of people throughout the community.

At this time, Mr. Speaker, I would like my colleagues to join me in saluting Mrs. Adams. I think that it would be appropriate to insert an article on Mrs. Adams which appeared in the Cleveland Plain Dealer in the RECORD:

LITTLE HELP FROM FRIENDS SPARKS A REVIVAL

There are several houses on E. 87th St. that have been spruced up in the last two years, including the one being bought by Constance (Ruby) Adams, one of the revitalization pioneers in St. Clair-Superior neighborhood.

The new yellow-and-auburn paint on her house is complemented by the pastels on a number of houses up and down the street, which runs between Ansel Rd. and Superior Ave.

The neighborhood is no Shaker Heights or Rocky River. In fact, the lots are smaller than those in most moderate-income suburbs. And there is plenty of vacant land where frame residences once stood proud against the Lake Erie elements, only to be destroyed by the ravages of abandonment.

But there are parks, places to shop, convenience to downtown—where Adams works as a cashier at the Federal Office Building cafeteria—and a slowly improving housing stock.

There are also efforts to make the neighborhood more livable. Adams recalled that the house across the street had been condemned. Once hers was fixed up, new paint and other improvements appeared on the condemned building.

Adams and other people credit several groups working in the neighborhood, such as the St. Clair-Superior Coalition; its housing renovation arm, Cohab; the Famicos Foundation, and the Lutheran Housing Corp.

Adams, 48, is the mother of five children, three of whom live with her in her two-family house. She has been involved with Cohab since its inception in January 1978, when Famicos and the St. Clair-Superior Coalition began talking about improving housing in the neighborhood.

Her eldest son, Otis, 20, did much of the work on her house, she said. Other work, including new kitchen cabinets and a counter, new plumbing and wiring, was done through Famicos. The house was bought by Adams on a land contract with Famicos. Slowly, as the $188 monthly payments accure, Adams will own the house.

Adams can wait. She has lived in the neighborhood for 16 years.

"I was in three (rental) places," she said. "One I fixed up and it got condemned. Then the second one, I was burned out of.

"I wanted to own my own home for a long time. Everybody in my family had nicer homes way out, and they said, "Why don't you move out?"

Adams said that a few years ago she saw the neighborhood declining. It was not the same one she had moved to a dozen years before. The block on which she lived on E. 81st St. was down to 13 houses.

Solid citizens in the neighborhood, such as the Adams family, had to bear the situation.

About 2½ years ago, however, Adams became active in the coalition's housing efforts, and then was one of its first benefaciars.

"I could see, after the coalition got involved, the area has been cleaned up immensely," said Adams. "People are getting back to being interested in the neighborhood."●

A TRIBUTE TO REV. EMMETT HUNTER, JR.

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DORNAN of California. Mr. Speaker, on Sunday, March 8, the Greater Morning Star Baptist Church of Santa Monica, Calif., will gather for a worship service commemorating the second anniversary of Rev. Emmett Hunter, Jr.'s installation as their pastor.

I would like to take this opportunity to cite some of the outstanding accomplishments of Reverend Hunter.

Reverend Hunter, a native of Georgia, has earned bachelor's degrees in business administration and theology. Before coming to the Greater Morning Star congregation, Reverend Hunter served as pastor of the Olivet Baptist Church in the city of Ventura. His outreach ministry consisted of participation in 13 areas of community service.

Upon accepting the call to the Greater Morning Star Church, Reverend Hunter preached his initial sermon on the theme of emphasizing love, togetherness, prayer, Bible study, and increased community outreach, combined with improving Christian family fellowship for the betterment of his congregation.

Reverend Hunter has demonstrated outstanding abilities as a minister by strengthening his church spiritually, improving its financial position, and building its membership.

He has promoted improvement projects benefiting the church nursery, parking area, fellowship hall, and study. He also supervises the recently begun construction of a church library.

Mr. Speaker, it is people like Reverend Hunter who are the backbone of our communities. As a spiritual and moral leader, he is influential in guiding the lives of hundreds of families in his neighborhood. He has taken an active role in helping his congregation successfully meet the challenges imposed by modern society. On his second anniversary, as a leader in the Santa Monica community, I congratulate him for a job well done.●

YOUTH EDUCATION AND WORK OPPORTUNITY ACT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. GOODLING. Mr. Speaker, during the 2d session of the 96th Congress, the House approved a comprehensive education and work bill combining education, employment, and vocational functions to provide compensatory services for disadvantaged youths. The legislation would have coordinated efforts to provide remedial education and job training to the Nation's neediest youth. This proposal was consistent with Republican goals to prepare youth for jobs through basic and employment skills training instead of establishing make-work public sector jobs which only aggravate, over the long run, the unemployment situation of young adults.

Although the time is not ripe for creating an entirely new spending program, it is appropriate to consider a more rational, efficient and effective method for achieving the goals currently embodied in various Federal education and jobs-training programs.

Consequently, today I am pleased to introduce along with my colleagues Congressman JEFFORDS and Chairman PERKINS, the Youth Education and Work Opportunity Act of 1981. This proposal embodies the crucial concepts which would forge linkages among education, CETA prime sponsors, business, unions, and community-based organizations in order to launch a comprehensive effort at eliminating some of the root causes of our unacceptable level of youth unemployment. It is basically the same proposal that overwhelmingly passed the House last year.

It is significant that we keep this legislation foremost in our minds as we approach the reauthorization of the CETA jobs training program and the Vocational Education Act during the 97th Congress. These reauthorizations provide a real opportunity to incorporate the basic concepts embodied in the Youth Education and Work Opportunity Act. It is significant that most of the major innovations developed in last year's Youth Act providing for the increased linkages among the sectors mentioned above received widespread support, not only among Members of the House of Representatives, but also among the diverse education and labor interest groups affected by the proposed changes. Congress should concentrate on adopting the concepts developed in the Youth Act to the appropriate segments of the Vocational Education and CETA reauthorizations.

In addition, it is clear that Congress will consider some form of an education consolidation program to replace the patchwork assortment of categorical programs which often ascerbate problems they are designed to remedy because of the overly prescriptive and cumbersome mandates embodied in the legislation and regulations. Again, the Youth Act can serve as a model for significant reform and sensible consolidation of various programs with similar functions and goals. There is no reason why this proposal cannot become a part of a comprehensive block grant approach. The current separate, parallel, and mostly uncoordinate efforts at dealing with the complicated problem of youth employment should be attacked more rationally and in a more holistic manner. This is a major reason for my willingness to introduce this bold initiative.

Although this current proposal does not contain a provision for a youth differential or subminimum wage, I feel that such a measure is essential if we are ever going to entice the private sector to become an active partner in solving youth unemployment. Obviously such a provision would have to contain appropriate safeguards to avoid abuses, but this can be achieved through proper legislation. I intend to press for this reform during legislative consideration of this issue.

I am convinced that the Youth Education and Work Opportunity Act provides us with a working model for formulating a more efficient and effective program for achieving our goals.●

HOUSING REVITALIZATION IN CLEVELAND

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. STOKES. Mr. Speaker, thank you for providing me with this opportunity to bring the news of a housing revitalization in the inner-city area of Cleveland which I represent to the attention of my colleagues.

For many years, Cleveland has suffered from the same housing and neighborhood malaise as other inner-city areas particularly in the Northeast. Quite candidly, Mr. Speaker, there have been times that I described large portions of my congressional district as looking like parts of war-torn, bombed out Germany. As you can imagine, it has been painful for me and my constituents to witness the deterioration of our neighborhoods.

During this time, Cleveland suffered and was labeled as having the crippling symptoms of a city on its way out—population loss, abandoned and substandard housing, economy in a tailspin, and a general feeling of hopelessness. But, the residents really never gave up hope.

Mr. Speaker, while the situation has not yet been totally turned around, I am encouraged to report that we are making substantial strides in the area of housing and neighborhood revitalization. The citizens in my district have served as the impetus for this revitalization movement. As a result of their interest, the city government, HUD, and other concerned individuals have become involved in various projects in sections like St. Clair-Superior and Buckeye-Woodland.

Led by community coalitions such as the Buckeye-Woodland Community Congress and the Union-Miles Coalition along with the Lutheran Housing Corp., exciting and encouraging things in the area of housing are happening in Cleveland. Unlike some other areas, Mr. Speaker, this rehabilitation is being done for the current residents and not for outside middle- to upper-class income buyers or speculators.

It has taken a lot of hard work, unfaltering commitment and grants from the city, the Federal Government, and private organizations. We still have a long road ahead of us. But, we now have a strong foundation from which to build.

Mr. Speaker, I would like to take this opportunity to salute the residents who have worked so diligently with this revitalization program. Accordingly, I would like to enter an article which appeared in the Cleveland Plain Dealer on this activity in the RECORD so that my colleagues can too salute these individuals.

The article follows:

[From the Plain Dealer, Feb. 8, 1981]

PUTTING ON A NEW FACE

(By Thomas S. Andrzejewski)

After years of population loss, stagnation and demolition of housing in the city, Clevelanders are now renovating hundreds of houses annually.

This turnaround does not mean Cleveland is experiencing a back-to-the-city movement, which is happening in some other cities. It is more of a stick-to-the-city action.

Low- and moderate-income families have been buying improved housing mainly in the neighborhoods where they live, said neighborhood group leaders, city officials and other housing analysts.

Those invoved with a patchwork of housing programs say people buying renovated houses are not necessarily the so-called urban gentry: high-income people who have displaced poorer families in some other cities.

The lack of a flow of upper-income households into Cleveland also may be a reason why the private sector has not been investing in the movement to any great extent, some neighborhood groups and city officials said.

The private sector, mainly lenders, insurance companies and local foundations has become involved in some projects to varying degrees. But neighborhood leaders said business and industry have yet to become part of the urban partnership

Instead, there is more evidence of disinvestment than investment, they said. Those patterns are being reversed by self-help projects across the city and, in some cases, neighborhood groups as well as federal laws have prompted more business involvement.

While no one keeps track of the total progress of housing improvement, The Plain Dealer pieced together information from several places to find residential rebuilding is occurring at a slow, but growing rate. As many as 1,000 inner-city houses, and perhaps more, underwent renovation last year.

There are many programs, all of which work in different ways.

Examples show the piecemeal nature of residential rejuvenation in Cleveland. But they also show there is a market and demand which, some experts pointed out, has been ignored by the real estate and lending industries.

One is a pilot program for the Department of Housing and Urban Development, run by the Buckeye-Woodland Community Congress and the Union-Miles Coalition in their respective neighborhoods. That program, begun as an experiment two years ago, is responsible for renovation of 60 vacant houses, 17 of which have been sold at prices from $18,000 to $30,000.

Agnes Jackson, executive vice president of the Buckeye-Woodland group, said it presented a program to HUD that residents would make work. The project was to renovate houses abandoned and eventually vandalized after government-insured mortgages were foreclosed.

"Everywhere you looked, there were abandoned houses, putting our property values down and making it hard to get insurance," she said. "They were just plain eyesores."

But her group was among several that proposed a way for HUD to recover what otherwise would be losses to taxpayers and government. Among other things, citizens would take care of security of abandoned houses and marketing them once they were fixed up.

"At one of the regional hearings, they (HUD officials) were proud we told them how to put it together," she said. "And it worked. We showed them how to make a profit.

"We've been called crazy and everything else, but if you drive through this neighborhood now, you'll see how clean it is," said Jackson. "And it hasn't been the politicians who did it."

One neighborhood where the private sector became involved in housing improvement was St. Clair-Superior. About a year ago, Aetna Life & Casualty Co. awarded $30,000 to the St. Clair-Superior Coalition to begin a housing renovation organization called Cohab. Aetna also promised financing.

"The thing about St. Clair-Superior is that the middle class never really bailed out completely," said Edward J. McNeely, a member of Cohab. Therefore, Cohab's efforts are being directed to the so-called conventional mortgage market, rather than subsidized or guaranteed mortgages.

Even so, the housing problem in Cleveland is of such proportions that even dramatic inroads would not necessarily save neighborhoods from eventual destruction. For example, McNeely said, there are more than 100 vacant houses in St. Clair-Superior. At present, Cohab can only work on about 25.

"There's a lot of movement that's impressive, and we're going to see a lot more of it," said Dr. Carol S. Franklin, research associate for the urban recovery project of Cleveland State University's college of urban affairs.

A program that renovated about a dozen houses in several Cleveland neighborhoods last year was run by Lutheran Housing Corp., whose director, Ray L. Miklethun, said more and more groups are entering the housing business.

Morever, housing improvement is contagious, he added.

The major part of Lutheran Housing's role is counseling, instruction and tool loan. Last year, for example, 2,300 persons were given lessons in home maintenance, and about 4,000 tools were loaned. About 130 people were given credit counseling, allowing about half of them to save their houses from foreclosure, he said.

There are other housing organizations, such as Neighborhood Housing Services in Buckeye and the near West Side.

And the Union-Miles Coalition has a $100,000 grant from the Cleveland Foundation to use in creating a housing and commercial development corporation, to renovate at least 10 houses a year.

And some community organizations that are not in the housing business do offer at least some encouragement, such as the Detroit-Shoreway Development Corp. Raymond L. Pianka, director of the group, estimated about 60 houses have been improved in the neighborhood since last year.

The city has not idly stood by, either. Last year, 651 houses had some kind of major work done for which the community development department—through its CASH (Cleveland Action to Support Housing) and 3% loan programs—provided loans or grants, and sometimes combinations of both.

"I do not think we are doing enough," said Charles Ramsey, the city's rehabilitation commissioner. "We are maintaining a lot of stuff, but just maintaining."

Ramsey said that CASH has the participation of 23 banks and savings and loan associations, which are making loans to creditworthy persons at 12%, which is about 6% below market rates. While they are making a contribution in that program, the private sector for the most part should improve its role in housing, Ramsey and others said.

Even in CASH, lenders have been criticized for not doing enough. For example, last year, they put up $255,901 in home improvement loans, which was only about 12% of the $2.1 million CASH granted or loaned. The rest was federal money.

While government has cooperated, business has not, said Buckey-Woodland's Jackson. Part of the problem is the private sector has dealt more with niceties and protocol than with substantive programs.

"A lot of business people really think it is uncouth when we come in and make demands," she said. "But if they can sit down with us, they can see that we will negotiate and even help them."●

AMERICA'S DEPENDENCE ON IMPORTED STRATEGIC MINERALS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YATRON. Mr. Speaker, I am becoming increasingly concerned over America's dependence on imported strategic minerals. These minerals, such as titanium, manganese, cobalt, platinum, and chromium, are vital to the preservation of our national security. The steel, tool, missile, and other major U.S. industries need these minerals for their operations.

I believe that we are quickly rendering ourselves vulnerable to blackmail and price gouging by countries that export the critical metals. Only a few countries do any exporting and many of these, such as South Africa, Zambia, Zimbabwe, Zaire, and Gabon, are located in volatile parts of the world. Thus, they may not be a reliable source for these minerals in the future. In addition, the Soviet Union, another supplier of key minerals to the West, cannot be counted on to continue exporting should East-West relations erode further. Moreover, the Russians are gaining footholds in Third World countries where they could one day threaten Western access to strategic minerals.

Mr. Speaker, the poor state of U.S. preparedness in this regard is disturbing. Imports meet more than 50 percent of our requirement for 20 important minerals, and the situation in Western Europe and Japan is even worse. It was reported in Fortune magazine that the U.S. stockpile of strategic minerals falls short of its official goals for 37 out of 62 items. Most of our allies have virtually no government stockpiles at all.

I call on my colleagues in the Congress and on the administration to address this issue because of its implications to our national security. It is important that we learn the lessons from the oil boycott so that preventive action can be taken.●

THE CASE FOR EDA: THE COST PER JOB

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. OBERSTAR. Mr. Speaker, last Wednesday the President announced, as part of his proposed budget cuts, his intent to terminate the Economic Development Administration.

As chairman of the Public Works and Transportation Subcommittee on Economic Development, which has jurisdiction over EDA, I intend thoroughly to evaluate the President's proposal, as well as arguments for that agency's preservation, at a series of hearings beginning early next month.

My own experience with EDA tells me that this is one of the showpieces of Federal assistance to local communities: seed money which leverages private capital for jobs and businesses, keeping people off the unemployment and welfare rolls, and generating tax revenues. However, I will listen to the administration and, if we decide to preserve EDA, will work with the Reagan administration to remedy what they see as faults.

What deeply concerns me, however, is that one of their main arguments for terminating EDA—the cost of a single EDA job—is so far off the mark. I want to set the record straight so we can start dealing with facts and not with shadow arguments.

The administration in its "black book" claimed that a single EDA job costs the taxpayers $50,000. By the time the proposed cuts were formally submitted to Congress that figure had risen to $60,000 to $70,000 per job.

I do not know where these figures came from, nor do I know the motivation for their development. But a reputable consulting firm, Abt Associates, has come up with very different figures, and while I know that damaging figures, once out, however wrong, are repeated ad infinitum, I want the friends of EDA, and those with open minds, to know that the administration's figures are open to question, and stand radically contradicted by a good independent firm.

Abt found that: First, the average public works permanent job costs $3,789 in EDA funds, accompanied by $2,134 in other public moneys and $16,722 in private capital, for a total of $22,845 total public and private money. Second, the average job created or saved under the business loan and loan guarantee program costs $8,538 in EDA dollars. However, since over 90 percent of the total value of EDA's regular loans and loan guarantees are fully repaid, the real cost to EDA is much lower—$662 for direct loans, $1,000 for loan guarantees.

None of the above figures include jobs indirectly created, nor do they include the savings to the taxpayer in decreased unemployment compensation or increased revenues from the taxes the new businesses and employees pay.

Mr. Speaker, I am certainly willing to listen to the Reagan administration's arguments for cutting Federal spending, even when it comes to EDA. But the administration had better be ready to deal in real facts and figures, because we are talking about real people and real businesses and real jobs and a role for EDA in the President's recovery program. Let's argue the case for EDA on its merits, not on the basis of misleading figures.●

MY COMMITMENT TO MY COUNTRY

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. FOLEY. Mr. Speaker, I would like to take this opportunity to share with my colleagues in the House a recent speech given by a young man from my district as part of the Veterans of Foreign Wars voice of democracy contest.

Mel Detrick of Deer Park, Wash., was judged to be the winner of the contest from the State of Washington and will be coming to Washington, D.C., as one of the finalist in this outstanding competition organized and conducted by the Veterans of Foreign Wars. I am sure that all of us share the sentiments and devotion of Mr. Detrick as contained in his speech "My Commitment to My Country" which is the contest theme of this year.

I also think this is an appropriate time to commend the Veterans of Foreign Wars of the United States for their leadership in expanding the awareness of young Americans as to the importance of a free society to a strong country. They have established an outstanding record in this most important public education effort and can be proud of their success:

MY COMMITMENT TO MY COUNTRY

(By Mel Detrick)

My Commitment To My Country; words to live by indeed—words which can only bring to mind that beautiful composition of my patriotic ideals which fill my heart as I approach our flag.

"I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all."

What more can be said? What better way could there be to express my commitment to my country? As I was confronted with the theme, a theme that summarizes how I strive to live a life committed to my country, those words filled my mind so that I could think of nothing else—words which fill my heart with a deep sense of awe each time I recite them, words that provide a beautiful outline through which to express what my commitment to my country is. Therefore, I must look closely at each part of this pledge and explore what it says to me about my commitment to my country.

First, I must examine what is meant by the phrase: "I pledge allegiance to the flag of the United States of America." To me, it means to commit myself totally to the cause I represent, to be loyal to my country just as the brave men of our history have been. Men like Thomas Jefferson, John Adams, and Abraham Lincoln, who, each in their own way fought to protect the freedoms of a country which they had faith in, a country dedicated to democracy. Men like George Washington who suffered through the bitter cold and miseries of Valley Forge and proved along with his men, his loyalty to his country. Men like the gallant warriors who fought for freedom on filthy, foreign grounds to defend the amber waves of grain and majestic purple mountains at home, men who I admire and respect as representatives of the ideals of my country which are written deep within my heart. These are the men who set the example for me of what it means to pledge my allegiance to my country.

Second, I must examine the phrase: "and to the Republic for which it stands." These men didn't represent just another country, it was for the Republic for which that nation stands that they fought as they did, a nation of democracy, a nation which represents the people, a nation of, by, and for the people, a nation with freedoms which no other country enjoys, a nation richly endowed with natural resources and the talent to utilize them. This is the beautiful country for which those great men of our history fought, a nation which I would exchange for no other. My pride for my country is untold, and I hold to protect the freedoms which are so important to me for many generations into the future.

Third, is the phrase: "one nation under God, indivisible". I firmly believe that this great nation of mine surely could not have come this far without the guiding protection from God which has been so prevalent throughout our history, a God which has held our nation together through thick and thin through the Great Depression and the Civil War. God has blessed America, My Home, Sweet Home.

Finally, the closing phrase of the pledge of allegiance, "with liberty and justice for all". This is the attribute of my country which I treasure more than any other. I am very proud of this nation's freedoms and I hope for and strive to protect them all of my life and for many generations to come.

These are the things which come to my mind when I consider my commitment to my country. I feel firmly convinced that in order to be committed, I must be as brave as the great men before me who protected the freedoms which I enjoy today. I must protect this richly endowed nation along with its beautiful people from any invasion of the freedoms which they now enjoy. I must rely on God for my strength and power just as the great men before me have. But most important, I must strive to be like one of those great men, so that my grandchildren will be able to look back and see me as one of the men who defended the freedoms which they enjoy. I believe that it is the man who desires above all else to protect and insure for others in the future the freedoms and privileges that he enjoys today, that is committed to his country. And that is the man I want to be, that is My Commitment To My Country.●

U.S. INTELLIGENCE AGENTS NEED PROTECTION

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, every day countless unsung heroes risk their lives on behalf of the United States, working in the shadowy world of foreign intelligence. These brave men and women, some of whom spend their entire lives in this sensitive field without recognition, carry out their duties in anonymity because disclosure of their identities would not only compromise their effectiveness but also endanger their lives.

Yet, in recent years, it has become fashionable in some quarters to expose our intelligence agents, a practice which earns praise from some who equate intelligence gathering with illegality. What may seem like a harmless stunt to these people, though, can in effect mean a death sentence for the hapless individuals they expose. We all remember how Richard Welch, our CIA station chief in Athens, was assassinated after one of these antispy groups revealed his identity. More recently, the homes of two alleged CIA operatives in Jamaica were machine-gunned after a publication named them as agents.

Not only are our citizens endangered by these disclosures, but so are foreign nationals who work for our intelligence services. Even innocent acquaintances of intended victims are placed in danger, for radical groups may suspect that these people, too, are working as our agents. For instance, the recent murder in El Salvador of two American AFL-CIO officers and the head of the Salvadoran land reform program is a case in point. The publication Counterspy erroneously identified one of the Americans as a CIA agent, and the Salvadoran as an accomplice. Soon after, both they and another AFL-CIO man who happened to be having breakfast with them were gunned down.

This kind of disclosure must be stopped, not only for the sake of saving lives but also to insure that our intelligence gathering remains effective. I again introduce my legislation to make the disclosure of an intelligence agent's identity punishable by fine and imprisonment. In addition, my bill would increase the fine and prison sentence if bodily harm or death comes to the agent as a result of the disclosure of his identity.

Such a law would punish those who deliberately release secret information which results in the identification of an individual's affiliation, whether past or present, with our foreign intelligence operations. The bill is designed to provide a measure of protection to a special group of dedicated people who risk their lives for their country, while at the same time punishing those who would imperil our agents and do incalculable damage to our national security.

Mr. Speaker, I urge immediate consideration and passage of this very important legislation.●

SYNTHETIC FUELS NOW BEFORE IT IS TOO LATE

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. BLANCHARD. Mr. Speaker, the administration is sending a budget to Congress which, among other things, is designed to strengthen national defense, fight inflation and also save the taxpayers some money. However, it simply fails to do that in some very important respects, especially in regard to synthetic fuels development.

Last June, following many years of intensive study, the Congress approved and the President signed a carefully crafted bill called the Energy Security Act. That legislation was intended to get this Nation moving toward the development of a viable synthetic fuels industry. An overwhelming bipartisan majority in both the House and Senate saw it as perhaps the most important action of the decade to produce more energy. The House vote was 317 to 93. This was done for many reasons:

First, U.S. national security is extremely vulnerable to cutoffs in imported oil from nations that have little, if any, love for the United States, and even those sources who are friendly may be forced to cut off supplies because of circumstances beyond their control. Our military leaders have worried about this for some time and argue convincingly that you cannot strengthen national defense without providing for assured domestic supplies of liquid synthetic fuels. Tanks and jet fighters simply do not run on lumps of coal or good intentions. As a matter of fact, every new major weapons system we have on the drawing boards for the next 25 years—I repeat the next 25 years—depends upon petroleum or a synthetic fuel substitute to be successful. And, of course, you realize the Defense Department is the largest energy user in the United States.

Second, the cost of foreign oil is currently approaching $100 billion a year, and this flood of U.S. dollars overseas is feeding the fires of inflation here at home. It is robbing American workers of jobs, driving American companies out of business and depriving State and local governments and the Federal Government of desperately needed

tax revenues. The establishment of a U.S. synthetic fuels industry would put hundreds of thousands of people to work in America and help to reduce inflation.

Today, there is not a single commercial synthetic fuels plant in existence, what is more, operating, in the United States. This is true despite all the current and past actions to decontrol the price of domestic oil. Why? Because it is simply more profitable for oil companies to import petroleum as long as it is available and pass along any increased costs to the American consumer. The record profits of the large oil companies demonstrate that quite vividly. It is also easy to see why some of these same companies are in no hurry to invest heavily in new technologies that might pose substantial financial risks without some Federal guarantees.

However, there is a greater risk to our national security in waiting until the private sector is ready to move at a time distant of its own choosing.

These plants take years to build but major, perhaps even devastating oil shortages, can occur overnight. We should have learned something in World War II when our supplies of natural rubber were cut off, and we had to scramble to develop synthetic rubber. Status-quo and laissez-faire economics did not help us then and they would not now in a world fraught with sudden dangers. This country needs an insurance policy in the form of synthetic fuels, not only to protect our national security, but also our economic health.

Right now foreign oil is costing us about $35-$40 a barrel. But that is hardly the real cost to the American economy in terms of inflation, our trade balance, the loss of thousands of jobs and badly needed domestic tax revenues and corporate income to keep this country economically healthy. A recent study by the Institute of Gas Technology, with headquarters in Chicago, estimates the true national cost of imported oil at $80 to $109 per barrel. That is a conservative estimate because there are a lot higher ones. While the actual oil purchaser does not pay that cost, you and the rest of the American people do indeed pay the higher price tag in terms of our cost of living.

Thus, the real cost of imported oil is substantially above the production cost of natural and synthetic fuels from our own domestic resources, which convinces me of the pressing need to rapidly develop the capability to reduce those oil imports.

Now the effect of the budget cuts which the administration is contemplating will delay the development of this new vital industry. The cost of delay is absolutely mind-boggling. What it means is simply this: For every single hour that we delay the construction of just one synthetic fuels plant, its cost goes up by $30,000. Now I am talking about $30,000 an hour, 24 hours a day. What this means to me is that we may reach the point where we desperately need synthetic fuel plants because of some major oil cutoff from the Middle East and we simply will not be able to build them because they are just too expensive.

You see the advantage in moving ahead now is that when the plant is completed, it becomes a fixed capital asset and is no longer subject to inflationary pressures except for operating and maintenance costs. That is a big number. That is a fantastic number. That is such a large number that first-generation technologies will actually remain competitive with second- and third-generation technologies to follow in the field of synthetic fuels.

I think I ought to give you some more details about the national security danger involved in this whole budget chess game. Although I am hopeful that recent decontrol actions will increase the supply of domestic oil, we will still need major supplies of foreign oil to keep our country militarily and economically strong.

If major supplies of imported oil are cut off at the Strait of Hormuz or by some other cataclysmic international event, there will not be enough oil left in the United States to do the job.

We were lucky when the war between Iran and Iraq broke out that world inventories were high and sufficient to meet demands for a number of months.

However, we cannnot gamble the survival of America and our allies on the chance that this situation will continue. I can say this to you—if those inventories did not exist, the West would have a major industrial crisis on its hands right now.

For example, if the Strait of Hormuz was closed, about 60 percent of all OPEC oil exports would be cut off. Japan would be without 75 percent of its industrial energy supply, and Western Europe would have lost half of its supply. America would be short some 2 million barrels of imported oil. That amount of oil supports almost 5 million jobs in this country and, if not available, likely would increase unemployment up to 15 percent.

Remember also that the United States has entered into international agreements which require this country to share its oil with its allies if severe shortages develop. So, without synthetic fuels, we will be leaning on some pretty thin reeds. What are they? A totally inadequate strategic petroleum reserve and a highly controversial gasoline rationing plan which might take up to a year to carry out.

Now a word or two about the alleged high cost of the new synthetic fuels program which Congress felt was so important. That program was given a price tag of $88 billion—$20 billion in the first stage and an additional $68 billion if Congress approves a second stage over a number of years, but I want to tell you something. Those numbers are not just a little deceptive. They are highly deceptive.

Those figures are what it would cost the United States over roughly the next two decades if every single synthetic fuels project was a miserable loss and the U.S. Government had to make good on every penny of that loss. Of course that is ridiculous.

Interestingly enough, that figure of $88 billion covering our maximum exposure over many years is still less than what we are paying each year for foreign oil with not a nickel of it going to American workers.

And, incidentally, the Federal financial incentives that we provided are not grants or big tax writeoffs which would take money away from our budget. The incentives we approved are loan guarantees and price guarantees, which will never cost the taxpayers a single dime unless these companies default or the price of world oil goes down. Neither is likely to occur. So what we are talking about here is saving a lot of money we never really intended to spend anyway.

Interestingly enough, there are a number of companies not now in the energy business which with the encouragement of such Federal incentives, are ready, willing and able to provide some new competition to the same big oil companies mentioned earlier. There is nothing in the law forcing the Federal Government to assist any oil giant that can pay its own way.

Now comes the administration with a plan to scale down this high-priority effort and instead have the new Synthetic Fuels Corporation help build a handful of little demonstration plants and focus more effort on research and development. In effect, we would turn back the clock and return to square one. There is not a single commercial-sized synthetic fuels plant in the United States today. And there won't be if we continue this way.

Unlike some nations, our great country is blessed with a variety of plentiful feedstocks to make synthetic fuels. Among them are coal, oil shale, tar sands, renewable resources such as biomass and many others which could carry us hundreds of years into the future. The technology is ready to go. It can be done in an environmentally sound way; these plants can produce cleaner fuels than we now use to run our automobiles and generate our electricity. We can forge a weapon to defend ourselves against the constant OPEC price rises and their attendant international political intimidations.

Through synthetic fuels, we can strengthen our national security and economic health.

And we can keep our promise to American industry, which has spent millions of dollars responding to our country's call for help in developing this industry.

In short, we can make America strong again, prepared to meet any challenge before and not always after it faces us.●

NORTH DAKOTA'S WINNING VOICE OF DEMOCRACY CONTESTANT

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DORGAN of North Dakota. Mr. Speaker, there is a young man from Casselton, N. Dak., Steven Spilde, who has won the Veterans of Foreign Wars voice of democracy contest in our State.

Steve represents the very best in our American youth. His interests are many—athletics, music, and community work—and his academic record is excellent.

Steve's winning speech on the theme, "My Commitment to My Country," is a rallying call for all Americans who have the courage and commitment to meet the many challenges which face our country today. His speech is an inspiration to all of us—youth and adult alike—to renew our pledge of allegiance to America and to the spirit that built our Nation.

This is a fine moment for Steve and his family. He is well-deserving of the honor the Veterans have bestowed on him, and all North Dakotans are proud of his achievement.

I am pleased to have this opportunity to insert Steve's speech at this point in the RECORD:

STEVEN LEE SPILDE, CASSELTON, N. DAK.

On July 4, 1776, a group of men gathered in Philadelphia to signal the birth of a new nation. As they signed the Declaration of Independence, they shared a commitment to establish the greatest nation on the face of the earth.

To back this commitment they were willing to fight, to sacrifice their way of life, and even to give their lives. Because of this type of commitment, their dreams blossomed into a nation which stretches from sea to shining sea.

Today I have inherited the fruits of their labor, a land in which we are free to speak, think, worship, and live as we please. To preserve this heritage I must also inherit their commitment. As I read the newspapers and listen to the news it is obvious that America faces many challenges at this time. Our American spirit is challenged. Our economy is challenged. Our national security is challenged. All of these are challenges I must be willing to face as an American citizen.

Some Americans are losing faith in this country's ability to deal with its problems, but I will remain optimistic. I will preserve the attitude of John Paul Jones when he declared, "I have not yet begun to fight!" This frame of mind is contagious and is necessary to solve our problems.

To face these challenges, my commitment to my responsibilities, as an American citizen, must remain strong. First of all, I will defend our constitution which guarantees my rights as an American citizen. If our security is threatened I must be ready to serve in our armed forces. As a good citizen I have a responsibility to be informed. I must be willing to sacrifice in times of need. I must vote and support out public servants. I must obey the laws which they establish and support the officials who enforce these laws. Finally, I am determined to pass this commitment on to future generations. This is the key to our nation's future. I will teach my children and grandchildren about their country. Hopefully my feelings for this country will strengthen their own. By supporting public education, I may also preserve this commitment through future generations.

Davy Crockett and Jim Bowie died fighting for the Alamo because they were willing to give everything they had for their country. Nathan Hale shared this attitude when he stated, "I regret that I have but one life to give to my country."

This type of determination built this land and this type of commitment will preserve it. I am willing to give everything I have to keep America as the greatest nation on the face of the earth.

This is my commitment to my country.●

FREE REIN

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mrs. HOLT. Mr. Speaker, the following article appeared in the January 22 issue of the Enquirer-Gazette, which is published in Upper Marlboro, Md. It calls for a free rein for President Reagan as he guides our country away from our present condition onto a truer course. I believe the editorial expresses the hopes and good wishes of most of our citizens.

The article follows:

FREE REIN

President Reagan, as a horseman, knows that a throughbred performs eloquently with no strings attached and a free rein. He also knows that this magnificent animal is capable of performing on its own without the tugs and pulls of an owner or trainer.

President Reagan, himself, is in the unique position of the throughbred. Because of his age, he certainly will not be performing for a repeat election four years from now. Without the shackles of future support and fears of retaliation he has a free rein to perform to his utmost with only his conscience to answer to.

As a great American performer he has had the exposure to be considered a thoroughbred in the eyes of his supporting public. He is trained to give his best. That background and free rein create the opportunity to make Mr. Reagan one of the top 40 presidents.

This will be the greatest performance of his life, viewed by the entire world. He has already attained the goal of billions of other people, to become the President of the greatest country in the world.

The stage has now been set and it is his. He is charged with steering this country and many associated parts of the world out of a strangling recession. He must right the ship of state that is foundering in a sea of greed and government strings that keep it lopsidedly off course.

His job is tremendous, but the rein is free and it is within his power to set policies that will eventually bring us into the calm waters of cooperation and security with the government acting as our leader without being our possessor.

Like the great riderless black stallion that accompanies the caissons of deceased dignitaries, may your spirit be free and unhampered, may your course to true and your performance unblemished. This is your show, Mr. President, and may God be with you.●

SUSAN ANN GOULD WINS RHODE ISLAND'S VOICE OF DEMOCRACY CONTEST

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mrs. SCHNEIDER. Mr. Speaker, as I am sure our colleagues are aware, each year the Veterans of Foreign Wars and its ladies auxiliary sponsor the Voice of Democracy contest, in which thousands of high school students compete for college scholarships. The theme of the VFW contest this year was "My Commitment to My Country," and over a quarter of a million students participated.

Mr. Speaker, I am pleased to advise my colleagues that the winning essayist from Rhode Island is Susan Ann Gould, of Warwick, a senior at Pilgrim High School. Susan is the daughter of Mr. and Mrs. John E. Gould.

Susan's speech addresses many of the problems and challenges which confront young people today, and I would like to take the opportunity to share her award-winning and inspiring essay with my colleagues:

The United States of America is a young country. Before our time, the empires of Egypt, of Carthage, of Rome, rose up to the wonder of all the world and cast their nets of influence around them. America has known only a relatively brief period of greatness in this long history of power, and yet of all the great nations of history, the United States has contributed more to the cause of human liberty and prosperity than any government the Earth has ever known. Any American would be moved to commit himself to our system and its tenets when motivated by the memory of our forefathers and their efforts to bring the benefits of freedom to all peoples. This commitment demands respect and sacrifice for the country in which we live, the country which gives us the liberty which is life.

I believe that service is the duty of every citizen. Whether we are to serve in a small way or large, to serve the many or the few, to serve the cause of prosperity at home or

abroad, we must remember we are Americans. As Americans, the fulfillment of our duties can be a rewarding endeavor. Our nation promotes peace and freedom, not only for ourselves, but also for the entire world. Democracy; human rights; equal justice under the law—Americans labor for these hard-won privileges of mankind, and this labor demands the sympathy and support of every citizen. We should all feel proud of our country and respect her aspirations for all men to live in harmony with each other. Americans continue to lead the world in opposing famine, disease, and war. We aim to spread tolerance, equality, and freedom of expression.

Because I believe that our way is the best way, I know I must commit all the energy and intelligence I possess to the project of improving the world around me. The system which created me and gave me the strengths of its traditions must continue to bring emancipation to all peoples. As an individual privileged to be born among the responsibly free citizens of America, I have inherited the task of broadening the scope of all mankind. Man's body is still held captive on our little planet, but his spirit has begun to seek out its limitations. We must work for the day when the promise of every mind can be fulfilled. Humanity should know no confines which are imposed by one man on another: these are the shackles which men on Earth still bear; these are the chains which Americans in every age have vowed to break.

I know that America offers a brighter future for every man, for every mind eager to break new ground. From the age of our nation's birth we have taken liberty, justice, and human freedom as the bywords of our existence, but without a belief that we can maintain these, our nation cannot fulfill her promise. It takes the commitment of every young citizen to see that we can continue to offer an alternative to oppression and injustice. We must resolutely take up the burdens which we assume as we are granted the full benefits of our citizenship. We must responsibly answer the call of our government as it urges each of us to conserve, to vote, to lay aside our personal ambitions, to fight for our way of life. I am committed to the continuation of our society, even though it is threatened by many crises which the modern age has fostered. I am committed to my country and her aspirations, even though I may not endorse all of her actions. It is the duty of every American to be informed, to ask questions, to contribute his unique talents to our country's progress. And progress means change. Our heritage is filled with instances where men of vision perceived the flaws in the system and struggled to change the way men lived their lives. We urgently need to attack present problems with their spirit. We have only begun to fight against a Gargantuan bureaucracy, crippling taxes, and rampant inflation, and we must fight to continue our progress toward detente and environmental controls. As the young people of today search for the fortitude and conviction to continue the struggle for reform, let us keep in trust for them the words of Carl Schurz, who, over one hundred years ago, said: "Our country, right or wrong! When right, to be kept right; when wrong, to be put right!"●

GREAT DAY FOR THE IRISH

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. MOTTL. Mr. Speaker, a great holiday is fast approaching us in which we will celebrate Ireland's patron saint, Saint Patrick.

The day is of special importance, not only to the Irish, but to everyone else in the country who enjoys taking some time to revel over the fortunes of the past year or who want to find ways to forget any lingering miseries.

It is said that everyone is Irish on Saint Patrick's Day and we Members of Congress are no exceptions. So it is with a mutual pride that we can applaud the declaration of March 17, St. Patrick's Day, as a legal holiday in the village of Briarwood Beach, Ohio. This declaration was the first official act of Mayor Leonard English after he became mayor of the village January 1.

Briarwood Beach is in the 13th District of Ohio represented by my good friend, DON PEASE. I am sure he will join me in saluting this fitting tribute to the descendants of the Auld Sod.●

THE ENDLESS POTENTIAL OF BILINGUAL EDUCATION

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to address my colleagues in the House on an issue which potentially could have significant impact on both the education of this Nation's young people and communication with people around the world—Federal funding of bilingual education.

As many of my colleagues know, the President has proposed that Federal funds earmarked for bilingual education be changed. Instead, the President and key supporters plan to substitute block education grants to local systems for use at their own discretion.

Mr. Speaker, if the House passes this part of the budget, we may sound the death knell for any effective national bilingual education program. Not only will we lose the bilingual education program as we know it today, but also the potential for Americans to communicate with one another of different backgrounds and to effectively communicate and understand the cultures and even political philosophies of different nations.

For example, Mr. Speaker, most of the bilingual programs to date in this Nation have focused on the Spanish language. We have American-born children learning Spanish and Spanish-speaking immigrants learning English. I am sure that the officials who administer this program around the Nation will agree with me that bilingual education has enhanced the total educational experience of all the participants. What we have is Americans learning to converse with other Americans with different backgrounds.

But, Mr. Speaker, the long-range potential results of bilingual education go much further. With adequate followup, these young people may be able to speak fluently a second language. Armed with this skill, they will be able to comprehend different cultures and a different pool of information. This pool of information extends from literary works to the analysis of political philosophies and actions of various nations—something that is often lost in the translation process. The key word, Mr. Speaker, is communication.

Although it may sound idealistic, I believe that with a comprehensive bilingual public education program, the possibilities for communication transcending national boundaries and backgrounds are endless. But, first, we must keep the Federal funding of bilingual education in tact and give it all the support we can. I have come across an appropriate article written by Mr. Pete Hamill which expands on the potential of bilingual education. At this time, Mr. Speaker I would like to enter this article in the RECORD which appeared in the Cleveland Plain Dealer.

[From the Cleveland Plain Dealer, Feb. 8, 1981]

BILINGUAL EDUCATION: PATH TO A BETTER UNITED STATES

(By Pete Hamill)

A long time ago, I went to school in Mexico City on the GI Bill. I was 21, and it was the best year of my life. I met a lot of people, saw some great prize-fighters, and was introduced to the turbulent world of Mexican art. But the most important thing that happened to me in Mexico was that I learned to speak Spanish.

As a reporter in the years that followed, I could speak to people who were ignored by other journalists. I could read the news in Spanish, and began to plunge into the extraordinary world of Latin American literature. Most important, I made friends with men and women I would not otherwise have known. If I hadn't learned Spanish, my life would have been a narrower, poorer experience.

So I'm saddened by the ferocity of the arguments over so-called bilingual education, and the recent decisions to eliminate it in many communities. In truth, even those programs now described as bilingual are not: When Spanish-speaking kids are taught in Spanish, that is monolingual. And what the country really could use is true bilingual education.

What I'm proposing is a revolutionary change in American education that would have every child in the United States learn two languages: English and Spanish.

I choose Spanish as the official second language. More than 20 million residents of

this country speak Spanish as a first language; hundreds of thousands of new Spanish-speaking people are arriving every month, legally or otherwise.

Many cities in the American Southwest are essentially bilingual, as is Miami. Thirty per cent of the people of Los Angeles speak Spanish as a first language, and almost three million Spanish-speaking people live in New York and its suburbs. Strom Thurmond may not like it, but the situation is real.

Most Spanish-speaking citizens do, in fact, learn English. Despite the staggering growth of the Latin population in the New York area, the circulation of the daily newspaper, El Dario-La Prensa, has remained at a constant 65,000 for almost 20 years. Some news is picked up from Spanish radio and TV shows, but the younger generation learns English and reads mainstream newspapers.

Sadly, many younger Latinos also lose Spanish, or begin to speak a dialect called "Spanglish." As Spanish fades or is corrupted, the wider English-speaking population is losing its great opportunity to learn Spanish from human beings, instead of from textbooks or phonograph records. It is one thing to learn Spanish grammar in a classroom, quite another to use it as a living language in daily life.

Other countries have been bilingual for years, and are at least as civilized as ours. It doesn't hurt the Swiss to know German and French; most Swedes speak English; possession of two languages did not harm Albert Einstein, Isaac Bashevis Singer, Albert Camus, Anwar Sadat, Menachem Begin or thousands of other distinguished human beings.

If English-speaking American kids were also taught Spanish from their earliest years, they would be true world citizens by the time they graduated from high school. They could travel anywhere in this hemisphere and be capable of intelligent conversation. Their capacity for friendship would be broadened.

They would have access, in the original language, to the most exciting literature now being produced in the world: the work of Gabriel Garcia Marquez, C. Cabrera Infante, Carlos Fuentes, Mario Vargas Llosa and older writers such as Borges, Neruda and Antonio Machado. They would be able to understand the songs of Ruben Blades, the powerful singer-writer from Panama.

They could better comprehend what Mexican President Lopez Portillo is saying to us, instead of depending upon the rough approximations, devoid of nuance, that come from translation.

A truly bilingual United States could be a marvelous country, where the abstract value of technology would be warmed by the humanist values of the Spanish heritage. It would be a nation truly united, instead of arbitrarily divided by the accidents of language and birth. Culturally, we would be richer. Politically, we would be stronger in this hemisphere, where our most critical interests will always be.

On a deeper, more distressing level, the current crusade against bilingualism is another example of the almost terminal nostalgia that is choking this country. Nostalgia is a lie told about the past; it denies the reality of both the present and the past.

Our nostalgia is rooted in the movies, where the good guys all spoke English, accents were used for comic relief, and those who did not speak English were usually bad guys who ended up dead. But the movies were a lie; this was never a country that spoke only English, and it never will be. The genius of the United States is pluralism. And the extension of Spanish would make us truly plural. Meanwhile, chico, digame: que es el nombre of that girl over there, la guapa with the red dress?●

ARMS SALES TO SAUDI ARABIA

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. MICA. Mr. Speaker, once again our Nation faces a most difficult decision of foreign policy, which is the proposed sale of sophisticated military equipment to Saudi Arabia for use on its F-15 fighter aircraft. This decision is especially important because the outcome is likely to signal the thrust of the new administration of Mr. Reagan, as well as the strength of the new Congress to affect the decision-making process in the executive branch.

Mr. Speaker, I am disturbed at this proposed sale for two reasons. First, I was very hopeful that the new administration could initiate a Middle East policy that was not alarming to our staunch ally, Israel. I had hoped that one result of our recent national elections would be that the State of Israel, and its friends and supporters in the United States, would know clearly where they stand with us. I am fearful that this sale may already cloud their vision.

Second, Mr. Speaker, I firmly believe that U.S. policy in the Middle East should focus on restraining the armament there. Perhaps we can still make some inroads along those lines in the future.●

WE NEED AN ACCURATE FEDERAL ACCOUNTING METHOD

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, I am today introducing legislation requiring the Federal Government to publish annual consolidated financial statements using the accrual method of accounting.

At the present time, the Federal Government has no precise idea of how it stands financially because it does not compile consolidated financial statements. With a $700 billion plus annual budget, huge assets, and a massive public debt which distorts our economy, the Federal Government should know exactly where it has committed the taxpayers' dollars. We could know this if we had a central place where all of the immense Government money machine's activities were compiled and tabulated. That is where my proposal comes in. We need an accurate, annual accounting of where we are financially.

Without this, it is difficult for us to intelligently decide on funding priorities, and it is virtually impossible to control backdoor spending. This latter problem, which represents a large leak in the National Treasury, comes from bureaucracies knowing how to hide pet projects in various accounts, where it would take an expert to root them out. Often, this spending is the kind which would wither away if exposed to the public eye. A consolidated financial statement would enable us to bring all Government financial activities together and thereby identify these drains on the overburdened taxpayers.

The General Accounting Office and other agencies have already set up a task force to study ways to implement the very provisions my bill contains. Through this legislation, then, Congress has an opportunity to recognize the importance of that work and at last adopt this vitally needed accounting procedure. I urge immediate consideration and passage of the bill.●

TRIBUTE TO BENJAMIN KAUFMAN, MEDAL OF HONOR WINNER

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SMITH of New Jersey. Mr. Speaker, I would like to take this opportunity to honor the memory of Benjamin Kaufman, a Medal of Honor recipient from Trenton, N.J., who passed away on February 5.

Ben Kaufman was a tough soldier and a dedicated friend of his fellow enlisted men. He twice refused the honor of a commission because it would have meant leaving the regiment and his company.

His courage was legendary. Blinded by a gas shell during an engagement in France while aiding in the rescue of several of his men, Ben dodged the medical detail and groped his way to find out how his company was getting on. The doctors sent him to a hospital but before he was officially released he made his way back to his unit and joined his men on the front lines.

On October 4, 1918, Ben Kaufman performed his ultimate act of heroism during the Battle of the Argonne in France. He and two privates had been separated from their patrol. Within a few minutes the privates were wounded by German machinegun fire, leaving Kaufman on his own. As he charged the machinegun nest, an enemy bullet shattered his right arm. Using his left arm, he advanced alone

lobbing hand grenades toward the Germans.

When he got to the machinegun nest, he found 11 of the enemy dead. He took a 12th man prisoner and brought him back to the American lines.

Ben Kaufman's bravery in the face of great danger earned him awards from nine governments and our country presented him with the Congressional Medal of Honor.

A continuing dedication to his fellow veterans led Ben Kaufman to serve for 3 years as the national commander of the Jewish War Veterans and 9 years as the organization's executive director. He also served as the director of the New Jersey Employment Service in Trenton.

Mr. Speaker, I am proud that Ben Kaufman was a resident of my congressional district and I am sure that my colleagues are equally proud of him for the service he rendered to our Nation. His bravery and love of country should serve to remind us all that our freedoms are precious.●

NATURAL GAS DECONTROL ACT OF 1981

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DANNEMEYER. Mr. Speaker, today I am introducing legislation to effect the immediate, total decontrol of both old and new natural gas. As you know, natural gas is presently priced and allocated according to the provisions of the Natural Gas Policy Act of 1978 (NGPA). This act partially decontrols natural gas in stages. Most natural gas found after April 20, 1977—so called new gas—will be decontrolled on January 1, 1985. In addition, gas from new wells shallower than 5,000 feet in old fields will be deregulated on January 1, 1987. It is important to note that selected categories of natural gas will not be deregulated under current law. Old gas, defined as that gas found before April of 1977, will remain regulated with the price allowed to increase with inflation. This latter category accounts for two-thirds of present interstate supply. Some stripper well gas and gas production from the Alaskan Prudhoe Bay will also not be deregulated. Finally, it is important to note in this connection that the NGPA took a giant step backward by extending controls to previously unregulated intrastate natural gas.

President Reagan's recent decision to accelerate the decontrol of domestic crude oil reinforces the arguments in favor of immediate decontrol of natural gas. First, the economic principles are the same in each case. A free market based upon a price mechanism allowed to move with the interaction of supply and demand in a reasonably competitive environment will allocate scarce resources more efficiently than a Government bureaucracy. The failure to incorporate this basic economic concept into our natural gas policy since 1954 accounts for the periodic shortages we have experienced. By artificially holding down the price of natural gas, we have signaled suppliers to explore and produce less and consumers to demand more of this energy source. Restoring a proper, efficient, equitable price element is the largest, single step we can take to improve our Nation's energy position. We will encourage both production and conservation when the price paid by natural gas users reflects the marginal cost rather than the artificially low price of natural gas under current controls.

Second, unless we decontrol natural gas, the decontrol of crude oil will make the exploration for oil increasingly more attractive than the search for natural gas. In the past, natural gas was discovered almost as a byproduct of oil exploration. However, less and less natural gas is found in conjunction with oil exploration today. To the extent that crude oil price decontrol increases the rate of return of oil over gas, a distortion is introduced that could diminish the discovery and production of new natural gas supplies.

Third, there is also a possible substitution effect of gas for oil by flexible users under oil decontrol while natural gas remains substantially regulated. Within the constraints of technology and Federal fuel use restrictions, users of oil will switch to the relatively cheaper natural gas. While we do want to reduce oil consumption and increase production, to do so via oil decontrol without natural gas decontrol is to largely shift the shortage problem from oil to gas rather than eliminate the shortage by encouraging the production and conservation of both oil and natural gas.

The cumulative effect is to encourage demand for natural gas in a regulatory environment in which the necessary incentives for production are reduced and the incremental pricing process of NGPA insulates nonindustrial gas users from the price increases that would otherwise foster conservation.

Ample historical data can be presented to demonstrate the validity of traditional economic price and allocation theory as just described. When the natural gas industry was in its infancy in the 1940's, supply was plentiful at a very low price. Yale University Prof. Paul MacAvoy, in an October 1979 article in Natural Resources Journal reprinted by the American Enterprise Institute, stated:

When pipeline demands exceeded annual production rates from the reserves in those fields under contract, prices increased and the consequent profit incentives eventually led to exploration specifically for gas, and this led to expanded new reserve offerings.

Conversely, the Environmental Study Conference's February 4, 1981, Fact Sheet pointed out:

From 1963 to 1973, interstate gas prices fell relative to inflation. Those low prices stimulated consumption but reduced the incentive to hunt for new gas. By 1967, additions to U.S. reserves had peaked, and the nation began to consume more gas each year than the industry found.

Even the modest steps toward decontrol contained in the NGPA had somewhat of an upward impact on production. In 1979, the first year after enactment, the Department of Energy reported that additions to proven reserves were approximately 14 TCF. This figure represented the highest additions to proven reserves since 1967. However, more incentives than those permitted under the NGPA are necessary to produce additional potential supplies. The regulatory complications of a pricing structure that incorporates 23 different categories of gas, each with a different price and escalation rate, offset at least some of the economic incentives to produce more gas contained in the NGPA. Natural gas exploration and production has a long tail. Uncertainty over the future policy environment cannot help but inhibit production activities. Immediate decontrol would remedy this situation by removing any doubts over what legislation might amend or replace the NGPA after 1985.

Some, but not all, of the arguments in favor of immediate decontrol would be weakened if significant quantities of natural gas were simply not in existence. Several years ago there were those who cried that we only had a dozen or so years supply of natural gas. Much of this sentiment was generated by the U.S. Geological Survey data of 1974-75, based solely on the state-of-the-art technology and economics of that year. Since then, however, more than a reasonable amount of evidence has been developed to support the proposition that sizable quantities of natural gas from conventional and supplemental sources are potentially available.

The November 1980 issue of the Gas Energy Review, published by the American Gas Association, summarized the full report of the AGA's Gas Supply Committee on the outlook for conventional and supplemental sources of gas energy through the year 2000.

Potential Gas Committee estimates of recoverable conventional natural gas indicate that 1,010 TCF including 163 TCF of proved reserves, remain to be produced, not including Alaska.

To be sure, while there is inherent uncertainty in estimating quantities of natural resources, these figures indicate the key role natural gas can play in our energy future.

That future will encompass an expanded role for supplemental sources of natural gas such as liquified natural gas (LNG), synthetic natural gas (SNG), coal seams, Devonian shale, tight sands, and others. These sources currently provide less than 7 percent of the total U.S. supply. Supplemental sources are forecast to account for 40 to 60 percent of U.S. supply by the year 2000. Furthermore, the AGA summary stated:

Available gas supply for the year 2000 will in all cases be in excess of 23 TCF compared with the 1979 actual supply of 21.3 TCF, this level of supply constitutes an eight percent increase.

Average supply estimates for the four (policy) scenarios for the year 2000 are in excess of 28 TCF per year, constituting an increase of 33 percent over the 1979 level of gas supply.

The upper limits of the gas supply estimates for the year 2000 vary between 30.1 TCF and 33.1 TCF. These levels represent approximately a 50 percent increase over current levels of available gas.

It is important to consider deregulation of natural gas in the context of other national energy initiatives. In many respects it seems that we have turned things upside down. We are spending billions of public and private funds on long term, exotic sources such as synthetic fuels while ignoring less expensive, faster, cleaner sources such as natural gas. Significant amounts of money will be needed to expand natural gas supplies, funds to be generated in large part by decontrol. However, the AGA points out, "gas energy supply and utilization projects generally require only two-thirds the capital investment of projects to generate and utilize electricity and synthetic liquid fuels from domestic resources."

Deregulation of natural gas is consistent with the manner in which we generally approach the pricing and allocation of resources in the American economy. The energy issue has developed into a recent problem because of the Government's past policies. An analogy taken from the American Enterprise Institute's publication "Energy—A Crisis In Public Policy" is very illuminating.

While there are obvious and vast differences between the OPEC-dominated market for nonrenewable resources such as oil and the temporary supply and price movements of an agricultural commodity such as coffee, it is interesting to look at the governmental response and its result. As the price of that commodity escalated, consumers have discovered the virtues of tea and of going without, while lower-priced new blends are finding their way to grocers' shelves. Fortunately, the government has not established a ceiling price for coffee, frozen the price of "old" coffee, allocated entitlements to coffee importers, offered tax incentives to encourage shifting from coffee to cocoa, instituted a massive research and development program for substitutes, or any of the other panoply of existing or proposed programs that have mushroomed in response to the energy crisis. Consumer's use patterns as well as producer's supply response for oil and natural gas could and would follow a similar pattern if the true economic signposts could be read through the mists of policy chaos.

While the mist would be lifted and the signposts readable under the total decontrol proposed by this legislation, I am under no illusion that decontrol is an energy panacea. Decontrol is a necessary, but not a sufficient condition for energy security. A great deal will depend on the emergence of a national commitment to research and development generally, the advancement of the state of the art in natural gas technology, and the availability of the investment capital needed to finance these many activities. Several of these variables will be influenced by the impending debate on national economic policy. However, there will be considerable less chance of future stable supplies in the absence of natural gas decontrol.

The warning of July 16, 1979, Newsweek article is even more pertinent today:

America cannot count on any single solution to its energy problem. A rational policy must include many elements, rely heavily on private markets and satisfy a basic requirement—to wean the nation from oil in general and from imported OPEC oil in particular. The transition will not be easy, cheap or painless, but it can be done. It must begin now.

In conclusion, Mr. Speaker, the comments of Nobel Prize winning economist Milton Friedman on oil controls are applicable to natural gas because the logic is the same. Professor Friedman has said:

Do you want a shortage? Have the government legislate a maximum price that is below the price that would otherwise prevail. That is why there is an energy crisis and a gasoline crisis. There is one simple way to end the energy crisis and the gasoline shortage tomorrow—and I mean tomorrow and not six months from now, not six years from now. Eliminate all controls on the prices of crude oil and other petroleum products.

As a member of the House Energy and Commerce Subcommittee on Fossil and Synthetic Fuels I look forward to exploring the full range of issues and questions surrounding natural gas decontrol in the 97th Congress.●

A TRIBUTE TO THE LATE HONORABLE ELLA GRASSO

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mrs. SCHNEIDER. Mr. Speaker, I wish to join with my colleagues in the House of Representatives in paying tribute to the late Ella Grasso, former Governor of Connecticut and Member of Congress, who passed away earlier this month.

The loss of Governor Grasso will be felt not only by the citizens of Connecticut but by her friends and admirers all over the country. For more than 30 years she served her State and her country, and as the first woman to be elected Governor in her own right, she was an outstanding example for other women in this country who contemplate a career in public service.

Governor Grasso's compassion and unfailing good humor will be sorely missed, but her courage, grace, and dignity will remain as inspiration to us all.●

LOCAL CONDO CONVERSION LAWS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. ROSENTHAL. Mr. Speaker, while the condo conversion phenomenon is made possible by Federal laws and policies, many local communities are acting to preserve affordable housing at minimal expense to the taxpayer. A recent article by Daniel Lauber in the February 1981 issue of Planning magazine describes the programs underway in San Francisco, Oakland, and Washington, D.C. Other localities may be interested in these programs and I want to share the article with my colleagues.

The article follows:

[From Planning Magazine, February 1981]

CONDO CONVERSION LAWS: THE NEXT GENERATION

(By Daniel Lauber)

Strip away the emotionalism and propaganda from condominium conversions and what do you get? Inflated housing costs, displacement, and a serious reduction in the supply of affordable housing in many communities.

With Section 8 funds shrinking, leaving 11.5 million lower income households nationwide in need of housing assistance, cities are hard put to meet their housing goals. Condominium conversions, which shrink the supply of housing that low- to middle-income families can afford, make the situation worse.

CITIES RESPOND

Realizing that condominium conversions may have adverse effects, officials in a growing number of cities have attempted to limit conversions by imposing an automatic moratorium when the rental vacancy rate falls below a preset level. (A recent APA Planning Advisory Service report—No. 343, *Condominium Conversion Regulations: Protecting Tenants;* $10; PAS subscribers, $5—describes some of these efforts.)

But three cities—Washington, D.C., San Francisco, and Oakland, California—have gone farther. They have developed legislation and supportive programs to preserve affordable housing at minimal expense to the taxpayer.

SAN FRANCISCO

In July 1979, San Francisco adopted a law requiring at least 40 percent of the tenants in every proposed conversion to sign an intent-to-purchase agreement. Like many other West Coast ordinances, San Francisco's contains the increasingly common tenant protections: life leases for the elderly, exclusive tenant right to purchase, payment of moving expenses, relocation assistance. But San Francisco's ordinance goes far beyond the types of provisions that merely ease the pain of conversion. It tries to preserve the city's stock of low- and moderate-income housing.

Under the San Francisco law, converters of buildings that contain low- or moderate-income units—as determined by the planning commission—have two choices. They can continue to rent the units (under special rent limitations), or they can price them for sale at a figure that is no more than two and a half times the upper income limit of low- to moderate-income households.

In addition, converters of all condos and coops of five or more units must reserve 10 percent of the units for low- or moderate-income families. If more than 10 percent of the units were low- or moderate-income prior to conversion, then the larger of the two figures must be met.

Developers have four ways to meet this requirement:

Sell the designated units to low- or moderate-income families at the figure noted above. Current occupants have first choice; second choice goes to people who can show that they were displaced by other condominium conversions. Resale prices are limited to the original price of the unit plus the cost of owner improvements and increases in the residential housing component of the Bay Area Cost of Living Index.

Retain the units as rental property for at least 20 years. Rent increases are limited to increases in the residential rent component of the Bay Area Cost of Living Index or a rent control ordinance, if one is in effect. Hardship exemptions are available.

Construct an equal number of low- or moderate-income units in areas not impacted with subsidized housing.

Contribute a certain amount (determined by formula) into the city's Housing Development Fund. The fund is used to assist in the development of new housing resources or to subsidize home purchases by low- and moderate-income people.

Does it work?

Yes and no. Conversions have increased rather than declined, as had been expected. By last August, the city had exceeded its self-imposed limit of converting no more than 1,000 units a year. By the end of September, developers already had filed applications for consideration of 700 units under the 1981 quota.

And, according to Alec Bash, who oversees the planning department's understaffed condo conversion division, the part of the law requiring 40 percent of the tenants to agree to a conversion has been thoroughly abused. As a result, the planning commission has recommended a whole series of amendments to the Board of Supervisors to assure that the person who signs the intent-to-purchase form actually lives in the apartment, that tenants who choose not to buy are not evicted, and that units are not kept vacant to reduce the number of signatures needed to win approval to convert.

On the other hand, the law does seem to preserve low- and moderate-income units. Although the city has no precise figures—the staff has its hands full trying to process conversion applications—Bash thinks the law is working. "Quite a few developers are retaining units as low- or moderate-income—15 to 20 percent, we estimate—or agreeing to make payments to the Housing Development Fund," he says.

OAKLAND

Across the bay, Oakland has taken one of the options San Francisco offers developers, refined it, and made it the cornerstone of the city's effort to preserve reasonably priced housing.

Most of Oakland's 3,521 condo units are concentrated around downtown Lake Merritt, where many of the city's elderly live. Here, as elsewhere, the elderly, lacking the mobility and financial resources of younger people, are the hardest hit by conversions.

Last March, the city passed a law that requires local officials to deny an application to convert a building of five or more units unless "every conversion unit will be replaced with a rental unit added to the city's housing." To comply, developers must earn "conversion rights" equal to the number of units they plan to convert.

A developer can earn conversion rights by building new rental structures, converting nonresidential buildings to residential rentals, renovating buildings that have been vacant for at least a year, or building a new condominium or cooperative and agreeing to keep all the units rental for at least seven years.

In addition, the law requires the city to deny an application to convert if the conversion would be inconsistent with the city's general plan, create a shortage of rentals, or have other negative impacts on rental housing.

So far, there have been only three conversions under the new law, all four-unit buildings exempt from the replacement rule. "If you assume its purpose was to get new rentals built we have not been successful as yet," says senior planner Sheldon Siegel, chief author and administrator of the new law. "I think, though, that developers of low- and moderate-income housing will catch on soon and realize that they can generate front-end money for subsidized housing by selling their conversion rights to condominium converters. Then the new law may help expand our stock of low- and moderate-income housing."

The trouble with this approach is that, while it may keep the number of low- and moderate-income units constant, it will not keep down the cost of providing them. Currently, the private sector is providing these units without government subsidy. Converting them to higher cost condominiums and then replacing them with government-subsidized new construction is a risky and expensive approach. Not only are subsidies shrinking, but their future availability is uncertain.

This approach does nothing to stabilize the cost of providing these units, and it does nothing to take affordable housing out of the inflationary speculative market. It may be the only approach politics in Oakland allowed, but it amounts to little more than treading water.

WASHINGTON, D.C.

Washington, D.C., on the other hand, is tackling the issue head on by giving tenants the laws and tools necessary to preserve affordable housing in the face of development industry pressures to convert to condominiums.

The key to preserving affordable housing in Washington is a provision carried over from earlier legislation. That provision requires the seller of a residential rental building to offer it to its tenants first and to allow them to match an outside buyer's price. (A provision of the city's new Rental Housing Conversion and Sales Act of 1980 also requires the approval of 51 percent of a building's tenants before a conversion can occur. But in the past, bribes of tenants and other chicanery have won owners enough votes for approval to render this provision ineffective.)

As of last July, tenants had used the law to buy 27 buildings with 2,713 units. During the same period, developers were converting nearly 4,300 units to much higher priced condominiums.

In buildings with five or more units, tenants have 45 days to exercise their right of first refusal to buy their building. During that time, they must form an association representing at least 51 percent of the tenants. The association, which then acts as the tenants' sole representative, has a minimum of 120 days to sign a contract to buy the building and another 120 days to secure a loan.

By itself the Washington law means little. It merely provides a legal framework for preserving reasonably priced housing. It is the financial aid and technical assistance the city provides to establish low-equity cooperatives that make the law work. As of July, 464 units in 12 low-equity coops had been created.

As in any cooperative, residents of a low-equity coop don't own their individual units. Instead, they own shares in a nonprofit corporation, which owns the building and the land. In a conventional coop, the cost of these shares is whatever the market will bear. But in a low-equity cooperative, the increase in share cost is limited by the coop's by-laws. By holding down the resale price of shares, the cooperative guarantees that low- and moderate-income families will be able to afford the shares in the future, breaking the speculative resale cycle that has fueled inflation in multifamily housing.

Tenants in Washington are not told which form of ownership they should seek. "We explain the advantages of each type and provide technical assistance to evaluate the alternatives," explains Marie Nahikian, special assistant to the administrator of the District's Housing Business Resources Administration (HBRA). "But the tenants have to make their own choice."

As it happens, however, low-income tenants nearly always turn to low-equity cooperatives, Nahikian reports. And when that happens, the public money starts to flow.

The HBRA, part of the city's Department of Housing and Community Development, operates a Coop Seed Money Loan Program, which provides loans to low-income tenant associations converting to low-equity coops.

A $500,000 HUD innovative grant started up the revolving loan fund used by the HBRA programs. Tenant associations repay the loans out of their permanent financing. The city also provides deferred payment loans to help finance down payments to write down monthly costs so they do not exceed 28 percent of a household's income.

Another HUD innovative grant for $3 million of city funds staked another revolving loan fund, the First Right Purchase Program. This fund provides short-term, low-interest "prepurchase loans" to help tenant associations pay their earnest money deposits.

Because of the revolving loan funds and because the private sector provides nearly all the permanent financing, public costs are largely administrative. There is probably no other housing program of this scale in the country today that provides so much at so little public cost. For a public investment of $4.03 million, or about $8,600 per unit, 464 apartments have been preserved for low-income families. Compare that figure to the $35,000 to $42,000 per-unit cost of new apartment construction.

Morever, Washington's program is one of the first to offer a direct challenge to a major cause of inflation in housing costs: speculation. By helping tenants buy their buildings, it cuts out inflationary middlemen. And by encouraging low-equity coops, it allows tenants to take their buildings out of the speculative cycle permanently while keeping them within the range of low- and moderate-income families. Best of all, once these conversions receive permanent private financing, the need for continuing government subsidies usually ends.

"You must develop a perspective that views housing as something more than just the single-family house," says Marie Nahikian in attempting to explain the success of the District's program. That's an attitude more government officials will have to accept if other cities are to preserve their supply of affordable housing in the 1980s.●

YOUNG MOVES TO REPEAL FOREIGN INTELLIGENCE SURVEILLANCE ACT

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, I am today reintroducing legislation to repeal the Foreign Intelligence Surveillance Act of 1978, a dangerous and potentially disastrous law which places severe restrictions on the ability of the President and the intelligence community to monitor the activities of foreign agents in the United States. I first introduced this legislation in January of 1979, within weeks of the passage of this ill-conceived act.

The law was designed to address the concerns of some who feared Federal surveillance of our citizens. Instead, it hamstrings our intelligence-gathering agencies by requiring them to get court permission before using virtually any clandestine intelligence source, including electronic surveillance and informants, to track down national security threats.

The law requires the agencies to provide evidence that the targets of the surveillance are already involved in criminal activity before the surveillance is permitted. This incredible cart-before-the-horse provision means that our intelligence agencies can no longer find out ahead of time if a crime is being prepared, unless they happen to stumble upon evidence of it by some great stroke of luck. Then, they must ask judges with little, if any, day-to-day experience in intelligence matters to decide on the merits of one piece of intelligence gathering which alone may appear relatively insignificant, but which may help complete a larger intelligence puzzle.

What is worse, the act allows targets of surveillance to be notified in certain instances that they have been monitored, placing us in the ludicrous position of revealing to would-be lawbreakers our efforts to put them out of business. The law does not provide this protection to American citizens alone, but even to selected foreigners, including some whom our intelligence services may have identified as spies.

Widening the circle of people with access to secret data increases the chances of a damaging leak or a tipoff of a suspected spy, yet that is what this act does. In addition, it involves the judiciary in what is obviously an executive function: the administration of our intelligence laws, and the day-to-day decisions of how to handle national security threats. It abridges the power granted to the President by the Constitution to gather intelligence in order to protect our country from foreign aggression. Under the law, not even the President can authorize discrete surveillance for more than a limited period of time without a court order, even in time of war.

The law was a victory for the anti-intelligence forces in the United States who would like nothing better than to dismantle our entire intelligence community. It must be repealed so that the FBI and other intelligence agencies can get on with the work of tracking down potential threats to our citizens. The only people this law protects are the very ones who pose a threat to our national security.

With the rising tide of terrorism throughout the world, and the growing boldness of our enemies who want to see our great country discredited and humiliated, we need to untie our intelligence agencies and allow them to do their jobs. For the sake of all of us, I urge that this dangerous law be repealed quickly, so that the President may once again effectively collect intelligence on the enemies of the United States.●

THE DISABLED VETERAN

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. MONTGOMERY. Mr. Speaker, 1981 has been designated as the Year of the Disabled Person to call attention to the plight of millions of Americans and other handicapped men and women throughout the world. This yearlong observance will focus on both the accomplishments and the needs of the disabled.

Beginning with the 97th Congress, it is my privilege and high honor to have been elected by my colleagues to serve as chairman of the House Committee on Veterans' Affairs. Programs, benefits, and services affecting over 30 million veterans in addition to their eligible survivors and dependents fall under the jurisdiction of our committee. A large part of this commitment rests in caring for the very specific needs of disabled veterans. As we begin this very special year of observance for the disabled of the world, I believe it important to recognize the unique sacrifice of over 2.3 million American veterans who have been disabled while serving in defense of this Nation. In doing so we should also strengthen our continuing obligation to them.

Military service and the effects of combat in particular have produced the most disabling and crippling injuries. Among disabled veterans are thousands of paraplegics, amputees, the blind, the deaf, the helpless, and countless others who will spend the rest of their lives carrying the scars of their service to this country.

As I review the list of goals scheduled for the U.S. observance of the Year of the Disabled Person, I am confident that our Government, through the Veterans' Administration, has already come a long way in meeting many of those objectives.

Over the past years, successive Congresses have approved extensive assistance through the GI bill for education, readjustment, and rehabilitation for the disabled. Last year, in particular, the 96th Congress updated and liberalized the vocational rehabilitation program for service-connected disabled veterans through Public Law 96-466, the Veterans Rehabilitation and Education Amendments of 1980. These program adjustments will extend and improve job training and job placement services for thousands of disabled veterans. The Congress and the American people have long supported veterans preference and special consideration in hiring disabled veterans in both Federal and private employment. Included in the assistance provided disabled veterans are home loan guar-

antees, grants for automobile adaptive equipment, and financial aid for the specially adapted homes for seriously disabled veterans such as paraplegics who are confined to wheelchairs.

The primary purpose of the VA medical system has always been to care for the needs of those disabled while on active duty in the military service. The service-connected veteran has always received highest priority for care and treatment in VA medical facilities. The VA has led the Nation in both medical and psychological rehabilitation. Funds appropriated by Congress for the care of veterans have led to breakthroughs in advanced treatment, research in the area of spinal cord injury, prosthetics, and preventive health care to name a few. These accomplishments benefit not only disabled veterans but have brought about a better way of life for millions of disabled individuals around the world through improved technology.

Mr. Speaker, we have come a long way in meeting our commitment to the disabled veteran. However, this is not to say that we have fulfilled that commitment. Much still needs to be done both to maintain what we have already achieved and to advance a quality system of medical, readjustment, and rehabilitation programs to meet the ever changing needs of the disabled veteran. That is my goal as the incoming chairman of the House Committee on Veterans' Affairs. It is an objective we share on our committee to fulfill a just obligation to all veterans, both men and women, who have so faithfully served our country in the past. It is also our continuing obligation to preserve this system of benefits and services for those who may have to serve or even fight for our country in years to come.●

STANFORD SOVIET JEWRY PROGRAM

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. LANTOS. Mr. Speaker, in connection with Student Solidarity Day for Soviet Jewry, students at Stanford University are sponsoring a vital forum on the topic of "Reagan, Russia, and Human Rights." This program will focus needed attention on the current status of United States-Soviet relations and the worsening situation of Soviet Jews. The panelists include Nobel Laureate Dr. Kenneth Arrow and Dr. Morris Pripstein, chairman of the Scientists for Sakharov, Orlov, and Shcharansky. In addition to the main program, the students are bringing their concerns to four dormatories and a Hillel lunch. I would like to commend the sponsors of the program, Stanford Hillel, the Stanford Committee on Political Education, the Stanford Newman Center, the Jewish Community Relations Council and the Temple Beth Am Sisterhood. It is indeed refreshing, Mr. Speaker, to be reminded of the strong support for human rights and Soviet Jewry at Stanford University.●

BUSING REALITIES NO ASSURANCE OF BETTER TOMORROW

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DERWINSKI. Mr. Speaker, there has been more practical conversation and less artificial rhetoric on the subject of busing students. While this is an issue of much concern in the metropolitan areas, it is, in fact, a subject that has nationwide significance. I was especially pleased to see an editorial appearing in the Economist Newspapers, which serve suburban Cook County, Ill., on the impact of school busing in the residential areas. The editorial, appearing in the February 18 edition, follows for the Members' attention:

BUSING REALITIES NO ASSURANCE OF BETTER TOMORROW

As we have remarked in the past, it is time to get the school busing issue out in the open and admit the real purpose of metropolitan-wide busing plans is to advance residential integration.

We pointed to a study entitled, "Breaking Down Barriers: New Evidence on the Impact of Metropolitan School Desegregation on Housing Pattern," by Diana Pearce at the Center for National Policy Review, School of Law, Catholic University of America.

A major conclusion of this report is that "substantial housing desegregation" accompanies metropolitan school desegregation and the more metropolitan the scope of busing, the stronger its impact on housing segregation.

Diana Pearce, in case you haven't noted the connection, is one of three members of a task force appointed by the Chicago Board of Education Desegregation Planning Team to gather data.

She was in the news the other day for having written a letter to the DuPage County Superintendent of Schools on how many students are bused to schools there, what grades they are in and how long and how far they ride the buses.

She was criticized by one of the associates of the planning team for making it look like a metropolitan-wide busing plan is being studied "right now," which, the official claimed, is not the case.

That's not a very strong denial. Take out the words "right now" and it's a virtual admission that metropolitan busing is being studied.

We make two points:

1. Let's start being honest in listing the reason for school busing, which is to break down the housing barriers for blacks and other minorities. This may be a very good reason, but let's argue it out on these grounds. Let's not use the children as pawns in a contest that belongs to the adults. And let's not make the schools bear the burden of a problem that they in no way created.

2. Is busing worth the effort? That, readers may recall, was the subject of a series of articles prepared by the highly respected Christian Science Monitor News Service and run on these pages recently. The conclusion has to be that it isn't, best summed up by Milly Harmon, an ardent Los Angeles busing advocate who has completely reversed her opinion on the subject since the start of busing in that city two years ago.

"I really saw a better tomorrow as we all did," said Milly Harmon of the attitudes she developed in the 1960s, "but the realities have not worked out that way."●

PHARMACY PROTECTION—THE TIME IS NOW

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HYDE. Mr. Speaker, on several occasions in the past, I have risen to speak about a brutal and vicious drug-related crime which gives me great concern: The robbery of pharmacies for the purpose of obtaining controlled substances. I am particularly disturbed by the violent nature of this crime, which endangers not only the industrious businessman, but the innocent customer as well.

As I have mentioned, the dramatic escalation in the incidence of this crime is a regrettable byproduct of Federal efforts to restrict the availability of illegal drugs. Determined and resourceful addicts and dealers have targeted neighborhood drugstores instead of the previous sources which now pose an increased likelihood of apprehension by Federal authorities. I do not subscribe to the misguided notion that Federal Government intervention will cure all of society's ills. On the other hand, we cannot permit the Federal Government to ignore the adverse effects of its actions, no matter how commendable and unintended, particularly where it appears that the States and localities have insufficient resources to cope with the problem. It is incongruous, in my view, that the resources of the Federal Government may be brought to bear against one who illegally dispenses controlled substances, but not against one who takes them at the point of a gun.

I have sponsored and supported various measures designed to correct this deficiency in the past, including an amendment to the Criminal Code revision bill (H.R. 6915) which was considered by the Committee on the Judiciary last year, and other bills. Today, I am introducing a bill which differs from past versions in an effort to create the most effective Federal deterrent to this activity.

Specifically, my bill penalizes the taking of controlled substances, by force or intimidation, which are under the control, or on the premises of any pharmacy. The penalties for a first offense range from a minimum of 5 years imprisonment, to a maximum of 20 years imprisonment and/or a $5,000 fine. In the case of a second or subsequent conviction, the penalties range from a minimum prison sentence of 10 years to a maximum term of 25 years and/or a $10,000 fine. Because these crimes pose a serious threat to life and limb, there are increased penalties, including a minimum sentence of 15 years imprisonment, for assaults committed in connection with the offense or the use of a dangerous weapon. If the offender kills anyone, he is subject to imprisonment for life, but not less than 20 years. Penalties are also imposed for attempting to commit such a robbery or for engaging in a conspiracy to commit the offense.

Mr. Speaker, one of the novel features in this bill is the provision for mandatory minimum sentences. I believe that this sort of certainty in sentencing is imperative if we are to effectively deter criminal activity. To insure that these minimums will not only be imposed, but will also be served, the bill prohibits the sentencing judge from suspending any part of the minimum sentence or giving probation with respect to that minimum. Furthermore, anyone convicted of the offense cannot be eligible for parole before serving the mandatory minimum sentence. I believe that this approach comports with the theme so wisely sounded by the Chief Justice of the United States in his recent speech before the American Bar Association. As he observed, a crucial factor in abolishing crime is the deterrent effect of "swift and certain consequences," including certain penalty.

Finally, my bill mandates the compilation of certain statistics relating to crimes of this nature. The FBI is required to include pharmacy robbery data in its uniform crime reports. In addition, during the first 3 years following enactment, the Attorney General must report to Congress on the Justice Department's enforcement efforts with respect to the offenses created under this bill. This will enable us to monitor the needs of the Department for investigative and prosecutorial staff in this area.

Mr. Speaker, a Federal response to this problem is long overdue. I believe that the bill which I am introducing today presents a comprehensive and effective approach and I urge my colleagues to support it. I hope that we can act expeditiously so that the pharmacists and their customers can soon enjoy the protection of the Federal Government, which they most assuredly deserve.●

COMMEMORATIVE MEDALLION IN HONOR OF MAGGIE LENA WALKER

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, today I am introducing a legislative initiative which pays tribute to a great American black woman. This bill, which was also introduced during the 96th Congress, calls for the striking and public sale of a commemorative medallion in honor of Maggie Lena Walker. Mrs. Walker had the distinguished honor of being the first woman president of a bank anywhere in the world. The bank survives today in the Consolidated Bank & Trust Co., in Richmond, Va. I am introducing this measure on behalf of myself, and Congresspersons BENJAMIN, HAWKINS, WOLPE, ADDABBO, MURPHY, RICHMOND, MIKULSKI, WHITEHURST, VENTO, CORRADA, ROE, FORD of Tennessee, CHISHOLM, OTTINGER, FAUNTROY, DIXON, COLLINS of Illinois, PHILLIP BURTON, GRAY, WASHINGTON, and GREEN.

Mrs. Walker is known as having been an astute businesswoman, dedicated community leader, and organizer. Born in Richmond, Va., on July 15, 1867, Maggie Walker began her public service career at the age of 14, when she joined the Independent Order of St. Luke. Her membership in this organization—which was established for the expressed purpose of helping the sick and burying the dead during the post Civil War period—lasted for the duration of her life. Her accomplishments within the organization during this time included: a secretarial position for the Good Idea Council No. 16; appointment as a delegate to the annual convention at Petersburg, Va.; holding the grand sentinel, right worthy grand chief, and national deputy positions respectively. In her capacity as executive secretary, Mrs. Walker established councils in Virgina and West Virginia.

Maggie Walker's lifelong work and dedication to the Independent Order of St. Luke did not preclude her participation in other rewarding activities. Mrs. Walker continued her education from the Richmond public and normal schools, to Virginia Union University where she received an honorary master of science degree in 1925. Mrs. Walker was a trustee of the university in 1931, and in that same year, was the director of a training and an industrial school in the District of Columbia and Virginia respectively.

In addition to having taught school from 1883 until 1886, Mrs. Walker, in various years, served as president of the Council of Colored Women, Inc.; vice president of the Negro Organization Society of Virginia; executive board member of the NAACP; and, member of numerous other fraternal organizations.

Mrs. Walker's home has been designated as a national historic site, and the Maggie L. Walker Historical Foundation continues to work arduously in the area of historic preservation.

This commemorative medallion bill will be referred to the House Banking, Finance and Urban Affairs Committee's Consumer Affairs Subcommittee. In accordance with this subcommittee's policy, I am actively seeking cosponsorship of the measure by a majority of the House. The policy stipulates that such a requirement be met prior to the holding of a hearing on bills of this nature.

Again, I urge my colleagues to please join me in an appropriate tribute to a great American by cosponsoring the Maggie L. Walker commemorative medallion initiative.●

MAKING THE REGULATORY SYSTEM MORE RESPONSIVE

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, 6 years ago I identified a basic problem with the Federal regulatory process, and I introduced legislation to correct it. Today, I introduce this bill again in an effort to make the regulatory system more responsive to those affected by regulations, the ones who suffer most from our present inadequate procedures.

Increasingly, Congress has passed legislation which delegates broad regulatory powers to the Federal agencies responsible for administering the laws. This, of course, leads to government by executive fiat, rather than by representative assembly, and I oppose it. While I urge my colleagues to abandon this approach and return to government by the people's representatives, as our Founding Fathers envisioned, I think it would be wise to simultaneously reform the regulatory system now to immediately correct some of the deficiencies of the present.

Under present procedures, agencies hold hearings on proposed regulations, draft them, publish them in the Federal Register and invite comments, then, after reviewing the comments, publish final regulations. Unfortunately, agencies are now required to give only 2 weeks' notice before their hearings, and to allow only 30 days for comments on proposed regulations. Most of those affected by these regulations are small businessmen, farmers, manufacturers, and others who have little time to analyze regulations as it is. With current deadlines, they

sometimes find it virtually impossible to participate in rulemaking.

My legislation is an attempt to redress this vexing problem. It would double the time an agency must allow before holding hearings on regulations, and it would likewise double the time for comments on proposed rules. This basic change would mean an increased opportunity for many Americans to have advance knowledge of the seeming flood of Federal regulations, and to organize effective responses to the more onerous ones. Under our present system, Federal dictates often emerge bearing little relation to the problem they supposedly address.

President Reagan has already announced his intention to reduce Federal mandates, and I join wholeheartedly in endorsing that goal. The legislation I propose is in keeping with that spirit of making the Federal Government the servant of the people, not the other way around, and it is endorsed by those in Florida's Sixth Congressional District and around the Nation who have had to suffer under hastily drawn regulations approved after all too brief public hearings.

For the sake of all our citizens, I urge the speedy approval of this basic yet essential revamping of the Federal regulatory process.●

SCITUATE CELEBRATES 250TH ANNIVERSARY

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mrs. SCHNEIDER. Mr. Speaker, I would like to call to the attention of my distinguished colleagues an event taking place in my congressional district this year, and offer my congratulations to the residents of the town of Scituate, R.I., which is celebrating its 250th anniversary. Scituate was the birthplace of both Stephen Hopkins, a signer of the Declaration of Independence, and Esek Hopkins, the first commander of the revolutionary navy.

I am sure my colleagues will join with me in extending my admiration and appreciation of the spirit and tradition of patriotism and involvement which began 250 years ago, and continues to be a part of life in Scituate today. I offer my congratulations to the residents of Scituate and wish them well on this historic occasion.●

HUMAN RIGHTS—THE STATE DEPARTMENT'S BUREAU OF HUMAN RIGHTS AND HUMANITARIAN AFFAIRS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. BONKER. Mr. Speaker, last Friday the administration nominated Ernest W. Lefever to be the Assistant Secretary for the Bureau of Human Rights and Humanitarian Affairs and sent his name to the Senate for confirmation. Mr. Lefever will have a tough act to follow.

Patt Derian, who held that office during the Carter administration, conducted herself and the human rights policy with courage, devotion, and a tenacity that won her begrudging respect. During an interview with John M. Goshko of the Washington Post which took place in the final days of her term, Ms. Derian said:

What Reagan and his people have been saying about human rights is not based on reality—on knowledge of the situation, the law and the methods and machinery that the law imposes on this government. My hope is that once they've pondered the law and gotten a good fix on the situation, they'll drop all this strange talk, face the fact that human rights have become a fact of life in foreign policy and start thinking about what has to be done to make the policy better and more consistent.

The administration would be wise to read that interview. I would like to commend that article to the attention of all my distinguished Colleagues.

The article follows:

AFTER PATT DERIAN LEAVES STATE, WHITHER HUMAN RIGHTS POLICY?

Patt Derian plans to stay home on Inauguration Day next Tuesday. That's in contrast to four years ago, when even the arrival of a furniture-laden moving van 20 minutes before Jimmy Carter was due to be sworn in couldn't keep her away.

Inevitably, there's a temptation to take that as a metaphor for how quickly Ronald Reagan is expected to downgrade many of the Carter administration's key policy priorities. Among the first candidates for this whittling away is the effort to make human rights a consideration in the conduct of foreign policy.

For four years, Derian—a Mississippi housewife who never had held a paying job—personified that policy. As Carter's assistant secretary of state for human rights, the bluntly outspoken Derian waged an unceasing battle to force governmental leaders abroad and entrenched bureaucrats at home to revise their traditional view that moral judgments have no place among the power politics of diplomacy.

Now, buoyed by repeated statements from the Reagan camp that human rights factors no longer will be a major determinant of U.S. foreign relations, Derian's myriad opponents are counting the days until the influence she wielded is eliminated. Derian, though, isn't so sure that her work can be relegated to the attic quite so easily.

"What Reagan and his people have been saying about human rights is not based on reality—on knowledge of the situation, the law and the methods and machinery that the law imposes on this government," she says. "My hope is that once they've pondered the law and gotten a good fix on the situation, they'll drop all this strange talk, face the fact that human rights have become a fact of life in foreign policy and start thinking about what has to be done to make the policy better and more consistent."

The reality, Derian contends, is that Carter's championing of human rights "saved an awful lot of people's lives" and, as a result, raised expectations among the people of the communist bloc and the Third World.

"It reached the point where practically every important national leader felt compelled to stand up—hand placed piously on heart—and swear his loyalty to the human rights factor in international relations," she says. "Once that happens, people expect tangible evidence that this fervent regard for principles is being translated into practical results, and if the evidence isn't forthcoming people will chafe, with increasingly dangerous consequences, at repression."

"What we did was so unprecedented because it touched lives, governments, organizations and institutions," she says, adding: "My hardest task was to make that clear to a bureaucracy that for 100 years had been weaned on the idea that American political, commercial or security interests were the only things that counted in diplomacy. I tried to make them see that human rights was something that wouldn't tarnish their polished and exquisite view of classical diplomacy, but that actually could serve as a powerful new weapon for American interests. . . ."

Although her husband, former State Department spokesman Hodding Carter, recently wrote a much-remarked account of the infighting among leading Carter administration policymakers, Derian says she will not "publicly bash" those who opposed her ideas. But their identities are implicit in her comment that "certain organs of the government—in particular the bureaus of the State Department that deal with different global regions, the Pentagon, the CIA, the staff of the National Security Council—all have a tendency to view policy from their own narrow perspectives and an excess of clientitis."

"It was pathetic," she recalls, "the way these groups were always arguing that we overlook the excesses of X government or adjust to Y government because they don't understand our system and democratic ways. It gave our foreign policy a spineless, weak-kneed quality."

That attitude led Derian into a number of battles that already have become legends within the State Department. She didn't win them all (Iran before the revolution and South Korea are two instances where she concedes that human rights were made secondary to strategic considerations), but when it came to other areas, particularly Latin America and Southern Africa, the bureaucrats quickly learned that Derian wasn't simply a nice, do-gooding lady whose ideas could be ignored.

In part, that was because she had considerable clout with Carter and his two secretaries of state: Cyrus R. Vance and Edmund S. Muskie. But Derian and her aides were able to build on that influence to make the views of the bureau of human rights a major factor in determining economic and military aid.

The power to deny assistance to dictatorial regimes because of poor human rights records was the principal innovation Derian introduced into the policy-making machinery. It also is the one the Reagan people have talked most about eliminating, on the grounds that it was applied in an erratic and inconsistent way, and that the primary consideration in dispensing aid should be the U.S. national interest.

On the first point, Derian admits the criticism is justified. She says, "We did things on a country-by-country and case-by-case basis, and that ultimately proved to be a very limiting and erroneous approach."

But, she adds, "that's where a Reagan administration could improve the system. It could formulate a series of guidelines, based on basic principles of decent behavior, against which to weigh all countries being considered for economic or military aid." As to the idea that American interests are served by supporting dictators, Derian shows no patience. "Take Central America, where they talk about backing rightist governments because otherwise the Cubans will take over. Well, when people are oppressed and ripe for exploitation, that kind of approach lets them win on the cheap."

Derian has no illusions that the new administration will start out disposed to take her advice. But she is hopeful it might learn.

"The president-elect has said he wants to make Washington 'a shining city on a hill.' I don't think he's talking about one made out of sequins. What makes us solid and sparkling is our freedom and our adherence to democratic values," she says. "If you try to be one kind of government at home and another kind in your foreign relations, you've kicked away half of the girders that you need to build that 'shining city on the hill.' "●

H.R. 2029

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SAM B. HALL, JR. Mr. Speaker, this morning I am introducing a measure, H.R. 2029, which I believe will solve a serious problem which has occurred in the servicemen's group life insurance program as it relates to Reserve Forces.

At hearings which the Subcommittee on Compensation, Pension and Insurance held last year, it was brought out that 60 percent of nonpay reservists and 13 percent of pay reservists participating in this program are delinquent for an amount in excess of $1.3 million. A much larger but undetermined number of separated members are also indebted to the program—and in the Navy alone, it is estimated that the insurance indebtedness could be as much as $3.3 million.

Though the program is in a sound financial condition at present, it must be understood that those who do pay for their insurance coverage are obviously paying as well for the delinquent group.

My bill therefore would require the Secretary of Defense to take action to collect these premiums.

Mr. Speaker, not only would this clear up the delinquency problem by preventing further shortages but it would also make sure that the premium-paying burden is shared by all of the individuals who choose to have this protection.●

NADA PRESIDENT'S ADDRESS

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. McHUGH. Mr. Speaker, Wendell H. Miller, of Binghamton, N.Y., is a constituent of mine and recently became president of the National Automobile Dealers Association. Given the difficult time that the automotive industry is going through, Mr. Miller's remarks at the recent NADA convention may be of special interest to my colleagues, and I therefore include them in the RECORD at this point.

REMARKS BY WENDELL H. MILLER, 1981 NADA PRESIDENT TO THE GENERAL SESSION, NADA CONVENTION AND EXPOSITION, LOS ANGELES, CALIF., FEBRUARY 10, 1981

Ladies and gentlemen, I want you to know that I eagerly accept the challenge to lead NADA thru the coming year.

A few weeks ago, an editorial headline in the Automotive News declared "1980 Was One Hell of a Year." I am sure George Irvin would totally agree.

I want to thank him right now for all of us for keeping a cool and level head in some traumatic times. And for working with your officers and directors and our fine staff of over 300 to keep NADA responsive and effective for our dealers during 1980.

Actually, it has been "one hell of a past 25 months". It is difficult to remember that only a brief 25 months ago—January 1979—gas was selling for sixty-five cents a gallon; full-size cars were on maximum overtime; V8 engines were in short supply; manufacturers' sales incentives were on most small cars; and the import inventory was at a 127-day supply.

But then the Iranian oil embargo upset the apple cart and in a 90-day period the market turned upside down, and so did inventories. From them on, the economy and energy took turns bouncing our automobile and truck dealers around, and every dealer who could, hung on.

Unfortunately, over 1,600 dealers in 1980 lost their grip and could not hang on. The shame was that most of those 1,600 dealers went out, not for mismanagement or for lack of dedication to their businesses but for a myriad of external reasons far beyond their control.

Total car sales went down over 20% in this 25-month period but within that framework domestic sales dropped 30% while imports rose 20%.

Dealer profits are averaging one-half of one percent and our domestic manufacturers are indicating 1980 pretax losses of over 8 billion dollars.

There is no question that our industry today is in deep trouble. Quoting Keith Crain, publisher of the Automotive News, at the AOT luncheon on Sunday: "The buzz word at this convention seems to be 'survival.' "

Well, the bad news is certainly obvious, and we could continue forever editorializing about the sins of our manufacturers, our government, our unions and our banks, but it really would accomplish nothing.

The positive question is, how does this great industry that means so much to all of us, rise from the ashes of the past 25 months? Certainly, there are already some bright spots appearing—

However slight the decline, our crippling prime rate is on the way down.

However slight the incline, our national economy is on the way up.

We have a new and concerned administration which recognizes the trouble our industry is in and has us on the front burner for a major recovery effort.

There seems to be a new feeling of mutual trust, understanding and cooperation in Washington between Government, industry and labor.

The Chrysler experience has been a valuable workshop and has proven that reasonable men can put aside their differences and work to a mutual benefit.

There is a tremendous pent-up retail demand for cars and trucks waiting for some trigger or sign indicating confidence in our national efforts to reduce inflation, curb Federal spending and lower interest rates.

The love affair for the automobile is not over—just on "hold." Consider that the great New York Auto Show had increased attendance last week even with an increased admission price.

There is no question that 1981 will be a critical year for our dealers, our industry, our national economy and our country. There is no question that 1981 will be a transition year of monumental changes for our manufacturers and our dealers as we adjust to a brand new set of world market conditions and consumer requirements.

The past will just not be prologue as we enter what could be the most exciting, innovative and profitable period in our business lives.

We have often said that nothing happens in our industry until one salesman sells one car or truck at retail.

We have also said that America has never had a successful national economy without the base of a healthy automotive industry.

If these assumptions are true, then it follows that the 20,000 franchised dealer members of NADA have got to be the cutting edge of any national recovery effort.

I say that to clearly and firmly establish the importance of every franchised dealer in America, as represented by NADA, to that effort. Nothing will work until a dealer unplugs the supply pipeline at the retail end.

A domestic manufacturing industry, fully recovered and producing a quality product with good productivity priced right and fitting the needs of the consumer and our economy, will mean nothing unless an adequate number of experienced and quality dealers are in the right places to sell and service those products.

We deeply appreciate Secretary Lewis being with us today in his first appearance since his appointment by President Reagan as Secretary of the Department of Transportation. It certainly indicates his urgent concern for the current plight of our industry, and we welcome the chance to let him know of the special and more immediate problems of the retail part of our industry—and hear his plans.

I also want him to carry back to President Reagan a clear message from the 20,000 franchised dealer members of NADA and from this convention that we totally support his program for a "new beginning" in our fight against inflation and will bear our share of whatever burden or sacrifice is necessary to get the job done.

We will also carefully study in detail the program recently presented to President Reagan by the manufacturers—as referred to by Mr. Caldwell on Saturday.

NADA will soon be presenting an action plan of our own to ensure that dealers interests are understood.

1981 will be a transition year. The beginning will certainly be no worse than 1980, and I feel the end will indicate us to be well on the way to the exciting decade ahead.

It will, however, take every bit of patience, intelligence and cooperation from every sector of our economy involved—Government, labor, manufacturers and dealers.

Certainly, product, productivity and quality have contributed to the success of the Japanese auto industry, but these talents would have died on the vine were it not for the climate created by the total and intelligent cooperation of government, labor, industry and banking in Japan.

We can no longer afford in this country to dissipate our energies with intramural bickering and cheap shots. We must attend to our true consumer responsibilities of product, productivity, quality and price and attend to it together.

But NADA represents over 20,000 franchised new car and truck dealers fighting for their business lives—right now! What is necessary right now—short range—to ensure minimal continued attrition and ensure their still being here to bear the fruits of the ultimate success of President Reagan's plan for an American "new beginning" and Secretary Lewis' task force efforts?

All environmental and safety regulations must be frozen for a two-year period.

No. 1—We need immediate relief from ill-conceived and poorly applied regulations that have been piled on this industry, sometimes vindictively, with little or no concern for cost-effectiveness. Certainly, we support responsible and necessary regulations, but we have gone far beyond the point of diminishing returns with this burden.

No. 2—NADA supports an immediate tax credit as a first and necessary step to stimulate new vehicle sales and to lead the recovery of the automobile industry at both the wholesale and retail levels.

No. 3—We must continue to improve dealer-manufacturer relations.

We must deal in a climate of mutual respect for our responsibilities to each other and on a true bilateral basis.

It is true that while we, as dealers, are natural partners with our manufacturers, we are also natural adversaries.

But our destinies are parallel and our daily and ongoing discussions must be conducted in a climate of mutual concern and respect.

I have said many times that our basic industry relations frustration is that we, as dealers, suffer from a lack of leverage with our manufacturers. We can demand and recommend, but if the answer is no, there just is no next step. The power of 20,000 dealers working together is obvious, and somehow we must find a way to use that power.

No. 4—Our manufacturers must roll back prices to a realistic level.

Since adopting this position at our NADA board meeting on Friday, there has been considerable discussion of this recommendation at this convention and in the national press.

I would like to take a minute to clarify just why NADA has taken this position and the rationale behind it.

The Board of Directors of NADA is committed to reflect the concern of the dealers they represent. These dealers are on the daily firing line with constant contact with their customers and their prospects.

The message for the past several months has been crystal clear—dealers felt the 1981 introductory prices were too high. Dealers felt that the rapid price rises since introduction, in the face of a declining market and rising interest rates, made no economic sense. Dealers felt that the recent incentive programs by some manufacturers have proven that a five- or six-hundred dollar price reduction will stimulate a stagnant market.

Obviously, no manufacturer can absorb this reduction as a normal operating cost any more than this country can absorb three successive 10% cuts in personal tax revenue.

But our philosophy in making this request was identical to President Reagan's tax cut proposal.

Just as President Reagan expects to offset this immediate loss of income by stimulating offseting income in other areas, NADA feels a price rollback would trigger a market response of enough volume to offset the reduction.

NADA is committed to working for regulatory relief, a tax credit, a more bilateral dealer-factory relationship and a price rollback to minimize dealer attrition in the immediate year ahead.

Internally, one thing I would like to see in the coming months is the total involvement of every dealer member with NADA.

I want every dealer member to be totally informed, totally committed and totally supportive of the only broad-based national organization he has that can be there when he needs it.

I want 1981 at NADA to be "The Year of the Dealer".

I want to thank you again for the chance to be your president in this critical transition year from "the worst of times—to the best of times."

I pledge to you my best efforts to ensure that one year from today the picture will be far brighter, and we will be well on the way toward the exciting, innovative and profitable 1980's I see ahead.

Thank you very much.●

PRESIDENT REAGAN'S BUDGET CUTS

HON. BOB SHAMANSKY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SHAMANSKY. Mr. Speaker, President Reagan has proposed substantial reductions in Federal spending as part of his efforts to restrain inflation. I fully support efforts to reduce substantially the budget deficit, and intend to work to see that budget-cutting effort succeed.

Because the burden of these budget cuts will fall most heavily upon the least fortunate in our country, it is especially important that these cuts be as fair as possible. This is a responsibility which Congress cannot shrug. No one region or income group should be asked to make a disproportionate sacrifice.

In this regard I recommend to my colleagues the following article which appeared in the Columbus Dispatch showing how the current plan would favor the so-called Sunbelt over the Midwest and thereby increase the outflow of much needed jobs from my region of the country. We must avoid this result, be it intended or unintended.

SUNBELT BENEFITS MOST, ANALYSTS SAY

WASHINGTON.—President Reagan's economic program favors the Sunbelt over the Frostbelt, analysts concerned over the decline of the nation's old manufacturing region contend.

The White House denies that this was the intent, or will be the result, of the president's package of tax and spending cuts, but various organizations and individuals who have looked at the package say it will only hasten the Frostbelt's economic decline.

"If there is any new investment, there will be one general decision by companies: Go south, go west," said Gar Alperovitz, an economist for the liberal-leaning Center for Economic Alternatives, a think tank.

"We think the president's program favors growing, cheap land areas," said Tom Cochran, executive director of the Northeast-Midwest Congressional Coalition, a group formed by representatives from the Frostbelt states.

"What you have already is a migration of taxpayers away from the Northeast and Midwest, and that could be accelerated by this program," said Felix Rohatyn, a senior partner in the investment banking firm of Lazard Freres & Co. of New York.

Analysts cite the following reasons why the program could speed up the region's decline:

Business tax cuts: Reagan's plan to reduce from 25 to 10 years the period in which companies can write off, with depreciation tax deductions, the cost of building new factories will induce many companies to move plants to the Sunbelt states.

Rohatyn, Cochran, Alperovitz and others interviewed said that the depreciation schedules could and should be changed to permit some tax writeoff to rehabilitate existing structures.

Firms will be led to warmer climates because labor, land and energy costs are relatively cheaper in the Sunbelt, they say.

Military spending: All the analysts interviewed noted that the economies of western states, where the defense industry is centered, will be dramatically affected by Reagan's planned huge increase in the defense budget.

Oil decontrol: Rohatyn said that higher oil prices brought about by Reagan's decision will add to production costs in the Northeast, where manufacturing is heavier and where the weather is colder.

At the same time, he said, the Sunbelt states will collect an additional $120 billion over the next decade from their various energy taxes—taxes they are able to charge because they happen to be where the oil is.

Public financing: Rohatyn said that Frostbelt cities are going to have a much more difficult time financing their projects through borrowing from the municipal bond market.

"The municipal bond market has been very difficult for some time," he said. "This situation, and the dimmer outlook for the Northeast and Midwest, is going to make local financing more difficult. The creditworthiness of the entire region becomes more questionable."

Bonds now rated AAA in some Northeast and Midwest cities will find their ratings lowered, while Sunbelt cities will see the credit-worthiness of their bonds increased.●

INTERVIEW WITH REV. JERRY FALWELL—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. McDONALD. Mr. Speaker, continuing a review of the danger of secular humanism as a basis of morality, society, and ultimately government, the second part of the recent Penthouse interview with Rev. Jerry Falwell, the president of the Moral Majority, is instructive.

That portion of the interview follows for the benefit of my colleagues interested in the essential question of what form of morality as a basis of society and government.

REVEREND JERRY FALWELL

Penthouse: When you say you're a fundamentalist, does this actually mean you believe that everything in the Bible is specifically correct?

Falwell: Yes. The reason I use the word fundamentalist in preference to the word evangelical is this: 20 years ago I did not object to the word evangelical, because it meant the same thing that fundamentalist means today. But today there are many who have come in . . . under the shelter of evangelicalism who in fact are not evangelicals. The basic tenet of former evangelical Christianity, now what I call fundamentalist Christianity, is that we have one basic document on which we predicate everything we believe, our faith, our practice, our lifestyle, our homes et cetera, government—is the inherency of scripture, not only in matters of theology, but science, geography, history, et cetera—totally and entirely, the very word of God.

Penthouse: Do you believe the sort of things [found in the Bible] like Lot's wife is turned into a pillar of salt?

Falwell: I do.

Penthouse: You must believe in science. . . . The dating of radio carbons says that there were animals here millions of years ago, and obviously there was human civilization in China, Egypt, Sumeria, the Aztecs, whatever, long before the span that the Bible says. How do you reconcile this?

Falwell: No problem at all with that. I thoroughly, totally agree with all of these findings. And the Bible in no way is contradicted, nor does the Bible contradict that. In the beginning, God created the heaven and the earth. If you'll read the first three chapters of Genesis carefully, there's a very clear, unlimited time span there. It could have been millions of years; it could have been hundreds of millions of years.

The only thing I reject, of course, and there is not one shred of scientific fact to support it, is the evolution of man from a lower form of animal life. I believe that man never was animal. I don't believe that there's a scientific fact to prove it. There are many who support various theories, but not one fact. . . . I believe that God made man in his own image and that he was as he is today: body, soul, and spirit.

Penthouse: [Do you also believe the Bible when it says that] serpents spoke and things like that?

Falwell: Oh, of course. Absolutely. And so would over half the preachers in America. . . . That is what the Christian church was built upon, and it's only when we've gotten away from that that we've gotten in trouble. That's one reason Pope John Paul today is a hero in some areas and a crude radical in other areas.

Penthouse: A crude radical in what areas?

Falwell: He has demanded that Roman Catholicism come back to their position of absolutism. Which I say "amen" to him. He came to America, and he looked into a very hostile American media on these moral issues and without batting an eye said that "We will not ordain women." He said that homosexuality is perversion, abortion is murder, and that is where we are and where we will be. Well, 40 years ago that wouldn't have shocked anybody in America or in the Catholic church. But today it does . . . . He . . . believes that the Bible is the inherent word of God and therefore is not to be questioned.

And that is where I am. . . . That's where Dr. Billy Graham is; that's where at least 110,000 fundamentalist pastors are in America today. And this is where the action is going. If you'll get the numerics, the churches in America that are growing, really growing, and are filled and running over, are churches that adhere to that position. The main-line denominational churches that are merging are those churches that have decided: "We don't want an authoritative message; we want rather to create our own religion, do our own thing, and rewrite it and update it as time passes."

So that is where the neo-evangelicals and the liberals are today, and that is why they are going out of business. People want what people have always wanted: they want a message from God. They don't want your message; they want God's message. And that's a big difference, by the way. . . .

Penthouse: . . . There are a lot of people in the same business who are not totally respectable, aren't there?

Falwell: Well, Jim Jones, for instance, yes. The same freedoms that protect us, that protect a journalist—First Amendment rights in America. . . . While I oppose these people like Sun Myung Moon and self-appointed messiahs . . . I'd die for their right to do what they do. . . . This question of censorship, it is so delicate. . . . It is a fine, fine line. So I say that there's a vast difference between a cult and fundamental Christianity. In a cult people follow a charismatic personality; whether there's a written document or not, they will follow him to hell or death, as in the case of Jones. And I think that Moon's followers would do the same thing. . . . But in the fundamentalist case, the message, the written book, is their creed, their catechism. And if we, the preachers of that message, stop living by it or stop preaching it, they will throw us over for somebody in favor of that book.

Penthouse: This fine line . . . surely it is you who is trying to draw it?

Falwell: Well, yes and no. [I am] trying to create an awareness of right and wrong because we're raising up a generation today that doesn't know right from wrong. They have grown up in that kind of society. We are trying to define the issues so that people know right from wrong. However, on the matter of censorship, the only answer to the removal of what I call pornography from the television screen—I'm more concerned about the television screen than the movie screen because we don't have to go to that. The television set is in our living room; that's a different story. And our family may be watching it while we're out, and there is nobody there to help the children. I object to that. . . . Now I say we have to be careful, because to make a rule and say, "This will not be seen and that will not be seen." . . . The question is, who will decide that? That bothers me.

So I concede there that we have a very delicate problem. However, I think where the problem comes is this: I think there must be men and women at the top of these industries who have personal moral values, who judgmentally decide, "No, we will not do this; yes, we will do this," and who do it not because they have to do it but because they want to do it. . . .

[In] an interview I had in Washington recently . . . someone from ABC said, "Doctor, don't you think that . . . we are presenting life the way it really is?" I said, "That's the problem. You and I, whether we like it or not, we are opinion makers; we are leaders; the way we go, millions will go with us. We have an obligation not to present life the way it is but the way it ought to be."

Penthouse: The way you think it ought to be?

Falwell: Well, I think that the American tradition—forget the Bible—is the sanctity of the family, the husband, wife, legally married relationship, is unquestionably the cornerstone of this republic. And we need to work towards its preservation, not its destruction. And today the television industry, without any question, is geared towards and directing all of its energies towards the ridicule of that basic institution.

Penthouse: Which sort of programs? Do any spring to mind that you think are pornographic?

Falwell: . . . A couple of years ago I'd say "Soap" is offensive. But now they're all. . . . One just opens a door and here's a bedroom scene, there's a bedroom scene, here are two young people living together who are not married, here's a homosexual brought into a very favorable light. These situation comedies really are promoting a cause, developing a theme. And in almost every case the opposite of what I believe to be the Judeo-Christian ethic. . . . Take the soap operas in the afternoon! . . . They teach women how to run around on their husbands in a very sophisticated fashion and get by with it.

So I say that television has become a vendor of perniciousness. And I think we need some men and women at the top who are not motivated by the gods of the almighty dollar.

Penthouse: There are fairly extensive passages in the Bible which, in less permissive times, could have been considered . . . pornographic. . . . How do you reconcile that?

Falwell: I think there's a difference between reportorial writing of what is happening and the graphic, illustrative portrayal of the gory details. For example, I've never opposed sex education in schools, as long as it's taught as biological science. I have no problem with human anatomy being taught; I have no problem with the scientific ap-

proach to hygiene, to puberty, adolescence, et cetera.

My problem is when we cheapen, when we take what is sacred—and sex is sacred, marriage is sacred, the marriage act is sacred—when we take what is sacred and cheapen it by making it something less than God intended it to be. Then it becomes pornography. . . . The Song of Solomon tells of a love relationship he had with his love. He told of the kisses and the physical affection that transpired between them. I don't object to that at all. I'd have no problem reading that, preaching from that, as I do, in a mixed audience. I would certainly object, however, to taking that same story and cheapening it to a Playboy or Penthouse level, where four-letter words, vulgar applications, unholy relationships were applied.

Penthouse: Just before he was elected, [Jimmy Carter] confessed . . . that he had sometimes lusted after women. . . . Have you ever lusted after other women in your heart? And if you had, would you admit it in public?

Falwell: Well, I never objected to . . . then-candidate Carter's comment that he had lusted after women. There is not a man on earth alive today . . . who was never guilty of lust. Because we are human beings. . . . My objection was not to what he said but to whom he said it. Giving an interview to Playboy magazine was lending the credence and the dignity of the highest office in the land to a salacious, vulgar magazine that did not even deserve the time of his day. . . . He should have denied them the interview. . . . I feel that he was pitching; he was campaigning to an audience that doesn't read the Baptist Sunday school quarterlies. . . .

Penthouse: A senator asked you when you were going to get out of politics, and you said to him when he gets out of morality business. . . .

Falwell: Okay. Religion and politics. I think the problem is simply this: that the Pounding Fathers did not have in mind separation of God and state, only religion and state. And when you're dealing with moral issues . . . that are basically shared by the American populace and the churches in America, you're talking about something that touches the majority of the people of this nation. And therefore, as part of the electorate, we have not only a right but a responsibility to speak out. . . . We, what I consider to be the moral majority in America . . . still believe the Ten Commandments are valid for today. I don't mean they all live by them; none of us live up to what we believe. But the vast moral majority in America are out speaking loudly and clearly and articulately and getting the attention of the people in the decisionmaking process in our states and in Washington who can do something about the turning leftward of our nation on moral issues. . . .

That's really where the role [of the church] is. If I were going to run for president, that would be bad, that would be wrong. I would be using. . . . If I were going to run for U.S. Senate in my state, I would be using my influence that I have developed from my ministry to pick up—and I probably could—a majority of voters to go into the U.S. Senate. Okay. That's the Khomeini approach. That's wrong. But if I can create a moral climate and consciousness in our state, if we can provide such a moral conscience that it is easier for politicians to do right than to do wrong, which is not the case today, then we have made our contribution.

Penthouse: Dr. Falwell, do you know anything about politics?

Falwell: I think I do.

Penthouse: . . . There are no easy answers in politics, whereas there are easy answers in what you say . . .

Falwell: Well, doing right is not easy. It's always easier, always easier to do wrong than right. When . . . a little child has done something he shouldn't do . . . it's easier to lie and say, "I didn't do it." But though it's more difficult to say, "Yes, I did," it's the right thing to do, and it will ultimately contribute to his betterment and the betterment of the relationship in that home and the development of his character as well. The same thing is true of a nation. Right now we are is such a sick condition that there are not going to be any easy routes out. As a matter of fact, I don't know that America can recover from some of the problems that we have created without going bankrupt, without literally wiping out economically. . . .

Who could go into office right now, as a presidential candidate or even a senatorial candidate, and say that "I am going to work diligently to eliminate the unnecessary spending of welfare dollars where unworthy people are receiving those dollars. I'm not talking about Social Security for the aged or the indigent of those who cannot work. We're talking about the absolutely illicit use of $222 billion proposed budget of this year of HHS." Well, he couldn't be elected; it's a matter of fact. He'd have to go in and . . . than reverse himself and lie after he got in. . . . I think that really the country may have to go down financially, or that we cannot honor our commitments. And then the next administration start from zero. I'm not saying that's going to happen. . . .

Morally, I think this is where pastors can make the difference. But the legislators at every level must assist then and work with them. We must come right across the grain, knowing full well that we're going to make a lot of people mad, and decide, as I've said repeatedly, that it's more important to be right than popular. And do what is right, if it costs us everything, so that our next generation, our children, can once again enjoy what we have known in this country.

Penthouse: [Who comprises the Moral Majority?]

Falwell: . . . The Moral Majority is a coalition of "religious people," and I put that in quotes, of all sorts: Mormons, Catholics, Jews, fundamentalists, you name it. We've got 70,000 such pastors and religious leaders in that group right now, and several million lay people. . . . We don't compromise our theological principles. However in the matter of survival, the matter of freedom, the matter of Americanism, the matter of moral values, we join hands together without any compromise whatsoever.

It isn't compromise for us to say, "Hey, let's put together a coalition. This ship of state is sinking, as we see it. Let's pull it out together; let's fight together now so we can fight each other later." That's the terminology we use. And it's the kind of thing that people in all religious persuasions will buy, because we're not trying to change their religious beliefs, nor can they change ours. And if we allow our difference to keep us from getting together, then we will never accomplish what we're trying to accomplish—and that is a change in the nation, morally. . . .

This is the first time in 30 to 35 years that the amoral forces in America have had any substantial opposition. They've been accustomed to doing their own thing, gaining gradually but surely the support of the government. And hardly anyone on what they call "the Right" speaking against them. . . .

Penthouse: . . . Would you say that the people who put forward . . . points of view opposed to yours . . . are sincere, or would you categorize them as . . . malfeasant or [of] bad faith?

Falwell: Oh, many of the people who oppose my moral philosophy are good people. I could name many of them who are religious people. It has nothing to do with their character or my character. It has to do with philosophy.

Penthouse: If a large number of the Moral Majority people get . . . into the Senate, would you not think of banning pornography?

Falwell: No question we would. That wouldn't stop it, of course. All we would do is keep it away from children. . . . It's like Prohibition 40 years ago, 50 years ago; you're not going to stop people from drinking by preventing it from being sold in the public markets. It's still going to be sold. And that is an unenforceable law. If I'd lived then I would not have been a part of it. I do not think it's an unenforceable thing to restrict the sale of damaging pornographic material on the public newstands. I think we've done that up until 20 years ago. . . .

Penthouse: . . . You've been in trouble with the SEC at one stage, and then there was trouble down in San Diego: campaign funds, illegally giving $31,000, and so on. Do you feel there is some potential for embarrassment?

Falwell: Oh, always. You just named two; I could probably name you a hundred. We obviously are coming down hard. The Securities and Exchange Commission, in 1972, attacked us on the basis of our issuing bonds and borrowing money from our own members to build our national network. They never mentioned that we paid back, as we always have, every dime. They never mentioned that, first of all, they lost in court and second, we won the court case and everybody, as always, got every penny of interest and principal promised, et cetera. The California situation? I was out there campaigning for Proposition 6, and we raised a lot of money—$60,000—for the committee that Senator Briggs heads up. And the federal election commission questioned our right to do that. They have a right to question; anybody can question. But that doesn't stop us; it doesn't bother us at all. . . . I can mention to you many, many other cases where one person sued us for a million dollars for making a statement on morality. We've had stations put us off the air for taking a stand that I take, only to have the station across town take the program, and quickly.

So we have just determined—and it's going to get worse . . . that opposition will not scare us or stop us.

Penthouse: Do you feel embarrassed . . . in asking for money in the way that you do, when there is a vast amount coming in?

Falwell: No. We're going to have to raise a great deal more . . . We'll have to probably have a 45-to-50-percent increase in giving next year, just to meet the demands of our enlargement and the inflationary problems. . . . We have 3½ million families who are part of our ministry and who support us to some degree. Some are totally committed to what we're doing. Some, nominally so. But all somewhat.

And we present all the facts. For example, I believe that a Christian ministry, like a public corporation on the New York Stock Exchange, because of the public nature of its ministry, ought to be required to make public and full disclosure of its finances. Which we do. There is an evangelical council for financial accountability which is a self-policing organization, created by the evangelical leading ministries. The Billy Graham Evangelistic Association, ours, World Vision . . . are among the largest ministries of some 80 that have been approved. . . . It is the Better Business Bureau of evangelical ministries. And it's voluntary.

. . . I think that every [church] ought to come forth . . . offering audited financing by outside auditors, making your books available to any and all, at any time, for any reason; having an outside board with a membership of outside persons who actually have control of the ministry, actually spending the money for the very purpose for which you raised it, and proven by certified auditors. The reason I believe that is because every time a ministry goes wrong—the Pallentine Fathers, that type of thing—it hurts every one of us.

Penthouse: Do you have any doubts that you are right?

Falwell: None whatsoever.

Penthouse: Never?

Falwell: Not once. I've been a Christian for 28 years, [since] January 20, 1952.

Penthouse: How can you date it so specifically?

Falwell: I had been listening for years to a radio broadcast while I was going to high school and college, Dr. Charles E. Fuller, the old-fashioned revival hour. . . . He is dead, of course. But he was the pioneer in Christian broadcasting. . . . I don't have any religious background at all. But listening to him on radio Sunday mornings in bed, I became convinced that what he was saying was so. But I didn't know where to find anybody who could help me. And so I began looking for a church that preached what I'd been hearing him preach. . . . And I found such a church . . . on the twentieth day of January, and that night I went to church to become a Christian. And that night, when the service was over, the pastor gave an open invitation, as Dr. Graham does, to come forward and publicly acknowledge your faith in Christ as your Lord and master. And I did that. I didn't own a Bible, I didn't know a verse of scripture, and I explained that to them. I said, "Hey, I am just an ignorant college student. I don't know the first thing about spiritual matters. But I want to be a Christian, and I have come here not to go part of the way; I want to go all the way."

So the next day I purchased a Bible. And for the last 28 years I've been studying that Bible; I've been sitting under, I think, the best scholars of this generation. I've been spending . . . time in prayer and meditation and ministry. And I can honestly say, for that date to this, I have never one time questioned that the word of God is, in fact, the word of God.●

CHIEF WARREN SMITH HONORED FOR SERVICE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HOLLENBECK. Mr. Speaker, Chief Warren Smith, who has compiled 34 years of distinguished service with the Cresskill Police Department, 11 of those years as chief of police, has retired from his position. I wish to join his colleagues, members of the force, borough officials, and area residents and friends in paying much-deserved tribute to Chief Smith for a job well done. We recognize, not only the longevity of his service, but his dedication to duty and to our community interest.

For more than three decades, day in and day out, Chief Smith has carried out the tremendous responsibility of protecting the citizens of his community with unwavering commitment and steadfast belief in the dignity of the law. He has realized in his career the almost unbelievably high standards expected of law enforcement officials by their fellow officers and by the citizens they serve. And for this dedication, he has earned our sincere gratitude and deep affection.

I am proud to offer Chief Smith my congratulations and commendation for his fine record of service and my very best wishes for happiness and good health in his retirement.●

MINORITY BUSINESS OPPORTUNITIES IN TRANSPORTATION

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, I would like to submit the following remarks by Interstate Commerce Commissioner, Reginald E. Gilliam, for my colleagues' review. The remarks are entitled, "Reindustrialization, Deregulation: Opportunity for Minority Economic Development." They address the vital area of adequate minority business participation in the transportation industry via the additional opportunities which deregulation in this industry will facilitate. Such participation is critical to the strengthening of our national economy.

Mr. Gilliam's remarks follow:

REINDUSTRIALIZATION, DEREGULATION: OPPORTUNITY FOR MINORITY ECONOMIC DEVELOPMENT

Transportation, in one form or another permeates every aspect of business or economic life in this country today. Whether one is involved in manufacturing, farming, processing, buying, selling, building or simply consuming, one is of necessity involved in commercial transportation as an integral part of everyday life. More fundamental is the fact that transportation considerations influence and often dictate where jobs are located, what type of local or regional economy exists, as well as how resources are to be developed and utilized.

Stated in economic terms, transportation expenditures in the United States amount to over twenty percent of the annual gross national product. Because of the everyday nature of transportation this large expenditure has often been taken for granted. To put this expenditure into proper perspective we need only consider a recent finding made in a major study for Congress by the National Transportation Policy Study Commission that in the next 20 years, the United States will spend $1.2 trillion in a combination of private, corporate and tax dollars on transportation alone.

Despite these huge expenditures few minorities are involved in the field of transportation. This phenomenon can largely be attributed to institutional factors which have operated historically to create an almost insurmountable barrier. One need not recite the history of obstacles and blatent discrimination, sanctioned and made legal by law and policy, that kept minorities out of most mainstream economic fields, including transportation, for many years. What needs to be emphasized at present is that many of these obstacles have been lifted as a result of both the struggle for racial equality and changed economic and political circumstances and that there is now room for greatly expanded minority participation in the field of transportation. Minorities must move quickly and decisively to take advantage of these opportunities.

America is now experiencing a wave of deregulation in the transportation industry. The first step was the Air Cargo Deregulation Act of 1977, followed by the Airline Deregulation Act of 1978, which significantly changed the degree of regulation in the commercial air transportation industry, and eventually eliminates the Civil Aeronautics Board. This year Congress passed the Motor Carrier Act of 1980, which makes major changes in the way trucking rates are established and in the regulatory controls on entry into the industry. Additionally, Congress has recently passed bills to deregulate the rail and household movements industries. Congress is considering further measures to deregulate both the bus and maritime industry.

Clearly, in the 1980's, there are deep and pervasive economic and political trends at work that are causing significant changes in the relationship of government to the private sector, and in the very nature of competitive price and service innovation within the private sector.

What is happening is much more than a manifestation of the oft-repeated rallying cry of "get government off our backs". It is also more than the very valid judgment that governmental bodies are ill-equipped to make business decisions. Congress and our political leaders are making a fundamental economic judgment that it is now time to reduce and de-emphasize government's role as a market place regulator while giving increased impetus to competition as a regulator. The commercial transportation industry is at the front line in this process because it, more than any other industry, is the weathervane of the economy. When industries begin to slip and deteriorate, or

suffer from plant obsolescence and loss of trade competitiveness, the transportation industry immediately feels and reflects these circumstances. Conversely, when new industrial growth opportunities present themselves, by market, by region, or by commodity, transportation industries should be at the front line to share in that growth and to compete for the profits.

Modernized, reinvigorated domestic industries will demand equally modern and efficient transportation. Thus reindustrialization and reduced government regulation are combining to form a new economic environment.

As an example, consider how world oil prices have revived the United States Coal industry. The United States coal export business is now at record levels—domestic coal consumption is targeted for dramatic growth as a substitute for foreign oil. As a by-product, the hauling of coal offers the potential for halting much of the earlier decline of American railroads, as well as stimulating new growth in the rail industry. When 86 ships await coal loading in the Norfolk Harbor, it is easy to visualize the opportunities presented in mining, shipping, processing, and facility-building industries to name only a few. This is the heart of the process that is called "reindustrialization". Enterprising minority businessmen must be aware of the process and take advantage of it.

It is significant, but largely unnoticed that during this period of major deregulation legislation, the national transportation policy has been unequivocally amended with respect to the motor carrier industry to include "increased minority participation". Serious and well-advised minority businesses must be prepared to take advantage of this strong articulation of support from Congress and start moving in a bold, new direction.

For the first time in 45 years, entry into the Motor Carrier Industry is almost assured if one seriously seeks that opportunity. In fact, all that the Motor Carrier Act of 1980 requires is a showing that the applicant for a license is "fit, willing and able" to provide a service and show that it meets a "useful purpose." While the new law significantly relaxes entry standards, it also provides increased ratemaking freedom for competing carriers. Clearly, this is an example of congressional judgment that increased competition is what is needed to promote a healthy, thriving transportation industry. Couple that competitive thrust and increased rate flexibility with the minority participation provision and the opportunities for minority participation are myriad. Minorities and small businesses generally should now be better able to fashion innovative services and price structures and compete for shares of the market that were formerly the sole province of large companies.

Equally provocative, from a businessman's point of view, are the recent signs of resurgence in the railroad industry. Again, another specific reference to coal is particularly relevant. The National Coal Association estimates that total coal production east of the Mississippi River will increase 33 percent from 554 billion tons in 1979 to 736 billion tons in 1990. Western Coal production, on the other hand, is expected to increase approximately 140 percent from 216 billion tons last year to 514 billion tons in 1990. In addition to coal, there will be increased demands on the railroads to transport grain and other bulk commodities including oil shale, methanol and liquified natural gas. Transportation of bulk commodities is particularly well suited to the railroads. This phenomenon, combined with the fact that the trend is likely to continue, presents a unique incentive not only for minority businessmen to enter the railroad business, but also to participate in the spin-off businesses that will be spawned by this growth. Specifically, these ancillary businesses include providing railroad cars, equipment and parts, the manufacture of rail, ties, and spikes, the building of railroad signaling systems, railbed maintenance and so on. One other opportunity to be explored is the possibility of forming shortline railroads such as the ones being formed out of segments of abandoned Rock Island and Milwaukee Road Lines. Shippers and many local businesses that are located off of large roads have a strong interest in moving their products to larger rail facilities. Piggy-back and shortline railroads offer real opportunity for moving products to market while rewarding those who are enterprising enough to move those products efficiently.

In addition to opportunities in the motor carrier and rail sectors of the transportation arena, the intra-intercity bus industry offers a significant opportunity to minority businessmen. As a result of the recent oil embargo, Americans are turning to public transit in record numbers. In 1979, the intercity bus industry carried 360 million passengers, 22 million more passengers than in 1978. And along similar lines, ridership for the first 6 months of 1980 was up 2 percent from the same period in 1979. Also, it is important to note that of the 1,100 intercity bus companies in America today many are small family operations. If this ridership trend continues, it will create increasingly tailored and specialized service needs which minority businessmen can capitalize upon by accommodating this regional and local growth pattern.

In conclusion, today's new economic climate has greatly enhanced the prospects of minority businessmen entering into the transportation field. As expertise and knowledge is developed to utilize the tools that are not available, the prospects for long-range growth and efficient, profitable business development are greatly increased. Surely the problems of financing and capitalization remain, however the obstacles of regulatory policy are at least being knocked down. The American minority businessman is, by virtue of his historical survival, a strong, industrious, imaginative individual. Today's new economic climate should serve to reward those characteristics in the years ahead.●

EXEMPT QUALIFIED PENSION PLANS FROM TAXATION

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Ms. OAKAR. Mr. Speaker, today I am introducing a bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain retirement benefits received by individuals who have attained age 55. The effect of this legislation is to exempt from taxation the first $17,000 in benefits received by beneficiaries from public and private pension plans.

The wisdom of exempting retirement income from taxation has been discussed and debated since 1935. A 1937 Supreme Court decision and a 1941 ruling of the Bureau of Internal Revenue rendered the benefits from social security tax exempt. In 1957 Congress sought to assure greater equity between the tax treatment of social security benefits and other kinds of retirement income by allowing a tax credit for low-income elderly. However, this tax credit is very limited in application, extremely complicated, and has not been updated to keep pace with inflation.

While these are important steps, there is a pressing need to provide equitable tax treatment to public and private pensions to the millions of Americans relying on this type of income. The cost of fuel, housing, and food has skyrocketed in the last decade. As much as one-fourth of the elderly's income is spent on health care alone. However, only some public pensions permit cost-of-living adjustments for annuities, while most private pensions contain no cost-of-living adjustments at all. Yet income from these pensions are subject to taxation. For those Americans who depend in part or entirely on income from pension annuities, and who have seen the value of their pension annuities ravaged by the high rate of inflation, I believe it is imperative that we enact legislation to exempt qualified pension plans from taxation.●

THE SNEAK ATTACK ON JAPANESE AUTOS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. GAYDOS. Mr. Speaker, much learned lamentation has been heard recently because Americans are increasingly monolingual, and it is a problem Congress should speak to directly, promptly, and in plain English.

French should be our second language, Mr. Speaker.

In fact, the study of French ought to be mandatory for our highest leadership, particularly those who set our trade policies in regard to the Japanese, who the French understand.

The reasons for my new found admiration for that flowing tongue can be found in the following article from the March 2, 1981, issue of Business Week:

THE SNEAK ATTACK ON JAPANESE AUTOS

Taking a leaf out of Japan's book of trade tricks, French customs officers are tying up thousands of imported Japanese cars at docksides and warehouses as part of an orchestrated campaign by Industry Minister André Giraud to pressure Tokyo into limiting the flood of its autos into Europe. Officially, Japan is allowed only a 3 percent share of the French car market, and actual figures show it achieved just 2.93 percent last year. But the Japanese are penetrating what the French see as their own export markets in other European Community countries such as West Germany and Belgium.

To curb that, the French are turning to nontariff barriers. As the new Japanese autos are unloaded, they are being held up until they receive certificates of conformity to local technical standards. Although the imports theoretically passed such tests weeks ago, Giraud has ordered his subordinates not to sign the certificates on the flimsiest grounds. In one case, Toyo Kogyo Co.'s Mazda 626 is being held up because its bumper bar is 1 cm. longer than last year.

PURE POLITICS?

The action by French customs is reminiscent of that taken by the Japanese against manufactured goods from Western Europe and fresh produce from the United States. Both have long been subject to excessive inspection and complex regulations in a clear bid to protect Japanese producers.

Not surprisingly, the Japanese are protesting France's new tactic, although so far they have confined themselves mainly to diplomatic pressure. Toshihiko Yano, Vice-Minister of the Ministry of International Trade and Industry, claims the French measures violate the General Agreement on Tariffs and Trade.

Other Japanese attribute the French minister's action to pure politics. With an election only nine weeks away, they claim it is just a bid to help President Valery Giscard d'Estaing retain power. "They are using Japanese cars as a scapegoat," huffs one Japanese auto company executive.

Paradoxically, though, many of the loudest protests are coming from the French themselves. With more than 5,000 cars now clogging French ports, import dealers and concessionaires fear they soon may have trouble meeting their expenses. "These are small French family firms, and they are going to make a lot of noise if they go broke," warns Robert Borlot, an executive of Automobiles Mazda, France Motors, the national Mazda distributor that indirectly provides employment for 1,000 people.

Giraud seems unmoved by the furor and plans to stick to his guns. Despite warnings that France's own auto exports may attract reprisals, the minister claims that one Frenchman joins the unemployed for every 5 to 10 Japanese cars admitted. Aiding the import of Japanese cars "is not a priority consideration (for the government)," he recently told a radio interviewer.

You see, Mr. Speaker, my hope is that if our leaders learn to talk French, they also will learn to think French, particularly in matters of trade.

The sooner we can say "ici on parle francais"—French is spoken here—and mean it, the sooner we can say "ici on parle turkey"—here we talk turkey—and have the Japanese understand it. It is time to talk turkey with them.

You see, the French have a saying: "le style c'est l'homme"—the style is the man.

And to that saying, I add, the style is the nation as well.●

NOTEWORTHY OBSERVATIONS ON PRESIDENT REAGAN'S BUDGET CUTS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HYDE. Mr. Speaker, there is a great deal of discussion surrounding President Reagan's economic address to the Nation and his budget-cutting proposals and, no doubt, even more heated debate will ensue in the weeks and months ahead. For that reason, I would like to commend to the attention of my colleagues the following recent article by one of our country's most astute political columnists, Meg Greenfield of Newsweek. I believe her opinions and observations are certainly noteworthy:

[From Newsweek, Feb. 23, 1981]

WHAT IF HE ISN'T KIDDING?

(By Meg Greenfield)

As a student at Cambridge University in the dim and distant past, I once made the mistake of questioning the wisdom of some regulation or other than was getting in the way of my social plans. I can still see the smug, chill and utterly uncomprehending smile that fixed itself on my tutor's face. "Well, Miss Greenfield," she said, calling down a rockslide of history on my poor argument, "we've always done it that way." So much for the revolution. Next question, please.

A similar spirit has animated Washington's response, and that of a variety of feeder-line bureaucracies and establishments, to the Reagan Administration's planned assault on the budget. We've always done it that way—or at least for a few decades—and the feeling here, made up in equal parts of hypocrisy and fatalism, has been that the technique can't, won't and shouldn't be drastically changed. I don't know, as I write, what the final proposed budget cuts will be. But I do know this: you can mark down the first two weeks in February as the time when people all over this city—not just those ritually opposed to domestic budget cuts, but also those ritually and noisily in favor of them—looked at each other with disbelief and said, with shared alarm, "My God, what if he isn't kidding?

Cuts: The key word here is "kidding," and it goes to the subject of that hypocrisy which has had so prominent a part in our national budget-cutting arguments up till now. I must confess that for some of us it is a truly warming experience to see political and business figures who have made a career of lambasting Uncle Sugar and his profligate ways having it slowly borne in upon them that their own subsidies have turned up in David Stockman's knitting. What appears to be radical in the Reagan-Stockman approach, what we are all still unwilling to credit, is the possibility that some relatively consistent and objective standards might be made the test of whether or not a program should be supported.

Stockman and Reagan may be dead wrong about the secondary effects some of their cuts would have and they may be viewing programs insensitively or harshly. But the political irreverence of their approach has already had its uses. It has forced people to forget the palaver, the verbal tricks they have been playing for decades, an get down to explaining and defending their own preferred government expenditures (if they can) in serious ways.

It's not just those well-subsidized people on the right who have been inveighing against deficit spending over the years, confident in the knowledge that nothing would be done about their own boodle, who are having to revise their arguments. It is also that colony of folks who have come to inhabit the lazy left, people who long ago stopped thinking about what they were supporting just as long as it could go by some irreproachable general name.

Science, art, education, anti-poverty, social welfare—fraudulently, but in the name of all these purposes and pursuits, any number of costly, pointless and nest-feathering little enclaves have been financed that are simply not defensible in social-policy terms. The only way you can defend them is by hollering "social welfare!" or "education!" loud enough so that no one notices that all you are talking about is a lot of Federal bucks helping to fly middle-class consultants from here to there for yet another conference and another report that will not provide a single thought, skill, book, idea, bandage or spoonful of food to those who could use them.

Can government at this late date really distinguish between the legitimate and essential programs, on the one hand, and, on the other, these unessential borderline scams? The fatalism that marks the other part of Washington's response to the Reagan-Stockman assault is based on the assumption that it can't and/or doesn't want to. The domestic-budget argument theoretically engages conservatives versus liberals. In truth, the web of subsidies and support systems that has grown up over the years mixes these people up together and creates a common stake in perpetuating programs that already exist. All this has gotten more, not less, rigid and ingrained with the passage of time.

Complexities: You can go to seminars now at respectible universities for instruction in how to write grant applications and work the levers of the Federal-government dispensing programs. Downtown Washington is the scene of seemingly endless construction of new office buildings intended to house the headquarters of every lobby and interest and industry you can think of (and then some)—the fragmentation of interest-group politics. That is the terrain on which this budget war is supposed to take place. Some fifteen or so years back, John Gardner, then at HEW and newly in charge of making much of the Great Society go, was complaining about the iron triangles—tripartite arrangements of bureaucrat, lobbyist and congressman that controlled Federal expenditures and confounded efforts to make those expenditures more rational, humane and efficient.

That was then. Now is worse. Listen to your legislators talk about the political-action committee that finances their campaigns and pressures their activities ever after. Hear people in both the legislative and executive branches marvel, in total gloom, at the degree to which government action has become a series of recurrent struggles to paste together a special-interest-group coalition, good for some one-shot endeavor and needing to be created in some new form for the next maneuver. We sigh about these things in Washington. We write learnedly about how little it is possible to do

to alter them. There are the "constraints." There are the "complexities." there is the terrible fact that—deep down—business, labor, academia, the professions and even the leadership of some organized supplicants rather like the thing the way it is: they know how to work it.

What is so radical (and doomed?) in the Administration approach is this: they are committed to crashing through that layer of hypocrisy and that structure of legal payoffs that characterize our traditional budget building. And—this is the weird part—they actually think they can do it.●

FEDERAL EXPRESS—OVERNIGHT SUCCESS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. FORD of Tennessee. Mr. Speaker, I would like to bring to your attention, and to the attention of my colleagues, the feature article from the Washington Post magazine of February 22, 1981. The article describes the business ingenuity of one of my constituents, Mr. Fred Smith. The company is one we have all heard of, and frequently use—Federal Express. I would like to commend the Washington Post for recognizing the work of Mr. Smith and all those employed by him who serve people from all parts of our Nation. I would further like to commend Fred Smith, and his 8,233 employees, 4,750 of whom are residents of Memphis, for the exemplary job they are doing at Federal Express.

I insert the Post article in the RECORD, so that all my colleagues and those they represent may have the opportunity to learn about Federal Express and those who make it the success that it is.

OVERNIGHT SUCCESS

(By Blaine Harden)

The idea was to buy a bunch of jets, fly only at night, shuffle packages at one central location, pick up and deliver to customers' doorsteps and charge oodles of money. It worked!

A moonless, winter midnight in Memphis beside the Mississippi and it's time for the nightly miracle. Forty-eight purple-tailed jets, stuffed with 90,832 terribly important packages, slide down out of the windless Tennessee sky. Four hours from now the packages will be shuffled and gone, off to Buffalo, Burbank, Bangor and 15,000 other communities. All terribly important, all shuffled, all gone.

Somewhere between here and Washington, moving at 517 miles an hour in the hold of a Boeing 727, is a six-pound box of monkey kidney tissue that the Oregon State Public Health Laboratory needs by noon tomorrow. A rhesus monkey gave his life to science two weeks ago in the Flow Laboratories of McLean. His kidney tissues are fading fast. If the package doesn't arrive in Portland tomorrow, the tissue will be useless for a lab test that's supposed to isolate influenza. If Federal Express, the overnight package airline, muffs it, shuffles the kidneys wrong in Memphis, the monkey will have died in vain.

When it absolutely, positively has to be there overnight, why—in the name of modern technology, the bottom line and all that is holy in corporate America—does it first have to come to the town where Elvis Presley died?

One reason is that the father of Federal Express lives here. That's Fred Smith, and, by all accounts, Fred Smith is a helluva guy. Listen to one man who works for him: "Fred's a 36-year-old former Marine who is attractive, intelligent and rich. He has the same effect on a crowd as John Kennedy. He could walk into Yankee Stadium and everyone would turn their heads and stare. Fred Smith is the kind of man you want to root for. You want him to score."

Frederick W. Smith has scored; since he founded Federal Express eight years ago, he has amassed a net worth of more than $92 million. Fortune magazine describes his company as one of the top 10 business triumphs of the 1970s. Last year Federal Express had gross revenues of $415.4 million and net income of $38.7 million, up 81 percent from 1979. Smith was the first to cash in on the national need for overnight delivery of computer components, legal documents and monkey kidneys.

Inspiration struck when Smith attended Yale in the mid-1960s. Desperate to find a subject for a much-procrastinated economics paper, Smith stayed up late one night and stumbled upon his legendary idea: Buy a fleet of jets, fly only in the middle of the night, shuffle packages at one centrally located hub, pick up and deliver to customers' doorsteps and charge oodles of money. He got a C on the paper.

"I had the advantage of not knowing anything," Smith recalls. His model was the phone company, which uses a central switching exchange to transfer calls from distant points. As an ignorant undergraduate, Smith remembers thinking: "With the hub, the aggregate of all transmission would be enormously efficient."

The storybook epiphany at Yale is just one chapter in Smith's storybook life. Born the son of a millionaire Memphis interstate bus entrepreneur, Smith suffered as a child from Perthes' disease, a rare hip-bone ailment. He taught himself how to beat up bullies with his crutches. He overcame the disease, became a pilot at age 15 and played first-string football at Memphis University School. After graduating with honors from Yale, he joined the Marines and as a pilot flew more than 200 combat missions, winning five medals, including the Bronze and Silver stars.

Since 1972, Smith has proved himself a young Arthur in corporate Camelot, extracting money from stone-hearted investors with an almost mystical ease. In the largest venture-capital deal in American history, he raised $91 million, in addition to his $4 million inheritance, to fund Federal for its first three years. Despite Smith's sexy idea, the company foundered near bankruptcy for more than two years, losing $29 million in its first 26 months. To help bail out Federal, Smith says he once flew to Las Vegas with $200, won $26,000 in blackjack and took the money home to Memphis to help meet his payroll.

"I didn't know anything about gambling. There must be some sort of foreordination for the company," Smith says.

More about the amazing Fred Smith later. It's now 2:15 a.m. in Memphis and the Portland-bound monkey kidneys, along with 27,063 pounds of cargo, have just landed on a Federal 727 out of Baltimore-Washington International airport. The shuffle is about to begin.

After taxiing from the Memphis airport to the attached Federal Express package sorting complex, the 727 with the monkey kidneys aboard pokes its nose into a sprawling U-shaped hub building. Like dairy cows in a milk barn, the 727 and 47 other jets (including two giant DC-10s, 13 other 727s and 32 smaller French-made Dassault Falcons) crowd around the hub to drop their freight and slurp fuel. The Federal fleet goes through 225,000 gallons of jet fuel a day. A cargo door on the port side of the 727 is thrown open, disgorging seven tent-shaped aluminum cargo containers. Hooked together like boxcars, the containers are pulled into position where an insomniac Federal Express army of 705 mostly part-time sorters unloads them, tossing packages on conveyor belts.

The night spectacle of the sort—pinball-like flappers swatting packages off conveyor belts, honking and lurching electric tractors, a herd of jets gleaming in harsh white light—is presided over by a giant digital clock on top of the hub. At 12:20 a.m., the clock was set to count down from 120 minutes. The sort was supposed to be done when the clock ran out. It wasn't. A DC-10 from Los Angeles, carrying about 15 percent of the night's packages, arrived late.

Alongside the conveyor belts, the part-timers, primarily local college students working from 12:30 a.m. to 3:30 a.m., have sorted stranger and more threatening things than monkey kidneys.

They've sorted: an eight-foot-long bright green plastic pickle (which wasn't particularly threatening), canisters of xenon 133 radioactive gas (which were), peek-a-boo panties from Frederick's of Hollywood, radioactive human sperm, baby body parts, laboratory rats (some of which have escaped into the hub) and thousands and thousands of electronic gizmos with names like TRW Cinch Connections and Racal Vadic data channel modems. The electronic devices, primarily replacement parts for computers, amount to about a fourth of Federal's business. The record package count for one night, set during the Christmas rush in December, is 100,331.

On that one night, Federal Express took in about $2.5 million. It isn't cheap to ship a package overnight through Memphis. The monkey kidneys, weighing six pounds—two pounds less than the average package—cost $34.84 to ship.

Gene Powell, the 727 captain who will fly the monkey kidneys to Portland this morning, has no idea how the packages are sorted. Powell, a 41-year-old Mississippi farm boy who's been flying for Federal since its inception, doesn't have to touch a single package to make his $91,000 a year. At 2:45 a.m., in the flight operation center (about 400 yards and two light years from the package handlers), he's eating buttered popcorn with copilot Don Grant. They're worried about the weather in Seattle, an intermediate stop, along with Denver, on the Portland flight. Their flight engineer, Mark Gatling, has already gone out to a 727 parked near the hub to warm up the cockpit and check over the plane.

"It ain't good, is it?" Powell asks Grant, who has just received a weather report indicating heavy fog at Boeing Field in Seattle. The airfield is forecast to be "illegal" for landings until late morning because of low visibility.

"This means I got to go to work," says Grant, a hulking 44-year-old former Marine fighter pilot. He looks up alternate airports—Yakima, Moses Lake, Spokane. But a decision doesn't have to made right away.

"We've been released [by federal flight controllers] to Denver," Powell tells his copilot. "From there we'll see if we can get to Seattle."

At 3:10, Powell, Grant and scores of pilots—dressed smartly in powder-blue shirts with epaulets, dark blue ties, trousers, overcoats and flight caps—scramble to waiting shuttle buses on the tarmac. Jets are already pulling out, jamming up near the take-off runway, engines screaming. The gritty smell of jet fuel lies heavy on the night air. "Looks like there's an attack going on somewhere," Powell says in the bus, en route to a 727 named Nicole. The predawn scene has a discombobulated World War II romance: It's "Twelve O'Clock High" in Memphis with packages and purple airplanes.

In the cockpit of Nicole, the pilot, copilot and engineer strap themselves in, commence a liturgy of gauge checking and start the three jet engines. At 4:03 Nicole takes off, with 36,290 pounds of packages in the back where passengers usually sit. The plane is 90 percent full. Captain Powell does not introduce himself to the packages, welcome them to the friendly skies of Federal Express or point out the twinkling lights of Little Rock, Fayetteville or Tulsa.

"Packages don't get sick, they don't bitch and they don't spill their drinks," says Powell. He makes no attempt to fly around bumpy air for the convenience of the monkey kidneys. Yet his job is astoundingly similar to that of pilots who fly passengers. Federal pilots operate under the same federal flight regulations, have equivalent training, undergo the same twice-a-year medical examinations and check flights and make about the same money as airline passenger pilots. Powell's yearly salary of $91,000, Grant's $60,000 and Gatling's $45,000 for no more than 80 hours flying time a month put them above average for passenger pilots, slightly higher than United Airlines, the nation's largest passenger air carrier. The pilots spend about 15 days a month out of town.

By airline industry standards, Federal Express pays its 420 pilots well and has excellent benefits. Because the young company has grown quickly (with revenues nearly doubling every two years), its pilots have gained seniority faster than their passenger-flying counterparts. Federal has the youngest DC-10 captain in the United States: Terry Crosby, 35 years old, who makes $105,000 a year. A pilot can become a 727 captain at Federal after six years whereas attaining a similar position with a major airline could take 20 years. Federal's waiting list of qualified pilots who want jobs is 6,500 names long.

There are, however, disadvantages to being a pilot in this fly-by-night operation. Federal pilots feel passenger pilots look down on them.

"They think of us as dirtball, has-been, beer-belching pilots with leather jackets and silk scarves," says Eddie Storo, a pilot who's been with Federal two years. "They expect us to grow up and come fly passengers."

Also, Federal owns relatively old airplanes acquired from other airlines. Nicole, for instance, a 13-year-old former United jet with 22,739 takeoffs and landings, has spent 32,345 hours in the air and flown approximately 11,756,000 miles. Excellent maintenance, the pilots say, mitigates the age problem. But nothing mitigates the pilot's major complaint—flying by night, only flying by night. That, they say, makes life miserable.

At 31,000 feet over Arkansas, with the autopilot flying Nicole to Denver and little to do in the cockpit but kill time, Capt. Powell and his crew bemoan their lousy hours. Says Powell: "When I'm not flying [which is about half the time] I still live like most ordinary people—the daylight cycle, grocery shopping, church and that stuff. But I have to stay up all night to work. The end result is you lose sleep. If that doesn't bother you, that's great, but it bothers me. When I work, I'm almost always uncomfortable."

Many Federal pilots believe they are shaving years off their lives by flying at night. Mark Gatling, the 31-year-old flight engineer on board Nicole, has worked the nights for two years and says the hours are killing him: "I don't see how I could last 29 more years [until retirement at age 60] in this business."

Dr. Saul B. Sells, a research professor and director of the Institute of Behavorial Research at Texas Christian University in Fort Worth, Tex., says that while sleep interruption can make life seem miserable, the precise physiological effects are unknown. He has begun a study of Federal pilots to look at the effect of constant time zone changes and accumulated fatigue on moods and possible premature aging.

Night flying, however, apparently isn't dangerous. Federal, the nation's largest airline in unduplicated miles flown, has never had a fatal plane crash. The worst accident occurred in October of 1975 when a Falcon tried to take off in Warwick, R.I., and smashed into a DC-9 and 727 on the runway. Airports are usually empty and air traffic very light when Federal Express planes are working.

On the runway in Denver at 4:48 Mountain Standard Time. It's dark and mercilessly cold and only one other aircraft besides Nicole can be seen moving. A bundled-up ground crew of four (Federal has 8,233 employes; 4,750 are in Memphis, the rest spread out in places like this) labors on the runway. With a hydraulic loader, they pull four cargo containers weighing 15,000 pounds out of the plane and stuff them into a tractor-trailer rig.

No packages bound for Seattle are loaded here because every package that Federal ships must first go to Memphis for the Sort. Ludicrous as it may sound, a package shipped from Denver to Seattle flies to Memphis first, then back to Denver and then to Seattle.

Nicole has burned 2,560 gallons of fuel to get here from Memphis. She refuels, needing 5,230 gallons of fuel for the Seattle flight. But the pilots, having heard only sketchy weather details during the flight, still don't know if they can file a flight plan for Seattle.

Powell and Grant leave the airplane to call the Federal Express flight operations center in Memphis which has a computer link to Eastern Airline's national weather forecasting center in Atlanta. After 76 minutes on the ground, the pilots return to Nicole, strap in, go through the preflight liturgy and take off. Atlanta says Seattle is legal.

In winter, bad weather more than anything else forces Federal to renege on its promise of overnight delivery. Chicago snows in, Seattle fogs over, Newark ices up. Federal claims and its regular customers confirm that about 97 percent of the packages get through on time. (The Postal Service, by comparison, claims 96 percent on-time overnight delivery for its "express-guaranteed" mail.) Weather accounts for 1 percent of Federal's delays; mechanical failure of the jets, improper addressing, "missorts" and theft account for the rest. Federal says it loses about 160 packages a month, or about .002 percent of each night's shuffle.

To deal with the goofs that a $14-million-a-year-plus advertising campaign claims do not occur (television commercials in which a long-faced secretary is shown staring at a telephone and the announcer says, "They wait and they wait for the complaint that never comes"), there are 50 tracers in Memphis who soothe outraged customers and try to figure out what went wrong.

Neither the soothing nor the tracing is easy. Consider the case of the switched shipping bill which sent black lace underwear to a church in Los Angeles and religious pamphlets to a private home in New York. Among other hard-to-explain gaffes, Federal has lost a family heirloom wedding dress (prompting both the bride-to-be and her mother to call in, sobbing), mutilated an X-ray needed for surgery on a baby and permanently misplaced irreplaceable child photographs of a former Illinois senator. Recently some live lobsters disappeared. On the morning of Jan. 6, 1981, Joe Novak of Cupertino, Calif., opened two crates of live lobsters shipped the day before from New Bedford, Mass., and discovered 13 missing. Discounting an organized escape by the lobsters, Novak called Federal. In Memphis, tracers are investigating.

"The customers see our advertisement and they take it at its word," complains Bill Daniels, manager of the complaint department which fields about 1,000 complaints a day. "The advertisements can create the impression in someone's mind that overnight delivery is absolutely, positively guaranteed. We are not guaranteeing delivery."

Federal actually guarantees only a "commitment" to deliver a "priority-one package" by noon of the day after a pick-up. If the company fails, it will refund the shipping charge. "I'd like to see them change the slogan to 'absolutely, positively overnight or your money back,'" says Daniels.

Over Salt Lake City at 6:51 Mountain time, with a pale orange sunrise outracing them to Seattle, the three pilots aboard Nicole are tired, red-eyed and jabbering to make time pass. Because of light air traffic, the plane has an arrow-straight flight route into Boeing field. The autopilot is on again. Copilot Grant, drinking coffee, his feet on the jet's control panel, listens off and on to Charlie Douglas' all-night truckers show on radio station WWL in New Orleans ("Freightliner Fever" and "Ride That Rig to Glory"). The Portland run—1,684 nautical miles, six and a half hours, three landings—is Federal's longest and most exhausting.

"It's boring, like driving on the interstate," says Powell, a laconic former crop duster with a blond mustache and a penchant for telling stories. Federal pilots like to talk about the tricks they play on their jumpseat passengers. The 727 has two jumpseats, which are available to company employes who make reservations and don't mind staying up all night, sitting on miserably uncomfortable perches and putting up with the conversation-starved pilots. One

trick with female jumpseat riders, according to Powell, involves epaulets, through which the pilots thread the belts of their shoulder harnesses, turn to their passengers and ask, "Hmmm, you don't have any epaulets? FAA regulations require that you use something to hold the shoulder harness on." The pilots huddle together with concerned seriousness and then helpfully suggest that the shoulder harness could be held down by bra straps. It's funny, the pilots say, in the middle of the night.

Along with nearly everyone who works for Federal Express, Powell and his crew spend an inordinate amount of time talking about Fred Smith. The creator of the company, partly because of Federal's in-house television network, has become an icon for his employes. Last October's "Employe Family Briefing," a televised annual meeting combining the format of the Johnny Carson Show with the atmosphere of a faith healer's festival, presented Smith as a sort of demigod of package delivery.

More than 5,000 employees in a Memphis convention center and thousands of others in hotels across the country watched a multimedia salute to Smith. He appeared on a screen amid billowy clouds at sunrise, striking dashing poses as inspirational music blared and Federal jets swooped by. When he finally walked on stage in the flesh—after being introduced as "our chairman, our founder and our friend"—he received a standing, cheering ovation.

They love Smith because he pays relatively high wages (higher than average in Memphis), he thinks big (right now he's considering using dirigibles for package delivery to the West Coast and SST's for delivery to Europe) and his growing company hasn't had to lay off employes. Smith and his company are fiercely antiunion, using high wages and morale-boosting gimmicks like the televised family briefing to fight off organizing attempts by the Teamsters Union.

Smith, the prematurely gray Wunderkind who invented the industry his company dominates, says he's confident Federal will continue growing. The company's last reported quarterly earnings showed revenues up 41 percent for a similar period in 1979 and profits up 25 percent. Federal lays claim to about a third of the overnight package market. Emery Air Freight Corp., Federal's major competitor, has about 19 percent; United Parcel Service, 16 percent; Airborne Freight Corp., 8 percent; passenger airlines, 4 percent, and the rest (including the Postal Service's overnight delivery service) 23 percent. Federal is the only major small-package service that owns its own fleet of jets, an enormously expensive investment for an upstart company. The fleet of 55 jets is valued at more than $285 million. It also owns 2,500 delivery vans.

"We are so much bigger than anybody else," Smith says. "It would take a corporate behemoth to muscle its way into our business."

Landing gear grind down out of Nicole at 8:31 Pacific Standard Time as Powell and his crew prepare to land in Portland. It's an atypically bright morning in the Northwest. The Columbia River shimmers below, strands of fog curl in the wooded foothills of the Cascades and off to the right stands snow-streaked Mt. Hood. Rush-hour traffic clogs the suburban freeways. An hour earlier, the fog in Seattle had dissipated at Boeing Field to permit a routine delivery of 12,400 pounds of packages. Before landing in Seattle, Powell said, "Oh boy, I'm tired. This is hard." His copilot nearly nodded off to sleep.

On the ground in Portland, the pilots take a taxi downtown to the Portland Hilton for sleep and a 36-hour layover. Nicole will be refueled, serviced and flown back to Memphis this afternoon by a crew that arrived two days earlier.

The monkey from McLean did not die for naught. His kidneys, having traveled 2,724 miles overnight, are delivered at 10:04 by van to the Oregon Public Health Lab.●

JOHN P. MUELLER IS MINNESOTA WINNER OF VOICE OF DEMOCRACY CONTEST

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HAGEDORN. Mr. Speaker, I would like to bring to the attention of my colleagues in the House of Representatives the following speech by John P. Mueller, a resident of Minnesota's Second Congressional District. Mr. Mueller, a student at Mapleton High School, earned first place honors in the State of Minnesota in the VFW voice of democracy contest.

Mr. Mueller's fine speech impressively expresses the commitment to freedom and the allegiance to democratic principles that have made and will continue to make our country great.

In the 6th century B.C the great Chinese philosopher, Master Confucius, introduced to his country a proverb that dealt with how his countrymen should conduct themselves. Confucius said:

"If there be righteousness in the heart, there be beauty in the character.

If there be beauty in the character, there be harmony in the home.

If there be harmony in the home, there be order in the nation.

If there be order in the nation, there be peace in the world."

This concise statement serves as a model for my commitment. It must be rooted in my heart. The father of our country, George Washington, began with his heart. His inner convictions for a country governed by and for the people, influenced his character. Because of Washington's sterling character and because of his actions, he encouraged his fellow countrymen and future generations to make a commitment to their country.

So, first of all, my commitment is to my character. I can benefit my own generation, as well as others to come, but I must start with my heart. If I want an effective government, I must be effective. If I want more participation in government, I must participate. And if I want a great nation, I must strive for no less! The benefits of my commitment hinge on me. If I am a rusted hinge, the door is shut. If I am a lubricated, moving hinge, the door swings open for democracy.

The freedoms I have as an American citizen are virtually unlimited. There is one basic privilege afforded everyone, and that is the freedom of life, liberty, and the pursuit of happiness. From this democratic principle my country's constitution guarantees me many rights, such as: Freedom to voice my opinion; Freedom to live a private and secure life; Freedom to be equal, and expect justice before the law; And finally, the freedom to privately own property.

When the forefathers of our country wrote the constitution, they looked for rights that would promote order in the nation. My commitment to these rights is a pledge to assure that order in the nation.

But how do I show my commitments? Well, if I continually accept favors from a friend and do not give something in return, I will lose his respect, as well as my own; therefore, to preserve my self-respect, I am going to give something out of appreciation for the rights and privileges afforded me by my government. One of the ways that I support my government is by allegiance, that bond of loyalty and obligation to my country and its laws. I will show my allegiance by informing myself on public questions, selecting the right type of officials to run my government, and if I have the right qualifications, sharing them by serving in my government. One of the most obvious ways to show my allegiance is to serve in my country's armed forces, defending my country from enemies that would infringe upon its rights.

James Russell Lowell said, "Once to every man and nation comes the moment to decide, in the strife of truth with falsehood, for the good or evil side." I, too, must decide. What is it in my country that is worth cherishing and preserving? There should be a substance—a "rock". To me, this rock is the vision of democracy. My devotion, therefore, is not just to a specific geographical location or a specific nationality of people, or a specific way of life. My devotion is to the promise of freedom, which isn't much honored elsewhere in the world. With dedicated commitment to my character, my rights, and my responsibilities, I am promoting the realization of this mighty vision. My commitment speaks to my countrymen, to future generations, and to the world. Like that saying coined nearly 2500 years ago: From my heart my commitment shows singleness of purpose. From my character it shows beauty. From my family it shows harmony. From my nation it shows order, and to the world, my commitment offers the hope of freedom and the promise of peace.●

REAGAN ECONOMIC PACKAGE: THE ROYKO PERSPECTIVE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. MICHEL. Mr. Speaker, there has been much said about the President's program for economic recovery, but I doubt it has been said better than by Chicago Sun Times columnist Mike Royko.

Most of the newpaper accounts of the Reagan budget reforms leave the reader with the impression that the Republican administration is bent upon cutting programs for the poor, the disabled, the elderly, and otherwise disadvantaged in our society. It is true, of course, that a number of programs in the reform package were and are designed for America's disadvantaged. Unfortunately, the newspaper

stories and television and radio accounts have not taken the discussion any further. While I have seen emotional interviews with poverty-stricken Americans on the television screen night after night, reinforcing the perception that the Reagan program will leave them more improverished, I have not yet seen any television interviews dealing with the individual who, through Government subsidy, can actually earn more while unemployed than he can while working in the Nation's most lucrative skilled trades. Nor have I seen interviews with those who shop supermarkets for lobster and steak and then pay the bill with food stamps. The point is that abuse of Federal programs and neglect of them by Govenment has created what is now an intolerable situation.

Mr. Royko deals with these seemingly contradictory circumstances in a simple, clear, and informative manner that is uniquely his. To me, it is must reading for everyone. I am, therefore, inserting at this point in the RECORD, "Are All Cuts Unkind," by Mike Royko, from the Friday, February 20, 1981, issue of the Chicago Sun Times:

ARE ALL CUTS UNKIND?

(By Mike Royko)

A Democratic politician was on my phone only minutes after President Reagan finished his economic message. He had several hot ideas for ways I could try to shoot holes in some of Reagan's proposals.

There's no sport I enjoy more than target practice on a politician's programs, whether he is a president or an alderman. But not this time. I'll have to disappoint anyone who is in the mood for Reagansniping. I have two reasons. Maybe more will come to me as I go along.

First, Reagan said nothing that he hadn't promised during his campaign. And these promises are what led to the huge landslide. If the overwhelming majority of voting Americans thought they were good ideas only three months ago, they probably think they're even better ideas now.

So Democrats—especially congressmen—would be wise to keep in mind that Reagan's economic plan is something most people want. It is their money, after all.

And the Democrats in Congress should also remember that they and a Democratic president had four long years to do something about this country's economic mess, and they did nothing but act goofy and make it messier.

Since they couldn't do anything but bicker, bicker, bicker for four long years, then they should be sporting enough to give somebody else a chance to try something.

Second, I can't really argue with most of Reagan's programs. Not after years of writing countless columns about that bloated federal bureaucracy, federal programs that only a computer could understand, and Washington crazies running around the country telling everyone how they should live and spend their money.

For example, I can't quarrel with cutting the food stamp program when one of my closest friends—a person who can usually be counted on to say the liberal thing—grinds her teeth every time she goes food shopping and sees someone using food stamps to pay for frozen lobster, while she has been carefully selecting the cheapest cuts of meat.

Should one out of every 10 people really be drawing food stamps, paid for by people who are working hard and barely making ends meet themselves?

And when Reagan talked about the special unemployment benefits that only auto and steel workers receive, I remember a Florida winter vacation I took a few years ago.

I began the vacation at a time when there were widespread layoffs in Detroit because of a temporary fuel crisis. Suddenly, the resort area where I was staying was flooded with campers with Michigan license plates. Floridians said they had never seen anything like it.

Now, I feel for the unemployed. I would like to see everyone have a job (especially all teen-agers—and the dirtier and harder the better).

But most of my friends were in Chicago working because they couldn't afford to go to Florida and sit on a beach or fish. Besides supporting themselves, they had to pay their income taxes.

So it didn't make sense to me that people in the freezing North would be working to pay income taxes that would then be used to provide unemployed people with a chance to take a long vacation in the sunny South. I don't think that's the way unemployment compensation was intended to work.

Then there is the student loan program. As I understand it, I'm pretty dumb because for the last four years I did not have my oldest son get a loan.

The reason I didn't was because I could have let him get a loan, which would be repaid at very moderate interest rates—and in shrunken inflationary dollars—after he finished college.

Then I could have taken the money I used to pay his tuition and invested it at much higher interest rates. And when we finally added the numbers, I would have turned a neat profit. The interest I earned on an investment would have been bigger than the interest I later paid on the student loan.

But when somebody makes a profit, it's coming from somewhere. And in the case of the student loans, the profit I could have made would have been coming from somebody else's taxes. And it doesn't seem fair that people who earn enough money to pay college tuition should be indirectly subsidized by those who can't.

Nor does it seem fair that free hot lunch programs should be provided for children whose parents can afford to provide their own hot lunches.

Now, before my liberal friends call to scold me about turning into a heartless, right-wing, capitalist running dog of Wall Street, please. . . .

Cross my heart and hope to die—I am all for giving food stamps to people who really need them. But I mean really. I grew up in a Depression household where women could perform kitchen miracles by stretching a chicken or a piece of rockhard beef all around the dinner table. But if the ladies had shopped for frozen convenience foods and TV snacks, we'd have eaten the wallpaper three times a week.

And I'm for unemployment comp. But not a special program that lets some people live better while out of work than while on the job.

I'm for helping any struggling family get a kid through college. I'm for giving hot lunches to poor families. I'm for most of the major welfare programs. My heart bleeds with the best of them.

But you have to be blind not to see that in the 48 years since Roosevelt's New Deal began, one Congress after another has had one New Deal after another. And their motto has been: When in doubt, give somebody something.

If nothing else, the law of averages says that once in a while, some program isn't needed and ought to be dumped.

Reagan's cuts might not all be fair. But until I see somebody's ribs sticking out because of him, I'm not going to wring my hands.

In the meantime, I admit that after four years of listening to The Peanut drone on and on about how tough his job is, how complicated everything is, and how nothing works, it was almost a shock to hear somebody just say: "Here's what I'm going to do."

See? The day after the election I said that having tried all kinds of presidents recently, we might as well try one who isn't too bright.

And I was right. Reagan hasn't figured out how tough the job is, and how complicated it is, and how nothing works.

If he just stays that way, maybe it will work.●

CONFRONTING THE THREAT TO RFE/RL

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. ZABLOCKI. Mr. Speaker, the bomb explosion which occurred last Saturday evening at the Munich headquarters of Radio Free Europe/Radio Liberty is a matter of deep concern to all Members of this body who are aware of the importance of these broadcast operations in promoting U.S. foreign policy and national security objectives. This explosion, which marks the first violent act involving RFE/RL since its inception more than 30 years ago, resulted in extensive damage to the headquarters building and injured four employees—two critically.

While this is a serious development with dangerous implications for the future of East-West relations, especially if it marks the beginning of an overt campaign of violence and intimidation against the radios and their employees, there is an evident need—at this point—to avoid rushing to judgment and thereby creating an atmosphere of panic.

In a statement issued by RFE/RL, President Glenn Ferguson, Sunday, February 22, 1981, it was emphasized that the Munich police have cooperated fully in investigating the circumstances and in providing extraordinary security service for an indefinite period. Internal security has also been increased appreciably, and I am informed that the building is considered secure and that with the exception of certain designated areas, the radios' staff is free to use the premises. Above

all, it should be noted that normal programing is progressing and that all studios are in operation.

Although it appears that the bombing, apparently by a timing device on the outside of the RFE/RL building near the Czechoslavak service area, was a professional effort, there is as yet no indication or evidence which would point to any particular cause, institution, group or individual. Further details, however, will be provided as they become available as a result of the ongoing investigation. Clearly, the first priority is to improve and tighten long-term security procedures.

This unfortunate episode serves to highlight a basic underlying principle: These radios must, I believe, be assessed in the context of our national security interests—not in isolation. They are part and parcel of our overall defense effort, which the Reagan administration has promised to upgrade. Both are under attack by the Soviets at the bilateral level and at the Madrid Conference on Security and Cooperation in Europe—a development which clearly indicates how these stations are viewed by our potential adversaries.

Despite the pressing need, not only for enhanced security measures, but also for better transmission power in certain key areas of the world, the Office of Management and Budget has continued in effort a $4 million cut on the RFE/RL budget which was also imposed on the preceding administration by the very same office. It appears, in fact, that there is a certain bureaucratic inertia in OMB which transcends administrations—despite the new directions we have been reading so much about lately—and despite the campaign promises made by both the President and the Vice President last fall.

Mr. Speaker, I include in the RECORD at this time an article by Mr. Cord Meyer, a former senior intelligence official, which makes these points rather persuasively and which I commend to the attention of my colleagues.

The article follows:

THE RADIO VOICES OF AMERICA

(By Cord Meyer)

In a sharply disputed decision that may yet be reversed, David Stockman's budget cutters have decreed that Radio Free Europe-Radio Liberty (RFE-RL) must accept the $4 million cut in their '82 budget that was imposed by the Carter administration before it left office.

Advised that they were lucky to have escaped additional reductions, supporters of these hard-hitting broadcasts aimed at Russia and Eastern Europe are dismayed by what appears to be a repudiation of a firm campaign commitment.

As candidates, both President Ronald Reagan and Vice President George Bush condemned the Carter administration for its failure to support adequately RFE-RL broadcasting. They are both on record with promises to reverse Carter's policy of keeping these radios on short rations with a skeleton staff and insufficient transmitter strength.

This preliminary budget decision looks all the more penny-wise and pound-foolish when weighed against the extraordinary opportunities that have been opened up by the heavy-handed Soviet attempts to keep the Russian and Eastern European populations in ignorance of the real significance of the Polish renaissance and the Afghan resistance. By increased jamming and censorship, the Kremlin is desperately trying to protect its propaganda version of these events from being challenged by exposure to the facts.

Whether the continuing Polish dream ends in blood-stained tragedy or in the triumphant assertion of free trade union rights, the Polish workers are changing the basic conditions of Soviet rule within the Kremlin's far-flung empire. Unable to intervene because of the risk of world war, the West has at least the moral obligation to tell their story straight, above the jamming, to the millions who listen to foreign broadcasts.

But in addition to this general obligation, there is a specific and hard-headed practical purpose to be served by increasing the power and reach of RFE-RL broadcasts. The only really effective pressure that can be brought to bear on the Kremlin leaders to cut their rate of military spending is the fear that their own resentful workers may follow its Polish example.

THE NEWS IN MOSCOW

The rulers in the Kremlin are more aware than the West of the potential for trouble in Russian mines and factories among workers whose patient endurance of privation and official corruption is not endless. All news of strikes is rigidly suppressed but they are known to have occurred.

It cannot have escaped Moscow's notice that a year ago there were only a few dozen labor activists under police harassment in all Poland and that now the Solidarity labor federation claims 10 million members. To check the spread over the air waves of this contagious freedom, the Soviets are already attempting to destroy the credibility of the radios and to knock their transmitters off the air.

On the diplomatic level, Foreign Minister Gromyko in his recent letter to Secretary of State Haig charged that "radio stations under U.S. control" are guilty of provocation, in spite of the fact that State Department monitoring has found RFE-RL to be scrupulously accurate. Similarly, the Soviet delegation at the Madrid Conference has unsuccessfully tried to force West Germany, Spain and Portugal to cancel the rights of RFE-RL to broadcast from transmitters in their territories.

THE KGB CAMPAIGN

In order to backup their false allegation that the broadcasts are funded and controlled by the CIA, the Soviets have now charged that the radios are transmitting coded messages to secret agents. An orchestrated program of blackmail, disinformation and covert action against the radios is being undertaken by the KGB in a sustained effort by the Kremlin to reduce its own vulnerability.

If these defensive reactions by the Politburo are not enough to prove to Stockman's budgeteers that their proposed cuts are unwise, they should read the report of Reagan's transition team on RFE-RL. Although not yet published, this report castigates the Carter administration for having allowed inflation to impose crippling personnel cuts and calls for a full restoration of the $4 million that Carter slashed.

In addition, Reagan's transition team points out that the medium-wave RFE transmitter on which millions of Poles rely for accurate news was purchased in 1949 and is badly in need of replacement. They also call for an additional $2 million to strengthen Radio Liberty's transmitting power directed at Soviet Central Asia, where 50 million Soviet Moslems are largely kept in ignorance of events in Afghanistan.

Minuscule in comparison with the costs of modern weaponry, these modest increases are far more in line with Reagan's campaign commitments than Stockman's ill-advised economies. When Reagan's top policy advisers focus on this problem, as they are beginning to do, there is hope that these essential broadcasts will finally get the financial support that they deserve and that Reagan promised.●

AMENDING FOOD STAMP ACT

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HARTNETT. Mr. Speaker, one of the most frequent complaints which I receive from the taxpayers of this country concerns the waste and abuse in various Federal programs. Most people believe that we need a serious review and reform of our Nation's food stamp program.

I am certainly encouraged by President Reagan's efforts to revise entitlements in order to eliminate unintended food stamp benefits. In addition to the President's recommendations, I believe we need to go one step further by eliminating striking workers—workers who are voluntarily unemployed—from food stamp eligibility. The Federal Government should not provide food stamps to people who voluntarily walk off their jobs. By providing food stamp benefits to striking workers, the Federal Government is intervening in a labor dispute.

In essence, the Federal Government is taking sides in a labor dispute, and I feel this is very inappropriate. Providing food stamps to striking workers only prolongs strikes, causing greater damage to the economy. Preliminary figures from the Department of Labor statistics indicate that in 1980, there were 4,000 strikes in this country involving 1,400,000 workers. These strikes resulted in 31,500,000 days of idleness which had a severe impact on productivity. It is estimated that in fiscal year 1981, $41 million will be paid in food stamp benefits to striking households. It is my opinion that feeding those who voluntarily go on strike is the responsibility of the union and not of the Federal Government.

For this reason, I am introducing legislation which has also been sponsored by the senior Senator from my home State, Senator STROM THURMOND. Under this legislation, no household would be eligible to receive food stamps if any member of that household is on strike.

Mr. Speaker, enactment of my bill would prevent the Federal Government from subsidizing striking workers and would result in substantial savings to the American taxpayers who are in desperate need of tax relief.

The text of the bill follows:

H.R. 2032

A bill to amend the Food Stamp Act of 1977 to prohibit certain households containing persons involved in labor-management disputes from participating in the food stamp program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended by striking out the last colon in, and the third proviso to, such section.

SEC. 2. Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by striking out subsection (i).●

ACHIEVEMENTS OF MRS. MARVA COLLINS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the achievements of Mrs. Marva Collins. Mrs. Collins, who had been teaching in the Chicago Public School System for 14 years, opened the Westside Preparatory School 5 years ago for children who were thought to have learning disabilities or emotional problems.

I am sure my colleagues will find the attached article interesting.

PROUD STUDENTS

TEACHER OPENS CHALLENGING SCHOOL

CHICAGO.—Children kicked out of school and labeled hopeless—Marva Collins wants them all.

The waiting list for her inner-city Westside Preparatory School runs over 1,000. "Those who are failing the most miserably" are selected first, Mrs. Collins said.

"We take the problem children," she said. "We take the children that no one else wants. Every child in here was thrown out of somewhere else."

The children were told they were mentally retarded, or had learning disabilities or emotional problems.

That just is not so, Mrs. Collins said.

Now every two weeks, they read a book straight from college booklists—Shakespeare, Plato, Aristotle, Socrates, Goethe, Nietzsche, Jane Austen, Ralph Waldo Emerson and Oscar Wilde.

At Westside, a 4-year-old's reading level is equal to what the average youngster reaches in the second semester of first grade. Sixth-graders read at college level.

Children's underestimated minds are stimulated more by reading Emerson's "Every man has pure thoughts . . ." than simplistic sentences, Mrs. Collins said.

"I certainly think a child will get more out of that than 'See Sue run.' Life just is not like that. It does not give them anything to think about. I think school should be a miniature society that will prepare children for life.

"To keep saying the same foolish thing over and over, children are just a bit too sophisticated to sit and listen to that. They come to us with word knowledge, after watching television and everything.

"A child's mind is like a piggy bank. If you put nothing in it, there is nothing to come out. Life is as much as you are willing to put into it."

Teachers said Chris, 9, had a learning disability and kept him behind in public schools. One month later, he read Beowulf and "Catcher in the Rye."

"I can not believe it," his mother said. "Chris had never read a whole book in his entire life. It has always been in him. It really nurtured."

It took Marva Collins to nurture it.

She makes each child feel he is the most important person in the world and can do anything he wants to do.

She holds a young boy's hand while he tells the class about the book he is reading. She glances to the other side of the room to help another child. She calls them sweetheart, gives them kisses.

She treats them all the same. "Here you cannot tell the welfare children from the very super rich."

Wearing designer clothes and carrying a Louis Vitton handbag, Mrs. Collins, 43, looks out of place in the crowded, makeshift school. That's typical. She instills pride in her students and encourages them to look their best.

Five years ago, Mrs. Collins began the school with 18 pupils at her own house on Chicago's tough West Side. The school grew. It moved to a nearby rented bank building. There are now 200 students, predominantly black and aged 4 to 14, seven teachers and six classrooms.

Mrs. Collins, a mother of three, had taught in the Chicago public school system for 14 years before starting her own school.

"I just was very disenchanted with what was happening, and I couldn't change it. People would think I was going too fast . . . for a 7-year-old child to read 'Pride and Prejudice.'

"I'm so excited about my own program. I don't have to have people saying, 'You're nuts.' "

Mrs. Collins teaches the oldest class where age makes no difference. The 7-year-olds sit with the 14-year-olds. They all read "Vocabulary for the College-bound Student."

"We're beginning to have all the fancy schools across the country here to ask for our children now," she said.

When school's over, the children, who haven't been outside all day or had a recess, don't want to leave. They hide behind doors and bookshelves. They stay behind, writing sentences on blackboards and showing off what they just learned.

Ruth, a 6-year-old who has just recited Rudyard Kipling's poem "If" by memory, writes with her piece of chalk: "The physician examined Neal's trachea."

Mrs. Collins helps her with the spelling. She says: "Speak up, because if you don't, someone else will speak for you. And when other people speak for you, it's always to their advantage.

"Every morning you jump out of bed and look in the mirror and say, 'Hey, I'm the brightest girl in the whole world and I'm going to give it all I have today.' "

She talks about becoming doctors and lawyers. She tells the children: "If you don't like the books that are written, write your own."

Her class recites in unison the words: curious and discontent.

"I think any person who does well has to be curious or discontented," she said.

Her methods of discipline are innovative.

"One child kept chewing gum today. So she has to write the art of chewing bubbles and she has to look up the etiology of gum tonight and she has to write me a recipe of the ingredients that's in that gum that she insisted on chewing. And that's all.

"If they say they're going to hurt someone, I make them hug each other and say 'I love you.' They hate that. I tell them. 'The next time I'll make you kiss each other.' That stops it. And then I make them sit next to each other, too."●

SOME THEORY ON DECONTROL IS SO MUCH NATURAL GAS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. GAYDOS. Mr. Speaker, barely a month ago the new President swore the oath of office and promised a new direction; since then he has fully decontrolled gasoline and heating oil—petroleum—and sent up a trial balloon proposing decontrol of natural gas for next winter and all winters to come. It is a bad idea.

This pending double dose of decontrol shows a poor sense of direction; if whipping inflation is the goal, as it should be, then decontrol is not a new direction but the wrong direction.

It could greatly heat up inflation and take up to $92 billion right out of the pockets of working and retired middle Americans, according to the experts.

That $92 billion would be in the shrinking dollars of retired workers whose fixed incomes threaten the cruel choice of heat or eat; and it would come from working families who right now are conserving, cutting, scrapping, and giving up things just to stay even. So it would signal a big, immediate step back in our standard of living.

And it would make some of our more pressing problems a little tougher to solve in ways tangible and intangible.

These problems facing the administration and the Congress, and more importantly, the people are great.

We have inflation, credit crunches, recession, and monetary problems that make the realistic goals of yesterday's America, such as homeownership, the unattainable daydreams of today's Americans.

We have an abused industrial base crumbling under the hammer blows of unfair foreign competition and mud-

died trade policies, and an accompanying loss of jobs numbering in the thousands.

Further, we have public schools that do not educate; epidemic use of drugs and more crime than we should; there still are avoidable deaths in the workplace; the people continue to face bankruptcy in the event of prolonged illness; and the social security system is shaky; and more.

And, although energy is a problem, this proposed double dose of decontrol will do nothing to provide more natural gas for residential or industrial use or any purpose, the experts and some energy associations say.

More important, though, is the intangible of attitude.

We have a mess, and we all are in it together, and the people want to get on with the business of finding answers.

However, those answers will not be found in giving the people the business, which should be understood from the start, whatever the direction.

But this double decontrol would give them the business thoroughly.

In the 20th Congressional District of Pennsylvania, it could have the people devoting nearly 20 percent of their household buying power to energy alone.

Many similar steps in this new direction and the term middle American will take on bitter new meaning for them; it will mean Americans caught in the middle, lodged firmly between the rock and the hard place of contemporary folklore. It never is comfortable there.

Caught between the rock of unchanging pay envelopes and the hard place of rising prices. When all do not share the pressures of that particular position, those who get the grinding become angry and resentful; and a wearing away begins on the consensus that could see the Nation through the task of rebuilding. We are not all in it together when the pressure is not shared.

Our current ills require strong medicine, but the shock of double-dose decontrol may be more than the economy can stand. The Consumer Price Index could probe new highs.

Dose No. 1: Decontrol of petroleum; the experts say it will take $11.7 billion from working and retired middle America in fiscal 1981 and, of course, more later. In return they get more exploration, more gasoline. That is how it looks in the textbooks and to the economists.

But between the rock and the hard place in the 20th District it looks like this: You and your wife both work just to keep up and your household buying power is the average $20,724; you need two older cars to get you to two jobs, and you drive 25,000 miles a year between you.

Your gasoline bill will be $2,343 a year at 16 miles per gallon and $1.50 for each gallon; and that is 11 percent of your buying power.

Dose No. 2: Decontrol of natural gas; the experts say it could take up to $80 billion annually under the most drastic forseen increase that would face working and retired middle Americans. In return they get more exploration, more natural gas. That is how it looks to the economists and other theoreticians.

But between the rock and the hard place the most commonly heard expert speculation is for a more moderate increase, a simple doubling of price; and from the 20th District it looks like this: You are paying $663 a year at current rates and reeling under recent increases, adjustments and pass-ons, but nevertheless getting by; you have insulated, turned down the thermostat, and wear sweaters indoors.

But next year you can expect heating to push your gas use to $1,325, which is 6 percent of your buying power, if natural gas only doubles.

That is 17 percent of your buying power for energy, but that is not all decontrol does to your buying power.

Added to the 17 percent must be the indirect costs that will be passed on in price increases on every service and every piece of goods bought or sold that involves the use of natural gas: Automobiles, anything made of steel or aluminum, food, clothing, cleaning, new shelter, hospital care, and school operating expenses.

Wherever the inquiring mind can look, there it will see decontrol putting strong upward pressure on inflation.

The President must decide whether he wants the Nation to unite in fighting inflation or fail to bickering over who represents what interests, and who is profiteering, and how badly. That is how a consensus erodes.

Now the pure economic theorists in this House will argue strenuously that decontrol will stimulate exploration and discovery of petroleum and natural gas, and that the higher prices will force individual conservation.

All of that is just so much uncontrolled natural gas, Mr. Speaker.

The theory has half a dozen holes in it under conditions that apply currently in the United States:

First, most natural gas is found in conjunction with petroleum; petroleum drilling is up and will continue to rise as quickly as possible.

Second, the reason more wells are not drilled is not a shortfall of incentive but a shortage of rigs and trained personnel; our experts say new rigs cannot be obtained without a substantial wait and that oil companies are engaged in massive personnel raids to find trained hands to run them.

Third, natural gas controls are to be phased out through 1985 under existing law; and the experts say the presence of waning controls will not make any real difference in exploration.

Fourth, some gas lobbies have acknowledged a surplus productive capacity; that means they have more gas than they can sell.

Fifth, the American Gas Association favors the existing schedule.

Sixth, individual conservation measures—insulation, storm windows, lowered thermostats, timers—have been underway for several years now, and some experts feel that most who can afford such conservation efforts have made them; and when use falls, prices generally rise to meet a regulated company's guaranteed rate of return, which makes conservation-minded consumers angry.

Decontrolling the price of natural gas under these conditions amounts to bleeding working and retired middle America for no visible benefit except to increase already record profits. U.S. News & World Report recently estimated that gas utility profits are up 18.4 percent while petroleum profits are up 5.8 percent.

Double decontrol is the wrong way to go, Mr. Speaker.

Strong medicine often is necessary to cure serious illness. Curare is strong medicine, so powerful it is not used without painstaking care. A controlled dose to a patient is invaluable to surgeons in operating. But too big a dose will kill, for it is a deadly poison.

And in the case at hand, a double dose of decontrol will poison and kill the spirit of pulling together that we have now, and that we need to put things right. The people will eagerly carry their share of the burden, accept their portion of the pain; but they should have only a fair share, not the whole load.

For these reasons I would oppose any recommended double decontrol. I would urge the House to reject it. In fact, I urge the President not to send it to us.

Then we can get on with the business of finding answers for the people instead of answering the people by giving them the business.●

SALUTING THE MAKER OF THE INAUGURAL MEDALS

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. RATCHFORD. Mr. Speaker, I commend the attention of my colleagues today to the creative industry of a company in the Fifth District of Connecticut, the Medallic Art Co., Inc., which has struck and is producing a series of unique and highly collectible medals commemorating the inauguration of Ronald Reagan as President.

The Medallic Art Co. has been in the buisness of manufacturing high-quality medals for years, and has been a valued employer, taxpayer, and good neighbor in my home city of Danbury. But, of course, Medallic Art's business has been more than just a business: A sense of artistry is palpably apparent in each of its creations; a sense of history informs and inspires its entire collection.

Medallic Art's inaugural medal—in five different size and metal combinations—displays on its obverse a careful portrait of the President, prepared from a life mask, and on its reverse a detailed depiction of the west front of the Capitol, where Mr. Reagan took the oath of office as our Nation's 40th President. The medal is more than a fine piece of work and a credit to all of us in western Connecticut—a region that is proud to be the home of a number of collection-quality medallic mints. It is a testament to the esteem numismatists have long accorded Medallic Art—for the Presidential medals that have preceded the current edition, for the special Olympic collection minted to commemorate the games at Lake Placid, N.Y., last year, and for dozens of other brilliantly wrought examples of the numismatic art.

I trust my colleagues will join me in saluting the care and craftsmanship of Medallic Art Co.—a business I and all the citizens of the Fifth District are proud to call a neighbor, a business we are pleased to see building success from a firm tradition of innovation, artistry, and the highest standards of minting excellence.●

FUTURE HOMEOWNERS' SAVINGS ACCOUNT ACT

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HARTNETT. Mr. Speaker, only 18 percent of the homes sold in 1979 were firsttime buyers, compared to 36 percent in 1977. If the current trend in housing costs continues, the average price of a new home in 1984 will be $100,000.

Firsttime homebuyers need some form of tax relief. Between fiscal year 1976 and fiscal year 1981, Federal taxes will rise from $300 billion to $608 billion, a 101-percent increase. The Federal Government took 26.1 percent of the average person's income in taxes in 1976, compared to an estimated 30.1 percent in 1981. Federal taxes per household will rise from $3,900 to $7,500 over the same period which is the largest share of income going to Federal taxes in the history of our Nation.

Under current law, Federal taxes will increase to $11,200 per household in fiscal year 1984 or 32.6 percent of a person's income. Young people today simply cannot afford to buy a home.

To help correct this situation, I am introducing legislation which would allow an individual to deposit up to $1,500-$3,000 if married—per year for a maximum of 10 years into an individual housing account. The account would be nontaxable as long as the principal and earned-interest on the account is applied toward the purchase of a first home.

The money from this account must be used within 10 years to purchase a home. If the account is used for any other purpose, the money would be taxed at the full rate for the full amount of years it had been deferred.

My bill would provide the necessary incentive for people to save money for the purchase of a home by reducing their tax liabilities up to $3,000. If a married couple earns $25,000 together, they must pay $4,050 in Federal taxes. If they place $3,000 in an individual housing account, their new taxable income is $22,000, paying $3,220 in Federal taxes. The interest on $3,000 at a 7-percent rate is $210 per year. By saving $3,000 in an individual housing account, in 1 year, this married couple would have $830 in tax savings plus $210 in interest toward purchasing a new home.

The Future Home Savings Account Act would give people the opportunity to save enough money to put a down payment on a first home and it would increase the money market supply for mortgages and conventional homebuyers. This would certainly help the entire housing industry as well as the overall economy.

The text of the bill follows:

H.R. 3033

A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions to saving accounts for use by firsttime homebuyers in purchasing a principal residence

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "————".

SEC. 2. HOUSING SAVINGS ACCOUNTS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. HOUSING SAVINGS ACCOUNT.

"(a) DEDUCTION ALLOWED.—In the case of an individual, there is allowed as a deduction the sum of—

"(1) amounts paid in cash, and

"(2) the fair market value of stocks, bonds, or other securities, readily tradeable on an established securities market, transferred.

during the taxable year by such individual to a housing savings account.

"(b) LIMITATIONS.—

"(1) MAXIMUM ANNUAL DEDUCTION.—The amount allowable as a deduction under subsection (a) to an individual for any taxable year may not exceed $1,500 ($3,000 in the case of married individuals filing a joint return).

"(2) MAXIMUM LIFETIME DEDUCTION.—The amount allowable as a deduction under subsection (a) to an individual for all taxable years may not exceed $15,000 ($30,000 in the case of married individuals filing a joint return).

"(3) STOCK, ETC., TO BE VALUED ON TRANSFER DATE.—The fair market value of stock, bonds, and other securities is to be determined as of the date on which it is transferred to the account, or, if the transfer occurs on a Saturday, Sunday, or other public legal holiday, on the last preceding day on which it could have been traded.

"(4) ADJUSTMENT OF LIMIT FOR INFLATION.—

"(A) IN GENERAL.—Beginning in 1983, the dollar amounts in paragraph (1), paragraph (2), and subsection (c)(1)(A) shall each be adjusted by multiplying such amounts by the inflation adjustment factor for the 12-month period ending on July 31 of the preceding calendar year and, as adjusted, shall be substituted for such amounts for taxable years ending with or within the calendar year next beginning after such 12-month period.

"(B) COMPUTATION OF INFLATION ADJUSTMENT FACTOR.—

"(i) DETERMINATION AND PUBLICATION.—The Secretary shall, not later than October 1 of each calendar year (beginning in 1982), determine and publish in the Federal Register the inflation adjustment factor for the immediately preceding 12-month period ending on July 31 in accordance with this paragraph.

"(ii) INFLATION ADJUSTMENT FACTOR.—The term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the average monthly Consumer Price Index (all items—United States city average) published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period ending on July 31 and the denominator of which is the average monthly Consumer Price Index (all items—United States city average) for the 12-month period ending on July 31, 1981.

"(c) HOUSING SAVINGS ACCOUNT DEFINED.—For purposes of this section, the term 'housing savings account' means a trust created or organized in the United States for the exclusive benefit of an individual, or in the case of a married individual, for the exclusive benefit of the individual and his spouse jointly, but only if the written governing instrument creating the trust meets the following requirements:

"(1) No contribution will be accepted unless it is in cash or in stocks, bonds, or other securities readily tradeable on an established exchange, and contributions will not be accepted for the taxable year in excess of $1,500 on behalf of any individual ($3,000 in the case of a trust for an individual and his spouse), or in excess of $15,000 on behalf of an individual for all taxable years ($30,000 in the case of a trust for an individual and his spouse).

"(2) The trustee is a bank (as defined in section 401(d)(1)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that

person will administer the trust will be consistent with the requirements of this section.

"(3) No part of the trust assets will be invested in life insurance contracts.

"(4) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(5) The entire interest of an individual or married couple for whose benefit the trust is maintained will be distributed to him, or them, not later than 120 months after the date on which the first contribution is made to the trust.

"(6) The assets of the trust shall be invested in accordance with the directions of the individual contributing to the trust, but, if more than 1 individual makes contributions to the trust the consent of all such individuals shall be required with respect to such direction.

"(d) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, any amount paid or distributed out of a housing savings account shall be included in gross income by the payee or distributee for the taxable year in which the payment or distribution is received, unless such amount is used exclusively in connection with the purchase by the payee or distributee of a dwelling which constitutes his principal residence and which is the first dwelling in which the payee or distributee has an ownership interest. The basis of any person in such an account is zero.

"(2) EXCESS CONTRIBUTIONS RETURNED BEFORE DUE DATE OF RETURN.—Paragraph (1) does not apply to the distribution of any contribution paid during a taxable year to a housing savings account to the extent that such contribution exceeds the amount allowable as a deduction under subsection (a) if—

"(A) such distribution is received on or before the day prescribed by law (including extensions of time) for filing such individual's return for such taxable year,

"(B) no deduction is allowed under subsection (a) with respect to such excess contribution, and

"(C) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in subparagraph (C) shall be included in the gross income of the individual for the taxable year in which it is received.

"(3) TRANSFER OF ACCOUNT INCIDENT TO DIVORCE.—The transfer of an individual's interest in a housing savings account to his former spouse under a divorce decree or under a written instrument incident to a divorce is not to be considered a taxable transfer made by such individual notwithstanding any other provision of this subtitle, and such interest, at the time of the transfer, is to be treated as a housing savings account of the spouse, and not of such individual. After the transfer, the account is to be treated, for purposes of this subtitle, as maintained for the benefit of the spouse.

"(e) TAX TREATMENT OF ACCOUNTS—

"(1) EXEMPTION FROM TAX.—Any individual housing account is exempt from taxation under this subtitle unless such account has ceased to be a housing savings account by reason of paragraph (2) or (3). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations).

"(2) LOSS OF EXEMPTION OF ACCOUNT WHERE INDIVIDUAL ENGAGES IN PROHIBITED TRANSACTION.—

"(A) IN GENERAL.—If, during any taxable year of the individual for whose benefit a housing savings account is established, that individual engages in any transaction prohibited by section 4975 with respect to the account, the account ceases to be a housing savings account as of the first day of that taxable year. For purposes of this subparagraph the individual for whose benefit any account was established is treated as the creator of the account.

"(B) ACCOUNT TREATED AS DISTRIBUTING ALL ITS ASSETS.—In any case in which any account ceases to be a housing savings account by reason of subparagraph (A) on the first day of any taxable year, paragraph (1) of subsection (d) applies as if there were a distribution on such first day in an amount equal to the fair market value (on such first day) of all assets in the account (on such first day).

"(3) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year, the individual for whose benefit a housing savings account is established uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual.

"(f) ADDITIONAL TAX ON CERTAIN AMOUNTS INCLUDED IN GROSS INCOME.—

"(1) DISTRIBUTION NOT USED TO PURCHASE RESIDENCE.—If a distribution from a housing savings account to an individual for whose benefit such account was established is made, and not used in connection with the purchase of a principal residence for such individual, the tax liability of such individual under this chapter for the taxable year in which such distribution is received shall be increased by an amount equal to 10 percent of the amount of the distribution which is includable in his gross income for such taxable year.

"(2) DISQUALIFICATION CASES.—If an amount is includable in the gross income of an individual for a taxable year under subsection (e), his tax under this chapter for such taxable year shall be increased by an amount equal to 10 percent of such amount required to be included in his gross income.

"(3) DISABILITY CASES.—Paragraphs (1) and (2) do not apply if the payment or distribution is attributable to the taxpayer becoming disabled within the meaning of section 72(m)(7).

"(g) COMMUNITY PROPERTY LAWS.—This section shall be applied without regard to any community property laws.

"(h) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 401(d)(1)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute a housing savings account described in subsection (c). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(i) REPORTS.—The trustee of a housing savings account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.

"(j) REDUCTION OF BASIS.—The basis of any residence acquired with funds withdrawn from a housing savings account shall be reduced by an amount equal to the amount of expenditures made in connection with the acquisition of the residence out of such funds.".

(b) DEDUCTION ALLOWED IN ARRIVING AT ADJUSTED GROSS INCOME.—Paragraph (10) of section 62 of such Code (relating to adjusted gross income) is amended to read as follows:

"(10) RETIREMENT AND HOUSING SAVINGS.—The deductions allowed by sections—

"(A) 219 (relating to retirement savings),

"(B) 220 (relating to retirement savings for certain married individuals), and

"(C) 221 (relating to housing savings)."

(c) TAX ON EXCESS CONTRIBUTIONS.—Section 4973 of such Code (relating to tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, certain individual retirement annuities, and certain retirement bonds) is amended—

(1) by inserting "HOUSING SAVINGS ACCOUNTS," after "ACCOUNTS," in the heading of such section,

(2) by redesignating paragraphs (2) and (3) of subsection (a) as (3) and (4), respectively, and by inserting after paragraph (1) the following:

"(2) a housing savings account (within the meaning of section 221(c)),", and

(3) by adding at the end thereof the following new subsection:

"(d) EXCESS CONTRIBUTIONS TO HOUSING SAVINGS ACCOUNTS.—For purposes of this section, in the case of a housing savings account, the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the account exceeds the amount allowable as a deduction under section 221(b)(1) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the housing savings account and a distribution to which section 221(d)(2) applies shall be treated as an amount not contributed.".

(d) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 of such Code (relating to prohibited transactions) is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(4) SPECIAL RULE FOR HOUSING SAVINGS ACCOUNTS.—An individual for whose benefit a housing savings account is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a housing savings account by reason of the application of section 221(e)(2)(A) or if section 221(e)(3) applies to such account.", and

(2) by inserting "or a housing savings account described in section 221(c)" in subsection (e)(1) after "described in section 408(a)".

(e) FAILURE TO PROVIDE REPORTS ON HOUSING SAVINGS ACCOUNTS.—Section 6693 of such Code (relating to failure to provide reports on individual retirement account or annuities) is amended—

(1) by inserting "OR HOUSING SAVINGS ACCOUNTS" after "ANNUITIES" in the heading of such section, and

(2) by adding at the end of subsection (a) the following: "The person required by section 221(i) to file a report regarding a housing savings account at the time and in the manner required by such section shall pay a penalty of $10 for each failure unless it is shown that such failure is due to reasonable cause.".

(f) ADJUSTMENT OF BASIS OF RESIDENCE PURCHASED THROUGH USE OF AMOUNTS IN ACCOUNT.—Section 1016(a) of such Code (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (21), by striking out the period at the end of paragraph (22) and inserting in lieu thereof ", and", and by inserting after paragraph (22) the following new paragraph:

"(23) in the case of a residence the acquisition of which was made in whole or in part with funds from a housing savings account, to the extent provided in section 221(j)."

(g) CLERICAL AMENDMENTS.—

(1) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"SEC. 221. Housing savings accounts.

"SEC. 222. Cross references."

(2) The table of sections for chapter 43 of such Code is amended by striking out the item relating to section 4973 and inserting in lieu thereof the following:

"SEC. 4973. TAX on excess contributions to individual retirement accounts, housing savings accounts, certain 403(b) contracts, certain individual retirement annuities, and certain retirement bonds."

(3) The table of sections for subchapter B of chapter 68 of such Code is amended by striking out the item relating to section 6693 and inserting in lieu thereof the following:

"SEC. 6693. Failure to provide reports on individual retirement accounts or annuities or housing savings accounts."

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.●

NOISE CONTROL ACT

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SCHEUER. Mr. Speaker, President Reagan has wisely instructed all agency heads to weigh the cost of major new regulations and to impose on taxpayers and industry the least expensive way to fulfill congressional mandates.

I support President Reagan's efforts to fashion a more rational regulatory framework. It is imperative, however, that the Federal Government not abandon its fundamental commitment to the health and safety of the American people in the name of "regulatory reform."

There is no single area where intelligent Federal regulation is more important and necessary than in the area of aircraft noise abatement.

That is why an Environmental Protection Agency internal memorandum suggesting that the administration is contemplating a recommendation of zero funding for implementation of the Noise Control Act and recission of all existing noise regulations is an outrage, particularly since the EPA's formal statement make no mention of the possibility of these draconian and ill-advised cuts.

Such a recommendation would be totally unacceptable to the millions of Americans who suffer from the debilitating effects of excessive aircraft noise, and to the Congress.

If the administration were to succeed in rescinding these regulations, it is clear that noise beleaguered citizens would turn to their local governments to solve the problems which were ignored by the Federal Government.

Airport operators have repeatedly stated that a weakening of Federal noise standards would result in a series of local, uncoordinated noise regulations and operational restrictions at numerous airports.

This nightmare of conflicting regulations would plunge airport operators and aircraft manufacturers into utter chaos, while unabated aircraft noise would continue to diminish the quality of life and seriously endanger the health of 6 to 10 million Americans.

Excessive aircraft noise has been linked to damaged hearing, cardiovascular disease, diabetes, arthritis, fetal damage, increased heart rate, and high blood pressure. In addition, excessive aircraft noise has a devastating impact on property values, often affecting healthy communities which were in existence long before the airports were constructed.

In 1976, after 7 years of extensive study and debate the Federal Aviation Administration (FAA) concluded that it was economically reasonable and technologically practical to require that all older generation aircraft be retrofitted or replaced so that there would be a noise-certified fleet by 1985.

In an overly generous effort to make compliance with these regulations as painless as possible, the FAA told noise-impacted communities to wait 9 long years for these economically reasonable regulations to take effect.

In an effort which I vehemently opposed, the Congress last year rolled back these compliance deadlines up to 5 years for some aircraft.

It was unequivocally clear that this was to be the last delay in fulfilling our commitment to provide essential relief to noise-impacted communities.

Any further delay would be an indefensible affront to the millions of Americans whose quality of life and very health are seriously undermined by excessive aircraft noise, and to those carriers who in good faith and enlightened corporate decisionmaking, have undertaken the cost of complying with the FAA regulations.●

INTRODUCTION OF H.R. 2027

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SAM B. HALL, JR. Mr. Speaker, compensation paid to service-connected disabled veterans and dependency and indemnity compensation payable to the survivors of veterans who have died of service-connected causes has a high priority with the Committee on Veterans' Affairs.

Historically, these benefits have been viewed as an obligation to a preferred class of citizens since payments are directly related to the veteran's loss of earning capacity or death of the veteran flowing from service to the Nation.

These cost-of-living adjustments are not automatically indexed by law. Therefore, congressional action is necessary if these benefits are not to be eroded by increased living costs.

I am today introducing a bill (H.R. 2027) which would provide for a 12.3-percent cost-of-living increase in these vital benefits. This is the estimate contained in the budget that the President sent to the Congress last week; and for want of a crystal ball, we are at this point accepting this estimate.

It has always been the purpose of the committee to seek equitable rates of payment for our service-connected disabled veterans and their eligible survivors in order that they do not have to bear a disproportinate share of the burden associated with the continued escalation in the costs of all goods and services.

We will, of course, as usual be following the economic trends as well as conducting hearings in which all views about the needs of these people and the proper way to meet them will be fully aired.

Mr. Speaker, although the administration has not submitted a specific legislative program at this time, this bill, which is intended to carry out the administration's budget request, would provide an across-the-board, cost-of-living increase of 12.3 percent. Following hearings on this bill and others that may be pending before the subcommittee, the committee will be in a position to make a judgment as to whether or not an across-the-board increase should be passed or whether other alternatives may be available to the committee. It has always been my personal view that the greater benefit should be bestowed to the more seriously disabled veteran and that is the way in which the committee has acted for many, many years.●

AFTER THE KILLING

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. LAGOMARSINO. Mr. Speaker, with all the attention being given to El Salvador, many people are overlooking a paradox within the leadership of that country. Although President Duarte's opposition to the terrorists and leftist guerrillas has been well publicized, little notice has been given to his opposition to free enterprise.

Duarte's support for socialization of the economy is viewed by many private businessmen as a significant contributing factor toward the collapse of the Salvadoran economy.

The following article by Jerry Flint appeared in the February 2, 1981, edition of Forbes magazine. In it, Mr. Flint describes the reactions of a number of Salvadoran businessmen to the reforms that have been pushed in their country.

I urge my colleagues to give careful consideration to their views:

AFTER THE KILLING

(By Jerry Flint)

You've been reading and hearing about terror-torn El Salvador, but not in the way Luis Escalante, an old Salvadoran banker who limps from bullet wounds, knows it. "The economy?" he says. "If this junta continues it will go to hell." Escalante's friend couldn't cash a $1,200 check in Miami from his old bank, Banco Agricola Commercial—now nationalized—because there were no funds. "Twelve hundred dollars!" he laughed sarcastically at the government's ruin of his enterprise.

That's the problem. The Salvadoran government may win its fight with Marxist guerrillas but destroy its economy with so-called reforms that will drive out private investment.

It's a too-common story in the world today. Americans are told a tale of redistribution of the wealth. It sounds like social justice, but the legacy is bitter and bare. In overpopulated, underdeveloped countries like El Salvador, redistribution may be simply spreading the poverty and replacing an old economic elite with a new political one.

The country loses not the idle rich but the productive middle class.

Says Manuel Enrique Hinds, an economics minister in an earlier junta: "The economy may be near collapse. It's worsening every day. There's almost no foreign exchange so we can't buy raw materials for our industry. There's a liquidity crisis, capital flight, inflation and production is going down. Worse, the invisible fabric is going. The trained people. When you lose that fabric it takes forever to recover."

A poultryman, who lost some of his farm to nationalization but still has much of his property, says: "Every year egg production went up 20 percent. Now it's down 20 percent, demand for chickens is down 50 percent. I can't get credit for feed. What kind of business can you do there?"

The present government, called moderate and headed by Christian Democrat José Napoleon Duarte, began to socialize the economy under prodding by the Carter Administration. It could well intensify the effort as peace returns. The largest farms, the banks and the agricultural export businesses were seized without payment, not even the promised 30-years, low-interest bonds. This was not moderate, it was extreme. Even the Marxists who rule neighboring Nicaragua left private planters alone—except for the Somosa estates—to insure production.

But in El Salvador, the expropriation was backed by the army. "The army hates foreign investment," says one businessman. "They think free enterprise is exploitation, and that a certain amount of socialism will prevent communism." There is confusion in El Salvador, and a return to a less-productive former age.

On the largest cotton farms, where peasant cooperatives are being set up, the cotton harvest is expected to be down sharply this year, maybe 40 percent to 50 percent, which will devastate export earnings as well as manufacturing and processing industries. On some of the old cotton lands corn is being grown. The only trouble is there's no shortage of corn, and the cotton was worth more.

The junta threatens, but keeps postponing confiscation of smaller plots used for another key export crop, coffee. But the effect of the expropriation threat is a cutback in investment, less fertilizer and insecticide use, which would be reflected in spreading blight and probably cause a serious slump in next year's harvest. The combination of guerrilla burnings and the government's policies may be halving production of the third crop, sugar. Indeed, El Salvador is traditionally a sugar exporter, and just when prices are high the country probably won't be exporting.

The truth is El Salvador—a nation of 5 million people in an area the size of Massachusetts—was near the takeoff stage in development. Listen to Roberto Llach, a former minister of agriculture: "We had the highest productivity [in yield per acre] of coffee in the world; we're number two in cotton in Latin America, sometimes number one; number one in sugar productivity, second in potato productivity in Latin America, first in use of fertilizer. We are forced to work hard and we do," Llach says.

The industrial and commercial base had also been growing rapidly. But now, says Enrique Altamirano, publisher of the nation's largest newspaper, El Diario de Hoy, "we hear rumors of industrial reform, some kind of takeover of industrial firms." How many real jobs will those firms provide without the enterprising brains that built them or the capital that fed them?

Does a poorer, less stable El Salvador matter to Americans? Consider the geography and the politics: A Marxist regime already controls neighboring Nicaragua. Cuba trains and aids the Salvadoran rebels, and a second Communist victory would intensify efforts to topple all non-Marxist regimes on the land bridge between Mexico's oilfields to the north and Venezuela's to the south.

To be sure, the Carter Administration recognized El Salvador's importance, but misunderstood its situation. The Carter people failed to see a society changing to modern ways, with the educated children of the old rich, the young businessmen and technicians forming a new middle class. They believed that the old rich still ruled with an iron hand, as in the story books. Social revolution to them was a kind of laxative. The influential U.S. press was at times romantic, as in a January Washington Post editorial: "This program [agrarian reform] deserves to be seen not as some wild-eyed socialist scheme of the left, but as an effort to set up something like the family farms of the American Midwest." In fact, anyone with the land and money of an Iowa corn farmer is a target for expropriation in El Salvador.

The Reagan Administration is likely to supply arms and training that would help defeat the rebels, but unless the now-collapsing economy recovers the trouble will reappear. "You have to correct what is the main mistake, the belief that the developing sector is developing at the expense of the other," says Altamirano of El Diario.

Altamirano is right, as any American should know. Did U.S. factory workers achieve a two-car, three-television standard of living that is the world's envy because a Rockefeller, a Morgan or even a Roosevelt was made poorer? Of course not. The rising tide of U.S. economic growth lifted all boats, the yacht as well as the dinghy.

So also, backing the modern outward-looking business people of El Salvador doesn't mean stopping efforts at social progress, or even returning already expropriated land since that would only lead to more bloodshed. Instead, Salvadoran businessmen such as Altamirano say the government must be pushed by the U.S. to accept the private sector as a partner.

"Let the government concentrate on social development, education, health, housing," says Hinds, the former economic minister who speaks for the major business groups in the country. "Economically we've got to make a lot of reforms, but to open up the economy, encourage local manufacture, cut red tape and allow international banking."

What El Salvador needs is an evergrowing pie, not a division of the crumbs. It certainly does not need Castro-type dictatorship that would merely reshuffle the poverty and replace the old oligarchic elite with a new Marxist one.●

LITHUANIAN INDEPENDENCE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, in commemoration of the 63d anniversary of the Lithuanian Declaration of Independence, I pledge my support for the people of Lithuania who yearn to exercise their inalienable right of self-determination and national sovereignty.

Until June 1940, Lithuania enjoyed soaring resurgence in every aspect of its national life: Educationally, culturally, economically, and politically. However, like many Eastern European states, Lithuania has had its sovereignty violated and its freedom suppressed by the Soviet Union.

The people of Lithuania have endured great injustices at the hands of the Soviets, yet their aspirations for national independence and individual freedom remain unyielding.

The United States is now, and has always been deeply committed to the idea that freedom is preferable to tyranny, and self-government superior to dictatorship. The United States must therefore continually reaffirm its desire to have the unalienable rights of the Lithuanian people restored.

The will of the Lithuanian people to be free continues, and their resistance to political repression, religious persecution, and the denial of basic human rights is ever strong.

I salute the brave people of Lithuania and voice my hopes that these people living under Communist domination will again enjoy their freedom.●

STRATEGIC MINERALS: THE INVISIBLE WAR

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. SANTINI. Mr. Speaker, the February issue of Reader's Digest magazine contains an article on strategic minerals, entitled "Strategic Minerals: The Invisible War." I want to commend the author, Mr. Fred Warshofsky, for his treatment of the subject and for his indepth background research prior to writing the article.

As chairman of the Interior Subcommittee on Mines and Mining, I am deeply concerned over our future minerals posture. As such, I was delighted that the Digest chose to inform its vast readership of the importance of strategic minerals to our national security. With a circulation in the United States and many nations abroad the focus on minerals will be greatly increased.

I am placing the article in the RECORD for review by my colleagues.

STRATEGIC MINERALS: THE INVISIBLE WAR

(By Fred Warshofsky)

While most Americans are worrying about the energy crisis, an even more serious resource crunch could bring the U.S. economy to its knees. Of the 36 non-fuel minerals essential to the United States as an industrial society, we are crucially dependent upon foreign sources for 22 of them. In 1980, we were obliged to import 91 percent of our chromium, 88 percent of our platinum-group metals, 93 percent of our cobalt and 97 percent of our tantalum and manganese. By contrast, we were only 42-percent dependent on imported oil.

Chromium, for example, is widely used in oil refining, petrochemicals, conventional and nuclear power plants, tanker trucks, gas turbines, industrial machinery and in all stainless steel. In some applications, demanding high strength and high-temperature corrosion resistance, there is no substitute for chromium. Yet our major sources of supply are South Africa and the Soviet Union.

Cobalt, essential to jet engines, nuclear-propulsion systems, high-speed cutting tools, synthetic-fuel production and high-grade steels, comes from Zaire and Zambia; manganese, essential to steel-making, is imported primarily from South Africa, Brazil and India; tantalum, used mainly in machinery and electronic components, comes from Thailand, Canada, Malaysia and Brazil; and platinum, used for its properties as a chemical catalyst, comes largely from South Africa and the Soviet Union.

So critical are mineral supplies in some industries that they must be ordered three years in advance of production. In 1979, materials shortages caused production delays that prevented the Defense Department from obtaining critical weapons and equipment on schedule.

A complex combination of political, economic and environmental events has conspired to place us in this vulnerable situation. Composing only five percent of the world's population, Americans consume about 20 percent of the world's production of non-fuel minerals. Competition for minerals has increased dramatically as Western Europe and Japan have become more aggressive in manufacturing and trading. At the same time, many of the industrializing Third World nations are reducing their exports of raw materials in order to meet their own needs.

THE RUSSIAN CONNECTION

The demand on world markets for scarce strategic minerals is aggravated by the actions of the Soviet Union. The United States imports more than half of its cobalt from Shaba Province in Zaire. In 1978, Cuban-trained troops from neighboring Angola invaded Shaba. Mining was interrupted for months and the price of available cobalt shot from $6.85 a pound to $50. No one has proved that the Russians were behind that military action, but shortly before the invasion Soviet purchasing agents bought up large supplies of cobalt.

On any given day in this country, according to defense analyst William Schneider, Jr., of the Hudson Institute, the equivalent of three of the Air Force's 26 fighter wings are grounded for a lack of spare parts. "On the F-15, for example," he notes, "there's a serious shortage of critical high-temperature engine-core parts due to a lack of cobalt."

The United States is also dependent upon the platinum group of metals and chromium for many industrial products. These minerals are found in the Soviet Union and South Africa, a nation beset by racial problems and increasing African guerrilla pressures and terrorist attacks. Should our supplies of these vital materials from South Africa be cut off, we would experience a sharp drop in our standard of living, which could eventually threaten the entire Western world.

WITHDRAWAL SYMPTOMS

We have arrived at this perilous state by ignoring a basic historical truism—that a vigorous, healthy economy with assured sources of raw materials is essential to national defense.

Rather than looking to the long-term health of our economy we have pursued a policy of stockpiling critical materials for use in time of war. Unfortunately, even that policy has been subject to so much political and economic pressure that stockpiles of many critical materials are far below our goals. Chromium, for example, is 180,000 tons short of stockpile goals of 1.35 million tons, and cobalt is 44 million pounds short. The goal for bauxite, from which alumina and aluminum are made, is 27.1 million tons, yet only 14.1 million tons are in the inventory. In all, the National Defense Stockpile is about 50-percent short of targeted levels.

At least $6 billion needs to be spent to bring the stockpile up to par. In fiscal 1980, however, Congress authorized only $237 million for stockpiling. The actual appropriation, according to most Congressional experts, will be closer to $100 million.

In the last two decades, various Administrations have gained permission from Congress to sell existing stockpiles of certain materials on the ground that they were no longer needed. Those minerals must now be replaced at four or more times the price realized from the original sale.

To remove the temptation to use the stockpile as a means of balancing the budget or manipulating prices, and to ensure that the nation's needs are met in time of emergency, Sen. James McClure (R., Idaho) has introduced a bill that would set goals for stockpiling based upon the nation's import dependence for each critical material. The McClure Bill also contains a provision that would apply any funds realized from the sale of surplus stockpile materials to the future purchase of critical minerals.

Adequate stockpiles are only part of the answer, however. At the present time, most government agencies concerned with mining and minerals seem more concerned with preventing the exploration and development of America's mineral-rich lands. The federal government owns one-third of the land in the United States. Yet, as a result of exclusion laws designed to protect the environment, mineral exploration in the United States has been severely limited.

"In 1964, when the Wilderness Act was passed," says Rep. James Santini (D., Nev.), chairman of the House Subcommittee on Mines and Mining, "14 percent of the public lands had been withdrawn from mineral exploration and recovery. According to the Department of the Interior, the percentage of public lands withdrawn from mineral entry today is approximately 65 percent."

In 1978, President Carter, acting on an environmental-impact statement by the Department of the Interior, withdrew 102 million acres of Alaskan wilderness from mineral exploration. Congress has recently passed a bill that makes this Presidential withdrawal permanent.

The effect of this withdrawal could be staggering. A study by SRI-International (the Stanford Research Institute) of the potential value of the Alaska federal lands concluded that, in the absence of extensive regulatory impediments, a mining industry could develop by the 1990s that would provide substantial quantities of non-fuel minerals, including gold, silver, copper, nickel, lead, zinc, molybdenum and asbestos, while ultimately disturbing a land area of only about 25 square miles.

Recently the Congress voted to create a more than 2.2-million-acre wilderness in central Idaho called the River of No Return. It also includes a belt about six miles wide and 30 miles long that is part of the only known deposit of cobalt within the United States. Congress voted to delete 39,000 acres of potentially cobalt-rich land from the wilderness area, but the amendment pleased neither the mining interests who want the right to explore far more of the land nor the environmentalists who want the entire region to remain a wilderness.

It is on this point—the desire to maintain the wilderness beauty of the land and the need to explore and mine it for the minerals we need to remain economically healthy—that the major conflict arises.

OBSTACLE COURSE

Mineral exploration and development have also been severely hampered by administrative delays. Lease applications go through the Interior Department's Geological Survey and its Bureau of Land Management and the Agriculture Department's Forest Service. The minimum processing time for approval of a prospecting lease, according to one Forest Service official, has been 17 months, and for a mineral lease and a mining plan more than three years.

The development of refining and processing plants calls for a number of other applications and licenses, environmental-impact statements, air- and water-quality and solid-waste-disposal plans, negotiation of mineral and water rights, and a variety of state and local clearances. It takes about four years and costs about $1,000 per ton of capacity to obtain the required approvals and construct a new steel mill in the United States. (By contrast, a similar steel mill in Japan, which also has strict environmental standards, takes two years from planning to construction and costs $600 per ton of capacity.)

Environmental and safety regulations have also added tremendously to the cost of operating mines and smelters. To take one example, the costs of complying with environmental regulations have led to the shutdown of eight zinc smelters in the last ten years. As a result, our imports of zinc have risen from 25 percent to 50 percent over the same period.

Crushing amounts of paper work and increasing pollution controls have acted to make mining and minerals processing less and less profitable in this country. Vast sums of money that were formerly invested in the U.S. mining industry are now being put into the development of overseas ventures, which offer a greater return on investment. With that flight of capital go American jobs.

Can we reduce our dependence on foreign imports of vital minerals and restore to health our ailing mining and minerals industry? Indeed we can, and the means to do so is already in place. The Mining and Minerals Policy Act of 1970 calls for the government "to foster and encourage private enterprise in the development of economically sound and stable domestic mining, minerals, metal and mineral-reclamation industries."

This policy needs implementation immediately by first making a thorough assessment of existing mineral resources. Only then can we make intelligent decisions as to the lands that can remain wilderness and those with mineral potential that must be made available for development.

Environmental, health and safety regulations must be established that will provide reasonable goals at reasonable cost. Inevitably some tradeoffs will have to be made between critical minerals and pure air and water.

Our foreign policy must take into account the sources of critical materials, and simultaneously we must increase our metallurgical research in substitutes for those strategic materials. Finally, conservation and recycling of materials must become part of our way of life, for the minerals we use and need are not inexhaustible.

We have already experienced the threats posed by the energy crisis. The mineral crisis could be far worse, the dangers much greater. What is needed now is the will to recognize the crisis and confront it.●

MILITARY MANPOWER

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HARTNETT. Mr. Speaker, today our Nation is facing a critical shortage of military manpower. We need to provide proper incentives to recruit and maintain quality personnel in the military. One such incentive in the establishment of a workable and beneficial educational assistance program for the armed services and veterans.

The current educational assistance program has clearly not worked. There is only a 25-percent participation by active duty personnel in this program where the accumulation of contributions by the service member is matched 2 for 1 by the VA.

Many of the active duty personnel in our armed services are below the national average in educational quality. Only 38 percent of the volunteers in the Army are high school graduates.

Military preparedness is at an all-time low. In order to have a strong military, it is essential that we not only increase weaponry, but manpower as well. For this reason, I have cosponsored the Post-Vietnam Era Veterans Educational Assistance Act of 1981 which was introduced by Mr. MONTGOMERY.

The bill will provide up to a maximum of $550 per month for 36 months. There are three main provisions of the bill.

First, basic entitlement. Completion of 3 years of continuous active duty service, or 2 years of continuous active duty plus 4 years continuous Selected Reserve or National Guard; 1 month of educational assistance will be entitled for each month of active duty service up to a maximum of 36 months.

Second, supplemental benefits. In addition to the basic rate outlined above, an individual would be entitled to an additional $300 per month upon completion of 6 years of continuous active duty or 4 years of continuous active duty plus 8 continuous years in the Selected Reserve or National Guard.

Third, transfer of entitlement. Critical specialties identified by the Secretary of Defense may authorize an individual to elect to transfer his or her entitlement to educational benefits to his or her spouse or children, provided such individual (i) agrees to contribute x percent of his or her base pay per month, (ii) completed no less than 8 years of active duty, or no more than 12 years, and (iii) continues to serve on active duty.

Participants will have up to 10 years after discharge to use the benefits.

So long as we have an All Volunteer Force, we must continue to improve both the compensation and other benefits for persons serving in the military. I believe that educational benefits for those serving in the military can play a vital role in attracting and retaining qualified military personnel, especially in areas where there are critical shortages.

The U.S. Army stated in a recent report:

> Manning the total force is the major challenge the Army faces today. Our immediate concern is assessing to meet our requirements today by balancing qualification and potential capability in our new recruits.

The U.S. Navy also recently stated:

> First-line combat vessels patrol the Mediterranean, the Pacific, and the Indian Ocean dangerously short of key personnel, such as aircraft mechanics, radar operators, and even pilots. In the event of attack, our navy would be hard pressed indeed.

The Air Force also lacks personnel with critical skills. We are told there is a shortage of pilots in both the Navy and the Air Force, and it is estimated there will be an increase in the shortage of pilots, as well as navigators, during the next fiscal year.

In order to strengthen America's military system, Congress must address the problems of sufficient pay and adequate education.●

HOUSE OF REPRESENTATIVES—*Wednesday, February 25, 1981*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We thank You, gracious Lord, that we can commune with You from the depths of our own experience, and that we may place before You our innermost feelings, confess our faults, acknowledge our ambitions, and receive strength and grace for the day. May we not only speak our words of need in our prayer, but may we also listen in the quiet confidence that You hear us and bless us. May the words of our mouths and the meditations of our hearts be acceptable in Your sight, O Lord, our Rock and our Redeemer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

FORMER AMBASSADOR TESTIFIES

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, I would like to call my colleagues' attention to the testimony of the former Ambassador to El Salvador, Ambassador White, this morning before the Congress of the United States. I know that in the sixties—some of us were not here then, others of us were—in many, many ways we did not see the Vietnam quagmire sneaking up on us; and I think we may be about to make the same mistake.

In his testimony this morning, Ambassador White pointed out that the rightwing forces in El Salvador are at least as much of a threat, if not a greater threat, than the leftwing forces. He pointed out the sheer madness of our attempting to suggest that there is a military solution to the El Salvador problem, when, in fact, almost all experts agree that ultimately it will be a political solution.

He said that "Anyone who thinks," and I quote, "the murder of the nuns was done by leftists just is searching for excuses not to face reality."

Mr. Speaker, I hope that we will not support the administration in what appears to be a foolhardy and extremely dangerous direction in which they appear to be heading in El Salvador.

GENERATION SKIPPING TAX RELIEF ACT

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, today I am introducing a bill to amend the Internal Revenue Code to exempt from the term "generation skipping trust equivalents" custodianships under the Uniform Gifts to Minors Act, guardianships and estates during the period of estate administration.

When Congress last reformed the tax law, these arrangements were placed under the generation skipping trust tax. According to regulations the Internal Revenue Service has presently up for comment, a grandparent who places $500 in a custodial account under the Uniform Gifts to Minors Act will be subject to a generation skipping trust tax. That is patently unfair and certainly was not intended by the authors of the generation skipping trust.

I urge the Committee on Ways and Means to promptly consider the legislation that I will introduce today in order to give the grandparents of this world some tax relief.

SUGGESTED STUDY OF THE ADMINISTRATION'S ECONOMIC PROGRAM

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, last week I commended the President and our former colleague, Dave Stockman, for taking initiatives in trimming the budget and cutting back fat in the budget and unnecessary Government spending.

Today I would like to call the attention of my colleagues to an article in this morning's Washington Post by our colleague and chairman of the Budget Committee, the gentleman from Oklahoma (Mr. JONES).

This article, as written by the gentleman from Oklahoma (Mr. JONES), pointed out some of the things that we need to study very carefully as we prepare to study the President's program for economic recovery. I commend it to my colleagues and strongly recommend that all Members read the article and follow our colleague's lead in this. I believe that the gentleman from Oklahoma (Mr. JONES) is an outstanding budget cutter and will do well for the Nation.

CARTER GRAIN EMBARGO SHOULD BE LIFTED

(Mr. TAUKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUKE. Mr. Speaker, for 5 weeks now we have been waiting—waiting in the Midwest for the end of the grain embargo. Many of us in Congress have been reluctant to speak out on this issue because of the fact that we feel that the President and the administration need our support. In fact, they need all the support they can get.

But, on the other hand, I think that it is necessary now to point out that the President did promise during the campaign to lift the embargo. He indicated that it was ineffective and unfair. Yet, to date he has done nothing to remedy the situation.

I fear that unless the President acts quickly the Carter embargo will soon become the Reagan embargo and the President's credibility will be undermined throughout the Farm Belt.

The question of the embargo and the administration's response to the embargo will be the basis upon which the agricultural community will judge the President's commitment to farming interests and the basis on which it will judge the strength and the effectiveness of the new Secretary of Agriculture.

So, Mr. Speaker, I strongly urge the President and his Cabinet to take action to lift the Carter grain embargo lest he soon face the prospect of undermined credibility in the agricultural community.

THE GROWTH OF IMPERIAL PRESIDENCY

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, I doubt there was a single campaign for Congress this past November that did not contain at least one attack on the excesses of the regulatory agencies or Federal departments for some rule or regulation which was promulgated in response to a previously authorized congressional mandate.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

All too often, the Congress has correctly identified a problem which needs to be addressed and simply authorizes the appropriation of funds which it feels is necessary to correct the situation.

As an example, Congress rarely tells an agency what it specifically wants done and how to accomplish that goal. Rather, they say, "Hey EPA, the air's dirty. Go out there and set some rules and regulations to make it clean by 1988." Or: "Hey LEAA, there's a lot of crime in the streets. Here's $1 billion. Come back to us in 3 years and tell us that crime has been abated."

This approach to legislating has allowed the Members of Congress to go home and tell their constituencies that they have solved the problem of crime or dirty air or improperly funded pensions, and then go back a few months later and complain about the nonpertinent rules which were issued in response to those so-called solutions.

This trend toward legislating in a nonspecific manner is an abrogation of the responsibilities of the Congress and has led to the creation of the so-called imperial Presidency. For years the Congress has been delegating powers and therefore responsibilities, to the executive branch. In so doing, Congress has not only contributed psychologically to the unrealistic expectations of the Presidency but actually wrote those expectations into law.

I am hopeful that this Congress will properly exercise its legislative responsibilities and draft bills with a more specific outline of how the goals stated in the bill are to be met. Through this approach Congress will have a benchmark by which to properly conduct its oversight function as well as recapturing the responsibility that is rightfully ours, under the Constitution.

□ 1515

SOUTH BRONX IS HOME OF REAL PEOPLE

(Mr. GARCIA asked and was given permission to address the House for 1 minute.)

Mr. GARCIA. Mr. Speaker, last Sunday, the CBS television program "Sunday Morning" carried a piece on the South Bronx. It was a report on the real people of the South Bronx.

The story was a sensitive portrayal of the lives of some of the real people who reside in this area. It stood in stark contrast to the stereotypical characters portrayed in the movie, "Fort Apache, the Bronx." Unlike the movie, CBS found and interviewed people who consider the South Bronx home. Judging from their report, I think even the most hardened cynic would come away feeling that the Bronx is not the unsalvageable urban wasteland many believe but rather a community of people who are struggling to overcome inflation, budget cuts, and assorted problems like the rest of us. What set this report apart from the others, though, is that despite the broken promises, the unfulfilled campaign pledges and rhetoric that most news stories dwell upon, the abandoned buildings and such, the real people of the Bronx had a chance to express their feeling about the place they call home. CBS should be commended for their report.

SOVIET SUPPORT OF SWAPO

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, I commend the administration for its forthright long overdue presentation of information earlier this week about Soviet and Cuban links to terrorists in El Salvador. I regret to say that this region is not the only one in which the Soviets are fomenting revolution.

I had recently received pictures purporting to show a great quantity of Soviet supplies, weapons, and equipment captured by South-West Africa/Namibia security forces in July 1980 during a raid into Angola against the South-West Africa People's Organization.

The Defense Intelligence Agency has today verified to me through public sources that the weapons pictured are indeed of Soviet origin.

This mounting evidence of Soviet complicity in supporting international terrorist organizations demands a more determined U.S. resolve to counter and eradicate this threat to free nations throughout the world.

THE MESSAGE FROM FLINT

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, 3,500 working men of Flint, Mich., are sending a startling signal to this Government—one that may turn out to be the 20th-century equivalent of the Boston Tea Party.

The open defiance of the IRS by these good Americans shows just how oppressive and unfair our tax burden is.

Deliberate Government inflation, and threatening massive unemployment that flows from it, have forced these working Americans to take a stand. I prefer to work in a more conventional way to reform the system through legislation, however. But we must recognize that court challenges to reinstate constitutional rights are legitimate and have been used throughout our history.

The open confrontation of the IRS by these 3,500 men strikes me as far more honest than typical tax evasion, or total tax avoidance by the rich through loopholes.

High taxes—and depreciating, unconstitutional paper money—have prompted these law-abiding Americans to challenge, en masse, the abusive tax and inflation system that has brought havoc to our economy.

These citizens who are demanding change are not the wealthy, nor are they unwilling to pay their fair share for the legitimate functions of the Federal Government. They are only working people, patriotic Americans, insisting that the Constitution be followed and that the tax burden be reasonable.

The church only asks 10 percent—why should the Government get more?

The message is loud and clear, and it could sweep the Nation. It is our responsibility, as representatives of the American taxpayers, to get our house in order immediately. Not in 1984, but now. We must cut taxes and spending drastically, and stop inflating. The people are still in charge in this country, and if we do not do our job, the message from Flint reminds us that the people will act.

FOLLY OF SENDING AMERICAN TROOPS TO EL SALVADOR

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEACH of Iowa. Mr. Speaker, there have been recent reports that the administration is giving serious consideration to sending military advisers to El Salvador. In the strongest possible terms I would caution against such substantive intervention in this very unfortunate civil war. President Reagan has properly given renewed emphasis to U.S. security interests around the world, but a prudent emphasis on security need not imply interventionism. Central America should be viewed as a conflict caused by poverty and exacerbated by outside powers, particularly Cuba. But it need not be the next battleground between East and West. If we send advisers, and one or more is killed, we may well cause a nasty civil war to become a Vietnam in our own backyard.

By supporting the Government of El Salvador with our own troops we will be doing exactly what the leftists want. Their cause will no longer just be Marxist, but anticolonial. American military intervention in El Salvador not only jeopardizes the prospect of economic revival in the United States, it is counterproductive in our long-term efforts to advance the cause of democracy and social justice in Latin America.

Outside the confines of El Salvador, demonstrations of concern will almost certainly be sparked in countries as disparate as Mexico, West Germany, and Austria, as well as in our own cities and on our own campuses. If the best efforts of our advisers prove futile and the side we back begins to lose the tenuous base of support it currently enjoys, we will be confronted with the option either of committing whole armies to occupy the country or cutting our losses and making a grave defeat out of a skirmish more effectively combated through nonmilitary means.

It was just 20 years ago that John F. Kennedy made the fateful choice of expanding military involvement in Vietnam. Now is the time to embrace rather than ignore the lessons of history. Helping our Central American friends help themselves is one thing, but sending American troops to fight their battles is very different. Colonial interventionism is an idea whose time on the historical clock has passed.

AN ACT OF MORAL INTEGRITY

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I would like to call my colleagues' attention to an act of moral integrity demonstrated by one of this Nation's outstanding academic institutions.

I am referring to Georgetown University's return of a gift of more than $600,000, plus accrued interest, to the Government of Libya. The donation had been pledged in 1977 to support the University's Center for Contemporary Arab Studies.

Georgetown's President Timothy Healy delivered a check for $641,721 on Monday to the Libyan Embassy. Father Healy and the university's trustees had concluded that their moral reservations over Libya's emphasis upon terrorism and violence as instruments of its foreign policy would not tolerate Georgetown's continued association with the Libyan Government despite substantial financial advantages in that relationship.

The decision to sever that tie underscores the integrity of Georgetown as an academically independent institution, albeit now a monetarily poorer one. It is all the more commendable because it is taken at a time when private colleges and universities such as Georgetown are undergoing some of their most severe financial strains in history.

HOUSE ADMINISTRATION COMMITTEE INCREASES COMMITTEE SPENDING

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, the Democrats in the House Administration Committee this morning voted against President Reagan's call for cuts in Government spending. Again and again, Democrats of the House Administration Committee voted for more congressional committee spending and more congressional staff.

The President wants to cut Federal spending. The American people want to cut Federal spending. Next week, we will have a chance, the first major test, of our willingness here in the House to cut Federal spending by tightening our own belts. If this morning is any indication, the country will see clearly the difference between the two political parties during our floor votes on committee spending next week.

HOUSE NEEDS TO CUT COMMITTEE EXPENSES

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, I want to commend the gentleman from Georgia (Mr. GINGRICH) and our ranking member of the House Administration Committee, for the fight they are putting up. This committee spending is coming to the floor, and it is interesting to see that on the Senate side, where the Republicans are in control, they have taken a strong step forward. I have here the copy of their record on what they have done. They have cut their committee budgets this year by 10 percent—cut them by 10 percent. That does not mean any kind of pie-in-the-sky. They cut 1980 by 10 percent in 1981. They cut one committee by 28 percent, and one by 1 percent, but they are cutting, cutting, cutting.

We are going to cut when they come to the House floor, because we need to reduce the spending in this country.

HOUSE URGED TO VOTE AGAINST COMMITTEE BUDGET INCREASES

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, I invite the attention of the body to the remarks of the two speakers who immediately preceded me, and I commend them for those remarks.

Today, the House Administration Committee passed a number of committee budgets, which reveal that the strategy of the majority group here is not business as usual, but business as usual times two. Committee budgets are being increased as much as 20 percent at a time when the rest of our country is being asked to make a sacrifice.

We will have a chance to debate these items on the floor next Tuesday, and I hope you, like me, will vote against these unreasonably large increases.

SELECT COMMITTEE ON NARCOTICS ABUSE

(Mr. CARMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARMAN. Mr. Speaker, I rise in support of the Select Committee on Narcotics Abuse. Drug pushers and organized crime are poisoning our children and our people. They must be stopped.

The problem begins with a deadly poppy in a foreign country. Why, in the name of humanity, any foreign nation would allow the cultivation of opium poppies is beyond me. The poppy ends its journey on the streets of our cities, in the form of heroin.

Recent news reports claim that heroin use in New York City has now reached epidemic proportions. The fight against such abuse must be waged at all levels—local, State, and Federal. Congress would be failing our people if it fails to create this watchdog committee. The panel will cost only a small amount when compared to the over $50 billion that the international drug pushers are making every year.

Mr. Speaker, I hope this House will approve this resolution. That will put the drug dealers on notice that we care, very much, that their dirty business is stopped.

EARTHQUAKE STRIKES GREECE

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, last evening tragedy struck one of our oldest and strongest allies in Europe. A major earthquake registering 6.8 on the Richter scale—and another aftershock measuring 6.6—struck Greece. As of 2:45 p.m. today, State Department officials advised me that there are at least 13 deaths, and an unconfirmed report of some 300 persons injured. While the exact estimate of the damage is not yet known, there are indications that at least 250 buildings were destroyed, including 2 hotels in the town of Loutraki.

If asked, we should be ready to lend our technical and financial assistance to the Greek Government, which has stood by this country consistently in our mutual efforts to repel the spread of communism throughout Europe.

The strategic importance of Greece to the collective security of Europe cannot be minimized. In addition, the role of the Greeks has yet to be realized in the European Economic Community, of which they are the newest member, but I am confident that their contribution to the economic stability of Europe will be substantial.

This Congress responded in a timely manner when a similar earthquake hit Italy late last year. I introduced one of the first bills to provide $50 million in foreign assistance to Italy and personally traveled there to oversee its distribution. I am confident that our Government can respond to this latest tragedy in Greece in the same fashion by exhibiting our willingness to provide support and assistance to our friend and ally, the country of Greece, in their time of need.

CALL OF THE HOUSE

Mr. FOLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 12]

Addabbo
Akaka
Albosta
Alexander
Anderson
Annunzio
Anthony
Ashbrook
Atkinson
AuCoin
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boland
Boling
Boner
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Burton, Phillip
Butler
Byron
Campbell
Carman
Chappell
Chappie
Clausen
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Conyers
Corcoran
Cotter
Coughlin
Courter
Coyne, James
Coyne, William
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daub
Davis
Deckard
Dellums
DeNardis
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dornan
Dougherty
Downey
Dreier
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foglietta
Foley
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Grisham
Guarini
Gunderson
Guyer
Hagedorn
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Harkin
Hartnett
Hatcher
Hawkins
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Holland
Hollenbeck
Holt
Horton
Howard
Hubbard
Huckaby
Hughes
Hunter
Hutto
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnston
Jones (TN)
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lehman
Lent
Levitas
Livingston
Loeffler
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lundine
Lungren
Markey
Marks
Marlenee
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mattox
Mavroules
Mazzoli
McClory
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roemer
Rogers
Rose
Rosenthal
Rostenkowski
Roukema
Rousselot
Roybal
Rudd
Russo
Sabo
Sawyer
Schneider
Schroeder
Schulze
Schumer
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Simon
Skeen
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
St Germain
Stangeland
Stanton
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Trible
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Yates
Yatron
Young (FL)
Young (MO)
Zablocki
Zeferetti

□ 1545

The SPEAKER pro tempore (Mr. DANIELSON). On this rollcall 364 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Ms. FERRARO. Mr. Speaker, as secretary of the Democratic Caucus, and at the direction of the caucus, I send to the desk a privileged resolution and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 84

Resolved, That the following-named Members be, and are hereby, elected to the following standing committees of the House of Representatives:

COMMITTEE ON EDUCATION AND LABOR

Dennis E. Eckart, Ohio.

COMMITTEE ON FOREIGN AFFAIRS

David R. Bowen, Mississippi.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Ray Kogovsek, Colorado.

COMMITTEE ON VETERANS' AFFAIRS

Austin J. Murphy, Pennsylvania; and Byron L. Dorgan, North Dakota.

COMMITTEE ON WAYS AND MEANS

Don Bailey, Pennsylvania.

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from New York (Ms. FERRARO) for 1 hour.

Ms. FERRARO. Mr. Speaker, this is a resolution designating Members to fill vacancies on various standing committees of the House. The committee assignments contained in the resolution have been approved by the Democratic Caucus.

Mr. Speaker, I have no request for time.

Mr. MICHEL. Mr. Speaker, will the gentlewoman yield?

Ms. FERRARO. I would be happy to yield to the distinguished minority leader for the purpose of debate only.

Mr. MICHEL. I appreciate the gentlewoman's yielding to me.

We understand that the resolution calls for the appointment of several Members to serve on committees as proposed by the Democratic Caucus. The gentleman from Illinois rises only to point up again the last appointment appearing on that resolution having to do with the Committee on Ways and Means. With no disrespect, and with no intention to be critical at all of the gentleman from Pennsylvania who has been recommended for membership on the Committee of Ways and Means (Mr. BAILEY of Pennsylvania), I would make the point again that we on our side have to say that it is an unfair ratio that they have imposed upon us on that very important Committee on Ways and Means. Whereas the committee has already begun to meet on the tax proposals of the administration, and there have been several days of hearings, with a 22-to-12 ratio because of the vacancy occurring as a result of Mr. LEDERER's departure from that committee, that would have been a little fairer ratio; but the Democratic Caucus has seen fit to fill that position now with the gentleman from Pennsylvania (Mr. BAILEY) bringing that membership again to 23 to 12.

I would remind the Members again that we would concede that a 3-to-2 ratio on the Committee on Ways and Means would be acceptable, but 2 to 1, minus 1, is, indeed, unfair. We simply wanted to underscore that point.

We could have offered a privileged resolution here with the Members appointed on our side to balance that. I understand the temper of the House. We have made the point a number of times. I would also caution Members on our side that this is a prerogative of the majority party to name whom they will on a committee, just as we want to retain for ourselves the prerogative of naming whom we want to fill our positions, so a rollcall vote would be rather redundant or useless in this case. It is not a question of rejecting what the majority is offering us here by way of their selected appointee, but rather for us simply, as I am doing here, to make the point again that we feel that the ratio of the Committee on Ways and Means is unfair. Having said that, I appreciate again the gentlewoman's yielding to the Member from Illinois.

Mr. JACOBS. Mr. Speaker, will the gentlewoman yield?

Ms. FERRARO. I yield to the gentleman from Indiana for purposes of debate only.

Mr. JACOBS. I might say to the minority leader that there are those on this side of the aisle who might have had some hesitation about the ratio of the Committee on Ways and Means on which I serve, but when the message from the President came up and recommended that the personal tax cut not take effect, as he had pledged in his campaign, on January 1, 1981, but take effect July 1, 1981, I concluded that we needed a good healthy ratio of Democrats on my Committee on Ways and Means in order to keep the President's promise to the American people.

I thank the gentlewoman for yielding.

Ms. FERRARO. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION AS MEMBER OF COMMITTEE ON ARMED SERVICES

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Armed Services:

WASHINGTON, D.C.,
February 24, 1981.

HON. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the action of the Democratic Steering and Policy Committee and the Democratic Caucus, and in anticipation of the approval of the Full House of Representatives, I hereby resign from the House Committee on Armed Services.

Sincerely,

DON BAILEY,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

ESTABLISHING A SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. ZEFERETTI. Mr. Speaker, by direction of the Committee on Rules, I call up a privileged resolution (H. Res. 13) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 13

Resolved, That there is hereby established in the House of Representatives a select committee to be known as the Select Committee on Narcotics Abuse and Control (hereinafter referred to as the "select committee").

FUNCTIONS

SEC. 2. The select committee shall not have legislative jurisdiction. The select committee shall have authority—

(1) to conduct a continuing comprehensive study and review of the problems of narcotics, drug, and polydrug abuse and control, including (but not limited to) the study and review of (A) the abuse and control of opium and its derivatives, other narcotic drugs, psychotropics, and other controlled substances, as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970 and any such drug or substance when used in combination with any other substance; (B) domestic and international trafficking, manufacturing, and distribution; (C) treatment, prevention, and rehabilitation; (D) narcotics-related violations of the Internal Revenue Code of 1954; (E) international treaties and agreements relating to the control of narcotics and drug abuse; (F) the role of organized crime in narcotics and drug abuse; (G) problems of narcotics and drug abuse and control in the Armed Forces of the United States; (H) problems of narcotics and drug abuse and control in industry; and (I) the approach of the criminal justice system with respect to narcotics and drug law violations and crimes related to drug abuse.

(2) to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies affecting narcotics or drug abuse or control; and

(3) to recommend to the appropriate committees of the House legislation or other action the select committee considers necessary with respect to programs or policies affecting narcotics or drug abuse or control.

APPOINTMENT AND MEMBERSHIP

SEC. 3. (a) The select committee shall be composed of seventeen Members of the House, who shall be appointed by the Speaker, one of whom he shall designate as chairman. At least one member of the select committee shall be chosen from each of the following committees of the House: The Committee on Agriculture, the Committee on Armed Services, the Committee on Government Operations, the Committee on Foreign Affairs, the Committee on Energy and Commerce, the Committee on the Judiciary, the Committee on Merchant Marine and Fisheries, and the Committee on Ways and Means.

(b) Any vacancy occurring in the membership of the select committee shall be filled in the same manner in which the original appointment was made.

AUTHORITY AND PROCEDURES

SEC. 4. (a) For purposes of carrying out this resolution the select committee is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, or elsewhere, whether the House is in session, has recessed, or has adjourned, and to hold such hearings as it deems necessary.

(b) The provisions of clauses 1, 2, and 3 of rule XI of the Rules of the House of Representatives shall apply to the select committee.

ADMINISTRATIVE PROVISIONS

SEC. 5 (a) Subject to the adoption of expense resolutions as required by clause 5 of rule XI of the Rules of the House of Representatives, the select committee may incur expenses in connection with its duties under this resolution.

(b) In carrying out its functions under this resolution, the select committee is authorized—

(1) to appoint, either on a permanent basis or as experts or consultants, such staff as the select committee considers necessary;

(2) to prescribe the duties and responsibilities of such staff;

(3) to fix the compensation of such staff at a single per annum gross rate which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code;

(4) to terminate the employment of any such staff as the select committee considers appropriate; and

(5) to reimburse members of the select committee and of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties and responsibilities for the select committee, other than expenses in connection with any meeting of the select committee held in the District of Columbia.

REPORTS

SEC. 6. (a)(1) The select committee shall report to the House with respect to the results of any field investigation or inspection it conducts.

(2) The select committee shall submit an annual report to the House which shall include a summary of the activities of the select committee during the calendar year to which the report applies.

(b) Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

Mr. ZEFERETTI (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE AMENDMENTS

The SPEAKER pro tempore. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 22, strike "seventeen" and insert in lieu thereof "nineteen".

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 6, line 4, after the word "applies" strike out the period and insert a comma and "and its recommendations for a comprehensive program to control the world-wide problem of drug abuse.".

The committee amendment was agreed to.

The SPEAKER pro tempore. The gentleman from New York (Mr. ZEFERETTI) is recognized for 1 hour.

Mr. ZEFERETTI. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Arizona (Mr. RHODES), pending which I yield myself such time as I may consume.

Mr. Speaker, the Committee on Rules ordered favorably reported, by voice vote, House Resolution 13, to establish a Select Committee on Narcotics Abuse and Control. This is a privileged resolution accorded 1 hour of debate in the House.

Mr. Speaker, the resolution stipulates the select committee shall not have legislative jurisdiction but shall have the authority to conduct a continuing comprehensive study and review of the problems of narcotics, drug, and polydrug abuse and control, including—but not limited to—the study and review of: first, the abuse and control of opium and its derivatives, other narcotic drugs, psychotropics, and other controlled substances as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970, and any such drug or substance when used in combination with any other substance; second, domestic and international trafficking, manufacturing, and distribution; third, treatment, prevention, and rehabilitation; fourth, narcotics related violations of the Internal Revenue Code of 1954; fifth, international treaties and agreements relating to the control of narcotics and drug abuse; sixth, the role of organized crime in narcotics and drug abuse; seventh, problems of narcotics and drug abuse and control in the Armed Forces of the United States; eighth, problems of narcotics and drug abuse and control in industry, and ninth, the approach of the criminal justice system with respect to narcotics and drug law violations and crimes related to drug abuse.

Additionally, the select committee is to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies affecting narcotics or drug abuse of control; and to recommend to the appropriate committees of the House legislation or other action the select committee considers necessary with respect to programs or policies affecting narcotics or drug abuse or control.

At least one member of the select committee shall be chosen from each of the following committees of the House: The Committee on Agriculture, the Committee on Armed Services, the Committee on Government Operations, the Committee on Foreign Affairs, the Committee on Energy and Commerce, the Committee on the Judiciary, the Committee on Merchant Marine and Fisheries, and the Committee on Ways and Means.

The select committee is subject to the provisions on clauses 1, 2, and 3 of rule XI of the Rules of the House of Representatives, will report to the House with respect to the results of any field investigation or inspection, and will be required to submit an annual report.

Mr. Speaker, during consideration of House Resolution 13 in the Rules Committee two amendments were agreed to: First, an amendment was adopted whereby the membership of the select committee would be increased from 17 to 19 and; second, an amendment offered by Congressman RHODES which would require the annual report of activities filed by the select committee to include a summary of its activities and recommendations for a comprehensive program to control the worldwide problem of drug abuse.

Mr. Speaker, at the beginning of the 96th Congress our chairman of the Narcotics Select Committee Lester L. Wolff, expressed a commitment that he would not seek to reconstitute the committee as a select committee in the next Congress. Basic to our mission was the mandate for the select committee to determine how the House can most effectively continue its comprehensive oversight of the complex problem of preventing and controlling drug abuse when the select committee terminated its work. Pursuant to this mandate, Chairman Wolff appointed me to chair a task force to study this critical matter and to prepare a report setting forth our recommendations.

Mr. Speaker, that report was prepared and approved by the members of the select committee. Our report entitled, "Recommendation for Continued House Oversight of Drug Abuse Problems" was circulated to all the Members of the House during the closing days of the 96th Congress. After careful study of the alternatives, the select committee recommended that the House establish a permanent Special Oversight Committee on Drug Abuse and Control with authority, responsibilities, membership, and budget basically the same as the select committee. The considerations underlying our recommendations include the tremendous magnitude and complexity of drug abuse and drug trafficking problems that, unfortunately, will persist for the foreseeable future; the need for a long-term, comprehensive strategy that can respond flexibly to the frequent and rapid shifts in drug abuse trends and drug trafficking patterns; and the inability of the standing committees to address these problems effectively due to jurisdictional fragmentation and the overriding demands of their other responsibilities.

Although we see the need for creating a permanent Drug Oversight Committee, due to changes in the membership of the House, its leadership in both parties, the changes in certain chairmanships of the standing committees, and a new administration, the leadership has urged that we defer our efforts to seek a permanent Drug Oversight Committee until the full membership of the House has sufficient time to study in detail the select committee's recommendation. In the interim, to assure that the important work of the committee continues, we are urging at this time the adoption of House Resolution 13.

Mr. Speaker, House Resolution 13 as amended mandates that the select committee recommend a comprehensive program to control drug abuse. We welcome this mandate and when reconstituted we shall urge the White House to cooperate with our select committee to develop an effective Federal drug strategy. We seek a spirit of close cooperation and understanding in working with the new administration in this effort. Our committee has been bipartisan and we—the members of the select committee from both sides of the aisle, have joined together in a common objective to stem the tide of this terrible plague on our society. We will never achieve any degree of success until the administration and the Congress recognize the critical magnitude of the problem and together develop the most effective programs to control drug abuse and drug trafficking.

To assure that an effective Federal drug strategy is formulated and implemented, the Congress must exercise strong oversight to assist in the formation and implementation of this strategy. This congressional responsibility has been carried out by our select committee which is the only congressional body that has been continually mandated to devote its entire efforts to comprehensively oversee all aspects of the complex drug problem, including helping to raise the consciousness of the public regarding the dangers of drug abuse.

Mr. Speaker, there is strong grassroots support to continue the work of our select committee. Parents, educators, State, local, and private drug abuse organizations, and law enforcement agencies have urged that the work of the select committee be continued. The National Federation of Parents for Drug Free Youth, comprised of more than 600 chapters of concerned parents from all over this Nation, recently passed a resolution strongly urging our continuation. The New York State Division of Substance Abuse Services; the International Narcotics Enforcement Officers Association, Inc.; the Alcohol and Drug Problems Association of North America, and similar drug related organizations have expressed their support for continuation of our select committee. These concerned citizens look to our select committee as the primary congressional committee that has helped raise the consciousness of the public regarding the dangers of drug abuse and that has devoted its entire efforts to assist them in meeting the debilitating effects of drug dependence and drug addiction. They need our continued support.

I urge my colleagues to support House Resolution 13 to reconstitute the Select Committee on Narcotics Abuse and Control. I seriously doubt whether any Member of the House can rise and state that his district does not have a drug problem. If you do not know, ask your children, your educators, concerned parent groups and your local police. If the select committee is not reconstituted this will be a message to parents and other concerned citizens throughout the United States that the Congress no longer considers drug abuse a serious problem.

□ 1600

Mr. RHODES. Mr. Speaker, I yield myself 3½ minutes.

Mr. Speaker, House Resolution 13 establishes a Select Committee on Narcotics Abuse and Control. The resolution was reported from the Committee on Rules and is a privileged matter. Unless the floor manager of the resolution yields for amendment or the previous question is defeated and an amended version proposed, the resolution is not open to amendment.

The Select Committee on Narcotics Abuse and Control was first established in the 94th Congress. The 95th and 96th Congresses adopted resolutions reestablishing the select committee.

Currently, jurisdiction for drug abuse and trafficking is shared by at least eight committees of the House—Agriculture, Armed Services, Government Operations, Foreign Affairs, Energy and Commerce, Judiciary, Merchant Marines and Fisheries, and Ways and Means. The primary reason for the establishment of the Select Committee on Narcotics Abuse and Control was to coordinate efforts to study drug abuse and trafficking in a comprehensive manner. The sole function of the select committee has been to study the problem and make recommendations to those committees having legislative jursidiction.

As reported by the Rules Committee, House Resolution 13 establishes a 19-member Select Committee on Narcotics Abuse and Control for the 97th Congress. It is not granted legislative authority but may recommend legislation. Its function is to study problems of narcotics abuse and control, domestic and international trafficking, treatment and prevention, treaties, organized crime, drug abuse in the Armed Forces, the criminal justice system, and recommendations by the President and executive agencies.

Though there is no funding ceiling in the resolution, Mr. ZEFERETTI has indicated that he anticipates this year's funding request to be less than $600,000.

Like most of my colleagues, I believe select committees should be established only for very special circumstances. And though our Nation's drug and drug-related problems are indeed staggering, the continual reestablishment of a select committee to deal with these problems was a point of concern during the Rules Committee hearing on House Resolution 13. The questioning and statements made during this hearing indicated, however, that the country's problems of drug abuse and trafficking certainly warrant special and particular attention. While Members expressed support for this special attention to the narcotics problem, they were concerned that the select committee's efforts should not just result in more studies and increasing public awareness. Rather, the select committee's efforts should yield some very tangible progress toward solving our drug problems.

Given the valuable base of knowledge gained by the select committee during the past 6 years of studying the drug problem, and the taxpayers' money already invested in the process, it would be unwise to put an end to the select committee's efforts at this point without first having obtained more tangible benefits from its work.

Consequently, an amendment to the resolution was adopted by the Rules Committee which requires the select committee to submit a report to the House recommending a comprehensive program to control the worldwide problem of drug abuse. In offering this amendment, it was my intent that the comprehensive program recommended by the select committee would provide the basis for a sound program to be authorized by the standing committees with legislative jurisdiction in this area. Such a program should finally put the country on the track of actually doing something about our drug problem. With this mandate in its authorization, I feel the select committee's existence is justified for 2 additional years.

Mr. BEARD. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Tennessee.

Mr. BEARD. Mr. Speaker, I would like to express my strong support for House Resolution 13, which establishes the Select Committee on Narcotics Abuse and Control for the 97th Congress.

My 4-year association with the select committee has convinced me that the standing committees having jurisdiction over drug abuse issues do not have the time, expertise, or inclination to effectively address the complex issues surrounding the drug abuse problem. Combating the problem requires a concentrated, full-time effort that only a forum resembling the select committee can undertake. For example, I am personally involved in two ongoing projects of the select committee which are extremely important, but probably would not have been studied or addressed had it not been for the existence of the select committee.

First, as a member of the Armed Services Committee, I know all Americans are vitally concerned about the preparedness of our military units stationed both here and abroad. For the past 3 years, the select committee's task force on drug abuse in the military has also been interested in this issue and has conducted an extensive series of investigations and hearings on the prevalence of drug abuse among our military personnel stationed in the Federal Republic of Germany and West Berlin. The task force found that drug abuse was a serious problem for the military which could adversely affect our national security if left unchecked. The select committee recommended several corrective measures for the Department of Defense to develop and implement. Partially as a result of the committee's recommendations, drug abuse among our military personnel is beginning to decline. Despite these encouraging signs, much more work remains to be done. During this Congress, the select committee intends to conduct further investigations into this crucial area.

Second, I have long been concerned about the escalating use of marihuana and other drugs by the youth of our Nation. Last year, the select committee conducted a hearing in Memphis to ascertain the extent of student drug abuse and to evaluate the types of drug prevention and education pro-

grams provided to students. In addition, we asked the students who testified for suggestions on what the Federal Government could do to discourage young people from using drugs. One student suggested that the Federal Government should launch a campaign which would resemble the highly successful antismoking public service advertisements and would use members of the recording and entertainment industry to serve as role models. The select committee is in the process of enlisting the support of the entertainment industry in this effort and in other drug abuse prevention activities. I have also been working on a similar project with the National Association of Broadcasters.

These are just two reasons why the work of the select committee must be continued. If you are serious about combating drug abuse, I urge each of my colleagues to vote in favor of this resolution.

Mr. GUYER. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Ohio.

Mr. GUYER. I thank the gentleman for yielding.

As a member of this committee, I fervently support its important continuation. The pandemic magnitude of this deadly traffic would make nonsupport of this resolution unconscionable.

Mr. Speaker, I wish to associate myself with the remarks of my colleagues in support of House Resolution 13, which will reconstitute the Select Committee on Narcotics Abuse and Control. I believe the need for persistent congressional input into the formulation of domestic and international narcotics control policy cannot be understated, and it is clear to me that the select committee is an essential mechanism in this regard.

In the 4½ years that the select committee has been in existence, it has produced a long list of solid achievements. The committee has addressed a plethora of narcotics-related problems that often impact upon the very fiber of our society. Hearings on PCP and prescription drug abuse, the health hazards and therapeutic uses of marihuana, the special problems of drug abuse among women, the elderly, and minorities as well as hearings covering international narcotics control and specific regional drug problems have been held. In 1979, I had the privilege of chairing a series of hearings which examined both the physical effects and trafficking of cocaine. All of these hearings and investigations have provided the Congress and the public with invaluable insight into the role that drugs have come to play in our society today. An insight, I submit, we might not have had if it were not for the exemplary work of this committee. In addition, there are a number of issues that I think might not have come to light at all without the presence of this committee.

The select committee has been the principal catalyst in creating a public awareness of the extent to which our Nation's Armed Forces are plagued with a very serious drug abuse problem. Hearings and study missions conducted by the committee prompted the Department of Defense to begin coming to terms with this dilemma. I want to remind my colleagues that this issue calls into question the very nature of our military preparedness, our ability to meet an external threat and retain the blessings of liberty that have been bestowed upon us. It seems to me that the praiseworthy effort to improve our defensive capabilities undertaken by President Reagan is unquestionably undermined if the United States cannot even maintain a drug-free military force. I suggest that one of the most effective steps we can take here today to enhance the prospects of the President's attempts to improve our defense posture would be to vote in favor of House Resolution 13. This would insure that the Defense Department continues to have the proper oversight that they will need to implement programs to solve this problem.

One of my great concerns is the increased influx of Southwest Asian heroin into the United States. The impact of this high-grade heroin has already been felt in the Northeast. I believe this surge in the production of Southwest Asian opium and its subsequent refining and trafficking out of the region as heroin represents the clearest and most present drug danger to our global society today. Given the implications of a full-fledged heroin invasion of our shores, it seems to me that this is hardly the time for the Congress to signal the world that we are no longer as committed to dealing with this dilemma, by eliminating this body's only committee with sole jurisdiction over narcotics problems.

My concerns rest not only with Southwest Asian heroin but also with the truly global dimensions of drug abuse. Just recently I had occasion to review the newspaper headlines of countries from the far corners of the Earth and was struck with the persistence of the drug abuse theme. One of the major dailies in Jakarta, Indonesia, ran a story in November entitled, "Drug Related Offenses Increase in 1980." In Namibia, an article reviewing the "Widespread Increase in Drug Trafficking" was published. Le Figaro, one of the largest French newspapers, ran a series of articles late last year regarding drug abuse increases and police fears of a new French connection. A Hong Kong daily published a story which indicated that the heroin seizures of 1980 were double that of 1979. New Zealand, Norwegian, and British papers all recently ran stories regarding increasing drug problems—and I could go on and on. The point is that all of these stories present us with a composite picture which suggests that there are universal drug abuse problems and this is certainly not the proper time for the Congress of the United States to take the heat off by eliminating the Select Committee on Narcotics.

A few years ago, the use of paraquat to eradicate marihuana in Mexico grew into a highly emotional and contentious issue which had the potential of raising grave uncertainties regarding not only the integrity of our mutual efforts to restrict the flow of marihuana into this country but our entire bilateral relationship with Mexico as well. The select committee, in fulfilling its mandate, held a series of hearings and issued a report which shed the light of objectivity on this sensitive issue and encouraged the Federal Government to rethink its position in light of wider bilateral commitments vis-a-vis Mexico. I might add that the select committee's involvement in this issue represented the only attempt in the Congress to examine all facets of this highly complex subject.

The revelation of drug abuse as a global problem has only recently come to the forefront, just as prior to the establishment of the select committee, international narcotics control policy was accorded such a level within the State Department that the issue was only rarely raised as one of vital national interest. Thanks to the impetus of the select committee, in 1978 the State Department created the Bureau of International Narcotics Matters. This action insured that narcotics will be considered an integral part in the development of American foreign policy. Although there remains much to be done to continue to raise the profile of narcotics on a global scale, I believe the committee's influence in this matter constitutes an outstanding accomplishment.

In today's atmosphere, which is favorable to budget cutting, a sentiment that I have long been in accord with, it is imperative that we review the cost effectiveness of programs. Concomitant with financial prudence is the ability to expend money in a manner which has the potential of producing future profits. I believe that the estimated $500,000 per annum in expenditures that would be required to maintain this committee over the next 2 years would be a legitimate and cost-effective investment and I urge my colleagues to support this worthy investment—in America's future.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I rise in opposition to the extension of the Select Committee on Narcotics. The committee was supposed to expire in the 95th Congress. Two Congresses later, it is still humming along, devoid of legislative authority, spending over half a million dollars each year.

In my judgment, select committees are supposed to fade away. They are supposed to recommend legislation to the real committees of jurisdiction, and expire. However, this committee fails to fade away.

The Select Committee on Drugs apparently wants to exist forever. We can put it out of its misery, save the taxpayers one-half a million dollars, and not reduce our efforts to combat drugs and drug abuse. All we have to do is to vote against this committee. That will send the jurisdiction back to the standing committee where it belongs.

Mr. ZEFERETTI. Mr. Speaker, for the purpose of debate only, I yield 3 minutes to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I ask today for the Members' support for the Select Committee on Narcotics because, after having a conversation with Peter Bensinger, who is the Director of the Drug Enforcement Administration, I am more convinced than ever that our select committee should be allowed to continue, because it is the only legislative arm that our Federal Government will have to attempt to get a handle on the international drug trafficking problem that we are facing in this country.

There are hundreds of thousands of young people who so far have not fallen into the net of addiction, notwithstanding the fact that, as it relates to the importation of heroin that recently in the New York Times it was reported that we do not have a handle on the countries in which the opium is being produced, I can think of no committee, standing or select, that has enjoyed the cooperation of both Republicans and Democrats, liberals and conservatives, in trying to cut this cancerous sore away from the American lifestyle as relates to the lives that are destroyed by drugs. And I am hoping that, as the Reagan administration has indicated, that we have to hit the ground running, the Members might see fit to allow this committee to continue to work, because, as they have said, there is no alternative to the Select Committee on Narcotics, there has been no committee that has jurisdiction that has had the resources to effectively deal with the problem.

We do not have, I say to the gentleman from Arizona (Mr. RHODES), all of the answers that we wish we could have in providing legislative suggestions. Our major problem is that we have no idea of the scope of the problem that this Nation faces, and we have no one out there providing the leadership and saying that we can get a handle on it.

I hope to be included in that number that, once we find some vehicle, whether in the administration or legislatively, we can eliminate the concept of the select committee. I hope that my vote could be included in that number. But I certainly ask every individual Member, knowing that each one of you are genuinely concerned, and in hoping and praying that the disease and the epidemic that has swept my community, that it comes nowhere near your community, which forces you to support a committee such as a select committee, I do hope that you review the resources that are available, both on the legislative level and on the administrative level, and to talk with your colleagues that have served on the committee. And when you find that the State Department, the Justice Department, the DEA, and local and State law enforcement officials around the country support our efforts, I hope that you would see your way clear to support the committee's proposal.

Mr. RHODES. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Speaker, I am pleased to join with my committee colleagues and the 93 cosponsors who have endorsed House Resolution 13. I am anxious to share with you the reasons why I believe the Select Committee on Narcotics Abuse and Control should continue its work in the House during the 97th Congress.

One of the most important features of the pending resolution is the provision contained in section 3 which requires that at least one Member from each of eight standing committees serve on the select committee. The diversified membership has served as a unique asset to the work of the committee. I have gained valuable insight from other Members who possess a different background and expertise.

Since the inception of the select committee it has pursued a variety of inquiries and investigations. Many have developed into major projects which produced noteworthy results. For example, the gentleman from Oklahoma (Mr. ENGLISH) has undertaken a lengthy study of the abuse of drugs by U.S. Armed Forces personnel. The committee developed recommendations for the military and we have seen noticeable improvement. More needs to be done, however, and further work has been planned for this year. In another area, the gentleman from Ohio (Mr. GUYER) initiated a series of hearings which examined the health consequences, and manufacture and distribution of cocaine.

Mr. Speaker, many of us who have served on the select committee realize full well that the Government, acting by itself, cannot even begin to solve the drug problem. I think it is absolutely essential that we enlist the support of parents, of the churches, of business, of labor, and others in the private sector. But there are some things that we can do and I believe we have done.

During the 96th Congress, we held 33 hearings which covered such diverse topics as the illicit drug trafficking and production, the health consequences of paraquat-contaminated marihuana, the diversion of licit drugs to illicit markets, and then we held a hearing in the fall of 1979 which I sincerely believe was the catalyst that prompted State and local legislatures around the country to take a close look at the sale and distribution of drug paraphernalia, particularly to minors, within their jurisdictions.

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With our help and support, major retail chains have begun to talk frankly and openly about the problems associated with the misuse of both prescription and illicit drugs. Both the Drug Fair and Peoples Drug chain, in our particular area, have launched major campaigns to alert Americans to the dangers of drug use.

Mr. Speaker, I could cite numerous examples of the select committee's work. I really believe, however, that our most important contribution has been to try to focus and inform the American people—and I might add our own Government—about the problems which result from the abuse of drugs in our Nation and around the world. We have tried to bring the problems associated with drug abuse to the forefront of our national agenda.

One of the most important things we have done is to try to coordinate the activities of the various responsible Federal agencies in such areas as Customs and the Coast Guard and the DEA and many others. In my opinion, they have been fragmented, they have been having overlapping jurisdiction, they have been duplicating one another. One of the most important things we can do is impress upon them the need to cooperate.

Over the past 4 years, I have observed a noticeable change in the attitudes of Americans toward dangerous drugs. Concerned parents have organized nationwide. Through numerous local chapters these parent groups are beginning to learn how to react to and prevent the abuse of drugs by family members. The select committee has been closely associated with their efforts to learn more about the prevention and treatment of drug abuse.

Just the presence of this committee in the House of Representatives has let our colleagues in the other body, representatives of the administration, and concerned citizens know that the

House is committed to the issue and concerned about the alarming abuse and trafficking trends. The select committee is the only forum in America which has the mandate to address all aspects of the worldwide drug problem. We have provided the Nation with a singular focus on the issues—a place where all who are concerned about the efforts to reduce drug trafficking and use can look for leadership.

One of our principal objectives over the last 4 years has been to coordinate the executive branch agencies which administer drug programs. We prodded the Carter White House to become involved, and right now, the new administration is watching our action here today closely. Soon they will be evaluating the ongoing drug programs and deciding how much emphasis drug abuse issues will receive. I ask you to send a clear message: Drug abuse will not be abandoned by the House, but instead, it will be one of the most important areas addressed by this body.

No American family can claim to be immune from drug abuse; no congressional district can escape the problem; and no Member of Congress should deny that this problem undermines the fiber of American society. We must send a signal to parents, young people, physicians, and law enforcement officers. Let us tell the American people that the Congress is committed to working on our drug problem. I urge overwhelming support of House Resolution 13.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Speaker, I want to associate myself with the remarks of my colleague from Illinois.

Mr. Speaker, I rise in sincere and enthusiastic support of House Resolution 13, which calls for the continuation of the House Select Committee on Narcotics Abuse and Control.

There is no need to recite once more the frightening and dreary statistics of the toll that drug abuse and addiction exacts on the health and safety of every citizen of our country and, in particular, our children. All of us know of the shattered lives, the lost years, the deaths which drugs have caused. The plain, ugly truth is that drug abuse represents the most serious threat to the health and safety of its citizens that this Nation has ever faced.

The House Select Committee on Narcotics Abuse and Control is the only congressional body, in either the House or the Senate, with the mandate and the ability to view the drug problem in its complicated and diversified entirety. There are literally dozens of Federal agencies with authority and responsibility over various facets of this Nation's efforts to combat drugs. Eight House committees share the enormous responsibility of providing guidance and oversight to the activities of these diverse agencies.

Drug abuse, however, is an issue which crosscuts the lines of authority and responsibility drawn between agencies and between congressional standing committees.

The House select committee has the mandate to address all of the ramifications of the drug problem: Diplomatic; intelligence; law enforcement; criminal justice; treatment; rehabilitation; prevention; education; and research.

The House select committee can provide a critically needed service to every Member of the Congress and to every concerned committee of the Congress by providing a coordinated perspective on the entire issue.

The drug problem, while constantly changing, is not going away, nor are there magic solutions. The new influx of heroin as a result of changing world situations and the advent of a substantial traffic in illicitly manufactured drugs by clandestine laboratories are manifestations of this. The continuation of the select committee will help to insure that the complex and difficult issues dealing with the drug problems will be identified and impartially and aggressively investigated.

I urge each and every one of you to support the passage of House Resolution 13 to insure that the drug issues will be addressed in a coordinated and responsible manner.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I am not really settled in my mind whether to vote for or against this committee. The gentleman has helped me because he is the first speaker to talk about what has been done as against what we would like to do.

Let me ask the gentleman why it has been such a big problem to come up with a national agenda? Why do we need this mandate from the Rules Committee, which the gentleman from Arizona ordered, to give us something to get into an overall plan? I would have thought that would be something in the gentleman's kin without that resolution.

Mr. RAILSBACK. The gentleman, in my opinion, makes a very good point. I think that many of us on the select committee have really kind of educated ourselves. I think we are doing a much better job.

One of the major objectives of this particular session, if we get reconstituted, which I believe we will, is to address that very problem. In other words, finally try to come out with a national policy relating to drugs and drug abuse.

The SPEAKER pro tempore. The time of the gentleman from Illinois (Mr. RAILSBACK) has expired.

Mr. ZEFERETTI. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. STARK) for purposes of debate only.

Mr. STARK. Mr. Speaker, I rise in support of the Select Committee on Narcotics. In the past two Congresses, I have been privileged to serve on this committee.

I have often been dismayed at the lack of adherence, however, to the tasks mandated by our authorization.

We can all agree that the collective Federal drug policies of the past decade have been a dismal failure. A new approach is needed—a comprehensive overhaul of our goals both on the supply and demand reduction sides of this problem.

This committee, if it is reauthorized—and I suppose it should be—should do less world traveling and more work here in this country. There are literally hundreds of addicts in East Oakland, people I represent, who need some hope that there is a path out of drug dependence. They need the help provided by the altogether inadequate Federal prevention and treatment programs.

I would hope that this committee would move aggressively to investigate the alleged corruption in this Nation's law enforcement and financial communities which have been repeatedly connected with domestic drug trafficking in this country. We should track down the big money behind this $64 billion a year business and identify the role of organized crime.

This is the job of the select committee as I see it. Without question, alcohol is the most abused substance in this country. The National Institute on Alcohol Abuse and Alcoholism estimates there are more than 10 million alcoholics and abusers in America. Certainly, this problem has touched the lives of Members of this body.

According to leading pharmacologists, alcohol is classified as a depressant, behaving in much the same way as barbituates do. When taken together, alcohol and other drugs account for serious medical trauma and a large number of deaths in this country.

Since the costs to society of alcohol abuse easily rival those of other drugs—nearly $60 billion according to the National Institute of Medicine—I am glad to include this substance within the jurisdiction of the select committee.

Under new leadership, I expect we could lay the groundwork in the next 2 years for substantive action by the appropriate legislative committees having jurisdiction over drug abuse.

Mr. ZEFERETTI. Mr. Speaker, I yield 4 minutes to the gentleman from

Georgia (Mr. EVANS) for purposes of debate only.

Mr. EVANS of Georgia. Mr. Speaker, as a member of the House Select Committee on Narcotics Abuse and Control for the past 4 years, I would like to rise in support of the resolution to continue this most important work.

Never before has this Nation been faced with such widespread psychoactive drug use by its young. Three-fifths of America's high school seniors and nearly one-third of our children aged 12 to 17 have now tried marihuana, while 1 in 10 seniors smoke marihuana daily—daily. Moreover, cocaine use among children has nearly quadrupled in just 7 years and nearly doubled among seniors in just 5.

According to the Gallup polls of the past 2 years, the No. 1 problem in the schools, say the students, is drug abuse. When polled, the parents gave the same response. I am sure that there are few educators that would not have the same answers. The knowledge parents have, that their child has a slim chance of getting through school drug free is frightening. Those of you in this body with children in school must know what I am talking about. I hear the same story all over the country, regardless of race, region, religion, or party affiliation. This problem must be addressed. This problem must be stopped.

The Federal Government is not doing its job. We currently assign responsibility for drug research, treatment, prevention, education, law enforcement, and so forth, to 27 Federal agencies. Often, many agencies interpret Federal drug policy differently and consequently work at cross purposes with each other. And just as often, citizens seeking to utilize the resources of these agencies get caught in the crossfire and come away angry, frustrated and disgusted with their inability to get satisfactory answers to their question. It is here that the select committee has and must continue to play its most valuable role in its service to Congress and to the American taxpayer. Our committee's oversight power in the past has been the single, most important role we have played.

It is in the spirit of total frustration that we have seen the upsurge of what we have come to term "parent groups" throughout the Nation. The approximately 1,000 community groups that have formed thus far in all 50 States and Puerto Rico and Canada are already a cohesive, political force. Many of your offices have received letters and visits from parents, educators, attorneys, and others involved in this movement on the issue of the select committee. I assure you that someone, somewhere in every single State in this country is watching your vote this afternoon and anxiously awaiting the outcome.

For you see, the committee has provided the assistance that these groups have been searching for and could not find elsewhere. When the National Institute on Drug Abuse (NIDA) had not updated their information on the health consequences of certain drugs, it was the select committee that forced the issue. For the first time in years, we are beginning to see accurate and current information coming from that agency and you can feel confident in referring a constituent to them for information. Prior to this, many of our offices were having to supply the information personally.

I am extremely concerned about the future of this oversight power which no other committee in Congress possesses.

Oversight is not the only contribution that has and will be made by the committee. We have created a forum and an information source on many of the controversial and confusing issues of late. Just to mention a few, we held hearings on the controversial herbicide paraquat in order to determine its health consequences to marihuana smokers and the environment; drug paraphernalia and the need for a model State bill which we now have prohibiting the sale and distribution; health consequences of marihuana and cocaine, and therapeutic use of THC and marihuana.

In addition to this, the committee has played an important role in the international picture. Our committee has traveled to the actual source countries and negotiated with foreign leaders on such crucial programs as paraquat spraying in Mexico, crop substitution programs, and law enforcement assistance. When there was concern about drug abuse in the military and the Army was denying it, our congressional investigation surfaced the disturbing truth about our forces in Germany and the extent of drug use on duty, thus forcing the high command to acknowledge the problem and address it.

The hearings in the Southeastern United States on trafficking and law enforcement unearthed severe problems about the cooperation between local, State, and Federal drug enforcement officials as well as the manpower and resource disadvantage that law enforcement was working under. Much needed legislation has been introduced by our members as a result of this investigation.

The select committee has looked at many things from prevention, to treatment, to smuggling, to foreign affairs, to parent groups—things that no legislative committee has the time nor the initiative to do. We have tried to make sure that all the agencies of the Federal Government come together and form a clear and concise policy on drugs. If not this committee then what committee will have jurisdiction over all phases of the drug problem. There is none.

In light of a new administration, their proposed budget cuts, and the rumors floating around that the White House Drug Policy Office's existence may be threatened, we in Congress cannot afford to relinquish this power to the many and diverse agencies and offices throughout the Federal Government. We cannot allow them to operate as they will without the knowledge that there is a final authority to be answered to: the Congress and the American people. I urge your support of this resolution. Thank you.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Georgia. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

I would like to commend my colleague from Georgia for his leadership in this area. He has rendered a great service, not only to the people of Georgia, but to the people of the United States in these many community groups that have looked out for some assistance and some support from the Federal Government. I commend the gentleman and support his efforts in this regard.

Mr. RHODES. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. BLILEY).

Mr. BLILEY. Mr. Speaker, I rise in opposition to the pending resolution, House Resolution 13, to continue the Select Committee on Narcotics Abuse and Control.

I want to make it clear that in opposing this resolution, I am not prodrug. As a former mayor, as a Congressman, and as a parent of two teenage children, I realize the seriousness of the drug abuse problem in this country. I do not deny that the problem is nationwide and even international in scope. I realize that its implications and solutions touch on the authority of numerous House committees and subcommittees.

But I will assert to my colleagues, however, is that this select committee has not done a sufficiently good job of exploring the nature of and offering solutions to the problem of drug abuse and control to justify its continued existence.

I would like to explain to my colleagues three concerns which lead me to believe that the continuance of the Select Committee on Narcotics Abuse and Control is unjustified.

Before making those points, however, I would like to discuss what I believe is the insufficient rationale behind the very existence of a Select Committee on Narcotics Abuse and Control. I have already explained that I realize the seriousness of the drug

abuse problem. But our Nation faces other serious problems. Poverty, for instance, is a serious national problem. Its long-term implications are quite severe, possibly even threatening the foundations of the Nation, and no one would want to assert that the Congress, has after 50 years of effort even come close to solving the poverty problem. Not counting the appropriations and budget committees, at least nine committees have jurisdiction over poverty and related programs: Agriculture, Banking, Education and Labor, Government Operations, Post Office and Civil Service, Public Works and Transportation, Small Business, Ways and Means, and even another select committee—one on Aging.

On a poll of national concerns, the rising crime rate far outranks narcotics abuse as an issue of importance in the public mind. There is certainly a link among the issues of crime, narcotics abuse, and poverty. Why not have select committees on all three of those areas? By concentrating on drug abuse through a select committee, might we be treating only the symptoms of deeper problems in our society? Would not the time and expense of the Congress be better spent in exploring the deeper social ills which result in drug abuse and numerous other problems?

But even given the existence of a select or special body to concentrate on drug abuse problems there are several problems with the operation and structure of the select committee which indicate that it should not be continued. The first among these are the obvious abuses in foreign travel which have occurred on the committee in the past. I am very well aware that the former chairman of the committee is no longer a Member of Congress, in large part owing to his heavy schedule of trips to foreign nations. But the chairman was not the only member of the committee who participated in these trips.

For the enlightenment of my colleagues I would like to point out exactly how widespread instances of foreign travel by members of the Select Committee on Narcotics Abuse and Control has been during the last two Congresses. Last year alone select committee members visited Australia, Italy, Israel, India, Pakistan, and Sri Lanka. One of these trips lasted around 2 weeks. In 1977 committee members traveled on a seven-nation factfinding mission and a South American study mission. Some of the countries which committee members have visited over the past 4 years include: Thailand, Hong Kong, Macao, West Germany, Colombia, Bolivia, Puerto Rico, Japan, and the Soviet Union. Select committee members have apparently visited several other countries as well.

In addition to the foreign travel by members of the committee on a factfinding basis, the committee has seen fit to hold hearings in a number of overseas locations including West Germany and West Berlin, Guam, and Puerto Rico. I would like to point out to my colleagues that the budgets for such overseas travel are paid out of the House contingency fund and are not included in the budget for the select committee. In addition, travel expenses paid out of the House contingency fund are not auditable and therefore such expenditures are in no way open to public scrutiny or accountability.

We were assured that under different leadership the committee's foreign travel will be curbed. I hope that is the case. However, as I pointed out numerous members of the subcommittee have seen fit to take foreign trips on committee business in the past. Unless we can be assured that foreign travel will not be undertaken on select committee business in the future, I see no reason to continue sanctioning the committee's operations. If the select committee is to operate as coordinating mechanism it should leave missions to specific foreign nations to the foreign affairs or other committees which may have direct jurisdiction over international drug traffic.

The issue of overseas hearings brings me to the second point: Has the way in which the select committee been discharging its duties over the past 5 years been acceptable?

The Select Committee on Narcotics Abuse and Control held only seven hearings last year, during the second session of the 96th Congress. The first of these hearings was a 2-day set in Germantown, Tenn., chaired by the Congressman who represents that area on the subject of drug abuse problems in the schools there.

Second, came a 1-day hearing in Washington. Third, were 3 days of hearings in Macon and Brunswick, Ga., chaired by the Congressman who represents that district on the problem of drug traffic in Georgia. The fourth hearing, in New York City, was attended presumably by three Congressmen from the New York metropolitan area and served on the select committee. The fifth hearing was in Washington, for a change. The sixth hearing was held in Philadelphia, chaired by a Congressman from Philadelphia, and attended by another Congressman from the area who was not a member of the select committee. Finally, the seventh hearing was held in Washington.

Four out of the seven hearings the select committee held last year, comprising most of its time in session, were held in the home congressional districts of members of the committee. I do not deny that there were drug problems in any of these areas. I do not deny that field hearings can be useful to congressional committees. But I do believe that this kind of pattern of hearings indicates that the select committee has spent an inordinate amount of its time and resources on hearings which have the effect if not the intent of generating a great deal of publicity in the home districts of Congressmen who are members of the select committee.

The unusual way in which the select committee has discharged its hearing duties does not stop with its hearing schedule last year. I urge my colleagues to carefully examine the select committee's annual report from which all of the facts which I have used today have come. The pattern of hearings in past sessions is equally appalling.

Many of the committee's other activities as described in the annual report for 1980 involved members of the committee speaking in their own congressional districts on drug abuse problems. I do not see a need to continue funding a select committee staff which spends a large amount of its resources on what may amount to work to directly benefit individual Members of Congress.

Among the committee's primary purposes have been to act as an integrating force for the various congressional committees which have authority over drug abuse problems. Unfortunately, the committee has failed in this integrative function. The task force approach used by the select committee has led to the same fragmentation in hearings and efforts by the select committee as exists in the Congress as a whole. In continuing and establishing itself over a long period of time the select committee has simply become another level in the congressional bureaucracy interested in its own self-continuance rather than in integrating other functions of the Congress.

This brings me to the third issue which I would like to address. The select committee was originally intended to have finished its work during the 95th Congress. It was extended into the 96th Congress with instructions to complete a final report to the House.

The recommendation of that final report presented September 24, 1980, is to form a new permanent special oversight committee on drug abuse and control in the House. I would like to point out to my colleagues that the vote in the select committee to turn itself into a new permanent special oversight committee was unanimous, 15 to 0.

Something that happened last November seems to have changed the committee's view of the wisdom of establishing a new permanent congressional committee.

In its September report, however, the committee came to the conclusion that we have reached the firm conclusion that a temporary body such as the select committee is no longer an appropriate vehicle for responding to the chronic and complex problems of drug abuse.

Now, 5 months later the select committee is back asking us to continue it as a temporary body. My point is that any extension of this committee through the 97th Congress will have the effect of making this special committee a permanent committee.

Rather than carry out the duty with which it was charged to come up with solutions and ways of handling drug abuse problems, the committee decided only to perpetuate itself. I would like to address three questions to the chairman. If he answers these to my satisfaction I will withdraw my opposition to this resolution.

First, will the chairman assure the House that members of the select committee will engage in no overseas travel on committee business during the coming Congress?

Second, will the chairman assure the Congress that no field hearings will be held in home congressional districts of committee members during the 97th Congress?

Third, will the chairman give the House his absolute assurance that by the end of the 97th Congress the select committee will report back with recommendations about how to handle the drug abuse problem which do not entail the continuance of the select committee or the establishment of a similar permanent committee?

Fourth, and finally, will the chairman give us his personal assurances on these issues?

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. GILMAN).

□ 1630

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding, and I commend the gentleman from Arizona, Mr. RHODES, and the gentleman from New York, Mr. ZEFERETTI, for their leadership in bringing this measure to the House floor.

Mr. Speaker, as a charter member of the Select Committee on Narcotics Abuse and Control since the committee was created late in 1976, and as a cosponsor of House Resolution 13, establishing the committee in the 97th Congress, I am pleased to rise in support of this resolution.

Narcotics trafficking and drug abuse have reached epidemic proportions both in our Nation and abroad. Drug trafficking just in the United States alone is estimated to have reached a staggering annual $64 billion. The tentacles of drug trafficking and drug abuse have reached into nearly every city, town, and school district throughout our Nation, causing untold misery for hundreds of thousands of our citizens. No congressional district, no State and no nation is immune to the drug traffickers who reap unknown billions of untaxed dollars from their sordid business transactions.

Our Nation is fast becoming a pill-popping, drug abusing, drug-oriented society. The young, the elderly, the rich and the poor, men, women, and children from all sectors of society are resorting to marihuana, cocaine, heroin, phencyclidine—commonly known as PCP or angel dust—uppers, downers, painkillers, tranquilizers, and hallucinogens in seeking to escape their problems. Hardly a day goes by that a hospital emergency room does not report a drug-related injury or death from the abuse of these drugs. Unfortunately, there is also a growing social acceptance for some of these deadly drugs.

As legislators, we are continually asked what we are doing to help raise the consciousness of the public regarding the dangers of drug abuse and the global pervasiveness of drug trafficking. Let us ask ourselves, how has the House of Representatives organized itself to monitor the complex problem of narcotics trafficking and drug abuse.

Drug trafficking and drug abuse is too vast and complex a subject for any single standing committee, as presently constituted, to monitor comprehensively. That is the reason that the Narcotics Select Committee initially came into existence: To help raise the consciousness of the public regarding the dangers of drug trafficking and drug abuse, to prod the administration into formulating, as required by law, a comprehensive, coordinated Federal drug strategy, a strategy that is sorely needed but regrettably has not been fully developed, to monitor the administration's drug-related programs and policies, and to assist our standing committees in their piecemeal drug-related activities.

As a member of the Foreign Affairs Committee, I can report that while our committee has examined some of the problems pertaining to international narcotics control, we have not been able to comprehensively attack this problem. The problem is much too large. Our Foreign Affairs Committee does not even possess jurisdiction over the international aspects of drug abuse prevention that belongs to another standing committee. Furthermore, our Foreign Affairs Committee does not have the time or the resources to devote its entire efforts to international narcotics control. There are other issues and other legislative matters that compete for our attention. This situation is not unique to the Foreign Affairs Committee. It exists among numerous standing committees and their subcommittees having piecemeal interests in drug abuse prevention and control.

Mr. Speaker, what standing committee is going to be able to comprehensively monitor the drug-related programs and policies of the new administration? What standing committee is going to prod the White House to elevate drug-related issues to a top priority on the President's agenda, to commit Presidential leadership to the war on drug abuse, and to formulate a comprehensive, coordinated Federal drug strategy?

During the past 4 years, our Narcotics Select Committee has been instrumental in obtaining closer cooperation among the Federal drug-related agencies, in elevating the State Department's senior adviser on international narcotics matters to the position of Assistant Secretary, thereby placing increased importance on drug-related issues in developing this Nation's foreign policy, and in focusing attention on drug abuse among our soldiers stationed in West Germany and West Berlin that resulted in the Defense Department's 12-point narcotics plan. But much work remains. Only the select committee can devote its entire efforts to comprehensively monitor the activities of the new administration, to assist our standing committees in their drug-related endeavors, and to help raise the consciousness of our citizens regarding the dangers of drug trafficking and drug abuse.

Without any drug oversight committee, I am fearful that efforts to wage war on drug abuse and drug trafficking will be placed on the back burner of the Congress and of the administration, and that this Nation will continue to muddle along without an effective, comprehensive, coordinated drug strategy. If that occurs, then our Nation will sink more and more into the morass of drug-dependency.

Accordingly, Mr. Speaker, I urge my colleagues to help prevent the drug epidemic from spreading by supporting House Resolution 13, reconstituting the Narcotics Select Committee. In an effort to more fully inform my colleagues of some of the major accomplishments of the select committee, I am inserting at this point in the RECORD a summary of the select committee's activities from its report entitled, "Recommendation for Continued House Oversight of Drug Abuse Problems" (Rept. No. 96-1380), pages 13 to 20, and two recent editorials in support of reconstituting this select committee:

ACCOMPLISHMENTS

LEGISLATIVE INITIATIVES

Although the Select Committee does not have any legislative jurisdiction, the Committee has supported the legislative efforts of several standing committees. Individual Committee Members also have undertaken legislative initiatives based on their Select Committee experience.

Coast Guard authority

Hearings held by the Select Committee in New York City and in Miami, Florida, revealed a critical omission in the Coast Guard's jurisdiction to interdict drugs on

the high seas. Members of the Select Committee introduced H.R. 2538, a bill to facilitate increased high seas enforcement by the Coast Guard of laws relating to the importation of controlled substances. As a result of close cooperation among the Select Committee, the Subcommittee on Coast Guard and Navigation, and the Committee on Merchant Marine and Fisheries, H.R. 2538 passed the House on July 23, 1979. Both the House and the Senate recently agreed upon an amended version of the bill which was signed into law (P.L. 96-350) by the President on September 15, 1980.

Drug Enforcement Administration (DEA) authorization, fiscal year 1980

Concerned over the reduced authorization provided for DEA in legislation reported to the House, the Select Committee prepared amendments to restore DEA's fiscal 1980 authorization to $202,366,000, the amount required by DEA to maintain its fiscal year 1979 level of operations. These amendments were offered in the Committee of the Whole and were adopted by voice vote.

Psychotropic substances

The Select Committee played an active role with other congressional committees in obtaining enactment of Public Law 95-633, the Psychotropic Substances Act of 1978. This important Act amended existing laws to meet U.S. obligations under the 1971 Convention on Psychotropic Substances.

Stricter control of PCP

At the request of the Interstate and Foreign Commerce Subcommittee on Health, the Select Committee held hearings on Phencyclidine (commonly called PCP or "Angel Dust") which contributed directly to several significant actions designed to curb PCP abuse.

Regulation under the Controlled Substances Act (CSA). The DEA tightened controls on PCP by raising that substance from Schedule III to Schedule II of the CSA. In May of 1978, two immediate precursors of PCP also were placed under Schedule II of the CSA.

Increased Penalties and Piperidine Reporting. The record established by the Select Committee led to the inclusion of provisions in Public Law 95-633 (the Psychotropic Substances Act of 1978) increasing the penalties for trafficking in PCP and establishing restrictions on commerce in Piperidine, a PCP precursor.

Forfeiture of monetary instruments

The Select Committee recommended an amendment to the Controlled Substances Act to permit the seizure and forfeiture of all moneys, negotiable instruments, securities, or other things of value used in connection with drug violations. Subsequently, Members of the Select Committee helped to formulate a provision included in the Psychotropic Substances Act of 1978 that provided this authority.

Administrative forfeiture

The Select Committee recommended legislation to amend the Tariff Act of 1930 by increasing from $2,500 to $10,000 the value of items seized in violation of the drug laws which may be disposed of administratively. The Customs Procedural Reform and Simplification Act of 1978 (Public Law 95-410) included such a provision.

Drug abuse and the elderly

The Select Committee recommended a provision vis-a-vis drug abuse and drug dependence among the elderly that ultimately was incorporated in Public Law 96-181, the Drug Abuse Prevention, Treatment and Rehabilitation Act Amendments of 1979. This provision requires that representatives of the elderly participate on State drug abuse prevention advisory councils.

Money laundering

The Select Committee's hearings in Chicago and Florida highlighted the extensive use of domestic financial institutions by drug traffickers to launder the immense proceeds of their illicit trade. The issues that these hearings raised led to the introduction of H.R. 5961 which would close certain loopholes in our banking laws. The Senate is considering similar legislation.

Mandatory minimum sentences for drug traffickers

In an effort to crack down on narcotics trafficking in this country, Mr. Gilman, joined by 44 cosponsors (including 10 Members of the Select Committee), introduced H.R. 3674, a bill to provide mandatory minimum prison sentences for persons illegally manufacturing, distributing, or dispensing controlled substances.

Marihuana pre-trial diversion

Following the Select Committee's hearings in 1977 on the pros and cons of reducing Federal penalties for possession of small amounts of marihuana for personal use, Members of the Select Committee introduced H.R. 12587 (95th Congress), the Marihuana Pre-trial Diversion Act. Under this legislation, reintroduced in the 96th Congress as H.R. 3470, persons subject to criminal prosecution for possession of small amounts of marihuana would be channeled out of the traditional criminal justice system and placed instead in an educational counseling program that stresses the serious dangers and ramifications, both for the individual and society, associated with the abuse of marihuana and other drugs. Upon successful completion of the program, all official public records relating to the offense would be destroyed and no adjudication of guilt would be made.

Clarification of the Percy amendment

In conjunction with Senator Percy, the Select Committee developed an amendment to the International Security Assistance Act of 1979 (P.L. 96-92) to make clear that the Percy Amendment's prohibition on the use of U.S. assistance for the purpose of spraying marihuana with paraquat would not jeopardize the successful program by the Mexican Government to eradicate opium poppies.

FEDERAL OVERSIGHT

In carrying out its oversight responsibilities, the Select Committee has continually monitored the activities of the principal Federal departments and agencies engaged in all aspects of drug abuse prevention and has attempted to assist them in improving their drug abuse efforts.

Congressional resource guide

In 1978, the Select Committee published the "Congressional Resource Guide to the Federal Effort on Narcotics Abuse and Control," which for the first time identified the entire Federal effort directed at drug abuse prevention.

Increased executive agency cooperation

The Select Committee has attempted to bring together the principal departments and agencies responsible for drug abuse prevention to resolve their differences and establish mutual and coordinated objectives. As an example, our hearings in South Florida in June of 1978 not only focused national attention on the catastrophic situation involving cocaine and marihuana trafficking but also resulted in intensified efforts by all Federal agencies engaged in narcotics interdiction to coordinate their activities in that area.

Drug abuse in the military

Prompted by the Select Committee's hearings on drug abuse among our soldiers in West Germany and West Berlin, the Department of Defense developed the "12-Point Plan" to combat the situation. Although our follow-up hearings have shown that the problem is still not under control, the Army recently announced that it will shorten the time many young soldiers must spend overseas from the current 24-32 months to 18 months. The Select Committee recommended this step in 1978 and again in 1979, citing the length of overseas tours as a contributing factor to drug abuse in the military.

State Department

At the urging of our Committee, the position of Senior Adviser to the Secretary of State and Coordinator for International Narcotics Matters was elevated to the position of Assistant Secretary. As a result of this change, international narcotics issues have received greater attention in overall foreign policy development, and the ability to negotiate international narcotics matters with foreign governments has been significantly enhanced.

Federal strategy

The absence of a comprehensive, coordinated Federal drug strategy has been a major concern of the Narcotics Select Committee. Although the Drug Abuse Office and Treatment Act of 1972 established a Federal Strategy Council to develop a comprehensive, coordinated Federal drug strategy and evaluate the implementation of the strategy, our oversight hearings have exposed the inactivity of the Strategy Council and the corresponding failure of the Council to fulfill its statutory mandate.

New heroin threat

In May of this year, the Select Committee held a hearing in New York City to examine the effects increased heroin supplies entering our country from Southwest Asia are having on drug abuse treatment and law enforcement efforts and to gauge the impact of the Administration's proposed $40 million cut in Federal funds for drug treatment, rehabilitation and prevention. Witnesses described the situation as being potentially catastrophic to the treatment providers and to the enforcement and welfare agencies. The Select Committee has worked vigorously with other Members of the Congress to restore these critical funds to the budget for the National Institute on Drug Abuse (NIDA).

Paraquat

Following the 1978 "paraquat scare" initiated when the Department of Health, Education, and Welfare (now Health and Human Services) issued warnings of irreversible lung damage from smoking paraquat-sprayed marihuana, the Select Committee conducted a thorough investigation and held a series of public hearings to examine the paraquat issue within the entire context of American public health/narcotics control policies and objectives. The Committee recently issued a comprehensive report summarizing its inquiry and sent a copy to HHS Secretary Patricia Harris, urging her to help clarify some of the misconceptions

surrounding the paraquat problem revealed by the Committee's investigation.

The efforts of the Select Committee represent the only attempt to examine all facets of this highly complex issue.

Drug education

Through our investigations and hearings in New York City, Memphis, Tennessee and Macon, Georgia, the Committee gained first-hand insights into the epidemic proportions of drug abuse and drug trafficking in the nation's schools. We also found that the resources provided for drug education are grossly deficient. The Committee is pursuing this problem with the new Department of Education and NIDA to assure that drug education is given a high priority and that effective programs are supported.

Cargo security

A hearing conducted by the Select Committee at John F. Kennedy International Airport spotlighted the use of international air cargo to smuggle narcotics and assessed the problem of cargo theft and diversion. The Select Committee recommended several measures to enhance cargo inspection efforts by the United States Customs Service and to improve the cargo security procedures of air carriers.

INTERNATIONAL INITIATIVES

The Select Committee has directed its efforts not only at drug abuse in the United States but also at developing an awareness of and responses to drug abuse and drug trafficking within the entire international community.

Hermosillo declaration

Members of the Select Committee urged Mexican and American Government officials to intensify their efforts to interdict narcotics trafficking and to eradicate the illicit production, use and abuse of heroin and other dangerous drugs. As a result of these efforts, the Mexican and United States delegations to a 1977 bilateral interparliamentary conference adopted the Hermosillo Declaration on Combatting the International Trafficking of Drugs. Subsequently, the U.S. Congress passed House Concurrent Resolution 265 expressing the commitment of the United States to the joint U.S.-Mexican effort to combat international narcotics trafficking and drug abuse.

United Nations

In 1977, Chairman Wolff, as a representative to the U.S. delegation to the United Nations, introduced a precedent-setting resolution before the 32d Session of the U.N. General Assembly requesting that the Commission on Narcotic Drugs launch an international drug abuse control strategy. The United Nations Fund for Drug Abuse Control (UNFDAC) was invited to design models for drug abuse prevention, treatment and rehabilitation and to study the feasibility of establishing treatment and rehabilitation centers to care for individuals suffering from drug abuse. This resolution was adopted by the General Assembly and is in the process of being implemented.

United Nations Fund for Drug Abuse Control (UNFDAC)

Concerned with the low level of financial contributions by member nations of UNFDAC, the Select Committee has focused continuous attention on this issue and has been successful in encouraging other nations to support the Fund. As a result of this effort, the percentage of the U.S. contribution to the U.N. Fund has been reduced from 80 percent to 41 percent. In this connection, our hearings in the Federal Republic of Germany on drug abuse in the Armed Forces highlighted the drug abuse problem for West German authorities and contributed to increased Western European participation in the Fund.

Vatican initiative

During an audience with Members of the Select Committee earlier this year, Pope John Paul II requested relevant and meaningful suggestions as to how he and the Church could assist the international effort to counter the menace of drug abuse. Members of the Select Committee recently presented to the Papal Secretary of State a number of proposals for consideration by the Holy Father. On August 9, 1980, in a Mass for former drug addicts at Castel Gandolfo, Pope John Paul II delivered the strongest statement of his papacy on drug abuse. The Select Committee's meetings with His Holiness and the Papal Secretary of State helped lay the groundwork for this message.

Study missions abroad

Members of the Select Committee have participated in a number of fact-finding missions abroad to study first-hand the problems of drug abuse and drug trafficking in South America, Europe, Southeast Asia, Japan, the Soviet Union and other areas of the world. Through these on-site investigations and meetings with representatives of various foreign governments, the Select Committee has gained valuable insights into the global dimensions of the drug abuse problem and has encouraged other nations to increase their drug abuse prevention efforts.

OTHER SIGNIFICANT ACCOMPLISHMENTS AND ACTIVITIES

The Select Committee has held a number of other hearings that have focused public attention on specific problem areas.

Marihuana—Dangers and potential benefits

The Select Committee has conducted hearings to examine important new research on the adverse health consequences of chronic marihuana use and also to investigate the potential therapeutic uses of tetrahydrocannabinol (THC), a major psychoactive substance in marihuana, in treating glaucoma victims and lessening the debilitating reactions to cancer chemotherapy.

Talwin

As a result of a hearing held by the Select Committee to highlight the hazards of polydrug abuse, DEA placed Talwin on Schedule IV of the Controlled Substances Act, effective February 9, 1979.

Prescription drug abuse

The Select Committee examined the problem of prescription drug misuse and abuse and established a record that was a factor in encouraging the American Medical Association to issue drug prescribing guidelines. The Committee also has focused attention on the widespread diversion of prescription drugs into the illicit market.

Paraphernalia

The Select Committee's hearing on drug paraphernalia dramatized the impact of the burgeoning paraphernalia industry which encourages and glamorizes drug abuse among children. The hearing also focused widespread attention on the Model Drug Paraphernalia Act drafted by Justice and DEA as a guide to States for coping with the paraphernalia problem. Subsequent to the hearing, several localities adopted statutes based on the Act.

Drug abuse among specific population groups

The Select Committee has conducted a number of hearings to highlight the special drug abuse problems of women, minorities and the elderly.

[From the Washington Star, Feb. 25, 1981]

DRUG ABUSE OVERSIGHT

The House today is to decide whether to reconstitute the Select Committee on Narcotics Abuse and Control. We trust that the commendable Capitol Hill mood to do a bit of slimming down will not tempt the House to try to save half a million dollars by letting the committee lapse. That would be a case of pound-foolish—as the Rules Committee recognized in approving the resolution to keep the body in existence.

The assignment of national priorities is often a ragged process. Sometimes the priorities established in the political arena are obvious. From time to time, priorities are assigned by cultural fashion or fear and, alternately, diminished when public attention wanders.

The latter is some respects seems to be the case with drug abuse. A dozen years ago the issue commanded intense concern. Public perceptions of the ravages of addiction and habituation matched reality. The Nixon administration ranged its federal battalions for an assault, premised on a relationship between increases in crime and drug abuses. There were many battles and some victories. But the trumpeted priority crested in the middle 1970's, for reasons not altogether clear.

That did not mean, of course, that the problem drastically diminished or was extirpated: to the contrary. But the urgency associated with combating the narcotics plague in part may have faded from a clear and present concern to one more hazy because of its virulent spread into the suburbs and the middle class. The pervasiveness of illicit drug use contributed, we suspect, both to a skepticism that the affliction could be successfully fought and, perversely, a kind of sanction—dignified by the awful label of "recreational drugs."

So here we are again, appalled by a resurgent crime rate and confronting again the depredations of narcotics. In the past several years, drug overdoses have been on the rise (deaths from heroin overdoses in Washington increased from 40 in 1979 to 62 last year). The Golden Crescent of the Middle East is assuming the supply dominance that the Golden Triangle of Southeast Asia held a dozen years ago. The traffickers have become increasingly sophisticated; law-enforcement agencies are spread increasingly thin.

This is not, as it was not a dozen years ago, a figment of vivid imaginations. The case for reconstituting the House Select Committee is persuasive, primarily to provide a focus for congressional oversight. Jurisdiction over narcotics-related federal functions now is spread across 13 standing committees in the House. If that does not actually insure that legislative attention will be diffuse and duplicative or lacking coherence, it suggests the probability.

The committee in the past has done some service and, in combination with what we trust will be a commitment by the Reagan administration, a renewed federal assault on

this pernicious problem may be stimulated. It is needed.

[From the New York Times, Feb. 25, 1981]

FOCUS ON DRUGS

The use of heavy and dangerous narcotics is growing, yet the Select Committee on Narcotics Abuse and Control will be fighting for its life in the House today. The House committee has been working for four years; it deserves to do so for another two.

The overlapping structure of standing committees in the House makes this select, or temporary, committee desirable: it can coordinate among eight standing committees that are involved with the narcotics problem. The select committee introduces no legislation directly but has helped to point out faults in the laws. It investigates and calls public attention to new troubles, like "angel dust," or phencyclidine. With effective leadership, probably under the chairmanship of New York's Representative Leo Zeferetti, the committee can bring needed focus to a costly national problem.

Mr. ZEFERETTI. Mr. Speaker, for purposes of debate only I yield 4 minutes to the distinguished chairman of the Judiciary Committee, the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, ordinarily I would be opposing the establishment of any select committee. I believe that in accordance with the concept of the Legislative Reorganization Act, the standing committees of the House certainly can function and have functioned.

There are, however, some gaps. There are areas where I believe it becomes necessary to focus attention on a problem that somehow or other might be escaping the attention not only of the Congress but of the people. As far back as 6 years ago, when the select committee was first established, I announced then my reservations, but I recognized, however, that reality compelled me to say that while the Committee on the Judiciary has jurisdiction in this area, legislative jurisdiction, oversight jurisdiction, that we were not equipped with all the necessary information that I thought was important to do the job that needs to be done; that we do and should have established a select committee.

Since that time, the select committee has developed an impressive record; has inspired better cooperation between those law enforcement agencies concerned with drug trafficking; has increased the flow of information to Congress and helped to inform the public of the continuing dangers facing our country in the area of drug abuse.

I give my time to that select committee because I think it is important. I believe that it is compatible with the work of the Committee on the Judiciary that is now trying to implement some of the findings and recommendations made by the select committee.

In 1976, when the select committee was first created, our country faced a dangerous drug-trafficking and drug-abuse problem. Estimates of heroin addicts in our population ranged from 400,000 to 600,000. Marihuana and cocaine was freely available to teenagers and to an adult population increasingly agreeable to experimenting with these dangerous illegal drugs. There was also a constant increase in the ingestion of manmade painkillers, sedatives, tranquilizers and so-called uppers such as amphetamines. LSD and PCP were prevalent and the Government was increasingly hard pressed to keep up with the crime generated by the drug traffic then in existence.

Now, 4 years later, through world forces over which we have little control, the situation appears infinitely worse. For example, the bulk of the heroin brought into the United States in the past came from Mexico. A 1977 poppy eradication program supported by our Government resulted in a decrease of some 50 percent of the heroin being brought in from Mexico. Unfortunately, the countries of Iran, Afghanistan, and Pakistan have now more than adequately filled the supply void left by Mexico and we find poppy production and heroin refining at an alltime high. Trafficking in Southwest Asian heroin is presently affecting our Armed Forces stationed abroad and is devastating our population at home. The Shan States of northern Burma have currently produced a record crop of approximately 700 tons of Southeast Asian poppies, resulting in much greater availability for U.S. consumption this year. There are now, once again, as many U.S. heroin addicts as existed in 1976, all due to increased trafficking. These dreadful statistics, I believe, clearly illustrate the need for Congress to continue to keep a close and current watch on heroin trafficking and heroin abuse in our country.

We are also experiencing a devastating influx of marihuana and cocaine originating in Colombia. The select committee, in the past 3 years, began a series of investigations and hearings which focused attention on the need to support a policy of diplomacy that will eventually persuade the Colombian Government to take firm and decisive action against the growers, refiners and traffickers in its own territory. Our law enforcement agencies cannot cope with interdicting more than, at most, 10 percent of this traffic. The sheer volume of drugs coming from this source has inundated Florida, States on the eastern and southern seaboard and has spread throughout the United States as a whole. We are left with the problem of billions of dollars on which no taxes are paid, with the serious ancillary problems of political and police corruption, and with the corruption of financial institutions that are aiding and abetting the traffickers. The lure of easy money is corrupting heretofore legitimate individuals and we have seen recent convictions of bankers, doctors, students, lawyers, and businessmen with otherwise unblemished records. This specific problem demands more congressional attention and I understand will be major priority for the select committee in the present Congress.

Congress requires a window on this underworld. The select committee can serve as that window. It can continue its examinations of proposed remedies and at the same time work hand in glove with the standing committees of the House to achieve solutions that can be reached through legislation. It can exhort public and private institutions to do better, expose trafficking patterns, and focus on the urgency of the problem and the need to reduce the unprecedented demand for drugs in our society.

Mr. Speaker, my colleagues may recall that on many occasions I have opposed the creation of or the continuance of select committees believing that the policy expressed in the Legislative Reorganization Act of 1946 is a correct one—namely, that standing committees having jurisdiction over a subject matter should take the laboring oar on oversight and investigation and that few, if any, select committees should be created.

For the reasons I have expressed and more, I believe the proposed Select Committee on Narcotics Abuse and Control presents us with a fundamental exception to the policy I have always followed. I, therefore, urge my colleagues to approve House Resolution 13 so that the select committee may continue its valuable work.

I believe that this Congress needs the kind of compelling information, the kind of buildup, the kind of searchlight, that the select committee has brought upon this issue. For too long, I think this problem has not been properly dealt with by the executive branch of the Government and by those who should have responsibility for dealing with a problem that has cost us loss of a great many lives, the young of our country, resulting in about $50 billion of illegal trafficking in narcotics which continues to plague us.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, I wish to take this opportunity as the House considers House Resolution 13, authorizing the Select Committee on Narcotics Abuse and Control for the 97th Congress, to comment on the select committee and the serious problem it is designed to address.

I supported the creation of the select committee in the 96th Congress and will do so again today, albeit conditionally. I want to voice my belief

that this body, with the help of the select committee, must really address the narcotics and drug problem and not merely engage in window dressing every 2 years with yet another study panel.

The drug problem is serious. A segment of the Sunday, February 22, 1981, broadcast of CBS "60 Minutes" highlighted the split jurisdictional difficulties that hamper Federal activities in the Florida area where many of our drug imports reach the United States. The broadcast pointed out that Federal efforts are split between the Internal Revenue Service, the Drug Enforcement Administration, the Federal Bureau of Investigation, the Coast Guard, and the U.S. Customs Service. Here in the House our jurisdiction over drugs is similarly split and also paralyzes us from taking effective action. The following committees exercise some jurisdiction: Agriculture, Armed Services, Government Operations, Foreign Affairs, Energy and Commerce, Judiciary, Merchant Marine and Fisheries, and Ways and Means.

There are those who will argue that the select committee overcomes this structural problem. But the select committee can only go so far without any legislative jurisdiction. We need more than oversight, we need coordinated Federal activity. We should address the organizational problem in the executive branch. We should increase penalties for drug trafficking, if necessary. We should examine banking practices as revealed in the "60 Minutes" broadcast. What we should not do is merely create this select committee once more to suggest the appearance that we are doing something. I, for one, will not support the creation of the select committee in the next Congress if effective action is not forthcoming.

Mr. Speaker, the select committee was created in the 94th Congress. A colloquy on the floor on March 21, 1979, during consideration of the resolution creating the select committee for the 96th Congress, revealed that the chairman of the select committee had testified before the House Administration Accounts Subcommittee in 1978 that the select committee would not be returning for reauthorization. During the exchange, the former chairman of the select committee, Mr. Wolff, stated that the select committee had hoped to finish but did not do so. Mr. Murphy of Illinois reassured the House, and I quote:

> The committee has stated before the Committee on Rules that this would be its last 2 years.

Well, the 2 years are up and here we are again re-creating a select committee that seems to have nine lives.

My sole reason for supporting the select committee despite these strong reservations is that the drug problem needs attention. We should establish the select committee for the 97th Congress with an eye toward using the next 2 years to tackle the real culprit—the jurisdictional problem among legislative committees in the House. Without an internal restructuring, no matter how well the select committee performs, we must still negotiate the legislative labyrinth to secure passage of needed legislation.

The recently released narcotics intelligence estimate contains a number of sobering statistics. Illegal drugs generated $64 billion in retail sales in 1979, compared to $50 billion in 1978 and $48 billion in 1977. An estimated 25 to 31 metric tons of cocaine were smuggled into the United States in 1979, compared to 19 to 25 tons in 1978, a 27-percent increase. Availability of marihuana continued to rise in 1979, and the report forecast continued high use of marihuana and cocaine.

The note of good news for the future comes from the University of Michigan Institute for Social Research's annual national survey of high school seniors. According to the results of the survey released last week, attitudes toward drug use are changing. The number of daily users of marihuana, for example, declined 12 percent, the first decline since the survey began in 1975.

Let us not allow this encouraging news to create a false sense of security. My concerns about the select committee stem not from a lack of appreciation for the problem on my part. Quite the opposite. I want to guarantee that we as lawmakers are doing the utmost to combat narcotics-related activities at home and abroad. In that connection I look forward to reviewing the recommendations of the select committee on a comprehensive worldwide program against drug abuse required under the resolution and commend the gentleman from Arizona (Mr. RHODES) for offering this amendment in the Rules Committee. I hope that the select committee will meet the challenge ahead of it in the next 2 years. The select committee has had 4 years now to complete its work. This extension through the 97th Congress should be more than enough for it to accomplish its objectives.

Mr. ZEFERETTI. Mr. Speaker, for the purposes of debate only I yield 2 minutes to the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I am pleased to have this opportunity to voice my support for the reconstitution of the Select Committee on Narcotics. In view of the prevalence of drug trafficking in my home State which has reached crisis proportions in recent years, I must admit that I have a personal stake in supporting House Resolution 13, because the Select Committee on Narcotics was the first congressional entity to draw public awareness to the situation in Florida. Mr. Speaker, the drug problems in south Florida are unprecedented and admittedly difficult to describe. Murders connected with the drug trade are now committed on virtually a daily basis. The situation has simply gotten out of hand, and I am very concerned that if the Congress allows this committee to expire we will be sending the wrong signal to the criminals who engage in this business.

A few years ago when the select committee held field hearings in south Florida, law enforcement officials testified that in Florida alone an estimated $7 billion worth of marihuana and cocaine were being smuggled in from South America. This figure indicated that narcotics trafficking had come to rival tourism as our State's largest industry. I am convinced that the illicit drug trade in Florida is now reaping significantly higher profits than was ascertained at those field hearings.

Thanks to the work of the select committee, a number of deficiencies have been pointed out in cur efforts to curtail the flow of illicit substances into the United States. This has served to illustrate the special needs of the narcotics law enforcement community. For example, one area which I believe reinforces the necessity of eliminating drugs at the growing areas, is the revelation that the United States manages to seize only 20 percent of the ships carrying illegal narcotics cargo based upon prior intelligence. This means that 80 percent of the interdictions on the high seas are on a cold-hit basis. Given the lack of resources available to the authorities, it is no small wonder that the influx of marihuana and cocaine continues practically unabated and has developed into a magnet for organized crime figures.

Because of the constructive oversight and recommendations that the select committee has been providing, many in the law enforcement field have expressed their concern over the potential adverse consequences to the effort to interdict narcotics entering our country if the committee is not reconstituted. Last year, Mr. Donald L. Willey, president of the International Narcotic Enforcement Officers Association, wrote me that he felt that the select committee played a vital role in improving our illicit drug interdiction capabilities at the Federal, State, and local levels. Mr. Willey concluded that—

> With conflicting agency priorities in addition to geographic considerations, a single central authority capable of objective oversight is necessary.

I certainly concur with this assessment and I therefore believe it is imperative that we support the reconstitution of the Select Committee on Narcotics.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama (Mr. SMITH).

Mr. SMITH of Alabama. Mr. Speaker, today we are being asked to vote to reestablish the Select Committee on Narcotics Abuse and Control. There is no question but that the United States faces a severe and ever-increasing drug problem that threatens the moral and social fiber of our society. Drug trafficking is most sobering when it reaches our schools and impairs or halts the promise of our young people.

I certainly agree there is a crying need for drug control enforcement. I further acknowledge that the Select Committee on Narcotics Abuse and Control has a very noble goal. Nevertheless, I will be casting my vote today against the reestablishment of the select committee.

Last year it is estimated over 45 billion hard-earned taxpayer dollars were spent to combat drug trafficking. There are already in existence 8 permanent congressional committees and over 100 Federal agencies, such as the Drug Enforcement Administration, the Federal Bureau of Investigation, the Coast Guard, and the Customs Service, with jurisdiction over drug control. In addition, State and local official investigative agencies cooperate with their Federal counterparts.

I commend the committee for its work in past Congresses, but am not convinced of the need for yet another duplicative congressional committee. The Select Committee on Narcotics Abuse and Control was created in the 94th Congress and has had an extended existence beyond its original intent.

Committee costs range between $600,000 and $700,000 annually. President Reagan and the Congress will of necessity be asking the American people to make economic sacrifices to reinvigorate our failing economy. We must bring the budget under control and I submit we can begin holding the line here in Congress by eliminating House Resolution 13. Let us demonstrate the type of fiscal responsibility and commitment to cutbacks we will be expecting from the populous at large.

□ 1645

Mr. ENGLISH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Alabama. Yes.

Mr. ENGLISH. The reason I rise and ask the gentleman to yield——

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. ZEFERETTI. Mr. Speaker, I yield 1 additional minute to the gentleman.

Mr. ENGLISH. Mr. Speaker, if the gentleman will yield, I think the gentleman certainly put his finger on this, although I think he is a bit misguided. The very point that many of our speakers have missed today—and that is the reason we created the select committee to begin with—the reason we created the select committee is because the jurisdiction is so fragmented, not only within the House of Representatives, but also within the administration. As has been pointed out by a number of speakers, you have a number of different agencies and different departments and all have some responsibility, but in total no one has responsibility. That is exactly what this select committee has found out over the last 4 years. We have attempted to bring together all the forces, all the resources to eliminate the feeling that is taking place within the agencies that have this responsibility and to direct those tax dollars toward an effective drug problem effort. I think without this committee and without a continuation of the committee, there simply is no chance of a future.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, I rise today in support of House Resolution 13 reconstituting the Select Committee on Narcotics Abuse and Control. I do so as I have a vested interest in the problems caused by drug abuse all across our country, a geographical vested interest as a Member of the 12th District in south Florida; a personal vested interest as a father of four children.

As a former city prosecutor, judge, and three-term mayor of Fort Lauderdale, I know that local law enforcement is no match against the growing menace of drug trafficking in our country. Florida alone has 8,000 miles of shoreline and as many as 200 deserted air strips, which has made my State the port of entry for perhaps as much as 70 percent of the drugs illegally smuggled into this country. In Florida alone, it is estimated to be a $7 billion industry, which makes it the largest commercial activity in the State.

The effects of drug activity in Florida have been staggering. The number of drug-related homicides grows every week, drug-related crimes, such as robbery and muggings against the helpless and elderly are up sharply.

It is easy to state the impact of drugs in dollars, but the toll in broken lives cannot be expressed statistically, although the select committee estimated that 50 million Americans have used marihuana, 15 million cocaine, and over 450,000 of our citizens are addicted to heroin, most of whom have been swept to the back streets and to the subcultures out of sight but a constant menace to themselves and society.

With 1 out of 10 high school seniors using marihuana on a daily basis, there is no wonder that those of us with children and grandchildren of high school age live in constant fear.

I am not talking to you this afternoon about a Florida problem. I am talking to you about a problem that threatens the future of America as much as double-digit inflation and rising unemployment. We must work to achieve a Federal commitment to rid this country of this menace.

I urge the adoption of House Resolution 13 reconstituting the Select Committee on Narcotics Abuse and Control.

I yield back the balance of my time.

Mr. RHODES. Mr. Speaker, I yield 1 minute to the gentlewoman from Rhode Island (Mrs. SCHNEIDER).

Mrs. SCHNEIDER. Mr. Speaker, as a cosponsor of this legislation, I rise in support and urge my colleagues' favorable votes on House Resolution 13.

The recent upsurge of drug use and drug trafficking in the United States is cause for alarm and demands prompt effective and corrective measures. The fact that in 1979 alone the narcotics subculture was a $64 billion industry indicates the magnitude of our national problem. The question of drug abuse is complex and far reaching. All sectors of our society are affected, from our children in their schoolyards to our friends and neighbors who are dependent on drugs prescribed by their very own physicians.

In addition to the dramatic negative health impact, we must also concern ourselves with the interconnectedness of drugs and the increase in crime.

The House Select Committee on Narcotics Abuse and Control has had a stellar record as the first to coordinate the efforts of the myriad of congressional committees and Federal agencies involved in combating drug trafficking and abuse. This committee has served as an effective tool in fostering cooperation on the Federal, State, and local levels. In this regard, the select committee prompted the White House to establish a streamlined task force to insure the proper allocation of available resources.

Again, I urge favorable support of the resolution to continue the Select Committee on Narcotics Abuse and Control.

Mr. ZEFERETTI. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Mr. Speaker, I congratulate the previous speaker for her fine remarks. She mentioned that this is a $64 billion industry. She is absolutely right. The Federal Government is spending $1 billion in a futile attempt to control it and yet still the Federal Drug Enforcement Administration tells us that 97 to 98 percent of the drugs that cross our borders reach their intended customers.

Listen to this quote, this appalling quote from Deputy Chief of Police Charles H. Kelly of the New York City narcotics division in the police department:

> It is so easy to smuggle drugs and once drugs get into our country forget it. There is very little we can do about it. If you can't prevent them from growing it, we can't stop it.

Now, that gives you some idea of the order of magnitude of this horrendous problem facing our country. The Select Committee on Narcotics is the one place that is a clearinghouse for ideas that is an exchange place for renovation.

Mr. Speaker, I attach a recent article from the February 15 front page of the New York Times:

HEROIN TRADE RISING DESPITE U.S. EFFORTS—IN THE NEW YORK REGION, PROBLEM IS SAID TO BE WORSE THAN EVER

(By Leslie Maitland)

After more than 15 years of trying to develop ways to fight the influx and distribution of heroin in the United States, law enforcement officials say that their efforts are still not succeeding and that in some parts of the country, especially New York, the problem is worse than ever.

The hundreds of millions of Federal and local dollars spent each year in the battle against narcotics have brought only brief interludes when trafficking seemed to be declining, these officials say. And many acknowledge that after congratulating themselves on wiping out the Turkish and Mexican connections of years past, they failed to anticipate adequately the flourishing of new sources.

THE SCOPE IS STAGGERING

While some disagreement exists over how much heroin is actually entering the country and being confiscated by law enforcement authorities, the Federal Drug Enforcement Administration estimates that only 2 to 5 percent is being kept from distribution channels.

And because nothing can be done to curb production from Iran, Afghanistan and parts of Pakistan, where American influence is limited, law enforcement officials contend that vast quantities of heroin are pouring into the United States and that, as one official put it, it is only the "rare unlucky" importer who is detected and prosecuted.

"The scope of it is absolutely staggering—I wish I had a penny for every pound of heroin that's getting through," said Victor J. Rocco, chief of the criminal division in the United States Attorney's office for the Eastern District of New York, whose words were echoed by many other law enforcement authorities involved in the narcotics battle.

District Attorney Robert M. Morgenthau of Manhattan, for example, maintains that heroin abuse has reached a crisis level.

"It's the single most frustrating problem that I've got," he said, adding that he blamed it for almost half the robberies and burglaries committed in the city.

In interviews, senior government officials at the local and Federal levels cited these major obstacles to combatting the heroin trade in the United States, in addition to their inability to stem the growth of poppies in Southwest Asia:

Budgetary cutbacks coupled with inflated prices for heroin have left law enforcement strapped for funds, particularly for undercover investigations, which need money to purchase drugs.

The Carter Administration is perceived by law enforcement officials as having been uncommitted to fighting drugs.

A lack of long-term planning in the campaign against heroin distribution is cited by some officials, and others criticize the tendency of law enforcement to accumulate so-called "buy and bust" cases, instead of focusing on major heroin conspiracies.

The bail system is attacked for allowing dealers, who have ready access to huge sums of cash, to leave prison while awaiting trial and return to dealing. Knowing that another charge is not likely to bring added sanctions, the dealers are said to believe that the authorities will be reluctant to spend money making another case.

EASE OF SMUGGLING CITED

Law enforcement officials are forthright in acknowledging that no matter how much is spent to curtail the use of heroin, they will not eradicate the problem unless the poppy-growing countries can be influenced to stop production. Opium, they say, inevitably finds its way to sophisticated, secret laboratories around the world to be manufactured into heroin and shipped to the United States, where it commands the highest prices.

"It's so easy to smuggle drugs," said Deputy Chief Charles H. Kelly of the Police Department's Narcotics Division. "And once drugs get into the country, forget it—there's very little we can do about it. If you can't prevent them from growing it, we can't stop it."

The effort, however, is commanding the full attention of narcotics enforcement officials, who say the heroin problem has forced them to curtail drastically their fight against other drugs.

"Pills, uppers, downers, pot, cocaine—we can't even address them" said Sterling Johnson, the city's special narcotics prosecutor, whose 46 assistants handle drug cases for all five district attorneys in New York. "Our priority is heroin, and with our fiscal problems, we can't do everything."

FEDERAL MONEY PROBLEMS

On the Federal level, also, money is a problem. The Government spends about $1 billion annually to counter drugs—dividing that sum equally between law enforcement and social services. But critics who maintain that the battle to combat drugs lacks adequate financing point out that the narcotics trade is conservatively estimated to be worth $64 billion a year in the United States alone.

Most of the money that the Federal Government devotes to law enforcement in the drug area goes to the Drug Enforcement Administration, which was founded in 1973 under President Richard M. Nixon as the sole Federal agency responsible for investigating narcotics cases. At present it accounts for 25 percent of the Federal criminal docket nationwide. Of its budget of approximately $206 million, it spends $14.3 million in New York City, where it has stationed 170 of the 2,000 agents it has placed in this country and around the world.

In pursuing their investigations, drug enforcement agents rely heavily on undercover purchases of drugs. The often-criticized theory behind this approach is that by buying drugs in ever larger quantities the agents will work up the ladder of distribution, gradually coming closer to the wholesale supplier. Arrests are made only when the agents have reached the highest level they think possible.

There is general agreement, however, that the importer at the top rung may never handle the heroin himself and is therefore difficult to prosecute unless an informer can be enlisted.

And the cost of drugs, authorities contend, has made this sort of investigation exceedingly expensive.

"The inflated cost of heroin has hurt," said John W. Fallon, the administrator for the Drug Enforcement Administration's Northeast region, who is responsible for 12 states, from Canada to Delaware. The district office, he said, has approximately $1 million in "buy money" each year, and the task force has $500,000. But with heroin now selling at $140,000 to $250,000 for a kilogram, according to the narcotics agency, the money does not go far.

"An ounce of heroin now runs at least $10,000, up from $2,000 six years ago," said James Moss, chief of the narcotics unit in the United States Attorney's office for the Southern District of New York. "But the D.E.A. budget has not increased five times since 1975. Now, if you want to begin an investigation with a bag of four ounces, you need at least $40,000, while you needed only $8,000 before. And if you want to win the trust of the people dealing, you have to keep on buying."

According to Chief Kelly of the Police Department's Narcotics Division, the difficulties posed by the increase in the price of heroin have been compounded by a decrease in his budget for purchases—from $2.5 million in 1972 to $700,000 in 1980. And the Legislature, as of 1979, increased the amount of drugs that the undercover detective must purchase at one time—from one ounce to two—in order to bring a top felony charge. Accordingly, fewer cases can be made.

PROSECUTIONS IN MANHATTAN

David Cunningham, until recently the chief assistant to Mr. Johnson, the special narcotics prosecutor, also contended that lack of money had prevented the office from prosecuting many of the 4,500 felony heroin arrests made in New York last year, the vast majority in Manhattan.

"There were almost 1,200 technical felonies that were not indicted and were instead handled in Criminal Court because we lacked prosecutors," said Mr. Cunningham. "We're trying to handle more and more with fewer people."

Local law enforcement officials in New York say that their lack of funds reflects the Carter Administration's failure to commit itself to fighting drugs.

"They were afraid to face up to it," Mr. Morgenthau said. "They were afraid to make a commitment because they thought they'd fail."

PSYCHIATRIST VOICES CRITICISM

Dr. David Musto, a research professor of psychiatry at Yale Medical School who served on President Jimmy Carter's White House Strategy Council on Drug Abuse Policy, was particularly vehement in denouncing the Carter Administration.

"We were supposed to establish drug abuse policy for the Federal Government, and we did not do it," Dr. Musto said. "During the time of this influx of heroin, the council, which was supposed to devise a strategy to deal with it, did not meet, despite our frequent requests for meetings."

Lee Dogoloff, associate director for drug policy in the Carter Administration, disputed those opinions, but agreed that the heroin problem was far from resolution.

"We're not having the success we'd like to have," Mr. Dogoloff conceded, shortly before leaving office with other Carter Administration appointees. "We're not solving the problem. But as long as there is demand, there is a tremendous profit to be made, and there will always be some people willing to take the risk to make the money."

DOUBT ABOUT ESTIMATES

Mr. Dogoloff, whose successor has not yet been named by the Reagan Administration, also argued that "there is a serious heroin problem in New York and a couple of other places in the country, but not nationwide," and said that he distrusted estimates of how much heroin is entering the country or being seized by law enforcement.

"I've never understood how you could estimate percentage of a whole when you don't know the whole," he said. "We really have no idea how much is entering the country. I think they are only guessing."

Law enforcement officials such as Gordon Fink, the D.E.A.'s assistant administrator for intelligence, contend that such factors as heroin purity, hospital administrations and death rate help determine the flow of drugs into the country. But Mr. Dogoloff is not alone in his avowed skepticism of such figuring.

"I question whether the increase in heroin is occurring with anywhere near the alarm generated by people who are looking for resources," said Irvin B. Nathan, who served as deputy attorney general in the criminal division of the Justice Department under Mr. Carter. "The trouble is that the people who purport to know the statistics are the same people who are looking for increases in their budget."

Mr. Nathan said, however, that the Administration had paid "insufficient attention to long-term planning about drug matters or to looking for long-term solutions."

Dominic F. Amorosa, the chief of the Organized Crime Strike Force and former chief of the narcotics unit in the Southern District, also asserted that drug investigations were not as effective as they might be because of what he termed the failure of Federal prosecutors to make use of wiretaps and "bugs" to gain intelligence on major importers, instead of relying on street purchases to make cases.

Like several of the local prosecutors, Peter B. Bensinger, administrator of the Drug Enforcement Administration, contended that the bail system represented a particularly critical problem where narcotics cases were concerned.

"Our bail system is a national disgrace," said Mr. Bensinger, adding that the ranks of fugitives—2,700—outnumbered his complement of agents. "They post bail, flee the jurisdiction, intimidate witnesses, threaten judges and agents. Before the ink is dry on the arrest report, the trafficker is on the street and back in business. He knows that we can't afford to bother making a second case on him."

Mr. ZEFERETTI. Mr. Speaker, I yield 1 minute to the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Speaker, I lend my full support to the reestablishment of the Select Committee on Narcotics and Drug Abuse. I can think of no problem which undermines the very values of our society more than the problem of drug abuse does. Drug abuse is a problem which cuts across every segment of our society, saps the strength of our young, and destroys many of our most talented citizens. Drug abuse is a problem which can have long-term negative effects on the economic, social, and political structure of our Nation. And, statistics indicate that drug abuse has eaten away at our Nation's ability to have a military defense force prepared to fight. The sad fact is that young men who are stoned cannot shoot straight.

The facts of drug abuse are frightening: 450,000 people are addicted to heroin, 50 million people have used marihuana, 15 million have used cocaine, 8 million PCP, 13 million inhalants, and 16 million people have used hallucinogens. These figures explain lost time on the job, lost productivity, and lost hope.

At the same time, the profits for retail trade in illegal substances continue to grow. Last year it was estimated that the retail illegal drug trade was a $64 billion industry. The impact of this subterranean economy cannot be understated. It undermines our economic structure in untaxed business revenues and adversely affects our balance of payments.

Unfortunately, the Federal Government has no comprehensive strategy to deal with drug abuse. This makes the role of the Select Committee on Narcotics and Substance Abuse critical. In its first 4 years, the select committee has indeed accomplished a great deal in the areas of prevention and substance control. The select committee has, through its emphasis on prevention at the community level, helped to challenge local communities, in an effort to stimulate prevention programs at a local level.

Through the committee's work a number of agencies have been stimulated to address specific problems around the country. I know that the committee's work has just begun. I urge all my colleagues in the House to join me in support of House Resolution 13.

Mr. RHODES. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, I rise in opposition to the resolution. One week ago the President of the United States stood in this very Chamber and urged the American people to make sacrifices in order to revitalize our economy and to restore prosperity to the American people. We in Congress ought to heed that call by cutting back on our own expenditures, just like we are asking other segments of the economy to do. One way to cut back on congressional expenditures is to reduce the number of committees and subcommittees that have proliferated in this House. Every Member of Congress knows that this body has far too many committees and subcommittees and each one of those bodies has got its own staff and its own budget and each one of them spends money.

I will be the first to recognize that narcotics abuse and control is important. We must clamp down on the drug trafficking that is poisoning the minds and bodies of children and adults alike; but established committees should be able to do the job. If the jurisdiction of committees is too differentiated, then why do we not propose and adopt a resolution that consolidates that jurisdiction in the hands of one existing committee?

The title of this resolution should more aptly be stated, "Old committees never die, nor do they fade away."

Two years ago the then chairman of the Select Committee on Narcotics Abuse and Control said that this would be the last 2 years that we would have this select committee, so let us start right now to show the country that Congress itself can tighten the belt and cut down on its own expenses just as the President is asking everybody else to do.

I urge the defeat of this resolution.

Mr. RHODES. Mr. Speaker, I have one more speaker.

Mr. ZEFERETTI. Mr. Speaker, I yield 2 minutes for purposes of debate only to the gentleman from California (Mr. DORNAN).

Mr. DORNAN of California. Mr. Speaker, we have heard a few forceful arguments against this resolution. I rise in support of it.

I would like to first address the budget arguments. Sometimes a truism, a platitude, an axiom, becomes a cliche because it is so good, it is used so often. "Better be safe than sorry" is one.

"Pennywise and pound foolish," is another. I think that we have a classic example of arguments that are pennywise and pound foolish.

There was a man arrested, a drug smuggler in the New York area just in the last few days who was carrying more heroin in rubberized containers, like a child's balloon, in his stomach than this committee could spend in any year. The committee in the 4 years that I have been associated with it, 2 years as an ex officio volunteer and 2 years as a member, has turned back money every year. No committee in this House is free from criticism, but I believe this committee has worked hard; on foreign trips it has worked very hard.

I do not believe that in my first term after we adjourned, but before the 96th Congress, a Member would have been murdered, the first Congressman ever murdered in the line of duty, Leo Ryan of California, if it had not been for the drug use at Jonestown.

Three Congressmen were advised a few months later that they were the

target of an army of drug transporters and smugglers in the opium fields of the Shan Province of Burma.

There has been a Senator who miraculously survived death, shot five times in the stomach, because of the growing crime around here involving young males who are trying to support a drug habit.

I just asked the minority leader on our side if he felt that the young people who so viciously beat him were probably supporting a drug habit and the police in this area will tell you that the incredible increase in crime is obviously due to drugs.

I called the FBI today to firm up some statistics that I gave to the Rules Committee on murder in this country and my own city was shocking, because of my own city of Los Angeles.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

□ 1700

Mr. ZEFERETTI. I yield 1 additional minute to the gentleman from California (Mr. DORNAN).

Mr. DORNAN of California. Because of the statistics in my city, I would bring those to the attention of the House and ask the Members to seek the statistics in their own districts. Murder in the 4 years I have been here has increased from 16,605 to 20,591, and the largest reason for that increase is drug-related crime—killings. Of course, a Member like myself from Los Angeles, or a Member from Illinois, or a Member from New York or Florida certainly would want to serve on this committee, which also would give some justification to why the committee has members on it from major city areas, but every high school in this country is now being affected. The murder rate in Los Angeles has gone from 394 10 years ago in 1970 to 1,021 in 1980. The police department just told me that of 1,021 homicides, 337 were drug related.

If you read the current issue of TV Guide that is going to be a two-part series starting this week on cocaine and heroin, you will find out that the hot light we have put on this issue of cocaine, heroin, and psychotropic drugs has helped.

Mr. RHODES. Mr. Speaker, I yield 2½ minutes of the remainder of my time to the gentlewoman from California (Ms. FIEDLER).

Ms. FIEDLER. I thank the gentleman.

Mr. Speaker, I rise in support of House Resolution 13. I come to you today to talk for a few moments about some experiences I have had in the area of drug abuse. I am deeply concerned about what is happening to the youth of our Nation, and when you remove all of the rhetoric, dialog, and statistics, it comes down really to an issue of children being abused for the financial benefit of a handful of people who are willing to take action against the heart and the future of our society—our children.

I have stood across the table from young people whose lives have been destroyed by the use of marihuana and other assorted illegal drugs. As I sat as a member of the Los Angeles School Board, I saw week after week after week the tremendous increase in lawlessness in the schools which was directly and unequivocally related to the illegal use of drugs.

It is essential that this body deal with the very serious problem of illegal drug use and do everything that we can within our power in order to stop the epidemic crises affecting our youth today.

The SPEAKER pro tempore. The gentlewoman from California (Ms. FIEDLER) used 1½ minutes. She would have 1 minute remaining.

Mr. ZEFERETTI. Mr. Speaker, I yield 1 minute to the gentleman from New York, (Mr. BIAGGI).

Mr. BIAGGI. I thank the gentleman for yielding.

I think it is important to know I am not a member of the committee, but what I extrapolate from the discussion that has been going on this afternoon is that we are waging a losing war. I would concede that the war is a losing issue. The question we ask is do we throw down our arms and just permit the wrongdoers in this area to run wild and rampant? I have heard the argument about President Reagan's program, and I dare say I am going to tell my colleagues on the other side of the aisle they can find a great deal of sympathy in my attitude and response to his philosophy and program, but I do not accept this opposition as something that the President desires, to oppose the establishment of a committee that spends less than $600,000. To offer that as a reflection of the Presidential attitude I think is unfair and without basis.

Let me suggest to you some of the things that have happened.

● Mr. CORRADA. Mr. Speaker, I rise in strong support of House Resolution 13, which provides for the reestablishment of the Select Committee on Narcotics Abuse and Control.

Late in 1976, this select committee was established with the main responsibility of conducting a comprehensive and continuing oversight of the narcotics situation in the United States. Since its inception the select committee held hearings in the United States and abroad in an effort to gather the information necessary to inform the Congress of the effect of illegal traffic in narcotics and the widespread problem of drug abuse on matters of domestic and international policy. The circumstances that led to the creation of this committee, have not changed since then.

Narcotics trafficking and drug abuse are still major problems that affect our society. It is our responsibility, as elected representatives of our communities to keep on going, looking for the hard to find solutions to this nightmare that haunts our communities. By not supporting this resolution we are turning our back to our responsibilities.

Without the reestablishment of the Select Committee on Narcotics Abuse and Control, we will have in Congress at least eight standing committees sharing oversight responsibility in the area of drug abuse. This select committee will insure that all aspects of this enormous problem receive comprehensive study, and be the umbrella that covers all aspects in an orderly way.

I urge you, my fellow Congressmen to vote in support of House Resolution 13, for the benefit of all Americans who in one way or another is affected by the horrors of drug abuse.●

● Mr. FAUNTROY. Mr. Speaker, I rise in support of House Resolution 13, a bill to continue the existence of the Select Committee on Narcotics Abuse and Control.

The role and contributions of this select committee are crucial in these days of ever increasing drug activity at a local, national, and international level. No other legislative committee in the House of Representatives exerts the mandate of total investigative, educational, and review functions in the area of drug control and abuse as does this important select committee.

At a time when the numbers of drug users—at all economic and social levels—are increasing with epidemic proportions, with the age level dropping to an ever younger age for user and addict, our cities, our Nation, and the world community must give immediate and concentrated attention to this threat to the moral well-being, health, and certainly safety of all citizens.

The problem has steadily grown this past year to such degree, that no single arm of the Government agencies can coordinate the investigation of causes and solutions—the Select Committee is ably equipped to concentrate on that dilemma.

As the Congressman from the District of Columbia, with the responsibility for the well-being of its citizens and the Federal presence, as chairman of the Congressional Black Caucus, I urge all my colleagues in the U.S. House of Representatives to join in the support of this bill and the crucial attention it directs to a volatile, even tragic dilemma. Its work will be available to each of you in your own jurisdictions, with the growing menace of drug traffic and abuse that each of you faces in this next period.

In the name of our children across the Nation, the senior citizens who may be victims of crime because of drug activity, and the wasted lives of those who have much to contribute to our Nation's good but for the destruction of drugs, I ask you to join me in this vote for House Resolution 13, the Select Committee on Narcotics Abuse and Control.●

The SPEAKER pro tempore. All time has expired.

Mr. ZEFERETTI. Mr. Speaker, I move the previous question on the resolution and the amendments thereto.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BILLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 276, nays 101, not voting 5, as follows:

[Roll No. 13]

YEAS—276

Addabbo
Akaka
Albosta
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
Bafalis
Bailey (PA)
Barnard
Barnes
Beard
Benedict
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Bonker
Bonior
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown (CA)
Burton, John
Butler
Byron
Carman
Chappell
Clausen
Coelho
Coleman
Collins (IL)
Conable
Conte
Conyers
Coughlin
Courter
Coyne, James
Coyne, William
Daniel, R. W.
Danielson
Dannemeyer
Daub
Davis
Deckard
Dellums
DeNardis
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dornan
Dougherty
Downey
Dreier
Duncan
Dwyer
Dymally
Dyson
Edwards (CA)
Emery
English
Erdahl
Ertel
Evans (GA)
Fary
Fascell
Fazio
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gilman
Ginn
Goldwater
Gonzalez
Gore
Gradison
Green
Guarini
Guyer
Hall (OH)
Hammerschmidt
Hance
Harkin
Hatcher
Hawkins
Hefner
Hendon
Hertel
Hightower
Holland
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Huckaby
Hunter
Hutto
Ireland
Jeffords
Jeffries
Jenkins
Jones (TN)
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
Lee
Lent
Levitas
Livingston
Loeffler
Lowry (WA)
Luken
Lundine
Lungren
Madigan
Markey
Marks
Martin (NY)
Matsui
Mattox
Mavroules
McClory
McCollum
McCurdy
McDade
McDonald
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morrison
Murphy
Murtha
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Ottinger
Panetta
Parris
Patman
Pease
Pepper
Perkins
Petri
Peyser
Porter
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Rodino
Rogers
Rose
Rosenthal
Rostenkowski
Roybal
Rudd
Russo
Sabo
Scheuer
Schneider
Schumer
Seiberling
Shannon
Shaw
Shelby
Shuster
Simon
Skelton
Smith (IA)
Smith (NE)
Smith (NJ)
Snowe
Snyder
Spence
St Germain
Stangeland
Stanton
Stark
Staton
Stenholm
Stokes
Stratton
Stump
Tauke
Taylor
Thomas
Volkmer
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whitten
Williams (MT)
Williams (OH)
Winn
Wolf
Wolpe
Wright
Yatron
Young (FL)
Young (MO)
Zablocki
Zeferetti

NAYS—101

Alexander
AuCoin
Bailey (MO)
Bedell
Bellenson
Benjamin
Bethune
Bliley
Brodhead
Brown (CO)
Broyhill
Chappie
Clinger
Coats
Collins (TX)
Corcoran
Cotter
Craig
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daschle
Dunn
Early
Eckart
Edgar
Edwards (AL)
Emerson
Erlenborn
Evans (IA)
Evans (IN)
Fenwick
Forsythe
Frank
Frenzel
Gibbons
Gingrich
Glickman
Goodling
Gramm
Gregg
Gunderson
Hall, Sam
Hamilton
Hansen (ID)
Hansen (UT)
Hartnett
Hechler
Heftel
Holt
Hughes
Jacobs
Jones (OK)
Kindness
Kramer
LeBoutillier
Lehman
Long (MD)
Lott
Lujan
Marlenee
Martin (IL)
Martin (NC)
Mazzoli
McCloskey
Miller (CA)
Miller (OH)
Moffett
Moore
Moss
Myers
Oberstar
Patterson
Paul
Pickle
Roberts (SD)
Robinson
Roemer
Roukema
Santini
Sawyer
Schroeder
Sensenbrenner
Shamansky
Sharp
Shumway
Skeen
Smith (AL)
Smith (OR)
Studds
Swift
Synar
Tauke
Walgren
Weber (OH)
Whittaker
Wirth
Wortley
Wyden
Yates

NOT VOTING—55

Badham
Boggs
Bonker
Brown (OH)
Burgener
Burton, Phillip
Campbell
Carney
Cheney
Chisholm
Clay
Crockett
de la Garza
Derwinski
Edwards (OK)
Evans (DE)
Gray
Grisham
Hagedorn
Hall, Ralph
Hiler
Hillis
Hinson
Hyde
Johnston
Jones (NC)
Lederer
Leland
Lewis
Long (LA)
Lowery (CA)
Marriott
Mikulski
Obey
Pashayan
Pursell
Roe
Roth
Rousselot
Savage
Schulze
Solarz
Solomon
Traxler
Trible
Udall
Vander Jagt
Vento
Walker
Washington
Weaver
Weber (MN)
Wilson
Wylie
Young (AK)

□ 1715

The Clerk announced the following pairs:

On this vote:

Mrs. Boggs for, with Mr. Johnston against.

Mr. de la Garza for, with Mr. Hiler against.

Mr. Leland for, with Mr. Weber of Minnesota against.

Until further notice:

Mr. Jones of North Carolina with Mr. Wylie.

Mr. Ralph Hall, with Mr. Vander Jagt.

Mr. Udall with Mr. Rousselot.

Mr. Obey with Mr. Pashayan.

Mr. Weaver with Mr. Lowery of California.

Ms. Mikulski with Mr. Pursell.

Mr. Long of Louisiana with Mr. Lewis.

Mr. Vento with Mr. Badham.

Mr. Savage with Mr. Campbell.

Mr. Phillip Burton with Mr. Burgener.

Mrs. Chisholm with Mr. Derwinski.

Mr. Bonker with Mr. Edwards of Oklahoma.

Mr. Crockett with Mr. Grisham.

Mr. Clay with Mr. Hillis.

Mr. Gray with Mr. Roth.

Mr. Roe with Mr. Hyde.

Mr. Traxler with Mr. Solomon.

Mr. Wilson with Mr. Trible.

Mr. Solarz with Mr. Walker.

Mr. Washington with Mr. Schulze.

Mr. Brown of Ohio with Mr. Marriott.

Mr. Carney with Mr. Evans of Delaware.

Mr. Hagedorn with Mr. Cheney.

Mr. OBERSTAR changed his vote from "yea" to "nay."

Mr. DORGAN of North Dakota and Mr. WATKINS changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZEFERETTI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 24, 1981.

Hon. THOMAS P. O'NEILL, JR.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 3:15 p.m. on Tuesday, February 24, 1981 and said to contain a message from the President wherein he transmits a message regarding the suspension of certain litigation against Iran, together with a copy of an Executive Order which he issued today.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, JR.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

SUSPENSION OF CERTAIN LITIGATION AGAINST IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-25)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of Tuesday, February 24, 1981, page 2810.)

APPOINTMENT AS MEMBERS OF SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

The SPEAKER. Pursuant to House Resolution 13, 97th Congress the Chair appoints as members of the Select Commitee on Narcotics Abuse and Control the following Members of the House: Mr. ZEFERETTI of New York, chairman; Mr. RODINO of New Jersey; Mr. RANGEL of New York; Mr. STARK of California; Mr. ENGLISH of Oklahoma; Mr. EVANS of Georgia; Mr. NEAL of North Carolina; Mr. SCHEUER of New York; Mrs. COLLINS of Illinois; Mr. AKAKA of Hawaii; Mr. GUARINI of New Jersey; Mr. RAILSBACK of Illinois; Mr. BEARD of Tennessee; Mr. GILMAN of New York; Mr. GUYER of Ohio; Mr. COUGHLIN of Pennsylvania; Mr. DORNAN of California; Mr. DENARDIS of Connecticut; and Mr. SHAW of Florida.

APPOINTMENT AS MEMBERS OF BOARD OF DIRECTORS OF GALLAUDET COLLEGE

The SPEAKER. Pursuant to the provisions of section 5, Public Law 420, 83d Congress, as amended, the Chair appoints as members of the Board of Directors of Gallaudet College the following Members on the part of the House: Mr. BONIOR of Michigan and Mr. PETRI of Wisconsin.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. MILITARY ACADEMY

The SPEAKER. Pursuant to the provisions of title 10, United States Code, section 4355(a), the Chair appoints as members of the Board of Visitors to the U.S. Military Academy the following Members on the part of the House: Mr. GINN of Georgia; Mr. DIXON of California; Mr. GILMAN of New York; and Mr. ROTH of Wisconsin.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. AIR FORCE ACADEMY

The SPEAKER. Pursuant to the provisions of title 10, United States Code, section 9355(a), the Chair appoints as members of the Board of Visitors to the U.S. Air Force Academy the following Members of the House: Mr. FOLEY of Washington; Mr. DICKS of Washington; Mr. ROBINSON of Virginia; and Mr. KRAMER of Colorado.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO U.S. NAVAL ACADEMY

The SPEAKER. Pursuant to the provisions of title 10, United States Code, section 6968(a), the Chair appoints as members of the Board of Visitors to the U.S. Naval Academy the following Members on the part of the House: Mr. LONG of Maryland; Mr. MURTHA of Pennsylvania; Mrs. HOLT of Maryland; and Mr. SPENCE of South Carolina.

COMMUNICATION FROM MICHAEL F. BARRETT, CHIEF COUNSEL AND STAFF DIRECTOR

The SPEAKER laid before the House the following communication from Michael F. Barrett, chief counsel and staff director:

COMMITTEE ON ENERGY AND COMMERCE,
February 23, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
SPEAKER, HOUSE OF REPRESENTATIVES,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of H. Res. 722, 96th Congress this is to advise you that on February 20, 1981, I was served with a subpoena to appear for the purpose of taking a deposition in the action entitled *William P. Tavoulareas et al.* v. *The Washington Post Company, et al.* It is apparent that the deposition involved activities of the Subcommittee on Energy and Power during a study and investigation concerning the Mobil Oil Corporation, is clearly within the jurisdiction of the former Committee on Interstate and Foreign Commerce which includes energy matters and the Securities and Exchange Commission and thus is related to the official functions of the House. As such, I hereby request that you assist in my representation insofar as I am called upon to discuss matters within the purview of my employment with the Subcommittee.

Similar subpoenas were served upon Peter D. H. Stockton on February 19, 1981, and upon David Schooler on February 23, 1981, with respect to the identical action. Both individuals were served in their capacities as staff members involved in the Mobil Oil Corporation investigation.

We are examining the subpoena and will advise you of determinations made pursuant to the provisions of Rule L of the Rules of the House.

Sincerely,

Michael F. Barrett, Jr.,
CHIEF COUNSEL AND STAFF DIRECTOR.

NO MIRACLE CURES

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LANTOS. Mr. Speaker, my distinguished colleague, Congressman JIM JONES of Oklahoma, the most able chairman of the Budget Committee, has given us this morning a thoughtful and perceptive analysis and appraisal of Prime Minister Margaret Thatcher's economic program for the United Kingdom.

Chairman JONES draws a most timely analogy between the policies of Prime Minister Thatcher and those of the present administration.

We had all better heed JIM JONES' basic conclusion, that the Thatcher government has overpromised and this administration runs the risk of overpromising.

I agree with JIM JONES: We must cut spending and act together to increase productivity. We must strengthen our defenses. We cannot afford a massive untargeted personal tax cut. We first must get our interest rates and deficits down and our employment and production up. Yes; it will be hard, and it will hurt, and it will take time.

But, just as there is no free lunch, there are also no miracle cures.

I include the following:

[From the Washington Post, Feb. 25, 1981]

JAMES R. JONES: NO MIRACLE CURES

Prime Minister Margaret Thatcher should not be meeting President Ronald Reagan in Washington. Reagan should be meeting Thatcher in London.

There, the president would see the future and could judge whether it indeed works. "Thatcherism" has been in place in Great Britain for two years now, and its similarities to the Reagan proposals are striking. If the results prove similar, the British experience assumes profound importance for the American people.

Thatcher began her term with two great weapons. Her people agreed that the status quo had failed, that change was essential.

Her people also desperately wanted her program to succeed. She had promised tax cuts and spending cuts. She had promised to end inflation, and she believed that the

money supply was the root cause of that inflation. President Reagan shares these precepts and has similar support from the American people.

Now, in the language of our new secretary of state, let me "caveat" a bit. Britain is quite different from the United States. It is 10 years farther down that slippery incline that all western democracies are traveling. It is a society in which class lines are sharper, where people are less willing to move to new jobs, where foreign trade is more important and where disputes between labor and management are more bitter.

Government is bigger, public housing bigger, national ownership and intervention in industry bigger, social programs bigger, jobless benefits bigger.

In short, in almost every way but one, the problems are more difficult. That one area is energy, for with the North Sea fields, Great Britain is self-sufficient in oil and has a resource of such magnitude that it could enable that lovely island to solve its many problems and prosper in the years ahead.

One more caveat. The fate of Thatcherism—whether success or failure—will be decided by the British people, not by any visiting American. The House Budget Committee did not go to London recently to judge the British but to learn how their experience might apply to our future.

What did we learn?

Thatcher's policies have provided a rigorous and necessary jolt to her people. Britain must change many of its practices and attitudes, and she has furthered that cause.

Her government also has made progress in cutting spending, a step that must be taken by all of the Western democracies. Inflation is down to about 8 percent.

President Reagan also can succeed on these points. The U.S. government is taking up too big a portion of GNP. Americans have become too dependent on government. The relationship among lobby, Congress and federal agency had left us apparently incapable of cutting spending.

Ronald Reagan may well have ensured his place in history by destroying that debilitating barricade.

But now for the bad news.

Unemployment in Great Britain is about 15 percent in U.S. terms. A grim adjective is applied to those out of work—they are termed "redundant." Production fell 14 percent last year, the biggest drop since the Great Depression. Interest rates are very high (though several points below our dreadful rates). Excellent companies as well as inefficient ones are on the verge of bankruptcy.

What has gone wrong?

There was an obsessive attention to monetary targets and the apparent belief that if only the money supply were held to the right target, all else would be well. Monetarists will argue that their theory is sound and that Thatcher has not applied it purely enough. A more realistic view would be that money supply is important, but no more so than many other factors. You do not just take a patient's pulse before operating. You use every diagnostic tool available.

The Reagan economic team seems to have a tendency toward the same overdependence on monetary targets.

The Thatcher government spending cuts were incomplete. She did not deal with indexing, one of the driving forces in inflation in all of the advanced nations.

President Reagan—who now has nearly overwhelming support for spending cuts—has also ducked this toughest issue of them all. The failure to address indexing is likely to haunt us all in years to come.

The Thatcher government cut taxes across the board, then raised the value-added tax, which is hardest on the poor and middle-income families. The result was no stimulation for the economy, no growth, no job creation.

The Reagan administration's Kemp-Roth plan also will be pleasant for the rich. But the middle class will find its cuts taken up by higher Social Security taxes, higher fuel costs and inflation. There is no indication, let alone assurance, that Kemp-Roth tax savings will go to investment in productive assets.

The extraordinary growth rates upon which the Reagan budgets are based are unlikely to occur, just as they have not occurred in Britain.

And without such growth, the combination of personal tax cuts, major increases in defense spending (Britain also raised defense spending sharply) and the rising cost of unemployment stemming from the impact of high interest rates will result in very high deficits, on the order of $100 billion. Such deficits will drive interest rates up, and government borrowing to cover the debt will absorb money that otherwise would have been available for private investment. The housing and auto industries will suffer badly, and that will ripple through the entire economy.

Last and most dangerous, the Thatcher government is perceived to have overpromised.

President Reagan, as did the prime minister, runs the risk of overpromising.

We are told that Kemp-Roth, monetarism, regulatory reduction and reduced federal government will bring us almost overnight to the promised land of high growth and strong defense, low taxes and low inflation. And it won't even hurt.

When his advisers are asked to explain how that will come to pass, the answer is: because they say so. They have asked the American people for an act of faith, and the American people are granting them that faith.

The administration is offering a miracle cure. But what will happen if there is no miracle cure?

Britain has seen no miracle. Will similar policies produce one in the United States?

To President Reagan's everlasting credit, he has created a climate in which the American people are demanding that the problems be attacked. But what a sad day it will be if in a few years we look back and say, "Lord, what an opportunity we had in 1981. If only we hadn't fallen for theories that made it all sound so easy. If only we had faced up to the problems then and had said there is no magic solution."

Yes, we must cut spending and act to get productivity rising again. Yes, we must strengthen our defenses. No, we can't afford a massive untargeted personal tax cut. We first must get our interest rates and deficits down and our employment and production up. Yes, it will be hard, and it will hurt, and it will take time.

BOARDING HOMES: A TIME TO ACT

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I rise today to call to the attention of my colleagues the dimensions of a most horrifying and deplorable situation that now confronts many of our elderly and mentally impaired citizens.

Court mandates and perceived cost savings prompted the States during the seventies to deinstitutionalize roughly 62 percent of State mental hospital patients. Wholesale and indiscriminate discharges ensued, with many residents of these facilities placed in so-called boarding homes. Coupled with the need to provide for a growing elderly population, the result has been the staggering growth of this new industry. It is estimated that up to 1.5 million elderly, handicapped, and mentally impaired people reside in some 300,000 boarding homes across the Nation. There are now possibly 10 times as many boarding homes as there are nursing homes and hospitals combined.

The House Select Committee on Aging has learned of countless cases of abuse and poor care of residents, as well as fraudulent practices and financial mismanagement by home proprietors. Many homes, particularly in the urban centers, have become nothing more than psychiatric ghettos, where residents are often subjected to physical abuse, grossly overprescribed drug programs, and are often without adequate food, shelter, and clothing.

Evidence suggests that each year many home proprietors defraud the Federal Government for millions of dollars in medicaid, SSI, food stamp, veterans, and other benefits; yet there exists little accountability on the use of these funds.

Further, over the last 2 years there has been a series of tragic fires in boarding homes resulting in the death of 120 persons. Subsequent investigations indicate gross violations of fire and safety codes, yet again little or no accountability exists because most States fail to license such homes and have yet to establish minimum standards and enforcement procedures as exist in the nursing home industry.

Mr. Speaker, the time to act is now. I call upon my colleagues as well as new Department of Health and Human Services Secretary Schweiker to join in a vigorous investigation of this problem of disturbing proportions. We can no longer turn our backs on these people seemingly at the mercy of unscrupulous operators ill equipped to provide an acceptable level of care.

A BALANCED BUDGET REMAINS ELUSIVE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, aside from the rather bizarre economics of the tax cuts, my main reservation about President Reagan's program for economic recovery is that he did not make more spending cuts and balance the budget.

Early in an administration the winds are prevailing. Later on, the going gets tougher. It may be that the President missed his one and only chance to bring the budget into balance.

I sent the following letter to budget chief David Stockman which has a few suggestions on how to achieve that balance:

CONGRESS OF THE UNITED STATES,
Washington, D.C. February 23, 1981.

DAVID STOCKMAN,
Director, Office of Management and Budget, Washington, D.C.

DEAR DAVE: I want to commend you and your troops for an herculean effort on the administration's Program for Economic Recovery.

As I understand it, you are now making a further review of government spending in order to send more refined estimates to Congress on March 10.

This is an opportunity, then, to point out that the administration's proposal to increase the 1982 federal deficit by $10 billion over the previous administration's figures with only the forecast of a balanced budget by 1986 is rather perplexing.

A balanced budget is possible, it seems to me, because several other groups have recently reviewed the federal budget and come up with cuts and savings way beyond what the administration is proposing.

For example, last fall the House Republican Study Committee, relying on published General Accounting Office and Inspectors General reports, identified $34.4 billion in unnecessary federal expenditures, including $14.7 billion savings in military spending entirely overlooked by the Reagan administration.

Congress Watch recently cited $52 billion in corporate subsidies alone that could be eliminated. Some of these subsidies were cut in the administration's program, but most were not.

Finally, earlier this month the Congressional Budget Office released a report, "Reducing the Federal Budget: Strategies and Examples, 1982–1986," which located 105 potential cuts in the federal budget totaling $400 billion savings over a five year period.

Why can't OMB identify additional budget cuts and savings, beyond the present $49 billion, and come up with a balanced budget?

Set out below are a few examples of the cuts and savings proposed by these other groups:

HOUSE REPUBLICAN STUDY COMMITTEE

Navy F/A-18 program savings, $4.5 billion.
Army and Air Force exchange consolidation, $1.4 million.
Air Force field repair service centralization, $44 million.
Foreign military sales savings, $420 million.
Army parts labor cost savings, $18 million.
Army, Navy, and Air Force flying hour program savings, $124 million.
Army National Guard and Reserve pay waste and abuse, $1 million.
Navy ship building contracts improved management, $774 million.
DoD computer software savings, $12 million.

CONGRESS WATCH

Farm deficiency payments, $90 billion.
Synthetic fuel programs, $19 billion.
Nuclear energy, $1.5 billion.
Timber sales losses, $100 million.
Water projects, $857 million.
Medicaid reimbursement for needless/ineffective drugs, $125 million.
Tax subsidies, $22.1 billion.
Highway user charges, $1 billion.

CONGRESSIONAL BUDGET OFFICE

Private financing of strategic petroleum reserve, $3.9 billion.
Joint military advertising, $18 million.
Increase state share of Army National Guard costs, $210 million.
Phase out Domestic International Sales Corporation, $200 million.
Eliminate Clinch River Breeder reactor program, $300 million.

Many other areas have not even been looked at because it is assumed they are untouchable. The U.S. spends, for example, between $35 and $81 billion a year to defend NATO. Why not consider a cut? Likewise, we spend about $2 billion a year to defend South Korea. And several billion more on Persian Gulf activities, which provide a free security guard service for Japan's oil lines.

These kinds of "defense" activities constitute a form of "foreign aid" that is rarely, if ever scrutinized. Perhaps now is the time to begin. We all have to pull in our belts, even our so-called allies.

I would appreciate your consideration of the cuts and savings outlined in the three reports cited above. Many more sectors of the country stand ready to sacrifice in order to balance the budget. They need only be asked.

Sincerely,

PAT SCHROEDER,
Congresswoman.

TEENAGE DRUG ABUSE

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. FERRARO. Mr. Speaker, throughout the Nation, drug and alcohol abuse among youth has risen alarmingly and is now reaching epidemic proportions. In view of the budget cuts which threaten domestic programs, it is imperative that we find ways to encourage low-cost community-based efforts to curb this tragic problem.

For too long, too many of us, as parents, have looked the other way when the problem of drug abuse is discussed. We are all too quick to assume that it is not a problem which affects us, that our children could not possibly be involved in such troubles. Unfortunately, hiding our heads in the sand will not make the problems go away.

More and more, people are beginning to realize that youthful drug and alcohol abuse is a problem which touches all our lives. If not because our children are directly involved, or because the drug culture can be so tempting, we must also fight drug and alcohol abuse simply because of the high costs to society that such abuse creates due to property crimes committed to provide funds for their purchase or the expenses of the legal system into which these youthful offenders enter.

Recently established programs which place the family in the role of the first line of defense against such drug and alcohol abuse are being recognized as perhaps the most effective method of dealing with these problems. I commend to the attention of my colleagues an article from the Washington Post detailing these efforts which I am inserting in the RECORD:

FAMILIES: GRAPPLING WITH TEEN-AGE DRUG ABUSE

(By Carol Krucoff)

For Joyce Tobias of Annandale it was discovering her 16-year-old son stuffing a bong under his mattress.

For Joyce Nalepka of Silver Spring it was a Capital Centre rock concert at which her son became sick from the fog of marijuana smoke.

For Judy Reidinger of Falls Church it was a drug-related suicide in her family.

These area mothers are part of a nationwide surge of parents who have banded together to fight the alarming epidemic of adolescent drug abuse. Through parent-education and action groups they are teaching members about teen-age drug abuse and developing strategies to deal with the problem. In many cases this means practicing "tough love" (see story below)—by establishing curfews, enforcing house rules, chaperoning parties and forbidding drugs in the house.

This "parent movement"—which experts say includes about 700 groups nationwide and nearly 60 in the metropolitan Washington area—is partially responsible for "the beginnings of a turnaround in drug use by teen-agers," says Dr. William Pollin, director of the National Institute on Drug Abuse.

"As of a few years ago there was a general feeling among parents of nihilism and hopelessness in dealing with the drug problem. They were inadvertently communicating these feelings to their children. But now there is a very real commitment on the part of rapidly increasing numbers of parents to get together with other parents and decide they're not going to stand for it anymore."

Instead of getting stuck in debatable issues—such as how harmful illegal drugs like marijuana are compared to legal drugs like alcohol—parents are concentrating on the "unquestionable notion," says Pollin, "that drug use on a regular basis by kids is not a good idea, and going to school stoned is a dreadful idea."

These tactics appear to be working, he says, pointing to a NIDA-University of Michigan study of student drug abuse in 1980, released last week. The study, he says, contains "some good news and some bad news.

"The bad news is that in the past 20 years there has been a 10- to 20-fold increase in the use of all drugs among young people, making the level of drug use as high or higher than in any other industrialized country.

"The good news is that for the second year in a row, there's been a decrease in the daily use of drugs by high-school seniors. Of

the 16 different categories of drugs—including cigarettes and alcohol—the use of all but two have leveled off, or is down."

Drug use, however, among high school seniors remains widespread, according to the study, with nearly two-thirds having used an illicit drug and nearly two out of five having used an illicit drug other than marijuana. But it also reports a sharp drop in regular cigarette smoking, a drop in marijuana use and a drop in PCP use.

"Parental involvement," says former White House drug-policy adviser Lee Dogoloff, "is the way to make change. Experts and laws are important, but in a battle of attitudes there's a lot you can do at home. The fact that parents are getting this idea simultaneously in community after community around the country shows how profoundly important it can be."

These hundreds of parent groups were recently brought together under the newly-formed National Federation of Parents for Drug-Free Youth (NFPDFY), headquartered in Silver Spring. "It's the most exciting thing," say Dogoloff, who is executive consultant to the group, "that I've seen in the area of drug prevention."

Washington-area parent groups also are forming a network, through a public service program sponsored by Drugfair. Kensington mother Rita Rumbaugh, an active member of a parent group in her community, is scheduled to announce the formation of the Metropolitan Washington Parent Network at a press conference today.

The network will run a free parent leadership-training seminar next month, and Drugfair plans to run about 30 community workshops on teen-age drug abuse throughout the spring.

Most parent groups are based on three "gets," says Bob Kramer, Anne Arundel County substance abuse prevention coordinator and NFPDFY board member:

Get informed.

Get involved.

Get together with other parents.

"If a parent says, 'Johnny, I better not catch you shooting marijuana' they'll lose their credibility because the kids realize they don't know what they're talking about. If a parent doesn't know drug jargon, their kids may be making drug deals over the phone without their knowing it.

"Getting involved with your kids doesn't mean doing a midnight search-and-seizure raid. It means sitting down and discussing your values and taking a clear, consistent and informed stand on drug abuse. And when you make rules, stand by them.

"Drugs have really changed the whole ballgame of adolescence. Parents need to equip their kids to be able to say 'no' to their peer group effectively. Getting together with other parents before there's a problem can help both the kids and the parents. Kids need an ally, and that's the parent. Parents need an ally, and that's another parent."

Kramer's advice: "Write down the names of your child's five closest friends and 15 closest acquaintances. That's the child's peer group. Call up those parents, get together and talk. Don't accuse each other, but concentrate on the positive steps and guidelines you can agree on to help your kids stay off, or get off, drug abuse."

Counselors, parents and professionals in substance abuse added these suggestions for concerned parents:

Be prepared for questions about your own drug (including alcohol) habits. "You may have to clean up your act, too," says one father. But don't feel you have to stop using all intoxicating substances, adds drug education specialist Thomas Gleaton. "I contend that's an adult privilege, when used responsibly," he says. "But it's a decision adolescents aren't equipped to make emotionally, socially or economically."

"Don't push alcohol on your kids in hopes they won't then use drugs," says Patricia O'Gorman of the National Institute on Alcohol Abuse. "It doesn't work."

"Praise your child and give out big warm hugs when they're good," says one father whose child was nearly killed from alcohol abuse.

"Don't blame yourself," says Iola Scrafford, founder of the Crossroads Drug Abuse Control Program in Fairfax, Va. "Don't worry about what would have happened if you'd done something differently—it may not have made any difference. Concentrate on what to do about the problem now. If your child won't go for help, get help for yourself."

Don't panic. Look at the whole picture—is the child in trouble at school, is there a behavior change, are there other problems?

"Think back to your own adolescence," says Scrafford, "and remember that some kids today use drugs as a phase in their life—not that I'm condoning it—and it goes away.

"Don't come down too hard until you know."

"TOUGH LOVE": THE BOTTOM LINE

Although David and Phyllis York were professional drug and alcohol counselors, "we weren't that good with our own two kids," admits David York. Several years of family therapy, he says, didn't help.

"Then one day the police came to my house with shotguns and an arrest warrant for my 18-year-old daughter," he recalls. "They said she stuck up a cocaine dealer. It hit me that my kids were really going bonkers on us and there had to be something better we could do."

So the Sellersville, Pa., couple formed "Tough Love," a program that works, he says, "for kids who are creating a crisis within their family. We mobilize parents to get together, support and help each other."

The group's "philosophy in a nutshell," he says, "is to get parents to act like people. They wouldn't take abusive, violent behavior from someone else, so why should they take it from their kids?

"Parents today feel like they have to respond to kids with tender loving care, openness and honesty. But if your kid is acting like a little bastard, all that stuff doesn't work. So many parents today feel like failures. Our message is you've got to be tough, because you love them."

Parents who join the group, says York, 52, start by identifying "one small behavior they'll no longer tolerate, then they set a bottom line. The group develops a support system around that rule.

"For example, say you decide you won't tolerate your kid coming in past midnight any more. Your bottom line is that if they get home past midnight, they won't be able to get into the house.

"You lock the door and put a card on it with the names of parents in the group who've agreed to take them in until they decide whether they want to live at home by your rules or not.

"It usually happens that when they are in someone else's home they're model kids—cleaning the dishes, vacuuming their room. Then the group gets together for a negotiating session. They assign an advocate for the kid and an advocate for the parent, and they work out the problem."

There are now 12 "Tough Love" groups in Pennsylvania, notes York, whose recent appearance on a nationwide talk show has swamped him with mail. "We're just amazed," he says. "But we've really struck this chord with parents."

A major attraction of the group, he says, "is that kids have to accept the fact that they are dependent on the parent. They need their family for three hots and a cot. In return they have to act like decent human beings.

"I think it's tougher on the parent than it is on the kids. It's fun to act like Santa, give your kid things and say 'yes' to them. But you have to accept the fact that sometimes, for their own good, you've got to act like Scrooge. It feels awful.

"But my daughter who was in trouble is in really good shape now. She said if we hadn't done what we did, she would still be in trouble. And hearing that feels great."

GETTING PARENTS GOING

Among the resources parents can tap for information:

Metropolitan Washington Parent Network is a new association of the approximately 55 area parent groups geared to ending teenage drug abuse. Call 237-0333.

Parent Leadership Training is a free workshop for those already involved in parent groups or who want to start parent groups. It will be held on Saturday, March 7, at Annandale High School. Call 237-0333 or 533-1143.

National Federation of Parents for Drug-Free Youth is a newly-created umbrella organization of the hundreds of parent groups springing up around the country. For their "starter kit"—including information on the parent's movement and how to start a local group—send $1 to P.O. Box 6272, Silver Spring, Md. 20906. Call 593-9256.

National Drug Abuse Foundation has a parent-information packet that includes material on prevention and strategies for dealing with adolescent drug abuse. Send $2 to NDAF at 6500 Randall Place, Falls Church, Va. 22044 or call 533-1143 or 534-2206.

WACADA (Washington Area Council on Alcohol and Drug Abuse) Hotline counselors provide help and referrals for any alcohol and/or drug-related problem, 24 hours a day. Call 783-1300.

National Institute on Drug Abuse has a free booklet "Parents, Peers and Pot" and pamphlets "For Parents Only" and "For Kids Only", plus films on drug abuse that they will loan, free, to parents and parent groups. Write the National Clearinghouse for Drug Abuse Information, Room 10 A 53, 5600 Fishers Lane, Rockville, Md. 20857.

The National Institute on Alcohol Abuse will send a free "youth kit" on alcohol abuse and children. Write the National Clearinghouse for Alcohol Information, Box 2345, Rockville, Md. 20852.

Parent-Awareness Pamphlets on topics such as "What Parents Should Know About Drugs" and "Where to Find Help," are available free at prescription drug counters at Drugfair stores. If your local store is out, write Drugfair at 6295 Edsall Rd., Alexandria, Va. 22314.

Parent Resources Information for Drug Education will send free information on the range of materials they offer to parents, or will send a complete parent-information packet for $5. Write PRIDE, University Plaza, Georgia State University, Atlanta, Ga. 30303.

Families in Action is a grass-roots parent-education and community-action organization. Their 165-page booklet on "How to Form a Families in Action Group" includes information on their successful anti-paraphernalia law campaign. Send $10 to Families in Action, P.O. Box 15053, Atlanta, Ga. 30333.

Tough Love, a network of parent groups for families in which a youngster's drug involvement is creating a crisis, will send a free newsletter about the groups. Their book on "Tough Love" is available for $5.95. Write the Community Service Foundation, Box 70, Sellersville, Pa. 18960.

American Council on Marijuana has a free "information sampler" for parents, write them at 767 Fifth Ave., New York, N.Y. 10022.

Mental Health Centers in most jurisdictions have programs for youngsters involved in substance abuse. Call your city or county's health or mental health department for information.

SELECT COMMITTEE ON NARCOTICS AND DRUG CONTROL SUPPORTED

(Mr. SUNIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SUNIA. Mr. Speaker, I rise in support of House Resolution 13, to reestablish the Select Committee on Narcotics and Drug Control. I feel that the problem of drug abuse remains critical and therefore the work which has been done by this committee in the past should continue. I have learned that in the past, the select committee has served as a forum for raising public awareness of the drug abuse problem and has undertaken a number of significant initiatives in response to critical issues. I commend my colleagues on this committee for recognizing the need to continue the select committee. I urge the adoption of this measure. This motion is more eloquently and forcefully supported in an editorial in the Washington Star this morning, and I insert it into the RECORD:

DRUG ABUSE OVERSIGHT

The House today is to decide whether to reconstitute the Select Committee on Narcotics Abuse and Control. We trust that the commendable Capitol Hill mood to do a bit of slimming down will not tempt the House to try to save half a million dollars by letting the committee lapse. That would be a case of pound-foolish—as the Rules Committee recognized in approving the resolution to keep the body in existence.

The assignment of national priorities is often a ragged process. Sometimes the priorities established in the political arena are obvious. From time to time, priorities are assigned by cultural fashion or fear and, alternately, diminished when public attention wanders.

The latter in some respects seems to be the case with drug abuse. A dozen years ago the issue commanded intense concern. Public perceptions of the ravages of addiction and habituation matched reality. The Nixon administration ranged its federal battalions for an assault, premised on a relationship between increases in crime and drug abuse. There were many battles and some victories. But the trumpeted priority crested in the middle 1970's, for reasons not altogether clear.

That did not mean, of course, that the problem drastically diminished or was extirpated to the contrary. But the urgency associated with combating the narcotics plague in part may have faded from a clear and present concern to one more hazy because of its virulent spread into the suburbs and the middle class.

The pervasiveness of illicit drug use contributed, we suspect, both to a skepticism that the affliction could be successfully fought and, perversely, a kind of sanction—dignified by the awful label of "recreational drugs."

So here we are again, appalled by a resurgent crime rate and confronting again the depredations of narcotics. In the past several years, drug overdoses have been on the rise (deaths from heroin overdoses in Washington increased from 40 in 1979 to 62 last year). The Golden Crescent of the Middle East is assuming the supply dominance that the Golden Triangle of Southeast Asia held a dozen years ago. The traffickers have become increasingly sophisticated; law-enforcement agencies are spread increasingly thin.

This is not, as it was not a dozen years ago, a figment of vivid imaginations. The case for reconstituting the House Select Committee is persuasive, primarily to provide a focus for congressional oversight. Jurisdiction over narcotics-related federal functions now is spread across 13 standing committees in the House. If that does not actually insure that legislative attention will be diffuse and duplicative or lacking coherence, it suggests the probability.

The committee in the past has done some service and, in combination with what we trust will be a commitment by the Reagan administration, a renewed federal assault on this pernicious problem may be stimulated. It is needed.

□ 1730

BLACK HISTORY MONTH

The SPEAKER pro tempore (Mr. MOAKLEY). Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 60 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, it was a privilege to reserve this special order in commemoration of the celebration of Black History Month. I want to thank all of the Members who are joining me today to highlight the glorious contribution blacks have made to history. A history replete with heroes and heroines from Crispus Attucks, Harriet Tubman, and Frederick Douglass to today's Dorothy Height and Vernon Jordan. Each has contributed something of note to the long upward climb of black people in this country.

The son of former slaves, Dr. Carter Godwin Woodson—who received his B.A. and M.A. from Chicago University in the early 1900's and later Ph. D. degree at Harvard—delved into and brought light to shine upon the rich but long neglected field of black history. In 1926, he established Negro History Week to "dramatize the achievements of the race, not to play up grievances but to demonstrate what Negroes have achieved in spite of their handicaps." The early celebration of black history has been modernized throughout the years into Black History Month.

Accordingly, I am introducing today a resolution designating the month of February in 1982 as Black History Month and invite my colleagues to cosponsor.

Besides the famous, there have been the thousands of lesser known but inspiring black folk like one whose works were celebrated by the State of South Carolina last month. He was Gen. Robert Smalls of Beaufort, a former slave who, during Reconstruction, served in the State house and senate, introducing the legislation which established the first public schools in South Carolina. He later served in the U.S. Congress.

His war record was as illustrious as his political life. During the Civil War, while a crew member of a Confederate gunboat, he commandeered the ship and turned it over to Union forces. And how many of us today ever heard of Robert Smalls of Beaufort?

There is much hidden history in the lives of black folks, hidden because white historians have not been interested and/or have willfully revised U.S. history to exclude us. It is also hidden because many of us have been too occupied with survival in this racist society to carefully set down the record of our illustrious forebearers. Or, indeed, some of us have been so brainwashed that we did not always recognize their feats of valor even when we knew of them.

In looking at blacks' contribution to history, the ministry comes first to mind because of the brilliance and genius of Dr. Martin Luther King, Jr., truly our own great Gandhi who liberated a nation from bigotry and discrimination as surely as Gandhi liberated India from British control. Reverend King symbolized the great black pastors whose passion for social justice was as fervent as their religious beliefs.

Men like Rev. Marshall Sheppard of Philadelphia, once U.S. Recorder of Deeds; the great Congressman-Minister Adam Clayton Powell of New York City, and today's vibrant vocal black religious leaders like Rev. Jesse Jackson of Operation PUSH and Rev. Joseph Lowery who leads the Southern Christian Leadership Conference. Another was my former congressional colleague, Andy Young who left the pulpit after working with Dr. King, was elected to Congress, and then

became the first black U.S. Ambassador to the United Nations. These men have all preached a powerful Gospel but have used the church and their following to foster social justice for the poor. They have truly sought to emulate Jesus' teachings to advance their people.

Bishop R. R. Wright was another great black churchman who later headed Wilberforce University, and whose father founded the first black bank in Philadelphia. Incidentally, George Leile organized the first black Baptist church in 1773 in Savannah, Ga.

Blacks have excelled in city planning and architecture from the days of Benjamin Banneker, the first black astronomer who helped lay out the Nation's Capital, Washington, D.C. More recent architects of excellence are the late Paul Williams and my hometown's celebrated John Moutoussamy.

Blacks have always excelled in the arts and letters. Phyllis Wheatly, who was born in the 18th century, was among the first American poets, followed by Paul Lawrence Dunbar. Abroad, great writers of African heritage included the celebrated Aleksander Pushkin whom the Russians still revere and the famed Alexandre Dumas, pere, of France. How many of those who have enjoyed the great old movies "The Three Musketeers" and "The Count of Monte Cristo," know they were filmed from books by a long dead black author?

There is a wealth of talented black writers in the long stretch of the 20th century. Countee Cullen, a leading figure in the "Harlem Renaissance," Alain Locke, Arna Bontemps, Langston Hughes, Richard Wright, Nicki Giovanni, a very prolific author, Leroy Jones, Ralph Ellison, author of "Inside Man," James Baldwin, and Maya Angelou to name a few, even millioniare authors of historical potboilers, like the famed Frank Yerby. And no list of black authors is complete without the incomparable poet James Weldon Johnson, who wrote our moving black national anthem, "Lift Every Voice and Sing." My hometown, Chicago, gave the world the young, gifted, and black Lorraine Hansberry whose words so eloquently became her. Chicago is also home to the remarkable Gwendolyn Brooks, poet laureate of Illinois and first black writer to win a Pulitzer Prize in 1950.

Earlier there were the brilliant Zora Neale Hurston, Jessie Fauset, and Charles Chestnut, outstanding authors of their generation.

If I may digress a moment in the private celebration of the riches of black life and talent, recall with me all the great black writers I have just mentioned and scores besides. If I tried to name all the blacks of great distinction in the past 400 years of our life in America, I would never finish. Virtually all our gifted writers sought more than personal expression time and again.

In the visual arts, there have been the great black painters Hale Woodruff, Romare Bearden, Jacob Lawrence, Edouard Scott, Laura Wheeling Waring; and sculptors Richmond Barthe, Richard Hunt, and Selma Burke, to name a few.

In the marvelous world of entertainment—music, dance, theater—black folk are the crème de la crème—the very, very best. Who can forget the ravishing Josephine Baker of post-World War I fame and Alberta Hunter who is still going strong in her eighties. Jo Baker was the toast of Paris for decades. In the movies of the 1930's and 1940's, they brilliantly illuminated the often painful experience of being black in America for all the world to read and to understand. The great tap-dancer-singer, Bill "Bojangles" Robinson was as much a star as the Shirley Temple he taught to dance. Do you remember the beautiful Katherine Dunham and today's Alvin Ailey dance troupe?

W. C. Handy fathered the blues with "St. Louis Blues," "Memphis Blues," and all that good stuff. Black jazz, drawn from a rich African heritage, is the basis of most American popular music today.

The wonderfully creative Duke Ellington influenced popular music in this country for two generations. Add to him Louis Armstrong, Count Basie, Dizzy Gillespie, Ray Charles, and the wonderfully gifted and socially aware Stevie Wonder.

And singers, have we had singers! Marian Anderson, Roland Hayes, Paul Robeson, a great hero as well as singer. Today's Leontyne Price, Grace Bumbry, and William Warfield. And the popular song stylists like the late Nat King Cole, also a Chicagoan, Aretha Franklin, Nancy Wilson, the late Billie Holiday, today's Diana Ross, Billy Eckstine, Sarah Vaughn, Harry Belafonte, Johnny Mathis, B. B. King, Diahann Carroll, Dionne Warwick, Joe Williams, and who, white or black, can match Lena Horne, the alltime star Sammy Davis, Jr., or the late Mahalia Jackson, one of the famous citizens of Chicago? Great comedians include the early Bert Williams and today's Bill Cosby, Flip Wilson, and Richard Pryor. In the theater, there was double threat singer-actress Ethel Waters and today's distinguished actors Cicely Tyson, James Earl Jones, Sidney Poitier, Paul Winfield, and Billy Dee Williams of the movies.

In sports also, blacks, once given the chance to fully compete, have stolen the show. Who can forget the marvelous, pigeon-toed Jackie Robinson, stealing a base, or the imperturbable catcher Roy Campanella behind home plate after they integrated the old Brooklyn Dodgers? Hank Aaron of homerun fame, Bill Russell and Kareem Abdul Jabbar of basketball, Joe Louis, the masterful boxing champ of all times, and today's boxers Muhammad Ali and Sugar Ray Leonard are the best at what they do. O. J. Simpson and Walter Payton are just two of the unparallelled football greats. Few sports are without a black champion—even tennis has Arthur Ashe and had Althea Gibson.

Blacks have made formidable inventors and scientists, as well. Albert P. Albert invented the cotton picking apparatus in the early 1900's. Norbert Rillieus revolutionized the refining of raw sugar in the 1840's, and some 40 years later, Granville T. Woods patented many electrical and railroad devices including the controls of the New York City elevator. Closer to our time, the distinguished Dr. George Washington Carver, of Tuskegee Institute, revolutionized agriculture in the South with his pioneering research on the peanut. We should also not forget the political and educational skills of Booker T. Washington who founded Tuskegee. Chicago scientists J. Ernest Wilkins, George Reed, and Walter Massey are especially distinguished. Reed was the only black to study Moon rocks and Dr. Massey heads the important Argonne National Laboratory.

And speaking of all those Washingtons brings to mind the fact that the so-called Father of our Country and first President, George Washington, might not have lived to become President if it were not for a spunky, young black woman, Phoebe Fraunces. Phoebe was a waitress in a New York tavern in 1776 when her lover, who opposed the Revolution, gave her a dish of poisoned peas to serve George Washington. Instead, she warned old George and threw the peas on the ground outside. Chickens in the yard ate the peas and dropped dead. Who knows, this Nation may owe its very life to Phoebe, the black waitress.

Our forebears were also great explorers. Matthew Hensen, with the Admiral Peary expedition to discover the North Pole, was the first man to stand at the top of the world.

In medicine, black men and women have excelled for generations beginning in 1800 with Dr. James Durham, the Nation's first black physician. The world owes a debt of gratitude to Dr. Daniel Hale Williams, a black physician who performed the first open heart surgery. In more recent years, there have been women physicians who have made their mark in medicine, notably Dr. May Chinn, of New York, who died last year after a lifelong commitment to medicine in Harlem. Dr. Jane Wright, also of New York, is an outstanding pioneer in cancer research. The late world-famous Dr. Charles Drew developed the first blood plasma bank which saved numerous lives and enabled hospitals to store blood for longer periods of time. Ironically, he died because, as a black man, he was not allowed in the nearest hospital because they did not treat blacks.

Black men, who were not physicians, have also given much to medicine, including chemist Percy Julian whose research in cortisone freed millions from pain and misery.

When we consider black contributions in education, we must remember the world-famous Mary McLeod Bethune, who against all odds, founded Bethune-Cookman College in Florida nearly 50 years ago. There is also the great Dr. Benjamin Mays who, after years of leadership at Morehouse College, did not retire, bless him, but took an interest in the public school education of all Atlanta children, going on to become president of the Atlanta Board of Education. The distinguished historian, Dr. John Hope Franklin, has written many books and chaired the history department at the University of Chicago. Noted theologian Nathan Scott, who now holds a chair at Duke University, has a bibliography 2 feet long of literary criticism.

Blacks have excelled in the law, too, my friends, from the days of John S. Rock who, in 1865, was the first black to practice before the Supreme Court. No one better symbolizes this than our great Justice Thurgood Marshall, who led the fight in Federal courtrooms around the country against discrimination and racism and then was tapped by President Johnson for the Supreme Court. His cohorts like the late Charles Ming and Charlie Houston, James Nabrit—can we ever honor their untiring work and devotion enough? They brain trusted scores of NAACP cases which broke the back of segregation and Jim Crow. Today—thanks to Jimmy Carter—there are increasing numbers of outstanding black Federal judges North and South. Blacks are now chief justices of some State supreme courts and, in Illinois, a distinguished black jurist, Judge James B. Parsons, is presiding judge of the Federal District court for Chicago.

We have taken a short walk back through black history today and I have mentioned a few of our heroes and heroines and probably omitted scores who should have been mentioned. As I contemplate the long sweep of history with you, it seems there were always black men and women of distinction in the arts and letters, even a few doctors and lawyers, gifted entertainers, many great preachers and educators. What distinguishes our own era is the exciting breakthrough in Government and politics, which as I indicated, has not been equaled since Reconstruction.

We may not all be captains of commerce or professionals, but each of us possesses the most precious thing in our democratic society, the vote. Using that one remarkable tool in every hamlet, every city, every State in the Nation, we can make new strides in our long upward advance. We can put into power those who will not only govern wisely for all but will also be innovative and creative in providing jobs and income for black people generally.

At the dedication of a State historical marker honoring General Smalls in Beaufort a week or two ago, a black pastor, the Reverend D. R. Bodison, said: "I believe the general would say to us today, 'stay in the trenches, fight for the legislation.'"

And as Robert Smalls said himself:

> My race needs no special defense, for the past history of them in this country proves them to be the equal of any person anywhere. All they need is an equal chance in the battle of life.

Mr. FORD of Tennessee. Mr. Speaker, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from Tennessee.

Mr. FORD of Tennessee. Mr. Speaker, in Dr. Chancellor William's "A Sumer Legend," from "Destruction of Black Civilization," the following comment was made: "What became of the black people of Sumer?" The traveler asked the old man, "for ancient records shows that the people of Sumer were black. What happened to them?" "Ah," the old man sighed, "They lost their history so they died."

As we near the completion of February, I would like to remind my colleagues that February has been the month in which we celebrated Black History Month as well. It is important that our young people, both black and white, understand the contributions that black people have made not only throughout American history, but throughout the history of mankind in general.

Young people must understand what the history books do not acknowledge. Black people have made a magnificent contribution to the success of the country, and they continue to do so.

We must know our full history and the contributions which all our citizens have made in order to understand the future.

Black history is more than just dates, events, and places. It exemplifies people from a highly sophisticated civilization in Africa who were kidnaped, and brought to a strange land called America. Black history is also the story of survival and perseverance.

We, as black citizens, are proud of our contributions, and hopefully our young people will have this sense of pride in themselves as they confront the challenges of the present and the future.

Today, the successes of blacks are being challenged by those who wish to eliminate many of our achievements. There are those who say that blacks have come too far, and now the clock should be turned back, and hard fought rights negated. We have an administration that views poor and disadvantaged people, many who are black, as the problem of the country. The administration's philosophy seems to be, to coin a phrase recently heard, "Tax breaks for the rich and budget cuts for the poor." It is important that we not forget that black people have as big of a challenge not only in continuing to move forward, but to retain the rights we have. One must fight to be free, and fight to stay free, it is a continuous process.

The following are remarks that I have recently made at several junior and senior high schools in Memphis, Tenn., that were celebrating Black History Month:

BLACK HISTORY MONTH—LEARNING ABOUT THE PAST FOR THE FUTURE

(Speech delivered by Congressman HAROLD FORD, February 1981)

Today, we celebrate black history month which is a misnomer in that we really should celebrate black history each day of our lives.

My message today is entitled: learning about our past and our present for the future. It was Machiavelli, a 14th century philosopher, who I believe said: "He who wishes to foresee the future must consult and understand the past." This adage has always been prevalent in the history of black people. If you remember in Roots, the village historian was one of the most important people, and he was trained for that job almost at the time he was born. In fact, Alex Haley would not have found his roots had not it been for the historians in the village who had for almost 200 years passed down the stories of his ancestors.

Our history, and we do have a great and very significant one, is a distorted one. We have, in general, been left out of the history books, and when we were included, we were portrayed as singing, dancing, carefree, and happy people with little ambition. Even now, I bet you are still taught that President Lincoln started the Civil War in order to get the slaves free. You are not told that before the war he contacted nearly every country in the world to see if they would take some slaves. The war was started over economics. Lincoln had to declare war in order to keep the nation solvent. Yet, February was selected as black history month because it is the birth month of Lincoln as well as Frederick Douglass.

History shows us as savages from a dark country. The church justified and condoned slavery on that basis. Yet even before the birth of Christ, we had, in Africa, sophisticated governments, legal codes, and highly structured social and family systems.

Let's for a minute reflect on the arrival of the slave ships. Human beings packed like sardines. They represented the epitome of greed. A race enslaved and sent 4,000 miles to pick cotton, tobacco, and chop wood.

Sixty-days they spent on those ships with little water or food, and they had to lie flat so they could be stacked on each other. The slavemasters wanted to pack as many slaves as they could, knowing that one-fifth would die.

Thousands arrived to America, thousands more never got to America because they died on the way, or when they got sick they were fed to the sharks. The bones of our forefathers cover the ocean floor. Only the strong survived the long journey.

The slaves on the ship did not have a slave mentality. They hated their condition. Many committed suicide, lost their will to live, and the crew on the ships lived in constant fear of their lives because of threat of mutiny by the chained slaves.

Every attempt was made to dehumanize the slave. Take his name, give him a first name—no last name. Make it a punishable crime of death to teach a slave how to read or write, forbid marriages, separate families, rape the women, sell the kids because there often was more money in selling them than raising them.

All this time, the slave hoped for freedom. 5,000 fought in the revolutionary war. I know you have heard of Crispus Attucks.

How many people know of Crispus Attucks?

One of the first men to die in the Revolutionary War—He was black.

As we learn of our history, let us not be guilty of distorting our past either. There was a reason why we sang and danced. The Africans were geniuses when it came to the arts, folklore, crafts and building. Have not you listened to music when you were sad, have not you whistled in the wind as you walked. The dance and the songs had a hidden message:

This Old Hammer Killed John Henry but it Won't Kill Me—that's what they sang.

Did you know that the Uncle Remus stories about Brer Rabbit and others were African folklores—In Africa, it was Shulo the Hare.

How much of your past do you understand?

Today, we are no longer slaves in the physical sense.

Yet, many of us have a slave mentality. Something the slaves did not have.

We can recite every song in the top 100, but we can't read or remember our history or even take the time to do so.

We buy clothes that are outdated before we put them on because we are a slave to fads.

The movie *Superfly* ruined a whole generation of black youths—some of us still dress like superfly, and act like superfly.

Here it is, 1981, and we're back to processed hair—they call them jerri curls and hair relaxers now.

Our major heroes are the Commodores, Reggie Jackson, O. J. Simpson.

We rush home to watch the soap operas, and we're more concerned about who shot Jr. on Dallas rather than who is murdering black youths in Atlanta.

We're getting down, getting over, getting high, and getting back—Jack, rather than getting on with the businesses of self-discovery.

Young people, the free rides are over. The times are changing. Life is becoming a footrace. Running as hard as you can, you can barely keep up. Yet, some of us having stopped running.

As we watch soap operas, and spend hours learning the new dances or playing basketball * * * the following is happening:

The KKK (and I don't mean Kool Kolored Kats) have resurfaced.

Black unemployment is 14 percent and rising.

Black youth unemployment is almost 50 percent and rising.

The unemployment levels of black college graduates is higher than that of white school drop-outs.

Everything that we believe in is being challenged—civil rights, voting rights, desegregation, health care.

Almost 100 bills have been introduced to sponsor Constitutional Amendments to take our rights.

We have suddenly become the new scapegoats for every problem that exists in the world today.

As you party down on the weekend, even our history and culture is being taken. Our forefathers have had cornrows for thousands of years. Some of you get hassled for having cornrows—try getting a job with one—it becomes a revolving door. But it's OK for Bo Derek to have one—after thousands of years, she has suddenly discovered platted hair. Everyone talks black slang now—but you better not try getting a job by saying: "What's happening, Man." Everyone can wear flashy clothes, but you better not wear them to a job interview or you'll get laughed at and out the door.

So even the things that you thought were cool are taboo if you're doing them. But it's OK if someone else is doing them.

We walk about talking about our parent's big cars—will you have that car?

Do you know the cost of a college education today—where will you go?

Are you concerned about a job—look at the want ads tonight and see what jobs you qualify for, and how much they pay.

You still want to be cool? (Illustrate the walk.)

Someone asked me last week, Congressman, aren't you proud that there are 18 black Congressmen in the Capitol today. I laughed, and asked did you know that between 1868 and 1901 20 black Congressmen served in the U.S. Capitol including two black U.S. Senators—that these representatives came from Mississippi, Florida, Alabama, North and South Carolina and Louisiana.

So have we really progressed?

Black History is more than dates, places and the names of people. It is your responsibility to know yourself as the philosophers would say. This generation has been handed the torch of hope—the light to guide those of the future. Are you going to drop the torch and burn the forest down?

Our history is there, but you must learn it, and understand it.

As a child, my family was very poor. Part of the year, we had no electricity because we could not pay the bill. We didn't get an indoor toilet until I was away at school. Yet, my parents taught us to be proud of our past.

* * * * *

I was always told that our forefathers were kings and queens from a far-a-way place. I remember how good and proud that made me feel—nobody was ever going to change my mind. I knew that I also had to carry the torch that was handed to me.

It is important that you believe in yourself. I believe that it was Roosevelt who said that, "No one can make a person inferior. A person is inferior only if he believes that he is." Knowing your history strengthens that feeling as Brother Jesse Jackson would say—you are somebody. You have a past, and one that has endured, despite the atrocities that have been committed.

Not only should we as blacks know our history, I think that white students should learn more about black history as well in order to dispell many of the myths that have been perpetuated. It is obvious to me that we must understand each other since blacks, born and raised in America, aren't going to just disappear.

There is an African saying that goes like this: "A zebra has black and white stripes. If you shoot him with an arrow, it matters not if you hit the black stripe or the white stripe. Either way, he will surely die."

I also say that we must be positive about ourselves and our people. When blacks start to accept stereotypes, it's tragic. You act according to the way you think. You all have heard of CPT time. So we accept that and when the party starts at 9 p.m., no one shows up until midnight. In fact, if you came to the party at 10, the hosts would still be preparing food and getting dressed.

I have heard people say: Harold Ford is a good old guy—I mean young man—and he represents his district but * * *.

When they get through with the buts, they have negated everything nice that was said.

Everything is beautiful in its own way, and we must learn to look for and to appreciate that which is beautiful in all of us.

As you go through life, remember that our history is filled with richness as well as with tragedy and sadness. Yet, we have survived. Your life will be filled with happiness at times and sadness at others. You will experience setbacks. Do not look at life as a win/loss column—that if you are not a winner, you must be a loser—that is the attitude of a loser.

The real mark of success is how you learn from mistakes and bounce back after defeat and setbacks—you must have bouncebackability. Throughout history, we have bounced back—this legacy was handed to you along with the torch and you must continue.

As I have previously mentioned. It is your responsibility to learn your history and to pass it on. Don't make excuses about they don't teach it. The books are there—read them. Discover how great you are. That's my challenge to you. I hope that I can come to your school next year, and let you tell me about:

Sojourner Truth—who was sold as a slave three times before she was 12. She could neither read nor write—yet in the early 1800s, she was considered the greatest and most revolutionary prophetess of her time. Tell me about Sojourner Truth preaching about the goodness of black folks.

Tell me about Phyllis Wheatley, black poetress—famous before the Declaration of Independence was signed in 1777. Cite her beautiful words to me.

Tell me about Harriet Tubman, who helped 300 slaves to freedom. Tell me how she said to the slaves—you will be free or you will die. Tell me how white men were so afraid of her that they had a $40,000 price on her head. Imagine $40,000 in the 1800s.

Tell me about Mathew Hensen—the first man to ever set foot on the North Pole who was later joined by Peary who helped plant the American flag, and became a co-founder of the North Pole. Tell me how Peary's entire crew received medals except Hensen. Tell me that the Congress, 45 years after Hensen's death, finally gave him a medal and named him as co-founder of the North Pole.

Well, young folks, that's the Real McCoy—did you know that expression came from Elijah McCoy—world famous inventor. He's not by himself. Tell me, next year, about Benjaman Banneker, black scientist in 1789, (Banneker had the first Almanac) or Granville Woods who had fifty patents approved by the government. Tell me that Banneker was the man who completed the plans that resulted in Washington, D.C. that we see today. So you can tell me about Alex Haley finding his Roots. Next year, maybe, you can tell me about Major Martin Delaney—a Harvard Educated medical doctor who traced his linkage to Africa in the 1850s after traveling many years there to find his roots.

What magnificence. Think of what we could have done had not it been for 200 years of slavery. Look at what we have done with it. What will you become. These people had dreams, and worked to make their dreams come true. What will you do. The Challenge is yours.

As we reaffirm our commitment to our history and ourselves, bear in mind that we don't want to experience what I call the Christoper Columbus Syndrome. Ole Chris didn't know where he was going when he sailed for the new world, didn't know where he was when he got to the new world, and didn't know where he had been when he got back to Spain.

We want to know where we are going, where we are when we arrive and where we have been.

I sincerely hope that one day, America will be so sensitive to our history and aware of our achievements that we will no longer have to celebrate a month of black history. We will not have to call attention to the world, and to ourselves, of our history.

For we are those who have stood on the shoulders of grandparents, parents, and relatives, and now they have handed us the torch. It is our turn to carry them by continuing our history. One day we will pass the torch as well.

I think it most appropriate to close with a poem by the great black poet Langston Hughes entitled "Mother to Son":

Well son, let me tell you
Life for me ain't been no crystal stair.
It's had tacks in it, and splinters
And board torn up—and sometimes son
Dare's been places on de' flor'
Whar dar ain't been no carpet, it's been bare
But all 'de time, I'sa been a climbin' on
And reachin' landin's and turnin'
In de' dark
Whar dar ain't been no light.
So don't you set down—on de steps
Cause you find's it's kinda hard
I'sa still a'climbin'
And, life for me ain't been no crystal stair.

Thank you for inviting me here today.

Mr. CONTE. Mr. Speaker, will the gentlewoman yield?

Mrs. COLLINS of Illinois. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, as we observe Black History Month, an outgrowth of Negro History Week first conceived by Dr. Carter G. Woodson in February 1925, we take great pride as we remember the struggles, the courage, the indomitable will, and nobel deeds of those distinguished Americans who have paved the road to freedom.

Dr. Carter G. Woodson was born on December 19, 1875, in New Canton, Va. He was reared in a community surrounded by the conditions of poverty, neglect, and denial. From these humble beginnings, young Woodson emerged as one of the most brilliant black minds of the 20th century. Although he pursued the field of education as a career, his chief interest was the history of the black people. This eventually led to the founding of the Association for the Study of Negro Life and History, September 9, 1915. Assuming the role of director and historian, Dr. Woodson remained in that capacity for 35 years.

I would like to mention a few blacks that are not as well known, but stand out for their courage and achievement. One is William Still, secretary of the Philadelphia Vigilance Committee for the underground railroad. The vigilance committee which he chaired encouraged fugitives to relate information concerning degradations suffered on plantations. There were a number of agents of the underground railroad spread through the lower Northern States and in the East. Among these Levi Coffin, stationmaster and king of the road in Cincinnati; William Whipper, the moving spirit at Columbia, Pa.; Harriet Tubman, the great conductor of Philadelphia; and David Ruggles, agent in New York.

Undoubtedly one of the leading black women of today is Dr. Dorothy B. Ferebee. Born in Boston, Dr. Ferebee received her education there, earning her undergraduate degree from Simmons College, which recently honored her as one of its outstanding alumnae. She received her M.D. with honors from the top-rated Tufts Medical School. Dr. Ferebee began her career in medicine in the southeast section of Washington, where she became very active in civic and social work.

Since religion has played such an important role in black life, it is especially fitting to reflect upon the struggles and the accomplishments of the founder of the black church. In northern communities, Negroes went furthest along the line of establishing independent churches. The best example of this trend can be found in the work of Bishop Richard Allen and his followers in Philadelphia. Allen organized the Free African Society with the help of Absolom Jones and was able to organize and dedicate the Bethel Church in 1794. In 1799, Bishop Asbury ordained him as deacon, and later he was elevated to elder. His church became known as the Bethel African Methodist Episcopal Church. Later branches of the AME Church began to spring up in Baltimore, Wilmington, and various Pennsylvania and New Jersey towns.

Although many of us participate in Black History Month every February, we also recognize the need for ongoing comprehensive studies of the history of black America. The oldest black learning institution, Wilberforce University in Ohio, was established out of the AME Church. More than a decade ago, the citizens of Ohio discussed the idea of establishing a national Afro-American Museum in the Wilberforce area. A major step was taken toward developing this idea in June 1972, when the Ohio Assembly passed a bill authorizing the Ohio Historical Society to establish and operate a museum in the vicinity of Wilberforce to be known as the National Museum of Afro-American History and Culture. This cultural center will contain exhibits highlighting the Afro-American experience from Africa to the present. The focus of the cultural center will be on research, training, and teaching in cooperation with the university and Central State University.

Through the recognition of institutions like these, and the observance of Black History Month each year, our Nation will continue to laud the achievements of black Americans and encourage further movement toward true equality.

● Mr. PHILLIP BURTON. Mr. Speaker, I have been proud to join my constituents in San Francisco and my colleagues in the Congress in the observance of Black History Month, which has been a tradition since 1926. As the month comes to a close, I want to take this opportunity to commend the Black Caucus for their leadership role in bringing some of the most vital issues before the Congress to our attention. I also would like to point out that the Congress has supported the nationwide effort to increase awareness of the contributions of blacks to American history and culture by establishing several relevant new historic units of the national park system in the past few years. Following are examples of these new areas:

Martin Luther King, Jr. National Historic Site in Atlanta recognizes the life and work of the pastor who was not only a great leader in black history but also someone who demonstrated to the world through his own life the real meaning of humanitarianism, courage, and justice for all people.

Maggie Walker National Historic Site in Richmond honors a paraplegic who became first woman president of an American financial institution. In 1903, Maggie Walker consolidated her bank with other black-run banks to insure that people would be able to get their money during the depression.

Boston-African American National Historic Site in Massachusetts preserves important early 19th century structures occupied by the free black community of that era.

The National Afro-American History and Culture Commission, established at the end of the previous Congress in 1980, will prepare a plan for submission to the President and the Congress by no later than October 1982 for con-

structing a new National Center for the Study of Afro-American History and Culture.●

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to thank my distinguished colleague from Illinois (Mrs. COLLINS) for taking this special order so that Members of the House officially can celebrate February as Black History Month.

Mr. Speaker, if the late Dr. Carter G. Woodson who in 1926 started Negro History Week were alive today, he would be proud of the attention given to the contributions of black Americans not only by this body but across this great land this month. At the time he started the observance of what he called Negro History Week, Dr. Carter wrote:

The achievements of the Negro properly set forth will crown him as a factor in human progress and a maker of human civilization.

By taking this time to acknowledge Black History Month, this body is acknowledging that the history of black Americans is intricately woven into the history of this Nation. As a black American, it is particularly gratifying for me to note that today so much attention is given to the history of black Americans. For, Mr. Speaker, just a few years ago, the subject of black history was either taboo or ignored outside of the black community. This action was detrimental to the education of all Americans regardless of race.

Mr. Speaker, we all know that the treatment of the black man in this Nation has been, at times, unjust and unequal. Black people in this country have a long tradition and history of struggling for freedom and equality. From the slave revolts to the Reconstruction period to the civil rights movement to the present—the history and treatment of blacks in America has not always been rosy. I think that it is important to note that on this occasion.

But, despite this treatment or in some cases because of it, the fact of the matter is that without the leadership, scientific research, inventions, cultural contributions of black Americans in this Nation, America would not be what it is today. As we review the exhaustive list of prominent figures in black history, such names as A. Phillip Randolph, W. C. Handy, W. E. B. DuBois, Benjamin Banneker, Charles Drew, Martin Luther King, Malcom X, Crispus Attucks, and Mary McLeod Bethune, to name a few, come to mind.

Mr. Speaker, even as we meet in this Chamber, the contributions of black Americans in the Government come to mind. Many people in this country are familiar with the Congressional Black Caucus but few know about Jefferson Long from Georgia who was the first black elected to the U.S. House of Representatives. Even fewer people are familiar with the unfair treatment given to Hiram R. Revels and Blanche K. Bruce, both of Mississippi who were the first blacks to serve in the U.S. Senate.

These individuals were the leaders of black Americans throughout the years. They had the dubious distinction of being representatives of a group of people who have been unceasing in their quest for freedom and equality. Black History Month gives us an opportunity to reflect on the progress that has been made toward this goal as the result of our predecessors and the potential that lies ahead. Although this is the history about black Americans, it will always be a part of this Nation's history. Mr. Speaker, I am happy that we took time today to call attention to Black History Month.●

● Mr. MATTOX. Mr. Speaker, February is Black History Month. As we come to the end of it, I would like to point out how inappropriate it is that the shortest month of the year is the one in which we honor black Americans and their contributions to our country.

The list is long, the accomplishments many; and far too many of them were made in the face of extreme adversity.

Rather than naming names and citing contributions, I want to talk about just one aspect of black achievement—and that is black business. There are many triumphs to list here, all the more remarkable in the face of the problems that inexperienced blacks have met trying to borrow money to finance business ventures. It is like the old dilemma of trying to get your first job when everyone you apply to demands experience.

In the last decade, though, almost every Federal agency has made available some sort of incentive program to stimulate formation and support of minority businesses. The two major sources of aid to black businesses have been the Small Business Administration and the Minority Business Development Agency in the Department of Commerce.

There is still a long way to go down the road to business equality. "The Negro Almanac: A Reference Work on the Afro-American," 1976, reports the annual sales of the country's top black firm, Motown Industries—$46 million—were no more than those produced by General Motors in one-half of 1 day.

Incidentally, Mr. Speaker, I was proud to observe that the 10th largest black-owned business listed in the almanac got its start in my Fifth Congressional District in Dallas—this despite the fact that, in 1973, only 6 of the 100 largest black businesses were located in the South.

February is far too short to commemorate black history. We should be aware all year of the contributions black citizens have made to the economic strength of the country. More important, we must continue to encourage black business skills to come to full flower. We know there is a pressing need for greater economy in Government. Cuts will be made in the Small Business Administration. But we have to be absolutely sure that any cuts are made across the board, and that fledgling black businesses do not bear more than their share of the pain.●

● Mr. McCLORY. Mr. Speaker, as we near the end of the month of February, we approach the conclusion of this year's celebration of Black History Month. By observing this celebration each year, we acknowledge the countless contributions black Americans have made to our Nation.

Although it is not possible to express in these brief remarks the importance of this celebration, we are privileged to remember the dedication to American ideals and patriotism which our fellow Americans of African heritage have continually displayed. Therefore, it is incumbent on us to publicly express our gratitude and appreciation of this proud history while we reaffirm our commitment to the continued progress of the black American community.

Mr. Speaker, earlier this year I introduced legislation to establish the third Monday in January as a legal public holiday in memory of the late Rev. Martin Luther King, Jr., because, although Reverend King was but one man, he personified the courage and vision the black American community has consistently produced.

While black history was submerged and neglected for quite awhile, that did not mean that it was nonexistent. But, rather black history continually evolved and flourished despite the lack of attention it received.

Mr. Speaker, I am quite pleased to see that our appreciation and knowledge of the history of black Americans can now be enhanced through outstanding programs like "I Remember Harlem," which was recently aired by public broadcasting and by congressional recognition through special orders.

As we embark on this decade in which we can expect an increased black American population to continue to multiply its physical and spiritual contribution to society, we are privileged to have the opportunity to learn more about black American history.●

● Mr. WYDEN. Mr. Speaker, black Americans and black Oregonians have made innumerable contributions to our society. In recognition of this fact and in tribute to Black History Month, I recently submitted the following article for publication in the Portland Observer in Portland, Oreg. I insert the statement into the RECORD in its entirety:

A TRIBUTE FOR BLACK HISTORY MONTH

The contributions of Black Oregonians to the development of state and national leadership run deep. During Black History Month, it is appropriate that we recognize the contributions of the Bill and Gladys McCoys, the Herb Cawthornes, the Emmanuel Scotts and the Sheldon Hills.

It is also appropriate, however, that we look ahead to the work that remains—ensuring that all blacks have a job, a decent place to live and the opportunity to put their creative talents to good use.

I am a member of three committees that can help make sure that this happens—the Small Business Committee, the Select Committee on Aging and the Energy and Commerce Committee.

As a member of the Small Business Committee, I will work to eliminate unnecessary and burdensome regulations, locate sources of equity capital, institute tax incentives and expand export opportunities for black men and women who are struggling to establish, maintain or expand their own businesses.

As a member of the Aging Committee, I will push for new senior housing in the Albina area and will work to reform Medicare and Medicaid so that they emphasize preventive health care rather than the more-expensive hospital care. I will also work to reform the Social Security System so that it serves as a pension plan for minority elderly and other elderly persons—instead of a duplicative social welfare grab-bag. I will put particular emphasis on working with community groups to bring a senior center to the Albina area.

As a member of Energy and Commerce, I will work toward a comprehensive national energy policy that encourages development of renewable, low-cost alternatives and places the cost of oil and other energy sources on the big oil companies instead of on Albina families and other eastside families who heat their homes with oil. I will also support efforts to attract new businesses to the eastside—thus creating more jobs for blacks and other Third District residents.

The needs of the black community are not unlike those of the Third District as a whole—more jobs, better housing and a better business climate. During the 97th Congress, I will devote my energies to achieving these goals.●

● Mr. RAHALL. Mr. Speaker, I am pleased to join my colleagues today in recognizing "Black History Month."

The contributions made by black Americans to the history of this great land are endless, and I would like to take this opportunity to reflect upon a little-mentioned aspect of black history.

With spring in the air, the thoughts of many turn to baseball. After the turn of the century, ball teams sprang up across the mountains of southern West Virginia, the area I am proud to represent. Since the more formal leagues were comprised of all-white teams, a separate network of black teams grew up. Black teams from my home county of Raleigh, played over a wide geographic area, meeting both black and white teams in Raleigh, Fayette, and Wyoming Counties. Local black teams included: The Raleigh Clippers, Slab Fork Indians, Lillybrook Red Sox, East Gulf Stonecoal Giants, Tams Black Sox, Glen Rogers Red Sox, New River Giants, and other teams in Mullens, Gary, and White Sulphur Springs.

Some local black players also went on to play professional ball, such as Grover Lewis, who played for the Homestead Grays in the late 1920's, and S. G. Totten, who pitched for the New York Cubans in the early 1940's. Nathan Payne of Rhodell, who managed local black teams, became a scout in southern West Virginia for the Brooklyn Dodgers and Pittsburgh Pirates after the major leagues were integrated in 1947.

Most of the players were coal miners, who worked during the days and played baseball at night. They were hard working and talented, but most of all they were Americans who added a great deal to our society.●

● Mr. SMITH of New Jersey. Mr. Speaker, this is Black History Week, and I am glad this House is using today to commemorate those black men and women who have played such a large part in shaping our Nation's history.

History cannot only be just a table of places and dates and events. It has to be the chronicle of men and women—real, living people—who have put their imprint on our Nation. Some are well known; some are obscure; all have played a part.

Too often we tend to forget that not just one race, or one sex, has played its part in creating the national destiny. We are using occasions such as the present one to renew our acquaintance with historical greats.

Crispus Attucks, who might have been fleeing from slavery, was apparently the first man to shed his blood for American freedom, when he was shot down by British troops in the Boston massacre. American blacks joined General Washington's army during the siege of Boston, and black men fought through the Revolution with the Continental Army.

A free Maryland black, Benjamin Banneker, was the surveyer for this city of Washington. When Pierre L'Enfant was dismissed by President Washington as the city planner for the District of Columbia it was Banneker who saw to it that L'Enfant's plans were carried through to completion.

Even in the darkest hour of the American black experience—the time of slavery—courageous and unique individuals gave inspiration through their performance. Frederick Douglass fled from slavery, educated himself, and was a writer, speaker, and courageous opponent of slavery. Douglass was a friend of President Lincoln, and became a marshal of the District of Columbia. Two great black women, Sojourner Truth and Harriet Tubman, made many lonely trips into the South to lead slaves to freedom on the "Underground Railroad."

In the Civil War black troops were essential to Union victory—these are the words of President Lincoln. They proved themselves by great gallantry on many fields of battle. After the war the immortal Booker T. Washington pioneered college education and vocational training for southern black youth. George Washington Carver revolutionized southern agriculture by finding so many uses for the lowly peanut, a crop that southerners thought was of no value to them whatsoever. A black surgeon performed the first successful open heart surgery, in 1893.

In our century blacks have excelled in many fields. We have only rediscovered the genius of Scott Joplin. Jim Europe transformed American music. American blacks fought in both World Wars, and Benjamin O. Davis is our first black general. Lorraine Hansbury was a bright light of our theater playwrights, Langston Hughes distinguished American poetry.

We still remember with affection Dr. Martin Luther King; we still mourn his passing. Vernon Jordan is a respected spokesman for his community; so is Roy Wilkins. Dr. Thomas Sowell is having a profound and dynamic impact on the Nation's thinking in economics.

Our Nation is a great blend of races and colors and nationalities. What they have in common is this—all are Americans. All have contributed to this great land of ours. All have seen visions of what our Nation can be, and do, if we all work together.

We cannot pretend everything is perfect in the United States. Very plainly, things are not perfect. I am not trying to gloss over the real inequalities that affect the black community.

But I want to add my comments today to honor a special group of Americans. From these men and women we take new inspiration. Many tried and succeeded against overwhelming odds. Their names and deeds shall be forever emblazoned on the page of our national heritage.●

● Mr. SHAMANSKY. Mr. Speaker, it is with great pleasure that I join my colleagues today in commemorating Black History Month.

It is appropriate that we reflect on the contributions that black men and women have made to this institution and to this country. These contributions have been widespread and permeate our everyday life.

We have a sincere obligation to fulfill and continue the progress that has

been made in achieving equality and full participation for black citizens. Historical evidence shows that there has been significant change compared to a few years ago. However, we cannot deny that there is still more to do.

Commemorating Black History Month, as symbolic as it may seem, is imperative in recognizing and remembering the progress that has been made. It should also serve as a stimulus to further advances. In these times of high inflation, high unemployment, and budget cutting, we must not allow degradation of this progress. Let us not become complacent. To honor Black History Month also should be a promise to the future. Neither we in this House nor any others in this Government should forget our responsibility to achieving equality for all men.●

● Mr. ADDABBO. Mr. Speaker, I welcome this opportunity to join my distinguished colleagues today in the observance of February as Black History Month. It has been a month of renewed appreciation and recognition by all Americans, of the culture, traditions, and history of the black community, and of the impact of blacks in American history.

Black Americans as have other groups in our society, have played important roles in the growth, advancement, and maturation of our Nation since its inception. Since the founding of our country blacks have carved a special niche for themselves in countless fields of endeavor. In sports, black Americans have thrilled us in track and field, basketball, baseball, and football, just to name a few. In the arts, black artists, dancers, singers, musicians, actors, actresses, and writers, have attained the highest in excellence. In education, politics, and science, the contributions made by black Americans are known and revered the world over.

Black Americans have contributed much to the greatness of our country, and in literally every city in America the hard working, dedicated, and patriotic spirit of these people is as strong as ever. By increasing public awareness of what blacks have done for this country, we recognize that without them and all of other distinct groups which exist here, our Nation would be a far more difficult and bleaker place to live.●

● Mr. LANTOS. Mr. Speaker, the month of February is observed throughout our Nation as Black History Month. All Americans share, with increasing awareness and pride, in the recognition of the unique, diverse, and pervasive contributions black Americans have made in shaping our Nation. Famous names make a luminous roster of outstanding black Americans; but the extraordinary contributions of ordinary citizens are often overlooked. It is not well known, for example, that 5,000 blacks were among the early American patriots who helped America gain its independence from Britain.

Carter G. Woodson, the father of black history, started the observance of Negro History Week in 1926 to curb widespread misconceptions about black people; misconceptions held not only by white people, but also by many black Americans.

Mr. Woodson was opposed to a black history, per se; he believed blacks should be in, and part of, a holistic human history. However, it was clear the achievements of black men and women were largely omitted from American history books. Black history in the United States has been particularly vulnerable to neglect and distortion. In the past decade, however, new perspectives have been emerging reflecting a new maturity in writings about the black experience in America by both black and white scholars.

Lyndon Baines Johnson once said:

> A nation, like a person, not conscious of its own past is adrift without purpose or protection from the contending forces of dissolution.

I urge Americans to go beyond the superficialities of racial pride, to go beyond a ritualistic recognition of a roster of great black leaders past and present, to be open to communication across newly erected racial barriers, and to share both the pride and pain of the past, present, and future experience of black America.

Renowned black names in history illustrate outstanding contributions in every area of our lives: In religion, science, the arts, literature, education, politics, medicine, sports, and entertainment. There are thousands of unsung heroes, as well, who fought and died on the battlefields of all of America's wars.

Although profound beneficial changes have taken place in societal structures in recent years, the hope and promise of our constitutional principles have not yet been adequately met. For example, the participation of black Americans in the political process as reflected in this political body, the Congress of the United States, is less now than in the years following the Civil War. In the Reconstruction era, 22 black southerners served in Congress; today there are only 17 blacks in the 97th Congress and no blacks in the Senate.

Further, there is a rising sense of concern within black communities that the progress of the last 25 years in black human rights is being threatened today. Specifically, terrorism of young children in Atlanta, as well as the more widespread conditions of inadequate housing, rising unemployment, permanent poverty, chronic illness, and increasing crime rates which disproportionately affect black families, bring to mind Frederick Douglass' admonition that the struggle for black human rights must be forever fought.

Frederick Douglass spoke for justice long before the Civil War, not as a black leader for black Americans, but as a human being for the human race. He said:

> My sympathies are not limited by my relation to any race. I can take no part in oppressing and persecuting any variety of the human family. Whether in Russia, Germany, or California, my sympathy is with the oppressed, be he Chinaman or Hebrew.

Black History Month, 1981, with its special theme, "Role Models for Youth" focuses our attention on the achievements and courage of our fellow citizens of black heritage. It also offers us all a time to soberly reflect on our responsibilities to insure the future proud history of black Americans in our pluralistic Nation.●

● Mr. DWYER. Nearly two decades ago, in a letter written from a Birmingham, Ala., jail, Martin Luther King wrote:

> We have waited for more than 340 years for our constitutional and God-given rights.

It is to those 340-plus years that the month of February—Black History Month—has been dedicated.

The American black community has made major contributions in every facet of our society: Politics, literature, music, art, and so many others, steadfast in its commitment to a celebration of life and culture, against what for most of us would be insurmountable odds.

It is right that today we also pay tribute to the dedication of blacks and others to attain and safeguard the basic freedoms most Americans take for granted.

Despite significant strides made by the brave leadership of the black community, blacks are still faced with discrimination in the workplace and the marketplace. It is incumbent upon us today and every day to take a moment to reflect on the freedoms we enjoy and cherish and be sure that those freedoms are shared by all.

Mrs. COLLINS, thank you for taking this special order commemorating Black History Month. It underscores our need to continually strive to achieve equality in employment, education, and opportunity for all, and further, to keep a constant vigil that once achieved, these rights never be usurped.●

● Mr. CORRADA. Mr. Speaker, it is with great pleasure that I join my colleagues today in commemoration of Black History Month.

I think that it is fitting that the month of February has been proclaimed to commemorate the great contributions that black Americans have made to all aspects of our society and history.

Since colonial days to the present, black Americans have actively participated in the shaping of our country and of our character as a people.

Americans of all walks of life should join together in celebrating and commemorating this month and also in a unity of purpose to make this country greater in fulfilling the concept of equal justice and opportunity handed to us by our Founding Fathers.●

● Mr. MAZZOLI. Mr. Speaker, for many years the rich heritage and contributions of black Americans have been ignored by American historians and excluded from our history books. This has resulted in the absence of knowledge of an awareness of the black heritage in America on the part of many generations of American students, black and white.

Black Americans, in spite of a history of slavery and racial discrimination, have and continue to make meaningful contributions to America's history. These contributions are in many areas: literature, science, medicine, law, the military, the performing arts, and sports.

I would like to especially recognize the educational achievements of black Americans and in so doing, pay a tribute to Carter G. Woodson (1875–1950), the father of negro history.

Following is an excerpt borrowed from the 1981 heritage of black America calendar, published by the office of minority affairs at the University of Louisville.

EDUCATION

The African-American has long possessed a deep faith in the power of education to bring about a change in his status and in the conditions affecting his personal life. He has believed that education is the key to many of the shackles that bind him. In the days of slavery this belief was strengthened by slave masters who, believing in the importance of education, declared it criminal for blacks to be illiterate.

The history of education of black Americans can be traced to the church. The Quakers in Philadelphia provided schools for Africans as early as 1774. In New York, the African Free School was opened in 1787. Primus Hall opened a school in his Boston home in 1798. General support for the education of free blacks began in N.J. in 1777.

Many Africans imported to the English colonies in 1619 had a brilliant cultural and educational background. As the importation of slaves increased, education in America met great difficulties. Statutes prohibiting education for blacks were strengthened following the slave uprising by Nat Turner and Denmark Vesey. Yet progress was made.

As early as 1787, Prince Hall petitioned the City of Boston to establish a school for black children. Societies and organizations devoted to the cause of education for blacks date back to 1790. A few individual schools were established by churches, slaveholders and free Negroes, yet only two Negro institutions of higher learning existed prior to the Civil War: Wilberforce University (1856) and Lincoln University (1854). Immediately following the War the Freedmen's Bureau established 4,239 schools with 9,307 teachers and 247,333 students. Ten colleges and universities were founded in the South between 1865 and 1876. The next decade saw "agricultural and manual arts" or "agricultural and industrial" (A&M/A&I colleges develop in nearly all of the ex-Confederate states. The most celebrated, Tuskegee Institute (1881) is today a leading institution.

Probably the next major push in black education came with the Supreme Court decision of 1954, the implementation of which is of major concern.

The lamp of education for blacks were carried by many men and women whose struggles and leadership are immortal. Symbolic of these is Carter G. Woodson.

Carter G. Woodson was born in Canton, Virginia in 1875. Being of extreme poverty, he was twenty-two years old when he completed high school. During this period, Woodson supported himself by working as a coal miner. He went on to study at Berea College in Kentucky and at the University of Chicago. He earned a Ph.D degree from Harvard in 1912. Three years later, he organized the Association for the Study of Negro Life and History, the first systematic treatment of Negro history. Woodson set the pace for research into the black man's past, writing numerous books and papers, and starting The Journal of Negro History in 1916. He initiated the observance of Negro History Week in 1926, and in 1937 started publication of The Negro History Bulletin. Dr. Woodson firmly believed that "the achievements of the Negro properly set forth will crown him as a factor in early human progress and a maker of modern civilization".●

● Mr. SAVAGE. Mr. Speaker, it is both an honor and a privilege to join my distinguished colleagues today in participation in this special order in celebration of Black History Month.

I believe that it is particularly important that we, in Congress, take the opportunity to recognize and honor the many achievements of black Americans, and the many contributions that black Americans have made to our American society.

When I speak of black Americans contributing to our country's greatness and who are deserving of a place in our history, I speak not only of those who have already achieved acclaim, such as Dr. Martin Luther King, W. E. B. Du Bois, and Paul Robeson—those whose daily endeavors have, however, been no less of a vital contribution to the history of our country.

I take great personal pride in commemorating black Americans today, not only in the Second District of Illinois which I represent, but black Americans throughout our country. I particularly wish to pay tribute to black working parents; those who labor daily in our factories and in our fields, sacrificing much to give their children an opportunity for a better life—those who have worked to overcome seemingly insurmountable obstacles to achieve dignity and respect for themselves and for their families—and those who have struggled to achieve a future based on the dream of Dr. Martin Luther King, that their children participate equally in the freedoms and opportunities that America stands for and should provide for all of her citizens.

As Black History Month draws to a conclusion, I feel that it is appropriate to pay special tribute to these black Americans—the unsung heroes and heroines, no less worthy of our admiration and no less worthy of distinction because they have not been included in the pages of our history books.

Thank you, Mr. Speaker.●

GENERAL LEAVE

Mrs. COLLINS of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order today, Black History Month.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

VETERANS' LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MOTTL) is recognized for 5 minutes.

● Mr. MOTTL. Mr. Speaker, today I am introducing four Veterans' Administration medical bills, two of which will serve to insure the quality and quantity of medical care and treatment to our Nation's veterans and two of which will provide some cost savings for the Veterans' Administration.

One bill would expand the scope of a study mandated by Public Law 96-151, which requires the Administrator of Veterans' Affairs to determine the effect on humans of exposure to the chemical known as agent orange. This legislation will provide the Administrator with discretionary authority to expand the scope of the study to include indepth examinations of additional factors; that is other herbicides, chemicals, medications, or environmental hazards or conditions. It would also provide discretionary authority to study the literature concerning this subject. The recommendation to expand the scope of the agent orange study was made by the scientific panel of the Presidential Interagency Work Group. The Congressional Budget Office estimates that this bill should not have a significant budgetary impact.

Another measure would amend title 38, United States Code, to extend by 12 months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended. Those State medical schools participating in the VA grant program would thus be allowed to expend residual

grant funds for 1 additional year for the purpose of paying school faculty salaries. Inasmuch as these are previously appropriated funds, no additional costs will be incurred.

The third bill would amend title 38, United States Code, by adding a provision for the recovery of certain cost of health care provided by the Veterans' Administration under specific conditions.

Present statutes, specifically the Federal Medical Care Recovery Act, have given rise to uncertainty of the Veterans' Administration's express statutory authority to collect the cost of health care from certain veterans suffering from non-service-connected conditions. This group of veterans would include those individuals covered for such care under workers' compensation or employers' liability laws or by an act of a tortiously liable third party. An example of the latter would be an automobile accident where the tortfeasor's negligence is conceded or proved in those States where automobile no-fault laws have not been enacted. Also covered by this proposed bill would be express authority for the Veterans' Administration to recover from victims of automobile accidents in those States where no-fault insurance coverage is required by law, as well as those covered by State law to receive compensation to victims of criminal acts.

The enactment of the legislation I am introducing today would supersede those State or local statutes which provide for payment to private health care providers but which exclude payment to Federal health care providers.

The Congressional Budget Office has stated that it is difficult to estimate with precision the impact this bill will have on recoveries because of the differences in present laws from State to State. That office does provide, however, a rough estimate that medical care recoveries will increase by approximately 5 percent per year based on historical trends. It is further assumed that recoveries will increase by about 2 percent in the first year to about 20 percent by fisal year 1986. The CBO estimates are $0.5 million in fiscal year 1983, $1 million in fiscal year 1984, $1.7 million in fiscal year 1985, and $2.3 million in fiscal year 1986.

Finally, I am introducing a bill that would provide for greater coordination and sharing of medical resources between the Veterans' Administration and the Department of Defense during peacetime. Together, these two agencies operate approximately 300 hospitals in 50 States. A number of recent studies on Federal interagency sharing of scarce medical resources clearly identifies a large number of supporters for reducing direct Federal health care costs while at the same time enhancing the quality of health care through greater sharing and coordination. This proposed legislation will provide better medical services for both our Nation's veterans and our active duty and retired unformed services personnel. In the case of the latter group, the provision of the best quality health care should have a positive impact upon the recruitment and retention of personnel in the All-Volunteer Force.●

RULES OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES FOR THE 97TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, pursuant to rule XI 2(a) of the House of Representatives, I offer the Rules of the Committee on Merchant Marine and Fisheries for the 97th Congress, which were adopted at the committee's organizational meeting on February 19, 1981, and insert them in toto, in the CONGRESSIONAL RECORD:

COMMITTEE ON MERCHANT MARINE AND FISHERIES, (97TH CONGRESS)

Clause 2(k)(2) of Rule XI, of the Rules of the House of Representatives reads as follows: "A copy of the committee rules and this clause shall be made available to each witness."

RULE I. APPLICABILITY OF OTHER RULES

The Rules of the House insofar as they are applicable shall be the Rules of the Committee and its Subcommittees. The procedure in the Committee and its Subcommittees shall follow the procedure of the House. Written Rules adopted by the Committee, not inconsistent with the Rules of the House, shall be binding on each Subcommittee of the Committee. Each Subcommittee of the Committee is a part thereof and subject to the authority and direction of the Committee and to its Rules.

RULE II. MEETINGS

(A) The Committee shall meet at 10 a.m., on the first Wednesday of each month in the Committee Hearing Room, Longworth House Office Building, while Congress is in session. However, the regularly scheduled monthly meeting of the Committee may be dispensed with at the discretion of the Chairman, in consultation with the Ranking Minority Member, in the absence of any business to come before the Committee at such meeting. If the Chairman of the Committee is not present at any meeting of the Committee, the Ranking Member of the Majority Party on the Committee who is present shall preside at that meeting.

(B)(1) Each meeting for the transaction of business, including the markup of legislation, of the Committee or a Subcommittee, shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public: *Provided, however,* That no person other than Members of the Committee and such Congressional staff and such departmental representatives as the Members may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to Committee hearings which are provided for by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the Committee or a Subcommittee shall be open to the public except when the Committee or Subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony,

(i) may vote to close the hearing for sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate Rule XI 2(k)(5) (Rules of the House) or

(ii) may vote to close the hearing, as provided in Rule XI 2(k)(5), (Rules of the House): *Provided, however,* That the Committee or Subcommittee may by the same procedure, vote to close one subsequent day of hearing.

(C)(1) The Chairman of the Committee may call and convene, as he or she considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other Committee business. The Committee shall meet for such purpose pursuant to that call of the Chairman.

(2) If at least three Members of the Committee desire that a special meeting of the Committee be called by the Chairman, those Members may file in the offices of the Committee Clerk their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the Clerk of the Committee shall notify the Chairman of the filing of the request. If, within three calendar days after filing of the request, the Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the Committee may file in the offices of the Committee their written notice that a special meeting of the Committee will be held, specifying the date and hour of, and the measure or matter to be considered at, that special meeting. The Committee shall meet on that date and hour. Immediately upon the filing of the notice, the Clerk of the Committee shall notify all Members of the Committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting. The above procedures shall also apply to Subcommittees, except that the number of Subcommittee Members required to request a special Subcommittee meeting shall be two, and a majority of the Members of the Subcommittee must file their written notice for a special Subcommittee hearing.

(D) The date, time, place and subject matter of meetings of the Committee shall be announced to all Members of the Committee and the public at least one week before the meeting, unless the Chairman in consultation with the Ranking Minority Member determines that there is good cause to begin the meeting at an earlier date. If such determination is made by the Chairman, the Committee shall make public announcement and provide oral and confirming written notice to Committee Members at the earliest possible date. Any announcement under this paragraph shall be promptly published in the Daily Digest and promptly entered into the Committee scheduling service of the House Information Systems.

(E) When a duly called Party Caucus or Conference of either Party is scheduled on a date and at a time which directly conflicts with a scheduled Committee meeting, the meeting of the Committee shall be cancelled and oral and confirming written notice to that effect shall be given to all Committee Members and staff by the Clerk of the Committee, and the Chairman shall reschedule the meeting at the earliest practical time.

RULE III. COMMITTEE PROCEDURE

(A) Unless authorized by the Chairman of the Committee, or a Subcommittee, a witness shall not be permitted to testify or present evidence, and such statement or testimony will not be included in the Committee hearing record, unless seventy-five copies thereof have been delivered to the Clerk of the Committee at least twenty-four hours prior to such meeting at least ten of which must be delivered at least forty-eight hours prior to the meeting. Such prepared statement shall include a summary which may not exceed five pages in length. To the extent feasible, statements and testimony of witnesses from Federal and Administrative agencies shall be accompanied, if not previously received, by fifty copies of the Federal agency report requested by the Committee on matters pending before it. The presentation of testimony by any one witness shall not exceed ten (10) minutes. This will be a synopsis of the prepared testimony which will be presented for the record.

(B) Committee Members may question witnesses only when they have been recognized by the Chairman for that purpose. All questioning shall be pertinent to the subject matter of the hearing. In accordance with Rule XI, clause (2)(j)(2), Rules of the House, each Committee Member may request up to five minutes in the first round of questioning to question a witness until each Member who so desires has had such opportunity. After completing his questioning, the Chairman shall recognize the Ranking Minority and then the Ranking Majority Members, and thereafter, in recognizing Members present shall alternate between minority and majority, taking into consideration the ratio of Majority to Minority representation on the Committee. Thereafter, additional time may be extended to a Committee Member at the discretion of the Chairman. Responses to Member's or Committee staff questions and other data offered for the record, shall be submitted in triplicate to the Committee Clerk. One copy of such material shall be retained by the Clerk for printing, the remainder furnished to the Chief Counsel for further transmittal to the appropriate Subcommittee Counsel and the Minority Counsel.

(C) One-third of the Members of the Committee shall constitute a quorum for the purpose of transacting Committee business, other than reporting a measure or recommendation when a majority quorum is required, but testimony may be taken and evidence received in any meeting at which there are present not fewer than two Members of the Committee, one of whom should be, whenever possible, a Minority Member. Unless at least two Members are present, at least one of whom is a Majority Member, the meeting must be adjourned.

(D) No point of order shall lie with respect to any measure ordered to be reported by the Committee on the ground that hearings on such measure was not conducted in accordance with the provisions of Rule XI, Clause 2(g) (1)-(4), Rules of the House; except that a point of order on that ground may be made by any Member of the Committee which reported the measure if, in the Committee, such points of order was (A) timely made and (B) improperly overruled or not properly considered.

(E) A rollcall vote may be ordered by one-fifth of the Members present. The results of each rollcall vote in any meeting of the Committee shall be made available in the Committee office for inspection by the public, as provided in Rule XI, clause 2(e)(1), rules of the House. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition and whether by proxy or in person and the names of those Members present but not voting. With respect to each record vote by the Committee to report any bill or resolution, the name of each Member voting for and voting against the motion to report, and whether by proxy or in person, and the names of those Members present but not voting shall be included in the Committee report.

(F) Whenever any hearing is conducted by any Committee upon any measure or matter, the minority party Members on the Committee shall be entitled, upon request to the Chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing hereon.

(G) The Committee, by majority vote, may permit any of its public hearings or meetings to be televised, broadcast by radio, or photographed subject to the following requirements:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of Rule XI of the Rules of the House, relating to the protection of the rights of witnesses.

(3) Not more than six television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

(H) A Member may vote by special proxy only on a specific measure or matter and any amendments or motions pertaining thereto; except that a Member may authorize a general proxy only for motions to recess, adjourn, or other procedural matters. In order to be considered a valid and duly executed proxy, the proxy authorization shall be in writing, shall assert that the Member is absent on official business, or is otherwise unable to be present at the meeting of the Committee and shall designate the person who is to execute the proxy authorization. If it is desired to give a proxy for sessions on succeeding days, it must be so stipulated in the proxy, and if not stipulated, it cannot be voted. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum. All executed proxies shall be delivered to the Clerk and kept at the desk during the proceedings of the Committee

for which they are given and shall be included in the official records of the meeting after they have been voted. Points of order as to the validity of proxies must be made at the time the proxies are voted.

(I) The Ranking Majority Member shall be designated Vice Chairman.

RULE IV. SUBCOMMITTEES

(A) There shall be five standing Subcommittees as follows: The Subcommittee on Merchant Marine; the Subcommittee on Fisheries and Wildlife Conservation and the Environment; the Subcommittee on Coast Guard and Navigation; the Subcommittee on Oceanography; the Subcommittee on the Panama Canal and the Outer Continental Shelf, together with such other special, select or ad hoc committees as the Chairman or a majority of the Committee may establish or determine to be appropriate for the conduct of Committee business. A Committee Member may temporarily resign from his Subcommittee assignment to serve on another Subcommittee of the Committee in the event of vacancies on that other Subcommittee. Members returning to their Subcommittee assignment at the end of the temporary assignment shall return to their original assignment without prejudice to tenure or seniority.

(B) All legislation and other matters referred to the Committee shall be referred by the Chairman to all Subcommittees of appropriate jurisdiction within two weeks, unless by majority vote of the Majority Party Members of the Full Committee or by agreement between or among the Chairman and all the Subcommittee Chairmen to whom the legislation or other matter would otherwise be referred, consideration is to be by the Full Committee.

(C) The Chairman and Ranking Minority Member of the Full Committee shall serve as ex-officio Members of all Subcommittees of which they are not designated as Chairman or Ranking Minority Member and shall have the right to participate fully including the right to vote on all matters before such Subcommittees, but shall not be counted in establishing the requirements of or in determining a quorum. Any other Member of the Full Committee has the privilege of sitting with any Subcommittee of which he is not a Member during its hearings or deliberations and participating therein (including closed meetings), but shall not have the authority to vote on any matter, nor be counted present for the purpose of determining a quorum, nor raise points of order, and except as the Subcommittee Chairman may permit, participate in questioning under the five-minute rule, unless he is a Member of such Subcommittee.

(D) Subcommittees are authorized to hold hearings, receive evidence, hear witnesses, and report to the Committee for final action, together with such recommendations as may be agreed upon by the Subcommittee, on such matters as the Chairman may refer to a Subcommittee. Available dates for Subcommittee meetings shall be assigned as a result of consultation between the Chairman and Subcommittee Chairmen and as nearly as practicable in relation to and in accordance with workloads: Provided, however, That Subcommittees shall not meet at the same time as the Full Committee without express permission of the Chairman of the Committee. The ratio of Majority Party Members to Minority Party Members on Subcommittees and Conference Committees, including ex officio Members, shall be no less favorable to the Majority Party than the ratio of Membership on the Full Committee.

(E) In carrying out paragraph (B) with respect to any matter, the Chairman may refer the matter simultaneously to two or more Subcommittees for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any Subcommittee) or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different Subcommittee.

RULE V. COMMITTEE REPORTS/PUBLICATIONS

(A) Records and transcripts of open hearings before the Committee shall not be available to the public for quotation of any Member until after such Member has had an opportunity to examine and approve such hearing records. No more than forty-five (45) days after the conclusion of hearings the transcript shall be closed and no further changes made. In no instance will the Committee staff distribute, or prepare for distribution, to persons, other than Members and witnesses for the purpose of correction, any open hearing transcript that has not yet been closed and transmitted to the GPO for publication. Closed session transcripts and records shall be available to Members of the House of Representatives and Merchant Marine and Fisheries Committee staff for inspection in the office of the Committee, but may not be released or divulged to any other person without the consent of the Chairman or a majority of the Committee. In no event shall executive session or markup transcripts and records be taken from the Committee offices by anyone.

(B) All Committee or Subcommittee prints and other material prepared for public distribution shall be approved by the Chairman of the Full Committee prior to such distribution.

(C) The permanent records of the Committee shall be available to all Members of the House for examination.

(D)(1) It shall be the duty of the Chairman to report or cause to be reported promptly to the House any measure approved by the Committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the Committee on a measure which has been approved by the Committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the Clerk of the Committee a written request, signed by a majority of the Members of the Committee, for the reporting of that measure. Upon the filing of any such request, the Clerk of the Committee shall transmit immediately to the Chairman of the Committee notice of the filing of that request.

(E)(1) No measure or recommendation shall be reported from the Committee unless a majority of the Committee was actually present.

(2) With respect to each rollcall vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the Committee Report.

(F) The report of the Committee on an approved measure shall include (1) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the House Rules separately set out and clearly identified; (2) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures; (3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of that report) has submitted such estimate and comparison to the Committee; and (4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause (4)(c)(2) of Rule X of the House Rules separately set out and clearly identified whenever such findings and recommendations have been submitted to the Committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the Committee's deliberations on the measure.

(G) Each report of the Committee on each bill or joint resolution of a public character reported by the Committee shall, insofar as possible, contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(H) Within twenty-four (24) hours of time of approval of any measure or matter by the Committee (excluding Saturdays, Sundays and Legal Holidays), the Members of the Committee must give notice of intention to file supplemental, minority or additional views. Members shall be entitled to not less than three (3) calendar days (excluding Saturdays, Sundays and Legal Holidays) in which to file such views, in writing and signed by that Member, with the Clerk of the Committee. All such views so filed by one or more Members of the Committee shall be included within and shall be a part of, the report filed by the Committee with respect to that measure or matter. The report of the Committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, Minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, Minority, or additional views (and any material submitted under subdivisions (3) and (4) of section (F)) are included as part of the report.

This subparagraph does not preclude—

(i) the immediate filing or printing of a Committee Report unless timely request for the opportunity to file supplemental, Minority, or additional views has been made as provided by this section, or

(ii) the filing by the Committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by the Committee upon that measure or matter.

(I) No bill which directly or indirectly authorizes the expenditure of over $1 million in federal funds shall be brought to the House Floor by the Committee under Suspension of the Rules if the text of the bill has been changed after it was reported by the Committee unless—

(1) the changes are purely technical and conforming, or

(2) all members of the Committee have been provided a written copy of the changes

at least twenty-four hours prior to the time the bill is considered in the House.

RULE VI. USE OF COMMITTEE FUNDS FOR TRAVEL

(A)(1) Funds authorized for the Committee under Clause 5 of Rule XI of the House Rules are for expenses incurred in the Committee's activities within the United States; however, local currencies owned by the United States shall be made available to the Committee and its employees engaged in carrying out their official duties outside the United States, its Territories or Possessions. No appropriated funds shall be expended for the purpose of defraying expenses of Members of the Committee or its employees in any country where local currencies are available for this purpose; and the following conditions shall apply with respect to travel outside the United States or its territories or possessions:

(a) No Member or employee of the Committee shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in applicable Federal law.

(b) Each Member or employee of the Committee shall make to the Chairman of the Committee an itemized report showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, and any funds expended for any other official purpose and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. All such individual reports shall be filed no later than 60 days following the completion of travel with the Chairman of the Committee for use in complying with the reporting requirements in applicable Federal law and shall be open for public inspection.

(2) A substantive report shall be filed with the Chairman within one month of any Committee trip or any trip related to matters of Committee jurisdiction which has been approved by the Chairman.

(B)(1) All voting Members of a Subcommittee shall have adequate notice prior to the date or dates fixed for Subcommittee investigations or hearings at locations other than Washington, D.C.

(2) All Travel of Members and staff of the Committee or of a Subcommittee, to hearings, meetings, conferences, investigations, foreign conferences and meetings, and all foreign travel, must be authorized by the Chairman prior to any public notice thereof or the actual travel.

RULE VII. COMMITTEE AND SUBCOMMITTEE STAFF

(A) The Committee shall appoint, by majority vote of the Committee, from a list submitted to the Committee by the Chairman, appropriate professional and clerical staff personnel, in accordance with the provisions of Clause 6 of Rule XI of the House Rules.

(B) Each employee on the permanent staff is entitled to pay at a single per annum gross rate to be fixed by the Chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in Section 5316 of Title 5, United States Code, except that two professional staff members shall be entitled to pay at a single per annum gross rate to be fixed by the Chairman, which does not exceed the highest rate of basic pay as in effect from time to time of level IV of the Executive Schedule in Section 5215 of Title 5, United States Code.

(C) Subject to the provisions of paragraph G, each Committee staff member, other than a member appointed pursuant to the request of Minority Party Members, is assigned to the Chairman for the purposes of general supervision and control and shall perform such duties as the Chairman may assign. In the case of staff members appointed pursuant to the request of Minority Party Members, the Ranking Minority Member shall exercise general supervision and control, subject to the assignments designated by Minority Party Members in accordance with Clause 6 of Rule XI of the House Rules.

(D) The Committee, by majority vote, may terminate the services of any staff member appointed by the Committee and may, from time to time, take appropriate action to fill any staff vacancies.

(E) When any staff member is assigned directly to Subcommittee staff duties, the staff member shall remain under the general supervision and control of the Chairman of the Committee or Ranking Minority Member of the Committee as appropriate, but under the direct control of the Subcommittee Chairman or Ranking Minority Member, as appropriate, for duty assignment purposes.

(F) From the funds provided for the appointment of Committee staff pursuant to primary and additional expense resolutions—

(1) The Chairman of each standing Subcommittee is authorized to appoint one staff member who shall serve at the pleasure of the Subcommittee Chairman.

(2) The Ranking Minority Party Member of each standing Subcommittee is authorized to appoint one staff person who shall serve at the pleasure of the Ranking Minority Party Member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the Subcommittee Chairman not to exceed (a) 75 per centum of the maximum established in paragraph (c) of Clause 6 of Rule XI, or (b) the rate paid the staff member appointed pursuant to subparagraph (1) of this paragraph.

(G) The Subcommittee staff members appointed pursuant to paragraph (F) are subject to the supervision and control of, and shall be responsible to, the Subcommittee Chairman or Ranking Minority Member of the Subcommittee as appropriate.

RULE VIII. COMMITTEE BUDGET

(A) At the beginning of each session, after consultation with each Subcommittee Chairman, the Chairman shall propose and present to the Committee for its approval a budget of the estimated total amount of funds to be requested under a primary expense resolution submitted in accordance with Clause 5 of Rule XI, for use by the Committee, for such session of the Congress for all anticipated activities and programs of the Committee and of its Subcommittees.

(B) In presenting the budget, the Chairman shall insure that it contains sufficient funds to enable the Committee and each Subcommittee to discharge its responsibilities for legislation and oversight.

(C) Authorization for the payment of additional or unforeseen Committee and Subcommittee expenses may be procured by one or more additional expense resolutions processed in the same manner as set out above.

(D) Once monthly, the Chairman shall require the appropriate staff personnel to prepare a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the Full Committee. Each report shall show the amount and purpose of each expenditure and the budget to which such expenditure is attributed. This report shall be available upon request to the Committee offices for any Member of the House of Representatives.

RULE IX. POWER TO SIT AND ACT; SUBPOENA POWER; CONTEMPT OF CONGRESS

(A) For the purpose of carrying out any of its functions and duties under this Rule and Rule X of the House of Representatives (including any matters referred to it under Clause 5 of Rule X of the House Rules), the Committee, or any subcommittee of the Committee, is authorized (subject to subparagraph (B)(1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman of the Committee, or any Member designated by such Chairman, may administer oaths to any witness.

(B)(1) A subpoena may be authorized and issued by the Committee or a Subcommittee under subparagraph (A)(2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the Members voting, a majority being present. The power to authorize and issue subpoenas is also delegated to the Chairman of the Committee. Authorized subpoenas shall be signed by the Chairman of the Committee or by any Member designated by the Committee.

(2) Compliance with any subpoena issued by a Committee or a Subcommittee under subparagraph (A)(2) may be enforced only as authorized or directed by the House.

RULE X. AMENDMENT OF THE RULES OF THE COMMITTEE

The rules of the Committee may be modified, amended or repealed, by a majority vote of the Committee, provided that two legislative days written notice of the proposed change has been provided each Member of the Committee prior to the meeting date of which such changes are to be discussed and voted upon.●

CRIMINAL JUSTICE SUBCOMMITTEE TO HOLD HEARING ON VIOLENCE AGAINST MINORITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, I wish to announce that the Subcommittee on Criminal Justice will hold its first day of hearings, since the 96th Congress ended, on Wednesday, March 4, 1981, to study the increasing violence against minorities.

The hearing will be held in room 2237, Rayburn House Office Building, and will commence at 9:30 a.m.

Testimony will be received from the following witnesses: Dr. Kenneth Clark, social psychologist and author, New York, N.Y.; Dr. M. Harvey Brenner, sociologist, School of Hygiene and

Public Health, Johns Hopkins University, Baltimore, Md.; and Mr. Jerry Thompson, newspaper reporter, the Tennessean, Nashville, Tenn.●

BEDELL TO MOBIL: PUT UP OR SHUT UP

The SPEAKER pro tempore. Under a previous order to the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 15 minutes.

Mr. BEDELL. Mr. Speaker, there are some who believe that if you tell a story loudly enough and often enough, people will come to believe it, whether or not the story is true. This seems to be the plan now being put into effect by the public relations people at Mobil Oil.

The Mobil Oil Corp. has been using its very considerable public relations resources lately to urge that the Federal Government exit the energy field entirely. Day after day we see their advertising telling us that private industry, if left alone and free of Government involvement, will surge forward and solve our Nation's energy problems. What their publicists do not tell us, though, is that Mobil is happily lapping up Federal energy research dollars by the millions.

Now, they are not alone in this hypocrisy of complaining about Government involvement in energy while soaking up millions in taxpayers' dollars. At least half a dozen of the big oil companies are playing this game, and others are seeking their places at the trough. But Mobil is so shamelessly blatant and yet so publicly disingenuous that I feel compelled to focus my remarks on that company.

AN OBSERVATION

Parade magazine is a weekly publication distributed in Sunday newspapers throughout the United States. It is one of the largest circulation newsweeklies in the country. The February 15 issue of Parade carried one of the paid ads in Mobil's series entitled "Observations."

In this ad, Mobil hails the development of the experimental catalyst ZSM-5, a chemical agent that is supposed to convert coal into gasoline. The ad goes on to explain that Mobil's entrepreneurial spirit led them to develop this catalyst, which they say will go a long way toward improving America's energy supply situation.

What Mobil failed to tell the public in their ad is that their catalyst was developed with substantial financial help from the taxpayers. They also neglected to mention that through the contracts Mobil has negotiated with the U.S. Government—which has been labeled an obstacle to energy development in other Mobil ads—Mobil will be allowed to keep the full patent rights to the catalyst.

So far, the U.S. Government has spent almost $3 million on three separate contracts designed to help develop the commercial viability of Mobil's catalyst. Mobil's share of the contracts' cost was about $1 million. In addition, the United States and West German Governments are planning to fund a pilot project using the Mobil catalyst in West Germany. The cost to the American taxpayers: an additional $10 million.

Mobil's contribution to this demonstration project, for which they pat themselves on the back in their own advertising, will be to provide the catalyst. Nothing else. Just the catalyst that all those taxpayer dollars helped develop.

The potential financial rewards to Mobil may be enormous, as the company has first rights to any U.S. patents that result from this project. Apparently, though, the profit potential is not so great that Mobil can spare any of its advertising dollars to say thank you to the American public.

Actually, money already is flowing into Mobil's coffers as a result of the Government-financed research they did. In the February 15 advertisement, Mobil mentioned that New Zealand has contracted to use the ZSM-5 catalyst.

The ad left out the fact that the U.S. Government figured heavily in developing the commercial viability of the New Zealand project. Mobil and the U.S. Government shared the cost of a contract that led to the New Zealand deal; taxpayers contributed 70 percent of the costs of that contract. Mobil is receiving almost $400 million from New Zealand for building the new facility there.

Compounding the arrogance of this case of corporate amnesia regarding the U.S. Government's role in the development of the catalyst, the president of Mobil's Research and Development Corp. was quoted in Forbes magazine on July 21, 1980, saying that the plant is being built overseas because—

> New Zealand has made a national decision it wants to do this. (The U.S.) still doesn't have a dedicated step-by-step approach.

IS IT A TURKEY?

But wait. That is not the only interesting statement by Mobil executives. Recently, Mr. Allen Murray, president of Mobil's marketing and refining division, spoke before the Washington D.C., Society of Investment Analysts and gave us all a new insight into Mobil's attitudes.

Published accounts indicate that Mr. Murray followed the Mobil company line and advocated the ending of Federal funding for synthetic fuel projects. According to an article in the Washington Post of February 23, this is how the Mobil spokesman explained the role of the Federal Government in the development of new energy technologies:

> What's going to happen is if I have a good idea, I'm going to do it myself; if I have a lousy idea, I'm going to get the government to finance it so I don't lose any money.

So, what is Mr. Murray telling us about the coal-to-gasoline project involving Mobil's ZSM-5 catalyst? And what is he telling us about the Government's $25 million participation in a new joint venture with Mobil, announced last December in the second round of the synfuels program awards? $25 million, by the way, is the largest award allowed by law.

Could it be that Mobil has conned the Government into investing in a turkey? Or have they simply decided to grab for all the dollars they can?

AGREEMENT

I am in full agreement with the Mobil spokesman on one point, though. The Government ought not to be providing financial assistance to those who do not need it. And the way I see it, Mobil hardly qualifies as one of the needy.

Last year the major oil companies accounted for an astonishing 40 percent of all of the profits reported by U.S. manufacturers. This is a fact I have not seen yet in any of Mobil's ads. I also have not seen any mention there of the fact that, with profits in excess of $3.25 billion in 1980, they are the second largest oil company in the United States.

Instead of this information, I see Mobil's ads telling the Government to keep its hands off the energy industry. I would find Mobil's arguments more credible if that company, and others in the petroleum industry, would get their hands out of the taxpayer's pockets.

It takes some nerve for an oil company with $3.25 billion in annual profits to put the arm on the American public for an additional $10 million to develop their catalyst and then to mount a public relations campaign criticizing government funding of energy research projects. Perhaps this is the same kind of nerve that is required of those who would take risks on new ventures.

If this is so, I recommend that Mobil take a dose of its own medicine. If the catalyst is as good as their ads claim, and if Government support is as bad as the company claims, then the Mobil Oil Corp. ought to put its own money where its mouth is.

It seems to me that this is a pretty clear case. I believe Mobil ought to either put up or shut up.

TAX RELIEF IS NEEDED FOR SENIOR CITIZENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on the first day of the 97th Congress I introduced H.R. 38, which provides an

exemption from income tax of $5,000 of retirement income for either an individual or married couple. It is without question that the aged, as a group, have relatively low incomes. My legislation which provides a basic exemption will help alleviate the hardship so many of our older citizens are having to endure by providing them with some relief from the high cost of living due to inflation and at the same time make the Federal income tax system more equitable.

Complete exemption from taxation is accorded social security and railroad retirement benefits. Most pensions and annuities are, for tax purposes, divided into two parts, the first being recognized as a tax-free return of the cost of the pension or annuity, and the second being considered as taxable income.

The retirement income credit was changed by the Tax Reform Act of 1976 to a tax credit for the elderly, available to taxpapers 65 or over regardless of whether they have retirement income or earned income. The maximum amount for computing the credit was increased to $2,500 for a single taxpayer and to $3,750 for a married couple filing a joint return where both are 65 or over. The Tax Reform Act of 1976 eliminated the earnings cutback feature for taxpayers 65 and over and greatly simplified other rules, thus making the credit easier to compute.

While the earnings cutback feature was eliminated for taxpayers 65 and over, an income phaseout based on adjusted gross income was substituted. This phaseout provides that the credit be reduced $1 for each $2 of adjusted gross income above $7,500 for single taxpayers and $10,000 for married couples filing a joint return. Additionally, the maximum amount must be reduced by tax-exempt retirement income, such as social security. Under my bill, the exemption of retirement income is no subject to any phaseout provision. Retired persons can expect at least a $5,000 tax free retirement income—year after year—without burdensome rules for eligibility and difficult computations.

There is a discriminatory feature in the Tax Reform Act of 1976. This is the application of the tax credit for the elderly to taxpayers under 65 years of age. The tax credit for the elderly is only available to those under 65 receiving a pension under a public retirement system. As in the case for taxpayers 65 or over, the maximum base for computing the credit was increased—to $2,500 for a single taxpayer and $3,750 for a married couple filing a joint return. However, the base is restricted to retirement income and the earnings cutback feature is retained. The adjusted gross income phaseout does not apply to these retirees.

These special provisions for public retirees under age 65 are certainly questionable. First, why should one group of early retirees be singled out for favorable tax treatment? Increasingly, participants in private pension plans are seeking early retirement. There is no reason to expect that their needs in retirement will be any different from those of public retirees. They should be treated the same by our Federal income tax laws. Second, if these public retirees under age 65 do not earn income, they do not have to reduce the base for computing the credit even if their adjusted gross income exceeds the levels applicable to taxpayers age 65 and over. This gives public retirees under age 65 an advantage over taxpayers age 65 and over who do not have earned income. My bill, H.R. 38, eliminates these inequities since it has no age and income level limitations, and it does not restrict its benefits to retirees of any particular retirement system.

In recent years the financial problems confronting older Americans have become more and more acute. Inflation hits those living on fixed incomes the hardest, and many older Americans live on fixed incomes. Increases in the cost of housing, food, medical care and transportation are particularly hard on them. I feel strongly that a basic exemption of $5,000 for these individuals will lift a tremendous burden from that segment of our society which is the least able to carry it.

The census figures for 1978, the most recent year available, show that the median income for a husband and wife family with the husband 65 years of age or older is $10,141. This figure compares with a median income of $17,640 for all families—a difference of $7,499. The least we can do is give some minimal relief to older persons by leaving $5,000 of retirement income exempt from Federal taxes.

This bill is designed to place once again the major emphasis of our Federal income tax system where it belongs—on those with the ability to pay. It is unfair to tax our elderly living on fixed and small incomes. The passage of my bill, H.R. 38, is a step in the right direction, and I urge the support of my colleagues for this vital legislation.●

PLANT PEST EMERGENCY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, today I am introducing legislation, the need for which has become apparent in recent months due to the outbreak of the highly destructive Mediterranean fruit fly in California. The Plant Pest Emergency Act would give the Secretary of Agriculture authority to declare an extraordinary emergency to combat unanticipated outbreaks of plant pests that pose a significant threat to the fresh fruit and vegetable industry.

A measure of the very serious nature of this threat to California's multibillion dollar fresh fruit and vegetable industry is found in the high level of attention paid to it on both the State and Federal level. On Monday, January 5, California undertook a massive fruit tree stripping operation in a 90-block area in the heart of the infestation. By midweek, more than 1,000 State employees were involved in the campaign with 450 California Conservation Corps members encamped at the county fairgrounds and 160 Cal Trans dump truck drivers and spray rig operators headquartered with their equipment at the nearby Cupertino Cal Trans maintenance yard. A quarantine has been imposed on all fresh fruits and vegetables within the affected area and an extensive sterile fruit fly release program is underway to eliminated this threat. These eradication efforts are continuing.

Shortly before the conclusion of the 96th Congress, the House and Senate responded swiftly to the need to construct a sterile fruit fly rearing facility in Hawaii by appropriating $3.8 million for this purpose. This facility, to be constructed under a cooperative agreement with the States, will insure an adequate supply of sterile flys to respond to future emergency eradication efforts. In addition, the long-term eradication efforts in areas where the fruit fly is well established will be greatly enhanced as well.

The serious nature of the immediate problem, however, points to the need to grant the Secretary of Agriculture sufficient authority to respond to unanticipated outbreaks of dangerous plant pests that threaten the fresh fruit and vegetable industry. My bill would allow the Secretary to declare an extraordinary emergency and to immediately borrow from Government sources the funds necessary to combat such infestations. It would also allow the Secretary to compensate growers for the economic losses they may suffer as a result of the Department of Agriculture's quarantine and destruction of fresh fruit and vegetables within infested areas.

The Secretary presently has authority comparable to that which I propose, but it is limited to dealing with outbreaks of dangerous diseases in livestock. I seek, therefor, to extend this authority to cover unanticipated plant pest outbreaks as well.

It is time for the 97th Congress to adopt a forward looking plan for dealing with emergencies of this nature. In mid March, the Mediterranean fruit fly will come out of its dormant stage.

We will then know how effective our eradication efforts have been. We must be prepared, however, to deal with any eventuality. For that reason, it is vitally important that my legislation be enacted.

I invite my colleagues to give their consideration and support to this measure. The text of the bill follows for your convenience:

H.R. 2159

A bill to authorize the Secretary of Agriculture to pay compensation to producers of fruits or vegetables for economic losses resulting from the destruction or quarantine of plants or plant products carried out to control plant pests in emergencies

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") may pay compensation to producers of fruits or vegetables grown in the United States for economic losses incurred by such producers as a result of the quarantine, destruction, or other disposal under the authority of the Secretary of crops of such fruits or vegetables to detect, eradicate, suppress, or control, or to prevent or retard the spread of, plant pests which in the opinion of the Secretary constitute an emergency and threaten the fresh fruit and vegetable production industry of the United States. The determination by the Secretary of the amount of any compensation to be paid under this subsection shall be final.

(b) For purposes of subsection (a)—

(1) the term "plant pests" has the meaning given it in section 102(d)(1) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 147a(d)(1)),

(2) the term "living stage" has the meaning given it in section 102(d)(2) of such Act (7 U.S.C. 147a(d)(2)), and

(3) the term "United States" has the meaning given it in section 102(d)(3) of such Act (7 U.S.C. 147a(d)(3)).

SEC. 2. Notwithstanding section 102(f) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 147a(f)) and section 5 of the joint resolution entitled "Joint Resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs", approved April 6, 1937 (7 U.S.C. 148d), funds in the Treasury available for carrying out plant pest control activities shall be used to carry out the first section of this Act.

SEC. 3. This act shall take effect on October 1, 1981.●

□ 1745

RULES OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, pursuant to rule XI, clause 2(a) of the Rules of the House of Representatives, I submit for printing in the CONGRESSIONAL RECORD the rules of the Committee on Post Office and Civil Service for the 97th Congress:

RULES OF THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

RULE 1. RULES OF THE HOUSE

The Rules of the House are the rules of the committee and the subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege.

RULE 2. CHAIRMAN

(a) The chairman of the committee or of a subcommittee, as appropriate, shall preside at meetings or hearings or, in his absence, the next ranking majority member present shall preside.

(b) In the temporary absence of the chairman of the committee or of a subcommittee, as appropriate, the next ranking majority member of the committee or subcommittee, as appropriate, and so on, as often as the case shall happen, shall act as chairman.

RULE 3. COMMITTEE MEETINGS

(a) A regular meeting of the committee shall be held on the second and fourth Wednesday of each month. The usual time of a regular meeting shall be 9:45 a.m. A regular meeting may be canceled by the chairman of the committee after consultation with the ranking majority member and the ranking minority member.

(b) Additional meetings of the committee may be called by the chairman as he considers necessary.

(c) A special meeting of the committee shall be held in accordance with the provisions of House Rule XI, Clause 2(c)(2).

(d) Regular, additional, and special meetings of the committee for the transaction of business shall be open to the public, except when the committee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public in accordance with House Rule XI, Clause 2(g)(1).

RULE 4. RECORD OF ACTION

(a) A complete record of all committee or subcommittee action shall be kept which shall include a record of the votes on any question on which a record vote is demanded.

(b) There shall be made available for inspection by the public, at reasonable times in the offices of the committee, a record of the votes on any question on which a record vote is demanded, a description of the amendment, motion, order or other proposition on which a record vote is demanded, and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting.

(c) A committee or subcommittee report on a bill or resolution of a public character ordered reported by a record vote shall include the number of votes cast for, and the number of votes cast against, the motion to report.

RULE 5. COMMITTEE QUORUM

(a) Except as provided under paragraphs (b) and (c) of this rule, or under House Rule XI, Clause 2(g)(2), one-third of the total membership of the committee shall constitute a quorum for the purpose of transacting committee business.

(b) A majority of the total membership of the committee shall constitute a quorum for the purpose of—

(1) reporting a measure or recommendation in accordance with rule 13(a);

(2) voting to close a meeting under rule 3(d);

(3) authorizing the issuance of a subpena under rule 12(c); and

(4) recalling a bill, resolution, or other matter under rule 9(c).

(c) Not less than two members of the committee shall constitute a quorum for the purpose of taking testimony and receiving evidence.

(d) The presence of a quorum shall be determined and announced by the chairman before the committee shall proceed to the transaction of business and shall be recorded in the records of committee action.

RULE 6. ROLLCALL VOTE

A rollcall vote on any question may be demanded by any member of the committee or of a subcommittee, as appropriate.

RULE 7. PROXIES

A member may vote on any matter before the committee or a subcommittee by proxy. A proxy shall (1) be in writing, signed by the member authorizing the proxy, and show the date and time of day that the proxy is signed; (2) assert that the member is absent on official business or is otherwise unable to be present at the meeting; (3) designate the member who is to execute the proxy authorization; and (4) be limited to a specific measure or matter and any amendments or motions pertaining thereto. A member may authorize a general proxy for motions to recess, adjourn, or other procedural matters. A proxy may not be used unless a quorum is present, cannot be used to make a quorum, and shall be presented to the chairman at the time the proxy is voted.

RULE 8. ADDRESSING COMMITTEE OR SUBCOMMITTEES

(a) Recognition by the chairman shall first be obtained by any member addressing the committee or subcommittee, as appropriate, proposing a motion, or interrogating a witness.

(b) The 5-minute rule shall apply in the markup of a bill. The 5-minute rule shall apply in the interrogation of witnesses until such time as each member who so desires has had an opportunity to question the witness.

(c) the regular order shall be observed in all proceedings, and all questions and statements in the interrogation of witnesses shall be germane to the legislation or other matters then being considered.

RULE 9. REFERENCE OF LEGISLATION

(a) Each bill, resolution, or other matter referred to the committee, subject to the provisions of this rule, shall be re-referred to the subcommittee, having jurisdiction over its principal subject within two weeks from the date of referral to the committee unless the chairman of the committee orders that it be held for the committee's direct consideration. If the chairman so orders, he shall inform the members of the committee of his decision and it shall not become final until 1 week after he has so informed them and then only if a majority of the members of the committee have not, in the meantime, advised him in writing of their disagreement therewith.

(b) A bill, resolution, or other matter referred by the chairman of the committee to a subcommittee may be recalled by him for the committee's direct consideration or for referral to another subcommittee. If recalled, the chairman shall inform the members of the committee of his decision and it shall not become final until 1 week after he has so informed them and then only if a majority of the members of the committee have not, in the meantime, advised him in

writing of their disagreement with his decision.

(c) A bill, resolution, or other matter referred to a subcommittee may be recalled by a majority vote of the committee, a majority being present, for its direct consideration or for reference to another subcommittee.

(d) A bill, resolution, or other matter referred to the committee may be referred simultaneously by the chairman of the committee to two or more subcommittees for concurrent consideration, for consideration in sequence, or for consideration of particular parts, or the matter may be referred by the chairman to a special ad hoc subcommittee or task force established under rule 21.

RULE 10. STATEMENTS; DEPOSITIONS

Statements, depositions, letters, and such other pertinent matter in appropriate form as may be timely submitted may be accepted for inclusion in printed hearings, records, or documents, or in the permanent files of the committee, by the chairman of the committee or subcommittee, as appropriate, without objection or upon motion duly adopted.

RULE 11. HEARINGS; WITNESSES

(a) Public announcement of the date, place, and subject matter of each hearing to be conducted by the committee, or by a subcommittee, shall be made at least 1 week before the commencement of a hearing, unless the chairman of the committee or subcommittee, as appropriate, determines that there is good cause to begin a hearing at an earlier date in which event such public announcement shall be made at the earliest possible date.

(b) Hearings shall be open to the public except when the committee, or subcommittee, as appropriate, votes to close a hearing in accordance with House Rule XI, Clause 2(g)(2).

(c) Except as otherwise provided in these rules, the scheduling of witnesses and the time allowed for the presentation of testimony and interrogation shall be at the sole discretion of the chairman, unless otherwise ordered by a majority vote of the committee or subcommittee, as appropriate, a quorum being present.

(d) When any hearing is conducted upon any measure or matter, the minority party members of the committee, or subcommittee, as appropriate, upon request to the chairman by a majority of the minority party members before completion of the hearings, shall be entitled to call witnesses to testify on at least 1 day of such hearings.

(e) Each witness who is to appear before the committee, or subcommittee, as appropriate, and who has had appropriate and timely notice of such appearance shall file with the committee, or subcommittee, as appropriate, at least 48 hours in advance of his appearance, at least 35 copies of the statement of his proposed testimony and limit his oral presentation at his appearance to a brief summary of his argument. The requirement of this rule may be waived, in whole or in part, by the chairman, without objection, or pursuant to a motion duly adopted.

(f) A witness may obtain a transcript of his testimony given at a public session or, if given at an executive session, when authorized by the committee or subcommittee, as appropriate.

RULE 12. POWER TO SIT AND ACT; SUBPENA POWER; OATHS

(a) The committee and each subcommittee is authorized—

(1) to sit and act at such times and places, whether the House is in session, has recessed, or has adjourned, and to hold hearings; and

(2) subject to paragraph (c), to require by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary.

(b) The chairman of the committee or of a subcommittee, as appropriate, or any member designated by the chairman, may administer oaths to witnesses.

(c) A subpena may be authorized and issued by the committee or by a subcommittee in the conduct of its functions and duties under House Rules X and XI or under the committee rules when authorized by a majority vote of the committee or subcommittee, as appropriate, a majority being present, or when authorized by the chairman of the committee.

(d) Authorized subpenas shall be signed by the chairman of the committee or, in his absence, by a member designated by the chairman.

RULE 13. FILING REPORTS; SUPPLEMENTAL, MINORITY, OR ADDITIONAL VIEWS

(a) No measure or recommendation, including any report or submission required to be made to the House or to the Committee on the Budget by the committee under paragraphs (g), (h), and (i) of Clause 4 of Rule X of the Rules of the House, shall be reported unless a majority of the committee or subcommittee, as appropriate, was actually present.

(b) It shall be the duty of the chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(c) It shall be the duty of the chairman of a subcommittee to promptly request consideration in the committee of any measure approved by the subcommittee, and it shall be the duty of the chairman of the committee to schedule such measure for consideration by the committee as promptly as possible.

(d) In the event the report of the committee on a measure which has been approved by the committee has not been filed as prescribed by paragraph (b) of this rule, such report shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the general counsel of the committee a written request, signed by a majority of the members of the committee, for reporting of that measure.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views with the general counsel of the committee. Such views shall be in writing and signed by the member.

(f) All committee, subcommittee, or staff reports printed pursuant to legislative or oversight investigations and not approved by a majority of the members of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report: (This report has not been officially approved by the (subcommittee/committee) and, therefore, may not necessarily reflect the views of all of its members.)

RULE 14. LEGISLATIVE OVERSIGHT

The committee, together with its subcommittees, shall review and study, on a continuing basis, the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee.

RULE 15. INVESTIGATIVE STAFF

Except as provided in Rule XI, clause 5(d) of the Rules of the House of Representatives, the investigative staff of the Committee on Post Office and Civil Service shall be appointed as follows:

(1) The subcommittee staff shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman within the budget approved for the subcommittee by the committee;

(2) The staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority party members of the committee shall determine within the budget approved for such purposes by the committee; and

(3) The staff of the committee not assigned to a standing subcommittee or to the minority under the above provisions shall be appointed, and may be removed, and their remuneration determined by the chairman within the budget approved for such purposes by the committee.

RULE 16. SPECIAL FUNDS, BUDGET, EXPENSES, AND ACCOUNTS

(a) The chairman of each standing subcommittee shall propose and present to the chairman of the committee, for each session of the Congress, a subcommittee budget of the estimated amount of special funds necessary to carry out the anticipated activities and programs of the subcommittee for that particular session of the Congress.

(b) The chairman of the committee shall review each proposed subcommittee budget and, after consultation with the ranking minority member, shall propose and present to the committee, for each session of the Congress, a committee budget of the estimated total amount of special funds to be requested under a primary expense resolution required under House Rule XI, Clause 5, for use by the committee, both the majority and the minority, for such session of the Congress for all anticipated activities and programs of the committee and of the standing subcommittees.

(c) The staff director shall establish and maintain records and accounts, consistent with sound accounting practices, of committee and subcommittee special funds and of expenses incurred and paid as obligations of such funds. He shall prepare and submit to each member of the committee, not later than 10 days after the end of each quarter of the calendar year, an itemized report of the amounts of such funds expended and on hand at the end of the quarter. Such quarterly reports shall be made a part of the permanent official records of the committee.

(d) Vouchers for payment of obligations of special funds shall be prepared by the staff director for signature by the chairman of the committee, except as otherwise authorized by the House, and shall be supported by receipts or other documentation consistent with the requirements of the Committee on House Administration. Signed vouchers shall be returned to the staff director for entry in the committee accounts and final processing.

RULE 17. BROADCASTING HEARINGS

A hearing conducted by the committee, upon approval by a majority vote of the committee, a quorum being present, or a hearing conducted by a subcommittee, upon approval by a majority vote of the subcommittee, a quorum being present, may be covered in whole, or in part, by television broadcast, radio broadcast, and still photography, in accordance with House Rule XI, Clause 3, subject to the following:

(1) live coverage is to be broadcast without commercial sponsorship;

(2) no subpenaed witness may be photographed, televised, or broadcast against his will;

(3) television coverage shall be limited to four fixed cameras not obstructing committee or subcommittee proceedings or other media;

(4) equipment must be installed prior to the hearing;

(5) lighting shall be at the lowest adequate level;

(6) no more than five still photographers may cover any hearing;

(7) still photographers shall not come between the witnesses and committee members or obstruct the other media during the hearing; and

(8) broadcast and photography personnel shall be orderly and unobtrusive and shall be currently accredited to the Radio, Television Correspondents', or the Press Photographers' Galleries, as appropriate.

RULE 18. AVAILABILITY OF SUBCOMMITTEE REPORTS

A summary and explanation of each measure or matter reported by a subcommittee shall be furnished to each member of the committee in advance of the committee meeting at which such measure or matter is to be considered.

RULE 19. TRAVEL

(a) All members of the committee shall have adequate notice prior to the date or dates fixed for investigations or hearings at locations other than Washington, D.C.

(b) Travel of members and staff of the committee or of a subcommittee to hearings, meetings, conferences, and investigations must be authorized by the chairman of the committee prior to any public notice thereof or the actual travel. Before such authorization is given, there shall be submitted to the chairman of the committee a statement in writing which includes the following:

(1) the purpose of the travel;

(2) the dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) the location of the event for which the travel is to be made; and

(4) the names of members and staff seeking authorization.

(c) A report on the travel (except travel in connection with hearings) of each member or staff member shall be submitted to the chairman of the committee as soon as possible after the trip is completed.

(d) Not later than 60 days after the completion of foreign travel, each member or staff member shall submit to the chairman of the committee an itemized report showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, and funds expended for any other official purpose, and shall summarize in these categories the total foreign currencies and/or appropriated funds expended. Such reports shall be made available for inspection by the public, as required by House Rule XI, Clause 2(n).

(e) To facilitate the oversight and other legislative and investigative activities of the committee, the chairman of the committee may, at the request of a subcommittee chairman, make a temporary assignment of any member of the committee to such subcommittee for the purpose of enabling such member to participate in any public hearing, investigation, or study by such subcommittee to be held outside of Washington, D.C.

RULE 20. CLASSIFIED MATERIAL

(a) All classified material received by the committee or by a subcommittee shall be deemed to have been received in executive session and shall be given appropriate safekeeping.

(b) The chairman of the committee shall establish such procedures as in his judgment may be necessary to prevent the unauthorized disclosure of any such classified material. Such procedures shall, however, insure access to this information at the committee offices by any member of the committee or any other Member of the House of Representatives who has requested the opportunity to review such material.

RULE 21. STANDING AND SPECIAL SUBCOMMITTEES

There shall be seven standing subcommittees of the committee. The Subcommittee on Investigations shall have investigative jurisdiction over all matters within the jurisdiction of the committee, and the other six subcommittees shall have legislative and investigative jurisdiction as provided under paragraphs (2) through (7) of rule 22. In addition to the standing subcommittees, the chairman of the committee may establish such special ad hoc subcommittees and task forces and assign to them such jurisdiction as the chairman deems necessary.

RULE 22. JURISDICTION OF SUBCOMMITTEES

The titles and jurisdiction of the standing subcommittees shall be as follows:

(1) SUBCOMMITTEE ON INVESTIGATIONS. The investigation, review, and study, on a continuing basis, of the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee.

(2) SUBCOMMITTEE ON COMPENSATION AND EMPLOYEE BENEFITS. Compensation, including pay rates and pay systems; the merit pay system; dual compensation; classification of positions; leave; allowances; retirement; insurance; health benefits; and other benefits of Federal officers and employees.

(3) SUBCOMMITTEE ON HUMAN RESOURCES. Federal civilian personnel requirements and ceilings, including the establishment of supergrade and executive level positions; effect of Government reorganizations on Federal personnel; employee utilization; reductions in force; contracting out; rights of privacy; code of ethics, including financial disclosure and conflicts of interest; alternative work schedules; White House personnel authorization; and intergovernmental personnel programs.

(4) SUBCOMMITTEE ON THE CIVIL SERVICE. Federal civil service matters, generally, except those matters specifically within the jurisdiction of other subcommittees; Federal labor management relations (excluding the Postal Service); the Senior Executive Service; productivity of Federal employees; and employee political activities.

(5) SUBCOMMITTEE ON POSTAL OPERATIONS AND SERVICES. The United States Postal Service and the Postal Rate Commission, generally, including operation and administration thereof; postal finances and expenditures (except those relating to matters within the jurisdiction of the Subcommittee on Postal Personnel and Modernization); public service aspects, requirements, and reimbursements; and the United States mails (except those matters specifically within the jurisdiction of the Subcommittee on Postal Personnel and Modernization).

(6) SUBCOMMITTEE ON POSTAL PERSONNEL AND MODERNIZATION. Postal officers and employees, generally, including their status and appointment; postal management and other personnel requirements and practices; employee utilization; postal labor management relations; postal facilities and mechanization, including modernization and research and development; mailability of matter; mail transportation; and military mail.

(7) SUBCOMMITTEE ON CENSUS AND POPULATION. The Bureau of the Census, generally; population and demography; statistics collection; reporting and data processing activities of the Government, generally; and holidays and celebrations.

RULE 23. MEMBERSHIP OF SUBCOMMITTEES

(a) The Subcommittee on Civil Service and the Subcommittee on Postal Operations and Services shall each have ten members, divided between the majority and minority members in the ratio of six to four. The Subcommittee on Census and Population shall have eight members, divided between the majority and minority members in the ratio of five to three.

(b) Except as provided in paragraph (a), each subcommittee shall have five members, divided between the majority and minority members in the ratio of three to two.

(c) The chairman and ranking minority member of the committee shall be ex officio voting members of each legislative subcommittee on which they do not serve.

(d) Each member of the committee may sit with any subcommittee during its hearings or deliberations, but no member who is not a member of a subcommittee shall vote on any matter before that subcommittee.

RULE 24. POWERS AND DUTIES OF SUBCOMMITTEES

Each subcommittee is authorized to meet, hold hearings, conduct investigations, receive evidence, and report to the committee on all matters referred to it. Subcommittee chairmen shall set meeting and hearing dates after consultation with the chairman of the committee and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings whenever possible. A subcommittee may exercise none of the powers or authorities hereinbefore provided with respect to any investigation or other activity which is not within the jurisdiction of the subcommittee or which requires the expenditure of funds in excess of the subcommittee's budget as approved by the committee, except upon authorization by a majority vote of the committee, a quorum being present.

RULE 25. REQUIRED MEETING

Each standing subcommittee, as referred to in rule 22, shall meet for the transaction of subcommittee business from time to time while Congress is in session, at a time and on a day determined by the subcommittee with due regard to the time and dates of the regular meetings of the committee and other subcommittees. All meetings of each subcommittee shall be open to the public except when the subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the reminder of the meeting on that day shall be closed to the public in accordance with House Rule XI, Clause 2(g)(1).

RULE 26. SUBCOMMITTEE QUORUM

(a) Except as provided under paragraphs (b) and (c) of this rule, or under House Rule XI, Clause 2(g)(2), one-third of the total membership of a subcommittee shall constitute a quorum for the purpose of transacting subcommittee business.

(b) A majority of the total membership of a subcommittee shall constitute a quorum for the purpose of—

(1) reporting a measure or recommendation to the committee;

(2) voting to close a meeting under rule 25; and

(3) authorizing the issuance of a subpena under rule 12(c).

(c) Not less than two members of a subcommittee shall constitute a quorum for the purpose of taking testimony and receiving evidence.

RULE 27. AMENDMENTS

Any amendment offered to any pending legislation before the committee must be made available in written form when requested by any member of the committee. If such amendment is not available in written form when requested, the chairman shall allow an appropriate period of time for the provision thereof.

RULE 28. OTHER ACTIONS; STAFF SUPERVISION

The chairman of the committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee, including the general supervision of the statutory and investigative staffs of the committee.

LEGISLATION TO ESTABLISH OFFICE OF INSPECTOR GENERAL IN VARIOUS AGENCIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, I am today introducing a bill to establish Offices of Inspector General in the Departments of Defense, Justice, and Treasury and the Agency for International Development.

The House overwhelmingly, and with bipartisan support, approved similar legislation late in the session last year but, unfortunately, the Senate was not able to complete action on it before Congress adjourned. I hope both bodies will act speedily this year so we can get this important legislation enacted.

This bill completes the action begun in 1976 when we established an Office of Inspector General in the Department of Health, Education, and Welfare. Through other bills, particularly the Inspector General Act of 1978, we extended the concept of a separate, independent Office of Inspector General that is responsible for internal auditing and investigating to most other departments and major agencies. For various reasons the Departments of Defense, Justice, and Treasury, and AID were left out of that earlier legislation. Now they will be included under the bill I am introducing today, which is cosponsored by the ranking member of the Government Operations Committee, the Honorable L. H. FOUNTAIN, the ranking minority member, the Honorable FRANK HORTON, and by all members of the Legislation and National Security Subcommittee.

Mr. Speaker, the Offices of Inspector General, in the brief time they have been established in other departments, have proven to be of great value in uncovering waste and fraud and in helping agencies operate more efficiently. The concept is sound. It works, and it should be made governmentwide. This bill will do it and it should be acted on promptly.●

POTATO RESEARCH AND PROMOTION AMENDMENTS OF 1981

(Mr. PANETTA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PANETTA. Mr. Speaker, today I am introducing, on behalf of the National Potato Council, amendments to the Potato Research and Promotion Act. This law was enacted in 1971 and approved by U.S. potato producers soon thereafter. It established the National Potato Promotion Board and vested it with authority to assess potato producers up to 1 cent per hundredweight to fund advertising and marketing programs, export promotion, and research and development assistance.

The assessment rate, however, has remained constant since 1971 while the Consumer Price Index has risen over 100 percent. To continue to provide vital marketing and research assistance it is necessary to change the assessment rate in a manner that will increase from $2.5 million to $5 million the amount available for these purposes. My legislation would achieve this result by assessing potato producers no more than one-half of 1 percent of the immediate past 10-year average price received by growers as reported by the U.S. Department of Agriculture. This change will allow for modest increases in each successive year as well to keep pace with inflation.

It is important to recognize the tremendous support for this program among potato growers. Participation is strictly voluntary, yet over 97 percent of growers participate. There is also strong producer support for this change in the assessment rate, as evidenced by the resolution of support enacted at the last annual meeting of the National Potato Council. In addition, the measure, once enacted, would be subject to approval in referendum by the producers.

The Potato Promotion Board has made many significant contributions to the industry during the past 10 years. These contributions include an industrywide merchandizing program which has increased U.S. potato consumption, consumer education, export promotion, the production of award-winning advertising, and significant achievements in nutrition data and guidelines development.

I urge my colleagues to join me in supporting this measure. The text of my bill is reproduced here for your convenience.

H.R. 2160

A bill to amend the Potato Research and Promotion Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Potato Research and Promotion Amendments of 1981".

REQUIRED TERMS IN PLANS

SEC. 308(e) of the Potato Research and Promotion Act (7 U.S.C. 2671) is amended by striking out all existing language and substituting the following: Providing that the board shall recommend to the Secretary and the Secretary shall fix the assessment rate required for such costs as may be incurred pursuant to subsection (d) of this section: *Provided,* That the rate of assessment for fiscal year 1982 and each year thereafter shall not exceed one-half of 1 percent of the immediate past ten year United States average price received by growers as reported by the United States Department of Agriculture.

REQUIREMENT OF REFERENDUM

SEC. 314 (7 U.S.C. 2623) of the Potato Research and Promotion Act is amended by the addition of the following statement: The failure of potato producers to approve an amendment to any Potato Research and Promotion plan shall not be deemed to invalidate the plan existing at the time amendments are being voted upon.●

RULES OF THE PERMANENT SELECT COMMITTEE ON INTELLIGENCE FOR THE 97TH CONGRESS

(Mr. BOLAND asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BOLAND. Mr. Speaker, pursuant to clause 2(a) of rule XI of the Rules of the House of Representatives, I submit for printing in the RECORD the rules of the Permanent Select Committee on Intelligence for the 97th Congress. These rules were adopted by the committee on February 18, 1981:

RULES OF PROCEDURE FOR THE HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

1. CONVENING OF MEETINGS

The regular meeting day of the Permanent Select Committee on Intelligence for the transaction of committee business shall be on the first Wednesday of each month, unless otherwise directed by the chairman.

In the case of any meeting of the committee, other than a regularly scheduled meeting, the clerk of the committee shall notify every member of the committee of the time and place of the meeting and shall give reasonable notice which, except in extraordinary circumstances, shall be at least 24 hours in advance of any meeting held in Washington, D.C., and at least 48 hours in the case of any meeting held outside Washington, D.C.

2. PREPARATIONS FOR COMMITTEE MEETINGS

Under the direction of the chairman, designated committee staff members shall brief members of the committee at a time sufficiently prior to any committee or subcommittee meeting to assist the committee members in preparation for such meeting and to determine any matter which the committee members might wish considered during the meeting. Such briefing shall, at the request of a member, include a list of all pertinent papers and other materials that have been obtained by the committee that bear on matters to be considered at the meeting.

The staff director shall recommend to the chairman the testimony, papers, and other materials to be presented to the committee or subcommittee at any meeting. The determination whether such testimony, papers, and other materials shall be presented in open or executive session shall be made pursuant to the Rules of the House and Rules of the Committee.

3. MEETING PROCEDURES

Meetings of the committee and its subcommittees shall be open to the public except that a portion or portions of any such meeting may be closed to the public if the committee or subcommittee, as the case may be, determines by record vote in open session and with a majority present that the matters to be discussed or the testimony to be taken at such portion or portions:

1. Will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

2. Will relate solely to matters of committee staff personnel or internal staff management or procedure;

3. Will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual except that, at a hearing which may tend to defame, degrade or incriminate any person, the hearing may be closed to the public consistent with clause 2(g)(2) and clause 2(k)(5) of Rule XI of the Rules of the House;

4. Will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement; or

5. Will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(A) an act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person.

6. Will violate any other law of the United States or any rule of the House of Representatives.

Except for purposes of taking testimony or receiving evidence, for which purposes a quorum shall consist of two committee members, a quorum for the transaction of any other committee business shall consist of eight committee members. Decisions of the committee shall be by majority vote of the members present and voting.

Whenever the committee by rollcall vote reports any measure or matter, the report of the committee upon such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the committee.

4. PROCEDURES RELATED TO THE TAKING OF TESTIMONY

Notice.—Witnesses required to appear before the committee shall be given reasonable notice and all witnesses shall be furnished a copy of these rules.

Oath or Affirmation.—Testimony of witnesses shall be given under oath or affirmation which may be administered by any member of the committee, except that the chairman of the committee or of any subcommittee shall not require an oath or affirmation where he or she determines that it would not be appropriate under the circumstances.

Interrogation.—Committee or subcommittee interrogation shall be conducted by members of the committee and such committee staff as are authorized by the chairman or the presiding member.

Counsel for the Witness.—(A) Any witness may be accompanied by counsel. A witness who is unable to obtain counsel may inform the committee of such fact. If the witness informs the committee of this fact at least 24 hours prior to his or her appearance before the committee, the committee shall then endeavor to obtain voluntary counsel for the witness. Failure to obtain such counsel will not excuse the witness from appearing and testifying.

(B) Counsel shall conduct themselves in an ethical and professional manner. Failure to do so shall, upon a finding to that effect by a majority of the members of the committee, a majority being present, subject such counsel to disciplinary action which may include censure, removal, or a recommendation of contempt proceedings, except that the chariman of the committee or of a subcommittee may temporarily remove counsel during proceedings before the committee or subcommittee unless a majority of the members of the committee or subcommittee, a majority being present, vote to reverse the ruling of the chair.

(C) There shall be no direct or cross-examination by counsel. However, counsel may submit in writing any question he or she wishes propounded to his or her client or to any other witness and may, at the conclusion of his or her client's testimony, suggest the presentation of other evidence or the calling of other witnesses. The committee or subcommittee may use such questions and dispose of such suggestions as it deems appropriate.

Statements by Witnesses.—A witness may make a statement, which shall be brief and relevant, at the beginning and conclusion of his or her testimony. Such statements shall not exceed a reasonable period of time as determined by the chairman, or other presiding member. Any witness desiring to make a prepared or written statement for the record of the proceedings shall file a copy with the clerk of the committee, and insofar as practicable and consistent with the notice given, shall do so at least 72 hours in advance of his or her appearance before the committee.

Objections and Ruling.—Any objection raised by a witness or counsel shall be ruled upon by the chairman or other presiding member, and such ruling shall be the ruling of the committee unless a majority of the committee present overrules the ruling of the chair. A transcript shall be made of the testimony of each witness appearing before the committee or any subcommittee during a committee or subcommittee hearing or briefing.

Inspection and Correction.—All witnesses testifying before the committee or any subcommittee shall be given a reasonable opportunity to inspect the transcript of their testimony to determine whether such testimony was correctly transcribed. The witness may be accompanied by counsel. Any corrections the witness desires to make in the transcript shall be submitted in writing to the committee within 5 days from the date when the transcript was made available to the witness. Corrections shall be limited to grammar and minor editing, and may not be made to change the substance of the testimony. Any questions arising with respect to such corrections shall be decided by the chairman. Upon request, those parts of testimony given by a witness in executive session which are subsequently quoted or made part of a public record shall be made available to that witness at his or her expense.

Requests to Testify.—The committee or any subcommittee will consider requests to testify on any matter or measure pending before the committee or subcommittee. A person who believes that testimony or other evidence presented at a public hearing, or any comment made by a committee member or a member of the committee staff may tend to affect adversely his or her reputation, may request to appear personally before the committee to testify on his or her own behalf, or may file a sworn statement of facts relevant to the testimony, evidence, or comment, or may submit to the chairman proposed questions in writing for the cross-examination of other witnesses. The committee shall take such action as it deems appropriate.

Contempt Procedures.—No recommendation that a person be cited for contempt of Congress shall be forwarded to the House unless and until the committee has, upon notice to all its members, met and considered the alleged contempt, afforded the person an opportunity to state in writing or in person why he or she should not be held in contempt, and agreed, by majority vote of the committee to forward such recommendation to the House.

Release of Name of Witness.—At the request of any witness, the name of that witness scheduled to be heard by the committee shall not be released prior to, or after, his or her appearance before the committee, unless otherwise authorized by the chairman.

Closed hearings.—A vote to close a committee or subcommittee hearing may not be taken by less than a majority of the committee or the subcommittee pursuant to clause 4 of House Rule XLVIII unless at least one member of the minority is present to vote upon a motion to close the hearing.

5. SUBCOMMITTEES

Creation of subcommittees shall be by majority vote of the committee. Subcommittees shall deal with such legislation and oversight of programs and policies as the committee may direct. The subcommittees shall be governed by the rules of the committee.

Except for purposes of taking testimony or receiving evidence, for which purposes a quorum shall consist of two subcommittee members, a quorum for the transaction of any other subcommittee business shall consist of four subcommittee members.

There are hereby established the following subcommittees:

(1) Program and Budget Authorization.

(2) Legislation.

(3) Oversight and Evaluation.

6. INVESTIGATIONS

No investigation shall be conducted by the committee unless approved by the full committee, a majority being present; provided, however, that an investigation may be initiated—

(1) at the direction of the chairman of the full committee, with notice to the ranking minority member of the full committee, or

(2) at the written request to the chairman of the full committee of at least five members of the committee,

except that any investigation initiated under (1) or (2) must be brought to the attention of the full committee for approval at the next regular meeting of the full committee following initiation of the investigation. Authorized investigations may be conducted by members of the committee and/or by designated committee staff members.

7. SUBPENAS

Subpenas authorized by the committee for the attendance of witnesses or the production of memoranda, documents, records or any other material may be issued by the chairman, or any member of the committee designated by the chairman, and may be served by any person designated by the chairman or member issuing the subpenas. Each subpena shall have attached thereto a copy of these rules.

8. STAFF

For the purpose of these rules, committee staff means employees of the committee, consultants to the committee, employees of other Government agencies detailed to the committee, or any other person engaged by contract or otherwise to perform services for or at the request of the committee.

The appointment of committee staff shall be by a majority vote of the committee. After confirmation, the chairman shall certify committee staff appointments to the Clerk of the House in writing.

The committee staff works for the committee as a whole, under the supervision of the chairman of the committee. Except as otherwise provided by the committee, the duties of committee staff shall be performed and committee staff personnel affairs and day-to-day operations, including security and control of classified documents and material, shall be administered under the direct supervision and control of the staff director.

The committee staff shall assist the minority as fully as the majority in all matters of committee business and in the preparation and filing of additional, separate and minority views, to the end that all points of view may be fully considered by the committee and the House.

The members of the committee staff shall not discuss either the classified substance or procedure of the work of the committee with any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial or otherwise, either during his or her tenure as a member of the committee staff or at any time thereafter except as directed by the committee in accordance with clause 7 of House Rule XLVIII and the provisions of these rules, or, in the event of the termination of the committee, in such a manner as may be determined by the House.

No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment, not to divulge any classified information which comes into his or her possession while he or she is a member of the committee staff or any classified information which comes into his or her possesson by virtue of his or her position as a member of the committee staff to any person not a member of the committee or the committee staff, either during his or her tenure as a member of the committee staff or at any time thereafter except as directed by the committee in accordance with clause 7 of House Rule XLVIII and the provisions of these rules, or in the event of the termination of the committee, in such manner as may be determined by the House.

No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment to notify the committee, or, in the event of the committee's termination, the House, of any request for his or her testimony, either during his or her tenure as a member of the committee staff or at any time thereafter with respect to classified information which came into his or her possession by virtue of his or her position as a member of the committee staff. Such classified information shall not be disclosed in response to such requests except as directed by the committee in accordance with clause 7 of House Rule XLVIII and the provisions of these rules, or in the event of the termination of the committee, in such manner as may be determined by the House.

The committee shall immediately consider disciplinary action to be taken in case any member of the committee staff fails to conform to any of these rules. Such disciplinary action may include, but shall not be limited to, immediate dismissal from the committee staff.

9. RECEIPT OF CLASSIFIED MATERIAL

In the case of any information classified under established security procedures and submitted to the committee by the executive or legislative branch, the committee's acceptance of such information shall constitute a decision by the committee that it shall not be disclosed unless the committee, by rollcall vote, determines that it wishes to disclose publicly a part or all of such information under the procedures set forth in clause 7 of House Rule XLVIII. For purposes of receiving information from either the executive or legislative branch, the staff director of the committee, or the chief counsel in his or her absence, may accept information on behalf of the committee.

10. PROCEDURES FOR HANDLING CLASSIFIED OR SENSITIVE MATERIAL

Committee staff offices shall operate under strict security precautions. At least one security guard shall be on duty at all times by the entrance to control entry. Before entering the office all persons shall identify themselves.

Sensitive or classified documents and material shall be segregated in a secure storage area. They may be examined only at secure reading facilities. Copying, duplicating, or removal from the committee offices of such documents and other materials are prohibited except as is necessary for use in, or preparation for, interviews or committee meetings, including the taking of testimony in conformity with these rules.

Each member of the committee shall at all times have access to all papers and other material received from any source. The staff director shall be responsible for the maintenance, under appropriate security procedures, of a registry which will number and identify all classified papers and other classified materials in the possession of the committee, and such registry shall be available to any member of the committee.

Pursuant to clause 7(c)(2) of House Rule XLVIII and to clause 2(e)(2) and clause 2(g)(2) of House Rule XI, members who are not members of the committee shall be granted access to such hearings, records, data, charts and files of the committee and be admitted on a nonparticipatory basis to hearings of the committee which involve classified material, on the basis of the following provisions:

(1) Members who desire to examine materials in the possession of the committee or to attend committee hearings on a nonparticipatory basis should notify the clerk of the committee in writing.

(2) Each such request by a member must be considered by the committee, a quorum being present, at the earliest practicable opportunity. The committee must determine by record vote whatever action it deems necessary in light of all the circumstances of each individual request. The committee shall take into account, in its deliberations, such considerations as the sensitivity of the information sought to the national defense or the confidential conduct of the foreign relations of the United States, the likelihood of its being directly or indirectly disclosed and such other concerns—constitutional and otherwise—as affect the public interest of the United States. Such actions as the committee may take include, but are not limited to: (i) approving the request, in whole or part; (ii) denying the request; (iii) providing in different form than requested information or material which is the subject of the request.

(3) In matters touching on such requests, the committee may, in its discretion, consult the Director of Central Intelligence and such other officials as it may deem necessary.

(4) In the event that the member making the request in question does not accede to the determination or any part thereof of the committee as regards the request, that member should notify the committee in writing of the grounds for his or her disagreement. The committee shall subsequently consider the matter and decide, by record vote, what further action or recommendation, if any, it will take.

Whenever the select committee makes classified material available to any other committee of the House or to any member of the House not a member of the committee, the clerk of the committee shall be notified. The clerk shall at that time provide a copy of the applicable portions of these rules and of House Rule XLVIII to such members or such committee and insure that the conditions contained therein under which the classified materials provided are clearly presented to the recipient. The clerk of the committee shall also maintain a written record identifying the particular infor-

mation transmitted and the committee or Members of the House receiving such information. The staff director of the committee is further empowered to provide for such additional measures as he or she deems necessary in providing material which the committee has determined to make available to a member of the House or a committee of the House.

Access to classified information supplied to the committee shall be limited to those committee staff members with appropriate security clearances and a need-to-know, as determined by the committee, and under the committee's direction, the staff director.

No member of the committee or of the committee staff shall disclose, in whole or in part or by way of summary, to any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial or otherwise, any testimony given before the committee in executive session, or the contents of any classified papers or other classified materials or other classified information received by the committee except as authorized by the committee in accordance with clause 7 of House Rule XLVIII and the provisions of these rules, or in the event of the termination of the committee, in such a manner as may be determined by the House.

Before the committee makes any decision regarding a request for access to any testimony, papers, or other materials in its possession, the committee members shall have a reasonable opportunity to examine all pertinent testimony, papers, and other materials that have been obtained by the committee.

11. LEGISLATIVE CALENDAR

The clerk of the committee shall maintain a printed calendar for the information of each committee member showing the measures introduced and referred to the committee and the status of such measures—and such other matters as the committee determines shall be included. The calendar shall be revised from time to time to show pertinent changes. A copy of each such revision shall be furnished to each member of the committee.

Unless otherwise ordered, measures referred to the committee shall be referred by the clerk of the committee to the appropriate department or agency of the Government for reports thereon.

12. COMMITTEE TRAVEL

No member of the committee or committee staff shall travel on committee business unless specifically authorized by the chairman. Requests for authorization of such travel shall state the purpose and extent of the trip. A full report shall be filed with the committee when travel is completed.

When the chairman approves the foreign travel of a member of the committee staff not accompanying a member of the committee, all members of the committee are to be advised, prior to the commencement of such travel of its extent, nature and purpose. The report referred to in the previous paragraph shall be furnished to all members of the committee and shall not be otherwise disseminated without the express authorization of the committee pursuant to the rules of the committee.

13. BROADCASTING COMMITTEE MEETINGS

Whenever any hearing or meeting conducted by the committee or any subcommittee is open to the public, a majority of the committee or subcommittee, as the case may be, may permit that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, subject to the provisions and in accordance with the spirit of the purposes enumerated in clause 3 of Rule XI of the Rules of the House.

14. CHANGES IN RULES

These Rules may be modified, amended, or repealed by the committee, provided that a notice in writing of the proposed change has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken.

RULES OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA FOR THE 97TH CONGRESS

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, pursuant to the requirement of rule XI, clause 2(a), of the Rules of the House of Representatives, I submit herewith the rules of the Committee on the District of Columbia for the 97th Congress and insert them in the RECORD at this point. The rules were adopted by unanimous voice vote in the presence of a quorum on February 25, 1981.

RULES GOVERNING PROCEDURES, COMMITTEE ON THE DISTRICT OF COLUMBIA, 97TH CONGRESS (ADOPTED FEBRUARY 25, 1981)

A. IN GENERAL

(1) The Rules of the House are the rules of this Committee and each subcommittee so far as applicable, except that a motion to recess from day to day is a motion of high privilege in the Committee and subcommittees.

(2) Each subcommittee is a part of this Committee, and is subject to the authority and direction of the Committee and to its rules insofar as applicable. The rules of the Committee shall be the rules of its subcommittees.

(3) No major investigation by a subcommittee shall be initiated without approval of the Chairman of the Committee or the majority of the full Committee.

(4) Any Member, when recognized by the Chairman, may address the Committee on any bill, motion, or other matter under consideration before the Committee. The Chairman may limit to 5 minutes the time of any such member, after giving due consideration to the importance of the subject matter and to the length of time available.

B. REGULAR MEETING DAYS

(1) The full committee shall have its regular meetings on the first Tuesday in each calendar month at 10:00 A.M. When the House is in recess, the regular monthly meeting of the Committee may be dispensed with at the discretion of the Chairman upon notice of such action to all Members of the Committee.

(2) The Committee shall meet, for the consideration of any bill or resolution pending before the Committee or for the transaction of other committee business, on all regular meeting days fixed by the Committee.

(3) Subcommittee chairmen shall set meeting and hearing dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

C. ADDITIONAL AND SPECIAL MEETINGS

(1) The Chairman may call and convene, as he considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other committee business. The Committee shall meet for such purpose pursuant to that call of the Chairman.

(2) If at least three members of the Committee desire that a special meeting of the Committee be called by the Chairman, those members may file in the offices of the Committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the Committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the Committee may file in the offices of the Committee their written notice that a special meeting of the Committee will be held, specifying the date and hour of, and the measure or matter to be considered at, the special meeting. The Committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the Committee shall notify all members of the Committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

D. RANKING MAJORITY MEMBER TO PRESIDE IN ABSENCE OF CHAIRMAN

If the Chairman of the Committee or subcommittee is not present at any meeting of the Committee or subcommittee, the ranking Member of the majority party on the Committee or subcommittee who is present shall preside at the meeting.

E. COMMITTEE RECORDS AND ROLLCALLS

(1) The Committee shall keep a complete record of all committee action which shall include a record of the votes on any question on which a rollcall vote is demanded. The result of each rollcall vote shall be made available by the Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those Members present but not voting.

A record vote in subcommittee may be had upon the request of any subcommittee Member, and in full Committee upon the request of any Committee member.

(2) Records of hearings before the Committee shall not be available to the public for quotation of any Member until after such Member has had an opportunity to examine and approve such hearing records.

(3) All Committee and subcommittee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the chairman of the Committee or a subcommittee; and such records shall be the property of the House and all Members of the House shall have access thereto.

F. PROXIES

A vote by any Member in the Committee or in any subcommittee may be cast by proxy, but shall be in writing, shall assert that the member is absent on official business or is otherwise unable to be present at the meeting of the Committee, shall designate the person who is to execute the proxy authorization, and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a Member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

G. OPEN MEETINGS AND HEARINGS

(1) Each meeting for the transaction of business, including the markup of legislation, of the Committee or subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day shall be closed to the public; provided, however, that no person other than Members of the Committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by (2) of this rule, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the Committee or subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives; notwithstanding the requirements of the preceding sentence, or rule H. (2), a majority or those present, (but not less than two Members voting in the affirmative),

(A) May vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or defame, degrade, or incriminate any person; or

(B) May vote to close the hearing if testimony or evidence to be received would defame, degrade, or incriminate any person;

Provided, however, That the Committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

H. QUORUM

(1) The number of Members to constitute a quorum for the purpose of taking testimony and receiving evidence in full Committee or subcommittee is two.

(2) One-third of the Committee or a subcommittee shall constitute a quorum for other meetings, except that a majority of the Committee or subcommittee shall constitute a quorum for the purposes of reporting a bill and closing a meeting to the public.

I. CALLING AND INTERROGATING WITNESSES

(1) Whenever any hearing is conducted by the Committee or a subcommittee upon any measure or matter, the minority party Members on the Committee or subcommittee shall be entitled, upon request to the Chairman of the Committee or subcommittee by a majority of the minority party Members before the completion of the hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(2) The Committee and subcommittees shall apply the five-minute rule in the interrogation of witnesses in any hearing until such time as each Member of the committee or subcommittee who so desires has had an opportunity to question each witness.

(3) Committee Members may question witnesses only when they have been recognized by the Chairman for that purpose.

(4) All questions put to the witnesses before the Committee shall be pertinent to the bill or other subject matter before the Committee for consideration.

(5) Insofar as is practicable, each witness who is to appear must file with the Committee (in advance of his or her appearance) a written statement of the proposed testimony and limit the oral presentation at such appearance to a brief summary of his or her argument.

J. INVESTIGATIVE HEARING PROCEDURES

(1) The Chairman of the Committee or subcommittee at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the Committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The Chairman of the Committee or subcommittee may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the full Committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

(A) such testimony or evidence shall be presented in executive session, if by a majority of those present, there being in attendance the requisite number required under the rules of the Committee to be present for the purpose of taking testimony, the Committee or subcommittee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person;

(B) the Committee or subcommittee shall proceed to receive such testimony in open session only if a majority of the members of the Committee or subcommittee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

In either case the Committee or subcommittee shall:

(A) afford such person an opportunity voluntarily to appear as a witness; and

(B) receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the Committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the Committee.

(8) In the discretion of the Committee or subcommittee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The Committee or subcommittee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the Committee.

K. REPORTING BILLS AND RESOLUTIONS

(1) No measure or recommendation shall be reported from the Committee unless a majority of the Committee was actually present.

(2) Any Member at the meeting of the full Committee or any Member of the subcommittee involved may make a point of order that a quorum is not present.

(3) (A) Each Committee report shall include in its text a statement of the reported legislation's intent or purpose, need, the results of motions to report, a five-year cost estimate, oversight statement, inflationary impact statement, any statement required by section 308(a) and 403 of the Budget and Impoundment Control Act of 1974, Administration or Departmental position (if any), and changes in existing law, in addition to such provisions as the Chairman deems necessary.

(B) If, at the time of approval of any measure or matter by the Committee, any Member of the Committee gives notice of intention to file supplemental, minority or additional views, that Member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more Members of the Committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the Committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, and additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted pursuant to the requirements of sections 308(a) and 403 of the Budget and Impoundment Control Act of 1974) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by the Committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by the Committee upon that measure or matter.

L. POWER TO SIT AND ACT; SUBPOENA POWER

(1) For the purpose of carrying out any of its functions and duties under these rules, the Committee, or any subcommittee thereof, is authorized—

(A) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(B) subject to (2)(A) of this rule, to require, by subpoena or otherwise, the attend-

ance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman of the Committee, or any member designated by the Chairman, may administer oaths to any witness.

(2) (A) A subpoena may be issued by the Committee or subcommittee under (1)(B) of this rule in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the Members voting, a majority being present, and authorized subpoenas shall be signed by the Chairman of the full Committee or by any Member designated by the Committee.

(B) Compliance with any subpoena issued by a Committee or subcommittee under (1)(B) of this rule may be enforced only as authorized or directed by the House.

M. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

Whenever any hearing or meeting conducted by the Committee or any subcommittee is open to the public, the Committee or subcommittee may permit, by majority vote of the Committee or subcommittee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under the following rules:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions or the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press international Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

N. COMMITTEE STAFFS

(1) Subcommittee staffs: From the funds provided for the appointment of Committee Staff pursuant to primary and additional expense resolutions of the House:

(A) The Chairman of each standing subcommittee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(B) The ranking minority party Member of each standing subcommittee is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party Member.

(C) The staff members appointed pursuant to the provisions of subparagraphs (A) and (B) shall be compensated at a rate determined by the subcommittee chairman not to exceed (a) 75 per centum of the maximum established in 2(C) of this rule or (b) the rate paid the staff member appointed pursuant to 1(A) of this rule.

(D) No Member shall appoint more than one person pursuant to 1(A) and 1(B) of this rule.

(E) The staff positions made available to the subcommittee Chairman and ranking minority party Members pursuant to 1(A) and 1(B) of this rule shall be made available from the staff positions provided under clause 6 of Rule XI of the House unless staff positions are made available pursuant to a primary or additional expense resolution.

(2) Committee staffs:

(A) (1) Subject to subparagraph 2(A)(2) of this rule and paragraph 2(D) of this rule, the Committee may appoint, by majority vote of the Committee not more than eighteen professional staff members. Each professional staff member appointed under this subparagraph shall be assigned to the Chairman and the ranking minority party Member of such Committee, as the Committee considers advisable.

(2) Subject to 2(D) of this rule, wherever a majority of the minority party Members of the Committee so request, not more than six persons may be selected, by majority vote of the minority party Members, for appointment by the Committee as professional staff members from among the number authorized by 2(A)(1) of this rule. The Committee shall appoint any persons so selected whose character and qualification are acceptable to a majority of the Committee. If the Committee determines that the character and qualifications of any person so selected are unacceptable to the Committee, a majority of the minority party members may select other persons for appointment by the Committee to the professional staff until such appointment is made. Each professional staff member appointed under this paragraph shall be assigned to such Committee business as the minority party Members of the Committee consider advisable.

(3) The professional staff members of the Committee—

(a) shall be appointed on a permanent basis, without regard to race, creed, sex or age, and solely on the basis of fitness to perform the duties of their respective positions;

(b) shall not engage in any work other than Committee business; and

(c) shall not be assigned any duties other than those pertaining to committee business.

(4) Services of the professional staff members of the Committee may be terminated by majority vote of the Committee.

(B) (1) The clerical staff of the full Committee shall consist of not more than twelve clerks, to be attached to the office of the Chairman, to the ranking minority party Member, and to the professional staff, as the Committee considers advisable. Subject to 2(B)(2) and 2(D) of this rule, the clerical staff shall be appointed by majority vote of the Committee, without regard to race, creed, sex, or age. Except as provided by 2(B)(2) of this rule, the clerical staff shall handle committee correspondence and stenographic work both for the Committee staff and for the Chairman and the ranking minority party Member on matters related to Committee work.

(2) Subject to 2(D) of this rule, whenever a majority of the minority party Members of the Committee so request, four persons may be selected, by majority vote of the minority party Members, for appointment by the Committee to positions on the clerical staff from among the number of clerks authorized by 2(B)(1) of this rule. The Committee shall appoint to those positions any person so selected whose character and qualifications are acceptable to a majority of the Committee. If the Committee determines that the character and qualifications of any person so selected are unacceptable to the Committee, a majority of the minority party Members may select other persons for appointment by the Committee to the position involved on the clerical staff until such appointment is made. Each clerk appointed under this subparagraph shall handle committee correspondence and stenographic work for the minority party Members of the Committee and for any members of the professional staff appointed under 2(A)(2) of this rule on matters related to committee work.

(3) Services of the clerical staff members of the full Committee may be terminated by majority vote of the Committee.

(C) Each employee on the professional staff, and each employee on the clerical staff of the Committee, is entitled to pay at a single per annum gross rate, to be fixed by the Chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive

Schedule in section 5316 of title 5, United States Code, except that 2 professional staff members of the Committee shall be entitled to pay at a single per annum gross rate to be fixed by the Chairman, which does not exceed the highest rate of basic pay, as in effect from time to time, of level IV of the Executive Schedule, section 5315 of title 5, United States Code.

(D) If a request for the appointment of a minority professional staff member under paragraph (A), or a minority clerical staff member under paragraph (B), is made when no vacancy exists to which that appointment may be made, the Committee nevertheless shall appoint, under paragraph (A) or paragraph (B), as applicable, the person selected by the minority and acceptable to the Committee. The person so appointed shall serve as an additional member of the professional staff or the clerical staff, as the case may be, of the Committee, and shall be paid from the contingent fund, until such a vacancy (other than a vacancy in the position of head of the professional staff, by whatever title designated) occurs, at which time that person shall be deemed to have been appointed to that vacancy. If such vacancy occurs on the professional staff when seven or more persons have been so appointed who are eligible to fill that vacancy, a majority of the minority party Members shall designate which of those persons shall fill that vacancy.

(E) Each staff member appointed pursuant to a request by minority party Members under paragraph (A) or (B), and each staff member appointed to assist minority party Members of a Committee pursuant to an expense resolution, shall be accorded equitable treatment with respect to the fixing of his or her rate of pay, the assignment to him or her of work facilities, and the accessibility to him or her of Committee records.

(F) Paragraphs (A) and (B) shall not be construed to authorize the appointment of additional professional or clerical staff members of the Committee pursuant to a request under either of such paragraphs by the minority party Members of that Committee if six or more professional staff members or four or more clerical staff members provided for in paragraph (A)(1) or paragraph (B)(1) as the case may be, who are satisfactory to a majority of the minority party Members, are otherwise assigned to assist the minority party Members.

(G) Notwithstanding paragraphs (A)(2) and (B)(2), the Committee may employ nonpartisan staff, in lieu of or in addition to Committee staff designated exclusively for the majority or minority party, upon an affirmative vote of a majority of the Members of the minority party.

(3) Members seeking assistance from the staff shall make their requests through the Chairman or the ranking minority Member.

O. REFERRAL OF BILLS, RESOLUTIONS AND OTHER MATTERS TO SUBCOMMITTEE

(1) All the legislation and other matters referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within 2 weeks unless, by majority vote of the majority Members of the full Committee, consideration is to be by the full Committee. If a concurrent resolution of disapproval of a Council Act is introduced in the House during the first 15 legislative days of layover, the resolution shall be referred to the subcommittee of appropriate jurisdiction. If the concurrent resolution is introduced during the last 15 days of congressional layover, the matter shall be kept at the full Committee level with such comments from the subcommittee as they may wish to give.

(2) The Chairman may refer a matter simultaneously to two or more subcommittees for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee.

(3) Should a subcommittee fail to report back to the full Committee on any measure within a reasonable time, the Chairman may withdraw the measure from such subcommittee and report that fact to the full Committee for further disposition. In order to permit the full Committee to take timely action on special resolutions, a subcommittee should complete action on a concurrent resolution of approval of a charter amendment under section 303(b) of the Home Rule Act not later than 15 calendar days before the expiration of the 35 day period named in the Home Rule Act. The subcommittee should complete action within 12 calendar days of the introduction of a simple resolution of disapproval of a Council Act relating to title 22, 23 or 24 of the District of Columbia Code under subsection (c)(2) of section 602 of the Home Rule Act.

P. SUBCOMMITTEES

(1) There shall be the following standing subcommittees:

Fiscal Affairs and Health.

Government Operations and Metropolitan Affairs.

Judiciary and Education.

(2) Additional legislative subcommittees may be established by a majority of those voting, a quorum being present, of the full Committee.

(3) Each Member shall be given an equal number of subcommittee assignments insofar as practicable.

(4) Bills shall be assigned to subcommittees in accordance with the subject matter of the subcommittees.

(5) Any member of the full Committee may have the privilege of sitting with any subcommittee during its hearings or deliberations and to participate but shall not have authority to vote on any matters before the subcommittee unless he is a Member of such subcommittee.

(6) The majority Members of the Committee shall determine an appropriate ratio of Majority to Minority Members for each subcommittee and shall authorize a Member or members to negotiate that ratio with the Minority.

Q. GENERAL OVERSIGHT RESPONSIBILITIES

The Committee and each subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the Committee or the subcommittee, respectively, and the organization and operation of the Federal and District agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Committee and each subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the Committee or subcommittee, respectively (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of the Committee or subcommittee, respectively. Each subcommittee is required to conduct oversight in the area of their respective jurisdiction, to assist in carrying out the full Committee's responsibilities under Rule X, cl. 2, of the House of Representatives. The establishment of an oversight subcommittee shall in no way limit the responsibility of the subcommittees with legislative jurisdiction from carrying out their oversight responsibilities.

R. ADDITIONAL FUNCTIONS

(1) The Committee and each subcommittee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia Government will be made annually to the maximum extent feasible and consistent with the nature, requirements and objectives of the programs and activities involved. For the purposes of this paragraph, a Government agency includes the organizational units of government listed in clause 7(d) of Rule XIII of the House of Representatives.

(2) The Committee and each subcommittee shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefore would be made annually.

S. POINTS OF ORDER

No point of order, other than a point of order that a quorum is not present, against the hearings of business procedures of the Committee shall be sustained unless it is made in a timely fashion (1) at the commencement of the hearing or meeting, or (2) at the time such point of order first occurs. Any point of order not raised in a timely manner in subcommittee shall not be sustained in full Committee.

T. NOTICE OF MEETINGS AND AGENDA

(1) The Committee and each subcommittee shall make public announcement of the date, place and subject matter of any Committee hearing at least one week before the commencement of the hearing. If the Committee determines that there is good cause to begin the hearing sooner, it shall make the announcement at the earliest possible day. Any announcement made under this paragraph shall be promptly published in the Daily Digest.

(2) The agenda for all committee meetings, setting out all items of business to be considered, including a copy of any bill or a summary of any bill and of any subcommittee amendments, shall be furnished each Committee Member by delivery to his office at least two full calendar days (excluding Saturday, Sunday and Legal Holidays) before the meeting. This requirement may be waived by a two-thirds vote, a quorum being present, of the Committee.

(3) No bill or other matter shall be brought up for hearing or other consideration except with the approval of the Chairman or by a majority of those voting, a quorum being present; provided, that any Member (other than the Chairman) making the motion for consideration under this rule

has given 2 days' notice in writing to all Members of the Committee.

U. AMENDING COMMITTEE RULES

The Committee rules may not be amended unless the Member proposing the amendments gives two days' notice (excluding Saturday, Sunday and Legal Holidays) in writing of the text of the proposed changes to all Members.

V. OTHER PROCEDURES AND REGULATIONS

The Chairman of the full Committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the Committee.

RULES OF THE COMMITTEE ON APPROPRIATIONS FOR THE 97TH CONGRESS

(Mr. WHITTEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WHITTEN. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith for publication in the RECORD the rules of the Committee on Appropriations adopted by the committee on January 29, 1981:

COMMITTEE RULES OF THE COMMITTEE ON APPROPRIATIONS

(Adopted for the 97th Congress on January 29, 1981)

Resolved, That the rules and practices of the Committee on Appropriations, House of Representatives, in the Ninety-sixth Congress, except as otherwise provided hereinafter, shall be, and are hereby adopted as the rules and practices of the Committee on Appropriations in the Ninety-seventh Congress:

The foregoing resolution adopts the following rules:

Sec. 1: Power to Sit and Act:

For the purpose of carrying out any of its functions and duties under Rules X and XI of the Rules of the House of Representatives, the Committee or any of its subcommittees is authorized:

(a) To sit and act at such times and places within the United States whether the House is in session, has recessed, or has adjourned, and to hold such hearings; and

(b) To require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, reports, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman, or any Member designated by the Chairman, may administer oaths to any witness.

(c) A subpoena may be authorized and issued by the Committee or its subcommittees under subsection 1(b) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the Members of the Committee voting, a majority being present. The power to authorize and issue subpoenas under subsection 1(b) may be delegated to the Chairman pursuant to such rules and under such limitations as the Committee may prescribe. Authorized subpoenas shall be signed by the Chairman or by any Member designated by the Committee.

(d) Compliance with any subpoena issued by the Committee or its subcommittees may be enforced only as authorized or directed by the House.

Sec. 2: Subcommittees:

(a) The Majority Caucus of the Committee shall establish the number of subcommittees and shall determine the jurisdiction of each subcommittee.

(b) Each subcommittee is authorized to meet, hold hearings, receive evidence and report to the Committee all matters referred to it.

(c) All legislation and other matters referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within two weeks unless, by majority vote of the Majority Members of the full Committee, consideration is to be by the full Committee.

(d) The Majority Caucus of the Committee shall determine an appropriate ratio of Majority to Minority Members for each subcommittee. The Chairman is authorized to negotiate that ratio with the Minority. Provided, however, that party representation in each subcommittee, including ex-officio members, shall be no less favorable to the Majority than the ratio for the full Committee.

(e) The Chairman is authorized to sit as a member of any subcommittee and to participate in its work.

Sec. 3: Committee Staff:

(2) The Chairman is authorized to appoint the staff of the Committee, and make adjustments in the job titles and compensation thereof subject to the maximum rates and conditions established in Clause 6(c) of Rule XI of the Rules of the House of Representatives. In addition he is authorized, in his discretion, to arrange for their specialized training. The Chairman is also authorized to employ additional personnel as necessary.

(b) The chairman of each subcommittee may select and designate a staff member who shall serve at the pleasure of the subcommittee chairman. Such selection shall be subject to the approval of a majority of the Majority Members of the full Committee. Such staff member shall be compensated at a rate, determined by the subcommittee chairman not to exceed 75 per centum of the maximum established in Clause 6(c) of Rule XI of the Rules of the House of Representatives; Provided, That no Member shall appoint more than one person pursuant to these provisions.

(c) The ranking minority member of each subcommittee may select and designate a staff member who shall serve at the pleasure of the ranking minority member. Such staff member shall be compensated at a rate, determined by the subcommittee chairman not to exceed 75 per centum of the maximum established in Clause 6(c) of Rule XI of the Rules of the House of Representatives or the rate paid the staff member appointed pursuant to subsection (b) of this section; Provided, That no Member shall appoint more than one person pursuant to these provisions.

(d) The Chairman, and the Ranking Minority Member with the approval of the Chairman, may each select and designate a staff member at an annual gross salary of not to exceed 75 per centum of the maximum established in Clause 6(c) of Rule XI of the Rules of the House of Representatives and may each select and designate one additional staff member.

(e) Each member not mentioned in subsection (a), (b), (c) or (d) of this section may select and designate a staff member who shall serve at the pleasure of that member. Such staff member shall be compensated at a rate, determined by the member, not to exceed 75 per centum of the maximum established in Clause 6(c) of Rule XI of the Rules of the House of Representatives; Provided, That no member shall appoint more than one person pursuant to these provisions; Provided further, that members designating a staff member under this subsection must specifically certify by letter to the Chairman that the employee is needed and will be utilized for Committee work.

Sec. 4: Committee Meetings:

(a) Regular Meeting Day—The regular meeting day of the Committee shall be the first Wednesday of each month while the House is in session, unless the Committee has met within the past 30 days or the Chairman considers a specific meeting unnecessary in the light of the requirements of the Committee business schedule.

(b) Additional and Special Meetings:

(1) The Chairman may call and convene, as he considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other Committee business. The Committee shall meet for such purpose pursuant to that call of the Chairman.

(2) If at least three Committee Members desire that a special meeting of the Committee be called by the Chairman, those Members may file in the Committee Offices a written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Upon the filing of the request, the Committee Clerk shall notify the Chairman.

(3) If within three calendar days after the filing of the request, the Chairman does not call the requested special meeting to be held within seven calendar days after the filing of the request, a majority of the Committee Members may file in the Committee Offices their written notice that a special meeting will be held, specifying the date and hour of, and the measure or matter to be considered. The Committee shall meet on that date and hour.

(4) Immediately upon the filing of the notice, the Committee Clerk shall notify all Committee Members that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered. Only the measure or matter specified in that notice may be considered at the special meeting.

(c) Ranking Majority Member to Preside in the Absence of Chairman—If the Chairman is not present at any meeting of the Committee, the Ranking Majority Member on the Committee who is present shall preside.

(d) Business Meetings:

(1) Each meeting for the transaction of business, including the markup of legislation, of the Committee and its subcommittees shall be open to the public except when the Committee or its subcommittees, in open session and with a majority present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed.

(2) No person other than Committee Members and such congressional staff and departmental representatives as they may authorize shall be present at any business or markup session which has been closed.

(3) The provisions of this subsection do not apply to open hearings of the Committee or its subcommittees which are provided for in Section 5(b)(1) of these Rules or to any meeting of the Committee relating solely to internal budget or personnel matters.

(e) Committee Records:

(1) The Committee shall keep a complete record of all Committee action including a record of the votes on any question on which a roll call is demanded. The result of each roll call vote shall be available for inspection by the public during regular business hours in the Committee Offices. The information made available for public inspection shall include a description of the amendment, motion, or other proposition and the name of each Member voting for and each Member voting against, and the names of those Members present but not voting.

(2) All hearings, records, data, charts, and files of the Committee shall be kept separate and distinct from the congressional office records of the Chairman of the Committee. Such records shall be the property of the House and all Members of the House shall have access thereto.

Sec. 5: Committee and Subcommittee Hearings:

(a) Overall Budget Hearings—Overall budget hearings by the Committee, including the hearing required by Sec. 242(c) of the Legislative Reorganization Act of 1970 and Clause 4(a)(1) of Rule X of the Rules of the House of Representatives shall be conducted in open session except when the Committee in open session and with a majority present, determines by roll call vote that the testimony to be taken at that hearing on that day may be related to a matter of national security; except that the Committee may by the same procedure close one subsequent day of hearing. A transcript of all such hearings shall be printed and a copy furnished to each Member, Delegate and the Resident Commissioner from Puerto Rico.

(b) Other Hearings:

(1) All other hearings conducted by the Committee or its subcommittees shall be open to the public except when the Committee or subcommittee in open session and with a majority present determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present at a hearing conducted by the Committee or any of its subcommittees, there being in attendance the number required under Section 5(c) of these rules to be present for the purpose of taking testimony, (1) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate Clause 2(k)(5) of Rule XI of the Rules of the House of Representatives or (2) may vote to close the hearing, as provided in Clause 2(k)(5) of such rule. No Member of the House of Representatives may be excluded from nonparticipatory attendance at any hearing of the Committee or its subcommittees unless the House of Representatives shall by majority vote authorize the Committee or any of its subcommittees, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members by the same procedures designated in this subsection for closing hearings to the public; Provided, however, That the Committee or its subcommittees may by the same procedure vote to close one subsequent day of hearing.

(2) Subcommittee chairmen shall set meeting dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of Committee and subcommittee meetings or hearings.

(3) Each witness who is to appear before the Committee or any of its subcommittees as the case may be, insofar as is practicable, shall file in advance of his appearance a written statement of the proposed testimony and shall limit the oral presentation at such appearance to a brief summary, except that this provision shall not apply to any witness appearing before the Committee in the overall budget hearings.

(c) Quorum for Taking Testimony—The number of Members of the Committee which shall constitute a quorum for taking testimony and receiving evidence in any hearing of the Committee shall be two.

(d) Calling and Interrogation of Witnesses:

(1) The Minority Members of the Committee or its subcommittees shall be entitled, upon request to the Chairman or subcommittee chairman, by a majority of them before completion of any hearing, to call witnesses selected by the Minority to testify with respect to the matter under consideration during at least one day of hearings thereon.

(2) The Committee and its subcommittees shall observe the five-minute rule during the interrogation of witnesses until such time as each Member of the Committee or subcommittee who so desires has had an opportunity to question the witness.

(e) Broadcasting and Photographing of Committee Meetings and Hearings:

(1) The Chairman is authorized to determine the extent and nature of broadcasting and photographic coverage for the overall budget hearing and full Committee meetings and hearings, subject to the guidelines for such coverage set forth in Sec. 116(b) of the Legislative Reorganization Act of 1970 and Clause 3(f) of Rule XI of the Rules of the House of Representatives.

(2) Unless approved by the Chairman and concurred in by a majority of the subcommittee, no subcommittee hearings or meetings shall be recorded by electronic device or broadcast by radio or television.

(3) Unless approved by the subcommittee chairman and concurred in by a majority of the subcommittee, no subcommittee hearing or meeting or subcommittee room shall be photographed.

(4) Broadcasting and photographic coverage of subcommittee hearings and meetings authorized under the provisions of (2) and (3) above shall be subject to the guidelines for such coverage set forth in Clause 3(f) of Rule XI of the Rules of the House of Representatives.

(f) Subcommittee Meetings—No subcommittee shall sit while the House is reading an appropriation measure for amendment under the five-minute rule or while the Committee is in session.

(g) Public Notice of Committee Hearings—The Chairman is authorized and directed to make public announcements of the date, place and subject matter of Committee and subcommittee hearings at least one week before the commencement of such hearings. If the Committee or any of its subcommittees as the case may be, determines that there is good cause to begin a hearing sooner, the Chairman is authorized and directed to make the announcement at the earliest possible date.

Sec. 6: Procedures for Reporting Bills and Resolutions:

(a) Prompt Reporting Requirement:

(1) It shall be the duty of the Chairman, except as provided in subsection (3) herein, to report or cause to be reported promptly to the House any bill or resolution approved by the Committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, a report on a bill or resolution which the Committee has approved shall be filed within seven calendar days (exclusive of days in which the House is not in session) after the day on which there has been filed with the Committee Clerk a written request, signed by a majority of Committee Members, for the reporting of such bill or resolution. Upon the filing of any such request, the Committee Clerk shall notify the Chairman immediately of the filing of the request. This subsection does not apply to the reporting of a regular appropriation bill prior to compliance with subsection (3) herein or to the reporting of a resolution of inquiry addressed to the head of an executive department.

(3) Before reporting the first regular appropriation bill for each fiscal year, the Committee shall, to the extent practicable and in accordance with Sec. 307 of the Congressional Budget Act of 1974, complete subcommittee markup and full Committee action on all regular appropriation bills for that year and submit to the House a report comparing the Committee's recommendations with the appropriate levels of budget outlays and new budget authority as set forth in the most recently agreed to concurrent resolution on the budget for that year.

(b) Presence of Committee Majority—No measure or recommendation shall be reported from the Committee unless a majority of the Committee was actually present.

(c) Roll Call Votes—With respect to each roll call vote on a motion to report any bill or resolution, the total number of votes cast for, and the total number of votes cast against, the reporting of such a bill or resolution shall be included in the Committee report.

(d) Compliance with Congressional Budget Act—A Committee report on a bill or resolution which has been approved by the Committee shall include the statement required by Sec. 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the bill or resolution provides new budget authority.

(e) Inflationary Impact Statement—Each Committee report on a bill or resolution reported by the Committee shall contain a detailed analytical statement as to whether the enactment of such bill or resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(f) Changes in Existing Law—Each Committee report on a general appropriation bill shall contain a concise statement describing fully the effect of any provision of the bill which directly or indirectly changes the application of existing law.

(g) Rescissions and Transfers—Each bill or resolution reported by the Committee shall include separate headings for rescissions and transfers of unexpended balances with all proposed rescissions and transfers listed therein. The report of the Committee accompanying such a bill or resolution shall include a separate section with respect to such rescissions or transfers.

(h) Supplemental or Minority Views:

(1) If, at the time the Committee approves any measure or matter, any Committee Member gives notice of his intention to file

supplemental, minority or additional views, he shall be entitled to not less than three calendar days (excluding Saturdays, Sundays and legal holidays) in which to file such views in writing and signed by him, with the Clerk of the Committee. All such views so filed shall be included in and shall be a part of the report filed by the Committee with respect to that measure or matter.

(2) The Committee report on that measure or matter shall be printed in a single volume which—

(i) shall include all supplemental, minority or additional views which have been submitted by the time of the filing of the report, and

(ii) shall have on its cover a recital that any such supplemental, minority or additional views are included as part of the report.

(3) Subsection (h)(1) of this section, above, does not preclude—

(i) the immediate filing or printing of a Committee report unless timely request for the opportunity to file supplemental, minority or additional views has been made as provided by such subsection; or

(ii) the filing by the Committee of a supplemental report on a measure or matter which may be required for correction of any technical error in a previous report made by the Committee on that measure or matter.

(4) If, at the time a subcommittee approves any measure or matter for recommendation to the full Committee, any Member of that subcommittee gives notice of his intention to offer supplemental, minority or additional views, he shall be entitled, insofar as is practicable and in accordance with the printing requirements as determined by the subcommittee, to include such views in the Committee Print with respect to that measure or matter.

(i) Availability of Reports—A copy of the bill and report on each general appropriation bill shall be made available to each Member of the Committee at least 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in advance of the date on which the Committee is to consider each bill and report.

Sec. 7: Voting:

(a) No vote by any Member of the Committee or any of its subcommittees with respect to any measure or matter may be cast by proxy.

(b) The vote on any question before the Committee shall be taken by the yeas and nays on the demand of one-fifth of the members present.

Sec. 8: Studies and Examinations:

The following procedure shall be applicable with respect to the conduct of studies and examinations of the organization and operation of Executive Agencies under authority contained in Sec. 202(b) of the Legislative Reorganization Act of 1946 and in Clause 2(b)(3) of Rule X, of the Rules of the House of Representatives.

(a) The Chairman is authorized to appoint such staff and, in his discretion, arrange for the procurement of temporary services of consultants, as from time to time may be required.

(b) Studies and examinations will be initiated upon the written request of a subcommittee which shall be reasonably specific and definite in character, and shall be initiated only by a majority vote of the subcommittee, with the chairman of the subcommittee and the ranking minority member thereof participating as part of such majority vote. When so initiated such request shall be filed with the Clerk of the Committee for submission to the Chairman and the Ranking Minority Member and their approval shall be required to make the same effective. Notwithstanding any action taken on such request by the chairman and ranking minority member of the subcommittee, a request may be approved by a majority of the Committee.

(c) Any request approved as provided under subsection (b) shall be immediately turned over to the staff appointed for action.

(d) Any information obtained by such staff shall be reported to the chairman of the subcommittee requesting such study and examination and to the Chairman and Ranking Minority Member, shall be made available to the members of the subcommittee concerned, and shall not be released for publication until the subcommittee so determines.

(e) Any hearings or investigations which may be desired, aside from the regular hearings on appropriation items, when approved by the Committee, shall be conducted by the subcommittee having jurisdiction over the matter.

Sec. 9: Official Travel:

(a) The chairman of a subcommittee shall approve requests for travel by subcommittee members and staff for official business within the jurisdiction of that subcommittee. The ranking minority member of a subcommittee shall concur in such travel requests by minority members of that subcommittee and the Ranking Minority Member shall concur in such travel requests for Minority Members of the Committee. Requests in writing covering the purpose, itinerary, and dates of proposed travel shall be submitted for final approval to the Chairman. Specific approval shall be approved for each and every trip.

(b) The Chairman is authorized during the recess of the Congress to approve travel authorizations for Committee Members and staff, including travel outside the United States.

(c) As soon as practicable the Chairman shall direct the head of each government agency concerned not to honor requests of subcommittees, individual Members, or staff for travel, the direct or indirect expenses of which are to be defrayed from an executive appropriation, except upon request from the Chairman.

(d) In accordance with Clause 2(n) of Rule XI of the Rules of the House of Representatives and section 502(b) of the Mutual Security Act of 1954, as amended, local currencies owned by the United States shall be available to Committee Members and staff engaged in carrying out their official duties outside the United States, its territories or possessions. No Committee Member or staff member shall receive or expend local currencies for subsistence in any country at a rate in excess of the maximum per diem rate set forth in applicable Federal law.

(e) Travel Reports:

(1) Members or staff shall make a report to the Chairman on their travel covering the purpose, results, itinerary, expenses, and other pertinent comments.

(2) With respect to travel outside the United States or its territories or possessions, the report shall include: (1) an itemized list showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished and any funds expended for any other official purpose; and (2) a summary in these categories of the total foreign currencies and/or appropriated funds expended. All such individual reports on foreign travel shall be filed no later than sixty days following completion of the travel with the Chairman for use in complying with reporting requirements in applicable Federal law and shall be open for public inspection.

(3) Each Member or employee performing such travel shall be solely responsible for supporting the amounts reported by him.

(4) No report or statement as to any trip shall be publicized making any recommendations in behalf of the Committee without the authorization of a majority of the Committee.

(f) Members and staff of the Committee performing authorized travel on official business pertaining to the jurisdiction of the Committee shall be governed by applicable laws or regulations of the House and of the Committee on House Administration pertaining to such travel, as promulgated from time to time by the Chairman.

Sec. 10: Eligibility of Committee Member Serving as Budget Committee Chairman for Appropriations Subcommittee Chairmanship:

If the Chairman of the Budget Committee of the House of Representatives is chairman of a subcommittee on the Appropriations Committee when he becomes Budget Committee Chairman or would be eligible to become chairman of an Appropriations subcommittee under the rules of the Majority Caucus of the House of Representatives during his tenure as Budget Committee Chairman, the Appropriations Committee may nominate such Member to serve as chairman of such subcommittee subject to the approval of the Majority Caucus. But if so elected and confirmed, the Member shall take a leave of absence while Chairman of the Budget Committee, and the responsibilities of the subcommittee chairmanship shall devolve onto a temporary chairman as determined by the Appropriations Committee and the Majority Caucus of the House.

RULES OF THE COMMITTEE ON GOVERNMENT OPERATIONS FOR THE 97TH CONGRESS

(Mr. BROOKS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROOKS. Mr. Speaker, pursuant to clause 2(a) of rule XI of the House of Representatives, herewith are submitted for publication in the CONGRESSIONAL RECORD the rules of the Committee on Government Operations, which were adopted on February 3, 1981:

I. RULES OF THE COMMITTEE ON GOVERNMENT OPERATIONS, 97TH CONGRESS

RULE 1.—APPLICATION OF RULES

Except where the terms "full committee" and "subcommittee" are specifically referred to, the following rules shall apply to the Committee on Government Operations and its subcommittees as well as to the respective chairmen.

[See House Rule XI, 1.]

RULE 2.—MEETINGS

The regular meetings of the full committee shall be held on the second Tuesday of each month at 10 a.m., except when Congress has adjourned. The chairman is authorized to dispense with a regular meeting or to change the date thereof, and to call and convene additional meetings, when circumstances warrant. A special meeting of the committee may be requested by members of the committee in accordance with the provisions of House Rule XI, 2(c)(2). Subcommittees shall meet at the call of the subcommittee chairman. Every member of the committee or the appropriate subcommittee, unless prevented by unusual circumstances, shall be provided with a memorandum at least three calendar days prior to each meeting or hearing explaining (1) the purpose of the meeting or hearing; and (2) the names, titles, background and reasons for appearance of any witnesses. The minority staff shall be responsible for providing the same information on witnesses whom the minority may request.

[See House Rule XI, 2(b).]

RULE 3.—QUORUMS

A majority of the members of the committee shall constitute a quorum, except that two members shall constitute a quorum for taking testimony and receiving evidence. Proxies shall not be used to establish a quorum. If the chairman is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

[See House Rule XI, 2(h).]

RULE 4.—COMMITTEE REPORTS

Bills and resolutions approved by the committee shall be reported by the chairman in accordance with House Rule XI, 2(l).

Every investigative report shall be approved by a majority vote of the committee at a meeting at which a quorum is present. Supplemental, minority, or additional views may be filed in accordance with House Rule XI, 2(l)(5). The time allowed for filing such views shall be three calendar days (excluding Saturdays, Sundays, and legal holidays) unless the committee agrees to a different time, but agreement on a shorter time shall require the concurrence of each member seeking to file such views. A proposed report shall not be considered in subcommittee or full committee unless the proposed report has been available to the members of such subcommittee or full committee for at least three calendar days (excluding Saturdays, Sundays, and legal holidays) prior to the consideration of such proposed report in subcommittee or full committee. If hearings have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the subcommittee or full committee prior to the consideration of the proposed report in such subcommittee or full committee.

RULE 5.—PROXY VOTES

A member may vote by proxy on any measure or matter before the committee and on any amendment or motion pertaining thereto. A proxy shall be in writing and be signed by the member granting the proxy; it shall show the date and time of day it was signed and the date for which it is given and the member to whom the proxy is given. Each proxy authorization shall state that the member is absent on official business or is otherwise unable to be present; shall be limited to the date and the specific measure or matter to which it applies; and, unless it states otherwise, shall apply to any amendments or motions pertaining to the measure or matter.

[See House Rule XI, 2(f).]

RULE 6.—ROLLCALLS

A rollcall of the members may be had upon the request of any member.

[See House Rule XI, 2(e).]

RULE 7.—RECORD OF COMMITTEE ACTIONS

The committee staff shall maintain in the committee offices a complete record of committee actions including a record of the rollcall votes taken at committee business meetings. The original records, or true copies thereof, as appropriate, shall be available for public inspection whenever the committee offices are open for public business. The staff shall assure that such original records are preserved with no unauthorized alteration, additions, or defacement.

[See House Rule XI, 2(e).]

RULE 8.—SUBCOMMITTEES; REFERRALS

There shall be seven subcommittees with appropriate party ratios which shall have fixed jurisdictions. Bills, resolutions, and other matters shall be referred by the chairman to subcommittees within two weeks for consideration or investigation in accordance with their fixed jurisdictions. Where the subject matter of the referral involves the jurisdiction of more than one subcommittee or does not fall within any previously assigned jurisdiction, the chairman shall refer the matter as he may deem advisable. Bills, resolutions, and other matters referred to subcommittees may be reassigned by the chairman when in his judgment, the subcommittee is not able to complete its work or cannot reach agreement thereon.

[See House Rule XI, 1(a)(2).]

RULE 9.—EX OFFICIO MEMBERS

The chairman and the ranking minority member of the committee shall be ex officio members of all subcommittees. They are authorized to vote on subcommittee matters; but, unless they are regular members of the subcommittee, they shall not be counted in determining a subcommittee quorum other than a quorum for the purpose of taking testimony.

RULE 10.—STAFF

Except as otherwise provided by House Rule XI, 5 and 6, the chairman of the full committee shall have the authority to hire and discharge employees of the professional and clerical staff of the full committee and of subcommittees subject to appropriate approval.

RULE 11.—STAFF DIRECTION

Except as otherwise provided by House Rule XI, 5 and 6, the staff of the committee shall be subject to the direction of the chairman of the full committee and shall perform such duties as he may assign.

RULE 12.—HEARING DATES AND WITNESSES

The chairman of the full committee will announce the date, place, and subject matter of all hearings at least one week prior to the commencement of any hearings, unless he determines that there is good cause to begin such hearings at an earlier date. In order that the chairman of the full committee may coordinate the committee facilities and hearing plans, each subcommittee chairman shall notify him of any hearing plans at least two weeks in advance of the date of commencement of hearings, including the date, place, subject matter, and the names of witnesses, willing and unwilling, who would be called to testify, including, to the extent he is advised thereof, witnesses whom the minority members may request. The minority members shall supply the names of witnesses they intend to call to the chairman of the full committee or subcommittee at the earliest possible date. Witnesses appearing before the committee shall, so far as practicable, submit written statements at least 24 hours in advance of their appearance.

[See House Rule XI, 2(g)(3), (g)(4), (j), and (k).]

RULE 13.—OPEN MEETINGS

Meetings for the transaction of business and hearings of the committee shall be open to the public or closed in accordance with Rule XI of the House of Representatives.

[See House Rule XI, 2(g) and (k).]

RULE 14.—FIVE-MINUTE RULE

A committee member may question a witness only when recognized by the chairman for that purpose. In accordance with House Rule XI, 2(j)(2), each committee member may request up to five minutes to question a witness until each member who so desires has had such opportunity. Until all such requests have been satisfied, the chairman shall, so far as practicable, recognize alternately on the basis of seniority those majority and minority members present at the time the hearing was called to order and others on the basis of their arrival at the hearing. Thereafter, additional time may be extended at the direction of the chairman.

RULE 15.—INVESTIGATIVE HEARINGS; PROCEDURE

Investigative hearings shall be conducted according to the procedures in House Rule XI, 2(k). All questions put to witnesses before the committee shall be relevant to the subject matter before the committee for consideration, and the chairman shall rule on the relevance of any questions put to the witness.

RULE 16.—STENOGRAPHIC RECORD

A stenographic record of all testimony shall be kept of public hearings and shall be made available on such conditions as the chairman may prescribe.

RULE 17.—TV, RADIO, AND PHOTOGRAPHS

When approved by a majority vote, an open meeting or hearing of the committee or a subcommittee may be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, subject to the provisions of House Rule XI, 3. In order to enforce the provisions of said rule or to maintain an acceptable standard of dignity, propriety, and decorum, the chairman may order such alteration, curtailment, or discontinuance of coverage as he determines necessary.

RULE 18.—ADDITIONAL DUTIES OF CHAIRMAN

The chairman of the full committee shall:

(a) Make available to other committees the findings and recommendations resulting from the investigations of the committee or its subcommittees as required by House Rule X, 4(c)(2);

(b) Arrange such meetings, designate participants and submit such reports to the House as may be necessary to carry out the coordination of oversight activities and reporting requirements under House Rule X, 2(c);

(c) Direct such review and studies on the impact or probable impact of tax policies affecting subjects within the committee's jurisdiction as required by House Rule X, 2(d);

(d) Submit to the Committee on the Budget views and estimates required by House Rule X, 4(g), and to file reports with the House as required by the Congressional Budget Act;

(e) Authorize and issue subpenas as provided in House Rule XI, clause (2)(m)(1), in the conduct of any investigation or activity or series of investigations or activities

within the jurisdiction of the committee; and

(f) Prepare, after consultation with subcommittee chairmen and the minority, a budget for the committee which shall include an adequate budget for the subcommittees to discharge their responsibilities.

RULES OF THE COMMITTEE ON EDUCATION AND LABOR FOR THE 97TH CONGRESS

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, pursuant to rule XI, clause 2(a), of the Rules of the U.S. House of Representatives, I submit for printing in the CONGRESSIONAL RECORD the rules of the Committee on Education and Labor for the 97th Congress, adopted by the committee on February 24, 1981:

RULES OF THE COMMITTEE ON EDUCATION AND LABOR

Rule 1. Regular and Special Meetings.—(a) Regular meetings of the committee shall be held on the second and fourth Tuesdays of each month at 9:45 a.m., while the Congress is in session. When the Chairman believes that the committee will not be considering any bill or resolution before the committee and that there is no other business to be transacted at a regular meeting, he will give each member of the committee, as far in advance of the day of the regular meeting as the circumstances make practicable a written notice to that effect and no committee meeting shall be held on that day.

(b) The Chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purposes pursuant to that call of the Chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the Chairman, those members may file in the offices of the committee their written request to the Chairman for that special meeting. Immediately upon the filing of the request, the clerk of the committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request the Chairman does not call the requested special meeting to be held within seven calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) All legislative meetings of the committee and its subcommittees shall be open. No business meeting of the committee, other than regularly scheduled meetings, may be held without each member being given reasonable notice. Such meeting shall be called to order and presided over by the Chairman, or in the absence of the Chairman, by the ranking majority party member of the committee present.

Rule 2. Questioning of Witnesses.—Committee members may question witnesses only when they have been recognized by the Chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both committee and subcommittee hearings shall be initiated by the Chairman, followed by the ranking minority party member and all other members alternating between the majority and minority party. In recognizing members to question witnesses in this fashion, the Chairman shall take into consideration the ratio of the majority to minority party members present and shall establish the order of recognition for questioning in such a manner as not to place the members of the majority party in a disadvantageous position. The Chairman may accomplish this by recognizing two majority party members for each minority party member recognized.

Rule 3. Records and Rollcalls.—Written records shall be kept of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a rollcall is demanded. The result of each such rollcall vote shall be made available by the committee or subcommittee for inspection by the public at reasonable times in the offices of the committee or subcommittee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present or, in the apparent absence of a quorum, by any one member.

Rule 4. Standing Subcommittees: Size, Ratio and Jurisdiction.—(a) There shall be eight standing subcommittees with the following jurisdictions:

Subcommittee on Elementary, Secondary and Vocational Education.—Education from preschool through the high school level and vocational education including, but not limited to elementary and secondary education generally, vocational education, school lunch and child nutrition, adult basic education, migrant and agricultural labor education, and overseas dependent schools.

The Subcommittee on Elementary, Secondary and Vocational Education shall consist of 19 Members, 11 from the Majority and 8 from the Minority. This ratio does not include the assignment of any Delegate or Resident Commissioner to this subcommittee, but does include Ex Officio Members.

Subcommittee on Employment Opportunities.—Comprehensive employment and training, work incentive and equal employment opportunities including, but not limited to Comprehensive Employment and Training Act, equal employment opportunities, Humphrey-Hawkins, displaced homemakers, Wagner-Peyser (employment services), Youth Conservation Corps, Young Adult Conservation Corps, import trade impacts, plant relocation impact, and WIN.

The Subcommittee on Employment Opportunities shall consist of 10 Members, 6 from the Majority and 4 from the Minority. This ratio includes Ex Officio Members, but does not include the assignment of any Delegate or Resident Commissioner to this subcommittee.

Subcommittee on Labor-Management Relations.—Relationship between employer and employee and their representatives including, but not limited to labor-management relations generally, Bureau of Labor Statistics, pension reform (ERISA), and Service Contract Act.

The Subcommittee on Labor-Management Relations shall consist of 13 Members, 8 from the Majority and 5 from the Minority. This ratio includes Ex Officio Members.

Subcommittee on Health and Safety.—Worker's health and safety including, but not limited to, occupational safety and health, mine health and safety, youth camp safety, and migrant and agricultural labor, health and safety.

The Subcommittee on Health and Safety shall consist of 8 Members, 5 from the Majority and 3 from the Minority. This ratio includes Ex Officio Members.

Subcommittee on Human Resources.—All matters dealing with programs and services for the elderly, for the elimination of poverty and for the care and treatment of children, exclusive of education programs including, but not limited to Economic Opportunity and Community Services Acts (Headstart, Community Services, etc.), Juvenile Justice and Delinquency Prevention, Runaway Youth Act, early childhood services, nutrition programs for the elderly, and older Americans.

The Subcommittee on Human Resources shall consist of 5 Members, 3 from the Majority and 2 from the Minority. This ratio includes Ex Officio Members, but does not include the assignment of any Delegate or Resident Commissioner to this subcommittee.

Subcommittee on Postsecondary Education.—Education beyond the high school level including, but not limited to higher education generally, education professions development, postsecondary student assistance, arts and humanities, museums, and library services and construction.

The Subcommittee on Postsecondary Education shall consist of 13 Members, 8 from the Majority and 5 from the Minority. This ratio includes Ex Officio Members.

Subcommittee on Labor Standards.—Wages and hours of labor including, but not limited to Davis-Bacon Act, Walsh-Healey Act, Fair Labor Standards Act (including child labor), workers' compensation generally, Longshoremen's and Harbor Workers' Compensation Act, Federal employees' compensation, and the Farm Labor Contractor Registration Act.

The Subcommittee on Labor Standards shall consist of 12 Members, 7 from the Majority and 5 from the Minority. This ratio includes Ex Officio Members.

Subcommittee on Select Education.—Special education programs including, but not limited to alcohol and drug abuse, education of the handicapped, rehabilitation, environmental education, National Institute of Education, migrant and agricultural labor day care, child adoption, child abuse, domestic violence, and domestic volunteers, ACTION (excluding volunteer older American programs).

The Subcommittee on Select Education shall consist of 8 Members, 5 from the Majority and 3 from the Minority. This ratio includes Ex Officio Members.

(b) The Majority party Members of the Committee may provide for such special and select subcommittees as determined to be appropriate.

Rule 5. Ex Officio Membership.—The Chairman of the Committee and the ranking Minority party Member of the Committee shall be ex officio members of each Subcommittee established pursuant to Rule 4.

Rule 6. Special Assignment of Members.—To facilitate the oversight and other legislative and investigative activities of the committee, the Chairman of the committee may, at the request of a subcommittee chairman, make a temporary assignment of any member of the committee to such subcommittee for the purpose of enabling such member to participate in any public hearing, investigation, or study by such subcommittee to be held outside of Washington. Any member of the committee may attend public hearings of any subcommittee and shall be afforded an opportunity by the subcommittee chairman to question witnesses.

Rule 7. Subcommittee Chairmanship.—The majority party members of the committee shall have the right, in order of full committee seniority, to bid for subcommittee chairmanships. Any such request shall be subject to approval by a majority of those present and voting in the majority party caucus of the committee. Members so elected shall be chairman of their respective subcommittees.

Rule 8. Subcommittee Scheduling.—Subcommittee chairmen shall set meeting dates after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible. Available dates for subcommittee meetings during the session shall be assigned by the Chairman to the subcommittees as nearly as practicable in rotation and in accordance with their workloads.

Rule 9. Subcommittee Rules.—The rules of the committee shall be the rules of its subcommittees.

Rule 10. Committee Staffs.—Except as provided in Rule XI, clause 5(d) of the Rules of the House of Representatives, the staff of the House Committee on Education and Labor shall be appointed as follows:

A. The subcommittee staff shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of the majority party members of the subcommittee within the budget approved for the subcommittee by the full committee;

B. The staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority party members of the committee shall determine within the budget approved for such purposes by the committee;

C. The employees of the committee not assigned to a standing subcommittee or to the minority under the above provisions shall be appointed, and may be removed, and their remuneration determined by the Chairman in consultation with and with the approval of the majority party members of the committee within the budget approved for such purposes by the committee.

Rule 11. Supervision and Duties of Committee Staffs.—The staff of a subcommittee shall be under the general supervision and direction of the chairman of that subcommittee. The staff assigned to the minority shall be under the general supervision and direction of the minority party members of the committee who may delegate such authority as they determine appropriate. The staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the Chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate authority as he determines appropriate.

Staff members shall be assigned to committee business and no other duties may be assigned to them.

Rule 12. Hearings Procedure.—(a) The Chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee or subcommittee determines that there is good cause to begin such hearing at an earlier date. In the latter event the Chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 24 hours in advance of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the Chairman by a majority of those minority party members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

Rule 13. Meetings—Hearings—Quorums.—(a) Subcommittees are authorized to hold hearings, receive exhibits, hear witnesses, and report to the committee for final action, together with such recommendations as may be agreed upon by the subcommittee. No such meetings or hearings, however, shall be held outside of Washington or during a recess or adjournment of the House without the prior authorization of the committee Chairman or a majority of a quorum of the subcommittee: *Provided*, That where feasible and practicable, 14 days notice will be given of such meeting or hearing.

(b) One-third of the members of the committee or subcommittee shall constitute a quorum for taking any action other than amending committee rules, closing a meeting from the public, reporting a measure or recommendation, or in the case of the committee authorizing a subpoena. For the enumerated actions a majority of the committee or subcommittee shall constitute a quorum. Any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

(c) In the absence of the chairman of the committee or a subcommittee, the ranking majority party member present shall preside.

Rule 14. Subpoenas.—A subpoena may be authorized and issued by the Committee or subcommittee in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the Members of the full Committee voting, a majority being present. Authorized subpoenas shall be signed by the Chairman of the Committee or by any Member designated by the Committee.

Rule 15. Reports of Subcommittees.—(a) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(b) In any event, the report, described in the proviso in paragraph (d) of this rule, of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

(c) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report:

"This report has not been officially adopted by the Committee on Education and Labor (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(d) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed upon the agenda of the committee as of the time they are reported and shall be considered by the full committee in the order in which they were reported unless the committee shall by majority vote otherwise direct: *Provided*, That no bill reported by a subcommittee shall be considered by the full committee unless it has been in the hands of all members at least 48 hours prior to the meeting, together with a comparison with present law and a section-by-section analysis of the proposed change.

Rule 16. Proxies.—(a) A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing and in the hands of the chief clerk of the committee or the clerk of the subcommittee, as the case may be, during each rollcall in which they are to be voted. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigned his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

(b) Proxies shall be in the following form:

Hon. ——,
House of Representatives,
Washington, D.C.

DEAR —— Anticipating that I will be absent on official business or otherwise unable to be present, I hereby authorize you to vote in my place and stead in the consideration of —— and any amendments or motions pertaining therein.

——,
Member of Congress.

Executed this the —— day of ——, 19—, at the time of —— P.M./A.M.

Rule 17. Authorization for Travel.—(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be paid from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the Chairman. Travel may be authorized by the Chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee or any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee.

Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the appropriate chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule 12 of the committee.

(c)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittees prior authorization must be obtained from the Chairman, or, in the case of a subcommittee, from the subcommittee chairman and the Chairman. Before such authorization is given, there shall be submitted to the Chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the Chairman or the chairman of a subcommittee (except that individuals may submit a request to the Chairman for the purpose of attending a conference or meeting) and shall be limited to members and permanent employees of the committee.

(3) The Chairman shall not approve a request involving travel outside the United States while the House is in session (except in the case of attendance at meetings and conferences or where circumstances warrant an exception).

(4) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (or members and staff attending meetings or conferences) shall submit a written report to the Chairman covering the activities and other pertinent observations or information gained as a result of such travel.

(d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel, including rules, procedures and limitations prescribed by the Committees on House Administration with respect to domestic and foreign expense allowances.

(e) Prior to the Chairman's authorization for any travel the ranking minority party member shall be given a copy of the written request therefor.

Rule 18. Oversight.—(a) In order to enable the Committee to carry out its responsibilities under Rule X, clause (2) of the Rules of the House of Representatives, each subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that subcommittee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, each such subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of that subcommittee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of that subcommittee.

(b) The Chairman of the committee, consistent with Rule 4, from time to time in order to fulfill the committee's responsibility under Rule X, clause (3)(c) of the Rules of the House of Representatives, shall assign matters to subcommittees for reviewing, studying, and coordinating, on a continuing basis, all laws, programs, and Government activities dealing with or involving domestic educational programs and institutions, and programs of student assistance, which are within the jurisdiction of other committees.

(c) The Chairman of the committee, consistent with Rule X, clause (2)(d) of the Rules of the House of Representatives, shall from time to time assign matters to subcommittees for reviewing and studying on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

Rule 19. Referral of Bills, Resolutions, and Other Matters.—(a) Each bill, resolution, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule 4 referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within two weeks, unless, by majority vote of the majority party members of the committee, consideration is to be by the full committee.

(b) In carrying out paragraph (a) with respect to any matter, the Chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule 4, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter, pursuant to Rule 4, to a special ad hoc subcommittee, appointed by the Chairman (from the members of the subcommittees having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the committee thereon, or make such other provisions as may be considered appropriate.

(c) Referral to a subcommittee shall not be made until three days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the chairman of the full committee and to the chairman of each subcommittee that he intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee or proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

Rule 20. Committee Reports.—(a) All committee reports on bills or resolutions shall comply with the provisions of clause 2 of Rule XI of the Rules of the House of Representatives.

(b) No such report shall be filed until copies of the proposed report have been available to all members at least 36 hours prior. No material change shall be made in the report distributed to members unless agreed to by majority vote: *Provided*, That any member or members of the committee may file, as part of the printed report, individual, minority, or dissenting views, without reference to the preceding provisions of this rule.

Rule 21. Budget and Expenses.—The Chairman, in consultation with the majority party members of the committee shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the committee and after consultation with the minority party membership, the Chairman shall include amounts budgeted to the minority party members for staff personnel to be under the direction and supervision of the minority party, travel expenses of minority members and staff, and minority party office expenses. All travel expenses of minority party members and staff shall be paid for out of the amounts so set aside and budgeted. The chairman of each standing subcommittee, in consultation with the majority party members thereof, shall prepare a supplemental budget to include funds for each additional staff, and for such travel, investigations, etc., as may be required for the work of such subcommittee. Thereafter, the Chairman shall combine such proposals into a consolidated committee budget, and shall present the same to the committee for its approval or other action. The Chairman shall take whatever action is necessary to have the budget as finally approved by the committee duly authorized by the House. After said budget shall have been adopted, no change shall be made in such budget unless approved by the committee. The Chairman or the chairman of any standing subcommittee may initiate necessary travel requests as provided in Rule 16 within the limits of their portion of the consolidated budget as approved by the House, and the Chairman may execute necessary vouchers therefor.

Once monthly, the Chairman shall notify the committee, in writing, that a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the committee is available to every Member in the office of the Clerk of the Committee. Such report shall show the amount and purpose of each expenditure and the budget to which such expenditure is attributed.

Rule 22. Appointment of Conferees.—Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall recommend to the Speaker as conferees the names of those members of the subcommittee which handled the legislation in the order of their seniority upon such subcommittee and such other committee members as the Chairman may designate with the approval of the majority party members. Recommendations of the Chairman to the Speaker shall provide a ratio of majority party members to minority party members no less favorable to the majority party than the ratio of majority members to minority party members on the full committee. In making assignments of minority party members as conferees the Chairman shall consult with the ranking minority party member of the committee.

Rule 23. Broadcasting of Committee Hearings.—(a) Whenever any hearing or meeting of the committee or a subcommittee is open to the public, that hearing or meeting may be covered in whole or in part by television broadcast, radio broadcast, and still photography, or by other such methods of coverage. Such coverage of hearings and meetings is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions and requirements of clause 3 of Rule XI of the rules of the House of Representatives.

(b) The general conduct of each hearing or meeting covered under authority of this clause and the personal behavior of committee members, staff, other government officials and personnel, witnesses, television, radio and press media personnel, and the general public at the hearing or other meeting, shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House.

(c) Persons undertaking to cover committee hearings or meetings under authority of this rule shall be governed by the following limitations:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to clause 2(k)(5) of Rule XI of the Rules of the House of Representatives, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobstrusive manner.

Rule 24. Changes in Committee Rules.—A proposed change in these Rules shall not be considered by the committee unless the text of such change has been in the hands of all Members at least 48 hours prior to the meeting in which the matter is considered.

RULE XI, CL. 2(k)

Rules of the U.S. House of Representatives, 96th Congress

Investigative Hearing Procedures

(k)(1) The chairman at an investigative hearing shall announce in the opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause 2(g)(2) of this Rule, if by a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

In either case the committee shall afford such person an opportunity voluntarily to appear as a witness; and receive and dispose of requests from such person to subpena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in

public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

RULES OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION FOR THE 97TH CONGRESS

(Mr. HOWARD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HOWARD. Mr. Speaker, pursuant to clause 2(a) of rule XI of the Rules of the House of Representatives, and the unanimous consent request of February 4, 1981, which extended the time for all committees to publish their rules in the CONGRESSIONAL RECORD to Friday, February 27, I submit the attached rules of the Committee on Public Works and Transportation for the 97th Congress. These rules were adopted in open session by voice vote in the presence of a quorum at the committee's organizational meeting on February 19, 1981:

NINETY-SEVENTH CONGRESS, 1981-82, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION—COMMITTEE RULES

RULE NO. I.—GENERAL PROVISIONS

(a) The Rules of the House are the rules of the committee and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committees and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X of House Rules and (subject to the adoption of expense resolutions as required by Rule XI, clause 5 of House Rules) to incur expenses (including travel expenses) in connection therewith.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committee under Rules X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record no later than 30 days after the Congress convenes in each odd-numbered year.

RULE NO. II.—REGULAR AND SPECIAL MEETINGS; OPEN COMMITTEE MEETINGS

(a) Regular meetings of the committee shall be held on the first Tuesday of every month to transact its business unless such day is a holiday, or Congress is in recess or is adjourned, in which case the Chairman shall determine the regular meeting day of the committee for that month. The Chairman shall give each member of the Committee, as far in advance of the day of the regular meeting as the circumstances make practicable, a written notice of such meeting. If the Chairman believes that the Committee will not be considering any bill or resolution before the full committee and that there is no other business to be transacted at a regular meeting, the meeting may be cancelled, delayed or deferred until such time as, in the judgment of the Chairman, there may be such matters which require the committee's consideration. This paragraph shall not apply to meetings of any subcommittee.

(b) The Chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the Chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the Chairman, those members may file in the offices of the committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) If the Chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

(e) The committee may not sit, without special leave, while the House is reading a measure for amendment under the five-minute rule.

(f)(1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public: Provided, however, that no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a)(1) of House Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony,

(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate clause (g)(5) of Rule VII, or

(B) may vote to close the hearing, as provided in clause (g)(5) of Rule VII. No member of the House of Representatives may be excluded from nonparticipatory attendance at any hearing of the committee or any subcommittee, unless the House of Representatives shall by majority vote authorize the committee or a particular subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to members by the same procedure designated in this subparagraph for closing hearings to the public; *Provided, however,* That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearings.

RULE NO. III.—RECORDS AND ROLL CALLS

(a) There shall be kept in writing a record of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a roll call is demanded. The result of each such roll call vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present.

(b) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as Chairman of the committee; and such records shall be the property of the House and all members of the House shall have access thereto.

RULE NO. IV.—PROXIES

(a) A vote by any member in the committee or in any subcommittee may be cast by proxy, but such proxy must be in writing. Each proxy shall designate the member who is to execute the proxy authorization and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto; except that a member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for a quorum.

(b) Proxies shall be in the following form:

Hon. ————,
House of Representatives,
Washington, D.C.

DEAR ————: Anticipating that I will be absent on official business or otherwise unable to be present, I hereby authorize you to vote in my place and stead in the consideration of ———— and any amendments or motions pertaining thereto.

————,
Member of Congress.

Executed this the —— day of ————, 19——, at the time of ———— p.m./a.m.

RULE NO. V.—POWER TO SIT AND ACT; SUBPOENA POWER

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI, the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b)(1) of this paragraph)

(1) to sit and act at such times and places within or without the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. The Chairman of the committee, or any member designated by the Chairman, may administer oaths to any witness.

(b)(1) A subpoena may be issued by the committee or subcommittee under subparagraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. Such authorized subpoenas shall be signed by the Chairman of the Committee or by any member designated by the committee. If a specific request for a subpoena has not been previously rejected by either the committee or subcommittee, the Chairman of the committee, after consultation with the ranking minority member, may authorize and issue a subpoena under subparagraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, and such subpoena shall for all purposes be deemed a subpoena issued by the committee. Whenever a subpoena is issued under this subparagraph, as soon as practicable thereafter, the Chairman shall notify all members of the committee of such action.

(2) Compliance with any subpoena issued by the committee or subcommittee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

(c) Each witness who has been subpoenaed, upon the completion of his testimony before the committee or any subcommittee, may report to the office of counsel of the committee, and there sign appropriate vouchers for travel allowances and attendance fees. If hearings are held in cities other than Washington, D.C., the witness may contact the counsel of the committee, or his representative, prior to leaving the hearing room.

RULE NO. VI.—QUORUMS

(a) One-third of the members of the committee or a subcommittee shall constitute a quorum for taking any action other than the closing of a meeting pursuant to subparagraph (f) of committee Rule II, the authorizing of a subpoena pursuant to subparagraph (b) of committee Rule V, the reporting of a measure or recommendation pursuant to subparagraph (b)(1) of committee Rule VIII, and the actions described in subparagraph (b), (c) and (d) of this Rule.

(b) A majority of the members of the committee or a subcommittee shall constitute a quorum for the reporting of a measure or recommendation.

(c) A majority of the members of the committee or a subcommittee shall constitute a quorum for approval of any of the following actions:

(1) Construction, alteration, purchase or acquistion of a public building involving an expenditure in excess of $500,000 and lease of space at an average annual rental in excess of $500,000 (section 2 of P.L. 92-313, 40 U.S.C. 606).

(2) Survey investigation of a proposed project for navigation, flood control, and other purposes by the Corps of Engineers (section 4 of the Rivers and Harbors Act of March 4, 1913, 33 U.S.C. 542).

(3) Construction of a water resources development project by the Corps of Engineers with an estimated Federal cost not exceeding $15,000,000 (section 201 of the Flood Control Act of 1965, as amended).

(4) Continuation of the authorization of water resources development project to be constructed by the Corps of Engineers where such project has been recommended for deauthorization pursuant to the provisions of section 12 of the Water Resources Development Act of 1974.

(5) Deletion of water quality storage in a Federal reservoir project where the benefits attributable to water quality are 15 percent or more but not greater than 25 percent of the total project benefits (section 65 of the Water Resources Development Act of 1974).

(6) Authorization of a Soil Conservation Service watershed project involving any single structure of more than 4,000 acre feet of total capacity (section 2 of P.L. 566, 83rd Congress, as amended).

(d) Two members of the committee or subcommittee shall constitute a quorum for the purpose of taking testimony and receiving evidence.

RULE NO. VII.—HEARING PROCEDURES

(a) The Chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify the Daily Digest Clerk of the Congressional Record and shall promptly enter the appropriate information into the committee scheduling service of the House Information Systems as soon as possible after such public anouncement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 2 working days before the day of his appearance, a written statement of his proposed testimony and shall limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the Chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) Upon announcement of a hearing, to the extent practicable the Clerk and Staff Director shall cause to be prepared a concise summary of the subject matter (including legislative reports and other material) under consideration which shall be made available immediately to all members of the committee. In addition, upon announcement of a hearing and subsequently as they are received, the Chairman shall make available to the members of the committee any official reports from departments and agencies on such matter.

(e) All other members of the committee may have the privilege of sitting with any subcommittee during its hearing or deliberations and may participate in such hearings or deliberations, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(f) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witness in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority nor the members of the minority. The chairman may accomplish this by recognizing two majority members for such minority member recognized.

(g) The following additional rules shall apply to investigative hearings:

(1) The Chairman at an investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The Chairman may punish breaches of order and decorum and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted that the evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person.

(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause (f)(2) of Rule No. II, if by a majority of those present, there being in attendance the requisite number required under the rules of

the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the committee shall proceed to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

In either case the committee shall afford such person an opportunity to voluntarily appear as a witness; and receive and dispose of requests from such person to subpoena additional witnesses.

(C) receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the Chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

(10) No major investigation by a subcommittee shall be initiated without approval of a majority of such subcommittee.

RULE NO. VIII.—PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a)(1) It shall be the duty of the Chairman of the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the Chairman of the committee notice of the filing of that request.

(b)(1) No measure or recommendation shall be reported from the committtee unless a majority of the committee was actually present.

(2) With respect to each roll call vote on a motion to report any bill or resolution of a public character, the total number of votes cast for, and the total number of votes cast against, the reporting of such bill or resolution shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include

(1) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the House separately set out and clearly identified;

(2) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 4(c)(2) of Rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than three calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c) are included as part of the report. This subparagraph does not preclude

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in previous report made by that committee upon that measure or matter.

(f)(1) All committee and subcommittee prints, reports, documents, or other materials, not otherwise provided for under Rule VIII, that purport to express publicly views of the Committee or any of its subcommittees or members of the committee or its subcommittees shall be approved by the committee or the subcommittee prior to printing and distribution and any member shall be given an opportunity to have views included as part of such material prior to printing, release and distribution in accordance with subparagraph (e) of this rule.

(2) No committee or subcommittee document containing views other than those of members of the committee or subcommittee shall be published without approval of the committee or subcommittee.

RULE NO. IX. OVERSIGHT

(a) In order to assist the House in:

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modifications or changes in those laws, and of such additional legislation, as may be necessary or appropriate, there shall be in conformity with Rule XV a Subcommittee on Investigations and Oversight.

(b) The Subcommittee on Investigations and Oversight and the appropriate subcommittee with legislative authority shall cooperatively review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Subcommittee on Investigations and Oversight and the appropriate subcommittee with legislative authority shall cooperatively review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the committee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of the committee. The Subcommittee on Investigations and Oversight shall in no way limit the responsibility of the subcommittees from carrying out their oversight responsibilities.

(c) The Subcommittee on Investigations and Oversight and the appropriate subcommittee with legislative authority shall cooperatively review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

RULE NO. X.—REVIEW OF CONTINUING PROGRAMS; BUDGET ACT PROVISIONS

(a) The committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(d) of Rule XIII of House Rules.

(b) The committee shall review, from time to time, each continuing program within its jurisdictions for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefore would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the

budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

RULE NO. XI.—BROADCASTING OF COMMITTEE HEARINGS

(a) It is the purpose of this clause to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee hearings, or committee meetings, which are open to the public may be covered, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body and regarding the measures, public issues, and other matters before the House and its committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution of the United States as an organ of the Federal Government.

(b) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause shall not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(c) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered, under authority of this clause, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, and the personal behavior of the committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations and shall not be such as to

(1) distort the objects and purposes of the hearings or other meeting or the activities of committee members in connection with that hearing or meeting or in connection with the general work of the committee or of the House; or

(2) cast discredit or dishonor on the House, the committee, or any member or bring the House, the committee, or any member into disrepute.

(d) The coverage of committee hearings and meetings by television broadcast, radio broadcast, or still photography is a privilege made available by the House and shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause.

(e) Whenever any hearing or meeting conducted by any committee of the House is open to the public, that committee may permit, by majority vote of the committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, but only under such written rules as the committee may adopt in accordance with the purposes, provisions, and requirements of this clause.

(f)(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the committee shall be required against his or her will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. This subparagraph is supplementary to subparagraph (g)(5) of Rule VII, relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or the meeting at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing or meeting by still photography that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the members of the committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

RULE NO. XII.—COMMITTEE AND SUBCOMMITTEE BUDGETS

(a) The Chairman, in consultation with the chairman of each subcommittee, the majority members of the committee and the minority membership of the committee, shall, for each session of the Congress, prepare a consolidated committee budget. Such budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the full committee and its subcommittees.

(b) Authorization for the payment of additional or unforeseen committee and subcommittees' expenses may be procured by one or more additional expense resolutions processed in the same manner as set out herein.

(c) The Chairman or any chairman of a subcommittee may initiate necessary travel requests as provided in Rule XIV within the limits of the consolidated budget as approved by the House and the Chairman may execute necessary vouchers thereof.

(d) Once monthly, the Chairman shall submit to the Committee on House Administration, in writing, a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the full committee. Such report shall show the amount and purpose of such expenditure and the budget to which such expenditure is attributed. A copy of such monthly report shall be available in the committee office for review by members of the committee.

RULE NO. XIII.—COMMITTEE AND SUBCOMMITTEE STAFF

(a) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority members of the committee shall determine within the budget approved for such purposes; Provided, however, that no minority staff person shall be compensated at a rate which exceeds that paid his or her majority party staff counterpart.

(b) The professional and clerical employees of the committee not assigned to a subcommittee or to the minority under the above provision shall be appointed, and may be removed, and their remuneration determined by the Chairman.

(c) The professional and clerical staff assigned to the minority shall be under the general supervision and direction of the ranking minority party member of the full committee who may delegate such authority as he determines appropriate.

(d) The professional and clerical staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(e) It is intended that the skills and experience of all members of the committee staff shall be available to all members of the committee.

(f)(1) The chairman of each standing subcommittee of this committee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority member of each standing subcommittee on this committee is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (e) of clause 6 of House Rule XI; Provided, however, a staff person appointed by a ranking minority member shall be compensated at a rate not to exceed that paid his or her majority party staff counterpart.

(4) Subparagraphs (1), (2), and (3) shall apply to six subcommittees only, and no member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the subcommittee chairmen and ranking minority party members pursuant to subparagraphs (1) and (2) shall be made available from the staff positions provided under clause 6 of House Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution.

(6) Except as provided by the above provisions, the professional and clerical members of the subcommittee staffs shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of a majority of the majority members of the subcommittee, and with the approval of the chairman.

(7) The professional and clerical staff of a subcommittee shall be under the supervision and direction of the chairman of that subcommittee.

RULE NO. XIV.—TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee of any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the Chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is to be made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule VII of the committee.

(c)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the Chairman, or, in the case of a subcommittee from the subcommittee chairman and the Chairman. Before such authorization is given, there shall be submitted to the Chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel; (B) the dates during which the travel will occur; (C) the names of the countries to be visited and the length of time to be spent in each; (D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and (E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the Chairman or the chairman of a subcommittee (except that individuals may submit a request to the Chairman for the purpose of attending a conference or meeting) and shall be limited to members and permanent employees of the committee.

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (or members and staff attending meetings or conferences) shall submit a written report to the Chairman covering the activities and other pertinent observations or information gained as a result of such travel, when requested by the Chairman. (d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel.

RULE NO. XV.—NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) There shall be 6 standing subcommittees. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees, respectively:

(1) Subcommittee on Aviation (2) Subcommittee on Economic Development (3) Subcommittee on Investigations and Oversight (4) Subcommittee on Public Buildings and Grounds (5) Subcommittee on Surface Transportation (6) Subcommittee on Water Resources.

(b) The committee may provide for such additional subcommittees as determined to be appropriate: Provided however, that such additional subcommittees are approved by a majority of the majority members on the committee.

RULE NO. XVI.—POWERS AND DUTIES OF SUBCOMMITTEES

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings wherever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) In any event, the report of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of any request, the clerk of the committee shall transmit immediately to the chairman of the subcommittee notice of the filing of that request.

(d) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report: "This report has not been officially adopted by the Committee on (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(e) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed upon the agenda of the committee as of the time they are reported and where practicable shall be considered by the full committee in the order in which they were reported unless the committee shall by majority vote otherwise direct. No bill reported by a subcommittee shall be considered by the full committee

unless it has been delivered to the offices of all members at least 48 hours prior to the meeting, unless the chairman determines that such bill is of such urgency that it should be given early consideration. Where practicable, such bills, resolutions, or other matters shall be accompanied by a comparison with present law and a section-by-section analysis of the proposed change.

RULE NO. XVII.—REFERRAL OF LEGISLATION TO SUBCOMMITTEES

(a) Each bill, resolution, investigation, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule XV referred to or initiated by the full committee shall be referred by the chairman to all subcommittees of appropriate jurisdiction within two weeks, unless, by majority vote of the majority members of the full committee, consideration is to be by the full committee.

(b) Referral to a subcommittee shall not be made until three days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the Chairman of the full committee and to the chairman of each subcommittee that he intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

(c) In carrying out Rule XVII with respect to any matter, the Chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule XV, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter to a special ad hoc subcommittee appointed by the Chairman (from the members of the subcommittee having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate.

RULE NO. XVIII.—SIZES AND PARTY RATIOS ON SUBCOMMITTEES AND CONFERENCE COMMITTEES

(a) To the extent that the number of subcommittees and their party ratios permit, the size of all subcommittees shall be established so that the majority party members of the committee have an equal number of subcommittee assignments; Provided, however, that a member may waive his or her right to an equal number of subcommittee assignments on the committee; and provided further, that the majority party members may limit the number of subcommittee assignments of the Chairman and the subcommittee chairman in order to equalize committee workloads.

(b) On each subcommittee there shall be a ratio of at least two majority party members for each minority party member, plus one majority party member. In calculating the ratio of majority party members to minority party members, there shall be included all ex officio voting members of the subcommittees.

(c) Following shall be the sizes and majority/minority ratios for subcommittees:

(1) Subcommittee on Aviation: (26 members) (15 majority; 11 minority) (2) Subcommittee on Economic Development: (19 members) (11 majority; 8 minority) (3) Subcommittee on Investigations and Oversight: (19 members) (11 majority; 8 minority) (4) Subcommittee on Public Buildings and Grounds: (10 members) (6 majority; 4 minority) (5) Subcommittee on Surface Transportation: (28 members) (16 majority; 12 minority) (6) Subcommittee on Water Resources: (26 members) (15 majority; 11 minority)

(d) The full committee Chairman shall recommend to the Speaker as conferees the names of those members (1) selected by the majority party members of the committee in a manner determined by them, and (2) selected by the minority. Provided, however, that recommendations of conferees to the Speaker shall provide a ratio of majority party members to minority party members which shall be no less favorable to the majority party than the ratio for the full committee.

RULES OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY FOR THE 97TH CONGRESS

(Mr. FUQUA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FUQUA. Mr. Speaker, pursuant to clause 2(a), rule XI, of the Rules of the House of Representatives, I am submitting for printing in the RECORD the rules of the Committee on Science and Technology, adopted by the full committee on February 5, 1981.

RULES GOVERNING THE PROCEDURE OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY

GENERAL

1. The Rules of the House of Representatives, as applicable, shall govern the committee and its subcommittees. The rules of the committee, as applicable, shall be the rules of its subcommittees.

COMMITTEE MEETINGS

Time and place

2. Unless dispensed with by the chairman, the meetings of the committee shall be held on the 1st and 3rd Tuesday of each month the House is in session at 10:00 a.m. and at such other times and in such places as the chairman may designate.

The chairman of the committee may convene as necessary additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business.

*4. The committee shall make public announcement of the date, place and subject matter of any of its hearings at least one week before the commencement of the hearing. If the chairman determines that there is good cause to begin the hearing sooner, he shall make the announcement at the earliest possible date. Any announcement made under this subparagraph shall be promptly published in the Daily Digest.

*5. The committee may sit while the House is reading a measure for amendment under the 5-minute rule, provided 10 or more Members on the House floor do not object when special leave for such committee or subcommittee to sit is requested.

Presiding officer

*6. If the chairman of the committee is not present at any meeting of the committee, the ranking Member of the Majority Party on the committee who is present shall preside.

Order of business

*7. The order of business and procedure of the committee and the subjects of inquiries or investigations will be decided by the chairman, subject always to an appeal to the committee.

Membership

8. A majority of the Majority Members of the committee shall determine an appropriate ratio of Majority to Minority Members for each subcommittee and shall authorize the chairman to negotiate that ratio with the Minority Party: *Provided, however,* that party representation on each subcommittee (including any ex-officio Members) shall be no less favorable to the Majority than the ratio for the full committee. *Provided, further* that recommendations of conferees to the Speaker shall provide a ratio of Majority Party Members to Minority Party Members which shall be no less favorable to the Majority party than the ratio for the full committee.

Special meetings

9. If three or more Members of the committee desire a special meeting of the committee such Members may file in the offices of the committee their written request to the chairman for such meeting. The request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of such filing. If, within three calendar days after the filing of the request, the chairman does not call a special meeting, to be held within seven calendar days after the filing of the request, a majority of the Members of the committee may file in the offices of the committee a written notice that a special meeting of the committee will be held, specifying a time and place, and the measure or matter to be considered. The committee shall meet at that time. Immediately upon the filing of the notice, the clerk of the committee shall notify all Members of the committee when the meeting will be held and the measure or matter to be considered. Only the measure or matter specified in the notice may be considered at that meeting.

COMMITTEE PROCEDURES

Quorum

*10. One-third of the Members of the committee shall constitute a quorum for all purposes except that a majority must be present in order to: (1) report or table any legislation, measure or matter; (2) close committee meetings or hearings; or (3) authorize the issuance of subpenas.

*11. The number of Members to constitute a quorum for taking testimony and receiving evidence shall not be less than two, one of whom shall be a Member of the Minority.

*Indicates rules applicable to subcommittees.

*Indicates rules applicable to subcommittees.

*12. The committee shall not make any determination by poll on any measure or matter involving its substantive, or non-procedural, legislative or oversight functions.

Proxies

*13. A member may authorize a general proxy only for motions to recess, adjourn or other procedural matters. However, a Member may vote by special proxy. The special proxy authorizaton shall be in writing, shall assert that the Member is absent on official business or is otherwise unable to be present at the meeting of the committee, shall designate the person who is to execute the proxy authorizaton and the dates for which it is to be used and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time of day that the proxy is signed. Proxies may not be counted for quorum purposes.

Witnesses

*14. The committee shall, insofar as is practicable, require each witness who is to appear before it to file with the committee (in advance of his or her appearance) a written statement of the proposed testimony and to limit the oral presentation at such appearance to a summary of his or her statement.

*15. Whenever any hearing is conducted by the committee on any measure or matter, the Minority Members of the committee shall be entitled, upon request to the chairman by a majority of them, before the completion of the hearing, to call witnesses selected by the Minority to testify with respect to the measure or matter at least one day during the hearing.

16. Clause 2(k) of Rule XI of the Rules of the House of Representatives is hereby incorporated by reference (rights of witnesses under subpena).

Subject matter

*17. Bills and other substantive matters may be taken up for hearing only when called by the chairman of the committee or by a majority vote of a quorum of the committee, except those matters which are the subject of special-call meetings outlined in Rule 9.

18. No private bill will be reported by the committee if there are two or more dissenting votes. Private bills so rejected by the committee will not be reconsidered during the same Congress unless new evidence sufficient to justify a new hearing has been presented to the committee.

*19. (a) It shall not be in order for the committee to consider any new or original measure or matter unless written notice of the date, place and subject matter of consideration and to the extent practicable, a written copy of the measure or matter to be considered, has been available in the office of each Member of the committee for at least three calendar days in advance of consideration, excluding Saturdays, Sundays and legal holidays.

(b) Notwithstanding the foregoing sections of this rule, consideration of any legislative measure or matter by the committee shall be in order by vote of two-thirds of the Members present, provided that a majority of the committee is present.

Open meetings

*20. Each meeting for the transaction of business, including the markup of legislation, of the committee shall be open to the public except when the committee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public. No person other than Members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by Rule 21 contained herein, or to any meeting that relates solely to internal budget or personnel matters.

*21. Each hearing conducted by the committee shall be open to the public except when the committee, in open session and with a quorum present, determines by roll call vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives; *Provided, however,* that the committee may by the same procedure vote to close one subsequent day of hearing.

Requests for roll call votes

22. A roll call of the Members may be had at the request of three or more Members.

Committee records

*23. The committee shall keep a complete record of all committee action which shall include a record of the votes on any question on which a roll call vote is demanded. The result of each roll call shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each Member voting for and each Member voting against such amendment, motion, order or proposition, and the names of those Members present but not voting.

5-Minute rule during committee proceedings

*24. The time any one Member may address the committee on any bill, motion or other matter under consideration by the committee or the time allowed for the questioning of a witness at hearings before the committee will be limited to five minutes, and then only when the Member has been recognized by the chairman, except that this time limit may be waived by the chairman or acting chairman. The rule of germaneness will be enforced by the chairman.

Requests for written motions

*25. Any legislative or non-procedural motion made at regular or special meeting of the committee and which is entertained by the chairman shall be presented in writing upon the demand of any Member present and a copy made available to each Member present.

SUBCOMMITTEES

Structure and jurisdiction

26. The committee shall have the following standing subcommittees with the jurisdiction indicated.

(a) Subcommittee on Energy Development and Applications.—Legislation, general and special oversight and all other matters relating to research, development and demonstration programs in fossil energy R&D; solar applications; solar technology; advanced energy technology; energy conservation; biomass; basic energy sciences; high energy and nuclear physics; geothermal energy; international cooperation in non-nuclear energy; and policy and management programs of the Department of Energy.

(b) Subcommittee on Natural Resources, Agriculture Research and Environment.—Legislation, general and special oversight and all other matters relating to natural resources, including, but not limited to, water research, and, to the extent appropriate, agriculture R&D; legislation, risk assessment and other matters relating to environmental research and development generally—including, but not limited to, research and development activities of the Environmental Protection Agency; environmental health, safety, life sciences, pharmaceutical and biomedical activities of Executive departments and agencies, as appropriate; operational and research and development activities related to the atmosphere (including meterology, aeronomy, climate, weather modification); and those ocean R&D activities related to the quality and management of the environment of the National Oceanic and Atmospheric Administration.

(c) Subcommittee on Energy Research and Production.—Legislation, general and special oversight and all other matters relating to research, development and demonstration involving nuclear fission and the nuclear fuel cycle; nuclear fusion; electric energy systems; energy storage systems; hydroelectric energy systems; international cooperation in nuclear matters (except for exports of nuclear technology and hardware); and policy and management programs of the Department of Energy.

(d) Subcommittee on Science, Research and Technology.—Legislation, general and special oversight and all other matters relating to the National Science Foundation; the National Bureau of Standards; the Office of Science and Technology Policy; the Office of Technology Assessment; scientific research and development and applications; science policy; scientific resources (including manpower); science education; science information and information sciences; technology transfer; technology assessment; innovation, productivity, and industrial R&D; standards (weights, measures, etc.); patent policies as they relate to Federal research and development programs; R&D involving governmental health, biomedical, nutritional and handicapped programs; biotechnology; intergovernmental mechanisms for R&D; and international cooperation in science and technology.

(e) Subcommittee on Space Science and Applications.—Legislation, general and special oversight and all other matters relating to the national Aeronautics and Space Administration (except aeronautical research and development); national programs of research and development in space exploration, space applications, space communications and related matters; and all matters relating to a land observing system.

(f) Subcommittee on Transportation, Aviation and Materials.—Legislation, general and special oversight and all other matters relating to civil aviation research and development (includes aeronautical research and technology programs of the National Aeronautics and Space Administration and research and development programs of the Federal Aviation Administration); transportation programs of the Department of Energy; aviation-weather services; materials R&D and national materials policies, both domestic and international; oversight of surface transportation research and development programs of the Department of Transportation, Urban Mass Transportation Administration, Federal Railroad Administration, Federal Highway Administration, National Highway Traffic Safety Administration, and Coast Guard and the Maritime Administration; oversight of research and development in communications other than that for which the Subcommittee on Space Science and Applications is responsible.

(g) Subcommittee on Investigations and Oversight.—Review and study, on a continuing basis, of the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the Committee and the organization and operation of the Federal private agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress. In addition, the Subcommittee on Investigations and Oversight and the appropriate subcommittee with legislative authority may cooperatively review and study any conditions or circumstances which indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the Committee, and may undertake future research and forecasting on matters within the jurisdiction of the Committee. The Subcommittee on Investigations and Oversight shall in no way limit the responsibility of other subcommittees from carrying out their oversight responsibilities, nor shall any investigation be undertaken by the Subcommittee on Investigations and Oversight without (a) consultation with the chairman of the appropriate subcommittee with legislative authority and (b) approval of the chairman of the Committee.

Referral of legislation

27. All legislation and other matters referred to the committee shall be referred to all subcommittees of appropriate jurisdiction within two weeks unless, by consent of a majority of the Majority Members of the full committee, consideration is to be by the full committee. Subcommittee chairmen may make requests for referral of specific matters to their subcommittee within the two-week period if they believe subcommittee jurisdictions so warrant.

Ex Officio members

28. The chairman and ranking Minority Member shall serve as ex officio Members of all subcommittees and shall have the right to vote and be counted as part of the quorum on all matters before the subcommittees.

Procedures

29. No subcommittee shall meet for markup or approval when any other subcommittee of the committee is meeting to consider any measure or matter for markup or approval.

30. Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the committee on all matters referred to it. Each subcommittee shall conduct legislative and general oversight, inquiries for the future and forecasting, and budget impact studies on matters within their respective jurisdictions. Subcommittee chairman shall set meeting dates after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

31. Any Member of the committee may have the privilege of sitting with any subcommittee during its hearings or deliberations and may participate in such hearings or deliberations, but no such Member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

32. During any subcommittee proceeding for markup or approval, a roll call vote may be had at the request of one or more Members of that subcommittee.

REPORTS

Substance of legislative reports

33. The report of the committee on a measure which has been approved by the committee shall include the following, to be provided by the committee:

(A) the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X of the Rules of the House of Representatives, separately set out and identified, [Clause 2(l)(3)(A), Rule XI];

(B) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and identified, if the measure provides new budget authority or new or increased tax expenditures, [Clause 2(l)(3)(B), Rule XI];

(C) a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on the national economy, [Clause 2(l)(4), Rule XI];

(D) with respect to each roll call vote on a motion to report such bill or resolution, the total number of votes cast for and the total number of votes cast against the reporting of such bill or resolution, [Clause 2(l)(2)(B), Rule XI];

(E) the estimate and comparison prepared by the committee under Clause 7(a)(1) and (2) of Rule XIII of the Rules of the House of Representatives, unless the estimate and comparison prepared by the Director of the Congressional Budget Office prepared under subdivision (A) of Rule 34 has been timely submitted prior to the filing of the report and included in the report, [Clause 7, Rule XIII]; and

(F) in the case of a bill or joint resolution which repeals or amends any statute or part thereof, the text of the statute or part thereof which is proposed to be repealed, and a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, [Clause 3, Rule XIII].

34. (a) The report of the committee on a measure which has been approved by the committee shall further include the following, to be provided by sources other than the committee:

(A) the estimate and comparison prepared by the Director of the Congressional Budget Office required under section 403 of the Congressional Budget Act of 1974, separately set out and identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee, [Clause 2(l)(3)(C), Rule XI];

(B) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of Rule X of the Rules of the House of Representatives, separately set out and identified, [Clause 2(l)(3)(D), Rule XI].

(b) Notwithstanding the foregoing sections of this rule, if the committee has not received prior to the filing of the report the material required under subdivisions (A) and (B) of this rule, then it shall include a statement to that effect in the report on the measure.

Minority and additional views

35. If, at the time of approval of any measure or matter by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. The report of the committee upon that measure or matter shall be printed in a single volume which shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and shall bear upon its cover a recital that any such supplemental minority, or additional views (and any material submitted under subdivisions (A) and (B) of Rule 34) are included as part of the report. However, this rule does not preclude (1) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph or (2) the filing by the committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

36. The Chairman of the committee or subcommittee, as appropriate, shall advise Members of the day and hour when the time for submitting views relative to any given report elapses. No supplemental, minority or additional views shall be accepted for inclusion in the report if submitted after the announced time has elapsed unless the Chairman of the committee or subcommittee, as appropriate, decides to extend the time for submission of views beyond 3 days, in which case he shall communicate such fact to Members, including the revised day and hour for submissions to be received, without delay.

Consideration of subcommittee reports

37. Reports and recommendations of a subcommittee shall not be considered by the full committee until after the intervention of three calendar days, excluding Saturdays, Sundays, and legal holidays, from the time the report is submitted and printed hearings thereon shall be made available, if feasible, to the Members, except that this rule may be waived at the discretion of the chairman.

Timing and filing of committee reports

38. It shall be the duty of the chairman to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken the necessary steps to bring the matter to a vote.

39. The report of the committee on a measure which has been approved by the committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the Members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to

*Indicates rules applicable to subcommittees.

*Indicates rules applicable to subcommittees.

the chairman of the committee notice of the filing of that request.

40. Any committee or subcommittee report published by the committee or a subcommittee shall follow the same procedures for its approval, including the opportunity to submit views, as is followed in the case of a report accompanying a bill or resolution which has been approved by the committee.

MEDIA COVERAGE

*41. The committee may permit, by majority vote, hearings or meetings which are open to the public to be covered in whole or in part by television, radio and still photography—or by any such methods of coverage—in accordance with clause 3 of Rule XI of the Rules of the House of Representatives.●

RULES OF THE COMMITTEE ON THE JUDICIARY FOR THE 97TH CONGRESS

(Mr. RODINO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RODINO. Mr. Speaker, in accordance with clause 2(a) of rule XI of the Rules of the House of Representatives, I submit herewith for publication in the RECORD the rules of the Committee on the Judiciary which were adopted by the committee in open session on Thursday, February 5, 1981:

COMMITTEE ON THE JUDICIARY RULES OF PROCEDURE, 97TH CONGRESS

Rule I. The Rules of the House of Representatives are the rules of the Committee on the Judiciary and its subcommittees with the following specific additions thereto.

Rule II. Committee Meetings:

(a) The regular meeting day of the Committee on the Judiciary for the conduct of its business shall be on Tuesday of each week while the Congress is in session.

(b) Additional meetings may be called by the Chairman and a regular meeting of the Committee may be dispensed with when, in the judgement of the Chairman, there is no need therefor.

(c) At least 24 hours (excluding Saturdays, Sundays, and legal holidays) before each scheduled Committee or subcommittee meeting, each Member of the Committee or subcommittee shall be furnished a list of the bill(s) and subject(s) to be considered and/or acted upon at the meeting. Bills or subjects not listed shall be subject to a point of order unless their consideration is agreed to by a two-thirds vote of the Committee or subcommittee.

(d) Committee and subcommittee meetings for the transaction of business, i.e., meetings other than those held for the purpose of taking testimony, shall be open to the public except when the Committee or subcommittee, by majority vote, determines otherwise.

(e) Every motion made to the Committee and entertained by the Chairman shall be reduced to writing upon the demand of any Member, and a copy made available to each Member present.

(f) In all subcommittee proceedings where a vote on a motion to report a bill to the full Committee results in a tie, such bill shall be reported to the full Committee without recommendation.

(g) For purposes of taking any action at a meeting of the full Committee or any subcommittee thereof, a quorum shall be constituted by the presence of not less than one-third of the Members of the Committee or subcommittee, except that a full majority of the Members of the Committee or subcommittee shall constitute a quorum for purposes of reporting a measure or recommendation from the Committee or subcommittee, closing a meeting to the public, or authorizing the issuance of a subpoena.

(h) A complete transcript shall be made of any full Committee meeting, or any portion thereof, upon the request of any Member of the Committee made before the close of business of the preceding day, excluding Saturdays, Sundays, and legal holidays.

Rule III. Hearings:

(a) The Committee or any subcommittee shall make public announcement of the date, place and subject matter of any hearing to be conducted by it on any measure or matter at least 1 week before the commencement of that hearing, unless the Committee or the subcommittee before which such hearing is scheduled, determines that there is good cause to begin such hearing at an earlier date, in which event it shall make public announcement at the earliest possible date.

(b) Committee and subcommittee hearings shall be open to the public except when the Committee or subcommittee, by majority vote, determines otherwise.

(c) For purposes of taking testimony and receiving evidence before any subcommittee, a quorum shall be constituted by the presence of two Members. For purposes of taking testimony and receiving evidence before the full Committee, a quorum shall be constituted by the presence of 10 Members.

(d) In the course of any hearing each Member shall be allowed 5 minutes for the interrogation of a witness until such time as each Member who so desires has had an opportunity to question the witness.

Rule IV. Proxy Voting. A vote by any Member of the Committee with respect to any measure or matter being considered in the Committee or in subcommittee may be cast by proxy if the proxy authorization is in writing, asserts that the Member is absent on official business or is otherwise unable to be present at the meeting of the Committee, designates the person who is to execute the proxy authorization, and is limited to a specific measure or matter and any amendments or motion pertaining thereto; except that a Member may authorize a general proxy for motions to recess, adjourn or other procedural matters. Each proxy to be effective shall be signed by the Member assigning his or her vote and shall contain the date and time that the proxy is signed. Proxies may not be counted for a quorum.

Rule V. Broadcasting:

(a) Whenever any hearing or meeting conducted by the Committee or any subcommittee is open to the public, the Committee or subcommittee, as the case may be, may permit that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, under the following rules:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpoena by the Committee or subcommittee, as the case may be, shall be required against his will to be photographed at any hearing or meeting or to give evidence or testimony while the broadcasting of that hearing or meeting, by radio or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any Member of the Committee or subcommittee, as the case may be, or the visibility of that witness and that Member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from, the hearing room while the Committee or subcommittee, as the case may be, is in session.

(7) Floodlights, spotlights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing room, without cost to the Government, in order to raise the ambient lighting level in the hearing room to the lowest level necessary to provide adequate television coverage of the hearing at the then current state of the art of television coverage.

(8) Not more than five press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of these photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than five of the media for coverage of the hearing by still photography, that coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(9) Photographers shall not position themselves, at any time during the course of the hearing or meeting, between the witness table and the Members of the Committee or the subcommittee, as the case may be.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Press Photographers' Gallery.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

(B) Subcommittees may authorize the broadcasting or photographing of any of their public hearings or meetings without the specific permission of the Committee.

*Indicates rules applicable to subcommittees.

Rule VI. Standing Subcommittees. There shall be seven standing subcommittees of the Committee on the Judiciary as follows:

(a) *Subcommittee on Immigration, Refugees, and International Law:* Immigration and Naturalization, Citizenship, Admission of Refugees, Treaties and International Agreements, Passports, Admiralty, other appropriate matters as referred by the Chairman, and relevant oversight.

(b) *Subcommittee on Administrative Law and Governmental Relations:* Administrative Law, Claims against the United States, other appropriate matters as referred by the Chairman, and relevant oversight.

(c) *Subcommittee on Courts, Civil Liberties, and the Administration of Justice:* U.S. Attorneys and U.S. Marshals, Courts, Judicial Ethics, Prisons, Paroles, Patents, Trademarks, Copyrights, other appropriate matters as referred by the Chairman, and relevant oversight.

(d) *Subcommittee on Civil and Constitutional Rights:* Civil Rights and Liberties, other appropriate matters as referred by the Chairman, and relevant oversight.

(e) *Subcommittee on Monopolies and Commercial Law:* Antitrust, Judgeships, Bankruptcy, Economic Regulation generally, other appropriate matters as referred by the Chairman, and relevant oversight.

(f) *Subcommittee on Crime:* Prevention of Crime, Problems of Criminal Offenders, other appropriate matters as referred by the Chairman, and relevant oversight.

(g) *Subcommittee on Criminal Justice:* Federal Criminal Code, Rules of Criminal Procedure, Rules of Civil Procedure, other appropriate matters as referred by the Chairman, and relevant oversight.

Rule VII. Powers and Duties of Subcommittees. Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full Committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full Committee and subcommittee meetings or hearings whenever possible.

Rule VIII. Non-Legislative Reports. No report of the Committee or a subcommittee which does not accompany a measure or matter for consideration by the House shall be published unless all Members of the Committee or subcommittee issuing the report shall have been apprised of such report and been given the opportunity to give notice of intention to file supplemental, additional, or dissenting views as part of the report. In no case shall the time in which to file such views be less than three calendar days (excluding Saturdays, Sundays, and legal holidays).

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LONG of Louisiana (at the request of Mr. WRIGHT), for an indefinite period, on account of medical reasons.

Mr. SAVAGE (at the request of Mr. WRIGHT), for this week, on account of a death in the family.

Mr. JONES of North Carolina (at the request of Mr. WRIGHT), for February 24 and 25, on account of illness.

Mrs. BOGGS (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. CARNEY (at the request of Mr. MICHEL), for today and February 26, on account of official business.

Mr. HILER (at the request of Mr. MICHEL), for today and February 26, on account of official business.

Mr. HYDE (at the request of Mr. MICHEL), for today and February 26, on account of official business.

Mr. WEBER of Minnesota (at the request of Mr. MICHEL), for today and February 26, on account of official business.

Mr. ROTH (at the request of Mr. MICHEL), for today and February 26, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ECKART) to revise and extend their remarks and include extraneous material:)

Mr. MOTTL, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. FORD of Tennessee, for 10 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. BEDELL, for 15 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Mr. SMITH of Iowa, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DANNEMEYER) and to include extraneous matter:)

Mr. HYDE.

Mr. WORTLEY.

Mr. MARLENEE in two instances.

Mr. TAUKE.

Mr. KEMP.

Mr. BROWN of Colorado.

Mr. LUNGREN.

Mr. LEBOUTILLIER.

Mr. SENSENBRENNER.

Mr. PETRI.

Mr. ROUSSELOT.

Mr. YOUNG of Alaska.

Mr. GOODLING.

Mr. LOTT.

Mr. FIEDLER.

Mr. MARKS.

Mr. VANDER JAGT.

Mr. GILMAN.

Mr. MCCLORY.

Mr. KINDNESS in two instances.

Mr. LUJAN in two instances.

Mr. MICHEL in two instances.

(The following Members (at the request of Mr. ECKART) and to include extraneous matter:)

Ms. OAKAR.

Mr. BONER of Tennessee in two instances.

Mr. STARK in two instances.

Mr. DWYER.

Mr. OTTINGER.

Mr. BRODHEAD.

Mr. CORRADA.

Mr. DYSON.

Mr. MINISH in two instances.

Mr. BRINKLEY.

Mr. HALL of Ohio.

Mrs. SCHROEDER.

Mr. MCDONALD in five instances.

Mr. MILLER of California.

Mr. EDGAR.

Mr. LEHMAN.

Mr. WRIGHT.

Mr. ERTEL.

Mr. WEISS in 10 instances.

Mr. DONNELLY in two instances.

Mr. DAN DANIEL.

Mr. SHELBY in two instances.

Mr. SIMON in two instances.

Mr. APPLEGATE.

Mrs. BOGGS.

Ms. MIKULSKI.

Mr. CONYERS.

Mr. ATKINSON.

Mr. PANETTA.

Mr. PICKLE in five instances.

ADJOURNMENT

Mr. BEDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p.m.) the House adjourned until tomorrow, Thursday, February 26, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

604. A letter from the Assistant Secretary of Defense (Comptroller), transmitting selected acquisition reports and SAR summary tables for the quarter ended December 31, 1980, pursuant to section 811(a) of Public Law 94-106, as amended; to the Committee on Armed Services.

605. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor conversion of the family housing maintenance function at Barksdale Air Force Base, La., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

606. A letter from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting the Corporation's financial report for the month of December 1980, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

607. A letter from the Acting General Counsel, Department of Energy, transmitting a draft of proposed legislation to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Commerce.

608. A communication from the President of the United States, transmitting a report on international agreements transmitted to Congress after the expiration of the 60-day period specified by law, pursuant to 1 U.S.C. 112b(b); to the Committee on Foreign Affairs.

609. A letter from the Acting Chairman, Federal Energy Regulatory Commission, transmitting a report on the Commission's administration of the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

610. A letter from the Administrative Director, U.S. Arms Control and Disarmament Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

611. A letter from the Executive Director, the Neighborhood Reinvestment Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

612. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

613. A letter from the Chairman, Merit Systems Protection Board, transmitting a report on the number of appeals filed during the 1980 calendar year, pursuant to 5 U.S.C. 7701(b)(2); to the Committee on Post Office and Civil Service.

614. A letter from the Deputy Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; to the Committee on Veterans' Affairs.

615. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting the Board's monetary policy report, pursuant to section 2A of the Federal Reserve Act, as amended (92 Stat. 1897); jointly, to the Committees on Banking, Finance and Urban Affairs and Education and Labor.

616. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report by the Advisory Committee on Reactor Safeguards on the Commission's safety research program, pursuant to section 29 of the Atomic Energy Act of 1954, as amended (91 Stat. 1483); jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

617. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the 22d report on abnormal occurrences at licensed nuclear facilities, covering the third quarter of calendar year 1980, pursuant to section 208 of Public Law 93-438; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER:

H.R. 2082. A bill to provide duty-free treatment with respect to parts of pipe organs; to the Committee on Ways and Means.

By Mr. BAFALIS:

H.R. 2083. A bill to amend the Internal Revenue Code of 1954 to eliminate the holding period requirements for capital gains treatment; to the Committee on Ways and Means.

H.R. 2084. A bill to amend the Internal Revenue Code of 1954 to eliminate estate and gift taxes on interspousal transfers which are not transfers of terminable interests; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 2085. A bill to amend title 18 of the United States Code to prohibit certain damage to, and theft of property used for religious purposes, and for other purposes; to the Committee on the Judiciary.

By Mrs. BOGGS:

H.R. 2086. A bill to suspend for 3 years the duty on ground or otherwise prepared chicory roots; to the Committee on Ways and Means.

By Mrs. BOUQUARD:

H.R. 2087. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes; to the Committee on Armed Services.

H.R. 2088. A bill to repeal sections 102 and 202 of the Flood Disaster Protection Act of 1973 which make flood insurance coverage and community participation in the national flood insurance program prerequisites for approval of any financial assistance in a flood hazard area, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2089. A bill to enable service station dealers to compete with refiner operated service stations by terminating certain petroleum allocation and pricing regulations, and to promote fair competition in the sale of motor gasoline at retail; to the Committee on Energy and Commerce.

H.R. 2090. A bill to amend the Buy American Act to increase the incentives for the purchase of domestic articles, materials, and supplies with regard to Federal and federally funded procurements; to the Committee on Government Operations.

H.R. 2091. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to authorize programs for the provision of escort services to the elderly in high crime areas, and for other purposes; to the Committee on the Judiciary.

H.R. 2092. A bill to amend title 39, United States Code, to require that the notice included in a mailed solicitation stating that such solicitation is not a bill or an account due shall be displayed at or near the beginning of such solicitation; to the Committee on Post Office and Civil Service.

H.R. 2093. A bill to amend title 39, United States Code, to prevent deceptive business solicitations by providing that any such solicitation which is designed to resemble a bill or statement of account shall be nonmailable matter; to the Committee on Post Office and Civil Service.

H.R. 2094. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 2095. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 2096. A bill to assure that an individual or family whose income is increased by reason of a general increase in monthly social security benefits will not, because of such general increase, suffer a loss of or reduction in the benefits the individual or family has been receiving under certain Federal or federally assisted programs; to the Committee on Ways and Means.

H.R. 2097. A bill to amend the Immigration and Nationality Act to provide for a one-House congressional veto of Presidential determinations that the number of refugee admissions in a fiscal year should exceed 50,000; jointly, to the Committees on the Judiciary and Rules.

By Mr. BROOKS (for himself, Mr. FOUNTAIN, Mr. FASCELL, Mr. FUQUA, Mr. LEVITAS, Mr. EVANS of Indiana, Mr. WAXMAN, Mr. HORTON, Mr. ERLENBORN, Mr. BUTLER, Mr. CLINGER, and Mr. DIXON):

H.R. 2098. A bill to amend the Inspector General Act of 1978 to establish Offices of Inspector General in certain departments and agencies, and for other purposes; to the Committee on Government Operations.

By Mr. JOHN L. BURTON:

H.R. 2099. A bill to amend title 5, United States Code, to increase the minimum coverage under the Government life insurance policies for civil service retirees from 25 per centum to 40 per centum; to the Committee on Post Office and Civil Service.

H.R. 2100. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income a certain portion of amounts received under public retirement systems; to the Committee on Ways and Means.

By Mr. COTTER:

H.R. 2101. A bill to amend title XVIII of the Social Security Act with respect to determining the amount of payment for certain drugs under the medicare program; jointly, to the Committees on Energy and Commerce and Ways and Means.

Mr. COURTER:

H.R. 2102. A bill to amend title XVI of the Social Security Act to provide that the income and resources of parents shall not be attributed to their children (for purposes of determining the eligibility of such children for supplemental security income benefits) in certain cases where the payment of such benefits is necessary to enable the parents to provide disability-related home care without which the children would require continued institutionalization; to the Committee on Ways and Means.

H.R. 2103. A bill to amend the Internal Revenue Code of 1954 to take inflation into consideration for purposes of determining an individual's gain or loss in the sale or other disposition of a principal residence; to the Committee on Ways and Means.

H.R. 2104. A bill to amend title II of the Social Security Act to increase to $24,000 in 1981 (with automatic adjustments thereafter) the amount of outside earnings which a beneficiary age 65 or over may have in any taxable year without suffering reductions in the amount of his benefits; to the Committee on Ways and Means.

By Mr. COURTER (for himself, Mr. HYDE, and Mr. LAGOMARSINO):

H.R. 2105. A bill to amend the provisions of the Immigration and Nationality Act relating to certain deportable aliens; to the Committee on the Judiciary.

By Mr. DONNELLY:

H.R. 2106. A bill entitled "Longshoremen's and Harbor Worker's Compensation Act Amendments of 1981"; to the Committee on Education and Labor.

H.R. 2107. A bill to amend title 18 of the United States Code to allow the publishing and broadcast of information about lotteries in certain cases, and for other purposes; to the Committee on the Judiciary.

H.R. 2108. A bill to amend title 17 of the United States Code to provide that certain performances and displays of profitmaking educational institutions and nonprofit veterans' and fraternal organizations are not infringements on the exclusive rights of copyright owners; to the Committee on the Judiciary.

H.R. 2109. A bill to extend from 5 to 10 years (until November 30, 1987) the period during which spouses and surviving spouses who are eligible for Government pensions may qualify for an exemption from the pension offset provisions in title II of the Social Security Act; to the Committee on Ways and Means.

H.R. 2110. A bill to promote the development of methods of research, experimentation, and testing that minimize the use of, and pain and suffering to, live animals; jointly, to the Committees on Energy and Commerce and Science and Technology.

H.R. 2111. A bill to require recipients of financial assistance from the Small Business Administration and the Economic Development Administration to apply a preference to domestic suppliers in all acquisitions made with such assistance; jointly, to the Committees on Small Business and Public Works and Transportation.

By Mr. DOWNEY:

H.R. 2112. A bill to amend title III of the Elementary and Secondary Education Act of 1965 to provide for one or more National Centers for Personal Computers in Education; to the Committee on Education and Labor.

H.R. 2113. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation a certain portion of the earned income of individuals working outside the United States; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 2114. A bill to amend the National Environmental Policy Act of 1969 to provide for a statute of limitations with respect to judicial review of environmental impact statements; to the Committee on Merchant Marine and Fisheries.

H.R. 2115. A bill to amend the act of August 13, 1946, to increase the Federal contribution to 90 per centum of the cost of shore restoration and protection projects; to the Committee on Public Works and Transportation.

H.R. 2116. A bill to modify the project for navigation improvements in Mobile Harbor, Theodore Ship Channel, Ala., and for other purposes; to the Committee on Public Works and Transportation.

By Mr. FASCELL:

H.R. 2117. A bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction of air pollution and oil consumption by existing electric powerplants; to the Committee on Energy and Commerce.

By Mr. FINDLEY:

H.R. 2118. A bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes; to the Committee on Ways and Means.

By Mr. FINDLEY (for himself, Mr. CORRADA, Mr. MARKS, and Ms. MIKULSKI):

H.R. 2119. A bill to make the first Monday in February a legal public holiday for Lincoln's Birthday; to the Committee on Post Office and Civil Service.

By Mr. FLORIO:

H.R. 2120. A bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; to the Committee on Energy and Commerce.

By Mr. GARCIA (for himself, Mr. ADDABBO, Mr. NOWAK, Mr. BROWN of California, Ms. MIKULSKI, Mr. FORD of Michigan, Mr. WEISS, Mr. KILDEE, Mr. MITCHELL of Maryland, Mr. CLAY, Mr. WILLIAMS of Montana, Mr. FAUNTROY, Mrs. SCHROEDER, Mr. FORD of Tennessee, Mr. ROE, Mr. BINGHAM, Mr. SCHUMER, Mr. ST GERMAIN, Mr. PEPPER, Mr. BIAGGI, Mr. BONIOR of Michigan, Mr. DOWNEY, Mr. FRANK, Mr. STOKES, Mr. DWYER, Mr. STARK, and Mr. RICHMOND):

H.R. 2121. A bill to establish a program under which the Secretary of Housing and Urban Development may provide funds to local educational agencies for the renovation of underutilized school buildings, and to amend section 392(b) of the Energy Policy and Conservation Act to provide that school facilities under the jurisdiction of local educational agencies which have experienced declining student enrollments shall be given priority for the receipt of grants under part G of title V of such act; jointly, to the Committees on Banking, Finance and Urban Affairs, Education and Labor, and Energy and Commerce.

By Mr. GIBBONS:

H.R. 2122. A bill relating to the application of section 103(b) of the Internal Revenue Code of 1954 to certain bonds for harbor improvements; to the Committee on Ways and Means.

H.R. 2123. A bill to encourage the formation and operation of export trading companies, and for other purposes; jointly, to the Committees on Foreign Affairs, Banking, Finance and Urban Affairs, the Judiciary, and Ways and Means.

By Mr. GILMAN (for himself, Mrs. CHISHOLM, Mr. FISH, Mr. HYDE, Mr. MURPHY, Mr. NICHOLS, Mr. PEPPER, Mr. SCHEUER, Mr. SIMON, and Mr. TAUKE):

H.R. 2124. A bill to amend sections 3307(d) and 8335(b) of title 5, United States Code, with respect to age limits for appointment and mandatory retirement of law enforcement officers engaged in detention activities; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H.R. 2125. A bill to amend title 38, United States Code, to extend the period of Vietnam era veterans' eligibility for readjustment counseling and related mental health services; to the Committee on Veterans' Affairs.

H.R. 2126. A bill to provide adequate mental health care and psychiatric care to all Americans; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. GOODLING:

H.R. 2127. A bill to amend title 18, United States Code, to increase the term of imprisonment for certain offenses relating to carrying or using firearms, to eliminate eligibility for parole with respect to such term, and to require that such term be served before and consecutively to any related sentence of imprisonment; to the Committee on the Judiciary.

By Mr. GUARINI (for himself, Mr. COURTER, Mr. DWYER, Mrs. FENWICK, Mr. FLORIO, Mr. HOLLENBECK, Mr. HOWARD, Mr. HUGHES, Mr. MINISH, Mr. RINALDO, Mr. RODINO, Mr. ROE, Mrs. ROUKEMA, Mr. SMITH of New Jersey, and Mr. EVANS of Delaware):

H.R. 2128. A bill to amend the Communications Act of 1934 to provide that not less than one very high frequency commercial television broadcasting station be located in each State; to the Committee on Energy and Commerce.

By Mr. JACOBS:

H.R. 2129. A bill to provide for the garnishment of the wages of Federal employees; to the Committee on Post Office and Civil Service.

H.R. 2130. A bill to amend the Internal Revenue Code of 1954 to provide that an individual who does not itemize deductions may deduct an amount equal to one-half of his charitable contributions; to the Committee on Ways and Means.

By Mr. JENKINS:

H.R. 2131. A bill to amend section 1114 of title 18, United States Code, to provide for protection of U.S. probation officers and pretrial service officers; to the Committee on the Judiciary.

H.R. 2132. A bill to prohibit the removal before January 1, 1982, of houseboats or floating cabins from water resource areas under the jurisdiction of the Corps of Engineers; to the Committee on Public Works and Transportation.

H.R. 2133. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain shale oil property as energy property for the purposes of the energy investment credit; to the Committee on Ways and Means.

By Mr. JENKINS (for himself and Mr. GINN):

H.R. 2134. A bill to amend the Internal Revenue Code of 1954 to exempt from the manufacturers excise tax chassis primarily designed as feed, seed, or fertilizer equipment and chassis, and parts and accessories therefor, sold in connection with the first retail sale of trucks and trailers with feed, seed, or fertilizer bodies; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 2135. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for tuition expenses for the higher education of themselves, their spouses, or their dependents; to the Committee on Ways and Means.

By Mr. LEATH of Texas (for himself, Mr. GUYER, Mr. MONTGOMERY, Mr. HAMMERSCHMIDT, Mr. DANIELSON, and Mr. HEFNER):

H.R. 2136. A bill to amend title 38, United States Code, to revise the provisions of such title relating to the construction and alteration of, and acquisition of land for, national cemeteries; to the Committee on Veterans' Affairs.

By Mr. LEVITAS:

H.R. 2137. A bill to amend the Inspector General Act of 1978 to establish 7-year terms of office and to restrict the conditions under which Inspectors General may be removed from office, and for other purposes; to the Committee on Government Operations.

By Mr. LUJAN:

H.R. 2138. A bill to amend title 10 of the United States Code to allow members of the Armed Forces of the United States to elect whether they will retire for physical disability or will retire for length of service, if they are eligible for both types of retirement; to the Committee on Armed Services.

By Mr. LUJAN (for himself and Mr. SEIBERT):

H.R. 2139. A bill to provide that if any land or interest in land is taken from any person or State by the Federal Government by eminent domain, such person or State may, instead of accepting monetary compensation therefor, acquire certain Federal lands or interests in land of approximately equal value; to the Committee on Interior and Insular Affairs.

By Mr. LUJAN:

H.R. 2140. A bill to authorize the Chief of Engineers to undertake repairs and renovations to certain water diversion structures of an historical character, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 2141. A bill to amend title 38 of the United States Code to allow persons receiving retired pay for the length of their service in the Armed Forces of the United States to concurrently receive any pension or compensation under the laws administered by the Veterans' Administration to which they are entitled; to the Committee on Veterans' Affairs.

By Mr. LUNGREN (for himself and Mr. DANIELSON):

H.R. 2142. A bill to amend the Refugee Act of 1980 to extend the period for payment of child welfare services and cash and medical assistance for certain refugees; to the Committee on the Judiciary.

By Mr. McDONALD (for himself and Mr. GINGRICH):

H.R. 2143. A bill to amend the Internal Revenue Code of 1954 to restore the deduction for State and local taxes on gasoline and other motor fuels and to allow the deduction for such taxes without regard to whether the taxpayer itemizes other deductions; to the Committee on Ways and Means.

By Mr. McEWEN:

H.R. 2144. A bill to establish a uranium enrichment fund; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. MARLENEE:

H.R. 2145. A bill to amend the Controlled Substances Act to provide mandatory minimum sentences for certain drug offenses; to the Committee on Energy and Commerce.

H.R. 2146. A bill to amend title 18 of the United States Code to provide mandatory minimum sentences for repeat offenders; to the Committee on the Judiciary.

H.R. 2147. A bill to amend section 924(c) of title 18 of the United States Code to increase the mandatory minimum penalties applicable to certain firearms offenses; to the Committee on the Judiciary.

H.R. 2148. A bill to repeal section 154 of title 23 of the United States Code relating to the national maximum speed limit; to the Committee on Public Works and Transportation.

H.R. 2149. A bill to amend title II of the Social Security Act to make it clear that social security benefits are and will continue to be exempt from all taxation; to the Committee on Ways and Means.

H.R. 2150. A bill to amend title II of the Social Security Act to provide that a beneficiary who dies shall (if otherwise qualified) be entitled to a prorated benefit for the month of his death; to the Committee on Ways and Means.

H.R. 2151. A bill to provide for minimum fines for certain offenses relating to welfare and unemployment fraud; jointly to the Committees on Agriculture, Energy and Commerce, and Ways and Means.

By Mr. MINISH:

H.R. 2152. A bill to amend title 5 of the United States Code to increase the efficiency of Government-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts of the United States; jointly to the Committees on Government Operations and the Judiciary.

By Mr. MOTTL:

H.R. 2153. A bill to extend from 5 to 10 years (until November 30, 1987) the period during which certain individuals becoming eligible for public pensions may qualify for an exemption from the pension offset provisions in title II of the Social Security Act; to the Committee on Ways and Means.

H.R. 2154. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mr. MOTTL (for himself and Mr. HAMMERSCHMIDT):

H.R. 2155. A bill to amend title 38, United States Code, to provide for recovery by the United States of the cost of certain health care provided by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. MOTTL (for himself, Mr. HAMMERSCHMIDT, and Mr. BROWN of Ohio):

H.R. 2156. A bill to amend title 38, United States Code, to extend by 12 months the period during which funds appropriated for grants by the Veterans' Administration for the establishment and support of new State medical schools may be expended; to the Committee on Veterans' Affairs.

By Mr. MOTTL (for himself, Mr. HAMMERSCHMIDT, Mr. MONTGOMERY, Mr. DASCHLE, and Mr. HEFNER):

H.R. 2157. A bill to expand the scope of a study required to be conducted by the Administrator of Veterans' Affairs concerning the effect on humans of exposure to the chemical known as agent orange; to the Committee on Veterans' Affairs.

By Mr. MOTTL (for himself and Mr. HAMMERSCHMIDT):

H.R. 2158. A bill to amend title 38, United States Code, to provide for greater coordination and sharing of the medical resources of the Veterans' Administration and the Department of Defense; jointly, to the Committees on Armed Services and Veterans' Affairs.

By Mr. PANETTA:

H.R. 2159. A bill to authorize the Secretary of Agriculture to pay compensation to producers of fruits or vegetables for economic losses resulting from the destruction or quarantine of plants or plant products carried out to control plant pests in emergencies; to the Committee on Agriculture.

By Mr. PANETTA (for himself and Mr. MORRISON):

H.R. 2160. A bill to amend the Potato Research and Promotion Act; to the Committee on Agriculture.

By Mr. PEPPER:

H.R. 2161. A bill to improve information practices in the insurance industry, to amend the Privacy Act of 1974, and for other purposes; jointly, to the Committees on Energy and Commerce and Government Operations.

By Mr. PETRI:

H.R. 2162. A bill to extend duty-free treatment to certain toy tea sets; to the Committee on Ways and Means.

By Mr. RHODES (for himself and Mr. LATTA):

H.R. 2163. A bill to amend the Impoundment Control Act of 1974 to require that any amount of budget authority proposed to be rescinded or reserved by the President not be made available for obligation unless both Houses of the Congress approve a resolution of disapproval within a prescribed period of time; to the Committee on Rules.

By Mr. ST GERMAIN:

H.R. 2164. A bill to establish a commission to encourage, plan, develop, and coordinate the commemoration of the bicentennial of the Constitution; to the Committee on Post Office and Civil Service.

By Mr. SENSENBRENNER:

H.R. 2165. A bill to amend the Internal Revenue Code of 1954 to provide that certain arrangements shall not be treated as a generation-skipping trust equivalent for purposes of the tax on generation-skipping transfers; to the Committee on Ways and Means.

By Mr. SHARP (for himself and Mr. BROWN of Ohio):

H.R. 2166. A bill to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program; to the Committee on Energy and Commerce.

By Mr. SIMON:

H.R. 2167. A bill to amend the National Labor Relations Act to authorize the Secretary of Labor to prohibit the awarding of Federal contracts to persons who have violated certain judicial orders or orders issued by the National Labor Relations Board; to the Committee on Education and Labor.

By Mr. SKELTON:

H.R. 2168. A bill to amend the Food and Agriculture Act of 1977 with respect to loan levels applicable to certain commodities when commercial export sales of such commodities are terminated by a member of the executive branch of Government, and for other purposes; to the Committee on Agriculture.

By Mr. SMITH of Iowa:

H.R. 2169. A bill to amend section 403 of the Federal Food, Drug, and Cosmetic Act to require that foods intended for human consumption be labeled to show the amount of sodium and potassium they contain; to the Committee on Energy and Commerce.

By Mrs. SMITH of Nebraska (for herself, Mr. PERKINS, Mr. CLINGER, Mr. BROWN of Colorado, Mr. DAUB, Mr. HAGEDORN, Mr. STANGELAND, Mr. ATKINSON, and Mrs. BYRON):

H.R. 2170. A bill to amend title 23, United States Code, to authorize the Secretary of Transportation to make grants relating to energy impacted rail and highway transportation; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

By Mr. STANGELAND (for himself, Mr. COLLINS of Texas, Mr. JAMES K. COYNE, Mr. ERLENBORN, Mr. FORSYTHE, Mr. FRENZEL, Mr. HILER, Mr. LAGOMARSINO, and Mr. PASHAYAN):

H.R. 2171. A bill to amend the Comprehensive Employment and Training Act to remove the requirement that unemployment benefits be paid on the basis of services performed in public service jobs; to the Committee on Education and Labor.

By Mr. VANDER JAGT:

H.R. 2172. A bill to amend the Internal Revenue Code of 1954 to increase the competitiveness of American firms operating abroad and to help increase markets for U.S. exports; to the Committee on Ways and Means.

By Mr. VANDER JAGT (for himself, Mr. CONABLE, and Mr. JONES of Oklahoma):

H.R. 2173. A bill to amend section 119 of the Internal Revenue Code of 1954 to provide that meals furnished by an employer to an employee may be considered furnished for the convenience of the employer if the meals are furnished on the business premises of the employer generally, except under certain conditions whereby meals may be furnished off the business premises of the employer; to the Committee on Ways and Means.

By Mr. WATKINS:

H.R. 2174. A bill to amend the Internal Revenue Code of 1954 to phase out the Federal estate and gift tax; to the Committee on Ways and Means.

H.R. 2175. A bill to repeal the windfall profit tax; to the Committee on Ways and Means.

H.R. 2176. A bill to exempt newly discovered oil from the windfall profit tax; to the Committee on Ways and Means.

H.R. 2177. A bill to exempt stripper well oil from the windfall profit tax; to the Committee on Ways and Means.

H.R. 2178. A bill to exempt certain royalty interests from the windfall profit tax; to the Committee on Ways and Means.

H.R. 2179. A bill to exempt incremental tertiary oil from the windfall profit tax; to the Committee on Ways and Means.

By Mr. WATKINS (for himself, Mr. HIGHTOWER, and Mr. GLICKMAN):

H.R. 2180. A bill to amend the Internal Revenue Code of 1954 to exempt from the windfall profits tax crude oil from certain royalty interests; to the Committee on Ways and Means.

By Mr. WHITE:

H.R. 2181. A bill to amend chapter 55 of title 10, United States Code, to authorize the provision of full dental care benefits to dependents of members of the uniformed services on active duty under the civilian health and medical program of the uniformed services and in facilities of the uniformed services; to the Committee on Armed Services.

H.R. 2182. A bill to eliminate the offset against social security benefits in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

By Mr. WHITTEN:

H.R. 2183. A bill to amend the Internal Revenue Code of 1954 to allow estates required to file estate tax returns before July 13, 1978, the date on which regulations under section 2032A of such Code were proposed, to elect the valuation of certain farm and other real property under section 2032A of such Code within 90 days after the enactment of the amendments to such Code proposed by this bill; to the Committee on Ways and Means.

By Mr. WILLIAMS of Montana:

H.R. 2184. A bill to repeal the increases in social security taxes which would otherwise be in effect in 1981 and 1982, while protecting the social security trust funds (through appropriations from the general fund in the Treasury) against any revenue losses they might otherwise sustain as a result of such repeal; to the Committee on Ways and Means.

By Mrs. BOUQUARD:

H.J. Res. 187. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

H.J. Res. 188. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mrs. COLLINS of Illinois:

H.J. Res. 189. Joint resolution to provide for the designation of the month of February 1982, as "National Black History Month"; to the Committee on Post Office and Civil Service.

By Mr. COURTER:

H.J. Res. 190. Joint resolution conferring U.S. citizenship posthumously on Rosinella Verdi; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 191. Joint resolution designating August 8, 1982, as "National Children's Day"; to the Committee on Post Office and Civil Service.

By Mr. KINDNESS:

H.J. Res. 192. Joint resolution proposing an amendment to the Constitution of the United States to provide that equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex; to the Committee on the Judiciary.

H.J. Res. 193. Joint resolution proposing an amendment to the Constitution of the United States; to establish a Court of the States, to the Committee on the Judiciary.

By Mr. SHELBY:

H.J. Res. 194. Joint resolution proposing an amendment to the Constitution of the United States which requires (except during time of war and subject to suspension by the Congress) that the total amount of money expended by the United States during any fiscal year not exceed the amount of certain revenue received by the United States during such fiscal year and not exceed 20 percent of the gross national product of the United States during the previous calendar year; to the Committee on the Judiciary.

Mr. BONER of Tennessee:

H. Con. Res. 76. Concurrent resolution expressing the sense of the Congress that the Secretary of the Army should place a plaque in Arlington National Cemetery honoring members of the U.S. Armed Forces who died during an attempt to rescue American hostages held in Iran; to the Committee on Veterans' Affairs.

By Mr. DONNELLY:

H. Con. Res. 77. Concurrent resolution expressing the sense of the Congress with respect to the abrupt decontrol of domestic natural gas prices; to the Committee on Energy and Commerce.

By Mr. FRANK:

H. Con. Res. 78. Concurrent resolution authorizing and requesting the President to designate January 20, 1982, as "Hostage Release Day"; to the Committee on Post Office and Civil Service.

By Mr. LEBOUTILLIER:

H. Con. Res. 79. Concurrent resolution expressing the sense of the Congress with respect to the interdependence of Israel and the United States, their ability to deter Soviet aggression in the Middle East, and their ability to retain freedom of action; to the Committee on Foreign Affairs.

By Mr. DE LA GARZA (for himself and Mr. WAMPLER):

H. Res. 83. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Agriculture; to the Committee on House Administration.

By Mr. BIAGGI:

H. Res. 85. Resolution to express the sense of the House of Representatives in support of "Solidarity Sunday"; to the Committee on Post Office and Civil Service.

By Mrs. BOUQUARD:

H. Res. 86. Resolution expressing the sense of the House of Representatives that the effect on our society of the level of violence depicted on television requires more consideration and study; to the Committee on Energy and Commerce.

H. Res. 87. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. COURTER:

H. Res. 88. Resolution to amend the Rules of the House to require information on House votes by Members in their patron newsletters; to the Committee on Rules.

By Mr. JONES of North Carolina (for himself and Mr. SNYDER):

H. Res. 89. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries; to the Committee on House Administration.

By Mr. MONTGOMERY (for himself and Mr. HAMMERSCHMIDT):

H. Res. 90. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs; to the Committee on House Administration.

By Mr. PEPPER (for himself and Mr. RINALDO):

H. Res. 91. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Aging; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

12. The SPEAKER presented a memorial of the Senate of the State of Washington, relative to taking necessary measures to determine the fate of Americans reported missing in action or being held as prisoners of war in Vietnam; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BETHUNE:

H.R. 2185. A bill for the relief of Hanife Frantz; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 2186. A bill for the relief of Richard A. Gamble; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.R. 2187. A bill for the relief of Meenakshiben P. Patel; to the Committee on the Judiciary.

By Mr. FRANK:

H.R. 2188. A bill for the relief of Sito Industries, Inc.; to the Committee on the Judiciary.

By Mr. FROST:

H.R. 2189. A bill for the relief of Candido Augusto Urizar and Delores de Jesus Turcios Urizar; to the Committee on the Judiciary.

By Mr. HANSEN of Idaho:

H.R. 2190. A bill for the relief of Gilles Roserens; to the Committee on the Judiciary.

H.R. 2191. A bill for the relief of Rodrigo and Eva Sandoval; to the Committee on the Judiciary.

By Mr. HUTTO:

H.R. 2192. A bill for the relief of Grace M. Shelley; to the Committee on the Judiciary.

H.R. 2193. A bill for the relief of Berendina Antonia Maria van Kleeff; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 2194. A bill for the relief of Michael Treble Lysenko and Beverly Carol Dancho; to the Committee on the Judiciary.

H.R. 2195. A bill for the relief of Michael Treble Lysenko and Beverly Carol Dancho; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 2196. A bill for the relief of Sammy H. Marr; to the Committee on the Judiciary.

H.R. 2197. A bill for the relief of Pedro Delgado Rodriguez; to the Committee on the Judiciary.

By Mr. ROUSSELOT:

H.R. 2198. A bill for the relief of Benjamin Bane; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska:

H.R. 2199. A bill for the relief of Jasmina Zivic Donovan; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 2200. A bill for the relief of Calvin L. Graham; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 4: Mr. WRIGHT, Mr. LEBOUTILLIER, and Mr. MCCLORY.

H.R. 15: Mr. MOORHEAD, and Ms. MARTIN of Illinois.

H.R. 41: Mr. BEVILL.

H.R. 43: Mr. NATCHER, Mr. ROE, Mr. PEPPER, Mr. MURPHY, Mr. LEBOUTILLIER, Mr. NEAL, and Mr. MITCHELL of New York.

H.R. 70: Mr. ADDABBO, Mr. BIAGGI, Mr. BINGHAM, Mrs. BOUQUARD, Mr. BROWN of Ohio, Mr. BROWN of California, Mr. JOHN L. BURTON, Mr. CHAPPELL, Mr. CLINGER, Mr. CORCORAN, Mr. DAN DANIEL, Mr. DAVIS, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DOWNEY, Mr. EVANS of Georgia, Mr. FARY, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. FOWLER, Mr. FRANK, Mr. GUYER, Mr. GRADISON, Mr. GRAY, Mr. GUARINI, Mr. HAWKINS, Mr. HERTEL, Mr. HINSON, Mr. HOPKINS, Mr. HOWARD, Mr. KILDEE, Mr. KOGOVSEK, Mr. LEACH of Iowa, Mr. LEHMAN, Mr. MCCLORY, Mr. MCCLOSKEY, Mr. MCGRATH, Mr. MCKINNEY, Mr. MINETA, Mr. MOTTL, Ms. OAKAR, Mr. PEPPER, Mr. PRITCHARD, Mr. RATCHFORD, Mr. ROSENTHAL, Mr. ROTH, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SIMON, Mr. SMITH of New Jersey, Mrs. SCHNEIDER, Mr. SOLARZ, Mr. SOLOMON, Mr. STARK, Mr. STOKES, Mr. STRATTON, Mr. VENTO, Mr. WALKER, Mr. WEAVER, Mr. WHITTEN, Mr. WINN, Mr. WIRTH, Mr. ZABLOCKI, Mr. D'AMOURS, and Mr. LELAND.

H.R. 81: Mr. COELHO, Mr. DANIELSON, Mr. GARCIA, Mr. HUGHES, Mr. KOGOVSEK, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY, Mr. PEPPER, and Mr. RICHMOND.

H.R. 269: Mr. APPLEGATE, Mr. BADHAM, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BEARD, Mr. BENEDICT, Mr. BROWN of Ohio, Mr. CAMPBELL, Mr. COLEMAN, Mr. COURTER, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, Mr. DAVIS, Mr. DUNN, Mr. EVANS of Georgia, Mr. FROST, Mr. GIBBONS, Mr. GLICKMAN, Mr. GRAMM, Mr. HINSON, Mr. JACOBS, Mr. JEFFRIES, Mr. JOHNSTON, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LEATH of Texas, Mr. LOTT, Mr. MARLENEE, Mr. MORRISON, Mr. RITTER, Mr. ROBINSON, Mr. ROUSSELOT, Mr. RUSSO, Mr. SENSENBRENNER, Mr. SMITH of New Jersey, Mr. WEBER of Minnesota, Mr. CORCORAN, Mr. HENDON, Mr. EMERSON, Mr. STANGELAND, AND Mr. TAUKE.

H.R. 393: Mr. STENHOLM.

H.R. 459: Mr. MURPHY, Mr. WON PAT, Mr. YOUNG of Alaska, Mr. PETRI, Mr. JEFFORDS, Mr. ROBERT W. DANIEL, JR., Mr. MCCLOSKEY, Mr. LAGOMARSINO, Mr. DUNCAN, Mr. HALL of Ohio, Mr. MCKINNEY, Mr. WILSON, Mr. WHITTAKER, Mr. THOMAS, Mr. LOWERY of California, Mr. LOEFFLER, Mr. STENHOLM, Mr. BEARD, and Mr. JEFFRIES.

H.R. 465: Mr. JACOBS.

H.R. 523: Mr. GUNDERSON, and Mr. ADDABBO.

H.R. 580: Mr. MINETA.

H.R. 581: Mr. DIXON.

H.R. 588: Mr. PEPPER.

H.R. 643: Mr. ROBERT W. DANIEL, JR.

H.R. 645: Mr. ROBERT W. DANIEL JR., Mr. KRAMER, Mr. ROBERTS of South Dakota, and Mr. ROSE.

H.R. 646: Mr. KRAMER.

H.R. 750: Mr. RAILSBACK and Mr. JEFFRIES.

H.R. 857: Mr. KASTENMEIER, Mr. BINGHAM, Mr. WON PAT, Mr. WEAVER, Mr. MILLER of California, Mr. MARKEY, Mr. MURPHY, Mr. VENTO, Mr. WILLIAMS of Montana, Mr. MOAKLEY, Mr. BEILENSON, Mr. EDWARDS of California, Mr. SEIBERLING, and Mr. LOWRY of Washington.

H.R. 878: Mr. FAZIO, Mr. IRELAND, Mrs. PENWICK, Mr. GINGRICH, Mr. CROCKETT, Mr. SMITH of Alabama, Mr. GUARINI, Mr. PAUL, Mr. MOTTL, Mr. PANETTA, and Mr. GREGG.

H.R. 879: Mr. SHARP.

H.R. 880: Mr. SHARP.

H.R. 896: Mr. FORSYTHE, Mr. WINN, Mr. WHITEHURST, Mr. GIBBONS, Mr. WALKER, Mrs. HOLT, Mr. JEFFORDS, Mr. FRENZEL, Mr. GUYER, Mr. LUNGREN, Mr. DAUB, Mr. COLLINS of Texas, Mr. JOHNSTON, Mr. SHELBY, Mr. PORTER, Mr. RUDD, and Mr. JEFFRIES.

H.R. 905: Mr. LUKEN.

H.R. 911: Mr. FIELDS, Mr. TAUKE, and Mr. LOWERY of California.

H.R. 920: Mr. DUNCAN, Mr. WILSON, Mr. COLLINS of Texas, Mr. GUYER, Mr. THOMAS, Mr. ROBINSON, and Mr. HANCE.

H.R. 1008: Mr. BEVILL, Mr. COLLINS of Texas, Mr. KOGOVSEK, Mr. EVANS of Georgia, Mr. FORSYTHE, Mr. YOUNG of Missouri, Mr. BEDELL, Mr. BARNARD, Mr. FRENZEL, Mr. COELHO, Mr. JAMES K. COYNE, Mr. BEARD, Mr. JOHNSTON, and Mr. SOLOMON.

H.R. 1267: Mr. LANTOS, Mr. BEILENSON, Mr. STARK, Mr. EDWARDS of California, Mr. FAZIO, Mr. DELLUMS, Mr. MILLER of California, Mr. MATSUI, and Mr. MINETA.

H.R. 1290: Mr. ARCHER, Mr. LOEFFLER, Mr. CAMPBELL, Mr. YOUNG of Alaska, Mr. MCDADE, Mr. PORTER, and Mr. SMITH of Alabama.

H.R. 1294: Mr. LEATH of Texas, Mr. OTTINGER, Mr. RUDD, Mr. GLICKMAN, and Mr. COELHO.

H.R. 1313: Mr. WINN, Mr. KAZEN, Mr. D'AMOURS, Mr. PETRI, Mr. BENJAMIN, Mr. ERTEL, Mr. CONTE, Mr. JEFFORDS, Mr. FROST, Mr. DONNELLY, Mr. FRANK, Mr. TRAXLER, Mr. BENIOR of Michigan, Mr. DWYER, Mr. ERDAHL, Mr. HUGHES, Mr. IRELAND, Mr. FRENZEL, and Mr. CHAPPELL.

H.R. 1357: Mr. WHITEHURST, Mr. WALKER, Mr. MURPHY, Mr. BADHAM, Mr. YATRON, Mr. BLILEY, Mr. STENHOLM, Mr. BROOMFIELD, Mr. HUBBARD, Mr. CRAIG, Mr. SENSENBRENNER, and Mr. GUYER.

H.R. 1531: Mr. LOWERY of California and Mr. BURGENER.

H.R. 1574: Mr. FARY, Mr. OTTINGER, and Mr. SIMON.

H.R. 1603: Mr. EMERY, Mr. DICKINSON, Mr. LAGOMARSINO, Mr. BROWN of Ohio, Mr. BUTLER, Mr. FORSYTHE, Mr. KRAMER, Mr. WHITEHURST, Mr. DUNCAN, Mr. GINN, Mr. ALEXANDER, Mr. SHUMWAY, Mr. SENSENBRENNER, Mr. LEATH OF TEXAS, Mr. HILER, Mr. MONTGOMERY, Mr. GLICKMAN, Mr. ERDAHL, Mr. LEE, Mr. KINDNESS, Mr. HEFNER, Mr. MYERS, Mr. PAUL, Mrs. HOLT, Mr. MCDONALD, Mr. ANTHONY, Mr. ROBINSON, Mr. LIVINGSTON, Mr. JEFFORDS, Mr. REGULA, Mr. COLLINS of Texas, Mr. LOEFFLER, Mr. ARCHER, Mr. MITCHELL of New York, Mr. STRATTON, Mr. LOTT, Mr. FRENZEL, Mr. PASHAYAN, Mr. HIGHTOWER, and Mr. BEREUTER.

H.R. 1643: Mr. WINN, Mr. LAGOMARSINO, Mr. BEARD, Mrs. HOLT, Mr. BEVILL, Mr. BUTLER, Mr. GINGRICH, Mr. SPENCE, Mr. LOTT, Mr. COLLINS of Texas, Mr. CRAIG, Mr. MCCLOSKEY, Mr. RUDD, Mr. JAMES K. COYNE, Mr. SMITH of Alabama, Mr. MCKINNEY, Mr. CARMAN, and Mr. JOHNSTON.

H.R. 1659: Mr. STRATTON, Mr. COLLINS of Texas, Mr. MONTGOMERY, Mr. WINN, Mr. LAGOMARSINO, Mr. MCDONALD, Mr. SAM B. HALL, JR., Mr. DOUGHERTY, Mr. BUTLER, Mr. LOTT, Mr. DORNAN OF CALIFORNIA, Mr. DANNEMEYER, Mr. JEFFRIES, Mr. CHAPPELL, Mr. ROE, Mr. BAILEY of Missouri, Mr. GUYER, Mr. SAWYER, Mr. SMITH of Alabama, Mr. BAFALIS, Mr. BEARD, Mr. MCKINNEY, Mr. CARMAN, Mr. BEVILL, Mr. JAMES K. COYNE, and Mr. RITTER.

H.R. 1756: Mr. SMITH of New Jersey.

H.R. 1767: Mr. ROUSSELOT, Mr. SHUMWAY, Mr. JOHNSTON, Mr. HARTNETT, Mr. GOLDWATER, Mr. LEATH of Texas, Mr. GRAMM, Mr. COLLINS of Texas, Mr. LOWERY of California, Mr. BUTLER, Mr. WHITEHURST, Mr. KRAMER, Mr. BENEDICT, Mr. BEARD, Mr. DANNEMEYER, Mr. MCDONALD, Mr. CHAPPELL, Mr. DICKINSON, and Mr. SMITH of Alabama.

H.R. 1778: Mr. DERWINSKI, Mr. FINDLEY, Mr. JACOBS, and Mr. ROUSSELOT.

H.R. 1779: Mr. BAILEY of Missouri, Mr. FINDLEY, and Mr. JACOBS.

H.R. 1862: Mr. KRAMER, Mr. ECKART, Mr. PATTERSON, Mr. OBEY, Mr. ERTEL, and Mr. OTTINGER.

H.R. 1962: Mr. YATRON, Mr. MCKINNEY, and Mr. WEAVER.

H.R. 1991: Mr. DUNCAN, Mr. KINDNESS, Mr. NEAL, and Mr. BURGENER.

H.R. 2024: Ms. OAKAR, Mr. NELLIGAN, and Mr. GRAY.

H.J. Res. 2: Mr. BAILEY of Missouri, Mr. COLLINS of Texas, Mr. DAUB, Mr. GINGRICH, Mr. GOODLING, Mr. HARTNETT, Mr. MCDADE, Mr. MILLER of Ohio, and Mr. WAMPLER.

H.J. Res. 8: Mr. LEATH of Texas, Mr. GUYER, Mr. DOUGHERTY, and Mr. BURGENER.

H.J. Res. 56: Mr. EVANS of Indiana, Mr. DANNEMEYER, Mr. WYLIE, Mr. WHITTAKER, Mr. CARNEY, Mr. DINGELL, Mr. LOTT, Mr. HANCE, Mr. TAYLOR, Mr. ROUSSELOT, Mr. RUSSO, Mr. ROBINSON, Mr. JEFFRIES, Mr. LENT, Mr. LOWERY of California, Mr. CHAPPELL, Mr. ROEMER, Mr. DOUGHERTY, and Ms. PIEDLER.

H.J. Res 68: Mr. TRIBLE.

H.J. Res. 69: Mr. STANGELAND.

H.J. Res. 89: Mr. WHITEHURST, Mr. ROBERT W. DANIEL, JR., Mr. LAGOMARSINO, Mr. LUNGREN, Mr. NEAL, Mr. MCDONALD, Mr. GOODLING, Mr. COLLINS of Texas, Mr. ROBINSON, Mr. BADHAM, Mr. BURGENER, Mr. HARTNETT, Mr. PORTER, Mr. HILER, Mr. FORSYTHE, and Mr. JEFFRIES.

H.J. Res. 96: Mr HANCE and Mr. D'AMOURS.

H.J. Res. 131: Mr. SUNIA, Mr. BROWN of Colorado, Mr. HUGHES, Mr. HORTON, Mr. RICHMOND, Mr. ADDABBO, Mr. AKAKA, Mr. KRAMER Mr. CORCORAN, Mr. MINETA, Mr. STARK, Mr. GORE, Mr. CHENEY, Mr. PERKINS, Mr. OTTINGER, Mr. MINISH, Mr. CHAPPELL, Mr. MCGRATH, Mr. EMERY, and Mr. CHAPPIE.

H. Con. Res. 27: Mrs. HOLT, Mr. BRODHEAD, Mr. LANTOS, and Mr. CROCKETT.

H. Con. Res. 28: Mr. WON PAT, Mr. BAFALIS, Mr. WINN, Mr. LAGOMARSINO, Mr. MARRIOTT, Mr. FROST, Mr. LUNGREN, Mr. HINSON, Mr. BUTLER, Mr. DAUB, Mr. GOLDWATER, Mr. DICKS, Mr. MILLER of California, Mr. ROE, Mr. COLLINS of Texas, Mr. HEFNER, Mr. BARNARD, Mr. BONIOR of Michigan, Mr. MARKS, Mr. DE LA GARZA, Mr. MCGRATH, Mr. MCDONALD, Mr. DUNCAN, Mr. CAMPBELL, Mr. LIVINGSTON, Mr. JAMES K. COYNE, Mr. GREEN, Mr. ERLENBORN, Mr. MYERS, Mr. HUGHES, Mr. HEFTEL, Mr. COURTER, Mr. CARNEY, Mr. DICKINSON, Mr. PORTER, Mr. ARCHER, Mr. BURGENER, Mr. DORNAN of California, Mr. SOLOMON, Mr. MCCLOSKEY, Mr. HAGEDORN, Mr. BLANCHARD, Mr. CORRADA, Mr. ZEFERETTI, Mr. DOWNEY, Mr. KEMP, Mr. EDWARDS of Alabama, Mr. MCCLORY, Mr. SIMON, Ms. PIEDLER, Mr. FINDLEY, Mr. NEAL, Mr. FRENZEL, Mr. RUDD, Mr. ENGLISH, Mr. EVANS of Georgia, and Mr. TRIBLE.

H. Con. Res. 61: Mr. BOLAND, Mr. D'AMOURS, Mr. FORD of Michigan, Mr. GEPHARDT, Mr. MOAKLEY, Mr. LEHMAN, Mr. MITCHELL of Maryland, Mr. DOUGHERTY, Mr. YATRON, Mrs. HECKLER, Mr. WALKER, Mr. RATCHFORD, Mr. MURPHY, Mr. BLANCHARD, Mr. MAVROULES, Mr. ZEFERETTI, Mr. CORRADA, and Mr. DAN DANIEL.

H. Con. Res. 71: Mr. LEHMAN.

H. Res. 10: Mr. PEPPER, Mr. YATRON, Mr. MURPHY, Mr. SIMON, Mr. MURTHA, Mr. EDGAR, Mr. RAHALL, Mr. CONTE, Mr. ATKINSON, Mr. KOGOVSEK, Mrs. BYRON, Mr. JAMES K. COYNE, and Mr. MOLLOHAN.

H. Res. 38: Mr. JAMES K. COYNE and Mr. RATCHFORD.

H. Res. 50: Mr. DE LUGO.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

29. By the SPEAKER: Petition of Lithuanian Americans of Greater Boston, Mass., relative to existing problems in Lithuania; to the Committee on Foreign Affairs.

30. Also, petition of the National Association of State Treasurers, Dallas, Tex., relative to encouraging corrective legislation to guarantee the fullest possible participation in the electoral process; to the Committee on House Administration.

31. Also, petition of Assemblyman Melvin N. Zimmer, Assembly of State of New York, relative to enacting legislation to implement an agreement with regard to land claims of the Cayuga Nation of Indians; to the Committee on Interior and Insular Affairs.

32. Also, petition of the National Association of State Treasurers, Providence, R.I., relative to opposition to Revenue Procedure 80-55 of the Internal Revenue Service; to the Committee on Ways and Means.

33. Also, petition of the Chautauqua County Legislature, Mayville, N.Y., relative to supporting Federal legislation re income tax deduction on special savings account for higher education student costs; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

MONTHLY LIST OF GAO REPORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The December 1980 list includes:

NATIONAL DEFENSE

More Effective Internal Controls Needed to Prevent Fraud and Waste in Military Exchanges. FPCD-81-19, December 31.

Department of Defense Still Paying Some Foreign Taxes. C-ID-81-2, December 15.

Legislation on Sizing Military Medical Facilities Needed to Correct Improper Practices, Save Money, and Resolve Policy Conflicts. Acc. No. 114009, HRD-81-24, December 17.

LETTER REPORTS

Details concerning Naval Air Systems Command Contracts with Patty Precision Products Company. Acc. No. 113930, PSAD-81-1, November 24.

Defense's overall master plan for air defense should consider certain issues in its development. Acc. No. 113924, PSAD-81-15, December 3.

The Congress should be provided with more information on the distribution of minorities and females in the military services. Acc. No. 114005, FPCD-81-6, December 18.

The financial inventory accounting system of the Standard Army Intermediate Supply System. Acc. No. 114007, AFMD-81-19, December 19.

Evaluation of Selective Service's summer 1980 draft registration drive for 19- and 20-year old males. FPCD-81-30, December 19.

INTERNATIONAL AFFAIRS

American Employment Generally Favorable at International Financial Institutions. Acc. No. 113938, ID-81-3, December 10.

The Value-Added Tax in the European Economic Community. Acc. No. 113921, ID-81-2, December 5.

SCIENCE, SPACE AND TECHNOLOGY

NASA Lewis Research Center Attempts to Procure Suitable Wind Turbine Rotor Blades. Acc. No. 113891, PSAD-81-12, November 21.

LETTER REPORTS

NASA needs to provide Congress more complete cost information on its projects. PSAD-81-7, November 26.

ENERGY

Implications of the U.S.-Algerian Liquefied Natural Gas Price Dispute and LNG Imports. Acc. No. 513623, EMD-81-34, December 15.

Long-Term Economic Planning Needed in Oil- and Gas-Producing States. Acc. No. 113959, PAD-81-10, December 10.

Management Problems Impede Success of DOE's Solar Energy Projects. Acc. No. 114013, EMD-81-10, December 22.

Improved Data and Procedures Needed for Development and Implementation of Building Energy Performance Standards. Acc. No. 114012, EMD-81-2, December 23.

Financial and Regulatory Aspects of Converting Oil-Fired Utility Boilers to Coal. Acc. No. 113858, EMD-81-31, November 21.

Electric Powerplant Cancellations and Delays. Acc. No. 113933, EMD-81-25, December 8.

Financing Rural Electric Generating Facilities: A Large and Growing Activity. Acc. No. 113925, CED-81-14, November 28.

Economic Impact of Closing Indian Point Nuclear Facility. Acc. No. 113928, EMD-81-3, November 7.

LETTER REPORTS

Status of Strategic Petroleum Reserve activities for October 1980. Acc. No. 113912, EMD-81-24, November 3.

The Department of Energy did not validate or determine the Argonne National Laboratory's early retirement program to be appropriate. Acc. No. 113857, EMD-81-33, November 26.

NATURAL RESOURCES AND ENVIRONMENT

Mapping Problems May Undermine Plans for New Federal Coal Leasing. Acc. No. 113967, EMD-81-30, December 12.

Costly Wastewater Treatment Plants Fail to Perform As Expected. Acc. No. 113976, CED-81-9, November 14.

States' Experience with Beverage Container Deposit Laws Shows Positive Benefits. Acc. No. 113944, PAD-81-08, December 11.

Managing Foreign Mineral Information Programs to Support Policy Analyses. Acc. No. 113945, EMD-81-32, December 10.

Environmental Protection Issues in the 1980s. Acc. No. 114227, CED-81-38, December 30.

AGRICULTURE

Promoting Agricultural Exports to Latin America. Acc. No. 113946, ID-81-95, December 11.

COMMERCE AND HOUSING CREDIT

Most Borrowers of Economic Opportunity Loans Have Not Succeeded in Business. Acc. No. 113926, CED-81-3, December 8.

Increasing Use of Data Telecommunications Calls for Stronger Protection and Improved Economies. Acc. No. 113962, LCD-81-1, November 12.

More Can Be Done to Ensure That Industrial Parks Create New Jobs. Acc. No. 113909, CED-81-7, December 2.

Administrative Procedures and Controls Need Strengthening to Reduce Losses to HUD's Mortgage Insurance Fund. Acc. No. 114003, CED-81-29, December 18.

Better Planning Needed by Postal Service in Relocating Mail Processing Operations. Acc. No. 113990, GGD-81-11, December 18.

LETTER REPORTS

Delays in implementing HUD's accounting system for its mortgage insurance program. Acc. No. 113941, FGMSD-80-37, March 4, 1980.

TRANSPORTATION

Impact of Work Cutbacks on Northeast Corridor Improvement Project. Acc. No. 113890, CED-8-23, October 31.

SOCIAL SERVICES

Guyana Tragedy Points to a Need for Better Care and Protection of Guardianship Children. HRD-81-7, December 30.

CETA Demonstration Provides Lessons on Implementing Youth Programs. Acc. No. 113934, HRD-81-1, December 8.

LETTER REPORTS

Allegations about administration of the Emergency Energy Assistance Program by the Economic Opportunity Commission of Nassau County, New York. HRD-81-23, December 22.

HEALTH

Further Federal Action Needed to Detect and Control Environmental Contamination of Food. CED-81-19, December 31.

LETTER REPORTS

Federal diabetes activities. Acc. No. 113927, HRD-81-21, October 23.

Validation of health care related convictions attributed to the Department of Health and Human Services. Acc. No. 113930, HRD-81-34, December 5.

INCOME SECURITY

Public Assistance Benefits Vary Widely From State to State, But Generally Exceed the Poverty Line. Acc. No. 113975, HRD-81-6, November 14.

Implementing GAO's Recommendations on the Social Security Administration's Programs Could Save Billions. HRD-81-37, December 31.

LETTER REPORTS

Improvements for the Civil Service Disability Retirement Program. FPCD-81-1, December 15.

VETERANS AFFAIRS

VA Needs Better Visibility and Control over Medical Center Purchases. Acc. No. 113960, PSAD-81-16, December 12.

ADMINISTRATION OF JUSTICE

Women in Prison: Inequitable Treatment requires Action. Acc. No. 113947, GGD-81-6, December 10.

Congressional Sourcebook Series—1980 Edition. (The Sourcebook Series is a part of GAO's efforts to provide the Congress with the information it needs to carry out its budget control and oversight responsibilities.)

GENERAL GOVERNMENT

An assessment of 1980 Census Results in 10 Urban Areas. GGD-81-29, December 24.

Voluntary Early Retirements in the Civil Service too often Misused. FPCD-81-8, December 31.

Federal Work Force Planning: Time for Renewed Emphasis. FPCD-81-4, December 30.

Problems in Developing and Implementing a Total Compensation Plan for Federal Employees. FPCD-81-12, December 5.

Achieving Representation of Minorities and Women in the Federal Work Force. Acc. No. 113910, FPCD-81-5, December 3.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Proposals for Improving the Management of Federal Travel. FPCD-81-13, December 24.

The Office of the Special Counsel Can Improve its Management of Whistleblower Cases. FPCD-81-10, December 30.

Continued Use of Costly, Outmoded Computers in Federal Agencies Can Be Avoided. Acc. No. 113974, AFMD-81-9, December 15.

Most Federal Agencies Have Done Little Planning For ADP Disasters. Acc. No. 113993, AFMD-81-16, December 18.

Oversight of the Government's Security Classification Program—Some Improvement Still Needed. Acc. No. 113985, LCD-81-13, December 16.

Voluntary Pay and Price Standards have had no Discernible Effect on Inflation. Acc. No. 113943, PAD-81-02, December 10.

Department of Labor Has Failed to Take the Lead in Promoting Private Sector Productivity. Acc. No. 113920, AFMD-81-10, December 4.

Audit of Financial Transactions of the Sergeant at Arms for the 12 Months Ended June 30, 1980 House of Representatives. Acc. No. 113885, GGD-81-16, December 2.

Audit of the United States Capitol Historical Society for the Year Ended January 31, 1980. Acc. No. 113919, GGD-81-15, December 4.

LETTER REPORTS

TVA could have avoided substantial expenditures in supplementing the processing capacity of its central computing system. Acc. No. 113929, EMD-81-20, November 7.

Delays in providing office space for the Merit Systems Protection Board. Acc. No. 113931, LCD-81-14, December 5.

Most Government agencies have done little to ensure that federally assisted programs and activities comply with section 504 of the Rehabilitation Act. Acc. No. 113923, HRD-81-35, December 5.

Data on exclusionary rule procedures in 36 States. Acc. No. 114008, GGD-81-33, December 22.

GENERAL PURPOSE FISCAL ASSISTANCE

Revenue Sharing Act's 1976 Amendments: Little Effect on Improving Administration and Enforcement of Nondiscrimination Provisions. Acc. No. 113940, GGD-81-9, December 10.

Federal Assistance System Should Be Changed to Permit Greater Involvement by State Legislatures. Acc. No. 114004, GGD-81-3, December 15.

Proposed Changes in Federal Matching and Maintenance of Effort Requirements for State and Local Governments. Acc. No. 114014, GGD-81-7, December 23.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 275-6241.●

CHANGES IN THE LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. DONNELLY. Mr. Speaker, today I have introduced legislation making important changes in the Longshoremen's and Harbor Workers' Compensation Act. These changes recognize the long-term effects on health experienced by workers who have been exposed to asbestos while building ships.

Those workers who have inhaled or ingested asbestos have suffered various respiratory diseases, including asbestosis and mesothelioma. These diseases often lead to lung cancer. This legislation recognizes that such illnesses in shipyard workers are employment related, and it extends to the victims the protection of the Longshoremen's and Harbor Workers' Compensation Act.

The current law requires that claims for compensation, including those claims arising from asbestos-related disease, must be filed within 1 year of first diagnosis. It often takes up to 7 years for asbestos-related illnesses to become debilitating. It is at this point that many workers apply for compensation, only to be turned down for failing to file the claim earlier. This legislation would permit the afflicted worker to receive appropriate compensation.

This legislation also establishes an appeals procedure to protect workers whose benefits are now subject to termination unilaterally by the employer.●

WOMEN OF ACHIEVEMENT—SYRACUSE, N.Y.

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WORTLEY. Mr. Speaker, it is with the greatest of pleasure that I ask my colleagues to direct their attention for the next couple of minutes to the contributions of the women of achievement from Syracuse, N.Y. There are 10 of them—each very different from the other; but each has in common the desire to reach out to the community with helping hands.

Gladys McElroy, a lay minister of the Tucker Missionary Baptist Church, works full time at the cooperative extension as a supervising staff aide. In addition, she is president of the Visiting Nurses Association, secretary of the Transitional Living Services, and a board member of Home-Aides of Central New York. But perhaps most interesting is that Gladys McElroy does all this on top of caring for her seven children.

Thank heavens for Ann Biesemeyer or what else would Girl Scout cookie lovers do? For 23 years, Ann has been a leader of the Girl Scouts. As district chairwoman, a member of the Girl Scout Council Board and trainer of leaders, she has left her mark in the community. She has also put in 17 years of work with the student exchange program, the American Field Service.

Mrs. Deeds at Carrier Foundation—Patricia Gonzales, vice president of the Carrier Foundation, has the job of giving away $1.2 million annually to nonprofit organizations. Patricia Gonzales also was elected mayor of the village of Phoenix—the first woman to hold that post.

"A one-woman welcome wagon" is an apt description of Eunice Aikman, who is usually accompanied by her homemade peach marmalade or a casserole. Besides spreading central New York good cooking around the neighborhood, Eunice Aikman has been involved with the New York State and Onondaga County Medical Society auxiliaries and the Girl Scouts.

Dr. Marie Blackman knows everything you would ever want to know about children since she is chief of pediatrics at Crouse Irving Memorial Hospital and chief of pediatric cardiology at the Upstate Medical Center. She has also developed an extensive pediatric cardiology research program at Upstate and established a fellowship for doctors.

Patricia Howard is the kind of teacher all parents wish their children could learn from. During her 4 years as principal at Edward Smith Elementary School, Patricia Howard has been instrumental in developing a program for gifted children, a resource center for students and a learning disabilities team that has become a model for Syracuse City schools.

One of the six women in the United States to head a university press, Arpena Mesrobian is director and editor of the Syracuse University Press. Involved in both scholastic affairs and the community, she is acting as president of the Syracuse chapter of the Armenian Relief Society, and serves on the board of the Armenian Review.

The Florence Nightingale of Cazenovia, Orletta Vadeboncoeur, worked in the Victory Center during World War II. Her philanthropic career includes being chairman of the women's division of the Community Chest, now the United Way; fundraiser for Van Duyn for almost 32 years; last year's chairman of Corinthian Club dinner which raised $10,000; chairman of the tribute to Margot Northrup which raised $100,000 for the Crouse-Irving Memorial Foundation; life member of the Community General Hospital Auxiliary; and life member of the Syracuse Boys' Club. She is indeed an alltime woman of achievement.

Ida Benderson's first career was spent at the Syracuse University Library; her second career began in 1964 when she became director of adult and senior activities at the Jewish Home for the Aged—a part of the program of the Jewish Community Center. Ida

Benderson's activities have also included involvement with community development, the nurses' association, libraries, and religious classes at the temple. For her lifetime of contribution, the Ida Benderson Senior Center was given her name in 1975. Ida Benderson is an alltime woman of achievement.

I trust my colleagues will join me in saluting the myriad contributions these 10 women have made to the 32d Congressional District of New York. They have been recognized at home, but I wanted to share the personal histories of these women, a national treasure in their own right, with you today.

Thank you.●

CALL-TO-CONSCIENCE VIGIL

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. BRODHEAD. Mr. Speaker, I am honored to participate in the call-to-conscience vigil sponsored by my colleague Representative MICHAEL BARNES and the Union of Councils for Soviet Jewry. As the sponsor of the vigil for freedom for Soviet Jewry in 1978, I believe it is essential for the Congress to bring the attention of the world to bear on the restrictive, discriminatory, and repressive emigration policies of the Soviet Union.

In no case are these harsh policies more evident than in that of Mr. and Mrs. Alexander Maryasin and their daughter, Faina. The Maryasins have repeatedly sought permission from the Soviet Government to join their oldest daughter in Israel. Again and again, they have been refused. No reason for these refusals was ever given.

Shortly after he applied for exit permission, Alexander Maryasin was fired from his executive position at a Riga, Latvia, manufacturing plant. Faina Maryasin was expelled from the university she was attending. The family has been jobless since then and has struggled to survive from day to day. Last year, in desperation, the Maryasins conducted a hunger strike in an attempt to bring their plight to the attention of Soviet authorities. In spite of their repeated and determined efforts to emigrate to Israel, they have so far failed.

The Maryasins first applied for exit permission in 1973, and I became involved in the case in 1977. Since that time, I have written dozens of letters on their behalf to Soviet authorities. None was ever answered.

The case of the Maryasin family is not unique in the Soviet Union. It is duplicated thousands of times over and shows signs of worsening. We must continue our efforts on behalf of these people and all peoples of the world who seek to live in peace and freedom. A national policy which officially turns its back on the Maryasins and those struggling for basic human rights is a national disgrace.●

A TRIBUTE TO TROOP 967

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. DYSON. Mr. Speaker, last week I had the privilege of presenting an American flag to Troop 967 in Havre de Grace, Md., on the occasion of Scout Sunday. It was an honor to be able to participate in that celebration of American youth and brotherhood. I include in the RECORD the message presented by Rev. Eddie L. Henry of Havre de Grace Methodist Church:

INTERNATIONAL BROTHERHOOD

The fog was so thick that the city lighted the street lamps at noon to aid residents and travelers alike. Mr. Boyce, an American publisher, was helplessly lost on the foggiest day of the year in London, England. The year was 1909. A young lad approached Mr. Boyce and inquired if he could be of any assistance. Mr. Boyce told the youngster where he wanted to go and was told the boy would take him there. Several blocks later, after arriving at his destination, Mr. Boyce reached into his pocket to offer a reward. The boy refused, stating that boy scouts did not accept rewards for "good turns." Mr. Boyce was very impressed. After further inquiry, and further discussion, the boy took Mr. Boyce to see Lord Robert Baden-Powell, the founder of Boy Scouts. When the two arrived at scout headquarters, the youngster disappeared.

Several months later, after returning to America, Mr. Boyce and several interested colleagues incorporated the Boy Scouts of America on February 8, 1910—on this day seventy-one years ago. The scouting program in America mushroomed and in 1920 the first World Jamboree was held in England with 321 scouts and thirty-two countries represented. The scouting program has continued to grow into a World-Wide program of International Brotherhood. The fourth scout law, "a scout is friendly," exemplifies the brotherhood and certainly lifts up the "good turn" done for Mr. Boyce in 1909.

One can only imagine the complications of that first World Jamboree. With thirty-two nations represented, consider the language barrier. However, scout ingenuity overcome the barriers and friendliness overcome language. From that first World Jamboree to the ones held today, scouters have always promoted the brotherhood of man.

With all the warm feelings expressed for our scouting program, the idea of World brotherhood is not original. The idea transcends time—to one of the greatest proponents of brotherhood of all time—the Apostle Paul.

Paul was a nation hopper. Never satisfied with staying in one place for more than three or four years at a time, Paul moved throughout the world carrying the Gospel of Jesus Christ from one city to the next. A dynamic organizer and preacher, Paul easily broke down the barriers of religion, language, and politics. Paul was never one to build on his own foundation however and soon became restless. He would rather leave local church building to local disciples. Paul built the fires and left the job of tending the fire to others.

Paul did spend some time in Rome. He had a marvelous ministry there and received many converts. However, sometime after leaving, he wrote a letter to the Romans reminding them of the Christian virtues that he left them. Recall the words of Paul as recorded in Romans 12: 9–16

"Let love be genuine; hate what is evil, hold fast to what is good; love one another with brotherly affection; outdo one another in showing honor. Never flag in zeal, be aglow with the Spirit, serve the Lord. Rejoice in your hope, be patient in tribulation, be constant in prayer. Contribute to the needs of the saints, practice hospitality. Bless those who persecute you; bless and do not curse them. Rejoice with those who rejoice, weep with those who weep. Live in harmony with one another; do not be haughty, but associate with the lowly; never be conceited."

Today, I would like to lift up just two passages from this text. Each phrase alone deserves special attention but I would call your attention to verses ten and sixteen. "Love one another with brotherly affection" and "live in harmony with one another." Both passages, so closely related and so close together in the passage lead us to believe that Paul placed a great emphasis on International Brotherhood. Paul made no secret wherever he went that all the missionary money he collected would go to the church in Jerusalem to feed the hungry, clothe the naked, and shelter the poor. Wherever Paul went in the name of Jesus Christ, he overcame great obstacles to preach. However even Paul's concept of International Brotherhood was not original.

The idea of International Brotherhood originated with Jesus Christ. While stuffy sadducees were oppressing the poor; Jesus was giving them hope. While top ranking pharisees were ignoring the sick and maimed; Jesus was healing them and giving aid and comfort. While the officials were turning their backs on children, women, and the old; Jesus was busy building their self-worth. Jesus saw brotherhood as transcending sex, color, race, age, and religion. He faithfully loved each person as they were regardless of their station in life. Even though Jesus never traveled world-wide, His concept of brotherly love has been reaped by the world. Jesus told His disciples to love one another as much as He loved them. From the ministry of Jesus, brotherhood has spread throughout the world and touches us here today.

Last Friday night, our confirmation class worshiped at the Harford Jewish Center. During the course of the service, a twelve year old girl gave the evening sermon. She said, in essence, that all Jewry could never again allow the extermination of six million people in another Holocaust. I felt like standing up and saying, not only must Jews never let it happen again, but so must Christianity never again let it happen.

The past couple of weeks our country has seen the raising of the ugly head of racism through cross burnings. While we don't want to do anything too quickly to give needless publicity to a few wrong thinking individuals, we also have to do whatever is necessary to suppress this vein of evil that goes specifically against the brotherly affection that both Jesus and Paul taught.

The French have a word—sabot—it means wooden shoes. During the early days, French workers would throw their shoes into the machinery to protest unfair working conditions. This is where we get the word sabotage.

Satan tries his very best to sabotage brotherly affection. He makes every effort to thwart our attempts to live in harmony. As Christians, we must overcome Satan's efforts. We can get along if we just live and let live. Jesus' message of brotherhood must spoil the attempts of Satan. Christianity teaches us to love one another. We must see that Jesus' word is still represented in today's world. Boy Scout Troop 967, sponsored by our church, represents the concept of Jesus' idea of brotherly love. Our troop represents the concept of Paul's idea of living together in harmony. Nowhere is this message more prominent than the testimony of Scout Sunday here today.

Our scout troop for the past six years has been traveling to the Canadian border for a World Brotherhood Camporee. One year the more than twenty-five hundred campers camp on the American side and the next year the Canadian side. Last year, the Canadians presented to the camporee, a flag that had been flown over their parliament. This would be a permanent gift to be flown each year. At the closing ceremony, the Canadians issued a challenge for the Americans to respond with an American flag flown over Congress. Our troop, one of the charter troops of this camporee, accepted the challenge.

Today, our new Congressman, Roy Dyson, presented to our troop, an American flag that will be presented to the World Brotherhood Camporee in Canada during the first weekend of October 1981. This spirit of giving and sharing exemplifies the spirit of Paul and Jesus of brotherly affection. It's certainly a challenge to us all as we learn to live in harmony with each other—whether it's next door or the next country.

The words of Jesus; the message of Paul; the fourth law of scouting; the World Brotherhood Camporee in Canada; all seem to converge and lift up the purpose of Christianity. Breaking down barriers; living in harmony; campers coming from all over Canada and Northeast America expanding International Brotherhood and international understanding.●

BENJAMIN BANE

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. ROUSSELOT. Mr. Speaker, I have just introduced legislation that will provide that Benjamin Bane shall be considered not to have lost his status as a citizen of the United States. I am pleased to sponsor this measure on behalf of Benjamin Bane.

The story of Benjamin Bane is an unfortunate one. He has been the victim of a series of catastrophic and administrative situations beyond his individual control.

Born in Durham, N.C., in 1905, Dr. Bane left 6 years later to travel with his parents to South Africa. He remained in that country until his 23d birthday. Dr. Bane wished to return to the United States to complete his education and pursue a career in dentistry. He did discover, however, that his premedical education was not acceptable for U.S. medical schools. Consequently, he completed his studies in England where he obtained his doctorate of dentistry.

During these years, the Hall of Records in North Carolina, where the birth certificate for Dr. Bane was filed, was destroyed by fire. When Benjamin Bane tried to obtain a passport to return to the United States, he was informed by the U.S. Embassy in England that a passport could not be issued in the absence of a birth certificate. Failing to obtain proper evidence of his birth, he was later informed by officials that it would be expeditious for him to apply for and travel on a British passport. Dr. Bane did not understand that an application for a British passport would affect his American citizenship.

Dr. Benjamin Bane is now 76 years of age and is terminally ill. Throughout the years his efforts to prove his citizenship have been unsuccessful, despite the fact that he was able to secure another record of his American birth.

Dr. Benjamin Bane is American-born, and I believe that this Congress should recognize Dr. Bane's citizenship without delay.●

NOW IS NOT THE TIME TO REMOVE PRICE CONTROLS FROM NATURAL GAS

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. DONNELLY. Mr. Speaker, today I have introduced a resolution on behalf of a large number of my colleagues expressing the sense of the Congress that now is not the time to remove price controls from natural gas.

President Reagan has indicated he may ask us to lift the remaining controls. Abrupt decontrol would have a staggering impact on the rate of inflation and would impose a crushing burden on millions of Americans.

Congress has already laid out an orderly timetable for the removal of the remaining controls on newly discovered natural gas. This cautious approach will still provide the capital and incentives necessary for increased gas production. It has the added advantage of cushioning the inflationary effects of decontrol, and of allowing homeowners a reasonable period in which to adjust their household budgets to reflect anticipated doubling or tripling of prices.

For the poor, the elderly, the people dependent on fixed incomes, the cost of abrupt decontrol of natural gas prices would be literally unbearable.

There's too much important work on the economy and on energy for Congress and the President to do in the next few months without a bitter and divisive fight over decontrol. This resolution is a message to the President: "Don't waste your time or ours on an issue that Congress has already studied, debated, and decided."●

IN THE COUNTRY IN OTHER THAN LEGAL STATUS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

Mr. HYDE. Mr. Speaker, last year in this Chamber we debated the merits of the Census Bureau's widely publicized effort to seek out and count illegal aliens in the decennial census, for the purpose of reapportionment.

Some of us criticized the Carter administration's strenuous efforts to augment the count of those who are in this country in violation of our immigration laws. My colleagues no doubt recall that some in that administration even recorded special television and radio messages, while then-Attorney General Civiletti ordered a suspension of enforcement of the law, while pledging that census data on illegal aliens would "not be sought by, accepted by, or divulged to the Immigration and Naturalization Service or any other arm of the Department of Justice."

There was considerable debate at the time as to whether or not the Census Bureau could determine who was an illegal alien, or to use the former administration's term, "undocumented alien." The Census Bureau maintanined such a determination was not possible, hence illegal aliens were sought out, counted, and we now have the results before us.

The Census Bureau, in its February 23, 1981, press release, announced that—

> The larger 1980 count of Hispanics is a result of improvements in census taking and *improved public relations*, which, in turn, resulted in the inclusion of a sizable but unknown number of persons *in the country* in *other than legal status*. (Italics are mine.)

The improved public relations efforts were already known about. They apparently served their purpose; illegal aliens were not arrested for violating the law. We do not know how many were counted, but the Census Bureau tells us that a "sizable but unknown number of persons" were included. If they know there was a sizable number, why do they not know how many?

Finally, why beat around the bush with the terminology "in the country

in other than legal status"? Why not just say "illegal aliens"?

The term "undocumented aliens" fascinated me. Shall we call a bank robber a "holder not in due course"? A drug pusher an "unlicensed pharmacist"? Of course, I am not comparing illegal aliens with bank robbers or drug pushers, but the fact is these people are here in violation of the law. Being undocumented, or to use the newest phrase, "in the country in other than legal status," is a consequence of their illegal presence.

I can remember when the prohibition laws were a mockery and led to massive disrespect for law enforcement and the law itself. Are we to treat our laws on immigration the same way? And what do we say to someone who must wait years to emigrate legally to our country? We equate stupidity with abiding by the law.

Now they have been counted. We do not know how many, but the Census Bureau tells us their numbers are sizable.

Their numbers will be included in the numerical base for reapportionment, and our cherished one-man, one-vote principle no longer holds true for American citizens. Distortions in drafting new legislative and congressional districts are inevitable. Being an American citizen has lost its one remaining distinction, and our political base has been eroded by those who are in this country illegally, or to use the Census Bureau's phrase, "in the country in other than legal status."

MY COMMITMENT TO MY COUNTRY

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. TAUKE. Mr. Speaker, I wish to first congratulate John Alan Stevens of Dubuque for winning the State competition on the voice of democracy contest sponsored by the Veterans of Foreign Wars.

I believe that his speech is a real tribute to our Nation's veterans and to our country as a whole. It is for this reason that I would like to share Mr. Stevens' speech with my colleagues:

MY COMMITMENT TO MY COUNTRY

We live in a time that doesn't know hardship or want. My generation has grown up under the infinitely warm wing of protection democracy gives unsacrificingly. Our proud heritage ascended out of the fountain of blood that our brave American veterans sacrificed willingly for us all. I know that not only can I not coast through life without focus, but I know without a hint of a second thought that I have an undeniable commitment to my country to carry on the ever burning torch of righteousness that only America's true believers dare carry.

Our nation was founded in a tumult of shouting where the whisper of wisdom rang out like Gabriel's last stand surely shall. We faced our first test in 1812, only a quarter century after our founding, and we faced it not like a stumbling group of colonies, but as a nation forged in God's cold wrath.

If now we could only know the awe Francis Scott Key felt as the Stars and Stripes emerged out of a dense cannonade smoke, if we only shared the terror Patrick Henry knew in his soul as he put his life on the line between liberty and the crown of England, perhaps then a confused generation would turn from drugs, put down their protest signs and rally behind the Zephyr of Justice.

This confusion stems from the transition we're going through in the United States. At the turn of the century, we were a nation of European refugees escaping tyranny, and as such were ethnically sectored. But now we have lived, shared and fought together for over three generations.

We went through the great depression, as more oppressed people yearning to breathe free, landed in the New York harbors. We put our faith behind Franklin Roosevelt and we even put our freedom on the line as his rebuilding of America meant sacrifice. But wasn't it worth risking on a gamble confronted with losing everything we held dear?

His Socialist-like programs put a kink in our democracy for awhile but it taught us what America was really all about—taking food and clothes to a neighbor in need when you didn't have it to give, and working harder than you ever thought you could for the right cause.

We're overcoming the prejudice of the 1960's and now are all full fledged Americans, far more pre-occupied with pursuing our dreams and aspirations than sloshing through the rut of racial prejudice.

We are all united in this spirit, following justice, equality, opportunity and hard work to their ends. We use all America has for ourselves, and I have a commitment to my country to preserve that spirit, the spirit of an impossible dream envisioned by Thomas Jefferson.

America is still changing, we face a critical re-examination of world dominance as it transforms into world cooperation. The energy crisis among other chronic problems such as pollution, waste disposal and nuclear energy will tax our unity, devotion and ingenuity as Americans to scale the wall of foreshadowed problems affronting us.

To all of this we owe a commitment to be better than our best, to scoff at the median and strive for nothing less than the greatest nation on earth need be represented by.

We are bound to remember what we have—our tremendous prosperity was given to us just as it may be taken away, but it is our freedom that is most dear—its winged spirit is our guiding hope.

The opportunity to make of ourselves what we are able to is the sole salvation of our individuality amidst the people of the world and our own daily grind. The spirit of freedom and justice has kept us great, strong and given us the courage to venture into darkness in search of light. That spirit lies within us all, and it's my commitment to look beyond what I see, and recognize that, once found, that hope leads to the stuff dreams are made of and the will to overcome anything.

We must commit ourselves, as the new generation Americans to preserve that spirit, to work just as our forefathers did—for America in the name of Democracy whenever she calls.

I know what lies ahead, and my duty speaks from within me in my commitment to my country and to the rights of all men.●

MRS. JOHN F. CONROW

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, it is with great pleasure and extreme pride that I take this opportunity to recognize an outstanding and devoted citizen from Roslyn, N.Y.

Mrs. John F. Conrow has been a great asset to the community, serving as a crossing guard at the busy corner of Locust Lane and Round Hill Road for the past 25 years. Her dedication, hard work, and service has provided a safe means by which schoolchildren may be protected from the busy intersection, thus relieving parents' concern.

Anita Conrow began her career after being informed of the need for crossing guards in Nassau County. Before she was assigned a position, she underwent 1 week of intensive training in traffic control at police headquarters in Mineola, N.Y.

Through the year, Mrs. Conrow has developed a code of conduct which incorporates two rules:

First, A smile and a pat on the head will bring more obedience from the youngsters than a scowl and harsh commands.

Second, Nobody rides a bicycle across the street when she is in charge.

Her code has proven to be quite effective, for she claims she has never had any trouble with children, and motorists have always been cooperative.

Through her unselfish dedication to the welfare of the children and the betterment of the community, Anita Conrow had truly enhanced the quality of life in the Roslyn community, and at the same time, earned the respect and admiration of those she so ably serves.●

TRIBUTE TO HARRY WALD, A 1981 HORATIO ALGER

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WRIGHT. Mr. Speaker, today I would like to salute a truly great American—one who knows the full meaning of U.S. citizenship. He is Brig. Gen. Harry Wald, ARNG (retired), of Las Vegas, Nev., whose charitable and civic activities have enriched the lives of countless thousands, not just in his own State but throughout the Nation.

Harry Wald's life story reads like that of a modern day Horatio Alger. Born in Rheine, Germany, he fled at the age of 13 from the tyranny of Hitler's regime. He obtained his U.S. citizenship in 1943, entered active military duty in World War II, and had a distinguished military career for 33 years.

Serving in military intelligence with the 30th Infantry Division in Comsat in Europe, Harry Wald received numerous decorations for his heroism, including the Legion of Merit, Bronze Star, five battle stars, the Combat Infantryman's Badge, and the French and Belgian Fourageres.

Following World War II, he remained active in the Army National Guard, attaining the rank of brigadier general and for 4 years served as assistant adjutant general for the State of Nevada. On June 6, 1980, he was reappointed for a second term as civilian aide to the Secretary of the Army.

Seventeen years ago General Wald was retained as project coordinator and was actively involved in the construction of Caesar's Palace in Las Vegas. By the time the business opened 2 years later, Harry Wald's hard work had earned him a vice-presidency. Later he was promoted to executive vice president and chief operating officer and now he has just been elected president.

While pursuing his business career, Harry Wald has remained active in industry as well as charitable and civic affairs, serving two terms as president of the Nevada Resort Association and also as that industry's representative on the Greater Las Vegas Chamber of Commerce Executive Committee. He also was named by the Nevada Governor to the White House Conference on Balanced National Growth and Economic Development.

Despite the countless hours he spends looking after his business interests, General Wald has always found time to serve others. He has served as general campaign chairman for United Way and is presently its senior vice president; ambassador at large for the Knights of Malta; member of the executive board of the Boy Scouts of America; member of the advisory council of the Clark County Community College; a two-term member of the board of the Las Vegas Convention and Visitors Authority; a member of the board of the Las Vegas Symphonic Society; a member of the Association of the U.S. Army, American Legion, Reserve Officers Association, and National Guard Association. He also has been actively involved as a member of the Southern Nevada Drug Abuse Council.

Harry Wald's beautiful wife, Pamela, comes from Abilene, Tex. They have two lovely children, Allyson, 13, and Kerry Lee, 9.

On March 13-14 of this year, hundreds of Harry Wald's friends will be in Nevada for a 2-day celebration honoring him on his promotion to the presidency of Caesar's Palace. This will be a milestone in the distinguished career of an American who has never been too busy to offer a helping hand to a fellow human being.

Therefore, let me offer this special salute to an adopted son of the United States, a distinguished business leader, and a champion of many altruistic causes—Gen. Harry Wald.●

ESTONIAN INDEPENDENCE DAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. ANDERSON. Mr. Speaker, this week marks the 63d anniversary of the independence of the Estonian Republic. It is a bittersweet day for many, as Estonians in the Western Hemisphere are able to celebrate with songs and dances, yet their brothers and sisters living in Estonia proper are barred from participating. It is unfortunate indeed that a people is forbidden to proclaim to the world their anniversary of independence, but this is exactly what is happening now in Estonia, as the Soviet Union continues to crush all vestiges of nationalism.

We are all aware of the fierce fight which the Estonian nation gave the Soviet Union in order to wrest its independence. History has forced the Estonian people to fight for their nation's freedom time and again; the struggle 63 years ago was a successful one, but these noble people were sacrificed to the Russians in 1939, after they had achieved many inroads and successes in forging a free and self-governing nation. Since Soviet occupation during World War II, the people of Estonia have not forsaken their dream that their country will once again be their own. History has shown that, and so the fight continues.

The United States has never recognized the illegal incorporation of Estonia into the Soviet Union. This fact was recently affirmed at the Conference on Security and Cooperation in Europe being held in Madrid, and it will continue to be a central part of American foreign policy toward the Soviet Union until the day that Estonia and her people are allowed to govern themselves.

Mr. Speaker, the desire of the Estonian people to regain their freedom will never abate. And while the celebrations here will be full of dancing and joyful songs, the knowledge that their countrymen are unable to join them makes this celebration rather hollow. I am certain that one day, this national day of joy will be celebrated by all Estonians, wherever they reside, since their determination to retain their national identity is so strong as to be felt by all of us, including the leaders of the Soviet Union.●

THE SUCCESS OF REAGAN'S ECONOMICS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GINGRICH. Mr. Speaker, George Gilder, the program director of the International Center for Economic Policy Studies, had a superb article in a recent Washington Post.

Mr. Gilder presents the argument that President Reagan's supply side economic policies can—and will—succeed.

I'd like to share Mr. Gilder's remarks with my colleagues, and hope it will help convince them that President Reagan's economic plan will work if given a chance.

WHY REAGAN'S ECONOMICS WILL SUCCEED

(By George Gilder)

Following a splendid series of appointments at the Treasury and the Office of Management and Budget, President Reagan's Thursday evening address signified a resounding triumph for supply-side theorists in his administration. As the cautionary tale of Margaret Thatcher's British regime will suggest, however, supply-side theory and monetary restraint can be easier to pronounce than apply.

Thatcher failed to combine her reduction in basic monetary growth rates with a reduction in government taxing and spending. But without spending cuts, tight money merely chokes the private sector. In 1980 and 1981, British manufacturing output is expected to drop by a total of 20 percent, while the obsolescent, inefficient and overmanned British public sector industries absorbed billions of pounds of scarce capital beyond their previously budgeted borrowing levels. Dramatically increasing the need for these bail-outs is the very recession that is at least partly attributable to Thatcher's failure to cut taxes and government spending when she restricted monetary growth.

Now President Reagan has made a seemingly similar commitment to cut tax rates and government spending and to fight inflation by monetary restraint. The possibility naturally arises—indeed, Caroline Atkinson has already predicted it in this newspaper—that Reagan will suffer the same vicious circles of recession and failure.

But Reagan's deeper supply-side convictions—and more committed Cabinet—make this result unlikely. If Congress accepts the three-year schedule for Kemp-Roth, reducing the top tax rate on income to under 38 percent, the benefits will be even more dramatic than Reagan's advisers predict.

The current tax structure, in combination with transfer payments that must be given up as earnings rise, imposes marginal tax

rates of over 50 percent on over half of the earners in America. This means that most Americans can do better by hiding a dollar of existing income than by earning another dollar: a sure formula for a tax system that on the margin loses more revenue than it gains. Moreover, these rates doubly penalize savings, both by deterring the effort to earn the additional dollars that are most likely to be saved and then by taxing the returns at the highest rate.

As has been shown repeatedly in both the United States and Japan, cutting marginal income tax rates will therefore impart twice the stimulus to savings as to consumption. In the lower brackets, people pay off debt and in the upper brackets they leave newly unprofitable tax shelters. Since the U.S. economy is swimming in consumer debt and honeycombed with tax shelters—and since personal savings are near all-time lows—there is vast room for response to substantial cuts in tax rates. The combined benefits of the Reagan programs on revenue, outlays and private savings mean that Kemp-Roth can be enacted without creating unmanageable federal borrowing requirements.

Overseas experience, however, strongly shows that these benefits cannot be achieved through the approach of focusing on corporate tax cuts or through the kind of compromise tax bill reported out of the Senate Finance Committee and now widely supported in Congress. Both Britain and Sweden maintained precisely this combination of high rates on personal income and low rates on corporations during the very years that their productivity plunged and their economies failed. Britain, in fact, has 100 percent one-year depreciation of investments, while Sweden raises just 4 percent of its tax revenue from corporations, less than any other European country and approximately one third of the U.S. proportion.

The result is to concentrate most capital spending within the existing corporate structure and slowly to transform corporations from instruments of production into vessels of disguised consumption. Employees who cannot take money out of the firm without facing confiscatory taxation instead are compensated with company cars, vacation resorts, housing and other perks. These devices tie down workers to particular firms, obstruct entrepreneurship, foster totally spurious "capital formation" and retard productivity and growth.

The world's fast-growing Asian economies, on the other hand, have combined monetary restraint with lower rates of taxation on personal incomes and higher rates on corporations. Japan, for example, has depreciation allowances similar in effect to ours but has far lower marginal rates on comparable levels of personal income, with a top bracket of 70 percent that applies only to earnings over $325,000.

Under current political circumstances, so-called "surgically targeted" tax cuts are particularly perilous in the United States, as in England, because the likely beneficiaries are heavy industries in decline like steel and autos, and housing, already massively subsidized (though the United States has for decades spent an eight-times greater portion of its capital on housing than European countries and a three-times greater share than Japan). The decline of the housing, auto and steel industries portends a desirable shift in the U.S. economy toward vitally needed investments in energy, high technology, sophisticated services and other entrepreneurial ventures. Any effort to retard this change will greatly damage the nation's future.

The one bad portent in Reagan's speech, therefore, is his apparent nostalgia for the days when the United States dominated the world's horizons with industrial smokestacks. Those days are happily gone forever. But as is shown by the British experience—as well as by the effects of the Chrysler bail-out on Ford and General Motors and by the continuing romance of subsidized synfuels—smokestack fetishism can lead rapidly from small doses of "targeted aid," on into the deadly addictions of lemon socialism.

The 1980s can be a period of global economic boom, as the energy prices recede as a result of new efficiencies and natural gas and oil discoveries, and as the full potential of the microcomputer revolution unfolds. But the future can prevail only if governments do not allow themselves to be paralyzed by the claims of the obsolescent past—the stagnant industries, socialist ideologies and government bureaucracies that stand between us and an exciting new decade of discovery and affluence.●

LITHUANIAN INDEPENDENCE DAY

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. LUNGREN. Mr. Speaker, I would like to join my colleagues in commemorating the Lithuanian people's valiant fight for freedom during this month which marks the 63d anniversary of the original establishment of a democratic Lithuanian state. Although Lithuania and her Baltic neighbors remain under Soviet domination, the Lithuanian people continue to look resolutely toward the reinstitution of their rights to a free and independent existence.

Following the First World War with the defeat of the Germans and the revolution in Russia, conditions were favorable for Lithuanian independence. In 1917, the German council proclaimed Lithuania an autonomous state and in 1920 Russia signed a peace treaty renouncing all sovereign rights to the nation. For 23 years Lithuania progressed as an independent entity, gaining admittance to the League of Nations and exercising its constitutionally accorded freedoms of speech, assembly, and communication. In 1940, the Germans invaded, the Soviets annexed the Baltic territory, and Lithuania lost its right to self-determination.

The United States recognized the independent Government of Lithuania in 1922 and has since refused to acknowledge the forced incorporation of the Baltic States into the U.S.S.R. Today, the United States still actively opposes Soviet suppression of these peoples and aspires to see the blessings of freedom and human liberty restored.

I am proud to join my colleagues and all other free peoples throughout the world in paying tribute to the Lithuanian people's courageous fight for sovereignty. We must never forget their bold struggle against oppression and let it stand as a reminder to all men of the privilege of freedom.●

CONSTITUTIONAL AMENDMENT TO PROVIDE FOR A BALANCED BUDGET

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. SHELBY. Mr. Speaker, I am introducing a joint resolution proposing a constitutional amendment which would require a balanced budget and a limit on Federal spending except in times of war and subject to suspension by the Congress. On February 5, the House approved a bill to increase the limit on the national debt from $935.1 billion to $985 billion. I voted against this public debt limit increase for the reason that to increase the debt ceiling is to ratify fiscally irresponsible behavior. By passing the bill in a business-as-usual manner, this Congress once again signaled its unwillingness to respond to growing public demands to fight inflation by ending budgeting irresponsibility.

My proposal is not a new one. There have been other such proposals. I am not concerned whether my proposal is adopted or some other proposal is adopted. I am merely attempting to provide the impetus for an external force that is needed to compel the Congress in controlling spending. It is time for Congress to break the patterns of the past and bring the Federal budget under control.

The resolution I am introducing provides two methods of controlling Government spending. It contains a balanced budget requirement which restores the link between spending and revenue and reestablishes the historically proven norm in which public officials first determine what resources are available to Government and, against that restraint, choose among, the many competing claims on Government spending. Thus, if the Congress voted new spending programs, it would have to eliminate old programs, or raise additional taxes. There is little doubt that the resistance to the elimination of existing programs or to tax increases would discourage many new spending proposals, thereby eliminating the current bias toward overspending. It would end future deficits and eliminate the inflationary effect of new money creation which has in past years financed these deficits and hit hardest those on fixed income, particularly individuals in the lower and middle economic groups.

Second, the resolution I am introducing restricts Federal expenditures to 20 percent of the gross national product for the previous calendar year. Thus the amount of permitted expenditures is not dependent on any projection of future gross national product. A balanced budget need not prevent future increases in Federal spending, but my spending limitation would successfully place a cap on Federal outlays. Although my spending limitation is a stiff requirement, I believe it should be stiff in order that Congress can demonstrate conclusively that it can discipline itself.

By merging a limit on Government spending into a balanced budget requirement, the size of Government would be limited and the inflationary pressures of Federal deficits would dissolve. Political life would be different from what we know it to be today, but, I believe, much healthier.

Some say that the objectives I seek to accomplish could be achieved by the passage of a simple statute rather than by passing a bill amending the Constitution. However, a provision was enacted in October 1978 which banned deficits in fiscal year 1981 and thereafter. This provision was passed by an overwhelming majority in both the Senate and the House and was signed into law by President Carter. That law has subsequently been ignored, which dramatizes the need for a constitutional amendment.

The constitutional amendment I propose simply reduces the rate of increase of tax revenues and of Government spending to the rate of growth of some broad measure of economic activity. As any such sensible amendment should, my proposal contains an emergency escape hatch. The balanced budget requirement and the spending limit could be set aside for any year by the approval of a concurrent resolution by a majority of the Members in the Senate and in the House for that year. Further, the balanced budget requirement and the spending limit would also be set aside when we are at war.

I believe Government performs best when it provides rules or principles that are as clear and definite as men can make them. This is the purpose of a constitutional amendment that limits the size of Government and the growth of taxes and spending, and this is the purpose that I have attempted to serve with my proposal.●

TRIBUTE TO TOM FLORES

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. PASHAYAN. Mr. Speaker, I rise today to salute and honor a quiet, determined leader in the sports world, a man of talent in human relations and with uncanny ability to mold a group of independent people into a disciplined, well-organized team of champions. That man is Tom Flores, coach of the Oakland Raiders, Super Bowl champions for 1981, and a native of Sanger, a city in central California.

Tom Flores is a man who lets his actions and accomplishments speak for him. Humility is his characteristic, but let no one be mistaken—this quiet man is a strong, tenacious leader of considerable dimension.

Little did Tom, Sr., and Nelly Flores realize that their "quiet boy who no one knew was around" should make such a mark in the world of sports.

From humble beginnings Tom Flores emerged an all-around athlete in high school and an honor student. He was senior class president and captain of the football team. Although he was offered many athletic scholarships, Tom chose to pursue his higher education on a scholastic scholarship.

An all-American football player in junior college and college; selected to play in the East-West Shrine game; most valuable player for Oakland in 1966; Super Bowl rings in 1970 and 1977, the honors go on and on. True to himself, Tom Flores succeeded in his own quiet way.

He is an inspiration to us all, a person who gets things done by doing them. As the World Champion Oakland Raiders point out unanimously: "Tom Flores is the quiet guy who made us champions."●

MISREADING MIDDLE EAST ISSUES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

●Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD a perceptive New York Times letter to the editor by Mr. Ivan J. Novick, president of the Zionist Organization of America, concerning the false perception among many nations that oil prices are linked to the Arab-Israeli conflict.

Mr. Novick's analysis shows that relations between Arab States and the world's oil importers are merely commercial and have nothing to do with the Arab-Israeli conflict. He also notes that the most destabilizing factor in the Middle East is not the Arab-Israeli conflict, but the continued divisiveness of the Arab nations as well as the relationship between the terrorist PLO and Moscow.

The entire world has much to lose by misreading the issues of the Middle East. I praise Mr. Novick for bringing to our attention some popular myths, and I commend his letter to the attention of my colleagues:

JAPAN'S MISREADING OF THE PALESTINIAN PROBLEM

To the EDITOR:

In his review of Japanese policy toward the Persian Gulf area [Op-Ed Feb. 2], Prof. Michael M. Yoshitsu succeeds in reaffirming the axiom that a myth, if repeated often enough, is accepted as reality.

Japan, evidently unable to distinguish between myth and reality, is recklessly following the stratagem of the European Common Market countries. Convinced that they must ingratiate themselves with Arab producers of petroleum and Arab consumers of industries, they now proceed to undermine the Camp David Agreements and to adopt policies harmful to Israel, America's ally in the Middle East.

Without factual justification, Japan and other nations have concluded that peace and stability in the Middle East depend on solving the so-called Palestinian issue. The reality is that the relationships of the Arab states with Japan or other nations are purely commercial; they consist of economic transactions that have no connection whatsoever with the Arab-Israeli conflict.

Why then should Japan and the European countries, which have so much to lose by misreading the Palestinian problem, victimize Israel and in the process appease the Soviet-dominated P.L.O.? Gen. Alexander M. Haig, Jr., in an address made in Miami Beach on Oct. 27, 1979, spelled out the issues in concise terms:

"Will the price of oil be stabilized by a settlement of the Arab-Israeli conflict? A resounding 'No.' The link between an Arab-Israeli settlement and oil prices is at best tenuous.

"First, not all members of OPEC are Arab. Second, oil prices are determined by supply, demand and the value of the dollar, not by the issue of who rules Jerusalem. Third, to speak of such a link is dangerous not only to us but also to the leading Arab oil producers themselves. Fourth, how can one be considered to be a superpower if foreign policies are distorted solely by domestic needs?

"Linking oil needs and prices to foreign policy only invites more dictation by radical or anti-American states. This is not in our interest, nor is it in the interest of such states as Saudi Arabia."

Mr. Yoshitsu referred to the Iranian-Iraqi war to vindicate Japan's policy favoring the Arabs and the P.L.O. Astonishingly, he sees this as a great unifying force in the area, when in fact this conflict has demonstrated that pan-Arabism is a fictional concept. The Arab states are hopelessly divided; some support Iraq, and others, like Syria, Libya, South Yemen and the P.L.O., side with Iran.

The lesson Mr. Yoshitsu should learn is that the instability of the Middle East continues to be caused by the internal restiveness of the masses, submerged in poverty and not afforded the opportunity to determine their own destiny. In such a climate, radical and anarchistic movements are skillfully orchestrated by the Soviet Union in its efforts to further expand its ambitions and its influences.

The P.L.O. is the most sophisticated element in this Soviet design. Armed and trained by the Soviet Union, the P.L.O. holds a "Sword of Damocles" over the heads of all Arabia. Although primary attention has been focused on the "Palestinian issue," it is the Soviet-P.L.O. partnership that constitutes the real danger in the area.

Professor Yoshitsu would do an important service if he advised Foreign Minister Ito that capitulation to the terrorist P.L.O. is not the answer to the aspirations of the Japanese people or the democratic world.

IVAN J. NOVICK,
President, Zionist Organization of America.●

ON THE 63D ANNIVERSARY OF THE ESTONIAN PROCLAMATION OF INDEPENDENCE

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. YOUNG of Florida. Mr. Speaker, I rise to honor the 63d anniversary of the proclamation of the independence of the Republic of Estonia, a country whose all-too-short life of freedom was snuffed out by Soviet occupation in 1940.

Since then, the people of Estonia and their compatriots abroad have kept alive the dream of a free and independent homeland. Through their courage, sacrifice, and dedication, they have not let the world forget that Estonia is still a slave nation, deprived of its separate voice by the Soviet aggression of the past 41 years.

The struggle of the Estonians is not a decades-old footnote of history, but rather a tragic fact of life even to this day. In Estonia, human rights violations are a daily occurrence, as the Soviet invaders suppress even the most basic of freedoms and imprison those who dare to protest. The Helsinki accords which gave the world hope for improved conditions for captive nations such as Estonia are only a cruel joke for Estonians who every day live the Soviet nightmare.

But the world has not forgotten them, and we refuse steadfastly to recognize the legitimacy of the Soviet presence in Estonia. Meanwhile, in the United States and all over the globe, Estonians and their descendants keep alive the traditions, heritage, and aspirations of their beloved homeland. They know, as do we who today honor their country, that one day Estonia will again be free.

Mr. Speaker, I am honored to be a part of this tribute to a gallant nation which serves as an inspiring reminder to us all. Freedom is a very precious treasure, easily lost if not jealously guarded. The people of Estonia lost theirs under the force of overwhelming arms, yet that event alone cannot stamp out their love of liberty. They have kept the spirit of Estonian independence alive for over four decades. The people of the United States and the entire world marvel at this courage and steadfastness, and I am proud to join the ranks of those wishing Estonia and its people well.●

HONORS 63D ANNIVERSARY OF ESTONIAN INDEPENDENCE

HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. DeNARDIS. Mr. Speaker, I am very pleased to join my colleagues in honoring the 63d anniversary of the independence of the Republic of Estonia on February 24.

In 1918, Estonians fought a successful war of independence against the invading Bolshevik Russians. Freedom brought economic, cultural, and social advancements to Estonia.

Unfortunately, this freedom was short-lived, Estonia, Latvia, and Lithuania lost their sovereignty during World War II. These three Baltic countries were forcibly incorporated into the U.S.S.R. after the Russian forces invaded them in 1940 as a result of the Hitler-Stalin pact.

This illegal annexation not only terminated Estonia's independence, but led to massive slaughter and deportations. Human rights violations by the Soviet regime in Estonia continue to this day. The United States must vehemently oppose such treatment.

I strongly urge that all Americans join with the Estonian people in celebrating their independence day and in working toward the day when Estonians can enjoy the freedoms that Americans too often take for granted.●

EDUCATION AND LABOR

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WEISS. Mr. Speaker, today I am submitting for the RECORD my legislative summary of education and labor issues during the 96th Congress.

The Education and Labor Committee on which I serve dealt with a wide range of education and work-related issues in the 96th Congress. As a member of three subcommittees—Employment Opportunities, Labor-Management Relations, and Postsecondary Education—I was able to play an important role in developing legislation to address many such issues, including higher education, elimination of asbestos from our Nation's schools, educational testing, prohibiting discrimination against homosexuals in employment and housing, employment for artists, and discrimination against the aged.

Perhaps the most important legislation that emerged from this committee to become law this session was the reauthorization of the Higher Education Act. Comprised of programs which make up the principal Federal effort to assist colleges, universities, and students, this legislation authorizes $48 billion for Federal higher education programs through 1985. Enacted in October, the bill expands existing, successful student loan and grant programs, and provides new assurances against possible fraud and defaults.

For the first time, the act makes federally guaranteed loans available to parents of undergraduate students. Through an amendment I sponsored, some financial aid will be available for students who attend less than half time. This will help to insure access to schooling for an estimated 11 million students above the traditional student age of 22 who previously may have been unable to enroll, or chosen not to do so. Other amendments, I offered, which the committee adopted will provide grants to schools of education to train teachers to be placed in new fields such as education for the handicapped, gifted, and with Comprehensive Employment and Training Act (CETA) programs, and others.

The CETA program received a great deal of attention during the 96th Congress. By working closely with officials of the Labor Department and the White House, I helped some 10,000 New York City CETA employees extend their jobs beyond their original date of termination. I was also able to be of assistance to the city in obtaining an additional $45 million in CETA moneys targeted for public service jobs which had not been spent by other localities. More than 1,200 older workers were able to continue in their public service jobs in 1980 as a result of an amendment I offered to CETA, and by extensive negotiation with the Labor Department for funding.

The employment of our Nation's youth, and especially minority youths, is one of the most crucial legislative areas that Congress must address. In the 95th Congress I helped rewrite the current youth employment legislation. This session, the Education and Labor Committee considered a number of proposals, including two of my own—the Full Youth Employment Act and an expansion of the targeted jobs tax credit—in addition to the Carter administration's youth employment and education initiative. However, the legislation, which included aspects of my proposals, was not enacted. With the unemployment rate for youth over 17 percent nationwide, and 30 percent in New York City, this is a critical issue for the 97th Congress.

The committee also considered a welfare reform package which would have provided almost 1 million new job opportunities. Unfortunately, this also lacked a broad base of support and the legislation was not enacted.

The problem of employer pressure and intimidation of an employee in the workplace has been a prime concern of the Subcommittee on Labor-Management Relations. Issues raised during hearings in these areas included management's use of lie detector tests, psychological examinations, sexual harassment, and consultants for union busting. A focal point of these hearings was a bill I introduced after a subcommittee visit to the J. P. Stevens textile plant in North Carolina. On that tour we found that an "employee educational association" was engaged in opposing alleged unionization on behalf of the company. My bill would simply require disclosure of the financial sources of these so-called employee organizations.

This same subcommittee drafted a bill which deals with the termination insurance provisions of multiemployer pension plans. An amendment I offered which would enhance the economic well-being of the entertainment industry was adopted by the committee. The amendment permits employers in this industry to make payments into a pension plan only during the run of their productions or engagements. This bill was enacted into law in September 1980.

Also enacted was legislation I cosponsored with Congressman GEORGE MILLER, Democrat of California, providing grants and loans totaling $130 million for inspection and elimination of hazardous asbestos in public and private elementary and secondary schools. In New York City alone, over 150 schools needed some type of repair due to this problem.

In November, the Congress adopted a 3-year extension of child nutrition programs which include summer food service and the women's infant and children's feeding program (WIC). Under the summer feeding program, for example, over 4 million lunches were served to school age children in New York City alone.

The Education and Labor Committee also has jurisdiction over the Juvenile Justice and Delinquency Prevention Act. This act funds State, local government, and agency programs which aid in the prevention of juvenile delinquency, and improve the juvenile justice system.

With Congressman HENRY WAXMAN, and 50 other cosponsors, I reintroduced legislation to end discrimination on the basis of sexual orientation. The Subcommittee on Employment opportunities held hearings on the bill in October 1980 in California. These amendments to the Civil Rights Act, if adopted, would prohibit discrimination against homosexual individuals in housing, employment, education, and public accommodations.

The massive influx of immigrants from Cuba and Haiti in 1980 also came to the attention of the committee. It was feared that this large, unanticipated flow of refugee children into local schools could place a severe financial burden on local school districts. In response, the Congress adopted a committee bill which provides an estimated $21 million per year in financial assistance to schools which enroll a large number of these refugee children.

The White House Conference on Library and Information Services held in Washington in November 1979 focused national attention on the continuing importance of libraries within our communities. One of the most significant achievements of the Conference was a proposal for new and comprehensive legislation for libraries. The National Library and Information Services Act would provide for coordination of interlibrary resource sharing and to expand the Federal Government's support of public library services for all segments of the population. The legislation is designed to replace the Library Services and Construction Act (LSCA) which will expire at the end of fiscal year 1982. As a member of the committee which has jurisdiction over this legislation, I hope to be actively involved in its development.

Funding for public libraries under title I of LSCA for fiscal year 1981 remained at $62,500,000, the same amount as that appropriated during the past 2 years. The failure to increase Federal funds for public libraries has had harsh effects on the New York Public Library, forcing curtailed hours and staff reductions in many of the branch libraries.

The Subcommittee on Elementary, Secondary and Vocational Education held extensive hearings on my legislation—H.R. 4949—to establish a national truth-in-testing law similar to that passed in New York State in 1979. The bill is a disclosure measure requiring the testing companies which administer standardized tests for college and graduate school admissions to open their studies of testing to public review, and to guarantee students access to their answer sheets along with the test questions and correct answers. It is not an attempt to create a Government testing system, nor would it appreciably increase the industry's costs. It would be, however, a major step toward reform of an industry with powerful influence over millions of lives. I plan to reintroduce this legislation and actively pursue its passage in the new Congress.●

THE HONORABLE ELLA T. GRASSO

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. PANETTA. Mr. Speaker, I would like to join my colleagues in paying tribute to the memory of Gov. Ella T. Grasso.

While Mrs. Grasso served in a State across the continent from my own, I know that she always had the admiration and love of my constituents. Therefore, I know the whole country must have felt the same way. But the people of Connecticut must feel a very special loss, and I pay tribute to them, as well, not only for the burden they must now bear but also for having had the wisdom in the first place to have elected Mrs. Grasso twice as their Governor, in addition to other offices, including membership in this body.

Ella Grasso was an extremely effective Governor. But she was a national symbol as well. As the first woman elected Governor of a State in her own right, and as a woman with her own family, she proved the enormous capacity of women all over our Nation to live rich and rewarding lives both in and outside of the home. In part because of her pioneering role, the election of women to high political office will, some day, no longer be unusual or even remarked upon in our country.

Mr. Speaker, Ella Grasso was a wise Governor whose constituents truly loved her. At a time when politicians in general were held in low esteem, she stood as an example to the people that the art of governing is not only vital to our society but also a worthy professional goal. Even in her last days, she showed the courage and good humor that had always been her trademarks. The Nation owes her a debt of gratitude.

At this time, I would also like to express my sympathy to Ella Grasso's family. We all know that family life for elected officials creates unique pressures. But her husband and children have maintained the kind of dignity that is increasingly difficult to hold onto in today's society, and they do tribute to Mrs. Grasso's memory.●

THOUGHTS FOR OUR NEW PRESIDENT

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GINGRICH. Mr. Speaker, although these thoughts were given before the inauguration, I still think they are important today.

I would like to share with you the sermon of Dr. Frank Harrington, the pastor of the Peachtree Presbyterian Church in Atlanta. I hope you will find his thoughts to be as inspiring as I did.

JANUARY 18, 1981.

DEAR MR. REAGAN—OR SOME THOUGHTS FOR OUR NEW PRESIDENT

"* * * How long will these people despise me? Will they never believe me, even after all the miracles I have done among them?" Numbers 14:11 (The Living Bible)

On Tuesday, January 20, at about high noon, Ronald Reagan will lift his right hand and take the oath of office. It takes about a minute for the torch to pass! The Chief Justice of the United States, The Honorable Warren Burger, will then say to the nation and to the world:

"* * * Ladies and gentlemen, the President of the United States * * *"

Immediately in front of the inaugural stand a military band will play, "Hail to the Chief" and the National Anthem and the twenty-one gun salute will sound. As the new president steps to the podium, he will begin his inaugural address * * * his first public statement as the President of the United States.

At precisely that same moment * * * when the mantle of leadership has been passed, James Earl Carter, the thirty-ninth President of the United States, will step back into history and will reverse his steps * * * moving from the Potomac to Plains. From the moment that he takes office until he is defeated in an election, or voluntarily declines to run for office again, or in the ways of Providence is prevented from serving * * * Ronald Reagan will assume the privileges, the powers, and the burdens of the most powerful position on the face of this earth!

I have attended two inaugurals, and there is much about the simplicity and straightforwardness of that event for which we can be grateful.

* * * It is, for example, a peaceful transition! In many places on the face of this earth, government is changed with a palace coup and a hail of bullets. The naked seizure of power and control is the order of the day * * * usually accompanied by much bloodshed, for men do not relinquish power easily!

* * * It is a transition prescribed by constitutional means! All the people know that the power has passed and how the power is transferred! In Russia, for example, leadership is determined by the infighting and control of the levers of power behind the Kremlin wall. It is leadership determined by "intrigue and deceit" and the emerging leader has demonstrated the law of the jungle * * * the survival of the fittest! In this nation a change in government reflects the will of the people.

* * * We can be grateful that in taking the oath of office Mr. Reagan, from that moment, becomes "our president" not the Republican President. He is the leader of all the people * * * and it is our duty and our responsibility to remember him in our prayers and to support him in his best efforts to lead our nation. It has disturbed me immensely that in recent years we seem to have lost our respect for the office of the presidency. Granted, we have had men occupy that office who were not worthy of it, but that does not alter your responsibility and mine as good citizens of this country to look up to it and to uphold the leaders of this nation in our prayers and in our efforts.

Now let's turn for a moment from the banks of the Potomac to a remote place in the wilderness called Kadesh! Moses had led the children of Israel out of Egypt and here two years later, after wandering around, they were on the verge of achieving their destiny! From slavery to freedom is a long march! Moses had listened to their complaints and their murmuring and the desire always to go back * * * to go back to Egypt * * * but now they stood on the border of the promised land!

All the promises that God had made to them about becoming a "nation" were about to come true. Moses, as any wise leader would do, sent spies to determine both potential and the peril of going forward before moving into the land. The spies were gone for forty days and when they returned their report was mixed * * *

* * * They agreed that the land was rich and bountiful. They described it as a place flowing with milk and honey and brought back fruit and produce to prove their point! It was a land of promise and great potential.

* * * It was also a land of peril and danger! The people who inhabited the land were powerful and warlike, and were described as giants.

The record states that they were panic-stricken when they saw them, and said * * *

"* * * We seemed as grasshoppers in our own eyes * * * they were so big!"

It is at this point that a serious problem develops! The twelve spies agreed unanimously on both the promise and the peril of the land before them, but there was disagreement on what they should do next! Ten of the twelve said * * *

"* * * We cannot take the land. The inhabitants are too strong! They live in fortified cities! They are too entrenched in their positions!"

Only Joshua and Caleb felt differently, and so they filed a minority report which in essence said * * *

"* * * Let's get moving, for we are well able to possess the land!"

It was Joshua who pled with the people to get moving! He said * * *

"* * * Do not rebel against the Lord and do not fear the people of the land * * * the Lord is with us and he has removed his protection from them! Don't be afraid of them!" (Numbers 14:9)

The people were in panic; they wanted to go back; they wanted to stone Joshua for making such a ridiculous proposal! It was one of those classic moments in history when the majority ruled, but the majority was wrong! On the brink of achieving their destiny, the people faltered and their faith gave way to fear!

I believe on Tuesday * * * with the inauguration of our fortieth president * * * that we shall either make a new beginning as a nation or we shall accelerate our downward slide. Our new President will immediately be faced with the enormous and oftentimes exaggerated expectations of the people! Given the landslide proportion of his election, I believe the enormity of the expectations that are facing Mr. Reagan, is his greatest danger in the early days of his leadership. We need to remember that he comes to office at a time when there are many problems facing this nation that are not of his own making.

Judge Bell, who became Attorney General in the last administration, tells a story that illustrates the point. Someone asked him what it was like to be Attorney General. This is the story he told:

A man appeared before a judge for drunk and disorderly conduct and for setting his bed on fire. The judge said, "How do you plead?"

The man said, "There ain't no question about it, I was drunk and disorderly. But your Honor, the bed was on fire when I got in it."

So, Mr. President * * * As you assume office I would like for you to remember three words. The first word is * * *

I. PROMISE

You were elected by an enormous mandate of the people. Your election was overwhelming. You have behind you the expressed will of the people to initiate changes, sweeping changes, and so your assumption of office is fraught with great promise! You will shortly realize, though, that it is easier to promise than to perform! Campaign rhetoric often fades with pragmatic reality hammering at you day after day! It would be well for you to remember, Mr. President, the often quoted words of Robert Frost * * *

"We have promises to keep and miles to go before we sleep!"

There are many who believe that this nation is in decline, that the western world has had its ascendancy, that we have lost our will to claim the promise that is ours! Some words of Sir William Watson have come back to haunt me in recent days as I have thought about this sermon and about our nation. Watson wrote:

"* * * Outwardly splendid as of old;
Inwardly sparkless, void and cold;
Her force and fire are all spent and gone,
Like the dead moon, she still shines on * *"

We have our problems, but we must remember our promise! The resources of our people * * the bounty of our land * * the creative genius inherent in many of our people * * our educational system * * the inventive capacity of our technology * * and the great talents of our people, collectively! All these resources must be summoned again and directed by a new sense of national will! Like the children of Israel, we stand on the verge of the promised land if we will move forward. It is only when our hearts grow cold with fear that our way becomes confused!

An English mother once said to her friends who came to offer their condolences when her son was killed in the Battle of Britain * * *

"Why do you commiserate with me? He lived for twenty happy years and then died for England. What better could he had done with his life than that?" (Footnote No. 1)

It is that kind of determined spirit * * that kind of faith * * that needs rekindling for us to claim the promise that is ours as a nation! The president of our nation is the nation's chief cheerleader. He can, by example, lift us above the pettiness of partisan politics and articulate for us again the vision that our fathers had for us and enable us to keep our promises before we sleep!

In 1776 John Adams, Benjamin Franklin, and Thomas Jefferson were on a committee to design the great seal of the United States. They decided to have the Latin words "E Pluribus Unum" stamped across the face of the seal.

"Out of many, one!"

The thirteen colonies that were then coming together to form a nation were diverse * * * competitive * * * and different in their aims and objectives. But there was one overriding thing that bound them together * * * they all wanted to be free!

"Out of many, one." * * * That has never been fully achieved, in my judgment. It has always been more of a dream than a reality, but it is a mighty dream that can lift us. As we join hands together, let's not blame everything on our "President." When he fails, we all have failed and lost * * * When he succeeds, we all have won! Remember, Mr. President, the word "promise" but, secondly, the word * * *

II. PERIL

This is a time of great danger! The perception in the world of power is that we are weak * * * that we no longer have the will to be a great nation in the world of power! Many believe like Adolph Hitler who said "* * * I don't see much future for the Americans."

Some of our people * * * and our politicians * * * are as naive as H. L. Mencken who wrote in the twenties * * *

"* * * The American Republic, as nations go, has led a safe and easy life, with no serious enemies, either within or without, and no grim struggle with want." (Footnote No. 2)

I am not sure that that statement has ever been true * * * I am positive that it is not true today. We have enemies within and without! We have serious problems that need to be addressed at home and abroad, and in my lifetime and in the lifetime of many of you who are here today, we are going to experience as a people a struggle with want! It is, Mr. President, a time of peril!

* * * Our cities are decaying!

* * * There is a rising rage among the poor!

* * * Inflation is running rampant. Newsweek, in a cover article this week said:

"Federal spending is running wildly out of control. Like some crazed creature from a science fiction fantasy, the already bloated budget continues to balloon, feeding on the very mechanisms that are supposed to govern it and smothering growth in other sectors of the economy. The figures are staggering. Since 1966 federal expenditures have exploded from 134 million to more than 660 billion * * * More than 75 percent of federal spending falls into the uncontrollable category * * *" (Footnote No. 3)

* * * The auto industry, one of the basic industries of this nation, is on the ropes.

* * * Unemployment is growing more and more severe!

* * * The pressure of the tightening screws from OPEC and the oil cartel is pinching us more and more.

* * * Renewed Soviet power and adventurous mischief-making has us under a full court press around the world!

* * * A game of brinkmanship is still being played in the Middle East as war rages between Iraq and Iran * * * and as 52 Americans are still held hostage in a criminal outrage without precedent in diplomatic history!

It's a time of peril for us as a nation * * * and we would be naive not to face the facts! You will be called upon in the future to be patient and to exercise restraint * * * to sacrifice and to serve! As the children of Israel found out as they stood on the border of the promised land, one does not waltz his way into his destiny! There are problems to be dealt with here at home every day. On the average day in America * * *

* * * There are 2,986 divorces granted.

* * * Drunk Drivers do 18 million dollars worth of damage.

* * * Prime time television is watched by 88 million persons and a lot of it is pure garbage.

* * * 2,740 kids run away from home.

* * * Over 2,700 teen-age girls get pregnant.

* * * 63,288 automobiles are involved in accidents and 120 persons are killed.

* * * 1,070 people die of cancer.

* * * 63,493 teen-agers come down with venereal disease! (Footnote No. 4)

Oh, friends, we have our problems * * * and all of them cannot be blamed on the president! We tend to do that * * * we find a surrogate villain and we say, with the help of the media, "If you had done better we would not be in this predicament." Like the children of Israel, as they saw the giants in the land of promise * * * they immediately wanted to go back to Egypt. They thought of stoning their leader who had brought them to such a God-forsaken place!

In the novel, "The King Must Die," by Mary Renault, the story is told of the mythical kingdom of Naxos and their bloody political system. Every year the ruling king fought a stranger and died. The stranger became king for a year and then lost his crown and his life, and the people celebrated. It sometimes seems that we are following that same form of government in this country. We pile exaggerated hopes on our president and when he inevitably fails and does not measure up, we destroy him! (From a column by Anthony Lewis in the Atlanta Constitution, Friday, January 16, 1981)

A Seattle lawyer once interrupted his lengthy cross examination of a witness, turned with indignation to the judge and said:

"Your Honor, one of the jurors is asleep!"

The judge replied:

"You put him to sleep, you wake him up!"

Every single one of us has played some part in the moral bankruptcy of the modern world, most frequently by what we are not doing for the common good of all. There is not one of us who has not contributed to the deterioration which we see on all sides—directly or through our sins of omission! It is only fair that we should now join hands and do our best to reverse the trend of things * * * to renew our march toward our destiny! (Page 21, "Three Minutes a Day.")

We collectively share the burden of our perils! We are collectively responsible for the moral muddle of our time! The perils of our time will call forth our best efforts and we will have to be supportive and patient!

Remember, Mr. President, the words "promise" and "peril" * * * but, thirdly, the word,

III. PURPOSE

This is what the children of Israel forgot in their fear! They forgot the great purpose of faith that had brought them out of the land of Egypt, from a life of bondage, and had set their bare feet on the road to freedom. They let their fears drown out the resources of faith, and because it happened they were doomed to wander for forty more years in the wilderness until that generation died. And they deserved it! God cannot build a worthy nation on fear! He cannot build a great church with a timid people! The people must have faith in him and go forward!

"Ain't this a terrible world, O Lord!
Ain't this a terrible world, O Lord!
Where's there quiet, where's there peace, O Lord?
There's moaning and sighing and hating and lying,
There's shouting and crying and shooting and dying
Where's there pity, where's there love, O Lord?
You say there's a place called journey's end,
A place called heaven, too,
Where we are all each other's friend,
And there ain't no work to do!
Why, thank you, Lord, thank you! That's very encouraging.
O Lord, show me that place
That you're telling me of,
Where there ain't no creed or race,
And all is brotherly love.
What's that you say, Lord?
I've got to spread the brotherly love down here,
To poor sinners, before I gets the call?
Yes, Lord!" (Footnote No. 5)

You see, there is work to be done here * * * where you live * * * where I live! We have to remember the purposes of God that have led us thus far and get moving! It is a plaintive, frustrating word from God that serves as our text for today. When the people refused to move forward because of fear, having forgotten the resources of faith, the Lord God Almighty said * * *

"How long will these people despise me? Will they never believe me, even after all the miracles I have done among them?" (Numbers 14:11—The Living Bible)

We all need to remember how God has led us in the past and how his promises have been sure and brought us security! It is as we have looked to him that we have been at our best!

Theodore Roosevelt and a friend frequently walked together in the evening. As was their custom, they would look up into the heavens and one of them would say * * *

"That is the spiral galaxy in Andromeda.
It is as large as our Milky Way.
It is one of a hundred million galaxies.
It is 750,000 light years away.
It consists of one hundred billion suns, each larger than our sun."

Then after a quiet interval, Theodore Roosevelt would say * * *

"Now, I think we are small enough! Let's go to bed!"

We need to realize how small we are and how great God is, and look full into his face and walk with him as a people! Harry Emerson Fosdick put it this way * * *

"Not so much what life brings to us in her hands as what we bring to life in our spirits makes the difference between people."

Mr. President, citizens one and all * * * our promise and our peril * * * is related to our adherence to and belief in the purposes of God! If we look to him and have faith we will fulfill our promise and all will yet be well! If we turn our backs on him and seek in our own strength and resources to deal with our peril, then we are doomed!

"What makes a nation great?
Not serried ranks with flags unfurled
Not armored ships that gird the world,
Not hoarded wealth, nor busy mills,
Not cattle on a thousand hills,
Not sages wise, nor schools, nor laws,
Not boasted deed in freedom's cause * * *
All these may be, and yet the state
In the eye of God be far from great.
That land is great which knows the Lord,
Whose songs are guided by his word;
Where justice rules, twixt man and man,
Where love controls in art and plan;
Where breathing in his native air,
Each soul finds joy in praise and prayer,
Thus may our country, good and great,
Be God's delight * * * man's best estate."
(Footnote No. 6)

May it be so! May it be so!

Footnotes at end of article.

PRAYER

"We give thanks, our Father, for these moments together. And we ask that you would bless us and move us toward a better exercise of citizenship so that we might make our Nation a nation under God. Bless our new president and help us to walk with him for the good of all * * * For the glory of God." Amen.

W. FRANK HARRINGTON, TH. M., D.D.

FOOTNOTES

1. From "Questions People Ask," by Robert J. McCracken. Published by Harper and Brothers.
2. From "The Royal Bank of Canada Monthly Letter," volume 60, Number 8, August, 1979.
3. From "Newsweek," January 19, 1981, pp. 34 and 37.
4. From "Presbyterian Outlook," p. 9, November 17, 1980.
5. From "The Secret of Abundant Living," by Charles L. Allen, p. 99. Published by Fleming H. Revell Company, Old Tappan, N.J. 1980.
6. From "Dynamic Living for Difficult Days," by Fred M. Wood. Published by Broadman Press, Nashville, Tenn., 1973—p. 71.●

HOUSING AND ECOMOMIC DEVELOPMENT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WEISS. Mr. Speaker, today I am submitting for the RECORD my legislative summary of housing and ecomomic development issues during the 96th Congress.

HOUSING AND ECONOMIC DEVELOPMENT ISSUES IN THE 96TH CONGRESS

The 96th Congress completed action last year on major legislation reauthorizing the Housing and Community Development Act of 1980. The bill authorizes funding for the community development block grant (CDBG) and urban development action grant (UDAG) programs for 3 years, and provides approval necessary to continue HUD's assisted housing programs and rehabilitation loan programs.

Community development block grants have significantly improved the ability of cities to deal with the continued problems of housing, neighborhood conservation, and community revitalization. The Congress authorized $3.8 billion for this program in 1981 which will increase to $4.1 billion in 1983. Of this amount, New York City was expected to receive $270 million in 1981 for in rem housing programs, rehabilitation aid for low- and moderate-income people, and other service programs such as arson prevention and sanitation.

Funds were also approved under this legislation for urban development action grants through 1983. In the last several years the program has enabled many distressed communities to make progress in stimulating the private economic investment necessary to create jobs and strengthen local economies. Up to 20 percent of these funds may also be used in otherwise ineligible communities containing pockets of poverty, a provision which extends the benefits of the program to additional needy neighborhoods. New York City has received $59 million under 26 such grants in the last 3 years.

I am pleased to report that an extremely damaging provision in the Housing and Community Development Act affecting predominantly urban areas was eliminated during joint House/Senate consideration of the bill. The amendment would have excluded any city with rent control laws from participating in a new multifamily housing initiative, originally included in the act. Members of Congress representing New York City joined with me in voicing our strongest opposition to this discriminatory measure which was subsequently dropped from the bill.

Housing loan and rent subsidy programs geared to low and moderate income dwellers were also authorized under the act. Section 312 rehabilitation loans were authorized for 2 years at a level of $144 million in fiscal years 1981 and 1982. The program subsidizes interest rates for loans used to rehabilitate residential and nonresidential properties. An increase in the maximum loan amounts allowable under section 312 was approved from $27,000 to $33,000. The section 8 subsidy program was authorized in the bill making funds available to low-income renters. This program requires tenants to pay 25 percent of their income for rent, with Federal subsidies compensating landlords for the remainder of the rental payments. New York City is expected to receive $170 million in 1981 under the section 8 program.

Another significant legislative achievement was passage of the National Historic Preservation Act which assures the continuation of the historic preservation fund through 1987. The bill reaffirms the important Federal commitment to historic preservation and provides better definitions of and guidance to State and local governments. The bill also establishes a National Buildings Museum in the beautiful old Pension Building in Washington, D.C.

The failure of the Senate to act on the Fair Housing Act amendments forces the postponement of what has been called the most significant civil rights legislation of the last decade. Passed by the House in June 1980, this bill would have established administrative procedures through which the Fair Housing Act could have been inexpensively and expeditiously enforced. Pressure by special interest groups affected by the legislation stalled the bill in the Senate, where it died during the last days of the 96th Congress. Although the Senate Republican leadership has promised to make it a priority when the new Congress convenes, civil rights advocates were keenly disappointed that these amendments are still not law.

During the 96th Congress I joined with other members of the New York State delegation to urge the Internal Revenue Service to support a State decision regarding the tax treatment of rental property. A bill passed in the New York State Legislature allowed landlords to itemize their costs including property taxes in their rent bills to tenants who could then deduct this amount from their taxes. Residential tenants in New York, and in other parts of the country as well, are subject to economic discrimination because they are denied the tax advantage of real property deductions enjoyed by homeowners. The IRS argued that a Federal law was necessary to accomplish this change. I will continue to support this rightful deduction for renters and work for legislation with the goal in the 97th Congress.

Escalating fuel costs in recent years have hit especially hard at lower income families and those living on fixed incomes. Low income energy assistance to aid these citizens was included in the windfall profits tax legislation passed in March 1980. The provision authorizes $3.1 billion for fiscal year 1981 for a program of block grants to the States to provide assistance to needy families for heating and cooling costs. In addition, States may give aid, regardless of income, to households which receive food stamps, AFDC, veterans pensions, or SSI.

As a member of the congressional travel and tourism caucus I have been particularly involved with issues affecting the tourism industry. More than 6.5 million Americans are employed in travel and tourism related jobs making it the third largest retail industry in the United States. Of all the industries in New York, tourism is now the most important. As the gateway to America for more than 30 percent of all visitors from abroad, New York City hosts more than 17.5 million visitors each year. The 96th Congress officially recognized the social and economic importance of tourism and efforts will continue in the 97th Congress to promote and support this vital segment of our economy.

In recent years the rate of inflation has often exceeded the interest rates on savings accounts and taxes on the interest accrued further erodes the value of savings. As a result lower income taxpayers are penalized for being thrifty. Thus, savings accounts not only fail to produce real income for the savers after adjustments for inflation, but the value of the principal

is diminished as well. This is a cruel burden especially for people whose low income makes it difficult to save in the first place. One provision of the 1980 windfall profits tax legislation began to address this inequity by exempting from taxes up to $400 of interest on savings. However, this bill is only effective through 1983. I introduced a bill in the 96th Congress which would broaden and make permanent the exemption for lower income persons up to $1,000 in the case of a single individual earning less than $10,000 and up to $1,500 in the case of married persons filing jointly whose income does not exceed $15,000. I will continue to push for this legislation and any others that would protect small savers from raging inflation and unreasonable taxes.

During the 96th Congress I also introduced legislation which sought to improve living conditions of former mental patients and provide assistance to the communities where they live. Former mental patients, thousands of whom have been deinstitutionalized under changing Federal and State policies, are frequently forgotten once they leave institutions and are left to their own inadequate resources, often becoming prey for violent crime. My legislation would continue supplemental security income (SSI) payments for 3 months after a person is institutionalized, so that the individual's home or apartment can be maintained while he or she is residing in a public facility. The bill would also eliminate the benefit reduction that now occurs when a former patient is receiving some financial support from other persons with whom he or she is living.

Legislation to authorize funds for public works and economic development was passed in 1979, the first year of the 96th Congress. The Economic Development Administration (EDA), created in 1965 to provide grants to poor communities to help lure new business investment to the area or revive failing industries, was authorized by this bill. In addition, the EDA's authority was expanded to offer $2.5 billion in loan guarantees in 1981 and interest subsidies, as well as grants totaling $750 million in 1981 to companies that agreed to locate in needy areas. The bill also extended the Appalachian Regional Development Commission and a network of other regional commissions for 2 more years and established a $2 billion standby local works program if national unemployment rose above 6.5 percent. This program would provide direct grants to help communities build or improve facilities such as water and sewer systems, courthouses, fire stations, and schools. Though passed by the House, a joint House/Senate conference was unable to reconcile differences between the two Houses before the session ended. EDA programs were then continued under a stopgap funding resolution.

Legislation approving Small Business Administration (SBA) programs through 1984 also cleared the 96th Congress. The bill also revised disaster assistance programs administered by the SBA and FmHA, and continued loans for residential and commercial properties. These loan funds are made available to small businesses which do not have a bad credit rating, but which need short-term loans to handle cash flow problems, thus avoiding the high-cost temporary financing. In addition, the legislation authorizes the SBA to make grants through a small business development center pilot program funded at a level of $20 million in 1981.●

PRODUCT LIABILITY RISK RETENTION ACT OF 1981

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. FLORIO. Mr. Speaker, I am introducing today the Product Liability Risk Retention Act of 1981. This legislation was approved overwhelmingly by both the House and Senate last year, only to fail in the closing moments of the Congress.

It addresses a critical need of many manufacturers, retailers, distributors, and wholesalers in our economy. Product liability insurance rates have risen dramatically, and have caused severe economic distress to many small businesses.

The Interagency Task Force on Product Liability, chaired by the Department of Commerce, recognized product liability insurance ratemaking practices as a severe problem, and proposed legislation to address the problem. Product liability rates have not generally been set by actuarial techniques, but rather through underwriting judgments. Judicial decisions have increased the potential liability of manufacturers and product sellers throughout the 1970's. Premiums collected today must cover all claims resulting from defective products during the policy period, including claims resulting from old products and claims incurred but not reported for several years. Not surprisingly, underwriters have generally exercised their judgment in a conservative fashion because of the extraordinary variables.

The bill would address the problem in two ways. First, it would allow the formation of risk retention groups, which are essentially self-insurance groups. Second, it would allow group purchase of product liability insurance, giving small purchasers some of the advantages of large purchasers. State laws which prohibit either of these practices would be preempted only to allow these two practices.

This legislation is important, and it will be a priority for the Subcommittee on Commerce, Transportation and Tourism in the months ahead. I would urge other Members, as they look at the problems of small businesses in their States, to give this bill their consideration. The problem of product liability insurance must be addressed, and with the interest and suggestions of other Members I am sure a solution such as the one I am proposing today, or another one, can be found.●

RECOGNIZE JERUSALEM AS ISRAEL'S CAPITAL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. OTTINGER. Mr. Speaker, I have reintroduced legislation which expresses the sense of Congress that the United States should recognize Jerusalem as the capital of Israel and move its Embassy there. This resolution would simply recognize a fact that has existed since the creation of the State of Israel.

I believe it is vital for the United States to take the lead in supporting the policies of our best ally in the Middle East. We must help Israel resist the pressure that the Arab nations have applied to our allies by using the oil weapon. By relocating our Embassy from Tel Aviv to Jerusalem, we will send a signal to the world that the United States stands behind the sovereign rights of its democratic allies.

Jerusalem is unique in the search for peace in the Middle East. Its historical, emotional, and international complexities distinguish it from other issues in the conflicts of that region. The future of Jerusalem cannot be decided by drawing a line; Jerusalem must remain a united city in Israel forever. As Mayor Donald Fraser, of Minneapolis, said when he visited Jerusalem:

> You come to Jerusalem and leave it with a clear smell of freedom and a sense of a people who demonstrate compassion and a dedication to human dignity.

The United States must demonstrate its support for Israel's policies on Jerusalem by relocating its Embassy there. I urge my colleagues to join me in this important endeavor by cosponsoring House Concurrent Resolution 71, which I am including in today's RECORD:

H. CON. RES. 71

A bill expressing the sense of the Congress that the United States should recognize Jerusalem as the capital of Israel, and that the United States Embassy in Israel should be relocated to Jerusalem

Whereas the city of Jerusalem has been the capital of the State of Israel since Israel's independence was declared in 1948; and

Whereas the city of Jerusalem is the seat of Israel's President, Parliament, and Supreme Court, and the site of numerous government ministries and social and cultural institutions; and

Whereas the city of Jerusalem is predominantly Jewish, and is the spiritual center for Judaism, and of no other religion; and

Whereas it is the sovereign right of the people of Israel to designate the city of Jerusalem as the capital of the State of Israel: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President and Secretary of State should take all necessary steps to bring about—

(1) recognition by the United States of Jerusalem as the capital of Israel; and

(2) relocation of the United States Embassy in Israel to Jerusalem.●

LITHUANIAN INDEPENDENCE DAY

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. FITHIAN. Mr. Speaker, I am privileged to join my colleagues in the observation and commemoration of the 63d anniversary of Lithuanian Independence Day. February 16 is a day to remember the tragedy of Lithuania's lost independence, and to reaffirm our recognition of Lithuania's right to exist as a free and independent nation.

The Lithuanian people should be commended for their nationalistic spirit that cannot be extinguished, despite Soviet annexation of their borders in 1940. Instead they continue to maintain their own culture, language, history, and desire for liberty.

As a nation who struggled for freedom, and the right to become a self-governing nation 204 years ago, the United States has an obligation to encourage these viable, independent, and free-thinking people who wish to live in their nation, with their government, following their customs.

We are truly blessed to live in a country that values and protects the basic human rights of its citizens. I wish to express my support for Lithuanians trying to achieve that same protection for themselves.●

OPERATION OUTREACH

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GONZALEZ. Mr. Speaker, I am introducing a bill today that will extend for 3 years a program known as Operation Outreach, a Veterans' Administration program that provides Vietnam-era veterans' readjustment counseling and related mental health services.

The program began in 1979 after it was recognized that Vietnam-era veterans continued to face problems related to their tour in Southeast Asia. Most common of these readjustment problems is "delayed stress syndrome" or "post traumatic stress disorder."

These types of delayed stress problems have recently received a great deal of media coverage since the return of the hostages from Iran, but these conditions were first diagnosed among the POW's and veterans of the Vietnam conflict.

There is an Operation Outreach center in my district in San Antonio that has been a great success in dealing with the problems confronting the Vietnam veteran population, and there is a definite need, as well as an obligation on the part of the U.S. Government to have this type of service continued.

The return of the hostages brought to our attention the contrast in the way they were welcomed home as compared to that of the Vietnam veteran. The Vietnam-era veteran was left out in the cold by our Nation and Operation Outreach is a small attempt at this late date to bring them in.

Because Operation Outreach will expire this year I am afraid that the Reagan administration will target it for extinction, but I hope that many Members will join me in the fight to continue the program until 1984.

Unfortunately, for a variety of reasons, our Nation has attempted to block out the Vietnam war, but we cannot block out those veterans who fought there. They were patriotic and they obeyed the law, two principles that our Nation holds in high regard. The least that we can do for these dedicated veterans is to provide them with the help that they need to become productive citizens, and Operation Outreach seems to be the answer.●

ARTS AND HUMANITIES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WEISS. Mr. Speaker, today I am submitting for the RECORD my legislative summary of arts and humanities issues during the 96th Congress.

The latest Harris poll on Americans and the arts vividly demonstrates that the American public is participating in and attending cultural events in unprecedented numbers. Just as importantly, the poll reports that a clear majority of citizens, between 65 to 75 percent, are willing to pay increased taxes for Federal funding of the arts. Congressional interest in the arts and humanities has also burgeoned, with more members introducing legislation to assist the arts and humanities in a variety of ways.

The most significant legislation affecting the arts and humanities passed by the 96th Congress was the reauthorization of the National Endowments for the Arts and Humanities (NEA and NEH) and the Institute of Museum Services (IMS). This bill extends the life of these cultural agencies for 5 more years and establishes spending ceilings for each year. As a member of the Subcommittee on Postsecondary Education, which has jurisdiction over the Endowments and IMS, I was actively involved in the entire reauthorization process.

The reauthorization legislation reflects a continued Federal commitment to the arts and humanities, while enabling the Endowments and IMS to be more flexible and responsive to their constituencies. None of its new provisions substantively change their basic operations.

I am pleased to report that the reauthorization incorporates, in part, the purposes of the Federal Artists Program Act (H.R. 5518), which I introduced in October 1979. The Federal artists program was designed to provide increased employment opportunities for professional artists in community-based residencies. The bill was endorsed by artists and arts organizations across the Nation, but fiscal restraints within the Congress precluded the passage of any substantial new authorization for the arts. Nevertheless, with the impetus provided by my bill, the reauthorization takes two major steps toward addressing the problems of artists' unemployment.

An extension of the existing challenge grant program will enable State and community arts agencies to apply jointly for grants to support local arts activities, including support of professional artists in community-based residencies. The committee report specifies that the design of these residencies should parallel the Federal artists program. In addition, the reauthorization mandates a study of employment opportunities for professional artists. The study, to be conducted by the Federal Council on the Arts and Humanities and the Department of Labor, will examine the effectiveness of existing programs and the need for

new programs to help reduce the high rate of unemployment and under-employment among artists. I am gratified that the Congress has taken some steps forward in assisting individual artists. I will continue to work during the next Congress for greater recognition and understanding of the contributions artists make to our society.

Other significant new provisions in the reauthorization include loan authority for the Arts Endowment (the Humanities Endowment already has such authority, although it has never been used); specific authority for NEA to support programs for the arts at the local level; a requirement that State Governors and legislators choose between bringing humanities councils within the framework of State government or maintaining them as private bodies; modification of the present formula for allocating NEH funds for State humanities councils; a second study to be conducted by the Federal council on the effectiveness of the Arts and Artifacts Indemnity Act; a study by both Endowments on the effectiveness of Treasury funds (a separate authorization of money which must be matched on a 2-to-1 basis, rather than the usual 1 to 1); and greater independence for the Institute of Museum Services within the Department of Education.

SPENDING LEVELS AUTHORIZED FOR THE NEXT 5 YEARS FOR EACH AGENCY

[In millions of dollars]

	Fiscal year—				
	1981	1982	1983	1984	1985
NEA	175	190.5	207	227	250.5
NEH	170	187.5	205	226	247.5
IMS	25	30.0	35	40	45.0

The appropriations for fiscal year 1981 passed during the 96th Congress illustrate the usual difference between the amount which Congress is permitted to spend for a given fiscal year and the amount that is actually appropriated. These figures are: NEA—$158,560,000; NEH—$151,299,000; and IMS—$12,857,000.

The fiscal year 1981 appropriations provide little growth for the two Endowments; 2.7 percent increase for NEA and a mere 0.8-percent increase for NEH over last year's appropriations. These figures are not encouraging and reflect the fiscally conservative mood of the Congress. However, I and other supporters of the arts will be fighting during the upcoming Congress to insure that these vital programs have the necessary funding to continue to meet the American public's increasing demand for quality cultural experiences.

The economic well-being of the entertainment industry will be enhanced as a result of an amendment I offered to the Multiemployer Pension Plan Amendments Act. This legislation, signed into law in September 1980, modifies the 1974 pension reform law (ERISA) by redesigning the termination insurance provision for multiemployer plans. My amendment allows employers in the entertainment industry, such as theatrical producers, to make payments into a pension plan only during the run of their productions or engagements. These employers will not be subject to the plan withdrawal liability that the act imposes on most other industries. While I strongly endorse the concept of withdrawal liability in order to discourage employer withdrawals, I believe it makes little sense in a highly mobile field such as the entertainment industry. Requiring withdrawal liability could, for example, inhibit the startup of productions by introducing an additional and unnecessary element of financial risk on employers in a field where job instability and unemployment are already high.

The final days of the 96th Congress witnessed failure of congressional efforts to overturn an Internal Revenue Service decision to apply a Supreme Court tax ruling to publishing companies. The Supreme Court's 1979 decision in Thor Power Tool Company against Commissioner of Internal Revenue, held that the valuation of warehouse stock could not be reduced for tax purposes unless it was disposed of or sold at reduced prices. The IRS subsequently applied this decision to the publishing industry in February 1980, bringing strong protests from both publishers and writers.

As a result of the IRS action, many publishers feared that they would have to destroy or sell at a discount millions of books held in their inventories. Other effects of the IRS ruling could be fewer contracts for slower selling, noncommercial, and scholarly books; books going out of print sooner; and smaller first printings as well as fewer second printings, resulting in increased prices of individual books. I plan to sponsor legislation to provide a permanent exemption for publishing companies in the new Congress.

Other bills affecting arts and humanities wound their way through various stages of the legislative process, although no other significant cultural legislation was enacted during the 96th Congress. The Public Buildings Act of 1979, which mandates a small percentage of the public buildings construction budget to be spent on art for new and renovated Federal buildings and which establishes Federal design standards, was passed by both the House and Senate but died in conference. It will be reintroduced this year. Other legislation sought to change current tax laws that affect artists inequitably as a result of the uniqueness of their profession. The bills address such issues as artists' inability to deduct the market value of their own works of art which they contribute, while art collectors are permitted to do so; estate tax liabilities resulting from the market value of their artistic endeavors at the time of their death; and the difficulty of deducting home studio space as a legitimate business expense when the income derived from this work is small. Hearings were held on several of the Senate bills, but none were close to passage. Copyright issues, including royalties for performances on sound recordings, were also the subject of congressional hearings and will be addressed again during the 97th Congress.

Passage of the National Historic Preservation Act assures the continuation of the historic preservation fund through 1987. This legislation reaffirms Federal commitment to historic preservation and provides better definitions of and guidance to Federal, State, and local government roles in this field. The bill also establishes a National Buildings Museum in the beautiful old Pension Building in Washington, D.C.

Many arts programs and projects funded under the Comprehensive Education and Training Act (CETA) were sharply cut back or phased out during 1980 as a result of reduced appropriations of CETA, especially in title VI, the public jobs component of the program. Arts organizations in New York City suffered particular hardship because of a sudden decision to terminate their contracts months before they were scheduled to end. I led the New York congressional delegation in strong protest against these drastic cuts. As a result of our efforts and those of the New York arts community, the Department of Labor made sufficient funds available to New York City to complete the projects. Nonetheless, prospects for all CETA programs in 1981 are not bright, as congressional sentiment against public service employment programs continues to grow.●

ELIMINATE THE TAX ON MARRIAGE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. KEMP. Mr. Speaker, I was pleased to join with 200 of my colleagues in reintroducing Congresswoman FENWICK's marriage tax bill last week. It is time to eliminate the tax on marriage. Two-wage-earner families pay an $8.3 billion penalty each year just for being married, and they face the highest marginal tax rates of any group in the country. The disincentives for married women who want to go to work are overwhelming.

The first dollar of income a wife earns is taxed at the same rate as the last dollar earned by her husband. This means that a husband with a nonworking wife and a $15,000 salary pays $1,635 in Federal income tax—assuming he does not itemize his deductions—if the wife goes to work for the same salary of $15,000, the couple's tax liability increases by $3,958 to $5,593. They increase their tax bill by a whopping 342 percent when the wife takes a job, and they pay an extra $903 for filing as a married couple instead of as single.

This marriage tax hits hardest those low-income families which need two incomes to simply make ends meet. Two people who earn $3,750 will pay an extra $168 in Federal income tax if they are married—an increase of 133 percent above the $63 each would have paid if single. And a study by an IRS economist found that 74 percent of the people paying the marriage tax in 1974 had incomes under $20,000.

Congresswoman FENWICK is to be commended for her leadership on this important issue, and I am pleased to again cosponsor her bill, which would simply allow two-earner couples the option of being taxed as if they were single. This approach would preserve the benefits of filing jointly for one-earner couples, and it would not change the tax rates for singles. It would merely eliminate the current requirement that two-earner couples pay more simply because they are married.

The 1980 Republican Party platform condemns the marriage tax and calls for equity in the tax treatment of families. More than 38 million Americans may be affected by the marriage tax next year. Is it not time we joined together to bring an end to this unfair tax policy, once and for all?●

TRIBUTE TO ALPHONSE MIELE

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MINISH. Mr. Speaker, recently I had the pleasure of participating in a dinner honoring one of my friends and constituents, Mr. Alphonse Miele of West Orange, N.J. Together we celebrated the 25th anniversary of Al Miele's presidency of the service organization, Unico National. His participation in Unico, spanning almost four decades, includes an outstanding list of committees and every elective office in the Newark chapter and at the national level.

Although a quarter of a century has passed since Al held the organization's highest office, his level of involvement has not diminished. In recognition of his extraordinary contributions, he has received innumerable honors, including Unico's most coveted award, the Vastola Medal. Most recently he received a Presidential Commendation Medal for his work on an Italian American awareness project. An annual Unico National scholarship has been awarded in his name for the past 20 years.

Al Miele's record is legendary. The original chairman of the Garden State Festa Italiana, he was the executive secretary of the National Coordinating Committee which later became the NIACA—the National Italian American Coordinating Association. A list of Al Miele's Unico and other civic activities looks more like a dictionary than a résumé.

Al's life story reads like the classic American success story. He was an orphan in Italy at the age of 4. Brought to the United States by his grandparents, Al Miele started life in America at the very bottom of the economic ladder. He has been an achiever since the age of 8. He sold newspapers, dug ditches, and held several jobs while attending high school and college in the evenings.

Now the managing owner of one of the largest independent insurance claims firms in the East, he has achieved an outstanding reputation among jurists, attorneys, physicians, and other professionals in the insurance field.

Al Miele's valuable efforts for the Boys' Club of Newark will long be remembered. He has been instrumental in establishing 17 Unico chapters and has been a major force in shaping the format of the Unico magazine.

I am proud to be Al Miele's friend, and equally proud to call him one of my constituents. It was my privilege to join in the tribute to him.●

FIRE CHIEF EDWARD P. SCHWEITZER

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. SENSENBRENNER. Mr. Speaker, in a few days, the city of Brookfield, Wis., will lose an exemplary public servant who has given his community many years of dedicated service. Fire Chief Edward P. Schweitzer is retiring on March 7, following a 32-year career with the Brookfield Fire Department. I believe this is an appropriate time to recognize and honor Ed for his accomplishments.

Ed is the first and only full-time fire chief the city of Brookfield has ever had. However, Ed's service predates the city itself, beginning as a volunteer firefighter with the old town of Brookfield Volunteer Fire Department in 1949. When Brookfield was incorporated as a city, he took over as fire inspector, later as assistant chief, and finally as chief of the volunteer firefighters in 1962.

Ed was appointed full-time city of Brookfield fire chief in 1965 with the task of organizing and developing a full-time city fire department. He began with three full-time men and a small fire station.

Under Ed's administration and guidance, the department now has three well-equipped stations, strategically located for quick response to all areas of the city, and a force of 42 men, well trained in all aspects of firefighting and disaster response.

Ed has also served as the city's civil defense director and the careful planning that went into the city's disaster preparedness plans was carried out under his direction and supervision.

Mr. Speaker, the city of Brookfield regretfully loses Ed Schweitzer to retirement and its citizens will miss his presence. However, it also takes this opportunity to thank Ed for his service and to wish him good health, happiness, and fulfillment in his retirement. I want to join in expressing these sentiments and to say thanks, Ed, for a job well done.

Thank you, Mr. Speaker.●

TENSIONS IN POLAND—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. McDONALD. Mr. Speaker, tension appears to have temporarily eased in Communist Poland, but all the basic problems remain. None have really been solved. Many of the so-called pundits have analyzed this situation in terms of United States-Soviet relations and Polish-Soviet relations, but few of the experts have delved into the overall picture, and such subjects as the Western role in supporting Communist nations economically as well as communism in the general context of today's world. Prof. Hans Sennholz, the distinguished economist from Grove City College, has analyzed the problem in a three-part article. In the first part he discusses the nature of the Communist system as well as the role played by Western economic policies in the development of Communist policies. In the second part Professor Sennholz outlines the reasons for the failure of socialism in Poland and why only private enterprise could restore Poland's economy, a thing the Soviet Union would never tolerate. Plain old nationalism is a greater problem in the Soviet Union than Poland, he concludes. In the final part, Professor Sennholz outlines why the Soviets compulsively expand into other people's territories and suggests some ways in which the West might better

respond to Soviet aggression. This article will appear in the May issue of the Freeman magazine published by the Foundation for Economic Education, Inc., Irvington-on-Hudson, N.Y. 10533, a very fine organization promoting fundamental principles of economics. Part I follows:

TENSIONS IN POLAND

The workers' revolt in Poland raises momentous questions not only about the future of communism as a political-economic system, but also on its many implications for the West. Does it signal a terminal ideological crisis that in due time will bring about changes in communist thought and practice? Is it shaking the foundation of communism as a system of political rule and oppression? Is it damaging the engine of Soviet power and influence? And how can and should the West respond to the proletarian revolution in Poland? The answers may be found in the thoughts and aspirations of the Polish workers who are voicing their frustrations about the economic order and the humiliating role they are playing in that order. In final analysis, we must search for our answer in diverse politicial and economic philosophies that are creating insoluble tensions and conflicts.

Communism is the most extreme form of totalitarianism. It is the root and prototype of all others, such as Nazism and Fascism that sprang from it. Since the destruction of German Nazism it is the only surviving power that constitutes a real danger to the West. In fact, it is far more dangerous than its other variations ever have been because, at this very moment, it is conquering the hearts and minds of millions of people around the globe. For Nazism and Fascism it was surely a difficult task to convince the peoples of Africa or Asia of the superiority of the Arian race or the rejuvenation of the Roman Empire. But it is rather easy to indoctrinate them with the slogans and potions of communism.

Communism bears little resemblance to the despotic regimes of kings and dictators who continue to make their brief appearances in many parts of the world. It is totalitarian, all comprising, subjugating the individual and sacrificing him to the State. It is the total politicalization of life that permits no exceptions or limits, no sphere without the state. It is a secularized faith, a religiously fervent atheism.[1]

It is built on the socialistic economic order. Economic life hinges around the omnipotent and sovereign center that can tolerate neither private property in production nor individual enterprise. Every economic transaction becomes a political transaction that aims to sustain the omnipresent state. Every trade is used to strengthen the regime and, if at all possible, to weaken the capitalistic world. Its lack of prices and markets makes it a chaotic system that stumbles through waste and corruption, from crisis to crisis. If it were not for the capitalistic production structure and Western technology that are copied or imported, the Soviet economic order would operate in utter darkness, unable to sustain its hapless population. In fact, living conditions in the Soviet Union that always have been on the level of underdeveloped countries have worsened considerably in recent years. Death rates are rising for almost every age group. There is not a country in Europe in which individual lives are so short and children's death rates so high as in the Soviet Union.

Wherever communism comes to power, a peculiar law of population and trade takes effect: the people seek to escape wherever and whenever they can; but the authorities forcibly keep them in the country through high walls and barbed wire, mine fields, tanks and machine guns. While many individuals lose their lives in desperate attempts to escape, a few succeed every day in reaching safety in the capitalistic West.

The flow of goods proceeds in the opposite direction, from the capitalistic countries to communist areas. They flow as alms or extortions, through lies or deception, or as the result of credits and loans that are repayable in the distant future.

The communist economies are straining and reaching the breaking point in a desperate effort to sustain the ruling class and build a powerful military machine. While the masses of people under communist rule linger in hopeless poverty, a bloated state bureaucracy enjoys all the perks and privileges the system can provide. The manifest disparity between the lifestyle of the working population and that of the party establishment is a source of chronic discontent. Despite all the impudent boasts of the Soviet leaders, there is no hope whatever that socialism will ever provide the amenities of life to which the working people in the capitalistic countries are accustomed.

And yet, two circumstances come to mind that may actually give substance and truth to the communist boasts. If the West, in utter blindness and stupidity, were to destroy its own economic order by adopting the methods and policies of socialism, or by ravishing its own productivity through currency and credit destruction, the West may actually sink to Soviet levels. Moreover, if the West, for any reason, were to transfer its productive capital and technological know-how to the Soviets and modernize communist production along capitalistic lines, new life could be imported to the barren system.

It is an undeniable fact that in incredible blindness the West actually has moved in this direction, giving new hope and comfort to world communism. It has severely weakened its own currency and credit structure through rampant inflation and extended massive loans and credits to the Soviet Empire.

THE WEST IS FINANCING SOVIET OPPRESSION

In recent years, mostly since 1970, Western governments and financial institutions loaned the Soviet bloc countries at least $88 billion. According to some estimates that include the credits granted by suppliers and other lenders, this amount may actually exceed $113 billion. The West is bailing the socialistic countries out of their inherent difficulties through massive transfusions of capital. It is buying the bread for the restive masses and capitalist technology for socialized industries.

Why are we propping up the socialistic economies and their dictatorial regimes? Three factors may have contributed to this awful blunder: Western ignorance about the nature of communism, rampant inflation, especially in the U.S., that triggered the outflow of funds to all corners of the world and, finally, Western euphoria about detente.

It is gross ignorance to view the relationship of a communist government and its people as normal and healthy. Communist governments are not the representatives of the people, and the people are not the constituency of the government. When we are dealing with communist officials we are not dealing with the people, but with the political agents of a monolithic apparatus of oppression that lacks any legitimate claim to represent the people. To grant a loan to a communist state is to join cause with the oppressors, to see them through their difficulties and preserve intact the dictatorship, which the people are risking their lives to dismantle. And yet, in their incredible confusion the big banks in the capitalist West, encouraged and goaded by equally confused government officials, supported the regimes to the tune of $88 billion or more.

Surely the banks were under severe pressure to invest huge funds rolling off the printing presses and credit systems of their respective governments. The 1970's were years of rampant inflation as Western governments were indulging in massive deficit spending that was financed primarily by currency and credit expansion. Commercial banks were the happy depositories of these new funds that needed to be invested securely and profitably. To the eager bankers it was a pleasant coincidence that the communist governments were ready to receive those funds in large and convenient blocs. Moreover, the banks were obligated to "recycle" the massive influx of O.P.E.C. petrodollar that were flowing from the oil-consuming countries to Arab producers and back to commercial banks in the consuming countries. Some deposits found their way from the banks to the national treasuries that spent them on massive deficit schemes. Third World countries in Africa and Asia managed to borrow a total of $365 billion, the communist countries no less than $88 billion. Of course, this grant of loans constituted a huge transfer of real wealth from the capitalist West to socialist and communist governments all over the globe. It sustained and supported the oppressors and mortal enemies of capitalism at a rate and magnitude unprecedented in history.

The euphoria that followed the detente blinded many Western leaders. Although Moscow continued its psychological warfare with all available methods, aiming at the political attrition of the capitalist West, Western neutralists and appeasers rejoiced about the detente and eagerly promoted the wealth transfer. The Kremlin continued to wage its war at alternating fronts, either psychological or economical, or military, or all together; the West simply disregarded the challenge and acted as if the incessant blows and contemptuous injuries simply did not exist.

By now the banks probably have come to realize the full meaning of lending to the Soviet bloc. But it is too late for them. The Communist debt has long since passed the point at which it could simply be written off. The magnitude exceeds by far the bank's capital and surplus, the loss of which would bring instant ruin and bankruptcy. As they cannot cut their losses they are likely to make every effort to protect their old loans through new loans. As long as they finance the interest falling due, they can live by the fiction that the loans are perceptible and secure. But the protection of loans implies the protection of the debtors, i.e. the communist states. The banks as creditors thus become partners of the communist debtors and the loans become political intervention on behalf of the communist regimes. When seen in this light, the $1 billion bank loan extended to the Polish gov-

[1] The writings of Aleksandr Solzhenitsyn are a living memorial to the untold millions of Soviet victims.

ernment by West German and American banks during the present crisis is political intervention on behalf of communism.

If the Polish government should default on its debt because Western banks cease to finance it or because the Kremlin decides to rattle the financial structure of the West, the 400-500 billion dollar pyramid of debt built on the ability and willingness to repay may come crashing down on the gullible West. A communist default, which appears inevitable to this observer, would have a domino effect on those debtor countries that have virtually no chance of ever repaying their debts. It is almost certain that sooner or later the Soviets will use this threat of default to gain political concessions from the West.

Given the financial structure of the West and the dominant role of governments in those structures, it is doubtful that such a default would actually crush the debt pyramid. But it probably would alter its color and nature. No Western government would permit its banking system to collapse as a result of foreign default, with the inevitable consequences of severe depression and mass unemployment. Instead, the governments of creditor countries could be expected to issue instant guarantees for the defaulted obligations and thus assume the communist and Third World debt. The crisis would be averted by Western governments through the assumption of another $400-500 billion of debt, which in time would exert its powerful influence toward more inflation and credit expansion in the West. It would contribute its share to the gradual and ultimately total destruction of the world monetary order. Unfortunately, such a destruction would devastate the capitalistic countries without a single shot being fired.●

INFANT FORMULA IN THE THIRD WORLD

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WEISS. Mr. Speaker, since 1977 many consumers all over the country have boycotted products made by the Swiss-based Nestle Corp. to protest the firm's misleading promotion of infant formula in the Third World. The distribution of such products is not limited to Nestle, and several American multinationals are involved in these activities to a lesser extent. However, responsibility for the tragic consequences of improper marketing techniques must be shared and stronger controls on the promotion of infant food products in poor regions of the world should be imposed.

The following article from the Village Voice, "Nestle's Good Fortune," examines this controversy and the corporation's response to increasing public awareness of the problem.

NESTLE'S GOOD "FORTUNE"

(By Geoffrey Stokes)

Nestle, the giant Swiss-based multinational corporation, has since 1977 been working to defeat a boycott of its United States operations by consumers protesting the parent firm's aggressive merchandising of packaged infant formula in third world countries (see box). The company has tried to be unobtrusive, but internal Nestle documents cited in The Washington Post earlier this month and subsequently obtained in full by The Village Voice reveal Nestle funneling money through a tax-exempt "public policy" conduit in an attempt to influence "third-party" coverage of the infant-formula issue. The document names the Washington-based Ethics and Public Policy Center, Fortune magazine, and Fortune's Washington editor Herman Nickel as actors in the previously hidden drama. It is unclear precisely to what extent these figures were willing conspirators and to what extent they were Nestle's patsies, but the publication of the memorandum—from Nestle's international vice-president to its chief executive officer—has severely damaged Fortune's reputation. More seriously, this example of covert corporate manipulation poisons the well and forces readers to question the entire world of "objective reporting."

Nestle originally adopted a plan of direct confrontation with the boycotters. Oswaldo Ballarin, president of Nestle-Brazil, attended a 1978 Senate hearing and capped hours of medical testimony about the damage caused by the improper or unnecessary use of his company's products with the assertion that the charges were "actually an indirect attack on the free world's economic system. A worldwide church organization, with the stated purpose of undermining the free enterprise system, is in the forefront of this acitivity." He was virtually laughed out of the room, and in the wake of his blunder a newly-hired public relations firm advised Nestle to keep a low profile on the issue. The recent memorandum, a 1500-word summary of "intensive discussions" held last August 2 to 4 in New York and Washington among international and United States Nestle officials, confirms that the strategy still operates. In the memorandum (whose authenticity has not been disputed by the company), international Veep Ernest Saunders reports that "the Fortune article, together with the interest of the Ethics and Public Policy Center, is the best opportunity we have had yet to put the record straight, and *must be fully exploited* [his italics]." The story behind that article—Herman Nickel's "The Corporation Haters," which ran in the June 16, 1980, Fortune—is a textbook example of hidden corporate influence in the media.

The origins of the article begin at the Ethics and Public Policy Center (EPPC), a Washington think-tank generally described as conservative, but which its founder and president, Ernest Lefever, prefers to think of as "mainstream." In 1979, the center published a 126-page attack on the World Council of Church's social activism in the third world. The study came to the attention of neoconservative social critic Irving Kristol, who suggested to Lefever in September 1979 that a study of the infant formula controversy would be "a natural for you because it involves churches."

"A few weeks later," according to the principals, Lefever had lunch with Herman Nickel, Fortune's Washington editor. During that lunch, at Washington's F Street Club, Lefever proposed that Nickel study the infant formula issue for EPPC and offered a $5000 fee, half to be paid on submission of the manuscript (due March 1980 but not yet completed), and half when the foundation published it.

Nickel says that at the time he knew nothing about EPPC's funding and "didn't think to ask about it." This was perhaps naive, but as any journalist will testify, the prospect of a significant fee can often lead to a willing suspension of cynicism.

Nickel expressed interest in the project but said he could not accept it until he cleared the outside assignment with his editor. Richard Lubar, then managing editor, gave his approval. Though time has rendered the circumstances of that go-ahead murky, the Post article describes the okay as "conditioned on [Fortune's] getting a 'spinoff' article," a description which current editor William Rukeyser vigorously denies. Nickel remembers that Lubar said he'd "always been interested" in the story and gave his approval with the explicit comment that "you can get a good Fortune story out of it." In any event, it is clear that Nickel began the research leading to the Fortune story with the promise of EPPC money.

Before he had actually begun work, he discovered to his dismay that the money came with strings attached—in particular that a three-person panel, including at least one representative from the infant formula industry, would review his manuscript before EPPC published it. Nickel was disturbed enough by this news that he got Lefever's agreement to terms he set forth in a letter stating that the presence of an industry reviewer on the panel "will in no way impair the independence of my study and my right to reach whatever conclusions I find are warranted by the evidence . . ." He did not, however, seek to alter the basic agreement, meaning that his article would go unpublished—depriving him of $2500—if it was vetoed by the panel's industry representative. Nickel, who has a decent reputation for independence, stoutly maintains he "will come to no other conclusions than those justified by my research into the evidence," but admits that "strictly, legalistically" such fealty could cost him $2500 if his evidence leads him in a direction contrary to that favored by the industry.

Nickel, still unaware of EPPC's funding, began his work toward the end of 1979. Meanwhile, EPPC itself, which had been affiliated with Georgetown University, was coming to what both sides describe as an "amicable" separation. In January 1980, it became an independent, fully tax-exempt institution, eagerly seeking public and corporate donations. Among the first companies Lefever contacted was Nestle.

By all indications, Nestle hadn't even heard of EPPC until Nickel began interviewing corporate officers for his study. But, as a spokesman at the company's PR agency explained, "if a study is undertaken in something in which you have an interest, you are curious about it. [Nestle was] curious about EPPC and looked into it." They read some of the center's publications, and met with Lefever, who cheerfully says he told them that while the center didn't undertake contract work on specific projects, its general fund did accept contributions: "They raised it," he reports, "and I said, as I always do, 'We'd welcome it—and please make it a big one.'" In what Lefever and Nestle officials maintain was sheerest coincidence, Nestle gave the center $5000—the amount Nickel was to receive—in March 1980—the month he was to receive it.

Because of assignments abroad and a personal health problem, Nickel missed his original deadline, and he was still working on the project for EPPC in the late spring when someone at Fortune asked him for an article on church activists, corporate responsibility, and the infant formula controversy. Whether the timing of this request was spontaneous or represented management's expectation that his EPPC work should by then have "spun off" a Fortune story is unclear. In any case, Nickel says, "I spent more time looking into the infant formula issue than I could have spent just for a Fourtune article. In that sense, I was a good deal for the magazine."

Nickel's Fortune article, though it is slanted in a way that routinely reflects the magazine's editorial policy, is not a loonily unbalanced attack on the industry's critics. There are some factual problems with it (his estimate of rising formula use in Algeria despite nationalized distribution comes slolely from industry sources and was flatly contradicted by the Algerian delegation at the May 1980 World Health Assembly), but the major objections to the piece have been directed less to its factual content than to its characterization of religious leaders active in the boycott as "Marxists marching under the banner of Christ."

The phrase, as it happens, wasn't written by Nickel, but was contributed by Fortune's editor, Richard Armstrong. Nickel, indeed, says, "I would not have used it. I did not use it. He felt that the evidence warranted it." But, in a way that implicitly undermines his protestations of independence in the forthcoming EPPC study, Nickel accepted the change.

Needless to say, the article was greeted with great rejoicing in Nestle's corporate headquarters, and a major proportion of the meetings Saunders held in this country last summer were devoted to the question of how best to exploit it. Enter ever-ready Ernest Lefever.

Under the "Actions Proposed" section of the leaked memorandum, Saunders writes: "There must be maximum exploitation of the opportunities presented by the Fortune article and the Ethics and Public Policy Center's willingness to undertake additional activity." Nestle USA's president, David Guerrant, was apparently less than enthusiastic about all this, for Saunders further notes that "Mr. Guerrant is somewhat concerned that Nestle should not be seen to be the dominant subscriber to the Ethics and Public Policy Center." Help, however, was at hand in the form of Nestle's Washington consul, Thomas Ward, of Ward, Lalos, Leeds, Keegan, and Lett. "Mr. Ward," the memo continues, "informs us that there are ways in which this matter can be handled, and . . . I suggest that Mr. Ward remain closely involved in follow-up activity with the Center."

Even a mind untainted by memories of the colorful methods of laundering money revealed during the Watergate investigation would read this passage as a suggestion that Nestle's contributions to the center be hidden, but a Nestle rep claims that the senior partner of a Washington law firm was merely suggesting that there was no problem because Nestle wasn't a dominant contributor.

Ward himself was unavailable for comment, and no one else in his firm was able to discuss the matter, but there was no question that Nestle—already planning to give the center an additional $20,000—was about to become EPPC's dominant corporate contributor. Lefever pooh-poohs the notion, claiming that the center received donations from 26 corporations during 1980. But he also admits that $25,000 was the largest contribution received from any single firm. More importantly, in May 1980, two months after Nestle's first gift, Lefever issued a report estimating EPPC's entire corporate budget for the year as slightly under $100,000—making Nestle the source of one-fourth of the center's corporate donations and indicating that Guerrant's fears were well founded.

But they were overridden, for the Saunders memo continues: "We should review the optimum mailing list for the Fortune reprint and then decide how to finance the operation."

Shortly after these meetings, Lefever's center received another $20,000 from Nestle. Lefever says that he had independently decided to reprint the Fortune article (with a preface identifying it as "a direct outgrowth of a comprehensive study of the infant formula issue that Mr. Nickel is writing for the Ethics and Public Policy Center") as an EPPC fund-raising device; but admits that "when Nestle saw Nickel's piece, they decided it would be good to use it." Shortly after receiving this second Nestle contribution, EPPC rented a mailing list of "community leaders" from a New York firm and sent out the largest promotional mailing in its history. Lefever says the mailing—including, of course, a reprint of Nickel's article (now retitled, without *Fortune's* permission, "Crusade Against the Corporation: Churches and the Nestle Boycott")—went to "several thousands" of community leaders, adding that "normally, we send out a few hundred." The mailing list, Lefever says, was not provided by Nestle, though he admits the center had never used the list, or any like it, before.

Fortune did its part as well in indirectly underwriting the distribution. When Lefever's center had reprinted an earlier piece of Nickel's on South Africa, it had been charged *Fortune's* standard rate of 10 cents per copy. "With all we wanted to reprint this time," says Lefever, "that wouldn't be possible. So I went to *Fortune*—to the top of *Fortune*—and pleaded for a flat-rate sale. They agreed to let us print as many as we wanted for a single fee of $150." Editor Rukeyser denies that he was "the top" in question, but confirms that the center got reprint rights for "a token fee." Thus *Fortune*, which had had an article's research partially underwritten by EPPC, donated the equivalent of several thousand dollars to Lefever's operation. And thus, of course, community leaders all over the country received, from a center which had no official connection with Nestle, reprints of an attack on the boycotters from a magazine which had no acknowledged connection with the center.

How well the strategy would have worked had the memo not been leaked can only be guessed; disclosure has certainly backfired on the company. But no crime seems to have been committed; Nestle's giving five times what the study cost to an organization that was supposedly studying it is surely in bad taste, but if processed-food companies went to jail for bad taste, the prisons would be overflowing. Rather, the memo and an investigation of the circumstances surrounding it give us a rare look at the operations of an informal Corporate Ministry of Disinformation—which we must prudently fear is the operative force behind much of the "objective" information we read.

A case in point is a recent *Wall Street Journal* article entitled "Politics and Baby Formula in the Third World," by our old friend Ernest Lefever. Though the article was published 10 days *after* the *Washington Post* revealed his connections with Nestle, Lefever is identified only as "president of the Ethics and Public Policy Center in Washington and author of 'Amsterdam to Nairobi: The World Council of Churches and the Third World.'" Asked if he had told the *Journal* that Nestle was a major supporter of the center, Lefever replied, "Of course not."

BEHIND THE BOYCOTT

Though there is no doubt that breast milk is the ideal food for infants—it is free, nutritionally complete, transfers immunity, and requires neither sterilized bottles nor potable water—the use of various bottled substitutes has increased dramatically during this century. Among non-breast-milk foods (absolutely necessary for some percentage of mothers), specially prepared infant formulas appear to be preferable on a purely nutritional basis, though they are markedly less cost-effective than other substitutes.

Until relatively recently, the sale of these formulas had been concentrated in the urbanized West, but with the decline in Western birth rates during the '60s and '70s, manufacturers faced flat or sinking sales and turned their attention to third world mothers. Since their aggressive campaign began, third world sales of infant formula have consistently grown at a rate of more than 10 percent per year, and some six million babies in less-developed countries now receive it.

Nestle supplies about a third of this formula, with estimated annual sales of $200 million to $250 million in the third world. Perhaps because of its background as a food company (virtually all United States formula manufacturers are pharmaceutical firms), Nestle became a leader in direct consumer advertising of infant formula on television, radio, and billboards.

In addition to its direct advertising, Nestle promoted itself in more insidious ways: Nestle employees, dressed as nurses, regularly "assisted" in "educating" new mothers in hospital maternity wards, and the company established "milk banks" where new mothers could purchase Nestle formula at a discount for the first couple of weeks after they left the hospital (i.e., until their milk dried up and they had little choice but to purchase the cripplingly expensive formula at its full price).

Though it is exceedingly difficult to prove scientifically that there is a link between promotion and sales (companies certainly believe in it; otherwise they wouldn't spend the money), it is clear that the decline in breast feeding which followed the aggressive merchandising of infant formula has created a number of public health problems in developing countries. A 1973 World Health Organization publication reported that a study of rural Chilean mothers, "There were three times as many deaths among babies given bottles before the age of three months as among those who were wholly breast fed. . . . As living standards improved, weaning was accelerated and a higher proportion of children were fed on the bottle alone. The anomalous consequence was that infant mortality rose with income."

Largely under the leadership of third world health professionals, an international campaign for the regulation of infant-formula sales was begun. Working through the United Nations (primarily UNICEF and WHO) and through national governments, the campaign showed marginal success. In 1975, for example, the manufacturers im-

plicitly admitted that something was wrong, when they formed the International Council of Infant Food Industries (ICIFI), whose aim was to establish self-regulation as the way of controlling the industry.

The changes recommended by ICIFI—described as unprecedented by the industry and as superficial by its critics—seem in either case to have been only half-heartedly implemented, and in 1977 a number of American religious and consumer groups announced a national boycott of Nestle products. The boycott, perhaps the only way for American citizens to influence the behavior of a Swiss-based multinational, has had only mixed success. Though it has clearly affected sales in some Nestle operations—most notably Stouffer's and the "fund-raising" division (which promotes sales of Nestle chocolates to high schools and civic groups)—its overall effect seems more successful as public relations than as an economic lever (Nestle has not hesitated to increase its U.S. holdings during the boycott, even of such "natural" targets as Beech-Nut Baby Foods).

But for all its troubles at home, the boycott—and the very real threat of further WHO and national regulation—has had some effect in the third world. In October 1979, ICIFI announced a new set of self-determined policies that would eliminate the most egregious marketing practices. Since then, the boycott's leaders have published a report charging 682 violations (by 34 companies in 50 different countries) of the self-imposed code. The industry specifically denied 112 of the initial 202 charges (the boycott coalition subsequently withdrew five of the 112 for lack of documentation), but has not responded to the remainder. As a result, the working coalition of third world health professionals and American boycott leaders is actively campaigning for stiffer national and international regulation at the upcoming WHO meetings in Geneva.

Thus the boycott—which the leaked memorandum describes as a "smouldering fire"—continues to disturb Nestle, which wishes to minimize consumer influence on the WHO (where it has continued to cultivate its own power by such time-honored mechanisms as job offers to prominent WHO officials whose terms of office are expiring). Thus, the corporate decision to discredit both the boycott and it organizers.●

KEEPING AN UNPOPULAR DESPOT AT ARM'S LENGTH

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. HALL of Ohio. Mr. Speaker, the recent visit of Pope John Paul II to the Philippines has served to focus attention on the Philippines and the government of Ferdinand Marcos. It was particularly significant—and appropriate—that the Pope issued a call for greater respect for human rights in the presence of President Marcos.

Stephen Cohen, former Deputy Assistant Secretary of State for Human Rights under the Carter administration and presently a professor at the Georgetown University Law Center, has written an interesting and timely analysis of the current political situation in the Philippines. In his assessment of the Philippines under Marcos, Mr. Cohen draws on firsthand information he acquired during two extended visits to the Philippines.

Mr. Cohen offers several specific recommendations with respect to U.S. policy toward the Marcos government. I hope that the new administration will adopt the policies outlined by Mr. Cohen. Mr. Cohen's observations underscore that an effective and consistently applied human rights policy truly is in our own national interest.

I commend Mr. Cohen's article to the attention of my colleagues:

[From the Washington Post, Feb. 22, 1981]

KEEPING AN UNPOPULAR DESPOT AT ARM'S LENGTH

(By Stephen B. Cohen)

Last Wednesday Pope John Paul II visited the slums of Manila. Afterward, a student spoke to the pope about his people's need for political freedom and economic justice. As the student knelt to kiss the papal ring, the pope lifted him up by his arms to embrace him and the crowd cheered.

Before mass audiences and face to face with President Ferdinand Marcos, the pope called for "greater respect for human rights" and electrified the Filipino people. He arrived in the Philippines one month to the day after Marcos declared an end to eight years of martial law.

The pope's strong appeal and the response he evoked raise a serious question: How much was really changed by Marcos' declaration? The answer is important to us because of our military bases there and the Philippines' role as a pro-Western country in Southeast Asia.

Despite the end of martial law, Marcos' exceptional powers are vitually intact. He can still legislate by personal fiat. He can detain, without trial, anyone he regards as "subversive." His family and friends, who seized all significant newspapers and radio and television stations when martial law began, continue to control the mass media.

Lifting martial law was more public relations than substance, designed to impress the new Reagan administration as well as the pope. The Marcos government is still regarded by a broad cross-section of Filipinos as corrupt, incompetent and frequently repressive.

How bad is official corruption? Filipinos from all walks of life say that it is more pervasive than ever before in their history and that the worst corruption involves Marcos, his wife Imelda and their families and close associates. One popular Philippine riddle goes: "How do you do the Marcos dance?" The answer: "One step forward, two kickbacks."

It is widely believed—and, in political terms, perception is reality—that the Marcoses demand a cut in major investment projects as the price of governmental approval and that the amounts accumulated by them run into the hundreds of millions of dollars. Even defenders of Marcos' record freely concede, as one said, that "he can be faulted for one thing: failing to stop corruption."

Filipino businessmen who are not part of the inner circle are expressing strong opposition to Marcos, at least in private, as they find themselves victimized by official favoritism and extortion. Using his power to legislate by fiat, Marcos exempts certain firms from taxes applied to all others. One Marcos ally in the filter cigarette business, for example, is relieved from customs duties that his competitors must pay. Another, who manufactures television sets, can import Japanese component parts without paying the usual taxes.

Another Marcos tactic is to force the sale of successful businesses at a bargain price to his close associates. Filipino businessmen fear doing too well lest, as one told me, "they notice your success and make you an offer you can't refuse."

A former correspondent for the Asian Wall Street Journal described the effect on the economy: "People are afraid to go into a new line of business, because one of Marcos' cronies, some of whom are just into primitive accumulation, may take it over."

The more desperate members of the business community have resorted to violence. Several, including one Harvard MBA, were arrested last year for joining a so-called "Light a Fire Group," which allegedly conspired to set fire to properties belonging to Imelda Marcos. Others have begun to finance the communist insurgency, in the belief that it will never be strong enough to seize power but may cause enough trouble to force a change of regime.

The Catholic Church, as well, has become increasingly open and strident in its criticism of Marcos. Last year a Catholic conference in the Southern Philippines began with a morality play about the pharaoh's abuse of Hebrew slaves in ancient Egypt. The Egyptian pharaoh, shown beating the slaves, bore an unmistakable resemblance to Marcos, and the Hebrews were dressed as Filipino peasants. The political message was clear: "Let my people go."

Over 80 percent of Filipinos are Catholic. They are by and large devout, and the church is the most important nongovernmental institution in the Philippines, with an extensive network of schools and hospitals. A large majority of the priests are staunchly anti-Marcos, and a significant minority now argue that violence is justified and required to achieve change.

The church hierarchy—about 50 bishops—periodically criticizes specific practices of the Marcos regime, including corruption, election fraud and the imprisonment and torture of political dissidents. The archbishop of Manila, one of two Philippine cardinals, has warned of civil violence if Marcos does not end authoritarian rule and permit fair elections.

Among all segments of the population, anti-Marcos sentiment has grown as the economy has deteriorated. Per capita income has fallen about 15 to 20 percent since Marcos declared martial law. Inflation ran 20 to 25 percent in 1979 and 1980, and wages have not risen to make up for the increased cost of living. While unemployment officially hovers at 5 percent, underemployment is four to six times as great. Roughly three-quarters of Filipino households have an income at or below the poverty threshold. The Philippine government estimates that 60 percent of all children are malnourished.

Every informed observer believes the economic position of the average Filipino will deteriorate further over the next five years. The best hope is that the decline will not be too abrupt or severe.

Although the Marcos regime is authoritarian, the repression has been neither indiscriminate nor unrelenting. Marcos' approach is to employ the minimum coercion

needed to maintain control, and even to ease up when to do so poses no threat.

For example, opposition politicians may speak out against the regime, provided the audience is not too large and the gathering is closed to the general public. In Manila, one opposition weekly newspaper is permitted and it regularly attacks Marcos' policies; but the editors are told that if circulation exceeds 20,000, they will be shut down. A critical account of martial law was circulated in an English language edition. But an edition in Tagalog, the native language of about one-third of Filipinos, was suppressed by the secret police and the author, a former Philippine president, was charged with sedition by a military panel.

During the first years of martial law, 70,000 individuals in Manila alone were detained for political reasons, and reports of torture and mistreatment were common. Most detainees have now been released, although about 1,000 political prisoners remain, and occasional cases of torture still occur. The government continues to use preemptive arrest when a mass protest or demonstration threatens.

Meanwhile, there has been an alarming increase in reported military abuses against civilians, with the Ministry of Defense registering 150 complaints a day during one period. Soldiers rarely come from the area where they serve and often abuse the local population to deter cooperation with local insurgents.

A typical incident was reported in the American press a few weeks ago. Alexander Garsales, a farmer, father of four and lay worker in a Christian social action group, was seized at home by soldiers. Five weeks later his body, hands tied behind his back, was discovered in a deep hole in a nearby field.

What are the chances of a popular explosion, as in Iran? Filipinos do not appear likely to engage in mass action against the regime, either at this moment or in the immediate future. While anti-Marcos sentiment is increasing, the opposition to the regime is neither well organized nor particularly effective, in part due to restrictions on the exercise of political rights.

The moderate opposition centers around half a dozen former members of the pre-martial-law Senate. They waged an effective political campaign against Marcos during the 1978 parliamentary elections, and polls predicted that their slate would win most of the Manila area seats. The election, however, was marked by pervasive fraud, ballot-box stuffing and voter intimidation. When the votes were counted, the opposition failed to gain a single Manila seat; in some precincts, the Marcos candidate was reported winning unanimously. Since that campaign, the ex-senators have limited their activities to speaking before small audiences, circulating political newsletters and manifestos and organizing occasional demonstrations and protest marches.

The other major organized opposition is the New People's Army (NPA) communist insurgency. The Philippine government estimates its armed strength at 3,000 to 5,000, with sympathizers in the tens of thousands or more.

Over the past few years, the NPA has acquired a Robin Hood image because of its "good behavior." Unlike the Philippine armed forces, which are notorious for preying upon the civilian population, the NPA actively seeks the allegiance of Filipino peasants.

One attorney, practicing in an area where the NPA is active, commented: "Local inhabitants are concerned when the NPA moves out. I have clients worried that cattle rustling and robberies will start again. The NPA represents law and order. They say they feel more secure with the NPA than the military."

Despite its increasing acceptability, the NPA does not now threaten the regime, nor is it close to mounting an effective challenge. It is many times outmanned and outgunned by the 250,000-man Philippine army.

But can one confidently predict that popular opposition will not threaten Marcos over the next five years? With the trends in anti-Marcos feeling and the deteriorating economic position of the average worker, spontaneous protests could erupt. If the NPA continues to exploit its Robin Hood image, it could create a broader-based movement over the next decade. Assassination also is a constant danger to Marcos. Two hundred current and former military officers were reportedly arrested last year for planning a New Year's coup attempt.

Even if Marcos is not forced out by others, he is approaching age 65. Some time in the not too distant future, if nothing else intervenes first, either ill health, old age or death will end his rule.

Whether or not Marcos survives the next five years, our interests will be affected by the evolution of Philippine attitudes toward us. The long-run prospect is for increasing nationalism, assertion of Philippine self-worth and anti-Americanism.

We have benefited so far from widespread pro-American feelings. Filipinos admire the United States and most things American. A university professor who is a vociferous opponent of Marcos and of American aid to his regime told me, "Our problem is that Filipinos are American-lovers."

In the future, however, pro-American feelings are likely to lessen. There is a wide difference in how older and younger Filipinos view the United States. Among the older generation there is strong pro-American sentiment, a product of our joint struggle against Japanese occupation of the Philippines in the 1940s, the granting of independence in 1948 and American aid over the years since.

The younger generation (over 50 percent of the population) knows less of World War II and the immediate postwar years. Its formative political experience has been government under Marcos, and younger Filipinos increasingly resent us for supporting his regime.

The critical issue for our foreign policy is how to protect U.S. interests in the Philippines—not just for the moment, but for the longer term as well. As of today, our position is not as secure as it should be, because we are too closely identified with the Marcos regime.

A centrist Filipino journalist told me: "There is a perception that the U.S. is selling the Filipino people down the river, that the U.S. is willfully supporting Marcos. You need to be less supportive."

The primary cause of this perception was a new agreement in 1979 which doubled the amount of military aid provided to the Philippines in return for the use of our bases there.

The object of increasing aid was to secure our access to the bases. Instead, the new agreement has increased the risks by associating us with a regime that so many Filipinos find repugnant. One opposition leader recently commented that our support for Marcos could lead to "widespread and open hostility [which could] render these bases eventually untenable."

Moreover, while the term of the previous base agreement ran until 1991, the new one provides for review of its provisions by January 1984. At some earlier date, the process of review and renegotiation will begin, thereby increasing once again our identification with Marcos.

How will the Reagan administration conduct relations with the Philippines? There are already signs that it will read—or choose to read—the end of martial law as genuine progress, justifying warmer relations with the Marcos regime. President Reagan met with Imelda Marcos in New York for an hour last December, one of the few exceptions he made to his own rule against seeing foreign leaders before his inauguration. And a meeting between Marcos and Reagan (something that Marcos assiduously sought but never obtained from Carter, Ford or Nixon) is being considered.

Instead of seeking warmer relations, the United States should distance itself from the Marcos regime. While there is essential business which we must conduct, the relationship should be more cool, correct and formal than it is today. In concrete terms, how might we conduct a diplomacy of distancing?

We should abstain from unnecessary public acts that indicate our support for the regime. There should be a ban on high-level official visits to Manila, such as the 1977 trip of Vice President Mondale. Our ambassador should be instructed to avoid public appearances with the Marcoses that are trumpeted in the Philippine press and taken as a sign of our approval. And Marcos must not be invited to Washington.

Furthermore, we should adopt a position for the 1984 review of the new base agreement designed to disassociate us from the worst practices of the regime. As a sign of concern over widespread military abuses, for example, we might propose shifting part of the base compensation package from military to economic assistance.

A prudent foreign policy would recognize the growing opposition to Marcos, the approaching end of his rule and the unfavorable trends in Filipino attitudes toward the United States. It would therefore be designed to lessen our identification with Marcos and his government.●

SUMMARY STATEMENT ON BEHALF OF THE SMALL BUSINESS COUNCIL OF AMERICA, INC.

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. BRINKLEY. Mr. Speaker, it is a genuine pleasure to share with the House of Representatives the attached summary of the statement given by Mr. Morton A. Harris on behalf of the Small Business Council of America, Inc., to the Senate Finance Committee Subcommittee on Savings, Pensions, and Investment Policy on February 24, 1981.

Mr. Harris and I began our practice of law in the city of Columbus, Ga., about the same time, and Mr. Speaker,

I know you will understand the pardonable pride which I take in his life and service. Morton's accomplishments include presidency of the Small Business Council of America, Inc. and immediate past chairman of and presently special adviser to the professional service corporations committee of the American Bar Association's tax section. He is a leading lawyer in the Southeastern United States, and I commend his views to the attention of all the Members.

STATEMENT OF MORTON A. HARRIS

This statement is submitted on behalf of the Small Business Council of America, Inc., a nation-wide organization of business and professional men and women whose aim is to monitor and comment on federal tax and employee benefit legislation on behalf of small business corporations.

The Small Business Council of America, only two years old, has a growing membership, presently covering 43 states. The organization has both a legal and a business advisory board which includes leading tax attorneys, accountants, tax and employee benefit consultants and well-known business owners located throughout the country.

I am President of the Small Business Council of America and am also a practicing attorney in Columbus, Georgia. Many of my law firm's clients are owners and principals of small businesses.

SUMMARY OF STATEMENT—S. 12 AND S. 243

In general

The Small Business Council of America (SBCA) strongly supports and commends Senator Dole and Senator Chafee (and others who may become sponsors of S. 12 or S. 243) for seeking ways to encourage savings by individual employees for their own retirement and the education of their children.

The SBCA generally supports both S. 12 and S. 243 which, the SBCA believes, will provide a significant incentive to encourage employees to voluntarily contribute to either a qualified retirement plan, if they are covered and if the plan contains provisions for such contributions, or, in lieu thereof, to an individual retirement account (IRA).

The SBCA strongly supports the traditional concept that there are three fundamental elements of retirement security: (1) Social Security as a base, (2) private employer sponsored retirement plans, and (3) individual savings. Therefore, the SBCA favors and supports economic incentives which encourage the adoption and expansion of privately sponsored retirement plans and which encourage employees to individually save for their own retirement.

Although economic incentives of the kind embodied in S. 12 and S. 243 will not, alone, "cure" inflation and will not totally protect employees in their retirement, these bills are constructive steps which will tend to mitigate inflation and assist employees in providing for their own retirement.

The SBCA has previously supported similar bills and has submitted a position paper to the President's Commission on Pension Policy on November 29, 1979, dealing with matters of the kind involved in these bills. Since there is not time to restate all of the points which can be made in support of these bills at this hearing, I refer you to our position paper for detailed information and statements of our support for legislation of the kind here under consideration.

Recommendation for improvement

If the incentives provided in these bills are to give meaningful encouragement to private savings, two changes in the legislation should be considered.

1. Need for Equality Between Qualified Plans and IRA's. There should be no distinction between an employee who is covered under a qualified retirement plan and one who is not insofar as the dollar limit of the voluntary deductible contribution; otherwise, there will remain incentives for employees in certain instances to opt out of the qualified plan.

2. Need for Higher Deductible Contribution. The amount of the deductible contribution should be increased to a higher level, at least $5,000.00 per year, to encourage savings at a meaningful level for both lower and middle income employees earning less than $35,000.00 per year. The SBCA feels that the amount of the deductible contribution should be: (1) large enough so that the deductible amount will adequately encourage a level of retirement savings which is significant for a majority of America's employees; and (2) large enough so that the administrative costs involved will not be so great in relation to the amount of the deduction that it diminishes the incentive intended by these bills. For example, with a $1,000.00 per year limit, there can be only a maximum of $20,000.00, plus earnings, saved over a period of 20 years. In light of present inflationary conditions and future expectations, this level of savings cannot give many people a feeling that they could adequately save for their own retirement.

Conclusion

To summarize, it is important that there be an equal deductible contribution limit (whether or not covered by a qualified plan) as provided for in S. 243 which will remove any incentive for individuals to withdraw from participation in a qualified plan in order to participate only in an IRA and receive a higher deduction. Thus, if $1,000.00 is the limit on deductible contributions as provided for in S. 12 while $1,500.00 is the limit on IRA's, then some individuals will still find it to their benefit to drop out of qualified plans in order to establish IRA's.

Of the two legislative proposals dealing with employee contributions, we urge the format of S. 243 with a $5,000.00 deductible limit for the reasons stated above.●

REALISM AND RHETORIC IN THE BUDGET BATTLE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MILLER of California. Mr. Speaker, there is general agreement in the Congress and the Nation of the need for reductions in the Federal budget. Surely the major job of the 97th Congress will be the thorough examination and paring of Federal expenditures. As we undertake this task, I think it is extremely important that we make clear to the American people just how difficult the job will be and how dramatic the impact of budget reductions will be on the rate of inflation.

It is my hope that the administration will keep in mind the need to use realism as well as rhetoric toward this mutually desired end. Utilization of inaccurate statistics and jumbled analyses in order to serve partisan political purposes would be very unwise. The American people have indicated their support for budget cutbacks, even if they are painful; the Congress will hopefully join the administration in challenging the vested interests of the powerful as well as assaulting the programs designed to assist the unemployed, the ill, the poor, and the hungry.

A recent column in the Washington Post by Clayton Fritchey illustrates the rhetorical excesses of some recent administration statements about the economy. Mr. Fritchey suggests that we utilize more realism in describing the severity and nature of our economic plight: perhaps then we would find Americans better informed about our problems and more willing to cooperate in solving them.

The article follows:

* * * OF THE BUDGET MELODRAMA

(By Clayton Fritchey)

Two months ago, an admirer and backer of Ronald Reagan predicted (in The American Spectator) that when the president "sits down with his advisers to consider budget recommendations for the first fiscal year of his administration, he will be forced to confront—as policymaker rather than campaigner—a set of facts that may well make him wish he had gone into some other line of work."

Things have hardly come to that. Nonetheless, if the public is confused over how Ronald Reagan's much-heralded economic package is going to work, it has good reason. Even some of the president's longtime advisers, including six former chairmen of the Council of Economic Advisers, have some misgivings about its size, shape and timing.

This much seems certain: when the first flush of excitement over the Reagan package wears off, there are going to be many surprised and disappointed Americans, especially those who believed everything they heard during the recent presidential campaign.

As things are shaping up, the 1981-82 tax bill, regardless of what the new administration intends, is not going to be less than it was in 1980, but much more. As the fiscal 1982 budget stands, it calls for an increase of $107 billion in tax revenues. The Reagan men hope to lop $50 billion or so off the tax bill, but even if they succeed, the bottom line will still be an increase of $50 billion or more over last year. So what is really at stake is not a tax reduction in the accepted sense, but simply a potential reduction of the scheduled increase.

President Carter's budget projects expenditures of $739 billion. Reagan hopes to cut that by about $40 billion, but it is a sound bet that the final spending figure will be closer to the Carter mark. When Congress gets through with the Reagan program, the proposed cuts will probably not greatly exceed $25 billion, and that saving would be cancelled out by the administration's plan for increasing military expenditures by $25 billion or more.

The 1982 budget estimates a deficit of $27 billion. Obviously it will be much larger than that if expenditures remain about the same, while estimated tax revenues are cut by around $50 billion, as planned. In that event, spending would total $739 billion as against receipts of around $660, leaving a deficit of almost $80 billion, or even more with continued stagflation.

President Reagan is being ill-served by his advisers when they provide him with melodramatic statements and statistics that can't stand scrutiny, as was notably the case in his recent television speech on the state of the economy. Who, for instance, is going to believe that we are in "the worst economic mess since the Great Depression"?

Back then 25 percent of our workers were unemployed, the banks were closed, and we were fighting deflation rather than inflation. Today, the banks are secure, and 60 percent of all persons of working age are employed, and all-time high. That adds up to 97.7 million jobs, with another 415,000 added last month.

Reviewing the American standard of living since 1960, Reagan says, "We all know we are very much worse off," whereas in fact, average personal income, even after allowing for inflation and taxes, has almost doubled in that period. Gardner Ackley, former chairman of the Council of Economic Advisers, bluntly says, "Clearly in every respect we are better off than we were then." Much better off, other economists would say.

The president says "we have too much money chasing to few goods," although the problem is just the reverse in many of our largest industries, such as autos and steel, where supply far exceeds demand. Plants in the United States are operating at less than 80 percent of capacity.

Finally, the president warns that business is being taxed so hard that it is "being priced out of the world market." Actually, exports in 1980 were 22 percent higher than in 1979. Foreign trade, reports The Wall Street Journal, "which once played only a minor part in the country's economic picture, now occupies a huge, rapidly expanding role."

Are we, a Reagan asserts, "threatened with an economic calamity of tremendous proportions"? In the wake of that speech, the financial pages have been dominated by headlines like these: "Corporate Profits Rise 10 Percent," "Gross National Product Jumps 5 Percent," "U.S. Industrial Production Gains Fifth Month In a Row, Dollar Scores Fresh Gains."

The moral seems to be: Don't sell America short.●

AFTER TITO, A STRUGGLE—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. McDONALD. Mr. Speaker, part I of this article appeared in the CONGRESSIONAL RECORD for January 16, 1981, on pages 392 and 393. Part II covers World War II events up to the present. I recommend this concluding article by Hilaire du Berrier to the attention of my colleagues. A future chapter in this story will record whether President Reagan supported the forces of freedom in Yugoslavia, minus the heavy hand of Tito, or the forces of communism. Part II follows:

AFTER TITO, A STRUGGLE—PART II

General Dragoljub-Draza Mihailovich was 48 years old when a message reached him in the Bosnian town of Doboj, on April 16, 1941, ordering him to surrender the motorized unit of the IV Yugoslav Army. Disregarding the order, Mihailovich and his aide-de-camp, Miodrag Palosevich, sabotaged the materiel they could not take with them and led their followers into the hills of Upper Serbia. On April 19 he planted his flag on the plateau of Ravna Gora and launched what was to be his war cry: "With faith in God, for King and Country!" Again and again Mihailovich and Captain Hudson tried to establish a common front against the Germans, but the aim of the partisans was to survive the war, to let the Germans exterminate the royalists and hold Yugoslavia when the war was over.

Towards the end of 1942 Generals Glaise and Globotschnik, the German commanders in Yugoslavia, established a permanent arrangement with Tito and his partisans. Regularly they exchanged prisoners and information, and Tito's former comrade, Milovan Djilas, tells in his book, "Wartime," how Tito arranged a truce with the Germans in early 1943. The partisan leader was to be recognized as supreme chief of Slovenia, Croatia and Bosnia-Herzegovina, his partisan groups were permitted to leave areas where they were encircled and the Germans would be free to concentrate on the British while the partisans were destroying Mihailovich. The truce lasted until the end of 1943 when the German High Command assured Hitler they could wipe out Tito's 12,000 guerrillas and 130,000 supporters anytime he gave the order. Still, the British tried to bring Tito into a unified war effort. Sir Fitzroy Maclean and Randolph Churchill, the son of the Prime Minister, were sent to plead with the partisans but Tito continued to take orders from Moscow and as the flow of duped Americans assured him of Washington's support he was less inclined than ever to listen to the British. Milton Katz, the man to whom Averill Harriman turned for the green light on Jimmy Carter, gave all the assistance he could from his OSS base in Caserta. Colonel Henry Mays was to earn Tito's eternal friendship and a decoration and Colonel Richard Weil, Jr., the son of the owner of Macy's Department Store, was invaluable to Tito and his reds. It was easy for a young American during the years when Stalin was Roosevelt's "Good Old Joe" to be taken in, but others in that list too long to name were out-and-out communists.

Tito's attacks on isolated German groups, after the Germans broke their truce, became heroic battles when recounted to the Americans attached to the Tito camp. What they never realized was the frightfulness of the German reprisals on helpless civilians. Over 7,000 Serbs were massacred to avenge Tito's killing of 123 Germans. When Mihailovich tried to take the German strong point at Kraljevo, Tito remained in his camp and let the Germans encircle Mihailovich's 4,000 attackers. Not only did Tito kill more Yogoslavs than the Germans but because of him the Germans killed more Yugoslav hostages than Hitler ever lost to Tito. Shortly after the Germans broke their truce and in so doing forced Tito to look like a patriot, an attractive communist agent named Vera Posic gained the confidence of the British mission to Tito, with the assistance of two known communists on the inside. From that moment the partisans were given credit for Mihailovich's victories and London was conditioned for a change in alliances. General Albert Seitz, one of the Americans who had no delusions about the reds, protested with all his might, but he was up against Vera Posic's recruits and Americans such as Major Louis Huot, the Minnesota OSS officer who joined the reds on his own initiative.

The Teheran Conference of December 1943 decided Mihailovich's fate. Abandonment of Mihailovich meant the death of 500,000 loyal Yugoslavs. Between September and December 1944 Tito executed over 30,000 Mihailovich's soldiers under the approving eyes of General Tolboukhine of the Soviet Army. Between 200,000 and 300,000 more were handed over to Tito by the British after the German surrender in May 1945. All were executed. Of the 3,677,777 Yugoslavs who entered Tito's prisons between October 1944 and May 1951, there is no record as to how many came out. Churchill always maintained that he hoped to limit Russian expansion in the Balkans but that Stalin and Roosevelt lined up against him at Teheran and forced the signing of an accord with Tito in June 1944, which was violated clause by clause. Shortly after the June 1944 agreement, Tito was wounded and had to be transferred to Rome for treatment. There Churchill met him in the Grand Hotel and British authorities later agreed that the man who charmed Churchill was not the original Tito but his substitute, the polished Lebedev whom Tito's mother refused to recognize as her son. Churchill left Rome filled with enthusiasm for the man who had promised eternal gratitude and friendship for Britain. Where he had anticipated meeting an awkward Balkan peasant, he thought he had found a gentleman on whom he could count. "That man isn't a communist," he told his friends, who opposed forcing King Peter II to make the famous broadcast of September 1944 in which he called on all Yugoslavs to rally to Tito. Tito showed his gratitude by refusing to let the King return to his country. Years later, at the marriage of Princess Elizabeth, Churchill saluted King Peter and confided in an undertone: "Forgive me, Your Majesty. I was shamefully deceived."

Mihailovich continued to fight on. Lieutenant-Colonel Robert MacDowell, the American assigned to him, was probably Mihailovich's closest friend among the allies. Yet, Mihailovich continued to believe that America would see what was going on and send him supplies. The Serbs were loyal to him to a man and he was still successfully blocking German passage of the Danube when Tito-Lebedev received orders from Stalin to invade Serbia at all costs and link up with Marshal Malinovsky, the Russian commander in Romania. Lieut-Colonel MacDowell told Mihailovich to stand firm, that American aid was coming, and twenty-four hours later Tito proclaimed himself head of the government of Yugoslavia. As head of government and commander-in-chief of the Yugoslav Army, he called on Russian forces to come to his aid. It was a move that has since become classic and may soon be repeated in most of the states in the Yugoslav federation.

The first reaction of British commanders was to go to Mihailovich's aid, but a telegram from Churchill called them back and

the red army entered Serbia. Still believing in America, Mihailovich withdrew to the mountains of Upper-Serbia and Bosnia for a last stand. Before flying out on November 15, 1944, MacDowell begged him to go with him, to live out his life in exile, in America. Mihailovich refused. Sacrificed by the accords of the head of Teheran and Yalta he continued to hold off Tito and the Russians until his capture by the head of the Yugoslav GPU (Military Intelligence) in April 1946. The official version states that Mihailovich was executed by firing squad at the camp of Jajinci, 8 miles south of Belgrade, on July 17, 1946. Reliable witnesses state that he was thrown to savage police dogs in the prison courtyard, under the eyes of Milovan Djilas's wife, who was known as the Yugoslav "Passionaria," before her husband himself went to prison.

The story of Tito's substitution by a double could be verified if any nation found it in its interests to do so. On September 28, 1948, the Berlin editor of the Flensburger Tagblatt received a report from Belgrade on the Tito-Lebedev mystery. As late as 1971 a Belgrade woman who knew the original Tito wrote a confidential report stating that the Head of State was not the Tito she had known. Your correspondent has talked to people who knew both the nine-fingered Tito and the Tito with ten. The London Sunday Telegraph, of October 29, 1978, suggested that Mr. Norris McWhirter write a book on the Tito-Lebedev exchange. An abundance of papers and letters exist providing reasonable doubt as to the true identity of the man in the coffin before which the estranged Jovanka wept in the great hall of the Parliament in Belgrade. The question that remains is: Why did the man who was placed in power by the Kremlin defy Stalin in 1948?

One explanation is that the man we knew as Tito was a Stalinist by ambition, Djilas by imagination, Rankovitch by passion and Kardelj by conviction. The Stalinist Tito with a missing finger would have been willing to follow Moscow's orders at the head of a Balkan federation, but he had seen too many men disappear to be willing to put himself completely at Stalin's mercy. The medal-bedecked ex-czarist knew how determined Stalin was not to tolerate any Yugoslav leader with too many friends in the Italian, Albanian and Bulgarian communist parties. His break with Moscow came at a period when Stalin was unleashing another purge. Old comrades from the International Brigade in Spain were disappearing for knowing too much and Jewish communists who refused to forget the pact with Hitler were poor insurance risks. The final break came in early 1948 when Stalin installed the new Komintern in Belgrade. To a man who knew Stalin's methods it was time to break ranks and arrange for a fail-out of secrets that would shake the world if anything were to happen to him, and this is what Tito did.

Twenty-one days after Stalin died, Tito sent his trusted lieutenant, Josipovic, to Moscow on a secret mission and the same sort of truce that had been arranged with the Germans in 1942 was ironed out. It has held until this day. But now Tito is gone.

There was no threat of an open attack on Yugoslavia over the years, but as in all the other communist countries, men waiting for Moscow's orders wormed their way into ministries and key services in the communist parties of Yugoslavia's six republics and two autonomous regions. And America has guaranteed the independence of this mosaic of infiltrated nations! There are two alphabets, Latin and Cyrillic, eleven minorities and at least nine languages, including Serbia, Croatian and Slovenian-Macedonian in the Yugoslav package of peoples. There are four religions: Islam, Orthodox Christian, Catholic and Judaism. Nationalist break-away movements have kept the Serbs, Croatians, Slovenians, Montenegrans and Macedonians plotting for years, and surrounding the lot are seven neighbors, four of them communist, Italy, communist in all but name, Austria, neutral, and Greece unstable.

The politically astute Carter dodged any formal commitment when Yugoslav Defense Minister Nikola Ljubicic went to Washington to purchase arms in September 1978, but U.S. Defense Secretary Harold Brown declared: "Any aggression against Yugoslavia, any violation of its territorial integrity or its independence will be considered a serious menace by Washington." Certainly it will, but what will Washington do if Yugoslav communists invoke the Brezhnev doctrine and call on Moscow for aid? European consensus is that Afghanistan was a test case, to see how far America will go. The conclusion is that America is weak and Europe afraid.

Foreign Minister Andrei Gromyko was not lying when he told the Yugoslav ambassador to Moscow on May 5, 1980, that the Soviet Union would not attack his country. Communization of Yugoslavia when it comes will be an expression of the will of Yugoslavia already in place and if the Russians come it will be by invitation.

The last chapter of the Tito-Lebedev story is not going to be changed by America unless a great strengthening of will takes place.●

LEGAL SERVICES CORPORATION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WEISS. Mr. Speaker, the Legal Services Corporation has played a crucial role in our Nation's civil justice system since its establishment in 1974. The following article appeared recently in the New York Law Journal by Acting New York State Supreme Court Justice Leonard Cohen in support for continuing the excellent work of the Corporation.

[From the New York Law Journal, Feb. 3, 1981]

DECREASED FUNDING IMPERILS LEGAL SERVICES

To the Editor:

The recent Law Journal articles "Cutback in Funds Feared by Legal Services" by Martin Fox and "Funds for Legal Services Corporation Urged to Provide Court Access to Poor" by Archibald R. Murray, point up the necessity to mobilize the bar and public opinion in support of this sole federally funded program for equal access to the civil courts of our nation by those unable to afford private counsel.

Judges have a stake in the Congressional reauthorization of an adequately funded Legal Services Corporation, without restrictive amendments, because of our unique responsibility to ensure that justice is administered equally and fairly in the courtrooms. This is especially important in our city's civil courts where pro se litigants, lacking funds for counsel, are often deprived of adequate representation. Moreover, hundreds of thousands of people in our city, mostly blacks and hispanics, have no one to turn to for advice and counsel prior to litigation involving their non-criminal legal problems.

Decreased funding is one peril facing the Legal Services Corporation. Other perils are Congressional proposals which may undermine this program by imposing unreasonable restrictions on the legal services permitted, such as migrant labor and alien representation; abortion related litigation; and administrative and legislative advocacy. In addition, there are proposals to allocate 50 percent of federal funds to the private bar, often mislabeled "Judicare." Characterizing such proposals as "Judicare" implies an element of judicial approval which is untrue and therefore misleading.

Such efforts may serve as a prelude to cripple the morale of the dedicated staff, structured and attuned to the local needs of their clients.

Although the private bar has and ought to continue to make substantial contributions to the representation of the disadvantaged, it cannot adequately duplicate the structured commitment and continuity of independent and non-partisan staff concept, devoted exclusively to their disadvantaged clients. The training, experience and commitment which the Legal Services Corporation has developed for its professional staff should be expanded and encouraged rather than downgraded and reduced.

As judges, we sought to be in the vanguard of support for continuing the Legal Services Corporation which channels $20 million annually to our state, employing about 400 staff attorneys. Often we are the last resort for people in the resolution of their civil disputes and we should not sit back and watch the slow demise of a national policy and program protective of equal justice under the law.

Our city reflects the growing national gap of inequality because of race and economic class, the impact of which ends up in the courthouse. The Legal Services Corporation, imperfect as it may be, is one way to bridge this inequity. It seems to me that we, as judges, together with the organized bar and other concerned groups, ought to reinforce this bridge consistent with the true administration of justice and make our voices heard loud and clear in the halls of Congress.

LEONARD N. COHEN.●

COMMITMENT TO COUNTRY

HON. HANK BROWN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. BROWN of Colorado. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct a voice of democracy contest. The contest theme this year was My Commitment to My Country.

The winning speech this year from Colorado was submitted by 17-year-old Michael Sarchet, a constituent of mine from Fort Lupton, Colo. Although patriotism has not always been fashion-

able in recent times, I feel Michael has articulately expressed what it means today to love one's country. I commend his comments to my colleagues.

1980-81 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM COLORADO WINNER

When I was five years old, my kindergarten teacher taught me these words: "I pledge allegiance to the flag of the United States of America." I didn't yet understand what I was saying, but I was making a commitment, a commitment to my country.

Yet how could I or any one else be committed to a country, or to a flag? For a country is only a set of boundaries drawn on a map, and a flag is only a piece of cloth meant to represent something else entirely different. To these things alone I cannot be committed. Yet I do have a commitment. My commitment is to a nation of people who live within my country's borders, to their ideals of freedom and justice, and to the people all over the world who share these ideals, for they also are my countrymen.

It is to these ideals and to these people that I, and the rest of the nation must be committed, not only in word but in deed as well, for commitment is a reality that is shown through action. It is such an easy thing to say "I believe" but this is not commitment. Your commitment speaks for itself with every action you take and every deed that you do. To fulfill our commitment to these ideals and to these people to whom these ideals belong, we therefore must take on certain responsibilities: the responsibility of using our voice in government, the responsibility of defending our liberty, and the responsibility to our future.

Our first great responsibility is to use our voice in our nation's politics. To fail to do this is not only to fail to use and protect one of our greatest rights, but it is also a failure to insure that America continues to have conscience. America is capable of injustice as well as justice, it has the potential to be as wrong as it is right but by using our voice in government we the people can change what is wrong and unjust. By voting, by writing our representatives, and by standing up for what we believe is right we become our nations conscience.

The second great responsibility is that of defending our freedom. Our freedom was bought with blood. Men died so that we the children that they would never see could be free. We therefore must also be committed to insuring the freedom of our children, no matter what the cost.

This is our greatest commitment. It is to our future, to insure that the freedom, the liberty, and the justice that we inherited from out past will still be there for our children to give to their children.

If we leave this world a little freer, and a little more just than it was when we inherited it, then people will know that we did fulfill our responsibilities, and that we had a commitment, not to a boundary, or to a flag, but to the ideal of freedom, and to a nation of people who love that ideal, wherever they may be in the world. It is this commitment that made a few men fight and die for freedom in 1776, and it is this commitment that may someday let all human beings walk free.

To this end "I pledge allegiance to the flag of the United States of America" and to the commitment for which it stands.●

RECREATION FOR ALL CHILDREN AT ADVENTURE ISLAND

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. LOTT. Mr. Speaker, Adventure Island Playground located in Pascagoula, Miss., is a unique facility and a real treasure chest for children ages 14 and under. The new playground is especially geared to handicapped children in the area and is the first park not associated with a facility for handicapped children to center on developing motor and perceptual skills.

Many recreational facilities for handicapped children are isolated and set apart from areas reserved for so-called normal children. This new playground will allow mentally and physically retarded children to interact on a one-to-one basis with nonhandicapped children, allowing each to benefit from the other. It is intended to be not only a device for exploration but also an extension of the more traditional methods of teaching handicapped children.

An interesting aspect of the facility is its use as a device for the physical therapist. Both handicapped children with poor muscle tone as well as children with broken bones can benefit from a program of exercises designed to use the playground equipment in strengthening muscles and maximizing muscle tone and movement. In fact, a local physical therapist is developing rehabilitation programs using playground equipment as a part of the therapy. Regarding the equipment itself, each piece is to be accessible to handicapped children and surprisingly enough that includes almost all of the usual playground apparatus.

One of the most important parts of the program is the role of volunteers in making Adventure Island a success. If the time of these volunteers were to be counted in determining the total cost, the bottom line figure would be considerably greater than it is. However, numerous individuals in the Pascagoula area have given of themselves and their talents to make this a prime example of a program which successfully incorporates Federal and local efforts and financing to reach a common goal.

The people of the city of Pascagoula are bubbling with excitement over this novel idea which has become a reality. They deserve to be proud of such an achievement and I congratulate them on their success.●

INFLATION BENEFITS THE RICH, NOT THE POOR

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MICHEL. Mr. Speaker, we continue to hear the hue and cry that President Reagan's proposals to cut Government spending, taxation, and inflation will hurt the poor when, in fact, the opposite is true. Government-fueled inflation, which reduces the purchasing power of the currency and pushes working Americans into higher tax brackets, is rapidly reducing the middle class into the ranks of poverty and making the poor worst off, while simultaneously benefiting the powerful and well off.

The Wall Street Journal of February 24 carried three articles of interest which I would like to call to the attention of my colleagues. The first is an editorial, "Crash Course," showing the illogical economic thinking of congressional Democrats and the news media on President Reagan's proposals.

The second editorial, "Meanwhile in Autoland," notes the tax revolt in Michigan by 3,500 autoworkers.

The third article, "The Rich Got Richer From History's Inflations," is a review of a recently published book reminding us that past and present inflations benefit the privileged while impoverishing everyone else, particularly the poor, the workers, and the small businessmen.

Mr. Speaker, it is time we stopped the game of political charades and move rapidly toward enacting the President's package of spending and tax cuts. Ending the price spiral will insure that the winners will be the poor, the retired, and the working American. The losers will be the rich and privileged.

The articles follow:

CRASH COURSE

The nation is getting a crash course in economics from President Reagan's plans for tax rate cuts, budget program reduction, regulatory relief and monetary restraint. The ensuing debate promises major advances in economic thinking.

A novel and intriguing explanation of inflation, for example, has already emerged in press and congressional reaction to Mr. Reagan's tax plans. To wit, the cause of inflation is a reduction in the rate of tax increases. At least, that would seem to be the logic behind the worries that it would be inflationary to pare back scheduled tax increases in the way Mr. Reagan's plan proposes.

We particularly loved the variant of this theme offered by columnist Tom Wicker. This is a bad time to cut taxes, he suggested, because the reduction would be "an added inflationary pressure to those already unleashed this year." Among the pressures already unleashed he included "a sharp rise

in Social Security payroll taxes." Whew, if tax cuts cause inflation, and tax increases also cause inflation, no wonder it is such an intractable problem.

Up on Capitol Hill, meanwhile, the chairman of the Ways and Means Committee thinks he needs a couple of months to sort things out. Rep. Dan Rostenkowski is new to his job, and says he will need a lot of public hearings on the Reagan proposals. Last week he was saying a tax bill couldn't be reported to the House floor until mid-May, and by this week that had already slipped to late May. Since Mr. Rostenkowski was working on tax matters on Ways and Means long before he became chairman, we kept wondering what it was he needed to know.

The answer became clear upon pondering the Democrats' televised response to the Reagan message. They need a little time to figure out how to change the tax code in ways that will encourage more savings and investment, but will not give more money to those taxpayers who save and invest. Two themes ran through the broadcast by three Democrats—that the Reagan plan did not have enough economic stimulus and that by cutting taxes across the board it "gave" too much to "the rich."

On the other hand, New York Times reporter Steven Rattner has discovered that "the rich" are being discriminated against because the 10% rate reductions do not apply to the 50% maximum rate on "personal service income." The interaction between this provision and the reductions that do apply to the top 70% rate on investment income was complicated enough to confuse both the White House and tax cut leader Rep. Jack Kemp. In fact, everyone's total tax bill will be lower if Mr. Reagan's plan is passed, but Mr. Rattner has a point that for some taxpayers the marginal tax rate will be unchanged. Those taxpayers, that is, who have $215,000 in taxable income from wages and salaries and nothing from investment income.

How Mr. Reagan's proposals will fare against congressional nibbling remains to be seen. But at the moment he seems not only to have the only plan in town, but to have done a mighty job of sowing confusion in the ranks of the enemy.

Meanwhile in Autoland

While the U.S. House of Representatives does its tax-cut gavotte, auto workers in Michigan have taken matters into their own hands. In outright defiance of the federal income tax, some 3,500 taxpayers around Flint and Detroit are refusing to file returns or are claiming dozens of fictitious dependents. It is not necessary to defend this kind of illegal action to point out that tax revolts, like revolts of all kinds, have political means. They mean people think they aren't getting their money's worth from government. As the Democrats in the House make their fancy parliamentary steps, we suggest that they cast a wary eye over their shoulders.

The Rich Got Richer From History's Inflations

(By Alfred L. Malabre, Jr.)

Curbing inflation will necessitate, among other things, holding down federal handout programs, and that's bound mainly to hurt the poor.

That popular conviction, which sounds so logical, makes the fight against inflation, from a political standpoint, exceedingly difficult to carry on. How much simpler the inflation fight would be, politically, if the truth were that the powerful and well-off, and not the poor, would be the ultimate losers if the price spiral could once and for all be ended. How much easier for the Reagan people if they could honestly proclaim, while slashing the budget that the cutbacks were aimed ultimately against the nation's privileged.

Impressive support for the view that inflation chiefly benefits the privileged shows up in a new book titled "The Penniless Billionaires" (Times Books, $15, 308 pages) by Max Shapiro, who has worked for various investment firms and written for a number of financial publications. The book focuses on periods of severe inflation. For instance, the author recounts in detail such notorious inflations as occurred in Imperial Rome, 18th Century France and Germany in the early 1920s.

The book, his first, is far from faultless. Mr. Shapiro, for all his grasp of economic history, is hard to read. Two favorite words are agglomerator and purblind. Parts of the narrative, moreover, are tedious, overusing quotations from earlier histories. But such faults are outweighed by the book's intriguing message:

That the worst inflations generally served, before they got out of hand, to benefit the privileged and, in fact, tended to be "created by the small majority at the center of power, in order to maintain and expand . . . power and simultaneously accumulate a mounting store of assets."

Mr. Shapiro stresses this point, among other places, in his account of France's price spiral in the late 18th Century. "Throughout the hyperinflation of the assignats [paper currency]," he writes, "the bourgeoisie, motivated by the desire to retain power and by the financial advantages which are ancillary to power, repeatedly chose the expediency of excessive money creation . . . and rejected the much-needed but considerably less popular course of diligent tax collection."

The author explains how the well-off managed to create a situation in France where the average person was "never able to secure enough money to buy anything but the barest necessities" because his income, though nominally rising, in reality was eroding from inflation. Mr. Shapiro further notes that persons "able to command a great quantity of money" meanwhile could acquire highly expensive items constituting a "reservoir of value" as inflation worsened. Extensive borrowing, he writes, further enabled "this privileged coterie . . . to buy up a considerable share of the nation's wealth."

A similar pattern is detected, for example, in Germany in the early 1920s. Recalling Germany's surging money supply in 1922. Mr. Shapiro states that "hordes of new marks were created for the sole use of the large German industrialists" to facilitate their grabbing up "hundreds of small firms" financially hobbled by the price spiral. In the period, he adds, "legislation abetting the formation of conglomerates was enacted."

Along the way, Mr. Shapiro sketches various beneficiaries of these inflations. There is Hugo Stinnes, the super-rich German said to have amassed in the early 1920s "more industrial, banking and mining companies than any other individual in recorded history." There is Gabriel Ouvrard, the son of a French grocer, who became the owner of 24 houses and in 1796 boasted an annual income "almost equal to the yearly stipend collected by Louis XVI for the maintenance of the entire royal court" during his reign.

When the various price spirals collapsed, as all eventually did, so did the inflation-built empires of such men as Hugo Stinnes. In the author's view, such inflations usually pass through three stages, starting with rapid money-creation to help finance governmental excesses. The second stage, where the privileged prosper most, involves investment-hedging in tangible assets. Then there is a so-called hyper period when things get out of hand and a currency's buying power virtually vanishes amid such economic dislocations that normal business dealings come to a near halt.

Mr. Shapiro suggests that phase two prevails today, and recent data tend to support that view. Government figures show, for instance, a slight recent rise in Americans deemed by federal analysts to live in poverty. Other data show a sharp rise in the nation's millionaire population, an appreciably swifter rise than can be attributed simply to the impact of inflation.

The author hopes, but is by no means certain, that phase three can be averted. Much will depend, of course, on the success of the inflation-fighting effort taking shape in Washington. It's interesting to note early complaints from the powerful likes of the American Medical Association and oil companies involved in the costly synthetic fuels program. As for the wealthy, a recent report shows that the housing market, while lagging in many areas, is booming as never before in Palm Beach, Fla.

A NEW EQUAL RIGHTS AMENDMENT

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. KINDNESS. Mr. Speaker, those who believe as I do that there is a need for clarification of the equality of rights of male and female under the law should start to consider where we go from here, since the prospects for ratification of the current equal rights amendment proposal look bleak indeed.

The time for ratification of that amendment expired on March 22, 1979, except for those who believe that the extension, passed by the 95th Congress, removed all doubt about the ultimate ratification of the ERA.

Although reports of opposition to the ERA have centered on such matters as the drafting of women into the military, abortion rights, and other controversial implications, I believe that an underlying concern in the minds of many State legislators is the fact that section 2 of the proposed ERA empowers only the Congress to enforce the principle of equal rights by appropriate legislation, thus potentially preempting considerable areas of current State authority. For example, could not an argument be fashioned that there should be a uniform, national law on the procedures for divorce, property settlement, and child custody? What about marriage, licensing of occupations and professions, contract law, probate law, and perhaps other areas of law traditionally within the authority of the States, but potentially affected by differences related to sex?

Because I believe that there is a need for clarification of the law in this respect, I am again introducing a new ERA which recognizes and protects the appropriate jurisdiction of the States to share in the enforcement of equal rights.

I realize that the thought of starting all over again with another ERA is anathema even to supporters of the current ERA proposal. That was a major reason behind the push for an extension of the ratification period. Nevertheless, there is a need for the principle to be established and the pending proposal appears very unlikely to be ratified. Thus, I offer my alternative with the hope that those who believe in the principle of equal rights will come to support this new proposal.●

MORAL MAJORITY A REACTION TO ATTACK ON BASIC VALUES OF MILLIONS OF AMERICANS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. McDONALD. Mr. Speaker, throughout history, societies and their government have been based upon some set of values of morality. The totalitarian Communists have a strict code of morality, although such a statement will surprise many. The Communist morality is far removed from the set of values that made America great and far removed from what might be termed Western civilization values.

Communism is a militant form of humanism; that is, the placing of man at the center of the universe and the kicking out of God. Under such a moral code, whatever benefits man or society is right, good, and truthful; and whatever hinders man and his society is wrong, bad, and dishonest. Such a code or morality is technically humanism and for the Communists and their willing allies, a militant form of humanism. Karl Marx observed that Marxism is humanism and humanism is Marxism. He was right.

Our Nation, America, was founded upon an equally firm set of values—values that sprang from a Biblical basis of morality. These values have as a central point of understanding the knowledge that God is at the center of all things and that laws and society spring from God's Commandments—not man's whims. Basic rights, therefore, come from God, not man or government. Under Biblical morality, it is held that the function of government is to protect the God-given rights.

In the classical American view, our laws have as their foundation this Biblical basis of morality, and for a century and a half that view of morality has run through our society as a matrix or glue.

The problem today is that for a generation and a half the American society and its Government have embraced secular humanism as its new guideposts. This is evident in our entertainment, textbooks of government in our schools, general attitudes of many of our churches and their literature, sermons, pronouncements, and so forth, and unfortunately in our Government.

With the transition away from constitutional law as the basis of law to social law in our courts there has been concurrent shift away from Biblical morality to humanism with its adherence to shifting or relative values.

In my opinion, these changes of the past one and a half generations have brought a disaster. To combat and reverse these dangers and to restore sound—eternal concepts—values across the board, various groups have been formed. One of the most effective of these groups is the Moral Majority, founded by Rev. Jerry Falwell, of Lynchburg, Va.

In the January 1981 issue of the Conservative Digest, Dr. Falwell reviews the position of the Moral Majority. Perhaps Gen. Douglas MacArthur was right when he said that in the final analysis, the question is theological.

For the benefit and interest of my colleagues, the article follows:

We're Here To Stay and Won't Go Away—Moral Majority a Reaction to Attack on Basic Values of Millions of Americans

(By Dr. Jerry Falwell, President, Moral Majority)

I wasn't the best physics student in college, but one law I do remember is that for every action there is an identical and equal reaction. Not only is this an absolute law in physics, but it also has repercussions in the moral and political worlds.

In any assessment of what is happening in the so-called New Right that has produced what may prove to be the most phenomenal political metamorphosis since the Roosevelt era of the early 1930s, it is important to remember that what is being observed is a "reaction" to the "action" that preceded it.

Many liberal columnists and commentators are waxing apoplectic about the election results of 1980. The American Civil Liberties Union and Playboy magazine have spent thousands of dollars in full-page advertisements in the New York Times to warn that the advent of the so-called New Right foretells a danger greater than the Black Plague. I think their biggest problem is that they and their philosophies are now "out" and they are used to being "in." How will they ever carry on an acceptable conversation at those Washington dinner parties, assuming that they'll be invited by conservatives?

I founded Moral Majority in 1979, not to take over the country, as some have charged, but because I believed that a majority of decent Americans were fed up to the teeth with having their values rejected and, in many cases, reversed by the power of a government to which they paid taxes and sent sons to fight its wars.

Let us remember that it was not the moral majority that in 1963 outlawed prayer in the public schools. Such prayers had helped produce young citizens with the kinds of values that opposed stealing and murder and supported hard work, integrity and honesty. It was not the moral majority that in 1972 decided it was all right to murder defenseless, unborn babies and then, Pilate-like, wash their hands of the whole affair, saying that "for purposes of this ruling, it is not necessary to determine when human life begins." It was not the moral majority that in the mid '70s gave credibility to the practice of homosexuality as a "valid, alternative lifestyle" and sought special legislation and court rulings that would provide civil rights protection to those who chose to indulge in homosexual behavior—the same type of protection that is afforded legitimate minorities.

Those in the Moral Majority of a religious persuasion (and we count among us fundamentalists, Protestants, Roman Catholics, Jews, Mormons and persons of no particular religious convictions at all who believe in the moral principles we espouse) had been virtually disenfranchised by our own government, a government and a republic founded by our pro-moral ancestors. We were told by our previous President that he did not consider religious convictions a high priority on his agenda for hiring personnel for his administration. So he hired persons who represented a "red flag" to the pro-moral forces: a top aide who argued the Roe vs. Wade abortion case before the Supreme Court, a large number of radical feminists, a humanist for Secretary of Education and other humanists and atheists for federal judgeships.

Our response to these 17 years of liberal insensitivity to pro-moral concerns was not only to cry "enough," but also to stop crying and organize to do something about it. Thus, Moral Majority, Inc., was born and grew faster than any of us could have predicted.

We grew because we touched a raw nerve in the American electorate. Pro-moral people, who felt disenfranchised, saw a rallying point, an organization that would speak to the issues they were concerned with but could never get discussed through the liberal-controlled media.

Many pastors, like myself, had in recent years preached against what we are doing now. But we saw no one else willing to "stand in the gap" and take the heat, so we acted, lest our beloved country go down the tube and not be fit for anything, including the spreading of the Gospel to the ends of the earth.

We have been called "ayatollahs" by government officials, "fascists" by those who don't know the meaning of the word and never experienced the terror of Adolf Hitler and "religious fanatics" by those who know little about religion and never believed enough in a cause or a principle to become "fanatical" about it. Of course the words hurt—sometimes worse than sticks and stones when they come from government officials and those within the church community.

But we are here to stay. We are not going away. We intend to broaden our base, to speak to more issues and, instead of being "reactors," to be leaders in the battle to restore this nation to her moral foundations and principles. We can expect more attacks, but we are not giving up. We don't pretend to have all the answers, but we believe we have more of them than the liberals whose policies have been so soundly repudiated at the polls. No less a liberal than New York Rep. Shirley Chisholm has acknowledged in print the failure of the nearly 50-year-old liberal agenda.

Let's just remember, as our liberal friends continue to impugn everything from our integrity to our intelligence, just who set in motion what we are observing today. The Moral Majority is simply a "reaction" to the "action" begun by the liberals as they sought to dismantle our moral heritage.●

THE SURPLUS SCHOOL CONVERSION ACT OF 1981

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GARCIA. Mr. Speaker, I am today introducing legislation to solve the economic and social evils of abandoned schools.

The bill, the Surplus School Conversion Act, would permit the Department of Housing and Urban Development to provide funds to local educational agencies (LEA's), based on declining enrollment priorities, to renovate underutilized school buildings. It also provides funds to provide technical assistance for planning the best use of surplus school buildings. Additionally, the bill amends the Energy Policy and Conservation Act to provide that school facilities under the jurisdiction of LEA's which have experienced certain declining student enrollments will be given priority for the receipt of grants under that act.

In determining whether to approve an application submitted under this bill, the Secretary will give priority to applications requesting funds to renovate buildings for the following types of purposes: Community centers, day care centers, senior citizens' centers, recreational centers, private enterprise, educational purposes, or housing.

School buildings which have closed or are not fully utilized represent valuable resources which could be operated for other productive uses. Because most local educational agencies lack the funds necessary to adequately renovate such underutilized school buildings, the Federal Government could provide funds to convert such buildings to other useful purposes in furtherance of our national effort to preserve valuable resources. By providing this initial seed money to renovate underutilized or abandoned schools, we can save valuable financial and environmental resources and help preserve community assets.

Surveys from educational research centers have shown that the phenomenon of underutilized or abandoned schools is present not only in large urban areas, but also has taken place in rural regions. I feel that this bill will make use of these abandoned facilities in a manner which is beneficial to all communities.

A report issued by the General Accounting Office on January 19, 1981, found that there were nearly 2,500 vacant schools in 19 States, and that student enrollment in public schools is expected to continue to decline, with 34 States projecting a net decrease in enrollment of 2 million students over the next 5 years. This decrease in student population will force additional school closings. Because there may be opportunities for substantial cost savings by using more vacant schools, the General Accounting Office believes that an evaluation of the feasibility of using such schools should be required before construction funds are awarded to grantees.

There is no reason why abandoned schools should be neglected when they can be put to a useful purpose. Scores of abandoned school buildings that now serve no useful purpose represent potential solutions to the present problem.●

THE NEW YORK TIMES GIVES WARNING ABOUT THE ADMINISTRATION'S HUMAN RIGHTS POLICY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. WEISS. Mr. Speaker, several actions of the Reagan administration signal a dangerous policy turn away from the important role of human rights in our international relations. The President's recent meeting with South Korea's President, the proposed appointment of a staunch antihuman rights advocate to the State Department's top human rights post, and proposed foreign aid budget cuts which would undermine U.S. foreign policy forewarn us of a growing trend in the administration's thinking.

A recent editorial in the New York Times discusses this series of actions by the administration and warns of the dangers such a policy could bring. I urge my colleagues to consider carefully the concerns raised by this editorial:

[From the New York Times, Friday, February 6, 1981]

WRONG TURNS ON HUMAN RIGHTS

A once-promising American commitment to human rights may have been swept under the red carpet rolled out this week for Chun Doo Hwan. During his White House visit, the South Korean President got about all he wanted: a legitimizing pat from President Reagan, a promise of hardware and an assurance that American troops will stay in South Korea. And butter would have melted on Mr. Reagan's toast to Mr. Chun: "In the short time you've had, Mr. President, you've done much to strengthen the tradition of 3,000 years' commitment to freedom."

Conservatives argue that a secure, self-confident Korean regime is more likely to follow a democratic path. They point out, plausibly, that the Carter Administration got nowhere with a human rights policy that was sufficient to annoy but too weak to sway an authoritarian regime. In the end, both the Seoul Government and its democratic opponents came to regard the policy as self-righteous humbug.

It is plainly true that, in the case of Seoul, the new Administration can already declare a victory. Just before his trip, President Chun ended martial law and commuted the death sentence of his most outspoken critic, Kim Dae Jung. Nonetheless, Mr. Reagan's approach risks signaling total indifference to whatever an allied government may do to its own people.

Case in point: to spare President Chun embarrassment, the Administration got Congress to delay for a week the publication of an annual report on human rights that the State Department is required by law to prepare. If that is worrying, it is altogether alarming that the Administration is considering Ernest W. Lefever as head of the department's Bureau of Human Rights. He is an ultraconservative who sneers at existing policy as sentimental nonsense and believes it is profound error to embarrass allies, however repressive, with talk about habeas corpus.

Not all conservatives share that view. William F. Buckley Jr., for one, has argued that there is precious substance in a policy of opposing all repression, on the right and left. There is strong appeal in his proposal to create an independent Commission on Human Rights, whose sole purpose would be to provide authoritative reports.

The human rights issue is not partisan or ideological. An American commitment to human rights serves both moral and practical ends. To dilute or, worse, to parody that commitment serves neither.●

MEMORIAL PLAQUE AT ARLINGTON FOR EIGHT WHO DIED

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. BONER of Tennessee. Mr. Speaker, today I am introducing a bill which calls for the creation of a permanent memorial plaque at Arlington National Cemetery for the eight American servicemen who lost their lives in the ill-fated Iranian rescue mission.

Now that the excitement and the emotion surrounding the safe return of all of our hostages has begun to die down, I believe that it is important for us to remember those who will not be coming home.

Even though their mission ended in tragedy, these eight Americans were heroes in the truest sense of the word. They willingly laid down their lives trying to help their fellow countrymen, and this is the highest tradition of valor.

I am hopeful that a lasting memorial at Arlington will serve as a reminder to all of us of the courage and the sacrifice of these eight men, and serve as an inspiration for all Americans.

The original idea for a memorial was first suggested to me in a letter from one of my constituents, Mrs. Mary V. Cunningham of Nashville.

In her letter, Mrs. Cunningham said:

DEAR CONGRESSMAN BONER: I think it would be a good idea to institute a motion to have erected in Washington a memorial plaque with the names of the servicemen who gave their lives in the rescue attempt of our hostages. God bless them.

I thought it was a wonderful idea, and so I began to research the question with the Department of Defense and others. The response was uniformly favorable, and so I went ahead and developed the legislation.

I have always been a strong believer in staying close to the people back home and paying attention to their ideas, and I am delighted to have had Mrs. Cunningham's input on this legislation.

I suspect that her feelings on this issue are representative of many of the people in our country, and I hope that they will feel as much a part of this legislation as she does.

Thank you, Mr. Speaker.●

WASTE IN THE DEFENSE BUDGET

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. STARK. Mr. Speaker, I would like to bring to the attention of my colleagues the following article from the Christian Science Monitor which discusses President Reagan's proposed increase in defense spending.

President Reagan's proposed increases in defense spending would amount to $31 billion by next fiscal year. The Reagan administration should look at this increase carefully in the light of their policy of searching out waste and extravagance in the Government.

The Congressional Republican Study Committee reported that the Pentagon could save $15 billion if it reduced waste and abuse of funds. The House Appropriations Committee report on the defense appropriation bill for 1981 cites many ways in which the Defense Department wastes the taxpayer's money. Keeping these reports in mind, President Reagan should require housecleaning in the Pentagon as well as in the many social programs he proposes cutting. The establishment of this criteria for all departments will insure that any increase in defense spending passed by Congress will be used efficiently.

[From the Christian Science Monitor]

STUDY CITES 46 ABUSES—WASTED DOLLARS AT PENTAGON: HOW MUCH WILL REAGAN SAVE?

(By Stephen Webbe)

Admirals and generals are striding Pentagon corridors these days with a new spring in their step.

But their elation at the prospect of billions of dollars' worth of additional defense expenditures may be tempered somewhat as they are required to ferret out waste in the nation's sprawling defense establishment. According to a congressional report, US armed forces squander billions of dollars yearly.

The Reagan administration plans to ask Congress to boost the Pentagon's budget for this fiscal year and the next by $31 billion. About $6 billion extra will be sought this year and another $25 billion will be asked for fiscal 1982.

Former President Carter had submitted a $194.6 billion defense budget to Congress for the latter fiscal year, the largest such request in peacetime history.

But with the additional billions comes President Reagan's injunction to Defense Secretary Caspar W. Weinberger to "search out" waste and extravagance at the Pentagon. He might well have added fraud and abuse to the list.

The Congressional Republican Study Committee has estimated that the Pentagon could save $15 billion yearly if it puts its house in order. A House Appropriations Committee report on the defense appropriation bill for 1981 lists 46 ways in which the armed services fritter away taxpayers' dollars—to the tune of tens of billions yearly.

According to the little-publicized report, failure to levy "proper and complete" charges on countries receiving military equipment under the Foreign Military Sales Program—notably for training and transportation—is a habit that incurs considerable losses. Indeed, the General Accounting Office (GAO) estimates that the Defense Department is more than a billion dollars out of pocket as a result.

Losses are also incurred, adds the report, by failure to return to depots millions of dollars' worth of equipment that needs repair, a practice that results in simultaneous disposal and procurement of costly items.

Poor record-keeping and accounting practices have permitted the theft of millions of gallons of fuel, it adds.

Altogether, the report asserts that billions of dollars are wasted by such practices as:

Repeatedly paying "outrageous prices" for small, simple-to-manufacture items.

Paying maintenance contractors for work never performed.

Storing clothing at supply depots thousands of miles from training bases where it is issued.

Failing to reduce the theft and "misappropriation" of supplies and materials.

Operating duplicate facilities for the overhaul of air-launched missiles and failing to consolidate various training and education activities.

Scrutiny of the published hearings of the House Appropriations Defense Subcommittee discloses additional, dramatic wastage in the armed forces.

Last year, for instance, an inspection of the Naval Supply Center in Oakland, Calif., revealed that 240 propellers, propulsion shafts, and other components valued at $8 million were rusting in the open air for lack of warehouse space.

The subcommittee also discovered that in fiscal year 1978 the Defense Logistics Agency lost $6 million worth of goods, much of it from the Defense General Supply Center in Richmond, Va. It declared that warehouses at the depot were "literally stuffed with pilferable and nice-to-have items." Security at the center has since been tightened up.

According to the committee's investigative staff, the Navy's research and development effort wastes "millions of dollars" each year by leasing computers an average of 48 months "beyond the period at which purchase would have been the best decision."

Moreover, the committee cites defense auditors for the assertion that the Department of Defense employs 17 obsolete computer systems costing $1.8 million annually to operate when more modern equipment exists that could do the work.

The Navy often seems to suffer from greater abuse than its sister services. Its clothing and tools are regularly pilfered by personnel and last year it was alleged that its exchange system (on-base stores) had lost more than $100 million through kickbacks, mismanagement, and cover-ups.

Navy shipbuilding practices do not seem to be dictated by economy, either. Rep. Norman D. Dicks (D) of Washington claims yards could build warships a lot more cheaply "if there wasn't all the Navy bureaucracy superimposed upon them with its apparent inability to make up their minds on the design of ships." He is also critical of the "tremendous" number of costly changes the Navy makes once a ship is under construction.●

MONTANA'S WINNING SPEECH IN THE VETERANS OF FOREIGN WARS' VOICE OF DEMOCRACY CONTEST

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MARLENEE. Mr. Speaker, I am proud to share with my colleagues Montana's winning speech in the Veterans of Foreign Wars' voice of democracy contest. This speech, entitled "My Commitment to My Country," was written by Michael Stoeckig, a 17-year-old from Glendive, Mont.

America. A word that stands for more than merely a large chunk of earth that some quarter of a billion people occupy. America stands for so much more than only a portion of a continent, a slab of ground, a country if you will. The word does not, cannot stand for only one thing. America stands for something entirely different to each and every citizen of the great bastion of freedom that was labeled America some 204 years ago.

There are some 220 million people that call this country home. 220 million minds that each have a different idea that they call America. To the artist, America means a place where he or she can work without censorship; without fear that the government will intervene and change the meaning of a work of sculpture, a line of poetry, or a stroke of a brush. To the critic it means the ability to point out, perhaps make fun of a flaw in the makeup of our social system. To the immigrant, America may mean not having to look over one's shoulder, not to worry about unfair imprisonment for one's deeds. America means all things to some people, some things to all people, but no matter who is asked, America has some meaning to all. All people who are referred to as Americans have some meaning associated with the word America.

And that leads to the theme of my dissertation, the statement, "My commitment to my country." Before a person can be committed to anything, he must first ask himself what meaning it has to him and where it comes on his list of priorities. That is what I have done in finding exactly what my commitment to my country really is. I have asked myself what my country means to me. I have asked what matters most to me, my country, my family, my friends or something entirely different.

And I have come up with some answers. At first, it was hard to find where my country placed on my list of priorities. I worked and re-worked the list a dozen times, got a dozen different answers, and got a dozen more questions. But suddenly, I realized that I would have none of the things that matter most dearly to me if I did not live in a place called America. Indeed I may not have even been born, for my ancestors were among those who came to this country under the label "immigrant." Had they not come here at the times they did I would not be speaking here today.

So I saw that America is indeed a lot more than a slab of ground or a portion of a continent. America is my home.

My home, my country, means a great deal to me; so much so that I cannot put into words the extent of the feelings that it evokes. Something that has had so much meaning to me, deserves an extremely large commitment from me. I must be dedicated to upholding the principles and ideals that this great nation has represented throughout history. I must help to make the way clear for forthcoming generations to appreciate the things that I have been privileged enough to come in contact with. And I must do so with pride. A pride that our people have so often shown. A pride in their nation that the whole world recognizes as uniquely American. A pride that our founding fathers would be proud of, for America was their home too.

I know not what form this dedication will take. Whether it is through public service, political office, military life, or just through the responsibilities that the average citizen possesses, matters not to me. What matters is that I may make this country and this world a better place in some way, no matter how small, no matter how tiny, for some people who are yet to come. That is commitment to my country, one which I will uphold.●

AN ALASKAN'S NATIONAL COMMITMENT

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. YOUNG of Alaska. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct a voice of democracy contest. The entrants in this contest are required to speak upon a particular theme, this year's theme being "My Commitment to My Country." From the State of Alaska, as one of 250,000 students nationally who competed in this contest, Miss Kimberly Marie Judge of Ketchikan, Alaska, will be competing for one of five national scholarships. A sophomore from Ketchikan High School, Kimberly Marie Judge, hopes to pursue a career in medicine at Iowa State University upon graduation from high school. Miss Judge will have an opportunity to visit the Nation's Capital both for final judging and to be honored for her eloquent expression of her commitment to our country which follows:

MY COMMITMENT TO MY COUNTRY

There is no just one way I can commit myself to my country. I must do it in many ways. I must commit myself not only to my country's government, but also to her people.

I must commit myself to keeping my country clean. I feel a clean and beautiful country is one people will want to talk about and people will feel proud to live in.

I must commit myself to getting a good education. The more you learn and know, the more people will listen to you and the better you can serve your country.

I commit myself to obeying and upholding all my country's laws and rules. For in doing this, I will have given my country's law officers one less person to worry about.

I will walk down my country's streets and, instead of picking out the bad things of our country, I will pick out and point out to all the people all the good things of our country. And then I will teach them to appreciate their country as I do.

I feel I must open up my mind and my eyes to new ideas. I feel I must look at and learn from others. Those others, being not only the rich and the powerful, but also the poorer and less noticed people—for they too have good ideas.

People often close their eyes to the sick and the old. Another of my commitments is to open up these people's eyes and to show them that just because these people are this way doesn't mean they are of no value to society. They just need a few people to take the time to listen to their ideas. I will commit myself to this cause.

I will also commit myself to learning and upholding our democratic system. My first step in doing this will be to learn and uphold this system in my own school in the Student Body.

There is a saying that "All men are created equal." Some people don't believe this saying and to these people I must show great strength. I must show them that just because a person's skin or beliefs is different, he is still a person and every person's life is valued.

When someone asks me if I would fight for my country in war, I'd probably take a while to think about it. I'd probably ask myself many times over, "Am I willing to die for my country?" I must think about this for a while too. I must think about the freedom this country offers me. Am I willing to die for this freedom? Then I will think about the opportunities this country offers me. Am I willing to die for these? Then I have my family and my friends. Am I willing to die for them and their freedoms and opportunities? I feel I must say yes to all these questions, not only for my family and friends, but also for the government that represents us and for this country we live in.

Our country is made up of people, their ways, ideas, and beliefs. And to these people I give my services and ideas. I hope I can benefit everyone and everything; the people, the government, and the land in giving these.

Though I may be young and inexperienced in my country's ways and government, I still feel it is my duty and my responsibility to do everything in my power for my country and its people.●

MANDATORY SENTENCING IN COMMISSION OF FELONIES WITH FIREARMS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GOODLING. Mr. Speaker, I would like to share some information with my colleagues on the bill which I have joined in sponsoring today regarding mandatory sentencing for individuals who commit felonies with the use of firearms.

Specifically, the bill would impose a sentence of no less than 5 years' imprisonment to those individuals convicted in a U.S. court of a felony in which he or she used or carried a firearm. This sentence would be additional to that required for the commission of the offense. In effect, it raises the existing law's minimum penalty for criminal gun use from 1 to 5 years, and raises the minimum penalty for a second or subsequent conviction from 2 to 8 years. Furthermore, this bill makes what I consider to be an important stipulation regarding the possible parole of such offenders. It specifies that the imposition of any term of imprisonment under this section: First, may not be suspended; second, may not run concurrently; and third, may not include parole.

I feel that the need for such legislation is obvious when one considers statistics which, rather than shocking or horrifying the average American, are being accepted more and more as the way things are these days. The Federal Bureau of Investigation's uniform crime report indicates that there were 21,456 reported murders in 1979; 50 percent of these were committed with handguns, 5 percent with rifles, and 8 percent with shotguns. Out of 456,881 reported robberies in 1979, 40 percent occurred with the use of firearms. And in 614,213 cases of reported aggravated assaults that same year, more than 23 percent took place with the use of firearms. The FBI "Crime Clock" shows that, in America—the land of opportunity—a violent crime occurs every 27 seconds, a murder every 24 minutes, a robbery every 68 minutes, an aggravated assault every 51 seconds, and a forcible rape every 7 minutes.

Firearms predominate as the weapons used most often in the commission of murders throughout the Nation. Available data suggest that an attack with a gun is five times more likely to be lethal than an attack with a knife. The greatest percentage of murders result from arguments, and most offenders are recidivists—that is, people with prior arrest records. According to a 1978 report to Congress by the Comptroller General, 64 percent of those arrested for assault and 68 percent of those arrested for murder had prior arrests. The statistics go on and on—and they are frightening.

I for one feel that we, as a nation, must redefine and reexamine our approach to handgun violence. Dr. Charles H. Browning of the University of Oregon has reported that, in comparison with other countries, the handgun homicide rate in the United States is 3.5 to 10 times greater than the total homicide rate of at least 13 other nations. Even as we sit in this Chamber, it is estimated that 24 Americans will be murdered with handguns within the next 24 hours.

A 1976 Harris poll indicated that more than 80 percent of the American public—including gun owners—favors some form of gun control legislation. Mandatory sentencing is, in my opinion, a viable alternative to usual gun control proposals.

Mandatory sentencing was reported by the Comptroller General's Office in 1978 as being a relatively new method of reducing gun-related crime. I believe that it deserves further examination.

As quoted from the Comptroller General's report to the Congress:

> The concept of mandatory sentencing is that is will discourage crime as well as counteract the "abuse" of judicial or prosecutorial discretion. Many people feel that the criminal too often receives probation or suspended sentence, only to return to crime.

This concern is understandable.

Opponents of mandatory sentencing criticize it because they fear: First, it will curtail judicial discretion in delivering a just sentence; second, it could be costly in terms of court time and prison facilities; and third, it may not curb crime. Yet, mandatory sentencing for crimes committee with guns has been enacted in approximately 13 States. A Harvard study of mandatory sentencing in Massachusetts showed that it resulted in a dramatic increase in compliance with the existing gun control law. The Bartley-Fox amendment in that State imposed a mandatory minimum prison sentence of 1 year for carrying firearms without an appropriate permit:

> The introduction of Bartley-Fox and its attendant publicity radically increased compliance with the law. On the one hand, issuance of F.I.D. (Firearms Identification) cards and licenses to carry surged dramatically throughout Massachusetts. At the same time, the evidence suggests that those who still lacked these permits were less likely to carry firearms on a casual basis.
>
> Boston's crime statistics for the twelve months after the law's effective date show a reduction in the use of firearms in assaults. * * * Our research suggests—but cannot firmly establish—that without this shift away from firearm use in assault, firearm homicides could have increased significantly in 1975. In fact they declined somewhat.

Much discussion has taken place in this Chamber and throughout the country on deterrents of crime in addition to, or in place of, gun control. Punishment does deter. If I may quote again from the Comptroller General's report:

> If we raise the cost (length of imprisonment) and the risk (probability of going to prison) of committing a crime, *fewer people will become criminals.* (Emphasis added.)

Of the three major pieces of firearm legislation passed in the United States in this century, all were instigated by public outrage to violence involving the use of guns. Gangster-type violence of the "Tommy-Gun Era" prompted the National Firearms Act of 1934 and the Federal Firearms Act of 1938. The assassinations of the sixties led to passage of the Omnibus Crime Control and Safe Streets Act and the Gun Control Act. With the recent tragic deaths of John Lennon and Dr. Michael Halberstam, once more are we reminded by editorials and by concerned constituents that the United States is the only leading Western nation without sufficient curbs to firearm violence.

Law enforcement, the courts, and correctional institutions can have a deterrent effect on crime. It is the probability of apprehension, conviction, and punishment that dissuades potential lawbreakers. What is important—and what this bill will establish—is that the potential criminal knows that the stakes are high, that he or she will be sentenced for an established time period for felonies involving firearms, and that this time will not be reduced for good behavior. As our present criminal justice system now exists, this one factor remains unmeasurable; we cannot continue to ignore the fact that the potential offender's concept of the severity, and more importantly, the certainty of punishment, is not harsh enough to prevent him or her from committing violent crimes with handguns.

The frequency of gun use in assaults continues to rise. This bill would correct what I and many others consider to be a wretched situation by imposing a mandatory 5-year penalty for felonies committed with firearms, and by eliminating the chance for parole. I ask each one of you for your support.●

THE 63D ANNIVERSARY OF ESTONIAN INDEPENDENCE

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. VANDER JAGT. Mr. Speaker, the pleasure of having this opportunity to join my colleagues in marking the anniversary of the proclamation of independence by the Baltic State of Estonia is marred by the realization that this small nation shares with its neighbors of the Baltic the oppression of Soviet domination.

During this month, as we have recalled the brief moments of freedom shared by the Baltic States earlier in this century, we cannot but sympathize with these proud people as they yearn for a life of the freedom to choose, to share, to move about, which we in our great Nation take for granted.

In the recent past the United States and the Soviets engaged in the Helsinki discussions and came to agreements regarding the right to freedom of choice and lack of oppression to which all peoples are entitled. It is so easy for us to overlook the situation faced by millions of people in Eastern Europe, including the Baltic, whose lives have been lived in the shadow of the Soviet bear for so many years.

Let us hope that this anniversary of Estonian independence will mark a new beginning in the process of freedom, that the coming months and years will see a new dedication to the principle that the freedom of peoples around the world deserves our serious and continuing attention, and that it will not be too long before the struggle of the Estonian people will be rewarded with the freedom that all people have as a right.●

THE EUROPEAN INITIATIVE

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MICA. Mr. Speaker, many of us in the Congress, and most of the people of the United States, have a common background of heritage and culture with the people of Europe.

Often, we look to our European allies to be counted on in the defense of freedom and democratic principles anywhere in the world.

Thus, it is with some surprise that I have become aware of something called the European Initiative. This is an effort, as it is currently being displayed, to seek yet another approach to a peaceful resolution of the long standing and difficult problems in the Middle East.

Yet, Mr. Speaker, a closer examination of the European Initiative reveals potentially a very counterproductive effort. This initiative is expected to be high on the agenda when Prime Minister Thatcher and her foreign minister meet with Members of Congress and the administration. I would like to call to the attention of Members and those in the executive branch the following article of Mr. William Safire, which appeared in the New York Times, Monday, February 23, 1981, and which sheds some light on this whole matter.

THE CARRINGTON SHADOW

(By William Safire)

WASHINGTON.—Not since the days of grand designers Roosevelt and Churchill has there been such a natural affinity between American and British leaders. The meeting this week of conservatives Ronald Reagan and Margaret Thatcher should put the "Special" back in the special relationship between the English-speaking allies.

We can expect sweetness and light, in Jonathan Swift's phrase, as the two leaders reassure each other of the rightness of the rightward road in domestic affairs, and of the wisdom of a hard line against Soviet aggression in the world. However, when their talks turn to the Middle East, the "Carrington shadow" will fall.

Lord Carrington, the British Foreign Secretary, is a darling of the American left. With the strong backing of the Andrew Young faction in the Carter Administration, he persuaded Mrs. Thatcher to back the "forces of change" in Zimbabwe. He has been fretting at our new resolve in El Salvador and has been seeking to promote the cause of Yasir Arafat in the Middle East.

Sir John Graham, Permanent Under Secretary in the Foreign Service, followed Lord Carrington's instructions and last year became the first senior British official to meet with the P.L.O. leader. The object was to advance the "European initiative" in the Middle East, a scheme to replace the U.S.-Egypt-Israel Camp David approach with a simple sellout of Israel to appease the Saudis.

Sir John has been in Washington this past week, meeting with his U.S. counterpart, Walter Stoessel; another British official, Patrick Moberly, has been plugging in with the new Reagan Middle-East and political-military team. One of their key missions has been to pave the way for Reagan acquiescence in the Carrington plan.

As the British have explained it, the plan is eminently evenhanded. East Jerusalem would be taken away from Israel, with the city divided or internationalized; the West Bank would be cleared of all Jewish settlements and the area turned over to whatever state the world's Palestinian Arabs chose; the Golan Heights invasion route would be returned to Syria; and what is left of Israel's security would then be assured by the presence of a U.N. force ready to run as soon as the Soviets pulled the P.L.O.'s trigger.

For some strange reason having to do with survival, Israelis from Begin to Peres will have nothing to do with the Carrington capitulation. Even the Arabists at our State Department look askance at Carrington's approach, since it undermines U.S. efforts in the Middle East and endangers Egypt's Sadat. Lord Carrington brushes this aside with the assertion that U.S. and British efforts are "complementary . . . not identical." But in fact, he has placed our interests in direct conflict.

Why is the British Foreign Secretary so eager to press his "initiative" to the detriment of the Atlantic alliance, and the weakening of Western power in the Eastern Mediterranean and Persian Gulf? One reason was described by columnist Philip Geyelin in The Washington Post: ". . . a bid for European influence in the Middle East at the expense of the United States."

Lord Carrington sees the road to influence with Saudi Arabia and Persian Gulf states to be appeasement of the Arab desire for a Palestinian state carved out of Israel. The Reagan Administration, on the contrary, sees the road to power in the Middle East to be the military protection of oil states menaced by the Soviet military and subversive threat.

Those Carrington and Reagan approaches clash. If pursued, Carrington's appeasement of the P.L.O. will harm American interests; Prime Minister Thatcher cannot be unaware of this. When the Middle East subject comes up in the Oval Office, President Reagan is expected to make it clear that—contrary to whatever the Carter Administration might have secretly hinted—the U.S. now considers the "initiative" to be unhelpful and destructive of progress toward Palestinian autonomy.

In furtherance of his policy to answer power with power, Mr. Reagan has quietly persuaded Israel to accept the previously unacceptable—the provision of F-15's to the Saudis that have the capability of striking Tel Aviv. (Israel may be mistaken to tolerate this added danger, but on such close security decisions it is difficult to instruct a grandmother on the sucking of eggs.)

In return for tacit acceptance of our arming the Saudis, Israel will not only receive extra F-15's and other sophisticated weaponry to defend against the untoward use of the U.S. arms supplied to the Arabs, but the right to sell to Taiwan, Ecuador, South Africa and other countries its Kafir jets and other armaments produced in Israel with U.S. components. Such foreign trade is needed to stabilize Israel's economy; still, the decision to keep quiet reflects Israel's willingness to gamble on Reagan's reliability.

That reliability is on the line this week. If Mrs. Thatcher presses for Carrington's appeasement, Mr. Reagan must push back; if she decides not to play Trilby to her Foreign Secretary's Svengali, the Anglo-American alliance and the free world will be stronger for it.●

SHARON, PA., LOST A DEAR FRIEND

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MARKS. Mr. Speaker, I would like to bring to the attention of my colleagues that, on February 3, Sharon, Pa., lost a dear friend with the passing of Bill Hoyle. No single person has had a greater impact on youth athletics in the Shenango Valley.

Bill devoted his life to bringing excellent basketball programs to the children of my hometown. I know Bill as a tireless coach and friend to hundreds of boys. In addition, Bill Hoyle was the founder of the Sharon Amateur Basketball Tournament, the name of which was later changed to the Hoyle Tournament. Last year, this nationally known tournament drew basketball players from more than a dozen States, as well as scouts and coaches from collegiate and professional ranks.

The hard work and dedication of this fine man have not gone unnoticed. Among the many honors bestowed upon Bill Hoyle over the years were: "Sharon's Friend of the Boy of 1956" by the Sharon Optimist Club; Distinguished Service Award in 1953 by the Shenango Valley Junior Chamber of Commerce; "Ten Commandments Award" for service to youth, by the Fraternal Order of Eagles; and an outstanding citizen award by the Shenango Valley Chamber of Commerce in 1971.

Indeed, the people of western Pennsylvania lost a fine neighbor and great humanitarian earlier this month. Few people in youth athletics have had Bill Hoyle's gift to teach the values of good sportsmanship, along with the rules and fundamentals of basketball. We will miss this fine man who instilled in so may young people his beliefs in fair play and loyalty.●

GAO FINDS CENSUS UNDERCOUNT IN PITTSBURGH

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. ATKINSON. Mr. Speaker, the Census Bureau serves the purpose of identifying the population of each State. The underlying constitutional purpose for the census is to determine, as accurately as possible, the number of inhabitants of each State, so that representatives may be apportioned among and within the States to insure fair representation of the people and

to fulfill the fundamental goal of achieving equal representation for equal numbers of people.

The methods for determining what each State's population is need to be examined. In the case of *Kirpatrick* v. *Preisler*, 394 U.S. 526 (1969), the Supreme Court indicated that a State could use population predictions for purposes of redistricting where these estimates can be thoroughly documented.

This ruling was upheld and further broadened in *Republican Party of Shelby County* v. *Dixon*, 429 U.S. (1976), when a three-judge district court held that population estimates may be considered in establishing congressional districts if they are highly accurate and are accompanied by evidence sufficient to overcome the "presumptive correctness" of the head count upon which the 1970 Federal census was based.

The so-called Detroit case; *Young* v. *Klutznick*, Civil No. 80-71330 (E.D. Mich. 1980), is the present case most pertinent in the 1980 census problems. The legal theory of the plaintiffs was based on the concept that every congressional district within a State must be as nearly equal in population as possible. The plaintiffs alleged that since the Census Bureau was not as successful in counting blacks and other minorities as it was in counting whites, a district with a large minority population would have a larger percentage of uncounted individuals residing within its boundaries than other areas in the State. The court ruled in favor of the plaintiffs saying that there was an undercount which ultimately would lead to unequal representation.

The problem in all three cases stated above has to do with the method the Census Bureau used in reaching the final population figures. In a report by the Comptroller General on an assessment of the 1980 census results in 10 urban areas, they found that there was a significant difference in the expected population results in Pittsburgh and the actual findings. This suggests an undercount, in addition to leaving many questions unanswered. For one, no reason is given as to why there is this difference. If we knew what the expected figures were based on, we could identify the source of the problem. Second, if this significant difference was found in part of Pittsburgh one could assume that it happened elsewhere.

The Census Bureau claims that if there were an undercount that any attempts to identify the undercounted areas would result in the findings that proportionally, all areas were undercounted. More specifically, a recount would yield the same findings with additional people. But this may not be so. Based upon the Detroit case it would seem that an area with a high percentage of minorities would have been significanlty undercounted, while a middle- to high-income area would have been fully accounted for.

Pennsylvania will suffer because of the findings of the 1980 census. The loss of two congressional seats will impair the needs of the people in Pennsylvania because they will not be as fully represented. We contend that the census figures are incorrect based upon the methods and procedures of the Census Bureau in determining their figures.

Specific steps should be taken to insure that depressed areas are surveyed better. And in cases where a governmental report shows that there was a significant difference in expected versus actual findings, such as the GAO found in Pittsburgh, mandatory steps should have been taken to ascertain why this was so.

It seems that the fault lies with the Census Bureau. The remedy then also lies within the Bureau. A report by an unbiased agency on the methods of the Census Bureau is needed. Then perhaps we will be able to find if the results they found are accurate or if they are deficient.●

BIAGGI SPONSORS LEGISLATION TO CURB ANTIRELIGIOUS VIOLENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. BIAGGI. Mr. Speaker, I am today introducing legislation imposing stiff new Federal penalties against those who seek to injure, intimidate or interfere with the free exercise of religious beliefs as secured by the Constitution and various laws of the United States.

While my bill is designed to protect the rights of all persons to freely exercise their religious beliefs—the primary motivation for my authorship of this measure is to try and curb the alarming increase in anti-Semitic activity in this Nation.

More specifically, according to a recent report by the Anti-Defamation League of B'nai B'rith—1980 witnessed the greatest outbreak of anti-Semitism in the United States in 20 years. A total of 377 reported anti-Semitic incidents occurred in the United States during 1980 as compared to 129 in 1979. These included such heinous acts as firebombings, swastika daubings, arson, cemetery desecrations. At this point in the RECORD I wish to insert the full text of an article entitled "Anti-Semitic Episodes Up in 1980," from the February 1981 ADL Bulletin.

ANTI-SEMITIC EPISODES UP IN 1980

Compared to 1979, there was a sharp increase in reported anti-Semitic episodes, including assaults and vandalism against Jewish institutions, houses of worship, cemeteries and private property last year, according to the nationwide survey conducted annually by the Anti-Defamation League. The findings revealed 377 reported anti-Semitic incidents in 1980 as against 129 in 1979. These included firebombings, swastika daubings, anti-Jewish graffiti and other vandalisms in 29 states and the District of Columbia.

The largest number of incidents—120—was reported from New York State, with 69 of these in New York City's five boroughs and 30 in Nassau and Suffolk Counties. New Jersey came next with 69 reported incidents, Massachusetts with 34, California 27, Michigan 21, Illinois and Rhode Island 12 each, Minnesota 10, North Carolina 9, Connecticut 8, Missouri 8, Virginia 8, Arizona 6, Oregon 5, Colorado 4, Wisconsin 4, Tennessee 3, Florida, Nebraska, Ohio and Washington, each 2. One incident was reported in each of the following states: Alabama, Georgia, Kentucky, Maryland, Mississippi, Nevada, Pennsylvania and Texas, and DC.

In addition, there were 112 anti-Semitic incidents involving bodily assaults against Jews, harassments or threats by phone or mail directed at Jewish institutions, their officials or private Jewish citizens that were not included in the total of ADL's 1980 audit. This class of anti-Semitic activity was separately noted because it was not part of the 1979 audit and offered no basis for comparison.

The audit was based on reports from ADL's regional offices across the country. The data received indicated that 20 persons were arrested or apprehended in 11 of the total of 377 incidents. Of these, 14 were aged 17 or under. On such limited information, however, no firm conclusions can be reached that teenagers or juveniles were mainly responsible.

Two of those arrested—in connection with a fire at a Jewish temple in Los Angeles—were 24 and 35 years of age and were linked by police to the neo-Nazi National Socialist American Workers Party. The Los Angeles episode was the only one with charges brought against members of an organized hate group.

The increase in the number of tabulated incidents in 1980 may stem partly from improved reporting procedures following last year's audit, which revealed 129 anti-Semitic episodes as against 49 in 1978. As a result of making those findings public, the report said, there was heightened awareness by local Jewish communities around the country and a greater tendency for victims to report anti-Semitic episodes to ADL.

There are still Jewish institutions and communities, however, that are wary of reporting incidents because they fear publicity might encourage imitative behavior patterns that would result in further assaults. Even without improved reporting procedures and greater awareness of the problem, the number of incidents for 1980 is undoubtedly higher than 1979 and in any year is higher than reported. In general, the statistics of anti-Jewish incidents would seem to suggest that there is still a high quotient of anti-Semitism and anti-Jewish hostility existing just beneath the surface of American life.

Among the findings of the ADL survey were the following:

Almost 65 percent of the 377 anti-Semitic incidents were reported from five northeastern states—New York, New Jersey, Massachusetts, Rhode Island and Connecticut;

Forty-one percent of the total incidents were directed against Jewish institutions—houses of worship, schools, community centers, cemeteries;

Forty-two percent took place at private Jewish properties such as homes or stores, while the remainder occurred on public property or in the streets.

In the view of ADL leaders, the findings underscore that anti-Semitism and other forms of racial and religious bigotry remain a virulent social disease. What is called for is greater public concern manifested through strengthened law enforcement, realistic penalties and expanded educational programs.

My legislation adds a new section 13 to title 18 making the following subject to felony criminal penalties of at least 5 years in prison or $10,000 in fines.

Any person or persons who willfully vandalizes, defaces, sets fire to, tampers with, or in any other way damages or destroys any cemetery, any building of other real property used for religious purposes, or any religious article contained therein or any religious article contained in any cemetery or any building or other real property used for religious purposes. Similarly anyone who attempts to do any of the aforementioned acts would be subject to the same penalties.

What is critical to my legislation is the fact that it is not necessary to establish intent in order to be subject to the penalties in my bill. Those who commit acts of this magnitude should not be provided with loopholes from which to escape prosecution.

It is my intent to have the following be subject to the penalties in my legislation:

Painting of swastikas or other offensive emblems on religious buildings;

Stealing of religious articles such as Torahs, which would interfere with the ability to conduct religious services;

Vandalizing in any fashion, religious buildings, grounds or cemeteries;

Arsons or firebombings of religious facilities or property including cross burnings;

Bodily assaults and harassment;

Any other activity which interferes with the free exercise of religious beliefs including efforts to intimidate individuals from worshipping.

It should also be noted that my legislation imposes a graduated series of penalties dependent on whether the given action results in bodily injury or death. Life imprisonment can be imposed in the most severe of cases.

I have prepared this legislation after extensive consultations with legal officials and representatives of major Jewish organizations. It is critical that we remember that first amendment freedoms, especially freedom of religion, are considered the most fundamental of all in this Nation. Therefore we must be prepared to protect them from those who would threaten the free exercise of religion—any religion.●

A CONSTITUTIONAL AMENDMENT TO CREATE A COURT OF THE STATES

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. KINDNESS. Mr. Speaker, some years ago, a constituent who was concerned over the increasing usurpation of authority by the Congress and Federal courts of functions previously thought to be the responsibility of the States, suggested the creation of a Court of the States to hear cases from the Supreme Court involving questions of Federal versus State authority.

The legal basis for the suggestion was the 10th amendment to the U.S. Constitution which states:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

Through the 19th and well into the 20th centuries, the U.S. Supreme Court gave an increasingly expansive interpretation of Congress commerce power. The 10th amendment was argued to be a limitation on the commerce power. But the Supreme Court in *U.S.* v. *Darby* (312 U.S. 100, 124 (1941)), said that—

> The amendment states but a truism that all that is retained which has not been surrendered. There is nothing in the history of its adoption to suggest that it was more than declaratory of the relationship between the national and state governments as it had been established by the Constitution before the amendment.* * *

The ultimate extension of this interpretation was the decision in the case of *Maryland* v. *Wirtz* (392 U.S. 183 (1967)), wherein the Supreme Court upheld the 1966 amendments to the Fair Labor Standards Act which applied Federal minimum wage standards to school and hospital employees of the States. Justice William O. Douglas dissenting, said:

> If [on the basis of this decision] this can be done, then the National Government could devour the essentials of state sovereignty, though that sovereignty is attested by the Tenth Amendment. * * * In this case the State as sovereign power is being seriously tampered with, potentially crippled.

In 1976, the Supreme Court wisely overruled *Maryland* v. *Wirtz* in the case of *National League of Cities* v. *Usery*, 426 U.S. 833 (1976), the Court stating that the 10th amendment precludes the exercise of the commerce power "in a fashion that would impair the States' ability to function in a federal system."

In the current term, the Supreme Court has taken a case which will give it another opportunity to breathe life into the 10th amendment and give further definition to the line beyond which the Congress may not go in the exercise of its authority over commerce. That case is *Virginia Surface Mining and Reclamation Association, Inc.* v. *Andrus*, 483 F. Supp. 425 (1980), on which the Court noted jurisdiction on October 6, 1980. Oral arguments will be heard on February 23. In that case, Judge Williams of the Western District of Virginia found that certain of the reclamation provisions of the Surface Mining Control and Reclamation Act of 1977 were in contravention of the 10th amendment, citing National League of Cities.

However promising these developments are, we are still left with the reality that the States ability to function effectively in the federal system is in the hands of the Congress and the Federal courts. For that reason, I put my constituent's suggestion into the form of a proposed constitutional amendment which provides for the establishment of a court of the States. The court would have jurisdiction to hear all cases arising under the 10th amendment appealed from the Supreme Court and would be composed of one judge from each State, whose method of selection, term, and compensation would be determined by the State. The court could sit in panels to hear such appeals, and panel decisions would be subject to the concurrence of two-thirds of the judges of the court.

On the surface, this may appear to be a considerable departure from our constitutional tradition; but it is certainly not a departure from the principles of federalism. In establishing the Senate and the Electoral College, the Constitution provides for State participation in two of the three branches of the Federal Government. The court of the States would provide an opportunity for the States to participate in the judicial branch in a limited but crucial manner and once again, as in the past three Congresses, I commend it to my colleagues.●

TRIBUTE TO SHIRLEY PALMER

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. SHELBY. Mr. Speaker, I would like to pay a tribute to my good friend Shirley Palmer. This person is a fine, dedicated citizen of our great country, the State of Alabama, and the Tuscaloosa community.

Shirley represents those persons who are active participants in the day-to-day life of the American scene. He cares about his country and is concerned about lawmaking decisions made on Capitol Hill. All of us have people like Shirley Palmer in our districts, for these men and women keep the wheels oiled in the affairs of our States and towns. They believe in America and are true citizens in every sense of the word.

Let me share with you today some of Shirley's fine, outstanding achievements. As a veteran of World War II and wounded in the Battle of the Bulge, Shirley is a special part of our citizenry who knows what it means to put your life on the line for your country.

Shirley has been a successful local contractor for the past 19 years. Now, semiretired, he still has ownership on the wholesale end as a heating and air-conditioning distributor. As an active farmer and cattle rancher, he carries a deep love for our good earth and the people and animals that are part of his daily activities.

Shirley is involved in his community as a member of the Tuscaloosa Exchange Club, a local business-civic organization. He voices his concerns for the agriculture industry by being involved in the County Farmers Association.

He has demonstrated the unique ability at the grassroots level to bridge the gap between labor and management, having served as county president of the Cattleman's Association, while also holding office as State president of the Roofing Subcontractors Association.

All of us should recognize individuals such as Shirley Palmer who continue to carry the ball at the State and local level, while we make laws and policies in Washington. These special people understand and live the problems of inflation and recession both as consumers and producers. They are energy conscious and are concerned about our future oil supplies. They pay taxes and want to know how the money will be spent when it comes to community development.

The Shirley Palmers of our society are the lifeline of America. They take life's ups and downs and put them in a proper perspective. We need today more citizens like Shirley Palmer.

I am honored to have a gentleman of this caliber in my district. This tribute, Mr. Speaker, recognizes men who we as Congressmen depend on for help and advice back home. It is a real pleasure to know Shirley Palmer and I appreciate his love of, and devotion to, the American way of life.●

TO ELLA GRASSO, LIFE WAS A CHALLENGE

HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. DeNARDIS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the New York Times, Feb. 15, 1981]

TO ELLA GRASSO, LIFE WAS A CHALLENGE

(By Lawrence Fellows*)

During a blizzard in 1978, Ella Grasso started out in a State Police car for the Armory in Hartford to direct rescue work, but the car got stuck in the deep snow on Farmington Avenue, a mile from the building.

"That's it," Trooper Bill Taylor said.

"That's not it," Ella Grasso replied, and walked the mile alone through the snow. She arrived at the Armory looking like a snow man and stayed until the emergency was over. That single effort probably assured her re-election that year as Governor.

It was a reminder to the people of Connecticut—not really needed by those of us who worked around her—that the woman had a will that could not be daunted, whatever she sometimes pretended.

Ella Grasso once said that she would not want to be Governor, that a woman could not be Governor and manage a family at the same time.

And she once said she felt somehow that her life was not really her own, that she had to move from one challenge to another, carrying the mantle of leadership on her shoulders wherever she could.

"It's an old Mount Holyoke attitude," she said. "One has a very serious responsibility, doing just for the sheer delight of doing."

For Ella Grasso, the daughter of hard-working Italian immigrants in Windsor Locks named Tambussi, school too presented a challenge—first at the noted Chaffee School in Windsor, then at Mount Holyoke College, in South Hadley, Mass.

She used to say sometimes that, as a girl from a poor mill town, she felt out of place at both schools, but that was not likely. She swept through both schools like an empress, standing out from the crowd all the way. In her yearbook at Chaffee it was predicted she would be the first woman to be mayor of Windsor Locks. At Mount Holyoke she was elected in her junior year to Phi Beta Kappa. In 1942, after receiving a master's degree in economics, she went to Washington, where she worked for four years at the War Manpower Commission.

She married Thomas Grasso, settled down for "20 minutes," as she put it, and then headed into politics, beginning with the League of Women Voters.

She joined the Republican Party briefly in Windsor Locks, but soon switched to the Democratic Party. She said she felt more comfortable there, probably because of her memories of the 1930's Depression in Windsor Locks.

She worked her way into the Democratic Party organization by the customary hard route, helping on other people's campaigns, writing speeches, registering voters, getting them out to vote on Election Day.

Ella T. Grasso served two terms as a member of Connecticut's House of Representatives, three terms as Connecticut's Secretary of the State, two terms as a member of the United States House of Representatives. Lieut. Gov. William A. O'Neill succeeded her in her second term as Governor of Connecticut.

In 1954, when she was campaigning for her second term in the State House of Representatives, she worked at Abraham A. Ribicoff's campaign headquarters when he was seeking re-election as Governor.

"I learned something there," she said. "I learned the importance, the integrity of compromise, the necessity to get varying opinions, varying points of view."

If she learned about the importance of compromise, she never got to be good at it. She was good at politics in her own way. But Ella Grasso liked to win, and did win all her election campaigns. She lost some political battles along the way, but they were not lost piecemeal through compromise. They were really lost.

She tried to replace William O'Neill as Democratic state chairman in hope of putting together a political alliance with the larger cities in Connecticut. With small-town backing, Mr. O'Neill stood his ground. Mrs. Grasso yielded, and two years later she took him onto her re-election ticket as Lieutenant Governor.

She kept her distance from the General Assembly and in 1977 allowed the budget to get stalled in committee until the small-town Representatives there gave up their fight to limit the spending. When the budget went to Governor Grasso she refused to sign it, and then asked the Assembly leaders to trim it. They refused, and the budget became law without her signature.

She alienated one group after another—old party regulars, labor, state employees, judges, veterans, the police. But the people loved her for her combativeness and what they saw as her straightforward ways.

She sold the state plane and limousine, and turned off the lights on the Capitol dome, and the people loved her for that. And she loved them. As Ella Grasso saw it, the people in the street were her real following.

"It's people," she said. "It's party zealots. It's guys on motorcycles who stop and talk to me, senior citizens sitting in the sun at the Bethlehem Fair, young people with families."

She had never been the protege of John Bailey, who ran the Democratic Party in Connecticut for more than a quarter of a century before he died of cancer in 1975. He would rather have seen the nomination for Governor in 1974 go to Robert Killian. Ella Grasso would not yield on that one.

"I was screaming at him," she said, recalling how she pressed Mr. Bailey to get the nomination. Mr. Killian was at the meeting, in Mr. Bailey's home in Hartford. Mr. Bailey did not make the big decision. He went instead for doughnuts, and asked the two to decide while he was gone from the house. By the time he returned, Mrs. Grasso had won the argument. Mr. Killian would be on her ticket as Lieutenant Governor.

She was in politics full time. Almost the only diversion she allowed herself was to weed her lawn in Windsor Locks occasionally. There were a lot of weeds in it and she thought of it as more a meadow than a lawn. Sometimes she gathered wildflowers by the road, and tried to get them started

*Lawrence Fellows, a former reporter for The New York Times, was press secretary for Ella Grasso's reelection campaign in 1978. He is now editor of The Westport News.

on her lawn. Al Binford of Connecticut Public Television suggested to her that it might have been a reflection on her strong urge to shape things, to make things happen.

"All of that, and the exquisite beauty of plants, and the fact that it is life developing in all of its fullness," Ella Grasso said. "Then, sometimes, with that beautiful chartreuse thumb of mine, they don't. They fade, fall apart. But that's all right, then I start over again. There's always another season."●

DOUBLE JEOPARDY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. SIMON. Mr. Speaker, the New York Times on Sunday, February 8, had a small editorial on tuition tax credit which my colleagues will find of interest if they have not read it already.

DOUBLE JEOPARDY

For government to pay tuition tax credits, says Terrel H. Bell, the new Secretary of Education, is a matter of "fairness and equity." Why? Because parents who send their children to private schools are "in effect, paying twice for education. They pay their education taxes and then they pay their tuition."

What a breathtaking principle of taxation. If tax policy is to be based on it, there should be tax credits to the fellow who pays twice for his right to enjoy the open spaces—once for a country club membership and again with taxes that maintain public parks. There should be reimbursement to all car owners for their tax contribution to maintain mass transit systems. There should be a tax rebate for every bottle of Perrier drunk in place of tax-paid tap water.

Fairness and equity? Self-indulgence and anarchy would be more like it.●

AGEISM HAS NO PLACE IN PRISON EMPLOYMENT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GILMAN. Mr. Speaker, today I am introducing, with nine of my colleagues as cosponsors, a bill to correct a serious inequity in employment practices in the Federal prison system.

At present, all workers in Federal prisons—guards, secretaries, and cooks—are classified as "law enforcement officers", together with FBI and DEA agents, U.S. marshals, and so forth.

As such, they are eligible for early retirement and for augmented pensions under Public Law 93-350. I do not argue with providing benefits for any of these employees.

However, the same law that established these special retirement benefits also gave the Attorney General, with the concurrence of the OPM, authority to set a maximum age for appointment as a law enforcement officer. The Attorney General has decided that no one over the age of 35 could be appointed to a position in the Federal service within a prison—with a few limited exceptions for physicians and others.

This policy is one of unabashed ageism. In an effort to procure a vigorous workforce for the Federal prisons, the Justice Department bars from possible appointment just about all 36-year-olds—and everybody who is older—no matter how experienced, talented, or physically fit they may be.

This same law provides that prison employees may be involuntarily retired at age 55.

My bill provides that no regulations may bar individuals under the age of 45 from appointment as law enforcement officers working in prisons, and that such individuals may not be involuntarily retired solely by reason of their age before age 65. Nothing in the law would alter the authority of management to require that all individuals working in prisons be physically and mentally fit to perform their assigned duties.

I want to thank my colleagues, Mrs. CHISHOLM, Mr. FISH, Mr. HYDE, Mr. MURPHY, Mr. PEPPER, Mr. SCHEUER, Mr. SIMON, and Mr. TAUKE, for joining me as original cosponsors of this measure. I urge my colleagues who have not yet cosponsored this bill to consider doing so, and for their information I request that a copy of the bill be printed in the RECORD at this point:

H.R. —

A bill to amend sections 3307(d) and 8335(b) of title 5, United States Code, with respect to age limits for appointment and mandatory retirement of law enforcement officers engaged in detention activities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3307(d) of title 5, United States Code, is amended—

(1) by striking out "The" and inserting in lieu thereof "(1) Except as provided in paragraph (2), the", and

(2) by adding at the end thereof a new paragraph as follows:

"(2) The maximum limit of age for original appointments to a position as a law enforcement officer whose duties primarily involve detention activities may not be fixed under paragraph (1) at an age lower than 45 years."

SEC. 2. The first sentence of section 8335(b) of title 5, United States Code, is amended—

(1) by inserting ", or 65 years of age in the case of a law enforcement officer engaged primarily in detention activities," after "55 years of age", and

(2) by striking out "that age" and inserting in lieu thereof "the applicable age".●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. ECKART. Mr. Speaker, the House Select Committee on Aging recently issued their annual checklist of itemized deductions for protecting older Americans against overpayment of income taxes.

The senior citizens of our country, many of whom are on fixed incomes, have been tremendously affected by high inflation rates in recent years. Since this is income tax time in the United States, I believe it is important that this checklist be made available to these people in order to allow them to take full advantage of the legal tax reduction avenues open to them.

Mr. Speaker, I insert the Aging Committee's report in the CONGRESSIONAL RECORD at this time:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Tax Return Information for Use in Taxable Year 1980)

A. FILING REQUIREMENTS

Single Individuals

Single individuals under the age of 65 must file a return if they had gross income of $3,300 or more for the year. Those over age 65 must file if they had gross income of $4,300 or more.

Married Individuals

Married individuals under the age of 65 must file a return if the couple's combined gross income was $5,400 or more. If only one spouse is age 65 or older, the filing level is $6,400. If both spouses are age 65 or older, the filing level is $7,400.

An individual who is married and whose spouse files a separate return must file a return if gross income was $1,000 or more.

Qualifying Widow or Widower

Qualifying widows or widowers must file a return if they had gross income of $4,400 or more during the year. For qualifying widows or widowers who are 65 or older, the filing level is $5,400.

Self-Employed Persons

Self-employed individuals must file a return if they had net earnings from self-employment of $400 or more.

B. PERSONAL EXEMPTIONS

Each taxpayer is entitled to a $1,000 personal exemption. Married taxpayers generally are entitled to an additional $1,000 exemption for their spouses. Furthermore, additional exemptions are provided for age (65 or older) and blindness. Finally, individuals may take an exemption for each person who qualifies as a dependent.

C. ZERO BRACKET AMOUNT

The zero bracket amount (formerly, the standard deduction) is the portion of an individual's income which is not subject to tax. The zero bracket amount is (1) $3,400 for married individuals filing jointly, or qualifying widows or widowers, (2) $2,300 for single individuals, or heads of households, and (3) $1,700 for married individuals filing separately.

D. EXCLUSIONS

Capital Gains

In general, 60 percent of net long-term capital gain is excluded from gross income.

Sale of Personal Residence

Individuals who are age 55 or older may elect to exclude, on a one-time basis, up to $100,000 of the gain from the sale of a personal residence. For the exclusion to apply, the taxpayer must have owned and occupied the residence for 3 of the 5 years ending on the date of sale.

Dividends and Interest

In general, individuals may exclude up to $100 ($200 on a joint return if each spouse has at least $100 of dividends) of dividends received during the year.

For 1981 and 1982 tax years (to be reflected on 1981 and 1982 tax returns), $200 ($400 in the case of joint returns) of interest and dividends may be excluded from gross income.

Disability Income Exclusion

Certain individuals may exclude up to $5,200 per year of disability income. In general, to qualify for this exclusion, an individual must be under age 65, must have retired on disability, and must have retired because of permanent and total disability.

E. ITEMIZED DEDUCTIONS [1]

Medical and Dental Expenses

The portion of medical expenses that exceeds 3 percent of a taxpayer's adjusted gross income may be deducted. (However, medicine and drug expenses are taken into account only to the extent that they exceed 1 percent of adjusted gross income.)

One-half of the amount spent for medical insurance (up to $150) may be deducted without regard to the 3-percent floor. The remainder is lumped with other medical expenses and is subject to the 3-percent floor.

Taxes

In general, State, local or foreign income tax, real property tax, personal property tax, and general sales taxes are deductible.

Interest

Interest payments are deductible by individuals who are legally liable to make them. Items commonly deducted as interest include: Mortgage interest, "points" paid by a borrower, mortgage prepayment penalties, separately stated finance charges, bank credit card plan interest, interest on personal loans, and interest on business loans.

Contributions

Contributions of cash or property to qualified organizations may be deducted. In general, the deduction may not exceed 50 percent of an individual's adjusted gross income.

Casualty and Theft Losses

Personal casualty and theft losses are deductible to the extent that they exceed $100 per occurrence and are not reimbursed through insurance or otherwise.

Miscellaneous Deductions

In addition to medical and dental expenses, taxes, interest, charitable contributions, and casualty and theft losses, a number of other, miscellaneous expenses may be claimed as itemized deductions. Some of the more common expenses in this category include: dues paid to professional societies, employment-seeking expenses, employment-related education, subscriptions to professional journals, union dues, investment counsel fees, safe deposit box rental, and tax counsel and assistance.

F. TAX CREDITS

Credit for the elderly

Individuals who are age 65 or older, or who are under age 65 and receive a taxable pension or annuity from a public retirement system, may be entitled to claim the credit for the elderly. The maximum amount of the credit is 15 percent of one of the following amounts: (1) $2,500 for a single person, head of household, or qualifying widow or widower; (2) $2,500 for a married individual filing a joint return, if only one spouse is 65 or older; (3) $3,750 for a married individual filing a joint return, if both spouses are 65 or older; or (4) $1,875 for a married individual filing a separate return, if the individual and his or her spouse were not members of the same household during the year.

Child and Disabled Dependent Care Credit

Taxpayers may be entitled to a credit equal to 20 percent of the amount paid for the care of a dependent under the age of 15, a disabled dependent, or a disabled spouse, if the payment is made to enable the taxpayer to work or look for work. For a taxpayer with one qualifying dependent, the maximum credit is $400. If there are two or more qualifying dependents, the maximum credit is $800.

Earned Income Credit

Taxpayers with dependent children generally are entitled to a refundable credit equal to 10 percent of the first $5,000 of earnings (for a maximum credit of $500). The credit phases out a rate of 12.5 percent as income rises from $6,000 to $10,000 (that is, a reduction of 12½ cents for each additional dollar of income).

Residential Energy Credit

Taxpayers are entitled to a credit equal to 15 percent of the first $2,000 spent on qualifying energy-saving items. Qualifying energy-saving items include: insulation, storm or thermal windows or doors, caulking or weather stripping, clock thermostats, furnace replacement burners, and meters that display the cost of energy use.

In addition, taxpayers may receive an additional energy credit for amounts spent on solar, wind-powered, or geothermal equipment for their homes. This credit is for 40 percent of the first $10,000 of those costs.

Credit for Political Contributions

Taxpayers may take credits for up to one-half of political contributions made during the year. The maximum credit is $50 on a single return and $100 on a joint return.

G. PRESIDENTAL ELECTION CAMPAIGN FUND CHECKOFF

Additionally, an individual taxpayer may voluntarily earmark $1 of taxes ($2 on joint returns) each year for the Presidential Election Campaign Fund. (This does not result in any increase or decrease of the tax liability.)

ITEMIZED DEDUCTIONS

A. CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and Dental Expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance Premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and Medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other Medical Expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services for medical care, including nurse's board paid by you.
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under medicare.

[1] For further details see itemized deductions.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Television set if individual has a hearing impairment and the set is specially equipped with a visual display of the audio portion of television programs. Similarly the cost of an adaptor for a conventional television that performs the same function is now considered a medical deductive by the IRS.

Transportation expenses for medical purposes (9¢ per mile, plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., social security, veterans' pensions or compensation payments, railroad retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or Theft Losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for chamber of commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Transportation expenses for business purpose (20 cents per mile for the first 15,000 miles, and 11 cents per mile in excess of 15,000 miles, plus parking and tolls or actual fares for taxi, buses, et cetera.)

B. OTHER TAX RETURN INFORMATION ITEMS

Tax Tables

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemise deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

Multiple Support Agreements

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support; (2) gross income; (3) member of household or relationship; (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of the sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.●

SPORTS FANS HAVE RIGHTS, TOO

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. STARK. Mr. Speaker, I have introduced legislation designed to restrict the capricious movement of professional sports franchises. The bill, H.R. 823, would not preclude entirely the relocation of a sports team if the move proved necessary for the franchise's profitable economic survival. It simply takes into account the interests and the investments, the fans, and local governments.

The House Judiciary Committee has agreed to hold hearings on this proposal in early April. I invite my colleagues to join me in cosponsoring this measure.

The following article, which appeared recently in the Washington Star, spells out in further detail the goal of the Sports Franchise Relocation Act.

[From the Washington Star]

STOPPING AL DAVIS—THE GOAL OF H.R. 823

(By Morris Siegel)

Nobody in the Oakland area except Al Davis and a few of his trained seals wants to see the Raiders move to Los Angeles, which is what the Raiders are dying to do.

In addition to the people who have supported the recently crowned Super Bowl champs comfortably during the years, the coach, Tom Flores, a number of his players, and NFL Commissioner Pete Rozelle, of course, have said in so many words that they think Davis' greedy plan stinks.

Running back Mark van Eeghen has called it "crazy" and Rozelle, who goes to court Monday to try and prevent the Raiders from cheap-shotting their loyal fans, labeled it "unconscionable".

Recently Pete Stark joined the movement to throw up some kind of preventive defense to kill off Davis' highly unsupportable scheme to become wealthier than he already is and than he needs to be as well.

Pete Stark is not just another voice in the Oakland mob shouting foul. He is not much of a spectator sports fan, but Pete Stark is in a better position to do something about Davis' attempted grand larceny than the other Oakland citizens.

Fortney H. "Pete" Stark represents the 9th congressional district in California, which covers Oakland, in the U.S. House of Representatives. Recently he brought the matter to the attention of his colleagues on the Hill.

He introduced a bill, technically H.R. 823, "to establish certain limitations relating to the movement of professional sports franchises, to require the equal sharing of revenues under certain professional sports broadcasting agreements and for other purposes."

In man-to-man talk, it is the Sports Franchise Relocation Act. Stark's bill does not prohibit a franchise from moving, but under the stringent terms only clubs as bad off as the Chrysler Corporation qualify for a change of venue.

To become eligible just to be considered for parole from its present location, a team must lose money for three years, or there must be disagreement over the stadium lease of "material significance" that cannot be remedied within a reasonable period of time or the stadium has become inadequate and the stadium authority is indifferent toward remedying the inadequacies.

The legislation is not aimed at at any particular team and it is mere coincidence nothing more, that the bill happened to be introduced by a congressman from Oakland, the only city currently facing the prospect of losing anything as major as an NFL franchise.

The Raiders would go 0 for 3 if they based the reason for their intended disloyalty on any of the above. Even before Davis announced his designs on Los Angeles, Rozelle declared "it would take a genius to go broke in the NFL today," alluding to the $5.6-million annual grant in aid clubs receive for TV rights.

So poverty is out and so is any hassle over the lease. Oakland might claim "inadequate" stadium facilities, but this is suspect. Davis has demanded a slew of luxury boxes to sell for $30,000 annually, which Oakland has agreed to but only if the Raiders consent to hang around long enough to pay construction costs. They have refused.

The Sports Franchise Relocation Act presently rests with the Judiciary Committee and Stark is not optimistic that it will give him an OK to hold hearings.

Stark, however, is not dismayed over this prospect. He is a member of the Ways and Means Committee, from which all tax favors flow, and feels comfortably sure that from Ways and Means he can exact a threat to cut off player depreciation benefits without which pro franchises cannot exist unless they are all owned by OPEC nations.

While individual congressmen are automatically sympathetic to developments that injure their constituency, Congress as a whole has been of little aid and comfort to the people's plea that "we have been robbed" when they air complaints that relate to pro sports.

The vote to lift the NFL blackout several years ago was not unanimous. Several congressional resolutions to bring baseball back to Washington, as another example are painful also-rans.

Stark is aware of this, but he will press on as a symbolic gesture that Raider fans do not deserve to be "dumped on" as he said, citing several benefits that sports entrepreneurs have already gotten from Congress. These include the NFL–AFL merger, which required special legislation, plus another special act, which permitted the NFL to negotiate its megabuck TV contracts.

"I am generally opposed to government meddling in private interprise," Stark said, "except where public interest overrides private interest, which appears to be the case (Raiders) here. To suddenly desert the city and county that made the Raiders' prosperity possible would be the height of corporate irresponsibility, a gross violation of public trust."

In the Federal courtcase scheduled to begin Monday in Los Angeles, the plaintiff, acting in behalf of Davis, is the City of Los Angeles, which has asked that the NFL rule requiring three-fourths majority approval to move a team be declared illegal.

Los Angeles' hands are not exactly clean either. For one thing the Ram franchise it "lost" is not a loss in any sense. It simply moved 28 miles south, to Anaheim, where most of the Ram season ticket customers live.

It is no more of a "loss" than the Lions' move out of Detroit to a domed facility in Pontiac. And L.A. city officials strike me as being somewhat phony or certainly victims of acute amnesia.

The Rams franchise they acquired in 1946 did not have its beginning in Los Angeles. It was filched from Cleveland.

Just how much support Pete Stark's Sports Franchise Relocation Act receives remains to be seen, but it certainly deserves the backing of Walter Fauntroy, who should not have to be reminded that Washington lost two baseball franchises to greed.

Unfortunately, Fauntroy's support must be moral. The District's sole voice on Capitol Hill is a non-voting delegate.●

BLACK LUNG BENEFITS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. APPLEGATE. Mr. Speaker, it is said that special interest groups will prevent President Reagan's economic package from total success. That may or may not be.

I represent a special interest group called coal miners, and I intend to fight for black lung benefits that President Reagan recommends be cut. Black lung benefits, in fact, need to be increased. The benefits are paid to those who suffer from respiratory, cancer-causing, and heart debilitating diseases and are paid for through a tax on coal.

Cut back on the program, Mr. President? It needs to be increased, not decreased, to include an automatic entitlement to benefits for those actually working in the mines for at least 20 years. Costly, Mr. President? Work in the mines for just 30 days, and then answer these questions. The cost must be borne by the coal tax, which needs to be increased to assure an actuarially sound program. You may argue that that is paid for by the consumers, but what tax isn't? I think the general public sympathizes with beneficial programs when they see good results. And this program is a good one.●

MENTAL HEALTH ACT OF 1981

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GONZALEZ. Mr. Speaker, today I am reintroducing a bill entitled "Mental Health Act of 1981," which would provide adequate mental health care and psychiatric care to all Americans. I have been proposing such legislation for several Congresses and I hope that this legislation, aimed at providing comprehensive mental health coverage as part of a national health insurance program, will be given favorable consideration this year.

The purpose of the bill, at least one of its most important goals, is to give to all individuals residing in the United States a right to obtain adequate preventive mental health care at a price they can afford. During the past 20 years, outpatient mental health care has increased from 23 percent in 1955 to 70 percent in 1975. While this increase is promising in that it shows people are seeking the mental health care that they need, they are doing so at great personal cost since most do not have health insurance plans that will cover their treatment.

For people on fixed incomes, the poor, the elderly, and minorities, this burden is tremendous. Even though the Federal Government has supported community mental health centers which utilize a sliding fee scale, these services still remain inaccessible for the poor and many middle-income families. The poor also tend to be multiple users of human services and most of us know that it is the poor and middle-income who find it difficult to pay for such services.

An estimated 15 percent of the population is predicted to eventually suffer from severe mental illness. This can mean one or more of several serious conditions. Recent figures by the National Institute of Mental Health reveals that of all those who received mental health care, 3.1 percent were mentally retarded; 5.4 percent had organic brain syndromes; 22.5 percent suffered from schizophrenia; 15 percent from depressive disorders; 8.8 percent from alcoholism; 2.9 percent from drug disorders; 1.5 percent from other psychoses; 32.4 percent listed as "all others" including personality disorders and various neuroses; and a perplexing 8 percent classified as undiagnosed.

Mr. Speaker, since the vast majority of the population in this country are from the middle and lower income categories and the cost of mental health care remains prohibitive to them, there exists a need to provide funds for national mental health insurance.

The proposed program would be funded through a mental health tax with the funding mechanism similar to those under some of the pending national health insurance program bills. This program that I am recommending could be supplemental to any health insurance plan or could be implemented as a separate program. The major services provided for under this bill would include psychiatric hospital care, psychotherapy, prescribed drugs, community health center services, and home therapy. Innovative services provided would include halfway house care, day mental hospital care, and night mental hospital care.

I encourage my colleagues to take the time and remember the people they represent and consider their needs for responsible and affordable mental health care.●

ABELARDO VALDEZ PROPOSES A UNITED STATES-MEXICO BORDER FREE TRADE ZONE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. LEHMAN. Mr. Speaker, earlier this month, Ambassador Abelardo L. Valdez, former White House Chief of Protocol and U.S. AID Assistant Administrator, testified in Miami before the Trade Advisory Committee of the Office of the U.S. Trade Representative. In his presentation, he outlined a very innovative proposal, the creation of a free trade zone along the United States-Mexico border. This idea is well worth bringing to the attention of my colleagues, and I am therefore inserting Ambassador Valdez's testimony in today's CONGRESSIONAL RECORD at this point:

AMBASSADOR VALDEZ' TESTIMONY

Mr. Chairman and Members of the Trade Advisory Committee: I am pleased to appear before you today to discuss North American Trade Agreements. My testimony will be relevant to this subject, but it also will have hemispheric dimensions.

This hearing is very timely in view of the social and economic challenges and opportunities which confront not only the United States but also the other countries of the Western Hemisphere. At this very moment, we in the United States are experiencing the results of economic underdevelopment and unbalanced ecomomic systems in Latin America and the Caribbean in the form of millions of undocumented migrants from the region. We are also witnessing violent upheavals in El Salvador and other countries in Central America resulting from these conditions. I believe that inter-American trade can contribute to the solution of these problems by fostering equitable economic development in Latin America and the Caribbean.

There are other reasons why this hearing is timely. In recent years, the United States has suffered record trade deficits, mounting inflation and a steady deterioration in the value of its currency. It is increasingly more difficult for us to compete in world markets. This is mainly due to decreased productivity and ineffective marketing.

While there are several possible remedies to our present ills, I believe that the best medicine is to improve our trading ability. Today we are competing for world markets with other nations which have needed to depend upon international trade for their economic survival. On the other hand, we have only begun to realize that our economic health at home now depends on our ability to compete in the international market.

ECONOMIC CHALLENGES AND OPPORTUNITIES CONFRONTING THE WESTERN HEMISPHERE

There are exciting opportunities for increasing trade with Latin America and the Caribbean, and with Canada, but there is also increased concern with the existing socio-economic problems affecting the nations of the region. According to World Bank statistics, approximately 40 percent of the people of this region have annual incomes of less than $300 per person. The doubling of the region's population to more than 600 million people by the year 2000 promises to exacerbate the existing poverty and economic imbalance found in every country of the region.

The impact of these problems will be felt in the United States as well as throughout the region. Already the large numbers of persons forced to migrate to the United States and to other more developed countries of the region has become a source of social tension. It is estimated that there are from three to six million undocumented persons from Latin America and the Caribbean in the United States today. In Venezuela there are approximately two million undocumented persons, mostly Colombians. Also, there are approximately 200,000 Haitians in the Dominican Republic. Mexico is experiencing a migration of large numbers of Central Americans through its southern border; at the same time, it is sending approximately 50 percent of the undocumented workers from Latin America entering the United States every year.

The problem of undocumented migration is truly a hemispheric problem, which will continue to grow unless balanced economic development can be achieved.

The poverty and the accompanying economic imbalances within the region are the main causes of the political and economic instability of many nations of the region, particularly in Central America and the Caribbean. This instability has become a major foreign policy issue for the United States in recent years. It should motivate us to find ways and means to support economic development in the region before the results escalate to tragic proportions. Armed camps, locked in protracted conflict, is not the scenario which we desire for our neighbors.

In recent years, the principal markets for our exports have shifted from the industrialized nations to the developing countries. The largest share of our exports to the developing areas now goes to Latin America and the Caribbean. Last year United States-Latin America trade amounted to $75.7 billion. In 1980, United States exports to the region comprised 48 percent of United States exports to developing countries and about 18 percent of global United States exports. In the same year, United States imports from the region constituted 33 percent of U.S. imports from developing countries and 15 percent of total U.S. imports.

The top three customers for U.S. products in Latin America and the Caribbean in 1980, accounting for three-fifths of U.S. export trade with the region, were: Mexico ($15.1 billion), Venezuela ($4.6 billion) and Brazil ($4.3 billion).[1] These three countries were, also, the leading suppliers of the U.S. market in 1980. Imports from them comprised 58 percent of total U.S. import trade from the region. Mexico supplied $12.5 billion worth of goods and services, Venezuela accounted for $5.3 billion, and Brazil, $3.7 billion.[2]

In terms of foreign investment, Latin America and the Caribbean represent a prime area for U.S. investors. In 1979, U.S. investment in the region amounted to $38.6 billion and earned $6.3 billion. This investment represents approximately 20 percent of all U.S. investment abroad and more than 50 percent of U.S. investment in the developing world. In the period 1975–79, U.S. investment in the region nearly doubled (from $19.5 billion to $36.8 billion).[3]

These statistics confirm the importance of U.S. trade with the other countries of the hemisphere.

It is vital to our future prosperity to increase our trade around the world but especially with our neighbors in this hemisphere. This trade is also vitally important to create economic development in Latin America and the Caribbean. Only through this kind of balanced economic development can the people of this hemisphere improve their economic lot; create jobs for millions of unemployed and underemployed persons; and bring about the economic and social stability needed for the protection of human rights and democratic institutions.

While Latin America is a region plagued by severe economic problems, it also has the most potential for economic growth and development than any other developing region of the world. It is already the most economically advanced of the developing regions, with an average GNP/capita of more than $1,000. If the countries of this region can succeed in achieving economic development and political reform, at least in some of them, the possibilities for economic progress and for U.S. trade in the region are unlimited. Our own trading future is linked to the development of our neighbors in the Americas.

PROPOSAL FOR A FREE TRADE ZONE ALONG THE UNITED STATES-MEXICO BORDER

It is in this context that I appear before you today to propose a modest first step toward the creation of a Hemispheric Common Market: A Free Trade Zone along the United States-Mexico border. My proposal would establish a Free Trade Zone extending 200 miles into each country's territory and running along the border from Brownsville, Texas, to San Diego, California. In essence, it would constitute a mini-Common Market; *i.e.*, any product grown, produced or manufactured within the zone, on either side of the border, could move duty free, throughout the zone.

This Zone would exist for a period of time sufficient to test its feasibility. I would recommend a minimum period of ten years. If it proved successful, it could then be expanded to include a greater part of each country's territory or the entirety of both countries. My hope is that the Zone would succeed so that, in time, it could be expanded to include not only the United States and Mexico, but also Canada and the other countries of Latin America and the Caribbean.

Another possibility for the United States and Mexico to establish a free trade zone is to do it along sectoral lines; e.g., agricultural, manufactured goods, or other sectors. Building from sector to sector, two countries could eventually establish a complete common market between them. From there they could join the other countries of the hemisphere in establishing a western hemisphere common market. It is well for us to remember that the European Common Market first began as a European Coal and Steel Community and from there developed into a complete common market.

My proposal for a free trade zone, created or established along geographic limits or by sectoral arrangements, could also be implemented along the United States-Canada border, simultaneously with its establishment along the United States-Mexico border. However, it is my judgment that the critical point of departure for this initiative should be with Mexico, for this is the key to future integration with the rest of Latin America and the Caribbean. It is at the United States-Mexico border that the developed world meets the developing world; and it is there that the great opportunities and challenges for trade and economic cooperation in this hemisphere will be found.

Many benefits could accrue from this Free Trade Zone:

This project between our country and Mexico would become a focal point for concerted economic cooperation;

New jobs would be created on both sides of the border for the chronically unemployed and underemployed. And here we should recognize that one of the most depressed job markets in our entire economy is located on our side of the U.S.-Mexico border;

New opportunities for U.S.-Mexican joint ventures would develop wherein the best of U.S. and Mexican skills, resources and technologies could attack traditional economic stagnation;

And, the Zone would provide incentives for new industries and would stimulate innovative marketing approaches;

No doubt, other benefits for both countries such as urban development; new transportation links; and, in general, an expanded base for improving the quality of life would be generated by such an arrangement.

In addition to increasing trade within the Zone, I can foresee a skyrocketing of the competitive position of firms operating within the zone relative to world trade. The muscle and wit of two peoples could combine to produce goods and services which would be even more competitive in the world market.

There are several reasons which support my proposal for the establishment of such a zone at this time and in this geographic location. First, there has been a twin plant industry program in operation along the border for the last fifteen years. This program allows U.S. firms to export unfinished products to the Mexican side of the border, duty-free, for assembly and finishing work. Upon the return to the U.S. side for marketing purposes, these products are charged duty only on the value-added portion resulting from the work done in Mexico. This has been a very successful program, mutually beneficial to both countries, and resulting in increased job creation on both sides of the border and lower prices for products produced or manufactured under this program.

Secondly, the people who live in the region covered by the proposed Foreign Trade Zone have had a historical trade experience and cultural regionship. Many of the residents of the area are bilingual and bicultural.

Thirdly, the area covered by the Zone includes some of the most important industrial and agricultural centers of both countries. On the Mexican side, the Zone would include such cities as Monterrey, Saltillo, Chihuahua and Torreon. On the U.S. side, it would include Corpus Christi, San Antonio, Abilene, Phoenix, Albuquerque, San Diego and Los Angeles. This makes the Zone area adequate for a free trade experiment. Also, the historical movement of people, goods and services throughout this zone strengthens the possibility for the Foreign Trade Zone concept to provide mutual benefits to both sides of the border.

In my judgment, it is critical that both countries recognize the mutual benefits of such a zone. Only if both are convinced that they will benefit mutually will they both consider participating in establishing such a zone. The development needs of both countries along their portions of the Zone argue strongly for its establishment. On both sides of the border there are tremendous needs for increased job creation and infrastructure development (transportation, health, education and urban development). While not a panacea for solving the problem of undocumented workers, it would contribute positively to its resolution.

THE FOREIGN TRADE ZONE: A STEP TOWARD A HEMISPHERIC COMMON MARKET

Mr. Chairman, this Zone would be a practical experiment in developing a common market in the northern part of the hemisphere, which in time could join the integration movement which began in Latin America more than twenty years ago. The end result could well be a common market for the Western Hemisphere by the year 2000.

The proposed Zone is a manageable first step, and this is important because past North American Common Market proposals, especially those made during the past presidential campaign, have been perceived in Mexico as being one-way streets—the United States trying to monopolize Mexico's oil reserves or take over its industry. This experiment, however, can be mutually beneficial to both countries. It is also limited by time, geography and/or economic sectors so that any adverse consequences could be manageable. Any free trade proposal requires time, commitment and confidence by the parties involved. I believe that my proposed Trade Zone concept is sound enough to inspire these qualities on the part of both countries.

It is my judgment that the proposed Free Trade Zone could be the first step toward the creation of an inter-American equivalent of the European Common Market. For the last twenty years the United States has supported several initiatives for Latin American economic integration—the Latin American Free Trade Association

[1] Principal U.S. exports to these markets were machinery and transport equipment, manufactured goods of various kinds, chemicals and related products, and food products.

[2] The main imports from the three suppliers were petroleum and related products, food products and manufactured products of various kinds.

[3] This increase was led by investment in manufacturing industries primarily in Brasil, Mexico, Venezuela, and Argentina and by the growth of financial contribution in the Caribbean.

(LAFTA);* the Central American Common Market and the Andean Common Market—but it, itself, has never joined these efforts at economic integration. I think the time has come for the United States to consider joining these efforts and, with the participation of Canada, eventually to enlist all the countries of the Western Hemisphere in creating a common market.

There already exist several building blocks to forming the foundation for a hemispheric market. LAFTA, the Central American Common Market, the Andean Common Market and the Caribbean communities constitute those building blocks. While the experience of these regional common markets has been one of mixed results, this experience has been invaluable to further endeavors at economic integration. The fact is that the northern part of the hemisphere is twenty years behind the Latin American countries in economic integration experience.

While I understand that the mandate of this Committee is limited to North American Trade Agreements, I submit that South American participation in future U.S. trade agreements is important for your consideration and to the creation of a hemispheric common market. The reasons for this premise are clear. Aside from Mexico, the most developed countries in the Latin American and Caribbean region are in South America. I have already mentioned that Venezuela and Brazil, along with Mexico, are the principal trade partners of the United States in the region. The other countries in South America, with the exception of Bolivia, are all more economically advanced than the Central American and Caribbean countries. Thus, the South American countries all have greater trade potential for the United States than those of Central America and the Caribbean.

In my view, the South American countries, because of their trade potential and level of economic development, are an indispensable "building block" for a hemispheric common market.

For these reasons, I would suggest that your deliberations and preparation of the report required by the Congress from the President (pursuant to Section 1104 of the Trade Agreements Act of 1979) consider this important factor.

CONCLUSION

My statement before you today is not a definitive blueprint for the establishment of a Free Trade Zone between the United States and Mexico, nor is it a definitive analysis of its potential for both countries. It is, rather, a statement of concern and a call for action—to meet crucial economic needs in the United States and Mexico in an effective manner; and, perhaps, a way to turn perceived problems into exciting opportunities.

The proposed Free Trade Zone along the U.S.-Mexico border is a positive and concrete initiative which the United States and Mexico can take to spur economic development, increase trade, and promote a spirit of mutual cooperation. The economic challenges which confront both countries demand that urgent steps be taken to support and promote economic development and job creation to meet the needs of a rapidly expanding population in Mexico. It is a concept which merits serious study by both countries to determine its feasibility. If it were to succeed, it might be only the first step of a broader application of this concept by both countries; and, perhaps, in time, the other countries of the Western Hemisphere.

It is time that the North joins the South in the great objective of establishing a common market for the Western Hemisphere. Such a market would help the fight against inflation by reducing prices of exports and imports; it would enable equitable economic development and job creation to meet the needs of a population that will double in twenty years; and it would provide a great and noble goal for cooperation among all the countries of the hemisphere.

The proposed Free Trade Zone could be the catalyst for a movement to create a Common Market for the Western Hemisphere. Thus, I would hope that your Committee will consider this proposal for inclusion in the Presidential Report requested by Congress on North American Trade Agreements.●

*Since 1980, LAFTA has been restructured and renamed ALADI under the Montevideo Treaty of 1980.

WILLFUL VIOLATIONS OF LABOR PRACTICES

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. SIMON. Mr. Speaker, today I am introducing a bill to amend the National Labor Relations Act to enable the Secretary of Labor to prohibit the awarding of Federal contracts to persons who have willfully violated orders issued under the authority of the NLRA.

Our national labor policy has been to protect workers who want to form associations and to encourage collective bargaining to settle differences between employers and employees. In one area, however, this national policy has been deficient. Flagrant and willful violators of the NLRA can virtually ignore the NLRA while continuing to collect millions of dollars in Federal Government contracts.

This bill will establish the authority and a mechanism for the Federal Government to debar flagrant and willful violators from lucrative Federal contracts. This mechanism will enable contracting officials to reject a low bidder because of a history of NLRA violations, after certification by the Secretary of Labor. It is important to note that this mechanism can be invoked only after certification by the Secretary of Labor.

I urge you to support this bill to assure the continued maintenance of our national labor policy of protecting employee rights and to eliminate unfair advantages one potential contractor may have over another in obtaining Federal contracts, because of willful violations of labor practices.●

TMI TASK FORCE—PART 1

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. ERTEL. Mr. Speaker, this is the first in a series of papers discussing the activities of the Pennsylvania Congressional Delegation Task Force on Three Mile Island, its recommendations, and the hearings and deliberations which led up to its recommendations. Current cleanup cost estimates are about $1.3 billion with insurance covering only $300 million. Where the remaining money will come from has been the principal area of investigation for the task force.

On August 27, 1980, the members of the Pennsylvania Public Utility Commission (PaPUC) met with the Pennsylvania Congressional Delegation. PaPUC Chairman Susan Shanaman outlined the concerns of the Commission that the ratepayers of the TMI utility should not be forced to pay the cleanup costs after the accident. The PaPUC expressed the desire for Federal assistance to deal with the costly and difficult TMI-2 cleanup. Specifically, Chairman Shanaman stated:

> What form financial relief to the citizens of Pennsylvania should take is, of course, within your province and expertise. Whether it should be a national surcharge, an interest-free loan, an outright grant of money, or something else is for you to decide. All we and the ratepayers ask is a fair consideration of our needs.

This meeting resulted in the creation by the Pennsylvania Congressional Delegation of a task force on Three Mile Island comprised of eight members of the delegation: Mr. ATKINSON, Mr. BAILEY, Mr. GOODLING, Mr. KOSTMAYER, Mr. RITTER, Mr. WALKER, Mr. YATRON, and myself as the appointed chairman. The task force was charged with the responsibility of analyzing the financial difficulties associated with recovery after the accident at TMI—particularly as they relate to the cleanup—and to make recommendations back to the full Pennsylvania Delegation on a course of action for the Federal Government. The task force has now made its recommendations to the delegation and in the near future the delegation will be coming to some conclusion on the recommendations.

On Tuesday, February 17, the task force met and unanimously endorsed and sent a proposal to the full delegation to create a national nuclear powerplant property damages insurance program. This would address the deficiencies which the task force discovered in the presently available insurance in the event of a future accident, and would provide some remedial assistance for the TMI-2 cleanup effort. This recommendation is the culmination of 6 months of investigations, hearings, discussions, and deliberations.

In discharging its responsibility, the task force was assisted by staff of the House Science and Technology Committee, the Congressional Research Service, and the PaPUC. Below is a chronology of the task force's briefings and consultations.

TASK FORCE BRIEFING AND CONSULTATION CHRONOLOGY

September 17—Washington: Task Force, Staff, and Representatives of the Nuclear Regulatory Commission.

September 29—Washington: Task Force, Staff, and Representatives of General Public Utilities Corporation.

September 30—Washington: Task Force, Staff, and Representatives of the New Jersey Board of Public Utilities.

October 8—Harrisburg: Task Force, Staff, and Representatives of the Pennsylvania Public Utility Commission and its consultants, Theodore Barry and Associates.

October 17—Washington: Staff, Roger Sant, Mellon Institute Energy Productivity Center.

October 20—Harrisburg: Task Force, Staff, and Representatives of the Securities and Exchange Commission.

October 22—Harrisburg: Task Force, Staff, and Representatives of the Amercian Society of Utility Investors.

October 24—Washington: Staff, Representatives of Edison Electric Institute.

October 30—Harrisburg: Staff, Representatives of GPU Creditors.

November 4—Washington: Staff, and Representatives of the Atomic Industrial Forum.

November 14—Washington: Staff, Representatives of GPU, American Nuclear Energy Council.

November 20—Washington: Staff, Task Force, Representatives of GPU.

November 21—Washington: Staff, Task Force, Representatives of Critical Mass and other organizations.

November 24—Harrisburg: Staff, Task Force, Representatives of Local Harrisburg Groups Concerned with Federal TMI Assistance Issues.

December 9—Washington: Task Force, Staff, and Representatives from the PA Public Utility Commission, the NJ Board of Public Utilities, GPU, the NRC, SEC, FERC, Nuclear Industry, and the Banking Community.

The assistance of the Congressional Research Service proved to be invaluable in the efforts of the task force. Within 6 days of the first formal meeting of the task force, the CRS presented an overview and options paper which helped set the course of the task force's investigations. In fact, the final recommendations of the task force incorporates a great deal of this early work of CRS. Specifically, in a memo to the task force dated September 23, 1980—which was distributed to the task force members—CRS described the current availability of nuclear powerplant property insurance and described how actions to address deficiencies in the current insurance could also be employed to deal with the difficulty of financing the TMI-2 cleanup. That memo stated:

> A federal nuclear plant insurance corporation could be established with coverage made retroactive to include TMI. Under current procedures, insurors will not cover nuclear units for more than $300 million due to the risk exposure. Federal insurance would cover costs from $400 million up to perhaps $1.5 billion, with the upper limit indexed to construction costs.
>
> The gap between private and public insurance would have to be covered by the utility as an incentive to be efficient. Funding could be derived from a tax on electricity, or as a premium levied on each nuclear unit in the rate base of a utility. Initial premiums would be set to cover the cost of rehabilitating TMI-2 and provide an adequate insurance reserve against future accidents. TMI costs would be amortized over a 10-20 year period. Initial funding would be obtained by either borrowing on the market, or from U.S. Treasury loans. This has the advantage of providing permanent protection for all nuclear units, being self-liquidating, and not being unduly burdensome on the ratepayer. At the same time it internalizes the costs of an accident, and spreads the cost of TMI over time and space.

This suggestion later proved to be the basic approach adopted by the task force with several modifications.

In November, at the request of the task force, this same CRS team, together with the task force staff, prepared 6 options outlining various ways in which Federal action could be brought to bear on the TMI-2 cleanup problem. A summary of the options submitted to the task force follows.

STAFF OPTIONS FOR POSSIBLE FEDERAL LEGISLATION RELATED TO THE TMI ACCIDENT RECOVERY

OPTION SUMMARY

All but one option are based on an explicit principle of distributed responsibility for bearing the costs and inconvenience of the accident. This distribution of responsibility includes the federal and state governments, the Pennsylvania and New Jersey Utility Commissions, company management, creditors, equity holders, and ratepayers.

Option 1 is a ten-year federal loan guarantee option for accident related costs not in the rate base. The loan guarantee would be contingent on a joint Pennsylvania and New Jersey Utility Commission financial recovery plan utilizing all possible financial options to solve current economic problems. It would also require that creditors provide adequate notification procedures to allow planning for service provision and public health and safety in the event of further economic crisis.

Option 2 suggests federal purchase (or state purchase with federal assistance) of TMI Units 1 and 2. The ownership entity would rehabilitate and clean-up the plants, and sell power back to the GPU corporation at rates compatible with recovery of costs.

Option 3 allows issue of federal bonds for the clean-up costs. The two states involved would back 50% of the bonds equity, and the federal government the other 50%. The GPU Corporation would dedicate annual revenues for bond repayment. In the event of default a nation-wide electricity tax would be levied to cover the federal share of the liability.

Option 4 establishes a mandatory national property insurance program for nuclear plants. It would include the TMI accident retroactively, and assess member companies an amount adequate to cover payments to TMI. A variation could involve making the current purchased power insurance program mandatory and retroactively covering TMI.

Option 5 is a condemnation option in which current owners would transfer ownership of the units to the federal government by a condemnation mechanism. Other details would be similar to option 2.

Option 6 is a court recovery option in which cost recovery is envisioned through court action designed to establish formal liability. A federal loan would expedite cleanup and recovery pending reimbursement from proceeds of legal actions.

As a result of the task force deliberations, sections and ideas were taken from all of the options except option No. 5. These options and the various memorandums represent only a small part of the overall assistance provided to the task force by the people of the Congressional Research Service. In future entries I will describe the provisions and reasoning behind the final recommendations adopted by the task force, why certain options were rejected, and why parts of the options were merged into the final product.●

CONGRATULATIONS TO JENNIFER R. FORD

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. LUJAN. Mr. Speaker, I wish today to again submit for publication in the Extension of Remarks the text of this year's winning voice of democracy scholarship program from Jennifer R. Ford of Santa Fe, N. Mex.

Jennifer is a sophomore at St. Michael's High School who has won this years scholarship contest for New Mexico. The text of that essay follows:

> We all have numerous commitments to our country; the commitment to respect our national symbols; the commitment to uphold our constitution; and the commitment to abide by our laws.
>
> Too many of us have an erroneous understanding of our commitment to vote. Too many of us decide when and how to vote for the wrong reasons.
>
> What I want to talk with you about today is my commitment to learn when to vote and what to base my vote upon. Voting does not only require choosing between candidates and issues but also deciding whether to vote at all.
>
> The growing emphasis in the United States today has been to vote—regardless of the amount of knowledge we possess about the candidates and the issues. Our own government, public service advertisements on television, and special interest groups encourage us to exercise our right to vote even if we do not understand the political issues or the candidates background and stand on such issues.
>
> Too many of us vote without knowledge and for the wrong reasons. Political Scientist, Angus Campbell, states: "The average individual either votes or does not vote entirely out of habit".

When we do vote we tend to vote without knowledge simply because we do not have enough information. This lack of information leads us to be tempted by appealing advertisements and slogans. A book entitled "Public Opinion" proves this:

"The relatively low amount of information possessed by most persons means that they must decide their political preferences on the basis of comparatively simple slogans since the subtle analysis will pass them by."

Over one-fourth of us do not possess the information needed to make intelligent decisions regarding politics. On major domestic and foreign policy issues and questions, 10-39% of the voting public were willing to offer opinions unsupported by information. Social characteristics also determine our political preference as proven in a study by Paul Lazarfield; consequently, we unawaringly make political judgments based on family beliefs or social backgrounds. Often we support a political party, simply because our families have done so in the past.

This problem of being uninformed is easily corrected. We can take advantage of the news media by listening and paying attention to the issues and the candidates. We can also take advantage of such groups as the League of Women Voters who encourages intelligent voting and voting information. This was evident in their sponsoring of the 1976 and 1980 political debates in which we became more aware of the candidates and their stands on current issues. Those of us who are informed voters can encourage others around us to do the same. We all should make an active commitment to our country, but this does not mean we should simply vote to exercise our right to vote. We can live up to our commitment for the future by encouraging our friends, our children, and our other family members to make intelligent decisions on their political choices, and not to vote on elections and issues they know nothing about. We can set a good example by following this guideline ourselves. Santayana, the philosopher, once said: "To be an American is of itself almost a moral condition, an education, and a career." As I approach voting age and become more involved in that career, I will try my best to be an informed voter and not vote when I cannot make an educated decision. By doing this, and by realizing that the right to vote is a choice and not a duty, we can all live up to our commitment to our country.●

AN AMERICAN TRAGEDY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Ms. MIKULSKI. Mr. Speaker, the actions of the Reagan administration in increasing military aid to the Government of El Salvador have grave consequences for all Americans. During my visit to Central America this January, I spoke to hundreds of refugees who testified to torture, brutality, and murder occuring in that country with the use of American weapons. I think this country stands for something better than that; and I don't believe the taxpayers want their money spent to help terrorize the people of a nation.

I submit for the RECORD an article I wrote for yesterday's Baltimore Sun about my trip and the situation in El Salvador.

[From the Baltimore Sun, Feb. 24, 1981]

AN AMERICAN TRAGEDY—REPEATING THE MISTAKES OF VIETNAM AND IRAN

(By BARBARA MIKULSKI)

I could have been killed on my recent trip to Central America because of the State Department. Tragically, others *will* be killed because of the State Department.

A whole region of the world struggling to be free will be pushed either into repression or extremism because of the State Department's gross misreadings and manipulations in Costa Rica, Nicaragua, Honduras and El Salvador. The State Department lies to the Congress, to you and to itself.

It is creating the false impression:

That all of Central America is a cockpit of extremism between the right and left, which it is not;

That there are clear definitions of "good guys" and "bad guys" which there are not;

That Uncle Sam is one of the "good guys," leading the way to a centrist alternative, which it is not.

Misinformation and manipulation can be seen concretely in what happened to me.

When a member of Congress goes to a foreign country on official business, he or she gets briefings, both in Washington and later at the local U.S. Embassy. This takes place regardless of who sponsors or pays for the trip. The trip I took to Central America last month with two other members of Congress was sponsored by the Unitarian Universalist Service Committee. In my four years in the House, I have found the Washington briefings shallow at best and inaccurate at worst, with lots of ideological editorializing in all cases. There are truthful, competent and courageous people within the State Department—but in my experience they have been hard to come by. Careerism seems to be the more dominant mode.

Officials at the State Department did not want Representatives Gerry Studds (D., Mass.), Robert W. Edgar (D., Penna.) and me to go to El Salvador, and they did everything they could to scare us out of it, emphasizing the immediate personal danger to us. They emphasized what desirable targets we would be. Yet, cables from State's own diplomats in El Salvador clearly stated that we would be all right if we did not draw attention to ourselves. We couldn't have been more discreet. Nevertheless, State Department officials opposed to our fact-finding trip leaked our plans to CSB—thereby violating State's own recommendations and placing our lives in jeopardy. I was outraged. This became intensified as the trip went on.

On the plane trip to Central America, I compared the information given to me by State with the package given to me by the religious community working in Central America. I learned more concrete information from a Maryknoll handout and Christianity and Crisis magazine than I had from my own government.

Throughout the trip, we found out that the State Department actually did not know what was going on—or did not want to tell us. Some of the techniques State employed were half truths, steering us only to people who supported the official position and using "buzz-words," (e.g., "another Cuba" as an inaccurate description of Nicaragua, another "Pol Pot-Cambodia" as a false description of El Salvador and its refugees). Officials of the State Department did not seem to be in very close touch with the people of the country to which they were assigned.

Regarding Costa Rica, for example, the State Department gave us a favorable assessment of that country's political and economic condition. Yet, the president of the Legislative Assembly in Costa Rica gravely told us of serious economic problems. He said his country was at a cross-roads that could lead to an internal political and economic crisis. Issues of food for the people, depressed export markets and paying the bills for social programs were paramount in his mind. The more Costa Rica imitates the United States in mechanizing agriculture and attempting to develop industry, the deeper into debt it goes and the more it suffers from inflation, the Legislative Assembly president told us. He was by no means confident about the future. This dedicated leader's portrayal of his own country was in direct contrast to that of the State Department.

In Nicaragua, I found a country that is trying to feed its people, save its children and get out from under the criminal corruption and debt left by the Somoza dictatorship, while recovering from the terrible effects of a civil war.

The U.S. Embassy in Nicaragua arranged for us to confer with leaders of the opposition party and representatives of private business (i.e., managers of multinational companies), all of whom said they were able to operate normally in Nicaragua.

Through the Unitarian Universalist Service Committee we made arrangements to get an alternative viewpoint. For example, we met members of the religious community, other American citizens and Nicaraguans themselves.

We were told many distortions about Nicaragua, but I will focus on health, my specialty. Our delegation had been told that the Nicaraguans would not accept American help in the field of health care and that they wanted only Cubans. With a great deal of probing, we found that the "help" offered by the United States consisted of military hospital administrators. Nothing had been offered in the way of civilian doctors, nurses or midwives.

From the Maryknoll nuns running the *barrio* health clinic to the nation's minister of Health; from the Junta to the Jesuits, we learned that one of Nicaragua's most important priorities is health, particularly saving the lives of children. Fifty percent of Nicaraguan children die before the age of five because of malnutrition and communicable diseases.

Anastasio Somosa—the ousted, now dead Nicaraguan dictator—left no money to buy polio vaccine, immunization drugs or the basic medical tools found in any doctor's kit. Instead he left an enormous debt to Western drug companies for unneeded or undelivered pharmaceuticals.

I specifically asked the minister of Health, "Would you accept free drugs from the United States to immunize your children against typhoid, meningitis, measles and polio? Would you allow U.S. civilian doctors and nurses to come to Nicaragua?" She said yes, as did officials of the ruling Junta and the parliamentary body.

Fouled up foreign policy of this kind is unconscionable because children die. It is chilling to think that a new government in Central America cannot turn to the United States to protect its children from polio.

But in some parts of Central America, women and children cannot count on the United States for protection. Whether we were speaking with exiles from El Salvador and Guatemala or whether we were interviewing Salvadoran refugees near the Honduran border, we were told how women and children are particularly brutalized under two regimes supported by the United States.

We interviewed refugees who said they had been victims of atrocities or had witnessed them. Their accounts were corroborated in place by members of the religious community and representatives of international humanitarian organizations who either had seen the incidents themselves or had given medical treatment or spiritual comfort to victims afterwards. We made tape recordings of some of our interviews.

The atrocities reported to us had a macabre consistency. Rape, we were told, is used systematically as a form of terror and torture in Guatemala and El Salvador by the Army, National Guard and para-military groups. In Guatemala soldiers gang-rape teen-age girls. In El Salvador the military has sodomized 10-year-old boys and girls and children have been thrown into the air and used for target practice. Their dead bodies have been cut up with machetes and left for the dogs to eat. Pregnant women, when caught by the Salvadoran National Guards, have been tortured and killed by diswombing (i.e. their torsos are slit open and their wombs pulled out).

In each and every instance the killers were identified as military personnel—armed with weapons and equipment from the United States or its allies. In El Salvador, military helicopters were particularly lethal, we were told, because they are used for rapid pursuit of villagers.

I asked if the leftist guerrillas and members of the anti-Junta Popular Front in El Salvador had also committed these types of crime. The answers were consistently no.

In all the State Department "briefings" we got, little had been said about these atrocities.

The American ambassador in Honduras denied the validity of taped eyewitness accounts we played for him. Yet, neither he nor his staff had ever been to the border area to talk with any of the thousands of Salvadoran refugees there.

Although we did not go to El Salvador because of a sudden rise in military activity there, Representative Studds spoke by telephone to Robert White, the U.S. ambassador. Ambassador White said there had been no meaningful U.S. investigation into the murders of three American nuns and a lay volunteer in El Salvador. A report resulting from an investigation conducted by U.S. officials led to the resumption of U.S. military aid to the government. It has been reported that government soldiers controlled the road where the four American women were raped and killed. Now the Reagan administration says it's not particularly important to know who killed the nuns and who supplied the weapons. It wants to know who is supplying weapons to the insurgents.

So here the United States is in Central America repeating the mistakes of Vietnam and Iran. Once again some of its officials are lying about terrorism and exploitation that the United States supports and helps pay for.

I support Secretary of State Alexander Haig when he says we should stop terrorism. I hope we know how to identify the real terrorists and stop giving them the tools of repression.

[Barbara Mikulski represents Maryland's Third District in the House of Representatives. The Central American trip she describes here took her to Honduras, Costa Rica and Nicaragua from January 9 to January 19.]●

SUMMARY OF ACHIEVEMENTS IN FOREIGN LANGUAGE FIELD

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. PANETTA. Mr. Speaker, because March 1, 1981, marks the beginning of National Foreign Language Week, I thought my colleagues in the House would appreciate having a summary of achievements made in recent months in calling attention to the importance of foreign language study. Through the indefatiguable efforts of Congressman SIMON, along with persistent and thoughtful prodding on the part of Representatives MILLICENT FENWICK, TIMOTHY WIRTH, DON BONKER, DANTE FASCELL, JIM OBERSTAR, ED DERWINSKI, and a host of other dedicated colleagues, we truly have made important strides forward in this field. I am pleased to provide a progress report for my colleagues' convenience, and trust that you will be able to make valuable use of this information.

In November 1979 the President's Commission on Foreign Language and International Studies issued its final report, "Strength Through Wisdom: A Critique of U.S. Capability." The report (GPO stock number 017-080-02065-3) expressed alarm at declining foreign language and international competence among Americans, with fewer than eight percent of American colleges and universities now requiring a foreign language for admission. The Commission called upon the Congress, the President, and the nation to support strengthened foreign language and international studies programs.

As a follow up to the President's Commission, the National Commission on Foreign Language and International Studies was created through a joint effort by private foundations, business corporations, and government agencies. The council's interests encompass all elements of language and international studies in the United States: advanced training and research; overseas study; global awareness; primary, secondary, and collegiate education; citizen and community education; and the needs of business, labor, and government. Executive director is Allen H. Kassof, 655 3rd Avenue, New York, New York (212) 490-2002.

A Washington office of the Joint National Committee for Languages was established to provide information to Congress and the executive branch concerning foreign language and international studies and to serve as a liaison with interested members of a variety of foreign language associations throughout the country. Director is Dave Edwards (202) 483-7200.

Congressman Panetta formed an informal international education group of Members of Congress to focus attention on issues of concern and to build support for legislative and other initiatives on foreign language and international studies. Thirty-five members of the House and four Senate offices were affiliated with this group last year. Those wishing to join should contact Matthew Cossolotto in Congressman Panetta's office.

Last year the House Permanent Select Committee on Intelligence expressed its grave concern about the shortage of linguists in the military and directed the Secretary of Defense and the Director of Central Intelligence to develop a program which encompasses a communitywide approach toward alleviating the linguist shortfalls. The committee requested that the program address personnel rotation policies, language training facilities, alternative approaches to language training, the adequacy of recruitment policies and techniques, and the adequacy of career ladders and pay policies for language-trained individuals.

As a result of amendments by Congressman Panetta in 1979, the General Accounting Office issued a report on April 15, 1980, concluding that more competence in foreign languages was needed among U.S. personnel stationed overseas. In addition, GAO agreed last year to a request by Congressman Panetta to review a variety of issues and concerns related to the Defense Language Institute in Monterey, California, and to review a range of issues related to defense-wide foreign language programs.

Congressman Simon amendment to the Department of Education bill included foreign language and international studies as one of seven priority concerns of the new department.

The Congress last year approved an amendment by Congressman Simon and Congressman Panetta to the Foreign Service Act (H.R. 6790) requiring the establishment of at least two "foreign language competence" posts at U.S. Diplomatic Missions abroad.

The Congress last year approved an amendment by Congressman Panetta to the International Security and Development Cooperation Act directing the Peace Corps to develop a plan to better utilize returned Peace Corps volunteers in international education. This would help to strengthen goal three in the Peace Corps' original mandate.

The Congress approved last year's reauthorization for the National Institute of Education which included a provision prepared by Congressman Simon including the encouragement of the study of languages and culture as one of the Institute's research projects.

The Higher Education Act of 1980 authorized an increase of $8 million for international education programs, including an important new program, part B, which would provide U.S. businesses with a stronger international education base. That effort was sponsored by Senator Stafford.

Both the House and the Senate passed H. Con. Res. 301, expressing the sense of the Congress that local education agencies and institutions of higher education should consider strengthening the study of foreign language and cultures. This resolution was sponsored by Congressman Simon in the House and Senator Tsongas in the Senate.

CONDOS—BUY IT OR GET OUT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. ROSENTHAL. Mr. Speaker, increasing numbers of people who rent apartments are faced with the often awful dilemma brought about by conversions to condo or co-op status: Buy it or get out. In the name of providing homeownership and speculative opportunities for the young and able, we are allowing less mobile elderly and lower income people to be sacrificed. The Commerce, Consumer and Monetary Affairs Subcommittee, which I chair, has been working on the condo co-op conversion issue and will continue to oversee Federal laws and programs affecting the conversion process. When faced with the dilemma, however, the unsuspecting tenant needs immediate advice and some of that is provided in an article in the March 1981 issue of Changing Times magazine. I commend it to my colleagues whose constituents are faced with a conversion problem.

The article follows:

YOUR BUILDING IS GOING CONDO. SHOULD YOU BUY?

Buy it or get out. That dilemma confronts thousands of apartment dwellers all over the country as the rental developments they live in are turned into condominiums or cooperatives.

For some the decision is easy. They welcome the opportunity to acquire property, build equity, qualify for tax breaks and share the gains if the place appreciates.

For others the decision is complex, painful, sometimes traumatic. Even if they can find a suitable place to move to, getting out is both disruptive and expensive. Buying almost always means a steep increase in monthly expense and disturbing uncertainty over whether the substantial investment is a sound one.

If this hard choice falls to you, there may be a number of things you can do in self-defense—knock down the price, get better terms, negotiate concessions, possibly even stay where you are without buying. The better informed you are, the better you're likely to make out. Here is guidance to help you make reasoned and dispassionate decisions.

First, some background. Condominiums are developments in which the resident-buyers own their living quarters plus a share of the common facilities—hallways, elevators, exterior walls, grounds and such. In a typical co-op the residents own shares of a corporation that owns the property, with the shares conferring the right to live in a specified unit. The condo form is generally considered preferable from a legal standpoint—residents get deeds to their units and usually have more control over them.

Generally, condos have been selling for considerably less than new detached dwellings. And resale values of condos have been increasing almost as quickly as those of houses, according to the Federal National Mortgage Association, which invests in home mortgages.

PROFITS FUEL THE BOOM

Why are rental projects converted to condos or co-ops? Because conversion can be profitable to the building owner who sells the units off. "It's the golden goose of the landlord industry," says John Atlas of the National Tenants Union. Example: The Promenade, a 1,072-unit luxury high-rise in a suburb of Washington, D.C., was acquired for $49,700,000 but could bring up to $100,000,000 from unit sales.

The spread of conversions has set off swirls of controversy and sometimes bitter clashes between owners and tenants. There have been protest demonstrations, lawsuits, demands for government regulations—even bomb threats. Critics say conversions inflate prices, put tenants at a disadvantage, drive the elderly from their homes, worsen scarcities of rental housing and mortgage money, and force tenants who purchase to pay from 30% to over 100% more a month just to live where they lived before, not to mention what they lay out in down payments and closing costs. Most of the increased monthly expense goes to mortgage interest and taxes, which usually double when the property is reassessed to reflect the selling price rather than its value as a rent producer.

Defenders respond that conversions enlarge tax bases, enable thousands of young and modest-income people to become homeowners and improve neighborhoods because homeowners maintain properties better than landlords do.

The boom has also spawned a new and controversial real estate specialty—buying up properties and selling the units. The biggest outfit, the Chicago-based American Invsco (pronounced IN-VES-CO), has logged more than 60 conversions around the country and is currently embroiled in about 40 tenant lawsuits. Along with professional converters have come lawyers who specialize in representing tenants. If there is no tenant organization, the lawyers usually help form one, then handle negotiations with the owner.

The furor has tended to magnify the conversion movement. Only about 366,000 rental units, or 1.3% of the U.S. total, were converted during the 1970s, a study by the Department of Housing and Urban Development found. However, the volume is expected to grow, with another 1,100,000 units, accounting for another 4.3% of the total, likely to be converted by 1986, according to the HUD study. About 6% of the rental units in the Chicago, Denver and Washington, D.C., areas have been converted, but in some localities the proportion runs as high as 30%.

TEN THINGS YOU SHOULD DO

Statistics cannot ease the anguish of a contented renter who receives a buy-or-move ultimatum. If one turns up in your mailbox, here are some strategies to consider.

Unite. A strong tenant organization may be able to negotiate far better terms than those offered—or even block the conversion. Maybe a tenant takeover and conversion would be possible. See the box on the next page for an example of how this works. Consider hiring a conversion lawyer. Though you are free to bargain on your own, individuals lack the clout of an organization.

Ascertain your rights. About half the states, the District of Columbia and a number of communities regulate conversions. Most jurisdictions that regulate conversions require that tenants be given time to decide what to do (120 days is fairly common, though viewed by many as inadequate) and be permitted to buy their units before they can be publicly offered. Most local ordinances also mandate such things as building inspections, engineering reports or disclosure statements. Some localities require warranties on major structural features, financial assistance for displaced residents, lifetime lease extensions for the elderly, retention of some units for continued rental, and the approval of a stated number of tenants before a conversion can take place.

Your state attorney general's office, a consumer protection or housing agency, or a real estate board should know where you can get copies of any laws in your area.

Canvass your options. What other housing is available? If you can't find a suitable rental, you may find a better purchase deal somewhere else. How do prices compare?

Ponder common ownership. In a condo or co-op you and your neighbors would run things. An elected board would set fees, adopt budgets, negotiate maintenance contracts, pay bills and enforce house rules. Board approval is often needed to sell, rent or remodel. Would this appeal to you?

Brace for a sales pitch. It could include enticing brochures, cocktail parties, assurances of rock-bottom prices, exciting talk about property appreciation and tax savings, discounts for buying early, and claims that units are selling fast and 15 people are lined up to buy yours. Listen and learn. Attend all gatherings but take nothing for granted. Sellers often exaggerate values, tax advantages, investment potential and sales volume.

Analyze the offer. You'll receive details on the conversion, a plan of ownership and a purchase contract. You may also get an audited schedule of operating costs, an engineer's report on the building's condition and an appraisal report. All of these documents are essential to reveal just what you're getting into. Study the documents by yourself—and then get a professional opinion.

Get expert advice. A savvy lawyer is a must. So are a competent appraisal and an evaluation of the building by a reputable, independent engineer. "That's crucial," says Errol Brett, a New York City lawyer who has represented about 50 tenant groups. "Nobody should buy property without checking it out," not only may serious defects exist, but also the structure may have to be brought in compliance with fire, electrical and other building codes. Many communities require such compliance when conversions take place. People are often shocked at the costs, which can run to hundreds of thousands of dollars, says Jerrily Kress, a consulting engineer in Washington, D.C.

A few developers have resisted demands for inspections and audits. That could be grounds for a suit, and you probably shouldn't buy under such circumstances.

Assess the investment potential. "The first thing we look at is the supply of condominiums and the prices being asked in the community for all types of housing," says Craig Distelhorst, a vice-president of the Mortgage Guaranty Insurance Corp. (MGIC), a provider of mortgage insurance. "Condominium prices must be in line with . . . other forms of housing if they are to compete effectively." The quality of the neighborhood as well as the building is all-important. Also consider the proximity to jobs, hospitals, schools, recreation centers, cultural facilities and public transportation. Crank in what you know about local population trends and housing demand.

Bide your time. The longer you wait to commit yourself, the more you may know. Are your neighbors buying? If sales are slow, the owner could drop prices, improve the terms or abandon the conversion. If sales are brisk, the owner may offer incentives for tenants to leave before leases or waiting periods expire. When a fashionable but aging building in Baltimore was converted recently, most of the tenants moved out. Prices were then slashed by 25%. At the Promenade, tenants used their waiting time to organize and present a number of demands to the owners. If the developer will agree, stipulate in the contract that if prices are later reduced, your price will be similarly adjusted.

It's not uncommon for investors to buy units in developments where prices are reasonable and prospects for appreciation are good. This too is something to watch. Large numbers of rental units can have a "negative impact on the economic viability and success" of a project, says a house subcommittee. Not only are speculators more likely to default on loans, but such absentee owners also cannot give the place the day-to-day attention that residents would. On the other hand, you might be able to keep renting your unit if a speculator buys it.

Obey all rules. When units are selling fast, developers prefer to have tenants move before deadlines. Some attempt eviction—especially of activists—for the slightest rules infractions. So be careful.

A FEW MORE THINGS TO KNOW

More and more building owners now provide buyers with a reserve fund for emergency outlays and some future maintenance. Get one if you can. "No one should buy without finding out whether provisions have been made for this," says James Dowden, executive vice-president of the Community Associations Institute, an alliance of residents' organizations.

Residents' organizations often have a rough time, at least initially, in taking over and managing a development. The CAI, through over 30 chapters, gives training programs for association officers. For information, write to the Community Association Institute, Dept. CT, 3000 S. Eads St., Arlington, Va. 22202. The CAI also offers two publications, The Homebuyer & the Community Association (70 cents) and The Homeowner & the Community Association (85 cents).

Be particularly wary if the seller tries to retain ownership of any of the common facilities, such as a clubhouse, pool, golf course or commercial space, to be leased to the unit owners. "If they are leased . . . instead of owned, they may not be completed or maintained to the satisfaction of the condo unit owners," warns the MGIC. "The situation can drastically alter the market value of a condominium unit." Also, watch out for long-term management contracts with the converter.

Finally, if the seller promises to improve or renovate the property, get a statement in writing of exactly what will be done, when and at what cost. The HUD study found that in most conversions, the proferred alterations were mostly cosmetic.

For a booklet published by the Cooperative Extension Services of the Northeast States that discusses and compares condominiums and cooperatives, send $1.25 for Booklet NE200 to Distribution Center—CT, Seven Research Park, Cornell University, Ithaca, N.Y. 14850.

TENANTS BUY IT AND SAVE

Residents of the Monroe House apartments in Washington, D.C., made the best of things when they learned that conversion was imminent. They bought the place and converted it themselves.

Result: a 20% average savings in costs of their units plus thousands of dollars in profits from sales of vacated units to the public.

"At least 90% of us couldn't have afforded to stay here if anybody else had taken over," says Sarah Maddox, head of the tenants' organization.

The District of Columbia requires that tenants of buildings slated for conversion be allowed to buy the property if they present an acceptable offer. Monroe House's owners wanted $4,400,000. After three negotiating sessions they accepted $3,950,000.

Tenants purchased 63 of the building's 112 units for prices that translated to $85 a square foot. Outsiders bought 35 units for $105 a square foot—and that was below market value. What's more, each tenant-purchaser will share the proceeds from those sales—up to $8,000 each, according to one estimate.

In the beginning nobody in the group had any real estate experience to speak of. Nevertheless, they chipped in $220,000 for a deposit, hired advisers, raised financing on favorable terms, obtained engineering and auditors' reports and arranged for about $800,000 in renovations. These included a new roof, new heating system and double-insulated windows.

"It's been a lot of fun," relates Maddox, but there was some difficulty. At least two lawyers demanded a share of the proceeds for representing the group. Some lenders and brokers quoted exorbitant rates. "It seemed for a while that everybody was trying to rip us off," Maddox says. Ultimately, however, the group assembled a "terrific" conversion team that included a broker, lawyer, accountant, architect and engineering firm. "Without them we would have been dead."

Multiple purchases were vetoed by the group to preserve the development's residential character, but some people tried it anyway, using fictitious names. Units of elderly and handicapped tenants were sold at insiders' prices to investors who agreed to let them continue renting for life, with no increases.

The tenants of Monroe House followed an unusual course in acting as their own developer. Tenant groups doing their own conversion usually contract with an outside developer who handles all of the rehabilitation and other work of the conversion; tenants then pay below-market prices for their units. Maddox's advice to other tenant groups: Do not attempt a conversion like theirs unless the leaders can devote a lot of time to it. Find out exactly what state and local laws require. Be very selective in hiring professional help (her group interviewed 16 brokers and five law firms). Get the vital facts and figures—including engineering and appraisal reports—before starting to negotiate. Be sure to get a thorough title search.

Incidentally, a building owner may welcome a tenant purchase. It can mean quicker action, fewer snags and no selling commissions.●

THE BENEFITS OF REGULATION

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. EDGAR. Mr. Speaker, I am concerned that the current preoccupation of the administration with cost benefits has made all regulations the scapegoat for low productivity, high cost overruns, and a lack of investment by businessmen. The least-cost approach coupled with the requirement that a new regulation be issued only if benefits to society are reasonably related to its costs ignore the very real advantages and improvement in the quality of life which millions of Americans enjoy thanks to many regulations. Perhaps we need to be reminded that regulations often were issued because a vacuum existed and necessary initiatives were not taken by the responsible parties. In this light, I wish to commend to my distinguished colleagues' attention Richard Cohen's recent column in the Washington Post entitled "Most Regulations Have a Worthwhile Purpose."

The article follows:

MOST REGULATIONS HAVE A WORTHWHILE PURPOSE

For a time, I went to college in the building that once housed the Triangle Shirtwaist factory. It was there, in 1911, that 145 garment workers, most of them women, died in a horrible fire that shocked a nation into thinking seriously about fire code regulations. All that remains now is a commemorative plaque on the base of the building and the regulations themselves. What has been forgotten, I'm afraid, is the tragedy that inspired them. As a nation, we have a short memory.

At the moment, for instance, politicians are extolling deregulation as if there were never any reason for regulation in the first place. Suddenly, it is as if the past never happened, as if nothing was ever learned, as if we have forgotten that regulation is often good and deregulation is sometimes just another word for irresponsibility.

People talk now only about the costs of regulation. It costs this and it costs that, and you have to have lawyers in Washington and that, of course, costs some more. You have to fill out forms and then do things the right way and answer to some jerk in Washington who knows from nothing about your business and never—and this is the operative cliche, so pay attention—had to meet a payroll.

Well, by George and by God, there is something to this. I, for one, can cite you horror story after horror story about what the pointy heads of Washington have done. They have ruined some businesses, and taken the profit out of others and their insistent paper work sure has spoiled the nights of more than one business person. Anyone who has read how Grumman tried to build a bus to meet all the federal regs would understand what I mean. It's a regulatory jungle out there.

But then people still do die in coal mines and people still die of black lung and even more would be dying if the government had

not forced the coal mine operators to do something about the problem. People are acting now as if the coal mine operators of the country had cleaned up their industry on their own initiative and then the government came in to muck things up. That's not the way it happened.

It did not happen that way in most industries. It was not the government that built the Corvair or, for that matter, the Edsel. It was not the government that marketed thalidomide or cars that disintegrated from little more than a dirty look. The government does not make cigarettes and tell kids how terrific they are and the government did not put poison in the ground all over the country. No cow was ever poisoned by a regulation.

Where are these awful government regs when chemical workers get contaminated? Where are these hated regulations when atomic energy workers get cooked and when they have to turn, as they did at Kerr-McGee in Oklahoma, to a medical officer who had studied something like animal husbandry? Show me the corporation that ever got radiation poisoning. Show me a board of directors who got black lung, who got Kepone poisoning or went into a coal mine where the cold is raw and you have to work hunched over in water. Show me.

How is it that we think the problems are solved when you still can't swim in the Potomac River and the marvelous Chesapeake Bay is dying and all over Long Island you can't drink the well water? Acid rain falls on the forests and fish die in the ponds and in the summer the air of Washington, D.C., keeps the elderly indoors, breathing through air conditioners they can ill afford to keep running. Deregulation will, I know, solve all this.

No one seems to remember these things anymore. Regulations that were designed to save lives, protect consumers and preserve the environment are now seen as examples of government excess. Well, times change and with it so do remedies. There is nothing wrong with rectifying mistakes, with redressing grievances, with what Vice President Bush calls "seeking a balance" and with trying new solutions.

But there is something wrong in forgetting the reason for the regulations, in pretending that the regulations were imposed by a malevolent government intent on doing nothing more than making things harder for American business. And there is also something wrong in pretending that the problems have been solved and that the last thing in the world American industry would do is endanger a worker or rip off a consumer or spoil the environment. They are the same guys they used to be.

Or have we forgotten?●

CHICORY ROOT IMPORT DUTY SUSPENSION

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mrs. BOGGS. Mr. Speaker, today I am introducing a bill to temporarily suspend to import duty on processed chicory roots for a period of 3 years. Currently this duty is 1½ cents per pound.

Chicory root, once it is ground and roasted, is used as an additive to coffee in many parts of the world and is particularly popular in Louisiana. It gives our coffee its distinctive and pleasant flavor. In addition to improving the taste of coffee, chicory is a very economical coffee extender.

At one point in our history chicory was produced in several areas of the country, in Michigan in particular. This tariff dates from that time. In checking with the Department of Agriculture I understand that chicory is no longer produced commercially in the United States.

Since there is no longer any domestic chicory production and since there appears to be no firm currently processing raw chicory root, it appears logical to conclude that the imposition of a tariff, however small, serves no purpose to protect U.S. agriculture or industry. Likewise the revenue involved is hardly worth the amount of time and trouble involved in processing and collecting the amount of customs duties which presently are imposed on imported chicory.

This legislation would temporarily suspend the duty and would give the Congress time to evaluate the need for a permanent suspension.

The bill follows:

A bill to suspend for 3 years the duty on ground or otherwise prepared chicory roots

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting in numerical order the following new item:

"930.64	Chicory roots, ground or otherwise prepared (provided for in item 160.35, part 11A, schedule 1).	Free	No change	On or before the 3-year period beginning on the date of the enactment of this item."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. GUNDERSON. Mr. Speaker, inflation hits all Americans very hard, but our older citizens living on fixed incomes are hit hardest. Their problems of coping with the escalating cost of living are compounded by the serious economic situation in the country today.

While the President has proposed a bold plan for redirecting economic policy to curb inflation, increase employment, and encourage economic growth, many older people continue to feel the effects of a limited income.

A vast number of older Americans are overpaying their income taxes, based on reports from the Select Committee on Aging, because they do not take advantage of tax reduction provisions contained in the law.

To help our older citizens avail themselves of these provisions, I am submitting a revised checklist of tax return information for use in taxable year 1980.

Prepared by the select committee, the checklist should be helpful to our senior citizens and their families as they try to live with the economic stress we are all experiencing today.

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Tax Return Information for Use in Taxable Year 1980)

A. FILING REQUIREMENTS

Single Individuals

Single individuals under the age of 65 must file a return if they had gross income of $3,300 or more for the year. Those over age 65 must file if they had gross income of $4,300 or more.

Married Individuals

Married individuals under the age of 65 must file a return if the couple's combined gross income was $5,400 or more. If only one spouse is age 65 or older, the filing level is $6,400. If both spouses are age 65 or older, the filing level is $7,400.

An individual who is married and whose spouse files a separate return must file a return if gross income was $1,000 or more.

Qualifying Widow or Widower

Qualifying widows or widowers must file a return if they had gross income of $4,400 or more during the year. For qualifying widows or widowers who are 65 or older, the filing level is $5,400.

Self-Employed Persons

Self-employed individuals must file a return if they had net earnings from self-employment of $400 or more.

B. PERSONAL EXEMPTIONS

Each taxpayer is entitled to a $1,000 personal exemption. Married taxpayers generally are entitled to an additional $1,000 exemption for their spouses. Furthermore, additional exemptions are provided for age (65 or older) and blindness. Finally, individuals may take an exemption for each person who qualifies as a dependent.

C. ZERO BRACKET AMOUNT

The zero bracket amount (formerly, the standard deduction) is the portion of an individual's income which is not subject to tax. The zero bracket amount is (1) $3,400 for married individuals filing jointly, or qualifying widows or widowers, (2) $2,300 for single individuals, or heads of households, and (3) $1,700 for married individuals filing separately.

D. EXCLUSIONS

Capital Gains

In general, 60 percent of net long-term capital gain is excluded from gross income.

Sale of Personal Residence

Individuals who are age 55 or older may elect to exclude, on a one-time basis, up to $100,000 of the gain from the sale of a personal residence. For the exclusion to apply, the taxpayer must have owned and occupied the residence for 3 of the 5 years ending on the date of sale.

Dividends and Interest

In general, individuals may exclude up to $100 ($200 on a joint return if each spouse has at least $100 of dividends) of dividends received during the year.

For 1981 and 1982 tax years (to be reflected on 1981 and 1982 tax returns), $200 ($400 in the case of joint returns) of interest and dividends may be excluded from gross income.

Disability Income Exclusion

Certain individuals may exclude up to $5,200 per year of disability income. In general, to qualify for this exclusion, an individual must be under age 65, must have retired on disability, and must have retired because of permanent and total disability.

E. ITEMIZED DEDUCTIONS [1]

Medical and Dental Expenses

The portion of medical expenses that exceeds 3 percent of a taxpayer's adjusted gross income may be deducted. (However, medicine and drug expenses are taken into account only to the extent that they exceed 1 percent of adjusted gross income.)

One-half of the amount spent for medical insurance (up to $150) may be deducted without regard to the 3-percent floor. The remainder is lumped with other medical expenses and is subject to the 3-percent floor.

Taxes

In general, State, local or foreign income tax, real property tax, personal property tax, and general sales taxes are deductible.

Interest

Interest payments are deductible by individuals who are legally liable to make them. Items commonly deducted as interest include: Mortgage interest, "points" paid by a borrower, mortgage prepayment penalties, separately stated finance charges, bank credit card plan interest, interest on personal loans, and interest on business loans.

Contributions

Contributions of cash or property to qualified organizations may be deducted. In general, the deduction may not exceed 50 percent of an individual's adjusted gross income.

Casualty and Theft Losses

Personal casualty and theft losses are deductible to the extent that they exceed $100 per occurrence and are not reimbursed through insurance or otherwise.

Miscellaneous Deductions

In addition to medical and dental expenses, taxes, interest, charitable contributions, and casualty and theft losses, a number of other, miscellaneous expenses may be claimed as itemized deductions. Some of the more common expenses in this category include: dues paid to professional societies, employment-seeking expenses, employment-related education, subscriptions to professional journals, union dues, investment counsel fees, safe deposit box rental, and tax counsel and assistance.

[1] For further details see itemized deductions.

F. TAX CREDITS

Credit for the elderly

Individuals who are age 65 or older, or who are under age 65 and receive a taxable pension or annuity from a public retirement system, may be entitled to claim the credit for the elderly. The maximum amount of the credit is 15 percent of one of the following amounts: (1) $2,500 for a single person, head of household, or qualifying widow or widower; (2) $2,500 for a married individual filing a joint return, if only one spouse is 65 or older; (3) $3,750 for a married individual filing a joint return, if both spouses are 65 or older; or (4) $1,875 for a married individual filing a separate return, if the individual and his or her spouse were not members of the same household during the year.

Child and Disabled Dependent Care Credit

Taxpayers may be entitled to a credit equal to 20 percent of the amount paid for the care of a dependent under the age of 15, a disabled dependent, or a disabled spouse, if the payment is made to enable the taxpayer to work or look for work. For a taxpayer with one qualifying dependent, the maximum credit is $400. If there are two or more qualifying dependents, the maximum credit is $800.

Earned Income Credit

Taxpayers with dependent children generally are entitled to a refundable credit equal to 10 percent of the first $5,000 of earnings (for a maximum credit of $500). The credit phases out a rate of 12.5 percent as income rises from $6,000 to $10,000 (that is, a reduction of 12½ cents for each additional dollar of income).

Residential Energy Credit

Taxpayers are entitled to a credit equal to 15 percent of the first $2,000 spent on qualifying energy-saving items. Qualifying energy-saving items include: insulation, storm or thermal windows or doors, caulking or weather stripping, clock thermostats, furnace replacement burners, and meters that display the cost of energy use.

In addition, taxpayers may receive an additional energy credit for amounts spent on solar, wind-powered, or geothermal equipment for their homes. This credit is for 40 percent of the first $10,000 of those costs.

Credit for Political Contributions

Taxpayers may take credits for up to one-half of political contributions made during the year. The maximum credit is $50 on a single return and $100 on a joint return.

G. PRESIDENTAL ELECTION CAMPAIGN FUND CHECKOFF

Additionally, an individual taxpayer may voluntarily earmark $1 of taxes ($2 on joint returns) each year for the Presidential Election Campaign Fund. (This does not result in any increase or decrease of the tax liability.)

ITEMIZED DEDUCTIONS

A. CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and Dental Expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance Premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and Medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other Medical Expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services for medical care, including nurse's board paid by you.
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Television set if individual has a hearing impairment and the set is specially equipped with a visual display of the audio

portion of television programs. Similarly the cost of an adaptor for a conventional television that performs the same function is now considered a medical deductive by the IRS.

Transportation expenses for medical purposes (9¢ per mile, plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., social security, veterans' pensions or compensation payments, railroad retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or Theft Losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for chamber of commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Transportation expenses for business purpose (20 cents per mile for the first 15,000 miles, and 11 cents per mile in excess of 15,000 miles, plus parking and tolls or actual fares for taxi, buses, et cetera.)

B. OTHER TAX RETURN INFORMATION ITEMS

Tax Tables

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

Multiple Support Agreements

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support; (2) gross income; (3) member of household or relationship; (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of the sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.●

PRESERVING THE ACEQUIAS OF NORTHERN NEW MEXICO

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. LUJAN. Mr. Speaker, today I am introducing legislation to assist in the preservation of the acequias of northern New Mexico.

Some of these acequias are over 200 years old and have been in almost continuous use as irrigation canals since their origin. The fact that they are still in use is a testament to the quality of work that went into their building, and which provides for us today a good foundation for the repair work that is needed.

Unfortunately, over the years, the need for repair has increased while the actual rehabilitation has decreased. We are now faced with a situation where the estimated price of improving these systems is $40 million, and my bill calls for this. If passed, it will not only preserve these historically important structures, but will also assist the many small farmers in New Mexico whose livelihood depends on their use.

A similar bill has already been introduced in the Senate and I hope that together Senator DOMENICI and I will be able to see this through to enactment in this Congress.

Thank you.●

IN HONOR OF DOROTHY AND FORTNEY STARK'S 50TH WEDDING ANNIVERSARY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. STARK. Mr. Speaker, my parents, Dorothy and Fortney Stark, are celebrating their 50th wedding anniversary February 26, and I pay tribute to them for the gallantry, humor, and good sense they have brought to their lives and to their marriage.

My brother Tom joins me in thanking them for the steadfast and unfailing support they have given to us all our lives. We are proud of them and we hope we can make them proud of us.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, February 26, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 27

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for sea-based deterrent programs of the Department of Defense.
224 Russell Building

9:00 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations.
To continue hearings on alleged corruption in the International Longshoremen's Association's influence and control over the waterfront industry along the east and gulf coasts.
3302 Dirksen Building

9:30 a.m.
Armed Services
Tactical Warfare Subcommittee
To hold closed hearings on proposed authorizations for fiscal year 1982 for missions and requirements of the U.S. Navy, Department of Defense.
212 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 270, to provide for the deregulation of the radio broadcasting industry.
235 Russell Building

Environment and Public Works
To continue hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Public Buildings Service.
4200 Dirksen Building

Foreign Relations
International Economic Policy Subcommittee
To resume hearings to examine current U.S. interests in developing countries and alternative strategies to advance U.S. interests.
4221 Dirksen Building

10:30 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Human Development Services, and for certain departmental management programs and the Office for Civil Rights of the Department of Education.
1114 Dirksen Building

MARCH 2

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Select on Intelligence
To hold closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Commerce, Science, and Transportation
*Science, Technology, and Space Subcommittee
To hold hearings to assess the Nation's critical shortages of strategic materials and minerals and evaluate the impact of the National Materials and Minerals Policy, Research and Development Act.
235 Russell Building

Environment and Public Works
To hold joint hearings with the Subcommittee on Health and the Environment of the House Committee on Interstate and Foreign Commerce on the recent report of the National Commission on Air Quality.
318 Russell Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for elementary and secondary educational programs of the Department of Education.
1114 Dirksen Building

Environment and Public Works
To resume hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the U.S. Army Corps of Engineers, Water Resources Council, and the Office of Water Research and Technology.
4200 Dirksen Building

MARCH 3

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture
322 Russell Building

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the American Battle Monuments Commission, Army Cemeterial Expenses, the Office of Consumer Affairs, and the Consumer Information Center.
1224 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Fish and Wildlife Service, Department of the Interior.
1318 Dirksen Building

9:30 a.m.
Environment and Public Works
To hold oversight hearings on the implementation of the steel tripartite agreement.
4200 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for impact aid programs, and emergency school aid programs of the Department of Education.
1114 Dirksen Building

11:50 a.m.
*Veterans' Affairs
To hold hearings to receive the Veterans of Foreign Wars legislative recommendations for fiscal year 1982.
318 Russell Building

2:00 p.m.
*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for library and learning resource programs and vocational and adult education programs of the Department of Education.
1114 Dirksen Building

*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General of the Department of Transportation; and the Civil Aeronautics Board.
S-126, Capitol

MARCH 4

8:30 a.m.
*Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings to review Governmentwide debarment and suspension practices.
3302 Dirksen Building

9:00 a.m.
*Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Water Research and Technology, Department of the Interior, the Holocaust Memorial Commission, and the Advisory Council on Historic Preservation.
1318 Dirksen Building

Select on Intelligence
Closed business meeting.
S-126, Capitol

9:30 a.m.
Labor and Human Resources
To hold hearings on S. 234, to encourage the establishment of home health programs and to provide expanded coverage of home health services under the medicare and medicaid programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for educational, rehabilitation, and research programs for the handicapped of the Department of Education.
1114 Dirksen Building

Banking, Housing and Urban Affairs
To resume hearings on the conduct of monetary policy.
5302 Dirksen Building

Environment and Public Works
To resume hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Environmental Protection Agency.
4200 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain energy research and environmental programs of the Department of Energy.
S-128, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain student financial assistance programs of the Department of Education.
1114 Dirksen Building

Environment and Public Works
To continue hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the U.S. Fish and Wildlife Service.
4200 Dirksen Building

MARCH 5

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Governmental Affairs
Oversight of Government Management Subcommittee
To continue hearings to review Governmentwide debarment and suspension practices.
3302 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain school improvement programs, special institutions, and Howard University of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Coast Guard, Department of Transportation.
1224 Dirksen Building

Environment and Public Works
To continue hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Economic Development Administration, Appalachian Regional Commission (title V), and the Federal Emergency Management Agency.
4200 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Education, fund for the improvement of postsecondary education, educational statistics, educational research and training activities overseas on the Department of Education.
1114 Dirksen Building

MARCH 6

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Labor and Human Resources
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the

Committee on the Budget by March 15.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
To hold hearings on S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

Rules and Administration
To hold hearings on the proposed extension of the West Front of the Capitol Building, the status and progress of construction of the Hart Senate Office Building, modifications to the Russell and Dirksen Senate Office buildings, and to review the U.S. Capitol Master Plan.
301 Russell Building

MARCH 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Finance
International Trade Subcommittee
To resume hearings on the aspects of problems facing the domestic automobile industry.
2221 Dirksen Building

10:00 a.m.
Environment and Public Works
To resume hearings on S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 10

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Building Science, Federal Home Loan Bank Board, National Credit Union Administration, and the Office of Revenue Sharing (NYC).
1224 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Indian health service programs, and the Bureau of Land Management, Department of the Interior.
1318 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 398, permitting certain employees to work four 10-hour days.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration.
1114 Dirksen Building

*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Interstate Commerce Commission, Washington Metropolitan Area Transit Authority (Metro), and the Architectural and Transportation Barriers Compliance Board.
S-126, Capitol

Environment and Public Works
Business meeting, to consider those matters and programs which fall within the Committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Select on Intelligence
To continue closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on miscellaneous proposals to balance the budget.
2228 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Railroad Retirement Board, domestic operations programs of ACTION, and the Soldiers' and Airmen's Home.
1114 Dirksen Building

Environment and Public Works
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budget recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, the National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

MARCH 12

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Judiciary
To hold oversight hearings to review the administration's budget recommendations to the Federal Trade Commission, relative to the Commission's retention of antitrust authority.
2228 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 351, to transfer certain surface mining operations

from the Mine Safety and Health Administration to the Occupational Safety and Health Administration, and other pertinent proposals.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration, Department of Transportation.
1318 Dirksen Building

Environment and Public Works
To mark up S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

MARCH 13

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
235 Russell Building

MARCH 16

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Veterans' Administration.
1224 Dirksen Building.

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings to review the proposed budget for fiscal year 1982 for the Department of Agriculture.
1233 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
1202 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration, Department of Transportation.
1318 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

9:00 a.m.
Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407 Capitol

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the office of Inspector General, Department of Agriculture, and the General Accounting Office.
1224 Dirksen Building

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Science and Education Administration, Office of the Secretary, Departmental Administration, Office of Governmental and Public Affairs, and the Office of the General Counsel, Department of Agriculture.
1224 Dirksen Building

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Highway Administration, Department of Transportation.
1318 Dirksen Building

Select on Intelligence
To continue closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building.

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics of the Department of Health and Human Services
4232 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 24

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Foreign Agricultural Service, Office of International Cooperation and Development, Federal Crop Insurance Corporation, Economics and Statistics Service, and the World Food and Agricultural Outlook and Situation Board.
1223 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail) of the U.S. Railway Association.
235 Russell Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
1224 Dirksen Building

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail) of the U.S. Railway Association.
5110 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 26

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of State; and to review certain foreign assistance programs.
S-126 Capitol

MARCH 27

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

MARCH 31

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Soil Conservation Service, Agricultural Stabilization and Conservation Service, and the Animal and Plant Health Inspection Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings to review family planning programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Aviation Administration, Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Management and Budget.
S-146 Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development; and to continue review of certain foreign assistance programs.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the White House Office, Office of Administration, official residence of the Vice President, executive residence, special assistance to the President, compensation of the President, and other unanticipated needs.
S-146 Capitol

APRIL 1

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 and for the Federal Emergency Management

Agency and the Selective Service System.
S-126 Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Farmers Home Administration, Rural Electrification Administration, and the Farm Credit Administration.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.
4332 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.
1224 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, international affairs programs, Bureau of the Mint, Bureau of Engraving and Printing, and Bureau of Government Financial Operations of the Department of the Treasury.
1224 Dirksen Building

APRIL 2

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior, and the Smithsonian Institution.
1114 Dirksen Building

9:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, and Veterans of World War I.
412 Russell Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation and related agencies.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service.
S-146 Capitol

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS.
412 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco and Firearms.
S-146 Capitol

APRIL 7

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Nutrition Service, and the Food Safety and Quality Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for the National Science Foundation.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Railway Association and Consolidated Rail Corporation (Conrail).
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126 Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court, and the Committee for Purchase from the Blind and Other Severely Handicapped.
1318 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, Department of Transportation, and to review budgetary recommendations.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126 Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability
1318 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity Futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural Cooperative Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 23

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126 Capitol

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international monetary programs of the Department of Treasury.
S-126 Capitol

APRIL 29

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126 Capitol

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126 Capitol

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain international aid programs.
S-126 Capitol

MAY 12

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Na-

tional Aeronautics and Space Administration.

1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Peace Corps.

S-126 Capitol

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of the Interior.

1223 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.

1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international programs.

S-126 Capitol

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

MAY 20

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.

1224 Dirksen Building

MAY 21

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.

1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

JUNE 2

9:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.

1224 Dirksen Building

CANCELLATIONS

FEBRUARY 27

10:00 a.m.
Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for fiscal year 1981.

6202 Dirksen Building

MARCH 3

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.

235 Russell Building

MARCH 4

10:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Fire Administration of the Federal Emergency Management Agency.

235 Russell Building

HOUSE OF REPRESENTATIVES—*Thursday, February 26, 1981*

The House met at 11 a.m.

Rev. Lawrence A. Glassco, D.D., pastor, Heritage Presbyterian Church, Alexandria, Va., offered the following prayer:

Eternal God our heavenly Father, we are gathered here today from places all across our great land to seek Your divine guidance. We stand on the shoulders of giants who have been here before us, and we are mindful also of those who will follow us in this place dependent on the decisions made here today. We pray, O Lord, for peace and justice in our world—for open minds, clear vision, and enlightened understanding of the issues of our time. And we pray that those who make decisions which affect the lives of others might be guided not by selfish motives, but by compassionate concern for the welfare of all Thy people. We ask it in Thy name and for Thy sake. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the following resolution:

S. Res. 76

Resolved, That Senate Resolution 36, Ninety-seventh Congress (a resolution providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee on the Library), agreed to February 3, 1981, is amended on the first page (1) by inserting on line 5, immediately after "Virginia," the following: "Mr. Hatfield of Oregon,", (2) by striking out "and" on line 5, and (3) by inserting immediately after "Nevada" on line 6 the following: ", and Mr. Ford of Kentucky".

Sec. 2. The amendments made by the first section of this resolution shall take effect on the date this resolution is agreed to.

THE REVEREND LAWRENCE A. GLASSCO

(Mr. MARTIN of North Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTIN of North Carolina. Mr. Speaker, we are delighted today to welcome as our guest minister the Reverend Lawrence A. Glassco. He serves the people of this area as pastor of the Heritage United Presbyterian Church, in Fairfax County, Va., just north of Mount Vernon.

This church and this preacher have been a blessing to many families, who, like ours, have been members of or associated with the congregation.

Larry Glassco and his family came to Heritage in 1975 from Niles, Ohio, after serving pastorates in Ohio. He is a graduate of the Union Theological Seminary in New York, where he also attained the masters degree in Christian education. He also attended the McCormick Theological Seminary in Chicago, and graduated from the University of Wisconsin.

We are pleased to have him with us today.

THE REVEREND LAWRENCE A. GLASSCO

(Mr. BEARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEARD. Mr. Speaker, I also would like to welcome our minister, Lawrence Glassco. I would also like to welcome his wife, Marjorie, who is with us this morning, along with Reverend Glassco's older son, Rick, and his wife Sarah.

It is a great honor to have my minister and his family join us today in the House of Representatives. Reverend Glassco has provided to my colleague from North Carolina (Mr. MARTIN) and myself, spiritual guidance through his church at the Heritage United Presbyterian Church.

He has also on numerous occasions transferred that spiritual guidance into navigation guidance on occasional sailing outings that we have been fortunate enough to take together, so it is with great honor that I welcome the Reverend Glassco and his family to the House of Representatives.

UNITED STATES MAKING TRAGIC ERROR IN EL SALVADOR

(Mr. STUDDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STUDDS. Mr. Speaker, U.S. military support for the Duarte regime in El Salvador is a tragic mistake, directly contrary to our own ideals and national interests, and chilling in its parallels to the early days of U.S. involvement in Vietnam.

Our current policy is based on several assumptions about the situation in El Salvador which are grievously in error. It is a policy which puts at grave risk future U.S. interests in Central America, while it may endanger, in the long run, unity and civil peace in our own country as well.

Accusations approaching hysteria have been made in recent days about Nicaraguan, Cuban, and Russian involvement in supplying weapons to the Salvadoran left. The issue of outside intervention in El Salvador is important, and well worth examining. But other questions also need to be discussed thoroughly and dispassionately before a balanced judgment about proper U.S. policy toward El Salvador can emerge.

We need now to ask the type of questions which we waited far too long to ask with respect to American involvement in Vietnam. We need, for example, to identify the true source of violence and terrorism in El Salvador; we need to know what kind of government it is to which the United States has committed its resources and prestige; we need to examine the history and the motives of those now in opposition to the Duarte government; and we need to think with enormous care about the nature and the long-range implications of the policies which we appear about to implement in El Salvador and other parts of Central America.

Yesterday, Mr. EDGAR, Ms. MIKULSKI, and I testified on this subject before the Subcommittee on Foreign Operations of the Committee on Appropriations. Because of the enormous importance of U.S. policy decisions being contemplated at this time, I shall place the full text of our testimony in the Extensions of Remarks in today's CONGRESSIONAL RECORD.

NO MORE VIETNAMS IN EL SALVADOR

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, President Reagan seems to be moving deliberately toward greater U.S. military involvement in El Salvador.

Our present military support of El Salvador is a mistake. It could quickly become a tragedy.

Thousands of Salvadorans have been killed in the last year in political warfare. Many of them have been killed

by the very military which we assist. Yet the administration talks of sending more military advisers to El Salvador.

The Reagan administration has a mandate to solve this country's economic problems. It does not have a mandate to commit this country's resources and Army to the defense of whatever government it chooses.

El Salvador is not the place for the United States to draw any lines. The American people want no more Vietnams.

A CALL TO WORK WITH PRIME MINISTER THATCHER FOR PEACE AND JUSTICE IN IRELAND

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, today marks the first full day of Prime Minister Margaret Thatcher's visit to the United States. This visit should focus our attention on the continuing tragedy in the north of Ireland.

Traditionally, the United States has maintained a moral commitment to the attainment of human rights. In conjunction with Prime Minister Thatcher's visit, we, as Members of Congress, should call upon Great Britain to set forth a new peace initiative for all of Ireland that will put an end to the gross violations of human rights occurring in the north of Ireland.

While Great Britain has been a longtime ally of the United States, the time has come for us to take a stand in the name of peace and justice. I believe that the solution to the problems in Ireland must come from the Irish people, and not from a nation which is occupying their homeland. The essential problem in Northern Ireland is whether England has the moral or legal right to govern any of the northern Irish counties.

The citizens of Northern Ireland, both Protestant and Catholic alike, have experienced years of violence and bloodshed. The past decades have been sadly marked by the loss of thousands of lives. Despite repeated promises by the British Government to bring about a peaceful solution to the conflict, there is no end in sight.

The time has come for the British occupation of Irish soil to end. The time has come for Ireland to be one, undivided. Therefore, I ask all my colleagues to pledge themselves toward the attainment of peace and justice in Ireland, and join me in asking Mrs. Thatcher to work toward that end.

CONGRESSMAN HALL INTRODUCES DOMESTIC CONTENT TAX CREDIT BILL FOR NEW VEHICLES

(Mr. HALL of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HALL of Ohio. Mr. Speaker, today I am introducing a bill to provide a refundable income tax credit for the purchase of new automobiles and light trucks based upon their domestic content. I am pleased that my colleague from Michigan, Representative WILLIAM BRODHEAD, is joining with me to cosponsor this legislation. He is the cochairman of the House Auto Task Force and one of the leading spokesmen in the House on issues relating to the auto industry.

SUMMARY OF DOMESTIC CONTENT TAX CREDIT BILL FOR NEW VEHICLES

The tax credit allowed by the bill initially would be calculated by taking 10 percent of the purchase price of the new car or truck, up to a limit of $1,000. This portion of the tax credit formula reflects the amounts suggested for such a credit by the National Automobile Dealers Association in December 1980.

This figure would then be multiplied by the percentage of domestic content of the vehicle. Thus, a new car with a purchase price of $9,000, with 70-percent domestic content, would be eligible for a $630 tax credit. A $7,500 car made entirely in the United States would receive a $750 tax credit. A $13,000 car with 100 percent domestic content would get a $1,000 credit—the maximum permitted.

Manufacturers presently must calculate domestic content under regulations issued by the Environmental Protection Agency (40 CFR 600.511-80) to implement the Energy Policy and Conservation Act of 1975. For purposes of determining corporate average fuel economy, a car is considered to be an import if it has less that 75-percent domestic (United States and Canadian) content.

My bill would use current law and regulations to determine domestic content. It would add the requirement that information about the domestic content of a new vehicle be brought to the attention of potential buyers by a certificate attached to the vehicle or some other simple method.

The refundable tax credit would go to individuals. It would be available upon the date of enactment of the bill and expire 2 years from the date of enactment, or September 30, 1983, whichever is later. Any new car or light truck purchased during this period would be eligible for the credit. Although the original use of the vehicle must commence with the taxpayer for it to be eligible, vehicles used as dealer demonstrators would also qualify.

These are the principal features of the bill.

AN INCENTIVE FOR CONSUMERS TO BUY AMERICAN

Tax credits which reward high domestic content would provide a much-needed incentive to U.S. consumers to purchase new American cars and light trucks. Such credits would help to offset the high interest rates and higher new car prices that are discouraging potential buyers. As a consumer opinion survey conducted by the U.S. Chamber of Commerce in December 1980 revealed, 57 percent of the families surveyed believe that now is a bad time to buy a new car.

Most new car buyers choose to take loans to pay for their cars over 2 to 4 years. A tax credit of up to $1,000 in the tax year in which the car is bought would help to offset the first-year cost of a new car and make it more attractive for a consumer to buy now, rather than postpone a purchase because of the initial costs involved. In particular, the Federal refundable tax credit would help to balance the State sales tax, local personal property tax, and high insurance premiums that usually fall during the first year of purchasing a new car or truck.

A tax credit based on domestic content also will help to make U.S. vehicles less costly to U.S. consumers. In this regard, it is important to note that, according to the Transportation Department's report, "The U.S. Automobile Industry, 1980," Japanese automakers currently enjoy a $1,000 to $1,500 comparative cost advantage over U.S. automakers. Domestic content tax credits of up to $1,000 per car would help to shave this significant competitive edge.

A BOOST FOR U.S. COMPONENT PARTS AND LABOR

Roughly one out of every six jobs in the United States is related to the auto industry. The auto industry utilizes 21 percent of the Nation's steel output, 60 percent of all synthetic rubber, 11 percent of the primary aluminum produced, 30 percent of the ferrous castings, 25 percent of glass, 20 percent of machine tools, and significant percentages of plastics and electronics produced domestically. In total, more than 4 million people directly owe their employment to the automobile, including approximately 800,000 in direct manufacturing—900,000 in past peak years—1.4 million in supplier industries, and 2.6 million in sales and servicing.

In the Dayton, Ohio, area, which I represent, there are 11 auto-related plants that employ 41,800 workers—about 52 percent of all manufacturing employment in the area. General Motors alone employs more than 20,000 workers in four divisions, and Chrysler's air-conditioner manufacturing in Dayton has employed up to 2,000. There are scores of tool and die shops and other component parts producers in the Dayton area which are heavily dependent upon the fate of automobile sales.

In July 1980, unemployment in the auto-related industry in the Dayton metropolitan area stood at 9.6 percent. This coincided with the national layoffs, both temporary and indefinite, of 313,500 for that same month. At the end of 1980, indefinite layoffs affected 190,000 workers, or 24 percent of the automotive work force.

It is clear that continued losses of markets to imports result in similar losses of auto-related industry jobs at home. As the Transportation Department's report, "The U.S. Automobile Industry, 1980" noted:

> It is estimated, for example, that for each 100,000 units of production lost to imports, approximately 8,500 workers in the primary manufacturing industry and another 13,000 to 16,000 workers in the supplier industries will lose their jobs. Additionally, pressure to develop lower cost sources for components has forced manufacturers to look to foreign countries and foreign workers to supply many of them. As component manufacturing moves overseas, domestic auto-related jobs are lost.

The bill I am introducing would help to provide both an immediate inducement for consumers to buy domestically produced cars and an inducement for auto manufacturers to use more domestically produced component parts. It would encourage both American and foreign car manufacturers to use more U.S.-made parts in their cars and trucks. Several of the major U.S. auto manufacturers are purchasing component parts made in countries like Japan, Mexico, and Brazil. At the same time, some foreign-based manufacturers are increasing their use of domestic components. Volkswagen, for example, increased its purchase of U.S. components from $208.9 million in 1979 to $404 million in 1980. Tax credits based on domestic content would help to discourage the former type of activity and encourage the latter. This is especially important in view of the pessimistic Transportation Department projections discussed in "The U.S. Automobile Industry, 1980":

> U.S. suppliers of engine, body and chassis components will be under intense competitive pressure from foreign suppliers. while the demand for some component suppliers' products will decline, sales of parts to the U.S. auto industry are projected to grow at approximately 3 percent annually during the 1980s. While a large percentage of future purchases will be from domestic suppliers, the U.S. automakers are expected to increase foreign parts sourcing from their current level of less than 5 percent to 10 percent by 1985 and to 15 percent by 1990. This trend will be partially offset over the same time period, as U.S. auto parts manufacturers are anticipating a 10 percent gain in exports of U.S.-produced parts to offshore automakers. On balance, however, the U.S.'s current negative trade balance in motor vehicle parts of $2.5 billion is likely to grow worse.

Now is the time for the Government to act to prevent this pattern from solidifying. Domestic content tax credits would offer an inducement for U.S. manufacturers to avoid foreign parts sourcing and an attraction for foreign manufacturers to use more U.S. parts and labor in their cars.

ASSISTING AUTO AND TRUCK DEALERS

The poor state of the economy, high interest rates, and foreign competition have combined to create a dramatic downturn in sales of U.S. cars and trucks. The 6.6 million U.S.-made cars sold in 1980 represented the lowest sales level since 1961. The downward trend is continuing into this year, with January 1981 domestic auto sales down 20.1 percent from the January 1980 level. This monthly figure was the lowest since 1975.

At the same time, sales of imports have been taking a greater percentage of the U.S. market. In 1980, imports accounted for about 27 percent of all cars sold in the United States.

In particular, Japanese imports have significantly increased their penetration of the U.S. market. As "The U.S. Automobile Industry, 1980" report notes:

> Japan's share of U.S. imports rose from 68 percent in 1977 to 80 percent early in 1980, and their share of the increasingly important small-car market went from 33 percent to 37 percent. The value of Japanese automotive exports to the U.S. in 1979 was $9.3 billion, compared to $0.2 billion in U.S. exports of motor vehicles and parts to Japan, leaving a Japanese trade surplus in this category of $9.1 billion.

Thus, the Japanese and other foreign competitors are capturing more and more of the dwindling U.S. auto market.

Increased operating costs and lower sales forced an estimated 1,600 dealerships to close in 1980, compared to an average of 167 closings per year the previous 3 years. Many of these were small businesses that were established pillars of their local communities.

I believe that domestic content tax credit legislation would help to stimulate auto and truck sales that will help to keep the 26,600 franchised dealers in the United States in business. We simply cannot afford to lose more of the 700,000 jobs they provide.

Under my bill, the tax credits would take effect upon the date of enactment. This would provide an incentive for consumers to consider acting upon their postponed wish to purchase a new car or truck.

The United States has the highest level of car ownership in the world. In 1977, about 87 percent of all U.S. households owned motor vehicles, and 54 percent owned two or more. This means that most new car sales in this country are to replace existing cars in possession or add extra cars for additional family use. Decisions to buy cars for these reasons are relatively easy to put off in the face of high prices, high interest rates, and a sagging economy. In the Third District of Ohio, which I represent, a total of only 33,000 new cars and trucks were registered in Montgomery County in 1980, compared to 41,600 in 1979. According to the Dayton Area Chamber of Commerce, higher prices and higher interest rates may prevent auto sales from reaching 1981 industry expectations.

Unfortunately, it is not likely that the economy will take an early dramatic upswing or that new car prices and interest rates will plummet. The current market is like a car with a dead battery: An outside boost is needed to get it to turn over. I believe that the early enactment of tax credits for new vehicle sales can provide that boost.

THE QUESTION OF COST

Any tax credit proposal involves an initial loss of revenues to the Treasury. A flat tax credit of $500 for new domestic cars and light trucks has been projected to cost about $3.3 billion for 1 year. A straight $1,000 tax credit for new domestic cars and light trucks would cost twice as much, or $6.6 billion for 1 year.

However, the $500 credit has been estimated to provide 194,000 additional jobs, with the $1,000 credit providing 388,000 extra jobs. The addition of these workers would result in increases in Federal income tax paid by the employees, increases in social security taxes paid, and increases in corporate income tax paid. Further, the States would realize increases in State income taxes paid and in State sales tax revenues.

At the same time, unemployment, welfare, and trade adjustment assistance payments would decrease, resulting in additional Treasury funds. My colleagues will recall that the supplemental funding in fiscal 1980 alone for trade adjustment assistance was $1.5 billion.

It is also important to keep in mind the impact on the economy of the losses suffered by the auto manufacturers in the United States. According to U.S. News & World Report, estimates are that 1980 losses ran at $700 million to $1 billion at General Motors, $1.7 billion at Chrysler, and $1.5 billion at Ford. American Motors reported a deficit of $156 million for the last fiscal year. The impact of such large losses on the entire auto-related industry and its communities across the Nation is staggering. Tax credits that could help to prevent such losses would be well worth the tax expenditures involved.

I should add that substantial fuel savings would result from the tax credit legislation. The average car being traded in gets about 14.5 miles

per gallon, compared to the new car average of 23 miles per gallon. A $500 tax credit for domestic cars and light trucks would promote the sales of enough new fuel-efficient vehicles to save about 309 million gallons of gasoline. A $1,000 credit for one year for such vehicles would save an estimated 618 million gallons.

CONCLUSION

It is evident that a healthy and productive auto-related industry is essential to the economic well-being of the entire Nation. Certainly, the dramatic drop in sales of new U.S.-built cars and light trucks has resulted in human and economic suffering across the country.

When a key economic sector like the auto-related industry suffers, a national, Federal response is called for. Already, the resources of the Federal Government have been tapped in reaction to the crisis through payments of unemployment, welfare, and trade adjustment benefits.

The Federal Government has become an integral part of the plan to assist one of the major automobile manufacturers, the Chrysler Corporation. Should overall sales of cars and light trucks continue to decrease, it is possible that the Federal Government might become similarly involved in efforts to save the other manufacturers in this country.

I hope that the Federal Government will not be forced to intervene to aid the domestic auto-related industry through mechanisms such as subsidies, loans, and loan guarantees. Instead, I would prefer to see the Government provide cost-effective tax incentives to encourage more sales. In the long run, I believe that the tax credit approach is preferable to the other forms of Federal involvement in the activities of the industry.

Through tax credits based on domestic content, individual consumers would be encouraged to buy cars and light trucks with the highest percentage of domestic content. This would promote increased sales which would benefit manufacturers, auto workers, the component parts industry and its workers, and dealerships throughout the country. In addition, both U.S. and foreign auto manufacturers would have an incentive to use more U.S. parts and labor in their cars and light trucks.

I urge my colleagues to support this bill, and I hope that they will join with me to request the House Ways and Means Committee to hold early hearings on it.

The text of the domestic content tax credit bill follows:

H.R. 2206

A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for the purchase of new highway vehicles

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, (a) subpart A of part IV of subchapter A of chapter I of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44E the following new section:

"SEC. 44F. PURCHASE OF NEW HIGHWAY VEHICLE.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount (for each qualified highway vehicle acquired by the taxpayer during the taxable year) equal to the vehicle's U.S. content percentage of the lesser of—

"(1) 10 percent of the cost of such vehicle, or

"(2) $1,000.

"(b) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED HIGHWAY VEHICLE.—

"(A) IN GENERAL.—The term 'qualified highway vehicle' means a highway vehicle—

"(i) which is purchased by the taxpayer after the date of the enactment of this section and before the later of (I) the date 2 years after such date of enactment, or (II) October 1, 1983, and

"(ii) the original use of which commences with the taxpayer.

"(B) USE AS DEMONSTRATOR BY DEALER NOT TREATED AS ORIGINAL USE.—For purposes of subparagraph (A)(ii), use as a demonstrator by the dealer of a highway vehicle shall not be treated as the original use of such vehicle.

"(2) HIGHWAY VEHICLE.—The term 'highway vehicle' means any vehicle propelled by fuel which is manufactured primarily for use on public streets, roads, and highways. Such term does not include any vehicle having a gross vehicle weight of 10,000 pounds or more (as determined under regulations prescribed by the Secretary).

"(3) PURCHASE.—The term 'purchase' has the meaning given such term by section 44(c)(3).

"(4) U.S. CONTENT PERCENTAGE.—The term 'U.S. content percentage' means, with respect to any vehicle, the percentage of the cost of such vehicle to the manufacturer which is attributable to value added in the United States or Canada.

"(c) SPECIAL RULES.—For purposes of this section—

"(1) JOINT ACQUISITION.—If any qualified highway vehicle is jointly acquired by 2 or more persons—

"(A) the aggregate amount allowable as a credit under subsection (a) to such persons with respect to such vehicle shall not exceed the amount determined under subsection (a)(2), and

"(B) the amount allowable as a credit for the taxable year shall be apportioned among such persons on the basis of their respective shares of the cost of such vehicle.

"(2) CERTIFICATION PROCEDURE.—The Secretary shall by regulations prescribe a procedure for notifying potential buyers that the vehicle is a qualified highway vehicle and for notifying potential buyers with respect to the vehicle's U.S. content percentage. Such notice may be by means of a certificate attached to a highway vehicle or otherwise.

"(d) SECTION NOT TO APPLY TO ESTATES AND TRUSTS AND NONRESIDENT ALIENS.—This section shall not apply to any estate or trust and shall not apply to any nonresident alien individual."

(b)(1) Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)" and inserting in lieu thereof "43 (relating to earned income credit), and 44F (relating to purchase of new highway vehicle)", and

(B) by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44F".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof ", 43, and 44F".

(3) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44F".

(c) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Purchase of new highway vehicle."

(d) The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

CONGRESSMAN WALGREN INTRODUCES BILL TO PRESERVE JOBS IN THE STEEL INDUSTRY

(Mr. WALGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALGREN. Mr. Speaker, I am today introducing a bill that will help preserve jobs in the Pennsylvania steel industry and help the steel industry remain productive while meeting Federal environmental standards. This bill reflects the finely tuned agreement of the Steel Tripartite Advisory Committee, an unprecedented agreement initiated by the Carter administration between steel management and steel labor.

The bill essentially allows for the stretchout of deadlines that the steel industry must meet to comply with environmental standards, while allowing the industry to invest immediate funds in productive capacity.

My bill adds two strengthening provisions that I feel are important. The first is that it would require the steel industry to allocate money saved by the extension of deadlines to the local area from which the savings are made, thus insuring that jobs are not moved from one part of the country to the other.

The second is that it would allow the States and local governments affected and the recognized bargaining agents of the employees involved to enforce the consent decrees envisioned under the bill.

I have included the requirement that industries seeking an extension invest funds saved by the stretchout in the local community in which the company is located to encourage modernization of capacity, thus preserving and creating jobs where steelworkers now live and work. It will encourage industries not to run plants into the ground and move steel production to faraway places across the country. This situation is much like that of maintaining an automobile. It is far wiser to provide ongoing, preventive maintenance to one's car, to keep it running reliably, to be able to depend on it, than to let it become totally dysfunctional. I believe that we must encourage the steel industry to continually maintain upkeep on its plants, so that Pennsylvanians and other workers in steel communities will have the security of knowing their jobs will stay in their hometowns.

Additionally, encouraging modernization of existing plants, where they are now located, will give workers the added security that their company's investments will preserve their jobs—not move their jobs to another part of the country.

Finally, an added advantage of this provision—reinvesting in the community in which the money was generated—is the ripple effect. Encouraging the maintenance and modernization of existing plants will create other jobs in the community. With population shifts out of the Northeast and businesses increasingly locating in the Sun Belt, we must do all we can to preserve jobs for Pennsylvanians.

Western Pennsylvania has lost 15,000 jobs in the last year. I do not want that trend to continue. I hope my bill will help stop that trend.

OPPORTUNITY FOR LOCAL CITIZENS

The terms of this legislation would also provide opportunities for the citizens of Allegheny County to express their views on the desirability or effects of a requested extension. Under my bill, EPA must look at a balance of information on the industry's need for the extension—information from the industry, Federal agencies like Commerce and IRS, and residents of the area affected. Additionally, when EPA receives an application for a deadline stretchout from a company, EPA must notify State and local governments in the area where the company is located. Mr. Speaker, we all know that the average citizen does not wake up every morning and read the Federal Register. Nor does all wisdom reside in Washington. I believe the citizens of Allegheny County must have a clear avenue to express their views on the need for and consequences of an extension of air quality deadlines.

Finally, my bill would guarantee State and local governments and industry unions the opportunity to enforce a consent agreement once it is in effect. Here again, we cannot rely on the courts or the Government to sufficiently monitor compliance. Citizens should have a clear right to take actions to insure that the air they breathe is clean. My bill would give local governments and workers that opportunity.

THE TRIPARTITE AGREEMENT

Mr. Speaker, the Steel Tripartite Advisory Committee which addressed the fundamental problems of the steel industry, was composed of representatives of the industry, labor, environmental groups, and EPA. Their consensus was thoroughly deliberated, carefully worked out, and agreed to by all parties. My bill includes all the elements of the committee's agreement on air quality compliance. It also includes several additional, strengthening features important to the citizens of my district.

Neither this bill, nor the tripartite agreement, are a blanket relaxation of Clean Air Act deadlines. An extension could be granted only if the industry promised to invest funds saved by deferral of expenditures on pollution control in the modernization of its facilities in the local community. Additionally, the steel industry would have to commit to the following:

That the extension will be no longer than necessary to allow the company to make modernization expenditures;

That the company will have sufficient capital to meet requirements set out in the new consent decrees in a timely manner;

That the company is in compliance with existing Clean Air Act consent decrees;

That the extensions will not result in air quality degradation;

That the company establish a phased schedule for compliance and for modernization; and

That the company is under a judicial order which establishes penalties and periodic reporting.

INDUSTRY PROGRESS AND UNIQUE NEEDS

Mr. Speaker, the steel industry has unique and serious difficulties with pollution control. Iron and steel production are inherently dirty processes which produce pollutants. Controlling these pollutants requires unusually large capital expenditures. It has been estimated that the steel industry faces an annual capital shortfall of $1.7 to $2 billion between 1980 and 1984 to meet modernization, environmental and safety requirements.

EPA has testified that in 1978 only 32 percent of air pollution sources in the steel industry were in compliance or on court-ordered compliance schedules with environmental standards; by the end of 1980, that number was up to 84 percent, a commendable improvement. Even so, full compliance in this final phase will require large, additional expenditures at the same time that the industry must incur large expenditures to modernize plants and equipment.

By allowing a stretchout of Clean Air Act requirements, this bill will insure that expenditures for reducing air pollution do not threaten the financing of replacing obsolete facilities. We will thereby preserve and create jobs, at a time when nationwide 54,000 American steelworkers are jobless and 15,000 are on short weeks. As a member of the House Commerce Subcommittee on Health and the Environment, I will be working hard in the coming months for stretchout legislation, to help American workers and the American steel industry.

I urge that the House act swiftly on this measure and hope very deeply that the House Energy and Commerce Committee will be able to hold hearings on this and related provisions in the very near future because the aid is required now.

OOPS SYNDROME ON THE BUDGET

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, as someone who has worked on the budget process over the last few years, there is what is known as the oops syndrome in budgeting. This refers to oops, we had to vary our estimates with regard to what we hoped to cut. Oops, we forgot to submit legislation to implement certain cuts. Oops, we thought we had a deficit of $26 billion, or $30 billion, or $40 billion, and we really have a deficit of $50 billion to $60 billion.

It is refreshing to know that out of the apparent clarity and decisiveness of the administration, the oops syndrome is still very much alive and well to the tune of about $3 to $6 billion.

If there is to be a cooperative effort at trying to get these reductions, we have to have realistic, accurate, and reliable information provided by the administration. We cannot do an effective job on the budget based on words or on the oops syndrome.

Otherwise, we could very well wind up with an oops, I am sorry economy.

HOUSE SHOULD DEFEAT COMMITTEE FUNDING RESOLUTIONS

(Mr. JAMES K. COYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JAMES K. COYNE. Mr. Speaker, Members on both sides of the aisle, in both Houses of Congress, have pledged support for the President's efforts to restrain Government spending.

However, even as we are considering a $50 billion spending cut nationwide,

the House will begin to vote on a series of requests for our own committee budgets that contain increases—over actual 1980 expenditures—of up to 39.2 percent. I simply do not believe that we can justify, to ourselves or to our constituents, such dramatic fiscal irresponsibility.

Of the first seven budgets approved at committee level, only one—House Administration—requested an amount below that expended in 1980. The others, without exception, were for increases of at least 16 percent. Considered in total, the 1980 committee funding resolution of $42 million represents a shocking sevenfold increase over the 1970 resolution.

We must begin immediately to put our own House in order by putting a lid on these expenditures. I firmly support the 10-percent across-the-board cuts proposed by my fellow Republicans on the House Administration Committee, and urge that you defeat the committee funding resolutions when they are brought to the House floor.

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CONGRESS, TOO, MUST SACRIFICE

(Ms. MARTIN of Illinois asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MARTIN of Illinois. Mr. Speaker, my constituents are without doubt some of the country's most caring citizens. Day after day their letters tell me, "our economy and our Nation is in trouble. We do not have much, but we are willing to sacrifice for the future. We trust you to make sure that the sacrifices required of all of us are fair and equitable."

Well, I have the privilege to serve on the Accounts Subcommittee of the Committee on House Administration which is now hearing committee funding requests. With the single shining exception of the distinguished gentleman from California (Mr. HAWKINS), these gentlemen are requesting 20 percent, 30 percent, 50 percent over last year's expenditures.

What a sacrifice, 100 percent increases.

My constituents would not understand this kind of sacrifice, nor do I. It is neither fair nor equitable to expect our citizens to sacrifice while we have business as usual, plus 100 percent, in the Congress.

VIOLENCE CONTINUES IN NORTHERN IRELAND

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, the troubles and violence in Northern Ireland have not abated over the past decade, and in fact, are worsening.

During the years of 1971–75, the status quo was internment without a trial. From 1975 through 1979, the Castelreagh courts convicted many innocent people. And in 1981, the British are convicting people on the basis of a verbal statement alone.

The continuing violations of human rights are of grave concern to us. We want to welcome Prime Minister Thatcher to our Nation, and urge her to look carefully at the problems of justice and violence in the north. We hope and pray for peace in Northern Ireland.

GETTING OUR HOUSE IN ORDER

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker, just a little over a week ago, President Reagan presented our country with its greatest economic challenge in 40 years. One of the central goals of the President's economic recovery program is to reduce the rate at which Government spending increases. And there is no better place to start to accomplish this goal than at home—that is to say, the House.

It is widely recognized that the uncontrolled growth of spending by the Federal Government has resulted in the inflation which has been the demise of the American economy. A comparison of what the Federal Government spent in fiscal year 1971 and what is slated to be spent in fiscal year 1981 demonstrates a 210-percent increase in total Federal spending during the decade.

Yet, the 450-percent increase in expenditures for the House statutory and investigatory committees during the same period of time dwarfs this overall increase in Government spending.

Clearly, there is not more logical place to begin our battle against increased Government spending than with our own committee expenses. We, too, must tighten our belts and share in the sacrifices that all Americans will have to make to get our economy back on its feet. To fail to do so would be nothing short of hypocrisy.

STEERING THE SHIP OF STATE WITH A LANDLUBBER AS FIRST MATE

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, if certain rhetoric is to be believed, the Democrats are the party of well-meaning but woolly-headed, wild-eyed, and wishy-washy wafflebrains. The Republicans, on the other hand, are supposed to be the party of hard-eyed, square-jawed paragons of competence.

It is not clear exactly how this is supposed to reconcile with the appointment of William P. Clark to fill the distinguished shoes of Warren Christopher as Deputy Secretary of State. What is clear is that if Mr. Clark's foreign affairs IQ were expressed in degrees centigrade, it would not be high enough to melt hydrogen. At his confirmation hearing he was unable to name the Prime Ministers of South Africa or Zimbabwe, could not describe the problems in our relations with Brazil, and had no views on nonproliferation or the status of Jerusalem, or even on détente.

It has been suggested that he will serve entirely as an internal administrator and therefore needs no substantive background. It is not clear how this reconciles with the fact that he was earlier offered the job of CIA Director, unless it is Mr. Reagan's intention to convert the term Central Intelligence into an oxymoron.

AUTO IMPORT LIMITATIONS: A SMALL DOSE OF BITTER MEDICINE, WHILE AWAITING A CURE

(Mr. PURSELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. PURSELL. Mr. Speaker, the new administration established an Auto Task Force, which is soon to issue findings and recommendations regarding both the short-run problems of the automobile industry and its long-term health. The task force is headed by Secretary of Transportation Drew Lewis, who recently visited southeastern Michigan to observe firsthand the plight of this vital industry and its thousands of workers.

Secretary Lewis recognized that an immediate concern is the overwhelming importation of Japanese vehicles—a situation that must be dealt with promptly while work progresses with respect to long-range solutions. The Secretary indicated that "the present level of Japanese imports is unacceptable" and that he is "prepared, if necessary and if it appears reasonable, to recommend to the President some kind of voluntary import restraint."

Because of the importance of this issue to the entire Nation, it has been my view that the people's representatives in Congress should indicate their position loud and clear. Accordingly, I am today reintroducing, along with a bipartisan group of 14 Members, legislation urging the President to consider entering into negotiations with representatives of the Government of Japan with respect to a temporary voluntary restraint in the exportation of automobiles into the United States.

The resolution I am submitting today is identical to the version of House Concurrent Resolution 363 that was approved last year by the House Foreign Affairs Committee. That action was taken following hearings by the Subcommittee on Asian Affairs, as well as the panel on international economic policy and trade.

In preparing my remarks today, I received encouragement from an unexpected source—the distinguished, conservative columnist, George F. Will. In the latest issue of Newsweek magazine, he makes an eloquent and, I think, unrefutable case for a temporary restraint on imports. Accordingly, I include a copy of his comments in the RECORD at this point and urge my colleagues to carefully review them:

[From Newsweek, Mar. 2, 1981]

THE CASE FOR AUTOMAKERS

(By George F. Will)

In 1973 Egypt attacked Israel and devastated Detroit. As a result, senators from Missouri and Texas have threatened Japan, an Ohio senator has castigated an eighteenth-century Scot, and a congressman named Ford (I'm not kidding) from Michigan has denied parking places to staffers who drive foreign cars. America's shattered auto industry demonstrates the connectedness of things in the modern world, and suggests the limited relevance of conservatism, as currently understood.

The Yom Kippur war triggered OPEC's oil shocks, and a desire for small cars. Gasoline lines following the 1979 Iranian shortfall deepened that desire. Among 1981 cars nine of the ten most fuel-efficient are Japanese. The tenth? VW's diesel Rabbit. Small wonder more U.S. dealers sell imports as well as domestics than sell domestics alone.

In 1979 Japan sent $9.3 billion worth of automotive exports to the United States, and had a $9.1 billion trade surplus in that category—one-third of the U.S. trade deficit. Early last year Japan's share of the import market hit 80 per cent. Now two thoughtful senators, Missouri's Danforth and Texas's Bentsen, propose legislating a limit of 1.6 million Japanese imports a year (the average for 1978–79) through 1983. This proposal may prompt Japan to negotiate limits, as it has done elsewhere. Meanwhile, it is estimated that every 100,000 imports cost the jobs of 8,500 workers in the primary manufacturing industry and up to 16,000 in supplier industries.

Crisis: Ohio's Senator Glenn says "the Adam Smith school of thought" (pure laissez faire) about the crisis is "shortsighted, naive and irresponsible" because it would spread the crisis. One in six jobs is related to the auto industry. Its products and services involve 8.5 per cent of GNP and 25 per cent of retail sales. It uses 21 percent of America's steel, 60 per cent of synthetic rubber, 25 per cent of glass, 20 per cent of machine tools. It is the primary purchaser from 2,000 companies.

As cars become lighter, iron and steel companies suffer. Domestic tire sales are 14 per cent below the peak year 1973 and the industry's capacity exceeds demand by 33 million units: radials last longer, lighter cars are easier on tires, and less driving means fewer replacements (which are 72 per cent of the entire market). New electronic controls of auto functions improve fuel efficiency, but 27,000 franchised dealers face costly investments in complex repair equipment and training. Many small repair shops may fold. In the category of parts, there already is a negative balance of $2.5 billion, and it may grow worse.

The auto industry faces a potential loss of 500,000 manufacturing jobs in one region: 90 per cent of all vehicles and parts are made in New York, Pennsylvania, Ohio, Indiana, Illinois and, of course, Michigan, which has seven of the nation's ten cities with the highest unemployment. Even progress will be painful: assuming, optimistically, a production level of 13 million units, a 5 per cent annual increase in productivity would mean 200,000 fewer jobs by 1985.

The auto industry enters the 1980s under a cloud of high interest rates, under a heavy debt load (Ford took on nearly $1 billion in debt financing last year) and facing huge capital needs. The Big Three lost more than $4 billion in 1980. Ford lost $1.5 billion, a U.S. corporate record (at least until Chrysler reports). But between 1979 and 1985 U.S. companies must spend up to $80 billion on retooling. That is the largest private investment program in history, far larger than the Alaskan pipeline, larger even than the government's Apollo program.

Much is made of Japan's nontariff barriers to imports. Japan does not practice free or fair trade regarding many products. But barriers are beside the point where cars are concerned so long as Japan has $1,000 to $1,500 cost advantage per car—about 20 per cent of the price of the average small car sold here. Because of high profit margins, Japanese firms are poised to use discounts to hold or expand their U.S. market shares. They plan a 20 per cent increase in production capacity by 1983. European nations set strict limits on Japanese imports (Britain holds Japan to 10 per cent of the market; Italy allows just 2,200 cars). Such limits divert the Japanese flood to America.

Protectionism: "Free trade," said Disraeli, "is not a principle, it is an expedient." Actually, it is a principle but, like all principles, it is not always expedient. Granted, departures from it often are imprudent. Nineteenth-century protectionism was rationalized as necessary for the new nation's "infant industries." Today's protectionists say it will provide a "breathing space" for America's "elderly industries" while they seek a fountain of youth. But protectionism is a drug that creates industrial dependencies; it is welfare that makes wards of the state. Nevertheless, free trade is not a game at which only one nation can play. Increasingly, U.S. firms compete not with foreign firms comparably exposed to market stringencies, but with foreign governments that regard their auto (like their steel) industries as jobs programs.

Protection might make the industry more attractive to investors, but its capital needs are so staggering that in addition to Reagan's proposed accelerated depreciation, subventions may seem necessary. Some people are proposing a new Reconstruction Finance Corp., a publicly funded source of equity capital. An RFC might have sufficient leverage to require wage restraint by America's highest paid manufacturing workers, the autoworkers. Every dollar-per-hour decrease or deferral of an increase would save manufacturers $1 billion a year.

All this—call it "Tory socialism"—would be risky medicine with uncertain side effects. We should hope it is not necessary. Certainly it goes against the grain of Reaganism and the mood of the moment. And it is not conservatism as currently understood—an economic doctrine favoring free markets. But it might be a political doctrine for conserving the core of the industrial system, and the social fabric of many communities. A conservatism too pristine to accommodate those goals is politically irrelevant, socially irresponsible and not conservatism properly understood.

INTERIOR COMMITTEE STAFF SHOULD NOT BE INCREASED

(Mr. BROWN of Colorado asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Colorado. Mr. Speaker, the Committee on House Administration has recommended a 16-percent increase in the budget of the Committee on Interior and Insular Affairs over the amount they expended last year.

I would hope the Members of this body, before they vote on that measure, would examine the workload of that committee and what has happened to the budget in the past.

The workload of that committee, comparing the 91st Congress to the 96th Congress, has dropped dramatically. The number of bills referred to that committee in comparing those two sessions has dropped 28 percent. The number of bills enacted coming out of that committee has dropped as well. At the same time the workload was dropping, the staff has increased consistently. In 1947, it had a staff of four. By 1970 it reached a staff of 15 members, almost a fourfold increase. In 1980, that staff reached 69—4½ times as many people on the staff at a time the workload dropped.

I submit to you that to increase the budget of that committee further at this time is a travesty. To ask the American people to sacrifice without sacrificing ourselves should not be permitted.

CONGRESS MUST TIGHTEN ITS OWN BELT

(Mr. ROGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGERS. Mr. Speaker, I commend my distinguished colleagues from Minnesota and Pennsylvania for focusing attention on the spiralling costs of committees.

Last Wednesday, the President announced his plan for paring down Government spending. There is no better place for us to begin than here in our own backyard.

Since 1973, committee staffs have grown by more than 118 percent, while their expenses have leaped more than 200 percent.

But the expense extends far beyond the appropriations to cover the costs of the staffs. With increased staffs comes increased legislation, and increased intervention in areas once the domain of individuals and States. American businesses and consumers have borne the burden: They pay over $116 billion a year to comply with rules and regulations.

The clear mandate of the November elections was to hack away at Federal spending and Federal intervention. As the Congress calls on the rest of the Nation to make sacrifices, it is only appropriate that we tighten our own belts as well.

I urge my colleagues to bear these considerations in mind when we consider the committee budget resolutions next week.

POST OFFICE AND CIVIL SERVICE COMMITTEE FUNDING REQUEST IS OUTRAGEOUS

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANNEMEYER. Mr. Speaker, yesterday, the House Administration Committee reported seven committee funding resolutions which this body is due to consider next week. Not only do I fail to see any merit in allowing, as a general rule, a 5-percent funding increase over and above inflation, but the 24-percent increase over what was spent in 1980 for the Post Office and Civil Service Committee is particularly outrageous. There is simply no excuse, especially in light of the efforts of the other body to cut committee spending by 10 percent, for allowing this committee to spend some $1,178,530 on its activities in 1981. To do so would make a mockery of efforts to hold down spending and would exhibit a blatant disregard for the expressed will of the American people. The House can demonstrate its commitment next week to work toward fiscal responsibility by rejecting this proposal.

COMMITTEE STAFF BUDGETS MUST BE REDUCED

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. ROUKEMA. Mr. Speaker, it was just 8 days ago that President Reagan stood in this Chamber and asked the Congress and the American people to join with him in a program of economic recovery. His message was clearly stated and clearly understood: To achieve economic recovery, we will require discipline on spending policies that signals no more business as usual. Moreover, it is a common theme for my constituents to ask—when is Congress going to learn to discipline itself? In the case of the ever-increasing committee budgets, such self-discipline is clearly required.

Yet I am dismayed because I fear that the House itself, in one of its earliest tests, will be unwilling to impose self-discipline on its own committee budgets. For if we accept the recommendations of the House Administration Committee, we will be committing ourselves to an average increase in committee budgets for investigative staff of 20 percent over last year. In the case of one committee, the increase is an unbelievable 39.2 percent. This is unsupportable and unjustifiable.

It is the growth of these investigative staff positions that is particularly disturbing. Not only are these staff members exempt from prohibitions applying to regular statutory staff members, but they also account for nearly two-thirds of the total individuals employed by the standing committees.

In the last 25 years, our budget for statutory and investigative staffs has grown by 539 percent while the Consumer Price Index has increased by 185 percent. It is time to make a stand and hold the line on continuing growth of committee budgets. Not only has committee staff growth become unmanageable and excessive, but it has resulted in thousands of pieces of unnecessary and self-serving legislation that is fast becoming a national disgrace.

Parkinson's first law is operating overtime in the U.S. Congress. It says: "Work expands to fill the time and space available."

We have all spoken of equitable reductions in the Federal budget. The place to start is in the House of Representatives, and we should begin by reducing committee staff budgets in an action that is long overdue.

GOVERNMENT REGULATION: WHERE DO WE GO FROM HERE?

(Mr. ROBERTS of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROBERTS of Kansas. Mr. Speaker, all of us here will agree, I am sure, with President Reagan in regard to the problem of overregulation by the Federal Government which adds billions of dollars to our Nation's costs of conducting business.

Nowhere is this problem more evident than in agriculture and especially within the area of food safety. I would like to bring to the attention of my colleagues the excellent speech given by my colleague and ranking minority member of the Committee on Agriculture, the gentleman from Virginia (Mr. WAMPLER). Mr. WAMPLER has been in the forefront of the effort by Members of this body to achieve reform of our regulatory system.

GOVERNMENT REGULATION: WHERE DO WE GO FROM HERE?

(Remarks of Representative WILLIAM C. WAMPLER)

I am delighted to be here . . . to meet with the members of an organization as important to this country as yours. I particularly appreciated Roy Lennartson's suggestion that I talk with you this morning about Government regulation—for that is a subject near to my heart and I know close to your pocketbook.

When you consider that American companies, by best estimates, fork up one hundred billion dollars a year just to meet the costs of complying with Government regulations, you begin to see why prices are out of control. According to one study I saw, each consumer shells out more than 470 dollars each year just to help business pay for the increases in meeting regulations, keeping records and filling out forms.

Another study of regulatory costs—this one by the Business Roundtable and involving 48 companies—came up with these startling figures:

That regulatory costs incurred in just one year by these 48 firms amounted to 10 percent of their aggregate capital expenditures.

That these costs totaled 16 percent of their after-tax profits.

And that these outlays constituted at least 43 percent of their entire research and development expenditures.

When you talk about the direct costs of regulations in these terms, you are referring to big money—not to mention the indirect costs involved: The inflationary pressures added by these expenditures, the drag on productivity, the disincentives they create for risk-taking and for innovation and the misallocation of resources and inefficiencies. Over the long haul, the effects of these indirect or secondary costs are even more devastating on business and on the economy than the direct costs.

How did we arrive at this point—where this Government of ours is able to demand from American business so much time and effort and money to comply with these regulations? In all fairness, the regulatory zeal which President Reagan is now trying to tame had its origins in legitimate concerns—concern for safer and more reliable products, concern for better safety and health conditions where we work, concern for the quality of the air we breath and the water we drink and the food we consume.

I am sure few of you here this morning would disagree with these objectives—in fact, I know many of you here were ahead of the Government in moving towards these goals long before the regulators got into the act.

But the fact of the matter is—the regulatory objectives we all agree upon became distorted by Government sealots who felt constrained to justify their existence on the payrolls of some 40 Federal agencies now involved in regulatory activity of some kind or another.

By number, these employees total up to more than 125,000—that is more than the population of Berkeley across the bay.

To be fair, let me note that a lot of the fault behind Government regulatory excesses lies with the Congress—the body which writes the laws and lays out the objectives it wants the laws to accomplish. The problem is—once the Congress passes a regulatory act, it then turns the entire process of administering the law over to the regulators, abdicating its oversight responsibilities at that point. For example, it was the regulators who came up with the theory of zero risk and zero tolerance in determining whether or not a substance posed a cancer risk. You will not find these terms used in the law.

In sum, we in the Congress have practically given carte blanche to the regulators to take the laws we passed and do with them what they choose. To me, this was a lot like placing Dracula in charge of the blood bank—and as a result, a lot of the life of American business was drained by the bloodsuckers on the Federal payroll—so much so that this Nation's entire economic system was in danger of collapse.

I say was—because help is now on the way. I was pleased when President Reagan decided to place all Government regulation-making on hold for 60 days. I was glad when he announced a number of the regulatory agencies which were the biggest offenders in this area would be phased out. And I was delighted when he implemented his pronouncements with action.

There is no question in my mind that the stakes in this war on deregulation are high in terms of the economic survival of this Nation and of our individual liberties. As you so well know in your business, bacteria, which may be tiny in size compared to a healthy steer, can kill the animal—not by butchering it, of course, but by impairing one after another of its essential life-given organs. That is essentially what we faced over the past few years with the well-intentioned but misguided activists who dominated the policymaking posts in the previous administration.

If you wondered why the Carter administration failed, you can trace it right back to these high-paid fanatics in influential positions who, as my father used to say, never met a payroll. In short, the established channels of power in the Carter administration were dominated by those whose sole expertise was in taking in and doling out money collected from taxpayers. To them, this was the highest form—actually, the only acceptable form—of public service.

In a recent profile in the Washington Post on departing Carterites—especially those in middle and upper management positions—the newspaper cited what it called the "Serious Dilemma" facing these people. Most were in their late 30's or early 40's, most were lawyers who longed to return to their public interest careers or their old jobs with Ralph Nader or some other noble crusader of this type. What was holding them back was this: They had been making 50,000 dollars or more a year and Nader was not willing to pay them half of that sum.

One bright aide to Stu Eizenstat, President Carter's domestic policy director, was apparently terribly shook up over the possibility of having to return to the private sector for a job. And the thought obviously turned his stomach—for he was quoted as saying, "private profit-making was something one did only as long as one couldn't find something more interesting in public service." End of quote.

When you hear that kind of nonsense from the men and women who had been running our Government for the past four years, you find little difficulty in understanding why Jimmy Carter's Presidency failed. In paying off his campaign debts to the left, he surrounded himself with men and women whose only claim to a Government job was high ideals but who lacked practical experience of the kind that demanded results. They never understood the plight of businessmen whose profits they were so quick to attack but whose tax money they felt free to use in promoting their misguided vision of what the world ought to be like.

In this regard, let me say I am most pleased with the top appointments to date of President Reagan. Most are hardnosed, practical businessmen and women who have met payrolls and produced results. They live in a real world. I was especially heartened at the selection of Jack Block—whom I consider a "hands on" farmer—as Secretary of Agriculture, and of Dick Lyng, former president of the American Meat Institute, as Deputy Secretary of Agriculture. And do not forget Bill McMillen, vice president of the National Cattlemen's Association, who was named Assistant Secretary at U.S.D.A. for marketing and transportation services.

For the first time in many years, you can be assured that there will be effective spokesmen for your industry in the highest councils of Government. I am sure you welcome that as much as I do.

I just wish we had representation of similar caliber on Capitol Hill where a lot of laws affecting your business will be considered in the 97th Congress. The problem is—as you well know—a lot of the political clout of rural America which once dominated the Congress is now gone. At the present time, there are only about 40 congressional districts which qualify as rural—that is, districts in which 10 percent or more of the population is engaged in farming or ranching. Agriculture is vastly underrepresented in the Congress when you take into account its importance to the Nation.

As a result, we in the Congress who recognize the importance of a healthy agricultural economy must too often drag the rest of our colleagues along with us on major legislation, sometimes kicking and screaming. This problem was compounded over the past few years by an administration which seemed to view farmers and ranchers as unnecessary as long as there are supermarkets.

Needless to say, we will have a range of issues before us in the months ahead affecting agriculture. The biggest one, of course, will be the need to either write a new omnibus farm bill to replace the present one that expires or extend the 1977 act with some minor modifications. I unequivocally favor a 4-year bill—one which would extend programs into the mid-1980's. I was pleased to see Secretary Block take the same view.

Dairy legislation is another problem area—for we will have to decide whether or not to extend the support program at the present 80 percent of parity level. Food stamps will require a major reauthorization this year—and I know the Reagan administration has some ideas of its own to make this program more effective. The same for legislation to promote exports of U.S. agricultural products abroad.

One pressing need is to beef up U.S.D.A.'s research, extension and teaching programs—and I introduced legislation last month to extend the basic act, improve Federal-State cooperative research and extension and substantially increase Federal funding in these areas. I am hopeful we will be able to increase funding in the next budget for animal disease research.

As you know, there are three major laws affecting the safety of the Nation's food supply—the Federal Meat Inspection Act, the Federal Food, Drug and Cosmetic Act and the Poultry Products Inspection Act. These laws range in age from 20 to 76 years.

They have been amended from time to time—mostly with minor amendments—but they have not been revised to take into account new technology that can detect the most minute traces of substances in food.

Of particular concern to your industry—and to us on Capitol Hill—is the so-called Delaney clause in the Federal Food, Drug and Cosmetic Act. Under this clause, if a substance is shown after scientific analysis to induce cancer when fed to test animals—it must be banned by the Food and Drug Administration.

There is no escape clause here: The law says the substance must be removed from the market if there is evidence that it causes cancer in man or animals.

As a result of the Delaney clause, the public has had its pants scared off over the years—starting with the cranberry scare, the saccharin scare, the bacon scare, the beer scare, and the peanut scare, just to mention a few. No wonder public confidence in our food safety is eroding. No wonder the Government's credibility is suffering.

The problem is—in this case, the regulatory agencies administering food safety laws have no flexibility in decisionmaking. The question we must take up in this Congress is whether to retain the Delaney clause, perhaps with some modifications, or to come up with a better way to handle this problem.

I intend to press for consideration of the Delaney clause in early hearings and I am hopeful we will be able to include in any such legislation a proposal I pushed in the last Congress and just reintroduced last month. I am referring to H.R. 638, which would establish a blue-ribbon panel of scientists under the National Science Council to judge on a scientific basis whether a suspect chemical actually is a health risk to humans.

What I am saying is simply this: We must establish a sensible food safety policy, firmly based on good science and on the best health and economic interests of all our people. I intend to do what I can to insure that we never have another regulatory fiasco of the kind that involved the abortive effort to ban the use of nitrites in meat processing.

Along with this, I suggest—and will press in the Congress for such a course—we suspend the proposed mandatory food labeling provisions proposed by the Carter administration. I personally favor a continuation of the time-tested voluntary program of labeling.

These are some of the regulatory areas to which I suggest the new Reagan administration address its efforts and which I will urge the Congress to take up. I can assure you that I intend to be right in the middle of these legislative battles ahead. But let me hasten to add that we on Capitol Hill will need your help as we seek to write legislation affecting areas of particular concern to your industry. Make your views known to the Senator from your State and to the Congressman from your district. Encourage your employees to do the same. Get involved in the business of Government—or the Government will get more and more involved in your business.

Let me emphasize that I personally—and I know just about every Member of the House of Representatives as well—welcome your input on legislation, for you are far more knowledgeable about the problems of your

industry and their possible solutions than the faceless bureaucrats in Washington who too often helped to create the very problems we seek to solve.

Thank you.

CONGRESSIONAL EXPENDITURES MUST BE CUT

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, everyone is familiar with the childhood story of Rip Van Winkle and his famous 20-year sleep. I think I can say that I now know what he must have felt like when he woke up from that long sleep.

Mr. Speaker, I can assure you that I have not been asleep for 20 years but I have been away from this House for 6 years and I am amazed to learn of the growth of the committee staffs in those 6 years and of the tremendous escalation in the committee budgets.

During my previous period of service in the 93d Congress I served on the Committees on Government Operations and Science and Astronautics—now known as Science and Technology. At that time, the Science and Astronautics Committee had a budget of $400,000 and a total staff of 29 employees. By 1980 the size of the staff had grown to 90 employees, an over 300-percent increase, the committee budget had more than quadrupled to $1,896,000, all in a short period of 6 years.

By comparison, the Government Operations Committee was a model of fiscal restraint. That committee's budget only increased by $1,383,600, a mere 255-percent increase in their budget. The staff, meanwhile, only grew by 33 percent from 64 to 85.

The mandate on which this Congress was elected was one of balanced budgets and reduced expenditures. I hope this Congress has the integrity and good sense to begin that process by cutting back on the level of expenditures right here in our own congressional staff.

I commend the effort begun by my friend and colleague from Texas (Mr. COLLINS) and would like to assure him of my support for his endeavor.

STOPPING THE BUCK

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, on November 4, millions of Americans committed themselves to some sacrifice for the sake of controlling the growth of Government. I am concerned that in the matter of determining committee budgets, this body considers itself exempt from such sacrifice.

Uncontrolled growth in committee staffs is clearly evident. Total House investigative staff increased from 570 in 1973 to 1,221 in 1979. And in my own committee, Energy and Commerce, investigative staff increased from 40 in 1973 to 116 in 1980—an increase of 190 percent. All of us occupying a seat in the House of Representatives are here because the public believes that we finally want to take action to reduce the size of Government. We must break with business as usual and enact some tough, substantial cuts in our own spending.

President Reagan recently asked all Americans to participate in reducing the growth of Federal spending. Congress must exercise its responsibility in this regard as well. How can we ask the American people to make sacrifices if we cannot get our own House in order?

We all know that President Harry Truman had a sign on his desk reading, "The Buck Stops Here." Our motto seems to have been, "The Buck Starts Here." If we do not start to stop the buck here—the buck will never stop.

AD HOC CONGRESSIONAL COMMITTEE FOR IRISH AFFAIRS WELCOMES PRIME MINISTER THATCHER TO UNITED STATES

(Mr. BIAGGI asked and was given permission to address the House for 1 minute.)

Mr. BIAGGI. Mr. Speaker, as chairman of the bipartisan Ad Hoc Congressional Committee for Irish Affairs, I welcome Prime Minister Margaret Thatcher of Great Britain. I and my colleagues' statements are evidence that the continuing tragedy of Northern Ireland is a matter of profound concern.

For more than 10 years, Northern Ireland has been under the direct and ofttimes harsh rule of Great Britain—whose policies have failed. There has been a steady and dangerous erosion of human and civil rights in the north—economy of the region is devastated, and more than 2,000 persons have died in violence.

Our committee exists to elevate the priority and visibility of the Northern Ireland issue in the United States as well as internationally to help advance the road toward peace and justice. Prime Minister Thatcher should be commended for the peace initiatives she has undertaken in this matter including discussions with Ireland's Prime Minister Haughey. Predictably the former have failed. A similar course was pursued in Zimbabwe, Rhodesia, and only finally successful when the United Kingdom brought all parties to the negotiating table and emerged with a resolution to a thorny problem.

The ad hoc committee remains firmly opposed to all violence—civilian or official in Northern Ireland. I and 37 of my ad hoc committee colleagues have written to President Reagan to urge he maintain the 19-month embargo on U.S. arms shipments to the Royal Ulster Constabulary imposed after my 1979 amendment. To bring peace to Northern Ireland—we must end all violence.

● Mr. WALGREN. Mr. Speaker, I am pleased to participate in this special order organized by the Ad Hoc Congressional Committee for Irish Affairs. As a Member of Congress who is strongly interested in the issue of human rights throughout the world, and Northern Ireland in particular, I would like to call the attention of Prime Minister Thatcher to the absolute need to embark on a peaceful and fair solution to the political and military strife in Northern Ireland.

The problem of human rights is well documented in Northern Ireland. In 1978, the Royal Ulster Constabulary, the major British police force in Northern Ireland, was cited by Amnesty International for violations of the rights of prisoners and suspects. The European Commission and Court of Human Rights confirmed this finding. As a result of these actions Great Britain stated its intent to rectify these abuses.

Now that Prime Minister Thatcher is here in Washington to discuss matters of mutual concern between our two countries, I want to join with my fellow members of the Ad Hoc Committee for Irish Affairs in expressing our deep concern as well as the concern of many of our constituents. Mr. Speaker, throughout history we have learned that violence and suppression of basic human rights is self-defeating. I hope our actions here today serve as a reminder of this basic human truth.●

● Mr. BLANCHARD. Mr. Speaker, as a member of the Ad Hoc Congressional Committee for Irish Affairs, I join my colleagues in asking that the 18-month embargo of U.S. arms to the Royal Ulster Constabulary be continued. The suspension of arms resulted from statutory language in the 1980 appropriations act which provided funds for the Department of State. The action is consistent with section 502(b) of the Foreign Assistance Act of 1961, which bars the sale or export of American arms to any organization with a proven record of human rights violations.

I join my colleagues in the Ad Hoc Congressional Committee for Irish Affairs in urging a peaceful, diplomatic solution for Northern Ireland. It is my present view that any decision to lift the arms embargo would be both counterproductive and premature.●

● Mr. DONNELLY. Mr. Speaker, the visit of Prime Minister Margaret Thatcher is an appropriate occasion for us to restate our Nation's deep

desire for peace and justice in Northern Ireland.

The chances for any real solution to the problems of Ulster are hurt rather than helped by the continuing extremist violence.

That fact is not changed by the political or economic or religious banners of the contending forces.

We Americans condemn equally all terrorist violence in Northern Ireland.

Our sense of justice is also offended by the suspension of jury trials and of habeas corpus in Ulster.

The tradition of justice that the United States shares with the United Kingdom considers these guarantees absolute.

All Americans, especially those of Irish heritage, urge Prime Minister Thatcher to begin a serious effort to bring peace and justice to Ulster without delay.●

● Mr. ANNUNZIO. Mr. Speaker, I rise to join my good friend and colleague, the Honorable MARIO BIAGGI, chairman of the Ad Hoc Congressional Committee for Irish Affairs, to urge the Government and the people of our country to continue to do everything possible to encourage peace and justice in Northern Ireland.

Our own Nation has been immeasurably strengthened by the contributions of ethnic and religious groups from around the world, including both Catholics and Protestants from Northern Ireland, and our country's traditional ties of friendship with the peoples of Ireland and Britain have greatly benefited the well-being of all three nations.

It is precisely because of these close ties that Americans continue their deep concern about strife and violence in Northern Ireland, and wish to aid in any way possible the peaceful pursuit of justice for the people residing there. All parties were encouraged by reports that British authorities were taking strong action to stop the mistreatment of prisoners in Northern Ireland, for violence from any of the parties there only hinders progress toward reconciliation and peace.

Peace and justice must be a goal to which our great Nation remains committed, in both words and action, and the human rights and peace of Ireland must remain a vital part of U.S. foreign policy as it affects the British.●

● Mr. DWYER. Mr. Speaker, I join my colleagues on the Ad Hoc Congressional Committee for Irish Affairs today in reiterating our commitment to the achievement of a peaceful and just resolution of the conflict that still rages in Northern Ireland, a peace that cannot be achieved by lifting our present embargo on arms for the Royal Ulster Constabulary.

The Royal Ulster Constabulary, the main police force in Northern Ireland, has a proven record of human rights violations, a record which prompted the weapons suspension which has been in effect since August 1979.

That suspension, Mr. Speaker, should remain in effect. What is needed in Northern Ireland is a continuing dialog between parties who are dedicated to ending violence on both sides of the conflict. Selling weapons to the Royal Ulster Constabulary certainly would not help achieve a humanitarian end to centuries of confrontation and strife.

This appeal to the President to maintain the Royal Ulster Constabulary arms embargo focuses our attention yet again on the ongoing political strife in war-torn Northern Ireland. We in America must never forget their never-ending struggle for independence and religious freedom.

It is right that today those of us who are opposed to all violence, civilian or official, in Northern Ireland, urge that all parties to this ordeal work to end it—finally—with an eye toward a just and lasting peace.●

● Mr. BRODHEAD. Mr. Speaker, I am pleased to join with Chairman MARIO BIAGGI and my colleagues on the Ad Hoc Congressional Committee for Irish Affairs to call again for just and peaceful resolution to the conflicts in Northern Ireland. As one of the signers of a recent letter to the President urging that the embargo against arms shipments to the Royal Ulster Constabulary of Northern Ireland be continued, I wish to stress my view that the answer to the troubles of this land lies not in guns and slogans, but in serious and meaningful communications between responsible parties.

The United States can have considerable influence over the situation in Northern Ireland. The imminent visit of British Prime Minister Thatcher will afford the President an opportunity to reconfirm the commitment of our Nation to humane and enlightened policies in this area. This commitment is shared by myself, my colleagues on the floor today, and millions of Americans. It should be reflected in a decision to continue suspension on arms sales to the Royal Ulster Constabulary. Unless the embargo is continued, it will be impossible for the United States to remain a credible advocate of a peaceful political solution to the terrible problems of Northern Ireland.

I have been very pleased with the high level of interest and concern that the American people have shown toward the issue of Northern Ireland. I am hopeful that it will remain at the forefront of their thinking about world matters, and I am proud to have this opportunity to express my views and those of many of my constituents who deeply and fervently hope for justice and peace in that troubled land.●

● Mr. HOLLENBECK. Mr. Speaker, as a member of the Ad Hoc Congressional Committee on Irish Affairs, I rise to reiterate my strong opposition to all violence, civilian or official, in Northern Ireland. I am proud to have my name included within the ranks of this fine committee and have the greatest respect for its distinguished chairman, Representative MARIO BIAGGI. By working together, I have little doubt that we will continue to make progress toward our goal of ending the human rights violations taking place on a daily basis throughout Northern Ireland. I, for one, will continue to use all the resources of my office in an effort to ease the plight of those being denied their inalienable rights.

Along these lines, I respectfully urged President Reagan to maintain the 18-month embargo of U.S. arms to the Royal Ulster Constabulary of Northern Ireland despite the widely anticipated request from visiting Prime Minister Margaret Thatcher to lift the same. I think that the President's decision on this matter will provide us with a good indication of how his administration intends to approach the question of human rights in Northern Ireland. In any case, I believe that the role of the United States should be one of assisting in the achievement of a peaceful solution in Northern Ireland and, in conjunction with the committee, I will direct my efforts to that end.●

● Mr. SMITH of New Jersey. Mr. Speaker, with the advent of spring nearly at hand we are soon going to be celebrating St. Patrick's Day, March 17. This day is the national holiday of Ireland, a time of festivity as well religious worship. In this country the celebrations tend to be more boisterous and lively, but the result enlivens us as a nation. St. Patrick's Day is part of our national heritage. We are all Irish on St. Patrick's Day, a concession we Irish Americans are happy to make.

Ireland is not at peace this St. Patrick's Day. Violence has torn Northern Ireland apart since 1969. In the rural areas, by night, farmers are roused from their beds and then shot down. Their only crime is the misfortune to be Catholic or Protestant. Children are blown to bits or disfigured for life by bombs set off in crowded public places. Women are murdered while praying the rosary. Indiscriminate killing has become the norm.

This violence has spilled over the border into the Irish Republic. There have been bombings in Dublin as well as Belfast. The British are losing their soldiers in Ulster, but there have been bombs set off in London. The British Ambassador to Dublin was murdered in 1976. In 1979 Lord Mountbatten was murdered in an explosion.

The tragic ties that always seem to bind the British and Irish people are

reaffirmed. Misunderstanding and misjudgment lead to cruelty and terror, to murder and death. This is the terrible theme of Anglo-Irish relations.

As an American of Irish descent, I say we have had enough.

As an American of Irish descent, I say we must start anew.

As an American of Irish descent, I say the killings must end.

We could argue what happens in Northern Ireland is not our affair. But it is our affair, as anything must be that involves the murder of women and children, the senseless killing of men because of their religion.

How can anyone think this killing is going to produce positive results? Hatred engenders hatred—blood begets blood—violence means more violence. There will be a legacy of hate that will never go away.

You cannot make peace on a pyramid of skeletons. In Northern Ireland we are starting to approach the solution urged by Tacitus, the Roman historian: "Make a desert and call it peace."

Time and again public opinion surveys have shown a deep desire for an impartial settlement. The people of Northern Ireland want a peaceful solution. They reject the counsel of extremists on both sides. They do not want murder squads, or bigots in clerical collars stirring up hate, or ambushes in the countryside.

We must appeal to men and women of good will—Protestants, Catholics, no religion—to help end this bloody strife. Let them stand up to the killers. Let us revive the peace movement in Northern Ireland, that seems to have died away.

We in the United States should stand firmly against violence in Northern Ireland. There should be no sale of arms there—no gun running. Humanitarian aid should be aid for life, not death. Food, medicine, and clothing should be shipped to Northern Ireland, not submachineguns. We should offer our services to procure a settlement.

I hope this St. Patrick's Day marks a new start for Northern Ireland. That gentle kindness, so much a part of the Irish character, should come to the fore. It is that kindness that shines forth in the prayer traditionally attributed to St. Patrick: "May the road rise to meet you, may the wind be ever at your back * * *."●

□ 1130

GENERAL LEAVE

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of my statement today.

The SPEAKER pro tempore (Mr. KAZEN). Is there objection to the request of the gentleman from New York?

There was no objection.

RESUMPTION OF ARMS SHIPMENT TO ROYAL ULSTER CONSTABULARY OPPOSED

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, I strongly oppose any move to lift the suspension of arms shipments to the Royal Ulster Constabulary of Northern Ireland.

The suspension, of course, was imposed nearly 2 years ago after Chairman BIAGGI and other members of the Ad Hoc Congressional Committee for Irish Affairs—of which I am now a member—stressed to the State Department that the sale would be in violation of a provision of the Foreign Assistance Act which prohibits the sale of U.S. arms to nations or organizations engaging in patterns of human rights violations.

That regrettable history is one reason why we should continue the ban. We must not be in a position of endorsing and materially supporting any organization whose offenses have been cited by Amnesty International and other human rights organizations.

I want to stress, however, that I favor continuation of the current policy not merely because of past actions by the Royal Ulster Constabulary. The weapons sale also would introduce a volatile new element in this long-simmering situation.

Violence should not be condoned, regardless of the perpetrator.

I hope and pray that the time will come when peace reigns in the land so many Americans look to with special fondness.

NUMBER OF HOUSE COMMITTEE STAFFERS SHOULD NOT BE INCREASED

(Mr. SMITH of Alabama asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Alabama. Mr. Speaker, my colleagues and I are being asked to agree to increased expenditures for congressional committee staffing which accounts for the lion's share of the committee budgets. Feeling a commitment to my constituents to hold the line on Federal spending, I investigated the various committee budgets and I rise to address the Chair because my findings revealed obvious inequities. I respectfully submit the matter of staff allocations for consideration and action.

During the last Congress, a survey by the minority leader disclosed that only 19.2 percent of committee staffs were serving Republican Members of the House of Representatives. It is my understanding the discrepancy has been most prevalent in the investigative staff category where entitlements for the minority membership do not apply.

Mr. Speaker, the American people elected a Republican majority in the Senate and an increase of 33 Republicans in the House of Representatives in the election this past November. The Republican membership of the House currently comprises 44 percent. Committee support staffs should reflect this proportion as decided by the will of the voters in the election.

Given the current economic difficulties our Nation faces and the fact that Congress will be asking the American people to accept sacrifices to promote economic recovery, I recommend Congress refrain from increasing the total number of committee staffers. However, I respectfully submit, once again, that the incumbent committee resources reflect the makeup of the House membership.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I ask to address the House for 1 minute so that I might ask the acting majority leader about the program for next week.

I would yield to the gentleman from Massachusetts for whatever time is necessary, however long it might take, so that he could explain what the very extensive schedule would be for next week.

Mr. STUDDS. Mr. Speaker, if the gentleman is not overly pressed and will yield, this will not take the balance of the day.

The schedule for next week is as follows:

On Monday, the House meets at noon. There are no bills on the Consent Calendar. It will simply be a pro forma session.

On Tuesday, the House meets at noon in another pro forma session. There are no bills on the Private Calendar.

On Wednesday, the House meets at 3 p.m. We will consider House Resolution 67, authorizing an investigation and inquiry by the Committee on Standards of Official Conduct.

On Thursday, the House meets at 11 a.m. in a pro forma session, with no business scheduled.

On Friday, we rest. There will be no session.

Mr. LOTT. I believe the gentleman is saying, then, that other than the one resolution reauthorizing an investigation and inquiry by the Committee on Standards of Official Conduct, we have nothing else next week?

Mr. STUDDS. That is the same conclusion I reach upon a careful scrutiny of the schedule.

Mr. LOTT. The official picture which was to be taken next week has been indefinitely postponed?

Mr. STUDDS. I have been authorized to respond to the gentleman that apparently the photographer has a schedule at least as heavy as our own and will not be able to prepare for that picture. It might come as early as the following week.

Mr. LOTT. I thought we were going to have half a dozen or so funding resolutions for our committees. I am thinking that maybe the House will want to get underway here in the next month or two, and that the funding resolutions would begin to come before the House. Does the gentleman have any idea of when we might expect the funding resolutions would come up?

Mr. STUDDS. The gentleman is again correct. A perusal of the schedule will reveal that they are not scheduled for next week. I am told that the earliest they might be scheduled is the week following.

Mr. LOTT. Would the gentleman have any idea of when we might begin work on some parts of the economic program? It concerns me that the committees have not even had their funding, and therefore it is difficult for the committees to do too much without their funding resolutions being brought before the House.

Mr. STUDDS. I trust that means that the gentleman's side will be recognizing the importance of those funding resolutions, that they be dealt with as promptly as he can see we are trying to do, as quickly as possible and as generously as possible. When that time comes, I am sure the Members on this side will join the gentleman in wanting to get at the President's program as quickly as possible.

Mr. LOTT. It concerns me, the way the gentleman puts that. We do want to make sure that these committees have adequate funding but not excessive funding.

I thank the gentleman.

ADJOURNMENT TO MONDAY, MARCH 2, 1981

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. STUDDS. Mr. Speaker, I ask unanimous consent to dispense with business in order under the Calendar Wednesday rule on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

IMPROVED RETIREMENT INCOME PROTECTION

The SPEAKER pro tempore. Under a previous order of the House, the gentlemen from Minnesota (Mr. FRENZEL) is recognized for 10 minutes.

● Mr. FRENZEL. Mr. Speaker, my colleagues Mr. PICKLE, Mr. ROUSSELOT, and myself are today introducing legislation which will help to fill in some of the cracks which currently exist in the individual retirement program, and will help to provide retirement income protection to millions of workers who currently are not adequately covered for their retirement years. Our bill would allow a tax deduction to employees who make contributions to his or her employer's retirement plan or to an individual retirement account.

Under current law, many employees are barred from making contributions to an individual retirement account (IRA), because they are active participants in an employer sponsored pension plan, even though the benefits that they eventually will receive from the plan are very small, or they are not vested in the plan at all. Therefore, these individuals are denied the opportunity to prepare adequately for their retirement by receiving a tax deduction for their contributions to a retirement savings plan.

Our bill takes care of this problem, by allowing employees to take a deduction for their contributions to either an employer sponsored pension plan, or to a retirement account. Under the bill, the employee would receive the same tax treatment for his contributions to this so-called limited employee retirement account (LERA), as most individuals now receive for their contributions to an IRA. This would limit the amount that an employee could contribute to the plan to the lesser of 15 percent of the employees gross income or $1,500, the same limits as are imposed on IRA's.

This proposal also treats all individuals the same whether they are employed in the public or private sector, or whether they are self-employed. The contributions that an employee who is not covered by social security makes to either a qualified plan or to a LERA would be treated as a substitute for social security contributions, and would not be deductible under our bill until after the amount of the contribution to the plan had exceeded the amount the employee would normally have contributed to social security.

I believe that this bill is a fiscally responsible, sound, means of providing employees with the opportunity to save for their retirement years. In addition, the bill will help to solve the current shortage of capital the country is experiencing for investment, as it will encourage more individuals to save larger amounts of money in retirement accounts, where it will remain on deposit, available for investment, for many years. I urge all of my colleagues to join me in supporting this important legislation.●

SENATE CUTS STAFF BUDGET 10 PERCENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 30 minutes.

● Mr. COLLINS of Texas. Mr. Speaker, as we look to the other body, we learn that they have cut their budget by 10 percent. This is a positive 10-percent cut in spending from 1980 to 1981.

The cuts varied from 28 percent in Judiciary under the able leadership of Senator THURMOND to the smaller Committee of Aging which was reduced less than 1 percent. The total was a reduction from $46,332,196 in 1980 down to $41,696,299 for 1981.

The Senate and House have the same legislation. Why should the Senate budget for staffs be $41,696,299 when most House committees are requesting large increases in the 1981 budgets.

As we work on the cuts we could establish an objective of cutting House staff budgeting so we would move toward balancing America's budget.

SENATE COMMITTEE BUDGETS

[As approved by the Senate Rules Committee]

	1980	1981	Difference	Percent change
Committee				
Agriculture	$1,379,346	$1,322,000	−$57,346	−4.2
Appropriations	4,154,165	3,791,203	−353,962	−8.5
Armed Services	1,569,498	1,554,400	−15,098	−9.6
Banking	1,758,346	1,583,411	−175,935	−10.0
Budget	2,999,246	2,693,632	−305,614	−10.2
Commerce	3,219,146	3,169,146	−50,000	−1.6
Energy	2,150,046	2,029,259	−120,787	−5.6
Environment	2,394,346	2,166,000	−228,346	−9.5
Finance	2,103,241	2,063,200	−40,000	−1.9

SENATE COMMITTEE BUDGETS—Continued

[As approved by the Senate Rules Committee]

	1980	1981	Difference	Percent change
Foreign Relations	2,592,293	2,333,100	−259,193	−10.0
Governmental Affairs	5,258,362	4,672,526	−585,836	−11.1
Judiciary	5,924,629	4,272,722	−1,651,907	−27.9
Labor	4,737,288	4,004,000	−733,288	−8.5
Rules	1,415,372	1,273,800	−141,572	−10.0
Veterans' Affairs	835,346	748,630	−86,716	−10.4
Aging	908,946	901,946	−7,000	−0.7
Small Business	954,220	902,000	−52,220	−5.5
Intelligence	1,856,000	1,648,000	−208,000	−11.2
Indian Affairs	630,360	567,324	−63,036	−10.0
Total	46,332,196	41,656,299	−4,625,897	−10.0

CONGRESS SHOULD ELIMINATE UNFAIR TAXATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on the 1st day of the 97th Congress I introduced H.R. 37, a bill to equalize taxes for married couples when both are employed, and also to extend to all single people the full tax benefits of income tax splitting now enjoyed by married individuals filing joint returns.

Under our present system of Federal income taxation, individuals with equal incomes do not pay equal taxes. There are a number of reasons for this. Some individuals have more itemized deductions, some use the standard deduction, and some have more dependents. Even after these factors are accounted for, individuals with equal taxable incomes may not pay equal taxes.

One reason for these differences is the taxpayer's filing status. Under present law there are five individual tax rate schedules: First, for married individuals filing joint returns and for surviving spouses; second, one for single persons who qualify as heads of households; third, one for single individuals; fourth, one for married individuals filing separate returns; and fifth, one for estates and trusts.

Although each of the five rate tables has rates ranging from 14 to 70 percent of taxable income, each has a different level of progressivity. As a result of the way the rates are structured, the rates for estates and trusts are the most steeply graduated, the rates for married individuals filing a joint return and surviving spouses are the least steeply graduated, followed by the head of household rates, the single individual rates, and the rates for married persons filing separately.

All of these different rates result in the following inequities: First, single individuals pay up to 20 percent more tax than married individuals earning the same amount of income if the married person's spouse earns no income. This difference is viewed as a tax on being single or a marriage subsidy. Second, in many cases two wage earners pay more tax on the same incomes if married than if unmarried. This discrepancy is often called the marriage penalty.

My bill is intended to cure both these problems. H.R. 37 would extend the benefits of the income splitting tax rates now enjoyed by married individuals filing joint returns to all unmarried individuals. In addition, the bill would allow married couples with two wage earners to be taxed at the same rates as any other two individuals with the same income levels. The married couple would, for the most part, no longer be a taxable unit.

H.R. 37 provides that every individual other than an estate or trust would use the table currently used by married individuals filing joint returns and by certain surviving spouses. The rate tables for single individuals, for married individuals filing separately and for heads of households would be eliminated. The rate table for trusts and estates would be retained.

The bill would also allow married couples the option of filing a joint or a separate return. In almost every case which both spouses have income, it would be advantageous for the couple to file separate returns. Prior to the Revenue Act of 1948, there was only one Federal individual income tax rate schedule, and the individual was the sole taxable unit. This bill would return to those simpler days with one improvement. Before the Revenue Act of 1948 allowed marital income splitting and created a special rate table for married individuals filing a joint return, couples living in community property States enjoyed a tax advantage over other taxpayers. Community property State laws permitted married couples in those States to file income tax returns on which each spouse reported half of the total income earned by the couple.

When one spouse received most or all of a married couple's income, the filing of separate returns could greatly reduce the combined tax liability of the married couple in a community property State. The discrepancy between community property treatment and common law treatment of married couples was so great that Congress enacted income splitting and the joint return rates to cure the inequity.

In order to prevent a return to that pre-1948 problem, H.R. 37 provides that a married individual filing a separate return must report his or her own earned income and that earned income of one spouse cannot be taken into account by the other spouse. This would prevent married couples from shifting earned income from one spouse to the other.

Mr. Speaker, this legislation takes a positive approach for curing both the marriage subsidy and the marriage penalty problems which exist in the Tax Code. Individuals with equal taxable incomes ought to pay equal taxes. H.R. 37 will take a giant step toward that goal, and I urge the support of my colleagues for this legislation.●

EQUITY FOR THE PHILIPPINE SCOUT VETERANS OF WORLD WAR II

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I am today reintroducing legislation which I introduced in the 95th and 96th Congresses. My bill is simple in its content, yet quite profound in its importance, and I urge all my colleagues to support it. My bill simply authorizes equal pay for equal risk for veterans of the World War II Philippine Scouts who fought so bravely as part of the U.S. Army. These were not foreign soldiers; they were an integral part of our Army and of the allied effort in Asia. The service and sacrifices which they provided at Bataan and Corregidor was critical to the war against Japanese aggression in Asia. We are all indebted to the Philippine Scouts, and yet by paying them less than half the average pay of American troops during the war years, we have done them a serious disservice.

Mr. Speaker, on March 31, 1942, the U.S. Senate passed S. 2387, a bill to equalize the rates of pay of all personnel in the U.S. Army, the Philippine Scouts, and Philippine Commonwealth Army. The House counterpart measure, H.R. 6829, was reported favorably by the House Military Affairs Committee, chaired by Congressman May. It is interesting to note that the report on that bill, issued as it was at the height of hostilities, recognized the principle of equal pay for equal risk. I will quote from that report (No. 1969, 77th Congress):

> The purpose of this legislation is to permit the Secretary of War to equalize the rates of pay of the personnel of the United States Army, the Philippine Scouts, and the Philippine Commonwealth Army. All of these classes of persons are now jointly engaged in the defense of the Philippine Islands against a common foe. They are all subject equally to the same hardships and dangers. Your committee is of the opinion that, in view of this equality which war has imposed, the disparity which now exists in the rates of pay of the various classes of persons concerned is no longer justified and should be removed.

It is also worth noting that the Secretary of War, Mr. Henry L. Stimson, strongly supported passage of this pay equalization bill.

Mr. Speaker, it is truly sad that we should allow the passage of time to blind us to the sacrifices of Philippine soldiers. It is sad that our high principles of equality and fair play should only be valid during a crisis, and when the dying is done, we should then turn our backs on those same principles. If our commitment to equality is based on expediency, then we should not wonder when other nations seem wary to accept the word of the United States as a solemn commitment. It may seem old fashioned for me to suggest that the principles of equality and fair play for the Philippine Scouts are every bit as valid today as they were when the Senate passed its pay equalization bill in 1942, and when the Military Affairs Committee of the House of Representatives reported the same legislation favorably to the House.

In the late 1930's, the Philippine Scouts were made a part of the U.S. Army to help defend the South Pacific against totalitarian domination. Gen. Douglas MacArthur described the Scouts as "excellent troops, completely professional, loyal and devoted." They were an elite organization with a high esprit de corps in which membership was considered an honor by Filipinos and the strictest standards were followed in selection.

General Wainwright, who took command of forces on Bataan and Corregidor after General MacArthur moved Army headquarters to Australia, reported that by the beginning of December 1941 the "Philippine Scouts were fit, trained in combat principles and ready to take the field in any emergency."

At the onslaught of the war in the Pacific when the enemy attacked Pearl Harbor and invaded the Philippine Islands, these soldiers became key to the success of our entire South Pacific strategy. It was the continued resistance on Bataan that denied the Japanese an essential base for the projected thrust to the South Pacific. The enemy was forced to retain large army and navy forces in the Philippines, which otherwise could have been employed against Allied shipping of men and materials to Australia and New Caledonia from the United States and the Middle East. Their protracted defense of these islands against incredible odds allowed the United States time to recover from the first blows of the war and begin to send in supplies and reinforcements.

The defenders of Bataan were hopelessly outnumbered and undersupplied. During their entrenchment they endured severe hardships. When they entered Bataan in January they were already in need of new issues of clothing and shoes. General Wainwright reports that most of the soldiers "walked into Bataan barefooted." Disease and starvation were problems dealt with daily. At least 30 percent of the troops had dysentery, and the rest some variety of worm infestation of the bowel. By mid-March at least 75 percent of the command was incapacitated to some extent. But for 4 months they held out, fighting the enemy guerrilla fashion, buying time for an Allied force buildup in Australia.

With all the hardships endured by these soldiers, they never received the comparable benefits they were due. Brig. Gen. W. E. Brougher, Commander of the 11th Division on Bataan, pointed out in his prison diary, the moral factor that most disturbed him was "discrimination against Philippine Scouts officers by the U.S. Army forces in the Far East—in matters of promotion, pay, and allowances." For despite their gallant service and tremendous suffering, the Philippine Scouts received only a fraction of the pay and benefits received by their American counterparts. And that discrimination continues today.

It is time to rectify that wrong.

For the convenience of my colleagues, I have reprinted below the full text of my legislation. Again, I urge your support for this worthwhile measure.

H.R. 2202

A bill to authorize pay and benefits for members and survivors of members of the Philippine Scouts on the same basis as such pay and benefits are authorized for other members of the Armed Forces and their survivors

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Army shall pay to each person who served as a Philippine Scout after December 6, 1941, and before December 31, 1946, in a lump sum the difference between the basic pay which he would have received for his military service during that period if the rates of pay of the Philippine Scouts had been the same as the rates of basic pay for other members of the Army of the United States of corresponding grades and length of service, reduced by the basic pay actually received by such person.

(b) In the event a person entitled to payment under subsection (a) is deceased, payment shall be made to the persons, and in the manner, prescribed in section 2771 of title 10, United States Code.

SEC. 2. The retired pay of each former Philippine Scout shall be computed for periods after the effective date of this Act on the basis of the rates of pay prescribed for other members of the Army of the United States or corresponding grades and length of service.

SEC. 3. This Act shall take effect as of the first day of the first calendar month which begins after the date of enactment of this Act.●

A TRIBUTE TO EUNICE SAVAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Mr. FAUNTROY) is recognized for 5 minutes.

● Mr. FAUNTROY. Mr. Speaker, February is Black History Month—a month in which tribute is paid to Black American pioneers whose lives and work were dedicated to achieving social, political and economic justice for black Americans.

Today, we are reminded that countless numbers of black Americans embody the spirit of these black American pioneers by their extraordinary commitment to civil rights and social justice. Such a person is the late Eunice Savage, wife for over 34 years to Congressman GUS SAVAGE, of Illinois, devoted mother and dedicated civic and community worker.

Mrs. Savage passed on, Monday, February 23, 1981, in Chicago, Ill., after having suffered an extended period of illness. She was a civil rights activist who participated in numerous demonstrations, not only at the White House but in Chicago as well, during the fifties and sixties. In addition, Mrs. Savage served as general manager of the Citizens Newspaper, which her husband founded in the early sixties. Mrs. Savage was also a well-known amateur golfer, who often took her children with her on tournament tours.

Mrs. Savage was born in Dancey, Ala., and grew up in Birmingham. She graduated from the Englewood High School in Chicago, and attended Crane Junior College in the same city. She was a staunch supporter of her husband, and devoted her life to his work and her family. She worked for 41 of her 55 years and was best known for her smile, which she maintained even while enduring her painful illness.

She leaves her husband, Congressman GUS SAVAGE; a son, Thomas James; a daughter, Emma; a sister, Carrie King and a brother, Col. Jimmy King to mourn her, as well as a host of friends.●

● Mrs. COLLINS of Illinois. Mr. Speaker, it was with great sadness that I learned of the death of Mrs. Eunice K. Savage, wife of our colleague from Illinois, GUS SAVAGE.

The late Eunice Savage was a very dedicated hard worker who, in earlier years was general manager of her husband's Citizens Newspaper. She was active in the civil rights movement in the fifties and sixties and later went on to become a well-known amateur golf player. Her commitment and good humor were a source of strength to her family and friends.

Mrs. Savage's death is a loss to her family to whom I extend my condolences and sympathies and also to the Chicago community. Accordingly, I would like to dedicate the following poem, written by Lt. Col. Robert L. Tinsley, USAF, retired:

A HANDFUL OF EARTH

A handful of earth
Represents the cycle of life—
The origin and destiny of man and his creations.
From the earth, man was created,
And back to the earth, he shall surely return.
Will we ever learn?
After the body returns to earth,
It loses its earthly significance and regains its original identity—
A handful of earth.●

● Mr. STOKES. Mr. Speaker, I would like to thank my distinguished colleague, the gentleman from the District of Columbia (Mr. FAUNTROY) for taking this special order so that Members can acknowledge the passing of Mrs. Eunice Savage—wife of our colleague, the Honorable GUS SAVAGE of Illinois. Mrs. Savage passed on, Monday, February 23, 1981, in Chicago at the age of 55.

Mr. Speaker, Mrs. Savage was that kind of rare individual who was a courageous soldier in the struggle for civil rights and social justice for all Americans. Through her civil rights activities, she gave untirelessly of her time, energy, and intellect to those who without her had little hope or few advocates.

Mr. Speaker, as we pause to eulogize Mrs. Savage, it is appropriate to note that she leaves not only the Members of this body but people across this Nation who are committed to equality and social justice, a powerful legacy.

Few people can boast of the vigor and unflinching commitment to the civil rights movement that Mrs. Savage displayed every day of her life. This commitment led her to participate in demonstrations in the fifties and the sixties at places ranging from the White House to the city hall in Chicago.

Further, Mr. Speaker, working closely with her beloved husband of 34 years, Gus, on the Citizens Newspaper in Chicago, she helped to spread the word about the triumphs and challenges of the civil rights movement to the community.

In her spare time, she was a well-known amateur golfer who often took her children with her on tournament tours.

Mr. Speaker, Eunice Savage was a staunch supporter of her husband and family. She was probably best known for her seemingly eternal optimism and smile even in the face of adversity.

In closing, Mr. Speaker, I would like to note that Eunice Savage's life and her high principles stand as a tribute to her. I am sure that in the difficult days ahead, the memories of her triumphs and tenacity will also be a source of comfort and continuing encouragement for our colleague Mr. SAVAGE and his children. At this time, I join my colleagues in paying tribute to the late Eunice Savage.●

● Mr. WASHINGTON. Mr. Speaker, I rise to express my deepest sympathy for my colleague and friend, the Honorable GUS SAVAGE. I join GUS, his son Thomas, and his daughter Emma, in mourning the passing of GUS' wife, their mother, Eunice Savage.

It has been my great and good fortune to know Eunice Savage, and to number her among my friends, for virtually my entire adult life. We first met 35 years ago, when her husband and I were students together at Roosevelt University.

Her passing leaves a void that will not be filled. But her warmth, her quiet yet vivacious presence, her skill as a businesswoman, her involvement in our community as a caring and concerned citizen, will be forgotten by none of us who were fortunate enough to know her.

Eunice will be remembered by many, for many reasons.

Some will remember her as the skilled, hardworking businesswoman who served as general manager of several of Chicago's finest newspapers, the Citizen Newspaper group and Chicago Weekend.

Others will remember the athlete, for Eunice was a highly talented golfer. Her fellow sportswomen will remember Eunice as their helper and their leader. She was the one always available to take the lead in organizing a tournament, always eager to guide young athletes new to golfing.

Still others will remember her as a concerned and active participant in the political and social life of our community. Eunice was one of those rare individuals who give unstintingly of themselves without asking for reward or recognition.

I personally, owe Eunice a real debt of gratitude. Since 1964, when I first sought political office, she has been a supporter and a guide.

In particular, I will not forget the help and support she gave me in 1977, when I was a candidate for mayor of the city of Chicago. It was a difficult campaign, one from which many of my friends stood aside. Eunice, like her husband GUS, was with me at the time when I most needed advice, support, and guidance.

Eunice will certainly be remembered through her lifetime companion and husband, GUS SAVAGE, with whom she walked, talked, and worked with through the years, and more than any other person, is responsible for the high office which he now holds.

Eunice will be remembered, finally, through her two fine children, Thomas and Emma. It has been a great joy to watch them grow into adulthood and responsible citizens. Their lives are, and will be, the best and truest memorial to a wonderful woman, Eunice Savage.●

GENERAL LEAVE

Mr. DYSON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and to include extraneous material on the subject of the special order speech by the gentleman from the District of Columbia (Mr. FAUNTROY).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CRAIG) to revise and extend their remarks and include extraneous material:)

Mr. FRENZEL, for 10 minutes, today.

Mr. COLLINS of Texas, for 30 minutes, today.

(The following Members (at the request of Mr. DYSON) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. FAUNTROY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. CRAIG) and to include extraneous matter:)

Mr. DANNEMEYER.
Mr. HARTNETT.
Mr. YOUNG of Florida in five instances.
Mr. CARNEY.
Mr. DORNAN of California in two instances.
Mr. BADHAM.
Mr. HOLLENBECK.
Mr. BROYHILL.
Mr. LEBOUTILLIER.
Mr. BERKUTER.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. SKELTON.
Mr. GEJDENSON.
Mr. HAMILTON.
Mr. ROE.
Mr. EDWARDS of California.
Mr. GARCIA.
Mr. STUDDS.
Mr. ALEXANDER.

Mr. CHAPPELL.
Mr. BLANCHARD.
Mr. PANETTA.

ADJOURNMENT

Mr. DYSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 42 minutes a.m.), under its previous order, the House adjourned until Monday, March 2, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Omitted from the Record of February 25, 1981*]

618. A communication from the President of the United States, transmitting notice of his intention to issue an executive order extending for an additional year the waiver of the application of restrictions governing the retransfer or reprocessing of nuclear fuel exported from the United States to the European Atomic Energy Community (EURATOM), pursuant to section 126a.(2) of the Atomic Energy Act of 1954, as amended; to the Committee on Foreign Affairs.

[*Submitted February 26, 1981*]

619. A letter from the Deputy Assistant Secretary of Defense, transmitting a report on negotiated contracts for experimental, developmental, test or research work, for industrial mobilization in the interest of the national defense, covering the period April through September 1980, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

620. A letter from the Secretary of Energy, transmitting the fourth annual report on the Strategic Petroleum Reserve, pursuant to section 165 of the Energy Policy and Conservation Act of 1975; to the Committee on Energy and Commerce.

621. A letter from the Acting Assistant Secretary for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Australia for permission to transfer certain U.S. origin defense equipment to Malaysia, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

622. A letter from the Freedom of Information/Privacy Officer, Interstate Commerce Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

623. A letter from the Executive Secretary, National Mediation Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

624. A letter from the Postmaster General, transmitting a report on the Postal Service's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

625. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

626. A letter from the Secretary of Energy, transmitting the fourth annual report on activities under the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976, pursuant to section 14 of the act; to the Committee on Science and Technology.

627. A letter from the Deputy Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize the Administrator to provide a memorial plaque or marker in appropriate situations to the next of kin of an individual who would otherwise be memorialized in a national, private or local cemetery; to the Committee on Veterans' Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL (for himself, Mr. MADIGAN, Mr. BROWN of Ohio, Mr. BENEDICT, Mr. RITTER, and Mr. RINALDO):

H.R. 2201. A bill to revise and extend the Consumer Product Safety Act; to the Committee on Energy and Commerce.

By Mr. PANETTA:

H.R. 2202. A bill to authorize pay and benefits for members and survivors of members of the Philippine Scouts on the same basis as such pay and benefits are authorized for other members of the Armed Forces and their survivors; to the Committee on Armed Services.

By Mr. DANNEMEYER:

H.R. 2203. A bill to amend the Communications Act of 1934 to permit the Federal Communications Commission to employ voluntary services for purposes of monitoring violations of the act by amateur and citizens band radio service station operators and for purposes of preparing and administering examinations for certain amateur station operator licenses; to the Committee on Energy and Commerce.

By Mr. DICKINSON:

H.R. 2204. A bill to require that not more than one-fourth of the budget authority of any department or agency of the executive branch may be obligated during the last quarter of a fiscal year; to the Committee on Government Operations.

By Mr. FLORIO (for himself and Mr. BIAGGI):

H.R. 2205. A bill to provide compensation for the disability and death of Federal law enforcement officers resulting from injuries sustained while making arrests for certain violations of State criminal laws, and for other purposes; jointly, to the Committees on Education and Labor, the Judiciary, and Ways and Means.

By Mr. FRENZEL:

H.R. 2206. A bill to increase the value limitation applicable to informal entries of imported merchandise; to the Committee on Ways and Means.

By Mr. FRENZEL (for himself, Mr. PICKLE, and Mr. ROUSSELOT):

H.R. 2207. A bill to amend the Internal Revenue Code of 1954 to allow employees a deduction for savings contributions to employer retirement plans or to individual retirement plans; to the Committee on Ways and Means.

By Mr. HALL of Ohio (for himself and Mr. BROOKS):

H.R. 2208. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for the purchase of new highway vehicles; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 2209. A bill to amend chapter 5 of title 5, United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. PURSELL:

H.R. 2210. A bill to provide for a reduction in the number of Federal employees through voluntary attrition; to the Committee on Post Office and Civil Service.

H.R. 2211. A bill to condition the approval of Federal highway aid projects in a State on the establishment by that State of a system of identification and penalties for use in reserving parking spaces for motor vehicles used by handicapped individuals; to the Committees on Public Works and Transportation.

H.R. 2212. A bill to provide for a Federal program for health promotion and disease prevention; jointly, to the Committee on Energy and Commerce and Education and Labor.

H.R. 2213. A bill to protect the public from traffickers in heroin and other opiates, and for other purposes; jointly, to the Committees on Energy and Commerce, the Judiciary, Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. PURSELL (for himself, Mr. GILMAN, and Mr. BRILEY):

H.R. 2214. A bill to establish a Federal program to provide public information on wildlife preservation and the endangered species; to the Committee on Merchant Marine and Fisheries.

By Mr. PURSELL (for himself, Mr. NEAL, Mr. WALGREN, Mr. BROYHILL, Mr. BAFALIS, Mr. GINGRICH, Mr. KILDEE, Mr. COURTER, and Mr. TAUKE):

H.R. 2215. A bill to amend title 39, United States Code, relating to nonprofit service clubs qualifying for third-class nonprofit rates of postage; to the Committee on Post Office and Civil Service.

By Mr. PURSELL (for himself, Mr. WEISS, Mr. SAWYER, Mr. JEFFORDS, and Mr. STOKES):

H.R. 2216. A bill to establish a National Energy Trust Fund, and to provide for the use of such Fund by the Secretary of Energy in conducting and supporting research, development, and demonstrations designed to develop alternative energy sources; to the Committee on Science and Technology.

By Mr. PURSELL (for himself, Mr. TRAXLER, Mr. PANETTA, Mr. LAGOMARSINO, and Mr. STOKES):

H.R. 2217. A bill to amend section 1304 of the Internal Revenue Code of 1954 relating to income tax returns of married individuals; to the Committee on Ways and Means.

By Mr. SANTINI:

H.R. 2218. A bill to direct the Secretary of Agriculture to convey certain National Forest System lands in the State of Nevada, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WALGREN:

H.R. 2219. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case

basis to facilitate modernization; to the Committee on Energy and Commerce.

By Mr. YOUNG of Florida:

H.R. 2220. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain relating existing provisions; to the Committee on the Judiciary.

H.R. 2221. A bill to amend title II of the Social Security Act to provide that a beneficiary shall (if otherwise qualified) be entitled to a prorated benefit for the month in which he (or the insured individual) dies; to the Committee on Ways and Means.

H.R. 2222. A bill to amend title XVI of the Social Security Act to provide that burial plot or crypt shall be excluded from an individual's resources in determining his or her eligibility for supplemental security income (and medicaid) benefits; to the Committee on Ways and Means.

H.R. 2223. A bill to amend part A of title XVIII of the Social Security Act to reduce the inpatient hospital deductible under the medicare program to its 1978 level; to the Committee on Ways and Means.

H.R. 2224. A bill to amend part B of title XVIII of the Social Security Act to provide for fair hearings on disputed medicare claims by an impartial person other than a carrier; jointly, to the Committees on Energy and Commerce and Ways and Means.

H.R. 2225. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. PURSELL (for himself, Mr. BROOMFIELD, Mr. BRODHEAD, Mr. BLANCHARD, Mr. DAVIS, Mr. DINGELL, Mr. McDADE, Mr. WYLIE, Mr. GUYER, Mr. BONIOR of Michigan, Mr. WOLPE, Mr. FORD of Michigan, Mr. TRAXLER, Mr. SAWYER, and Mr. DUNN):

H. Con. Res. 80. Concurrent resolution urging the President of the United States to enter into negotiations with representatives of the Government of Japan with respect to a temporary restraint in the exportation of automobiles into the United States, an equitable relationship between prices charged in domestic and foreign sales, and elimination of trade barriers affecting purchase of American products; jointly, to the Committees on Foreign Affairs and Ways and Means.

By Mrs. COLLINS of Illinois:

H. Con. Res. 81. Concurrent resolution expressing the sense of the Congress that State and local governments should support the fire safety efforts of the U.S. Fire Administration to reduce lives and property damage lost by fire; to the Committee on Science and Technology.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3: Mr. PEPPER and Mr. JEFFORDS.

H.R. 65: Mr. WAXMAN, Mr. STOKES, Mr. HAWKINS, Mr. QUILLEN, Mr. ROBINSON, Mr. MARLENEE, Mr. JEFFRIES, Mr. BADHAM, Mr. ANTHONY, Mr. DYSON, Mr. PRITCHARD, Mr. O'BRIEN, Mr. LOEFFLER, Mr. WOLF, Mr. GORE, Mr. BENEDICT, Mr. RODINO, Mr. LOWERY of California, Mr. BONKER, Ms. FERRARO, Mr. RALPH, M. HALL, Mr. LUKEN, Mr. DAVIS, Mr. BROWN of Ohio, Mr. RAILSBACK, Mr. YOUNG of Alaska, Mr. GREGG, Mr. BAILEY of Missouri, Mr. ASPIN, Mr. SMITH of Alabama, Mr. EMERSON, Mr. STUMP, Mr. CARMAN, Mr. STENHOLM, Mr. FARY, Mr. ROGERS, and Mr. CROCKETT.

H.R. 188: Mr. CORCORAN, Mr. MOORHEAD, Mr. GUYER, Mr. SHELBY, Mr. WHITEHURST, Mr. KRAMER, Mr. SNYDER, Mr. JACOBS, Mrs. BYRON, Mr. SHUMWAY, Mr. McDONALD, Mr. KEMP, Mr. DUNCAN, Mr. BENJAMIN, Mr. GRISHAM, Mr. COLLINS of Texas, Mr. WAMPLER, and Mr. JEFFRIES.

H.R. 556: Mr. PATTERSON, Mr. CONTE, Mrs. BOUQUARD, Mr. MINISH, and Mr. FRANK.

H.R. 568: Mr. ROE, Mr. HUGHES, Mr. DAVIS, Mr. NEAL, Mr. DYSON, Mr. HARTNETT, Mr. HUCKABY, Mr. JAMES K. COYNE, Mr. PETRI, Mr. STOKES, Mr. CRAIG, Mr. ROBINSON, Mr. O'BRIEN, and Mr. PORTER.

H.R. 644: Mr. ADDABBO, Mr. BEARD, Mr. BROWN of Ohio, Mr. CORRADA, Mr. DOUGHERTY, Mr. FORSYTHE, Mr. HORTON, Mr. LAGOMARSINO, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. SAWYER, Mr. SOLARZ, Mr. WAMPLER, Mr. WILLIAMS of Montana, Mr. YATRON, and Mr. YOUNG of Florida.

H.R. 703: Mr. LUNGREN, Mr. PETRI, Mr. ROUSSELOT, Mr. WHITEHURST, Mr. BOWEN, Mr. WINN, Mr. HYDE, Mr. GILMAN, Mr. DERWINSKI, Mr. FROST, Mr. EVANS of Georgia, Mr. LOTT, Mrs. HOLT, Mr. FORSYTHE, Mr. TAUKE, Mr. COURTER, Mr. LIVINGSTON, Mr. RAILSBACK, and Mr. HOPKINS.

H.R. 706: Mr. MURPHY, Mr. GUYER, Mr. WHITEHURST, Mr. FORSYTHE, Mr. DOUGHERTY, Mr. BONIOR of Michigan, Mrs. HOLT, Mr. ROBERTS of South Dakota, Mr. MITCHELL of Maryland, Mr. PRITCHARD, Mr. MAVROULES, Mr. SAWYER, Mr. DAUB, Mr. LOTT, and Mr. KINDNESS.

H.R. 1053: Mr. ASHBROOK, Mr. BADHAM, Mr. BEVILL, Mr. BIAGGI, Mr. COLEMAN, Mr. DAUB, Mr. DeNARDIS, Mr. FOLEY, Mr. GOLDWATER, Mr. GUNDERSON, Mrs. HECKLER, Mr. HOLLAND, Mr. HOPKINS, Mr. HUNTER, Mr. LEACH of Iowa, Mr. LUKEN, Mr. MARTIN of New York, Mr. REGULA, Mr. SHARP, Mrs. SMITH of Nebraska, Mr. WAMPLER, Mr. WHITTEN, Mr. WILLIAMS of Ohio, Mr. WYLIE, and Mr. YOUNG of Florida.

H.R. 1100: Mr. DUNN, Mr. COURTER, and Mr. OBEY.

H.R. 1110: Mr. JOHNSTON, Mr. MYERS, Mr. WOLF, Mr. COLEMAN, Mr. BEDELL, Mr. LOWERY of California, Mr. SIMON, Mr. McKINNEY, and Ms. FERRARO.

H.R. 1206: Mr. COURTER, Mr. JAMES K. COYNE, Mr. DAUB, Mr. DE LUGO, Mr. RITTER, Mr. WOLF, and Mr. YATRON.

H.R. 1207: Mr. COURTER, Mr. JAMES K. COYNE, Mr. DAUB, Mr. DE LUGO, Mr. RITTER, and Mr. YATRON.

H.R. 1540: Mr. BEARD, Mr. BROWN of California, Mr. BUTLER, Mr. LAGOMARSINO, Mr. MONTGOMERY, Mr. PANETTA, Mr. SOLARZ, and Mr. WEISS.

H.R. 1703: Mr. SKEEN.

H.R. 1964: Mr. BENJAMIN, Mr. FORD of Tennessee, Mr. LEHMAN, and Mr. VANDER JAGT.

H.J. Res. 5: Mr. BRODHEAD, Mr. KILDEE, Mr. APPLEGATE, Mr. MURPHY, Mr. GUYER, Mr. STARK, Mr. FROST, Mr. PEASE, Mr. WOLPE, Mr. FRANK, Mr. PEPPER, Mr. FORD of Tennessee, Mr. DINGELL, Mr. KOGOVSEK, Mr. HOLLENBECK, Mr. HALL of Ohio, Mr. OBERSTAR, Mr. CLAY, Mr. NOWAK, Mr. RODINO, Mr. MOTTL, Mr. DAVIS, Mr. BENJAMIN, Ms. MIKULSKI, Mr. VENTO, Mr. YATRON, Mrs. COLLINS of Illinois, Mr. CHAPPELL, Mr. HILLIS, Mr. CONYERS, Mr. OTTINGER, Mr. YOUNG of Missouri, Mr. BROOMFIELD, Mr. BONIOR of Michigan, Mr. CORRADA, Mr. FORD of Michigan, Mr. WON PAT, Mr. BLANCHARD, Mr. MOFFETT, Mr. CROCKETT, Mr. HERTEL, Mr. ATKINSON, and Mr. BROWN of Ohio.

H.J. Res. 104: Mr. PHILIP M. CRANE and Mr. SMITH of Alabama.

H.J. Res. 150: Mr. MOFFETT, Mr. BROWN of California, Mr. KOGOVSEK, Mr. WON PAT, Mr. MITCHELL of Maryland, Mr. EDGAR, Mr. MURPHY, Mr. PANETTA, Mr. DASCHLE, AND Mr. PATTERSON.

H. Con. Res. 59: Mr. GUYER, Mr. KINDNESS, Mr. LATTA, Mr. WEBER of Ohio, Mr. MOFFETT, Mr. DERWINSKI, Mr. HUGHES, Mr. GAYDOS, Mr. ATKINSON, Mr. HILER, Mr. WINN, Mr. FAZIO, Mr. WALGREN, Mr. LOWERY of California, Mr. DICKINSON, Mr. O'BRIEN, Mr. LUKEN, Mr. GARCIA, Mr. PERKINS, Mr. OTTINGER, Mr. COLLINS of Texas, Mr. SOLOMON, Mr. MORRISON, Mr. LEHMAN, Mr. JEFFRIES, Mr. ROE, Mr. ADDABBO, Mr. DOUGHERTY, Mr. WHITEHURST, Mr. VENTO, Mr. GOLDWATER, Mr. McKINNEY, Mr. HIGHTOWER, Mr. BETHUNE, Mr. SIMON, Mr. PORTER, Mr. BENJAMIN, Mr. TAUKE, Mr. BAFALIS, and Mr. BEDELL.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

34. By the SPEAKER: Petition of the City Council, Worcester, Mass., relative to the urban development action grant program; to the Committee on Banking, Finance and Urban Affairs.

35. Also, petition of the City Council, Woonsocket, R.I., relative to the economy; to the Committee on Banking, Finance and Urban Affairs.

SENATE—*Thursday, February 26, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Let us pray.

Almighty God, judge of all the Earth and perfect in Thy justice, we beseech Thee for the Members of the Senate and all public servants. Make us aware that our ultimate accountability is to Thee.

The Word declares that we have no secrets from Thee; that Thou dost know our thoughts afar off and the words yet unspoken on our tongue. Thou dost see not only what we do but why we do it. Put a watch on our motivation. Imbue us with the desire and determination to act in ways pleasing to Thee. Help us to think God's thoughts after Him knowing that as we conform to Thy will we shall most certainly fulfill our responsibility to the people.

Fill our hearts, O God, with a passion for Thy glory, through Jesus Christ the Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that, following the time allocated to the two leaders under the standing order and the special orders for Mr. JEPSEN and for Mr. BAUCUS, there be a period for the transaction of routine morning business not to exceed 30 minutes in length and that Senators be permitted to speak therein for not to exceed 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR DANFORTH IN PLACE OF SENATOR JEPSEN

Mr. BAKER. Mr. President, I ask unanimous consent that the special order granted to Senator JEPSEN be transferred this morning to the Senator from Missouri (Mr. DANFORTH).

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, may I inquire of the distinguished minority leader if there is some possibility of turning to consideration of those nominations on the Executive Calendar for today or any of the items that have appeared on today's General Orders Calendar.

Mr. ROBERT C. BYRD. Mr. President, the minority is ready to proceed with nominations on the Executive Calendar.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous censent that the Senate now go into executive session for the purpose of considering the nominations appearing on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. The clerk will state the nominations.

DEPARTMENT OF STATE

The legislative clerk read the nomination of James L. Buckley, of Connecticut, to be Under Secretary of State for Coordinating Security Assistance Programs.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The legislative clerk read the nomination of Richard T. Kennedy, of the District of Columbia, to be Under Secretary of State for Management.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The legislative clerk read the nomination of Walter J. Stoessel, Jr., of California, to be Under Secretary of State for Political Affairs.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The legislative clerk read the nomination of Richard Fairbanks, of the District of Columbia, to be an Assistant Secretary of State.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, with great reluctance, I move to lay on the table the motion offered by my very distinguished friend, the majority leader, the distinguished Senator from Tennessee, a man whose motions I hesitate to table, but I move reluctantly.

Mr. BAKER. Mr. President, before the Chair acts, may I say that the distinguished minority leader, in his present role and previously, as majority leader, has brought considerable distinction to the Senate, but none done more eloquently than this one.

The motion to lay on the table was agreed to.

The legislative clerk read the nomination of Robert Carl McFarlane, of Maryland, to be Counselor of the Department of State.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AGENCY FOR INTERNATIONAL DEVELOPMENT

The legislative clerk read the nomination of M. Peter McPherson, of Maryland, to be Administrator of the Agency for International Development.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE FOREIGN SERVICE

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations placed on the Secretary's desk be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, do I have time remaining under the standing order?

The PRESIDENT pro tempore. The Senator has 5 minutes and 14 seconds remaining.

Mr. BAKER. I thank the Chair.

Mr. President, it is my intention in a moment to yield that time remaining to the Senator from Missouri (Mr. DANFORTH), who is the assignee of time under a special order this morning. Before I do that, I should like to yield to the distinguished minority leader for time he may need under his standing order.

I ask unanimous consent that I may yield the time remaining to me under the standing order to the Senator from Missouri (Mr. DANFORTH) to be added to the time he has under the special order.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. I now yield to the minority leader.

RECOGNITION OF THE MINORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, I have time under the standing order. I yield 5 minutes of it to the distinguished majority leader for his use by unanimous consent and I shall yield 5 minutes to Mr. BAUCUS, who has an order for 15 minutes. That is in case he needs additional time.

RECOGNITION OF SENATOR DANFORTH

The PRESIDENT pro tempore. Under the previous order and pursuant to the motion of the minority leader, the Senator from Missouri is recognized for 15 minutes, plus the additional time yielded by the Senator from Tennessee.

Mr. BAKER. Mr. President, will the Senator from Missouri yield to me for a question?

Mr. DANFORTH. Yes, I yield.

Mr. BAKER. Mr. President, does the Senator from Missouri require any additional time? The reason for the inquiry is that the minority leader, in his characteristic generosity, has given me an additional 5 minutes that otherwise would be under his control under the standing order. I shall yield all of that to the Senator from Missouri, if he wishes.

Mr. DANFORTH. Mr. President, I very much appreciate the courtesy of the majority leader. I think this will take about 20 minutes, give or take a few minutes. If the majority leader could yield me 10 minutes, maybe, I might be in a position to yield it back.

Mr. BAKER. Mr. President, I yield to the Senator from Missouri the time just generously yielded to me by the minority leader, which would give him a total of 25 minutes, would it not?

The PRESIDENT pro tempore. Twenty-four minutes.

Mr. BAKER. I thank the Chair.

THE MYTH OF FREE TRADE

Mr. DANFORTH. Mr. President, 2 weeks ago, Senator BENTSEN and I introduced a bill to impose a quota for 3 years on the number of Japanese cars imported into this country. Neither one of us likes the idea of a quota. But both of us feel that the current plight of the U.S. auto industry and auto workers constitutes an emergency. Something must be done to help the Americans who have lost their jobs, the Americans who have been hurt by an ailing auto industry, and the Americans who rely on an economy in which the auto industry is a major factor. Ultimately, that is all Americans.

Our bill has received mixed reviews. Many critics have been quick to say that a quota is a "restraint of free trade," which will invite retaliation. Mr. President, in this particular context, the phrase "free trade" is a complete myth.

Free trade implies an unhampered flow of goods and services between countries, a flow which is affected only by market forces, only by supply and demand. Under that definition, there is no free trade in world markets in general, and certainly no free trade between the United States and Japan. Japanese import restrictions apply to all manner of goods and services produced in the United States. To pretend that we have open access to Japanese markets is to ignore reality.

Since the creation of the General Agreement on Tariffs and Trade—GATT—we have worked in concert with our trading partners to set ground rules for international trade. In general, these rules have been useful and productive. And the United States clearly has been the most faithful of all nations in adhering to them. But we fool ourselves by not admitting that many of our trading partners both employ and seek every available means to circumvent these rules.

I do not condone such activities. I remain strongly committed to maintaining our leadership role in the pursuit of free and fair trade. We must be realistic, however. We cannot possibly be so naive as to think that just because our market is open, others will be as well.

Consider our trading relationship with Japan: The U.S. market is wide open to interested Japanese exporters—more open, in fact, than any other market in the world. The only delays involved in Japanese car sales in this country are the 14 days it takes to ship a boatload from Yokohama. By contrast, it took over 2 years of intense negotiations by our Government to give U.S. companies a chance just to bid on sales to Japan's national telecommunications entity. Just how competitive this arrangement really is still remains to be seen.

Japan has taken great advantage of free access to the U.S. market. Nothing illustrates this better than the fact that in the past decade, Japanese exports to the United States have exceeded our exports to Japan by a total of $47 billion. Our deficit in 1979 alone exceeded $8 billion. The deficit for 1980 is even greater—almost $10 billion.

In achieving this surplus, Japan has relied on protectionism to close its markets to U.S. interests. Our difficulty in gaining access to Japan's telecommunication market was not unique. Take the case of cigarettes, for example. The Japanese are the world's greatest smokers. Japan's cigarette market is worth $10 billion a year. U.S. suppliers, however, are restricted to 1 percent of that market. Moreover, the retail pricing formula for cigarettes in Japan is rigged so that American brands are sold for 110 yen more than domestic Japanese brands.

In the case of Japan's national railroad, JNR, equipment traditionally has been purchased from selected domestic manufacturers, without bidding. One Japanese corporation alone supplies approximately 90 percent of JNR's wheel and axle requirements. This same corporation also sells wheels and axles to U.S. railroads. But when Japan placed JNR purchasing under the MTN Government Procurement Code, it added a qualification. A small footnote to the order reads:

> Materials connected with operational safety of transportation are not included.

This footnote is certain to include JNR's wheels and axles, not to mention sophisticated switching equipment. In the case of JNR, "free trade" may eventually prove nonexistent.

I am not denying that we have made progress with Japan in recent years. But in spite of this progress, Japan still maintains 27 illegal quantitative import restrictions, including rigid quotas on beef, citrus, and leather goods. Japanese quotas on high quality beef imports mean that many Tokyo restaurants charge $35 a steak. By 1983, Japan will increase its beef import quota to 30,800 metric tons per year—an amount that would yield a mere two "quarter pounders" per Japanese citizen per year.

Beef is not a unique example. Oranges retail in Japan for up to $1 each. A glass of orange juice at one of Tokyo's major hotels can set you back $4. All because of import quotas.

There is also the case of leather, where an increase in the quotas for U.S. exports brought us to less than 2 percent of Japanese consumption. And not even this quantity is being filled. Although there may be a number of plausible explanations for this fact, I suspect the 20-percent duty placed on top of the quota may be a factor.

In addition to its procurement practices and quotas, the Japanese market also has numerous invisible import barriers, including a complex distribution system, interminable delays, and red-tape, and discriminatory taxes and regulations. The prospects of eliminating these barriers are poor at best. Processed foods are a good example of the way they work. A Trade Subcommittee report notes the following:

> Food sanitation standards problems arise because each prefecture establishes standards for domestically-produced products, while the Ministry of Health and Welfare establishes standards for imported products. There is no requirement that the standards be uniform, occasionally leading to stricter standards for foreign products than domestic products.
>
> Finally, Japan has a "positive list" for food additives, compared to a "negative list" in use in countries such as the United States. The use of a positive list and the practice of the Food Sanitation Investigators Council to reject additives on the arbitrary basis of "need" . . . constitute a significant nontariff barrier to imported processed food products ranging from peanut butter to maraschino cherries.

Regarding the distribution system, the report continues:

> Basically, Japan is a nation of small shopkeepers—and wholesalers. There is often at least one more wholesaler in the distribution system than exists in the U.S. system. In Japan, with a population about half that of the United States, there were 240,000 wholesalers in 1976 compared with 370,000 in the United States in 1972. Further, there are more retail establishments in Japan than in the United States (1.6 million as opposed to 1.55 million.) Inventories are kept small because of space problems—deliveries must be frequent—special services must be offered—mark-ups multiply.

The cumulative effect of these hidden barriers is obvious in the case of Japanese automobile imports. Japan has no tariff on autos. Yet a car that sells for a little over $6,000 in the United States may cost as much as $20,000 in Japan.

Trade policy is one of the United States most vital concerns. As we formulate that policy, we severely handicap ourselves if we ignore all of the factors mentioned here. The multiple barriers which face U.S. exports who seek Japanese markets, the ongoing effects of Japanese protectionism, and Japanese trade strategies that affect both domestic and foreign producers. For a mere glance at these Japanese policies reveals several basic patterns: On the import side, Japan's market is open only to those products which it needs, and which Japan will never be able to produce in the necessary quantities. Most agricultural products fall into this category; out of necessity, Japan is and will continue to be a major purchaser of U.S. agricultural products.

In other areas, however, the Japanese have decided to develop strong domestic production. In those areas, the government has restricted imports severely in order to give domestic producers time to become competitive both at home and abroad. This practice has been obvious in numerous Japanese products, including automobiles, cameras, motorcycles, stereo components, and the color television industry. It is evident today in high-technology areas, such as semiconductors and computers—where a few barriers of the recent past are only now being eased—now that the Japanese industries involved have firmly penetrated our market.

Consider semiconductors, the building blocks of computers. Traditionally, we have a trade surplus with Japan in "chips." However, due to high tariffs this surplus was erased. Last year, for the first time, our surplus became a deficit. Moreover, Japan is the only country in the world where U.S. computer firms do not control most of the market; and as of last year, Japan is the only country where IBM is no longer the No. 1 source of sales. Japan's drive to gain a major share of the world computer market can only cut into our export leadership in that area. In fact, one estimate claims that:

> By 1985 (Japan) plans to sell some $384 billion yen ($1.66 billion) worth of computers to the U.S.—some 15 percent to 20 percent of their total production and 60 percent of their total exports . . .

Similar management of the marketplace is evident on the export side as well. The Japanese Government encourages exports—which is admirable in theory, but often irresponsible in practice. Japan is quick to restrict exports to some foreign markets on the basis of political considerations. Take, for example, Japan's willingness to limit automobile exports to most European countries. In every case, the legality of these restrictions is extremely questionable under international trade rules. In no case is there evidence of Japan retaliating against other countries or of referring them to the GATT. Why? Because the Japanese know that the Europeans are doing precisely what the Japanese have done for so long—protecting their home industries. The United States alone has failed to follow suit. At present, ours is the only large open market for cars in the world. And new arrangements between the Europeans and the Japanese will soon divert even more Japanese cars to our shores.

But there is more, Mr. President. In spite of the fact that the yen rose against the dollar between 1973 and 1978, the drop in Japanese real imports supports the view that trade restrictions may explain the increased Japanese surplus. For as a CBO study points out:

> Quite unusually, Japanese real imports fell despite a rise in Japanese GNP and a fall in import prices.

Clearly, Japan is exporting more than just cars. Japan is also letting us subsidize its oil purchases.

Furthermore, Japan exports unemployment to the United States as well. A recent edition of "News from Japan," a registered foreign agent of the Japanese Government, reported that—

> Employment rose substantially in Japan last year and unemployment declined slightly to 2.0 percent of the labor force . . . The number of workers rose to 55.3 million, an increase of 570,000 during 1980. Unemployment dropped by 30,000 to 1.1 million.

Mr. President, let us be honest in describing trade. In some cases we may not be selling to Japan because we are not trying hard enough, because our producers are faced with export barriers of our own making, or because our products may not be competitive. But we cannot ignore the overwhelmingly negative impact of Japan's past and current import barriers.

Free trade with Japan is a myth. Free trade with Japan is nothing but a one-way street that runs their way. Until we face up to that fact, and until American trade policy rests squarely on an honest realization of what we are up against, we will never hold our own in world markets. And if we do not hold our own, American workers, manufacturers, and consumers will continue to suffer for it. It is incumbent on the leadership of this Government—on Congress and the executive branch alike—to open our eyes to reality—to see world trade for what it is, not for what we wish it might be. Only then can world trade fulfill the interests of America as well as those of our trading partners.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRASSLEY). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER VITIATING THE ORDER FOR THE RECOGNITION OF SENATOR BAUCUS

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the recognition of Mr. BAUCUS be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, and Senators will be allowed to speak for 5 minutes each.

REDUCTION OF SENATE OPERATING BUDGET

Mr. BAKER. Mr. President, the Committee on Rules and Administration has reported to the Senate a resolution reducing our annual operating budget by 10 percent.

I wish to congratulate, commend, and express my appreciation to the chairman of that committee, Mr. MATHIAS, and all the members of the Rules Committee, and all of the chairmen and ranking members of the Senate's various standing committees. Indeed, I would express my gratitude to each Member of the Senate as we will all be affected to some degree by this reduction in the levels of the committee budgets.

As my colleagues may recall, this past September 15, I joined my distinguished counterpart from the House of Representatives, JOHN RHODES, and then-candidates Ronald Reagan and GEORGE BUSH in pledging to reduce the operating costs of the Federal Government. We further pledged at that time to set an example for other branches of the Government by reducing the expenses, and in keeping with our pledge, we established a goal of a 10-percent reduction in the Senate operating budget.

I am pleased to say that the leadership of MAC MATHIAS, JOHN WARNER, WENDELL FORD, and our standing committee chairmen and ranking members has allowed the Senate to now receive a report and resolutions from the Rules Committee to honor the representations made that we would be first among those who would attempt to effect economies in Government.

The Rules Committee has reported reductions in spending for Senate committees that exceed $4.6 million. Our objective for a 10-percent cut, assuming that the resolutions are adopted by the Senate, will have been met.

Not only is this accomplishment a testimony to the leadership of those individuals on both sides of the aisle, whom I have previously mentioned, but it also underscores the commitment of the Senate as a whole to reduce the cost of government.

Furthermore, and, perhaps, more significant in the difficult days ahead, we have set by this example a standard for all other agencies and departments within the Federal Government.

Clearly we have shown that spending can be reduced. It has been done on a bipartisan basis. Clearly we have shown that the Senate is determined to see that that shall occur.

Once again, Mr. President, I commend the distinguished chairman of the Rules Committee, Mr. MATHIAS, the ranking member and all members of the Rules Committee for reporting to us resolutions which will make it possible for us to reduce by 10 percent the operating costs of the committees of the Senate.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I am happy to yield.

Mr. ROBERT C. BYRD. I join the distinguished majority leader in complimenting the chairman of the Committee on Rules and members of the Committee on Rules on both sides of the aisle for effectuating the reductions that have been made in the operating budgets of the various committees.

Last year I offered an amendment that would require a 10-percent, across-the-board, in-the-aggregate reduction of funds for the operation of the Senate as a whole.

That amendment was adopted. As I view this action by the Rules Committee, I think it is thoroughly in keeping with the spirit and the intent of the amendment which I offered on that occasion.

I, again, commend the members of the Rules Committee, the chairman, the ranking member, and the majority leader on the statement that he has made with respect to the action taken by the committee.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senate majority leader.

Mr. BAKER. Mr. President, I wish to thank the distinguished Senator from West Virginia, the minority leader, for indeed he was a trailblazer in this field with the resolution that he introduced. More to the point, he is a member of the Rules Committee, as I am a member of the Rules Committee, and I pay my respect and extend my compliments to him for his early effort in this respect and for his participation in the operation of the Rules Committee.

Once again, I think these resolutions give testimony to the spirit of bipartisan cooperation that exists in the Senate and will lead us to the point where we can perform our bipartisan commitment to try to reduce the cost of government.

Mr. WARNER. Mr. President, I express my most sincere thanks to both the majority and minority leaders for their statements on behalf of the work done by the Rules Committee over the past weeks in effecting an aggregate 10-percent cut in the operating budgets of the committees of the Senate. It was their joint leadership that enabled the chairman and ranking member of the Committee on Rules to work effectively with the members of the Rules Committee in achieving a recommendation in the form of a resolution soon to be considered by the Senate.

The first set of budgets in the Senate to be considered this year are these committee budgets for the new committee fiscal year, which begins on March 1, 1981.

It has been the firm desire of the majority leader, the chairman of the Rules Committee, the distinguished Senator from Maryland, Mr. MATHIAS, and a number of Members of Congress that we be able to achieve a 10-percent reduction in aggregate committee budgets for fiscal year 1981, as a first step toward the goal of a 10-percent cut in overall Senate funds.

I have been asked by the distinguished chairman of the Committee on Rules (Mr. MATHIAS) to place in the RECORD this morning the work of that committee so that it can be studied by our colleagues before this matter comes up for review by the Senate.

We Republicans certainly must not forget what the Republican Conference voted on December 4, 1980. We adopted the following language:

> Each Senator and committee chairman, and the chairman of the Policy and Conference Committees of the Senate, shall strive to achieve at least a 10-percent reduction from the levels of the fiscal year 1981 budgets of the committees. The Secretary of the Senate, the Sergeant at Arms, and the Secretary of the majority shall also strive to achieve at least a 10-percent reduction in the total costs of the Senate. The collective efforts of the above shall constitute at least a 10-percent reduction in the total costs of the Senate for fiscal year 1981.

The reductions taken by the Rules Committee with reference to the committees of the Senate have been incorporated into resolutions which will soon be brought before the Senate.

Last year, committees were authorized to spend $46,332,196. Committees this year voluntarily reduced their budget requests by $4,332,897, and the Rules Committee cut another $300,400 for a total reduction of $4,633,297. This represents a 10-percent cut from last year's authorized levels. Authorized spending totals for Senate Committees this year will be $41,698,899.

Senator BAKER said on the Senate floor on February 5 that this process of cutting will not be easy. He said—

> There will be days when that will be a difficult job, even an unpleasant job, and some of our good friends and colleagues may grow testy over the requirements that will be laid on them to accomplish that purpose.

Mr. President, I sat through many of the hearings; and while there was an occasional inflection in voice and the committee chairmen stood their ground, in each instance that I observed, it was done with complete decorum and dignity. The chairman and ranking member of the committee are to be praised for the manner in which they handled this delicate task, and the chairman and ranking member of each committee that came before the Rules Committee are to be praised.

The job, as Senator BAKER predicted, was not easy, but was made possible by the cooperation of the committee chairmen and the ranking minority members.

I should also like to pay special tribute to the ranking minority member of the Rules and Administration Committee, Senator WENDELL FORD. He sat through every minute of the testimony, asked some of the toughest questions, was completely objective and dedicated to achieving this 10-percent cut which is to be brought before the Senate.

Of course, my colleagues on the committee join in praising the chairman, Senator MATHIAS. The Senator from Maryland is not able to be here today, but he will be present at the time the resolutions come before the Senate. He presided over the hearings and reminded his colleagues that we would not slip off from our goal of a 10-percent cut.

While this reduction involved only Senate committee budgets, I am confident that a mandate of the Senate will be carried out as the authorization process continues for other activities of the Senate.

I believe it is essential that the Senate take this important first step to reduce the growth of this branch of the Federal Government.

It is hoped that the eventual adoption by the Senate of the recommendations of the Rules Committee will send a clear signal to the President and to the executive branch to follow the example in their endeavors to cut the operating expenses of the various departments and agencies of the Federal Government.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published today in the Washington Post which compares the work of the Senate Rules Committee and our colleagues in the House of Representatives.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> While the Senate Rules Committee has been cutting committee budgets by an average of 10 percent below last year's authorizations as an example of frugality, House committee spending is moving up as usual.
>
> In approving seven committee budgets yesterday the House Administration Committee applied in general a formula of adding 10.6 percent to last year's figures for inflation, another 5 percent for unexpected contingencies and anything more that could be justified for added work. The House Armed Services Committee, for instance, expects extra work as it copes with a bigger defense budget. Republicans will try to cut the committee budgets by 10 percent or so on the House floor next week.

Mr. WARNER. Mr. President, I ask unanimous consent to have printed in the RECORD a table which details the cuts that will be incorporated in the resolutions soon to be brought before the Senate. By providing it for the RECORD today, it will enable our colleagues to have a source of reference as they consider this matter.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[COMMITTEE PRINT NO. 2]

U.S. SENATE, COMMITTEE ON RULES AND ADMINISTRATION—SENATE COMMITTEE FUNDING, 97TH CONGRESS, 1ST SESSION, FEBRUARY, 1981

			96th Congress, 2d session [1]		97th Congress, 1st session [2]					Number of committee employees [3]		
Calendar No.	S. Res. No.	Committee	Total authorizations [4]	Unobligated balance (estimated) (Feb. 28, 1981)	Amount requested (12 mo)	Difference between 1980 authorizations and 1981 request	Amount of Rules Committee amendment	Amount reported by Rules Committee	Amount authorized by Senate [5]	1980 (permanent and investigative)	Jan. 31, 1981, payroll	1981 budget
		Ethics Committee (Select).[6]										
		All other committees	$46,332,196	$4,317,790	$41,999,299	−$4,332,897(−9.35%)	−$300,400 (−0.65%)	$41,698,899		1,310(716–594)	1,123(685–438)	1,134(686–448)
(10)	43	Agriculture, Nutrition, and Forestry	1,379,346	13,403	1,325,000	−54,346(−3.94%)	−3,000	1,322,000		34(17–17)	34(20–14)	34(20–14)
(11)	55	Appropriations	4,145,165	75,000	3,791,203	−353,962(−8.54%)	0	3,791,203		84(58–26)	83(57–26)	79(52–27)
(12)	60	Armed Services	1,569,498	334,440	1,569,400	−98(−0.00%)	−15,000	1,554,400		34(19–15)	30(17–13)	36(21–15)
(13)	75	Banking, Housing, and Urban Affairs	1,759,346	163,742	1,583,411	−175,935(−10.00%)	0	1,583,411		45(26–19)	36(23–13)	39(25–14)
(14)	50	Budget	2,999,246	59,236	2,693,632	−305,614(−10.19%)	0	2,693,632		91(55–36)	76(54–22)	82(55–27)
(15)	52	Commerce, Science, and Transportation	3,219,146	234,975	3,219,146	0	−47,400	3,171,746		95(53–42)	99(60–39)	78(47–31)
(16)	56	Energy and Natural Resources	2,150,046	148,916	2,039,259	−110,787(−5.15%)	−10,000	2,029,259		55(27–28)	46(21–25)	50(25–25)
(17)	49	Environment and Public Works	2,394,346	371,917	2,186,000	−208,346(−8.70%)	−20,000	2,166,000		75(47–28)	63(40–23)	56(39–17)
(18)	25	Finance	2,103,241	553,066	2,103,200	−41(−0.00%)	−40,000	2,063,200		52(28–24)	43(26–17)	50(32–18)
(19)	39	Foreign Relations	2,592,293	169,016	2,333,100	−259,193(−9.99%)	0	2,333,100		69(33–36)	73(37–36)	59(31–28)
(20)	57	Governmental Affairs	5,258,362	439,962	4,732,526	−525,836(−10.00%)	−60,000	4,672,526		177(108–69)	156(110–46)	153(110–43)
(21)	53	Judiciary	5,924,629	634,237	4,295,722	−1,628,907(−27.49%)	−23,000	4,272,722		192(87–105)	110(60–50)	134(55–79)
(22)	62	Labor and Human Resources	4,237,288	419,380	4,054,000	−183,288(−4.32%)	−50,000	4,004,000		132(64–68)	108(65–43)	119(74–45)
( )	35	Rules and Administration	1,415,372	135,220	1,273,800	−141,572(−10.00%)	0	1,273,800	[10] $1,273,800	36(20–16)	31(20–11)	31(20–11)
(23)	61	Veterans' Affairs	835,346	131,415	748,630	−86,716(−10.38%)	0	748,630		24(10–14)	23(11–12)	22(12–10)
(24)	45	Aging (Special)	908,946	149,633	908,946	0	−7,000	901,946		22(12–10)	22(12–10)	27(15–12)
(25)	34	Small Business (Select)	956,220	43,583	905,000	−49,220(−5.16%)	−8,000	897,000		24(14–10)	24(16–8)	25(17–8)
(26)	54	Intelligence (Select)	1,856,000	233,649	1,670,000	−186,000(−10.02%)	−22,000	1,648,000		50(24–26)	46(22–24)	44(24–20)
(27)	51	Indian Affairs (Select)	630,360	7,000	567,324	−63,036(−10.00%)	0	567,324		19(14–5)	20(14–6)	16(12–4)

[1] Senate committee funding year 1980—Mar. 1, 1980–Feb. 28, 1981.
[2] Senate committee funding year 1981—Mar. 1, 1981–Feb. 28, 1982.
[3] Figures in parentheses show division of the preceding figure into professionals and clericals, respectively.
[4] This column includes all funds authorized for committees, which consists of the following: (1) maximum compensation payable to permanent staff (including agency contributions), (2) inquiries and investigations resolutions, (3) one-half of $10,000 per Congress for routine purposes, and increments thereto, and (4) the allocations from the Stationery Revolving Fund.
[5] Date authorized: Mar.—, 1981, except—
[10] S. Res. 35, Feb. 3, 1981.
[6] Pursuant to sec. 3 of S. Res. 338, 88th Congress, agreed to July 24, 1964, as amended, the Select Committee on Ethics "is authorized to (1) make such expenditures; * * * (7) employ and fix the compensation of a staff director, a counsel, an assistant counsel, one or more investigators, one or more hearing examiners, and such technical, clerical, and other assistants as it deems advisable; and (8) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, by contract as independent contractors or, in the case of individuals, by employment at daily rates of compensation not in excess of the per diem equivalent of the highest rate of compensation which may be paid to a regular employee of the Select Committee."

Mr. WARNER. Mr. President, I hope and trust that the Members of the Senate will eventually concur in the judgment of the Rules Committee and adopt the resolutions which, as I understand, will be brought before the Senate next week.

Mr. FORD. Mr. President, on Tuesday, February 24, the Committee on Rules and Administration ordered reported 18 Senate committee funding resolutions. At the request of our committee, but on a voluntary basis, those committees, in aggregate, reduced their requests for 1981 funds by 9.35 percent from the amount available to them for 1980.

The members of our committee, without dissent, agreed that we should cut committee funding by not less than 10 percent even though this was not strictly required by the provisions of section 10 of Public Law 96–508, agreed to December 8, 1980, which mandates that 1981 Senate expenditures be no greater than 90 percent of the total funds available to the Senate for 1980. Therefore, it became our committee's painful and difficult duty to recommend to the Senate additional cuts totaling just under $300,400, or 0.65 percent of the funds available to Senate committees in 1980.

With the utmost of harmony and cooperation, totally without partisan motivation, our committee members agreed upon additional reductions in that amount, spread over 12 of the 18 committees. The reductions in the resolutions reported to the Senate range from under 1 percent to as high as 28 percent for individual committees. The 10-percent aggregate reduction amounts to $4,633,158.

I can think of no more thankless job than passing judgment on the judgment of others as reflected in a budget. And when we are operating under a statutory mandate to reduce Senate expenditures by 10 percent, it is an even more difficult and unpleasant task.

One change legislated last year made the job at least simpler if not easier. This year we began the process of dealing with committee funding allocations on a single resolution basis. All expendi-

tures for each committee will be authorized in one Senate resolution.

This major improvement in our procedures will increase our control over spending in the Senate and is a monument to the recent past chairman of the Rules Committee, Senator PELL, and the then ranking minority member, Senator HATFIELD.

Making reductions in committee budgets when their workloads are not declining, if in fact they are not increasing, is not only difficult, it is dangerous. Our committees face complex and important issues, many involving billions of dollars. We must not become penny-wise and pound-foolish in our effort to save money and reduce Federal expenditures.

We do not believe that the total reductions recommended to the Senate will impair any committee's ability to fully and responsibly meet its obligations and perform its legislative duties. We have advised all of the committees that, if we have erred, we would be available to them to consider supplemental allocations if the need is there and is demonstrable.

We are confident that our desire to live within these reduced budgets is shared by all members. We feel certain that no committee will come back for more funds unless there is real and great need.

I hope we can approve these resolutions next Tuesday, and without amendment. I join our committee chairman in urging their passage.

I want to express my appreciation for the kind words and thoughtful remarks which were made regarding the work of the committee earlier today. It is not very often when you cut money and budget that people say nice things about you, so I think it is a special flower to the committee, and I compliment Chairman MATHIAS for his good work.

AFL-CIO REPORT ON INTERNATIONAL TRADE AND INVESTMENT

Mr. DANFORTH. Mr. President, on February 11 the Executive Council of the AFL-CIO issued its report on international trade and investment. The report begins:

> America's basic industries are in trouble.

And I wholeheartedly agree. The paper goes on to say—

> The domestic economic problems of energy, inflation and high interest rates these industries face are being compounded by the increasingly adverse impact of international trade and finance.

It is indeed the case that we must recognize the current pressures on the U.S. automobile industry, for these are both domestic and import related.

To deal with the import side, Senator BENTSEN and I introduced S. 396, providing for temporary relief from the deluge of Japanese cars entering this market. The AFL-CIO strongly endorsed the bill in their report as "an important step" and urged swift enactment in the Congress.

Many of our colleagues here in the Senate agree.

I ask unanimous consent that the Senator from Nevada (Mr. CANNON) be added as a cosponsor to S. 396.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, this brings to 15 the number of cosponsors to this legislation.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

TAX FUNDS GO TO SUPPORT INAUGURAL

Mr. PROXMIRE. Mr. President, I have given my Golden Fleece of the Month award for February to the Presidential Inaugural Committee for taking the taxpayers for a ride. While proclaiming that no public money was spent on the Inauguration, the Inaugural Committee commandeered 1,120 marines, soldiers, sailors and other service personnel to act as chauffeurs and aides to 274 inaugural VIP's as well as several hundred additional inaugural celebrants. The estimated cost to the taxpayer of this chauffeur and escort service, only one of several hidden costs of the inauguration, was $1.8 million.

Of the 1,120 military personnel commandeered for the inauguration, 616 served as drivers, 175 served as personal military escorts for inaugural VIP's, and 329 served as "social aides" on call at the various inaugural festivities.

These military personnel spent the equivalent of 105.4 man-years chauffeuring and escorting inaugural bigwigs around town. While the new administration has proclaimed there is a serious shortage of ships, the man-years used for this purpose could crew an attack submarine at sea for a year.

The military drivers logged an incredible 250,000 miles ferrying members of the Presidential Inaugural Committee and VIP's around Washington. That is the equivalent of driving from Washington, D.C., to Pacific Palisades, Calif.—and back—47 times.

Using Pentagon formulas, salary costs for the 1,120 drivers and aides are estimated at $1.2 million. In addition, the Armed Forces spent at least $600,000 in administrative costs and expenses involved in importing service personnel from as far away as Fort Eustis and Fort Lee in Virginia to act as chauffeurs.

Some Presidential Inaugural Committee members had an Armed Forces chauffeur driving them to and from home from the third week of November until the end of January. That is 2½ months of chauffeur service courtesy of Uncle Sam.

The Presidential Inaugural Committee was far more generous in authorizing chauffeur-driven limousine service to the 274 inaugural VIP's than the law—title 31, section 638a—allows for big shots actually in the Government.

Portal-to-portal limousine service is legally limited to the President, Vice President, and the actual heads of departments—no more than 20 individuals overall in the whole executive branch of the Government—Under Secretaries, Assistant Secretaries, White House staff, and chairmen of regulatory agencies are not included.

In fairness to the military, in the past they have raised the issue of whether these activities were authorized by law but their vigorous objections were overruled by civilian authorities.

The cars and gasoline used for this chauffeur service were donated, but taxpayers paid the salaries of the 616 military drivers while they were ferrying inaugural bigwigs around town.

MILITARY USED AS ESCORTS

In addition to being provided with a personal chauffeur—in many cases on call 24 hours a day—a number of VIP's also had their own military escort. Service personnel were required to have the rank of major or above to be chosen as escorts—although occasional exceptions were made for "a really outstanding captain," according to the Armed Forces Inaugural Committee.

While it is reasonable for the newly elected President and Vice President to be provided with drivers and escorts, is not providing 274 VIP's—including some members of the Kitchen Cabinet—with Government drivers a bit extravagant? We have been told the Kitchen Cabinet wants to cut spending and reduce the size of Government.

After repeated inquiries, the Defense Department supplied my office with statistics on the number of service personnel who acted as chauffeurs and escorts and the number of hours they spent performing those duties. The Presidential Inaugural Committee, however, has not responded to my requests for information, despite a week of repeated telephone calls to the committee by my staff.

Obviously some costs related to the inauguration are necessary. However, there has been a presumption that it was all paid for by private donation. In fact, the records of the Senate Appropriations Committee show the following appropriations dedicated to the inauguration:

Appropriated $1.3 million to the District of Columbia for general inauguration support.

Appropriated $463,000 to the Joint Congressional Inaugural Committee for expenses related to the swearing-in ceremony.

Appropriated $661,000 to the General Services Administration for office space, furnishings, and detail of employees.

HIDDEN COSTS

Including the Armed Forces expenses, the cost to the taxpayer adds up to at least $4 million, a figure which does not include the cost to the Treasury of the tax deductions granted for the $10 million in contributions to the Inaugural Committee.

Because we have been told repeatedly by the Presidential Inaugural Committee that none of the estimated $10 million spent on the balls, parties, and receptions came out of public funds, the taxpayer has been led to believe that no public money was involved in the inauguration. That statement overlooks the hidden costs, such as the military escort and chauffeur service. Including all the costs, we estimate at least $4 million of the public's money was spent on the inauguration, far more—far more—than ever before in the history of the country.

The Presidential Inaugural Committee

was responsible for deciding how many VIP's received taxpayer-funded chauffeurs and escorts. While the new administration was preaching the need for austerity in Government, its Presidential Inaugural Committee was practicing conspicuous consumption.

AUDIO-VISUAL DOCUMENTATION OF HOLOCAUST VICTIMS BY WISCONSIN JEWISH ARCHIVES SOCIETY

Mr. PROXMIRE. Mr. President, the Wisconsin Jewish Archives Society is completing an important project. In December 1979, it began an oral history and photographic documentation of Jewish survivors of the holocaust who resettled in Wisconsin.

These men and women told their stories freely, eloquently, and in great detail, and the hours of interviews were hardly sufficient to contain their experiences and memories. As expected, the conversations were often quite emotional. The survivors told of their terrible suffering. Retrospectives of this kind seek to tell the story fully, so that future generations will never forget, or allow the tragedy to recur.

The Genocide Convention was formulated in this spirit. The world's first human rights treaty, it sought to affirm that the lessons of the holocaust would not be forgotten. Its ratification would constitute an important pledge by the United States. Yet the convention is not self-executing, but part of a two-step process: After ratification, the Congress would then enact legislation prescribing penalties for the crime of genocide. Nothing in the treaty would limit U.S. sovereignty, or increase our military commitments abroad. Both the American Bar Association and the American Civil Liberties Union have affirmed its constitutionality.

The treaty would provide a foundation for future laws and declarations, and also strengthen our credibility when criticizing current human rights violations. Ratifying the genocide convention would be a vital first step in securing our most basic, unquestionable of rights—the right to live.

Let us help insure that we will no longer have the need for holocaust retrospectives—by not having such horrors to look back upon again.

Let us ratify the Genocide Convention.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HAYAKAWA). Without objection, it is so ordered.

OFFICIALS LOOK FOR WAYS COMMUNITIES CAN HELP POOR DURING TROUBLED TIMES

Mr. GRASSLEY. Mr. President. I call the attention of this body to a reaction to the President's budget proposals in one of the larger cities in my State by planning in the private sector to mitigate potential harm that may come as a result of the budget crunch that we will experience as a result of the economic program of this new administration. We know that this economic program is needed and we are also aware of the President's promise that there will be nothing in his economic program—and I think I agree with him at this point—that is going to harm those who have true economic need. Those programs that help the truly needy will be kept intact.

On the other hand, who knows what the future might hold for various programs, and for the future of those who have been helped by some Government programs? For that reason, I would like to recognize and applaud a meeting that took place in Waterloo, Iowa, on February 17, in which 40 representatives of social service organizations, churches, and other groups met to discuss what community action might be taken to meet some unpredictable demands for help for the truly needy.

One of the suggestions that came out of this meeting was the establishment of a food bank, a cooperative effort to gather monetary resources, as well as surplus food that is edible but maybe not salable. That food bank can be used to meet the nutritional needs of those who otherwise might not have their needs met. I call attention to this article in the Waterloo Courier and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OFFICIALS LOOK FOR WAYS COMMUNITY CAN HELP POOR DURING TROUBLED TIMES

(By Mark Klein)

As government money for poverty programs decreases or fails to increase, communities most likely will be asked to take up the slack.

That's the main theme developed Tuesday at a four-hour meeting in Waterloo of about 40 representatives of social service agencies, churches and other groups.

A committee was formed to establish a community food bank, which would collect, store and distribute unsaleable but edible food to needy people in the area.

Another group was set up to investigate what non-government sources of funds are available to help poor people meet the ever-increasing expenses for heating.

One sub-theme of the meeeting was that churches must renew their responsibility for the poor as funds for social service programs dwindle.

President Reagan's speech this Wednesday night will be watched intently to learn which programs will be pared. Some, such as food stamps, are expected to be cut.

"The problems of the poor people remain, even if the federal government isn't going to deal with them," said Steven Bishop, acting director of the anti-poverty agency Operation Threshold.

"The needs of poor people are increasing due to inflation, the high cost of living and other reasons," said Bishop, who was one of six people on a panel at the meeting.

The number of people using food stamps, for example, has increased in the last year in Black Hawk County, according to Reda Carmichael of the Department of Social Services.

This January, 4,761 households in the county involving 10,668 people divided up food coupons worth $461,617.

That's up from the 1980 figures for January of 3,851 households involving 9,230 people using $316,803 worth of coupons.

Not only is the demand for food stamps high, Mrs. Carmichael said, the coupons also are being used as the sole tool for buying food, instead of as a supplement.

Add to that any emergency situations that crop up (the quickest one can get food stamps is three days), and the need for a community food bank is there, she said.

"A food bank is practically going to be a necessity to meet the needs of poor people," said Mrs. Carmichael, who also was on the panel.

To get the food bank going, a storage building with coolers and freezers would need to be donated, according to Tammy Schnock of the Black Hawk-Buchanan Poor Peoples Coalition.

Miss Schnock, another panelist, estimated the start-up cost for the food bank at between $4,000 and $5,000. A full-time manager would be needed at the food bank, which also would make use of volunteers.

The food would be distributed to meal sites and individuals.

If set up properly, the food bank could conceive commodities from across the country as well as from area sources.

Food stamps and Aid to Dependent Children are continuing income programs. Once a person qualifies, he stays on as long as his income situation doesn't change.

But the programs set up to help people heat their homes are one-shot grants.

Operation Threshold is about finished with taking applications for nearly $1.4 million in energy assistance grants for a three-county area. The maximum grant is $150, which may not be enough in some situations.

When a furnace goes out, the $150 won't cover the total cost, which could go as high as $3,000. If unpaid utility bills are $500, the $150 falls short.

Other agencies, such as County Relief and Veterans Affairs, are using up their money quickly to meet the needs Threshold cannot.

Churches and private sources of funds may have to be sought to fill in the gaps that government-funded programs can't take care of, the group agreed.

Panelist Ernie Fleuette, district supervisor of Catholic Charities, said some churches are involved with helping the poor, but others are not.

He said his job recently has been one of "sensitizing parishes to the responsibilities for their brothers and sisters."

With the expansion of governmental social service programs, churches have become less sensitive to the needs of poor people, he said.

He said activities such as the food bank and extra heating assistance should be started soon, "so if these (government funded) programs do collapse, the community can take over."

"I really think we should pull ourselves together," Fleuette said.

Mr. GRASSLEY. Mr. President, I suggest that Members read this article in hopes that it will bring attention to an effort of people to help themselves. I also call it to the attention of President Reagan and people in his administration, and suggest efforts to encourage, work with, and facilitate private sector efforts to fill a void that may be caused by a readjustment of the budget.

In a very real sense, when, in times of need, resources in this country may be limited, particularly if high taxes have a detrimental impact on the economy, a budget crunch may require Americans to work more closely together.

I think this example of people in my State trying to anticipate need and cooperate to meet that need is one effort that we ought to applaud. I urge people

throughout this great Nation to have dialog along that same line.

Mr. President, I yield back my time.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for morning business be extended for 30 minutes under the same conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX EXPENDITURES—ANOTHER CANDIDATE FOR BUDGET CUTS

Mr. BAUCUS. Mr. President, for over a month, Washington has been filled with rumors, press accounts, and discussion about budget cuts. The unfolding story of President Reagan's economic proposals has preempted debate on virtually every other issue.

I want to at this point say I strongly support the effort to cut Federal spending, and I support a tax cut. I think we need it. But I want spending and tax cuts that are fair and evenhanded.

Everyone is talking about what programs are going to be slashed by the new administration. But few are discussing the scores of tax breaks that have been built over the years into the tax code.

The fair way to make a tax cut possible is to reduce both unnecessary spending and tax expenditures that benefit the few, and use these savings to provide a significant tax cut to all Americans.

This Nation's tax system was designed to raise the money the Federal Treasury needs to pay for all the programs, benefits, and services the Federal Government provides.

In his February 18 speech to Congress and the Nation, President Reagan reinforced that point. He said:

The taxing power of the government must be used to provide revenues for legitimate government purposes. It must not be used to regulate the economy or bring about social change. We've tried that and surely must be able to see it doesn't work.

Most students of the tax system would agree with this assessment. The tax system now is being used to carry a far heavier burden.

It has become a mechanism for achieving a whole host of social and economic objectives.

There are over 100 tax loopholes or tax expenditures now part of the tax code. They range from tax credits for people who install solar heating and cooling devices in their homes, to being able to deduct home mortgage interest.

There are tax incentives designed to help preserve historic buildings, and capital gains tax breaks for a whole host of products. I ask unanimous consent that a full list of these tax expenditures be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE G-1. TAX EXPENDITURE ESTIMATES BY FUNCTION

(In millions of dollars)

Description	Fiscal years					
	Corporations			Individuals		
	1980	1981	1982	1980	1981	1982
NATIONAL DEFENSE						
Exclusion of benefits and allowances to Armed Forces personnel				1,470	1,585	1,715
Exclusion of military disability pensions				135	170	200
INTERNATIONAL AFFAIRS						
Exclusion of income earned abroad by U.S. citizens				555	640	665
Deferral of income of domestic international sales corporations (DISC)	1,430	1,600	1,830			
Deferral of income of controlled foreign corporations	450	480	520			
GENERAL SCIENCE, SPACE, AND TECHNOLOGY						
Expensing of research and development expenditures	1,760	2,015	2,230	35	40	45
ENERGY						
Expensing of exploration and development costs:						
Oil and gas	1,505	1,875	1,895	670	860	1,030
Other fuels	20	25	25			
Excess of percentage over cost depletion:						
Oil and gas	370	545	535	1,120	1,580	1,725
Other fuels	455	530	540	20	20	25
Capital gains treatment of royalties on coal	10	10	10	70	80	90
Exclusion of interest on State and local government industrial development bonds for certain energy facilities	(*)	(*)	5	(*)	(*)	5
Residential energy credits:						
Supply incentives	(*)	(*)	5	55	115	190
Conservation incentives				430	425	420
Alternative, conservation and new technology credits:						
Supply incentives	140	220	290	10	15	20
Conservation incentives	190	325	375			
Alternative fuel production credit	5	25	55			
Alcohol fuel credit[1]		(*)	(*)		(*)	10
Energy credit for intercity buses[2]	(*)	5	5			
NATURAL RESOURCES AND ENVIRONMENT						
Expensing of exploration and development costs, nonfuel minerals	20	25	25			
Excess of percentage over cost depletion, nonfuel minerals	345	390	380	15	15	15
Exclusion of interest on State and local government pollution control bonds	425	490	500	210	230	255
Exclusion of payments in aid of construction of water, sewage, gas and electric utilities	60	110	110			
5-yr amortization on pollution control facilities	15	35	65			
Tax incentives for preservation of historic structures	10	20	30	25	45	70
Capital gains treatment of iron ore	10	10	10	10	10	10
Capital gains treatment of certain timber income	420	470	535	120	130	150
Investment credit and seven-year amortization for reforestation expenditures		(*)	10		(*)	(*)
AGRICULTURE						
Expensing of certain capital outlays	75	80	85	430	475	545
Capital gains treatment of certain income	20	25	25	385	405	425
Deductibility of noncash patronage dividends and certain other items of cooperatives	540	625	630	−175	−190	−200
Exclusion of certain cost-sharing payments				30	75	80
COMMERCE AND HOUSING CREDIT						
Dividend and interest exclusion				430	1,325	3,170
Exclusion of interest on State and local industrial development bonds	730	1,000	1,245	180	230	310
Exemption of credit union income	110	115	125			
Excess bad debt reserves of financial institutions	470	340	470			
Exclusion of interest on life insurance savings				3,490	4,080	4,770
Deductibility of interest on consumer credit				4,745	5,260	6,040
Deductibility of mortgage interest on owner-occupied homes				15,615	19,805	25,295
Deductibility of property tax on owner-occupied homes				7,310	8,915	10,920
Exclusion of interest on State and local housing bonds for owner-occupied housing	245	470	655	202	370	565
Expensing of construction period interest and taxes	555	585	615	140	160	160
Excess first-year depreciation	50	50	55	135	145	150
Depreciation on rental housing in excess of straight line	75	80	80	310	330	350
Depreciation on buildings (other than rental housing) in excess of straight line	135	140	150	170	125	135
Asset depreciation range	2,880	3,585	3,895	150	180	225
Capital gains (other than agriculture, timber, iron ore and coal)	715	940	1,020	15,415	16,230	18,990
Deferral of capital gains on home sales				1,010	1,110	1,220
Exclusion of capital gains on home sales for persons age 55 and over				535	590	650
Capital gains at death				4,750	5,085	5,440
Surtax exemption (through 1978)	110					
Reduced rates on the first $100,000 of corporate income	7,210	7,395	7,590			
Investment credit, other than ESOP's and rehabilitation of structures and energy	15,200	16,395	17,340	3,050	3,130	3,425
Investment credit for rehabilitation of structures						
Amortization of start-up costs		(*)	10		20	65
TRANSPORTATION						
5-yr amortization on railroad rolling stock	−40	−40	−40			
Deferral of tax on shipping companies	75	75	75			
COMMUNITY AND REGIONAL DEVELOPMENT						
5-yr amortization for housing rehabilitation	5	10	18	10	15	20
Investment credit for rehabilitation of structures	120	135	160	60	65	65

Description	Fiscal years					
	Corporations			Individuals		
	1980	1981	1982	1980	1981	1982
EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES						
Exclusion of scholarship and fellowship income				355	410	490
Exclusion of interest on State and local student loan bonds	30	55	85	15	25	40
Parental personal exemption for students age 19 or over				1,030	1,045	1,055
Exclusion of employee meals and lodging (other than military)				350	380	410
Employer educational assistance				30	35	40
Exclusion of contributions to prepaid legal services plans				20	35	10
Investment credit for ESOP's	695	770	820			
Deductibility of charitable contributions (education)	305	310	310	785	950	1,150
Deductibility of charitable contributions, other than education and health	375	385	385	5,895	7,135	8,630
Maximum tax on personal service income				1,320	1,655	2,105
Credit for child and dependent care expenses				885	1,025	1,175
Credit for employment of AFDC recipients and public assistance recipients under work incentive programs	45	50	50	5	10	10
General jobs credit	190	85	25	(*)		
Targeted jobs credit	130	255	150	25	50	30
HEALTH						
Exclusion of employer contributions for medical insurance premiums and medical care				12,075	14,165	16,610
Deductibility of medical expenses				3,150	3,580	4,080
Exclusion of interest on State and local hospital bonds	285	395	450	140	185	220
Deductibility of charitable contributions (health)	190	195	190	1,180	1,425	1,725
INCOME SECURITY						
Exclusion of social security benefits:						
Disability insurance benefits				690	815	955
OASI benefits for retired workers				6,890	9,020	11,265
Benefits for dependents and survivors				1,015	1,250	1,480
Exclusion of railroad retirement system benefits				320	380	435
Exclusion of workmen's compensation benefits				2,200	2,675	3,260
Exclusion of special benefits for disabled coal miners				90	100	105
Exclusion of untaxed unemployment insurance benefits				3,350	5,275	4,530
Exclusion of public assistance benefits				390	465	510
Exclusion of disability pay				170	170	170
Net exclusion of pension contributions and earnings:						
Employer plans				19,785	23,605	27,905
Plans for self-employed and others				1,925	2,105	2,305
Exclusion of other employee benefits:						
Premiums on group term life insurance				1,675	1,855	2,055
Premiums on accident and disability insurance				90	100	105
Income of trusts to finance supplementary unemployment benefits				15	20	20
Additional exemption for the blind				30	30	30
Additional exemption for elderly				2,040	2,200	2,505
Tax credit for the elderly				130	125	120
Deductibility of casualty losses				570	715	895
Earned income credit[3]				720	635	735
Exclusion of interest on State and local housing bonds for rental housing	135	195	240	175	255	315
VETERANS BENEFITS AND SERVICES						
Exclusion of veterans disability compensation				1,065	1,300	1,575
Exclusion of veterans pensions				75	85	95
Exclusion of GI bill benefits				190	180	160
GENERAL GOVERNMENT						
Credits and deductions for political contributions				80	100	80
GENERAL PURPOSE FISCAL ASSISTANCE						
Exclusion of interest on general purpose State and local debt	3,300	4,035	4,315	1,625	1,885	2,165
Deductibility of nonbusiness State and local taxes other than on owner-occupied homes				14,690	18,485	23,090
Tax credit for corporations receiving income from doing business in U.S. possessions	905	1,005	1,095			
INTEREST						
Deferral of interest on savings bonds				80	−75	335
MEMORANDUM—COMBINED EFFECT OF PROVISIONS DISAGGREGATED ABOVE						
Capital gains	1,175	1,455	1,680	22,295	23,645	26,975
Exclusion of interest on State and local debt	7,150	9,025	10,020	3,565	4,340	5,195
Deductibility of State and local nonbusiness taxes				20,495	25,480	31,680
Deductibility of charitable contributions	870	880	885	7,860	9,510	11,505
Itemized deductions[4]				40,915	50,955	62,315
Deductibility of mortgage interest and property tax on owner-occupied homes				22,170	28,065	35,465
Benefits for the elderly[5]				10,320	12,965	15,760
Fringe benefits[6]				35,010	41,335	48,550
Government benefits and payments[7]				18,280	23,765	26,450

*$15,000,000 or less. All tax expenditure estimates have been rounded to the nearest $5,000,000.

[1] In addition, the exemption from the excise tax for alcohol fuels results in a reduction in excise tax receipts of $50,000,000 in 1980, $120,000,000 in 1981, and $190,000,000 in 1982.

[2] In addition, the exemption from excise tax for buses, bus parts and certain items used in connection with buses results in a reduction in excise tax receipts of $40,000,000 in 1980, $50,000,000 in 1981, and $50,000,000 in 1982.

[3] The figures in the table indicate the effect of the earned income tax credit on receipts. The effect on outlays is: 1980, $1,275,000,000; 1981, $1,205,000,000; 1982, $1,115,000,000.

[4] Interest on consumer loans; mortgage interest and property taxes on owner-occupied homes; charitable contributions; medical expenses; casualty losses; nonbusiness State and local taxes other than on owner-occupied homes.

[5] Exclusion of social security and railroad retirement plus the additional exemption and tax credit for the elderly.

[6] Employer contributions for medical insurance, medical care, pensions and earnings plus premiums on group life, accident and disability insurance.

[7] Exclusion of military benefits, allowances, and disability pensions; OASDI disability insurance; OASI for retirees, dependents and survivors; Railroad retirement; workmen's compensation, benefits for disabled coal miners; untaxed unemployment benefits; public assistance benefits; veterans disability compensation pensions, and GI bill benefits.

Mr. BAUCUS. Mr. President, these expenditures are, in effect, direct spending programs, but historically, they have escaped congressional review. As the old saying goes, "once a tax loophole, always a tax loophole."

The first tax expenditure budget in 1968 consisted of just 40 items and amounted to $44 billion. That is, in 1968 there were 40 deductions, credits, and exemptions, and they amounted to spending $44 billion. Today that list has reached over 100 items, up from 44, and amounting to now over $310 billion.

Equally astounding is the fact that since 1975, just 6 years ago, the revenue losses resulting from tax expenditures are rising faster, 14 percent a year, than direct outlays which are rising at 11 percent.

Between 1980 and 1981 alone, tax expenditures rose nearly 20 percent.

I am not opposed to tax expenditures. Sometimes this is the most effective way to accomplish an objective.

But if we are really serious about cutting Government spending we also must look critically at the maze of special tax breaks that have become part of the tax system.

We all know there is waste and fat in Federal programs that receive direct Federal funding. But I am convinced that some tax expenditures need to be revised or eliminated.

Unfortunately, so far the Reagan administration has ignored this area. I hope it will change its perspective in the next weeks, months, and years ahead on this issue.

These exclusions and deductions in our Tax Code favor the rich over the middle-class and lower income people. This is because our income tax system is progressive. The higher a taxpayer's marginal rate, the greater the tax subsidy. While direct Government spending programs generally target assistance based on need, tax expenditures target assistance to those least in need.

Last week, David Stockman, the President's Budget Director appeared before the Joint Economic Committee and was confronted with the observation that rich oxen were not really gored, in the President's proposed spending cuts.

Mr. Stockman replied that he had made strenuous efforts in going through the budget to find rich oxen to gore. But he did not find very many, because apparently over the last 10 or 15 years, in his view, "the Congress has not been voting much welfare for rich people."

I challenge Mr. Stockman. How hard did he really look for rich oxen? Did he examine any of the 100 tax loopholes that primarily subsidize the well-to-do? Can he tell me why nearly one-third of the Federal budget is not scrutinized for reductions in spending?

It is simply not true to state that the Reagan plan is evenhanded when virtually no tax breaks are adjusted.

I wholeheartedly support the President's efforts to reduce Government

spending, to trim the Federal deficit and to regain control over the economy.

But I do not want to support a program that is not fair to all Americans.

I propose that we take a look at tax expenditures. There is a way to cut these costs. A 5-percent, across-the-board cut would result in a savings of $10 to $15 billion.

More importantly, by cutting these tax expenditures, we would be able to reduce the Federal deficit—and thereby eliminate one of the underlying causes of inflation.

There are some who mistakenly maintain that even to mention the term "tax expenditures" implies a belief that all funds belong to the Government and that it is only through the Government's grace that individuals and businesses get to keep any of their incomes.

In fact, however, just the opposite is true. Tax expenditures may lighten the tax burden of their beneficiaries, but they inevitably also must increase the burden on everyone else.

It is my concern that the majority of taxpayers get to keep more of their incomes which prompts a focus on tax expenditures, just as the same concern is now causing a focus on direct spending.

Furthermore, tax expenditures are like entitlement programs—they are open ended and it is difficult for Congress to limit their cost.

If we desire to control the budget and Government spending and to seek efficiency in Federal programs, a focus on tax expenditures—the fastest growing in the budget—is essential.

The Internal Revenue Service is efficient, but it cannot do everything and remain efficient. If it is administering countless programs outside its own bailiwick, it will be less able to administer successfully its own program—a situation which we are already facing.

We have made great strides in simplifying the tax laws for the majority of taxpayers, but for many the laws remain necessarily complex. If, by adding tax expenditures, we make the system even more complex—perhaps impossibly so—we risk serious dangers.

The argument that tax expenditures do not involve Government handouts cannot be accepted. Obviously, money is involved; why else do interested parties seek the tax expenditures? And these lost funds reduce revenues and increase the deficit.

Nor can we accept the argument that when tax expenditures are used bureaucrats and redtape are avoided. A revenue agent is a bureaucrat, and the tax law has its own redtape. How much bureaucracy and how much redtape there must be is a matter of program design, not a feature of who administers the program.

I believe Americans are ready and willing to make sacrifices as part of this effort to get our country moving again. But I also believe that these sacrifices must be fair and equitable. Everyone must be asked to sacrifice—not just a few.

Is ask unanimous consent that an editorial that appeared in the Christian Science Monitor on February 1 on the subject of tax expenditures be printed in the RECORD at this point, along with a recent column by Richard Cohen, which appeared in the Washington Post.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Feb. 17, 1981]

CUT TAX EXPENDITURES, TOO

Recently we listed in this space some items on the budget-cutting menus of President Reagan, the Congress, and outside think tanks that seemed to make a sensible package.

Today, in advance of the President's own budget speech, let's look at a sometimes hidden budget drain—what the Congressional Budget Office calls "tax expenditures." They are so named because they are, the CBO says, "equivalent to direct payments by the federal government" to individual taxpayers.

These tax revenue losses have been rising more rapidly (14 percent a year since 1975) than the government's direct spending (11 percent). The total amount of loss in this category is estimated by the CBO at more than $200 billion for fiscal 1981, equal to about a third of the federal budget. Unlike the government's direct budget expenditures, these tax revenue losses grow each year without congressional appropriation. In this, they run parallel to the insidious "bracket creep" which propels taxpayers, rich and poor, into higher brackets as their money inflates in numbers but not in buying power.

Of course the "bracket creep" in the case of these $200 billion in tax losses has the opposite effect. It tends to give escalating tax relief to those individuals and corporations who are eligible for tax exceptions. Many of these exemptions and deductions continue long after the initial economic justification has disappeared, or continue when their goals could be achieved less expensively.

President Reagan has called for a comprehensive review of both spending and taxation. He has warned that all segments of society will be called upon to sacrifice. So it will not be surprising to discover that Congress is looking at both types of bracket creep. If so the law writers ought to be balancing all factors in the interest of fair sharing of sacrifice—with the hope of increased real wealth for all in the future.

Some of the items in the $200 billion revenue loss or "tax expenditure" are so built into contemporary life that any review is bound to be contentious. Four prominent examples are: consumer-credit interest deductions, tax-exempt municipal bonds, home-mortgage interest deductions, and nontaxation of unemployment benefits.

The temptation for any of us is to say: go ahead on taxing unemployment benefits but don't touch municipal bonds—or vice versa—depending upon one's position in society. It would appear that any examination of these parts of the tax structure would pit upper-bracket Americans against unemployed wage earners; time-payment buyers against house mortgage holders, etc.

But Americans can, and should, avoid emotional divisions and look at the facts dispassionately. Only that way can we proceed with the national reordering of priorities that is inherent in the Reagan call for massive budget and tax cutting. There are going to be trade-offs. Sacrifices, especially society-wide ones, operate that way. But the aim of economy, greater efficiency, less bureaucracy, and long-range gain for all make the trade-offs worthwhile.

For instance, the tax-writers in Congress may gulp and take a look at the deduction for mortgage interest. There is a huge constituency for this deduction. But, if most Americans are going to get a big tax cut, perhaps they will countenance their lawmakers' looking at an upper limit on the amount of interest that might be deducted. The CBO calculates that if an annual ceiling of $10,000 were set, the federal budget would be saved $800 million for fiscal 1982. If the ceiling were lowered to $5,000, the saving would be $4.3 billion.

Obviously any such pruning would have to be approached carefully. No one would wish to make home buying impossible for the next generation. Although it is more complicated than can be detailed here, in theory, any lowering of the deduction would also result in lowering skyrocketing home real estate prices. (Canada, which has no deduction, has comparably lower housing prices.) It would tend to discourage excessive speculative buying. But any venture in this direction should be undertaken slowly, since its effects might be less predictable than the statisticians believe. It could also, for instance, create hardships for families which are heavily in debt for their homes.

There is presumably an equally large constituency for the consumer interest deduction (although only 17 percent of taxpayers claimed this deduction in 1979). But here, too, big money is involved—about $6 billion next year; some $39.6 billion over the next 5 years. The question here is whether all taxpayers should, in effect, support credit buying by the relatively small number who benefit from this deduction. As long as this money-saver has existed, it has made good sense for people to use it. But if Americans are to return to habits of saving and investment—in the path of both their ancestors and their counterparts in Western Europe and Japan—this might be a useful place to start.

A smaller constituency exists for the tax-free state and municipal bond. That device has served two purposes: (1) to help communities borrow at cheaper rates and thus benefit local property taxpayers, and (2) to help upper-bracket taxpayers diminish the impact of 50 to 70 percent income taxation. If Congress examines this exemption it ought to do so with an eye to improving revenues ($6 billion is involved) while not destroying the dual benefits.

Suggestions have been made that local government units might be given the option of using the current low-interest, tax-free system or shifting to prevailing rates of bond interest and receiving a federal subsidy to make up the difference. This would make sense only if the federal subsidy turned out to be appreciably less than what is lost in taxes. And much of any benefit could be drained away if this change resulted in a new layer of federal bureaucracy to administer the subsidies. On the other side, high-bracket taxpayers might feel better about this proposal if their brackets were lowered, as Reagan planners say they wish.

A fluctuating-sized constituency would be concerned over proposals to tax unemployment benefits. Tax law was changed in 1978 to make a portion of unemployment compensation taxable for those with incomes of over $20,000 (single) or $25,000 (married couples). To make all the compensation taxable might result in raising the compensation (since it was originally calculated to be nontaxable). The trade-offs would have to be carefully weighed. But to tax these benefits would bring a revenue gain of $17.8 billion between 1983 and 1986. The Congressional Budget Office suggests that the result might also be a lessening of the work disincentives associated with the benefits.

The list could go on, as the debate must. Even where tax expenditures serve a necessary purpose, that purpose can sometimes be achieved more economically through direct subsidy. Cost, fairness, ease of administration, and what the CBO calls "budget visibility and controllability" are among the criteria for deciding which method is best in each circumstance.

[From the Washington Post, Feb. 24, 1981]

MEA CULPA, MEA CULPA, I'M PART OF A TAX RIP-OFF

(By Richard Cohen)

It is time to confess.

Oh please forgive me because I really want that tax break Ronald Reagan is promising and because sometimes I really do think the poor are taking advantage of the system and that things are really getting awful and that something has to be done and I am, sort of, on Reagan's side. But there are things I have to confess.

I have to confess that a lot of the time I eat lunch for free. I take someone to lunch and I discuss business a bit and then I pay for him or her, put the tab on my expense account and then have the company pay for it. Then the company deducts it from its taxes so we all wind up paying for my lunch—you, me and the very poor, assuming you are not the very poor.

I have more to confess. I know of worse outrages than the poor who cheat on welfare and the kids who don't deserve food stamps and the people who take advantage of government and don't do any work. I know people who take their girlfriends or their mistresses to lunch, put it on their expense accounts and wind up having the government pay for some of it. I know people who work for themselves and then just deduct almost every meal from their taxes.

I have even more to confess, I know someone who bought a yacht that he uses just part of the time. The rest of the time he rents it out to a company that charters it to still other people. It's a tax dodge. It's perfectly legal and probably the people who rent the yacht from the company that charters it deduct the cost from their taxes. It's legal for them, too. This is called smart business. When the poor do it it's called cheating.

Oh I have even more to confess, I deduct the interest on my mortgage. I am entitled to do it and so I do it and it was this deduction that forced me to stop being a renter and become an owner. If you are poor, you cannot become an owner and so you cannot take this deduction.

If the poor were getting away with what the rich are getting away with, someone in Congress would introduce a bill to stop it all from happening. They would say something about how it's ruining the fabric of society. Time Magazine would make it the cover story. I would buy it and believe it—and deduct the cost of the magazine. This is something else I confess.

I confess also that I deduct the newspapers I might buy anyway and the books that I cherish. I do not belong to any clubs, but if one would have me and I did belong, I probably would deduct the cost of that also. Either that, or my company would pay for it and it would deduct it from its taxes. It's okay. Its always okay when the rich do it. Only the poor rip off the government. Those are the rules.

I confess that I sometimes do not understand why I am allowed to deduct for things that I would buy anyway. I confess that I do not think it's fair that some guy has to buy his lunch and I can get mine free and I confess that a good deal of the time I think I have all this coming—that I am entitled to it. I lose sight, I think, of what is really fair and really right and I start to think that if it benefits me, it has to be right and fair. I know lots of people like that. By and large, they won the last election.

I know, of course, that there is more to tax law than just what is fair and equitable. There is the little matter of making policy, of encouraging the housing industry, say, or wanting to help people who will take some financial risks—like drilling for oil. I understand all that and I suppose it is a good idea, but I have to confess that I feel a bit guilty when I get worked up over something like welfare fraud and discuss it, say, over a swell lunch that the government has just helped me buy.

There is more for me to confess. I confess that I know a man who earns more than $100,000 a year and paid something like $4,000 in taxes. He deducts almost everything. I know people who have summer homes, rent them most of the year, stay in them something like two weeks, and save a bundle on taxes. They deduct, they depreciate, they finagle and they fib a little and when all is said and done the government pays for their house. So nice of us to do that for them.

I confess I have yet to hear anyone in the Reagan Administration talk of saving money by closing these loopholes. I confess I take advantage of these loopholes and I confess, further, that if it were not for the government, I might not be able to afford my house or, for that matter, my lunches.

I'll repent. I'll take a poor person to lunch.

Mr. BAUCUS. Mr. President, unless the Senator from Oklahoma desires to speak, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE HEARING ON THE LAW OF THE SEA TREATY

Mr. PRESSLER. Mr. President, I wish to alert my colleagues that on Thursday, March 5, from 9 a.m. to 12 noon in Dirksen 4221, a Foreign Relations Subcommittee hearing on the Law of the Sea Treaty will be held. Also, I have sent a letter to President Reagan giving him my assessment that the present draft treaty probably would not pass the Senate without his personal involvement. Therefore, I hope our Nation does not get into the embarrassing position of initialing a treaty which does not have the President's fullest support.

In the letter I warn the President that in my judgment the present treaty would have great difficulty in passing the Senate. I think we should know that and make an assessment as to where we are going with that Law of the Sea Treaty at this time.

Mr. President, I ask unanimous consent that my letter to President Reagan be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., February 23, 1981.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: As Chairman of the Subcommittee on Arms Control, Oceans, International Operations, and Environment, I would like to express my concern about the forthcoming session of the Law of the Sea Conference in New York. This session is apparently regarded by many participants as the final substantive negotiating session of the Conference. Therefore, it is critical that the United States delegation enter into the New York session with clear instructions as to the final changes which must be achieved in the draft treaty to make it politically acceptable to this country. In my judgment the present treaty would have great difficulty in passing the Senate. If it is to pass the Senate, it will require your personal participation from this time forward.

I understand that a review of the United States position in these negotiations is presently in process under your supervision. I think it is critical that such a review be completed in time to formulate instructions for our delegation which truly reflect the long-term position of the Reagan Administration on these issues. It would be tragic for the United States to participate in this session on the basis of preliminary or interim instructions which do not reflect through deliberations and a considered consensus within the Reagan Administration which adequately reflects the concerns voiced by Congress and others.

Specific Congressional concerns about these negotiations have generally focused on the deep seabed mining aspects of the draft treaty. While I acknowledge the many other critical issues at stake in these negotiations and possible trade-offs required to achieve a comprehensive agreement, I do believe that certain minimum standards must be met in the seabeds provisions.

In particular, the general criterion of assured access for private enterprise is critical to future Senate approval of a Law of the Sea Treaty. The formulation set out in Title II of the Deep Seabed Hard Minerals Act of 1980 received widespread support. I trust that the U.S. delegation will be prepared to insist upon provisions which make clear the basic protections called for in that legislation.

After so many years of painstaking negotiations, the United States cannot afford to mislead the rest of the world about its willingness to enter into the treaty which emerges from the Law of the Sea Conference. If additional negotiating sessions are required to satisfy our concerns, it is essential that we not be pressured into accepting the present text simply because of the understandable impatience of some participants to conclude a treaty this spring. It is important that our conditions for final approval be clear to all.

At the same time, the United States must proceed with great care and skill to assure that the advantages of a comprehensive agreement are not lost through the complete breakdown of negotiations.

I urge you, therefore to take a direct and continuing interest in the formulation and presentation of the United States position at the forthcoming session of the Conference.

With best regards,
Sincerely,

S/LARRY PRESSLER.

HUMAN RIGHTS

Mr. PRESSLER. Mr. President, recently I had the opportunity to travel to Brazil, Argentina, and Peru. I know that the human rights question is very great in at least Brazil and Argentina.

I was convinced that great progress has been made. In fact, we had a meeting with the incoming president of Argentina, who said that an accounting will be given for some of the disappeared.

Let me also say that I was very much impressed by the sincerity of the leaders. Perhaps our country sort of has a double standard in some instances. But throughout our visit, particularly the Argentineans were very forthcoming in discussing this matter and I went away convinced that they have made great progress.

Indeed, I am one who hopes that our country is not setting impossible standards that even we do not meet ourselves in some of these areas.

ANTI-SEMITISM

Mr. PRESSLER. Mr. President, the despicable scourge of anti-Semitism continues to plague our own society and the rest of the world. Nowhere is this bigotry more rampant than in the Soviet Union, where official policy condones mistreatment of Jews.

However, there are alarming signs that anti-Semitism is on the rise once again in free societies. Last year the Anti-Defamation League of B'nai B'rith reported 377 anti-Semitic acts in the United States. This is unacceptable behavior in a civilized society. Fortunately, these episodes of American anti-Semitism are not condoned by American law. But this fact does not make those acts any more acceptable, and those of us in official positions must be alert against this evil.

The work of the Anti-Defamation League has helped to educate the American people of all faiths and creeds to a better understanding of Jewish religious and cultural traditions. They should be commended for their vigilance in keeping us all informed of the tragedy of anti-Semitism.

Mr. President, I ask unanimous consent that a recent Newsweek article on the subject of anti-Semitism be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AGAIN, ANTI-SEMITISM

Charles Benjamin, a leader of the Jewish community in his quiet, suburban New Jersey town, came home to find bright red swastikas painted on his back door. The outdoor furniture had been dumped into the pool. The mailbox had been looted. "My knees buckled," Benjamin later told a television interviewer. "I sat down on the ground, not believing that this could happen in . . . my little patch in the United States."

Anti-Semitism is an ancient story that is suddenly making news across the United States. The Anti-Defamation League of B'nai B'rith reported 377 anti-Semitic "episodes" in 1980, a nearly threefold increase in one year. Most of these sporadic incidents involved little more than scrawled graffiti or vandalism, but there were also ten cases of arson, four firebombings and several death threats. No one has been killed or seriously injured, and no evidence suggests a campaign of any scale; most of the incidents have been juvenile pranks. Yet many American Jews are worried. "Hitler started with a handful of people and paint brushes," says Jeffrey Mass of the ADL in New Jersey. And many government officials agree that the incidents cannot be shrugged off. "There is a tendency . . . to treat incidents of anti-Semitic or racial vandalism as isolated acts of mischief," warns New Jersey Attorney General John J. Degnan. "Unfortunately . . . these acts may represent deep-seated racial and religious hatred."

To combat the flurry of anti-Semitic incidents, Degnan and other law-enforcement officials around the country have stepped up their investigations, often forming special police and prosecution units. Many Jewish leaders have begun holding seminars on bigotry and rallies against anti-Semitism, such as the one that drew 3,000 people in California's San Fernando Valley a fortnight ago. Not satisfied with these steps, Jewish militants have redoubled their own controversial efforts at self-defense—patrolling Jewish neighborhoods and training Jews in the use of high-powered rifles and pistols.

Some Jewish organizations are reluctant to read too much into the new statistics of anti-Semitism, noting that vandalism and violent crime are on the rise generally. "It will take another year of monitoring to find out what the numbers actually mean," says a spokesman for the American Jewish Committee in New York. Other Jews see the low-level violence and harassment as part of a larger pattern. With mounting alarm, they note the renewed organizing efforts of the Ku Klux Klan and American Nazi Party, the tone of some of the criticism of Israel in the United Nations and above all the bloody attacks on Jews in several European cities last year. "There is a feeling," says Murray Wood, an executive of the Jewish Federation Council of Greater Los Angeles, "that all roads somehow lead to Auschwitz."

Anti-Semitism in the United States today hardly compares in virulence with the anti-Jewish attitudes and actions in the 1920s and 1930s. Then, Henry Ford's Dearborn Independent (circulation: 700,000) ran anti-Semitic diatribes with headlines such as Jewish Gamblers Corrupt American Base-Ball. More damaging, unstated quotas and restrictions kept Jews out of schools, jobs, neighborhoods and hotels. Today, most such barriers have fallen, and many public-opinion polls show a continuing decline in prejudice against Jews. In one survey last year, for example, only 8 per cent of those questioned thought Jews had "too much political influence."

But other polls indicate a persistent suspicion and distaste for Jews as "pushy, clannish, unethical." In "Anti-Semitism in America," published two years ago, authors Charles Y. Glock and Harold E. Quinley reported that a third of Americans share such negative attitudes—about the same number, according to a more recent poll, that suspect Jews of being more loyal to Israel than to the United States.

Alan Sandler and his bride, Zipporah, had just returned from their honeymoon in New York City. The mailbox of their Cranston, R.I., home was brimming with congratulatory cards. One was decorated with two lovebirds on the front. But inside was a swastika and the words: "We are back."

Many experts blame the nation's economic problems for the new signs of anti-Semitism. "Times of distress, social unrest and economic depression [are] often preliminary to outbreaks of anti-Semitism," explains the Rev. Edward H. Flannery, author of another book on the subject, "Anguish of the Jews." In hard times people find it comforting to have a scapegoat, Flannery says, "and they always look in the direction of the Jews." In the spotlight of full media coverage, one episode often leads to others. Says New York City police official Patrick J. Murphy: "The incidents feed off each other. The kids read about themselves . . . and any dope can see himself immortalized."

In three days last month, officials at the University of Florida in Gainesville found thirteen examples of anti-Semitic graffiti on campus. After the wife of university president Robert Marston spoke out forcefully against such bigotry, her telephone rang. "This is the Florida-wide organization of Hitler," said the caller. "I am going to kill you."

In fact, few of the reported incidents seem directly connected with extremist groups. "If it were more organized," says Long Island ADL director Melvin Cooperman, "we could zero in and nail them." But both the Nazi Party and the Klan have run avowedly anti-Semitic candidates for public office—with disturbing success. Harold Covington, 27, chairman of the National Socialist Party of America in North Carolina, won more than 43 per cent of the vote in the state's Republican primary for attorney general last year. The rise of racist groups also seems to create a climate favorable to individual extremists and a certain public tolerance for isolated incidents.

The dramatic growth of Christian fundamentalism—and Moral Majority politics—may also spur anti-Semitism. Just last week, the Rev. Dan C. Fore, Moral Majority leader in New York City, told a reporter: "Jews have a God-given ability to make money, almost a supernatural ability. . . . They control this city." Even without such stereotyping, the fundamentalist emphasis on "Christian politics" and efforts to convert Jews are threatening, says William Grainick of the American Jewish Committee in Atlanta. "What it says is that the Jewish faith is not a valid path to salvation; it tends to separate us from grace." Last year in Macon, Ga., says Grainick, Protestant ministers refused to speak out when the head of the Southern Baptist Convention said, "God Almighty does not hear the prayer of a Jew."

It was shortly after 1 a.m. when two men drove up to the synagogue in Temple City, Calif. They pried open a window, poured gasoline over a wooden pew and set the synagogue ablaze. Seven stained-glass windows were shattered and other damage to Temple Beth David was estimated at $180,000. The incident was followed by nearly 30 more anti-Semetic outbursts in the Los Angeles areas over the last eight weeks.

The randomness of anti-Semitic incidents, and the absence of links to organized groups in most cases, makes prosecution difficult. In the 377 cases reported by the ADL last year, only twenty arrests were made. Even when there are arrests, the charge is normally a misdemeanor. State assemblymen in California and New Jersey have proposed legislation that would stiffen penalties for religiously motivated vandalism. "When a cross is burned or a swastika is smeared, the terror it generates is as intense as from a bomb threat," says New Jersey Assemblyman Bryon Baer. But some judges prefer to sentence juvenile perpetrators to study Jewish history and the Nazi Holocaust. Said one such youth: "I am beginning to realize through these books the great deal of suffering I must have caused."

Many Jewish organizations have escalated their own programs of public education. Last week the ADL—working with the Urban League and the U.S. Justice Department—sponsored a conference in Providence, R.I., on "extremist groups" and another in Boston on "religious and racial harassment." About 1,500 people attended an anti-Nazi rally last month at the Wiesenthal Center for Holocaust Studies in Los Angeles, itself a target of three anti-Semitic attacks earlier this year. But education didn't seem to do much good at Great Neck North Senior High School in New York. Though the school has offered courses on the Holocaust for five years, vandals spray-painted the walls with "KKK" and "'Hi' Hitler" last October. And police in many areas reported a flurry of similar anti-Semitic incidents after the "Holocaust" series on television.

Such incidents have only encouraged militant groups like the Jewish Defense League to expand their often provocative paramilitary operations. The JDL plans to offer ten-week courses in "warfare tactics" at secret sites in southern California, Michigan and upstate New York. Most mainstream Jewish organizations see these steps as an inflammatory overreaction. But equally dangerous, they agree, would be simply to ignore the current upsurge in anti-Semitic incidents. "There's no reason to panic; the country is not being overrun by anti-Semites," says Art Teitelbaum of the Anti-Defamation League in Miami. "But it is something to be vigilant about."

Mr. PRESSLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended by 30 minutes under the same conditions as previously stated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

NUCLEAR ENERGY

Mr. HARRY F. BYRD, JR. Madam President, this Nation would be making a great mistake were it to unreasonably impede the development of nuclear energy. I am convinced that nuclear generating capacity is important to the continued economic growth of our Nation.

This, of course, is an emotional subject, and there are many who feel there should be no new nuclear powerplants and many who feel that the existing plants should be shut down.

The Senator from Virginia disagrees.

In the United States today, 13 percent of our total generating capacity is nuclear. In Virginia, nearly 30 percent is nuclear.

What is the trend in other nations?

Within 20 years—by the year 2000—according to figures obtained by the Atomic Industry Forum and recently made available, Japan will rely upon nuclear generating capacity for 28 percent of her total energy needs.

For Russia, the figure is 33 percent.

For Spain, the present 4-percent nuclear capacity will go to 40 percent.

East Germany will rely on nuclear power for 50 percent of her energy needs.

And France, which is currently 17 percent nuclear, is expected to obtain 85 percent of her energy from nuclear sources.

The United States is expected to go from the present 13 percent to 19 percent. It would be wise, I believe, to plan for a higher percentage.

To those who question the safety of nuclear power, I present the experience of the U.S. Navy. In a letter to me dated May 31, 1979, from Admiral Rickover, the following facts are developed:

The Navy had 127 nuclear-powered vessels in operation. Since the U.S.S. *Nautilus* put to sea in 1955, nuclear-powered ships have steamed over 40 million miles and have accumulated over 1,800 reactor years of operation.

And then Admiral Rickover added this significant statement:

> There has never been an accident involving a naval reactor, nor has there been any release of radioactivity which has had a significant effect on the environment.

Quite a record.

And it dramatizes that nuclear power can be safe. We need to concentrate on safety, not abolition. Nuclear is an important energy source, and we need all the energy sources we can get.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT REAGAN'S PROGRAM FOR ECONOMIC RECOVERY

Mr. FORD. Madam President, it was with a great deal of interest that I listened to President Reagan's address to Congress on his administration's program for economic recovery. I liked the style of the President's message and I will say again that he is a very able and effective communicator.

Let me also say that I agree with the President on many of the objectives he put forth. I want to see the Federal budget balanced. I want a strong national defense and I want to bring interest rates down and inflation under control.

Without question, the two most pressing issues facing this country today are inflation and national security. The cornerstone to resolving both these problems is energy, and I am afraid that this fact has been underemphasized in what the administration has proposed.

We cannot conquer inflation until we stop sending $100 billion each year out of this country for the purchase of energy, and the private sector simply does not have the capability to shoulder this burden without incentives and encouragement from the public sector.

The administration's proposals regarding synthetic fuels and fossil fuels research and development fly in the face of an overall strategy to bring inflation under control.

You can pare Federal spending to the bone. You can give everybody a substantial tax cut—but these actions alone do not strike at the basic necessity for ending this country's dependence on imported energy. Quite frankly, I think the administration has made a basic miscalculation.

Eliminating the Department of Energy's leadership role in the development of synthetic fuels technologies and transferring the $5.3 billion earmarked for this program to the Synthetic Fuels Corporation will bring the progress we are finally seeing in this area to a screeching halt.

No one should be fooled by the sleight of hand.

While this idea may look appealing on paper, in reality it has no future. First of all, the Synfuels Corporation is far from being operational at this point in time. Second, the Corporation, by law, is restricted to assisting four major commercial projects, and thus would be literally unable to take over the five Department of Energy-sponsored demonstration projects. Third, new legislation would be required for the Corporation to become heavily involved in the financing of demonstration projects.

So, in essence, all we have here is a blueprint for the dismantling of the synfuels program—the program that is the focal point of the national energy strategy that the 96th Congress put in place and this country's one hope for establishing near-term energy security.

If we stop the clock now on putting a national energy strategy in place, this country will never have either the strong national security or the stable, growing economy that is essential to our way of life.

While fossil energy will take a tremendous beating if all these proposals are placed in effect, let me point once again Congress, as always will have the final say.

Every alternative source of energy has been singled out for free market treatment, with one notable exception—nuclear energy. This administration would propose all fossil fuels and other alternative sources prove themselves in the market. They do not do this for nuclear. Why? Nuclear energy cannot stand the test of the free market system any more than other alternative energy sources.

I look for this administration to emphasize Federal participation in nuclear energy. When this happens, I am going to fight as hard as I can for equal treatment. For instance, will the Federal Government develop a breeder or will free enterprise develop a breeder? Can nuclear energy operate if it has to bear all the costs of insurance liability that is borne by other sources of energy? Where does Price-Anderson fit into the market system?

One final point needs to be made: I think anyone is operating under false illusions when they argue that we have a free market in fuels. We have not had a free market in oil for over a decade and we never will. A free market in energy is not applicable to national defense. It never has been. It never should be. Defense is the priority and the weapon is energy, not missiles.

Many big businesses argue that a free market will take care of the problems until it comes to the problem related to their particular industry. Then, they argue that maladjustments in the free market mechanism need to be corrected. The adjustments always seem to work

to the advantage of those who now have a lock on our present sources and distribution of energy.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Madam President, I ask unanimous consent that the time for the transaction of routine morning business be extended, not to extend beyond 2:15 p.m., under the same conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOSEPH L. FRISTACHI

Mr. MOYNIHAN. Madam President, my dear friend and revered former colleague, my predecessor as senior Senator from New York, Jacob K. Javits, and his friend and colleague, Louis J. Lefkowitz, the former attorney general of New York, have asked me to help them pay tribute to the memory of a young man who served them, and the people of New York, with great devotion and energy.

Joseph L. Fristachi, of Bayside, Queens, in New York City, died suddenly last month at age 38, having given his entire professional career to public service. First as a public high school teacher in New York City, then as an assistant New York State attorney general, as the executive assistant attorney general, and finally as Senator Javits' executive assistant, Mr. Fristachi worked with great diligence and ability for the people of my State.

His warmth, his intelligence, his enthusiasm and his love of his family and his work is admirably expressed in remarks made by Senator Javits at a memorial service for him here in Washington, in a eulogy delivered by General Lefkowitz at his funeral and in a resolution adopted unanimously by the senate of the State of New York. Mr. President, I ask unanimous consent that these tributes to Joseph L. Fristachi be placed in the CONGRESSIONAL RECORD.

There being no objection, the tributes and resolution were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR JACOB K. JAVITS

None of us ever know when we will go, or what lies ahead if we do not go. In Joe's case, this was a very important point. He was cut off so young, full of vigor, in the very prime of life, with so many talents and so many possibilities that those of us who loved him, as you did and I did, can only hope that it was in the great design, the best for him.

He was the soul of loyalty and devotion. He threw himself into managing the New York City office, and into running the campaign with the same fidelity, holding nothing back and giving of his all.

His relationship to Angela and his children was such a dear one, again of such complete dedication and no conceivable reservation. I can hear now his somewhat high-pitched laughter when he was really pleased, indeed, tickled, at something. It will always sound in my ear, as clear as a bell, as a firm and dear recognition of such a fine human being.

We know he will rest in peace. He deserves it.

EULOGY DELIVERED BY LOUIS J. LEFKOWITZ

I speak as a former associate of Joseph L. Fristachi in the Attorney General's Office and as a close personal friend to share the grief of his loved ones and the void in his untimely death that is in my heart and in the hearts of all who knew him.

I loved Joe like I love my own son. In thinking of Joe this morning, we should treasure the friendship and happiness he gave us over many years.

Joe was a warm human being and kind hearted—always willing to serve and help his fellow man, his church and the community. He had a deep understanding heart.

If we were to try to identify Joe's special qualities, one would note his superb skill as an advisor, a doer, a public servant and his marvelous capacity for friendship. He brought to government, as he did to all things, wise counsel, boundless energy and enthusiasm.

The impeccable character of Joe's wise counsel and sound judgment always emerged following a consultation or a conference. One of the reasons people turned to him was that he had an extraordinary capacity for inspiring confidence. With an easy, kindly manner and a warm smile, he always seemed to know exactly what he was doing.

Joe regarded loyalty as an essential ingredient in friendship. He gave loyalty and expected loyalty in return.

All of us are here today because Joe was our friend and we were his friends. He had a deep and natural interest in people.

Joe was an exemplar of a devoted public servant. He had common sense and integrity of purpose. He was forthright, firm but always fair.

Joe loved his work whether as teacher, in the Attorney General's Office as my executive assistant Attorney General or in Senator Javit's office where he served with distinction as Chief of Staff in the Senator's New York City office.

One of Joe's chief characteristics was a strong commitment to be very thorough no matter what the cause. He was truly a perfectionist, resourceful, and he constantly "dug in" to find an answer to a problem or resolve a crisis.

Joe was impatient with red tape and bureaucracy. He was not a yes man. He took positions he believed in and argued forcefully for their adoption. Blunt, straight-from-the-shoulder talk was Joe's style.

He was never power-hungry or impressed with his own important position in the office. He enjoyed the greatest respect of all who knew him and worked with him in government, in the community and in all walks of life.

Joe was very loyal and invaluable to me personally. I relied and depended upon him. He made himself available to me 24 hours a day and often on weekends. He was always willing to serve me in any capacity. Yes, he was my trouble shooter whenever a sensitive problem arose in any of the numerous offices of the Attorney General's Office. He performed and got things done.

Joe took a leave of absence from his official duties to help in my campaigns for reelection and worked day and night. He was always there and available when I needed him.

Our friendship grew over the years. There are few who can say they will miss Joe more than I will.

At the very center of Joe's life was his love for his family—Angela—his children, Joseph Michael and Michelle Marie—his parents Joseph and Carmela—his brothers Mario and Robert and his sister Camile.

Joe and Angela lived together in great love and harmony. He was deeply devoted to and very fond of his children. Joe often spoke to me about his son, Joseph Michael and especially his son's talent as an athlete. Joe, as you know, was a good athlete and he was so proud that his son was following in his footsteps.

When Joe ran for public office, his son then 7 years of age, campaigned for him. I was present on many occasions, when I heard the son, while handing out campaign literature, say to voters, "vote for my father—he will be good for the community." How true was that statement.

We often think that brick, mortar and steel are the real monuments of life—that really is not true. It is really the soul and character of man which are eternal and the good he brought on earth.

Joe's immortality is what he did in his love for man, his contributions to his church and in the community and his devotion to his wife and children, his family and his friends.

Joe's good works in the Attorney General's offices, in Senator Javit's office and throughout his life in the community, will stand as monuments to him.

It was indeed tragic that Joe's life should have ended when he had so much to offer to his fellowmen through his many contributions of public service and community activity.

In our sorrow, we can take solace in the memory of Joe's good works, in the memory of his love and affection for his family and us and in memory of a man whose life brightened our own.

Joe Fristachi was a man for all seasons, with his heart always in the right place.

It was a joy to know him. It was an honor to work with him, and it puts a lump in my throat this morning to bid him good-bye.

Joe Fristachi will forever be loved and missed by his family and friends. We shall never forget him.

May his soul rest in peace.

LEGISLATIVE RESOLUTION

Whereas, the untimely death, after thirty-eight short years, of Joseph L. Fristachi instilled a deep sense of mourning in all who knew him; and

Whereas, Most of his life was dedicated to public service as executive assistant attorney general to Attorney General Louis J. Lefkowitz and assistant to United States Senator Jacob K. Javits; and

Whereas, Those who were close to Joseph knew of his unique capabilities to serve and help his fellow man, his church and the community; and

Whereas, The love for his family—his wife Angela, his children Joseph Michael and Michelle Marie, his parents Joseph and Carmela, his brothers Mario and Robert and his sister Camille, exemplified the kind of love and devotion all hope to attain; and

Whereas, Joseph's dedication and devotion to public service and family will be the vehicle of immortality to family and all who knew him; now, therefore, be it

Resolved, That this Legislative Body mourns the untimely death of Joseph L. Fristachi and adjourns out of respect to his memory; and be it further

Resolved, That a copy of this resolution, suitably engrossed, be transmitted to his wife Angela and his children Joseph Michael and Michelle Marie.

Mr. MOYNIHAN. I thank the Chair for her gracious attention.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT OF ELMER STAATS, COMPTROLLER GENERAL OF THE UNITED STATES

Mr. BAKER. Madam President, this coming Tuesday, the Federal Government will lose the service of truly one of its most distinguished and dedicated employees, Comptroller General of the United States, Elmer Staats.

After a prescribed statutory term of 15 years in that post, Mr. Staats is taking a much deserved leave of the Government.

Under the statute, he cannot succeed himself, and retirement from that post is mandatory. He will leave behind a General Accounting Office that is a model of efficiency and reliability. He will leave a legacy of truly remarkable accomplishment and unflagging devotion and honor.

In his 15-year term, Mr. Staats has issued more than 8,000 reports to the Congress on various Federal programs and agencies. In addition, there have been innumerable similar reports to other agencies of the Government.

It is estimated that the cost-efficiency studies of the General Accounting Office during this time have saved the Federal Treasury, and the American taxpayers, some $20 billion, much of that savings having been accrued in the past few years through such enterprising devices as the fraud hotline Mr. Staats activated in 1979.

On more than 1,000 occasions during his tenure, Mr. Staats has appeared before various committees of the Congress to report the findings of his agency and to share with us his experience and counsel.

The Office of Comptroller General, by the very nature, its duties, can be, and certainly is on occasion, a much maligned and pressured outpost. For example, Mr. Staats, appointed by former President Lyndon Johnson in 1966, served during the terms of five Presidents, each having their own distinctive goals and policies, and each, on occasion, differing sharply with the goals and policies of the Congress itself.

Yet, throughout his tenure, Mr. Staats has maintained the operations of the GAO on a highly professional and nonpartisan plane. His service surely personifies the best traditions of public service.

That service and tradition, Madam President, have marked not only the 15 years of Mr. Staats tenure as Comptroller General, but also in the Bureau of the Budget, which he last served as Deputy Director, and also, during the Korean conflict, when he served as executive officer of the National Security Council's Operations Coordinating Board.

In total, Mr. Staats has served this Government and this Nation for some 41 years. As he now leaves that service for a retirement, I know every Senator joins me in wishing Mr. Staats and his wife, Margaret, every happiness.

All of us in this country are so very much the better for Elmer Staats labors in our behalf.

The PRESIDING OFFICER. The Presiding Officer, in her capacity as the Senator from Kansas, would certainly like to be associated with the remarks of the distinguished majority leader.

Mr. BAKER. I thank the Senator from Kansas, the distinguished occupant of the chair.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ANDREWS). Without objection, it is so ordered.

WHY NURSES LEAVE NURSING

Mr. HATCH. Mr. President, the most severe health manpower shortage facing our Nation is the shortage of qualified and willing nurses whose training and talent we desperately need. In rural and underserved areas in particular, the inability of hospital administrators to attract skilled nursing professionals passed the threshold of crisis proportions many months ago.

Congress can continue to dicker over whether or not this problem results from an actual personnel shortage or whether it is in the wake of a maldistribution of nurses and practitioners. Regardless, it is a problem the Federal Government helped to create by subsidizing health manpower training categories to the detriment of the nursing profession, and it is something those of us charged with legislative health responsibility must work to help solve very early on in the life of this Congress.

This is the principal reason I scheduled a March 17 hearing on nursing education to accompany the matter of health professions education during its reauthorization hearing in the Committee on Labor and Human Resources. It is an enormous problem, and the question of money is only part of it.

In order to acquaint those of my colleagues less familiar with nurses' special plight, I ask unanimous consent that the article "Why Nurses Leave Nursing and What Can Be Done About It." appearing in the January 1981 issue of the American Journal of Nursing, be printed in the RECORD. This is not a problem for the back burner. It is one all of us are obliged to help solve during the first session of this Congress.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY NURSES LEAVE NURSING AND WHAT CAN BE DONE ABOUT IT

(By Mabel A. Wandelt, Patricia M. Pierce, and Robert R. Widdowson)

"As they said in the book 'Nurse', it's a wonder nobody died."

The supervisor of labor and delivery in a Texas hospital offered the above comment during an interview. She is a good nurse, but she is frustrated and angry with her practice. She doesn't have time to provide the kind of patient care that she was prepared to give; she feels trapped and alone with overwhelming responsibilities. Like many of her colleagues, she may leave nursing.

In Texas, about 18,000 registered nurses are licensed to practice and are not currently working in nursing; yet some hospital beds cannot be used because there are not enough nurses to care for the patients who might occupy those beds.

In a study of the nurse shortage, the staff of the Center for Research at The University of Texas at Austin set out to identify factors associated with nurse unemployment and to suggest ways to attract non-working nurses into the work force. They sought opinions, feelings, and ideas about nursing from nurses themselves. Thirty-five hundred nurses responded to the study by filling out a questionnaire; 30 hospital nurses in six small-group interviews supplied reasons for working/not working in nursing and things that would encourage nurses to return to work; and in a daylong conference interested persons, including consumers, nurses, physicians, administrators, educators, and legislators, produced innovative suggestions for attracting nurses back to work.

Data from each part of the investigation reinforced the findings in each other part. The questionnaire gave us a broad overview of the way nurses in Texas perceive the work of nurses; the interviews and conference lent depth to the necessarily statistical findings from the questionnaire. In a sense, the data from the questionnaire add to the stockpile of information about nurses' perceptions of the job of nursing; those from the interviews add to the raw materials for understanding nurses' feelings about patient care and about opportunities for professional practice. The findings show that nurses leave nursing and remain outside the work force because of conditions in the job setting that interfere with the practice of nursing.

QUANTITATIVE DATA

The questionnaire collected descriptive data to provide basic information on the supply of registered nurses in Texas. The findings were not surprising. For example, Blacks and Hispanics are underrepresented among licensed nurses, child care responsibilities were related to both initial and continued withdrawal from the work force, and the mean annual salary range was from $14,000 for nurses with fewer than five years' experience to $18,000 for nurses with 40 years' experience—a salary increment of $100 per year.

The questionnaire asked for opinions from both employed and unemployed licensed registered nurses about a variety of factors associated with the job of nursing. The employed nurses were asked to rate the importance of each factor and then to rate how satisfied they were with that factor in their present job. Unemployed nurses were asked to rate the same items by the importance of each item in influencing them to leave nursing and then to rate the importance of each item in keeping them out of nursing.

The rank order of the 10 job conditions with which the largest percentage of employed nurses were dissatisfied was as follows:

1. Availability of adequate salaries
2. The amount of paper work

3. Support given by the administration of the facility
4. Opportunity for continuing education
5. Adequacy of laws regulating the practice of nursing in Texas
6. Support given by nursing administration
7. Availability of acceptable child-care facilities
8. Availability of inservice education
9. Availability of fringe benefits
10. Competence of non-registered nursing staff

High percentages of non-employed nurses listed many of the same items as their reasons for leaving nursing. Additional highly ranked items included:

1. Family responsibilities
2. Unavailability of desired work schedule
3. Environment that does not provide a sense of worth as a member of the health care team
4. Lack of positive professional interactions with physicians
5. No emphasis placed on individualized patient care

Of the factors which foster dissatisfaction and contribute to withdrawal from practice, all but family responsibilities are directly related to employment conditions common to the hospital setting. Data from the interviews reinforced the conclusion that dissatisfaction stems from the work setting rather than nursing practice.

QUALITATIVE DATA

The small-group interviews were held with three categories of registered nurses: employed staff nurses, unemployed staff nurses, and supervisors. Two groups were from a large metropolitan hospital, two groups from a medium-sized hospital in a small mid-Texas town, and two groups from a medium-sized hospital in a large west Texas city.

The conference of health care experts was arranged to generate innovative and practical ideas for attracting nurses back into the work force; using the Nominal Group Technique, the meeting yielded more than 150 suggestions.

The following are samplings of comments elicited during the interviews grouped with some of the suggestions from the conference. The data are categorized by employment factors which seemed important to registered nurses in Texas.

STAFFING

Staffing problems relate to overload and overwork. Nurses worry about whether they have completed all necessary things; they feel guilty about not having been able to give adequate and complete care.

INTERVIEWS

When overload reaches a point and continues for weeks with no support or relief, and nurses cannot give safe, adequate care, a nurse will leave. Her conscience will not allow her to remain in the situation.

Nurses need time to provide care beyond minimal physical necessities. They want to provide teaching, emotional support, discharge planning with the patient.

A part of the overload for nurses in patient care is the need to interact with so many other services. These services request assistance from nursing and expect that nurses will do things for them just because the nurse is there. Besides the extra work, there is the need for the nurse to pay attention to a heavy input from various sources in requests for kinds of actions that she must take and decisions that she must make.

Nurses do not like to be pulled because they know that they are leaving their own unit short staffed. There is an occasional time when they plan that with full staffing they will be able to do some of the nice and extra things for patients, but then they get on duty and one is pulled to another unit. So they are again under pressure of short staffing on their own unit, and the one who has to go to the other unit has the uncomfortable feeling of not being able to give safe and adequate care.

IDEAS

Agencies could use short shifts—four to six hours. Nurses could come in specifically to provide for some special patient care needs—e.g., pre-op teaching, 5 to 9 p.m.; discharge planning, 11 to 3 p.m.; instructions about diagnostic tests, 3 to 7 p.m.; recovery room care, 12 to 6 p.m.; etc.

Nurses on the unit should be encouraged to plan staffing, including collaboration with the hospital pool of part-time employees.

Part-time staff could be offered all inservice opportunities provided to full-time staff to attract nurses who are interested in maintaining knowledge and skills.

Establish a pool from the faculties of nursing schools which could provide part-time employees during the school year and full-time employees during holidays, vacations, and summers.

PROFESSIONALISM

Nurses believe that the tasks they perform constitute a meaningful part of health care delivery. Regardless of whether a student attends a four-year baccalaureate program, a two-year associate degree program, or a three-year hospital diploma program, the nursing care plan is emphasized as an integral part of the total therapeutic regimen.

INTERVIEWS

Physicians should pay attention to nurses' input into planning for patient care. The nurse has her own care to contribute, not just doing what the doctor says. The doctor and the nurse plan together so that the contribution of each can blend to the benefit of the patient. Nursing is not a service for the doctor; rather it is a service for patients.

A part of the support and encouragement from supervisors and administration would be to encourage nurses to have an active role in planning for changes and in planning all aspects of nurse involvement in the nursing care program. Administrators need to listen to the ideas of staff nurses and to encourage nurses to develop their ideas and try some changes that they really believe will improve conditions for patient care.

IDEAS

Have a staff nurse serve on all committees making policy about patient care and personnel matters. Provide information for all nurses about committee activities and assist nurse members in developing knowledge and skills needed for entering fully into activities and planning of the committee. On-duty time should be provided for committee participation.

A Joint Practice Committee could be established to act as a grievance board to handle disputes between the professions and to offer appropriate counseling. The chairmanship of the committee could be alternated between nurse members and physician members.

AUTONOMY

As licensed professionals, nurses expect to be able to exercise some discretion and choice over work methods. Yet, nurses report that they are seldom asked to participate in hospital policy decisions. This inability to exercise control over their clinical practice produces feelings of career stagnation.

INTERVIEWS

There needs to be collaboration among the total health care team. There should be mutual respect and a mutual goal to improve care. There should be awareness by all, including nurses themselves, of the contribution of a nurse to the total care of the patient.

The public image of nursing needs to be improved—that is, the public needs to know what nurses do. There should be TV commercials to recruit young persons to consider a career in nursing. The public does not know what nurses do, the variety of their work, the opportunity for mobility, and nurses' contribution to society. They are unaware of nurses' involvement in caring for the ill, health care and planning, health education, care of children, the handicapped the mentally retarded, the aged; they do not really know about nurses' work in hospitals, clinics, doctors' offices, schools, industry, the community, the military, the Veterans Administration, etc.

There should be clinical supervisors who can serve as role models for nurses in patient care. Supervisors need to have continuous updating in patient care, not only in administrative tasks. They need to focus on the quality of care rather than on the quantity; this does not necessarily mean more paper work but that nursing care plans are needed for the care of the individual patients. Nursing supervisors should help nurses understand this.

Nurses should be allowed to plan for their own coverage. They should be provided an adequate staff, and then that staff should be responsible for all nursing care for all periods of time on a particular unit. This yields a situation of peer collaboration and peer pressure. Nurses in these circumstances do not call in sick, nor do they take extra holiday time, and they do take a fair share of weekend work. In this situation, if you call in, you know that a friend has to cover for you—it becomes very personal. Also, in these circumstances, there develops a very personal pride in the care provided. There is more discussion among nurses about the care needs of patients and the possibilities of improving practice.

IDEAS

Establish primary care with all BN staff on all units in the hospital. Nursing service should identify a specific nursing theory that will serve as a base for the content and quality of care provided throughout the hospital. Nurses in each decentralized unit would hold responsibility and accountability for the quality of care provided. They would plan for staffing in terms of numbers needed on particular shifts and in relation to time off.

Allow RNs to write nursing prescriptions or orders for nursing portions of the order sheet. Legalize nurse progress notes and nursing orders.

Nursing management and hospital management should encourage self-scheduling by nurses, charging them with accountability appropriate to the responsibility. A hospital accounting system should be established wherein the cost for nursing service is identified, and nurse salaries should be paid according to a reasonable fee-for-service determination. Nurse directors should be responsible for managing the nursing budget and allowed to utilize non-traditional ways of delivering nursing care.

Do a job analysis of various nursing stations or assignments; rate them for complexity. Develop a career ladder from simple to complex and use part-time nurses for the least complex stations. Develop a wage scale that correlates with the complexity of the job.

FEEDBACK

Nurses need to have occasional recognition for a job well done. They need a timely "pat on the back" and not only negative evaluations.

INTERVIEWS

Patients and families appreciate nurses, but supervisors and administration give infrequent recognition of a job well done.

Supervisors should be alert to nurses' needs and not always wait for the nurse to seek change; rather, they should periodically and as indicated, counsel the nurse about her feelings about herself, her interests, and her job. The counselor should be prepared to offer the nurse various options for assignments and opportunities for self-renewal; she should assist the nurse to consider various implications of change and to reach a decision that will allow her to remain in nursing and to be satisfied with the decision.

IDEAS

Establish a quality assurance program with evaluation of individual nurse performance as one component of the program. Plan recognition and awards for outstanding performance and continued high-quality patient care.

Tie rewards into the personal value system of the professional, and use the satisfaction that comes from providing care of exemplary quality. Use merit awards related to professional growth and pride—e.g., travel and costs for continuing education on agency time, educational leave, journal subscriptions, new books for nursing unit, paid time off for course work, etc.

QUALITY OF CARE: A TALE OF TWO HOSPITALS

In this study, nurses portrayed hospitals of major contrasts.

In some hospitals, there is little or no integration of structural elements with the process of nursing care. Almost all conditions that distress nurses exist: being pulled to work on unfamiliar units; rotation of shift more frequently than once a week; prolonged assignments on undesirable shifts; infrequent weekends off; short staffing and overtime at the end of shift; absence of recognition for a job well done; time to provide only the barest necessities of physical care for patients; being expected to perform non-nursing tasks that are responsibilities of other disciplines; lack of autonomy in planning and implementing nursing care; low salaries; lack of salary difference for qualifications, shifts, longevity, performance, or overtime; and many others.

The nurses employed in these hospitals report that they like nursing, that they know how to give good nursing care, and that they want to give good care. In almost the same breath they rush to describe the only care it is possible for them to give and their feelings about it. They tell of specific situations in which they know that a patient was not receiving needed care. They think of quitting, but then they think of the patients and the other nurses, and that it will be worse for them if they leave, so they stay.

These nurses are confident in their abilities. They are ashamed of their practice, worried about their patients, fearful of errors that may be made, and discouraged. These nurses are working in hospitals with inadequate staffing where conditions that would attract more nurses are lacking.

But there are a few hospitals in which nurses paint a very different picture. Each unit has a staff of registered nurses with two or three assisting staff, all under the charge of a head nurse. The head nurse has at least a baccalaureate and frequently holds a master's; she bears full responsibility for the unit, including hiring of personnel. All nursing care is provided by registered nurses; the assisting staff fulfill secretarial, messenger, supply, patient transportation, and communication activities. The assigned staff plan for total coverage of the unit, shifts, days off, holidays, etc.

On these units, primary nursing is practiced. Each nurse has three or four patients for whom she is responsible; she and a second primary care nurse share the responsibility for care of their patients on days off. Nurses on evenings and nights also have primary care assignments, so they have input equal to that of the nurses on the day shift into the total nursing care program of the unit.

Planning for inservice education is done to provide opportunities for meeting everyone's learning needs. And a shift differential ensures that enough nurses choose to work the evening and night shifts so rotation is not a problem. There is collaboration among units in the hospital and among nearby hospitals for educational programs, so that nurses have a choice of opportunities to update their knowledge and skills. Staff nurses may participate in selected programs while on duty and may take advantage of additional programs on their own time at no cost. Tuition and fees are paid for continuing education, workshops, and courses taken for credit in degree programs.

A quality assurance program provides evaluations of the quality of care provided patients and of performance of individual nurses. Salary increases are tied to performance. Nurses may have input into all policies affecting nursing practice, patient care, or personnel benefits. Nurses share planning for patient care with physicians, pharmacists, nutritionists, and other health care disciplines, and take part in decisions about patient discharge or movement to another care unit.

There are no shortages of nurses in these hospitals. Nurses are happy in their positions; they have confidence in the quality of care that they are providing and that their patients are receiving.

PROBLEMS AND SOLUTIONS

Conditions in the structure of the hospital organization often inhibit the process of professional nursing. A conflict results because nurses perceive themselves as professionals engaging in nursing practice while administration views them as employees carrying out the job of nursing.

As Henderson defines nursing practice:

The unique function of the nurses is to assist the individual, sick or well, in the performance of those activities contributing to health or his recovery (or to peaceful death) that he would perform unaided if he had the necessary strength, will, or knowledge. And to do this in such a way as to help him gain independence as rapidly as possible.[1]

The nursing job encompasses nursing practice, but it also includes setting the work schedule; coordination of patient activities; and interactions with other departments, visitors, new employees, and students. The data show that nurses are dissatisfied with employment when job conditions do not allow them to administer professional nursing care to patients. These conditions are due to hospital policies and administrative attitudes that fail to accommodate the following professional prerogatives:

Autonomy of practice and respect for the judgment of the professional.

Determination of standards of quality of care and determination of staffing needs and work schedules to achieve the standards.

Educational programs and support (financial and time) for updating knowledge and skills.

Participation with full vote in establishing policy related to patient care, personnel benefits, and working conditions.

Work responsibilities that are nursing related, with elimination of requirements for nurses to perform tasks that are the responsibility of other services.

Recognition and personnel benefits comparable to those accorded other health care professionals.

Failure to recognize these professional prerogatives creates a disparity between the nurse's job expectations and the nursing care that can actually be provided within the hospital structure. Responsibility for integrating the elements of job-related factors and professional practice lies with both hospital and nursing administrations. But nurses report that a major area of dissatisfaction is administrative support. This is a misunderstanding of the most fundamental nature, one that has major impact on whether nurses are satisfied with their jobs and satisfied with the care they provide to patients.

Proper functioning of a system as complex as modern health care requires an extremely strong mechanism for measuring effectiveness. The quality of nursing care delivered to the patient must rest on primary standards by which proper functioning of the system is evaluated. If the process of nursing is not providing high quality care to patients, then the structure within which that process operates must be reevaluated.

Evaluation should begin by defining each aspect of nursing care with enough precision to identify objective standards of performance. A system of quality assurance could relieve many of the job conditions that nurses find distressful. Institutionalization of a complete program would necessarily involve all nurses in evaluating the quality of care provided patients and in identifying the program's strengths and weaknesses and the nurses' learning and skill development needs.

A quality assurance program is a natural process for initiating staff nurse involvement in assessment, planning, and development; in policy and practice changes; in implementation of programs; and in processing reviews for accounting for quality of both practice and care received by patients.

In hospitals where nurses are dissatisfied because of limitations in the amount of input and influence they have in matters of concern to themselves and to the patient care program, the introduction of a quality assurance program would allow them to become involved in matters with which they are most familiar and in ways in which they would feel most competent to contribute. From the beginning, with a quality assurance program, nurses could move to participation in assessment, planning, development, and decision making at all levels of program functioning within the hospital.

Staff nurses can assume a large responsibility for changes in situations that cause distress. They need to document episodes of unsafe or inadequate care in specific detail, particularly when job conditions are responsible.

Head nurses should take the lead in organizing such documentation. Staff can also outline, for administration, plans for change and offer to be involved in implementing the plans. Proposals should include a rationale, precise steps for implementing a plan, and a way to evaluate its impact.

Nursing education has a responsibility to provide educational programs that will accommodate registered nurses who wish to update their own formal education. Also, nursing faculty need to recognize staff nurses for the experts that they are and allow them greater interaction with students.

If nurse educators were to involve staff nurses as mentors for students, the students could learn the practice of nursing in the context of the job nursing. Nurse educators must assume responsibility for initiating action; they must invite collaboration with administration and staff nurses to allow more opportunity for student practice in the nursing units.

Nursing faculty members need to maintain their clinical skills and encourage student nurses to consider direct patient care in a hospital setting as a long-term career, rather than a stepping-stone to a different career.

Nursing service administration, registered staff and head nurses, and nurse educators can all take action to improve job conditions and promote professional nursing practice. There must be collaboration and compromise among these three groups to effect work conditions conducive to providing good nursing care for patients.

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[1] Henderson, V. The nature of nursing AJN 64:62–68, Aug. 1964.

To summarize, nurses who leave nursing and choose to remain outside the work force do so because of work conditions which interfere with the practice of professional nursing.

There is overwhelming evidence that what nurses complain about and report as reasons for leaving and staying out of nursing does exist; it is real. There is also evidence that the distressful conditions need not exist. Where they do not exist, there is no shortage of nurses, and nurses judge the quality of care provided patients to be good.

Nurses are concerned about the quality of care they are able to render patients; when quality compromised because of the work environment, nurses become dissatisfied with the job of nursing.

Nurses in either stressful or satisfying situations identify support by nursing service administration and clinically competent nurse supervisors as keys to quality of conditions of work and the care provided patients.

Concerted efforts are needed by hospital and nursing administrations to grant autonomy and recognition to staff nurses. The description of nurses working and not working in this report derive from what nurses think, feel, and believe about the job and professional practice of nursing. Those who seek to attract nurses into the work force would do well to attend to what nurses themselves are saying.

THE JOB CORPS

Mr. HATCH. Mr. President, The Washington Post recently asked in an editorial entitled, "A Social Program That Works" this question:

How do you know if a social program is a success when weighing the hundreds of existing social programs in the budget balance? Why not start by considering the history and performance of the Jobs Corps—it is instructive. Not an automatic ticket to the middle-class, but a long step in a good direction.

With these observations in mind, 3 weeks ago I returned from my home State of Utah. I had just completed an extensive tour of the Clearfield Job Corps Center, operated under contract from the Department of Labor by the Management and Training Corp., of Ogden, Utah. As the new chairman of the Senate Labor and Human Resources Committee, I am more committed than ever to insure the continuation of the Post's description of what "a social program can hope to achieve." Here at last, in that process of achievement, is a Government job training program that provides jobs and saves more dollars than it expends.

And achieve it has—for the 100 percent poor—for the 53 percent of all corpsmembers with less than a sixth grade reading achievement—for the 85 percent high school dropouts—and 69 percent minorities. These are the ones who in fiscal year 1979 were among the 70 percent placed in jobs, 18 percent who returned to school and 5 percent who entered the military, representing a 92.6 percent placement rate. These were also the ones being served through a national network of now more than 100 residential centers. More than 50 percent are operated by major private corporations and smaller companies under competitively, let cost-reimbursable contracts with the Department of Labor.

Job Corps serves disadvantaged youth who have limited abilities to obtain and hold productive jobs. Before they enroll in the program—young people between the ages of 16–21 who have extremely poor work histories as evidenced by high unemployment, few hours of work, low wage rates, and small earnings—young people, some of who have histories of contact with law enforcement agencies and the courts—those are much more likely to grow up in one-parent or no-parent families, the size of which is nearly twice as large as that for the typical U.S. family. These youngsters come from families with low levels of education who have experienced severe poverty, welfare dependency or both—young people often without role models for work. I have observed and assessed Job Corps to be one of the most intensified education and training programs in this country, a program whose congressionally mandated purpose has not changed over the past 15 years, but whose programs, size, and methods of operation have changed considerably.

Job Corps has always had both the courage and skill to deal with the most difficult population and, unlike other job training programs, has not geared its selections to those who might find work anyway. Secretary of Education Terrel Bell recently noted that Job Corps is succeeding with this population where public schools have failed. Bell went on to say that Job Corps has taken the very real risk of accepting its designated population and has dealt realistically with the very small percentage of failures and problems which do occur.

As I walked through classrooms and dormitory areas at the Clearfield Center with National Job Corps Director Richard Jaffe and spoke spontaneously with individual students and staff members alike. I learned firsthand how the Job Corps works and why. How could a program not succeed that gives dignity to kids heretofore locked into the slavery of America's rural and urban poverty? A program that offers vocational skill training in 160 occupational areas, a program that offers basic and remedial reading, mathematic and language skills, a program that offers a full range of the necessary supportive services designed to insure that students obtain and maintain jobs. These services include medical and dental care, health education, comprehensive counseling, world of work training, and leadership development, among others, all carefully integrated with the goal of fully developing each individual's potential.

I was impressed by this program that stresses individual achievement—that diagnoses each student's current level and develops realistic plans as well as the accountability systems that monitor and insure their attainment of goals at their own pace, without competition for grades. This is a program that proves to many scholastic failures that they can learn and learn rapidly. The Job Corps has been a leader in synthesizing methods and materials to educate and train the most hardcore disadvantaged. Using the best of commercially developed materials in conjunction with new and exciting concepts tested in the "living laboratory" of a Job Corps center, this program is in the forefront of the development of educational programs. The basic Job Corps education program, though to be extremely innovative when it was introduced 15 years ago, is now used in many public schools across the country.

I talked with students who never thought a high school equivalency degree was ever possible; who are or have been involved in preapprenticeship programs currently offered by nine major unions in a marriage of labor, industry, and government; who are receiving both shop-type instruction as well as "hands-on" training in which actual construction and/or repair is accomplished. Many of these students help build the dorms in which they live, install the lights by which they read, create the wardrobe closets where they keep their belongings; repair the pipes that supply their water and heat; prepare the food that provides their nourishment and who are the officers of the student government organizations and peer discipline courts they run. Many of the students volunteer to give of their time and even their blood in local Red Cross drives and disaster relief efforts; assist in crowd control at community functions; help the young and the old, the infirm and the handicapped. These students, who never before had pride in their accomplishments, self assurance, and the greatest gift, that of self esteem are learning vital interpersonal skills, a strong work ethic and a critically needed value in America—citizenship.

I saw, at the Clearfield Center, the startup phase of a new, innovative national demonstration premilitary training program, initiated by the Reagan administration for a cooperative effort of the Departments of Defense and Labor, designed to prepare Job Corps enrollees nationwide to qualify for entry into the various aspects of military life with better chances for success. I talked with the young men and women who want to serve their country and become sufficiently skilled so they may meet the eligibility criteria for entry into military service. This is a program that not only will assure better quality of military recruits than the armed services are currently getting, but a cost-cutting approach that will decrease turnovers of military personnel while, at the same time, providing a new, national resource for recruitment.

Undoubtedly, a visit to the Job Corps center has been one of the most impressive experiences of my career and provides some of the impetus for insuring these opportunities are continued for young people throughout the country who otherwise would not have a chance.

This administration has made the commitment to the American people, and to the taxpayers of this country, that they will get a better break for their dollars. With that commitment comes the need to change the expenditure of

funds away from unsuccessful efforts into programs that teach marketable skills and deliver employment—that have withstood the test of time—programs that do not offer handouts but demand a return on the taxpayers' investment—programs that take a "wholistic" approach to the development and fullest potential of each individual—that require self-discipline, respect for and from its participants, their peers and those of authority—programs that prescribe a full schedule of daily participation in classwork as well as other supervised activities.

The students I met will join the over 750,000 who have already gone through the program. Many who have now the masters degrees and even doctorates and are professors at institutions of higher education; Business, industry, and Government line workers and executives not only in Washington, but in all the cities, towns, and farms of our country.

These students who have enrolled in Job Corps, according to both Government statistics and an ongoing independent study by a private and independent research firm, have markedly increased their employment and earnings, reduced their dependence on welfare assistance and other public transfers, reduced criminality, reduced extramarital children, delayed family formation in females, and almost doubled the likelihood of entering the Armed Forces.

Are these benefits worth the cost when measured against an average student staying 6 months with an average center operational cost of $3,800 per student? The comprehensive evaluation of the social benefits and costs back up observations that, indeed, the public investment in Job Corps is economically efficient. In addition to the economic benefits to the students, the 12,000 staff employees at 100 centers add an average payroll of more than $1.2 million a year at each center to the economic base of local communities. This is in addition to the center's local expenditures for foodstuffs, materials, and the like. Three-fourths of center employees are in the private sector.

To reduce inflation, I totally subscribe to Federal budget cuts which will improve the economy. However, it would be foolhardy to reduce Job Corps which is doing that already. In the final analysis, the American answer to the economic crises we face is work—real work in the private sector—performed by trained people with a lifelong commitment to working with the skills necessary to carry out the commitment. I believe that under President Reagan's leadership, the economy will grow to create the jobs for those people.

I will be escorting my full committee back to the Clearfield Center and taking individual committee members to many other centers with Director Jaffe so they too may see first hand the benefits of this exciting program—a program which shows how Government can work in harmony with private industry, unions, as well as State and local governments in successfully providing effective education and jobs.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:47 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 31. An act to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

The message also announced that pursuant to the provisions of 10 U.S.C. 6968 (a), the Speaker appoints as members of the Board of Visitors to the U.S. Naval Academy the following Members on the part of the House: Mr. LONG of Maryland, Mr. MURTHA, Mrs. HOLT, and Mr. SPENCE.

The message further announced that pursuant to the provisions of section 14 (b) of Public Law 96–296, the Speaker appoints as members of the Motor Carrier Ratemaking Study Commission the following Members on the part of the House: Mr. ROE, Mr. SEIBERLING, and Mr. SHUSTER.

The message also announced that pursuant to the provisions of section 5, Public Law 420, 83d Congress, as amended, the Speaker appoints as members of the Board of Directors of Gallaudet College the following Members on the part of the House: Mr. BONIOR of Michigan and Mr. PETRI.

The message further announced that pursuant to the provisions of 10 U.S.C. 9355(a), the Speaker appoints as members of the Board of Visitors to the U.S. Air Force Academy the following Members on the part of the House: Mr. FOLEY, Mr. DICKS, Mr. ROBINSON, and Mr. KRAMER.

The message also announced that pursuant to the provisions of 10 U.S.C. 4355 (a), the Speaker appoints as members of the Board of Visitors to the U.S. Military Academy the following Members on the part of the House: Mr. GINN, Mr. DIXON, Mr. GILMAN, and Mr. ROTH.

HOUSE BILL HELD AT DESK

Under the authority of the order of the Senate of February 24, 1981, the following bill was held at the desk pending further disposition:

H.R. 31. An Act to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

E-436. A communication from the Secretary of Agriculture, transmitting, pursuant to law, notice that the rural development strategy report, due on January 31, 1981, will be delayed until approximately January 31, 1982 because of the detailed work to be done and the change of administration; to the Committee on Agriculture, Nutrition, and Forestry.

EC-437. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend Section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually; to the Committee on Agriculture, Nutrition and Forestry.

EC-438. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on the Nation's agricultural research, extension, and teaching activities, dated February 1981; to the Committee on Agriculture, Nutrition, and Forestry.

EC-439. A communication from the Deputy Director of the Office of the Management and Budget, Executive Office of the President, transmitting, pursuant to law, notice that the appropriation to the Department of Transportation, U.S. Coast Guard, for "Operating Expenses" for fiscal year 1981 has been reapportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

EC-440. A communication from the Principle Deputy Assistant Secretary of the Navy (Logistics), transmitting, pursuant to law, notice of a study with respect to converting the keypunch services function at the Weapons Station, Yorktown, Virginia, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-441. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, notice of a study with respect to converting the family housing maintenance function at McConnel Air Force Base, Kansas, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-442. A communication from the Acting Assistant Secretary of Defense (Manpower,

Reserve Affairs, and Logistics), transmitting, pursuant to law, the Department of Defense manpower requirements of the Carter fiscal year 1982 budget, and does not reflect amendments or supplements that may be proposed by the new Administration or the impact of the current hiring freeze; to the Committee on Armed Services.

EC-443. A communication from the Principal Deputy Assistant Secretary of the Navy (Logistics), transmitting, pursuant to law, notice of a study with respect to converting the guard service function at the Cheatham Annex and the Craney Island Fuel Facility of the Naval Supply Center, Norfolk, Virginia, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-444. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, notice of a study with respect to converting the refuse collection function at Loring Air Force Base, Maine, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-445. A communication from the Acting Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting, pursuant to law, notice of a study with respect to converting the wearing apparel activity at Fort Meade, Maryland, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-446. A secret communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, 47 Selected Acquisition reports and the Summary Tables for the quarter ended December 31, 1980; to the Committee on Armed Services.

EC-447. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a follow-up report on the recommendations of the National Commission on Neighborhoods entitled "People Building Neighborhoods—Final Report"; to the Committee on Banking, Housing, and Urban Affairs.

EC-448. A communication from the Chairman of the Marine Mammal Commission, transmitting, pursuant to law, the eighth annual report of the Commission for calendar year 1980; to the Committee on Commerce, Science, and Transportation.

EC-449. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the justification for the Board's programs in the enclosed 1982 budget and some of the accomplishments of the Board of the past year; to the Committee on Commerce, Science, and Transportation.

EC-450. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the utilization of authority granted in 37 USC 306 to pay special pay to U.S. Coast Guard officers holding positions of unusual responsibility and of a critical nature; to the Committee on Commerce, Science, and Transportation.

EC-451. A communication from the President and Executive Officer of the United States Railway Association, transmitting, pursuant to law, the seventh annual report of the Association and a report on activities of the Association from October 1, 1979 through December 31, 1980; to the Committee on Commerce, Science, and Transportation.

EC-452. A communication from the President of the National Railroad Passenger Association, transmitting, pursuant to law, the annual report of the Association for fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC-453. A communication from the Secretary of the Interior, transmitting, pursuant to law, an application for repayment of excess gas royalties by Gulf Oil Exploration and Production Company; to the Committee on Energy and Natural Resources.

EC-454. A communication from the Acting Chairman of the Board of the United States Synthetic Fuel Corporation, transmitting, pursuant to law, the quarterly report of the Corporation for the period October 1 through December 31, 1980; to the Committee on Energy and Natural Resources.

EC-455. A communication from the Deputy Assistant Secretary of the Interior for Land and Water Resources, transmitting, pursuant to law, a copy of an application by the Buffalo Rapids Project, Irrigation District No. 2, Custer and Prairie Counties, Montana, for a loan under the Small Reclamation Projects Act; to the Committee on Energy and Natural Resources.

EC-456. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the findings of an effort to reduce the time necessary to complete a highway project; to the Committee on Environment and Public Works.

EC-457. A communication from the Acting Administrator of the United States Environmental Protection Agency, transmitting, pursuant to law, the Ohio River Basin Energy Study Main Report; to the Committee on Environment and Public Works.

EC-458. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements, other than treaties, entered into by the United States in the sixty-day period prior to January 19, 1981; to the Committee on Foreign Relations.

EC-459. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements, other than treaties, entered into by the United States in the sixty-day period prior to February 12, 1981; to the Committee on Foreign Relations.

EC-460. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements, other than treaties, entered into by the United States in the sixty-day period prior to January 16, 1981; to the Committee on Foreign Relations.

EC-461. A communication from the Administrator of the Panama Canal Commission, transmitting, pursuant to law, the report on the disposal of excess foreign property for fiscal year 1982; to the Committee on Governmental Affairs.

EC-462. A communication from the Executive Director of the Neighborhood Reinvestment Corporation, transmitting, pursuant to law, the annual report of the Corporation for calendar year 1980 on compliance with the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-463. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, the quarterly report on the number of full-time permanent employees hired and promoted between July 1 and September 30, 1980; to the Committee on Governmental Affairs.

EC-464. A communication from the Acting Inspector General, Department of Agriculture, transmitting, pursuant to law, the Inspector General's matching report as required under Section 5 of the Office of Management and Budget's Matching Guidelines; to the Committee on Governmental Affairs.

EC-465. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal-Interstate Compact Commissions: Useful Mechanisms For Planning And Managing River Basin Operations"; to the Committee on the Judiciary.

EC-466. A communication from the Acting Director of the Community Services Administration, transmitting, pursuant to law, the annual report of the Administration under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-467. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on certain aliens found admissible to the United States under section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-468. A communication from the Acting Director of ACTION, transmitting, pursuant to law, a copy of the final guideline entitled "Final Notice of Guidelines for Minigrants"; to the Committee on Labor and Human Resources.

EC-469. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Evaluation of Defense Attempts To Manage Battlefield Intelligence Data"; to the Committee on Armed Services.

EC-470. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, notice of a study with respect to converting the commissary shelf-stocking and custodial function at Castle Air Force Base, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-471. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, notice of a study with respect to converting the family housing maintenance function at Barksdale Air Force Base, Louisiana, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-472. A communication from the Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a list of Department of Defense prime contract awards of over $10,000 for the last half of fiscal year 1980; to the Committee on Armed Services.

EC-473. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on three construction projects to be undertaken by the Naval and Marine Corps Reserve; to the Committee on Armed Services.

EC-474. A communication from the Chairman of the Federal Reserve System, transmitting, pursuant to law, the Monetary Policy Report to the Congress; to the Committee on Banking, Housing, and Urban Affairs.

EC-475. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report concerning approval of a Home Improvement and Energy Loan Program; to the Committee on Banking, Housing, and Urban Affairs.

EC-476. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, information concerning its operation for the month of December, 1980; to the Committee on Commerce, Science, and Transportation.

EC-477. A communication from the Acting Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, notice that the Commission plans to take no position on the constitutionality of the veto provision in "Consumer Energy Counsel of America, et al. v. Federal Energy Regulatory Commission"; to the Committee on Energy and Natural Resources.

EC-478. A communication from the Secretary of Energy, transmitting, pursuant to law, notice that the annual report on the Strategic Petroleum Reserve Program will be delayed for approximately thirty days; to the Committee on Energy and Natural Resources.

EC-479. A communication from the Acting Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on sales of refined petroleum products and a report on sales of retail gasoline for November 1980; to the Committee on Energy and Natural Resources.

EC-480. A communication from the Secretary of Energy, transmitting, pursuant to law, the fourth annual report on activities pursuant to the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976; to the Committee on Energy and Natural Resources.

EC-481. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on abnormal occurrences at licensed nuclear facilities for the third quarter of 1980; to the Committee on Environment and Public Works.

EC-482. A communication from the Chairman of the Advisory Committee on Reactor Safeguards, United States Nuclear Regulatory Commission, transmitting, pursuant to law, the report of the Advisory Committee on the Commission's safety research program for fiscal year 1982; to the Committee on Environment and Public Works.

EC-483. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Analysis of Proposed New Standards for Nursing Homes Participating in Medicare and Medicaid"; to the Committee on Finance.

EC-484. A communication from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting, pursuant to law, a report regarding activities carried out under section 121 of the Foreign Assistance Act; to the Committee on Foreign Relations.

EC-485. A communication from the President of the United States, transmitting, pursuant to law, the status of certain negotiations with the European Atomic Energy Community; to the Committee on Foreign Relations.

EC-486. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports transmitted to the Congress by the General Accounting Office for the month of January 1981; to the Committee on Governmental Affairs.

EC-487. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Records Management: A History of Neglect"; to the Committee on Governmental Affairs.

EC-488. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report concerning surplus real property disposed of to public health and educational institutions; to the Committee on Governmental Affairs.

EC-489. A communication from the Chairman of the Foreign Claims Settlement Commission, transmitting, pursuant to law, a proposed new system of records under the Privacy Act; to the Committee on Governmental Affairs.

EC-490. A communication from the Chairwoman of the Merit Systems Protection Board, transmitting, pursuant to law, the report of the Board for 1980; to the Committee on Governmental Affairs.

EC-491. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting pursuant to law, the 1980 report of the Bank under the Freedom of Information Act; to the Committee on the Judiciary.

EC-492. A communication from the Comptroller General of the United States, transmitting pursuant to law, a report entitled "Better Management Can Ease Federal Civil Case Backlog"; to the Committee on the Judiciary.

EC-493. A communication from the Executive Secretary of the National Mediation Board, transmitting, pursuant to law, the 1980 report of the Board under the Freedom of Information Act; to the Committee on the Judiciary.

EC-494. A communication from the Freedom of Information/Privacy Officer of the Interstate Commerce Commission, transmitting, pursuant to law, the 1980 report of the Commission under the Freedom of Information Act; to the Committee on the Judiciary.

EC-495. A communication from the Acting Chairman of the Federal Energy Regulatory Commission, transmitting pursuant to law, the 1980 report of the Commission under the Freedom of Information Act; to the Committee on the Judiciary.

EC-496. A communication from the Administrative Director of the U.S. Arms Control and Disarmament Agency, transmitting pursuant to law, the 1980 report of the Agency under the Freedom of Information Act; to the Committee on the Judiciary.

EC-497. A communication from the Special Assistant to the Assistant Secretary of Defense for Public Affairs, transmitting, pursuant to law, the Department's 1980 report under the Freedom of Information Act; to the Committee on the Judiciary.

EC-498. A communication from the Deputy Administrator of the Veterans Administration, transmitting a draft bill to authorize the Administrator to provide a memorial marker to the next of kin of an individual who otherwise would be memorialized in a national, private, or local cemetery; to the Committee on Veterans Affairs.

EC-499. A communication from the Acting General Counsel of the Department of Energy, transmitting proposed legislation to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Natural Resources.

EC-500. A communication from the United States Trade Representative, transmitting a proposed bill to provide authorization for the Office of Trade Representative through fiscal year 1985 and to provide express authority for certain actions; to the Committee on Finance.

PETITIONS

The following petition was laid before the Senate, together with accompanying papers, and referred as indicated:

POM-19. A petition from the country at large sponsored by Statewide Committees Opposing Regional Plan Areas (SCORPA), requesting the Senate to conduct an investigation of the establishment of regional governance; to the Committee on Governmental Affairs.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs: Edwin L. Harper, of Missouri, to be Deputy Director of the Office of Management and Budget.

(The above nomination from the Committee on Governmental Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

THE NOMINATION OF DR. EDWIN L. HARPER

Mr. ROTH. Mr. President, the Committee on Governmental Affairs, to which was referred the nomination of Dr. Edwin L. Harper, of St. Louis, Mo., to be Deputy Director of the Office of Management and Budget, having considered the same, reports favorably thereon and recommends that the nomination be confirmed subject to the nominee's commitment to respond favorably to requests to appear and testify before any duly constituted committee of the Senate.

SUBMISSION OF NOMINATION

The Senate formally received the nomination of Dr. Edwin L. Harper, of St. Louis, Mo., to be Deputy Director of the Office of Management and Budget on January 30, 1981. The nomination was subsequently referred to the Committee on Governmental Affairs.

TRAINING, EDUCATION, AND EXPERIENCE OF EDWIN L. HARPER

Dr. Harper was born in Belleville, Ill., on November 13, 1941. He graduated from Principia Upper School in St. Louis, Mo., in June 1959. He then entered Principia College in Elsah, Ill., where he received a bachelor of arts degree in June 1963 with a major in international relations and a minor in economics. Dr. Harper completed his studies at the University of Virginia in Charlottesville where he earned a Ph. D. in government and public affairs. His doctoral dissertation was concerned with regulation of the national banking system.

Dr. Harper has had an extensive and diverse employment record. Most recently, he was the vice president for strategic planning at Emerson Electric in St. Louis, Mo. From December 1975 to August 1978, he was the chief administrative officer for the CertainTeed Corp. of Valley Forge, Pa., a manufacturer of building materials and construction products.

From January 1975 to December 1975 he acted as the resident chief executive officer for Air Balance, Inc. of Chicago, and he served as the vice president of the INA Corp. in Philadelphia from January 1973 to January 1975.

Prior to these executive corporate positions, Dr. Harper was a special assistant to the President with the title of Assistant Director to the Domestic Council. He held these White House positions

79-059 O 1984 — 27 — (Vol. 127 Pt. 3)

from December 1969 until December 1972 during the Nixon administration.

For the short period of time from April 1969 until December 1969, he served as a senior consultant at Arthur D. Little in Washington, D.C.

From August 1968 to April 1969, Dr. Harper was the assistant to the Director of the Resources Planning Staff of the U.S. Bureau of the Budget. He was a fellow at the American Society for Public Administration from June until August 1968.

While obtaining his Ph. D., Dr. Harper was a lecturer at Rutgers State University in New Brunswick, N.J.

COMMITTEE ACTION

Under procedures established by the committee for considering nominations, a detailed biographical and financial information questionnaire was submitted to Dr. Harper. The committee also requested that the nominee respond to prehearing questions in writing. These questions concerned both substantive policy matters relating to the mission of the Office of Management and Budget and specific actions Dr. Harper intends to take as Deputy Director of that agency. Both the biographical and financial information and the responses to the prehearing questions are appendixes to this report. It is the policy of the committee that a nominee's financial disclosure statement is not reproduced or published as a part of the hearing record. However, this information is retained in the committee offices for inspection by the public.

Committee procedures call for an independent review of a nominee's background. This includes a review of any investigative reports compiled concerning the nominee, including the Federal Bureau of Investigation's summary report on the background of the nominee and an interview with the nominee. All of these requirements were met during the committee's investigation, and a confidential staff report, which concluded that no further investigation is necessary, was filed with the chairman and the ranking minority member and made available to all other members of the committtee.

On February 17, 1981, Dr. Harper appeared before the Committee on Governmental Affairs to testify on his appointment to be Deputy Director of the Office of Management and Budget. Dr. Harper was introduced to the committee by the junior Senator from Missouri, Senator DANFORTH.

COMMITTEE RECOMMENDATION

Based on its review of the nominee's responses to the biographical and financial questionnaire, the FBI investigative report, the responses to the prehearing questions, personal interview with the nominee, and the testimony and responses to questions at the hearing itself, the committee believes that Dr. Harper is well qualified by reason of training, education, experience, and integrity to be the Deputy Director of the Office of Management and Budget.

ROLLCALL VOTE IN COMMITTEE

The chairman polled the committee on February 20, 1981, to recommend that the nomination of Dr. Edwin L. Harper to be Deputy Director of the Office of Management and Budget be confirmed. The response was unanimous.

Yeas: Senator Roth, Senator Percy, Senator Stevens, Senator Mathias, Senator Danforth, Senator Cohen, Senator Durenberger, Senator Mattingly, Senator Rudman, Senator Eagleton, Senator Jackson, Senator Chiles, Senator Glenn, Senator Sasser, Senator Pryor, and Senator Levin.

Nays: None.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate, herewith submits the following reports of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR THE PERIOD FROM DEC. 13 TO 18, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ernest F. Hollings:									
Panama			242.55						242.55
Total									242.55

Jan. 26, 1981.

PETE V. DOMENICI,
Chairman, Committee on the Budget

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), MAJORITY LEADER (R. BYRD), FOR THE PERIOD FROM DEC. 13 TO 18, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator David H. Pryor:									
Panama			251.85						251.85
Robert H. Dockery:									
Panama			107.28						107.28
Total			359.13						359.13

Feb. 17, 1981.

ROBERT C. BYRD,
Democratic Leader.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR THE PERIOD FROM OCT. 9 TO 12 AND DEC. 13 TO 18, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Warren W. Kane:									
Panama	Dollar		200.82						200.82
Nicaragua	Cordoba	1,450	145.00	50	5.00			1,500	150.00
Guatemala	Quetzales	65.42	65.42	5	5.00			70.42	70.42
Total			411.24		10.00				421.24

Jan. 22, 1981.

WARREN G. MAGNUSON,
Chairman, Committee on Appropriations.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR THE PERIOD FROM OCT. 1 TO DEC. 31, 1980

Name and continent	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Daniel Patrick Moynihan:									
North America									724.33
Total									724.33

Jan. 21, 1981.

BARRY GOLDWATER,
Chairman, Select Committee on Intelligence.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS, FOR THE PERIOD FROM NOV. 9 TO 26, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Charles McC. Mathias, Jr.:									
Portugal	Escudo		598.75		1,344.46				1,943.21
France	Franc		163.27						163.27
Received 40,581.30 escudos ($792), returned 2,780 escudos ($54.25).									
Received 4,118.40 francs ($936), returned 3,400 francs ($772.73).									
Casimir A. Yost:									
Portugal	Escudo		643.39		1,344.46				1,987.85
France	Franc		149.64						149.64
Received 40,581.30 escudos ($792), returned 390 escudos ($7.61).									
Received 4,118.40 francs ($936), returned 3,460 francs ($786.36).									
John H. O'Neill, Jr.:									
France	Franc		250.87		910.00				1,160.87
Received 4,633.20 francs ($1,053), returned $681.13.									
Total			1,805.92		3,598.92				5,404.84

Jan. 23, 1981.

WILLIAM V. ROTH, JR.,
Chairman, Committee on Governmental Affairs.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS, FOR THE PERIOD FROM OCT. 23 TO NOV. 9, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Martin L. Steinberg:									
Korea	Won	170.346	267.00					170.346	267.00
Thailand	Baht	7,713.75	375.00		26.60			7,713.75	401.60
Malaysia			300.00						300.00
Hong Kong	Dollar	1,465.90	288.00					1,465.90	288.00
Travel prior to Oct. 26, 1980, reimbursed by U.S. Senate.									
Total			1,230.00		26.60				1,256.60

Jan. 23, 1981.

WILLIAM V. ROTH, Jr.,
Chairman, Committee on Governmental Affairs.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b), COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, FOR THE PERIOD FROM JAN. 1 TO DEC. 31, 1980

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Mike Gravel:									
Panama			468.75						468.75
Senator Larry Pressler:									
Japan	Yen	42,636	204.00	36,000	172.00			78,636	376.00
Taipei			156.00						156.00
Hong Kong	Dollar	968.85	192.00	254.15	49.93			1,223	241.93
Total			1,020.75		221.93				1,242.68

Jan. 7, 1981.

ROBERT T. STAFFORD,
Chairman, Committee on Environment and Public Works.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WALLOP (for himself, Mr. BENTSEN, Mr. TOWER, Mr. SIMPSON, Mr. GOLDWATER, Mr. GARN, and Mr. BOREN):

S. 566. A bill to amend the Internal Revenue Code of 1954 to retain the oil percentage depletion rate at 22 percent; to the Committee on Finance.

By Mr. THURMOND:

S. 567. A bill to amend title 10, United States Code, to allow the military departments to accept voluntary, uncompensated services from persons desiring to provide such services for military department museums; to the Committee on Armed Services.

By Mr. ARMSTRONG:

S. 568. A bill to amend the Federal Mine Safety and Health Act of 1977; to the Committee on Labor and Human Resources.

By Mr. JEPSEN:

S. 569. A bill to amend the Internal Revenue Code of 1954 to provide an investment tax credit for certain soil and water conservation expenditures; to the Committee on Finance.

By Mr. MATHIAS (for himself, Mr. METZENBAUM, Mr. KENNEDY, Mr. WEICKER, Mr. MOYNIHAN, Mr. TSONGAS, Mr. PROXMIRE, Mr. GLENN, Mr. LEAHY, and Mr. BIDEN):

S. 570. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

By Mr. DOMENICI:

S. 571. A bill to establish the San Joaquin del Canondel Rio de Chama Grant Commission, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HUDDLESTON (for himself and Mr. FORD):

S. 572. A bill to expand the scope of the small operators assistance program in the 1977 Surface Mining and Reclamation Act; to the Committee on Energy and Natural Resources.

By Mr. McCLURE (by request):

S. 573. A bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Natural Resources.

By Mrs. KASSEBAUM:

S. 574. A bill to amend the Internal Revenue Code of 1954 to allow the estate of a decedent a deduction for certain bequests of interests in property used in farms or other trades or businesses, and for other purposes; to the Committee on Finance.

By Mr. ABDNOR:

S. 575. A bill for the relief of Samuel Bo-Wen Huang, Mei-Sue Huang, Shu-Yuan Huang, and Hui-Li Huang; to the Committee on the Judiciary.

By Mr. MOYNIHAN (for himself and Mr. RANDOLPH):

S. 576. A bill to authorize the construction of harbor improvements to promote domestic commerce and to facilitate United States export of coal and other commodities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. MOYNIHAN:

S. 577. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits, and for other purposes; to the Committee on Finance.

S. 578. A bill to amend the Internal Revenue Code to change certain accounting rules related to inventory; to the Committee on Finance.

By Mr. HEINZ:

S. 579. A bill for the relief of Nikola Markarian, Maral Markarian, Pakrad Markarian, Gayane Markarian and Hera Markarian; to the Committee on the Judiciary.

By Mr. LEVIN (for himself, Mr. HAYAKAWA, Mr. RIEGLE, and Mr. GLENN):

S. 580. A bill to establish program levels for the Small Business Adminstration Pollution Control Bond program; to the Select Committee on Small Business.

By Mr. BIDEN:

S. 581. A bill to amend the Congressional Budget Act of 1974 to limit the period for which the enactment of new budget authority may be authorized, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

S. 582. A bill to amend the Congressional Budget Act of 1974 to require authorizing legislation for tax expenditures, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

By Mr. HATCH:

S. 583. A bill to limit the jurisdiction of the courts of the United States in matters relating to abortion; to the Committee on the Judiciary.

S. 584. A bill to amend section 1979 of the Revised Statutes (42 U.S.C. 1983), relating to civil actions for the deprivation of rights, to limit the applicability of that statute to laws relating to equal rights; to the Committee on the Judiciary.

S. 585. A bill to provide a special defense to the liability of political subdivisions of States under section 1979 of the Revised Statutes (42 U.S.C. 1983) relating to civil actions for the deprivation of rights; to the Committee on the Judiciary.

S. 586. A bill to amend the Privacy Act of 1974; to the Committee on Governmental Affairs.

S. 587. A bill to amend the Freedom of Information Act and to effect other changes in the law for the purpose of increasing the ability of law enforcement agencies to protect the public security; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 588. A bill for the relief of George A. Albert; to the Committee on the Judiciary.

By Mr. KASTEN:

S. 589. A bill for the relief of Martin John Lavery; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 590. A bill to amend the Energy Security Act by adding a domestic procurement requirement; to the Committee on Energy and Natural Resources.

By Mr. PERCY (for himself, Mr. SASSER, Mr. HUDDLESTON, Mr. LUGAR, Mr. HAYAKAWA, and Mr. LEVIN):

S. 591. A bill to increase the efficiency of Government-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts of the United States, consistent with the rights of Privacy for the United States; to the Committe on Governmental Affairs.

By Mr. BENTSEN:

S.J. Res. 37. Joint resolution proposing an amendment to the Constitution of the United States with respect to the length of the term of Office of the President and Vice President and the number of terms a President may serve; to the Committee on the Judiciary.

By Mrs. KASSEBAUM (for herself, Mr. CRANSTON, Mr. BAKER, Mr. BURDICK, Mr. WILLIAMS, Mr. INOUYE, Mr. MATHIAS, Mr. HOLLINGS, Mr. HEFLIN, Mr. DOMENICI, Mr. LEVIN, Mr. GOLDWATER, Mr. CHILES, Mr. DECONCINI, Mr. RANDOLPH, Mr. DOLE, Mr. BAUCUS, Mr. NUNN, Mr. PRYOR, Mr. ABDNOR, Mr. SASSER, Mr. DURENBERGER, Mr. PELL, Mr. MOYNIHAN, Mr. CANNON, Mr. HEINZ, Mr. LUGAR, Mr. MATSUNAGA and Mr. GRASSLEY):

S.J. Res. 38. Joint resolution to provide for designation of the first Friday of March as "Teacher Day, United States of America"; to the Committee on the Judiciary.

By Mr. HEINZ (for himself and Mr. SPECTER):

S.J. Res. 39. Joint resolution to authorize and request the President to designate January 17 of each year as "Benjamin Franklin Day"; to the Committee on the Judiciary.

By Mr. RIEGLE (for himself, Mr. BAUCUS, Mr. BENTSEN, Mr. BOREN, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. CANNON, Mr. CHAFEE, Mr. COHEN, Mr. DANFORTH, Mr. DECONCINI, Mr. DIXON, Mr. DOLE, Mr. DOMENICI, Mr. EAGLETON, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GORTON, Mr. HART, Mr. HATCH, Mr. HAYAKAWA, Mr. HEINZ, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. INOUYE, Mr. JACKSON, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. LAXALT, Mr. LEVIN, Mr. LONG, Mr. LUGAR, Mr. MATSUNAGA, Mr. MITCHELL, Mr. MOYNIHAN, Mr. NICKLES, Mr. NUNN, Mr. PELL, Mr. PRYOR, Mr. RANDOLPH, Mr. SARBANES, Mr. SASSER, Mr. SIMPSON, Mr. SYMMS, Mr. TOWER, Mr. TSONGAS, Mr. WILLIAMS, and Mr. ZORINSKY):

S.J. Res. 40. Joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam era"; to the Committee on the Judiciary.

By Mr. HATCH:

S.J. Res. 41. Joint resolution proposing an amendment to the Constitution of the United States relating to affirmative action; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTION

By Mr. WALLOP (for himself, Mr. BENTSEN, Mr. TOWER, Mr. SIMPSON, Mr. GOLDWATER, Mr. GARN, and Mr. BOREN):

S. 566. A bill to amend the Internal Revenue Code of 1954 to retain the oil percentage depletion rate at 22 percent; to the Committee on Finance.

OIL PRODUCTION TAX INCENTIVE ACT OF 1981

● Mr. WALLOP. Mr. President, today I am introducing legislation that would amend a provision of the 1975 Tax Reduction Act. Specifically, this bill would halt the scaledown in the rate of percentage depletion scheduled to occur between now and 1984.

If the scaledown is allowed to take effect, domestic independent oil producers would soon face more difficulty in pursuing an already difficult task. I find it hard to believe that at a time when we so desperately need to increase our domestic energy reserves, we would penalize those individuals and companies who are culpable of nothing; who seek only to find and to produce new sources of oil and gas.

Those affected by the reduction are not the major oil companies, but the 12,000 smaller, independent producers. These independents drill almost 90 percent of the wildcat wells to find many of the significant new oil and gas fields. Why do we punish those that are so important to us?

It is like asking a carpenter to build a house, then taking away his hammer and saw. This bill would not allow the punitive scaledown of percentage depletion to take effect. It would preserve the independent producers ability to finance oil exploration by freezing the rate at the 27-percent level.

Depletion allowances for mineral producers have always been part of U.S. tax policy. In 1913, when the 16th amendment authorized a tax on incomes, Congress recognized that in the case of mineral producers, their capital was depleted as the resource was consumed, and its value declined.

Thus, a portion of the money returned from sale of the mineral was exempted from the income tax. As the resource was depleted, tax dollars were saved and used by domestic producers to fund the exploration and development of new mineral deposits. Under the original law, determination of the income amount to be exempted proved extremely difficult, so in 1926, Congress established the "percentage method" to simplify the procedure. This method utilized a fixed percentage of 27½ percent of gross from wellhead sales as the exhausted portion of capital not to be taxed as income of oil companies.

The 1969 Tax Reform Act marked the beginning of successful political moves to limit the attractiveness of percentage depletion. That year's legislation reduced the percentage rate from 27½ to 22 percent. The next piece of punitive legislation came in the midst of the public and Congressional backlash against the oil industry in the midseventies.

The Tax Reduction Act of 1975 not only excluded the major oil companies from claiming depletion, but it also created a schedule for percentage reductions beginning in 1981 and ending in 1984 with a rate of 15 percent.

Other limitations include reducing the volume of production eligible for percentage depletion, prohibiting transfers of producing properties except upon penalty of loss of percentage depletion, and imposing a 15-percent minimum tax on part of a producer's depletion.

A tax expert is not required to predict the effects of these rate reductions. As the applicable rate of depletion is reduced, tax liability is increased. The independent producer must pay more money to the Government, therefore he will have less money to devote to productive investments such as exploration and development of new oil and gas reserves.

As provided in the Tax Reduction Act of 1975, when the rate scaledown is fully effective in 1984, every producer eligible for percentage depletion will find that he is entitled to approximately 32 percent less depletion than he was in 1980.

Since most producers are subject to the 70-percent individual marginal tax rate, rather than the 48 percent corporate tax rate, each one dollar of cash flow lost due to the reduction of percentage depletion requires him to earn an additional $3.60 in gross income to replace it.

The magnified effect on cash flow from denied percentage greatly diminishes the amount of funds available to the producer—funds needed for financing the exploration and development of new resources.

Cash flow is all the more precious because it comes from so few wells. In 1979, over 70 percent of the wildcat wells drilled were dry holes, investments with no return, just pure loss. Clearly, exploratory drilling is a very risky business. The high risk of exploration leads to high capital costs, so borrowing money is prohibitively expensive.

To pay for new exploration, the producer must rely on a combination of internally generated funds and investor risk capital. Yet, the scaledown in percentage depletion drives away the outside investor.

The stock issues become less attractive to the investor because the increase in the producer's tax liability decreases his company's after-tax return. In an industry where return on equity is already relatively low—a 21-year average of 10.4 percent compared to 11.2 percent for all manufacturing companies—producers cannot afford a decline in their returns that would limit their ability to raise external capital.

With less cash to spend, the independent producer must cut his budget. Among the first cuts to be made are expenditures for exploratory wells. Support of this assertion comes from the statistics gathered after the 1969 rate scaledown. The Tax Reform Act of 1969 authorized a 20-percent reduction in the percentage depletion allowance. The very next year, 2,008 fewer wells were drilled, a drop of 21 percent.

This was the largest single year decline in exploratory drilling in the history of the domestic petroleum industry. Exploratory activity did not recover to the 1969 level until 1977, even though oil and gas prices began to rise dramatically after the 1973 Arab embargo. The 1981–84 rate reductions may be 1½ times as great in impact as that of 1969, since those reductions represent a 32-percent cut in the percentage depletion rate as opposed to the 20-percent cut in 1969.

Independents have traditionally reinvested all of the revenues from their wellhead sales of oil and gas in exploration, drilling, and production activities, especially since they face great difficulty in borrowing funds.

The independents' investment behavior bears a direct relationship between tax liability and expenditure for drilling activity. The experience following the negative action taken by the Tax Reform Act of 1969 serves as a dramatic illustration of this near direct correspondence.

The reduction in depletion, together with other changes, increased the tax liability of domestic producers by about $600 million annually.

In the 3 years following that action, expenditures for domestic exploration and development averaged $700 million less than in the 3 previous years, again at a time when prices were rising. A decline in exploratory activity means a decline in the amount of new domestic reserves of oil and gas discovered. By failing to develop domestic sources of oil and gas, we are prolonging the U.S. dependence on foreign oil and contradicting our energy policy goals.

We are almost twice as dependent on OPEC for our domestic energy supply now as we were in 1970. Today, OPEC's share of our total imports runs at about 45 percent, while in 1970 the figure was only 23 percent.

Not only has our dependence increased, but our vulnerability to supply disruptions has placed our economic security in danger. No one wants a repeat of the long lines of motorists waiting hours to purchase just a few gallons of gas, not to mention the slowdown in industrial and agricultural production that would result from supply disruptions.

Yet if we are to attain energy security and have access to the oil and gas we need, then we have to expand domestic production. Expanding production will not be cheap, however.

In a recent report by the IPAA, it was estimated that to increase domestic production enough to reduce oil and gas imports 50 percent by the end of the decade, the petroleum industry would have to spend $1.564 trillion and drill 1.446 million wells.

To meet this goal would require expenditures for exploration and development to rise from $51.619 billion in 1980 to $292.108 billion in 1990. Without a doubt, a sixfold-spending increase in such a risky enterprise requires a strength of commitment and confidence rarely found in industry.

Consequently, it is unrealistic to expect the independent producers to make those commitments in the face of punitive reductions in the percentage depletion rate.

If energy security is the goal, then the Federal Government must encourage, not penalize, producers. The Government must act to reduce the risk inherent in such a massive investment project. This can be done by allowing percentage depletion to continue to play a crucial role in stimulating investments in energy production. Concurring with this evaluation of the benefits of depletion, the late President John F. Kennedy said:

> The depletion allowances which affect over 100 items should be considered primarily as a matter of resources policy and only secondarily as a tax issue. Its purpose and its value are first of all to provide a rate of exploration, development and production adequate to our national security and the require-

ments of our economy . . . The oil depletion allowance has served us well by this test.

Without incentives like percentage depletion, known but economically unattractive reserves remain undeveloped and new but harder to locate reserves remain undiscovered.

Mr. President, in the long run, the availability of secure energy supplies will do much to resolve the problems afflicting our economy. But, we must start now to give the producers the incentives required to attain energy security. A favorable, not onerous, environment for production must be fostered by the Government. We can ill afford more punitive legislation vis-a-vis the energy industry. That is why I urge my colleagues to support the Oil Production Tax Incentive Act of 1981.

Mr. President, I request unanimous consent that the bill be reprinted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Oil Production Incentive Act of 1981".

SEC. 2. Paragraph (5) of section 613A(c) of the Internal Revenue Code of 1954 (relating to percentage depletion in the case of oil and gas wells) is amended by striking out in the table contained therein the item relating to 1980 and all that follows, and inserting in lieu thereof the following:

"1980 and thereafter ..... 22".●

Mr. BENTSEN. Mr. President, I am delighted to cosponsor this legislation with my good friend and colleague from Wyoming, Senator WALLOP. This bill could well mean the difference between higher levels of domestic energy production and continued increased dependence on foreign oil. Last year, we sent abroad nearly $100 million for foreign oil. It seems strange to me that Congress would stand by and endorse a policy that takes money away from the very people who are the true pioneers of oil and gas exploration in America, our independent producers.

Independents drill almost 90 percent of the wildcat wells and 80 percent of all wells drilled in the United States. This bill will freeze the percentage depletion rate on oil and gas at 22 percent. If the current schedule is allowed to continue, more money will be taken out of the hands of those who have traditionally taken the risks of the marketplace and drilled in unexplored areas of this great Nation.

Ever since 1926 Congress has recognized the need to provide producers with a means to expense their capital as a finite energy resource is consumed. These funds have been used to reinvest in further exploration and development of new resources. The original rate was 27½ percent of gross income from wellhead sales. In the 1969 Tax Reform Act, the rate was reduced to 22 percent. Finally, in the Tax Reduction Act of 1975 a schedule was established for the reductions of percentage depletion to a rate of 15 percent in 1984.

As the applicable rate of depletion is reduced, the tax liability is increased. Since percentage depletion is one of the most important sources of cash flow available to finance new exploration and drilling activity, independents will have less money to devote to finding and developing new oil and gas reserves.

As provided in the Tax Reduction Act of 1975, when the scaledown is fully effective in 1984, every producer eligible for percentage depletion will find that he is entitled to approximately 32 percent less depletion than he was in 1980.

Since most producers are subject to the 70-percent individual marginal tax rate, rather than the 46-percent corporate tax rate, each $1 of cash flow lost due to the reduction of percentage depletion requires him to earn as much as an additional $3.60 in gross income to make up for the lost cash flow.

With less cash to spend, the independent producer must cut his budget. Among the first cuts to be made are expenditures for exploratory wells. Support for this assertion comes from statistics gathered after the 1969 rate scaledown. The tax Reform Act of 1969 authorized a 20-percent reduction in percentage depletion, from a rate of 27½ to 22 percent.

The next year, 2,008 fewer wells were drilled, a drop of 21 percent. This was the largest single year decline in exploratory drilling in the history of the domestic petroleum industry. Exploratory activity did not recover to the 1969 level until 1977, even though oil and gas prices began to rise dramatically after the 1973 Arab oil embargo.

Independents have traditionally reinvested $105 for every $100 of revenues from their wellhead sales of oil and gas exploration, drilling, and production activities. If we desire to prolong our dependence on foreign oil, we should let the percentage depletion rate scale down at its present rate.

However, if we desire to diminish our rising dependence on foreign oil, we should immediately freeze the current rate of percentage depletion at 22 percent so that the 12,000 independent producers in this country can do what they do best: Explore, search, and find new oil and gas resources for our domestic needs.

I hope that my colleagues will quickly act on this important piece of legislation.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. BENTSEN. I am glad to yield to our distinguished colleague from Oklahoma, who has been a real stalwart in this fight.

Mr. BOREN. I thank my friend from Texas.

Mr. President, I wish to associate myself with the remarks which the distinguished Senator from Texas has just made.

Surely, at this time all Americans realize the great threat to our national security which is posed by our dependence on foreign oil. We are dependent on the Middle East area, principally the Persian Gulf States, for approximately 40 percent of all the oil which we use in this country every day.

To point out the importance of that 40 percent, I might say that we use about 60 percent of the oil in this country for industrial purposes, for the generation of electricity, for the production of chemical products, and for other industrial purposes; we use about 40 percent of the oil in this country every day for transportation.

So one way of putting it in perspective is to say that from the Persian Gulf we receive the amount of oil necessary to move everything that moves even 1 inch in this country every day on land, sea, or air.

Again, I think that the people of this country are aware of the fragile nature of that source of supply, the fact that it is dependent upon the physical security of docking and shipping facilities in the Middle East that could be subject to destruction through military action.

If we are going to restore the security of this country and to assure our energy independence, it is going to take capital. It takes money to drill oil wells or to drill gas wells. It takes money to dig a coal mine. It takes money to develop solar energy panels. Whatever source of energy we are talking about, it will take increased capital investment over and above what is now taking place if we are going to have energy independence. There is simply no other way to do it.

Therefore, it becomes increasingly important that we maintain the depletion allowance at the current levels. If we do not maintain it, we are simply going to be draining from the private sector the funds which are necessary for future capital investment to drill oil and gas wells and develop other sources of energy in this country.

As the Senator from Texas has pointed out, this allowance goes across the board to many forms of mineral products. So if we want to prevent a decline in the amount of exploration for new energy sources that will go on in this country, it is absolutely essential that we support the efforts of the Senator from Texas and others to maintain the depletion allowance at its current levels.

This is something that every American citizen should be concerned about. It is something that is in the interests of all citizens, whether they live in Texas or Oklahoma, whether they have ever seen an oil well or not, let alone whether or not they have an interest in any kind of oil or mineral operation because it is an action which will promote the security of the entire country.

I congratulate my colleague from Texas for the leadership which he has given in this field, and I associate myself with his remarks.

Mr. BENTSEN. Mr. President, I thank the distinguished senior Senator from Oklahoma who had such an illustrious career as Governor of Oklahoma that the people of that great State saw fit to send him here, and in his role as Governor and Senator he has had an intimate knowledge of developing the energy resources of this country and as a member of the Finance Committee has made a very major contribution in that regard.

By Mr. THURMOND:

S. 567. A bill to amend title 10, United States Code, to allow the military departments to accept voluntary, uncompensated services from persons desiring to provide such services for military department museums; to the Committee on Armed Services.

LEGISLATION TO ALLOW MILITARY DEPARTMENTS TO ACCEPT VOLUNTARY UNCOMPENSATED SERVICES

Mr. THURMOND. Mr. President, I am pleased to introduce legislation to amend title 10 of the United States Code to allow the military departments to accept voluntary, uncompensated services from persons desiring to provide such services for military department museums. This measure should help reduce the operating costs of these fine museums, so that they may continue to operate and remind us of our proud military heritage.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Chapter 81 of title 10, United States Code, is amended by adding after section 1586 the following new section:

"§ 1587. Authority to accept voluntary services for museums operated by military departments.

"(a) Notwithstanding section 3679(b) of the Revised Statutes of the United States (31 U.S.C. 665(b)), the Secretary of the military department concerned may accept from any person voluntary services to be provided for any museum operated by such military department.

"(b) Except for purposes of chapter 81 of title 5 (relating to compensation for work-related injuries) and chapter 171 of title 28 (relating to tort claims), any person providing voluntary services under subsection (a) shall not be considered by reason of the provision of such services to be an employee of the United States for any purpose".

(b) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 1586 the following new item:

"1587. Authority to accept voluntary services for museums operated by military departments".

SEC. 2. (a) Chapter 81 of title 5, United States Code, is amended by inserting after section 8143a the following new section:

"§ 8143b. Individuals providing voluntary services for museums operated by military departments.

"This subchapter applies to any individual providing voluntary services under section 1587(a) of title 10 for a museum operated by a military department".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 8143a the following new item:

"8143b. Individuals providing voluntary services for museums operated by military departments".

By Mr. ARMSTRONG:

S. 568. A bill to amend the Federal Mine Safety and Health Act of 1977; to the Committee on Labor and Human Resources.

MINE SAFETY AND HEALTH ACT AMENDMENTS

● Mr. ARMSTRONG. Mr. President, we hear much these days about the need for increased American industrial productivity. President Reagan has recently outlined his comprehensive program for economic recovery and every day my colleagues address this body with innovative and progressive ideas for overhauling the way America does business. Incentive, enterprise, deregulation, a shot in the arm, a new beginning—call it what you will, the common theme of our pressing legislative agenda is: Productivity. There is general agreement in this country that the principal obstacle to improving the productivity of American enterprise is the excessive zeal with which the Federal bureaucracy regulates commerce and industry.

We must act now, Mr. President, to remove this obstacle wherever it is possible and prudent to do so. There is one area, in my judgment, where it is not only possible for us to act, but also where it would be imprudent not to act, and that is the case of the Mining Safety and Health Administration. Today I am introducing a bill which has two important features. First, this bill eliminates mandatory civil penalties in the case of nonserious violations of the Mining Safety and Health Act of 1977—a "nonserious" violation being defined as one that does not threaten imminent bodily injury or death—provided that the fatality and injury rates for that mine are below the national average for comparable mines in the preceding year and that, upon reinspection, the violation is found to be totally abated. Second, this bill withdraws "small mines"—defined as having 15 or fewer employees—from Federal supervision where a State has enacted legislation providing for the safety of mines and the health of miners.

In addition, this bill provides for cooperation and assistance between the Mine Safety and Health Administration and States which wish to develop their own programs of mine safety and health. This measure addresses several of the principal concerns of the mining industry, but it is not intended to be regarded as comprehensive. I am aware that Members of the other body have proposed other amendments to the Mine Safety and Health Act and it may be that, as our deliberations on this measure proceed, I will want to refine and improve its content.

I believe the provision eliminating mandatory civil penalties for nonserious violations is critically necessary if we are to put America's mines and miners back to work. The first task of this country's miners is extracting the wealth of America from the Earth, and not dancing attendance on Federal inspectors. This measure, I am certain, will untie the hands of the American miner and foster an atmosphere of cooperation and assistance, instead of adversarial conflict, between the Mine Safety and Health Administration on the one hand and mines and mine operators on the other.

The provision in this bill to remove small mines altogether from the regulatory control of the Mine Safety and Health Administration does no more than right a historical wrong of long standing. Statistically, small mines are much safer than large ones and, in any event, it is absurd to require the small operations—in some cases just father and son mines—to adhere to the incredibly complicated regime that is imposed on mammoth coal mines with thousands of employees and a battery of attorneys whose sole task is navigating the regulatory maze.

Just consider a few examples of this absurdity. Imagine, if you will, requiring that mine-to-surface telephones be installed—not just in vertical shafts, but in horizontal drifts as well—when the few people working in the mine are underground and no one is at the surface to answer the phone. Or put yourself in the place of the small miner whom MSHA requires to install a "stench device" in a mine's air supply to warn the underground miners of a problem on the surface, when everyone at the mine is underground and there is no one on the surface to give the alarm.

Mr. President, if you and your brother operated a small silver mine in the mountains of, say, Colorado, you would have to decide which of you would become your mine's safety trainer and undergo around 30 hours of certification training so you could then subject the other to annual training sessions. Or, if you and a few family members operated a small uranium mine in Utah, for example, you would have to install a brass checkboard at the entrance to your mine so that each of you could check in and out of the mine; in this way, you could readily determine which members of your family might be trapped underground in the case of an accident. In most American uranium mines, gamma radiation is well below any hazard level for men and nonpregnant women but you and your brother would have to take regular gamma readings just in case a pregnant woman were to stray into your mine.

It sounds absurd, Mr. President, and it is. And yet, these things are all required of the small miner trying to keep his mine working despite the no doubt good intentions of MSHA.

Small miners play a critical role in discovering and developing the mineral wealth of this country and, if we fail to give them some relief, they will be driven to extinction by the blizzard of Federal regulations and this country will be poorer for it. The time to act, Mr. President, is now.●

By Mr. JEPSEN:

S. 569. A bill to amend the Internal Revenue Code of 1954 to provide an investment tax credit for certain soil and

water conservation expenditures; to the Committee on FINANCE.

SOIL AND WATER CONSERVATION INCENTIVES ACT OF 1981

● Mr. JEPSEN. Mr. President, today I am introducing some much-needed legislation, the Soil and Water Conservation Incentives Act of 1981. This act would allow private landowners and operators to claim a 10-percent investment tax credit when they invest their own money in installing and maintaining conservation practices on their lands.

Much has been said in the last few years about the critical need to insure adequate soil and water conservation practices on our Nation's farm and rangelands. New statistics reveal a loss of a staggering 2 billion tons of cropland topsoil per year. It is possible that the loss of agricultural land quality, coupled with agricultural land quantity, could be so great within the next few years that what once seemed like an infinite capacity to produce food and fiber may no longer be possible.

We all know that the basic and most important ingredient for providing abundant food for a hungry world is good soil.

I have been able to learn about soil erosion firsthand. My State of Iowa contributes more funds and services to soil and water conservation districts than any other State in the country. At the same time, Iowa is one of our largest crop-producing States and loses more cropland to erosion than any other State—10 tons per acre per year. Understanding Iowa's problem makes it clear why soil erosion has serious and significant national implications.

Mr. President, our farmers have a special feeling about the land. They are enthusiastic and interested in conserving and protecting that land and its soil. But the fact is, it takes an extra special effort for a farmer to conserve his land for future generations. Soil conservation pays off over a number of years, but in the short term, especially in today's market, when most farmers have to worry about going under, paying for soil conservation can be an economic burden. Sam Rayburn, former Speaker of the House of Representatives, once said that the one thing besides people he claimed to know was land. The one thing I claim to know, besides land and people in general, is a special category of people, farmers, and I know that a soil conservation tax credit is one of several measures which will make widespread use of conservation practices a reality in today's economy.

As chairman of the Senate Agriculture Subcommittee on Soil and Water Conservation, my goal is to restore vitality in our conservation efforts by adopting adequate incentives to successfully promote widespread voluntary participation. In my opinion, the conservation tax credit takes the right step in this direction.

The popularity of the soil and water conservation tax credit is unquestionable. When the Senate Agriculture Committee held soil and water conservation hearings last summer in Iowa, nearly every person who testified gave support for the conservation tax credit. Late last fall I sent a questionnaire on conservation policy options to the food producers in my State. Eighty-five percent of those who responded supported a conservation investment tax credit. In addition, every farm and conservation group I have contacted wholeheartedly supports the concept. One of the biggest advantages to the conservation tax credit incentive is that it does not increase the Federal budget.

Another bonus is that tax credits should have a particular appeal to absentee landowners who generally have little incentive to conserve soil and water. While there are no concrete statistics regarding the conservation activities of absentee landowners, many conservationists believe the absentee landowner does not conserve the soil at the same rate as a farmer who owns, operates, and lives on his land. The tax credit would provide the necessary incentive.

The Soil and Water Conservation Incentives Act of 1981 is practical legislation. It builds on the section of the Tax Code, 175, which allows farmowners or operators to deduct the land management and conservation expenditures already listed in the code. My bill would allow for a choice of either a full tax deduction the year the structure is installed or a 10-percent investment tax credit the first year, with deductions that year and thereafter on a standard depreciation schedule. For example, a farmer uses his own money to install an erosion control structure at a cost of $2,000. My bill will allow him to:

First, deduct the $2,000 from his gross income that taxable year; or

Second, take a $200 tax credit—10 percent—off his tax liability that taxable year with deductions thereafter amounting to the full cost of the structure over the span of its appreciable life.

Mr. President, in order to meet national needs for food and fiber and maintain a favorable balance of trade, it is essential that productive land and water resources, owned and operated by our Nation's food producers, be conserved and managed in a way that allows for long-term quality and productivity of the land. Because the cost of conservation measures cannot be easily recovered in the marketplace, there must be financial incentives for the private landowner. The investment tax credit will help to accomplish this goal.

As one of my fellow Iowans remarked to me this summer, "Oil can be replaced by another form of energy, but nothing known to mankind can replace our soil." I could not say it better, and I am very hopeful that my fellow Senators who are concerned, as I am, about soil and water conservation and its effect on the long-range productivity of our farm and rangelands, will support the Soil and Water Conservation Incentives Act of 1981.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD immediately following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 569

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Soil and Water Conservation Incentives Act of 1981"

FINDINGS; DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) in order to meet national needs for food and fiber, and to maintain a favorable balance of trade, it is essential that the productive land and water resources of the Nation be used and treated in a manner which provides for sustained production and environmental stability;

(2) the management and use of the Nation's productive soils and waters are in the hands of private landowners and operators, and the actions of such persons with respect to such management and use determine the long-term quality and productivity of the Nation's land; and

(3) the cost of conservation measures cannot be readily recovered in the market place, which places an unfair burden on private producers for providing a public benefit and which often makes the production of food and fiber economically unsound for the producer.

(b) POLICY.—It is the policy of Congress that the Federal Government should provide financial incentives, in the form of investment tax credits, to encourage private landowners and operators to conserve and manage land and water within their capabilities and to treat such land and water in a manner which provides for sustained production and the prevention of environmental deterioration.

INVESTMENT CREDIT FOR SOIL AND WATER CONSERVATION EXPENDITURES

SEC. 3. (a) IN GENERAL.—Paragraph (1) of section 48(a) of the Internal Revenue Code of 1954 (defining section 38 property) is amended—

(1) by striking out the period at the end of subparagraph (F) and inserting ", or"; and

(2) by inserting after subparagraph (F) the following new subparagraph:

"(G) in the case of soil and water conservation expenditures (within the meaning of section 175(c)), that portion of such expenditures for the taxable year (other than that portion attributable to property which otherwise qualifies as section 38 property) which the taxpayer does not elect under section 175 to treat as expenses which are not chargeable to capital account.".

(b) Conforming Amendment.—The last sentence of paragraph (1) of section 48(a) of such Code is amended—

(1) by inserting "or (G)" after "subparagraph (F)"; and

(2) by inserting ", or 7 years, respectively" after "growing period"

EFFECTIVE DATE

SEC. 4. The amendments made by this Act shall apply to taxable years beginning after December 31, 1980.●

By Mr. MATHIAS (for himself, Mr. METZENBAUM, Mr. KENNEDY, Mr. WEICKER, Mr. MOYNIHAN, Mr. TSONGAS, Mr. PROXMIRE, Mr. GLENN, Mr. LEAHY, and Mr. BIDEN):

S. 570. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

FAIR HOUSING AMENDMENTS ACT OF 1981

● Mr. MATHIAS. Mr. President, the lack of an effective enforcement mechanism for title VIII of the Civil Rights Act of 1968 remains a glaring omission in that statute and in this Nation's commitment to equal access to housing for all Americans.

The legislation I am introducing today is not new to this body. In fact, only 2 months ago the Senate engaged in 9 days of procedural motions and protracted negotiations in order to bring a fair housing bill to the floor. The cloture motion to limit debate on the bill itself failed by a small margin in those waning days of the 96th Congress.

That failure to bring the fair housing bill before the full Senate for debate was a great disappointment to me personally, as it was for the 13 bipartisan cosponsors of the bill. We had devoted a great deal of time on the Judiciary Committee to crafting that legislation.

The companion House bill had passed that body in June of last year by an overwhelming bipartisan vote of 310 to 95.

So I rise again here today for the third time since February of 1977 to introduce legislation providing an enforcement mechanism for those denied equal access to housing.

The need for this legislation was amply documented in the 6 days of hearings last year by the Senate Subcommittee on the Constitution and 8 days of hearings by the House Subcommittee on Civil and Constitutional Rights. Prior to that, hearings had been held on similar legislation in the 95th Congress. And in the 94th, 93d, and 92d Congress, oversight hearings had been held by the House Subcommittee on the Federal Government's role in enforcing title VIII, the nature of segregated housing markets, the problems of equal opportunity in rural housing and in housing programs administered by the Veterans' Administration.

Then, in 1978, a HUD-commissioned study of 3,000 rental agents and brokers in 40 metropolitan areas found that blacks seeking a rental unit have an 85-percent chance of encountering at least one instance of discrimination. In the instance of black homebuyers, nearly 50 percent were found to encounter discrimination in the marketplace.

HUD estimates that more than 2 million instances of housing discrimination occur each year. Yet only a small percentage of those cases of discrimination are even reported to HUD, in large part because HUD lacks the enforcement power to bring relief to the person encountering such discrimination.

In 1978, HUD received 3,910 title VIII discrimination complaints, yet it successfully conciliated only 8 percent of them.

In 1979, of 2,831 complaints, the Department was able to successfully conciliate only 17.5 percent, and, in 1980, of 3,039 complaints, conciliation succeeded in only 11 percent of the cases.

Mr. President, I ask unanimous consent that a chart prepared by HUD documenting the types of complaints received be printed at this point in the RECORD.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

STATISTICAL TABLES ON FAIR HOUSING

	Fiscal year		
	1980	1979	1978
I. Complaints received	3,039	2,833	3,169
II. Complaints closed:			
(a) By HUD	2,523	2,768	3,803
(b) Referred by HUD to State and local agencies	337	150	106
Total	2,860	2,918	3,909
III. Investigations completed	1,953	2,057	2,637
IV. Determination to resolve	665	581	596
V. Conciliations attempted	703	644	736
VI. Successful conciliations where relief was obtained	496	342	293
VII. Issues involved:			
(a) Refusal to sell	138	184	241
(b) Refusal to rent	1,420	1,252	1,572
(c) Discriminatory advertisement	17	17	14
(d) False representation	54	33	30
(e) Blockbusting	8	39	9
(f) Discriminatory financing	113	138	149
(g) Discrimination brokerage service	13	19	21
(h) Discriminatory membership	2	0	0
(i) Discrimination terms and condition	1,273	1,149	1,129

Mr. MATHIAS. Mr. President, as my colleagues can readily see, the types of discrimination encountered by minorities run the gamut, including discriminatory advertising, false representation, blockbusting, and discrimination in the terms and conditions of a rental unit.

Housing discrimination today is more subtle and sophisticated than the 1950's—to the point where the homeseeker may not be even sure he or she has been treated unfairly unless they can compare their experience with that of the white majority.

For example, discrimination today can involve providing a member of a class protected by title VIII with different information than that provided others, thereby making the unit less available or not available at all; "steering," that is, suggesting that blacks look for a home only in black neighborhoods, or only showing homes in a neighborhood of one race to those of the same race; "redlining," that is, refusing or setting different terms for the "financing or insurance of a dwelling because of the racial composition of the neighborhood in which it is located; requiring different security or cleaning deposits, different downpayments, or interest rates depending on the race of the renter or buyer.

All of these practices and more mean unequal treatment in the housing market and effectively deny equal access to housing. The broader adverse effect of such actions is to perpetuate racially segregated neighborhoods which, in turn perpetuate racially segregated schools. It also contributes to the problems of equal access to health care, public services, and employment opportunities.

At present there are three ways in which a person who thinks he or she has been discriminated against in the housing market can seek redress:

1. HUD CONCILIATION

Under present law HUD can investigate complaints brought to it and seek to conciliate between the two parties. However, neither party is obliged to conciliate, nor is there any way to enforce the agreement reached in the few instances in which conciliation succeeds.

2. FEDERAL SUIT

The person alleging discrimination may file a Federal suit in Federal district court to secure a house or apartment. This method, however, is time-consuming and costly for both parties and deters people from resorting to it.

In most metropolitan Federal districts, for example, the time to trial is almost 2 years. Moreover, the time off the job necessary to pursue litigation, the out-of-pocket costs, and the need to hire an attorney often deter both parties from taking their case to court.

Simply put, when a person needs an apartment by the beginning of the month, HUD conciliation or suing in Federal district court is not going to produce the desired housing in a timely way.

3. PATTERN AND PRACTICE SUITS BY THE ATTORNEY GENERAL

The 1968 Civil Rights Act authorizes the Attorney General to sue in Federal district court where a pattern or practice of discrimination is alleged; 320 such suits have been filed since 1968, 90 percent of which have been resolved. A large proportion of those cases are settled by a consent decree entered the day the suit is filed.

In addition, since 1969, 198 cases were referred to the Attorney General by HUD of which 20 resulted in court suits. These cases represent a variety of discrimination complaints including individual denials of housing; pattern and practice; discriminatory advertising, and discrimination in membership in multiple listing services.

Last, since 1969, a total of 10 zoning or land use cases have been brought by the Attorney General, 6 of which have been decided, all in favor of the United States. The four outstanding land-use suits have been filed by the Justice Department in the past 8 to 12 months.

Such suits however, do not provide timely housing relief to the individuals discriminated against.

The bill I am introducing today is based on and very similar to legislation

which the Senate failed to debate in the last Congress.

It provides for an administrative hearing by independent law judges answerable to a three-member, Presidentially appointed Fair Housing Review Commission.

This administrative enforcement mechanism is a well-established method of expediting small, but significant cases and is employed by 28 Federal agencies and departments. It is the same enforcement mechanism agreed to and favorably reported by the Senate Judiciary Committee in the last Congress.

An administrative law judge would hear the facts of the case, render a decision, order appropriate legal and equitable relief, or dismiss the case. The administrative law judge would be appointed by the Presidentially appointed, three member Fair Housing Review Commission, which would set its rules of procedure and serve as an appeals board for decisions by the administrative law judge which might be contested.

To assure due process for all parties, determinations of the Fair Housing Review Commission are appealable to a Federal court of appeals.

The existing right of the aggrieved party to go directly to Federal court remains unchanged under this bill. Likewise, the bill preserves States' authority to resolve individual housing discrimination complaints as it requires the mandatory referral of cases to State and local authorities with substantially equivalent powers.

In this bill, mentally and physically handicapped persons are added as a protected class to the existing protected classes of race, color, religion, sex, and national origin. I would emphasize, however, that I and my cosponsors do not intend that the Nation's housing stock be retrofitted for this purpose. Rather, the expense of modifying an apartment or house for a handicapped person is to be borne by that individual.

The hearing process established by S. 570 is an expeditious and less costly method than the courts for adjudicating individual complaints. The sponsors of this legislation believe it provides a workable solution to continuing housing discrimination complaints.

Enforcement powers for housing discrimination complaints have been endorsed by every Secretary of Housing and Urban Development since the creation of the Department in 1964.

Yet, here we are 13 years later, without any enforcement teeth for title VIII of the Civil Rights Act to make its promise of equal access to housing for all Americans a reality.

The current individual court suit remedy is not effective, nor is it widely used, despite the continued evidence that housing discrimination persists in our society. To my mind, this contributes a denial of justice which must be remedied. The bill I am introducing here today, the Fair Housing Amendments Act, will insure that justice is served.●

● Mr. KENNEDY. Mr. President, I join with the Senator from Maryland (Mr. MATHIAS) in introducing the Fair Housing Amendments of 1981.

The fair housing provisions in title VIII of the 1968 Civil Rights Act promised equal housing opportunity to all Americans. Yet today, 13 years later, that proud promise remains unfulfilled. It is time to keep our commitment.

Unfortunately, the 1968 act failed to put real teeth in the enforcement provisions of the fair housing law. The cost and delay faced by private litigants who suffer discrimination is a stiff deterrent. Discrimination in housing is still all too common. As the New York Times pointed out in a recent editorial, it is hardly a radical proposition to suggest "that people should not be lied to, given the runaround or otherwise discriminated against in the sale or rental of property." But that is really the issue before us.

I will ask unanimous consent, Mr. President, that the editorial from last December be printed at the conclusion of my remarks.

The introduction of today's bill makes clear that the battle for fair housing goes on. We must still strive to honor our 12-year-old commitment to fair housing. I look forward to working with Senator Mathias and others to pass strong fair housing legislation in this Congress.

The legislation we introduce today is essentially the measure reported by the Senate Committee on the Judiciary last year. This bill represents a reasonable and responsible effort to strengthen the enforcement provisions of title VIII. It would provide for expeditious hearings before an administrative law judge versed in fair housing law. Complaints could be pursued by the Government, with victims of discrimination particpating if they wished. Cases could be resolved more quickly and inexpensively than they would through the courts.

At the same time, the plan devised by the Senator from Alabama (Mr. HEFLIN), which this bill contains would create an independent system of review within HUD. That would insulate the administrative law judges and the appelate review board from undue influence by the Secretary of HUD or those with enforcement functions within the Department.

Finally, as we made clear during last year's debate, the substantive law for fair housing would not change with respect to the showing required to establish a violation and to seek relief.

I hope my colleagues will study the issue carefully and then give this measure the full support which it deserves and which our consciences demand.

Mr. President, I now ask unanimous consent that the editorial referred to earlier be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Dec. 9, 1980]

FOR FAIR HOUSING, AT LAST

The United States Senate today will act on a radical proposition: that people should not be lied to, given the runaround or otherwise discriminated against in the sale or rental of housing.

Radical? Of course not. Congress explicitly outlawed housing discrimination years ago. But now there is a new bill, to protect victims of such discrimination, and Senators like Strom Thurmond and Orrin Hatch are urging strangulation by filibuster. It would shame the Senate if they succeed.

The original fair housing law, enacted in 1968, outlawed discrimination. But it gave the Government little enforcement power. In cases of asserted discrimination, the Department of Housing and Urban Development was authorized to serve only in the role of conciliator. The Justice Department was authorized to sue only if discrimination was systematic. Individual victims have had to fend for themselves if recalcitrant realtors, sellers and landlords refused to cooperate.

The debate on Capitol Hill has therefore centered on how best to strengthen Federal enforcement powers. The House months ago created a system of administrative judges to adjudicate discrimination cases. But the Senate has refused to go along. It has insisted on a compromise; suits must come before Federal magistrates. Since they are often preoccupied, special administrative judges would have been better. Still, the Senate bill is a decided improvement over no Federal enforcement at all.

Whether one relies on objective housing data or personal experience, the persistence of housing discrimination is plain as day. The bill before the Senate would not unleash Washington to reshape local land-use patterns. It would do no more than give victims of discrimination a realistic way to vindicate their rights. Cutting off the filibuster and then approving the fair housing bill would be a decent way for the Senate to conclude its business.●

○ Mr. GLENN. Mr. President, I am pleased to announce that I am a cosponsor of the Fair Housing Amendments Act of 1981 which is being introduced today. If enacted, this legislation would put teeth in our fair housing laws by providing a strong and comprehensive, administrative enforcement mechanism.

Unfortunately, the Senate failed to consider and pass the fair housing bill during the 96th Congress. This failure is essentially the result of two attempts to filibuster the legislation late last year. Although unsuccessful, the first filibuster attempt consumed much precious time during the few remaining days prior to final adjournment of the 96th Congress. The second attempt was successful largely because efforts to terminate the filibuster took a back seat in the rush to adjourn for Christmas. Any chances of saving the bill through compromise were lost due to the intransigence of those who felt assured of the bill's defeat. I consider the Senate's failure to enact this legislation a tragic step backward.

However, with today's introduction of the Fair Housing Amendments Act of 1981 we continue our seemingly endless battle against racism and discrimination in housing. And, while certain compromises appear inevitable, I believe that our goal of obtaining fair and decent housing for all Americans can be accomplished through the enactment of this bill during this first session of the 97th Congress.

Mr. President, as a cosponsor of the fair housing bill, I ask my Senate colleagues to join with me in seeking swift passage of this important legislation.●

● Mr. LEAHY. Mr. President, title VIII of the Civil Rights Act of 1968 promised to "provide for fair housing throughout the United States," and that all Americans would have an equal opportunity to get good housing in the neighborhoods of their choice. Nonetheless, housing discrimination continues to be a major problem in this country. While it may be very subtle, discrimination in housing is an underlying factor in the continued segregation of our society along racial and ethnic lines. Furthermore, housing discrimination has prevented our handicapped citizens from living independent lives and realizing their full potential.

Under existing law, the only real enforcement mechanism available to persons subjected to unlawful housing discrimination is the time consuming and costly process of litigation. We are left with a clear national policy against discrimination articulated in the Civil Rights Act of 1968, but in the important area of housing, the victims of discrimination, who are least able to afford either the money or the time it takes to pursue private litigation, are left largely unprotected.

I think we can all agree that there is a real need to strengthen this law by providing an adequate enforcement mechanism. This bill utilizes an administrative hearing process with independent administrative law judges appointed by a Presidentially appointed Fair Housing Review Commission. While I think this approach is a reasonable one, I will not be reticent to study alternative ideas during the hearing process.

In addition to providing an effective mechanism for the enforcement of existing laws to prevent housing discrimination on the basis of race, color, religion, sex, or national origin, the bill we are introducing today extends fair housing protections to handicapped persons by making them a protected class under title VIII. Handicapped persons now number some 36 million people in the United States, including many elderly Americans. Discrimination against the handicapped often involves refusing to rent, or requiring a higher security deposit or rental rate because the landlord just assumes a handicapped person is more likely to damage his property. In other cases, the landlord may refuse to permit the physical modifications which the handicaped individual needs to live in that dwelling.

Under this bill, handicapped persons would have to be allowed to make changes, at their own expense, to accommodate their homes to their needs. Such changes, however, could not significantly alter the building's use, make it unavailable to nonhandicapped tenants, or reduce its value or marketability.

Finally, this bill meets the concern of many of my colleagues and I share about the intrusion of the Federal Government in State matters. I am pleased to say the bill incorporates an amendment I offered to S. 506 during the last Congress which requires the Secretary of Housing and Urban Development (HUD), before taking any action on a complaint, to refer it to a State or local agency which has been certified by the Secretary as having substantially equivalent remedial authority.

The fair housing amendments would put some teeth into a law which has been on the books for 12 years, thereby helping to make fair housing a reality for those who are traditionally most discriminated against—racial and ethnic minorities, women, and the handicapped.●

● Mr. BIDEN. Mr. President, I rise in support of the Fair Housing Act Amendments of 1981.

The purpose of this legislation is to prevent discrimination by race, sex, religion, color, national origin, or handicap in the sale or rental of housing.

Discrimination in housing is a fundamental root of racial segregation in this country today. Racially discriminatory private housing practices as well as discriminatory practices in operation of public housing programs have contributed heavily to the isolation and segregation of many American communities.

Although title VIII of the 1968 Civil Rights Act outlawed many of these practices, it failed to provide adequate remedies for individuals to seek redress from discrimination.

Presently, a victim of discrimination may seek relief only through the Federal courts or through an inadequate and ineffective conciliation procedure within the Department of Housing and Urban Development.

In 1973, 2,733 discrimination complaints were reported to HUD. This number rose to 3,391 complaints in 1977. Of those complaints, approximately 70 percent were filed by blacks charging racial discrimination in the sale or rental of housing.

Conciliation conferences were called in approximately 21 percent of all complaints. However, only half of these conferences were successful in resolving the discrimination complaint. In the remainder of the cases, the parties either had to turn to the court system for relief or the complaint went unresolved.

A further indication of the continued existence of discriminatory housing practices was the survey conducted by the National Commission Against Discrimination in Housing during 1977. The survey made over 3,200 test visits to realtors and landlords in 40 metropolitan areas throughout the country.

The results indicated that 29 percent of rental agents and 21 percent of all sales agents discriminated against blacks. The chance of any black encountering discrimination in visits to any four realty agents was 75 percent for rental housing and 62 percent for the sale of owner-occupied housing. The study concluded that significant housing discrimination still existed in many areas of the country.

A number of studies by the General Accounting Office, the Civil Rights Commission, the Leadership Conference on Civil Rights and other civil rights groups have highlighted the inadequacies of the present system. The inadequacies include:

First, inability of HUD to order temporary or permanent relief for persons discriminated against by realtors or landlords.

Second, lack of authority for HUD to initiate investigations of individuals or groups practicing discrimination.

Third, lack of authority for the Attorney General to file suit on behalf of individuals.

Fourth, lack of adequate staffing and budget for HUD to enforce title VIII complaints.

Fifth, lack of systematic procedures within HUD to investigate and conciliate complaints.

Mr. President, the bill before us today addresses many of the present inadequacies in the law.

First, temporary equitable relief may be ordered by a Federal judge for persons who are victims of discrimination if it is likely that such discrimination may deprive an individual of a home or apartment before proceedings under a court or administrative law judge can be completed.

Second, under the administrative grievance system provided for in the bill, administrative law judges may order appropriate relief to plaintiffs including civil penalties, compensation for out-of-pocket losses and equitable relief.

The bill also expands the authority of the Department of Housing and Urban Development to investigate discriminatory practices which may be a violation of the act.

The bill also mandates that cases be referred to State and local fair housing agencies if such agencies have laws substantially equivalent to the Federal laws.

This bill is similar to the bill reported by the Senate Judiciary Committe last year. Under the new administrative grievance procedure, an aggrieved person may bring a complaint before an administrative law judge. The administrative law judge may hold an evidentiary hearing and may order remedies for the relief of the complaint if a showing of discrimination is made.

Appeals may be made directly to a three-member Presidentially appointed Fair Housing Review Commission. Any final order may be appealed to a Federal court of appeals.

Many of the administrative safeguards contained in last year's bill are also contained in this legislation The losing party has the right to appeal to an administrative appeals board as well as to a Federal court. HUD may not order preliminary relief without obtaining such an order from a Federal district court. Attorneys fees may be awarded to prevailing parties in any litigation.

Although the bill contains many of the administrative safeguards in last year's bill, I am concerned that there is inadequate protection to small landlords and realtors wrongfully enjoined under the statute.

Under the act, a realtor or landlord is not protected against economic loss incurred during the period when a wrongful injunction or temporary restraining order is in place. There may be a few cases in which a temporary restraining order is issued but the case is without merit. In such cases I would like to see a provision which states that if a court has issued a preliminary injunction or temporary restraining order against a respondent, and if the agency seeking the action has not prevailed, then the court may compensate the respondent for unavoidable economic loss incurred

during the period of the injunction. This provision is a very important procedural safeguard protecting small realtors and landlords from wrongful injunctions ordered by the courts.

At an appropriate time, I expect that I will offer an amendment to the bill to correct this deficiency. It is my hope that the final version of the fair housing bill will contain this provision. I believe that it is vitally important that both the plaintiff and the respondent in fair housing cases be adequately protected. However, in most areas I believe there are sufficient safeguards in the bill.

Mr. President, what is at stake here is whether or not we will have a fair and workable system of enforcement for our fair housing laws. The opponents of the bill argue that we should leave the problem of housing discrimination to the Federal courts. But for the average citizen seeking to find housing the existing enforcement system alone is not an effective remedy.

Litigation is expensive and time consuming. The average citizen nor the small realtor or landlord do not have the time nor money to go before a Federal court.

For the average person making $14,000 a year and seeking a home, the Federal court system is a poor alternative. If you have been discriminated against, it will cost you $2,000 to $5,000 to pay for a full jury trial. It will probably cost you 1 or 2 weeks in lost time at work.

And even if the court finds in your favor 10 or 20 months later it is likely that the apartment or new home which you were seeking will no longer be available. It is likely that the realtor will have sold the home or rented the apartment to another person.

It is little wonder that many persons do not even bother to follow through with their complaints. Under the enforcement system envisioned under this act, the aggrieved person would be entitled to a hearing before an administrative law judge.

This procedure need not involve batteries of lawyers on each side but allows the person to present their case in a fair and timely fashion. It would be quicker and more effective in delivering justice than the existing system.

Mr. President, I believe that it is vitally important that we pass the Fair Housing Act Amendments of 1981. We need to fulfill the promise of the 1968 Civil Rights Act.

The consequences of not fulfilling that promise means that many thousands of Americans will be deprived of the home of their choice. I believe that this legislation is a fair and workable solution to one of the remaining gaps in the enforcement of our fair housing laws.●

By Mr. DOMENICI:

S. 571. A bill to establish the San Joaquin del Canon del Rio de Chama Grant Commission, and for other purposes; to the Committee on Energy and Natural Resources.

SAN JOAQUIN DE CANON DEL RIO DE CHAMA GRANT COMMISSION ACT

● Mr. DOMENICI. Mr. President, because of a lack of a definitive agreement over title to lands adjoining the regions San Joaquin and Gallina, the State of New Mexico has witnessed numerous legal discrepancies with regard to these properties. So that this shortcoming might be rectified, the New Mexico Legislature passed a resolution outlining the pressing need for Federal investigation of and recommendations for allaying the problems surrounding the inadequate title to these lands.

The legislation which I introduce today creates a commission whose prerogative it will be to investigate and make appropriate recommendations to the Congress for future legislation. The enactment of this bill will insure the adoption of a solution whose affect will lay this controversy to rest.●

By Mr. HUDDLESTON (for himself and Mr. FORD):

S. 572. A bill to expand the scope of the small operators assistance program in the 1977 Surface Mining and Reclamation Act; to the Committee on Energy and Natural Resources.

EXPANSION OF SCOPE OF SMALL OPERATOR ASSISTANCE UNDER THE SURFACE MINING AND RECLAMATION ACT

● Mr. HUDDLESTON. Mr. President, I am introducing legislation today to expand the scope of the small operators assistance program (SOAP) which was established under section 507(c) of the 1977 Surface Mining Control and Reclamation Act (Public Law 95–87).

As it now stands, though well intentioned, SOAP does not really offer the degree of assistance necessary for qualified small operators who must meet the stringent regulatory requirements of Public Law 95–87 and at the same time remain competitive in the marketplace with large scale producers. Providing financial assistance for the "determination of probable hydrological consequences" is indeed a helpful tool to those operators who mine under 100,000 tons of coal per year.

However, it is hardly the type of assistance that can assure the competitive position of the small operator and at the same time dictate even more clearly his intention to meet the necessary environmental standards in Public Law 95–87 and the accompanying regulations promulgated by the Office of Surface Mining (OSM).

My bill would be a step toward achieving both of these highly important goals. Without it, I fear the dire predictions of various State officials and mining representatives that the small operator will be forced out of the business or be absorbed as subcontractors to large coal operators, with resultant tighter market controlling of coal prices, may come to full fruition in the coming months. Already since the enactment of Public Law 95–87 the number of small operators had decreased dramatically.

We must avoid this danger for the sake of our environment and in order to maintain a stable, competitive coal marketplace. Making funds available for the purposes I have listed in this legislation: Drilling required observation well; alternative water supply information; climatological information; vegetation information; fish and wildlife resources information; soil resources information; land use information; mapping requirements; water compliance monitoring; and soil tests; will at least put us on the right track.

Also, this legislation will change the definition of small operator from one who mines 100,000 tons or less per year to one who mines 200,000 tons or less per year. I believe this is a much more realistic definition of the small operators that provide the much needed competition for the major coal companies. It also will put Federal statutes in line with the laws of Kentucky where most small operators do business.

Some have said that this program will be costly. I am convinced that without it the costs will be much higher. And, it should be pointed out that there are large amounts of money already available for SOAP in the abandoned mine reclamation fund that was established in Public Law 95–87. If we can gain a consensus on the need for expanding SOAP I am hopeful we will be able to adjust the mechanism for the distribution of already available funding for these purposes without appropriating any new funds.

Legislation almost identical to this was introduced in the last Congress and received favorable attention from many sectors. Yet because of the seemingly ever present struggle over other aspects of the Surface Mining Act we saw little forward movement on the bill. Now that we seem to have a fresh attitude toward Public Law 95–87 perhaps we can also gain some help for the operators of small coal mines.

I urge my colleagues to join me in this effort.●

By Mr. McCLURE (by request):

S. 573. A bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Natural Resources.

EXTENSION OF ANTITRUST EXEMPTION UNDER ENERGY POLICY AND CONSERVATION ACT

● Mr. McCLURE. Mr. President, today I am introducing by request a bill submitted by the Secretary of Energy on behalf of the administration. The bill would amend section 252 of the Energy Policy and Conservation Act by extending the expiration date for the antitrust exemption contained in section 252 of the act. The expiration date in the current law is March 15, 1981. The amendment would continue the antitrust exemption for slightly more than 9 additional months, to December 31, 1981.

During the last Congress, the expiration date was extended on three separate occasions. This fact illustrates the strong interest of the Congress in the antitrust exemption. The purpose of the exemption is to extend temporarily the current statutory defense against any antitrust suits that may be brought against U.S. oil companies participating in the agreement on an international energy program (IEP). Extending the exemption to December 31, 1981, would facilitate the continued participation of U.S. oil companies in the IEP.

The IEP was originally signed in 1974 as the result of an effort by the United States to promote cooperation among major industrial countries in reducing

dependence on imported oil. There are presently 21 signatories to the IEP, consisting of most of the principal industrialized oil-consuming nations. The agreement provided for creation of the International Energy Agency (IEA) and, under the auspices of the IEA, the development of an international oil-sharing system for use during oil supply emergencies, and an information system on the international oil market. It also requires each country to establish an emergency petroleum storage program, and to have a means for restraining demand for petroleum products in the event of an interruption of petroleum supplies ot the IEP countries.

Section 252 of the Energy Policy and Conservation Act sets out procedures for the development of voluntary agreements and plans of action to implement the allocation and information provisions of the IEP. Under this authority, U.S. oil companies entered into the voluntary agreement and plan of action to implement the international energy program. At present, 22 U.S. oil companies, including both major international oil companies and independent oil companies, are participants in the voluntary agreement.

The antitrust defense made available by section 252(f) is essential to the participation of U.S. oil companies in the voluntary agreement and, through it, in the IEP. The IEP, in turn, can function effectively only with participation by U.S. and foreign oil companies, which are primary sources of information about conditions in the international oil market and would be the primary actors in redistributing oil if the IEP's emergency-sharing provisions were activated.

It is my understanding that the administration currently is examining the adequacy of section 252 with respect to IEA activities. The proposed extension will provide time for these deliberations without interruption of U.S. company participation in the IEA.

I am pleased to note, Mr. President, that the legislation would not result in an increase in the budgetary requirements for the Department of Energy.

As I noted earlier, the current expiration date for the exemption is March 15, 1981. Consequently, the Congress must act swiftly to enact an extension before that date to prevent a dangerous dislocation in the international energy program. It is particularly important that the IEP remain fully in force in the months ahead in light of the continuing serious potential for major oil supply disruptions caused by events such as the Iraq-Iran conflict in the Persian Gulf area.

The Energy and Natural Resources Committee has scheduled a hearing on this bill on Monday, March 2, 1981, and a business meeting on Wednesday, March 4 to consider the measure. A hearing on companion legislation has been scheduled for today in the House Energy and Commerce Committee, and quick action on the House bill is anticipated. Mr. President, I am hopeful that Congress will enact an extension of the exemption before the current expiration date of March 15, 1981.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 573

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 252(j) of the Energy Policy and Conservation Act (42 U.S.C. §(6272(j)) is amended by striking "March 15, 1981" and inserting in its place "December 31, 1981".●

By Mrs. KASSEBAUM:

S. 574. A bill to amend the Internal Revenue Code of 1954 to allow the estate of a decedent a deduction for certain bequests of interests in property used in farms or other trades or businesses, and for other purposes; to the Committee on Finance.

PRESERVATION OF FAMILY FARMS AND BUSINESSES

● Mrs. KASSEBAUM. Mr. President, on January 14, the Washington Post reported that "dozens of Government policies have hastened the trend toward bigger and fewer farms and have jeopardized the future of family farm ownership." The Post thus recognized what those of us from rural States have known for some time: The family farm is in danger of becoming extinct. This fate may also be in the offing for small, family-owned businesses that find it difficult to continue in the face of high interest and inflation rates, Government regulation and increasing estate tax burdens.

The estate tax has its greatest impact on women who, generally speaking are not considered to have an ownership interest in the property involved. Unfortunately, many women learn too late in life that property in which they have invested much of their lives could be lost upon the death of a husband because the farm or business might have to be sold to finance Federal estate taxes.

Farmers face a unique problem in that approximately 95 percent of farm assets are tied up in production. This lack of liquidity, coupled with rapid increases in farmland values due to inflation, has often forced the sale of all or part of farm real estate to pay estate taxes.

The combination of lack of liquidity and increase in property values due to inflation has a cumulative impact on the surviving spouse under section 2040(a) of the Internal Revenue Code. This section creates the presumption that all jointly held property is included in the decedent's estate for tax purposes, unless the survivor shows a monetary contribution. The only other way this presumption can be rebutted is by showing "material participation" in the operation of the farm or business.

A good deal of controversy has arisen over the meaning of the term "material participation." The Tax Code fails to recognize a wife's work as a contribution to the maintenance of the farm or business. These wives often combine homemaking and child rearing responsibilities with aid in operation of the family enterprise. Although these unpaid contributions add significantly to the prosperity of the operation, they may not satisfy the material participation test. The reality of this problem was expressed by one of my constituents who wrote:

> When my husband and I were married he had $500 and a car. I had $800, three cars, a horse and a piano, so tell me why after thirty-five years of marriage our estate is considered all his?

Surely Mr. President, this is not the intended consequence of our laws.

This result conflicts with income tax provisions which allow all income to be jointly taxed to the spouses, regardless of ownership of the farm or business. It is unreasonable and unproductive to expect family farms to tailor their operations as if they are run by lawyers, accountants, and estate planners.

Mr. President, I am pleased that a number of my colleagues share my concern about this inequity and are supporting efforts to eliminate this anachronism in the law. Many of them joined me in hearings which I chaired on February 4 before the Special Committee on Aging. These hearings focused on the impact of estate tax policy on rural women and a number of the problems I have just mentioned were discussed.

The purpose of the bill I am introducing today is to encourage the preservation of family farms and businesses.

First of all, the bill increases the marital deduction to an upper limit of $750,000 in cases where a family farm or business comprises at least 50 percent of the estate. The current deduction is $250,000 which was established in 1976. Since then cumulative annual inflation has been 8 percent.

Second, heirs other than a spouse would qualify for a $750,000 total deduction where the farm or business is at least 50 percent of the estate. This amount is not available to each heir. It is a combined limit on the amount deducted on behalf of all heirs other than the spouse.

Third, the bill would recapture any tax benefit upon the sale of the operation or upon failure to continue to use it for the same purpose. If either of these events occurs within 5 years of the decedent's death, 100 percent of the tax benefit would be recaptured. After that, 10 percent of the value of the estate per year is protected from recapture so that after 15 years recapture would not apply.

Finally, this provision will apply automatically to those qualified heirs and spouses. This will avoid the inherent problem an elective provision creates with losses due to failure of estate tax planning.

Mr. President, the time has come to remove these obstacles to the continuation of family farms and businesses. These enterprises have traditionally been the backbone of our economy and our heritage. This bill accommodates the needed reforms without doing violence to our efforts to reduce Federal deficits. I urge the Finance Committee to act favorably on this matter.●

By Mr. MOYNIHAN (for himself and Mr. RANDOLPH):

S. 576. A bill to authorize the construction of harbor improvements to promote domestic commerce and to facilitate U.S. export of coal and other commodities,

and for other purposes; to the Committee on Environment and Public Works.

NATIONAL HARBOR IMPROVEMENT ACT OF 1981

Mr. MOYNIHAN. Mr. President, over the last year, interest in developing an active coal export market for American coal has led to task forces and conferences, the courting of foreign buyers, intense competition among ports, and, I might add, a ream of legislation in both the House and Senate. All of the legislation proposed to date has had a common purpose in mind: to stimulate the development of deepwater harbors to accommodate the larger vessels, and to cut through the cumbersome Federal administrative and statutory procedures.

Our difficulties lie not so much in agreeing to the desirability of port development. Our problem is how to achieve our goals with a rational and equitable selection process and how to apportion the costs of the projects among the various levels of government and the private sector to encourage the greatest economic efficiency. The days of full Federal responsibility for dredging and maintenance of harbors are over.

Today I introduce with my distinguished colleague from West Virginia (Mr. RANDOLPH) the National Harbor Improvement Act. Its purpose is threefold. First, the bill deals with the question of how national priorities should be set for harbor improvements. Selecting projects on a first-come, first-serve basis is hardly a responsible approach to public investment. Second, the bill recognizes that these harbor projects ought not to be thought of as free goods. In addition to the general benefit to the Nation, these projects have clearly identifiable beneficiaries who should share in the costs of the projects. Finally, the bill will set a 2-year deadline on the completion of project feasibility studies.

If one agrees with the premise that there is at least some Federal role in these projects, then one must take the next step and conclude that some planning on a national level must occur. It is obvious that there are presently more projects than could be funded by the Treasury. I cite as evidence the list of coastal ports (table I) where plans have been made to expand capacity. This list accompanied the interim report of the coal export task force, an interagency group established by President Carter last summer. The length of the list demonstrates that our choices will not be easy ones.

I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—EXISTING AND POTENTIAL EFFECTIVE CAPACITY FOR HANDLING EXPORT COAL AT U.S. PORTS

[Millions of short tons]

Port/terminal	Vessel size (DWT)		Existing capacity (10^6 tons)		Capacity expansion (10^6 tons)		Total mid- to long-term* effective capacity, 1985 (10^6 tons)
	Existing	Proposed	Designed	Effective	Planned	Underway	
East coast:							
New York, New York (P)	80,000				5.0		5.0
Philadelphia—Pier 124(E)	60,000		5.0	2.5		6.5	9.0
Camden, New Jersey (P)	35,000				2.0		2.0
Wilmington, Delaware (P)	30,000				7.5		7.5
Lower Delaware Bay (P)	100,000+				10.0		10.0
Baltimore (E)	70,000	100,000+	27.2	16.6	11.0	6.5	34.1
Norfolk:							
Pier 6 North (E)	80,000	100,000+	58.0	29.0	7.3		36.3
Pier 5 South (E)			8.0	4.0	1.0		5.0
Newport News:							
Pier 14 (E)	80,000	100,000+	33.0	16.5			16.5
Pier 15 (E)			34.6	5.3		5.0	10.3
Pier 9 (E)					5.0		5.0
Portsmouth (P)	50,000	100,000+			10.0		10.0
Morehead City (P)	50,000	100,000+			5.0		5.0
Charleston (P)	40,000	80,000			5.0		5.0
Savannah (P)	50,000	70,000			7.5		7.5
Brunswick (P)	30,000	43,000			5.0		5.0
Total east coast			145.8	73.0	81.3	18.0	173.2
Gulf coast:							
Mobile (E)	60,000	100,000+	11.0	5.0		5.0	10.5
New Orleans—Davant (E)	60,000	100,000+	14.0	7.0	3.0		10.0
Myrtle Grove (E)	60,000	100,000+	6.0	3.0	9.0		12.0
Mile 113 (P)	60,000	100,000+			4.0		4.0
Baton Rouge (Burnside) (E)	60,000	100,000+	5.0	2.0	4.0		6.0
Port Arthur (P)	60,000	100,000+			2.0		2.0
Galveston (P)	55,000	100,000+			10.0		10.0
Corpus Christi (P)	75,000	100,000+			0.5		0.5
Total gulf coast			36.0	17.6	32.5	5.0	55.0
West coast:							
Los Angeles (E)	100,000+		4.0	1.5	7.5		9.0
Long Beach (E)	100,000+		4.0	1.5	5.0		6.5
Sacramento (P)	30,000	40,000			1.2		1.2
Stockton (P)	35,000	40,000			1.2		1.2
Astoria (E)	50,000				5.0		5.0
Portland (P)	55,000				3.0		3.0
Coos Bay (P)	35,000				3.0		3.0
Kalama (P)	50,000				7.5		7.5
Bellingham (Cherry Point) (P)	100,000+				1.2		1.2
Dupont Washington (P)	100,009+				3.0		3.0
Grays Harbor (P)	40,000	60,000			3.0		3.0
Anchorage (P)	100,000+				3.0		3.0
Trading Bay (P)	100,000+				3.0		3.0
Total west coast			8.0	3.0	46.6		46.6
Total United States			159.8	94.4	160.4	23.0	277.8

(E) Existing facility.
(P) Potential facility.
*Based on survey of U.S. ports, using 1935 as nominal date for mid- to long-term coal port development plans.

Source: Maritime Administration.

Mr. President, our bill would establish a task force, similar in composition to the coal export task force, to act as a planning and coordinating body for proposed port projects and to advise the President on which projects are in the highest national interest. The task force shall also develop long-range harbor development plans. Dredging decisions will have a profound impact on inland transportation and production. Regional economic effects will be substantial. Indeed, regional equity will be a primary criterion which the task force will consider when evaluating individual projects and formulating long-range national plans.

The task force will eliminate the duplicative review procedures within the Corps of Engineers and at the same time broaden the participation of the other executive agencies with responsibilities in the areas of transportation, energy, commerce and the environment. The task force will also serve as the focal point for local, State and regional interests to negotiate with the Federal Government over the breadth of a project and the mechanism for financing.

The second purpose of our bill would be to permit more flexible financing arrangements with the Federal Government and at the same time establish the principle that harbor improvements are not free goods. Indeed, one reason for pursuing the harbor deepening projects is to capture the economies of scale brought about by use of large deep-draft vessels. It is misguided economics to hide the costs of dredging in another part of the economy and claim the free goods in the form of reduced shipping costs.

Projects may proceed under two methods of financing, depending on the desirability of the project from the national perspective. For the best projects, the first method of financing provides for the initial payment of all construction costs by the Federal Government and the repayment of 25 percent of such costs within 20 years of the completion of the project. The rate of interest on repayment will be set by the Secretary of the Treasury. For projects financed in this way, the Federal Government will assume the full cost of operation and maintenance for the first 3 years after the completion of the project. In each year thereafter, the Federal share of such costs will be reduced by 5 percent until the Federal share represents 50 percent of annual operation and maintenance costs.

For the projects of lower national priority, the Federal share of the construction costs will be set at a proportion commensurate with the proportion of the most cost-effective dredging depth to the depth preferred by the non-Federal interests. The non-Federal interests shall repay the Federal Government for the portion of Federal construction costs greater than 50 percent. Under this method of financing, the Federal share of the operation and maintenance costs will be the same percentage as the Federal share of construction costs for the first 5 years following construction. Thereafter, the Federal share will be reduced by 5 percent each year until the Federal share represents 25 percent of operation and maintenance costs.

The third purpose of the National Harbor Improvement Act is to set a time limit on the process of studying the feasibility of the harbor projects. As the interim report of the coal export task force notes, the average study time is on the order of 9 to 10 years. This is unacceptable. If we are serious about comparing a variety of alternatives, then we must be capable of making intelligent decisions in a timely fashion. Our bill suggests a 2-year study period.

Of course, the implication of a compressed study period is that more resources will have to be dedicated to the study than has usually been the practice. But that is precisely my point. These studies should be fully funded and approached as any serious investor might.

America has coal in abundance. We have grain and other bulk commodities to market to the rest of the world. We therefore must encourage the most efficient combination of transportation and loading facilities to market these commodities. Our bill, by requiring the participation of parties outside the Federal Government, opens up the economic choice of major harbor improvements to the marketplace. The deepening of harbor channels is one part of the transportation chain. Government subsidies to railroads are being reduced. The tax on inland waterway users is being raised. These are signs of a desire to let the market select the most efficient modes of transportation. This by no means suggests that the public character of transportation services should be negated—simply that it should be balanced by the forces in the marketplace. It is my hope that the National Harbor Improvement Act will establish the institutional structure to achieve this balance.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 576

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this may be cited as the "National Harbor Improvement Act of 1981".

FINDINGS AND DECLARATIONS

SEC. 2. The Congress finds and declares that—

(1) the Federal Government has traditionally assumed the full cost of construction, operation, and maintenance of inland waterways, rivers, and harbors determined to be navigable waters;

(2) during the last 40 years the Federal Government has spent $6.5 billion on construction of navigation projects and $5.9 billion on operation and maintenance of rivers and harbors;

(3) world demand for steam coal will increase substantially over the next several decades and the United States will supply approximately one-third of the coal, almost all of which will be exported through deep-draft ports;

(4) the United States will have a capability of handling approximately 200 million tons of coal per year by 1985;

(5) foreign demand for United States coal is in part limited by the inability of United States ports to handle ships greater than those of 150,000 dry-weight tons each;

(6) current procedures as established by statutes, administrative rules, and traditional practice require an average of 24.4 years for the study, authorization, funding, design, and construction of a Federal navigation project;

(7) long periods of time after the authorization of a Federal navigation project, amounting to as much as 10 years, are spent waiting for funds, for both engineering and design work and for construction; and

(8) the current arrangement of authorization projects as studies are completed, without regard to national priorities or regional economic balance, leads to an economically inefficient and inequitable investment program.

POLICY

SEC. 3. It is the policy of the Congress that—

(1) investments in transportation by water should be developed in the context of national transportation policy;

(2) the use of improved harbors is dependent on rail and inland waterway connections, production levels of bulk export commodities, and port handling facilities;

(3) the Federal Government should facilitate the deepening of harbors when economically justified to increase foreign and domestic commerce of all commodities;

(4) harbors handling all commodities should have the benefit of expedited procedures with respect to harbor improvements;

(5) regional economic development should be an objective of the Federal program of navigation improvements in addition to national economic development, social welfare, and environmental quality;

(6) improvement work for a project should be conducted in segments to accelerate the benefits of channel deepening; and

(7) to the extent such harbor improvements benefit non-Federal public and private interests, these parties should also share in the costs of construction, operation, and maintenance.

DEFINITIONS

SEC. 4. As used in this Act—

(1) the term "local interest" is a legally constituted public body other than a State which has full authority and capability to enter into and perform agreements and to pay damages, if necessary, in the event of failure to perform;

(2) the term "non-Federal interest" means a State or a local interest; and

(3) the term "State" means any State of the United States, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands.

ESTABLISHMENT

SEC. 5. (a)(1) There is established an Interagency Harbor Development Task Force (hereafter in this Act referred to as the "Task Force"), which shall be composed of the Secretary of the Army, the Secretary of Transportation, the Secretary of Energy, the Secretary of the Interior, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency. The Secretary of the Army or his designee shall serve as Chairman of the Task Force.

(2) The Task Force shall meet at the call of the Chairman. A majority of the members of the Task Force shall constitute a quorum.

(3) A member of the Task Force may designate another officer of his department or agency to attend meetings of the Task Force. Designees shall be from the level of assistant secretary or the equivalent.

(b) The Task Force shall—

(1) review feasibility studies and prepare reports thereon in accordance with section 6; and

(2) develop national harbor development plans for five, ten, and fifteen-year periods, taking into account the feasibility studies reviewed during the preceding year, and shall prepare and transmit to the President a report setting forth such plans for inclusion in the annual presentation of the budget by the President.

(c) In carrying out its functions under this Act, the Task Force may—

(1) appoint such staff personnel as may be necessary, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and to fix their compensation in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(2) procure temporary or intermittent personnel services to the same extent as is authorized by section 3109 of title 5, United States Code, at rates not to exceed the daily equivalent of the rate provided for GS-18; and

(3) allow those providing temporary or intermittent personal services, while away from their homes or their regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently, while so employed.

STUDIES

SEC. 6. (a) Whenever required by law to conduct a feasibility study of a proposed harbor improvement, the Chief of Engineers shall, as part of such study, evaluate the need for and desirability of carrying out such proposed project with respect to national economic development, regional economic development, environmental quality, and social welfare. In making the evaluation referred to in the preceding sentence, the Chief of Engineers shall use the appropriate criteria set forth in the Principles and Standards of the Water Resources Council authorized under section 103 of the Water Resources Planning Act, except that, notwithstanding section 7 of the Department of Transportation Act, transportation costs shall be calculated on the basis of marginal costs.

(b) Each feasibility study described in subsection (a) shall be conducted by the office of the District Engineer for the district in which the project is proposed to be undertaken. The District Engineer for such district shall review the study in consultation with the appropriate Division Engineer. Notwithstanding 33 U.S.C. 541, the District Engineer shall transmit the study directly to the Chief of Engineers. Not later than 18 months after the date of the beginning of such study, the Chief of Engineers shall transmit such study to the Task Force.

(c)(1) The Task Force shall review each feasibility study received from the Chief of Engineers, including any feasibility study completed by a District Engineer before the date of enactment of this Act for which a project was not approved, and such review shall include—

(A) an evaluation of the national priority of the proposed harbor improvement project in relation to the national priority of other such projects for which construction has not begun; and

(B) an evaluation of the need for and desirability of carrying out such proposed project with respect to national economic development, regional economic development, environment equality, and social welfare.

(2) The Task Force shall review comments on the feasibility study by interested states and agencies.

(3) The Task Force shall prepare a report summarizing the conclusions of its review, including a plan for the disposal of dredge material and a statement on its evaluation of the anticipated impact of the proposed project on the environment. Such statement shall be deemed to be an environmental impact statement for purposes of the National Environmental Policy Act of 1969.

(4) The Task Force shall also examine the means of financing the proposed project to determine which method best assures the efficient and equitable Federal contribution to harbor improvements. The Task Force shall consider the following:

(A) the payment of all construction costs of the proposed project by the Federal Government and the repayment by the non-Federal interest concerned of 25 percent of such costs not later than 23 years after the date of completion of such project, together with interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding short-term obligations of the United States, or

(B) the payment by the Federal Government of a share of such construction costs, which share bears the same proportion to the non-Federal share as the proportion of the additional depth of the proposed harbor improvement which is most cost effective bears to the additional depth which the controlling non-Federal interest desires.

(5) Not later than 45 days after receiving a feasibility study the Task Force shall transmit to the President a report prepared in accordance with paragraph (3), together with recommendations for the financing of the proposed project under paragraph (4).

PROJECT SELECTION

SEC. 7. (a) The President shall examine each report of the Task Force transmitted to him, together with the recommendations of the Task Force regarding construction and financing, and shall further transmit the report to the Congress within 90 days of receipt of such report, together with his recommendations regarding authorization and project financing. In recommending approval of a project, the President must determine that the project evaluated in such report is in the national interest and is consistent with the national harbor development plans developed by the Task Force and will be included in the annual budget presentation in the next fiscal year.

(b) If the President recommends for a proposed project the financing method for lower priority national projects described under section 6(c)(4)(B), he shall direct the Chairman of the Task Force to ascertain whether the non-Federal interest has the ability to finance the non-Federal share of the costs of the project.

CONGRESSIONAL REVIEW

SEC. 8. (a) Any report transmitted to the Congress under section 7 shall be referred to the Committee on Public Works and Transportation of the House of Representatives and the Committee on Environment and Public Works of the Senate.

(b)(1) Not later than 45 days of continuous session of Congress after the date on which a report is transmitted to it under section 7, the harbor improvement project described in such report and recommended favorably by the President shall be deemed to be authorized for purposes of this Act unless either house of Congress adopts a resolution stating in substance that it objects to the approval of such project.

(2) For purposes of this subsection—

(A) continuing of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

(C) A resolution of disapproval referred to in subsection (c) shall be introduced into and considered by each House of Congress in accordance with the applicable provisions of sections 910 through 912 of title 5, United States Code, with respect to resolutions of disapproval of reorganization plans, except that references in such sections to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives shall be deemed to be references to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives, respectively.

PROJECT FINANCE

SEC. 9. (a) Advanced engineering and design work shall be undertaken for each project authorized under section 8 and such work shall be completed by the close of the second fiscal year following the fiscal year in which the respective project is authorized. The President shall submit to the Congress in his budget request for the fiscal year following completion of the advanced engineering and design work for a project a request for funds for the construction of such project.

(b)(1) Whenever a project is financed by the method described in section 6(c)(4)(B) the non-Federal interest concerned shall expend at least 25 percent of its share of the construction costs of the project before the President shall request the Congress to provide full funding of the Federal share of such costs.

(2) If the Federal share of such costs exceeds 50 percent of such costs, the non-Federal interest shall repay, not later than 20 years after the date of completion of such project, to the Federal Government an amount equal to the amount by which the Federal share of such costs exceeds 50 percent of such costs.

(c) The failure of a non-Federal interest to repay the Federal Government for financing described in section 6(c)(4) shall preclude such non-Federal interest from receiving operation and maintenance funds under section 10.

OPERATION AND MAINTENANCE

SEC. 10. (a) In the case of any project authorized under section 8 and financed by the method described in section 6(c)(4)(A), the Federal Government shall assume all operation and maintenance costs with respect to such project for the 36 months after the date of completion of such project. Thereafter, for each following year, the Federal share of operation and maintenance costs shall be reduced by 5 percent of such costs until the Federal share represents 50 percent of such costs.

(b) In the case of any project authorized under section 8 and financed by the method described in section 6(c)(4)(B), for a period of 60 months after the date of completion of such project, the Federal share of operation and maintenance costs with respect to such project shall be the same percentage of such costs as is the Federal share of the construction costs for such project. Thereafter, for each following year the Federal share of operation and maintenance costs shall be reduced by 5 percent of such costs until the Federal share represents 25 percent of such costs.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, except that—

(1) with respect to feasibility studies, there are authorized to be appropriated such sums as may be necessary to carry out authorized studies at full funding during an 18-month period or $20,000,000 annually, whichever is less;

(2) with respect to the administrative expenses of the Task Force, there are authorized to be appropriated not to exceed $2,500,000 for a fiscal year; and

(3) with respect to construction costs, there are authorized to be appropriated for a fiscal year an amount not to exceed the sums necessary to fully fund one project authorized under section 8 and financed by the method described in section 6(c)(4)(A) and two projects authorized under section 8 and financed by the method described in section 6(c)(4)(B).

SECTION-BY-SECTION ANALYSIS OF THE NATIONAL HARBOR IMPROVEMENT ACT

Section 2. Findings and Declarations: The Federal government has traditionally assumed the full cost of construction, operation, and maintenance of inland waterways, rivers and harbors. However, the present arrangement for studying, authorizing, appropriating funds and constructing such harbor improvement projects takes on the average 26 years. Study time alone is typically on the order of nine to ten years. As world demand for United States steam coal rises over the next decade, and as the world fleet for bulk commodities increases in size, the economic incentive will grow for American coastal ports capable of handling deep draft vessels.

Section 3. Policy: Harbor improvements financed by the Federal government should take place in the context of national transportation and energy policy. The utility of improved harbor facilities is dictated by the connections with other land and water modes of transportation. The Federal government should facilitate the deepening of harbors when economically justified to increase foreign and domestic commerce of all commodities. However, to the extent such harbor improvements benefit non-Federal public and private interests, these parties should also share in the costs of construction, operation, and maintenance.

Section 4. Definitions.

Section 5. Establishment of the Interagency Harbor Development Task Force:

(a) The Task Force shall be made up of six members: the Secretary of the Army (chairman), the Secretary of Transportation, the Secretary of Energy, the Secretary of the Interior, the Secretary of Commerce, and the Administrator of the Environmental Protection Agency.

(b) The Task Force will review the feasibility studies completed by the Corps of Engineers. In addition, the Task Force will develop national harbor development plans for five, ten, and fifteen-year periods.

(c) The Task Force may appoint staff to assist in the conduct of its duties.

Section 6. Feasibility Studies:

(a) Studies shall be initiated as they now are under existing law, either by Act of Congress or by resolution of the House Public Works Committee or the Senate Environment and Public Works Committee. The Corps of Engineers shall conduct the feasibility study and shall follow the evaluation procedures described in the Principles and Standards of the Water Resources Council. However, net transportation benefits shall be calculated on the basis of their true worth in the economy (marginal cost) and not simply by the measure of savings to shippers as reflected in regulated shipping rates.

(b) The District Engineer of the Corps shall conduct the study and transmit the study to the Chief of Engineers in Washington. This eliminates both the formal transmittal to the Division Engineer and to the Board of Engineers for Rivers and Harbors.

(b) For projects financed under Method Not later than 18 months after the date of the study's initiation, the Chief of Engineers shall transmit the study to the Task Force.

(c) The Task Force shall review each study received from the Corps including those initiated before the enactment of this legislation. Their recommendation to the President shall take into account the national significance of the project as well as the regional implications of the project. Their final report shall also include a plan for dredged material disposal and the means by which the project shall be financed.

Two methods of project financing may be considered by the Task Force. Method (A) provides for the initial payment of all construction costs by the Federal government and the repayment of 25 percent of such costs within 20 years of completion of the project. Repayment terms will be set by the Task Force at an interest rate determined by the Secretary of the Treasury.

Method (B) sets the Federal government's share of the construction costs at a proportion commensurate with the proportion of the most cost-effective dredging depth to the depth preferred by the non-Federal interests. As described in Section 9, the non-Federal interests shall repay the Federal government for the portion of Federal construction costs greater than 50 percent.

The Task Force has 45 days on which to act on the feasibility study and report to the President with their recommendation.

Section 7. Project Selection:

(a) Within 90 days of receiving the report from the Task Force, the President must transmit the report to Congress together with his recommendation on whether the project should be approved and, if so, under which terms of project financing. Approval of the project shall be accompanied by a commitment to fully fund the project.

(b) Should the President recommend a project under the financing terms of Method (B) for lower priority projects, then he shall direct the Task Force to ascertain the ability of the non-Federal interests to finance their share of the costs of the project.

Section 8. Congressional Review: Reports shall be referred to the House and Senate Public Works committees. A project shall be authorized if either house of Congress fails to pass a resolution of disapproval against the project within 45 legislative days following the receipt of the report from the President.

Section 9. Project Financing: (a) Funds for advanced engineering and design shall become immediately available following project authorization. Such work shall be completed by the end of the second fiscal year after the project has been authorized. The President must include construction funds for the project in the budget of the fiscal year following the completion of the engineering and design work.

(b) For projects financed under Method (B) described in section 6, the non-Federal interests must first expend at least 25 percent of their share of the construction costs of the project before the President requests full funding. Federal costs above 50 percent of total construction costs shall be repayed to the Federal government at an interest rate set by the Secretary of the Treasury.

(c) Failure to repay the Federal government under the financing terms described in section 6 shall preclude further receipt of operation and maintenance funds.

Section 10. Operation and Maintenance: (a) For projects financed under Method (A), the Federal government shall assume the full cost of operation and maintenance for the first three years after the completion of the project. In each year thereafter, the Federal share of such costs shall be reduced by 5 percent until the Federal share represents 50 percent of operation and maintenance costs.

For projects financed under Method (B), the Federal share of the operation and maintenance costs shall be the same percentage as the Federal share of construction costs for the first five years following construction. Thereafter, the Federal share shall be reduced by 5 percent each year until the Federal share represents 25 percent of such costs.

Section 11. Authorization of Appropriations: Feasibility studies shall be fully funded to permit their completion within 18 months, but in no fiscal year shall funding for such studies exceed $20 million. The administrative costs of the Task Force shall not exceed $2.5 million each year. With respect to construction costs, funds are authorized to initiate and fully fund not more than one project at full Federal expense according to financing under Method (A) and not more than two projects financed by Method (B).

By Mr. MOYNIHAN:

S. 577. A bill to amend the Internal Revenue Code of 1954 to eliminate the requirement that States reduce the amount of unemployment compensation payable for any week by the amount of certain retirement benefits, and for other purposes; to the Committee on Finance.

LEGISLATION TO REPEAL SOCIAL SECURITY PENSION OFFSETS OF UNEMPLOYMENT COMPENSATION

Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill to repeal social security pension offsets of unemployment compensation. This bill is identical to one that former Senator Javits and I introduced last July.

Millions of older Americans have been adversely affected by a law that requires a reduction in unemployment compensation benefits for people who receive social security. This dollar-for-dollar offset, which went into effect in April 1980, denies to older workers who lose their jobs the full amount of the unemployment insurance which they earned.

Mr. President, this is wrong. What is more, Congress knows that it is wrong. Last July Congress passed an amendment to the multiemployer pension plan amendments that repeals the offset of private pensions and allows the States to repeal the social security offset. This law, effective September 26, 1980, has restored to hundreds of thousands of senior citizens the protection afforded all other workers covered by unemployment insurance programs.

However laudable, this legislation does not go far enough. It fails to help the group that needs help most desperately, those who depend on social security pensions for their income. No State has yet repealed the social security offset. The result is that between 400,000 and 500,000 people across the country are being denied the unemployment insurance owed them.

I know—as you know—that this is an injustice. Unemployment insurance is not a charity program but an earned employment benefit to which workers are entitled.

I ask that we delay no longer in restoring to older Americans the right to collect full unemployment compensation. Let us act quickly.

By Mr. MOYNIHAN:

S. 578. A bill to amend the Internal Revenue Code to change certain accounting rules related to inventory; to the Committee on Finance.

MODIFICATION OF THOR POWER TOOL TAX RULING

Mr. MOYNIHAN. Mr. President, I am introducing legislation today that would modify the Thor Power Tool tax ruling.

The bill has three provisions. The first would let any company that can demonstrate that a portion of its inventory will eventually be sold below cost write down that portion to its net realizable value.

The second provision would drop the so-called conformity requirement for LIFO accounting.

And the third would give companies that switch from FIFO to LIFO accounting 10 years over which to spread out any sudden profits that result from the change.

The heart of the bill is section 1. It, more than any other part, is aimed at the real Thor controversy. The controversy arises because of a decision by the Supreme Court in the case *Thor Power Tool Co. v. Commissioner*, 439 U.S. 522 (1979).

The Thor Power Tool Co. was—and still is—a FIFO taxpayer. FIFO is an accounting method; the acronym stands for first-in, first-out. And under that accounting method, a company must figure out at the end of each tax year how much its inventory is worth. The law says that the inventory must be listed at its cost—or at its market value, but only if the market value is lower. The law also says that each item of inventory must be valued separately.

In 1963, the Thor Co. had in its inventory 44,000 spare parts for hand-held power tools and rubber products. The company had recently come under new management. The new managers decided that many of these spare parts would never be sold; hence, in the managers' view, the parts had little, if any, market value. Consequently, the company used the market value, rather than the cost of the parts, when it reported how much its inventory was worth at the end of 1964 to the IRS.

This process of suddenly choosing a low-market value, when up to now a company has listed its inventory at cost, is known as "writing down" one's inventory. In 1964, it yielded the Thor Power Tool Co. a tax deduction of $744,030.

However, there was one problem with what the company did. And that is there was no evidence that the spare parts were worth what the company said they were.

Company officials merely projected demand for the parts using their experience with sales in 1964. Parts that the company expected to sell in 1965 were said to be worth something, and were listed on the company's books at cost. But parts that the company expected to sell in 1966 were said to have a market value of from 50 to 75 percent below cost. And the company claimed that the parts it might sell in 1967 or in later years were worthless. These were listed at zero, or thereabouts—their assumed market value.

The company's claim was absurd. The market values it selected had no demonstrable basis in fact. Therefore, the Internal Revenue Service disallowed the company's deduction. And when the case went to the Supreme Court the Justices agreed with the IRS. Their decision was unanimous.

What the Court said is that a taxpayer must be able to prove that his inventory has a low market value, before he may write down the inventory. And the IRS may insist on "a high evidentiary standard."

Tax regulations, in effect at the time, said that a company may prove that its inventory has a low market value in one of two ways. The company may sell the inventory at less than cost within 30 days after the close of the tax year. Or it may cut its prices below cost, in which case the IRS will accept the company's word that the inventory is not worth more than the company is charging for it.

The Court did not say that there are no other ways that a company may prove that its inventory has a low market value. What it said was there must be proof. And it is reasonable for the IRS to demand the kind of evidence that it wanted of taxpayers.

My bill suggests a third method of proof.

Consider the following case: A publisher has 1,000 copies of a 1960 best seller in his warehouse. The books are still being held out for sale at the list price, although there are few purchasers. Intuitively, one knows that each book is not worth the list price; some of the books will never be sold and are not worth even the cost of printing them. But how does one prove it?

That is the "Thor problem." The answer is that a taxpayer should be able to look to his experience. If the publisher's records show that, on average, 10 percent of any books that have not been sold within a year after they were printed will eventually be remaindered, then each year the publisher should be able to write down 10 percent of his 1-year-old books to their remainder value.

By the same token, if the records show that, on average, 40 percent of 2-year-old books are eventually remaindered, then 40 percent of 2-year-old books would be written down each year to their remainder value.

I hasten to add that the books need not actually be remaindered in the strictest sense of the word. It is enough that they will be sold eventually at less than cost. And when that is the case, they may be written down to what the publisher's experience tells him he will receive for them.

I want also to stress that while I used a book publisher in my example, this new approach would be available to all companies in all industries. The only restrictions are that a company would have to segregate its inventory items by age. And it would have to point to its most recent 5 years of experience with inventories.

The bill would take effect retroactively and apply to the 1979 tax years. A company would be able to redo its taxes for 1979 and 1980 using this new method, if it wishes; 1979 was the year in which the IRS began aggressively to enforce the holding in the Supreme Court decision. Companies would not have to seek the IRS' permission in order to file amended returns.

That is section 1 of the bill.

The other two sections deal with LIFO, or last-in, first-out, accounting. There are two ways to resolve the "Thor problem"; one is to address the issue directly, as I have already done. The other is to persuade more companies to switch to LIFO; companies on LIFO do not have a Thor problem since under LIFO, all inventories must be valued at cost. There is no need to supply evidence of market value.

LIFO is more favorable to taxpayers since it makes them appear less profitable. Nevertheless, many companies do not use it because of the so-called conformity requirement—a rule that says a company that uses LIFO for its taxes must also use LIFO for its financial statements to shareholders.

My bill would drop the conformity requirement. The Internal Revenue Service recommended this last month and, in fact, is in the process of removing the requirement from its regulations. But Congress will have to act, too, because the rule appears in section 472 of the Tax Code.

Another reason companies do not use LIFO is that when a company switches to it from FIFO, adjustments must be made to the company's inventory and this often causes the company's income to increase suddenly in the year of the change. My bill would give a company making a switch 10 years over which to spread out the adjustments.

I intend to let a taxpayer make a 10-year spread without having to seek the advance consent of the IRS. Under present law, a taxpayer must get the IRS's permission for a spread within the first 180 days of the tax year. That rule would not apply here.

The LIFO provisions of the bill would take effect prospectively in tax years beginning after the date of enactment.

That is the plan.

In concluding, let me note that the bill has been carefully written over a period of several months. Almost everyone who has told me he has an interest in the subject has been consulted and given a chance to participate in the drafting.

In addition, Treasury and Joint Tax Committee experts have been kept advised of the bill's progress at every step of the way.

I am proposing that we resolve the Thor problem in a manner that is consistent with the Supreme Court's decision. A company should be able to prove that its inventory has a low market value before it claims a loss on its taxes. The only question is what kind of evidence should the company be required to provide.

I ask unanimous consent, Mr. President, that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCESS INVENTORY ITEMS MAY BE WRITTEN DOWN TO SCRAP VALUE.—Section 471 of the Internal Revenue Code of 1954 (relating to the general rule for inventories) is amended by adding at the end thereof the following new sentences: "A taxpayer may value his excess inventory at its net realizable value. For purposes of this section, the term 'excess inventory' means that portion of the taxpayer's inventory which the taxpayer reasonably expects will be disposed of at less than full realization of its cost. Such portion shall be determined with respect to each group of articles by age by referring to the taxpayer's most recent 5-year experience with inventories.".

SEC. 2. REPEAL OF REQUIREMENT THAT THE LIFO METHOD USED FOR TAX PURPOSES CONFORM TO THE ACCOUNTING METHOD USED FOR FINANCIAL PURPOSES.—Section 472 of such Code (relating to last-in, first-out inventories) is amended by striking out subsections (c) and (e) and by redesignating subsection (d) as subsection (c).

SEC. 3. TEN-YEAR SPREAD PERMITTED FOR INCREASES IN INVENTORY VALUE REQUIRED FOR ADOPTION OF LIFO METHOD.—Subsection (b) of section 472 of such Code (relating to last-in, first-out inventories) is amended by adding at the end thereof the following new sentence: "For purposes of section 481, any increase in the valuation of inventory required by paragraph (2) shall be treated as an adjustment attributable to a change in a method of accounting initiated by the taxpayer.".

SEC. 4. EFFECTIVE DATES.—

(a) The amendment made by section 1 of this Act shall apply to taxable years ending on or after December 25, 1979.

(b) The amendments made by sections 2 and 3 of this Act shall apply to taxable years beginning after the date of enactment.

By Mr. LEVIN (for himself, Mr. HAYAKAWA, Mr. RIEGLE, and Mr. GLENN):

S. 580. A bill to establish program levels for the Small Business Administration pollution control bond program: to the Select Committee on Small Business.

POLLUTION CONTROL FINANCING ACT OF 1981

● Mr. LEVIN. Mr. President, today I am introducing a bill in behalf of myself, and Senators HAYAKAWA, RIEGLE, and GLENN, which will increase the guarantee level of the Small Business Administration's pollution control financing guarantee program from $110 million to $250 million for fiscal 1981, 1982, 1983, and 1984. This program is important to small business as it allows firms to finance pollution control equipment at a reasonable rate of interest. Since Congress authorized this program in 1976 there has been great demand for the guarantee and a real need has been met in the small business community. Because of this demand, it is necessary to increase the ceiling to $250 million. Already in this fiscal year, $49 million has been committed in guarantees. SBA has another $85 million in requests pending for what they consider to be worthy applications for this program. As you know, we are not even 5 months into the fiscal year.

Basically, the way this program operates is that a public entity sells tax free pollution control revenue bonds. The proceeds are loaned to a business for the planning, design, financing or installation of the pollution control facilities or equipment. SBA guarantees the repayment. Many of these guarantees are used to finance equipment that will enable a small firm to comply with various types of pollution regulations. This aspect of the program cannot be overlooked. If the Federal Government is to impose regulations that create financial burdens for small business, we in Congress should consider creative methods of assisting these firms. This program is one that addresses this issue. SBA estimates that over 80 percent of the loans guaranteed through this program to date have been to firms which were installing pollution control equipment to meet some form of government regulation. We have a dual purpose served by this program—helping small business with their financing needs and helping small business, and in turn the general public, comply with antipollution regulations.

This bill will not increase the budget authority needed for the Small Business Administration. When Congress initiated this program, an initial appropriation of $15 million was put into a revolving fund and no further funding has been required. Since 1976, $204 million in loan guarantees have been approved by SBA to a total of 171 firms. Not only will this bill not cost the Federal Government any money, but it will probably make money. According to SBA, the pollution control bond program has been a moneymaker for the Government. Over $11 million in guarantee fees have been collected; $58,000 has been made in interest on funds invested. This is contrasted with only one default which has resulted in $26,000 being paid out.

I urge my colleagues to give swift approval to this bill. As you may know, provisions similar to those contained in this bill were adopted twice by the 96th Congress, though they failed to become law. In this Congress, let us meet the reasonable expectations of small businesses throughout the Nation.●

● Mr. GLENN. Mr. President, I rise to join my colleague from Michigan (Mr. LEVIN) in support of S. 580, The Pollution Control Financing Act of 1981. The bill, by almost doubling the moneys available under the SBA's pollution control guarantee program, will insure that small businesses continue to be enabled to finance pollution control equipment at reasonable rates of interest. Because it involves only loan guarantees, however, the bill requires no new Federal appropriations.

Under the SBA program, a public entity—such as a town, city, county, or State—issues tax-free pollution control revenue bonds and then lends the proceeds from the sale of those bonds to small businesses for the planning, design, financing and installation of pollution control facilities or equipment. The companies themselves pay the fees associated with the sale of the bonds, normally about 1 to 2 percent above the bond rates. It is important to note that because the SBA is involved only in guaranteeing the repayment of the loan, the pollution control guarantee program is essentially a private sector program, not a Government giveaway.

In fact, the program costs the taxpayers nothing and has actually made money during the years it has been in operation. To date, the SBA has collected over $11 million in guarantee fees and has earned $581,000 in interest on funds that have been invested. Moreover, the program must rank as one of the safest and most successful loan guarantee programs in the entire Federal Government.

Out of a total of 171 guarantees, there has been only one default. Even that company is still in business and the SBA advises me that the firm is expected to begin repayment very soon. Perhaps best of all, S. 580 would require no new Federal appropriations. When the program was first authorized in 1976, Congress appropriated $15 million for a revolving fund, and these moneys are sufficient to keep the program operational. We merely propose to increase the guarantee authority of the SBA from its present level of $110 million in fiscal year 1981 and $125 million in fiscal years 1982 to 1984 to $250 million in each of those years. Particularly in this time of bugetary austerity, it seems to me that this is precisely the kind of program we in Government ought to encourage and expand.

An increase in present and proposed funding levels is necesary because of the phenomenal growth in demand. In fiscal year 1978, the program's first full year of operation, SBA guaranteed $11 million in loans. In 1979, that figure increased to $41 million and last year, to $98.5 million. As of February 11, SBA had committed $49 million worth of loan guarantees and had received additional applications worth $108.5 million. Combined, those figures total $157 million—and we are only 4½ months into the current fiscal year. Under present program allocations, however, SBA can guarantee only $110 million in loans for the whole of fiscal year 1981 and only $125 million for the next 3 fiscal years. By increasing available money to $250 million for each of these years, S. 580 seeks to insure that the program will be able to more closely match supply with demand.

Since its inception, the pollution control financing guarantee program has been of particular benefit to Ohio firms—particularly those in the electroplating, foundry, and waste disposal industries. Indeed, along with California, Wisconsin, Illinois, and Michigan, Ohio has consistently ranked among the top five States in the Nation using the program. Through 8 different bond issues, 16 Ohio companies have already received loan guarantees totaling $30.2 million. And I have been advised by SBA that there are pending, in various stages of completion another 17 applications from Ohio firms worth at least $21 million.

Mr. President, I believe it is vital that we in Congress recognize the special importance of small business to the American economy. But equally important, we must also recognize the special needs of small business and then do our level best to meet those needs. Though all businesses must comply with America's en-

vironmental standards, larger firms, because of their ability to issue corporate bonds and their greater access to other forms of financing, are better able to meet the costs associated with those requirements. S. 580 will help remove this disadvantage for smaller firms and insure that they are not unnecessarily penalized for complying with our pollution control laws. I urge my colleagues to give this bill their careful consideration.●

● Mr. HAYAKAWA. Mr. President, I enthusiastically join my colleague and fellow member of the Senate Small Business Committee, Senator CARL LEVIN, in introducing the Pollution Control Financing Act of 1981. We introduced similar legislation last year in another form, and while the Senate approved it, Members of the House did not. We do not believe, however, that the House action indicated disfavor with the intent of the legislation, and, since we believe so strongly in it, we are reintroducing it with the hope that committee action will be timely and favorable.

The bill very simply requests new program levels for the Small Business Administration's pollution control financing guarantee program, as follows:

Present levels: Fiscal year 1981—$110 million; fiscal year 1982, 1983, 1984—$125 million.

Proposed level: Fiscal year 1981, 1982, 1983, 1984—$250 million.

The program is important to small businesses because it permits firms to finance government-mandated pollution control equipment at a reasonable rate.

Perhaps the most attractive feature of the bill is that no additional appropriation will be needed to meet the loan demands. On the contrary, this particular program not only costs the taxpayers no money, it actually has brought in a profit to the Government through collection of over $11 million in guarantee fees and $58,000 in interest on funds invested. An extremely low default rate—only one of 171 guarantees since the program began in 1976—helps to account for this very positive picture. I think my colleagues will agree that this excellent record should be applauded—and supported. By the way, I would like the record to show that the one firm that committed the default is still in business and expects to begin paying off the loan in the near future.

My own State of California, always alert to new programs and opportunities, was the first State in the Nation to utilize the program. State officials advise me that they are enthusiastic about this cooperative government/private sector venture and they support the increased program level we request. The need for the bond guarantee program is larger than Congress or the administration projected in 1976, and if the ceiling is not raised the program will fall short of filling its expectations. I would certainly not like to see a successful and productive program like this operating at a lower capacity than the occasion demands, especially when it is financially self-sustaining.

Mr. President, recently a California small businessman wrote to me about the SBA pollution control program. He stated his case so well that I would like to quote verbatim from his letter and request that it be inserted in the RECORD:

We wish your assistance in getting an increase in the authorization for the Small Business Administration's Pollution Control Financing Guarantee program. The lack of adequate authorization would seriously curtail the ability of many small businesses to meet the environmental quality standards.

Our metal finishing firm services several major electronics firms with plating of electronic parts. At the same time that we need to expand to meet our customers' needs, we must comply with water pollution control regulations. The $1,000,000 cost of installing these compliance facilities for our production facilities is almost equal to the capital budget for our production facilities, but we recognize the need to do so.

We have received approval for a low-cost loan through the California Pollution Control Financing Guarantee, which will give us access to long term credit sources. Without the guarantee, it will be very difficult to proceed with our present and future pollution control plans and impede our ability to meet our customers' demands.

We have been advised that there is insufficient authorization for SBA to accept our application for a guarantee, and that legislation is being prepared to correct this problem. Without it, ours and thousands of other small firms are going to be further and irreparably hurt in these trying economic times.

This guarantee program is exemplary and unique among the financial assistance provided by all federal agencies, in that it is funded completely by the users, and does not impinge on the Federal Treasury. You would perform an immediate and critical service by supporting this legislation.

Thank you, Mr. President.●

By Mr. BIDEN:

S. 581. A bill to amend the Congressional Budget Act of 1974 to limit the period for which the enactment of new budget authority may be authorized, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

FEDERAL SPENDING CONTROL ACT OF 1981

● Mr. BIDEN. Mr. President, I am introducing today a new, simplified version of sunset legislation—the Federal Spending Control Act of 1981. This bill offers an effective means of controlling Federal spending. At the same time it is designed so that its implementation will not be costly or burdensome. I hope that this streamlined version of sunset can be adopted quickly so that its benefits will start to accrue.

This legislation, once adopted, will provide Congress with an essential tool for reviewing the need for Federal programs; for controlling the growth of Federal spending; for alleviating the overkill of regulatory activity; and for restraining the sprawling Federal bureaucracy. I know that is a lot to claim for one proposal. But I have been working with this idea for years and I am convinced it can lead to more effective and reasonable congressional control over our Government, without sacrificing a single essential Government service. In fact, it should enhance the provision of truly necessary Government services. Waste makes no useful contribution toward fulfilling national needs.

I am a long-time advocate and supporter of sunset legislation. I introduced my first sunset bill in 1975. As the sunset idea was discussed over the years, it was expanded. It grew in complexity. Although it passed the Senate overwhelmingly in 1978, it never came to a vote in the last session of Congress. Its complexity damaged it, even in the eyes of its supporters.

But complexity is not necessary. The essence of sunset is simplicity itself—to require the periodic termination and reconsideration of spending programs.

The bill I am introducing today goes back to basics. No new spending program could run for more than 4 years. Most existing spending programs would have to conform to the 4-year rule—social security is a major exception. There is a waiver process to deal with problems where 4 years is clearly too short a period to achieve measurable results or where the stability of national commitments could be called into question. As each program's funding is scheduled to expire, there would be the usual opportunity for review by the appropriate committee. Then the Senate, and the House of Representatives, would vote on whether to continue the program, or modify it, or terminate it. The possibility of termination will force a review of each spending program. And the review will assure that the decision to terminate or not will be a rational one. It is really a very simple mechanism—like all good mechanisms.

This is a bill that could really make a difference in the size and effectiveness of our Government, unlike some of the overly simplistic and unrealistically restrictive proposals often discussed these days. We need sunset legislation because we have not yet stemmed the tide of government growth in this country. Congress has not done its best to provide cost-effective programs tailored to meet the most urgent needs. Instead, it often has tried to overwhelm problems with a multitude of programs. That approach rarely works, and it is always expensive. With the need for fiscal restraint that inflation and public opinion have imposed on government at all levels, it is clearly time for Congress to focus precisely and prudently on all spending programs one by one. I have long felt that sunset is the best approach for achieving such a detailed review. Our economic and budgetary problems today present us with the opportunity and the necessity for getting sunset onto the books and into action. If we in Congress do not act to take greater command over Government programs and Government spending, events will force less desirable solutions upon us.

The issue before us is sunset and the contribution it can make to fiscal responsibility. The need to adopt responsible workable approaches is clear. I am sure the Senate will recognize the need to put our fiscal house in order and act on this legislation favorably.

I ask unanimous consent that the text of the Federal Spending Control Act of 1981 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Spending Control Act of 1981".

SEC. 2. (a) Title IV of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new sections:

"LIMITATIONS ON AUTHORIZING LEGISLATION; AUTHORIZATIONS REQUIRED

"SEC. 405. (a) TIME PERIOD PRESCRIBED.—Except as provided in subsection (c), it shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution, or any amendment thereto, which authorizes the enactment of new budget authority for a program for a period of more than four fiscal years or for an indefinite period.

"(b) AUTHORIZATION REQUIRED.—It shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution or any amendment thereto which provides new budget authority for a program for any fiscal year beginning after two years after the effective date of this section, unless the provision of such new budget authority is specifically authorized by law.

"(c) WAIVER IN THE SENATE.—If any committee of the Senate determines that an authorization of the enactment of new budget authority for a period in excess of four fiscal years is necessary to accomplish the purposes for which the authorization is to be made, the committee may report a bill or resolution authorizing the enactment of new budget authority for a definite period in excess of four fiscal years. At the same time or after the committee reports such bill or resolution, the committee shall report a resolution to the Senate providing for a waiver of the provisions of subsection (a) which limit the authorization of the enactment of new budget authority to a period not in excess of four fiscal years and stating the reasons why such a waiver is necessary. The resolution shall be referred and considered in accordance with section 407.

"TERMINATION OF CERTAIN EXISTING AUTHORIZATIONS

"SEC. 406. (a) LIMITATION ON THE PROVISION OF NEW BUDGET AUTHORITY.—Except as provided in subsection (b) and (c), it shall not be in order in either the Senate or the House of Representatives to consider a bill or resolution providing new budget authority for any fiscal year beginning after the date which is five years after the effective date of this section if the provision of such budget authority is made pursuant to a law, in effect on the effective date of this section, authorizing the enactment of new budget authority for a period of more than four fiscal years or for an indefinite period.

"(b) EXCEPTIONS.—Subsection (a) shall not apply to the provision of new budget authority for—

"(1) payments to or from a trust fund established by the Social Security Act;

"(2) payments of interest on obligations constituting a part of the public debt of the United States; or

"(3) payments of refunds of internal revenue collections, but subsection (a) shall apply to payments to any person in excess of his tax liability under the internal revenue laws.

"(c) WAIVER IN THE SENATE.—If the Committee on Appropriations of the Senate determines that subsection (a) should not apply to a bill or resolution providing new budget authority for a particular program, the committee shall report a resolution to the Senate providing for a waiver of such subsection with respect to the consideration of such bill or resolution and stating the reasons why the waiver is necessary. The resolution shall be referred and considered in accordance with section 407.

"PROCEDURES FOR THE CONSIDERATION OF WAIVER RESOLUTIONS IN THE SENATE

"SEC. 407. (a) REFERRAL AND DISCHARGE.—Any resolution reported under section 405(c) or 406(c) shall be jointly referred to the Committees on Appropriations and the Budget of the Senate. Each such committee shall report such resolution to the Senate within ten days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If either committee does not report the resolution within such ten-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

"(b) CONSIDERATION OF RESOLUTION.—During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of such debatable motion or appeal. No amendment to the resolution is in order.

"(c) EFFECT OF ADOPTION OF RESOLUTION.—If, after both committees have reported (or have been discharged from further consideration of) a resolution waiving the application of section 405(a) or 406(a) with respect to the consideration of a bill or resolution, the Senate agrees to the resolution by a rollcall vote, section 405(a) or 406(a), as the case may be, shall not apply with respect to which the resolution so agreed to applies.

"(d) OVERSIGHT PLAN REQUIRED.—Whenever any bill or resolution is reported by a committee under the provisions of section 405(a), or a resolution is reported by the Committee on Appropriations under the provisions of section 406(c), the report accompanying such bill or resolution shall contain a plan for oversight hearings by the committee to determine progress being made toward the intended objectives of the program with which the bill or resolution is concerned.".

(b) The table of contents in section 1(b) of the Congressional Budget Act of 1974 is amended by inserting after the item relating to section 404 the following new items:

"Sec. 405. Limitations on authorizing legislation; authorizations required.

"Sec. 406. Termination of certain existing authority.

"Sec. 407. Procedures for the consideration of waiver resolutions in the Senate.".

EFFECTIVE DATE

SEC. 3. This Act and the amendments made by this Act shall take effect on the first day of the first regular session of the Congress which begins after the date of the enactment of this Act.●

By Mr. BIDEN:

S. 582. A bill to amend the Congressional Budget Act of 1974 to require authorizing legislation for tax expenditures, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

TAX EXPENDITURE CONTROL ACT OF 1981

● Mr. BIDEN. Mr. President, we are all about to embark on a new effort to reinvigorate our economy, to eliminate the deficit, and to reduce tax burdens. This effort is not going to be painless. It will undoubtedly bring many changes in what the Federal Government does and how it does it. If we are successful, the benefits will be many. But, as we make the effort, there will have to be sacrifices by many.

We owe it to those who may be affected by the coming retrenchment to seek out every possible opportunity to reduce the deficit. One opportunity which is often overlooked is the reduction of tax expenditures—those provisions in the tax code that provide Federal incentives or subsidies. To the extent that we can root out unnecessary, wasteful or duplicative tax expenditures we can lower the deficit correspondingly.

The stumbling block to achieving this is that Congress has no system for dealing effectively with tax expenditures. They are often passed as obscure provisions in larger tax bills. The tax law does not state the objectives of a tax expenditure, which would permit a measurement of its effectiveness. There is no integration of tax expenditures with direct spending programs with similar purposes. Once adopted, they usually remain effective forever, with no periodic review.

Today, I am introducing legislation which I believe can help us exercise more care in the adoption and review of tax expenditures—and thus help us reduce the deficit. It is the same bill I introduced about 2 years ago, but the need for it today is perhaps even greater than it was then.

The concept of such a thing as a tax expenditure is still relatively new. Briefly stated, a tax expenditure is a deviation from the basic tax structure for the purpose of providing a subsidy, a preference or an incentive payment to an individual or business through the tax system, rather than by direct expenditure through the appropriations process. The real point is that tax expenditures, although contained in tax law, are not really a part of tax and revenue raising policy. They have the same objective as direct spending programs—the accomplishment of some purpose that the Congress feels to be in the national interest. They are another means of carrying out Government policy.

There are many direct expenditure programs in the budget each year which provide assistance payments for such programs as housing, agriculture, medical care, and encouragement of exports, to name a few. There are also tax expenditure programs in the tax laws relating to all of these matters. However, in times of fiscal restraint such as we are experiencing now, it is the direct expenditures that tend to receive the scrutiny, while the less visible tax expenditures remain untouched. There is no reason why an incentive for housing or exports should receive more scrutiny when it is delivered through the appropriations process than when it is delivered through the tax system.

Therefore, better scrutiny of tax ex-

penditures can become an important tool in our efforts to achieve efficiency and economy in the use of Federal funds. A regular examination of tax expenditures should help to assure that our various tax expenditure programs are working in consonance. It will make it possible for Congress to review the equity of these tax programs and to consider their effectiveness in achieving national policy goals.

What can the Congress do in an orderly efficient manner to regain control over tax expenditure programs that show individual costs which will total some $250 billion?

In this $250 billion is buried many a program which affects the economy of our Nation, the deficit in our budget and the well-being of our citizens. Some of them work well; others may not.

Also hidden among these tax expenditures are subsidies to individuals and corporations that might never be granted if direct payments were being made. It is in this budget that many of the often-abused tax loopholes reside. The results achieved through the use of some tax expenditures could be in direct contradiction to the results sought through other directly appropriated funds.

Mr. President, I believe that, considering the magnitude of the sums involved, the Congress should begin immediately to consider what possible actions it might take to assure control of the use of tax expenditures. That is the purpose of the Tax Expenditure Control Act of 1981.

Briefly stated, my bill recognizes tax expenditures for what they are. It considers them, in fact, to be Government spending through the tax system, but without the usual controls that are attached to direct expenditures. Specifically, these tax expenditure programs are not reviewed by the committees that would normally oversee the activity with which the tax expenditure is associated.

On the appropriations side, we have a system of checks and balances. There, the legislative committee with jurisdiction over the subject and with the expertise on the subject, develops authorizing legislation. Only after that authorizing legislation has been adopted do the Appropriations Committees apply their fiscal expertise to weigh priorities and develop appropriation bills. Most important, the Appropriations Committees apply that expertise in the framework of legislative policy set down by the Congress.

There is no such system for tax expenditures—no equivalent to the authorization process that is used for appropriated funds. The tax law does not state the objectives of the law. The Congress does not consider, in light of recommendations from committees with specialized information, the content of the programs which are to be financed by tax expenditures. Nor does it consider the integration of tax expenditures with direct spending.

This bill, the Tax Expenditure Control Act, would require authorizing legislation for each tax expenditure. Authorizing legislation would be referred to the standing committee normally responsible for the activity covered by the tax expenditure. The Ways and Means and Finance Committees would continue to be charged with the responsibility for using their expertise to develop the appropriate tax mechanisms for best carrying out the programs authorized by Congress, as well as for developing revenue-raising measures.

The Tax Expenditure Control Act would limit the life of legislation authorizing tax expenditures to 10 years. Since eventually all tax expenditures would be subject to the new authorizing process, all tax expenditures would become subject to a sunset review process at least once every 10 years.

In these days, direct Government spending programs are coming under more careful, periodic review. A periodic review and reconsideration of the subsidies, preferences and incentives in the tax system is as important as a review of direct spending programs. To the extent that one individual's tax is forgiven or reduced, the taxes of the others must rise—or else the deficit must rise. In these times of fiscal strain, anything that causes the deficit to rise must not be overlooked. It is important, therefore, that we look periodically to see what we are getting for our tax expenditure dollars.

I think the advantages of such a system will be many. It will provide for better coordination of tax and budget expenditure programs because they will each be reviewed and authorized by the same committee. It will also require more careful and deliberate consideration of tax expenditure policy because Congress will be required to consider each tax expenditure as a Government program, and make a conscious decision as to whether it is a good program for the country. These questions tend to get lost when the subject is presented in tax language.

Tax expenditures are not necessarily bad. That is the last thing that my remarks or my bill are intended to imply. But just like Federal spending programs, the tax laws can become a haven for unwise subsidies, undeserved preferences and unneeded incentives that manage to escape regular scrutiny and consideration. I do hope that this legislation will stimulate thought and discussion among my colleagues on this $250 billion question.

I ask unanimous consent that the text of the Tax Expenditure Control Act of 1981 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 582

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tax Expenditure Control Act of 1981".

SEC. 2. Title IV of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new section:

"AUTHORIZING LEGISLATION FOR TAX EXPENDITURES

"SEC. 405. (a) AUTHORIZATION REQUIREMENT.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or any amendment to a bill or resolution, which, directly or indirectly, enacts new tax expenditures unless such enactment is authorized by law.

"(b) REQUIRED REPORTING DATE.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new tax expenditures to become effective during a fiscal year—

"(1) unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year, and

"(2) if that bill or resolution authorizes the enactment of new tax expenditures to be effective during a period exceeding 10 consecutive calendar years.

"(c) REFERENCE.—A bill or resolution authorizing the enactment of new tax expenditures shall be referred to the committee of the House of Representatives or the Senate, as the case may be, which has jurisdiction over the activity which such new tax expenditure is intended to affect.

"(d) WAIVER IN THE SENATE.—The provisions of section 402(c) of the Congressional Budget Act of 1974 shall apply to any bill or resolution reported under section 405 of this Act.

"(e) NEW TAX EXPENDITURES.—For purposes of this section, the term 'new tax expenditures' means the enactment of a tax expenditure or the increase of an existing tax expenditure.".

SEC. 3. (a) The amendment made by section 2 of this Act shall take effect on the first day of the first regular session of the Ninety-eighth Congress. Any tax expenditure enacted before the date of enactment of this Act shall be repealed on the earlier of—

(1) the termination date of such tax expenditure, or

(2) December 31, 1992.

(b) The provisions of section 904 of the Congressional Budget Act of 1974 shall apply to section 405 of that Act as added by section 2 of this Act.●

By Mr. HATCH:

S. 583. A bill to limit the jurisdiction of the courts of the United States in matters relating to abortion; to the Committee on the Judiciary.

HUMAN LIFE ANTI-INJUNCTION ACT

Mr. HATCH. Mr. President, I am reintroducing legislation that would limit the jurisdiction of the lower Federal courts to issue any restraining order or temporary or permanent injunction in certain types of cases involving abortion. More precisely, the legislation would prohibit such judicial actions in: First, cases involving or arising out of any Federal or State law or municipal ordinance that prohibits, limits, or regulates abortion; or second, cases involving or arising out of any Federal or State law or municipal ordinance that prohibits, limits, or regulates the provision at public expense of funds, facilities, personnel, or other assistance for the performance of abortions.

This legislation parallels in many respects the Norris-LaGuardia Act (47 Stat. 70, 1932) which imposed similar restrictions upon Federal courts in the area of labor disputes. In *Lauf* v. *Shinner* 303 U.S. 323 (1938), the Supreme Court upheld the constitutionality of the act, observing—

There can be no question of the power of

Congress thus to define and limit the jurisdiction of the inferior courts of the United States.

Having been reaffirmed on a number of occasions (see *Boys Market* v. *Retail Clerks Union*, 398 U.S. 235 (1970)), Lauf is clearly authority for the proposition that there is no inherent power in these courts to issue injunctions in contravention of statutory provisions.

The present legislation is not only similar in structure to the Norris-LaGuardia Act but is motivated by much the same difficulties. In each instance, policies adopted by representative legislative bodies, in important areas of substantive public controversy, have been nullified and overturned by a single appointed Federal judge. Policies that have been adopted through the arduous give and take and compromise of the legislative process have been summarily rejected by individual judges.

The Human Life Anti-Injunction Act would not entirely remove the subject matter jurisdiction over abortion from the Federal courts. It would simply require that injunctions or restraining orders on the matter of abortions—a matter concerning which I and many others would argue individual life is at stake—be issued by the highest and most final court of the land. In addition, State courts would be permitted to issue such orders subject, of course, to State law.

Federal law presently prohibits the issuance of injunctions by Federal courts against nonviolent labor union activities, as well as those impeding utility rate changes. I do not believe that we can tolerate hasty decisionmaking in the area of abortion any more than we can in these areas. Innocent lives have been lost by the tens of thousands while lower court decisions in such cases as *McMaher* v. *Roe*, 432 U.S. 464 (1977), or *McRae* v. *Harris*, No. 79-1268 (1980), have wended their way to the Supreme Court only to have the Court reaffirm an elected legislature's right to refuse to fund abortions. Whatever substantive decisions are ultimately reached by the judicial branch on these issues, I simply do not feel that we can continue to allow the considered judgment of representative bodies to be subordinated during that period of time prior to a high court decision.

I would refer my colleagues to an outstanding article on this subject that I placed in the CONGRESSIONAL RECORD during the last Congress. It is entitled, "A Wink From the Bench: The Federal Courts and Abortion" by Prof. Basile Uddo (Tulane Law Review) and appeared on page S18749 of the December 15, 1979, RECORD. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 583

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, a court of the United States may not issue any restraining order or temporary or permanent injunction in any case—

(a) involving or arising out of any Federal or State law or municipal ordinance that prohibits, limits, or regulates abortion (including any such law or ordinance relating specifically to abortion clinics or persons that provide abortions); or

(b) involving or arising out of any Federal or State law or municipal ordinance that prohibits, limits, or regulates the provision at public expense of funds, facilities, personnel, or other assistance for the performance of abortions.

SEC. 2. As used in this Act, the term "court of the United States" means any court, other than the United States Supreme Court, established by or under Article III of the Constitution of the United States.

By Mr. HATCH:

S. 584. A bill to amend section 1979 of the Revised Statutes (42 U.S.C. 1983), relating to civil actions for the deprivation of rights, to limit the applicability of that statute to laws relating to equal rights; to the Committee on the Judiciary.

S. 585. A bill to provide a special defense to the liability of political subdivisions of States under section 1979 of the Revised Statutes (42 U.S.C. 1983) relating to civil actions for the deprivation of rights; to the Committee on the Judiciary.

MUNICIPAL LIABILITY UNDER SECTION 1983

Mr. HATCH. Mr. President, during the post-Civil War Reconstruction era, the 42d Congress passed the Civil Rights Act of 1871 to protect persons from the deprivation, under the color of State law, "of any rights, privileges, or immunities secured by the Constitution of the United States." The Revised Statutes of the United States enacted in 1874, contained a remedial provision, now 42 U.S.C. 1983, for securing these rights. I am in strong agreement with the intent of these laws—to guarantee to every American the rights secured by the Constitution and laws providing for equal rights. Indeed, I feel one of our most sacred obligations is to insure the constitutional rights of all our citizens.

However, in two cases decided last year, the Supreme Court significantly broadened the interpretation of section 1983 in ways that have little or nothing to do with anyone's constitutional rights but will wreak havoc in the ability of our State and local governments to perform important services to the public.

In the case of *Maine* v. *Thiboutot*, U.S. , 100 S.Ct. 727 (1980), the Court expressly ruled, for the first time ever, that the phrase "and laws" was intended by Congress to provide a section 1983 remedy for deprivations of rights secured by any law of the United States. Civil actions may now be brought against State and local officials under 42 U.S.C. 1983 based on violations of laws which have no relevance whatsoever to deprivations of constitutional or statutory equal rights.

In *Owen* v. *City of Independence*, 445 U.S. 622 (1980), the Court held that local governmental entities may not assert the good faith of their agents as a defense to liability under section 1983 suits. In other words, a local government may be liable in damages for violating a constitutional right that was unknown when the event occurred.

The burdens imposed by these holdings will be onerous. At the very least, our crowded courts will become even more crowded; our tax dollars will increasingly be spent in damage suits instead of providing needed services; further, our State and local governments will be paranoid to the point of paralysis lest their action or inaction be later interpreted as unconstitutional and thus subject to costly damage suits.

The Court has been careful to point out in many of its section 1983 cases, including Owen and Thiboutot, that Congress could, if it chose to do so, modify the statute or limit its application to certain types of statutes. Although the Supreme Court has been far from unimaginative in its section 1983 decisions over the last 20 years, its most recent interpretation of congressional silence compels us to let our voice be heard on this matter.

Mr. President, because the Court's recent rulings, in the cases of Maine against Thiboutot and Owen against City of Independence, involve areas of the law which are better left to Congress than to judicial activism, I wish to introduce some relatively simple, yet important amendments to 42 U.S.C. 1983. I want to emphasize that my amendments will not compromise the intent of section 1983—to provide persons with a remedy for violations of rights secured by the Constitution and laws providing for equal rights.

MAINE VS. THIBOUTOT

The Thiboutots were recipients of AFDC benefits administered by the Maine Department of Human Services. The amount paid to the family was calculated on the number of dependents of Mr. Thiboutot—three children from a previous marriage—rather than on the number of dependents he and his present wife claimed. Their petition for a reassessment of the benefits was based on amounts due them as parents of eight children. The Superior Court of Maine, in an order affirmed by the Supreme Judicial Court of Maine, required the agency to make the requested changes and adopt new policies for similar cases. The supreme judicial court also awarded attorney's fees, 405 A.d 230 (Me. 1979); on appeal, the Supreme Court of the United States affirmed.

The Court observed that the debate over the "scanty legislative history" of section 1983 did not result in a definitive answer on the intended scope of section 1983. Justice Brennan, writing for the majority of the Court, interpreted the "plain language" of section 1983 as providing a broad base for claims arising not only out of violations of constitutional rights, but also out of statutory rights unrelated to equal rights. Such claims are not limited to constitutional rights or equal rights created by statute, reasons Justice Brennan, because the section merely states "and laws" and "Congress attached no modifiers" to explain what type of laws were intended to be covered by the section.

The result is that a cause of action under section 1983 may now rest on the violation or deprivation of any rights secured by any statute. In other words, a disgruntled citizen, feeling that an

official deprived him or her of some benefit under a program provided for by Federal law, may sue that official for damages under section 1983. Prior to this decision, section 1983 cases only involved rights secured by the Constitution and statutes which provided for equal rights. Now the Court has transformed this remedy into a catchall cause of action for the redress of any infringement of statutory rights.

In his dissenting opinion, Justice Powell, joined by the Chief Justice and Justice Rehnquist, stated that the "legislative history alone refutes the Court's interpretation of section 1983," and, further, that "until today this court never had held that section 1983 encompasses all purely statutory claims."

CONSEQUENCES OF THIBOUTOT

Even if we assume that the Court's interpretation of legislative history and legal precedent are correct, an assumption that is questionable at best, the devastating effect of the decision in Thiboutot on our State and local governments would necessitate our action.

Commenting on the ruling in Thiboutot, the Wall Street Journal said that it—

Couldn't do more harm if it were deliberately designed to subvert the federal system and bankrupt cities from coast to coast.

I do not think this statement is too far off the mark.

Justice Powell illustrates the new areas likely to be affected by the Court's extension of liability. I include the appendix to his opinion at this point because of the importance of understanding the extent to which this holding will intrude into the performance of State and local government officials.

Note the wide range of programs included in the list:

A small sample of statutes that arguably could give rise to § 1983 actions after today may illustrate the nature of the "civil rights" created by the Court's decision. The relevant enactments typically fall into one of three categories: (A) regulatory programs in which States are encouraged to participate, either by establishing their own plans of regulation that meet conditions set out in federal statutes, or by entering into cooperative agreements with federal officials; (B) resource management programs that may be administered by cooperative agreements between federal and state agencies; and (C) grant programs in which federal agencies either subsidize state and local activities or provide matching funds for state or local welfare plans that meet federal standards.

A. JOINT REGULATORY ENDEAVORS

1. Federal Insecticide, Fungicide, and Rodenticide Act, 86 Stat. 973 (1972), as amended. 7 U.S.C. §§ 136 et seq.; see, e.g., 7 U.S.C. §§ 136u, 136v.

2. Federal Noxious Weed Act of 1974, 88 Stat. 2148 (1975), 7 U.S.C. §§ 2801–2813; see 7 U.S.C. § 2806.

3. Historic Sites, Buildings, and Antiquities Act, 49 Stat. 666 (1935), as amended, 16 U.S.C. §§ 461–467; see 16 U.S.C. § 462(e).

4. Fish and Wildlife Coordination Act, 48 Stat. 401 (1934), as amended, 16 U.S.C. § 661–666c; see 16 U.S.C. § 661.

5. Anadromous Fish Conservation Act, 79 Stat. 1125 (1965), as amended, 16 U.S.C. § 757a–757d; see 16 U.S.C. § 757a(e).

6. Wild Free-Roaming Horses and Burros Act, 85 Stat. 649 (1971), as amended, 16 U.S.C. §§ 1331–1340; see 16 U.S.C. § 1336.

7. Marine Mammal Protection Act of 1972, 86 Stat. 1027, as amended, U.S.C. §§ 1361–1407; see 16 U.S.C. § 1379.

8. Wagner-Peyser National Employment System Act, 48 Stat. 113 (1933), 29 U.S.C. §§ 49 et seq.; see 29 U.S.C. § 49g (employment of farm laborers).

9. Surface Mining Control and Reclamation Act of 1977, 91 Stat. 447, 30 U.S.C. §§ 1201–1328; see 30 U.S.C. § 1253.

10. Interstate Commerce Act Amendments of 1935, 49 Stat. 548, as amended, 49 U.S.C. § 11502(a)(2) (enforcement of highway transportation law).

B. RESOURCE MANAGEMENT

1. Laws involving the administration and management of national parks and scenic areas: e.g., Act of May 15, 1965, § 6, 79 Stat. 111, 16 U.S.C. § 2die (Nez Perce National Historical Park); Act of Sept. 21, 1959, § 3, 73 Stat. 591, 16 U.S.C. § 410u (Minute Man National Historical Park); Act of Oct. 20, 1972, § 4, 86 Stat. 1302, 16 U.S.C. § 460bb–3(b) (Muir Woods National Monument).

2. Laws involving the administration of forest lands: e.g., Act of March 1, 1911, § 2, 36 Stat. 961, 16 U.S.C. §§ 563; Act of Aug. 29, 1935, ch. 808, 49 Stat. 963, 16 U.S.C. §§ 567a–567b.

3. Laws involving the construction and management of water projects: e.g., Water Supply Act of 1958, § 301, 72 Stat. 319, 43 U.S.C. §§ 390b: Boulder Canyon Project Act, §§ 4, 8, 45 Stat. 1058, 1062 (1928), as amended 43 U.S.C. §§ 617c, 617g; Rivers and Harbors Act of 1899, § 9, 30 Stat. 1151, 33 U.S.C. § 401.

4. National Trails System Act, 82 Stat. 919 (1968), as amended, 16 U.S.C. §§ 1241–1249; see 16 U.S.C. § 1246(h).

5. Outer Continental Shelf Lands Act Amendment of 1978, § 208, 92 Stat. 652, 43 U.S.C. § 1345 (oil leasing).

C. GRANT PROGRAMS

In addition to the familiar welfare, unemployment, and medical assistance programs established by the Social Security Act, these may include:

1. Food Stamp Act of 1964, 78 Stat. 703, as amended, 7 U.S.C. § 2011–2025; see, e.g., 7 U.S.C. § 2020e–2020(g).

2. Small Business Investment Act of 1958, § 602(d)(1), 72 Stat. 698, as amended, 15 U.S.C. §636(d).

3. Education Amendments of 1978, 92 Stat. 2153, as amended, 20 U.S.C. §§ 2701 et seq.; see, e.g., 20 U.S.C. §§ 2734, 2902.

4. Federal-Aid Highway legislation, e.g., 21 U.S.C. §§ 128, 131.

5. Comprehensive Employment and Training Act Amendments of 1978, 92 Stat. 1909, 29 U.S.C. §§ 801 et seq.; see, e.g., 29 U.S.C. §§ 823, 824.

6. United State Housing Act of 1937, as added, 88 Stat. 653 (1974), as amended, 42 U.S.C. § 1437 et seq.; see, e.g., 42 U.S.C. §§ 1437d(c), 1437j.

7. National School Lunch Act, 60 Stat. 230 (1946), as amended, 42 U.S.C. §§ 1751 et seq.; see, e.g., 42 U.S.C. § 1758.

8. Public Works and Economic Development Act of 1965, 79 Stat. 552, as amended, 42 U.S.C. §§3121 et seq.; see, e.g., 42 U.S.C. §§ 3132, 3151a, 3243.

9. Justice System Improvement Act of 1979, 93 Stat. 1167, 42 U.S.C. §§ 3701–3797; see, e.g., 42 U.S.C. §§ 3742, 3744(c).

10. Juvenile Justice and Delinquency Prevention Act of 1974, 88 Stat. 1109, as amended, 42 U.S.C. §§ 5601 et seq.; see, e.g., 42 U.S.C. § 5633.

11. Energy Conservation and Production Act of 1976, 90 Stat. 1125, as amended, 42 U.S.C. §§ 6801 et seq.; see, e.g., 42 U.S.C. §§ 6805, 6836.

12. Developmentally Disabled Assistance and Bill of Rights Act, 89 Stat. 486 (1975), as amended, 42 U.S.C. §§ 6001 et seq.; see, e.g., §§ 6011, 6063.

13. Urban Mass Transportation Act of 1964, 78 Stat. 302, as amended, 49 U.S.C. §§ 1601 et seq.; see, e.g., §§ 1602, 1604(g)(m).

Mr. HATCH. Now, "virtually every * * * program, together with the State officials who administer [them] becomes subject to judicial oversight at the behest of a single citizen, even if such a dramatic expansion of Federal court jurisdiction never would have been countenanced when these programs were adopted." See *Chapman* v. *Houston Welfare Rights Org.*, 441 U.S. 600, 645 (1978), (concurring opinion, Justice Powell).

Ironically, with the expenses of increased litigation and court ordered spending that will accompany this decision, local governments will be less able to implement federal programs than they were before the ruling in Thiboutot. In addition, as if this expanded liability was not enough to invite a deluge of litigation, the Court opened the floodgates further by ruling that attorney's fees are available in any section 1983 action. Thus, there is even more incentive to initiate litigation.

This is not to say that a person should be without remedy when truly deprived; on the contrary, causes of action are provided for by many statutes. When necessary, Congress, not the Courts, should create specific statutory rights such as the remedies included in many of the programs listed by Justice Powell. However, the use of section 1983 as an all-inclusive remedy is not appropriate. Justice Powell summed up the effect of the Thiboutot decision:

No one can predict the extent to which litigation from today's decision will harass state and local officials; nor can one foresee the number of new filings in our already over-burdened courts. But no one can doubt that these consequences will be substantial.

As we all know, our local governments face the problem of providing services to the public with limited budgets. Our State and local governments are already strapped. Why should we leave them in a straitjacket?

PROPOSED AMENDMENT

My amendment to section 1983 would add the words "and by any law providing for equal rights" in the place of the ambiguous and broad "and laws" language. The text would then read:

Every person who, under color of any statute, ordinance, regulation, custom, or usage, of any state or territory, subjects, or causes to be subjected, any citizen of the United States or other person within the jurisdiction thereof to the deprivation of any rights, privileges, or immunities secured by the Constitution and by any law providing for equal rights of citizens or of all persons within the jurisdiction of the United States, shall be liable to the party injured in an action at law, suit in equity, or other proper proceeding for redress.

This wording would provide that section 1983 actions be based on deprivations of those rights secured by the Constitution and by those laws which provide for equal rights. Thus, State and local governments would not face the harassment that is sure to follow the decision in Thiboutot, and, at the same time, the civil rights of individuals will be protected as Congress originally intended.

OWEN VERSUS CITY OF INDEPENDENCE

In this case, a dismissed city police chief sued the city, city manager, and city council for violating his due process rights. The Supreme Court, reversing the court of appeals, held that the city was liable to the police chief because its ordinance allowing his summary dismissal was unconstitutional and went against the Court's holdings in *Roth* v. *Board of Regents*, 408 U.S. 564 (1972) and *Perry* v. *Sindermann*, 408 U.S. 593 (1972). These decisions had been handed down after the actions taken by the city. Therefore, the district court had allowed a good faith defense because the city and its officials could not have anticipated the Supreme Court's future interpretations of constitutional law. The Supreme Court, however, disallowed the good faith defense and held the city liable even though it had no way of predicting the Court's actions. The Court reasoned that since Congress was silent on municipal immunity, no immunity was intended.

Justice Powell, joined by the Chief Justice, Justice Rehnquist, and Justice Stewart, stated in dissent:

This strict liability approach inexplicably departs from this court's prior decisions under section 1983 and runs counter to the concerns of the 42nd Congress when it enacted the statute. The court's ruling also ignores the vast weight of common-law precedent as well as the current state of municipal immunity.

The dissenters also noted that—

Municipalities . . . have gone in two short years from absolute immunity under section 1983 to strict liability.

CONSEQUENCES OF OWEN

Again, even if we accept the questionable use of legislative history and legal precedent, the policy considerations of this ruling force us to act. The ruling is not only unfair in holding a city responsible for violating a right which first came into existence after the city acted, but it is also detrimental in shackling local governments with the need to predict future Federal court decisions. In this ruling, the Court has administered what could be, for many of our local governments, a fatal dose of municipal immobilization.

While the Court could find no reason for any immunity for local governments, it has given numerous reasons for immunity to government officials such as judges, police officers, school board members, prison officials, and prosecutors. In Owen, the Court stated that—

We concluded that overriding considerations of public policy nonetheless demanded that the official be given a measure of protection from personal liability.

The Court's justification for individual immunity was—

That the threat of personal monetary liability will introduce an unwarranted and unconscionable consideration into the decision making process, thus paralyzing the governing official's decisiveness and distorting his judgment on matters of public policy.

Justice Harlan also listed reasons for granting immunity to Government officials:

Officials of government should be free to exercise their duties unembarrassed by the fear of damage suits in respect of acts done in the course of those duties—suits which would consume time and energies which would otherwise be devoted to government service . . . *Barr* v. *Matteo*, 360 U.S. 564.

The Court stated that these considerations did not apply when the damage award comes from the public treasury instead of the official's pocket.

With such reasoning, the Court must assume that our State and local governments are guided by irresponsible individuals who would be prudent with their own money but would not flinch at the risk of depleting the public treasury. This type of official is not characteristic of the men and women I have associated with, in Utah and throughout the country, who take seriously their trust over the taxpayer's money. State and local leaders like these will be forced to continually look over their shoulder and into the mind of the Federal judiciary to determine future decisions—lest ruinous judgments threaten municipal solvency. Each decision must be made with constant consideration of section 1983 liability, and the officials will no doubt feel the pressure of accountability to citizens and colleagues for costly judgments. Also, small towns, were retained counsel is an unaffordable luxury, will now be forced to cut back on some service to try to protect themselves by retaining counsel. Do all these concerns not represent, "an unwarranted and unconscionable consideration into the decisionmaking process?" Since a municipality's actions are essentially the actions of its chief officials and since most of our local officials are conscientious in their stewardship over public funds, I see little logic in distinguishing between the actions of the municipality and the acts of the individual officials; therefore, the dire effects that the Court sees in a lack of immunity for an individual official also apply to the lack of municipal immunity.

The Court also reasoned that the municipality's liability for constitutional violations is a proper concern of its officials. I certainly agree that the constitutional rights of individuals should be of the utmost concern in the decisions of municipalities and that they should be liable for violations of existing constitutional rights, but I do not agree that municipalities should be immobilized by rights that have not been invented yet. I do not think that the Supreme Court itself could predict future constitutional rights—in the Owen case, for example, four justices found no constitutional violation while five found that there was a violation. Local governments will need more than counsel, they will need a crystal ball.

Furthermore, the doctrine of separation of powers provides that some government decisions should be insulated from review by the courts. A costly damage judgment or court-ordered spending, where officials have acted in good faith, represents a needless intrusion into municipal decisionmaking. As Justice Powell noted in Owen:

The allocation of public resources and the operational policies of the government itself are activities that lie peculiarly within the competence of the executive and legislative bodies. When charting those policies, a local official should not have to gauge his employer's possible liability under section 1983 if he incorrectly—though reasonably and in good faith—forecasts the course of constitutional law. Excessive judicial intrusion into such decisions can only distort municipal decision-making and discredit the courts. Qualified immunity would provide presumptive protection for discretionary acts, while still leaving the municipality liable for bad faith or unreasonable constitutional deprivations.

Another problem, as Justice Powell pointed out, is that the Court's decision in this case is completely out of step with the prevailing situation of the law of municipal immunity in the States. Most States have some form of immunity, the most common being a qualified immunity. Only five States practice the form of blanket immunity introduced by the Court in Owen.

Finally, Judge Learned Hand once observed:

To submit all officials, the innocent as well as the guilty to the burden of a trial and to the inevitable danger of its outcome, would dampen the ardor of all but the most resolute, or the most irresponsible, in the unflinching discharge of their duties. Again and again, the public interest calls for action which may turn out to be founded on a mistake, in the face of which an official may later find himself hard put to it to satisfy a jury of his good faith. There must indeed be a means of punishing public officers who have been truant at their duties; but that is quite another matter from exposing such as have been honestly mistaken to suit by anyone who has suffered from their errors. As is so often the case, the answer must be found in a balance between the evils inevitable in either alternative. In this instance it has been thought in the end better to leave unredressed the wrongs done by dishonest officers than to subject those who try to do their duty to the constant dread of retaliation. *Gegoire* v. *Biddle*, 177F. 2d 579, 581. Quoted in *Barr* v. *Matteo*.

PROPOSED AMENDMENT

In its Owen decision, the Court provides for municipal liability because Congress had not provided for municipal immunity. The second amendment which I propose today will provide that municipalities and other political subdivisions of States shall have a good faith defense in section 1983 actions. This new section on the liability of political subdivisions will read:

No civil action may be brought against a political subdivision of a State under this section if the political subdivision acted in good faith with a reasonable belief that the actions of the political subdivision were not in violation of any rights, privileges, or immunities secured by the Constitution or by laws providing for equal rights of citizens or persons.

Section 1983 will continue to allow recovery when there has been an intentional or bad faith violation by the municipality, or, in other words, when officials "knew or should have known that their conduct violated the constitutional norm." (*Procunier* v. *Navarette*, 434 U.S., a 562.) Municipalities will be protected when they have acted in good faith. This amendment strikes an equitable balance between two very important considerations—the constitutional rights of individuals and the ability of local governments to serve all the people.

CONCLUSION

Evidently tired of waiting for Congress to break its silence on the intended scope of 42 U.S.C. 1983, the Supreme Court has rendered decisions in Maine against Thiboutot and Owens against City of Independence which will severely impair the ability of our local governments to serve the people, while doing little for individual constitutional rights. These rulings require that Congress let its voice be heard. Justice Rehnquist foresaw such a need in his dissenting opinion in Monell against City of New York Department of Social Services:

> Only Congress, which has the benefit of the advice of every segment of this diverse nation, is equipped to consider the results of such a drastic change in the law. It seems all but inevitable that it will find it necessary to do so after today's decision. *Monell v. City of New York Department of Social Services*, 436 U.S. 658, 715 (1978) (dissenting opinion).

I therefore urge immediate action to avoid the onerous consequences of the rulings in Thiboutot and Owen by the adoption of these two important amendments to section 1983.

I ask unanimous consent that the text of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 584

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1979 of the Revised Statutes (42 U.S.C. 1983) is amended by striking out "and laws" and inserting in lieu thereof the following: "and by any law providing for equal rights of citizens or of all persons within the jurisdiction of the United States".

S. 585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1979 of the Revised Statutes (42 U.S.C. 1983) is amended by inserting "(a)" before "Every" and by adding at the end thereof the following new subsection:

"(b) No civil action may be brought against a political subdivision of a State under this section if the political subdivision acted in good faith with a reasonable belief that the actions of the political subdivision were not in violation of any rights, privileges, or immunities secured by the Constitution or by laws providing for equal rights of citizens or persons.".

By Mr. HATCH:

S. 586. A bill to amend the Privacy Act of 1974; to the Committee on Governmental Affairs.

S. 587. A bill to amend the Freedom of Information Act and to effect other changes in the law for the purpose of increasing the ability of law enforcement agencies to protect the public security; to the Committee on the Judiciary.

FREEDOM OF INFORMATION ACT AND PRIVACY ACT AMENDMENTS

Mr. HATCH. Mr. President, today I am re-introducing two pieces of legislation from the 96th Congress. First, the Law Enforcement and Public Security Act—would amend the Freedom of Information Act, and the other would amend the Privacy Act. Both bills are designed to enhance the ability of law enforcement agencies to protect the public security.

Over the course of 1977 and 1978, I participated in a series of hearings dealing with the erosion of law enforcement intelligence and the impact that this erosion has had on all aspects of public security—from the physical security of the patient in a hospital to the security of nuclear powerplants. The hearings were held under the auspices, first, of the Senate Subcommittee on Internal Security and, later, under the auspices of the Senate Subcommittee on Criminal Laws and Procedures. In these hearings, we took the testimony of scores of law enforcement officials at the Federal, State, and local levels. A good deal of the testimony had to do with the impact of the Freedom of Information Act and the Privacy Act.

I want to emphasize that I strongly support the basic purposes of these acts. But, it is in the nature of new legislation such as these measures that it is often impossible to predict all future consequences. As often as not, even prudent legislation must be reexamined after a trial period of several years. I believe that the time has come for a reexamination of the privacy legislation now on the books, particularly as it relates to the issue of security in our society.

The law enforcement witnesses whose testimony we took largely agreed on the point that the Freedom of Information Act and Privacy Act had brought important benefits. Among other things, they said that this legislation had assisted in the restoration of public confidence in Government and in criminal justice law enforcement. Witness after witness, however, testified that the Freedom of Information and Privacy Acts have also impaired legitimate law enforcement and intelligence activities. They all recommended that these laws be amended with a view toward striking a better balance between legitimate rights of privacy and equally legitimate ones of law enforcement. Last year, FBI Director Webster formally submitted a carefully drawn set of amendments which he felt were essential to more effective law enforcement.

No one proposes the abolition of the Freedom of Information or Privacy Acts. As Prof. Charles Rice of the Notre Dame Law School observed before the subcommittee:

> What is necessary now is not a dismantling of those statutes but rather corrective surgery to bring them more into line with their original and laudable purpose.

Mr. President, I would like to briefly describe the major provisions of these pieces of legislation.

SECTION 2

As matters now stand, Government agencies are required to respond within 10 days to freedom of information requests. It is universally recognized that this time limit is arbitrary and unachievable with the best of intent. Government agencies today will in most instances acknowledge the receipt of request within 10 days of its arrival. In the very great majority of cases, however, requests take substantially more than 10 days to process. In part, this is because of the serious backlog of requests in most Government agencies; in part, it is due to the fact that those responsible for writing the laws simply failed to take into account the enormous amount of time that would be required to go through files containing sensitive information on a page by page, paragraph by paragraph, word by word basis.

All of the witnesses from Government agencies who testified before the Senate Subcommittee on Internal Security (later the Subcommittee on Criminal Laws and Procedures) were agreed on the point that the 10-day time limit was completely unworkable. The amendment to FOIA suggested in section 2—which closely parallels the recommendations of the FBI on this point—is designed to provide agencies with more realistic time limits in which to respond. The time limit in the case of each request would be prorated against the number of record pages encompassed by the request.

SECTION 4

FOIA exempts certain categories of information from the requirement of release. The purpose of this section is to expand the list of exemptions to cover areas not now exempted by FOIA.

Testimony taken by the Subcommittee on Internal Security established that the U.S. Customs had been obliged to release a roster of women custom inspectors, in response to a request from the Women's Division of the ACLU. DEA also testified that they were concerned that they might have to release rosters of law enforcement personnel—although they said that they would bitterly resist such a release.

The proposed amendment would put a blanket exemption on the release of rosters of law enforcement personnel and the personnel of national intelligence agencies.

Witnesses before the subcommittee also testified that they would favor a blanket prohibition on the release of confidential law enforcement training manuals, investigative handbooks, and manuals dealing with confidential investigative technologies. This is an area where FOIA is ambiguous and subject to varying interpretations. DEA, for example, testified that they had been obliged to release to a felon, serving time in prison on a drug offense, a copy of a confidential DEA manual dealing with methods used by drug traffickers to manufacture liquid hashish.

The proposed amendment provides for a blanket exemption covering all confidential law enforcement training manuals, investigative handbooks, and manuals dealing with confidential investigative technologies.

The subcommittee took much testimony relating to the increasing reluctance of State and local government agencies and of foreign governments to share law enforcement intelligence with the U.S. agencies because of the fear that this information might be disclosed pursuant to a Freedom of Information or Privacy Act request. The proposed amendment seeks to deal with this situation by exempting from disclosure all information received from foreign governments or from State and local government agencies on a confidential basis.

SECTION 5

Under FOIA, requests for information from foreign nations have precisely the same status as requests for information from U.S. citizens. It was pointed out in the course of the subcommittee's hearings that not only could criminal elements in other countries conducting operations in the United States, or tied in with criminal operations in the United States, discover how much Federal law enforcement agencies knew about their activities, but that this provision of the law could also be used to good advantage by members of foreign intelligence agencies. The proposed amendment establishes that "the provision of information to foreign nationals, other than those admitted for legal residence to the United States, shall not be mandatory, but each agency may, at its discretion, promulgate regulations that provide for access to records and the availability of information to foreign nationals and corporate entities."

SECTION 6

Law enforcement agencies have complained that when applicants under FOIA bring court challenges against decisions by law enforcement or intelligence agencies to withhold records on the basis of exemptions specified in FOIA, the court procedure itself has sometimes brought about de facto release of the information they sought to protect. Section 6 seeks to remedy this situation by specifying that in all such cases the court examination of the material for which an exemption is claimed shall take place in camera; and that the court shall maintain under seal any affidavits submitted to the court by a law enforcement or intelligence agency requesting an in camera examination. This parallels one of the basic recommendations of the FBI.

SECTION 7

Point 7 of this section is motivated by the need to protect law enforcement intelligence and to protect informants against the possibility of identification as the result of the release of information under FOIA.

As testimony before the subcommittee established, informants have become a nearly extinct species in consequence of the growing apprehensions about the jeopardy in which they have been placed by FOIA and the Privacy Act. The proposed amendment closely follows the provisions of one of the amendments by FBI Director Webster.

It calls for a blanket ban on the release of records maintained, collected, or used for law enforcement purposes for a period of 10 years after termination of an investigation without prosecution, or for a period of 10 years after prosecution.

This provision will make it much more difficult for criminal elements to utilize FOIA for their own purposes, and will at the same time, when coupled with the other restrictions on the release of information, provide a much higher degree of protection for informants.

SECTION 8

Witnesses before the subcommittee complained that their agencies are in many cases plagued by requests for records that consist primarily of newspaper clippings, magazine articles, court records, and other items which are publicly available, but which now have to be xeroxed and copies sent to the requesting parties.

They also complained about the burden or repetitive requests from the same parties, each request requiring not just an updating of the previous response but the copying of all the material in the file which was not subject to exemption.

Finally, they thought it would be better, even where agency records contain no confidential information obtained from other agencies, that the burden of disclosure be imposed on the originating agency.

To deal with these criticisms of FOIA as it operates today, the proposed amendments, paragraphs 7, 8, and 9 stipulates that:

(i) "In cases in which a portion of a record requested . . . consists of newspaper clippings, magazine articles, court records, or any other item which is public record . . . the agency shall not be required to copy that portion of the record but shall identify such portions by date and source.

(ii) "Any person making a request to an agency for records under . . . shall be required to state in the request the number of previous requests that he or she has made and the date of each such request. No person shall make more than one request per year per agency in any one subject. In any case in which a person makes more than one request on the same subject in consecutive years, the agency shall not be required to copy any portion of the record previously submitted to the requestor. It shall only be required to update the request with information, if any, which has been added to the record since the previous request. Each agency head may promulgate regulations which provide for exceptions to these requirements."

(iii) In any case in which the records requested contain information which has been received on a non-confidential basis from another agency, the agency to which the request is addressed may notify the person seeking access to the records that the information requested is available with the original agency, and the burden of disclosure shall be with the originating agency.

These three provisions are repeated in the second bill which amends the Privacy Act of 1974.

SECTION 9

Under the FOIA and Privacy Acts requestors can be charged for the costs of copying the records for which they have requested access, but not for the other labor involved—which frequently far exceeds the cost of copying. Agencies receive numerous frivolous requests, or requests from high school or junior high school students, or repetitive requests from the same citizen, all of which have to be accorded precisely the same treatment as serious requests coming from serious citizens.

In order to discourage frivolous or repetitive or schoolboy requests, it is proposed in this section that, in addition to the cost of duplication, applicants be charged a flat fee of $10 for processing their request. This will not eliminate all abuses of FOIA—but it will eliminate a significant volume of them.

The same section is repeated in the amendments to the Privacy Act.

SECTION 10

This section, which is to be added to FOIA, has to do with access to criminal background information of prospective employees. Witnesses for the American Society for Industrial Security testified that there is nothing illegal about doing a criminal background check on a prospective employee—but while such information is publicly available at the county courthouse and district court level, it becomes unavailable when the bits and pieces are brought together under Federal control from all over the country.

This makes it possible to lose a criminal background record simply by moving from one part of the country to another. The result of this is that hospitals have no way of knowing whether they are employing applicants who have prior convictions for rape, arson, or drug offences; insurance companies have no way of knowing whether an applicant has a prior conviction for conspiracy to commit fraud; nuclear powerplants have no way of knowing whether applicants have records as terrorists.

Frequently employers will discover that employees have prior criminal background records only at the point where these employees are apprehended and indicted in connection with the commission of some new crime.

The proposed amendment stipulates that Federal law enforcement agencies shall be required, upon request under FOIA, to release criminal background information to prospective employers—subject to two important limitations:

First. Such information shall be available only to prospective employers who are engaged in work which relates to the national security; or in the case of hospitals or nursing homes, gives employees access to drugs or physical access to residents; and

Second. The second qualification has to do with the nature of the information that is to be released. In the interest of protecting young people who may be picked up for pot smoking, shoplifting, or other misdemeanors, all information relating to misdemeanors, under the terms of this provision, are barred from release. With this across-the-board exception, Federal law enforcement agencies shall be required to release records of criminal history information concerning a prospective employee which reflects convictions; pertains to an incident for which the prospective employee is currently within the system of criminal justice, including parole or probation; and reflects arrests for charges, other than misdemeanors, that have not resulted in convictions, but only where there have been three or more arrests.

A word on clause 10(g)(1)(ii). It frequently happens that criminal elements are arrested and indicted a number of times—even many times—on similar or related crimes before they are finally convicted. While one or two arrests without conviction may signify nothing, at the point where there has been a larger series of such arrests, prudence suggests that there is serious reason for concern. Again it is to be emphasized that this provision talks about arrests other than for misdemeanors.

The provision contains a strong stipulation of confidentiality. It provides that criminal background information shall be released to prospective employers on the strict understanding that it is for the use of the employer, and that the release of this information to any third party shall be a violation of the law punishable by a fine of up to $10,000.

SECTION 11

Under the Privacy Act of 1974 and under FOIA applicants may be denied access to the information contained in their files if they are the subject of current investigations. The trouble is that, in invoking this exclusion, responding Government agencies must, in effect, let the applicants know that they are under current investigation. The release of such information to criminal elements obviously undermines the hand of law enforcement. The proposed amendment stipulates that in the interests of not alerting applicants to the fact that they are under criminal investigation, responding law enforcement agencies shall be required to develop a standard form response, applicable both to applicants about whom there is no information and applicants who are the subjects of current investigations.

Mr. President, I earnestly hope that this body will give this legislation the careful attention which it merits. I note that it incorporates all of the major amendments recommended by Director Webster—as well as several additional modifications recommended by a number of the law enforcement officials who testified before the subcommittees. In connection with this legislation, I would strongly urge my colleagues to examine the Criminal Laws Subcommittee's report on "The Erosion of Law Enforcement Intelligence and Its Impact on the Public Security."

I ask unanimous consent that the text of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 552a of title 5, United States Code, is amended by adding at the end thereof the following:

"(r) PUBLIC RECORD.—In any case in which a portion of a record requested under this subsection consists of newspaper clippings, magazine articles, court records, or any other item which is public record or otherwise available, the agency shall not be required to copy that portion of the record but shall identify such portions by date and source.

"(s) REQUEST HISTORY.—Any person making a request to an agency for records under this section shall be required to state in the request the number of previous requests that he or she has made and the date of each such request. No person may make more than one request per year per agency on any general subject. In any case in which a person makes more than one request on the same general subject in consecutive years, the agency shall not be required to copy any portion of the record previously submitted to the requestor but shall only be required to update the request with information, if any, which has been added to the record since the previous request. Each agency head may promulgate regulations which provide for exceptions to the requirements of this paragraph.

"(t) INFORMATION FROM OTHER AGENCIES.—In any case in which the record requested contains information which has been received from another agency and such information has not been received on a confidential basis, the agency may notify the person requesting the record that such information is available with the originating agency and the burden of disclosure under this section shall be with the originating agency.".

SEC. 2. (a) Section 552a(k)(2) of title 5, United States Code, is amended to read as follows:

"(2) subject to the provisions of subsection (u), records maintained, collected, or used for law enforcement purposes, but only to the extent that the production of such law enforcement records would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy or the privacy of a natural person who has been deceased for less than 25 years, (D) tend to disclose the identity of a confidential source, including a State or local government agency or foreign government which furnished information on a confidential basis, and in the case of a record maintained, collected, or used by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, confidential information furnished by the confidential source, (E) disclose investigative techniques and procedures, (F) danger the life or physical safety of any natural person, or (G) disclose information relating to any investigation of organized crime, racketeering, espionage, or any conspiratorial activity specified by the Attorney General;".

(b) Section 552a of such title is amended by adding at the end thereof the following:

"(u) LAW ENFORCEMENT RECORDS.—A law enforcement agency shall not make available any records maintained, collected, or used for law enforcement purposes which pertain to a law enforcement investigation until the date which is—

"(1) 10 years after the termination of any investigation not resulting in prosecution;

"(2) if the person who is the subject of the record has been the subject of two or more investigations not resulting in prosecution, 10 years after the termination of the last investigation; or

"(3) if the person who is the subject of the record has, as a result of an investigation, been convicted and subject to probation or a sentence of imprisonment or fine, 10 years after the termination of probation, the term of imprisonment, or the imposition of the fine, as the case may be.".

SEC. 3. Section 552a(f)(5) of title 5, United States Code, is amended to read as follows:

"(5) provide that each person requesting a record under this section shall be charged a fee of $10 plus the cost of duplication, except that documents shall be furnished without charge or at a reduced charge in any case in which the agency determines that a waiver or reduction of the fee is justified upon a showing of financial hardship.".

SEC. 4. Section 552a(e) of title 5, United States Code, is amended by adding at the end thereof the following: "Each agency which carries out law enforcement functions shall prepare and furnish the same general standardized written response to a person making a request for records under this section both in cases where the agency does not have the records requested and in cases where the records are protected from disclosure because disclosure would reveal that a criminal investigation concerning the person is in progress.".

S. 587

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Law Enforcement and Public Security Act".

AMENDMENTS TO THE FREEDOM OF INFORMATION ACT

SEC. 2. Section 552(a)(6)(A) of title 5, United States Code, is amended—

(1) by striking out clause (i) and inserting in lieu thereof the following:

"(i) within thirty days after receipt of the request, notify the person making the request of such receipt, the number of pages encompassed by the request, and the time limits imposed upon the agency under clause (ii) for responding to the request;

"(ii) determine whether to comply with the request and notify the person making the request of such determination and the reasons therefor, within sixty days from receipt of the request (excepting Saturdays, Sundays, and legal public holidays) if the request encompasses less than two hundred pages of records, with an additional sixty days (excepting Saturdays, Sundays, and legal public holidays) permitted for each additional two hundred pages of records encompassed by the request, up to a maximum period of one year;

"(iii) notify the person making the request of the right of such person to appeal to the head of the agency any adverse determination; and"; and

(2) by redesignating clause (ii) as clause (iv).

SEC. 3. The first and second sentences of section 552(a)(6)(B) of title 5, United States Code, are amended to read as follows: "Any person making a request to any agency for records under paragraph (1), (2), or (3) of this subsection shall be deemed to have exhausted his administrative remedies with respect to such request if the agency fails to comply with the applicable time limit provisions of this paragraph. If the agency can show that exceptional circumstances exist and that the agency is exercising due diligence in attempting to respond to the request, the court shall allow the agency additional time to complete its review of the records.".

SEC. 4. Section 552(b) of title 5, United States Code, is amended—

(1) in paragraph (8), by striking out "or" at the end thereof;

(2) in paragraph (9), by striking out the period and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(10) rosters of law enforcement personnel or of the personnel of any national intelligence agency;

"(11) confidential law enforcement training manuals, investigative handbooks, and manuals dealing with investigative technologies, developed by the department or agency, or developed through research contracts entered into by the department or agency; or

"(12) any information received on a confidential basis from a foreign government or from a State or local government agency.".

SEC. 5. (a) Section 552(c) of title 5, United States Code, is amended—

(1) by inserting "(1)" immediately after "(c)"; and

(2) by adding at the end thereof the following:

"(2) For the purposes of this section, the term 'person' means a 'United States person' as defined by the Foreign Intelligence Surveillance Act of 1978.".

(b) Section 552 of that title is amended by adding at the end thereof the following:

"(f) The head of each agency may promulgate regulations which provide for access to records by, and the availability of information to, foreign nationals and foreign corporate entities under the provisions of this section. This section does not require the provision of information or access to records to foreign nationals or to foreign corporate entities.".

SEC. 6. Section 552(a)(4)(B) of title 5, United States Code, is amended by inserting the following immediately after the second sentence: "If the court examines the contents of any record of a law enforcement or intelligence agency withheld by the agency under any of the exemptions set forth in subsection (b)(1), (b)(3), or (b)(7), the examination shall be in camera. The court shall maintain under seal any affidavit submitted to the court by a law enforcement or intelligence agency to examine in camera.".

SEC. 7. (a) Section 552(b)(7) of title 5, United States Code, is amended to read as follows:

"(7) subject to the provisions of subsection (f), records maintained, collected, or used for law enforcement purposes, but only to the extent that the production of such law enforcement records would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy or the privacy of a natural person who has been deceased for less than twenty-five years, (D) tend to disclose the identity of a confidential source, including a State or local government agency or foreign government which furnished information on a confidential basis, and in the case of a record maintained, collected, or used by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, confidential information furnished by the confidential source, (E) disclose investigative techniques and procedures, (F) endanger the life or physical safety of any natural person, or (G) disclose information relating to any investigation of organized crime, espionage, or any conspiratorial activity specified by the Attorney General;".

(b) Section 552 of such title is amended by adding at the end thereof the following:

"(f) A law enforcement agency shall not make available any records maintained, collected, or used for law enforcement purposes which pertain to a law enforcement investigation until the date which is—

"(1) ten years after the termination of any investigation not resulting in prosecution;

"(2) if the person who is the subject of the record has been the subject of two or more investigations not resulting in prosecution, ten years after the termination of the last investigation; or

"(3) if the person who is the subject of the record has, as a result of an investigation, been convicted and subject to probation or a sentence of imprisonment or fine, ten years after the termination of probation, the term of imprisonment, or the imposition of the fine, as the case may be.".

SEC. 8. Section 552(a) of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(7) In any case in which a portion of a record requested under this subsection consists of newspaper clippings, magazine articles, court records, or any other item which is public record or otherwise available, the agency shall not be required to copy that portion of the record but shall identify such portions by date and source.

"(8) Any person making a request to an agency for records under this section shall be required to state in the request the number of previous requests that he or she has made and the date of each such request. No person may make more than one request per year per agency on any general subject. In any case in which a person makes more than one request on the same general subject in consecutive years, the agency shall not be required to copy any portion of the record previously submitted to the requestor but shall only be required to update the request with information, if any, which has been added to the record since the previous request. Each agency head may promulgate regulations which provide for exceptions to the requirements of this paragraph.

"(9) In any case in which the record requested contains information which has been received from another agency and such information has not been received on a confidential basis, the agency may notify the person requesting the record that such information is available with the originating agency and the burden of disclosure under this section shall be with the originating agency.".

SEC. 9. Section 552(a)(4)(A) of title 5, United State Code, is amended to read as follows:

"(4)(A) Each person requesting a record under this section shall be charged a fee of $10 plus the costs of duplication. Documents shall be furnished without charge or at a reduced charge in any case in which the agency determines that a waiver or reduction of the fee is justified upon showing of financial hardship.".

SEC. 10. (a) Section 552(b) of title 5, United States Code, is amended by striking out "This section does not" and inserting in lieu thereof "Subject to the provisions of subsection (g), this section does not".

(b) Section 552 of such title is amended by adding at the end thereof the following:

"(g)(1) Notwithstanding any provision of subsection (b), upon a written request which otherwise meets the requirements of this section from a prospective employer engaged in (A) production, distribution, research, special studies or other activities related to the national security, or (B) in the case of a hospital or other health care facility, a business which provides employees access to drugs or physical access to patients or residents, a law enforcement agency shall furnish the prospective employer the following criminal history information with respect to a prospective employee:

"(i) Prior convictions other than for misdemeanors, including the date, location, charge, and sentence imposed for each conviction.

"(ii) Prior arrests which have not resulted in conviction, other than for misdemeanors, including date, location, charge, and disposition, if three or more such arrests are reflected in the records.

"(2)(A) If a law enforcement agency has serious reason to believe that a prospective employee is engaging or has been engaged in espionage, terrorist or terrorist support activities, or that such prospective employee is a knowing, active, and purposive member of a group about which the Federal Bureau of Investigation maintains intelligence for national security purposes, the agency, upon a written request which otherwise meets the requirements of this section by any prospective employer, engaged in production, distribution, research, special studies, or other activities related to the national security, shall so inform such prospective employer unless the release of such information might prejudice the national security.

"(B) No information may be released under subparagraph (A) without the approval of the Attorney General or his designee.

"(3) Any information provided to a prospective employer in accordance with this subsection shall be used only by such employer, and the release of such information to any third party by an employer shall be an offense punishable by a fine of not to exceed $10,000.".

SEC. 11. Section 552(b) of title 5, United States Code, is amended by adding at the end thereof the following: "Each agency which carries out law enforcement functions shall prepare and furnish the same general standardized written response for issuance to any person making a request for records under this section to be used both in cases where the agency does not have the records requested and in cases where the records are protected from disclosure because disclosure would reveal that a criminal investigation concerning the person is in progress.".

By Mr. HEINZ:

S. 590. A bill to amend the Energy Security Act by adding a domestic procurement requirement; to the Committee on Energy and Natural Resources.

AMENDMENT OF THE ENERGY SECURITY ACT

● Mr. HEINZ. Mr. President, today I am reintroducing legislation I first proposed late in the 96th Congress to insure that in our development of alternative energy resources under the Energy Security Act, we adhere to a strong Buy American policy so that projects which receive Federal funds or guarantees purchase an appropriate share of U.S. materials.

The Energy Security Act was passed by Congress in an effort to establish American energy independence through the development of alternative energy sources within the United States. It follows as a corollary that the construction and maintenance of these projects should also encourage independence by relying on American materials and labor. However, as projects have begun, we have discovered that some of them have relied in part on foreign materials, at the expense of American labor and industry. During this time of high unemployment, the continued loss of our Nation's technology, materials, and jobs to foreign competition, particularly in the area of federally financed synthetic fuels development, is a matter of grave concern.

One recent case illustrates the problem that confronts us. Last fall a large contract for the production of heavy-gage plate steel, to be used in a synthetic fuels plant, was awarded to a Japanese firm. The Japanese firm, Hitachi, Ltd., had originally bid $10 million for the job, the same as the lowest domestic bidder, Chicago, Bridge, and Iron Works. Yet Hitachi was subsequently allowed to revise its bid, which it reduced to $8 million, largely by lowering its expected transportation costs. As a result of the new bid, Hitachi was awarded the contract to supply 14 gasifier vessels to the American Natural Resource project in Beulah, N. Dak. Fortunately, in this case a compromise was ultimately reached, and the contract award was divided between the domestic and foreign producer, assuring a domestic share of the project.

There is no indication that future synthetic fuel constructors will feel similarly compelled to purchase domestic materials despite the clear economic rationale for doing so. A Congressional Research Service study for example, indicates that the return to the domestic economy, in the form of taxes on domestic purchases, outweighs the savings realized through a foreign purchase unless the offshore price is at least 50-percent below the domestic price.

Mr. President, I ask that that study be included in the RECORD at the conclusion of my remarks.

The threat of continued importation of foreign materials in the construction of synthetic fuels plants makes it essential to assure American participation in the fabrication of major capital equipment for these programs. Such action will prevent the shutdown of essential, high technology, production facilities, the unemployment of skilled workers and the loss of American technological leadership.

Underutilization of America's primary industries cannot continue. The awarding of contracts for the production of synthetic fuels, with over $20 billion to be expended by 1982 and billions more likely to be allocated by 1990, underscores the urgent need to prevent this from occurring again in the future.

Present law authorizing these expenditures contains no special "Buy American" provisions of its own, and to the extent that Federal financing is indirect, as with loan guarantees, the current Buy American Act would not apply either. My legislation seeks to correct this anomaly by establishing the general presumption of domestic procurement with appropriate exceptions for foreign sources such as domestic unavailability or a situation where the foreign bid is substantially lower than the domestic one.

Specifically, the legislation I introduce today seeks to amend the present Energy Security Act by providing that:

Funds authorized under the Energy Security Act or by any Act amended by it and administered as part of the synthetic fuels programs shall not be obligated, authorized or guaranteed where the cost would exceed $500,000, unless such articles, materials and supplies, to be used by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance under this Act, have been mined, produced, and manufactured in the United States.

The above provision would not apply where the administrator of the particular program in question determines that: First, its application would be inconsistent with the public interest; second, supplies of the class or kind to be used in the manufacture of articles, materials or supplies are not mined, produced, or manufactured in the United States in sufficient or reasonably available quantities; third, its application would result in a more than 20 percent increase in cost of the overall project after applying and granting appropriate price adjustment to domestic products based on the portion of the project cost likely to be returned to the United States and to States in the form of tax revenues (25 percent, if the domestic articles, materials, and supplies are produced in a "Substantial Labor Surplus Area" as defined by the U.S. Department of Labor.

In conclusion, I want to emphasize the importance of building a truly independent American synthetic fuels industry. It is essential that we maintain a high level of productivity in our Nation's indispensable, high technology production facilities. Moreover, we must safeguard the continued employment of our skilled workers. These considerations make the establishment of a domestic procurement program in our development new tools and incentives to put some teeth into the Government's lagging debt collection effort. I am happy to have Senator SASSER as a cosponsor.

When I began examining Federal debt collection early last year, I recognized that the Government's failure to collect loans and other debts was a significant area of lost tax dollars—reports at the time indicated that several billion dollars was involved. New reports, which surfaced at a hearing Senator SASSER and I held last November on this issue, however, showed that losses resulting from mismanagement and the absence of basic collection tools were much higher than we ever dreamed—$16 billion according to OMB officials.

In view of these enormous losses, and the mandate we received last November from the American taxpayers to balance the budget, I am sure that my colleagues will agree that sweeping legislative reforms are urgently needed to provide the Federal agencies with new incentives and tools to get on with collecting billions of dollars owed them.

The American taxpayers would be justifiably angry if they knew what little effort is being exerted by Uncle Sam to collect these debts—after all, a dollar owed the Federal Government is a dollar owed the American taxpayer. If the Government could collect the $16 billion that is now overdue, we could send a check for $178 to each and every taxpayer in the United States. We could achieve this significant tax cut, merely by collecting what is already owed, and without slashing any Government program.

OMB STUDY OF DEBT COLLECTION SHOWS MASSIVE LOSSES

In 1979, OMB assigned a special task force to study Federal debt collection. During this review, they uncovered new figures revealing the enormity of the Government's collection problem.

The Federal Government is owed a staggering $175 billion—$126 billion from individuals, businesses, and organizations in the United States and $49 billion from foreign governments. Of the $126 billion owed from domestic sources, loans made by the Government represent most of it: $102 billion, with the remaining $24 billion owed from unpaid taxes, overpayments to beneficiaries, interest, and other sources. Clearly, Uncle Sam operates one of the world's largest lending institutions.

I am sure that a private lending institution would have a difficult time keeping track of the Government's maze of loan programs—there are no less than 358 loan programs run by 24 Federal agencies. The agencies owed the most are the Departments of Agriculture, Treasury, Agency for International Development, and Housing and Urban Development. The Department of Education, the agency receiving most of the attention with regard to debt collection, ranks a distant seventh on this list.

Clearly, the most disturbing information discovered by OMB is the amount of debts going uncollected. While most of the $175 billion owed the Government is due to be repaid over several years, in fiscal 1979 Uncle Sam was due to be paid back $46.9 billion from all sources. Of this amount, $25.3 billion, over 53 percent, was not collected. Government loans due to be repaid that year accounted for $17.7 billion of which at least $6.5, more than one-third, was not paid.

It is not known precisely how much of these debts will ever be collected. Conservative estimates are that at least $6.3 billion will be written off. What is known is that much of what is going uncollected is clearly collectable. In a hearing Senator SASSER and I held last November, OMB officials testified that new reforms in the ways the Government collects its debts could return $16 billion, $10 billion in unpaid taxes and $6 billion in defaulted loans and other debts, to the Treasury.

AGENCIES GEARED TOWARD SPENDING MONEY—NOT COLLECTING IT

Studies of debt collection by OMB, GAO, and congressional committees have concluded that low priority given collections, the absence of accurate information on the performance of agencies in collecting debts, and, most important, the lack of even the most basic collection tools used in the private sector, all combine to make the Federal Government's debt collection record nothing less than shocking and embarrassing.

GOVERNMENTAL AFFAIRS COMMITTEE HEARING REVEALS MISMANAGEMENT

At our November hearing we heard one horror story after another of agencies failing to collect millions of dollars owed them. For example, in the law enforcement education program, we were told that only four employees were assigned to manually service 210,000 student accounts worth over $150 million. Even worse, the $34 million Cuban student loan program, administered by the Department of Education, stopped collections entirely in 1976 to shift employees elsewhere. As a result, the default rate skyrocketed from about $7 million in 1976 to $24 million last year.

It is no wonder why these agencies neglect these programs. There are few requirements imposed on agencies to keep track of how much they are loaning, collecting, and losing. Thus, Congress continues to reappropriate funds year after year without regard for what is lost. For example, when the GAO asked HUD to report on the portion of its $3.7 billion multifamily housing loan program that was delinquent, HUD responded that they had little interest in knowing how much was delinquent and had no system for determining total delinquencies. When GAO finished tallying up the figures, they found that an incredible $500 million was past due.

AGENCIES LACK BASIC COLLECTING TOOLS

Ironically, the Federal Government has the most difficult time collecting debts owed by its own employees. In a match run by the Department of Education to determine how many Federal employees owe them for defaulted student loans, it was found that almost 18,000 Federal employees getting a regular paycheck from Uncle Sam have been identified as student loan defaulters. Although the exact dollar amount is not known, Department of Education officials estimate that the Federal Government is owed about $18 million by its own employees who have defaulted on student loans. Similarly, Federal employees are responsible for $37 million in unpaid debts to the Veterans' Administration. These amounts represent only two agencies—there are hundreds of other loan programs for which we do not know how much is owed by Federal workers.

In the private sector, garnishment of wages is used widely and effectively as a means of collecting unpaid debts. Unfortunately, the Federal Government, unlike the private sector, is prohibited from setting off its employees wages for repayment of a debt except under extremely limited conditions. Thus, for the bulk of debts owed, Uncle Sam is almost powerless in its ability to collect.

Federal agencies are equally powerless in collecting debts from others owing them for defaulted loans. They are unable to use the single most powerful collection tool: Credit reporting.

Private firms, in contrast to the Government, place primary reliance in collecting unsecured debts on aggressive collection backed by the consequences of adversely affecting the debtor's credit rating. When faced with losing one's credit standing, most debtors agree to pay.

State governments have begun using credit reporting and have improved collections significantly. The State of New Jersey, testifying at our hearing, told us that they have doubled their collections, primarily through the use of credit reporting, for example.

The Federal Government is, for the most part, unable to use credit reporting because the Justice Department, contrary to the Comptroller General's opinion, has ruled that any credit bureau which receives data from a Federal agency must abide by the specific requirements of the Privacy Act in handling the data. Credit bureaus, already governed by the Fair Credit Reporting Act, will not accept Federal records under these conditions.

I helped draft the Privacy Act and continue to firmly support it. I do not believe, however, it was the intent of Congress in enacting the Privacy Act to prevent Federal agencies from pursuing well-accepted methods of collecting debts owed them.

Finally, one of the most formidable obstacles to collecting these debts is obtaining current addresses of debtors. Debtors often frustrate collection efforts by moving—for example, the VA reported that of 285,000 new debt claims handled in the first 7 months of 1980, nearly 49,000 debtors, about 17 percent, moved and did not leave forwarding addresses.

By far, the most inexpensive and reliable source of current addresses is the IRS. A recent GAO study found IRS addresses to be about 12 times cheaper, and 5 times more effective than any other locator. Here again, however, legal complications have derailed the Government's attempts to collect its debts.

While the Tax Reform Act of 1976 provides specific authority for the IRS to disclose addresses to other Federal agencies for their debt collection activities, the IRS has interpreted this to mean that agencies may not redisclose these addresses to credit bureaus assisting the Government in collecting debts. This ruling has seriously impaired the ability of the Government to carry out its collection responsibilities. For instance, the VA may be forced to write off a large portion of $100 million in debts owed them because they cannot order credit reports on 45,000 debtors to determine their ability to repay the Government due to this decision.

Furthermore, the Federal Government's effectiveness in using credit bureaus as a collection tool will be limited by this restriction on redisclosure. The Department of Education and Veterans' Administration, just 2 of the 23 Federal agencies having significant outstanding debts, will be unable to refer 670,000 claims for unpaid debts to credit bureaus because of this restriction.

THE DEBT COLLECTION ACT OF 1981

This bill, if enacted, will remove the major obstacles to effective debt collection and reverse the Government's abominable record in this area. It will do the following:

Amend the Privacy Act to allow Federal agencies to refer bad debtor information to commercial credit bureaus. This provision would only allow referral under strictly limited conditions. Before an agency could report debtor information, it would be required to send written notice to the debtor informing him of the name and address of the credit bureau to which the information would be reported, and the specific information to be released. Also, the agency would have to allow a 60-day grace period to permit the debtor, upon his request, to receive a full explanation of his debt and to have his debt reviewed should there be a dispute about any part of it.

Amend the Civil Service Code to permit a Federal employee's salary to be set off for unpaid debts to the Government. Before the employee's salary could be set off, the agency would be required to give proper notice and provide the debtor with an opportunity to dispute the debt or enter into an agreement to repay the debt.

Allow agencies to disclose addresses obtained from the IRS, under strictly limited conditions, to agencies assisting the Government with its debt collection effort.

Finally, require Federal agencies to report fully and accurately to Congress annually on their debts including total receivables, delinquencies, and other information pertaining to their collection efforts. This information is essential if we hope to hold these agencies accountable for their collection record.

In fairness to the taxpayers, who must foot the bill for these enormous losses, I urge that the Congress move expeditously to enact these needed reforms.

I ask unanimous consent that the text of the Debt Collection Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Debt Collection Act of 1981".

By Mr. PERCY (for himself, Mr. SASSER, Mr. HUDDLESTON, Mr. LUGAR, Mr. HAYAKAWA, and Mr. LEVIN):

S. 591. A bill to increase the efficiency of Government-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United States, and to provide additional procedures for the collection of debts of the United States, consistent with the rights of privacy for the United States; to the Committee on Governmental Affairs.

DEBT COLLECTION ACT OF 1981

● Mr. PERCY. Mr. President, today I am reintroducing comprehensive legislation which will give the Federal Govern-

S. 590

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Energy Security Act (Public Law 96-294) is amended by adding at the end thereof the following new title:

"TITLE IX—RESTRICTION OF CERTAIN EXPENDITURES

"GENERAL PROVISION

"SEC. 901. (a) Notwithstanding any other provision of law, no funds authorized by this Act or by any Act amended by this Act and administered as part of this Act shall be obligated, authorized or guaranteed where the cost would exceed $500,000, unless goods, to be used by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance under this section, have been mined, produced, or manufactured in the United States.

"(b) The provisions of subsection (a) of this paragraph shall not apply where the contracting authority determines that—

"(1) the application of such restriction would be inconsistent with the public interest;

"(2) goods of the class or kind to be used in the manufacture of articles, materials or supplies are not mined, produced or manufactured in the United States in sufficient or reasonably available quantities; or

"(3) the application of such restriction would result in a more than 20 percent increase in cost of the articles, materials or supplies after applying and granting appropriate price adjustments to domestic goods based on the portion of the item's cost likely to be returned to the United States and to States in the form of tax revenues.".

(c) For the purposes of subsection (b) 20 percent increase in cost shall be deemed to be 25 percent increase in cost where the domestic goods are produced in a substantial labor surplus area as defined by the Secretary of Labor.●

AMENDMENTS TO TITLE 5 OF THE UNITED STATES CODE

SEC. 2. (a) Section 552a of title 5 of the United States Code is amended—

(1) in subsection (b)(10), by striking out "or";

(2) in subsection (b)(11), by striking out the end thereof and inserting in lieu thereof a semicolon and "or";

(3) by adding at the end thereof the following:

"(12) to a consumer reporting agency, as defined in section 603(f) of the Fair Credit Reporting Act, consistent with the provisions of this section.".

(b) Section 552a of title 5 of the United States Code is further amended in subsection (m) thereof—

(1) by striking out "When an agency provides" and inserting in lieu thereof "(1) Except as provided in paragraph (2), when an agency provides"; and

(2) by adding at the end thereof the following:

"(2) A consumer reporting agency to which a record is disclosed under subsection (b)(12) of this section shall not be considered a contractor for the purposes of this section.".

(c) Section 552a of title 5 of the United States Code is further amended by adding at the end thereof the following:

"(r) Disclosure to a Consumer Reporting Agency.—Whenever the head of an agency or his designee attempts to collect a claim of the United States under section 3(a) of the Federal Claims Collection Act of 1966 (31 U.S.C. 952(a)), the head of the agency or his designee—

"(1) may notify a consumer reporting agency that a person is responsible for a claim if—

"(A) the head of the agency or his designee has sent a written notice to the most recently available address for such person informing such person that the agency intends to notify a consumer reporting agency, in not less than 60 days after sending such notice, that the person is responsible for such claim;

"(B) such notice includes the name and address of the consumer reporting agency that the agency intends to notify, the specific information intended to be released, and a statement of such person's right to a full explanation of the claim and to dispute any information concerning the claim in the records of the agency; and

"(C) such person—

"(i) has not repaid or agreed to repay such claim under a repayment plan which is agreeable to the head of the agency or his designee and is in a written form signed by such person, or

"(ii) has not filed for review of such claim under paragraph (2) of this subsection; and

"(2) shall provide, upon request of any person alleged by the agency to be responsible for such claim, for the review of the obligation of such person, with an opportunity for reconsideration of the initial decision upon review, and under such regulations and procedures as the head of the agency may provide, prior to the notification of any consumer reporting agency under paragraph (1) of this subsection and at such other times as may be permitted by law; and

"(3) shall, prior to the notification under paragraph (1), obtain satisfactory assurances from such consumer reporting agency concerning the compliance of the consumer reporting agency with the Fair Credit Reporting Act and any other Federal law governing the provision of consumer credit information.".

SALARY OFFSET

SEC. 3. (a) The first sentence of section 5514(a) of title 5, United States Code, is amended to read as follows:

"(a)(1) When the head of an agency or his designee determines that an employee of such agency, including civilian agencies and the armed forces or Reserve of the armed forces, is indebted to the United States, the amount of the indebtedness may be collected in monthly installments, or at officially established pay intervals, by deduction from the current pay account of the individual. The deductions may be made from basic pay, special pay, incentive pay, retired pay, retainer pay, or, in the case of an individual not entitled to basic pay, other authorized pay. The amount deducted for any period may not exceed one-half of the pay from which the deduction is made, unless the deduction of a greater amount is necessary to make the collection within the period of anticipated active duty or employment. If the individual retires or resigns, or if his employment or period of active duty otherwise ends, before collection of the amount of the indebtedness is completed, deduction shall be made from later payments of any nature due the individual from the agency concerned.

(b) Such section is amended by adding at the end thereof the following new paragraph:

"(2) Prior to collecting any indebtedness of an individual under paragraph (1), the head of the agency collecting the debt, or his designee, shall provide the individual (A) written notification of the nature and amount of the indebtedness, the agency's intention to offset his salary, and an explanation of his rights pursuant to this subsection, (B) an opportunity to inspect and copy the agency's records with respect to the debt, (C) an opportunity for the review of the determination of the agency with respect to the indebtedness of the individual and (D) an opportunity to enter into a written agreement with the agency, under terms agreeable to the head of the agency or his designee, for the repayment of the debt. The collection of any amount under this section shall be in accordance with the standards promulgated pursuant to the Federal Claims Collection Act of 1966.".

DEBTOR IDENTITY INFORMATION

SEC. 4. Section 6103(m)(2) of the Internal Revenue Code of 1954 is amended to read as follows:

"(2) Federal claims.—

"(A) Upon written request, the Secretary may disclose the mailing address of a taxpayer to officers and employees of an agency directly engaged in carrying out collection activities relating to such taxpayer under the Federal Claims Collection Act of 1966 or other statutory authority for the collection of claims of the United States. Any officer or employee of an agency receiving the mailing address of a taxpayer under the preceding sentence may redisclose such mailing address to any agency employed by the agency to assist in such collection activities. A Consumer Reporting Agency may redisclose such mailing addresses where such redisclosure is in accordance with the Fair Credit Reporting Act."

"(B) For purposes of this paragraph the term 'Consumer Reporting Agency' has the same meaning as in section 603 of the Fair Credit Reporting Act."

REPORT ON AGENCY DEBT COLLECTION ACTIVITIES

SEC. 5. (a) The Director of the Office of Management and Budget, in consultation with the Secretary of the Treasury and Comptroller General of the United States, shall establish regulations requiring each agency with outstanding debts to prepare and transmit to the Director at least once each year a report containing—

(1) the total amount of loans and accounts receivable owed to the agency and when the owed funds are due to be repaid;

(2) the total amount of receivables and number of claims that are at least 30 days past due;

(3) the total amount written off as uncollectable, actual and allowed for;

(4) the rate of interest charged for overdue debts and the amount of interest charged and collected on debts;

(5) the total number of claims and total amount collected;

(6) the total cost to the agency of collecting debts;

(7) the number of claims and the total amount of such claims referred to the Department of Justice for settlement and the number of claims and the total amount of such claims settled by such Department;

(8) for each program or activity administered by the agency, the information described in clauses (1) through (7) of this subsection; and

(9) such other information as the Director finds necessary in order to determine whether the agency is engaging in aggressive action to collect such debts.

(b) The Director shall analyze the reports received by each agency under subsection (a) and shall report annually to the Congress on the management of agency debt collection activities, including the information provided to the Director under subsection (a) above.●

● Mr. SASSER. Mr. President, I am pleased to join my colleague, Senator PERCY, today, in introducing the Debt Collection Act of 1981, a bill that would allow the Federal Government—through the use of commercial credit bureaus and the establishment of improved debt collection practices—to be more efficient, economical and business-like in the management of credit.

To put the situation graphically, unless we can control the problem of burgeoning Federal debts owed to the Federal Government, the problem will, like Moby Dick, consume us first. We need to assemble all the cost-saving weapons possible for a long siege against this leviathan.

One of the most potentially effective weapons at our disposal as we embark upon the first session of the 97th Congress is the Debt Collection Act.

Our target is certainly large enough. Debtors now owe the Federal Government $175 billion. But though our target is large, we have not carelessly constructed our weapon.

It builds upon legislation which Senator PERCY and I introduced last year. It considers very carefully the input of concerned financial officers of the various Federal agencies that lend money to groups and individuals. It reflects the professional input of private sector individuals and organizations most familiar with credit management. It responds to recommendations made by the General Accounting Office.

The GAO, I should point out, has developed considerable expertise on the problems of debt collection and credit management, and has assembled voluminous data which underscore the need for swift and comprehensive action to address the overgrown problem now confronting us.

Addressed also in the Debt Collection Act of 1981 are concerns over individual protections regarding government information and records as outlined in the Privacy Act of 1974. No measure, including this one, should in any way substantively diminish the spirit or intent of this act.

Mr. President, I have referred to this problem of debts owed to the Federal Government as a leviathan—a monster.

I suspect that one of the reasons that Americans are not sufficiently alarmed about the problem is that its vastness has no relevance on our day-to-day lives. That is, it is so large and so overwhelming that we have nothing against which to measure it. The notion that $175 billion is owed the Federal Government is, in effect, beyond the realm of normal comprehension.

So, I would like to put the problem in perspective.

Take the figure, $1 billion. What does it mean? One billion dollars is the amount of money that Federal agencies simply wrote off for fiscal year 1979. One billion dollars—never to be recovered by the Federal Government.

Do you realize that $1 billion represents the total receipts for the first 60 years of the U.S. Government. And in fiscal year 1979, the total receipts of the U.S. Government for its first 60 years of its existence were written off as bad debts—uncollectable.

Take the figure $6.5 billion. What does that represent? According to the Office of Management and Budget, that is probably the smallest amount that will be written off as bad debts for fiscal year 1980. The actual figure could go as high as $12 billion.

But consider the smaller figure—$6.5 billion. Add it to the $1 billion and you have the total receipts of the U.S. Government for nearly its first century.

Just think of that. The first century of our Nation's public finances will have been written off as bad debts, uncollectable.

Or consider it this way. Take that $7.5 billion and consider it in this light. It is about the size of the entire gross national product of Zarie, a sizable resource-rich African nation. Consider that carefully. The U.S. Government is writing off as a bad debt an amount equal to the gross national product of a nation of 25 million people.

Not only that, the American Government's total of bad debts about to be considered as uncollectable exceeds the gross national product of nations like Ecuador, which is a member of OPEC, Syria, Kenya, the Ivory Coast and the oil-rich nation of Qatar.

Entire nations, entire regions and entire countries could be built with what the U.S. Government is simply writing off as a bad debt.

And all of these incredible comparisons, mind you, are with the use of the most conservative estimate of the amount of debt owed the U.S. Government that will be written off.

When one considers that $7.5 billion is but a fraction of the $175 billion that is owed to the Government, the possibilities of relative comparisons are mind-boggling.

Mr. President, these figures and the many reports by the General Accounting Office on governmental debt collection efforts clearly document a history of ineptitude, indifference and indecision.

And now that the new administration has made it clear that severe budget cuts are not possibilities but realities, and that curbing Federal spending is and will be a common denominator in all of its deliberations, we can and must do something about improving our Government's debt collection policies.

Strict credit management and aggressive debt collection policies will realize our Government billions of dollars yearly. It is, perhaps, the cleanest and most cost-efficient technique of any available at providing a quick and reliable source of Federal revenues.

And besides, it is just.

This, Mr. President, is the basic argument for the Debt Collection Act of 1981. As taxpayers, each one of us in this Chamber is penalized every time our Government writes off a debt as uncollectable.

Every taxpayer in Tennessee, every taxpayer in the Nation, is cheated everytime someone or some group cheats on their debt and the Government writes it off.

So, Mr. President, improved debt collection practices such as those that the Debt Collection Act will engender are not only inexpensive and cost-efficient; they are right and just.

And it is in this context that I urge each and every one of you to join Senator PERCY and me in working for quick passage of the Debt Collection Act of 1981.●

By Mr. BENTSEN:

S.J. Res. 37. Resolution proposing an amendment to the Constitution of the United States with respect to the length of the term of Office of the President and Vice President and the number of terms a President may serve; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT TO LIMIT THE PRESIDENT TO ONE 6-YEAR TERM

Mr. BENTSEN. Mr. President, I am introducing legislation today calling for a constitutional amendment limiting the President to a single, 6-year term of office. This concept has been endorsed by the past four Presidents of the United States, and I think we might consider why the single 6-year term is a good idea whose time has come.

The last American President to seek, win and serve two full terms was Dwight David Eisenhower. For a variety of reasons we appear to have entered into an era of one-term Presidents. The tendency today is to give an American President a brief honeymoon and then turn on him with a vengeance when his administration fails to resolve promptly and to our satisfaction some of the most difficult problems in the world.

In my view, 6 years is a more realistic period of time to permit a President to achieve the goals he has established for his administration. I also believe we should go a step further and free the President of the additional time-consuming burdens inhrtnt in running for a second term. Once he is elected to his first term, the incumbent will very likely have to devote at least 1 year out of 4, preparing for reelection. The demands of renomination impose an additional of renomination impose an additional burden that serve to distract the Chief Executive from the prevailing issues and concerns of the Nation. The President is obliged to wear two hats, with the result that his ability to perform effectively as the leader of the Nation and the head of his party, is gradually diminished.

Time that is taken away from management of the Government is only one reason to consider a single 6-year term. During the process of renomination the incumbent becomes subject to the intense lobbying of special interests. The growth and power of single-issue confluences has increased dramatically in the past years. Responding to the narrow demands of these groups to gain additional political support may not be in the interests of the Nation.

Regardless of a President's ultimate intentions, what he does and says becomes subject to intense scrutiny during an election year. Actions taken for the best of reasons become colored with suspicion and distrust. Honest actions will be viewed in a political context, thereby diminishing the prestige of a President elected to represent all the people.

While no one would suggest that we can or should isolate politics from the Office of the President, I do believe that our Presidents will be better able to cope with their enormous responsibilities if they are relieved of the requirement of running for a second term.

Once freed from electoral politics, the President can embark on fulfilling his constitutional mandate, shape and implement his policies and know that he has a full 6 years in which to do the job. This reform would create an environment conductive to policymaking and consistent with the national interest.

The American President's position as a world leader would be strengthened because of the certainty of his 6-year term, which would encourage consistency and long-range policy planning.

Finally, a 6-year term in office can enhance the President's working relationship at home with Congress. In recent decades, we have witnessed an increased tendency toward confrontation between the executive and legislative branches of Government. At a time when both bodies should be consulting and working together to address the critical problems of this Nation. We find ourselves tugging at each others sleeves and denying the American people strong and effective leadership. We can bolster this relationship by giving the President a longer period of time to present, lobby for, and implement his legislative program. At the same time, we in the Congress must work to foster a better relationship with the President and give him a fair opportunity to carry out his programs.

The single term Presidency is not a new idea. It has been an element of public debate throughout our Nation's history, first emerging during the Constitutional Convention in 1787 when it was strongly supported by Thomas Jefferson. While the Founding Fathers finally compromised on a 4-year term of office, the question of unlimited tenure was soundly rejected by the actions of our first President, George Washington who declined to serve a third term. His tradition was observed until 1940.

The limitation on Presidential tenure has been very much a part of our political heritage. With the adoption of the 22d amendment, Congress and the people of the United States affirmed their support for limiting the number of years a President could serve in office. While I agree that such a limitation was needed, I also submit the Nation would have been better served if Congress had adopted a single 6-year term during the debate of the 22d amendment, limiting a President to two 4-year terms.

In introducing a constitutional amendment calling for a fundamental reform, I recognize there are those who will argue that limiting a President to a single term deprives the people of the opportunity to reelect a popular incumbent. To this I would reply that our fundamental concern should be whether he shall be deprived of leadership because an incumbent is forced to spend valuable time seeking reelection.

Throughout the history of this Nation, there has been bipartisan support for a single 6-year term of office of the President. Further, I believe it is significant that those who have advocated limitations on Presidential terms have been formed Chief Executives who have had to grapple with the complex problems of that office. I believe a 6-year Presidential term, if adopted, will launch us in a new era, in which the President will be better equipped to respond with greater vigor and effectiveness to the problems and concerns of the Nation.

Therefore, I ask your support in adopting this amendment to the Constitution and provide the Nation an opportunity to begin a dialog on this important and critical issue. I ask that the accompanying joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 37

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States:

"ARTICLE —

"SECTION 1. The term of office for the President and the Vice President shall be six years. No person otherwise eligible under this Constitution to be President shall be eligible to be President if he has previously been elected to such office, and no person who has held the office of President, or acted as President, for more than three years of a term to which some other person was elected President shall be eligible to be elected to the office of the President.

"SEC. 2. The term of office provided for the President and Vice President by section 1 of this article shall apply to the terms of office of Presidents and Vice Presidents elected after the date on which this Article is ratified.

"SEC. 3. This Article shall be valid only if it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification.".

By Mrs. KASSEBAUM (for herself, Mr. CRANSTON, Mr. BAKER, Mr. BURDICK, Mr. WILLIAMS, Mr. INOUYE, Mr. MATHIAS, Mr. HOLLINGS, Mr. HEFLIN, Mr. DOMENICI, Mr. LEVIN, Mr. GOLDWATER, Mr. CHILES, Mr. DECONCINI, Mr. RANDOLPH, Mr. DOLE, Mr. BAUCUS, Mr. NUNN, Mr. PRYOR, Mr. ABDNOR, Mr. SASSER, Mr. DURENBERGER, Mr. PELL, Mr. MOYNIHAN, Mr. CANNON, Mr. HEINZ, Mr. LUGAR, Mr. MATSUNAGA, and Mr. GRASSLEY):

S.J. Res. 38. Joint resolution to provide for designation of the first Friday of March as "Teacher Day, United States of America"; to the Committee on the Judiciary.

TEACHER DAY, UNITED STATES OF AMERICA

● Mrs. KASSEBAUM. Mr. President, Americans have long recognized the value of education. In my own State of Kansas, for example, schoolhouses were among the first buildings to appear in budding prairie towns. Our Nation was the first to endorse the concept of a free universal education, thereby translating firmly held convictions into a specific public policy.

Without the work and commitment of our Nation's teachers, our goal of bettering the world around us through education could never be met. We all owe a great debt to the men and women who opened our eyes to our capacity to improve our lives and to contribute to the advancement of society as a whole. Not only have teachers provided the inspiration to reach beyond present achievements, but they have also offered us the tools for accomplishing these goals and ambitions.

It is ironic that our most fundamental beliefs are those which we are most likely to take for granted. We simply assume that education for ourselves and our children will be available without thinking about the essential role played by teachers in this process. Too often, the efforts of these dedicated individuals go unappreciated. Although we all have positive memories of those teachers who contributed to our own moral and intellectual growth. We have rarely made the effort to express our gratitude.

Because I feel that it is extremely important that we explicitly recognize the contributions made by our teachers, I am introducing a resolution to designate the first Friday of March as "Teacher Day, United States of America." In sponsoring this resolution, I am pleased to be joined by Senators CRANSTON, BAKER, BURDICK, WILLIAMS, INOUYE, MATHIAS, HOLLINGS, HEFLIN, DOMENICI, LEVIN, GOLDWATER, CHILES, DECONCINI, RANDOLPH, DOLE, BAUCUS, NUNN, PRYOR, ABDNOR, SASSER, DURENBERGER, PELL, MOYNIHAN, CANNON, HEINZ, LUGAR, MATSUNAGA, and GRASSLEY.

By setting aside 1 day each year to honor our Nation's teachers, I feel that we can begin to express our deep gratitude to these individuals for their role in enriching our lives and making possible the fulfillment of our collective goals.●

By Mr. HEINZ (for himself and Mr. SPECTER):

S.J. Res. 39. Joint resolution to authorize and request the President to designate January 17 of each year as "Benjamin Franklin Day"; to the Committee on the Judiciary.

BENJAMIN FRANKLIN DAY

● Mr. HEINZ. Mr. President, today it gives me great pleasure to introduce a joint resolution requesting the President to designate January 17 of each year as "Benjamin Franklin Day" honoring this great American's birthday. The 275th anniversary of his birth which is being celebrated in Philadelphia this year, marks just the beginning of what I hope will be the year Ben Franklin is admitted to the esteemed company of nationally celebrated colonial figures. I would like to take this opportunity to urge the swift passage of this resolution which will insure that posterity commemorates the achievements of Dr. Franklin with appropriate ceremonies and activities on Federal, State, and local levels.

The record of this unique man's public service is rich and varied. Even before this Nation had declared its independence, Franklin was one of the chief spokesmen for the American colonies in their debates with the British monarch and his ministers over self-government. As a leading Pennsylvania citizen, Dr. Franklin was appointed as a delegate to the Second Continental Congress where he was instrumental in the drafting and final passage of the Declaration of Independence.

Beginning in September of 1776, Franklin served in Europe as America's chief diplomat. Through his tireless efforts, he was able to secure financial and military aid from France during the American Revolution.

The statesman Franklin was also one of the American negotiators for the Treaty of Paris which brought a formal end to the hostilities with England and recognition of the 13 former colonies as a sovereign state.

One of Franklin's most important services to our country came while he was a member of the 1787 Constitutional Convention. At the advanced age of 79, Benjamin Franklin helped to frame the U.S. Constitution. Arguing for principles we now so commonly accept, Franklin helped to define the delicate relationship between democratic ideals and institutional soundness which our Constitution so successfully embodies.

As impressive as Benjamin Franklin's public service was, his accomplishments were not restricted to these endeavors. Franklin was also an inventor, author, publisher, and scientist of repute. Many of his ideas are now taken for granted. He invented a type of stove, still manufactured today, as well as the lightning rod and bifocal eyeglasses. In addition to these achievements, he helped to establish institutions such as the fire company, library, insurance company, and hospital. In some cases, these institutions were the first of their kind in colonial America. In many ways, then, Ben Franklin has bequeathed a legacy

that stands as a monument to his imaginative pursuit of a better life for all Americans.

Pennsylvania has long been active in promoting one of its best known and most beloved sons. Spending the better part of his adult life in Philadelphia, Franklin enriched city life with many enjoyable and informative publications such as the Pennsylvania Gazette and Poor Richard's Almanac.

In addition, his service as postmaster, civic leader, scientific innovator, and revolutionary spirit has been a source of pride for all Pennsylvanians. The Franklin Institute, Independence Hall, Franklin Court, and numerous other civic institutions, statues, and monuments in Philadelphia each testify to Franklin's strong influence even today on the social and political life of all Pennsylvania.

With the approach of Philadelphia's landmark 300th anniversary celebration next year, it seems only fitting that its best loved son be commemorated nationally for his profound service and unwavering loyalty to our country.

Franklin exemplified in his own nature the ideals and principles upon which this Nation was built. With the enactment of this resolution we can assure that future generations will continue to remember and pay tribute to a symbol of our country's greatness.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 39

Whereas Benjamin Franklin as an inventor, author, publisher, scientist, and public servant, exemplifies the imagination and ingenuity which contributed greatly to improving the quality of American life throughout its history;

Whereas Benjamin Franklin, as a representative to the Second Continental Congress, was instrumental in the adoption of the Declaration of Independence as both a coauthor and signatory, and as such, is honored as one of our country's foremost patriots and Founding Fathers;

Whereas Benjamin Franklin's tireless efforts in the service of the Nation as a statesman and a diplomat secured the invaluable support of France during the Nation's most trying days;

Whereas Benjamin Franklin, as a delegate to the Constitutional Convention of 1787 and as a signer of the Constitution, helped to insure that the hard won freedoms of the new Nation would be preserved for future generations; and

Whereas Benjamin Franklin was an architect and spokesman for the principles which have become the foundation and basic tenets of American life which still remain applicable today: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate January 17 of each year as "Benjamin Franklin Day" and to call upon Federal, State, and local government agencies, and the people of the United States to observe such day with appropriate programs, ceremonies, and activities.●

By Mr. HATCH:

S.J. Res. 41. Joint resolution proposing an amendment to the Constitution of the United States relating to affirmative action; to the Committee on the Judiciary.

EQUAL PROTECTION AMENDMENT

Mr. HATCH. Mr. President, I am reintroducing a proposed amendment to the Constitution that would prohibit the adoption of so-called affirmative action programs or any other program that establishes quotas or preferential treatment on the basis of race, color, or national origin. I regret the need to introduce this amendment—the equal protection amendment—since I believe that it merely restates what has traditionally been explicit in the 14th amendment to the Constitution. The need arises, however, from the fact that the Federal Judiciary, particularly the Supreme Court, has chosen to interpret this amendment in a manner completely contrary to its language and its intent.

I discussed the problems of affirmative action at some length when I originally introduced this amendment during the last Congress (CONGRESSIONAL RECORD, September 3, 1980, pages 23772–23884 I will not repeat what I said at that time except to emphasize that, in my opinion, there is no public policy with as much potential for undermining the social fabric of this Nation as affirmative action. It represents an assault upon some of the most enduring and permanent values of our Republic. If we simply turn our heads from what is taking place within our society, and permit the institutionalization of affirmative action, I am afraid that we will forever lose sight of a society striving, albeit imperfectly, for a time in which each individual is judged on the basis of personal worth and merit.

At this point, I would simply like to resummarize the provisions of the equal protection amendment. All are fully consistent with traditional notions of the equal protection clause of the 14th amendment and, I believe, with the views of the great majority of the American people of all races.

Section 1 of the proposed amendment establishes the basic principle that neither Congress nor the States are to make or enforce any laws which make distinctions on account of race, color, or national origin. It would insure that public policy in this country is pursued on a genuinely colorblind basis—the traditional goal of the civil rights movement. This provision would clearly render unconstitutional laws such as the Public Works Employment Act (Public Law 95–28, 91 Stat. 116) which established a 10-percent minority set-aside or quota for Federal Public Works contracts. This law was upheld last year by the Supreme Court in *Fullilove* v. *Klutznick* (Docket No. 78–1007).

Section 2 would address the problem dealt with by the Court in the case of *United Steelworkers* v. *Weber*, 443 U.S. 193 (1979). In that decision, the Court purported to interpret title VII of the Civil Rights Act of 1964 which made it an unlawful employment practice for an employer to hire, discharge, or otherwise discriminate against an individual because of race, color, or national origin. Through remarkable judicial sleight of hand, the Court transformed this into language excepting the adoption of preferential hiring programs for racial minorities if adopted "voluntarily" by employers.

What section 2 would clarify is that laws adopted by the Congress or the States which prohibit racial discrimination by private employers shall not be construed to permit the establishment or maintenance by these employers, however voluntary, of any program that makes distinctions on account of race, color, or national origin. Once Congress has chosen to limit the freedom of private individuals to make employment decisions on account of these factors, I do not see the propriety in allowing courts to carve out exceptions with respect to employment decisions for certain races, colors, or national origins. Nor does the concept of permitting voluntary programs of preferential hiring have any justification when we are dealing with laws that are expressly directed at limiting voluntarily adopted practices.

Section 3 of the amendment emphasizes that "goals, quotas, timetables, ratios, or numerical objectives" all fall within the scope of proscribed practices to the extent that they draw distinctions on account of race, color, or national origin. Such practices could neither be adopted voluntarily by the Federal Government or the States, nor imposed upon private individuals or enterprises. They would not be permitted to be adopted voluntarily by persons within the scope of laws that otherwise prohibit discrimination on account of race, color, or national origin.

Section 4 would prohibit the adoption of laws which made illegal actions that have a disparate effect on racial or other covered groups where such actions were not adopted with an intent or purpose of motivation to discriminate. This is a policy in accord with the Supreme Court's interpretation of the equal protection clause in such recent cases as *Washington* v. *Davis*, 426 U.S. 229 (1976); *Arlington Heights* v. *Metropolitan Housing Development Corporation*, 429 U.S. 252 (1977); and *City of Mobile* v. *Bolden*, Docket No. 77–1844 (1980). As the Court noted in the Washington case—

> A law neutral on its face and serving ends otherwise within the power of government to pursue is not invalid under the equal protection clause simply because it may affect a greater proportion of one race than another, 426 U.S. 229, 242.

The need for this provision arises because the Court in the context of title VII of the Civil Rights Act has suggested that proof of discriminatory intent is not required, *Griggs* v. *Duke Power*, 401 U.S. 424 (1971), while lower Federal courts have suggested in the context of title VIII that mere discriminatory effects may suffice to establish a violation, *Arlington Heights* v. *Metropolitan Housing Authority*, 558 F. 2d 1283 (7th Cir. 1977); *Resident Advisory Board* v. *Rizzo*, 564 F. 2d 126 (3d Cir. 1977); *Contra Boyd* v. *Lefrak Organization*, 509 F. 2d 1110 (2d Cir. 1975); *Skillken* v. *Toledo*, 528 F. 2d 86, (6th Cir. 1975). It is the development of the so-called effects test, more than anything else in the area of civil rights law, that has transformed our legitimate Federal antidiscrimination

statutes into social engineering tools for HEW, HUD, the EEOC, and other Federal agencies.

Section 5 of the amendment clarifies that the proscriptions contained in it are not to be circumvented through the adoption of policies which do not make express distinctions on account of race, color, or national origin but which are intended to result in such distinctions. Whether or not such intent exists is, of course, a question of fact that requires consideration of the totality of circumstances that surround some action. There need be no overt expressions of bigotry or prejudice. This would also be true with respect to the intent to discriminate standard established in section 4.

Thus, section 4 establishes that the basic standard for determining civil rights violations is an intent standard, not an effects standard. Section 5 establishes that this standard need not be satisfied by express statements or by express statutory provisions relating to race, color, or national origin.

Section 6—the final substantive section of the amendment—would prohibit judicially imposed affirmative action orders or decrees; that is, all that make distinctions on account of race, color, or national origin, except where necessary to remedy the effects of earlier policies or actions that had been adopted in violation of this amendment. Such a remedy, however, would have to be directed toward persons who have themselves been the objects of such violations, not toward entire classes of persons.

Section 7 would invest authority in Congress and the States to enforce the amendment through appropriate legislation. This is similar to the standard enforcement clause for recent amendments to the Constitution.

Mr. President, I have found that this is an area in which it is extremely difficult to draft a thorough, yet succinct, constitutional amendment. In large part, this is attributable to the penchant of the bureaucracy and the judiciary for circumventing the plain language of other constitutional and statutory enactments. I anticipate changes in some of the specific provisions of this amendment as it is considered by the Senate Judiciary Subcommittee on the Constitution.

Whatever happens to this amendment, I can assure my colleagues that the issue of affirmative action is not one that will quietly go away if we ignore it. Nothing, in my opinion, has more potential for becoming an explosive and divisive issue during the next decade. The incredible amount of response to my introduction of this amendment last year—and the passion of that response—affirms my belief in this. It would be most ironic if the Bicentennial of our Nation's Constitution were marked by indecision in our Nation's commitment to due process and equal protection of the laws for all individual citizens.

I ask unanimous consent that the text of this joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 41

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States:

"ARTICLE—

"SECTION 1. Neither the United States nor any State shall make or enforce any law which makes distinctions on account of race, color, or national origin.

"SEC. 2. All laws of the United States or any State which prohibit discrimination on account of race, color, or national origin by private individuals or enterprises shall not be construed to permit the establishment or maintenance by such private individuals or enterprises of any program or policy that makes distinctions on account of race, color, or national origin.

"SEC. 3. Neither the United States nor any State shall establish or maintain, or require or permit any private individual or enterprise within the scope of section 2 to establish or maintain, goals, quotas, timetables, ratios, or numerical objectives which make distinctions on account of race, color, or national origin.

"SEC. 4. Neither the United States nor any State shall make any law which prohibits any person in the absence of intent to discriminate on account of race, color, or national origin, to take actions, otherwise lawful, which have a disproportionate impact or effect upon individuals on the basis of race, color, or national origin.

"SEC. 5. All limitations in this article upon laws, regulations, orders, programs, or actions which make distinctions on account of race, color, or national origin, shall encompass laws, regulations, orders, programs, or actions which either make express distinctions on account of such race, color, or national origin or which are intended to result in distinctions on such account.

"SEC. 6. No order or decree shall be issued by any court of the United States or any State that makes distinctions on account of race, color, or national origin (except to the extent that such order or decree is necessary to remedy the enforcement of a law by the United States or any State, or the establishment or maintenance of a program or policy by a private individual or enterprise, that is in volation of this article).

"SEC. 7. The Congress and the States shall have power to enforce this article by appropriate legislation.".

ADDITIONAL COSPONSORS

S. 31

At the request of Mr. ARMSTRONG, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 31, a bill to amend the Internal Revenue Code of 1954 with respect to the deduction of certain expenses in connection with the business use of homes and the rental of residences to family members, and for other purposes.

S. 33

At the request of Mr. BURDICK, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 33, a bill to rescind the agricultural commodity export embargo to the Union of Soviet Socialist Republics.

S. 46

At the request of Mr. THURMOND, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 69

At the request of Mr. CANNON, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 69, a bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

S. 200

At the request of Mr. BAKER, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 200, a bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against income tax up to $750 of the cost of purchasing a new highway vehicle.

S. 267

At the request of Mr. DECONCINI, the Senator from South Carolina (Mr. HOLLINGS), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Montana (Mr. BAUCUS), the Senator from Oklahoma (Mr. BOREN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. FORD), the Senator from Texas (Mr. BENTSEN), the Senator from Washington (Mr. JACKSON), the Senator from Vermont (Mr. LEAHY), the Senator from Mississippi (Mr. COCHRAN), the Senator from Utah (Mr. GARN), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 269

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 269, a bill to amend title 28, United States Code, relating to Federal court jurisdiction, and for certain other purposes.

S. 287

At the request of Mr. HEINZ, the Senator from Utah (Mr. GARN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 287, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization

through increased capital investment and expanded employment opportunities.

S. 354

At the request of Mr. PERCY, the Senator from Nebraska (Mr. ZORINSKY), and the Senator from Washington (Mr. GORTON) were added as cosponsors of S. 354, a bill to amend the Export Administration Act of 1979.

S. 396

At the request of Mr. DANFORTH, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 398

At the request of Mr. ARMSTRONG, the Senator from South Dakota (Mr. ABDNOR), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 398, a bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes.

S. 434

At the request of Mr. MATSUNAGA, the Senator from Ohio (Mr. GLENN) was added as a cosponsor of S. 434, a bill to authorize an accelerated research, development, and demonstration program to advance in situ technologies for energy production from underground coal deposits and unconventional gas resources.

S. 440

At the request of Mrs. KASSEBAUM, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 440, a bill to make certain amendments to title 18 relating to bail.

S. 451

At the request of Mr. LEAHY, the Senator from Arkansas (Mr. PRYOR), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 451, a bill to require Federal agencies to take steps to mitigate losses of U.S. agricultural land caused by Federal programs or actions, and for other purposes.

S. 456

At the request of Mr. MATSUNAGA, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 456, a bill to provide for an accelerated program of research, development, and demonstration to achieve the early technology applications for advanced batteries technologies for energy storage, and for other purposes.

S. 498

At the request of Mr. D'AMATO, his name was added as a cosponsor of S. 498, a bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics.

SENATE JOINT RESOLUTION 4

At the request of Mr. BURDICK, the Senator from Arizona (Mr. DECONCINI), the Senator from Wyoming (Mr. WALLOP), the Senator from Maryland (Mr. SARBANES), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of Senate Joint Resolution 4, a joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE JOINT RESOLUTION 9

At the request of Mr. THURMOND, the Senator from Oklahoma (Mr. BOREN), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Colorado (Mr. ARMSTRONG) were added as cosponsors of Senate Joint Resolution 9, a joint resolution proposing an amendment to the Constitution to promote fiscal responsibility.

SENATE JOINT RESOLUTION 10

At the request of Mr. HUDDLESTON, the Senator from Michigan (Mr. LEVIN), the Senator from Arkansas (Mr. PRYOR), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of Senate Joint Resolution 10, a joint resolution to establish a Commission on Presidential Nominations.

SENATE JOINT RESOLUTION 22

At the request of Mr. PROXMIRE, the Senator from Arizona (Mr. DECONCINI), the Senator from Vermont (Mr. LEAHY), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of Senate Joint Resolution 22, a joint resolution authorizing the President to proclaim March 16 of each year as "Freedom of Information Day."

SENATE CONCURRENT RESOLUTION 12—CONCURRENT RESOLUTION EXPRESSING SENSE OF THE SENATE WITH REGARD TO PRESIDENT'S ECONOMIC RECOVERY PROPOSALS

Mr. ROTH (for himself and Mr. PROXMIRE, Mr. PERCY, Mr. MATTINGLY, Mr. RUDMAN, Mr. DURENBERGER, Mr. DANFORTH, Mr. NICKLES, Mrs. HAWKINS, Mr. EAST, Mr. LUGAR, Mr. KASTEN, Mr. ABDNOR, Mr. THURMOND, Mr. HEINZ, Mr. HATCH, Mr. WALLOP, Mr. HUMPHREY, Mr. LAXALT, Mr. SPECTER, Mr. HELMS, Mr. WARNER, Mr. HAYAKAWA, Mr. MCCLURE, Mr. STEVENS, Mr. GARN, Mr. BOSCHWITZ, Mrs. KASSEBAUM, Mr. SCHMITT, Mr. DENTON, Mr. JEPSEN, Mr. SYMMS, Mr. PRESSLER, Mr. COHEN, Mr. ANDREWS, Mr. TOWER, Mr. D'AMATO, Mr. PACKWOOD, Mr. GOLDWATER, Mr. GORTON, Mr. CHAFEE, Mr. GRASSLEY, Mr. SIMPSON, Mr. ARMSTRONG, Mr. COCHRAN, Mr. QUAYLE, Mr. MURKOWSKI, and Mr. NUNN) submitted the following concurrent resolution, which was referred to the Committee on the Budget:

S. CON. RES. 12

Resolved by the Senate (the House of Representatives concurring) expressing the sense of the Congress that Congress shall work its will and take final action no later than May 31, 1981 on the economic recovery proposals which President Reagan presented to the Congress on February 18, 1981.

Whereas inflation as measured by the consumer price index reached a rate of 13.3 percent in 1979 and 12.4 percent in 1980, up from 4.8 percent in 1976.

Whereas short term interest rates have reached 20 percent and home mortgage rates have exceeded 15 percent, two and one-half times 1960 levels;

Whereas almost eight million Americans are unemployed;

Whereas Federal spending has been growing at a rate of 16 percent per year;

Whereas the Federal budget deficit for 1981 is expected to exceed $50 billion;

Whereas the national debt is approaching $1 trillion;

Whereas excessive government regulation is impeding economic growth and reducing productivity; and

Whereas high unemployment and inflation are serious economic problems which require prompt Congressional action: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that Congress shall work its will and final action by the House of Representatives and the Senate shall be taken no later than May 31, 1981 on the economic recovery package which President Reagan presented to the Congress on February 18, 1981.

SENSE OF THE CONGRESS RESOLUTION

● Mr. ROTH. Mr. President, I am today submitting a concurrent resolution expressing the sense of the Congress that Congress shall work its will and take final action no later than May 31, 1981 on the economic recovery proposals which President Reagan presented to the Congress on February 18, 1981. BILL PROXMIRE and 45 of my colleagues are joining me as original cosponsors of this resolution.

Last week the President announced a bold new plan to get our Nation's economy going again. He provided us with the first comprehensive blueprint I have seen from a President in my 14 years in the Congress.

This country is in very serious economic straights. Time is essential if we are to turn our economic nightmare around. Congress must show bold leadership, just as the President has done, if we are to move forward on the road to economic recovery. Indeed, every day that passes without Congress acting on the President's message means more and more misery for millions of Americans. High unemployment and inflation are serious economic problems which require prompt congressional action.

I am hopeful this resolution will receive bipartisan support because the answers to our present problems must be solved in a bipartisan manner. In my judgment, failure to act promptly will lead to disastrous consequences for our country's economy.

The problem is that people are not distinquishing between long-term and short-term solutions. What the President's package tries to do, as I understand it, is to cut Federal spending, reduce the burden of Government, and increase our productivity. And the only way you are going to reduce inflation is by putting more goods on the shelf. The problem is that America is losing both jobs and markets to foreign competition. Every day, every week, every month we delay, it seems to me, we are adversely affecting middle America.

There are some who say we should not enact tax cuts until we balance the budget. Others are arguing just the opposite. I believe our best chance of suc-

cess will come by moving in tandem, both on the proposed spending reductions and the tax cuts. The President used the expression "in lockstep," and that is exactly the way we should move his spending and tax cut proposals through the Congress.

The fact is, the longer we delay putting these policies into effect, the more jobs, the more markets we are losing to foreign competition. By moving forward on the President's proposed tax and spending reductions, we will be creating more jobs, more goods, and lowering the perception of inflation in the long term. The sooner we get started, the faster we will once again meet foreign competition head on in the export markets. We will export products, not jobs, and create more jobs domestically.

The President's proposed budget cuts are intended to be shared evenly and fairly by all Americans in all segments of our economy and society. His tax relief proposal calls for a 10-percent across-the-board tax cut for 3 years. Middle-income taxpayers will receive tax cuts in proportion to what they are paying in taxes. In fact, middle-income Americans, those earning from $15,000 to $60,000 a year, currently bear 66 percent of the Federal tax burden. They will receive 67 percent of the proposed reduction in taxes. In my judgment, this is an eminently fair tax cut, just as Jack Kennedy's was in the sixties.

Almost two decades ago President Kennedy proposed substantial reductions in marginal tax rates in order to do something about American productivity. He proposed reducing taxes from 94 to 70 percent on the high side, and from 20 to 14 percent on the low side. The fact is that enactment of that legislation did not result in the loss of Federal revenues but, if anything, an increase in Government revenues because wealthy individuals took their dollars out of tax shelters and put them into more productive investments.

We should not forget the lessons of the Kennedy years. President Kennedy's advisors told him that there probably would be a $83 billion static revenue loss, were he to persist in cutting rates at the margin.

The facts turned out to be that there was an absolute revenue gain of $56 billion for the Federal Government as a result of the cuts in marginal tax rates. And business and economic growth were stimulated from 1962 until the time of the Vietnam war when our current inflationary cycle started. As President Kennedy said at the time, "A rising tide lifts all boats." That is exactly what happened almost 20 years ago.

I believe the same thing will happen today if President Reagan's tax cut is enacted by the Congress. Some opponents reflect so little faith in the American people. What we are trying to do in the President's economic recovery package is to build some incentives into the system that will reward our work, that will reward our savings. It is most important that the American middle class which is bearing a far greater burden of taxation today than any other time in its history be involved in this program. The longer we delay in enacting this program, the longer it will take to have a beneficial impact on our economy. And even if Congress does enact the President's proposals, even if it does its work early, it may take 2, 3, or 4 years to really get the country moving again.

The sooner we get started on it, the quicker the returns will come in on the positive side.●

SENATE RESOLUTION 84—SUBMISSION OF A RESOLUTION TO AMEND THE STANDING RULES OF THE SENATE

Mr. HATCH submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 84

Resolved, That rule 14 of the Standing Rules of the Senate is amended by adding at the end thereof the following new clause:

"11. The Senate shall neither receive nor consider any bill or resolution unless it contains a statement citing, as precisely as possible, the article, section, paragraph, and clause, or amendment, of the Constitution of the United States which is the basis of authority for the bill or resolution. Statements which cite language contained in the final paragraph of article I, section 8 of the Constitution of the United States shall further specify that language conferring the "powers" to which such paragraph refers.".

Mr. HATCH. Mr. President, this resolution would amend rule 14 of the Standing Rules of the Senate and require that all bills introduced in, or considered by this body contain succinct statements of constitutional authority. Such statements would be expected to cite, as precisely as possible, the article, section, and clause, or amendment, which forms the justification for the exercise of legislative authority contemplated by the bill. Similar legislation has been introduced in the House to amend that body's rules by Representative TOM HAGEDORN.

The purpose of this legislation is simply to insure that each Member of this body gives at least a few moments consideration before he introduces legislation to the fact that our National Government is one of limited and delegated powers. Each exercise of legislative authority by Congress must be affirmatively granted by the Constitution. As the 10th amendment to the Constitution reads:

The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively, or to the people.

I believe that it would be instructive for Members to have to accord these facts at least passing consideration each time they introduce new legislative initiatives.

I have no illusions that this legislation will prove a panacea for the increasing number of legislative actions that some of us consider to be outside Federal legislative authority. Its only purpose is to remind all Members that there is a test for legislation beyond simply determining whether or not it promotes "good" public policy. It is a test to which each of us takes our oath of office.

In this regard, I take the liberty of quoting Representative HAGEDORN who remarks that he has witnessed the introduction of legislation in this body covering such diverse subjects as—

Spaying clinics, oyster producers, zoos, aquariums, home repairs, climate, scholastic sports, boxing, condominiums, seeds, military toys, the calendar, every disease and malady known to mankind, railroad depot art, local property taxes, poet laureates, agriculture halls of fame, fertility, pate fois gras, blood donations, garden tools, burglar prevention devices, summer camps, the arts and humanities, school field trips, travel agents, automobile repairmen, drivers' education, teachers' sabbaticals, temporary employment services, brainwashing cults, urban trees, and polygraphs.

While I do not suggest that each of these areas of endeavor is necessarily an improper one for Federal legislation, I would nevertheless find it interesting to learn the ostensible constitutional basis for legislation in a number of these areas. Let us at least better understand the nature of the Constitution under which Members of this body believe they are operating.

Mr. President, I ask unanimous consent that an excellent column on this legislation by James J. Kilpatrick be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUT DOES THE CONSTITUTION LET US?

(By James J. Kilpatrick)

Congressman Tom Hagedorn, a second-termer from the Second District of Minnesota, has just come up with the year's niftiest idea for improving the quality of federal legislation. I know this is a nifty idea because I have been promoting this same idea off and on for nearly 30 years.

Hagedorn proposes to amend the rules of the House by adding a short paragraph to this effect:

"The House shall not receive or consider any bill or resolution unless it contains a statement citing, as precisely as possible, the article, section, paragraph, and clause, or amendment, of the Constitution of the United States which is the basis of authority for the bill or resolution."

Excellent! Splendid! If such a rule were adopted and enforced, it might accomplish more than any other restraint in curbing our rampant government. Hagedorn has this explanation:

"In the short time that I have served in Congress, I have witnessed legislation being introduced which would regulate, promote or prohibit virtually every area of private human behavior.

"Among a few of the subjects which have been the focus of congressional legislation during that period have been spaying clinics, oyster producers, zoos, aquariums, home repairs, climate, scholastic sports, boxing, condominiums, seeds, military toys, the calendar, every disease and malady known to mankind, railroad depot art, local property taxes, cigarettes, poet laureates, Agriculture Halls of Fame, fertility, pate de foie gras, blood donations, home garden tools, burglar prevention devices, summer camps, the arts and humanities, school field trips, travel agents, automobile repairmen, drivers' education, teachers' sabbaticals, temporary employment services, brainwashing cults, urban trees and polygraphs."

Some of these areas may be areas of valid federal interest; some may not be. Hagedorn's point—it is an old-fashioned point—is that the federal government was created by the states as a government of limited and enumerated powers. Congress has no legislative powers beyond those delegated by the Constitution.

If the Hagedorn Rule had been in effect in 1965, the sponsors of the Arts and Humanities Act might have been hard-pressed to cite any article, section, paragraph or clause of the Constitution that delegates power to Congress to appropriate public funds for these purposes. They would have had to fall back on the power to provide for the general welfare, which in the old-fashioned Madisonian view is no substantive grant of power at all.

If the general welfare clause were intended to grant unlimited powers to the Congress, the enumerated powers would be reduced to so much surplusage. Alexander Hamilton, Justice Story and Justice Roberts to the contrary notwithstanding, the Constitution never was intended to authorize Congress to enact whatever laws the Congress pleases to enact.

The last time I sounded off on these themes, a law professor sent me a hoity-toity letter suggesting that newsmen should stick to the grubby business of the news, and leave constitutional construction to their betters. He read me the lecture on the "flexible" Constitution and the "living" Constitution; he reminded me that if Mr. Jefferson had been a strict constructionist, we never would have consummated the Louisiana Purchase. He chided me for not comprehending that certain powers are "inherent" in the nature of all governments, and need not be spelled out particularly.

Well and good. But the Hagedorn Rule would provide a useful reminder, all the same, of the Constitution the members are sworn to uphold. And the next time a member proposed a bill to regulate the design of canvas tents at summer camps, perhaps the member might draw back. Where's the power?

This is a great proposal, but don't hold your breath until it's added to the rules of the House.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Committee on Energy and Natural Resources. The hearing concerns a bill introduced by request to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program and is scheduled for Monday, March 2, 1981, at 10:30 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony will be received from administration witnesses.

For further information regarding this hearing, you may wish to contact Mr. David Doane at 224-7144.

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. HEINZ. Mr. President, as chairman of the Subcommittee on International Finance and Monetary Policy of the Senate Banking Committee, I am pleased to announce that there will be a hearing on S. 144, the Export Trading Company Act of 1981, on March 5, 1981, in room 5302 Dirksen Senate Office Building, beginning at 9:30 a.m. This bill to promote the formation of export trading companies is the same, with only minor changes, as S. 2718, which passed the Senate last September 3 by a vote of 77 to 0. S. 144 presently has 55 cosponsors. Earlier hearings on this bill were held February 17 and 18.

The Export Trading Company Act is the product of nearly 3 years of concerted effort by the subcommittee, chaired by former Senator Adlai Stevenson, which has held hearings including witnesses from virtually every segment of our economy, from academias, from business people, from labor and consumers, from exporters and importers. Witnesses for the new set of hearings will include representatives of the administration, the Federal Reserve Board, the business and financial communities, and other expert witnesses.

It is my belief that this bill can substantially and permanently expand U.S. exports, particularly by small and medium-sized firms that are presently not involved in exporting.

The legislation would revise Government policies which have tended to discourage formation of U.S. export trading companies in the past. It aims at long-term improvement in America's trade posture through improved export intermediation by private American export traders.

Witnesses testifying at the hearing or submitting statements should direct their comments to the issues raised by S. 144, including but not limited to:

The necessity for bank participation in trading companies;

The circumstances under which banks should be permitted control of trading companies, and what safeguards, if any, are necessary over that control;

Whether an antitrust immunity is necessary to encourage the formation of export trading companies; and

The method of which the antitrust immunity is to attach to the formation of export trading companies.

Witnesses should also comment on how the various sections of S. 144 resolve the above issues and whether, if the legislation were enacted, the financial provisions of the bill are adequate to successfully implement it.

Any questions regarding this hearing should be directed to Dr. Paul Freedenberg, counsel to the subcommittee, 5300 Dirksen Senate Office Building, Washington, D.C. 20510 (202) 224-0891.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. HATCH. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled the following hearings for the months of March and April:

Friday, March 20 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Public Health Categorical Programs (first day).

Thursday, March 26 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Health Professions Education/Nurse Training.

Friday, March 27 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Public Health Categorical Programs (second day).

Tuesday, March 31 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Family Planning.

Wednesday, April 1 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Adolescent Pregnancy.

Wednesday, April 8 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Health Maintenance Organizations.

Wednesday, April 22 at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on Community/Migrant Health Centers and National Health Service Corps.

Persons wishing to testify or submit written statements, please contact: Phyllis Brown or Judy Stefanki, 224-3191, 4228 Dirksen Senate Office Building, of the committee staff.

Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Wednesday, March 4, at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on home health care (S. 234).

Persons wishing to submit written testimony statements, please contact: Judy Stefanki, 224-3191, 4228 Dirksen Senate Office Building, of the committee staff.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Agriculture be authorized to meet during the session of the Senate on Thursday, March 5, to hear a full day of testimony pertaining to the 1981 farm bill.

Mr. President, I ask unanimous consent that the Committee on Agriculture be authorized to meet during the session of the Senate on Thursday, March 12, and Thursday, March 19, to hear testimony on the 1981 farm bill.

ADDITIONAL STATEMENTS

RULES OF PROCEDURE OF THE COMMITTEE ON VETERANS' AFFAIRS

● Mr. SIMPSON. Mr. President, paragraph 2 of rule XXVI of the Standing Rules of the Senate requires each standing, select, or special committee of the Senate, at the beginning of each session, to publish in the CONGRESSIONAL RECORD the rules the committee has adopted to govern procedures within the committee.

On January 30, 1981, the Senate Committee on Veterans' Affairs met in open session and unanimously adopted the committee's rules of procedure. I ask that the rules of the Committee on Veterans' Affairs be printed in the RECORD.

The rules are as follows:

RULES OF PROCEDURE OF THE COMMITTEE ON VETERANS' AFFAIRS

I. Meetings—(a) Unless otherwise ordered, the committee shall meet on the first Wednesday of each month. The chairman may, upon proper notice, call such additional meetings as he deems necessary.

(b) Except as provided in subparagraphs (b) and (d) of paragraph 5 of rule XXVI of the Standing Rules of the Senate, meetings of the committee or a subcommittee shall be open to the public.

(c) The chairman of the committee or of a subcommittee, or the vice chairman in the absence of the chairman, or the ranking majority member present in the absence of

the vice chairman, shall preside at all meetings.

(d) No meeting of the committee or any subcommittee shall be scheduled except by majority vote of the committee or by authorization of the chairman of the committee.

(e) The committee shall notify the office designated by the Committee on Rules and Administration of the time, place, and purpose of each meeting. In the event such meeting is canceled, the committee shall immediately notify such designated office.

II. Quorums—(a) Subject to the provisions of paragraph (b), seven members of the committee and four members of a subcommittee shall constitute a quorum for the reporting of approving of any measure or matter or recommendation. Four members of the committee or a subcommittee shall constitute a quorum for purposes of transacting any other business.

(b) In order to transact any business at a committee or subcommittee meeting, at least one member of the minority shall be present. If, at any meeting, business cannot be transacted because of the absence of such a member, the matter shall lay over for a calendar day. If the presence of a minority member is not then obtained, business may be transacted by the appropriate quorum.

(c) One member shall constitute a quorum for the purpose of receiving testimony.

III. Voting—(a) Votes may be cast by proxy. A proxy may be written or oral, and may be conditioned by personal instructions. A proxy shall be valid only for the day given except that a written proxy may be valid for the period specified therein.

(b) There shall be a complete record kept of all committee action. Such record shall contain the vote cast by each member of the committee on any question on which a "yea" and "nay" vote is requested.

IV. Subcommittees—(a) No member of the committee may serve on more than two subcommittees. No member of the committee shall receive assignment to a second subcommittee until all members of the committee, in order of seniority, have chosen assignments to one subcommittee.

(b) The committee chairman and the ranking minority member shall be ex officio nonvoting members of each subcommittee of the committee.

(c) Subcommittees shall be considered de novo whenever there is a change in committee chairmanship and, in such event, subcommittee seniority shall not necessarily apply.

(d) Should a subcommittee fail to report back to the committee on any measure within a reasonable time, the chairman may withdraw the measure from such subcommittee and so notify the committee for its disposition.

V. Hearings and Hearing Procedures—(a) Except as specifically otherwise provided, the rules governing meetings shall govern hearings.

(b) At least 1 week in advance of the date of any hearing, the committee or a subcommittee shall undertake, consistent with the provisions of paragraph 4 of rule XXVI of the Standing Rules of the Senate, to make public announcement of the date, place, time, and subject matter of such hearing.

(c) The committee or a subcommittee shall require each witness who is scheduled to testify at any hearing to file 40 copies of such witness' testimony with the committee not later than 48 hours prior to the witness' scheduled appearance unless the chairman and ranking minority member determine there is good cause for failure to do so.

(d) The presiding officer at any hearing is authorized to limit the time allotted to each witness appearing before the committee or subcommittee.

VI. General—All applicable requirements of the Standing Rules of the Senate shall govern the committee and its subcommittees.

VII. Presidential Nominations—Each Presidential nominee whose nomination is subject to Senate confirmation and referred to this committee shall submit a statement of his or her background and financial interests, including the financial interests of his or her spouse and of children living in the nominee's household, on a form approved by the committee which shall be sworn to as to its completeness and accuracy. The committee form shall be in two parts—

(A) information concerning employment, education, and background of the nominee which generally relates to the position to which the individual is nominated, and which is to be made public; and

(B) information concerning financial and other background of the nominee, to be made public when the committee determines that such information bears directly on the nominee's qualifications to hold the position to which the individual is nominated.

Committee action on a nomination, including hearings or a meeting to consider a motion to recommend confirmation, shall not be initiated until at least five days after the nominee submits the form required by this rule unless the chairman, with the concurrence of the ranking minority member, waives this waiting period.

VIII. Amendments to the Rules—The rules of the committee may be changed, modified, amended, or suspended at any time, provided, however, that not less than a majority of the entire membership so determine at a regular meeting with due notice, or at a meeting specifically called for that purpose. The rules governing quorums for reporting legislative matters shall govern rules changes, modifications, amendments, or suspension.●

RULES OF THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, in accordance with the requirement to publish the rules of each Senate committee in the RECORD not later than March 1 of each year, I submit the procedural rules of the select committee.

The procedural rules are as follows:

RULES OF PROCEDURE, SELECT COMMITTEE ON ETHICS

RULE 1. GENERAL PROCEDURES

(a) Officers: The Committee shall select a Chairman and a Vice Chairman from among its members. In the absence of the Chairman, the duties of the Chair shall be filled by the Vice Chairman or, in the Vice Chairman's absence, a Committee member designated by the Chairman.

(b) Procedural Rules: The basic procedural rules of the Committee are stated as a part of the Standing Orders of the Senate in Senate Resolution 338, 88th Congress, as amended, as well as other resolutions and laws. Supplementary Procedural Rules are stated herein and are hereinafter referred to as the Rules. The Rules shall be published in the Congressional Record not later than thirty days after adoption, and copies shall be made available by the Committee office upon request.

(c) Meetings:

(1) The regular meeting of the Committee shall be the first Thursday of each month while the Congress is in session.

(2) Special meetings may be held at the call of the Chairman or Vice Chairman if at least forty-eight hours notice is furnished to all members. If all members agree, a special meeting may be held on less than forty-eight hours notice.

(3)(A) If any member of the Committee desires that a special meeting of the Committee be called, the member may file in the office of the Committee a written request to the Chairman or Vice Chairman for that special meeting.

(B) Immediately upon the filing of the request the Clerk of the Committee shall notify the Chairman and Vice Chairman of the filing of the request. If, within three calendar days after the filing of the request, the Chairman or the Vice Chairman does not call the requested special meeting, to be held within seven calendar days after the filing of the request, any three of the members of the Committee may file their written notice in the office of the Committee that a special meeting of the Committee will be held at a specified date and hour; such special meeting may not occur until forty-eight hours after the notice is filed. The Clerk shall immediately notify all members of the Committee of the date and hour of the special meeting. The Committee shall meet at the specified date and hour.

(d) Quorum:

(1) A majority of the members of the Select Committee shall constitute a quorum for the transaction of business involving complaints and allegations of misconduct, including the consideration of matters involving sworn complaints, unsworn allegations or information, resultant preliminary inquires, initial reviews, investigations, hearings, recommendations or reports and matters relating to Senate Resolution 400, agreed to May 19, 1976.

(2) Three members shall constitute a quorum for the transaction of the routine business of the Select Committee not covered by the first subparagraph of this paragraph, including requests for opinions and interpretations concerning the Code of Official Conduct or any other statute or regulation under the jurisdiction of the Select Committee, if one member of the quorum is a Member of the Majority Party and one member of the quorum is a Member of the Minority Party. During the transaction of routine business any member of the Select Committee, constituting the quorum shall have the right to postpone further discussion of a pending matter until such time as a majority of the members of the Select Committee are present.

(3) The Select Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(e) Order of Business: Questions as to the order of business and the procedure of the Committee shall in the first instance be decided by the Chairman and Vice Chairman, subject to reversal by a vote by a majority of the Committee.

(f) Hearings Announcements: The Committee shall make public announcement of the date, place and subject matter of any hearing to be conducted by it at least one week before the commencement of that hearing, and shall publish such announcement in the Congressional Record. If the Committee determines that there is good cause to commence a hearing at an earlier date, such notice will be given at the earliest possible time.

(g) Open and Closed Committee Meetings: Meetings of the Committee shall be open to the public or closed to the public (executive session), as determined under the provisions of paragraphs 5(b) to (d) of Rule XXVI of the Standing Rules of the Senate. Executive session meetings of the Committee shall be closed except to the members and the staff of the Committee. On the motion of any member, and with the approval of a majority of the Committee members present, other individuals may be admitted to an executive session meeting for a specified period or purpose.

(h) Record of Testimony and Committee Action: An accurate stenographic or transcribed electronic record shall be kept of all Committee proceedings, whether in executive or public session. Such record shall include Senators' votes on any question on which a recorded vote is held. The record of a witness' testimony, whether in public or executive session, shall be made available for inspection to the witness or his counsel under Committee supervision; a copy of any testimony given by that witness in public session, or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session, shall be made available to any witness if he so requests. (See Rule 6 on Procedures for Conducting Hearings.)

(i) Secrecy of Executive Testimony and Action and of Complaint Proceedings:

(1) All testimony and action taken in executive session shall be kept secret and shall not be released outside the Committee to any individual or group, whether governmental or private, without the approval of a majority of the Committee.

(2) All testimony and action relating to a sworn complaint shall be kept secret and shall not be released by the Committee to any individual or group, whether governmental or private, except the respondent, without the approval of a majority of the Committee, until such time as a report to the Senate is required under Senate Resolution 338, 88th Congress, as amended, or unless otherwise permitted under these Rules. (See Rule 9 on Procedures for Handling Committee Sensitive and Classified Materials.)

(j) Release of Report to Public: No information pertaining to, or copies of any Committee report, study, or other document which purports to express the views, findings, conclusions or recommendations of the Committee in connection with any of its activities or proceedings may be released to any individual or group whether governmental or private, without the authorization of the Committee. Whenever the Chairman or Vice Chairman is authorized to make any determination, then the determination may be released at his or her discretion. Each member of the Committee shall be given a reasonable opportunity to have separate views included as part of any Committee report. (See Rule 9 on Procedures for Handling Committee Sensitive and Classified Materials.)

(k) Ineligibility or Disqualification of Members and Staff:

(1) A member of the Committee shall be ineligible to participate in any Committee proceeding that relates specifically to any of the following:

(A) The member's own conduct;

(B) The conduct of any employee or officer that the member supervises, as defined in paragraph 11 of Rule XXXVII of the Standing Rules of the Senate;

(C) The conduct of any employee or any officer that the member supervises; or

(D) A complaint, sworn or unsworn, that was filed by a member, or by any employee or officer that the member supervises.

(2) If any Committee proceeding appears to a member of the Committee in a manner described in subparagraph (1) of this paragraph, the staff shall prepare a report to the Chairman and Vice Chairman. If either the Chairman or the Vice Chairman concludes from the report that it appears that the member may be ineligible, the member shall be notified in writing of the nature of the particular proceeding and the reason that it appears that the member may be ineligible to participate in it. If the member agrees that he or she is ineligible, the member shall so notify the Chairman or Vice Chairman. If the member believes that he or she is not ineligible, he or she may explain the reasons to the Chairman and Vice Chairman, and if they both agree that the member is not ineligible, the member shall continue to serve. But if either the Chairman or Vice Chairman continues to believe that the member is ineligible, while the member believes that he or she is not ineligible, the matter shall be promptly referred to the Committee. The member shall present his or her arguments to the Committee in executive session. Any contested questions concerning a member's eligibility shall be decided by a majority vote of the Committee, meeting in executive session, with the member in question not participating.

(3) A member may also disqualify himself from participating in a Committee proceeding in other circumstances not listed in subparagraph (k)(1).

(4) The President of the Senate shall be given written notice of the ineligibility or disqualification of any member from an initial review, investigation, or other proceeding requiring the appointment of another member in accordance with subparagraph (k)(5).

(5) Whenever a member of the Committee is ineligible to participate in or disqualifies himself from participating in any initial review, investigation, or other substantial Committee proceeding, another Member of the Senate who is of the same party shall be appointed by the Senate in accordance with the provisions of paragraph 1 of Rule XXIV of the Standing Rules of the Senate, to serve as a member of the Committee solely for the purposes of that proceeding.

(6) A member of the Committee staff shall be ineligible to participate in any Committee proceeding that the staff director or outside counsel determines relates specifically to any of the following:

(A) the staff member's own conduct;

(B) the conduct of any employee that the staff member supervises;

(C) the conduct of any Member, officer or employee for whom the staff member has worked for any substantial period; or

(D) a complaint, sworn or unsworn, that was filed by the staff member. At the direction or with the consent of the staff director or outside counsel, a staff member may also be disqualified from participating in a Committee proceeding in other circumstances not listed above.

(l) Recorded Votes: Any member may require a recorded vote on any matter.

(m) Proxies; Recording Votes of Absent Members:

(1) Proxy voting shall not be allowed when the question before the Committee is the initiation or continuation of an initial review or an investigation, or the issuance of a report or recommendation related thereto concerning a Member or officer of the Senate. In any such case an absent member's vote may be announced solely for the purpose of recording the member's position and such announced votes shall not be counted for or against the motion.

(2) On matters other than matters listed in paragraph (m)(1) above, the Committee may order that the record be held open for the vote of absentees or recorded proxy votes if the absent Committee member has been informed of the matter on which the vote occurs and has affirmatively requested of the Chairman or Vice Chairman in writing that he be so recorded.

(3) All proxies shall be in writing, and shall be delivered to the Chairman or Vice Chairman to be recorded.

(4) Proxies shall not be considered for the purpose of establishing a quorum.

(n) Approval of Blind Trusts and Foreign Travel Requests Between Sessions and During Extended Recesses:

During any period in which the Senate stands in adjournment between sessions of the Congress or stands in a recess scheduled to extend beyond fourteen days, the Chairman and Vice Chairman, or their designees, acting jointly, are authorized to approve or disapprove blind trusts under the provision of Rule XXXIV, and to approve or disapprove foreign travel requests which require immediate resolution.

(o) Committee Use of Services or Employees of Other Agencies and Departments:

With the prior consent of the department or agency involved, the Committee may (1) utilize the services, information, or facilities of any such department or agency of the Government, and (2) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee, the Committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the Chairman and Vice Chairman of the Committee, acting jointly, determine that such action is necessary and appropriate.

RULE 2: PROCEDURES FOR SWORN COMPLAINTS

(a) Sworn Complaints: Any person may file a sworn complaint with the Committee, alleging that any Senator, or officer, or employee of the Senate has violated a law, the Senate Code of Official Conduct, or any rule or regulation of the Senate relating to the conduct of any individual in the performance of his or her duty as a Member, officer, or employee of the Senate, or has engaged in improper conduct which may reflect upon the Senate.

(b) Form and Content of Complaints: A complaint filed under paragraph (a) shall be in writing and under oath, and shall set forth in simple, concise and direct statements:

(1) The name and legal address of the party filing the complaint (hereinafter, the complainant);

(2) The name and position or title of each Member, officer, or employee of the Senate who is specifically alleged to have engaged in the improper conduct or committed the violation (hereinafter, the respondent);

(3) The nature of the alleged improper conduct or violation, including if possible, the specific provision of the Senate Code of Official Conduct or other law, rule, or regulation alleged to have been violated.

(4)(A) A statement of the facts within the personal knowledge of the complainant that are alleged to constitute the improper conduct or violation.

(B) The term "personal knowledge" is not intended to and does not limit the complainant's statement to situations that he or she personally witnessed or to activities in which the complainant was a participant.

(C) Where allegations in the sworn complaint are made upon the information and belief of the complainant, the complaint shall so state, and shall set forth the basis for such information and belief.

(5) The complainant must swear that all of the information contained in the complaint either (a) is true, or (b) was obtained under circumstances such that the complainant has sufficient personal knowledge of the source of the information reasonably to believe that it is true. The complainant may so swear either by oath or by solemn affirmation before a notary public or other authorized official.

(6) All documents in the possession of the complainant relevant to or in support of his or her allegations may be appended to the complaint.

(c) Processing of Sworn Complaints:

(1) When the Committee receives a sworn complaint against a Member, officer or employee of the Senate, it shall determine by majority vote whether the complaint is in substantial compliance with paragraph (b) of this rule.

(2) If it is determined by the Committee that a sworn complaint does not substantially comply with the requirements of paragraph (b), the complaint shall be returned promptly to the complainant, with a statement explaining how the complaint fails to comply and a copy of the rules for

filing sworn complaints. The complainant may re-submit the complaint in the proper form. If the complaint is not revised so that it substantially complies with the stated requirements, the Committee may in its discretion process the complaint in accordance with Rule 3.

(3) A sworn complaint against any Member, officer, or employee of the Senate that is determined by the Committee to be in substantial compliance shall be transmitted to the respondent within five days of that determination. The transmittal notice shall include the date upon which the complaint was received, a statement that the complaint conforms to the applicable rules, a statement that the Committee will immediately begin an initial review of the complaint, and a statement inviting the respondent to provide any information relevant to the complaint to the Committee. A copy of the Rules of the Committee shall be supplied with the notice.

RULE 3: PROCEDURES ON RECEIPT OF ALLEGATIONS OTHER THAN A SWORN COMPLAINT; PRELIMINARY INQUIRY

(a) Unsworn Allegations or Information: Any member or staff member of the Committee shall report to the Committee, and any other person may report to the Committee, any credible information available to him or her that indicates that any named or unnamed Member, officer or employee of the Senate may have—

(1) violated the Senate Code of Official Conduct;

(2) violated a law;

(3) violated any rule or regulation of the Senate relating to the conduct of individuals in the performance of their duties as Members, officers, or employees of the Senate; or

(4) engaged in improper conduct which may reflect upon the Senate. Such allegations or information may be reported to the Chairman, the Vice Chairman, a Committee member, or a Committee staff member.

(b) Sources of Unsworn Allegations or Information: The information to be reported to the Committee under paragraph (a), may be obtained from a variety of sources, including but not limited to the following:

(1) sworn complaints that do not satisfy all of the requirements of Rule 2;

(2) anonymous or informal complaints, whether or not satisfying the requirements of Rule 2;

(3) information developed during a study or inquiry by the Committee or other committees or subcommittees of the Senate, including information obtained in connection with legislative or general oversight hearings;

(4) information reported by the news media; or

(5) information obtained from any individual, agency or department of the executive branch of the Federal Government.

(c) Preliminary Inquiry:

(1) When information is presented to the Committee pursuant to paragraph (a), it shall immediately be transmitted to the Chairman and the Vice Chairman, for one of the following actions.

(A) The Chairman and Vice Chairman, acting jointly, may conduct or may direct the Committee staff to conduct, a preliminary inquiry.

(B) The Chairman and Vice Chairman, acting jointly, may present the allegations or information received directly to the Committee for it to determine whether an initial review should be undertaken. (See paragraph (d).)

(2) A preliminary inquiry may include any inquiries or interviews that the Chairman and the Vice Chairman deem necessary or appropriate. In particular, the preliminary inquiry may seek independent credible evidence that tends to corroborate the information received and may also include discussions or correspondence with the complainant, if any, and the respondent, if any.

(3) At the conclusion of a preliminary inquiry, the Chairman and Vice Chairman shall receive a full report of its findings. The Chairman and Vice Chairman, acting jointly, shall then determine what further action, if any, is appropriate in the particular case, including any of the following:

(A) No further action is appropriate, because the alleged improper conduct or violation is clearly not within the jurisdiction of the Committee;

(B) No further action is appropriate, because there is no reason to believe that the alleged improper conduct or violation may have occurred; or

(C) The unsworn allegations or information, and a report on the preliminary inquiry, should be referred to the Committee, to determine whether an initial review should be undertaken. (See paragraph (d).)

(4) If the Chairman and the Vice Chairman are unable to agree on a determination at the conclusion of a preliminary inquiry, then they shall refer the allegations or information to the Committee, with a report on the preliminary inquiry, for the Committee to determine whether an initial review should be undertaken. (See paragraph (d).)

(5) A preliminary inquiry shall be completed within sixty days after the unsworn allegations or information were received by the Chairman and Vice Chairman. The sixty day period may be extended for a specified period by the Chairman and Vice Chairman, acting jointly. A preliminary inquiry is completed when the Chairman and the Vice Chairman have made the determination required by subparagraphs (3) and (4) of this paragraph.

(d) Determination Whether to Conduct an Initial Review: When information or allegations are presented to the Committee by the Chairman and the Vice Chairman, the Committee shall determine whether an initial review should be undertaken.

(1) An initial review shall be undertaken when—

(A) there is reason to believe on the basis of the information before the Committee that the possible improper conduct or violation may be within the jurisdiction of the Committee; and

(B) there is reason to believe on the basis of the information before the Committee that the improper conduct or violation may have occurred.

(2) The determination whether to undertake an initial review shall be made by recorded vote within thirty days following the Committee's receipt of the unsworn allegations or information from the Chairman or Vice Chairman, or at the first meeting of the Committee thereafter if none occurs within thirty days, unless this time is extended for a specified period by the Committee.

(3) The Committee may determine that an initial review is not warranted because (a) there is no reason to believe on the basis of the information before the Committee that the improper conduct or violation may have occurred, or (b) the improper conduct or violation, even if proven, is not within the jurisdiction of the Committee.

(A) If the Committee determines that an initial review is not warranted, it shall promptly notify the complainant, if any, and any known respondent.

(B) If there is a complaint, he or she may also be invited to submit additional information, and notified of the procedures for filing a sworn complaint. If the complainant later provides additional information, not in the form of a sworn complaint, it shall be handled as a new allegation in accordance with the procedures of Rule 3. If he or she submits a sworn complaint, it shall be handled in accordance with Rule 2.

(4)(A) The Committee may determine that there is reason to believe on the basis of the information before it that the improper conduct or violation may have occurred and may be within the jurisdiction of the Committee, and that an initial review must therefore be conducted.

(B) If the Committee determines that an initial review will be conducted, it shall promptly notify the complainant, if any, and the respondent, if any.

(C) The notice required under subparagraph (B) shall include a general statement of the information or allegations before the Committee, and a statement that the Committee will immediately begin an initial review of the complaint. A copy of the Rules of the Committee shall be supplied with the notice.

(5) If a member of the Committee believes that the preliminary inquiry has provided sufficient information for the Committee to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred, the member may move that the Committee dispense with the initial review and move directly to the determinations described in Rule 4(f). The Committee may adopt such a motion by majority vote of the full Committee.

RULE 4: PROCEDURES FOR CONDUCTING AN INITIAL REVIEW

(a) Basis for Initial Review: The Committee shall promptly commence an initial review whenever it has received either (1) a sworn complaint that the Committee has determined is in substantial compliance with the requirements of Rule 2, or (2) unsworn allegations or information that have caused the Committee to determine in accordance with Rule 3 that an initial review must be conducted.

(b) Scope of Initial Review:

(1) The initial review shall be of such duration and scope as may be necessary to determine whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred.

(2) The initial review may include any inquiries or interviews that the Committee deems appropriate to obtain the evidence upon which to make the determination required by subparagraph (1), including the taking of sworn statements and the use of subpoenas.

(c) Opportunity for Response: An initial review may include an opportunity for any known respondent or his designated representative, to present either a written or oral statement, or to respond orally to questions from the Committee. Such an oral statement or answers shall be transcribed and signed by the person providing the statement or answers.

(d) Status Reports: The Committee staff or outside counsel shall periodically report to the Committee in the form and according to the schedule prescribed by the Committee. The reports shall be confidential.

(e) Final Report: When the initial review is completed, the staff or outside counsel shall make a confidential report to the Committee on findings and recommendations.

(f) Committee Action: As soon as practicable following submission of the report on the initial review, the Committee shall determine by a recorded vote whether there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within the jurisdiction of the Committee has occurred. The Committee may make any of the following determinations:

(1) The Committee may determine that there is not such substantial credible evidence. In this case, the Committee shall report its determination to the complainant, if any, and to the respondent, together with an explanation of the basis for the determination. The explanation may be as detailed as the Committee desires, but it is not required to include a complete discussion of the evidence collected in the initial review.

(2) The Committee may determine that there is such substantial credible evidence, but that the alleged violation is inadvertent, technical, or otherwise of a de minimis nature. In this case, the Committee may attempt to correct or to prevent such violation by informal methods. The Committee's final determination in this matter shall be reported to the complainant, if any, and to the respondent, if any.

(3) The Committee may determine that there is such substantial credible evidence, but that the alleged violation, if proven, although not of a de minimis nature, would not be sufficiently serious to justify the severe disciplinary actions specified in Senate Resolution 338, 88th Congress, as amended (i.e., for a Member, censure, expulsion, or recommendation to the appropriate party conference regarding the Member's seniority or positions of responsibility; or for an officer or employee, suspension or dismissal). In this case, the Committee, by the recorded affirmative vote of at least four members, may propose a remedy that it deems appropriate. If the respondent agrees to the proposed remedy, a summary of the Committee's conclusions and the remedy proposed and agreed to shall be filed as a public record with the Secretary of the Senate and a notice of the filing shall be printed in the CONGRESSIONAL RECORD.

(4) The Committee may determine, by recorded affirmative vote of at least four members, that there is such substantial credible evidence, and also either:

(A) that the violation, if proved, would be sufficiently serious to warrant imposition of one of the severe disciplinary actions listed in paragraph (3); or

(B) that the violation, if proven, is less serious, but was not resolved pursuant to the procedure in paragraph (3).

In either case, the Committee shall order that an investigation promptly be conducted in accordance with Rule 5.

RULE 5: PROCEDURES FOR CONDUCTING AN INVESTIGATION

(a) Definition of Investigation: An "investigation" is a proceeding undertaken by the Committee, by recorded affirmative vote of at least four members, after a finding on the basis of an initial review that there is substantial credible evidence which provides substantial cause for the Committee to conclude that a violation within its jurisdiction has occurred.

(b) Scope of Investigation: When the Committee decides to conduct an investigation, it shall be of such duration and scope as is necessary for the Committee to determine whether a violation within its jurisdiction has occurred. In the course of the investigation, designated outside counsel, or if the Committee determines not to use outside counsel, the Committee or its staff, may conduct inquiries or interviews, take sworn statements, use compulsory process as described in Rule 7, or take any other actions that the Committee deems appropriate to secure the evidence necessary to make this determination.

(c) Notice to Respondent: The Committee shall give written notice to any know respondent who is the subject of an investigation. The notice shall be sent to the respondent no later than five working days after the Committee has voted to conduct an investigation. The notice shall include a statement of the nature of the possible violation, and a description of the evidence indicating that a possible violation occurred. The Committee shall offer the respondent an opportunity to present a statement or to respond to questions from members of the Committee, the Committee staff, or outside counsel.

(d) Right to a Hearing: The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate.

(e) Progress Reports to Committee: The Committee staff or outside counsel shall periodically report to the Committee concerning the progress of the investigation. Such reports shall be delivered to the Committee in the form and according to the schedule prescribed by the Committee, and shall be confidential.

(f) Report of Investigation:

(1) Upon completion of an investigation, including any hearings held pursuant to Rule 6, the outside counsel or the staff shall submit a confidential written report to the Committee, which shall detail the factual findings of the investigation and which may recommend disciplinary action, if appropriate. Findings of fact of the investigation shall be detailed in this report whether or not disciplinary action is recommended.

(2) The Committee shall consider the report of the staff or outside counsel promptly following its submission. The Committee shall prepare and submit a report to the Senate, including a recommendation to the Senate concerning disciplinary action, if appropriate. A report shall be issued, stating in detail the Committee's findings of fact, whether or not disciplinary action is recommended. The report shall also explain fully the reasons underlying the Committee's recommendation concerning disciplinary action, if any. No recommendation or resolution of the Committee concerning the investigation of a Member, officer or employee of the Senate may be approved except by the affirmative recorded vote of not less than four members of the Committee.

(3) Promptly after the conclusion of the investigation, the Committee's report and recommendation shall be forwarded to the Secretary of the Senate, and a copy shall be provided to the complainant and the respondent. The full report and recommendation shall be printed and made public, unless the Committee determines by majority vote that it should remain confidential.

RULE 6: PROCEDURES FOR HEARINGS

(a) Right to a Hearing: The Committee may hold a public or executive hearing in any inquiry, initial review, investigation, or other proceeding. The Committee shall accord a respondent an opportunity for a hearing before it recommends disciplinary action against that respondent to the Senate. (See Rule 5(e).)

(b) Non-public Hearings: The Committee may at any time during a hearing determine in accordance with paragraph 5(b) of Rule XXVI of the Standing Rules of the Senate whether to receive the testimony of specific witnesses in executive session. If a witness desires to express a preference for testifying in public or in executive session, he or she shall so notify the Committee at least five days before he or she is scheduled to testify.

(c) Adjudicatory Hearings: The Committee may, by majority vote, designate any public or executive hearing as an adjudicatory hearing; and, any hearing which is concerned with possible disciplinary action against a respondent or respondents designated by the Committee shall be an adjudicatory hearing. In any adjudicatory hearing, the procedures described in paragraph (j) shall apply.

(d) Subpoena Power: The Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such correspondence, books, papers, documents or other articles as it deems advisable. (See Rule 7.)

(e) Notice of Hearings: The Committee shall make public an announcement of the date, place, and subject matter of any hearing to be conducted by it, in accordance with Rule 1(f).

(f) Presiding Officer: The Chairman shall preside over the hearings, or in his absence the Vice Chairman. If the Vice Chairman is also absent, a Committee member designated by the Chairman shall preside. If an oath or affirmation is required, it shall be administered to a witness by the Presiding Officer, or in his absence, by any Committee member.

(g) Witnesses:

(1) A subpoena or other request to testify shall be served on a witness sufficiently in advance of his or her scheduled appearance to allow the witness a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel if desired.

(2) The Committee may, by majority vote, rule that no member of the Committee or staff or outside counsel shall make public the name of any witness subpoenaed by the Committee before the date of that witness' scheduled appearance, except as specifically authorized by the Chairman and Vice Chairman, acting jointly.

(3) Any witness desiring to read a prepared or written statement in executive or public hearings shall file a copy of such statement with the Committee at least two working days in advance of the hearing at which the statement is to be presented. The Chairman and Vice Chairman shall determine whether such statements may be read or placed in the record of the hearing.

(4) Insofar as practicable, each witness shall be permitted to present a brief oral opening statement, if he or she desires to do so.

(h) Right to Testify: Any person whose name is mentioned or who is specifically identified or otherwise referred to in testimony or in statements made by a Committee member, staff member or outside counsel, or any witness, and who reasonably believes that the statement tends to adversely affect his or her reputation may—

(1) request to appear personally before the Committee to testify in his or her own behalf; or

(2) file a sworn statement of facts relevant to the testimony or other evidence or statement of which he or she complained. Such request and such statement shall be submitted to the Committee for its consideration and action.

(i) Conduct of Witnesses and Other Attendees: The Presiding Officer may punish any breaches of order and decorum by censure and exclusion from the hearings. The Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(j) Adjudicatory Hearings Procedures:

(1) Notice of Hearings: A copy of the public announcement of an adjudicatory hearing, required by paragraph (e), shall be furnished together with a copy of these Rules to all witnesses at the time that they are subpoenaed or otherwise summoned to testify.

(2) Preparation for Adjudicatory Hearings:

(A) At least five working days prior to the commencement of an adjudicatory hearing, the Committee shall provide the following information and documents to the respondent, if any:

(i) a list of proposed witnesses to be called at the hearing;

(ii) copies of all documents expected to be introduced as exhibits at the hearing; and

(iii) a brief statement as to the nature of the testimony expected to be given by each witness to be called at the hearing.

(B) At least two working days prior to the commencement of an adjudicatory hearing, the respondent, if any, shall provide the information and documents described in divi-

sions (i), (ii) and (iii) of subparagraph (A) to the Committee.

(C) At the discretion of the Committee, the information and documents to be exchanged under this paragraph shall be subject to an appropriate agreement limiting access and disclosure.

(D) If a respondent refuses to provide the information and documents to the Committee (see (A) and (B) of this subparagraph), or if a respondent or other individual violates an agreement limiting access and disclosure, the Committee, by majority vote, may recommend to the Senate that the offender be cited for contempt of Congress.

(3) Swearing of Witnesses: All witnesses who testify at adjudicatory hearings shall be sworn unless the Presiding Officer, for good cause, decides that a witness does not have to be sworn.

(4) Right to Counsel: Any witness at an adjudicatory hearing may be accompanied by counsel of his or her own choosing, who shall be permitted to advise the witness of his or her legal rights during the testimony.

(5) Right to Cross-Examine and Call Witnesses:

(A) In adjudicatory hearings, any respondent who is the subject of an investigation, and any other person who obtains the permission of the Committee, may personally or through counsel cross-examine witnesses called by the Committee and may call witnesses in his or her own behalf.

(B) A respondent may apply to the Committee for the issuance of subpoenas for the appearance of witnesses or the production of documents on his or her behalf. An application shall be approved upon a concise showing by the respondent that the proposed testimony or evidence is relevant and appropriate, as determined by the Chairman and Vice Chairman.

(C) With respect to witnesses called by a respondent, or other individual given permission by the Committee, each such witness shall first be examined by the party who called the witness or by that party's counsel.

(D) At least one working day before a witness' scheduled appearance, a witness or a witness' counsel may submit to the Committee written questions proposed to be asked of that witness. If the Committee determines that it is necessary, such questions may be asked by any member of the Committee, or by any Committee staff member if directed by a Committee member. The witness or witness' counsel may also submit additional sworn testimony for the record within twenty-four hours after the last day that the witness has testified. The insertion of such testimony in that day's record is subject to the approval of the Chairman and Vice Chairman acting jointly within five days after the testimony is received.

(6) Admissibility of Evidence:

(A) The object of the hearing shall be to ascertain the truth. Any evidence that may be relevant and probative shall be admissible, unless privileged under the Federal Rules of Evidence. Rules of evidence shall not be applied strictly, but the Presiding Officer shall exclude irrelevant or unduly repetitious testimony. Objections going only to the weight that should be given evidence will not justify its exclusion.

(B) The Presiding Officer shall rule upon any question of the admissibility of testimony or other evidence presented to the Committee. Such rulings shall be final unless reversed or modified by a majority vote of the Committee before the recess of that day's hearings.

(7) Supplementary Hearing Procedures: The Committee may adopt any additional special hearing procedures that it deems necessary or appropriate to a particular adjudicatory hearing. Copies of such supplementary procedures shall be furnished to witnesses and respondents, and shall be made available upon request to any member of the public.

(k) Transcripts:

(1) An accurate stenographic or recorded transcript shall be made of all public and executive hearings. Any member of the Committee, Committee staff member, outside counsel retained by the Committee, or witness may examine a copy of the transcript retained by the Committee of his or her own remarks and may suggest to the official reporter any typographical or transcription errors. If the reporter declines to make the requested corrections, the member, staff member, outside counsel or witness may request a ruling by the Chairman and Vice Chairman, acting jointly. Any member or witness shall return the transcript with suggested corrections to the Committee offices within five working days after receipt of the transcript, or as soon thereafter as is practicable. If the testimony was given in executive session, the member or witness may only inspect the transcript at a location determined by the Chairman and Vice Chairman, acting jointly. Any questions arising with respect to the processing and correction of transcripts shall be decided by the Chairman and Vice Chairman, acting jointly.

(2) Except for the record of a hearing which is closed to the public, each transcript shall be printed as soon as is practicable after receipt of the corrected version. The Chairman and Vice Chairman, acting jointly, may order the transcript of a hearing to be printed without the corrections of a member or witness if they determine that such member or witness has been afforded a reasonable time to correct such transcript and such transcript has not been returned within such time.

(3) The Committee shall furnish each witness, at no cost, one transcript copy of that witness' testimony given at a public hearing. If the testimony was given in executive session, then a transcript copy shall be provided upon request, subject to appropriate conditions and restrictions prescribed by the Chairman and Vice Chairman. If any individual violates such conditions and restrictions, the Committee may recommend by majority vote that he or she be cited for contempt of Congress.

RULE 7: SUBPOENAS

(a) Procedure: Subpoenas may be issued either—

(1) by majority vote of the Committee, or

(2) by the Chairman and Vice Chairman, acting jointly.

All subpoenas shall be signed by the Chairman or the Vice Chairman and may be served by any person eighteen years of age or older, who is designated by the Chairman or Vice Chairman. Each subpoena shall be served with a copy of the Rules of the Committee and a brief statement of the purpose of the initial review, investigation, or other proceeding.

(b) Subpoena Power: Pursuant to Federal law (2 U.S.C. 190(b)), the Committee is authorized to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate as it deems advisable. The Committee is similarly authorized to require by subpoena or otherwise the attendance of such witnesses or the production of such correspondence, books, papers, documents, or other articles as it deems advisable.

(c) Withdrawal of Subpoena: The Committee may, by majority vote, withdraw any subpoena issued by it or issued by the Chairman and Vice Chairman, acting jointly.

The Chairman and Vice Chairman, acting jointly, may withdraw any subpoena issued by them.

RULE 8: VIOLATIONS OF LAW; PERJURY; LEGISLATIVE RECOMMENDATIONS; AND APPLICABLE RULES AND STANDARDS OF CONDUCT

(a) Violations of Law: Whenever the Committee determines by majority vote that there is reason to believe that a violation of law may have occurred, it shall report such possible violation to the proper state and federal authorities.

(b) Perjury: Any person who knowingly and willfully swears falsely to a sworn complaint or any other sworn statement to the Committee does so under penalty of perjury. The Committee may refer any such case to the Attorney General for prosecution.

(c) Legislative Recommendations: The Committee shall recommend to the Senate by report or resolution such additional rules, regulations, or other legislative measures as it determines to be necessary or desirable to ensure proper standards of conduct by Members, officers, or employees of the Senate. The Committee may conduct such inquiries as it deems necessary to prepare such a report or resolution, including the holding of hearings in public or executive session and the use of subpoenas to compel the attendance of witnesses or the production of materials. The Committee may make legislative recommendations as a result of its findings in an initial review, investigation, or other proceeding.

(d) Applicable Rules and Standards of Conduct:

(1) No initial review or investigation shall be made of an alleged violation of any law, rule, regulation, or provision of the Senate Code of Official Conduct which was not in effect at the time the alleged violation occurred. No provision of the Senate Code of Official Conduct shall apply to, or require disclosure of any act, relationship, or transaction which occurred prior to the effective date of the applicable provision of the Code.

(2) The Committee may conduct an initial review or investigation of an alleged violation of a rule or law which was in effect prior to the enactment of the Senate Code of Official Conduct if the alleged violation occurred while such rule or law was in effect and the violation was not a matter resolved on the merits by the predecessor Committee.

RULE 9: PROCEDURES FOR HANDLING COMMITTEE SENSITIVE AND CLASSIFIED MATERIALS

(a) Procedures for Handling Committee Sensitive Materials:

(1) Committee Sensitive information or material is information or material in the possession of the Select Committee on Ethics which pertains to illegal or improper conduct by a present or former Member, officer, or employee of the Senate; to allegations or accusation of such conduct; to any resulting preliminary inquiry, initial review, or investigation by the Select Committee on Ethics into such allegations or conduct; to the investigative techniques and procedures of the Select Committee on Ethics; or to other information or material designated by the staff director, or outside counsel designated by the Chairman and Vice Chairman.

(2) The Chairman and Vice Chairman of the Committee shall establish such procedures as may be necessary to prevent the unauthorized disclosure of Committee Sensitive information in the possession of the Committee or its staff. Procedures for protecting Committee Sensitive materials shall be in writing and shall be given to each Committee staff member.

(b) Procedures for Handling Classified Materials:

(1) Classified information or material is information or material which is specifically designated as classified under the authority of Executive Order 11652 requiring protection of such information or material from unauthorized disclosure in order to prevent damage to the United States.

(2) The Chairman and Vice Chairman of the Committee shall establish such procedures as may be necessary to prevent the unauthorized disclosure of classified information in the possession of the Committee or its staff. Procedures for handling such information shall be in writing and a copy of the procedures shall be given to each staff member cleared for access to classified information.

(3) Each member of the Committee shall have access to classified material in the Committee's possession. Only Committee staff members with appropriate security clearances and a need-to-know, as approved by the Chairman and Vice Chairman, acting jointly, shall have access to classified information in the Committee's possession.

(c) Procedures for Handling Committee Sensitive and Classified Documents:

(1) Committee Sensitive and classified documents and materials shall be segregated in secure filing safes. Removal from the Committee offices of such documents or materials is prohibited except as necessary for use in, or preparation for, interviews or Committee meetings, including the taking of testimony, or as otherwise specifically approved by the staff director or by outside counsel designated by the Chairman and Vice Chairman.

(2) Each member of the Committee shall have access to all materials in the Committee's possession. The staffs of members shall not have access to Committee Sensitive or classified documents and materials without the specific approval in each instance of the Chairman, and Vice Chairman, acting jointly. Members may examine such materials in the Committee's offices. If necessary, requested materials may be taken by a member of the Committee staff to the office of a member of the Committee for his or her examination, but the Committee staff member shall remain with the Committee Sensitive or classified documents or materials at all times except as specifically authorized by the Chairman or Vice Chairman.

(3) Any Member of the Senate who is not a member of the Committee and who seeks access to any Committee Sensitive or classified documents or materials, other than documents or materials which are matters of public record, shall request access in writing. The Committee shall decide by majority vote whether to make documents or materials available. If access is granted, the Member shall not disclose the information except as authorized by the Committee.

(4) Whenever the Committee makes Committee Sensitive or classified documents or materials available to any Member of the Senate who is not a member of the Committee, or to a staff person of a Committee member in response to a specific request to the Chairman and Vice Chairman, a written record shall be made identifying the Member of the Senate requesting such documents or materials and describing what was made available and to whom.

(d) Non-disclosure policy and agreement:

(1) Except as provided in the last sentence of this paragraph, no member of the Select Committee on Ethics, its staff, or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics shall release, divulge, publish, reveal by writing, word, conduct, or disclose in any way, in whole, or in part, or by way of summary, during tenure with the Select Committee on Ethics or anytime thereafter, any testimony given before the Select Committee on Ethics in executive session (including the name of any witness who appeared or was called to appear in executive session), any classified or Committee Sensitive information, document or material, received or generated by the Select Committee on Ethics or any classified or Committee Sensitive information which may come into the possession of such person during tenure with the Select Committee on Ethics or its staff. Such information, documents, or material may be released to an official of the executive branch properly cleared for access with a need-to-know, for any purpose or in connection with any proceeding, judicial or otherwise, as authorized by the Select Committee on Ethics, or in the event of termination of the Select Committee on Ethics, in such a manner as may be determined by its successor or by the Senate.

(2) No member of the Select Committee on Ethics staff or any person engaged by contract or otherwise to perform services for the Select Committee on Ethics, shall be granted access to classified or Committee Sensitive information or material in the possession of the Select Committee on Ethics unless and until such person agrees in writing, as a condition of employment, to the non-disclosure policy. The agreement shall become effective when signed by the Chairman and Vice Chairman on behalf of the Committee.

RULE 10: BROADCASTING AND NEWS COVERAGE OF COMMITTEE PROCEEDINGS

(a) Whenever any hearing or meeting of the Committee is open to the public, the Committee shall permit that hearing or meeting to be covered in whole or in part, by television broadcast, radio broadcast, still photography, or by any other methods of coverage, unless the Committee decides by majority vote that such coverage is not appropriate at a particular hearing or meeting.

(b) Any witness served with a subpoena by the Committee may request not to be photographed at any hearing or to give evidence or testimony while the broadcasting, reproduction, or coverage of that hearing, by radio, television, still photography, or other methods is occurring. At the request of any such witness who does not wish to be subjected to radio, television, still photography, or other methods of coverage, and subject to the approval of the Committee, all lenses shall be covered and all microphones used for coverage turned off.

(c) If coverage is permitted, it shall be in accordance with the following requirements:

(1) Photographers and reporters using mechanical recording, filming, or broadcasting apparatus shall position their equipment so as not to interfere with the seating, vision, and hearing of the Committee members and and staff, or with the orderly process of the meeting or hearing.

(2) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(3) Personnel providing coverage by the television and radio media shall be currently accredited to the Radio and Television Correspondents' Galleries.

(4) Personnel providing coverage by still photography shall be currently accredited to the Press Photographers' Galley Committee of Press Photographers.

(5) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and the coverage activities in an orderly and unobtrusive manner.

RULE 11: PROCEDURES FOR ADVISORY OPINIONS

(a) When Advisory opinions are Rendered:

(1) The Committee shall render an advisory opinion, in writing within a reasonable time, in response to a written request by a Member or officer of the Senate or a candidate for nomination for election, or election to the Senate, concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(2) The Committee may issue an advisory opinion in writing within a reasonable time in response to a written request by any employee of the Senate concerning the application of any law, the Senate Code of Official Conduct, or any rule or regulation of the Senate within the Committee's jurisdiction, to a specific factual situation pertinent to the conduct or proposed conduct of the person seeking the advisory opinion.

(b) Form of Request: A request for an advisory opinion shall be directed in writing to the Chairman of the Committee and shall include a complete and accurate statement of the specific factual situation with respect to which the request is made as well as the specific question or questions which the requestor wishes the Committee to address.

(c) Opportunity for Comment:

(1) The Committee will provide an opportunity for any interested party to comment on a request for an advisory opinion—

(A) which requires an interpretation on a significant question of first impression that will affect more than a few individuals; or

(B) when the Committee determines that comments from interested parties would be of assistance.

(2) Notice of any such request for an advisory opinion shall be published in the Congressional Record, with appropriate deletions to insure confidentiality, and interested parties will be asked to submit their comments in writing to the Committee within ten days.

(3) All relevant comments received on a timely basis will be considered.

(d) Issuance of an Advisory Opinion:

(1) The Committee staff shall prepare a proposed advisory opinion in draft form which will first be reviewed and approved by the Chairman and Vice Chairman, acting jointly, and will be presented to the Committee for final action. If (A) the Chairman and Vice Chairman cannot agree, or (B) either the Chairman or Vice Chairman requests that it be taken directly to the Committee, then the proposed advisory opinion shall be referred to the Committee for its decision.

(2) An advisory opinion shall be issued only by the affirmative recorded vote of a majority of the members voting.

(3) Each advisory opinion issued by the Committee shall be promptly transmitted for publication in the Congressional Record after appropriate deletions are made to insure confidentiality. The Committee may at any time revise, withdraw, or elaborate on any advisory opinion.

(e) Reliance on Advisory Opinions:

(1) Any advisory opinion issued by the Committee under Senate Resolution 338, 88th Congress, as amended, and the Rules may be relied upon by—

(A) Any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered if the request for such advisory opinion included a complete and accurate statement of the specific factual situation; and

(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

(2) Any person who relies upon any provision or finding of an advisory opinion in accordance with the provisions of Senate Resolution 338, 88th Congress, as amended, and of the Rules, and who acts in good faith in accordance with the provisions and findings —of such advisory opinion shall not, as a result of any such act, be subject to any sanction by the Senate.

RULE 12: PROCEDURES FOR INTERPRETATIVE RULINGS

(a) Basis for Interpretative Rulings: Senate Resolution 338, 88th Congress, as amended, authorizes the Committee to issue inter-

pretative rulings explaining and clarifying the application of any law, the Code of Official Conduct, or any rule or regulation of the Senate within its jurisdiction. The Committee also may issue such rulings clarifying or explaining any rule or regulation of the Select Committee on Ethics.

(b) Request for Ruling: A request for such a ruling must be directed in writing to the Chairman or Vice Chairman of the Committee.

(c) Adoption of Ruling:

(1) The Chairman and Vice Chairman, acting jointly, shall issue a written interpretative ruling in response to any such request, unless—

(A) they cannot agree,

(B) it requires an interpretation of a significant question of first impression, or

(C) either requests that it be taken to the Committee, in which event the request shall be directed to the Committee for a ruling.

(2) A ruling on any request taken to the Committee under subparagraph (1) shall be adopted by a majority of the members voting, and the ruling shall then be issued by the Chairman and Vice Chairman.

(d) Publication of Rulings: The Committee will publish in the Congressional Record, after making appropriate deletions to ensure confidentiality, any interpretative rulings issued under this Rule which the Committee determines may be of assistance or guidance to other Members, officers or employees. The Committee may at any time revise, withdraw, or elaborate on interpretative rulings.

(e) Reliance on Rulings: Whenever an individual can demonstrate to the Committee's satisfaction that his or her conduct was in good faith reliance on an interpretative ruling issued in accordance with this Rule, the Committee will not recommend sanctions to the Senate as a result of such conduct.

(f) Rulings by Committee Staff: The Committee staff is not authorized to make rulings or give advice, orally or in writing, which binds the Committee in any way.

RULE 13: PROCEDURES FOR COMPLAINTS INVOLVING IMPROPER USE OF THE MAILING FRANK

(a) Authority to Receive Complaints: The Committee is directed by section 6(b) of Public Law 93–191 to receive and dispose of complaints that a violation of the use of the mailing frank has occurred or is about to occur by a Member or officer of the Senate or by a surviving spouse of a Member. All such complaints will be processed in accordance with the provisions of these Rules, except as provided in paragraph (b).

(b) Disposition of Complaints:

(1) The Committee may dispose of any such complaint by requiring restitution of the cost of the mailing if it finds that the franking violation was the result of a mistake.

(2) Any complaint disposed of by restitution that is made after the Committee has formally commenced an initial review or investigation, must be summarized, together with the disposition, in a notice promptly transmitted for publication in the Congressional Record.

(3) If a complaint is disposed of by restitution, the complainant, if any, shall be notified of the disposition in writing.

(c) Advisory Opinions and Interpretative Rulings: Requests for advisory opinions or interpretative rulings involving franking questions shall be processed in accordance with Rules 11 and 12.

RULE 14: PROCEDURES FOR WAIVERS

(a) Authority for Waivers: The Committee is authorized to grant a waiver under the following provisions of the Standing Rules of the Senate:

(1) Section 101(h) of the Ethics in Government Act of 1978, as amended, (Rule XXXIV) relating to the filing of financial disclosure reports by individuals who are expected to perform or who have performed the duties of their offices or positions for less than one hundred and thirty days in a calendar year;

(2) Section 102(a)(2)(D) of the Ethics in Government Act, as amended, (Rule XXXIV) relating to the reporting of gifts;

(3) Paragraph 1 of Rule XXXV relating to acceptance of gifts; or

(4) Paragraph 5 of Rule XLI relating to applicability of any of the provisions of the Code of Official Conduct to an employee of the Senate hired on a per diem basis.

(b) Requests for Waivers: A request for a waiver under paragraph (a) must be directed to the Chairman or Vice Chairman in writing and must specify the nature of the waiver being sought and explain in detail the facts alleged to justify a waiver. In the case of a request submitted by an employee, the views of his or her supervisor (as determined under paragraph 11 of Rule XXXVII of the Standing Rules of the Senate) should be included with the waiver request.

(c) Ruling: The Committee shall rule on a waiver request by recorded vote, with a majority of those voting affirming the decision.

(d) Availability of Waiver Determinations: A brief description of any waiver granted by the Committee, with appropriate deletions to ensure confidentiality, shall be made available for review upon request in the Committee office. Waivers granted by the Committee pursuant to the Ethics in Government Act of 1978, as amended, may only be granted pursuant to a publicly available request as required by the Act.

RULE 15: DEFINITION OF "OFFICER OR EMPLOYEE"

(a) As used in the applicable resolutions and in these rules and procedures, the term "officer or employee of the Senate" means:

(1) An elected officer of the Senate who is not a Member of the Senate;

(2) An employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

(3) The Legislative Counsel of the Senate or any employee of his office;

(4) An Official Reporter of Debates of the Senate and any person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties;

(5) A member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate;

(6) An employee of the Vice President, if such employee's compensation is disbursed by the Secretary of the Senate;

(7) An employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate;

(8) An officer or employee of any department or agency of the Federal Government whose services are being utilized on a full-time and continuing basis by a Member, officer, employee, or committee of the Senate in accordance with Rule XLI(3) of the Standing Rules of the Senate; and

(9) Any other individual whose full-time services are utilized for more than ninety days in a calendar year by a Member, officer, employee, or committee of the Senate in the conduct of official duties in accordance with Rule XLI(4) of the Standing Rules of the Senate.

RULE 16: COMMITTEE STAFF

(a) Committee Policy:

(1) The staff is to be assembled and retained as a permanent, professional, nonpartisan staff.

(2) Each member of the staff shall be professional and demonstrably qualified for the position for which he or she is hired.

(3) The staff as a whole and each member of the staff shall perform all official duties in a nonpartisan manner.

(4) No member of the staff shall engage in any partisan political activity directly affecting any congressional or presidential election.

(5) No member of the staff or outside counsel may accept public speaking engagements or write for publication on any subject that is in any way related to his or her employment or duties with the Committee without specific advance permission from the Chairman and Vice Chairman.

(6) No member of the staff may make public, without Committee approval, any Committee sensitive or classified information, documents, or other material obtained during the course of his or her employment with the Committee.

(b) Appointment of Staff:

(1) The appointment of all staff members shall be approved by the Chairman and Vice Chairman, acting jointly.

(2) The Committee may determine by majority vote that it is necessary to retain staff members, including a staff recommended by a special counsel, for the purpose of a particular initial review, investigation, or other proceeding. Such staff shall be retained only for the duration of that particular undertaking.

(3) The Committee is authorized to retain and compensate counsel not employed by the Senate (or by any department or agency of the Executive Branch of the Government) whenever the Committee determines that the retention of outside counsel is necessary or appropriate for any action regarding any complaint or allegation, initial review, investigation, or other proceeding, which in the determination of the Committee, is more appropriately conducted by counsel not employed by the Government of the United States as a regular employee. The Committee shall retain and compensate outside counsel to conduct any investigation undertaken after an initial review of a sworn complaint, unless the Committee determines that the use of outside counsel is not appropriate in the particular case.

(c) Dismissal of Staff: A staff member may not be removed for partisan, political reasons, or merely as a consequence of the rotation of the Committee membership. The Chairman and Vice Chairman, acting jointly, shall approve the dismissal of any staff member.

(d) Staff Works for Committee as Whole: All staff employed by the Committee or housed in Committee offices shall work for the Committee as a whole, under the general direction of the Chairman and Vice Chairman, and the immediate direction of the staff director or outside counsel.

(e) Notice of Summons to Testify: Each member of the Committee staff shall immediately notify the Committee in the event that he or she is called upon by a properly constituted authority to testify or provide confidential information obtained as a result of and during his or her employment with the Committee.

RULE 17: CHANGES IN SUPPLEMENTARY PROCEDURAL RULES

(a) Adoption of Changes in Supplementary Rules: The Rules of the Committee, other than rules established by statute, or by the Standing Rules and Standing Orders of the Senate, may be modified, amended, or suspended at any time, pursuant to a majority vote of the entire membership taken at a meeting called with due notice, when prior written notice of the proposed change has been provided each member of the Committee.

(b) Publication: Any amendments adopted to the Rules of the Committee shall be published in the Congressional Record not later than thirty days after adoption.●

THE HOSTAGES AND THE VIETNAM VETERANS

● Mr. BIDEN. Mr. President, after 444 days of captivity, our hostages have come home from Iran, and America is glad.

Not since the summer of 1945 brought an end to World War II has this country seen such an outpouring of national good feeling as we have seen in the weeks since the hostages returned to a triumphant welcome here in the National Capital and in their hometowns all across the land.

I had the good fortune to take part in such a celebration, as the Delaware town of Seaford welcomed home a native son, Marine Sgt. Greg Persinger, back from his long ordeal in Iran. The sincerity of that welcome, in Seaford as in Washington, was beyond question. Greg Persinger and his fellow hostages displayed throughout their imprisonment in Iran that quality of courage Ernest Hemingway characterized as "grace under pressure," and they were deservedly celebrated by Americans everywhere as heroes.

But those hostages have reminded us, Mr. President, and a grateful nation has sadly agreed, that perhaps the greatest heroes of that long national nightmare were the eight servicemen who volunteered for the attempt to rescue the hostages and gave up their lives in the Iranian desert. There was no triumphal welcome for them, but their death in the service of their country has been and must be recognized as the highest sacrifice ever asked of Americans.

There was more than enough heroism to go around in Iran, and the Nation has reacted to it with noteworthy enthusiasm—an enthusiasm I believe we all recognize as not only a response to the character and bravery of both the hostages and those who died attempting to rescue them, but also as the resurgence of pride in a nation that has for too long doubted itself, for too long feared it had nothing left to take pride in.

The reaction of the American people to the return of the hostages strongly expresses, I believe, a sense of national relief after more than 15 years of frustration—frustration with a war which dragged on too long and about which the American people were never able to arrive at a unified conclusion—and nearly 10 years of dismay over Watergate and what it seemed to be saying to us about the state of our political institutions. We have felt a need for heroes, and we have found them in the hostage cells of Tehran and during a tragic night in the Iranian desert. We have needed an opportunity to be glad, and the successful conclusion of the complex negotiations that brought the hostages home has given us that opportunity.

It has been refreshing and inspiring to see once again an uninhibited and straightforward display of genuinely patriotic feelings on such a grand scale all over the United States. The morale of the American people has received a much-needed lift, and I believe that glimpse of a resurgent American national unity has encouraged our friends and dismayed our adversaries all over the world. It has been a good time to be an American, Mr. President, the best opportunity our leaders have had in more than a decade to truly amplify the spirits of Americans.

But, Mr. President, the current national mood and the welcome we have extended to our returning hostages have also established a stark and even painful contrast to the lack of appreciation and the neglect we have displayed as a nation toward another group of Americans who have deserved better of our gratitude—the nearly 9 million American men and women who served in our Armed Forces during the difficult era of the Vietnam war, of whom almost 2 million saw action in the Vietnam theater of operations. More than 50,000 Americans lost their lives there, and hundreds of thousands of others came home bearing wounds of the body and spirit from which they still suffer today. And they came home to no celebration of their service and their sacrifice.

They came home instead to a nation morally exhausted with the unresolved dilemmas of the war which had consumed the national energies even as it consumed their youth, their health and their lives. They came home to a people that had lost its capacity to celebrate the commitment to duty and the courage of its young people on the field of battle. They came home to an America that could welcome them only as the disturbing reminders of a war Americans had made up their minds to forget.

Mr. President, I believe the reinvigoration of the national spirit we have experienced in recent weeks offers us also the opportunity as a nation to renew our appreciation for the contributions to our freedom and security we have received from all the veterans of all our wars. The post-Vietnam syndrome from which we have suffered too long as a nation has made us so reluctant to recognize the necessary role of our military services that we have also tended to forget the enormous debt we owe to our veterans of those services. But I believe the conclusion of the Iranian episode in our history has restored our sense of proportion as to the proper place of the military services in the world's most powerful democracy, and I hope it will also restore our appreciation for the men and women who have served and still serve in the Armed Forces. We are by preference a peaceful people, but without military strength we have little hope of preserving the peace in a world where democracy is under seige.

It is clear, I think, from the comments of our hostages that they would find such a renewed appreciation of our need for national strength as a compensation for the hardships they endured for more than 14 months in Iran. Sergeant Persinger has said as much, and I believe he speaks both for his fellow hostages and for the great majority of his fellow Americans.

Moreover, Mr. President, acknowledging our debt of gratitude to the men and women who served during the war in Vietnam in no way obliges us to reopen our unresolved national debate over that conflict. Opening our hearts to those who sacrificed there does not require us to refight that agonizing struggle in our minds or in our public forums. There certainly need not be any debate about their motives. What they felt was in fact the case—their country called upon them, and out of a sense of personal duty they answered that call, as countless other Americans have done throughout the more than 200 years of our history. That motive deserves the same respect today that Americans have historically accorded it.

Unfortunately, as we all know, they have not so far received that respect, nor have they experienced, either morally or materially, the kind of gratitude we have historically extended to our veterans—any more than they received the kind of homecoming we have so enthusiastically, and so rightly, bestowed upon our returning hostages. They have been the invisible, forgotten Americans of our time.

That discrepancy is so glaring that it is very much to the credit of our Vietnam veterans that, although they could hardly ignore the difference, they have not been mean-spirited about it. More than most of us, I am sure, they have understood and applauded the manner in which the hostages endured their captivity. But I think there is equally no doubt that their inevitable sensitivity to that difference has only aggravated their already strong feelings of alienation in the midst of their own society. In that sense, Mr. President, I fear that what has been an occasion of renewed pride among most Americans has only redoubled the burden our Vietnam veterans have had to bear.

But I am convinced, and I believe the majority of Americans can now agree, that the resurgence of good feelings in this country should and can be expanded to relieve those men and women of that undeserved burden—that this is just the time to open our hearts and let them feel our long-denied esteem.

It is a moment, and the fulfillment of a national obligation, that is long overdue. It is, Mr. President, a call to our national conscience.

And it requires only a glance at the statistics of our Vietnam veterans to grasp just how clear a call it is.

At an average age of 34, most of our Vietnam veterans have managed to put the war and its after-effects behind them—but their success at getting on with their lives is a tribute to their own guts and determination, not to the encouragement of a grateful nation. At the age when, under ordinary circumstances, they would be approaching the most productive period of their lives, when they would be making settled and secure homes for their young families, far too many others still find their lives in great disarray.

The divorce rate among all Vietnam veterans is twice the national average. They are twice as likely as other American workers to be unemployed. One out of four is employed at less than $7,000 a year.

More than 60 percent of them came home a decade or more ago suffering from major emotional problems, alcoholism, and drug abuse—and 40 percent

of them still have not recovered from those debilitating difficulties. An estimated 700,000 suffer from the "delayed stress syndrome" that causes periodic depressions, insomnia, marital discord, job problems, and occasional irrational rages, often directed toward their own families and friends. Indeed, fully 75 percent of all Vietnam veterans report at least some of those effects.

About 70,000 Vietnam veterans are now in jail. More than 200,000 others are out on bail, parole, or probation.

There are more than 600,000 active Veterans' Administration compensation and pension cases concerning Vietnam-era veterans—and of the 30,000 compensation cases rated at 100-percent disability, some 19,000 are for psychiatric and neurological disorders. And the suicide rate for Vietnam veterans is 25 percent higher than it is for their nonveteran peers.

That is a tragic catalog of misfortunes—and there may be worse yet to come. Untold thousands of service men and women were exposed in Vietnam to agent orange, a defoliant widely suspected of causing cancer and other disorders. VA studies yet to be completed may well reveal genetic effects not only on the veterans themselves but also on their children.

Mr. President, no matter how we approach the circumstances of our Vietnam war veterans, we cannot be encouraged by this situation—and we can take no pride as a nation in how we have treated them since their return to civilian life. If we are truly to take a new lease on our national spirit, we cannot allow that neglect of their needs to continue.

It is especially important that we keep that history in mind as we review President Reagan's recommendations for the reductions in Federal spending we all know are so necessary to the long-term economic health of our country. As a charter member of the Budget Committee, I need no convincing as to the absolute necessity of such cuts in spending; throughout my 8 years in the Senate I have strongly advocated strict fiscal controls and a balanced budget, and I know as well as all other Members of this body know that we have reached the point where we can no longer delay reining in the Federal budget.

But, Mr. President, I believe it is vital to the revival of our pride in ourselves and our country that we do not further impugn the integrity of our commitment to the men and women who have fought all our wars—and especially the veterans of the war in Vietnam who have already suffered so much from our indifference—by asking them to absorb a disproportion sacrifice in addition to those they have already made on our behalf. They deserve better of us than we have so far accorded them, and we must not ask more of them now than they should rightfully bear.

We must not ask those suffering from service-connected disabilities to accept a decline in their already-modest standard of living, and we must continue to provide them with the physical care and psychological counseling they need.

We must find ways to promote the employment of Vietnam veterans now out of work and to improve the incomes of others employed at wages far below standard.

We must make certain that our veterans receive the health care that was promised them when they entered the service, and we must vigorously pursue the resolution of the agent orange issue that haunts hundreds of thousands of men and women who served in Vietnam and may threaten the lives of their children.

But most of all, Mr. President, even as we embark upon a time when all Americans will be called upon to make sacrifices, we must recognize the special sacrifices our veterans have made for all of us—and we must do all within our power to overcome the effects among our Vietnam veterans of more than a decade of our neglect and indifference.

We have always been a proud people, proud of our heritage and proud of our national accomplishments. Today, both in answer to the example set for us by our hostages in Iran and to the challenges we know lie before us, we are rediscovering the sources of that well-earned national pride. I believe, Mr. President, that that rediscovery is absolutely critical to our success in meeting our challenges and to our future as a nation—but I do not believe we can fully rediscover what is best in ourselves and in our country if we fail to meet to the fullest possibility our commitment to the men and women who have fought, suffered, and died in our wars.

We can be true to ourselves only if we are true to our promises to them. That is the call to conscience to which I believe America must answer today and in the years ahead if we are to enjoy, and deserve, the fullest measure and the much-needed benefits of a renewed national pride.●

STEEL INDUSTRY COMPLIANCE EXTENSION ACT OF 1981

● Mr. PERCY. Mr. President, I am pleased to announce that I recently became a cosponsor of S. 63, the Steel Industry Compliance Extension Act of 1981. I urge my colleagues to act upon this legislation in the very near future, so that the American steel industry can make necessary capital investments to compete with foreign steel producers and remain a vital and healthy part of our national economy. Just as importantly, S. 63 is a measure which will help upgrade our steel plants so they can conform to the stringent and necessary pollution control requirements of the Environmental Protection Agency.

Under the current provisions of the Clean Air Act, steel and iron plants must meet EPA emission requirements by December 31, 1982.

We are in an era in which our steel manufacturers face ever-increasing foreign competition; reduced sales and greater regulatory costs have made it more and more difficult to invest the capital necessary for plant expansion and modernization.

If steel companies were forced to meet the EPA's current compliance timetable, the huge capital investments required could force them to forego many of the expansion and modernization plans that would make them competitive worldwide for decades to come. Some industry representatives have warned that the current EPA compliance schedule might result in the premature shutdown of as much as 26 million tons of producing capacity; older plants simply will be uneconomic to modernize. This is a scenario we must work actively to avoid.

To their great credit, the original sponsors of S. 63—Senators RANDOLPH, HEINZ, GLENN, and LUGAR—have recognized that there is another way. Written with the full compliance of the EPA itself, the Steel Industry Compliance Extension Act would authorize the EPA Administrator to enter into consent decrees with individual iron and steel producers, creating a new schedule for full compliance by the end of 1985. Companies being awarded compliance extensions would have to invest their savings toward modernizing existing facilities.

S. 63 would not offer a blanket extension of the Clean Air Act to all steel producers. The EPA Administrator must be convinced that a steel plant cannot modernize without this compliance deadline "stretchout"; that the extension will not result in any degradation of surrounding air quality; and that all EPA compliance requirements will be met by December 31, 1985. It is vital to note, Mr. President, that not only the EPA but also the Natural Resources Defense Council has endorsed the philosophy behind this legislation.

The American Iron and Steel Institute reported recently that, in 1980, U.S. steel-making capacity dropped from 158 million tons to 155 million tons. Actual production fell from 137 million tons to 135 million tons. A further decline of 10 to 15 percent is predicted by 1982. The impact of this loss of capacity on jobs is great. For every million tons of capacity which are lost, Mr. President, roughly 4,000 jobs are lost, too. That is a staggering figure.

Mr. President, S. 63 is a measure which will allow American steel companies to not only stay competitive and grow, but also prepare for full compliance with environmental control requirements of the Clean Air Act. It is a very practical and intelligent piece of legislation which can help America meet two highly laudable goals: a healthy economy and clean air. I urge the adoption of S. 63 as quickly as possible.●

JOHN K. NORTHROP

● Mr. CANNON. Mr. President, John K. Northrop passed away at the age of 85. Being aware of his significant contributions to aviation I think it would be appropriate to give this pioneer recognition by inserting his biography in the CONGRESSIONAL RECORD.

John K. Northrop, founder of the Northrop Corp., is recognized as one of the world's most creative and prolific aircraft designers. In addition to forming

the company that bears his name, he was one of the founders of the Lockheed Corp. and was cofounder of Northrop University in Los Angeles.

Mr. Northrop is perhaps best remembered as the creator of the "Flying Wing." However, he actually designed a total of 48 aircraft, in the process pioneering aeronautical concepts that have been carried into the jet age. Among these was the first successful all-metal, stressed skin (in which the covering carries the load), monocoque (without use of internal framework) fuselage aircraft. This design concept, developed by Mr. Northrop in the 1920's, is used in virtually all commercial and military aircraft in service today.

Often stating that he got his start as a "grease monkey," Mr. Northrop was responsible for designing such famed aircraft as the Lockheed Vega; the Douglas A-17 for the U.S. Army Corps; the Douglas BT-1 dive bomber for the U.S. Navy; the Northrop Alpha, Beta, Gama, and Delta series of civil aircraft; the Army Air Corps Northrop P-61 Black Widow, the first airplane ever designed specifically for night fighting; the U.S. Air Force Northrop F-89 Scorpion, the first twin-jet, all-weather interceptor and the first interceptor to carry atomic armament; as well as the USAF Northrop B-35 and B-49 Flying Wing bombers.

He received the President's Certificate of Merit for his contributions to the Nation's defense in World War II and the Spirit of St. Louis Medal of the American Society of Mechanical Engineers for "meritorious service in the advancement of aeronautics."

The Smithsonian Institution has three Northrop-designed aircraft, a 1930 Alpha and two Vegas—Amelia Earhart's "Little Red Wagon" and Wiley Post's "Winnie Mae." Mr. Northrop's N-1M Flying Wing is now being restored by the museum.

After retiring from Northrop Corp., Mr. Northrop retained an active interest in aviation and continued to serve as honorary director of the company bearing his name.●

ESTONIAN INDEPENDENCE DAY

● Mr. RIEGLE. Mr. President, Tuesday marked the 63d anniversary of the Republic of Estonia. The Madrid Conference is continuing its work, but the evidence is clear that the Soviet Union has not honored the commitment it made in Helsinki in 1975. The Estonian people continue to live in the shadow of Soviet domination. The official policy of "Russification" has resulted in many Estonians being forced from their homeland, and the influx of thousands of Russians into Estonia. These events have restricted the practice of the traditional religion and culture, and may pose a threat to the survival of the Estonian people.

Through this all, the Estonian people have maintained their dignity and identity as one people. One needs only to look at the close-knit communities in the United States to see the essence of the Estonian spirit. On this special day, we should take a moment to remember the sacrifices that the Estonian people have endured, and continue to endure, to preserve the dream of freedom. Two examples of this stand out in particular. Mart Niklus and Juri Kukk have attempted to oppose the Russian system imposed on their nation. They have been subjected to severe penalties for their actions, but their cause lives on in the hearts of Estonians everywhere.

I hope that their support of the Helsinki principles will one day result in freedom for all Estonians and that February 24 will once again become "Independence Day" for all Estonia.●

AMBASSADOR WATSON'S REMARKS ON LEAVING MOSCOW

● Mr. PERCY. Mr. President, last month our Ambassador to Moscow, Tom Watson, paid his farewells after a year and a half of distinguished public service in lieu of the well-deserved retirement he and his wife might have chosen. They both deserve the thanks of all of us for a job well done.

His thoughts on leaving Moscow, reprinted in the New York Times of January 19, 1981, contain some wisdom on coping effectively with the Soviets that we would all do well to ponder.

He reminds us that, however, exasperating the Soviets are, we have to live in the world as it is, not as we wish it were, and compete with them in present day terms. This means abandoning the nostalgia of a bygone world of unchallenged American hegemony. It means accepting the national will and discipline required to compete effectively in today's conditions. And it means giving up the illusion that the Soviet Union is so beset with internal problems it is likely to collapse amid its own difficulties.

Ambassador Watson concludes:

To face the Soviet challenge, we should commit the United States to a carefully considered program aimed at putting our house in order and restoring our allies' confidence in us. That process could and should include conventional-arms increases, a program of universal military service, a reduction in Government spending, a balanced budget even with the sacrifice of increased taxes, a national energy policy, and a carefully reasoned foreign policy—one that will both allow us to stand up to the Soviet Union when our national interests are at stake and also will allow us to work with it when we can.

But let us do this realistically. Let us do it with the idea that we can never return to those good old days of yesteryear when American power was supreme. Now, for our lives, and the lives of everyone in the world, we must learn to reason with our opponents, and they with us. There is no other alternative.

Mr. President, I ask to have printed in the RECORD the full text of Ambassador Watson's remarks.

DEALING WITH MOSCOW

(By Thomas J. Watson, Jr.)

Moscow.—When I said farewell to the American press corps in Moscow the other day, I complimented them on the quality of their reporting. They have done much to explain the workings of that country to all of us. But, at the same time, I had to tell them that despite their best efforts, the Soviet Union is not basically understood by most Americans.

Oh, yes, we know who controls the levers of power; we know they are an aging lot, most of whom will not survive this decade; and we know something about the factors that lie behind those policies, both internal and external, that we so often find abhorrent. America's lack of understanding does not result from a lack of information.

It stems instead from a mistaken belief, augmented from time to time by articles in our press, that we can continue to assert ourselves in the world and successfully compete with the Soviet Union without sacrifice and without major new demonstrations of national will.

We long for days gone by when the United States had nuclear superiority over the Soviet Union and knew that if push came to shove, we were in a dominant position. There are snake-oil salesmen and medicine men in America today purveying their various and sundry balms with all sorts of promises of quick fixes that would restore us to this position. A basic element in most of these elixirs is a call for a rapid build-up of our nuclear forces, accompanied by assurances that the Soviet Union will be unable to match us.

Even if one could achieve meaningful nuclear superiority—and one cannot—I submit that this is a fundamental and dangerous misunderstanding of the Soviet Union.

I spent six months in the Soviet Union in 1942 and watched as the Soviet people made incredible sacrifices for their homeland. I see no evidence today that the small group of men in the Kremlin who wield power arbitrarily would be any less successful in imposing sacrifices on their people, detecting still more resources from the civilian to the military sector to match any build-up of arms that we make. The Soviet people are accustomed to sacrifices and to shortages, and, except for a few brutally suppressed dissidents, they have no experience in challenging—or inclination to challenge—the decisions imposed by their leaders.

During my tenure as Ambassador, we heard frequent reports of alleged food shortages, work shortages, and the like. On occasion, I sensed that various wishful thinkers back home were ready to seize on such reports as evidence that the Soviet system could not long survive in its present form.

In my judgment, nothing could be further from the truth, nor more likely to lead the United States toward unwise policy decisions.

While our officers regularly reported scarcities of some food items, and while living standards are indeed far below those of most Americans, in no case have we found evidence of public unrest or any serious challenge to the established authority. The Soviet economy has made good progress since World War II and does provide the Soviet people with much more than they had earlier.

What does all this mean? Simply that we can and should be equal but that neither of us can dominate.

The leaders of the Soviet Union have both the will and the means to match any arms build-up we make. All we will accomplish is to throw good money after bad and to heighten the dangers of an accidental nuclear exchange. Like it or not, we have to acknowledge that the Soviet Union will not accept second-class status. Once we understand this, our attitude toward an attempt to gain nuclear superiority should be far different—as should our attitude towards arms control.

On the other hand, neither should we accept second-class status. We have the strongest economy in the world and the social system best suited to deal with a changing world.

To face the Soviet challenge, we should commit the United States to a carefully considered program aimed at putting our house in order and in restoring our allies' confidence in us. That process could and should

includes conventional-arms increases, a program of universal military service, a reduction in Government spending, a balanced budget even with the sacrifice of increased taxes, a national energy policy, and a carefully reasoned foreign policy—one that will both allow us to stand up to the Soviet Union when our national interests are at stake and also will allow us to work with it when we can.

But let us do this realistically. Let us do it with the idea that we can never return to those good old days of yesteryear when American power was supreme. Now, for our lives, and the lives of everyone in the world, we must learn to reason with our opponents, and they with us. There is no other alternative.●

WILBERFORCE UNIVERSITY: 125 YEARS OF ACHIEVEMENT

● Mr. METZENBAUM. Mr. President, in 1844, at a time in our history when slavery was a powerful and seemingly permanent institution in this country, an inspired clergyman named Daniel Payne founded an institution whose purpose was the liberation of black Americans. Inspired by the work of Bishop William Wilberforce, who led the campaign to abolish slavery in the British colonies, Reverend Payne established in rural Ohio a place where children of the oppressed could come to acquire the emancipation that comes from higher education; 12 years later, in 1856, Wilberforce University received the charter that today gives it the distinction of being the oldest black university in the United States.

This week Mr. President, Wilberforce University will celebrate the 125th anniversary of its charter.

Among the celebrants will be more than 1,100 students, representing 34 States and 11 foreign countries. Those students pursue their courses of study on a very attractive, modern campus with a strong and growing reputation for academic excellence in the context of an outstanding moral and religious environment provided by the university's long-standing relationship with the African Methodist Episcopal church. I am confident that the future will see new and impressive chapters written in the university's proud history.

Mr. President, I offer my warmest congratulations in this occasion to Wilberforce's president, Dr. Charles Taylor, to Vinton R. Anderson, who chairs the board of trustees and to the entire Wilberforce family—the students, faculty, alumni and friends of this fine institution.●

THE MORAL ARCHITECTURE OF RAOUL WALLENBERG

● Mr. LEVIN. Mr. President, I was recently privileged to present the seventh annual Raoul Wallenberg lecture at the School of Architecture and Urban Planning at the University of Michigan. In my remarks, I attempted to do two things. First, I wanted to communicate my sense of frustration and fury at our inability to resolve the questions which surround the fate of Raoul Wallenberg.

As my colleagues well know, repeated efforts by the Congress and the executive branch have failed to elicit an adequate explanation of his fate from the Soviet Union. To date, we have only received repeated claims that he was apparently taken into custody by Soviet forces in 1945 and died in 1947. These claims, however, ignore the documented reports which have been received with regularity indicating that Wallenberg was still alive long after that date.

As recently as 3 years ago, a released prisoner reported having heard of Wallenberg's survival after 30 years in captivity. That former prisoner, Jan Kaplan has since been rearrested and repeated attempts to talk with him or even discover his whereabouts have been rebuffed. I wanted to indicate, in my remarks, that I found this denial of information by the Soviets to be a repeat of their actions in the Wallenberg matter and, accordingly, I wanted to pledge to my audience—as I pledge to my colleagues—that I will continue to pursue this case until it is resolved.

But I also wanted to talk about the legacy of Raoul Wallenberg: a legacy which I believe ought to contribute to our understanding of the environment which surrounds us. In this context, I tried to draw from his life a concept which could help us deal with the issues of ethnicity and separation which so directly affected his life and molded his actions in the closing days of the Nazi holocaust.

I tried to suggest that the kind of moral architecture which Wallenberg practiced could allow us to approach the concept of ethnicity, and its implications for city planning, from a perspective which might free us to acknowledge the value of ethnicity and develop its potential. In my remarks, I talked about the need to allow identifiable communities to develop as communities; I spoke of the desirability of city planners fostering a sense of ethnic neighborhoods and community cohesiveness; and I stressed the need I felt, as a policymaker, for more help in this area from the academic and professional community.

I believe that my remarks may be of some interest to my colleagues and, accordingly, I ask unanimous consent that they appear in the RECORD at this point.

WALLENBERG LECTURE

(By Senator CARL LEVIN)

Goethe once wrote that "the fate of the architect is the strangest of all. How often he expends his whole soul, his whole heart and passion, to produce a building he himself will never enter."

That epigram is both profound and paradoxical. It speaks to us about the gulf which separates people from the products they produce. But there is a deeper layer and labyrinth that we all experience as well: The separation of groups from society and the impact—both productive and destructive—that this separation has on the quality of our lives.

We might begin the process of seeking to understand this concept of separation—its positive prospects, and its more frequently identified negative nature—by looking at the life of Raoul Wallenberg.

In fact, Wallenberg's life becomes an effective metaphor for separation since it was itself separated into two distinct periods, in much the same way that Oriental thought separated the nature of reality, dividing it into the duality represented by the Yin and Yang of ancient design. In terms of Wallenberg, the Yang would be power: A man able to act in a time of evil and through that action, create at least an island of humanity in a sea of events devoid of any sense or value. And the Yin would be impotence: A man captured in another time of insanity, unable to break through a bureaucracy of pain and, as a result of his agony, becoming a symbol of the complexity of an age which too often chains our spirit and dulls our sense of effective outrage.

We need to understand those separate halves of his life, the duality of his experience. For in that experience, there is a hint of a concept capable of leading us to an understanding of the relationship between separation and society.

Let me begin, then, with the brighter half of this dichotomy, with the Yang of a man of action in a world of evil. Raoul Wallenberg was born in Sweden in 1912. His family was wealthy, his relationship with his society secure. But rather than being satisfied with what society offered, Wallenberg set out on a journey of exploration—a journey which brought him to this campus and the study of architecture. He sought, it seems, to understand the forms which surrounded him. He found a certain harmony in the orderly progression his discipline taught him. And he excelled in design, in creating patterns on paper which could be translated into a more humane living environment.

But his skills were ultimately to be used in an environment which was dedicated neither to humanity nor to life. Sent to Budapest in 1944 by the Swedish Government, at the urging of the War Refugee Board, and under cover of his family's financial interest in exports, he soon discovered that the business of the state in the tragic end-game of war was death and its exports were people rather than products.

To a certain extent, the separation of time has worked its tragic magic on us. The faded gray of the black and white photos of the period have dulled our sense of shock. We see the pictures of families gathered together, hope still there despite the fear, and we know—know with the certainty of time—that their hope is false and their fear is inadequate.

Wallenberg, though, was not separated in time. He was there—there in the center of a whirling turn of events which he felt could be altered, which he believed could be stopped, which he knew he must confront.

Others, though, did separate themselves from the reality he could not ignore. They closed their eyes when the beatings took place, they blocked their ears when the cries of pain echoed through the streets, they turned their head when the herds of human cattle were gathered in the streets and marched to the trains. Wallenberg could not escape that easily. He saw, he heard, he sensed the evil that surrounded him. And he decided to act.

Physically isolated from his homeland, spiritually alienated by the relative safety of Christian Budapest which could have been his, he sought to save a people who had been thrown into a world of chaos and divorced from the society which they had once shared. He went as an emissary into the Jewish ghetto, a physical enclave which must have affronted every principle of architectural harmony he had ever learned. He entered the twisted world of the Jew under Nazi rule, a universe which must have insulted every principle of human conduct he had ever absorbed.

He acted in that environment for less than a year. But in that time he touched the lives of over 100,000 human beings. He created passports, paper pledges of protection issued in the name of the Swedish government. And he took those passports and distributed them to those who were about to be taken away—

then threatened their guards with unknown but horrible consequences if they violated the protection those passports promised. It worked. People marched away from railroad cars which led to death and walked into apartments that Wallenberg rented as a refuge for the displaced.

He dined with Adolf Eichmann, mastermind of mass murder, in his desperate efforts to delay death. He met with the Mayor of Budapest and left with lives. He challenged soldiers on the street and produced safety for people. He was here and then he was there: hunted by the local Nazis and haunted by the image of what they were doing.

His life, once as orderly as the buildings he designed, was now a jagged line of dashes and danger. But out of that chaos came salvation for some and faith for others. Separated as he was from the prevailing immorality of that time and place, he was able to design a legend of heroism and hope that still lives on, in the belief that a single individual can, through a concern for and a commitment to good, bring a light to a night darker than any we can now imagine.

So, Wallenberg took the plight of a people packed into a ghetto and isolated from society as his cause. He saw in their forced separation an evil to be eliminated and in making that effort, he voluntarily separated himself from the society to which he belonged and the culture to which he had been born.

That was the legacy of the Yang that was Wallenberg. But there is a Yin as well. And in that Yin, Wallenberg changes. No longer is he the lone individual acting to conquer evil. In this new environment, he becomes the victim rather than a victor.

This world began for him as the war wound down and the flow of blood slowed. Wallenberg saw a city in ruins and a civilization in need of repair. The training he received at this University had prepared him for such a challenge. In the sleepless nights of saving, he had stolen minutes away from danger to design, to commit to paper a plan for a new city, a Budapest whose architecture would be worthy of the suffering it had seen and whose spirit would reflect the meaning of the struggle it had housed.

He wanted that design to become real, and he wanted it to serve as a home for the people whose lives had touched his. He was used to negotiating for his needs. And so, in the closing days of the war, he did not wait for the Russian troops to march into Budapest. Instead he sought to meet with their victorious generals and begin the process of building anew, physically and psychologically, a home for the displaced and the dispirited.

But the Russians had no interest in seeing a city built which would enhance human hope and reflect human dignity. And so there were no negotiations, and no discussions. There wasn't even an accusation. All there was, was an arrest. And then a trip to a jail cell in Moscow.

His story from this point on could serve as a model for Kafka's "Prisoner"—but for the fact that the novel is, incredibly enough, both clearer and more coherent. As best we can reconstruct it now, the Soviets thought Wallenberg a spy, an agent of the American government. They sought information from him—information he did not have. They sought confessions from him—confessions he could not make. And when they failed to get what they wanted, they decided to take what they could get: they decided to break him as they had broken so many others.

But Wallenberg did not break. Isolated though he was, separated from any semblance of social sanity or legal process, he stood firm.

And, as a result, he began a long journey which even now we do not totally understand or know. It appears, from all reports, that he was transferred from one prison to another. But no one knew for sure since the Soviets, in a singular act of denial, refused to even acknowledge that they were holding him prisoner. As interest in his plight built, however, pressure on the Soviets to account for him continued to grow. Finally in 1957, they produced a document, signed by the current Foreign Minister of the Soviet Union, Andrei Gromyko. That document purported to demonstrate that newly discovered records indicated that Wallenberg had, indeed, been imprisoned but had died of a heart attack in July, 1947. No death certificate accompanied the document. No explanation for his arrest was contained in the document. It simply reported the death and blamed any past misunderstandings and confusion on already discredited figures of the discarded Stalinist regime.

Since then, the Soviets have persisted in saying that they have no additional information on the case.

But those who are interested do have additional information. For years there have been reports of sightings, stories of meetings, tales of conversations. Just three years ago, a man named Jan Kaplan was released from a Soviet prison. He called his daughter in Israel and, in an attempt to assure her that he had survived his ordeal in good health, told her that he had seen a Swedish prisoner who had been held for over 30 years. Word of that conversation circulated throughout the growing community of those concerned about Wallenberg and, ultimately, to the Soviet authorities. Those authorities promptly arrested Jan Kaplan again. Repeated attempts by our Government and others to locate him or talk to him have been rebuffed by the Russians. His crime appears to have been making a casual, inadvertent statement which might imply that even after thirty years of isolation, Raoul Wallenberg still lived somewhere in the frozen wild of the Gulag. And for that statement, he now suffers the same fate as Wallenberg—separation from a society which seeks to make him a part of the larger, more human world.

Kaplan's fate tells us that Wallenberg still lives—at least in the sense that the horror he suffered, the separation he has endured, still survive as a fact of life.

But there is a danger in looking at that horror and that separation too superficially. Confronted by the forced separation of the ghetto and the Gulag, we may conclude that our moral mandate is to tear all the walls down, to destroy the barriers to complete social integration, to rip apart the forces that seek to separate peoples.

That is, however, a conclusion which we must modify. I suspect we ought to begin by acknowledging that there is no moral for us in Wallenberg—only morality; no specific commitment we can emulate—just a compassion we can envy. We have to recognize that he acted in response to an evil more total than any we now know. To transplant his behavior into this more complex time and confused place would be to distort his actions and diminish his accomplishments.

We run the risk, it seems to me, of being misled if we read Wallenberg too literally; if we see in his attempt to destroy the forced separation of the ghetto a corollary which compels us to prevent the self-selected cohesiveness which is the core of a continuing community and sense of identity.

In the layers of history, there are levels of irony and insight. And in this case, they build to a paradox—the same ghetto that stigmatizes individuals also strengthens and saves a collective identity. The ghetto, by isolating a people, historically developed a closeness and sense of group stability. In the long history of the Jews, for example, the evidence suggests that our ability to survive as a people, as a nation, came in part from our forced separation from society. As we were forced together by fate, we forged a future. The external hate which threatened us fueled an internal love which helped save us. In the life of the ghetto, our traditions flourished, our culture developed, our rituals remained a vital and valued part of our lives.

That experience, of course, is not unique to the Jewish people. In this country, the less formalized ghettos created at least in part by private preference have created vibrant centers of ethnic life. In the section of Miami known as Little Havana, for example, a Cuban culture flourishes with at least as much life as that found in the Homeland left behind. In the Chinatowns of San Francisco and New York, a community has developed through the simple process of identifying and organizing, within its own resources, along the lines suggested by its own culture.

Clearly I am not suggesting that the profit of the ghetto experience is so great that we should seek to enforce separation as a way of life. But I am suggesting that in an act of self-selection, in an attempt to freely draw from and associate with one's own ethnicity, there is a positive social and personal value—one that needs to be protected and preserved by all of us.

We celebrate the existence and experience of Detroit's Greektown; we point to Hamtramck's concentration of Poles with pride; we are enriched by the Creole influence in New Orleans or the French populations in New England.

There is then, a powerful part of us which is pulled into a ghetto of our own choice, into the sense of community we experience there, into the ethnic identification it help's to satisfy and serve.

Wallenberg confronted an excess of separation and stigmatization. He saw a ghetto of force, not choice. And while all prisons of compulsion must ultimately yield their seed, a sense of identity ought not be scattered. if a people elect to tend it in their own garden.

And so we face the delicate task of attempting to find a balance point, an epicenter in the shifting landscape of modern morality which will allow us to save our shrinking sense of the heritage represented by our pasts while still permitting us to develop a more inclusive future.

This is a dangerous topography, full of ethical and political pitfalls. You may recall the storm created by candidate Carter's 1976 pledge to protect the "ethnic purity" of our neighborhoods. Many saw in those words the fuel which had been used to ignite the crosses which burn in a landscape populated by the white sheeted equivalents of the brown shirts who marched through Nazi Germany. But many also saw in them something else—a plea to preserve the sense of identity which has been such a vital and potent force in our individual and cultural development.

It is, of course, in this later sense that I wish to be understood. I am not calling for the re-ghettoization of America—but I am calling for a recognition of the value that comes from people of the same heritage, if they choose, forming a community based on that heritage and culture. I am not calling for building impenetrable walls which keep people out of society—but I am calling for permeable barriers which help keep people together. We want to break down the ghetto walls erected by hate—but we don't want to rip apart the bonds of love that those walls helped create.

This duality of desire, when combined with the racial and economic implications of our decisions, has produced a schizophrenic public policy. On the one hand, we pursue policies designed to make our cities livable and attractive centers of human contact. We design programs designed to fight

the "gentrification of the city" which results in the disbanding of whole communities in the face of a wave of "in-migration". We deplore condominium conversions which compel the poor to abandon their homes and neighborhoods in the face of soaring housing costs. We ultimately rejected urban renewal clearance programs because we recognized that their cost in terms of displacement were greater than their benefits in revitalization.

But at the same time, we have mandated programs designed to achieve "spatial deconcentration" of minorities—which means, in essence, that we don't want too many folks of the same race or economic class living in any given neighborhood. Our attempts to encourage deconcentration are directly inconsistent with our efforts to prevent displacement. But we persist nonetheless. While fighting against the destruction of communities, we entice people to leave their neighborhoods and homes by offering them a host of services designed to make new suburban dwellings appear more attractive. Such services—available only for those willing to consider suburban relocation—include bus tours, babysitting, educational programs, staff assistance in negotiating rent levels, followup counseling and crisis intervention. That is an attractive package—but, importantly, it is a package which is not available to those who prefer not to relocate but rather choose to stay in their present neighborhoods.

So, we move in different directions at the same time. We reject and resist those economic forces which lead to displacement, but we encourage and create governmental programs which lead to deconcentration. Clearly this is not the most inspiring example of consistency of purpose or strength of will.

Indeed, we have become so paranoid about exclusivity based on race and so fearful of any signs of separation rooted in economics that we have created an environment in which our legitimate concerns prevent positive action in less charged areas of social life. For example, if an ethnic group—say the Chinese—wants to build a senior citizens home, and if they seek HUD guarantees to support the construction of that facility, they must promise that it will be an open facility—one that will totally ignore any factor like national origin when deciding who shall be eligible to reside there. While such a statement may be required by law, no public policy compels it. Who really would object if an ethnic group concludes that their aged population would like to live in an environment suffused with the trappings of their own culture? Common sense says that there is a reason for such an approach and a benefit to such a policy. But in order to achieve that common sense solution, in order to fill the lives of some elderly people with the food they love, the language they speak and the traditions they revere, a fiction is created to by-pass the law. That fiction, which demonstrates the poverty of our policy, is simple: as soon as the promise has been made and the project approved, five thousand aged Chinese line up to place their names on the waiting list for a 200-unit apartment. Thereafter, all vacanices are filled from that waiting list. And when the list begins to run low, the call goes forth again and, lo, more aged Chinese appear at the door. Thus law escapes intact and a culture, and a people are allowed to remain intact as well.

I know as a child of the civil rights era, that this country has not yet escaped the racial hate which still threatens to consume us. I realize that if we relax the laws that prevent forced segregation, we endanger our prospects of ever freely achieving integration. But my point is that at least in some areas, primarily related to ethnicity, we have achieved the kind of ethical growth which does allow us to act in ways which are consistent with a morality that the law acting alone can never achieve. When proper motives are present, we can allow for separation without fearing segregation.

Those motives are not yet universal. But we need to recognize those situations which do pass the test of ethics. And we need to nurture those situations in which separation involves no stigmatization and implies no segmentation.

In that effort, those of us who grapple with the morality of classification, need the assistance of those who deal with the aesthetics of community. As Sol King, one of your alumni and a leading figure in your profession and a founder of these lectures once remarked, your profession is being asked "to design buildings and even whole communities which can reunite people without destroying individuality . . . We are being asked to somehow save the world from a growing sense of dehumanization and depersonalization and to accomplish all this before a lack of the human element becomes a way of life."

Obviously, even Mr. King stood in some awe of that task. But it seems to me to be a challenge totally consistent with the aspirations of the design professions. It was, for example, Eric Larrabee who said, in an early Wallenberg lecture, that "to build is a proud act . . . in that it attempts to outdo nature and readapt it to a changing biology, to match its landscape with another filled with the same harmony and delight as the world of rocks and trees and water and sky."

That world to which Larrabee refers is one in which separation and integration co-exist. The rocks are separate and distinct from the sky, the water different from the trees. Yet they also interact: the water nourishing the trees, the sky giving color and context to the rocks. In nature, there is a balance and harmony which accepts each element for what it is and what it can add to the world it shares. That is at least a partial model for us.

I am neither an architect nor a planner, but rather a politician. But in that role I have spent enough time in enough neighborhoods and communities to have at least an outsider's sense of what allows them to function and what encourages them to malfunction.

I know, for example, that a community must have a center—a physical and spiritual focal point which serves as the glue that holds it together. In some communities it is a school or a church: an institutional core for community relations and activity. In others, it is a store: a place where the medium of exchange is as much memory as it is money. Anyone who seeks to revitalize a neighborhood must understand that such institutions create community and as a result, they must be retained.

I also know that communities have a sense of space and time—of physical presence. The lure of the neighborhood of our childhood comes from many things, but surely one of them is the tree we used to climb or the vacant lot in which we used to play. Ours is an age increasingly divorced from the past: our rootlessness intensified by travel and our life styles altered by changing technologies. I would suggest that there is, then, an urgent need for continuity which cannot be ignored without risk. In our plans for revitalization there must be room for renewal, for preservation, for the past. Those of us in political life need your help. We need to learn how to design policies which will allow you to design communities which promote identity and stability.

In saying that, I do not mean to suggest we should seek to create timeless oases. I know that change is part of our lives, that growth is part of our destiny. But in change and growth, there ought to be some sense of a pattern, some feeling that the future flows from the past, that our tomorrows grow out of our yesterdays.

I have tried to suggest a little of that continuity tonight. We must pledge, with Raoul Wallenberg, to destroy the walls created by fear and hate. But we should also seek, as we accomplish that destruction, to erect curtains which allow us at least a sense of identity, and the richness of life and sense of belonging which comes from knowing that we are a part of a living chain of being and do fit into a pattern of development which transcends our own individual growth.

Distinguishing between attempts to divide and a desire to diversify is not an easy task. But Raoul Wallenberg undertook such a task many years ago. In that sense, he was not just a man who mastered the physical demands of architecture; he was also a man who mastered the moral demands of architecture as well.

The designs which his moral architecture have traced constitute his living legacy and our modern challenge.

He taught us that we must be willing to take risks if we expect to achieve results. We may not need to match the risks he was willing to take. Certainly we cannot match his deeds. But we can emulate his motives.

We can learn from him that the moral dimensions of action demand our attention and that the ethical issues of conduct require our continued concern. That is, after all, the task we ultimately must accept when we realize that while a truly human life may be neither simple or easy, it is both possible and desirable.●

EXPORT TRADING COMPANY LEGISLATION II

● Mr. HEINZ. Mr. President, at the International Finance and Monetary Policy's Subcommittee hearing on February 17, Commerce Secretary Baldrige presented excellent testimony endorsing S. 144, the Export Trading Company Act of 1981. I am pleased that the Reagan administration appreciates the importance of creating a comprehensive export policy and that S. 144 should properly be a part of it. Mr. President, I ask that Secretary Baldrige's testimony be printed in the RECORD at this point.

The testimony follows:

STATEMENT OF MALCOLM BALDRIGE, SECRETARY OF COMMERCE

I am pleased to appear today before the International Finance Subcommittee to present the Administration's views on S. 144. This bill would increase U.S. exports by facilitating the formation and operation of export trading companies and export trade associations. I am particularly pleased to have a chance to testify on a matter of considerable importance to our export expansion effort.

Mr. Chairman, my statement will be brief. The Administration strongly supports S. 144. Bills similar to S. 144 were carefully considered in six separate hearings during the last session of Congress. The need to increase U.S. exports, and the utility of export trading companies in meeting this need, have been well demonstrated. I urge the Congress to pass this legislation quickly.

THE IMPORTANCE OF EXPORTS TO THE U.S. ECONOMY

As you know, Mr. Chairman, the President will be appearing before Congress tomorrow to announce his economic program. This action, coming as it does with the Administration not yet a month old, reflects the urgency with which the President views the economic problems of the United States. Exports already play a vital role in the U.S. economy and will only become more so in the years to come. Thus, it is also with a sense of urgency that I testify this morning.

U.S. merchandise exports alone are now running at about 8.5 percent of our gross national product, twice the ratio of 10 years ago. Exports in general stand at $221 billion, almost one-fifth of all the goods produced in this country ($1,132.7 billion in 1980). The most rapidly expanding markets for many U.S. goods are export markets. Most economists feel that the growth of the world economy will be less than it has been in the last decade. Thus, international competition for available world export markets will increase substantially. If we fall behind in this race, it will be U.S. jobs which suffer most.

Exports preserve and create jobs in the United States. Exports can lead to increased production and increased jobs for U.S. firms. In a real sense, U.S. exports pay for our imports of oil and other necessary or desirable commodities. Yet competition for our export markets is more severe each year.

Although the U.S. share of manufactured goods exported by the major industrial nations increased in the second quarter of 1980 to 8.4 percent, its highest level since 1976, it still remains considerably below our share in 1960 which stood at 25.3 percent.

We should acknowledge that successful exporting requires special effort and expertise. Our competitors abroad have had to learn how to export—small and medium-sized firms as well as large firms—in order to survive. Too large a share of U.S. exports come from large firms. We need a mechanism to stimulate and train these smaller firms in this skill such as their foreign competitors are doing. This Administration acknowledges the responsibility of the government to create a legal and economic atmosphere conducive to exporting. Enactment of the bill before us, with changes I will describe later, would be a first step in creating such an environment and would be particularly helpful for our small and medium-sized firms.

THE NEED FOR EXPORTING SPECIALISTS

In considering our international competition most of us think immediately of Japan. Significant, in my view, is the fact that two-thirds of Japan's exports are handled by trading companies.

Moreover, Japan has learned how to export from America. The sixth largest U.S. exporter is none other than Mitsui, one of the largest Japanese trading companies. I believe that Mitsui is merely doing that which an American trading company should. Japan is not alone among our industrialized trading partners in making use of specialized export entities. West Germany, France, and Hong Kong do likewise.

With a few notable exceptions, the United States does not have large export trading entities. There are some 700–800 export management companies in the United States, many of them well-managed and successful businesses, and several thousand small export merchants. Not all of these export companies are adequately financed or managed, however, and many cannot provide a full range of export services, market intelligence and knowledge of local business practice.

We need export trading companies that provide a full range of export services to firms of any size interested in exporting. These exporting companies must be sufficiently capitalized to allow operations on a scale that would achieve substantial economies in selling and distributing. These companies must be large and experienced enough to develop new markets for U.S. goods.

Large manufacturers are already exporting extensively and typically have spent time and money building up overseas networks which our smaller U.S. companies have not been able to afford.

Similarly, many banks have national and foreign coverage through branches, agents, or correspondent banks and are already in the business of evaluating risks and researching foreign markets. Banks already involved in international transactions understand the subtleties of international financing and exchange. Banks with foreign affiliates are also in a better position than many U.S. companies to understand foreign regulations affecting our export trade. Therefore, they also are logical candidates to form and participate in effective export trading companies.

As an example of how a trading company could increase exports, the Commerce Department undertook a study to determine the usefulness of export trading companies for the textile and apparel industries. Preliminary findings indicate that a trading company would be very useful in promoting American textile and apparel exports. Many firms in this industry are small and now find it difficult or impossible to devote the financial and managerial resources needed to establish an effective export arm. We will provide the Committee with the complete study shortly.

THE NEED FOR LEGISLATION

A key feature of this Administration's program is to eliminate regulation that unnecessarily limits our economic growth. We apply the same principle to government regulation that unnecessarily retards export growth. With the exception of bank holding companies which can purchase up to five percent of the shares of any U.S. company, our banking laws and regulations do not allow bank investments in export trading companies. There is also considerable uncertainty over application of the antitrust laws to export activities, and this uncertainty inhibits the development of joint export activities.

We need legislation that allows bank ownership participation in export trading companies. And we need legislation that provides a way for businessmen to ensure that they will not run afoul of the antitrust laws in their export activities. S. 144 will achieve both these aims. Both the Attorney General and the Secretary of the Treasury endorse the concept of Export Trading Companies embodied in this bill.

We believe the need to increase U.S. exports is a compelling reason to make an exception from the general principle of separating banking and commerce. S. 144 provides such an exception and thereby creates opportunities for banks of all types and sizes. The limitations and protections in Title I are adequate to safeguard the integrity of our financial system.

We expect that the bill's encouragement of cooperation among U.S. companies for exporting will extend to cooperation among banks for the same end. In particular, we hope that banks outside the major urban centers, whose clients often are the small and medium-size companies S. 144 targets, will be able to cooperate through bankers' banks or otherwise in working together to form and operate trading companies.

The business community must have assurance that specified cooperative export activity will not lead to antitrust liability. We believe the procedure in Title II for obtaining a certification of antitrust immunity will enable most businessmen to obtain just this assurance while, at the same time, providing safeguards to protect competitive principles.

I must note before closing that the Administration opposes sections 106 and 107 of the bill, the two provisions on financing. As we all strive to reduce government spending substantially, we cannot support new appropriations or authorizations for expenditure programs. Furthermore, we believe we could administer Title II of this bill within our International Trade Administration without major additional resources. Therefore, we feel it is unnecessary to require legislatively the establishment of a special Office of Export Trade to carry out the certification and promotion functions.

To sum up, Mr. Chairman, the Administration urges adoption of the banking and antitrust provisions of S. 144. I look forward to working with this Subcommittee and the Congress to secure quick passage of export trading company legislation.●

CONGRESSIONAL MEDAL OF HONOR

● Mr. TOWER. Mr. President, on Tuesday, I had the distinct pleasure of attending a ceremony honoring a fellow Texan for an extreme act of heroism. At this ceremony, the Congressional Medal of Honor was bestowed upon M. Sgt. Roy P. Benavidez, USAR, by President Reagan as a tribute to one who saved the lives of at least eight men at tremendous risk to himself.

Sergeant Benavidez was wounded several times when, as an Army staff sergeant in Vietnam, he volunteered to join a rescue mission for a 12-man team that had been trapped by heavy enemy fire. Benavidez jumped from a hovering helicopter, and ran through a barrage of small arms fire to join the trapped men, who were all either dead or wounded. He then took charge of the trapped team, not only rescuing the wounded, but saving classified documents as well.

Certainly these acts demonstrate that Sergeant Benavidez not only represents the finest tradition of our Armed Forces, but also is an outstanding representative for his country, and, of course, for the State of Texas as well.

Mr. President, I would like to share with my colleagues the remarks made by President Reagan at this impressive ceremony. I ask that the text of the President's speech be printed in the RECORD.

The remarks follow:

REMARKS OF THE PRESIDENT AT MEDAL OF HONOR CEREMONY

The PRESIDENT: Thank you, Mr. Secretary. Men and women of the armed forces, ladies and gentlemen, several years ago, we brought home a group of American fighting men who had obeyed their country's call and who had fought as bravely and as well as any Americans in our history. They came home without a victory not because they'd been defeated but because they'd been denied permission to win. (Applause.)

They were greeted by no parades, no bands, no waving of the flag they had so nobly served. There's been no thank you for their sacrifice. There's been no effort to honor and, thus, give pride to the families of more than 57,000 young men who gave their lives in that far away war.

As the poet Lawrence Binyon wrote, "They shall grow not old as we that are left to grow old. Age shall not weary them nor the years condemn. But the going down of the sun and in the morning, we will remember them."

Pride, of course, can not wipe out the burden of grief borne by their families, but it can make that grief easier to bear. The pain will not be quite as sharp if they know their fellow citizens share that pain.

There's been little or no recognition of the gratitude we owe to the more than 300,000 men who suffered wounds in that war. John Stuart Mill said, "War is an ugly thing but not the ugliest of things. A man who has nothing which he cares about more than his

personal safety is a miserable creature and has no chance of being free unless made and kept so by the exertions of better men than himself."

Back in 1970, Kenneth Y. Tomlinson wrote of what he had seen our young men do beyond and above the call of military duty in Vietnam—a marine from Texas on his way in at dawn from an all night patrol stopping to treat huge sores on the back of an old Vietnamese man, an artillery man from New Jersey spending his free time stacking sandbags at an orphanage to protect the children from mortar attacks, an army engineer from California distributing toys he'd bought in Hong Kong to the orphans his unit had adopted. One senior military officer told Tomlinson, "My hardest task is keeping track of the incurable humanitarianism of our troops." None of the recent movies about that war have found time to show those examples of humanitarianism. In 1969 alone, the United States Army Volunteers helped construct 1353 schools and 597 hospitals and dispensaries, contributing $300,000 from their own pockets. Marines from the Third Amphibious Force helped build 268 classrooms, 75 dispensaries, 78 churches, temples and pagodas. Marines contributed $40,000 to insure an education for 935 children. Air force men gave their money and their own labor to 1218 schools, medical facilities and orphanages. Air forces doctors, dentists, and medics treated 390,000 Vietnamese in volunteer programs.

At Hoa Khanh, Children's Hospital treated in that one year, some 16,000 children, many of whom might have died without the hospital. One of the finest and most modern in the Far East, it was built and financed with money raised by combat marines.

An 11-year-old boy burned over three quarters of his body was one of those saved. He interrupted the game he was playing with visiting marines to say, "All my life, I will never forget this place and these healing people. Some way, I will repay them."

A 27 year old chaplain from Springfield, Missouri, came upon an orphanage where 60 children were sleeping on the floor of a school and subsisting on one or two bowls of rice a day. He told some men of the Americal Divisions, Fifth Battalion, 46th Infantry, about what he'd seen. A veteran sergeant said, "Don't worry, Chaplain. Those kids have just got themselves some new parents." And they had.

Army combat troops began sacking enemy food they had captured and shipping them back on returning helicopters. They found cots in a salvage dump, repaired them and soon the children were sleeping in beds for the first time. One day, the cup was passed. Marines earmarked 10 percent of all poker winnings and by the end of the year, the orphans were in a new building.

An air force pilot saw 240 lepers living in unimaginable filth. Soon there were volunteers from all branches of the military spending their weekends building houses at a hospital.

The stories go on and on. A Green Beret learned that a mother in a remote mountain village was having trouble in childbirth. He made his way to her home, carried her to a truck, and raced to Camranh where a Navy doctor delivered her baby. On Christmas he gave 1,500 orphans toothpaste, soap, candy, and nuts he had collected from fellow servicemen.

Bob Hope, who visited our men there as he had in two previous wars, said of them, "The number of our GI's who devote their free time, money, and energy to aid the Vietnamese would surprise you." And then he added, "But maybe it wouldn't. I guess you know what kind of guys your sons and brothers and the kids next door are."

Well, yes, we do know. I think we just let it slip our minds for a time. It is time to show our pride in them and to thank them.

In his book, "The Bridges of Toko-Ri," novelist James Michener writes movingly of the heroes who fought in the Korean Conflict. In the book's final scene an admiral stands on the darkened bridge of his carrier waiting for pilots he knows will never return from their mission. And as he waits he asks in the silent darkness, "Where did we get such men?" Almost a generation later, I asked that same question when our POW's were returned from savage captivity in Vietnam. "Where did we find such men?" We find them where we have always found them, in our villages and towns, on our city streets, in our shops and on our farms.

I have one more Vietnam story, and the individual in this story was brought up on a farm outside Cuero in DeWitt County, Texas, and he is here today. Thanks to the Secretary of Defense, Cap Weinberger, I learned of his story which had been overlooked or buried for several years. It has to do with the highest award our nation can give, the Congressional Medal of Honor, given only for service above and beyond the call of duty.

Secretary Weinberger, would you please escort Sergeant Benavides forward.

Ladies and gentlemen, we are honored to have with us today Master Sergeant Roy P. Benavidez, U.S. Army, Retired. Let me read the plain, factual military language of the citation that was lost for too long a time.

"The President of the United States of America, authorized by Act of Congress, March 3, 1863, has awarded in the name of the Congress the Medal of Honor to Master Sergeant Roy P. Benavides, United States Army, Retired, for conspicuous gallantry and intrepidity in action at the risk of his life above and beyond the call of duty:" Where there is a brave man, it is said, there is the thickest of the fight, there is the place of honor.

"On May 2, 1968, Master Sergeant (then Staff Sergeant) Roy P. Benavidez distinguished himself by a series of daring and extremely valorous actions while assigned to Detachment B-56, Fifth Special Forces Group (Airborne), First Special Forces, Republic of Vietnam. On the morning of May 2, 1968, a twelve-man Special Forces Reconnaissance Team was inserted by helicopters in a dense jungle area west of Loch Ninh, Vietnam to gather intelligence information about confirmed large-scale enemy activity.

"This area was controlled and routinely patrolled by the North Vietnamese Army. After a short period of time on the ground, the team met heavy enemy resistance, and requested emergency extraction. Three helicopters attempted extraction, but were unable to land due to intense enemy small arms and anti-aircraft fire. Sergeant Benavidez was at the Forward Operating Base in Loch Ninh monitoring the operation by radio when these helicopters returned to off-load wounded crewmembers and to assess aircraft damage.

"Sergeant Benavidez voluntarily boarded a returning aircraft to assist in another extraction attempt. Realizing that all the team members were either dead or wounded and unable to move to the pickup zone, he directed the aircraft to a nearby clearing where he jumped from the hovering helicopter, and ran approximately 75 meters under withering small arms fire to the crippled team.

"Prior to reaching the team's position, he was wounded in his right leg, face, and head. Despite these painful injuries, he took charge, repositioning the team members and directing their fire to facilitate the landing of an extraction aircraft, and the loading of wounded and dead team members.

"He then threw smoke canisters to direct the aircraft to the team's position. Despite his severe wounds and under intense enemy fire, he carried and dragged half of the wounded team members to the awaiting aircraft. He then provided protective fire by running along side the aircraft as it moved to pick up the remaining team members. As the enemy's fire intensified, he hurried to recover the body and the classified documents on the dead team leader. When he reached the team leader's body, Sergeant Benavidez was severely wounded by small arms fire in the abdomen and grenade fragments in his back.

"At nearly the same moment, the aircraft pilot was mortally wounded, and his helicopter crashed. Although in extremely critical condition due to his multiple wounds, Sergeant Benavidez secured the classified documents and made his way back to the wreckage, where he aided the wounded out of the overturned aircraft, and gathered the stunned survivors into a defensive perimeter.

"Under increasing enemy automatic weapons and grenade fire, he moved around the perimeter distributing water and ammunition to his weary men, reinstilling in them a will to live and fight. Facing a buildup of enemy opposition with a beleaguered team, Sergeant Benavidez mustered his strength, and began calling in tactical air strikes and directing the fire from supporting gunships, to suppress the enemy's fire and so permit another extraction attempt.

"He was wounded again in his thigh by small arms fire while administering first aid to a wounded team member just before another extraction helicopter was able to land. His indomitable spirit kept him going as he began to carry his comrades to the craft.

"On his second trip with the wounded, he was clubbed from behind by an enemy soldier. In the ensuing hand-to-hand combat he sustained additional wounds to his head and arms before killing his adversary. He then continued under devastating fire to carry the wounded to the helicopter. Upon reaching the aircraft, he spotted and killed two enemy soldiers who were rushing the craft from an angle that prevented the aircraft door-gunner from firing upon them. With little strength remaining, he made one last trip to the perimeter to ensure that all classified material had been collected or destroyed, and to bring in the remaining wounded.

"Only then, in extremely serious condition from numerous wounds and loss of blood, did he allow himself to be pulled into the extraction aircraft.

"Sergeant Benavidez' gallant choice to join voluntarily his comrades who were in critical straits, to expose himself constantly to withering enemy fire, and his refusal to be stopped despite numerous severe wounds, saved the lives of at least eight men.

"His fearless personal leadership, tenacious devotion to duty, and extremely valorous actions in the face of overwhelming odds were in keeping with the finest traditions of the military service, and reflect the utmost credit on him and the United States Army."

Sergeant Benavidez, a nation grateful to you and to all your comrades living and dead, awards with highest symbol of gratitude for service above and beyond the call of duty, the Congressional Medal of Honor.●

ANGOLA

● Mr. TSONGAS. Mr. President, the Senate Foreign Relations Committee, of which I am a member, recently held hearings on the nomination of General Haig to be Secretary of State. A frequent subject of discussion in those hearings was covert intervention, and in particular, covert activities in Angola.

The Reagan administration reportedly is conducting a review of our Angola

policy. Here in the Senate, many of my colleagues probably are conducting their individual assessments of the Angola situation. The guerrilla insurgency of Jonas Savimbi is a well-known potential recipient of covert or even overt military assistance from the United States. As General Haig noted in his testimony, Savimbi's organization, UNITA, is "strong and functioning" in southern Angola. President Reagan indicated during his campaign that he would support U.S. military assistance to Savimbi and his guerrillas.

Angola is clearly on the foreign policy agenda of the United States. But, as is usual and admirable in the American system, such an important policy issue will be discussed and debated extensively before action, if any, is taken. I would like to contribute to that discussion with five articles by Anthony Lewis from the New York Times.

The articles are a thoughtful presentation of the costs of American intervention in Angola. And, in the final analysis, costs versus benefits to American interests should determine whether or not America intervenes in Angola.

Mr. President, I request that these five articles be reprinted in the RECORD.

The articles follow:

[From the New York Times, Jan. 22, 1981]

CHOICES IN ANGOLA

(By Anthony Lewis)

LUANDA, ANGOLA, January 21.—Secretary of State Alexander Haig told the Senate Foreign Relations Committee last week that he opposed United States recognition of the Angolan Government "so long as there are 20,000 or 18,000 Cuban mercenaries within their borders." The day he said that the French Foreign Minister, Jean Francois-Poncet, ended a four-day official visit to Angola with a joint statement pledging development of the two countries' economic and political relations.

The United States and its European allies have taken opposite courses on Angola since the Popular Movement for the Liberation of Angola, known by its initials M.P.L.A., won power here in 1975 and held it with Cuban help. Washington has said no to diplomatic relations. Britain, France, West Germany, Italy and others have embassies here and are working to expand their activities, as the French example shows.

France's trade with Angola is now about $250 million a year and growing fast. French oil companies won two exploration concessions last year. There is a Renault assembly plant. A French company built and is helping to manage a huge textile plant in Catumbela, near Lobito.

Economic dealings with Angola are not, as in the case of some developing countries, a matter of aid and rolling loans. Angola pays for what it buys. Its oil revenues give it a small balance of payments surplus even after very large purchases abroad.

General Haig wisely avoided a rigid position on Angola in his Senate testimony. He indicated that an undertaking for the Cuban troops to start leaving might create "an entirely different situation." And he said there were other factors to consider, among them "the degree of opportunity afforded to Western enterprise" by Angola's Marxist Government.

As to that, the briefest visit to Luanda by a representative of the new American Administration would be an eye-opener. The place is crawling with Western businessmen, and their products are in evidence. New Volvo buses wind through the city, and the Swedes are here training mechanics. The Austrians are looking for iron ore. De Beers mines diamonds. Corn is bought from France, rice from Thailand. Japanese trucks are on the way.

Angola has virtually no trade, in oil or anything else, with the Eastern bloc. The M.P.L.A. Government has reportedly refused to join Comecon, the trade group of the Soviet Union and its satellites, despite its dependence on Soviet weapons and Soviet, East German and Cuban military advisers.

Most remarkable of all, on the economic side, is the fact that American businessmen are here despite the chill from Washington. And they are obviously welcome.

Gulf Oil is the well-known example. It produced 160,000 barrels a day from its wells off the Angolan enclave of Cabinda last year. About 100,000 ended up in the United States, the rest mainly in Europe and Japan.

"The Angolan Government is responsible in carrying out its obligations," a Gulf executive in the United States said. And Angola's Minister of Planning, Roberto de Almeida, said here: "We have good relations with Gulf."

The General Tire Company of Ohio has a 10 percent interest in a tire plant here and provides technical advisers. During my five-day visit an executive from Akron, T. J. Fahey, was here looking over the situation. Like the Gulf people, he was upbeat.

"We are delighted to be here," Mr. Fahey said. "They pay us meticulously—our fees and the salaries of our people.

"I think it's a tragic mistake," he said, "that we don't recognize Angola. Here is a country with incredible buying power and a need for every product on earth. I'm talking about America's commercial self-interest. When I see what the Italians, the Germans, the French, the Brazilians are doing here . . . I'm just an old peddler, but I think it's ridiculous."

By every sign the Angolan Government wants products and industrial and technical advice from the West. And despite its Marxist ideology it evidently wants better political relations with the West, too.

Before his death in September 1979, President Agostinho Neto took significant steps away from rigid adherence to the Soviet line. He signed a cooperation agreement with Portugal, the former colonial power, and eased hostile relationships with neighboring Zaire and Zambia. Most important, he went for the Western plan on independence of Namibia and gave critical help in arranging cease-fire proposals.

His successor, José Eduardo dos Santos, has stuck to that line on Namibia. South Africa's fist no at the recent Geneva conference has not changed the position. Angolan leaders reacted with remarkable mildness, saying nothing about sanctions against South Africa and calling for continuation on the diplomatic path with the West.

A Western-oriented African, a long-time visitor here, told me: "The crucial question is whether the United States will come in here and help them do what they want to do—escape from dependence on the East." An Angolan official quoted what he said was a French maxim: "For the great to be absent is a mistake."

[From the New York Times, Jan. 23, 1981]

ANGOLAN AIDE LINKS A FREE NAMIBIA TO CUBANS' EXIT

(By Anthony Lewis)

LUANDA, ANGOLA, January 19.—Angolan leaders say they want to keep working with Western countries to find a "diplomatic way" to achieve independence for South-West Africa. If the problem is solved, they say, Cuban troops can start to leave Angola.

These two points were made by officials of the Government and the Marxist ruling party, the Popular Movement for the Liberation of Angola. The Popular Movement, aided by the Cubans, won control in the civil war that broke out after the Portugese left their colony in 1975, and the Cubans later helped the Government keep a South African invasion at bay. About 17,000 Cuban soldiers are still here.

Lúcio Lara, the Popular Movement's secretary, is regarded as its leading theoretician and the most powerful figure here after President José Eduardo dos Santos. He was asked in an interview what the next step should be on South-West Africa, which is also known as Namibia.

STRESSES FIVE POWERS' ROLE

"I feel we must press on with the diplomatic way," Mr. Lara said. He emphasized the role of the five Western powers that have been trying to work out a solution with South Africa, the United States, Britain, France, West Germany and Canada.

Mr. Lara said he was "worried about the new American administration" and assumed that South Africa had refused to come to an agreement at the recent conference on Namibia in Geneva because it wanted to "wait for President Reagan."

The Reagan administration will have to be given time to make its policy, Mr. Lara said. But in any event, he added, "West Germany, France, Canada, even Madame Thatcher, are all concerned about the position of South Africa in Namibia." He referred to Prime Minister Margaret Thatcher of Britain.

South Africa has administered South-West Africa for 60 years. It has agreed in principle to independence for the territory but wants to hand it over to internal parties that it has fostered rather than to the guerrilla movement, the South-West Africa People's Organization.

PLAN CALLS FOR ELECTIONS

A plan drawn up by the five Western powers under United Nations auspices calls for a cease-fire, the entry of a United Nations force and elections. South Africa had seemed to agree but at Geneva refused to set a date for the plan to begin.

Angola, which borders on South-West Africa, supports the guerrillas, and South Africa has carried out frequent and punishing raids into Angola.

The South African threat was mentioned by Mr. Lara and others when the question of the Cubans was raised. The United States has refused to recognize the Government here because of the Cuban presence. Mr. Lara said that "of course" he understood that, but he continued:

"The problem of the Cubans is the problem of South Africa. We are not yet in a position to be on our own. Every day they kill our people. We experienced an invasion, and we will suffer. We do not feel safe.

"Naturally, if we have an independent Namibia, if the South African situation is peaceful and as we develop our own forces we don't need the Cubans forever."

FOREIGN MINISTER IS EXPLICIT

Foreign Minister Paulo Jorge was more explicit. Asked whether the Cubans would leave if the issue of South-West Africa was settled, he said:

"Of course. We have said this very clearly to the Americans. When the threat from South Africa disappears—and we believe it will with the independence of Namibia—then we won't need the Cuban presence here."

Mr. Jorge spoke with some optimism about the possibility that South Africa would in time accept the Western-United Nations plan on South-West Africa. And he pointedly did not say that it was time to seek United Nations sanctions against South Africa.

"We were disappointed in South Africa at Geneva," the Foreign Minister said. "But we do think it was an important step to sit together with the South Africans and talk."

Mr. Lara, a heavy smoker with a long pale-brown face and wispy beard, has a reputation as a Marxist hard-liner. But his tone in the interview was matter-of-fact, notably so when he talked about South Africa.

"If we have no more direct conflicts with South Africa," he said speaking of a settlement on South-West Africa, "conditions will be created for discussion and a way of getting on despite apartheid."

He added: "The South Africans are beginning to change: not the change that we want, but they are convinced now that they must change. How they do it is their problem. We understand that they have difficulties; they have their ultras."

There have been rumors that South African and Angolan rerpresentatives have held private meetings in recent months. Officials here denied that, except for Mr. Lara, who said: "There have been talks, but not deep in intention or results."

Apart from the South African incursions, the Popular Movement Government faces guerrilla raids in the southern part of the country by a party that lost out in 1975, the National Union for the Total Independence of Angola. It has South African support, and its leader, Jonas Savimbi, has links to conservatives in the United States and Western Europe.

FORCE SAID TO DECLINE

Well-informed foreign observers here, including Western diplomats, say the National Union has declined as a force in the last year. Its support is said to be local, and it does not have continuing administrative control of any territory, operating only in guerrilla bands.

Two ambassadors who traveled hundreds of miles around the country in the last six months said they encountered no National Union presence. But one who toured the south said he saw the results of South African bombing: destroyed highway bridges, a destroyed furniture factory and craters on the runway of a provincial airport.

The National Union's most persistent activity has been in interrupting the Benguela Railway, which runs from Zaire in the east to the Atlantic at Lobito. It used to carry Zambian and Zairian copper before 1975.

Last year, according to Western experts, the railroad managed to carry 12,000 tons of Zairian manganese ore to Lobito. But local people say there is still roughly an incident a day on the railroad.

POLITICAL INTERESTS CITED

Mr. Lara suggested that South Africa had political reasons for wanting the Benguela Railway not to function.

"They want to force Zambia and even Zaire to ship through South Africa," he said. "There is a special Unita group, supplied by South African helicopters, to interrupt the railroad. We have found thousands of tons of explosives." The National Union is often referred to by its initials, Unita.

Diplomats believe the National Union's continuing activity is linked to South Africa's attempts to get a more favorable settlement in South-West Africa. If there is international agreement on South-West African independence, they say, the National Union will probably fade away.

[From the New York Times, Jan. 24, 1981]

REPORTER'S NOTEBOOK: FOOD CAN BE A STRUGGLE IN ANGOLA

(By Anthony Lewis)

LUANDA, ANGOLA.—A drive around this sprawling city any morning makes a visitor immediately aware of Angola's No. 1 problem: the distribution of food. There are lines outside the supermarkets waiting for the doors to open at 10 A.M. Some have been there since the midnight-to-6 A.M. curfew ended.

There is enough food in Luanda; no one looks hungry. But it is a time-consuming struggle to find this item or that from day to day: bread, salt, soap, fruit. Embassy wives bake their own bread and grow their own vegetables to save the effort.

An American businessman with an interest in a factory here says his biggest problem is absenteeism. "That's understandable," he went on. "To get food or clothes our employees have to stand in line. We're trying to help by arranging to have a store right at the plant."

Shortages are not unusual in developing countries. Next door in Zambia, which got its independence from Britain peacefully more than 15 years ago, salt and soap are hard to find right now. But Angola has a special and overwhelming reason for its problems: the way Portugal ran the place as a colony and left it in 1975.

The Portuguese were not just a thin top layer here, a colonial elite. They were the taxi drivers, the secretaries, the waiters and—crucially—the farmers. At independence 300,000 Portuguese pulled out, taking cars and trucks and whatever else they could move. Virtually no one was left who knew how to do anything.

"Even to find a typist, a driver, was impossible at independence," said Paulo Teixeira Jorge, the Angolan Foreign Minister. "And it's still hard."

A Western businessman who deals with the Minister of Industry said: "The Minister has no assistant—none. If someone is qualified, we need him at our plant more than the Minister does."

In 1975 about 90 percent of the population of six million was illiterate. Foreign Minister Jorge said that since then 500,000 have been taught to read and write the official language, Portuguese—which some of them had not even spoken.

Officials of the Marxist Government do not try to blame everything on the Portuguese. They all talk a good deal, with disarming candor and explicit examples, about their own mistakes.

In a speech last October the Minister of Agriculture, Manuel Pedro Pacavira, said that Angola had one of the world's great forest reserves but that the way things were going it might soon have to import wood for coffins.

A potentially rich country, it has oil and other minerals and good agricultural land, but organization and distribution are chaotic. The situation is said to be much worse in outlying areas than in Luanda.

A big question on people's minds—and sometimes in the conversation—is the role here of the Soviet Union and its Communist allies. The Soviet Union supplies most of Angola's weapons. Cuban forces came in 1975 to help what is now the governing party, the Popular Movement for the Liberation of Angola, and 17,000 Cuban soldiers are still here. East Germans and Cubans train the Angolan Army and are believed to play a significant part in the intelligence service.

But apart from substantial Cuban aid in building apartment blocks and in supplying teachers, the Communist countries do not do much on the economic side. Or at least that seems to be the popular feeling. Fishing, the most visible Soviet economic activity—very visible—is taking from Angola rather than giving. Soviet factory ships can be seen every day in the Atlantic right off Luanda, and there is evident resentment at their vacuum-cleaner methods.

"We have some of the best fishing grounds in the world," an Angolan said. "But it's difficult to buy fish, and you know why."

Long negotiations preceded a new fishing agreement with the Russians last April, diplomats say, and it was for only a year. A fishing boat was reportedly arrested for violation of the rules and held in port for a time.

Luanda is not exactly like other cities in sub-Saharan Africa. In look and feeling it is more nearly Mediterranean, doubtless reflecting the Portuguese influence here in southwestern Africa.

It is a city of pastels and white. There are some tower blocks, put up in a false boom just before the Portuguese left. The charm lies in such buildings as the National Bank of Angola, a long, low fairy-tale structure in pink stucco with white columns and trim and a central dome covered in red tile.

The bank is on a palm-lined esplanade that runs along the harbor front. Across the water is a sandy peninsula that contains one of Luanda's two operating hotels, the Panorama, and, a mile away, a shabby naval training station with a sign in Russian outside. The end of the peninsula is a beach. On Sundays it is crowded, and cafes offer drinks and ice cream cones. Old foreign hands say the open cafes are a sign, one of many, that things are improving.

Newcomers notice the abandoned Portuguese shops and the mostly empty shelves in stores that are open, but people say life is distinctly better than a year ago.

The people as well as the architecture have something of a Latin quality: casual, irreverent. There is Marxist rhetoric in official pronouncements and a bust of Lenin in party headquarters, but officials seem relaxed and joke a lot.

A resident foreigner, one who bristles at official attempts to create a Communist economy, nevertheless says: "They are nice people, not rigid. And they really are tired of economics being subordinated to politics."

A striking aspect of the Luandan scene is the human colors—every shade from black to white. In the Government as in the general population faces look European or mixed or African.

The politics of color is surprising. Jonas Savimbi, the guerrilla leader who has been praised by American conservatives, is an advocate of black power and all-black politics. On the other hand, even critics credit the governing party with maintaining a multiracial system so far, but how long the Government's color blend will continue is a question.

[From the New York Times, Jan. 25, 1981]

LINKAGE IN AFRICA

(By Anthony Lewis)

LUANDA, ANGOLA.—What hints there have been of the Reagan Administration's likely outlook toward black Africa suggest, not surprisingly, an emphasis on stability. America will keep supporting Robert Mugabe's effort to hold Zimbabwe on course. It will try to prevent economic collapse in Zaire. It will work to maintain improved relations with Nigeria, the economic giant of the region, with its new civilian government.

But as to one country there are contrary indications. That is Angola. Some American conservatives have talked about trying to destabilize the Government party, the Popular Movement for the Liberation of Angola, known by its initials M.P.L.A., which won power in 1975 with Soviet and Cuban help and still has perhaps 17,000 Cuban soldiers in the country. And Secretary of State Haig, in his Senate confirmation hearings, sounded as though he might be tempted by the idea.

Secretary Haig said he personally felt that the U.S. "could have done something to prevent the outcome"—the M.P.L.A. victory. He criticized the Clark amendment, which prohibits covert American intervention in Angola. And he said Unita, the group that lost in 1975 but maintains guerrilla activity, was "still going strong."

It would be unfair to read a policy out of those words. General Haig kept saying, on African questions, that he needed time to understand them more deeply. But if the indicated sentiments did in fact become policy—if Washington's attitude toward Luanda turned from coldness to hostile action—the consequences could be extremely serious.

To put it briefly, a policy designed to promote stability cannot work if, with the other hand, the United States encourages instability in a key part of the region. The result is almost certain to be widening instability—and severe damage to the American position in Africa.

The point was brought home to me in Nigeria, where I stopped on may way here. Both Nigerian officials and Western diplomats said that President Shagari would react strongly, both personally and officially, if the United States intervened actively against the Angolan Government.

Though emphatically capitalist in outlook, Nigeria is committed to the M.P.L.A. regime as the legitimate Government of Angola. A Nigerian diplomat who knows Angola well said: "The Government is in control—no doubt about it. We may not like it, we may not approve of their system, but it's a fact."

An adverse reaction in Lagos would matter to American interests. Nigeria ships one million barrels of oil a day to the United States, about 15 percent of our imports. And Nigerians connect their oil to politics. They believe that their nationalization of British Petroleum in 1979 had a lot to do with pushing Britain toward the policy that made Zimbabwe independent.

"They wouldn't just turn off the tap," one diplomat said when asked about Nigerian reaction to possible American moves to help Unita against the Angolan Government. "But the next time there's a shortage, they'll give preference to others. When they have a $750 million power project to put out to contract, American bidders will not win. The poisoning will set in."

Another diplomat said a struggle in Angola would put its neighbors under strain. He said: "There would be destabilizing effects on Zaire and Zambia and Zimbabwe. Mugabe would come under pressure to concentrate more on the external struggle and possibly to accept support from the East at last."

And there would be a final irony: A policy of trying to destabilize the Angolan Government would inevitably tend to increase rather than decrease Soviet and Cuban influence in Angola. Where else would Luanda turn for help?

The Angolan Government has been explicit in saying that the Cuban troops will start leaving if South Africa stops its raids on sphere. Western business is being invited to participate in all kinds of activities here—including Americans, despite the coldness from Washington.

An American banker said his contacts here had convinced him that there was a special desire for Americans to get involved economically. He suspected that one reason, though unstated, was to reduce political dependence on the East. "I think the easiest way to get the Cubans out of Angola," he said, "is to get American businessmen in."

The Angolan Government has been explicit in saying that the Cuban troops will start leaving if South Africa stops its raids on Angola, which the Government says are frequent. That in turn depends on a settlement of the dispute over independence for Namibia. Angola's Foreign Minister, Paulo Jorge, said: "When the threat from South Africa disappears—and we believe it will with the independence of Namibia—then we won't need the Cuban presence."

Secretary Haig supports the doctrine of linkage in Soviet-American relations. But African questions are linked, too: Namibia, Angola, Nigeria, Zimbabwe. And the crucial building blocks for stability now are a settlement in Namibia and an opening to the West in Angola.

[From the New York Times, Feb. 26, 1981]

ANGOLA TRIES "PRAGMATIC" POLICY

(By Anthony Lewis)

LUANDA, ANGOLA.—The Minister of Planning, Roberto d'Almeida, searched for the right word in English to describe the Government's new approach to Angola's economic problems. It was "pragmatic."

People have to be "motivated" to work, he said. He gave as an example small farmers, who own their own land. When the Popular Movement for the Liberation of Angola took power in 1975, it nationalized only farms abandoned by Portuguese settlers and large corporate tracts—about 15 percent of the land.

"We have been in a phase when small farmers wouldn't sell their crops for money because there was nothing to buy," Mr. d'Almeida said. "They asked, 'Why do I want money when I can't buy clothes with it?' So they just grew enough for their own subsistence."

To give farmers some incentive to grow cash crops, he said, the Government urgently needs to build a working transportation system and get goods to the villages. The Portuguese left almost no trucks behind in 1975; and of those bought since then, many have been "spoiled," he said.

AGRICULTURAL ASSISTANCE

Small farmers would also get more help, the minister said, with the Government supplying seeds, fertiliser and machinery through cooperatives. Until now agricultural investment has gone almost entirely into big state farms.

Food is Angola's biggest economic problem by far. Asked how much of its food this country imports, Mr. d'Almeida said without hesitation: "90 percent."

Before independence in 1975 Portuguese farmers here supplied much of the domestic market for corn, sugar and potatoes. And they grew for export large crops of coffee and cotton.

When the Portuguese left, production plunged—and, as officials acknowledge, the new Government's economic policy did not help. Today Angola grows less than a fourth as much corn and coffee as it did before 1975 and probably less of the food staples.

Transportation is critical because the towns have been short of food and the villages short of industrial goods, a system of barter and unofficial trucking has developed. People in the towns get whatever goods they can, drive out to the country and trade what they have for food. They take some themselves and sell the rest in town.

The Agriculture Minister, Manuel Pedro Pacavira, has estimated that 50 percent of the food grown in Angola goes into this barter trade, which the Government calls a black market and says it is determined to end.

At a special congress held in Luanda in December, the party made agricultural development its No. 1 priority. Mr. d'Almeida, who was one of three committee chairmen at the congress, said the aim was self-sufficiency in food.

The critical comments by Mr. d'Almeida and other officials echo the observations of foreigners here. And at least one of the foreigners' prescriptions for improving the economic situation is the same as the Government's: Bring more managers and technicians from abroad.

"The essential question is how to deliver the goods," a West European who has been here for years said. "Things are better than a year ago, but it's still fitful. The key is still getting more experienced people in here."

A Scandinavian said: "There's an atmosphere of not caring. People have nothing much to buy, so they don't see why they should work to earn money. A lot of people wish the Americans would come and start organizing things."

The Government makes no secret of the need for foreign experts—not just executives but electricians, telephone workers, hotel managers and tire makers. Some who have come here, but so far not very many, are Americans.

A Brazilian company has a contract to refurbish and manage Luanda's two operating hotels and one that is out of commission. French experts are going to advise the state farms on grain production. West German pilots fly the Angolan Airline's Boeing 707's and 737's. Volvo and Fiat and an East German company are training auto mechanics. Perhaps they will repair Launda's mostly inoperative fleet of Mercedes taxis.

The big American company here is the Gulf Oil Corporation, which pumps oil from offshore wells in Cabinda, an enclave separated from the rest of Angola by a bit of Zaire. Gulf's local manager, Tom King, says he is optimistic about business prospects.

"We do have some frustrations, but you have those anywhere in the world," Mr. King said. "It's no different from our operations elsewhere except that supplies are spread a little thinly. You have to have a greater degree of self-sufficiency."

RAPID MOVEMENT

Mr. King added, "But the country is on a learning curve, and at least in the petroleum sector there is rapid movement on that curve. They are moving very quickly in understanding our needs."

Gulf has 100 foreign regular employees here and 140, mostly Portuguese, under contract. It employs 350 Angolans and is starting a program to train them for more skilled oil operations.

Texaco is renegotiating with Angola a pre-independence oil agreement. Two French companies, Total and Elf, won concessions last year to explore offshore. The other oil news is that Angola is considering joining the Organisation of Petroleum Exporting Countries.

One of the big bottlenecks in the country is the port of Luanda, where the piers are piled high with goods—46,000 tons, according to a recent official statement. On one recent day, 28 ships were at anchor in the harbor waiting to dock.

According to Mr. d'Almeida, the Planning Minister, one reason for the congestion is that the port was designed by the Portuguese mainly to export Angolan raw materials. Now it principally handles food and industrial goods coming in.

Technicians from Denmark and East Germany have been brought in under contract to help on the port. Some local people suggested that this was one problem that could use American experts—or perhaps Japanese.

There are two obstacles to bringing in more foreigners. One is language. Portuguese is essential for ready communication, as not many Angolans speak any other European Language.

The other is places for visitors to live. The hotels are full, and so are all the apartments. At least one company from France, is reportedly bringing in its own plumbers and electricians to get an unused building ready for its staff.

Foreign companies come into Angola under contract or as investors in projects in which the government has majority control. For those who bring in capital, a 1979 law assures them that they will be allowed to stay at least 10 years and to repatriate profits up to 25 percent of their investment annually.

YELLOW RIBBON RESOLUTION

● Mr. HUDDLESTON. Mr. President, the students and teachers of Gallatin County High School, located in Warsaw, Ky., recently forwarded to me a resolution that I wish to bring to the attention of my colleagues. Dubbed the "Yellow Ribbon Resolution" in honor of the symbol that touched the Nation as we attempted to recognize the plight of our hostages in Iran, the resolution contains a patriotic message that must not be lost. The message is simple:

The American people will not stand idly by as outside forces attempt to smear America's image.

The Yellow Ribbon Resolution is based on the theory that the Iranians "unreasonably and unjustly delayed" the release of the hostages "to deprive President Carter of the satisfaction of having obtained their freedom during his presidency." There can be little or no doubt that this theory is true.

Thus, I think it is important that Congress attempt, at least in some degree, to redress the wrong done President Carter and all the abuses suffered by the hostages by reviewing the Yellow Ribbon Resolution.

Try as we might, indeed as Congress has tried by establishing various 3-day holiday weekends, we cannot change history as is suggested by the resolution. It is nonetheless important that we recognize the Yellow Ribbon Resolution and the people behind it. These individuals continue, with torches held high, the true spirit of America.

I urge my colleagues to join me in recognizing these outstanding citizens history as is suggested by the resolution be printed in the RECORD.

The resolution follows:

GALLATIN COUNTY HIGH SCHOOL,
Warsaw, Ky., January 23, 1981.

Hon. WALTER HUDDLESTON,
Dirksen Building,
Washington, D.C.

DEAR SENATOR HUDDLESTON: We, the undersigned students and teachers of the Gallatin County High School wish to propose to the Congress of the United States, in behalf of the people of the Commonwealth of Kentucky and United States of America the following joint resolution, to wit:

Be it resolved by the Congress of the United States of America as follows:

Whereas, the 39th President of the United States, James Earl Carter, did labor with unflagging perseverence under extremely difficult circumstances for a grueling and unremitting period of 444 days, to secure the freedom of the 52 Americans held hostage in Iran, and

Whereas despite having been incessantly confronted with seemingly insurmountable obstacles, the said James Earl Carter did successfully facilitate and achieve the safe return to American soil of the 52 Americans held hostage in Iran, and

Whereas for reasons unbeknownst to and unfathomable by the world-wide public, the Iranian government saw fit to delay release of the Americans held hostage until such time as the term of the said James Earl Carter as President of the United States had expired, and

Whereas it is only fitting and proper that the said James Earl Carter be acknowledged in this nation and throughout the world as the person most responsible for the liberation of the 52 Americans held hostage,

Now, therefore, it is hereby resolved by the Congress of the United States that from this day forward, the official time and date of release of the 52 Americans held hostage in Iran shall be, and is hereby, deemed to be for all official purposes, 11:55 a.m. Eastern Standard Time, the 20th day of January, 1981:

And, further, it is resolved by the Congress of the United States, that by this resolution, the Congress, in behalf of the people of the United States of America, hereby publicly, and for all time, expresses its deepest appreciation to and admiration for the said James Earl Carter; and further it is resolved by the Congress of the United States of America that this resolution shall be known by and as the Yellow Ribbon Resolution.

We offer this resolution for your consideration because we believe that the release of the hostages was unreasonably and unjustly delayed by the Iranian government so as to deprive President Carter of the satisfaction of having obtained their freedom during his presidency. We believe that this nation should, in some way, permanently record its recognition that it was through the efforts of Mr. Carter, as President, that the hostages were released.

Your consideration of this proposed resolution is greatly appreciated. If you would consent to introduce this resolution in Congress, we will be most sincerely grateful.

Neal D. Aulib, Amy Bachman, Annie Brinkman, Donna Davis, Lisa Gatwood, Karen E. Long, Nancy Ellis, Douglas R. Ball, James R. Hinsdale, Dale Samuel, Linda Lewis, Lisa Crouch, John Jones, K. K. Patton, and Missy Keough.

Jennifer Riley, Joan Glass, Jana Garriott, Charlotte Dunanent, Christine Utz, Sandra Nichols, Beth Brown, Cathy Combs, Becky Judge, Kay Brinkman, Pamela Davis, Sharri Alexander, Travis Breisocher, Cyndi Robinson, and Dorothy Brooks.

Joe Wright, Steven Ray Moscoe, James Potter, Jim Williamson, Barry Lusty, Jeff Scudden, Jim Frasure, Karl Gullion, Brian Wilson, Gayle Biddle, Susan Hicks, Ronald G. Hoffman, Steve Oberstat, and Elizabeth A. Arnold.

Chris Front, Kevin Bladen, Scott Golfs, John McKee, Dawn Tedrick, Kim Caplinger, Marty Mink, Tracy Giles, Candy Strawn. Sandi Plowman, Teresa Hastings, Derek Cusick, Atha Stewart, Paula Morgan, Nanie Brown, Nancy Moore, Wendy LaVan, Jodie Zalla, Joe Nuxoll, Donna Giles, Steven Loomer, Brenda Davis, Alice Burk, Jamie Perkins, Jackie Alexander, and Carnie Wilson.

Brandi Skirvin, Todd Ryder, Kirby Brown, Kenny Herndon, Dana Mullins, Missy Strawn, Julie King, Wilma Pittman, Sharon Pittman, Dorothy Sullivan, Frances Cozine, Mary Pittman, Ellen Proctor, Melinda Mayhew, Debbie Ferrell, Tammy Littrell, Ron Smith, Jackie Cordeis, Mark Wilson, Jeff McGarty, Joey Lillard, and Paul Sparks.

Jennifer Breisacher, Bruce Brown, Giles Rankin, Brian Karshner, Connie Miller, Bobby Coomer, Johanna Brown, Debbie Peace, Jenny Johnson, Debbie Harsin, Tony Foster, Dennis Smith, Tony Carver, Carla Moore, Gina Townsend, Jerry Lilland, Richard McGuire, Angie Jackson, Tina Smith, Cindy Courtney, Dallas Mashaberry, Jason Lowe, David Poland, and Shannon Keeton.

Dale Davis, Rolland Asher, Edda Gould, Linda Davis, Diane Aulich, Katie Lowe, Sue Scott, Gordon Hendrix, Ken Stone, Marge Bladen, Lisa Kiden, Connie Asher, Dawn Williamson, DeRhonda Smith, Beth Courtney, Kevin Weldon, Leny Collett, Lynn Cottrell, Missy Feenish, Carolyn Hedges, Lou Herndon, Shawn O'Connor, Tom Connell, Loren Roberts, Willie Nevils, Aaron Terrell, and Dale Morgan.

Jackie Courtney, Sarah J. Nice, James W. McKee, Mary Jo Oldham, Terry Wallace, Sandy Giles, Jim Mefford, Todd Noell, Greg O'Brien, R. Carlton, Eddie Bickers, Karen Ayres, Sheila Buchanan, Paulena Miller, Phyllis Maupin, Yvonne Henderson, Brenda Meitz, Jack Webster, Teresa Schedler, Randy Dunavent, Andy Dryden, and Danny Welster.

Mart Bledsoe, Kervin H. Morris, Stephen O'Connor, Steve Fronts, Rodney Brown, Carey Boher, Donnie Gioress, Anthony Beckers, Lanaile Lusty, Karen Proctor, Mark Smith, Gary Roel, Shannon Dryder, Nora Wright, Tammie Hamilton, Kim Proctor, Dwaphan Tudor, Anthony Hill, Kusho Hunter, L. Aquilio Garrett, Marty Price, and James Perry.

Kelley Clifton, Stacy Blafort, Chip Mefford, Cindy West, Heather Liggett, Kurt Hoffman, Bill Isgrigg, Sonya Hawkins, Sando Alexander, Denise Chipman, Linda Junup, Eva Hicks, Jerry Webster, Kevin Jones, Duane Beatty, Chris Beal, Natalie Rea, Susan Lawson, Bonnie Wash, and Inselia Satchwell.

Jeff Graves, Billy Foster, Mark H. Tina Brooks, Barbara Mertz, Shonda Price, Shawn Tacket, David Hedges, Nathan Lowe, Barry Hearn, Jeff Moore, Sonya Smith, Angie Perkins, and Lois Combs.

Jan Wallace, Mickey Dunavent, Melinda Beckett, Grace Jones, Terri Collins, Cristal Wilson, Cindy Groves, Mary Boots, Rhonda Davis, Kathy McGuire, Carmen Craig, Julanne Mylor, Yolande Crist, Steven Coome, Donnie Sullivan, Michelle Williamson, Beth Bledsoe, Shelly Jones, Donna Tiles, John Keough, Kevin Lawson, Kenny Mucley, and Lin Biddle.

Susan Nuxoll, Floyd Mariena, Michele Townsend, Renee Calendar, Connie Easton, Dawn Pate, Darrell Hearn, Michael McCord, Howard Braun, Donny Young, Mike Rhoades, David Patton, Jerry Kettle, James Brock, Billy Armstrong, James Proctor, Eugene Webster, David Gross, Garlena Baumgardner, Dona Webster, Tom Wilson, Chris Carlton, Rodney Morris, Garrett Smith, Donald Miller, Kim Rudd, Darla Poland, Todd Hamilton, Ruth McIntyre, Sharon Ligon, Lueanoll Craij, Billy Sullivan, Curtis Sharon, James Bears, and Denise Wilson.●

SENATE CONCURRENT RESOLUTION 10—RELATING TO CONVERSION OF PRODUCTIVE AGRICULTURAL LANDS TO NONAGRICULTURAL USES

● Mr. CHAFEE. Mr. President, I rise in enthusiastic support of Senate Concurrent Resolution 10 which expresses the sense of Congress as to the importance of preserving our agricultural land base. I am also most pleased to see that a grand number of my colleagues are cosponsoring this measure.

Mr. President, our Nation's steady loss of agricultural land has serious repercussions from both national and international perspectives. More countries depend on us for food than any other nation. For every 3 acres of land put into cultivation, 1 acre is devoted to export production. Our receipts from agriculture exports total over $30 billion and the world food requirement is expected to double over the next 40 years. With these figures in mind, can we continue to allow farmland conversion at a rate of 12 square miles a day or 3 million acres each year? The answer is an emphatic "No." Our economy, in terms of our balance of payments, and our commitment to humanitarian goals, depends heavily on preserving one of our greatest natural resources.

Not only does a decline in our agricultural base jeopardize our economic growth, but it also seriously impacts on our pocketbooks at home. As land disappears, less food can be grown—even though demand continues to rise. What we have seen in the past and will continue to see is soaring food prices. Certain produce, for example, such as citrus fruits and avocados, will become luxury items if the regions in which they grow continue to be excavated.

Food potential, however, is not the only reason to save our land. The beauty and potential resources of our open space certainly enhances our quality of life. Today, the choice is still ours whether to spend time in the country or in a shopping mall. But will we have that same choice in 5 years, 10 years? And what will happen to our wildlife population if we continue to cement over their habitats?

New England has already lost one-half of its native farmland. My own State of Rhode Island is losing approximately 15,000 acres each year, 5,000 of which is prime farmland. At this rate, Rhode Island is destined to lose all of its prime land by the year 2000. What a frightening prospect.

Rhode Island has 200 working farms which produce between $30 and $40 million worth of food each year. These farms do make a difference. They make it possible for us in Rhode Island to have fresher produce, better milk, eggs, vegetables and potatoes at a lower price than we would have otherwise. In addition, these farms directly or indirectly employ over 4,000 people. If Rhode Island farms continue to vanish, so will a network of related industries.

America's land and water base, as strong and productive as it has been, is not infinite. The truth of the matter is, all of us have been somewhat spoiled. We have always had a surplus of land and a surplus of food. There has been no need to conserve—or so we thought. This situation, however, no longer exists. We cannot continue wasting such a valuable, nonrenewable resource without later facing serious consequences.

Mr. President, I am pleased to cosponsor this resolution and view it as a positive first step in the right direction.●

PRESIDENT REAGAN IS THE NINTH SUCCESSIVE PRESIDENT TO SUPPORT WATERWAY USER CHARGES

● Mr. DOMENICI. Mr. President, one of the issues the 97th Congress will doubtless confront concerns the vast and counterproductive subsidies that taxpayers provide to the inland barge operators.

Beginning with Franklin Roosevelt, every President has supported user charges on major Federal waterway investments. President Reagan has made increased waterway user charges an integral part of his program for economic recovery.

Specifically, President Reagan requests that the present barge fuel tax be increased to 30 cents a gallon, which is the sum that is needed to recover what the taxpayers spend annually to operate and maintain the waterways for commercial users.

I applaud the President in this bold initiative. But I would note that the President's proposal seems to leave in place the full construction subsidy on waterway development.

In addition, the Congressional Budget Office recently issued a study, "Reducing the Federal Budget: Strategies and Examples, Fiscal Years 1982–1986." This study also evaluates the issue of navigational user charges, including the need for user charges for deep-draft navigation.

Mr. President, I ask that a copy of the waterway user taxes portion of the President's program, together with a portion of the CBO study, be printed in the RECORD.

The material follows:

AMERICA'S NEW BEGINNING: A PROGRAM FOR ECONOMIC RECOVERY

3. RECOVER CLEARLY ALLOCABLE COSTS FROM USERS (INCREASE IN GOVERNMENTAL RECEIPTS)

Eliminate inland waterway subsidies

The Administration will seek to eliminate the subsidy on inland waterways, beginning in 1983, by increasing users fees on barge fuel. The Federal Government now spends over $325 million per year in the operation and maintenance of certain inland waterways for commercial traffic which until this year has paid no tax or fee for system use. This year a new charge of 4 cents per gallon on barge fuel will cover only 11% of that cost. Under this proposal, user fees will increase from 6 cents per gallon to about 30 cents per gallon in 1983 to collect the $325 million the Government will spend on the operation and maintenance of the waterways. It is estimated that the increase in cost to shippers will be less than 0.4 cents per ton mile. The program will be designed to increase receipts thereafter as expenses rise and to pay for new construction and operation and maintenance of future new waterways as they are completed.

Receipts will be placed in the inland waterway trust fund and will be used to place the waterways on a self-sustaining basis. Users will not be required to repay the construction cost of the existing system (estimated at $6 billion)—only the cost of additions as they are completed. To the extent that traffic may be diverted to other less costly forms of transportation because of changes in shipping costs resulting from the proposed tax increase, our total transportation system will be economically more efficient.

Legislation will be submitted to raise the user fees.

The legislation will increase the fees per gallon as shown in the following table:

[In millions of dollars]

	1981	1982	1983	1984	1985	1986
Potential receipts:[1]						
Current receipts	30	58	67	80	90	115
Proposed increase			258	275	305	315
Proposed budget	30	58	325	355	395	430
Estimated rates (cents per gallon):						
Existing legislation	4	6	6	8	8	10
Proposed level	4	6	30	31	32	34

[1] These items are governmental receipts, not offsets to outlays

REDUCING THE FEDERAL BUDGET: STRATEGIES AND EXAMPLES, FISCAL YEARS 1982–1986

The federal government has subsidized inland waterway transportation through construction, operation, and maintenance of inland waterway facilities. Over the next five years, the Army Corps of Engineers will spend an estimated $7.5 billion for inland navigation purposes. Approximately $440 million of these expenditures will be recovered through the existing waterway user charges, leaving a federal subsidy of about $7.0 billion over the 1982–1986 period.

INCREASED WATERWAY USER CHARGES

	Annual added revenues (millions of dollars)					Cumulative 5-year increase
	1982	1983	1984	1985	1986	
CBO baseline:						
No subsidy	1,170	1,290	1,400	1,530	1,650	7,030
50-percent subsidy	580	610	650	710	760	3,300
Carter budget:						
No subsidy	1,210	1,590	1,680	1,640	1,630	7,750
50-percent subsidy	580	770	790	760	730	3,650

Note: Preliminary estimates, subject to change.

Current waterway user charges, in the form of a fuel tax, were established under the Inland Waterways Revenue Act of 1978. These charges take effect in 1981 and will be phased in over the next five years, rising from 4 cents a gallon at the outset to 10 cents in 1986 and thereafter. The estimated $440 million in receipts for the five-year period 1982–1986 will cover only 6 percent of projected federal expenditures for waterway navigation purposes during the period.

Full recovery of these costs through a fuel tax would require a tax equal to about $1.30 a gallon. Such a high tax is impractical and unlikely to be imposed because of administrative problems and because fuel consumption does not necessarily reflect the benefits received by a given waterway user. The same revenues could be raised through fees or tolls that reflect the actual costs of constructing, maintaining, or operating a particular water-

way segment. The use of segment tolls would mean that some marginal projects would not be built and others might be closed down. Thus, the estimated savings would consist of two parts—increased revenues through user fees and reduced outlays by the Corps of Engineers as certain projects were dropped.

The full recovery of total federal expenditures for inland waterways would result in taxpayer savings of approximately $7.0 billion in 1982–1986. Most of the costs of increased user charges would be passed along to shippers and ultimately to consumers in the form of higher prices. The cost burden of waterway facilities would thus be shifted from the general taxpayer to the beneficiaries of these facilities—specifically, the barge industry, shippers, and consumers.

Shifting the full cost of waterway navigation facilities to the beneficiaries (or users) of such facilities would promote more efficient resource allocation. The rates charged to shippers would more nearly reflect the true economic costs of this form of transportation. Distortions in the choice among forms of transportation resulting from taxpayer subsidies would thus be reduced.

Users of waterway facilities might object to the imposition of charges to cover the full costs on the grounds that other forms of transportation are still subsidized. If charges were imposed to cover half of the costs of these projects, the cumulative savings over the 1982–1986 period would be approximately $3.3 billion.

President Carter's budget proposal for fiscal year 1982 recommends a slightly higher program level for waterway projects than assumed in the CBO baseline. Thus, the savings from increased charges are even larger relative to the Carter budget.

USER CHANGES FOR DEEP-DRAFT NAVIGATION

	Annual added revenues (millions of dollars)					Cumulative 5-year increase
	1982	1983	1984	1985	1986	
CBO baseline	540	600	650	710	770	3,270
Carter budget	590	730	810	820	850	3,800

Note: Preliminary estimates, subject to change.

The Army Corps of Engineers and the Coast Guard spend about $560 million a year improving and maintaining ports and channels to accommodate oceangoing vessels and Great Lakes shipping. Full recovery of these costs from users would total about $3.3 billion between 1982 and 1986.

Except for the military, all deep-draft vessels are engaged in for-profit shipping. If the federal government recovered all deep-draft expenditures from international shipping alone, shipping costs would increase by only about 30 cents a ton, or less than 0.2 percent. Such a level seems unlikely to harm the general economy or divert significant traffic to other ports or transportation modes.

Several different taxing mechanisms are available to recover costs. The most common approach used in other countries is a harbor and channel use fee, under which a charge is assessed each time a ship uses a particular channel or harbor. Another possibility is a fuel tax, but in international shipping it can easily be avoided. Costs could also be recovered through taxes based on the value, volume, or weight of the cargo. The U.S. Customs Service already collects a small tonnage tax on international shipping. Receipts from this tax, which go into the general fund, totaled $14 million in 1980, an effective rate of about one cent a ton. Further study would be required to evaluate the effectiveness of these alternatives and to determine the proper allocation of costs among various classes of users and among different types of facilities.

One argument in favor of this option is that the Congress has broadly applied the user charge principle to other modes of transportation, including highways, airports, and to some extent inland shipping.

Arguments against this proposal include the administrative difficulty of allocating the relevant expenditures by the Corps of Engineers and the Coast Guard, and the possibility of some small reductions in international trade and coastal trade.

President Carter's fiscal year 1982 budget recommendations assume a slightly different program level for improving and maintaining deep-draft ports and channels from that assumed in the CBO baseline, thus accounting for the small savings differences shown in the table.●

NAMIBIA

● Mr. PERCY. Mr. President, the recent deadlocked conference on implementation of an independence plan for Namibia (South West Africa) was a disappointment for those of us who believe that a settlement holds great promise for U.S. interests in the region.

The territory of Namibia has been administered by South Africa since World War I, but for many years South Africa's jurisdiction has been challenged by the United Nations and the World Court. About three years ago South Africa accepted in principle a United Nations plan for the independence of the territory. The United States, the United Kingdom, Canada, Germany, and France formed the Western contact group which worked to develop the independence plan promised by the United Nations. Nigeria and the important African frontline nations of Botswana, Tanzania, Zambia, Zimbabwe, Angola, and Mozambique joined with us in actively supporting the plan.

Since then, disagreements over terms for a cease-fire and implementation of the independence plan have prevented a final resolution. Progress has been halting, frustrations have run high, and pressures for new sanctions against South Africa have been building.

Last month, all sides in the dispute met in Geneva at a United Nations-sponsored all-parties conference which was to be a step toward achieving independence. Regrettably, no progress was made at the conference.

The fact that the conference was convened at all provided a sharp contrast to the situation that existed when I visited South Africa and Namibia in 1976. At that time a constitutional conference on Namibia had been organized by the South African Government, but it did not include all of Namibia's main political parties. There was an urgent need to expand the conference.

The U.S. approach to the Namibia situation at that time was, in its own way, equally unrealistic. To demonstrate American disapproval of a continued South African presence in Namibia, U.S. policy severely limited official contact with the territory; in fact, no U.S. officials at all were stationed there. When I visited Namibia accompanied by a junior officer of our Embassy in Pretoria, it was to my knowledge the first time a member of the U.S. Senate or a representative of the U.S. Embassy in South Africa had ever done so.

By being practically invisible in Namibia, it seemed to me that the United States was only minimizing the role that it might have played in helping to encourage a satisfactory political solution. Upon my return I urged a more active U.S. role, and I have been gratified that the issue was subsequently given a much higher priority by Secretary Kissinger and the Department of State.

Mr. President, I believe that the issue should remain one of high priority for this administration. A peaceful settlement will bring to an end 15 years of war with guerrilla forces which enjoy sanctuary in neighboring Angola—a war which can only escalate and widen if the problem is allowed to fester.

A settlement on Namibia increases the likelihood that Angola would have the confidence to begin to reduce the Cuban presence of 15,000 to 19,000 military personnel. Angola's Foreign Minister has stated publicly that his Government's reliance on the Cubans would be diminished once a Namibian settlement, including the removal of South African troops from its border, were concluded.

Beyond these desirable political developments, peace in Namibia will allow development of Namibia's virtually untapped sources of valuable minerals, especially uranium and diamonds.

In many ways, a Namibia settlement can contribute to the achievement of stability and progress in the region. In a time of increasing tensions around the world, this could be an encouraging and positive development for the United States and the West.

Mr. President, a recent Chicago Sun-Times editorial discussed the Namibia problem. The language of the editorial is very strong but the message—that Namibia should be a high priority matter for this administration—is important. I ask that Chicago Sun-Times' February 2 editorial about Namibia be printed in the RECORD.

The editorial follows:

STALLING ON NAMIBIAN FREEDOM

A crisis centering on Namibia is brewing for the new Reagan administration.

If "crisis" has become a turn-off word for benumbed Americans, let's add that this one involves a threat to U.S. oil imports.

That strikes closer to home than the larger issue, the deserved independence of the black Namibian people from the illegal, white-racist domination of South Africa.

Namibia is a huge, thinly populated former German colony that was put under South African mandate by the League of Nations after World War I. The United Nations, with U.S. support, terminated the mandate in 1966, but South Africa hasn't been listening.

Three years ago, under international pressure, it finally appeared to agree to a settlement that called for a cease-fire between South African forces and guerrillas of SWAPO (the South-West Africa People's Organization) and elections to be held under the eyes of UN observers. But South Africa's spokesmen recently dug in their heels again, saying it would be "premature" to implement the settlement now, that "time" is needed to establish a climate of trust."

Bunk. South Africa fears that SWAPO would win an election over the Namibian elements it sponsors, as it probably would. And SWAPO is led by Sam Nujoma, who is looked upon by South Africans as a communist, though others who are more objective judge him to be a non-ideologue fighting only for the freedom of his people.

If South Africa's new intransigence is prompted by hope that Reagan will go easy on it and loosen the Carter administration's commitments to black African independence, that hope should be frustrated. Support for South Africa on this issue would deprive Namibians of self-determination and the United States of the friends Carter won among black nations, including the largest—Nigeria.

Enter oil. Nigeria, which supplies the United States with 15 percent of its oil imports, has threatened to use the oil weapon in the cause of African independence movements.

The issue could come to a head soon African and other Third World nations are preparing to seek a United Nations trade boycott against South Africa. The Reagan administration then would be forced to make a painful choice—veto the boycott, thus alienating our friends, or support it, thus inflicting new woes on South Africa's black workers as well as its white government.

Firm diplomatic pressure on South Africa to bend to the inevitable might avert the dilemma. Alexander Haig's State Department should pursue that as a priority matter.●

CONTINUING SUPPORT FOR THE SPACE SHUTTLE

● Mr. THURMOND. Mr. President, I rise today to urge our continuing support of the Nation's Space Shuttle program. Despite some unavoidable delays, the prelaunch countdown of the orbiter Columbia is moving along toward a scheduled launch in mid-April.

I recently visited the launch site at Cape Canaveral where Columbia, mated to its large external tank and solid rocket boosters, is in the final stages of prelaunch preparations. The crucial 20-second, on-pad firing of Columbia's three main engines has just been successfully completed, giving a virtual green light to the scheduled launch.

The Space Shuttle is America's newest and most versatile manned spacecraft. It is a reusable, aircraft-like ship designed for years of service and to make space flight a relatively economical and routine event. The Shuttle can transport larger and heavier payloads than can be launched by expendable boosters, check them out and repair them in orbit, and even retrieve them and return them to Earth. It can be used to assemble large structures in space, and to launch planetary explorers on deep-space missions.

With these capabilities, the Space Shuttle cannot help but enhance the free world's defense capability, assure continued U.S. technological leadership, and promote international cooperation in scientific and industrial uses of space.

Two decades after it all began, Mr. President, our space program is at a critical turning point. We have all but retreated from space. Russian and Soviet bloc cosmonauts come and go like weekend tourists at Salyut 6. The Russians, West Europeans, and Japanese will visit Halley's comet while we sit home and watch.

In April, Mr. President, America will get its brandnew chariot to the heavens when Columbia flies. But having this space transportation systems is not enough. We must make sure that we keep its flight manifest full with the military and scientific payloads that will help to make America first in the world again and keep America first.

The Space Shuttle comes at just the right time to be an important part of America's new beginning. We are on the threshold of a new era not unlike the beginning of aviation 75 years ago. Let us all work together to make the Shuttle's promise come true.●

S. 496—AMENDMENTS OF MINE SAFETY AND HEALTH ACT OF 1977

● Mr. PRYOR. Mr. President, I am pleased to join Senator MELCHER, Senator BUMPERS, and others in introducing legislation which will amend the Mine Safety and Health Act of 1977. The legislation we have introduced will transfer authority over surface construction at mine sites from the Mine Safety and Health Administration to the Occupational Safety and Health Administration and transfer authority over public mining operations from MSHA to State and local governments.

In the past, I have cosponsored legislation to transfer the operation of sand, gravel, and stone industries from the jurisdiction of MSHA to OSHA. It was my belief that MSHA regulations were designed to protect those working in deep, underground mines, not surface operations where mining operations are of quite a different character. This bill accompanies that effort to bring all operations at surface mining sites under the proper jurisdiction.

At present, an independent contractor involved in construction activities at the surface of a mine is placed under the jurisdiction of MSHA, while the same contractor doing the identical construction work at another site would fall under OSHA's jurisdiction. As a result, contractors must adhere to two sets of rules and regulations, two enforcement and penalty systems, and two operating procedures. This burdensome duplication adds to costs while not improving the safety and health conditions for construction workers.

In addition, the bill eliminates the coverage of State and local governments by MSHA. This will relieve county road building operations which produce a limited amount of gravel for rural road building from Federal intervention in their operations.

Mr. President, this legislation will bring us one step closer to bringing order and rationality to our present chaotic and sometimes unpredictable regulatory system. I urge my colleagues to consider and support this legislation.●

SOUND ADVICE ABOUT DEREGULATION

● Mr. CANNON. Mr. President, there is a disturbing tendency in much of the business community to extoll the virtues of free enterprise—for the other guy. I do not know how many times I have heard people begin their testimony before the Senate Commerce Committee with the phrase: "I firmly believe in the free market system, but * * *" There is always a special reason why this industry or that business is a special exception in need of protection by the Government against full and free competition.

Recently, I had the pleasure of reading a speech by Walter B. Wriston, chairman of Citibank/Citicorp that addresses this issue directly. His remarks reflect the observation of a multitude of enterprises that have received protective regulation of some form or another from Federal and State government. Just as importantly, his view is one of an executive in an industry that itself has been regulated to excess by the Federal Government—often at the explicit request of the industry.

I commend the following excerpt from his remarks as excellent reading material for all my good friends in the many businesses that we have subjected to various degrees of economic deregulation during the past few years:

YOU CAN'T TELL THE PLAYERS WITH A SCORECARD

(By Walter B. Wriston)

Too many of us, unfortunately, practice doublethink. We defend free markets in public, but in our own offices and before government agencies we do our damndest to create protected industries. This damages not only the fabric of the whole business community, but inevitably leads to the loss of freedom. It may be obvious, but it needs repeating: Protected markets are the exact opposite of free markets.

The philosophy of the divine right of kings died hundreds of years ago, but not, it seems, the divine right of inherited markets. Some people still believe there's a "divine" dispensation that their markets are theirs—and no one else's—now and forevermore. It is an old dream that dies hard, yet no businessman in a free society can control a market when the customers decide to go somewhere else. All the king's horses and all the king's men are helpless in the face of a better product.

Our commercial history is filled with examples of companies which failed to change with a changing world, and became tombstones in the corporate graveyard.

The landmark date of 1984 is only a few years away, and the choice facing us becomes clearer every day; either free men and women working in free markets or Big Brother regulating everything. In Orwell's world of Big Brother and "doublethink," Jefferson's Declaration of Independence becomes "a panegyric on absolute government," and doublethink is "the power of holding two contradictory beliefs in one's mind simultaneously, and accepting both of them."

Investors in canal bonds in the nineteenth century who refused to invest in railroad bonds reflect the kind of vision I'm talking about. Besides saying the usual

things—"There're too many moving parts," "I'll wait until all the technical problems are solved," "It'll always be too expensive to catch on"—some came up with an answer they thought irrefutable. "Railroads rust," they said. "But what can happen to a canal?"

The railroads themselves, with the help of the government, fell victim to the same delusion of protected markets and did not recognise new forms of competition. Though many of them received federal land grants to expand their rail networks, they shed bitter tears when government engineers dredged canals to help the barge lines. Some of them failed to realise that they were in the transportation business, and that steel rails were only a means to an end. Railroads continued to act and be seen by regulators as a monopoly long after the tracks had rusted, and the buses, cars and trucks were whizzing down four-lane highways and freeways, with jumbo jets flying overhead.

Peter Drucker points to another example, that of printing-press manufacturers who paid no attention to the new processes for office reproduction that came on the market after World War Two. One manufacturer, offered several of these processes by the inventors, turned them down; the systems were not "printing," he said, and the equipment wasn't being sold to "printers." The industry finally realized they faced a serious and powerful competitor, but only when they began to lose substantial business. They discovered that former customers were doing their own printing, with their own office reproduction equipment, and really did not care about nomenclature.

Too many companies, when faced with the losing verdict of the marketplace, have run to the government for help. Adam Smith wrote about them in 1776. "The cruellest of our revenue laws," he said, "are mild and gentle, in comparison of some of those which the clamor of our merchants and manufacturers has extorted from the legislature, for the support of their own absurd and oppressive monopolies." It is fair to say that the financial services business is not immune from this ancient practice. The Congressional Record is full of such pleas and they are all based on a fallacy which in the end is always exposed.

The false dream of mankind is the belief that we can somehow control others while remaining free ourselves. Half slave-half free didn't work in this country, and in any equitable system of government or justice, neither will the belief that only competitors should be regulated while we can do whatever we want. Protective regulation, once let loose, can and will strike all of us. George Shultz has written about the comparative advantage of government and of the free market. He has pointed out that government has to pay attention to equity and he puts it very strongly: ". . . fairness demands attention to equity of opportunity."

It is for this reason that unequal laws are a transient phenomenon, as by its nature government has to strive for equity.

Modern parlance talks about level playing fields. The poet John Donne wrote, "Never send to know for whom the bell tolls. It tolls for thee." It tolled for banks when the Monetary Control Act of 1980 gave the Federal Reserve vast new powers over the whole banking industry. It tolled for money-market funds last year when President Carter invoked the Credit Control Act to impose reserve requirements on them. It tolled for Merrill Lynch when the Oregon attorney general ruled that their Cash Management Account was unlicensed banking and barred it from the state.

The public doesn't really care about our internecine problems. What the public wants and is entitled to is a fair return on its money. If we can't serve them, they will—and should—go elsewhere. And neither we nor the government has any right to stop them.

It's time we realized there's no social security for companies in the world marketplace, no seniority rights, no disability pensions. It's time we recognized the fact that the computer and the electronic revolution have created a new marketplace. The noted mathematician John von Neumann has seen this with great clarity and has written that electronics has overturned traditional concepts of time and geography, and consequently, traditional ways of doing business. It's time we recognized that we're all in the same business—financial services—and got on with the business of competing on equal terms for the public's dollar. At the end of the day, the public must be served in the most cost-effective way so that he or she can make the best deal. I don't believe the public cares about market segmentation problems. But I do believe they watch and listen to what we say in Wall Street about free enterprise, and they do judge whether our actions match our words. The children of our customers who entered college this past September will graduate in 1984. It is up to us to determine if free markets or "doublethink" will be the theme of their graduation address.●

EL SALVADOR

● Mr. PERCY. Mr. President, the situation in El Salvador poses one of the most serious and difficult foreign policy problems now facing this country.

Henry E. Catto, Jr., former U.S. Ambassador to El Salvador, writing in a recent edition of the Washington Post, says that

The conflict agonized the Carter administration and promises to do the same for President Reagan.

In view of his experience, Ambassador Catto's views are worth considering. To him the challenge is clear:

Great power spheres of influence are more than textbook verbiage; to let significant parts of Central America and the Caribbean fall to our enemies would proclaim our abdication from superpower status. On the other hand, to sit by and watch brutal rightist authoritarians take over would be equal folly.

In a January 29 Washington Post article entitled "Toward Success in El Salvador," Ambassador Catto advocates a program which includes U.S. military and development support. So that his views can be considered by all of my colleagues, I ask that his views be printed in the RECORD.

The material follows:

TOWARD SUCCESS IN EL SALVADOR

(By Henry E. Catto, Jr.)

Voices on the left in this country have protested U.S. aid to the Salvadoran government. The brutal murder of the archbishop of San Salvador, the killings of three American nuns and the assassinations of two Americans employed by the American Institute of Free Labor Development have intensified the outcry. (Knowledgeable people in the AFL–CIO, which supports the institute, believe these latest crimes were commissioned by right-wingers living in Miami.)

The conflict agonized the Carter administration and promises to do the same for President Reagan. The October 1979 coup, which ousted the old military-led government, was welcomed by the Carterites, for it gave the promise of improvement in human rights. Salvadoran Marxists feared the new group's reforms would weaken their appeal; they stepped up their violence and courted non-Marxist leftists to present the appearance of a broad, benign, "popular" front. Left-wing propaganda throughout the world joined in the word war, while terrorist bazookas blew out the secure conference room on the top floor of the U.S. Embassy.

The State Department's dilemma became acute when the nuns were murdered. All aid was suspended while a special commission went from Washington to investigate. The conclusion was that undisciplined national guardsmen, acting on their own, may have been responsible. Aid was resumed, and FBI agents were dispatched to assist Salvadoran police. That the Carter administration would provide police assistance is, incidentally, ironic. Prodded by human rights activists, the United States years ago ended help to Latin American police for fear they might engage in torture. The current reversal has not evoked a squeak from those who earlier would have raised a hue and cry.

Basic decisions will confront Reagan. He is publicly on record as saying that the present government offers the only promising alternative. The president of the ruling junta is a longtime Christian Democrat, and, although the left may label itself a "popular front," there is little sign that the populace supports it.

It seems clear that the Sandinista government in Nicaragua is tilting toward left totalitarianism and that it might, like Moscow's Cuban lap dog, become the next base for Soviet adventurism. That El Salvador should follow suit is plainly intolerable. Great power spheres of influence are more than textbook verbiage; to let significant parts of Central America and the Caribbean fall to our enemies would proclaim our abdication from superpower status.

On the other hand, to sit by and watch brutal rightist authoritarians take over would be equal folly. Salvadoran refugees who finance the murder of Americans should be expelled. We should never forget the recurrent pattern: corrupt and oppressive rightist regimes beget dangerous and oppressive leftist regimes. Cuba itself, Grenada, Nicaragua and perhaps El Salvador make the lesson plain. Often the debate in this country poses a false choice between extremes: if we don't help the Somozas, the communists will take over. The point is that within our spheres of influence we should strive to see that Somozas do not arise. A policy of strong support for democrats would obviate the frequent choice between Scylla and Charybdis.

Last month I lunched with two friends visiting from El Salvador, a lawyer and a banker. Neither is a member of the wealthy "14 families" (most of whom have fled the country), and both have chosen to stay in spite of clear danger. I asked why. "Because," the lawyer replied, "we want to see our country a stable democracy. By staying, we can help bring that about." Given U.S. military and development support, they and others like them might just succeed.●

AUTOMOBILE IMPORT RESTRAINTS

● Mr. LEVIN. Mr. President, last year Senator RIEGLE and Senator DANFORTH and I were deeply involved in an attempt to clarify the authority of the President to negotiate an agreement which would result in some restraint on the part of Japan in relation to the number of cars and trucks they export to this country. As my colleagues may remember, despite substantial support for that legislation, as evidenced in the defeat of a motion to table by a vote of 65 to 12, the parliamentary situation on the floor prevented us from bringing the resolution to a final vote.

This year, we have again filed the same bill, Senate Joint Resolution 5. This year, however, the bill will be considered under significantly different circumstances.

Last year, it was possible to argue that there was some doubt about the authority of the President to initiate such negotiations in the absence of any congressional action. That argument is less weighty this year for the following reason.

Late last year, I wrote to the Attorney General requesting an opinion on the range of Presidential power in this area. The Department concluded that the President possesses the "inherent constitutional authority" to enter into negotiations with a foreign government seeking import relief. Further, the Department makes it clear that under almost any set of circumstances, any agreement which resulted would not be a violation of our antitrust laws nor would it subject the Government to any significant discovery proceedings.

That letter makes it clear that President Reagan has it within his power to pursue a course of action which he promised to undertake during the campaign. Then he said that—

We Republicans are going to . . . put Americans back to work. If that means talking tough to Japan to get an orderly trade agreement without restrictive barriers, I will go to Japan.

Now it is time for him to use the power he has and do just that.

Mr. President, there are many who suggest that import restraint would be inconsistent with our free trade policy. But trade must be fair as well as free, and things are certainly not fair in the world of international trade right now.

All auto-producing nations have effective limitations on the number of foreign cars they will allow into their markets. In this environment, our open door policy invites the Japanese in while closing American workers out. We have to adopt policies which recognize the reality of the international economic order. And President Reagan has the power to do that through negotiations with Japan now.

Mr. President, I ask that my letter to the Attorney General and the response I received from the Department of Justice be made a part of the RECORD.

The letters follow:

DECEMBER 8, 1980.

Hon. BENJAMIN R. CIVILETTI,
Attorney General of the United States,
Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: In light of the recent International Trade Commission decision, increased attention has been focused on the options available to the President in an effort to achieve reasonable reduction in the number of imported cars and trucks coming into this country. In that context, a number of questions have been raised relative to the impact of existing domestic anti-trust law on the ability of the President to enter into negotiations with a foreign government in an effort to bring about import restraint.

My questions will assume that the President acts in a way which is independent of any "private interests" seeking similar relief. When I use the word "President," it always includes his representatives.

My understanding is that the President clearly has the Constitutional authority to enter into such negotiations. Would the Department agree?

Additionally, my understanding is that any agreement reached as a result of such negotiations would clearly not constitute a violation of anti-trust law on the part of the President if the foreign government involved required, through its legal process, the compliance of firms located in its country. Would the Department agree?

Additionally, it is my understanding that, if the President's request is limited to asking the foreign government to mandate reductions, the President would clearly not be in violation of our anti-trust laws even if the foreign government turned around and suggested restraint rather than compelling it. Would the Department agree?

In the above situations, would the Department also agree that the law is so clear that a suit against the President would in all likelihood be dismissed without the trouble or expense of discovery proceedings?

Would the Department also agree that the President would be likely to prevail in an anti-trust suit against him if he urged the foreign government to obtain restraint, without distinguishing as to whether he was asking the foreign government to mandate or suggest such restraint? Would the Department agree that, in this latter situation, it is further likely that such successful result would be achieved only after costly and time-consuming discovery process were completed?

Given the importance of these issues, I would appreciate a response to these questions within the next two weeks.

Many thanks.

Sincerely,

CARL LEVIN.

U.S. DEPARTMENT OF JUSTICE, OFFICE OF THE ASSOCIATE ATTORNEY GENERAL,
Washington, D.C., December 29, 1980.

Hon. CARL LEVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LEVIN: The Attorney General has asked me to respond to your letter of December 8, which posed several questions regarding the antitrust constraints affecting the ability of the President and his representatives to negotiate with foreign governments "in an effort to bring about import restraints."

You first ask whether the Department of Justice would agree that the President clearly has the constitutional authority to enter into negotiations with a foreign government seeking import restraints. (All of your questions assume that "President" means not only the President but the executive branch officials charged with negotiating responsibility.) The Department agrees that the President poseseses such inherent constitutional authority.

Second, you ask if we agree that an agreement between the two governments reached as a result of such negotiations would not be an antitrust violation by the American government negotiators if the foreign government required through its legal process compliance by its national firms. We would agree.

Third, you ask about a situation in which the President asks the foreign government to mandate controls, but the foreign government merely suggests restraint by its national firms. Again we would agree that in all probability the American government negotiators would ultimately be held to have no liability.

Fourth, you ask if we agree that in all of the foregoing hypothetical situations the law is so clear that a suit against the President or his negotiators would be dismissed without discovery. While it is likely that the President and his representatives would prevail ultimately, perhaps on a motion for summary judgment, there is a significant possibility that an artfully drafted complaint could withstand a motion to dismiss prior to at least some limited discovery.

Finally, you ask whether the President and his representatives would likely prevail in an antitrust suit if they urged the foreign government to obtain restraints, without distinguishing between mandatory and voluntary restraints. While we believe that the United States government negotiators would likely prevail in such a suit, the ambiguity inherent in the type of agreement you posit increases the degree of antitrust risk as well as the likelihood that there would be costly and time-consuming discovery before the issue was resolved.

I should add that this response attempts to answer the specific questions you have posed, which relate solely to the potential antitrust liability of the President and United States government negotiators under the circumstances you set forth. I have not addressed the potential antitrust exposure under current United States law for other involved parties, such as the foreign manufacturers.

I hope that these comments have been helpful, and appreciate your concern for the antitrust issues involved in negotiations with foreign governments on import questions.

Sincerely yours,

JOHN H. SHENEFIELD,
Associate Attorney General.●

FEDERAL ASSISTANCE REFORM ACT OF 1981, S. 45

● Mr. LEVIN. Mr. President, on January 5, Senator SASSER introduced the Federal Assistance Reform Act of 1981, S. 45, which proposes reforms in the Federal grants process. As Senator SASSER indicated in his statement, the bill was fashioned during the 96th Congress by the Governmental Affairs Committee and was unanimously approved there, and passed the full Senate in that session. I was a cosponsor then, as I am now, and I am pleased to again speak on behalf of this much needed bill.

As the former president of the Detroit City Council, I can assure you of the importance of reform in this area. This bill addresses many concerns about the Federal grants process.

In trying to conform to Federal regulations, local governments are often confounded by requirements of one set of regulations and the conflicting requirements of another. One agency says you must meet emission standards; another says you must improve gas mileage, and the goals work at cross purposes. One agency requires that floors be washed frequently for health reasons; another says floors must be dry for safety reasons. The EPA requires that measurement of noise pollution resulting from airport construction be made according to one formula. The FAA requires the same measurement by a different formula. Basic education grants are supplemented by other programs which are on different timetables and require unnecessary duplication by applicants. The list goes on and on.

The grant consolidation approach taken by title I of S. 45 promises to fa-

cilitate the adaption of Federal assistance programs to the particular needs of State and local governments, and to promote better administration and more effective planning of such programs. Title II of the act proposes a single audit requirement for organizations receiving Federal assistance; this provision would relieve State and local governments of the costs and paperwork burdens which result from conflicting and redundant auditing requirements. The problem of inflexibility in adapting Federal programs to local needs is also addressed in title III, which encourages arrangements between Federal and State governments where Federal and State resources may be effectively combined.

The three reforms I have just cited undoubtedly will vastly improve the current Federal assistance process. However, I also felt that there was a need for ways to protect and guarantee the procedural rights of State and local governments in their dealings with Federal granting agencies.

As a result of that belief, I proposed that the provisions of title V of the act be added. That title embodies my concept of a procedural "Bill of Rights" for State and local governments which receive Federal grants. These provisions were included in the bill when it was approved by the Senate Governmental Affairs Committee and by the full Senate last session.

The provisions of title V would allow Federal agencies to waive newly promulgated regulations and requirements for those State and local governments which have made a substantial commitment of time and expenditures under the superseded regulations. This could give recipients of grants some protection from revisions in grant regulations and requirements in the middle of a program.

A number of problems encountered by local officials grow out of the Federal agencies' practice of changing regulations in the middle of a program. There is nothing more aggravating and costly to local governments than changing the rules in the middle of the game. Where there is a midstream change in regulations, the Federal agency should, at a minimum, have the power, absent clear legislative intent to the contrary, to allow the local government to abide by the earlier set of regulations once work has begun or the local government has taken substantial action pursuant to the earlier regulations.

The cost to local governments of midstream changes in regulations include not only the actual cost of complying with the changes but the cost of determining what the impact of those changes will be. In Wisconsin, for example, it was estimated that every time a Federal regulation changes, it costs the State $50,000 a year just to determine what changes must be made.

Title V would also require Federal agencies to provide advance notice to State and local governments of funding decisions in three instances: First, when a Federal agency withdraws funds from an ongoing project or program; second, when a Federal agency refuses to renew funding for a grant which had been funded in the previous year; and third, when a Federal agency withdraws from a public commitment of funds for a State or local program. In these circumstances the agency would be required, on request, to give the State or local government an opportunity to demonstrate why agency action should not be taken. In addition, in the circumstance where applications for assistance are rejected, agencies would be required, on request, to provide an explanation of the reason or reasons for their action to the State or local government.

This provision addresses problems which are created by the lack of Federal agency notice before changes in funding patterns are made, and the absence of any opportunity for the State or local government to learn the reasons for funding decisions.

As a former local official, I am particularly sensitive to the need for communication and flexibility between State and local governments and Federal agencies. The opportunity for exchange and consultation not only enables the State and local governments to better administer their local programs, but it also provides the Federal agency with meaningful review of its own grant programs.

Several specific examples from my own experience affirm the need for the provisions contained in title V.

There was a sewer project in Michigan where the Federal Government, after requiring the local government to put up a local share, and after that money was spent planning the sewer improvement, changed the regulations on Federal eligibility so that the sewer plan was no longer eligible.

A number of years ago, the Federal Bureau of Prisons notified Detroit that it wished to build a Federal detention center in downtown Detroit across the street from the Federal courthouse. The city agreed and set aside some valuable land which remained off-limits to other development for a number of years. The Federal Bureau of Prisons requested an appropriation for the center from the Congress and the appropriation was approved. Then, the Federal Bureau of Prisons, without any notice to the city, decided to cancel the project and so informed the Appropriations Committees of the House and the Senate which began reprogramming the funds.

The consequences of this decision were quite damaging financially to the city; the valuable land had sat idle for years, generating no revenue and forestalling needed development. Yet the decision was not communicated directly to the city, and was only revealed eventually by rumor.

When a local government has acted in reliance on an announced Federal project, the least the Federal agency should do is to notify the local government prior to reaching a final decision to drop the project.

Title V of this bill will require an agency to provide State or local governments, upon their request, with explanations of their actions. The process created by these provisions will create an opportunity for improved consultation and more frequent contact among agency personnel and State and local officials. Finally, the process should help assure all parties in the Federal assistance system that specific and reasoned procedures are in place to guarantee the effectiveness of grant programs.

Although most of the examples I have mentioned are based on my experience in Michigan, most of my colleagues have heard similar examples from local governments in their own States.

This title and the entire Federal Assistance Reform Act offer the opportunity to insure fairness and commonsense and at the same time contribute to the overall simplification and streamlining of all Federal assistance programs. I hope we will promptly act upon this much-needed bill.●

THE NEED FOR PASSIVE SOLAR ENERGY TAX INCENTIVES

● Mr. D'AMATO. Mr. President, I join today my distinguished colleague from Colorado, Senator HART, in cosponsoring S. 498, legislation that would encourage homebuilders to include passive solar energy systems in new homes by providing tax credits based on the efficiency of the passive solar system.

As one who wholeheartedly believes that this Nation must move to a position of energy independence as quickly as possible, I have consistently pressed for the development of alternative energy sources. Over the past decade, ever since the first Arab oil embargo in 1973, our Nation's economy has been decimated by rising energy prices and threatened by a cutoff of imported oil from the volatile Persian Gulf region. Today, this dependence continues and we remain unsure of the length, outcome, and impact of the Iran-Iraq war.

While I supported the President's decision to remove controls on the price and allocation of oil, the cost of home heating fuel is becoming more burdensome on our middle class and those less able to pay rising costs in an already inflation-ridden economy. I believe that this piece of legislation is an important step in our effort to ween this Nation off imported oil.

S. 498 is simple and straightforward. In this time of bureaucratic redtape and burdensome regulation such an approach is refreshing and welcome. To be eligible for a tax credit, a homebuilder must demonstrate that all the elements of a passive solar system are included in the design of the home. To determine the amount of the credit, the builder must contribute only three pieces of information:

First, the location of the home; second, the number of square feet of the solar collector area; and third, the energy efficiency of the home prior to the addition of the passive solar system.

The information required can be easily provided by the builder. These factors are then compared on a simple chart which will predetermine the amount of the credit based on the extent to which the passive solar system has reduced the heating and cooling requirement of the home. The maximum credit under the legislation would be $2,000 with the average expected to be about $1,000.

This tax credit will provide the homebuilders and developers with the incentive, approximately a 20-percent subsidy, to invest in efficient passive solor energy systems. Without this credit, the builder cannot afford the necessary additions to a home because of the present extremely tight capital market. Our Nation's residential housing stock will be completely replaced over the next 50 years. If we are to make progress in developing alternative energy sources for the future, we must provide the incentive to our people today.

While in some respects solar energy is not doing as well as expected, in the passive area, which this bill seeks to promote, there is great optimism that improvements can be made in energy efficiency and conservation. In new housing, basic conservation practices can reduce energy requirements by more than half, the addition of good passive solar features can reduce the remaining energy needs by more than 60 percent.

For example, a conventional single family residence in New York State, typically a two-story, three-bedroom structure with moderate insulation, uses approximately 20 British thermal units per degree-day per square foot (Btu/dd/sq. ft.). This amounts to 1,200 gallons of fuel oil annually. Effective passive solar designs use significantly less than 4 Btu/dd/sq. ft., or as little as 20 percent of the oil, natural gas, electricity, or wood used as fuel in conventional housing.

The average monthly costs of living in homes with passive solar devices, including mortgage payments, insurance, taxes and maintenance—as well as energy bills—will be significantly less than the monthly costs of living in conventional housing.

This legislation deserves careful consideration by my colleagues. Without great expense, the tax credits furnished in this timely measure provide an important step in the development of alternate energy sources. The American consumer demands relief from increasing energy costs, and the construction of passive solar homes will greatly reduce his heating bills while putting us on the road to energy independence.●

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW, FEBRUARY 27, 1981, AND 3 P.M., TUESDAY, MARCH 3, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. tomorrow, February 27, and that when the Senate convenes on tomorrow, it immediately stand in recess until 3 p.m., Tuesday, March 3, 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER PERMITTING THE INTRODUCTION OF BILLS, RESOLUTIONS, AND STATEMENTS AND AUTHORIZING COMMITTEES TO FILE REPORTS ON FRIDAY, FEBRUARY 27, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Friday, February 27, 1981, between the hours of 9 a.m. and 3 p.m., Senators be permitted to introduce bills, resolutions, and statements, and that committees be authorized to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING THE SENATE TO TAKE CERTAIN ACTION DURING THE RECESS

Mr. BAKER. Mr. President, I ask unanimous consent that during the recess of the Senate over until Friday, February 27, and Tuesday, March 3, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred, and that the Vice President, the President pro tempore and the acting President pro tempore be permitted to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, as I have just indicated, it is my intention to move shortly to recess the Senate over until tomorrow at which time on tomorrow we will have a pro forma session.

The provision has been made, of course, for Senators to introduce bills, resolutions, and statements between the hours of 9 a.m. and 3 p.m. on tomorrow.

The Senate then will reconvene, pursuant to recess, at 3 p.m. on Tuesday next.

The 3-day rule and other requirements will have been complied with by that time in respect to the resolutions on committee budgets reported recently by the Rules Committee and it will be the intention of the leadership to proceed to the consideration of those resolutions after the routine and regular business of the Senate in conjunction with the compliance with the standing order for the recognition of the two leaders, a special order which I will shortly provide, and a brief period for the transaction of routine morning business, at which time I will either move or ask consent to proceed to the consideration of the resolutions in respect to the budgets of the several committees.

FUNDING RESOLUTIONS—ORDERS FOR TUESDAY

Mr. BAKER. Mr. President, in that connection I ask unanimous consent that on next Tuesday a rollcall vote occur at 5 p.m. on the 18 committee funding resolutions and that the consideration of those resolutions be considered en bloc, being Calendar Items Nos. 10 through 27 on the Calendar of General Orders; I further ask unanimous consent that no nongermane amendment to any of those resolutions will be in order at that time; and I further ask unanimous consent that it may be in order to ask for the yeas and nays on those resolutions to be considered en bloc at this time.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, there is no objection on this side of the aisle to the request. Therefore, I do not object.

Mr. BAKER. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Chair.

Mr. President, do I understand that it is in order to ask for the yeas and nays?

The PRESIDING OFFICER. It is in order.

Mr. BAKER. Then, Mr. President, I ask for the yeas and nays on the resolutions en bloc.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ORDER FOR THE RECOGNITION OF SENATOR HARRY F. BYRD, JR., ON TUESDAY, MARCH 3, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order there be a special order for the recognition of Senator HARRY F. BYRD, JR., of Virginia, for 15 minutes on next Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECORD TO REMAIN OPEN UNTIL 5 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that the RECORD may remain open until the hour of 5 p.m. today for the purpose of inserting statements, bills, and resolutions, and the filing of committee reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Now, Mr. President, might I inquire of the distinguished acting minority leader if there is any further business on his side of the aisle?

Mr. LEVIN. The acting minority leader knows of none.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I move, in accordance with the provisions of the order previously entered, that the Senate stand in recess until the hour of 11 a.m. tomorrow.

The motion was agreed to; and, at 2:33 p.m., the Senate recessed until Friday, February 27, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate February 26, 1981:

DEPARTMENT OF LABOR

Albert Angrisani, of New Jersey, to be an Assistant Secretary of Labor, vice Ernest Gideon Green, resigned.

DEPARTMENT OF THE TREASURY

John E. Chapoton, of Texas, to be an Assistant Secretary of the Treasury, vice Donald Cyril Lubick, resigned.

Paul Craig Roberts, of Virginia, to be an Assistant Secretary of the Treasury, vice Curtis Alan Hessler, resigned.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Charles Robert Myer, 235-34-1338, (age 56), Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. William Ivan Rolya, 043-20-6527, Army of the United States.

IN THE MARINE CORPS

The following-named brigadier general of the Marine Corps Reserve for temporary appointment to the grade of major general under the provisions of title 10, United States Code, section 5902:

John B. Hirt

CONFIRMATIONS

Executive nominations confirmed by the Senate, February 26, 1981:

DEPARTMENT OF STATE

James L. Buckley, of Connecticut, to be Under Secretary of State for Coordinating Security Assistance Programs, vice Matthew Nimetz, resigned.

Richard T. Kennedy, of the District of Columbia, to be Under Secretary of State for Management, vice Benjamin H. Read, resigned.

Walter J. Stoessel, Jr., of California, to be Under Secretary of State for Political Affairs, vice David D. Newsom.

Richard Fairbanks, of the District of Columbia, to be an Assistant Secretary of State, vice J. Brian Atwood, resigned.

Robert Carl McFarlane, of Maryland, to be Counselor of the Department of State, vice Roxanne L. Ridgway.

AGENCY FOR INTERNATIONAL DEVELOPMENT

M. Peter McPherson, of Maryland, to be Administrator of the Agency for International Development, vice Douglas J. Bennet, Jr., resigned.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF STATE

Foreign service nominations beginning John H. Trattner, to be a Foreign Service officer of class 2, and ending Daniel Alan Spike, to be a Foreign Service Information officer of class 7, which nominations were received by the Senate and appeared in the Congressional Record of February 3, 1981.

EXTENSIONS OF REMARKS

THE USE OF VOLUNTEERS BY THE FEDERAL COMMUNICATIONS COMMISSION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. DANNEMEYER. Mr. Speaker, at the close of the 96th Congress I sponsored H.R. 8445, to permit the use of volunteers by the Federal Communications Commission in the monitoring of violations by amateur radio operators. This legislation grew out of discussions I had with constituents of my district within the ham radio community who were having problems pursuing their hobby amidst interference by those who escape FCC enforcement of permissible wattage levels and other regulations.

Since the introduction of H.R. 8445 on December 9, 1980, I have benefited greatly from the advice and counsel of a number of concerned citizens and private organizations. On the basis of this information, I am today reintroducing the legislation in an amended and expanded form.

First, the bill allows the FCC to use volunteers and voluntary organizations to monitor violations of the Communications Act and regulations made pursuant to the act by citizens band and amateur station operators. The bill from the last Congress included only amateur station operators. It is my understanding that the CB community is facing the same or similar problems which resulted in this concept in the first place.

Specifically, the bill addresses two legal obstacles to the implementation of a volunteer monitoring program in the absence of this legislation. Title 31, United States Code, section 665(b) precludes the use of voluntary services by an officer or employee of the U.S. Government. This bill effectively grants an exception to this general rule for FCC monitoring volunteers. There are at least 10 other exceptions of this nature, including ones for the Coast Guard Auxiliary, the National Park Service, the Office of Drug Abuse Policy, and the Teachers Corps.

The second legal obstacle is contained in title 47, United States Code, section 605, which states that:

> No person not being authorized by the sender shall intercept any radio communication and divulge or publish the existence, contents, substance, purport, effect or meaning of such intercepted communication to any person.

There is an exception to this ban for FCC employees. Section 2 of the bill I am introducing today makes it clear that volunteer monitors are also exempt from the ban when performing their monitoring functions.

A relatively few individuals operate CB and amateur stations in violation of FCC regulations, particularly as they relate to permissible power levels. These violators literally interfere with the transmissions of the law-abiding majority within the amateur and the CB communities. I have even been informed of persons interfering with the transmissions of those within both the CB and the amateur communities engaged in emergency communications for natural disasters and other occurrences.

It is my understanding that individual volunteers and especially the national and local CB and amateur organizations are willing and able to assist the FCC monitor the transmissions of those responsible for these violations. I have been told that the FCC is hampered in its enforcement both by the volume of complaints and by the necessity for an FCC engineer to locate and observe or hear the transmission of a violator.

While the bill does not set down the specific details of the monitoring program and instead leaves such matters to the discretion of the FCC, it is my intention, after talking with those concerned, that this legislation permit local committees to be formed which would monitor transmissions, and report such information to the local FCC field office. Furthermore, the local FCC field office would be allowed to establish a working relationship with local CB and amateur organizations to assist the FCC in screening the complaints. It is conceivable that the serious violations could be handled by the FCC while less serious infractions could be corrected through the peer pressure imposed by the local organizations. I believe this concept is in the best spirit of voluntarism and local community control over as many concerns as possible. It should be made clear that volunteers will only monitor transmissions and are in no way empowered to invade property rights of others or issue sanctions and other enforcement actions. The FCC retains its full and complete authority in this area. All the bill does, if you will, is create additional eyes and ears for the FCC. Furthermore, I am confident that the FCC, working with the amateur and CB organizations, can establish eligibility criteria for volunteers that will reduce the possibility of abuse.

Furthermore, I wish to point out that the program envisioned to be established pursuant to this bill would have amateur volunteers and organizations monitoring amateur transmissions and CB volunteers and organizations monitoring CB transmissions. In addition, nothing in the bill should be interpreted to require the FCC to operate both a CB and an amateur volunteer program in concert. One may be operated independently of the other.

The second major provision of the bill would clarify the use of volunteers by the FCC to prepare and administer novice amateur radio licenses. It is my understanding that since 1938 qualified volunteer examiners have assisted the FCC in the performance of this function. Recently, however, this longstanding practice was called into question on the grounds that it, too, violated the 31 U.S.C. 665(b) ban on the use of voluntary services. This practice saves the FCC money if it decided to give the test itself. In addition, the volunteer-run program is more convenient for the amateur community by eliminating the need to travel to an FCC field office which is often a good distance away.

In short, Mr. Speaker, I believe that this bill extends the principle of decentralized government to an important segment of our society. Accordingly, I urge the swift consideration of this legislation by the House Energy and Commerce Committee, of which I am proud to be a member. I insert the bill at this point in the RECORD.

H.R. 2203

A bill to amend the Communications Act of 1934 to permit the Federal Communications Commission to employ voluntary services for purposes of monitoring violations of the Act by amateur and citizens band radio service station operators and for purposes of preparing and administering examinations for certain amateur station operator licenses

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(f) of the Communications Act of 1934 (47 U.S.C. 154(f)) is amended by adding at the end thereof the following new paragraph:

"(4)(A) For purposes of monitoring any violation of any provision of this Act, and of any regulation made by the Commission pursuant to this Act, relating to amateur station transmissions, the Commission, without regard to part III of title 5, United States Code, may (i) recruit and train any individual licensed by the Commission to operate an amateur station; and (ii) accept and employ voluntary and uncompensated services of such individual. For purposes of recruiting and training such individual, the Commission, without regard to part III of title 5, United States Code, may accept and

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

employ voluntary and uncompensated services of any amateur station operator organization.

"(B) For purposes of monitoring any violation of any provision of this Act, and of any regulation made by the Commission pursuant to this Act, relating to transmissions of any citizens band radio service station, the Commission, without regard to part III of title 5, United States Code, may (i) recruit and train any individual licensed by the Commission to operate a citizens band radio service station; and (ii) accept and employ voluntary and uncompensated services of such individual. For purposes of recruiting and training such individual, the Commission, without regard to part III of title 5, United States Code, may accept and employ voluntary and uncompensated services of any citizens band radio service station operator organization.

"(C) For purposes of preparing or administering any examination for the least privileged class of amateur station operator license established under section 303(1) of this Act, the Commission, without regard to part III of title 5, United States Code, may accept and employ voluntary and uncompensated services of any individual who is licensed by the Commission to operate an amateur station and whose license is not of such class.

"(D) Any person who provides voluntary and uncompensated services under this paragraph shall not be considered, by reason of having provided such services, a Federal employee for any purpose.

"(E) For purposes of this paragraph, the term 'citizens band radio service station' has the meaning given such term in sections 95.401 and 95.603 of title 47, Code of Federal Regulations, including any amendment to such term as hereafter may be made by the Commission.".

Sec. 2. Section 605 of the Communications Act of 1934 (47 U.S.C. 605) is amended by adding at the end thereof the following new sentence: "This section shall not apply to any receipt, divulgence, publication, or utilization of the contents of any amateur or citizens band radio service station transmission by any individual in the course of providing voluntary and uncompensated monitoring services to the Commission under subparagraph (A) or (B) of section 4(f)(4) of this Act.".●

W. THOMAS ANDREWS HONORED

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. ATKINSON. Mr. Speaker, I wanted to take a few moments from today's session to insert into the CONGRESSIONAL RECORD special remarks to pay tribute to a fine gentleman who chose not to seek reelection as a member of the Pennsylvania State Senate.

W. Thomas Andrews, an outstanding resident of New Castle, Pa., in Lawrence County, was elected to the Pennsylvania Senate in 1972 and reelected in 1976, representing Butler and Lawrence Counties.

Throughout his 8 years in Harrisburg, Tom maintained a solid reputation as a dedicated, loyal, hardworking lawmaker. He tirelessly tried to help each and every constituent who came to him with a problem. The people he represented know Senator Andrews as a compassionate man with a deep concern for the feelings of others.

Tom is married to the former Leslie Nord; they have one son, William Robert, and a daughter, Arlyn Elizabeth. The senator was a graduate of New Castle High School and the College of Wooster. He received his law degree from the University of Pittsburgh.

He has participated in dozens of civic organizations in Butler and Lawrence Counties and was chosen one of the outstanding young men of America in 1973.

Senator Andrews' public service ability will be sorely missed. We are all looking forward to his continued involvement in the affairs of our community.

I want to wish Tom and his entire family the very best in good health and happiness in his years to come.●

WORKERS AND PEASANTS THREATEN SOVIET RULE IN EASTERN EUROPE

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, I would like to introduce into the CONGRESSIONAL RECORD an excellent article by Prof. Charles A. Moser of the George Washington University. This article, which appeared in the New York Times on January 25, 1981, adds a new dimension to our perception of the economic, social, and political ferment in Poland by focusing on and providing a historical context for understanding the Polish farmers' attempt to organize their own union—Rural Solidarity.

The fact that the Communist authorities in Warsaw backed down last year and legalized a mass independent labor union, Solidarity, but stubbornly refused to permit a comparable organization for farmers, is instructive. There are far more urban laborers in Poland than farmers. Why this uncompromising resistance by the Communist authorities to Rural Solidarity? What millions of farmers seek in Rural Solidarity is an officially sanctioned organization to promote their own class interest; that is, the well-being of individually owned family farms.

Professor Moser's brief article explains why Communist rulers dare not allow this. For it is in the countryside that communism has its weakest hold in Eastern European societies—and in Soviet Russia. The countryside is an area of economic, social, and political weakness and vulnerability, a potential Achilles heel throughout the Communist world, which must be shielded and insulated at all costs. The ineradicable striving of farmers to own the land they work and to enjoy unrestricted the fruits of their labor runs deep and strong throughout Eastern Europe, and is inimical to the Communist dictatorships there. The Communists have struggled to repress this movement where they could not destroy it. But if millions of Polish farmers, intent upon securing their own family farms, were to join hands with millions of Polish workers, intent upon securing the rights of free working men, that is, if rural solidarity join urban solidarity—Communist dictatorship, as such, would be impossible in Poland.

This is the specter which haunts the regimes in East Germany and Czechoslovakia, and their masters in the Kremlin as well. Professor Moser does well to remind us that Communist leaders have more to fear than Western military might. Closer to home and all around them is the danger that workers and peasants may harken to the old battle cry, arise and throw off their chains.

As the new administration and we in the Congress formulate our policies in response to the events in Poland and in United States-Soviet relations in general, we would do well to remember Professor Moser's conclusion, that a genuine coalition between workers and peasants may lead to the end of Communist power in Eastern Europe.

The article follows:

POLES AND PEASANTS

WASHINGTON.—Although workers have led the way in Poland over the last few months, the Polish peasantry has not been far behind. Like the workers—and like the Communist Party itself—the peasantry understands that political organization is the key to the restoration of its liberties.

Although those of us in the West have tended to ignore the historical reality of organized agrarian political movements in the 20th century, the fact is that between the World Wars such movements were very strong in Eastern Europe. In 1920 an entirely agrarian movement took power in Bulgaria by democratic means. Headed by the greatest prime minister of 20th-century Bulgaria, Alexander Stamboliyski, the Bulgarian Agrarian Government instituted wide-ranging reforms in Bulgarian society.

These reforms included land redistribution, the spread of public education and the establishment of reading rooms for the general population. Stamboliyski downplayed militarism and instituted a foreign policy of peaceful cooperation with Bulgaria's neighbors. The old-line political parties resisted Stamboliyski's reforms, however, and in 1923 the Prime Minister was overthrown and brutally murdered. But during the brief time he had been in power, Stamboliyski managed to sow the seeds of an international organization of agrarian organizations in Eastern Europe.

That organization, commonly called Green International, was based in Prague, since Czechoslovakia had a large and influential peasant party, which also came to power later in the 1920's. When Stamboliyski announced the formation of the Green International in 1921, it was constituted by the peasant parties of Czechoslovakia, Bulgaria, Serbia, and Poland.

At that time, the Polish peasant party was headed by Wincenty Witos, who also occupied the post of Polish Premier. Witos may have had his own, rather Polish reasons for supporting the Green International, but support it he did. The irony of the history of the Green International was that it never developed the truly effective unity among the various peasant parties and agrarian organisations that the times required. At the same time, its constituent parties were genuine forces in their own countries, parties that could and did come to power through open and democratic means.

The Communist International, on the other hand, developed remarkable international coordination, but its constituent parties were never in anything approaching the strong electoral positions of the East European agrarian organizations.

When Communist governments were imposed upon Eastern Europe through Soviet military conquest at the end of World War II, the sturdiest opposition to Communist dictatorship was mounted in many countries precisely by these peasant-based parties. In Bulgaria, for example, the Bulgarian Agrarian Union held mass political rallies in the final months of 1944, after the Soviet invasion, to oppose the imposition of Communism on a rural country. The consolidation of Communist power in Poland was signalled by the flight of Prime Minister Stanislaw Mikolajczyk, who was also the head of the Polish peasant party.

The political doctrine of the agrarian movement was based, among other things, on the primacy of the family farm and the right of private property. The agrarians were also committed to democratic representation and parliamentary government. Their leaders constantly preached the importance of political organization if they were to reach their goals.

To those who know something of the real history of Eastern Europe—and not that history as reflected through the narrow prism of Communist historiography—it comes as no surprise that the Polish peasants are now making the demands they are.

The peasants are demanding the right to their own "union," which is in essence a political organization for the advancement of their interests, though they may call it by another name. Nor is it surprising that the Polish peasants assembled resolved to "fight for the interests of the family farms and through this the development of Polish agriculture," or that they demanded the guarantee of private property in land. These were part of the agrarian program for years.

Perhaps it is the case that in history there are neither final victories nor final defeats. Western scholars have tended to ignore or dismiss the influence of the agrarian movements in Eastern Europe simply because they were suppressed by Soviet bayonets. But the history of Eastern Europe, and of Poland in particular, has not yet ended, and the ideas that once seemed defeated may rise from the ashes.

The Polish workers and peasants may forge a genuine political coalition in a way which the Communists have never been able to do despite their talk of "workers' and peasants' governments." And that genuine coalition may lead to the end of Communist power in Eastern Europe.●

LEGISLATION TO ADDRESS THE REAL GUN CONTROL ISSUE

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. YOUNG of Florida. Mr. Speaker, the increasing incidence of handgun murders in the United States, has inspired widespread pressure for stricter gun control laws. Although the Omnibus Crime Control and Safe Streets Act of 1968 was enacted in response to such pressure, its registration provisions have not had any noticeable influence on the rate of crime involving guns. We all realize, I am sure, that a person who commits a crime is not going to obey a new law any more than the laws already on the books. So, in an attempt to reduce this type of violence, today I am introducing legislation which emphasizes the use of a firearm in the commission of a crime, by calling for a separate penalty in addition to the penalty for the crime itself.

My bill requires any individual who uses a gun in the commission of a Federal felony to be sentenced to an additional term of imprisonment for such use, consisting of 5 to 10 years for the first offense, and 10 years to life for the second offense. This term of imprisonment must be served separately and in addition to the term imposed for the crime itself.

In these days of reduced sentences, plea bargaining, easy parole, and other means by which hardened criminals return swiftly to the streets, my bill provides the absolute guarantee of incarceration for a minimum of 5 years—in addition to the original sentence—and the possibility of life imprisonment for a second offense. Such a threat should be a powerful deterrent to the use of firearms for criminal purposes, and I hope the leadership will consider it a more viable alternative than creating additional gun control restrictions which will not accomplish our mutual objective, and which would be ignored by criminals just as they ignore the other laws of our land.●

STATEMENT ON VLADIMIR PRESTIN

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. EDWARDS of California. Mr. Speaker, I take this opportunity to bring my colleagues' attention to the case of Vladimir Prestin, a refusenik.

It is an honor to be able to take part in the "Congressional Vigil for Soviet Jewry" this year. I welcome this opportunity to voice my concern for the many refuseniks in the Soviet Union who are bravely enduring one of the worst human rights offenses in our world today. It is no secret that the Soviets are defying the law and spirit of the Helsinki accords in their treatment of Soviet Jewry.

As most are aware, last year was a dismal one for Jewish emigration from the Soviet Union. We were optimistic after 51,300 Jews were allowed to leave the country in 1979. But due to deteriorating relations with the rest of the world, the emigration figure plummeted to 21,700 last year.

I was encouraged by recent statements made by our President in reference to a proposed summit between himself and Soviet President Leonid I. Brezhnev. Reportedly, Mr. Reagan responded:

> I think that you can't just deal with just one facet of the international relationship, you've got to deal with all the problems that are dividing us.

I would stongly encourage the President to include the question of Jewish emigration in his list of problems.

This year I rise again to speak on the case of Vladimir Prestin. This is the second year I have spoken in Mr. Prestin's behalf. I hope we will meet with success this year.

Mr. Prestin, born December 1934, is an electrical engineer. He is married with one son. Vladimir worked in closed institutes in various capacities, from senior engineer to chief of laboratory after graduating from the Energetics Institute in 1958. He wrote several articles and has three patents. Since 1969 he has not worked on any projects that could be considered as being of a secret nature.

From 1970 he has been active and outspoken in the issue of human rights in the Soviet Union. Shortly after he applied for permission to emigrate, he became a refusenik. He was forced to resign from his position.

Vladimir is currently employed doing menial work in a factory. He spends his spare time teaching Hebrew, taking part in scientific seminars and other educational and cultural programs for fellow Jews.

Vladimir's wife Elena Prestin also graduated from the Energetics Institute, and worked in a factory for the manufacture of lamps for electrovacuum apparatus before leaving her job. Vladimir and Elena have a son Misha, who spends much time at his grandmother's as they try to shield him from the terror of frequent searches of the Prestin apartment.

As a leading refusenik, Prestin has had his phone disconnected and has

been subjected to constant harassment and frequent arrests. His home has been repeatedly searched and many personal documents, letters, and Jewish publications have been confiscated. This persecution has not intimidated Prestin, and he has been a signatory to every important letter of appeal and protest that has been circulated by the activists in Moscow.

I would like to remind all those with an interest in this area that the vigil will continue. We will not turn our back on the Jews in the Soviet Union.●

EL SALVADOR

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. DONNELLY. Mr. Speaker, the issue of military assistance for the Government of El Salvador has sparked intense controversy in the United States, and around the world. Recent developments in El Salvador, coupled with increasing signals from the Reagan administration, cause me to express my deep concern about the call to escalate U.S. involvement at this time.

If supplying military aid in the form of vehicles and armament is to be the President's policy, the Congress has a solemn responsibility to know the stipulations of such security assistance. Unless the administration recognizes that we have a moral responsibility to the people of El Salvador to use that aid as leverage to insure that the social, economic, and political shortcomings that triggered that embattled nation's reign of carnage are remedied, I cannot support the administration's policy.

The suggestion of an increased contingent of U.S. military advisers for El Salvador is one that troubles me greatly. Such concern cannot be dismissed by the President's characterization of such thought as the Vietnam syndrome. I will vigorously oppose the commitment of U.S. military personnel to El Salvador, and I urge my colleagues to oppose any such decision.●

VFW CONDUCTS A VOICE OF DEMOCRACY CONTEST

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. ALEXANDER. Mr. Speaker, each year the Veterans of Foreign Wars conducts a voice of democracy contest. This year more than 250,000 secondary school students participated in the contest competing for the five national scholarships which are awarded as prizes. First prize is a $14,000 scholarship, second prize is $7,000, third prize is $4,500, fourth prize is $3,500, and the fifth prize is $2,500. The contest theme this year was "My Commitment to My Country."

This year's winner from the State of Arkansas is also a resident of my district. Mr. Carl Matthew Briggs has written a speech which clearly will strike a responsive chord to those who read it. Patriotism is not dead among our youth as so often stated. It is alive and well and visible in the speech by Mr. Briggs which follows:

"These are the times that try men's souls, the summer soldier and the sunshine patriot will in these times shrink from the service of their country."

Thomas Paine voiced these words through a pamphlet called "The American Crisis." In retrospect to these words we can see today another crucial period in our history. It will be seen how much summer soldier lies at the depths of us all.

This crisis presents itself in the form of a threat directed towards democracy and personal freedoms. These dangers, be they external or internal, must be identified, confronted, and overcome. We struggle not solely for ourselves, nor for those within this generation, but the outcome of our conflict will shape and mold the future of our children, as by our ancestors it was molded for us. Freedom's struggle, however, affects not only Americans, but all people whose desire is towards democracy. From the Asiatic peoples of South Korea, over whose head hangs annihilation, to the Afghanistan rebels, whose daily routine is a struggle against innumerable odds mixing death with hope, all peoples look to us and ponder the result of our "American Crisis".

The conflict is not solely military, with armies of men and arsenals of missiles, but rather I assert that we the people possess the "ultimate weapon". And if we become trained in the use of it, we may render ineffective any enemy who would harm us. What is this great weapon you may ask, it is my, no, our commitment to our country.

Let us then learn of and become proficient with our weapon in order to secure the things we know to be right.

If we are to be a people of commitment, we must clearly understand what commitment involves. It is, by definition, the act of giving something or someone charge or trust. For understanding, let us define commitment to one's country as the act of the will that places trust in the nation and produces a life of support, loyalty, and obedience.

As with any true decision, there will be action to give evidence of it.

Support we can see as a desire to show honor and respect, such as standing at the sound of the National Anthem. A simple action, no doubt, but most definitely a result of commitment, especially when one honors such a stance.

Loyalty we can see as a fulfillment of duty, and other actions performed for the good of the nation; an agreement to serve your term on a jury although a bit inconvenient, taking time to buck the popular theory, "Well, it doesn't matter anyway," as you vote. Yes, loyalty, a characteristic that strengthens union and creates purpose, is a result of commitment.

Obedience, the last characteristic listed and probably most important, can be seen not as an act of blind folly, but rather a conscientious execution of what is agreed upon by the people as right. An example: driving within the legal speed limit as you inhale the exhaust of passing cars. It was this fruit of commitment that transformed a revolutionary group of patriots into a union firm and strong.

As you can see, true commitment will have measurable results in our life styles. A way to monitor our effective or ineffective use of freedoms weapon.

James Lowell said, "Once to every man and nation comes the moment to decide * * *." Any movement of a nation will come only when her people begin that move individually. If we are to arm ourselves with the ultimate weapon, then we, then I, must come to the point of supporting loyal, and obedient commitment as an individual. It is because of an individual commitment, a personal commitment to God in whom I trust through His Son, that my role as a citizen can be rightly played.

Let us examine ourselves as well as our values, and find the true level of commitment, to our country and to God. Let us then take up the weapon of commitment to destroy an enemy who would sever the bonds of a union, strong, brave and free.●

TRIBUTE TO HERBERT W. SUTTON

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. BADHAM. Mr. Speaker, it is my privilege to rise before this honorable body today to pay tribute to Herbert W. Sutton, who will be honored March 21, 1981, by the City of Hope with Spirit of Life Award given annually by this great medical center.

Sutton, who is publisher of three California community newspapers in Newport Beach, Costa Mesa, and Irvine—all located in the 40th Congressional District, which I have the honor to represent—has shown an uncommon interest and dedication to his community and is well deserving of this award to be given at the City of Hope testimonial dinner.

Sutton serves on the board of trustees of the Newport Harbor Art Museum, is a trustee of Chapman College, a director of the American Red Cross, Orange County chapter, and is a director at large of the Braille Institute of Orange Coast.

In addition to his community efforts, Sutton, who is a third generation Californian, has found time to be chairman of the board of governors of the Balboa Bay Club. He is a member of the Printing Industries of America and past director of the National Association of Advertising Publishers. He is a member of the California Newspapers Publishers Association and is chairman and chief executive officer of Sutton Industries, Inc.

Herb Sutton is a dedicated marathon runner, usually managing to run 7 miles each day and has competed in marathon races. He has been a credit to his community and I am pleased today to call the attention of my colleagues to his fine civic achievements and to the award he will receive from the City of Hope.●

CIVIL DEFENSE—A WEAPON FOR THE FUTURE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. SKELTON. Mr. Speaker, a student at Truman High School in Independence, Mo., Hugh Vest, recently wrote a paper on civil defense. It is titled, "Civil Defense—A Weapon for the Future." I find it very encouraging that more of today's youth are becoming aware of the importance of civil defense. I am especially hopeful when the logic is as well thought as that of Hugh Vest. Mr. Speaker, my colleagues and the Nation should be aware of Hugh Vest's fine paper.

The paper follows:

CIVIL DEFENSE: A WEAPON FOR THE FUTURE

My name is Mr. Tanimoto. I remember the morning well—very normal, still, cool and pleasant. I was beginning to unload a handcart when the tremendous flash cut across the sky. I reacted in terror throwing myself in my rockgarden. Following the blast, I, unhurt, ran for the city and my family. Roaming the streets were hundreds and hundreds of people—silent, dazed, all injured! Some had the skin burned off their hands and faces their eyebrows hanging limp. Many, because of the pain, held their arms up as if carrying something. Most vomited as they walked. Naked or in shreds of clothing I remember these people; walking silent with bowed heads, expressionless. As I approached I looked out over the city—ruins, flames, destruction. Every other house was a collapsed trap upon the family inside who, buried, cried out in vain. I thought, as I looked, that in the midst of this flattened city were my wife and baby * * *

August 6, 1945. The first atomic bomb devastated the city of Hiroshima. This small Japanese city was caught up in the fury of the greatest destructive force ever encountered by man. Since then the destructive force has intensified and we are less prepared than that small city. The stage is set for central Missouri to go down in the annals of history as the next Hiroshima or Gettysburg of destruction with you, if lucky, living to tell Mr. Tanimoto's story.

What comes to your mind when you think of our state, Missouri?—Peaceful? Warm, friendly people? Soft rolling hillsides? The beautiful countryside? When considering danger, what area comes to mind? New York City? Los Angeles? Chicago? Yet this peaceful countryside happens to be sitting on a powder keg! We find in U.S. News that in the event of a nuclear war or surprise attack aimed at destroying weapon installations the greatest casualties would not be inflicted in New York City, Los Angeles, or Chicago, but on central Missouri. Not far from where I am standing right now 300 nuclear warheads, each capable of destroying several Hiroshimas, would come thundering down on the 150 missile silos in our state. More than half of our state's geography would instantly be eliminated—4.8 million would die. Yes, peaceful, friendly Missouri is one of 9 missile fields in the U.S., a high risk area whose citizens live under the gun day and night. In 15 minutes our Missouri could be changed into a hell on earth. Areas like Missouri, who for the benefit of others live under the gun of destruction, should be given some protection. After all, we didn't ask to have the missile silos put in our backyards so we deserve some shelter.

Maybe the problem is not that we didn't ask, but that we don't care. Congressman Ike Skelton from the Journal of Civil Defense: "Civil defense in this country is facing an uphill battle. It currently lacks the necessary public awareness. I believe this is our greatest challenge. And why shouldn't there be public apathy? For years upon years doctors and certain politicians have presented us with untold number of studies proving we couldn't survive a nuclear war." Yet all these forecasted results are supposing that we have no civil defense as we have now. It seems that there is a myth or a good old firm held belief that we are all going to die. Many claim that if the explosion doesn't kill you the 1000 mph winds will, and if the winds don't the fire will and if the fire doesn't the fallout will. We can survive a nuclear war!! All studies claim that taking civil defense measures would drastically change the number of lives lost in a confrontation. To admit to the theory that we can't survive a nuclear war is to admit complete hopelessness. On a national level this is suicide.

But as our great survival debate lingers on, proof for the effectiveness of civil defense measures is in waiting just across the ocean. This proof? It happens to be the greatest threat to the free world. The U.S.S.R. . . . It seems that the Soviets have taken their civil defense all too seriously. Shelters have been built on a massive scale, education in survival techniques starts in the second grade, food has been stored away to last until the next harvest? Some say this buildup is a grim reality of an upcoming holocaust. Recently America was set free as our hostages returned home from their captivity in Iran, but America has been held hostage for years by the Soviet threat. Here is a firm fact for those still skeptical about civil defense. In a present war without our country taking any civil defense measures, ten Americans would die for every one Soviet citizen. Russian shelter a waste of money? The U.S.S.R. likely would only lose a massive 4 percent of its population in a full scale assault and would return to work in less than 2 weeks as calculated by a U.S. SALT negotiator. This buildup drastically affects the balance of power in the free world. We are vulnerable! Looking and laughing at our ability to survive a nuclear war, the Kremlin can certainly believe we wouldn't become involved in a confrontation over an issue like Afghanistan or Poland. Civil defense has become most ironically, a weapon.

This weapon, a leftover from World War II, lost in the advancement of technology, is a necessity for America. I hope while President Reagan is busy beefing up our defense budget he will consider the defense of millions of Americans living in high risk areas like Missouri. The ultimate responsibility for providing defense for these Americans lies in the federal government. However, in Missouri this task may not be as astronomical in price as it seems. Nearby limestone caves in Missouri are a gold mine in ready made civil defense shelters. For citizens in risk areas isolated from public shelter they should be given tax breaks for the building of private shelters. Companies should receive the same program. Those living outside risk areas need an effective plan of mass evacuation. One such study called Crisis Relocation Planning already exists. As of yet, we have no plans, only studies. For citizens living on potential ground zero, we are only inching towards this goal. We need shelters not plans, education not goals, action not apathy. Our Constitution preamble begins with "We the people" because we are our own government. If we are our own government, why do we spend billions on defense and leave our population defenseless, and why do we remain blind to the fact that our friends, family, lives, and possessions are in danger? America must awake from its sleeping apathy; the responsibility is ours. Congressman Ike Skelton, a long time proponent of civil defense, once said: "Man is a survivor. It is not his nature to throw up his hands in resignation and say all is lost, nor is it his inclination to stand idly by while his government holds him and his family hostage to Soviet missiles. Have we become so spoiled by our current lifestyles that anything less than luxury makes us gladly anticipate a quick death?"

Politicians, doctors, and statisticians can offer you the distant future goals of SALT talks and dissarmament. Missiles loom in the sky, the public runs frantic in the streets, the media blares out hopeless warnings. What happened to the SALT talks? The negotiations? I offer you present action, the only alternative, civil defense.●

EQUAL RIGHTS MEAN IMPARTIAL HEARINGS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. YOUNG of Florida. Mr. Speaker, one of the fundamental rights of the citizens of this great country is the right to a fair hearing by an impartial person. Yet, under present social security law, the carrier for medicare has the total authority to make final determinations on disputed part B medicare claims. The claimant, therefore, has no opportunity to have his case reviewed by anyone completely disassociated with the carrier.

Today, I have introduced legislation to amend this unfair section of the Social Security Act, to require a fair hearing by an impartial person—other than the carrier—on disputed claims.

In too many cases, the individuals making medicare claims are living on small fixed incomes and the difference in the figure that the carrier has allowed and the amount of money actually paid out for medical services can be very important. Considering this and the tough economic times we are living in, it is vital that these people receive every possible opportunity for

a fair hearing and a thorough review of their claims.

Medicare claims under part A are allowed certain appeal rights and consideration by the Social Security Bureau of Hearings and Appeals. I urge prompt enactment of my legislation to give those under part B similar rights.●

WEDDING GIFTS DISCLOSURE OF HON. ROBERT GARCIA

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. GARCIA. Mr. Speaker, ordinarily, a wedding is a highly personal and private matter between two people. Likewise, wedding gifts are given as a personal expression of love and affection for the couple.

However, as a Member of Congress who recently wed, I am acutely aware that one's personal affairs cannot easily be separated from official duties and obligations, and that the propriety of any gift regardless of value or source may be questioned unless disclosed forthrightly.

Accordingly, I am herewith publishing a list of all gifts, and their value, if known, received by me and my wife, Jane, on the occasion of our marriage.

Mr. Speaker, the list follows:

1 China Picture Frame: Cong. & Mrs. Baltasar Corrada, San Juan, Puerto Rico.
1 Set Lucite Salt & Pepper Shaker: Ms. Myrna Prieto, New York, New York.
1 Decanter: Mr. & Mrs. Jerry Patterson, New York, New York.
1 Flower Arrangement: Mr. Robert Payne & Mrs. Amalia Payne, New York, New York.
1 Set Candlesticks: Mr. & Mrs. Stanley Kriegle, New York, New York.
1 Decanter: Mr. & Mrs. Ica Scott, New York, New York.
1 Set Shell Candle Holders with Candles: Mrs. Rosalyn Persijonow, New York, New York.
4 Yugoslavian Wine Glasses: Mr. George Omas, Washington, D.C.
1 China Pitcher: Mr. & Mrs. Jim Sanchez, New York, New York.
1 Water Color Framed 16x14 Painting: Dr. & Mrs. Jack Friedman, New York, New York.
1 Decanter: Staff—Washington, D.C.
1 Towel set: Ms. Lillian Fernandez, Washington, D.C.
1 Pewter Candy Dish: Cong. & Mrs. Edward Derwinski, Palos Heights, Illinois.
2 Watches (Lady-Man): Mr. Pedro Rodrigues, New York, New York.
10 Art Serigraphs and Prints: Taller Boricua, New York, New York.
1 Flower Arrangement: Mr. and Mrs. Hugh Andrews, San Juan, Puerto Rico.
1 Illuminated Electrical Clock: Mr. Paul Schosberg, New York, New York.
1 Bronze Sculpture—Sea Birds on Rock: Mr. and Mrs. Ralph Garcia, New York, New York.
1 Brass and Enamel Candy Dish: Mr. and Mrs. Freddie Ferrer, New York, New York.
1 Hand Painted China Dish: Mr. and Mrs. Kenneth Marty, Springfield, Virginia.
1 Glass Bonbonier: Dr. and Mrs. Hugo Morales, New York, New York.
1 Glass Dinner Bell: Miss Esme Stephens, Miss Rose Collazo, New York, New York.
1 Crystal Cut Sculpture: Mr. Robert Abrams, New York, New York.
$1,000.00: Mr. and Mrs. John Mariotta, New York, New York.
$150.00: Honorable Herman Badillo, New York, New York.
$50.00: Honorable Jose E. Serrano, New York, New York.
$200.00: Mario E. Mureno, New York, New York.
$10.00: Mrs. Louise M. McLemore, New York, New York.
$25.00: Mr. and Mrs. John G. Moran, New York, New York.
$500.00: Mr. Daniel Schiffman, New York, New York.
$100.00: Mr. Luis M. Rivera, Mr. Abelardo Montanes, New York, New York.

In addition, three receptions were given by friends and relatives in Washington and New York for me and my wife.●

SUPPORTING BAN ON SHIPMENT OF ARMS TO ULSTER

HON. WILLIAM CARNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. CARNEY. Mr. Speaker, America has a proud tradition in world affairs of being the leader in the struggle for peace and freedom. Today I would like to remark on an area of the world which has not had the opportunity to enjoy peace or freedom.

With the arrival of Prime Minister Thatcher here in the United States, it seems appropriate to address the tragic situation in the north of Ireland. Since the formation of Northern Ireland in 1920, the Catholic community has been a victim of state sponsored terrorism. Systematic discrimination in housing and employment, along with repressive legislation, have been commonplace.

In August of 1979, the United States suspended the shipment of arms to the Royal Ulster Constabulary. I strongly urge that President Reagan continue to support this suspension. Maintaining this ban is a must if the United States is to have an honorable policy in this troubled area of our world.

My concern for this problem lies in the fact that this is an American issue which the Congress of the United States cannot turn its back on.●

VOICE OF DEMOCRACY CONTEST

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. HARTNETT. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a voice of democracy contest. This year more than 250,000 secondary students participated in the contest, competing for five national scholarships.

The winning speech from my home State of South Carolina was delivered by Mr. Laurence S. Peeples of Charleston, S.C. I would like to share Mr. Peeples' outstanding speech on national pride with my colleagues.

The text of the speech follows:

My commitment to my country is a commitment to its people, a people that were made American by their optimism, by their clear vision, and by their pride. It was that same optimism, that same pride that sustained the United States through its own Revolution, through civil and international wars as well as through a great depression. But does this pride prevail today? Many will say this pride is gone, but I believe it is here, waiting to be reborn. My commitment to my country is to bring this pride back to America by bringing it back to its people.

America respects individual rights more than any other country on earth, and this respect deserves not mere gratitude but active respect. We must make this commitment because to respect the principles of the United States is to respect ourselves.

The belief in man's intrinsic goodness and wisdom and its role in American society was one of Thomas Jefferson's most important ideals. It has been updated by such great Americans as Andrew Jackson, Abraham Lincoln, Woodrow Wilson, and John F. Kennedy. Our national pride is nothing more than an amplification of my personal pride and yours. Therefore it is only natural that my first step in fulfilling my commitment is to believe in myself, and my second step is to turn this pride toward society, toward people I see every day. The second step requires sincere commitment, to the point where it becomes a way of life. But one does not need to be a counselor or a social worker to help society—any more than one needs to be a president or a Supreme Court judge to commit himself to his country. There are millions of great Americans restoring pride and helping people at this very moment. Because when you help people, whether it is through your job, your free time, whether it is in development of a child or in saving a life, you are helping your country. You are upholding the freedoms inherent to American society. You are bringing pride to our country by bringing pride to its people.

The policeman, the social worker, the doctor, the salesman, in his own way, each makes a commitment to America, in the most fundamental way, by helping its people—by taking that second step of giving the Americans reason to believe in themselves.

Everyone cannot become president, everyone cannot become a four star general, everyone cannot go down in the history books as a great American, but everyone can be a great American and we all must make our commitments through work and social service, through our votes and through our personal pride.

If America is in need of national pride the blame cannot be placed on inflation, on unemployment or even on Iran, because this is the land of the individual and we cannot believe in America until we believe in ourselves.

"The men and women I saw were all near to me. Others the same; others who looked back on me because I looked forward to them." These are the words of the American poet Walt Whitman. In this quotation, Whitman tells us that mankind is an eternal spirit, and I'm sure Whitman would agree that if America is to prevail, more hardships in the future its people must unite and develop a healthy spirit today. My commitment to my country is a fundamental one, but one which I demonstrate every day . . . my pride, not only in myself, but also in my fellow Americans.●

INFLATION OR DEFLATION FOR THE 1980's

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. McDONALD. Mr. Speaker, for a generation and a half, American economic policy planners have violated basic laws of sound government and monetary policy.

Unfortunately, the laws of basic arithmetics are just as firm and unforgiving as the laws of gravity. One may postpone the day of reckoning but not abolish that time.

Well, after almost a half a century of violating mathematical laws and fiscal soundness, the chickens are coming home to roost. One group of economic planners after another have had to admit that their fine tuning or even gross tuning of the economy just does not work.

The Keynesians are dead; the mixed economists are dying. The question now is do the American people face a period of massive, or even runaway, inflation followed by a bust or do the American people face a sudden credit collapse and massive deflation without the inflationary blowoff. Both the inflationary school and deflationary school have their champions.

For the benefit of my colleagues, I am submitting an interesting review by economist Murray Rothbard entitled "Inflation or Deflation for the 1980's."

The article follows:

INFLATION OR DEFLATION FOR THE 1980'S

(By Murray N. Rothbard)

Professor Rothbard is a major theoretician of the Libertarian movement and a leading economist of the Austrian school. He is teaching economics at the Brooklyn Polytechnic Institute in New York.

Professor Rothbard also is the author of many important books on economics, government and monetary policy as well as numerous articles and pamphlets. The titles of his writings are the best illustration of the range of his expertise: "Man, Economy and State"—"The Panic of 1819"—"America's Great Depression"—"What Has Government Done To Our Money?".

A perennial favorite at every hard-money seminar or convention is another installment of the Great Debate: Will there be inflation or deflation in the months and years ahead? Until the onset of the severe recession of 1973, all hard-money advocates were united in predicting continued and severe inflation; but since 1973, many "gold bugs" have been forecasting drastic deflation, while other agnostics hedge their bets by claiming an equal probability for either event.

One curious aspect of the debate is that inflation has never been so severe in the United States as it has since 1973; and yet the acceleration of inflation since the debate began doesn't seem to have sapped the confidence of the "deflationists" in the slightest degree. Why do the deflationists continue to flourish in the teeth of hard inflationary facts?

There seem to be two basic reasons. First, the deflationists are looking myopically at the facts of American history: in particular, they see that whatever went up eventually came down. The longer we have had inflation, according to this view, the more likely is the economy to come down in a resounding deflationary crash.

Looking at history is admirable, except when we fail to realize that underlying conditions have fundamentally changed. There is a reason why prices, in the old days before World War II, always went down after they had gone up. For in those days, a functioning gold standard provided a stringent limit on how much the banking system, and particularly the Central Bank, could inflate. But now that we are off the gold standard, there are literally no limits on the Federal Reserve's power to inflate, to create new money. The Fed is a vast engine of counterfeiting, and there are no longer any restraints whatever on that power. A law of human nature, as well as a law of history, says that he who has the power to counterfeit will use it. The counterfeiter will turn on the money taps to finance his spending, and in the case of government, to purchase allies and political supporters.

Besides, the deflationists have been looking at history myopically. For there have been many cases in the past when what went up did not go down, but instead went ever and ever upward to a catastrophic hyperinflation, or "crack up boom." The American and French Revolutions, and, in more modern times, Germany, Austria, Hungary, and China are all examples. In each of these cases, the country was on fiat paper, unrestrained by any metallic standard.

A second, more substantive, reason for the self-confidence of the deflationists is their alarm at the huge amount of accumulated debt, public and private. The mass of debt will have to be liquidated, and since it cannot be repaid, the liquidation will have to take the classic form of bankruptcies and drastic deflation. The economy will have to go through the familiar deflationary wringer.

The problem with this analysis is that it ignores another, and far more likely way of liquidating debt: inflation. If a person or a corporation owes $1,000,000 in debt, and the dollar then declines to one-fifth of its worth through inflation, the $1 million will be worth only $200,000 in original purchasing power. Inflation liquidates the debt by gradually—or not so gradually—expropriating the creditor and the bond holder. One of the major reasons for the German runaway inflation of 1923 is that it served as a way of expropriating the suckers (mainly Americans) who had purchased and held on to German bonds. When the mark declined from 25 cents to virtually nothing, a 100,000 mark bond was scarcely worth lighting one's cigar with. Lord Keynes spoke of the goal of his policy as the "euthanasia of the rentier"—the mercy killing of the creditor—and that is precisely what Keynesianism does, although not very mercifully.

But even if public debt can be wiped out by inflation, what about private debt? Wouldn't that precipitate deflationary debt liquidation? It might, but only if the Fed had suddenly lost the will to use its powers or had been miraculously converted to the hard money gospel. Would the Fed bail out big corporations or banks in trouble? A mere glance at what happened to Lockheed or Chrysler is enough to supply the answer. There is no way that the Fed would permit a large bank to fail. The very point of setting up the Fed in the first place was to enable inflation of the money supply, and bailing out of banks in trouble.

Some deflationists assert that the Fed could not increase the money supply in an economic crisis even if it wanted to, that it could try but would only be "pushing on a string." In the first place, it could clearly bail out any banks in trouble, by simply lending or even giving them more reserves, or by purchasing bank assets. Secondly, even in the rare case where banks, because of widespread bankruptcies, might be afraid to lend out reserves, they could always buy government bonds, and pour money into the economy that way.

The persistence of inflation, and the willingness and the power of the Fed to inflate, are clearly revealed by many hard facts. The recession of 1973–75, though the deepest and most extensive contraction since 1938, did not trigger deflation, despite the predictions of the deflationists. Quite the contrary, we had, during that recession, the greatest peacetime inflation in American history up to that point. Inflation now persists during boom or bust, and the best we can hope for is not deflation, but a more moderate rate of inflation. Once again, when the current sharp recession began in the spring of 1980, the deflationists proclaimed the success of their prophecies, but inflation persists. And the alleged devotion of the Paul Volcker Fed to "tight money" may be gauged by its congratulating itself for "anti-inflationary" policies when only last month the money supply was bubbling along at a more than 14 percent annual rate of increase.

Furthermore, the inflationary determination of the Fed is shown by its pushing through the notorious Monetary Control Act of 1980, which lowers outright reserve requirements of banks—thereby causing more monetary expansion; permits the Fed further to lower those requirements drastically, even to zero; allows the Fed to buy any and all assets and not simply government bonds; and even allows the Fed to permit banks to continue in operation without redeeming their debts or deposits ("bank holidays"). The Fed now has a fully equipped armamentarium for instant bailout and all-out inflation of the money supply.

Neither can deflationists look to the Reagan administration. Before the Republican convention, when Professor Arthur Laffer was his economic adviser, Reagan advocated going back to the gold standard. Any such return would have put severe checks on the Fed's power to inflate, and would have required us to take another hard look at the deflationist scenario. But, with the Reagan nomination and the Bush nomination for Vice-President, the whole stable of Nixon-Ford economic advisers—the

Burnses, the Shultzes, the Greenspans, the Walkers, the Widenbaums, etc.—the whole stable of moderate Keynesians who had given us the Nixon-Ford years of wage-price controls and 14 percent inflation, rushed in to take over. Laffer was sent his walking papers, and the gold standard was heard of no more. And so, there will be no free market or hard-money revolution from the Reagan administration; the same crew that brought us most of the 1970's will be bringing us the 1980's. And that means more inflation ahead.

But it's even worse that that. With each decade, the basic or core rate of inflation keeps rising. For as inflation proceeds, more and more people come to realize that inflation has become a permanent part of life. Everyone comes to know in their hearts that the price of nearly everything will be considerably higher next year than it is today. And this spurs people to spend faster, to buy now before prices rise. These "inflationary expectations" make inflation a much tougher problem to overcome, and therefore inflation is bound to be even worse in the 1980's than it has been so far.

Deflation? You can bet your bottom rubber dollar that it won't happen.●

FLORIDIAN'S ELOQUENT TRIBUTE TO HER COUNTRY

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. BAFALIS. Mr. Speaker, America is undergoing a rebirth of patriotism, of the heartfelt meaning of just what this country stands for to each of us. Occasionally, we question if future generations feel a swelling of pride when they hear our National Anthem played.

Well, I, for one, have proof that we need not worry about our future Americans. For an 18-year-old girl from my district has won Florida's Voice of America Scholarship Program Contest sponsored by the Veterans of Foreign Wars and its Ladies Auxiliary. And that young woman speaks for many of those in her generation who feel as we do when seeing our flag fluttering in a soft breeze.

Miss Kimberlin Ruth Berry's speech, a most moving and sensitive tribute to this Nation, has won for her a chance to vie for the VFW's national scholarship. I insert her speech into the RECORD so each of us might reflect as to how we could ever have doubted the patriotism of today's younger generation.

DEAR AMERICA

If my love for You could only be measured, I feel it would drown Your troubles away. Though as much as I wish it were true, my feelings cannot ease the load which You so bravely carry on your burdened shoulders. I feel that I owe you so very much and I yearn to give all that I have and all that I am to help and comfort You. Tell me, Fair Lady, how can I best commit myself to You?

Do you need me as a protector? When I see the awesome dawn of morning, I can hear Your majestic voice beckoning me to defend You and all for which You so gracefully stand. If cause ever arises and You call me to fight for Your freedom, I shall conquer in Victory's name or I shall die saluting Old Glory— The Red, White and Blue. Surely, I shall not stand by You, but with You and should some force rise against Your dream, I shall stand in front of You.

Do you need me on the battle-fields of Capitol Hill? Shall You require more of me than my vote? Is this where I can best serve You? Not in wage of war but in debate and compromise of Congress? If this is what I can do, then do I must with the vigor and vitality set forth by undying faith and steadfast courage. I must lay down my arms and hold my pen as the sharpest sword. My mouth shall be the cannon and the words I speak are my battle-shot. I shall use the weapons of reason and logic as wisely as the bomb of yesteryear. I shall raise the citadel of patience, understanding and wisdom from God Almighty as my omnipotent shield. For moving the law in defense of the innocent is as great a defeat as subduing the foreign enemy. I am also aware through the pages of history that our greatest enemy can be ourselves. We, the people, when and if misguided can hurt You deeper than all else. The pain would be inflicted from within Your heart and soul. It could spread like an unchecked cancer until it devours all You cherish. Therefore, my duty on Capitol Hill would be to guide the People, to watch over them, to keep them United in Your States and not lead them astray.

Is my greatest commitment to You in the home? Can the most precious gift I may offer You be seen in the eyes of Tomorrow? If so, then I shall give You a part of the future. I shall raise my children in the Path of Righteousness and teach them to always follow Your Torch of Freedom that glows from the embers of God's own Light of Liberty. I shall show them to love, to respect, to be loved and to defend what is theirs and what is right. My children shall know You the way I know you—the way you are and the way You shall always be; and for that they shall love You and walk proudly in Your name.

Does my commitment fall upon keeping sacred the things which You hold so dear? The unalienable rights of life, liberty and the pursuit of happiness must thrive in Your lands and in Your people. No matter how many miles separate Your people—from Hawaii to Maine, from Washington to Iran—Your love and Your passion for freedom and God-given rights shine in the eyes of the American People and glow in the hearts of men and women who believe in You. For me to instill these virtues, I must follow the God who watches over us all in times of cheer and through the valley of shadows and uncertain doubts. I shall dive into His World and emerge with a new found hope for Your tomorrow.

All of these shall I do willingly. For You are more than a great land to me. So very much more: You, my Beautiful America, are my friend. And above all else, I shall remain Your friend to smile with You on Independence Day and to cry with You on contemplations of loved ones lost as each Memorial Day the number increases ever so bravely. I shall pray with You diligently and with the undaunted faith of blind youth for those who are already serving You so well. Most importantly, I shall remember with You, the American Hostages in Iran and I vow we shall never forget them and may God bless their every need.

America, to You I commit myself as Protector and Citizen on Capitol Hill, the Home and in the Church. And as a Friend, I shall never stop needing You and loving You and may You never lose sight of God's path as together, we travel through the endless night's journey to the morning light of freedom, liberty and justice for all.●

GEORGETOWN UNIVERSITY RETURNS MONEY TO SUPPORTERS OF TERRORISM

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. FRANK. Mr. Speaker, I was pleased to learn that earlier this week, the president of Georgetown University returned a gift of $600,000 to the Libyan Arab Republic. It is not easy for American universities to turn money away in these fiscally difficult times, but Georgetown University has taken a sound move by returning the money it had taken from the Libyans.

The State Department's country reports on human rights practices released earlier this month states that: "Since Colonel Qadhafi came to power in 1969, Libya has supported a wide range of terrorist groups in every part of the globe." Libya's role as one of the world's worst perpetrators of subversion, insurrection, instability, and violence has given it the well-deserved reputation as one of the worst enemies of those nations seeking a reduction of international tensions.

I have written to the president of Georgetown University, Timothy S. Healy, S.J., to congratulate him for his recent action. As I indicated in my letter to him, I hope other universities around the country will follow Georgetown's lead. The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 26, 1981.

TIMOTHY S. HEALY, S.J.,
President, Georgetown University, Washington, D.C.

DEAR FATHER HEALY: I congratulate you for returning the $600,000 gift that was donated by the Libyan Arab Republic to Georgetown University's Center for Contemporary Studies.

As you know, the Government of Libya has a long and sordid record of engaging in acts of violence that has led to a dramatic rise in international terrorism. The Government of Libya has engaged in training and coordinating a system of terrorist groups that has resulted in subversion or insurrection in 45 countries around the globe.

I would hope that other universities would follow the lead that you have taken by refusing to accept money from nations that contribute to the blatantly destructive and violent tactics typified by Colonel Mu'ammar Qadhafi's Libyan Arab Republic.

BARNEY FRANK,
Member of Congress.●

REDUCTION IN MEDICARE DEDUCTIBLE FOR HOSPITAL COSTS NEEDED

HON. C. W. (BILL) YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. YOUNG of Florida. Mr. Speaker, as our social security laws are now structured, a medicare recipient needing inpatient hospital services must pay a deductible. Unfortunately, the laws also provide for an annual escalator for that deductible, and it has become increasingly difficult for many medicare recipients to pay that sum.

That is why I am today introducing legislation to reduce the inpatient hospital deductible under the medicare program to its 1978 level. This rollback is necessary because the deductible now stands at $204, and without congressional action it will rise yet again on July 1 of this year.

Medicare patients have in recent years been particularly affected by our double-digit inflation. They are generally on fixed incomes which have not kept up with the cost of living, or they earn such meager sums that a $204 outlay for hospital care makes this a service bordering on a luxury. When older Americans must pay a higher percentage of their income for such necessities as food and shelter, the need to decide between eating and hospital care makes for a cruel choice. The simple lowering of the medicare deductible would place professional medical care within the reach of many more people, while still providing the desired result of discouraging inpatient hospital care for trivial problems.

The elderly do not deserve this kind of Government insensitivity, Mr. Speaker. I urge my colleagues to immediately approve this change in the law and provide our citizens with a vitally needed break from inflation.●

SOCIAL SECURITY: THE SYSTEM AND ITS PROBLEMS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, February 25, 1981, into the CONGRESSIONAL RECORD:

SOCIAL SECURITY: THE SYSTEM AND ITS PROBLEMS

To date, I have received 10,000 replies to the questionnaire I mailed to Ninth District residents in February. Responses are still coming in. The future of the social security system is the single most important concern that Hoosiers are expressing to me. In this newsletter and the one next week, I will discuss the status of the system, its problems, and what may be done to solve the problems.

Last month workers took home smaller paychecks as they felt the bite of the latest increase in the social security tax. More than half of all families now pay more social security tax than income tax, and more increases are ahead. Between 1978 and 1985, the maximum tax paid by workers and matched by their employers will rise from $1,071 to $3,067. By 1990, it will be $5,118. The increases come from higher tax rates and higher maximum taxable salaries.

Despite the increases, however, a recent poll found that 61% of those working have little confidence that the benefits of social security will be there for them when they retire. Their concern must be taken seriously. Many social security experts claim that the system will soon face serious problems unless corrective steps are taken.

The social security tax supports three separate trust funds—an old age fund for retired workers and their dependents and survivors, a disability fund for disabled workers and their dependents, and a hospital fund to pay for hospital care under medicare. All three funds are financed on a "pay-as-you-go" basis, with annual benefits approximately equaling annual revenues. The revenues are provided almost solely by the social security tax, but the trust funds do receive some payments from the general fund of the Treasury and some interest on investments. Social security benefits comprise about 21% of the federal budget, $138 billion in fiscal year 1981.

The social security system faces two basic funding problems—one short-term and the other long-term. The short-term problem is due to inflation and unemployment. Because social security beneficiaries receive cost-of-living adjustments tied to the Consumer Price Index, high inflation automatically pushes benefits up. Last July's 14.3% cost-of-living adjustment will increase federal outlays by $17 billion in fiscal year 1981. The current high rate of unemployment takes a toll, too, because it raises the number of recipients by prompting people to take early retirement. It also reduces the revenues coming into the system. The system lost about $100 million in contributions for every one million workers laid off for one month in 1980.

The long-term problem faced by the social security system is a demographic one. Americans 65 years of age or older make up the fastest growing segment of our population. About 600,000 of them are added to the population every year. In addition, older workers are retiring earlier and living longer. Since 1900, average life expectancy at age 65 has increased 35%. On the other hand, there has been a decline in the birth-rate following the post-war "baby boom" (the period from 1945 to 1965 during which 78.6 million children were born). As more people receive more benefits, there are fewer workers to pay for them. A funding crisis may occur when the "baby boom" generation reaches retirement age early in the next century. By 2030, the ratio of workers to beneficiaries, currently 3.2 : 1, could drop to 1.9 : 1.

The financial condition of the social security system is expected to vary considerably over the next half century due to changing economic and demographic circumstances. In fact, unfavorable economic circumstances would already have caused a temporary cash shortage in the old age trust fund had Congress not addressed the problem by transferring in $9 billion from the disability trust fund during 1980 and 1981. All the funds should be sufficient to pay benefits through 1981. Beginning in the middle of 1982 and running through 1990, however, the same unfavorable economic circumstances could cause shortfalls of money. Even if the old age and disability funds borrow from the hospital fund, serious cash shortages are projected until the 1990's. No relief is in sight before 1990, when increased revenues and better demographic circumstances will begin to give the system substantial reserves once again. Funding will then be sound until 2025.

It has been argued that a simple reallocation of cash among the trust funds would be enough to carry the system through the difficulties of the 1980's, but the experts say that things look different now. Additional congressional action appears necessary to prevent the cash shortfalls that would otherwise occur. Such action also seems necessary to eliminate the danger of the funding crisis that would otherwise arise when the "baby boom" generation retires.

I believe that Congress will do what it must to keep the system solvent, but neither I nor any other public official can guarantee it. My belief is based on the system's forty-year history of timely payment to recipients. It is also based on the recognition by legislators that the system is critically important to millions of Americans.●

ADOPTION EXPENSES TAX DEDUCTION BILL

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. PETRI. Mr. Speaker, I recently introduced a bill, H.R. 1337, to amend the Internal Revenue Code to treat adoption expenses in the same manner as medical expenses. Under current law, medical costs incurred for births can be deducted from Federal income tax, and I believe it is only fair to treat the lawful costs involved in adoption proceedings in the same way. My bill would amend section 213 of the IRC to allow the taxpayer to lump adoption expenses with medical expenses for the purpose of itemizing medical expense deductions.

The term "adoption expenses" means reasonable and necessary adoption agency fees, court costs, attorney fees, and other costs which are directly related to the legal adoption of a child by the taxpayer and are not incurred in violation of Federal or State law. The taxpayer would be able to deduct adoption expenses paid during the taxable year whether or not the adoption is completed.

We all know how time consuming, complicated, and expensive adoption proceedings can be. My bill would encourage prospective parents to pursue the adoption process by providing a positive incentive. It would also assist the settlement of foster children in permanent homes. The cost of foster care under aid to families with dependent children is estimated to have exceeded $400 million in 1980.

The need for this legislation is increasingly evident as sentiment grows to curb abortion. Adoption is one serious alternative to abortion, and my bill is a positive way of encouraging strong family ties and improving the welfare of the child.

While I was a member of the Wisconsin Senate, I authored legislation which permitted the costs of adoption to be deducted from State income taxes. A Federal statute would have the additional benefit of bringing Federal and State laws into agreement.

I urge my colleagues to join me in the sponsorship of this bill.●

SALUTE TO DONALD DOUGLAS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. DORNAN of California. Mr. Speaker, it is with great sadness and pride that I rise to pay tribute to one of the giants of aviation history, Donald W. Douglas.

Donald Douglas passed away on February 1 in Palm Springs; however, he will live forever as one of the legendary pioneers of the aerospace industry. The company he created contributed much to the growth and development of both civilian and military aircraft, as well as to the prosperity of southern California. The beach communities which comprise my 27th District were the home of Douglas Aircraft, and many of the people who live there played a part in the development of aviation which Douglas fostered.

While Douglas Aircraft Co. is no longer, having merged with the McDonnell Aircraft Co. of St. Louis, the Douglas family continues to play a leading role in the Santa Monica Bay area.

Donald Douglas, Jr., son of the founder of Douglas Aircraft, currently heads Biphase Energy Systems of Santa Monica. There, he continues the Douglas pioneering tradition by pursuing breakthroughs in the most crucial technical field of our time, energy. Biphase also serves as a base of employment for a new generation of area residents.

While I could recount for you many of the outstanding contributions to the development of aviation brought about by Donald Douglas and the Douglas Aircraft Co., I would like to offer the following editorial from the hometown newspaper of the Douglas Aircraft Co., the Santa Monica Evening Outlook. The Outlook has done a superb job of describing the impact that this "quiet genius" had on the community, and the affection with which he was regarded. I commend it to your attention.

SALUTE TO DONALD W. DOUGLAS

Sen. John P. Jones commonly receives credit for founding the community of Santa Monica in 1875, but it was Donald W. Douglas who put it on the map.

And before he died Sunday at the age of 88, Douglas put a lot of places on the map for millions of travelers by shrinking the globe with his DC (Douglas commercial) series of airliners. These aircraft, beginning with the DC-1 prototype, in 1933, and later the DC-2 and DC-3, popularized air travel by making it comfortable and reliable. For a period after World War II, more than half of all the airline passengers in the world were flown to their destinations by Douglas airliners, many of them built in Santa Monica.

Douglas, a pioneer in the industry, came to Santa Monica in the early 1920s. One of the company's "factories," before it moved to Clover Field (Santa Monica Municipal Airport) in 1929, was on the site of what is now Douglas Park on Wilshire Boulevard. It was there Douglas built the "World Cruiser" aircraft that completed the first flight around the world in 1924. That accomplishment produced Douglas' motto: "First Around the World."

The company's long-term relationship with Santa Monica was solidified in 1926 when the voters approved an $860,000 bond issue to acquire additional land at Clover Field to accommodate Douglas' growing needs. The voters' foresight in approving the bonds paid dividends for the community during the following decade; Douglas provided the city with a healthy payroll, and much needed tax dollars, at a time when many parts of the nation were struggling to survive the Great Depression.

Employment at Douglas surged with the beginning of World War II. The Santa Monica plant produced rugged A-20 attack bombers as well as the military version of the DC-3, the C-47. The El Segundo plant built torpedo and dive bombers for the Navy.

The largest aircraft of its day, the experimental four-engine B-19 bomber, was built in Santa Monica. The Santa Monica plant also was the birthplace of the propeller-driven DC-4, DC-6 and DC-7 airliners which dominated the industry until the advent of jet aircraft. Production lines for the later DC-8, DC-9 and DC-10 jetliners were set up at the company's Long Beach plant because the newer aircraft could not be accommodated safely by the 5,000-foot runway at Santa Monica Airport.

Douglas merged with McDonnell Aircraft Co. of St. Louis in 1967, becoming McDonnell Douglas. By that time, the Santa Monica plant was mostly engaged in space work. It was closed in 1975, and much of the site now is developed with the Santa Monica Business Park.

The closure of the Santa Monica plant marked an end of an era, but Douglas' legacy to his adopted community endures. Douglas, or McDonnell Douglas, has a special place in the hearts of thousands of residents of the Santa Monica Bay Area because they moved here after finding work at the company.

There also is a special place in Santa Monica dedicated to this quiet genius. It is the Donald Douglas Museum and Library at Santa Monica Airport.

The museum houses an outstanding collection of aviation memorabilia dating back to the first manned powered flight at Kitty Hawk in 1903.

There will be an open house at the museum Feb. 15 featuring an aviation art show. Curator Arch Wallen said the exhibition, which will continue through Feb. 22, will help visitors "see the man behind the name."

The name was better known than the man largely because Douglas, although honored many times during his lifetime, did not actively seek popular acclaim. This opportunity to "see the man behind the name" at the Douglas Museum and Library should prove rewarding.●

SECRET OF AMERICAN LIBERTY IS TO BIND GOVERNMENT OR GOVERNMENT WILL BIND US

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. McDONALD. Mr. Speaker, of those organizations working for renewed appreciation for Biblical morality in government, the Moral Majority has been the most active. This organization has also been developing among its audience an increased understanding of the dangers of secular humanism in society and as the basis for our legal and judicial system.

In addition to organizational development, there have been a number of outstanding leaders who have become the modern prophets. Perhaps the most effective of the modern-day prophets is James Robison.

In the January 1981 issue of Conservative Digest, James Robison gives an excellent review of the proper role of government. For the benefit of my colleagues the article follows:

ATTACKS ON FAMILY AT ALL-TIME HIGH—SECRET OF AMERICAN LIBERTY IS TO BIND GOVERNMENT OR GOVERNMENT WILL BIND US

(By James Robison, President, James Robison Evangelistic Association)

When Ronald Reagan and the Republican Party won in a landslide over Jimmy Carter and shook the Democratic hold on Congress, it was a victory for the American people and for America's future. It was not a triumph for a political movement, a party or a slate of candidates. It was a triumph for concerned Americans who are fed up with excessive government masquerading as God and who are demanding a return of this nation to the foundational strength of its past.

With their ballots, the overwhelming majority spoke an unmistakable message. They said they love the family and will no longer tolerate policies in any area of public life that assail or undermine this basic institution. They said they resent having their tax dollars used to support the murder of the unborn and the dissemination of immoral sex information to the young. They said they are sick of leadership that is responsible to single-issue activist groups but not to the will of the majority. They said they have had enough of uncertainty and indecisiveness in the face of crisis situations at home and abroad. They said they are tired of aggressors getting by with murder and terrorism running rampant throughout the world while America negotiates and vacillates. They said they are unwilling to let their homes and their children become hostage to foreign powers because of a leadership committed to military weakness in the name of arms control.

Never has the freedom to express sensual, suggestive and raw sexuality known such freedom and liberty. Attacks on the family are unequaled at any time in American history.

I'm convinced that defense is a moral issue. Unless America builds up its military defenses and erects a wall of resistance against the Soviet Union's aggressive thrust, this nation won't exist as a free country for more than five years. And it would be immoral for us to lose by default the freedom others have purchased for us with their lives.

The people have been deceived into believing government is the all provident answer to every problem. Instead, it has become a tyranny that depresses, oppresses and suppresses.

God said, "Thou shalt not murder." Yet we have allowed our highest court and our Congress to approve the mutilated massacre of the innocent unborn. America has passed the consequences of its sin to the innocent with public approval, and while complaining about the death of snail darters, baby seals and porpoises, we tolerated the murder of 2 million human beings through abortion last year.

God warns about those "enemies of the cross" whose "glory is in their shame" (Phil. 3:18-19). Yet Christians stay in the closet while the morally perverted come out of their closet and parade their sin down Main Street. God will not allow us to condone moral perversion (sodomy) as a civil right. He condemns sex between men and men and between women and women as "vile affections" (Rom. 1:24-27). And yet our legislators continue to enact laws which would uphold these acts as an exercise of freedom of choice. The federal government must not condone sexual perversion.

God warns about suppressing the truth in unrighteousness (Rom. 1:18). Yet we allow our tax dollars to fund the teaching of secular humanism—a religion, according to the Supreme Court—in our public schools, where devotional reading of the truth of God is banned. Humanism denies God created man and implies man created God.

Court rulings have brought about a de facto prayer ban. Whether or not the court intended to prohibit voluntary prayer in the schools, that has been the effect of its decision. They have emboldened anti-Christian individuals and groups to challenge prayers and devotionals in whatever form they take. The constant threat of legal harassment intimidates many school officials and teachers. Rather than risk a court battle, with its expense to the local district and possible personal repercussions, they simply forbid prayers and Bible readings of any type in the classroom.

Government oppresses the poor by giving them less than they need. Instead of a handout, they need a hand. Government has given them money and material things but robbed them of their dignity and sense of self-worth. Politicians have used them as pawns to buy votes and acquire power. The answer is local involvement with the needy.

The secret of liberty in America has never been the power of government but, rather, the limitation of that power. We must bind government, or government will bind us. When we turn to the government as the all-provident source of every need, we have made a god of government.●

OVERSIGHT HEARINGS INTO OCCUPATIONAL SAFETY AND HEALTH OF THE FEDERAL EMPLOYEE TO CONTINUE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. GAYDOS. Mr. Speaker, I wish to announce that the Subcommittee on Health and Safety of the Education and Labor Committee, on which I have the honor to serve as chairman, will continue its oversight hearings into the occupational safety and health of the Federal employee. The purpose of these hearings will be to determine whether or not the existing law properly protects the health and safety of Federal employees.

The first 3 days of public hearings will be on March 4, 1981, at which time representatives of the Department of Energy will testify, on March 18, 1981, the Department of the Treasury will testify, and on March 31, 1981, at which time representatives of the Veterans' Administration have been invited to appear before this subcommittee.

There will be additional hearings scheduled, at which time representatives of other Federal agencies will be invited, as well as representatives of employee organizations and members of the public.●

CONGRESSIONAL SALUTE TO THE HONORABLE ALVENA SECKAR OF POMPTON LAKES, N.J., A MOST COURAGEOUS LADY AND DISTINGUISHED CITIZEN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. ROE. Mr. Speaker, all of us here in the Congress are dedicated to helping the handicapped of our Nation and in our mutual endeavors I know you will be interested in a brief profile on one of our most distinguished citizens and good friend, the Hon. Alvena Seckar of my congressional district, whose courage and fortitude in fighting back against great physical odds to seek to regain and achieve her most illustrious career as an artist can serve as an inspiration to all of us.

Mr. Speaker, with your permission I would like to insert at this point in our historic journal of Congress a recent news article published in the Bergen Record by one of their most eminent staffwriters, Roger Cohen, who has conveyed a most heartwarming story of the unselfish dedication, free spirit and silent courage of Miss Seckar, as follows:

[From Bergen Record, Dec. 29, 1980]

ARTIST USES LEFT HAND TO OVERCOME ILLNESS

(By Roger Cohen)

POMPTON LAKES.—When the crippling effects of multiple sclerosis began to deprive artist Alvena Seckar of the use of her right arm—her painting arm—eight years ago, it might well have ended a distinguished career. But that possibility simply didn't occur to Miss Seckar. Instead, she learned to paint left-handed.

"I felt it was just something I had to do, like learning to eat with my left hand. You do it because you have to eat," the sunny, indomitable, 65-year-old explained with a shrug that suggested her disease was more a nuisance than a major handicap.

"I make no excuses. I'm a humanist who believes that people are responsible for what happens to them. I try to solve problems as they come along," Miss Seckar said, sitting in her wheelchair amid the comfortable clutter of the ground floor of her house here that serves as living room, studio, and bedroom. "If you want to paint, you find a way to paint. I know of one paraplegic who paints with his mouth, and another who has learned to use his feet."

PREPARING MONTCLAIR EXHIBIT

Because she wanted to paint, Alvena Seckar solved the problem of partial paralysis, and has continued to produce pictures of pastoral serenity or biting social and political commentary executed in an eclectic style that has brought her attention from art institutes and galleries throughout the Northeast. She is currently assembling her recent works for a showing next spring at Montclair's Chopin Gallery.

"My paintings are socially conscious paintings. When something bothers me, I paint it out," she said, pulling from a large shelf a six-foot-square canvas of the recent toxic chemical explosion and fire at the Chemical Control Corp in Elizabeth—a troubling, Dantesque vision of foreboding blacks and grays being overtaken by fiery splashes of scarlet.

IMPRESSIONISTIC INFLUENCE

Much of Miss Seckar's art, particularly the bright, airy landscapes, shows the influence of the French impressionists, with broad swaths of vibrant colors. But her acerbic political and social paintings are marked by a starkly realistic precision that approaches photojournalism—which is one of her principal sources of subject matter. However, the artist says, she has never consciously emulated any single painter, and sees her style as one in a constant process of evolution.

"I have never had a model in mind. I'm not a great painter—there are many who are better—but I feel my ideas are worthy and I try to use my artwork to express something," she said. "I want my medium to express that idea and I will use any technique that does so. I don't want a stationary technique."

The artist enjoys portraying common people from various cultures, capturing the quiet dignity of their daily existence. Her renderings of Nigerian and Chinese women—images she brought back from travels over the years—are the paintings she believes are her finest. And she is particularly

fond of her renditions of the distinctive folk costumes of Czechoslovakia, from which her mother emigrated early in the century.

Miss Seckar has visited Czechoslovakia, and, interestingly, it was a retired Prague neurologist who correctly diagnosed her ailment as multiple sclerosis after several New York doctors had told her she suffered from a terminal brain tumor.

When the illness began to impair the use of her right arm, the artist started to draw with both hands. As the right side lost strength and she gained proficiency with her left, she switched hands altogether. Now, she says, as a result of the therapeutic regiment of vitamins and massage, she is slowly regaining strength and the partial use of her right hand, and looks forward to the day when she'll be ambidextrous again.

Except for painting with her left hand, neither her art nor her lifestyle has changed much as a result of her illness. She lives with a recently emigrated Czech couple who help care for her, and she continues to produce works of art that win prizes and advance her ideas of social justice.

Shortly after she began to paint left-handed, eight of her works—half of them done with her right hand, the rest done with her left—were exhibited at the Kessler Institute for Rehabilitation in West Orange.

"No one could tell the difference," Miss Seckar declared triumphantly.

Mr. Speaker, Alvena Seckar will be celebrating her 65th birthday on Sunday, March 1 and I know you will want to join with me in extending our warmest greetings, felicitations and best wishes for a happy birthday. It is a pleasure to have the opportunity to call to the attention of you and our colleagues here in the Congress the exemplary good works of a great lady. Her most noble battle to overcome severe physical impediments will surely provide hope to our handicapped and add impetus to our continuing efforts toward developing legislative proposals and action programs that will insure the handicapped of our Nation the quality of life with the highest standards of excellence which they so richly deserve.

We do indeed salute a most valiant and courageous woman, an outstanding artist and distinguished citizen—Hon. Alvena Seckar.●

SURVIVOR BENEFITS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. YOUNG of Florida. Mr. Speaker, as you well know, many millions of Americans rely on the benefits of social security. To many of this Nation's elderly, these benefits are the only source of income they receive. Today, I have introduced legislation to correct an inequity in the Social Security Act that unfairly keeps these earned benefits from a beneficiary's survivors.

To insure that a survivor receives benefits that are now required to be returned to the Government for the month in which a recipient dies, I have introduced legislation to allow the widow, widower or other beneficiary to keep a pro rata share of the social security check for the portion of the month in which the recipient was alive.

Under present law, if a husband receiving social security should die on the 29th of the month, the widow is now required to return the entire check for the month rather than being able to keep her husband's earned 28 days of benefits.

In these economic times, it is hard to see how those who must rely primarily on social security income could be much worse off than they already are, but adding the financial burden of returning money due the recipient certainly adds to a family's misfortune, especially during one of the most devastating experiences a family encounters, death of a loved one.

All too frequently, the present law places the surviving family in very serious financial straits; therefore, I urge prompt enactment of my legislation. The Government must not add to the suffering of grieving family members.●

THE NECESSITY OF THE CENTRAL ARIZONA PROJECT

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. RUDD. Mr. Speaker, water is the lifeblood of our Southwestern United States. Without it we can neither live nor prosper. Currently, in my State of Arizona, there exists a critical ground water overdraft situation which necessitates the import of a dependable supply of water to serve the demands of a growing population. The population of our State is concentrated in two areas, Phoenix and Tucson. This has created a critical overdraft of our ground water supplies amounting to some 2 million acre-feet each year.

We need a dependable supply of water to augment our ground water. That supply will come from the central Arizona project which is scheduled to bring 1.2 million acre-feet of water from the Colorado River into central Arizona beginning in 1985. This vital project funded cooperatively with the Federal Government, is recognized by central Arizona business leaders as a critical element in assuring the continued prosperity of Phoenix. The Phoenix Metropolitan Chamber of Commerce and its Congressional Action Committee have forwarded to my office the accompanying resolution in support of this vital project.

This central Arizona project is not some western water boondoggle. This is a much needed, vital project to Arizona as recognized by the Phoenix Chamber of Commerce in the following resolution:

RESOLUTION

Whereas, the Phoenix Metropolitan Chamber of Commerce and its Congressional Action Committee are vitally concerned with water supply in Central Phoenix;

Whereas, the long-term dependable supply of water in Central Arizona is inadequate for meeting the economic needs of this fast-growing area: and

Whereas, the Central Arizona Project, authorized by the Congress in 1968 and presently under construction affords the best means of substantially alleviating the problem;

Be it resolved, that the Phoenix Metropolitan Chamber of Commerce reaffirms its support for legislation to appropriate whatever funds are required to maintain a construction completion schedule for delivery of water at the earliest possible time.

Be it therefore further resolved, that the Chamber encourages the endorsement and support of the Arizona Congressional delegation in urging the Congress of the United States for resolution of these needs, including, but not limited to as outlined in this resolution.

Respectfully submitted this 4th day of February, 1981.

H.R. 2165

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. SENSENBRENNER. Mr. Speaker, on February 25, 1981, I introduced H.R. 2165 to exempt from the term "generation skipping trust equivalents" custodianships, under the Uniform Gifts to Minors Act, guardianships and estates during the period of estate administration.

I include as part of the RECORD the following summary which explains the need for this legislation:

The generation-skipping transfer tax created by the Tax Reform Act of 1976 was designed to prevent taxpayers from avoiding U.S. estate tax and U.S. gift tax by placing substantial assets in trusts which lasted for more than one generation. Generally, the law provides that when assets are placed in a trust for the benefit of both a child and a grandchild of the grantor, a tax similar to an estate tax is imposed when the interest of the child terminates and the property passes to the grandchild.

Proposed Regulations under the generation-skipping transfer tax were published in the Federal Register on January 2, 1981, and written comments thereon must be delivered to the Internal Revenue Service by March 3, 1981. The Proposed Regulations purport to extend the law beyond the statute enacted by Congress in a number of respects, but one which is particularly troublesome is the purported application of the statute to gifts made by a grandparent to a grandchild under the Uniform Gifts to Minors Act. The Proposed Regulations take the position that a gift by a grandparent to a grandchild under the Uniform Gifts to Minors Act is a "generation-skipping trust equivalent" which, depending upon whether any distributions are ever made in discharge of a parent's support obligation out of the custodial property (and perhaps who serves as custodian), may be subject to a generation-skipping transfer tax either during administration or when the property is turned over to the granchild at age 18 as required by law.

A direct gift by a grandparent to a grandchild is not subject to a generation-skipping transfer tax since the grantor's children have no interest in property so given. Nevertheless, the Proposed Regulations take the position that if the grandchild is a minor and if the grandparent chooses to make the gift in the form of a transfer under the Uniform Gifts to Minors Act, the tax may apply on the theory that the grandchild's parent is a beneficiary because support obligations could be paid out of custodial property. Property given to a minor under the Uniform Gifts to Minors Act belongs to the minor. To consider the minor's parent as a permissible beneficiary is wrong and to have a tax imposed when the minor reaches 18 as though the grandparent made a gift first to the minor's parent who then in turn made a gift of the property to the minor at age 18 is a distortion of the generation-skipping transfer tax.

In addition to the troublesome application in the Proposed Regulations of the generation-skipping transfer tax to gifts made under the Uniform Gifts to Minors Act as discussed in the prior memorandum, the Proposed Regulations take the position that an estate during the period of administration can be a generation-skipping trust equivalent, even in the case of a will containing no bequests in trust. This is another overextension of the law beyond the original intentions of Congress and is likely to involve estates of not only wealthy people but also individuals with less substantial means and, in particular, will prove a trap for the unwary. One must recall that the original intent of Congress in enacting the generation-skipping transfer tax provisions was to impose an estate or gift tax or their equivalent once at each generation level and to prohibit the avoidance of such tax, particularly by wealthier families, through the use of long-term generation-skipping trusts which were administered over the span of several generations without the imposition of an estate of gift tax. A decedent's estate is not such a generation-skipping trust or its equivalent and is not established to avoid tax for long periods of time nor could it be administered for such a purpose. An estate is typically administered for only a few years and is subject to Court scrutiny so that the probate cannot be continued beyond a reasonable period of time. Estates are probated primarily to wind up a decedent's affairs and are not used as a long-term plan to avoid tax. Accordingly, it is inappropriate to include an estate as a generation-skipping trust equivalent.●

EPISTLE ON INFLATION

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. HAMMERSCHMIDT. Mr. Speaker, I want to share with my colleagues a timely Harrison Daily Times article excerpted from the daily column "On the Inside" by editor-publisher J. E. Dunlap, Jr.

He often calls on his friend and fellow journalist, Paul Buchanan of the Batesville Daily Guard. I have never been sure whether with or without his permission, but together they bring us these words of wisdom. The text of the article follows:

Paul Buchanan, writer of "Two Cents Worth" in the Batesville Daily Guard, probably hit the national inflation problem on the head with the following "epistle" in a recent column:

"And it came to pass that a new ruler, a Thespianite from a western province by the great sea, came to power and began his reign in the City of Kings, which is by the Potomac and is called Washington. And the new ruler, called Reagan, was three score and ten years, and professed to be wise in the ways of the kingdom.

"And Reagan henceforth summoned around him his personal chieftains and advisers, all from a tribe called Republican, and they pondered the state of the kingdom, and they frowned mightily.

"'Lo and behold,' Reagan counseled his advisers, 'I must reveal my oracle. Our people have over-indulged for many seasons and now believeth their manna cometh from Heaven and not from sacrifice and toil. But our royal treasury is barren and without replenishment of coin of the realm, and many must biteth the bullet. I must counsel them to asketh not what their kingdom can do for them, but rather asketh what they can do without, for we must averteth a calamity and a blight upon the land.'

"And Reagan told the multitudes, 'Thou desireth truth, so I will tell thee the naked truth. Gird up thy loins and prepareth thyselves for the worst, for thy lot and thy allotment will be slashed to the bone or taken away in one fell swoop.'

"And there was a great cry of wrath and anguish heard throughout the land, yea from sea to sea. And the wailing extended even unto the counsels of the chieftains from 50 provinces, who also dwell and labor in the City by the Potomac.

"And King Reagan, upon hearing the loud grumbling, confided to the queen, called Nancy: 'I fear my people wanteth their cake and eateth it, too."

"And Queen Nancy said, 'God saveth the King.'"

Peace!●

JACK NORTHROP, REST IN PEACE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. DORNAN of California. Mr. Speaker, on February 18, 1981, the great John Northrop, founder of the Northrop Corp. and one of the leading lights of aviation history, passed from this life into the next. "Jack," as he was affectionately known, died at the age of 85.

Well into the next century, students of aviation history will remark upon the achievements of Jack Northrop, who lived and worked in an exciting era—the golden age of aviation. His fellow pioneer in aviation, Donald Douglas, Sr., said admiringly of him:

Jack Northrop was a man with a million ideas—all of them good. He was an innovator and a dreamer, whose innovations succeeded and whose dreams became real. There is a little bit of him in every airplane that flies.

It is a poignant bit of aviation history that the great Donald Douglas and the incomparable Jack Northrop should have passed into the next world in the same month—Mr. Douglas having preceded him by only 17 days.

As cofounder of three major aircraft corporations, Jack's incredible and imaginative innovations included the Flying Wing, an aircraft with no fuselage or tail. Elimination of the fuselage and tail reduced drag and transformed the craft into a near pure surface in which practically every part contributed to the plane's weight-lifting capability. He designed the N-1M, the world's first successful all-wing airplane. Later models led to the successful development of the B-35 and B-49.

Jack Northrop was also responsible for designing the famed Lockheed Vega aircraft, which he designed in an incredible 6 months. The Vega was a full cantilever, high-wing monocoque airplane, a fuselage in which all stresses are borne by veneer strips. The Vega's construction was years ahead of its time. Wiley Post flew the Vega, the *Winnie Mae*, solo around the world in 1933, setting the world altitude record of 55,000 feet. Amelia Earhart piloted her *Little Red Wagon*, a Vega, across the Atlantic and Pacific. Other famed pilots, such as Frank Hawks and Hubert Wilkins, set world speed and endurance records in the Vega.

Mr. Northrop is also credited with designing and producing the Army A-17 attack aircraft, and the Navy B-1 dive bombers and attack aircraft used by the U.S. Allies. In addition, he designed the Northrop Alpha, Beta, Gamma, and Delta series of civil aircraft; the Army Air Corps Northrop P-61 Black Widow, the first airplane ever designed specifically for night fighting; the U.S. Air Force Northrop F-89 Scorpion, the first twin-jet, all-weather interceptor and the first interceptor to carry atomic armament; as well as the USAF Northrop B-35 and B-49 Flying Wing bombers.

The Smithsonian Institution's National Air and Space Museum here in Washington, D.C., is honoring John Northrop with a show entitled, "The Douglas-Northrop Legacy" which opened in July of 1980. This 2-year exhibit, which also focuses attention on

the achievements of Mr. Northrop's associate, Donald Douglas, refers to Jack Northrop as "a pioneer aircraft designer and an industrialist who made a powerful impact on the evolution of civil and military aviation in the United States." The Smithsonian Institution has on display three Northrop designed aircraft: a 1930 Alpha and two Vegas—Amelia Earhart's *Little Red Wagon* and Wiley Post's *Winnie Mae*. Mr. Northrop's N-1M Flying Wing is now being restored by the museum.

The man who incredibly held more than 100 basic patents, and who actually designed a total of 48 aircraft, was honored repeatedly throughout his life. His most recent honor was "The Wings of Man Award" presented to Mr. Northrop by the Society of Experimental Test Pilots. This prestigious honor has been awarded only twice before—to James "Jimmy" Doolittle and Neil Armstrong. Mr. Northrop was also inducted into the International Aerospace Hall of Fame in 1972, the Aviation Hall of Fame in 1974, and was elected to the National Academy of Engineering in 1979 for "innovation, invention and leadership in airframe design and manufacture."

Jack Northrop applied his versatile and energetic mind not only to aircraft design but to humanitarian causes as well. After World War II, when veterans came to work for his firm, he established a prosthetics department at the company "to give them the same fingertip precision engineering we put into plane controls," he said. The result was a pioneering effort in lightweight, precision, artificial limbs. Approximately 22 prosthetic device patents were issued to the company, and were later turned over to the Veterans' Administration.

After retiring from Northrop Corp., Jack retained an active interest in aviation, and continued to serve as honorary director of the company bearing his name. He was also active in a number of humanitarian and educational enterprises, including the Boy Scouts of America.

Mr. Speaker, Jack Northrop was a shining example of what the human spirit is able to accomplish with energy, persistence, and vision. We shall perhaps best remember him in his own memorable words:

Aviation was a fun job * * * I would get up early in the morning, eager to see what we could do with the planes. And at night, I would say: "Tomorrow, we'll see what we can do to make them fly better." It was a big thrill every day. You know, if I had a chance to do it all again—I would! And I don't think I'd change much of anything * * *.●

SOCIAL SECURITY SYSTEM: A NEED FOR REFORM

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. BEREUTER. Mr. Speaker, I would like to call the attention of my colleagues to a recent editorial from the Omaha World Herald.

I believe it is imperative, given the questionable financial viability of the social security trust funds and the need to reduce overall Federal spending, that the 97th Congress consider substantial legislative changes in the social security program. In my opinion, the editorial provides an excellent overview of the situation and many valuable recommendations for congressional action that should receive serious consideration. The text of the editorial follows:

[From the Omaha World-Herald, Feb. 2, 1981]

NATION NEEDS SOUND, AFFORDABLE SOCIAL SECURITY PROGRAM

When the Social Security tax was first imposed in 1937, it was 1 percent collected from workers on a maximum of $3,000 in wages—a top of $30 a year.

By 1957, the rate had gone to 2.25 percent on wages up to $4,200—a maximum of $94.50. In 1967, the rate was 4.4 percent on $6,600 or $290.40. The 1977 rate was 5.85 percent collected on $16,500, a maximum of $965.25.

This year, the tax is 6.65 percent on wages up to $29,700 and the maximum assessment is $1,975.05 on employees. Employers match the amount paid by employees.

The self-employed tax this year is 9.30 percent on a taxable wage base of $29,700.

The regular tax is scheduled to increase sharply each year until 1990, when the tax rate will hit 7.65 percent on wages up to $66,900. The maximum tax would be $5,117.85, or more that $10,000 for worker and employer combined.

Despite these hefty collections, the Social Security funds are expected to incur short-term financial problems and eventually huge deficits.

The only thing to do is to reduce expenses, raise more revenues or both. Congress, for political reasons, has usually treated Social Security as an untouchable subject, except for increasing benefits.

That attitude must change. Over the next 40 years, the ratio of workers to retirees will drop from about 3.3 to 2 to 1, based on population projections.

The Social Security payments to retirees and the disabled totaled $138.3 billion this year and are budgeted at $159.6 billion for the coming fiscal year.

In 1950, Social Security took 2 percent of the Gross National Product. Today, the payments exceed 8 percent.

High unemployment has trimmed payments into the Social Security fund, while inflation has hiked benefit checks.

By law, old age, survivor and disability benefits are increased each July by the percentage rise in the Consumer Price Index. This hike last July was 14.3 percent.

Before leaving office, former President Carter recommended a revision in the formula for making cost-of-living raises. The present index includes new homes. Soaring mortgage interest rates alone raised the index by some 2 percentage points. Yet how many over-65 retirees or other beneficiaries buy homes? Certainly not every month that the index is figured.

Carter proposed that a specially calculated "rent" figure be substituted. Had this provision been in effect the past year, the Social Security system would have saved $4 billion.

The Congressional Budget Office has suggested another idea: that annual adjustments be limited to 85 percent of the rise in the price index. This would save $14 billion a year by 1985.

These revisions wouldn't reduce the present numbers on a single Social Security check, but only make the rate of increase more affordable.

Another idea is to phase the 1.9 million federal workers into the system. The infusion of this new money would mean a net gain to the system of about $2 billion a year.

If this could apply only to new incoming workers, starting say, in 1985, the shock shouldn't be too great. The federal pension system would then be like most private plans, a combination of Social Security and supplementary pension programs.

How can Congress defend its present system of forcing most private and local government workers into the Social Security system, while exempting its own federal employees?

Another idea being considered is to gradually increase the retirement age from 65 to 68. With life expectancy up, this shouldn't be a hardship, particularly if it were approved well in advance so workers could plan accordingly.

Whether part or all of Medicare health payments should be shifted to general revenues also is being studied. These benefits are not related to a worker's earnings. Should they be financed by the payroll tax?

On the other hand, a dollar sent to Washington is the same from the standpoint of the payer, whether it carries a label of Social Security payment or income tax.

Although Social Security is considered to be a "hot" political subject, reasonable persons can conclude that relatively unpainful options are available for putting Social Security on a sounder financial footing.

Benefits are paid monthly to 36 million retired and disabled workers as well as their spouses or survivors. This year, Social Security taxes will be paid by 107.8 million employees, 6 million employers and 8.7 million self-employed persons.

Workers, employers and Social Security recipients are entitled to a financially-secure system that can be afforded. The new administration and Congress should see that they get it.●

MY COMMITMENT TO MY COUNTRY

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. GEJDENSON. Mr. Speaker, I am pleased to take this opportunity to bring to the attention of my colleagues the accomplishments of Miss Janet Weingart, a resident of the Second District who lives in Lebanon, Conn.

Janet, who is 17, is the Connecticut winner of the Veterans of Foreign Wars Voice of Democracy Contest. This competition has 250,000 secondary school students as entrants this year, each assigned to write a speech on "My Commitment to My Country." Each State's winning contestant is brought to Washington for the final judging and the awarding of scholarship money to the top five national winners.

A student at the Norwich Free Academy in Norwich, Conn., Janet lives with her parents Herman and Patricia Weingart on a dairy farm in the State. One of ten children, Janet works 20 to 30 hours a week on the farm.

Janet includes among her achievements membership in the National Honor Society, honorable mention in the Norwich Free Academy Girl's Prize Reading Contest, State Gold Medal winner in the Connecticut High School Russian Speaking Contest; the Norwich Free Academy's U.S. History Prize, first place in the Norwich Free Academy's Russian Club Prize Exam and German Club Prize Exam, the West German Consulate German One Book Award and the Connecticut State winner in the 4-H public speaking project.

I am happy to share with you Janet's award winning speech: "My Commitment to My Country."

The speech follows:

MY COMMITMENT TO MY COUNTRY

I pledge my head to clearer thinking,
My heart to greater loyalty,
My hands to larger service,
And my health to better living,
For my club, my community and my country.

These words, the words of the 4-H pledge, reflect what I feel is my commitment to my country. To think more clearly, to be more loyal, to do larger service, and to keep myself healthy—these things I owe my country for the privilege of being an American citizen.

"I pledge my head to clearer thinking . . ." This doesn't mean just going to college or getting good grades in school, though these things can help. It means reading newspapers and history books. It means knowing who—and what—you're voting for. It means knowing what's happening in your country.

For me, reading history is fun—and important. It helps me think more clearly because, knowing other people's mistakes of the past, I can avoid them in the future.

And though I'm not old enough to vote yet, I am old enough to read about and think about candidates for public office. I can evaluate them, and what they stand for, and come to a decision. This year, I had a chance to voice my decision in my school's mock election. Although none of my choices won, making the decision and carrying through with it gave me practice in thinking more clearly.

". . . My heart to greater loyalty . . ." When I was in first grade, loyalty to my country meant standing up to say the Pledge of Allegiance, putting flags on veterans' graves for Memorial Day, and maybe knowing the words to the Star-Spangled Banner. My idea of loyalty got more and more complex as I got older. Now, I'm a high school senior, and I've come to the conclusion that loyalty goes deeper than just singing patriotic songs or reciting the Pledge. Loyalty is not a cut-and-dried issue—it doesn't mean always agreeing with what the country is doing. Loyalty is also saying "no"—speaking out—if something is wrong. But even more than just voicing dissent—get out and help turn that wrong into right.

"I pledge my hands to larger service." One of the hardest questions for any American—or anyone of any nationality—to answer is, "Just how far would I go to serve my country? Would I run for public office? Or get a government job? Or maybe join the armed forces?"

To be called an American citizen, there are certain things one must do—follow the law for instance—but to be a true American citizen, one must go beyond doing only what has to be done. The true American citizen willingly volunteers his time to help improve his country.

This year when I helped get out the vote during the elections, I felt I was doing a service for my country. And to me that was a good feeling because I think my country deserves my time and effort.

". . . And my health to better living . . ." If I'm not healthy, I'm sure not going to feel like helping to keep something else healthy, especially something as diverse and as complex as the United States of America. We know that a broken bone in the human body can heal by itself, with a little help, and a country can heal too, with just a little bit of TLC from the people living in it.

Like my country, I'm not perfect. I'd like to improve myself and help with improving our country at the same time. I opened my talk with the 4-H pledge. I'd like to close with the 4-H motto applied to this country: "To make the best—better."●

LET US EXEMPT BURIAL PLOTS FROM CALCULATIONS OF ELDERLY'S ASSETS

HON. C. W. (BILL) YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. YOUNG of Florida. Mr. Speaker, I am today reintroducing legislation to exclude the value of burial plots in determining eligibility for SSI and medicaid benefits.

Congress has yet to adopt this obviously simple and basic, yet vitally necessary, change in our present laws. The problem was first identified in my State of Florida, where an elderly woman was denied medicaid payments for her nursing home expenses because the Federal Government counted the value of her prepaid burial plan as part of her net worth. The Florida Legislature approved legislation to end this ridiculous practice by a virtually unanimous vote, yet Federal requirements prevent the Florida law from taking effect. As important as it is to end this problem by amending title XVI of the Social Security Act, Congress to date has not done so.

The policy of counting assets is a sound one, because we certainly do not want someone with large property and financial holdings taking SSI and medicaid money which rightly belongs to the truly needy. Yet the inclusion of a burial plot as an asset is absurd: the plot adds nothing to one's standard of living, and it certainly cannot be considered an investment opportunity. What burial plots or prepaid funerals represent are an individual's last bit of dignity, a guarantee that when the end comes his mortal remains will be properly taken care of, often placed next to a deceased spouse or other loved one.

It is unworthy of us to suggest that our Nation's elderly give up this meager provision just to enable them to qualify for temporal Government benefits. I urge that we put an immediate end to this practice and approve this modest but essential legislation.●

SAVING $11 MILLION MAY BE WASTING $33 MILLION

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. BROYHILL. Mr. Speaker, today I am introducing legislation to authorize the appropriations for the Consumer Product Safety Commission. The legislation that I am introducing today authorized appropriations of $33 million for fiscal year 1982 and $35 million for fiscal year 1983. I have included the $33 million figure in the legislation because there are indications that this is the figure that Office of Management and Budget is going to be recommending to the Appropriations Committee. If OMB requests a higher figure to the Appropriations Committee, I will certainly be favorably disposed to including a higher figure in the authorization bill.

I recognize that the fiscal year 1982 authorization figure represents a very substantial cut from the appropriations level in fiscal year 1981. I am concerned that if we cut the agency's budget too substantially we will be impairing the agency's ability to carry out its statutory mission. Rather than saving $11 million, we may be wasting $33 million, since the agency may not have sufficient resources to carry out its responsibilities. I would not support a budget cut that is so substantial that the agency cannot carry out its responsibilities. However, until we get a final recommendation from the Office of Management and Budget I have included the $33 million level in this authorization bill as a starting point for discussion on this issue.

The legislation also makes a number of substantive changes in the Consumer Product Safety Act. For example,

the legislation includes provisions which are identical to the regulatory impact analysis provisions of the President's recently issued Executive order on regulatory reform. The CPSC has been one of the first agencies to use cost benefit analysis in its decisionmaking process, and for these efforts the agency is to be congratulated. This bill formalizes that process in the statute.

The legislation also contains a legislative veto provision which would guarantee that Congress can take a look at consumer product safety rules which the agency has issued before they go into effect. The legislative veto is a way of guaranteeing that Congress engages in the more effective job of overseeing the activities of the agencies which it creates.

The legislation also seeks to reinforce the agency's role in encouraging efforts of industry to write voluntary product safety standards. It does this in three ways. First, it specifically directs the agency to work with private organizations to assist them in writing safety standards. Second, it directs the agency to consider the existence of voluntary standards when it considers the alternatives to regulation in its regulatory impact analysis. Third, it prohibits the agency from imposing a mandatory standard when industry has in place a voluntary standard, unless the Commission determines that the voluntary standard is not technically adequate or that there is insufficient compliance within the industry.

Hopefully these changes will be sufficient to indicate to the agency that one of its primary functions is to help industry establish and maintain voluntary standards. The agency's jurisdiction is so broad that it cannot hope to police the marketplace by itself. Encouraging industry to share in this function is the goal which should be encouraged.

Finally, the legislation contains changes with respect to the standards writing processes of the agency and the agency's information gathering authorities. I believe these are helpful changes in the Consumer Product Safety Act.

Hearings on this legislation commence next week, I hope that my colleagues will join me in supporting this bill. The text of the bill and a more detailed description of it follows:

H.R. 2201

A bill to revise and extend the Consumer Product Safety Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Consumer Product Safety Amendments of 1981".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Consumer Product Safety Act.

REGULATORY IMPACT ANALYSIS

SEC. 2. (a) Section 9(c) (15 U.S.C. 2058(c)) is amended by redesignating paragraph (2) as paragraph (3) and by adding after paragraph (1) the following:

"(2) The Commission may not promulgate a consumer product safety rule unless it has prepared, on the basis of the findings of the Commission under paragraph (1) and on other information before the Commission, a regulatory impact analysis of the rule containing the following information:

"(A) A description of the potential benefits of the rule, including any beneficial effects that cannot be quantified in monetary terms, and the identification of those likely to receive the benefits;

"(B) A description of the potential costs of the rule, including any adverse effects that cannot be quantified in monetary terms, and the identification of those likely to bear the costs;

"(C) A determination of the potential net benefits of the rule, including an evaluation of effects that cannot be quantified in monetary terms; and

"(D) A description of alternative approaches (including voluntary industry consumer product safety standards) that could substantially achieve the same regulatory goal at lower cost, together with an analysis of the potential benefits and costs of the alternative approaches and a brief explanation of the legal reasons why such alternatives, if proposed, could not be adopted.".

(b) Section 9(a)(1)(A) (15 U.S.C. 2058(a)(1)(A)) is amended by inserting before the comma the following: "and prepares the regulatory impact analysis required by such subsection".

INDUSTRY VOLUNTARY STANDARDS

SEC. 3. (a) Section 9(c)(2) (15 U.S.C. 2058(c)(2)) is amended—

(1) by striking out "and" at the end of subparagraph (B);

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(D) in the case of a rule which relates to a risk of injury with respect to which persons who would be subject to such rule have adopted a voluntary consumer product safety standard, that—

"(i) compliance with such voluntary consumer product safety standard is not likely to result in the elimination or reduction of such risk of injury; or

"(ii) it is unlikely that there will be substantial compliance with such voluntary consumer product safety standard.".

(b) Section 5(b) (15 U.S.C. 2054) is amended by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) offer training in product safety investigation and test methods.

The Commission shall assist public and private organizations, administratively and technically, in the development of safety standards and test methods.".

CONGRESSIONAL VETO

SEC. 4. (a) The Consumer Product Safety Act is amended by adding at the end the following new section:

"CONGRESSIONAL VETO OF CONSUMER PRODUCT SAFETY RULES

"SEC. 33. (a) The Commission shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives a copy of any consumer product safety rule promulgated by the Commission under section 9.

"(b) Any rule specified in subsection (a) shall not take effect if—

"(1) within the 90 calendar days of continuous session of the Congress which occur after the date of the promulgation of such rule, both Houses of the Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows (with the blank spaces appropriately filled): "That the Congress disapproves the consumer product safety rule promulgated by the Consumer Product Safety Commission with respect to ———, such rule having been transmitted to the Congress on ———."; or

"(2) within the 60 calendar days of continuous session of the Congress which occur after the date of the promulgation of such rule, one House of the Congress adopts such concurrent resolution and transmits such resolution to the other House and such resolution is not disapproved by such other House within the 30 calendar days of continuous session of the Congress which occur after the date of such transmittal.

"(c) For purposes of this section—

"(1) continuity of session is broken only by an adjournment of the Congress sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the periods of continuous session of the Congress specified in subsection (b).".

(b) The amendment made by subsection (a) shall apply with respect to consumer product safety rules promulgated by the Consumer Product Safety Commission after the date of the enactment of this Act.

CONTRIBUTION

SEC. 5. Section 7(d)(2) (15 U.S.C. 2056(d)(2)) is amended by striking out the last sentence and inserting in lieu thereof the following: "No contribution may be made to the cost of developing a proposed consumer product safety standard or participating with the Commission in the development of a standard unless the contribution is made under an agreement entered into under this paragraph. Payments under such agreements may be made without regard to section 3648 of the Revised Statutes of the United States (31 U.S.C. 529) and may not exceed in the aggregate $15,000 in any fiscal year.".

SAMPLING PLANS

SEC. 6. Section 7(a) (15 U.S.C. 2056(a)) is amended—

(1) by striking out paragraph (2), and

(2) by striking out "(1)", and (3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

REPORTS

SEC. 7. (a) Section 27(b)(1) (15 U.S.C. 2076(b)(1)) is amended by inserting "to carry out a function under this Act" after "may prescribe".

(b) Section 27(b) is amended by adding after and below paragraph (9) the following: "An order issued under paragraph (1) shall contain a complete statement of the reason the Commission requires the report or answers specified in the order to carry out a function under this Act. Such an order shall be designed to place the lease burden on the person subject to the order as is practicable taking into account the purpose for which the order was issued.".

AUTHORIZATIONS

SEC. 8. Section 32(a) (15 U.S.C. 2081(a)) is amended (1) by striking out "and" at the end of paragraphs (4) and (6), (2) by striking out the period at the end of paragraph (7) and inserting a semicolon, and (3) by adding at the end the following:

"(8) $33,000,000 for the fiscal year ending September 30, 1982; and

"(9) $35,000,000 for the fiscal year ending September 30, 1983.".

MISCELLANEOUS

SEC. 9. Section 9(a)(2) (15 U.S.C. 2058(a)(2)) is amended by inserting after "Code," the following: "as amended from time to time before or after the date of the enactment of this Act,".

SECTION-BY-SECTION DESCRIPTION

Section 1. Short Title.

Section 2. The section directs the Commission to do a regulatory impact analysis before promulgating a consumer product safety rule. The language in this provision, which is identical to language contained in the President's Executive Order on Regulatory Reform, sets forth four criteria which the Commission must address as a part of its impact analysis: (1) a description of potential benefits, monetary and non-monetary, of the rule; (2) a description of the potential costs, monetary and non-monetary, of the rule; (3) a determination of the potential net benefits of the rule; and (4) a description of alternative approaches (including voluntary industry consumer product safety standards) that could substantially achieve the same regulatory goal at lower cost.

Section 3. The section directs the Commission to consider the merits of existing voluntary standards before promulgating mandatory safety standards. It prohibits the agency from imposing a mandatory standard unless the agency finds that compliance with an existing voluntary standard will not eliminate or reduce the risk of injury, or that it is unlikely that there will be sufficient compliance with the voluntary standard within the industry group.

Section 4. The section incorporates a legislative veto provision. Under this section, a safety standard could not go into effect if one body of Congress disapproved the standard and that action was not overturned by the other body.

Section 5. The provision puts a $15,000 aggregate ceiling on contributions to persons participating with the Commission in the development of the proposed consumer product safety standard.

Section 6. The Section amends Section 7(a) of the Act, which now provides that, with two exceptions, no consumer product safety standard shall require, incorporate, or reference any sampling plan. Enactment of this amendment would permit the Commission to consider sampling plans.

Section 7. The provision amends Section 27(b) of the Act by requiring the Commission, in connection with orders calling for the furnishing of information, to state the reasons why such information is needed in order for the Commission to carry out its functions under the Act, and by further requiring that such orders issued by the Commission be designed to place the least burden on the person subject to order as is practicable.

Section 8. The Section provides an authorization level of $33,000,000 for fiscal year 1982 and $35,000,000 for fiscal year 1983.●

A TRIBUTE TO ALL UKRAINIANS

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. CHAPPELL. Mr. Speaker, today I wish to pay tribute to 49 million Ukrainians who on January 22 celebrated, albeit quietly there the 63d anniversary of Ukrainian Independence.

Although the Ukrainian people have lost overt control over their nation, many still retain the indomitable spirit of independence. This spirit has sustained them through repeated Soviet brutalities. Indeed, the years of suffering under Soviet domination have been exacerbated by religious and national persecution. And yet, despite the best efforts of the Soviet Communists to suppress the will of these people, they still cannot weaken their goal for political and cultural independence.

Soviet propaganda would lead many of us to believe that the Ukrainians are a people wholly committed to the interests of the Soviet Union, and that they have no special feeling for their own country, its culture, language, literature, and traditions. However, this is not the case. Evidence abounds to demonstrate the Ukrainian preference for their own national traditions and even open opposition to the russifying and centralizing tendencies of the political leadership in Moscow.

At his recent press conference, President Reagan called for a new resolve to confront, through strength, Communist aggression and oppression. His words should comfort our oppressed friends in the Ukraine and reaffirm our continued support for the Ukrainian people in their quest for freedom and independence.●

THE FEDERAL LAW ENFORCEMENT OFFICERS' SECURITY ACT OF 1981

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. FLORIO. Mr. Speaker, Congressman MARIO BIAGGI has joined me today in introducing legislation which would remove certain barriers which have prevented Federal law enforcement officers from arresting persons whom they suspect have committed State felonies. This proposal seeks to provide securities to Federal law agents when they believe they have a moral obligation and duty to stop a State felony crime happening in their presence. In this way, the legislation can immediately place nearly 40,000 Federal law agents in a position to enforce State felony law, and help halt the dramatic rise in serious crime we are witnessing across the country.

Federal law enforcement officers currently have no authority vested in them by the U.S. Government to enforce State law. The separation of law enforcement powers between the Federal Government and the States is a principal doctrine of our federalist system. The Federal Law Enforcement Officers' Security Act of 1981 does not amend this basic constitutional concept.

Our proposal does address those situations where it is in the public's interest for a Federal law agent to go beyond his official duties and enforce an infraction of State law. Some legal barriers are presently preventing Federal law agents from doing this. Under Federal statute, if a Federal law agent is killed or injured while enforcing State law, the officer and his survivors are not eligible for any benefits under the Federal Employees Compensation Act.

In addition, under the Federal Tort Claims Act, the U.S. Government does not accept liability for claims which result from negligent or wrongful acts of Federal employees if the employee was acting outside the scope of his office or employment. Since enforcing State law is outside of Federal law agents' official duties, the Federal agent is liable for any negligent acts he may commit while arresting a possible violator of State law.

Federal law enforcement agents working in New Jersey have informed me that many of their colleagues have reluctantly ignored violations of State law because of the legal and other risks that they would assume by becoming involved. At the same time, the officers have expressed their exasperation over the barriers which prevent them, as lawmen, from directly stopping a crime when they have the moral obligation and training to do so.

The Florio/Biaggi legislation address these situations by providing certain securities to Federal law officers when they arrest a person whom they believe has or is about to commit a State felony. If the officer is injured or killed while making such an arrest, my proposal would permit the officer and his survivors to be eligible for the same level of benefits under the Federal Employees Compensation Act as if the injury or death occurred while the officer was performing his official duties. In addition, the United States would reimburse to any Federal law officer the criminal or civil fines imposed on him which result from any negligent act committed by the officer while making a State felon arrest. No Federal reimbursement for monetary

penalties would be provided to Federal officers if a court of law determines that the wrongful act committed by the Federal officer exceeds the immunity protection the State provides to its own law enforcement officers.

Our legislation also provides payments to Federal law enforcement officers for litigation costs which incur from the officer defending himself in State court on charges connected with his enforcement of State felon law. Litigation costs would not be reimbursed to Federal law officers, however, if the U.S. Attorney General determines that the charges filed against an officer are a result of the officer's willful misconduct.

I believe that this legislation provides appropriate securities to Federal law officers who go beyond their official duties to stop a State crime while it is happening. The increasing loss of life and property from crime demands that we make the best possible use of our law enforcement resources, at all levels of government. I urge my colleagues to support Congressman BIAGGI and me in this effort.●

TRIBUTE TO ELLA GRASSO

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. BIAGGI. Mr. Speaker, I wish to join my colleagues in paying a richly deserved tribute to a most outstanding woman, Ella Grasso. It is with great sadness that I, along with the many others whose lives she so deeply touched, must mark her passing.

Ella Grasso was one of the finest political leaders of our time. Throughout her remarkable career, which spanned over 25 years and never once met with defeat, she dazzled us all with her brilliance, her diligence, her integrity, and her compassion. In her native State of Connecticut, she served as State representative for 4 years, as secretary of state for 12, as a Member of the U.S. House of Representatives from 1971 to 1975, and, finally, as Governor. She was the first woman ever to be elected to that most prestigious office of State Governor in her own right, and not as the wife of a former incumbent. She was elected to this office in 1974 and again in 1978.

One could list endlessly Ella's impressive contributions to this great country and particularly to the State of Connecticut. In noting her record of achievement, however, one must not disregard the obstacles she first had to overcome. Ella was the child of Italian immigrants. From these humble origins, she earned the respect of all who came to know her and her work. I, too, am the child of Italian immigrants and, as a result of this, had always felt a strong sense of kinship with Ella, always appreciating the amount of hard work needed to attain what she did. Ella would, I must assert, have disregarded these concessions, wanting no special attention or consideration solely on the basis of her sex or background. She wanted first and foremost to be viewed not as a woman, not as the child of immigrants, but as a strong and effective leader—and that she was.

Working closely with her on various issues of mutual concern, both on the State and Federal level, I saw all of this come through. She was always there—willing to work, wanting to know, trying to help. A strong consumer advocate, she had high ideals and clear-cut, practical methods by which to insure that those ideals were implemented.

I heard others describe Ella Grasso as tough, outspoken, unbeatable and courageous. What I believe shines through above all, however, is the indomitable strength of spirit that this remarkable individual possessed.

I offer my deepest sympathies to her family; weakened by this great loss, yet strengthened by the knowledge that her vibrant memory shall last forever in the hearts and minds of all.●

BLACK HISTORY MONTH 1981

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. PANETTA. Mr. Speaker, the month of February is being celebrated as Black History Month. I believe this is an appropriate opportunity to recognize and honor the many contributions made by black Americans in the growth and development of this great country.

Blacks have contributed enormously in all areas of our society, and these great achievements must be made known to all Americans. The accomplishments of people such as Martin Luther King, George Washington Carver, Booker T. Washington, Charles Drew, and many others cannot be overlooked or forgotten. They are an indispensable part of our national history.

Though the month of February has been designated to pay special attention to the accomplishments of black Americans, it is important that the spirit of this month be carried and expressed throughout the year. I am pleased to join with my colleagues in commemorating Black History Month 1981.●

ON THE ANNIVERSARY OF THE LITHUANIAN NATION

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. SOLOMON. Mr. Speaker, this month marks the 63d anniversary of the establishment of the Republic of Lithuania and the 730th anniversary of the formation of the Lithuanian State in 1251. I would like to take this opportunity to direct a few words to the fate of this valiant little nation on the Baltic Sea.

A peaceful, industrious nation with a proud history, Lithuania received its independence in the eventful days following the fall of Imperial Russia, under whose rule the Baltic region has fallen during the days of czarist expansionism. For the little over 20 years of its existence as a free republic, Lithuania prospered, a beacon of freedom and economic stability amid the gathering shadows of totalitarianism and militarism. In the late 1930's, Stalin, unable to bear the sight of this prosperous, free nation on the doorstep of his own Socialist slave state, concluded with Hitler the infamous agreement which allowed the latter to march unmolested in Poland, and subsequently launch the war in Western Europe, while Red army troops "extending the hand of brotherly aid," as Soviet propaganda expresses it, seized the Baltic countries of Lithuania, Latvia, and Estonia. To this very day, the Soviet Union continues to occupy Lithuania, propagating the myth that the Lithuanian people voluntarily acquiesced to this blatant violation of all international law, written and unwritten. Furthermore, this outrageous act of military occupation has been followed by a systematic effort of the Soviet Government to destroy the culture, religious tradition, and national consciousness of the very people whom it claims to be protecting. Indeed, thousands of Lithuanian patriots have been jailed, exiled, and even executed for protesting the occupation and accompanying russification of their homeland.

Mr. Speaker, I am proud that the United States of America does not recognize the Soviet annexation of Lithuania, but has continued to recognize the diplomatic mission established by independent Lithuanians on this side of the Iron Curtain. I urge my esteemed colleagues to keep in mind the struggle of the Lithuanian people, and I urge our administration to support and strengthen our diplomatic representation of free Lithuania. I'm sure that I speak for all the Members of this body when I say that I look forward to the day when the independent diplomatic mission that we recognize will represent the once again free republic of Lithuania.●

ESTONIAN INDEPENDENCE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. HOLLENBECK. Mr. Speaker, I rise to take this opportunity to join with my distinguished colleagues in commemorating the 63d anniversary of Estonian independence. On February 24, 1918, the smallest of the Baltic States declared its independence as a democratic republic.

Enjoying freedom for a mere 20 years, Estonia has remained illegally occupied by Soviet forces since 1939. Although independence may have been shortlived, I greatly admire the Estonians' spirit of freedom and national pride which has allowed them to persevere through repeated Soviet attempts to deprive Estonians of their cultural heritage through forced russification programs. It is precisely this spirit which we celebrate today.

In the two decades that they enjoyed true sovereignty, the Estonians demonstrated their sincere commitment to democratic principles when they authored a constitution which embraced the ideals of justice, liberty, and protected the legal and ethical rights of all its linguistic minorities. Estonians can also reflect with great pride on the agricultural achievements and industrial accomplishments which they attained during this time.

As noted earlier, Estonia has been under illegal Soviet domination for 41 years. Through deportation, execution, and emigration, the small nation has suffered a tragic loss of its people: In the 1940's alone one-third of the population was lost. Yet the Estonians have managed, despite Soviet tyranny, to not only maintain their hopes for absolute freedom but their unique cultural identity as well. Just as I know that the Estonian people will continue their opposition to Soviet rule, I also know that the West will not lose its resolve in pursuing a restoration of democratic principles throughout the Baltic region.●

COMMEMORATION OF LITHUANIAN INDEPENDENCE DAY

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Ms. FIEDLER. Mr. Speaker, I wish to commemorate an event which occurred 63 years ago, and which deserves the attention of my colleagues, my constituents, the members of our free Nation, and the entire free world.

On February 16, we celebrated a nation of Eastern Europe, Lithuania, which rose like a phoenix from the ashes, from legal nonexistence to the status of a fully independent nation, sovereign and free. On that day, Lithuanians rejoiced in having achieved their identity after a struggle of 180 years.

Free and independent Lithuania, by choice and inclination, alined itself with the forces of civility, freedom, and above all, individual human dignity which the Lithuanian people had savored and admired as the essentials of a Western, Judeo-Christian world.

Today, this impulse of 63 years ago is not only alive, but has been strengthened and elevated through fate, tragedy, and horror. It was fate, through a Lithuanian perspective, that brought about World War II between neighbors on all sides of its territory. Tragedy was manifest in the ensuing destruction of a legally constituted, universally recognized, and popularly supported government. Horror was supplied by the murder and deportation of hundreds of thousands of men, women, and children at the point of Soviet bayonets, and beneath the treads of Soviet tanks.

The intimidation of the remaining Lithuanians within their own country was complete. Since 1939, to this very day, any free expression of Lithuanian sentiment from within Lithuania itself is absent. We are told by their Soviet-imposed spokesmen that it does not exist. We know better. Years of bitter partisan warfare after World War II ended are eloquent testimony.

A nation which has fought, lived, died, lived again, contributed to human thought, human values, and set a human example for more than a thousand years cannot be declared extinct by a morally bankrupt, alleged revolution which seems today to have difficulty surviving its seventh decade.

I salute a valiant people and their commitment to values we all hold dear. Next year in Vilnius.●

UNITED STATES MAKING TRAGIC ERROR IN EL SALVADOR

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. STUDDS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

STATEMENT OF REPRESENTATIVES GERRY STUDDS, BARBARA MIKULSKI, AND ROBERT EDGAR, BEFORE THE FOREIGN OPERATIONS SUBCOMMITTEE, HOUSE COMMITTEE ON APPROPRIATIONS, FEBRUARY 25, 1981

U.S. military support for the Duarte regime in El Salvador is a tragic mistake, directly contrary to our own ideals and national interests, and chilling in its parallels to the early days of U.S. involvement in Viet Nam.

Our current policy is based on several assumptions about the situation in El Salvador which are grievously in error. It is a policy which puts at grave risk future U.S. interests in Central America, while it may endanger in the long run, unity and civil peace in our own country as well.

Accusations approaching hysteria have been made in recent days about Nicaraguan, Cuban and Russian involvement in supplying weapons to the Salvadoran left. The issue of outside intervention in El Salvador is important, and well worth examining. But other questions also need to be discussed thoroughly and dispassionately before a balanced judgement about proper U.S. policy towards El Salvador can emerge.

We need now to ask the type of questions which we waited far too long to ask with respect to American involvement in Viet Nam. We need, for example, to identify the true source of violence and terrorism in El Salvador; we need to know what kind of government it is to which the United States has committed its resources and prestige; we need to examine the history and the motives of those now in opposition to the Duarte government; and we need to think with enormous care about the nature and the long range implications of the policies which we appear about to implement in El Salvador and other parts of Central America.

From January 9 to January 19, we traveled to the Central American countries of Costa Rica, Nicaragua and Honduras, meeting with a host of groups and individuals from all walks of political and economic life. We were originally scheduled to spend three days in El Salvador, but were ultimately persuaded by the State Department that such a visit could not be safely undertaken at the time.

Although we did not enter El Salvador, we were able to visit in San Jose, Costa Rica with several leading figures in Salvadoran politics, including Jose Morales Ehrlich, the number two civilian in the Duarte government, and Ruben Zamora and Fabio Castillo, two leaders of the opposition Revolutionary Democratic Front.

Members of our group also made two separate trips to the area along the border between Honduras and El Salvador where an estimated 25,000 refugees from the violence in El Salvador now exist on the charity of international relief agencies and Honduran peasants who are desperately poor themselves.

In addition, we were in frequent telephone contact with our Ambassador to El Salvador, Robert White.

The details of our trip are provided in the full report by Representative Studds, which we have appended to our testimony.

Since returning from the trip, each of us has been in contact with numerous other experts on El Salvador in an effort to broaden our knowledge about the situation there. We have heard from several Salvadoran exiles including former junta member Ramon Mayorga, former number two man in the Agrarian Reform, program, Leonel Gomez, former Deputy Minister of Agriculture Jorge Villacorta, and have met with Members of the Salvadoran Chamber of Commerce. In addition, we have talked with members of the American press who have been to El Salvador recently, with officials in the State Department and with both public and private experts on the agrarian

reform program now being attempted with U.S. support in El Salvador.

We would like, at this time, to discuss in detail the issues which we believe are of primary importance in judging the wisdom of U.S. military assistance to the government of El Salvador.

WHO IS THE PRIMARY SOURCE OF VIOLENCE AND TERRORISM IN EL SALVADOR?

Current U.S. strategy appears to rest on the assumption that we will be able to successfully mobilize world opinion in opposition to Soviet and Cuban support for the left in El Salvador, on the grounds that their aid is being used to subvert a sitting government.

The implicit corollary to this strategy is the assumption that equally damaging criticisms can not be made against the United States for supplying weapons to the Salvadoran military.

Both sides in El Salvador have committed acts of violence which cannot be justified by any standard of human decency. But we believe very strongly, on the basis of our own conversations with refugees, and after consultations with others genuinely familiar with the recent history of El Salvador, that by far the greatest responsibility for violence and terrorism rests with those forces now receiving U.S. guns, helicopters, grenades and ammunition. It is these forces, far more than the opposition, that have been waging a systematic campaign of harassment, torture and murder against large segments of the Salvadoran population. There is absolutely no reason to believe that supplying these forces with more weapons will lead to anything other than an escalation of the violence, the further polarization of both Salvadoran and Central American politics, and the radicalization of thousands more within El Salvador.

The violence in El Salvador is one of many factors reminiscent of Viet Nam. The enemy are often hard to find for they are peasants, children, women, teenagers. They look, sound and act the same as non-combatants. They blend into villages, and they don't ever seem to go away.

The strategy of the military was summarized by one commander as follows: "The subversives like to say that they are the fish and the people are the ocean. What we have done in the north is to dry up the ocean so we can catch the fish easily."

The Salvadoran method of "drying up the ocean" is to eliminate entire villages from the map, to isolate the guerrillas and deny them any rural base off which they can feed. This requires a premeditated campaign of terrorism, the burning of homes and crops, making it impossible for people to live.

This violence has produced a steady stream of refugees across the border into neighboring Honduras, and to other countries throughout the hemisphere. The Salvadoran Church now estimates the total number of refugees both within and outside the country at more than 200,000 or almost 5 percent of the total population of El Salvador. These refugees have described in vivid detail (to us and to many others) the murder and torture of their friends and relatives, the de-wombing of pregnant women, the machine-gunning of children, the rape of little girls. These are acts committed repeatedly and intentionally by the security forces now receiving U.S. aid. Consider, as well, the following incidents:

It was about a year ago today that Archbishop Romero, the single most charismatic and beloved figure in El Salvador, was murdered while presiding over a mass in San Salvador. His killer has not been found, but the evidence indicates he was shot by a professional sharpshooter. It is worth remembering that he died shortly after protesting publicly the granting even of "non-lethal" military aid to the government of El Salvador;

In late November, six leading members of opposition organizations were kidnapped at a political rally by 200 uniformed members of the security forces. Their bodies were discovered the next day;

On December 3, four U.S. religious workers were raped and murdered while returning from the San Salvador airport. Even the State Department will admit that these individuals were probably killed by security forces. There is excellent reason to believe that the subsequent investigation into these deaths has been obstructed by officials in the government of El Salvador.

On January 3, gunmen walked into a hotel restaurant in San Salvador and murdered the leader of the Salvadoran agrarian reform institute, ISTA, along with two American agricultural reform technicians. No one we have talked to, whether Salvadoran or American, revolutionary or State Department official, has expressed any doubt that these murders were committed by or on behalf of the military.

Last June, Amnesty International wrote in a letter to Secretary of State Muskie: "Since the 3 January 1980 resignation of much of the Salvadoran government—on human rights grounds— at least 2,000 Salvadorans have been killed or 'disappeared' while in the hands of conventional and auxiliary security forces of El Salvador. Many were tortured and savagely mutilated—arms lopped off, flayed, beheaded."

In December, Salvadoran Archbishop Rivera Damas departed from his own past policy of restraint and silence to describe in detail the campaign of persecution being waged against the Church. He concluded by saying:

"Therefore we hold the Security Forces and ultra-rightist groups responsible for the persecution against the Church and specifically for the assassination of priests and lay pastoral workers. We therefore also hold responsible the Government Junta, which given its ultimate authority over the Armed Forces is responsible for actions by members of the military. We lament the fact that past governments and the present Government Junta itself have not fulfilled their promise to clarify the criminal assassinations of Mgr. Romero, Priests, Sisters and Lay Pastoral Workers.

"Therefore, their statements lose credibility. We can no longer accept the customary excuses, after the fact; nor can we accept promises of investigations.

"Only an immediate and effective end to the repression and persecution could demonstrate the clear will to stop such acts; only this could exonerate the Junta, at least to some degree, repression and persecution would give credibility to the repeated offers of dialogue for bringing peace to the country. In any other case, all possibilities for finding a true peace in the country through non-violent means will be strangled."

With the Army and the National Guard as our allies, any U.S. campaign for the hearts and minds of the Salvadoran people will never succeed—for every martyred innocent is sure to engender the transformation of others into supporters of the revolution and create new and unneeded enemies for the United States.

WHAT SORT OF GOVERNMENT ARE WE SUPPORTING IN EL SALVADOR?

There is little reason to believe that Napoleon Duarte and the other civilians still participating in the Salvadoran government prefer terrorism or repression as a means of maintaining themselves in power.

The problem is that they see themselves as having no other choice. If they were to confront the extremists within the military, they would lose the support of that military, and without that support, they would not remain in power.

Our own intelligence agencies will admit, when pressed, that the Duarte government has almost no base or popular support, and that it would not even be a major contender in a fairly contested election. Throughout our visit to Central America, we found even supporters of Duarte admitting that he was unable to control the military forces which have been using him to maintain the superficial legitimacy of their own real power.

The civilian leaders do not make the decisions which count in El Salvador. Important matters are determined by the military and by the military alone. Thus, it is nonsense now to describe this government as a centrist government, or a force for democracy in El Salvador,

Jose Morales Ehrlich discussed the military/civilian relationship in the following way:

"Morales Ehrlich is optimistic about the future because he thinks that the power of both extremes has been reduced, and that the split in the military has been resolved by the ouster of Colonel Majano. He says that the military is a partner in the reform process, despite its occasional mistakes from a human rights point of view. He says that changes have been made in an effort to exert greater control over the military, but that those could not be made public for three reasons:

"1. Any military official publicly denounced for committing atrocities would be killed by the left;

"2. It is not proper for one partner in government to condemn the actions of another partner; and

"3. Anything which publicly embarrasses the military provides a benefit to the Marxists.

"Therefore, instead of putting military outlaws on trial, the worst of them have been assigned to desk jobs or given scholarships to study abroad."—(Excerpt from Representative Studds' report to the House Committee on Foreign Affairs.)

El Salvador's government has not been able to summon the courage necessary to enforce the law against its own military forces. Until this has been done, El Salvador will have no center at all.

WHO MAKES UP THE OPPOSITION IN EL SALVADOR?

The inability of civilian governments to stem the tide of military violence has made it impossible for many prominent Salvadoran moderates to continue to participate in the government. As a result, they have joined the swelling ranks of opposition to what remains of the civilian government in El Salvador, not because they oppose the purported aims of that government, but because they believe that any regime unable to control the military cannot accurately call itself a government at all.

There are five basic categories of people in opposition to the government in El Salvador: 1. Social Democrats, 2. dissident Christian Democrats, 3. many independent professionals, bureaucrats, students and technicians, 4. many of those involved in the Church, and 5. fifth and largest, the popular organizations which represent not only the guerrillas but thousands of unarmed campesinos and the poor as well.

We in the United States must remember that when our government commits itself to supporting the Salvadoran armed forces against those that are called "Marxist guerrillas" we are also committing ourselves to the use of violence against policies supported by a large number of non-Marxist, non-terrorists as well. These are people who may support many of our announced political objectives but who cannot condone or participate in the repression by violence of innocent civilians.

In addition, we align ourselves in the minds of many throughout Central America with the forces which have created many of the social and political inequities which are at the root of the region's unrest today. Although we may argue that Cuba is seeking to exploit the actual and potential violence which exists throughout the region, others may argue with equally good cause that it has been the United States and its local allies who created the conditions under which this violence has become inevitable.

Consider then some of those now in opposition to the "centrist" government of El Salvador:

Guillermo Ungo: Member of the first junta, strongly supported at the time by the United States. He resigned on January 3, 1980, arguing that "the Revolutionary Government junta has only minimal, and essentially formal, power. It lacks the capacity to lead the process of democraticization and social change." Ungo, a Social Democrat, is now the leading Member of the Revolutionary Democratic Front.

Ramon Mayorga: A University Rector, who also served in the first revolutionary junta. He resigned along with Ungo, and is currently teaching in Mexico.

Colonel Adolfo Majano: A member of both the first and second juntas, Majano is the youngest and most charismatic of the democratic military leaders who had begun to emerge in El Salvador. His ouster by the military shortly after the nuns were killed in December was aimed at solidifying rightwing control over the military at the time they were under attack in the United States and elsewhere. Majano was arrested last week in El Salvador, for the crime of being in opposition to the government.

Hector Dada Hirezi: Minister of Foreign Relations in the first junta, then a member of the second junta. Resigned on March 3, 1980, saying: "While it is true that the obstacles along the road have been enormous, it is equally true that the Junta is incapable of acting against those whom I perceive to be the principal opponents of the process, and it is clearer with each passing day that those persons are encysted in the very structure of the government. The democratic government to be developed is travelling a road towards total perversion."

Dada, formerly a Christian Democrat, is now working in Mexico.

Ruben Zamora: Minister to the Presidency in the first junta, Zamora was also a leading member of the Political Commission of the Christian Democratic Party. He resigned along with Hector Dada, and is now serving as a member of the Political-Diplomatic Commission of the Revolutionary Democratic Front.

Roberto Lara Velado: A founder of the Christian Democratic Party, and Secretary-General of the party for 10 years. Velado was appointed by the first junta to the task of examining charges of repression by the military. After several months of frustrated attempts to have his recommendations for investigations taken seriously, he resigned.

Alberto Arene: A Member of the Political Commission of the Christian Democratic Party during the first and second juntas. An economist, he resigned from the government in March, 1980, and is now representing the Revolutionary Democratic Front in Rome.

Francisco Diaz: Formerly Executive Secretary of the Christian Democratic Party, he resigned from his post in March, 1980, and now represents the Revolutionary Democratic Front in Quito.

Hector Silva: Former Executive Secretary for the Christian Democratic Party in the eastern zone of El Salvador, he also resigned last March and is now working on behalf of the Revolutionary Democratic Front.

Jorge Villacorta: Served as Sub-Secretary of Agriculture during the first and second juntas, and was one of the most prominent planners of the Agrarian reform program. He resigned in late March because of the violence of the military. He now lives in Costa Rica, with a $10,000 price on his head.

Julietta De Colinderes: Former Secretary for Women's Affairs within the Christian Democratic Party. Resigned in March, 1980, and is now working in Mexico for the Revolutionary Democratic Front.

Oscar Menjivar: Sub-secretary of Economics in the first junta, and Secretary in the second junta. Also a former member of the Executive Committee of the Christian Democratic Party. Resigned in March, 1980, now living in Managua.

Areonette de Zamora: Member of the Christian Democratic Party, and served on the Municipal Council in San Salvador. Resigned shortly after her husband, Marion Zamora, also a Christian Democratic official, was assassinated. She now works in Mexico for the external commission of the Revolutionary Democratic Front.

Eduardo Calinderes: Served as Minister of Education in the second junta, and was Secretary for Doctrine within the Christian Democratic Party. He resigned late last March along with Villacorta.

Finally, one should note the words of Salvador Samayoa, Minister of Education and Agriculture Minister Enrique Alvarez Cordova, at the time of their resignation from the first junta in January, 1980:

"Real power is exercised by the head of the Ministry of Defense and Public Safety and several Military Commanders—as indicated in the document presented by the Cabinet to the Permanent Council of the Armed Forces on December 28—transcending the authority of the governing Junta and against the democratic aspirations of our people.

"Once again, the democratic sectors of the country are being deceived and used. The most reactionary sectors of the oligarchy have been strengthened and once again have imposed the thesis—already invalidated by history—of carrying out 'reforms' with repression; a thesis that in practice always and necessarily means a great deal of repression and no reform.

"All of our efforts, as public functionaries, have been obstructed by the vast power of the oligarchy and by the Military plan that has been put into effect.

"We have been forced to submit ourselves to humiliations and threats, both subtle and blatant, on the part of certain commanders. Boasting of the habitual prepotency with which they have alway treated the people, they have let us know that in their eyes, we have been 'seated' in the government because they 'put us there,' and that they do not need us to do what has to be done in this country."

If you listen only to the State Department or to President Reagan, you will come to believe that President Duarte's government is opposed almost solely by Cuban-supplied Marxist guerrillas seeking to spread the influence of Communism through the hemisphere. Such forces do exist, and they will grow in direct proportion to the amount of U.S. weapons provided to the Salvadoran military. But the opposition to the junta is much broader than the government would have us believe, for it includes many members of Duarte's own Christian Democratic Party, Social Democrats, much of the Catholic Church, a flock of young professionals, bureaucrats and military men, and thousands of peasants whose politics are not determined by ideology but by their knowledge about who is responsible for the death and destruction they see around them.

The opposition in El Salvador is currently a very diverse group, but we in the United States have the capacity to unite them, to bring together Marxists and non-Marxists; guerrillas and those who abhor the use of violence; the religious and the non-believers; the educated and the poor; the Christian Democrats and the socialists. Yes, we have the power to unite them in opposition to ourselves, or to any policy which provides arms to those who use such weapons to make economic and social progress in El Salvador impossible.

WHAT, EXACTLY, IS U.S. POLICY, AND WHERE WILL IT LEAD?

Current U.S. policy is based on the premise that the Duarte Government is centrist, but this is not so. The Duarte government is not centrist, because real power is held by rightwing elements of the military.

The United States accuses Communist nations of supporting terrorism through its assistance to the left; but the evidence indicates that most of the terrorism in El Salvador has been perpetrated by the forces now receiving U.S. arms and training.

U.S. policy denounces any government which commits or tolerates acts of terrorism committed against American citizens. In Iran, we justly protested the government's complicity in the seizure of 52 hostages. In El Salvador, we are sending ten million dollars in weapons to a government which may well be obstructing the investigation into the murder of at least six Americans.

What policies will not in the future be justified under the heading of anti-Communism? Last week, we learned that the United States was putting pressure on the European Economic Community to delay a $1.5 million grant of food to starving Salvadoran refugees. This action was apparently justified on the grounds that some of the food might be eaten by individuals sympathetic to the guerrillas or by guerrillas themselves. The fact is that most refugees are sympathetic to the guerrillas, because it is the Army that has made them refugees. To halt food aid in the name of anti-Communism is to do Communism a propaganda service it does not deserve.

The most tragic irony of all is that the growing U.S. intervention in El Salvador is precisely what will benefit Communist propagandists the most. If the Soviet Union is seeking to benefit at all from the unrest in

Central America, it is to divert attention from its own brutality in Afghanistan, and its threatened intervention in Poland. As long as U.S. weapons are pouring into El Salvador, Fidel Castro will seem to many millions of Central and South Americans more right than wrong in his condemnations of North American imperialism. Castro is very good at playing David to the U.S. Goliath; he will welcome the opportunity to forget the embarrassment caused by his economic problems, by the thousands fleeing his "workers paradise," and by the revelations of heroic individuals such as Huber Matos.

In seeking to strengthen the military forces of El Salvador we are making a commitment to that military absent any commitment from them to act in a responsible fashion. We are making it clear to them and to the world that U.S. military assistance will not depend on whether that aid is used to kill and torture civilians; they have used our assistance all along for these purposes and now the aid has been increased. We are making it clear that the death, possibly at their own hands, of American citizens is not sufficient to halt the aid; they appear to have killed Americans, or at least to have obstructed the investigations into those killings, and yet their aid has once again increased. They need not share real power with the civilian government; they have suffered the resignations in protest of dozens of Christian democrats and other moderate government officials, and have seen their assistance increase further still.

We are sending to the military in El Salvador a signal that any acts committed in the name of Anti-Communism are acts committed with the prestige and support and power and backing of the United States. It is a signal that has long been awaited, in El Salvador, in Guatemala, in Argentina, in Chile and in other areas where reactionary forces from an era which most of us thought had passed away some years ago still cling to power.

We are told now, that U.S. policy in El Salvador has broad public and Congressional support. Even if this were true—which we do not for one minute believe—it would remain so only as long as the truth of El Salvador lay hidden beneath our propaganda and the diversions of other aspects of public and private life. For our policy cannot be supported by the facts, nor can it be justified by the ideals and principles for which we are supposed to stand, nor will it serve our long or even our short term national interests. It is a policy obsolete in conception, and naive in implementation, forgetful all too soon of the most recent lessons of American history.

We will remind you, in closing, that the Gulf of Tonkin Resolution passed 98–2.

RECOMMENDATIONS

1. The United States should encourage the governing junta to open negotiations with the opposition for the purpose of halting the violence, and putting into power a truly centrist government. Our objective should be to assist in the design and implementation of a reform program capable of isolating, rather than continuing to encourage, the brutality of the right and the destructive tendencies born of desperation on the left.

2. U.S. military training, sales and assistance to El Salvador should be suspended on the grounds that Salvadoran security forces are operating independent of responsible civilian control.

3. U.S. economic assistance to El Salvador's land reform program should be suspended because the violence and corruption caused by the military's opposition to genuine reform makes it unlikely such funds can efficiently be utilized at this time.

4. Congress should initiate forthwith an inquiry into the killing and disappearance of U.S. citizens in El Salvador.

5. The United States should provide generous support for the efforts of the United Nations and various private charitable organizations to provide food and medicine to the thousands made homeless by violence in El Salvador.

6. Special consideration ought to be given to Salvadoran refugees now in the United States who request political asylum or the right of extended voluntary departure.

7. The United States should consult regularly with other governments, most particularly Mexico, before deciding major foreign policy questions affecting Central America.●

SENATE—*Thursday, February 27, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 3 p.m. next Tuesday.

RECESS UNTIL TUESDAY, MARCH 3, 1981, AT 3 P.M.

Thereupon, at 11:01 a.m., the Senate recessed until Tuesday, March 3, at 3 p.m.

MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of February 26, 1981, the Secretary of the Senate, on February 27, 1981, received a message from the President of the United States, submitting a nomination; which was referred to the Committee on the Judiciary.

(The nomination received today, is printed at the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

S. 414. A bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes (together with additional views) (Rept. No. 97–23).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DECONCINI:

S. 592. A bill to amend the act of October 5, 1978, to extend the duration of the Select Commission on Immigration and Refugee Policy; to the Committee on the Judiciary.

By Mr. SASSER:

S. 593. A bill for the relief of Rosita N. Pacto; to the Committee on the Judiciary.

S. 594. A bill for the relief of Juan Aristorenas, doctor of medicine; to the Committee on the Judiciary.

S. 595. A bill for the relief of Celemente Diaz Ibarra; to the Committee on the Judiciary.

S. 596. A bill for the relief of Dennis L. Dalton and James Edward Dalton; to the Committee on the Judiciary.

By Mr. JEPSEN:

S. 597. A bill to eliminate the position of elevator operator in the Senate Office Buildings; to the Committee on Rules and Administration.

S. 598. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States; to the Committee on Finance.

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 599. A bill to amend the Internal Revenue Code of 1954 to provide for a definition of the term "artificial bait"; to the Committee on Finance.

By Mr. HELMS:

S. 600. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DECONCINI:

S. 592. A bill to amend the Act of October 5, 1978, to extend the duration of the Select Commission on Immigration and Refugee Policy to the Committee on the Judiciary.

SELECT COMMISSION ON IMMIGRATION AND REFUGEE POLICY

● Mr. DECONCINI. Mr. President, today I am introducing a bill to extend the life of the Select Commission on Immigration and Refugee Policy for 90 days after the report of its recommendations. This extension is to allow the Commission to complete its business and to allow the new administration to have a meaningful role in reviewing the Commission's recommendations.

It has been my pleasure to serve on this Commission. I would like to commend the members for their dedication and hard work. Special thanks are owed to Father Hesburgh, who chaired the commission. I look forward to additional work on these issues with Senator SIMPSON and his Subcommittee on Immigration.●

By Mr. JEPSEN:

S. 597. A bill to eliminate the position of elevator operator in the Senate Office Buildings; to the Committee on Rules and Administration.

ELIMINATION OF ELEVATOR OPERATOR JOBS IN THE SENATE OFFICE BUILDINGS

● Mr. JEPSEN. Mr. President, on November 4 the American people sent a message to Washington: They are fed up with extravagant Federal spending and they are tired of enduring multibillion-dollar deficits.

In recognition of that message, I am introducing a bill which would eliminate the elevator operator jobs in the Capitol complex. This includes the Capitol, along with the Senate and House Office Buildings.

As of June 30 of last year, there were 89 automatic elevator operators still employed in the Capitol and the various congressional office buildings. In my opinion, this is 89 too many.

On the average, these operators earn more than $10,000 per year: they work 6-hour shifts but are paid for 8 hours. And their job is to push buttons for Members of Congress, staff, and visitors.

As you know, Mr. President, several years ago the elevators in the Capitol complex were converted from manual to automatic. This was done at a cost of more than $3 million. At the time, the projected savings was substantial. However, by continuing to pay salaries for elevator operators, any savings that might have been achieved is greatly diminished.

As the Senate undertakes its effort to cut the Federal budget, I cannot think of a better place to start than in our own backyard. All too often Congress becomes so concerned with pointing the finger at wasteful Government programs that we forget we do a fair share of it here on Capitol Hill.

Eliminating these positions will save close to $1 million. While this may not seem like a great deal in light of the $600 billion budget, it is a start. Furthermore, it sends a clear signal to the American people that we heard the message they sent us in November and we are going to do something about it.

I urge my colleagues to join me in supporting this bill.●

By Mr. JEPSEN:

S. 598. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States; to the Committee on Finance.

ELIMINATION OF TAXATION ON THE FOREIGN EARNED INCOME OF AMERICAN CITIZENS

● Mr. JEPSEN. Mr. President, today I am introducing legislation to eliminate taxation on the foreign earned income of American citizens. The taxation of so-called unearned income—interest and dividends—remains unaffected by the bill.

The proposed change in present law is necessary for reasons both of equity and efficiency.

The United States is the only industrialized nation in the world which taxes the foreign earned income of its citizens, regardless of where they reside. Canada, Japan, South Korea, Germany, and Sweden, to name just a few examples, offer substantial tax relief to their citizens working overseas. It is not coincidental that these countries are the ones leading the erosion of America's share

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

of international commerce. The Foreign Earned Income Act of 1978 places American exporters at a severe competitive disadvantage vis-a-vis the rest of the world. Our ability to engage in foreign trade has been hampered.

The intent of the current law was to insure that Americans working overseas bore a fair share of their responsibilities as citizens of the United States. The "citizenship basis" for taxation on foreign earned income is, in theory, a powerful argument. In practice, it turns out to be punitive. American citizens abroad suffer hardships and inconvenience that place them in an inferior position to their colleagues at home. The equity argument loses credibility when confronted with fact. Living in the Middle East, the Orient, and South America is not the paradise supporters of the 1978 law would have us believe. It involves considerable psychological and professional sacrifice. Hostile climates, separation from American life and American friends, poor living conditions, and general dislocation are no small burden. It is beyond me why the law punishes these people. It should reward them.

Both with respect to other nations' treatment of its expatriots and with respect to our treatment of domestic taxpayers, the Foreign Earned Income Act of 1978 discriminates against our citizens living abroad. The equity purpose has failed miserably.

The efficiency argument is even stronger. Current law not only burdens American individuals working abroad, more importantly, it restricts our foreign trade initiatives considerably. As a result, our position in international markets has suffered. This, in turn, has adversely impacted on employment and production here in the United States.

U.S. construction contractors have been especially hard hit. Between June 1975 and April 1978, when the current law became effective, American firms were able to win more than 10 percent of all construction contracts awarded in the Middle East. In the 2 years since passage of the act, the performance record has undergone a dramatic retrenchment. In 1979 the American share of construction contracts was a meager 1.5 percent. In 1980 it fell even farther. The outlook for the future is not encouraging. It is not mere coincidence that this frightening decline in the competetive position of the United States parallels the effective term of the Foreign Earned Income Act.

Our construction companies can no longer afford the elevated personnel costs due to the tax.

Korean, Indian, and Japanese competitors undercut our bids time and time again. Although many countries would prefer to do business with the United States, they are unable to ignore the high cost. They cite personnel expenses due to our tax code almost every time. In my own State Green Construction pleads the case in simple terms. To employ a British engineer, it costs them $25,000. A German is about $30,000. An American of comparable skill requires almost $80,000. In other words, Green Construction can hire three foreign engineers for the price of one American.

Of the $80,000, $50,000 of it goes for increased living expenses and to compensate for the unfavorable tax status. In the absence of the law, American engineers would be competitively priced. However, the inability of American firms to subsidize their own personnel overseas is not principally an employment problem. It is the secondary effects which produce the most critical economic difficulties. Because of the familiarity with American equipment demanded for a construction project, foreign employees are ill-equipped to be substituted in American contracts. Often, the contract is lost as a result. If it is won, foreign equipment is frequently used. The American economy loses either way, since it is equipment orders generated by foreign contracts which stimulate employment and production here at home.

Although Iowa is usually thought of primarily as an agricultural State, it has a substantial manufacturing sector, much of which is involved in overseas trade. Nearly 800 firms in Iowa derive substantial sales from abroad and some 20 percent of the Iowa industrial work force is employed in export or related services. Our competitiveness in international markets is critical to the Iowa economy. In conversations with business executives in the State, a recurring problem on their lists of barriers to foreign trade erected by the Federal Government is the Foreign Earned Income Act of 1978. They are losing contracts and Iowa is losing jobs. They want something done and they want it done now.

American firms need to station marketing, sales, and administrative people overseas or they lose out on export contracts. The United States loses production and job opportunities. It is that simple. State export commissions have the same requirements. Ones such as the Iowa Development Commission inform me that their effectiveness is radically restricted because they can afford to man only one foreign office. The entire State suffers.

The legislation I am introducing today parallels a bill introduced by Congressman BILL FRENZEL, of Minnesota. It eliminates all U.S. taxes on foreign-earned income. Americans working overseas continue to pay foreign taxes and exemption does not apply to unearned income. With a $60 billion deficit expected for the current fiscal year, this is no small matter. Every time we generate $1 billion of incremental export trade, we provide 60,000 new jobs. Our present policy of discouraging a competitive position in world markets for our companies is hurting all Americans. It is time to halt this practice. My bill accomplishes this in an equitable and straightforward way. I strongly urge its adoption.

I ask unanimous consent to have printed in the RECORD at this point an article from the New York Times on the adverse effects of U.S. tax law on exports.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COSTLY FALL IN EXPATRIATE JOBS

(By Robert D. Hershey, Jr.)

LONDON, February 16.—Tax penalties, a weak dollar and soaring inflation have made it so expensive to employ Americans overseas that large numbers of them are being replaced by other nationalities at what appear to be major economic and political costs to the United States.

American executives say the problem which has been building for many years, now jeopardizes billions of dollars of exports and hundreds of thousands of job at home and abroad.

A recent report issued by the President's Export Council, an advisory group headed by Reginald H. Jones, chairman of the General Electric Company, echoed that view. The council declared that the trend of Americans being taxed out of competing in foreign markets had produced a "sharp" loss of business, contributing to the balance-of-payment deficit, a loss of American jobs and a decline in "presence and prestige" abroad.

Not only are United States and foreign companies increasingly reluctant to subsidize American workers overseas, but the workers themselves are rejecting job offers because of the financial burdens posed by such a move.

The expatriates say that many laws and practices tend to make second-class citizens of the two million of them who live overseas, but income taxes are regarded as the most damaging factor. The United States is the only major country that taxes income earned abroad, a fact that increasingly places Americans and their companies at a competitive disadvantage. Americans overseas often pay foreign income taxes as well, but they receive a credit for such levies when they file their American tax returns.

"What we're seeing is a form of discrimination against Americans by our own Government," said John G. McCarthy, Jr., vice president of Russell Reynolds Associates, an executive recruiting company. "It means Americans seeking to work abroad are burdened with cost factors which other nationals do not have."

Mr. McCarthy, who runs the firm's Middle East operation from London, said the company had conducted searches for about 35 Middle East clients last year, all of whom would have preferred an American. In all but three cases, however, the jobs were filed by Britons for reasons of cost. Other American jobs overseas, he said, are being taken by Canadians, who pay no income tax at home so long as the employee is accompanied abroad by his family.

American companies are confronted by the same problem. William Ferguson, a senior manpower manager for General Electric here, said it could cost G.E. $90,000 or more in pay and allowances to maintain an American overseas who is paid only $30,000 at home.

"It's really disturbing," said Mr. Ferguson. "We can hire two fully qualified British nationals and afford to train them in our products for less than we can put one American on the payroll."

He added that five years ago the United States was the leading exporter to Saudi Arabia, but that it had slipped to third or fourth position because of the high cost of doing business there. "We would love to double our sales and marketing operation in the Middle East, but we just can't afford it," he added.

While a British employee can quadruple his after-tax earnings by going overseas, his American counterpart usually fares no better than he would have at home. At times, the American is actually penalized by taxes levied on allowances for what in many cases are astronomic costs for housing and education. In some cases, an American's tax liability may exceed his basic salary before adjustments.

One group of activists, the Geneva-based American Citizens Abroad, has listed 63 ways in which they say the Government discriminates against them. They range from taxes on "phantom" income arising from currency fluctuations and loss of Social Security benefits to the sometimes bizarre rules governing the citizenship of children born abroad.

The latest frustration for overseas Americans is the Carter Administration's response late last month to a Congressional demand that it identify and evaluate all the statutes and regulations that treat expatriates differently and that it recommend action to eliminate discrepancies.

Critics say, however, that the Treasury report fell far short of its mandate. The report found that while taxation of Americans abroad could have adversely affected United States exports, "it is not clear how prevalent this type of situation is or what its impact is." It added that the studies done so far did not permit decisions about what changes, if any, should be made.

The Treasury's report was characterized by Andy Sundberg of American Citizens Abroad as a "red herring that the White House has just dragged across the path that was supposed to lead toward an unambiguous statement of where overseas Americans are supposed to fit into the political, social, economic and ideological life of the United States."

He said that what he called inconclusive findings on the relationship between income taxes and exports were "a silly answer to the wrong question."

A task force of the President's Export Council, headed by Robert Dickey 3d of the Dravo Corporation, recommended that the United States align its tax policy with that of its competitors, none of which now taxes its citizens who meet overseas residency tests.

This would restore to Americans abroad the status enjoyed by most of them until 1962, when income of less than $20,000 was tax-exempt. By the mid-1970's, inflation, the decline of the dollar and rising salaries and benefits put heavy financial pressure on Americans overseas.

Instead of liberalizing the exemptions, Congress decided in 1976 to eliminate them altogether. At the same time, the Internal Revenue Service decided that any goods or services workers received, even housing in the Saudi Arabian desert, had to be declared and taxed at full market value.

"It's not just a matter of dollars and cents," said Mr. McCarthy, the recruiter. "If you don't have American people of some stature on the ground, you're just not going to get across the American point of view. You can project power with aircraft carriers, but you can also spread American influence with businessmen."●

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 599. A bill to amend the Internal Revenue Code of 1954 to provide for a definition of the term "artificial bait"; to the Committee on Finance.

DEFINITION OF "ARTIFICIAL BAIT" FOR TAXATION

● Mr. HAYAKAWA. Mr. President, I am pleased to be joined by my colleague from California (Mr. CRANSTON) in introducing legislation to define the term "artificial bait" for the purposes of the Internal Revenue Code.

Section 4161(a) of the Internal Revenue Code specifies that "artificial lures, baits, and flies" are subject to an excise tax of 10 percent of the sales price. It is clear to me that in linking these terms together Congress intended to tax articles associated with fishing which are artificial in substance. To my mind, these would include flies made of metal, string, and feathers; lures made of cloth and metal; and bait made of plastic or rubber.

In my State, California, there is a company that manufactures a fishing bait which is ingestible by fish and composed primarily of natural substances. In 1971, the company was verbally assured by the Los Angeles office of the IRS that their product was not subject to the excise tax. Subsequently, two separate audits made no mention of the excise tax; yet in 1977, the IRS assessed retroactive taxes from 1969.

This is a prime example of bureaucratic response to unclear statutes. Although it is clear to me what Congress intended by modifying the word "bait" with the word "artificial," apparently the IRS has a different view. I feel, therefore, that it is incumbent on the Congress to clarify terms where there is an ambiguity.

The bill we are introducing today will define "artificial bait" as a substance containing less than 85 percent by weight of plant and animal material which can be ingested by fish. This will allow the various kinds of bait to sell on a competitive basis. Natural baits, such as worms and cheese, will continue to be free of the excise tax, along with other natural, ingestible substances. Plastic or rubber baits will be classified as "artificial" and subject to the excise tax. Since the two are mutually exclusive, they will enjoy clarified competitive markets, which I believe was the intent of Congress.●

By Mr. HELMS:

S. 600. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

FEDERAL CONSTITUTIONAL CONVENTION PROCEDURES ACT OF 1981

● Mr. HELMS. Mr. President, article V of the Constitution provides that upon the application of the legislatures of two-thirds of the States, the Congress shall call a convention to proposed amendments to the Constitution.

Presently the Congress is facing an impending crisis regarding an article V convention: 30 States have now petitioned the Congress to call a convention to propose an amendment to provide for a balanced budget and four more States—West Virginia, Ohio, Missouri, and Washington—have had one house of their legislature pass such a resolution. If the other legislative body in those four States should act, the required two-thirds of the States will have petitioned the Congress and the constitutional obligation to call a convention will be established.

Those States which have already petitioned the Congress are: Alabama, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Iowa, Indiana, Kansas, Louisiana, Maryland, Mississippi, Nebraska, New Hampshire, New Mexico, Nevada, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, and Wyoming.

Today, I am introducing legislation to establish procedures for such a convention and I urge my colleagues, especially those who are members of the Senate and House Judiciary Committee, to act promptly to develop such procedures and to consider in a timely fashion an amendment providing for a balanced budget.

This legislation, with the exception of a few technical changes, is identical to that which was introduced by my friend and distinguished former Senator from North Carolina, the Honorable Sam J. Ervin, Jr. This bill was passed by the Senate with slight modification by a vote of 84 to 0 in 1971 and by voice vote in 1973.

In 1971, the Senate Judiciary Committee reported that it was the responsibility of Congress "to enact legislation which makes article V meaningful" and not to make the constitutional convention "a dead letter."

In 1973, the American Bar Association resolved that it was "desirable" for Congress to establish procedures for such a convention. The ABA report on the resolution concluded that—

> So long as the convention method of proposing amendments is part of our Constitution, it is proper to establish procedures for its implementation and improper to place unnecessary and unintended obstacles in the way of its use.

This legislation provides an even-handed, nonpartisan, and fair resolution of the problems inherent in calling a convention under article V. It provides these procedures now, in the absence of a constitutional crisis in which a dispassionate resolution of the problems may not be possible.

The procedures which this legislation establishes do not favor or assist any particular call for a constitutional convention. Support of this proposal should not be viewed as support or opposition to any presently proposed constitutional amendment or convention call.

FEDERAL CONSTITUTIONAL CONVENTION PROCEDURES ACT—OUTLINE

1. States use the same procedure for adopting a resolution petitioning the Congress to call a constitutional convention as they use for the passage of statutes, but without the approval of the Governor.

2. Receipt of a State's petition by Congress is to be announced on the Floor of both

Houses, and copies sent to each Member of Congress and the several state legislatures.

3. Each application is to remain in effect for 7 years, unless rescinded by the state legislature.

4. Applications may be rescinded by state legislatures until two-thirds of the states have submitted applications, then all applications remain in effect.

5. After Congress determines the validity of the applications, it shall pass a concurrent resolution calling for a convention.

6. The convention must be convened within 1 year after adoption of the concurrent resolution by Congress.

7. Delegates to the convention shall be popularly elected, one delegate from each congressional district and two additional at-large delegates from each state.

8. Each delegate may cast one vote. Each delegate's vote must be recorded and a verbatim record kept.

9. Amendments shall be proposed by majority vote of the delegates.

10. The convention shall be limited to subjects named in the state applications and convention delegates shall subscribe to an oath to refrain from proposing or voting in favor of any proposed amendment not concerning the proper subject. Congress may disapprove a proposed amendment on the ground that it pertains to a subject different from that described in the resolution calling the convention.

11. The convention shall be terminated 1 year after the date of its first meeting unless Congress extends its life.

12. The proposed amendment must be ratified by three-fourths of the states.

Mr. President, perhaps the best analysis of the problems involved in proposing amendments through a constitutional convention was written by former Senator Ervin for the March 1968 issue of the Michigan Law Review. That article, entitled "The Convention Method of Amending the Constitution," was reprinted in the spring 1977 issue of the Human Life Review.

Mr. President, I ask unanimous consent that the following excerpts from former Senator Ervin's article be printed at this point in the RECORD, to be followed by the text of the "Federal Constitutional Convention Procedures Act."

There being no objection, the article and the bill were ordered to be printed in the RECORD, as follows:

THE CONVENTION METHOD OF AMENDING THE CONSTITUTION

(By Sam J. Ervin, Jr.)

Article V of the Constitution of the United States [1] provides that constitutional amendments may be proposed in either of two ways—by two-thirds of both houses of the Congress or by a convention called by the Congress in response to the applications of two-thirds of the state legislatures. Although the framers of the Constitution evidently contemplated that the two methods of initiating amendments would operate as parallel procedures, neither superior to the other this has not been the case historically. Each of the twenty-five constitutional amendments ratified to date was proposed by the Congress under the first alternative. As a result, although the mechanics and limitations of congressional power under the first alternative are generally understood, very little exists in the way of precedent or learning relating to the unused alternative method in article V. This became distressingly clear recently, following the disclosure that thirty-two state legislatures had, in one form or another, petitioned the Congress to call a convention to propose a constitutional amendment permitting states to apportion their legislatures on the basis of some standard other than the Supreme Court's "one man-one vote" requirement. The scant information and considerable misinformation and even outright ignorance displayed on the subject of constitutional amendment, both within the Congress and outside of it—and particularly the dangerous precedents threatened by acceptance of some of the constitutional misconceptions put forth—prompted me to introduce in the Senate a legislative proposal designed to implement the convention amendment provision in article V . . .

III. Questions raised by the bill

Before going to specific issues and matters of detail, it seems appropriate to discuss briefly two threshold problems posed by the bill: whether the Congress has the power to enact such legislation, and, if it does, what policy considerations should guide it in exercising such power.

I have no doubt that the Congress has the power to legislate about the process of amendment by convention. The Congress is made the agency for calling the convention, and it is hard to see why the Congress should have been involved in this alternative method of proposal at all unless it was expected to determine such questions as when sufficient appropriate applications had been received and to provide for the membership and procedures of the convention and for review and ratification of its proposals. Obviously the fifty state legislatures cannot themselves legislate on this subject. The constitutional convention cannot do so for it must first be brought into being. All that is left, therefore, is the Congress, which, in respect to this and other issues not specifically settled by the Constitution, has the residual power to legislate on matters that require uniform settlement. Add to this the weight of such decisions as *Coleman* v. *Miller*,[9] to the effect that questions arising in the amending process are nonjusticiable political questions exclusively in the congressional domain, and the conclusion seems inescapable that the Congress has plenary power to legislate on the subject by amendment by convention and to settle every point not actually settled by article V of the Constitution itself.

With respect to the second problem, within what general policy limitations that power should be exercised, I think the Congress should be extremely careful to close as few doors as possible. Any legislation on this subject will be what might be called "quasi-organic" legislation; in England it would be recognized as a constitutional statute. When dealing with such a measure, it is wise to bear in mind Marshall's well-worn aphorism that it is a Constitution we are expounding and not get involved in "an unwise attempt to provide, by immutable rules, for exigencies which, if foreseen at all, must [be] seen dimly, and which can best be provided for as they occur."[10] This approach is reflected at several points in the bill, notably in its failure to try to anticipate and enumerate the various grounds on which Congress might justifiably rule a state petition invalid, and its failure to prescribe rigid rules of procedure for the convention. In addition, I think the Congress, in exercising its power under article V, should bear in mind that the Framers meant the convention method of amendment to be an attainable means of constitutional change. This legislation can be drawn so as to place as many hurdles as possible in the way of effective use of the process; or it can be drawn in a manner that will make such a process a possible, however impossible, method of amendment. The first alternative would be a flagrant disavowal of the clear language and intended function of article V. I have assumed that the Congress will wish to take the second road, and the bill is drawn with that principle in mind.

Open or limited convention?

Perhaps the most important issue raised by the bill is the question of the power of the Congress to limit the scope and authority of a convention convened under article V in accordance with the desires of the states as set forth in their applications. This was, as I have noted, one of the issues that most troubled me when I first heard of the efforts by the states to call a convention.

It has been argued that the subject matter of a convention convened under article V cannot be limited, since a constitutional convention is a premier assembly of the people, exercising all the power that the people themselves possess, and therefore supreme to all other governmental branches or agencies. Certainly, according to this argument, the states may not themselves, in their applications, dictate limitations on the convention's deliberations. They may not require the Congress to submit to the convention a given text of an amendment, nor even a single subject or idea. For the convention must be free to "propose" amendments, which suggests the freedom to canvass matters afresh and to weigh all possibilities and alternatives rather than ratify a single text or idea. The states may in their applications specify the amendment or amendments they would hope the convention would propose. But once the Congress calls the convention, those specifications would not control its deliberations. The convention could not be restricted to the consideration of certain topics and forbidden to consider certain other topics, nor could it be forbidden to write a new constitution if it should choose to do so.

I will concede that such an interpretation can be wrenched from article V—but only through a mechanical and literal reading of the words of the article, totally removed from the context of their promulgation and history. My reading of the debates on article V at the Philadelphia Convention and the other historical materials bearing on the intended function of the amendment process [11] leads me to the opposite conclusion. As I understand the debates, the Founders were concerned, first, that they not place the new government in the same straitjacket that inhibited the Confederation, unable to change fundamenetal law without the consent of every state. The amendment process, rather a novelty for the time, was therefore included in the Constitution itself. Second, the final form of article V was dictated by a major compromise between those delegates who would utilize the state legislatures as the sole means of initiating amendments and those who would lodge that power exclusively in the national legislature. The forces at the convention that sought to limit the power of originating amendments to the states were at first dominant. The original Virginia Plan, first approved by the convention, excluded the national legislature from participation in the amendment process. On reconsideration, the forces that would limit the power of origination of amendments to the national legislature became prevalent. The arguments on both sides were persuasive: the improprieties or excess of power in the national government would not likely be corrected except by state initiative, while improprieties by the state governments or deficiencies in national power would not likely

Footnotes at end of article.

be corrected except by national initiative. In the spirit that typified the 1787 Convention, the result was acceptance of a Madison compromise proposal which read, as the final article was to read, in terms of alternative methods.

It is clear that neither of the two methods of amendment was expected by the Framers to be superior to the other or easier of accomplishment. There is certainly no indication that the national legislature was intended to promote individual amendments while the state legislatures were to be concerned with more extensive revisions. On the contrary, there is strong evidence that what the members of the convention were concerned with in both cases was the power to make specific amendments. They did not appear to anticipate a need for a general revision of the Constitution. And certainly this was understandable, in light of the difficulties that they had in finding the compromises to satisfy the divergent interests needed for ratification of their efforts. Provision in article V for two exceptions to the amendment power underlines the notion that the convention anticipated specific amendment or amendments rather than general revision. For it is doubtful that these exceptions could have been expected to control a later general revision.

This construction is supported by references to the amendment process in the Federalist Papers. In Federalist No. 43, James Madison explained the need and function of article V as follows:

"That useful alterations will be suggested by experience, could not but be foreseen. It was requisite therefore that a mode for introducing them should be provided. The mode preferred by the Convention seems to be stamped with every mark of property. It guards equally against that extreme facility which would render the Constitution too mutable; and that extreme difficulty which might perpetuate its discovered faults. It moreover equally enables the general and the state governments to originate the amendment of errors as as they may be pointed out by the experience on one side or on the other. . ."

Apart from being inconsistent with the language and history of article V, the contention that any constitutional convention must be a wide open one is neither a practicable nor a desirable one. If the subject matter of amendments were to be left entirely to the convention, it would be hard to expect the states to call for a convention in the absence of a general discontent with the existing constitutional system. This construction would effectively destroy the power of the states to originate the amendment of errors pointed out by experience, as Madison expected them to do. Alternatively, under that construction, applications for a limited convention deriving in some states from a dissatisfaction with the school desegregation cases, in others because of the school prayer cases, and in still others by reason of objection to the Miranda rule, could all be combined to make up the requisite two-thirds of the states needed to meet the requirements of article V. I find it hard to believe that this is the type of consensus that was thought to be appropriate to calling for a convention. . .

The bill provides that state petitions to the Congress which request the calling of a convention under article V shall state the nature of the amendment or amendments to be proposed by such convention. Upon receipt of valid applications from two-thirds or more of the states requesting a convention on the same subject or subjects, the Congress is required to call a convention by concurrent resolution, specifying in the resolution the nature of the amendment or amendments for the consideration of which the convention is being called. The convention may not propose amendments on other subjects and, if it does, the Congress may refuse to submit them to the states for ratification. . .

May Congress refuse to call a convention?

Perhaps the next most important question raised by the bill is whether the Congress has any discretion to refuse to call a convention in the face of appropriate applications from a sufficient number of states.

Article V states that Congress "shall" call a convention upon the applications of the legislatures of two-thirds of the states. I have absolutely no doubt that the article is peremptory and that the duty is mandatory, leaving no discretion to the Congress to review the wisdom of the state applications. Certainly this is the more desirable construction, consonant with the intended arrangement of article V as described in the preceding section of this article. The founders included the convention alternative in the amending article to enable the states to initiate constitutional reform in the event the national legislature refused to do so. To concede to the Congress any discretion to consider the wisdom and necessity of a particular convention call would in effect destroy the role of the states.

The comments of both Madison and Hamilton, subsequent to the 1787 Convention, sustain this construction. In a letter on the subject, Madison observed that the question concerning the calling of a convention "will not belong to the Federal Legislature. If two-thirds of the states apply for one, Congress cannot refuse to call it: if not, the other mode of amendments must be pursued." [12] Hamilton, in the Federalist No. 85, stated:

"By the fifth article of the plan the congress will be obliged, 'on the application of the legislatures of two-thirds of the states, (which at present amounts to nine) to call a convention for proposing amendments, which shall be valid to all intents and purposes, as part of the constitution, when ratified by the legislatures of three-fourths of the states, or by conventions in three-fourths thereof.' The words of this article are peremptory. The congress 'shall call a convention.' Nothing in this particular is left to the discretion . . ."

Sufficiency of State applications

Assuming the Congress may not weigh the wisdom and necessity of state applications requesting the calling of a constitutional convention, does it have the power to judge the validity of state applications and state legislative procedures adopting such applications? Clearly the Congress has some such power. The fact alone that Congress is made the agency for convening the convention upon the receipt of the requisite number of state applications suggests that it must exercise some power to judge the validity of those applications. The impotence or withdrawal of the courts underlines the necessity for lodging some such power in the Congress. The relevant question, then, concerns the extent of that power.

It has been contended that Congress must have broad powers to judge the validity of state applications and that such power must include the authority to look beyond the content of an application, and its formal compliance with article V, to the legislative procedures followed in adopting the application. The counterargument is that to grant Congress the power to reject applications, particularly if that power is not carefully circumscribed, would be to supply it with a means of avoiding altogether the obligation to call a convention. The result would be that the Congress could arbitrarily reject all applications on subjects it did not consider appropriate for amendment, leaving us in effect with only one amendment process. . . .

One further important point should be mentioned. Most of the states obviously do not now understand their role in designating subjects or problems for resolution by amendment, and many of them do not even know where to send their applications. By setting forth the formal requirements with respect to content of state applications and designating the congressional officers to whom they must be transmitted, the bill furnishes guidance to the states on these questions and promises to avert in the future some of the problems that have arisen in the current effort to convene a convention. The bill also requires that all applications received by the Congress be printed in the Congressional Record and that copies be sent to all members of Congress and to the legislature of each of the other states. In this way, the element of congressional surprise can be eliminated, and each state can be given prompt and full opportunity to join in any call for a convention in which it concurs.

The role of State Governors

The argument has been made that a state application for a constitutional convention must be approved by both the legislature and the governor of the state to be effective. This argument rests on the claim that article V intended state participation in the process to involve the whole legislative process of the state as defined in the state constitution. I do not agree with that argument. We do not have here any question about the exercise of the lawmaking process by a state legislature in combination with whatever executive participation might be called for by state law. We have rather a question of heeding the voice of the people of a state in expressing the possible need for a change in the fundamental document. . . .

Closely analogous court decisions support this interpretation. The Supreme Court in *Hawk* v. *Smith, No. 1* [14] interpreted the term "legislatures" in the ratification clause of article V to mean the representative lawmaking bodies of the states, since ratification of a constitutional amendment "is not an act of legislation within the proper sense of the word." [15] Certainly the term "legislature" should have the same meaning in both the application clause and the ratification clause of article V. Further support is found in the decision in *Hollingsworth* v. *Virginia*,[16] in which the Court held that a constitutional amendment approved for proposals to the states by a two-thirds vote of Congress need not be submitted to the President for his signature or veto.

The bill therefore provides specifically that a state application need not be approved by the state's governor in order to be effective.

May a State rescind its applications?

The question of whether a state should be allowed to rescind an application previously forwarded to the Congress is another of the political questions to which the courts have not supplied answers and presumably cannot. The Supreme Court has held that questions concerning the rescission of prior ratifications or rejections of amendments proposed by the Congress are determined solely by Congress.[17] Presumably, then, the question of rescission of an application for a convention is also political and nonjusticiable. Although the Congress has previously taken the position that a state may not rescind its prior ratification of an amendment, it has taken no position concerning rescission of applications. My strong conviction is that rescission should be permitted. Since a two-thirds consensus among the states at some point in time is necessary in order for the Congress to call a convention, the Congress should consider whether there has been a change of mind among

some states that have earlier applied. Moreover, an application is not a final action, since it serves merely to initiate a convention, and does not commit even the applicant state to any substantive amendment that might eventually be proposed.

The bill therefore provides that a state may rescind at any time before its application is included among an accumulation of applications from two-thirds of the states, at which time the obligation of the Congress to call a convention becomes fixed. Incidentally, the bill also provides that a state may rescind its prior ratification of amendment proposed by the convention up until the time there are existing valid ratifications by three-fourths of the states, and that a state may change its mind and ratify a proposed amendment that it previously has rejected. . . .

The Congress and the courts have agreed that constitutional amendments proposed by the Congress and submitted to the states for ratification can properly remain valid for ratification for a period of seven years. It has been felt that there should be a "reasonably contemporaneous" expression by three-fourths of the states that an amendment is acceptable in order for the Congress to conclude that a consensus in favor of the amendment exists among the people, and that ratification within a seven-year period satisfies this requirement.[10] Presumably, the same principle should govern the application stage of the constitutional amendment process . . .

Calling the convention

The bill provides that the Secretary of the Senate and the Clerk of the House of Representatives shall keep a record of the number of state applications received, according to subject matter. Whenever two-thirds of the states have submitted applications on the subject or subjects, the presiding officer of each house shall be notified and shall announce the same on the floor. Each house is left free to adopt its own rules for determining the validity of the applicants, presumably by reference to a committee followed by floor action. Once a determination has been made that there are valid applications from two-thirds or more of the state legislatures on the same subject or subjects, each house must agree to a concurrent resolution providing for the convening of a constitutional convention on such subject or subjects. The concurrent resolution would designate the place and time of meeting of the convention, set forth the nature of the amendment or amendments the convention is empowered to consider and propose, and provide for such other things as the provision of funds to pay the expenses of the convention and to compensate the delegates. The convention would be required to be convened not later than one year after adoption of the resolution.

. . . the bill has been amended to require that delegates be elected—not appointed—and that they be elected by the same constituency that elects the states' representatives in Congress. Under the amended bill, each state will be entitled to as many delegates as it is entitled to Senators and Representatives in Congress. Two delegates in each state will be elected at large and one delegate will be elected from each congressional district in the manner provided by state law. Vacancies in a state's delegation will be filled by appointment of the governor.

Convention procedure and voting

The bill provides that the Vice President of the United States shall convene the constitutional convention, administer the oath of office of the delegates and preside until a presiding officer is elected. The presiding officer will then preside over the election of other officers and thereafter. Further proceedings of the convention will be in accordance with rules adopted by the convention. A daily record of all convention proceedings, including the votes of delegates, shall be kept, and shall be transmitted to the Archivist of the United States within thirty days after the convention terminates. The convention must terminate its proceedings within one year of its opening unless the period is extended by the Congress by concurrent resolution.

Finally, the bill provides that amendments may be proposed by the convention by a vote of a majority of the total number of delegates to the convention. The alternative would be to impose a two-thirds voting requirement analogous to the requirement for congressional proposal of amendments. However, article V does not call for this, and I think that such a requirement would place an undue and unnecessary obstacle in the way of effective utilization of the convention amendment process.

Ratification of proposed amendments

The bill provides that any amendment proposed by the convention must be transmitted to the Congress within the thirty days after the convention terminates its proceedings. The Congress must then transmit the proposed amendment to the Administrator of General Services for submission to the states. However, the Congress may, by concurrent resolution, refuse to approve an amendment for submission to the states for ratification, on the grounds of procedural irregularities in the convention or failure of the amendment to conform to the limitations on subject matter imposed by the Congress in the concurrent resolution calling the convention. The intent is to provide a means of remedying a refusal by the convention to abide by the limitations on its authority to amend the Constitution. Of course, unlimited power in the Congress to refuse to submit proposed amendments for ratification would destroy the independence of the second alternative amending process. Therefore, the Congress is explicitly forbidden to refuse to submit a proposed amendment for ratification because of doubts about the merits of its substantive provisions. The power is reserved for use only with respect to amendments outside the scope of the convention's authority or in the case of serious procedural irregularities.

Ratification by the states must be by state legislative action or convention, as the Congress may direct, and within the time period specified by the Congress. The Congress retains the power to review the validity of ratification procedures. As noted earlier, any state may rescind its prior ratification of an amendment by the same processes by which it ratified it, except that no state may rescind after that amendment has been validly ratified by three-fourths of the states. When three-fourths of the states have ratified a proposed amendment, the Administrator of General Services shall issue a proclamation that the amendment is a part of the Constitution, effective from the date of the last necessary ratification.

IV. CONCLUSION

There is some evidence that the current effort to require the Congress to call a convention to propose a reapportionment amendment has failed and that the danger of a constitutional crisis has passed. The two additional applications needed to bring the total to thirty-four have not been received and there is a strong likelihood that some applicant states will rescind their applications. Even if this is the case, however, the need for legislation to implement article V remains. There may well be other attempts to utilize the convention amendment process and, in the absence of legislation, the same unanswered questions will return to plague us. The legislation therefore is still timely, and the Congress may now have the opportunity to deal with the sensitive constitutional issues objectively, uninfluenced by competing views on state apportionment or any other substantive issue.

Some have argued that the convention method of amendment is an anomaly in the law, out of step with modern notions of majority rule and the relationship between the states and the federal government. If so, that part of article V should be stricken from the Constitution by the appropriate amendment process. It should not, however, be undermined by erecting every possible barrier in the way of its effective use. Such a course would be a disavowal of the clear language and history of article V. The Constitution made the amendment process difficult, and properly so. It certainly was not the intention of the original Convention to make it impossible. Nor is it possible to conclude that the Founders intended that amendments originating in the states should have so much harder a time of it than those proposed by Congress. As I have pointed out, that issue was fought out in 1787 Convention and resolved in favor of two originating sources, both difficult of achievement, but neither impossible and neither more difficult than the other. My bill seeks to preserve the symmetry of article V by implementing the convention alternative so as to make it a practicable but not easy method of constitutional amendment.

FOOTNOTES

[1] The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of its equal Suffrage in the Senate, *U.S. Const. Art. V.*

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[9] 307 U.S. 433 (1939).

[10] *McCulloch v. Maryland*, 17 U.S. (4 Wheat.) 316, 407, 415 (1819).

[11] *E.g.*, LEGISLATIVE REFERENCE SERV., LIBRARY OF CONGRESS, THE CONSTITUTION OF THE UNITED STATES OF AMERICA; ANALYSIS AND INTERPRETATION, S. Doc. No. 39, 88th Cong., 1st Sess. 135–36 (1964); THE FEDERALIST Nos. 43 & 85 (J. Cooke ed. 1961); L. ORFIELD, AMENDING THE FEDERAL CONSTITUTION (1942); THE RECORDS OF THE FEDERAL CONVENTION OF 1787 (M. Farrand ed. 1937). The relevant excerpts from these and other sources are printed as an appendix to the *Hearings on the Federal Constitutional Convention Before the Subcomm. on Separation of Powers of the Senate Comm. on the Judiciary*, United States Senate, Oct. 30 and 31, 1967.

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[12] U.S. BUREAU OF ROLLS AND LIBRARY, DOCUMENTARY HISTORY OF THE CONSTITUTION OF THE UNITED STATES OF AMERICA V, 141, 143, *quoting* Madison's letter to Mr. Eve, dated Jan. 2, 1789.

[14] 253 U.S. 221 (1920).

[15] *Id.* at 229.

[16] 3 U.S. (3 Dall.) 378 (1798).

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[18] *Dillon v. Gloss*, 256 U.S. 368 (1921).

S. 600

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Constitutional Convention Procedures Act".

APPLICATIONS FOR CONSTITUTIONAL CONVENTION

SEC. 2. The legislature of a State, in making application to the Congress for a constitutional convention under article V of the Constitution of the United States, shall adopt a resolution pursuant to this Act stating, in substance, that the legislature requests the calling of a convention for the purpose of proposing one or more amendments to the Constitution of the United States and stating the nature of the amendment or amendments to be proposed.

APPLICATION PROCEDURE

SEC. 3. (a) For the purpose of adopting or rescinding a resolution pursuant to section 2 or section 5 of this Act, the State legislature shall follow the rules of procedure that govern the enactment of a statute by that legislature, but without the need for approval of the legislature's action by the Governor of the State.

(b) Questions concerning the adoption of a State resolution cognizable under this Act shall be determinable by the Congress of the United States and its decisions thereon shall be binding on all others, including State and Federal courts.

TRANSMITTAL OF APPLICATIONS

SEC. 4. (a) Within thirty days after the adoption by the legislature of a State of a resolution to apply for the calling of a constitutional convention, the secretary of state of the State, or, if there be no such officer, the person who is charged by the State law with such function, shall transmit to the Congress of the United States two copies of the application, one addressed to the President of the Senate and one to the Speaker of the House of Representatives.

(b) Each copy of the application so made by any State shall contain—

(1) the title of the resolution;

(2) the exact text of the resolution signed by the presiding officer of each house of the State legislature; and

(3) the date on which the legislature adopted the resolution; and shall be accompanied by a certificate of the secretary of state of the State, or such other person as is charged by the State law with such function, certifying that the application accurately sets forth the text of the resolution.

(c) Within ten days after receipt of a copy of any such application, the President of the Senate and Speaker of the House of Representatives shall report to the House of which he is presiding officer, identifying the State making application, the subject of the application, and the number of States then having made application on such subject. The President of the Senate and Speaker of the House of Representatives shall jointly cause copies of such application to be sent to the presiding officer of each house of the legislature of every other State and to each Member of the Senate and House of Representatives of the Congress of the United States.

EFFECTIVE PERIOD OF APPLICATION

SEC. 5 (a) An application submitted to the Congress by a State, unless sooner rescinded by the State legislature, shall remain effective for seven calendar years after the date it is received by the Congress, except that whenever within a period of seven calendar years two-thirds or more of the several States have each submitted an application calling for a constitutional convention on the same subject all such applications shall remain in effect until the Congress has taken action on a concurrent resolution, pursuant to section 6 of this Act, calling for a constitutional convention.

(b) A State may rescind its application calling for a constitutional convention by adopting and transmitting to the Congress a resolution of rescission in conformity with the procedure specified in sections 3 and 4 of this Act, except that no such rescission shall be effective as to any valid application made for a constitutional convention upon any subject after the date on which two-thirds or more of the State legislatures have valid applications pending before the Congress seeking amendments on the same subject.

(c) Questions concerning the rescission of a State's application shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

CALLING OF A CONSTITUTIONAL CONVENTION

SEC. 6. (a) It shall be the duty of the Secretary of the Senate and the Clerk of the House of Representatives to maintain a record of all applications received by the President of the Senate and Speaker of the House of Representatives from States for the calling of a constitutional convention upon each subject. Whenever applications made by two-thirds or more of the States with respect to the same subject have been received, the Secretary and Clerk shall so report in writing to the officer to whom those applications were transmitted, and such officer thereupon shall announce on the floor of the House of which he is an officer the substance of such report. It shall be the duty of such House to determine that there are in effect valid applications made by two-thirds of the State with respect to the same subject. If either House of the Congress determines, upon a consideration of any such report or of a concurrent resolution agreed to by the other House of the Congress, that there are in effect valid applications made by two-thirds or more of the States for the calling of a constitutional convention upon the same subject, it shall be the duty of that House to agree to a concurrent resolution calling for the convening of a Federal constitutional convention upon that subject. Each such concurrent resolution shall (1) designate the place and time of meeting of the convention, and (2) set for the nature of the amendment or amendments for the consideration of which the convention is called. A copy of each such concurrent resolution agreed to by both Houses of the Congress shall be transmitted forthwith to the Governor and to the presiding officer of each house of the legislature of each State.

(b) The convention shall be convened not later than one year after adoption of the resolution.

DELEGATES

SEC. 7. (a) A convention called under this Act shall be composed of as many delegates from each State as it is entitled to Senators and Representatives in Congress. In each State two delegates shall be elected at large and one delegate shall be elected from each congressional district in the manner provided by law. Any vacancy occurring in a State delegation shall be filled by appointment of the Governor of that State.

(b) The secretary of state of each State, or, if there be no such officer, the person charged by State law to perform such function shall certify to the Vice President of the United States the name of each delegate elected or appointed by the Governor pursuant to this section.

(c) Delegates shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at a session of the convention and in going to and returning from the same; and for any speech or debate in the convention they shall not be questioned in any other place.

(d) Each delegate shall receive compensation for each day of service and shall be compensated for traveling and related expenses. Provision shall be made therefor in the concurrent resolution calling the convention. The convention shall fix the compensation of employees of the convention.

CONVENING THE CONVENTION

SEC. 8. (a) The Vice President of the United States shall convene the constitutional convention. He shall administer the oath of office of the delegates to the convention and shall preside until the delegates elect a presiding officer who shall preside thereafter. Before taking his seat each delegate shall subscribe to an oath by which he shall be committed during the conduct of the convention to refrain from proposing or casting his vote in favor of any proposed amendment to the Constitution of the United States relating to any subject which is not named or described in the concurrent resolution of the Congress by which the convention was called. Upon the election of permanent officers of the convention, the names of such officers shall be transmitted to the President of the Senate and the Speaker of the House of Representatives by the elected presiding officer of the convention. Further proceedings of the convention shall be conducted in accordance with such rules, not inconsistent with this Act, as the convention may adopt.

(b) There are hereby authorized to be appropriated such sums as may be necessary by the payment of the expenses of the convention.

(c) The Administrator of the General Services shall provide such facilities, and the Congress and each executive department, agency, or authority of the United States, including the legislative branch and the judicial branch, except that no declaratory judgment may be required, shall provide such information and assistance as the convention may require, upon written request made by the elected presiding officer of the convention.

PROCEDURES OF THE CONVENTION

SEC. 9. (a) In voting on any question before the convention, including the proposal of amendments, each delegate shall have one vote.

(b) The convention shall keep a daily verbatim record of its proceedings and publish the same. The vote of the delegates on any question shall be entered on the record.

(c) The convention shall terminate its proceedings within one year after the date of its first meeting unless the period is extended by the Congress by concurrent resolution.

(d) Within thirty days after the termination of the proceedings of the convention, the presiding officer shall transmit to the Archivist of the United States all records of official proceedings of the convention.

PROPOSAL OF AMENDMENTS

SEC. 10. (a) Except as provided in subsection (b) of this section, a convention called under this Act may propose amendments to the Constitution by a vote of a majority of the total number of delegates to the convention.

(b) No convention called under this Act may propose any amendment or amendments of a nature different from that stated in the concurrent resolution calling the convention. Questions arising under this subsection shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

APPROVAL BY THE CONGRESS AND TRANSMITTAL TO THE STATES FOR RATIFICATION

SEC. 11. (a) The presiding officer of the convention shall, within thirty days after the termination of its proceedings, submit to the Congress the exact text of any amendment or amendments agreed upon by the convention.

(b)(1) Whenever a constitutional convention called under this Act has transmitted to the Congress a proposed amendment to the Constitution, the President of the Senate and the Speaker of the House of Representatives, acting jointly, shall transmit such amendment to the Administrator of General Services upon the expiration of the first period of ninety days of continuous session of the Congress following the date of receipt of such amendment unless within that period both Houses of the Congress have agreed to (A) a concurrent resolution directing the earlier transmission of such amendment to the Administrator of General Services and specifying in accordance with article V of the Constitution the manner in which such amendment shall be ratified, or (B) a concurrent resolution stating that the Congress disapproves the submission of such proposed amendment to the States because such proposed amendment relates to or includes a subject which differs from or was not included among the subjects named or described in the concurrent resolution of the Congress by which the convention was called, or because the procedures followed by the convention in proposing the amendment were not in substantial conformity with the provisions of this Act. No measure agreed to by the Congress which expresses disapproval of any such proposed amendment for any other reason, or without a statement of any reason, shall relieve the President of the Senate and the Speaker of the House of Representatives of the obligation imposed upon them by the first sentence of this paragraph.

(2) For the purposes of paragraph (1) of this subsection, (A) the continuity of a session of the Congress shall be broken only by an adjournment of the Congress sine die, and (B) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the period of ninety days.

(c) Upon receipt of any such proposed amendment to the Constitution, the Administrator shall transmit forthwith to each of the several States a duly certified copy thereof, a copy of any concurrent resolution agreed to by both Houses of the Congress which prescribes the time within which and the manner in which such amendment shall be ratified, and a copy of this Act.

RATIFICATION OF PROPOSED AMENDMENTS

SEC. 12. (a) Any amendment proposed by the convention and submitted to the States in accordance with the provisions of this Act shall be valid for all intents and purposes as part of the Constitution of the United States when duly ratified by three-fourths of the States in the manner and within the time specified.

(b) Acts of ratification shall be by convention or by State legislative action as the Congress may direct or as specified in subsection (c) of this section. For the purpose of ratifying proposed amendments transmitted to the States pursuant to this Act the State legislatures shall adopt their own rules of procedure. Any State action ratifying a proposed amendment to the Constitution shall be valid without the assent of the Governor of the State.

(c) Except as otherwise prescribed by concurrent resolution of the Congress, any proposed amendment to the Constitution shall become valid when ratified by the legislatures of three-fourths of the several States within seven years from the date of the submission thereof to the States, or within such other period of time as may be prescribed by such proposed amendment.

(d) The secretary of state of the State, or if there be no such officer, the person who is charged by State law with such function, shall transmit a certified copy of the State action ratifying any proposed amendment to the Administrator of General Services.

RESCISSION OF RATIFICATIONS

SEC. 13. (a) Any State may rescind its ratification of a proposed amendment by the same processes by which it ratified the proposed amendment, except that no State may rescind when there are existing valid ratifications of such amendment by three-fourths of the States.

(b) Any State may ratify a proposed amendment even though it previously may have rejected the same proposal.

(c) Questions concerning State ratification or rejection of amendments proposed to the Constitution of the United States, shall be determined solely by the Congress of the United States, and its decisions shall be binding on all others, including State and Federal courts.

PROCLAMATION OF CONSTITUTIONAL AMENDMENTS

SEC. 14. The Administrator of General Services, when three-fourths of the several States have ratified a proposed amendment to the Constitution of the United States, shall issue a proclamation that the amendment is a part of the Constitution of the United States.

EFFECTIVE DATE OF AMENDMENTS

SEC. 15. An amendment proposed to the Constitution of the United States shall be effective from the date specified therein or, if no date is specified, then on the date on which the last State necessary to constitute three-fourths of the States of the United States, as provided for in article V, has ratified the same.●

ADDITIONAL COSPONSORS

S. 158

At the request of Mr. HELMS, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 158, a bill to provide that human life shall be deemed to exist from conception.

S. 267

At the request of Mr. DECONCINI, the Senator from North Dakota (Mr. BURDICK) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

SENATE JOINT RESOLUTION 30

At the request of Mr. RIEGLE, the Senator from Alabama (Mr. DENTON) was withdrawn as a cosponsor of Senate Joint Resolution 30, a joint resolution to designate April 26, 1981 as "National Recognition Day for Veterans of the Vietnam Era."

SENATE JOINT RESOLUTION 40

At the request of Mr. RIEGLE, the Senator from Connecticut (Mr. WEICKER), the Senator from Wisconsin (Mr. KASTEN), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of Senate Joint Resolution 40, a joint resolution to designate April 26, 1981 as "National Recognition Day for Veterans of the Vietnam Era."

SENATE CONCURRENT RESOLUTION 10

At the request of Mr. HATFIELD, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Concurrent Resolution 10, a concurrent resolution expressing the sense of the Congress concerning the continuing permanent conversion of productive agricultural lands to nonagricultural uses.

NOTICES OF HEARINGS

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. HATCH. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Wednesday, March 4, at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on home health care (S. 234).

Persons wishing to testify or submit written statements, please contact Judy Stefanki, 224-3191, 4228 Dirksen Senate Office Building, of the committee staff.

Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled the following hearings for the months of March and April:

Friday, March 20, at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on public health categorical program (first day).

Thursday, March 26, at 9:30 a.m. in room 4232 Dirksen Senate Office Building, on health professions education/nurse training.

Friday, March 27, at 9:30 a.m. in room 4232 Dirksen Senate Office Building, on public health categorical programs (second day).

Tuesday, March 31, at 9:30 a.m. in room 4232 Dirksen Senate Office Building, on family planning.

Wednesday, April 1, at 9:30 a.m. in room 4232 Dirksen Senate Office Building, on adolescent pregnancy.

Wednesday, April 8, at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on health maintenance organizations.

Wednesday, April 22, at 9:30 a.m. in room 4232, Dirksen Senate Office Building, on community/migrant health centers and National Health Service Corps.

Persons wishing to testify or submit written statements, please contact Phyllis Brown or Judy Stefanki, 224-3191, 4228 Dirksen Senate Office Building, of the committee staff.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Rules Committee will be holding a hearing on Friday, March 6, at 10 a.m. in room 301, Russell Building.

The Architect of the Capitol, George M. White, will be testifying on the west front of the Capitol, the Hart Building, proposed modifications to the Russell and Dirksen Buildings, and the master plan for the U.S. Capitol.

ADDITIONAL STATEMENTS

CENTER FOR DEMOCRATIC POLICY FORMED

● Mr. KENNEDY. Mr. President, a promising new Democratic policy group has just been formed to explore the important questions of foreign and domestic policy facing the Nation.

Announced earlier this week, the Center for Democratic Policy, chaired by President Terry Sanford of Duke University, will call on the talents of leading public policy experts, activists, and former officials in the Democratic Party. It will seek out new ideas and innovative approaches for the 1980's. Above all, it will help to reaffirm the historic values of the party and its current commitment to progressive leadership on all the critical issues of the American agenda.

It is clear that those of us who believe in liberal principles and progressive policies now face a special challenge. There are as many explanations as there are experts about the election and the events of the 1980 campaign. But we cannot afford to take easy comfort from convenient excuses.

We must honestly face the fact that successive efforts at governing under different parties and public philosophies have been tried and found wanting. The prevailing answers have proved unequal to the dimensions of our problems or the expectations of our people.

For the past decade, inflation has been a central issue. Yet, all the attempts to resolve it have brought only recurring recession without effective price restraint. In fact, the result of each cycle has been higher inflation, deeper human suffering, and greater public frustration.

We face a similar impasse in foreign and defense policy. For the better part of two decades, ever since the debate began on the Vietnam War, we have been without a consistent framework to reshape and revitalize the American role in the world.

For too long, we have evaded hard choices across the range of public policy. We have neglected the overriding need to modernize and reindustrialize our economy. We have failed to meet the fundamental challenge of a worldwide energy revolution. Increasingly, the people doubt our capacity to achieve the ideal of social justice. They wonder whether it is possible in our time, in the truest sense, "to secure the blessings of liberty to ourselves and our posterity"—to assure both private initiative and public efficiency, to provide equity and economic progress at the same time.

Too often, it seems that we are reliving old quarrels and perpetuating old divisions. The past can offer lessons, but not dogma for the future. Enduring principles must never be confused with programs that fall short.

We must preserve liberal principles by adapting them to our present condition. We must reexamine conventional approaches to continuing problems. We must seek contemporary answers to new problems that transcend old categories. We must find 1980's solutions to the challenges of the 1980's.

A readiness to think anew and act anew has always been the sustaining strength of the American system and of the progressive cause. From the Square Deal to the Fair Deal, from the New Freedom to the New Frontier, from the New Deal to the Great Society, we have pursued our dream down the distinct paths of different generations. So we met the crisis of the Depression and the moral imperative of civil rights. We developed a new economics for the 1960's and a new environmental conscience in the 1970's. And in recent years we have led the way to deregulation of the transportation industry and ended government interference in the competitive marketplace.

There has been a common theme through all this history, a guiding star in all these efforts. The progressive cause has always been a dynamic cause. It has been our tradition never to follow tradition blindly—yet never to yield on essential values.

As we redefine our policies for the next decade, we must rededicate ourselves to the great principles of fairness and compassion. As I said to the Democratic Convention last summer, the commitment we seek "is not to outworn views, but to old values that will never wear out. Programs may sometimes become obsolete, but the ideal of fairness always endures. Circumstances may change, but the work of compassion must continue."

It is time now for a coherent and thoughtful effort to take a fresh look, to marshal new ideas and new insights, to offer a realistic agenda still true to the idealism of America.

We must encourage research and discussion. We must work to bring together the best minds from the academic world and public affairs, from business and labor, from consumer and citizen groups. We must examine the role of progressive values and the relationship between public authority and the private sector. We must explore ways to improve the political process in America. We must review past programs to achieve prosperity, equity, and efficiency in domestic policy. We must search for new means to advance both the national security and the prospects for international peace.

A broad effort is essential, because we can no longer afford the clash of special interests and narrow visions. And the effort must also be substantive, because we cannot master the future with words that merely repeat or renounce the policies of the past. Indeed, too many of the most important liberal ideas have never had the chance to succeed or to fail; the problem is that they have never been tried.

Americans are dissatisfied, but their demand is not to undo the progress that has been made. They do not want reaction or retreat. They want to see this Nation move forward. They want the system to work.

We need more than the slogans of an old conservatism or a new liberalism. It is vital to question conventional assumptions, but that is not enough. We must find innovative answers, but we must also preserve existing answers that serve us well—and improve them where we can.

I am confident that we can find those answers. We must be honest about the sacrifices ahead. But we can be hopeful about the vitality of our national values and about the possibilities of national progress.

So I welcome the creation of the Center for Democratic Policy as an important step toward realizing these goals. I commend the founders and organizers for the worthwhile initiative they have undertaken, and I look forward to the results of their endeavor.

Mr. President, I believe that the activities of the Center for Democratic Policy will be of interest to all of us who share these goals for the future of our country. I ask that the announcement of the center, its statement of purpose, and a list of its officers and the members of its National Advisory Board be printed in the RECORD.

The material follows:

NEW CENTER FOR DEMOCRATIC POLICY FORMED; SANFORD, VANCE, OTHER WELL-KNOWN DEMOCRATS TO SERVE AS BOARD MEMBERS

WASHINGTON, D.C., February 24.—A broadly based group of Democratic thinkers, activists and former officials, chaired by Duke University President Terry Sanford, announced today the formation of a Center for Democratic Policy, a non-profit educational organization which will address both foreign and domestic policy questions, as well as issues involving reform of the political process.

Former Secretary of State Cyrus Vance and California Assembly leader Maxine Waters will serve as vice-chairpersons. Two other vice-chairs are to be designated during the next two weeks. Ted Van Dyk, former aide to Hubert Humphrey and George McGovern and an official in past Democratic administrations and national campaigns, will serve as full-time president and chief executive officer.

A board of advisors, still in formation, includes former Labor Secretaries Ray Marshall and Willard Wirtz; Assemblywoman Cleta Deatherage, chairperson of the Oklahoma Assembly's Ways and Means Committee; Antonia Hernandez, Executive Director of the Mexican-American Legal Defense Fund; Democratic Forum President Lester Hyman; Mayors Kenneth Gibson of Newark, New Jersey, Richard Hatcher of Gary, Indiana, and Henry March of Richmond, Virginia; attorney and conservationist Cathy Douglas; consumer leader Carol Tucker Foreman; California Assemblyman Mel Levine; North Carolina women's leader Amanda Mackey Smith; Donald Siegleman, Alabama Secretary of State; Mississippi civil rights leader and state legislator Aaron Henry; former VISTA director Marge Tabankin; Barbara Blum, former deputy administrator of the Environmental Protection Agency; D.C.

Councilman John Ray; Carter administration human rights coordinator Patt Derian; former Senator Adlai Stevenson; LBJ Counsel Harry McPherson; Carter domestic advisor Stuart Eisenstat; United Autoworkers president Douglas Fraser; Carter aide Anne Wexler; Kennedy aides Peter Edelman and Paul Kirk; Mondale aides Richard Moe, Jim Dyke and Bert Carp; Hunter College President Donna Shalala; former Defense Department officials Paul Warnke and Adam Yarmolinsky; Democratic Vice-Presidential candidate R. Sargent Shriver; former State Department spokesman Hodding Carter; U.N. Delegate Marge Benton; former White House counsel Lee White; former Ohio Governor John Gilligan; political scientist James David Barber; Harvard law professor Abram Chayes; and a number of past contributors to public-interest causes including Joseph Filner, Bernard Rapoport, Arnold Picker, Nathan Landow, and Maurice Rosenblatt. The group also includes a number of young Democrats identified with policy development.

No incumbent Senators, Congressmen, Governors or speculated Presidential candidates will be asked to serve on the Center's board, Sanford said, so as to underscore the fact that the group will undertake no lobbying, have no direct political involvement, and make no political contributions or endorsements. The sole federal officeholder on the board is Rep. Michael Barnes of Maryland, who in 1973 was instrumental in founding the Center's predecessor organization, the National Democratic Forum, which was active from 1973–77 in promoting issues-discussions among Democrats.

The Center's statement of purpose says it wants "to reach beyond the ideas of the New Deal and the Great Society" in a period in which "the Democratic Party is in a crisis of confidence." A program subcommittee, initially consisting of Carol Tucker Foreman, Adam Yarmolinsky, Ray Marshall, Stuart Eisenstat, Eleanor Holmes Norton, Peter Edelman and Cathy Douglas, is charged with proposing a substantive work agenda to the Council board sometime in late March. Economic issues, Sanford said, will have initial priority.

The Council's budget for the remainder of 1981 will be approximately $500,000, Van Dyk said, with 1982 expenditure planned of from $1–1.5 million. Permanent offices will open before June 1 in Washington, D.C.

The group's activities will include a number of policy symposia and studies; seminars; publication of a monthly newsletter and quarterly journal; and undertaking of a national issues conference in early 1982.

STATEMENT OF PURPOSE—CENTER FOR DEMOCRATIC POLICY

The Democratic Party has been the active ingredient in American politics throughout this century. In or out of office, Democrats have advanced the fundamental ideas that helped to define the role of government in our society and the role of our nation in the world.

Today, after an electoral defeat that lost the White House, and, for the first time in more than twenty-five years, one House of Congress, the Democratic Party is in a crisis of confidence. On the one hand the reforms that were intended to broaden the base of participation in the Party have reduced the role and influence of Party leaders at every level. On the other hand, the ideas that have been the lifeblood of Democratic policy are increasingly under attack as outmoded or wrongly conceived to begin with. Traditional Democratic constituencies are alienated, while young idealists and older intellectuals are not turning to the Party as a vehicle to move their ideas into action.

The Party is no longer seen as a tabernacle where diverse groups can find common ground in the national interest, but rather as a bazaar where special interests—perhaps less well-heeled than their Republican counterparts—can trade favors.

We are all Democrats who take pride in our Party's past and have faith in its future. We believe that, to paraphrase William Faulkner, the Democratic Party will not only survive; it will prevail. We see the need for several kinds of efforts to rebuild the Party: organizational efforts from the precinct and ward level on up; fund-raising efforts; efforts to find and encourage new candidates for elective offices, local, state and national; and efforts to bring new ideas into the cauldron of Democratic politics. This last activity is the one we have chosen to pursue.

We have come togther to form a new organization, independent of formal Party structures. We propose to engage in active exploration of new ways in which the Democratic Party can contribute to making government a better servant of human needs.

We have no program that we are attempting to promulgate or to promote. We do not intend to endorse or align ourselves with any political candidate, ideological faction, or special interest group. Rather we intend to reach out to sources of new ideas—and new variations of old ideas—in labor and business, in the academic world, in the professions, and to introduce those ideas into the political process. We want to help restore the searching liveliness of that process within the Party, confident that what emerges will provide the substantive materials for political action.

We have identified four premises as essential elements of the Democratic tradition going back to Thomas Jefferson:

1. It remains a self-evident and fundamental truth that governments are instituted to secure the rights of all men and women to life, liberty and the pursuit of happiness, and that they derive their just powers from the consent of the governed.

2. Government, tightly managed at every level and channelled by the challenge of new problems, is a necessary and useful instrument for the common good and not the underlying cause of our current difficulties. We reaffirm the Democratic Party's historical values and goals, particularly the goal of economic and social justice; we seek to explore new approaches to achieve them.

3. We seek the rebuilding of a vital American economy in which productivity, initiative and work are appropriately rewarded; but we need not and must not do so at the expense of the poor and the powerless.

4. The world today is interdependent, and our ability to get along in it depends as much on how we work with other nations as friends as on how we counter those who would be our adversaries.

The United States is in a time of awkward and painful transition to a new era at home and abroad. Nostalgia is no answer. Domestically, we have to reach beyond the ideas of the New Deal and the Great Society, acknowledging the inadequacy of our intellectual response to deal with the central resolving persistent problems of distribution Internationally, we have to rethink our role as a superpower, ensuring adequate military strength, sharing the burdens of leadship even with reluctant allies and friends, while recognizing our newly exposed vulnerabilities in a world-wide economic system.
problem of productivity, as a prerequisite to

The immediate specific tasks are enormous. We need to find new ways to meet old objectives: to control the twin evils of inflation and unemployment, to restore high and rising productivity, to achieve energy independence while we help our friends to achieve energy security, to stop the multiplication and the spread of nuclear weapons, to provide for flexible military strength at reasonable cost, to protect our natural resources without stifling the economy, to foster trade and development as the best remedies for starvation, poverty and unrest around the world, and to meet our obligations as an exemplar and advocate of human rights.

As new problems arise, we are confident that Democrats can and must offer new answers in the humane and innovative tradition of our party. We plan to involve ourselves in that process.

We expect to operate through task forces and study groups of our own members, calling on academic and other specialists as appropriate. We will disseminate and exchange ideas through publications, conferences, forums and other meetings around the country, and by responding to requests from members of Congress. In particular we hope in time to develop state and local affiliate organizations and correspondents so that ideas and activities flow from all over the country into Washington.

We will invite people to join our organization from a wide range of occupations and interests, mindful of the broad base of the Democratic Party itself. We believe we can serve as a forum for the rising generation of leaders. We will limit our membership only by our capacity to involve our members in the work of helping to rebuild the intellectual base for our Party and for a democratic society.

CENTER FOR DEMOCRATIC POLICY

Hon. Terry Sanford, Chairman of the Board; Hon. Cyrus Vance, Vice Chairman; Hon. Maxine Waters, Vice Chairperson.

Ted Van Dyk, President; Lanny Davis, Secretary; Gregory B. Craig, Treasurer; David Ifshin, Legal Counsel.

NATIONAL ADVISORY BOARD (Still in formation)

Madeline Albright, Kenneth Arrow, James David Barber, Michael D. Barnes, Richard Beattie, Josiah Beeman, Margery Benton, Sandy Berger, Ellen Berman, Albert Beveridge, III, David Birenbaum, Barbara Blum, Jack E. Brown, Ron Brown, Bert Carp, Elizabeth Carpenter, Hodding Carter, III, Abram Chayes, Kenneth B. Clark, Sheldon Cohen, Elliot Cole, Cleta Deatherage, Patt Derian, Sally Determan, William Dobrivir, Cathleen H. Douglas, Alfredo Duran, James W. Dyke.

Marian Wright Edelman, Peter Edelman, Stuart Eizenstat, Joseph H. Filner, Vic Fingerhut, Pam Fleischaker, Nancy M. Folger, Carol Tucker Foreman, John Frank, Raquel Frankel, Doug Fraser, Kenneth Gibson, John J. Gilligan, Milt Gwirtzman, Keith Haller, Ellen Hass, Richard Hatcher, Ben Heineman, Jr., Aaron Henry, Antonia Hernandez, Harold Himmelman, Mark Hogan, Harry Huge, Robert Hunter, Lester Hyman, Johnny Iaccio, Robert Kapp, Nicholas deB. Katzenbach.

Robert Keefe, John Kester, James King, Paul Kirk, William Lake, W. Anthony Lake, Carol Lancaster, Nate Landow, Si Lazerus, Thomas Lemberg, Richard Leone, Sander Levin, Mel Levine, Judy Lichtman, Hamilton Loeb, Frank Loy, Henry March, Ray Marshall, Ann Martindell, Tom McCoy, Pat Gwaltney McGinnis, Harry McPherson, Pancho Medrano, Lloyd Meeds, Peggy Michelman, Dick Moe, Richard Murphy, Richard Neustadt, Jr., Vern Newton, John Nolan, Eleanor Holmes Norton, William Oldaker, Charles Palmer, Arnold Picker.

Carol Randles, Bernie Rapaport, John Ray, Mary Louise Reid, Richard Rivers, James Rosapepe, Alvin Rosenbaum, Maurice Rosenblatt, David Rubenstein, Barbara Schley,

Adam Schloss, Stephen Schlossberg, Polly Shackleton, R. Sargent Shriver, Donna Shalala, Donald Siegelman, Amanda Mackey Smith, Tim Smith, Dan Spiegel, Maureen Steinbruner, Al Stern, Adlai Stevenson, Jr., Kevin Sullivan, Marge Tabankin, Paul Warnke, Anne Wexler, Lee C. White, Susan Williams, Willard Wirtz, Harris Wofford, Robert C. Wood, Adam Yarmolinsky, Raul Yzaguirre.●

COMMEMORATING THE 200TH ANNIVERSARY OF RATIFICATION OF THE ARTICLES OF CONFEDERATION

● Mr. MATHIAS. Mr. President, March 1 marks the 200th anniversary of the unanimous ratification by the Thirteen Colonies of the Articles of Confederation, our "first Constitution." Debate over this document lasted 4 years. Alterations were made with an eye toward forming a more perfect Union. Eight States accepted the articles as early as July 4, 1778, and four more had joined the ranks by February of 1779. The lone holdout was the delegation from the State of Maryland under the direction of George Hanson, William Paca, and George Plater.

Maryland, small in size but large on commitment to the Nation, faced a showdown against three major "landed" States to the south, particularly its neighbor and old rival, Virginia. The issue focused on which States would control what part of the Northwest Territory. The Maryland delegation insisted as a precondition to the unanimous ratification of the Articles of Confederation that the Northwest Territory should be the property of the United States.

By persuading the States to relinquish their claims, real or pretended, to the vast territory of the Northwest, Hanson performed perhaps the greatest service to the Union of any individual from the signing of the Declaration of Independence to the adoption of the second Constitution in 1789. Perhaps inspired by the words of Patrick Henry who stated at the First Continental Congress in Philadelphia in 1774 that "British oppression has effaced the boundaries of several colonies. I am not a Virginian but an American." Hanson believed that common ownership creates a strong feeling of fellowship.

The Maryland delegation's insistence that all lands beyond the natural geographical borders of the States be ceded to the United States for the common benefit reflected the hope that new States would be created out of the western territories to form one great Nation. The vision of the Maryland delegation sought to promote the general welfare of the young republic against the parochial interests of individual States. Maryland insisted that the business at hand revolve around the formation of a more perfect Union. With 200 years of experience behind us, the business at hand is still the formation of a more perfect Union.

I commend to my colleagues an article that was published in the February 1981 edition of the American Bar Association Journal, entitled "Our First Constitution: The Articles of Confederation," by William F. Swindler, for its insight into the complexities of the birth of American democracy, and I ask that it be printed in the RECORD.

The article follows:

OUR FIRST CONSTITUTION: THE ARTICLES OF CONFEDERATION

(By William F. Swindler)

The period of the nation's bicentennial, from independence to the final implementation of the federal government under the Constitution to be observed in 1967–89, includes several events less familiar in history but significant in their own place and time. In 1979 was the bicentennial of legal education marked by the founding of the chair of law at the College of William and Mary on December 4, 1779 (see 64 A.B.A.J. 1872). In 1981 will come two events—the final ratification of the Articles of Confederation in March and the final victory of the Revolution at Yorktown in October.

Of these two, it is safe to say that the Yorktown event will be more widely recognized. But as a milestone in the unique experiment in government that became the United States of America, the quiet happening at Philadelphia on March 1, 1781, may be more significant in constitutional history. For with that event—the final adoption by the 13 states of the Articles of Confederation—the American people moved toward identity as a nation. This was the vital transitional step from the ad hoc Continental Congress to "the United States in Congress assembled" to the ultimate drafting of the Constitution and "the more perfect union" of a federal form of government.

The drafting and approval of the "Articles of Confederation and Perpetual Union" did not come easily. A confederation was first formally proposed in May, 1776, when Richard Henry Lee of Virginia offered his famous resolution, "That these United Colonies are, and of right ought to be, free and independent States." This resolution was in fact one of three related proposals, the second calling for the seeking of foreign alliances for the coming war with Great Britain, and the third stating "That a plan of confederation be proposed and transmitted to the respective Colonies for their consideration and approbation."

These resolutions in themselves marked a transitional step in American constitutional thought. The famous Declaration of Independence, which followed in July, was actually the third in a series of declarations by the Continental Congress, which, as the years passed, had moved the 13 colonies slowly and reluctantly toward independence. In 1774 the First Continental Congress had published its Declaration and Resolves, which called on the mother country to ensure to the colonists their rights as Englishmen. When Parliament ignored this representation, the Second Continental Congress in 1775 issued its Declaration on the Reasons for Taking Up Arms—in defense of the inalienable rights of Englishmen. Thus the Declaration of 1776 was the final step in an inexorable process: in order to secure their rights as Englishmen, the English colonists now declared that they had to be independent of England itself.

There were, literally speaking, only two Continental Congresses. The first met from September 5 to October 26, 1774. The Second, which opened May 10, 1775, continued until it was converted into the permanent organ of a national government by the final adoption of the Articles on March 1, 1781. The use of the title, Continental Congress, actually continued throughout the confederation period until the new Constitution went into effect in April 1789.

The idea of an intercolonial parliamentary union had appeared recurrently in American colonial history. The New England Confederation of 1643 was a regional version of the concept, largely in reaction to the civil war then raging in the mother country. In 1697 William Penn had proposed a federation for all the then existing colonies, and in 1754 the Albany Congress, convened at the encouragement of the mother country to mobilize colonial efforts for the French and Indian War, had debated a formal "plan of union." All of these assumed the ultimate supremacy of the British government, and in the first two sessions of the Continental Congress a similar proposal for a confederation of the colonies was offered as an alternative to the radical proposal for complete independence.

With the Declaration of 1776, however, the issue had fundamentally changed. For the immediate and wartime present, the Continental Congress existed of necessity to co-ordinate—poor though the co-ordination was—colonial or state efforts to carry on the War of Independence. The postwar question obviously was: assuming that there should be some continuing forum for the exchange of information and for co-ordinating activities of the sovereign states, how should it be organized?

A central government, whether in London or Philadelphia, was seen as a restraint on the freedom of local legislatures and hence to be resisted by radicals like Sam and John Adams of Massachusetts, or Thomas Jefferson or Patrick Henry of Virginia. Somewhat self-consciously, men like these in these two most militant of the erstwhile colonies came to call their new governments commonwealths, after the form of government during the English Revolution. It was perhaps that equally zealous radical, Benjamin Franklin, who persuaded Pennsylvania to follow the same example. The fourth commonwealth of the modern Union—Kentucky—inherited the tradition from its parent state, Virginia.

In the debate over Lee's threefold resolutions of May, 1776, in fact, there was some argument that confederation should precede independence. How, it was asked, could 13 separate colonies legally declare their joint or simultaneous independence and make the declaration recognized as valid by the society of nations? On the other hand, some of the erstwhile colonies, like Virginia, were making their own declarations part of their new state constitutions.

John Dickinson, from the "three lower counties" of Pennsylvania (Delaware), was the first draftsman of a plan for confederation, prepared by a committee made up of a delegate from each of the colonies, with the draft being reported back to Congress a week after the formal proclamation of the Declaration of Independence. When debate on the details of the draft began, the divisions among the states immediately manifested themselves and became so sharp that Joseph Hewes from North Carolina gloomily predicted that "we shall never modell it so as to be agreed to by all the Colonies."

A month later the debate was broken off, primarily because of the overriding concerns of the developing military action of the Revolution. It would be the following April before the subject was put back on the calendar, at which time it was agreed that two days a week should be spent in debate on the articles until final agreement on an instrument could be reached. That came in November, when the final form was approved and the articles submitted to the states for action.

The major concerns that had to be resolved in this quasi-convention of April-November, 1777, involved the preservation of all but complete independence or sovereignty for the individual states, equality of representation or voting power among the delegations of the several states to the Continental Congress, apportionment of costs of supporting the national government, and—knottiest of all—disposition of the great tracts of land held by some states as against the "landlessness" of the others.

The opening article of the 13 finally agreed on simply stated: "The stile of this confederacy shall be 'The United States of America.'" The official designation of the new government, however, was always expressed as "the united States, in Congress assembled." The small "u" told the story: this government only took on valid character when the independent states came together to act in concert on those matters the other articles empowered them to address. The matter of state status within this "confederacy" was firmly declared by the second article: "Each State retains its sovereignty, freedom, and independence, and every power, jurisdiction, and right, which is not by this confederation expressly delegated to the united States, in Congress assembled."

Herein, of course, lay two seeds of future constitutional dispute, which have continued to the present day. The retention of ultimate sovereignty always has been the crux of the argument of the "states' rights" school of constitutional theory. And the words "expressly delegated" always have been strenuously argued by this school to have been implied in the creation of the new government under the Constitution of 1787.

As for representation in Congress, it was understood almost from the outset that the unit rule of one vote per state, which had been practiced from the First Continental Congress, would obtain. Each state was entitled, under Article V, to not less than two nor more than seven delegates, who would have to agree among themselves as to how their state's vote was to be cast. Delegates served a three-year term and were not eligible for re-election until after a term's interval. Each state bore the expenses of its own delegation.

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He deserved better of his country. The emerging nation he served paid him only the dubious honor of continuing him in office throughout these formative 15 years. When he finally turned over to the new federal government the complete papers of the confederation, he was given neither special recognition nor the offer of a place in the national agencies then being organized.

Thomson bore all of this with equanimity. An Irish orphan of ten when he was put ashore with five brothers and sisters at New Castle, Delaware, in 1739, he gained enough education to support himself as a schoolmaster until he was able to turn to trade, where he quickly proved his abilities in business. By 1757 he was so well known for his fairness and integrity that the Indian tribes named him "the man who speaks truth" and made him their representative at the Treaty of Easton. By the time of the First Continental Congress he was known as "the Sam Adams of Philadelphia, the life of the cause of liberty." In July 1789, when he retired from public service, he took up a scholarly life on his estate near Philadelphia, producing a well-endorsed four-volume study of the Bible. He died at the age of 95 in 1824, still little recognized or honored.

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Many of the proposed powers of government set out in the articles were to be repeated, some in haec verba, in the later Constitution. Full faith and credit, jurisdiction over interstate commerce, power of coinage, operation of a postal service, authority to set standards of weights and measures, even training and disciplining of military forces (saving various state prerogatives). The Achilles heel was the provision in Article VIII that all expenses of government were to be paid from a "common treasury, which shall be supplied by the several states," the legislatures of which would levy special taxes to meet their proportionate share of the costs. If this were not enough to lay a fatal impediment on the national government, the sixth clause of Article IX took away most of what appeared to be granted by the first five clauses, by stipulating that with respect to conducting or financing national defense (the supposed primary concern of an interparliamentary union) Congress was not to act without the consent of at least nine of the 13 states.

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The two cases in which issues were or could have been joined involved the Wyoming Valley lands in Pennsylvania, claimed by Connecticut under a prior charter, and the "Hampshire grants" disputed by New Hampshire and New York, an issue that finally became moot when the area was admitted to the Union as the state of Vermont. The Wyoming case involved conflicting claims by Pennsylvania under its charter of 1681 and the Connecticut charter of 1662. It came to a head following the massacre of settlers by a joint force of Tories and Indians in the summer and fall of 1778. When the survivors began to make plans for resettling, Pennsylvania sought to forestall a renewal of Connecticut's allegation of jurisdiction by petitioning Congress to create a special commission to hear the arguments of both sides. When Connecticut agreed to the jurisdiction, a five-man court was sworn in at Trenton where, after 42 days of hearing testimony, a unanimous judgment was rendered in favor of Pennsylvania.

As for the prize appeals, the problem of interstate judicial review was recognized by George Washington as early as November, 1775, nearly eight months before independence and on his recommendation Congress later that year set up a special committee to formulate a procedure to deal with the matter. When 12 of the states had created their own admiralty courts (New York, with its only seaport occupied by the British throughout the war, never had occasion to do so), a standing committee of Congress was established to hear appeals from them. The volume of business was such that in May, 1780, the first statute creating a national court was passed by Congress, setting up the special Court of Appeals in Cases of Capture. This court, with the first "federal" judges (William Paca of Maryland, Cyrus Griffin of Virginia, George Read of Delaware, and John Lowell of Massachusetts), heard 118 appeals from the various states, affirming 39 and reversing 45. The records for the remainder are too fragmentary for one to determine their disposition. (For a definitive study, see Henry J. Bourgignon's The First Federal Court, published by the American Philosophical Society in 1977.)

Ratification of the Articles of Confederation began fairly expeditiously, and by July 9, 1778, enough states had favorably instructed their delegates in Congress to encourage that body to draft a form of ratification and open it to signature. Eight states thereupon affixed their names—Connecticut, Massachusetts, New Hampshire, New York, Pennsylvania, Rhode Island, South Carolina, and Virginia. By February, 1779, four more had signified their approval: Delaware, Georgia, New Jersey, and North Carolina. But one state, Maryland, was holding out, and without unanimous approval, the articles could not go into effect.

Maryland's opposition went to the most fundamental of the issues hampering the birth of the nation—the Western lands.

Early colonial charters had been vague as to geography; several of them made grants, between specified lines of latitude, from the "western shores of the Atlantic" to the "South Seas." Eventually the Mississippi River became tacitly accepted as the major body of water marking the western boundaries for the colonies of Georgia, North Carolina, and Virginia. Massachusetts and Connecticut had claims to smaller strips to the west, but both saw these claims gradually extinguished until Connecticut retained only a "Western Reserve" on the shores of Lake Erie for the resettlement of the victims of the "firelands"—coastal regions ravaged by British naval bombardment. New York and Pennsylvania had such vast territories that they made little effort to add to them until others, principally the Ohio Company of Virginia, preempted the area that became the "old Northwest." Rhode Island and Delaware, for various historical reasons, had no basis for claiming territories beyond the seaboard. New Jersey and South Carolina were geographically hemmed in, so their demands that Western lands be ceded to the new nation were matters of principle or at least pro forma. New Hampshire's interest had been in the "Hampshire grants."

Maryland was left as the sole holdout against the three major "landed" states to the south, and particularly against its old rival and neighbor, Virginia. Indeed, Virginia did present a monolithic threat. In addition to the huge jurisdictions represented in its District of Kentucky and its "county" of Illinois, its Ohio Company had taken out

patents for great tracts on which it proposed to promote settlements in what were to become the states of Ohio, Indiana, Michigan, Wisconsin, and part of Minnesota. With the capture of Vincennes by its own troops under George Rogers Clark early in the Revolution, Virginia further asserted claim to the entire area by right of conquest.

In lieu of a tax power, the Continental Congress could anticipate a significant asset, convertible into bounties for Revolutionary veterans, in the form of the land cessions. The national interest also pointed to a progressive expansion of new states to be created from these lands and added to the Union. And it is worth noting that the one major legislative accomplishment of the Confederation was the enactment, in its declining months, of the famous Northwest Ordinance of 1787, which offered a kind of constitutional bridge between the ineffective Articles of Confederation and the Constitution that the Philadelphia Convention at that same time was bringing to final form. The ordinance was to be incorporated into the statutes of the First Federal Congress and would serve as the model for territorial organization throughout most of the national history.

When Virginia finally gave in to Maryland's insistence, early in 1781, the last obstacle to ratification of the Articles of Confederation was removed. By February the unanimous adoption of the new frame of government was certified, and one month later the new government formally came into being. There were no stirring speeches, or anything to mark the event at the time. The Congress continued as it had before, although the community celebration outside the legislative halls made up for the prosaic course of business within. John Paul Jones's warship, the *Ariel*, fired off salutes in the harbor, and these were answered by fireworks from the city. The evening was filled with receptions, dinners, and "collations" in celebration.

It had taken three years of effort to achieve the adoption of the Articles of Confederation. They would last for eight more.●

RULES GOVERNING THE PROCEDURE OF THE COMMITTEE ON APPROPRIATIONS

● Mr. HATFIELD. Mr. President, I submit, for printing in the RECORD, the rules governing the procedure of the Committee on Appropriations, adopted pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended.

The rules are as follows:

RULES GOVERNING THE PROCEDURE OF THE SENATE COMMITTEE ON APPROPRIATIONS

[Adopted Pursuant to Section 133(b) of the Legislative Reorganization Act of 1946, as Amended]

1. Meetings:

The Committee will meet at the call of the Chairman.

2. Quorum:

(a) Reporting a bill.—A majority of the members must be present for the reporting of a bill.

(b) Other business.—For the purpose of transacting business other than reporting a bill or taking testimony, one-third of the members of the Committee shall constitute a quorum.

(c) Taking testimony.—For the purpose of taking testimony, other than sworn testimony, by the Committee or any subcommittee, one member of the Committee or subcommittee shall constitute a quorum. For the purpose of taking sworn testimony by the Committee, three members shall constitute a quorum, and for the taking of sworn testimony by any subcommittee, one member shall constitute a quorum.

3. Proxies:

Except for the reporting of a bill, votes may be cast by proxy when any member so requests.

4. Attendance of Staff Members at Closed Sessions:

Attendance of staff members at closed sessions of the Committee shall be limited to those members of the Committee staff that have a responsibility associated with the matter being considered at such meeting. This rule may be waived by unanimous consent.

5. Broadcasting and Photographing of Committee Hearing:

The Committee or any of its subcommittees may permit the photographing and broadcast of open hearings by television and/or radio. However, if any member of a subcommittee objects to the photographing or broadcasting of an open hearing, the question shall be referred to the Full Committee for its decision.

6. Availability of Subcommittee Reports:

When the bill and report of any subcommittee is available, they shall be furnished to each member of the Committee twenty-four hours prior to the Committee's consideration of said bill and report.

7. Points of Order:

Any member of the Committee who has in charge an appropriation bill, is hereby authorized and directed to make points of order against any amendment offered in violation of the Senate Rules on the floor of the Senate to such appropriation bill.●

THE ARTICLES OF CONFEDERATION

● Mr. DOLE. Mr. President, Sunday, March 1, 1981, is the anniversary of yet another significant occasion in the creation of our Federal form of government known as the United States of America.

As part of our continuing celebration of our Nation's bicentennial, which extends from our observation of the anniversary of our Declaration of Independence until the final adoption of our Constitution, I should like to observe that Sunday, March 1 is the anniversary of the day on which the Articles of Confederation were finally adopted by the Thirteen States.

Prof. William F. Swindler, the John Marshall professor of law, emeritus, at the College of William and Mary, has studied the confederation government of the United States and has observed that the adoption of the Articles of Confederation marked an important milestone in our transition from a group of independent, sovereign States joined only by an ad hoc Continental Congress to our present United States in Congress assembled and our Federal form of government.

Professor Swindler notes that the primary purpose of the Continental Congress had been to coordinate colonial efforts to carry on the war with the mother country. Even though the various States saw a centralized government as a threat to their freedom, they realized the need for a more organized confederation to provide a forum for the exchange of information and to coordinate State activities. Toward this end, the Articles of Confederation were developed, and, 3 years after the Declaration of Independence was signed, adopted by the Thirteen States. This established Congress as a permanent body and it continued in that form until the Constitution was adopted in 1789.

Professor Swindler is one of the leading constitutional scholars of our time, and he has written an excellent article on the adoption of the Articles of Confederation which was published this month in the Journal of the American Bar Association. Mr. President, I ask that Professor Swindler's article be printed in the RECORD.

The article follows:

OUR FIRST CONSTITUTION: THE ARTICLES OF CONFEDERATION

(By William F. Swindler)

The period of the nation's bicentennial, from independence to the final implementation of the federal government under the Constitution to be observed in 1987–89, includes several events less familiar in history but significant in their own place and time. In 1979 was the bicentennial of legal education marked by the founding of the chair of law at the College of William and Mary on December 4, 1779 (see 64 A.B.A.J. 1872). In 1981 will come two events—the final ratification of the Articles of Confederation in March and the final victory of the Revolution at Yorktown in October.

Of these two, it is safe to say that the Yorktown event will be more widely recognized. But as a milestone in the unique experiment in government that became the United States of America, the quiet happening at Philadelphia on March 1, 1781, may be more significant in constitutional history. For with that event—the final adoption by the 13 states of the Articles of Confederation—the American people moved toward identity as a nation. This was the vital transitional step from the ad hoc Continental Congress to "the United States in Congress assembled" to the ultimate drafting of the Constitution and "the more perfect union" of a federal form of government.

The drafting and approval of the "Articles of Confederation and Perpetual Union" did not come easily. A confederation was first formally proposed in May, 1776, when Richard Henry Lee of Virginia offered his famous resolution, "That these United Colonies are, and of right ought to be, free and independent States." This resolution was in fact one of three related proposals, the second calling for the seeking of foreign alliances for the coming war with Great Britain, and the third stating "That a plan of confederation be proposed and transmitted to the respective Colonies for their consideration and approbation."

These resolutions in themselves marked a transitional step in American constitutional thought. The famous Declaration of Independence, which followed in July, was actually the third in a series of declarations by the Continental Congress, which, as the years passed, had moved the 13 colonies slowly and reluctantly toward independence. In 1774 the First Continental Congress had published its Declaration and Resolves, which called on the mother country to ensure to the colonists their rights as Englishmen. When Parliament ignored this representation, the Second Continental Congress in 1775 issued its Declaration on the Reasons for Taking Up Arms—in defense of the inalienable rights of Englishmen. Thus the Declaration of 1776 was the final step in an inexorable process: in order to secure their rights as Englishmen, the English colonists now declared that they had to be independent of England itself.

There were, literally speaking, only two Continental Congresses. The first met from September 5 to October 26, 1774. The Second, which opened May 10, 1775, continued until it was converted into the permanent organ of a national government by the final adoption of the Articles on March 1, 1781. The use of the title, Continental Congress, actually continued throughout the confederation period until the new Constitution went into effect in April, 1789.

The idea of an intercolonial parliamentary union had appeared recurrently in American colonial history. The New England Confederation of 1643 was a regional version of the concept, largely in reaction to the civil war then raging in the mother country. In 1697 William Penn had proposed a federation for all the then existing colonies, and in 1754 the Albany Congress, convened at the encouragement of the mother country to mobilize colonial efforts for the French and Indian War, had debated a formal "plan of union." All of these assumed the ultimate supremacy of the British government, and in the first two sessions of the Continental Congress a similar proposal for a confederation of the colonies was offered as an alternative to the radical proposal for complete independence.

With the Declaration of 1776, however, the issue had fundamentally changed. For the immediate and wartime present, the Continental Congress existed of necessity to coordinate—poor though the co-ordination was—colonial or state efforts to carry on the War of Independence. The postwar question obviously was: assuming that there should be some continuing forum for the exchange of information and for co-ordinating activities of the sovereign states, how should it be organized?

A central government, whether in London or Philadelphia, was seen as a restraint on the freedom of local legislatures and hence to be resisted by radicals like Sam and John Adams of Massachusetts, or Thomas Jefferson or Patrick Henry of Virginia. Somewhat self-consciously, men like these in these two most militant of the erstwhile colonies came to call their new governments commonwealths, after the form of government during the English Revolution. It was perhaps that equally zealous radical, Benjamin Franklin, who persuaded Pennsylvania to follow the same example. The fourth commonwealth of the modern Union—Kentucky—inherited the tradition from its parent state, Virginia.

In the debate over Lee's threefold resolutions of May 1776, in fact, there was some argument that confederation should precede independence. How, it was asked, could 13 separate colonies legally declare their joint or simultaneous independence and make the declaration recognized as valid by the society of nations? On the other hand, some of the erstwhile colonies, like Virginia, were making their own declarations part of their new state constitutions.

John Dickinson, from the "three lower counties" of Pennsylvania (Delaware), was the first draftsman of a plan for confederation, prepared by a committee made up of a delegate from each of the colonies, with the draft being reported back to Congress a week after the formal proclamation of the Declaration of Independence. When debate on the details of the draft began, the divisions among the states immediately manifested themselves and became so sharp that Joseph Hewes from North Carolina gloomily predicted that "we shall never model it so as to be agreed to by all the Colonies."

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Ratification of the Articles of Confederation began fairly expeditiously, and by July 9, 1778, enough states had favorably instructed their delegates in Congress to encourage that body to draft a form of ratification and open it to signature. Eight states thereupon affixed their names—Connecticut, Massachusetts, New Hampshire, New York, Pennsylvania, Rhode Island, South Carolina, and Virginia. By February, 1779, four more had signified their approval: Delaware, Georgia, New Jersey, and North Carolina. But one state, Maryland, was holding out, and without unanimous approval, the articles could not go into effect.

Maryland's opposition went to the most fundamental of the issues hampering the birth of the nation—the Western lands.

Early colonial charters had been vague as to geography; several of them made grants, between specified lines of latitude, from the "western shores of the Atlantic" to the "South Seas." Eventually the Mississippi River became tacitly accepted as the major body of water marking the western boundaries for the colonies of Georgia, North Carolina, and Virginia. Massachusetts and Connecticut had claims to smaller strips to the west, but both saw these claims gradually extinguished until Connecticut retained only a "Western Reserve" on the shores of Lake Erie for the resettlement of the victims of the "firelands"—coastal regions ravaged by British naval bombardment. New York and Pennsylvania had such vast territories that they made little effort to add to them until others, principally the Ohio Company of Virginia, preempted the area that became the "old Northwest." Rhode Island and Delaware, for various historical reasons, had no basis for claiming territories beyond the seaboard. New Jersey and South Carolina were geographically hemmed in, so their demands that Western lands be ceded to the new nation were matters of principle or at least pro forma. New Hampshire's interest had been in the "Hampshire grants."

Maryland was left as the sole holdout against the three major "landed" states to the south, and particularly against its old rival and neighbor, Virginia. Indeed, Virginia did present a monolithic threat. In addition to the huge jurisdictions represented in its District of Kentucky and its "county" of Illinois, its Ohio Company had taken out patents for great tracts on which it proposed to promote settlements in what were to become the states of Ohio, Indiana, Michigan, Wisconsin, and part of Minnesota. With the capture of Vincennes by its own troops under George Rogers Clark early in the Revolution, Virginia further asserted claim to the entire area by right of conquest.

In lieu of a tax power, the Continental Congress could anticipate a significant asset, convertible into bounties for Revolutionary veterans, in the form of the land cessions. The national interest also pointed to a progressive expansion of new states to be created from these lands and added to the Union. And it is worth noting that the one major legislative accomplishment of the Confederation was the enactment, in its declining months, of the famous Northwest Ordinance of 1787, which offered a kind of constitutional bridge between the ineffective Articles of Confederation and the Constitution that the Philadelphia Convention at that same time was bringing to final form. The ordinance was to be incorporated into the statutes of the First Federal Congress and would serve as the model for territorial organization throughout most of the national history.

When Virginia finally gave in to Maryland's insistence, early in 1781, the last obstacle to ratification of the Articles of Confederation was removed. By February the unanimous adoption of the new frame of government was certified, and one month later the new government formally came into being. There were no stirring speeches, or anything to mark the event at the time. The Congress continued as it had before, although the community celebration outside the legislative halls made up for the prosaic course of business within. John Paul Jones's warship, the *Ariel*, fired off salutes in the harbor, and these were answered by fireworks from the city. The evening was filled with receptions, dinners, and "collations" in celebration.

It had taken three years of effort to achieve the adoption of the Articles of Confederation. They would last for eight more.●

REPORT OF THE SELECT COMMISSION ON IMMIGRATION AND REFUGEE POLICY

● Mr. KENNEDY. Mr. President, the Select Commission on Immigration and Refugee Policy, which Congress established in 1978, today formally submitted its final report and recommendations to the President and Congress.

Under the dedicated chairmanship of Father Theodore Hesburgh, the Select Commission has struggled with some of the most difficult issues confronting our Nation. I have been privileged to serve on the Commission and to work with my colleagues in reviewing our immigration policy in light of America's national interests, but with full regard for our immigrant heritage and humanitarian traditions.

I believe we have, by and large, succeeded in this difficult task, and I commend the leadership of Father Hesburgh and the hard work of the Commission staff.

Although considerable consensus developed on many issues, we obviously did not reach full agreement and many contentious questions remain. But I think all of us agree that the Commission's work represents a solid and sound basis for congressional review and action.

For the information of the Senate, I should like to share the comments today of Father Hesburgh at a press conference where he formally submitted the Commission's report to Congress. I also ask that his introductory comments in the report and an executive summary, as well as my additional comments, be printed at this point in the RECORD.

The material follows:

REMARKS OF THE REVEREND THEODORE M. HESBURGH, PRESS CONFERENCE, FEBRUARY 27, 1981

I would like to read a short statement to give you a little historical background as to why we are here today.

The Immigration and Nationality Act—the second longest piece of U.S. legislation—has grown like Topsy. It has never received a comprehensive systematic examination by a joint Congressional-Presidential Commission, and that examination has long been overdue. But the facts which precipitated the creation of this Commission go beyond the details of the inadequacy of that legislation.

In addition to concern about the need to overhaul, simplify and clarify the law, the Commission was created by Congress for a number of reasons:

A large number of undocumented/illegal migrants live in the United States and continue to come here;

Legal immigration had grown substantially since 1965;

The number of refugees in the world has grown tremendously in the last ten years; and

There is great dissatisfaction with the way our law was working and how it was administered;

And some Americans, as has been true in the past, have begun to doubt their own ideals and their own interests in accepting immigrants.

When such doubts surfaced almost 75 years ago, another Select Commission on overall immigration policy—the only other one in history—was created. Four years later, it gave its answer in terms of fear and even despair. Its major finding, which even contradicted some of the material submitted in 42 volumes of reports and research, was that immigration from Southern and Eastern European countries should be curtailed sharply because Italians, Greek, Poles, Slavs and Jews could not be assimilated as Americans.

The report led to sharp cutbacks in immigration from Eastern and Southern Europe and to a bar on Asian immigration altogether. The cost in human terms was staggering since some persons who otherwise would have immigrated or come as refugees met their fate in the Holocaust. Their loss to the United States in talent and manpower was enormous.

Since the passage of restrictionist legislation, the Immigration and Nationality Act has received major attention only twice. First, in the passage of the McCarran-Walter Act of 1952, which continued the restrictionist policy and the discriminatory national origins quota system intended to discriminate against certain kinds of persons as not suitable for immigration into the United States. Then, in 1965, the national origins quota was abolished, partly under the leadership of two of our present Commissioners, Representative Peter W. Rodino and Senator Edward M. Kennedy. Several new features were added to our immigration law, the most important of which was an explicit provision for refugees and an explicit ceiling on immigration from the Western Hemisphere for the first time in American history.

This time, our Commission took a comprehensive look. Unlike the Select Commission of 1907, we approached this extremely complicated and emotional subject with open minds. Certain beliefs have underlined our work:

We believe there are no inferior and superior peoples;

We believe that people are capable of becoming good Americans regardless of nationality.

We also believe that it is no longer possible to have unlimited immigration and that our laws must be enforced.

After 18 months of work including 21 pub-

lic consultations with experts on a variety of subjects, 12 public hearings held in different cities all over the country and a systematic review and analysis of all existing research on immigration, including the commissioning of more than two dozen new studies, we are ready with our final report, to be followed in the next two months by a much more detailed documentation transmitted from the staff to the Congress, including a redraft of the Immigration and Nationality Act.

The emphasis in the Commission's recommendations, which are themselves complex, can be summed up quite simply:

We recommend closing the back door to undocumented/illegal migration;

Opening the front door a little more to accommodate legal migration since that is in the best interests of this country;

Defining our immigration goals clearly and providing a structure to implement them effectively; and

Setting forth procedures which lead to fair and efficient adjudication and administration of U.S. immigration laws.

I will stop talking now. I am sure you have questions not just of me but of other Commissioners who are here. The attention on immigration now shifts to the Congress and the Administration. We have provided an agenda for deliberation and action which we hope will serve them well.

U.S. IMMIGRATION POLICY AND THE NATIONAL INTEREST

(The final report and recommendations of the Select Commission on Immigration and Refugee Policy with supplemental views by Commissioners, March 1, 1981)

"If I am not for myself, who will be for me? But if I am for myself only, what am I? And if not now, when?"—Hillel, "Sayings of the Fathers" 1:14.

Our history is largely the story of immigration. Even the Indians were immigrants. The ancestors of all other Americans—when measured in terms of world history—came here only yesterday.

As a refuge and a land of opportunity, the United States remains the world's number one magnet. This fact reaffirms the faith of our founding fathers and the central values we have adopted as a nation—freedom, equality under the law, opportunity and respect for diversity. Throughout our history, our leaders have seen in immigration the articulation of these deeply held and religiously based values. President Ronald W. Reagan, in his speech accepting the Republican nomination for the presidency, reminded us of that fact when he said:

"I ask you to trust that American spirit which knows no ethnic, religious, social, political, regional or economic boundaries; the spirit that burned with zeal in the hearts of millions of immigrants from every corner of the earth who came here in search of freedom . . ."

Then, examining the events of the recent past, the President asked:

"Can we doubt that only a divine Providence placed this land—this island of freedom here as a refuge for all those people in the world who yearn to breathe free? Jews and Christians enduring persecution behind the Iron Curtain, the boat people of Southeast Asia, Cuba, and Haiti, the victims of drought and famine in Africa, the freedom fighters in Afghanistan and our own countrymen held in savage captivity."

Letters and oral testimony to the Select Commission affirms the continuing vitality of President Reagan's characterization of the United States as a land of opportunity and as a beacon of liberty for immigrants. We have listened carefully to these moving voices, but we have also been faced with the reality of limitations on immigration. If it is a truism to say that the United States is a nation of immigrants, it is also a truism that it is one no longer, nor can it become a land of unlimited immigration. As important as immigration has been and remains to our country, it is no longer possible to say as George Washington did that we welcome all of the oppressed of the world, or as did the poet, Emma Lazarus, that we should take all of the huddled masses yearning to be free.

The United States of America—no matter how powerful and idealistic—cannot by itself solve the problems of world migration. This nation must continue to have some limits on immigration. Our policy—while providing opportunity to a portion of the world's population—must be guided by the basic national interests of the people of the United States.

The emphasis in the Commission's recommendations, which are themselves complex, can be summed up quite simply: We recommend closing the back door to undocumented/illegal migration, opening the front door a little more to accommodate legal migration in the interests of this country, defining our immigration goals clearly and providing a structure to implement them effectively, and setting forth procedures which will lead to fair and efficient adjudication and administration of U.S. immigration laws.

THE UNITED STATES AND THE WORLD

In emphasizing that our recommendations must be consistent with U.S. national interests, we are aware of the fact that we live in a shrinking, interdependent world and that world economic and political forces result in the migration of peoples. We also are aware of how inadequately the world is organized to deal with the dislocations that occur as a result of such migrations. None of the great international issues of our time—arms control, energy, food or migration—can be solved entirely within the framework of a nation-state world.

Certainly, there is no unilateral U.S. solution to any of these problems; we must work with a world organized along nation-state lines and with existing international organizations. As a nation responsible for the destiny of its people and their descendants, we can better deal with these problems by working with other nations to build more effective international mechanisms. That is why we begin our recommendations with a call for a new emphasis on internationalizing world migration issues. Since many, large-scale, international migrations are caused by war, poverty and persecution within sending nations, it is in the national interests of the United States to work with other nations to prevent or ameliorate those conditions.

IMMIGRATION AND THE NATIONAL INTEREST

That immigration serves humanitarian ends is unquestionable: most immigrants come to the United States seeking reunion with their families or as refugees. But in examining U.S. immigration policy and developing its recommendatons, the Select Commission also asked another question: Is immigration and the acceptance of refugees in the U.S. national interest? That question was asked by many in this country when Fidel Castro pushed his own citizens out of Cuba knowing that their main destination would be the United States. Nothing about immigration—even widespread visa abuse and illegal border crossings—seems to have upset the American people more than the Cuban push-out of 1980. But these new entrants were neither immigrants nor refugees, having entered the United States without qualifying as either. Their presence brought home to most Americans the fact that U.S. immigration policy was out of control. It also brought many letters to the Select Commission calling for restrictions on U.S. immigration.

It is easy to understand the feelings which motivate these opinions, but in the light of hard-headed U.S. interests it would be a mistake to let the emotion generated by an unusual, almost bizarre episode guide national policy. While the Cuban push-out should not be permitted to happen again, the fact that it happened once should not blind us to the advantages of legally accepting a reasonable number of immigrants and refugees.

To the question: Is immigration in the U.S. national interest?, the Select Commission gives a strong but qualified yes. A strong yes because we believe there are many benefits which immigrants bring to U.S. society; a qualified yes because we believe there are limits on the ability of this country to absorb large numbers of immigrants effectively. Our work during the past 19 months has confirmed the continuing value of accepting immigrants and refugees to the United States, in addition to the humanitarian purpose served.

The research findings are clear: Immigrants, refugees and their children work hard and contribute to the economic well-being of our society; strengthen our social security system and manpower capability; strengthen our ties with other nations; increase our language and cultural resources and powerfully demonstrate to the world that the United States is an open and free society.

New immigrants benefit the United States and reaffirm its deepest values. One can see them in New Orleans, where Indochinese refugees, hard at work during the day, crowd classrooms at night to learn English; in Fall River, Massachusetts, a city with more than 20 identifiable ethnic groups whose ancestral flags fly in front of City Hall and which has been restored to economic health by recent Portuguese immigrants; in Koreatown in Los Angeles, where Korean Americans have taken an inner-city slum and transformed it into a vital community; in Florida, where Cuban Americans have renewed the City of Miami, through economic ties to Latin America; in Chicago, where young Jewish immigrants from the Soviet Union work two jobs in addition to attending high school; in San Antonio, where new Mexican immigrants are taking advantage of English-literacy classes and have joined Mexican Americans with many generations of U.S. residence to create a healthy economy and to strengthen trade and cultural ties with our border neighbor; and in Denver, where, in a third grade class, students from five countries are learning the history of the United States and are learning to count in two foreign languages in addition to English, and where, in February 1980, a Vietnamese American third grader who had been in this country for only six months, identified George Washington as "the father of our country."

But even though immigration is good for this country, the Commission has rejected the arguments of many economists, ethnic groups and religious leaders for a great expansion in the number of immigrants and refugees to be accepted by the United States. Many of those in favor of expanded immigration have argued that the United States is capable of absorbing far greater numbers of immigrants than are now admitted. They contend that:

The United States has the lowest population density of any wealthy, industrial nation in the world, with the exceptions of Canada and Australia; and

The United States, with only six percent of the world's population, still accounts for 25 percent of the world's gross national product.

They further point out that the United States faces serious labor shortages in the decade to come, particularly of young and middle-aged workers. Greatly expanded immigration, they believe, will go a long way towards providing needed workers.

Religious leaders have presented some of

these same arguments from a different perspective. They, too, note the vast resources and relatively low population density of the United States, but argue that this nation has a humanitarian responsibility to provide immigration opportunities to those seeking entry on the basis of family reunification or as refugees. They wish the United States to preserve its role as a country of large-scale immigration, despite fears about the entry of the foreign-born.

Historians, in their support of increased immigration, have cautioned against overly restrictionist tendencies. They point out that U.S. citizens have always been concerned about the arrival of immigrants, but note that immigrants have always made contributions to U.S. society. These scholars also state that the proportion of foreign-born citizens in the United States is now at an all-time low since 1850, when the government began to keep such statistics. If immigration did no harm to U.S. society when foreign-born citizens accounted for 14 to 15 percent of the population, they argue it should certainly cause no internal problems now.

The Select Commission is, however, recommending a more cautious approach. This is not the time for a large-scale expansion in legal immigration—for resident aliens or temporary workers—because the first order of priority is bringing undocumented/illegal immigration under control, while setting up a rational system for legal immigration.

The Commission is, therefore, recommending a modest increase in legal immigration sufficient to expedite the clearance of backlogs—mainly to reunify families—which have developed under the current immigration system and to introduce a new system, which we believe will be more equitable and more clearly reflect our interests as a nation.

Such a modest increase will continue to bring the benefits of immigration to the United States without exacerbating fears—not always rational—of competition with immigrants. Such an increase recognizes that immigrants create as well as take jobs and readily pay more into the public coffers than they take out, as research completed for the Select Commission shows. It also recognizes that immigrants in some locales do compete for jobs, housing and space in schools with citizens and previously entered resident aliens. In the case of refugees, there is an immediate competition with needy U.S. citizens for a variety of services which must be paid for by U.S. taxpayers. In many communities, local officials have complained about the strains which a sudden influx of refugees has placed on their capabilities to provide health services, schooling and housing.

The American people have demonstrated that they are willing to do what must be done to save a portion of the world's refugees from persecution and sometimes even from death. That is why the Select Commission has endorsed the Refugee Act of 1980, even while questioning aspects of its administration. But it is impossible for the United States to absorb even a large proportion of the 16 million refugees in this world and still give high priority to meeting the needs of its own poor, especially those in its racial and ethnic minorities. Our present refugee policy may seem unduly harsh and narrow to many, particularly when a terribly poor country such as Somalia has more than one million refugees in its care. But we must be realistic about our obligations as a society to persons in need who already live in this country.

UNDOCUMENTED/ILLEGAL MIGRATION

Illegal migrations of persons in search of work occur extensively throughout Europe, Latin America, as well as in Canada and the United States. Such migration to the United States is so extensive that hundreds of thousands of persons annually enter this country outside of the law. Although these migrants usually do not stay, each year tens of thousands of other aliens remain in the United States illegally after coming here originally as students or other nonimmigrant aliens. The Select Commission is well aware of the widespread dissatisfaction among U.S. citizens with an immigration policy that seems to be out of control.

Some have argued before the Select Commission that there is virtually nothing that can be done about the tidal movements of people that are propelled by economic forces. They believe this is particularly true in a country such as ours, with land and coastal borders which are easy to cross and where millions of tourists and students, having entered, find it easy to stay. Some have further testified that the United States has nothing to fear from illegal migration since immigrants who come or remain outside of the law are self-selected, hard working, highly creative persons who, even if they remain in this country, aid rather than harm U.S. society. This is a view that the Commission believes does not sufficiently consider the serious problems created by illegal migration.

One does not have to be able to quantify in detail all of the impacts of undocumented/illegal aliens in the United States to know that there are some serious adverse effects. Some U.S. citizens and resident aliens who can least afford it are hurt by competition for jobs and housing and a reduction of wages and standards at the workplace. The existence of a fugitive underground class is unhealthy for society as a whole and may contribute to ethnic tensions. In addition, widespread illegality erodes confidence in the law generally, and immigration law specifically, while being unfair to those who seek to immigrate legally.

The Select Commission's determination to enforce the law is no reflection on the character or the ability of those who desperately seek to work and provide for their families. Coming from all over the world, they represent, as immigrants invariably do, a portion of the world's most ambitious and creative men and women. But if U.S. immigration policy is to serve this nation's interests, it must be enforced effectively. This nation has a responsibility to its people—citizens and resident aliens—and failure to enforce immigration law means not living up to that responsibility.

The strong desire to regain control over U.S. immigration policy is one of several reasons for the Commisison's unanimous vote to legalize a substantial portion of the undocumented/illegal aliens now in our country. Another is its acknowledgement that, in a sense, our society has participated in the creation of the problem. Many undocumented/illegal migrants were induced to come to the United States by offers of work from U.S. employers who recruited and hired them under protection of present U.S. law. A significant minority of undocumented/illegal aliens have been part of a chain of family migrants to the United States for at least two generations. Often entering for temporary work, these migrants began coming to the United States before this nation imposed a ceiling on legal immigration from the Western Hemisphere in 1968 and a 20,000 per-country visa ceiling on legal immigration for each Western Hemisphere country in 1976.

But that is not the main reason for legalizing a substantial portion of those who are here. Legalizing those who have settled in this country and who are otherwise qualified will have many positive benefits for the United States as a whole:

Hard-working, law-abiding persons with a stake in U.S. society will come out into the open and contribute much more to it;

No longer exploitable at the workplace, they no longer will contribute to depressing U.S. labor standards and wages;

New and accurate information about migration routes and the smuggling of people into the United States will contribute to the targeting of enforcement resources to stop illegal migrations in the future;

New and accurate information about the origins of migration will enable the United States to work with large sending countries in targeting aid and investment programs to deal with migration pressures at the source, in the villages and provinces of those countries;

New and accurate information about patterns of visa abuse by those who entered as nonimmigrant aliens will help to make our visa issuance process and control at ports of entry more effective;

The recommended legalization program will help to enforce the law, however, only if other enforcement measures designed to curtail future illegal migration to the United States are instituted. That is why the Commission has linked the legalization program to the introduction of such measures. Recognizing that future migration pressures could lead to even higher levels of illegal migration to the United States, the Commission has emphasized the development of effective enforcement strategies, including a new law to penalize employers who hire undocumented/illegal aliens and new measures to control the abuse of nonimmigrant status.

No one on this Commission expects to stop illegal migration totally or believes that new enforcement measures can be instituted without cost. But we do believe that we can reduce illegal entries sharply, and that the social costs of not doing so may be grave. What is a serious problem today could become a monumental crisis as migration pressures increase.

THE REUNIFICATION OF FAMILIES

A better immigration system may help to reduce the pressures for illegal migration to some extent. A look at present U.S. immigration statistics reveals one relatively small but important source of illegal migration. Of the more than one million persons now registered at consular offices waiting for visas, more than 700,000 are relatives of U.S. citizens or resident aliens, including spouses and minor children of resident aliens. There is something wrong with a law that keeps out—for as long as eight years—the small child of a mother or father who has settled in the United States while a nonrelative or less close relative from another country can come in immediately. Certainly a strong incentive to enter illegally exists for persons who are separated from close family members for a long period of time.

What is basically wrong is that we have not made clear our priority to reunify the immediate relatives of U.S. residents regardless of their nationality. Among our recommendations are two which would help to do just that. The first puts immigrants whose entry into the United States would reunify families on a separate track from other immigrants. The second puts spouses and minor children of lawful permanent resident aliens under a separate, numerically limited category without country ceilings. Eliminating country ceiling in this category should help assure the reunification of the families of permanent resident aliens on a first-come, first-served basis within a fixed world ceiling.

INDEPENDENT IMMIGRANTS

The creation of a separate category for nonfamily immigrants—the independent category—may also somewhat reduce illegal immigration by broadening immigration opportunities. It reaffirms the importance to the United States of traditional "new seed" immigrants who come to work, save, invest and plan for their children and grandchildren, and creates an immigration channel for persons who cannot enter the United States on the basis of family reunification. It is the Commission's hope that this category will provide immigration opportunities for those

persons who come from countries where immigration to the United States has not been recent or from countries that have no immigration base here.

Many other important issues have also been addressed by the Select Commission, including an upgrading of our system for administering U.S. immigration laws, the need to streamline deportation proceedings, and the importance of English-language acquisition. We have tried to address these and other issues with open minds, recognizing that few of them can be resolved easily.

That there is disagreement on some issues among Commissioners is not surprising since we represent a great variety of perspectives and since the complex issues of immigration are charged with emotion and special interest. Even though we have disagreed among ourselves in formulating some answers, we have reached consensus on a great many of the questions which faced us. Our basic concern has been the common good which must characterize good U.S. law, and we have tried to recommend policies that would be responsible, equitable, efficient and enforceable.

We have not, of course, answered every question and our answers are far from perfect, but we believe we asked the right questions and that the answers are free from the cant, hypocrisy and racism which have sometimes characterized U.S. immigration policy in years gone by. With that in mind, we hope that our recommendations, in the words of George Washington, "set a standard to which the wise and honest can repair."

REV. THEODORE M. HESBURGH.

EXECUTIVE SUMMARY—RECOMMENDATIONS OF THE SELECT COMMISSION ON IMMIGRATION AND REFUGEE POLICY

SECTION I. INTERNATIONAL ISSUES

I.A. Better Understanding of International Migration:

The Select Commission recommends that the United States continue to work with other nations and principal international organizations that collect information, conduct research and coordinate consultations on migratory flows and the treatment of international migrants, to develop a better understanding of migration issues.

I.B. Revitalization of Existing International Organizations:

The Select Commission recommends that the United States initiate discussion through an international conference on ways to revitalize existing institutional arrangements for international cooperation in the handling of migration and refugee problems.

I.C. Expansion of Bilateral Consultations:

The Select Commission recommends that the United States expand bilateral consultations with other governments, especially Mexico and other regional neighbors regarding migration.

I.D. The Creation of Regional Mechanisms:

The United States should initiate discussions with regional neighbors on the creation of mechanisms to:

Discuss and make recommendations on ways to promote regional cooperation on the related matters of trade, aid, investment, development and migration;

Explore additional means of cooperation for effective enforcement of immigration laws;

Establish means for mutual cooperation for the protection of the human and labor rights of nationals residing in each other's countries;

Explore the possibility of negotiating a regional convention on forced migration or expulsion of citizens; and

Consider establishment of a regional authority to work with the U.N. High Commissioner for Refugees and the Intergovernmental Committee on Migration in arranging for the permanent and productive resettlement of asylees who cannot be repatriated to their countries of origin.

SECTION II. UNDOCUMENTED/ILLEGAL ALIENS

II.A. Border and Interior Enforcement:

II.A.1. Border Patrol Funding:

The Select Commission recommends that Border Patrol funding levels be raised to the numbers and training of personnel, replacement sensor systems, additional light planes and helicopters and other needed equipment.

II.A.2. Port-of-Entry Inspections:

The Select Commission recommends that port-of-entry inspections be enhanced by increasing the number of primary inspectors, instituting a mobile inspections task force and replacing all outstanding border-crossing cards with a counterfeit-resistant card.

II.A.3. The Select Commission recommends that regional border enforcement posts be established to coordinate the work of the Immigration and Naturalization Service, the U.S. Customs Service, the Drug Enforcement Administration and the U.S. Coast Guard in the interdiction of both undocumented/illegal migrants and illicit goods, specifically narcotics.

II.A.4. Enforcement of Current Law:

The Select Commission recommends that the law be firmly and consistently enforced against U.S. citizens who aid aliens who do not have valid visas to enter the country.

II.A.5. Nonimmigrant Visa Abuse:

The Select Commission recommends that investigations of overstays and student visa abusers be maintained regardless of other investigative priorities.

II.A.6. Nonimmigrant Document Control:

The Select Commission recommends that a fully automated system of nonimmigrant document control should be established in the Immigration and Naturalization Service to allow prompt tracking of aliens and to verify their departure. U.S. consular posts of visa issuance should be informed of nondepartures.

II.A.7. Deportation of Undocumented/Illegal Immigrants:

The Select Commission recommends that deportation and removal of undocumented/illegal migrants should be effected to discourage early return. Adequate funds should be available to maintain high levels of alien apprehension, detention and deportation throughout the year. Where possible, aliens should be required to pay the transportation costs of deportation or removal under safeguards.

II.A.8. Training of INS Officers:

The Select Commission recommends high priority be given to the training of Immigration and Naturalization Service officers to familiarize them with the rights of aliens and U.S. citizens and to help them deal with persons of other cultural backgrounds. Further, to protect the rights of those who have entered the United States legally, the Commission also recommends that immigration laws not be selectively enforced in the interior on the basis of race, religion, sex, or national origin.

II.B. Economic Deterrents in the Workplace:

II.B.1. Employer Sanctions Legislation:

The Select Commission recommends that legislation be passed making it illegal for employers to hire undocumented workers.

II.B.2. Enforcement Efforts in Addition to Employer Sanctions:

The Select Commission recommends that the enforcement of existing wage and working standards legislation be increased in conjunction with the enforcement of employer responsibility legislation.

II.C. Legalization:

The Select Commission recommends that a program to legalize illegal/undocumented aliens now in the United States be adopted.

II.C.1. Eligibility for Legalization:

The Select Commission recommends that eligibility be determined by interrelated measurements of residence—date of entry and length of continuous residence—and by specified groups of excludability that are appropriate to the legalization program.

II.C.2. Maximum Participation in the Legalization Program:

The Select Commission recommends that voluntary agencies and community organizations be given a significant role in the legalization program.

II.C.3. Lgalization and Enforcement:

The Select Commission recommends that legalization begin when appropriate enforcement mechanisms have been instituted.

II.C.4. Unqualified Undocument/Illegal Aliens:

The Select Commission recommends that those who are ineligible for a legalization program be subject to the penalties of the Immigration and Nationality Act if they come to the attention of immigration authorities.

SECTION III. THE ADMISSION OF IMMIGRANTS

III.A. Numbers of Immigrants:

III.A.1. Numerical Ceilings on Total Immigrant Admissions:

The Select Commission recommends continuing a system where some immigrants are numerically limited but certain others—such as immediate relatives of U.S. citizens and refugees—are exempt from any numerical ceilings.

III.A.2. Numerically Limited Immigration:

The Select Commission recommends an annual ceiling of 250,000 numerically limited immigrant visas with an additional 100,000 visas available for the first five years to provide a higher ceiling to allow backlogs to be cleared.

III.B. Goals and Structure:

III.B.1. Categories of Immigrants:

The Select Commission recommends the separation of the two major types of immigrants—families and independent (nonfamily) immigrants—into distinct admissions categories.

III.C. Family Reunification:

The Select Commission recommends that the reunification of families continue to play a major and important role in U.S. immigration policy.

III.C.1. Immediate Relatives of U.S. Citizens:

The Select Commission recommends continuing the admission of immediate relatives of U.S. citizens outside of any numerical limitations. This group should be expanded slightly to include not only the spouses, minor children and parents of adult citizens, but also the adult unmarried sons and daughters and grandparents of adult U.S. citizens. In the case of grandparents, petitioning rights for the immigration of relatives do not attach until the petitioner acquires U.S. citizenship.

III.C.2. Spouses and Unmarried Sons and Daughters of Permanent Resident Aliens:

The Select Commission recognizes the importance of reunifying spouses and unmarried sons and daughters with their permanent resident alien relatives. A substantial number of visas should be set aside for this group and it should be given top priority in the numerically limited family reunification category.

III.C.3. Married Sons and Daughters of U.S. Citizens:

The Select Commission recommends continuing a numerically limited preference for the married sons and daughters of U.S. citizens.

III.C.4. Brothers and Sisters of U.S. citizens:

The Select Commission recommends that the present policy of admitting all brothers and sisters of adult U.S. citizens within the numerical limitations be continued.

III.C.5. Parents of Adult Permanent Residents:

The Select Commission recommends including a numerically limited preference for certain parents of adult permanent resident aliens. Such parents must be elderly and have no children living outside the United States.

III.C.6. Country Ceilings:

The Select Commission recommends that country ceilings apply to all numerically limited family reunification preferences except to that for the spouses and minor children of permanent resident aliens, who should be admitted on a first-come, first-served basis within a worldwide ceiling set for that preference.

III.C.7. Preference Percentage Allocations:

The Select Commission recommends that percentages of the total number of visas set aside for family reunification be assigned to the individual preferences.

II. D. Independent Immigration:

The Select Commission recommends that provision should be made in the immigrant admissions system to facilitate the immigration of persons without family ties in the United States.

III.D.1. Special Immigrants:

The Select Commission recommends that "special" immigrants remain a numerically exempt group but be placed within the independent category.

III.D.2. Immigrants With Exceptional Qualifications:

The Select Commission recognizes the desirability of facilitating the entry of immigrants with exceptional qualifications and recommends that a small, numerically limited category be created within the independent category for this purpose.

III.D.3. Immigrant Investors:

The Select Commission recommends creating a small, numerically limited subcategory within the independent category to provide for the immigration of certain investors. The criteria for the entry of investors should be a substantial amount of investment or capacity for investment in dollar terms, substantially greater than the present $40,000 requirement set by regulation.

III.D.4. Retirees:

The Select Commission recommends that no special provision be made for immigration of retirees.

III.D.5. Other Independent Immigrants:

The Select Commission recommends the creation of a category for qualified independent immigrants other than those of exceptional merit or those who can qualify as investors.

III.D.6. Selection Criteria for Independent Immigrants:

The Select Commission believes that specific labor market criteria should be established for the selection of independent immigrants, but is divided over whether the mechanism should be a streamlining and clarification of the present labor certification procedure plus a job offer from a U.S. employer, or a policy under which independent immigrants would be admissible unless the Secretary of Labor ruled that their immigration would be harmful to the U.S. labor market.

III.D.7. Country Ceilings:

The Select Commission recommends a fixed-percentage limit to the independent immigration from any one country.

III.E. Flexibility in Immigration Policy:

III.E.1. Suggested Mechanism:

The Select Commission recommends that ranking members of the House and Senate subcommittees with immigration responsibilities, in consultation with the Departments of State, Justice, and Labor, prepare an annual report on the current domestic and international situations as they relate to U.S. immigration policy.

SECTION IV. PHASING IN NEW PROGRAMS RECOMMENDED BY THE SELECT COMMISSION

The Select Commission recommends a coordinated phasing-in of the major programs it has proposed.

SECTION V. REFUGEE AND MASS FIRST ASYLUM ISSUES

V.A. The Select Commission endorses the provisions of the Refugee Act of 1980 which cover the definition of refugee, the number of visas allocated to refugees and how these numbers are allocated.

V.A.1. Allocation of Refugee Numbers:

The Select Commission recommends that the U.S. allocation of refugee numbers include both geographic considerations and specific refugee characteristics. Numbers should be provided—not by statute but in the course of the allocation process itself—for political prisoners, victims of torture and persons under threat of death.

V.B. Mass First Asylum Admissions:

V.B.1. Planning for Asylum Emergencies:

The Select Commission recommends that an interagency body be established to develop procedures, including contingency plans for opening and managing federal processing centers, for handling possible mass asylum emergencies.

V.B.2. Determining the Legitimacy of Mass Asylum Claims:

The Select Commission recommends that mass asylum applicants continue to be required to bear an individualized burden of proof. Group profiles should be developed and used by processing personnel and area experts (see V.B.4.) to determine the legitimacy of individual claims.

V.B.3. Developing and Issuing Group Profiles:

The Select Commission recommends that the responsibility for developing and issuing group profiles be given to the U.S. Coordinator for Refugee Affairs.

V.B.4. Asylum Admissions Officers:

The Select Commission recommends that the position of asylum admissions officer be created within the Immigration and Naturalization Service. This official should be schooled in the procedures and techniques of eligibility determinations. Area experts should be made available to these processing personnel to provide information on conditions in the source country, facilitating a well-founded basis for asylum determinations.

V.B.5. Asylum Appeals:

The Select Commission holds the view that in each case a simple asylum appeal be heard and recommends that the appeal be heard by whatever institution routinely hears other immigration appeals.

V.C. Refugee Resettlement:

The Select Commission endorses the overall programs and principles of refugee resettlement but takes note of changes that are needed in the areas of cash and medical assistance programs, strategies for resettlement, programs to promote refugee self-sufficiency and the preparation of refugee sponsors.

V.C.1 State and Local Governments:

The Select Commission recommends that state and local governments be involved in planning for initial refugee resettlement and that consideration be given to establishing a federal program of impact aid to minimize the financial impact of refugees on local services.

V.C.2. Refugee Clustering:

The Select Commission recommends that refugee clustering be encouraged. Mechanisms should be developed, particularly within the voluntary agency network, to settle ethnic groups of similar backgrounds in the same areas.

V.C.3. Resettlement Benefits:

The Select Commission recommends that consideration be given to an extension of federal refugee assistance reimbursement.

V.C.4. Cash-Assistance Programs:

The Select Commission recommends that stricter regulations be imposed on the use of cash-assistance programs by refugees.

V.C.5. Medical-Assistance Programs:

The Select Commission recommends that medical assistance for refugees should be more effectively separated from cash-assistance programs.

V.C.6. Resettlement Goals:

The Select Commission recommends that refugee achievement of self-sufficiency and adjustment to living in the United States be reaffirmed as the goal of resettlement. In pursuance of this goal, "survival" training—the attainment of basic levels of language and vocational skills—and vocational counseling should be emphasized. Sanctions (in the form of termination of support and services) should be imposed on refugees who refuse appropriate job offers, if these sanctions are approved by the voluntary agency responsible for resettlement, the cash-assistance source and, if involved, the employment service.

V.C.7. Sponsors:

The Select Commission recommends that improvements in the orientation and preparation of sponsors be promoted.

V.D. Administration of U.S. Refugee and Mass Asylum Policy:

V.D.1. Streamlining of Resettlement Agencies:

The Select Commission recommends that the Administration, through the office of the Coordinator for Refugees, be directed to examine whether the program of resettlement can be streamlined to make government participation more responsive to the flow of refugees coming to this country. Particular attention should be given to the question of whether excessive bureaucracy has been created, although inadvertantly, pursuant to the Refugee Act of 1980.

V.D.2. U.S. Coordinator for Refugee Affairs:

The Select Commission recommends that the office of the U.S. Coordinator for Refugee Affairs be moved from the State Department and be placed in the Executive Office of the President.

SECTION VI. NONIMMIGRANT ALIENS

VI.A. Nonimmigrant Adjustment to Immigrant Status:

The Select Commission recommends that the present system under which eligible nonimmigrants and other aliens are permitted to adjust their status into all immigrant categories be continued.

VI.B. Foreign Students:

VI.B.1. Foreign Student Employment:

The Select Commission recommends that the United States retain current restrictions on foreign student employment, but expedite the processing of work authorization requests; unauthorized student employment should be controlled through the measures recommended to curtail other types of illegal employment.

VI.B.2. Employment of Foreign Student Spouses:

The Select Commission recommends that the spouses of foreign students be eligible to request employment authorization from the Immigration and Naturalization Service under the same conditions that now apply to the spouses of exchange visitors.

VI.B.3. Subdivision of the Foreign Student Category:

The Select Commission recommends dividing the present all-inclusive F-1 foreign student category into subcategories: a revised F-1 class for foreign students at academic institutions that have foreign student programs and have demonstrated their capacity for responsible foreign student management to the Immigration and Naturalization Service; a revised F-2 class for students at other academic institutions authorized to enroll foreign students that have not yet demonstrated their capacity for responsible foreign student management and a new F-3 class for language or vocational students. An additional F-4 class would be needed for the spouses and children of foreign students.

VI.B.4. Authorization of Schools to Enroll Foreign Students:

The Select Commission recommends that the responsibility for authorizing schools to enroll foreign students be transferred from the Immigration and Naturalization Service to the Department of Education.

VI.B.5. Administrative Fines for Delinquent Schools:

The Select Commission recommends establishing a procedure that would allow the Immigration and Naturalization Service to impose administrative fines on schools that neglect or abuse their foreign student responsibilities (for example, failure to inform INS of changes in the enrollment status of foreign students enrolled in their schools).

VI.C. Tourists and Business Travelers:

VI.C.1. Visa Waiver for Tourists and Business Travelers from Selected Countries:

The Select Commission recommends that visas be waived for tourists and business travelers from selected countries who visit the United States for short periods of time.

VI.C.2. Improvement in the Processing of Intracompany Transferee Cases:

The Select Commission recommends that U.S. consular officers be authorized to approve the petitions required for intracompany transfers.

VI.D. Medical Personnel:

VI.D.1. Elimination of the Training Time Limit for Foreign Medical School Graduates:

The Select Commission recommends the elimination of the present two- to three-year limit on the residency training of foreign doctors.

VI.D.2. Revision of the Visa Qualifying Exam for Foreign Doctors:

The Select Commission recommends that the Visa Qualifying Exam (VQE) be revised to deemphasize the significance of the Exam's Part I on basic biological science.

VI.D.3. Admission of Foreign Nurses as Temporary Workers:

The Select Commission recommends that qualified foreign nurses continue to be admitted as temporary workers, but also recommends that efforts be intensified to induce more U.S. nurses who are not currently practicing their professions to do so.

VI.D.4. Screening of Foreign Nurses Applying for Visas:

The Select Commission recommends that all foreign nurses who apply for U.S. visas continue to be required to pass the examination of the Commission on Graduates of Foreign Nursing Schools.

VI.E. H-2 Temporary Workers:

The Department of Labor should recommend changes in the H-2 program which would improve the fairness of the program to both U.S. workers and employers. Proposed changes should:

Improve the timeliness of decisions regarding the admission of H-2 workers by streamlining the application process;

Remove the current economic disincentives to hire U.S. workers by requiring, for example, employers to pay FICA and unemployment insurance for H-2 workers; and maintain the labor certification by the U.S. Department of Labor.

The Commission believes that government, employers, and unions should cooperate to end the dependence of any industry on a constant supply of H-2 workers.

The above does not exclude a slight expansion of the program.

VI.F. Authority of the Attorney General to Deport Nonimmigrants:

The Select Commission recommends that greater statutory authority be given to the Attorney General to institute deportation proceedings against nonimmigrant aliens when there is conviction for an offense subject to sentencing of six months or more.

SECTION VII. ADMINISTRATIVE ISSUES

VII.A. Federal Agency Structure:

The Select Commission recommends that the present federal agency structure for administering U.S. immigration and nationality laws be retained with visa issuance and the attendant policy and regulatory mechanisms in the Department of State and domestic operations and the attendant policy and regulatory mechanisms in the Immigration and Naturalization Service of the Department of Justice.

VII.B. Immigration and Naturalization Service:

VII.B.1. Service and Enforcement Functions:

The Select Commission recommends that all major domestic immigration and nationality operations be retained within the Immigration and Naturalization Service, with clear budgetary and organizational separation of service and enforcement functions.

VII.B.2. Head of the INS:

The Select Commission recommends that the head of the Immigration and Naturalization Service be upgraded to director at a level similar to that of the other major agencies within the Department of Justice and report directly to the * * *

VII. B. 3. Professionalism of INS Employees:

The Select Commission recommends the following actions be taken to improve the responsiveness and sensitivity of Immigration and Naturalization Service employees:

Establish a code of ethics and behavior for all INS employees.

Upgrade employee training to include meaningful courses at the entry and journeymen levels on ethnic studies and the history and benefits of immigration.

Promote the recruitment of new employees with foreign language capabilities and the acquisition of foreign language skills in addition to Spanish—in which all officers are now extensively trained—for existing personnel.

Sensitize employees to the perspectives and needs of the persons with whom they come in contact and encourage INS management to be more sensitive to employee morale by improving pay scales and other conditions of employment.

Reward meritorious service and sensitivity in conduct of work.

Continue vigorous investigation of and action against all serious allegations of misfeasance, malfeasance and corruption by INS employees.

Give officers training to deal with violence and threats of violence.

Strengthen and formalize the existing mechanism for reviewing administrative complaints, thus permitting the Immigration and Naturalization Service to become more aware of and responsive to the public it serves.

Make special efforts to recruit and hire minority and women applicants.

VII. C. Structure for Immigration Hearings and Appeals:

Article I Court:

The Select Commission recommends that existing law be amended to create an immigration court under Article I of the U.S. Constitution.

VII.C.2. Resources for Article I Court:

The Select Commission urges that the court be provided with the ncessary support to reduce existing backlogs.

VII.D. Administrative Naturalization:

The Select Commission recommends that naturalization be made an administrative process within the Immigration and Naturalization Service with judicial naturalization permitted when practical and requested. It further recommends that the significance and meaning of the process be preserved by retaining meaningful group ceremonies as the forum for the actual conferring of citizenship.

VII. E. Review of Consular Decisions:

The Select Commission recommends that the existing informal review system for consular decisions be continued but improved by enhancing the consular post review mechanism and using the State Department's visa case review and field support process as tools to ensure equity and consistency in consular decisions.

VII.F. Immigration Law Enforcement by State and Local Police:

The Select Commission recommends that state and local law enforcement officials be prohibited from apprehending persons on immigration charges, but further recommends that local officials continue to be encouraged to notify the Immigration and Naturalization Service when they suspect a person who has been arrested for a violation unrelated to immigration to be an undocumented/illegal alien.

SECTION VIII. LEGAL ISSUES

VIII.A. Powers of Immigration and Naturalization Officers:

VIII.A.1. Temporary Detention for Interrogation:

The Select Commission recommends that statutes authorizing Immigration and Naturalization Service enforcement activities for other than activities on the border clearly provide that Immigration and Naturalization Service Officers may temporarily detain a person for interrogation or a brief investigation upon reasonable cause to believe (based upon articulable facts) that the person is unlawfully present in the United States.

VIII.A.2. Arrests With and Without Warrants:

The Select Commission recommends that:

Arrests, effected with or without the authority of a warrant, should be supported by probable cause to believe that the person arrested is an alien unlawfully present in the United States.

Warrantless arrests should only be made when an INS officer reasonably believes that the person is likely to flee before an arrest warrant can be obtained.

Arrest warrants may be issued by the Immigration and Naturalization Service District Directors or Deputy District Directors, the heads of suboffices and Assistant District Directors for Investigations acting for the Attorney General.

Persons arrested outside the border area without a warrant should be taken without unnecessary delay before the Immigration and Naturalization Service District Director, Deputy District Director, head of suboffice or Assistant Director for Investigations acting for the Attorney General or before an immigration judge who will determine if sufficient evidence exists to support the initiation of deportation proceedings. With respect to arrests at the border, persons arrested without a warrant should be taken without unnecessary delay before an immigration judge or a supervisory responsible Immigration and Naturalization Service official who will determine whether sufficient evidence exists to support the initiation of deportation proceedings.

VIII.A.3. Searches for Persons and Evidence:

The Select Commission recommends that the Immigration and Nationality Act include provisions authorizing Immigration and Naturalization Service officers to conduct searches:

With probable cause either under the authority of judicial warrants for property and persons, or in exigent circumstances;

Upon the receipt of voluntary consent at places other than residences;

When searches pursuant to applicable law are conducted incident to a lawful arrest; or

At the border.

VIII.A.4. Evidence Illegally Obtained:

The Select Commission recommends that enforcement officials using illegal means to obtain evidence should be penalized. The evidence thus obtained should not be excluded from consideration in deportation cases.

VIII.B. Right to Counsel:

VIII.B.1. The Right to Counsel and Notification of that Right:

The Select Commission recommends that the right to counsel and notification of that right be mandated at the time of exclusion and deportation hearings and when petitions for benefits under the INA are adjudicated.

VIII.B.2. Counsel at Government Expense:

The Select Commission recommends amending the current law to provide counsel at government expense only to permanent resident aliens in deportation or exclusion hearings, and only when those aliens cannot afford legal counsel and alternative sources of free legal services are not available.

VIII.C. Limits on Deportation:

VIII.C.1. Revision of Section 244 of the Immigration and Nationality Act:

The Select Commission recommends that the words "extreme hardship" in Section 244 of the Immigration and Nationality Act be changed to "hardship." And that the reference to congressional confirmation of suspension of deportation be eliminated from this section.

VIII.C.2. Long-Term Permanent Residence as a Bar to Deportation:

The Commissioners did not reach a consensus on this issue.

VIII.D. Exclusions:

VIII.D.1. Grounds for Exclusion:

The Select Commission believes that the present exclusionary grounds should not be retained. The Select Commission recommends that Congress reexamine the grounds for exclusion set forth in the INA.

VIII.D.2. Reentry Doctrine:

The Select Commission recommends that the reentry doctrine be modified so that returning lawful permanent resident aliens (those who have departed from the United States for temporary purposes) can reenter the United States without being subject to the exclusion laws, except the following:

Criminal grounds for exclusion (criminal convictions while abroad);

Political grounds for exclusion;

Entry into the United States without inspection; and

Engaging in persecution.

SECTION IX. LANGUAGE REQUIREMENT FOR NATURALIZATION

The Select Commission recommends that the current English-language requirement for naturalization be retained, but also recommends that the English-language requirement be modified to provide a flexible formula that would permit older persons with many years of permanent residence in the United States to obtain citizenship without reading, writing or speaking English.

SECTION X. TREATMENT OF U.S. TERRITORIES UNDER U.S. IMMIGRATION AND NATIONALITY LAWS

The Select Commission recommends that U.S. law permit, but not require, special treatment of all U.S. territories.

STATEMENT OF SENATOR EDWARD M. KENNEDY ON REPORT OF THE SELECT COMMISSION ON IMMIGRATION POLICY

At the first meeting of the Select Commission two years ago, I noted that our mandate touched the heart of what American is today and will be tomorrow. For immigration is both America's past and future.

Immigration demonstrates the confidence in the continuing promise of our land. It honors our traditional concern for family reunion. It strengthens the economic and cultural life of our country. And it assures that America will always be a home for the homeless.

However, the Select Commission was created by Congress with the clear recognition that our current immigration laws and policies are out of date and inadequate to handle the world migration pressures of our time.

Our task as members of the Commission has been to consider immigration policy in light of America's basic interests, with full regard for our immigrant heritage and our humanitarian tradition. The Commission has succeeded in this difficult task. Its work, its findings and recommendations, and the extensive research material and staff reports represent the most significant and thoughtful study of American immigration law in three decades. Its work has laid the basis for Congressional action this year on reforms that are long overdue.

The Commission did not come to complete agreement on a number of significant points. Many contentious issues remain. My votes have supported the thrust of the Commission's work and I agree with most of the Commission's recommendations. However, I would like to note some areas of disagreement and offer some additional comments.

INTERNATIONAL COOPERATION

I fully concur in the Commission's finding that there must be increased international cooperation on world migration and refugee problems. The United States must provide leadership in revitalizing existing international organizations that deal with migrants and refugees.

We must strengthen international mechanisms to deal with the growing tide of refugees. The focal point in any such effort must be the United Nations High Commissioner for Refugees. The High Commissioner's role is crucial in our effort to assist and protect refugees. Yet, the UNHCR labors under many limitations flowing from his mandate, which was basically fashioned after World War II and in the protocol to the U.N. Convention Relating to the Status of Refugees concluded over 14 years ago. The last major effort to mobilize worldwide attention on refugee problems occurred over 20 years ago during the World Refugee Year of 1959.

Since then, there has been an enormous increase in the number of refugees. Relief and resettlement needs have grown dramatically. The complexity of refugee problems has consistently outpaced the ability of governments to respond. Yet the powers of the High Commissioner have remained unchanged.

I support the Select Commission's call for an international conference on refugees, to focus attention on world refugee problems and to review the mandate and authority of the UNHCR and other international agencies involved in refugee programs.

THE 1980 REFUGEE ACT

In the meantime, here at home, the Refugee Act of 1980 gives us the tools to deal with the resettlement needs of refugees of special concern to the United States. I strongly support the overwhelming vote of the Commission endorsing the general provisions of the Refugee Act. It provides a flexible framework for admitting and resettling refugees, and it has been a catalyst for reforming and strengthening the resettlement process. As the report notes, further administrative changes must be made for greater efficiency, but these can be accomplished under the Act without new legislation.

Some have voiced criticism of the Refugee Act. One area of controversy involves the number of refugees eligible for admission under the Act. Implicit in this controversy is the criticism that too many refugees have been admitted under the Act.

But nothing in the Act requires the United States to admit any refugees. The Act was adopted by Congress to improve the framework for resolving the public policy issue of how many refugees, and which refugees, should be admitted to this country.

The Act has worked. It has succeeded in facilitating this process. It has helped to resettle refugees of special concern to the United States in a more humane and effective way. It has increased Congressional control, without impairing the nation's ability to respond to refugee emergencies.

Some have suggested that the Act should be blamed for the difficulty in dealing with the Cuban and Haitian refugee crisis last year. That criticism is unwarranted. The Refugee Act was never used by the government in dealing with that crisis. It was deliberately by-passed. At the time, I urged the Administration to invoke the procedures of the Act. The Cuban and Haitian crisis involved a flow of people to our shores unprecedented in its character and its diplomatic complexity. The Act was designed for such situations, and it should have been used.

AMERICA'S NEIGHBORS

I strongly endorse the Commission's recommendation that the United States should expand bilateral consultation to promote cooperation on migration and refugee issues in the Western Hemisphere—especially with our neighbors, Canada and Mexico. These two nations deserve special consideration in our policies. I support higher immigration quotas for each nation. I also support proposals to expand and facilitate the movement of non-immigrants across the Canadian and Mexican borders.

If we are to achieve greater cooperation with our neighbors, we must consult and agree in advance, before our immigration policies are set. The past teaches that barbed wire fences do not make good neighbors. Immigration is not solely a domestic issue. It is a bilateral and international concern as well.

UNDOCUMENTED ALIENS

I support the Commission's view that we need new measures to cope with the flow of undocumented aliens. The United States cannot have a policy that permits an uncontrolled flow of immigrants. But any controls—and their enforcement—must be fair and humane.

One of the concerns expressed over the Commission's recommendations in this area has been that the Commission is unduly preoccupied with closing the border and with enforcement, rather than facilitating entry or safeguarding rights under the law. I share this concern, especially as it reflects the continuing need for more scrupulous sensitivity to the fundamental civil rights of Hispanic-Americans.

In most areas, however, the Commission's votes and actions reflect this sensitivity and embrace generous and humane proposals for dealing with immigration problems. For example, the Commission voted unanimously to support a flexible program to adjust the status of undocumented aliens already leading productive lives in the United States. The Commission's votes and discussions indicate a clear recognition that, for an amnesty program to work, it must be comprehensive, it must reach out to as many undocumented aliens as possible, and it must have as few exclusions as possible. Only in this way will undocumented aliens come forward.

One of the most serious omissions in the Commission's votes was the failure to specify a period of continuous residence for undocumented aliens to qualify under the legalization program. In earlier "straw ballots" of the Commission, most Commissioners voted for two years from the time of the Commission's report, some calling for one year, and no one calling for more than three to four years. It would be my view that the continuous residence requirement should be no more than one year prior to January 1, 1980.

Also I believe it would be inadvisable to attempt to deport those undocumented aliens who do not meet the specified rest-

tions requirement. A special temporary status could be authorized for those who are not otherwise excludable and who wish to work in the United States. At some point they, too, should be eligible to adjust their status.

Finally, I agree that increased enforcement efforts must be undertaken as part of the overall reforms the Commission is recommending. But this does not mean that the legalization program should be delayed until the implementation of all the other short-run and long-run administrative and enforcement procedures recommended by the Commission. Rather, the legalization program should be undertaken at the same time new enforcement efforts are initiated and funds are authorized. To delay the program beyond this period would only exacerbate the enforcement problems.

EMPLOYER SANCTIONS

Legal sanctions against employers are essential as a matter of fairness. Sanctions under current law fall solely on the undocumented aliens, not on the employers who may be exploiting them. I favor sanctions against employers who engage in pattern-and-practice hiring of undocumented aliens. The government should have this enforcement tool to deal with the serious problem of exploitation by employers of undocumented aliens.

Part of the incentive to hire undocumented aliens is their willingness to accept substandard wages and working conditions. We must therefore intensify the enforcement of existing laws, including the minimum wage, OSHA, the Fair Labor Standards Act, social security insurance, unemployment insurance, and Title VII of the Civil Rights Act. Vigorous and effective enforcement of these laws will reduce the incentive for employers to hire undocumented workers.

I oppose the establishment of a new national employee eligibility card or data-bank system. These sweeping proposals are extremely costly. There are questions whether taken alone these measures would substantially stem the flow of illegal aliens. And they present serious threats to privacy and civil liberties. Until these doubts are dispelled, existing identification documents and procedures can and should be used to determine employment eligibility.

One obvious step is to make the Social Security system and card less susceptible to misuse so that it can be used as an effective fraud-proof form of employee identification. The General Accounting Office has recently recommended that the Social Security card needs to be strengthened to protect the integrity of the Social Security system itself. Over a reasonable period of time we should take the necessary steps to protect the social security number and establish penalties for its fraudulent use. This step will benefit the Social Security system. It will also avoid the need for launching a costly, new identification system for employment eligibility purposes.*

*The General Accounting Office report, issued on December 23, 1980, makes clear the social security number is already used extensively for identification purposes. It can and should, therefore, be used for employment identification if steps are taken to strengthen the Social Security Administration and protect the use of the identification number. Below is the GAO listing of some of the current uses of the social security card by public and private entities:

1. 70 percent of the States now use the social security number (SSN) for driver's licensing purposes.

2. Several States use the SSN as one of the identifiers or authenticators in a cooperative, date-sharing network linked with the F.B.I.

3. The National Driver's Register of the U.S. Dept. of Transportation used the SSN.

4. Florida and Utah use the SSN for statewide, educational recordkeeping for high school students.

5. The SSN is used in some instance for vendor identification, for fishing or hunting licenses.

6. Students are sometimes required to use the SSN when applying for the "college board" exams.

7. Many colleges and universities use the SSN for student admission and recordkeeping.

8. Credit bureaus use the SSN in their data banks as an identifier or authenticator.

9. Many employers, including the U.S. Senate, use the SSN for employee recordkeeping and identification.

10. In addition, the GAO found the SSN is required to:

Attend a meeting or social function at the White House;
Join the Chamber of Commerce or Jaycees;
Take out an insurance policy;
File an insurance claim;
Obtain benefits from an estate or trust;
Obtain a home mortgage or loan;
Check into a hospital;
Purchase or obtain title to an automobile;
Register to vote;
Install a telephone;
Argue a case before the Supreme Court;
Contribute to charitable organizations through payroll deductions;
Register a motor vehicle;
Obtain a library card; or
Give blood.

INCREASED CEILINGS FOR IMMIGRATION

I strongly support the revision of the current preference system to reflect our essential and traditional priorities for the admission of immigrants, such as family reunion, the relief of refugees, and those who will contribute to the economic development and cultural enrichment of our country.

I support the modest increase in the annual immigration ceiling to accommodate these priorities and to end the backlogs under the existing system. The proposed 350,000 ceiling is a reasonable target for current immigration policy. In fact, it is less than what is necessary for our country to achieve zero population growth in 40 years at current fertility levels.

No ceiling should be placed on immediate family reunion cases. To do so would be to impose serious and unfair burdens on the rights of American citizens. The admission of refugees can be adequately controlled under the Refugee Act, which requires annual consultations and annual budgetary actions by Congress before refugees can be admitted.

TEMPORARY WORKERS

I support the unanimous view of the Commission that there is no sound basis for a vastly expanded temporary worker program. Adoption of the amnesty recommendation and implementation of the new immigration system will result in the admission of significant numbers of additional immigrants and an adjustment in the status of up to three million aliens already in this country.

Until the impact of these changes is assessed, there is no justification for a large new temporary worker program. If, over time, there is a need for temporary labor, the Congress can and should address the issue. There is no justification for such action at this time. The flow of undocumented workers from Mexico cannot be stemmed by a temporary worker program. And any such program would have serious consequences for American labor that must be fully studied before any such step is taken.

The existing need for temporary workers can be met by streamlining the current H-2 program and making it more effective. I concur in Secretary of Labor Marshall's recommendations on implementing the labor certification process.

LEGAL ISSUES

I regret that the Commission did not vote on the suggestions for reforming the current exclusion provisions in the law. The work of the staff and the Commission's Subcommittee, led by Attorney General Civiletti and Congresswoman Holtzman, offered reasonable proposals for overhauling the archaic and harsh provisions of Section 212(a) of the Immigration and Nationality Act. Grounds for exclusion should be carefully designed to exclude only those who are deemed a threat to our national security or to public health, safety and welfare. Nonimmigrants—such as those visiting this country as tourists or for professional purposes—should not be excluded except on grounds relating to security or criminal conduct. Ideological grounds of exclusion are repugnant to the American tradition of liberty and individual freedom.

CONCLUSION

As the Commission concludes its work, it is well for us to remember again the comment of Oscar Handlin when he began his study, the Uprooted: "Once I thought to write a history of the immigrants in America. Then I discovered that the immigrants were American history."

I am confident that they will remain a part of our nation's future because of this Commission's work. I hope that our recommendations will be promptly implemented so that we can fulfill the bright future of our immigrant heritage.●

THE REAGAN ECONOMIC PROGRAM

● Mr. PELL. Mr. President, President Reagan has presented to Congress an unusual and dramatic economic program. Because of the importance of the proposal, it deserves and requires, I believe, a more reasoned response than simple approval or rejection, particularly from the Senate Democratic minority, which has a major responsibility for critical analysis.

Indeed, President Reagan, to his credit, challenged Members of Congress to offer alternative policies if they could not support his program in its entirety.

It is in that constructive spirit that I offer my points of agreement, and disagreement, with the President's proposals, and some alternative policies, which would still provide large budget cuts, but would reduce the proposed Federal spending deficit by one-third.

I agree fully with the President's economic objectives—control inflation, promote sound economic growth, and improve the productivity and competitiveness of American industry.

The President is right, also, that to achieve these objectives we must restrain the growth of Federal Government spending and make absolute cuts in many programs. We must not permit Federal Government spending to grow faster than Federal Government income, nor should Federal Government spending grow faster than our overall national economy.

I agree, also, that the Federal Reserve should be encouraged to reduce the growth of the money supply and credit. This is particularly important when we consider that business and consumer debt has multiplied at twice the growth rate of the Federal Government debt during the past 20 years.

I am concerned, however, that the President's program may not achieve all of those objectives and, unless modified, runs a serious risk of adding to both unemployment and inflation.

These are my concerns:

First, I am astounded that this conservative administration, knowing that budget deficits can fuel inflation, has proposed a whopping $45 billion deficit for the coming fiscal year. This deficit would be 60 percent bigger and $17 billion more than the deficit projected by President Carter for the same year. Controlling inflation is our highest economic priority, and the administration's proposal for a $45 billion deficit is going to make control of inflation much, much harder.

My second concern with the Reagan program is the very large increase proposed for defense spending. The administration proposes an increase of $30 billion. That is an increase of almost 20 percent in 1 year and a full 11½ percent after inflation is discounted. This huge increase in defense spending is one of the major reasons for the big spending deficit proposed by the administration. Much of this defense increase will be paid for through inflationary deficit financing.

Defense spending must be increased to meet our legitimate national security needs. I have voted for the past 2 years for defense spending increases of 3 percent over and beyond inflation, but I am unconvinced that a $30 billion increase can be used effectively and efficiently to increase our real national security. If this money is approved, we will see rapid inflation in the costs of weapon systems because defense industries are just not geared up to produce on this scale. Too much and too fast in defense spending means waste, inflation, and a larger deficit.

We should not be led into excessive defense spending solely by comparisons with Soviet Union defense spending, which often is overstated by using American cost factors instead of actual, lower Soviet costs.

My third concern with the Reagan program is the size of the tax cut. A $54 billion tax cut in a budget that is $45 billion in the red makes no economic sense. Just as the Federal Government cannot spend money like water, neither can the Government throw tax reductions around like water without risking higher inflation. We do need carefully targeted tax cuts and especially accelerated depreciation for business to increase investment. We also need tax cuts for individuals to offset the impact of higher social security withholding and inflation. But I believe the individual tax reductions proposed by the President are too large and tilted too much in favor of the well off. A full 70 percent of the reduction in individual taxes would go to taxpayers making over $25,000 a year.

My final concern with the Reagan administration program is the depth and severity of some of the budget cuts. As I have said before, Government programs need pruning to bring spending back within our means. But, some of the budget reductions are ill-advised and too severe. Education programs are one example. The education of our youngsters remains the best capital investment we can make—and one with a remarkably high cost-benefit value. In many cases, the budget cuts at the Federal Government level will simply add a new burden to State and local governments and school districts. Taking spending out of the Federal budget and putting it on local governments does nothing to reduce the burden on the taxpayer or on the economy.

In other cases proposed budget cuts will mean a saving for the Government budget, but a new burden for hard-pressed family budgets. And, in some cases, the budget cuts are fully justified.

In many cases neither the administration, the Congress, nor the public has had a chance to study and understand the full implication of the proposed reductions.

What is deeply troubling to me is the rationale offered by the administration for many of these budget cuts.

It is clear that many policymakers in this administration do not believe that the Federal Government has any role in assuring that Americans have adequate food, decent housing, jobs, basic health care, and educational opportunity.

It is here that I have a fundamental disagreement with the Reagan administration. I believe the Government has a very significant responsibility in trying to assure us that these basic requirements of decent human existence are met.

While I have served in the Senate during the past 20 years, the Federal Government has done much to make a better life possible for all Americans of all economic levels, of all races, in all regions of the Nation. The evidence can be seen in statistics of improved family income, increased education, better health care, and a vast increase in jobs. We are today a far wealthier nation than we were 20 years ago, and that wealth has been broadly shared among all Americans.

Today we face new economic problems, and it is necessary to cut back Government programs. But it should be clear that these programs did not cause our economic problems. They must be cut because of economic and budget necessity, not because they are wrong.

I want to support our President; I intend to support him when I believe he is right—and I want him to be right.

It is because of this that I offer modifications to the President's program, which I believe make it economically sounder.

First, increase defense spending by $20 billion, instead of $30 billion, providing a full 5-percent increase over and above inflation.

Second, provide a tax cut to individuals of $25 billion, instead of the $42 billion proposed. The American people have indicated repeatedly that they will forego a tax cut to combat inflation.

Third, cut nondefense spending by $30 billion instead of the $41 billion proposed. This would still be a cut of unprecedented dimensions in nondefense spending and would require belt tightening and more than symbolic cuts in many programs that are of real value.

With these modifications, the projected deficit for 1982 would be about $29 billion—or about one-third less than the deficit proposed by the President for 1982.

This program would be more conservative than the administration's program. And while it might lose something in shock value, it is more prudent and avoids the very real inflationary risks posed by a deficit, tax cuts, and defense spending increases that are just too large.●

COMMONSENSE ON EL SALVADOR

● Mr. KENNEDY. Mr. President, earlier this week I expressed my opposition to military intervention from the United States and all other outside sources in El Salvador and proposed a negotiated political solution for this tragic conflict.

The Boston Globe recently published a thoughtful editorial along these lines. The Globe warns that—

> The Administration is moving sharply closer to a regime that may be relying heavily on terror tactics in dealing with the general population.

In a very cogent article in the New York Times, Prof. Richard Ullman, of Princeton University, also warns that—

> The costs in Salvadoran lives and perhaps our own, too, and to the United States' reputation will be gigantic.

Mr. President, I believe that these views deserve the most serious attention of the administration and Congress as we formulate our future policies toward El Salvador and both Latin America and the Third World as a whole. I request that the Boston Globe editorial of February 24, entitled "Reagan and El Salvador" and Professor Ullman's article entitled "Saving Salvador" from the February 25 issue of the New York Times, be printed in the RECORD.

The articles follow:

[From the Boston Globe, Feb. 24, 1981]

REAGAN AND EL SALVADOR

In some respects the world would be an easy place in which to live if Ronald Reagan turned out to be right that the fighting in El Salvador was the result of arming of rebels by Cuba. Cutting off the supplies, which might be achieved, would mean an end to the fighting.

Such a scenario would also presumably produce political tranquility in a troubled country. Lacking the divisiveness that the Reagan Administration says is being imposed on El Salvador by Cuban and Soviet agentry, all the parties would be more apt to accommodate each other.

The trouble is that there are very strong indications that even if the Cuban arms flow stops, fighting probably will not end. Unless or until there are fundamental economic and political reforms, the conflict in El Salvador will surely endure.

The Administration appears embarked on a course that involves risks for itself as well as El Salvador. The taking of risks is perfectly proper in many situations; one only wishes that the odds were better in this situation.

First, the Administration is moving sharply closer to a regime that may be relying heavily on terror tactics in dealing with the general population. Ugly reports, including some from members of the U.S. Congress who have recently visited Central America, indicate that the Salvadoran army is participating in attacks on civilians that, in fact, drive them into the arms of the rebels

out of a sense of desperation. The danger is that the Salvadoran army, which seems to have a mind of its own, will misread American opposition to Cuban aid for rebels as support for its own misdeeds and thereby only make the lives of all Savadorans more hazardous.

Second, the Administration is complicating relations with some of our allies. The Mexicans, who are fully as interested in developments in El Salvador as the United States, do not accept the Reagan view of events or of Cuba and have been careful to say so in recent days. The difference could complicate US-Mexican relations on other issues, including our nascent energy trade.

Third, the ambiguous threats of American intervention in the El Salvador question may be seized upon by the Soviet Union as justification for some adventure of its own, notably in Poland. Soviet propaganda has increasingly attributed Polish unrest to outside provocation and assistance. It would be sad indeed if the gains of the Polish Solidarity movement were squandered through American miscalculation in El Salvador.

Last, the truculent tone of the Reagan Administration in facing the Soviet Union should not be carried too far. As new players in the game, the Administration might understandably want to dispel any notions in Moscow that it will be a pushover in any dispute. That tactic should not blind the Administration to the fact that the Soviet Union itself could be close to changes in leadership and that unnecessary conflict only tends to strengthen the hawks in Soviet circles.

El Salvador is a deeply wounded country. Last year more than 10,000 persons were slain by private and public armies of the left and right. Deeply poor and long dominated by an entrenched autocracy, El Salvador's future depends on peace, compromise and reform. The Reagan moves have the odor of polarization and division that suggest the Salvadoran anguish will not soon end.

[From the New York Times, Feb. 25, 1981]

SAVING SALVADOR

(By Richard H. Ullman)

PRINCETON, N.J.—The Administration seems headed toward disaster in El Salvador. Its obsessive concern to demonstrate that the United States can no longer be pushed around by the Soviet Union and Cuba has tied our prestige to the survival of a brutal military regime. In so doing, it is inviting a confrontation from which, no matter what the outcome, Moscow will emerge a winner.

Our standing—in the eyes of much of the rest of the world, and perhaps even in those of our own people—will surely diminish. The ultimate losers will be those whom the Administration in its simplistic Realpolitik has overlooked: El Salvador's four million people.

The Soviet Union will emerge enhanced because governments and publics in many countries, including Mexico and Western Europe, seem to believe that the Salvadoran rebels, who now enjoy Moscow's and Havana's support, are much more worthy of support than the regime they oppose. Thus, if large-scale United States assistance saves the junta, Washington will be accused of again stifling a "progressive third-world revolution." On the other hand, now that Washington's prestige is engaged, an insurgent victory will seem yet another sign of declining United States power. For Moscow, no matter what the outcome, the applause of much of the third world will come as a welcome diversion from the opprobrium that has rightly attached to its brutal intervention in Afghanistan.

Like the Carter White House, the Reagan Administration purports to regard the junta as courageous centrists battling repression from left and right. But the overwhelming evidence is that whatever democratic center there may have been exists no longer. Its fragile chances were snuffed out with the lives of six civilian opposition leaders rounded up by army units in November and executed, just as nearly every other voice for moderation—including many priests and an archbishop—have similarly been silenced. And the land reform on which Washington has placed its bets for weaning the rural poor from the insurgents has proved largely a sham, as much undermined in the countryside by the army as ballyhooed by the junta.

Yet the Administration has firmly nailed its flag to the junta's mast. No longer can there be a graceful exit. Our military mission in El Salvador has doubled; the flow of arms will surely double, too. But the Pentagon's own analysis is said to conclude that the junta is not capable by itself of putting down the insurgency even with vastly enhanced resources. So the next steps will surely include a gradual assumption of more active roles by our own forces. They will fly the helicopters that ferry Salvadorans into battle. They will operate electronic sensors to detect the influx of arms. And when they begin to die in combat, the Administration will find its prestige even more irrevocably on the line.

El Salvador is not Vietnam, however. "Our side" will almost surely win. But the coats, in Salvadoran lives and perhaps our own, too, and to the United States' reputation will be gigantic. And the sparks of revolution will have ample tinder for reignition.

The tragedy is that these costs are so unnecessary. Our prestige is on the line only because the Administration insists it be there. The fact of Soviet and Cuban support for insurgents need not trigger automatic United States opposition. There are conflicts for which no satisfactory resolution is possible. The civil war became such a conflict when the army and right-wing death squads liquidated the moderate center.

The insurgents undoubtedly include many Communists among their number. Their blueprint for a reconstructed society will not accord with the preferences of most people in this country. But they nevertheless seem the favorites of a terrorized population that evidently feels that an insurgent victory will bring the more equitable distribution of wealth so long denied it by El Salvador's rulers.

That fact alone should give us pause. But if it does not, then Washington's policy should at least be shaped by the likelihood—indeed, certainly—that a victorious left in El Salvador, as in Nicaragua, would scarcely be anyone's willing client. The Soviet Union and Cuba are useful arms suppliers during civil war. But it is to the United States that victorious insurgents look for aid in rebuilding their countries. Then our resources and influence can decisively shape events.

Alas for the Salvadorans, and also for ourselves, the Administration has all but foreclosed such an outcome. Any hope for preventing a disastrous escalation of our involvement in the war must rest with the Administration's critics at home—with Democrats, liberal Republicans, and the churches, especially the Roman Catholic Church. They may yet save the honor the Administration is so recklessly squandering.●

TRIBUTE TO GLADYS NOON SPELLMAN

● Mr. MATHIAS. Mr. President, all who serve in the Congress know that our tenure here is limited and that the privilege of serving will end for us as it did for those who came before us. The Republic survives our departure, our successors take our seats, and the work goes on. But there is a special sadness in the end of the remarkable term of service of Representative GLADYS NOON SPELLMAN. Fate is not obliged to be either kind or fair, and in the case of GLADYS SPELLMAN it is neither.

It has been my pleasure to share many public occasions with GLADYS SPELLMAN; and each time I saw her with her friends and constituents, I was struck by her ability to convey a sense of personal warmth and human concern to each of them. She could address a vast audience and give each of them the feeling that she was in intimate private conversation. This was more than a political trick; it was the important ability to make citizens feel close to Government to personalize the relation of the citizen to the State and to engage the loyalty of the people to the political process. Without neglecting the many material achievements of Representative SPELLMAN, it seems to me that the gift of making politics work and bringing Government into a human dimension was her real genius. The votes of 88 percent of her constituents prove how well she succeeded in it.

The days that were once so full for GLADYS are now quiet and lonely. She has been unable to tell us how she feels about the great change that has come over her life. Her family have given her the love and support that we all need in such times, and their burden of helping her when they themselves must want help is very great. Mrs. Mathias and I hope and pray that she may improve and enjoy the contentment and satisfaction she has earned.

But the GLADYS we have known will always be with us as part of the best tradition of American politics. Her career has extended the boundaries not just for women in politics, but for all of us.

I ask that an editorial tribute to GLADYS SPELLMAN, the public servant, and GLADYS SPELLMAN, the person, which appeared in the February 25, 1981, edition of the Washington Post, appear at this point in the RECORD.

The editorial follows:

GLADYS SPELLMAN'S BRILLIANT CAREER

By anyone's account, Gladys Noon Spellman entered the race for reelection to a fourth term in Congress as the most popular politician in Prince George's County. Today, that reputation has not changed a bit—but, as Mrs. Spellman's millions of admirers in the county, in Congress and throughout the Washington region have had to accept—her own circumstances have. Her remarkable 19-year political career has been halted, though it remains a classic for all who would seek public office and serve successfully.

To have watched Mrs. Spellman on the campaign trail, on the phones, in the schools or up and down the aisles and office hallways of Congress was to see a woman obviously reveling in her work and loving her constituents. You could watch with amusement, too, as Mrs. Spellman would bat those big dark eyes, smile, gosh-golly it a few times—and then systematically strip the socks off of unsuspecting colleagues in the House to make another point or two on behalf of her constituents.

There has always been more to it than charm and cunning, though; Mrs. Spellman has been a political pro in every way, with an uncanny sense of her constituency's interests—most notably those of federal employees, from elevator operator to secretary, clerk and middle-level professional. To this group that always suffers as the easy target of the "anti-Washington" candidates, what better music than Mrs. Spellman's "Beautiful Bureaucrat" column in her newsletter, commending "wonderfully responsive" government workers and championing those who, "far from slowing down the wheels of government, are really the people who keep them churning"?

This keen appreciation of her constituents and of government at its best has been instrumental in promoting the best of Prince George's County—where Mrs. Spellman first came into the public eye as a crusading PTA activist, elected as a Democratic reformer to the old County Board of Commissioners in 1962. Four years later, she became board chairman, the first woman to head Maryland's largest county. Mrs. Spellman remained in the political thick of things when the county changed to a charter form of government, winning election to the new county council and, in 1974, to the U.S. House.

The bubbling omnipresence of Gladys Spellman—in meetings large and small, at those open-door complaint sessions for constituents, at the nightly sessions throughout her district, at the PTAs, at the clubs or in the family rooms around the neighborhoods—is no more. And yesterday's declaration of a vacancy of this seat was only right, for representation of this district must continue.

Still, we can know what Mrs. Spellman's daughter means when she says, "I'm waiting for her to look up and tell me to cut my hair, or to tell the boys to trim their beards." After all, everybody knows by now that Gladys Spellman has never been one to be underestimated.●

RULES OF THE SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. COHEN. Mr. President, in compliance with section 133(b) of the Legislative Reorganization Act of 1946, as amended, the Select Committee on Indian Affairs is publishing the committee's rules, which I submit for printing in the RECORD.

The rules are as follows:

RULES OF THE SELECT COMMITTEE ON INDIAN AFFAIRS

COMMITTEE RULES

Rule 1. The Standing Rules of the Senate, Senate Resolution 4, and the provisions of the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, to the extent the provisions of such acts are applicable to the Select Committee on Indian Affairs and as supplemented by these rules, are adopted as the rules of the Committee.

MEETINGS OF THE COMMITTEE

Rule 2. The Committee shall meet on the first Wednesday of each month while the Congress is in session for the purpose of conducting business, unless, for the convenience of Members, the Chairman shall set some other day for a meeting. Additional meetings may be called by the Chairman as he may deem necessary.

OPEN HEARINGS AND MEETINGS

Rule 3. Hearings and business meetings of the Committee shall be open to the public except when the Committee by majority vote orders a closed hearing or meeting.

HEARING PROCEDURE

Rule 4. (a) Public notice shall be given of the date, place, and subject matter of any hearing to be held by the Committee at least one week in advance of such hearing unless the Chairman of the Committee determines that the hearing is noncontroversial or that special circumstances require expedited procedures and a majority of the Committee involved concurs. In no case shall a hearing be conducted with less than 24 hours notice.

(b) Each witness who is to appear before the Committee shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his or her testimony in as many copies as the Chairman of the Committee prescribes.

(c) Each Member shall be limited to 5 minutes in the questioning of any witness until such time as all Members who so desire have had an opportunity to question the witness unless the Committee shall decide otherwise.

(d) The Chairman and ranking Minority Member or the ranking Majority and Minority Members present at the hearing may each appoint one Committee staff member to question each witness. Such staff member may question the witness only after all Members present have completed their questioning of the witness or at such other time as the Chairman and the ranking Majority and Minority Members present may agree.

BUSINESS MEETING AGENDA

Rule 5. (a) A legislative measure or subject shall be included in the agenda of the next following business meeting of the Committee if a written request for such inclusion has been filed with the Chairman of the Committee at least 1 week prior to such meeting. Nothing in this rule shall be construed to limit the authority of the Chairman of the Committee to include legislative measures or subjects on the Committee agenda in the absence of such request.

(b) The agenda for any business meeting of the Committee shall be provided to each Member and made available to the public at least 3 days prior to such meeting, and no new items may be added after the agenda is so published except by the approval of a majority of the Members of the Committee. The Clerk shall promptly notify absent Members of any action taken by the Committee on matters not included in the published agenda.

QUORUMS

Rule 6. (a) Except as provided in subsecs. (b) and (c), four Members shall constitute a quorum for the conduct of business of the Committee.

(b) No measure or matter shall be ordered reported from the Committee unless four Members of the Committee are actually present at the time such action is taken.

(c) One Member shall constitute a quorum for the purpose of conducting a hearing or taking testimony on any measure before the Committee.

VOTING

Rule 7. (a) A rollcall of the Members shall be taken upon the request of any Member.

(b) Proxy voting shall be permitted on all matters, except that proxies may not be counted for the purpose of determining the presence of a quorum. Unless further limited, a proxy shall be exercised only upon the date for which it is given and upon the items published in the agenda for that date.

SWORN TESTIMONY AND FINANCIAL STATEMENTS

Rule 8. Witnesses in Committee hearings may be required to give testimony under oath whenever the Chairman or ranking Minority Member of the Committee deems such to be necessary. At any hearing to confirm a Presidential nomination, the testimony of the nominee, and at the request of any member, any other witness shall be under oath. Every nominee shall submit a financial statement on forms to be perfected by the Committee, which shall be sworn to by the nominee as to its completeness and accuracy. All such statements shall be made public by the Committee unless the Committee on executive session determines that special circumstances require a full or partial exception to this rule. Members of the Committee are urged to make public a complete disclosure of their financial interests on forms to be perfected by the Committee in the manner required in the case of Presidential nominees.

CONFIDENTIAL TESTIMONY

Rule 9. No confidential testimony taken by or confidential material presented to the Committee or any report of the proceedings of a closed Committee hearing or business meeting shall be made public in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee at a business meeting called for the purpose of making such a determination.

DEFAMATORY STATEMENTS

Rule 10. Any person whose name is mentioned or who is specifically identified in, or who believes that testimony or other evidence presented at, an open Committee hearing tends to defame him or otherwise adversely affect his reputation may file with the Committee for its consideration and action a sworn statement of facts relevant to such testimony or evidence.

BROADCASTING OF HEARINGS OR MEETINGS

Rule 11. Any meeting or hearing by the Committee which is open to the public may be covered in whole or in part by television broadcast, radio broadcast, or still photography. Photographers and reporters using mechanical recording filming, or broadcasting devices shall position their equipment so as not to interfere with the seating, vision, and hearing of Members and staff on the dais or with the orderly process of the meeting or hearing.

AMENDING THE RULES

Rule 12. These rules may be amended only by a vote of a majority of all Members of the Committee in a business meeting of the Committee; *Provided*, That no vote may be taken on any proposed amendment unless such amendment is reproduced in full in the Committee agenda for such meeting at least three days in advance of such meeting. Such proposed amendments shall be mailed to each Member of the Committee at least seven (7) calendar days in advance of the meeting.●

ANNUAL REPORT OF THE JOINT ECONOMIC COMMITTEE

● Mr. KENNEDY. Mr. President, in the annual report of the Joint Economic Committee, released yesterday, the Democratic members of the committee, under the leadership of Chairman HENRY REUSS, have submitted a thoughtful and far-ranging alternative economic program for the Nation. I am proud to have joined in this program, which contains 33 specific recommendations for action, and I commend the outstanding leadership of Congressman REUSS in preparing and presenting this important Democratic alternative.

Mr. President, a news article by HARRY ELLIS in today's Christian Science Monitor provides an excellent summary of the JEC's report, and I ask that it be printed in the RECORD. I also ask that the text of the 33 recommendations be printed in the RECORD.

The material is as follows:

[From the Christian Science Monitor, Feb. 27, 1981]

DEMOCRATIC LEADERS SAY GUNS-AND-BUTTER BUDGET RISKS INFLATION—SMALLER TAX CUT URGED IN REPORT ON FISCAL ALTERNATIVES

(By Harry B. Ellis)

WASHINGTON.—As a great debate kindles in Congress over President Reagan's economic policies, the vision of America's future

looks very different from opposing sides of the political aisle.

Congressional Democrats, taking up Mr. Reagan's challenge to come up with a better program, see danger signals down the road—including higher inflation—if key elements of the President's proposals are not changed.

Rep. Henry S. Reuss (D) of Wisconsin sees in the Reagan program a "weird combination" of "supertight money," leading to higher interest rates, and a "sloppy fiscal policy" of unwise tax cuts.

All this, plus alternative suggestions, are embodied in the Democratic version of a fresh Joint Economic Committee (JEC) report, outlining what lies ahead for the U.S. economy.

Because the JEC, chaired by Mr. Reuss, has 10 Democrats and an equal number of Republicans, the GOP members produce their own report—strongly supportive of the President.

Democrats, according to Reuss, generally agree with President Reagan on several aspects of his program:

Business should get faster tax write-offs for investment in new plants and equipment, as the most efficient way to create jobs and improve productivity.

Reform of the federal regulatory system is needed, to "reduce unnecessary government regulations and paper work."

Government spending should be reduced "promptly," with no program to be exempt from scrutiny.

Here consensus ends, as Democrats on the JEC level their big guns at the President's plan to trim individual income taxes across the board and to support the Federal Reserve Board's tightening of money supply targets.

Long-term commitments to tax cuts—i.e., the three-year 30 percent across-the-board income tax cuts advocated by the White House—risk "reigniting inflation" and also favor the well-to-do, the Democrats claim.

Instead, JEC Democrats argue, Congress should pass the kind of income tax cuts that would offset this year's payroll (social security) tax increase, thus relieving a burden on middle-income taxpayers.

Further tax cuts should be considered, only "when we can be sure that we have made progress against inflation, that the budget is under control," and that tax incentives for business have upgraded plant, equipment, and productivity sufficiently to "accommodate the new surge of demand."

Republicans on the JEC, led by Sen. Roger W. Jepsen (R) of Iowa, committee vice-chairman, deny that the Reagan-planned tax cuts would be inflationary, especially when coupled with major budget trims.

If Americans know, Republicans argue that their tax burden will decline over three years, they will work harder, save and invest more, boost the output of goods and services, and help to moderate inflation.

The guns-and-butter issue crops up in the JEC report, with chairman Reuss noting that President Reagan plans both to increase defense spending and to cut taxes.

Such a policy, Reuss told reporters, risks repeating the mistake Democrats made during the Vietnam war of thinking that the nation could have guns and butter at the same time.

"Guns and butter piled on top of each other," said the Wisconsin Democrat, "are as dangerous in 1981 as they were in 1967."

Reuss and his Democratic colleagues deplore the fact that the Federal Reserve Board wants to slow down the growth of the nation's money supply even more this year than it did in 1980.

Fed chairman Paul A. Volcker says he plans a "frankly restrictive" policy to combat inflation by lowering money supply growth targets by a half percentage point in 1981.

"The federal reserve," says Reuss, "should indeed keep growth targets austere, but not more so than in 1980, when they caused two bouts of 20 percent interest rates."

Targets just announced by the Fed, said Mr. Reuss, mean a "harsh blow to capital investment," because competition for supertight capital will drive up interest rates, making it too expensive for many businessmen to borrow.

Monetary restraint, according to JEC Democrats, should be "moderate," combining the need to reduce inflation with the equal need to maintain steady growth of the economy.

What Americans now are seeing, many analysts believe, is a shrinking of consensus between Democrats and Republicans on the President's economic program, as Congress examines both its details and implications.

Democrats, well aware of the political whirlwind which swept through the land last November—and, in the House, aware that they face voters again in less than two years—still seek agreement where possible with the White House.

But officials on both sides differ honestly over whether the Reagan tax cuts would lead to higher inflation and whether budget trims will fall too heavily on Americans on the lower rungs of the economic ladder.

JOINT ECONOMIC COMMITTEE REPORT—RECOMMENDATIONS IN DEMOCRATIC VIEWS

I. MONETARY POLICY

Recommendation No. 1: Long-term monetary restraint

Monetary policy should be moderately restrained to reduce inflation while sustaining steady economic growth. The long-run rate of growth of money and credit is of primary importance, rather than temporary deviations from the long-run growth trajectory.

Recommendation No. 2: The Federal Reserve should explain its targets

The Federal Reserve should set forth publicly each year a careful explanation of how its monetary targets have been selected. Such an explanation should relate the target to potential growth of real gross national product (GNP), to unavoidable (core) inflation, and to expected changes in the growth of velocity.

Recommendation No. 3: Bring interest rates down

Consistent with control over the growth of money and credit, the Administration, the Federal Reserve, and the Congress should concert their actions, through the methods set forth in Recommendations 4–6, to lower interest rates.

Recommendation No. 4: Do not tighten targets

The Federal Reserve should refrain from tightening its 1981 monetary targets from those in effect in 1980.

Recommendation No. 5: Avoid interest rate wars

The Administration and the Federal Reserve should work to avoid further international "interest rate wars," in which certain countries rely excessively on monetary rather than fiscal policy to fight inflation, thus raising interest rates and forcing other countries to follow suit to protect their currencies. This "beggar-thy-neighbor" high interest rate competition should be replaced by much closer international coordination of economic policy, both at and between summit meetings.

Recommendation No. 6: Encourage banks to fight inflation

The Administration and the Federal Reserve should encourage the banking system to develop effective methods to prevent destabilizing bursts of bank-financed lending for speculative and purely financial purposes, which make less credit available to enhance productivity and thus fight inflation.

II. FISCAL POLICY

Recommendation No. 7: Fiscal policy: Coordination with monetary policy

Fiscal policy should be closely coordinated with monetary policy. To achieve better coordination, the Administration should make public the monetary policy assumptions it employs in reaching its budget and economic forecasts.

Recommendation No. 8: Fiscal policy: Fight inflation and recession

Fiscal policy should be steady and moderately restrained. This policy is necessary to reinforce the Federal Reserve's efforts to reduce inflation while supporting growth. All proposed tax and expenditure actions should be examined closely for their effects on productivity and costs. Those which combat both inflation and recession should get priority over all other measures. Recommendations 9–11 deal with taxes, 12–13 with spending.

Recommendation No. 9: Liberalize business depreciation

Once again, we urge Congress to enact promptly a liberalization of the business depreciation allowance for new investment, to increase incentives to invest and to ensure that tax treatment does not distort business investment decisions. Prompt enactment is justified because it is the most efficient incentive to capital investment, which is especially important now in view of the entry of vast numbers of new workers into the labor pool.

Recommendation No. 10: Offset 1981 payroll tax increases

An individual tax reduction designed to offset the January 1, 1981, increase in the social security payroll tax, and thus undo substantially all of the hardship imposed on the low- and middle-income groups who pay the payroll tax, should be enacted immediately.

Recommendation No. 11: Beyond these: beware

Other proposed immediate tax reductions, particularly if they imply a commitment to large fiscal stimulus in future years, present the risk of reigniting inflation. Congress should consider a further tax cut when we can be sure that we have made progress against inflation, that the budget is under control, and that the investment incentive measures urged here have improved the Nation's stock of plant and equipment and their productivity so that they can accommodate the new surge of demand. We should avoid commitments now to long-term proposals whose consequences are unpredictable.

Recommendation No. 12: Control spending

Federal spending must be reduced promptly. No government spending program should be exempt from scrutiny.

Recommendation No. 13: Cut spending equitably

It is essential that spending reductions be made in a fair and equitable manner. Middle- and lower-income groups should not be required to carry a disproportionately great burden of budget cutbacks. Proposals to terminate or to make major reductions in Federal programs should be accompanied by economic analyses showing the effects on the living standards of different income groups and on different regions.

III. INCOME DISTRIBUTION

Recommendation No. 14: Do not worsen the distribution of income

The poor are threatened by proposed cutbacks in transfer programs, and the middle class has suffered a significant decline in its real income in recent years. Government tax and expenditure actions should not increase poverty or reduce the share of income going to the middle class.

IV. STRUCTURAL REFORM

Recommendation No. 15: Long-term structural improvement must start now

Even sensible monetary and fiscal policies cannot achieve full employment without inflation unless we reform our economic structure to rid it of rigidities and disincentives.

IV.A INVESTMENT AND JOBS

Recommendation No. 16: Needed investment and jobs

We support the goal set out in the 1981 Economic Report of the President and by the new Administration of increasing the share of investment in GNP over the next several years. This goal is necessary to reconcile moderately restrained macroeconomic policy with a sustained push toward full employment, full production, and higher productivity growth. Components of a comprehensive investment and jobs strategy should be developed, including the actions outlined in Recommendations 17–24.

Recommendation No. 17: Tax incentives for investment

Tax reduction incentives should stress the enhancement of existing and new industrial capacity and the reduction of costs of production.

Recommendation No. 18: Basic research

Funding for basic research should be maintained and private research further encouraged.

Recommendation No. 19: Infrastructure

Investment in infrastructure—roads, water systems, rails, ports, utilities, and other physical support systems—should be maintained at adequate levels. Federal economic development programs which can help State and local governments provide necessary infrastructure should be examined to improve their effectiveness and reduce the risk of waste.

Recommendation No. 20: Targeted jobs tax credit

Better use should be made of the targeted jobs tax credit specifically:

(1) the revision of eligibility criteria to cover the main categories of structurally unemployed workers should be examined;

(2) eligibility criteria should be simpler and more readily verifiable by employers; and

(3) there should be effective publicity to increase awareness on the part of the employers.

Recommendation No. 21: Labor force and small business

The Congress should consider ways to facilitate job creation by small businesses and to increase the proportion of Federal procurement and research and development funding that is available to small businesses, and particularly to minority-owned businesses.

Income support programs should be designed to help improve the employability of individuals by emphasizing training, education, and skill development and should utilize small businesses, and particularly minority-owned businesses, whenever possible.

Recommendation No. 22: Labor-management cooperation

The Committee supports private efforts to improve productivity through cooperative activities by labor and management.

Recommendation No. 23: Exports

Smaller, innovation-minded firms and agricultural commodities should receive enhanced incentives and assistance for exports.

Recommendation No. 24: Regional growth

Noninflationary growth is essential to real income growth and central to the resolution of the fiscal problems of many of the Nation's cities. A strategy for investment and jobs should take advantage of the opportunities in and meet the needs of our many diverse regions. Federal policies should not impede growth and development in any region of the country. Federal policies should be examined for unintended, implicit regional, urban, or rural biases.

IV.B PRICES

Recommendation No. 25: Many steps needed for war on inflation

Inflation is the major obstacle to sustained economic growth, lower unemployment, and increased investment. Past anti-inflation policies, from voluntary guidelines to engineered recessions, have not worked, and we doubt that anything short of a comprehensive program will work now. Inflation is a complex, deep-seated phenomenon and the war on inflation must encompass all of the measures listed in Recommendations 26 to 29.

Recommendation No. 26: Energy

Energy policy should focus on reducing the sensitivity of U.S. energy supply and price to external shocks by continuing to encourage conservation, greater domestic energy production, including the development of improved techniques for enhanced oil and unconventional gas recovery, and establishment of substantial petroleum reserves.

Recommendation No. 27: Regulation

We should reduce unnecessary government regulations and paperwork, and utilize the most cost-effective techniques to meet necessary regulatory objectives.

Recommendation No. 28: Productivity

We must increase our rate of productivity growth, which requires attention to investment, employment, infrastructure, labor force, education and training, research and development, business leadership, and improved labor-management relations.

Recommendation No. 29: Standby wage-price control authority

The Administration has disbanded the Council on Wage and Price Stability. While COWPS had lost effectiveness, the stubborn nature of the wage-price spiral may require some form of incomes policy. We are willing to support an Administration initiative for standby wage-price control authority. Such authority should only be invoked as part of a comprehensive anti-inflation strategy.

V. INTERNATIONAL ECONOMIC POLICY

Recommendation No. 30: International financial institutions

We support an enlarged role for the International Monetary Fund and the World Bank to deal with oil-induced economic adjustment, and we support an enlarged role for oil-exporting nations in programs administered by these institutions.

Recommendation No. 31: Promote worldwide growth

The United States must work to foster economic growth and financial stability around the world, and particularly in the non-oil exporting LDC's, which now purchase 27 percent of our manufactured exports. We should support fair and reciprocal efforts to achieve freer and more open trade and capital flows in order to promote growth and adjustment in developed and developing countries.

Recommendation No. 32: Replenish IDA

World Bank lending to lower income developing countries has played a vital role in furthering international development. At the same time, it preserves a Western presence in many parts of the world and helps build the export markets of the next decade. The Congress should act favorably on the sixth replenishment of the International Development Association.

VI. REVIEW OF THE CURRENT SERVICES BUDGET AND THE PRESIDENT'S ECONOMIC GOALS

Recommendation No. 33

The Congressional Budget Reform and Impoundment Control Act of 1974 should be modified to require submission by the President of a Current Services Budget by January 31 of each year, with the Joint Economic Committee evaluation to follow by March 1. This change would make the law consistent with the present satisfactory practice.●

DR. RIDDICK'S "SENATE PROCEDURE"

● Mr. MATHIAS. Mr. President, I am pleased to join my colleagues in congratulating Dr. Floyd M. Riddick on the completion of his new edition of "Senate Procedure" and to express my appreciation for the dedication that it required.

When Dr. Riddick retired in 1974 at the end of the 93d Congress, the Senate bestowed upon him the title of Parliamentarian emeritus. It was an honor well deserved. since Dr. Riddick's service on Capitol Hill and the ability of our modern-day Senate to conduct its business in an orderly fashion are inextricably intertwined. For instance, the history of "Senate Procedure" itself—now in its fourth edition—is, to a large extent, also the history of some of Dr. Riddick's most significant and enduring work. From its first edition, "Senate Procedure" has reflected the knowledge, insight, and sensitivity of Dr. Riddick.

Dr. Riddick once described his original association with "Senate Procedure" as follows for the oral history program of the Senate Historical Office:

Mr. (Charles) Watkins started as parliamentarian, no question about it. He tried to equip himself and educate himself by going back and picking up all of the precedents and practices of the Senate since 1884, which was the last general revision of the Senate rules, or the last readoption of the rules in entirety.

Since 1884 there have been amendments, but basically the rules of the Senate have remained the same since then; hence, unless something was a major precedent or major practice, or something that had been carried through 1789, he did not try to collate them as much as things that had occurred since 1884. He wrote up most of these precedents.

When I first joined the staff, that was the first assignment I had, to spend a year doing nothing but sitting and reading these precedents that we had written up. They were . . . on long legal-size stationery. I guess I would say he had 30,000 or more pages of such literature, in typewritten form, that I had to read to equip myself. He didn't care to sit down and write a book on it . . .

So I inquired of Mr. Watkins even then, that if I took the job (offered to me to be) assistant parliamentarian, would he permit me to compile the precedents of the Senate and put them into a volume on *Senate Procedure*. He assured me he would. So the first volume printed in '54 I had written completely, except he read it all carefully to check any possible mistakes, but since I had used all the precedents that he'd compiled, as well as those that I'd dug up later, I felt it was only right that he should have his name first, particularly since he was the parliamentarian and I was the assistant parliamentarian, and that's the way it was done. We stated in the preface at that time, I believe, that we had used maybe a million precedents to bring this into being.

The rest is history, and we now have the fourth edition of "Senate Procedure." This important volume, however, is not the only reminder we have on a daily basis of Dr. Riddick's service. For instance, each day we see the Daily Digest of the CONGRESSIONAL RECORD. Dr. Riddick came to work on Capitol Hill in 1946, "on loan" from the U.S. Chamber of Commerce, to help establish what eventually became the Daily Digest in accordance with an authorization by the 79th Congress. He never returned to the private sector, I am pleased to say.

Like the previous editions, the newly revised "Senate Procedure" which we now have will guide the Senate through the myriad precedents which bind the Senate as a body. For this we are grateful; for this we say to Dr. Riddick, as we have so often in the past: "Well done; thank you." ●

DEMOCRACY IN SPAIN

● Mr. KENNEDY. Mr. President, the people of Spain have just emerged from an ordeal which, in spite of its brevity, could have seriously disrupted the progress which they have made in the historic development of democracy in their country. I congratulate the King, the Parliament, and the loyal members of the armed forces for their courageous, level-headed, and constitutional response to the attempted coup on February 23, 1981.

Having just emerged from a painfully long experience with fellow citizens held hostage in Iran, Americans can well appreciate the gravity of taking hostage the entire Congress of Deputies as it was voting on a new Prime Minister. All friends of Spain should be greatly relieved that the support of the Spanish people for the swift and principled actions of the constitutional authorities demonstrated to the perpetrators of the coup that they could count on no help.

Mr. President, King Juan Carlos made an impressive address to the Spanish people on February 24 urging calm and ordering that the response to the crisis be made within constitutional limits. I request that the full text of his address be printed in the RECORD, along with editorials which appeared in the February 25 editions of the Boston Globe, the New York Times, and the Washington Star.

The material is as follows:

ADDRESS BY KING JUAN CARLOS

On addressing all Spaniards with brevity and conciseness in the extraordinary circumstances which we are experiencing at the moment I appeal to everyone for the utmost calm and trust, and I inform you that I have instructed the Captains-General of the military regions, Maritime zones and Air regions with the following order:

In view of the situation created by the incidents which occurred at the Palace of Congresses and to avoid any possible confusion, I conform that I have ordered the Civil authorities and the Council of Joint Chiefs of Staff to take all necessary steps to maintain constitutional order within the legality in force. In the event of any measure of a military nature which should be taken, it must have the approval of the Council of Joint Chiefs of Staff.

The Crown, symbol of the permanence and unity of the Fatherland, cannot tolerate in any form actions or attitudes by persons who try to disrupt by force the Democratic process which the Constitution approved by the vote of the Spanish people prescribed through a referendum.

[From The Boston Globe, Feb. 25, 1981]

SPAIN SURVIVES HANDILY

Were it not for the fact that real bullets were fired into the ceiling of the Spanish parliament as its members prepared to vote on a new government, the attempt by militiamen to undo Spanish democracy would have something of the comic opera to it.

As it was, many sectors of Spain's fragmented society found that they could hold together in the face of a threat difficult to measure in its early moments; Spain has benefited. So have people in other countries who worry about the fragility of democracy.

The authority of the scene, conveyed to the world by television, is hard to overstate. The nearly comic caps worn by leaders of the coup attempt, the gesticulations, the scuffling—all seemed unreal.

It is possible now to wonder how such a bizarre escapade could carry the day in a modern nation: Quickly, the world discovered that the Spanish army wanted no part in the change. While the army seemed to respond directly to swift repudiation of the move by King Juan Carlos, there was more than monarchical loyalty to the army's action: the king is authentically popular and was voicing the view of the majority of Spaniards. The army was in reality accepting the view of the people of Spain.

Perhaps the final fragments of the Franco era may now disappear from Spanish politics. The leaders of the coup, demanding a return to the authoritarianism of Gen. Francisco Franco, have thoroughly demonstrated the political poverty of their position.

Spain still has serious problems. It is the victim of violence from extremist groups on the right and left. Its varied ethnic groups have not yet sorted out the competing interests of national identity and federal strength. Its parliamentary government, deep in a leadership crisis, has yet to prove its ability to cope with the array of problems confronting a country that still lags economically behind its European neighbors.

With luck, the mini-trauma imposed on Spain by a group of latter-day Falangists will bolster Spanish confidence in the nation's ability to resist counter-revolution from the right and to deal successfully with future difficulties. Certainly Spaniards are entitled to that result.

[From the New York Times, Feb. 25, 1981]

THE MORTAR OF MONARCHY IN SPAIN

It could have been a Spanish tragedy; it turned out to be opera bouffe. A takeover of Parliament by the Civil Guard ended in less than a day with all captives safely released. "The only thing that will happen," said the colonel who led the attempted coup, "is that I will have to pay with 30 or 40 years in prison." It would be nice to forget the matter entirely and join with the freed members of Parliament in exclaiming, "Long live democracy!"

Nice, but too simple. In truth, Spain's two-year-old democratic system was saved by the King and the regular army. Juan Carlos is an able, popular and democratic-minded monarch. However much some generals may long for a restoration of a Franco-style dictatorship, they remained loyal to crown and Constitution when their demedaled King appealed on television for them to do so.

Their loyalty cannot be taken for granted. No Spaniard needs to be reminded that a three-year civil war exploded in 1936 when a unit of the same Civil Guard murdered the monarchist leader José Calvo Sotelo. He was the uncle, it happens of Prime Minister-designate Leopoldo Calvo Sotelo, who was trying to form a centrist government when the guardsmen struck Monday. And they were counting, vainly, it turned out, on the support of a hard-line general, Jaime Milans del Bosch, an unreconstructed apostle of the Franco dictatorship.

Spain has changed greatly since the civil war. An economic boom has transformed the social landscape, and the country is now poised for membership in the Common Market. Its church is no longer a conservative monolith and private political armies no longer wage open war. For the most part, Spain contends with the familiar ills of Western democracies: inflation (16 percent), unemployment (12 percent) and the surge in energy costs.

But there is an important exception. In the northern Basque provinces, violent separatists and the Civil Guard are engaged in bitter conflict. Each side accuses the other, credibly, of atrocities. The dispute has inflamed the worst in Spanish politics. With the resignation last month of Prime Minister Adolfo Suárez, Juan Carlos faced the first serious succession crisis since Franco's death in 1975. While members of Parliament wrangled, the Basque terrorism provided a pretext for Monday's assault on the Cortes.

The deed showed the world how fragile democracy remains on the Iberian Peninsula. This time, thanks to the mortar of monarchy, the center held.

[From the Washington Star, Feb. 25, 1981]

THE SPANISH CRISIS

For a while there it looked as though the rush to congratulate Spain on its successful transition from a dictatorship to representative government was a bit premature. A legislative chamber full of armed intruders and crouching deputies doesn't look much like democracy in flower.

Once again, though, the remarkable character of King Juan Carlos seems to have saved Spain's hopes of a free society. Thanks to the king's speed and firmness in calling out the army and rallying public sentiment with a television appearance, what might have been a *coup d'etat* became a passing incident.

The grievances that led members of the Civil Guard to seize the Cortes, Spain's parliament, are real enough. This paramilitary national police force, which numbers 64,000 men, has been a principal victim of terrorist assassinations that have been increasing over the last year or so. The guardsmen blame the government for failing to work out an effective strategy for preventing them.

Behind this failure, of course, lies the failure to either satisfy or subdue the Basque separatists who are thought to be responsible for most of the recent bloodshed in Spain. While the fanatic element among the Basques appears to be smaller than, for example, the terrorist contingent in Northern Ireland, it is large enough to deny an entire nation the civic tranquility needed for democratic institutions to function fully.

Furthermore, the nationalist aspirations that are, in part at least, responsible for contemporary terrorism in Spain are deep-rooted and they are not limited to the Basque country. The Basques' self-assertion on behalf of their ancient language and culture has proved to be exportable. After all, Catalans too have a language of their own and a sense of tribal allegiance mythical in its intensity. There have been stirrings among the Galicianos.

Whether any concessions to local autonomy short of full national independence would pacify these people is an open question. It is also a question that shades off into further questions about how Spanish terrorism relates to the international communist kind where the primary objective is to weaken nations committed to Western values.

What is certain is that the Spanish government has not found a way to deal with either the terrorism or the separatist movements within its purview. Spain's economic shortfalls are still around too, a continuing threat to a fragile democracy.

The bright side of the picture remains bright, though. A crisis surmounted can do more for a ruling group's power and prestige than a crisis forestalled. Even in the Civil Guard, a majority of Spaniards remain committed to the search for peaceful solutions to the nation's problems. The army has shown itself to be capable of emergency action without taking permanent command. The king remains not only a model constitutional monarch but more—a positive force impelling Spain along the road to stable self-government. With such assets, Spain's prospects still look good. ●

WHY NURSES LEAVE NURSING

● Mr. HATCH. Mr. President, the most severe health manpower shortage facing our Nation is the shortage of qualified and willing nurses whose training and talent we desperately need. In rural and underserved areas in particular, the inability of hospital administrators to attract skilled nursing professionals passed the threshold of crisis proportions many months ago. Congress can continue to dicker over whether or not this problem results from an actual personnel shortage or whether it is in the wake of a maldistribution of nurses and practitioners. Regardless, it is a problem the Federal Government helped to create by subsidizing health manpower training categories to the detriment of the nursing profession, and it is something those of us charged with legislative health responsibility must work to help solve very early on in the life of this Congress.

This is the principal reason why I scheduled a March 17 hearing on nursing education to accompany the matter of health professions' education during its reauthorization hearing in the Committee on Labor and Human Resources. It is an enormous problem, and the question of money is only part of it. In order to acquaint those of my colleagues less familiar with nurses' special plight, I ask that the article, "Why Nurses Leave Nursing and What Can Be Done About It," appearing in the January 1981 issue of the American Journal of Nursing be included in the RECORD. This is not a problem of secondary importance. It is a major health care crisis which all of us are obliged to help solve during this 1st session of the 97th Congress.

The article follows:

WHY NURSES LEAVE NURSING AND WHAT CAN BE DONE ABOUT IT

(By Mabel A. Wandelt, Patricia M. Pierce, and Robert R. Widdowson)*

"As they said in the book 'Nurse,' it's a wonder nobody died."

*Mabel A. Wandelt, R.N., Ph. D., is director of the Center for Research at the School of Nursing, University of Texas at Austin. She was principal investigator of the study "Conditions Associated With Registered Nurse Employment in Texas," reported here. Her coauthors, both of whom were members of the study team, are doctoral candidates at the University of Texas, Austin. Patricia M. Pierce, R.N., M.S.N., is in nursing; Robert R. Widdowson, in biochemistry. The study was requested by the Texas Senate Special Committee on Delivery of Human Services.

The supervisor of labor and delivery in a Texas hospital offered the above comment during an interview. She is a good nurse, but she is frustrated and angry with her practice. She doesn't have time to provide the kind of patient care that she was prepared to give; she feels trapped and alone with overwhelming responsibilities. Like many of her colleagues, she may leave nursing.

In Texas, about 18,000 registered nurses are licensed to practice and are not currently working in nursing; yet some hospital beds cannot be used because there are not enough nurses to care for the patients who might occupy those beds.

In a study of the nurse shortage, the staff of the Center for Research at The University of Texas at Austin set out to identify factors associated with nurse unemployment and to suggest ways to attract non-working nurses into the work force. They sought opinions, feelings, and ideas about nursing from nurses themselves. Thirty-five hundred nurses responded to the study by filling out a questionnaire; 30 hospital nurses in six small-group interviews supplied reasons for working/not working in nursing and things that would encourage nurses to return to work; and in a daylong conference interested persons, including consumers, nurses, physicians, administrators, educators, and legislators, produced innovative suggestions for attracting nurses back to work.

Data from each part of the investigation reinforced the findings in each other part The questionnaire gave us a broad overview of the way nurses in Texas perceive the work of nurses; the interviews and conference lent depth to the necessarily statistical findings from the questionnaire. In a sense, the data from the questionnaire add to the stockpile of information about nurses' perceptions of the job of nursing; those from the interviews add to the raw materials for understanding nurses' feelings about patient care and about opportunities for professional practice. The findings show that nurses leave nursing and remain outside the work force because of conditions in the job setting that interfere with the practice of nursing.

QUANTITATIVE DATA

The questionnaire collected descriptive data to provide basic information on the supply of registered nurses in Texas. The findings were not surprising. For example, Blacks and Hispanics are underrepresented among licensed nurses, child care responsibilities were related to both initial and continued withdrawal from the work force, and the mean annual salary range was from $14,000 for nurses with fewer than five years' experience to $18,100 for nurses with 40 years' experience—a salary increment of $100 per year.

The questionnaire asked for opinions from both employed and unemployed licensed registered nurses about a variety of factors associated with the job of nursing. The employed nurses were asked to rate the importance of each factor and then to rate how satisfied they were with that factor in their present job. Unemployed nurses were asked to rate the same items by the importance of each item in influencing them to leave nursing and then to rate the importance of each item in keeping them out of nursing.

The rank order of the 10 job conditions with which the largest percentage of employed nurses were dissatisfied was as follows:

1. Availability of adequate salaries
2. The amount of paper work
3. Support given by the administration of the facility
4. Opportunity for continuing education
5. Adequacy of laws regulating the practice of nursing in Texas
6. Support given by nursing administration
7. Availability of acceptable child-care facilities
8. Availability of inservice education
9. Availability of fringe benefits
10. Competence of non-registered nursing staff

High percentages of non-employed nurses listed many of the same items as their reasons for leaving nursing. Additional highly ranked items included:

1. Family responsibilities
2. Unavailability of desired work schedule
3. Environment that does not provide a sense of worth as a member of the health care team
4. Lack of positive professional interactions with physicians
5. No emphasis placed on individualized patient care

Of the factors which foster dissatisfaction and contribute to withdrawal from practice, all but family responsibilities are directly related to employment conditions common to the hospital setting. Data from the interviews reinforced the conclusion that dissatisfaction stems from the work setting rather than nursing practice.

QUALITATIVE DATA

The small-group interviews were held with three categories of registered nurses: employed staff nurses, unemployed staff nurses, and supervisors. Two groups were from a large metropolitan hospital, two groups from a medium-sized hospital in a small mid-Texas town, and two groups from a medium-sized hospital in a large west Texas city.

The conference of health care experts was arranged to generate innovative and practical ideas for attracting nurses back into the work force; using the Nominal Group Technique, the meeting yielded more than 150 suggestions.

The following are samplings of comments elicited during the interviews grouped with some of the suggestions from the conference. The data are categorized by employment factors which seemed important to registered nurses in TEXAS.

STAFFING

Staffing problems relate to overload and overwork. Nurses worry about whether they have completed all necessary things; they feel guilty about not having been able to give adequate and complete care.

Interviews

When overload reaches a point and continues for weeks with no support or relief, and nurses cannot give safe, adequate care, a nurse will leave. Her conscience will not allow her to remain in the situation.

Nurses need time to provide care beyond minimal physical necessities. They want to provide teaching, emotional support, discharge planning with the patient.

A part of the overload for nurses in patient care is the need to interact with so many other services. These services request assistance from nursing and expect that nurses will do things for them just because the nurse is there. Besides the extra work, there is the need for the nurse to pay attention to a heavy input from various sources in requests for kinds of actions that she must take and decisions that he must make.

Nurses do not like to be pulled because they know that they are leaving their own unit short staffed. There is an occasional time when they plan that with full staffing they will be able to do some of the nice and extra things for patients, but then they get on duty and one is pulled to another unit. So they are again under pressure of short staffing on their own unit, and the one who has to go to the other unit has the uncomfortable feeling of not being able to give safe and adequate care.

Ideas.

Agencies could use short shifts—four to six hours. Nurses could come in specifically

to provide for some special patient care needs—e.g., pre-op teaching, 5 to 9 p.m., discharge planning, 11 to 3 p.m.; instructions about diagnostic tests, 3 to 7 p.m.; recovery room care, 12 to 6 p.m.; etc.

Nurses on the unit should be encouraged to plan staffing, including collaboration with the hospital pool of part-time employees.

Part-time staff could be offered all inservice opportunities provided to full-time staff to attract nurses who are interested in maintaining knowledge and skills.

Establish a pool from the facilities of nursing schools which could provide part-time employees during the school year and full-time employees during holidays, vacations, and summers.

PROFESSIONALISM

Nurses believe that the tasks they perform constitute a meaningful part of health care delivery. Regardless of whether a student attends a four-year baccalaureate program, a two-year associate degree program, or a three-year hospital diploma program, the nursing care plan is emphasized as an integral part of the total therapeutic regimen.

Interviews

Physicians should pay attention to nurses' input into planning for patient care. The nurse has her own care to contribute, not just doing what the doctor says. The doctor and the nurse plan together so that the contribution of each can blend to the benefit of the patient. Nursing is not a service for the doctor; rather it is a service for patients.

A part of the support and encouragement from supervisors and administration would be to encourage nurses to have an active role in planning for changes and in planning all aspects of nurse involvement in the nursing care program. Administrators need to listen to the ideas of staff nurses and to encourage nurses to develop their ideas and try some changes that they really believe will improve conditions for patient care.

Ideas

Have a staff nurse serve on all committees making policy about patient care and personnel matters. Provide information for all nurses about committee activities and assist nurse members in developing knowledge and skills needed for entering fully into activities and planning of the committee. On-duty time should be provided for committee participation.

A Joint Practice Committee could be established to act as a grievance board to handle disputes between the professions and to offer appropriate counseling. The chairmanship of the committee could be alternated between nurse members and physician members.

AUTONOMY

As licensed professionals, nurses expect to be able to exercise some discretion and choice over work methods. Yet, nurses report that they seldom asked to participate in hospital policy decisions. This inability to exercise control over their clinical practice produces feelings of career stagnation.

Interviews

There needs to be collaboration among the total health care team. There should be mutual respect and a mutual goal to improve care. There should be awareness by all, including nurses themselves, of the contribution of a nurse to the total care of the patient.

The public image of nursing needs to be improved—that is, the public needs to know what nurses do. There should be TV commercials to recruit young persons to consider a career in nursing. The public does not know what nurses do, the variety of their work, the opportunity for mobility, and nurses' contribution to society. They are unaware of nurses' involvement in caring for the ill, health care and planning, health education, care of children, the handicapped, the mentally retarded, the aged; they do not really know about nurses' work in hospitals, clinics, doctor's offices, schools, industry, the community, the military, the Veterans Administration, etc.

There should be clinical supervisors who can serve as role models for nurses in patient care. Supervisors need to have continuous updating in patient care, not only in administrative tasks. They need to focus on the quality of care rather than on the quantity; this does not necessarily mean more paper work but that nursing care plans are needed for the care of the individual patients. Nursing supervisors should help nurses understand this.

Nurses should be allowed to plan for their own coverage. They should be provided an adequate staff, and then that staff should be responsible for all nursing care for all periods of time on a particular unit. This yields a situation of peer collaboration and peer pressure. Nurses in these circumstances do not call in sick, nor do they take extra holiday time, and they do take a fair share of weekend work. In this situation, if you call in, you know that a friend has to cover for you—it becomes very personal. Also, in these circumstances, there develops a very personal pride in the care provided. There is more discussion among nurses about the care needs of patients and the possibilities of improving practice.

Ideas

Establish primary care with all RN staff on all units in the hospital. Nursing service should identify a specific nursing theory that will serve as a base for the content and quality of care provided throughout the hospital. Nurses in each decentralized unit would hold responsibility and accountability for the quality of care provided. They would plan for staffing in terms of numbers needed on particular shifts and in relation to time off.

Allow RNs to write nursing prescriptions or orders for nursing portions of the order sheet. Legalize nurse progress notes and nursing orders.

Nursing management and hospital management should encourage self-scheduling by nurses, charging them with accountability appropriate to the responsibility. A hospital accounting system should be established wherein the cost for nursing service is identified, and nurse salaries should be paid according to a reasonable fee-for-service determination. Nurse directors should be responsible for managing the nursing budget and allowed to utilize non-traditional ways of delivering nursing care.

Do a job analysis of various nursing stations or assignments; rate them for complexity. Develop a career ladder from simple to complex and use part-time nurses for the least complex stations. Develop a wage scale that correlates with the complexity of the job.

FEEDBACK

Nurses need to have occasional recognition for a job well done. They need a timely "pat on the back" and not only negative evaluations.

Interviews

Patients and families appreciate nurses, but supervisors and administration give infrequent recognition of a job well done.

Supervisors should be alert to nurses' needs and not always wait for the nurse to seek change; rather, they should, periodically and as indicated, counsel the nurse about her feelings about herself, her interests, and her job. The counselor should be prepared to offer the nurse various options for assignments and opportunities for self-renewal; she should assist the nurse to consider various implications of change and to reach a decision that will allow her to remain in nursing and to be satisfied with the decision.

Ideas

Establish a quality assurance program with evaluation of individual nurse performance as one component of the program. Plan recognition and awards for outstanding performance and continued high-quality patient care.

The rewards into the personal value system of the professional, and use the satisfaction that comes from providing care of exemplary quality. Use merit awards related to professional growth and pride—e.g., travel and costs for continuing education on agency time, educational leave, journal subscriptions, new books for nursing unit, paid time off for course work, etc.

QUALITY OF CARE: A TALE OF TWO HOSPITALS

In this study, nurses portrayed hospitals of major contrasts.

In some hospitals, there is little or no integration of structural elements with the process of nursing care. Almost all conditions that distress nurses exist: being pulled to work on unfamiliar units; rotation of shift more frequently than once a week; prolonged assignments on undesirable shifts; infrequent weekends off; short staffing and overtime at the end of shift; absence of recognition for a job well done; time to provide only the barest necessities of physical care for patients; being expected to perform non-nursing tasks that are responsibilities of other disciplines; lack of autonomy in planning and implementing nursing care; low salaries; lack of salary dinerence for qualifications, shifts, longevity, performance, or overtime; and many others.

The nurses employed in these hospitals report that they like nursing, that they know how to give good nursing care, and that they want to give good care. In almost the same breath they rush to describe the only care it is possible for them to give and their feelings about it. They tell of specific situations in which they know that a patient was not receiving needed care. They think of quitting, but then they think of the patients and the other nurses, and that it will be worse for them if they leave; so they stay.

These nurses are confident in their abilities. They are ashamed of their practice, worried about their patients, fearful of errors that may be made, and discouraged. These nurses are working in hospitals with inadequate staffing where conditions that would attract more nurses are lacking.

But there are a few hospitals in which nurses paint a very different picture. Each unit has a staff of registered nurses with two or three assisting staff, all under the charge of a head nurse. The head nurse has at least a baccalaureate and frequently holds a master's she bears full responsibility for the unit, including hiring of personnel. All nursing care is provided by registered nurses; the assisting staff fulfill secretarial, messenger, supply, patient transportation, and communication activities. The assigned staff plan for total coverage of the unit, shifts, days off, holidays, etc.

On these units, primary nursing is practiced. Each nurse has three or four patients for whom she is responsible; she and a second primary care nurse share the responsibility for care of their patients on days off. Nurses on evenings and nights also have primary care assignments, so they have input equal to that of the nurses on the day shift into the total nursing care program of the unit.

Planning for inservice education is done to provide opportunities for meeting everyone's learning needs. And a shift differential ensures that enough nurses choose to work the evening and night shifts so rotation is not a problem. There is collaboration among units

in the hospital and among nearby hospitals for educational programs, so that nurses have a choice of opportunities to update their knowledge and skills. Staff nurses may participate in selected programs while on duty and may take advantage of additional programs on their own time at no cost. Tuition and fees are paid for continuing education, workshops, and courses taken for credit in degree programs.

A quality assurance program provides evaluations of the quality of care provided patients and of performance of individual nurses. Salary increases are tied to performance. Nurses may have input into all policies affecting nursing practice, patient care, or personnel benefits. Nurses share planning for patient care with physicians, pharmacists, nutritionists, and other health care disciplines, and take part in decisions about patient discharge or movement to another care unit.

There are no shortages of nurses in these hospitals. Nurses are happy in their positions; they have confidence in the quality of care that they are providing and that their patients are receiving.

PROBLEMS AND SOLUTIONS

Conditions in the structure of the hospital organization often inhibit the process of professional nursing. A conflict results because nurses perceive themselves as professionals engaging in nursing practice while administration views them as employees carrying out the job of nursing.

As Henderson defines nursing practice:

"The unique function of the nurse is to assist the individual, sick or well, in the performance of those activities contributing to health or his recovery (or to peaceful death) that he would perform unaided if he had the necessary strength, will, or knowledge. And to do this in such a way as to help him gain independence as rapidly as possible".[1]

The nursing job encompasses nursing practice, but it also includes setting the work schedule, coordination of patient activities; and interactions with other departments, visitors, new employees, and students. The data show that nurses are dissatisfied with employment when job conditions do not allow them to administer professional nursing care to patients. These conditions are due to hospital policies and administrative attitudes that fail to accommodate the following professional prerogatives:

Autonomy of practice and respect for the judgment of the professional.

Determination of standards of quality of care and determination of staffing needs and work schedules to achieve the standards.

Educational programs and support (financial and time) for updating knowledge and skills.

Participation with full vote in establishing policy related to patient care, personnel benefits, and working conditions.

Work responsibilities that are nursing related, with elimination of requirements for nurses to perform tasks that are the responsibility of other services.

Recognition and personnel benefits comparable to those accorded other health care professionals.

Failure to recognize these professional prerogatives creates a disparity between the nurse's job expectations and the nursing care that can actually be provided within the hospital structure. Responsibility for integrating the elements of job-related factors and professional practice lies with both hospital and nursing administrations. But nurses report that a major area of dissatisfaction is administrative support. This is a misunderstanding of the most fundamental nature, one that has major impact on whether nurses are satisfied with their jobs and satisfied with the care they provide to patients.

[1] Henderson, V. The nature of nursing, AJN 64:62–68, Aug. 1964.

Proper functioning of a system as complex as modern health care requires an extremely strong mechanism for measuring effectiveness. The quality of nursing care delivered to the patient must rest on primary standards by which proper functioning of the system is evaluated. If the process of nursing is not providing high quality care to patients, then the structure within which that process operates must be reevaluated.

Evaluation should begin by defining each aspect of nursing care with enough precision to identify objective standards of performance. A system of quality assurance could relieve many of the job conditions that nurses find distressful. Institutionalization of a complete program would necessarily involve all nurses in evaluating the quality of care provided patients and in identifying the program's strengths and weaknesses and the nurses' learning and skill development needs.

A quality assurance program is a natural process for initiating staff nurse involvement in assessment, planning, and development; in policy and practice changes; in implementation of programs; and in processing reviews for accounting for quality of both practice and care received by patients.

In hospitals where nurses are dissatisfied because of limitations in the amount of input and influence they have in matters of concern to themselves and to the patient care program, the introduction of a quality assurance program would allow them to become involved in matters with which they are most familiar and in ways in which they would feel most competent to contribute. From the beginning, with a quality assurance program, nurses could move to participation in assessment, planning, development, and decision making at all levels of program functioning within the hospital.

Staff nurses can assume a large responsibility for changes in situations that cause distress. They need to document episodes of unsafe or inadequate care in specific detail, particularly when job conditions are responsible.

Head nurses should take the lead in organizing such documentation. Staff can also outline, for administration, plans for change and offer to be involved in implementing the plans. Proposals should include a rationale, precise steps for implementing a plan, and a way to evaluate its impact.

Nursing education has a responsibility to provide educational programs that will accommodate registered nurses who wish to update their own formal education. Also, nursing faculty need to recognize staff nurses for the experts that they are and allow them greater interaction with students.

If nurse educators were to involve staff nurses as mentors for students, the students could learn the practice of nursing in the context of the job of nursing. Nurse educators must assume responsibility for initiating action; they must invite collaboration with administration and staff nurses to allow more opportunity for student practice in the nursing units.

Nursing faculty members need to maintain their clinical skills and encourage student nurses to consider direct patient care in a hospital setting as a long-term career, rather than a stepping-stone to a different career.

Nursing service administration, registered staff and head nurses, and nurse educators can all take action to improve job conditions and promote professional nursing practice. There must be collaboration and compromise among these three groups to effect work conditions conducive to providing good nursing care for patients.

To summarize, nurses who leave nursing and choose to remain outside the work force do so because of work conditions which interfere with the practice of professional nursing.

There is overwhelming evidence that what nurses complain about and report as reasons for leaving and staying out of nursing does exist; it is real. There is also evidence that the distressful conditions need not exist. Where they do not exist, there is no shortage of nurses, and nurses judge the quality of care provided patients to be good.

Nurses are concerned about the quality of care they are able to render patients; when quality is compromised because of the work environment, nurses become dissatisfied with the job of nursing.

Nurses in either stressful or satisfying situations identify support by nursing service administration and clinically competent nurse supervisors as keys to quality of conditions of work and the care provided patients.

Concerted efforts are needed by hospital and nursing administrations to grant autonomy and recognition to staff nurses. The description of nurses working and not working in this report derive from what nurses think, feel, and believe about the job and professional practice of nursing. Those who seek to attract nurses into the work force would do well to attend to what nurses themselves are saying.●

POLLUTION CONTROL FINANCING ACT OF 1981—S. 580

● Mr. RIEGLE. Mr. President, I am pleased to support the Pollution Control Financing Act of 1981, S. 580. My colleague from Michigan has already outlined the thrust of the act. I do not want to repeat those points, but I do want to add emphasis to the need for this legislation.

There has been a great deal of talk about the effect of Government regulation on business growth. I recognize the problems here. In fact I have participated in the debate as an advocate for intelligent regulation. Certainly we need to protect our environment. Efforts to preserve our air, water, and other natural resources need to be a continuing national priority.

These are goals that benefit all of us, but meeting pollution control requirements means costs money. The demands on the resources of a small business are significant and the SBA's pollution control financing guarantee program does a good job of helping businessmen meet those demands.

Mr. President, SBA involvement is limited to guaranteeing the repayment of loans for installing pollution control facilities and equipment, but demand for this program has increased. In the current fiscal year, $49 million in guarantees have already been committed. Another $85 million in requests are pending from firms which SBA considers to be worthy applicants. Yet we are barely a third of the way through the fiscal year and the guarantee level for fiscal year 1981 is now $110 million. The legislation before us increases it to $250 million.

No new appropriation will be needed to increase the guarantee levels here. In fact, the program has been a moneymaker. Over $11 million in guarantee fees have been collected and $58,000 has been made in interest on funds invested. When the program began in 1976, Congress appropriated $15 million for a revolving fund and since that time we have had only 1 default out of 171 guarantees.

In conclusion Mr. President, it is the proper role of Government to assist small business in this instance. SBA estimates that 80 percent of the loan guarantees are made to firms installing pollution control equipment required by Government regulation. Yet the demand for the program is outpacing the program levels. Bearing in mind that this is an efficient and cost-effective program, I ask my fellow Senators to join us in support of the Pollution Control Financing Act of 1981.●

CODDLING CHILEAN TERRORISM

● Mr. KENNEDY. Mr. President, earlier this week I expressed my strong opposition to the administration's decision to seek closer ties with the Pinochet regime in Chile, despite its refusal to extradite Chilean intelligence officers indicted by an American grand jury for conspiracy to murder a former Chilean foreign minister, Orlando Letelier, and his American associate on the streets of Washington. This move comes in complete contradiction to the administration's emphasis on combatting international terrorism.

Mr. President, the Boston Globe published an important editorial protesting this decision on February 25. I request that the text of this editorial be printed in the RECORD.

The editorial is as follows:

CODDLING CHILEAN TERRORISM

It is no surprise that the Reagan Administration seeks closer ties with rightist governments than its predecessor viewed askance. Many in key foreign policy posts have long made clear their willingness to abide military rule, particularly in Latin America, in return for stability and adamant opposition to forces on the left. However, the Administration's early decision to ease sanctions against Chile is both disturbing and surprising.

Sanctions were imposed by the Carter Administration in November, 1979, after the Pinochet government refused to extradite two former Chilean intelligence officers indicted by an American jury for conspiring to murder a former Chilean official and an associate in Washington in the fall of 1976.

Those murders, of one-time Chilean Foreign Minister Orlando Letelier and Ronni Moffett, constitute the most onerous act of international terrorism committed within the borders of the United States in recent years. From the testimony of others who have been tried in the case—and convicted—there can be little doubt that ultimate responsibility for the murders rests in Chile.

By refusing to extradite the two former intelligence officers, one a close associate of Chilean President Augusto Pinochet, Chile impugned the integrity of the American judicial system. In going along with Chile, the Reagan Administration seems to be taking a soft line against an outburst of international terrorism.

The Administration has now lifted two sanctions imposed on Chile—a ban on Export-Import Bank financing for US-made products sold to Chile and exclusion from annual joint exercises by US and Latin American naval forces in the Pacific.

The moves are particularly puzzling in light of Secretary of State Haig's declaration at his first formal press conference that "international terrorism will take the place of human rights in our concern because it is the ultimate abuse of human rights."

The Administration ought not be giving the impression that it will tolerate the "ultimate abuse of human rights" by any government of any political stripe and especially not when that abuse occurred on the streets of Washington.●

RULES OF PROCEDURE OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. STAFFORD. Mr. President, rule 26 of the Standing Rules of the Senate requires that each committee of the Senate adopt and publish its rules not later than March 1 of each year.

On February 25, the Committee on Labor and Human Resources adopted rules of procedure governing committee activities for the 97th Congress. On behalf of Chairman HATCH and the other members of the committee, I submit for printing in the RECORD the rules of procedure of the Committee on Labor and Human Resources.

The rules are as follows:

SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

(ORRIN G. HATCH, Chairman)

RULES OF PROCEDURE (AS AMENDED FEBRUARY 25, 1981)

Rule 1.—Unless the Senate is meeting at the time, or it is otherwise ordered, the Committee shall meet regularly at 10:30 a.m. on the fourth Thursday of each month in room 4232, Dirksen Senate Office Building. The Chairman may, upon proper notice, call such additional meetings as he may deem necessary.

Rule 2.—The Chairman of the Committee or of a subcommittee, or if the Chairman is not present, the ranking Majority member present, shall preside at all meetings.

Rule 3.—Meetings of the Committee or a subcommittee, including meetings to conduct hearings, shall be open to the public except as otherwise specifically provided in subsections (b) and (d) of Rule 25.7 of the Standing Rules of the Senate.

Rule 4.—(*a*) Subject to paragraph (b), one-third of the membership of the Committee, actually present, shall constitute a quorum for the purpose of transacting business. Any quorum of the Committee which is composed of less than a majority of the members of the Committee shall include at least one member of the Majority and one member of the Minority.

(*b*) A majority of the members of a subcommittee, actually present, shall constitute a quorum for the purpose of transacting business: provided, no measure or matter shall be ordered reported unless such majority shall include at least one member of the Minority who is a member of the subcommittee. If, at any subcommittee meeting, a measure or matter cannot be ordered reported because of the absence of such a Minority member, the measure or matter shall lay over for a day. If the presence of a member of the Minority is not then obtained, a majority of the members of the subcommittee, actually present, may order such measure or matter reported.

(*c*) No measure or matter shall be ordered reported from the Committee or a subcommittee unless a majority of the Committee or subcommittee is actually present at the time such action is taken.

Rule 5.—With the approval of the Chairman of the Committee or subcommittee, one member thereof may conduct public hearings other than taking sworn testimony.

Rule 6.—Proxy voting shall be allowed on all measures and matters before the Committee or a subcommittee if the absent member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded. While proxies may be voted on a motion to report a measure or matter from the Committee, such a motion shall also require the concurrence of a majority of the members who are actually present at the time such action is taken.

The Committee may poll any matters of Committee business as a matter of unanimous consent; provided that every member is polled and every poll consists of the following two questions:

(1) Do you agree or disagree to poll the proposal; and

(2) Do you favor or oppose the proposal.

Rule 7.—There shall be prepared and kept a complete transcript or electronic recording adequate to fully record the proceedings of each Committee or subcommittee meeting or conference whether or not such meetings or any part thereof is closed pursuant to the specific provisions of subsections (b) and (d) of Rule 25.7 of the Standing Rules of the Senate, unless a majority of said members vote to forgo such a record. Such records shall contain the vote cast by each member of the Committee or subcommittee on any question on which a "yea and nay" vote is demanded, and shall be available for inspection by any Committee member. The Clerk of the Committee, or the Clerk's designee, shall have the responsibility to make appropriate arrangements to implement this Rule.

Rule 8.—The Committee, and each subcommittee, shall undertake, consistent with the provisions of section 133A of the Legislative Reorganization Act of 1946, as amended, to issue public announcement of any hearing it intends to hold at least one week prior to the commencement of such hearing.

Rule 9.—The Committee or a subcommittee shall, so far as practicable, require all witnesses heard before it to file written statements of their proposed testimony at least 24 hours before a hearing, unless the Chairman and the ranking Minority member determine that there is good cause for failure to so file, and to limit their oral presentation to brief summaries of their arguments. The presiding officer at any hearing is authorized to limit the time of each witness appearing before the Committee or a subcommittee. The Committee or a subcommittee shall, as far as practicable, utilize testimony previously taken on bills and measures similar to those before it for consideration.

Rule 10.—Should a subcommittee fail to report back to the full Committee on any measure within a reasonable time, the Chairman may withdraw the measure from such subcommittee and report that fact to the full Committee for further disposition.

Rule 11.—No subcommittee may schedule a meeting or hearing at a time designated for a hearing or meeting of the full Committee. No more than one subcommittee executive meeting may be held at the same time.

Rule 12.—It shall be the duty of the Chairman in accordance with section 133(c) of the Legislative Reorganization Act of 1946, as amended, to report or cause to be reported to the Senate, any measure or recommendation approved by the Committee and to take or cause to be taken, necessary steps to bring the matter to a vote in the Senate.

Rule 13.—Whenever a meeting of the Committee or subcommittee is closed pursuant to the provisions of subsection (b) or (d) of Rule 25.7 of the Standing Rules of the Senate, no person other than members of the Committee, members of the staff of the Committee, and designated assistants to members of the Committee shall be permitted to attend such closed session, except by special dispensation of the Committee or subcommittee or the Chairman thereof.

Rule 14.—The Chairman of the Committee or a subcommittee shall be empowered to adjourn any meeting of the Committee or a subcommittee if a quorum is not present

within fifteen minutes of the time scheduled for such meeting.

Rule 15.—Whenever a bill or joint resolution repealing or amending any statute or part thereof shall be before the Committee or a subcommittee for final consideration, the Clerk shall place before each member of the Committee or subcommittee a print of the statute or the part or section thereof to be amended or replaced showing by stricken-through type, the part or parts to be omitted, and in italics, the matter proposed to be added.

Rule 16.—An appropriate opportunity shall be given the Minority to examine the proposed text of Committee reports prior to their filing or publication. In the event there are supplemental, minority, or additional views, an appropriate opportunity shall be given the Majority to examine the proposed text prior to filing or publication.

Rule 17.—(*a*) The Committee, or any subcommittee, may issue subpoenas, or hold hearings to take sworn testimony or hear subpoenaed witnesses, only if such investigative activity has been authorized by majority vote of the Committee.

(*b*) For the purpose of holding a hearing to take sworn testimony or hear subpoenaed witnesses, three members of the Committee or subcommittee shall constitute a quorum: provided, with the concurrence of the Chairman and ranking minority member of the Committee or subcommittee, a single member may hear subpoenaed witnesses or take sworn testimony.

(*c*) The Committee may, by a majority vote, delegate the authority to issue subpoenas to the Chairman of the Committee or a subcommittee, or to any member designated by such Chairman. Prior to the issuance of each subpoena, the ranking minority member of the Committee or subcommittee, and any other member so requesting, shall be notified regarding the identity of the person to whom it will be issued and the nature of the information sought and its relationship to the authorized investigative activity, except where the Chairman of the Committee or subcommittee, in consultation with the ranking minority member, determines that such notice would unduly impede the investigation. All information obtained pursuant to such investigative activity shall be made available as promptly as possible to each member of the Committee requesting same, or to any assistant to a member of the Committee designated by such member in writing, but the use of any such information is subject to restrictions imposed by the Rules of the Senate. Such information, to the extent that it is relevant to the investigation shall, if requested by a member, be summarized in writing as soon as practicable. Upon the request of any member, the Chairman of the Committee or subcommittee shall call an executive session to discuss such investigative activity or the issuance of any subpoena in connection therewith.

(*d*) Any witness summoned to testify at a hearing, or any witness giving sworn testimony, may be accompanied by counsel of his own choosing who shall be permitted, while the witness is testifying, to advise him of his legal rights.

(*e*) No confidential testimony taken or confidential material presented in an executive hearing, or any report of the proceedings of such an executive hearing, shall be made public, either in whole or in part or by way of summary, unless authorized by a majority of the members of the Committee or subcommittee.

Rule 18.—Presidential nominees shall submit a statement of their background and financial interests, including the financial interests of their spouse and children living in their household, on a form approved by the Committee which shall be sworn to as to its completeness and accuracy. The Committee form shall be in two parts—

(I) information relating to employment, education and background of the nominee relating to the position to which the individual is nominated, and which is to be made public; and

(II) information relating to financial and other background of the nominee, to be made public when the Committee determines that such information bears directly on the nominee's qualifications to hold the position to which the individual is nominated.

Information relating to background and financial interests (Part I and II) shall not be required of (a) candidates for appointment and promotion in the Public Health Service Corps; and (b) nominees for less than full-time appointments to councils, commissions or boards when the Committee determines that some or all of the information is not relevant to the nature of the position. Information relating to other background and financial interests (Part II) shall not be required of any nominee when the Committee determines that it is not relevant to the nature of the position.

Committee action on a nomination, including hearings or meetings to consider a motion to recommend confirmation, shall not be initiated until at least five days after the nominee submits the form required by this rule unless the Chairman, with the concurrence of the ranking minority member, waives this waiting period.

Rule 19.—Subject to statutory requirements imposed on the Committee with respect to procedure, the rules of the Committee may be changed, modified, amended or suspended at any time: *provided*, not less than a majority of the entire membership so determine at a regular meeting with due notice, or at a meeting specifically called for that purpose.

Rule 20.—In addition to the foregoing, the proceedings of the Committee shall be governed by the Standing Rules of the Senate and the provisions of the Legislative Reorganization Act of 1946, as amended.●

CHAIRMAN STAFFORD'S LEADERSHIP IN THE FIGHT TO REMOVE HIGHWAY BILLBOARDS FROM COSTLY FEDERAL REGULATIONS

● Mr. LEAHY. Mr. President, a recent issue of Sierra contained a very interesting article, "On Billboards." This article discussed the history of the Federal billboard removal program, noting that recent amendments "to twist the intent of the act" have made the program unworkable. These same amendments have also driven the program's cost to the taxpayers into the billions of dollars.

Frankly, this is unacceptable. We must find a way to return this program to its original intent—to beautify our highways—or to return it to State control.

The Sierra article notes the leadership of my colleague, Chairman STAFFORD of the Committee on Environment and Public Works, and his efforts to return this program to State control. I support that effort, and I shall continue to do so. I hope that the Senate will act to accomplish this goal.

Because of the need for Congress to understand this issue, I ask that the article, "On Billboards," be printed in the RECORD.

The article follows:

ON BILLBOARDS

(By Nelson Price)*

They loom large and tall along American roads, yelling their messages in capital letters: MUFFLERS FIXED, SEE INJUN JOE WRESTLE THE ALLIGATOR, HAPPINESS HOTEL—2 EXITS AWAY, SMITH DESERVES YOUR VOTE, TRY OUR HOT AND JUICY BAR-B-Q. With just as much force and fervor, the owners of the nation's billboards have been, for more than 20 years, fighting government efforts to clean up roadways.

Outdoor advertisers encountered their biggest setback so far in 1965 with the passage of the Highway Beautification Act. But now that act, which has periodically been amended and diluted since its adoption, may be toppled completely before even half the signs it finds nonconforming have been removed.

The U.S. Department of Transportation is conducting a study to determine whether the program is worth maintaining. The investigation, which has included a series of public hearings throughout the country and the establishment by then-Transportation Secretary Brock Adams of a 25 member "blue chip" committee, probably won't be completed until next spring—"and even that's a very, very optimistic prediction," according to Richard Moeller, the Federal Highway Administration's overseer of the act.

In the meantime, enforcement of the Highway Beautification Act's provisions varies widely from state to state, and backup federal funding has dipped while "Lady Bird's bill"—as it is commonly called because Mrs. Lyndon Johnson considered it her special project—sits in limbo.

The Transportation Department investigation will recommend that the federal government select one of three options: strengthen the Highway Beautification Program; scuttle it altogether; or, as Moeller put it, proceed "with the status quo."

Because post-1965 amendments so twist the intent of the act, some supporters of the original legislation now favor abandoning it. Senator Robert F. Stafford (R-Vermont), whose state has been one of the six best in terms of sign removal, has introduced a bill (S 344) that would make state compliance with the program voluntary. His aim is to let states and local government units enforce their own beautification policies instead of having to comply with some of the recent amendments of the national act, which he considers to have failed.

The amendment that most enrages opponents of neon jungles and billboard alleys is a 1978 addition regarding the payment of whose signs are removed, even under local ordinances. The amendment specifies that the federal government will fund 75% of the compensation, with the state or city government being forced to foot the remainder of the bill. The net result, as many see it, is a financial windfall for the sign owners. The amendment is expected to inhibit many cities from clamping down on their sign-infested downtowns, which, as a New York industrial designer once said, resemble "cocktail parties in low-ceilinged rooms."

For instance, this was pre-sign-ordinance Denver of 1970: A two-mile stretch of South Colorado Boulevard was marred by the flashing neon exhibited by go-go palaces, discount furniture stores and pancake houses. Some signs were six stories tall, an one billboard stretched the length of a football field. The

*Nelson Price is a reporter with the Journal-Gazette in Fort Wayne, Indiana. He is also a free-lance magazine writer with an interest in environmental issues.

city was quickly losing its Rocky Mountain splendor. Colorado State Bank even promoted an "Endorse Denver's Beauty" campaign by sticking its message on billboards that obscured the view of that very city.

Then, through the efforts of housewives, environmentalists and some businesses, Denver passed a sign ordinance and improved its appearance. Other cities in the state also have enacted restrictive legislation; Boulder's law, which bans billboards and places strict limits on wall and pole signs, serves as a model.

In some municipalities, where progress has been slower or nonexistent, frustrated residents have taken upon themselves the burden of removing signs that pollute visually. In the Colorado mountain community of Allenspark, 66-year-old Maggie Walter, soon known as "Chain Saw Maggie," became a local heroine after she took her two chain saws and downed a 15-foot-high billboard advertising a condominium project. She was charged with a misdemeanor felony, and the sheriff's department confiscated her saws, but that didn't stop admirers from selling T-shirts bearing her nickname.

In 1972, a group of Ann Arbor, Michigan, high-school boys with chain saws felled more illegal billboards in a single night than years of federal administration had done. The boys were appropriately charged with a felony. Often, the penalties set for states that have allowed nonconforming billboards to remain have not been dished out.

The states that have complied most fully with the act's intent are Alaska, Oregon, Vermont, Washington and Hawaii; the latter became a forerunner in the battle against city and roadside blight by adopting strict controls, including bans on billboards, in 1927 when the islands were still a U.S. territory.

According to the Transportation Department study, which classified the country according to regions, the Northwest (Alaska, Idaho, Oregon and Washington) has by far the best compliance record—an average of 83%—with the beautification act. In distant second place is the Rocky Mountain and Western Plains region, consisting of Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming, with an average 49% compliance. The region of the country worst at sign removal has been the Southeast. The states of Alabama, Florida, Georgia, Kentucky, Mississippi, North and South Carolina and Tennessee together average only a 14% compliance rating.

The performance of individual American cities has been similarly erratic. The Highway Beautification Act was intended to serve as an example for the drafting of local ordinances. Some municipalities, however, seem to pretend that it doesn't exist. An example is Seaside, Oregon, which has no local sign regulation at all, despite its presence in a state that, overall, has done well in billboard removal.

Ironically, the cities with the best track records for sign legislation often are resorts, too—but of a different sort. Subdued and well-planned, these communities emphasize the wonders of nature from which their fame originates: The mountains, forests and beaches that color the landscape. Carmel, California, has effectively limited all signs to small simple ones made of wood.

In 1970, Aspen, Colorado, ordered all billboards razed on approaches to the town and designated a "sign mall" area where businesses could advertise—if their signs met specific size regulations. The same year, Montgomery County in Maryland banned banners, moving signs and certain billboards; and the city of Medina, Ohio, hurt by criticism from a design consultant who called it Uglyville, began refurbishing its downtown business district.

The roots of national sign legislation extend back to a 1954 U.S. Supreme Court opinion by William O. Douglas. "It is within the power of the legislature," he wrote, "to determine that the community should be beautiful." Included in the Federal Aid Highway Act of 1958, which came out of Congress when Lyndon Johnson was Senate Majority Leader, were provisions allowing states to receive bonus funds if they initiated sign removal. Yet little was accomplished. In 1965, as president, Johnson announced the need for a national beautification act, saying, "It is in the best interests of neither the advertising industry nor the nation to permit a further decrease of our national beauty."

The Highway Beautification Act, which prohibited billboards within 660 feet of highways outside of commercial areas, was passed by congressional representatives with the words of Lady Bird Johnson ringing in their ears: "Ugliness is bitterness, an eroding force on the people of our land."

However, outdoor advertisers quickly found a way to circumvent the act. They began erecting jumbo-sized signs just 661 feet away from highways. The giant signs proliferated to such an extent that the act was amended in 1974 to extend the zone of control to "the limits of visibility" of motorists outside urban areas.

The amendment, however, contained wording that set the precedent for sign owners to receive public money as a result of compliance with the program. The amendment provided payment for the removal of any sign lawfully erected—for example, those put up next to a highway before 1965.

Then, four years later, came the more sweeping amendment that effectively prohibits cities or states from forcing removal through police power unless compensation is involved. As a result, state and city governments are increasingly reluctant to adopt or enforce sign laws—large outlays of taxpayer money could be involved.

What is the solution? Should the Highway Beautification Act be injected with new strength?

The Federal Highway Administration now is accepting public comment on the matter. Letters can be sent to the FHA at 400 Seventh Street S.W., Washington, D.C. 20590.●

FAIR SHARE OF BUDGET CUTS FOR THE NUCLEAR INDUSTRY

● Mr. KENNEDY. Mr. President, in its $41 billion total of proposed budget cuts, the Reagan administration has not proposed to cut a single dollar of Federal spending for the nuclear industry. There is a sharp inconsistency between two administration policies—on the one hand, the free-market approach applied in the form of oil price decontrol at a cost to Massachusetts consumers of $25 billion in the 1980's; and on the other hand, big-government, special-interest subsidies for the nuclear industry. There is a clear contrast between the cuts in CETA job training for unemployed workers and inner cities, and lavish Federal assistance for uneconomic nuclear power projects, which are, in fact, nothing more than CETA programs for nuclear engineers.

For example, in a 1977 letter to his Republican colleagues in the House of Representatives, David Stockman, now Director of OMB, insisted that funding of the Clinch River breeder reactor was a test of "whether, as Republicans, we will consistently adhere to * * * free-market views on energy policy * * *." Yet the administration budget proposes no reduction in Federal subsidies for the $3 billion Clinch River project.

In light of the deep cuts proposed in the solar, coal, and conservation budget, I hope that the administration will review its program and will insist that the nuclear industry bear its fair share of the budget burden. Whatever our views on nuclear power, we should be able to agree that the nuclear industry should not be given special subsidies, special protection, or special privilege.

Mr. President, I ask that my letter to Mr. Stockman of February 23, 1981, and Mr. Stockman's letter and memorandum of September 17, 1977, be printed in the RECORD.

The material follows:

U.S. SENATE,
Washington, D.C., February 23, 1981.

Hon. DAVID STOCKMAN,
Director, Office of Management and Budget, Executive Office Building, Washington, D.C.

DEAR MR. STOCKMAN: I was quite disturbed in examining the recent budget cut proposals to find that absolutely no cuts were proposed in the nuclear energy budget. Other energy programs, solar conservation, and coal, have been deeply cut.

On many different occasions, both you and President Reagan have emphasized the primacy of the free market. This is the reason you have given for many of the budget cuts that will exact the highest price in human terms. And it is the rationale you cited when the Reagan Administration accelerated oil price decontrol, a policy which will cost the nation $200 billion and the consumers of Massachusetts $25 billion during this decade.

What I fail to understand is why an Administration that claims so deep a commitment to the free market in other areas continues to countenance vast federal subsidies for the nuclear utilities. Especially disturbing is the subsidy for the Clinch River Breeder Reactor project which you so forcefully opposed in a September 17, 1977, letter to your Republican colleagues, a copy of which is appended. At that time, you called the $3 billion Clinch River project "totally incompatible with our free market approach to energy policy."

In the same letter, you wrote that "the precedent set by continuing the Clinch River project will be . . . massive federal subsidies to underwrite future national energy costs." You concluded: "It (funding Clinch River) is a test of whether, as Republicans, we will consistently adhere to . . . free market views on energy policy. . . ."

Your Administration faces that same test now. It is a test of the fundamental fairness and the fundamental consistency of your program. An Administration that demands an end to CETA job training for unemployed workers in depressed industries and inner cities should not be advocating a breeder reactor project which involves, in your own words, "a large, uneconomic subsidy"—a breeder project that is, in fact, nothing more than a CETA program for nuclear engineers.

If you regard a painful policy of decontrol as right for the ordinary families of New England heating their homes, then surely it is right that the multi-billion dollar nuclear industry should not receive the comfort of excessive government spending. I hope that when the final federal budget recommendation is released, the nuclear industry will not be given special subsidies, special protection, and special privilege.

Sincerely,

EDWARD M. KENNEDY.

MEMORANDUM: CONSERVATIVE ECONOMICS AND FREE MARKET PHILOSOPHY SAY "NO TO THE CLINCH RIVER BREEDER PROJECT

As a member of the Energy and Power Subcommittee, I worked to defeat the Administration's National Energy Plan on the grounds that it was anti-free market in nearly every respect.

Along with most of our Republican colleagues, I advocated decontrol of oil and natural gas prices because I believe the market will furnish additional supplies in response to higher prices. I opposed bureaucratically administered conservation programs because I believe the free market is the best means of achieving conservation. As prices rise, businesses, households, and other energy users substitute lower cost factors—insulation, improved engineering efficiency, and other capital improvement—for energy, thereby lowering demand and costs. I also opposed the Administration's red-tape-ridden coal conversion program. The market system will lead to increased coal use by utilities and industry as the Btu cost of gas and oil rises without the costly "help" of a Washington bureaucracy.

Until a few months ago, I assumed that the Clinch River Breeder project was a good idea. It promised vast amounts of energy free from foreign control. But after a careful, in-depth review of the economics of the project, I have come to the conclusion that it is totally incompatible with our free-market approach to energy policy.

The case for the Clinch River project and early breeder commercialization has been constructed almost without reference to the principles that we applied in the earlier energy debate. It ignores the dynamic resource adjustment process that will take place in the energy market during the next three decades. As a result, it overstates future demand for electric power and understates the expanded supply of uranium that will be generated by higher prices. This lack of market reference in the case for the breeder obscures the clear cost advantage of sticking with conventional nuclear power over the next thirty years. The breeder cannot compete with existing nuclear technologies within the time frame contemplated by its advocates without continuing massive subsidies.

The precedent set by continuing the Clinch River project will be one of increasingly deeper government involvement in the development, marketing, and commercialization of alternate energy sources and massive federal subsidies to underwrite future national energy costs. Today it is the nuclear breeder lobby looking for a large, uneconomic subsidy. Tomorrow it will be the solar power gang, then the windmill freaks, and so on in a never ending stream of outstretched palms.

As I said in my previous Dear Colleague, I believe that government support for basic scientific research, laboratory experimentation, and pilot scale demonstrations is a laudable and appropriate policy. But government should not become involved in the provision of subsidies for the commercialization of new energy technologies that cannot pass the market test of competitiveness with alternatives on a price basis. The breeder reactor will not pass this test until well into the next century, if ever.

If your view is similar to my initial reaction, you assumed that the vote on Clinch River was a struggle between the pro-production forces and the anti-growth Doomsday squad that has done so much damage to our situation already. It is not. Ironically, it is a test of whether, as Republicans, we will consistently adhere to the free-market views on energy policy that we so forcefully advocated during the debate on the energy bill earlier this session.

I hope that you will carefully consider the attached memorandum and vote in favor of the Brown amendment to cut back the funding for Clinch River.

With all best wishes, I am

Yours very truly,

DAVE STOCKMAN,
Member of Congress.

THE MARKET CASE AGAINST THE CLINCH RIVER BREEDER PROJECT

I. URANIUM SUPPLY, DEMAND FOR ELECTRICITY, AND POWER COST: TWO NUCLEAR TECHNOLOGIES IN COMPETITION

The issue of whether to continue heavy federal subsidies to the Clinch River project is fundamentally a question of energy costs, not one of quantity or supply adequacy. Clearly, we must make large additions to our electrical generating capacity between now and early in the next century. Due to dwindling fossil fuel supplies, an increasing share of this additional capacity must be nuclear. The market case against early breeder commercialization, as distinguished from the anti-growth and anti-nuclear arguments, does not deny either of these propositions.

But it does focus on a very specific and important question regarding the appropriate choice of nuclear technologies and the timing of their introduction into the commercial market. The question is, within the time frame under consideration—roughly the period from 1990 to 2010/15—which nuclear technology offers the prospect of adequate electric power production at the lowest cost: the conventional light-water cooled reactor or the proposed breeder-plutonium fuel cycle?

Either of these nuclear power variants can fill our electric needs. The question presented by the Brown amendment is which will be the best bargain for the economy, electric customers, and the Federal treasury.

This question cannot be answered apart from the dynamics of the marketplace and its complex interaction of electric power demand, uranium ore supply, and the comparative capital and fuel cycle costs of the two technologies.

No one has seriously argued that the breeder is competitive or ought to be added to our electric energy supply system so long as there is an adequate supply of low-cost uranium. Current figures indicate that the capital cost of the breeder will be from $100 to $200 greater per kilowatt of capacity than for conventional light-water reactors. Similarly, at current uranium prices, the once-through fuel cycle of the conventional reactor is also cheaper due to the high cost of separating, reprocessing, and refabricating spent reactor fuel, as required by the breeder.

However, at such time as our supply of low-cost uranium is depleted and the price rises to levels perhaps three or four times above historic uranium prices, the comparative economics change. The breeder fuel cycle becomes cheaper because it does not require fresh uranium ore. Eventually, these fuel cycle savings more than off-set the higher capital costs of the more complex breeder reactor design and technology. Under these conditions the breeder variant would displace the light-water reactor as the lowest cost source of nuclear electric power.

In a normal product market, the interaction of supply and demand would determine this threshold point, and thereby determine whether 1990, 2020, or any point in between, is the appropriate date for the introduction of the commercial breeder. However, the market for advanced nuclear electric technologies (and indeed advanced energy technologies of all types) is heavily influenced by extensive Federal involvement in research, development, and demonstration.

In the present case, this involvement is appropriate due to the unusual national security implications of civilian nuclear power and due to the clear national economic benefits which result from public financing of research and development activities that would have prohibitively long pay-back periods in the private sector, especially in the risk-averting utility industry.

But development of energy technology options should not be confused with their marketing and commercial introduction. An essential principle of the market approach to energy policy is that when the stage of commercialization or near commercialization is reached, the market choice mechanism must take over and development subsidies must largely end. Therefore, the only justification for any continued funding of the Clinch River project is the hard economic judgment that under foreseeable conditions, the market would select the breeder during the 1990's as the lowest-cost form of nuclear electric power production.

Advocates of the Clinch River project have recently shifted their justification in an attempt to avoid this crucial test, and are soft-pedalling the former argument that Clinch River is the first stage in an integrated commercialization program. But even a cursory review of the nature and scope of the timetable proposed by the Science Committee demonstrates that the Clinch River Project cannot be served from the overall timetable for early commercialization.

The new argument is that the Clinch River project offers a kind of energy "insurance policy," or a scaled-up R & D option on which a commercialization choice can be made in the late 1980's—after the project is in operation. But this argument ignores economic and political realities. The Clinch River project will cost at least $2.7 billion. In conjunction with the other elements of the breeder development program, it will generate a vast industrial support and supply infrastructure among private companies engaged in all phases of reactor design, component manufacture, and plutonium fuel cycle support. The development of this infrastructure is in fact one of the central goals of the project.

The notion that after the government and private firms have invested billions of dollars in developing a commercial breeder industry infrastructure, it will somehow be easier to make a decision on commercialization is absurd. All of the expenditures on the project and its infrastructure will have become sunk investments. It would make no sense to write off all of this investment and put the breeder reactor on the shelf for two or three decades until economic conditions become more favorable, should that be the conclusion of the Clinch River test. What will happen is that the breeder will develop still greater institutional momentum. As difficult as the decision to defer breeder commercialization is today in the face of clear and convincing evidence, it will become still more difficult at the so-called "commercialization decision date" in the 1980's.

What about the "insurance policy" argument? It may seem attractive to support the Clinch River project despite its very unfavorable economics against the risk of unpredicted deterioration in the world uranium market. But uranium is not the only fuel source facing the prospect of depletion of low-cost reserves. Supply uncertainties

are at least as strong for conventional sources of natural gas and crude oil. If we adopt the "insurance policy" rationale, the Federal government should make a commitment to very heavy subsidies for commercial scale synthetic crude, oil shale, geopressurized gas, and coal gasification plants as well—just to provide an "insurance policy" for other vital energy sources. This kind of logic obviously leads very rapidly to a non-market based energy supply system, something that I fervently hope is *not* our goal.

In light of these considerations, it is clear that the time to make the choice between accelerated or deferred commercialization of the breeder is now. The following sections demonstrate quite clearly that market conditions will not be conducive to breeder introduction until well into the next century.

II. THERE IS NO SUCH THING AS FREE ENERGY

The preceding makes clear that the breeder is an advanced technological variant of current reactor and fuel cycle design, not the energy equivalent of a perpetual motion machine. Contrary to the popular image, it does not "breed" more energy than it consumes; rather, the breeder facilitates a more complete extraction or recovery of the energy potential of uranium ore than is possible with current technology. This enhanced recovery, however, comes at a substantial premium in reactor capital investment and fuel reprocessing facilities.

For this reason, the widely advertised fact that the enrichment tailings left over from the conventional nuclear process contain the energy equivalent of a trillion barrels of oil is of little significance divorced from the context of economic costs. For one thing, this huge, dramatic number represents electric-generation input equivalents, not end-use energy available to the economy. Given the inherent thermal conversion inefficiency of electric power generation, the end-use value is something in the order of only 300 billion barrels of oil equivalent.

More importantly, incomplete energy recovery from fuel resources is by no means unique to the uranium 235 fueled light water reactor; the extraction and conversion process for nearly every fuel in use in the economy today exhibits the same pattern.

On the average, almost two-thirds of the crude oil in a given reservoir is left in the ground because the costs of a higher rate of recovery are prohibitive. In fact, since the beginning of the petroleum age in the United States, nearly 300 billion barrels of oil have been left in the ground due to the economic limits of recovery.

Similarly, until recently most U.S. coal seams have been deep-mined, yet the typical "room and pillar" method of extraction has left considerably more than half of the available coal behind. The amount of energy in this unrecovered coal is the equivalent of another 300 billion barrels of oil.

A proposal to launch a massive Federal subsidy program to re-open abandoned mines and wells, or to encourage much higher rates of recovery from currently producing properties, would not be given serious consideration at the present time. Yet the much bally-hooed stored uranium tailings are no different in principle. The desirability of enhanced BTU recovery from any fuel is essentially a matter for the market to decide; physical potential is a thoroughly inadequate justification for a large subsidy program.

III. FUTURE ELECTRIC POWER DEMAND AND MARKET ADJUSTMENT

The linchpin in the case for subsidized breeder commercialization has been enormous projected increases in electric power demand during the next three decades. As recently as 1974, for example, the ERDA mid-case estimate showed a need for 2,200 gigawatts of generating capacity by the year 2000—a figure which represents generating capacity more than *four times greater* than available today.

Under this demand scenario, a minimum of *1,000 gigawatts* of nuclear capacity would have been absolutely essential (this compares with 40 gigawatts of nuclear capacity on-line at present). Nevertheless, even at this high level of nuclear supply, coal-steam capacity would have had to increase *fourfold* to make up the difference. Obviously, under these electric demand conditions, known and even speculative supplies of low-cost uranium would have been inadequate, making early breeder commercialization imperative.

In truth, however, these demand projections represent an inexcuseable ignorance of market dynamics. Rather than being sophisticated economic projections, these numbers were merely mechanical extrapolations of the electric power consumption growth rate that had prevailed for the previous decade or so, about *seven* percent per year.

Yet this high electric consumption growth rate—nearly double the average growth in GNP—was made possible by a single key economic factor that even in the early 1970's should not have been viewed as indefinitely sustainable: a steadily declining real price of electric power.

Between 1945 and 1970, for example, the constant dollar cost of residential electricity dropped from 11 cents per kilowatt hour to only 2.5 cents per kilowatt hour; similarly, industrial rates were reduced by more than one-half during the same period. The result of this unique combination of steeply declining unit prices and rapidly growing total consumption was that the share of GNP devoted to purchased electricity remained almost constant at 2 percent during the entire post-war period.

It is clear today that declining real prices for any energy source, including electricity, are a thing of the past. Indeed, average electricity rates in constant dollar terms have already increased by 34 percent since 1972.

Due to huge additional costs for environmental controls, rising costs of utility financing and capital, and sharply increasing utility fuel costs, a substantial continuing rise in real electric rates over the next 20 or 30 years is highly probable. Indeed, one recent study by ERDA's Institute for Energy Analysis indicated that real electricity prices will increase by more than 60 percent by the year 2000.

Yet assuming a seven percent growth rate in electrical consumption (as per earlier ERDA demand studies) in combination with the undeniable prospect of something in the order of a 50–60 percent increase in electric rates (as per recent ERDA price studies) produces an entirely absurd proposition: namely, that the fraction of GNP devoted to the purchase of electric power would jump from its historic 2 percent level to more than 15 percent! Even at a more modest 5 percent annual consumption growth rate, the mathematical outcome is nearly a 10 percent share of GNP going to electrical purchases.

There is little reason to believe that the economy would permit such a drastic shift in resource allocation to occur. The residential market, which has been a source of differentially high growth in recent decades, provides a good case in point.

This sector is now nearly saturated with basic appliances, as symbolized by the Census Bureau's decision to discontinue its questions on basic appliance ownership because levels have reached 99 percent. In addition, the stabilization of the population growth rate indicates a much lower rate of new household formation than in previous decades. There is also a strong prospect of large increases in household thermal efficiency in both space conditioning and appliance applications, spurred by mandatory efficiency standards, the likelihood of strong solar penetration, and of course simply by rising power rates. For these reasons it is probable that aggregate household consumption of central station power will grow very modestly, if at all, during the next few decades.

The process of factor substitution will greatly constrain the rate of industrial and commercial power growth as well. To take one specific instance, it is almost certain that the two and one-half decade long decline of industrial co-generation, during which co-generated power declined from almost 20 percent of industrial use to 10 percent, will be sharply reversed, thereby constraining demand for purchased central station power.

As a result, an average electrical consumption growth rate in the three percent range seems highly probable in the decades ahead. Even this would mean an increase in the central station electricity share of GNP to nearly 5 percent by the year 2000, assuming a 60 percent increase in real prices.

Since the long-term growth rate for real GNP is roughly in the 3 percent range, this would imply a 1:1 growth ratio between electrical consumption and GNP, a sharp contrast with the 2:1 ratio implicit in the pro-breeder scenarios.

There is already strong evidence accumulating that this sharply reduced growth rate in central electric power is likely. During the last two years of strong economic recovery and high real GNP growth, electrical consumption has increased only at a 1:1 ratio with GNP. This contrasts markedly with the pattern during previous decades in which even strong cyclical recovery years exhibited electrical consumption growth rates far in excess of GNP.

IV. MEETING ELECTRIC DEMAND UNDER A REALISTIC MARKET SCENARIO

The foregoing considerations make clear that rather than in excess of 2,000 gigawatts of electric capacity by the turn of the century, the more probable estimate is in the range of 1,000 gigawatts (based on a three percent average growth rate instead of seven). On the basis of current trends, it is likely that even 350 gigawatts of nuclear electric capacity is an optimistic estimate of the nuclear share of this total capacity requirement.

Two strong considerations support this estimate. First, there is little reason to believe that there would be serious restraints on achieving roughly 650 gigawatts of non-nuclear capacity. Presently, for example, hydro-electric accounts for 65 gigawatts. The Interior Department projects that this will reach nearly 100 gigawatts by 1985. In addition, it is almost certain that a minimum of 5 percent of capacity will have to be fired with liquid or gaseous fuels (perhaps synthetics) because it is simply economically prohibitive to use large coal or nuclear fired plants for peak-shaving purposes.

This leaves a requirement for baseload coal capacity in the range of 500 gigawatts. Presently, there are 250 gigawatts of coal capacity in place. According to current surveys, another 100 gigawatts of coal capacity is either under construction or planned through 1985. Thus, over the remaining fifteen years of the century only another 150 gigawatts of capacity would be required, an average of 10 coal-fired plants per year.

These coal fired capacity estimates imply annual coal production of slightly over 1.2 billion tons per year, even after allowing for substantial increases in direct industrial use. Since the Carter Administration has targeted this production level for 1985—15 years earlier—there is little reason to think that there would be serious supply constraints.

The second reason to believe that nuclear capacity would not exceed 350 gigawatts under a realistic demand scenario is simply the lagging rate of light water nuclear plant additions in the past three years. The 350

gigawatt figure for the year 2000 implies that 14 new 1,000 megawatt units will become operational during each of the next 22 years.

Yet in 1975, there were only two new orders for nuclear plants; in 1976 there were only three; and this year there have been none. Moreover, during the same period there have been 18 units cancelled representing nearly 20,000 megawatts of nuclear capacity. Compared to the 5,500 megawatts of new orders, this means that just since 1975 there has been a net decline of nearly 14,000 megawatts of nuclear capacity ordered for the 1980's.

Certainly it is to be hoped that Congress will act soon to streamline the present disasterously complicated and prolonged licensing process, and that the intense social and political opposition to nuclear power generation will be overcome. Nevertheless, the experience of the past few years makes clear that the required annual addition rate of 14 nuclear plants will be difficult to achieve, and that 350 gigawatts of nuclear capacity by the year 2000 is indeed a conservative reference target for analyzing uranium supply and prices.

V. URANIUM SUPPLY AND PRICES: BUREAUCRATIC VS. MARKET PERSPECTIVE

The second critical question regarding early breeder commercialization concerns future prices and supplies of uranium ore. Specifically, is there likely to be a sufficient supply of low-cost uranium ore to support the lifetime requirements of 350 gigawatts of nuclear capacity, thus permitting a deferral of breeder commercialization program until after the turn of the century?

The answer to this question depends first of all upon future enrichment practices. Uranium oxide contains roughly .7 percent U–235, but the extent of enrichment extraction of this fissionable material can range from .57 percent (.3 tails assay), to between .87 and 100 percent (.1–0 tails assay). For this reason, projections of uranium oxide requirements are very sensitive to assumptions about enrichment methods and the tails assay.

Specifically, the lifetime requirements of the 350 gigawatts of nuclear capacity projected previously would be 2.5 million tons, assuming .3 tails; 2.2 million tons, assuming .2 tails; and 1.8 million tons, assuming .1 tails. The high tails assay thus produces uranium ore requirements nearly 40 percent greater than under the low assay.

Traditionally, U.S. enrichment facilities have operated at a .2 tails assay. But in 1973 this was temporarily increased to .3 in response to what appeared to be a growing shortage of enrichment capacity relative to projected rapid growth in the nuclear power market. The effect of this change was to increase the apparent uranium oxide requirements for current and planned light water reactors by 26 percent.

However, it is likely that the future trend will be toward increasing rather than declining extraction of fissionable material from our uranium suoplies. The anticipated shortage of enrichment services capacity has become extremely unlikely because of the serious slowdown in reactor deployments and because of the active enrichment capacity expansion program now underway.

Another factor determining the level of extraction efficiency is the cost of enrichment services relative to the cost of uranium. As the price of raw uranium rises relative to the price of enrichment, the percentage of U–235 that can be economically extracted from raw ores increases. Thus even assuming that there are no breakthroughs in enrichment technology, the proportion of useable fuel that can be extracted from raw uranium will rise over the next decades.

The biggest potential increase in extraction efficiency will come from new technologies, however. These new processes promise to radically reduce the amount of U–235 left in the tailings. The most promising new technology from a theoretical standpoint is laser isotope separation. This process may be capable of extracting nearly 100 percent of the U–235 from uranium ore, thus vastly expanding the amount of fuel that could be produced from our uranium supplies. The tailings piles that breeder advocates point to as a huge potential source of energy could be used to produce fuel for light-water reactors if laser isotope separation becomes commercially viable.

Another promising variant in enrichment technology is the gas centrifuge. Current U.S. enrichment plants use immense quantities of electricity. When all three plants are operating at full capacity, they use nearly as much electricity as the entire state of Minnesota.

But because these plants had access to the very cheap electric power produced by the TVA, the cost of enrichment remained within reasonable limits. Now that even TVA power has become significantly more costly, less electricity-intensive enrichment technologies such as the centrifuge may be able to lower the cost of enrichment services. This will permit a higher rate of extraction.

Both of these new enrichment technologies are under intense development. The Administration requested more than $50 million in FY 1978 for advanced isotope separation techniques. A gas centrifuge plant is planned for construction within the next decade as an expansion of the Portsmouth, Ohio enrichment facility.

In light of these almost certain improvements in enrichment efficiency, it would be prudent to assume a maximum uranium oxide requirement of 2.0 to 2.2 million tons to meet the lifetime fuel needs of the 350 gigawatts of capacity projected above. It is necessary to make some very unreasonable and non-market oriented assumptions to show that uranium supplies in these magnitudes will not be available in the decades ahead.

Before proceeding to a discussion of current reserve estimates, two frequently encountered red herrings need to be disposed of. The first is that the current "proved" reserves of uranium only total 680,000 tons, or roughly one-third of the supply requirement indicated above.

However, the term "reserves" refers only to uranium resources that have been specifically located and delineated by drilling and other engineering techniques. Placing resources into this category thus requires mining companies to make substantial investments These investments will obviously not be profitable unless these reserves can be produced in the relatively near future. Thus, the widely quoted reserve number actually represents a *"production inventory"* and has little to do with the potential resource base, the relevant concept for decision-making purposes.

The most apt analogy is the case of natural gas, for which proven reserves now stand at about 200 trillion cubic feet. Were this taken as the potential resource base and were production to continue at current rates we would reach absolute depletion in 1987. Even the most conservative analysts of the natural gas industry have not suggested this extreme possibility.

For one thing, natural gas, uranium and almost every other extractable resource has a clear *"extension"* pattern in which economically delineated reserve levels imply a somewhat fixed "new find" rate in adjacent deposits or reservoirs within prevailing price ranges. Current ERDA estimates put these uranium extension reserves, the most conservative category of resource base expansion, at *1.1 million* tons. This, in combination with what has previously been termed the production inventory, amounts to nearly 1.8 million tons of known reserves, a figure nearly equal to the lifetime supply requirements given above.

Unfortunately, advocates of early breeder commercialization have used this figure (1.8 million tons) as the "prudent planning base" for calculation of breeder economics. But this is clearly a bureaucratic expedient rather than an economics based estimate, because it implies nearly a zero elasticity of supply beyond presently identified reserves. As will be shown more fully below, this assumption has even less credibility than that employed by proponents of continued regulation of natural gas.

The other item in the red herring category is the frequently recited fact that current spot market prices are in the $40 per pound range. But the spot market for uranium ore is extremely thin as most uranium is purchased under long-term contracts. As a result, the spot market price is highly volatile and can be highly affected by short-run demand conditions. In fact, the present high spot market price is a temporary aberration reflecting the surge in short-term demand induced by recent changes in ERDA enrichment practices, ERDA contracting procedures, and the massive abrogation of supply contracts by Westinghouse in late 1975.

A more reflective indicator of long-term price trends is the price for 1980's delivery contained in contracts written during the past year. These are almost entirely under $20 per pound in real terms.

To return to the critical question of long-run supply it is clear as a matter of resource economics that the "prudent planning base" estimate of roughly 2 million tons used by breeder advocates is in fact, not only imprudent but actually nonsensical. By definition, proved and probable (extensions) reserves essentially represent past exploration activities. Therefore, to assume that this figure embodies the producible uranium supply for the indefinite future implies that either there will be absolutely no additional exploration for new uranium deposits in the coming decades or that the marginal cost of new reserves will escalate upward on nearly a vertical path.

The relatively brief history of the uranium mining industry offers no support whatever for either of these assumptions. Two trends tell the story. First, after the government-supported launching of the uranium mining industry in the early fifties, there was a persistent and steady decline in real prices—from $28 per pound in 1954 to less than $9 per pound in 1973. Yet despite this sharp drop in prices, exploration activity and production moved sharply upward. From 1950 to 1960 annual production increased nearly twenty-fold, and low-cost ($15 per pound and under) proved reserve levels rose from a negligible 3,000 tons to nearly 200,000 tons in 1960. By 1975 this category of the lowest cost reserves had again more than doubled to 430,000 tons. Resource base estimates (as distinguished from proved and probable reserves) were expanded in a similar manner.

Thus, in order to accept the prudent planning base estimates as the limit of future producible uranium supplies, it is necessary to assume that an industry that has been characterized by declining marginal costs, rapidly expanding reserve additions and drilling productivity rates that increased by nearly 6 percent annually for two decades will precipitously reverse course and careen down a path of sky-rocketing marginal costs and vanishing exploratory drilling productivity. The fact, however, is that even during the last three years of demand-induced market instability, drilling productivity in the low-cost reserve categories (under $30 per pound) has actually increased substantially, indicating continuing with past trends.

ERDA currently places the potential resource base, which includes both current reserves and future discoveries, at 3.7 million tons—a level nearly twice that necessary to sustain the 350 gigawatt scenario devel-

oped above. But these are of necessity extremely conservative figures because they embody geologic data gathered by an industry whose exploratory activities have been constrained by historic $10 per pound prices to the very lowest-cost uranium formations.

It is clear, however, that the breeder will not be competitive at a uranium price below $75 to $100 per pound. Under these conditions there is little doubt that as long-term prices rise above the extremely low historic levels additional geologic data will be gathered permitting a substantial expansion of the potential resource base, and therefore, future uranium reserves and production.

The final environmental impact statement on the breeder, for example, estimated that with the addition of new geologic data derived from increased search for higher-cost deposits, the potential resource base at prices of $50 per pound is nearly 9 million tons—over four times the level necessary to sustain the 350 gigawatt scenario.

VI. THE MAGNITUDE OF THE COST PENALTY FOR BREEDERS: UNCERTAIN BUT GROWING

The third reason why the breeder will not be commercially viable if introduced on the accelerated schedule proposed by the Science Committee is that the current projected cost differences between breeders and conventional reactors, both for the capital cost of the plant and for the fuel cycle facilities, are almost certain to widen in the years ahead.

When the Clinch River plant was originally proposed in the late 1960's, the projected cost of the plant was only $500 million, or about $1400 per kilowatt of generating capacity. By the time the project received its original authorization in 1973, the cost had gone to $690 million, or $2000 per kilowatt. Today, ERDA estimates a completion cost of $2.3 billion, or more than $7000 per kilowatt. Some experts have speculated that the cost may well go to $3 billion by the time construction is completed, since construction has not yet begun and experience with the Fast Flux Test Facility has been that most of the increases occur during construction.

At $7000 per kilowatt, Clinch River will cost more than ten times as much as current light water plants per unit of capacity. Of course, the cost of Clinch River includes many first-time expenses, and other costs associated with the prototype status of the plant that make a direct comparison unjust. But this factor of ten represents the improvement that will have to be made in the economics of building breeders in order to make them competitive with light-water reactors. The increases in the cost of building Clinch River have been reflected in the increases in the estimated cost of later commercial breeders, however.

In a 1976 study supporting the rapid commercialization time table, ERDA calculated that breeders would cost $100 per kilowatt more than conventional reactors at their 1995 commercial introduction date, and that this difference would be eliminated in thirteen years. The most recent ERDA projections show a cost difference of $145 per kilowatt initially, declining to $50 after thirteen years. This reduction in the cost of breeders is absolutely essential to the commercial success of the development effort on the present timetable, yet the history of the light-water reactor and the great unknowns in breeder and reprocessing technology make the likelihood of achieving cost reductions of the requisite magnitude almost nil.

As commercial technologies mature, process costs almost invariably decline. One notable exception to this rule has been the light-water cooled nuclear power reactor. By the end of 1967 after nearly ten years of commercial operation, the cost per kilowatt of LWR's had reached about $180 (1975 dollars). By 1973, the average cost had increased to $475 per kilowatt of capacity. Thus, even after setting aside the 34 percent increase in general price levels during this six year period, the real cost of light-water capacity rose nearly 200 percent.

The reason for the high rate of cost increases for nuclear plants was primarily regulatory and contractor design changes to meet safety and environmental problems, though of course some of it is attributable to the differentially high inflation rate of the construction industry in general. We simply did not know all there was to know about these facilities, however, and consequently the regulatory mechanisms for internalizing costs in the plants resulted in the continual addition of new, unpredicted cost factors.

This process seems to be nearing an end for the light-water cooled reactors. The latest ERDA projections for the cost of building reactors for delivery in the early 1980's is $667 per kilowatt in 1976 dollars. This represents a rate of real increase of only about 2 to 3 percent annually, well below the levels of the previous decade. The implications of this stabilizing trend in the cost of conventional reactors for the competitive position of the breeder are enormous. The breeder has yet to go through any of the licensing and development processes that produced the great escalations in the cost of building light-water reactors. Yet the inherently greater technological complexity of the breeder, the large number of materials and design engineering problems that remain unsolved and for which the basic research is not complete, all indicate a high probability that the cost difference between breeders and conventional reactors will widen, not narrow. Even on the basis of current knowledge, some experts have predicted a gap of over $200 per kilowatt well into the beginning of the next century if we proceed on the present timetable. At this level, uranium prices would have to be four times higher than current projections to make the breeder cost-competitive.

In addition to the risk of cost escalations from plant construction costs, the breeder also faces a great risk of escalations from increases in the cost of reprocessing. This is a risk that is completely absent from the once-through uranium fueled light-water reactor, and consequently a particularly sensitive part of the competitive equation.

Experience in reprocessing light-water fuel has been dismal. The private plant at Barnwell, South Carolina, originally projected to cost $250 million, will cost over $700 million—if it is ever completed. Its private sponsors have backed out of the project as uneconomical, and are now attempting to secure a huge federal subsidy to operate the plant as a "demonstration" project.

The likelihood that breeder fuel of reprocessing will encounter even more serious problems than current reprocessing efforts is great, yet the cost figures used in the economic analyses relied upon by the backers of Clinch River have been extrapolations from experience with spent light-water reactor fuel. The accuracy of these extrapolations is open to serious question because of two major technical differences between reprocessing spent LWR fuel and reprocessing breeder fuel.

The plutonium content of spent breeder fuel will be approximately 40 times greater than that contained in spent LWR fuel. Thus a breeder fuel reprocessing facility will have to contend with the safety problems associated with keeping this substantially larger proportion of plutonium from reforming into a critically-sized accumulation. In addition to the plutonium related problems, the breeder reprocessing plants will have to contend with fuel that has been irradiated at a higher temperature than present LWR fuel. This, combined with embrittlement caused by the higher neutron irradiation levels to which the breeder fuel has been exposed, will make the fuel more difficult to process. The West Germans have reported considerable difficulty in the handling of fuel from high temperature gas cooled reactors on an experimental basis, which may well be an indication of the problems that will develop with breeder fuel.

The bottom line, then is quite clear. Due to the inherent risk of nuclear technology, and to strong public attitudes (increasingly embodied in regulatory policy) insistent upon nearly absolute risk reduction, there is no basis for assuming "learning curve" cost reductions for new nuclear technologies.

The last decade of experience with the light-water reactor, which is an inherently less risky and less complex technology, has demonstrated this unequivocally. Therefore, the most reasonable assumption is that the currently projected capital cost and fuel cycle disadvantage of the breeder relative to conventional reactors will widen, rather than narrow. In that event, only drastic, highly improbable long-term changes in the uranium market would make the breeder a competitive option.

VII. CONCLUSION

Under the following conditions the breeder will not be competitive until well into the next century:

1) Electric demand grows at only half the 1960's rate and the maximum share of year 2000 capacity required to be filled by nuclear-electric generation is on the order of 300–400 gigawatts;

2) There is a reasonably assured supply of at least 2.5 million tons of low-cost uranium ore (under $50 per pound);

3) Reactor cost differentials between the breeder and conventional plans are $100 or more, with similar differences in fuel cycle costs.

This analysis of the relevant economic markets makes clear that all of these conditions can be readily met. For that reason, early commercialization of the breeder will result in large economic losses to society in addition to a lengthy list of non-monetary risks in the safety, environmental and international relations-proliferation areas. Therefore, no further subsidization of the Clinch River project, an integral step in the early commercialization program, can be justified.

DAVE STOCKMAN,
Member of Congress.

SEPTEMBER 17, 1977.●

RULES OF PROCEDURE OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

● Mr. STAFFORD. Mr. President, under the rules of the Senate, each committee is required to publish annually, by March 1, its rules in the CONGRESSIONAL RECORD.

At our organizational meeting, on January 8, the Committee on Environment and Public Works adopted the rules which I submit today. These rules are identical with those of the 96th Congress, except for a revision of rule 10 which changed the name of the "Subcommittee on Resource Protection" to the "Subcommittee on Toxic Substances and Environmental Oversight."

Our rules were circulated at that time to members of the committee with a request that they be examined for suggested amendments or further discussion at a future meeting of the committee. While I have received no recommendations at this time, neither has the committee had an opportunity to place a

discussion of its rules on the agenda of a business meeting.

I point out that rules may be amended during the year by vote of the committee, and simply state at this time that if any change is made when we next consider this matter, it will, of course, be printed in the RECORD as Senate rule XXVI also provides.

I submit the rules for printing in the RECORD.

The rules are as follows:

RULES OF PROCEDURE OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Rule 1. *Regular Meeting Days.*—The regular meeting day of the Committee shall be the first and third Thursday of each month at 10:00 A.M., except that if there be no business before the Committee, the regular meeting shall be omitted.

Rule 2. *Committee Meetings.*—Subject to section 133(a) of the Legislative Reorganization Act of 1946, as amended, Committee meetings for the conduct of business, for the purpose of holding hearings, or for any other purpose, shall be called by the Chairman, after consultation with the ranking Minority Member. Subcommittee meetings shall be called by the Chairman of the respective subcommittee, after consultation with the ranking Minority Member. Notice of a meeting and the agenda of business to be discussed by the Committee will be provided to all Members not less than twenty-four hours in advance of such meeting. Additions to the agenda after that time may be made with the concurrence of the ranking Minority Member. Such 24-hour notice may be waived in an emergency by the Chairman, with the concurrence of the ranking Minority Member.

Rule 3. *Open Committee Meetings and Legislative Mark-up Sessions.*—Meetings of the Committee, including hearings and legislative mark-ups, shall be open to the public, except that a portion or portions of any such meeting may be closed to the public if the Committee determines by record vote of a majority of the members of the Committee present that the matters to be discussed or the testimony to be taken at such portion or portions—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(2) will relate solely to matters of committee staff personnel or internal staff management or procedure; or

(3) constitute any other grounds for closure under paragraph 7(b) of rule XXV of the Standing Rules of the Senate (as amended by Senate Resolution 9, 94th Congress).

Rule 4. *Presiding Officer.*—(a) The Chairman shall preside at all meetings and hearings of the Committee except that in his absence the ranking Majority Member who is present at the meeting shall preside;

(b) Subcommittee Chairmen shall preside at all meetings and hearings of their respective Subcommittees, except that in the absence of the Subcommittee Chairman, the ranking Majority Member of the Subcommittee who is present at the meeting shall preside;

(c) Notwithstanding the rule prescribed by subsections (a) and (b), any Member of the Committee may preside over the conduct of a hearing.

Rule 5. *Quorums.*—(a) Except as provided in subsections (b) and (d), five Members, two of whom shall be Members of the Minority party, shall constitute a quorum for the purpose of reporting any measure or matter.

(b) Quorums for the conduct of business by the Subcommittees shall be a simple majority of the Membership of the Subcommittees with at least one Minority Member present.

(c) Once a quorum as prescribed in subsections (a) and (b) has been established for the conduct of business, the Committee may continue to conduct business.

(d) Notwithstanding the rule prescribed in subsection (a), one Member shall constitute a quorum for the purpose of conducting a hearing.

Rule 6. *Proxy Voting.*—(a) Proxy voting shall be allowed on all measures, amendments, resolutions, or any other issue before the Committee or any Subcommittees. Any Member who is unable to attend the meeting may submit his vote on any such issue, in writing or through personal instructions; however, proxies shall not be voted for the purpose of reporting any measure or matter except when the absent Committee Member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded. A proxy given in writing shall be valid until revoked, while a proxy given orally or by personal instructions is valid only on the day given.

(b) At the discretion of the Chairman, after consultation with the Ranking Minority Member, Members who are unable to be present and whose vote has not been cast by proxy may have their positions recorded on any vote on the same business day so long as the vote will not change the outcome.

Rule 7. *Public Announcement of Vote.*—Whenever the Committee by rollcall vote reports any measure or matter, or acts upon any measure or amendments thereto, the report of the Committee on such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each Member of the Committee.

Rule 8. *Announcement of Hearing.*—The Committee, or any Subcommittee thereof, shall make public announcement and provide notice to Members of the date, place, time and subject matter of any hearings to be conducted on any measure or matter, at least one week in advance of such hearing, unless the Committee Chairman, or Subcommittee Chairman, with the concurrence of the ranking Minority Member, determines that there is good cause to begin such hearing at an earlier date, in which event not less than twenty-four hours notice shall be given.

Rule 9. *Statements of Witnesses at Hearings.*—(a) Each witness who is scheduled to testify at any hearing of the Committee, or any Subcommittee thereof, shall file a written statement of his proposed testimony not later than noon of the last business day preceeding the day on which he is scheduled to appear. At the time of his appearance, he shall supply for the use of the Committee or Subcommittee, 25 copies of his prepared testimony or such greater number as may be requested in the letter of invitation. Except for witnesses from the Federal Government, this rule may be waived with regard to field hearings.

(b) The presiding officer at a hearing may have a witness confine his oral presentation to a summary of his statement.

Rule 10. *Regularly Established Subcommittees.*—The Committee shall have six regularly established Subcommittees as follows:

Subcommittee on Environmental Pollution
Subcommittee on Water Resources.
Subcommittee on Transportation
Subcommittee on Regional and Community Development
Subcommittee on Toxic Substances and Environmental Oversight
Subcommittee on Nuclear Regulation

Rule 11. *Subcommittee Membership.*—Following consultation with the Majority Members and the Ranking Minority Member of the Committee, the Chairman shall announce selections for membership of the Subcommittee referred to in Rule 10.

Rule 12. *Environmental Impact Statements.*—No project or legislation proposed by the Administration shall be approved or other action taken on such project or legislation unless the Committee has received a final environmental impact statement relative to it, in accordance with section 102(2)(C) of the National Environmental Policy Act of 1970, and the written comments of the Administrator of the Environmental Protection Agency, in accordance with section 309 of the Clean Air Act. This rule is not intended to broaden, narrow, or otherwise modify the class of projects or legislative proposals for which environmental impact statements are required under section 102(2)(C).

Rule 13. Whenever the Committee authorizes a project, under Public Law 89–298, Rivers and Harbors Act of 1965, Public Law 83–566, Watershed Protection and Flood Prevention Act, or Public Law 86–249, Public Buildings Act of 1959, as amended, the Chairman shall submit for printing in the Congressional Record, and the Committee shall publish periodically as a committee print, a report that describes the project and the reasons for its approval, together with any dissenting or individual views.

Rule 14. *Naming of Public Facilities.*—No building, structure or facility authorized by the Committee, shall be named for any living person, except former Presidents or former Vice Presidents of the United States, or former Members of Congress over 70 years of age.

Rule 15. *Committee Resolutions.*—(a) The Chairman, after consultation with the ranking Minority Member, is authorized to certify and pass on Committee resolutions for review of flood control and river and harbor reports and resolutions for studies of public building project, and forward the resolutions to the appropriate Federal agency.

(b) Proponents of Committee resolutions shall submit appropriate evidence showing need for review or reports on river and harbor and flood control projects.

Rule 16. *Broadcasting of Hearings.*—Public hearings of the Committee, or any Subcommittee thereof, may be televised or broadcast, or recorded for television or broadcast, upon notification in advance to the Chairman through the Chief Clerk. During public hearings, photographers and other reporters using mechanical recording or filming devices shall position and use their equipment in such fashion as will not interfere with the seating, vision, or hearing of Committee Members or Staff on the dais, nor with the orderly process of the hearing.

Rule 17. *Amendment of Rules.*—The rules may be added to, modified, amended or suspended by a majority of the Committee Membership.●

PSYCHIATRIC NURSES

● Mr. INOUYE. Mr. President, in 1882, psychiatric nursing was formally conceived with the opening of a training school for nurses at the McLean Hospital for the mentally ill in Waverly, Mass. The workrole of the nurse in psychiatric facilities has had a little less than 100 years of historical development. Yet this role has grown beyond the walls of psychiatric facilities and expanded into the communities in direct correlation with the changing mental health needs of the Nation. Currently in the United States, there are 60,000 licensed professional psychiatric and mental health nurses. At the forefront of this group is a new breed numbering 10,000 commonly called the psychiatric and mental health nurse specialist, whose

distinguishing features are graduate education and supervised clinical experience. Today, it is this particular group of nurses, the psychiatric and mental health nurse specialists, that I would like to acknowledge for providing direct mental health care services to the American people. These services include individual and group psychotherapy, family therapy, screening and evaluation, making house calls, conducting health teaching activities, providing support and medication surveillance, and responding to clients' needs through community action, if appropriate. In addition, they provide teaching, supervision, and coordination of psychiatric and mental health nurses and other mental health-care providers.

The nursing profession has with great deliberation and diligence prepared the psychiatric and mental health nurse specialist to perform the role of direct-care provider. A psychiatric and mental health nurse specialist is first of all a registered nurse; that is, a graduate of an approved nursing education program that was authorized by the State to prepare persons for licensure. This graduate must then meet various State requirements for licensure in the State he or she wishes to practice. Next, this licensed registered nurse must complete a master's level program approved by the National League of Nursing. These programs emphasize the theory and application of preventive treatment and rehabilitative aspects of mental health care. Presently, there are 74 accredited nursing programs; for example, Catholic University, Yale, and Columbia, in 37 States which offer a master's degree with a primary or secondary emphasis in psychiatric nursing. Since 1948, more than 80 schools of nursing have received educational grants from the National Institute of Mental Health to prepare psychiatric and mental health nurses at the graduate level. NIMH officially recognizes psychiatric and mental health nursing as one of the four core mental health disciplines and recently has redlined this discipline as a critical shortage area.

To further assure the quality of the care provided by the psychiatric and mental health specialist, in 1977 the American Nurses' Association implemented a system of certification of qualified psychiatric and mental health nurse specialists who have a minimum of 12 years of supervised clinical experience in addition to a master's degree. The certification process involves voluntary assessment by examination and documentation of a nurse's knowledge of her field of practice. It recognizes expertise both in application of current knowledge, and in the ability to consider and initiate new alternatives and strategies in clinical practice. Currently there are 223 certified psychiatric mental health specialists with a total of 443 applicants for certification in process.

Not surprisingly, with this well-structured educational background, the psychiatric and mental health nurse specialist is prepared to work in a variety of settings, including acute and long-term care hospitals and other health-care institutions, outpatient ambulatory clinics and community mental health-care centers and schools, offices, courts, and industries. They function well both in institutions characterized by high levels of teamwork and technology and in community-based, noninstitutional settings where the nurse practices on a highly independent, self-directed basis. Their work embodies responsibilities for collaboration and coordination with those who may be working concomitantly with the client and with others whose expertise can enhance the quality of the total health-care package for the client.

As a representative of one of the four core mental health disciplines, the psychiatric and mental health nurse specialist owns the responsibility to "serve the underserved" as recommended by the President's Commission on Mental Health. In a 1977 survey of 1,576 psychiatric and mental health specialists conducted by the American Nurses' Association, 87 percent provided services to minorities, 59 percent to the elderly, and 94 percent to families of low income (under $12,000). While 12 percent of these specialists surveyed worked primarily in rural areas, 75 percent of a subsample group stated they would consider relocating to rural areas if recognized as providers by third-party payors. As an increasing number of nurses are prepared as primary care providers in such areas as psychiatric and mental health, a separate identification of nursing costs and a direct reimbursement system for those costs could be a major factor in the extension of health-care services to underserved populations. Currently, however, the majority of psychiatric and mental health nursing specialists practice in more populated areas, where they can be employed in salaried positions and where they are near physicians to supervise and sign for their nursing services. Until these psychiatric and mental health nursing specialists are independently reimbursed for their services, they are limited in providing the full range of services they are prepared to render at locations where their services are greatly needed.

Yet, despite these obstacles, more than two-thirds (69 percent) of the employed survey respondents were engaged in direct patient services. Of these, 46 percent provided direct services in their primary job; 66 percent in their second job; and 47 percent in their third job. A much higher percentage of respondents with second and third jobs were in private practice arrangements than those with only primary jobs. Unfortunately, it seems most nurses engaged in private practice required at least one additional nursing position to support themselves. It is also evident specialists place a high value on providing direct services since they seek these additional work responsibilities outside of their primary position.

I am convinced that the major obstacle to having a mental health-care delivery system with a flexible network of services supplied by a range of qualified providers is the lack of direct reimbursement for services for these qualified providers such as the psychiatric and mental health nurse specialist. Yes, in 100 years the role of the "psychiatric nurse" has expanded into the psychiatric and mental health nurse specialist, beyond the walls of the psychiatric facility; but only to be blocked by the lagging pace of the Federal and private bureaucracies. Today, I salute the psychiatric and mental health nurse specialist's persistence and determination in providing direct mental health services of high quality to the American people.●

NOMINATIONS

Executive nomination received by the Secretary of the Senate February 27, 1981, under authority of the order of the Senate of February 26, 1981:

DEPARTMENT OF JUSTICE

William Francis Baxter, of California, to be an Assistant Attorney General, vice Sanford M. Litvack, resigned.

HOUSE OF REPRESENTATIVES—*Monday, March 2, 1981*

The House met at 12 o'clock noon.

Rev. Edward Gardiner Latch, D.D., offered the following prayer:

Let us search and try our ways, and turn again unto the Lord.—Lamentations 3: 40.

Eternal God, our Father, who is ever seeking to enter the lives of Your children to strengthen them and to sustain them come into our hearts as we pray, reveal Your ways to us and give us courage to walk with You in the paths of justice and good will. Make us so conscious of Your presence and so receptive to the leading of Your Spirit that we make wise decisions, be led in right paths, and may formulate worthy plans for the good of our people and the welfare of all nations.

Bless our President, our Vice President, our Speaker, and all Members of Congress. Help them to accept their privileges with gratitude, their troubles with fortitude, and their responsibilities with fidelity. Make them gloriously equal to their experiences and truly adequate to the tasks at hand to keep freedom for all, justice for all, and good will for all alive in our Nation and in our world. Amen and amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

EXPORT-IMPORT BANK SHOULD NOT BE SCALED BACK

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LANTOS. Mr. Speaker, the Export-Import Bank is one of the most effective global weapons in the increasingly fierce battle of trade rivalry. Its activities have consistently yielded a profit to the U.S. Treasury, while providing American exporters with critically needed financing to compete against the outright subsidies Japan and Europe give their export businesses.

At a time when we need more jobs and more exports, it makes no sense to scale down the direct lending authority of the Eximbank. Instead of cutting back its support of American business in its efforts to sell abroad, the administration ought to be working overtime to develop new and creative ways to stimulate our exports and thereby reduce our unemployment and strengthen our economy. The administration's proposal is counterproductive; it will reduce exports, increase unemployment and worsen our balance of trade.

I am calling on this administration to abandon its ill-conceived proposal and give American exporters a chance to compete in the tough international marketplace.

U.N. HIGH COMMISSIONER'S REPORT ON REFUGEES IS CHILLING

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I think this weekend's report from the U.N. High Commissioner on refugees was absolutely chilling. He said after touring East Africa and watching over 20,000 people dying, that it was the worst situation he had ever seen in all the different refugee camps that he had toured. He said that never before had he seen so many children so tremendously emaciated.

I would certainly hope that this administration would do everything they can to aid Somalia and to aid the areas in East Africa where this tremendous starvation is going on because of the terrific displacement being done due to the incredible famine that has captured that part of the world.

Mr. Speaker, I yield back the remainder of my time.

CHIEF JUSTICE BURGER SPEAKS OUT ON CRIME

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, Chief Justice Warren E. Burger recently gave a most perceptive speech on the subject of crime in the United States, the impact of crime on our society and our economy, and the present status of our system of criminal justice. The speech is of great importance and value to the Congress and to the public and I caused it to be included in the CONGRESSIONAL RECORD in the hope that it would thereby come to the attention of those who share responsibility on the subject of crime.

Unfortunately, my remarks and the speech were headed and will be indexed, "Annual Report to the American Bar Association," and I am afraid that it will be noted by very few. For that reason, I am making these remarks and have provided what I hope is a more effective heading which will catch the eye of the Members and of the public. The speech of Chief Justice Burger was inserted in the RECORD on Monday, February 23, 1981, at page 2720 and following.

CONGRESSIONAL COMMITTEES SHOULD VOLUNTARILY REDUCE THEIR OWN SPENDING

(Mr. STATON of West Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STATON of West Virginia. Mr. Speaker, we have all been elected to serve our respective districts of this Republic to represent their views on legislative matters, to be advocates for our constituents, and to provide leadership. I can think of no better example for this Nation than for this body to, of its own accord, voluntarily reduce its own spending. I refer to the proposed budgets for the committees of the House of Representatives.

Undeniably, Mr. Speaker, a good case can be made to keep intact all of the budgets. However, I believe an even better case can be made to substantially reduce them. How can we require economy and frugality from our citizens when we refuse to practice the same? How can we encourage sacrifice while we follow the path of extravagance? And how, Mr. Speaker, can we provide leadership when we refuse to heed the wisdom of the masses of our fellow citizens who recognize the desperate condition of our economy and seek to cure it.

Mr. Speaker, I urge you to reject all committee budgets which do not reflect deep dramatic cuts. Only when we are willing to economize do we have the right to expect economy from others.

LET US REDUCE COMMITTEE STAFF FUNDING

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, as I was reviewing the recent expense statement from our own Commerce Committee, I was interested to see that we listed an expense of $1,006

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

for one member of the staff to go out and make a speech in San Francisco. I will tell you now how I feel about spending over $1,000. If they want these people on committee staffs to go out and make speeches, conventions ought to pay for it, not the taxpayers. The reason staff are out making these speeches coast to coast is they have too much time. We have too many staff sitting around the Halls of Congress.

I was just reviewing some of these committee staff budgets to see how large these committee budgets have grown. Agriculture staff from the 92d to the 96th Congress grew from $250,000 to $2,272,000. Banking grew from $1,500,000 to over $5 million of staff committee funds. Our Energy Committee, which is certainly a big spender, has grown from $1,400,000 to $7,500,000. That is the way committee staff spending has expanded with massive expenditures from the 92d to the 96th Congress.

Let us reduce committee staff funding when it comes to the floor of the House. We need less government and with smaller staffs we will have more efficient government.

THE PEOPLE EXPECT A GENUINE EFFORT BY CONGRESS TO CUT THE BUDGET

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, the people of our country expect a genuine effort by Congress to cut the out-of-control Federal budget.

President Reagan's laudable reduction proposals—if enacted—would still allow fiscal year 1982 spending to increase about $40 billion over current spending.

But as the House Budget and Appropriations Committees begin their work on setting preliminary 1982 spending targets, with the President due to provide more complete budget revisions within 2 weeks, there is a strong undercurrent of resistance among many in Congress against even these preliminary budget reductions.

I believe we all have a solemn obligation to help implement the President's budget package as soon as possible.

The people of our country expect this.

The people do not expect the Congress to obstruct the President's program in any way.

Congress itself must make every effort to find additional areas to cut Federal spending—beyond the laudable reductions already proposed by the Reagan administration.

THE MOVE TOWARD GROUP DECISIONS

(Mr. ROBERTS of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROBERTS of Kansas. Mr. Speaker, last week the Council for Agriculture, Science and Technology, an organization comprised of scientists from land-grant universities across our Nation, held its annual breakfast for Members of Congress.

I am calling to the attention of my colleagues the remarks delivered at that breakfast by Dr. Duane Acker, president of Kansas State University. Kansas State is coincidentally my alma mater, but it is highly typical of the many fine land-grant universities in the United States; institutions that play a vital role in providing a factual base of knowledge from which we can better determine farm and food policies in future years.

In his remarks, Dr. Acker traced the decisionmaking process down on the farm some 30 years ago to the situation today where individual decisions in agriculture rely on agricultural research.

Dr. Acker's remarks follow:

THE MOVE TOWARD GROUP DECISIONS

(By Dr. Duane Acker)

On some weekends and during some vacation time, my wife and I spent time on my home farm in southwestern Iowa. That farm was purchased by my great-grandparents in November of 1870. We are proud to be the fourth generation owners.

When my great-grandparents moved to that farm and for many of the decades after that, they and the immediate next generation were able to make, individually, about any decision they wanted to make regarding the operation of the farm, the enterprises, the purchase and sale of goods and commodities.

If they wanted to go into the dairy business, they bought a cow or two; if they wanted to plow up the sod, they did; if they wanted to smooth the roadway, they hooked horses to a drag and did it.

In a few years though, the township was organized, trustees were elected and my grandfather, a son-in-law of the original family purchasers, became a member of the township trustees. He participated then in a group decision of the township. They established policy, assessed taxes, and arranged for the maintenance of the roads.

Over time, more and more decisions have moved from the responsibility of an individual person to the respective group—school board, township trustees, county commissioners, legislators, zoning board, environmental council, pricing commissions, state conservation boards, public land commissions, state or federal agency heads and their immediate staff and others.

Now, I know that many of these groups have existed for a century or more. We have long had the representative form of government. But in early years of representative government, elective commissions or legislative bodies were charged only with a limited number of responsibilities. As time has gone by, they have been given additional responsibilities—law passed as the result of citizen pressure, programs established to care for wildlife, to aid the elderly, to protect the environment, or to provide orderly use of the landscape.

Today, if I want to go into the dairy business on my farm, I will need to obtain a milk marketing quota; I will need permission from the county zoning administrator and his board to build a dairy barn; the waste handling lagoon will need to meet the specifications of the State Environmental Commission; and to receive some federal construction funding, which has been established as public policy, the county ASCS committee will need to approve the plans on the advice of the soil conservation work unit conservationist.

To obtain an effective milk market, I will need to join a producers cooperative—policies of which are established by a Board of Directors, some of whom may be neighbors.

The price of my milk will not result from a contractual agreement between me and the purchaser. It will be established in a market-wide pool, supervised by a Federal Milk Market Administrator, and the price will fluctuate month by month as established by a federal milk order, and generally based on a Wisconsin milk price series which is tabulated regularly by USDA employees.

One of the incentives for going into the dairy business would be a law passed by the Iowa Legislature limiting the amount of soil runoff that can occur from a tract of land. This will encourage putting more of the land in grass. It is public policy to encourage putting land in grass and providing financial help for lime, which legumes need for establishment. Again, I need concurrence by the county ASCS committee for lime money allocation.

To establish a wind break, similar cost sharing is provided and I likely will buy the trees through the county extension office which is guided and packaged by the Iowa Conservation Commission which is guided by a six-member policy board.

When my grandfather and his neighbors wanted electricity they bought poles, built a line, and entered into a contract with the city seven miles away for purchase of electricity. When the line needed repair, my grandfather and his neighbors did it. Today, after ownership of the line was transferred from the farmers to the Atlantic Municipal Utilities, a public-owned corporation, management is by professional staff reporting to a Board of Trustees. The operation of the corporation is regulated by the Iowa State Commerce Commission. The rate is determined on a cost-to-serve analysis and set by the Board of Trustees.

The process of change, toward group decision making, has had a significant impact on all of society, including demands placed on land-grant universities. In earlier years, a farmer sought information on which he as an individual would base decisions. They wanted to know the most adapted corn variety for their areas and soil type, best fertilizer rates, weed control techniques, tillage practices, etc. He took the information and as an individual implemented it.

This resulted in immediate application of research knowledge—quick benefit and almost immediate recognition and appreciation of the investments that are made in agriculture research and extension education.

Increasingly, the land-grant university is now asked for information that would be used for group decisions. How many people are needed to support a church? Support a school? What are the taxing alternatives in a sparsely populated area? What effect would taxing alternative a, b, or c have on farm versus industrial versus retail property in a school district or a county? What effect do tillage practices have on the pollution level in streams? How rapidly is the water level lowering in the aquifer lying underneath ten counties? What is the effect of agricultural pesticides use on water quality or on present population? What effect does hunting pressure or the length of the hunting season have on population of pheasant, quail, deer, etc?

Certainly, we continue to receive many requests for knowledge on corn varieties, fertilizer rates, livestock nutrition, etc. to be implemented by individual farm and feedlot operators, but the demand on us for knowledge to be assimilated and used in decisions to be made by groups is impressive.

During any week of the Kansas Legislature, there will be from one to six of our faculty in Topeka testifying before or answering questions of legislative committees on topics ranging from public school funding alternatives to the risks of nuclear power plants to effectiveness of alternatives for controlling noxious weeds by the employees of county weed boards under state guidelines.

Our staff consults regularly with every unit of the executive branch of state government and with legislative committee staff. They are on the programs of the State Association of County Commissioners, rural electric cooperatives, state association of rural water districts, local cooperatives, zoning boards, school boards, city councils, etc. These people want information and help from their land-grant university.

So be it. It is proper. The early land-grant university rightly dealt with providing primarily information of a "micro decision" character, i.e., alternatives were presented to an individual producer, business manager, consumer, or householder. As our society developed, requests to land-grant universities for decision information of a group of "macro level" emerged.

It has affected the minds of people we hire, disciplines that are in our research or extension portfolio, the degree to which we tap talent in many academic departments of the university, and utilization of staff even from other institutions.

If one looks beyond the individual state, where the individual land-grant university plays such a predominate role as a reservoir of knowledge and alternatives, one might ask the question how can the information, knowledge and alternative needs of a national decision-making group be accommodated? Congress increasingly assumes or assigns to boards, commissions, and agencies, responsibilities for group decisions for the "general welfare." Were I a member of Congress or a Senator, I would want to be able to tap the disciplines of the land-grant and other universities. I would want to have available to me on a fairly broad base, the same kinds of knowledge that are available to our state legislators or county commissioners.

It seems to me that the agricultural and related Science and Technology provides, perhaps in a modest way, but in a very real and respected way, some of these knowledge needs. It was born of the unified interest and desire of the agricultural scientific societies to provide knowledge from the scientists themselves.

I have observed that state legislators, boards, commissioners, coop directors, etc. soon identify those scientists who give the straight story. In good universities there are a majority of that type. Good scientists have been taught to be critical, analytical, objective and to outline alternatives, leaving it up to the individual decision maker, whether it be the farmer, the homeowner, or a legislative committee, to make the decision that they want to make.

The Council For Agricultural Science and Technology, through its task forces, provides the same opportunity, the same objectivity, the same directness, and operates on the same philosophy—provide the knowledge base and let the decision makers, in this case mostly at the national level, make the decisions they are charged to make.

It seems to me that the Council for Agricultural Science and Technology is a very natural outgrowth of our societal development as the decision-making responsibility has moved from individuals to townships, to counties, to states and then on to the national level. In more and more of those issues, that effect human beings and society as a whole, the concept and responsibility of the land-grant university—provision of a knowledge base and a set of alternatives that might be considered—must be available to the decision maker.

Mr. or Ms. Member of Congress—I believe you are fortunate CAST exists.

PREVENTIVE HEALTH CARE FOR THE ELDERLY NEEDED

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, I am today introducing legislation which I believe will contribute significantly to the improvement of health care services for our Nation's elderly by placing greater emphasis on preventive care.

As health care costs continue to rise, no group of Americans remains more vulnerable to the cruel toll that illness takes than the elderly. Many times extraordinary expenses could be avoided, or significantly reduced, by regular medical examinations. However, the potential of such preventive health care measures has yet to receive the national emphasis and attention it deserves.

This lack of attention is most clearly reflected in the attitudes of the elderly themselves. At one of a series of hearings on the problems of the elderly which I held in my district in the 96th Congress, almost two-thirds of those present said they had not had a complete physical exam in the past year. An Iowa physician who has worked closely with preventive care clinics in one Iowa county concluded that most of the elderly she saw "had no conception of preventive medicine at all. They had no thought of going to see a physician unless they were ill."

My proposal mandates the establishment of a series of demonstration programs to provide preventive health care services to the elderly, which I believe would greatly help to change peoples' attitudes toward preventive care and tangibly benefit a significant number of older Americans who otherwise might not receive needed medical assistance. The bill would amend the Social Security Amendments of 1967 to require that the Secretary of HEW provide, in at least three States, preventive care clinics to be operated throughout the State by traveling health care practitioners.

This legislation was inspired by a program of "well-elderly" clinics which has been in operation in my home State of Iowa since 1975. The clinics, which are funded by the State of Iowa and operated by counties, meet once or twice a month in various locations in their respective areas to provide physical examinations to individuals over 60. They are intended for people who are not under regular medical supervision and are run by specially trained public health nurses who do physical assessments, run various medical tests, and take comprehensive health histories of the patients. Patients needing further medical assistance are referred to physicians. Followup checks to insure that patients seek and receive the care they need are strongly emphasized. Another important component of the well-elderly program is counseling on a one-to-one basis between the nurse and patient on the importance of preventive care and on various other social services available to the elderly in their communities.

In the Iowa program, individuals are given an envelope detailing the cost of the physical and are encouraged to pay the full amount. However, if they feel they cannot afford to do so, they can pay whatever they feel they can afford.

The well-elderly program has been a tremendous success in Iowa and has expanded to cover almost twice the number of counties which participated in the original pilot program begun in 1975. In 1978 over 6,000 patients were seen in a 16-county area, many of whom were referred to physicians or other social services. According to a doctor closely involved with one of the clinics—

> The presence of the well-elderly clinic * * * has made everybody, including the population at large, community leaders, politicians, physicians * * * more aware of the special problems of the elderly.

I believe that this well-elderly concept that has proved so successful holds much promise for other areas of the country as well, and merits consideration and demonstration on a larger scale. The time is right for this legislation. At a time when health care costs continue to skyrocket and when a recognized need to trim the Federal budget threatens to price even more of those most susceptible to illness out of the health care they need and deserve, we can no longer afford not to empha-

size effective programs of preventive health care for our Nation's elderly.

I am confident that the demonstration programs mandated in my legislation would contribute significantly to the well-being and health care awareness of our Nation's older Americans; to increased community awareness of the health needs of senior citizens; and to the increased support and emphasis at the national level that well-elderly programs need and deserve.

The text of the bill follows:

H.R. 2226

A bill to amend section 402 of the Social Security Amendments of 1967 to provide for demonstration projects for provision of preventive health services to the elderly

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402(a) of the Social Security Amendments of 1967 (42 U.S.C. 1395b-1(a)) is amended by adding after paragraph (2) the following new paragraph:

"(3) Under the authority of subsection (a)(1)(B)(i), the Secretary shall provide for demonstration projects, in at least three States and at least one of which is located in a rural area, which relate to the provision of preventive health services (including basic health screening, referral, and health education) to the elderly throughout the State through traveling health care practitioners (other than physicians, but including public health nurses) who provide such services in or through different public and private nonprofit facilities (including churches, schools, and senior citizen centers). The Secretary shall report to Congress on the results of such demonstration projects not later than three years after the date of the enactment of this paragraph. For purposes of this paragraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands".●

THE CONSTITUTION AND THE ECONOMY

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, President Reagan made the astonishing statement that the Federal Government ought not use its powers to regulate the economy or bring about social change. As fine as that sounds, it ignores the fundamental reality that the Federal Government was erected largely because it was necessary to regulate the economy—and it follows that economic regulation brings about social change. The President, in other words, profoundly misunderstands what the Constitution and the Federal Government are about. Everything the Government does affects the economy; everything the Government does has a social impact. In the northwest ordinance, the Federal Government set aside lands for the support of education—a social priority two centuries ago, and today as well. In writing the Constitution, the Founders carefully set out great powers of economic regulation. These social and economic powers are in the Constitution; they are there because they were necessary in 1789 just as they are today.

All of this is set forth in greater detail in a newspaper column I wrote for March 1 publication, and included in the RECORD at this point.

[From the San Antonio Light, Mar. 1, 1981]

THE CONSTITUTION AND THE ECONOMY

(By Representative Henry B. Gonzalez)

In his address to Congress a few days ago, President Reagan said, "The Taxing power . . . must not be used to regulate the economy or bring about social change." Sounds good, but it ignores what the Constitution says, and in fact what government is all about. It also ignores the realities of his program, which in fact is intended to produce profound economic and social change.

The writers of the Constitution knew that one of the fundamental purposes of the Federal government would be to regulate the economy. That is why they provided that the States couldn't interfere with commerce by enacting taxes against each other's products; it is why only the Federal government has the power of coinage. In fact, the Constitution gives the Congress the explicit, exclusive power to regulate commerce—in other words, the economy.

The Founders knew perfectly well that economic regulation is done, among other things, by the taxing power. And they knew that the tax power could create social change as well as economic regulation. The Constitution provided that slavery couldn't be prohibited for at least twenty years, and that in the meanwhile nobody could stop the slave trade through taxation. In other words, the authors of our Constitution knew perfectly well that the Federal government could and would use the tax power not only to regulate commerce but to bring about social change.

Curiously, the United States is the only country in the world that cannot put a tax on exports. The Constitution prohibits it. Why? Because the framers of the Constitution wanted to protect the export trade that was vital to the South.

The President might have meant to say that government should get off everybody's back, but his words simply show a profound misunderstanding of the nature of government.

California is probably the biggest single benefactor of Federal "interference" in the economy. It was the Federal Reclamation Act of 1902 that made California the rich agricultural state that it is today—by using tax dollars to bring water to the deserts. And California's electricity comes largely from projects built and owned by the Federal government. California is the biggest defense contractor as well. Using tax dollars to regulate the economy? California is the nation's best example that it works.

Use the tax power to bring about social change? Consider education, the single most important thing taxes pay for. Education is the biggest engine of social change; it is what gives everybody in the country an opportunity to get ahead. The writers of the Constitution intended that government use its powers for "the general welfare;" they knew perfectly well that everything government does has a social impact. Using the tax power to build roads, for instance, opened up the West, with the social consequence that America wasn't confined to the eastern seaboard. Using the tax power to buy Louisiana was meant to have profound economic consequences, not just widen the border and get rid of France as a next door neighbor.

Obviously, not everything the Federal government does is popular. Buying Alaska was thought to be a great folly, an inexcusable example of government extravagance and outright waste. Seward turned out to be pretty smart to buy Alaska and the Czar awfully dumb to sell it; Alaska was a good deal. The lesson here is that the government has to take risks now and then. Alaska wasn't a guaranteed good deal, any more than the first armored ship—but the risk had to be taken.

It's easy to forget today just why government got into the regulation business in the first place. The reason was that without regulation, people were buying dangerous food, and drugs that were worse than useless. Without regulation, the economy ran through endless, tragic boom and bust cycles, and ripoffs became an ordinary way of life.

Without Federal aid, the railroads West would never have been built, the Mississippi couldn't be navigated, the San Antonio's freeways would still be so many potholed streets. Federal investment in air traffic control and in airports makes it possible for the President (and you and me) to fly in safety and comfort. Thanks to regulations we can be sure that the food we eat is clean, that clocks tell the correct time, and that a pound weighs sixteen ounces. All of this is economic regulation. None of it, if you take the President literally, is the business of government. The writers of the Constitution felt differently, and knew better.

All this goes to show that a fine-sounding phrase is no substitute for good sense. Government plays an indispensable role in a successful, productive, prosperous country. The trick is to be certain that the people remain in control of the government, so that the needs of the people are understood and taken care of. The President clearly knows that every action of government has an economic and social consequence. What he really thinks is, as he said in another speech, is that we're all spoiled children, and that our allowance ought to be reduced. Even that, however, begs the question, because even as he cuts some allowances, he wants to increase others. Thus, the President thinks that twenty per cent higher rent would be a good thing for people who live in public housing, but that the nuclear power industry could use even heavier subsidies than it gets today. He thinks that funding for the arts scholarship, and for student aid ought to be cut, but that there should be more help for major corporations. The President thinks that there shouldn't be any power to enforce anti-trust laws at the Federal Trade Commission, and that small businesses should get even less help than they do today. Who's the spoiled child? The megabuck corporation, or the struggling Mom and Pop operation that's assailed by monopolistic tactics?

The long and short of it is that the President's budget is designed to produce economic and social change, just as every budget is. The nature of government doesn't change, just the people in charge. The budget, just as always, is a political agenda, not holy writ.●

IMMIGRATION INEQUITIES NEED TO BE CORRECTED

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, we take great pride in the fact that our Nation is a nation of immigrants—men and women who made their way to our shores for a better way of life and for the freedoms they did not have in their mother countries.

Our Immigration and Nationality Act has been amended many times to further make its regulations more just and equitable. Public Law 89-236, for example, repealed the national origins quota concept as a system for selecting immigrants to the United States and substituted a ceiling on Eastern Hemisphere immigration on a first-come, first-served basis, within various preference categories, and a 20,000 limit per country. Public Law 94-571 further amended the Immigration and Naturalization Act to apply the 7 category preference system, as well as the 20,000-per-country limit, to the Western Hemisphere as well as the Eastern Hemisphere. Public Law 95-412 contained the two ceilings in a single worldwide ceiling of 290,000, with a single preference system. The Refugee Act of 1980, Public Law 96-212, eliminated refugees as a category of the preference system, set the worldwide ceiling at 270,000, and made separate provision for the annual and emergency admission of refugees.

Some foreign nationals are inadvertently still being discriminated against, despite the new limitations. Ireland, for example, was the mother country for millions of our new seed immigrants in the last century. These hard-working men and women helped make our Nation great.

Ireland used 6,307 immigrant visas in fiscal 1964 and 1,180 in fiscal 1978. And as far as we know, this reduction was not voluntary. When we realize that between 1820 and 1978, 4,723,344 immigrants have come from Ireland, we begin to get a sense of the problem. It seems that the natives of countries highly favored by the national origins quota system almost by definition are more apt to have ancestors buried here than close relatives who can petition for their entry. Because so many Irish came so long ago, the preference quota system—brother or sister of a U.S. citizen for example—rarely applies.

Therefore, I introduced legislation, H.R. 34, to correct this inequitable situation which has gone on for too many years. In 1965, we were assured that upon passage of the new immigration amendments, all nationalities would be treated on an equal footing. History has taught us otherwise. Thousands of deserving immigrants are unable to qualify for visas under the new law and immigrants from those countries have dwindled considerably.

I urge the support of my colleagues for H.R. 34.

POSTAL APPROPRIATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 10 minutes.

● Mr. FORD of Michigan. Mr. Speaker, in his zeal to reduce the size of Government, President Reagan has proposed slashing public service appropriation for the U.S. Postal Service. To me this represents a palpable insensitivity to the public need on the part of the new administration's budget cutters.

"The administration believes that the cost of mail service should be borne by users, not taxpayers, " said the White House in the budget reform plan it sent to us last month, ignoring the fact that the users are the taxpayers.

The administration wants the Postal Service to function as an impersonal business firm, concerned chiefly with cost accounting. We all want the Postal Service to be economically efficient. But we certainly do not want to lose sight of individual needs. The "large Federal subsidies" that Mr. Reagan refers to are carefully calculated appropriations authorized by law 10 years ago when the Postal Service was established as an independent agency rather than as a Cabinet-level department.

The public service appropriation of $644 million for 1982—which the President wants to cut to $300 million—is the result of a deliberate decision by the Congress to maintain a permanent taxpayer contribution to insure that the Postal Service does not become a totally business-oriented delivery system. A postal operation that is absolutely business-like certainly would not maintain 25,000 rural post offices, hundreds of suburban postal substations, or deliver mail to more than 80 million doors 6 days a week. Here quite plainly the public interest is having rural free delivery, post offices in small towns across the land, mail delivery in the far reaches of Alaska or Arizona, and daily delivery to millions of people at home.

The President's proposal to slash the public payment—which represents less than 3 percent of total postal costs—would have the inevitable effect of separating the people from the post office. It would also double the mailing costs for small rural newspapers, charitable fundraising, and public libraries.

What the administration chose to ignore is that the users of the mail are the taxpayers. The average citizen sends very few letters and maybe a parcel or two at Christmastime, but as recipients, average citizens are the predominant users. Regardless of location, every citizen in this country receives daily mail delivery at business and residential locations served by 30,000 post offices and 30,000 rural routes, from the far corners of Alaska to the sandy shores of the Virgin Islands. That is, in large measure, the public service of the postal system. It is designed for the convenience of the average citizen, so that he can send and receive letters with ease and regularity. It is not designed for the benefit of the big mail users, who send most of the mail. The insurance companies, publishers, public utilities, and thousands of other business mail users who use the postal system to reach the public would be perfectly satisfied if the service were reduced and rates were lowered. Clusterbox delivery, the elimination of Saturday delivery—or more—and the closing of thousands of small rural post offices would undoubtedly satisfy business mail users if they had reason to believe postal costs would be reduced. But the taxpayer, the average citizen, who gets mail at his door and who sends a letter from the corner box, is the true beneficiary of the public service-oriented postal system.

The great weakness in the administration's argument to cut public service appropriations and eliminate Saturday delivery as an alternative is that it simply is not an answer. It might be an answer for a year or two but costs will continue to rise, and the Postal Service would forever be seeking ways to control costs by reducing services. The next step might be to close or consolidate rural services in 1985 or 1990, which would "help keep costs down"—a term consistently used whenever cuts in service are proposed.

The American people have been generous in supporting scientific research for the cure of diseases, charities, churches, volunteer fire departments, and many other activities that require response from the public in order to function.

The drastic increase in mailing rates by the President's actions would curtail the ability of these charitable institutions to receive the public support they have traditionally relied upon.

In my judgment, the best way is to continue to provide the level of public funds which the 1970 act authorized, so that services can be gradually revised to meet the timetable imposed upon the Service by rising costs and changing communication patterns. If a different answer is necessary, it should be developed with some clear notion of postal operations and the needs of the people rather than a swing of the ax.

I strongly oppose these reductions and I am sorry to see that the Reagan administration apparently has little

understanding of the complexity of the postal system. In the coming weeks, I hope that the administration will demonstrate a willingness to learn about the necessity for understanding the postal needs of the country and the postal system. Responsible changes undoubtedly can be made, but they should be made only after careful and effective planning.

What the President is proposing is a sharp reduction in the appropriation that permits certain mailers, mostly nonprofit charitable fund-raising organizations, to mail at rates which are lower, by law, than regular commercial rates. Eleven years ago when we established the Postal Service, Congress deemed that these mailers, who have historically benefited from congressional preferential rate treatment, would continue to receive that preference and that Congress, through appropriations, would insure that their activities would continue. As a result of that decision, nonprofit organizations, educational foundations, schools, churches, libraries, symphony orchestras, and many, many others are able to reach the public and solicit the support they need to continue charitable and philanthropic activities at nominal postal cost. President Reagan's proposal would just about double the rates applicable to those mailers. That increase in cost could be passed on; it would mean simply reducing the activities of these organizations. The public once again would be the loser.●

NATIONAL PATRIOTISM WEEK CELEBRATED

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, as you and my colleagues know, Februrary 16 through 22 of this year was designated National Patriotism Week by Congress.

With this in mind, I would like to include in the RECORD an article which appeared in the February 16, 1981, edition of the St. Louis Globe-Democrat. The article, entitled "Make Patriotism a Way of Life," is written by one who has done just that—the author is Gen. Robert E. Huyser, Commander in Chief of the Military Airlift Command.

General Huyser has given the last 38 years of his life to the service of his country. He enlisted in the Army Air Corps in April of 1943 and is presently a four-star general, commanding some 140,000 men and women. He is a proud and dedicated member of our Armed Forces and, truly, one of the patriots of whom he speaks in this article.

It is my pleasure to share General Huyser's thoughts with my colleagues in the House. It is my even greater privilege to call General Huyser my friend. I hope you will find his comments as enlightening as I did.

[From the St. Louis Globe-Democrat, Feb. 16, 1981]

MAKE PATRIOTISM A WAY OF LIFE

(By Gen. Robert E. Huyser, Commander in Chief, Military Airlift Command, Scott Air Force Base, Ill.)

Feb. 16-22 marks the beginning of what should become an important tradition in American life. Congress has designated these dates National Patriotism Week—a time when we Americans can pause and reflect upon the proud heritage and sustained achievements of our nation and our people. I fully support this congressional initiative. While many Americans already practice patriotism and good citizenship on a daily basis, setting aside this special week to reflect upon the greatness of our country can do much to restore our sense of national pride and spark a resurgence of commitment to the time-tested principles upon which our country was founded—trust in God, liberty and justice for all.

Moreover, I would hope that we would not limit our celebration of America's greatness to this seven-day period. We should be proud of our country 365 days a year—patriotism full-time.

Make no mistake about it. Ours is not only the greatest nation in the world today, but the greatest nation in recorded history. By any measure—economic resources, military power, individual freedom, humanitarianism—we set the standard among the family of nations. Ours is the oldest, continuously existing republic on earth operating under its original constitution.

We have stood the tests of time. We have endured and prevailed. Why shouldn't we be proud? Proud of the legacy passed down by our forefathers. Proud of what we are. Proud of what we have done.

Sometimes we tend to focus too much on the negative aspects of American life. To be sure, we do have problems. We have made mistakes. We will likely make more. But, on balance, the strengths of America far outstrip our shortcomings. And we should not lose sight of—"What's good about America."

America remains the ultimate shining hope for millions upon millions of people around the world who yearn for opportunity, personal liberty and a better way of life. We reach out to those who would share the American dream. Each year we open our doors to more newcomers than all the other nations of the world combined. The "boat people" of Vietnam, the Cuban refugees and all the others come to seek sanctuary and a new life. For these people and even for those who remain behind, America stands alone as a beacon of freedom—the land of opportunity.

My own life and career bear witness that America is, indeed, the land of opportunity. Where else in the world could an 18-year-old son of a first generation immigrant be drafted right out of high school as a private and rise through the ranks to become a four star general?

Experience gained during my 38 years of military service has strengthened my conviction that our pride in America is well-justified. I have visited 97 other countries, lived in many, worked with their leaders, commanded multi-national forces, and made a life-long study of geopolitics in the process. Thus I know well both our strengths and the threat we face from totalitarian ideologies. I know too that the free world looks to us as a bulwark against potential aggression. We stand as their rallying point because of our steadfast resolve to resist tyranny and oppression.

We are also committed to the principles of compassion and humanitarian service to the people of the world. As commander in chief of the Military Airlift Command, I see examples of America's humanitarian forces in action every day. Through this command, America provides desperately needed disaster relief supplies to people worldwide, and literally at a moment's notice. For instance, last year when earthquakes devastated portions of the Azores, Algeria, and Italy, MAC aircraft delivered hundreds of tons of tents, blankets, and other emergency items to citizens left homeless by these catastrophes.

Similarly, MAC's Aerospace Rescue and Recovery Service also projects the best of American values at home and abroad, and saved some 1,691 lives during 1980. Our aeromedical service aided more than 65,000 people during the year.

I have talked with many of the 140,000 dedicated men and women of my command—active, Guard and Reserve forces—who have represented America so well through these humanitarian missions. They are proud of what they are doing and proud of this country's willingness to help others. These selfless individuals represent America at her best, and I consider them patriots of the first order.

In the past year I visited every part of our great land and addressed well over a hundred civilian groups. I have found our citizens still committed to our bedrock principles, still dedicated to the nation, still eager to serve others, in other words, still great Americans!

I hope that all Americans will take the time during this special week to celebrate their nation's greatness, to rededicate themselves to service to their country and to join with the millions upon millions across this land who staunchly affirm, "I am proud to be an American."●

RULES OF THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS FOR 97TH CONGRESS

(Mr. ST GERMAIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ST GERMAIN. Mr. Speaker, pursuant to rule XI, clause 2(a), of the Rules of the U.S. House of Representatives, I submit for printing in the CONGRESSIONAL RECORD the rules of the Committee on Banking, Finance and Urban Affairs for the 97th Congress, adopted by the committee on February 5, 1981:

RULES FOR THE COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

RULE NO. I.—GENERAL PROVISIONS

(a) The Rules of the House are the rules of the committees and subcommittees so far as applicable, except that a motion to recess from day to day is a motion of high privilege in committee and subcommittees. Each subcommittee of the committee is a part of the committee, and is subject to the authority and direction of the committee and to its rules so far as applicable.

(b) The committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under rule X of House Rules and (subject to the adoption of expense resolutions as required by rule XI, clause 5 of House Rules) to incur expenses (including travel expenses) in connection herewith. The ranking minority member of the full committee or the relevant subcommittee shall be notified in advance at such times as any committee funds are expended for investigations and studies involving international travel.

(c) The committee is authorized to have printed and bound testimony and other data presented at hearings held by the committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the committee shall be paid from the contingent fund of the House.

(d) The committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the committee under rules X and XI of House Rules during the Congress ending at noon on January 3 of such year.

(e) The committee's rules shall be published in the Congressional Record not later than 30 days after the Congress convenes in each odd-numbered year.

RULE NO. II.—REGULAR AND SPECIAL MEETINGS: OPEN COMMITTEE MEETINGS

(a) Regular meetings of the committees shall be held on the first Tuesday of each month while the Congress is in session. When the chairman believes that the committee will not be considering any bill or resolution before the full committee and that there is no other business to be transacted at a regular meeting, he will give each member of the committee, as far in advance of the day of the regular meetings as the circumstances makes practicable, a written notice to that effect and no committee meeting shall be held on that day.

(b) The chairman may call and convene, as he considers necessary, additional meetings of the committee for the consideration of any bill or resolution pending before the committee or for the conduct of other committee business. The committee shall meet for such purpose pursuant to that call of the chairman.

(c) If at least three members of the committee desire that a special meeting of the committee be called by the chairman, those members may file in the offices of the committee their written request to the chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of the filing of the request. If, within 3 calendar days after the filing of the request, the chairman does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) If the chairman of the committee or subcommittee is not present at any meeting of the committee or subcommittee the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

(e) The committee may not sit, without special leave, while the House is reading a measure for amendment under the 5-minute rule.

(f)(1) Each meeting for the transaction of business, including the markup of legislation, of the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of the meeting on that day be closed to the public: Provided, however, That no person other than members of the committee and such congressional staff and such departmental representatives as they may authorize shall be present at any business or markup session which has been closed to the public. This paragraph does not apply to open committee hearings which are provided for by clause 4(a)(3) of House Rule X or by subparagraph (2) of this paragraph, or to any meeting that relates solely to internal budget or personnel matters.

(2) Each hearing conducted by the committee or each subcommittee thereof shall be open to the public except when the committee or subcommittee, in open session and with a majority present, determines by rollcall vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger the national security or would violate any law or rule of the House of Representatives: Provided, however, That the committee or subcommittee may by the same procedure vote to close one subsequent day of hearing.

(g) No person other than a Member of Congress, committee staff, or a person from a Member's staff when that Member has an amendment under consideration, may walk in or be seated at the rostrum area of the committee unless the chairman, the chairman of the subcommittee, or a majority of the committee determines otherwise.

RULE NO. III.—RECORDS AND ROLLCALLS

(a) There shall be kept in writing a record of the proceedings of the committee and of each subcommittee, including a record of the votes on any question on which a rollcall is demanded. The result of each such rollcall vote shall be made available by the committee for inspection by the public at reasonable times in the offices of the committee. Information so available for public inspection shall include a description of the amendment, motion, order or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and whether by proxy or in person, and the names of those members present but not voting. A record vote may be demanded by any three of the members present or, in the apparent absence of a quorum, by any one member. With respect to each record vote by the committee to report any bill or resolution, the name of each member voting for and voting against the motion to report, and whether by proxy or in person, and the names of those members present but not voting, and the names of those members absent, shall be included in the committee report.

(b) All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access thereto.

RULE NO. IV.—PROXIES

(a) No vote by any member of the committee or any of its subcommittees with respect to any measure or matter may be cast by proxy unless a proxy authorization is given in writing by the member desiring to cast a proxy, which authorization shall assert that the member is absent on official business or is absent due to personal illness and is thus unable to be present at the meeting of the committee or subcommittee and shall be limited to a specific measure or matter and any amendments or motions pertaining thereto. Each proxy to be effective shall be signed by the member assigning his/her vote and shall contain the date and time of the day that the proxy is signed. No proxy shall be voted on a motion to adjourn or shall be counted to make a quorum or be voted unless a quorum is present.

(b) Proxies shall be in the following form:

Hon. ——,
House of Representatives,
Washington, D.C.

DEAR ——: I will be absent on official business/due to personal illness and thus unable to be present at the meeting of the committee or subcommittee. I hereby authorize you to vote in my place and stead in the consideration of —— and any amendments or motions pertaining thereto. The official business that necessitates my absence is ——.

——,
Member of Congress.

Executed this the —— day of ——, 19 —— at the time of —— p.m./a.m.

RULE NO. V.—POWER TO SIT AND ACT; SUBPENA POWER

(a) For the purpose of carrying out any of its functions and duties under House Rules X and XI the committee, or any subcommittee thereof, is authorized (subject to subparagraph (b)(1) of this paragraph)—

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings.

(2) in the case of such hearings which are to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary, such hearings must be authorized by a vote of a majority of the members of the full committee, a majority being present. The chairman of the committee, or any member designated by the chairman, may administer oaths to any witness.

(b)(1) A subpena may be authorized and issued by the committee under subparagraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. The power to authorize and issue subpenas under subparagraph (a)(2) may be delegated to the chairman of the committee pursuant to such limitations as the committee may prescribe. Authorized subpenas shall be signed by the chairman of the committee or by any member designated by the committee.

(2) Compliance with any subpena issued by the committee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

(c) Each witness who has been subpenaed, upon the completion of his testimony before the committee or any subcommittee, may report to the office of counsel of the committee, and there sign appropriate vouchers for travel allowances and attendance fees. If hearings are held in cities other than Washington, D.C, the witness may contact the counsel of the committee, or his representative, prior to leaving the hearing room.

RULE NO. VI.—QUORUMS

A majority of the members of the full committee or subcommittees shall constitute a quorum of the full committee or subcommittees for the reporting of a measure or recommendation: Provided, that the number of members constituting a quorum for the taking of any action other than the reporting of a measure or recommendation shall be one-third of the members of the committee or subcommittee, and any two members shall constitute a quorum for the purpose of taking testimony and receiving evidence.

RULE NO. VII.—HEARING PROCEDURES

(a) The chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman or the subcommittee chairman whichever the case may be shall make such public announcement at the earliest possible date. The clerk of the committee shall promptly notify all members of the committee, the Daily Digest Clerk of the Congressional Record and the committee scheduling service of the House Information Systems as soon as possible after such public announcement is made.

(b) So far as practicable, each witness who is to appear before the committee or a subcommittee shall file with the clerk of the committee, at least 24 hours in advance of his appearance, 100 copies of his proposed testimony and may be required to limit his oral presentation to a summary of his statement.

(c) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party members on the committee shall be entitled, upon request to the chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) Upon announcement of a hearing, the Clerk and Staff Director shall cause to be prepared a concise summary of the subject matter (including legislative reports and other material) under consideration which shall be made available immediately to all members of the committee. In addition, upon announcement of a hearing and subsequently as they are received, the chairman shall make available to the members of the committee any official reports from departments and agencies on such matter.

(e) All other members of the committee may have the privilege of sitting with any subcommittee during its hearings or deliberations and may participate in such hearings or deliberations after members of the subcommittee have been given an opportunity to participate, but no such member who is not a member of the subcommittee shall vote on any matter before such subcommittee.

(f) Committee members may question witnesses only when they have been recognized by the chairman for that purpose, and only for a 5-minute period until all members present have had an opportunity to question a witness. The 5-minute period for questioning a witness by any one member can be extended only with the unanimous consent of all members present. The questioning of witnesses in both full and subcommittee hearings shall be initiated by the chairman, followed by the ranking minority party member and all other members alternating between the majority and minority. In recognizing members to question witnesses in this fashion, the chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority.

(g) The following additional rules shall apply to investigative hearings:

(1) The chairman at any investigative hearing shall announce in an opening statement the subject of the investigation.

(2) A copy of the committee rules and this clause shall be made available to each witness.

(3) Witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) If the committee determines that evidence or testimony at an investigative hearing may tend to defame, degrade, or incriminate any person it shall—

(A) receive such evidence or testimony in executive session;

(B) afford such person an opportunity voluntarily to appear as a witness; and

(C) receive and dispose of requests from such person to subpena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpena additional witnesses.

(7) No evidence or testimony taken in executive session may be released or used in public sessions without the consent of the committee.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinency of testimony and evidence adduced at its hearing.

(9) A witness may review and photostat a copy of his or her testimony given at a public session or, if given at an executive session, when authorized by the committee.

RULE NO. VIII.—PROCEDURES FOR REPORTING BILLS AND RESOLUTIONS

(a)(1) It shall be the duty of the chairman to the committee to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

(2) In any event, the report of the committee on a measure which has been approved by the committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the committee a written request, signed by a majority of the members of the committee, for the reporting of that measure. Upon the filing of any such request, the clerk of the committee shall transmit immediately to the chairman of the committee notice of the filing of that request.

(b)(1) No measure or recommendation shall be reported from the committee unless a majority of the committee was actually present.

(2) With respect to each record vote by the committee to report any bill or resolution, the name of each member voting for and voting against the motion to report, and whether by proxy or in person, and the names of those members present but not voting, and the names of those members absent, shall be included in the committee report.

(c) The report of the committee on a measure which has been approved by the committee shall include—

(1) the oversight findings and recommendations required pursuant to the last sentence of clause 2(b)(1) of rule X of the House separately set out and clearly identified;

(2) the statement required by section 308(a) of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides new budget authority or new or increased tax expenditures;

(3) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and

(4) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of rule X of the House separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

(d) Each report of the committee on each bill or joint resolution of a public character reported by the committee shall contain a detailed analytical statement as to whether the enactment of such bill or joint resolution into law may have an inflationary impact on prices and costs in the operation of the national economy.

(e) If, at the time of approval of any measure, matter or any report or submission to be made to the House or to the Committee on the Budget under subclauses (g), (h), and (i) of clause 4 of Rule X of the Rules of the House of Representatives by the committee, any member of the committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than 3 calendar days (excluding Saturdays, Sundays, and legal holidays) in which to file such views, in writing and signed by that member, with the clerk of the committee. All such views so filed by one or more members of the committee shall be included within, and shall be a part of, the report filed by the committee with respect to that measure or matter. No report shall be filed until the chairman has consulted with the ranking minority member of the committee and the chairman of the subcommittee from which the legislation emanated or would have emanated.

The report of the committee upon that measure or matter shall be printed in a single volume which—

(1) shall include all supplemental, minority, or additional views which have been submitted by the time of the filing of the report, and

(2) shall bear upon its cover a recital that any such supplemental, minority, or additional views (and any material submitted under subdivisions (3) and (4) of subparagraph (c)) are included as part of the report. This subparagraph does not preclude—

(A) the immediate filing or printing of a committee report unless timely request for the opportunity to file supplemental, minority, or additional views has been made as provided by this subparagraph; or

(B) the filing by any such committee of any supplemental report upon any measure or matter which may be required for the correction of any technical error in a previous report made by that committee upon that measure or matter.

(f) If hearings have been held on any such measure or matter so reported, the committee shall make every reasonable effort to have such hearings printed and available for distribution to the Members of the House prior to the consideration of such measure or matter in the House. This subparagraph shall not apply to—

(1) any measure for the declaration of war, or the declaration of a national emergency, by the Congress; or

(2) any decision, determination, or action by a Government agency which would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress.

For the purposes of the preceding sentence, a Government agency includes any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or the government of the District of Columbia.

RULE NO. IX.—OVERSIGHT SUBCOMMITTEE

(a) In order to assist the House in:

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modification or changes in those laws, and of such additional legislation, as may be necessary or appropriate, there shall be established in conformity with rule XV an Oversight Subcommittee.

(b) The Oversight Subcommittee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the committee, and the organization and operation of the Federal agencies and entities which have responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Oversight Subcommittee shall review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the committee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of the committee. The Oversight Subcommittee shall in no way limit the responsibility of the subcommittees from carrying out their oversight responsibilities.

(c) The Oversight Subcommittee shall review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the committee.

RULE NO. X.—REVIEW OF CONTINUING PROGRAMS; BUDGET ACT PROVISIONS

(a) The committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, insure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved. For the purposes of this paragraph a Government agency includes the organizational units of government listed in clause 7(d) of Rule XIII of the House Rules.

(b) The committee shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefor would be made annually.

(c) The committee shall, on or before March 15 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amount of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 of the Congressional Budget Act of 1974.

(e) Whenever the committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget in accordance with the Congressional Budget Act of 1974.

RULE NO. XI.—BROADCASTING OF COMMITTEE HEARINGS

Any meeting or hearing that is open to the public may be covered in whole or in part by radio or television or still photography, subject to the requirements of Rule XI, clause 3 of the Rules of the House of Representatives. At all such meetings or proceedings, coverage by radio, television or still photography will be allowed unless specifically forbidden by a record vote of the committee or subcommittee. The coverage of any hearing or other proceeding of the committee or any subcommittee thereof by television, radio, or still photography shall be under the direct supervision of the chairman of the committee, the subcommittee chairman, or other member of the committee presiding at such hearing or other proceeding and, for good cause, may be terminated by him/her.

RULE NO. XII.—COMMITTEE AND SUBCOMMITTEE BUDGETS

(a) The chairman, in consultation with the majority members of the committee shall, for each session of the Congress, prepare a preliminary budget. Such budget shall include necessary amounts for staff personnel for necessary travel, investigation, and other expenses of the full committee, and after consultation with the minority membership, the chairman shall include amounts budgeted to the minority members for staff personnel to be under the direction and supervision of the minority, travel expenses of minority members and staff, and minority office expenses. All travel expenses of minority members and staff shall be paid for out of the amounts so set aside and budgeted.

(b)(1) The chairman of each subcommittee, in consultation with the majority members thereof, shall prepare a budget to include funds for staff, travel, investigations, and miscellaneous expenses as may be required for the work of the subcommittee.

(2) The chairman of each subcommittee shall control the funds provided for in the subcommittee budget.

(c) The chairman shall combine the proposals of each subcommittee with the preliminary budget of the full committee into a consolidated committee budget, and shall present the same to the committee for its approval. The chairman shall then take all action necessary to bring about its approval by the Committee on House Administration and by the House.

(d) Authorization for the payment of additional or unforeseen committee and subcommittees' expenses may be procured by one or more additional expense resolutions processed in the same manner as set out herein.

(e) The chairman, the ranking minority member of the full committee, or any chairman of a subcommittee may initiate necessary travel requests as provided in Rule XIV within the limits of their portion of the consolidated budget as approved by the House, and the chairman may execute necessary vouchers thereof.

RULE NO. XIII.—COMMITTEE AND SUBCOMMITTEE STAFF

(a) The professional and clerical staff assigned to the minority shall be appointed and their remuneration determined in such manner as the minority members of the committee shall determine within the budget approved for such purposes by the committee; provided, however, that no minority staff person shall be compensated at a rate which exceeds that paid his or her majority party staff counterpart.

(b) The professional and clerical employees of the committee not assigned to a subcommittee or to the minority under the above provision shall be appointed, and may be removed, and their remuneration determined by the chairman in consultation with and with the approval of the majority members of the committee within the budget approved for such purposes by the committee.

(c) The professional and clerical staff assigned to the minority shall be under the general supervision and direction of the minority members of the committee who may

delegate such authority as they determine appropriate.

(d) The professional and clerical staff of the committee not assigned to a subcommittee or to the minority shall be under the general supervision and direction of the chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(e) It is intended that the skills and experience of all members of the committee staff be available to all members of the committee.

(f)(1) The chairman of each standing subcommittee of this committee is authorized to appoint one staff member who shall serve at the pleasure of the subcommittee chairman.

(2) The ranking minority member of each standing subcommittee on this committee is authorized to appoint one staff person who shall serve at the pleasure of the ranking minority party member.

(3) The staff members appointed pursuant to the provisions of subparagraphs (1) and (2) shall be compensated at a rate determined by the subcommittee chairman not to exceed (A) 75 per centum of the maximum established in paragraph (c) of clause 6 of the House Rule XI; provided, however, a staff person appointed by a ranking minority member shall be compensated at a rate not to exceed that paid his or her minority staff counterpart.

(4) Subparagraphs (7) and (2) and (3) shall apply to six subcommittees only, and no member shall appoint more than one person pursuant to the above provisions.

(5) The staff positions made available to the subcommittee chairmen and ranking minority party members pursuant to subparagraphs (1) and (2) shall be made available from the staff positions provided under clause 6 of House Rule XI unless such staff positions are made available pursuant to a primary or additional expense resolution.

(6) Except as provided by the above provisions, the professional and clerical members of the subcommittee staffs shall be appointed, and may be removed, and their remuneration determined by the subcommittee chairman in consultation with and with the approval of a majority of the majority members of the subcommittee, and with the approval of a majority of the majority members of the full committee, within the budget approved for the subcommittee.

(7) The professional and clerical staff of a subcommittee shall be under the supervision and direction of the chairman of that subcommittee.

RULE NO. XIV.—TRAVEL OF MEMBERS AND STAFF

(a) Consistent with the primary expense resolution and such additional expense resolution as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be reimbursed from funds set aside for the full committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the committee or any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the committee. Before such authorization is given there shall be submitted to the chairman in writing the following:

(1) The purpose of the travel;

(2) The dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) The location of the event for which the travel is to be made;

(4) The names of members and staff seeking authorization.

(b) In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee to be paid for out of funds allocated to such subcommittee, prior authorization must be obtained from the subcommittee chairman, the ranking minority member of the full committee whenever minority staff is involved, and the chairman of the full committee. Such prior authorization shall be given by the chairman only upon the representation by the applicable chairman of the subcommittee in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a) and in addition thereto setting forth that subcommittee funds are available to cover the expenses of the person or persons being authorized by the subcommittee chairman to undertake the travel and that there has been a compliance where applicable with Rule VII of the committee.

(c)(1) In the case of travel outside the United States of members and staff of the committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittee, prior authorization must be obtained from the chairman or, in the case of a subcommittee from the subcommittee chairman and the chairman. Before such authorization is given, there shall be submitted to the chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the chairman or the chairman of a subcommittee (except that individuals may submit a request to the chairman for the purpose of attending a conference or meeting).

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee (members and staff attending meetings or conferences) shall submit a written report to the chairman covering the activities and other pertinent observations or information gained as a result of such travel.

(d) Members and staff of the committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and the Committee on House Administration pertaining to such travel.

RULE NO. XV.—NUMBER AND JURISDICTION OF SUBCOMMITTEES

(a) There shall be eight standing subcommittees as follows: Subcommittee on Domestic Monetary Policy; Subcommittee on Housing and Community Development; Subcommittee on Economic Stabilization; Subcommittee on Consumer Affairs and Coinage; Subcommittee on International Development Institutions and Finance; Subcommittee on Financial Institutions Supervision, Regulation and Insurance; Subcommittee on International Trade, Investment and Monetary Policy; and Subcommittee on General Oversight and Renegotiation. All proposed legislation and other matters related to the subcommittees listed under standing subcommittees named below shall be referred to such subcommittees respectively.

SUBCOMMITTEE ON DOMESTIC MONETARY POLICY

The jurisdiction of the Subcommittee on Domestic Monetary Policy extends to all matters relating to monetary policy and agencies which directly or indirectly affect monetary policy, including the effect of such policy and other financial actions on interest rates, allocation of credit, and the structure and functioning of domestic and foreign financial institutions.

Further, the jurisdiction of the Subcommittee on Domestic Monetary Policy extends to all private foundations and charitable trusts.

SUBCOMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

The jurisdiction of the Subcommittee on Housing and Community Development extends to all matters relating to housing and mortgage credit (except programs administered by the Veterans' Administration), including mortgage and loan insurance pursuant to the National Housing Act; FHA mortgage interest rates; rural housing; housing assistance programs; secondary mortgage market programs and all other activities of FNMA, GNMA, and FHLMC; private mortgage insurance; housing construction and design standards; housing-related energy conservation; housing research and demonstration programs; financial and technical assistance for nonprofit housing sponsors; counseling and technical assistance; regulation of the housing industry (including landlord-tenant relations); real estate lending powers of financial institutions (including regulation of settlement costs); and interest charges for members of the Federal Home Loan Bank System.

The jurisdiction of the subcommittee further extends to matters relating to community development and community planning, training and research, including community development block grants; urban renewal; model cities; rehabilitation loans and grants; neighborhood facilities grants; open space land and urban beautification grants; water and sewer facilities grants; public facilities loans; national, urban or community development banks; advance acquisition of land programs; new communities assistance programs; national urban growth policies; comprehensive planning (including land use and areawide programs); community development training and fellowships; and urban research and technologies.

Further, jurisdiction of the subcommittee extends to flood insurance and related land use controls, urban property protection and reinsurance, crime insurance, and regulation of interstate land sales.

Also, the jurisdiction of the subcommittee includes FHA property improvement loans under title I of the National Housing Act which can be used to finance the preservation of historic structures; community development block grant funds authorized under title I of the 1974 Housing Act which can be used to finance the acquisition and preservation of historic properties; and section 701 comprehensive planning grants to public bodies which can be used to finance surveys of historic sites and structures.

SUBCOMMITTEE ON ECONOMIC STABILIZATION

The jurisdiction of the Subcommittee on Economic Stabilization shall extend to all matters relating to financial aid to all sectors and elements within the economy, all matters relating to economic stabilization, and all defense production matters as contained in the Defense Production Act of 1959, as amended, and all related matters thereto.

SUBCOMMITTEE ON CONSUMER AFFAIRS AND COINAGE

The jurisdiction of the Subcommittee on Consumer Affairs and Coinage shall include all matters relating to consumer credit, including those matters in the Consumer Credit Protection Act dealing with truth-in-lending, extortionate credit transactions, restrictions on garnishments, reports of the National Commission on Consumer Finance, and fair credit reporting. The jurisdiction shall further include collection practices, discrimination in the extension of consumer credit, creditor remedies and debtor defenses, Federal aspects of the Uniform Consumer Credit Code, and credit cards.

The jurisdiction of the subcommittee shall further extend to matters relating to the price of consumer goods, services and commodities; the rationing of consumer products; and hoarding.

Further, the subcommittee's jurisdiction extends to all matters relating to coins, coinage, currency and medals, including commemorative coins, commemorative medals, proof and mint sets and other special coins, Coinage Act of 1965, gold and silver, including coinage thereof (but not the par value of gold), gold medals, counterfeiting, and currency denominations and designs.

SUBCOMMITTEE ON INTERNATIONAL DEVELOPMENT INSTITUTIONS AND FINANCE

The jurisdiction of the Subcommittee on International Development Institutions and Finance extends to all matters relating to all multilateral development lending institutions, including activities of the National Advisory Council on International Monetary and Financial Policies as related thereto; and monetary and financial developments as they relate to the activities and objectives of such institutions.

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS SUPERVISION, REGULATION AND INSURANCE

The jurisdiction of the Subcommittee on Financial Institutions Supervision, Regulation and Insurance extends to all agencies which directly or indirectly exercise supervisory or regulatory authority in connection with, or provide deposit or other insurance for financial or other institutions, the establishment of interest rate ceilings on deposits, and all auxiliary matters affecting or arising in connection with the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Share Insurance Fund, the Federal Home Loan Bank Board, the Federal Reserve Board and System, the National Credit Union Administration, and the Comptroller of the Currency, together with those activities and operations of any other agency or department which relate to both domestic or foreign financial institutions.

Further, jurisdiction extends to and includes, with respect to financial institutions and the department and agencies which regulate or supervise them, all activities relating to and arising in connection with the matters of chartering, branching, mergers and acquisitions, consolidations, and conversions.

SUBCOMMITTEE ON INTERNATIONAL TRADE, INVESTMENT AND MONETARY POLICY

The Subcommittee on International Trade, Investment and Monetary Policy shall have jurisdiction over all matters within the jurisdiction of the committee relating to international trade, including but not limited to the activities of the Export-Import Bank.

Further, the jurisdiction of the subcommittee shall extend to international investment policies, both as they relate to U.S. investments for trade purposes by citizens of the United States and investments made by all foreign entities in the United States.

Further, the subcommittee shall have jurisdiction over the International Monetary Fund, its permanent and temporary agencies, and all matters related thereto.

SUBCOMMITTEE ON GENERAL OVERSIGHT AND RENEGOTIATION

The Subcommittee on General Oversight and Renegotiation shall assist the House Committee on Banking, Finance and Urban Affairs in appraising the administration of the laws and regulations under the jurisdiction of the committee and present such recommendations as deemed necessary to the appropriate subcommittee(s) of the committee.

Further, the subcommittee shall exercise continuing oversight of the execution by the administrative agencies concerning any of the laws the subject matter of which reside within the jurisdiction of the committee and shall study all pertinent reports, documents and data pertinent to the jurisdiction of the committee and make the necessary recommendations or reports thereon to the appropriate subcommittee(s) of the committee.

Further, the subcommittee shall have full jurisdiction over the Renegotiation Act of 1951, as amended.

(b) The committee may provide for such additional subcommittees as determined to be appropriate; Provided, however, that such additional subcommittees are approved by a majority of the majority members on the committee.

(c) A member serving as chairman of any subcommittee on this committee shall not also serve as the chairman of a subcommittee on any other standing committee; Provided, however, that this provision shall not apply to members serving as subcommittee chairman on the Budget Committee; House Administration Committee; Joint Committees; or on the Small Business Committee who served as a subcommittee chairman on the Select Committee on Small Business as of October 8, 1974.

RULE NO. XVI.—POWERS AND DUTIES OF SUBCOMMITTEES

(a) Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen and with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings whenever possible.

(b) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported to the committee, the chairman of the subcommittee reporting the bill, resolution, or matter to the full committee, or any member authorized by the subcommittee to do so, may report such bill, resolution, or matter to the committee. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such bill, resolution, or matter, and to take or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

(c) No bill or joint resolution approved by a subcommittee shall be considered by the committee unless such measure, as approved, has been made available to all members at least two calendar days prior to the meeting, accompanied by a section-by-section analysis of such measure. The provisions of this paragraph may be suspended by the committeee by a two-thirds vote or by the chairman, with the concurrence of the ranking minority member of the full committee.

(d) All committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report.

"This report has not been officially adopted by the Committee on Banking, Finance and Urban Affairs (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(e) Bills, resolutions, or other matters favorably reported by a subcommittee shall automatically be placed on the agenda of the committee as of the time they are reported and shall be considered by the full committee in the order in which they were reported unless the chairman after consultation with the ranking minority member and appropriate subcommittee chairman, otherwise directs: Provided, that no bill reported by a subcommittee shall be considered by the full committee unless each member has been provided with reasonable time prior to the meeting to analyze such bill, together with a comparison with present law and a section-by-section analysis of the proposed change, and a section-by-section justification.

RULE NO. XVII.—REFERRAL OF LEGISLATION TO SUBCOMMITTEES

(a) Each bill, resolution, investigation, or other matter which relates to a subject listed under the jurisdiction of any subcommittee named in Rule XV referred to or initiated by the full committee shall be referred to all subcommittees of appropriate jurisdiction within 2 weeks unless, by majority vote of the majority members of the full committee, consideration is to be by the full committee.

(b) Referral to a subcommittee shall not be made until 3 days shall have elapsed after written notification of such proposed referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen shall have given written notice to the chairman of the full committee and to the chairman of each subcommittee that he

intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee. A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee's direct consideration or for reference to another subcommittee.

(c) Committee reports shall be filed at such time as the committee shall determine with reasonable time allowed for members to file supplemental, individual, dissenting or other views.

(d) In carrying out Rule XVII with respect to any matter, the chairman may refer the matter simultaneously to two or more subcommittees, consistent with Rule XV, for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or refer the matter pursuant to Rule X to a special ad hoc committee appointed by the chairman (from the members of the subcommittee having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the full committee thereon, or make such other provisions as may be considered appropriate.

RULE NO. XVIII.—SIZES AND PARTY RATIOS ON SUBCOMMITTEES AND CONFERENCE COMMITTEES

(a) To the extent that the number of subcommittees and their party ratios permit, the size of all subcommittees shall be established so that the majority party members of the committee have an equal number of subcommittee assignments: Provided, however, that a member may waive his or her right to an equal number of subcommittee assignments on the committee: and provided further, that the majority party members may limit the number of subcommittee assignments of the chairman and the subcommittee chairmen and the minority party members may limit the number of subcommittee assignments of ranking minority party members in order to equalize committee workloads.

(b) Following shall be the sizes and majority/minority ratios for subcommittees:

(1) Subcommittee on Domestic Monetary Policy: Total—14. Majority—8. Minority—6.

(2) Subcommittee on Housing and Community Development: Total—33. Majority—19. Minority—14.

(3) Subcommittee on Economic Stabilization: Total—22. Majority—13. Minority—9.

(4) Subcommittee on Consumer Affairs and Coinage: Total—10. Majority—6. Minority—4.

(5) Subcommittee on International Development Institutions and Finance: Total—10. Majority—6. Minority—4.

(6) Subcommittee on Financial Institutions Supervision, Regulation and Insurance: Total—24. Majority—14. Minority—10.

(7) Subcommittee on International Trade, Investment and Monetary Policy: Total—17. Majority—10. Minority—7.

(8) Subcommittee on General Oversight and Renegotiation: Total—16. Majority—9. Minority—7.

(c) The full committee chairman, or a member designated by a majority of the majority members on the committee, shall recommend to the Speaker as conferees the names of those members (1) selected by the majority party members of the committee in a manner determined by them, and (2) selected by the minority party members of the committee in a manner determined by them.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. CONTE) to revise and extend his remarks and include extraneous material:)

Mr. CONTE, for 15 minutes, on March 3, 1981.

(The following Members (at the request of Mr. LANTOS) to revise and extend their remarks and include extraneous material:)

Mr. BEDELL, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. FORD of Michigan, for 10 minutes, today.
Ms. FERRARO, for 10 minutes, today.
Mr. ENGLISH, for 5 minutes, today.
Mr. BARNES, for 60 minutes, on March 4.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DREIER) and to include extraneous matter:)

Mrs. HECKLER.
Mrs. MARTIN of Illinois.
Mr. PETRI.
Mr. MICHEL.
Mr. DERWINSKI in two instances.
Mr. MCGRATH in two instances.
Mr. BEREUTER.
Mr. PHILIP M. CRANE in two instances.
Mr. CONTE.
Mr. NELLIGAN.
Mr. ROUSSELOT in two instances.
Mr. COLLINS of Texas.
Mr. FRENZEL.

(The following Members (at the request of Mr. LANTOS) and to include extraneous matter:)

Mr. EDWARDS of California.
Mr. GAYDOS.
Mr. COELHO in two instances.
Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. ROSENTHAL in 10 instances.
Mrs. BOUQUARD in five instances.
Mr. HAMILTON in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. BONER of Tennessee in five instances.
Mr. ROE.
Mr. BLANCHARD.
Mr. TRAXLER.
Mr. DYSON.
Mr. FUQUA.
Mr. AUCOIN in two instances.
Mrs. SCHROEDER in two instances.
Mr. ENGLISH.
Mr. MINETA.
Mr. ATKINSON.
Mr. SEIBERLING.

ADJOURNMENT

Mr. LANTOS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 11 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 3, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

628. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting reports of military construction contracts placed under contract in fiscal year 1980, in which it was necessary to exceed the amount authorized for the project by Congress by more than 25 percent, or reduce the project scope more than 25 percent in order to permit contract award within the available authorization for such project, pursuant to section 603(f) of Public Law 96-418; to the Committee on Armed Services.

629. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment to Morocco (Transmittal No. 81-26) pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

630. A letter from the Secretary of Housing and Urban Development, transmitting notice of the conditional approval of a Fannie Mae home improvement and energy loan program, pursuant to section 339(a)(2) of Public Law 96-399; to the Committee on Banking, Finance and Urban Affairs.

631. A letter from the Executive Director, Neighborhood Reinvestment Corporation, transmitting a draft of proposed legislation to extend the authorization of appropriations for the Neighborhood Reinvestment Corporation; to the Committee on Banking, Finance and Urban Affairs.

632. A letter from the Acting Director, Federal Mediation and Conciliation Service, transmitting the agency's 32d annual report, covering fiscal year 1979, pursuant to section 202(c) of the act of June 27, 1947; to the Committee on Education and Labor.

633. A letter from the Chairman, National Commission on Air Quality, transmitting the Commission's final report, pursuant to section 323 of the Clean Air Act, as amended; to the Committee on Energy and Commerce.

634. A letter from the President, National Academy of Sciences, transmitting a report on the prevention of significant deterioration of air quality, pursuant to section 323(f) of the Clean Air Act, as amended; to the Committee on Energy and Commerce.

635. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Morocco (Transmittal No. 81-26), pursuant to section 36(b) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

636. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting the annual report on the Sahel Development Fund, pursuant to section 121(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

637. A letter from the Chairman, Japan-United States Friendship Commission, transmitting the fourth annual report of the Commission, pursuant to section 5(b) of Public Law 94-118; to the Committee on Foreign Affairs.

638. A letter from the Comptroller General of the United States, transmitting a report on Federal agencies' maintenance of computer programs (AFMD-81-25, February 26, 1981); to the Committee on Government Operations.

639. A letter from the staff secretary, National Security Council, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

640. A letter from the Deputy Director, Office of Administration, Executive Office of the President, transmitting a report on the Office of Administration's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

641. A letter from the Special Assistant to the Assistant Secretary of Defense (Public Affairs), transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

642. A letter from the Acting Director of ACTION, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

643. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

644. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting a report on the Federal Open Market Committee's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

645. A letter from the Secretary, Federal Trade Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

646. A letter from the Chairman, National Credit Union Administration, transmitting a report on the Administration's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

647. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

648. A letter from the Secretary, Railroad Retirement Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

649. A letter from the Executive Director, Committee for Purchase from the Blind and Other Severely Handicapped, transmitting a report on the Committee's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

650. A letter from the Secretary of the Interior, transmitting the annual report for fiscal year 1980 on administration of the Helium Act, pursuant to section 16 of the act; to the Committee on Interior and Insular Affairs.

651. A letter from the Acting Secretary of the Interior, transmitting a report on activities carried out by the Geological Survey during calendar year 1980 in areas outside the national domain, pursuant to section 2 of Public Law 87-626, as amended (88 Stat. 1971); to the Committee on Interior and Insular Affairs.

652. A letter from the Comptroller General of the United States, transmitting a report on his review of the Defense Department's fiscal year 1982 estimates of revenue to be deposited in the Panama Canal Commission Fund, pursuant to section 1302(c)(2) of Public Law 96-70; to the Committee on Merchant Marine and Fisheries.

653. A letter from the Chairman, President's Commission on Pension Policy, transmitting the Commission's final report, pursuant to section 2(c) of Public Law 96-14; jointly, to the Committees on Education and Labor, and Ways and Means.

654. A letter from the Chairman, National Transportation Safety Board, transmitting program justification for the Board's fiscal year 1982 budget request, pursuant to section 304(b)(7) of Public Law 93-633; jointly, to the Committees on Energy and Commerce, Public Works and Transportation, and Appropriations.

655. A letter from the Comptroller General of the United States, transmitting a report on the management of HUD programs (CED-81-41, February 26, 1981); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

656. A letter from the Comptroller General of the United States, transmitting a report on the impact of various regulatory requirements on industry efforts to explore and develop OCS oil and gas resources (EMD-81-48, February 27, 1981); jointly, to the Committees on Government Operations, Interior and Insular Affairs, and Merchant Marine and Fisheries.

657. A letter from the Comptroller General of the United States, transmitting a report on transit subsidies (CED-81-28, 1981); jointly, to the Committees on Government Operations and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS: Joint Economic Committee. Report of the January 1981 Economic Report of the President (Rept. No. 97-5). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEDELL:

H.R. 2226. A bill to amend section 402 of the Social Security Amendments of 1967 to provide for demonstration projects for provision of preventive health services to the elderly; to the Committee on Ways and Means.

By Mr. COELHO:

H.R. 2227. A bill to amend title 10, United States Code, to provide for the payment by the Department of Defense of certain expenses incident to the death of retired members of the Armed Forces who were patients in a U.S. hospital at the time of their death; to the Committee on Armed Services.

H.R. 2228. A bill to amend section 501 of title 37, United States Code, to exempt from a maximum limitation of 60 days certain payments to members of the uniformed services for unused accrued leave; to the Committee on Armed Services.

H.R. 2229. A bill to amend title 38, United States Code, to allow the Veterans' Administration to furnish outpatient medical services to any veteran exposed to ionizing radiation as a result of atmospheric testing of nuclear weapons; to the Committee on Veterans' Affairs.

By Mr. FISH (for himself and Mr. GARCIA):

H.R. 2230. A bill to amend title VIII of the act commonly called the Civil Rights Act of 1968 to revise the procedures for the enforcement of fair housing, and for other purposes; to the Committee on the Judiciary.

By Mr. PHILIP M. CRANE:

H.R. 2231. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. DE LUGO (for himself, Mr. WON PAT, and Mr. SUNIA):

H.R. 2232. A bill to apply duty-free treatment under certain circumstances to articles produced in the insular possessions of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. ENGLISH (for himself, Mr. MARLENEE, Mr. STENHOLM, Mr. GLICKMAN, Mr. ROBERTS of Kansas, Mr. DASCHLE, Mr. BEDELL, Mr. STANGELAND, Mr. ANTHONY, Mr. COELHO, Mr. ROBERTS of South Dakota, Mr. MORRISON, and Mr. DORGAN of North Dakota):

H.R. 2233. A bill to establish certain price support loan levels in the event of the suspension of export sales of agricultural commodities; to the Committee on Agriculture.

By Mr. GLICKMAN:

H.R. 2234. A bill to amend title 44, United States Code, to eliminate certain binding for Members of Congress; to the Committee on House Administration.

H.R. 2235. A bill to amend title 44, United States Code, to eliminate certain printing

and binding; to the Committee on House Administration.

H.R. 2236. A bill to amend title 44, United States Code, to reduce gratuitous distribution of the Congressional Record; to the Committee on House Administration.

By Mr. MINETA:

H.R. 2237. A bill to amend the Comprehensive Employment and Training Act to establish a solar energy youth employment and training program, and for other purposes; to the Committee on Education and Labor.

By Mr. PETRI:

H.R. 2238. A bill to amend the Internal Revenue Code of 1954 to provide that the Internal Revenue Service shall send a notification of responsibility for Federal income taxes in lieu of tax return forms to individuals electing to receive such forms; to the Committee on Ways and Means.

By Mrs. SNOWE:

H.R. 2239. A bill to establish a State set-aside system for propane, middle distillates, motor gasoline, residual fuel oil, and aviation fuels, and for other purposes; to the Committee on Energy and Commerce.

By Mr. STENHOLM:

H.R. 2240. A bill to increase the amount of the exemption of certain interest and dividend income from taxation, and to make permanent the exemption of interest from taxation; to the Committee on Ways and Means.

By Mr. WEAVER (for himself and Mr. AUCOIN):

H.R. 2241. A bill to provide for the establishment of the Bandon Marsh National Wildlife Refuge, Coos County, State of Oregon; to the Committee on Merchant Marine and Fisheries.

By Mr. FUQUA:

H. Res. 92. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Science and Technology; to the Committee on House Administration.

By Mr. GLICKMAN:

H. Res. 93. Resolution to amend the Rules of the House of Representatives regarding the printing of remarks in the Congressional Record; to the Committee on Rules.

By Mr. HOWARD (for himself and Mr. CLAUSEN):

H. Res. 94. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

13. By the SPEAKER: A memorial of the Legislature of the State of Georgia, relative to relocation of utility lines to allow the use of center-pivot irrigation systems; to the Committee on Agriculture.

14. Also, memorial of the Legislature of the State of Indiana, relative to Vietnam veterans; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. COELHO introduced a bill (H.R. 2242) for the relief of Irene Elizabeth Evans; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 177: Mr. GINGRICH, Mr. GOLDWATER, and Mr. REGULA.

H.R. 178: Mr. GINGRICH.

H.R. 743: Mr. HARTNETT.

H.R. 1011: Mr. GUARINI.

H.R. 1015: Mr. BREAUX, Mr. BROYHILL, Ms. FERRARO, Mr. HANCE, and Mr. LEE.

H.R. 1200: Mr. GREGG, Mr. WYDEN, Mr. NEAL, and Mr. ROEMER.

H.R. 1364: Mr. ARCHER, Mr. BAFALIS, Mr. DUNCAN, Mr. HOLLAND, Mr. JACOBS, and Mr. VANDER JAGT.

H.R. 1711: Mrs. ROUKEMA, Mr. STARK, Mr. CROCKETT, Mr. BENEDICT, Mr. MORRISON, Mr. EDWARDS of California, Mr. GINGRICH, and Mr. OBERSTAR.

H.R. 1817: Mr. FINDLEY, Mr. MONTGOMERY, Mr. DERWINSKI, Mr. WALKER, Mr. BEARD, Mr. LEATH of Texas, Mr. DAVIS, Mr. FORD of Michigan, Mr. PURSELL, Mr. STRATTON, Mr. MOLLOHAN, Mr. MURPHY, Mr. MARRIOTT, Mr. JENKINS, Mr. COUGHLIN, Mr. BEVILL, Mr. HILLIS, Mr. EVANS of Indiana, Mr. ATKINSON, and Mr. MYERS.

H.R. 1894: Mr. PRITCHARD.

H.R. 1983: Mr. GIBBONS and Mr. ROUSSELOT.

H.J. Res. 159: Mr. LIVINGSTON, Mr. McDADE, Ms. FERRARO, Ms. OAKAR, Mr. RAILSBACK, Mr. GRAY, and Mr. CHENEY.

H.J. Res. 162: Ms. OAKAR, Mr. RUSSO, Mrs. HECKLER, Mr. SHANNON, Mr. PORTER, Mr. DOUGHERTY, Mr. HOLLENBECK, Mr. STOKES, Mr. MARKEY, Mr. KILDEE, Mr. SIMON, Mr. WIRTH, Mr. LOWRY of Washington, Mr. SNYDER, Mr. MADIGAN, Mr. ADDABBO, Mr. BREAUX, Mr. BOLAND, Mr. BARNES, Mr. D'AMOURS, Mr. BRODHEAD, Mr. JAMES K. COYNE, Mr. COTTER, Mr. GRAY, Mr. YATRON, Mr. DONNELLY, Mr. FISH, Mrs. FENWICK, Mr. HOPKINS, Mr. GILMAN, Mr. LONG of Louisiana, Mr. LEDERER, Mr. MATTOX, Mr. MURTHA, Mr. OBERSTAR, Mr. PICKLE, Mr. WHITEHURST, Mr. CLINGER, Mr. MAVROULES, Mr. LONG of Maryland, Mr. STANGELAND, Mr. DINGELL, Mr. FAUNTROY, Mr. BEILENSON, Mr. AUCOIN, Ms. FERRARO, Mr. WOLF, Mr. McCLORY, Mr. CORRADA, Mr. CONTE, Mr. SPENCE, Mr. LAGOMARSINO, Mr. RANGEL, Mr. ANDREWS, Mr. WYDEN, Mr. RAILSBACK, Ms. MARTIN of Illinois, Mr. FROST, Mr. HARTNETT, Mr. HOLLAND, Mr. SCHUMER, Mrs. SCHNEIDER, Mr. COURTER, Mr. WON PAT, Mr. BOWEN, Mr. LOWERY of California, Mrs. SCHROEDER, Mrs. SMITH of Nebraska, Mr. LANTOS, Mrs. CHISHOLM, Mrs. BYRON, Mr. SWIFT, Mr. WASHINGTON, Mr. FUQUA, Mr. GOLDWATER, Mr. SAVAGE, Mr. BINGHAM, and Mr. ERDAHL.

EXTENSIONS OF REMARKS

COMMENTS ON REAGAN'S PROPOSALS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. SEIBERLING. Mr. Speaker, last week, at the request of the editor of the Akron Beacon Journal, Congressman RALPH REGULA and I submitted separately our reactions to President Reagan's economic proposals. I am offering for printing in the RECORD our comments as printed in the edition for Thursday, February 26, as well as an accompanying editorial by David D. Cooper, associate editor of the Beacon Journal.

As Mr. Cooper points out, while there are differences of view between Mr. REGULA and me, there is also a considerable amount of consensus. We both appear to agree that action is needed to correct some of the policies and programs that have grown up over the decades and have led us to the point where Government spending is truly out of control.

We also appear to agree that it is basically a constructive thing that the President is forcing Congress to take a hard look at these programs and policies. Mr. REGULA and I also agree that tax cuts must be offset by spending reductions.

No doubt there will be differences between Democratic and Republican Members when we get down to specifics. I am disturbed at the proposed huge increase in the already enormous budget of the Defense Department. This is the largest item in the entire budget and the most inflationary. It absorbs scarce tax money, advance technology, and technical personnel whose time could be better spent in productive employment. It is no coincidence that Japan, which spends very little on defense, has the highest productivity growth rate among the industrialized nations, while the United States, which spent over $2 trillion on the military in the last 30 years, has the lowest productivity growth rate.

It is also my view that the massive tax cuts proposed by President Reagan are premature and would be inflationary. I agree with those economists who have argued that tax cuts should be relatively smaller and carefully targeted to produce new investment by industry and revitalization of depressed areas. They should also be aimed at reducing social security payroll taxes, which have become unduly burdensome as well as inflationary.

Editor Dave Cooper raises an especially good point in urging that Congress make certain that the Reagan proposals are not weighted against the older industrial cities and in favor of the Sun Belt. In that connection, it should be noted that many of the programs which Mr. Reagan proposes to reduce or eliminate were designed to help depressed areas of the type found in the Northeast and Midwest, while 80 percent of military installations that will benefit from increased defense spending are located in the Sun Belt.

The full text of the articles follows:

SPENDING RESTRAINT IS IMPORTANT—REAGAN'S MAIN THRUST ON TARGET

(By David B. Cooper)

The reaction in Congress and around the country so far to President Reagan's economic plan has generally fallen into two categories:

It's wonderful and good for the country.

It's awful and bad for the country.

I don't think either of those views is totally accurate.

A more balanced reaction, I think, is displayed today on our Commentary page opposite this one—in the printed reactions to the President's programs that we sought from two prominent congressmen from Northeast Ohio, Democrat John Seiberling and Republican Ralph Regula.

Their views differ, to be sure, but they are more restrained than some of the cheering and some of the howling the country is hearing.

There are questions about the President's proposals, and they deserve to be addressed in the Congress.

However, I think it would be a mistake for the Democrats in Congress to follow their political instincts and try to gum Mr. Reagan's proposals to death.

In the main, the thrust of the Reagan budget cuts is on target. That doesn't mean that every specific cut in spending is right for the country. But it is hard to see how anyone can fail to understand that federal spending has been out of control and in need of restraint.

The Reagan tax cuts are another matter. I am less certain that they will be as anti-inflationary as the President thinks. It seems to me, however, that Congress, which can have no way of knowing what the true effect of the tax cuts will be, would be wise to give Mr. Reagan the benefit of the doubt and give them a try.

If they don't work—if they indeed add to inflation—they can be rescinded or adjusted. And, if that were to happen, Mr. Reagan would be clearly to blame for the results.

The spending cuts proposed by the President have produced reactions from many quarters that were predictable.

Over the last several decades, Washington has become dominated by special interests; not evil interests, but lobbyists and constituents with only one real goal—in each case the program that most affects them or their clients.

So, we are now hearing from the constituency represented by each Reagan spending cut—from food stamps to black lung, from businesses that want more overseas contracts to inland waterway barge owners. The cry is the same as always: Don't cut my program.

In some cases, the notion that federal programs would be cut by the Reagan administration is inaccurate.

Many of the President's proposals would actually result in more federal money being spent for specific programs over the next five years than is being spent in fiscal 1981. What would happen is that the increases would not be as large as those proposed in the fiscal 1982 budget prepared by the outgoing Carter administration.

For example, federal housing subsidies would increase from $5.6 billion in fiscal 1981 to $11 billion in 1986 under Mr. Reagan's plans. But they would have increased to $11.4 billion under the Carter plans.

There are, of course, areas where actual cuts in 1981 spending levels are proposed, as in the case with child nutrition and food stamps, the latter a cut at least for fiscal 1982. These should be examined carefully in the Congress, to make certain that damage to families and individuals is not done by the Reagan economics.

This area of the country has a special interest in making certain that the Reagan proposals are not weighted against the older industrial cities and in favor of the Sun Belt. For example, the President's tax incentives for business will not help the Midwest if they are designed solely to encourage new plants and industrial facilities. Balance requires that they also encourage plant rehabilitation.

Perhaps it was just a matter of semantics, but one line in the President's speech to Congress was jarring. "The taxing power of the government," he said, "must not be used to regulate the economy or bring about social change."

The New Deal Era that followed the Great Depression of the 1930s may have lasted too long or gone too far. But many of the safeguards and cushions built into the society as a result of that terrible economic period have served Americans well. They have prevented social unrest and disaster for millions of Americans in recessions. They were a use of taxing power to bring about social change—the best kind of social change, the kind that comes through the use of majority decision and representative government, and not through revolution.

It is not clear exactly what Mr. Reagan had in mind with that statement, especially since, through a number of his own proposals, he intends to bring about social change, that is, an uplifting of the society and an end to the ravages of inflation, by tinkering with the government's power to tax.

He may or may not succeed, but the debate over his proposals ought to be conducted at a responsible decibel level. The country needs economic change; Mr.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Reagan has put forth a serious agenda designed to bring it about.

COMMENTS BY U.S. REPRESENTATIVE RALPH REGULA

I agree with the President as to the current economic problems. I also agree with the President that, unless major and timely corrective actions are taken, we face much more serious difficulties in future years.

His program is a blueprint for economic health for our nation. Failure to change our "business-as-usual" economic policies at the federal level will condemn us to high inflation, high interest rates and high unemployment.

For the first time in my congressional experience, a truly comprehensive long-term economic plan has been proposed. This fact is important because we got into the present economic situation as the result of numerous uncoordinated, ad hoc decisions affecting fiscal and monetary policies. For example:

Regulations were added without considering their full economic costs to consumers and producers.

Spending for Great Society welfare programs has literally exploded.

Programs which were indexed to insulate beneficiaries against inflation have made the entire federal budget an engine of economic instability.

Tax cuts were enacted on political rather than economic criteria.

Monetary policy has often worked at cross-purposes to fiscal policy.

The President's four-point program—spending restraint, tax rate reforms, regulatory relief and a stable monetary policy—is a refreshing departure from the past. No president has ever proposed anything so broadly comprehensive.

No member of Congress or the public will agree with every item in the program. Changes should be expected. For example, Congress may modify the tax cut proposals to allow for a reduction in the "marriage tax." Some proposed spending cuts may never see the light. New spending cuts may be proposed. Two programs not included in the President's program come to mind—tobacco and maritime subsidies.

Such changes at the margin will not damage the outcome. What will be harmful is a failure to link all parts of the program. If, for example, the spending cuts (the most politically difficult component) are not enacted while tax cuts (the easiest component) are, the result will be a much worse, rather than much better, economic situation.

If we fail to link the spending reductions to the tax cuts, irresistible pressure will be put on the Federal Reserve system to print inflationary new money (to finance the resulting increased deficit) or, if people are induced to finance the deficit (by saving in government-issue bonds) badly needed investment capital is sapped from the private sector and interest rates will go still higher.

I am also concerned about the administration's economic forecast. While I agree strongly that people's expectations are crucial to the success of the program, the forecast, or scenario, strikes me as too optimistic. I am certainly in favor of cutting inflation in half by 1983, but I doubt that this can be achieved given the projected economic growth and the assumed tight monetary policy.

I do, however, recognize that this program is as dramatic as the forecast. Certainly, the dismal forecasting performance of traditional econometric models is no less suspect. My concern is over credibility, because legitimate questions over the reasonableness of the administration's forecast can lead to unreasonable rationalizations against what is otherwise a solid program.

If there were an easy way out of our present economic straits, we would have been out long ago. Accordingly, the plan is not without pain. However, it does appear that great effort has been made to draft a package that spreads the pain equitably while ensuring that the social "safety net" for the disabled, the elderly and the truly needy remain intact.

Nor is this program without risk. But if the package stays together, the risks are minimal. The President is asking the Congress to enact a program that will end the crisis of confidence and lead to more risk-taking (investment) in the private sector.

If implemented, this program will lead to significant change in the composition of the budget. Defense's share rises, but so does the share for the social safety net programs. All other programs, as a category, decline.

Recognizing the likelihood of program changes as well as my constitutional responsibilities as a member of the legislative branch, I plan to do all I can to help implement this program.

COMMENTS BY U.S. REPRESENTATIVE JOHN SEIBERLING

President Reagan has forcefully challenged Congress either to adopt his economic program or come up with something better. Congress, if it is wise, will do some of each.

No one disagrees with President Reagan's aims of controlling runaway federal spending programs, cutting out waste and non-essentials, reducing federal taxes and, above all, revitalizing the economy.

The nation needed an administration with the determination, skill and public backing to force Congress to take a hard look at the mass of government programs and regulations which have grown up over decades. Many were designed for different economic circumstances. Many overlap. Some benefit one group over another. Some provide benefits where no need exists.

Some taxpayers carry an unfairly large burden of government. Some laws and many regulations were written with insufficient concern for cost and need for flexibility. To the extent they correct these conditions, Congress should and, I hope, will support President Reagan's proposals.

One does not need to agree with Mr. Reagan that government is the primary cause of inflation in order to support drastic curbs on spending. Inflation is worldwide, brought on primarily by the pressure of an expanding world population on ever scarcer resources, especially oil. When these pressures are forcing cutbacks, certainly the federal government should cut back too.

The problem for Congress is how to cut back with the least harm. Many congressmen and most Democrats will disagree with the President's statement that the government's taxing and spending power "must not be used to regulate the economy or bring about social change."

Social Security, Medicare, unemployment compensation, food stamps and agricultural price supports exemplify programs that have clearly justified their existence. Not only do they help millions of people but they help stabilize our economy. This type of intervention is the main reason we have had no economic depressions since the 1930s.

Congress must look at the motivation for budget cuts. The Reagan administration may try to repeal protective laws by cutting the budgets of agencies charged with guarding the public interest. If the Environmental Protection Agency, the Occupational Safety and Health Administration, the Consumer Product Safety Commission and the Food and Drug Administration are deprived of adequate funds, workers, consumers and others will be denied protection that the laws were intended to provide.

Congress must also look at the equity of program cuts. While we should eliminate programs that are not essential, we should continue to help struggling individuals and communities. Food stamps have been highly successful in eliminating malnutrition among the poor. The Urban Development Action Grant program has helped spur investment in distressed urban areas. In the Akron area alone, UDAG is vital to the creation of thousands of new jobs.

We should also cut many programs which the President did not propose to cut. Billions of dollars could be saved by cutting "pork-barrel" water projects such as the Tennessee-Tombigbee waterway, which would duplicate the Mississippi River, with no economic justification, at a cost of over $3 billion.

The largest and most inflationary spending program in the budget is the one that the President proposes not to cut but to increase—substantially. I refer to the Department of Defense.

To President Carter's huge defense budget for 1982 of $184.4 billion, Mr. Reagan proposes to add $7.2 billion, bringing the total to $191.6 billion, the highest in history.

This is one area where government has contributed greatly to inflation. Half a trillion dollars was spent on the world's militaries last year, consuming scarce tax money, advanced technology and technical personnel whose time could be better spent more productively.

The President also has proposed massive tax cuts. Even the top tax-writing Republicans in the House and Senate object to major parts of the President's tax proposals, saying that the reductions are too large and could be too inflationary to enact all at once. I think Congress will reject a program which makes a significant shift in the tax burden from upper-income to middle- and lower-income taxpayers.

I am also concerned that the President would distribute over three-fourths of the cuts to individuals, with the remainder going to business. Our first priority must be to revitalize business and industry by enacting targeted business tax cuts to increase productivity, generate new jobs, and produce more investment in distressed areas. After these business cuts are passed and sufficient budget cuts are made, broad personal tax cuts can be enacted.

The President also failed to propose important tax reform measures to offset the cuts with revenue increases. Prime candidates are elimination of the oil depletion allowance and the foreign tax credit to oil companies for royalty payments they make to OPEC nations.

Though some disagreements are inevitable and, indeed, desirable, President Reagan's proposals present an opportunity to rethink the problems that afflict the nation and to arrive at solutions which fit the times.●

DR. LEFEVER'S APPOINTMENT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. DERWINSKI. Mr. Speaker, Dr. Ernest Lefever will soon assume the post of Assistant Secretary of State for Human Rights and Humanitarian Affairs. His appointment has resulted in a great deal of political furor and overzealous criticism from many sources. However, I, personally, believe that he will be a great human rights representative and an asset to the administration.

A column by Patrick J. Buchanan, which appeared in the Washington Inquirer of February 27, speaks of Dr. Lefever's many accomplishments and activities in the areas of human rights and foreign policy. The article follows for the attention of the Members:

[From the Washington Inquirer, Feb. 27, 1981]

DR. ERNEST LEFEVER: PRESS CAN'T FORGIVE HIM FOR BEING RIGHT

(By Patrick J. Buchanan)

WASHINGTON.—You have probably never heard of Dr. Ernest W. Lefever, but you soon will. For Dr. Lefever is Ronald Reagan's reported choice to present the new President's perspective of human rights to the world. Secondly, four years ago, Dr. Lefever committed the unpardonable sin of having been right.

When the same city that just washed its hands of Jimmy Carter was welcoming him with open arms in 1977, Ernie Lefever had the temerity to utter in print a few polite words of caution.

"It has become chic," he said, "to talk of morality and foreign policy, but there is little awareness of the pitfalls in these words. Making human rights the chief, or even major, foreign-policy determinant carries dangers."

What dangers? First among them, said the then 57-year-old foreign-policy scholar, would be the subordination to "human rights" of the central objectives of foreign policy: peace, security, the deterrence of nuclear war.

In addition to this subversive notion, Lefever saw that the "human rights standard" was often being unequally applied and sometimes used as a cloak for attacking anti-communist allies such as South Korea, Taiwan, Iran, Greece (under the colonels), Brazil and post-Allende Chile.

If there was a single theme running through his writings of these four years, it was that the primary threat to the survival of the Western way of life did not come from the lesser imitators of Gen. Franco, but the successors of Josef Stalin. After the Red army rolled into Afghanistan, a few months after Cy Vance had said Carter and Leonid Brezhnev shared the same dreams and aspirations, even Carter seemed to concede there might be something to the Lefever view.

Four years after Dr. Lefever's cautionary notes about misplaced priorities and misdirected animosities, he appeared very much the prophet.

Public Enemies No. 1 and 2 of the human rights office at State, the Shah of Iran and Gen. Anastasio Somoza of Nicaragua, were both deposed and dead, thanks in part to the sappers of the Patt Derian Brigade. But succeeding them in the seats of power were ayotollahs and Sandinistas who did, indeed, as Lefever predicted, provide less justice and freedom than the regimes they replaced.

Now that Carter's children's crusade for human rights has been ordered shut down by an impatient nation, the rage of those who helped to produce the disasters is directed at the man chosen by the President and Secretary Alexander Haig to salvage the wreckage.

A "hatchet man," sneers the Democratic chairman of the House subcommittee on human rights, a fellow named Bonker. A "human rights wrecking crew and a proven Red-baiter," echoes the aspiring Ma Barker of the Washington press corps, Mary McGrory. "Ultraconservative May Get Human Rights Post at State" read the objective headline in the Washington Post, the paper least accustomed to dissent, and least reconciled to the new political realities in Washington.

"Ultraconservative." An interesting term that—to describe a neo-conservative scholar who spent the immediate postwar years as a field secretary for the World's Alliance of YMCAs working with German POWs, who was at Amsterdam for the founding of the World Council of Churches, who holds a doctorate in Christian ethics from Yale, who has a written, authored or edited 14 books, who spent a dozen years at the Brookings Institution and left in the mid-'70s' to create a small but invaluable Washington research institute called the Ethics and Public Policy Center.

What is being attempted here, with the anticipated nomination of Ernie Lefever, is what was done, successfully, to the nomination to the Supreme Court of the courtly Southern conservative, Clement Haynesworth. As the judge was tarred as an ethically insensitive closet racist, so Lefever is being painted as a fascist sympathizer and poodle of the multinationals.

When his name comes before the Senate, however, the enterprise will peter out, because the cause is born of mendacity and malice. But the hearings should prove beneficial, because there is a segment of this city which needs some remedial reading in the lessons of November Fourth.●

SAINT DAVID'S DAY OBSERVANCE

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. NELLIGAN. Mr. Speaker, yesterday, March 1, the people of Wales and Welsh groups around the world honored the patron saint of their homeland, Saint David.

Saint David was a bishop, a founder of many monasteries, and a leader who brought strength and faith to the Welsh. According to legend, he was a descendant of King Arthur and traveled to the holy city of Jerusalem.

Today he is a major figure in Welsh spiritual life.

In America, the observance of Saint David's Day has taken place since 1729, and continues as a unifying celebration of the saint who greatly influenced the religion of the people of Wales. This annual event led to the formation of the Saint David's Society, a group dedicated to the preservation of the language and rich traditions of Wales, as well as providing aid and guidance to Welsh immigrants.

In the spirit of good will and fellowship that is so much a part of this celebration, I am proud to note this observance, and honor those who look to Saint David as their patron.●

NO SMOKING ON AIR CARRIERS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. MINETA. Mr. Speaker, the Civil Aeronautics Board currently has a notice of proposed rulemaking pending (Economic Regulations Docket 38048) which would change the no-smoking rules affecting air carriers. At present, CAB requires that all passengers wishing to be seated in a no-smoking section must be accommodated, even if it means expanding that section. The CAB proposal is that this right would be limited to those who arrive for boarding at least 5 minutes before scheduled departure.

The comment period on this proposal has been extended until April 13, 1981. I bring this to the attention of the Members as it may be of interest.

I also bring to their attention one of the comments which has been made, a statement by the Maryland State GASP group. Their statement follows:

MARYLAND GASP,
Bowie, Md., January 29, 1981.

Mr. MARVIN S. COHEN,
Chairman, Civil Aeronautics Board,
Washington, D.C.

DEAR BOARD MEMBERS: We are concerned about a proposed rule adjustment, Docket No. 38048, which would have the effect of denying clean-air seating to delayed arrivals. We fear that this policy may be extended to cover transfer and standby passengers—a common fact of life in this era of airline overbooking.

Our membership firmly believes that no person should ever be forced to breathe contaminated air, poisoned by the fumes of tobacco smoke, as a condition of travel on our nation's airlines. The absolute protection of the health and safety of airline passengers and crew should come before any other consideration. Smoking should be permitted only where it does not compromise these objectives.

If a majority of the Civil Aeronautics Board mandates that delayed non-smokers, transfers and standby passengers (who yet arrive before airplane departure), shall be denied clean-air seating, then those particular Members of the Board may personally incur civil liability for damages as a result of such contributory negligence in failing to adequately protect the health, safety and well-being of airline passengers.

However, there is a more serious threat to the safety and well-being of a non-smoker forced into the smoking section than illness due to the concentrated tobacco fumes. The Members of the Board and the airlines may not have been previously aware of the severe risk of fire caused by a burning cigarette igniting first a victim's clothing, and then the aircraft interior. An additional fire hazard exists due to the careless or accidental misuse of cigarettes, matches or lighters. In order to "vent" the aircraft to expel the toxic fumes, the passengers' oxygen masks are also automatically dropped and oxygen released, which would tend to fan the flames.

Thus informed, any public official who so improperly acts to force upon any unwilling person such a significantly greater risk of injury and/or trauma, may be guilty of "Misconduct in Appointed Office" and certainly may incur a greater legal liability for civil and punitive damages arising out of such negligence.

In addition, recent public hearings before the Federal Aviation Administration have shown that most of our nation's aircraft should be retrofitted with humidifiers to reduce the adverse health impact of eye, throat and lung damage from ozone brought into the high flying aircraft. Since low humidity, ozone and toxic tobacco smoke combine synergistically to worsen their individual adverse health impacts, smoking should be prohibited on those aircraft that do not adequately catalytically treat and rehumidify their incoming and recycled air. This problem is especially serious for airline personnel, who are forced to work in the smoking section as a condition of their employment. However, non-smokers with preexisting medical conditions have an even greater health risk, and will suffer greater potential injury as a result of such adverse health conditions.

The airlines are now already clearly liable for the safety and well-being of all their passengers and crew. We hope that the Civil Aeronautics Board will properly continue their leadership and commitment to protecting the right of every non-smoker to clean indoor air.

We also trust that our senior citizens, our children and those afflicted with a lung condition or heart disease, who need all the fresh air they can get, will always be treated with every due consideration and care.

Sincerely,

JEFFREY E. LEVITAN,
President.

KERMIT L. SMITH,
Executive Vice President,
Legislative Chairman.●

TRIBUTE TO SAN JOSE G.I. FORUM

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. EDWARDS of California. Mr. Speaker, I would like to bring to the attention of my colleagues the 22d anniversary of an outstanding organization. On March 21, the San Jose G.I. Forum will celebrate their 22d anniversary by holding their annual Miss San Jose G.I. Forum Pageant and Coronation Ball.

The San Jose G.I. Forum was founded in 1959, the first American G.I. forum in northern California. Today, it is the largest G.I. forum on the west coast. The forum has been in the forefront of many of the civil rights struggles which have resulted in better economic, social, and educational opportunities for Hispanics and other minority and disadvantaged Americans.

The G.I. forum has a widespread, noteworthy reputation for the full range of services it provides to veterans in the San Jose area. They have been involved in veteran outreach, in voter education, in census awareness, and in a vigorous scholarship foundation that provides academic grants to needy and deserving Hispanic graduates of Santa Clara Valley high schools.

This fine organization is an example of neighbor helping neighbor, veteran assisting veteran, and the community investing in its young people. I congratulate the San Jose G.I. Forum as it begins its 22d year of service to the San Jose community.●

TITLE IX AND ATHLETICS—ANOTHER COURT DEFEAT FOR THE FEDERAL REGULATIONS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. ASHBROOK. Mr. Speaker, yesterday U.S. District Judge Charles W. Joiner, in Ann Arbor, Mich., joined a growing list of Federal judges in handing a stinging setback to Federal regulators who have consistently and deliberately misinterpreted the scope of the title IX prohibition against sex discrimination. But this case was more significant than most of the others, because for the first time it involved the issue of whether athletics can be regulated under title IX. Judge Joiner said they cannot, consistent with the plain meaning of the statute and the intent of Congress in enacting it. I agree.

In fact, I set forth a detailed argument on just that issue in a statement to the House on July 18, 1979. My remarks can be found beginning on page 19352 of the CONGRESSIONAL RECORD for that day. I am awaiting a copy of Judge Joiner's rather lengthy opinion in the case, but I understand that essentially he agreed with the position I have outlined.

That position is that the operative language of title IX, which bars sex discrimination in "any education program or activity receiving Federal financial assistance," extends only to those actual programs and activities and not to all the other activities of a school system or college which has federally funded programs. According to press reports, the judge ruled that "the reach of title IX extends only to those educational programs or activities which receive direct Federal financial assistance." Judge Joiner is absolutely correct. High school athletics, the issue in this case involving the Pioneer High School of Ann Arbor, Mich., is not a federally funded activity and was never intended to be covered by title IX.

Already some representatives of women's groups are being quoted to the effect that this decision is a defeat for women's rights. It is not. It is a victory for all citizens who prefer a government of law to one by bureaucratic edict. The title IX regulations are a classic case of legislation by regulation wherein unelected bureaucrats act to serve the agenda of special interest groups rather than the law. In essence this decision is also a victory for women who want attention paid to essential protections clearly provided by law—such as equal pay for equal work and equal access to education—rather than trivialities promoted by zealots. One typical bit of nonsense is the title IX regulation requiring unisex gym classes in our schools. Neither the law nor good sense sanctions that kind of Federal bureaucratic interference in local schools.

This decision is also a victory for all those who oppose the increasingly burdensome intrusion of the Federal Government into the management of our schools and colleges. The Reagan administration should now act to make this victory complete by withdrawing the discredited title IX regulations and rewriting them to conform with the clear intent of the law—an intent overwhelmingly affirmed by the courts which have considered the matter.

In fact, such action is long overdue and I would urge Secretary of Education Bell to give this his immediate attention.

I will provide my colleagues with an analysis of Judge Joiner's opinion when I have had an opportunity to study it.●

THE NATO TARBABY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mrs. SCHROEDER. Mr. Speaker, William L. Hauser, who is identified as a business executive, a former Army officer, and a writer on national security matters, had an essay in the New York Times on February 27, 1981, "Reducing Our Forces in Europe."

It ought to have been entitled, "For a Stronger America," because that was Mr. Hauser's point. We are unnecessarily tied down in Europe, and, as a result, outfoxed elsewhere. Or, in Mr. Hauser's words:

The American fox has its paws stuck fast to the NATO tarbaby, while Soviet-proxy rabbits scamper freely through the third world.

The entire article follows:

[From the New York Times, Feb. 27, 1981]

REDUCING OUR FORCES IN EUROPE

(By William L. Hauser)

We learned the lessons of Vietnam too well. As a result, we are today exposing our country's vital interests to deadly peril.

After 50,000 deaths and untold billions of dollars, we emerged from Vietnam with two truths burned into our national soul. The first is that modern war is so costly in blood and treasure that countries dare wage it only to secure interests truly vital. The second is that lacking a national consensus about our vital interests, war cannot be won against a determined foe. Before Vietnam, the United States intervened militarily in Lebanon, in 1958, and the Dominican Republic, in 1964; since then, we have recoiled from similar involvement in Angola, Ethiopia, and in Iran.

Whether these decisions were right or wrong is not the point. We have apparently forsworn armed intervention in the third world. While rebuilding our ramparts in Europe that were neglected as a result of Vietnam, we have dismantled our ability to deploy forces elsewhere. Even the so-called Rapid Deployment Force is largely earmarked for wartime duty in Europe, its logistics dependent on unready reserve organizations, its manpower replacement in disarray, and its strategic transport pitifully inadequate.

By lacking a capability for intervention, we are risking truly vital interests. If we were to be denied access to the energy and mineral resources of Africa, the Middle East, and Southwest and Southeast Asia, our economic well-being, physical security, and even domestic liberties would be endangered. Similarly, if the Soviet Union could block our European and Japanese allies' access to those same resources and markets, they would become Soviet satellites-in-fact, however independent they remained in name. The United States would be isolated in a Soviet-dominated world.

But is not Western Europe's defense against Soviet invasion our most threatened vital interest? The answer is no, for the Red Army's Eastern European rear is unreliable, West Germany has superb conventional forces, Britain and France are nuclear powers, and United States escalation is feared by the Soviet Union's planners. Our North Atlantic Treaty Organization allies understand this, which is why they are not "doing their part" to be stronger. They understand also that the real threat—the endangered vital interest—lies elsewhere. Nonetheless, they are reluctant to join us in a military coalition outside Europe. They recognize the problems of allied operations, which are hard enough on a single partner's territory and are next to impossible across vast distances. They expect us to fulfill our global role while they limit themselves to a regional one.

We cannot afford to provide major defensive formations in Europe and simultaneously counter Soviet adventurism in the third world. We are already maintaining overstructured, hollow forces that we cannot adequately man, train, keep in repair, or competently control. Experienced officers and non-commissioned officers are leaving the military services in unprecedented numbers. We are mistakenly viewing this "leading indicator" as a matter of their benefits rather than as a vote of no confidence in an unviable profession.

If we want worldwide capability, we are going to have to reduce our forces in Europe. We deployed there in 1949 to protect a war-prostrated West from the Soviet Union's massive armies. That forward, linear strategy, which made sense then has become nonsense in the face of European strength and Soviet global mobility. The American fox has its paws stuck fast to the NATO tarbaby, while Soviet-proxy rabbits scamper freely through the third world.

Today, we are an essentially "island power," and our long-term access to the Afro-Eurasian continent requires a mobile strategy. Our land forces must be lean, highly trained, readily deployable, and sustainable by sea, air transport, and firepower. Our formations in Europe can be much reduced and still be adequate for deterrence. Europe will (if it must) strengthen its own defenses.

Regrettably, the new Administration appears to be harking back to our preeminence of yesteryear. Perhaps that is an attempt to signal, in familiar language, a resurgence of national will; perhaps the new leadership recognizes the need for a new strategy. Even so, changing the deployment of our forces will engender opposition, for major elements have European defense as their principal raison d'etre. Fears will also arise in some quarters that a capability to intervene in the third world will tempt us rashly to do so. That is a risk that we as a nation must take, or we are going to concede the battle without a shot being fired.

It is unrealistic to expect ever again to be militarily pre-eminent. But if we do not bestir ourselves, we are going to be irrelevant.●

TAX FORM REDUCTION ACT OF 1981

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. PETRI. Mr. Speaker, today I have introduced legislation which would amend the Internal Revenue Code of 1954. The bill, entitled the Tax Form Reduction Act of 1981, proposes a minor change that could save significant quantities of paper and postage.

Very simply, my bill would give people the option of requesting that full tax return forms not be sent to them. A check box would appear on all Federal income tax forms, to be checked by individuals indicating they do not wish to have return forms sent to them the following year.

Instead of receiving the complete form packet, all box checkers would receive a postcard with their computer label on it. They could take that to their tax preparer who would do the necessary work and place the label on the tax return.

This bill is modeled after a provision that has been used successfully in the State of California since 1976. There, 10 percent of the taxpayers indicate that they do not need the full packet of forms sent to them. This saves California about $600,000 each year in postage and paper. Should only 10 percent of our Nation's taxpayers take advantage of the changes I am proposing, this would save them over $1.5 million.

Many more could make use of this relief. Figures indicate that 40 percent of America's taxpayers rely on a tax preparer service of one kind or another. In most cases, these services do not use the forms that are mailed out to the individuals. As a result, many of the tax forms sent out by the Federal Government are wasted.

We have all talked, and heard, about excessive paperwork and redtape in Government. This bill proposes one small step toward cutting back this morass.●

MARIPOSA GAZETTE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. COELHO. Mr. Speaker, it makes me proud and gives me pleasure to share with my colleagues the following article from the Los Angeles Times about the Mariposa Gazette, which is the oldest weekly newspaper in the State of California. The Mariposa Gazette is more than just a weekly tradition for the citizens of Mariposa County and the surrounding areas; it is a family tradition for my good friend, Marguerite Campbell, publisher, whose family has had the paper since 1919.

Mariposa County, which I am privileged to represent, is a beautiful county with memories of the Old West, and, of course, there is the magnificent Yosemite National Park. If any of my colleagues are fortunate enough to find themselves on a trip to California, I would urge them to include Mariposa County on their itinerary.

The article follows:

STATE'S OLDEST WEEKLY HAS STAFF TO MATCH

(By Charles Hillinger)

MARIPOSA, CALIF.—If a newspaper can be said to be long in the tooth, the Mariposa Gazette qualifies.

For 127 years, ever since the first edition came off the press on Jan. 20, 1854, it has never missed an issue. And that makes it the oldest continuously published weekly in California.

The four senior staffers—all of them women—are 71, 74, 83 and a great-grandmother who won't tell her age.

"I'm just a kid in this outfit," laughs widow Marguerite Campbell, 68, publisher since 1947 except for two years when her sister Kay ran the Gazette.

Ann Costa, the great-grandmother, has been the Gazette's Bear Valley correspondent 50 years.

She writes longhand like some of the other old timers and always begins her column with a folksy weather forecast with sage observation like:

"The buzzards are circling. Rain is imminent."

Teresa Sell, 83, has been writing a weekly column more than 30 years. Edith Turner, 74, has been a correspondent 40 years.

"I enjoy doing this," said Sell, who keeps her readers up to date on all the latest news in Ahwahnee and Nipinnawasee.

"You got to watch it or you can get in trouble being a news writer on the Gazette" confided Turner, who writes from Hornitos, population 65.

"Readers get upset if you overlook 'em and they get upset if you mention 'em."

The correspondents are paid 20 cents a column inch. On slow news periods they earn as little as $1 or $2 a column. They all get a $10 Christmas bonus, postage stamps, stationary and expenses for long-distance calls gathering news.

Another oldtimer on the Gazette staff is Mary Tanner, 71, who writes a regular column from El Portal.

Tanner is an actress, a longtime Yosemite tour guide, a librarian in the national park and the Yosemite stringer for nine other newspapers, including the Los Angeles Times.

"Ann, Teresa, Edith and Mary add sparkle to the pages of the Gazette. Writing their columns keeps them in the mainstream," the paper publisher said.

The unincorporated town of Mariposa, population 1,555, where the Gazette is published, is the county seat and largest community in Mariposa County, population 11,000.

And each week for the last 127 years the Mariposa Gazette has been the sole source of local news in these parts.

Campbell's parents, Kate and John L. Dexter, published the paper from 1919 until their deaths in 1947. Dexter was an elementary school teacher and superintendent of schools in Mariposa before buying the paper.

"I cut my teeth on type. I don't know anything but this," the 68-year-old publisher said.

She grew up cleaning out the hell boxes, (where old type is thrown, to be re-melted later), pegging hand type, running the "snapper"—an old hand press that was taken around the Horn and shipped to Mariposa by Wells Fargo in the 1850s and still in use.

The Gazette office and the paper's print shop have a mix of equipment like the old press, hand-type cases, century-old roll-top desks, along with contrasting computerized type setters and highly sophisticated offset machinery.

The Gazette's circulation is 5,000.

The first Gazette building was destroyed by fire in 1878. From then to 1942 the paper was published in the town's 1860 Sons of Temperance Building.

In 1942 the Gazette moved to a new stucco building and in 1962 shifted to enlarged quarters.

Campbell lives across the street from the Gazette in a turn-of-the-century Victorian home.

Her son, Dalmar, 41, and his wife, Ruth, are editors of the paper.

Her two other children, Linda Melton, 34, and Dexter, 32, and her sister Kay are members of the staff.

Her grandchildren are cleaning out hell boxes, sweeping the floor and doing their bit to make sure the Gazette never misses an issue.●

CONGRESSIONAL SALUTE TO THE HONORABLE FRANK AND HONORABLE CATHERINE MEGARO, 1981 KING AND QUEEN OF ITALIAN CARNEVALE IN NEW JERSEY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. ROE. Mr. Speaker, Tuesday evening, March 3, the people throughout my district and the State of New Jersey will join together with the Italian-American community of Newark and Essex County to commemorate a most festive occasion, known as Italian Carnevale, and honor two distinguished citizens, outstanding community leaders, and good friends, the Honorable Frank and Honorable Catherine Megaro of Newark, N.J., for their standards of excellence which have earned them the highly coveted award and title of king and queen of the Italian Carnevale. I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and best of wishes to the 1981 honorees of this most prestigious Italian-American festival.

The Italian Carnevale is a festive occasion just prior to the commencement of Lent celebrated in the Italian-American community of Newark and Essex County, N.J. The installation ceremonies of the king and queen of Italian Carnevale will highlight this commemorative program of merriment, joy, and revelry of great spiritual and cultural significance.

Mr. Speaker, as a nation comprised of all people of all nationalities and regions throughout the world, each singularly and rightfully so, proud of his or her individual heritage and united in common endeavor of freedom, justice and a good life for all, we can most assuredly be proud of the exemplary achievements that the people of Italian heritage have contributed to America's greatness.

Mr. and Mrs. Megaro have, by their example and many accomplishments in civic, community, and charitable endeavors, personified a quality of leadership, dedication, and sincerity of purpose that have truly enriched the cultural endeavors of our community, State, and Nation.

Frank, with the inspiration and assistance of his first lady Catherine by his side, has provided outstanding and responsible service to our people. Their personal commitment to the economic, social, and cultural renewal of the community and State of their residence is applauded by all of us.

Mr. Speaker, Frank was a former distinguished member of the New Jersey General Assembly and during his tenure in the State legislature served as chairman of the municipal governmental committee. He is a graduate of the Newark Public School System and Barringer High School. He received B.A. and M.A. degrees in political science and government from Fairleigh Dickinson University. He attended the University of Richmond School of Law and the New School for Social Research for a doctorate in political science and government. He also served as councilman of the north ward in the city of Newark and as council president.

Frank and Catherine have been actively involved in the business community in separate careers as an insurance broker and proprietor of a hairdresser establishment respectively. They are both members of many civic and fraternal organizations. Since 1963, Frank has been standard bearer of the Frank G. Megaro Civic and Welfare Association which has contributed financial aid to the needs of Newark. He is presently Secretary of the Newark UNICO and an active member of Moose Lodge 237, Belleville, N.J.

The most eminent officers of the Frank G. Megaro Civic and Welfare Association, which is comprised of many distinguished citizens and leaders in the community, are, as follows:

The Honorable: Cosmo DeCosta, president; Andrew Campione, vice president; Ed Clemente, secretary; Andrew Nappi, treasurer; and John Saiella, sergeant.

Ladies Auxiliary, the Honorable: Kathy Marano, president; Jackie Salsano, vice president; Celeste Vitelli, recording secretary; Helen Valente, corresponding secretary; Trena DeVito, treasurer; and Teddi Pannula, sergeant.

Mr. Speaker. In addition to extending our warmest greetings and felicitations to Frank and Catherine Megaro for their personal commitment, dedication and service to our people that have enabled them to achieve this high honor of the Italian-American community, may I also commend to you the former recipients of this annual esteemed citizens award—the kings and queens of Italian Carnevale in previous years, as follows:

The Honorable: Mr. and Mrs. Phil Rotondo, Mr. and Mrs. Joseph Butera, Mr. and Mrs. James DeNola, Mr. and Mrs. Anthony Rampaniello, and Mr. and Mrs. Gabe DeVito.

Mr. Speaker, to understand the present, we must understand the past; to understand the need for historical and cultural preservation, we must understand the present and future. We do indeed need for ourselves and future generations a chance to sit and reflect in beauty and culture and gain strength from our heritage.

In helping to preserve the endowments and traditions of our forebearers which are truly the strength of our Nation's foundation and the sphere of America's heritage, the commemorative interlude of recreation and reflection that is encompassed in the festivities of the celebration of the Italian Carnevale sponsored by the Italian-American community of Newark and Essex County is a most fitting observance for extending our heartiest congratulations to the distinguished citizens and community leaders of Italian Carnevale who have truly enriched our community, State and Nation.

Mr. Speaker, as we join today in saluting the king and queen of Italian Carnevale, Frank and Catherine Megaro, may I also take this opportunity to add the deep appreciation and gratitude of all Americans for the wealth of wisdom and cultural enrichment that the people of Italian heritage have contributed to the quality of our way of life here in America.

With heartiest congratulations and best of wishes to King Frank and Queen Catherine Megaro of the Italian Carnevale in New Jersey.●

HONORING HARRY E. McCLOSKEY

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. ATKINSON. Mr. Speaker, as we deliberate today major concerns facing our Nation and the people we represent, I would like to take a few moments here on the floor of the House of Representatives to share with my colleagues the citizenship and accomplishments of a fine gentleman in my congressional district.

Harry E. McCloskey of 622 Park Avenue, Ellwood City, Lawrence County, Pa., is a prime example of what one citizen can do for his community.

For over 50 years he has been active in public service. He is a leading figure in sports, civic affairs and the Democratic Party. As an example of his community dedication, Mr. McCloskey has cast his vote for the persons of his choice in every election for the past 51 years; never missing a single election.

Since 1925 he played, coached or managed some of the leading baseball, softball, boxing, and basketball teams in the tri-State area. For 10 years he was president of the neighborhood church bowling league of 80 teams representing 36 district churches; the largest in the State.

He was the leader of the Shag Level Cider Hounds, famous NBC hillbilly band which broadcast over KDKA and the National Broadcasting Co. for 9 years from 1932–1941. Dave Garroway, longtime master of ceremonies for the "Today Show" on television, and Tiny Ellen Sutton, girl singer with Gene Autry, got their start with this band.

He won the PGH Dapper Dan Award in 1967 for 40 years for the welfare of youth in sports in the Beaver Valley. He was inducted into the Lawrence County Hall of Fame in 1973, and in 1978 was awarded the Outstanding Sportsman Award by the ECAC. This past year he was honored by the PGH Old Timers Club and Baseball Town U.S.A. of Youngstown, Ohio. He was cited for his dedication and leadership in all sports.

Mr. McCloskey served as president of Let Us Put Hack Wilson in the Hall of Fame Club for nearly 40 years. He saw his dream come true when he and his wife, Blanche, were honored guests at the Baseball Hall of Fame induction ceremonies at Cooperstown, N.Y.

An active member of the volunteer fire company for 35 years, he and his family are members of the Calvin U.P. Church and served as director in the Area Council of Churches for nearly 25 years. A hard worker in the community, he retired from J. & L. Seamless Hot Mill in Aliquippa after 25 years of service.

He and Blanche have been married for 40 years and have three daughters: Mrs. Bruce "Mary" Johnston, Mrs. James "Nancy" Woods and Mrs. George "Debra" Barnhart. They have three grandchildren: Emily, Jamie, and Jeffrey.

Mr. Speaker, as we all know, February is Citizenship Month in America and I felt it was absolutely necessary that I take a few moments to fully explain the history of this fine gentleman, who stands as a model of the citizenship month we are honoring.

Thank you.●

ON THE RETIREMENT OF MARVIN "BUD" ARNOLD

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. GRISHAM. Mr. Speaker, it is my pleasure to take this time to honor a man, Marvin "Bud" Arnold, whose career stands as an example of outstanding patriotism and dedication to public service.

"Bud" Arnold retired on December 29, 1980, after serving the people of the State of California for 30 years as a park and recreation professional. For the past 20 years, he has served as parks and recreation director for the city of Santa Fe Springs.

But the real measure of a man is not the posts he has held or awards he has won, but the effect his life has had on enriching the lives of those around him. I am sure all his friends, neighbors and citizens who have benefited from his dedication, will agree that by this standard, "Bud" Arnold stands head and shoulders above the rest.

Although "Bud" is retiring, he has left us a legacy. Through his years of service, he trained and inspired countless prodigies who carry on his work and wisdom throughout California.

A leader in his profession for more than three decades, "Bud" served as president of the California Park & Recreation Society in 1964 and as president of the League of California Cities Recreation and Parks Department in 1975. His service to the League of California Cities included a seat on the board of directors in 1976 and 1977. He also chaired the California Board of Park and Recreation Personnel in 1974, underscoring his longtime devotion to the registration of park and recreation professionals.

I am by no means the first to honor "Bud" Arnold's career. Among the numerous honors he has received is the 1971 California Park and Recreation Society's Fellowship Award for his lifelong leadership, enthusiasm, and dedication to the society and to public parks and recreation in California.

"Bud's" contributions have not been limited to the State of California. Before settling there, he served his country with distinction and honor as a U.S. Navy pilot during World War II.

"Bud" prepared well for his career, receiving a B.S. and M.S. degree from Purdue University near his hometown of Indianapolis, Ind. He also received valuable early career training at Hull House in Chicago.

I am sure that "Bud's" wife of 32 years, Alice Ann, his two daughters, and five grandchildren all join this House in saying "thank you" to a man whose deeds will benefit us all for years to come.●

TRADE BARRIERS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. FRENZEL. Mr. Speaker, the Minneapolis Tribune editorial of February 24 may be of special interest to Members interested in trade or in the protection of U.S. industries.

Its central point is that Japanese automobile quotas would provide little protection for American workers at a terrible cost to American consumers.

The editorial follows:

TRADE BARRIERS

Even as President Reagan urgently asks Congress for a new approach to economic problems, Sens. John Danforth and Lloyd Bentsen seek support for a bill whose backwardness is obvious and deserves quick

rebuff. The bill would limit the number of Japanese cars Americans could buy in the next three years. Instead of letting customer orders set that number, the senators think they can do it better. In a market where American drivers during 1980 bought 2 million Japanese cars, Bentsen, D-Texas, and Danforth, R-Mo., want a government quota of 1.6 million only. Reagan should tell them firmly that his administration has no interest in such notions.

He should also tell them why. With demand exceeding supply, prices on Japanese cars would go up just enough to turn away all customers beyond the quota limit. The quota would be a form of price control in reverse. No one knows for sure how high the rise would be, but anyone can see that the people turned away would be those with a need to count their car dollars carefully. Some such people would buy used cars instead, or perhaps an Italian import in place of a Japanese, or (the senators hope) a new American car more expensive than they wanted. Whatever their choice, it would not be their first choice. The government-rigged market would have taken that away.

It would also have taken away a chunk of the competition that keeps American small-car prices from being higher than they are. And when small-car prices rose (one estimate says that $750 is a likely average increase), so would the prices on medium and large models. Thus the impact of a law to block imports from Japan would reach much further than to people in the market for Japanese cars. It would hurt every car buyer and everyone making or selling the things drivers gave up in order to pay more when they needed new cars.

The purpose of this perversity is to help American auto companies and auto unions. But numerous economists and the government's International Trade Commission have pointed out already that import quotas would not address the problems of the auto industry. At best, quotas might bring back jobs for a small fraction of the workers now laid off. But quotas would weaken the companies' incentives to improve quality, offer cheaper cars, lower their labor costs and invest for efficient production.

To their credit, Danforth and Bentsen—long-time free-traders—seem embarrassed to have put their names on a blatantly protectionist bill. Reagan should remind them that embarrassment is called for, and that he wants none of it.●

ARMS AND EL SALVADOR

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mrs. SCHROEDER. Mr. Speaker, the Denver Post, February 25, 1981, had some particularly insightful observations on the situation in El Salvador, which I would like to share with my colleagues:

ARMS AND EL SALVADOR

For the past 10 days, State Department emissaries have been trying to drum up support for the Reagan administration's first major foreign policy initiative—enlist West European backing for El Salvador's ruling junta. The effort has not been an unqualified success.

In general, officials in Bonn, Paris, London and other capitals share U.S. concerns that Russian arms are being supplied to El Salvador's leftist guerrillas via Cuba and Nicaragua. But they're not convinced that the extent of these arms movement, supposedly calculated by the United States from captured documents, has been determined accurately.

They're apprehensive, too, about what the United States plans to do to halt such alleged arms shipments. Secretary of State Haig has said we would "not remain passive" if Cuban meddling continues. But he has not been specific about responses the Pentagon might be contemplating.

On Sunday, however, Edwin Meese, a top White House adviser, warned that the United States will "take whatever measures" are necessary and "not rule out anything" to halt the flow of arms to El Salvador's insurgents. (How did Meese get into the act? Are White House advisers in addition to the Secretary of State going to be foreign policy spokesmen?)

Put bluntly, our European allies are not sold on the idea that communist military involvement has become the crucial factor in El Salvador's civil war. They are lukewarm to the suggestion the embattled El Salvador government should get direct backing from its European counterparts.

A West German official has been quoted as saying Washington is making a "serious misjudgment" in viewing the civil war primarily as a communist power play. "Social injustice," rather than the Communists, is at the heart of the El Salvador unrest, he said. This is a somber assessment containing a great deal of truth.

Is it wise for the United States, anxious to create an image of toughness when dealing with Russian mischief, to view the El Salvador situation almost wholly in military terms and assume that it will be resolved once communist aid to the rebels is halted? It is the exact opposite.

Let's assume that not so much as another handgun finds its way into El Salvador. Would that end the bitter fighting? No. As a matter of fact, the rebels, wherever the source of their arms and the extent to which they've been provided, have been faring poorly against government troops.

Arms alone won't win for the limited number of guerrillas. Arms alone won't win for the government troops, either.

What will tip the struggle one way or the other is the ultimate, collective decision of El Salvador's poor masses. Not surprisingly, these landless *descamisados* remember the murderous excesses of countless El Salvador ruling juntas.

On the other hand, they have not gone all of the way into the Marxist camp. There may still be time for the United States to approach the El Salvador war as a political and social struggle, rather than a purely military one. If that can be done, we may not lose yet another neighboring state to communist rule.

We should pressure the government of El Salvador to implement promised social reforms as rapidly as possible. We should demand that it eliminate the "death squads" that are still tolerated. We must remember that this is a hemispheric uprising protesting centuries of repression.

If, as seems likely, the United States must go it alone in putting an El Salvador policy in place, it should proceed with caution and the knowledge that military might alone isn't going to settle the issue.●

BANKRUPTCY REFORM ACT OF 1978

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. EDWARDS of California. Mr. Speaker, a great deal is being said throughout the country about the Bankruptcy Reform Act of 1978 causing the increase in bankruptcies.

The Honorable Hal J. Bonney, Jr., U.S. bankruptcy judge, eastern district of Virginia, addressed this issue in a recent speech.

I commend the attention of my colleagues to Judge Bonney's careful analysis of the issue of the increase of bankruptcies.

The speech follows:

HON. HAL J. BONNEY, JR.'S, ADDRESS BEFORE THE NORFOLK AND PORTSMOUTH BAR ASSOCIATION

It is always a privilege and a pleasure to appear before the Norfolk and Portsmouth Bar Association and I appreciate this occasion today. I have been asked to speak on the subject "Observations On the Operation of the New Bankruptcy Code" and this can be best accomplished by setting forth the present setting of the Bankruptcy Reform Act of 1978 statistically.

THE FACTS

During the calendar year of 1980, 3,680 persons filed bankruptcy in the Norfolk and Newport News Divisions of the United States Bankruptcy Court for the Eastern District of Virginia. Generally, the area over which I preside encompasses the Tidewater area. This figure of 3,680 compares with 2,223 persons for the calendar year of 1979 and represents an increase of 65.5 percent.

Of all those filing in 1980, 10.9 percent represented business bankruptcies: personal, partnership and corporate. This reflects a slight increase from 10 percent but is far less than the 15 percent experienced in the mid-70's. It is worthy to note that 13.9 percent of those filing in December of 1980 were involved in business bankruptcies. Whether this reflects the beginning of a significant trend remains to be seen.

THE CAUSE

Obviously, the 3,680 persons filing bankruptcy in 1980 establishes a record, well exceeding the previous record of 2,264 in 1975. And, quite naturally, the question of "Why?" is on many tongues. Be advised that the Court is not an economist and there are those better qualified to comment on the cause of this and other discouraging economic indicators. Nor is bankruptcy a mirror of the economy; it does indeed reflect the symptoms.

I would say the causes are three: (1) inflation, (2) the recession, and (3) a greater awareness on the part of the public of the legal process called bankruptcy.

(1) Inflation. The country—all segments of it—now realizes how great and how dangerous a thing inflation is. Indeed, it is now being recognized, and correctly so, I believe, as the greatest economic disaster since the Depression of the 1930's. Inflation is the opposite of depression and by its very nature of false prosperity deceives, initially at least,

one into minimizing its effects. But it is as deadly as a depression in the long run.

As a result of inflation, we have seen over the past five years a great many people come into bankruptcy who are not likely candidates for it. They are people, chiefly young couples, who normally pay their bills, who owe no more today than they did a year ago and who detest bankruptcy. But the cost of living has overwhelmed them. One of the glaring aspects of this is the difficulty and even inability of middle-class Americans to purchase, or to keep after purchasing, a home. This is a great American tragedy.

Therefore, as a nation we can only expect there to be more bankruptcies as a result of inflation. It is either a fresh start for these citizens or the bleakest of futures and they will not be productive citizens in the latter category.

(2) Recession. While this area has been less affected by the current recession than most, it has none-the-less taken its toll. The end of the recession will in itself affect the number of bankruptcies. It would appear that while there are many factors causing a business bankruptcy, including inflation, the recession is the greatest.

(3) Greater Awareness. It is generally acknowledged throughout the country that one of the causes of the increased number of bankruptcies is advertising. This apprises a not-always-knowing public of the availability of bankruptcy as a lawful remedy at a low cost to obtain.

Well, we cannot complain about a well-informed public. Nor does every lawyer who advertises advise every debt-ridden client to file bankruptcy. The Supreme Court has spoken on lawyer advertising and like it or not, it is lawful.

THE DANGERS

However, as more and more people are brought into bankruptcy by a greater awareness of bankruptcy, a significant danger arises and it is ominous. More and more people will come into bankruptcy who might avoid it; more and more will come with a greater deliberateness. In some areas of our country there are advertisements which entice debtors to "get rid of all your debts" and, indeed, open talk of "socking it to the creditors" who can "write it off."

BANKRUPTCY: WELFARE?

I feel, too, that there is a great and potential danger many will look upon the bankruptcy process as a means of obtaining welfare when it was never intended that bankruptcy serve that purpose. It was intended to provide a fresh start in life to those into whose lives some particular misfortune had come even if of their own folly.

THE POSSIBLE RESULTS

As the result of any misuse of bankruptcy, there will develop in the country—indeed, it has already started—a public outcry against bankruptcy which may then lead to rather severe restrictions imposed by the Congress. I remind debtors at the discharge hearings that while bankruptcy is mentioned in the Constitution, it is not a Constitutional right but a privilege within the right of the Congress to bestow.

Just as we wish people did not become ill, we wish people paid their bills; they do not always do so. It has been my experience of ten years on the bench that the vast majority of bankrupts learn from the experience and return to the marketplace better citizens. One of the purposes of bankruptcy is thereby fulfilled: "To relieve the honest debtor from the weight of oppressive indebtedness" and to give him "a new opportunity in life and a clear field for future effort, unhampered by the pressure and discouragement of preexisting debt." *Local Loan Co. v. Hunt*, 292 U.S. 234, 244 (1934). When I came to the bench, I would not have been surprised to have found that ⅓ or ½ of the bankrupts were repeaters, but this is not so. From statistics I have kept, I find the "repeater" rate varying between 5 percent and 6 percent.

The nation will support bankruptcy for the honest debtors, but it will not support the abuse of the system. And those who abuse it or who would abuse it should be on notice that the public will not abide what appear to be growing trends of rather deliberate abuse.

THE NEW BANKRUPTCY CODE

We hear a great deal about the new bankruptcy code, the Bankruptcy Reform Act of 1978, being responsible for much of the increase in bankruptcies. While there is perhaps need for reform of the reform, such a statement is too sweeping. Unfortunately, the new law came into effect at a time when bankruptcies are up for other reasons, the three mentioned above. It is, therefore, the volume and not the Code which is to blame. It would be unfortunate for the public to over-react to the problems touched upon here or for the Code to fail to receive a fair shake. Again, it is the volume of cases and not the Code which is taking the toll. We find the Code generally sensible, far more efficient than the old Bankruptcy Act and enabling the court to better serve the national economy.

As most law is imperfect, there are areas of great concern in the Code. For instance, it appears the Congress did abolish the honest debtor doctrine in the area of Chapter 13 cases. It is too easy for those with dischargeability problems to solve them in a Chapter 13 case.

It may be true in other parts of the country, but I cannot say that the Bankruptcy Reform Act of 1978 is responsible for the increase of bankruptcies here. Amendments to the law should be made where needed, but it should not be made the whipping boy for other ills. Bankruptcies are up in Canada, too, and there has been no revision of the law there.

IN CONCLUSION

Yes, bankruptcies are very much on the increase. The real culprit is inflation and the nation has just recently come to grips with the fact that inflation is devastating. When inflation ceases, bankruptcies will fall. The recession has lasted longer than originally anticipated and it takes its fee. It is presently the least of the three causes of increase, but abuses of the underlying philosophy of bankruptcy have appeared and there are those turning to bankruptcy too easily although lawfully. And relative to this you will find a growing revulsion on the part of creditors and the public. You know how it is, we enjoy a privilege until we abuse it.

The new Bankruptcy Code (Bankruptcy Reform Act of 1978) is good law. All-in-all it is working extremely well. Remember, it is the volume which is hurting, not the law itself. The weaknesses in it, the abuses permitted therein (and, indeed, there are some), can be corrected and I think you will find the Congress quick to do so. Tell them of your concerns.

The times in which we live are in many respects acute . . . and we are dealing in bankruptcy with two huge factors: the economy and morals. We trust that the economy will improve given time and effort. The fellow, for example, who deserts his wife and children forcing her to file bankruptcy has a moral problem. And that's something else.

Thank you for listening.●

TV ON BUSINESSMEN

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. COLLINS of Texas. Mr. Speaker, America moves foward when business moves forward. It burns me up to see people who take shots at business. One person goes wrong but on TV they do not balance this out with the 99 to 1 that do their best and build for progress.

As I flew back to Washington last night, I read an interesting story by Irwin Frank in the Dallas Times Herald. He reviewed the CBS attacks on businessmen and how businessmen are shown as the bad guys.

I want them to have TV shows about the Horatio Alger businessmen who built America. There are 99 good men and women in business so why does TV just show the single bad apple.

Hitting it right on target is this excellent analysis in the Dallas Times Herald by Irwin Frank.

It was just your average anti-business network television programming. Nothing special, just businessmen being shown as the bad guys in programs ranging from news specials to situation comedies to dramatic entertainment.

The bad guy on television today is not the one in the black suit smoking a cigar with a gun sticking in his belt. No, often he's the one in the gray suit and white shirt, sitting behind the desk, smiling about some evil deed he has just pulled off. And, probably, he is planning something dreadful.

Top-rated 60 Minutes on CBS began with a story last week on the big drug traffic in Miami and indicated some banks in the city were knowingly helping launder millions of dollars for drug dealers. Another segment of the program dealt with families being duped by builders up north of money they had saved to buy homes. The program finished with a section dealing with discrimination against women by a small bank in Minnesota.

All three segments portrayed businessmen in unsavory situations to about 45 million Americans, many of them youngsters who will not put the incidents into proper perspective. There was no editorial note that the home builders depicted represented just a few out of thousands of U.S. home builders. Viewers were not told that what happened at the bank in Minnesota did or did not happen at banks across the nation.

At the end of the hour you did not want to run out and buy 100 shares of stock in American business.

There are, of course, few counter programs in which the businessman is shown being nice to dogs or helping Boy Scouts cross the street.

To a person who watches TV on a casual basis in the hopes of catching a Clint

Eastwood classic, it appears that the businessman as a bad guy in drama and even in comedy shows is a major theme on television.

For example, the administrator of the hospital in a recent episode of House Calls—as innocuous a 30 minute sitcom as you can get—said if the underpaid and overworked staff thought they were going to get a raise they were mistaken. Go ahead and strike, he told them, and lose your jobs.

A primary reason the businessman is portrayed as the heavy in many of the drama and comedy shows is that as a group they are defenseless when compared with the striking power of blacks, Jews, Mexicans, Italians, Catholics, Indians, Chinese, the blind, the old, women and gays. Any minority group—within minutes after a program ends—can mount a letter writing campaign or a boycott against a network or an advertiser, or at least the threat of one, that would cause the offender to swear "never again."

No TV network would dream today of portraying Italians as gangsters or women as being "only housewives" incapable of doing anything else. The organized anger of the two offended groups would cause heads to roll at the network headquarters.

But what business group protested to CBS about the House Calls comedy program with the mean hospital administrator or about the Lou Grant show that followed? That program was about an American company accused of selling faulty hospital equipment overseas that caused people to die. Another drug company sold chemicals overseas that were banned in the United States because of their potential deadly nature. And, finally, another company sold birth control devices that killed women. In every case the story showed American businessmen in as negative a role as possible. They were, in truth, depicted as criminals.

That's a pretty good dose of anti-American business programming based on the premise that some businessmen will do anything to make money and that, in the case of the hospital administrator, they are mean and ruthless.

No wonder your daughter hasn't run into the living room shouting she wants to go into the business world and your son has suggested that there might be something else he'd rather do than be a company executive.

It's basically open season on businessmen on the tube, the only group that won't boycott, picket, conduct a letter writing campaign or circulate petitions.

Someday soon we may see on network TV a businessman leaving a movie theater with a lady in red being gunned down by the FBI.●

IN POLAND, A GATHERING OF THE SPIRIT OF MILLIONS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. DERWINSKI. Mr. Speaker, while the brave Lech Walesa and his followers persist in their struggle to regain their basic rights, the problems in Poland continue. The constant possibility of military action by the Soviet Army remains a source of grave concern to the United States and the Polish people.

A very pertinent and thorough commentary by syndicated columnist Carl T. Rowan appeared in the February 20 Chicago Sun-Times on the situation in Poland. His remarks follow:

IN POLAND, A GATHERING OF THE SPIRIT OF MILLIONS

WASHINGTON.—It is such a lovely commentary on the nature and the promise of mankind that the Polish people, so ridiculed in so many bad jokes for so long, should today symbolize everything that is noble about the inhabitants of this planet.

Lech Walesa, leader of Poland's Solidarity union, has taken a place among those brave people who in every age have strived to twist a rope of sand, to make rose petals float upstream—and to force dictators to give up power. For the Poles ("you need three to change a lightbulb—one to hold the bulb and two to turn the ladder—ha ha") have turned on a new lamp of freedom at a time when so many millions in so many lands seem content to live with darkness.

Solidarity may yet be crushed by Soviet tanks and guns. But the world now knows that this movement is not just Walesa—not simply one man of brave pretenses, echoing Sir Thomas More's plaint, "Would that our workers might have glass in their windows and eat meat once a week."

Solidarity is a gathering of the spirit of millions of humans—a piling up of resentments that made people riot in Poznan a quarter century ago. Solidarity is an incredible collection of blue-collar workers, farmers, journalists, government workers, housewives, students and others who have had enough of oppression, misery and special privilege for the gendarmes of a society whose rules make phony talk of "Socialist equality."

It is easy to see and sight the grim warning that Solidarity represents for the Communist bosses in the Soviet Union and the Warsaw Pact countries: Walesa represents angry people who see that communism does not produce that utterly fair society; it builds a social monstrosity on which party bosses get fancy apartments, imported automobiles and booze, access to luxury imports, the right to travel abroad in grand style.

Walesa and the incredibly courageous people who support him are proof that the so-called "working class" is among the wisest of mankind, for these Poles know that communism does not foster justice, but that it has yielded to human nature—to what Marx and Lenin would call the ideological heresy that men and women who work harder, think smarter and are more productive ought to live better than those who just "drift along."

But Walesa and his followers know that the Communist Party has yielded in such a way as to ensure that it will always be the party bosses who are deemed to work harder, think smarter and reap the great rewards.

It is clear that Walesa and Solidarity will not swallow this. Walesa surely now knows that elements of Polish society are so fed up that they may not agree to a 90-day strike-free period. Soviet tanks could roll into Poland at any time, and the lesson for many Americans will be that the Soviets are ruthless in protecting and preserving the primacy of the Communist Party in every East European country.

If the Soviets invade Poland, let that remind us of the fragile circumstances in which freedom finds itself today. But let it remind us also that freedom and justice are imperiled even in America the Beautiful. We have our privileged classes who this very day are sticking it to the poor, the miserable, the hopeless. People who eat caviar and regularly drink Dom Perignon champagne are deciding how many food stamps and how much medical care to take away from the needy. They invite the rising up of an American Lech Walesa.

We have here a new generation of super moralists who proclaim their right to dicate to the rest of America about who can read which book, print what in which newspaper or magazine, see what at the cinema or the theater. They want to say who, getting pregnant, must carry a child to term.

We abhor Soviet domination of almost every aspect of life in Poland. We wish freedom of religion, and of the person, for the brave Poles. But let us not ignore the reality that we could so very quickly lose our own freedom.●

HOUSE SUPPORT URGED FOR NATIONAL BOTTLE BILL

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. AuCOIN. Mr. Speaker, legislation will shortly be introduced to establish a national beverage container deposit law. I want to commend this proposal, which will be introduced by the distinguished Congressman from Vermont, Mr. JEFFORDS, to the attention of my colleagues and to urge them to join me in sponsoring this important legislation.

We have a better chance this session to enact a national bottle bill than at any time since Oregon pioneered the first deposit law. In renewing efforts to encourage the country to follow Oregon's lead, the legislation I am sponsoring would require a refund value of at least 5 cents for beverage containers.

Opponents of a deposit law can no longer claim the system only works in small States such as Oregon and Vermont. Michigan, the first large, industrial State to approve a bottle bill, has a system that has been widely deemed a success.

Six States—Oregon, Vermont, Michigan, Connecticut, Maine, and Iowa—and several cities and counties now have deposit laws.

Every study I have seen, uncolored by industrial bias, points to the same conclusion: Beverage container legislation reduces solid waste and litter, conserves energy, and creates jobs.

The General Accounting Office, in a December 1980 update of its 1977 study of the effects of a national deposit law, reported that a national law would reduce beverage container litter by more than 80 percent.

The study also supports the 1977 finding that a deposit law would cut energy consumption for manufacturing, filling, and transporting containers by about 30 percent.

Based on the Michigan experience, the study estimates that a national bottle bill would create more than 80,000 new jobs. In addition, it finds that initial increased costs to the beverage industry would be canceled out by higher revenues from the sale of recycled materials and from unclaimed deposits.

Mr. Speaker, for all these reasons I urge bipartisan support for this legislation to call a halt to the practice of throwing away resources that can be reused and wasting energy in the process.●

TRIBUTE TO TALMAGE BURKE

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. ROUSSELOT. Mr. Speaker, recently I read a quote by the late Oliver Wendell Holmes, Jr., that reminded me of a man in my district, Talmage Burke, and the service he has offered to his community. I would like to share the quote, and a bit of history about Mr. Burke, with my colleagues.

I learned in the regiment and in the class the conclusion, at least, of what I think the best service that we can do for our country and for ourselves: To see so far as one may, and to feel the great forces that are behind every detail * * * to hammer out as compact and solid a piece of work as one can, to try to make it first rate, and to leave it unadvertised.

Residents and elected officials from not just Alhambra, where Mr. Burke serves as city councilman, but from all over the State of California are meeting for "Tal Night" on Saturday, March 7, 1981, to pay tribute to Talmage Burke. Talmage Burke is a man who has worked above and beyond the call of duty to make his community a better place in which to live and work.

"Tal" came from a civic-minded family. His father, Montivel A. Burke, Jr., served the city of Alhambra as mayor from 1944 to 1945, and councilman, and the State as assemblyman. Talmage Burke began his city service career in 1946, when he was appointed to the civil service commission, continuing until his appointment in 1950 as Alhambra's first city prosecutor.

In 1952 Talmage Burke was appointed to fill an unexpired term as member of the Alhambra City Council, and was reelected to his eighth 4-year term of office November 4, 1980. He has served as a councilman longer than any other person in California.

During his 30 years of service, Mr. Burke served as mayor for 9 years, 5 of which were consecutive terms.

As mayor he has served as a member of the Board of Directors of the Los Angeles County Sanitation District. He also served as the city's representative to the San Gabriel Valley Association of Cities; City Selection Committee of the Southern California Rapid Transit District; Independent Cities of Los Angeles County; Southern California Association of Governments; Los Angeles County Division of League of California Cities; West San Gabriel Valley Juvenile Diversion Project and the Open Door Clinic.

In addition, Mr. Burke serves as a member of the Board of Trustees of the University of Redlands, in Redlands, Calif. Recently, he has been appointed to the Advisory Board of the East Los Angeles Community College.

A practicing attorney with offices in his own building, Mr. Burke is a past director of the Junior Barristers, Los Angeles County Bar Association, and a past president of the San Gabriel Valley Bar Association.

In whatever position of private life or public trust he has been placed, Talmage Burke has always maintained the same truthful and noble character as that of the Founding Fathers of our great country.

It is with pleasure that I join with the residents of Alhambra in honoring Talmage Burke this day by placing his record of accomplishments in the CONGRESSIONAL RECORD of the U.S. House of Representatives for all to see and read.●

MARXIST MODERATES AND EL SALVADOR

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, despite Moscow's insistent denial, El Salvador is the target of a major Marxist subversive effort. The Soviets claim that the leftist guerrillas are but moderates seeking self-determination and freedom from the oppressive reign of fascists.

Soviet subversion of Latin American nations constitutes an active part of their foreign policy. Fidel Castro, the chief Russian stooge, openly exports Marxist violence throughout the Western Hemisphere. His efforts are beginning to bear fruit. He views the new Marxist government in Nicaragua with pride. Guatemala and El Salvador are next on his list.

All of this was glibly brushed aside by the previous administration. Their major concern was the suppression of human rights by anti-Communist, pro-Western governments. Little was said about the denial of human rights by the leftist terrorists, frequently referred to as moderates by American liberals and Communists alike. It seems the Americans lost their "inordinate fear of communism", as Jimmy Carter said at Notre Dame University.

With the advent of the Reagan administration, a new appreciation for events past and future goals is evident. The release by the State Department of information chronicling the activities of the Salvadoran guerrillas since December 1979 is enlightening. All the usual Soviet surrogates—the European Communist countries—are supporting the moderate cause. So too are Ethiopia, Vietnam, and Iraq, all aspiring "socialist republics." However, one item in the chronology is especially interesting. Yasir Arafat, leader of the PLO, has taken an interest in Central American politics. How many Palestinians live in Nicaragua? Will a Palestinian homeland be established in Central America? Why did he come to visit?

Arafat's participation in Castro's Soviet inspired insurrection in the Americas proves once again that this terrorist is a danger to Arab States as well as to Israel and peace in the Middle East.

The Soviets call Yasir Arafat a moderate. He is their choice for dictator over all of what is now Israel. Yasir Arafat speaks with pride about the atrocities committed by the PLO on innocent Arabs and Israelis. Yasir Arafat's solution to the Arab-Israeli dispute is another holocaust. How can he be termed a "moderate?"

Given the information which has been brought to light, can there be any doubt about the ideology and goals of the Salvadoran guerrillas? Does encouraging such a group serve the United States best interests? Would permitting the PLO to stir things up serve our interests? I do not believe so, and the Reagan administration seems to agree. The summary, as printed in the New York Times, February 20, 1981, follows:

TEXT OF STATE DEPARTMENT DOCUMENT ON ARMING OF THE GUERRILLAS IN EL SALVADOR

WASHINGTON, February 19.—Following is the text of a State Department document issued in support of the Reagan Administration's contention that the Soviet bloc has been supplying arms to guerrillas in El Salvador:

The following is a summary of information, including very significant recently acquired evidence, which has allowed us to reconstruct the central role played by the Communist countries and several radical states in the political unification, military direction and arming of insurgent forces in El Salvador.

This information, which we now consider incontrovertible, has been acquired gradually over the past year. Many key details, however, have fallen into place as the result of seizures of particularly informative documents from the guerrilla forces in November 1980 and on the eve of their failed "general offensive" of January 1981. This mass of captured documents includes battle plans, letters and reports of meetings and travels, some written in cryptic language.

When deciphered and considered in conjunction with collateral intelligence evidence, the documents bring to light the chain of events leading to the January attempt by the Salvadoran armed left to oust the Government of El Salvador—a Government that has executed important reforms and has convoked a process leading to democratic elections in 1982.

This accumulated evidence reveals a highly disturbing pattern of parallel and coordinated action by a number of Communist and some radical countries seeking to impose a military solution in a small, third world nation. It is a pattern we have seen before—to be specific, in Angola and Ethiopia.

Before entering into details on the evidence, here is some background on El Salvador's internal situation:

In October 1979, progressive Salvadoran military officers and civilians overthrew the conservative regime of General Carlos Romero.

After a period of instability, the new Government stabilized around a coalition of military participants in the October 1979 revolution, the Christian Democratic Party and independent civilians. Since last spring it has put into practice a broad program of change: conversion of large estates into peasant cooperatives, distribution of land to all tenant farmers, restructuring of the foreign trade and banking sectors and convocation of democratic elections in 1982.

The Salvadoran Government is opposed by a coalition of four Marxist-Leninist guerrilla groups. Three small political parties—including a Social Democratic Party—work with the guerrilla organizations and their political fronts through the Democratic Revolutionary Front (F.D.R.), most of whose activities take place outside El Salvador. We estimate the combined membership inside El Salvador of the non-Communist parties belonging to the F.D.R. at less than 700.

The Salvadoran guerrillas launched an abortive "general offensive" against the Government of El Salvador on Jan. 18, 1981.

The chain of events that led to this offensive is summarized below, based on information taken from documents captured from the Salvadoran guerrillas and determined through careful assessment to be genuine.

INTRODUCTION

Two particularly important document caches were recovered from the Communist party of El Salvador (P.C.S.) in November 1980 and the other from the People's Revolutionary Army (E.R.P.) in January 1981. Only a very small portion of the total documents recovered are attached. Many of the documents are written using cryptic language and abbreviations. A glossary is provided before each document to define selected relevant terms.

CHRONOLOGY

December 16, 1979.—Representatives of the Communist Party of El Salvador (P.C.S.), National Resistance (FARN), and Popular Liberation Forces (F.P.L.), writing in Havana, thank Fidel Castro for his "help, and the help of (his) comrades of the party" in establishing a unity agreement among these armed groups. (See document A.)

April 1980.—"Requests" (Possibly for arms) are made in a meeting at the Hungarian Embassy in Mexico City with representatives of the German Democratic Republic, Bulgaria, Poland, Vietnam, Hungary, Cuba, and U.S.S.R. (See document B.)

April 28, 1980.—In a meeting of the political commission of the Salvadoran Communist Party, party leader Shafik Handal notes the need to take advantage of possibilities for help by the "socialist camp." Their attitude is "magnificent," he says. Handal also notes desirability of involving "everyone of the area" (i.e., Central America) as suggested to "Fidel." (See document C.)

May 19-31, 1980.—Popular Revolutionary Army is admitted to the guerrilla coalition after negotiations in Havana. Coalition leadership, which assumes name of Unified Revolutionary Directorate (DRU), meets with Fidel Castro on three occasions and with visiting German Democratic Republic leader Erich Honecker. (See document D.)

May 19-31, 1980.—Guerrilla leadership meets twice with Cuban Directorate of Special Operations (DOE)—clandestine operations/special forces unit of Cuban Ministry of Interior to discuss guerrilla military plans. In addition, they met with the Cuban Chief of Communications. (See document D.)

May 30, 1980.—Shafik Handal departs from the Navaka meeting for Moscow. (See document D.)

June 1, 1980.—Guerrilla leadership, minus Salvadoran Communist Party Chief Handal, arrives in Managua. Joint directorate of F.S.L.M.: (A) offers a headquarters for the guerrilla directorate "with all measures of security;" (B) states that it is disposed to "contribute in material terms;" (C) assumes "the cause of El Salvador as its own;" and (D) offers "advice and exchange opinions" to the guerrillas. (See document D.)

June 2-July 22, 1980.—Salvadoran Communist Party chief Shafik Handal visits in (A) the U.S.S.R., (B) Vietnam, (C) the German Democratic Republic, (D) Czechoslovakia, (E) Bulgaria, (F) Hungary and (G) Ethiopia.

June 2, 1980.—Handal meets in Moscow with Mikhail Kudachkim, deputy chief of the Latin American section of the Foreign Relations Department of the C.F.S.U. Central Committee. Kudachkim suggests that Handal travel to Vietnam to seek arms and offers to pay for Handal's trip. (See Document E.)

June 9-15, 1980.—Handal visits Vietnam, where he is received by Le Duan, Secretary General of the Vietnamese Communist Party, Xuan Thuy, member of the Communist Party Central Committee secretariat, and Vice Minister of National Defense Tran Van Quang. Vietnamese, as "first contribution," agree to provide sixty tons of arms. (See documents E and F.)

June 18-24, 1980.—Handal visits German Democratic Republic, where he is received by Hermann Axem, member of the G.D.R. Politburo, Axem states that the G.D.R. was already dispatch-(garble) indicating that additional supplies will be sent and that the G.D.R. will provide military training, particularly on clandestine operations. G.D.R. telegram adds that, although Berlin possesses no Western-manufactured weapons (which the Salvadoran guerrillas are seeking), efforts will be undertaken to find "a solution to this problem." (See documents E and F.)

June 24-27, 1980.—Handal visits Czechoslovakia, where he is received by Vasil Bilak, second secretary of the Czech Communist Party.

Bilak notes that some Czech arms circulating in the world market will be provided. Transportation will be coordinated with the G.D.R. (See documents E and F.)

June 27-28 1980.—Handal visits Bulgaria, where he is received by Dimiter Stanichev, member of the Central Committee secretariat. Bulgarians agree to supply German-origin weapons and other supplies. (See documents E and F.)

June 28-July 3, 1980.—Handal visits Hungary, where is received by Communist Party General Secretary Janos Kadar and "Guesel" (probably Central Committee secretary for foreign affairs Andras Gyenes). The latter offers radios and other supplies and indicates Hungarian willingness to trade arms with Ethiopia or Angola in order to obtain Western-origin arms for the Salvadoran guerrillas. (See documents E and D.)

July 3-6, 1980.—Handal visits Ethiopia, where he is received by Chairman Mengistu Haile Mariam and Berhamu Bayen, executive committee member. Mengistu indicates that Ethiopia will supply "several thousand weapons" and ammunition. (See documents E and F.)

July 22, 1980.—Handal is again received in Moscow, this time by Karen Brutents, chief of the Latin American section of the C.P.S.U. Central Committee. Brutents indicates that the Soviets agree in principle to transport the Vietnamese arms. (See document E.)

July 23, 1980.—"Comrade Bayardo" (Bayardo Arce of F.S.L.M. directorate) meets in Managua with a delegation of the Salvadoran guerrilla joint general staff. Arce promises ammunition to the guerrillas and arranges a meeting for them with the F.S.L.M. "military commission." Arce indicates that, since the guarrillas will receive some arms manufactured by the Communist countries, the Sandinista Army (E.P.S.) will consider absorbing some of these weapons and providing to the Salvadorans Western-manufactured arms held by the E.P.S. in exchange. (See document G.)

July 23, 1980.—Guerrilla military leadership meets in Managua, Nicaragua, with P.L.O. leader Yasir Arafat. (See document G.)

July 27, 1980.—Guerrilla general staff delegation departs from Managua for Havana, where Cuban "specialists" add final touches to their military plans. (See document G.)

August 15, 1980.—Ethiopian arms depart for Cuba. (See document F.)

September 5, 1980.—Vietnamese arms are scheduled to arrive in Cuba. (See document F.)

September 24, 1980.—Guerrillas receive and distribute $500,000 logistics donation from Iraq. Funds are distributed to the Nicaraguan F.S.L.M. and within El Salvador. (See documents H and J.)

September 26, 1980.—Guerrilla logistics committee informs its joint general staff that 130 tons of arms and other military material supplied by the Communist countries have arrived in Nicaragua for shipment to El Salvador. According to the report, this represents one-sixth of the commitments to the guerrillas by the Communist countries. (See document I.) Note: to get an idea of the dimension of this commitment, the Vietnamese offer of only 68 tons included 2 million rifle and machine gun bullets, 14,500 mortar shells, 1,620 rifles, 210 machine guns, 48 mortars, 12 rocket launchers and 192 pistols.

End of September 1980.—Nicaragua F.S.L.M. suspends its weapons deliveries to El Salvador for one month after the United States Government protests to the Nicaraguan leadership over the supply activities. (See document J.)

End of October 1980.—The Nicaraguan F.S.L.M. provides the Salvadoran guerrillas a new delivery schedule and resumes weapons deliveries. (See document K.)

September-October 1980.—Guerrillas begin preparation for infiltrating weapons and equipment into El Salvador by land, air and sea. (See documents J, L, M, N and O.)

November 1, 1980.—The guerrilla general staff is informed that there are approximately 120 tons of military equipment now in Nicaragua ready for shipment to the Salvadoran guerrillas. By mid-November, the guerrillas indicate that 300-400 tons of weapons and material will be in Cuba ready for subsequent transfer to Nicaragua and then clandestinely to El Salvador. (See document K.)

October 29, 1980.—Guerrillas decide to open "clandestine" radio station in Nicaragua with the help of the Cubans and Nicaraguans. (See document P.)

November 1980.—Beginning in November, the F.S.L.M. sends to El Salvador more arms than the guerrillas can receive and distribute. The guerrillas note that the boats are being overloaded in Nicaragua and ask that the F.S.L.M. better coordinate its delivery activities with the guerrillas. (See documents Q and R.)

November 1, 1980.—Salvadoran guerrilla logistics representative in Mangua calls on armed groups in El Salvador—the "last link" in the supply "chain"—to work harder to absorb more arms shipments. The Communist countries in some cases, the representative notes, have doubled their promised help. (See document R.)

November 1980—Due to overloading problems, the guerrillas raise the need for talks on delivery arrangements with the F.S.L.M. (See document S.)

January 18, 1981—The guerrillas launch their "general offensive" against the El Salvadoran Government.

CONCLUSIONS

The evidence contained in the captured documents, in some instances, is the only information available to us. But collateral evidence is available which corroborates information reported in the documents. To cite only a few examples:

Arms seized in transit to El Salvador have been traced to U.S. units formerly in Vietnam.

Numerous weapons of the types mentioned in the documents, not in the Salvadoran armed forces inventory and never before in that country, have been captured during and prior to the recent "general offensive."

Arms trafficking patterns noted in the documents have been independently confirmed.

Much additional evidence bearing out the nature and extent of foreign arms supply activity has become available to the United States Government.

In sum, the captured documents, supported with other evidence, lead clearly and incontrovertibly to the following major conclusions:

The Salvadoran insurgency has unquestionably become the focus of a large-scale commitment by Communist and some radical states outside Latin America. Their massing and transport of arms to the Salvadoran guerrillas must be judged against the fact that from 1977 until January 1981, the United States provided no weapons or ammunition to the Salvadoran armed forces.

The availability of these weapons and war materiel significantly increases the military capabilities of the Salvadoran insurgents. It hardly needs adding that they also contribute directly to the killing in El Salvador.

The political direction, organization and arming of the Salvadoran insurgency is coordinated and heavily influenced by Cuba with the active support of the Soviet Union, East Germany, Vietnam and other Communist states.

A major effort has been made to provide "cover" for this operation by supplying arms of Western manufacture and by supporting a front organization known as the Democratic Revolutionary front (F.D.R.) to seek non-Communist political support through propaganda.

The F.D.R. is controlled by the DRU, the unified directorate of the armed insurgent groups, which is defiantly antidemocratic and dependent on Cuban coordination for its very existence.

Although some non-Communist states have also provided material support, the organization and delivery of this assistance, like the overwhelming mass of arms, is in the hands of Communist-controlled networks.

Finally, over the past year, the insurgency in El Salvador has been progressively transformed and a text-book case of indirect armed aggression by Communist power through Cuba.●

EASTON COUNTRY SCHOOL EIGHTH GRADE

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. DYSON. Mr. Speaker, last week I had the privilege to meet with some of the eighth grade students from Easton Country School in Easton, Md. It was an honor for me, as the Representative from the First Congressional District of Maryland to be able to show them firsthand some of the workings of the Congress.

They were accompanied by their teachers, Mrs. Anne Kirby and Mr. Bob Boettger, and parents Mr. Tom Gale and Mrs. Pat Lewers.

The students are:

John Bain, Scott Baker, Victoria Bauman, William Carroll, Jeffry Comer, Susan Comer, Phil Comer, Phil Dietz, Brad Fountain, and Jennifer Sale.

Phil Jackson, Greg Johnson, Windy Kem, Johnny Ladinsky, Kim Lewers, Eliza Manegold, Chris Moore, Roby Myre, Julie Norris, and Henry Ramsey.

Darin Roser, Ethel Sappington, Brittain Shaw, Patrick Stokes, Ian Thomson, Beth Triplett, Catherine White, and Julie Wright.●

EDWARD TELLER COMMENTS ON THE CONTRIBUTIONS OF PHYSICISTS

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. FUQUA. Mr. Speaker, Dr. Edward Teller is sometimes controversial but never shallow. He recently wrote an editorial on the "Role of Physicists in the 1980's" which appeared in the February 1981 issue of Physics Today. In this brief essay he shows how some of the best achievements of physics have been woven into the fabric of our lives—not just as gadgets or curiosities but as determinants of the system of government under which we live.

For example, he points out that work by Alan Turing enabled the British to break German codes, thus tilting the outcome of the Battle of Britain. What is the cost/benefit ratio for such work?

Dr. Teller is writing about physics, but his point could be made about other sciences. In the biological sciences we may see discoveries even more amazing and more important to our lives than those that have already occurred in physics.

For this reason, I am inserting this editorial in the RECORD, and recommending that all Members consider its message. Like it or not, we live in a world of modern science, and if we want to lead a free world, we must lead its science.

ROLE OF PHYSICISTS IN THE 1980'S

(By Edward Teller)

Throughout the country, there is worry about the future and expectation of change in coming years, born of dissatisfaction with economic troubles, decreasing respect for the United States abroad and anxiety as to whether or not peace can be maintained. All of this cannot leave physicists unaffected.

The new administration encourages both freedom of action and the responsibility which is inseparable from freedom. A splendid example of this from the past is The American Physical Society's unanimous report on nuclear waste disposal. It makes a great contribution to improving the chances of a vital energy source.

A different kind of example—more diffuse, more pervasive and incredibly effective—is the use of the laser. From precise measurement of the distance to the Moon, to calculation of wind velocities, to medical and industrial applications, there is hardly anything lasers cannot do. What will follow is even more.

Sound waves are hardly less useful than light, particularly when combined with the best computer techniques. Three-dimensional geologic exploration has led to increased effectiveness in finding oil. Sound waves are used to explore the functioning of a diseased heart. And sonar, coupled with newly developing computers, can pinpoint submarines in almost every part of the ocean.

Indeed, wherever ingenious applications emerge, the potential advantage to the country will be remarkable. What next? Will long-range weather prediction and climate modification begin to become realities? If so, we may lose our last safe topic of conversation.

The most important developments may come about in national defense. This probably will not mean bigger explosives. Defense against incoming missiles is more challenging, more important and more in accordance with what we wish to do. But, as in other areas, the most significant discoveries are those that cannot be predicted. Therefore, what anyone of us may suggest can merely serve as an example. Good science cannot be directed.

Those of us who remember the mid-1930s know that Britain was saved by the development of radar and even more by Turing's application of computing machinery to code breaking. This work was started in the Chamberlain era and was sparked by individual initiative, guided by the needs of the times. Today, the problem is similar yet different. In both cases, the danger came from an ambitious tyranny. But Hitler was an adventurer while the men of the Kremlin are cool, practical and conservative. This time, success in developing defense could prevent war.

While working on one important phase of survival, missile defense, we shall of necessity be interested in space technology. Here is a striking example of the fact that there is no sharp line of division between application in peace and in war. If scientists approach their task from a technical point of view, they may use the same tools to work on preventing war as they do to explore the great adventure of understanding how the universe began.

We find more and more surprises in the center of our galaxy, in supernovae, black holes and quasars located at billions of light years. To me, these puzzles are irresistible. Astronomy is also the part of science that has the oldest and most pervasive attraction to the non-specialist. In the space age, it may be the natural gateway through which young people will enter into our wonderful and peculiar pursuits whose ultimate aim is understanding and simplicity, but whose short-range result may well be to preserve peace and save freedom.

What will be the relationship between our new government and physics? I believe that the initiative will lie with the physicists. To physicists, their profession means beauty and spontaneous dedication. Much of this dedication has been and will be directed toward the unified understanding of the big but isolated regions which have been explained or which are being explored. In addition, physicists may be more important for our nation and the world than they have ever been. If scientists had not played their remarkable role in the past, National Socialists could well be ruling the world today. If we should be unable to help in the future by exercising technical ingenuity, it may be impossible to prevent increasing poverty and despair in great portions of the world and to deter growing aggression by an old imperialism that has recently created the most terrifying military force ever known to Man.●

KENNETH RIGGS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. COELHO. Mr. Speaker, on March 6, I will be attending a banquet honoring Mr. Kenneth Riggs. Mr. Riggs is retiring after 25 years of dedicated service as coroner of Merced County, Calif. The position of coroner is a most demanding one, often requiring one's services at any hour of the day or night and dealing with individuals during the most sensitive and trying of times, the loss of a loved one. Mr. Riggs has approached this job with the utmost vigor and thoughtfulness for the past 25 years.

At the same time, Mr. Riggs has proven to be not only an inspiration to those involved in government at the county level, but has given unselfishly of his time and resources to improve the lives of all those in the community of Merced. He has led the March of Dimes crusade, the campaign for the American Cancer Society, and the drive for funds for the American Red Cross, to mention only a few of his contributions. Mr. Riggs has been recognized before for his contributions and achievements; being named "Outstanding Man of the Year" by the Merced Chamber of Commerce in 1968, being appointed to the National Highway Safety Advisory Committee by President Johnson and the Interagency Committee on Emergency Medical Service by President Ford.

It is indeed a great pleasure to recognize my good friend and constituent, Ken Riggs, for his long history of community and government service and to wish him a healthy and happy retirement.●

PAINFUL FAMILY PARTINGS FOLLOW SMELTER'S CLOSURE

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. AuCOIN. Mr. Speaker, at a time when there is casual talk in Washington about unemployment and declining industries, I bring to the attention of my colleagues an article that appeared in the Los Angeles Times on February 22. This moving story illustrates that we are not speaking of numbers and statistics but rather of human beings experiencing real hardships. We must always remember that fact as we debate proposals to remedy the economy.

The article follows:

INDUSTRIAL REFUGEES LEAVE ANACONDA—PAINFUL FAMILY PARTINGS FOLLOW SMELTER'S CLOSURE

(By Bill Curry)

ANACONDA, MONT.—Colleen D'Arcy was 500 miles away from Anaconda, and she wanted to know the latest about the people and the politics here in her hometown.

"Give me some gossip," her voice crackled from afar, "I really need some gossip." And her sister, Kathy Swanson, had some: "Terry Johnson, who lost his job on The Hill, took a job in Missoula. He's been living up there and the kids missed him so much they cried. But now the job's ended. He called Sharon, and said, 'I'm comin' home!' He's tickled. He thinks it's great he could come back home. The kids are tickled. They didn't want to leave either."

No ordinary telephone call, the sisters' conversation was one of the daily ham radio exchanges between here and Scappoose, Ore., designed to help mend together a family rent apart by the closing of this town's only real industry, the Anaconda copper smelter.

Three months ago, Colleen D'Arcy, her husband, Joe, a jobless Anaconda employee, and their daughter, Erin, 15, joined the first of the "industrial refugees" leaving here because of the smelter shutdown.

They did not want to leave either, but unlike Johnson, there would be no coming back for them. And in a wrenching decision, they chose to let their son Mark, 18, stay behind to finish high school; thus, the D'Arcys' daily radio conversations.

"I got an 'A' on my Shakespeare paper," N7AMZ (Mark) told W7TYN (Joe) recently in one of their long-distance family get-togethers.

But it is only the ham radio that distinguishes the D'Arcys' experiences from those of many other families here: Just minutes before Swanson broke the news of the reuniting of the Johnsons, another family was breaking apart. Scott Zeier, 22, and his wife, Vickie, 21, both Butte, Anaconda & Pacific Railroad employees and both out of work since July, packed a few remaining belongings in their car and left home for a new job and a new life in Tooele, Utah.

"I'll miss them terribly," Vickie's mother, Sharon Corkish, said through her tears moments before hugging her daughter goodby. "But I guess it has to be."

Sharon Corkish and her parents were born and reared here, but for lack of jobs, her son Bobby, 18, will also leave soon, to join the Navy after graduation this year.

"It kinda breaks up the family real quick," said his father, Bob Corkish, 43.

"The sad part is," Mildred Todorovich, 50, said, "we're losing our young people and good people and professional people." Young people like the Zeiers, she meant, and good people like the D'Arcys and professional people like her son, a teacher who faces possible relocation because of declining enrollment, which is already down by 20 more pupils than usual.

So far, only a trickle of families has left—perhaps 40—but if Anaconda dies, this is the way it will happen.

And while many people here are determined that their community not become a ghost town, its future hangs on how many more follow, a decision likely to be based more on survival than determination.

SOCIAL THAUMA

The breaking up of families represents a part of what economists have called the "social trauma" of plant closings, whether

the plant is a lumber mill in Oregon, a tire plant in Ohio or an auto assembly line in Michigan.

Here, the trauma began last Sept. 29 when the $17-billion Atlantic Richfield Co., based in Los Angeles, abruptly announced it would not reopen the copper smelter that had been closed since a labor strike began in July. Instead, it would process its American-mined copper ore in Japan.

Arco, which has refused to disclose its profits or losses on the smelter, cited expensive federal laws regulating pollution and worker safety as the reasons for its "final and irrevocable" closure. The smelter provided a $21-million payroll in this city of 12,507—80% of the economy—and the closing eliminated nearly 1,000 jobs.

The closure was particularly painful for this company town. For nearly a century it had relied on The Hill, as it was known locally, for jobs, for corporate welfare and, perhaps most importantly, for an enduring way of life.

Anaconda is a town of visible ethnic identity, strong church ties and close-knit families, safe streets and lasting friendships and homes crowded at Christmas.

It is the kind of town where four generations of Colleen D'Arcy's family, the Keenans, at one time lived all in one block, the 1100 block of East Fifth.

It is the kind of town where Emmett O'Leary lived in the house in which he was born until he was forced to move to New Jersey for work, temporarily leaving his wife, children and 73-year-old mother behind in the old family house.

It is the kind of town where city employees volunteered their labor with others and worked far into the night to build a playground.

Joe D'Arcy, 44, and now working for Boise Cascade in a Portland, Ore., suburb after 23 years and 11 months on The Hill said, "Anaconda is continuity—security."

"It isn't a place," Colleen said, "it's a state of mind."

But today it is in a changing state of mind.

"The serious problems begin with unemployment but they seldom stop there," said a labor-backed study of plant closures published in 1980 by economists Barry Bluestone and Bennett Harrison. A dozen or so families have moved from the west side of town to lower-cost housing on the east side, two suicide attempts have been traced in part to the loss of smelter jobs, and police chief Dan Jancic reports that domestic disturbances, teen-age drinking and burglaries are up.

Property values are down. Before leaving to take a job in Pinehurst, Ida., Delbert Nelson sold his $55,000 house for $35,000. Another family refused a $68,000 bid on their house before the smelter closed but took $52,000 for it later.

Sitting in his study, the Rev. John Worcester of the First Presbyterian Church, which has seen five members move, surveyed the impact. "One result," he said "is the insecurity that everybody in the whole town is left with, having looked at a huge corporation and seeing that their profits are more important than a little town.

"There is a feeling of a loss of independence. Retired people have paid off their houses and that home is just unsellable now. The husband says, 'We had this little house and that would be (the wife's security), that if something happened to me, she could sell it and move to a retirement home and that would be her security.'

ALL AGES AFFECTED

"That was the pride of being independent enough so that the kids wouldn't have to bear the burden. The retired are as much affected as the young guy with three kids. It hits both just as hard, it shoots a whole lifetime of putting money into a house, income later for a man and woman or widow. That permeates the atmosphere here in terms of the feeling that it wouldn't have been necessary if the company had phased out and there had been a way to prepare for that, to get a new industry in and keep house values up."

"I've got a ghost house," Jack Joseph, a smelter supervisor said as he walked among the chilled furnaces that once produced copper. Joseph wondered whether he could ever sell his house now. After a fruitless job interview in Pittsburgh ("Pittsburgh!" he lamented over beer in the Billings Airport after returning from the interview, "Pittsburgh . . ."), the 50-year-old Joseph said, "There is a group of us faced with the same problem, a sort of age discrimination."

His father worked 35 years on The Hill. Joseph himself was born here and worked 28½ years at the smelter, but now he has resigned himself to setting aside his dreams and moving away. "It's the idea—you had your life plans and you were lookin' forward to retirement, and now it's completely different. I could have taken early retirement (if the smelter stayed open) at 55, and I would have done it.

"I still have a pension coming—but that's at 65. It's depressing."

There have been other costs to the closing. Ironworker Tim Magness, who used to work on The Hill, now drives 80 miles each way to work at a talc plant. "If you want to work," he said "you've got to travel."

NOT GOING BACK

"We were going to be there forever," Joe D'Arcy said over dinner in his new Oregon home in Scappoose. But they are not going back. "I decided (Arco) can do this to me once, but they aren't going to get a chance to do it again."

D'Arcy's father worked in the Butte mines of Anaconda Copper and was stoutly proud of the 35 years he put in underground. And his grandfather worked there, too, as did Colleen's father and grandfather.

It is from such rich family soil that the D'Arcys were uprooted. Remaining behind are their son in high school, a score of other relatives and an $80,000 house being rented out for $200 a month. The rent check covers the mortgage, but not the payments on the $15,000 loan they took out last summer to remodel the kitchen.

"We've got a home in Anaconda that's worthless," Colleen said. And, with a real estate tax here of $1,400 a year compared to $693.55 in Anaconda, the D'Arcys are not yet sure of the financial impact of their dislocation. They are using Joe's $30,000-plus severance pay to pay off the loan that allowed them to buy here.

But it is not in the pocketbook that Joe and Colleen D'Arcy feel the hurt of leaving Anaconda the most. It is in the heart. They miss the intangibles accrued during a lifetime there: the friends and family, the professional standing and accomplishments and benefits at work for Joe, the support of family and community standing and political activities of Colleen.

She helped elect Democrat Max Baucus to the U.S. Senate. She passed out leaflets and organized fund-raisers while Baucus cooked dinner for her children. And as a result she was invited to the White House last year and had lunch with then-President Jimmy Carter.

"People leave much more than a home or a job," said Joe D'Arcy, who wonders why everyone has to live in cities the size of Los Angeles or Portland just to have a job. "You leave the birthday parties, the telephone calls, the visits. That has been the most difficult part for us."

"It was security," Colleen added, her emotion welling up. "If anything happened they were there to help me. . . ." She forced a laugh through tears. "They ripped us all to pieces. All these things have been torn away. I'm bitter, angry, hurt—all of those things. But I'll survive, I'll make it."

And Joe said, "Both Colleen and I came from working union people. But in the '70s we became part of The Group. We worked damn hard for it, and now all of that has disappeared."

And Colleen wondered, "Can you get it back?"●

WILLIAM KO

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. ROUSSELOT. Mr. Speaker, many people question our country's future, a future which rests in the hands of the youth of today. Many people also question that generation's ability to handle the responsibility of advancing our Nation through the complex years ahead. I wish to bring to the attention of my colleagues, William Ko, a young man who inspires confidence in the younger generation and in our future. William has been honored as a winner in the 40th annual Westinghouse Electric Corp.'s science talent search, an honor bestowed on only 40 students in the entire United States. Since its inception in 1942, four Westinghouse winners have gone on to win Nobel Prizes in science.

Plato said:

Solon was under a delusion when he said that a man who has grown old may learn many things—for he can no more learn much than he can run much; youth is the time for any extraordinary toil.

William has taken Plato's words to heart. His extensive research at Duarte's City of Hope Hospital on purification and characterization of EMC viral coat proteins, has shown that a strain of the virus encephalomyocarditis (EMC) can produce insulin-dependent diabetes in mice. William believes that further research on this protein could lead to the development of a synthetic vaccine for immunization.

Besides the recognition he received from Westinghouse, William has also garnered first place honors in the Veterans of Foreign Wars' voice of democracy speech competition. His attendance at San Marino High School in my district and hometown makes me, as

well as the citizens of San Marino, especially proud.

My colleagues will most assuredly join me in honoring William for his achievements, and in feeling a bit more secure in entrusting our Nation's future to the leaders of tomorrow. Our country has advanced from the horse and buggy to space travel in 100 short years. It is people like William that we have to thank for this, and it is also people like William that we must ask where this journey of progress will lead us.

William Ko will be honored, along with his 39 cowinners, at the award dinner of the 40th annual science talent search this evening at the Mayflower Hotel.●

MY COMMITMENT TO MY COUNTRY

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. TRAXLER. Mr. Speaker, I would like to take this opportunity to share with my colleagues the winning speech as written by a young woman from my congressional district, for entry in the voice of democracy contest. This contest is conducted annually by the Veterans of Foreign Wars of the United States and its ladies auxiliary.

Miss Teresa Styka, 18, of Standish, Mich., is the author of Michigan's winning speech. Miss Styka, along with the winning contestants from each State, will be brought to Washington, D.C., for the final judging as a guest of the Veterans of Foreign Wars.

Please join with me in commending Miss Styka, along with the other 49 contestants, for their patriotism and outstanding achievement and service. We are proud.

The essay follows:

MY COMMITMENT TO MY COUNTRY

(By Teresa Styka)

I recall a bible story in which an account is given of Israel's defeat of the Amalekites. God required Moses to stand upon a hill and raise his arms toward heaven in order for Israel to prevail. Moses, however, found it increasingly difficult to hold up his arms for any length of time. Aaron and Hur, noticing his dilemma, came to his aid placing a rock beneath him for support and each held up one of Moses' arms until the end of the battle at sunset.

As I thought about this account I became very much excited at what I was learning through it about my commitment to America!

I believe the overall commitment that any American has to America is to keep it safe for democracy, helping it to remain a country of equal opportunities and a free society. I love my country and there's no place on this earth I would rather be! I choose wholeheartedly to be an American.

From that perspective, my commitment would seem to be very honorable, but there's just one problem—being committed does not have to mean that one necessarily acts on his commitment. I'm sure that I want to see America remain safe for democracy, but how many times do I really know what's going on in government? How many time have I looked into both sides of a human rights issue? And how many times have I tried balancing the national budget before complaining about how it's being done currently? I find a lot of faults in myself that I hadn't realized. Yes, I was committed to America—but only half way, the easy half. I was committed in thoughts only. But I must commit myself whole heartedly

I'm sure that Aaron and Hur were committed mentally to Israel winning the battle, but there was a difference in these two men. Although Israel was losing, they didn't run and hide or blame their problems on Moses, they got involved and helped support Moses by holding up his arms. They were committed to God and their way of life.

I believe that I must take an active role in supporting the government as Aaron and Hur did by holding up Moses' arms. And it has to be more than just a mental commitment. The government was in essence created by the people, for the people and that means me. I have to back the government during good times and bad. If I want something changed or feel something needs to be done. I can't wait for the next person, it has to begin with me.

If I want to keep America a land of plenty, a free society, I must uplift the arms of the government as a central body and help support it, not just complain or hide and not only be committed in sudden emotional outbursts or during crises, but a lifelong commitment, a commitment like Aaron and Hur's, they stayed with Moses until the very end. I am going to commit every moment of every hour of every day of my life to the support of the government. I will be committed to doing the very best that I can in any task I have to accomplish, committed to promoting higher morals in the United States, a higher quality of life, higher education, a better understanding of the government. I am committed to seeing the ultimate spread of democracy around the world so that someday we may live in peace, with our country as a prime example.

I am committed to keeping America safe for democracy.

I thank God over and over for allowing me to be born in America, a land of the free and home of the brave.

Oh, to remain free, free as the eagle to go where I choose, become what I choose, to reach any height that I choose. To be committed to the uplifting of the wings of an eagle—the symbol of a free America.

Like Aaron and Hur, I am committed to uplifting the arms of my country.●

EMBARGO PROTECTION FOR AGRICULTURE

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. ENGLISH. Mr. Speaker, over a year ago President Carter ordered the suspension of all grain shipments to the U.S.S.R. in excess of 8 million metric tons.

This action, taken in retaliation for Russia's military intervention in Afghanistan, was supported by farmers and farm organizations who received assurances by the administration that the burden would not fall unfairly on them.

The suspension blocked shipment of more than 14 million metric tons of U.S. wheat and corn already under contract by the Soviets for delivery during the fourth year of the United States-Soviet Grain Agreement, and it cut by more than 68 percent the amount of U.S. grain the Russians might have imported through September 1980. In the case of wheat, it was expected that 6 million metric tons would have otherwise been shipped to the Soviet Union by the end of the 1979-80 marketing season, and it was similarly expected that a total of 8.5 million metric tons of U.S. wheat would have been exported before October of this year. This level of trade represents 16 percent of the preembargo projection of U.S. wheat exports.

Despite the suspension, Soviet grain imports during the July-June period of 1980-81 are projected by USDA to reach a record 34.5 million metric tons, 11 percent greater than the same period a year earlier.

The United States now has wheat stocks of 1.9 billion bushels, 11 percent more than last year and 17 percent more than 2 years ago, and competing grain exporting nations are broadening their share of the Soviet market by increasing traditional sales levels to the U.S.S.R.

The continuing use of food as a foreign policy tool, coupled with growing consumer pressure for relief from high food prices will provide a strong temptation for policymakers to once again resort to grain embargoes.

It is therefore extremely important that we renew our efforts to provide farmers protection from loss of income as a result of Government actions which disrupt the free markets that farmers desire.

For this reason, I am joining with several of my colleagues from the Agriculture Committee in introducing legislation to provide this much needed protection.

Approval of this legislation will provide a plan which can be activated at the time of Government-imposed embargoes to protect the Nation's farmers from serious economic damage. It will provide the stability that is vitally needed during such times, and assure that the Nation's farm prices and commodity markets do not drop through the floor when any President decides to use agriculture commodities in international political developments.

I am hopeful that President Reagan will in the very near future keep his campaign commitment to lift this embargo and endorse our legislation to lift the burden from the farmers' back.

The text of the legislation follows:

H.R. 2233

A bill to establish certain price support loan levels in the event of the suspension of export sales of agricultural commodities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1002 of the Food and Agriculture Act of 1977 is amended by—

(1) amending subsection (a) to read as follows:

"(a) Notwithstanding any other provision of law, whenever the President of the United States or any other member of the executive branch of the Federal Government, either directly or indirectly, suspends or causes to be suspended, the export sales of any commodity as defined in subsection (d) of this section, the Secretary of Agriculture shall, on the date the suspension is initiated, set the loan level for such commodity under the Agricultural Act of 1949, if a loan program is in effect for the commodity, as provided in this subsection. If such suspension is based upon a determination of short supply, the loan level for such commodity shall promptly be set at 90 percentum of the parity price for the commodity, as such parity price is determined on the date the suspension is initiated. If such suspension is based on reasons of national security or foreign policy, the loan level for such commodity shall promptly be set at a level not less than the average market price for such commodity during the 15 marketing days immediately preceding such suspension. Producers who receive loans based on the level established under this subsection as a result of a suspension for reasons of national security or foreign policy shall not be charged interest with respect thereto and shall be entitled to storage charges for storing any such commodity at such rate as the Secretary determines to be fair and reasonable."

(2) redesignating subsection (c) as subsection (d) and inserting a new subsection (c) to read as follows:

"(c) To the extent the Secretary employs Government purchases of any commodity as defined in subsection (d) of this section as part of a program to offset the impact of a suspension of export sales of any such commodity, the Secretary shall assure that such purchases shall include classes of the particular commodity in quantities proportionate to the quantities of those classes affected by the suspension.".

SEC. 2. The provisions of the Act shall become effective October 1, 1981: *Provided,* That if a suspension of export sales as described in section 1 of this Act occurs after January 1, 1980, and remains in effect on October 1, 1981, the loan level for any commodity to which such suspension applies shall be adjusted as provided in this Act.●

THE SOVIETS ARE NOT FOOLING ANYONE

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. McGRATH. Mr. Speaker, as my colleagues are already aware, the Soviet Union recently freed Iosif Mendelevich, who was the final remaining Jewish prisoner from the first Leningrad trials. This gesture, while important, does not alter the fact that the Soviet Union remains one of the world's worst violators of human rights.

Still remaining in captivity are Yuri Feodorov and Alexei Murzhenko, two non-Jewish prisoners of conscience, as well as other notable individuals as Yuri Orlow, Victor Brailovsky, and Vladimir Slepak. There are still countless refuseniks who have been denied permission to emigrate, and the Soviet Government still supports the PLO and the terrorist governments which give the PLO aid and comfort. Until the Soviet Union commits itself to a policy of respect for human rights, such acts as the release of Iosif Mendelevich will have to be viewed for what they are—tokenism—and our efforts on behalf of human rights will have to continue unabated.

The February 27 edition of Near East Report contained an excellent editorial on this subject, and I commend it to my colleagues' attention.

WRONG SIGNAL FROM MOSCOW

Anyone who ever lent a hand to save Soviet Jewry will surely rejoice at the release last week of Yosef Mendelevich from a Soviet forced labor camp.

Wildly daring, heedless of consequences, foolhardy in the end, but not the less admirable for all that, ten young Jews—Mendelevich among them—and two young non-Jews got together 11 years ago and hatched an amateurish plot to hijack a small biplane that would fly them from Leningrad to Finland. The Jews planned to go immediately to the Promised Land. The non-Jews joined their burning hunger for freedom to the Jewish determination to shake off Soviet bondage.

It was like the Biblical tale of David and Goliath—except that this time the monster prevailed. The plot was uncovered by the secret police and they were arrested, tried, and given lengthy terms of harsh prison and forced labor.

Two lonely figures out of that decade-old drama remain incarcerated: Yuri Feodorov, a Russian, and Alexei Murzhenko, a Ukrainian.

Why was Mendelevich freed? Experience strongly suggests two related motivations: (1) It is a gesture to the Western communist parties who are attending the 26th Congress of the Crsu this week and who have long urged Moscow to reverse its anti-Jewish policies. (2) It is a signal to the U.S. that Moscow desires a relaxation of tension in order to renew talks on all outstanding issues.

A HOLLOW GESTURE

It is a hollow gesture, a cheap signal, a cynical calculation.

What kind of people do they take us for? Do they really believe American public opinion can be gulled so easily? Do they really expect that the Jewish people, which worked so hard and for so long to obtain the release of the Leningrad group, will forget their non-Jewish comrades?

Moscow must be shown that the Jewish community will forge a new solidarity around a determined worldwide campaign to seek the release of Feodorov and Murzhenko, whose only crime, like that of their Jewish comrades, was to love freedom more than discretion.

Moreover, in view of Moscow's proven sensitivity to charges of human rights violations, it is essential to press unremittingly for honest gestures, real signals that show a decent respect to the opinion of mankind. Such gestures would include: Freedom for Feodorov and Murzhenko. Release from prison of human rights leader Yuri Orlov, and of Zionist activists Vladimir Slepak, Viktor Brailovsky, Anatoly Shcharansky. Emigration permits for long-standing "refuseniks" like Alexander Lerner. Restoration of full freedom to the noblest humanitarian of our time, Andrei Sakharov.

A true signal of peaceful intent would be the cessation of Moscow's sinister policy of support, directly and through such surrogates as Cuba and Communist East Germany, of the PLO, Libya, Syria, South Yemen and other terrorist regimes and movements that harbor only hatred for the U.S. and Western democracy.

It is time, finally, for Moscow to abandon the bizarrely irrational, futile, anti-Semitic policy it adopted in July 1967, when it ruptured relations with Israel in the wake of the Six-Day War. Such a step would signify readiness to give up mischievous provocation in the region, an intention to begin to revert to civilized international behavior.

Absent such steps, the Soviet Union can only continue to be perceived as the enemy of peace, as the antagonist that seeks only confrontation with the United States.●

THE ANNIVERSARY OF THE REPUBLIC OF LITHUANIA

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. CONTE. Mr. Speaker, the month of February commemorated the 63d anniversary of the establishment of the Democratic Republic of Lithuania. Although Lithuania is still occupied by the Soviet Union, her people continue to hope for a return to freedom and independence.

Lithuania has been under Soviet domination for more than four decades. On August 23, 1939, a nonagression treaty was concluded by leaders of Nazi Germany and the Soviet Union. These two men, Stalin and Hitler, were two of the greatest tyrants in history. The result of their pact was the forceful annexation in 1940 of the Baltic States by the Soviet Union.

The U.S. Government has never recognized the Soviet Union's annexation and has continued to recognize the diplomatic corps established by independent Lithuania. I urge the Reagan administration to support and strengthen this diplomatic representation. The people of Lithuania seek the basic human and civil rights accorded by the Helsinki agreements, and it is the responsibility of the United States to aid these people in their quest for

the right to sovereignty and the right to self-determination. I salute the people of Lithuania in their fierce struggle to regain their lost independence.●

VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM CONTEST WINNER FROM ILLINOIS, MISS AMY SWEDBERG

HON. LYNN MARTIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Ms. MARTIN of Illinois. Mr. Speaker, I am pleased to offer for your reading the winning speech by Miss Amy Swedberg of Mount Morris in the Illinois VFW voice of democracy scholarship program contest:

What should my commitment be? . . . Long hours I pondered this question, and, as I thought, I saw America in all of its shimmering splendor, stretched from sea to shining sea. I pictured the snow-capped mountains of the Alaskan wilderness, their clear streams rushing toward the ocean. I saw the sun-drenched beaches of Hawaii, the awesome redwood forests, the colorful stone sculptures of the Rockies, miles of grazing land dotted with oil wells. I envisioned golden waves of wheat . . . vast stands of timber. My eyes followed the mighty Mississippi south to cotton fields . . . traced the Great Lakes east to coal mines and steel mills, stopping at last to gaze in wonder at vibrant autumn maples lining the Eastern seaboard. I saw sturdy docks reaching out to welcome ocean-borne trade. And as I watched, the Spirit of America rose above this great panorama—a spirit rugged and strong. He spoke:

"You're wondering, my young friend, what you owe to me? Listen. Long years ago, the red man walked on my soil; he loved this land and cared for it well. Then, the white man sought my shores. From north and south he came, and for many different reasons. Some came for adventure, savoring the challenge of my uncharted waterways, my untapped wealth. Others came to breathe free air, choosing the dangers of my wilderness over the security of homelands that denied choice in matters of religion and politics. Whatever their reasons for coming, whatever their backgrounds, these people shared one trait in common: courage. They dared to face the unknown, to explore where no white man had ever set foot before; and finally, they dared to fight to insure the right of all future Americans to enjoy my bounties freely.

"Many years have passed. Men have developed the wealth and resources of my land into mines, farms, and cities with factories, churches, and, at last, great institutions of learning!

"What, then, is my advice to you, in this year 1981? First, have the courage of your forefathers! Dare to dream big dreams! Take the best I have to offer! This means, go to my universities and study under men wise in all areas: coaches to develop your body; scientists and economists to stimulate your mind; artists, musicians, and theologians to feed your soul. When you have finished, take the knowledge you have gained and give it back to me as wisdom.

"You wonder how? Be wise enough to see that my resources are used well. Be wise enough to recognize any threats against democracy, from within my boundaries or from without. Be wise enough to see the needs of your fellow beings, and treat them with compassion. Last of all, do not let the prophets of doom weaken your confidence in my future! Rather, have faith in the God of your forefathers. Do all this, and you will help pass on to posterity all the riches and glory and freedom that are now yours!" With that the vision faded.

I saw America in all of its shimmering splendor, stretched from sea to shining sea. I heard the Spirit of America speaking, and I will heed his words. With courage and faith, I will seek the wisdom to help my generation handle the freedom entrusted to its care.

This is my commitment to my country.●

HOW TO HELP EL SALVADOR

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. BEREUTER. Mr. Speaker, I want to call the attention of my colleagues to an excellent editorial in the Christian Science Monitor of February 26, 1981, which suggests important ingredients for building successful international relations by this country with its Latin American neighbors. Excerpts from that article are as follows:

HOW TO HELP EL SALVADOR

The compassion of the American people goes out to the tortured land of El Salvador. Despite their own wrestlings with personal adversity, they cannot but be mindful of the bitter struggle of some four million impoverished and terrorized people to grope their way out of dark misery to a better life. The challenge for the United States, which so long neglected this corner of repression and destitution so close to home, is to foster the kind of political and economic system there which will enable Salvadorans to achieve this end. It is a challenge made difficult by the complexity of the situation.

• • • There are voices within the State Department who feel that the center-right government of President Duarte still has a viable chance of putting down the leftist guerrillas, curbing its own military right wing, and carrying out reforms to win over the masses of the people. The point is debatable. By many sobering accounts, the bulk of Salvadorans today support the leftist opposition—not because they are communists but because they have been driven to it by the brutality and violence of the military. But, at the least, Mr. Reagan ought not to supply anything more—patrol boats, equipment, and certainly not advisers—without demanding something in return. Reform must go forward and the military excesses must be curbed (rightists in the security forces are believed responsible for many more thousands of killings of civilians than the leftists). In this connection, it is appalling that nothing more is heard of the supposed investigation being made into the wanton murder of four American women—slaying thought to be at the hand of government security police. That hardly inspires confidence in the Duarte junta.

This is not to fail to appreciate President Reagan's concerns about Soviet and Cuban expansionism in Central America and the Caribbean. It is possible that, with better policing of coastal waters, El Salvador will be able to stem the flow of communist arms and thereby thwart the guerrilla movement. But the problem is not essentially a military one. It is a political and social one, and that is what had so long been overlooked by U.S. policy in the region. It is an illusion to think that Cuba or its Soviet mentor have caused the problems there. They are exploiting them, yes. But popular revolution and civil war have grown because of the failure of the local ruling oligarchies—backed by the U.S.—to promote social, economic, and political justice. They have grown because of the greed and authoritarianism of the ruling elites. In El Salvador today the rich are inordinately rich and the poor are abysmally poor and illiterate. To label the whole opposition as Cuban inspired and the poor as a part of a communist conspiracy, therefore, serves only to drive the poor into the leftist camp.

• • • Much of the ineffectiveness of past U.S. policy in Latin America can be traced to failure to give the region due attention and to heed the voices of its leaders. Mr. Reagan early on showed his interest in improving ties south of the border. He is on the right track. Mexico, for instance, takes strong exception to the U.S. approach on El Salvador. Should not the President therefore be talking to the Mexicans—and other Latin American leaders—sounding out their position, making sure he is getting advice from the realists, from those who live cheek by jowl with the nations in revolutionary turmoil? Close communication and dialogue on these and other issues would open the way to greater hemispheric cooperation in averting dangerous conflicts and internal strife.

Washington, in short, must not think that an excessively military approach is the answer to fostering social change and democracy. It cannot be ruled out that a carefully moderated supply of U.S. military aid to the El Salvador junta will, as some U.S. diplomats contend, improve the training and discipline of the Salvadoran Army and thereby reduce brutality. But any policy which does not place its primary stress on economic and social reform—on the desperate needs and tragically ignored aspirations of the Salvadoran people—is bound in the long run to fail. The U.S. policymakers must surely know this.●

OUR VIETNAM VETERANS

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 2, 1981

● Mr. McGRATH. Mr. Speaker, rightly so, our Nation gave a tremendous reception to the 52 Americans who returned from captivity in Iran. This event has focused attention on one group of Americans which was not greeted with yellow ribbons and parades when they returned home, our Vietnam veterans. Indeed, there may still be several hundred prisoners from that war who are still being held captive in Southeast Asia.

Raymond Gimmler of East Rockaway, N.Y., has written an article concerning the status of the Vietnam veteran and our MIA's, and I include it in the RECORD at this point for my colleagues' consideration:

OUR HOSTAGES AND THE VIETNAM VETERAN

(By Raymond W. Gimmler)

Since the release of our hostages on January 20th, there has been an outpouring of love and patriotism for them by all Americans. From the moment of their safe arrival in the free world, the entire media covered their every movement including the organized demonstrations in Germany, Ireland, West Point, Washington, D.C., and the Big Apple. Most of them also received large welcomes as they finally returned to their hometown, U.S.A., and this is as it should be.

However, there was one negative aspect in the media coverage. That of the publicized interviews with the Vietnam Veterans who openly complained, "that there had been no yellow ribbons or parades for them."

These heroes were evidently not aware of the many parades, vigils and demonstrations that took place in support of our fighting men.

The largest event started in New York City. Coordinated by all Veteran and Labor Organizations, it occurred on May 13, 1967 when 250,000 people marched down Fifth Avenue and millions cheered the eight-and-one-half-hour parade in support of our men in Vietnam. This writer was proud and honored to have organized and chaired this patriotic event.

Like now, the mood was also right for demonstrating for our military men and women. The silent majority had in a way been held hostage to so-called anti-war demonstrations, draft cards and American flag burnings, etc. There was need to show our heroic men and women that they had the love, prayers and backing of the vast majority of patriotic Americans.

The longest and only parade by the people in any recent U.S. war made front-page news and was seen and heard around the world—if only for a brief moment. Other events supporting our military quickly followed. Auto lights throughout the country were turned on in the daytime in conjunction with five large parades in the Metropolitan area, and motorcades converged on Washington, D.C., urging our government to free the men of The Pueblo.

"Honor America Week" took place as did vigils and petitions to support civilized treatment for our captured POWs. Demands for the accounting of the MIA's were demonstrated annually in Washington, D.C. and by other hometown events for over 1,300 men missing in action.

On March 31, 1973, a thousand Army, Navy, Marine and Air Force servicemen who had served in Vietnam were invited to lead the "Home With Honor" parade. A total of 150,000 citizens proudly followed them up Broadway in New York City. Never before in any war had such demonstrations by the people taken place.

No doubt during the Vietnam war many Americans were silent or confused, but the vast majority were in support of our men and women in the service. Some prayed for our troops, others sent gift packages and many tried to show that they appreciated them fighting this long, unpopular war.

Despite all these efforts, we evidently failed in our mission to have the Vietnam Veteran know we supported him—not necessarily the war. This was evident again by their recent statements during the welcoming of our 52 returnees.

We cannot continue to fail this large loyal group of Americans who gave so much. Two past presidents have all but ignored the MIA issue. Let's pray that our new President acts with concern for these all-but-forgotten heroes and their families. If there is one single American held prisoner anywhere, we should demand and obtain his or her freedom.

Once again, we are a united nation knowing that we are free Americans. Our new administration in Washington, D.C., and the people can do what is necessary to reverse the feelings of our Vietnam Veteran. No parades or yellow ribbons will be necessary if we provide jobs, security, education, medical care and rehabilitation for all our veterans. If this is accomplished, then and only then will the Vietnam Veteran finally realize that his loyalty and sacrifices were appreciated—not forgotten.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 3, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 4

8:30 a.m.

Armed Services

Strategic and Theater Nuclear Forces Subcommittee

To resume closed hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, receiving testimony on strategic defense programs.

224 Dirksen Building

*Governmental Affairs

Oversight of Government Management Subcommittee

To hold hearings to review Governmentwide debarment and suspension practices.

3302 Dirksen Building

9:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to consider S. 509, repealing authority for a semi-annual increase in dairy price supports, and to consider those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Committee on the Budget.

324 Russell Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Water Research and Technology, Department of the Interior, the Holocaust Memorial Commission, and the Advisory Council on Historic Preservation.

1318 Dirksen Building

Armed Services

Sea Power and Force Projection Subcommittee

To hold open and closed hearings to examine the current worldwide naval sea power situation.

212 Russell Building

Select on Intelligence

Closed business meeting.

S-126, Capitol

9:30 a.m.

*Banking, Housing and Urban Affairs

To resume hearings on the conduct of monetary policy.

5302 Dirksen Building

Labor and Human Resources

To hold hearings on S. 234, to encourage the establishment of home health programs and to provide expanded coverage of home health services under the medicare and medicaid programs

4232 Dirksen Building

10:00 a.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for educational, rehabilitation, and research programs for the handicapped, Department of Education.

1114 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nominations of John M. Fowler, of Pennsylvania, to be General Counsel, Robert W. Blanchette, of Maryland, to be Administrator, Federal Railroad Administration, Judith T. Connor, of New York, to be Assistant Secretary of Transportation, and Lee L. Verstandig, of the District of Columbia, to be Assistant Secretary of Transportation, all of the Department of Transportation.

235 Russell Building

Environment and Public Works

To resume hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Environmental Protection Agency.

4200 Dirksen Building

Foreign Relations

Closed briefing by officals of the Central Intelligence Agency on worldwide intelligence matters.

Room S-407, Capitol

2:00 p.m.

Agriculture, Nutrition, and Forestry

To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.

322 Russell Building

Appropriations

Energy and Water Development Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for certain energy research and environmental programs of the Department of Energy.

S-128, Capitol

Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain student financial assistance and higher education programs, and educational research and training activities overseas.
1114 Dirksen Building

Armed Services
To hold hearings on proposed budget amendments to the authorizations for the Department of Defense.
235 Russell Building

Energy and Natural Resources
Business meeting, to consider S. 573, extending the antitrust exemption for oil companies that participate in the agreement on an international energy program, and other pending calendar business.
3110 Dirksen Building

Environment and Public Works
To continue hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the U.S. Fish and Wildlife Service.
4200 Dirksen Building

Foreign Relations
To resume hearings on the United States-Iranian agreement relating to the release of the American hostages.
4221 Dirksen Building

MARCH 5

8 a.m.
Armed Services
Tactical Warfare Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for certain Army programs of the Department of Defense.
212 Russell Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Foreign Relations
Arms Control, Oceans and International Operations, and Environment Subcommittee
To hold hearings on the proposed Law of the Seas treaty.
4221 Dirksen Building.

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Trade Commission, Chrysler Loan Guarantee Board, and the Japan-United States Friendship Commission.
Room S-146, Capitol

Banking, Housing and Urban Affairs
International Finance and Monetary Policy Subcommittee
To resume hearings on S. 144, to promote the formation of U.S. export trading companies to expand export participation by small U.S. companies.
5302 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Finance
To hold hearings and to consider the nominations of Paul C. Roberts, of Virginia, and John E. Chapoton, of Texas, each to be an Assistant Secretary of the Treasury, and the prospective nomination of Roscoe L. Egger, Jr., of the District of Columbia, to be Commissioner, Internal Revenue Service, all of the Department of the Treasury.
2221 Dirksen Building

Governmental Affairs
Oversight of Government Management Subcommittee
To continue hearings to review Governmentwide debarment and suspension practices.
3302 Dirksen Building

Judiciary
To hold oversight hearings to review the Administration's budget recommendations of the Federal Trade Commission.
2228 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain school improvement programs, special institutions, and Howard University of the Department of Education.
1114 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Coast Guard, Department of Transportation.
1224 Dirksen Building

Environment and Public Works
To continue hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Economic Development Administration, Appalachian Regional Commission (title V), and the Federal Emergency Management Agency.
4200 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Education, fund for the improvement of postsecondary education, and educational statistics, Department of Education.
1114 Dirksen Building

Select on Ethics
Business meeting, to further consider the proposed revisions to the Senate Code of Official Conduct.
EF-100, Capitol

MARCH 6

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, receiving testimony on strategic command, control and communications programs.
224 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Labor and Human Resources
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Social Security Administration and certain refugee programs, Department of Health and Human Services.
1114 Dirksen Building

Environmental and Public Works
To hold hearings on S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

Foreign Relations
To hold hearings on issues relating to Central America, focusing on the situation in El Salvador.
4221 Dirksen Building

Rules and Administration
To hold hearings on the proposed extension of the West Front of the Capitol Building, the status and progress of construction of the Hart Senate Office Building, proposed modifications to the Russell and Dirksen Senate Office buildings, and to review the U.S. Capitol Master Plan.
301 Russell Building

Joint Economic
To hold hearings on the employment/unemployment situation for the month of February.
2128 Rayburn Building

MARCH 9

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on budget estimates for fiscal year 1982 for offices of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, Legal Counsel, Financial Clerk, Joint Economic Committee, and the Joint Committee on Printing.
S-128, Capitol

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Finance
International Trade Subcommittee
To hold hearings on S. 396, to restrict importation of automobiles from Japan for a temporary period, and on the current situation of the domestic auto industry.
2221 Dirksen Building

10:00 a.m.
Environment and Public Works
To resume hearings on S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

Select Committee on Small Business
To hold hearings on the role of small business in the Nation's economy recovery.
424 Russell Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 10

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on budget estimates for fiscal year 1982 for the Congressional Budget Office, and the Office of the Architect of the Capitol.
S-128, Capitol

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Indian health service programs, and the Bureau of Land Management, Department of Interior.
1318 Dirksen Building

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Building Science, Federal Home Loan Bank Board, National Credit Union Administration, and the Office of Revenue Sharing (NYC).
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Supreme Court of the United States, and other activities of the judicial branch.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of Head Start.
3110 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 398, permitting certain employees to work four 10-hour days.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration.
1114 Dirksen Building.

*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Interstate Commerce Commission, Washington Metropolitan Area Transit Authority (Metro), and the Architectural and Transportation Barriers Compliance Board.
S-126, Capitol

Environment and Public Works
Business meeting, to consider those matters and programs which fall within the Committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission
1114 Dirksen Building

MARCH 11

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Library of Congress, Government Printing Office, and the Copyright Royalty Tribunal.
S-126, Capitol

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Select on Intelligence
To continue closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Metric Board and the Marine Mammal Commission.
S-146, Capitol

Judiciary
Constitution Subcommittee
To hold hearings on miscellaneous proposals to balance the Federal budget.
2228 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Railroad Retirement Board, domestic operations programs of ACTION, and the Soldiers' and Airmen's Home.
1114 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Fire Administration of the Federal Emergency Management Agency.
235 Russell Building

Environment and Public Works
Business meeting, to continue consideration of those matters and programs which fall within the Committee's jurisdiction with a view toward submitting its views and budget recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, the National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

MARCH 12

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Accounting Office, and the Office of Technology Assessment.
S-126, Capitol

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Judiciary
To resume oversight hearings to review the administration's budget recommendations of the Federal Trade Commission.
2228 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 351, to transfer certain surface mining operations from the Mine Safety and Health Administration to the Occupational Safety and Health Administration, and other pertinent proposals.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration, Department of Transportation.
1318 Dirksen Building

Environment and Public Works
To mark up S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

1:00 p.m.
*Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 13

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
235 Russell Building

MARCH 16

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

10:00 a.m.
*Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration, Department of Transportation.
1318 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings to review the proposed budget for fiscal year 1982 for the Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Attorney General, Department of Justice.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
1202 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Older Americans Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings to examine the current supply situation of anthracite coal used for home heating and future trends in this area.
3110 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

9:00 a.m.
Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the office of Inspector General, Department of Agriculture, and the General Accounting Office.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Bureau of Investigation, offices of U.S. Attorneys, U.S. Marshals Service, and bankruptcy trustees, Department of Justice.
S-146, Capitol

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Science and Education Administration, Office of the Secretary, Departmental Administration, Office of Governmental and Public Affairs, and the Office of the General Counsel, Department of Agriculture.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Immigration and Naturalization Service of the Department of Justice, and the Coordinating Council on Juvenile Justice and Delinquency Prevention.
S-146, Capitol

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Select on Intelligence
To continue closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building.

*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Highway Administration, Department of Transportation.
1318 Dirksen Building

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics, health services research and health care technology programs, national research service awards, and medical library assistance programs.
4232 Dirksen Building

10:00 a.m.
*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
1114 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 24

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Foreign Agricultural Service, Office of International Cooperation and Development, Federal Crop Insurance Corporation, Economics and Statistics Service, and the World Food and Agricultural Outlook and Situation Board.
1223 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for low income energy assistance programs.
5302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Drug Enforcement Administration, and prison service programs, Department of Justice.
S-146, Capitol

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the office of the Secretary, general administration, Economic Development Administration, and the Regional Action Planning Commissions, Department of Commerce.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
5110 Dirksen Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Comprehensive Alcohol Abuse and Alcholism Prevention, Treatment and Rehabilitation Act.
2228 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agricul-

ture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 26

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Oceanic and Atmospheric Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of State; and to review certain foreign assistance programs.
S-126 Capitol

MARCH 27

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

MARCH 30

9:30 a.m.
Labor and Human Resources Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Drug Abuse Prevention, Treatment and Rehabilitation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Aviation Administration, Department of Transportation.
1114 Dirksen Building

MARCH 31

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Soil Conservation Service, Agricultural Stabilization and Conservation Service, and the Animal and Plant Health Inspection Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Trade Administration, Scientific and Technical Research Service, and the Patent and Trademark Office, Department of Commerce.
S-126, Capitol

Labor and Human Resources
To hold hearings to review family planning programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Management and Budget.
S-146, Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development; and to continue review of certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the White House Office, Office of Administration, official residence of the Vice President, executive residence, special assistance to the President, compensation of the President, and other unanticipated needs.
S-146, Capitol

APRIL 1

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Farmers Home Administration, Rural Electrification Administration, and the Farm Credit Administration.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Emergency Management Agency and the Selective Service System.
S-126, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the economic and statistical analysis program, U.S. Census Bureau, National Telecommunications and Information Administration, and the Minority Business Development Agency, Department of Commerce.
S-146, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.
1224 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, international affairs programs, Bureau of the Mint, Bureau of Engraving and Printing, and Bureau of Government Financial Operations of the Department of the Treasury.
1224 Dirksen Building

APRIL 2

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior; and the Smithsonian Institution.
1114 Dirksen Building

9:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, and Veterans of World War I.
412 Russell Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service.
S-146, Capitol

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS.
412 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco and Firearms.
S-146, Capitol

APRIL 3

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation and related agencies.
1114 Dirksen Building

APRIL 6

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Alcohol and Drug Abuse Education Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Railway Association and Consolidated Rail Corporation (Conrail).
1114 Dirksen Building

APRIL 7

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Nutrition Service, and the Food Safety and Quality Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for the National Science Foundation.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
*Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court, and the Committee for Purchase from the Blind and Other Severely Handicapped.
1318 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Domestic Volunteer Services Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, Department of Transportation, and to review proposed budgetary recommendations.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability.
1318 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity Futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural

Cooperative Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 23

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for certain child abuse and adoption opportunity programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126, Capitol

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

Labor and Human Resources
Education Subcommittee
To hold hearings to review certain educational programs.
5110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international monetary programs of the Department of Treasury.
S-126, Capitol

APRIL 29

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act.
457 Russell Building

Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.
6226 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126, Capitol

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain international aid programs.
S-126, Capitol

MAY 12

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Peace Corps.
S-126, Capitol

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National

Gallery of Art, and the Bureau of Mines, Department of the Interior.
1223 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international programs.
S-126, Capitol

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

SENATE—*Tuesday, March 3, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 3 p.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson LL.D., offered the following prayer:

Let us pray.

Gracious God, our Heavenly Father, we pray for those without whom the Senate could not do its work. We pray first for the Senators' families. Protect spouses and children from all the forces peculiar to this city that are so destructive to marriage and the home. Enable the Senators to give priority to them in time, interest, and love. Preserve their families in health and strength, O God, by Thy grace and power.

We commend Senator DOLE and others who are ill for restoration to health. We commend Mrs. Stennis and Mrs. Randolph for comfort and care.

We pray for the Senators' staffs, O God, for their faithful service which frees the leaders for their tasks and provides them with the materials to legislate effectively.

We pray for all the men and women who help in the Senate—for the Sergeant at Arms and his staff, for the Secretary and his staff, for the Secretaries of the majority and the minority and their staffs, for the Parliamentarians, for the CONGRESSIONAL RECORD staff, for the Journal keepers, for the reading clerks, for those who administer the cloak rooms, for Doorkeepers and police, for pages and elevator operators. Bless these loyal friends and their families and dear God, help us to love one another as Thou dost love us.

Of special concern is the city of Atlanta. We pray especially for those who have lost children, for those who must resolve the problem and those who precipitated it.

We ask this in the Saviour's name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that following the time allocated to the two leaders under the standing order and the special order for the recognition of the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) there be a period for the transaction of routine morning business not to exceed 30 minutes in length, and that Senators may be permitted to speak therein for not more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no need for the remainder of my time under the standing order. I am prepared to reserve it or yield it back.

I see the distinguished Senator from Arizona (Mr. GOLDWATER) in the Chamber. I would inquire if he needs any time and I would ask the distinguished minority leader if he would require any further time this morning.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I have no need for his time today.

Mr. BAKER. Mr. President, I yield 5 minutes of my time under the standing order to the Senator from Arizona.

(The remarks of Mr. GOLDWATER in connection with the introduction of legislation, are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

ORDER FOR RECESS UNTIL THURSDAY, MARCH 5, 1981, AT 11 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m., Thursday, March 5, 1981.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR DOMENICI ON THURSDAY, MARCH 5, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday, after the recognition of the two leaders under the standing order, the Senator from New Mexico (Mr. DOMENICI) be recognized for not to exceed 15 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I am prepared to yield back the remainder of my time. Mr. President, I do yield back the remainder of my time under the standing order.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield my time to the Senator from Virginia (Mr. HARRY F. BYRD, JR.).

The PRESIDENT pro tempore. The Senator from Virginia is recognized.

NEEDED: A STRATEGIC MINERALS POLICY

Mr. HARRY F. BYRD, JR. Mr. President, approximately 2 years ago I suggested certain actions to the Congress and to the administration which if adopted would define a strategy to protect vital security interests of the industrialized nations. Little positive action was taken by the 96th Congress or the Carter administration to support such a strategy.

Accordingly, I must once again—at the beginning of a new Congress and a new administration—express my continuing concern for a coherent strategy with respect to the availability and utilization of raw materials so important to the future of this Nation. Our Nation and other industrialized nations must take early initiatives to address and develop a total minerals policy.

During the time that our forefathers were struggling to right the wrongs under George III, several nations were struggling to become a part of what we know as the Industrial Revolution. After the unpleasantness with our mother country had been resolved, our young Nation truly entered into the industrial phenomenon. Our participation early-on was as a supplier of raw material—principally grain, cotton, furs, and tobacco to those first industrialized nations.

While we exported raw materials, we began to enter into the Industrial Revolution as a producer of goods. Our forefathers were blessed in that they learned the art of industrialization, possessed water power, and raw materials—including minerals from Earth. It has been estimated that the annual per capita consumption of minerals at the time of the American Revolution was about 1,200 pounds. By volume, sand and gravel dominated; however, lime, coal, and iron increased annually in volume; and copper, lead, potash, nitrates, sulfur, and zinc were minerals of early importance.

Our new Nation grew in size as the

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Industrial Revolution grew in intensity. Fortunately, each new addition to the country brought new material wealth.

Utilizing sea trade in the 19th century, we began to import as well as export certain materials to feed our industrial growth. By the 20th century this industrial strength exceeded that of any other nation, and our standard of living exceeded the dreams of any other nation.

It is estimated that the current annual consumption of nonfuel minerals is about 41,000 pounds per person—about 4½ billion tons of new minerals are needed each year to sustain the U.S. economy. This volume is to sustain the current economy—more if we are to grow.

The National Government has played a major role in the evolution of the domestic mineral quandary in which we find ourselves today.

In the 1960's the Federal Government began a new program; it began to restrict mineral mining on Government land. However, by 1969, 83 percent of Federal land was still open to mining.

Congress was concerned with what appeared to be an oncoming mineral problem, and it passed the Mining and Minerals Policy Act of 1970. The stated policy of that act was to encourage the development of domestic energy and mineral resources.

Despite this stated policy, since the passage of this act, the National Government has discouraged the development of domestic energy and minerals. Other legislative and executive branch actions have set us on the road to a disastrous situation in which we find ourselves at this time.

The big landowner in this country is the Federal Government. It owns over 775 million acres of onshore land—approximately one-third of all land in the Nation. It has acquired some 6 million acres in the past decade, and every year it takes more from its citizens.

It is on this land that fabulous volumes of known and unknown minerals are located. It is on this land that these minerals will remain as long as our present procedures continue. It is estimated that 70 percent of Federal land is moderately or totally restricted from mineral entry.

In the past 4 years extensive land withdrawals, both de jure and de facto have been made. These withdrawals in the main have taken land areas from multipurpose agencies, transferring these areas to single purpose agencies.

Withdrawal of Federal lands does not tell the entire story, for we do not know the total adverse impact on development and production operation on lands adjacent to these withdrawal areas.

Congress in its wisdom, or lack thereof, has impeded mining, processing, and manufacturing on private lands by the passage of several acts which delay, make more costly, or in fact preclude mining, processing, and manufacturing. Illustrations, and I use these as illustrations only, are the clean air and water amendments.

Whereas these amendments are noble in purpose, restrictive requirements resulting from them have the potential for substantially inhibiting mineral exploration or extraction on private lands. No one knows the magnitude of these restrictions on the economy and our standard of living.

However, it is safe to say that these acts are not balanced. When one realizes that Congress has given to the EPA the power to close a production facility simply because it may be seen in the distance from a class I area—pristine air—then it is safe to say that Congress has gone too far.

I am not suggesting at this time that we should repeal any legislation, but I am saying that we should begin immediately to determine the impact of legislation and subsequent regulations on mineral exploration, mining, development, and manufacturing. There must be balance in our policies.

A country normally uses the richest and most readily available resources first. This we have done. As these are exhausted, new sources are found.

In the past, market forces have determined the development of new mineral sources. It is more economical for any nation to develop high grade, readily available mineral deposits. Accordingly, the United States and other industrialized nations have done this.

We have, for economic reasons, become more dependent on high-grade deposits wherever they exist in the world; thus, high-grade mineral resources have been established on a global scale in that certain mineral resource areas serve most of the industrialized countries.

If the standard of living of the masses of people throughout the world is to improve, then the output of goods from manufacturing, the industrialized nations, must increase in order to provide these goods. The worldwide population is increasing faster than the rate of economic growth.

There are about 100 categories of nonfuel minerals, depending on the manner used to identify categories of minerals.

Some of these categories represent groups of related materials in which several types are used for different purposes. These are the minerals which have allowed us to sustain our way of life and attain our standard of living. They are absolutely necessary for any industrialized economy.

Let us look closely at some of these minerals: Cobalt, bauxite, chromium, manganese, and platinum. These are essential to peacetime and wartime.

It is important to remember that the United States has imported over 90 percent of each of these minerals for the past several years, and it is equally important to remember that we must import over 90 percent of these minerals in the foreseeable future.

Cobalt is essential for the production of jet engines, magnetic materials for electronics application, metal cutting, and mineral tools. Major end uses are transportation, aerospace, electrical/electronics, machinery, paints, chemicals, and ceramics. Import sources are Zaire, Belgium, Zambia, and Finland. Zaire and Zambia account for about half of the known resource base. The 1979 recycling effort is estimated at 3 percent. We imported 97 percent in 1979.

Bauxite is largely reduced to alumina and aluminum metal with most of the remainder going to refractories, chemicals, packaging, mechanical equipment, and abrasives. Import sources are Jamaica, Australia, Surinam, and Guinea. All continents possess considerable quantities with the exception of North America. There is some recycling of aluminum metals, yet it is minimal. We imported 93 percent in 1979.

Chromium is used mainly by metallurgical, refractory, and chemical industries. Whereas there is wide end use of chromium, transportation, construction, machinery, and equipment use the greatest percentages. We import from South Africa and the Union of Soviet Socialist Republics. Zimbabwe, South Africa, and Russia account for over 90 percent of the known resource base. The 1979 recycling effort was estimated at 8 percent. We imported over 90 percent of our chromium in 1979.

Manganese is largely converted to ferromanganese, and the chief use is for steel production. Most of the remainder goes to pig iron, dry cell batteries, and various chemical processes. End use goes to many different industries. However, transportation, machinery, and construction are the major ones. Manganese is imported from Gabon, Brazil, France, and South Africa. South Africa and the Union of Soviet Socialist Republics account for over 80 percent of the known resource base. There is insignificant recycling. In 1979, we imported 98 percent of our needs.

Platinum-group metals are used to a large extent in automobiles, chemical processing, electrical industry, and petroleum refining as catalysts. We import from South Africa, the Union of Soviet Socialist Republics, and the United Kingdom. South Africa and the Union of Soviet Socialist Republics account for over 90 percent of the known resource base. Recycling accounted for about 10 percent in 1979, and we imported 90 percent.

These five minerals are illustrative of our dependence on foreign sources in transportation, electronics, manufacturing, mining, chemical processing, and construction. Whether it be automobiles or tanks, airliners or jet fighters, housing developments or naval shipyards, a continued flow or an adequate stockpile is absolutely necessary.

We could add greatly to this list if we took the time. In 1979 we imported 100 percent of the columbium, mica, strontium, and rutile titanium which our in-

dustry used. In over 30 other instances, we imported more than 50 percent of minerals essential to our economy.

My concern spreads across all 100 minerals in normal or abnormal times; however, I should like, at this point, to address part of these minerals—those minerals that are a part of the national stockpile—what we call critical and strategic.

Long before the Industrial Revolution, we learned about stockpiling. In the 41st chapter of Genesis we find an early example. Pharaoh dreamed about seeing the seven lean cows eat the seven fat cows that had preceded them from the Nile. Then he dreamed that seven thin ears of grain swallowed seven good ears of grain. He did not understand, so he called Joseph from the dungeon to interpret the dream. Joseph related that the dream meant that Egypt would experience 7 good years of production followed by 7 bad years. He recommended that Pharaoh stockpile for 7 years.

Pharaoh not only stockpiled grain—strategic and critical to Egypt—but he elevated Joseph to a position of power to supervise the stockpiling effort.

The Biblical illustration was a great success—much better than the history of stockpiling in our own case. Serious discussion on the necessity of stockpiling began during World War I in our Government. It was not until 1938, however, that Congress first appropriated funds for the Navy to acquire certain materials which were critical and in short supply. In 1939, the first Stockpiling Act was passed. The Surplus Property Act of 1944 was the forerunner of current stockpiling.

Since World War II, our stockpile requirement has been a yoyo. Following World War II, the stockpile requirement was based on anticipated usage for a 5-year war. The 5 was changed to 3, then to 1, and, finally, back to 3, where it is today. At no time were requirements met.

After 60 years of talking about the problem and 40 years of Federal legislation, the stockpile is a mountain of overages and shortages.

There are 93 critical and strategic materials which are a part of our stockpile program. Eighty of these are minerals, and 13 are agricultural. At the present time, we must import, in total or in part, 68 of these materials.

There are certain geographic locations where we find many of these minerals—such as the countries of southern Africa, and we shall address this area later.

But to fulfill the requirements, we must go elsewhere and everywhere—Western Europe, the Americas, Asia, Australia, and many of the islands of the world.

The proper stockpile represents much more than an assurance of adequate supplies in an emergency. It also represents savings in leadtimes, manpower, energy, transportation, and production capacity.

We do not always consider the leadtime necessary for weapons systems, and as we develop more sophisticated weapons systems, the greater the leadtime for the production of those systems. For instance, the 4-year leadtime for jet engines on today's fighter planes increased by 100 percent in the past 2 years.

Stated another way, we have a very limited ability to quickly increase production rates, because we can draw on only that which is in the pipeline. The chilling fact is that we have very little surge capability within any 2-year period.

There is one common thread which runs through the transportation effort of all our imports. Better than 98 percent must come by water—the sea lanes. The potential for insuring this transport is questionable.

Thirty-five years ago, we had the strongest merchant marine force ever assembled. For a number of reasons, this force was allowed to decline to such an extent that we may be someplace between 8th and 10th in world comparison with other nations, depending on how one assesses size and strength.

In the meanwhile, the Soviet Government has embarked in the past 20 years on a blue-water strategy that must be of major concern to all thinking people. Its strategy is perhaps the most coordinated ocean strategy ever conceived and implemented by any nation on the face of this Earth.

By using their intelligence-gathering vessels, ocean exploration, maritime commerce, and fishing fleet, the Soviets have devised an unparalleled plan of projecting national influence and expansion.

The fifth dimension of the plan is their naval power, and the concept of this fifth dimension is to be in a position to deny access of the world's waterways to those nations considered unfriendly by the Union of Soviet Socialist Republics.

Those most threatened are the industrialized nations which depend in times of peace on the freedom of the seas for commerce so that raw materials may be purchased and finished goods may be sold. In times of conflict, the sealanes must be kept open for survival.

Soviet leaders remember that the outcome of World Wars I and II were both determined by the denial of resources to the losers. The allies were successful in severely restricting imports. The gigantic war machines of our adversaries ran out of the essential ingredients for making war, and those armed forces were rendered ineffective.

The Battle of the Atlantic, in the early days of World War II, was not won easily. For months, victory or defeat hung in a very narrow balance.

Perhaps it is well to remember the history of the transport of bauxite. During the year 1942, 25 percent of our ships bringing bauxite to our shores were sunk by German submarines—significant indeed when we realize that bauxite was being imported from the Caribbean—our own backyard.

Our capacity to prevail darkens when one realizes that the Germans started World War II with 59 diesel submarines, and the Union of Soviet Socialist Republics has approximately 270 submarines today, most of them nuclear.

To those who say "American ingenuity will prevail," I say the time for American ingenuity is now.

In considering the minerals situation in this country, we of necessity must consider it in the Soviet Union.

There is a sharp contrast between the U.S.S.R. and the United States with respect to the availability of critical minerals: We are a "have not" nation, they are a "have" nation.

In reviewing the most critical minerals, one finds only nine of these are imported by the Soviet Union, and in no case is more than 50 percent of any mineral imported.

It is also important to note that the Soviet Union can get most of her nine imports by land—she has to depend on sea transport for only a very small amount of her imports. There is sufficient reason to believe that the Soviets are also stockpiling some materials.

Communist countries are closed societies. We do not have precise information about the use of minerals by the U.S.S.R. There is, however, sufficient information for us to reach certain conclusions about that country's mineral policy:

First. Every effort is made to attain mineral self-sufficiency. Economic cost is a secondary consideration.

Second. Since the economy is totally planned and controlled, consumption is allowed to rise only to the extent production is increased. Consumer demands will not push the U.S.S.R. into reliance on imports.

Third. In instances where the U.S.S.R is a major exporter, trade, when possible, is channeled into hard currency.

Fourth. The Soviets are clearly aware of the locations of minerals throughout the world, and they have taken steps politically to be in a position to impact on those areas at a time and choosing of the U.S.S.R.

This is particularly true in southern Africa.

The world is aware that there is an enormous concentration of minerals in the U.S.S.R. However, there are indications that the Soviets are reducing to some extent the extraction process, particularly in Siberia. Western speculation as to the reasons range from—

First, the trouble and expense of mining in permafrost;

Second, lack of capital to convert reserves into transferable ores;

Third, a reduction of the forced labor population;

Fourth, intent to retain in-country known resources; and

Fifth, the desire to expand into mineralized world regions.

Perhaps all of these reasons have caused recent Soviet actions.

We do know that the Soviet Union is ending support for the "Bucharest Principle of 1958"—the selling of raw materials to Eastern Europe countries at less than world prices.

Soviet mineral adventurism, hand-in-hand with political adventurism, is showing itself in many parts of the world—even Cuba—where, in 1979, over 3,000 metric tons of cobalt-nickel concentrates were shipped to the Soviet bloc states.

But the biggest adventurism is taking place in Africa.

For many years, Soviet designs have been moving on this continent.

As rapidly as the former colonial powers moved away from that area, the Soviet Union moved to impose its new brand of imperialism.

Soviet writers in the midforties were expanding on the need to move into known world mineral resources. While most Westerners thought that Russia would be content to remain in its long-established domain, the Russians began to move outward.

Although the most apparent thrust is in southern Africa, it is obvious that Soviet intentions include bringing much of Africa into its sphere of influence. There are reports that a number of these countries have concluded technical and economic assistance mineral agreements with the Union of Soviet Socialist Republics. Among the most important are—Angola, Benin, the Congo, Mali, Madagascar, Mozambique, Ethiopia, Nigeria, Sudan, Zaire, and Zambia.

The most blatant interference has been on the west coast of southern Africa—in Angola. Soviet and Cuban military and political forces took a calculated risk that they could directly engage in a shooting war in Angola. It would appear at this time that risk has brought them to the winning side.

The Soviets and Cubans have taken a similar gamble in Ethiopia on the east coast. Whereas this particular scenario has not been played to its conclusion, the Russians would appear to be in a favorable position there also.

In southern Africa, Communist or Marxist-oriented governments are in power in Mozambique and Zimbabwe as well as Angola. Mozambique leaders are pro-Soviet. Zimbabwe, with Mugabe being a self-avowed Marxist, had not established ties with the Union of Soviet Socialist Republics until a few days ago. Political agreements are now in existence. These countries may appear to be steering independent courses, but let us not be naive.

Zaire and Zambia are not a part of the Communist world; however, those nations lack stability, and Communist pressure is being applied. Zambia relies heavily on Russian built and supplied equipment, and if a positive approach is not taken by the leadership of the Western countries, the future of these countries—indeed all of Africa—could be bleak.

Now, let us clearly see South Africa for what it is, for this is the principal target of the Soviets. This is the one country in all of Africa which has stood against Communist aggression.

Often she has had to stand alone; yet stand she has.

I, for one, recognize and appreciate this stand.

I, for one, think it is time for the Western World to stand beside South Africa. We do not have to agree with everything that any country does. As a matter of fact, we probably have disagreements with all nations.

A true friendship is bigger than our personal desires. In a true friendship, personal or national, there is room for disagreement. There is also room for understanding others as we all attempt to reach a higher plateau.

Should the goals of the Soviet Union be realized in Africa, southern Africa in particular, the potential harm to all industrial countries—in peace or conflict—would be magnified many times.

If the Soviets bring all of southern Africa into its sphere of influence to the extent of controlling those countries, then the potential loss could be paralyzing.

By loss, I mean peacetime stagnation—perhaps through the establishment of cartels—and wartime total denial.

Free world access to most world reserves would be terminated for chrome, cobalt, platinum, manganese, gold, tantalum, diamonds, vanadium, antimony, corundum, and vermiculite.

In a hostile environment, this landmass loss would turn the littoral of this region over to the enemy. From this littoral would pass the control of the sealanes around Africa.

Let us now turn from those actions and intentions of our Communist adversary. Let us look briefly at ourselves, perhaps our greatest problem. We need to change our attitude. We act as though the industrial revolution were an undesirable series of events.

The concept that we are rapidly using up all of the world's minerals is not a valid one. There are vast deposits available.

We must reverse those actions which are driving smelters and other facilities into closure.

We must balance our health and safety regulations so that we do not destroy our ability to produce.

We must explore lands and seas so that we know where rich beds of minerals are located.

We must continue to advance and utilize our technology.

We must create incentive, not continue to destroy it.

There is no need for the industrial revolution to end in our lifetime. Those who have known the good life can know a better life. Those who have not known a good life or who have known little of it can begin to experience it, if the industrialized countries continue to produce.

To go forward as an industrial power, we must plan for it. We must work for it. We need to make a new beginning. Two years ago, in this Chamber, I asked for a coherent strategy, and I suggested several actions. Little has been done. Again, I call for a national policy with respect to minerals—domestic and foreign.

We do not need more studies. We do not need more organizations. We need positive action to define a strategy for these materials, and the time is now.

I call on the new administration to place a high priority on the establishment of a national minerals policy. I urge my colleagues to aggressively assist in this endeavor.

I pledge my total support.

(Subsequently Mr. HARRY F. BYRD, JR. stated:)

Mr. President, earlier today, I spoke in the Senate in regard to the vulnerability of the United States as a result of the need to import some of the strategic and critical minerals and materials. Many of the minerals essential to our defense needs, many minerals essential to our domestic needs, also, need to be imported from other nations to the degree of up to 98 percent. I just noted in today's Washington Star an excellent article on this very subject by Daniel James, who is a consultant to the Council of Economics and National Security.

I ask unanimous consent that Mr. James' commentary on this matter of our alarming vulnerability to minerals mischief be printed at this point in the RECORD.

There being no objection the article was ordered to be printed in the RECORD as follows:

OUR ALARMING VULNERABILITY TO MINERALS MISCHIEF

(By Daniel James)

Four unglamorous minerals whose names mean almost nothing to average Americans could have a decisive impact on their daily lives. Almost 100 per cent imported, our supplies are highly susceptible to interruption at any time—a stark prospect which could undermine our national defense.

The four minerals—cobalt, chromium, manganese, and platinum—are officially designated as "strategic" precisely because of their crucial importance to our defense and economy. Yet we depend for our supplies on such countries as South Africa, Zaire, Zambia, and Zimbabwe—mere mention of which conjures up nightmarish visions of disorder. Prone to internal violence and racial conflict, even guerilla war and foreign invasion, any day, these countries could be forced to cease producing strategic minerals for the U.S. market.

What would be the effect on America of a sudden cutoff of strategic minerals? Take the case of the impact of a single mineral, cobalt, on one industry, aviation.

COBALT CUTOFF

About 83 per cent of all U.S. commercial aircraft are powered by the JT8D jet engine,

which contains 900 pounds of cobalt. Pratt & Whitney, which makes the JT8D, estimates that it could continue supplying its customers with spare parts for one year after a cobalt cutoff. But, calculates the aircraft company, "At the end of that time the JT8D fleet would start to be grounded at the rate of about 25 per cent per year." In five or six years, U.S. civil aviation could be effectively paralyzed as though struck by a hail of Soviet missiles.

Meanwhile, what about our military aircraft, like the F-15s and F-16s, whose engines also require 900 pounds of cobalt? One can scarcely imagine the crippling effect of a cobalt shortage on them, and consequently on our ability to defend ourselves.

What are the chances of a cobalt cutoff? Consider the case of Zaire.

Zaire supplies us with half of our annual consumption (20 million pounds) of cobalt directly, and much more indirectly (through third countries such as Belgium). It is chronically unstable, and through the 1970s its cobalt production was interrupted several times. The last time, in 1978, an armed invasion by Katangese rebels from next-door Angola shut down production altogether. This forced us to ration our cobalt supplies and shot prices up 400 per cent.

New interruption of Zaire's cobalt production are at least a 60 per cent "probability" between now and 1984, according to the U.S. Bureau of Mines. If that happened, U.S. aviation could suffer a crippling crisis before President Reagan completes his term of office.

But even assuming, miraculously, a steady cobalt supply, our aviation industry would not be out of danger, since jet-engine production is dependent also on two other imported minerals: chromium and platinum. "A significant and extended interruption of our chromium supply would shut down the airline and aircraft industry," warns Pratt & Whitney.

But is there a real danger of a cutoff of chromium imports? Probably at least as great as in the case of cobalt, for again we are utterly dependent upon volatile foreign sources for nearly everything we consume—92 per cent. Most of it comes from southern Africa, and 44 per cent from—of all places—the USSR!

JETS, CARS, AND OIL

Not only jet-flying, but even auto driving would become rare if key minerals were cut off, particularly platinum. "This critical metal is doubly important," the Joint Economic Committee found, "because it is used in the process of converting crude oil into gasoline and in the manufacturing of catalytic converters." In short: no platinum, no gasoline, and no combustion-engine cars—small or large. For that matter, no oil industry.

Even our telephone system—indeed, our whole telecommunications industry—would be threatened without platinum. For one of the platinum-group metals, palladium, is essential for coating telephone contact points.

Yet 90 per cent of our platinum is imported. And a final touch of irony: the bulk of it comes from South Africa and the Soviet Union.

The fourth of the strategic minerals decisive to both our economy and national defense is manganese, which is indispensable in the making of steel. Since our steel industry is already in a bad way for other reasons, a shortage of manganese could put it and a host of steel users out of business. Still, our dependence on foreign sources is almost total—98 per cent. Half of that comes from Africa.

Clearly, shortfalls in any of the four strategic minerals mentioned here can cause countless U.S. plants and factories to slow or shut down, throwing millions out of work. Prices would go through the roof, while the social and political consequences of an economic tailspin defy the imagination.

NO BETTER OFF

If it is any consolation, our West European allies and Japan are even more dependent on foreign sources of strategic minerals than we are. West Germany, for example, must import titanium, aluminum and many other minerals besides the four discussed above, while Japan produces virtually no minerals of its own. An official West German study reveals that if imports of just one mineral, chromium, were reduced by only 30 per cent, that would force the GNP down by 25 per cent and make millions of Germans jobless.

Our overwhelming dependence upon strategic minerals imports offers a target of opportunity for the Soviet Union. The temptation is all the greater because Moscow, though practically self-sufficient in nearly all 93 minerals classed as "strategic," expects shortages in some of them to occur before long. A petroleum shortfall, for example, is predicted by the CIA for the 1990s.

Hence the Soviets have concluded that it is cheaper and more practical to reach beyond their own borders for needed minerals, than to bear the exorbitant cost of extracting them from mineral-rich Siberia. They have thus begun to compete with the West for strategic minerals in Africa, intent upon depriving us of them as well as acquiring them for their own stockpile. In so doing, they have not hesitated to use aggressive, as well as "peaceful" means to conduct what Alexander Haig and others call a "resource war" against the United States.

The Katangese invasion of Zaire in 1978 is perhaps the most blatant manifestation of the Soviet "resource war," since it was Moscow and Havana which armed and trained the rebels, and it was their client-state Angola which provided the launching pad. Most recently, of course, there is the Soviet invasion of Afghanistan, which brings them perilously close to Persian Gulf oil and could develop into a more challenging phase of the resource war.

MANIPULATING THE MARKET

The Soviets also employ more subtle weapons, such as the officially excoriated capitalist techniques of manipulating the minerals market. The House Subcommittee on Mines and Mining cites at least ten instances of the latter during the past three or four years. In one notable instance, Moscow suddenly stopped "dumping" titanium, used widely in the aerospace industry, on the U.S. market, leaving this country short and forcing American users to scour the world for enough titanium to fulfill defense contracts.

Fundamentally, the "resource war" is an extension to the contemporary scene of Leninist doctrine aimed at the destruction of world capitalism. The West's "weakest" link, declared the founder of Bolshevism, was its constant need of raw materials from the (then) colonies. He therefore advocated exploiting that "weakness," particularly through supporting "national liberation movements" directed at the overthrow of "imperialist" rule.

"Imperialism" no longer dominates Africa or Asia. But Lenin's successors—Stalin, Khrushchev and now Brezhnev—have all waged a resource war to deprive the West of strategic materials and thus undermine the very sinews of its power.

(Mr. QUAYLE assumed the chair.)

THE FIRST INAUGURAL OF THOMAS JEFFERSON

Mr. HARRY F. BYRD, JR. Mr. President, 180 years ago tomorrow in this building, Thomas Jefferson took the oath of office as the third President of the United States.

The anniversary of Jefferson's inaugural was called to our attention by a telephone call from Mrs. Lucille K. Carter of Washington.

Mrs. Carter is the widow of Steven V. Carter, who was elected to the House of Representatives in November 1958, from the Fourth District of Iowa, but died a year after the election.

Congressman Carter was a great admirer and student of Thomas Jefferson, and his wife has maintained a lively interest in our third President.

This inaugural, the first ever held in Washington, was attended with little pomp or ceremony, yet it was one of the most momentous events in the history of the United States.

Just 15 days before the inauguration, a tie for the Presidency between Jefferson and Aaron Burr had been broken in the House of Representatives after 36 ballots, taken over a period of 6 days. The election had been thrown into the House by virtue of a tie in electoral votes.

The electoral tie and subsequent struggle in the House had climaxed a campaign of a ferocity unprecedented in our early history and rarely matched since that time. The battle was between Jefferson's party, then called Republicans, and the party which had held sway since George Washington's first inaugural, the Federalists. Many issues divided these parties, but the chief cause of discord was the Republicans' insistence on protection of State and individual rights as against the Federalists' championing of a powerful central government.

The bitterness of many of the defeated Federalists knew no bounds. In New Haven, Conn., the Calvinist minister Theodore Dwight thundered his disapproval:

> We have now reached the consummation of democratic blessedness. We have a country governed by blockheads and knaves; the ties of marriage with all its felicities are severed and destroyed; our wives and daughters are thrown into the stews; our children are cast into the world from the breast and forgotten; filial piety is extinguished, and our surnames, the only mark of distinction among families, are abolished. Can the imagination paint anything more dreadful on this side hell?

Fortunately for the young Nation, Dr. Dwight's assessment of the election results was somewhat exaggerated. But anti-Jefferson and anti-Republican sentiment was widespread and extreme as the Virginian prepared to take office. Indeed, outgoing President John Adams was so resentful that he fled Washington in the early morning of Inaugural Day rather than see Jefferson succeed him.

For all that, the capital was bright and animated on March 4, 1801, the small year-round population having been swollen by the advent of Republican well-wishers from nearby communities. Artillery rounds split the air to hail the day.

Thomas Jefferson himself awoke, dressed and took his breakfast in the boarding house of Conrad and McMunn, located on South New Jersey Avenue in the block now occupied by the Longworth

Office Building. When a small group of Congressmen arrived to escort him to the Capitol, they were astounded to learn that the President-elect had spurned a carriage and proposed to walk in the midst of the throng to his own swearing-in.

And walk he did, the third President of the United States, in the stream of the common men and women in whom he lodged his hope for an enduring democracy.

Another artillery round was fired as he entered the north wing of the Capitol, the only part then completed, and entered the Senate Chamber—later the Supreme Court Chamber—for the ceremony.

In the Chamber, he was greeted by Aaron Burr, whom he had so narrowly defeated for the Presidency, and by Chief Justice John Marshall, who was to administer the oath of office. Ironically, the Chief Justice, a Federalist, had written a letter that very morning expressing dark pessimism about the country's future under Jefferson. Nevertheless, the atmosphere was cordial, and smiles prevailed as the new President took the oath.

Then Jefferson turned toward the Senators and the packed gallery to deliver his address. Unhappily, his voice was not strong, and only those closest to him were able to hear. But the words were written down in his own hand and given to the press and, of course, have been preserved.

They form a remarkable message of reconciliation after a time of intense political friction—a message pertinent to us in 1981 as it was 180 years ago.

He called on all citizens to "bear in mind the sacred principle, that though the will of the majority is in all cases to prevail, that will to be rightful must be reasonable; that the minority possess their equal rights, which equal law must protect, and to violate would be oppression."

He went on, in the same tone of reason and reconciliation, to these justly famous words:

> Every difference of opinion is not a difference of principle. We have called by different names brethren of the same principle. We are all Republicans, we are all Federalists.

Then Jefferson urged his countrymen to abandon partisanship in the common struggle to achieve this shining goal:

> A wise and frugal Government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned.

And, shortly afterward, he was done. He accepted the congratulations of those assembled for the ceremony and departed the Capitol as he had come.

That night, the President of the United States slept once more at Conrad and McMunn's boarding house, and it was several days before he moved to the White House.

Today, 180 years later, in the era of mass media, we cannot return to the spartan simplicity of Jefferson's inaugural, but in recalling it we can remind ourselves that leadership in a democracy is not a thing of show and pageantry, but rather of constant and open communication with the people.

And, equally important in the wake of another heatedly contested national election, we can take the spirit of Jefferson's address—the spirit of reconciliation, of unity for a common purpose—as a fitting message for our own day.

Mr. BAKER. Mr. President, I commend the distinguished senior Senator from Virginia for his careful exposition describing the anniversary occasion of the inauguration of the President of the United States.

It has been a matter of some interest and pride to me that the office I now occupy in the Capitol, assigned to me in my role as the Republican leader of the Senate, is the same space occupied by the House of Representatives when that famous contest between Burr and Jefferson occurred, when Thomas Jefferson, of Virginia, was elected the third President of the United States, on the 34th ballot, and that the tie was broken by Tennessee, which voted in favor of President Jefferson.

I have contended ever since that Thomas Jefferson belongs to my party and that he is only on temporary loan to the Democratic Party. [Laughter.]

Mr. HARRY F. BYRD, JR. What the Senator from Tennessee has recited—that it was a Tennessean who broke the tie and elected the Virginian, Thomas Jefferson, to the Presidency—shows that Virginia and Tennessee have been close associates and close friends ever since that period many years ago.

Mr. BAKER. I am grateful for that expression from the Senator from Virginia. I point out that we have had, all these years, a common, unfortified boundary between us.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, with Senators permitted to speak therein for not to exceed 5 minutes each.

ORDER FOR THE RECOGNITION OF SENATOR BAUCUS ON THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday, after the recognition of the distinguished Senator from New Mexico (Mr. DOMENICI) for not to exceed 15 minutes, the Senator from Montana (Mr. BAUCUS) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT ON COMMITTEE FUNDING RESOLUTIONS

Mr. BAKER. Mr. President, following the conclusion of routine morning business as just previously ordered, it is the intention of the leadership to ask unanimous consent or to move for consideration of Calendar Nos. 10 through 27 on the calendar of general orders, which are the resolutions reported by the Committee on Rules and Administration in respect to the authorized expenditures for the several committees of the Senate.

In that connection, I ask unanimous consent that when the Senate does turn to the consideration of those items, the Senate proceed to their consideration en bloc; that all committee amendments to those resolutions be agreed to en bloc and that they be treated as original text for the purpose of further amendment.

The PRESIDING OFFICER (Mr. ABDNOR). Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMBALANCE IN DEFENSE CONTRACTS

Mr. DIXON. Mr. President, on March 2 an article appeared in the Chicago Tribune which speaks to the imbalance in a specific area, that of defense contracts.

The article points out that Illinois—the third largest contributor to the Federal Treasury—has the biggest gap between what it contributes and what it gets back in defense contracts.

Our State attracted only a little more than 1 percent of prime contracts awarded in 1979 by the Department of Defense, and the situation is worse now than in 1977.

In 1979, for example, my State's Federal tax burden was 6.2 percent of Federal taxes collected. If defense outlays from Washington had been commensurate with the taxes received from Illinois, my State would have been doing $3.3 billion in business with the Pentagon. The sad fact is, however, that year, Illinois companies received $752,400,000 in defense contracts. According to an analysis by the Northeast-Midwest Institute, this difference—$2.63 billion—represents the largest disparity in the country.

This practice is bound to continue, Mr. President.

Current budget proposals indicate defense spending will increase while programs designed to help depressed, urban areas are slated for major cuts and in some cases total elimination.

Federal policies in general, and Department of Defense spending practices in particular, have consistently fostered economic growth in the West and Southwest while they have blithely abandoned the economic concerns of the Midwest and Northeast.

Mr. President, I will continue to speak out on this imbalance in the hope that it will encourage my colleagues to recognize and act upon this most basic question of inequity.

PROPOSED TRANSFER OF VA DATA PROCESSING CENTER

Mr. DIXON. Mr. President, time and again, the States of the Midwest and the Northeast have sent more to Washington than they get back in Federal outlays. And, Mr. President, as the impact of the budget cuts is absorbed, it is apparent that future proposals for Federal spending will continue to enhance the growth of States in the South and the Southwest at the expense of States in the Midwest and Northeast.

Mr. President, as an example of this chronic imbalance I call your attention to a proposal by the Veterans' Administration to move a data processing center from Hines, Ill., to Austin, Tex.

I do not believe this move of 100 positions from Hines, south to Texas, is cost effective. Nor do I believe such a move south will increase the efficiency of the VA.

I have asked that the Senate Veterans' Affairs Committee and the General Accounting Office begin to evaluate the necessity of this move. I have also sent a letter to OMB Director David Stockman asking him to stop funding for this move until it can be conclusively determined that the move to Austin, Tex., will enhance the operations of the VA.

Mr. President, at this time I ask unanimous consent that a copy of the letter I have sent to the VA's Acting Administrator, Rufus H. Wilson, which outlines my opposition to this plan, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., February 27, 1981.

Mr. RUFUS H. WILSON,
Acting Administrator,
Veterans' Administration,
Washington, D.C.

DEAR MR. WILSON: It has come to my attention that the Veterans' Administration is instituting a move of Data Processing Personnel Positions and Equipment from the Hines Illinois Data Processing Center to a Centralized Development Center in Austin, Texas. I believe this project is not cost effective and is not necessary to enhance efficient operations of the V.A.

I have reviewed the information submitted by Mr. Acklen of your staff and other information given me by concerned professional employees of the V.A. I find there are many considerations which I hope you will review before any further action is taken to move the Data Processing programing at Hines.

I understand that the V.A. spent 5.6 million dollars to build a new facility at Hines. New computer hardware was procured to enhance the operation at Hines to better serve the veterans. The staff at Hines was retrained so that these professional employees at Hines are now successfully maintaining the most vital veterans' benefits system in the nation. Should Illinois lose these 100 positions, the V.A. will lose highly experienced professionally trained men and women who will not move to Austin, Texas.

Your staff only last week indicated to congressional committees that the Computer Development Center Concept was only under study. Yet I have in my hands a V.A. management paper indicating that the equipment and personnel are to begin being moved in May of this year!

I am therefore requesting that you immediately halt all plans to move the equipment and Data Processing Center programing positions from the Hines Center until the V.A. can provide me with a complete cost justification for the Austin CDC project. I also would like to know the reason this project could not be operated from the facilities at Hines.

Please do not include as part of your justification for the Austin Center or Hines the information from the "Executive Summary Management Study—Automatic Data Processing Centralized Development Maintenance Center" dated August 1, 1980. Housing costs-salary ranges do not have a bearing on whether or not the establishment of the CDC would be more cost effective at Hines or Austin.

I am also requesting today that the Senate Veterans' Affairs Committee and the General Accounting Office begin an immediate review of this entire program and determine its cost effectiveness.

I have also sent a letter to Mr. David A. Stockman of OMB requesting a halt in the expenditure of funds for this project until these studies are completed. My request to Mr. Stockman includes a moratorium on computer equipment moves and the establishment of any telecommunication lines between the Austin Center and any Data Processing Center for programing.

Sincerely,

ALAN J. DIXON.

TOBACCO PROGRAM SUPPORTS ITSELF

Mr. HELMS. Mr. President, the myth of a presumed Federal subsidy to tobacco has received rather wide currency in some media in recent days, and I feel obliged to set the record straight.

Mr. President, let me reiterate: There is no tobacco subsidy.

The point was made quite effectively in an article in the Greensboro (N.C.) Record of February 23, by staff writer Jim Schlosser.

So that Senators may have the benefit of the accurate explanation of just how the tobacco program supports itself, I ask unanimous consent that the article, "Tobacco Resale Supports Program," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOBACCO RESALE SUPPORTS PROGRAM

(By Jim Schlosser)

With eyebrows lifted, network TV commentators told the nation last week that President Ronald Reagan had slashed price supports to dairy farmers but was leaving tobacco price supports untouched.

What the newsmen failed to point out was that there's nothing to cut from the tobacco price support program. The millions the government spends on the program each year—last year's amount was $182 million—are recouped through the eventual resale of surplus tobacco purchased from the farmers.

Every year since 1961, the program has either made a profit for the federal government or broken even, according to Fred Bond, executive director of the Raleigh-based Flue-Cured Tobacco Cooperative Stabilization Corp. It administers the program in five Southern states.

More than 3,000 farmers in Guilford County operate under the program.

Each year, a tobacco farmer hauls his harvest to a privately owned tobacco warehouse, such as the one on Old Burlington Road in Greensboro. There, buyers from the big tobacco companies—such as Reynolds, Lorillard, Phillip Morris, American—move along the rows of stacked leaf and give their bids to a fast-talking auctioneer.

When the farmer enters the warehouse he knows he is going to get a minimum price for his crop—the government guarantees it. Last year's average minimum was $1.41 cents a pound.

But the private buyers usually bid more than the minimum and the farmer returns home with a nice check.

However, if the private companies are not interested in the farmer's tobacco—perhaps the quality is not up to par—the government will step in and buy the leaf and store in warehouses like one in Fuquay-Varina.

Tobacco quality usually improves with age. After a stay in the warehouse, the government-bought tobacco is put back on the market. And this time, private companies usually buy it, often for prices higher than what the government paid for it.

From the sale proceeds, the government deducts administrative and storage costs. If any money is left over, it goes to the farmer from whom the tobacco was purchased in the first place.

"Many times a tobacco farmer ends up getting an extra check he didn't expect," says Max Sockwell of Greensboro, executive director of the Department of Agriculture's Stabilization and Conservation office here. The office administers the price support program locally.

Despite the program's profit through the years, Sockwell was worried whether the program would survive Reagan's war on federal programs.

"We have been a little concerned because of the unpopularity of tobacco in Washington," said Sockwell, referring to some representatives and senators who argue that the government should not encourage the growing of a commodity that may cause cancer.

But the program may not be out of jeopardy. Budget Director David Stockman said Sunday that the program is still subject to review. However, Secretary of Agriculture John Block was quoted Friday as saying he favors a hands off approach to tobacco. Max Sockwell says the Reagan administration may have concluded that if the price support program were eliminated the result might be more tobacco on the market, not less. He explained that one of the main purposes of the program is to control leaf production. Before 1933, farmers were flooding the market with tobacco. Companies weren't buying it all; consequently, some farmers were losing money. It was that year the government came up with the idea of a price support program to help make supply equal demand.

The government promised farmers a minimum price for their crop if they would agree to limit annual production. Each farmer was assigned an acreage allotment.

The program was not shoved down the farmers' throats. They went to polls set up at country stores and other rural locations and voted to accept it. But the program was not an instant success, and in 1939 farmers voted to abolish it. Within a year, the market was overwhelmed with tobacco. Farmers suffered heavy losses. They then promptly voted the program back in, and have done so in elections held every three years since then. The next vote is scheduled in December 1982.

According to Fred Bond of the Flue Cured Tobacco Cooperative Stabilization Corp., in Raleigh, the program lost millions during the 1950s, but has been in the black for the past 20 years.

Sockwell says the market would be chaotic without the price support program, and would force some small farmers out of business. "This would really cost the government money because a lot of the tobacco farmers would be forced to go on welfare and receive food stamps."

Otis Green, who raises 150 acres of tobacco on his farm in the Brown Summit-Monticello area, said, "I couldn't survive without the price support program. The cost of producing tobacco is so high. I borrow $150,000 to $200,000 each year to get the corp going. Without the price support system we just wouldn't have the guarantee that we need before we can make such an investment."

He estimates that 95 percent of his crop usually is purchased by tobacco companies, with the rest bought by the government. The year before last he received an unexpected check for $1,500 from the co-op—profits from the resale of the small amount of his crop the government had purchased the year before.

THERE IS NO TOBACCO SUBSIDY

Mr. HELMS. Mr. President, it is time we laid to rest the myth about a tobacco "subsidy."

The fact is, Mr. President, there is no such thing as a tobacco subsidy.

Not only is there no tobacco subsidy, but what some fail to realize is the uniqueness of the tobacco program. It is unique in that, among all Federal farm programs, tobacco is the only one that actually does not cost the Government anything, with the exception of nominal administrative charges.

It is true that taxpayers' money is used briefly and temporarily to guarantee farmers a minimum price for their tobacco crops—and for a dozen other commodities.

But the money is not a gift. It is a loan—which is repaid, with interest. The arithmetic comes out this way: Loans advanced to farmers, minus the interest paid by farmers on the loans, minus the sales of the tobacco collateral secured by the Government in return for the loans, has equaled a net loss of $52 million over the past 44 years—total. There have been no losses at all in more than a decade. In fact, in most years the Government is paid a small profit—which amounted to some $800,000 in 1978, for instance.

The distinctive characteristic of the tobacco program which makes it possible for it to be operated without a subsidy is the very strict production control that tobacco farmers have voted in referendum to impose on themselves. When the need arises, farmers have supported reductions in production allotments to keep costs at zero. In fact, they asked for a 7-percent reduction in the flue-cured tobacco poundage quota for 1981.

Even more pertinent to the question of the mythical tobacco subsidy is the fact that Federal, State and local governments receive, in the form of direct excise taxes, three times the revenue received by farmers. The farmers' share of the 1980 crop was something over $2 billion. But the Federal Government collected $2.4 billion in direct excise taxes on manufactured tobacco products. State and local excise taxes amounted to another $4 billion. The Government is not supporting tobacco farmers—tobacco farmers are supporting the Government.

Economists have calculated that tobacco contributes more than $50 billion anually to the GNP, including a $2 billion contribution to our balance of trade with foreign countries.

And there is another matter about the tobacco program that needs to be cleared up. Namely, does the tobacco program encourage smoking? Here is what our former Health, Education and Welfare Department had to say on the subject:

If the (tobacco) program has any effect at all on public health, it is favorable. The purpose of the program is to stabilize tobacco production, and, thus, assure fair prices to the farmer. If the program were to be withdrawn, though, prices would fall, and cigarettes might become less expensive, possibly encouraging more young people to smoke.

Mr. President, last week I had the privilege of visiting with a delegation of 20 tobacco farmers from the heart of tobacco country—Wilson County, N.C. The industrious young men were representatives of the Wilson County Young Farmers Organization.

They presented to me a very fine statement which accurately and eloquently describes the importance of tobacco to farmers in the 24 States in which tobacco is produced. I believe every Senator and every interested American ought to have the opportunity to learn first-hand just how important tobacco is to all of us. I ask unanimous consent that the report of the Wilson County Young Farmers be printed in the RECORD at the conclusion of my remarks, including statistical information depicting the revenue and employment contributions tobacco makes to each State.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WILSON COUNTY YOUNG FARMERS
TOBACCO STATEMENT

We, the Wilson County Young Farmers Club represent a cross section of the heart of tobacco land—Wilson, North Carolina. Our farming interest are diversified with tobacco, grain crops, hogs, cattle, and vegetables. Tobacco, however, contributes 55% to our county's farm income. To some in this room it represents better than 80%. It allows us to exist and improve our standard of living. We owe our farming existence to the tobacco program. Not only our livelihood, but the total economic well being of our state and to some degree the United States, depends on our tobacco program.

Today as never before, our tobacco program stands amidst countless attacks. The smoking issue has brought numerous attacks from the Lung and Heart Association. Shouts of "Outlaw tobacco," and "Put tobacco farmers on welfare" have been heard.

Other critics have shouted, "End the tobacco subsidies," as they argue why should the Federal Government scold smokers from one department and then let another department of government help farmers grow tobacco.

We feel that these people and organizations do not understand the importance of tobacco to our livelihood and to our state and federal government.

ECONOMIC IMPACT

In North Carolina, tobacco is the backbone of our economy. The golden leaf provides almost 148,000 jobs, $1.6 billion in compensation, and because all of the basic sectors of the industry operate in North Carolina it adds more than $394 million to the local, state, and federal treasures to benefit all North Carolina smokers and nonsmokers alike.

The tobacco program with its support prices and quota system helps tobacco continue to be profitable for over one half million farmers. It enables them to borrow money and more importantly pay it back. It helps guarantee a fair price on the 250 man hours it takes to produce an acre of tobacco.

Income from tobacco has made it possible for farmers to purchase equipment and facilities that could not have otherwise been bought, so as to diversify their farm operations with other crops and livestock. Thus, tobacco has made it possible for small farms to broaden their economic base and improve the family standard of living. This is especially true in North Carolina because the small fields make it economically infeasible to make a living on grain crops alone.

The support price is no gift. It is a loan repaid with interest. It has cost some money in its 44 years existence, $52 million or .12 of one percent the cost of all farm commodity support operations. During those 44 years however, purchases of tobacco products paid the U.S. Treasury more than $68 billion in excise tax alone. That's not a bad investment.

Nationally tobacco is grown in 22 states but the golden leaf in 1979 gave to all 50 states: 2 million jobs of all kinds; $30 billion in wages and earnings; $22 billion in taxes; $15.5 billion in capital investments; and $58 billion or 2.4% to America's Gross National Product.

In other words, of every dollar's worth of goods and services rendered to and by Americans in 1979, roughly 2½ cents were generated by tobacco.

EXPORTS

Exports and imports are also aided by tobacco. The U.S. is the leading exporter of tobacco and the third largest importer. In 1978 U.S. export of leaf tobacco and manufactured tobacco products totaled a record $2.12 billion. Imports totaled $428 million. The difference represents a record net contribution of more than $1.69 million to the U.S. balance of payments in calendar year 1978.

To ensure objectivity in tobacco health research, the tobacco industry has supported hundreds of independent research efforts and spent nearly $82 million.

We ask your support of our tobacco program. The quota system, support price, and grading system assures fair market prices. Even the smallest farmer whose existence depends on the golden leaf can be assured a future and a chance to offer quality leaf to the market place.

It will assure that the majority of tobacco will be grown where historically it has proven to be some of the best in the world—North Carolina. It will assure that tobacco will be a product of many instead of a select few.

We understand the program isn't perfect, but how many are? We will do what we can to save and upgrade our program. Our livelihoods are at stake. Our mere existence as farmers hinges on the program. Farmers have been able to preserve a personal dignity and sense of identity that is the essence of our greatness as a nation.[1] And that, like the tobacco program is worth preserving.

NOTE.—Facts and figures based on a study of the U.S. Tobacco Industry's Economic contribution *Wharton ARC* 1979.

[1] Ron Hendrickson, USDA *The Flue Cured Tobacco Farmer*, January 1981.

TABLE 1.—TOBACCO'S DIRECT CONTRIBUTIONS TO STATE AND FEDERAL TAX RECEIPTS, 1979

	State [1]	Federal	Total	Rank
Alabama	$90,457,000	$25,912,000	$116,369,000	24
Alaska	4,833,000	7,794,000	12,627,000	51
Arizona	44,721,000	37,059,000	81,780,000	29
Arkansas	50,367,000	31,469,000	81,836,000	28
California	387,277,000	421,780,000	809,057,000	1
Colorado	75,653,000	43,249,000	78,902,000	32
Connecticut	77,387,000	52,737,000	130,124,000	23
Delaware	12,721,000	12,127,000	24,848,000	44
District of Columbia	15,145,000	17,277,000	32,417,000	41
Florida	270,902,000	172,077,000	443,039,000	5
Georgia	89,782,000	92,408,000	182,190,000	16
Hawaii	14,208,000	10,901,000	25,109,000	43
Idaho	10,055,000	13,327,000	23,382,000	46
Illinois	218,215,000	218,217,000	436,432,000	6
Indiana	101,795,000	110,766,000	212,567,000	13
Iowa	55,648,000	45,043,000	100,691,000	26
Kansas	37,637,000	39,619,000	77,256,000	33
Kentucky	48,766,000	160,296,000	209,054,000	14
Louisiana	68,949,000	68,842,000	137,791,000	21
Maine	24,364,000	21,367,000	45,731,000	37
Maryland	86,353,000	76,014,000	144,367,000	20
Massachusetts	151,130,000	96,530,000	247,660,000	11
Michigan	164,727,000	170,854,000	335,581,000	9
Minnesota	86,572,000	67,651,000	153,223,000	19
Mississippi	40,546,000	40,938,000	81,484,000	30
Missouri	74,570,000	96,401,000	171,071,000	17
Montana	11,991,000	13,857,000	25,848,000	42
Nebraska	25,847,000	25,821,000	50,968,000	36
Nevada	15,268,000	18,600,000	33,875,000	40
New Hampshire	27,101,000	30,437,000	57,538,000	35
New Jersey	176,182,000	156,117,000	332,299,000	10
New Mexico	16,871,000	17,676,000	34,547,000	39
New York	390,173,000	368,477,000	758,650,000	2
North Carolina	80,964,000	278,587,000	359,551,000	8
North Dakota	10,443,000	10,455,000	20,898,000	48
Ohio	210,933,000	183,734,000	394,667,000	7
Oklahoma	51,440,000	86,863,000	138,303,000	25
Oregon	33,111,000	47,862,000	80,973,000	31
Pennsylvania	267,911,000	274,872,000	542,783,000	4
Rhode Island	25,328,000	19,961,000	45,289,000	38
South Carolina	36,027,000	53,761,000	89,788,000	27
South Dakota	9,191,000	10,155,000	19,346,000	49
Tennessee	87,917,000	94,275,000	182,192,000	15
Texas	309,285,000	235,499,000	544,784,000	3
Utah	10,960,000	12,952,000	23,912,000	45
Vermont	9,950,000	12,779,000	22,729,000	47
Virginia	61,591,000	182,989,000	244,580,000	12
Washington	74,828,000	56,343,000	131,171,000	22
West Virginia	42,182,000	31,625,000	73,727,000	34
Wisconsin	99,115,000	65,648,000	164,763,000	18
Wyoming	5,173,000	8,327,000	13,500,000	50
Total	4,317,844,000	4,442,535,000	8,760,379,000	

[1] These figures do not include local sales taxes of $62,000,000, local excise taxes of $127,900,000, or real estate and personal property taxes paid by farmers and manufacturers of $58,000,000.

TABLE 2.—TOBACCO'S DIRECT AND INDIRECT CONTRIBUTIONS TO STATE EMPLOYMENT,[1] 1979

	Direct	Indirect [2]	Total [3]	Ran
Alabama	4,200	21,700	25,900	25
Alaska	300	3,500	3,800	49
Arizona	1,800	15,700	17,500	31
Arkansas	1,700	11,600	13,300	34
California	23,700	177,600	201,300	1
Colorado	2,400	19,200	21,600	28
Connecticut	5,300	25,600	30,900	22
Delaware	800	4,400	5,200	46
District of Columbia	1,400	5,800	7,200	40
Florida	16,300	65,200	81,500	10
Georgia	12,200	33,500	45,700	15
Hawaii	600	6,500	7,100	42
Idaho	900	5,300	6,200	44
Illinois	11,900	87,800	99,700	5
Indiana	6,800	37,200	44,000	16
Iowa	3,200	19,600	22,800	27
Kansas	2,700	16,800	19,500	30
Kentucky	43,600	38,100	81,700	9
Louisiana	3,900	23,700	27,600	24
Maine	1,300	6,100	7,400	38
Maryland	6,300	30,200	36,500	18
Massachusetts	7,800	40,800	48,600	14
Michigan	9,800	66,800	76,400	11
Minnesota	4,800	28,100	32,900	20
Mississippi	2,900	12,000	14,900	32
Missouri	6,300	31,600	37,900	17
Montana	1,000	4,600	5,600	45
Nebraska	1,800	10,300	12,100	35
Nevada	800	5,500	6,300	43
New Hampshire	1,500	5,900	7,400	38
New Jersey	8,900	57,000	65,900	12
New Mexico	1,200	7,100	8,300	37
New York	27,000	132,200	159,200	2
North Carolina	72,300	75,400	147,700	3
North Dakota	800	4,000	4,800	47
Ohio	12,200	74,600	86,800	8
Oklahoma	4,000	18,900	22,900	26
Oregon	2,800	17,400	20,200	29
Pennsylvania	18,300	85,500	103,800	5
Rhode Island	1,100	6,100	7,200	40
South Carolina	9,800	18,100	27,900	23
South Dakota	800	4,000	4,800	47
Tennessee	17,600	31,300	48,900	13
Texas	15,600	91,800	107,400	4
Utah	800	7,600	8,400	36
Vermont	900	2,900	3,800	49
Virginia	31,000	59,700	90,700	7
Washington	3,000	28,500	31,500	21
West Virginia	2,300	11,300	13,600	33
Wisconsin	4,700	31,100	35,800	19
Wyoming	500	3,300	3,800	49
Unallocated [3]	5,600	(5,600)		
Total	429,200	1,622,800	2,052,00	

[1] Full-time-equivalent jobs.
[2] Due to rounding, column figures may not sum to column totals.
[3] Employment in some of the support industries and farming, totaling 5,600, could not be allocated to the States.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE HILLSHIRE FARM OF NEW LONDON, WIS.

Mr. PROXMIRE. Mr. President, I am very pleased today to honor Hillshire Farm of New London, Wis., for receiving the 1981 National Environmental Quality and the Environmental Industry Council.

Hillshire Farm was this year's overall winner out of the 80 companies which competed. The winner was selected by a panel of experts chaired by Dr. Russell Peterson, president of the National Audubon Society.

This was not the first honor for this innovative, energy-saving plant. It had already won the 1980 Engineering Excellence Award from the American Consulting Engineers Council, was judged the top Wisconsin project of 1980 by the Wisconsin Council of Environmental Consulting Engineers and was runner-up for the sixth annual Excellent in Engineering Design Award selected by Water and Waste Engineering magazine.

Not only do these awards commend Hillshire Farm's enlightened management but they are also a great tribute to the company's design engineers, Foth & Van Dyke of Green Bay, Wis.

As a result of building this new plant, Hillshire Farm was able to triple its output of meat products while reducing its discharge almost three times. In addition, the plant enabled the company to greatly expand employment.

The plant provides much more stringent pollution control than is required by State and Federal law and it is the first rendering plant in the United States to produce usable byproducts from its wastes.

Mr. President, Hillshire Farm and Foth & Van Dyke are examples of the finest in engineering quality and a tribute to Wisconsin ingenuity.

"THE LAST METRO"—THE PLIGHT OF BEING JEWISH IN NAZI-OCCUPIED EUROPE

Mr. PROXMIRE. Mr. President, today I shall speak about Francois Truffaut's latest film entitled "The Last Metro", which examines what it was like to be Jewish at a time when sinister Nazi forces were intent upon exterminating the entire Jewish race.

According to the very interesting reviews in the New York Times and the Wall Street Journal, "The Last Metro" is the story of a theater company in Paris whose leader, a respected German-Jewish stage director, is forced to go underground amid mounting anti-Semitism and the threat of arrest. It is interesting to note that while the characters are fictional, "The Last Metro" reflects Truffaut's own experiences as a non-Jewish child in wartime France. Truffaut is especially effective in illuminating the realities of the Nazi occupation by contrasting it with the world of the theater. In this case, he portrays the theater as a world where loyalty and camaraderie reign and where one's beliefs, lifestyle, and attitude are accepted or at least tolerated. Once out of the theater, however, we encounter the Nazi reality, where an intolerant and racist regime is intent upon ruling the world and killing off an entire race of people.

"The Last Metro" brings to life, through the efforts of a great filmmaker, the dehumanizing conditions a Jewish person was faced with in order to survive

the forces of Nazi Germany which intended to destroy him and commit genocide against his people. Since he must remain in hiding to survive, the troupe's director cannot openly practice his trade but must send his directions through his gentile wife. Despite these obstacles, it is clear that it is he who is staging the play and ironically, providing for the welfare of the theatrical troupe.

Mr. President, as "The Last Metro" points out, all of mankind suffers when one group attempts to annihilate another.

We now have an opportunity to officially condemn this hideous crime. Let us not pass up this chance and ratify the Genocide Convention.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ON 50TH ANNIVERSARY OF NEVADA GAMBLING

Mr. CANNON. Mr. President, on March 15, the State of Nevada will celebrate the 50th anniversary of legalized gambling. This is an occasion of great moment in our State because, over the past 50 years, we have demonstrated that gambling can be controlled and channeled into a clean, productive industry that brings great economic benefit.

Just how great that benefit is can be illustrated in a number of ways. For one, Nevada ranks securely in the top five States in per capita income and was the fastest growing State in the country between 1970 and 1980.

During that period, we avoided the burdens of a personal income tax and high sales and property taxes. One of the main reasons is the economic boost provided by reasonable taxation of gambling profits. Total gambling revenues have risen from $24.5 million in 1946 to more than $2 billion in 1980.

During 1980, State revenues realized from State tax and license fees on gaming amounted to nearly $170 million—48 percent of the revenue collected in the State general fund. The gaming industry employs approximately 25 percent of the workers in Nevada and it is estimated that an equal number are employed in other tourist-oriented businesses.

Hand in hand with this success has come growing acceptance of what used to be considered Nevada's sinful ways. Visitors to Nevada now number nearly 22 million annually and even middle America has come to consider our attractions as among its favorite forms of recreation and entertainment.

As evidence of this growing acceptance, I note Atlantic City's adoption of Nevada-style gambling in 1977 and the expanding list of States considering the same course. As a matter of fact, half our States now permit wagering in some form or another and the trend does not seem to be waning.

This is nothing to be afraid of. As I said, Nevada has shown the way with strict enforcement to keep the games honest and the take in the hands of legitimate businesses. People will always gamble and I would rather have them spend their discretionary dollars here in the United States—and preferably Nevada—than somewhere else.

As other States begin to reap the benefits of a gaming and tourism based economy, I hope they stop and think of the debt they owe Nevada. Until Atlantic City joined the fold a few years ago, we were alone in the eyes of the world, absorbing the bad press and cynicism. As befits a State owing its existence to fearless pioneers, however, we have withstood the world's scrutiny and emerged in pretty good shape.

We are proud of what we have achieved and look forward to the future. On the 100th anniversary of legalized gambling in Nevada, I suspect there will be other Atlantic Cities and that our State will still be the model they pattern themselves after. The publisher of Nevada magazine, Caroline J. Hadley, said it best in a special issue commemorating the anniversary:

> Nevada has always done what it liked; it's just taken a long time for the rest of America to find out that we were right.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. BAKER. Mr. President, as I announced previously, it is my intention now to ask unanimous consent, and I do so, that the Senate proceed to the consideration of Calendar Order Nos. 10 through 27.

Mr. President, before the Chair grants that request, has a request already been granted that those items I have just identified be considered en bloc and that committee amendments to those resolutions be treated as original text for the purpose of further amendment?

The PRESIDING OFFICER. The Senator is correct.

Without objection it is so ordered.

COMMITTEE FUNDING RESOLUTIONS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration en bloc of Calendar Orders Nos. 10 through 27.

The clerk will report.

The legislative clerk read as follows:

Various Senate resolutions beginning with Calendar Order 10 through 27.

Pursuant to the foregoing unanimous consent request, the Senate proceeded to the consideration en bloc of the resolutions (Calendar Orders Nos. 10 through 27), all committee amendments to the resolutions were agreed to en bloc, and the resolutions, as thus amended, were treated as original text for the purpose of further amendment.

The resolutions, as amended by the committee amendments, and to be treated as original text for the purpose of further amendment, are as follows:

EXPENDITURES BY THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

The resolution (S. Res. 43) authorizing expenditures by the Committee on Agriculture, Nutrition, and Forestry, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 12, strike "$1,325,000" and insert "$1,322,000".

The resolution, as amended, follows:

S. RES. 43

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Agriculture, Nutrition, and Forestry is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,322,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON APPROPRIATIONS

The resolution (S. Res. 55) authorizing expenditures by the Committee on Appropriations, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 10, after "$3,791,203,", insert the following: "of which amount not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1976, as amended.".

The resolution, as amended, follows:

S. RES. 55

Resolved, That in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Appropriations is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $3,791,203, of which amount not to exceed $25,000 may be expended for the procurement of

the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

AUTHORIZING EXPENDITURES BY THE COMMITTEE ON ARMED SERVICES

The resolution (S. Res. 60) authorizing expenditures by the Committee on Armed Services, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 10, strike "$1,569,400" and insert "$1,554,400".

The resolution, as amended, follows:

S. RES. 60

Resolved, That in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Armed Services is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,554,400, of which amount not to exceed $35,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

The resolution (S. Res. 75) authorizing expenditures by the Committee on Banking, Housing, and Urban Affairs:

S. RES. 75

Resolved, That in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Banking, Housing, and Urban Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,583,411, of which amount (1) not to exceed $1,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON THE BUDGET

The resolution (S. Res. 50) authorizing expenditures by the Committee on the Budget, which had been reported from the Committee on Rules and Administration, with amendments, as follows:

On page 2, line 10, strike "(1)".

On page 2, line 14, strike ", and" through and including line 17.

The resolution, as amended, follows:

S. RES. 50

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on the Budget is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,693,632, of which amount not to exceed $80,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

The resolution (S. Res. 52) authorizing expenditures by the Committee on Commerce, Science, and Transportation, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 12, striking "$3,219,146" and inserting "$3,171,746".

The resolution, as amended, follows:

S. RES. 52

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Commerce, Science, and Transportation is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $3,171,746, of which amount not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

The resolution (S. Res. 56) authorizing expenditures by the Committee on Energy and Natural Resources, which had been reported from the Committee on Rules and Administration, with an amendment, on page 2, line 11, strike "$2,039,259" and insert "$2,029,259".

The resolution, as amended, follows:

S. RES. 56

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Energy and Natural Resources is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,029,259, of which amount not to exceed $10,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

The resolution (S. Res. 49) authorizing expenditures by the Committee on Environment and Public Works, which had been reported from the Committee on Rules and Administration, with amendments, follows:

On page 2, line 11, strike "$2,186,000" and insert "$2,166,000";

On page 2, line 12, strike "$25,000" and insert "$30,000".

The resolution, as amended, follows:

S. RES. 49

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Environment and Public Works is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,166,000, of which amount (1) not to exceed $30,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON FINANCE

The resolution (S. Res. 25) authorizing expenditures by the Committee on Finance, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 10, strike "$2,103,200" and insert "$2,063,200".

The resolution, as amended, follows:

S. RES. 25

Resolved, That, in carrying out its powers, duties and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Finance is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,063,200, of which amount not to exceed $50,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

The resolution (S. Res. 39) authorizing additional expenditures by the Committee on Foreign Relations for inquiries and investigations:

S. RES. 39

Resolved, That, in holding hearings, reporting such hearings, making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, the Committee on Foreign Relations is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,333,100, of which amount not to exceed $18,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON GOVERNMENTAL AFFAIRS

The resolution (S. Res. 57) authorizing expenditures by the Committee on Governmental Affairs, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 11, strike "$4,732,526" and insert "$4,672,526."

The resolution, as amended, follows:

S. RES. 57

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Governmental Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,672,526, of which amount (1) not to exceed $68,725.32 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,500 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. (a) The committee, or any duly authorized subcommittee thereof, is authorized to study or investigate—

(1) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided*, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting their particular branch of the Government;

(2) the extent to which criminal or other improper practices or activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(3) syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawful business enterprise; and to study the adequacy of Federal laws to prevent the operations of

organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices or activities;

(4) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety;

(5) riots, violent disturbances of the peace, vandalism, civil and criminal disorder, insurrection, the commission of crimes in connection therewith, the immediate and longstanding causes, the extent and effects of such occurrences and crimes, and measures necessary for their immediate and long-range prevention and for the preservation of law and order and to insure domestic tranquillity within the United States;

(6) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(A) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(B) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents;

(C) the adequacy of present intergovernmental relationships between the United States and international organizations principally concerned with national security of which the United States is a member; and

(D) legislative and other proposals to improve these methods, processes, and relationships;

(7) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(A) the collection and dissemination of accurate statistics on fuel demand and supply;

(B) the implementation of effective energy conservation measures;

(C) the pricing of energy in all forms;

(D) coordination of energy programs with State and local government;

(E) control of exports of scarce fuels;

(F) the management of tax, import, pricing, and other policies affecting energy supplies;

(G) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(H) the allocation of fuels in short supply by public and private entities;

(I) the management of energy supplies owned or controlled by the Government;

(J) relations with other oil producing and consuming countries;

(K) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(L) research into the discovery and development of alternative energy supplies; and

(8) the efficiency and economy of all branches and functions of government with particular reference to the operations and management of Federal regulatory policies and programs:

Provided, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government.

(b) Nothing contained in this section shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946, as amended.

(c) For the purpose of this section the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 1981, through February 28, 1982, is authorized, in its, his, or their discretion (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents, (2) to holding hearings, (3) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate, (4) to administer oaths, and (5) to take testimony, either orally or by sworn statement.

(d) All subpenas, contempt proceedings, and related legal processes of the committee and its subcommittees authorized under S. Res. 361 of the Ninety-sixth Congress, second session, including the subpena enforcement and contempt proceeding against William Cammisano, are authorized to continue.

SEC. 4. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 5. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

The resolution (S. Res. 53) authorizing expenditures by the Committee on the Judiciary, which had been reported by the Committee on Rules and Administration with an amendment:

On page 2, line 10, strike "$4,295,722" and insert "$4,262,722".

The resolution, as amended, follows:

S. RES. 53

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on the Judiciary is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,272,722, of which amount (1) not to exceed $172,490 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended) and (2) not to exceed $3,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON LABOR AND HUMAN RESOURCES

The resolution (S. Res. 62) authorizing expenditures by the Committee on Labor and Human Resources, which had been reported by the Committee on Rules and Administration, with an amendment:

On page 2, line 11, strike "$4,054,000" and insert "$4,004,000".

The resolution, as amended, follows:

S. RES. 62

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Labor and Human Resources is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the service of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,004,000, of which amount not to exceed $27,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

The resolution (S. Res. 61) authorizing expenditures by the Committee on Veterans' Affairs:

S. RES. 61

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $172,490 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended) and (2) not to exceed $3,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE COMMITTEE ON LABOR AND HUMAN RESOURCES

The resolution (S. Res. 62) authorizing expenditures by the Committee on Labor and Human Resources, which had been reported by the Committee on Rules and Administration, with an amendment:

On page 2, line 11, strike "$4,054,000" and insert "$4,004,000".

The resolution, as amended, follows:

S. RES. 62

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Labor and Human Resources is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the service of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,004,000, of which amount not to exceed $27,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

The resolution (S. Res. 45) authorizing expenditures by the Special Committee on Aging, which had been reported from the Committee on Rules and Administration, with amendments, as follows:

On page 1, line 1, strike "That" through and including "Senate," on line 6, and insert the following:

That, in carrying out the duties and functions imposed by section 104 of S. Res. 4, Ninety-fifth Congress, agreed to February 4, 1977, and in exercising the authority conferred on it by such section,

On page 2, line 12, strike "$908,946" and insert "$901,946".

The resolution, as amended, follows:

S. RES. 45

Resolved, That, in carrying out the duties and functions imposed by section 104 of S. Res. 4, Ninety-fifth Congress, agreed to February 4, 1977, and in exercising the authority conferred on it by such section, the Special Committee on Aging is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $901,946, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE SELECT COMMITTEE ON SMALL BUSINESS

The resolution (S. Res. 34) authorizing expenditures by the Select Committee on Small Business, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 10, strike "$905,000" and insert "$902,000".

The resolution, as amended, follows:

S. RES. 34

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by paragraph 1 of rule XXVI of the Standing Rules of the Senate, and S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, in accordance with its jurisdiction under such Senate resolution, the Select Committee on Small Business is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $902,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE SELECT COMMITTEE ON INTELLIGENCE

The resolution (S. Res. 54) authorizing expenditures by the Select Committee on Intelligence, which had been reported from the Committee on Rules and Administration, with an amendment:

On page 2, line 10, strike "$1,070,000" and insert "$1,648,000".

The resolution, as amended follows:

S. RES. 54

Resolved, That, in carrying out its powers, duties, and functions under S. Res. 400, approved May 19, 1976, in accordance with its jurisdiction under section 3(a) of such resolution, including holding hearings, reporting such hearings, and making investigations as authorized by section 5 of such resolution, the Select Committee on Intelligence is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,648,000 of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

EXPENDITURES BY THE SELECT COMMITTEE ON INDIAN AFFAIRS

The resolution (S. Res. 51) authorizing expenditures by the Select Committee on Indian Affairs for inquiries and investigations:

S. RES. 51

Resolved, That in carrying out the duties and functions imposed on it by section 105 of S. Res. 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, as amended, and in exercising the authority conferred on it by such section, the Select Committee on Indian Affairs is authorized from March 1, 1981, through February 28, 1982, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $567,234 of which amount not to exceed $30,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1982.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. MATHIAS. Mr. President, the pending resolutions will affect the work of every standing committee in the Senate. Because the budget for each committee necessarily governs the scope and extent of the work of that committee, we want the budgets to be adequate. But in these times of financial stringency, we will want the budgets to be lean and frugal. So the vote the Senate will be taking within a few hours—1 hour to be precise—will mark a very important step in setting our books in order and in sending a signal to all the rest of the Government of the United States that the Senate intends to invoke economies and is prepared to invoke them on itself to start with.

I hope to send a message to the American people that we are serious in Washington about adopting economy measures this year.

There are 18 committee funding resolutions pending before the Senate, and they are the first budgets to be considered this year. We are looking at ourselves before we look at anybody else, and the results of the Senate's action today, I think, will create an important precedent for Senate action on spending matters throughout the rest of the year.

As we all know, the majority leader of the Senate, the Senator from Tennessee (Mr. BAKER), early announced it was his hope we could have as a target the reduction of the overall expenses of the Senate by 10 percent. At the time I was honored by my colleagues by being elected chairman of the Committee on Rules, I stated that it would be my hope, my purpose, that we could assist the majority leader in achieving that overall goal by providing as a first step a 10-percent reduction in the aggregate committee budgets. So that is what the Rules Committee has brought to the Senate today, an aggregate committee budget that does achieve a 10-percent cut as a first step toward a similar cut in overall Senate spending.

So that we understand exactly what we are talking about, we are reporting resolutions today that represent an aggregate 10 percent cut from the past year's authorized committee expenditures. Last year committees were authorized to spend $46,332,196. This year, in response to the appeal of the majority leader and, I think in response to the general situation which we all recognize we are in, the committees voluntarily reduced their budget requests by the sum of $4,332,897. So that came very close to our goal of an aggregate reduction of 10 percent. But in order not only to come close but also to hit the target we had to reduce the aggregate committee budgets by another $300,400 for a total reduction of $4,633,297. This figure is what represents a 10-percent cut from last year's authorized levels. Authorized spending for Senate committees this year will be $41,698,899.

This was not an easy job. I am sure there are some Members of the Senate who think we should have cut more, and I know there are some Members of the Senate who think as far as their committees are concerned that we should have cut less. But, by and large, we made the cuts we felt were reasonable and rational, which would not seriously inhibit the work of the committees.

The fact that we were successful in reaching the 10-percent goal is really only possible because of the cooperation of the committee chairmen and the ranking minority members, most of whom came forward voluntarily and suggested their own cuts, their own reductions and, of course, by the work of our colleagues who are members of the Rules Committee.

When I speak of the members of the Rules Committee I would like to single out for tribute the ranking minority member, the distinguished Senator from Kentucky (Mr. FORD). He was patience and loyalty personified. He sat through all of the committee testimony; he asked very tough questions; he spared no one; he played no favorites and he was as dedicated to making this 10-percent economy as anyone in the Senate.

I really believe that these resolutions could not have been, would not have been, possible if he had not so wholeheartedly taken part in the whole process.

I would also like to mention the Senator from Virginia (Mr. WARNER) who was of particular personal assistance to me and the committee in the process. He was very faithful in attending the hearings and he was one of those encouraging the committee in trying to reach the goal of 10 percent.

So I think we can be proud of the resolutions reported from the Rules Committee, and I am grateful for the dedicated work of the staff of the committee, who bore a great deal of the heat and burden of the day in preparing the resolutions so that they could come to the floor so promptly.

I think what we have done is a job that needed to be done, and am glad we were able to accomplish it. I hope the rest of the Senate will concur in our judgment.

I further hope that our action today will serve as an example to our colleagues in the other body and to the executive branch as the President grapples with the budget for the coming year.

I am happy to yield the floor to my colleague from Kentucky.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I thank my distinguished colleague from Maryland and appreciate the kind words that he has had to say about my efforts to assist him. And really, that is what it has been. No one could find an individual or a staff more cooperative, easier to work with, and able to take the bitter—and most of it has been bitter—with the sweet. I have enjoyed my short tenure not only with the distinguished Senator, but also those with whom he surrounds himself.

Likewise, Mr. President, I wish to compliment the minority staff that has had an equally heavy burden, with fewer employees, but assisting those new ones who are coming in. I think the cooperation among the committee members has been very good.

I think we have had the utmost of harmony and cooperation and, totally without partisan motivation on the part of our committee or its staff, we have agreed upon the additional reductions over what those committee chairmen had suggested voluntarily.

Mr. President, 10 percent does not sound like much and it really is not 10 percent. Really, it is more than that when you take in the fact of inflation, the fact of only a 5.5-percent increase in the salaries of those who have toiled for a long time helping the committees, and that being absorbed in the cut. So you can say, Mr. President, that these cuts went beyond the 10 percent.

One change that we are making here today, one change legislated last year, made the job at least simpler, if not somewhat easier. This year we began the process of dealing with committee funding allocations on a single resolution basis. All expenditures for each committee will be authorized in a single Senate resolution.

So, Mr. President, I rise to support this resolution and to stand four-square with the chairman of the Rules Committee. I hope we can approve the resolution promptly, without amendment. I join our committee chairman in urging that we agree to the resolutions—I think we have a time certain of 5:30 p.m.—and that we do so without any opposition.

The PRESIDING OFFICER. The time for the vote is 5 o'clock.

Mr. FORD. I stand corrected. I understood it was going to be 5:30. If it is going to be at 5 o'clock, I will try to make it at 5 o'clock also.

I thank the Chair and I thank the chairman.

Mr. MATHIAS. Mr. President, I thank the distinguished ranking minority member.

COMMITTEE ON THE JUDICIARY—SENATE RESOLUTION 53

Mr. THURMOND. Mr. President, the Committee on the Judiciary was allocated $5,727,629 for legislative fiscal year 1980 which ends on February 28. Additionally, in August 1980, the committee was provided $197,000 by special resolution for use in the Billy Carter investigation.

This year, the Committee on the Judiciary proposed to the Committee on Rules and Administration a significant reduction from the budget levels of the past session. For legislative fiscal year 1981, the committee proposed a total budget of $4,295,722, a reduction of $1,431,907, or 25 percent below the budget level of last year, excluding the Billy Carter investigation.

To summarize briefly the budget proposed to the Committee on Rules and Administration, the following facts should be useful.

First, overall budgeted staff is reduced from 192 to 134. Second, consultants are budgeted at $172,480 for fiscal year 1981, which is roughly comparable to the amount budgeted for fiscal year 1980, $177,500. Third, administrative expenses are budgeted at $826,131, which also is approximately equivalent to the amount budgeted for the current year, $832,120.

These figures, we believed, represented a logical plan for the activities of the committee during the new Congress. The major reduction proposed was in staff salary expense.

The committee felt that in many respects the very large staff of past Congresses impeded, rather than facilitated the work of the committee. Frankly, some members of the committee were of the view that the staff had grown to unwieldy proportions and that members were frequently responding to the demands of staff, rather than the other way around.

But, apparently, the Committee on Rules and Administration did not feel that the Committee on the Judiciary had done enough in reducing staff and expenditures.

Even though the Committee on the Judiciary made the largest dollar reduction of any standing committee of the Senate and even though the Committee on the Judiciary made the largest percentage reduction by a factor of almost three than any other standing committee of the Senate, the Committee on Rules and Administration saw fit to cut the budget of the Committee on the Judiciary by a further $23,000.

I note in that connection that the budget of the Committee on Appropriations was accepted by the Committee on Rules and Administration, even though that committee made only an 8.54-percent cut in its budget. The Committee on Rules and Administration also accepted unchanged the budget of the Committees on Foreign Relations, Banking, Indian Affairs, Budget, and Veterans' Affairs, even though each committee made cuts, respectively, of 9.99 percent, 10 percent, 10 percent, 10.19 percent, and 10.38 percent.

The reasoning of the Committee on Rules and Administration in making a further cut in the budget of the Committee on the Judiciary, a committee that made a 25-percent cut, is thus somewhat obscure.

Nevertheless, I believe so strongly that reductions in Government spending are

essential to the well-being of the country, that I am willing to accept the further, rather minor reduction, made by the Committee on Rules and Administration. I shall do my best to insure that the Committee on the Judiciary remains within its budget, even though the budget initially proposed to the Committee on Rules and Administration was the lowest budget that we felt was prudent under the circumstances.

The Committee on the Judiciary reviews one out of four bills introduced in the Senate. The Committee on the Judiciary is responsible for reviewing the nominations of all Federal judges, all U.S. attorneys, all U.S. marshals, and all of the many high-level officials of the Department of Justice, and of certain other Justice-related agencies.

The foregoing responsibilities do impose an unusual burden on the Committee on the Judiciary, and they do require an administrative and investigative effort that is unique.

Candidly, I would have preferred that the Committee on Rules and Administration had accepted the budget proposed by the Committee on the Judiciary, and I find it somewhat anomalous that a further reduction of $23,000 was voted by the Committee on Rules and Administration after the Committee on the Judiciary on its own initiative had reduced its budget by $1,431,907.

Nevertheless, I will not offer an amendment to restore the money cut, and I shall support the budget for the Committee on the Judiciary in the form reported by the Committee on Rules and Administration.

COMMITTEE ON GOVERNMENTAL AFFAIRS—SENATE RESOLUTION 57

Mr. ROTH. Mr. President, as chairman of the Committee on Governmental Affairs, I would like to speak in support of the committee budget resolution, Senate Resolution 57, which we are considering today.

This budget resolution reflects a 10-percent reduction in last year's total committee budget and an additional reduction of $60,000.

The Governmental Affairs Committee has already absorbed the 9.1-percent cost-of-living increase for last year and will absorb any cost-of-living adjustment which may be necessary this year. As you are aware, this practice of absorbing the cost-of-living adjustment effects a real reduction of much greater than 10 percent. However, despite the substantial reduction which we have included in our budget, I truly believe we will be able to sustain a dramatic increase in committee activity this year.

I believe the Governmental Affairs Committee is just beginning one of its busiest and most productive years. We look forward to carrying out greatly increased responsibilities this year. In addition to the duties we will perform as a result of the recent election, including the consideration of numerous nominations and major reorganization legislation, the members of this committee are anxious to break new ground in legislative areas and in aggressive oversight activity.

Before I begin to describe the committee activities for the coming year, I would like to make a few brief points concerning our budget.

The Governmental Affairs Committee budget has not been characterized by exponential growth in recent years. In fact, since the Governmental Operations Committee, the District of Columbia Committee, and the Post Office Committee were combined to form the Governmental Affairs Committee in 1977, the budget has had no real growth. The budget request we are submitting today reflects a dollarwise increase of only 6 percent over a period of 5 years. However, the committee has actually sustained a real reduction of over 29 percent over the past 5 years, if the rate of inflation is taken into consideration.

I have also done some preliminary research into how the Senate Governmental Affairs budget compares to the budgets of House committees. On the House side, the District of Columbia, Post Office and Civil Service, and the Government Operations Committees had combined budgets of over $8 million and 209 staff members in 1980.

These House committees have, of course, very similar functions to the Governmental Affairs Committee. I am certainly not advocating any increase in our budget or any reduction in the House committee budgets. However, I do believe it is useful to note their relative size in order to keep this issue in perspective. In addition, I would like to point out that this committee funds the permanent Subcommittee on Investigations. This subcommittee has been involved in many important investigations over the years. The House has no counterpart to this subcommittee.

In spite of the fact that this committee has not had a real increase in 5 years, I am very pleased to report that we have been able to request a 10-percent reduction in last year's budget. I repeat, I am not suggesting in any way that we will reduce the level of committee activity in order to achieve this reduction. On the contrary, I fully expect to sustain the budget reduction I have proposed while increasing the level of committee activity.

Some members of the committee have expressed concern that we would not be able to accomplish the schedule we have planned for the coming year within the budget we have proposed. I am confident that with additional effort from everyone involved the funding we have requested will be sufficient.

The Governmental Affairs Committee has historically had responsibility for a wide range of Government functions and issues. In the past year, the committee has been particularly active legislatively and in exercising oversight authority.

The committee has extensive responsibility to perform oversight over all functions and branches of the Government to promote efficiency and effectiveness of Government operations.

Oversight activities of the committee during 1980 included hearings on the following subjects:

Fraud and Abuse in Community Service Administration;
"Hurry Up" Spending;
Transfer of Technology to the Soviet Bloc;
General Revenue Sharing;
DOE Gasoline Allocation;
Regulatory Agencies; and
Freedom of Information Act.

Last year, the committee assumed an extremely active legislative role. The committee held 75 days of hearings. It reported 35 bills, 16 of which were passed by the Senate. Twelve bills reported by this committee were signed into law.

Legislation considered by the committee included such diverse issues as grant reform, regulatory reform, antiterrorism proposals, the Privacy Act and the extension of reorganization authority. The committee also considered reorganization plan No. 1 of 1980, the President's plan to strengthen management of the Nuclear Regulatory Commission.

In addition, the committee held hearings on 11 proposed Presidential nominations. The positions for which these nominations were made include Inspectors General for the Department of Education, Commissioner for the Postal Rate Commission, Special Counsel to the Merit Systems Protection Board, and Administrator of the Office of Federal Procurement Policy. Several nominations to positions in the D.C. courts were also considered by the committee.

As I have mentioned before, this year promises to be even busier for the committee.

The committee plans to expand and increase oversight activity in the coming year. Specifically, we plan to pursue oversight of the General Services Administration, the Office of Personnel Management, including the Senior Executive Service, the Small Business Administration and the Inspector General Act.

In addition, the Governmental Affairs Committee has a very critical responsibility to promote the economy, efficiency, and effectiveness of the Government at all levels. We intend to take this responsibility very seriously in the coming year. This year we will focus whatever resources are necessary on the identification and eradication of fraud, waste, and abuse in the Federal Government. I realize this is not a job which can be completed in 1 year, but we are making a commitment to begin our efforts immediately and to be vigilant and aggressive in our oversight until we get results.

We will work closely with the new administration in finding ways to streamline the Government and improve efficiency in Government at all levels and especially in the reduction of fraud and waste.

We expect to fully utilize the resources and reports which have been issued by GAO and in particular will give close consideration to the numerous GAO recommendations for legislation and other efforts to save Federal dollars. For example, GAO has identified actions—legislation and otherwise which would save several billion dollars annually. We will closely study these numerous recommendations in the coming year.

In addition, I plan, as the new chair-

man of the Permanent Subcommittee on Investigations, to increase the efforts of this subcommittee in eliminating this fraud, waste, and abuse of Government funds. To complement the subcommittee's ongoing investigations of organized crime, I intend to focus the subcommittee and its considerable resources on oversight of the Federal Government to find and root out these pervasive and recurrent conditions.

In the past, oversight has been considered less glamorous than other committee responsibilities by many. I can say with certainty that oversight will be given very high priority by this committee.

I would also like to mention for the record a few areas in which the committee expects to consider important legislation this year.

Senator EAGLETON and I have introduced legislation to create a national commission to review the operating structure and functions of Government at all levels.

It has been nearly 30 years since the Hoover Commissions of the late 1940's and early 1950's completed their work. Many of the problems identified by the Hoover Commissions have grown worse during the ensuing decades. I personally believe it is imperative that the Congress create such a commission now to reexamine the management of Government functions and the efficiency of the functions themselves. The committee will hold hearings on this proposal early next month.

Improving the management of Federal assistance programs has become an important issue over the last decade. Federal grant programs have proliferated and efficient, effective management of the chaotic Federal assistance system is becoming more difficult.

The grant reform issue will remain an important priority of the committee and will be the subject of committee consideration once again this year. Other reforms proposed to improve the grant-in-aid system such as the fiscal note legislation which would require an assessment of the cost of proposed legislation, to States and localities, will also be of concern to the committee.

Regulatory reform will also be an important committee issue this year. Last year, the committee held 13 days of hearings on the issue of reforming and improving the regulatory process. In addition, several days of hearings were conducted on compliance of regulatory agencies with Executive Order 12044—Improving Government Regulations—and on congressional review of agency rules (S. 1945).

A great deal of the committee's time last year on the regulatory reform issue was spent in marking up the legislation and in negotiations with the Judiciary Committee to report the legislation.

The committee expects to again concentrate significant amounts of time and resources on the regulatory reform issue. Oversight of activities and the policies adopted by the executive branch in the management of regulatory programs will be an important part of the committee's work. Major reform legislation will again be considered by the committee and it is likely that issues such as regulatory analysis, systematic review of existing regulations and improvements in the central management of regulatory programs will be reviewed by the committee.

Oversight of the Congressional Budget and Impoundment Control Act of 1974 will be another committee priority this year. Seven years have now elapsed since the budget process was put into place in the Congress. It is timely and very appropriate at this juncture for the committee to begin comprehensive oversight of the act itself in order to evaluate its success in achieving the original goals of the committee. In addition, this year the committee will consider the numerous legislative proposals for reform of the act.

The Governmental Affairs Committee as you are aware also has extensive responsibilities related to reorganization. Government reorganization of various departments and agencies has been widely discussed during the last year. Two departments which will probably be the subject of reorganization plans are the Department of Education and the Department of Energy. The committee would, of course, be responsible for the consideration of these plans. The committee must first consider the extension of the reorganization authority itself. The existing authority for reorganization expires early this year.

The list of nominations the committee will consider early this year is lengthy, as I have mentioned. In addition to the numerous Inspectors General who must be approved, the committee has still to consider the nominations for several positions including:

Administrator of the Federal Emergency Management Administration;

Director of the Office of Federal Procurement Policy;

Administrator of the General Services Administration (GSA);

Comptroller General and Deputy Comptroller of the General Accounting Office (GAO); and

Director and Deputy Director of the Office of Personnel Management (OPM).

The subcommittees of the Committee on Governmental Affairs have traditionally been very active in oversight as well as legislative activities. The subcommittees of the committee also have planned very ambitious agendas. The coming year promises to be extremely busy for each subcommittee as well as the committee as a whole.

In conclusion, I believe the Committee on Governmental Affairs will have an extremely active and productive year. I believe we can complete the full schedule which I have discussed within the budget we have proposed. I appreciate the efforts of the chairman and members of the Rules Committee in considering and reporting our budget resolution. On behalf of the members of the Committee on Governmental Affairs, I ask for support in this Chamber for funding for the activities I have described.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Are we on a time agreement here? Will the Senator yield 1 minute?

Mr. MATHIAS. Mr. President, I am happy to yield such time as the Senator may desire.

Mr. DOMENICI. I thank my good friend from Maryland.

COMMITTEE ON THE BUDGET—SENATE RESOLUTION 56

Mr. President, I congratulate the Rules Committee. Their recommendations for funding the Senate committees will reduce the total committee expenditures by 10 percent below last year.

This is a necessary first step, Mr. President, if we are to put the country's fiscal house in order.

Public Law 96-508 requires us to reduce all expenditures for operations of the Senate by 10 percent below fiscal 1980 levels. I hope—indeed I expect we will achieve economies in other Senate expenditures equal to those recommended to us by the Rules Committee, with respect to our committee budgets. I also hope, Mr. President, that the House will follow suit—and cut spending on the legislative branch overall.

The President has proposed—and we have embarked on—an historic change in our approach to this Nation's economy. This change is absolutely necessary if we are to control inflation, increase investment and productivity, revitalize our economy, and improve the quality of life for all our citizens. This is what the voters want us to do—as evidenced by the November election results; and this is what we must do. They have an innate understanding of what has been going wrong with this country and they have spoken.

As we all know, Mr. President, substantial reductions in Federal spending are an essential part of the President's proposed cure for our economic ills. Since Congress controls the purse strings, this is uniquely our responsibility. That being the case, we face the imperative: "Physician, heal thyself." We simply cannot make a case that we must cut everything except our own budgets and expect to succeed.

The Budget Committee cut our own funding request 10 percent below last year—even though we have not increased our budget since 1977.

The Rules Committee recommendation does not seek to change our committee's request. We appreciate that. We feel that operating with 10 percent less than we had 5 years ago presents a significant challenge; but it is a challenge we expect to meet successfully. We do not believe we could operate with less—or we would have further reduced our request. We appreciate the careful scrutiny the Rules Committee gave all committee budgets—and their concurrence that ours is a barebones request.

Mr. President, I am pleased that the Rules Committee has found a way to see to it that the committees of the U.S. Senate can function as they must but

with 10 percent fewer dollars than they functioned with last year.

In closing, Mr. President, I want to say again: Chairman MATHIAS and the Rules Committee have done us all a real service—and they deserve our thanks. It is never easy to cut budgets. Cutting our own colleagues' budgets, as they have done, and getting the cooperation of those whom they have cut, is a task none of us envy. They have done a superb job. And I congratulate them. I hope that we will be able to do this well in other endeavors as we seek to cut the inordinate growth of Federal Government.

Mr. MATHIAS. Mr. President, I thank the Senator for his very generous remarks, but I am sure the Senator from Kentucky would join with me in saying that it was the work of many hands and many people are to be thanked.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GORTON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I inquire of the Senator from Maryland whether there is a time allocation.

Mr. MATHIAS. We have a time limit on the vote, but no one is seeking to speak at this time, so the Senator can take such time as he may desire.

Mr. NUNN. If the Senator gets into a situation in which someone else desires to speak, I will be glad to yield at the Senator's request.

EXPENDITURES OF THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. NUNN. Mr. President, I have served as chairman of the Permanent Subcommittee on Investigations for the last 2 years, and before that I served as vice chairman of that subcommittee. I now have the honor of being the ranking minority member of the committee, working closely with the Senator from Delaware (Mr. ROTH), who is the chairman of both the Permanent Subcommittee on Investigations and the Committee on Governmental Affairs.

Also, Senator WARREN RUDMAN is the vice chairman, and he is doing a splendid job in that capacity.

Our committee and subcommittee really have a great deal of oversight responsibility. One of the things that many people do not focus on in this body—and I believe it is understandable—is the difference between an investigative committee and its expenses and what is called a legislative committee. We are not a legislative subcommittee.

All these remarks are directed toward the Permanent Subcommittee on Investigations. It has a long history, mostly under Senator McClellan. Senator McClellan conducted extensive hearings on organized crime, such as the Valachi hearings in 1963; and the investigation of organized crime in connection with labor racketeering, which took place when Bobby Kennedy was the chief counsel in the late 1950's. That type of inquiry is a vital part of the investigatory role of the U.S. Senate.

During the last 2 weeks, we held 6 days of hearings on corruption along the east and gulf coast waterways. We concentrated our efforts on Miami and New York, which meant that we had to have extensive travel to those two cities. We had extensive telephone bills, and we had to subpena a number of witnesses from those areas to get them here in Washington.

One thing people do not recognize in the nature of the hearings we have is that the witnesses do not come voluntarily, paid by their trade associations. Many of these people are accused of being involved in crime. Some of them are accused of being part of La Cosa Nostra. What we have to do, like it or not, if we are going to get them here, is to pay their expenses. That is a crucial difference between an investigative subcommittee and a legislative subcommittee.

When a legislative subcommittee has hearings, people are happy to come and testify, at their own expense, about their interest either for or against that particular piece of legislation.

The recent hearings we just had took us a long time to prepare. We had three to four investigators working on it for about a year.

During the last 6 or 8 weeks of this investigation, we had 15 people working on that investigation. And the best estimate we have now is that those 6 days of hearings cost somewhere between $25,000 and $30,000.

The transcripts alone for those 6 days cost $6,000. One of the reasons for that is that we have to have the transcripts the next day. If we do not get them the next day, we do not have them for cross-examination purposes, and it is essential that we have those transcripts rapidly.

The witnesses' travel and per diem for that particular set of hearings cost around $7,000. The staff travel, and this took place over about a year, cost an estimated $12,000, and the telephone bill for these hearings cost at least $4,000.

I do not think anyone who sat through these hearings would in any way say that we overspent the money in light of the pervasive influence of organized crime on the waterfronts all over America involving literally billions of dollars. We are making at least 11 different recommendations that would involve legislation. The Labor Committee has already scheduled hearings on some of these recommendations sometime in May. I think even if we pass only two or three of these recommendations, they will save untold millions of dollars and begin to do something about one of our most serious problems in terms of law enforcement.

During the years I have served as either acting chairman, vice chairman, or chairman of this subcommittee, the subcommittee investigated a number of areas of Government fraud and abuse as well as organized crime.

And the thing I wish to emphasize to my colleagues, particularly those on the Rules Committee, is that in each of these cases we found the initial leads and most of the corruption outside Washington, D.C. In order to root out the problems in the guaranteed student loan program and in medicaid-medicare—and out of these hearings came the Inspectors General bill creating the Inspector General in the Department of HEW—we had to put investigators on the road, and we had to spend some money.

We cannot have an investigatory hearing without spending some money. It is impossible. We had to make hundreds of long distance telephone calls. We had to bring witnesses from all over the country to Washington for these hearings.

In 1976, when our subcommittee budget was $1.1 million, we uncovered problems in the guaranteed student loan program alone that were costing the Government some $1 billion in defaulted loans.

Now all of these problems have not been corrected, but a major legislative package both was introduced and passed as a result of these hearings.

The Committee on Governmental Affairs, and especially our Permanent Subcommittee on Investigations, has a prime responsibility to investigate fraud, waste, abuse, mismanagement, misfeasance, and malfeasance in the administration of all Federal programs. We also have a historical mission to investigate organized crime, labor racketeering, and illicit narcotics traffic.

Our investigations and the holding of hearings have to be done in a very sensitive and a very careful way.

Quite often we would run into factual situations that have involved in them criminal liability. In doing our job we have to check every fact; we have to corroborate every witness; we have to examine every document; we have to leave no stone unturned.

I am sure that under the chairmanship of the distinguished Senator from Delaware (Mr. ROTH), we will carry on this type of activity.

As to the savings of our subcommittee, if we look at the record over a period of time, I would say we have saved literally hundreds of millions of dollars in addition to making major changes in law enforcement and in organized crime enforcement in this country.

I simply wish to give my colleagues an example of what we face next year, because I am not going to propose an amendment today. I know the Rules Committee has done a superb job, and part of our problem is not related to the Rules Committee. Part of it is related to our own committee and in the allocation that has taken place there. That is something we will have to work out over a period of time.

But I simply wish to share with my colleagues the dilemma we face.

In 1980, and this is just the Subcommittee on Investigations, our travel and per diem expenditure was $67,538, and not all the bills are in. Of course, everyone knows the airplane travel and other transportation costs went up and skyrocketed last year.

The 1981 budget for travel and per diem is $30,151. So if we do exactly what we did in 1980, and if air travel does not go up at all in 1981, our travel on this particular subcommittee will have to be more than cut in half. That means that we are going to have to drastically reduce the investigations we have underway.

This does not in any way consider the minority side as distinguished from the majority. This is the whole subcommittee, and Senator ROTH has already indicated that he plans to make a major effort in this subcommittee to try to investigate and go after fraud and corruption as well as waste in Government expenditures in numerous Federal programs.

Another example is hearing reporters. The reporters last year cost our subcommittee $35,170. In 1981 the budget under the resolution we are about to approve provides $12,331. This means we are going to have to have half as many hearings.

I do not say that hearings are the mark of whether we had a good year, but we did not have an inordinate amount of hearings last year. Senator PERCY held some very important hearings. We had some on the majority side. But I would say that we cannot possibly fulfill our role with a $12,000 hearing expense budget.

As to the witnesses' travel and per diem, in 1980 we spent $15,088. The 1981 budget under this resolution is $4,932. It has been cut to about one-third of what we spent last year.

The witnesses' fees alone in the ILA hearings, which showed corruption on the waterfront of the whole east coast, were $7,000 in those 6 days of hearings.

So our total budget in 1981 for witnesses' expenses is about $4,932, or about five-sevenths of what we spent in one set of hearings over 2 weeks.

This means very simply that we are not going to be able to investigate beyond Washington, D.C. We might get out to the National Institutes of Health in Maryland. But we may have to investigate fraud, corruption, waste, inefficiency, organized crime, and narcotics traffic by not calling witnesses from beyond the borders of Washington. We simply are not going to be able to do it.

I say this because I think it is going to be apparent to the members of the Rules Committee and to the members of the full Governmental Affairs Committee that if we really wish an investigating subcommittee, we have to change this budget.

I am not here to propose an amendment today. I know that the Rules Commitee has worked long and hard. I know that Senator ROTH has worked long and hard trying to organize the full committee, but unless someone has served and participated actively on the Permanent Subcommittee on Investigations he has no way of really comparing the activities of this committee with the activities of a legislative committee.

Our witnesses in the last 2 weeks have not appeared voluntarily. We were prepared to grant immunity in five different cases. We did not grant that many immunities because we were very careful in that. We do not like to grant immunity unless we absolutely have to. We had to subpena people who came in and took the fifth amendment. We are in that process right now. We had two witnesses who came up with medical excuses for answering our subpenas. One of them had a legitimate medical excuse, it seemed, but we had to verify that because this particular individual is alleged to be a member of La Cosa Nostra. We do not believe we should just carte blanche take the word of a doctor who is paid by that particular individual without checking it out further.

So we are having to check that out by having a doctor examine that particular witness with the consent of counsel.

We had another witness from New York who came up with an excuse that we did not think had necessary documentation. We kept a subpena in effect and we demanded permission from the attorney representing that individual to be able to examine that individual. We are going to have to pay doctors to examine those individuals.

But I do not think the Senate wishes to be in a position where one of its subcommittees under a subpena power cannot verify whether alleged members of La Cosa Nostra are really sick when they refuse to show up pursuant to a subpena. I do not think we wish to be put in that ridiculous situation.

I simply wish to express, first of all, my gratitude to the Rules Committee. I join them in believing that we had some bloated budgets, and I think that we can cut down budgets of Congress. I share in that goal. When we get into the area of oversight, when we get into the area of investigating fraud, waste, corruption, organized crime, narcotics, and labor racketeering, I really do not believe that the mood of the country is such that we want to basically put a subcommittee out of business that has a historical track record as good as this subcommittee.

We are not in business to recommend programs that cost money.

We are in the business of trying to eliminate fraud and corruption and waste in the Government.

So I want to serve notice on my colleagues that we are in the position of not being able to continue the investigations we have ongoing. I am not speaking with the permission of the new majority, but I am speaking from my knowledge of the way the subcommittee works. They may not be able to investigate the inefficiency, the fraud and waste they intend to investigate now unless they confine themselves to the immediate area of the Nation's Capitol.

Just to give my colleagues an example of some of the things we had hoped to work on over the next year or 1½ years, we have an investigation on international narcotics traffic, particularly Southeast Asia, the so-called Golden Triangle; we have a quaaludes investigation, which is one of our more serious drug problems that is growing by leaps and bounds. That investigation cannot take place here in Washington.

We have a Federal sentencing, probation and parole investigation, trying to determine whether organized criminals are given favorable treatment under our existing parole system. We have an investigation which has been going on for 1½ years, and we hope to complete it in the next 4 months, which will identify members of organized crime all throughout the United States. We intend to make all the necessary documentation a part of the public record.

We have plans to undertake an investigation about espionage activities in which some of the technological secrets we have in our private sector are being stolen by the Soviet bloc. We have an investigation ongoing on organized crime's money flow. I think all of you have read the statistics which indicate that the State of Florida has several billion dollars more in bank deposits than any other Federal Reserve district in this country. This is no coincidence. It is primarily because of illegal narcotics traffic. But we have to send people to Florida to conduct that investigation.

We have plans to look at organized crime's involvement in toxic waste and in cable television. We have an investigation going on concerning narcotics in Bolivia and other countries in South America.

I say this to point out to my colleagues that this is not just what the minority side is doing. Senator ROTH and Senator RUDMAN are cooperating fully in these investigations.

They also have plans to do an awful lot of work in trying to cut out fraud, inefficiency, and waste in Government. So I really believe we are about to pass a resolution which treats this subcommittee in a way, unintentionally and inadvertently, which is going to make it almost impossible to have any kind of meaningful hearings. Frankly, if we are not going to have any more expense money than this, we are really going to have a surplus of staff. I hate to admit that, but the staff may be around here basically writing memos to each other because they are not going to be able to investigate anything.

Perhaps we will investigate the Capitol and the Congress. I do not know whether that is the intention of the committee, to channel our investigation inward. Maybe we ought to investigate what is going on in all of the Houses of Congress. But I do not think we can do the job that is expected of us, that this subcommittee has been doing historically.

I thank the chairman for yielding.

Mr. MATHIAS. I thank the Senator from Georgia for the fine words he has addressed to the Rules Committee.

I would not, however, like one implication that might be drawn from the Senator's remarks to stand on the record without challenge. When the Senator said the funds available for travel would only take him to Bethesda, Md., to the campus of the National Institutes of Health, I want to make it clear that even if the committee were so fortunate as to go to Bethesda, Md., to the campus of the National Institutes of Health; they would not find organized crime rife and in control of that great institution or that very fine community.

Mr. NUNN. I would not only concede the point of the Senator from Maryland, but I would say that was not my intention. I was trying to draw the perimeter of our investigative activity and not directing it at the State the Senator from Maryland represents.

Mr. MATHIAS. I was sure that was not the intention of the Senator from Georgia, but I wanted to make the record crystal clear.

I want to salute the Senator for the great service he has rendered to the Senate and to the United States by his concentration on the problems brought about by the operations of organized crime. Through his work he has brought to light instances of violence and terrorism that form a pattern of conduct that the American people want to see stamped out.

He is entirely right that in order to finish this job the committee has to go forward.

I am further grateful to him for the remarks he has made here today because I think they illustrate the difficulty the Rules Committee has labored under.

Both during the hearings and since the completion of the hearings on the committee budgets, Members of the Senate came to me and said, "You haven't cut deep enough. These are only cosmetic cuts. You ought to go deeper."

From what the Senator has been telling the Senate today, it is just illustrative of the fact that it is extremely difficult to go much deeper than we have gone at this point. Perhaps some time in the future we can do something further, but at this point it is difficult to go further than the aggregate cut of 10 percent without inhibiting the necessary work of the Senate.

Maybe we can rearrange our priorities. Maybe we can readjust some of the budgets of the committees so that further economies can be made. But you have to take it a step at a time, and this is a first step leading toward an aggregate cut of 10 percent in the expenses of the Senate.

I think the Senator has given us a very good case illustration of just what happens if you cut too deeply.

I think the Senator has also spoken from the point of view of the new minority and has expressed some of the kinds of frustrations that a minority necessarily feels, that where there is expertise, knowledge, dedication, and desire to do a job there ought to be resources available to do it.

Mr. NUNN. Let me just mention this to my colleague from Maryland at this point. The figures I gave were not minority budget. The figures I gave were the minority and majority budget.

What I am saying is Senator ROTH and Senator RUDMAN are now in place, but they have just hired this week the people who are going to head the committee's staff. There has been no staff looking at the majority budget that has the investigative experience necessary to determine the amounts that are going to be necessary.

As soon as the new majority staff gets in place, and they undertake their first investigation, they are going to be coming in and saying, "We do not have enough money to travel; we do not have enough money to pay witnesses; we do not have enough money for the telephone. We cannot conduct an investigation in this way."

So I am really here, and I want to make it clear, speaking in a sense for the majority and the minority. I am not complaining in any sense about the minority's share in this. I think that is up to us to work out in the committee. I think it is the whole subcommittee that is having dramatic cuts in its ability to do its job. As I said, I applaud the efforts to reduce the cost of Congress, and I think it is overdue, but I would like the Senator to understand we will probably be asking to come back and make a special case, laying out exactly what we need in some of these expenses so that we can utilize the very strong professional talent we have in a productive way for the Senate.

Mr. MATHIAS. In the Senator's case such a request would be supported by very concrete evidence of the work you have already done. I think that provides really the best argument for maintaining its work because, at the risk of repeating myself, I am convinced that the American people will not tolerate the kind of violence, criminal activity, drug-pushing, and preying on innocent people, particularly innocent young people, in this country which is characteristic of organized crime.

I think that is really the case. It is the very key factor which will give the Senator a very strong platform on which to speak, certainly as far as I am concerned.

Mr. NUNN. I thank the Senator from Maryland.

I would just ask my colleague if the Rules Committee on request by both majority and minority, if at some point we decide we really do have to come back, will the Senator be willing at least to have a hearing and let us make a presentation at that time?

Mr. MATHIAS. I am sure the committee would be happy to lend a very sympathetic ear to the Senator.

Mr. NUNN. I thank the Senator from Maryland.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

● Mr. STAFFORD. Mr. President, the Committee on Environment and Public Works faces a very heavy workload during the 97th Congress, and particularly during the 1st session. We are all keenly aware of the requirement to review the budget of every agency and program within our jurisdiction, so as to make our recommendations to the Budget Committee by March 16. This important task is made more pressing by the strong desire this year to reduce Federal expenditures—which inevitably raises policy issues and hard decisions. And while these first recommendations may be submitted in mid-March, I have no doubt that these economic examinations and program decisions will constitute a large part of our work throughout the year.

Our largest legislative task will be the review, and modification where needed, of the Clean Air Act. This will be a complex and time-consuming task—involving dozens of difficult issues affecting large segments of industry, the strongly held views of conservationists and other public groups, and with consequences for every State and community in this country. We plan to conduct a number of field hearings; and we began our Washington hearings shortly after receiving the report of the National Commission on Air Quality.

While the Clean Air Act may be the most challenging of the committee's responsibilities and its heaviest workload, other reauthorizations are scarcely less important. For example, the Clean Water Act must be addressed this year, particularly the formula for State apportionments. It is time to again address the Federal aid highway system—which raises key policy decisions for the future. There has not been an omnibus water projects bill for 4 years, and our new subcommittee chairman, Senator ABDNOR, is anxious to address that challenge. We will again confront the issues of nuclear waste disposal, in addition to the regular authorization for the Nuclear Regulatory Commission. Senator CHAFEE, in addition to his water pollution work, will be pursuing the fish and wildlife initiatives he began last year.

The committee also plans to take prompt action on the oil spill cleanup legislation, and the public buildings reform legislation in which Senators RANDOLPH, MOYNIHAN, and SIMPSON so effectively joined last year. In addition, we must address the future of the economic development programs, reauthorization of disaster relief, and oversight of toxic substances, drinking water legislation, and environmental research and policy, among others.

While the committee, then, has been presented a major agenda of important work, despite this, and despite the increase in size of the committee we have reduced the number of budgeted staff positions by 10 percent—that is, to 56 from 62, which has been the number of staff authorized for the committee since reorganization in 1977. We consider this to be a lean but effective staff, and one which will have to continue to stretch its energies and its talents.

We have in this way succeeded in following the rule of the Republican Conference in reducing budgeted expenditures by 10 percent below the amount authorized to the committee last year.●

COMMITTEE ON ARMED SERVICES—SENATE RESOLUTION 60

Mr. TOWER. Mr. President, this measure would provide the Committee on Armed Services with $1,554,500 in spending authority for the period March 1, 1981, through February 28, 1982, for the examination, investigation, and study of all matters within the jurisdiction of the Committee on Armed Services as specified in rule XXV of the Standing Rules of the Senate.

Of this amount, direct payroll expenses account for approximately $1,262,935 to provide for a staff of 36 persons, 21 professional staff members, and 15 staff assistants. This represents the addition of only two staff assistants above the

level of staff authorized for the previous year.

At a time when national and international security concerns are the focus of an increasing level of attention, both in the Congress and in the executive branch, our committee expects to operate with an exceptionally full agenda over the coming year. The documentation forwarded to the Committee on Rules and Administration outlines the specific elements of the committee's work that will be addressed in the months ahead.

I think my colleagues are aware of the enviable record which my distinguished colleague from Mississippi, Senator STENNIS, maintained for many years as the chairman of our committee in limiting expenditures to only the minimum necessary levels. Down through the years, our committee has hired only essential staff personnel and still operates with one of the smallest committee staffs in the Senate. I fully intend to follow the precedent set by our previous chairman in this regard.

I wish to express my appreciation to the distinguished chairman of the Committee on Rules and Administration, Senator MATHIAS, and the distinguished ranking minority member, Senator FORD. They have been most fair and evenhanded in their consideration of the request of the Committee in Armed Services, and their recognition of our committee's duties and responsibilities for the coming year is genuinely appreciated.

In addition, I would like to thank especially my colleague from Virginia, Senator WARNER, who serves both as a member of the Committee on Armed Services and the Committee on Rules and Administration. As I was necessarily away from Washington at the time of the Rules Committee hearings on this matter, Senator WARNER appeared at my request along with Senator STENNIS in formally presenting our request, and I am deeply grateful for his assuming this additional burden at a time that was exceptionally busy for him.

Mr. President, I urge the Senate's adoption of Senate Resolution 60, as reported by the Committee on Rules and Administration.

The PRESIDING OFFICER. Under the order previously entered, the hour of 5 p.m. having arrived, the Senate will now proceed to vote en bloc on agreeing to the funding resolution in Calendar Orders Nos. 10 through 27.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from California (Mr. HAYAKAWA), the Senator from Wisconsin (Mr. KASTEN), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Kansas (Mr. DOLE) is absent due to illness.

I further announce that, if present and voting, the Senator from Minnesota (Mr. DURENBERGER) and the Senator from Kansas (Mr. DOLE) would each vote "yea."

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON) and the Senator from Louisiana (Mr. LONG) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 93, nays 0, as follows:

[Rollcall Vote No. 26 Leg.]

YEAS—93

Abdnor	Glenn	Murkowski
Andrews	Goldwater	Nickles
Armstrong	Gorton	Nunn
Baker	Grassley	Packwood
Baucus	Hart	Pell
Bentsen	Hatch	Pressler
Biden	Hatfield	Proxmire
Boren	Hawkins	Pryor
Boschwitz	Heflin	Quayle
Bradley	Helms	Randolph
Bumpers	Heinz	Riegle
Burdick	Hollings	Roth
Byrd, Harry F., Jr.	Huddleston	Rudman
	Humphrey	Sarbanes
Byrd, Robert C.	Inouye	Sasser
Cannon	Jackson	Schmitt
Chafee	Jepsen	Simpson
Chiles	Johnston	Specter
Cochran	Kassebaum	Stafford
Cohen	Kennedy	Stennis
Cranston	Laxalt	Stevens
D'Amato	Leahy	Symms
Danforth	Levin	Thurmond
DeConcini	Lugar	Tower
Denton	Mathias	Tsongas
Dixon	Matsunaga	Wallop
Dodd	Mattingly	Warner
Domenici	McClure	Weicker
East	Melcher	Williams
Exon	Metzenbaum	Zorinsky
Ford	Mitchell	
Garn	Moynihan	

NOT VOTING—7

Dole	Hayakawa	Percy
Durenberger	Kasten	
Eagleton	Long	

So the resolutions were agreed to en bloc.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolutions were adopted.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, to extend not longer than 30 minutes, in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

GLADYS SPELLMAN'S BRILLIANT CAREER

Mr. SARBANES. Mr. President, it is with deep personal sadness that I rise today to pay tribute to Gladys Noon Spellman. The esteem and honor with which all of us in the Congress who have worked with Gladys held her is reflected by the House of Representatives proceedings which took place only after sufficient time has elapsed to conclude that this extraordinary public servant would be unable to take the seat to which she had so overwhelmingly been returned by the people of her district in Prince Georges and Montgomery Counties, Md.

It is certainly no overstatement to reflect that, as the Washington Post editorialized—

> Gladys Spellman entered the race for reelection to a fourth term in Congress as the most popular politician in Prince Georges County.

But her loss to this Congress means much more to the people of Maryland than the end of her term of political service.

Gladys Noon Spellman was a true servant of the people in every respect. Whether forcefully and effectively advocating the best interests of the people of her district in the Congress, serving as chairman of the Board of Commissioners of Prince Georges County, or teaching in the classroom, this remarkable lady vividly demonstrated the best in dedicated public service and genuine personal commitment.

Gladys brought her considerable talents to bear in the special way that touched consumers, public employees, senior citizens, children, and indeed, all the people of Maryland. Her appreciation of and unending dedication to the needs of all of her constituents were matched only by Gladys' commitment to insure that government at all levels was serving the genuine needs of the people.

I had the honor and privilege of serving with Gladys Noon Spellman when she first came to the Congress in 1974, after her distinguished career of service and leadership in county government. I have also had the privilege of sharing with Gladys many public appearances. Perhaps I can best note that her success as a public servant was reflected by the genuine warmth and dedication that the people she represented gave back to her on those occasions.

Her tireless efforts to touch the people she represented, took her to every corner of her district with unending energy and enthusiasm. Gladys Spellman loved her constituents and they loved her. Her career stands as an example for all who would serve the people. Simply put, we will miss her greatly.

Mr. President, those of us who have known and worked with Representative Gladys Noon Spellman join in the hope that her indomitable spirit, great strength and the love and dedication of her family may in some way overcome her illness. I ask unanimous consent that the February 25, 1981, tribute to Gladys Spellman from the Washington Post be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GLADYS SPELLMAN'S BRILLIANT CAREER

> By anyone's account, Gladys Noon Spellman entered the race for reelection to a fourth term in Congress as the most popular politician in Prince George's County. Today, that reputation has not changed a bit—but, as Mrs. Spellman's millions of admirers in the county, in Congress and throughout the Washington region have had to accept—her own circumstances have. Her remarkable 19-year political career has been halted, though it remains a classic for all who would seek public office and serve successfully.
>
> To have watched Mrs. Spellman on the campaign trail, on the phones, in the schools or up and down the aisles and office hallways of Congress was to see a woman obviously reveling in her work and loving her constituents. You could watch with amusement, too, as Mrs. Spellman would bat those big dark eyes, smile, gosh-golly it a few times—and then systematically strip the socks off of unsuspecting colleagues in the House to make another point or two on behalf of her constituents.
>
> There has always been more to it than charm and cunning, though; Mrs. Spellman has been a political pro in every way, with an uncanny sense of her constituency's interests—most notably those of federal employees, from elevator operator to secretary, clerk and middle-level professional. To this group that always suffers as the easy target of the "anti-Washington" candidates, what better music than Mrs. Spellman's "Beautiful Bureaucrat" column in her newsletter, commending "wonderfully responsive" government workers and championing those who, "far from slowing down the wheels of government, are really the people who keep them churning"?
>
> This keen appreciation of her constituents and of government at its best has been instrumental in promoting the best of Prince George's County—where Mrs. Spellman first came into the public eye as a crusading PTA activist, elected as a Democratic reformer to the old County Board of Commissioners in 1962. Four years later, she became board chairman, the first woman to head Maryland's largest county. Mrs. Spellman remained in the political thick of things when the county changed to a charter form of government, winning election to the new county council and, in 1974, to the U.S. House.
>
> The bubbling omnipresence of Gladys Spellman—in meetings large and small, at those open-door complaint sessions for constituents, at the nightly sessions throughout her district, at the PTAs, at the clubs or in the family rooms around the neighborhoods—is no more. And yesterday's declaration of a vacancy of this seat was only right, for representation of this district must continue.
>
> Still, we can know what Mrs. Spellman's daughter means when she says, "I'm waiting for her to look up and tell me to cut my hair, or to tell the boys to trim their beards." After all, everybody knows by now that Gladys Spellman has never been one to be underestimated.

REMARKS ON THE HOSTAGE CRISIS IN IRAN

Mr. HART. Mr. President, during the last month, a great deal has been said and written about the meaning of the hostage crisis in Iran. None, in my judgment, had addressed this issue more articulately than my colleague Representative RAYMOND KOGOVSEK, who represents the Third Congressional District of Colorado. Just 10 days after the American hostages returned, he discussed what we learned during this difficult period in a speech before the El Paso County Democratic Party. His thoughtful remarks are the most eloquent expression of what we learned from the hostage crisis I have seen so far.

Representative KOGOVSEK spoke about the strength, purpose, and destiny of a free society such as ours. He was able to put in words what so many of us felt but could not adequately express. I commend him for a very thoughtful and very moving speech.

I ask unanimous consent that Representative KOGOVSEK's remarks be printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS

> Life continues to be a learning experience, teaching most of us that we really aren't much better prepared for today having gone through yesterday. Few things have taught Americans that lesson any better than the 14½-month ordeal which we abbreviate as "The Hostage Crisis."
>
> There we were—the most powerful nation on earth; the nation which waged and won simultaneous wars in Europe and the Pacific; a nation with a staggeringly wealthy Gross National Product; a nation able to explore the heavens and land men on the moon and harness nuclear power—held hostage, as a nation, by a bunch of terrorists and radicals. We seemingly were all but crippled, and it appeared that our might was reduced to negotiation, our strength reduced to humiliation, our power reduced to simple begging.
>
> We rejoiced when it was all over (if indeed it can ever be called "over"), and we already have begun a period of painful re-assessment and self-scrutiny. It's relatively easy to Monday morning quarterback now, to say we could have done such-and-such, or hit them with thus-and-so, or told them this-and-that. But hindsight is nearly meaningless; what the Iranian hooliganism taught us about future incidents isn't all that clear. The next hostage, the next embassy, the next hijacking will be different. And I think that the only thing we know for sure is that we know we will survive. I'm not saying that we can't plan ahead, that we can't beef up our protective measure in obvious ways. But I am saying that we don't need to be reduced to a fearful, whimpering nation of paranoiacs—afraid to stick out our collective necks into a world that needs us, afraid to reach out our hands and strong arms to a world hungry for democracy.
>
> We will be hurt; we will endure martyrdom, from time to time; we will continue to endure the smart pain of humiliation from the radicals and irrationals. But our American way long has been paved with the blood of those willing to sacrifice their time, their bodies, their total existence to make men free. Our Flag, desecrated in Teheran and elsewhere, has waved proudly over far too many victories to acquire shame because of a few crazies here and there.
>
> We will not retaliate beyond the means equal to the necessity; we will not bully simply because we are bullied; we will, however, learn new ways—however vaguely those ways will be formulated—to do what we can to protect our legitimate interests and our lives.
>
> I hope none of us use the hostage situation to push for hawk-like attitudes for this nation. We must and we will become more adequately defense-minded and surely we will pay the costs attached to that development. But I pray God that we quit our defense-mindedness when we are strong enough, and that we don't become a nation dedicated to the wrongful proposition that "Might Makes Right." It doesn't, it won't, and it can't.
>
> We will continue to be strong, and indeed increase our strength, not merely because we add bombs and bullets and men; we will continue to be strong not only because we revise our planning for future crises: we will continue to be strong because of the very fiber of the American people and the leaders it selects. Because we are a free nation, choosing whomsoever we will to lead and consolidate, we will opt for moderation and strength, seeking neither hawks nor doves, but quietly powerful men and women who understand and respect and fear the awesome power that is ours.
>
> We will be strong because we will continue the inherent trust we have in any president and any Congress to be responsive to the will of the electorate. And make no mistake about it: As long as leaders will lead, as long as they use the powers granted them by the Constitution and the people it shields, they will be trusted and respected.
>
> The Iranians have reminded us once again how impossible it is for idealists without foundation to lead or even set a course of positive action; they reminded us once again that long after this mullah or that imam or this council or that committee have disappeared in the latest hail of bullets, our nation will still be here, moving surely on a course of improvement and sharing and growth. We are not a nation of weaklings or namby-pambies; it would be a tragic mistake for anyone to confuse patience and prudence with weakness or indecision.
>
> The decisions ahead are tough ones; the new directions we must seek are not obvious. But I can recall the sight of millions of Americans watching, with tears in their eyes, as another 52 Americans changed planes in Algeria; I can hear anew the shouts and cheers and almost feel the tears of joy as the ex-hostages returned to American jurisdiction in Frankfurt; I can see again the overwhelming pride of Washington and Pueblo and Colorado and indeed the whole of the American nation as our neighbors were welcomed home from captivity. I can see and hear and feel that sense of unity and pride and brotherhood, and I can believe totally that we are indeed on the right track, that we will survive not because of changes-yet-to-come but because of who we already are.
>
> Iran: You hoodlums and criminals, you pirates and kidnappers, Thank you. Your evil, which could deserve such powerful retribution, instead has actually helped us to re-focus on the strength we have, the purpose we possess; you helped us scoop away the cynicism and find again a great, sleeping national pride underneath. We are stronger than we believed, more indomitable than ever. It took 444 days to remind us of the lesson, but I suspect it will be a much longer time before we forget it.

Mr. HART. Mr. President, I have noted a disturbing trend in recent months with respect to Israel's standing in the international community. In brief, there seems to be growing respectability in the Third World to the idea of depriving Israel of its proper place in the international community. I wonder parenthetically if to some extent the vacillation in U.S. support for Israel in the United Nations over the past year has not contributed to the increasing acceptance of this idea.

Two recent incidents prompt my concern. The January Islamic Conference in Saudi Arabia called on the United Nations General Assembly to reject the credentials of the Israel delegation and to freeze its membership in that body. The conference also called for increased diplomatic as well as economic pressures on Israel to abandon Jerusalem and the West Bank, and made allusion to a "jihad"—a rough translation of which is "holy war"—to "liberate" Jerusalem.

Earlier this month, the New Delhi meeting of "Nonaligned Nations' Foreign Ministers" repeated the call for expulsion of Israel from the United Nations.

I strongly deplore these efforts to diminish Israel's diplomatic standing in the world community. It is precisely because Israel and the Arab nations have difficult, complex, and longstanding diffi-

culties, that we need their active participation in the United Nations to resolve their differences in a peaceful way. It is in everyone's interest—Israels, the Arabs, and the United States—that threats to peace be defused through peaceful diplomatic means by an international forum such as the United Nations.

The steps taken in Saudi Arabia and New Delhi only make resolution of difficult issues more unlikely. The statements made in Saudi Arabia and New Delhi are not a step in the direction of a peaceful settlement.

I hope in the future responsible world leaders—whether their common bond be as Arabs or as oil producers, poverty or Islam—would avoid facile rhetoric and focus instead on steps which will build rather than erode confidence so that reason may eventually prevail on both sides.

It is incumbent on the new administration to demonstrate—both to our ally, Israel, and to the rest of the world—that we will not stand idly by while irresponsible attempts are made to ostracize a legitimate member of the world community. The visit of the Israel Foreign Minister, Mr. Shamir, provides an excellent opportunity to demonstrate our recognition and support for Israel's role in the world community as well as to discuss other important issues.

FARM POLICY

Mr. HART. Mr. President, in the weeks ahead, the members of a number of America's farm organizations will be traveling to Washington to meet and consult with their representatives. I welcome their visit, for they are here to remind us, as they should, that the future of the family farm is one of the most important issues facing this Congress. It is an issue which gets at the very heart of our heritage, our economy, and our survival. It is not just the farmers' issue, but all of ours.

America's farmers continue to face the most serious economic conditions they have known since the early 1930's. Record interest rates, high production costs, and low prices contribute to the most difficult cost/price situation in the memory of many farmers. Added to this series of woes is a potential drought facing much of our country.

Congress will have an opportunity to address these and other important farm issues during consideration of the omnibus farm reauthorization legislation this year; $22 billion worth of Federal programs intended to lessen financial risks of farmers, feed the poor, and ensure the maintenance of family farms are up for renewal in 1981. Sound farm policy, however, must be even broader than this critical reauthorization. We must address other economic, energy, water resource, and foreign policy issues if we are to address the most important needs of the American farm community. I would like to briefly address each of these.

One of the basic economic principles that must guide our farm policy is that it is unfair to ask America's farmers and ranchers to feed the Nation for less than it cost them to produce their crops. We must continue to improve the agricultural economy through support programs, by improving exports and limiting imports, and by increasing the use of food products in foreign aid programs.

I have consistently supported a number of measures to increase and extend farm support programs. In 1977 and 1978, I cosponsored emergency bills to raise target prices to 100 percent of parity and loan rates to 90 percent of parity, as well as legislation to provide a support program for sugar beets and sugarcane. I was also a cosponsor of the Flexible Parity Act which would adjust the target price for a commodity depending upon the amount of land removed from production. I have also called for reducing the interest rate on FHA and Small Business Administration loans for farmers, and I believe we have a responsibility to provide disaster loans for farmers whose crops are destroyed.

Our Nation's energy problems will have as great an effect on farmers as any other segment of our society. Farmers, however, can be an important source of the alternative energy so necessary for reducing our imports of foreign oil.

Alcohol fuels, for example, is an exciting new idea, and it was the American farmer who brought it to our attention. It has already played a major role in alternative energy production. We currently produce 120 million gallons per year of fuel-grade alcohol from grains and biomass. I have consistently supported funding for gasohol plants and will continue to do so.

Just last week, I called on the President to unlease an energy offensive and to move quickly on incentives to promote gasohol. I joined with Senator DOLE and 17 other Senators in urging Energy Secretary Edwards and Agriculture Secretary Block to expedite currently authorized loan guarantees for the construction of commercial-size alcohol fuel plants. I strongly believe gasohol and other renewable energy resources can play an important role in achieving our energy independence.

In addition to economic and energy policies, land and water policies are also needed to strengthen our farm community. Without some kind of sensible management of our prime agricultural lands, we will lose them to industrial and urban development. I was pleased to learn that Secretary of Agriculture John Block has endorsed the findings of the national agricultural land study and has called for a land-use policy that will slow the conversion of prime agricultural farm land to nonagricultural uses.

The study indicated that the United States is losing 3 million acres of prime farmland a year to nonagricultural uses like housing subdivisions, shopping centers, recreation areas, and industrial development. This study also estimates that U.S. farmers will need to plant between 84 and 143 million acres of additional farmlands by the year 2000 to meet anticipiated domestic and foreign demands. The continued conversion of our prime agricultural land at current rates is clearly contrary to our long-term economic and environmental interests.

In an arid region such as ours, water is perhaps the most valuable resource. I am committed to protecting Colorado's agriculture base by insuring there is adequate water for irrigation even as we increase energy development. Earlier this month, I wrote President Reagan, urging him to consider adding money to the 1982 budget for new water project construction. The new administration should conduct a review, with the help of State and local officials, of new water projects which are eligible to begin construction but have been held up by the Carter administration. Energy and agricultural development in the West simply cannot proceed without greater water storage capacity.

It is increasingly important that our Government make every effort to stimulate an expansion of U.S. food shipments to other countries. I support the increased use of food in foreign aid programs, such as food for peace. One cannot talk of increasing exports, however, without commenting on the Soviet grain embargo. On January 4, 1980, President Carter announced that 17-million tons of wheat, corn, and soybeans, originally to be sold to the Soviet Union, would be embargoed. This action was in response to the Soviet invasion of Afghanistan.

For some time I questioned whether this action punished the Soviet Union as much as it harmed the American farmer. And I eventually concluded the embargo should be lifted. The Reagan administration is now in the process of deciding whether the embargo should be extended and whether it is truly punishing the Soviets, particularly when they are threatening to interfere in the affairs of Poland. I look forward to the President's decision and intend to independently reevaluate my own position at that time. Although the embargo has been only partial, it has had a bite. There is evidence that the embargo is directly responsible for a decline in Soviet meat consumption and that the Soviet Union has had to spend hard currency to increase meat imports.

In light of this evidence, it would be irresponsible not to objectively weigh all arguments for or against the embargo. If, however, the embargo should be extended, it is essential, and fairness dictates, that farmers alone not bear the burden. I would support expanding the embargo to include other commodities and products and high technology equipment so that farmers alone are not asked to sacrifice for our foreign policy.

The maintenance of a farm system dominated by productive family-sized units is and should be a basic goal of American agricultural policy. I have described several critical areas which I believe will shape the future of the family farm. The 97th Congress will have many opportunities to work with the American farmer in determining the best public policy for American agriculture. I intend to work closely with the farmers in my State in this endeavor.

RESETTLING VIETNAMESE REFUGEES

Mr. HUDDLESTON. Mr. President, a dispatch from Reuters News Service caught my attention recently. It was datelined Kuala Lumpur, Malaysia, February 11 of this year. It is the kind of report that we see frequently, a monthly update on the progress of one effort to aid refugees. A spokesman for the United Nations High Commissioner for Refugees reported that, in the month of February, 2,800 people would be resettled from refugee camps in Malaysia. The message of this brief paragraph seemed to be that international cooperation made this small success possible.

As we contemplate the immensity and intractability of the refugee problem, it is sometimes good to reflect upon those few individuals we are able to help. As we see the number of refugees in Africa grow from 1 million to 5 million in just the past 5 years, for example, it is good to think that 2,800 people have been able to find permanent homes, and leave the camps of Malaysia.

And yet, I looked more closely at the figures reported in this story, and this was the breakdown of acceptance of the refugees; 350 were going to Australia, 450 were divided among Canada, New Zealand, Japan, and the Netherlands. The remainder, 2,000 people, were coming to the United States. This represents, of this small sample, five out of every seven refugees coming to America. This continues the established world practice of sending to the United States more than twice as many refugees as the rest of the world will accept for resettlement.

I think that we all agree one of the primary goals of our refugee policy must be to internationalize the effort. There must be international cooperation to prevent displacement of people from their homes, to prevent the creation of refugees. There must be international protection of those fleeing their home countries. There must be international support for those who have become refugees housed in temporary camps. There must be international pressure to achieve repatriation of as many refugees as possible to their home countries. And lastly, when all other steps have failed, and refugees must be resettled in third countries, there must be a truly shared, international program to accept refugees from their temporary camps.

There has been much talk of such a program in the past, and the current program has been portrayed as an international effort. But, sadly, it is not. When the United States resettles two out of three refugees who find permanent new homes, that is an American program with minimal participation from other nations of the world; it is not an international effort.

On April 9 and 10, in Geneva, Switzerland, there will be an International Conference on Assistance to Refugees in Africa. It has been convened by the Secretary General of the United Nations, the Organization of African Unity, and the United Nations High Commissioner for Refugees. Our Government will send representatives. At this conference, governments will be expected to pledge their support for the 5 million refugees in Africa.

I want my Government to be generous at Geneva. I want our pledge to be outstanding among those of all nations. We are a generous country. But I do not want the Government of the United States to carry five-sevenths of the world's burden of caring for the refugees of Africa. I do not want the nations of the world to assume that the United States will accept the great majority of refugees for resettlement if they will but take a few. What I do want is for the administration to develop a plan for increasing—increasing dramatically—the participation of other countries in the resettlement effort. I want this plan to be promoted by our Government before the conference, and insisted upon by our Government at the conference.

If other nations believe that we shall continue to carry the great portion of the burden, they will continue to let us do so. It is only by our insisting that they accept their fair shares of refugees for resettlement that they will do so.

I am glad for the 2,800 refugees from Malaysia who found new homes this month. But I believe that the proportion of those refugees who came to America, five-sevenths, cannot long continue to be America's share of the refugee resettlement effort.

I ask unanimous consent that the attached news article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.N. AGENCY RESETTLES VIETNAMESE REFUGEES

KUALA LUMPUR, MALAYSIA, February 11.—About 2,800 Vietnamese refugees from Malaysia will be resettled in third countries this month, a spokesman for the United Nations High Commissioner for Refugees announced today.

He said 2,000 will be flown to the United States, 350 to Australia and the rest to Canada, New Zealand, Japan and the Netherlands.

U.S. HUMAN RIGHTS POLICY AND ARGENTINA

Mr. MOYNIHAN. Mr. President, recent events in Argentina remind us of the difficulty of formulating a coherent approach to the question of human rights. They also confirm the urgency of the task.

The facts of this case are simple. They are no more than what happens daily in countries around the world, where legality provides only the thinnest protection of the individual. Last weekend, in Buenos Aires, six members of the Center for Legal & Social Studies were arrested, reportedly in connection with possible violations of a law that bans political meetings. Under Argentine law, they can be held for 4 days incommunicado while the judge who issued the original warrant for their arrest pursues the fact of their case. We understand from others who were seized with them and then released that the six are being treated well. Our State Department assures us that it has expressed its concern for their well-being and legal rights; the Argentine Government has in turn replied noncommittally, but with an apparent desire to be cooperative.

This chain of routine events is of no great moment by itself and would not command international attention unless viewed in a larger context. Before long, these men may be released, and our attention will turn elsewhere. But the large significance of the affair is not in the arrest of a half-dozen opponents of the Argentine regime on possibly trumped-up charges, but in the work to which they are committed and which the authorities have tried to interrupt. These men have made it their work to accumulate names and information on the disappearance of thousands of Argentine citizens in recent years. In these cases, the word "disappearance" is particularly descriptive, for it became for a time almost commonplace in Argentina to discover that one's friends, colleagues, family members were simply no longer present, had, in a word, vanished.

In this chaos, the Center for Legal & Social Studies set a large task for itself. It accumulated lists of these vanished men and women, and indeed children, reaching as many as 6,000. It is with these lists that the center has managed to keep alive a demand that those who have vanished not be forgotten, that those who bear the responsibility for their fate be identified. These were the documents that the police seized when they arrested the six members of the center, and even if they are released, we should not expect to see the papers again. The years of work that they represent have also disappeared.

Mr. President, the violence of Argentina in recent years is a gruesome story, and it has a special relevance to our human rights policy. One man now held by the Argentine police, Emilio Mignone, president of the Center, recently returned from Geneva where he appeared before the Human Rights Commission of the United Nations to present his evidence and to appeal for an investigation of what has befallen his countrymen. It may have been precisely because Mr. Mignone sought to invoke the authority and participation of the international community that he began to appear more dangerous to the authorities in his own country.

Mr. Mignone turned to this U.N. body for help and, in doing so, reminds us that the cause of human rights is not merely an expression of the preferences of people around the world who care about liberty. Far from it. It is instead a matter of international obligation; it reflects the notion, first, that the future of peace in the world is dependent on the spread of liberal democratic political institutions; and second, that there is an international community with a legitimate interest in the protection of human rights. It is because of these views that the U.N. Commission exists in the first place.

I emphasize this point, Mr. President, because the prospective Assistant Secretary of State, Mr. Ernest Lefever, a man of great learning and considerable scholarly accomplishment, appears to believe otherwise. He has emphasized a different, and certainly honorable, tradition of

modest expectations about what can be accomplished in the protection of human rights worldwide in his writings. He has invoked John Quincy Adams' famous formula: "We are the friends of liberty everywhere, but the custodians only of our own."

He has also written that—

> In a formal and legal sense the U.S. Government has no responsibility—and certainly no authority—to promote human rights in other sovereign states.

Mr. Lefever is right to urge modesty upon us, but he is hardly correct that we and other states have no legitimate interest in the fortune of liberty elsewhere. The Human Rights Commission of the United Nations was established precisely to reflect and express the interests of an international community in the extension of liberty. It is a central part of the international setting in which Mr. Lefever will pursue his responsibilities.

The Commission reflects this interest, but one can hardly point to its proceedings with pride. It was only last month that Michael Novak, the new American representative, expressed his shock at the ugliness of what he saw and heard in the Commission. As he put it on February 6, in referring to attacks on the State of Israel:

> Imagine my shock when I heard, as I did hear in this room, so much hatred, so many lies, such squalid racism, such despicable anti-Semitism—all in the sacred name of human rights.

Michael Novak's heartfelt words may, we hope, be a sign of what the administration truly intends in the realm of human rights, and it could not be more encouraging. In his anger at what is done in the "sacred name of human rights" he also expressed the commitment of the United States to restoring the Commission to its original purposes. He was not daunted by what he had seen. He said:

> We well know, that pearls come from oysters, silk from worms, butterflies from caterpillars, and great human vision from poor human clay.

It is perhaps only fair to the administration to treat these words, and his courageous example, as the most reliable sign of what our approach to human rights will be in the next years. Michael Novak shows that human rights are irrevocably an international concern, and that the institutions have long been in place to promote them. Let us hope that he can spur his colleague, Dr. Lefever, to a less modest attachment to the spread of free institutions.

There is a further reason for rejecting the modesty of policy with which Mr. Lefever has been associated. From the fragmentary and speculative press reports that have come from Argentina we have heard the thought that the actions recently taken against such groups as the Center for Legal and Social Studies are aimed to forestall investigations under a new government that will take power at the end of this month.

This is only conjecture but the suggestion that a new government would make a fresh start with respect to human rights is most hopeful. It reminds us that even in the most desperate of circumstances, in what seems like implacably authoritarian regimes, there are friends of constitutionalism, of the legal protection of rights. They may soon be in a position to gain strength in Argentina. Even as we shun the self-defeating aspects of an inflated crusade for human rights, this is precisely the sort of opportunity that our policy must make the most of. If we are, as John Quincy Adams had it, the friends of liberty, we must also be the friends of others who make it their cause. This is a realm of policy where our goals can be easily confounded. But we must not settle for a role at the sidelines while others who look to us even for modest encouragement and assistance wage their difficult struggle.

In lending them encouragement and aid, we must understand the very different threats posed by authoritarian and totalitarian regimes. While understanding these differences, however, the United States must stand in firm opposition to both; if we do not, our opposition to one of them alone will matter little. As Mr. Robert Bernstein, who chairs the American group Helsinki Watch, has put it:

> I don't see how United States protests over Soviet violations can be taken in good faith if the Administration is silent over violations against people whose only goal is to protect human rights.

Mr. President, I ask unanimous consent that today's Washington Post editorial, "Arrests in Argentina" be printed in the RECORD, along with the article by Juan de Onis from the New York Times of March 1, "Argentina Arrests Key Rights Activists."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 3, 1981]

ARRESTS IN ARGENTINA

It had seemed that Argentina was emerging from its dark night of the 1970s, when its struggle against terrorism shaded into a frightful assault on its citizens' liberties, and so it is especially painful to see that some courageous Argentines who have tried to aid their unfortunate brethren have themselves run afoul of the security apparatus.

Over the weekend a single judge, using the court's own police, arrested without charges a number of prominent advocates of personal freedoms for Argentine citizens. One of the new prisoners is a man whose son is among the thousands of Argentines who "disappeared" at official hands and were presumably murdered in the earlier period. Another has a son who is still a prisoner and is a known torture victim. The judge also confiscated substantial files, including the documentation on 6,000 "disappeared" people. He is the same judge who ordered raids on human rights offices and the seizure of their files before a visit to Argentina by the Inter-American Human Rights Commission in 1979.

The leading theory is that the errant judge, conceivably acting alone but more probably acting for the still-substantial unreconstructed elements in Argentina's security forces and business community, became alarmed at the progress that the human rights cause was beginning to make in the courts. It is possible that this group realized that a more sympathetic approach to civil liberties, and to the possibility of transition to constitutional rule, was likely to come from Gen. Roberto Viola. He is to take over the government on March 29 with the first mostly civilian cabinet since the 1976 coup. Little or no taste is visible among the military for any coming to terms with the atrocities that it perpetrated and sponsored in the blackest years. But there is a view that the worst of Argentina's ordeal is behind it and there is broad support for movement back to a more normal domestic life and for an end to the country's status as something of a pariah on account of its violations of liberties in the past.

For the moment at least, the Argentine government is hiding behind the contention that the arrests are the work of an independent judiciary. Given the well-documented record of judicial abuse and weakness in Argentina, however, this is a very tough proposition to sell. No Argentine regime can ask for the respect of people of good faith anywhere if it does not halt the persecution of the people newly arrested.

The first thought of many Americans, and not only Ronald Reagan's critics, was that Argentine hardliners had been emboldened by the new administration's downgrading of human rights. The State Department's nominee as human rights officer, for instance, is specifically on record with the statement—which is false as well as cruel—that the Carter administration's "scolding" of Argentina didn't really help the situation there at all.

The new administration can cite its stand at the United Nations Human Rights Commission in Geneva just the other day. The American delegate supported a resolution to keep the presure on Argentina to acount for past killings and disappearances, even while he lamented that other countries with similar or worse records were not being pursued. By yesterday, however, the State Department, saying privately that it was making inquiries in Buenos Aires, had not found public voice on the new arrests. The least it can do is to make plain that it disapproves of people's being locked up for trying to help the victims of an overweening state.

[From the New York Times, Mar. 3, 1981]

ARGENTINA ARRESTS KEY RIGHTS ACTIVISTS

(By Juan de Onis)

WASHINGTON, D.C.—Argentina's national police have arrested the leaders of that country's internationally recognized human rights movement and seized files on more than 6,000 missing persons, according to reports reaching the State Department.

A department official said the United States Embassy in Buenos Aires had been asked to determine the reason for the arrests, but he withheld comment on the reports.

The arrests reportedly began in Buenos Aires last night with a raid on the offices of the Center for Legal and Social Studies, and by midnight the police had taken eight people into custody, including Emilio Mignone, the center's president.

Mr. Mignone appeared before the United Nations Human Rights Commission in Geneva two weeks ago and presented evidence, which has also been given to courts in Argentina, on the disappearance of thousands of people who were arrested by Government security agents or abducted by unidentified armed men.

Among the missing is a daughter of Mr. Mignone who was arrested by military personnel in 1976. Also arrested yesterday was José Westerkamp, a physicist who became active in Argentina's human rights movement after security agents arrested his son on charges of involvement in a subversive organization.

According to Robert Cox, former editor in chief of The Buenos Aires Herald and now a Nieman fellow at Harvard University, Mr. Westerkamp's family said in a telephone call from Buenos Aires that the eight arrested people were being held at national police headquarters.

The arrest order for Mr. Mignone and Mr. Westerkamp was reportedly signed by Judge Martin Anzoategui, who also ordered a raid on the offices of two human rights groups in 1979, two weeks before the Inter-American Human Rights Commission was to visit Argentina.

The commission's final report, presented to the annual meeting of the Organization of American States here in November, supports the view that Argentina's military Government has covered up the disappearance of more than 6,000 people who were arrested as suspected subversives between 1975 and early 1980.

The State Department, in its annual human rights report to Congress 2 weeks ago, said that in 1980 there were reports of 28 disappearances in Argentina, of which 12 cases had been "credibly documented."

Robert L. Bernstein, chairman of Helsinki Watch, an American human rights group that monitors Soviet repression of dissidents, said the Reagan Administration had to speak out on the Argentine arrests.

"I don't see how United States protests over Soviet violations can be taken in good faith if the Administration is silent over violations against people whose only goal is to protect human rights," said Mr. Bernstein, who is also the president of Random House, the publishing company.

The Center for Legal and Social Studies was established by Mr. Mignone, former rector of the University of Luján, west of Buenos Aires, and other human rights leaders. It receives complaints from relatives of missing persons, investigates the cases, takes legal action, and provides documentation on human rights violations in Argentina.

With Gen. Roberto Viola scheduled to become Argentina's President on March 29, the arrest of the rights leaders and the seizure of the center's files were seen by Argentine exiles here as a move by right-wing groups, with which Judge Anzoategui is openly in sympathy, to prevent possible disclosures by the new administration on missing persons. The rightist groups are thought to fear that such disclosures could lead to an investigation of the military or the police.

Mr. MOYNIHAN. Mr. President, I continue with a brief further statement.

Mr. President, Mr. Roberto Viola, the President-designate of the Republic of Argentina, is tentatively planning to visit the United States later this spring. I hope that it will be understood in Argentina that, absent a positive response to the concern that has been expressed in this Chamber and in our Nation to the recent arrests of Argentinians just returned from the U.N. Human Rights Commission in Geneva, and absent a satisfactory conclusion of those so far unexplained arrests, the President's visit will be marred by objections in this body and elsewhere. His undoubtedly sound purposes for such a visit would be undermined. If the Republic of Argentina wishes the kind of relationship with our country that we wish with theirs, they must know of our deep and grave concern, a concern that was expressed several times in recent years by the appearance in the lobbies hereabouts of Jacobo Timmerman, a man of towering stature, who was welcomed by dozens of Senators in this body after he was finally released from prison in Argentina and left for his present home in Israel.

The President-designate will be welcome if he comes with this matter behind him, but would be ill advised to do otherwise.

Mr. President, this is in no sense meant to interfere with Mr. Viola's own judgment, but only to offer the judgment of one Senator, which I believe will be shared by many, that persons who represent human rights activities in Argentina are not to be arrested, as they seemingly were, for no other reason than their attachment to this cause, and their activities in support of it; activities such as those which Mr. Robert Bernstein chairs in our country, for example; activities which are essential to human rights progress in the world at large.

With that comment, Mr. President, I hope we might learn new and more reassuring things from Argentina in the next few days. This is something that need not continue beyond this week and if it is over, it can be forgotten. If it is not, it must surely be recalled upon the occasion of such a visit.

I thank the Chair.

THE RATIFICATION BY EGYPT OF THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS

Mr. BAKER. Mr. President, of the many problems that confront us, of the many questions that continue to defy and frustrate the best efforts of responsible governments, none is more pressing or more important than the containment of the spread of nuclear weapons. It is a question that goes to the core of the collective ability of the community of nations to maintain peace among nations or to prevent the final unspeakable act that has yet to be perpetrated in the name of terrorism. It is with special satisfaction, therefore, that I note the announcement last week by the Government of Egypt that it had deposited the instruments of ratification of the Treaty of the Non-Proliferation of Nuclear Weapons.

Mr. President, this is good news on an otherwise bleak scene. A number of nations have the ability to join and for that matter perhaps have joined the nuclear weapons club. The ability to produce the material and even to assemble the component parts of a nuclear weapon are no longer an endeavor of national proportions; regretably, the club is open to corporate and group membership. Technologically, Mr. President, the genie is out of the bottle, and we cannot put it back.

If we have any hope, then, to control nuclear proliferation, it is in the acts of political will and courage represented by this decision of the Egyptian Government. It is an expression of political maturity and confidence that we have come to expect of President Sadat and the Egyptian people, but we should not take it for granted.

We hear often, Mr. President, that the nations whose arsenals include vast stockpiles of nuclear weapons are poorly placed to argue forbearance on the part of nations who do not now possess them. That, unfortunately, has a semblance of truth to it, and therefore it is especially incumbent upon us to adhere fully to the obligations we have assumed under the NPT in exchange for the obligations now most recently assumed by Egypt.

We recognize our continuing obligation to reduce the stockpiles and the danger of nuclear war. And while we keep fully in mind the obligation to decrease the awesome destructive potential of nuclear energy, we are also obligated to increase its potential for peaceful and constructive purposes. The signing of the NPT by Egypt opens the way for negotiations to begin on a bilateral agreement for cooperation. I am advised that those negotiations will begin soon and I welcome them without reservation. With its otherwise limited energy resources, Egypt is ideally suited to exploit the peaceful potential for nuclear energy. I am confident the United States will be forthcoming in assisting Egypt in developing nuclear power and I will support the administration in that endeavor.

I should note, finally, Mr. President, Egypt's long interest in a regional nuclear free zone in the Middle East. Although that is a matter for the nations of the region to decide, and while it is yet far from reality, positive developments have occurred there as well. Since as a nation we cannot be disinterested, we welcome those developments.

Mr. President, for the information of my colleagues, I ask unanimous consent that the statement issued on February 26, 1981, by the Egyptian Ministry of Foreign Affairs be inserted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ISSUED BY THE MINISTRY OF FOREIGN AFFAIRS ON THE OCCASION OF THE DEPOSIT OF THE INSTRUMENTS OF RATIFICATION BY THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT OF THE TREATY OF THE NON-PROLIFERATION OF NUCLEAR WEAPONS

The signing by Egypt of the Treaty on the Non-Proliferation of Nuclear Weapons, in 1968, and now its ratification, emanate from Egypt's conviction of the need to put an end to the proliferation of nuclear weapons, which threaten the security of all mankind. Egypt was among the first countries to urgently call for the conclusion of the Treaty, so as to complement the earlier efforts which successfully culminated in the conclusion of the 1963 Treaty banning Nuclear Weapon Tests in the Atmosphere, in Outer Space, and Under Water.

While Egypt is committed in accordance with the provisions of the Non-Proliferation Treaty to refrain, in any way, from the acquisition or the manufacture of nuclear weapons, this, however, should not impair its inalienable right to develop and use nuclear energy for peaceful purposes, in conformity with the provisions of Article IV of the Treaty. The latter affirms the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination. The affirmation of that right in the Treaty itself should, in fact, be considered a codification of a basic human right, which cannot be waived or tampered with under any circumstances.

Basing itself on the above, Egypt also pays

special importance to the provisions of Article IV of the Treaty calling on the Parties to the Treaty who are in a position to do so to cooperate in contributing to the further development of the application of nuclear energy for peaceful purposes, especially in the territories of non-nuclear-weapon States Party to the Treaty, with due consideration to the needs of the developing areas of the world.

Since Egypt is embarking on a number of projects for the construction of nuclear power reactors for electric generation, in order to meet its increasing energy needs that have now proved necessary for the prosperity and welfare of its people, Egypt expects that the industrial developed countries would wholeheartedly render it their assistance and support, and this in conformity with the letter and spirit of Article IV of the Treaty. It, especially, expects this since Egypt has now undertaken to accept the application of the International Atomic Energy Agency safeguards to its peaceful nuclear activities within its territory, in accordance with the provisions of Article III of the Treaty.

Within the framework of the rights provided for in the Treaty for its Parties in the field of peaceful uses of nuclear energy, Egypt wishes to refer to the provisions of Article V of the Treaty, which affirms that benefits from any peaceful applications of nuclear explosions will be made available to non-nuclear-weapon States Party to this Treaty. Though Egypt admits that these applications are difficult to realize at the present time particularly in view of their detrimental environmental effects, yet this should not relieve the nuclear-weapon States Party to the Treaty from the responsibilities in investing in the research and development of these applications, in order to overcome all the difficulties encountered at present.

Egypt wishes to express its great dissatisfaction with the nuclear-weapon States, and in particular the two Super Powers, for failing, so far, in taking effective measures relating to the cessation of the nuclear arms race and to nuclear disarmament. Although Egypt welcomes the 1972 and 1979 Strategic Arms Limitation Treaties, the so-called SALT I and SALT II, yet it cannot but stress that the Treaties fail to realize an effective cessation of the nuclear arms race, quantitatively and qualitatively. These Treaties have even permitted the development of a new generation of weapons of mass destruction.

On the other hand, and in spite of the fact that more than 17 years have elapsed since the conclusion of the 1963 Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space, and Under Water, the nuclear-weapon States are still arguing about a variety of difficulties, thus, hampering the conclusion of a permanent ban on all nuclear weapon tests. What lacks, in fact, is the political will to accomplish this.

In the light of the above, Egypt takes the opportunity of depositing its instruments of ratification of the Treaty on the Non-Proliferation of Nuclear Weapons, to appeal to the nuclear-weapon States Party to the Treaty to fulfill their undertakings to halt the nuclear arms race and to achieve nuclear disarmament.

Egypt equally calls upon all nuclear-weapon States to exert all efforts conducive to the permanent banning of all nuclear weapon tests as soon as possible. This would contribute to bring an end the development and the manufacture of new types of weapons of mass destruction, as much as the cut off of fissionable material for military purposes would contribute to bring to an end the quantitative increase of nuclear weapons.

Within the framework of achieving security for the non-nuclear-weapon States, Egypt believes that Security Council Resolution 255, of 19 June 1968, is still far from providing a real guarantee for the non-nuclear-weapon States against the use or threat of use of nuclear weapons by the nuclear-weapon States. Therefore, Egypt appeals to the nuclear-weapon States to exert their effort to reach an agreement which would prohibit once and for all the use or threat of use of nuclear weapons against any State.

The realization of the previously mentioned steps would be consistent with the letter and spirit of the basic guiding principles formulated by the General Assembly of the United Nations for the conclusion of the Non-Proliferation Treaty, the most relevant of which are the principle of balance of mutual responsibilities and obligations of the nuclear and non-nuclear Powers and the principle prescribing that the Treaty should be a step towards the achievement of general and complete disarmament and, more particularly, nuclear disarmament.

Convinced that the establishment of nuclear-weapon-free zones in different parts of the world is bound to increase the effectiveness of the Non-Proliferation Treaty in the realization of its objectives and aims, Egypt has exerted special effort to establish a nuclear-weapon-free zone in the Middle East, as well as in Africa.

In this respect, Egypt wishes to express its great satisfaction with the United Nations General Assembly Resolution adopted by consensus during its 35th session inviting the countries of the Middle East, pending the establishment of a nuclear-weapon-free zone in the area, to declare solemnly their support for the achievement of this objective, and that they will refrain on a reciprocal basis from producing, acquiring or possessing nuclear weapons, and to deposit their declarations with the United Nations Security Council.

In conclusion, Egypt wishes to point out that its ratification of the Treaty on the Non-Proliferation of Nuclear Weapons emanates from its belief that this step is in conformity with its vital interests as long as the Treaty succeeds in preventing the proliferation of nuclear weapons worldwide, and more particularly in the Middle East, which should remain completely free of nuclear weapons, if it is to play a constructive role in the erection of peace, security and prosperity for its people and the world at large.

SOVIET/CUBA TIES TO UNREST IN EL SALVADOR

Mr. THURMOND. Mr. President, I rise to commend the Reagan administration for its strong policy firmly rejecting Communist expansionism in Latin America.

Recent pronouncements by President Ronald Reagan and Secretary of State Alexander Haig have made it clear the United States will not permit the export of Communist inspired revolution to Central and South America.

This is a sound foreign policy position and one which past Presidents should have undertaken. I believe it will go a long way toward preventing the Soviet Union and Cuba from installing Communist dictatorships in the Western Hemisphere.

Mr. President, I ask unanimous consent that an editorial by James Cary entitled "El Salvador Revolt Is Cuba Based," which appeared in the February 19, 1981 issue of the Aiken Standard newspaper, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, is as follows:

EL SALVADOR REVOLT IS CUBA-BASED

(By James Cary)

WASHINGTON.—The spreading Communist revolt in El Salvador has its roots in three bases in Cuba where a guerrilla army has been trained and in a series of nine or more Soviet-controlled arsenals dispersed throughout the island, according to Cuban refugee sources.

The most important of the training centers is believed to be 100 acres in the mountains immediately south of Havana. It is close to a Soviet air base at San Antonio de los Banos.

The other two are Herradura, west of Havana, and Tarara, immediately east. Both are ports on the north coast of the island within 100 miles of the U.S. naval base at Key West, Fla.

During the last two years, the sources say, the three facilities have been devoted mainly to training guerrilla fighters from Central America, using both Cuban and Palestinian instructors.

After completing a 6-week course, the guerrillas are flown to Nicaragua, then move by land through Honduras into El Salvador, or are landed directly in El Salvador by boats crossing the Gulf of Fonseca.

There were reports recently of 100 heavily armed guerrillas landing on the beach in that fashion.

After they are in Nicaragua, the guerrillas are armed with a variety of weapons of U.S., Czechoslovak, East German and Soviet origin, brought in by ship from the Cuban arsenals.

The arms include automatic rifles, light and heavy machine guns—including U.S. 50-caliber guns—antitank bazookas, grenade launchers and explosives of many types.

There was a recent press report that two convoys from Cuba unloaded tanks and long-range artillery in Nicaragua for use in El Salvador.

Now there is an unconfirmed report that five Soviet MiG fighter aircraft have been spotted on the ground at Monte Limar, a Nicaraguan country estate formerly used by the late dictator Anastasio Somoza. The estate has an air facility.

The same source reported that MiGs also have been sighted over the Gulf of Fonseca flying out of Nicaraguan airspace.

It is believed to be the first report of MiGs in the area, although more than 200 are based in Cuba. The type and number—believed to be only a handful—were not disclosed.

The sources also reported other details about the Cuban role in the successful Sandinista revolt that overthrew Somoza in Nicaragua, and the increasingly violent effort to impose Communist rule in El Salvador.

The trainees who make the trip to Cuba receive instruction in radio communications, explosives, motor mechanics, printing, guerrilla tactics and a full spectrum of weapons.

Classes at first are held indoors, then moved into the field, where some training under fire from live ammunition is provided.

The arms needed for such operations and for guerrilla activity in El Salvador are reportedly stockpiled throughout Cuba.

Refugees report that two important arsenals are at Cienfuegos on the south central coast and La Cubilla in the mountains northeast of Cienfuegos. The two areas are connected by an eight-lane paved highway. Cienfuegos, meaning "100 fires," is known also as the site of a facility that former Sen. Richard Stone, D-Fla., said was a Soviet submarine base.

The sources said that other arsenals are located at Sierra Morena, east of Havana on the north coast, Holguin, in the mountains of east central Cuba, Santiago de Cuba, on the south coast of Jamaica, Guantanamo, a part which is a U.S. naval base, Sagua de Tanamo, Limonar, on the west coast near Matanzas, and Nuevitas, on the north coast.

Nuevitas is near the site of an unusual clash last May when Bahamian gunboat Flamingo, escorting two Cuban fishing boats caught in Bahamian waters, was attacked by Cuban ships and planes. A report in a refugee publication, La Voz de los Cristianos de Cuba, of Bell, Calif., linked the attack with tunnels reportedly being excavated by Russian and Cuban workers on the islands of Sabinal and Guajaba, which enclose the harbor of Nuevitas.

SENATOR JOHN TOWER, CHAIRMAN OF SENATE ARMED SERVICES COMMITTEE, RECEIVES THE RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES ANNUAL MINUTEMAN AWARD

Mr. THURMOND. Mr. President, I rise to call to the attention of the Senate the presentation on February 17, 1981, of the Reserve Officers Association Annual Minuteman Award to Senator JOHN TOWER of Texas.

Mr. President, Senator TOWER was selected for this prestigious award in September of 1980 when he was ranking member of the Senate Armed Services Committee. Today he is chairman of that committee.

Senator TOWER's recognition by ROA as the citizen who has contributed the most to national security in these times is highly deserved. As a longtime member of the Senate Armed Services Committee, and now as ranking majority member, I have observed first hand the dedication and work Senator TOWER has put forward to strengthen our defense forces.

His untiring efforts and skillful management of military requests have been directly responsible for significant increases in the defense budget. I am confident that in his new position as chairman he will be even more effective in rebuilding our Nation's defense structure.

Mr. President, Senator TOWER follows a long line of distinguished Americans who have received this award. They are too numerous to mention, but include former President Gerald Ford, former Defense Secretary Melvin Laird, and several current Members of the Senate.

During the awards ceremony Senator TOWER was absent because of critically important national security meetings with leaders in the Middle East. Mrs. John Tower, his charming and highly competent wife, accepted the award in his behalf. I ask unanimous consent that her remarks on his occasion be printed in the RECORD following these comments.

Also, I ask unanimous consent that the remarks of Maj. Gen. John E. Lacey, ROA national president; the award citation, and the remarks of Senator JOHN WARNER, who addressed the banquet gathering in place of Senator TOWER, be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES ANNUAL CITATION TO THE CITIZEN WHO HAS CONTRIBUTED MOST TO NATIONAL SECURITY IN THESE TIMES

General LACY. Few men in the Congress of the United States have devoted as many years of their lives to the military as Senator Tower. He started with early experience in the Navy as a young sailor in World War II—when he served aboard an amphibious combat vessel in the Western Pacific, and then continued participation in the Naval Reserve in which he still holds the rank of chief petty officer. He has exemplified service to country. He has been a member of the Senate Armed Services Committee for many years, and he has recently been elevated to chairman of that committee.

His present responsibilities are of vital importance as the Western World faces an international situation more hazardous than at any time since World War II. John will continue to be a tower of strength in these times. Although he has looked forward to this occasion since last September, he has been required to be in the Middle East tonight in the interest of our national security. We know that he is steadfast in his dedication to our national defense, but we regret he is unable to be here on this very special evening.

However, we are delighted that his lovely wife, Lilia, is with us to receive Senator Tower's award; and Senator Warner, a fellow member of the Senate Armed Services Committee will give a response.

Will Mrs. Tower and Senator Warner please join me for the presentation of our Minute Man of the Year Award? One of my most pleasant responsibilities as national president of ROA is the honor to make this presentation.

The citation is an association resolution with respect to the career of The Honorable John Goodwin Tower:

CITATION

Whereas, for his distinguished career in the Senate of the United States, and for his exceptional service as a non-commissioned officer in the United States Naval Reserve,

His devotion to the highest concept of duty to country;

The courage and independence of his leadership for adequate preparedness which is necessary to National Security;

The steadfastness of his dedication to the Citizen-Defender tradition; and

The clarity of his judgment to insure strength, effectiveness and high morale to the Nation's Military Forces;

have given

Confidence to his generation;

Inspiration to posterity, and

Safety to this Nation's institutions and ideals.

Therefore, be it resolved, that in recognition of his extraordinary service to the United States, this Association proudly recognizes John Goodwin Tower as the Citizen of 1981 who has contributed most to the National Security shared by every American citizen in these times.

REMARKS OF MRS. JOHN TOWER IN ACCEPTING THE MINUTEMAN OF THE YEAR AWARD ON BEHALF OF THE HONORABLE JOHN GOODWIN TOWER

Thank you, General Lacy.

General Lacy, distinguished Members of the Congress, distinguished guests, members of the Reserve Officers Association, and Ladies and Gentlemen:

This is truly an extraordinary honor.

There is no tribute of any kind which is comparable to this Minuteman Award, and my husband has asked me to express to all of you his profound and deepest gratitude for your bestowing upon him this high recognition of his service to country.

And he bids me bring his deepest regrets at being unable to join you this evening. He is presently in the midst of critically important discussions with government leaders in the Middle East. Only a matter of such vital importance could have kept him from being with you tonight. He sends his warmest greetings to the delegation from the Department of Texas and to all of you who are here this evening for this special occasion.

The Senator has many friends and colleagues here tonight with whom he has worked closely down through the years. He has shared with many of you an unrelenting determination to continue to fight the long, hard battle against those who would assign a lower priority to our defense needs than he feels they command. He believes that unless this nation remains militarily strong, the world will not, the world cannot, be at peace. He therefore dedicates himself to an American military power second to none. He knows you share his commitment to this.

His goal, his single minded purpose as Chairman of the Senate Armed Services Committee is to restore this country, lately humbled, to its greatness. To restore this country, through strength, to greatness.

In this, he will be neither deflected nor deterred.

And in this, you and he are of one mind, one spirit for it is consistent with the fundamental purposes and the considerable achievements of the Reserve Officers Association.

That is why this very special and highly coveted award and all that it symbolizes means so very much to him. It is a great tribute and Senator Tower is deeply indebted to you for this recognition which he accepts, through me, with humility. He is, and will be, forever proud of your honoring him tonight as the Minuteman of 1981.

Thank you.

SPEECH OF THE HONORABLE JOHN WARNER OF VIRGINIA

Senator WARNER. Thank you very much. Mrs. Tower, President Strom Thurmond, General and Mrs. Lacey, General Roberts, distinguished Members of the Senate and House, the Service Secretaries of the Army, the Navy, the Air Force, the Members of the Joint Chiefs past and present, senior officers, fellow reserve officers, their lovely wives, and friends, I thank you indeed for this honor tonight to stand in for my boss, John Tower of Texas. His heart would have been warmed to have been here tonight to see this enormous outpouring of tribute, not only to him but to every man and woman who wears the uniform of the United States wherever she or he may be tonight.

John Tower is a leader in every sense of the word. Those of us who serve in the Senate, and there are many here tonight as you have learned through the introductions, to share in this honor, we have little ways of knowing those who are truly leaders. Let me tell you one example.

Every two years we have the option to change our Committees. And this year in the Republican side there was rather a dramatic opportunity to change. John Tower, becoming Chairman, and those of us who had served with him for years had the opportunity to go to the Foreign Relations Committee, Appropriations Committee, Finance Committee, any Committee we wanted. But every single Republican, to the man, stayed on the Armed Services Committee largely out of tribute to our leader, John Tower of Texas.

As partners—and I say that as full partners—we participated in a very historic

change in the orientation of the Subcommittees of that very venerable and famous Senate Committee. John Tower had the courage to reorient the Committees along mission lines, such that we could bring a greater consciousness to the Senate of the whole perspective of weapons programs and personnel programs and the like. And then he gave each of us—the senior members of that Committee—our chance to select that Committee that we would like to be Chairman of. Now that's real leadership.

And I miss him tonight. But I must tell you of a little personal story—true story. In the closing days of the Presidential campaign, John Tower and I went to the West Coast—Washington, Oregon, on down through California—barnstorming in a Lear Jet, night and day. Finally, the day before the election, we wheeled up and started for home, with a great feeling of confidence that something very moving was going to take place in our nation. As we crossed over the Rockies at 40,000 feet, we looked down upon those magnificent mountains. And all of a sudden, an engine failed. It flamed out and the plane began to plummet to earth. Everything that we had thought about was suddenly before us. Someone on the plane said, "Gentlemen, would you like a drink?" And as a politician, I paused a minute, because the only thing on my mind is that if Governor Reagan would lose Virginia by one vote, he would blame it on me. But John Tower, when the drink was handed to him, said "Oh no. No liquor for me. I want to meet St. Peter without any liquor on my breath."

I want to pay special salute to the Reserve, the Guard. Today our total force policy is no longer a concept, it's a full defense policy. Overall, half of the nation's combat power and two-thirds of its support capabilities are maintained in the Reserve and Guard forces and the cost of that to our taxpayers is approximately one-fourth as much if all those forces were on full-time active duty. Some $7 billion was programmed for 1981, about 5 percent of the total defense budget.

In talking today with my colleagues on the Armed Services Committee, it is our hope that collectively we will recommend to the full Senate—and I anticipate comparable action in the House of Representatives—that that figure be upped and that the funding for the Reserve and the Guard be increased, with your approval.

During your convention I am certain that, either through personal contact, briefing or otherwise, the state of our armed forces is well known to you. We have, in my judgment, just in the nick of time taken those Congressional steps necessary to correct the drastic drain of management personnel from the regular forces. All too many mid-level junior officers and mid-level enlisted have departed. But I believe that the legislation referred to by General Lacey, together with the pay cap, and let there be no mistake that John Tower was the man in the United States Senate that pushed hard for that pay cap. The combination of those two pieces of legislation has turned around this drain of vital personnel just in time.

Now, this year, we must further improve the lot of the careers in the military. And I look to one particular piece of legislation and ask your full support. And that is, it's our obligation in the Congress to restore an educational package, not only comparable but better than that that most of us experienced under the G.I. Bill of Rights.

I would not be in the United States Senate today had it not been for the G.I. Bill that I earned in World War II for engineering school and that during the Korean War which enabled me to obtain a law degree. And I'm going to do my very best to see that every young man and woman who desires to serve honorably in the forces of the United States has for himself or herself that same opportunity. However, another feature of the legislation that I've proposed is that, if they decide to make a full career in the military, thereby precluding them from attending college, then they can pass on their earned college, university or trade school education to a child.

We, those of us who have served, and those who fortunately take interest in the military, know full well that, no matter how much money we invest in weapons, no matter how brilliantly these weapons are manufactured, and no matter how great the techological advance may be over any enemy, those weapons are no better, no more effective, than the people who repair them and man them. And we must bring that thought home to every citizen in our country.

Admiral Moorer, when I reported in to him as Under Secretary, gave me a speechwriter—a young lieutenant j.g. who was finishing up his last year of obligation under the draft during Vietnam. And this was one of the brightest men ever to have served in the Navy. His speeches were so effective that I used to just pick them up and tuck them under my arm without ever checking. One day this fine officer came to me and he said, "Mr. Secretary, my time is up and I'm going to return to civilian life. But, in recognition of what you've done for me and what you've done for the Navy, I have written the finest speech ever in my career and here it is." And I tucked it under my arm, departed the Pentagon and stood before an audience such as this one evening. Page after page, I strictly adhered to the text. The audience was riveted and then I came to a page that was blank. I flipped it, thinking that it was a mistake. Another blank. I flipped it and there was the page, "Okay, big shot, you're on your own now."

In many respects, our United States of America may well be on its own. The Chief of Naval Operations, in testimony before the Armed Services Committee just days ago, pointed out very dramatically that, while the Soviet Union in this past fiscal year delivered 12 brand new submarines to the operating fleets, the United States of America delivered but one. While the Soviets delivered 40 surface combatants, the U.S. delivered but 18. In the past five years the Soviets have outbuilt us two to one in major surface naval combatants, five to one in submarines and 29 to one in all other ships.

Little wonder that, for the first time in the history of our Armed Forces since World War II, a Chief of Naval Operations had to look the Members of the Congress square in the eye and say, in all humility, "No longer does the United States of America have even the slightest margin of superiority."

I ask your support—be you Air Force, Army, Navy or Marine or Coast Guard—to wholeheartedly support the President of the United States in his drive to rebuild the U.S. Navy of the United States to a level of no less than 600 ships.

I asked John Tower if I might serve as Chairman of the Committee on Strategic Warfare. I passed up the opportunity to have served on the Seapower Committee, because I felt the time had come for me to learn in every detail the problems with respect to our strategic posture.

As you well know, in research this nation has been transformed from one of a massive retaliation capability through just sufficiencies, parity, essential equivalence, rough equivalence—now, and for the first time, again, in the history of our nation since World War II, the Secretary of Defense, Caspar Weinberger, acknowledged at long last that there today exists an imbalance in America's defensive strategic capability.

Tomorrow morning, the first Subcommittee meeting of the Armed Services Committee—the Strategic Warfare—Senator Jackson being the ranking member and myself—will start the hearing to lay the foundation upon which we can go before the whole Senate and recommend that the Congress fully fund the cruise missile program, that we accept the recommendation of the President of the United States with respect to the MX missile, that the triad be preserved and that we continue with a land-based system with a multiple protective shelter.

Further, that the time has come—in fact, the time is past—when we should have a brand new manned penetrating bomber.

And, in addition, this nation should not lose—Mr. Secretary of the Air Force—a minute's momentum in its research and development in the advanced technology which hopefully someday will give this nation another airplane with unique capabilities to defend this nation.

So there we are—five, at least, programs to begin to restore the strategic balance that this country must have—a balance that we must have if we're to have any foreign policy and a balance we must have if we're going to have any influence whatsoever in the Third World. I mention that because of our heavy dependence on strategic materials from the Third World, in sharp contrast to the Soviet Union which is self sufficient in almost every respect for their strategic material needs.

Yes, without strategic equivalence, at a bare minimum, there is no hope that this country may one day successfully negotiate a SALT agreement.

Now, how do we achieve these additional expenditures? Just in the strategic account and I have not time to cover the needs of the Army or the other Services. We're going to do it by appointing trustees. Never before in our history has a greater trust devolved upon the new Secretary of Defense and his principal subordinates, the Secretaries of the Army, Navy and Air Force. Because they will preside as trustees over dollars generated by a very courageous President in cutting federal expenditures. And I ask tonight that you join the new civilian bosses of the Pentagon—reserve officers and active duty officers alike—in seeing that, as trustees, we spend that money in such a manner there can be no question in the minds of the citizens that a single dollar was wasted or, to put it positively, that every dollar was expended as cost effectively as possible.

And, secondly, ladies and gentlemen, and most importantly, I ask, not as a politician, not as a Republican, but as an American citizen, that you support your President when he goes before the nation tomorrow night and asks for your cooperation as he struggles to reduce government spending to generate those dollars to restore America's military potential.

Our nation can be no stronger, in terms of its national defense, than we are strong in terms of our economy. We cannot hope to achieve national security unless we have national solvency. So I ask you to pledge support.

For those of us in Congress, it will be the toughest chapter of our careers. Because, time and time again, we'll have to vote our respective conscience. Time and time again, we shall have to turn back the pleas of special interest groups in order to support the President and achieve this goal of national solvency.

One other last thing, and I close with this request to you. And, that is, in order for this nation to fully accept and understand the problems that we are faced with, every American citizen should have a better and clearer concept of the Soviet Union.

Ironically, this coming week, the Soviet Congress convenes as it does every five years. There might be some advantage to convening the Congress only every five years. But they will make an assessment of what has transpired in the last five years and

what they, as a nation, must do in the coming five.

These are the facts that they will have to assess. First, the Soviet Union, in the past two or three years, has experienced the worst food production they've had in many decades. Meat is almost unobtainable. A pound of cucumbers is eight dollars equivalent to our currency.

Energy, lowest coal production. Petroleum—no longer the world's greatest producer and every indication that their supply is beginning to be inadequate, not only for Mother Russia's needs but for that of the Warsaw Pact.

Productivity—lowest in years. Birthrate—this is a very interesting fact. The birthrate is plummeting amongst those ethnic groups that traditionally have supplied the brain power in the Soviet Union.

That Congress will ask of itself, "Is there anything about Mother Russia that we can take pride in or that we can utilize to overcome these hardships of our citizens?" And clearly they know that the one shining success in the five years since the last Congress has been the emergence of their military strength.

Yes, ladies and gentlemen, that Congress will have to determine, "Do we look upon this one single asset now as a means by which to relieve the pain and the suffering and the failures of almost every other Soviet goal?"

The extent to which they will utilize their military is a key question. They see their bordering countries, from Afghanistan to Poland, asserting nationalistic feelings. They see at home a serious dwindling of the quality of life.

In my judgment, of course, they will not mount any major military confrontation with the West. But they will test this country in every single way short of that—through adventurism, militarism, and planting all types of dissidents and terrorists throughout the world to cause problems for this country.

There will be people in our nation who say, "Oh, the Soviet Union is defense minded." But ask them to just go back and look at the history of Mother Russia. The belief that Russia has undergone an extraordinary number of invasions and, as a consequence, has developed a collective paranoia against war is a misleading chapter.

True, in their thousand years they had three major invasions—the Mongols and the Tartars in the 13th Century, the French and the Prussians in 1812 and the Nazis in '41. But how many times, ask these people, how many times has the Soviet Union gone across its borders and inflicted terror and hardship on others. And I've added up, without recounting it here, a good half a dozen or more times—the latest, of course, is the subjugation of the Warsaw Pact countries in the twentieth century.

Let there be no mistake. By means of relentless movement—movement outward—Russia has expanded until she's come to occupy one-sixth of the total earth on which we live. That is not the history of a peoples uniquely defense-minded.

Ladies and gentlemen, we have a mighty task before us. Join us and we shall win.

Thank you and good night.

RULES OF THE COMMITTEE ON THE JUDICIARY

Mr. THURMOND. Mr. President, in accordance with the provisions of section 133B of the Legislative Reorganization Act of 1946, as amended, I am submitting herewith a copy of the rules of the Committee on the Judiciary. I ask unanimous consent that such rules be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF THE COMMITTEE ON THE JUDICIARY

I. MEETING OF THE COMMITTEE

1. Meetings may be called by the Chairman as he may deem necessary on three days notice or in the alternative with the consent of the Ranking Minority Member or pursuant to the provision of Sec. 133(a) of the Legislative Reorganization Act of 1946, as amended.

2. Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee, at least 48 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

3. On the request of any member, a nomination or bill on the agenda of the Committee will be held over until the next meeting of the Committee or for one week, whichever occurs later.

II. QUORUMS

1. Nine members shall constitute a quorum of the Committee when reporting a bill or nomination; provided that proxies shall not be counted in making a quorum.

2. For the purpose of taking sworn testimony, a quorum of the Committee and each Subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a quorum being present, a member who is unable to attend the meeting may submit his vote by proxy, in writing or by telephone, or through personal instructions. A proxy must be specific with respect to the matters it addresses.

IV. BRINGING A MATTER TO A VOTE

The Chairman shall entertain a non-debatable motion to bring a matter before the Committee to a vote. If there is objection to bring the matter to a vote without further debate, a rollcall vote of the Committee shall be taken, and debate shall be terminated if the motion to bring the matter to a vote without further debate passes with ten votes in the affirmative, one of which must be cast by the Minority.

V. SUBCOMMITTEES

1. Any member of the Committee may sit with any Subcommittee during its hearings on any other meeting, but shall not have the authority to vote on any matter before the Subcommittee unless he is a member of such Subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the Subcommittee chairmanship, and seniority on the particular Subcommittee shall not necessarily apply.

3. Except for matters retained at the full Committee, matters shall be referred to the appropriate Subcommittee or Subcommittees by the Chairman, except as agreed by a majority vote of the Committee or by the agreement of the Chairman and the Ranking Minority Member.

COMMISSION ON ARTS AND ANTIQUITIES, U.S. SENATE

Mr. ROBERT C. BYRD. Mr. President, pursuant to Senate Resolution 382, 90th Congress, I announce that the following Senators, pursuant to the positions that they hold, are members of the Commission on Arts and Antiquities of the U.S. Senate: The Senator from West Virginia (Mr. ROBERT C. BYRD), as minority leader; and the Senator from Kentucky (Mr. FORD), as ranking minority member of the Committee on Rules and Administration.

REMARKS BY CHIEF JUSTICE WARREN E. BURGER BEFORE THE AMERICAN BAR ASSOCIATION

Mr. THURMOND. Mr. President, I would like to place in the RECORD the text of remarks made by the Chief Justice of the United States to the American Bar Association in Houston, Tex., on February 8, 1981. This is a challenging discourse on crime in America and the necessity to reevaluate the balance and priorities of the criminal justice system. I strongly urge my colleagues to reflect with concern upon the challenges set before us by the Chief Justice.

I ask unanimous consent that the text of remarks of the Chief Justice be printed at this point in the RECORD.

There being no objection, the text of remarks was ordered to be printed in the RECORD, as follows:

ANNUAL REPORT TO THE AMERICAN BAR ASSOCIATION

(Transcript of remarks by Warren E. Burger, Chief Justice of the United States)

Today, for the twelfth time, you allow me this opportunity to lay before you problems concerning the administration of justice, as I see them from my chair. For this, Mr. President and Fellow Members of the Association, I thank you.

On previous occasions I have discussed with you a range of needs of our system. Your responses beginning in 1969 were a major factor in bringing into being the Institute for Court Management, The National Center for State Courts, The Provision for Court Administrators in the Federal System, and many other changes. And in light of my subject today, I should also mention the important contributions made beginning in 1970 by your Commission on Correctional Facilities and Services. The value of these improvements is beyond precise calculation. But the value is great. We do not always agree, but our differences are few indeed. All I ask for is equal time.

The new President who has just taken office is confronted with a host of great problems, domestic and worldwide: inflation, unemployment, energy, an overblown government, a breakdown of our educational system, a weakening of family ties, and a vast increase in crime. As he looks beyond our shores, he sees grave, long-range problems, which begin ninety miles off the shores of Florida and extend around the globe.

Today I will focus on a single subject, although one of large content. Crime and the fear of crime have permeated the fabric of American life, damaging the poor and minorities even more than the affluent. A recent survey indicates forty-six percent of women and forty-eight percent of Negroes are "significantly frightened" by pervasive crime in America.

Seventy-five years ago, Roscoe Pound shook this association with his speech on "The Causes of Popular Dissatisfaction with the Administration of Justice." In the 1976 Pound Conference, we reviewed his great critique but also examined criminal justice. My distinguished colleague, Judge Leon Higginbotham, carefully noted the imperative need for balance, in criminal justice, between the legitimate rights of the accused and the right of all others, including the victims. And, of course, we are all victims of every crime.

When I speak of "Crime and Punishment" I embrace the entire spectrum beginning with an individual's first contact with po-

lice authority through the stages of arrest, investigation, adjudication and corrective confinment. At every stage the system cries out for change, and I do not exclude the adjudicatory stage. At each step in this process the primary goal, for both the individual and society, is protection and security. This theme runs throughout all history.

When our distant ancestors came out of caves and rude tree dwellings thousands of years ago to form bands and tribes and later towns, villages and cities, they did so to satisfy certain fundamental human needs: Mutual protection, human companionship, and later for trade and commerce. But the basic need was security—security of the person, the family, the home and of property. Taken together, this is the meaning of a civilized society.

Today, the proud American boast that we are the most civilized, most prosperous, most peace-loving people leaves a bitter aftertaste. We have prospered. We are, and have been, peace-loving in our relations with other nations. But, like it or not, today here at home we are approaching the status of an impotent society—a society whose capability of maintaining elementary security on the streets, in schools, and for the homes of our people is in doubt.

I thought of this recently in a visit to the medieval city of Bologna, Italy. There, still standing are walled enclaves of a thousand years ago with a high corner tower where watch was kept for roving hostile street gangs. When the householder left his barricaded enclave he had a company of spearmen and others with cross-bows and battle-axes as guards.

Possibly some of our problem of behavior stems from the fact that we have virtually eliminated from public schools and higher education any effort to teach values of integrity, truth, personal accountability and respect for others' rights. This was recently commented on by a distinguished world statesman, Dr. Charles Malik, former president of the U.N. General Assembly. Speaking to a conference on education, he said:

"I search in vain for any reference to the fact that character, personal integrity, spiritual depth, the highest moral standards, the wonderful living values of the great tradition, have anything to do with the business of the university or with the world of learning."

Perhaps what Dr. Malik said is not irrelevant to what gives most Americans such deep concern in terms of behavior in America today.

I pondered long before deciding to concentrate today on this sensitive subject of crime, and I begin by reminding ourselves that under our enlightened Constitution and Bill of Rights, whose bicentennials we will soon celebrate, we have established a system of criminal justice that provides more protection, more safeguards, more guarantees for those accused of crime than any other nation in all history. The protective armor we give to each individual when the State brings a charge is great indeed. This protection was instituted—and it has expanded steadily since the turn of this century—because of our profound fear of the power of Kings and States developed by an elite class to protect the status quo—their status above all else—and it was done at the expense of the great masses of ordinary people.

Two hundred years ago we changed that. Indeed, in the past 30 or 40 years we have changed it so much that some now question whether the changes have produced a dangerous imbalance.

I put to you this question: Is a society redeemed if it provides massive safeguards for accused persons including pretrial freedom for most crimes, defense lawyers at public expense, trials, and appeals, re-trials and more appeals—almost without end—and yet fails to provide elementary protection for its law-abiding citizens? I ask you to ponder this question as you hear me out.

Time does not allow—nor does my case require—that I burden you with masses of detailed statistics—I assure you the statistics are not merely grim, they are frightening. Let me begin near home: Washington, D.C., the capital of our enlightened country, in 1980 had more criminal homicides than Sweden and Denmark combined with an aggregate population of over twelve million as against 650,000 for Washington, D.C. and Washington is not unique. From New York City, to Los Angeles, to Miami the story on increase in violent crime from 1979 to 1980 is much the same. New York City with about the same population as Sweden has 20 times as many homicides. The United States has one hundred times the rate of burglary of Japan. Overall violent crime in the United States increased sharply from 1979 to 1980, continuing a double-digit rate. More than one-quarter of all the households in this country are victimized by some kind of criminal activity at least once each year.

The New York Times recently reported that one documented study estimated that the chances of any person arrested for a felony in New York City of being punished in any way—apart from the arrest record—were 108 to 1! And it is clear that thousands of felonies go unreported in that city as in all others.

For at least ten years many of our national leaders and those of other countries have spoken of international terrorism, but our rate of routine, day-by-day terrorism in almost any large city exceeds the casualties of all the reported "international terrorists" in any given year.

Why do we show such indignation over alien terrorists and such tolerance for the domestic variety?

Must we be hostages within the borders of our own self-styled enlightened, civilized country? Accurate figures on the cost of home burglar alarms, of three locks on each door—and sadly, of handgun sales for householders—are not available but they run into hundreds of millions of dollars.

What the American people want is that crime and criminals be brought under control so that we can be safe on the streets and in our homes and for our children to be safe in schools and at play. Today that safety is fragile.

It needs no more recital of the frightening facts and statistics to focus attention on the problem—a problem easier to define than to correct. We talk of having criminals make restitution or have the State compensate the victims. The first is largely unrealistic, the second is unlikely. Neither meets the central problem. Nothing will bring about swift changes in the terror that stalks our streets and endangers our homes, but I will make a few suggestions.

To do this I must go back over some history which may help explain our dilemma.

For a quarter of a century I regularly spent my vacations visiting courts and prisons in other countries, chiefly Western Europe. My mentors in this educational process were two of the outstanding penologists of our time: the late James V. Bennett, Director of the United States Bureau of Prisons and the late Torsten Ericksson, his counterpart in Sweden, where crime rates were once low, poverty was nonexistent, correctional systems enlightened and humane. Each was a vigorous advocate of using prisons for educational and vocational training.

I shared and still share with them the belief that poverty and unemployment are reflected in crime rates—chiefly crimes against property. But if poverty were the principal cause of crime as was the easy explanation given for so many years, crime would have been almost nonexistent in affluent Sweden and very high in Spain and Portugal. But the hard facts simply did not and do not support the easy claims that poverty is the controlling factor; it is just one factor. America's crime rate today exceeds our crime rate during the great depression.

We must not be mused by clichés and slogans that if we but abolish poverty crime will also disappear. There is more to it than that. A far greater factor is the deterrent effect of swift and certain consequences: swift arrest, prompt trial, certain penalty, and—at some point—finality of judgment.

To speak of crime in America and not mention the drugs and drug-related crime would be an oversight of large dimension. The destruction of lives by drugs is more frightening than all the homicides we suffer. The victims are not just the young who become addicts. Their families and, in turn, their victims and all of society suffer over a lifetime. I am not wise enough to venture a solution. Until we effectively seal our many thousands of miles of borders—which would require five or ten times the present border guard personnel and vastly enlarge the internal drug enforcement staffs, there is little else we can do. Our Fourth and Fifth Amendments and statutes give the same broad protection to drug pushers as they give to you and me, and judges are oath-bound to apply those commands.

It is clear that there is a startling amount of crime committed by persons on release awaiting trial, on parole, and on probation release. It is not uncommon for an accused to finally be brought to trial with two, three or more charges pending. Overburdened prosecutors and courts tend to drop other pending charges when one conviction is obtained.* Should we be surprised if the word gets around in the "criminal community" that you can commit two or three crimes for the price of only one and that there is not much risk in committing crimes while awaiting trial?

Deterrence is the primary core of any effective response to the reign of terror in American cities. Deterrence means speedy action by society, but that process runs up against the reality that many large cities have either reduced their police forces or failed to keep them in balance with double-digit crime inflation.

A first step to achieve deterrence is to have larger forces of better trained officers. Thanks to the F. B. I. Academy we have the pattern for such training.

A second step is to re-examine statutes on pre-trial release at every level. This requires that there be a sufficient number of investigators, prosecutors, and defenders—and judges—to bring defendants to trial swiftly. Any study of the statistics will reveal that "bail crime" reflects a great hole in the fabric of our protection against internal terrorism.

To change this melancholy picture will call for spending more money than we have ever before devoted to law enforcement, and even this will be for naught if we do not re-examine our judicial process and philosophy with respect to finality of judgments. The search for "perfect" justice has led us on a course found nowhere else in the world. A true miscarriage of justice, whether 20-, 30-, or 40-years old, should always be open to review, but the judicial process becomes a mockery

* The official D. C. reports show that in the last quarter of 1975, *i.e.*, October, November and December 1975, 569 of all persons arrested for serious crimes were, at the time of their arrest, awaiting trial on one or more prior indictments. In that same period 402 persons who were arrested were, at the time of arrest, at large either on parole from a penal institution, on probation after a judgment of conviction, or on a conditional release other than the traditional parole. Remarks of Warren E. Burger at the ALI Opening Session, May 18, 1976.

of justice if it is forever open to appeals and retrials for errors in the arrest, the search, or the trial. Traditional appellate review is the cure for errors, but we have forgotten that simple truth.

Our search for true justice must not be twisted into an endless quest for technical errors unrelated to guilt or innocence.

The system has gone so far that Judge Henry Friendly, in proposing to curb abuses of collateral attack, entitled his article, "Is Innocence Irrelevant?"

And Justice Jackson once reminded us that the Constitution should not be read as a "suicide pact."

Each of these men, of course, echoed what another great jurist, Justice Benjamin Cardozo, wrote more than fifty years ago in his essays on "the nature of the judicial process."

I am not advocating a new idea but merely restating an old one that we have ignored. At this point, judicial discretion and judicial restraint require me to stop and simply to repeat that governments were instituted and exist chiefly to protect people. If governments fail in this basic duty they are not excused, they are not redeemed by showing that they have established the most perfect systems to protect the claims of defendants in criminal cases. A government that fails to protect both the rights of accused persons and also all other people has failed in its mission. I leave it to you whether the balance has been fairly struck.

Let me now try to place this in perspective: first, the bill reform statutes of recent years, especially as to non-violent crimes, were desirable and overdue; second, the provisions for a lawyer for every defendant were desirable and overdue; third, statutes to insure speedy trials are desirable but only if the same legislation provides the means to accomplish the objective.

Many enlightened countries succeed in holding criminal trials within four to eight weeks after arrest. First non-violent offenders are generally placed on probation, free to return to a gainful occupation under close supervision. But I hardly need remind this audience that our criminal process often goes on two, three, four or more years before the accused runs out all the options. Even after sentence and confinement, the warfare continues with endless streams of petitions for writs, suits against parole boards, wardens and judges.

So we see a paradox—even while we struggle toward correction, education and rehabilitation of the offender, our system encourages prisoners to continue warfare with society. The result is that whatever may have been the defendant's hostility toward the police, the witnesses, the prosecutors, the judge and jurors—and the public defender who failed to win his case—those hostilities are kept alive. How much chance do you think there is of changing or rehabilitating a person who is encouraged to keep up years of constant warfare with society?

The dismal failure of our system to stem the flood of crime repeaters is reflected in part in the massive number of those who go in and out of prisons. In a Nation that has been thought to be the world leader in so many areas of human activity our system of justice—not simply the prisons—produces the world's highest rate of "recall" for those who are processed through it. How long can we tolerate this rate of recall and the devastation it produces?

What I suggest now—and this association with its hundreds of State and local affiliates can be powerful force—is a "damage control program." It will be long; it will be controversial; it will be costly—but less costly than the billions in dollars and thousands of blighted lives now hostage to crime.

To do this is as much a part of our national defense as the Pentagon budget.

Sometimes we speak glibly of a "war on crime." A war is indeed being waged but it is a war by a small segment of society against the whole of society. Now a word of caution: That "war" will not be won simply by harsher sentences; not by harsh mandatory minimum sentence statutes; not by abandoning the historic guarantees of the Bill of Rights. And perhaps, above all, it will not be accomplished by self-appointed armed citizen police patrols. At age 200, this country has outgrown the idea of private law and vigilantes. Volunteer community watchman services are quite another matter.

Now let me present the ultimate paradox: After society has spent years and often a modest fortune to put just one person behind bars, we become bored. The media lose interest and the individual is forgotten. Our humanitarian concern evaporates. In all but a minority of the States we confine the person in an overcrowded, understaffed institution with little or no library facilities, little if any educational program or vocational training. I have visited American prisons built more than 100 years ago for 800 prisoners, but with two thousand crowded today inside their ancient walls.

Should you look at the records you will find that the 300,000 persons now confined in penal institutions are heavily weighted with offenders under age thirty. A majority of them cannot meet minimum standards of reading, writing, and arithmetic. Plainly this goes back to our school systems. A sample of this was reflected in a study of pupils in a large city where almost half of the third graders failed reading. This should not surprise us, for today we find some high school graduates who cannot read or write well enough to hold simple jobs.

Now turn with me to a few steps which ought to be considered:

(1) Restore to all pretrial release laws the crucial element of dangerousness to the community based on a combination of the evidence then available and the defendant's past record, to deter crime-while-on-bail;

(2) Provide for trial within weeks of arrest for most cases, except for extraordinary cause shown;

(3) Priority for review on appeal within eight weeks of a judgment of guilt;

(4) Following exhaustion of appellate review, confine all subsequent judicial review to claims of miscarriage of justice;

and finally:

A. We must accept the reality that to confine offenders behind walls without trying to change them is an expensive folly with short term benefits—a "winning of battles while losing the war";

B. Provide for generous use of probation for first non-violent offenders, with intensive supervision and counseling and swift revocation if probation terms are violated;

C. A broad scale program of physical rehabilitation of the penal institutions to provide a decent setting for expanded educational and vocational training;

D. Make all vocational and educational programs mandatory with credit against the sentence for educational progress—literally a program to "learn the way out of prison," so that no prisoner leaves without at least being able to read, write, do basic arithmetic and have a marketable skill;

E. Generous family visitation in decent surroundings to maintain family ties, with rigid security to exclude drugs or weapons;

F. Counseling services after release paralleling the "after-care" services in Sweden, Holland, Denmark, and Finland. All this should be aimed at developing the prisoner's respect for self, respect for others, accountability for conduct and appreciation of the value of work, of thrift, and of family.

G. Encourage religious groups to give counsel on ethical behavior and occupational adjustment during and after confinement.

The two men I spoke of as my mentors beginning twenty-five years ago—James V. Bennett and Torsten Eriksson of Sweden, were sadly disappointed at the end of their careers, on their great hopes for rehabilitation of offenders. A good many responsible qualified observers are reaching the stage that we must now accept the harsh truth that there may be some incorrigible human beings who cannot be changed except by God's own mercy to that one person. But we cannot yet be certain and in our own interest—in the interest of billions in dollars lost to crime and blighted if not destroyed lives—we must try to deter and try to cure.

This will be costly in the short run and the short run will not be brief. This illness our society suffers has been generations in developing but we should begin at once to divert the next generation from the dismal paths of the past, to inculcate a sense of personal accountability in each schoolchild to the end that our homes, schools and streets will be safe for all.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of February 26, 1981, the Secretary of the Senate, on March 2, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on March 2, 1981, are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-501. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Nation's Unused Wood Offers Vast Potential Energy And Product Benefits"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-502. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report of military construction projects placed under contract in fiscal year 1980 in which it was necessary to exceed the amount authorized for the project scope by more than 25 percent in order to permit the contract award within the available authorization for such project; to the Committee on Armed Services.

EC-503. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Soaring Subsidies Must Be Controlled"; to the Committee on Banking, Housing, and Urban Affairs.

EC-504. A communication from the Deputy Director of the Section of Finance, Interstate Commerce Commission, transmitting, pursuant to law, notice of a thirty day extension of the decision period in Finance Docket No. 28272, "Star Lake Railroad Company—Rail Construction and Operation in McKinley County, New Mexico;" to the Committee on Commerce, Science, and Transportation.

EC-505. A communication from the Acting Secretary of the Interior, reporting, pursuant to law, on activities carried out by the Geological Survey during the reporting period January 1 through December 31, 1980; to

the Committee on Energy and Natural Resources.

EC-506. A communication from the Chairman, National Commission on Air Quality, transmitting, pursuant to law, a report entitled "To Breathe Clean Air, March 1981, Report of the National Commission on Air Quality"; to the Committee on Environment and Public Works.

EC-507. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to February 26, 1981; to the Committee on Foreign Relations.

EC-508. A communication from the Director of Administration of the Department of Energy, transmitting, pursuant to law, the annual report of the Department for 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

EC-509. A communication from the Acting Chairman of the Equal Employment Opportunity Commission, transmitting, pursuant to law, the report of the Commission for 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

EC-510. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, the 1980 annual report of the Administration under the Freedom of Information Act; to the Committee on the Judiciary.

EC-511. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the annual report of the Board under the Freedom of Information Act; to the Committee on the Judiciary.

EC-512. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the annual report for 1980 of the Federal Open Market Committee of the Federal Reserve System under the Freedom of Information Act; to the Committee on the Judiciary.

EC-513. A communication from the Acting Director of ACTION, transmitting, pursuant to law, the 1980 annual report of the agency under the Freedom of Information Act; to the Committee on the Judiciary.

EC-514. A communication from the Secretary of the Railroad Retirement Board, transmitting, pursuant to law, the annual report of the Board for the calendar year 1980; to the Committee on the Judiciary.

EC-515. A communication from the Executive Director of the Committee for Purchase from the Blind and other Severely Handicapped, transmitting, pursuant to law, the report of the Committee for 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

EC-516. A communication from the Staff Secretary of the National Security Council, transmitting, pursuant to law, the annual report of the Council for 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

EC-517. A communication from the Deputy Director of the Office of Administration of the Executive Office of the President, transmitting, pursuant to law, the report of the Office of Administration for 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GOLDWATER (for himself, Mr. PACKWOOD, Mr. PRESSLER, Mr. SCHMITT, Mr. STEVENS, Mr. KASTEN, Mr. CANNON, Mr. HOLLINGS, Mr. INOUYE, Mr. FORD, Mr. RIEGLE, and Mr. EXON):

S. 601. A bill to amend the Communications Act of 1934 to establish licensing procedures, renewal procedures, and licensing terms for television broadcast stations; to the Committee on Commerce, Science, and Transportation.

By Mr. RIEGLE:

S. 602. A bill to amend the investment credit provisions of the Internal Revenue Code of 1954 to provide for refundability of currently earned investment credits after the close of the year in which earned and for refundability of any previously earned but unused investment credit after the close of the last year to which the unused credit may be carried; to the Committee on Finance.

By Mr. ZORINSKY (for himself, Mr. THURMOND, Mr. DECONCINI, Mr. COCHRAN, Mr. MELCHER, and Mr. SIMPSON):

S. 603. A bill to amend title 17 of the United States Code to exempt nonprofit veterans' organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 604. A bill to amend the Communications Act of 1934 to provide that telephone receivers may not be sold in interstate commerce unless they are manufactured in a manner which permits their use by persons with hearing impairments; to the Committee on Commerce, Science, and Transportation.

By Mr. WALLOP:

S. 605. A bill to amend Title 11 of the Social Security Act to eliminate Child's Insurance Benefits in the case of youth age 18 through 21 who attend postsecondary schools; to the Committee on Finance.

By Mr. BAUCUS (for himself and Mr. DOMENICI):

S. 606. A bill to establish in the Department of State a Bureau of North American Affairs, and for other purposes; to the Committee on Foreign Relations.

By Mr. CANNON:

S. 607. A bill to declare a national weather modification policy, to establish a national program of research and development in weather modification, to provide for the reporting of weather modification activities, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BAUCUS:

S. 608. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child; to the Committee on Finance.

By Mr. WILLIAMS (for himself and Mr. MOYNIHAN):

S. 609. A bill entitled "The Naturalization Processing Compensation Act of 1981. A bill entitled "The Naturalization Processing Compensation Act of 1981"; to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself and Mr. PROXMIRE):

S. 610. A bill to amend the Securities Exchange Act of 1934 to establish a Council on State and Local Government Accounting and Financial Reporting Standards, and to establish an Institute for State and Local Government Accounting and Financial Reporting Standards, in order to ensure the availability of nationally recognized accounting and financial reporting standards for State and local governments; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. THURMOND:

S. 611. A bill to amend section 5 of the Uniformed Survivors Benefit Amendments of 1980 to provide the same annuity benefits to the surviving spouses of certain former members of the uniformed services who died before September 21, 1972, but after their discharge or release from active duty, as are provided under such section to the surviving spouses of certain former members who died before such date while serving on active duty; to the Committee on Armed Services.

By Mr. BOSCHWITZ (for himself, Mr. THURMOND, Mr. LUGAR, Mr. PERCY, Mr. JEPSEN, Mr. MELCHER, Mr. HEINZ, Mr. PRESSLER, and Mr. ANDREWS):

S. 612. A bill to amend the Internal Revenue Code of 1954 to clarify the valuation, for estate tax purposes, of farm and other real property when such property is rented by a member of a decedent's family, and for other purposes; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. EAST, and Mr. HATCH):

S. 613. A bill to amend section 1951 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 614. A bill to amend title 10, United States Code, to provide a new assistant Secretary of Defense for Reserve Affairs and to change the existing position of Assistant Secretary for Manpower and Reserve Affairs to Assistant Secretary of Defense for Manpower; to the Committee on Armed Services.

By Mr. LEAHY:

S. 615. A bill to amend the Internal Revenue Code of 1954 to provide a credit for television subtitle equipment used by hearing-impaired individuals; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. WEICKER, Mr. LUGAR, and Mr. RANDOLPH):

S. 616. A bill to provide for the installation of telecommunications devices for the deaf in agencies of Federal, State, and local governments, in offices of Members of Congress, and in other locations, to amend the Internal Revenue Code of 1954 to provide tax incentives for the purchase of telecommunication devices by the deaf, and for other purposes; to the Committee on Governmental Affairs.

By Mr. THURMOND (for himself, Mr. BAUCUS, Mr. BOREN, Mr. ROBERT C. BYRD, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. GOLDWATER, Mr. JEPSEN, Mr. LEVIN, Mr. LONG, Mr. PRYOR, and Mr. TOWER):

S.J. Res. 42. Joint resolution designating the third Sunday in September as "National Ministers Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GOLDWATER (for himself, Mr. PACKWOOD, Mr. PRESSLER, Mr. SCHMITT, Mr. STEVENS, Mr. KASTEN, Mr. CANNON, Mr. HOLLINGS, Mr. INOUYE, Mr. FORD, Mr. RIEGLE, and Mr. EXON):

S. 601. A bill to amend the Communications Act of 1934 to establish licensing procedures, renewal procedures, and licensing terms for television broadcast stations; to the Committee on Commerce, Science, and Transportation.

TELEVISION LICENSING AND RENEWAL ACT OF 1981

Mr. GOLDWATER. Mr. President, the Committee on Commerce, Science, and

Transportation's announced goal of passage of meaningful telecommunications legislation began last month with the introduction of two bills, S. 270 and S. 271. Since that time we have been examing other issues in this field with that same goal in mind.

The bill I am introducing today deals with television licensing and renewal, and continues that approach of amending the Communications Act of 1934, by removing regulatory restrictions wherever there is a competitive marketplace.

Specifically my bill accomplishes the following:

First. License terms.—The license period for television would be extended from 3 to 5 years.

Second. Licensing procedure.—The Federal Communications Commission (FCC) is permitted to use a system of random selection (lottery) to choose among otherwise qualified applicants for any initial license or construction permit.

Third. Renewal procedure.—(a) The FCC shall grant a television license renewal if it finds that: First, the licensee substantially met the problems, needs, and interests of the residents of its service area in its program service; second, the operation of the station has been free of any serious violation of the 1934 Communications Act or any FCC regulation promulgated thereunder; and third, the licensee continues to meet the qualifications prescribed under section 308(b).

(b) In acting upon any application for renewal, the FCC shall not have authority to consider any other applications for those facilities.

Mr. President, this bill addresses many of the concerns that have been expressed by broadcasters. By extending the license term, it will add stability to the operation of the broadcast facility, as well as help to insure more effective personnel management.

With the new discretionary provision for random selection, or lottery, the amount of time spent by the Commission staff on applications should be significantly reduced, insuring faster entry into the marketplace by new applicants. Furthermore, the elimination of the requirement for comparative proceedings where there is more than one applicant for a construction permit, will save new applicants time and money, and not harm the public interest. These proceedings have never guaranteed that the applicant best able to serve the public interest is selected.

The renewal procedure established by this bill focuses upon the licensee's record of performance rather than the promises of an applicant seeking the license. Eliminating competing applications means eliminating the cumbersome, expensive, and sometimes arbitrary comparative proceeding for license renewals. Also implicit in the three-prong test for renewal, is that the Commission will not be able to take into account any other ownership interests by the licensee, nor the degree of involvement of the owners of the station in the management of the station.

The comparative renewal procedure was adopted originally to provide a "competitive spur" to the broadcaster. The theory was that broadcasters would be encouraged to maximize their programing efforts if their licenses could be challenged at renewal.

While there have been few successful challenges to television broadcasters' licenses, the uncertainty created by this threat has made it more difficult for diligent broadcasters to serve their communities. Furthermore, the real "competitive spur" to the broadcaster no longer comes from potential challengers to the renewal of his license. Broadcasters are now competing against the diversity of video programing made possible by the expansion of cable television in urban markets, and the increasing use of new technologies.

If television broadcast licensees are to be expected to provide quality programing service to the public, they must be able to rely upon the knowledge that they will not be subjected to expensive, time-consuming comparative hearings as a result of a mere promise from another applicant to do a better job. It is increased competition that will guarantee the essential program quality.

While the FCC has recognized that this is a problem which neither benefits the broadcaster or the public, the courts have frustrated Commission attempts to remedy the situation. Renewal applicants are now without knowledge or definitive guidance as to how they will be judged at renewal time. The instability created by this confusion is not in the public interest.

Mr. President, it is my firm belief, and the intent of this bill, that the performance of the television broadcast licensee during his license term be the only basis for deciding whether to renew the license. If a licensee substantially meets the needs and interests of those in his service area, and is free of any serious violation of the act, and meets the basic qualifications, he should have his television license renewed.

Although this bill does not require the Commission to review its regulations and policies relating to allocation, assignment and authorization of broadcast spectrum, legislation scheduled to be introduced this spring will contain provisions relating to this matter.

Mr. President, I would welcome my colleagues to join in cosponsoring this bill. I might say that I already have 11 cosponsors. The Subcommittee on Communications will hold hearings on this bill on March 23 and March 30, 1981.

I ask unanimous consent that this bill and a factsheet describing it be printed in its entirety in the RECORD, following my remarks.

There being no objection, the bill and factsheet were ordered to be printed in the RECORD, as follows:

S. 601

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Television Licensing and Renewal Act of 1981".

LICENSE TERMS

SEC. 2. Section 307(d) of the Communications Act of 1934 (47 U.S.C. 307(d)) is amended by—

(1) inserting "television" after "operation of a";

(2) striking "three years" the first place it appears and substituting "five years";

(3) striking "three years" the last place it appears and substituting "five years"; and

(4) inserting "television" after "in the case of" the first place it appears therein.

LICENSING PROCEDURE, RENEWAL PROCEDURE

SEC. 3. Section 309 of the Communications Act of 1934 (47 U.S.C. 309) is amended by adding at the end thereof the following new subsections:

"(i) In any case where there is more than one applicant qualified in accordance with subsection (b) of section 308 for any initial license or construction permit for a television broadcast facility, the Commission may, in its discretion, grant an application based on a system of random selection. The Commission shall establish procedures for random selection not later than 180 days after the date of enactment of this subsection, which procedure shall not apply to any application filed before such date.

"(j) In any case in which a television broadcast station licensee submits an application to the Commission for renewal of a license, the Commission shall grant the application if it finds that—

"(1) the licensee, during the preceding term of its license, substantially met the problems, needs, and interests of the residents of its service area in its program service;

"(2) the operation of the station has been free of any serious violation of this Act or the regulations promulgated thereunder; and

"(3) the licensee continues to meet the qualifications prescribed under section 308 (b).

"(k) In acting upon any application for the renewal of any television broadcast station license which is filed by a licensee with the Commission under section 308, the Commission shall not have authority to consider the application of any other person for the facilities for which renewal is sought. The provisions of this subsection shall not apply to any application of any other person filed prior to March 3, 1981.".

TELEVISION LICENSING AND RENEWAL ACT OF 1981

1. *License terms.*—The license period for television would be extended from three to five years.

2. *Licensing procedure.*—The Commission is permitted to use a system of random selection to choose among otherwise qualified applicants for any initial license or construction permit.

3. *Renewal procedure.*—

(a) The Commission shall grant a television license renewal if it finds that: (1) the licensee substantially met the problems, needs, and interests of the residents of its service area in its program service; (2) the operation of the station has been free of any serious violation of the 1934 Communications Act or any Commission regulation promulgated thereunder; and (3) the licensee continues to meet the qualifications prescribed under section 308(b).

(b) In acting upon any application for renewal, the Commission shall not have authority to consider any other applications for those facilities.

Mr. CANNON. Mr. President, I am delighted to join Senator GOLDWATER and many of my colleagues on the Senate Commerce Committee in offering the Television Licensing and Renewal Act of 1981, a bill which makes a small first step toward less Federal regulation of the television industry. The Senate Commerce Committee has taken a major role in the deregulation of important sectors of the American economy and the removal of obsolete and unnecessary Gov-

ernment regulation. Indeed, I am delighted that President Reagan seems to have taken note of our efforts and decided that this is the time for a broader campaign of reducing Government.

Just as Chairman PACKWOOD and the other Republican members of the Commerce Committee supported me and my fellow Democrats in a bipartisan effort to deregulate the trucking and airline and railroad industries, I am delighted to pledge our support in continuing to strive toward revitalizing the American economy by reducing the role of Government and turning the control of these industries back to the manager of the firms involved.

Last year Senators HOLLINGS, PACKWOOD, GOLDWATER, SCHMITT, and I worked very closely in an attempt to produce comprehensive telecommunications legislation which would revise the Communications Act of 1934. Our efforts were in recognition of the fact that the world has changed in the last 47 years and nowhere is it changing more rapidly than in the dynamic technology of telecommunications. The world has changed in the last 47 years from one which knew only primitive radio and telephone service to a vastly complicated and very competitive multimedia communications industry.

For a variety of reasons, comprehensive legislation was not enacted last year. This year, we are trying a different strategy. I have cosponsored, and the Commerce Committee has already had hearings on two other bills: S. 270, the Radio Deregulation Act of 1981, and S. 271, the International Record Carrier Competition Act of 1981. Each of these bills has been very favorably received and, because of the much narrower scope than the comprehensive legislation we considered last year, we expect that they will move rapidly. Thus I am delighted to be able to introduce the third—neither the last nor the least—in a series of communications bills. I would like to outline what this bill will do and then indicate what this bill does not do and some of the things we expect to do in future bills.

This legislation would do three things. First, it would extend the term for TV licenses from 3 years to 5 years. This would reduce the administrative burden on the Commission—that is, to reduce the number of cases they must hear each year and to allow them to give more careful attention to each individual case.

Second, the bill would permit the Commission to use a lottery or random selection to choose among applicants for new television licenses. Why a lottery? The answer is very simple. The Commission has struggled for years with the problem of choosing among competing applicants all of whom promise service so similar that it is difficult to make a rational choice among them. But because the FCC was required to choose among them on some logical grounds (which often did not exist) and because the losing applicants were able to sue and complain about the basis of choice (which in fact did not exist) it often takes years and years to award a television license. The cost in terms of lawyers and legal fees has been enormous.

The third thing this bill would do is to change the present process of dealing with the renewal of television licenses. This bill changes the procedural ground rules of the game while keeping intact the public interest standards imposed on license holders. Instead of everyone applying at once, an incumbent desiring a renewal of his certificate would first apply. Should he successfully demonstrate that he has substantially met the needs and problems of his service area; has not committed any serious violation of the Communications Act; and remains of good character; the Federal Communications Commission would renew the license. Other applicants would not apply in what are today largely fruitless proceedings since the incumbents are almost always relicensed.

Where the Commission, however, finds that the incumbent has not met the needs and problems of its service area, the Commission would then open the license to all comers and all community groups could apply. Thus, where a license is transferred, a much wider range of applicants may be attracted. Thus, I think this provision will reduce the amount of litigation and paperwork involved and provide greater assurance to existing stations who are adequately serving their public while, at the same time, attract a greater range of applicants where new service is needed.

Mr. President, I have talked some of what this bill does, but not yet about what the bill does not do. This bill, as I have indicated is very limited. I think it is desirable and hope that it will be endorsed by the administration, the FCC, the broadcast industry, and by responsible consumer groups. It does not, however, go as far toward deregulating the telecommunications industry as I believe we should go. I had hoped that this bill would include language requiring the Commission to periodically review all rules, regulations and policies relating to use of the radio spectrum in order to promote diversity and multiplicity of broadcast services.

I have agreed, somewhat reluctantly, with the majority that such language, while desirable, would unduly broaden this bill and that such language should be included in another bill. I expect to cosponsor such legislation with my good friends Senators GOLDWATER and PACKWOOD within the next few weeks. Indeed, we look forward to a whole series of these bills making improvements in the efficiency and competitiveness of the communications industry.

I should also note that the bills we have introduced so far and the one I have just addressed deal with the broadcast industry. The broadcast industry is but a part of the overall telecommunications industry and my staff is now working with the majority staff to produce a similar series of bills dealing with the common carrier portion of the industry. The impact of this legislation will be to better serve the consumer by making the communications industry more competitive. I look forward to rapid action on this legislation.

● Mr. HOLLINGS. Mr. President, I am pleased to join with several of my Commerce Committee colleagues in sponsoring the Broadcast Licensing and Renewal Act of 1981. This bill, together with S. 270 which I cosponsored in January, will accomplish significant improvements in radio and television licensing procedures. Extending the term of television licenses to a maximum of 5 years—instead of the present 3-year maximum—will accord increased stability to licensees, permitting them to devote greater efforts in community service and less attention to regulatory paperwork. The Commission, too, will save resources, reducing staff time necessary for routine review of renewal applications while at the same time allowing closer scrutiny.

The random selection licensing mechanism authorized under this bill (as well as under S. 270) contemplates an objective evaluation of basic qualifications of competing applicants for new licensees—as required by section 308(b) of the Communications Act. This procedure accords the Commission the flexibility essential to orderly and expeditious handling of expected substantial increases in applications for newly available broadcast authorizations. Recent initiatives in AM radio—reduction in clear channel coverage, reduction in channel separations to 9 kHz—and television—low power TV enhanced UHF comparability, subscription television, direct broadcast satellite service—some of which have already been implemented, some still under review, will create many hundreds of new radio and television outlets, and thousands of applications.

If these initiatives are to be translated into reality, we must modernize today's cumbersome and costly procedures for authorizing new stations in established and innovative broadcast services. Similar steps must be considered for nonbroadcast services as well. The proposed lottery mechanism is one among several alternative assignment and authorization methods which should be considered to replace the current unacceptably costly and time-consuming licensing methods in the broadcast services.

With respect to broadcast license renewals this bill's two-pronged standard of review clarifies and simplifies the public interest finding which the Commission must make before granting an additional license term. No radical departures from existing renewal standards and policies are contemplated; rather this standard should encourage diligent licensee performance while minimizing Commission scrutiny of programing matters, which are committed to the sound discretion of the licensee.

Notably, however, the comparative renewal procedure would be eliminated. In the judgment of the cosponsors, a viewpoint many students of communications law share, the comparative renewal process has been a failure. Indeed, the Commission has recommended that Congress abolish the comparative renewal process. I believe that the noncomparative renewal process (whereby the incumbent licensee's past record is examined in isolation) and the petition to deny process adequately serve to identify

meritorious past broadcast performance warranty renewal.

Owing to a regretable combination of ill-considered Commission policy and inappropriate judicial intervention, the comparative renewal process has evolved into a conceptually awkward and practically unworkable scheme requiring wasteful expenditures of resources by incumbent licensees, challengers, and the Commission. Superimposing on the renewal process standard comparative criteria developed for initial licensing (maximum diffusion of media control and integration of ownership and management), the Commission and the courts has created a system which, while designed to determine best practicable service among competing proposals, has instead destabilized the broadcasting industry without any appreciable countervailing gain in the larger public interest.

These comparative criteria provide little or no incentive for license performance; yet they do provide opportunity for wholly inappropriate attempts to restructure the industry ad hoc, as the recent Central Florida Enterprises (WESH) case and its predecessors amply demonstrate.

I am, however, a proponent of diversification of ownership, but believe that such matters should be considered in rulemakings of general applicability, not randomly in occasional comparative renewal proceedings.

On previous occasions I have introduced or supported legislation to modify in part current comparative renewal policies by prohibiting the Commission from considering diversification and integration in comparative proceedings. On further consideration I now believe that the comparative renewal procedure cannot be repaired and that the best course is to eliminate it altogether. Removing the diversification and integration issues would only worsen the subjectiveness inherent in the comparative renewal situation: Emphasis would be placed almost exclusively on program-content issues, thereby hightening first amendment concerns.

This bill prudently redirects the Commission's focus toward two reasonably straightforward indices of meritorious past performance: Responsiveness to the service area and conduct not characterized by willful or repeated violations of the Communications Act. This bill charts a clear course for both the Commission and the television broadcaster.

Finally, while this bill makes good progress toward rationalizing license selection, it is only a first step toward realizing tangible gains in promoting the public interest in diverse and competitive sources of broadcasting (and nonbroadcasting media services). The cosponsors of this bill agree that the Commission should periodically review its regulation of spectrum in order to promote a multiplicity and diversity of broadcast and other telecommunications services.

Moreover, they agree that the appropriate agency or agencies should examine and report to the Congress on alternative methods for allocation, assignment, and authorization generally in order to foster more efficient and economic use of the spectrum. However, in the interests of expedition they agree to confine the bill jointly introduced today to television licensing matters. Other communications bills may be introduced in the near future which would contain provisions reflecting this understanding.●

By Mr. RIEGLE:

S. 602. A bill to amend the investment credit provisions of the Internal Revenue Code of 1954 to provide for refundability of currently earned investment credits after the close of the year in which earned and refundability of any previously earned but unused investment credit after the close of the last year to which the unused credit may be carried; to the Committee on Finance.

REFUNDABLE INVESTMENT TAX CREDIT

Mr. RIEGLE. Mr. President, I am introducing today a bill to make the present investment tax credit refundable. All of our tax incentives for capital formation, including accelerated depreciation and investment tax credits are of no current use to many American firms that do not have sufficient tax liability. Our bill would help those firms finance the modern, more productive machinery that they must have to remain competitive.

Mr. President, this bill is needed if we are to revitalize and strengthen America's industrial base. American firms in most of our key industries must now undertake a surge of innovation and investment that is far greater than anything we have witnessed in peacetime history. Soaring energy costs are forcing major changes in products and manufacturing processes. Rapidly changing markets are pitting our most basic industries against powerful foreign firms that often receive many forms of assistance from their governments. As a result, American factories with a total value of hundreds of billions of dollars have become obsolete and must be completely modernized.

The challenge comes at a difficult time. Many U.S. firms find that weak sales and rising costs are reducing cash generated from operations. All U.S. firms find that, because of inflation, reserves from depreciation are inadequate to match the cost of replacement machinery which has exploded with inflation. And very high interest rates make external financing extremely expensive, or impossible. As a result, major American industries may emerge from the next few years with such heavy debt burdens that their long-term competitiveness may be jeopardized.

This problem is of strategic national importance. The Congress must make sure that the Federal incentives for capital formation are not only sufficient but also well designed. I believe that our bill would effect a major improvement.

I will first explain what this bill would do and then outline why I believe the Congress should enact it.

Mr. President, under current law a taxpayer who purchases machinery and equipment earns a tax credit equal to 10 percent of the purchase price. This credit can quickly reduce the cost of investment for a firm with sufficient tax liability. However, a firm with insufficient tax liability may not be able to use the credits for several years. Some credits are lost forever.

Thus, two firms in the same industry making identical investments may receive different treatment under the tax laws. The tax laws may place one of them at a competitive disadvantage.

Our bill would permit all firms to benefit from the 10-percent tax credit in the year they make a qualified investment. If a firm's tax liability is less than its credits, the Government would treat the excess credits as an overpayment of taxes.

That change would benefit several different types of firms. Among them are new, rapidly growing firms, which typically have little or no tax liability during their initial years of operation. Others are firms that have had low profits in recent years due to rising operating and energy costs. And a third group includes firms that must make capital investments that are very large relative to their historic taxable income.

Mr. President, refundability of the investment tax credit would promote several important objectives.

First, refundability would improve competition and competitiveness in a number of America's most basic industries; including auto manufacturing, primary metals—such as steel, copper and aluminum—railroads, airlines, electric utilities, chemicals and petroleum refining.

Second, refundability would make the tax code more equitable. Because of the 10-percent investment tax credit, an established, currently profitable firm effectively pays only $90,000 for a $100,000 machine. While current law leaves a new entrant into the industry or a firm with temporarily low profits to pay the full $100,000. Our bill would permit all firms to consider their investment decisions on a more equal footing.

Third, refundability would make the investment tax credit less distortive of private investment decisions. Currently, firms with low tax liabilities have an incentive to act in ways that do not advance innovation or productivity. Some lease machinery from firms that can take advantage of the tax credit and pass part of the credit through reduced lease payments. Innovative, new firms that cannot use credits they have earned can be drawn to mergers with more established firms that can offset the credits against tax liability. Our bill would remove those inappropriate incentives.

Fourth, refundability would prevent the investment credit from reinforcing a business downturn. Current tax laws exacerbate a recession by removing an important incentive for new capital spending from a firm whenever its profits drop. Our bill would tend to moderate swings in the business cycle.

Some critics have claimed that a refundable investment tax credit would provide Federal subsidies for inefficient firms and keep alive companies that should fail. That criticism is unfounded. The investment tax credit is designed to

stimulate future capital projects, not to reward past economic performance. The availability of current year taxable income is not a measure of long-term efficiency. Few firms in a loss position can make substantial capital expenditures unless private sources of external financing are convinced of the firm's long-term competitive strength and of the soundness of their capital projects. So long as Congress makes an investment tax credit available, it should be provided to all capital projects. It should be refundable.

Finally, refundability would not, in the long run, greatly increase revenue losses to the Federal Treasury, since most of the excess credits are ultimately used. Credits refunded this year would not be available for carryover into future years. Therefore, refundability would affect primarily the timing of the credit rather than the total amount.

For these reasons, Mr. President, I believe that a refundable investment tax credit is particularly well designed to support capital formation during these next critical years.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REFUNDABILITY OF CURRENTLY EARNED INVESTMENT CREDITS AND CERTAIN PREVIOUSLY EARNED INVESTMENT CREDITS.

(a) IN GENERAL.—Paragraph (3) of section 46(a) of the Internal Revenue Code of 1954 (relating to limitation based on an amount of tax) is amended to read as follows:

"(3) LIMITATIONS BASED ON AMOUNT OF TAX LIABILITY.—Notwithstanding paragraph (1), the amount of the credit allowed by section 38 for the taxable year which is attributable to investment credit carryovers to such taxable year (other than a carryover for which such taxable year is the last year to which it may be carried) shall not, when added to the amount of the credit determined under paragraph (2)(A) for the taxable year, exceed the liability for tax for the taxable year.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1980.

SEC. 2. REFUND OF CREDIT IN EXCESS OF TAX LIABILITY.

(a) EXCESS CREDIT TREATED AS OVERPAYMENT OF TAX.—Subsection (b) of section 6401 of the Internal Revenue Code of 1954 (relating to excessive credits) is amended—

(1) by striking out "and 39" and inserting in lieu thereof", 38 (relating to investment in depreciable property) 39", and

(2) by striking out "39, and 43" and inserting in lieu thereof "38, 39, and 43".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 46 of such Code (relating to general rule for determining amount of credit) is amended by striking out paragraphs (5), (6), (7), (8), and (9), and inserting in lieu thereof the following new paragraph:

"(5) APPLICATION WITH OTHER CREDITS.—

"(A) RULE.—For purposes of determining the amount of any credit (other than a refundable section 38 credit) allowable under subpart A of this part, a refundable section 38 credit shall not be taken into account.

"(B) REFUNDABLE SECTION 38 CREDIT.—For purposes of subparagraph (A), the term 'refundable section 38 credit' means, for any taxable year, that part of the credit allowed by section 38 in respect of which (regardless of amount) paragraph (3) does not provide for a limit for the taxable year.".

(2) Section 55 of such Code (relating to alternative minimum tax for taxpayers other than corporations) is amended—

(A) by striking out "43)" in paragraph (2) of subsection (b) and inserting in lieu thereof "43, and other than any refundable section 38 credit (as defined in section 46(a)(5))", and

(B) by adding at the end of paragraph (3)(C)(ii) of subsection (c) the following flush sentence: "In applying this subparagraph, any refundable section 38 credit (as defined in section 46(a)(5)) shall not be taken into account.".

(3) Subsection (c) of section 53 of such Code (relating to definition of regular tax deduction) is amended by striking out "section 46(a)(2)(E)" and inserting in lieu thereof "section 46(a)(2)(F), or any refundable section 38 credit (as defined in section 46(a)(5))".

(4) Paragraph (4) of section 6201(a) of such Code (relating to assessment authority) is amended to read as follows:

"(4) ERRONEOUS CREDIT.—If on any return or claim for refund of income taxes under subtitle A there is an overstatement of the credit allowable by section 39 (relating to certain uses of gasoline, special fuels, and lubricating oil), section 43 (relating to earned income), or the refundable section 38 credit (as defined in section 46(a)(5)), the amount so overstated which is allowed against the tax shown on the return or which is allowed as a credit or refund may be assessed by the Secretary in the same manner as in the case of a mathematical or clerical error appearing upon the return, except that the provisions of section 6213(b)(2) (relating to abatement of mathematical or clerical error assessments) shall not apply with regard to any assessment under this paragraph.".

(5) Section 6513 of such Code (relating to time return deemed filed and tax considered paid) is amended by adding at the end thereof the following new subsection:

"(f) INVESTMENT CREDITS CONSIDERED PAID.—For purposes of sections 6511 and 6512, the taxpayer shall be considered as paying an amount of tax on the last day prescribed by law for payment of the tax (determined without regard to any extension of time and without regard to any election to pay the tax in installments) equal to so much of the credit allowed by section 38 (relating to investment credit) as is treated under section 6401(b) as an overpayment of tax.".

(6) The heading for section 6611(d) of such Code is amended to read as follows:

"(d) ADVANCE PAYMENT OF TAX, PAYMENT OF ESTIMATED TAX, CREDIT FOR INCOME TAX WITHHOLDING, AND INVESTMENT CREDITS CONSIDERED PAID.—".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980.

By Mr. ZORINSKY (for himself, Mr. THURMOND, Mr. DECONCINI, Mr. COCHRAN, Mr. MELCHER, and Mr. SIMPSON):

S. 603. A bill to amend title 17 of the United States Code to exempt nonprofit veterans' organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders; to the Committee on the Judiciary.

EXEMPTION OF CERTAIN NONPROFIT ORGANIZATIONS FROM PAYMENT OF CERTAIN PERFORMANCE ROYALTIES

● Mr. ZORINSKY. Mr. President, during the last session of Congress I introduced S. 2082, a bill to amend title 17 of the United States Code to exempt nonprofit fraternal and veterans' organizations from the payment of royalty fees for the use of copyrighted music. The need for this legislation was first brought to my attention by a member of the Fraternal Order of Eagles in my hometown of Omaha.

The Senate Judiciary Committee's Subcommittee on Improvements in Judicial Machinery held 2 days of hearings at which this bill was extensively studied. Testimony was heard from numerous groups who claimed that under the current law they were looking at potential liabilities of several million dollars a year in fees. When you review the many worthwhile and needed activities that are conducted by these groups, including the Lions Clubs' work with seeing eye dogs, the youth programs of the American Legion, the activities for the elderly sponsored by the Moose, and so many more too numerous to list, it is clear to me of the value of this type of legislation.

Mr. President, let us take the Fraternal Order of Eagles as an example. This organization has over 1,350,000 members in 3,500 chapters, and follows a credo "To make human life more desirable by lessening its ills and promoting peace, prosperity, gladness and hope." The Eagles have been involved in national problems such as legislation for the elderly and poor, and on local issues like blood banks to save lives, an iron lung for a polio victim and donations to the Red Cross and the Community Chest. The Eagles have been very involved in the development of Boys Town in my own State, and with all of the Boys Clubs across this country. In the 1950's the Eagles raised over $1 million for the Damon Runyon Cancer Funds, and in the last 10 years founded the Max Baer Heart Fund, which has donated over $4 million for heart research. This group pays over $550,000 a year in fees to copyright owners.

Mr. President, after hearing the testimony, it was clear to the subcommittee that this legislation was needed, and by a vote of 4 to 0 the bill was passed. Unfortunately, there was not enough time left in the session for the full committee to act, so I am again introducing this bill, along with Senators THURMOND, DECONCINI, COCHRAN, SIMPSON, and MELCHER. I am hopeful that this legislation will be considered by this new Congress and then passed so that the many organizations can move ahead with even more worthwhile contributions to society. This is just a small way of saying thanks, and of recognizing the efforts of these fine organizations.

Mr. President, I ask that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 110 of title 17 of the United States Code is amended—

(1) by striking out "performers," in paragraph (4);

(2) by striking out the period at the end of paragraph (8) and inserting a semicolon in lieu thereof;

(3) by striking out the period at the end of paragraph (9) and inserting a semicolon and "and" in lieu thereof; and

(4) by adding at the end thereof the following new paragraph:

"(10) performance of a nondramatic literary or musical work in the course of a social function which is organized and promoted by a nonprofit veteran's organization or a nonprofit fraternal organization to which the general public is not invited, if the proceeds from such performance, after deducting the reasonable costs of producing the performance, are used exclusively for charitable purposes and not for financial gain.".●

By Mr. MATHIAS:

S. 604. A bill to amend the Communications Act of 1934 to provide that telephone receivers may not be sold in interstate commerce unless they are manufactured in a manner which permits their use by persons with hearing impairments; to the Committee on Commerce, Science, and Transportation.

LEGISLATION RELATING TO THE SALE OF TELEPHONES IN INTERSTATE COMMERCE

Mr. MATHIAS. Mr. President, social attitudes toward handicapped people have changed dramatically in recent years. The American public has generally come to accept as a goal opening the doors of participation in society without regard to handicaps.

So many aspects of life—our buildings, communications technology, modes of transportation, and other programs—were developed without considering handicapped people.

Today I am introducing legislation that is an important step toward allowing those who have hearing impairments to participate fully in an activity other Americans take for granted—use of the telephone.

It is well known that the telephone is a byproduct of Alexander Graham Bell's search for a device to help the hearing impaired. It is long past time to bring full and assured access to telephones into the lives of people who rely on hearing aids.

Many telephones will not work with the telephone pickups built into hearing aids. The telephone industry now has the technology to make all telephones usable with all hearing aids.

The legislation I introduce today would require that all new telephone receivers be compatible with hearing aids. Last year testimony before the Subcommittee on Communications of the House Committee on Interstate and Foreign Commerce showed that this is not difficult or costly. Cost differentials were cited, and telephone compatibility could cost only pennies per year.

Hearing-impaired people need the telephone for equal employment opportunities, freedom of mobility, freedom from social isolation, and emergency protection.

Congress has taken action for the handicapped to expand educational opportunities, provide improved access to public facilities and services and broaden employment opportunities.

This legislation is a cost-effective step toward equality and mobility for hearing-impaired people. Its enactment would help them greatly improve the quality of their lives. By allowing hearing-impaired people a fair opportunity to make full use of the telephone, the entire Nation would benefit from their talents and abilities.

History confirms how the handicapped can surmount their burdens, sometimes spectacularly as in such cases as the blind Homer and deaf Beethoven and more often out of the limelight like those many striving to carry out their daily work with no less competence than the able-bodied.

Let us make the telephone another instrument of opportunity and not an obstacle to effective communication and participation.

I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 604

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds that—

(1) all persons subscribing to or otherwise receiving telephone service in the Nation should receive the best service which is technologically possible;

(2) currently available technology is capable of providing telephone service to those individuals who, because of hearing impairments, require telephone reception by means of hearing aids with induction coils or other inductive receptors; and

(3) modifications in current telephone receiver design and manufacture should be made in order to accommodate the needs of individuals with hearing impairments.

SEC. 2. Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end thereof the following new section:

"REGULATION OF TELEPHONE RECEIVER DESIGN

"SEC. 225. (a) It shall be unlawful for any person to manufacture, import into the United States, install, offer for sale, offer for rent, offer for lease, or otherwise distribute any telephone receiver or other similar telephone equipment, for use in connection with any interstate or foreign communication, unless such receiver is designed and manufactured in a manner which permits telephone reception, through the use of such receiver by means of any hearing aid which uses an induction coil or any other inductive receptor.

"(b) Any person who violates the provisions of this section shall be fined not more than $5,000. Any person who is convicted of a second or subsequent offense punishable under this subsection shall be fined not more than $10,000.".

SEC. 3. The amendment made in section 2 shall apply only with respect to telephone receivers and other such similar telephone equipment manufactured one year after the date of the enactment of this Act.

By Mr. WALLOP:

S. 605. A bill to amend title 11 of the Social Security Act to eliminate child's insurance benefits in the case of youth, age 18 through 21, who attend postsecondary schools; to the Committee on Finance.

ELIMINATION OF STUDENT BENEFITS UNDER SOCIAL SECURITY

● Mr. WALLOP. Mr. President, today I am introducing a proposal to eliminate an unnecessary and costly burden for the social security system. I am referring to social security benefits for students attending postsecondary institutions. This bill parallels an amendment which I offered to the social security disability amendments in late 1979.

The social security benefits for students, ages 18 to 22, are one of the most recent expansions of the social security program. This provision was adopted in 1965. It represented a divergence in the philosophy behind social security. The program has been developed as a national social insurance program to protect workers and their families from unexpected or inevitable events, such as death, disability, or retirement. Postsecondary education is neither unexpected nor inevitable; rather it is a planned event on the part of the student. It does not properly fit the criteria which have been used over the years for social security benefits.

What prompted the Congress to take this action in 1965? There were two factors involved. At that point in time, the social security trust fund was quite healthy, and congressional actions generally focused on how to expand benefits. Also, there was a concern that many youth who were receiving dependent social security benefits would not be able to afford a postsecondary education because such benefits were terminated when the youth reached age 18. It was a noble gesture by that Congress. However, it is now no longer justified, and this Congress could make a responsible gesture by repealing the provision.

Some complain that this bill is a reduction in social security benefits, and represents a retreat from the goals of social security. In response to the first point, it is true we would eliminate an unnecessary benefit. By doing so, we are facing a reality. The social security trust fund is in precarious shape. Any benefit which is duplicative and is not true social insurance should be eliminated. The student benefit is such a benefit.

Since 1965 we have legislated numerous programs to aid students in meeting the expense of a postsecondary education. Six programs under the direction of the Department of Education provide student aid, ranging from the needs-tested Pell grants to guaranteed student loans which are available to virtually all students from low- and middle-income families. Testimony presented to the Ways and Means Oversight Subcommittee in February of 1979 by the Bureau of Student Financial Assistance indicated that these existing student aid programs would be adequate to meet the needs of students affected by a phase out of social security student benefits. The Education Amendments of 1980 reauthorized the Higher Education Act of 1965 for 5 years. That legislation broadened Federal student aid eligibility and expanded assist-

ance limits. Social security student assistance is redundant, and it is time to shift the responsibility for such aid from the Social Security Administration to the education programs where it belongs.

In response to the second criticism, the goal of the social security program is to provide social insurance. Of course, efforts have gone forward since the program was first legislated to expand the scope and purpose of the program, and also to expand the scope and purpose of the Federal Government. Public sentiment no longer supports expansion of the Government. Rather, we have a mandate to make existing programs efficient and rational. The proposal I am introducing today is part of this effort.

The bill is not an abrupt action. The change would be phased in over a 6-year period. This would allow students now receiving postsecondary education benefits to complete their education without disruption. Those students under age 16 would have ample opportunity to obtain financial aid through other Federal programs. These programs are better targeted toward those who need help and achieve more equitable results among families of similar size and resources. One of the problems with the social security student benefit is that the higher the income of the student's family, the higher the student benefit.

Adoption of this proposal would achieve substantial trust fund savings without significantly increasing outlays from general revenues. A CBO estimate indicated that there would be a net savings of $2 billion by 1987 resulting from the elimination of the student benefit and the expansion of student aid programs.

I would request unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 605

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That

(1) Section 202 (d) of the Social Security Act is amended in paragraphs (1) (B), (1) (E) (ii), (1) (F) (i), (1) (G) (i), (6) (A) (i), (6) (D) (i), (6) (E) (i), (7) (A), (7) (B), and (7) (D), by striking out "full-time student" each place it appears and inserting in lieu thereof in each instance "full-time elementary or secondary school student".

(2) (A) Section 202 (d) of such Act is further amended in paragraphs (7) (A), (7) (B), and (7) (D), by striking out "educational institution" each place it appears and inserting in lieu thereof in each instance "elementary or secondary school".

(B) Section 202 (d) (7) (A) of such Act is further amended by striking out "institutions involved" and inserting in lieu thereof "schools involved".

(3) Subparagraph (C) of section 202 (d) (7) of such Act is amended to read as follows:

"(C) (i) An 'elementary or secondary school' is a day or residential school that provides elementary or secondary education, respectively, as determined under the law of the State or other jurisdiction in which it is located.

"(ii) For the purpose of determining whether a child is a 'full-time elementary or secondary student' or 'intends to continue to be in full-time attendance at an elementary or secondary school', within the meaning of this subsection, there shall be disregarded any education provided, or to be provided, beyond grade 12.".

(4) Section 202 (d) (7) (D) of such Act is further amended by striking out "degree from a four-year college or university" and inserting in lieu thereof "diploma or equivalent certificate from a secondary school (as defined in subparagraph (C) (i)).".

(5) The amendments made by this Act shall apply with respect to child's insurance benefits for months beginning with September 1983 except in the case of a youth who is entitled to child's insurance benefits by reason of his full-time attendance at an educational institution for September 1983 whose benefits shall remain payable under section 202(d) of the Social Security Act as in effect prior to its amendment by this section.●

By Mr. BAUCUS (for himself and Mr. DOMENICI):

S. 606. A bill to establish in the Department of State a Bureau of North American Affairs, and for other purposes; to the Committee on Foreign Relations.

ESTABLISHMENT OF A BUREAU OF NORTH AMERICAN AFFAIRS

Mr. BAUCUS. Mr. President, as I said earlier, today Senator DOMENICI and I are presenting two proposals before the Senate: The first is a bill establishing in the Department of State a Bureau of North American Affairs, and the second is a concurrent resolution for the creation of a North American Commission for Cooperation and Development.

During the 96th Congress, I asked the GAO to review the handling of relations with Mexico and Canada. It was an interesting report and I am taking the liberty of inserting it in the RECORD again.

Mr. President, I ask unanimous consent that that report be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., September 27, 1979.

Hon. MAX S. BAUCUS,
U.S. Senate.

DEAR SENATOR BAUCUS: Subject: United States Government Agencies' Relations With Canada and Mexico. (ID-79-57).

Your letter of June 18, 1979, requested that we report on how U.S. Government agencies are organized to deal with Canada and Mexico.

We developed a questionnaire in consultation with your staff to solicit information from Federal agencies on the nature and extent of their interests in and cooperation with Canada and Mexico, and the way these interests are coordinated. In early August we sent questionnaires to 71 Federal agencies and offices (see enc. I) that have some contact with either Canada or Mexico. Although we received 68 responses from agencies and offices who deal with either Canada or Mexico, we found that 31 have frequent contact with the Federal Governments of both countries. Therefore, our analyses were based on information furnished by those 31 respondents. In addition to the questionnaire, we made contact with some respondents for clarification or elaboration of information provided.

The nature of the respondents' primary interests in either Canada or Mexico is briefly described in enclosure II. Also, the respondents' research programs are described in enclosure III.

QUESTIONNAIRE RESULTS

Responses to our questionnaire showed that:

The majority of the respondents that reported frequent staff involvement on matters relating to both Canada and Mexico stated that the staff members involved are located in several organizational units.

In most program areas of interests, respondents have similar interests in both countries.

Almost all respondents feel that cooperation received from the Canadian and Mexican Governments is adequate.

Approximately three-fourths of the respondents coordinate their activities with the Department of State while others coordinate their activities primarily with the Departments of Agriculture and Commerce which also maintain staffs in both countries. A few respondents, however, make direct contacts with their foreign counterparts.

Most respondents believe that if an organizational structure change were made in the Department of State to place the management of U.S. relations with Canada and Mexico in a single unit, there would be little, if any, change in their relationships with the two countries.

None of the respondents including the Department of State, advocated structural changes in any U.S. agencies that deal with either Canada or Mexico.

The Office of the Assistant Secretary of Defense, International Security Affairs, Inter-American Region, and Agriculture's Office of International Cooperation and Development felt that closer cooperation could be achieved among the three countries of North America if they established a trilateral mechanism to review and discuss programmatic issues of mutual interest.

State's Bureau of European Affairs includes management of Canadian affairs because Canada, unlike Mexico, is an Atlantic power and shares the same issues which confront other Organization for Economic Cooperation and Development and North Atlantic Treaty Organization members. According to the Bureau, to remove responsibility for administration of Canadian affairs from their office and place management of U.S. relations with Canada and Mexico in a single organizational unit would have a moderately negative effect on management of U.S./Canadian relations.

BILATERAL ORGANIZATIONS

In addition to the relations between U.S. agencies and Canadian and Mexican counterparts in areas falling within their purview, several bilateral organizations have been created to promote closer cooperation between the United States, Canada, and Mexico to prevent disputes regarding international boundaries, to settle questions involving rights, to consider broad plans for defense of the northern half of the Western Hemisphere, to protect common interests of either country, and to make provisions for the adjustment and settlement of any question which may arise. These organizations are listed below.

International Boundary Commission, United States and Canada.

International Joint Commission, United States and Canada.

Permanent Joint Board on Defense, United States and Canada.

International Boundary and Water Commission, United States and Mexico.

Joint Mexican-United States Defense Commission.

SPECIAL BILATERAL MECHANISM

The United States has occasionally established special bilateral mechanisms with

Canada and Mexico to examine problems and propose solutions regarding common policy interests. These mechanisms are basically bureaucratic forums which, in theory, provide a basis for governmental organizational interface on issues and help overcome any bureaucratic and political barriers to cooperation.

CANADA AND MEXICO

The United States has entered into two bilateral arrangements with Canada and two bilateral arrangements with Mexico to deal with overall relations between the countries. In each case they are called the Quadripartite Commission and the Interparliamentary Group. The Quadripartite Commissions are composed of U.S. legislators and U.S. businessmen to meet periodically to discuss bilateral relations with the other country. The Interparliamentary Groups are composed of U.S. legislators who meet yearly to exchange opinions and discuss political, social and economic issues with their counterparts in the other country.

Mexico

To focus more attention on Mexico's development problems and the need to establish a solid productive relationship, the U.S. Government and the Mexican Government formed the United States-Mexican Consultative Mechanism. This Mechanism consists of nine joint commissions (see encs. IV and V) through which high-level representatives could maintain close regular contact. These commissions are to address problems in the following areas: border cooperation, trade, finance, tourism, industry and development, migration, energy, law enforcement, and multilateral consultations. In addition, other bilateral commissions and consultative groups exist in the fields of science and technology, cultural cooperation, water and boundaries, agricultural cooperation, and parks and wildlife under the umbrella of the Consultative Mechanism.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation was established specifically to cooperate with Canada. The Corporation is directed by the Department of Transportation. It coordinates its activities with its Canadian counterpart with respect to overall operations, traffic control, safety, season extension, and related programs designed to fully developed the seaway between Montreal and Lake Erie.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 5 days from the date of issue. At that time we will send copies to the Secretaries of the executive departments, selected independent agencies and bilateral organizations, and interested Members of Congress.

Sincerely yours,

J. K. FASICK,
Director.

AGENCIES WITH PROGRAMS OR INTERESTS RELATED TO CANADA AND/OR MEXICAN

INDEPENDENT AGENCIES

American Battle Monuments Commission.
Civil Aeronautics Board.
Environmental Protection Agency.
Export-Import Bank of the U.S.
Federal Communications Commission.
Federal Maritime Commission.
International Communication Agency.
Inter-American Foundation.
Interstate Commerce Commission.
Overseas Private Investment Corporation.
U.S. Arms Control and Disarmament Agency.
U.S. International Trade Commission.
Office of the Special Representative for Trade Negotiations.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

National Institute on Alcohol Abuse and Alcoholism.
National Institute on Drug Abuse.
National Institute of Mental Health.

DEPARTMENT OF THE INTERIOR

U.S. Fish and Wildlife Service.
Bureau of Mines.
Geological Survey.

DEPARTMENT OF JUSTICE

Federal Bureau of Investigation.
Immigration and Naturalization Service.
Drug Enforcement Administration.

DEPARTMENT OF AGRICULTURE

Foreign Agriculture Service.
Economics, Statistics, and Cooperatives Service.
Federal Grain Inspection Service.
Office of the General Sales Manager.
Soil Conservation Service.
Food Safety and Quality Service.
Forest Service.
Science and Education Administration.
Plant Protection and Quarantine Program.
Veterinary Services.
Federal Crop Insurance Corporation, Office of the Manager.
Office of Governmental and Public Affairs.
Attorney General-Secretariat for Agriculture, Commission of Customs.
Office of International Cooperation and Development.

DEPARTMENT OF ENERGY

Energy Information Administration.
Assistant Secretary for International Affairs.

DEPARTMENT OF LABOR

Bureau of Labor Statistics.
Deputy Under Secretary for International Affairs.

DEPARTMENT OF TRANSPORTATION

U.S. Coast Guard.
Federal Aviation Administration.
Federal Highway Administration.
Research and Special Programs Administration.
St. Lawrence Seaway Development Corporation.

DEPARTMENT OF THE TREASURY

Bureau of Alcohol, Tobacco and Firearms.
U.S. Customs Service.
Bureau of the Mint.
U.S. Secret Service.
Office of Developing Nations Finance.
Internal Revenue Service.

DEPARTMENT OF COMMERCE

Maritime Administration.
National Oceanic and Atmospheric Administration.
U.S. Travel Service.
Economic Develoement Administration.
Bureau of Export Development.
Bureau of International Economic Policy and Research.

DEPARTMENT OF DEFENSE

Secretary of the Air Force.
Secretary of the Army.
Secretary of the Navy.
Operations Directorate, Defense Security Assistance Agency.
Office of the Assistant Secretary of Defense, International Security Affairs, Inter-American Region.
Office of the Assistant Secretary of Defense, International Security Affairs, European Region.

DEPARTMENT OF STATE

Assistant Secretary for European Affairs.
Assistant Secretary for Inter-American Affairs.
Agency for International Development.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Assistant to the Secretary for International Affairs.

BILATERAL ORGANIZATIONS

International Boundary Commission.
International Boundary and Water Commission.
Joint Mexican-United States Defense Commission.
Permanent Joint Board on Defense-U.S. and Canada.

NOTE: List of agencies and offices compiled by GAO.

NATURE OF AGENCIES' PROGRAMS OR INTERESTS WITH CANADA AND/OR MEXICO—AS REPORTED BY THE AGENCIES

INDEPENDENT AGENCIES

American Battle Monuments Commission

Operates and maintains a closed cemetery at Mexico City. There have been no burials since 1923. (M)

Civil Aeronautics Board

The international aviation policy of Canada, Mexico or any country determines to a large extent whether or not the U.S. can successfully negotiate a liberal pro-competitive aviation bilateral agreement with that country. Although the U.S. has agreements with both countries, it is concerned about their more restrictive aviation policies.

Environmental Protection Agency

Coordinates its activities with the International Joint Commission as they apply to boundary issues and especially environmental issues associated with the Great Lakes. (C)

Coordinates World Health Organization, Pan-American Organization, etc., activities as they apply to water and air quality at the boundary. (M)

Federal Communications Commission

Frequency management (C) & (M)

International Communications Agency

To explain U.S. foreign and economic policy; to facilitate informational, educational and cultural intercourse; to assess and advise on the impact of American foreign and economic policy decisions in the two countries. (C) & (M)

Inter-American Foundation

To be responsive to the efforts of local, non-governmental groups in Mexico formed to solve basic social and economic problems. (M)

Interstate Commerce Commission

Concerned with developing compatible policies in regard to motor carrier regulation at the Federal and Provincial level. Receives and answers inquiries about the agency's regulatory policies raised by Canadian motor carriers wishing to operate in the U.S. In addition, concerned with rail service matters, such as freight car supply. (C)

Receive occasional inquiries from Mexican motor carriers about the agency's policies. Also, rail service matters are of interest. (M)

Federal Maritime Commission

Harmonizing transportation policies, particularly through movements originating in one country and passing through the other. (C) & (M)

Overseas Private Investment Corp.

Discusses policies and procedures with its Canadian counterpart, the Export Development Corp. at Ottawa. (C)

U.S. International Trade Commission

Primary interest is in policies and activities which affect bilateral trade with Canada and Mexico in products subject to the Commission's investigations and studies. (C) & (M)

U.S. Arms Control and Disarmament Agency

Coordinates with Canadian counterpart the theater nuclear and SALT policies within the NATO alliance structure; consults on entire range of arms control and disarmament negotiations and issues concerning the Committee on Disarmament. (C)

Interested in nuclear technology developments, uranium mining, science and technology, nonproliferation policy, regional

influence on nuclear issues, Treaty of Tlatelolco, OPANAL, and alternate energy systems. Also, weapons policy, conventional arms acquisition and restraint in Latin America. (M)

Office of the Special Representative for Trade Negotiations

Trade Policy. (C) & (M)

Export-Import Bank of the U.S.

Level of import demand. (C) & (M)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

National Institute on Alcohol Abuse and Alcoholism

Policies and programs relating to alcohol use and alcoholic-related problems, including alcoholism. (C) & (M)

National Institute on Drug Abuse

International cooperation and information exchange in the area of drug abuse. (C) & (M)

National Institute of Mental Health

Mental health delivery system; mental health training programs research policies. (C) & (M)

DEPARTMENT OF THE INTERIOR

U.S. Fish and Wildlife Service

Management, research, and conservation of migratory wildlife. Joint preparation of waterfowl hunting regulations. Mitigation of adverse effects of development on both sides of border for migratory and endangered wildlife. (C) & (M)

Bureau of Mines

Mine and mineral research; production and shipments of minerals and minerals materials; reserves of minerals; planning for priorities, allocations of resources in emergencies and disasters; transportation and trade affecting minerals. (C) & (M)

Geological Survey

Mineral resources, radioactive waste disposal, hydrology, topography, nuclear raw materials, marine geology, and energy. (C) & (M)

DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Primary interest is the law enforcement activities as they relate to international drug trafficking. (C)

Primary interest is the law enforcement activities and policies to reduce the flow of drugs to the U.S. (M)

Immigration and Naturalization Service

The establishment, operation, and maintenance of preclearance locations (airports) within Canada where alien applicants for admission to the U.S. are preclearanced in Canada. Necessary liaison in conjunction with the deportation of aliens to Canada and identification of smuggling activities from Canada to the U.S. (C)

Necessary liaison in conjunction with the return and/or deportation of aliens to Mexico; identification of smuggling activities from Mexico to the U.S.; activities of potential illegal entrants to the U.S.

DEPARTMENT OF AGRICULTURE

Foreign Agricultural Service

Interested in policies and activities that pertain to agricultural programs, exports and imports, production, subsidies, tariffs, and nontariff barriers. (C) & (M)

Economic, Statistics, and Cooperatives Service

Interested in policy related activities that impact or have potential of impacting on U.S. and world trade. (C) & (M)

Federal Grain Inspection Service

Grain grading, weighing, marketing and utilization. (C) & (M)

Office of the General Sales Manager

Competing exporter of wheat and barley. Also grain export policies and activities as they may affect decisions in U.S. export programs. (C)

Buyer of U.S. agricultural commodities. (M)

Soil Conservation Service

Soil and water conservation activities in Ontario that affect the Great Lakes for which the U.S. share a common interest. (C)

International drainages and streams are impacted by land and water utilization in upstream areas. Joint use of Rio Grande and Colorado River waters. (M)

Food Safety and Quality Service

Monitoring policies and procedures for importing and exporting meat, poultry, fresh fruits and vegetables, and assuring compliance with U.S. requirements. (C) & (M)

Forest Service

Log and lumber trade, forest protection, environment, recreation and tourism, pulp and paper supplies. (C) & (M)

Science and Education Administration

Interested in research planning and coordinating research activities. (C)

Has a number of research projects that are cooperative with scientists in Mexico, and cooperates with research aspects of action programs in suppression of screwworms and Medflies.

Plant protection and quarantine

Concerned with development and implementation of PPQ programs relative to agricultural pests of mutual concern and components appropriate to international plant quarantine. (C)

PPQ functions cooperatively under a Memo of Understanding with shared planning, funding and implementation. Work is carried out against plant pests under authority of the Organic Act of 1944, as amended. (M)

Veterinary Services

Interest lies in animal disease eradication programs conducted in Canada, and activities to prevent introduction of foreign animal diseases. (C)

Cooperative Screwworm Eradication Program is primary interest, however, VS is also concerned with Mexican efforts to eradicate existing animal disease and prevent introduction of foreign animal diseases. (M)

Federal Crop Insurance Corporation—Office of the Manager

To be advised of the progress of the crop insurance program in the two countries; assist the U.S. with visiting foreign crop insurance officials. (C) & (M)

Office of Government and Public Affairs

GPA is the information arm of USDA. International information prepared and distributed by GPA, when the occasion is appropriate, is affected by policies and programs of other governments. (C) & (M)

Attorney General—Secretariat for Agriculture Commission of Customs

Pest eradication; animal disease control; agricultural products entering the U.S.; distribution of food commodities in Mexico. (M)

Office of International Cooperation and Development

Agricultural policies with special reference to work with international organizations concerned with this area. (C)

Primary interest is designed to expand interchange of information, develop scientific exchanges and joint research in areas of mutual concern. Also concerned with agricultural policies relating to international organizations. (M)

DEPARTMENT OF ENERGY

Energy Information Administration

To understand the energy policies and statistics. (C) & (M)

Assistant Secretary for International Affairs

Interested in Canada's energy policies, both domestic and foreign, in regard to natural gas, electricity, nuclear, and coal. (C)

Concerned with the entire range of Mexican energy policies, both domestic and foreign, in regard to coal, oil, gas, nuclear, solar, research, etc. (M)

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

International standardization of aviation operational and technical standards; coordination of airspace management along borders. (C) & (M)

Federal Highway Administration

Interested in the inspections of foreign motor carriers and operators licensed to operate within the U.S. to assure they meet U.S. safety regulations. (C) & (M)

Research and Special Programs Administration

Cooperation in documentation simplification and electronic interchange of trade and transport data in transborder and international trade. Maintenance of pre-clearance for U.S. airline service from Canada to U.S. Also, interested in transportation R & D in Canada. (C)

Facilitation of transborder trade and transport. (M)

St. Lawrence Seaway Development Corporation

Seaway tolls, from which all revenues of the Seaway Corp. are derived are established through binational negotiations with Canada. Canadian policies on transportation user charges therefore have a direct affect on U.S. revenues. Canadian policy regarding ship safety, environmental matters, pilotage, and internal transportation policies all affect U.S. operations. (C)

DEPARTMENT OF THE TREASURY

Bureau of the Mint

Technical information exchange with Mexican and Royal Canadian Mints is subject of most contacts. (C) & (M)

U.S. Customs Service

U.S. preclearance facilities at Canadian airports; Canadian Customs/RCMP laws re: Narcotics interdiction international cargo/passenger traffic and mutual border concerns, such as law enforcement, terrorism, air/land/sea carriers. (C)

Exchange of information under terms of U.S./Mexican Customs/Federal police laws re: Narcotics interdiction, international cargo/passenger traffic, air/land/sea carriers: alien smuggling problem along border. (M)

Bureau of Alcohol, Tobacco and Firearms

Law enforcement regarding firearms, explosives and alcohol. (C) & (M)

Office of Developing Nations Finance

Macroeconomic policies, balance of payments developments, capital flows, exchange rates, tax issues, trade and investment policies. (M)

U.S. Secret Service

Protective intelligence information, security arrangements for protectee visits, and counterfeiting of U.S. currency. (C) & (M)

DEPARTMENT OF COMMERCE

U.S. Travel Service

Interested in those policies within Canada and Mexico which relate to the U.S. to promote travel among the countries. (C) & (M)

Economic Development Administration

The Administration enters into joint planning and projects for mutual economic development with local communities/commercial industrial enterprises and private citizens. Such planning/projects are located along the Mexican and Canadian borders. (M)

Bureau of Export Development

Policies which affect trade and investment interests of U.S. business are the Bureau's concern in providing business counseling. (C)

Mexican Government policies which affect trade and investment. Also activities of the private business sector in industrial expansion, purchase of exports and the acquisition of technology. (M)

Bureau of International Economic Policy and Research

Increase competitiveness of U.S. products and services; improve environment for U.S. sales and investment abroad; safeguard domestic market against unfair trade practices of other nations; maintain U.S. access to necessary commodities in world markets. (C) & (M)

DEPARTMENT OF DEFENSE

Department of the Air Force

Cooperation in defense matters of concern to both the U.S. and Canada, e.g., North American Air Defense, NATO, basing rights, etc. (C)

Defense matters (armaments, modernization of force exchange position, energy, overflight, search and rescue). Arms limitations and nonproliferation of nuclear weapons. (M)

Department of the Army

Interested in the American-British Canadian-Australian joint military standardization programs; U.S.-Canadian Defense Development Training program; joint military development projects; NATO, PJBD, MCC, CUSRPG. (C)

To improve military-to-military relations. (M)

Department of the Navy

Interested in the defense budget; defense improvement programs; contribution and participation in NORAD; contribution to NATO; combined defense of North America. (C)

Interested in the defense budget; defense programs; trends in direction and stability in government, related to the U.S. southern border security. (M)

Operations Directorate, Defense Security Assistant Agency

The agency interests are determined by the Canadian Government policies/activities concerning the acquisition by the purchase or production of U.S. defense articles and services. (C)

Office of the Assistant Secretary of Defense, International Security Affairs, Inter-American Region

Arms transfers, military-to-military relations, general defense matters, energy, and arms limitation initiatives. (M)

Office of the Assistant Secretary of Defense, International Security Affairs, European Region

Primary DOD coordinator and export adviser on Canada in political, military and economic matters. Interests include all issues of national defense, bilateral relations with U.S. and participation in NATO.

DEPARTMENT OF STATE

Assistant Secretary for European Affairs

Bureau of European Affairs (Office of Canadian Affairs) is charged with the formulation and execution of U.S. foreign policy toward Canada, involving a wide range of bilateral and global issues. (C)

Agency for International Development

Coordination of aid policies and programs. (C)

Support of joint biochemical, operations research, and other research conducted by the agency contractors and grantees. (M)

Bureau of Inter-American Affairs

Interested in a broad range of Mexican policies and developments, with special interests in energy (oil and gas), trade, Mexico's economic development, migration, and border relations. (M)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Assistant to the Secretary for International Affairs

Interested in Canadian policies and programs in: housing, mortgage assistance, taxes, energy conservation, community revitalization, public housing management and special programs. (C)

Interested in sharing data on urban planning and to encourage Mexican planners to adopt comparable methodologies. (M)

BILATERAL ORGANIZATIONS

International Boundary Commission

To maintain an effective boundary between the U.S. and Canada including the maintenance of a survey system, monument system and a clear vista. (C)

International Boundary and Water Commission

The Mexican Section of the Commission coordinates international water and boundary activities within its territory, requiring the joint action of the U.S. and Mexico through the Commission.

Joint Mexican-U.S. Defense Commission

Mutual defense of the United States and Mexico. (M)

U.S. Permanent Joint Board on Defense

The Board is a consultative group which meets three times a year to consider politico-military issues. (C)

DEPARTMENT OF LABOR

Bureau of Labor Statistics

Exchanges information about labor statistics programs. (C)

Provides training and other technical assistance in labor statistics programs. (M)

NOTE: (C)—Canada. (M)—Mexico.

AGENCIES WITH RESEARCH PROGRAMS CONCERNING CANADA AND/OR MEXICO—AS REPORTED BY THE AGENCIES

INDEPENDENT AGENCIES

Environmental Protection Agency

Environmental studies such as water quality, industrial pollution, etc. (C)

Joint National Science Foundation efforts over wide range of subjects covering health, air and water quality, and agriculture. (M)

International Communication Agency

Periodic studies of public opinion for the purpose of measuring opinions related to bilateral issues affecting U.S.-Mexican relations. (M)

U.S. Arms Control and Disarmament Agency

None at this time, however, in the past joint nuclear safeguards research has been conducted and may do some again in the future. (C)

U.S. International Trade Commission

Collection of economic data on industries or individual firms where needed in connection with investigations. (C) & (M)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

National Institute on Alcohol Abuse & Alcoholism

Collaborative project through the World Health Organization, related to improving response to alcohol problems. (C) & (M)

National Institute on Drug Abuse

Biomedical and pharmacological research. (C)

National Institute of Mental Health

Anthropological and social sciences research. (M)

DEPARTMENT OF THE INTERIOR

U.S. Fish & Wildlife Service

Joint research on endangered species, their habitats, and research on migratory waterfowl populations. (C) & (M)

Bureau of Mines

Some cooperative programs, extensive exchanges of data and research results. (C) & (M)

Geological Survey

Cooperative studies in topography. (C)

Cooperative studies in marine geology. (M)

DEPARTMENT OF AGRICULTURE

Foreign Agricultural Service

Issues reports on commodities, production, trade, agricultural policy, etc. (C) & (M)

Economics, Statistics and Cooperatives Service

Conducts research on economic issues related to agricultural commodities. (C) & (M)

Soil Conservation Service

Shares research information routinely. (C)

Forest Service

Forest products research. (C)

Reforestation-hydrology research. (M)

Science & Education Administration

Limited to joint participation in workshops, program reviews, and personnel exchanges. (C)

Biology and ecology of dung beetle; Spittlebug resistance in grasses; winter nursery for cotton breeding; control of Mediterranean fruit flies; control of Alfombrilla; grape diseases. (M)

Veterinary Services

Development of improvements in the joint Screwwdrm Eradication Program. (C)

Attorney General—Secretariat for Agriculture Commission of Customs

Pest eradication, animal disease control, and the U.S.-Mexico cooperative program. (M)

Office of International Cooperation and Development

Currently developing joint research programs in new crops, desertification, soil and water conservation, improving productivity of livestock and convention crops. (M)

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Participates in a program involving use of a uniquely instrumented Canadian helicopter to determine its performance characteristics. (C)

Federal Highway Administration

Information exchange on highway related to R & D projects. (C)

Research & Special Programs Administration

Government-industry project on electronic data interchange in transborder trade. (C)

DEPARTMENT OF COMMERCE

U.S. Travel Service

Jointly funded study of the Canadian vacation market, with specific analysis of vacation travel to the U.S. (C)

Consumer survey of the Mexican international travel market. (M)

Bureau of Export Development

Conducts market research on approximately 6 industrial product categories believed to have the best prospects for exporting to Mexico. (M)

Bureau of International Economic Policy and Research

Considerable research related to policy issues. (C) & (M)

DEPARTMENT OF DEFENSE

Department of the Air Force

Defense related. (C)

Department of the Army

Military material projects. (C)

Department of the Navy

Primarily restricted to pure research projects with Canadian universities. (C)

Office of the Assistant Secretary of Defense, International Security Affairs. Inter-American Region

Occasional scientific programs, e.g., oceanographic research.

DEPARTMENT OF STATE

Assistant Secretary for European Affairs

Occasional programs, approved by Department of State's Office of External Research. (C)

Bureau of Inter-American Affairs

Sponsors a number of studies on Mexican policy. (M)

Agency for International Development

Limited support of joint biochemical, operations research, and other research conducted by AID contractors and grantees. (M)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Assistant to the Secretary for International Affairs

Joint research in housing rehabilitation survey techniques, mobile home standards, mortgage loan process, etc. (C)

Economic input-output study of San Diego and Tijuana. (M)

DEPARTMENT OF LABOR

Bureau of Labor Statistics

Conducts comparative productivity studies on costs and unemployment rates. (C)

BILATERAL ORGANIZATION

International Boundary and Water Commission

Coordinates international water and boundary investigations in Mexico. (M)

NOTE: (C)—Canada. (M)—Mexico.

CONSULTATIVE MECHANISM WORKING GROUPS WITH MEXICO

Trade: Commerce, Treasury, Labor, Agriculture, S.T.R., N.S.C. and State.

Energy: Treasury, AID, State, N.S.C., O.S.T.P., Energy and DOD.

Migration: HEW, Labor, Justice, AID, Dom. Ad., Select. Com. and State.

Border: Commerce, Treasury, HEW, ICA, HUD, Dom. Ad. and State.

Finance Industry Development*: Commerce, Treasury, Labor, AID, N.S.C., State and Fed. Res.

Law Enforcement: Treasury, Justice, and State.

Political: State.

Tourism: Commerce, Treasury, ICA, Dom. Ad., and State.

Inter-Agency Group: Commerce, Treasury, HEW, Labor, ICA, HUD, AID, O.S.T.P., State, and Energy.

ABBREVIATIONS

AID: Agency for International Development.

Dom. Ad.: Office of the Domestic Adviser.

Fed. Res.: Federal Reserve.

HEW: Dept. of Health, Education, and Welfare.

HUD: Dept. of Housing and Urban Development.

ICA: International Communication Agency.

N.S.C.: National Security Council.

O.S.T.P.: Office of Science and Technology Policy.

Select. Com.: Select. Com. on Immigration and Refugees.

S.T.R.: Office of the Special Representative for Trade Negotiations.

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* The Government of Mexico has insisted that this Working Group be divided into two groups; the Finance Working Group and the Industry Working Group with no reference to development. The U.S. participation will remain essentially the same for both groups.

THE WHITE HOUSE,
Washington, D.C., April 26, 1979.

Memorandum for: The Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Secretary of Energy, the Administrator of the Agency for International Development, the Director of the Office of Management and Budget, the Assistant to the President for National Security Affairs, the Assistant to the President for Domestic Affairs and Policy, the Director of the Office of Science and Technology Policy, the Special Representative for Trade Negotiations.

From: the President.

Subject: Coordination of United States policy toward Mexico.

In view of the increasing domestic and international importance of our relations with Mexico, and of the intensity and complexity of those relations in the years ahead, I have decided to take steps to improve our ability to address effectively all issues which affect U.S. relations with Mexico.

To insure that all U.S. policies toward Mexico, and all actions directly or indirectly affecting Mexico, promote basic U.S. national interests and are consistent with our overall policy toward Mexico, I ask:

That each of you accord a high priority to any and all matters within your jurisdiction affecting Mexico, consciously giving good relations with Mexico a continuing high priority in your thinking and planning; and

That all proposed actions, which have an effect on Mexico, be carefully coordinated so as to be consistent with overall U.S. policy toward Mexico, and based on the fullest possible prior consultation with the Government of Mexico.

To achieve this fundamental Administration-wide objective of establishing a sound, long-term relationship with Mexico, I hereby direct the following measures:

1. U.S. Coordinator for Mexican Affairs:

I am nominating Robert Krueger as Ambassador-at-large and United States Coordinator for Mexican Affairs to assist me and the Secretary of State in the development of effective national policies toward Mexico and in the coordination and implementation of such policies. Mr. Krueger will also serve as Chairman of a new Senior Interagency Group on U.S. policy toward Mexico and as U.S. Executive Director for the U.S.-Mexico Consultative Mechanism.

As U.S. Coordinator, he will be responsible for ensuring that U.S. policies toward Mexico, and all other U.S. activities which affect Mexico, are developed and conducted in a coherent, flexible manner and are fully consistent with our overall policy objectives towards Mexico. More specifically, Mr. Krueger will be responsible, to the fullest extent permitted by law, for:

Development and formulation of United States policy toward Mexico;

Review and coordination of any and all U.S. Government programs and activities that affect U.S.-Mexican relations, whether directly or indirectly;

Management of U.S. participation in the working groups established under the U.S.-Mexico Consultative Mechanism, ensuring also that any existing overlapping entities are integrated into the process or altered as may be necessary to avoid duplication;

Advice to myself, the Secretary of State and other Cabinet officers and Agency Heads and the U.S. Ambassador to Mexico on the effects of contemplated actions by any agency of the Government on our relations with Mexico; and,

Initiation of reports and recommendations for appropriate courses of action, including periodic reports to me on major developments and issues.

The Coordinator will be located in the Department of State. The Director, Office of Mexican Affairs, Department of State, will serve as Deputy Coordinator. The Coordinator's staff may include personnel assigned on non-reimbursable details from other agencies and departments.

2. Senior Interagency Group on U.S. Policy Toward Mexico:

I am establishing a Senior Interagency Group on U.S. Policy towards Mexico to be chaired by the U.S. Coordinator, to assist in the development, review and coordination of U.S. policies toward Mexico and other U.S. activities or policies which might affect U.S.-Mexican relations. Committee members will include representatives from: Agriculture, Commerce, Defense, Energy, Interior, Justice, Labor, State, Treasury, Agency for International Development, Office of the Special Representative for Trade Negotiations, National Security Council, Domestic Policy Staff, Office of Science and Technology Policy and other agencies as necessary. Representation will be at the level of Assistant Secretary or above. I ask that you designate promptly the senior official who will serve as your representative on the Interagency Group and that you take a personal and continuing interest in these matters.

3. Consultation:

The first and most important agreement the President of Mexico and I recently reached was to consult closely in the development and implementation of all policies and activities affecting both countries.

It is my firm intention to meet this commitment. The primary instrument will be the U.S.-Mexico Consultative Mechanism, which President Jose Lopez Portillo and I agreed to strengthen. The Secretary of State will continue to chair the Consultative Mechanism for the United States. The new Coordinator will serve as its Executive Director.

To rationalize our work and assure that all issues are addressed in timely fashion, we have agreed with the Government of Mexico to restructure the Consultative Mechanism, based on eight joint working groups, at the sub-Cabinet level, covering: Trade, Tourism, Migration, Border Cooperation, Law Enforcement, Energy, Finance-Industry-Development, and Multilateral Consultations. The Mixed Commission on Science and Technology will also function under the Consultative Mechanism. Secretary Vance has been in touch with you directly on plans for organizing and implementing these working groups.

* * * * *

I ask that you provide full cooperation and assistance to Secretary Vance and Mr. Krueger in carrying out their responsibilities. The strengthening of policy coordination, and of U.S. relations with Mexico, is an important domestic as well as foreign policy priority.

Mr. BAUCUS. Mr. President, one conclusion from the report is that an enormous number of U.S. Government agencies, close to 70, are engaged in relations with our neighbors and yet there is no single coordinating body that has responsibility for making sure that our policies toward our North American neighbors function in harmony.

It struck me then and it still strikes me that the Department of State needs to reorganize its way of handling relations with our neighbors since our problems with them are so enmeshed with issues of great domestic importance. To coordinate Canadian policy within the Bureau of European Affairs, to me, makes little sense, and Mexico has become so important that I fear it detracts from the attention given to the rest of Latin America by being placed in the American Republics Bureau of the Department. It is time to reorganize the Department and to recognize that our border relationships are extremely important to us and that we must evolve special policies for countries that border the United States. I include the Caribbean in this area since countries such as Jamaica are really border countries; the volatility of this area requires special attention.

Finally, it is my impression that Puerto Rico remains an enigma in terms of policy coordination. It is not a territory, it is not a State, it is not a foreign country; it is part of a commonwealth. I think it is time that one department in the U.S. Government become the key department for coordinating relations with Puerto Rico and devise policies that promote that relationship.

Since the bordering nations and Puerto Rico are so much involved in U.S. domestic problems, I also think that a newly created bureau in the Department of State must have some greater authority to deal with domestic agencies and Government entities. As a result, our bill proposes that there be a Deputy Assistant Secretary in the Bureau of North American Affairs whose sole responsibility will be to coordinate our policy toward neighboring countries with domestic entities.

Mr. President, if this bill is approved, I think we will have a stronger and better relationship and better policy coordination toward our neighbors. I am very pleased to sponsor this legislation with Senator DOMENICI and I hope that others will join us.

Our next proposal is to create a commission patterned after the OECD in Europe. We have chosen this route because we think the countries of North America should have some place available to them where serious study, removed from the political spotlight, may occur regarding mutually shared problems and future developments. We have carefully tailored the measure to assure that the commission does not threaten anyone's sovereignty and that no participant is obligated in any way by any of the work done by the commission. But we do think that a clearinghouse of information and plans and programs will benefit all of the countries; that is why we leave it open to further membership and I would hope that the countries of the Caribbean particularly would see fit to join us.

Mr. President, you will note that our commission idea also includes as participants the private sector and legislative and other divisions of Government, including local entities. Once again, the motivation is clear: Our economies go beyond strictly bilateral foreign relations and involve every sector of our economies. For example, when one looks at the fishing agreement with Canada, we see where the treatment of the problem strictly on a bilateral basis between our foreign affairs establishments has resulted in serious bilateral problems. The legislative branches of Government should have been involved more, as should have been local governments and the private sector. Had such a commission existed at the time, the Canadians would have been much more aware of potential opposition in the Senate and in the private sector, and could have prepared for the problems we now have with the draft proposals. Similarly, our foreign policy negotiators would have had greater support in their negotiations had they known that a commission had already raised many of the problems and warned both countries regarding any commitments which might be made.

Similarly, on the Mexican side, had we had such a commission, we may not have had the difficulties in the pricing of gas that we have had with Mexico. The issue could have been flagged by all participants much earlier and the difficulties we encountered may have been avoided.

Mr. President, I believe these two measures are very important to the future of North America, and I am hopeful that their approval will lead to a better relationship with our neighbors.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is established in the Department of State a Bureau of North American Affairs (hereinafter in this Act referred to as the "Bureau").

(b)(1) In addition to the positions provided for under the first section of the Act entitled "An Act to strengthen and improve the organization and administration of the Department of State, and for other purposes", approved May 26, 1949 (22 U.S.C. 2652), there shall be in the Department of State an Assistant Secretary for North American Affairs (hereafter in this Act referred to as the "Assistant Secretary"), appointed by the President, by and with the advice and consent of the Senate, who shall head the Bureau and who shall have responsibility for the activities of the Department of State relating to the Bahamas, Canada, Mexico, and the independent island countries in the Caribbean Sea other than Cuba. In carrying out his responsibilities under this Act, the Assistant Secretary shall coordinate with the Assistant Secretary for Inter-American Affairs.

(2) There shall be in the Bureau a Deputy Assistant Secretary for North American Economic Affairs, a Deputy Assistant Secretary for North American Political Affairs, and a Deputy Assistant Secretary for North American Intergovernmental Relations, each of whom shall be appointed by the President. Each Deputy Assistant Secretary referred to in the preceding sentence shall report to the Assistant Secretary. The responsibilities of the Assistant Secretary for North American Intergovernmental Relations shall include coordination and formulation of policy relating to Puerto Rico.

(c) The Secretary of State shall delegate to the Assistant Secretary all functions with respect to Canada which are carried out by the Assistant Secretary for European Affairs on the day before the date of enactment of this Act and all functions with respect to Mexico, the Bahamas, and the independent island countries of the Caribbean other than Cuba which are carried out by the Assistant Secretary for Inter-American Affairs on such day.

(d) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following: "Assistant Secretary of State for North American Affairs.".

SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. BAUCUS. Mr. President, I thank the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank the Senator from Montana. I think we have, today, introduced exciting companion approaches to a problem that we have on this continent with our neighbors.

By Mr. CANNON:

S. 607. A bill to declare a national weather modification policy, to establish a national program of research and development in weather modification, to provide for the reporting of weather modification activities, and for other purposes; to the Committee on Commerce, Science, and Transportation.

WEATHER MODIFICATION MANAGEMENT ACT

Mr. CANNON. Mr. President, I am pleased to introduce today the Weather Modification Management Act of 1981. This legislation will provide for a coordinated national program in weather modification.

The bill is the same bill that was reported by the Committee on Commerce, Science, and Transportation and was passed by the Senate in the 96th Congress.

Most people take for granted the normal fluctuations in our weather. However, weather causes severe damage to crops and property and results in loss of lives. Weather hazards, including hurricanes, tornadoes, drought, hail, fog, and lightning each year on the average kill more than 1,500 people, damage property worth nearly $7 billion and cause a loss to the economy of about $13 billion. In 1979, a single hurricane (Frederick) caused more than $2 billion of damage to the gulf coast States.

Hail causes an estimated $850 million average annual loss to U.S. crops and other property. Fog causes air carriers to lose an estimated $80 million annually from flight delays, and highway accidents associated with fog annually cost hundreds of lives and over $300 million in damage. More than 750 tornadoes were

reported in the United States during 1978, killing 62 people and leaving thousands homeless.

Our current response is to spend so much money on relief from these weather damages and very little on prevention and modification. Weather modification has the potential to reduce these destructive effects. For example, the ability to reduce hurricane wind speed by 15 percent could reduce annual property damage by 50 percent, or at least $100 million in the United States and $800 million globally. With regard to the impact on agriculture, the ability to increase rainfall would help stabilize crop production by reducing the peaks and valleys. For corn, wheat, and soybean farmers in the United States, a 10-percent increase in precipitation could increase revenues more than $300 million. In addition, a 10-percent rainfall increase in western rangelands would increase forage for grazing cattle and could add up to 4.4 billion pounds to their total weight, thus increasing revenues by $3 billion.

Emerging weather modification technologies that could enhance rainfall, increase snowpack, suppress hail and severe storms, and disperse fog would be able to provide society with substantial benefits. In fact, the technological capability to dissipate cold fogs and locally increase rain and snow under certain conditions now exists. With time and further research to develop the scientific basis, we could develop other technologies to capture additional benefits.

Numerous studies have concluded that the past Federal effort in weather modification has been undirected, fragmented, and lean, sacrificing the potential of substantial societal benefits. The Congress recognized these deficiencies more than 4 years ago when it passed the National Weather Modification Policy Act of 1976, Public Law 94-490. The act directed the Secretary of Commerce to develop a comprehensive and coordinated national policy on weather modification and a national program of weather modification research and development. Pursuant to the act, reports were issued by the Weather Modification Advisory Board in June 1978 and the Secretary of Commerce in November 1979. These two reports were consistent with other previous reports in recommending that any weather modification legislation should incorporate the following components:

First, a statement of policy for a national weather modification program;

Second, a comprehensive and coordinated national program focusing on basic research; and

Third, adequate and stable funding for the Federal efforts.

The bill I am introducing contains these elements and incorporates the best features of previous legislation, the Commerce Secretary's recommendations, the Weather Modification Advisory Board's report, previous reports by the National Academy of Sciences, the National Advisory Committee on Oceans and Atmosphere, the General Accounting Office, the Domestic Council, and the Congressional Research Service.

The bill declares a national weather modification policy and establishes a national program of weather modification research. The major objectives of the national program are: First, to develop a better scientific base of understanding of the atmospheric processes that will allow for the development of reliable weather modification technologies; second, to provide more effective coordination and stable funding for research efforts in weather modification by the Federal Government; third, to improve public involvement and environmental consideration in weather modification, and fourth, to encourage international cooperation.

Under the bill, the Department of Commerce will have lead agency responsibility for planning and coordination. The Department of Interior and the National Science Foundation will also continue to participate. A director of the national weather modification management program will supervise and coordinate the research and reporting functions of the program. An advisory council will lend its expertise to the director and the Secretary of Commerce to help in implementing the policies and provisions of the act. The council will consist of recognized experts from the various disciplines related to weather modification.

Regulations concerning weather modification do exist at the State level, and they are a patchwork with no uniformity. Because weather does not respect geographical and political boundaries, we need to establish practices that will promote competence and uniform standards. The bill reflects the view that extensive Federal regulation is premature. However, a set of reporting requirements and management practices should be developed which will serve as standards for all Federal weather modification activities and as guidelines for the non-Federal activities.

A national program must maintain adequate protection to the public and the environment, and an informed society is a fundamental aspect of this protection. This bill requires that weather modification activities be preceded by consultation with those likely to be affected. We need to help insure that weather modification activities are conducted safely and with adequate consideration if the economic, environmental, and legal impacts of such efforts.

Mr. President, this bill has had the benefit of extensive analysis and input from a wide range of individuals and groups. I would hope that the Senate could consider this legislation again and that the House of Representatives would be able to address this issue.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 607

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Weather Modification Management Act of 1981"

FINDINGS

SEC. 2. The Congress finds that—

(1) the management of weather resources may soon be technically possible by utilizing the emerging technologies for weather modification;

(2) weather modification, when performed with prudent methods and predictable results, can enhance the benefits and reduce the harm that weather produces for individuals and society;

(3) the United States lacks a well-defined program in weather modification, and a lack of Federal leadership has slowed the development and utilization of the science and technology in this field;

(4) a sustained and coordinated program in scientific inquiry is required to develop a weather modification capability that can achieve the potential gains;

(5) a parallel effort is required to understand the effects from intentional and unintentional weather modification to the economy, the environment, and society;

(6) the competence to conduct research and operations in weather modification is found in universities, private interests, and State and local governments, as well as in the Federal Government;

(7) the atmosphere is a global resource that belongs to no person, interest, State, or nation, and those involved in weather modification activities should consider interstate and international implications;

(8) comprehensive Federal regulation of weather modification is not necessary at this time, but as the understanding and utilization of weather modification technology increases in the future, the Federal Government should assess periodically the need for regulation;

(9) the public interest requires that intentional weather modification activities be designed and performed with concern for the environment and be preceded consultation with those likely to be affected; and

(10) weather is transnational, and the world's understanding of weather modification will be increased by international cooperation.

SEC. 3. POLICY.

The Congress declares that it is the policy of the United States that—

(1) the United States should develop the capability to modify the weather with predictable results;

(2) the Federal Government should establish and direct a sustained and coordinated program of research and development in weather modifications;

(3) non-Federal expertise and resources should be utilized as much as possible to increase the understanding of weather modification;

(4) the Federal Government has a responsibility to protect the public and the environment, and Federal regulation of weather modification should correspond to the extent of the understanding and utilization of weather modification and to the degree of non-Federal regulations in effect;

(5) the application of weather modification should be designed to maximize the potential benefits and to minimize the possible adverse economic, environmental, and societal effects;

(6) weather modification activities should be preceded by consultation with those likely to be affected;

(7) all United States weather modification activities should be conducted to promote the peaceful use of weather modification science and technology; and

(8) the United States should cooperate with other nations to increase the world's understanding of weather modification.

SEC. 4. PURPOSE.

The purpose of this Act is—

(1) to declare a national weather modification policy; and

(2) to establish a national program of research and development in weather modification that includes—

(A) research and experiments to understand the science of and to develop methods for weather modification;

(B) adequate and stable funding of a sustained research and development effort in weather modification for a 20-year period;

(C) coordination of the Federal departments and agencies conducting research and development projects in weather modification;

(D) development of sound management practices and promotion of technology transfer with State and local governments, universities, and private interests;

(E) reporting of weather modification activities;

when such change results in the alteration of the weather;

(7) "weather modification activity" means the use of any device, chemical, or other substance for the purpose of intentionally producing weather modification; and

(8) "weather modification project" means a set of one or more weather modification activities designed to accomplish a common objective.

SEC. 6. NATIONAL WEATHER MODIFICATION MANAGEMENT PROGRAM.

(a) ESTABLISHMENT.—There is hereby established a National Weather Modification Management Program with the purpose of understanding, developing, improving, and managing weather modification technologies in accordance with the provisions, purposes, policies, and findings of this Act.

(b) PROGRAM ELEMENTS.—The Program shall include, but not be limited to, the following elements—

(1) basic and applied research to understand the atmospheric processes that could provide the scientific foundation for weather modification;

(2) experimental weather modification activities to test the findings from such research and to develop prudent operational methods with predictable results;

(3) development of instruments and techniques to enhance experimental and operational weather modification activities;

(4) cooperative efforts between the Federal Government and universities, private interests, State and local governments, and other nations to obtain the maximum amount of scientific knowledge from weather modification projects;

(5) studies on unintentional weather modification caused by society's use of land, water, and energy;

(6) studies on the economic, environmental, legal, and societal effects from weather modification;

(7) development of sound management practices for conducting weather modification projects, as provided in section 7;

(8) a procedure for reporting weather modification activities in the United States, as provided in section 8;

(9) periodic assessment of the need for Federal regulation of weather modification; and

(10) a 5-year plan for the management of Federal research and development efforts in weather modification. Such a plan shall identify—

(A) Program goals and priorities;

(B) Program activities and accomplishments needed to ensure that such goals are met within the time period established by the plan;

(C) the role of the Federal departments and agencies involved in the Program; and

(D) Federal funding necessary for the Program to achieve such goals.

Such a plan shall be submitted to the Congress not later than 180 days after the date of enactment of this Act, and shall be revised and extended biennially.

(c) DIRECTOR.—The Secretary shall appoint a Director of the Program. The Director shall be an individual who possesses recognized management ability in government operations and in research and development projects. In addition to any other duty prescribed by law or assigned by the Secretary, the Director shall—

(1) be the principal Federal officer responsible for planning and administering the Program;

(2) work with the interagency coordinating committee on weather modification, as provided for in subsection (d);

(3) acquire the services of a qualified professional staff and such other assistance as necessary to carry out the provisions, purposes, policies, and findings of this Act;

(4) seek independent advice, as provided for in subsection (f);

(5) consult and cooperate with those State and local governments and other interested groups that are likely to be affected by or that are likely to affect Program activities;

(6) promote the adoption of sound management practices and the exchange of research, experimental, and operational results with State and local governments, universities, and private interests;

(7) with the assistance of the Secretary of State, encourage cooperation with other nations to exchange information, participate in international activities, and enter into agreements concerning weather modification; and

(8) assist in preparing the annual report, as required in section 9.

(d) INTERAGENCY COORDINATION.—

(1) The President shall maintain an interagency coordinating committee on weather modification. The committee shall consist of representatives from the Federal departments and agencies involved in the Program, including, but not limited to—

(A) the Department of Agriculture;

(B) the Department of Commerce;

(C) the Department of the Interior;

(D) the Department of State;

(E) the Environmental Protection Agency; and

(F) the National Science Foundation.

(2) In addition to any other duty prescribed by law or assigned by the President, the committee shall—

(A) assist the Director in the preparation and implementation of the 5-year plan, as required in subsection (b)(10); and

(B) be responsible for coordination of the Federal departments and agencies carrying out the elements of the Program.

(e) AGENCY DUTIES AND POWERS.—In order to carry out the provisions, purposes, policies, and findings of this Act—

(1) each Federal department and agency with Program duties and responsibilities shall—

(A) utilize, to the maximum extent possible, the expertise and resources of universities, private interests, and State and local governments to carry out the elements of the Program;

(B) ensure that each Federal weather modification project includes an assessment of its anticipated effects, consistent with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and ensure that such project includes an evaluation of its effects, as provided in section 7;

(C) ensure that Program activities are conducted with the maximum feasible amount of public awareness and consultation;

(D) assist in preparing the annual report, as required in section 9;

(E) be authorized to construct, lease, purchase, or otherwise acquire laboratories or other equipment; and

(F) prepare and submit to the Office of Management and Budget, on or before the date of submission of departmental requests for appropriations to such Office, an annual request for appropriations for the Program during the subsequent fiscal year; and

(2) the Office of Management and Budget shall review such request for appropriations as an integrated, coherent, multiagency request.

(f) ADVISORY ASSISTANCE.—The Secretary and the Director shall seek independent advice with respect to the Program from those who are knowledgeable in the areas of atmospheric sciences, weather modification, social sciences, law, user needs, and other areas related to weather modification. The Secretary and the Director may utilize existing advisory groups if they determine that such groups are knowledgeable in such areas.

SEC. 7. SOUND MANAGEMENT PRACTICES.

(a) IN GENERAL.—The Director, in consultation with the interagency coordinating committee and within 2 years after the date of enactment of this Act, shall develop a set of sound management practices for conducting weather modification projects. Such practices shall be—

(1) based on the current state of knowledge about weather modification and its economic, environmental, legal, and societal effects;

(2) revised periodically to reflect any relevant advances in science or technology;

(3) utilized as standards for Federal weather modification projects; and

(4) published for general dissemination to State and local governments, universities, and private interests.

(b) MANAGEMENT PRACTICES.—The set of sound management practices shall address, but not be limited to, the following activities—

(1) project design;

(2) environment assessment;

(3) project implementation;

(4) data collection and availability; and

(5) project evaluation.

SEC. 8. REPORTING OF WEATHER MODIFICATION ACTIVITIES.

(a) REPORTING REQUIREMENTS.—

(1) Any person who has the primary supervisory responsibility for conducting any weather modification activity in the United States shall—

(A) prepare and maintain daily records on such activity; and

(B) submit to the Secretary reports with respect to such activity as provided in paragraph (2).

(2) The Secretary shall prescribe, by rule, the specific information and format required in the reports with respect to weather modification activities. The Secretary may require that such reports be submitted before, during, and after any such activity.

(b) DUTIES OF SECRETARY.—

(1) The Secretary shall maintain a record of all reported weather modification activities in the United States and shall include a summary of such activities in the annual report, as required in section 9.

(2) All reports, documents, and other information received by the Secretary under the provisions of this section shall be made available to the public to the maximum extent practicable. In carrying out the provisions of this section, the Secretary shall not disclose any information that is referred to in section 1905 of title 18, United States Code, and is otherwise unavailable to the public, except that such information shall be disclosed—

(A) to other Federal departments and agencies for official use upon request;

(B) in any judicial proceeding under a court order formulated to preserve the confidentiality of such information without impairing the proceeding; and

(C) to the public if necessary to protect their health and safety.

(c) AUTHORITY OF SECRETARY.—The Secretary may require, by regulation, subpena, or otherwise, that any person who conducts a weather modification activity shall maintain and furnish records and other information

related to such activity. The Secretary or his authorized representative may inspect the records, information, premises, and property of any person as may be necessary or appropriate in carrying out the provisions, purposes, policies, and findings of this Act.

(d) JURISDICTION.—Upon application by the Attorney General on behalf of the United States, the district courts of the United States shall have jurisdiction to enjoin any violations of the provisions of this section.

(e) PENALTY.—Any person who knowingly and willfully violates this section or any rule issued thereunder shall upon conviction thereof be fined not more than $10,000.

SEC. 9. ANNUAL REPORT.

The Secretary shall prepare and submit to the President and the authorizing committees of the Congress, not later than January 30 of each year, a report on the activities conducted pursuant to this Act during the preceding fiscal year. Each such report shall include—

(1) a summary of Program accomplishments during the previous fiscal year;

(2) an analysis of the progress made toward achieving Program goals;

(3) a summary of the budget for the Program;

(4) a listing of other weather modification projects in the United States that are not part of the Program;

(5) a summary of the reported weather modification activities in the United States during the previous year;

(6) a description of actions that have been taken to improve cooperation in weather modification activities of the Federal Government with State and local governments and other nations; and

(7) any recommendations for additional legislation that may be required to assist in achieving the purposes and policies of this Act.

SEC. 10. CONTRACT AND GRANT AUTHORITY.

(a) IN GENERAL.—Any Federal department or agency may enter into contracts or make grants in order to carry out its responsibilities under this Act, to the extent provided or approved in advance in appropriation Acts. Of the total annual cost of the project or activity involved, any such contract or grant may provide—

(1) to a State or local government, up to 50 percent; and

(2) to any other person, including any public educational institution, up to 100 percent.

(b) TERMS AND CONDITIONS.—Any person who receives Federal funds from a contract entered into or grant made under this section shall keep such records as the Director shall prescribe by regulation, including—

(1) records that fully disclose the amount and disposition by such recipients of such funds;

(2) the total cost of the project or activity for which such funds were so made available;

(3) any amount of such costs supplied from other sources; and

(4) such other records as will facilitate an effective audit.

Such recipient shall maintain such records for 5 years after the completion of such a project or activity. The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and evaluation to any books, documents, papers, and records of such recipient that, in the opinion of the Director or Comptroller General, may be related or pertinent to such contract or grant.

SEC. 11. REPEAL OF PREVIOUS REPORTING LAW

The Act entitled "an Act to provide for the reporting of weather modification activities to the Federal Government", approved December 18, 1971 (15 U.S.C. 330 et seq.), is repealed.

SEC. 12. AUTHORIZATION OF APPROPRIATIONS

There are authorized to be appropriated for the purpose of carrying out the provisions of this Act, not to exceed $25,000,000 for the fiscal year ending September 30, 1982; $30,000,000 for the fiscal year ending September 30, 1983; $35,000,000 for the fiscal year ending September 30, 1984; $40,000,000 for the fiscal year ending September 30, 1985; and $45,000,000 for the fiscal year ending September 30, 1986. Such sums shall remain available until expended.

By Mr. BAUCUS:

S. 608. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child; to the Committee on Finance.

ADOPTION DEDUCTION LEGISLATION

Mr. BAUCUS. Mr. President, I am pleased to introduce today the Adoption Tax Deduction Act of 1981. This bill amends the Internal Revenue Code to provide a tax deduction for certain fees and expenses paid or incurred by adoptive parents in connection with adopting a child.

Under the Adoption Tax Deduction Act, expenses eligible for the deduction include necessary adoption agency fees, court costs, attorney fees, and related expenses. The legislation also stipulates that deductions will be allowed only when the adoption has been arranged by a public welfare department or a licensed nonprofit voluntary adoption agency.

Over the past several years, numerous proposals for allowing adoption expenses to be deducted by taxpayers have been introduced in Congress. As a Member of the House of Representatives, I introduced a similar provision in 1978 as part of a larger legislative package designed to provide women with real alternatives to abortion. My bill is the companion measure to a bill introduced in the House by Representative OBERSTAR.

All of us involved with the issue of adoption believe, I am sure, that promoting adoption by cutting its cost is an idea whose time has come. This is particularly true as the Senate seriously considers ways to support, rather than interfere with, the building of strong and productive families for our Nation.

The Adoption Tax Deduction Act supports all three groups in the adoption triangle—adoptive families, biological parents who make an adoption plan for their child, and most important, the child. This approach is a sensible way to aid families who are willing to adopt this country's orphans but may have been discouraged by some of the financial barriers.

I also believe thousands of pregnant women and the biological fathers of the babies can have a greater assurance that if the mother carries the baby to term and makes a plan for adoption, there will be good adoptive couples available to provide secure, loving homes. In a sense, therefore, the bill will provide an alternative to biological mothers who now often perceive abortion as their only solution to an unwanted pregnancy.

This bill also provides an important safeguard for the welfare of the child by allowing a deduction only when the adoption has been arranged by a public welfare department or similar State or local public social service agency with a legal responsibility for child placement, or a licensed nonprofit voluntary adoption agency. With this provision, children placed for adoption by unqualified intermediaries, black market operators, or surrogate parents will not be encouraged by the Federal Government. In Montana, only licensed placements are allowed, thus protecting children from unfit placements.

I would make clear, however, that this limitation in the bill in no way prohibits the deduction of fees for services provided by doctors or lawyers to prospective couples or those finalizing an adoption, in conjunction with the services of the adoption agencies. Members of the clergy and others in the community can also play an important role by referring young, pregnant girls—as well as couples contemplating adoption—to agencies approved by the State or local government. With their help, and cooperation with church-related and other adoption agencies, this bill can be implemented successfully across the country.

This bill complements legislation developed by the Finance Committee and enacted by Congress last session—the Adoption Assistance and Child Welfare Act (P.L. 96-272), by providing a way for adoptive parents to share in the nonrecurring costs of adoption which States may not be able to fund through the limited Federal matching funds available under the Child Welfare Services, title IV-B program. Of course, deductions for those expenses paid directly through Federal, State, or local tax funds would not be allowed; only those expenses directly incurred by the taxpayer could be deducted.

Mr. President, the Adoption Tax Deduction Act will encourage the adoption of children who might otherwise be cared for through the welfare system or the foster care system at the expense of the taxpayer. I would remind my colleagues that the cost of foster care under Aid to Families with Dependent Children exceeded $400 million in 1980. These costs can be diminished if children were placed in adoptive homes.

I am pleased to introduce this bill with the endorsement of the licensed Montana adoption agencies, the National Committee for Adoption, and many adoptive parents groups across the country. I encourage my colleagues to join me in cosponsoring this bill and pushing for its prompt enactment.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to

additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. ADOPTION EXPENSES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the amount of the adoption expenses paid or incurred by the taxpayer during the taxable year.

"(b) ADOPTION EXPENSES DEFINED.—For purposes of this section, the term 'adoption expenses' means reasonable and necessary adoption agency fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a child by the taxpayer when said adoption has been arranged by a public welfare department (or similar State or local public social service agency with legal responsibility for child placement) or by a not-for-profit voluntary adoption agency authorized or otherwise licensed by the State or local government to place children for adoption and when said adoption expenses are not incurred in violation of State or Federal law.

"(c) DENIAL OF DOUBLE BENEFIT.—No amount which is taken into account in computing a deduction or credit under any other provision of this chapter shall be allowed as a deduction under this section.".

(b) Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (16) the following new paragraph:

"(17) ADOPTION EXPENSES.—The deduction allowed by section 221.".

(c) The table of sections for such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"Sec. 221. Adoption expenses.
"Sec. 222. Cross references.".

(d) The amendments made by this Act shall apply to taxable years beginning after December 31, 1981.

By Mr. WILLIAMS (for himself and Mr. MOYNIHAN):

S. 609. A bill entitled "The Naturalization Processing Compensation Act of 1981"; to the Committee on the Judiciary.

NATURALIZATION PROCESSING COMPENSATION ACT OF 1981

● Mr. WILLIAMS. Mr. President, I am today introducing legislation to allow State courts to retain a greater share of the fees they collect for the processing of naturalization petitions.

Under current law, clerks of the State courts may retain one-half of up to $6,000 annually or $3,000 for this service. This bill would eliminate that limitation.

This $6,000 limitation was set many years ago when the filing fee for a naturalization petition was $5. Today that fee has risen to $25, and a State court reaches its $6,000 limit when 240 petitions are filed. Presently, there are 23 State courts which receive substantially more than 240 petitions, and these judicial bodies are ineligible for further compensation for the valuable services they render to the Federal Government and courts. In a June 1977 letter to House Judiciary Chairman PETER RODINO, Assistant Attorney General Patricia M. Wald expressed the administration's support for this updating of immigration law:

The state courts . . . relieve federal courts of workloads which they can ill afford to absorb, reduce distances of travel for both petitioners and Immigration and Naturalization Service officers, and produce savings in Service Manpower and funds. They have not been adequately compensated for their contribution to the citizenship program.

More recently, the Senate Judiciary Committee recognized that present arrangements are clearly inequitable. S 1763, the Immigration and Nationality Reform Act of 1980, was reported to the Senate on July 23, 1980. That bill contained a section raising the ceiling on retained fees from $3,000 to $20,000. Unfortunately, S. 1763 was not taken up on the floor in the closing days of the 96th Congress. While its proposed change was certainly a large step in the right direction, the legislation introduced today would eliminate the ceiling entirely as there is no sound reason why State courts should process any naturalization petition without compensation.

I hope that my colleagues will agree that, as a matter of simple equity, State courts should receive more adequate compensation for the national service they render in the processing of naturalization documents.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 609

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Naturalization Processing Compensation Act of 1981."

SEC. 344(c) of the Immigration and Nationality Act (8 U.S.C. 1455(c)) is amended by striking out "up to the sum of $6,000, and all fees in excess of $6,000,".

The provisions of this Act shall take effect on October 1, 1981.●

● Mr. MOYNIHAN. Mr. President, my distinguished colleague, Senator WILLIAMS, and I are today introducing legislation to correct an unwarranted imbalance in our Federal fiscal structure. Under current law, local governments bear an unfair share of the costs of processing petitions for naturalization from those wishing to become citizens of the United States. I insert with my statement two letters from county clerks in my State that describe the present situation.

For example, the Nassau County Clerk's Office processed 1,169 immigration petitions last year for the Federal Government, collecting some $29,225 in naturalization fees. Yet, because current law provides that counties may retain only one-half of fees collected, up to a maximum of $6,000, Nassau County was reimbursed only $3,000, a small fraction of its costs.

When the $3,000 ceiling was set, the filing fee was $5 and court costs were much lower. Today, the filing fee is $25 and the cost to the locality is much higher, but the $3,000 ceiling remains in force. This means a court is only reimbursed for the first 240 petitions it processes each year. Every additional petition must be paid for out of local tax revenues—a costly and unfair assumption of what is properly a Federal responsibility.

The purpose of our bill is simple and straightforward: It would remove the $3,000 ceiling which has been in place since 1940. It would thus allow local government to retain one-half of all fees collected.

I urge my colleagues to support enactment of this timely and necessary legislation, and I ask unanimous consent that two letters from county clerks in my State that describe the situation be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NASSAU COUNTY CLERK'S OFFICE,
Mineola, N.Y., January 16, 1981.

Hon. DANIEL P. MOYNIHAN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR MOYNIHAN: Mr. Joseph R. Holland, County Clerk of Rockland County, has recently written to you about the unfairness of a maximum of $3,000 granted to the County Clerk for processing petitions for naturalization.

I support his plea to remove the ceiling, and believe $12.50 should be reimbursed for every petition processed, regardless of the total number. My office handled 1,169 petitions in 1980. The cost to the County of Nassau was many times greater than the $3,000 reserved.

I respectfully request your help in passing the necessary legislation to effect this raise in fee.

Very truly yours,
HAROLD W. MCCONNELL,
County Clerk.

COUNTY OF ROCKLAND,
New City, N.Y., January 9, 1981.

Hon. DANIEL P. MOYNIHAN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR MOYNIHAN: This is my fourth annual request for an increase in Naturalization fees for County Clerks in order to offset our escalating costs in maintaining this service for the Federal government.

I do not know when the last increase was granted by the Federal government for Naturalization, but I do know that our costs of operating this Federal service have risen dramatically over the past few years.

In 1980 we processed 452 new citizens.

We are presently reimbursed $12.50 for the first 240 petitions only. It is our suggestion since the expenses do not decrease after the first 240 petitions that we be reimbursed $12.50 for every petition processed regardless of the total number.

Since Naturalization is a function of the Federal government, it is totally unfair for the expense of processing these petitions to be borne primarily by taxpayers of counties located near ports of entry or major cities; these costs should be shared by all United States taxpayers.

I hope we can make some headway this year.

Sincerely yours,
JOSEPH R. HOLLAND,
County Clerk.●

By Mr. WILLIAMS (for himself and Mr. PROXMIRE):

S. 610. A bill to amend the Securities Exchange Act of 1934 to establish a Council on State and Local Government Accounting and Financial Reporting Standards, and to establish an Institute for State and Local Government Accounting and Financial Reporting

Standards, in order to insure the availability of nationally recognized accounting and financial reportings standards for State and local governments; to the Committee on Banking, Housing, and Urban Affairs.

STATE AND LOCAL GOVERNMENT ACCOUNTING AND FINANCIAL REPORTING STANDARDS ACT OF 1981

● Mr. WILLIAMS. Mr. President, I am today introducing the State and Local Government Accounting and Financial Reporting Standards Act of 1981. The purposes and provisions of this bill are identical to S. 1236 which I introduced during the 96th session; namely, to encourage standardization and uniformity in the preparation of municipal accounts and the form and content of the financial statements of State and local governments. For further background and explanation, I refer my colleagues to the pages 12427 through 12431 in the CONGRESSIONAL RECORD of May 23, 1979.

Mr. President, this bill would create a framework for the development of authoritative, generally accepted accounting principles and thus address a serious and longstanding deficiency in existing financial reporting and accounting by State and local governments. It would provide a permanent, impartial, and professional self-regulatory organization with the sole and important mission of improving accounting and financial reporting. Its membership would be broadly representative of State and local governments, accountants, and specialists in public finance. Its deliberations would be open and participatory in nature; its pronouncements would be authoritative, and the role of the Federal Government would be minimal and residual.

Mr. President, the lack of effective accounting standards has been documented over and over again throughout the last decade. Yet the attainment of permanent solutions, whether by new Federal legislation or as a result of some private initiative, remains in doubt.

Foot dragging is the reason, Mr. President. The accounting profession wants to expand its empire by setting standards for State and local government acting through the Financial Accounting Standards Board. State and local officials are wary of the accounting profession and prefer to set the standards themselves through an invigorated national council on Government accounting. The tie that binds them together is a mutual dislike of the Federal Government and an awareness that some compromise on a new, private sector, standard-setting body could forestall any new Federal legislation.

Despite a year of discussion and draft after draft of proposals, we are not a step closer to standardized accounting principles or to any accredited or acknowledged entity to develop such principles. The Financial Accounting Standards Board and the National Council on Governmental Accounting and other interested organizations seem to be in a four-corner stall. The president of Standard and Poor's Corp., Mr. Brenton W. Harries, one of the Nation's foremost experts on municipal finance, criticized the fact that nearly a dozen groups have been drawn "into what amounts to a power play for ultimate rulemaking supremacy." Those searching for power include the National Council on Government Accounting, the Municipal Finance Officers Association, the American Institute of Certified Public Accountants, the Council of State Governments, and others.

Mr. President, the patience of many deeply concerned public officials is being tested. Unless some concrete progress is demonstrated by the private sector and in the near future, I intend to press forward with this legislation in context of the program recently announced by the President to drastically reduce Federal aid to States and localities while consolidating the remaining programs to enhance their efficiency and reduce unnecessary waste and administrative overhead.

Mr. President, the loss of these funds will cause untold hardship to States and localities. Of course, some will suffer more than others and, for sure, there are particular units of Government whose financial condition is already so fragile that the cutoff or reduction of funds may put them in real jeopardy Unfortunately, because there are no uniform or reliable accounting standards or financial reporting practices, the actual fiscal condition of State and local governments is hard to measure and almost impossible to compare. Enactment of this bill and the establishment of the entities it envisions will permit the measurement of fiscal stress and create an early warning system. This important undertaking will also greatly assist Federal oversight of the grant and assistance programs and facilitate important administrative reforms.

Mr. President, slightly over 5 years ago budgetary gimmicks and financial distortions led the Nation's largest city to the brink of bankruptcy. Other large cities have encountered difficulties similar in kind if not in magnitude. All of this caused the Securities and Exchange Commission to comment over a year ago that "the most critical deficiency in existing municipal securities practices is in the area of municipal accounting and financial reporting."

Mr. President, I believe the enactment of the State and Local Government Accounting and Financial Reporting Standards Act of 1981 is directly responsive to one of the overriding issues faced by our country—the widespread concern over the condition and quality of government at all levels. The reasons for concern about the competence, integrity, efficiency, and accountability of government today do not require detailed elaboration. Fraud and waste; high taxes; the deterioration in the level and quality of government services, the near bankruptcy of several cities, and the severe distress of others, are only a few manifestations of the general problem.

Fundamental to any broad-based solution is the development of uniform accounting standards. The absence of uniform and standardized accounting, and the consequences for government officials, voters, creditors, rating agencies, and investors, has been documented in a series of studies conducted by several public interest groups, accounting, and professional organizations in recent years.

I believe improved accounting principles lie at the very heart of improving the management of government. Accurate financial information is indispensable to the formulation of intelligent, informed Federal, State, and local budget decisions. Standardized accounting principles will permit simplified, more accurate, budgeting and financial reporting and illuminate the fiscal condition and operations of government.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 610

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State and Local Government Accounting and Financial Reporting Standards Act of 1981".

SEC. 2. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by inserting after section 13 the following new section:

"STATE AND LOCAL GOVERNMENT ACCOUNTING AND FINANCIAL REPORTING STANDARDS

"SEC. 13A. (a)(1) The Congress finds and declares that—

"(A) the accounting systems and procedures of State and local governments should provide full disclosure of results of financial operations, adequate financial information needed in the management of operations in the formulation and execution of State and local financial affairs, and effective control over income, expenditures, funds, property, and other assets;

"(B) the maintenance of accounting systems and the production of financial reports which comply with generally accepted accounting principles with respect to the operations of State and local governments, including appropriate national entities for prescribing nationally recognized standards governing the gathering and disclosure of information on the results of financial operations of State and local governments, is essential; and

"(C) emphasis should be placed on effecting orderly improvements resulting in simplified and more effective accounting, financial reporting, budgeting, and financial reporting requirements and procedures and on the elimination of those which involve duplication or which do not serve a purpose commensurate with the costs involved.

"(2) It is the purpose of this section to establish an Institute for State and Local Government Accounting and Financial Reporting Standards to prepare uniform nationally recognized accounting and financial reporting standards to facilitate the full and accurate disclosure and publication of financial information concerning State and local governments.

"(b)(1) There is authorized to be established an appropriate nonprofit instrumentality to be known as the Institute for State and Local Government Accounting and Financial Reporting Standards (hereinafter referred to as the 'Institute'), which shall not be an agency or instrumentality of the United States Government. The Institute shall be subject to the provisions of this section and, to the extent consistent with this section, to the District of Columbia Non-Profit Corporation Act.

"(2) The Institute shall consist of 11 members of which—

"(A) one member shall be a representative of the Federal Government;

"(B) three members shall be representative of State government;

"(C) two members shall be representative of local government;

"(D) two members shall be representative of the public accounting profession;

"(E) one member shall be a representative of the financial analysts profession; and

"(F) two members shall be representative of the public.

All members of the Institute shall be appointed by the Council as provided in subsection (d)(3) and shall serve for the terms specified by the Council at the time of appointment.

"(3) The members of the Institute shall be compensated at the rate provided for an individual occupying a position under level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day in which he is engaged in his functions as a member of the Institute.

"(4) The Council shall designate a chairman and a vice chairman from among the members of the Institute. Any vacancy in the office of the chairman shall be filled by the vice chairman. The Institute shall prescribe such bylaws, not inconsistent with the provisions of this section, as may be necessary or appropriate for the conduct of its affairs, including bylaws governing the appointment and compensation of employees, attorneys, and experts and consultants necessary to carry out the functions of the Institute. All bylaws of the Institute shall be subject to review in accordance with the provisions of subsection (c)(2).

"(5) The Institute may appoint, with the approval of the Council, an Executive Director who shall be compensated at the rate provided for an individual occupying a position under level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(c)(1) The function of the Institute shall be to promulgate accounting and financial reporting standards applicable to State and local governments. In promulgating such standards, the Institute shall consider accounting and financial reporting practices and procedures existing and in effect prior to the establishment of the Institute, such as the publications of the National Council on Government Accounting and the Industry Audit Guide of the American Institute of Certified Public Accountants. The Institute shall also take into account the extent to which the cost of implementing any new standard or of revising or modifying any existing standard exceeds the estimated benefits to be derived therefrom. In promulgating any new standard, the Institute shall consult with the Comptroller General of the United States, the National Council on Government Accounting, the Financial Accounting Standards Board, and all other appropriate Federal, State, and local agencies or instrumentalities. In addition, the Institute may sponsor research and studies by experts and organizations thereof designed to improve accounting and financial reporting standards for State and local governments.

"(2) A bylaw of the Institute shall become effective only after the expiration of a period of thirty days after the Institute submits the proposed bylaw in writing to the Council established by subsection (d), and then only if the Council does not disapprove the proposed bylaw prior to the expiration of such period.

"(3) The Institute shall, for the purposes of subchapter II of chapter 5 of title 5, United States Code, be deemed to be an agency, as defined in section 551 of such title, and for the purpose of chapter 7 of such title, it shall be deemed to be an agency, as defined in section 701 of such title.

"(d)(1) There is established a State and Local Government Accounting and Financial Reporting Standards Council (hereinafter referred to as the 'Council') which shall be composed of the Secretary of the Treasury, the Comptroller General of the United States, and the Chairman of the Securities and Exchange Commission, or their designees. The functions of the Council shall be to appoint members of the Institute to review proposed bylaws submitted pursuant to subsection (c)(2), and whenever the Council deems it appropriate in the public interest, to disapprove a proposed bylaw.

"(2) For the purpose of carrying out its functions, the Council is authorized to issue such rules and regulations as may be appropriate, including rules and regulations regarding the timeliness of the submission of proposed bylaws and other procedural matters as may be necessary. In carrying out its functions under this section, the Council is authorized to employ and fix the compensation of such officers and employees and to take such other actions not inconsistent with the policy of this section as it deems appropriate.

"(3) In making initial appointments to the Institute, the Council shall solicit and consider only those recommendations made by the Financial Accounting Standards Board, the National Council on Government Accounting, the National Association of State Auditors, Comptrollers and Treasurers, the Municipal Finance Officers Association, the American Institute of Certified Public Accountants, and other professional organizations involved in the area of government accounting and financial reporting. Of the individuals first appointed, four shall serve for terms of two years, four shall serve for terms of three years, and three shall serve for terms of four years, as designated by the Council. Thereafter the term of each member of the Institute shall be four years, and the Council shall fill all such terms after full consultation with the Institute.

"(e) The Institute and the Council shall each submit to the Congress a report, not later than March 31 of each year, setting forth a detailed description of their activities during the year and their projected activities for the succeeding fiscal year. The Council may include in its report comments on the report of the Institute, and for such purpose, the Institute shall submit a draft report to the Council not later than March 1 of each year.

"(f) There are authorized to be appropriated to carry out the provisions of this section not to exceed $2,000,000.".●

By Mr. THURMOND:

S. 611. A bill to amend section 5 of the Uniformed Survivors Benefits Amendments of 1980 to provide the same annuity benefits to the surviving spouses of certain former members of the uniformed services who died before September 21, 1972, but after their discharge or release from active duty, as are provided under such section to the surviving spouses of certain former members who died before such date while serving on active duty; to the Committee on Armed Services.

MILITARY WIDOWS

Mr. THURMOND. Mr. President, in the last three sessions of Congress, I introduced legislation to provide an annuity for military widows whose husbands died in retirement after 20 to 40 years of service and before the first survivor benefit plan (SBP) law was passed by the Congress on September 21, 1972. Unfortunately, the Congress never seriously addressed the tragic plight of these widows who are now called the "forgotten widows."

Consequently, I am again introducing legislation which will provide an SBP annuity for these widows, equal to 55 percent of their deceased husbands' retired pay at time of death, which in most cases was very low compared to present pay scales. It is estimated that there are less than 40,000 of these pre-1972 widows, most of whom are between 60 to 90 years of age. Their numbers are rapidly decreasing.

Mr. President, these military widows are victims of long war periods with low pay, many of whom are existing in poverty. They spent most of their lives in a military transient status. As economic captives now, their current problems include existence on welfare, evictions as apartments become condominiums, health care, excessive nursing home costs, and ever-increasing inflation. Many are minimum-income widows who are in dire straits due to a runaway inflation. Some of them are presocial security; therefore, no benefits.

A precedent was established for civil service widows. The civil service survivor benefit plan was passed in 1948. In 1958, it was made retroactive to include all pre-1948 widows. This was fine; however, the military SBP was not passed until 1972, and it was not made retroactive which created an inequity that was discriminatory.

These widows of military personnel had little, or no, opportunity to enter the work force during their marriages. The transient life did not lend itself to a second career in the family; thus, the military wife could not build up either social security, or any other type of retirement plan for herself.

Mr. President, the number of the forgotten widows is rapidly diminishing. It is estimated that by the turn of the century, very few of these women will be living. The cost factor of my bill will steadily decline, and by the year 2000, the cost will be virtually nonexistent. It was estimated last year that the SBP account had an existing surplus of $1 billion. In other words, SBP has taken more into the treasury than paid out to beneficiaries. To include all pre-1972 widows in the SBP program would use very little of these funds. This declining cost is a significant factor which should influence a favorable assessment of this vital legislation.

I have received hundreds and hundreds of pleading letters for the past several years from these elderly widows from across our country. Many of them are barely surviving; most of them manage to keep their pride and dignity even in poverty. However, many are no doubt bitter for the treatment they have received by their Government. It is a very sad commentary on our Nation's gratitude for their sacrifices.

Many of my distinguished colleagues are aware of my extensive efforts the past 6 years to remove inequities in the SBP. Progress has been made in several areas, including several provisions in my bill, S. 91, which became Public Law 96-402 in the last session of Congress. Unfortunately, the provision in S. 91

last year for the forgotten widows was deleted.

However, it was encouraging that some of the "forgotten widows" included in my previous bill were provided for in Public Law 96-402. In an effort to help some, the widows of retirement eligible (20 years or more of military service) servicemen who died on active duty before September 21, 1972, were brought under SBP, since widows whose husbands died on active duty after that date were included in the original SBP law in 1972. Consequently, the SBP was made retroactive for some widows, but not for all of them.

Mr. President, this action by the Congress eliminated one inequity, but it left the other forgotten widows without help. The widows of retired servicemen who died before September 21, 1972, were not included in the SBP bill at its passage. Living retirees, even though they had previously not elected any sort of annuity initially for their surviving spouses, were accorded an open period in which to take advantage of the new SBP. The widows had no such option. Their retired servicemen were dead. How unfortunate for the widow who lost her retired husband on September 20, 1972; and how fortunate for the wife whose retired husband lived long enough after September 21, 1972, to sign his name.

Now, these gallant ladies are facing the hardships of a spiraling inflation, the loneliness of old age, and the fears and uncertainties of a spartan existence. How can this country, in good conscience, turn its back on these women.

Mr. President, these "forgotten widows" have been left to the mercy of the Congress. They do not have a strong voice in our country.

Mr. President, the passage of my bill would be a milestone for these elderly widows who gave the best years of their lives for our country. It is inconceivable and a disgrace that our country has deserted them. The Congress must face its responsibility to these widows. This is another opportunity to restore the faith we have not maintained for our military community.

The bill I am introducing today will correct this injustice for these proud and elderly widows who made many sacrifices for our country. It should be emphasized that the costs for this measure are not expected to be excessive. I would like to remind my colleagues again that the costs decline rapidly rather than increase, because most of these senior citizens are very elderly. I urge my distinguished colleagues to act favorably and with compassion on this vital legislation.

Mr. President, I ask unanimous consent that this bill be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (3) of section 5(a)(1) of the Uniformed Survivors Benefits Amendments of 1980 (94 Stat. 1707; 10 U.S.C. 1447 note) is amended to read as follows:

"(5) had served on active duty in the uniformed services for a period of not less than twenty years; and".

SEC. 2. (a) The amendment made by the first section of this Act shall be effective on the first day of the second calendar month following the month in which this Act is enacted and shall apply to annuities payable by virtue of such amendment for months beginning after such date.

(b) No benefits shall accrue to any person by virtue of the enactment of this Act for any period before the effective date of this Act.

By Mr. BOSCHWITZ (for himself, Mr. THURMOND, Mr. LUGAR, Mr. PERCY, Mr. JEPSEN, Mr. MELCHER, Mr. HEINE, Mr. PRESSLER, and Mr. ANDREWS):

S. 612. A bill to amend the Internal Revenue Code of 1954 to clarify the valuation, for estate tax purposes, of farm and other real property when such property is rented by a member of a decedent's family, and for other purposes; to the Committee on Finance.

VALUATION OF FARM AND OTHER REAL ESTATE FOR ESTATE TAX PURPOSES

Mr. BOSCHWITZ. Mr. President, the bill I am introducing today, making certain changes in the Internal Revenue Code, will make null and void IRS regulations that are contrary to legislation enacted by Congress in 1976; legislation which was designed to provide necessary estate tax relief to family farms.

Prior to 1976, farms, for estate tax purposes, were valued at the "prevailing market price;" that is, they were valued at the highest price for which they could be sold, which, due to land speculation and the generally escalating price of farmland, often bears no relation to its earnings capacity. Families of deceased farmers, faced with enormous estate tax bills incurred as a result of the "prevailing market price" valuation method most often were forced to sell the family farm to pay off the Federal Government.

Recognizing the vital role farmers play in our national economy and the need to retain existing cropland, Congress in 1976 passed the "farm use valuation" provisions, now known as section 2032A of the Internal Revenue Code. This provision allows farms, for estate tax purposes, to be valued on the basis of productive farm capacity—which is based on the farm's income potential—rather than the prevailing market price. At the time section 2032A was passed, it was estimated that substantial additional numbers of family farms—many thousands—would disappear in the next 20 years if the law were not changed.

Unfortunately, a large part of the intent of Congress in passing section 2032A has been thwarted by the narrow interpretation of the legislation.

Before getting into the specifics of section 2032A, two terms should be clarified. "Passive rental" of farmland is an arrangement by which the owner leases his land to another for a specific number of dollars per acre. This is to be distinguished from an arrangement by which the owner maintains an "equity interest" in the crop; that is, his rent is based on a certain percentage of the income produced by the crop—a share arrangement.

The IRS has issued regulations disallowing the "productive farm capacity" valuation if the passive rental method has been used by the decedent. But, as can be seen from the legislation creating section 2032A and the accompanying committee report, passive rental of the farm was not meant to disqualify the estate in all circumstances.

Section 2032A states that in order for real estate to be granted the favorable estate tax valuation, it must have been put to a "qualified use" for at least 5 years of the 8 years preceding the decedent's death and on the date of the decedent's death. Qualified use, according to section 2032A means "the devotion of property to any of the following:

First, use as a farm for farming purposes; or

Second, use in a trade or business other than the trade or business of farming.

The committee report accompanying the 1976 law expands on this definition and says—

In the case of either of those qualifying uses, the Congress intended that there must be a trade or business use. The mere passive rental will not qualify.

IRS is using this second sentence as its justification for the new regulations. But such an interpretation ignores the very next sentence in the committee report which states—

However, where a related party leases the property and conducts farming or other business activities on the property, the real property may qualify for special use valuation.

Clearly, Congress intended that passive rental to a relative would qualify that estate for 2032A valuation as long as the other conditions of section 2032A were met.

Yet the IRS has taken the position that the decedent himself must perform the "qualified use."

The bill I am introducing today states clearly that qualified use may be performed by the decedent or a member of the decedent's family. By specifically allowing the family member to perform the qualified use, the IRS will no longer be able to disallow special use valuation in that circumstance.

This bill will have the same effect as an amendment I introduced and both Houses initially cleared on the continuing resolution last December. Unfortunately, that amendment was dropped along with many others due to the dispute over congressional pay raises.

I urge my colleagues to again support this measure. Quick attention is desperately needed by many farm families who, unless this measure is passed, will be forced to sell off their farms to pay estate taxes.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (1) of section 2032A(b) of the Internal Revenue Code of 1954 (relating to valuation of certain farm, etc., real property) is amended by inserting "by the decedent or a member of the family of the decedent" after "qualified use" each place it appears.

(b) The amendment made by this act shall apply to estates of decedents dying after December 31, 1976.

By Mr. THURMOND (for himself, Mr. EAST, and Mr. HATCH):

S. 613. A bill to amend section 1951 of the United States Code, and for other purposes; to the Committee on the Judiciary.

LEGISLATION WITH RESPECT TO VIOLENCE THAT AFFECTS COMMERCE

Mr. THURMOND. Mr. President, when the Senate Committee on the Judiciary considered S. 1722—the Criminal Code Reform Act—last Congress, no issue generated more discussion and debate on both sides than the issue of Federal jurisdiction over labor violence. Until 1973, a person reasonably familiar with the language and legislative history of the Hobbs Act (18 U.S.C. 1951)—a 20-year offense for obstructing, delaying, or affecting commerce in any way or degree by extortion or robbery—would have thought that the offense encompassed the use of serious violence to coerce the settlement of a labor dispute for such things as higher wages or better fringe benefits.

In 1973, however, the U.S. Supreme Court, by a 5-to-4 vote, held in *United States* v. *Enmons*, 410 U.S. 396 (1973), that Congress did not intend for the Hobbs Act to reach extortionate conduct in the course of a legitimate collective bargaining dispute for legitimate objectives. The Court, of course, did not sanction the conduct. It simply left enforcement to the appropriate State and local authorities.

Mr. President, in reality, State and local authorities often are not equipped or strongly motivated to deal with the consequences of clashes between powerful competing interest groups within their communities. This is particularly true with labor disputes—a subject that has a long and almost preemptive Federal involvement. Indeed, the political implications may be overwhelming to a local official who appears to take sides in a labor dispute by vigorous enforcement of the criminal laws. I am sure the most comfortable position is one of noninvolvement.

Accordingly, I am introducing a bill today to amend the Hobbs Act to clearly cover serious violence by anyone—business, labor, or any other group or person which is disruptive of commerce and the movement of goods in commerce. While I have an open mind on the proper extent of Federal jurisdiction in this area, I want to present for the consideration of my colleagues the following changes in the Hobbs Act:

Overrule the Enmons decision so as to reach acts of violence used to extort a labor settlement, regardless of whether the objective was or was not a legitimate collective bargaining objective;

Provide Federal jurisdiction over obstructing, delaying, or affecting commerce by serious crimes of violence against the person;

Provide Federal jurisdiction over obstructing, delaying, or affecting commerce by serious property destruction offenses; and

Provide a more rational grading structure by setting fine levels and maximum prison terms based on the degree of harm involved.

Mr. President, I ask unanimous consent that the text of the bill I am introducing be printed in the RECORD following these remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 613

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1951 of title 18 of the United States Code is amended as follows:

(a) Subsection (a) is amended to read as follows:

"(a) Whoever in any way or degree obstructs, delays, or affects commerce or the movement of any article or commodity in commerce by—

"(1) inflicting, or threatening to inflict, death or serious bodily injury on any person;

"(2) willfully damaging to the extent of $2,500 or more any property, including real property, used for business purposes; or

"(3) engaging in robbery or extortion as defined in subsection (b);

or attempts or conspires to do so, shall, if death results, be subject to a fine of $250,000 or imprisoned for any term of years or for life; or, if bodily injury results or the property damage exceeds an aggregate value of $100,000, shall be subject to a fine of $2..0,000 or imprisoned not more than 20 years, or both; or, in any other case, shall be subject to a fine of $100,000 or imprisoned not more than 10 years, or both.".

(b) Subsection (b)(2) is amended to read as follows:

"(2) The term 'extortion' means the obtaining of property from another, with his consent, induced by use of actual or threatened force, violence, or fear thereof, or wrongful use of fear not involving force or violence, or under color of official right.".

(c) Subsection (c) is amended to read as follows:

"(c) Nothing in this section shall be construed as indicating an intent on the part of the Congress—

"(1) to repeal, modify, or affect section 17 of title 15, sections 52, 101–115, 151–166 of title 29, or sections 151–188 of title 45; or

"(2) to exclude Federal jurisdiction over the offenses defined in this section on the ground that the conduct is also a violation of State or local law, or that the conduct, if it involves force, violence, or fear thereof, takes place in the course of a legitimate business or labor dispute or in pursuit of a legitimate business or labor objective.".

By Mr. THURMOND:

S. 614. A bill to amend title 10, United States Code, to provide a new Assistant Secretary of Defense for Reserve Affairs and to change the existing position of Assistant Secretary for Manpower and Reserve Affairs to Assistant Secretary of Defense for Manpower; to the Committee on Armed Services.

LEGISLATION TO CREATE THE POSITIONS OF ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS

Mr. THURMOND. Mr. President, I send to the desk a bill to amend title 10, United States Code, to provide a new Assistant Secretary of Defense for Reserve Affairs and to change the existing position of Assistant Secretary of Defense for Manpower and Reserve Affairs to Assistant Secretary of Defense for Manpower.

Mr. President, over 50 percent of the wartime strength of the Nation is now scheduled to be provided by the Reserve and National Guard forces.

For this and other reasons, I consider it essential that a position of Assistant Secretary of Defense for Reserve Affairs be created. This would assure direct contact with the Secretary of Defense and greatly enhance Reserve and Guard support in meeting these responsibilities.

By Mr. LEAHY:

S. 615. A bill to amend the Internal Revenue Code of 1954 to provide a credit for television subtitle equipment used by hearing-impaired individuals; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. WEICKER, Mr. LUGAR, and Mr. RANDOLPH):

S. 616. A bill to provide for the installation of telecommunications devices for the deaf in agencies of Federal, State, and local governments, in offices of Members of Congress, and in other locations, to amend the Internal Revenue Code of 1954 to provide tax incentives for the purchase of telecommunication devices by the deaf, and for other purposes; to the Committee on Governmental Affairs.

LEGISLATION TO ASSIST HEARING IMPAIRED AMERICANS

Mr. LEAHY. Mr. President, Senator WEICKER, Senator LUGAR, and Senator RANDOLPH join me today in reintroducing two bills to aid Americans who are handicapped by a severe hearing loss. These bills, the Hearing-Impaired Tax Incentive Act, and the Equal Access to Communications Act, would provide tax incentives for the purchase of communications equipment needed by deaf and severely hearing-impaired Americans.

These bills have been modified to insure that only those persons with the most severe hearing impairment and the greatest financial need will be eligible for the modest tax relief proposed. They address the single greatest problem of the deaf—the inability to communicate in a world dominated by sound.

There are 16 million Americans who suffer from hearing losses, according to the National Association of the Deaf. Impairment of hearing is the single, most prevalent chronic disability afflicting Americans. Approximately 2 million Americans are deaf. It is these 2 million people, the most disabled of this large group of Americans with hearing problems, that our bills aim to assist.

There is a strong need to reach these people, to allow them to share fully in our society. They can and must "hear and be heard."

Within the last few years, special telecommunications devices for the deaf and television captioning equipment have been developed to help break the sound barriers which have prevented the full participation of the hearing-impaired in

our society. These events have been widely acclaimed by deaf citizens as the greatest breakthrough since the establishment of the first school for the deaf in this country 150 years ago. But to the many deaf Americans who cannot afford the purchase price of this equipment, these inventions are a mixed blessing. They are available, but not attainable.

They are not attainable because the vast majority of severely hearing-impaired Americans are unemployed or underemployed. In 1972, only 65.5 percent of deaf adults were employed. By 1977, that figure had dropped to 61.3 percent. That is 40 percent unemployment. Those deaf Americans who are employed have one-third less earning power than the average wage earner. In 1977, the average family income for a deaf household was only 64.2 percent of the U.S. median family income. For certain groups, these figures are even more dismal. An individual who becomes deaf after childhood can expect to earn one-half that of the average employee. Fully 40 percent of non-white, deaf males, and 50 percent of non-white, deaf females earn under $3,000 a year.

The Internal Revenue Service has ruled that the equipment with which our bills deal, teletypewriters and television captioning equipment, are allowable medical deductions. However, few deaf Americans can take advantage of this ruling because they cannot itemize their taxes. The legislation I will describe in detail below will extend to all severely hearing-impaired Americans in financial need, adequate tax incentives for the purchase of equipment essential to their communication with their Government, public service agents and agencies such as the police and fire stations as well as friends and relatives.

THE HEARING-IMPAIRED TAX INCENTIVE ACT

The Hearing-Impaired Tax Incentive Act amends the Internal Revenue code of 1954 to allow a tax credit equal to 50 percent of the cost of television captioning equipment. The tax credit would be limited to $250. Only those deaf Americans whose adjusted gross income does not exceed $15,000 would be eligible for this modest tax relief.

Until recently, the hearing-impaired have been shut off from the medium of television, shut off from a source of knowledge and entertainment. But the recent development of closed captioned television will allow the silent screen of television to "speak" at last to Americans with hearing-impairments.

Closed captioning is the result of a technological feat whereby the audio portion of the television program is translated into visible captions which appear on the screen. The captions are similar to the subtitles or "open captions" used in foreign films. However, in order not to disturb the viewing audience without hearing problems, the captions are closed. They become visible only on television sets equipped with a new decoding device.

In 1976, the Federal Communications Commission reserved line 21 of the television broadcast signal for closed captioned programing for the deaf. In March 1980, equipment to receive these closed captions became available. An adapter unit, which can be attached to any television set to receive the captions, is being sold now for $250. A television set with the decoding equipment built in, known as the integrated TV receiver, sells for $500. Both are being sold at cost by Sears, Roebuck and Co.

The ABC, NBC, and PBS networks are together offering 30 hours of captioned television programs each week. In addition, special events of national significance are also being captioned. President Reagan's historic inaugural address and other inaugural ceremonies were the first major national events captioned "live" for the benefit of hearing-impaired Americans. The coming of closed captioned television events of this type will insure the greater participation of the hearing-impaired in our democracy.

A modest tax subsidy for closed captioned television equipment is essential to the continuation of the National Captioning Project. The National Captioning Institute, the nonprofit organization which captions the programs for the networks, receives a small royalty on the sale of the equipment ($8).

A small Federal subsidy will go a long way toward the continuation of the closed captioning project, enabling more deaf people to purchase the equipment. The closed captioned television project has been endorsed by a wide variety of groups including the Lions Club International, the National Retired Teachers Association, the National PTA, and the National Association of the Deaf. Representatives MIKULSKI and HARKIN have introduced a similar bill in the House. Last year, 75 Members cosponsored the measure. Support for this type of targeted tax credit is growing yearly.

The Hearing-Impaired Tax Incentive Act is not costly. The Department of the Treasury has estimated the revenue loss from this measure would be $2 million in 1981 and $31 million in 1985. For a reasonable cost, the Congress can vastly improve the lives of Americans who are deaf, and who for financial reasons, have been unable to benefit from this useful technology. I urge my colleagues to cosponsor the Hearing-Impaired Tax Incentive Act.

THE EQUAL ACCESS TO COMMUNICATIONS ACT

The Equal Access to Communications Act would aid hearing-impaired Americans in a number of ways.

First, this legislation would provide for the installation of teletypewriters for the communication of the deaf in key Government agencies. In this way, the access of the hearing-impaired citizen to the governments which affect their daily lives would be improved.

Second, it would establish a 75 to 25 matching grant program to encourage the purchase of this equipment by State and local governments.

Third, the bill would amend the Internal Revenue Code of 1954 to provide a standard tax deduction, not to exceed $200 to hearing-impaired people who purchase a teletypewriter.

Fourth, a tax credit, not to exceed $200 would be allowed for long distance calls made on a teletypewriter. It takes roughly five times longer to communicate by teletypewriter than by telephone. Thus, a toll call can be quite costly. The benefits of the Equal Access to Communications Act would be limited to deaf Americans whose adjusted gross income did not exceed $15,000.

The teletypewriter was invented in the late 1960's by two deaf people. It is, in effect, a telephone with a typewriter. It transmits printed information instantaneously through the use of an electronic device which is coupled to a telephone. A deaf person can thus communicate over telephone lines to anyone who has similar equipment. Unfortunately, the teletypewriter is expensive. It costs between $450 and $650. Long distance calls, as I mentioned previously, are quite costly because of the amount of time required to "write" the message.

The cost of the teletypewriter has prevented many people from being able to enjoy the pleasure of "chatting" with friends and relatives. It has prevented the deaf citizen's access to Federal State, and local government officials. Operator assistance in an emergency is unattainable for deaf individuals. In emergencies such as a fire or accidental injury, deaf people have had to try to run to the nearest hearing neighbor to ask them to make an emergency call. Valuable time is lost in the process. The lack of telephone emergency service thus poses a real danger to the deaf household.

In my own State of Vermont, there are 25,000 people who could benefit from the teletypewriter. Yet, there are only about 35,000 teletypewriters in use in the entire country.

This legislation merits the support of my colleagues in the Senate for the same reasons that the Hearing-Impaired Tax Incentive Act merits support. Deaf Americans are historically underemployed and unemployed. Their income falls well below that of the average wage earner. The necessity of this equipment has been recognized by the Internal Revenue Service, and the cost of the legislation is not unreasonable. The Congressional Budget Office has unofficially estimated the cost of nontax provisions of the bill at approximately $6.5 million a year.

The Department of the Treasury has officially estimated the loss in revenues from the standard tax deduction for teletypewriters at under $500,000 in 1981 and will reach $1 million in 1985. The Department of the Treasury has estimated the cost of the tax credit toward long distance calls on a teletypewriter at $1 million in 1981 and $104 million in 1985. However, it is extremely important to note that this estimate of revenue loss did not take into consideration the subsequent limitation of the tax credit to a maximum of $200.

President Reagan recently signed a proclamation naming 1981 as the International Year of the Disabled. That great ceremonial gesture can and should be backed by specific legislation to aid people who are disabled by hearing-impairments. On behalf of all hearing-impaired Americans, I urge my colleagues in the Senate to cosponsor the

Equal Access to Communications Act and the Hearing-Impaired Tax Incentive Act.

I ask unanimous consent that the full text of these bills and a summary of their provisions be included in the RECORD at this point.

There being no objection, the bills and summary were ordered to be printed in the RECORD, as follows:

S. 615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CREDIT FOR TELEVISION SUBTITLE EQUIPMENT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44F. TELEVISION SUBTITLE EQUIPMENT FOR USE BY HEARING-IMPAIRED INDIVIDUALS.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the television subtitle equipment expenses paid or incurred by the taxpayer during the taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR AMOUNT.—The amount of the credit allowable under subsection (a) for any taxable year shall not exceed $250 ($125 in the case of a married individual filing a separate return).

"(2) ADJUSTED GROSS INCOME.—No credit shall be allowable under subsection (a) if the adjusted gross income of the taxpayer exceeds $15,000 for the taxable year.

"(C) DEFINITIONS.—For purposes of this section—

"(1) TELEVISION SUBTITLE EQUIPMENT EXPENSES.—The term 'television subtitle equipment expenses' means any amount paid or incurred by the taxpayer for the purchase and installation of any television subtitle equipment for use by any hearing-impaired individual.

"(2) TELEVISION SUBTITLE EQUIPMENT.—The term 'television subtitle equipment' means equipment—

"(A) which is used in connection with a television,

"(B) which permits subtitles (which, but for such equipment, would not appear on the television screen) to appear on the television screen, and

"(C) the original use of which commences with the taxpayer.".

"(3) HEARING-IMPAIRED INDIVIDUAL.—The term 'hearing impaired individual' means an individual whose audible, aural perception is not functional at 70 decibels or lower in the better ear without a hearing aid.".

(b) REFUNDABILITY OF CREDIT.—

(1) Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and" after "lubricating oil),",

(3) by inserting ", and 44F (relating to television subtitle equipment)" after "income credit)", and

(C) by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44F".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof ", 43, and 44F".

(3) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44F".

(c) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Television subtitle equipment for use by hearing-impaired individuals.".

"SEC. 2. EFFECTIVE DATE.

The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

S. 616

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Access to Communications Act of 1981".

TITLE I—ACCESS TO GOVERNMENT

Subtitle A—Findings and Definitions

FINDINGS

SEC. 101. The Congress finds that—

(1) it is of critical importance to this Nation that equality of opportunity, equal access to all aspects of society, and equal rights guaranteed by the Constitution be provided to all individuals with handicaps;

(2) equal access to government is essential to insure that all individuals are protected in their first amendment right to petition the government for a redress of grievances, and to insure that all individuals are able to obtain information needed by them to deal with increasingly complex government regulations;

(3) instantaneous communication with government agencies by the use of telephone is available to a large majority of citizens, but is not available to deaf persons who must resort to more expensive and time-consuming procedures to deal with government;

(4) there currently exists at a reasonable cost the technology to transmit printed information instantaneously by use of an electronic device coupled to a standard telephone, and the widespread adoption of this technology by agencies would better enable deaf persons to communicate with all levels of government on an equal basis; and

(5) it is, therefore, the policy of Congress that this technology be adopted in as many agencies and offices of Federal, State, and local governments as possible to provide deaf persons with greater access to government.

DEFINITIONS

SEC. 102. As used in this title, the term—

(1) "agency" means any agency as defined by section 551(1) of title 5, United States Code;

(2) "deaf persons" means any person whose hearing is totally impaired or whose hearing is so seriously impaired as to prevent the person from understanding telephonic communications when spoken in a normal conversational tone;

(3) "Member of Congress" means any Member of the Senate or House of Representatives, Delegate to the House of Representatives, or the Resident Commissioner from Puerto Rico;

(4) "Secretary" means the Secretary of the Department of Health and Human Services;

(5) "telecommunications device for the deaf" or "telecommunications device" means any equipment which would permit two-way communication of textural messages in alphanumeric form by telephone lines.

Subtitle B—Installation of Telecommunications Devices in Federal Agencies and in Other Locations

FEDERAL AGENCIES

SEC. 111. (a) The Secretary shall select at least five agencies of the Federal Government with which deaf persons have the greatest need for communication, including, but not limited to, the Department of Health and Human Services, the Department of Labor, and the Internal Revenue Service, and shall have installed in each such agency and its regional offices a telecommunications device for the deaf. Such telecommunications devices shall be used primarily to receive calls from deaf persons seeking information from such agencies, but shall also be available for the use of deaf persons in communicating with any of the other agencies and offices in which telecommunications devices are installed under this title.

(b) The selection of agencies under this section shall be made by the Secretary after consultation with the Deafness and Communicative Disorders Office of the Department of Health and Human Services; the National Center for Law and the Deaf; the National Association of the Deaf; and other appropriate organizations and individuals with special knowledge of the problems of deaf persons.

OTHER LOCATIONS

SEC. 112. (a) The Secretary shall select not less than one hundred locations, other than those selected under section 111, and shall install in each a telecommunications device for the deaf which shall be available to deaf people for their use in communicating with the agencies selected under section 111, with State agencies selected under subtitle C, and with Members of Congress who choose to install such a telecommunications device under subtitle D.

(b) The selection of locations under this section shall be made with the objective of providing access to telecommunications devices to as many deaf persons as possible. In accordance with this objective, the Secretary shall identify and give priority to areas where relatively large numbers of deaf persons reside, and shall avoid selecting locations so close to each other or to an agency selected under section 111 as to cause an unnecessary duplication of service. The Secretary shall select at least one location in each State.

TIME FOR COMPLETION

SEC. 113. (a) The Secretary shall make the selections of agencies and locations required by this subtitle, and shall begin installation of the telecommunications devices for the deaf not later than one year after the date of enactment of this title.

(b) The Secretary shall complete the installation of the telecommunications devices required by this title not later than two years after the date of enactment of this title.

DISSEMINATION OF INFORMATION

SEC. 114. (a) The Secretary shall make all reasonable efforts to inform deaf persons of the availability of the telecommunications devices installed under this title. The Secretary shall disseminate information as widely as possible to local organizations and associations of the deaf which shall—

(1) state the purpose of such telecommunications devices;

(2) state the cost of such telecommunications devices to the user; and

(3) list all the agencies, offices of Members of Congress, and other locations in which such telecommunications devices have been installed under this title.

(b)(1) The Secretary shall issue easily understandable instructions for the use of telecommunications devices for the deaf to each agency, office, or location in which they are installed under this subtitle.

(2) The Secretary shall require by regulation that at least one employee at each location at which telecommunications devices are installed under section 112 be able and available to assist deaf persons in the use of such devices during normal working hours.

RECORDS

SEC. 115. Each agency, office, or location in which a telecommunications device is installed under this subtitle shall keep such records as may be required by the Secretary

by regulation for purposes of the report prepared under section 141 of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 116. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

Subtitle C—Grants to States

GRANTS

SEC. 121. The Secretary shall make a grant to any State or local government meeting the requirements of this subtitle for the purpose of installing telecommunications devices for the deaf in its agencies and in other locations for the use of deaf persons in communicating with all levels of government.

APPLICATIONS

SEC. 122. (a) Any State or local government seeking a grant under this subtitle shall make an application to the Secretary, in accordance with such terms and conditions as the Secretary may prescribe.

(b) Such application shall state the agencies of government and the other locations in which the State or local government proposes to install the telecommunications devices for the deaf.

(c) Such application shall make assurances that such State or local government—

(1) will provide 25 per centum of the funds required to install and operate such telecommunications devices;

(2) will install only telecommunications devices meeting quality standards set by the Secretary and prescribed by regulation;

(3) will make all reasonable efforts to inform deaf persons of the availability of such telecommunications devices including the dissemination of information which states the purpose of such telecommunications devices and the cost to the user, and lists all the agencies and locations in which such telecommunications devices are to be installed;

(4) will provide that at least one employee at each agency and location at which such telecommunications devices are installed is able and available to assist deaf persons in the use of such devices during normal working hours; and

(5) will keep any records required by the Secretary for purposes of the report under section 141 of this title.

FEDERAL SHARE

SEC. 123. Upon approval of the application under section 122, the Secretary shall make a grant of 75 per centum of the cost of installing and operating the telecommunications devices for the deaf for the first year of operation.

CONTINUING GRANTS

SEC. 124. Continuing grants for the operation of the telecommunications devices installed under this subtitle shall be made each year, based upon a renewal application filed by the State or local government, in accordance with such terms and conditions as the Secretary may prescribe, which proves to the satisfaction of the Secretary that the assurances required by section 122 have been met and will continue to be met in the year for which the continuing grant is sought.

SURPLUS PROPERTY

SEC. 125. The Secretary shall seek the cooperation of the Administrator of General Services in having transferred to States any telecommunications devices for the deaf categorized as Federal surplus property under section 203(j) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(j)). Such surplus shall be transferred, to the extent available, to States that have made application for such telecommunications devices under section 122, and shall be distributed among those States in an equitable manner.

AUTHORIZATION OF APPROPRIATIONS

SEC. 126. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

(b) If sums appropriated in any fiscal year are not sufficient to carry out the provisions of this subtitle, the Secretary shall ratably reduce the grants made to all State and local governments whose applications are approved. If additional funds are made available for such year they shall be used to ratably increase the amount paid to each such government.

Subtitle D—Installation of Telecommunications Device in Offices of Members of Congress and in the Capitol

MEMBERS OF CONGRESS

SEC. 131. Any Member of Congress shall be provided with a telecommunications device for the deaf upon a written request to the Committee on House Administration of the House of Representatives or the Committee on Rules and Administration of the Senate.

CAPITOL

SEC. 132. The Architect of the Capitol shall install at the central switchboard in the United States Capitol a telecommunications device for the deaf, and there shall be at least one employee trained in the use of such device available during normal working hours to provide assistance to deaf persons.

AUTHORIZATION OF APPROPRIATIONS

SEC. 133. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

Subtitle E—Report to Congress

REPORT

SEC. 141. The Secretary shall prepare a report for Congress, not later than two years after the installation of the first telecommunications device under this title, which shall—

(1) present the statistics kept at each agency, office, and location on the use of the telecommunications devices;

(2) analyze the efficacy of the programs to install telecommunications devices under subtitles B, C, and D in light of such statistics;

(3) make recommendations on the continuation and expansion of such programs; and

(4) assess any new developments in the technology of telecommunications devices for the deaf, and means of adopting such developments in existing and future telecommunications devices for which funding is provided by the Congress.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954 CREDIT FOR CERTAIN TOLL CHARGES PAID OR INCURRED BY INDIVIDUALS WHO ARE BLIND, DEAF, OR SPEECH-IMPAIRED

SEC. 201. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44F. CERTAIN TOLL CHARGES PAID OR INCURRED BY INDIVIDUALS WHO ARE BLIND, DEAF, OR SPEECH-IMPAIRED

"(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 75 percent of the qualified toll telephone service expenses paid or incurred by such individual during the taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR AMOUNT.—The amount of the credit allowable under subsection (a) for any taxable year shall not exceed $200 ($100 in the case of a married individual filing a separate return).

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED TOLL TELEPHONE SERVICE EXPENSES.—The term 'qualified toll telephone service expenses' means any amount paid or incurred by any eligible individual for toll telephone service (as defined in section 4252(b)(1)) if—

"(A) such individual is a party to the communication for which such amount is so paid or incurred, and

"(B) such individual uses any teletypewriter in connection with such communication.

"(2) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means any individual whose adjusted gross income for the taxable year does not exceed $15,000 and—

"(A) who is deaf, or

"(B) who has a speech impairment as a result of which it is difficult to understand spoken communication by telephone from such individual.

"(3) DEAFNESS.—For purposes of this subsection, an individual shall be considered deaf only if his audible, aural perception is not functional at 70 decibels or lower in the better ear without a hearing aid.

"(c) DENIAL OF DOUBLE BENEFIT.—An amount of qualified toll telephone service expenses shall not be taken into account under section 162 or 212 to the extent that such amount is allowed as a credit under subsection (a).

"(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(b)(1) Subsection (b) of section 6401 of the Internal Revenue Code of 1954 (relating to amounts treated as overpayments) is amended—

(A) by striking out "and" after 'lubricating oil),";

(b) by inserting ", and 44F (relating to certain toll charges paid or incurred by individuals who are blind, deaf, or speech-impaired)" after "income credit)"; and

(C) by striking out "39, and 43" and inserting in lieu thereof "39, 43, and 44F".

(2) Paragraph (2) of section 55(b) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof ", 43, and 44F".

(3) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44D".

(c) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44E the following new item:

'Sec. 44F. Certain toll charges paid or incurred by individuals who are blind, deaf, or speech-impaired.".

(d) The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

DEDUCTION FOR QUALIFIED TELETYPEWRITER EXPENDITURES

SEC. 202. (a) Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. QUALIFIED TELETYPEWRITER EXPENDITURES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an eligible individual, there shall be allowed as a deduction an amount equal to 50 percent of the qualified teletypewriter expenditures paid or incurred by the taxpayer during the taxable year.

"(b) LIMITATION ON AMOUNT OF DEDUCTION.—The aggregate amount allowable as a deduction under subsection (a) to the taxpayer shall not exceed $200 ($100, in the case of a married individual filing a separate return) for each qualified teletypewriter.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED TELETYPEWRITER EXPENDITURES.—The term 'qualified teletypewriter expenditures' means any amount paid or incurred for the purchase for installation or the installation of any qualified teletypewriter.

"(2) QUALIFIED TELETYPEWRITER.—The term 'qualified teletypewriter' means any teletypewriter—

"(A) which can be installed in connection with a telephone;

"(B) the original use of which commences with the taxpayer;

"(C) which has a useful life of not less than 3 years; and

"(D) the exclusive use for which is by or for any eligible individual.

For purposes of this paragraph, a teletypewriter shall include equipment which produces in braille communication received by the teletypewriter.

"(3) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means any individual whose adjusted gross income for the taxable year does not exceed $15,000, and—

"(A) who is blind (within the meaning of section 151(d)(3));

"(B) who is deaf (within the meaning of section 44F(b)(3)); or

"(C) who has a speech impairment as a result of which it is difficult to understand spoken communication by telephone from such individual.

"(d) BASIS ADJUSTMENTS.—If a deduction is allowed under this section for any qualified teletypewriter expenditures with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the deduction so allowed.

"(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section."

(b)(1) The table of sections of such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"Sec. 221. Qualified teletypewriter expenditures.

"Sec. 222. Cross references.".

(2) Subsection (a) of section 1016 of such Code (relating to adjustments to basis) is amended by adding at the end thereof the following new paragraph:

"(28) to the extent provided in section 221(d), in the case of property with respect to which a deduction has been allowed under section 221;".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

● Mr. LUGAR. Mr. President, I am pleased to once again be an original cosponsor of legislation designed to provide tax incentives for the purchase of communication equipment needed by deaf and severely hearing impaired Americans. The Hearing-Impaired Tax Incentive Act would allow a tax credit equal to 50 percent of the purchase cost of captioning equipment for televisions.

The Equal Access to Communications Act would provide for the installation of teletypewriters in Federal agencies, in addition to providing tax credits for the purchase of TTY equipment and for long distance telephone calls using this equipment.

Hearing loss is an invisible affliction that affects between 15 to 20 million Americans, being the largest single disability in the United States today. All evidence indicates that the numbers of hearing-impaired citizens are growing and in the decades ahead will increase at a more rapid and alarming rate. As the American population continues to live longer, more and more of us will experience hearing loss as a result of the aging process and noise pollution.

The premature withdrawal of persons from participation in society due to hearing loss is unnecessary and a loss of human contribution to our Nation. The passage of these two bills will help to assure that people with hearing loss can be productive members of society. This is an area of need where Government investment will result in a positive return on dollars expended.

I urge my colleagues to cosponsor this legislation to assist our hearing-impaired citizens, and to work toward its passage during 1981, the International Year of the Disabled.●

By Mr. THURMOND (for himself, Mr. BAUCUS, Mr. BOREN, Mr. ROBERT C. BYRD, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. GOLDWATER, Mr. JEPSEN, Mr. LEVIN, Mr. LONG, Mr. PRYOR, and Mr. TOWER):

S.J. Res. 42. Joint resolution designating the third Sunday in September as "National Ministers Day"; to the Committee on the Judiciary.

NATIONAL MINISTERS DAY

Mr. THURMOND. Mr. President, today I am introducing legislation to designate the third Sunday of September each year as "National Ministers Day."

I introduced a similar resolution last year on August 1, 1980, which had 30 cosponsors and passed the Senate on August 5, 1980.

Mr. President, Americans celebrate many occasions during the course of the year and honor many different events, people, and things such as National Pickle Week. As a member of the Senate Judiciary Committee, and now its chairman, I have supported bills in the past which I felt were meritorious. I have not, however, supported others that appeared oriented to special interest, were riddled with commercialism, or would be viewed as objectionable to certain Americans.

One group of persons, however, deserve to be honored for their unending and ever-present service to many Americans. I speak of the ministers, priest, rabbis, and others who care for the spiritual needs of millions of Americans throughout the year.

A minister often serves these needs in the middle of the night, or during times of grief such as death in the family, or festive times like a wedding, baptism, or bar mitzvah. How often though, during those times, do we stop and express our appreciation for these acts of happy spiritual inspiration? Probably not often enough. That is why I believe we need a day to honor ministers of all faiths.

Mr. President, I have introduced a resolution that would make every third Sunday in September a "National Ministers Day." I urge my colleagues to join in the cosponsorship of this resolution.

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MATHIAS, the Senator from Wyoming (Mr. SIMPSON), the Senator from Michigan (Mr. LEVIN), the Senator from Nevada (Mr. CANNON), the Senator from Arkansas (Mr. BUMPERS), the Senator from New Hampshire (Mr. HUMPHREY), and the Senator from South Dakota (Mr. PRESSLER) were added as cosponsors of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 12

At the request of Mr. BAKER, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 12, a bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans.

S. 19

At the request of Mr. BAKER, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 19, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax.

S. 63

At the request of Mr. RANDOLPH, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

S. 90

At the request of Mr. BOREN, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 90, a bill to exempt certain royalty interests from the windfall profit tax.

S. 91

At the request of Mr. BOREN, the Senator from Illinois (Mr. PERCY) was added as a cosponsor of S. 91, a bill to exempt stripper well oil from the windfall profit tax.

S. 102

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 102, a bill to amend titles XVIII and XIX of the Social Security Act to provide that professional nurse services shall be covered under part B of medicare and shall be a required service under medicaid.

S. 103

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 103, a bill to amend title 5 of the United States Code to provide payments under Government health plans for services of nurses not performed in connection with a physician.

S. 110

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 110, a bill to amend titles XVIII and XIX of the Social Security Act to provide that gerontological nurse practitioner services shall be covered under part B of medicare and shall be required service under medicaid.

S. 123

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 123, a bill to amend titles XVIII and XIX of the Social Security Act to provide more adequate coverage of the services of mental health specialists under the medicare

supplemental benefits program and under medicaid programs.

S. 150

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 150, a bill to amend title 5 of the United States Code to provide payments under Government health plans for services of qualified mental health specialists.

S. 153

At the request of Mr. INOUYE, the Senator from Texas (Mr. BENTSEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Utah (Mr. GARN), the Senator from Montana (Mr. MELCHER), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Maryland (Mr. SARBANES), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 153, a bill to amend the Internal Revenue Code of 1954 to expand the category of targeted groups for whom the new employee credit is available to include displaced homemakers.

S. 161

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 161, a bill to amend title XVIII of the Social Security Act to provide for coverage under medicare of services performed by a nurse-midwife.

S. 162

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor to S. 162, a bill to amend title 5 of the United States Code to provide payments under Government health plans for service of nurse-midwives not performed in connection with a physician.

S. 170

At the request of Mr. PACKWOOD, the Senator from Mississippi (Mr. COCHRAN) and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of S. 170, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 181

At the request of Mr. CRANSTON, the Senator from New York (Mr. MOYNIHAN) and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 181, a bill to provide for the extension of the authorization of appropriations for the Head Start program.

S. 195

At the request of Mr. GOLDWATER, the Senator from Minnesota (Mr. BOSCHWITZ) and the Senator from Florida (Mr. CHILES) were added as cosponsors of S. 195, a bill to incorporate the United States Submarine Veterans of World War II.

S. 255

At the request of the Mr. MATHIAS, the Senator from Georgia (Mr. NUNN), the Senator from Missouri (Mr. DANFORTH), and the Senator from Alabama (Mr. HEFLIN) were added as cosponsors of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 259

At the request of Mr. GOLDWATER, the Senator from Iowa (Mr. GRASSLEY) and the Senator from Idaho (Mr. SYMMS) were added as cosponsors of S. 259, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 and older.

S. 293

At the request of Mr. THURMOND, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 293, a bill to amend the Food Stamp Act of 1977 to prohibit any household from participating in the food stamp program if such household has one or more members on strike as a result of a labor dispute.

S. 352

At the request of Mr. PACKWOOD, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 352, a bill to amend the Internal Revenue Code of 1954 with respect to the definition of political contribution.

S. 396

At the request of Mr. DANFORTH, the Senator from Oklahoma (Mr. BOREN) and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 398

At the request of Mr. ARMSTRONG, the Senator from New Mexico (Mr. SCHMITT), the Senator from Utah (Mr. GARN), the Senator from Washington (Mr. GORTON), and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 398, a bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes.

S. 482

At the request of Mr. BUMPERS, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 482, a bill to reform the Bail Reform Act of 1966 to require the judicial officer making the bail determination to detain those persons who cannot be released without endangering the safety of other persons or the community.

S. 495

At the request of Mr. THURMOND, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 495, a bill to amend section 3(i) of the Food Stamp Act of 1977, relating to the definition of the term "household," to prevent the splitting of a household for the purpose of qualifying as two or more households under such act.

S. 498

At the request of Mr. HART, the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 498, a bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics.

SENATE JOINT RESOLUTION 10

At the request of Mr. HUDDLESTON, the Senator from Arizona (Mr. DECONCINI), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of Senate Joint Resolution 10, joint resolution to establish a Commission on Presidential Nominations.

SENATE JOINT RESOLUTION 14

At the request of Mr. INOUYE, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of Senate Joint Resolution 12, joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day."

SENATE JOINT RESOLUTION 19

At the request of Mr. HELMS, the Senator from New York (Mr. D'AMATO) was added as a cosponsor of Senate Joint Resolution 19, joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life.

SENATE JOINT RESOLUTION 36

At the request of Mr. MATHIAS, the Senator from Washington (Mr. GORTON) was added as a cosponsor of Senate Joint Resolution 36, joint resolution to authorize the President to designate the week of March 9 through March 15, 1981 as "Children and Hospitals Week."

SENATE JOINT RESOLUTION 40

At the request of Mr. RIEGLE, the Senator from Connecticut (Mr. DODD) was added as a cosponsor of Senate Joint Resolution 40, joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam era."

SENATE CONCURRENT RESOLUTION 10

At the request of Mr. HATFIELD, the Senator from Delaware (Mr. ROTH) was added as a cosponsor of Senate Concurrent Resolution 10, concurrent resolution expressing the sense of the Congress concerning the continuing permanent conversion of productive agricultural lands to nonagricultural uses.

SENATE CONCURRENT RESOLUTION 13—CONCURRENT RESOLUTION RELATING TO AN INTERNATIONAL AGREEMENT ESTABLISHING A NORTH AMERICAN COMMISSION FOR COOPERATION AND DEVELOPMENT

Mr. DOMENICI (for himself and Mr. BAUCUS) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 13

Whereas Canada and the United States are important trading partners, share continental problems in the environment, are the source and object of each others investments, are close allies and partners in the North American Air Defense System (NORAD), and in many other ways have a special relationship;

Whereas Mexico is also important to the United States with respect to shared continental problems and opportunities, is a major trading partner with the United States, is in a unique position between industrialism and development, is a recognized leader of Third World countries, is dedicated

to democracy and freedom, and can provide North America with great leadership and cooperation in world matters; and

Whereas the economic strength and prosperity of all North American countries are essential to the well-being of each such country, and can best be increased through cooperation and recognition of mutual interdependence: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That (a) it is the sense of the Congress that the President should enter into negotiations with appropriate representatives of the governments of Canada and Mexico for the purpose of reaching an agreement to establish a North American Commission for Cooperation and Development (hereafter in this concurrent resolution referred to as the "Commission").

(b) The purpose of the Commission, according to such agreement, should be—

(1) to encourage programs of each member country designed to promote economic growth and to analyze the impact, if any, of such programs on other member countries;

(2) to encourage trade beneficial to all member countries; and

(3) to examine long-term economic trends of interest to the member countries and to encourage programs of benefit to all member countries, consistent with the sovereignty of each such country.

(c) In addition to the purposes set forth in subsection (b), such an agreement should provide that—

(1) each country which is a member of the Commission be represented by a Commissioner who shall head a delegation of experts chosen from the private sector of such country and from the government of such country, including representatives of the executive and legislative branches of the national government and representatives of political subdivisions of such country;

(2) each Commissioner should participate in the activities of the Commission on an equal basis; and

(3) additional Western Hemisphere countries may become members of the Commission at a later date in accordance with the terms and conditions of such agreement.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

Mr. BAUCUS. Mr. President, I am grateful to join with my colleague from New Mexico in this endeavor today. Senator DOMENICI has gone further than any other Member of this body in recognizing the need for our Government, for our country, to work more closely with Canada to the north and Mexico and other countries to the south.

The Senator's own State borders Mexico and he obviously knows very much about the problems that our country has with our neighbor to the south, but he is also very cognizant of our problems with Canada.

I am happy to join with the Senator from New Mexico in introducing his resolution to create the North American Commission.

Mr. President, I am introducing the other measure, the companion measure, to the resolution which the Senator has introduced. The bill I am introducing will set up a separate bureau within the State Department, the Bureau of North American Affairs. This is not a proposal to add more bureaucratic positions. Rather, it is a proposal to streamline the bureaucracy.

We always hear those phrases, to streamline the bureaucracy and make Government work better. We are always trying to build better mousetraps or invent better mousetraps.

It is my personal view that this proposal does go a long way toward streamlining our State Department structure with respect to Canada, Mexico, and Caribbean countries.

I was astounded to learn, Mr. President, that our State Department lumps Canada in with the present Bureau of European Affairs. That is, the State Department's Bureau of European Affairs formulates policy not only with regard to European countries but also Canada.

I think all of us immediately recognize that our problems with Canada are different than our problems with Europe.

There is another bureau in the State Department, the Bureau of Inter-American Affairs. That Bureau includes Mexico and the Caribbean countries, the South American countries, but does not include Canada.

It is our feeling that it would make more sense for the Bureau of Inter-American Affairs to continue to operate as it has in the past but not to include Mexico, the Caribbean, and for the Bureau of European Affairs to continue to operate as it has in the past but not to include Canada.

Therefore, we propose that the State Department set up a Bureau of North American Affairs, including Canada, Mexico, and Caribbean countries, so that we in the United States can begin to develop a trade policy, an energy policy, and even a political philosophy, for that matter, with our neighbors both to the north and to the south.

Mr. DOMENICI. Mr. President, there is currently a high level of interest in and wide variety of organizations evaluating North American Economic Cooperation or various aspects thereof. This should come as no surprise considering the exceptionally high level of interaction between the countries of North America.

The three largest countries of North America, Canada, the United States, and Mexico, share much more than common borders. All three nations are blessed with great natural resource reserves and all share the same democratic principles. Also, each nation suffers more inflation, unemployment, and lower productivity growth than is desirable. However, the significant contrasts among the economies of the three nations are as readily apparent as the similarities.

Almost all evaluations of the world economic scene for the next 20 years anticipate very difficult times ahead for international trade and investment. This realistic evaluation requires economic adjustments at a pace never experienced before. Commonsense alone would indicate that some form of accommodation and policy changes will be required to make the adjustment. Thus, the nations of North America, in spite of very different national economies, must be willing to make the economic adjustments that are necessary and inevitable if the international economic strains of the future are to be withstood.

It is with this scenario in mind that Senator BAUCUS and myself, and on behalf of the Senate North American Trade Caucus, today introduce a concurrent resolution and a bill that together will help prepare for and later effectuate the necessary economic adjustments. The two proposals we submit today will serve to facilitate a mutual search for a better life on the North American Continent.

The concurrent resolution will establish a North American Commission for Cooperation and Development. The Commission would serve to encourage and promote economic growth and trade among member countries. In addition, the Commission would research and encourage programs of mutual interest and benefit to the member countries. The organization would consist of a team of Commissioners each of which would head a delegation of experts representing both the private sector and government of their particular member country.

The companion bill will establish in the Department of State a Bureau of North American Affairs. The establishment of the Bureau would be a reorganization and consolidation of certain State Department Bureaus now functioning and thus not an expansion of the Federal bureaucracy. The establishment of a Bureau of North American Affairs will be of great consequence in developing the cohesive and integrated policies necessary for North America to keep pace in the international arena.

We have no mechanism which allows an immediate check with both of our neighbors to see what effect a small change in our domestic trade regulations will have upon each of their economies, or for them, in turn, to consult with each of their own other two neighbors. We have neither council, assembly, body, or commission to study and to weigh these small, but potentially serious, questions of singular urgency to the Canadians, the Mexicans, and to citizens of the United States. The proposals that we submit today will, at the very least establish a mechanism which would allow the nations of North America to deal quietly and effectively with new challenges with an opportunity to fashion them into new benefits for our entire continent.

Mr. President, I would respectively urge that this Chamber, on behalf of Senator BAUCUS, myself, and the entire North American Trade Caucus lend its full support to both the concurrent resolution and bill.

SENATE RESOLUTION 85—RESOLUTION RELATING TO THE PRECEDENTS OF THE SENATE

Mr. BAKER submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 85

Resolved, That the Parliamentarian's Office, in consultation with the Senate Leadership and the Committee on Rules and Administration, shall design and prepare such programs or systems which it deems necessary, and that are in accord with the copyright statutes of the United States, for the purpose of computerizing on Senate computers, keeping current, and making readily

available to the Senate or its Members information relating to Senate procedures, precedents, practices, and legislative veto information. In carrying out this resolution, the Secretary of the Senate may appoint and fix the pay of personnel and utilize the services of personnel in the Computer Center.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

Mr. WEICKER, Mr. President, I would like to announce that the Senate Select Committee on Small Business will hold a hearing on the role of small business in the Nation's economic recovery.

The hearing will begin at 10 a.m., on March 9, 1981, in room 424, Russell Senate Office Building. For additional information please contact Mr. James O'Connell of the committee staff at 224-5175.

ADDITIONAL STATEMENTS

RULES OF THE SELECT COMMITTEE ON INTELLIGENCE

● Mr. GOLDWATER. Mr. President, section 133B of the Legislative Reorganization Act requires each standing, select, or special committee of the Senate to publish its rules in the CONGRESSIONAL RECORD not later than March 1 of each year. I ask that the rules of the Select Committee on Intelligence be printed in the RECORD.

The rules follow:

RULES OF PROCEDURE

RULE 1. CONVENING OF MEETINGS

1.1 The regular meeting day of the Select Committee on Intelligence for the transaction of committee business shall be on the first Wednesday of each month, unless otherwise directed by the chairman.

1.2 The chairman shall have authority, upon proper notice, to call such additional meetings of the committee as he may deem necessary and may delegate such authority to any other member of the committee.

1.3 A special meeting of the committee may be called at any time upon the written request of five or more members of the committee filed with the clerk of the committee.

1.4 In the case of any meeting of the committee, other than a regularly scheduled meeting, the clerk of the committee shall notify every member of the committee of the time and place of the meeting and shall give reasonable notice which, except in extraordinary circumstances, shall be at least 24 hours in advance of any meeting held in Washington, D.C., and at least 48 hours in the case of any meeting held outside Washington, D.C.

1.5 If five members of the committee have made a request in writing to the chairman to call a meeting of the committee, and the chairman fails to call such a meeting within seven calendar days thereafter, including the day on which the written notice is submitted, these members may call a meeting by filing a written notice with the clerk of the committee who shall promptly notify each member of the committee in writing of the date and time of the meeting.

RULE 2. MEETING PROCEDURES

2.1 Meetings of the committee shall be open to the public except as provided in Senate Resolution 9, 4th Congress, 1st session.

2.2 It shall be the duty of the staff director to keep or cause to be kept a record of all committee proceedings.

2.3 The chairman of the committee, or if the chairman is not present the vice chairman, shall preside over all meetings of the committee. In the absence of the chairman and the vice chairman at any meeting the ranking majority member, or if no majority member is present the ranking minority member present shall preside.

2.4 Except as otherwise provided in these rules, decisions of the committee shall be by majority vote of the members present and voting. A quorum for the transaction of committee business, including the conduct of executive sessions, shall consist of six committee members until that date of the sine die adjournment of the 1st session of the 95th Congress, and thereafter, shall consist of five committee members, except that for the purpose of hearing witnesses, taking sworn testimony, and receiving evidence under oath, a quorum may consist of one Senator.

2.5 A vote by any member of the committee with respect to any measure or matter being considered by the committee may be cast by proxy if the proxy authorization (1) is in writing; (2) designates the member of the committee who is to exercise the proxy; and (3) is limited to a specific measure or matter and any amendments pertaining thereto. Proxies shall not be considered for the establishment of a quorum.

2.6 Whenever the committee by roll call vote reports any measure or matter, the report of the committee upon such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the committee.

RULE 3. SUBCOMMITTEES

Creation of subcommittees shall be by majority vote of the committee. Subcommittees shall deal with such legislation and oversight of programs and policies as the committee may direct. The subcommittees shall be governed by the rules of the committee and by such other rules they may adopt which are consistent with the rules of the committee.

RULE 4. REPORTING OF MEASURES OR RECOMMENDATIONS

4.1 No measures or recommendations shall be reported, favorably or unfavorably, from the committee unless a majority of the committee is actually present and a majority concur.

4.2 In any case in which the committee is unable to reach a unanimous decision, separate views or reports may be presented by any member or members of the committee.

4.3 A member of the committee who gives notice of his intention to file supplemental, minority, or additional views at the time of final committee approval of a measure or matter, shall be entitled to not less than three working days in which to file such views, in writing with the clerk of the committee. Such views shall then be included in the committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report.

RULE 5. NOMINATIONS

5.1 Unless otherwise ordered by the committee, nominations referred to the committee shall be held for at least 14 days before being voted on by the committee.

5.2 Each member of the committee shall be promptly furnished a copy of all nominations referred to the committee.

5.3 Nominees who are invited to appear before the committee shall be heard in public session, except as provided in rule 2.1.

5.4 No confirmation hearing shall be held sooner than seven days after receipt of the background and financial disclosure statement unless the time limit is waived by a majority vote of the committee.

5.5 The committee vote on the confirmation shall not be sooner than 48 hours after the committee has received transcripts of the confirmation hearing unless the time limit is waived by unanimous consent of the committee.

5.6 No nomination shall be reported to the Senate unless the nominee has filed a background and financial statement with the committee.

RULE 6. INVESTIGATIONS

No investigation shall be initiated by the committee unless at least five members of the committee have specifically requested the chairman or the vice chairman to authorize such an investigation. Authorized investigations may be conducted by members of the committee and/or by designated committee staff members.

RULE 7. SUBPENAS

Subpenas authorized by the committee for the attendance of witnesses or the production of memoranda, documents, records, or any other material may be issued by the chairman, the vice chairman, or any member of the committee designated by the chairman, and may be served by any person designated by the chairman, vice chairman or member issuing the subpenas. Each subpena shall have attached thereto a copy of Senate Resolution 400, 94th Congress, 2d session, and a copy of these rules.

RULE 8. PROCEDURES RELATED TO THE TAKING OF TESTIMONY

8.1 *Notice.*—Witnesses required to appear before the committee shall be given reasonable notice and all witnesses shall be furnished a copy of these Rules.

8.2 *Oath or affirmation.*—Testimony of witnesses shall be given under oath or affirmation which may be administered by any member of the committee.

8.3 *Interrogation.*—Committee interrogation shall be conducted by members of the committee and such committee staff as are authorized by the chairman, vice chairman, or the presiding member.

8.4 *Counsel for the witness.*—(a) Any witness may be accompanied by counsel. A witness who is unable to obtain counsel may inform the committee of such fact. If the witness informs the committee of this fact at least 24 hours prior to his appearance before the committee, the committee shall then endeavor to obtain voluntary counsel for the witness. Failure to obtain such counsel will not excuse the witness from appearing and testifying.

(b) Counsel shall conduct themselves in an ethical and professional manner. Failure to do so shall, upon a finding to that effect by a majority of the members present, subject such counsel to disciplinary action which may include warning, censure, removal, or a recommendation of contempt proceedings.

(c) There shall be no direct or cross-examination by counsel. However, counsel may submit in writing any question he wishes propounded to his client or to any other witness and may, at the conclusion of his client's testimony, suggest the presentation of other evidence or the calling of other witnesses. The committee may use such questions and dispose of such suggestions as it deems appropriate.

8.5 *Statements by Witnesses.*—A witness may make a statement, which shall be brief and relevant, at the beginning and conclusion of his testimony. Such statements shall not exceed a reasonable period of time as determined by the chairman, or other presiding member. Any witness desiring to make a prepared or written statement for the record of the proceedings shall file a copy with the clerk of the committee, and insofar as practicable and consistent with the notice given, shall do so at least 72 hours in advance of his appearance before the committee.

8.6 *Objections and Rulings.*—Any Objection raised by a witness or counsel shall be ruled upon by the chairman or other presiding member, and such ruling shall be the ruling of the committee unless a majority of the committee present overrules the ruling of the chair.

8.7 *Inspection and Correction.*—All witnesses testifying before the committee shall be given a reasonable opportunity to inspect, in the office of the committee, the transcript of their testimony to determine whether such testimony was correctly transcribed. The witness may be accompanied by counsel. Any corrections the witness desires to make in the transcript shall be submitted in writing to the committee within 5 days from the date when the transcript was made available to the witness. Corrections shall be limited to grammar and minor editing, and may not be made to change the substance of the testimony. Any questions arising with respect to such corrections shall be decided by the chairman. Upon request, those parts of testimony given by a witness in executive session which are subsequently quoted or made part of a public record shall be made available to that witness at his expense.

8.8 *Requests to Testify.*—The committee will consider requests to testify on any matter or measure pending before the committee. A person who believes that testimony or other evidence presented at a public hearing, or any comment made by a committee member or a member of the committee staff may tend to affect adversely his reputation, may request to appear personally before the committee to testify on his own behalf, or may file a sworn statement of facts relevant to the testimony, evidence, or comment, or may submit to the chairman proposed questions in writing for the cross-examination of other witnesses. The committee shall take such action as it deems appropriate.

8.9 *Contempt Procedures.*—No recommendation that a person be cited for contempt of Congress shall be forwarded to the Senate unless and until the committee has, upon notice to all its members, met and considered the alleged contempt, afforded the person an opportunity to state in writing or in person why he should not be held in contempt, and agreed, by majority vote of the committee to forward such recommendation to the Senate.

8.10 *Release of Name of Witness.*—Unless authorized by the chairman, the name of any witness scheduled to be heard by the committee shall not be released prior to, or after, his appearance before the committee.

RULE 9. PROCEDURES FOR HANDLING CLASSIFIED OR SENSITIVE MATERIAL

9.1 Committee staff offices shall operate under strict security precautions. At least one security guard shall be on duty at all times by the entrance to control entry. Before entering the office all persons shall identify themselves.

9.2 Sensitive or classified documents and material shall be segregated in a secure storage area. They may be examined only at secure reading facilities. Copying, duplicating, or removal from the committee offices of such documents and other materials is prohibited except as is necessary for use in, or preparation for, interviews or committee meetings, including the taking of testimony, and in conformity with Section 10.3 hereof.

9.3 Each member of the committee shall at all times have access to all papers and other material received from any source. The staff director shall be responsible for the maintenance, under appropriate security procedures, of a registry which will number and identify all classified papers and other classified materials in the possession of the committee, and such registry shall be available to any member of the committee.

9.4 Whenever the Select Committee on Intelligence makes classified material available to any other committee of the Senate or to any member of the Senate not a member of the committee, the clerk of the committee shall be notified. The clerk of the committee shall maintain a written record identifying the particular information transmitted and the committee or members of the Senate receiving such information.

9.5 Access to classified information supplied to the committee shall be limited to those committee staff members with appropriate security clearances and a need-to-know, as determined by the committee, and under the committee's direction, the staff director and minority staff director.

9.6 No member of the committee or of the committee staff shall disclose, in whole or in part or by way of summary, to any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial or otherwise, any testimony given before the committee in executive session including the name of any witness who appeared or was called to appear before the committee in executive session, or the contents of any papers or other materials or other information received by the committee except as authorized by the committee in accordance with section 8 of Senate Resolution 400 of the 94th Congress and the provisions of these rules, or in the event of the termination of the committee, in such a manner as may be determined by the Senate.

9.7 Before the committee makes any decision regarding the disposition of any testimony, papers, or other materials presented to it, the committee members shall have a reasonable opportunity to examine all pertinent testimony, papers, and other materials that have been obtained by the members of the committee or the committee staff.

RULE 10. STAFF

10.1 For the purpose of these rules, committee staff means employees of the committee, employees of the members of the committee assigned to the committee, consultants to the committee, employees of other government agencies detailed to the committee, or any other person engaged by contract or otherwise to perform services for or at the request of the committee.

10.2 The appointment of committee staff shall be confirmed by a majority vote of the committee. After confirmation, the chairman shall certify committee staff appointments to the financial clerk of the Senate in writing.

10.3 The committee staff works for the committee as a whole, under the general supervision of the chairman and vice chairman of the committee. Except as otherwise provided by the committee, the duties of committee staff shall be performed, and committee staff personnel affairs and day-to-day operations, including security and control of classified documents and material, shall be administered under the direct supervision and control of the staff director. The minority staff director and the minority counsel shall be kept fully informed regarding all matters and shall have access to all material in the files of the committee.

10.4 The committee staff shall assist the minority as fully as the majority in the expression of minority views, including assistance in the preparation and filing of additional, separate and minority views, to the end that all points of view may be fully considered by the committee and the Senate.

10.5 The members of the committee staff shall not discuss either the substance or procedure of the work of the committee with any person not a member of the committee or the committee staff for any purpose or in connection with any proceeding, judicial, or otherwise, either during his tenure as a member of the committee staff or at any time thereafter except as directed by the committee in accordance with section 8 of Senate Resolution 400 of the 94th Congress and the provisions of these rules, or in the event of the termination of the committees, in such a manner as may be determined by the Senate.

10.6 No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment to abide by the conditions of the nondisclosure agreement promulgated by the Senate Select Committee on Intelligence pursuant to section 6 of Senate Resolution 400 of the 94th Congress, 2d Session.

10.7 No member of the committee staff shall be employed by the committee unless and until such a member of the committee staff agrees in writing, as a condition of employment, to notify the committee or in the event of the committee's termination the Senate of any request for his testimony, either during his tenure as a member of the committee staff or at any time thereafter with respect to information which came into his possession by virtue of his position as a member of the committee staff. Such information shall not be disclosed in response to such requests except as directed by the committee in accordance with section 8 of Senate Resolution 400 of the 94th Congress and the provisions of these rules, or in the event of the termination of the committee, in such manner as may be determined by the Senate.

10.8 The committee shall immediately consider action to be taken in the case of any member of the committee staff who fails to conform to any of these rules. Such disciplinary action may include, but shall not be limited to, immediate dismissal from the committee staff.

RULE 11. PREPARATION FOR COMMITTEE MEETINGS

11.1 Under direction of the chairman and the vice chairman, designated committee staff members shall brief members of the committee at a time sufficiently prior to any committee meeting to assist the committee members in preparation for such meeting and to determine any matter which the committee member might wish considered during the meeting. Such briefing shall, at the request of a member, include a list of all pertinent papers and other materials that have been obtained by the committee that bear on matters to be considered at the meeting.

11.2 The staff director shall recommend to the chairman and the vice chairman the testimony, papers, and other materials to be presented to the committee at any meeting. The determination whether such testimony, papers, and other materials shall be presented in open or executive session shall be made pursuant to the rules of the Senate and rules of the committee.

RULE 12. LEGISLATIVE CALENDAR

12.1 The clerk of the committee shall maintain a printed calendar for the information of each committee member showing the measures introduced and referred to the committee and the status of such measures; nominations referred to the committee and their status; and such other matters as the committee determines shall be included. The calendar shall be revised from time to time to show pertinent changes. A copy of each such revision shall be furnished to each member of the committee.

RULE 13. COMMITTEE TRAVEL

13.1 No member of the committee or committee staff shall travel abroad on committee business unless specifically authorized by the chairman and vice chairman. Requests for authorization of such travel shall state the purpose and extent of the trip. A full report shall be filed with the committee when travel is completed.

13.2 When the chairman and the vice chairman approve the foreign travel of a

member of the Committee staff not accompanying a member of the committee, all members of the committee are to be advised, prior to the commencement of such travel, of its extent, nature and purpose. The report referred to in rule 13.1 shall be furnished to all members of the committee and shall not be otherwise disseminated without the express authorization of the committee pursuant to the rules of the committee.

13.3 No member of the committee staff shall travel within this country on committee business unless specifically authorized by the staff director as directed by the committee.

RULE 14. CHANGES IN RULES

These rules may be modified, amended, or repealed by the committee, provided that a notice in writing of the proposed change has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken.●

RULES OF THE JOINT COMMITTEE ON PRINTING

● Mr. MATHIAS. Mr. President, pursuant to paragraph 2 of rule XXVI of the Standing Rules of the Senate, I submit the Joint Committee on Printing's Rules of Procedure, as unanimously adopted by the Joint Committee on February 25, 1981, to be printed in the RECORD:

The rules follow:

INDEX OF RULES

Rule 1. Committee rules.
Rule 2. Regular committee meetings.
Rule 3. Quorum.
Rule 4. Proxies.
Rule 5. Open and closed meetings.
Rule 6. Alternating chairmanship and vice chairmanship by Congresses.
Rule 7. Parliamentary questions.
Rule 8. Hearings: Public announcements and witnesses.
Rule 9. Official hearing record.
Rule 10. Witnesses for committee hearings.
Rule 11. Confidential information furnished to the committee.
Rule 12. Broadcasting committee hearings.
Rule 13. Committee reports.
Rule 14. Confidentiality of committee reports.
Rule 15. Committee staff.
Rule 16. Committee chairman.

RULE 1. COMMITTEE RULES

(a) The rules of the Senate and House insofar as they are applicable, shall govern the committee.

(b) The committee's rules shall be published in the Congressional Record not later than March 1st after the Congress convenes in each odd-numbered year.

(c) Where these rules require a vote of the members of the committee polling of members either in writing or by telephone shall not be permitted to substitute for a vote taken at a committee meeting, unless the ranking minority member assents to waiver of this requirement.

(d) Proposals for amending committee rules shall be sent to all members at least one week before final action is taken thereon, unless the amendment is made by unanimous consent.

RULE 2. REGULAR COMMITTEE MEETINGS

(a) The regular meeting date of the committee shall be the second Wednesday of every month when the House and Senate are in session. A regularly scheduled meeting need not be held if there is no business to be considered and after appropriate notification is made to the ranking minority member. Additional meetings may be called by the chairman as he may deem necessary or at the request of the majority of the members of the committee.

(b) If the chairman of the committee is not present at any meeting of the committee, the vice-chairman or ranking member of the majority party on the committee who is present shall preside at the meeting.

RULE 3. QUORUM

(a) Five members of the committee shall constitute a quorum which is required for the purpose of closing meetings, promulgating committee orders, or changing the rules of the committee.

(b) For purposes of taking testimony and receiving evidence, three members shall constitute a quorum.

RULE 4. PROXIES

(a) Written or telegraphic proxies of committee members will be received and recorded on any vote taken by the committee, except at the organization meeting at the beginning of each Congress or for the purpose of creating a quorum.

(b) Proxies will be allowed on any such votes for the purpose of recording a member's position on a question only when the absentee committee member has been informed of the question and has affirmatively requested that he be recorded.

RULE 5. OPEN AND CLOSED MEETINGS

(a) Each meeting for the transaction of business of the committee shall be open to the public except when the committee, in open session and with a quorum present determines by roll call vote that all or part of the remainder of the meeting on that day shall be closed to the public.

(b) No person other than members of the committee, and such congressional staff and other representatives as they may authorize shall be present in any business session which has been closed to the public. This provision does not apply to any meeting that relates solely to internal budget or personnel matters.

RULE 6. ALTERNATING CHAIRMANSHIP AND VICE CHAIRMANSHIP BY CONGRESSES

(a) The chairmanship and vice chairmanship of the committee shall alternate between the House and the Senate by Congresses. The senior member of the minority party in the House of Congress opposite to that of the chairman shall be the ranking minority member of the committee.

(b) In the event the House and Senate are under different party control, the chairman and vice-chairman shall represent the majority party in their respective Houses. When the chairman and vice-chairman represent different parties, the vice-chairman shall also fulfill the responsibilities of the ranking minority member as prescribed by these rules.

RULE 7. PARLIAMENTARY QUESTIONS

Question as to the order of business and the procedures of the committee shall in the first instance be decided by the chairman, subject always to an appeal to the committee.

RULE 8. HEARINGS: PUBLIC ANNOUNCEMENTS AND WITNESSES

(a) The chairman, in the case of hearings to be conducted by the committee, shall make public announcement of the date, place, subject matter of any hearing to be conducted on any measure or matter at least one week before the commencement of that hearing unless the committee determines that there is good cause to begin such hearing at an earlier date. In the latter event the chairman shall make such public announcement at the earliest possible date. The staff director of the committee shall promptly notify the Daily Digest of the *Congressional Record* as soon as possible after such public announcement is made.

(b) So far as practicable all witnesses appearing before the committee shall file advance written statements of their proposed testimony at least 48 hours in advance of their appearance and their oral testimony shall be limited to brief summaries. Limited insertions of additional germane material will be received for the record, subject to the approval of the chairman.

RULE 9. OFFICIAL HEARING RECORD

(a) An accurate stenographic record shall be kept of all committee proceedings and actions. Brief supplemental materials when required to clarify the transcript may be inserted in the record subject to the approval of the chairman.

(b) Each member of the committee shall be provided with a copy of the hearings transcript for the purpose of correcting errors of transcription and grammar, and clarifying questions or remarks. If any other person is authorized by a committee member to make his corrections the staff director shall be so notified.

(c) Members who have received unanimous consent to submit written questions to witnesses shall be allowed two days within which to submit these to the staff director for transmission to the witnesses. The record may be held open for a period not to exceed two weeks awaiting the responses by witnesses.

(d) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee. Testimony received in closed hearings shall not be released or included in any report without the approval of the committee.

RULE 10. WITNESSES FOR COMMITTEE HEARINGS

(a) Selection of witnesses for committee hearings shall be made by the committee staff under the direction of the chairman. A list of proposed witnesses shall be submitted to the members of the committee for review sufficiently in advance of the hearings to permit suggestions by the committee members to receive appropriate consideration.

(b) The chairman shall provide adequate time for questioning of witnesses by all members, including minority members, and the rule of germaneness shall be enforced in all hearings.

(c) Whenever a hearing is conducted by the committee upon any measure or matter, the minority on the committee shall be entitled, upon unanimous request to the Chairman before the completion of such hearings, to call witnesses selected by the minority to testify with respect to the measure or matter during at least one day of hearing thereon.

RULE 11. CONFIDENTIAL INFORMATION FURNISHED TO THE COMMITTEE

The information contained in any books, papers, or documents furnished to the committee by any individual, partnership, corporation, or other legal entity shall, upon the request of the individual, partnership, corporation, or entity furnishing the same, be maintained in strict confidence by the members and staff of the committee, except that any such information may be released outside of executive session of the committee if the release thereof is effected in a manner which will not reveal the identity of such individual, partnership, corporation, or entity in connection with any pending hearing or as a part of a duly authorized report of the committee if such release is deemed essential to the performace of the functions of the committee and is in the public interest.

RULE 12. BROADCASTING OF COMMITTEE HEARINGS

The rule for the broadcasting of committee hearings shall be the same as Rule XI, clause 3 of the Rules of the House of Representatives.

RULE 13. COMMITTEE REPORTS

(a) No committee report shall be made public or transmitted to the Congress without the approval of a majority of the committee except when Congress has adjourned;

Provided, that any member of the committee may make a report supplementary to or dissenting from the majority report. Such supplementary or dissenting report should be as brief as possible.

(b) Factual reports by the committee staff may be printed for distribution to committee members and the public only upon authorization of the chairman either with the approval of a majority of the committee or with the consent of the ranking minority member.

RULE 14. CONFIDENTIALITY OF COMMITTEE REPORTS

No summary of a committee report, prediction of the contents of a report, or statement of conclusions concerning any investigation shall be made by a member of the committee or by any staff member of the committee prior to the issuance of a report of the committee.

RULE 15. COMMITTEE STAFF

(a) The committee shall have a professional and clerical staff under the supervision of a staff director. Staff operating procedures shall be determined by the staff director, with the approval of the chairman of the committee, and after the notification to the ranking minority member with respect to basic revisions of existing procedures. The staff director under the general supervision of the chairman, is authorized to deal directly with agencies of the Government and with non-Government groups and individuals on behalf of the committee.

(b) The chairman, on behalf of his party's members, shall be entitled to designate not more than three, and the ranking minority member, on behalf of his party's members, shall be entitled to designate not more than two of the following senior staff members: Staff Director, General Counsel, Deputy Staff Director, Assistant Staff Director or Associate General Counsel, and Special Assistant.

(c) All other staff members shall be selected on the basis of their training, experience, and attainments, without regard to political affiliations, and shall serve all members of the committee in an objective, non-partisan manner.

RULE 16. COMMITTEE CHAIRMAN

The chairman of the committee may establish such other procedures and take such actions as may be necessary to carry out the foregoing rules or to facilitate the effective operation of the committee. Specifically, the chairman is authorized, during the interim periods between meetings of the committee, to act on all requests submitted by any executive department, independent agency, temporary or permanent commissions and committees of the Federal Government, the Government Printing Office, and any other Federal entity, pursuant to the requirements of applicable Federal law and regulations.●

RULES OF THE SPECIAL COMMITTEE ON AGING

● Mr. HEINZ. Mr. President, I am pleased to report that the Special Committee on Aging of the Senate met in executive session on February 26, 1981, and approved the revised committee rules for 1981.

These rules have been completely revised and expanded with the advice of the Office of Legal Counsel.

Pursuant to Senate Standing Rule 26, I ask that the rules of the Special Committee on Aging be published in full in the RECORD.

The rules follow:

RULES OF THE SPECIAL COMMITTEE ON AGING OF THE UNITED STATES SENATE

RULE 1. CONVENING OF MEETINGS AND HEARINGS

1.1 Meetings. The Committee shall meet to conduct Committee business at the call of the Chairman, to the extent practicable, at least four times a year.

1.2 Special meetings. The members of the Committee may call additional meetings as provided in Senate Rule XXVI(3).

1.3 Notice and agenda.

(a) Hearings. The Committee shall make public announcement of the date, place, and subject matter of any hearing at least one week before its commencement.

(b) Meetings. The chairman shall give the members written notice of any Committee meeting, accompanied by an agenda enumerating the items of business to be considered, at least 5 days in advance of such meeting.

(c) Shortened notice. A hearing or meeting may be called on not less than 24 hours notice if the chairman, with the concurrence of the ranking minority member, determines that there is good cause to begin the hearing or meeting on shortened notice. An agenda will be furnished prior to such a meeting.

1.4 Presiding officer. The chairman shall preside when present. If the chairman is not present at any meeting or hearing, the ranking majority member present shall preside. Any member of the Committee may preside over the conduct of a hearing.

RULE 2. CLOSED SESSIONS AND CONFIDENTIAL MATERIALS

2.1 Procedure. All meetings and hearings shall be open to the public unless closed. To close a meeting or hearing or portion thereof, a motion shall be made and seconded to go into closed discussion of whether the meeting or hearing will concern the matters enumerated in Rule 2.3. Immediately after such discussion, the meeting or hearing may be closed by a record vote in open session of a majority of the members of the committee present.

2.2 Witness request. Any witness called for a hearing may submit a written request to the chairman no later than twenty-four hours in advance for his examination to be in closed or open session. The chairman shall inform the Committee of any such request.

2.3 Closed session subjects. A meeting or hearing or portion thereof may be closed if the matters to be discussed concern: (1) national security; (2) committee staff personnel or internal staff management or procedure; (3) matters tending to reflect adversely on the character or reputation or to invade the privacy of any individuals; (4) other matters enumerated in Senate Rule XXVI(5)(b).

2.4 Confidential matter. No record made of a closed session, or material declared confidential by a majority of the committee, or report of the proceedings of a closed session, shall be made public, in whole or in part or by way of summary, unless specifically authorized by the chairman and ranking minority member or by a majority vote of the Committee.

2.5 Broadcasting.

(a) Control. Any meeting or hearing open to the public may be covered by television, radio, or still photography. Such coverage must be conducted in an orderly and unobtrusive manner, and the chairman may for good cause terminate such coverage in whole or in part, or take such other action to control it as the circumstances may warrant.

(b) Request. A witness may request of the chairman, on grounds of distraction, harassment, personal safety, or physical discomfort, that during his testimony cameras, media microphones, and lights shall not be directed at him.

RULE 3. QUORUMS AND VOTING

3.1 Reporting. A majority shall constitute a quorum for reporting a resolution, recommendation or report to the Senate.

3.2 Committee business. A third shall constitute a quorum for the conduct of committee business, other than a final vote on reporting, providing a minority member is present. One member shall constitute a quorum for the receipt of evidence, the swearing of witnesses, and the taking of testimony at hearings.

3.3 Polling.

(a) Subjects. The committee may poll only (1) internal committee matters including the committee's staff, records, and budget; (2) steps in an investigation, including issuance of subpoenas, applications for immunity orders, and requests for documents from agencies, once the committee has approved the investigation at a meeting; (3) other committee business which has been designated for polling at a meeting.

(b) Procedure. The chairman shall circulate polling sheets to each member specifying the matter being polled and the time limit for completion of the poll. If any member so requests in advance of the meeting, the matter shall be held for meeting rather than being polled. The clerk shall keep a record of polls; if the chairman, with the approval of a majority of the members, determines that the polled matter is in one of the areas enumerated in Rule 2.3, the record of the poll shall be confidential. Any member may move at the committee meeting following a poll for a vote on the polled decision.

RULE 4. SUBPOENAS

4.1 Authorization. Any major investigation, including any investigation in which subpoenas are issued, must be authorized by vote of the committee. Once a major investigation is authorized, the chairman has authority to subpoena the attendance of witnesses or the production of memoranda, documents, records, or any other materials. When the committee or the chairman authorizes subpoenas, subpoenas may be issued upon the signature of the chairman or any other member designated by the committee.

4.2 Return. A subpoena duces tecum or a request to an agency for documents may be issued whose return shall occur at a time and place other than that of a scheduled hearing. A return on such a subpoena or request which is incomplete or accompanied by an objection constitutes good cause for a hearing on shortened notice. Upon such a return, any member may convene a hearing by giving two hours' telephonic notice to all other members. One member shall constitute a quorum at such a hearing. The sole purpose of such a hearing shall be to elucidate further information about the return of and to rule on the objection.

RULE 5. HEARINGS

5.1 Notice. Witnesses called before the committee shall be given, absent extraordinary circumstances, at least forty-eight hours' notice, and all witnesses called shall be furnished with a copy of these rules upon request.

5.2 Oath. All witnesses who testify to matters of fact shall be sworn unless the committee waives the oath. The chairman, or any member, may request and administer the oath.

5.3 Statement. Any witness desiring to make an introductory statement shall file 50 copies of such statement with the chairman or clerk of the committee 24 hours in advance of his appearance, unless the chairman and ranking minority member determine that there is good cause for a witness's failure to do so. A witness shall be allowed no more than ten minutes to orally summarize his prepared statement.

5.4 Counsel.

(a) A witness's counsel shall be permitted to be present during his testimony at any public or closed hearing or deposition or staff interview to advise such witness of his rights, provided, however, that in the case of any witness who is an officer or employee of the government, or of a corporation or association, the chairman may rule that representa-

tion by counsel from the government, corporation, or association creates a conflict of interest, and that the witness shall represented by personal counsel not from the government, corporation or association.

(b) A witness who is unable for economic reasons to obtain counsel may inform the committee at least 48 hours prior to the witness's appearance, and it will endeavor to obtain volunteer counsel for the witness. Such counsel shall be subject solely to the control of the witness and not the committee. Failure to obtain counsel will not excuse the witness from appearing and testifying.

5.5 Transcript. An accurate electronic or stenographic record shall be kept of the testimony of all witnesses in executive and public hearings. Any witness shall be afforded, upon request, the right to review that portion of such record, and upon his request and at his expense, a copy of a witness's testimony in public or closed session shall be provided to the witness. Upon inspecting his transcript, within a time limit set by the committee clerk a witness may request changes in testimony to correct errors of transcription, grammatical errors, and obvious errors of fact; the chairman or a staff officer designated by him shall rule on such requests.

5.6 Impugned persons. Any person who believes that evidence presented, or comment made by a member or staff, at a public hearing or at a closed hearing concerning which there have been public reports, tends to impugn his character or adversely affect his reputation may;

(a) file a sworn statement of facts relevant to the evidence or comment, which shall be placed in the hearing record;

(b) request the opportunity to appear personally before the committee to testify in his own behalf; and

(c) submit questions in writing which he requests be used for the cross-examination of other witnesses called by the committee. The chairman shall inform the committee of such requests for appearance or cross-examination. If the committee so decides, the requested questions, or paraphrased versions or portions of them, shall be put to the other witnesses by a member or by staff.

5.7 Minority witnesses. Whenever any hearing is conducted by the committee, the minority on the committee shall be entitled, upon request made by a majority of the minority members to the chairman, to call witnesses selected by the minority to testify or produce documents with respect to the measure or matter under consideration during at least one day of hearing. Such request must be made before the completion of the hearing or, if subpoenas are required to call the minority witnesses, no later than three days before the completion of the hearing.

RULE 6. DEPOSITIONS AND COMMISSIONS

6.1 Notice. Notices for the taking of depositions in an investigation authorized by the committee shall be authorized and issued by the chairman or by a staff officer designated by him. Such notices shall specify a time and place for examination, and the name of the staff officer or officers who will take the deposition. Unless otherwise specified, the deposition shall be in private. The committee shall not initiate procedures leading to criminal or civil enforcement proceedings for a witness's failure to appear unless the deposition notice was accompanied by a committee subpoena.

6.2 Counsel. Witnesses may be accompanied at a deposition by counsel to advise them of their rights, subject to the provisions of Rule 5.4.

6.3 Procedure. Witnesses shall be examined upon oath administered by an individual authorized by local law to administer oaths. Questions shall be propounded orally by committee staff. Objections by the witness as to the form of questions shall be noted for the record. If a witness objects to a question and refuses to testify on the basis of relevance or privilege, the committee staff may proceed with the deposition, or may, at that time or at a subsequent time, seek a ruling by telephone or otherwise on the objection from a member of the committee. If the member overrules the objection, he may refer the matter to the committee or he may order and direct the witness to answer the question, but the committee shall not initiate procedures leading to civil or criminal enforcement unless the witness refuses to testify after he has been ordered and directed to answer by a member of the committee.

6.4 Filing. The committee staff shall see that the testimony is transcribed or electronically recorded. If it is transcribed, the witness shall be furnished with a copy for review. No later than five days thereafter, the witness shall return a signed copy, and the staff shall enter the changes. If any, requested by the witness in accordance with Rule 5.6. If the witness fails to return a signed copy the staff shall note on the transcript the date a copy was provided and the failure to return it. The individual administering the oath shall certify on the transcript that the witness was duly sworn in his presence, the transcriber shall certify that the transcript is a true record of the testimony, and the transcript shall then be filed with the committee clerk. Committee staff may stipulate with the witness to changes in this procedure; deviations from this procedure which do not substantially impair the reliability of the record shall not relieve the witness from his obligation to testify truthfully.

6.5 Commissions. The committee may authorize the staff, by issuance of commissions, to fill in prepared subpoenas, conduct field hearings, inspect locations, facilities, or systems of records, or otherwise act on behalf of the committee. Commissions shall be accompanied by instructions from the committee regulating their use.

RULE 7. SUBCOMMITTEES

7.1 Establishment. The Committee will operate as a Committee of the Whole, reserving to itself the right to establish temporary subcommittees at any time by majority vote. The Chairman of the full Committee and the Ranking minority member shall be ex officio members of all subcommittees.

7.2 Jurisdiction. Within its jurisdiction, as described in the committee legislative calendar, each subcommittee is authorized to conduct investigations, including use of subpoenas, depositions, and commissions.

7.3 Rules. A subcommittee shall be governed by the committee rules, except that its quorum for all business shall be one third of the subcommittee membership, and for hearings shall be one member.

RULE 8. REPORTS

Committee reports incorporating Committee findings and recommendations shall be printed only with the prior approval of the Committee. The printing, as Committee documents, of materials prepared by staff for informational purposes or the printing of materials not originating with the Committee or staff shall require prior consultation with the minority staff; these publications shall have the following language printed on the cover of the document: "Note: This document has been printed for informational purposes. It does not represent either findings or recommendations formally adopted by this Committee."

RULE 9. AMENDMENT OF RULES

The rules of the Committee may be amended or revised at any time, provided that not less than a majority of the Committee so determine at a Committee meeting preceded by at least 3 days notice of the amendments or revisions proposed.

APPENDIX

Guidelines for investigative procedure

1. Preliminary inquiries and requests for information may be initiated by the Committee staff. The Chairman and the ranking minority member may authorize any preliminary investigation by approving a written investigative plan detailing the general purpose and scope of the investigation. Full scale investigations shall be first authorized by the full Committee, as provided for in the Committee Rules.

2. All investigations shall be conducted on a bipartisan basis by Committee staff as appointed by the Chairman and ranking member. Staff shall keep the Committee informed of the progress and proposed changes in continuing investigations.

3. All individuals whose names will be mentioned adversely in public hearings shall be given no less than one week's notice of such hearings and afforded the opportunity to (a) appear before the Committee, (b) send a representative to observe the hearing, or (c) file a written statement for inclusion in the record. In any case, those parties whose names are mentioned adversely shall be sent a copy of the relevant portion of the official transcript and afforded an opportunity to comment. Any member of the Committee may request that any statements filed with the Committee be notarized.

4. All witnesses at public hearings or executive meetings on investigative matters shall be sworn.

5. An investigative summary and witness list shall be distributed to Committee members not less than five days prior to any investigative hearing.

6. Interrogation of witnesses at Committee hearings shall be conducted by members of the Committee and authorized Committee personnel only.

7. Any person who is the subject of an investigation in public hearings may submit to the Chairman questions in writing to be asked of other witnesses called by the Committee. With the consent of a majority of the members present, these questions shall be put to the witness by the Chairman or his designee.

8. All reports and recommendations stemming from Committee investigations shall be printed only with the pior approval of a majority of the members of the Committee, after an adequate period for review and comment.●

RULES OF THE COMMITTEE ON ARMED SERVICES

● Mr. TOWER. Mr. President, I submit the Armed Services Committee Rules of Procedure and ask that they be inserted in the RECORD in accordance with the requirements of rule XXVI of the Standing Rules of the Senate. I also want to mention that the Committee on Armed Services will be considering some minor amendments to its rules within the next several weeks and I will, of course, insure that such amendments—if adopted—will be reflected in the RECORD within the prescribed 30 days.

The rules follow:

ARMED SERVICES COMMITTEE RULES OF PROCEDURE

(Adopted January 31, 1972)

1. *Regular Meeting Day and Time.* The regular meeting day of the committee shall be each Thursday at 10:00 a.m., unless the committee or the chairman directs otherwise.

2. *Additional Meetings.* The chairman may call such additional meetings as he deems necessary.

3. *Special Meetings.* Special meetings of the committee may be called by a majority of the members of the committee in accordance with section 133(a) of the Legislative Reorganization Act of 1946, as amended by section 102(a) of the Legislative Reorganization Act of 1970.

4. *Open Meetings.* All meetings of the committee shall be open to the public except executive sessions for marking up bills or for voting or unless the committee by majority vote provides otherwise.

5. *Presiding Officer.* The chairman shall preside at all meetings and hearings of the committee except that in his absence the ranking majority member present at the meeting or hearing shall preside unless by majority vote the committee provides otherwise.

6. *Quorum.* (a) A majority of the members of the committee are required to be actually present to report a matter or measure from the committee.

(b) Except as provided in subsections (a) and (c), and other than for the conduct of hearings, six members of the committee shall constitute a quorum for the transaction of such business as may be considered by the committee.

(c) Three members of the committee, one of whom shall be a member of the minority party, shall constitute a quorum for the purpose of taking sworn testimony, unless otherwise ordered by a majority of the full committee.

(d) Proxy votes may not be considered for the purpose of establishing a quorum.

7. *Proxy voting.* Proxy voting shall be allowed on all measures and matters before the committee. The vote by proxy of any member of the committee may be counted for the purpose of reporting any measure or matter to the Senate if the absent member casting such vote has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded.

8. *Announcement of votes.* The results of all rollcall votes taken in any meeting of the committee on any measure, or amendment thereto, shall be announced in the committee report, unless previously announced by the committee. The announcement shall include a tabulation of the votes cast in favor and votes cast in opposition to each such measure and amendment by each member of the committee who was present at such meeting.

9. *Hearings.* (a) Public notice shall be given of the date, place, and subject matter of any hearing to be held by the committee, or any subcommittee thereof, at least 1 week in advance of such hearing, unless the committee or subcommittee determines that good cause exists for beginning such hearing at an earlier time.

(b) Hearings may be initiated only by the specific authorization of the committee or subcommittee.

(c) Hearings shall be held only in the District of Columbia unless specifically authorized to be held elsewhere by a majority vote of the committee or subcommittee conducting such hearings.

(d) Each hearing held by the committee shall be open to the public except when the committee determines that the testimony to be taken at such hearing may relate to a matter of national security, may tend to reflect adversely on the character or reputation of the witness or any other individual, or may divulge matters deemed confidential under other provisions of law or regulations.

(e) Witnesses appearing before the committee shall file with the clerk of the committee a written statement of his proposed testimony at least one day prior to a hearing at which he is to appear unless the chairman and the ranking minority member determines that there is good cause for the failure of the witness to file such a statement.

(f) Confidential testimony taken or confidential material presented in a closed hearing of the committee or subcommittee or any report of the proceedings of such hearing shall not be made public in whole or in part or by way of summary unless authorized by a majority vote of the committee or subcommittee.

(g) Any witness summoned to give testimony or evidence at a public or closed hearing of the committee or subcommittee may be accompanied by counsel of his own choosing who shall be permitted at all times during such hearing to advise such witness of his legal rights.

(h) Each subcommittee of the committee shall (1) fix the number of members that shall constitute a quorum of such subcommittee for the purpose of taking sworn testimony, (2) determine the circumstances under which subpoenas may be issued, and (3) the member or members over whose signature subpoenas may be issued.

10. *Nominations.* Unless otherwise ordered by the committee, nominations referred to the committee shall be held for at least 7 days before being voted on by the committee. Each member of the committee shall be furnished a copy of all nominations referred to the committee.

11. *Real Property Transactions.* Each member of the committee shall be furnished with a copy of the proposals of the Secretaries of the Army, Navy, and Air Force, submitted pursuant to section 2662 of title 10, United States Code, and with a copy of the proposals of the Director of the Office of Emergency Preparedness, submitted pursuant to section 43 of the act of August 10, 1956 (50 U.S.C. app. 2285), regarding the proposed acquisition or disposition of property of an estimated price or rental of more than $50,000. Any member of the committee objecting to or requesting information on a proposed acquisition or disposal shall communicate his objection or request to the chairman of the committee within 30 days from the date of submission.

12. *Legislative Calendar.* (a) The clerk of the committee shall keep a printed calendar for the information of each committee member showing the bills introduced and referred to the committee and the status of such bills. Such calendar shall be revised from time to time to show pertinent changes in such bills, the current status thereof, and new bills introduced and referred to the committee. A copy of each such revision shall be furnished to each member of the committee.

(b) Unless otherwise ordered, measures referred to the committee shall be referred by the clerk of the committee to the appropriate department or agency of the Government for reports thereon.●

TOWARD DEMOCRACY IN URUGUAY

● Mr. KENNEDY. Mr. President, at a time when military dictatorships throughout the southern cone of South America are seeking to consolidate their power, the people of Uruguay voted overwhelmingly last November against a proposed constitution intended to enshrine military rule in that country. In the capital itself, Montevideo, where nearly half of Uruguay's population resides, the vote was almost 2 to 1 to reject the military proposal. Uruguay's military rulers were stunned by this major setback to their massive campaign to suppress opposing opinions and establish their own legitimacy.

After 8 years of harsh military rule, the armed forces in Uruguay are now conspicuously quiet about their next move. Whatever they decide, the voice of the people has been heard—and can not be ignored. As Cynthia Gorney recently reported in the Washington Post, the junta has "much to decide now—whether to appoint a new president this fall, whether to reopen dialog with the political parties they prohibited from activity 8 years ago, whether to respond in any way to the quietly growing call for a constitutional assembly."

Mr. President, the will of the people was made clear in Uruguay last November. And today, as Ms. Gorney and others report, there are voices being raised in and out of the junta for a constitutional assembly to be convened. We in the United States should welcome this long-awaited breech in the wall of repression in Uruguay. We should encourage Uruguay's leaders to heed the popular mandate for democratization—for a return after 8 years of military dictatorship to a popularly elected, civilian government. I ask that Cynthia Gorney's informative article, "In Uruguay, the Junta is Puzzled and Its Opponents Are Pleased," be printed in the RECORD.

The article follows:

[From the Washington Post, Feb. 9, 1981]

IN URUGUAY, THE JUNTA IS PUZZLED AND ITS OPPONENTS ARE PLEASED

(By Cynthia Gorney)

MONTEVIDEO, URUGUAY.—The stunned silence that followed this country's rejection last November of a new constitution drawn up by its military rulers still fills the marble hallways of Uruguayan officialdom.

The president declines an interview, explaining through an intermediary that the government is "looking for a solution," but that he has nothing to say. The Navy commander finds it unconvenient to be interviewed at this time. The Army commander, a black-haired man who smokes cigarettes and smiles as he talks, explains that "work is being done to give continuity to the development process."

There have been no public meetings, no approaches to the political parties, no official pronouncements as to what the government will do now that its proposed constitution—an effusively advertised document that would have guaranteed the military a permanent and powerful role in Uruguayan politics—has been soundly defeated.

"The results of the plebiscite really threw them for a loop," said one diplomatic observer. "It's obviously inconceivable that that kind of military mind would go into battle without any battle plan for defeat, but this appears to be really what happened."

This month, the height of the Uruguayan summer, the most elated voices in Uruguay are those the law has prohibited from speaking out. In the clandestine meeting places of Uruguayan political parties—cafes, country bars and shaded apartments of men who used to be senators—their faces still fill with pleasure as they tell again the story of the political network that survived. Eight years of hiding to gear up, fan out, and pass the word: "No."

"It was a good training," said a former legislator who is prohibited, under a five-year-old Uruguayan law, from working in or talking about politics. "A very good training indeed. In one month we realized we were fit."

Junta and government officials have much to decide now—whether to appoint a new president this fall, whether to reopen dialogue with the political parties they prohibited from activity eight years ago, whether to respond in any way to the quietly growing call for a constitutional assembly. The military itself is split, according to observers,

between commanders who wish to try again for some electoral plan and commanders who take the election as a sign that they must simply tighten their grip on Uruguay.

There are those within the military, including the Army commander and junta leader, Lt. Gen. Luis B. Queirolo, who have taken to explaining the plebiscite vote this way: If you discount all the secret leftist sympathizers, who are suspect by definition, and if you include all the people who voted no because they liked things just the way they were and had no use for a new constitution, the military was really not rejected by a Uruguayan majority at all.

"If we had been rejected, I wouldn't be here," Quierolo said. "I'd be enjoying myself in my house."

The constitution was presented to Uruguay last year with an advertising campaign worthy of a new low-tar cigarette. Long before the document itself had been publicly released, the radio and television spots had begun. There was singing, to a bright, martial beat:

"Yes! For the nation! Yes! For grandness! Yes! For my Uruguay!"

There were shots of careening gulls, of dams, of schoolchildren. A warm, deep voice would speak: "What is a nation? A nation is much more than a map, and it does not measure itself in kilometers. It is measured in the work of its people. A nation is a way to carry goods, to communicate, to grow closer to one another . . . Vote yes the 30th of November. Say yes to progress, and to peace."

"It got to the point where you were thinking, 'Yes! For the coffee! Yes! For the water!'" one Uruguayan said contemptuously. "They thought they were selling Coca-Cola. They were at that level."

It seemed, in general, an auspicious time to present the trappings of legitimacy in the military governments of the southern part of South America. With much publicity about his "moderate" views and his willingness to begin talking to political factions, President Augusto Pinochet of Chile had just won a plebiscite extending his presidency to the year 1988, with a reappointment option that could conceivably keep him in power almost to the end of the century.

At the beginning of November, the Uruguayan document was finally released to the newspapers. "An answer to the crisis," read the boldfaced type across the center pages.

In its 239 articles and special "transitional" additions, the constitution called for a presidential election—a one-candidate election, because "for this president to act efficiently, he must have the greatest popular respect possible."

It would have given the armed forces the right of approval for the presidential candidate and established a National Security Council, with permanent seats for the armed forces to share power with—not advise—the elected president.

"And 'national security' means everything," said Enrique Tarigo, editor of the newspaper Opinar, which was born out of oppostion to the constitution.

In the flowery Spanish of the constitution, he defined it: "The state by which the national heritage in all its forms and the processes of development toward national objectives shall be sheltered from internal or external interference or aggression."

Tarigo shrugged, palms up. "With this idea they had assured their future in the national government. Asking us to go and vote for the military government to become the legitimate government was a little absurd, no?"

The national tally was 57.2 percent against the constitution, 42.8 percent in favor out of 1.6 million Uruguayans who went to the polls. In Montevideo, the vote was 2-to-1 against the constitution and opposition leaders believe from voting records that young people voting for the first time rejected the constitution by a margin of 4 to 1.

The results were particularly surprising because ever since the closure of Congress in 1973, when then-President Juan Maria Bordaberry allowed the military to close Congress and stop the kidnapings and political murders by urban guerrillas called Tupamaros, Uruguay had been governed by a military junta in conjunction with a figurehead civilian president.

Parties had not been allowed to meet. The press had been rigidly controlled. Former politicians, party leaders and presidential candidates had been prohibited from working in politics. Uruguay was a nation, according to official doctrine, where "social tranquility" had replaced the chaos brought on by open political activity.

But Uruguay—a tiny country with fewer than 3 million people, half of them in Montevideo—has a 100-year-old tradition of electoral politics. Uruguayans still cherish their boast that a Montevideo cafe waiter knows more about history and politics than other countries' government ministers do.

By the mid-1970s, the government had been internationally condemned for its use of tortures—some reportedly refined with the help of North American advisers—that ranged from carefully placed electric shock to the "parrot's perch," a pole on which the subject was hung by the wrists and ankles.

Uruguayan officials have repeatedly denied reports that in the last few months, several of the 1,197 political prisoners still at Uruguay's La Libertad prison have been tortured to death. Since last November, when prison officials declared just before the plebiscite that they had discovered an escape plot at La Libertad, four prisoners are believed to have died there of what were officially listed as natural causes.

One of the dead, a former champion swimmer, is supposed to have suffered a seizure and died while playing soccer in the prison exercise yard.

A recently released La Libertad prisoner, speaking three weeks ago at a press conference in Rio de Janeiro, said a former cellmate of his had been tortured before dying in what jail authorities said was a suicide. Guillermo Fernandez, 32, who completed an eight-year sentence last July and spoke to reporters before flying to Europe, also accused prison authorities of drawing up an "extermination list" of 64 prisoners who Fernandez said had been taped complaining about prison conditions to a visiting International Red Cross commission.

Opposition leaders are unwilling to talk about the torture rumors, although they have heard them as well. North American diplomats—who say that during the Carter administration they received what one diplomat called "a steady stream of family members" reporting torture or disappearances in Uruguay—say that in recent months no one has brought such reports to them or to human rights officers at other embassies.

The Uruguayan military has never acknowledged, even under the intense international criticisms it received the mid-1970s, that it made a practice of torturing prisoners.

But despite the ban on public politics and the fear generated by these reports of torture, a sort of political life went on. By last November there were still caudillitos, little leaders: the doctor or the assembly worker who carried the parties' messages into factories and private homes. Within a day or two of the constitution's release, proscribed leaders of the Colorados and the Blancos, the nation's two major political parties, had sent the caudillitos their veto message and were waiting for the word to spread.

Hand-to-hand, Uruguayans passed around cassette tapes bearing the recorded voices of Jorge Batlle, the proscribed Colorado ex-presidential candidate, and Wilson Ferreira Aldunate, the Blanco ex-presidential candidate who left the country out of fear for his life.

There was a story of one taxi driver, who carried the Batlle cassette in his cab and when he sensed from conversation that he was carrying a "no" passenger, he would turn on his cassette player and let the speech begin.

The government, in a decision that many Uruguayans later could only attribute to galloping overconfidence, was clearly prepared to allow Uruguayans at least some argument. Two nationally televised plebiscite debates were approved, and a group of Colorado youths received permission for a public "no" rally in a Montevideo movie threater.

Many weeks later, one gray-haired Uruguyan played his cassette tape of the opening speech at that first rally, his small smile widening as he listened again to the young recorded voice growing surer and fuller with each round of cheers.

"This is the first time anyone had spoken out in eight years," the Uruguayan said.

The city was rife with plebiscite stories. There were rumors that the elderly would lose their pensions if the constitution failed, that the voters would be spied on, that the envelopes were transparent and the voting tables were equipped with electric eyes.

There was bitter complaining about the new government's economy, about workers' inability to keep pace with an inflation rate that had run 63 percent in 1979. At the last of the three "no" rallies, the day before the plebiscite, one Uruguayan saw something that would have seemed to him unthinkable three weeks earlier: a middle-aged woman, on hearing one speaker mention President Aparicio Mendes, cried out fiercely, to loud applause, "That old man with no shame."

On Nov. 30, Uruguayans voted and it is the sudden quiet that people now remember most.

"Without saying a word, they stood there for hours and hours," said a proscribed Colorado. "Without speaking to each other, without telling anybody in the line what they were going to vote for. And they voted no. And after that, they went to their houses, not doing anything to provoke a reaction of the government. And the day after the vote, when you went to your work or you went to the streets, everybody just smiled."

A week after it was over, the only visible change in Uruguay was the weekly Opinar, which fills its columns with economic criticism, international news, and talk of the plebiscite. The other newspapers are still hushed. The politicians are still proscribed.

Quierolo still declares that the nation will be ready for elections only "when the conditions are created," that it will be up to the government to determine when that time has come, and that the military intends to remain a permanent part of Uruguay's government "because we had very difficult years here, and we don't want to repeat them."

"The repression is exactly the same," said a proscribed Blanco. "It was not a triumph. It was a protest. We didn't choose between two constitutions. It was just getting out the hatred—no, no, no." ●

PRESCRIPTION FOR AUTO AILMENTS

● Mr. DANFORTH. Mr. President, early last month Senator BENTSEN and I, along with six of our colleagues, introduced S. 396, which would temporarily limit the import of Japanese cars. U.S. manufacturers' auto sales are down for the early part of this year. Ford and Chrysler have confirmed their record losses for 1980. S. 396 was introduced reluctantly by individuals who believe in free trade, but the circumstances that forced us to this course of action continue unabated.

I submit the following editorial that appeared in February 14–15 St. Louis Globe-Democrat in the RECORD:

PRESCRIPTION FOR AUTO AILMENTS

Free trade is a desirable goal that should be pursued vigorously under normal circumstances.

The current crisis battering the U.S. auto industry, now deposed as No. 1 in the world, cannot be diagnosed as a normal situation. Detroit and other major auto centers such as St. Louis are gravely wounded.

Chrysler is in intensive care after wavering precariously on the verge of death. It continues to breathe as a result of massive U.S. government loan guarantees and various concessions granted by its employees, suppliers and financial institutions.

General Motors, which lost a staggering $762.5 million in 1980, its first year in the red since 1921, acknowledges its plans to seek wage concessions from the United Auto Workers. Ford Motor Company, also a big loser in its domestic operations, is expected to do likewise. Chrysler already has agreed to negotiate a profit-sharing plan with the UAW for the concessions.

There is ample cause to pull out all stops in an extraordinary effort to assure survival. Evidence of the dire situation stands out clearly: In total the U.S. auto industry sustained a $4 billion loss last year. It is imperative to reverse the direction because U.S. automakers are expected to expend more than $70 billion in capital improvements by 1985 for the small-car production necessary to reverse the swelling tide of imports.

Not only the auto industry is hurting. The misfortunes spill over nationwide. In normal times 50 percent of the rubber, 25 percent of the steel and 15 percent of the aluminum industries are dependent upon the automakers.

Firms supplying parts and components to the automakers have no reason to rejoice. Layoffs among suppliers have at least equaled the 200,000 assembly line workers who have been idled.

Against this grim backdrop, hard-nosed Japanese auto manufacturers have made a mockery of free trade, which is intended to be a two-way street with nations treating each other fairly and equally. Unfortunately for the U.S., Tokyo assurances fall far short of their promise.

Japan protects its domestic manufacturers from foreign competition with complex requirements and regulations. Assorted taxes, higher dealer margins, distribution costs and other factors are highly effective in curbing imports to Japan from the U.S. and other countries.

A U.S. made compact which retails for $6,635 in this country would cost $12,065 in Japan. As a result U.S. autos don't make much of a dent on the Island of the Rising Sun. Neither would Japanese imports to the U.S. if the same tactics were used by this country. A number of South American countries levy a heavy duty that keeps out Japanese imports.

U.S. automakers, who have long been blaming federal government regulations for some of the problems, also are at fault. They ignored reality and pressed on with the bigger and more profitable production of larger cars. Assembly-line workers demanded sky-high wages and costly benefits while the quality of their work declined.

A temporary limitation on Japanese imports appears to offer the best hope of bringing new vigor to the U.S. auto industry. A bill sponsored by Senator John C. Danforth, R-Mo., would limit Japanese imports to 1.6 million vehicles annually through 1983.

The U.S. cannot allow a further decline by the automakers and related industries, a situation that would transform the western world's industrial giant into an economic cripple. Congress should give a sympathetic ear to the auto industry's plight. Even with the proposed limitation, Tokyo still would be getting off far, far better than American automakers are making out in Japan.●

MISTAKEN U.S. POLICY IN EL SALVADOR

● Mr. KENNEDY. Mr. President, I am strongly opposed to the increasing U.S. military involvement in El Salvador, just as I continue to oppose military intervention from other sources in this civil strife. By introducing over 50 military personnel into this small Central American nation, the Reagan administration is reducing the prospect for a peaceful solution to this conflict.

We should insist on bringing to justice those responsible for killing three American nuns and three American church and labor workers, and we should do all we can to help end the senseless killings of Salvadoran civilians.

I call upon the administration to pursue a lasting political solution, working with Mexico and other democratic governments in this hemisphere and in Europe. We should press for a political dialog between Salvador's warring factions; mediation of their differences, including an all-parties conference based on the model of the Lancaster House talks on Zimbabwe; and an in-place military truce with no further military supplies to permit such mediation to succeed.

Finally, we should stand ready to assist in achieving social and economic reforms to reduce the fundamental inequalities of wealth and denial of political and economic participation which are the core of the civil strife.●

THE 18TH ANNUAL WEHRKUNDE CONFERENCE

● Mr. TOWER. Mr. President, it was recently my privilege to attend the 18th Annual Wehrkunde Conference in Munich, where leaders of the NATO countries gather once a year for a frank and wide-ranging discussion of relevant international security issues.

Among the papers presented at this conference were two which I think are extremely worthy of the attention of Senators. The American paper was presented by the Deputy Secretary of Defense, Frank C. Carlucci, and the British paper this year was presented by the Parliamentary Under Secretary of State for Defense for the Royal Air Force, Sir Geoffrey Pattie.

I ask that the full text of the remarks offered by Mr. Carlucci and Mr. Pattie be printed in the RECORD.

The text follows:

OFFICE OF ASSISTANT SECRETARY OF DEFENSE (PUBLIC AFFAIRS), *Washington, D.C.*

REMARKS BY THE HONORABLE FRANK C. CARLUCCI, DEPUTY SECRETARY OF DEFENSE

I am honored and pleased to be here today. Honored to address so distinguished an assemblage. Pleased to return in an official capacity to Europe, where I spent some of the most interesting and satisfying years of my career in public service.

Europe holds a special place in the hearts of Americans. We draw from you much of our cultural heritage, our language, even our religious traditions. In this century, peace and security in Europe have become inseparable from peace and security for the United States. Three decades ago, we joined with our European friends in an unprecedented alliance of free peoples, an alliance whose raison d'etre is as clear and persuasive today as it was when the North Atlantic Treaty was signed.

Our common commitment to the goals of the Alliance is undiminished. As allies, we believe now, as we did then, that an attack against one of us is an attack against us all. We believe now, as we did then, that we must maintain and develop our individual and collective capacity to resist armed attack.

Some of the challenges that confront us in the 1980s are those that forged our Alliance in the 1940s—the menacing and continuing growth of Soviet military power in Europe. Yet, in many ways, the context for even these familiar challenges has changed. The Soviet buildup in Europe clearly exceeds any rational requirement for defense. It bears all the marks of an offensive military capability, consistent with Soviet military doctrine. This steady and cumulative expansion of conventional, chemical, and theater nuclear forces has been accompanied by a long-term and major shift in the strategic nuclear balance, from one of unquestioned U.S. superiority to essential equivalence, and the prospect, if appropriate steps are not taken, of possible inferiority. The twin results of this shift are that the United States no longer enjoys a strategic edge to compensate for other deficiencies and that Soviet ability to use the threat of conventional force for political purposes could be significantly enhanced. On all levels of military capability, the trends are ominous.

Other newer and less familiar, yet equally real and dangerous, challenges have arisen—most critically, threats to our common, vulnerable lifeline to Persian Gulf oil. The Iran-Iraq war demonstrates the potential for conflicts within the region and the danger they can present to Western interests. The invasion and continuing occupation of Afghanistan underscore Soviet willingness to exploit their military power directly in that part of the world and indeed to move that power even closer to the oil-producing heart of the region. The sheer political impact of what they have done so far and the looming presence of their military forces could give the Soviets extraordinary leverage in the region, even without firing another shot.

OUR RESPONSE

Let me say before I go any further that the Reagan Administration recognizes the need for an allied response to these challenges—with all the consultation, cooperation, and commitment that implies. We anticipate building upon past progress as we renew and intensify our efforts for the future.

We recognize, and we will capitalize on, such specific and important steps as the NATO Long-Term Defense Program, the commitment to a sustained increase in defense spending, and the December 1979 decision to modernize long-range theater nu-

clear forces while pursuing parallel arms control efforts with the Soviets.

But there is also much that has not yet been done. Neither Europe nor America has devoted the resources necessary to meet our agreed defense goals. Many of the NATO force goals have not been achieved and many Long-Term Defense Program measures are far from full implementation. There are many areas in which we might better support each other's defense efforts in Europe. Further, neither we Americans nor the Europeans have been sufficiently engaged in the search for ways to protect our common interests in the Persian Gulf and other areas. In sum, a much greater allied effort is required if we are to continue to deter Soviet and other threats to our common and vital interests.

A MATURE ALLIANCE

The decade of the 1980s calls for a mature alliance:

One that recognizes the diversity and the seriousness of the challenges we face,

One that builds upon the foundation of past military progress and current strengths,

One that acknowledges as well the economic and political progress we have made together and the potential we have to exercise these other dimensions of our power in the future.

The United States must recognize its responsibilities in this mature alliance. All too often in the past we have talked of consultation and acted on our own. Too frequently we have urged the need for consistency, yet presented our allies with what at times must have seemed like annual changes in priorities and programs. The new Administration is aware of these dangers. We are determined to avoid them.

Europe, too, should recognize its responsibilities. Like the East-West balance, the relationship between the United States and Western Europe also has shifted dramatically over 30 years. The United States no longer produces and consumes 50 percent of the world's GNP. Europe is no longer shattered, impoverished, and disunited. Indeed, Western Europe's total GNP exceeds that of the United States. In this situation, the United States cannot be expected to improve and strengthen U.S. forces in Europe, unless other Allies increase their own contribution to the combined defense effort. Nor can the United States, unaided, bear the burden of promoting Western interests beyond Europe.

There is, I might add, great concern in the U.S. Congress over the issue of burden-sharing, concern that was brought home quite clearly and explicitly to Secretary Weinberger and to me in our confirmation hearings. This concern is a political fact of life for us and that should be understood by all concerned.

An integral element of this mature Alliance is an expanded concept of European security. Only by meeting and mastering Soviet challenges both inside Europe and in areas of critical interest beyond, can European security be maintained. Only then can the possibility of a more constructive East-West relationship in Europe be held open.

Let me suggest three areas for concentrated effort;

First, what the United States can do; and

Second, what we as Allies can do in Europe.

Third, what the United States and Europe can do outside Europe.

WHAT THE UNITED STATES CAN DO

This Administration's agenda is as clear as the results of last November's election.

We are unequivocally committed to a major and sustained increase in military capability and therefore in defense spending. We will use these resources to ensure the following objectives:

We will increase confidence in our strategic nuclear forces.

We will maintain momentum behind theater nuclear force modernization.

We will improve the readiness, sustainability, morale, equipment, training, and deployability of our conventional forces for Europe.

We will enhance our military presence in key areas outside Europe and our ability to project forces when and where our vital interests are threatened.

We are equally determined to demonstrate to old allies and to potential friends alike the reliability and value of American friendship. In key areas of the world beyond Europe, we will begin to build a more durable framework of relationships designed to enhance the security of those regions.

Finally, we intend to generate a realistic approach to arms control, to ensure that arms control will serve our security needs and that our approach to negotiations is guided by a realistic strategy. We want to produce effective and verifiable agreements that, coupled with greater defense efforts, will enhance our common security.

WHAT WE AS ALLIES CAN DO IN EUROPE

We are confident that our European allies will want to join with us in assuming a fair share of an enhanced effort within Europe itself. Already, you contribute substantially to the collective allied capabilities; indeed, one of the great strengths of our Alliance is that, unlike the Warsaw Pact, no one partner dominates the others, in terms of military or political contributions.

The harsh realities confronting us, however, dictate even greater efforts by all in the future. There is a critical need to strengthen the conventional force structure in Europe. This requires substantial additional resources, rather than more rhetoric or disputes about percentages. We stand by the 1977 NATO decision to increase defense spending. Indeed, the Reagan Administration has set out to do even more. We continue to consider the three percent guideline a useful starting point. But in the coming months, as we discuss among ourselves plans for improving our capabilities, we should ask whether there are better ways to measure military capabilities. We should place more emphasis on specific force increases and defense improvements.

We also look to our allies to maintain the political conditions and the public support necessary for modernization of long-range theater nuclear forces. The decisions of December 1979 were common decisions, in which Europeans played a leading role. By deciding to modernize, the Alliance recognized the need to avoid a situation in which the Soviets could exploit a military advantage in a future crisis. By proposing a framework for arms control, NATO recognized the relationship between security and equilibrium. Regrettably, the Soviets apparently do not acknowledge that relationship; indeed, they are rapidly deploying the SS-20. It is imperative, therefore, for NATO to remain firm in implementing its modernization decision if we are to have a reasonable hope for progress in arms control on an equitable basis.

We also need to continue the progress we have made in rationalization, standardization, and interoperability of weapons and munitions production. These programs have resulted in elimination of much duplication, reduction in costs, and increases in overall capability. As part of our family of weapons concept, we reached an agreement in August 1980 whereby the Europeans would produce a short-range air-to-air missile and the United States would build a medium-range air-to-air missile. Dual production of weapons systems reduces duplication in research and development. We are currently dual producing the F-16 fighter, the Roland Air Defense System, as well as other important weapon systems.

Again, we want to work closely with Europe in developing common arms control positions in areas of special concern to you. As in other areas of common interest, we must not let the Soviets benefit from any appearance of disunity, or let them gain leverage as a result of European pressures on the United States to proceed before we are ready, to pursue objectives, or to make unnecessary concessions.

WHAT EUROPE AND THE UNITED STATES CAN DO OUTSIDE EUROPE

Generally, we all understand well what needs to be done within Europe. The challenge there is to marshall the political will to generate the resources required to get on with the job. But it will require fresh vision, as well as renewed political will, to come to grips with the threats to European security from outside this continent.

What is needed first is an expanded private and public dialogue on these issues. We have begun the process of consultations at senior levels of allied governments, and this will take on new intensity in coming weeks. I also hope that this conference and many other efforts in the months ahead can promote wider public awareness of the threats to European security in regions outside of Europe and will generate new understanding and new motivation to deal with these threats.

The threat to vital Western interests in key areas, such as the Persian Gulf, can be met only if all concerned share the burden and find new ways to make greater contributions in support of our common interests. Western Europe's stake in the security and stability of the Persian Gulf is enormous and well-recognized. What is perhaps less well understood is the great contribution the Western European members of the Alliance could make to help protect the security of this region so vital to them. For obvious reasons, I am not speaking here of a formal role by NATO. I have in mind individual, but complementary, efforts by the members of our Alliance.

Close political relations with nations throughout Southwest Asia can be activated to strengthen understanding of Western objectives in the region and of our common interest in resisting Soviet aggression.

Security arrangements between European Allies and countries in Southwest Asia can help our friends in that region to strengthen their capability for self-defense.

European members of the Alliance can increase their important economic support to other allies and to friendly countries in Southwest Asia and in the Eastern Mediterranean region, enabling these countries to strengthen their vital contributions for our common security.

Force deployments in Southwest Asia by the European members of the Alliance, together with supporting facilities, should be strengthened and coordinated with U.S. military activities in the region.

In conclusion, let me say that we in the United States are keenly aware of the difficulties we all face in expanding our military efforts amid severe economic problems. The maladies that afflict us are common; they are strangers neither to Europeans nor to Americans. The medicine tastes bitter on both sides of the Atlantic, but it is a necessity, not a luxury or an experiment. As President Reagan told the American people: "We are threatened with an economic calamity of tremendous proportions and the old business-as-usual treatment can't save us."

To recover our economic strength, the President has started a process of imposing severe cuts in the Federal budget. Virtually every domestic Federal program will be sharply reduced in order to effect budgetary restraints. No federal agency and no department will be exempt from the requirement to tighten our belts. As you certainly must appreciate, this

will not be easy. It will not be politically popular with those whose favorite programs will be affected. But it must be done.

At the same time, however, President Reagan is determined that we must begin to reverse the dangerous trends in the military balance. He has received a mandate from the American people to rebuild the military strength of the United States and of our Alliances. Thus, despite this almost unprecedent budgetary austerity, we will be significantly increasing the U.S. defense budget.

Next week, Secretary of Defense Casper Weinberger will present these new budgetary requests to Congress. At the same time, he will be asked what new sacrifices our Allies will make, to join the American people in the common undertaking. In answer to this, we in the Reagan Administration can, of course, point to the substantial contributions our European Allies are now making, including economic and military support that benefits the security of the Persian Gulf region. And we can also explain the division of labor that is appropriate in light of the different capabilities of the Allies.

But this is not enough. We want to be able to say that a new awareness has arisen in the Alliance, a new consensus to give first priority to the defense of freedom. We will want to explain that, on both sides of the Atlantic, we share a new sense of realism and have mustered the political courage to reverse the downward drift in our common security. We want to demonstrate that our allies and friends are contributing their fair share of the common burden.

The hard truth is that none of us can have social welfare and economic prosperity unless our Alliance is strong enough to maintain the peace and to protect our access to vital energy sources and raw materials. And those of you here in this meeting know full well that the relative military strength of the Alliance has been declining for far too long.

Let us face the facts honestly and begin now to take the necessary action together.

NEW DIMENSIONS OF THE THREAT

(By Geoffrey Pattie, M.P., Parliamentary Under Secretary of State for Defence for the Royal Air Force)

INTRODUCTION

1. In this paper I propose to address the new challenges to both national and international security with which Western Governments must expect to contend in the 1980s. My aim will be to examine how far, and in what way, defence measures can contribute to the protection of our global economic and strategic interests and to the preservation of peace.

2. We live in a world which has become politically more complicated than at any time in human memory. There are many more separate actors on the stage than before—states, provinces, cross-border groupings—and they cannot be divided into neat categories of the strong and the weak, the leaders and the led. The hands which wield the greatest political and military power no longer hold all the economic cards, or have a monopoly of ideological attraction. The West has been drawn into complex patterns of interdependence with the developing world, and indeed with the Eastern bloc itself, some of which have become critical for the survival of our familiar social and economic order.

3. We in the West cannot hope to make sense of this complexity by simply re-dividing the globe in terms of East-West confrontations, or Western and Soviet spheres of influence. We need to be clear what share of responsibility the Soviet Union bears for the existing and likely threats to Western interests worldwide. We need to take account of the relatively small stake the Russians have so far acquired in North-South economic relations, and the relatively free hand that this gives them to exploit or provoke instability in the producing regions. We cannot ignore the considerable military capability they have built up for operations outside the traditional NATO and Warsaw Pact areas. And in considering the appropriate Western response, we must look for a strategy that takes full account both of non-Soviet elements in the threat and the legitimate interests of our partners in the developing regions. I touch on all these issues below, and I try to indicate a way forward. In introducing the paper, and in the subsequent discussion, I hope to concentrate on the future, which I will suggest the West has some reasons to face with optimism as well as with resolve.

4. I should make clear that nothing said in this paper is meant to imply that the "older" dimensions of the threat have been superseded by the new ones. This paper deals with the new strategic challenge entirely in terms or threats and opportunities outside the traditional areas of NATO and the Warsaw Pact. It is natural enough to concentrate on these, given the prominence they have assumed both in Allied policy-making and public debate since the turn of 1979/80. Nevertheless, the requirements of strategic nuclear deterrence, the conventional force posture in Europe and so forth are still evolving in their own right and demand as urgent an effort from the Allies as they ever did. Part of the difficulty for the West in dealing with newer "out-of-area" challenges is precisely that they arise in addition to those persisting elsewhere: solutions entailing a wholesale diversion of resources or a total switch of policy focus must thus be set aside from the outset.

INTERDEPENDENCE: THE NATURE AND VULNERABILITY OF WESTERN INTERESTS

5. A single commodity—oil—has in recent years provided all the most dramatic illustrations of Western economic dependence and vulnerability. The basic facts hardly need repeating. In 1977, for instance, Saudi Arabia (427 million tonnes) and Iran (rather less than half of this) exported 40% of all oil coming on the market. As for the degree of Western dependence, the US took 22% of world oil imports in the same year, and France, the Federal Republic, Italy, and the UK took between 5–8% each. The oil price leap of the early 1970s gave the whole world economy a shock from which it has arguably never since recovered, and a single "oil weapon" was forged with the progress made in coordinating producers' activities through OPEC. Both the actual and the symbolic importance of the oil supply for the functioning of Western economies remain inestimable, and the fact that the greatest production area lies in a volatile and strife-torn region on the Soviet doorstep has put oil in the forefront of our thinking about the military defence of natural resources.

6. However, oil is only one of many commodities which are essential, or highly desirable, for Western industry and whose sources are concentrated in areas outside our political control. In most of these commodities the Soviet Union is self-sufficient or does not share our degree of dependence. Any of them could in the future pose issues as complex, if not so pressing, as oil does today. Some examples may be taken from a study recently submitted to the Ministry of Defence by the University of Durham.[1] Cobalt is used in alloys to impart magnetic properties and resistance to high temperatures and is particularly effective in binding carbides of tungsten for use in making machine tools.[2] Annual world production is only 25,000 tons of which two-thirds comes from Zaire. Of the currently unexploited resources throughout the world, about one-fifth are thought to be inside the Communist bloc. Although cobalt resources are not thought to be in danger of exhaustion at present, the high reliance on supplies from a single country would make at least the short-term consequences of an interruption in trade extremely serious for the West. Maintaining supplies of silver may pose difficulties by the end of the century. The Soviet Union now produces 13% of all the world's silver and 33% of known reserves are in the Communist bloc, although other sources are widely spread and include the United States.[3]

Platinum combines a number of valuable properties and is used as a catalyst for a variety of purposes, in most of which there is no currently viable replacement.[4] Its production and reserves are dominated by only two countries, South Africa (42% of production and 71% of reserves) and the USSR (40% of production and 26% of reserves). The NATO countries are thus in a highly dependent position although the actual quantities required are small (and large discoveries have recently been reported from Brazil). Platinum is only one of a crucial group of minerals (also including chromium) in which Southern African production is dominant and the Warsaw Pact countries enjoy ample reserves.

7. These few examples illustrate that "resource politics" need not begin and end with the supply of oil, and that the West's "lifelines" reach out to not one but many regions. I shall now look in more general terms at the factors affecting the production, the exchange, and the transport of such vital materials, and the ways in which all three may be vulnerable to disruption.

8. The future pattern of production of non-fuel minerals, as well as oil, needs more study than it has so far received. Projections of future usage must be set against known reserves, but also against additional or alternative resources which could become economically viable with scarcity and as extraction technology improves. Financial factors are paramount and a high level of investment by governments and private enterprise will be needed, particularly as extraction costs increase. We can only expect investment by private industry where their plant and export routes are secure and there is an adequate financial return on the product. There are political factors directly affecting the handling of output which need much further analysis: what exactly is the scope for non-oil resource politics? How could internal or external policy influence be used to deny the West supplies? Are cartels and embargoes a real threat? Do stockpiles offer a viable solution, given that they can be crude and expensive and create counter-

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[1] "The NATO Alliance and the Warsaw Pact: Raw Materials and Energy Procurement to 2000: Selected Non-Fuel Minerals," by E. W. Anderson and G. H. Blake, Report No. 1 of September 1980.

[2] The main users are production of alloys (45%) and magnets (30%). In alloys cobalt can largely be replaced by nickel but the latter may itself become scarce, while other possible substitutes are potentially scarcer than cobalt itself. Its use in alloys means that cobalt cannot effectively be recycled. Some countries already stockpile cobalt against the risk of trade interruptions.

[3] Silver has many unique properties, such as the lowest resistivity of any metal, the highest thermal conductivity and the highest reflectance. It is at present indispensable in photographic processing. Fortunately, recycling poses few problems.

[4] Platinum has a very high melting point, extraordinary catalytic properties, and is extremely resistant to corrosion. 60% of platinum consumed is used as a catalyst.

productive mistrust between producer and consumer?

9. The most obvious and satisfactory approach to the problems would be a mutual effort by producers and consumers to stabilise supply and demand, to provide for the development of resources as necessary and to improve economic control of the world market. The most obvious threat to this approach is instability: the susceptibility of the developing world to rapid social and political change, brought about by, or leading to, military action. This can directly hazard supplies to the West and the safety of Western citizens and their possessions. The invasion of Zaire by Angolan-supported forces demanded urgent military action by Belgium and France, to protect not merely the territorial integrity of Zaire but the lives of many Europeans working in the mineral extraction region of the country. More recently, oil supplies from Iran and Iraq have been disrupted as a result of the former's revolution and the subsequent hostilities between the two nations. In this latter case, international cooperation has to an extent helped to maintain the equilibrium of oil supplies by increasing output in other oil producing states. But apart from its immediate consequences, the existence or the simple fear of such disorders is also a serious deterrent to the Western economic investment so essential for raw material production.

10. The exchange of materials between the West and the developing world demands a satisfactory mechanism and terms of trade. The simple one-way dependence and scope for exploitation of the undeveloped by the developed which existed in the imperial age has long since passed away. Today, the developing world is also essential to the West as a market for exports, including such valuable high technology products as aircraft and communications equipment. Nothing illustrates this more clearly than the difficulties that arise over Western acceptance of Third World industrial goods.

11. Moreover, as in the narrower case of raw materials, there is a marked contrast in the degree of trade dependence as between the Western world and the Communist bloc. Statistics on individual developing countries show that their major trade partners are almost invariably the Western nations: the US for South America, Western European countries for Africa, and the US and Japan for Asia. In 1978 total trade between the developed and developing world was some $200 billion each way, whereas the USSR and other European centrally planned economies exported only $17 billion and imported $11 billion worth of goods from developing countries. The contrast is even greater in trade with OPEC, from whom the developed West imported $108 billion of goods—mostly oil—in 1978 and the Warsaw Pact only $3 billion. In the class of commodities discussed above—metal ores—developed nations' imports from the developing world totalled $4.6 billion and the Warsaw Pact's only $0.38 billion.[3]

12. Trade is vulnerable to all the pressures and sources of instability mentioned in the case of production. But it also depends on safe supply routes. The familiar example is the crucial importance to some NATO nations of oil supply through the Strait of Hormuz, which was reflected in President Carter's statement of doctrine on resistance to outside interference in the Gulf and more recently in the emphasis put by the West on free shipping in the Strait during Iraq-Iran hostilities. For non-fuel minerals, no single sea lane can be accorded the same significance. But routes through the Indian Ocean, the South Atlantic and the Mediterranean Sea, as well of course as the North Atlantic crossing, are all extremely important for Western supplies. The chief points of vulnerability are the Suez Canal and the Cape of Good Hope.

13. Another factor of possible concern here is the changing nature of the merchant marine. Ships are becoming fewer and larger and increasingly sail under flags of convenience. For example the US merchant marine is now carrying less than 5 percent of the bulk commodities arriving in the USA. What risks these changes could hold for the West are not yet sufficiently clear. Increased size and reduced numbers of ships could have both advantages and disadvantages for the protection of shipping in a period of tension or war. Flags of convenience may no longer be so convenient for the West's shipping companies should the nations concerned choose to adopt a concerted antagonistic policy towards the West. We need a further examination of the importance of particular supply routes—by land and air as well as sea—to the West, and of the implications of a changing pattern of carriers.

14. What is the relevance of all this for defense policy? First, in general terms, the West must realize that the benefits it derives from participation in the world economic order bring with them equal risks and responsibilities. The West is not economically isolated, and we cannot afford to be politically isolationist. Oil resources have been the centre of Western attention for several years, but increasingly, scarcities of non-fuel minerals and the problems they pose are going to come to the forefront. Many of the dangers affecting our oil supply will prove relevant here too, but a great deal more study will be needed to prepare a practical response suited to different geographical and regional-political patterns. In all this, defence resources will have a legitimate if complex part to play. The protection of raw material sources is in the first instance a problem for the producing countries; it will shape their own defence planning and the kind of help in it that they want to request and the West wants to supply. The protection of transport routes may require forms of Western action going beyond this bilateral context. In brief, the West needs a strategy that will both deter, and where necessary counter, any hostile military interference with either the sources or the routes of our own and our partners' legitimate trade.

ROLE OF THE SOVIET UNION

15. Where is such interference most likely to come from? A major Western pre-occupation has been and will remain the worldwide acts and intentions of the Soviet Union, her allies and surrogates. What reason has the West to distrust Soviet motives? Part of the answer lies in bitter experience within the main theatre of East-West confrontation. But there is important evidence from outside the NATO and Warsaw Pact areas as well.

16. I have indicated above that the Soviet Union is at present relatively self-reliant in natural resources. This is likely to remain true for many years to come in the case of many non-fuel minerals. There are, however, exceptions in chromium, tin and aluminum, where the Soviet Union has limited reserves and in the long term copper, phosphates and mercury may be in short supply. And there is likelihood of future Soviet (or at least Warsaw Pact) competition for oil.

17. Given the Russians' near self-reliance for non-fuel minerals, it becomes clear that the main motive for their interest in the developing world is political. They seek to extend their influence at the expense of the West, Japan, and China: both because they are competing for super-power status, and they wish to spread the gospel of their form of Communism. The West is thus presented with a nation not committed to the existing world economic order but determined to create new opportunities for thrusting its influence upon others. The Soviet Union is less inhibited from resorting to extreme, including military, methods since its stake in the status quo in many regions is still very slight and it faces none of the domestic constraints imposed by an informed and influential public opinion.

18. During the last ten years the Soviet leaders have demonstrated their broadening geographical interests in a number of ways:

They have built a large navy which now cruises the world's oceans, and increasingly provided their other forces with the capacity to operate at long range;

They have used surrogate troops to take political advantage in Angola and Ethiopia;

They have provided large-scale military aid to those prepared to accept it, without any comparable development aid effort. This can be demonstrated by the relatively large proportion of military personnel among Soviet citizens working abroad, set against a relatively small commercial, economic and technical presence;

They have aided subversives in countries where they felt it advantageous to upset the status quo;

Finally, they have demonstrated their will to intervene militarily in previously non-aligned and independent countries.

19. Overall the Russians have adopted a cynical and opportunistic approach to relations with the developing world. They present themselves as supporters of the national interests and aspirations of the countries concerned and seek to take advantage of any residual hostility towards the West in former colonies and dependencies. In practice they direct assistance to those whom it can help to win power and they are not overfastidious about the means employed or the ideology espoused. This policy can lead to short-term dividends, and there are many countries in the developing world with Soviet military and technical advisers present. In the longer term there can be disillusion, and the Russians have not seemed able in most cases, particularly in Africa, to overcome the preference by a developing nation for its own form of socialism. There have been some notable cases of such failure of Soviet influence in the longer term.

20. A striking example was the withdrawal of Soviet military advisers from Egypt in 1972 at the behest of President Sadat, which dramatically reversed Cairo's policy of reliance on comprehensive Soviet assistance in defense. Following the June War in 1967 the Soviet military presence in Egypt increased dramatically from less than 1,000 to well over 15,000 personnel and their task changed from advising only to include active military participation in Egypt's armed forces. The expulsion came after a protracted period of increasing disillusion with the benefits of the Soviet presence and assertions of independence by Egypt. For the Russians President Sadat's decision was undoubtedly a setback, although there may have been some relief in Moscow at having avoided a possible confrontation with a U.S.-backed Israel should the Egyptians have chosen to try recovering their lands lost in the 1967 Arab-Israel War. Today, of course, Egypt stands out among Middle Eastern states for the co-operation it has extended to U.S. strategic aims in the area and in particular the creation of facilities for rapid intervention forces.

21. A further example of the fruits of Soviet opportunism can be seen in Ethiopia and Somalia. In Ethiopia Soviet influence grew rapidly during 1977. However, the Russians were unable to restrain their Somali allies from seeking to annex areas of Somali-inhabited Ethiopia. In November 1977 the Somali Government withdrew all military facilities from the Russians and expelled Soviet and Cuban advisers. This was a setback for the Russians who thereby lost access to military facilities better placed to support their operations in the Indian Ocean than those available in Ethiopia. Nevertheless, they were relieved of the problem of having to ride two horses at one time, and they have since concentrated their efforts on Ethiopia; Somalia meanwhile has completed its reversal of alliances by reaching agreement on US access to military facilities at Berbera.

22. These are not straightforward success stories for the West. It is important to realise that even a temporary Soviet success in a developing nation may have severe effects on the vested interests of Western nations. Soviet political gains are invariably accompanied by acquisition of military facilities, which may subsist even as Russian political influence wanes. We in the West must, therefore, try to convince leaders of developing nations that the politically motivated actions of the Soviets offer little to their benefit in the longer term, and that the concomitant damage to economic relations with the West is too heavy a price to pay. This is a particularly telling argument where a developing nation seeks investment from corporations in the West, and needs to show that it is a secure and stable country where the future of any investment is safe.

DEVELOPMENT OF A WESTERN RESPONSE

23. The free world, in particular the NATO allies, have handled these problems in the past with a degree of caution reflecting uncertainty about Soviet intentions. Over the last fifteen years there has been no consistent response or assessment by the West. It took the invasion of Afghanistan to prompt some serious rethinking and rapid revision of Western policies towards the developing world. Within a relatively short space of time, the US has defined the "Carter doctrine" to defend its own and other partners' essential interests and has started an ambitious programme to develop a military capability to support it. Other NATO nations have also been considering how best to face these new Soviet challenges, and how to accommodate any effects the new US countermeasures may have on existing defence commitments.

24. In shaping its response to the threat outside the NATO area the West has to be guided by some abiding principles. The principles of freedom and democracy must be upheld, and human rights observed. We must make clear that we confront the Soviet Union not because of traditional national antagonism but because we abhor the Soviet Union's ambition to impose on the rest of the world an ideology and a system of government which the vast majority of people do not want, and which would not serve their interests. We must of course be prepared to demonstrate and stand by our own norms as we challenge the Soviet ones: the efforts to achieve an orderly transfer of power upon independence in Zimbabwe can be seen as one significant recent contribution to this aim. And it remains a striking demonstration of our willingness to deal open-handedly with different factions, regardless of their political philosophy, and to help a new democracy to choose and make its own way.

25. Western countries must avoid falling into the trap, which the Russians have fallen into, of reviving imperialist attitudes and practices in relations towards the developing world. It would not square with our principles of freedom and democracy for the Western nations to involve themselves in militaristic intervention in support of regimes and movements operating against the will of the majority of a nation. The West cannot afford to have its own Angola, Ethiopia or Afghanistan. And the Russian experience makes clear that there are practical as well as ethical reasons why this is so.

26. The establishment in the last decade of the non-aligned movement has set the seal on the emergence of the developing world as a "third force" with its own regional needs and sensitivities—not merely a battle-ground between opposing empires. The West accepts the political position of the non-aligned nations, but must of course remain wary of any Soviet attempts to subvert the status these nations have chosen to adopt, which the recent activities of Cuba have been purposed to do as it seeks to present itself as a leading champion of the non-aligned movement.

27. Another guiding principle should be the importance of coordination in the West's policy towards the developing nations. Co-ordination makes sense at two distinct levels. First, the various strands in North-South relationships—strategy, political relations, trade, development and military assistance—must be handled not in isolation but as so many different means for achieving common goals of profit and security. Secondly, while some Western objectives in the third world, such as trade, can only be pursued in a spirit of national competition, others are genuinely common aims and should be approached by as many nations as possible in co-ordinated fashion.

28. What, then, are the specifications for a Western strategy designed to protect vital interests worldwide? It must take account of the possible use of Soviet military power for intervention or blackmail, but also of other forces which may with or without Soviet help destabilise the conditions necessary not only for Western economic prosperity but also for the economic, social and political development of the Third World. It must at one level, be a global strategy because it has to match a hostile superpower which itself clearly operates with global aims in mind. In this sense it is not wrong to think of a "world balance", which the US and its allies must prevent from tilting against the West, and to judge our actions in any specific crisis by how they are likely to affect it. But at another level, each region where Western interests are entrenched has characteristics and attitudes of its own which we must respect if we are to respond in the most effective way to local threats. Sometimes military activity will be the immediate and only answer. Sometimes, both for practical reasons and in the light of the ethical principles mentioned above, we may have an overwhelming interest in avoiding it. Most often, what we need is a judicious blend of political influence and the indirect or direct application of military resources. This is a delicate balance for any one nation to achieve in its own right: it will take all the more skill to reap the benefits of co-ordination by devising concepts to which the maximum number of Western partners can subscribe.

29. In the British view, the best basis for such an approach is a three-level concept of the use of military resources outside NATO:

Aid to Third World countries in building up their capacity for self-defence (arms sales, training, advice, etc.) to supplement the more general contribution we make in political/economic terms to their stability and safety;

Peacetime deployments by all branches of the Services to register the West's presence and capability, train with and reassure our friends and deter the Soviet Union and other opponents;

Development of a capability for intervention in an emergency which can be met only by military means.

30. The first two categories are a continuation of well-established practices and need little further explanation here. They offer maximum scope for sensitive adjustment to local circumstances. The point that would be worth discussing is how far the various allies (and friendly nations outside Europe) may be able to extend their participation in the pattern of defence aid and peacetime deployment, and how far it is worth their trying to do so in collaboration with each other. Some friendly rivalry, for instance in the matter of defence sales, seems bound to remain.

31. The US has been developing the concept of the Rapid Deployment Joint Task Force (RDJTF) to meet the need identified at the third level. The RDJTF programme is designed to reconcile global, local and NATO considerations—and achieve the flexibility needed for effective deterrence—by projecting forces at long range rather than permanent local stationing. In the course of pursuing it the US has established new relationships with facility-providing states in South-West Asia and Africa which have a political and deterrent value in themselves. The possible uses of the RDJTF and the role which other Western nations might play seem likely to be a major pre-occupation of defence policy-makers for some time to come. NATO must also continue to study the implications of the implied diversion of reinforcement capability from Europe. For our part in Britain we have been actively reviewing our own "out of area" policy: we maintain a selection of units which can deploy outside the NATO area and all our three Services do so deploy from time to time, though our major force commitment is and will remain to NATO.

32. The RDJTF was, of course, conceived primarily in response to the regional needs of South-West Asia and the overwhelming Western dependence on that region's oil. The lessons which its planners have learnt in the process may, however, prove highly relevant as and when attention turns to other areas and other raw materials. The principles of maximum flexibility; preservation of the freedom to act which means uncertainty for the enemy and thus the greatest degree of deterrence; and avoidance of local bases which tie down resources at possibly heavy regional-political cost, would seem to have a value and relevance going well beyond the present South-West Asian crisis.

THE FUTURE: CAUSES FOR OPTIMISM

33. In the coming decades there will be no place for complacency by the Western nations if we are to maintain the way of life which we have come to value. The growing global threat from the Soviet Union cannot be ignored, all the more so because the Russians are still so little hampered by links of North-South dependence.

34. But there is equal cause to reject defeatism, or an oversimplified confrontation philosophy. Depending on events in Poland, we may not yet have written the epitaph of detente. Even in direct relations between East and West, options remain open which could do something to reduce the dangers both within and outside Europe. The continuing search for measures of balanced and verifiable disarmament is one example. The possibility of Western technological co-operation in helping the Russians extract their own mineral resources is another.

35. Moreover, the opportunism of Soviet leaders' foreign policy has in more than one instance led to Soviet embarrassment, at both bilateral and international level. Their departure from Egypt and Somalia can only be regarded as a lasting setback. Their invasion of Afghanistan has led to outright condemnation through the free world, including an impressively united Third-World protest: and as an interesting aside, the Cubans' prestige within the non-aligned movement took a real blow through their support for the Soviet invasion.

36. The failures of Soviet foreign policy also demonstrate the poverty of Soviet imperialism. As already noted, Third World nations are increasingly hard to convince of the attractions of the Soviet-style Communist political system. The Russians can offer very little in the way of development aid or mu-

[3] Trade statistics taken from the United Nations 1978 Yearbook of International Trade Statistics.

tual economic benefit: the nakedly military and self-serving nature of their involvement is increasingly clear. The West has an extremely good record to show in contrast and we should not be shy about advertising it. Our investment, aid and political support already make a massive contribution to the developing economies of the world. In future, too, we can and should get credit for a development policy based not on vague philanthropy but on a realistic assessment of our partners' capabilities and needs. It is not, of course, only Governments who put money into the developing world. Our private industry and financial institutions play, in cash terms, a very much greater role. Where we do consciously extend aid as from Government to Government, we should do so as part of a total relationship (including mutual trade and defence) carefully tailored to the security interests which both we and the recipients recognise. And where those security interests are common to several nations in the West, there is every reason to try to co-ordinate the aid measures which those Western nations are undertaking as well.

37. The next few years will bring a new generation of leaders in the Soviet Union. It is not yet certain how they will react to power. They may choose to adopt a realistic approach to foreign policy, offering more stability and greater consideration for Western interests in the developing world. On the other hand, they may not: and it will be incumbent upon the Western nations to ensure that military adventurism does not appear a viable and profitable option to the Soviets and their surrogates.

38. Western policy makers must, therefore, seek to influence the Soviet Union's approach to the developing world. The Soviet Union is less likely to use military or naval power to intervene in, or overbear, countries outside the Soviet bloc if the West has maintained a countervailing military and naval power, and if a healthy skepticism exists in the developing world about Soviet motives and methods. We must therefore work to ensure both that forces of Western allies have the flexibility either individually, in groups or as an alliance, to confront Soviet military and naval power wherever they challenge our vital interests. We must not concede to the Soviet Union the propaganda initiative in the developing world. We must put our case clearly and unequivocally, stressing by word and deed the benefits the West has to offer the developing nations, economically, politically and socially; and the limitations of Soviet policy and practice.

CONCLUSIONS

39. The last fifteen years have seen a rapidly changing world. The Soviet Union has spread its influence in the developing regions and has shown an increasing tendency to project its power by naval deployments and acts of military "assistance". It has taken chances as they presented themselves, uninhibited by political morals, or a sensitive public opinion at home, or a major stake in the Third World which it dare not put at risk. It is difficult to predict the future policy of the Soviet Union as it develops under a new leadership and in response to political rather than economic imperatives.

40. We can be certain, however, that the West should adopt a coherent and co-ordinated policy toward the developing nations, which must be sufficiently flexible to adapt to rapidly changing political conditions. Defense activity can contribute to that policy both in helping developing countries to acquire the skills and equipment to defend themselves, and in inhibiting the Soviet Union from making irresponsible use of its military and naval power. To this end Western countries should grant military assistance in response to the defence needs of developing countries; make occasional deployments of forces to demonstrate our interest in particular areas of the world and our resolve to defend them; and develop the capability to intervene directly and on the scale necessary to deter or repulse a major Soviet aggression which threatens vital Western interests.

41. We need to think carefully about our future approach towards the developing world and its military dimension. We have every reason not just to hope, but to ensure by every means in our power, that our intricately interwoven relationship with the developing nations will continue to our benefit and to theirs. Let us not forget the truth of the simple statement that in this respect as in others, the West will have the future that it deserves. So in discussing this paper, I should like to focus not so much on the threats and problems which confront us as on how we, as allies, should respond. Notwithstanding the dimensions and complexity of the threats, and notwithstanding constraints on our ability to respond, I see some cause for optimism. The Soviet Union, its allies and its surrogates can deploy large military and naval forces, but so can the Western allies; the Soviet Union often moves in the third world so insensitively as to stimulate desire for, and renewal of relationships with the Western countries, and the West offers genuine civil aid in significant amounts as well as the commercial investment which developing countries need. We already do much more genuinely to advance the interests of developing countries, in both the civil and military fields than the Soviet Union is ever likely to do. Perhaps what we should concentrate on now is a better co-ordination of our individual efforts to make them more effective and a vigorous campaign of publicity to gain maximum credit for our performance both in its own right and in contrast to our adversaries.

THE DEATH OF JACK HORTON

● Mr. STEVENS. Mr. President, I was saddened to learn of the death Saturday of former Assistant Secretary of the Interior and good friend, Jack Horton, with whom I worked closely over the past 12 years.

He had a distinguished career, serving in the Nixon and Ford administrations under Interior Secretaries Hickel, Morton, and Kleppe. During the 8 years he was with the Interior Department, Jack Horton was very much involved with Alaskan issues. Jack was the first co-chairman of the Joint Federal-State Land Use Planning Commission for the State of Alaska; he was very much involved in the consideration of the Alaskan pipeline amendments, which cleared the way for the construction of the trans-Alaska pipeline.

A graduate of Princeton, a Rhodes scholar at Oxford, Jack Horton was a superior athlete, earning all-American honors in lacrosse. He was a lieutenant with the U.S. Navy during the Vietnam war, flying combat missions off aircraft carriers. In recent years he operated his ranch in Saddlestring, Wyo., and was a consultant for energy and natural resource matters here in Washington, D.C.

In addition, Jack was a personal friend in whom I had great confidence.●

EXPORT TRADING COMPANIES—III

● Mr. HEINZ. Mr. President, as has been clearly documented in my previous comments on S. 144, the U.S. position in the international marketplace is becoming intolerable, particularly in the area of exports. The Export Trading Company Act promises to correct this situation and has been endorsed by the Reagan administration as well as by the Senate last year. Perhaps, the most informative and constructive endorsement of S. 144, however, comes from a representative of the industry most directly associated with it. Mr. President, I would like to bring to the attention of my colleagues the testimony of Mr. John M. Boles, president of the export trading company, Boles & Co., Inc., before the Subcommittee on International Finance and Monetary Policy.

In addition to emphasizing the urgency of adapting the U.S. economy to the realities of world competition through measures like S. 144, Mr. Boles provided firsthand evidence that export trading companies play a vital and promising role in U.S. foreign and domestic trade, a role that he believes must be expanded. Mr. Boles also strongly endorsed the right of banks to have equity positions or control of export trading companies. Through his experience as president of a successful export trading company, Mr. Boles has found that without significant commercial bank participation in trading companies, the development of a meaningful export trading industry would be impossible. Mr. President, I ask that Mr. Boles' testimony be printed in the RECORD.

The testimony follows:

STATEMENT OF JOHN M. BOLES, PRESIDENT OF BOLES & COMPANY, INC.

BACKGROUND ON BOLES & COMPANY, INC.

I am John M. Boles, President of Boles & Company, Inc., an international trading company. Our company differs from most export management companies in that we were conceived and organized as a trading company drawing upon the experiences of the large multi-national trading companies of Europe and Japan. Our export activities span a broad range of categories from high technology systems to consumer products. We also import products for distribution in the U.S. domestic market and are engaged in third country transactions as well. In most instances we act as principal, by purchasing products from our suppliers and re-selling to our customers.

One key element, in our export success to date, has been the long term credits we provide to our foreign customers while paying our suppliers (manufacturers) on a short term basis. In combining the two, we finance foreign receivables and domestic inventories thereby reducing cash restraints for both our suppliers and customers. We perceive our contribution as moving products across international boundaries by reducing the resource load on both the supplier and the foreign customer. In addition, we take on the task of market identification and research, transportation, compliance with foreign regulations, product service, advertising, promotion and all of the other tasks required to penetrate and develop off-shore markets. In essence, we are a major customer of our U.S. suppliers. In fact, we are a domestic customer—by taking title to our suppliers' products in the U.S. This allows our suppliers to finance their shipments to us through the use of their established bank lines of credit on domestic receivables. We then finance and take the risks associated with the foreign receivables. By offering long term credits to our foreign customers, the rate of sales growth of any

given product becomes a factor of market acceptance and independent of our foreign customers cash availability. In practice, our foreign customers purchase goods from us; re-sell in their respective markets; receive payment from their local customers and then pay us. This is both fundamental and critical in the development of international markets.

In our export activities, we have specifically targeted at the small to medium size manufacturer of technology products and value-added agricultural items. We are convinced that these sectors represent substantial opportunities for long term continued growth in export sales.

Our market research has convinced us that, by the end of the decade, U.S. trading companies could account for approximately 100 billion dollars per year in export sales. It is not our intent to develop as an analogue of the large Japanese trading companies, but rather to amalgamate theirs and other experiences into a U.S. trading company which is responsive to the needs, opportunities and regulations of this country.

COMMENTS ON S-144

Boles & Company, Inc. strongly supports the overall thrust of S-144 along with it's component provisions. We would, however, suggest that consideration be given to some of the more constraining aspects of the Bill which would seem to be in conflict with the legislative intent.

It is essential that continuing progress be made in adapting the U.S. economy to the realities of world competition. In that regard, the formation of large U.S. trading companies will play a vital role. It is not our position that these trading companies would compete with existing export mechanisms, but rather would concentrate on those market areas (both products and geographies) outside of the resource capabilities of export management companies and those manufacturers who are unable to operate directly in the foreign market(s).

Should this bill become law, we can perceive the rather rapid development of an export trading industry as opposed to the cottage industry complexion our export activities currently have. Furthermore, such an export industry would be an invaluable added resource to this country's manufacturing base and specifically to the thousands of small and medium sized firms—many of which have difficulties in marshalling sufficient resource to satisfy their domestic objectives.

The composition of a trading company consists of numerous disciplines and functions, but to the U.S. manufacturer he is viewed as both a large customer and quasi banker. From that prospective, this is a correct interpretation. From the foreign customer's point of view, the trading company is a supplier and banker—also correct. The one common denominator, in any definition of a trading company, will always be the ability to finance trade transactions. From the time of the earliest Syrian and Phoenician traders through England's Charles II and his Hudson Bay Company to the giant Japanese trading companies of today, the cornerstone of international trade has been that of financing both the supply and re-distribution of goods.

BANK PARTICIPATION

U.S. commercial bank participation in trading companies is required. Without their involvement, the development of a meaningful export trading industry would be impossible. An alternative might be foreign banking institutions, which is already beginning to occur, but that escapes our definition of a truly U.S. owned export trading industry.

The critical issues, in support of U.S. bank participation, include their expertise in the use of credit; foreign collection procedures; the structuring of complicated international transactions from barter to turn-key projects; foreign currency trend analyses and those other financial services which only our banks are well equipped to handle. We are not convinced that either the domestic or foreign branch operations of a bank would be particularly productive in sourcing or distributing products for the trading company. The branch role would likely be limited to providing useful introductions to potential suppliers and customers.

We, as well as most trading companies, will require approximately one dollar in cash (either debt or equity) for every 1.5 dollars in sales. As is evident, a trading company is extremely cash intensive and success is largely dependent upon the ability to secure substantial amounts of debt financing. Typically, debt to equity ratios of at least 10 to 1 will be necessary for small or slower growing trading companies and as much as 30 to 1 for the larger and faster growing companies. We have concluded that export trading companies can only be successful through an intimate relationship with U.S. commercial banks, provided they are prepared to either offer the requisite credit facilities or cause them to be offered by other financial institutions.

As U.S. trading companies will compete with foreign trading companies and various consortia, the issue of credibility becomes important. A small U.S. trading company is at a great disadvantage when compared to a Mitsubishi, Mitsui, Jardine Matheson or Inchcape. However, a U.S. trading company affiliated with, or partially owned by, a major U.S. commercial bank becomes quite a different reality in the eyes of a foreign customer. International trade is predominantly controlled by extremely large enterprises, and small unparented U.S. export companies are likely to become non-events.

BANK CONTROL

It is difficult to comprehend any logic that would prohibit a commercial bank from owning a minority, majority or total interest in one or more trading companies. Under Title I of the current Bill, the limitations imposed on bank participation could very well be unworkable. The restriction limiting banking investments to a maximum of 5 percent of capital and surplus is less troublesome than is the 10 million dollar limit and 50 percent equity ownership (subsidiary) provisions. In view of the substantial amounts of debt and equity required to support trading company operations, unless the banking community can see un-complicated routes whereby they can assume or exert control, their support is likely to be less than enthusiastic. We suggest that consideration be given to allowing banks equity positions up to 100 percent, provided their total equity investment, in one or more trading companies, does not exceed the 5 percent of capital and surplus test. The 10 million dollars provision could then be eliminated and the decision, by either a bank or trading company to combine, would be a business judgment based upon the particular circumstances of each situation including the opportunities, resource requirements and availability.

ANTI-TRUST EXCLUSION

Depending upon the specific business architecture of any export trading company, anti-trust exemptions may or may not be relevant. However, it is necessary that the law be clearly stated. The ability to determine in advance which export activities would be immune from anti-trust suits is absolutely required. We support the proposals under Title II of the Bill and can offer no reasonable alternatives.

FUNDING

Frequently, very large off-shore procurements will continue to require the Export-Import Bank's involvement. The realities of foreign competitive pricing, coupled with government subsidies, are such that U.S. suppliers require financing packages beyond what is currently available from the private sector. We endorse and urge that these kinds of programs be expanded by the Export-Import Bank.

Generally, U.S. commercial banks are reluctant to finance foreign receivables without the kind of guarantees currently provided by the F.C.I.A. Our lack of a broad based export experience has resulted in both debt and equity capital sources being uneasy over the perceived risk reward ratios. Should the U.S. develop a well constructed export trade industry, spearheaded by private sector interests, the vagaries, currently associated with exports, will give way to knowledge, sound business procedures, and the comfort needed to sustain entrepreneurial activity.

There is, however, a problem of bridging the gap through a transition period. This will require a much improved guarantee program by the Export-Import Bank and the F.C.I.A. Such a plan should include provisions to finance domestic inventories, specifically targeted for export markets, in addition to receivables. Once the U.S. banking community, along with other capital sources, establishes a firm presence and interest in foreign trade, the requirement for Export-Import Bank and F.C.I.A. guarantee programs should wane.

Regarding the Small Business Administration and the Economic Development Administration, we consider the level of funding to be not inadequate but unnecessary. When coupled with the overall task of developing an export industry; the administrative costs and the natural constituencies of those two agencies, we can see no real benefits accruing from their financial involvement. Although we are all eager to bring small businesses into the stream of export activity, the preferred route would be by way of the export trading companies providing the finance rather than public sector funds.

SUMMARY

In summarizing, I would like to draw your attention to just a few key points:

1. U.S. export trading companies are required to both diversify export markets and to expand the number of U.S. supplier participants.

2. These export trading companies could spearhead the development of a substantial export industry by the end of the decade.

3. Enthusiastic U.S. bank participation is vital to the creation of an export industry.

4. U.S. banks are not likely to become enthusiastic participants without the ability to assume controlling interests in trading companies.●

COMMEMORATING ESTONIAN INDEPENDENCE

● Mr. HEINZ. Mr President, inspired by Woodrow Wilson's declaration that all peoples had a right to self-determination, the Estonian people declared their independence from the Russian Empire on February 24, 1918. Their courageous action initiated an admirable period of freedom and cultural growth for Estonia's diverse ethnic groups as well as an unprecedented increase in the standard of living. This period of independence was cut short, however, when the Soviet regime forcibly annexed Estonia and suppressed all cultural, political, and economic freedoms. In commemoration of the 63d anniversary of Estonian independence, it is important to recall the injustices of the past and to voice the

indignity of the free world over those that continue today.

Ignoring the agreements of 1920 in which the Soviet regime recognized the independence of Estonia, Stalin signed a pact with Hitler in August 1939. The pact declared that Estonia, Latvia, and Lithuania would become territories of the U.S.S.R. Following the illegal and unjust incorporation of Estonia into the Soviet Union in September 1939, 60,000 Estonians—more than 5 percent of the entire population—were either killed or sent to Soviet concentration camps. In 1949, 80,000 rural Estonians were deported to Siberia. Between 1939 and 1949 a total of 350,000 people, one-third of the Estonian population, perished.

Soviet harassment of the Estonian people continues today. Civil liberties are denied. Mock trials and deportations are commonplace. And Soviet labor camps with the most inhuman conditions are designed to physically eliminate all "enemies of the state." Two such "enemies" are Mart Niklus and Juri Kukk. A graduate of Tartu University with a degree in biology/zoology, Niklus was sentenced in 1959 to 10 years of forced labor plus 3 years of exile. His only crime was to send photographs depicting Soviet life to westerners. Released in 1966 suffering from neuritis of the back—a condition resulting from his forced labor—Niklus has been repeatedly arrested and remains in prison today. Juri Kukk was an assistant professor at Tartu University. After signing numerous declarations pleading for human rights in Estonia, he was arrested. He is now in a Soviet labor camp. It is very unlikely that either will survive their imprisonments.

In addition to subjugating the Estonian people politically and economically and severely restricting their religious worship, the Soviet regime has attempted to stifle the ethnic spirit of the Estonian people. The following statement from the Estonian American National Council describes the effort of the Soviets to erase Estonian culture and replace it with Russian culture:

Confirmed reports from Estonia show that Russinization of the country is proceeding with full force. Thousands of alien people are being brought in as "necessary workers" to mix with the local population. The Estonian language is being relentlessly pushed into secondary place. Communist literature and propaganda are trying to raise young Estonians as obedient servants of the Kremlin. However, the Estonian nationalist spirit is fighting back everywhere. In the last few years there have been many occasions where the youth of Estonia has shown a strong national will of resistance through demonstrations and appeals to the free world. Many of them have been arrested and sentenced to hard labor as dissidents of the Soviet Union.

Mr. President, the plight of the Estonian people must not be forgotten. The 63d anniversary of Estonian independence provides an opportunity for free men everywhere to acknowledge and encourage the heroic efforts of the Estonian citizenry whose dream is to restore personal freedom and dignity to their homeland. Let us hope that this dream will soon become a reality.●

KUDOS TO MARIA MORRONGIELLO

● Mr. WILLIAMS. Mr. President, one of my constituents has been chosen to represent the United States as a member of the women's basketball team which will compete at the 14th World Games for the Deaf this July in Cologne, West Germany.

A 17-year-old from Brick Township, N.J., Maria Morrongiello, is 1 of 12 American women selected for the team that will compete with 44 other nations this summer at the world games. She has, of course, already proven herself to be a stellar athlete, having been named the most valuable player for 2 successive years at the Marie Katzenbach School for the Deaf in Trenton, N.J. In estimated points per game, Maria is ranked fifth among all players on teams for the deaf throughout the country, and she can boast an average of 19.1 points scored in last season's 19 games.

I should also point out that Maria has distinguished herself as a student at the Marie Katzenbach School, where she has consistently won high honors for her academic work.

Not one to let her disability prevent her from living life to the fullest, Maria has continued to excel in all that she attempts. I am sure she will continue to meet with success in all her pursuits in the years to come, and I want to wish her and her teammates the best of luck in the upcoming world games.●

MILITARY REFORM IN THE 2D ARMORED DIVISION

● Mr. HART. Mr. President, in recent months I have raised the issue of military reform in several forums, including the Senate. In general, military reform is the recognition that we cannot just spend our way to a stronger defense. We do need to spend more, selectively, in certain areas such as military pay, readiness, and naval shipbuilding. However, we need to direct our spending toward innovative weapons and programs: VSTOL aircraft, conventional submarines, and light armored vehicles are good examples. And, perhaps most important, we need to address a number of nonspending issues which are of great importance in terms of military effectiveness. These include military doctrine, our style of warfare, unit cohesion, military education, and the defense decision-making process itself.

In relation to the Army, military reform raises three basic issues: Unit cohesion, doctrine, and force structure. No army can fight with full effectiveness unless its units are cohesive, unless effective psycho-social bonding has taken place at the small-unit level. Every study ever done of men in combat shows that small-unit cohesion is the reason men fight well—or fail to, when it is absent. Doctrine is of equal importance. An army which outnumbers its adversaries heavily can afford to fight what is known as firepower/attrition warfare, in which it tries to destroy its enemy physically, man by man and tank by tank. But an outnumbered force can only succeed by fighting maneuver warfare, rendering the enemy's physical strength irrelevant by shattering his organizational and mental cohesion. Finally, force structure is important. If an army can only produce a small number of "teeth"—combat units—in relation to its total size, it has little to work with on the battlefield.

At my direction, a member of my staff, Mr. William S. Lind, recently visited the 2d Armored Division at Fort Hood, Tex. My instruction to him was to look at the division's status and activities from the standpoint of these military reform issues. His report was very heartening, in that it indicates positive movement in all three areas.

Mr. President, I request unanimous consent that this report, "Military Reform in the 2d Armored Division," be printed in the RECORD at this point.

MILITARY REFORM IN THE 2D ARMORED DIVISION

Three aspects of reform—unit cohesion, doctrine, and force structure—were the basis of this study of the 2d Armored Division. In all three areas, positive developments were apparent, and the overall situation was characterized by openness to the reformers' concerns.

1. Unit Cohesion. Even a cursory examination showed broad recognition of the need for better unit cohesion. Currently, personnel turnover at the company level averages about 25% per quarter. This creates a situation in which cohesion is minimal. Lack of cohesion, in turn, creates numerous problems for commanding officers: Training can seldom move beyond basic techniques into tactics, since the constant stream of new people must be trained in basic skills; substantial time must be devoted to administrative tasks springing from the personnel turnover; and discipline must commonly be exercised by the officers, instead of springing from peer pressure. Most commanders laid heavy stress on the price paid in combat effectiveness for the current lack of unit cohesion.

These observations emphasize the need to support the unit cohesion initiatives undertaken by the Chief of Staff of the Army, General Meyer. These initiatives hold great promise for improved unit cohesion, especially as they come to incorporate a British-model regimental system. Congressional interest in and support for the Army's unit cohesion program thus far appears slight, which is most unfortunate, since greater unit cohesion is likely to increase combat effectiveness far more than will the addition of new weapon systems. Any actions which can support General Meyer in this area are likely to pay heavy dividends.

The 2d Armored Division is itself the site of the first unit to implement some of these initiatives. One of the division's battalions will attempt to maintain the cohesion of small groups as they are received from basic training, not only through their on-post advanced training, but through their first year of service. While the experiment is in an early stage, reports thus far are positive. It is widely felt among officers in the division that this approach, if successful, could alleviate many current training problems.

2. Doctrine. Knowledge of and interest in maneuver doctrine was widespread among commanding officers. A discussion of the division's actions during last year's Reforger exercise brought out numerous examples of the employment of maneuver doctrine. Techniques such as recon-pulled advances, attacks into the enemy's flank and rear, and formation of loosely structured combat groups were used widely. Mission orders tactics, required for maneuver warfare, were extensively employed.

It should be noted that the negative press reports about the division's performance during Reforger appear inaccurate. Most, if not all, of those negative reports appear to have come from a single observer who spent little time in the field and had limited background in land warfare. In fact, the division seems to have done precisely what should be done on an exercise: Used the opportunity to experiment with new concepts and to develop tactical agility.

The division is making impressive efforts to improve officers' awareness of military theory. One battalion was in the process of conducting a three day seminar on questions of leadership and theory, a highly valuable practice not often seen in the U.S. military. All units showed strong interest in the concept of maneuver warfare, and were eager to learn more about it. Despite the heavy time demand on commanding officers, they were willing to make time available for study of theory. Given the current lack of attention to military history and theory in our military educational institutions, this openness in the combat units is very necessary and can yield significant increases in effectiveness.

3. Force Structure. Again, the overall atmosphere was one of openness to new approaches which could yield greater combat effectiveness. Ideas such as regarding infantry as a supporting arm on the mechanized battlefield were not rejected from parochial standpoints. Because the lack of adequate unit cohesion generally prevents tactical training, as opposed to practicing techniques, opportunities for experimentation with new force structures is limited. Improvements in unit cohesion should, however, allow such experiments, and the positive attitude in the division should permit them to be fruitful.

In summary, the current situation in the 2d Armored Division is positive from a reform standpoint. Most officers are willing to give the reform views a fair and open hearing. If higher Army command levels were to adopt reform concepts such as maneuver warfare, their implementation in the 2d Armored Division could proceed rapidly. To the degree that this division is representative of the Army as a whole, reform may take less time and face fewer obstacles than has commonly been supposed.●

FRANK H. WHEATON, SR., INDUSTRIALIST CENTENARIAN

● Mr. WILLIAMS. Mr. President, it is an honor for me to pay tribute today to one of New Jersey's outstanding citizens. I call my colleagues' attention to a special event in my home State on March 16, 1981; the 100th birthday celebration of Frank H. Wheaton, Sr.

Mr. Wheaton is being honored with a parade down High Street in Millville, a tribute at Wheaton Industries attended by some 10,000 people, and later that evening he will be the special guest at a candlelight buffet supper attended by 50 friends and family members. Now, you may think that simply reaching the age of 100 has qualified Mr. Wheaton for all this attention. And, I must admit, reaching 100 is an achievement in itself.

But this celebration is being lavished upon my dear friend because he is one of the Nation's outstanding industrialists. Frank Wheaton has spent all of his working life promoting American industry. He has been associated with the T. C. Wheaton Co. and the Wheaton Glass Co. since September 1, 1899. Under his leadership and enthusiasm the company has expanded to become Wheaton Industries which, at the present time, employs some 4,000 people in New Jersey. Some of my colleagues may be familiar with his business because Wheaton Industries also has plants in the Far West, Midwest, the South and Northern areas of the country.

Mr. Wheaton's biography reads like a version of the American dream, and any one of his achievements throughout the years would be enough to spark a gala celebration even if this were not his 100th birthday.

And, lest my colleagues think Mr. Wheaton's only area of concern has been his business, I would like to point out that his foresight and dedication have also been focused on important community projects which deserve acknowledgement as well. One example that comes to mind is the Cancer Treatment Center in Millville. It was a happy day indeed when we joined in dedicating this valuable addition to the Millville Hospital, and a proud moment for all those who worked with him to make this facility a reality.

Mr. President, it is with special pleasure then that I share this good news with my colleagues. Mr. Wheaton has lived a full and rewarding life, and his achievements will stand for many years as a model for young men and women in New Jersey and elsewhere who have a similar dream, similar goals. Happy birthday, Mr. Wheaton, and best wishes for every success in the years to come.●

SMALL BUSINESS AND EMPLOYEE OWNERSHIP

● Mr. HART. Mr. President, one of the most intriguing and innovative approaches to economic development today is employee ownership. Its potential for increasing productivity and reducing unemployment has barely been tapped though these objectives are among our Nation's highest priorities. If we are to have a new beginning in the American economy, we must take a closer look at innovative ideas such as employee ownership.

Employee ownership gives workers a share in the venture and benefits of entrepreneurship. It increases the incentive to work hard and produce more by giving workers an owner's share of the profits.

Employee ownership can be particularly attractive for small business. Small business is one of our brightest hopes for economic renewal. Small businesses create more jobs than big business, create more innovations, and stimulate economic competition. Recently the magazine "In Business" published an excellent article by Corey Rosen, executive director of the National Center for Employee Ownership, on the relationship between small business and employee ownership. This article explains how small businesses can adopt ESOP's, the most popular form of employee ownership. It offers concrete examples of the purposes ESOP's serve, when they should be used or avoided, and what types of companies will benefit.

Mr. President, I ask that the article be printed in the RECORD.

The article follows:

IS EMPLOYEE OWNERSHIP RIGHT FOR YOU?

(By Corey M. Rosen)

In recent years, Congress and the media have focused considerable attention on employee ownership of business. Tax laws have been passed to encourage it, federal agencies have been authorized to finance it, and businesses are adopting it at a rapid pace. Yet to most small business people, employee ownership is an unknown entity—a tax gimmick to some; to others an option available only to big companies. Most, however, haven't even heard about it.

If any of the situations described below apply to your business, however, it might well be worth your time to find out more about employee ownership plans (often called "ESOPs", although ESOPs are, in fact, just one popular variety of employee ownership plans):

1. You want to start a business, and you think you can interest some outside investors, but you, and they, are worried that when they want to sell out their interest, there won't be any market for their stock.

2. You are about ready to retire or move on to something different, and you want to sell out your interest in your company. The IRS says that if you sell your interest to the company, you have to pay ordinary income tax rather than capital gains tax. You could sell for an exchange of stock to an established firm, and have any taxes deferred until you sold the new stock. It is not easy to find such a buyer, however, and, in any event, you want to see your business maintained as an independent company. Your employees have been loyal—perhaps they could buy it.

3. You want to provide your employees with a retirement plan or an incentive plan but these cost money, and you need every dollar for your business.

4. You want to make your employees feel that they are part of the company, but pep talks and even good wages really don't do the job. Yet you know that loyalty to the firm can pay real results in terms of decreased waste and better productivity.

5. You want to keep your fixed costs down so that you can adjust to variations in your business, but much of your fixed cost obligation is in wages. Hiring and firing people all the time to make adjustments is expensive, and, in any event, just doesn't seem right. What you need is a compensation system that is fair, but flexible.

6. You work for a company that is about to be shut down or divested but you know that if it were managed right, and people worked a little harder, the company could be a profit-maker.

7. You want to start a new company, or change the one you already have, so that everyone shares in the ownership and responsibility.

If any one of these situations describes your company, read on, for employee ownership plans can provide solutions to these problems at substantial tax savings. Moreover, new legislation provides the Small Business Administration, as well as other federal agencies, with the authority to help you finance your employee ownership plan.

For instance, take the case of Ed Sanders, President of Allied Plywood Company in Alexandria, Virginia. Allied is a 20-employee distributor of plywood, siding, molding, and paneling, with sales just over $8 million. Sanders founded the company in 1951, and, a few years ago, decided it was time to start thinking about retirement. "I say that the time was coming when I would have to

leave," Sanders said, "and the employees would have to take over. I have no children and no relatives that would want to take over." Although Sanders was lucky in that he could have sold out to a large company, he didn't feel right about that. After all, he had spent his life building Allied Plywood. He decided, therefore, to keep his company independent by selling his shares back to the company.

Normally, if Sanders sold his stock to the company, he would have to pay ordinary income taxes on the proceeds. To avoid this, he set up an employee stock ownership plan (ESOP). Under the law, a sale to an ESOP is considered a sale to a third party and is eligible for the considerably lower capital gains treatment.

To set up the ESOP, Sanders simply established a paper trust (literally a folder). Every year, Sanders sells part of his stock to the trust. To do this, the company writes a check to the trust for the amount needed to buy the stock. The trust then turns around ("we shift sides at the table") and buys the stock. The company's contribution to the trust is tax-deductible.

Now the trust has the stock—eventually, in fact, it will have all of Sander's stock. According to rules governing ESOP's, the stock will gradually be allocated to the accounts of the company's 19 employees. Usually, this allocation is done according to salary, although other formulas can be used, provided that they do not discriminate in favor of highly paid employees (the law provides that allocating according to salary is considered non-discriminatory, since wages are considered a fair assessment of an employee's value to the company).

Clearly, Ed Sanders and Allied are getting a substantial tax break (although not as large a break as they would get if they sold out for an exchange of stock to a large company.) The ESOP has provided Ed Sanders with other benefits as well. He now has a way to keep his company independent, plan for his retirement, and reward the employees he feels have been so good to him.

Benefits for Allied's employees are substantial. Non-managerial employees make a lower salary than most people with comparable jobs, but their total compensation, including contributions of stock to the ESOP and Allied's monthly and annual cash bonus plan, bring their total compensation to $30,000 to $50,000 per year. They already own 43 percent of the stock, and eventually will own most of it. No wonder Allied has lost only one employee in the last nine years.

Despite this high level of compensation, Allied is a profitable company. Even in this depression year for the housing industry, Allied has made a profit. Partly this is because Allied's employees work harder. "The truck drivers don't want another truck driver because that would cut into their part of the profits," says Sanders. "It is just an extremely efficient operation."

Sanders also has the luxury of adjusting his labor costs to the changing demand for his product. When times are tough, the bonus is reduced. If he wanted, Sanders could also reduce the company's contribution to the ESOP, although so far he has not had to do this. Workers don't need to be laid off in hard times, only to be rehired when business picks up (and the taxpayer doesn't have to pay for their unemployment compensation).

But what about the role of the workers in the company? After all, Sanders plans to make this company a truly worker-owned firm.

This is one of the most difficult questions for any company considering an employee ownership plan. The law states that if you have an ESOP, and you are closely held, you must pass through the vote on any issues (e.g. mergers, acquisitions) which by state law or corporate charter require a more than majority vote. There are no such issues for Allied, however, and Sanders has decided not to pass through the votes on any issues until he has sold most of his shares: "If we were to have the vote pass through on all the stock the employees will have, here I'd be with half my life's work invested, with minority say in what I had full control of. I think a vote pass through is fine, though, once my interest worked down to be something like theirs."

When Ed leaves the company, his current manager will become President, and will have the largest single share of voting stock (which he bought himself). Employees, however, will together own a majority of the stock. It appears certain that things will go on pretty much as they have been, however. Allied employees have told U.S. Senate Small Business Committee staffers, researching employee ownership, that they really do not feel a need to get involved in management issues—at least as long as they have open lines of communication on matters of concern. As one worker put it, "if you speak up, you can take the initiative and get things changed, but there are really only a couple people who are qualified to run the company."

What the employees do want is the right to have a say about how to run their own job. They want their own expertise in their own area acknowledged, and to be treated as an integral part of the company, not just dispensable employees. Over the years, Allied has worked just this way, largely because Ed Sanders operated on the premise that his employees will work better and more productively if he allows them to use their own skills and intelligence as much as possible. The ESOP will provide workers with the right to have a say in how things are run but, as in all democracies, this needn't personally involve them in making every decision. Rather, workers will expect openness, cooperation, and, ultimately, accountability. Allied has shown these things can be achieved, with beneficial results for everyone.

Allied is clearly a success story. Is it just a unique example? On the contrary, all the evidence gathered so far shows that, if handled properly, employee ownership works: it works for the employees, the business and its managers, and it works for the economy. A careful study by the University of Michigan, for instance, found that companies with substantial employee ownership plans (more than just a few percent worker-owned) were 1.5 times as profitable as comparable companies without them, and that the more stock the employees owned, the more profitable the companies were. A Senate Finance Committee study found that when firms of various sizes established employee ownership plans, their profits increased 157 percent, sales 72 percent, employment 37 percent, and taxes paid to the government 150 percent, in an average of just three years. A case study of 18 employee owned plywood companies in the Northwest showed productivity rates are 25 percent higher than conventionally owned competitors.

Perhaps the most amazing data were compiled by Cornell University researchers who identified approximately 60 firms which employee and employee-investor groups purchased from conglomerates. In each case, the companies were about to be closed by its owner. All these purchases occurred during the 1970's. As of 1979, every firm the researchers were able to track appeared to have turned the corner on profitability and had become a stable, independent company. While the recent recession has caused hard times for a few of these firms, their overall performance is remarkable, especially in light of the conventional wisdom that if a big business can't make a subsidiary profitable, no one can.

Employee ownership offers a number of other advantages as well. Since ESOPs are the most common form of employee ownership plans by far, a brief discussion of their operation can illustrate just how employee ownership can be used to meet the situations described at the beginning of this article. Two other forms of employee ownership are producer cooperatives and direct ownership of the company.

THE ESOP

An ESOP is a legally defined employee benefit plan. To set one up, you need a good lawyer; but basically, the company establishes a trust for the employees. The trust is authorized to receive contributions of cash or securities from the company—contributions which are tax deductible (up to 15 percent of the annual covered payroll in most cases). If the contribution is in dollars, the trust simply purchases existing company stock or new stock issued for this purpose. The stock in the trust is allocated to the accounts of employees according to a formula (as discussed before).

This stock vests with employees over a period of time, generally three to 10 years, but no longer than 10 to 15 years. There are a number of schedules a company can legally follow. Employees are entitled to the stock when they leave the company, at which time they can require the company to purchase the stock back from them. The company also has the right of first refusal on the stock (if the selling price is not fair market). Closely held companies having ESOPs must periodically have a valuation done of their stock, and the stock must be valued at its fair market worth.

Employees leaving the company can use income averaging and IRA "rollover" accounts to minimize their taxes on their stock. In the case of a successful company, that stock can amount to a substantial sum. The Lowe's Company, a large home improvement chain, has already made many millionaires and half-millionaires out of retired warehouse and sales employees. If the company goes under, however, the employees get nothing.

EQUITY CAPITAL

This legal structure allows for several interesting possibilities. A start-up company, for instance, may want to attract outside equity investors. That is not easy to do, however, in part because outside investors have no ready market for their shares. Some companies can go public, but not many. What an ESOP does is to create a market for the stock—namely, the employee trust. With regular valuations going on anyway, fair market value is established for the outside investor.

Moreover, the trust is empowered to borrow money to buy the investor's stock. In this arrangement, the company would guarantee the trust's loan, and actually make contributions to the trust to repay the loan. If the company borrowed money to buy out the investor, it could deduct its interest payments. If the trust borrows money, and the company makes contributions to the trust to repay the loan, the entire contribution is deductible—in effect, both principal and interest. Similarly, if the company makes a contribution to the trust to buy out the investor, that contribution is also tax deductible.

The investors benefit too. If they own over half the stock in the company, and sell out to the company, they must pay ordinary income tax, up to the 70 percent rate for unearned income. If they sell to the trust, however, they only have to pay capital gains tax.

These same provisions are obviously of equal value to an owner who wants to retire. ESOPs provide a market, a valuation, and a tax preferred way of doing what Ed Sanders did.

EXPANSION AND BENEFITS

Another benefit of ESOPs is that they can be used to finance company growth and establish an employee benefit plan with the same pre-tax dollars. Under this approach, a company would have its trust borrow money to finance, for instance, new machinery. The company would print stock in an amount equal to the amount of the loan. The trust would buy the stock with the loan, giving the company the dollars. The company would repay the loan through the trust in tax deductible contributions. Now the company has the new machinery, and the employees have stock in their accounts. In short, the same dollars have worked double time.

FLEXIBLE COMPENSATION

ESOPs can also make a company's compensation system more flexible, especially when tied to profit sharing or bonus plans. As in Ed Sander's company, basic wages can be kept down, but variable compensation based on stock contributions and cash productivity bonus plans can be tied to company performance. Total compensation under such a plan should exceed what would otherwise be paid in salary.

BUYOUTS

Employee ownership plans can also be used by employees who want to acquire a firm which might otherwise close. The waves of conglomeration that have swept the country have frequently resulted in huge, government-sized businesses trying to manage all sorts unrelated companies. Beatrice Foods, for instance, runs 400 different companies. In many cases, subsidiaries are closed either because they are mismanaged, milked, cannot afford corporate overhead, or because the parent decides that a 10 or 15 percent return is not good enough. Employee buyouts of these firms can be—and have been—very successful. Companies as large as Chigo and Northwestern Transportation and Rath Packing are now run profitably by employee owners, as are dozens of smaller companies. The same tax advantages referred to above can be used to create an independent, employee owned company.

All of these financial advantages, however, will not, in themselves, guarantee either a company's or an employee ownership plan's success. Employee ownership is not magic. Just setting up a plan will not transform a company into a profitable enterprise full of happy workers and managers. The real key to employee ownership is that ownership can provide employees with a tangible stake in a company's future. Whether the company is a producer cooperative, with every employee owning one share, or a traditional company with an ESOP providing employees with a clear minority share, ownership works only to the extent that workers and managers use this common stake in the future to create a more productive work atmosphere.

The exact role workers will play should be a subject of regular discussion and negotiation, including what voting rights workers will have. Both research and sad experience have shown that when open communication does not exist, employee ownership, although providing some financial rewards, can lead to bitterness, misunderstanding, and, in one case, even a strike.

Ed Sanders has made this effort at his firm, with grievance meetings and with a great deal of informal contact. Ed goes out of his way, in effect, to treat his employees *both* as good workers and as owners. The results have been impressive profits for Ed Sanders, remarkable compensation for the employees, and a worker loyalty that nears perfection. As Sanders himself would say, the ESOP is not the sole cause of his happy state of affairs, but instead, more an outgrowth of the kind of attitude everyone has. The ownership plan, however, solidifies and reinforces the mutual respect and common effort.

If all of this sounds like the road to success, that's good—it can be. There are, however, some pitfalls and problems that must be considered.

PITFALLS AND PROBLEMS

First, employee ownership plans are expensive to install, and ESOPs, which offer the greatest tax benefits, are especially expensive. ESOP installation costs can run as high as $10,000 to $12,000, plus another $2,000 to $5,000 for the initial valuation. Future costs will total less than $5,000. You may be able to get by with substantially less, but you should not even try to install an employee ownership plan, especially an ESOP, without the advice of a lawyer who has had specific experience with the kind of plan you want to install. It is worth looking around, or getting in touch with the people listed at the end of this article for further advice. These high costs may be reduced, however, if Congress passes a bill introduced by Senator Russell Long to provide a tax credit up to $5,000 to small firms to cover ESOP legal costs.

Second, employee ownership plans will benefit neither your company nor your employees if your company is not either making a profit or likely to make one. The tax deductions won't do you any good, and your employees may be left with worthless stock.

Finally, employee ownership will cause a dilution in the share (although probably not the value) of your ownership interest. This can lead to many positive results, but if you are really philosophically or otherwise opposed to this notion, then installing an employee ownership plan just to get its tax advantages is likely to cause more trouble than it is worth. Senate Small Business Committee research suggests that employee owners do not want to take on a management role, but they do want to have some level of participation and they do want managers to be accountable to them on at least some basic issues. Mostly, however, they want to be treated the way ownership implies they should be treated—as partners in a shared enterprise, rather than as another piece of machinery.

There is, in short, a lot of good news about employee ownership. Acknowledging this, Congress has now empowered the Small Business Administration to guarantee all the different kinds of ownership financing described in this article. The Farmers Home Administration (FmHA) Business and Industrial Loan program can now do the same thing. Producer coops are eligible for financing from the National Consumer Cooperative Bank (although funds are limited). SBA, FmHA, the Department of Housing and Urban Development and the Economic Development Administration all now have programs to help employees purchase companies that would otherwise close.

Employee ownership offers a new way, really, for the American free enterprise system.

The cooperative it would create, the productivity it would encourage, and the sense of participation it would foster, all could unleash a tremendous outpouring of energy and creativity. The laws needed to encourage it already exist. It is now up to entrepreneurs and employees.

As Winston Churchill once said, "The great failure of capitalism is that not all share in its beneficence: the great failure of socialism is that all share in its misery." Perhaps if he had thought of it, Winston Churchill would have called for a third alternative—employee ownership.

For further information, get in touch with the author at 703-931-2757, or Jeff Gates, Senate Finance Committee, at 202-224-3418. "Employee Stock Ownership Plans: An Employer Handbook," prepared by the staff of the Senate Finance Committee (April, 1980), is available from the Superintendent of Documents, U.S. Govt. Printing Office, Washington, D.C.●

THE WHITE GOLD: IVORY

● Mr. CRANSTON. Mr. President, when the House passed the Elephant Protection Act of 1979 during the 97th Congress it could have signaled a major step forward in efforts to save the African elephant from being slaughtered into extinction. Unfortunately the Senate did not complete action on this bill. In view of the continued disgraceful destruction of this magnificent animal, I look forward to Senate consideration of similar legislation in the 97th Congress.

The slaughter of the African elephant has reached insupportable levels. From 100,000 to 300,000 are massacred each year to meet the rising demand for ivory products and skins. A largely unregulated and uncontrolled international ivory trade benefits from a 1,500-percent increase in the price of ivory in the last decade that has left the elephant population at a dwindling 1.3 million. Drought and random shootings in areas of military conflict, and the long-term threat from expanding human settlements further menaces their existence. It is obvious that the animal is being killed faster than it can reproduce.

The African elephant was once a species that roamed from the Mediterranean Sea to the Cape of Good Hope. Today, after 300,000 years of relative stability, elephant populations, in western and southern Africa especially, are dangerously low. They are already extinct in five African nations and rapidly disappearing in others—Angola, Cameroon, Chad, Congo, Sudan, Uganda, and Zambia.

Because we purchase one-fifth of all worked ivory pieces and because we have taken the lead among nations in wildlife protection, Americans have a responsibility to take steps to stop this senseless and greedy waste. Although the United States cannot enact statutes which would transcend national sovereign boundaries, we can effectively regulate the flow of elephant ivory into this country with legislation.

I submit for the RECORD an article from the Los Angeles Times by Edward Ricciuti which clearly illustrates the magnitude of the ivory trade and the devastation it has brought.

The article follows:

IVORY HOARDED AS INFLATION HEDGE

(By Edward R. Ricciuti)

NAIROBI, KENYA.—Elephant ivory, long ago nicknamed "white gold," never deserved the sobriquet more than today. Its value has jumped so high that it is the source of a trade worth more than $200 million annually. And evidence mounts that wealthy speculators are hoarding it as a hedge against inflation.

From a $3-per-pound price in the 1960s, raw ivory—elephant tusks—has increased to between $40 and $50; the exact amount is subject to market fluctuations. While some ivory hunting and trading is perfectly legitimate, the boom in prices has turned poaching and smuggling of tusks into a bonanza.

In the wake of the ivory price increase, a wave of elephant poaching has swept several countries in sub-Saharan Africa. Numbering well over a million animals, the African species is the source of virtually all ivory in commerce. Only a smattering comes from the Asian elephant, whose tusks are smaller, often even absent, and whose numbers are down to less than 40,000 in the wild.

Biologists generally agree that the most serious long-term threat to the survival of the elephant is the destruction of its grazing lands as populations in Africa demand more

land and resources. Poaching, however, has reduced elephant numbers, and even eliminated herds in some places. Early in May, the World Wildlife Fund warned that rampant elephant poaching, resulting from the breakdown of law and order in Uganda, threatens the "extinction of the Uganda elephant within a year or two."

The cause of rising ivory prices, and thus the lure of poaching, is the subject of considerable debate in conservation circles today. Some conservationists claim an increase in the demand for ivory is behind the price hike. Others say the worth of ivory is that its value, like that of gold, jumps or drops conversely with public confidence in political and economic conditions.

"Ivory is a standard of wealth," says I.S.C. Parker, a Nairobi-based wildlife consultant and a recognized authority on the ivory trade. Last year, he completed the bulk of a report on the international commerce in ivory commissioned by the U.S. Fish and Wildlife Service.

Investors have confidence in ivory when money is weak, Parker says, because it is as hard a currency as gold or diamonds. Well-fixed speculators, he says, are buying and stockpiling ivory in hopes it will further increase in value, or at least hold its own against the declining dollar.

He also believes that people in the ivory business are fearful that pressure from conservation and animal welfare interests will lead to increased curbs on the trade—and a tight supply of ivory.

"High ivory prices reflect efforts to ban the trade," says John Halligan, a biologist employed by the American Ivory Association. It is, in fact, a trade group, including some of the 3,000 carvers and importers in the United States, who last year organized to combat legislation that would tighten federal regulations on ivory imports.

Conservation aid by the United States would have considerably more impact on the elephant in Africa than a total ban on ivory imports into this country. The United States consumes about 20 percent of the world's worked ivory, but the product is at such a premium that traders say it could easily find a market elsewhere. Only 3 percent of the raw ivory coming from Africa ends up in this country, with most of it going to Japan, Hong Kong and West Germany.

The trade in elephant ivory is a worldwide affair, channeled through dozens of countries. Its basis, however, is in the African savanna, forest, or bush. Someone in the field—a legitimate government hunter, a peasant, herdsman, poacher, or possibly a guerrilla fighter with a need to trade ivory for ammunition—must find and kill the elephant; a lucky few may come upon tusks of one already dead.

Often, the distinction between legal and illegal ivory is blurred. Ivory may be legally taken from an elephant, then exported with official papers obtained by bribery. Illicit ivory may be smuggled from its country of origin, into another nation, which has no objections to transferring it to a third country.

Given the shifting nature of African politics and a hodgepodge of regulations that differ from one nation—and sometimes one province—to the next, the legitimacy of an ivory shipment can be exceedingly difficult to assess. Kenya, for instance, officially bans the ivory trade. Tanzania considers ivory a government monopoly. Gabon allows private elephant hunting. The Central African Republic did, too, but recently banned elephant killing. The central government of Zaire says it alone controls ivory shipments across its borders. But provincial officials, often out of touch with Zaire's capital, Kinshasa, continue to issue their own ivory export permits.

Government connivance with the illicit ivory trade is not uncommon British biologist Ian Douglas-Hamilton, who co-authored the Fish and Wildlife ivory trade report with wildlife consultant Parker, and is known for his elephant studies, has cited allegations of Zaire's army troops poaching elephants and of ivory being flown from the country on military aircraft.

Kenya, under the government of the late President Jomo Kenyatta, was a hotbed of official corruption involving ivory. But since last year's national election and a vote of confidence in Kenyatta's successor, President Daniel arap Moi, several officials implicated in the illicit ivory trade no longer hold their posts; arrest of poachers and smugglers have increased, too.

Rangers, at Kenya's Tsavo National Park, overrun with poachers during the last few years, were even accused of ivory poaching in 1979. After an anti-poaching campaign, poaching this year dropped to the lowest level in years and is considered under control.

Elsewhere in Africa, however, poaching is on the increase. Zambian wildlife officials told a reporter recently that the country was reorganizing its anti-poaching forces in response to a serious outbreak of the illegal activity. Several Zambian rangers have been killed by poachers and a noted Tanzanian game warden was machine-gunned to death some months ago by a poaching gang.

And yet, considerable ivory from Africa is harvested quite legally. Tanzania ivory traders can obtain tusks taken when surplus elephants are killed by national parks authorities. South Africa's elephant herds are tightly managed in a few parks, where poaching is non-existent and surplus ivory is harvested. And Botswanna's ivory business is rigidly controlled, with most of the ivory exported through a single firm, Botswanna Game Industries, Ltd.

Once exported from Africa, the ivory usually heads for a number of carving centers—Hong Kong, West Germany, Japan and parts of the United States, for instance—where it is crafted into jewelry, sculpture, handles for fine cutlery and similar items. Eskimo artisans in Alaska now substitute elephant ivory for the rare walrus variety in their art-work and New England carvers of scrimshaw use it instead of teeth of the protected sperm whale.

Usually, tusks move through middlemen in places such as Paris and Brussels before winding up in the hands of artisans. Typical of such traders is K. T. Wang of Paris, whose firm also trades internationally in many other items, from housewares to lamps. Wang says it has become increasingly difficult for a trader to obtain sufficient ivory to meet his needs.

Artisans also say they cannot get enough ivory, even though large volumes seem to be coming out of Africa. Talk of speculators hoarding the ivory that has dropped out of sight continues to spread.

Evidence of growing interest by investors in ivory comes when an international effort to regulate the trade by choking off the flow of illicit goods, is gaining ground. The effort is being waged through the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), completed in Washington in 1973. More than 50 nations, including many with elephant populations, have signed and several more are about to. Within a few years, the sponsors hope, virtually all nations important to the ivory trade will belong.

Signing the convention, however, does not guarantee that a nation will be able to restrict its ivory trade to legitimate enterprise. The main problem is that there has been no standardization of documentation covering ivory, or other wildlife products for that matter. CITES nations, however, are now discussing standardization and progress is expected in the near future.

Many conservationists view it as the best way of controlling illegal exploitation of the African elephant white gold.●

IT IS TIME FOR OMB TO FOLLOW THE LAW: UNLAWFUL FREEZE ON VA HEALTH-CARE EMPLOYEES

● Mr. CRANSTON. Mr. President, section 5010(a)(4) of title 38, United States Code—which was added by section 301 of Public Law 96–151 and of which I was the author in the Senate—requires that, after the enactment of each law making appropriations to the VA, the Director of the Office of Management and Budget provide the VA with the authority to employ not less than the numbers of employees for which the Congress has appropriated funds in the VA's three health-care accounts—medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses.

Despite this very specific mandate, the Federal civilian hiring freeze imposed by the President on January 20, 1981, did not exempt personnel hired under these accounts. However, the President did direct the Director of the Office of Management and Budget to issue detailed instructions and delegated to him "authority to grant exemptions * * * where * * * necessary for the delivery of essential services."

Nevertheless, all hiring of employees under the health-care accounts was precluded for a period of 10 days, until January 30, at which time the VA determined, under the terms of the January 24 OMB guidelines, that certain categories of personnel—those determined to be direct-care employees—under the VA medical care account were exempt. Despite the fact that the OMB guidelines specifically provide for OMB to grant exemptions where necessary "to assure that * * * applicable provisions of law are carried out * * *," no exemption has been granted for the other categories of personnel employed under that account or for any personnel employed under the other two health-care accounts.

In light of the obvious conflict between the statutory mandate requiring that the VA be given certain hiring authorities and the freeze directives ostensibly prohibiting the VA from hiring the numbers of personnel involved, I was joined by the chairman of the House and Senate Committees on Veterans' Affairs and the ranking minority member of the House committee in a January 23, 1981, letter to the Comptroller General of the United States in which we asked for a ruling as to the legality of applying the freeze to employment under the three VA health-care accounts covered by section 5010(a)(4) of title 38.

In a February 19 response, the Comptroller General concluded that the freeze could not legally be so applied and advised that his view was in agreement with the position taken by the VA. The VA's position was set forth in a January 30 legal memorandum from its General Counsel to the Deputy Administrator of Veterans' Affairs.

Although OMB had been asked for its views on this question by GAO, the

Comptroller General advised us that OMB had not provided formal written comments. Rather, the Comptroller General said, "[W]e have been told informally that it is OMB's position * * *" that section 5010(a)(4) does not render unlawful the application of the freeze to employment under the three VA health-care accounts.

Thus, at the present time, the VA is operating subject to directives from OMB that are, in the view of the VA and the Comptroller General, plainly illegal. This is an intolerable situation for the VA to be in, and it is resulting in the VA's inability to hire in many categories of personnel needed for the operation, maintenance, and administration of its health care and health research programs.

The results are especially grievous in connection with the employment of the 1,176 additional VA health-care personnel for which Congress appropriated funds in Public Law 96–526, the fiscal year 1981 HUD-Independent Agencies Appropriations Act, signed into law on December 15, 1980.

Mr. President, 176 of those positions were specifically funded to enhance and expand the VA's readjustment counseling program for Vietnam-era veterans—a long overdue and very meaningful program that has proved its effectiveness in its first full year of operation. This remarkable network of 91 storefront-type vet centers has been only minimally staffed and funded from the beginning. Yet, these 176 additional positions mandated by the Congress were not included in the January 30 exemption from the freeze sought by the VA and granted by the Director of OMB for certain categories of personnel in the medical care account.

Thus, because 156 of the 176 additional positions were not filled before the freeze was imposed, most of the additional, badly needed support that the Congress has appropriated for this program have been put on "hold." This situation is having a serious adverse effect on the morale of the overworked teams at vet centers now in operation and—because the program itself has taken on a greater significance to these veterans and to concerned members of the public since the very warm welcome given the former hostages on their return from Iran—this unlawful administration thwarting of clear congressional intent will inevitably raise serious questions about our Government's commitment to assisting with the readjustment difficulties of Vietnam-era veterans.

Moreover, the question of legality aside, as my good friend and colleague from California, the ranking majority member of the House Committee on Veterans' Affairs, Subcommittee on Hospital and Health Care, Representative DON EDWARDS, recently stated, in a timely and forceful letter to the VA, vet center personnel should have been included in the direct care category exempted from the freeze under the January 24 OMB guidelines.

Mr. President, OMB's actions in this matter are most unfortunate in several respects. In addition to imposing serious burdens on VA medical care and research through, what I agree with the VA and the Comptroller General is, the unlawful application of the hiring freeze, OMB has shown a rather cavalier disregard for acts of Congress, a disregard that is underscored by the authoritative legal opinions of the Veterans' Administration and the Comptroller General and by OMB's failure to provide the Comptroller General with a written legal opinion or formal views.

In Public Law 96–151, we enacted section 5010(a)(4) of title 38 to provide—as clearly as we could express it—a guarantee that the VA would always be provided with the authority to hire no less than the numbers of personnel for which Congress has appropriated funds in the VA's three health-care accounts. Thus I am pleased that the VA and the Comptroller General do not believe this law has any loophole allowing OMB to provide certain hiring authority in one breath and, in the next, to prohibit its use.

Mr. President, I consider it to be extremely important for the requirements of the law to be followed—important to the provision of quality health-care services to the Nation's veterans and important to the maintenance of the level of services intended by the Congress in appropriating these funds.

It is time for OMB to obey the law, and I call on the Director of OMB to insure that it does—fully and immediately.

Mr. President, I insert the VA General Counsel's opinion and the exchange of correspondence with the Comptroller General, followed by the letter from Congressman EDWARDS that I mentioned and the Chief Medical Director's reply in the RECORD at this point:

WASHINGTON, D.C., *January 23, 1981.*

Hon. ELMER B. STAATS,
Comptroller General of the United States,
Washington, D.C.

DEAR MR. COMPTROLLER GENERAL: As you will recall, in a letter dated July 29, 1980, to Senator Cranston (a copy of which is enclosed for your convenience), you addressed the question of whether a non-statutory Executive Branch limitation on hiring imposed on the Department of Medicine and Surgery of the Veterans' Administration would constitute a violation of section 5010(a)(4) of title 38 (as added by section 301 of the Veterans' Health Programs Extension and Improvement Act of 1979, Public Law 96–151). Under section 5010(a)(4), the Director of the Office of Management and Budget must provide the VA with the authorization to employ under the VA's medical care and two other related accounts not less than the numbers of employees for which appropriations have been made for the fiscal year concerned.

In your letter, you indicated that, if a non-statutory limitation on hiring decreased employment authorizations for the three VA appropriation accounts involved, the statutory requirement would prevail, and thus suggested that such a limitation would constitute a violation of law. You noted, however, that you would have to review the specifics of any future limitation in order to assess it appropriately in terms of section 5010(a)(4).

In light of that earlier analysis, we would appreciate receiving, as soon as possible, an opinion from you on whether the "strict freeze on the hiring of Federal civilian employees" ordered by President Reagan on January 20, 1981, violates section 5010(a)(4) of title 38. (A copy of the memorandum imposing that freeze is enclosed.)

We note that, under Public Law 96–526, the Department of Housing and Urban Development-Independent Agencies Appropriations Act of 1981, signed into law on December 15, 1980, Congress has appropriated funds for the employment of, according to advice from the Appropriations Committees, a total of 191,108 full-time employee equivalents (FTEE's) under the accounts in question in fiscal year 1981. Thus, section 5010(a)(4) requires the Director of OMB to provide the VA with the authorization to employ that number of employees under those accounts, and the "freeze" directive raises the question whether it has the effect of decreasing below that number the authorizations for the accounts involved.

In this connection we also note that, in the directive, the President has delegated to the Director of OMB "the authority to grant exemptions in those rare and unusual circumstances where exemptions are necessary for the delivery of essential services", and we ask that you also determine whether it is lawful under section 5010(a)(4)—in light of the fact that the aforementioned appropriations have been made for FTEE's (staff years)—for VA hiring under these accounts to be "frozen" during the time that would be required for the making of an application for an exemption.

In view of the obvious time constraints entailed in this request and the enormous adverse impact that even a short-term freeze can have on the provision of health care by the VA, we would appreciate receiving your opinion on these issues at your very earliest convenience.

We would also note that the 30-day deadline, set forth in section 5010(a)(4)(B), for the Director of OMB to provide you and the appropriate committees of the Congress with certification that the employment authorizations have been provided to the VA has once again been violated—this time with respect to Public Law 96–526—and we look forward to receiving the report that you will be filing under section 5010(a)(4)(C) with respect to Public Law 96–526.

Sincerely,

ALAN K. SIMPSON,
Chairman, Senate Committee on Veterans' Affairs.

G. V. MONTGOMERY,
Chairman, House Committee on Veterans' Affairs.

ALAN CRANSTON,
Ranking Minority Member, Senate Committee on Veterans' Affairs.

JOHN PAUL HAMMERSCHMIDT,
Ranking Minority Member, House Committee on Veterans' Affairs.

WASHINGTON, D.C., *February 19, 1981.*

Hon. ALAN CRANSTON,
Ranking Minority Member,
Committee on Veterans' Affairs,
Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your concern as to whether the hiring freeze imposed by President Reagan on January 20, 1981, violates section 5010(a)(4) of title 38 of the United States Code. That section requires the Director of the Office of Management and Budget, in each fiscal year, to provide to the Veterans' Administration the full funded personnel ceiling for which the Congress has appropriated funds for the year in three specified accounts. The hiring freeze, on the other hand, with some exceptions, precludes all Executive branch agencies from hiring any employees after January 20, 1981.

As is our usual practice, we requested the views of the concerned agencies—in this instance, the Office of Management and Budget (OMB) and the Veterans' Administration (VA). We have not yet received the formal written comments of OMB. However, we have been told informally that it is

OMB's position that: 1. The Director of OMB has already complied with the statute; 2. the temporary hiring freeze is not inconsistent with the full-time employee equivalent (FTEE) certification because the VA could use all available staff years after the freeze is lifted; 3. the required certification does not limit the President's authority to impose a Government-wide hiring freeze; and 4. the certification requirement would be satisfied with a deferral report to the Congress delaying availability of some of the funds appropriated for medical care staffing, to be used later on to partially offset the need for a supplemental appropriation to cover the October 1, 1980, pay raise.

In its response to our inquiry the VA takes the position that 38 U.S.C. § 5010(a)(4) is an absolute mandate to OMB to allow VA to fill all positions for which Congress has appropriated funds, and that the President does not have legal authority to prevent VA from hiring to fill those positions.

We agree with the Veterans Administration. For the reasons indicated below, it is our opinion that the presidential hiring freeze is not applicable to the positions which the Congress has required to be released for fiscal year 1981. We also hold that the funds needed to fill these positions may not be deferred or otherwise withheld during fiscal year 1981.

THE STATUTE

As is relevant to this decision, 38 U.S.C. § 5010(a)(4) provides:

"(A) With respect to each law making appropriations for the Veterans' Administration, there shall be provided to the Veterans' Administration the funded personnel ceiling defined in subparagraph (D) of this paragraph and the funds appropriated therefore.

"(B) In order to carry out the provisions of subparagraph (A) of this paragraph the Director of the Office of Management and Budget shall with respect to each such law (i) provide to the Veterans' Administration for the fiscal year concerned such funded personnel ceiling and the funds necessary to achieve such ceiling * * *

* * * * * *

"(D) For the purposes of this paragraph, the term 'funded personnel ceiling' means, with respect to any fiscal year, the authorization by the Director of the Office of Management and Budget to employ (under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses) not less than the number of employees for the employment of which appropriations have been made for such fiscal year."

This provision was passed by the Congress in response to actions by the Administration blocking VA from hiring all the health-care employees for which Congress had appropriated funds. The statute was intended to insure that VA was staffed at the level specified by the Congress by preventing the Administration from withholding funded personnel positions from VA. Thus, in the explanatory statement accompanying the compromise bill which contained paragraph 5010(a)(4), the House and Senate Committees on Veterans' Affairs jointly stated:

"The compromise agreement requires the Director of OMB to provide to the VA the personnel ceiling for VA health-care staffing for which appropriations are made * * *.

"The Committees believe that it is essential that when the Congress appropriates funds specifically designated for VA personnel levels, OMB not thwart the will of Congress by requiring the VA to use the funds so appropriated for other purposes (as occurred in fiscal year 1979 when funds appropriated for additional personnel were diverted, at OMB's direction, to cover in part the VA's cost of the Federal government pay raise." Cong. Rec. 34864 (December 6, 1979).

Also, in explaining the compromise bill to the House, Representative Hammerschmidt, Ranking Minority Member of the Subcommittee on Medical Facilities and Benefits, Committee on Veterans' Affairs, said:

"Another provision is aimed at preventing the recurrence of a situation that generated widespread outrage earlier this year. The Office of Management and Budget directed the Veterans' Administration to use funds appropriated by the Congress to prevent the planned closing of hospital beds within the VA medical system for another purpose. The appropriated funds were used, instead, to absorb the Federal pay raise for VA employees and the bed closings went ahead as planned.

"The Director of OMB is required by the bill before us to allocate funds to the VA for the health care staffing Congress intends * * *" Cong. Rec. 34870 (December 6, 1979).

See also the statements of Representative Satterfield, Chairman, Subcommittee on Medical Facilities and Benefits (Cong. Rec. 34861 (December 6, 1979)), and your statement (Cong. Rec. 34984 (December 6, 1979)).

By its terms, the statute requires the Director of OMB to make available to the VA the funds appropriated by the Congress for personnel and to authorize VA to employ at least the number of employees for which funds were appropriated in the three specified accounts. The means for determining the personnel ceiling intended by the Congress was specified in the compromise agreement explanatory statement referred to above:

"The term 'for which appropriations have been made for . . . [a particular] fiscal year' in subparagraph (D) of new paragraph (4) of section 5010(a), as used with respect to an appropriation Act, means the appropriations amount that is identified unequivocally in the legislative history of such Act (including the President's budget submissions for the appropriations account involved) as intended to support a specified employment level." Cong. Rec. 34864 (December 6, 1979).

In the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, Pub. L. No. 96-526, 94 Stat. 3045, 3059, the Congress appropriated approximately $3 billion, $132 million, and $51 million respectively for "Medical Care", "Medical and Prosthetic Research", and "Medical Administration and Miscellaneous Operating Expenses." The committee reports accompanying the Act, when read with the President's budget requests, indicate the following mandated health-care positions under the three accounts:

Medical care	185,848
Medical and prosthetic research	4,418
Medical administration and miscellaneous operating expenses	832

Under 38 U.S.C. § 5010(a)(4) the Director of OMB is required to authorize VA to fill at least this number of positions, and must make available sufficient funds to pay their salaries.

Subparagraph (C) of paragraph 5010(a)(4) requires the Comptroller General to verify that the Director of OMB has complied with the statute. By letters of February 3, 1981, HR1-63 (B-198103), the Comptroller General reported to the Chairman of the House and Senate Appropriations and Veterans Affairs committees that the Director had released at least the required number of positions to VA. However, the letters cautioned that any determination that the Director was in compliance with the law would turn on the application of the presidential hiring freeze to the VA.

THE HIRING FREEZE

On January 20, 1981, President Reagan issued to the Heads of Executive Departments and Agencies a Memorandum announcing "a strict freeze on the hiring of Federal civilian employees to be applied across the board in the executive branch." See 46 Fed. Reg. 9907. The Memorandum indicated that the Director of OMB would issue detailed instructions concerning the freeze. The President delegated to the Director of OMB the authority to grant exemptions from the freeze in special circumstances. Thus the Director of OMB is administering the freeze and it is by his directions that Executive Branch agencies are not hiring.

On January 24, 1981, OMB issued Bulletin No. 81-6 providing "for an immediate and total freeze on the hiring of Federal civilian personnel as directed by the President * * *." The Bulletin directs all Executive Branch departments and establishments to stop all hiring immediately. The Bulletin provides for exemptions from the freeze including "situations where medical, hospital or health care is furnished directly * * *."

In response to our inquiry we have been informally notified by OMB that the Director of OMB granted a blanket exemption from the freeze to VA with respect to positions delivering direct health-care services (doctors, nurses, dentists, etc.). However the Director denied a blanket exemption for VA administrative and other positions funded under the three specified appropriation accounts. The Director indicated that he would consider requests for exemptions for these positions on a facility by facility basis.

Because all three accounts contain appropriations for personnel other than direct health-care personnel, the Director's decision not to exempt these positions too amounts to an impoundment of funds which were made immediately available for obligation by 38 U.S.C. § 5010(a)(4). In this respect, we see no difference in the application of a Government-wide hiring freeze to the VA, or a freeze imposed only on the VA. Both types of actions would prevent the use of budget authority otherwise made immediately available for obligation and therefore constitute impoundments, even though no formal impoundment message has been transmitted to the Congress to date.

CONTENTIONS OF OMB STAFF [1]

OMB, however, contends that the Director has already complied with the requirements of paragraph 5010(a)(4) by releasing funds and the Congressionally-directed employment ceiling to VA. It apparently is OMB's position that paragraph 5010(a)(4) does not impose a continuing obligation on the Director to maintain the funded VA personnel ceiling throughout the entire fiscal year.

OMB's interpretation of paragraph 5010(a)(4) would completely defeat the intent of the Congress and we must reject it. As we have indicated, paragraph 5010(a)(4) was enacted specifically to prevent OMB from reducing VA staffing below the congressionally-funded level. It was the intent of the Congress that VA be free to fill all of the positions for which the Congress made annual appropriations. To interpret 5010(a)(4) as allowing the Director to withdraw the personnel ceiling after he had initially granted it would clearly thwart the will of the Congress.

OMB next argues that 5010(a)(4) merely requires the Director to release the positions; it is not a mandate to the VA to actually hire to the full employment ceiling. Therefore, the hiring freeze, which does not actually reduce

[1] As we have indicated, we have not received any formal written comments from OMB. For the remainder of this decision when we refer to OMB positions or contentions we are referring to the views of OMB staff informally communicated to us.

the ceiling, does not violate the language of the statute.

Certainly, OMB is correct that by its terms 5010(a)(4) does not compel the VA to fill all the positions funded by the Congress. However, the paragraph does require that the Administration not deprive the Administrator of Veterans' affairs of the authority to fill all the positions should he choose to do so. Clearly it was the intent of the Congress to remove by statute the power of the Administration to reduce VA employment ceilings below the congressionally authorized level. As we have indicated, 5010(a)(4) was enacted by the Congress specifically in response to Administration action which prevented the VA from filling congressionally funded health care positions in fiscal year 1979. In reporting the compromise language which became 5010(a)(4) the House and Senate Veterans' Affairs Committees made it clear that the statute would force OMB to release all congressionally funded positions to VA.

Interpreting 5010(a)(4) to allow OMB to control VA hiring by means of a hiring freeze would be as much contrary to the intent of the Congress as allowing OMB to actually withhold the positions from VA. The OMB Bulletin which implements the freeze purports to deprive the Administrator of Veterans' Affairs of the power to fill the congressionally funded positions, which is not permitted by paragraph 5010(a)(4).

OMB next contends that 5010(a)(4) does not deprive the President of his power to manage the Executive Branch of the Government.

The President's power to manage the Government derives from his constitutional designation as Chief Executive and his responsibility to see that the laws are faithfully executed. However, the President may not use his powers to prevent the law from being fulfilled. *See Kendall* v. *United States*, 12 Pet. (37 U.S.) 524, 613 (1838) *National Treasury Employees Ass'n* v. *Nixon*, 492 F.2d 587, 604 (D.C. Cir. 1974); *Haring* v. *Blumenthal*, 471 F. Supp. 1172, 1179 (D.D.C. 1979). A presidential order may not supersede contradictory statutory provisions or policies. *Marks* v. *Central Intelligence Agency*, 590 F.2d 997, 1003 (D.C. Cir. 1978); *Weber* v. *Kaiser Aluminum & Chemical Corp.* 563 F.2d 216, 227 (5th Cir. 1977), *rev'd on other grounds, United Steelworkers* v. *Weber* 443 U.S. 193 (1979).

Clearly paragraph 5010(a)(4) directs the Executive not to withhold from the VA the authority to fill the congressionally-funded personnel ceiling. The President cannot use his executive powers to defeat this statute. Rather he has a constitutional obligation to see that it is fulfilled.

OMB contends that to the extent that 5010(a)(4) deprives the President of his executive powers it is contrary to the Constitution. This Office will not consider the constitutionality of congressional enactments in ruling on the legality of Federal agency actions. We consider every Federal law to be valid until such time as a Federal Court of competent jurisdiction declares it to be unconstitutional.

OMB finally argues that 5010(a)(4) does not preclude the Administration from using the provisions of the Impoundment Control Act of 1974, 31 U.S.C. § 1400 *et seq.*, to attempt to control Federal expenditures. OMB indicates that it intends to propose a deferral of budget authority for the VA positions not filled and to instruct VA to use this budget authority later in the fiscal year in lieu of a supplemental to cover the costs of the Federal pay increase. We do not think the President's impoundment authority is available, however, to defeat a clear congressional mandate that certain funds be made immediately available for obligation.

On April 16, 1980, the President proposed a deferral (D80-65) of funds available for the Federal-Aid Highways Program. Several district courts held that the fourth disclaimer in the Impoundment Control Act, 31 U.S.C. § 1400(4), precluded the President from impounding funds by reducing the obligational ceiling established by Congress and, thereby, reducing the allotments to the states.[2] The courts held that the fourth disclaimer exempts from the application of the Impoundment Control Act any law "which requires the obligation of budget authority or the making of outlays thereunder." The statute involved in the Highway cases requires the Secretary of Transportation to allot funds to the states by formula, subject to an obligational ceiling. Reducing the obligational ceiling would have had the effect of reducing the states' allotments, and, therefore, the amount that could be obligated to and expended by the states. Though the fourth disclaimer speaks in terms of obligations and outlays and the Federal-Highway Act's mandatory requirement is in terms of the apportionments to the states, the courts still held that the President was precluded by the fourth disclaimer from impounding funds under the Impoundment Control Act.

The situation involved here is analogous to the Highways cases. Both section 5010(a) and the Federal Highway Act require a type of allotment but neither statute requires the recipient of the funds to spend them. In both situations, some further action must occur after the allotment and before funds are actually obligated and spent. In the case of section 5010(a), VA determines that positions need to be filled, finds qualified individuals, and hires them. In the case of the Federal-Aid Highways Program, a state determines it needs the funds, submits a program plan and obtains Department of Transportation approval. Furthermore, the reduction of available positions in contravention of section 5010(a) and the reduction of the obligational ceiling in contravention of the Federal-Aid Highways Act have the same effect—the amount of funds available for obligation and expenditure are reduced. Since the Impoundment Control Act was not available in the Highway cases, it should not be available to OMB to reduce the positions allocated to VA and, thereby, reduce the funds available to it.

Section 1001 of the Impoundment Control Act, 31 U.S.C. § 1400, provides:

"Nothing contained in this Act, or in any amendments made by this Act, shall be construed as—

* * * * *

"(4) superseding any provision of law which requires the obligation of budget authority or the making of outlays thereunder."

In light of the provisions of section 1001 it is our view that the Impoundment Control Act may not be used to deny to VA the funds and related positions mandated to be available by paragraph 5010(a)(4). In this connection, and in the context of paragraph 5010(a)(4), we see no distinction between a Congressional mandate to spend and a mandate to allot positions and make funds available to fill them.

We conclude that 38 U.S.C. § 5010(a)(4) precludes the administration from using the President's hiring freeze, as implemented by OMB Bulletin No. 81-6, to reduce congressionally funded VA employment levels. We also hold that all the funds appropriated for the designated positions in the Medical Care, Medical and Prosthetic Research, and Medical Administration and Miscellaneous Operating Expenses accounts for fiscal year 1981 must continue to be available to fill those positions.

Sincerely yours,

MILTON J. SOCOLAR,
Acting Comptroller General of the United States.

JANUARY 30, 1981.

To: Deputy Administrator.
From: General Counsel.
Subject: OMB Bulletin 81-6—Medical Personnel Staffing.

1. This will respond to the question as to whether the freeze on Executive department civilian hiring imposed by President Reagan in an Executive Memorandum dated January 20, 1981, is applicable to medical personnel staffing in view of sections 5010(a)(4)(A), and (a)(4)(D) of title 38, United States Code.

2. The Executive Memorandum issued under the authority of the Budget and Accounting Act of 1921, as amended, required the Director of OMB to issue guidelines (OMB Bulletin 81-6 dated January 24, 1981) to implement a Federal civilian hiring freeze. OMB has advised that the provisions of Bulletin 81-6 are applicable to medical personnel staffing under the VA appropriations for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses despite the plain and unambiguous language of section 5010 and its legislative history. (The OMB bulletin does provide for exemptions to the hiring freeze to include determinations that hiring is necessitated by emergency situations such as the provision of health care.)

3. In enacting the Veterans Health Programs Extension and Improvement Act of 1979, Public Law 96-151, Congress in section 301 of that law amended section 5010 of title 38, United States Code, to mandate that the Director of the Office of Management and Budget provide the Veterans' Administration the personnel ceiling for VA health care staffing for which appropriations are made. Specifically, Congress added the following new paragraph to section 5010(a):

(4)(A) With respect to each law making appropriations for the Veterans' Administration, there shall be provided to the Veterans' Administration the funded personnel ceiling defined in subparagraph (D) of this paragraph and the funds appropriated therefor.

(B) In order to carry out the provisions of subparagraph (A) of this paragraph, the Director of the Office of Management and Budget shall, with respect to each such law (i) provide to the Veterans' Administration for the fiscal year concerned such funded personnel ceiling and the funds necessary to achieve such ceiling, and (ii) submit to the appropriate committees of the Congress and to the Comptroller General of the United States certification that the Director has so provided such ceiling. Not later than the 30th day after the enactment of such a law or, in the event of the enactment of such a law more than 30 days prior to the fiscal year for which such law makes such appropriations, not later than the 10th day of such fiscal year, the certification required in the first sentence of this subparagraph shall be submitted, together with a report containing complete information on the personnel ceiling that the Director has provided to the Veterans' Administration for the employees described in subparagraph (D) of this paragraph.

(C) Not later than the 45th day after the enactment of each such law, the Comptroller General shall submit to the appropriate committees of the Congress a report stating the Comptroller General's opinion as to whether the Director of the Office of Management and Budget has complied with the requirements of such subparagraph in

[2] In the 1980 Supplemental Appropriations and Rescissions Act, the Congress rendered the question of the legality of deferral D80-65 moot. Accordingly, in cases pending before courts of appeals, the district courts' rulings were vacated. However, we believe the analysis contained in many of these cases is useful and provides guidance in the situation before us.

providing to the Veterans' Administration such funded personnel ceiling.

(D) For the purposes of this paragraph, the term "funded personnel ceiling" means, with respect to any fiscal year, the authorization by the Director of the Office of Management and Budget to employ (under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses) not less than the number of employees for the employment of which appropriations have been made for such fiscal year.

4. This mandate of the Congress was a direct, unequivocal response to the very stringent limitations that the Administration had placed on DM&S personnel ceilings, with resultant cutbacks in services. In explaining the provision, which represented a compromise amendment, the House and Senate Veterans' Affairs Committees in their joint explanatory statement expressed the belief "that it is essential that, when the Congress appropriates funds specifically designated for VA personnel levels, OMB not thwart the will of Congress by requiring the VA to use the funds so appropriated for other purposes (as occurred in fiscal year 1979 when funds appropriated for additional personnel were diverted, at OMB's direction, to cover in part the VA's cost of the Federal Government pay raise.)" Cong. Rec. (Dec. 6, 1979) p. 34884.

5. Very significantly, in a July 29, 1980 opinion (B-198103) to the Chairman of the Senate Veterans' Affairs Committee the Comptroller General responded to a question as to the effect of section 301 of Public Law 96-151 on any future executive branch hiring freeze. Acknowledging the need to review the specifics of any such limitation, the Comptroller General's view was direct: "It is clear to us that the statute would prevail over any nonstatutory OMB-imposed limitation on hiring which would have the effect of decreasing employment authorizations for the three VA accounts specified in the statute below the personnel levels specified by Congress."

6. An argument has apparently been raised that enactment of the employee pay raise in October 1980, negates the medical personnel staffing levels established by section 5010. This position is based on the assumption that Congress in enacting the pay raise was aware that there would be insufficient funds in the appropriation accounts to support the employment level authorized by section 5010 given the newly-enacted employee pay raise, and that consequently, the statutorily required employment level was reduced accordingly. Another argument which has been raised to support the legality of the freeze is that the mandated ceiling was "provided" as required, but is not a continuing requirement and was therefore subsequently reduced as a result of economic necessity.

7. We are of the opinion that these arguments are incorrect, both as regards section 5010 and as a matter of appropriations law.

8. Viewed in connection with both the legislative history of new section 5010(a)(4), and the context of the entire section, it is clear that this new paragraph establishes a *continuing* requirement for OMB to provide the personnel ceiling funded for DM&S. In adding this paragraph to section 5010(a), Congress cannot have been unmindful of the requirement of subsection (a)(1) of that section, for example, that "The Administrator shall staff and maintain, in such a manner as to ensure the immediate acceptance and timely and complete care of patients, sufficient beds and other treatment capacities to accommodate, and provide such care to, eligible veterans applying for admission and found to be in need of hospital care for medical services."

9. Similarly, section 5010(a)(2) directs the Administrator to "maintain the bed and treatment capacities of all Veterans' Administration medical facilities so as to ensure the accessibility and availability of such beds and treatment capacities to eligible veterans in all States and to minimize delays in admissions and in the provision of hospital, nursing home, and domiciliary care, and of medical services . . . ." The very purpose of the amendment was to give such provisions meaning in the face of severe cutbacks caused by limitations imposed on personnel ceilings. To read section 5010(a)(4)(A) as having only limited application and permitting, subsequent to OMB's initially providing the funded personnel ceiling, the reduction of that ceiling is to contravene section 5010 as a whole. Congress viewed this amendment as critical to ensuring that the Administrator could meet his statutory responsibilities under section 5010(a). Particularly given this degree of congressional concern, to treat the provision as anything other than a continuing requirement in the absence of a specific, express legislative amendment is to ignore both the letter and intent of the law. This is further reinforced by the fact that the Comptroller General in his decision cited in paragraph 5 above believes that his own obligations under the statute are "of a continuing nature."

10. Further, OMB's position that enactment of the employee pay raise last October negates section 5010(a)(4) is unfounded given standard, Government-wide appropriations practices. Congress appropriates lump-sum amounts for specific accounts for VA programs. Absent any statutory restrictions in the Appropriation Act as to such accounts, the lump-sum account appropriation is available and may be applied to any of the Agency's object programs or projects funded within an appropriation account. This method of funding is a long-standing recognition by the Congress that agencies should have flexibility to shift (reprogram) funds within a particular appropriation account to meet unforeseen developments and changing requirements in agency programs. In light of these long-standing practices, Congress clearly contemplated, not an amendment to the section 5010 hiring requirements, upon enactment of the pay raise, but rather, funding thereof in accordance with standard reprogramming procedures, or by means of a supplemental appropriation. In this connection, a review of the current Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981 (Pub. L. No. 96-526) indicates that there are no applicable statutory restrictions or earmarking of funds imposed on the three medical-related accounts which would preclude the reprogramming of funds within these accounts to provide for mandated employee pay raises as well as the mandated medical personnel staffing authorized for FY 1981.

11. Moreover, it is particularly noteworthy that Congress specifically considered reprogramming of funds in the subject medical-related accounts for medical-related personnel salaries. In section 409 of Pub. L. No. 96-526, the Congress in effect specifically prohibited the programming of medical personnel salary funds for nonpersonnel medical care, medical administration, and medical research purposes. The Congress did not, however, preclude reverse programming, i.e., reprogramming funds from nonpersonnel medical-related purposes to medical-related personnel salary purposes within these appropriation accounts.

12. It thus is clear that adoption of the pay raise of 1980 did not, as an appropriations matter, preclude the Veterans Administration from maintaining the medical personnel staffing levels which preceded the pay raise and that the agency, therefore, is obligated as a matter of law (38 U.S.C. § 5010) to meet these staffing levels.

13. As regards the conflict between section 5010 and the Executive Memorandum, it goes without saying that all executive power is granted by the Constitution, and the executive branch can exercise no power not derived from the instrument. *Ex parte Quirin*, 317 U.S. 1 (1942). The President, as Chief Executive, is vested only with the power to carry out the laws of the Nation, as distinguished from the Congress, which is vested with the sole power to make the laws. The President's power includes issuing directives and orders consistent with law to the Executive departments and agencies. However, "[t]o contend that the obligations imposed on the President to see the laws faithfully executed, implies a power to forbid their execution, is a novel construction of the Constitution and entirely inadmissable." *Kendall v. United States*, 37 U.S. 524, 613 (1838).

14. In the landmark case involving an Executive order, *Youngstown Steel and Tube Co. v. Sawyer*, 342 U.S. 579 (1952), the Supreme Court stated: "It is clear that if the President had authority to issue the order he did, it must be found in some provision of the constitution." Finding no constitutional basis to the President's order for Federal seizure of a still mill shut down by a strike during the Korean War, the Court held that the seizure was void. When an order by the President clashes with congressional legislation, the legislation takes precedence. See *McGann Mfg. Co. v. United States*, 98 F. Supp. 225 (D.C. Pa. 1951); *Warner Constr. Co. v. Krug*, 80 F. Supp. 81 (D.C. Col. 1946).

15. The order by the President in the memorandum of Jan. 20, 1981, cannot repeal or vary 38 U.S.C. § 5010, since it is a public law duly enacted by Congress which by its mandatory language allows the President no discretion in carrying it out.

16. In conclusion, we are of the opinion that any attempt to apply the employment freeze mandated in OMB Bulletin No. 81-6 would not only thwart the clearly expressed intent of Congress but also would be a clear violation of law.

GUY H. MCMICHAEL III

WASHINGTON, D.C., *February 19, 1981*.

Hon. MAX CLELAND,
Administrator, Veterans' Administration, Washington, D.C.

DEAR MAX: On February 2, 1981 I wrote to Chief Medical Director Dr. Donald L. Custis urging the Veterans' Administration to request an exemption from the hiring freeze imposed by the Office of Management and Budget on VA health care personnel within the Department of Medicine and Surgery. Of particular concern to me, as I indicated, were the maintenance of current staffing levels through replacement and the expansion of personnel levels as mandated by the Congress last December for the VA's psychological readjustment counseling program, Operation Outreach.

I am distressed that I have yet to receive even an acknowledgment of my inquiry. Since that time, I have learned that not only has an exemption request been denied by OMB, but that this request was denied primarily because of a VA decision intentionally placing personnel within the program in an administrative category rather than a "hands on" or direct medical services category. This information came to my attention through the remarks of Deputy Chief Medical Director, Dr. William J. Jacoby in testimony before the House Committee on Veterans' Affairs on February 18, 1981.

I strongly object to this action and to Dr. Jacoby's misinterpretation of the program. Categorizing Operation Outreach personnel in an administrative rather than medical role directly contradicts the stated purpose of the program under your administration and the intent of Congress in enacting legislation to provide psychological counseling services within the Department of Medicine and Surgery for Vietnam era veterans.

As you know, Title 38, Section 612A, Subsection (a) clearly states that Congress authorized the VA to provide psychological assessment and referral of Vietnam era veteran patients to VA medical facilities where needed. On this point, I believe, Dr. Jacoby was correct. However, the Act also authorized the VA through this program to furnish direct readjustment counseling services as well.

Clarifying this point further, Subsection (b) of the same section also states: "For the purposes of furnishing such mental health services, the counseling furnished under Subsection (a) of this section shall be considered to have been furnished by the Veteran's Administration as part of hospital care."

I am sure you would agree that it is quite clear from these provisions in the law that Vet Centers and Operation Outreach personnel serve as an immediate and direct adjunct to, and extension of, mental health services provided in VA medical facilities. Also, Operation Outreach personnel have been hired and are paid out of the same appropriation account as doctors, nurses, medical technicians and other health care personnel. In this instance, they are already under the umbrella of direct health care services and are included within congressionally mandated staff levels for the VA Department of Medicine and Surgery authorized by PL 96-151.

The recent closing of the Ft. Lauderdale, Florida Vet Center is just one dramatic example of the effect the freeze has had on Operation Outreach. However, as I indicated in my previous letter, the freeze has also placed severe strain on an already overburdened program nationwide.

In less than 18 months, Vet Centers across the country have provided direct counseling services to almost 50,000 Vietnam era veterans. I understand this case load has been further impacted in recent weeks with the stress problems uncovered among Vietnam era veterans as a result of the recent return of our hostages from Iran. Without needed relief through an easing of these staffing constraints, I fear the program will not be able to continue providing quality services nor will it be able to function in accordance with the mandate of the Congress.

I strongly urge, in accordance with the law, that a correct reevaluation be made classifying all Operation Outreach personnel in their proper category as "hands on" medical personnel and that an exemption under the freeze be filed with OMB.

Max, no one has done more to clarify the intent and purpose of Operation Outreach than you. The problems and readjustment difficulties suffered by thousands of Vietnam veterans are very real. We cannot solve these problems by ignoring them. It saddens me to witness close to a decade of advocacy on your part for this program and almost two years of pioneering and dedicated accomplishment by Vet Center personnel be degraded, manipulated and abused in this fashion.

The Veterans' Administration has come a long way under your leadership in providing for the Vietnam veterans and all our veterans. I would like to assure you there are many of us from boths sides of the aisle on the House Committee on Veterans' Affairs and in the Congress who are willing and eager to continue this work and to ensure that Operation Outreach continues its mission.

I look forward to hearing from you regarding these concerns at your earliest convenience.

With kindest regards.

Sincerely,

DON EDWARDS,
Member of Congress.

VETERANS' ADMINISTRATION,
DEPARTMENT OF MEDICINE AND SURGERY,
Washington, D.C., February 26, 1981.

Hon. DON EDWARDS,
House of Representatives, Washington, D.C.

DEAR MR. EDWARDS: I am in receipt of your February 2 letter regarding the impact of the Federal employment freeze on our veterans' outreach program. I also have a copy of your more recent letter of the 19th to the Administrator expressing your justifiable concern and can only apologize for this delay in replying to your first inquiry.

Quite frankly, the delay was inadvertent and due to contradiction in opinion from several offices making input into the reply. These inconsistencies stem from argument between here and in Congress as to whether or not vet center personnel are involved in direct medical care. I personally believe the argument to be moot. The point to be made is that inclusion of operation outreach personnel in the exemption was disallowed by OMB, with the understanding that exemptions on a case-by-case basis would be considered.

Prior to the freeze, 20 of the 176 positions authorized were filled. The remaining 156 are as of now subject to the freeze except for a special exemption in the case of Fort Lauderdale which has now been granted.

Please be assured that we fully appreciate the importance of the readjustment counseling program and the mandated specifics under which it is being managed. Should the employment freeze extend beyond the rumored ending date of March 10, we intend to ask for a blanket exemption covering the entire program. Whether those involved are furnishing medical care, psychological counseling or whatever, their direct interface with veterans must be maintained.

Sincerely,

DONALD L. CUSTIS, M.D.,
Chief Medical Director.

G. WILLIAM MILLER CALLS 30-PERCENT CUT IN INCOME TAX INFLATIONARY

● Mr. PELL. Mr. President, G. William Miller, former chairman of the Federal Reserve Board and former Secretary of the Treasury, today offered some constructive criticism of President Reagan's economic program.

Because of Bill Miller's career as a highly successful corporate executive and his experience in two of the top economic policy positions of our Nation, I believe his views will be of interest to members of the Senate.

In an interview appearing today in the Providence (R.I.) Journal, Bill Miller said the 3-year, 30-percent cut in individual taxes proposed by the administration would be inflationary. He urged that the administration defer the effective date of the tax cut to January 1, 1982, and propose tax cuts in succeeding years only if economic conditions justified them at the time.

Finally, he expressed concern that the President's program calls for a large Federal deficit in fiscal year 1982, and suggested that greater emphasis be given to curbing the Federal deficit.

Mr. President, I find myself in agreement with Bill Miller's views of the inflationary dangers of the President's program. Indeed, I made similar points in a statement on Friday, February 27, in the CONGRESSIONAL RECORD.

I hope the President will will give careful consideration to the suggestions for improvement of his economic program, realizing that these suggestions are being made, not by enemies for political reasons, but by concerned, and experienced Americans who share the President's objective of eliminating inflation and rebuilding and restoring the strength of the American economy.

Mr. President, I ask that the article from the Providence Journal of March 3, 1981, by Stephen M. Baron, reporting Bill Miller's comments on the President's program, be printed in the RECORD.

The article follows:

MILLER CALLS 30 PERCENT CUT IN INCOME TAX INFLATIONARY

(By Stephen M. Baron)

WASHINGTON.—Former Treasury Secretary G. William Miller asserted yesterday that President Reagan's 30 percent cut in personal income taxes over three years could fuel rather than smother the fires of inflation.

In one of the first interviews he has granted since leaving the Treasury Department with the rest of the Carter administration in January, the former head of Textron Inc. told the *Journal-Bulletin* he would like to see the President delay the first round of personal tax cuts by some six months—and consider future personal tax reductions only on a year-by-year basis.

Under the President's plan, personal income taxes would be slashed 10 percent a year for three consecutive years beginning July 1. Businesses would be granted new, accelerated depreciation allowances retroactive to Jan. 1.

The administration, citing "supply side economics" as the theoretical basis for its plan, contends that the cuts in personal and business taxes will stimulate personal savings and business investment—which they say will ultimately contribute to real economic growth and, with reduced federal spending, lower inflation.

Miller, who first was chairman of the Federal Reserve Board and then switched to President Carter's Cabinet, agreed with the Reagan administration's emphasis on business tax breaks such as the liberalized depreciation schedules, saying, "Those kinds of things are more likely to help generate economic growth without the disadvantage of a higher deficit with more federal borrowing."

But a three-year, 30 percent cut in personal taxes, he indicated, could fuel consumer spending, rather than investment, and contribute to a higher budget deficit. This, he implied, could deal a real and psychological blow to the anti-inflation fight.

"That type of tax cut is demand side," he said. "You can't, by calling it supply side, make it supply side. History tells us that it will go into demand."

He agreed with the need to cut federal spending—also a keystone of the President's economic recovery program. But he implied that the President was running a great risk by committing himself to three straight years of cuts in the personal income tax before he

had any way of knowing what federal spending would look like in the later years of his administration.

Miller noted, for instance, that Congress could go along with deep budget cuts for fiscal 1982, but then ease up on its vigilance in succeeding years, setting the stage for sizable federal deficits.

Better, Miller said, for the President to delay the start of the first year of personal tax cuts to "perhaps" next January, and to take each of the succeeding fiscal years as they come, rather than commit himself in advance to 10 percent income tax reductions each year.

In that way, Miller indicated, the President will have a firm sense of whether spending cuts are in place and held in place before additional tax cuts are considered.

Miller expressed concerns that the President's economic recovery plan envisioned a large federal deficit next fiscal year and continuing deficits until fiscal 1984. He indicated that the President should try to balance the budget sooner, presumably by placing greater emphasis on curbing the deficit and less on cutting personal income taxes.

As for his personal life, Miller indicated he was not thinking about resuming his career with Textron, partly because that could disrupt the leadership structure established after his departure for the Federal Reserve in March, 1978.

"I'm slowly beginning to sort out my plans," he said. "I have a lot of personal things to catch up on."

He acknowledged that he has had some job offers, but said he was "proceeding cautiously." He didn't rule out a return to high-powered corporate life, but he also mentioned a possible change in course, such as trying to build up a small company or engaging in some other "entrepreneurial" endeavor.

For the immediate future, his commitments are limited. He has agreed to deliver six to eight speeches on the economy to various private groups—including, in April, an address in Providence to a group of Rhode Island financial executives. He is opening a Washington office to help arrange his travel and keep up with correspondence.

He said he would probably spend the summer in Rhode Island, but he has not yet decided whether to keep his home in Providence.●

TEST PHOTOGRAPH OF THE SENATE CHAMBER—SENATE RESOLUTION 86

Mr. BAKER. Mr. President, I advise the acting minority leader, who is in the Chamber, that the matter I am about to identify has been cleared, I believe, on his side of the aisle and on our side, as well.

I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 86) to permit a test photograph of the Senate Chamber.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to, as follows:

S. RES. 86

Resolved, That paragraph 1 of rule IV of the Rules for the Regulation of the Senate Wing of the United States Capitol (prohibiting the taking of pictures in the Senate Chamber) be temporarily suspended for the sole purpose of permitting the National Geographic Society to photograph the Senate Chamber on March 4, 1981, while the Senate is not in session.

SEC. 2. The Sergeant at Arms of the Senate is authorized and directed to make necessary arrangements therefor, which arrangements shall provide for a minimum of disruption to Senate proceedings.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I understand that the one item which is on the Executive Calendar—that is to say, the nomination of Mr. Edwin L. Harper, of Missouri, to be Deputy Director of the Office of Management and Budget, vice John Patrick White—has been cleared on the minority side as well.

I inquire whether that is the understanding of the acting minority leader.

Mr. MITCHELL. Mr. President, my understanding is that the matter has been cleared by the minority leader and the minority Members, as was the previous matter.

Mr. BAKER. I thank the acting minority leader.

Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the Harper nomination.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

OFFICE OF MANAGEMENT AND BUDGET

The legislative clerk read the nomination of Edwin L. Harper, of Missouri, to be Deputy Director of the Office of Management and Budget.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, in a few moments I will move, in accordance with the order previously entered, that the Senate stand in recess until 11 a.m. on Thursday. However, before I do that, may I say that it will be the intention of the leadership on Thursday next, when we reconvene, to proceed to the consideration of Calendar No. 28, a bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

There is no time agreement on that measure, but it is my understanding that all parties are prepared to proceed with it and dispose of it, I hope and trust, in a reasonably prompt fashion.

After that, it will be the intention of the leadership to recess over until some time on Friday, the following day, most likely until 11 o'clock, for a pro forma session, and then to go over until Tuesday of the following week.

RECESS UNTIL 11 A.M. ON THURSDAY, MARCH 5, 1981

Mr. BAKER. Mr. President, I have no other business to transact; and if there is no business to be presented by the distinguished acting minority leader—and I gather there is not—I move, in accordance with the order previously entered, that the Senate stand in recess until 11 a.m. on Thursday next.

The motion was agreed to; and at 5:33 p.m. the Senate recessed until Thursday, March 5, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate March 2, 1981, under authority of the order of the Senate of February 26, 1981:

DEPARTMENT OF LABOR

T. Timothy Ryan, Jr., of Virginia, to be Solicitor for the Department of Labor, vice Carin Ann Clauss.

DEPARTMENT OF STATE

James L. Malone, of Virginia, to be Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, vice Thomas R. Pickering, resigned.

DEPARTMENT OF TRANSPORTATION

Judith T. Connor, of New York, to be an Assistant Secretary of Transportation, vice William B. Johnston, resigned.

Lee L. Verstandig, of the District of Columbia, to be an Assistant Secretary of Transportation, vice Susan J. Williams, resigned.

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3370 and 3383;

ARMY PROMOTION LIST

To be colonel

Abbott, Phillip G., 482-28-5258.
Adams, Robert E., 423-42-2515.
Addison, Louis C., 267-40-7669.
Aepli, Emmett C., 527-20-4850.
Alexander, Thomas H., 251-56-0524.
Allen, Boyd W., Jr., 348-28-7856.
Amador, Julian W., 569-32-4395.

Amundson, Gerald E., 483-34-8087.
Anderson, Darrell J., 528-40-5765.
Anderson, Peter A., 006-36-5633.
Angelino, Charles F., 054-28-1663.
Anger, Allan W., 050-24-1696.
Archibold, John E., 522-42-5755.
Arnold, Joseph R., 425-64-3568.
Ashcraft, Marvin L., 235-40-6366.
Atherton, Harper B., 383-34-5643.
Baker, Carter G., 412-64-4368.
Barclift, Robert W., 536-32-9610.
Barnette, James H., 237-48-0426.
Barney, James A., 309-34-3812.
Barry, David M., 309-28-5854.
Bass, Lawrence M., 133-28-0144.
Bassett, James A., 009-18-9328.
Bauer, George H., 523-36-7762.
Baumann, Theodore R., 050-26-7923.
Baxter, John L., 424-36-3512.
Beales, Kirk, 559-50-7684.
Bean, Donald J., 223-36-1149.
Beauchamp, George E., 577-38-8490.
Becker, John B., 213-34-1035.
Belford, Kenneth R., 476-30-3380.
Bell, Clarence D., Jr., 175-32-7801.
Bender, Howard A., 278-30-8603.
Bennett, Basil O., 232-44-1505.
Berg, Alan J., 502-40-2669.
Berthold, Julius L., 406-40-9829.
Berzowski, M. M., 390-38-2468.
Best, James R. W., 184-26-2911.
Betts, William L., 100-28-7821.
Biaggi, Luis E., 582-50-3752.
Bluestone, Howard I., 343-30-5121.
Boardman, Charles R., 445-34-8729.
Bodenheimer, Furman, 243-36-7937.
Boelling, Randal J., 480-36-0619.
Boerschel, August P., 215-34-1842.
Bolsvert, Leo M., 001-22-3837.
Bondi, Philip U., 306-38-0216.
Borcher, Dale H., 505-36-5433.
Bothe, Glenn M., 291-28-9524.
Botts, Julian F., 418-42-3803.
Bowers, Billy T., 498-34-1496.
Bowers, John S., 496-38-3063.
Boyersmith, Joseph, 200-28-1394.
Brand, Woodrow W. Jr., 426-54-5576
Brannon, Charles W., 261-48-1616.
Brashear, Jay, 526-32-0329.
Braswell, William P., 238-46-0561.
Brenning, Eugene D., 332-30-6619.
Brinn, Alan, 079-26-2845.
Britt, Joe F., 237-46-5049.
Broggelwirth, Alfred, 080-22-2141.
Brown, Russell, 249-46-3554.
Browning, Howard B., 496-34-3452.
Brunk, Gordon L., 543-38-9453.
Bryan, Jimmy L., 452-48-6634.
Bryant, Alvin, 264-56-7429.
Bryant, Roy G., 455-48-5955.
Buck, Robert H., 411-38-3491.
Buck, Thomas E., 284-34-2220.
Buehler, Donald G., 006-28-5161.
Bunch, Robert L., 095-24-9174.
Burke, Edward J., 014-30-1918.
Burleson, Richard B., 253-52-6355.
Burruss, Merrill B., 442-40-0867.
Byrd, Robert G., 242-58-0276.
Cagnina, Frank J., 267-38-9111.
Calkins, Florant L., 116-30-6270.
Camino, Richard, 081-32-8334.
Campbell, Harold M., 458-44-8235.
Camper, Raymond E., 452-50-1453.
Capalbo, John H., 038-24-2711.
Capps, Richard G., 261-52-1242.
Carey, John R., 282-36-1295.
Carlson, Charles P., 213-32-4812.
Carlson, Edwin S., 094-22-2256.
Carnes, William M., 016-28-8060.
Carpenter, Jimmie J., 527-46-6861.
Carr, Lester E. Jr., 140-22-5353.
Carroll, Joseph L., 019-22-2669.
Carter, Jerome T., 224-46-0373.
Cash, Paul F., 051-22-1491.
Cassell, Kenneth M., 177-24-5230.
Caylor, Oscar C., 423-38-8765.
Chambers, Lomer R., 430-52-8132.
Christensen, Duane, 535-34-5564.
Churchill, Norman L., 102-26-8134.
Claghorn, Chester G., 429-58-0741.
Clark, Charles L., 462-52-1347.
Cloud, John M., 021-26-6403.
Cogbill, Philip R., 567-24-4863.
Cogswell, Richard J., 144-26-9846.
Coles, Bruce O., 504-24-4519.
Collins, Madison T., 425-86-0652.
Cope, John F., 083-28-4286.
Cowgill, Claiborne W., Sr., 220-32-8916.
Cox, Donald D., 311-32-6170.
Cox, Howard B., 035-22-6537.
Cox, John S., 071-22-6944.
Craig, Joe W., 243-40-8155.
Crase, Robert R., 388-30-0933.
Crommett, Richard L., 004-32-7891.
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Villacres, Jorge N., 223-38-1824.
Virden, George L., 425-62-2600.
Voelkel, Ray F., 458-40-0876.
Vozzella, Anthony P., 014-22-3981.
Wade, Stanley L., 497-28-8569.
Wagner, Daniel C., 220-28-1333.
Wagner, Herbert, 141-26-3195.
Waits, Fred W., 255-40-0239.
Walker, Leonard A. Jr., 411-50-8978.
Wall, James T., 408-52-6978.
Wallace, Kenneth E., 414-50-2726.
Wallace, Robert B., 414-46-5013.
Wallace, Robert T., 022-20-8484.
Waller, Bobbie E., 406-42-1000.
Walsh, Harvey W., 468-32-2872.
Walz, Arthur H. Jr., 217-38-3220.
Warren, William M., 226-48-9769.
Waterman, Robert M., 403-32-1746.
Wathen, Robert L., 375-32-3654.
Watkins, John W., 431-68-8786.
Watling, Robert C., 537-30-9804.
Watson, Robinson R., 230-34-7099.
Watt, Joseph T., Jr., 453-50-6065.
Wattel, Marshall L., 565-40-1182.
Webster, Jack D., 507-28-7363.
Weil, Victor O., 304-34-5488.
Weinberg, Richard G., 263-40-3202.
Weiner, Arthur L., 012-26-1293.
Weisler, Julian E., 129-28-1894.
Weller, Arnold C. Jr., 031-24-5816.
Welsh, Charles E., 574-12-5340.
Wepster, Jan P., 544-42-4517.
Werner, Lloyd D., 512-36-2942.
Westcott, Harry F., 311-30-3800.
Whitaker, Howard M., 404-38-6929.
White, Shelly L., 427-54-7461.
Wickizer, Charles D., 517-24-2621.
Weland, William G., 571-38-6770.
Williams, Charles A., 542-36-0076.
Williams, James R., 274-28-9677.
Williams, Oren M., Jr., 411-34-0800.
Williams, Robert H., 454-38-6758.
Williamson, Charles, 408-48-3270.
Willis, Clinton V., 239-34-8962.
Wills, Vernon L., 397-32-7952.
Wilson, Abraham, 435-34-4579.
Wilson, Robert W., 542-34-4017.
Wilson, William C., 430-46-8495.
Wilton, Raymond E., 016-24-9936.
Windrow, George C., 461-26-7044.
Wise, W. A., Jr., 455-46-1086.
Wishart, Francis E., 242-62-6103.
Wolfenberger, Joseph, 448-34-1434.
Wolff, Aaron J., Jr., 501-28-8316.
Wolfin, Bernard A., 531-34-1653.
Woodbeck, Jay W., 425-52-2320.
Woodside, Jon L., 544-44-6377.
Woodson, Charles O., 254-44-6593.
Woodward, Clement L., 231-44-2707.
Wren, Nelson E., Jr., 520-36-2703.
Wright, William G., 459-34-5617.
Wruck, Erich O., 129-28-4233.
Wysor, Chantland, 229-32-0133.
Yamamoto, George K., 575-32-3755.
Youmans, Edgar H., 055-26-0180.
Young, Kwai S., 576-34-2127.
Younger, Thomas N., 427-56-0334.
Zacharakis, Anthony, 139-28-0916.

CHAPLAIN

To be colonel

Blount, Forest N., 427-38-4277.
Bohannon, Kenneth L., 420-36-2497.
Bruckner, Ronald L., 078-24-9781.
Bykowski, Norbert H., 344-26-2973.
Caulder, Francis R., 251-34-6224.
Cohen, Donald L., 193-28-5520.
Dahlstrom, Myron L., 469-30-7494.
Daniel, James R., 248-56-9255.
Donahue, John G., 470-28-7793.
Durham, John K., 482-28-5256.
Evans, John M., 272-20-5295.
Fischer, George H., 459-34-5577.
Flock, Richard H., 165-28-7576.
Goeres, Richard V., 361-20-6300.
Huseth, Joseph L., 470-30-6225.
Klein, John H., 264-44-9925.
Lacey, Thomas W., 186-20-3670.
Lawrence, Stewart B., Jr., 229-40-2810.
McNitt, John M., 167-22-6949.
Olsen, Walter M., 088-24-3657.
Olson, Philip L., 501-26-6786.
Parks, John R., 414-46-4551.
Perkins, James R., 522-32-3590.
Quick, Van D., 428-40-7610.
Rodefer, William O., 187-22-6071.
Sharp, James C., 149-18-9761.
Simmers, Marvin L., 222-42-3077.
Simpson, John W., 535-26-8385.
Snyder, Robert S., 078-26-9959.
Thompson, Roland D., 476-28-5120.
Vruwink, Paul H., 398-36-4788.
White, Donald E., 401-30-8807.
Williams, Bruce M., 024-22-3774.

MEDICAL CORPS

To be colonel

Burosky, Richard J., 152-26-0470.
Clement, Richard J., 433-52-3737.
Heutal, Lee B., 488-34-3008.
Johns, Calvin R., Jr., 553-36-5251.
Shively, Harold H., Jr., 026-28-0066.

MEDICAL SERVICE CORPS

To be colonel

Blackman, William C., 498-34-8922.

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 3370 and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Aanenson, James H., 535-38-1068.
Applegate, William W., 547-52-7943.
Asay, Wayne W., 528-42-9675.
Banks, William R., 248-70-3089.
Baranowski, Joseph G., 450-68-5066.
Barber, Charles P., 202-34-4786.
Bergman, John F., Jr., 536-32-2798.
Best, Paul R., 345-34-5395.
Bingham, Bruce B., 050-38-6793.
Blair, Jimmy S., 247-64-6068.
Blanchette, Joel G., 005-38-9014.
Blount, Milton, Jr., 229-56-2038.
Bohne, Melvin B., 123-32-9070.
Boyd, Lonnie G., 427-66-2752.
Bozardt, John M., 247-62-2401.
Brancazio, John A., 236-64-2376.
Brown, James E., 184-32-5848.
Buch, Floyd H., 172-32-2119.
Buck, Richard L., 572-44-7448.
Burdo, Anthony J., 043-32-9636.
Burgoyne, Christopher J., 074-32-8950.
Burnstein, Clifford B., 232-36-6059.
Campbell, Dean J., 088-26-1887.
Claggett, Michael B., 279-34-5382.
Coleman, Allen B., 433-54-7384.
Cooksey, David L., 428-38-0445.
Cooper, Richard E., 251-60-9608.
Crane, Lawrence W., 096-30-5993.
Cummings, Paul L., 024-30-5236.
Darden, Richard T., 416-58-1617.
Darpino, Ernest R., 138-28-1510.
Dauphin, Dennis L., 436-66-1166.
Defrieze, Harold R., 320-26-9613.
Denney, Evert W., 286-38-5367.
Dipompo, Michael, 091-30-6277.
Douglas, John W., 467-68-1876.
Edgar, Walter B., 421-60-0996.
Eidson, David E., 244-50-1128.
Fera, Ralph J., 178-24-8194.
Fong, Wesley F., 576-44-3120.
Frank, Francis W., 224-58-5169.
Gallitis, Vilnis, 017-28-1425.
Gannon, Peter A., 059-32-8325.
Gay, Robert W., 263-72-5011.
Geiger, John W., 220-42-4715.
Gentry, Lloyd R., 315-42-4500.
Gibbs, John J., 557-52-2079.
Goodden, Royal T., 395-40-6628.
Gordon, Joseph S., 004-40-8118.
Graves, Michael T., 115-34-9615.
Greaves, John D., III, 197-28-3710.
Greenwood, Earl S., III, 449-56-9004.
Guynn, Richard D., 232-54-7395.
Higdon, Cecil J., 407-32-3791.
Hill, John W., 402-46-0752.
Himmel, Roger A., 341-28-9535.
Horita, Gilbert M., 576-34-6896.
Hunsaker, Orvil G., 528-50-1010.
Iverson, Duane P., 384-36-0211.
James, Dennis W., 249-66-1099.
Jones, Bradley K., 123-32-6261.
Jones, George L., 193-30-6316.
Joyce, James M., 337-34-3915.

Kane, John G., 392-30-8298.
Kane, John P., 030-26-1562.
Keenan, Thomas M., 204-32-9428.
Klekhaefer, James S., 299-38-2175.
Klemm, Alfred E., 535-46-5661.
Kolimas, David E., 312-48-4018.
Konkle, Theodore, 239-56-2468.
Krommenhoek, Pieter J., 557-54-7679.
Kussner, Robert A., 123-30-9862.
Lall, Everett C., Jr., 406-56-2137.
Langan, Paul J., 179-32-3198.
Lau, Calvin, 575-40-0573.
Lord, Gerald D., 426-88-5674.
Lum, Franklin Y., 575-40-0442.
Magdalena, Charles B., 565-56-3009.
Martin, Charles R., 417-52-3163.
Mastin, Theo A., Jr., 450-58-0256.
McDonald, Terrance L., 517-48-8715.
McAllister, John E., 206-32-9389.
McDaniel, Darrel W., 444-38-4513.
McKinney, Roy C., 411-63-3021.
Melis, John F., 035-26-1977.
Mezins, Nikolajs, 133-26-8050.
Morris, Edward D., 387-34-7031.
Mouchka, Donald R., 397-34-6773.
Murphy, Larry M., 225-62-7387.
Murphy, Newell R., Jr., 428-64-7923.
Neely, Richard C., 204-28-0230.
Niethammer, Gary R., 362-46-8727.
Norwood, George L., 426-56-5146.
Olin, William K., 114-28-8744.
Oliver, Glenn O., 428-90-6675.
Pasquarella, Michael A., 097-30-7462.
Paul, Dave O., 526-48-1458.
Pearn, Albyn D., 350-32-7372.
Peppard, Jon F., 532-42-1579.
Petersen, Richard G., 560-46-8747.
Plaschkes, John D., 098-36-7711.
Poirier, Michael J., 009-24-2827.
Politte, James P., 490-38-5442.
Pontarelli, Anthony, 038-26-8823.
Poston, Jerry L., 443-34-8616.
Rader, Loren C., 519-40-0282.
Ranalla, Robert A., 474-30-7557.
Reed, Hubert, 214-50-6888.
Richardson, John E., 427-48-9104.
Rivers, William D., 424-46-4320.
Robbins, Christopher R., 578-52-6415.
Sassman, John C., 111-30-4650.
Schlotter, Leo, 313-40-1377.
Schrimsher, Danny E., 416-62-6479.
Sharkey, Stanley L., 213-38-8468.
Shonka, Bernadette F., 314-56-5689.
Shum, Ronald M., 408-60-3112.
Siegel, Robert R., 070-36-7939.
Snyder, Herman P., Jr., 241-54-9578.
Stark, James P., 535-34-6843.
Stephens, Robert G., 068-30-7660.
Storer, Frank E., 371-26-3353.
Stretch, Thomas G., 268-34-1176.
Strong, Kenneth D., 075-38-0224.
Stuart, Robert S., 225-50-9007.
Sugg, Benjamin M., 239-48-8699.
Sullivan, James J., 163-36-3815.
Tuley, Dixon W., Jr., 560-62-4251.
Warzo, Albert S., Jr., 191-28-2536.
Weeks, John W., 429-76-2129.
Weiss, Harry A., 367-38-2610.
Weitzel, Werner G., 364-38-1355.
Welmaker, Jerry G., 256-56-7134.
Whicher, James A., 070-32-7349.
Wilkes, Bernard F., Jr., 017-30-6502.
Wilson, Fred N., Jr., 460-62-5288.
Wilson, William C., 254-62-1628.
Wolfe, Herbert C., 433-62-9337.
Youngstead, John M., 284-32-8112.
Zimmerman, Anthony F., 421-70-0139.

CHAPLAIN

To be lieutenant colonel

Moore, Charles P., Jr., 542-34-8531.
Rogers, Melvin, 446-20-1663.

ARMY NURSE CORPS

To be lieutenant colonel

Landis, Billye J., 427-76-2939.

MEDICAL CORPS

To be lieutenant colonel

Callaghan, John T., 577-56-1890.
Ghaly, Fouad I., 215-64-9996.
Hale, Nathan P., 431-66-8267.
Hieb, Robert E., 502-44-9116.
Lababidi, Zuhdi A., 484-68-3602.
Schwab, John A., 551-58-5555.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Albert, Arnold, 062-30-1423.
Brown, Duncan M., 013-32-8552.
Campanaro, Joseph, 116-24-3569.
Gilbert, David B., 482-50-9181.
Henley, Everett S., 440-40-5149.
Howard, Glen W., 528-40-9714.
Landers, Albert C., 010-34-3367.
Mayfield, George D., 420-54-3995.
McLaughlin, William E., 453-56-0273.
Shaffer, Leonard A., 577-54-1122.
Silva, August P., 024-24-6052.
Sullivan, Daniel A., 097-38-2077.
Weaks, Norman H., 042-30-1682.

VETERINARY CORPS

To be lieutenant colonel

Bailey, Everett M., 499-60-8891.

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 591, 593, and 594:

MEDICAL CORPS

To be colonel

Kirshman, Herbert S., 109-28-5678.

DENTAL CORPS

To be lieutenant colonel

Atkins, Robert M., 266-82-1318.
Kyle, David T., 404-34-5374.

MEDICAL CORPS

To be lieutenant colonel

Ballinger, William G., 287-22-2778.
Braeuer, Norbert R., 456-66-6249.
Bush, Roger A., 504-26-1627.
Didomenico, Anthony J., 097-20-8449.
Falco, Frank G., 155-18-0153.
Guiton, Carl R., 138-28-5141.
Hook, William F., 502-30-2336.
Ilem, Priscilla G., 022-32-6416.
Isaak, Harvard E., 503-24-9429.
Jackson, Edgar B., 511-42-1620.
Janco, Robert L., 069-34-9853.
Javaheri, Parviz, 177-36-4994.
Jensen, Fred J., 593-20-7243.
Klein, Milton D., 287-22-9580.
Kramer, Charles, 053-22-6120.
Lane, Leland E., 543-20-2691.
Leach, James R., 462-40-6670.
Malburg, Bernard J., 356-22-7206.
Malee, Thomas J., 703-09-0303.
Manning, Richard A., 287-22-5616.
Matibag, Victor P., 401-70-0454.
Meyer, Roger J., 539-22-7082.
Payne, William J., 469-09-7954.
Petrow, Eugenia, 220-36-7974.
Pressler, James W., 454-20-5948.
Sbarbaro, John A., 359-28-5914.
Sharkis, Robert W., 138-24-6312.
Sison, Arturo T., 526-80-7669.
Tosh, John W., 710-10-7837.
Turner, Paul C., 369-28-9994.
Vester, John W., 293-14-4418.
Wolfe, John M., 286-16-6809.

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, United States Code, section 3494:

MEDICAL CORPS

To be lieutenant colonel

Dillon, James D., Jr., 415-72-0267.

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3385:

ARMY PROMOTION LIST

To be colonel

Abbott, Phillip, 482-28-5258.
Amundson, Gerald E., 483-34-8087.
Boyersmith, Joseph C., 200-28-1394.
Camuso, Anthony L., 031-24-2665.
DeAngelis, Rocco R., 039-16-4524.
Dempsey, John M. L., 010-26-9714.
Duclos, John J., 430-46-2771.
Elmer, Charles E., 528-44-4796.
Greenwood, Roger H., 394-36-3397.
Johnson, Harold W., 422-38-5866.
Kerns, Roger D., 504-28-6919.
Lavimoniere, Donald M., 028-22-2286.
Lister, Benjamin E., 531-24-7191.
Lockwood, Gary E., 535-32-5620.
Maynard, Richard C., 425-60-0021.
Pascoe, Kenneth H., 030-20-6465.
Reep, Elton D., 204-22-6517.
Smith, Robert S., 116-22-0135.
Stone, Merle D., 515-26-7012.
Sullivan, John S., 002-24-9008.
Talburt, Dale C., 432-48-4434.
Werdal, Lowell J., 504-20-5433.
Werner, Herbert C. F., 331-22-2277.
Willard, George T., 286-28-8635.
Worthington, Lyman G., 240-36-9905.

MEDICAL CORPS

To be colonel

Howard, Don G., 431-62-0761.
Legg, Joseph S., 419-40-7177.
Russo, Charles P., 366-26-2334.
Thomas, William J., 227-36-7405.

MEDICAL SERVICE CORPS

To be colonel

Faria-Collazo, Sigfredo, 580-72-2557.

ARMY PROMOTION LIST

To be lieutenant colonel

Allen, Gerald S., 432-68-1340.
Barlow, Gregory P., 531-38-7763.
Baxley, Dexter E., Jr., 251-52-7984.
Becker, Philip M., 332-32-9049.
Burkett, Charles F., 218-28-3097.
Carter, Merrill R., 528-46-3743.
Collar, Garry D., 186-34-8226.
Coyne, Henry F., 172-30-6406.
Daniel, Raymond G., 419-44-9018.
Dean, Benjamin F., III, 215-42-0875.
Duncan, Bobby S., 254-56-1974.
Encarnacao, John B., 010-28-2131.
Erickson, Stephen T., 510-34-1668.
Farmer, Larry A., 440-38-1118.
Flanagan, John J., Jr., 035-28-1897.
Francis, Rudolph A., 580-01-7054.
Frederick, Carrol J., 436-56-4936.
Gisla, John F., 565-68-4571.
Gustin, Fred W., 506-56-2622.
Habersberger, Albert J., 054-36-8484.
Hawbaker, Stuart D., 323-32-3041.
Hinson, Elton F., 260-34-2666.
Horsfall, Frank L., III, 065-32-0868.
Janelle, Gerald F., 006-28-5174.
Jenkins, John A., 211-28-2821.
Jennette, David L., 246-50-8390.
Jordan, Robert J., 024-28-9138.
Kenemer, David S., 260-54-4920.
Lillmars, Glenn A., 476-40-5939.
Link, Gerald F., 466-66-3780.
Loudenslager, George L., 504-32-7033.
McCullough, James E., 479-44-5407.
McNeill, James W., 572-60-2715.
Pelletier, Gilman R., 006-34-5520.
Peterson, David M., 475-30-0057.
Rice, Robert F., 275-36-4679.
Rosado-Diaz, Manuel, 523-48-8357.
Ryan, Michael W., 510-38-5180.
Shields, Neal G., 434-56-2483.
Simmons, James E., 266-46-0450.
Stalls, Kenneth L., 241-52-2996.
Standifer, Ray W., Jr., 442-34-4855.
Tom, Richard B. C., 576-34-6166.
Vanderlinden, Leon J., 504-36-3722.
Vontrott, John T., 207-36-1310.
Whilden, Kenneth W., 155-32-8455.

ARMY NURSE CORPS

To be lieutenant colonel

Gonzalez-Ocasio, Ana, 580-88-9247.
Greenwold, Martha A., 525-84-6403.
Mitchell, Georgia R., 521-52-9050.

DENTAL CORPS

To be lieutenant colonel

Abrams, Jack E., 062-26-7840.
Essig, Milton E., 420-62-0083.
Fuqua, William C., 223-44-5519.
Shields, William N., 298-14-1403.
Vila-Pescador, Edgardo, 582-44-3810.

MEDICAL CORPS

To be lieutenant colonel

Bachhuber, Michael W., 396-32-0913.
Beck, Jere J., 420-60-2047.
Bowling, Robert S., Jr., 424-22-3959.
Brackett, Fred B., 249-68-2543.
Brooks, Billy G., 457-44-1466.
Buttars, Jack A., 529-40-3241.
Cashman, Charles A., 446-07-4071.
Chitwood, Jack W., 457-66-2387.
Clay, Earl C., 429-38-5898.
Covert, Thomas J., 509-44-6411.
Hodgkin, William E., 005-30-5591.
Louria, Henry W., 120-24-0805.
Melendez-Poventud, Luis H., 110-36-5047.
Rosario-Santos, Norman R., 134-28-4430.
Rossiter, Francis P., Jr., 259-56-8637.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Clary, John F., 361-28-9899.

IN THE NAVY

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualifications therefor as provided by law:

Aarons, Philip J.
Abel, Joseph L.
Abner, Edward L.
Abraham, Nicholas J.
Achenbach, John A.
Ackley, George W.
Acton, Daniel A.
Adamonis, Joseph E.
Adams, Allan W.
Adams, James P.
Adcock, Richard B.
Adrian, Thomas R.
Adrick, Mark K.
Adsit, William S.
Ahlgren, Andrew A.
Ajemian, Gary G.
Aland, David J.
Albrecht, Ricky I.
Alcamo, Mark E.
Aldern, Thomas D.
Alexander, Jose A.
Algood, Bert R.
Allard, Frederick D., Jr.
Allen, Andrew J.
Allen, Bradley K.
Allen, Gene R.
Allen, Gregory J.
Allen, Maxwell
Allen, Robert J.
Allsopp, David K.
Althans, John S.
Amundson, Steven M.
Andersen, Michael D.
Andersen, Robert
Anderson, Brian S.
Anderson, Donald W.
Anderson, Edward
Anderson, Kenneth R.
Anderson, Mark B.
Anderson, Michael
Anderson, Michael E.
Anderson, Phillip D.
Anderson, Robert W., II
Anderson, Steven W.
Anderson, Wilhelm
Anderson, Milburn M.
Anderson, William G., Jr.
Andrus, Randy D.
Angleman, Alan C.
Anners, Jeffrey M.
Antonio, Dennis D.
Appleby, Edward R.
Arellano, Reynaldo A.
Arguello, William R.
Arlen, Richard L.
Armbruster, Edward D.
Arminio, Thomas J.
Armitage, David M.
Armond, Ernest C., Jr.
Arnold, Daniel L.
Arnold, Michael W.
Arrington, Randall S.
Artho, Alfred E.
Artzer, Steven P.
Ashby, Jeffrey S.
Ashmore, Richard W.
Askin, William D.
Atchison, Ralph L.
Atkins, Douglas E.
Atkisson, Mark M.
Atwood, Robert W.
August, Bernard J., Jr.
August, Charles E.
Austad, Craig K.
Avera, Alan J.
Ayers, Kimball C.
Ayers, William S., Jr.
Ayotte, Peter P.
Bacon, Glenn S.
Baer, Dennis R.
Bader, John T.
Bagby, Calvin L.
Bagwell, Phillip W.
Bailey, Thomas P.
Bain, Michael E.
Bair, David W.
Baker, Charles V.
Baker, Clifford C.
Baker, Daniel K.
Baker, Duane M.
Baker, Dwight E.
Baker, Robert M.
Baldassano, David R.
Ball, John L.
Ball, Richard J., Jr.
Baltrush, Eric J.
Banchak, Ronald J.
Bancroft, Herman G., III
Banker, Robert J., Jr.
Bannister, Randall W.
Bannon, Stephen K.
Baran, Gregory W.
Barbaree, Robert
Barber, Edward M.
Barbour, James R.
Bard, Carter P.
Bardell, Timothy W.
Barker, Robert D., Jr.
Barkman, John G., Jr.
Barlow, Cecil E.
Barnes, Joseph L.
Barnes, Richard S.
Barnes, Ronald A.
Barnett, Otis
Baron, Robert D.
Barron, Claude E.
Bart, Ronald
Barth, Bradley J.
Bartleman, James P.
Barton, George F.
Barton, Larry S.
Barton, Steven A.
Barton, Wesley A.
Bass, Richard A.
Bass, Roy C.
Bassett, Kenneth R.
Bauer, Thomas E.
Bauman, John F.
Baxter, Franklin E.
Baysic, Domitito
Beach, Daniel S.
Beale, Steven L.
Beam, David C.
Beaton, George E.
Beauclair, Thomas J.
Beaver, James M.
Beck, Douglas O.
Beck, Michael C.
Becker, Lawrence C.
Becker, Mark E.
Beckman, Jeffrey A.
Beckner, Michael I.
Beckstrom, Donald R., Jr.
Begy, Carl R.
Behrle, Thomas J.
Beidler, Theodore W.
Bell, John W.
Bell, Melvin
Bell, Robert B.
Bell, Willie J., III
Bellacicco, Allan J.
Bellard, Johnny
Bellinger, William D.
Bender, Robert D.
Bennett, Jerry F.
Bennett, John S.
Bennett, Vincent J.
Benson, Dennis D.
Bensten, Charles E.
Bentley, David L.
Bereck, Daniel M.
Beres, Randolph G.
Berg, Gustave L., III
Berg, Jeffrey F.
Berger, James R.
Bernard, Franklin H.
Bernard, John L., III
Berner, Joseph M.
Bernstein, Charles R.
Berry, William W.
Bertrand, Shelton
Bess, Charles R.
Bethmann, James M.
Bianchi, Donel S.
Bickmann, Arnold J.
Biery, Thomas L.
Biggerstaff, William S.
Bilowus, George R.
Bily, Thomas J.
Binns, Richard D.
Bird, John M.
Birt, David W.
Bishop, Bryan L.
Bize, David N., III
Blas, James R., Jr.
Black, Edward J.
Black, Robert L.
Blaine, Gerald K.
Blake, Joe C.
Blake, Patrick M.
Blake, Thomas H.
Blalock, David H.
Bland, Samuel E.
Blankenship, James W.
Blasko, James A.
Blazin, Michael J.
Blend, Charles R.
Blevins, Kenneth W.
Blinde, Glen M.
Blount, Alvin A.
Blower, Fred W.
Boatwright, Brooks O., Jr.
Bobowiec, Paul W.
Boehl, Richard W.
Bogovich, Joseph
Bojarski, Eugene
Boley, Charles C.
Boley, James M.
Bolich, Harry P.
Bolton, John R.
Bonanno, Thomas J.
Bonner, Derek R.
Booker, George W.
Booker, La Selle B.
Booth, Richard L.
Borchers, Mark M.
Borns, Nicholas F.
Borza, Michael J.
Boserge, Morris R.
Botulinski, Thomas J.
Bouquet, Tommey E.
Bouvier, Claude N.
Bowen, Randall K.
Bowen, William G.
Bowles, John L.
Bowser, Robert K.
Boyd, Edward M.
Boyd, Michael E.
Boyette, Kenneth P.
Boyles, Bruce A.
Boyle, James E.
Bozman, Raymond E.
Bracewell, Herbert W. J.
Brackett, Frederick J., Jr.
Bradhurst, John G.
Bradley, George M.
Bradley, James J.
Bradley, Mark J.
Brady, David A.
Branson, John J.
Brantley, Robert C., Jr.
Brauer, William D.
Braun, Arthur C.
Bray, Dennis D.
Breen, Charles H.
Brenner, Michael J.
Brescia, Charles L.
Breslin, John J., Jr.
Brethauer, Todd S.
Brewbaker, Ronald L.
Brewer, David A.
Brewer, James R.
Brewer, Luther S.
Breyer, Thomas P.
Bridges, Stephen
Briganti, Douglas H.
Bright, Leroy F., Jr.
Brinkley, Ronald
Bristow, Isaac
Bristow, William K.
Britt, David F.
Brittan, Harry L.
Brock, Kevin W.
Brock, Michael F.
Broks, Forest E., III
Brooks, Jeffrey A.
Brookshire, David R.
Brown, Gerald C.
Brown, Gregory W.
Brown, Lance L.
Brown, Lonny D.
Brown, Matthew L.
Brown, Michael P.
Brown, Paul A.
Brown, Richard C.
Brown, Robin E.
Brown, Ronald E.
Brown, Steven R.
Brown, Theodore H.
Brown, William G.
Brubaker, Malvin
Bruce, Pies J.
Brumley, Barney A.
Brundage, Laurence P.
Bruni, David P.
Brunskill, Michael R.
Brunson, Ronald B.
Brunstetter, Peter S.
Brus, Henry H.
Bryant, Michael J.
Brynestad, Mark A.
Buchanan, Gregory J.
Buchelster, Raymond C.
Buck, Bruce J.
Buck, Kevin P.
Buckingham, Thomas C.
Buckles, Joseph A.
Buckley, Lee P.
Buckner, Albert L.
Buddenbohn, Kennard M.
Budgins, John M.
Buehler, Roger D.
Bullard, David W.
Bunker, Edward J.
Bunker, Mark K.
Burdine, David A.
Burdon, Coningsby E., Jr.
Burke, Larry D.
Burke, Michael L.
Burke, Richard E.
Burkett, Bruce T.
Burkett, Michael C.
Burleigh, Richard R.
Burns, Richard F.
Burnett, Christopher T.
Burnett, Stephen B.
Burnette, Robert
Burney, Stanley H.
Burns, Orris E., III
Burns, Michael W.
Burrill, Joseph E.
Burrill, Larry D.
Burton, Edward O.
Burton, John C.
Burton, William J.
Busch, Daniel F.
Burkett, Bruce T.
Busch, William T.
Butler, Dempsey, III
Butler, William J.
Byer, James C.
Byrd, Gregory L.
Caddell, Richard A.
Cady, William R.
Caesar, Julius S.
Cahill, Leon H.
Caille, Gary W.
Cain, Chris C.
Calabrese, Vincent J.
Caldwell, Nathaniel F., Jr.
Callahan, Michael
Callahan, Steven W.
Callander, Ronald R.
Callaway, Joseph E.
Callaway, Ralph F.
Camacho, Joseph D.
Campbell, Bruce A.
Campbell, David G.
Campbell, David R.
Campbell, David W.
Campbell, Douglas N.
Campbell, Kenneth W.
Campbell, Thomas
Canby, Kerry A.
Canders, Michael
Canell, Edward J.
Canfield, Bruce T.
Cannon, David W.
Canter, Dana L.
Cantillo, Thomas A., III
Capponi, Michael
Cardosi, James J.
Carey, Harold F., Jr.
Carey, Michael J.
Carithers, Lawrence W.
Carlo, James J.
Carlson, Frederick J.
Carnes, George K., Jr.
Carpenter, Bruce A.
Carpenter, Larry
Carpenter, William A.
Carr, Lester E. I.
Carroll, Sean J.
Carter, William R., Jr.
Carver, William K.
Carwile, Joseph M.
Cassanova, William
Case, Michael J.
Casey, John R.
Casteen, John D., Jr.
Casto, Stephen M.
Cautherman, Ronnie N.
Caulfield, James Jeffrey P.
Caulk, Peter M.
Cech, Charles R.
Ceely, Richard A.
Cellars, Kevin B.
Celli, Lino J.
Cenney, John J., Jr.
Cerabino, Frank T.
Chabal, Matthew
Chalker, James R.
Chamblee, Richard E.
Charles, Steven H.
Chaum, Erik
Chavez, Juan L.
Cheatham, William H.
Cheeseman, William E.
Cheri, Lionel L., Jr.
Chesnut, Robert I.
Chifari, Anthony H.
Childress, James
Chimahusky, Edward V.
Chittenden, Donald
Christensen, Harold O., Jr.
Christopher, Ronald J.
Christofferson, Edward A.
Chrzanowski, Frank P.
Cieslak, Randall C.
Cinciripino, Jeffrey R.
Cioni, Gene R.
Cirillo, Thomas M.
Clardy, George L.
Claridge, William
Clark, Bruce G.
Clark, Kenneth E.
Clark, Terry W.
Clark, William W.
Clarke, Stephen P.
Clarke, Thomas W., Jr.
Clarkson, Gregory J.
Claus, Colin D.
Claussen, Mark D.
Clay, John L.
Clay, Mark S.
Claytor, Linwood C.
Cleaver, Christopher M.
Clement, William
Clements, Michael M.
Clemons, Clevie L.
Clever, Alan R.
Clifford, Lawrence E., Jr.
Clingan, Bruce W.
Clingenpeel, Roy
Clinko, Stephen E., Jr.
Cloward, John A.
Coan, Richard D.
Coble, Richard A.
Coe, John C.
Cofield, Guy B.
Cohn, Michael D.
Colby, Christopher J.
Cole, James O.
Cole, James P., III
Cole, John F.
Coleman, Charles, Jr.
Coleman, Richard E.
Collett, Joseph M.
Colley, Craig C.
Collier, Robert G., Jr.
Collier, William W.
Colman, Paul T.
Colton, Gary L.
Colton, James W.
Comis, David L.
Condry, Robert A.
Cone, Allen D.

Connelly, Gary G.
Conner, Alexander N.
Connor, Charles E.
Connors, Stephen L.
Conradi, Joseph R.
Conway, Wallace J.
Cook, Donald P.
Cook, Gerald V.
Cook, Thomas P.
Cook, William A.
Cooksey, Clifton
Cooper, David R.
Cooper, Gregory H.
Cope, James D.
Coppinger, Michael L.
Corbett, Philip J.
Cordell, Thomas R.
Cornett, Hugh T.
Cornish, Gregory
Corpman, Daniel M.
Corpus, Jose R.
Coss, David D.
Cotton, Ian M.
Cotton, Steven W.
Coulombe, Raymond
Coulbourne, Michael J.
Coulson, James D.
Cousins, Dwight L.
Coverick, Timothy
Cox, Darryl R.
Cox, Donell
Coyle, Arthur J., Jr.
Craig, Douglas W.
Craig, Jimmy P.
Craig, Larry D.
Crandall, Roland E.
Crane, Jeffrey B.
Crary, Howard L.
Crawford, Donald C.
Crawford, Gary L.
Crawford, Lawrence L., Jr.
Cress, Bruce W.
Crevier, Raymond
Criner, Timothy J.
Cromar, Patrick F.
Crossman, Dale G.
Crow, Michael L.
Crow, Winston K.
Crowe, Steven K.
Croxen, Kevin L.
Cruts, Ronald E.
Crutz, David A.
Cruz, Adelbert, Jr.
Culbertson, William J.
Cullen, Leo D.
Cullinan, Robert L.
Cullison, Richard C.
Culver, Robert J.
Cummings, Richard W.
Cupp, Lynn S.
Cuprak, Gregory T.
Curran, Brian J.
Current, Richard
Currie, William S.
Curry, James M.
Curry, William T.
Curtis, Charles C.
Curtis, Larry J.
Curtis, Richard L.
Cusick, Timothy J.
Cuttino, David W., III
Cyrus, Richard E.
Czulewicz, Thomas S.
Daigle, Michael J.
Daigneau, James M.
Dale, Larry J.
Dalton, Dennis F.
Daly, Peter H.
Damico, William T.
Daniels, John W.
Daniels, William D.
Danka, William E.
Darnell, John A. M.
Dattoli, Joseph S.
Daurora, John K.
Davidoski, Mark W.
Davidson, Daniel E.
Davidson, Mark E.
Davidson, Michael F.
Davie, Robert A.
Davis, Charles W.
Davis, Eddie L.
Davis, George D., III
Davis, Glen B.
Davis, Jack L.
Davis, Jeffrey J.
Davis, Legare M.
Davis, Leon D., Jr.
Davis, Paul L. E.
Davis, Stuart M.
Davis, Van K.
Dawson, Robert M.
Day, Joseph A.
Dean, David E.
Dean, William M.
Dearbeck, Jerry L.
Debbink, Dirk J.
Deberry, Kirk R.
Debold, Fred A.
Decaria, Don B.
Decloma, Thomas E.
Delacrus, Richard S.
Delicata, Anthony J.
Dell, Franklin E.
Dellavedova, Peter F.
Delmar, Shan R.
Demartini, Edward J., Jr.
Dembowski, John K.
Demelo, Jeremias
Demeo, David M.
Demming, David R.
Denecamp, Gustav A., III
Dennis, William K.
Denny, Richard A.
Derby, Rex
Derose, Phillip A.
Deryck, Wayne D.
Desilva, Philip E., Jr.
Devitt, Brian S.
Dewes, William E.
Dickens, Emmitt D.
Dickert, Michael B.
Dickey, Byron A., Jr.
Dickinson, Michael L.
Dickman, Douglas J.
Dickup, William A.
Dietz, James A.
Diggs, Thomas E.
Diller, Christopher W.
Diller, Marlin G.
Dimenna, Timothy
Disney, Lawrence A.
Ditko, Donald R.
Diunizio, Mark
Divito, Joseph A.
Dixon, Willard E.
Doane, Ellis H., III
Dobbins, Bruce W.
Dobson, Richard A.
Dodds, William H., Jr.
Dodsworth, Rodney
Doherty, James M.
Dolan, James P.
Dom, George B.
Donathan, Bernie G.
Donker, Michael R.
Donnelly, Thomas P.
Doolittle, Richard P.
Dormer, John A.
Dory, Christopher E.
Dosta, John C.
Dotson, Edward L.
Douglas, Robert E.
Douglass, Alton O.
Dowell, Deryl R.
Dowling, Russell L.
Downer, Alan K.
Downer, Patrick E.
Dowsley, Brian W.
Doyle, Terrence M.
Drajna, Fred A.
Drake, Mark M.
Dranchak, James J.
Dreger, Douglas J.
Dreher, Lawrence J.
Driggers, Michael A.
Driscoll, Patrick G.
Drogowski, Francis K.
Droppa, Robert E.
Dubard, Dennis D.
DuBois, Harlan L.
Duchak, George D.
Dufeck, Jerry L.
Duff, Winslow K.
Duggan, Thomas L.
Duhn, Thomas H.
Dumpert, David R.
Duncan, James D.
Dundee, Jack L.
Dundon, Nicholas G.
Dunn, James D.
Dunn, Steven J.
Dunnenberger, Henry, III
Dunphy, Joseph J. G.
Dunseith, Richard J.
Durbin, William S.
Dusterhoft, Bruce M.
Dwyer, Thomas J., Jr.
Dyky, Leonard M.
Dyson, Michael E.
Eoersole, Charles R.
Ebel, Kevin C.
Eckrich, James E.
Eckstrom, Rustin
Eddington, Leonard E., II
Edwards, James R., III
Edwards, Perry B.
Edwards, William E., Jr.
Edwards, William J.
Eibon, Kenneth R.
Eischen, Charles
Eimes, James E.
Ekardt, Dennis E.
Eibinger, Steven Z.
Elford, David A.
Eliot, Frederick
Elkins, Don S.
Ellinwood, Thomas
Elliott, Daniel C.
Elliott, David S.
Elliott, Glenn D.
Elliott, Sidney M.
Ellsworth, Richard H.
Elmer, Michael P.
Elmlinger, Ronald H.
Elmore, Thomas L.
Elsken, Martin R.
Elwell, Ralph U.
Elwing, Stuart F.
Emrick, William C
Encino, Ernest G.
Endacott, Lawrence A.
Enderle, Douglas R.
Endres, William J.
Engdahl, Craig A.
Engel, Peter W.
English, Floyd E.
Enochs, Edgar R.
Enos, Craig R.
Episcopo, Mark J.
Erdt, Dennis D.
Erickson, David E.
Ericson, Glen P.
Ermolovich, William M.
Eschliman, Judd R.
Eschette, Donald P.
Escue, William D.
Eshman, Stephen J.
Estes, Warren B.
Etterman, James E., Jr
Evans, Richard T.
Evensen, David A.
Eves, Robert C.
Fahey, Edward F.
Fairbank, James F.
Fairbanks, John
Fallon, Patrick J.
Fann, Theodore R. L.
Faris, John M.
Farkas, David M.
Farley, Harold, Jr.
Faulk, Allen M.
Faulkner, Richard
Feeney, Christopher E.
Feiler, John F.
Felder, Gary C.
Felker, William H.
Felmly, Michael L.
Fenelon, Martin J., III
Fenn, Dan E.
Fennig, Christopher G.
Fenwick, Francis C., Jr.
Ferguson, David B.
Ferguson, Douglas H.
Ferranti, Jerry W.
Ferris, Albert D., III
Fett, Hans G.
Fetters, Laten S.
Fettes, Michael D.
Filippini, David
Filkins, Peter C.
Finlayson, Stuart
Finley, David C.
Finley, Mark T.
Finley, Peter J.
Fiore, Samuel S.
Fisher, Carl B.
Fisher, James E.
Fisher, John W.
Fitzgerald, William C.
Fleischer, Roger
Fleischman, Charles A.
Flom, Daniel H.
Floyd, David S.
Flynn, Dennis R.
Flynn, John J.
Fogarty, Francis
Fontaine, David J.
Fontaine, Scott A.
Fontes, Mark S.
Ford, Bruce H.
Ford, Jesse B., Jr.
Forgach, Gary L.
Forgala, Gregory W.
Fornof, Thomas R.
Fortner, William S.
Fortugno, John P.
Foster, Andre P.
Foster, Dennis P.
Foster, Gregory A.
Foster, James W.
Foster, William A.
Fountain, Bruce E.
Fowler, Leonard H., III
Fox, Michael E.
Fox, Samuel M.
Fox, Stephen C.
Fox, William F., Jr.
Francia, Anthony A.
Francis, Clayton A.
Francis, William B.
Franich, Dennis M.
Frank, Richard F.
Frank, Robert D.
Franke, Randal C.
Franklin, Charles M.
Franklin, Donald E.
Franzen, Gerald J.
Frazier, Jack E.
Frederick, David L.
Freeburn, Robert J., Jr
Freeman, John M.
Freeman, Richard C.
Freeman, David W.
Frenck, Wayne H.
Frey, James G.
Frey, Thomas J.
Frick, Michael S.
Frisk, Steven P.
Frizzell, Dominique F.
Frothingham, Peter J.
Fry, Rene M.
Fugate, Jeffrey E.
Fujii, Leith Y.
Fullerton, George
Fulton, Terry L.
Furness, John D.
Gagnon, James H.
Galembush, John S.
Galindau, Daniel R.
Gallagher, Chistopher J.
Gallagher, Dirk M.
Gallardo, Albert J., Jr.
Gallipo, Leslie K.
Galliman, James R., III
Galvan, Jose L.
Galvin, Richard E.
Gambarani, Gary P.
Gamble, Bruce T.
Garcia, Benjamin
Garcia, Edward L.
Garcia, Stephen A.
Gardner, David C.
Gardner, Dennis M.
Gardner, John S.
Gardner, Mark P.
Garland, William
Garman, David B.
Garmon, Jeffrey D.
Garrigues, Hal E.
Garver, Zach D.
Gary, Bret C.
Gaskin, Steven P.
Gassaway, James C.
Gates, David H.
Geanuleas, Lee
Gear, Daniel E.
Gearing, Daniel
Gearo, Benjamin A.
Geary, John W.
Geis, Everett L.
Gerdeman, Peter R.
Gerhard, Harry J.
Ghio, George F., Jr.
Giblin, Frank J.
Gibson, Elton R., Jr.
Gibson, Oliver F., III
Giesen, Stephen A.
Gilbert, James R., II
Gilbert, Larry A.
Giles, Anthony W.
Gill, Bruce J.
Gillespie, Neil T.
Gillies, Michael L.
Gilman, Robert J.
Girard, Robert R.
Glab, Corey J.
Gladding, Donald L.
Glasgow, Kimberly S.
Glass, James T.
Glenn, Robert A.
Glidden, William M.
Goins, Michael L.
Gold, Thomas M.
Golda, Eugene M.
Goldberg, John W.
Golden, Richard V.
Golden, Timothy A.
Goldin, Milton, Jr.
Goldsmith, Richard A.
Gonzales, Henry
Gonzalez, Francisco J.
Good, Keith B.
Goodlet, Sammie
Goodman, Clarke E., Jr.
Goodrum, Robert A.
Goodwin, Stephen E.
Goodwin, William A.
Goolsby, Douglas
Gore, John B.
Gorman, Jeffrey A.
Gorman, Thomas M.
Gorman, Walter R., Jr.
Gottschalk, Paul A.
Gould, James W.
Govan, Dale R.
Goward, Richard F., Jr.
Gowens, Michael W.
Graaf, Paul D.
Graber, Kenneth A.
Grace, John C.
Graham, Bruce A.
Graham, John S.
Graham, Kelvin F.
Graham, William M.
Grandfield, Philip W.
Grant, Thomas R.
Grantham, Robert S.
Grass, Richard J.
Graus, Gary S.
Gravely, Harry A.
Graves, Robert L.
Graves, Ronald M.
Gray, Arthur R.
Gray, Brendan L.
Gray, James R.
Gray, Ray H., III
Grayson, Tony A.
Greco, Francis J.
Green, Craig S.
Green, James S.
Green, Melvin C.
Green, Michael J.
Green, Nathaniel
Green, Peter D.
Green, Richard E.
Greene, Michael J.
Greene, Thomas G.
Greenwood, Carter M.
Greer, Jerry D.
Gregory, James L.
Gretzky, Harold D.
Greunke, James H.
Grice, Gary L.
Griffin, Roy D.
Grimes, Dennis R.
Griner, Charles D.
Groh, Robert E.
Grokulsky, Stanley J.
Gromek, Michael F.
Grose, Carleton R.
Grose, Robert W.
Gross, Harold
Gross, Robert H., III
Grossman, Randall T.
Groves, Gregory E.
Gruben Roger S.
Gruetzner, James K.
Gullette, Greg R.
Gumpright, Robert E. Jr.
Gunderson, Christopher
Gunther, Gary W.
Gural, Nicholas D.
Guss, James R.
Guttenberger, Mark R.
Guy, William P.
Gwynn, John T.
Haag, Gunter
Habel, Gareth R.
Hada, Wilford V.
Hagerty, George J.
Hagreen, Frederick H., III
Haines, Dennis
Hale, Mark S.
Hall, David L.
Hall, David R.
Hall, Homar H., Jr.
Hall, Jesse J.
Hall, John A.
Hall, Tommy E.
Halliford, Charles W.
Hallman, Clinton
Hallock, David D.
Halsne, William L.
Halverson, Rolf V.
Haman, William F.
Hamblin, Robert N.
Hamilton, Ellis
Hamilton, Robert W.
Hammond, James L.
Hammonds, Ricky T.
Hamner, Michael S.
Hampel, Kenneth E.
Hampton, Cecil L.
Handy, Clark D.
Haney, Keith D.
Hankins, James D., Jr.
Hanner, Robert A.
Hannum, Douglas E.
Hanrahan, Robert E.
Hansen, Daniel L.
Hansen, Joseph A.
Hansen, Raymond N.

Hansen, Richard P.
Hansen, Robert C., Jr.
Hanson, Paul D.
Hanson, Zane L.
Hardcastle, Michael C.
Harden, Stephen W.
Harding, William E.
Hardwig, Larry K.
Hardy, June T.
Harley, Stanley C.
Harman, Charles R.
Harmon, John M.
Harner, Warren H., Jr.
Harper, Russell S.
Harper, Scott F.
Harr, Steven L.
Harrington, Joseph H., Jr.
Harris, Charles M.
Harris, David J.
Harris, Jack F.
Harris, James B.
Harris, Lawrence J.
Harrison, Jonathan C.
Harrison, Lonnie P.
Harrison, Samuel F., Jr.
Harrison, Thomas P.
Hart, Dwight D.
Hart, Gerald E.
Hartigan, James D.
Harting, Donald W.
Hartley, Thomas A.
Hartman, Keith E.
Hartman, Richard W., II
Hartman, William
Hartmann, Thomas S.
Hartung, Gregory H.
Hascup, Richard
Haskins, Terry O.
Hathaway, Todd N.
Hauck, Timothy X.
Hauth, Larry W.
Havemann, Leonard P.
Havlik, George J.
Hawkins, Thomas A.
Hawley, Frank M.
Hayden, Clayton C.
Hayes, David P.
Hayes, David T.
Hayes, John H.
Hayes, Richard D., III
Hayes, Robert E., Jr.
Hayes, Stuart A.
Haynes, Erwin A.
Heathcote, Richard W.
Hebert, Dirk P.
Heely, Jeffrey H.
Hegland, Michael G.
Heid, Joseph P.
Heiney, Gary J.
Hejl, Thomas A.
Helleberg, Eric A.
Henderson, Ronald H., Jr.
Hendrick, Scott D.
Hendrickson, Wayne
Henkle, Thomas H., III
Henley, Jerrell C.
Hennig, William A.
Henning, George W.
Henry, Leon M.
Henry Zachary A.
Hepfer Donald E., II
Herbel, Richard C.
Herberger, William J.
Hering, Leendert R.
Herman, John C.
Hernandez, Victor M.
Herr, John S.
Herrick, Dennis M.
Herring, Fred M.
Herzig, Paul M., Jr.
Hess, Dennis L.
Hess, Douglas J.
Hess, John A.
Heughan, Charles D.
Hewell, Charles L.
Hickey, Marshall
Hicks, Gary L.
Higgins, James C.
Higgins, Raymond
Higgnill, Keith G.
Hildreth, Billy J.
Hileman, Kenneth L.
Hill, Clarence D.
Hill, Michael L.
Hill, Robert W.
Hill, Thomas S.
Hill, William J.
Hillendahl, Jeffry A.
Hills, Stephen G.
Himler, Mark J.
Hint, Peter T.
Hippel, John S.
Hirata, Harvey H.
Hirko, William G.
Hitchcock, Thomas L.
Hithon, Cary J.
Hobart David C., Sr.
Hochevar, Albert
Hodor, Brian M.
Hoffman, James D., Jr.
Hoffman, James E.
Hoffman, Mark A.
Hofman, Theodore J.
Hogan, Patrick G.
Hohenstein, James H.
Hohorst, Dedrich C.
Holbrook, Roy L., III
Holdcroft, Richard T.
Holl, Brian F.
Holland, James W., Jr.
Hollaway, Billy D.
Hollich, Paul J.
Hollingsworth Ernest M.
Holmberg, Hilding A.
Holloway, Jeffrey
Holman, Robert
Holst, Gary M.
Honeycutt, Paul E.
Hoobler, Jeffrey
Hood, Jack N.
Hooper, Rene R.
Hopkins, Dennis L.
Horbiak, Stephen
Horn, Arthur W.
Horn, Norman C.
Horner, Randolph W.
Hotelling, Roger D.
Houchins, Ronald W.
Houghton, Charles I.
Householder, David A.
Houser, Robert J.
Hovland, Douglas L.
Howard, John R.
Howard, Michael R.
Howard, Reginald L.
Howard, Stephen R.
Howard, William D.
Howarth, Peter T.
Howell, Carleton T., Jr.
Howze, Sidney S., Jr.
Hoyt, Michael L.
Huber, Russell J.
Huck, Hugh J., Jr.
Hudacek, David J.
Hudgens, Robert K.
Huebner, Richard H.
Huerth, Alan L.
Huetteman, Richard J.
Hugel, Mark A.
Hutaman, Thomas K.
Hull, Peter R.
Humenuck, Richard J.
Humitz, Norman R.
Hummell, Robert E., Jr.
Humphrey, Robert P.
Hungerford, Ronald D.
Hunt, David L.
Hurley, John J., Jr.
Hutchens, James W.
Hutchinson, Thomas H., II
Hutson, Michael T.
Hyatt, William L.
Hyers, Peter M.
Hynes, Alan P.
Inguvigha, Lawrence J.
Ingraham, James W.
Ingram, Michael R.
Irvin, Stephen R.
Isabelle, Paul G.
Ittner, William H.
Ivey, Charles G.
Jackson, John E., III
Jackson, Leon, Jr.
Jackson, Marvel T.
Jackson, Robert F.
Jackson, Steven C.
Jackson, William
Jacob, Anthony
Jacobson, John R.
Jacobson, Phillip A.
Jaggard, Joseph F., Jr.
James, Bruce C.
James, Gary S.
James, Richard L.
Jameson, David S.
Jamison, Charles
Janikowsky, Ralph
Jansson, William K.
Jargowsky, Kenneth J.
Jarrell, Gregory S.
Jee, Mark T.
Jefferies, Robert K., III
Jeffrey, James D.
Jelley, Kenneth I.
Jenkins, James S.
Jenks, Robert P.
Jenks, Timothy S.
Jensen, David W.
Jensen, John C.
Jensen, Thor K.
Jepson, Ben B., Jr.
Jerabek, Daniel J.
Jesup, Richard D.
Johann, Charles L.
Johansen, Sigurd A., Jr.
Johnsen, Arvin W.
Johnson, Clifford D.
Johnson, David F.
Johnson, David L.
Johnson, Douglas P.
Johnson, Geoffrey D.
Johnson, Mark A.
Johnson, Michael B.
Johnson, Michael
Johnson, Paul A.
Johnson, Philip N.
Johnson, Richard E.
Johnson, Robert C.
Johnson, Robert G.
Johnson, Stephen E.
Johnson, Thomas W.
Johnston, George
Jones, David L.
Jones, Donald D.
Jones, Donald L.
Jones, Eric M.
Jones, Griffith G.
Jones, Henry B., III
Jones, Joe D.
Jones, John P., II
Jones, Michael P.
Jones, Richard L.
Jones, Stephen C., Jr.
Jones, Stephen R.
Jones, Steve V.
Jones, William P.
Jordan, Carl W.
Jordan, Dorsett W.
Joyner, Joseph, Jr.
Judy, Daniel E.
Julian, Robert G.
Juvena, Jeffery M.
Kaczmarek, Christopher
Kafer, Mark T.
Kahlenbeck, Ronald L.
Kahler, Thomas G.
Kahn, Ralph E.
Kaluzny, Daniel F.
Kamen, John S.
Kanerva, Edwin J.
Kaniut, Keith M.
Kantirakis, Johnnie N.
Karaffa, Corwin J.
Karels, John A.
Kasputis, Stephen R.
Kast, Christian
Kasun, David M.
Katcher, Steven A.
Kauffold, Richard P.
Kaufman, Michael A.
Kaufman, William G.
Kautter, Robert J.
Kear, William J.
Kearney, John J.
Keast, Jerry L.
Keefe, Brian E.
Keever, Douglas F.
Keefe, Mark C.
Keeley, Thomas F.
Keeney, William M.
Keith, Stephen W.
Kell, George E., Jr.
Keller, Michael R.
Kelley, William J.
Kellogg, John S.
Kelly, James M.
Kelly, James T.
Kelly, Peter J.
Kelly, Richard P.
Kelly, Steven M.
Kelmar, Brian A.
Kemmerer, Eric R.
Kempf, Michael J.
Kennedy, Peter C.
Kennedy, Robert C.
Kenner, Robert P.
Kenny, Mark W.
Keough, Steven J.
Kernan, Joseph D.
Kerrigan, Donald F., Jr.
Kessler, Rande M.
Keswick, Christopher A.
Kidd, Robert S.
Kiggins, Anthony L.
Kikla, Richard V.
Kile, Larry B.
Kilkenny, Joseph F.
Kimmel, John F., Jr.
Kindergan, Walter B.
King, Michael C.
King, Nelson R.
King, Roger L.
King, Spencer H.
King, Stephen S.
Kingsman, Kilton
Kinkin, Frederic
Kinports, Kevin J.
Kirk, Brian M.
Kirk, Mark A.
Kirkland, Robert E.
Kirst, Mark R.
Kirsten, Richard
Kiselica, Vincent J.
Kiser, Mark S.
Kislinbury, Wayne J.
Klansnic, William J.
Klauer, Robert P.
Klein, Mark J.
Klein, Raymond M.
Klijn, Martinus M.
Kling, Dean F.
Klink, Gary D.
Knapke, Steven J.
Knight, John C.
Knight, William D.
Knoetgen, Peter M.
Knoizen, Kerry K.
Knott, George A.
Knowski, Richard
Knox, John T.
Knutson, Danny C.
Knutson, Eugene L.
Kocher, Jon E.
Koebel, Jerry A.
Koelzer, Thomas G.
Koerber, Michael A.
Kohls, Richard I.
Kolar, Scott A.
Kollmorgen, Gary
Kolthoff, David L.
Konkel, Michael J.
Koon, Charles C.
Koon, Keith F.
Kopp, Robert W.
Korchowsky, George W.
Koritar, John A.
Kornman, Robert E.
Korte, Kevin D.
Koscal, Albert, Jr.
Koscielny, Stephen S.
Kot, Randal R.
Koury, Chris R.
Kovalchik, Joseph
Kozicz, Mark S.
Kozyra, Mark V.
Kraemer, Robert T., Jr.
Krakau, Bruce R.
Kranz, Michael A.
Kraemer, Kent H.
Kramer, David R.
Krcha, Clifford W.
Kreidinger, Charles E.
Krekeler, John M.
Kroszner, Konrad
Kruk, Edward M.
Kruse, Frank K.
Kuhn, Michael F.
Kulpa, Jeffrey P.
Kuntz, John F.
Kurrus, Richard K.
Kurth, Steven J.
Kurtz, Randall S.
Kush, Thomas A.
Labossiere, Paul
Ladner, Merlin W.
Laflen, Gerald W.
Laforce, Daniel C.
Lagerstorm, Thomas J.
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Lambard, Richard E., Jr.
Lambert, Daniel M.
Lambert, Vincent E.
Laney, Terance
Langman, Craig E.
Laningham, Charles J.
Lanman, George W., Jr.
Laplante, James Z.
Lare, James E.
Larsen, Duane A.
Larsh, John K., II
Larson, Arvid R. G.
Laski, John F.
Latham, Kevin J.
Latonick, Leo W.
Laubenthal, Neil D.
Laughlin, Edward G.
Laughlin, Larry M.
Laughrun, Jerry L.
Laun, Gary L.
Lauseng, Leroy L.
Lavallee, Courtland R., Jr.
Laveson, Jeffrey D.
Laviano, Michael
Lawlor, George P.
Lawrence, Robert S.
Lawson, Joseph M., Jr
Lawton, Gerard M.
Leach, James H., II
Leblanc, Patrick
Ledoux, Alton D.
Lee, Jeffrey W.
Leenhouts, Peter M.
Lees, Kevin M.
Lemaster, Robert E.
Lemieux, Michael A.
Lence, Robert L.
Lenzen, Peter A.
Leonard, Wellington T.
Lessard, Steven M.
Lester, William J.
Letellier, Scott P.
Lewis, Alan O.
Lewis, Bradford F.
Lewis, Dale A.
Lewis, Dave E.
Lewis, David G.
Lewis, John T., III
Lewis, William H.
Lian, Robert A.
Lieberman, David L., III
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Liming, James K.
Lindner, Thomas E.
Lineburg, Frederick F.
Linenger, Jerry M.
Link, Donald J.
Link, Gerard J.
Lipton, Joseph K.
List, Jeffrey J.
Little, Patrick E.
Littlejohn, Alan C.
Litty, Frederick
Lizama, Gregorio T.
Lloyd, William V., III
Lochry, James C.
Locke, Dudley B., Jr.
Locklear, Samuel
Lockley, James
Lockwood, Tyrone
Lofton, Randall B.
Logdahl, Ronald J.
Logue, Thomas T., Jr.
Lohman, Alan L.
Lones, Philip T.
Long, Aaron, IV
Long, Jeffrey H.
Long, Jeffrey J.
Long, Richard K.
Long, Robert C.
Longway, James G.
Lonigan, Thomas J.
Longmeier, Michael S.
Lopes, Alexander
Lopez, Raymond F., Jr.
Lopez, Robert A.
Lopiccolo, Richard J.
Lorentz, Timothy
Lorenz, Duane E.
Losardo, Vito, Jr.
Louie, Cham W.
Lovan, Gary J.
Loveless, Paul F., Jr.
Luckenbach, James W.
Ludwig, Gregg A.
Luedke, August E.
Luehman, James G.
Lukens, Richard W.
Lukken, Peter J.
Luptak, Alan J.
Lyon, Charles R.
Lyons, Mark R.
MacDonald, Gregg W.
MacDonald, Patrick
Macina, Ronald M.
Mack, William E.
Mackercher, John C., Jr.
Mackie, James P.
Mackin, James S.
Maconi, Stephen M.
Madalo, John
Madden, James H.
Madsen, Charles W.
Madson, Robert C.
Magee, Robert H.
Magnotti, Michael P.
Magnusson, Everett D.
Maguire, Edwin J.
Mahoney, Terence
Mahoney, William A.
Maier, William A.
Mair, Michael J.
Majority, James N.
Makucevich, Daniel M.
Malinak, Gregory E.
Malley, Martin J.
Mallon, Paul J.
Maloche, Gary A.

Malone, Eugene J., Jr.
Manaskie, George
Manigo, John E.
Manley, James E.
Manley, Larry J.
Mann, Liberty E., III
Mansfield, George F.
Marcantonio, Richard L. P.
Marcinkowski, Eugene
Marino, Michael F.
Marlow, Charles N.
Marques, Joseph P.
Marshall, Charles S., Jr.
Marshall, Robert C.
Marshall, Tom S.
Marshall, William E.
Martin, Charles W.
Martin, David L.
Martin, David W., Jr.
Martin, Frank L., III
Martin, Stanley R.
Martine, Dennis K.
Martinez, Rosendo, Jr.
Martino, Nicholas W.
Martz, Donald C., Jr.
Mason, William A., Jr.
Mazzo, Edward
Mathews, Jerome J.
Mathre, Jerome K.
Matkowski, Randy J.
Matranga, Eugene
Matthews, Ralph S., Jr.
Matthies, Frederick T.
Maugans, Harry G.
Maurer, Richard L.
Mays, Marshall T., Jr.
Mazich, Paul J.
McAllister, Herbert J.
McAuliffe, Thomas J.
McAvoy, Arthur R.
McCammon, Michael A.
McCarthy, Charles M.
McCarthy, John N.
McCarthy, Julian D.
McCarthy, William D.
McCaskill, Thomas H
McCollum, Richard L.
McComb, Jeffrey L.
McCord, Michael C.
McCormick, Glenn
McCoy, Robert C.
McCracken, Lance D.
McCray, Gregory C.
McCree, Joseph W., Jr.
McCutchen, Edward L., Jr.
McDonald, Bradford N.
McDonald, James C.
McDonell, James E.
McDowell, Michael D.
McElrath, Hugh D.
McElwee, Adrian C.
McEwan, John A.
McEwen, Robert S.
McGee, Brent D.
McGinn, John P., Sr.
McGowan, John R.
McGowan, John F.
McGranahan, James O.
McGraw, Richard J.
McGuinness, Thomas P., Jr.
McGuire, Reed E.
McHale, Gerard
McIntyre, Michael J.
McIntyre, William C., III
McIsaac, James F.
McKee, Thomas B.
McKenzie, George
McKinley, Archibald VI
McKinney, James H. Jr.
McKinney, Patrick D.
McLaughlin, Jack A., Jr.
McLaurin, Charles D., Jr.
McLean, Robert A.
McMangie, James E.
McMeekin, Robert W., Jr.
Mcmillin, Patrick M.
McMullin, Stephen P.
Mcnaurtrie, John T., Jr.
Mcnabb, Steven D.
McNally, Peter J.
McNamara, Michael
McNeely, Gregory T.
Mcnell, Richard A.
McNutt, Richard L., Jr.
McQuiston, Morgan
McRaven, William H.
McTernan, James M.
McVay, Michael K.
McWethy, William C.
McWhorter, Richard D., Jr.
McWilliams, Stephen D.
Mead, Eric M.
Meade, Marvin E., II
Meadows, Gregory S.
Meahl, Mark T.
Meanor, Richard W.
Meeboer, Kip R.
Meints, Douglas L.
Meister, Douglas
Melear, John W.
Melssen, Gary J.
Mengel, William M.
Menger, William M.
Merchant, Stephen
Meres, Norman G.
Merideth, Allen T.
Merriman, Leonard, III
Merton, Robert E.
Metcalf, Thomas E.
Metheny, Marvin D., II
Metzger, Karl P.
Metzig, David L.
Meyer, Michael E.
Meyer, Thomas J.
Meyers, Harry F.
Michaels, James C.
Mickle, David R.
Mickler, William J., Jr.
Mieszcsanski, Paul F.
Mikula, Kevin E.
Miles, Neal S.
Miles, William E.
Milhoan, Kenneth
Milke, Joseph M.
Miller, Charles J.
Miller, Dennis M.
Miller, Forrest A.
Miller, James R.
Miller, Jerrold
Miller, Marc D.
Miller, Mark W.
Miller, Ronald L.
Miller, Roy L., Jr.
Miller, Samuel C.
Miller, Theodore G.
Millerick, Robert P.
Milling, Phillip O.
Mills, Kenneth J.
Millward, William
Milowic, Walter J.
McNutt, Richard L., Jr.
Milstead, James A.
Miniclier, Paul C.
Mischke, Thomas
Mitchell, Charles J., Jr.
Mitchell, Gary W.
Mitchell, Jeffrey C.
Mitchell, Robert L.
Mitchell, Roger V.
Mitchell, Thomas N.
Mitton, Stephen G.
Micuch, Thomas R.
Mock, Robert C.
Moen, Clayton D.
Moffatt, Larry W.
Mohs, Wayne C.
Molinari, Joseph A.
Moll, Alan L.
Molloy, Paul M.
Momany, Paul M.
Monroe, Ronald M.
Monroe, Stephen P.
Montero, Rory C.
Monzon, Victorino M.
Moody, James H.
Moon, Daniel L.
Moon, Randall K., Jr.
Moore, Bruce F.
Moore, Carl R.
Moore, Curtis M.
Moore, Daniel E., Jr.
Moore, Gary D.
Moore, John W.
Moore, Michael A.
Moore, Michael L.
Moore, Thomas L.
Moore, William G.
Morales, Rodolfo.
Moran, David B.
Moren, Christopher A.
Morford, Jay R.
Morgan, Perry W.
Morgan, Robert L.
Morgan, Roger D.
Morin, Charles L.
Morin, Robert J.
Morris, Allan D.
Morris, Gary W.
Morrissey, Shawn
Morrow, Joel S.
Morse, Jeffrey A.
Morse, Richard B.
Morton, Howard E.
Mosier, John A.
Moskevich, Anthony
Mosley, Eric C.
Mots, Stephen C.
Moudy, Alan C.
Moul, Donald R., II
Mount, Charles K.
Moylan, Michael F.
Muehling, Lawrence H.
Mulford, Anthony S.
Mulloy, Robert W.
Mumper, Duane L.
Mundt, Mylen J., Jr.
Munnik, John E.
Munoz, Frank M.
Munson, Keith D.
Munz, Paul D.
Murphy, Bryan P.
Murphy, Kevin P.
Murphy, Scott F.
Murphy, Thomas J.
Murray, Christopher C.
Murray, Francis M.
Murray, James W.
Murray, William C.
Murrett, Robert B.
Musch, Ronald J.
Musser, Michael N.
Musumeci, John E.
Muth, William E.
Myer, Peter G.
Myers, Harry S.
Myers, Patrick D.
Nacoste, Phillip
Nadolski, Allan E.
Napier, Clifford L., Jr.
Nashif, Ronald A.
Neeley, Martin F.
Negron, Manuel E.
Neidhold, Scott T.
Neighbour, Hugh M., III
Nelson, Charles E.
Nelson, Jonn S.
Nelson, Kurt W.
Nelson, Philip B.
Nelson, Stuart A.
Neuman, Michael C.
Newell, Brian P.
Newell, Thomas M.
Newhagen, Mark
Newman, James D.
Newman, Eugene E.
Newman, Stuart T.
Newton, Kenneth R.
Nicely, Clinton L.
Nichols, Bruce J.
Nichols, Robert F.
Nickerson, James
Nidel, William J., Jr.
Nieder, Jeffrey L.
Nielsen, Robert D.
Noble, Thomas K., Jr.
Norris, Melvin S.
Northrup, Kerry J.
Norton, James L.
Norton, Patrick R.
Norwood, Charles J.
Novick, Peter T.
Nowicki, Ronald J.
Nyberg, Stephen A.
Nystrom, Robert E.
Nystrom, William D.
Oakes, Donald W.
Oakes, John E.
Oberhofer, Kurt D.
O'Brien, Patrick S.
Obuchowski, Michael J.
O'Callaghan, Brian
O'Conor, Joseph J.
Ogden, Charles T.
Ogden, Richard D.
Ogg, Bradley R.
O'Kare, Michael J.
O'Keefe, John J., III
Oldroyd, Wayne F.
O'Leary, Stephen J.
O'Leary, Thomas M., Jr.
Olivier, Daniel P.
Olone, Daniel J.
Olsen, Peter R.
O'Neal, William C.
O'Neill, Robert J.
Orchard, Richard J.
O'Reilly, Richard J.
Orfini, Michael H.
Ormson, Charles S.
Orologas, Gus N.
Orr, Mark J.
Osborn, Johnny R.
Osborne, Harry J., Jr.
Osborne, James S., Jr.
Oshiro, Oliver S.
Osseck, Thomas A.
Ostrem, Craig P.
Ostronic, Francis P.
O'Sullivan, Richard W.
Oswalt, Ronald K.
Otto, Garland A.
Ozimek, Peter H.
Ozura, Paul E.
Paddock, David G.
Padula, Nicholas
Paez, Rudolph A.
Pagano, Clinton L.
Pagano, Frank E.
Page, Douglas
Paiste, Jeffrey A.
Palatas, Michael D.
Palkovic, Frederick A., II
Pals, Steven L.
Papenthien, Michael R
Paramore, Charles
Parham, William N., Jr
Parker, Bruce E.
Parker, Daniel B.
Parker, Joel M.
Parker, Kenneth, E.
Parker, Ronnie K.
Parker, Roy O., Jr.
Parmentier, Timothy J.
Parr, Charles V.
Parsons, Paul C.
Pashos, Chris L.
Pasnak, Richard P.
Patnode, William B.
Patrick, James H.
Patrick, Robert J.
Patterson, Allen H.
Patterson, Kenneth E.
Paul, Nicholas N.
Pauley, Frederick P., Jr.
Pauls, Thomas E.
Pavlick, Michael J.
Peake, Stanley W.
Pearce, Franklin D.
Pearson, John R.
Peck, David M.
Perry, Mark A.
Pehling, Gary W.
Pelican, John F.
Pellegrino, Pasquali P.
Pepper, Owen E.
Perlich, John W.
Perlich, Terry F.
Perris, Stephen J.
Perry, Christopher R.
Perry, James L.
Peruffo, Lawrence
Peshinski, John G.
Peterson, Jeffrey E.
Peterson, Jeffrey S.
Peterson, Steven W.
Petroski, Steven K.
Petty, Roger E.
Pfanenstiel, Steven R.
Pfannenstiel, Gary A
Pfeil, Frederick R.
Phillips, Michael D.
Phillips, William R.
Picard, Roland R.
Pickles, Thomas R.
Pierce, Francis S.
Pieringer, Paul A.
Pierson, John E.
Pierson, Ray R.
Pietropaoli, Stephen R.
Pincus, William A.
Pind, Michael D.
Pinetti, Randall L
Pirek, Ronald C.
Piscioneri, Mark
Pish, Walter J.
Pitman, Gregory J.
Pittman, David L.
Pittman, Ronald C.
Platz, George G.
Plisco, Loren R.
Ploeger, Ernst O., III
Plunkett, Kenneth J.
Plyler, Carl D.
Pocalyko, Michael N.
Podracky, Dean R.
Polak, Dennis M.
Poland, Thomas R.
Polcari, John J.
Polio, Joseph R.
Pool, Charles H.
Poole, James W.
Poole, Michael L.
Pope, Julian W., Jr.
Pope, Steven M.
Poppe, Gilbert C.
Pornaras, Robert A.
Porter, Lawrence H.
Porter, Steven R.
Porter, Vernon, Jr.
Posch, Jon T.
Post, Thomas R.
Posthuma, Michael W.
Potthast, David R.
Potts, Samuel J.
Powell, Daryl L.
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Powell, Robert D.
Prendergast, Richard K.
Prenzlow, Elmer C.
Preston, Richard W.
Prevatt, Richard M., III
Price, Johnny M.
Price, Stephen R.
Prichard, Reuben P., III
Prince, Kenneth M.
Prochaska, Barry W.
Prodoehl, Robert J.
Proetzel, Earl A.
Propheter, James
Pruuot, John T.
Przyborski, Paul A.
Puckett, James H.
Pugh, Robert W.
Pulley, Samuel D.
Pullins, Steven W.
Purpear, Carlton W., Jr.
Putre, William R.
Pus, Michael J.
Pyle, David C.
Pyron, John T.
Quigley, Keith J.
Quijada, Richard H.
Quinn, Joseph M., Jr.
Quinn, Kevin M.
Quinn, Michael R.
Quinn, Robert J.
Quirk, Robert G.
Racoosin, Charles
Ragusky, Raymond P.
Raher, Steven J.
Rains, John N.
Raley, Mark R.
Ramirez, Ray
Rampone, Jeffrey S.
Ramsey, Marshall N.
Randolph, George H.
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Rathbone, Jarvis D.
Rathbun, Richard W.
Rau, Edwin M.
Rau, Gary L.
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Raudonis, Charles F.
Raunig, David L.
Ray, Frank J., Jr.
Read, John A.
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Ready, Kevin E.
Rearer, Thomas C., Jr.
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Reddish, Harold J.
Redelsheimer, Sigmund M.
Reed, Dean N.
Reed, Michael E.
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Reilly, Everett E., Jr.
Reilly, Robert P., Jr.
Reinhart, Jeffrey
Reinhart, Paul E.
Reiver, Jon A.
Renwick, Daniel M.
Repeta, Wayne R.
Repper, Ronald C.
Revnoso, John P.
Rhames, William C.
Rice, Frank R., III
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Rice, Robert B.
Rice, Robert K.
Rice, Stephen W. C.
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Richardson, Alan
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Richardson Jewett E., II
Richardson, Randall M.
Rickenbaker, Mannie E.
Rider, Robert M.

Ridgeway, Thomas C.
Rieckenberg, Richard L.
Rief, Willis L.
Rifkin, David E.
Rigterink, Daniel C.
Riley, Eddie R.
Rinaudo, Cosmo
Rinaudo, James J.
Ring, Paul D.
Ringering, David A.
Ringwald, Jacob F.
Risk, Jerry D.
Risko, Gerrgi W.
Roadinger, Michael J.
Roatcap, Lyle R.
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Robbins, Jeffrey G.
Robbins, Johnny G.
Roberts, Dean W.
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Robertson, Jan A.
Robertson, Robert N.
Robidoux,, Richard R.
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Rodger, Ronald J.
Rodriguez, William D.
Rogers, Edward B.
Rogers, Edwin E.
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Rose, Gary E.
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Rosenberg, Mitchell A.
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Rosende, Carlos A.
Rosenow, John R.
Rosner, Hardi S.
Ross, Douglas A.
Ross, John K.
Ross, Mickey V.
Rossi, Charles V.
Roth, Laurence J.
Rothrock, Robert E.
Rotz, Robert D.
Roup, Gary S.
Rouse, Harry V.
Rovero, Peter J.
Rowe, Willis R.
Rowell, William H.
Rowley, James L.
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Ruby, Donald L.
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Rugenstein, Mark W.
Rumfelt, Curtis R.
Ruple, Robert W., II
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Royer, Kenneth P.
Rush, Thomas E.
Russel, Jim H.
Russell, Henry G.
Russell, John L.
Russell, Kenneth W.
Russell, Philip I.
Russell, Steven L.
Russell, Thomas A.
Rutkowski, Robert E.
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Ryan, John E.
Sadd, Vincent S.
Sadler, Stephen R.
Sahrbeck, Douglas J.
Sala, Alan J.
Salacka, Thomas F.
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Salts, Rodney J.
Sammons, Ronnie E.
Samuels, Mark B.
Sanders, David W.
Sanders, Steven D.
Sanderson, David P.
Sanderson, Robert
Sandoz, James D.
Sansom, Richard T.
Sapp, Jeffrey K.
Sargeant, Alan D.
Sargent, Colin W.
Sargent, Roger A.
Sarrell, George A.
Sassaman, Mark S.
Sasser, Michael F.
Sattison, Martin B.
Sauer, Joseph E.
Saul Gregory D.
Saunders, Jimmy D.
Saunders, John T.
Saunders, Stanley
Saunders, Thomas E.
Sautter, Kenneth M.
Sawyer, Gregory R.
Saxon, Thomas C.
Sayler, Scott C.
Sayre, Roger B.
Scalet, Joseph P.
Schaefer, Douglas E.
Schaefer, Matthew L.
Schaffer, Martin L., III
Schaumburg, Gary L.
Scheffter, Kenneth E.
Schempp, Leonard E., III
Schenke, Daniel J.
Schladenhauffen, David R.
Schlaepfer, Walter P.
Schlam, Seth B.
Schlientz, Steven
Schlinker, Mark S.
Schmidt, Richard S.
Schmit, Michael L.
Schmitz, David C.
Schmorde, Frederick A.
Schnedar, Christopher P.
Schneider, Leo F.
Schneider, Joseph M.
Schneider, William J.
Schorr, Donald F.
Schorr, Gary N.
Schowe, Ronald R.
Schrader, John L.
Schrum, Jesse B.
Schubert, David M.
Schuler, Mark A.
Schupler, Jerry M.
Schwanz, John J.
Schwartz, Ronald H.
Schwebach, Gary D.
Scott, Donald B.
Scott, George L.
Scott, Michael L.
Scottsmith, Philip R.
Scribner, Terance R.
Scull, Walter G., III
Scullin, Michael L.
Seaberg, Richard
Seal, Steve A.
Searfoss, Kim H.
Seater, Robert E.
Seaton, John M.
Seaton, Robert L.
Seaver, George A.
Seay, David B.
Sedlacek, Walter D.
Segert, Randall L.
Segien, Steven A.
Seiler, Charles E.
Seither, Albert G.
Seldon, Roger W.
Self, Richard E.
Self, Richard J.
Sencindiver, James D.
Sepelyak, Michael P.
Settde, Albert E., II
Settle, Michael W.
Seubert, Thomas W.
Severance, Frank R.
Seward, Douglas L.
Sewell, David J.
Sexton, Carl V.
Shafer, Robert L.
Sharp, John M.
Sharpe, Frank C.
Sharpes, David R.
Shaw, Michael A.
Shaw, Thomas P.
Shearer, Kenneth
Sheldon, James A.
Sheldon, James E.
Sheiton, John P.
Shelton, Michael S.
Shephard, Scott S.
Sheppard, Jon J.
Sheppard, Robert
Sheppard, Roger C.
Sheridan, Timothy F.
Sherman, Thomas B.
Sherwood, Gary R.
Shewbridge, Eric
Shewchuk, William O.
Shinego, Daniel R.
Shipps, Karl O.
Shmorhun, John M.
Shortt, Woody T.,
Shrader, Robert E.
Shriner, Timothy J.
Shrout, Gary E.
Shumate, Bruce A.
Shutler, Eric R.
Siddons, Philip K.
Sigg, Daniel R.
Sihrer, Dale S.
Sill, John A.
Silvers, Michael S.
Simcsak, Richard M.
Simmelink, Lawrence T., Jr.
Simmons, Gregory A.
Simmons, Jerry M.
Simmons, Ray C.
Simms, Daniel R.
Simon, Dennis L.
Simonds, Frank H., Jr.
Simons, Alan R.
Simpson, Jerry R.
Simpson, Lawrence
Sims, George O., III
Singer, Andrew M.
Sinibaldi, Robert A., Jr.
Sipin, Nelson A.
Sisa, Peter J.
Sisco, Julius J., Jr.
Sitler, Benjamin
Sitton, George D., III
Sizemore, William E., II
Skinner, James S.
Skinner, Robert J.
Skinner, Walter M.
Skjei, Kevin R.
Skocik, David J.
Slaughter, Wayne D.
Slaughter, Lee T.
Slaviero, Mariano G.
Slivka, Mark A.
Sloan, Michael A.
Smallwood, Jeffrey P.
Smartt, Frederick F., III
Smith, Bruce E.
Smith, Bruce E.
Smith, Bruce H.
Smith, Bruce S.
Smith, Charles S.
Smith, Clifford W.
Smith, Craig D.
Smith, Daniel M.
Smith, Darrell H.
Smith, David B.
Smith, David B.
Smith, David L.
Smith, Douglas M.
Smith, Frank W.
Smith, Gregory F.
Smith, Guy E.
Smith, Isaac H., Jr.
Smith, John
Smith, John M.
Smith, Larry
Smith, Neal F.
Smith, Randall C.
Smith, Randy K.
Smith, Robert B.
Smith, Robert E.
Smith, Stockton N.
Smith, Theodore D.
Smith, Waymon A.
Smith, Wayne C.
Smith, William M.
Smith, William C.
Smock, Terry D.
Smoot, Melton L.
Snead, Richard L.
Sneide, Larry J.
Snider, Gene
Snodgrass, William J.
Snow, Mark S.
Sobczak, Mark L.
Sobotka, William
Soderholm, Randy G.
Sohns, Michael E.
Solheim, Randal J.
Solt, Harrison H., III
Sonleitner, Michael G.
Souders, David M.
Souders, Robert M.
Souza, Gerald W.
Spada, Christopher J.
Spangenberg, Keith N.
Sparks, Christopher P.
Sparks, Gregory L.
Sparks, John D.
Sparks, Larry O.
Spears, Harold E., Jr.
Spence, Frank W.
Spencer, Gregory F.
Spencer, John W.
Spiker, John S.
Spilios, George F.
Spooner, Daniel J.
Sprenkle, James R.
Spring, George E., Jr.
Sprinzl, Martin F.
Spruill, Danny E.
Sprung, George G.
Stabler, Bruce D. L.
Stacy, Bobby R.
Stafiej, Mark S.
Stagg, John L.
Stamey, Billy B., Jr.
Standre, Thomas D.
Stanley, Peter J.
Stanwood, Arthur H., Jr.
Stark, William R.
Starr, Gary G.
Stathos, Christopher L.
Station, George V.
Stayton, Dennis D.
Steele, David W.
Steele, John G.
Steichen, Alan R.
Stein, James E.
Steinbaugh, Charles J.
Steinmann, Dale V.
Steinmuller, John
Stenstrom, Thomas
Stephens, Arthur L.
Stephenson, James B.
Stephenson, Mark
Stephenson, Daniel K.
Stevens, Thomas E.
Stevenson, Thomas
Stewart, Donald L.
Stewart, Marc S.
Stewart, Roger E.
Stich, Richard A.
Sticinski, Ron J.
Stiles, William M.
Stirling, James S.
Stith, Mark R.
Stoelting, Edgar W., Jr.
Stokowski, Dennis T.
Stone, Jeffrey J.
Stone, John A.
Stone, Richard H.
Stone, William B.
Storey, Scott
Storto, Joseph M.
Stotz, John W.
Stratton, James E., II
Strawder, Freddie E.
Strayve, Christopher G.
Streeter, David R.
Streeter, Matthew
Stride, John L., Jr.
Stromann, Peter W.
Strong, David W., Jr.
Strother, Burhl E., Jr.
Stuart, Alfred E.
Stulb, William K.
Sturm, Michael R.
Sturnick, Mark A.
Suchland, Everett B. Jr.
Sudik, John P.
Sullivan, Cleveland G.
Sullivan, George
Sullivan, Kevin B.
Sullivan, Kevin J.
Sullivan, Richard T.
Sullivan, Steven R.
Sullivan, Thomas
Sullivan, Thomas H., Jr.
Sullivan, Timothy P.
Summers, Mark A.
Summerville, Paul M.
Summey, Roger A.
Sumner, William J.
Surch, James F.
Sutton, John E.
Sutton, Kenneth M.
Swagler, Paul J.
Swan, Gregory A.
Swanson, Dane C.
Swear, George M.
Sweeney, John F.
Swierczek, Stephen P.
Swinton, Charles
Syvertsen, Michael R.
Szakas, John F.
Szatkowski, James L.
Tague, John A.
Tamayo, Andrew B.
Tanner, Randall E.
Tansey, Daniel A.
Tartaglione, John J.
Taylor, Bobby J.
Taylor, Connie G.
Taylor, James D.
Taylor, John R.
Taylor, Melvin L., Jr.
Taylor, Richard L.
Taylor, Robert R.
Taylor, Thomas
Taylor, Tyrone
Teatz, Robert B.
Tete, William M.
Telthorst, Paul J.
Temer, Paul L.
Tenant, James J.
Tennent, John H. V.
Tenaro, Harry N.
Thayer, Richard L.
Thielemann, George J., III
Thomas, Guadalupe
Thomas, James B.
Thomas, Marc J.
Thomas, Robert J.
Thomas, Ronald D.
Thomas, Scott M.
Thompson, Daniel D.
Thompson, George
Thompson, Harry M.
Thompson, Larry E.
Thompson, Mitchell L.
Thompson, Paul D.
Thompson, Richard
Thompson, Robert
Thompson, Timothy K.
Thomson, Timothy
Thornton, Michael D.
Thorn, John E.
Thorp, Michael L.
Thorp, Owen G.
Threatt, Byron G.
Thout, Pierre J.
Tierney, John M.
Tilgner, Bradley
Tilley, Glen F.
Timoney, Gregory P.
Tingler, Henry H.
Tinsley, Thomas J.
Tipton, Richard G.
Titus, Ronald A.
Tobin, Albert A.
Todd, Michael L.
Toepfer, Keith H.
Toguchi, Myles
Tomlinson, Randal S.
Tomlinson, Richard S.
Torrance, Geoffrey C.
Touchberry, Forrest L.
Townsend, Walter A.
Trainer, Edward A., Jr.
Transchant, Raymond J.
Trass, Kenneth R.
Travis, Jon W.
Treffeisen, John N.
Tribble, Terrell L.
Trice, James H.
Trimble, Richard
Tripodi, James
Tripp, Marc F.
Troiani, Marc L.
Trotter, Thomas W.
Troy, John J.
Trueblood, Michael S.
Trygstad, Raymond
Tryon, Michael P.
Tucker, David W.
Tuebner, David L.
Tuozzolo, Charles
Tupper, Lawrence D.
Turk, William J.
Turley, Craig W.
Turner, David E.
Turner, Elijah A.
Turner, Richard W.
Turner, Thomas J.
Turpen, Michael C.
Tuttle, Daniel B.
Tyrrell, Marvin F., Jr.
Tyson, Peter L.
Ule, Robert L.
Underwood, David D.
Urban, Lawrence D.
Urrutia, Ronald
Uyak, Richard D.
Utterback, Norman A.
Vail, David L.
Valenzuela, Joseph D.
Vallerie, Daniel
Vance, Christopher P.
Vanhoose, Sammy J.
Vanore, John J.
Vanourney, Kenneth L.
Vanpetten, David J.
Vansickle, William R.
Vanthof, Richard R.
Varney, John P.
Vasquez, Billy L.
Vassar, Robert E.
Vaughan, Charles F.
Vaughan, Danny
Vaughan, James L.
Vaughan, William H.
Vaught, Rodney D.
Vecchiolla, Thomas A.
Venerdi, Henry T.
Venohr, William R.
Verbrycke, John R.
Verhofstadt, Albert P.
Viau, Raymond A.
Vieten, Michael J.
Villarreal, Michael S.
Vitale, Michael C.
Vobrak, James W.
Vogel, Charles E.
Vogel, Robert R.
Vogt, Frederick N.
Voight, Paul A., Jr.
Vonloesecke, Peter S.
Vorndran, Thomas F.
Voytek, Richard A.

Vredenburgh, Richard H.
Vsetecka, William E.
Vulgamore, Joseph M.
Vuolo, John F.
Wachter, Michael L.
Waddson, Robert G., Jr.
Wagner, David C.
Wagner, Frank W.
Wagner, Kenneth A.
Wagner, Paul D.
Wagner, Phillip E.
Wahler, Michael A.
Wahlstrom, Mark G.
Wainwright, Dale W.
Walborn, Daniel M.
Waldron, Gary L.
Walker, Charles B., Jr.
Walker, Robert E.
Wall, Richard A.
Walpole, Dennis A.
Walsh, Joseph A.
Walsh, Patrick M.
Walters, George F.
Walworth, Lawrence M.
Walz, Alfred F., Jr.
Wanjon, Michael F.
Wardrop, Daniel A.
Warnecke, John R.
Warner, David C.
Warner, Nathaniel P.
Warren, James L.
Warren, Stewart T.
Washington, Vicente L.
Waterreus, Jeroen J.
Waters, John C.
Waters, Michael K.
Watkins, Charles
Watt, Steven D.
Watters, Robin M.
Wayne, John L. B.
Weaver, Gary A.
Webb, Clyde Q.
Weddle, Jeffrey D.
Weikal, Edward M.
Weimer, Robert K.
Weingart, Stephen
Weiss, Bruce R.
Weiss, Charles H., Jr.
Weiss, Michael E.
Welch, William G.
Weller, Phillip A.
Wellman, Michael N.
Wells, Ralph C.
Wendel, Jeffrey W.
Wendelin, Olli P.
Werner, James P.
Werner, Michael H.
Wertz, Michael R.
Westhusin, Daniel J.
Wetter, Timothy S.
Whare, David J.
Wheelis, Wallace T.
Whetstine, Dean M.
White, John W.
White, Kent D.
White, Paul G., Jr.
White, Richard W.
White, Steven M.
White, William L.
Whited, Timothy L.
Whitehurst, Richard M.
Whitely, Bruce R.
Whitener, Ronald W.
Whitkop, Robert N.
Whitsett, Daniel
Whitten, Michael L.
Whitten, Robert C., III
Wiggins, Paul A.
Wilbur, Barry N.
Wild, Lawrence A.
Wilde, Robert L.
Wilkins, Donald M.
Wilkinson, David
Wilkinson, John M.
Wilkinson, Harvey E., Jr.
Willard, Calvin D. G.
Willcox, Bary C.
Williams, Bernard
Williams, Carl E.
Williams, Charles A.
Williams, Charles V.
Williams, David E.
Williams, David W.
Williams, Gary E.
Williams, Kent A.
Williams, Kenneth A.
Williams, Michael E.
Williams, Robert E.
Williams, Thomas H.
Willner, Lawrence L., II
Willis, Gary L.
Willis, William R.
Wilson, Andrew H.
Wilson, Douglas H.
Wilson, Joel L.
Wilson, John R.
Wilson, John R.
Wilson, Lyle S.
Wilson, Robert G.
Wilton, Terry L.
Wiltshire, James A.
Winship, Charles H., III
Wischmeyer, Henry
Wisecup, James P.
Wiseman, Eric A.
Wishon, Milborn F.
Withers, James D.
Witkowski, Stephen T.
Wolf, William F.
Wolfe, Gregory J.
Wolfs, Hendrik J., Jr.
Wolven, Donald L.
Wood, Joseph R.
Wood, Milton L., IV
Wood, Randel W.
Wood, Ronald S.
Wood, Winston, D.S.
Wood, Winston D.
Woodward, Dean W.
Woodburn, Harold J.
Woodley, Paul R..
Woodruff, William L.
Woods, Hubert F., Jr.
Woods, William E., Jr.
Woodward, Michael R.
Woodward, William L.
Woolway, James G.
Woolweber, Wayne T.
Worrilow, Mark D.
Wright, Eric J.
Wright, Garland P.
Wright, Harry A.
Wright, James G
Wright, Kenneth F.
Wright, Richard A.
Wright, Robert B., Jr.
Wright, William L., Jr.
Yanda, Roger P.
Yaple, Roy L.
Yeager, Jens P.
Yeager, William E.
Yee, James B.
Yetsko, Edward P.
Young, David E.
Young, John W.
Young, Neil M.
Young, Paul E.
Young, Stephen A.
Youngblade, Charles J., Jr.
Youngblood, Adrian C.
Yourstone, Walter
Zahornacky, James M.
Zane, George K.
Zath, David M.
Zebrowski, David S.
Ziemba, David
Zingarelli, Leonard A.
Zollner, Bruce M.

The following-name women lieutenants (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualifications therefor as provided by law:

Ackley, Denise E.
Aly, Sherrie S.
Ashley, Monecia R.
Babb, Robin M.
Baltrush, Kathleen A.
Bergmann, Barbara E.
Bishop, June A.
Bonanno, Victoria P.
Bowles, Erika A.
Bowyer, Barbara J.
Boyd, Dianne E.
Brodersen, Beth A.
Brynestad, Susan M.
Buben, Mary J.
Byars, Beverly J.
Chadbourne, Barbara J. N.
Chambers, Heather A.
Chou, Carol J.
Cobery, Janel D.
Conwell, Candace L.
Cooke, Duann A.
Corcoran, Mimi
Cornett, Caroline E.
Crowder, Sharron K.
Dallamur, Jane
Davis, Linda R.
Deacon, Debra L.
Deaconlamade, Deborah A.
Deems, Sharon A.
Dimel, Mary C.
Doggett, Amy N.
Dundas, Janice M.
Edwards, Catherine E.
Edwards Christine
Eggert, Martha D.
Ellis, Cecilia J.
Emerson, Elizabeth A.
Freund, Gloria
Fullerton, Lee A.
Gale, Sallie H.
Galvin, Caron J.
Garrison, Amy L.
Griffin, Leeta G.
Guthrie, Melinda L.
Hahn, Maribeth
Hall, Deidre S.
Hall, Linda C.
Hall, Martha L.
Harding, Marilyn J.
Harger, Kathleen L.
Harmon, Joyce L.
Haygood, Margaret A.
Hight, Elizabeth A.
Hill, Caroline H.
Hockaday, Jessie J.
Hopkins, Rachel E.
Hunt, Kathryn E. M.
Hyman, Lynn U.
Jacobs, Donna E.
Jacobs, Hester K.
Johnson, Mellonise
Kell, Mary M.
Kelley, Linda A.
Kenyon, Virginia J.
Kim, Patricia C.
Knowlton, Leslie K.
Koepf, Randa G.
Koskelin, Joy D.
Lackman, Donna K.
Lawton, Melinda A.
Leahey, Catherine A.
Leavitt, Louise A.
Lee, Diane C.
Leong, Helen V.
Loewer, Deborah A.
Lyons, Merewyn E.
Mac Midlan, Joyce R.
Marsh, Barbara D.
Marshall, Tania E.
Martinson, Jane E.
Mazzarella, Victoria E.
McAdams, Mary E.
McArtor, Janet L.
McLaughlin, Sheila D.
McElrath, Daryl L.
Miller, Cynthia
Miller, Patricia A.
Morgiewicz, Janice M.
Muth, Liesel R.
Nagel, Linda M.
Neff, Mary P.
Nevius, Colleen
Nied, Diane E.
Novick, Pamela L.
Nunley, Patricia A. L.
Oakes, Deborah L.
O'Leary, Isabella J.
O'Neill, Patricia
Ongley, Susan M.
Page, Leslie A.
Paquette, Victoria A.
Pasqualucci, Mary E.
Patterson, Sue A.
Pirek, Linda D.
Porter, Joann
Pottenger, Carol M.
Radebaugh, Gale R.
Rahe, Molly A.
Ramsey, Carol
Rhyner, Pamela J.
Richardson, Margie D.
Roberts, Suzanne
Robertson, Lynn J.
Roemer, Eileen J.
Rupponer, Sharon J.
Sapp, Kathy C.
Scarbury, Martha S.
Schaal, Helen J.
Schmidt, Carol J.
Schonenberger, Mary J.
Schwartz, Susan K.
Scott, Barbara A. V.
Selby, Katherine A.
Selke, Julia J.
Sheedy, Ann M. J.
Simon, Dannielle N.
Smith, Ann L.
Smith, Barbara C.
Smith, Lois L.
Smith, Victoria M.
Snyder, Marlene A.
Spencer, Sundra J.
Stallings, Deborah J.
Stark, Candice A.
Starnes, Cherry S.
Steadley, Marianne V.
Stein, Janet M.
Stengel, Alta F.
Stiltner, Deborah R.
Stone, Nancy B.
Straub, Debra A.
Sullivan, Anne N.
Sullivan, Brenda J.
Sunkle, Patricia J.
Thomas, Colleen C.
Thompson, Donna L.
Thompson, Gracie L.
Troughton, Eugenia M.
Turnbull, Vivian L.
Umbel, Barbara C.
Vaughn, Jill A.
Wall, Melody A.
Wetherill, Glenda J.
Williams, Barbara J.
Willis, Lola J.
Wolcott, Debra J.
Wright, Deborah K.
Yarosh, Cynthia D.
Yobs, Rachel L.
Zanot, Deborah, A.

IN THE NAVY

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the various staff corps as indicated, pursuant to title 10, United States Code, sections 5773 and 5791, subject to qualification therefore as provided by law:

SUPPLY CORPS

Adams, Keith T.
Adams, Walter R.
Adelman, Franklin M.
Allen, Douglas J.
Alligood, Clifford J.
Anderson, Nicholas A.
Anderson, Sammy C., Jr.
Andrews, Thomas L., III
Asp, Lawrence W.
Augustine, Michael
Baker, James M.
Ballowe, Ted S.
Barber, Mark H.
Barnes, Robert L.
Barrett, Christopher L.
Bates, Leslie A.
Bennett, George E.
Benton, Steven D.
Bernetskie, John A.
Besco, Steven M.
Bird, Jerry L.
Bischoff, Harris F.
Bogart, Brian J.
Bogott, Karl W.
Boozer, George D.
Boyd, Barry B.
Boyd, David O.
Bozzuto, Anthony J.
Brooks, David C.
Brown, Larry R.
Brown, Martin J.
Buczkowski, Terry B.
Burleigh, Gerald A.
Butler, Richard D.
Calloway, Daniel L.
Camburn, Robert V.
Cannon, Hammond G., Jr.
Cantos, Cornelio F.
Capella, Jack M.
Capen, Michael F.
Caron, Michael F.
Carroza, Robert P.
Cartwright, Howard, Jr.
Caughey, Stephen R.
Cheston, Mark E.
Church, Robert L.
Clements, Joe D.
Cochrane, Scott A.
Coleman, Charles J.
Collins, Larry L.
Colton, Richard S.
Condon, Richard J.
Contreras, Gregorio A.
Cook, James M.
Cook, Raymond H.
Corelli, Einar L.
Crawford, Mark R.
Cresto, John H.
Crites David E.
Culbertson, Matthew D.
Culbreath, Adrian J.
Cypert, Ronald L.
Dahl, Edward A.
Davis, Delbert E.
Deamer, Harry A.
Deasy, John H.
Deets, Douglas M.
Delaney, John V., III
Deno, Thomas R.
Desmond, Lawrence L.
Dew, Harold W.
Dittmeier, John S.
Donaldson, Morgan L.
Donnellon, Earl F.
Douglas, David S.
Downey, Daniel L.
Dragovits, John F.
Drain, Michael E.
Duffy, James F.
Duke, James R., Jr.
Duncan, Charles R.
Earnest, Michael M.
Estes, Michael B.
Faria, Rooert E.
Ferrell, Walter W.
Feauto, Richard J., Jr.
Feay, William F.
Ferguson, Paul C.
Fisher, Scott W.
Foster, Stephen C.
Free, Michael W.
Freye, Daniel L.
Fuzy, Michael III
Gangler, Douglas N.
Garrison, John W.
Gartmayer, Richard
Gates, James F.
Gauspohl, Robert W.
George, James R.
Glassman, Howard E.
Godwin, Bruce W.
Goeks, Greg J.
Gooner, Richard A.
Goranson, Robert W.
Grasso, Frank R.
Greenwood, Richard M
Grieger, Thomas A.
Haas, Robert D.
Haima, John O.
Haines, Dennis
Hale, Harold D.
Hamann, Donald K.
Hammer, Roger E., Jr.
Hardesty, Guy B.
Harris, Raymond J.
Hart, Monte R.
Hatfield, David J.
Heagney, Brian F.
Heilman, Mark D.
Henry, J. Craig
Hering, Edward N.
Herning, George F.
Heyen, Larry R.
Hickinbotham, Michael W.
Hicky, John S.
Higgins, John L.
Highsmith, John W.
Hill, Donald W.
Hilliard, Andrew M., Jr
Hlebiczki, Louis H.
Hobson, Daniel R.
Hoffman, Dennis J.
Hoffman, Donald B.
Holst, George P.
Holtsclaw, Keith S.
Horechny, Martin F.
Hosmer, Leslie E.
Houy, Robert G.
Howard, Robert L.
Huff, Andrew D.
Humphries, John C.
Jackson, Julius J.
Janisch, John S.
Jensen, John O.
Johnson, Wesley H.
Jones, Robin S.
Jones, Ronnie L.
Kane, Richard P.
Kapsch, Michael R.
Karnas, Henry P., Jr.
Kaso, John J.
Kerins, Patrick J.
Kirby, Bruce A.
Kline, Darl D., Jr.
Klose, Keith D.
Knowles, David S.
Koenig, Stephen L.
Konetski, Mark L.
Konrad, Robert A.
Kraynik, Michael S.
Ladouceur, Gerald J.
Lake, Robert H., Jr.
Lamont, Chris A.
Lauster, Ronald J.
Lawton, Frank C., III
Leib, Frederick W.
Lemire, Joseph W., Jr.
Levalley, James M.

Lingo, Robert S.
Lodge, Terry C.
Loftus, Edmund M., Jr.
Long, James E., Jr.
Lovell, Daniel A.
Lozano, Paul S.
Lubbers, James E.
Luckie, Robert S.
Mackel, Andrew G.
Maree, Ronald N.
Martinez, Raymond, Jr.
Masters, Paul J.
Masterson, Frank E., Jr.
Maus, James A.
McClutchy, Thomas F., III
McIlravy, Thomas P.
Mesenbrink, John R.
Metts, Michael J.
Mikac, Joseph S.
Miller, Jack E.
Mills, Jon L.
Misiewicz, Peter
Mohn, Peter A.
Moody, Bryan T., Jr.
Mooney, John E.
Morehead, Paul E.
Moses, Robert L.
Motz, John P.
Munoz, Leonel
Murray, Timothy P.
Neil, Michael A.
Nelson, Richard A.
Newberry, David B.
Neilsen, Christ R., IV
Noel, Jerry L.
Nolan, Michael J.
Nosky, Jerome T.
Ober, Stephen C.
Olsen, Ronald L.
Pacheco, Edward W.
Palmer, William R.
Parker, Richard A.
Parnell, David M.
Parsons, Robert D.
Patterson, William E.
Pennell, Grady J., Jr.
Perry, Ronald L.
Peters, Thomas J.
Pickle, Ernest H.
Pine, Glenn R.
Pirolli, James G.
Plasket, George K., III
Post, George C.
Potter, William A.
Pottinger, Jeffrey L.
Presto, Anthony F.
Priest, Kevin M.
Prince, Stephen A.
Pritchard, Gary L.
Pulver, Craig A.
Qualls, William B.
Query, Michael F.
Quinn, William C.
Quinto, Randolph A.
Ram, Edward J.
Ratliff, William G.
Rattler, Andrew D.
Rauch, Douglas L.
Raymond, Peter R.
Reiss, George L.
Reiter, Gary M.
Reynolds, David E.
Rhudy, Michael R.
Richey, Paul R.
Rickel, Jack M.
Rogers, Robert R.
Roskowski, Ronald
Ross, Robert A.
Rourke, Edward J.
Rudy, Gregory P.
Ryan, Daniel F.
Samson, Michael W.
Sanders, John P., Jr.
Sawyer, Timothy G.
Sawyers, Robert J., Jr.
Schafer, Gerald R.
Schill, William D.
Schmitt, Edward J., Jr.
Schonenberg, Todd R.
Schultz, Edward R.
Seaver, Geoffery W.
Shanahan, David G.
Shanley, James F.
Sheridan, Michael H.
Sherman, Barry S.
Shockley, Danny A.
Short, William B.
Sides, Charles R.
Siembieda, John
Sillman, James H.
Simmons, Rodney A.
Simpers, Patrick K.
Sisson, Michael W.
Smith, David W.
Snow, Richard C.
Sooter, Monty S.
Sorensen, Kevin R.
Stahel, Richard J.
Stanczak, Allan M.
Steffen, Thomas E.
Steffy, John S.
Stehman, Roger C.
Sterrett, Steven C.
Stone, Barton F.
Stoney, Paul L.
Stoshak, Ronald L.
Stout, Roger W.
Stowell, William J.
Strother, Russell T.
Sutter, Robert
Swanson, Bruce S.
Swineford, Michael C.
Switzer, Charles T.
Tanks, Wendell D.
Terell, Stephen F.
Thompson, Rodney M.
Toledo, Crispin A.
Tom, Howard S.
Tomas, Rufino M.
Toperoff, Lawrence B.
Trowbridge, Jay R.
Tucker, Curtis H.
Turner, Gerald R.
Twigg, Jerrold L.
Verhagen, Douglas W.
Wagner, Derrick A.
Walker, John W.
Waller, David L.
Warmington, Jeffrey A.
Webb, Daniel H.
Weir, Kenneth T., Jr.
Wenberg, Marvin C., II
Westfall, Gary W.
White, Kevin L.
White, Thomas C.
Wiggins, John H., Jr.
Wilkinson, Peter F.
Williams, Robert L.
Wolfe, Gary T.
Wooten, Charles L., III
Wright, Edward
Yake, Steven R.
Young, Calvin C., III
Ziegler, Joseph W.

CIVIL ENGINEER CORPS

Aide, Daniel T.
Alverson, Jerry B.
Aucremanne, Daniel O.
Ball, John L.
Barker, Stephen E.
Beckmann, Fred H.
Bellacicco, Allan J.
Berger, Robert E.
Bergson, Charles T.
Brandt, John C., III
Conaway, Michael H.
Coyle, Todd F.
Davis, Robert E.
Desauliniers, Eugene W.
Elvey, William M.
Emsurak, George P., Jr.
Frentz, Gerald T.
Frost, James D.
Garcia, Albert III
Gardner, Albury
George, Roscoe D., III
Greenwood, Olvice L.
Grelson, Jeff D.
Haefner, Wayne D.
Hays, John W.
Hertwig, Ronald W.
Hess, Dennis L.
Hinchman, Steven B.
Hough, Ted E., Jr.
Hunt, Daniel T.
Jensen, Jerry L.
Jones, Hubert S.
Kelm, Brian R.
Kemper, Marcus S.
Kinnaman, Terry P.
Kirkman, David M.
McClaine, John L.
McMahon, Paul G.
McNutt, Thomas D.
Pfannenstiel, Gary A.
Phalon, Steven J.
Rand, John L., III
Reams, Hugh E.
Samuels, Mark B.
Scanlan, Philip R.
Sefton, Reynold A., Jr.
Smith, Eric C.
Smith, Robert M.
Spiller, Robert E.
Syversen, Carl E.
Thies, Eugene A.
Trueblood, Michael S.
Tuebner, Kenneth G.
Verhofstadt, Albert P.
Vilbert, James R.
Watson, Marc A.
Wheeler, Gerald E.
Yurik, Thomas J.

MEDICAL SERVICE CORPS

Acklin, Robert A., Jr.
Aldridge, Tommy R.
Babbitt, Mark E.
Blacke, Stephen F.
Bloomquist, Richard L.
Burden, Thomas W.
Chinnery, Henry M.
Collins, Robert V.
Curley, Ronald D.
Engelhart, Robert J.
Faulls, John D.
Feith, Steven J.
Fowler, Lawrence E.
Garner, Denzel E.
Gillooly, Paul B.
Hann, Richard M.
Ierulli, Joseph
Jimerfield, Craig A.
Kephart, Elwood L.
Kerschner, Harrison F.
Leasure, Bryan W., Jr.
McDonough, James C.
Miller, Bernard T.
Moos, James A.
Neefe, Charles W., Jr.
Pagan, Herman J.
Quillen, William S.
Ross, Michael W.
Vesper, Bruce E.

NURSE CORPS

Allen, Christine J.
Allison, Rick E.
Bays, Terry W.
Becker, Dorothy
Bennett, Stacy B.
Boatright, Ronald W.
Cavallo, Vivian D.
Christie, James L.
Clark, Michael H.
Dibona, Nancy E.
Dolan, Charles C., III
Graheck, Lawrence D.
Harder, Gerald W.
Harrison, John C., Jr.
Heaberlin, Carl W.
Hines, James P.
Huddleston, Judith J.
King, Jacquelyn K.
Klaput, Donna J.
Lantzer, Tony L.
Larson, Laurie W.
Mabrey Michael R.
Masucci, Anne E.
Melton, Michael C.
Moore, Saundra L.
Morrison, Robert W.
Murphy, Karen L.
Naylon, Stephen C.
Orr, Robin J.
Osborn, Pamela C.
Pagliara, Claire M.
Palladino, Judy A.
Parent, Elizabeth A.
Parker, Debra D.
Parker, Larry B.
Reliand, Terry A.
Rollins, Robin T.
Safran, Doris J.
Schenker, Cathy R.
Shiffer, Scott W.
Stokke, Christopher A.
Taylor, Charles E.
Thomas, Bruce J.
Tierney, Michael S.
Tyrell, Linda
Wareham, Thomas E., Jr.
Waskey, Frank J., Jr.
Wasneechak, Daniel A.
Webert, Allyn M.
Weigt, Christoph H. E.
Wonderlich, Daniel L.
Wood, Nancy L.

The following-named women lieutenants (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the various staff corps, as indicated, pursuant to title 10, United States Code, sections 5773 and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Anderson, Chesta T.
Annunziata, Kimberly J.
Carus, Elizabeth S.
Davis, Deborah E.
Dimaria, Joan E.
Gatliff, Jennifer M.
Gradel, Victoria J.
Heatly, Lisa J.
Kelly, Diane C.
Layer, Loretta M.
Molett, Linnae D.
Nicholson, Barbara A.
Roy, Peggy J.
Slough, Mary L.
Smith, Claire C.
Smith, Jane R.
Spencer, Patricia C.
Thornton, Connie L.
Tracey, Elizabeth

CIVIL ENGINEER CORPS

Lynn, Diann K.
Mustain, Jennifer L.

IN THE MARINE CORPS

The following-named officer of the Marine Corps for temporary appointment to the grade of major under the provisions of title 10, United States Code, section 5769:

Bass, Bonnie H.

CONFIRMATION

Executive nomination confirmed by the Senate March 3, 1981:

OFFICE OF MANAGEMENT AND BUDGET

Edwin L. Harper, of Missouri, to be Deputy Director of the Office of Management and Budget.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, March 3, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Preserve me, O God, for in Thee I take refuge. I say to the Lord, "Thou art my Lord; I have no good apart from Thee."—Psalms 16: 1, 2.

O God, we pray that You will remind us each day of the people we ought to be and the nation we can become if we follow the light and the truth of Your leading. May our focus be upon the tasks so near at hand, even as we lift our sight to see the majesty of Your kingdom and testify in our lives to Your love for all. In Your holy and blessed name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE 103D ANNIVERSARY OF BULGARIAN INDEPENDENCE DAY

(Mr. McDONALD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McDONALD. Mr. Speaker, with all the attention of the media focused today on Poland, we tend to forget the other East European countries groaning under the yoke of Soviet communism. Today, March 3, is the 103d anniversary of Bulgarian Independence Day. On this date, Bulgaria gained its independence after five centuries of rule by Turkey, only to lose it again when the Red Army swept through Eastern Europe in 1944, bringing with it various and sundry local Communists it had been keeping in the wings for just such a day. These Moscow-trained people imposed communism on Bulgaria with the aid of Red Army bayonets and there it has remained ever since. However, the silence of the Bulgarian people does not mean the majority would willingly vote for Communist rule in a free election; far from it. So today we note this anniversary and wish the Bulgarian people well and express hope for their liberation from Communist rule.

PENTAGON SPENDING MUST BE COST-EFFECTIVE

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, the outgoing Comptroller General of the United States, Elmer Staats—one of the most widely respected public servants of our Nation, with a long and distinguished history of nonpartisan stewardship of his office—has provided the Secretary of Defense with a carefully documented list of 15 major areas where billions of dollars could be saved by the Pentagon without in any way diminishing the effectiveness and capability of our Armed Forces.

At a time when the administration is demanding significant sacrifices from tens of millions of Americans with low and moderate incomes, it is mandatory that waste, extravagance, and mismanagement be eliminated from the military budget.

I am deeply committed to maintaining a strong and credible defense. I am convinced, however, that unless the American people can be confident that Pentagon spending is frugal and cost-effective, their willingness to support the necessary level of military expenditures will be seriously undermined.

I call on the administration to put into effect the recommendations of Comptroller General Staats.

REPORT ON RESOLUTION AUTHORIZING INVESTIGATION AND INQUIRY BY COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 97-7) on the resolution (H. Res. 67) authorizing an investigation and inquiry by the Committee on Standards of Official Conduct, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR PRINTING AS A HOUSE DOCUMENT TRIBUTES TO FORMER SPEAKER JOHN W. McCORMACK

Mr. GAYDOS, from the Committee on House Administration, submitted a privileged report (Rept. No. 97-8) on the resolution (H. Res. 23) to provide for the printing as a House document of tributes made to the late former Speaker John W. McCormack on the floor of the House, and for other purposes, which was referred to the House Calendar and ordered to be printed.

THE PRESIDENT'S ECONOMIC PROGRAM

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, on yesterday, the President advised local officials that they should not let their parochial interests deter his economic program, and I do not think they should either. But my problem is with the economic program itself.

Mr. Stockman, in testimony before the Joint Economic Committee, at one point said that 2 million new jobs would be created. At another point he indicated that 13 million jobs will be created.

On the other hand, in his own economic forecast he is suggesting that unemployment will be at 6 percent 5 years from now. If you create 13 million jobs and you can take off 8 million unemployed, then the new entries coming in would also be absorbed into 13 million. How then does he project an unemployment rate at 6 percent 5 years from now?

In street language there is something called a "scam." A scam is a kind of trick in which you take something from someone and make the taking seem attractive. I would not dare to call the President's economic program a scam. I think that would be unfair, scamish though it is.

On the other hand, I do think we need some hard answers from the administration with specifics detailing how in the world he is going to put America back to work at the same time he is putting 1 million people out of work. How in the world you explain 13 million new jobs absorbing the unemployed and then project an unemployment figure 5 years from now at 6 percent. Scam or not, it sounds like one.

UNDUE HASTE ON SALVADOR ARMS DECISIONS

(Mr. BARNES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARNES. Mr. Speaker, yesterday's announcement of more military aid for El Salvador is another in a series of disquieting developments in the administration's policy toward that country. Although some military assistance may be appropriate at some point, many of us see no reason for such haste in providing this rather significant increment of aid and personnel.

Despite administration's claims to the contrary, this action was taken without any consultation with Congress that I am aware of. As chairman of the Subcommittee on Inter-American Affairs, I was informed of the announcement 2 hours prior to the announcement by a State Department representative who freely admitted that the administration does not yet have an El Salvador policy.

A number of experts on the situation in El Salvador have testified that there is no immediate need for military assistance and it is not even at all clear that the President of El Salvador, Napoleon Duarte, even wants military assistance. Apparently no specific conditions were attached to this aid, regarding reforms, investigations into the murders of the nuns, willingness to seek a political solution, or anything else.

Mr. Speaker, the administration appears to be shooting first and asking questions later. What reason is there to jump in with unconditional military aid before we have a policy? It almost seems as if the administration is trying to get our Nation committed before the relevant questions can be asked and answered by the Congress and even by the administration itself.

We should have learned by now that that is a most unwise way to act in international policy.

ADMINISTRATION'S BUDGET CUTS WILL ELIMINATE JOBS FOR DISADVANTAGED YOUTH

(Mr. HAWKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAWKINS. Mr. Speaker, the budget cut mania which has taken over the thoughtful deliberations on national priorities and national economic policy has reached a new level of cynicism with the announcement over the weekend of further proposed reductions in domestic programs. Although we are still in the dark as to the official Reagan administration recommendations, strategic leaks about programs being reduced, eliminated, or consolidated have us all reeling.

These new cuts expose the fallacy of the original argument that reductions in Federal spending could be accomplished entirely by rooting out fraud, abuse, and mismanagement in our Federal grant programs. Clearly, the reductions announced after the President's February 18 speech went far beyond even the most paranoid assessment of the level of misuse of Federal funds. The announced cuts also go beyond the soothing words of the President that the safety net programs to serve the truly needy would be unaffected by the budget reductions. We are now being told that, in order to meet the budget targets the President set, we must eliminate programs which have served individuals who are truly needy by any standard. We are told that the administration proposes to eliminate the programs which provide training and employment opportunities for disadvantaged youth. Of course, these are unofficial leaks, and I can only hope that they prove to be inaccurate. However, they illustrate the sheer idiocy and shortsightedness of this frantic and unreasoned process.

These programs are currently providing employment and training for over 800,000 young people. In addition, approximately 75,000 public service employment jobs are currently going to youth under 21. These are jobs which the administration propose to eliminate.

Who are these young people who we are now proposing to abandon: Ninety percent come from families earning under the poverty level—$7,450 for a family of four—84 percent have either not completed high school or have dropped out of school, almost 40 percent come from families receiving public assistance.

What alternatives does President Reagan propose to take these young people from street corner idleness and despair to productive employment? Does he propose to tell the hundreds of thousands of young people trapped in poverty that they should wait patiently in decaying communities until tax cuts magically create jobs for them? Does he propose to tell youngsters who cannot do simple arithmetic computations that tax incentives for private industry will create opportunities for them in highly skilled and highly technical industries? If we are so concerned about productivity, why are we willing to give up on providing our young people with skills? If we cannot invest in our youth, what can we invest in and where will we be 20, 10, or even 5 years from now?

THE 5-10-20 MANDATORY SENTENCING ACT OF 1981

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NICHOLS. Mr. Speaker, the 97th Congress will consider many important issues during the next 2 years. Certainly the challenges of the economy is now taking a front seat, yet in my travels in my Third Congressional District I have found that the popular law and order theme of the 1970's remains of considerable interest today. I have found that people in Alabama want the brakes applied to crime and criminal activity. I know that people, throughout the country, want safe streets, safe homes, and safe schools; and they do not want to tolerate crime.

While no crime should be accepted, those of particular concern to me and my constituents, are crimes committed with the use of a firearm. I agree with the Washington Post which stated that "criminals with guns are a menace." I believe they are a menace who should not be treated kindly.

To reduce our growing rate of armed crimes, I am introducing legislation which requires a mandatory, minimum sentence for those criminals convicted of using or threatening to use a firearm in the act of a crime. The bill will be called the 5-10-20 Mandatory Sentencing Act of 1981.

I am thoroughly convinced that requiring a criminal to serve a minimum, predetermined sentence, if he uses a firearm in a criminal act, is a most effective means of reducing armed crimes. My legislation also provides the sentencing judge some levity to impose an even stiffer penalty if the crime committed is especially heinous.

My first priority is to require a minimum sentence. For the first time offender, my legislation requires that the person serve at least 5 years and not more than 10 years in prison, in addition to whatever sentence he receives from the court for the felony. A second time offender would receive an additional 10 to 25 years, and for a third or more offense, the criminal would receive at least 20 years to life.

Recognizing that some judges have been soft on criminals, my legislation would not permit the judge to suspend the sentence or allow a probationary sentence. The additional term must be added to the sentence of the felony so that the two may not run concurrently. Finally, the criminal convicted of an armed offense could not be paroled or furloughed from his additional sentence.

I am hopeful that this law, if enacted, will reduce criminal violence. I recognize that other Members of this body have introduced similar pieces of legislation but my bill is aimed specifically at the violent, repeat offenders with the penalties for the career criminal progressively more severe with each conviction. I believe this legislation is a step toward making our streets, our homes, and our playgrounds safe once more for law-abiding Americans.

EQUITABLE CAPITAL REQUIREMENTS

(Mr. WATKINS asked and was given permission to address the House for 1

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

minute and to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, today, I have joined my colleague, Mr. EVANS of Indiana, in introducing a resolution which could begin to solve a problem raised by many of the bankers in the State of Oklahoma. Even though I am no longer a member of the Banking Committee, I have pledged to continue to fight for the community banks which I regard as an important means of developing rural areas.

The bankers in my State have indicated to me that for the most part they have to maintain capital-to-asset ratios in excess of 8 percent. In fact, last year when I sponsored legislation to lengthen the repayment period for bank stock loans in connection with the formation of one-bank holding companies, the Federal Reserve issued guidelines that required an applicant to demonstrate it would maintain capital at that level.

With banks facing stiff regulatory policy, I think it is time for some equality when it comes to capital. If this is not done, Mr. Speaker, I predict many of our small banks will have financial difficulty. Maybe this is what the Federal Reserve Board wants.

WIC PROGRAM SAVES MONEY

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MILLER of California. Mr. Speaker, I would like to bring to your attention today a prime example of how some of the President's proposed budget cuts are shortsighted, and will in the long run be more costly to the Federal budget. Recent reports indicate that the special supplemental food program for women, infants, and children (WIC) may be cut by 25 percent.

WIC provides nutritious food to supplement the diets of low-income pregnant women and their infants who are nutritionally at risk. The caseload has been determined on the basis of both low income and medical assessments nutritional risk. Run by State health agencies, the WIC program also provides access to health care for thousands of families that otherwise have little contact with medical services. Recent studies demonstrate overwhelmingly that the WIC program is having a positive and significant impact on its participants.

According to the evaluation of effectiveness of WIC, women who participate in WIC give birth to fewer low-birth-weight babies. Low birth weight is currently the eighth leading cause of death in the United States. A low-birth-weight infant is 20 times more likely to die than a normal-birth-weight infant.

The WIC program significantly decreases the mortality rate of newborns. This is the key finding from a just completed study of 12,000 WIC participants by the Massachusetts State Health Department.

WIC saves money. A Harvard University School of Public Health study from 1979 shows that every dollar spent on WIC's prenatal component alone results in a savings of $3 in averted medical costs for low-birth-weight babies. Treating low birth weight after birth is three times more expensive than preventing it through WIC.

These findings have been corroborated by the Center for Disease Control in Atlanta, and by several other studies in individual States.

The administration is quite correct that the WIC program has grown over the last decade. It has grown for two reasons: First, the demonstrated need of low-income women for nutritional supplements to combat their likelihood of having low birth weight or unhealthy infants; and second, the remarkable success of the WIC program as the studies above show.

I urge you to consider this information and a factsheet on the WIC program which I am entering in the RECORD today, and judge for yourselves whether this is the appropriate place to trim the Federal sails.

The information and fact sheet follows:

BACKGROUND ON THE WIC PROGRAM

PROGRAM OPERATIONS

Congress created the Special Supplemental Food Program for Women, Infants and Children because studies showed that when women suffer from malnutrition during pregnancy, they and their unborn children are more likely to have health and nutrition problems. The WIC Program provides nutritious food to supplement the regular diets of pregnant women, new mothers, infants and children under age five who meet state income standards and who qualify as "nutritionally at risk," based on a medical assessment. Participants also receive nutrition education and referrals to health services.

A unique aspect of the program is its preventive approach. Supplemental foods, such as milk, cheese, eggs, cereal, juice and infant formula, that are rich in protein, iron, calcium, and vitamins A and C are provided to reduce the health problems experienced by individuals who are undernourished during pregnancy and the early years of life.

The program also provides nutrition education to adult participants and to the parents and caretakers of child participants. Individuals learn about their specific nutritional needs, the nutrients necessary in the human diet, and the foods that contain them. They are taught to shop for nutritious foods and to prepare well balanced, economical meals. The goal is a positive change in eating patterns.

Another major benefit of the program is that it provides access to health care for families that might otherwise have little contact with medical services. Studies have shown that WIC participants are more likely to visit health clinics for early prenatal care and periodic health monitoring of their children.

To be certified as eligible, applicants must be both low income and at nutritional risk. They go to the local sponsoring agency and answer brief questions about their place of residence and income. WIC state agencies use their state or local income standards for free or reduced price health care as the income limits for WIC eligibility. Regulations were recently issued establishing a national range of from 100 percent to 195 percent of the official OMB poverty level for WIC income eligibility.

Health officials perform a simple medical and nutritional assessment to determine nutritional risk. Examples of nutritional risk factors for women are obesity or poor weight gain during pregnancy; anemia; a history of premature birth, low birth weight or infancy mortality; and poor dietary patterns. Examples of nutritional risk factors for children and infants are underweight or obesity, stunted growth, anemia, and poor dietary patterns.

If eligible, participants receive vouchers which they redeem at local grocery stores, although in Vermont, dairies deliver the foods to homes of participants and in Mississippi, a warehouse distribution system is used.

The U.S. Department of Agriculture awards WIC grants to state health agencies and Indian tribes and organizations. The grants cover money for food, nutrition education, nutrition assessments, and administration. The state agencies distribute the money to local WIC sponsors, which are public and private nonprofit health facilities and community nonprofit groups serving health or welfare needs.

The state agency approves the local sponsors, develops the food delivery system, and plans operations and administration of all WIC programs in the state. The local agencies certify participants, keep medical records, provide nutrition education, and distribute food.

FINDINGS OF RESEARCH ON WIC

The U.S. Department of Agriculture recently reported to Congress that a substantial body of evidence has accumulated from WIC research indicating that the WIC Program is having a positive and significant impact on its participants.

Data from several large scale studies have shown that women who participate in WIC give birth to fewer low birth weight (less than 5½ pounds) infants, according to the report, "Evaluation of the Effectiveness of WIC." Low birth weight is currently the eighth leading cause of death in the U.S. A low birth weight infant is twenty times more likely to die than a normal birth weight infant.

Preliminary data from a just completed study of 12,000 WIC participants by the Massachusetts State Health Department indicate that the WIC Program also significantly decreases the mortality rate of newborns. In the WIC group, there were 12 deaths per 4,128 live births compared to 37 deaths per 4,128 live births in the non-WIC comparison group.

Another study, published in 1979 at the Harvard University School of Public Health, shows that the incidence of low birth weight was significantly less among babies born to WIC mothers than among those born to a comparable group of non-WIC mothers. As a result, every dollar spent on WIC's prenatal component alone results in a savings of $3 in averted medical costs for low birth weight babies, according to the Harvard study. Thus, treating low birth weight after birth is three times more expensive than preventing it through WIC.

The fact that WIC significantly reduces the rate of low weight babies was corroborated by the Center for Disease Control, Atlanta, Georgia, in a study published in 1978. CDC's analysis of WIC data showed that the proportion of low birth weight babies born to WIC mothers was similar to that of the general population. Because WIC participants are low income and nutritionally at risk, this represents a significant improvement.

Using the three to one ratio of the Harvard study, the Food and Nutrition Service of the U.S. Department of Agriculture estimated that WIC prenatal expenditures would generate a $450 million savings in averted hospital care required to bring low weight babies up to normal weight in fiscal year 1980 alone, or a net savings of $300 million after the cost of the program was subtracted. Costs for additional treatment during the rest of the first year of the low birth weight infant's life would also be considerable.

Beyond the first year, according to the FNS analysis, which was not included in the USDA report to Congress, many of these babies would no longer be alive, and so would generate no further costs. However, the survivors would continue to need services, including Special Supplemental Income provided under the Social Security Act. The cost of providing SSI to 540 of the survivors at an average level of $2,400 a year for 30 years would be $39 million. The cost of providing special education to the same number of survivors at $5,000 per individual for 12 school years would be $32 million.

Moreover, these findings understate the actual benefits of WIC's prenatal services, since some of the most meaningful results are intangible. The healthy individual is far better able to contribute to the economy and to tax revenues than the one born with birth defects or medical problems.

Also impossible to measure in monetary terms is the decrease in infant mortality rates resulting from WIC participation. That WIC's prenatal services do significantly affect infant mortality rates has been documented by a 1978 study done at the Yale University School of Medicine.

Finally, all these benefits apply to WIC's prenatal component only. The benefits from the infant and child components are less measurable but include decreased morbidity, improved health, better school performance and increased work productivity later in the child's life. Studies in Arizona, Louisiana, and Oregon have documented significant reductions in anemia among WIC children.

HIGHLIGHTS OF HISTORY

The WIC Program was created by Public Law 92-433, enacted September 26, 1972. Initially, WIC was a small two-year pilot project. Because USDA delayed its implementation, the first participants did not actually receive food until early in 1974. In 1974, the program was reauthorized for one year. In 1975, Congress converted what had been a small experiment into a major program with annual funding of $250 million through fiscal year 1978. In 1978, amendments were passed that extended WIC through fiscal year 1982.

Public Law 96-499, enacted December 5, 1980, extended the WIC Program through 1984. The 1981 Agricultural Appropriations bill, enacted December 15, 1980, provided $900 million plus carryover funds from fiscal year 1980 of about $33 million. The $933 million will enable the program to serve approximately 2.2 million participants, the number that were on the program last September, but no further growth is possible at that funding level. Most States have now instituted waiting lists and many women, infants and children are being denied benefits.

The program now operates in 50 State agencies, 29 Indian State agencies, the District of Columbia, the Virgin Islands, and Puerto Rico.

CURRENT PARTICIPATION AND PERCENTAGE OF NEED BEING MET AND ESTIMATED EFFECT OF THE PROPOSED 30-PERCENT CUT IN THE WIC PROGRAM

State	Combined fiscal year 1981 [illegible]	Percentage of need that 1981 budget's cuts meet	30-percent proposed cut	Number of women and children to be removed
Alabama	54,184	29.0	$6,258,214	15,803
Alaska	1,107	9.8	269,996	749
Arizona	37,577	28.3	5,824,873	14,153
Arkansas	22,786	17.5	3,254,350	8,243
California	157,457	17.7	20,749,014	52,396
Colorado	33,640	38.7	2,802,771	7,077
Connecticut	30,747	36.6	4,715,929	11,908
Delaware	5,064	29.8	575,076	1,454
Florida	72,838	19.4	8,622,462	21,774
Georgia	63,526	22.5	8,044,512	20,314
Hawaii	4,747	11.5	727,395	1,837
Idaho	10,929	25.3	1,464,949	3,699
Illinois	78,090	17.9	10,089,938	25,479
Indiana	34,339	16.8	4,214,101	10,641
Iowa	27,165	38.5	2,653,052	6,699
Kansas	16,721	23.5	2,002,533	5,057
Kentucky	50,933	34.9	6,541,788	16,518
Louisiana	80,133	42.7	8,341,602	21,064
Maine	14,151	28.9	1,519,019	3,836
Maryland	44,072	38.0	4,240,086	10,707
Massachusetts	36,787	15.7	4,827,466	12,190
Michigan	196,383	24.3	9,322,491	23,541
Minnesota	40,183	25.8	4,527,347	11,625
Mississippi	62,344	46.0	5,635,513	14,763
Missouri	49,190	28.4	5,858,315	14,796
Montana	13,535	43.6	1,458,473	3,750
Nebraska	15,193	34.5	1,627,368	4,108
Nevada	9,096	26.7	1,198,954	3,030
New Hampshire	9,283	30.0	1,272,658	3,050
New Jersey	52,433	20.0	6,116,511	15,446
New Mexico	17,864	16.4	1,785,616	4,509
New York	181,452	29.7	21,823,933	55,110
North Carolina	89,156	33.2	10,863,464	27,433
North Dakota	9,251	45.1	990,573	2,501
Ohio	105,815	22.7	13,195,098	33,320
Oklahoma	30,745	25.4	4,015,795	10,140
Oregon	23,848	27.9	3,101,797	7,832
Pennsylvania	97,354	21.4	9,936,003	25,098
Puerto Rico			6,636,033	16,757
Rhode Island	11,891	42.7	1,711,536	4,322
South Carolina	54,413	34.7	7,022,952	17,734
South Dakota	8,210	25.5	929,067	2,346
Tennessee	76,494	34.7	7,202,279	18,188
Texas	121,500	16.9	16,484,765	41,629
Utah	19,896	26.2	2,247,443	5,647
Vermont	17,026	63.1	2,133,492	5,387
Virgin Islands			391,545	1,494
Virginia	53,496	38.8	6,208,647	15,678
Washington	27,978	18.0	3,560,166	8,990
West Virginia	20,808	22.4	2,973,537	7,383
Wisconsin	45,026	31.3	5,030,384	12,702
Wyoming			327,333	826

Source: The Children's Foundation, February 1981.

□ 1250

EL SALVADOR AND THE MESSAGE TO LATIN AMERICA

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, the principal problem with the current U.S. approach to El Salvador is that it does not fit into a coherent foreign policy for the entire Latin American region. In effect, the problem with our policy in Latin America is that there truly is no policy in Latin America. A series of on-again, off-again reactions is no substitute for the more exacting process of establishing policies which will have the support and cooperation of our neighbors and allies.

As the Carter administration proved time and time again: rhetoric, even tough rhetoric, does not a policy make. The ad hoc approach to policy-making is what undermined the Carter administration's overall foreign policy, and it is the ad hoc nature of the U.S. response in El Salvador that could undermine that policy as well. The United States simply cannot afford to apply one policy in El Salvador today and quite another in Mexico or Brazil tomorrow depending on the crisis. We need to be sensitive to the interconnection of these policies, one with the other.

The dangers of the U.S. approach are obvious: If the United States makes a large-scale commitment of military advisers and aid to an unstable and unpopular junta, then we risk not only the ultimate loss of influence with that country should its present government be toppled, but with all of Latin America, which has remained cool to our military overtures in El Salvador. We should have learned long ago from our experiences in Southeast Asia and the Persian Gulf that blank-check military aid without regard to political or social reforms will not keep an unpopular, albeit friendly, government in power.

The difficulty in coming up with a workable policy in Latin America has been a somewhat confused attitude in the United States about the goals of our policy in this hemisphere. If our goal is a short-term effort simply to react to crises as they arise, then the present approach to El Salvador is consistent with that goal. However, if our goal is to forge a longer term policy in the region, working together with our neighbors in this effort, then the current approach falls far short of the mark. The longer term goal depends on finding a political solution in El Salvador that also meets the concerns and needs of people throughout Latin America. To pursue a policy which ignores fundamental aspirations of people only defers the inevitable political and military crisis. We should not sacrifice our historic concerns about human and political rights, because to do so only fuels the propaganda mills of the forces that seek to turn frustration and suffering into chaos.

A policy of U.S. military intervention, without weighing the broad policy implications in the rest of the Western Hemisphere, will play right into the hands of the terrorists on the right and the left who seek a military and not a political solution to the

problems of El Salvador. Clearly, supplying additional military aid and advice to a junta which has not been able to place adequate controls on the terrorism of its own security forces calls into question whether the Reagan administration intends to pursue a balanced antiterrorist policy. In fact, the present leadership in El Salvador recognizes the political dangers of a high-profile U.S. presence and realizes that a long-term solution rests, not on further confrontation, but on the necessary humanitarian aid and social reforms essential to stability in the country. And surely, whatever aid we provide to El Salvador should be tied to reforms that enjoy the support of the people and the church.

The shadow of Cuban and Russian intervention grows in El Salvador in proportion to the degree of frustration in the country due to the failure to address underlying problems. U.S. policy in Latin America must address the incredible human and political problems of its approximately 350 million inhabitants. We need to enlist the cooperation of our neighbors in dealing with a range of global issues such as emigration, energy, food, narcotics control, and nonproliferation of nuclear arms. To do this, and to meet the challenge of Cuban and Russian intervention, we need to establish and maintain cooperative relationships in the Western Hemisphere. We need to integrate carefully our policy in El Salvador with our overall policy for the region.

It is clear that the Reagan administration has picked tiny, improverished El Salvador as the place to make its first foreign policy stand, to draw the line against the Soviet advance. But the success of this reaction in El Salvador will depend on the response of our neighbors and allies to the crisis. They are looking for a U.S. policy which does not rely exclusively on military aid, but recognizes the legitimate concerns of the people for survival. The test of the Reagan administration's policy rests not on the number of military advisers or arms in El Salvador, but on the development of a sound and consistent policy that applies both to the aspirations of the people of El Salvador and Latin America. Without that policy, the message to Latin America will serve to strengthen the enemies of democracy, whether they may be on the right or the left of the political spectrum.

FIFTIETH ANNIVERSARY OF THE STAR SPANGLED BANNER

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, this is the 50th anniversary of the legislation which established the Star Spangled Banner as our national anthem.

The legislation was the special project of Congressman J. Charles Linthicum, a member of one of the oldest and most distinguished families in Anne Arundel County, Md. He waged a legislative campaign for several years and attracted support from veterans' organizations nationally to achieve enactment of the law.

Today, members of the Linthicum family are attending a reception at Fort McHenry to remember how this beautiful anthem came to be our anthem.

Congressman Linthicum was a patriotic citizen who believed that the anthem by Francis Scott Key had inspirational quality for all generations of Americans. Key was a prisoner on a British ship and watched the bombardment of Fort McHenry in September 1814.

The assault on the fort was part of a British strategy to capture Baltimore after previously having seized and burned Washington. The fort protecting Baltimore Harbor survived the bombardment, and the American militia defeated the British Army, which was marching toward Baltimore after landing at North Point.

Historians consider this victory to have been the turning point of our second war of independence, and I share the pride of the late Congressman Linthicum in Maryland's great contribution to the victory and our symbol of that pride, the Star Spangled Banner.

BULGARIAN INDEPENDENCE DAY

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, Bulgaria has been plagued by a history of foreign occupation. From 1396 to 1878, it was enveloped in the Ottoman Empire. The Treaty of San Stephano, which ended the Russo-Turkish War of 1877-78, liberated Bulgaria from Ottoman rule.

Unfortunately, Bulgaria's freedom was not lasting. The Soviet Union conquered Bulgaria in 1944 and established a Communist regime loyal to Soviet interests. The people of Bulgaria, like their neighbors in Albania, Poland, Romania, Czechoslovakia, East Germany, Hungary, and the Ukraine, yearn for freedom from Soviet domination.

I join with the citizens of Bulgarian descent in commemorating Bulgarian Independence Day and hope that Bulgaria will achieve the full independence it once had in the past and deserves to have today.

TASS ACCUSATION AND BOMBING OF RADIO FREE EUROPE—COINCIDENCE?

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, the New York Times reported on January 19, 1981, that the Soviet press agency Tass had accused Radio Free Europe of inciting unrest in Poland.

Then 4 days later a very sophisticated bomb ripped through the Soviet bloc section of the U.S.-financed Radio Free Europe and Radio Liberty in Munich, Germany. The blast injured eight innocent people and caused an estimated $2 million worth of damage.

Mr. Speaker, I find these two events too closely linked to be mere coincidence.

U.S. FOREIGN ECONOMIC ASSISTANCE—A CRITICAL YEAR

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, we in the Congress, working with the administration, have before us a seemingly impossible task. We must fashion a foreign assistance program which will respond to the staggering development needs of the Third World, enhance U.S. national security, and promote world economic stability, while budget outlays are reduced.

Development prospects for the Third World for the early 1980's are gloomy. As a result of surging oil prices, ballooning balance of payments deficits and sluggish developed country growth, Third World growth rates are projected to fall to one-half the level of the 1960's and 1970's, over the years 1980-85. For the poorest countries with 1¼ billion people, this will mean average income increases of less than $7 per person, per year. In sub-Saharan Africa where starvation now threatens, per capita income is actually projected to decline.

This also will be the most critical year for the multilateral development banks since Bretton Woods in 1946. Congress faces the largest legislative agenda ever for these institutions, through which over one-half of U.S. development assistance is now channeled.

Over the next several weeks, I will be addressing my colleagues on a number of development bank issues, including why support for these institutions enhances U.S. security and promotes global economic stability; and why the development banks, as cost-effective aid channels, offer the best hope of reconciling the overwhelming development needs of the Third World with minimal budget outlays for U.S. foreign assistance.

CUT IN COMMITTEE STAFF FUNDING URGED

(Mr. ROBERTS of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERTS of Kansas. Mr. Speaker, citizens throughout the 57 counties of my district in Kansas are writing and telling me every day they are more than willing to accept cuts in the Federal budget.

Yet, against this backdrop of willing self-sacrifice, we will be voting on a proposal in this body next week that proposes to increase spending for staff. Mr. Speaker, it has been my privilege to be a staffer to a Member of Congress and my predecessor for the past 12 years.

Despite efforts to the contrary, in that time committee staffs have grown by more than 118 percent and expenses have increased over 200 percent. Only 10 years ago, approximately $7 million was allocated for House committees. This figure has grown to the current request of almost $47 million.

I think the issue before us is simple and that is to get in step with the American people, to defeat the committee funding resolution, to cut these funds by 10 percent as the other body has done and show the American people we are willing to practice self-sacrifice.

DISCUSSION INVITED ON PRESIDENT'S TAX CUT PROPOSALS

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, like many of my colleagues, I am frustrated by the usual and not unexpected slowness with which the congressional mill begins to grind. One can only hope that it will grind exceedingly fine when it finally gets going. But in the meantime, I think the people of this country are quite concerned to get on with the discussion of some of the elements of the President's economic package.

I would like to initiate today on the floor, in a special order, some dialog with those interested Members about the various elements in the tax package that are available to the Congress in both the President's message and the larger alternatives that have been offered to it. I think some analysis of these proposals will help elevate the expectations of the American people and give our colleagues a chance to begin to aline their thinking in the direction of the appropriate content of a tax cut.

THEORY OF CREATION SHOULD BE TAUGHT IN PUBLIC SCHOOLS

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, 56 years ago, John Scopes was prosecuted and convicted of teaching the theory of evolution in the public schools. Only the theory of creation was taught at the time. Today, in Sacramento, Calif., a trial is underway to compel the State of California to permit the teaching of the theory of creation in science classrooms. Only the theory of evolution is taught in such classrooms today. The fair thing to do is to teach both theories. To do less is to confirm that the religion of the public school system is to continue to be secular humanism. Do we really want such a legacy for our children?

PRESIDENT'S ECONOMIC PLAN SHOULD BE CONSIDERED AS WHOLE PACKAGE

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, I sincerely regret that many have already lost sight of the grim economic picture that was described to us in President Reagan's economic plan. Already some Members of Congress have used the chisels of special interests to chip away at the President's efforts to realistically handle our current economic crisis. However, we have yet to witness any viable alternatives to the President's program.

I do not think any of us can quibble over the basic assumptions made by the President: The projected 1981 U.S. budget deficit has already ballooned past $60 billion; double-digit inflation is steadily eroding our economic system; the productivity of American industry is falling and the American people need relief from the destruction of their savings and overtaxed take-home pay. Budget restraint means savings for the American worker.

The President's proposal deserves to be considered as a whole package. And time is running out for business as usual in Congress. Let us put politics aside and buckle down to serious work on President Reagan's proposal to put America back on its feet again.

GOOD NEWS, BAD NEWS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, there is good news and bad news on the international front so far as the United States is concerned.

The good news is that the leading foreign policy study councils of the United States, Britain, France, and West Germany have called for meetings in which these and other nations would assess crises outside of Europe.

I welcome such a suggestion. We need NATO but we also need a new mechanism to deal with the unique crises of the 1980's.

The bad news is that the old, familiar pattern of left-wing criticism is emerging in the El Salvador crisis.

American critics of our Government's policy tell us everything that is bad about the current Government in El Salvador and nothing bad about the Communist-dominated terrorists who oppose it.

Every single policy of the Government of El Salvador is criticized while the leftist terrorist movement is unexamined.

We are not told what the alternative to the current government would be.

These are the same arguments, made by some of the same people, we have heard, in various forms for the past 20 years. And every single time these people talk, millions end up being enslaved by Communists.

APPOINTMENT AS ADDITIONAL MEMBERS TO SELECT COMMITTEE ON AGING

The SPEAKER pro tempore. Pursuant to clauses 6 (e) and (g) of rule X and without objection, the Chair appoints as additional members to the Select Committee on Aging the following Members of the House: Mr. ALBOSTA of Michigan; Mr. CROCKETT of Michigan; and Mr. HOLLENBECK of New Jersey, to rank after the gentleman from California, Mr. DORNAN.

COMMUNICATION FROM MR. COLEMAN OF MISSOURI—IN RE SUBPENA

The SPEAKER pro tempore laid before the House the following communication from Hon. E. THOMAS COLEMAN of Missouri:

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 26, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Rule 50 of the Rules of the House, this is to notify you that a member of my staff has been served with the attached subpena.

The materials sought are related to casework which Mrs. Tucker performs in my Kansas City office. I believe this subpena raises serious questions as to the confidentiality constituents expect when dealing with a Member of Congress in the course of official duties.

I have referred this matter to Counsel of the House for appropriate action.

Sincerely,

E. THOMAS COLEMAN,
Member of Congress.

SUBPENA—DUCES TECUM—THE STATE OF MISSOURI

County of Ray, State of Missouri, to Tina Tucker:

You are hereby commanded, that setting aside all manner of excuses and delay, you be and appear in proper person before the Judge of our Circuit Court, at the Court House in the city of Richmond, within and for said County, on the 25th day of February 9 a.m., A.D. 1981 at 9 a.m., then and there to testify and the truth to speak in a certain matter of controversy now pending in our said Court, wherein Vanderpool Feed & Supply Co., is Plaintiff, and Taylor et al. are Defendants on behalf of the Plaintiff; and you are further commanded to bring with you and then and there produce in evidence original telephone logs or/and records either to or from Bill Taylor of Excelsior Springs, Missouri, during and for the year of 1979 and hereof fail not at your peril. And the person or officer serving this Writ is commanded to have the same at the time and place aforesaid certifying thereon his return.

Witness my hand and seal of our said Court. Done at office in Richmond, in the county of aforesaid, on this 18th day of February A.D. 1981.

THE NEW TAX PACKAGE AND ITS ALTERNATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 60 minutes.

Mr. CONABLE. Mr. Speaker, as I announced a few minutes ago, I would like to begin some dialog about the taxes which I think will help focus the Members' attention on the options that are open to them.

There are many elements in both the President's package and the alternatives that have been suggested as possible counterattacks by the President's opposition, and each of these has a different economic impact. Each has different strengths and different weaknesses. It is important that we sharpen our thinking about these.

Taxes are something that will always be with us, but the form of taxation affects economic decisions at the margin. So the Congress should try to be as constructive as it can in the structural changes and alterations to our now rather complicated tax system.

The first element I would like to deal with is an element that is part of the President's package, and it comes as close as any proposal I know of to having a consensus behind it on both sides of the aisle at the present time. That is the so-called Capital Cost Recovery Act, also known as 10-5-3 or the Jones-Conable bill. This measure has a consensus behind it for a number of reasons, not the least of which is the fact that it has been before the Congress now for more than 2 years and has a very broad coalition of business support behind it.

Following the enactment of the multilateral trade negotiations, it occurred to some of us that we might only be reducing the obstacles to imports into this country if in fact through those negotiations we facilitated the flow of goods in international trade and then left American goods in a noncompetitive position. American goods, in addition to those which are agricultural in nature, are for the most part items of high technology. Technology is capital intensive. Capital costs here are particularly high, and the result is that we may be at a competitive disadvantage in the world and in our own markets in selling goods of high capital content.

One of the serious problems affecting American industry results from the overstatement of corporate profits as a result of rigid adherence to the old principle of useful life in depreciation. The useful life concept results in many heavy items of equipment being written off over as long as 20 years through the tax system. It results in buildings, commercial and otherwise, sometimes being written off over as long as 40 years. It results, in short, in very slow recapture through the tax system of the cost of capital assets.

In contrast, many of our competitors in world trade, and particularly the developed nations of the world, such nations as Japan, Germany, England, and so forth, permit very quick writeoffs through their tax system of capital investment, particularly those relating to productive machinery.

This proposal which President Reagan appears to have picked up and modified only slightly provides for a 10-year writeoff for most depreciable real estate, a 5-year writeoff for most equipment, and a 3-year writeoff for cars and trucks, the most frequent assets held by small business.

The Reagan administration's modest changes in this proposal, incidentally, I think, are entirely salubrious. They do change the writeoff of depreciable real estate, in ways that would reduce the probability that financing practices relative to depreciable real estate would be changed in basic ways as a result of this enactment. They do also provide for a 3-year writeoff of research and development machinery—a modest step but, I think, an important one in recapturing our preeminence in research and development.

Now, this measure is broadly supported. In the last Congress, 331 Members of the House cosponsored it. It was not enacted, only because of the failure of that Congress to pass a tax bill and the resistance of the leadership to pass this as a separate measure.

It is entirely likely, then, that some major form of depreciation reform will be passed. The only other major proposal that differs from this in substantial detail is the so-called Senate finance bill, the Bentsen bill, which provides slightly different writeoff periods but again eliminates the useful life concept of depreciation and greatly shortens the tax writeoffs for capital assets.

Mr. Speaker, there is one danger that we have in connection with investment of capital cost recovery. It is generally considered to be something which would pass as part of a total tax-cut package rather than separately. The problem is that if that enactment is delayed to any substantial degree, any businessman who has control over the timing of the purchase of that machine or the building of that building is very likely to delay his decision until he knows that he will be able to take advantage of the quicker writeoffs permitted under the new depreciation schedules.

These quicker writeoffs will be prospective entirely, because to put the whole depreciation base of the country into a faster writeoff would be staggeringly expensive in terms of lost Treasury revenue, and, therefore, as enacted, they will affect prospective behavior on the part of businessmen only.

Those who have studied this matter think there is tremendous bang for the buck in terms of investment encouragement. The other side of that coin is that while such a proposal is pending and people are unsure as to the effective date, we may have a very serious capital slowdown. Indeed those of you who have studied the economic statistics may have noticed that in January machine tool orders were 46 percent below what they were the year before. That may be due to other factors, but it also may be due to the anticipation by many people who have to buy machine tools that if they just wait a little while, they will be able to write off their purchased capital assets in a much shorter period of time than they would be able to write them off were they to use the existing rules related to the useful life concept.

Now, I have been putting together a letter which I hope the leaders on both sides of the aisle of the two tax-writing committees will sign to the effect that whenever depreciation reform finally becomes part of the law, it will be considered to be effective as of January 1, 1981, as of the date of President Reagan's address to the joint session of Congress this past month, or as of some current date rather than as of the date of final enactment of the law. I trust that such a letter will be forthcoming.

However, I want to point out that there was a most unfortunate exchange reported in the paper between a member of our committee and the President himself in which the President indicated that if the contents of the tax bill deviated substantially from his view of the appropriate tax and economic policy, he would veto it. That raises an additional element of doubt as to the enactment of depreciation reform, because while depreciation reform may have a consensus behind it as far as the Congress is concerned, if it is put in a bill unacceptable to the President and is subsequently vetoed, then once again the uncertainty of the business community as to whether or not they will be able to take advantage of speeded-up depreciation rules becomes an economic concern.

I believe the press blew out of proportion the comment the President made. Indeed, it is extremely premature and unnecessary for him to talk in terms of veto long before the Congress has begun to discuss the tax bill. The concern we have about depreciation would indicate the need for restraint in discussion of such a measure if it is going to result in adding additional doubts as to whether or not a businessman can buy a machine or build a building with some confidence that he will be able to take advantage of the expected speedup in depreciation rates as a result of this enactment soon to come.

Enough of that particular element of the tax package, Mr. Speaker. There are many other things to be discussed here, and if I do not get through them in the course of this special order, I shall come back to them on other occasions later this week.

Let us now consider the issue of how the taxes should be cut. There are three major proposals, as I see them, that are before the Congress, each of them having a different effect, each of them having different virtues and different weaknesses, and each of them a strong possibility for the tax bill that will be considered by the Congress during the next few months.

The first is a rate cut across the board. I leave out for the time being a discussion as to whether it should be a multiyear rate cut, but the Reagan proposal, based on the old Kemp-Roth proposal, is an across-the-board rate cut of 10 percent, one that would reduce all the various tax rates by the same percentage.

A second proposal, which I will discuss after I have discussed the rate cut, is one which would involve instead targeted savings plans of various sorts, exclusions of dividends and interest from income tax, an expansion of the IRA, a proposal for further reduction of long-term capital gain rates, and a proposal which would separate but leave progressive the taxation of earned and unearned income. All these are targeted savings plans designed to increase the amount of savings in a country which is generally considered to have lost productivity because of our failure to save and invest in the same degree the rest of the developed world is saving and investing, and, instead, living up our income almost entirely in total consumption.

□ 1245

The third proposal for a tax cut which requires analysis is the so-called Gephardt proposal, originally designed by the distinguished gentleman from Missouri (Mr. GEPHARDT) to provide an offset for payroll taxes against the income tax.

There are many variations of this proposal. Suffice it to say, it is not a reduction in social security taxes, but an offset in the income taxes for social security. The different versions of the bill include, among others, one which would provide a credit of 10 percent to both the employer and the employee for a portion of the social security tax paid. Such a proposal has strong small business support, because if small business does not invest heavily in capital assets, they do have substantial labor and, therefore, would like to be able to recover some of their contributions to the payroll tax.

There is more to this proposal than meets the eye and I intend to try to analyze that as this special order proceeds.

Let us now return to a discussion of rate cuts. There has been a good deal of ideology involved in the debate about rate cuts. Indeed, the major proponents of across-the-board rate cuts have tended to view it as a technique which would have very strong economic impact. I do not deny the economic impact of rate cuts. Marginal tax rates greatly influence economic behavior. I think, however, that there are other things that should be said beyond the economic impact.

In reducing the marginal rate of taxation, we do encourage people to work harder. We encourage people to save more, because as we have gone through a process of bracket creep over recent years, our income tax has become increasingly progressive and the result has been that the people have lost incentive to increase their income, whether through the taking of risk or through the application of harder and harder work to the opportunities that face them. There is indeed some economic argument to be made for rate cuts.

I want to repeat that there are other things that should be said as well. For instance, the opportunities for tax reform in across-the-board rate cuts, particularly those that go on in a sufficiently multiyear nature to reduce high marginal tax rates are tremendous. If we were to have for 3 years a 10-percent rate cut everyone would benefit, but it would reduce the maximum rate of tax on unearned income from 70 percent to close to 50 percent. That is viewed, of course, as benefiting rich people more than poor people. Poor people do not pay high marginal tax rates. Clearly, that argument can be made about any across-the-board rate cut. A 10-percent cut of a $3,000 tax bill is always going to amount to more money than a 10-percent cut of a $300 tax bill, and so that argument has to be conceded at the start, that more money is saved for those paying heavier taxes if you have a flat rate cut; however, getting the marginal rate of tax on unearned income from 70 percent down to 50 percent could perform tremendous services in the opportunities for tax reform that would result.

We now have in our Tax Code the changes of the last 12 years of tax reform, most of which were addressed toward trying to catch those few big fish who slipped through the net completely through the device known as sheltering. When people pay very high income tax rates, they have a tendency to engage in uneconomic decisions in order to achieve some degree of tax avoidance. The result has been syndication of limited partnerships and the creation of artificial tax losses of one sort or another to offset against high taxable income from other sources.

Sheltering is generally looked down upon by tax reformers, not only as an uneconomic operation, but one that frequently stretches the boundaries between tax avoidance and tax evasion. It clearly is an economic loss diverting investment from sounder opportunities. If we could get the maximum tax on unearned income down to the level of the maximum tax on earned income, roughly 50 percent, so the Government was taking no more than half of every dollar earned, if we could get the individual tax rate, in short, down close to what the corporate tax rate is—and at the current time it is not far from 50 percent—we would eliminate a whole complex of incentives for the manipulation of economic opportunities for tax advantage.

Frequently people find themselves using corporations not for the purposes for which corporations were intended, but as tax shelters, because the corporate tax rate is lower than the individual rates in the high-income areas; so there alone the opportunities for simplification of the Tax Code are perfectly tremendous.

I would like to think, Mr. Speaker, that it is possible over a period of time to reduce the progressivity of the tax system and by eliminating the incentives for all the complexities of the Tax Code designed to prevent sheltering, also to achieve some real economies within a tax system now so com-

plicated that we are not far from lawsuits based on the incomprehensibility of the Tax Code, among other things.

Now to address the issue of targeted savings rates, a second major option that is available for us. It is said by some people that across-the-board rate cuts are not fair to poor people, because poor people do not pay large amounts of tax to begin with and that poor people would be better off with targeted cuts than they are with across-the-board rates, granting larger surcease to the wealthy than to the poor. But poor people on subsistence allowance are not likely to engage in IRA's, in heavy investment, in excluded bank accounts, and things of that sort in order to reduce their taxes.

One advantage that can be pointed out for the across-the-board tax rate is that at least everybody knows what tax he pays and, therefore, knows how much relief he will get from an across-the-board tax rate. He can compute it and it is not conditioned on anything. The targeted tax cuts are conditioned in various ways and provide no benefits for anyone who does not take advantage of the savings opportunities which usually make up the condition of the reduced taxation. I think that has to be considered.

You should also consider that most of the targeted savings plans take more and more of the Nation's unearned income outside the tax system. I question whether we want to continue to do this. As we move economic income outside the tax system, particularly unearned income, the kind of thing that goes into savings, we tend to put greater and greater pressure on earned income. We tend to narrow the tax base, which has to support the tremendous cost of Government and thus it becomes increasingly difficult if you are moving income outside the tax system, to reduce the marginal rates on the portion that continues to be taxable. In other words, as the base gets narrower, the rate has to get higher.

I believe that we are following a dangerous course if we are constantly taking more and more of the economic income of the country and putting it outside the tax system. This is one of the major arguments to be made, for instance, against the proliferation of the tax-exempt municipal bonds, IDB's, and revenue housing bonds that have been a matter of concern recently and that are a matter of considerable discussion by the League of Cities as they meet in this city today.

I also wish to point out that most of the targeted savings plans add to the complexity of the Tax Code. They are not the simplifying sort of approach that is involved if you just reduce the rates across the board.

It is possible, of course, by targeting savings to achieve a very specific purpose, and I must say, there are some attractive things about targeted savings as well. The Senate finance bill included some of those. Many of my colleagues have sponsored targeted savings plans of one sort or another which would have the effect, if successful, of reducing the momentum of money, increasing savings in particular forms, stabilizing highly volatile assets, and making them less vulnerable to high interest rates.

One of the advantages of targeted savings is that it involves usually a bank account, an insurance account or a segregated fund of some sort. One can get the bankers, the insurers, and the brokers out promoting such savings and, therefore, encouraging people beyond those incentives which are apparent from the face of the Tax Code.

I have found that usually in tax reform it helps if you can get promoters on the side of reform and that clearly is one of the advantages, although a special interest, in trying to have some type of targeted savings plan as an alternative to the rate cuts.

Let us now look briefly at the so-called Gephardt proposal, which provides a credit against income tax for a portion of the payroll tax paid. I suspect there is more to this than meets the eye, because most of those who propose this form of tax cut are in favor of a refundable credit.

Now, refundable sounds like simple justice, but it has some implications that I think should be considered by those who have specific goals in mind for the tax bill that is being considered. For years, starting in 1969, we have done a good deal of redistributive economics through the tax system. By that I mean that we have cut taxes in a weighted way, so that those who are poor at the bottom end of the economic scale would get larger cuts than those who are at the top of the scale. Combined with the natural effect of bracket creep, this has meant more and more poor people have been dropped out of the tax system, while the rates have become increasingly progressive for those in the upper- and middle-income level and, therefore, their incentive to work and save has increasingly been dimmed.

Indeed, the redistributive tax reform has been so successful that the year for which we have the latest figures, and that is 1978, shows that the bottom 46 percent of taxpayers, those who earn $10,000 or less, pay only 4 percent of the income tax. They have been dropped off the income tax rolls for all practical purposes.

Now, before I am criticized for this statement, let me hasten to point out that poor people are now paying more of their spendable income in taxes than they did 10 years ago.

□ 1300

I am not saying that they are not paying enough taxes, that poor people are failing to carry their burden. But it is not the income tax's fault that they are paying more in taxes. It is the result of social security tax increases, real estate tax increases, sales tax increases, and so forth. The regressive end of our complex of total taxation is what is afflicting the poor. As a matter of fact, that is a pretty good definition of regressivity.

However, we have arrived at a point where we cannot do much for poor people by cutting income taxes any further. If the bottom 46 percent of the income tax payers are paying only 4 percent of the income tax, obviously, by cutting their income tax further, you will not improve their lot much, for they are paying very little income tax now.

And, thus, those who believe in redistributive tax reform, that is, letting taxes go up for the wealthy and reducing them for the poor, are frustrated because at the bottom end of the scale they cannot do much more for poor people. That being the case, they are looking for ways to extend redistributive economics, despite these baleful statistics. And the way to do it is to send poor people checks from the Treasury.

Thus, the Gephardt proposal, which provides for a credit for payroll taxes paid, takes into account the fact that on the first dollar of income you earn, you pay social security tax. Of course, on the first $10,000 you earn, obviously, you pay comparatively very little income tax. And, therefore, in order to make the Gephardt proposal fully operative, you have to make it a refundable credit and send dollars from the Treasury to the poor who do not have enough income tax to set off the full credit against.

Now, that may sound like a great idea. The end of the year, send them a check instead of requiring them to pay tax.

I am not sure that the American people are ready for a negative income tax. Maybe they are. I am not sure that those who advocate this have considered all of the complications it will cause in the welfare system, which probably will have to provide flow-through for this money, since it will otherwise greatly complicate the creditable income from low-income people.

And so I see this as complicating the Tax Code substantially and the process of administering the Tax Code, whether or not you consider it desirable to extend the principle of refundability.

In that connection, let me warn my colleagues that there are some people who are proposing wonderful plans of that sort for business. For instance, I hear many people advocating a refundable investment tax credit. Some of our less profitable concerns, particularly in the transportation area, have lost investment tax credit since that is limited by the profitability of the company and when the credit expires they are now saying, "Well, the Treasury should send a check the equivalent of the lost investment tax credit to the company involved."

Senator KENNEDY, in the other body, for instance, is a proponent of a refundable investment tax credit.

I suspect that part of the support for such a proposal is based on the desire to extend the principle of refundability so that something like the Gephardt proposal will not seem such a dramatic departure from existing tax philosophy and tax practice. If it is good for corporations, why not for poor people, too?

I think we should be very careful about extending refundability, myself; and I hope that it will not be pressed and included in this particular measure, even though there are some elements of refundability already in the Tax Code.

Now, obviously, the Gephardt proposal provides an offset only for earned income, because you do not pay social security on unearned income. Obviously, it provides an offset only up to a certain level of income because the wage base in social security is limited and, therefore, it provides a ready way of weighting the tax cut to the low end of the income scale, thus continuing the practice of redistributive economics, which has brought us, in my view—and, I believe, in the view of President Reagan—to our current difficult state.

Because we have been giving tax cuts, increasing purchasing power among those who do not have the capacity to save during the past decade, we have been favoring consumption, instead of favoring savings and investment. And to continue the principle of redistributive tax cuts at this point, whatever it does in the area of individual equity, will not provide the economic corrective that we are seeking. That economic corrective is the purpose of the President's message. He wants to deal with the first package which would have only depreciation reform and rate cuts, the theory being that that will help the economy recreate the dynamics that we seem to have lost, get the productivity curve up off of the floor once again; and then he says he will come back to the noneconomic issues of individual inequity, which are popular for change here in the Congress and which have strong adherents on both sides of the aisle in both Houses of Congress. Such things as, for instance, the elimination or reduction of the marital tax penalty, such things as the encouragement of additional contributions to charity by those who are on the standard deduction or zero bracket amount.

These proposals have wide support but are not directly related to the state of the economy which many people feel has been damaged by our tendency to encourage consumption rather than savings and by tax changes which, over a period of more than a decade, have moved inexorably in the direction of speeding up the momentum of money rather than slowing it down and encouraging its use.

I must acknowledge that there is a certain amount of political risk in advocating the type of cuts that will provide greater savings for those with unearned income and for those with wealth than for those who are in a subsistence condition and, therefore, to the extent any increase in purchasing power occurs, are likely to use it in expanding their standard of living. But improving the economic impact of the tax system does not mean that we are abandoning the poor.

In our anxiety to deal with the poor we should not continue what I think is a faulty course of tax policy which has had, not only at the margin, but in some total now, a rather serious impact on the vitiating of our economy.

Mr. Speaker, there are other things that can and should be said about the tax system and the proposals that face this Congress. I expect to discuss it further. It is my hope that we will not waste time in moving to try to get in place some of the correctives for a flagging economy that we need. It is my impression that speed is of the essence, not just because of the depreciation reform problem which I mentioned, but because the American people want change and will find confidence and encouragement in prompt enactment of measures which are designed to improve our economic situation. That is the reason that I expect to discuss this matter at greater length on other occasions.

I would like to yield now to my distinguished leader, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. I thank the gentleman for yielding, and first of all I simply wanted to applaud him for taking the time here to discuss the alternatives that are before us in the area of tax reduction, as that has to be certainly on the front burner for the consideration of this Congress, along with expenditure reduction.

I sense that there will be a number of high-powered economists who will come to testify before the Ways and Means Committee and that you will be getting all kinds of advice from both right and left and dead center. I am not altogether sure that if the Ways and Means Committee, and here at least on the House side, addresses itself to economic recovery, as the gentleman has so well pointed out, in those areas of capital cost recovery and a rate reduction and leaving these other noneconomic issues to later, that you are going to have really very much time to mark up that bill. What goes on before, by way of discussion and debating these issues, is very important, I think, to the American people.

I would simply make the observation, on the gentleman's comment with respect to American cost recovery, it has always been this gentleman's view that the effective date for that surely ought to be retroactive to the first of the year or, as the gentleman suggested, to the date of the President's message to the Congress. This is needed to make absolutely sure that the intent and purpose for which you are trying to get the economy stimulated by virtue of this tax reduction is not delayed unduly because of the uncertainty for those people out there who are planning so strongly on it. If there have been mixed signals by the administration, I would certainly want to join the gentlemen in pleading with them to make it absolutely clear what we have in mind there in this area.

Mr. CONABLE. I do not believe there are mixed signals from the administration. I think there may have been a possible concern, though, when the discussion of veto comes up.

Let me say to my friend that I would be the first to urge the President to veto a bill which did not achieve his economic objectives.

Mr. MICHEL. Sure.

Mr. CONABLE. But I think it is premature to talk about a veto at this point and it injects further doubt into the minds of the business community which is going to have to decide on the timing of its capital investment in the near future and which we hope will not result in their delaying and causing a capital slowdown in the process.

Mr. MICHEL. The other point the gentleman made, particularly with respect to rate reduction, whether it is multiyear or not, is that the value in that rate reduction in the higher brackets, as well as the lower brackets—and I find myself being troubled somewhat by the criticism that any tax rate reduction is going to be inflationary—all we are going to be doing is putting additional spending money in the hands of the people who will go out and spend it right off the bat and do nothing about this business of investing back into the system. I think we have to get this point across better than we have.

Admittedly, in the lower income tax brackets where the people are not paying a very significant tax, and if there is a reduction—for example, a couple hundred dollars—admittedly they are going to pay off their bills, buy a little something on time that

they normally would not do, but the real thrust of that rate reduction is in the higher income tax levels. There they do not need their standard of living enhanced, and I do not think it is going to be by that reduction. But what it will do, I think, is to take that money out of the tax shelters and get it back into production industries, thus creating new jobs and planned expansion.

Mr. CONABLE. I think the gentleman makes a good point.

It is important for well-to-do people to see the advantage in reducing their consumption and increasing their investment. They should have their money not working for greater opulence but for America as a whole. They should see it out there creating jobs. When they are taxed at the 70-percent rate, they have very little incentive to use their money for anything but creature comforts. Quite frankly, I would like to see well-to-do people encouraged to use their money for the common good and not for consumption. That would be one effect of reducing the very high marginal tax rates. It is pretty obvious that if you are a well-to-do person and your tax bill goes down, you do not automatically invest it in increased consumption, because many well-to-do people consume up to the standard of living they wish, anyway.

But if they can put that money to work in a capitalist system which creates jobs and which provides the sources of livelihood for others, then, obviously, in the long run we are going to have a much happier economy and a much happier society than we will if we are constantly raising marginal tax rates, encouraging consumption, and having to provide for poor people the type of Government dole which locks them into second-class citizenship indefinitely.

□ 1315

Mr. Speaker, I do not doubt that we are going to do what we can for poor people. I think we had better remember, though, that redistributive tax reform over a decade has not helped poor people to any substantial degree.

If you look at the statistics now, the difference between the wealthy and the poor has not narrowed. The wealthy and the poor still have a chasm between them despite years of letting taxes go up for the wealthy and reducing them for the poor; in other words, redistributive tax reform has not worked. One of the side effects of it has been to discourage investment that could permanently improve the lot of the poor by making the whole national pie bigger so that redistribution will not be the goal of government, but the creation of more and more for all people particularly those who previously have not had much pie.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Illinois.

Mr. MICHEL. While I appreciate the gentleman particularly mentioning that third element as embodied in what he referred to, I believe, as the Gephardt proposal, because if we simply want to go the old route we have been traveling around here for a number of years, the route of redistribution of wealth with no real direction toward stimulating the economy to build a broader economy that will give us new jobs, then we are missing the mark totally.

It is not one of these questions of redistribution. The Tax Code, to be revised properly, in my judgment, has to have a mission to accomplish what we are setting out to do. If it does not have a goal to provide additional jobs and expansion of the economy and getting us off dead center, then in my judgment, we have missed the mark and we are just going to keep doing something we have done for many, many years.

Mr. CONABLE. I would like to thank my leader for his interest and contribution to this discussion.

I yield to the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, I appreciate the gentleman yielding to me.

I stumbled on this special order by accident, but I am glad I did. I want to first say that the gentleman from New York has made a very intelligent presentation, quite learned and I think very accurate about where we stand.

Second, I want to say I read a lot in the media about all the trouble we are having getting together on this tax proposal. Frankly, I do not see that much trouble. I only speak for myself, but I think that we can do justice to the President's tax proposal. We can do it within the timeframe that I understand that he wishes it, and I hope that we will do it.

As I see it, the big problem we have is getting the expenditures cut fast enough to perhaps head off any inflationary impact that all these cuts are going to have. I believe that in the second and third years we are going to have still continued trouble with the President's proposal in getting the expenditure cuts in place. I think the tax cuts are joyous compared to the pain that the expenditure cuts are going to cause this Congress. I, therefore, think that we need to keep these somewhat closely related so that there will be a discipline upon the Congress and upon the American people in seeking relief from what I think most of us think is just too much government.

But let me say, I appreciate the way the gentleman from New York has made his statement, the constructive way in which he works, and I commend him for the intelligence of his presentation.

Mr. CONABLE. I would like to express my respect for the gentleman from Florida, too, and thank him for what he has said. He does raise an issue that I would like to deal with just briefly and that is the issue of linkage.

It is my view that absolute linkage is not necessary in the current environment; that is, that we do not have to have all the spending cuts in place before we make a tax cut. I talked about the need for haste in tax cuts, primarily with respect to the capital cost recovery element in it. But it does seem to me that a demonstration of good faith and signs of considerable progress in expenditure reduction should satisfy the American people that Congress is not going to enact tax cuts and then walk away from expenditure cuts.

Indeed, if Congress, were to do that, it is my impression that our feet would be dragged back to the fire very quickly by the impact on the international money market and the inflationary expectations of the American people.

If we were to greatly increase the deficit by cutting taxes and then not cutting expenditures, the impact would be almost instantaneous. At this point there is some optimism in the economy, largely because the President's package is a balanced package and people deem it economically feasible and probably advantageous not only to the dollar, but to the stability which is good for a dynamic economy.

So, my impression is that there could be such crushing disappointment were Congress to enact tax cuts and then walk away from spending cuts that we would find a whole new cast of characters here in the 98th Congress.

For that reason, I am not terribly concerned about the temporal linkage that is being talked about. I do not believe it is necessary to have all spending cuts absolutely in place before we proceed with our tax cuts. There is some need for speed in both cases. But I think there is some special need for speed with respect to tax cuts.

Mr. GIBBONS. If the gentleman will yield further, I agree with the gentleman. I would say that I think as a working agenda for our committee, I hope that we will tackle the business tax cuts first and get the decisions made on those and I hope that the Senate will work along with us. Perhaps at the end of our deliberations while our drafters are working to put together the technical language, we could perhaps issue a joint statement saying this is what we intend to do and as far as I am concerned, and I think most of the people that I have listened to on our side of the aisle, January 1, on the business cuts, particularly the

depreciation or capital recovery tax cuts, is widely accepted.

I do not think that there ought to be any real doubt in the minds of an American business planner that he is going to be able to plan a vastly accelerated capital recovery program in the future.

Mr. CONABLE. I thank the gentleman for his contribution.

Does the gentleman from Louisiana wish to be recognized?

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. I thank the gentleman for yielding.

I would first like to compliment him on taking this special order. It is about time that we, in the beginning of this Congress, began to talk about and open a dialog for Members to hopefully participate in to understand the importance of the tax cut. This is a part of, a major part of a three-part program to get the economy moving again. One part is to cut taxes, but to do it in a certain way. A second part is to also cut spending. That people seem to hear the most about. A third part is to cut Government regulations.

The three parts are all needed. You are not going to get total economic recovery with just one or two of those parts. We need all three.

The second point I would make is the tax cut needs to be speedy. Whether or not the one clean bill concept the President has put forth will work or not, I do not think is really the issue. Economically speaking, I think he is totally right. We need to get a tax bill out and get it out very quickly and get it passed very quickly to be of some help now all across this country into people's savings and investment patterns, to make capital available and, second, with the 10-5-3 rapid uniform depreciation rate schedule to encourage businessmen to begin to make the changes we must make in the industrial America and small business America to make them competitive.

I, too, see no need for linkage. You need all three. They do not all three have to be connected at the same time. The quicker we can get one in place, the better and then we will work on the other two. If we can get all three of them simultaneously, great, but do not hold up one waiting for one of the other two.

A third point I would make is the tax cut very definitely has to be deflationary. It has to be supply side oriented. There are lots of things we would love to do with this tax bill. There are lots of bills that many of us have cosponsored to correct inequities in the tax law and to do all sorts of wonderful things to help various good projects or good movements or activities in the United States today. And we could do that with certain kinds of tax advantages. But that would not be economically in the best interest of the country at this time.

The tax cuts we have to be talking about are tax cuts that will stimulate economy, tax cuts that will not stimulate demand, but will stimulate supply.

The idea is not to put more dollars in people's pockets to chase too few goods, but to create more goods.

The individual tax cut is a fifth point. It must be across the board to meet that test, I believe. If you go into redistribution tax cuts, as the gentleman from New York has been discussing, you then get yourself into an inflationary tax cut. There will be some savings even at the low end, we believe, but not enough perhaps to make this on balance the kind of tax cut that we need and we have to have.

So, I would urge that it be across the board and that you realize that you must do this to get the savings and to get the increased productivity out of individuals necessary to get the economy rolling. All individuals, not just a few, but every American is important to this country whether he has money or not.

The last point I wish to make is the fact that I heard the gentleman discussing, when I was in the gallery a few moments ago, about additional tax cuts we ought to consider for the future. He was discussing stimulations for savings. That is something that is very close to my heart and something I think needs to be done. It is something that needs to be done to basically have people in the United States realize, just as the gentleman said, it is time to stop spending for creature comforts and to start saving for our grandchildren and their grandchildren in terms of making a strong economic base in this country.

One-third of all of the capital in this country, one-third of all the capital in this country is made available by personal savings. That savings rate is on the decline and something needs to be done to stimulate it.

Just this morning in our hearings in the Committee on Ways and Means, we learned from a distinguished source something we have learned and known for many years and that is that our Tax Code today presently subsidizes spending with a tax deduction for consumer interest and penalizes savings by too little exemption and by a tremendous tax placed upon it, especially when taking into account inflation. I think we need to do something in the future that would stimulate savings without causing people to move investments or to shift investment and that is a problem you run into with many savings schemes.

Second, it would be something that would not benefit just the wealthy, but would be available to anybody—anybody in this country could take advantage of it—and third, it would not be something that would be inefficient by essentially rewarding people for doing something they are already doing, but in fact, it would encourage new savings activities.

I would ask the gentleman and I would ask the Members of this distinguished body, when we look forward to the day when the tax bill comes to us, that we can offer this kind of savings incentive, we look at possibly the expansion in who can use and how much money you can put into and also the flexibility of the rules on how you can take it out, money for individual retirement accounts. I think that is something we can look at as being a savings test for the future.

I would conclude by complimenting the gentleman from New York. I think this discussion needs to take place on many days from here until the time that the House ultimately takes up a tax cut bill.

Mr. CONABLE. I would like to express my appreciation for the sophistication and refinement of the gentleman's remarks. I think it was an excellent statement. I wish I had thought of saying some of those things myself.

The gentleman from Minnesota is now recognized for the frosting on the cake.

Mr. FRENZEL. I thank the gentleman from New York for conducting what I think is the first sort of dispassionate discussion on tax policy that this body has seen this year. I think the level of discussion, as has been pointed out by the gentleman from Florida, has been extremely illuminating and I think will well serve the purpose of this body and the purpose of our country as we move forward on these tax matters.

I also congratulate all the gentlemen who took part in the debate for trying to focus on things where there is substantial agreement both throughout the country and in this body itself. The depreciation escalation that seems to be favored by all people is simply one example of this.

In another area where there has seemed to be controversy or conflict, the gentleman from New York has suggested that linkage could be maintained not in an exact fixed way, but with an eye on what cuts are being made and when there are assurances that Congress is progressing adequately, we could then move forward on a tax bill and not have a tax bill encumbered specifically with the passage of a second budget resolution or some other specific act.

□ 1330

I think in these areas the gentleman has moved the tax debate forward very well. This discussion has been very instructive to me, and I certainly

appreciate his conducting it. I thank him for the opportunity to participate.

Mr. CONABLE. I thank the gentleman.

Mr. Speaker, I appreciate the attendance of all here, and their participation. I yield back the balance of my time.

SOIL CONSERVATION ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, I am pleased to join Congressman ED JONES and several other colleagues in sponsoring the Soil Conservation Act of 1981. This is a bipartisan effort to improve the delivery of Federal assistance and to increase coordination among USDA, State, and local units of government, universities and private groups, and landowners.

The concepts in this bill provide a fresh approach to solving soil erosion, water management, and related problems on the private lands of this Nation—an approach that is voluntary and that is targeted to the areas and the problems that are most in need of attention.

Mr. JONES' district in west Tennessee has very effectively demonstrated what can be accomplished by several agencies working jointly with landowners and local governments to get more conservation on the land.

Local initiatives in many other parts of the United States deserve to be encouraged and assisted. Title I would authorize the Secretary of Agriculture to designate multicounty areas where the need is greatest for extra assistance.

Title II establishes a program of matching grants for local conservation activities so that every county can establish its conservation priorities and expand its sources of assistance.

As I pointed out last fall in H.R. 8171, it is in the public interest to help landowners and operators with soil erosion and other related natural resources problems, in order to protect agricultural productivity, improve water quality, facilitate energy conservation and production, and promote economic growth while protecting the environment and assuring sustained use of natural resources.

I also believe that national goals and policies in this arena should as much as possible blend with, rather than override, the concerns of the local community. They should be tailored to address the unique and varying local conditions and programs that exist.

Soil and water conservation districts and county agricultural stabilization and conservation committees have proven to be extremely capable in dealing with a wide range of natural resource management questions within their boundaries, in channeling State and Federal information and assistance to people who need it, and in helping set priorities for conservation assistance programs.

Title II of the Soil Conservation Act recognizes that existing capability and would help strengthen it while achieving greater coordination between these two important groups by having them together constitute a county conservation board. The grants would be for noncapital expenditures in furtherance of the objectives set forth in a board's long-range program and annual work plan. The bill would specify a number of related objectives that each program and plan should address, as well as suggesting several other objectives that a board may wish to consider to fit local needs.

Title III of the bill recognizes that many land owners and operators are willing to voluntarily install soil and water conservation practices or systems on their land, yet cannot afford to do so entirely at their own expense. Existing lines of credit may not fit their needs because of availability, eligibility, or high interest rates. Title III would authorize the Commodity Credit Corporation to guarantee loans for resolving conservation problems that reduce productive capacity of the land or that degrade environmental quality. This title complements the others in that it ties the loans to recommended ASC practices and to conservation plans approved by a conservation district.

Title IV recognizes that many individuals in the United States are interested in and committed toward helping resolve natural resource conservation issues in their community, statewide, or nationally. Yet the U.S. Department of Agriculture cannot accept their voluntary service because of liability problems and because the volunteers might be used to displace USDA employees. Title IV provides the liability protection for volunteers and employment protection for USDA. Its result would be to get more conservation on the land, help Federal employees spend their time on high-priority technical needs, and provide satisfying voluntary service for many Americans of all ages.

Finally, title V would target technical and financial assistance to watershed drainage areas above a few large water supply reservoirs that the Secretary of Agriculture will designate. The intent is to demonstrate that conservation practices on the land can reduce sedimentation and thus protect not only water quality but also lengthen the effective life of the storage capacity of the reservoirs.

The concepts in the Soil Conservation Act deserve the careful consideration of every Member. Their cost would be comparatively low, especially when you consider that they would help avoid future Federal expenditures for restoring productivity and cleaning up the environment. It is also possible that to some extent the costs of these provisions could be covered by redirecting existing USDA programs. I will be interested to work with USDA and with the Agriculture Committee in weighing the possibility of redirecting funds.

I ask for your favorable consideration of the Soil Conservation Act. It will help assure that America can produce enough food and fiber to meet all our domestic and export needs. It will help assure that agricultural production and improved air and water quality are compatible goals.●

GENERAL LEAVE

Mr. BARNES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks in the RECORD on the subject of my special order today.

The SPEAKER pro tempore (Mr. DYSON). Is there objection to the request of the gentleman from Maryland?

There was no objection.

TRIBUTE TO REPRESENTATIVE GLADYS NOON SPELLMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 60 minutes.

Mr. BARNES. Mr. Speaker, I have come to the well of the House a number of times in recent years, but I have never done so with the kind of sadness that I feel this afternoon. I am here today to speak about one of the most respected colleagues in this institution and someone who, it can genuinely be said, has been a friend to every Member of the House—our colleague, Representative Gladys Noon Spellman, my friend from Maryland.

As everyone is aware, the seat that Gladys has represented so brilliantly for the last three Congresses has had to be declared vacant because of her ill health, and because Gladys is battling to regain her health in a hospital not very many miles from here. While we continue to pray for her quick recovery, it seemed to me and to many others in the House that it is appropriate to pause for a moment and note the absolutely remarkable career of Gladys Noon Spellman.

Gladys was elected to the House in 1974. She was reelected in 1976, again in 1978, and again this past fall on November 4, with more than 80 percent of the vote, despite the fact that Gladys was flat on her back in a hospital room. It was a tremendous tribute

to the record of Gladys Spellman in representing the people of Prince Georges County, Md., in the U.S. House of Representatives.

Gladys is one whose abilities have been recognized just repeatedly by her colleagues here in the House. Gladys was appointed by our Speaker, TIP O'NEILL, to serve on the Policy and Steering Committee of the House during the 96th Congress, and all the Members know the importance of that body and the role that Gladys played on it. During the 95th and 96th Congresses, Gladys' colleagues on the House Committee on Post Office and Civil Service unanimously elected her chairman of the Subcommittee on Compensation and Employee Benefits. It is a post of major importance to the millions of Federal employees throughout the Nation, many of whom, of course, reside in Gladys' home district.

She was also a member of the executive committee of the Democratic Study Group. Gladys was a member of the Committee on Banking, Finance and Urban Affairs, and served on the Housing and Community Development and Consumer Affairs Subcommittees. Speaker O'NEILL also appointed Gladys to the U.S. Naval Academy's regulatory authority, the Board of Visitors, and named her to serve as the congressional representative on the National Commission on the International Year of the Child. As vice chairman of the class of 1974 in the House, Gladys played a major role in the formation of the new House rules and procedures, which discarded seniority as the only basis for choosing committee chairmen, and opened congressional meetings to public scrutiny.

Prior to her election to this institution, Gladys served Prince Georges County for 12 years as an elected official. In 1962, she became the only woman ever elected to the Board of County Commissioners. She was reelected in 1966, served as board chairman, and when Prince Georges County adopted its charter in 1971 Gladys Spellman was elected councilor-at-large.

During her public service career, Gladys has held many governmental and civic positions at the National, State, and local levels. At the National level, Gladys was appointed by President Johnson in 1967 to the Advisory Commission on Intergovernmental Relations. In 1972, she served as president of the National Association of Counties—again, the only woman ever elected to that position. She has served on the National Labor-Management Relations Service, the Steering Committee of the Urban Affairs Committee, the National Council of State Governments, on the board of directors of the National Association of Regional Councils, and the Democratic Advisory Commission of elected officials.

At the State level, Gladys has been a member of the Governor's Commission on Law Enforcement and the Administration of Justice; the Governor's Commission on Functions of Government; vice chairman of the Governor's Commission to Determine the State's Role in Financing Public Education; she was chairman of the Maryland State Comprehensive Health Planning Advisory Council; she was a board member and education committee chairman of the Maryland Association of Counties, and on, and on, and on.

At the regional level, she chaired the Washington Suburban Transit Commission; Gladys was chairman of the Regional Planning Board, created by the Federal Omnibus Crime Control and Safe Streets Act; board member of the Washington Metropolitan Area Transit Authority; and vice president of the Metropolitan Washington Council of Governments.

Gladys has also served on just innumerable county boards, including welfare, libraries, mental health, family service, Red Cross, and Cerebral Palsy. For 8 years, Gladys was chairman of the Prince Georges County General Hospital Board of Trustees. During that time, under her leadership, that hospital grew tremendously in its size and quality of care.

Before entering public service in 1962, Gladys Spellman was a teacher in the Prince Georges County Public School System; president, Prince Georges County Council, PTA; vice president, Maryland State Congress of PTA; chairman of the National Mental Health Study Center.

Gladys Spellman is married to her beloved and wholly supportive husband, Reuben Spellman. They have three children and four grandchildren, all of whom I think have reason to be so very proud of their relationship to one of our truly great Members of this institution.

Mr. Speaker, I have a lot more that I want to say and will say, but I would like to pause for a moment to yield to one of Gladys' great friends in this House, the distinguished gentlewoman from Louisiana, Mrs. BOGGS.

Mrs. BOGGS. Mr. Speaker, I thank the gentleman for yielding, and I thank him for taking this special order to allow us an opportunity to be able to say what a great privilege it has been to serve in this body with Gladys Spellman.

I, of course, have observed her through her many, many roles in the civic and professional and political world before she came to Congress, and I had such high expectations of her service here when indeed she did decide to run for the position. Every one of those expectations was exceeded by the quality and the quantity of her service. It is almost exhausting to listen to the many accomplishments that Gladys was able to achieve, the many positions that she has held, and always she came to the top as cream always rises to the top.

She is a person of exceptional ability and of such great and marvelous ability to be able to make everyone else enthusiastic about government; everyone else understanding about the need for all of us to work as diligently as she has worked in all the fields of the areas of government and of politics, of civic work, of philanthropic work, of professional work. She is truly a politician's politician, and yet she has remained one of the dearest friends, the most understanding of all people, and I think that her sharing with her friends and with their friends all of her abilities, her charm, her grace, her company, came really from the fact that her own family, her dear husband and her children and her grandchildren, were willing to share her with the public, and to share her with all of us.

She is a woman of many accomplishments, but perhaps the greatest of these was her innate sense of being able to balance the competing interests of public and private lives and to come out a real champion in both respects.

I am going to miss her terribly, but I do know that because of the acceleration of her service and the amount of the area of her beautiful service to this body, that she has really served longer than most of the people who have been here for many years, because she was able to do so much in a 24-hour timespan. I really do thank the gentleman from Maryland very much for allowing me to have this opportunity.

Mr. BARNES. I thank the gentlewoman.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BARNES. I would be delighted to yield to the distinguished gentlewoman from New Jersey, another great friend of Gladys Spellman, Mrs. FENWICK.

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding. I have already spoken on behalf of our sense of loss that Gladys Spellman has left this House, but I am happy to have an opportunity to speak again. I am so happy that you, my colleague, have taken this time.

Gladys Spellman had a way of moving in the legislative field. It was not exactly unique, but certainly was very special. I think many of us who listened to that calm, measured, moderate voice explaining what she was trying to do, outlining the framework and the effect of the legislation that she was proposing, realized that we were learning a great deal about how to be an effective legislator. Many of

us who tend to be too enthusiastic and impetuous began to see that that is how things really get done, with the calm and measured approach that enlists sympathy from all sides.

Gladys Spellman was remarkable, I think, in that way. You knew that her constituents were always before her eyes and in her heart, and yet you knew that she could relate their interests to the general good. That, I suppose, is the most important thing you can say about a Representative in this House. We are indeed supposed to represent our people. They have no one else. If we do not speak for them, nobody will, and their interests may be special, but we do not serve them well if we forget that we are all part of a whole, that no district exists apart from its State, no State apart from the Union, and this Nation indeed cannot exist apart from the rest of the world.

I think to be a good Representative means so much, and Gladys was conspicuously a fine Representative. I hope that she will recover. I hope indeed it might be possible that she will come back. I do not think that we ought to say that we have lost her for always, but I am happy that in this moment I hope it will be only an interim that we remember her service here.

I thank you, my colleague, for making it possible to pay tribute to Gladys Spellman.

Mr. BARNES. I thank the gentlewoman, and I particularly want to agree with her comments that we hope she will come back.

Mr. HEFTEL. Mr. Speaker, will the gentleman yield?

Mr. BARNES. I am happy to yield to my distinguished friend and colleague from Hawaii.

Mr. HEFTEL. I thank the gentleman very much.

I am pleased that the gentleman has set this time aside for us to speak of Gladys Spellman. It does not seem possible that she is not still with us, and I have to believe that she will once again be with us in a very active sense.

But, she was a person who cared. She cared about her constituents; she cared about her colleagues in the Congress; and she cared about what kind of Government we have. When our prior administration was trying desperately to serve this Nation, she worked very hard trying to bring insight to that administration.

□ 1345

I wish that she could have succeeded in communicating with them better, but somehow they could not see the greatness of this woman, the depth with which she understood what the problems of government are.

She represented a district with a great number of Federal employees, and she cared about those people, not in competition with America, not in competition with anyone. She cared about them as part of a system, a system in which we have to work together. And that was what she knew how to do, to work together with people.

I came here new and immediately was a member of her subcommittee, and I had a problem for which I felt we needed a hearing in Hawaii. She analyzed it and concluded that that was in the best interest of the area and of the system, and then we tried to figure out a date. Finally, she concluded that about the best we could do was to have a hearing on Tuesday prior to Thanksgiving. So on Monday she flew from here to Hawaii and conducted a hearing with me on Tuesday, and on Wednesday she flew back to Washington.

When I returned to Washington, she showed me the clipping from the paper here concerning her junket to Hawaii, and she smiled and said, "Is it not unfortunate that the media does not care as much as they should?"

If ever there is anything that all of us can do to reflect and perpetuate her service and her understanding, it will be to always care. It is suggested that she knew how to weigh all the conflicting interests and knew how to come up with the so-called compromises we discussed, but she did always care, never ignoring, never trampling, never using power in the sense that you felt there was any to be used by her.

She was a great person. She was a great asset to this body. I only hope that we can carry on what it was she offered and tried to bring to the Congress and to the country. And may we again serve with her in this body.

Mr. Speaker, I thank the gentleman for yielding.

Mr. BARNES. Mr. Speaker, I thank the gentleman from Hawaii (Mr. HEFTEL) for his beautiful words, and I yield to the distinguished gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Speaker, I thank the gentleman for yielding, and I congratulate him for his thoughtfulness in taking this special order so that those of us who knew and admired and even loved Gladys Spellman may have a brief opportunity to express ourselves.

I was not intimately acquainted with Gladys, but I talked to her so many times on the floor. We had disagreements on political issues, but I have never known anyone who was as warm, as understanding, as genteel, and who had such a perpetual twinkle in her eye as Gladys Spellman did. She was unflappable. She was in command. She was a relentless battler for her people and the principles she believed in. She was indeed an ornament in this House, and I refuse to put her in the past tense at all. I think if we remember to pray enough for Gladys, we will be blessed by her return.

Mr. Speaker, I for one look eagerly to that day. It was a delight and an enriching experience to work with her, and I am sure that God will see that we have that chance again.

Mr. BARNES. Mr. Speaker, I thank the gentleman from Illinois (Mr. HYDE) for his comments, and I yield to my friend and colleague, the gentleman from Maryland (Mr. DYSON).

Mr. DYSON. Mr. Speaker, I thank my colleague, the gentleman from Maryland, for yielding.

Mr. Speaker, the leadership, the sponsors of House Resolution 80, and the House deserve much praise for the sensitivity they have shown in declaring Gladys Spellman's seat, in the 97th Congress, vacant. All of Maryland has shared in the tragedy that has befallen Gladys and our hearts have gone out to her husband, family, and friends, as the vigil continues at her bedside.

On November 4, 1980, the people of the Fifth Congressional District in Maryland, by an overwhelming margin, reelected Gladys to the 97th Congress. The election was an expression of the love and affection that the people of the Fifth District have for the woman who has served them faithfully and responsibly for the past 6 years.

For the people of Maryland, the loss of Gladys Spellman from the floor of this Congress is shattering. To those of her own district, she was a tradition, someone who knew their needs and desires, their hopes and their despairs as well as they. She lived with them, she was one of them, she served them assiduously, with humor and with results. From her earliest days as a school teacher, as a county official, and lately here in the Congress, the people of Prince Georges—indeed, the people of Maryland, rich or poor, Democrat or Republican, black or white—knew that here was someone they could trust, in whom they could place reliance, one who would represent them with the greatest of integrity and with every fiber of her being.

She was my friend, long before I came here to the Congress. I shall miss her. The people of Maryland will miss her—as I think, all of us here will miss her.

Mr. BARNES. Mr. Speaker, I thank the gentleman from Maryland (Mr. DYSON) for his comments, and I agree with every point he made.

A great many of our colleagues have asked that statements with respect to Gladys be placed in the RECORD, and I will see to it that those are placed in the RECORD.

I also want to bring to the attention of the House a statement in tribute to Gladys by one of her closest friends who left the House in January, former

Congressman Joseph L. Fisher from Virginia. Joe has given me a brief statement which I want to read so all the Members of the House will be aware of it.

Joe writes as follows:

> We are all saddened that Gladys Spellman has to give up her seat in the House. Her contributions to policy and legislation on behalf of her Maryland constituents and the Nation have been important. No Member has been more finely attuned to the needs, problems, and aspirations of Government employees—civil, postal, military—than Congresswoman Spellman (or Congressperson Spellperson as she would say, tongue in cheek).
>
> I shall always treasure my own friendship with Gladys which began long before our period together in Congress, when we fought the battles for better government in the National Capital region in the Council of Governments, Metro, and other arenas.
>
> Gladys has left her own distinctive mark on all public issues and institutions with which she has been associated. Things are better because of what she has done. We long for her recovery and her return to public life. We need her mature judgment, her political savvy, her charm, her devotion to the general welfare.
>
> Thank you, Gladys, for all you have done. God bless you.

That is the statement of one whom we all know, one of Gladys' closest friends, Joe Fisher.

I want to comment about some of the issues. This could take all afternoon. I do not have all afternoon, but I want to comment about some of the issues Gladys put her heart and soul into here in the House, one of which was the construction of a beautiful and really first-class public transportation system for the Nation's Capital. While many local officials have made important contributions to the construction of the Washington area subway system, I think it is fair to say that Gladys Spellman's contribution in this respect has been simply remarkable. Her efforts in the early years as a county commissioner were critical in laying the groundwork for what was to become the system we are building and using today. She not only had the foresight to see what was possible many years ago, but in her subsequent roles as chairperson of the Washington Suburban Transit Commission, as vice president of the local Council of Governments, as a council member in Prince Georges County, and finally as the Fifth District's Congressional Representative, Gladys worked diligently to translate her ideas into reality.

There were many who, observing the often fractious nature of interjurisdictional relations in this area, said that producing a first-rate subway system in the Nation's Capital just "couldn't be done." Gladys is one of the reasons why, in fact, it has been done.

Most recently, Gladys worked in a collective effort with the other Metro supporters in the Congress for passage of the Stark-Harris bill in the 96th Congress providing for completion of the 101-mile system now in existence today.

Another issue is the Baltimore-Washington Parkway. One of the reasons Gladys is appreciated really on a daily basis by her constituents and by all of us in Maryland was her work to overcome delays in Government and other obstacles which had been putting off resurfacing and upgrading of the Baltimore-Washington Parkway. When it became apparent that longstanding disagreements between Federal and State transportation agencies were precluding needed repairs from being performed on this highway, Gladys went to work as only Gladys can. She used her considerable influence here in the Congress to win a Federal appropriation for the work, because the highway is maintained by the Park Service.

She then worked closely with highway officials to make certain that the work was done quickly and done with a minimum of disruption to the commuters on the highway. If this does not strike some as a major accomplishment, just ask any of the thousands of hapless commuters who endured the potholes and other dangerous conditions on that highway while the various governmental agencies could not agree on how to go forward on the repairs.

This is a good illustration, I think—and that is all it is, an illustration—of how Gladys could tackle a problem and work with all the affected parties and come up with a solution that solves that problem.

On other local issues, she simply worked tirelessly to preserve the impact aid funds for her district, to compensate the Fifth District for tax revenues lost due to the presence of federally owned land. These funds were used to provide a quality education to the children of her district and to prevent placing an unfair tax burden on her local taxpayers.

She successfully kept intact the Beltsville Agricultural Research Center, an extremely important part of her community.

Gladys led the fight to keep a toxic waste dump from being located in her congressional district.

She played an instrumental role in bringing in Federal dollars for a very much needed urban renewal project in College Park, the seat of our great State university.

And she worked tirelessly with our Metro caucus in the House on regional issues, in addition to the Metro system, in an effort to curb aircraft noise, to resolve environmental problems facing the Washington area, and generally to promote cooperation among the governments and people of the Washington area.

I think those of us who came to know and love Gladys in the past years will obviously think of her accomplishments on local issues, but I suspect we will remember her most as a master politician, one with just extraordinary savvy who understood the political process as few I have ever known, and one who could make it work for the people she represented.

She was the chief advocate in this institution and the chief spokesman for the cause and the interest of Federal workers, and I can tell you as one who also represents a lot of Federal employees that Gladys' presence in this institution is missed by all of them and by all of us who seek to serve them.

She was probably the major proponent and executor of better intergovernmental relations in the House. She had been president, as I mentioned earlier, of the National Association of Countries, and nobody in this institution better understood the relationships between the Federal, State, and local governments than Gladys, and how to fit them together and how to make them work.

I would like to speak for a moment about what I came to know, as I sat here on the floor with Gladys hour after hour during debate, about the priorities in her life, because they transcended the kinds of issues and the politics that I have been discussing. Foremost in those priorities, I think, would have to be what the distinguished gentlewoman from Louisiana (Mrs. BOGGS) was talking about earlier—her love and her loyalty to her family, to her friends, and to the staff who worked with her so brilliantly. Her children and her grandchildren were, I can attest, the most important things in her life. I do not know how many times we were on the floor and stood in the back of the Chamber when Gladys' comments turned to something that happened with her children or with her grandchildren. She never lost sight of the members of her family, despite the tremendous demands of being an active politician in this day and age. And we all know she was an indefatigable politician.

Another priority for Gladys was her sensitivity to those individuals in our society who have afflictions. Maybe not many Members here knew it, but Gladys was once blind. Fortunately, she was able to overcome that handicap. She understood, perhaps because of that, better than most, the special problems of the handicapped. Assisting the handicapped and the downtrodden were in many respects chief priorities for Gladys Spellman as an elected official.

I could not talk about the priorities that Gladys Spellman has had without talking about her integrity and her absolute total honesty.

□ 1400

I gather that she learned from her father, Henry Noon—he was a former head of the D.G.S. Stores here in the District of Columbia; he was known for conducting his business with the highest of ethics and integrity.

Gladys was always guided in her ethics by her father.

Gladys' career as a public official was exemplary in that respect, as in every other.

Something that has been mentioned by others, but I want to underscore, was Gladys Spellman's belief in constituent service. The distinguished gentlewoman from New Jersey referred to it very eloquently. Gladys Spellman established, I am convinced, one of the finest constituent services that the United States has ever seen. She was always accessible to the people of Prince Georges County. Her chief duty as a Member of Congress, she believed, was to solve her constituents' problems. She never deviated from that commitment to her constituents, and her ever-increasing margins of victory, I think, were strong testimony to that fact.

Let me say something about another quality of Gladys, which sometimes is not talked about with politicians, but it is so true with her, and that is her guts—the gutsiness of this woman. If ever there was a person who knew how to use a velvet glove with the impact of an iron fist, it is Gladys Spellman. She is a very gutsy woman—on civil rights, on issues of concern to women, to Federal employees, to the people of her district—but she also knew how to get things done in this institution and she accomplished a tremendous amount during her term in the House.

I want to pause now to yield to another friend of Gladys Spellman.

Mr. AKAKA. I thank the gentleman very much for yielding. I thank the gentleman much for reserving this time to honor a great woman. By her deeds, we have known her.

Mr. Speaker, it is with the greatest respect and admiration that I join with members on both sides of the aisle in honoring Congresswoman Gladys Spellman.

I have known Mrs. Spellman for many years. I have known her as a person who never hesitated to listen to the voices of people in need. I have known her as a person who never hesitated to help others where she could. For Gladys Spellman, no problem was too small, no request undeserving of attention. The cares of the people who touched Gladys Spellman's life became her cares. I am sure that her unrelenting concern is a quality that the constituents of Maryland's Fifth District grew to love as much as we did here in Congress. I know that it is a quality which I miss already.

Nowhere was Gladys Spellman's sensitivity to other people's problems more evident than in the work she did for the Subcommittee on Compensation and Employee Benefits. It was with an eye toward justice that she listened to the cries of the Federal workers during the budget crisis of October 1979. For 2 weeks, thousands of Government employees were given half salary or simply were not paid at all. She listened as these employees told of their need to meet mortgage payments, doctor bills, and household expenses. And she did what she could to help them. I am sorry that Gladys Spellman will not be able to carry out the reforms she has proposed.

I will miss her warm friendship, her kind heart, and her open mind. I know that all of us feel this loss of a good colleague very deeply. I join my colleagues in prayer for her recovery.

Mr. BARNES. Mr. Speaker, I thank the gentleman for his contribution.

One of the most beautiful tributes that has been paid to Gladys was an editorial that appeared in the Washington Post on the day after the House took the unfortunately necessary action of declaring that seat vacant. In closing today, I want to share with my colleagues the words of that editorial in the Washington Post, because I think it sums up for all of us a lot of the feelings we have about the fact that Gladys is not with us today.

The headline on the editorial is: "Gladys Spellman's Brilliant Career." It reads:

GLADYS SPELLMAN'S BRILLIANT CAREER

By anyone's account, Gladys Noon Spellman entered the race for reelection to a fourth term in Congress as the most popular politician in Prince George's County. Today, that reputation has not changed a bit—but, as Mrs. Spellman's millions of admirers in the county, in Congress and throughout the Washington region have had to accept—her own circumstances have. Her remarkable 19-year political career has been halted, though it remains a classic for all who would seek public office and serve successfully.

To have watched Mrs. Spellman on the campaign trail, on the phones, in the schools or up and down the aisles and office hallways of Congress was to see a woman obviously reveling in her work and loving her constituents. You could watch with amusement, too, as Mrs. Spellman would bat those big dark eyes, smile, gosh-golly it a few times—and then systematically strip the socks off of unsuspecting colleagues in the House to make another point or two on behalf of her constituents.

There has always been more to it than charm and cunning, though: Mrs Spellman has been a political pro in every way, with an uncanny sense of her constituency's interests—most notably those of federal employees, from elevator operator to secretary, clerk and middle-level professional. To this group that always suffers as the easy target of the "anti-Washington" candidates, what better music than Mrs. Spellman's "Beautiful Bureaucrat" column in her newsletter, commending "wonderfully responsive" government workers and championing those who, "far from slowing down the wheels of government are really the people who keep them churning"?

This keen appreciation of her constituents and of government at its best has been instrumental in promoting the best of Prince George's County—where Mrs. Spellman first came into the public eye as a crusading PTA activist, elected as a Democratic reformer to the old County Board of Commissioners in 1962. Four years later, she became board chairman, the first woman to head Maryland's largest county. Mrs. Spellman remained in the political thick of things when the county changed to a charter form of government, winning election to the new county council and, in 1974, to the U.S. House.

The bubbling omnipresence of Gladys Spellman—in meetings large and small, at those open-door complaint sessions for constituents, at the nightly sessions throughout her district, at the PTAs, at the clubs or in the family rooms around the neighborhoods—is no more. And yesterday's declaration of a vacancy of this seat was only right, for representation of this district must continue.

Still, we can know what Mrs. Spellman's daughter means when she says, "I'm waiting for her to look up and tell me to cut my hair, or to tell the boys to trim their beards." After all, everybody knows by now that Gladys Spellman has never been one to be underestimated.

Thus wrote the Washington Post the day after the House of Representatives was forced to declare Gladys Spellman's seat vacant.

Like her daughter, I am waiting for Gladys to look up, to get up to join us again, and I pray, as I know so many of our colleagues do, that the day will not be too far from now when one of these doors here that Gladys came through so many, many thousands of times will open and Gladys will come back onto the floor of the House of Representative and every one of us here with tears in our eyes is going to stand up and cheer the return of one of the greatest friends we have ever had, as the Washington Post said, one who has had a brilliant career in public service.

● Mr. O'NEILL. Mr. Speaker, it is with strong emotional and deep feelings that I rise on this occasion to join my colleagues in this special order to honor a very special American.

There was a grand and noble lady who graced this Chamber, and now, Gladys Spellman is unable to continue to serve the people in the House of Representatives. It has been a rare privilege and high honor to have served with such an esteemed colleague.

Gladys Spellman has been a Member whose word is golden, whose commitment to the interests and concerns of her beloved constituents is genuine and unwavering. She fully understood the complexities of the legislative process and always pursued her chosen political course in a dignified and responsible fashion.

Many adjectives and laudatory phrases could be used to describe Gladys—conscientious, hard working, dedicated, quiet, self-confident, reassuring yet the only descriptive word which stands out above all else is integrity. She is one of the most decent and honorable human beings I have had the privilege to know.

Gladys Spellman had, during her short tenure in the House, a unique and enviable combination of a shrewd and skillful politician, a bright and articulate spokeswoman for her constituents, and a superb and beautiful human being.

Everyone who has known Gladys loved her. She had so many friends among her colleagues because she was such a good and trusted friend herself. She liked people, she loved this House, and she really cared about her constituents. Her inimitable charm, her delightful wit which frequently broke up into laughter many a Democratic whip organization meeting, and her genuine friendliness made all her colleagues, Democrats and Republicans, males and females, respond warmly to her.

I have worked closely with Gladys over the last 6 years as she served as a member of the Democratic whip organization and I appointed her to the Democratic Steering and Policy Committee. In each of these leadership positions she has served with trust, competence, and ability. From the bottom of a grateful heart, I thank Gladys for her personal loyalty, political support, and guidance and counsel over the years.

Gladys Spellman's absence in the 97th Congress leaves a vacuum that is irreplaceable. I have lost a warm and close friend and dear colleague. Millie joins me in extending God's blessings to Gladys and our prayers are with her and her beloved husband. May the sun shine brightly once again on Gladys, and we all look forward to the day when she will grace the House of Representatives once more with her charm, dignity, and nobleness.●

● Mrs. HOLT. Mr. Speaker, Gladys Noon Spellman represented her constituents of the Fifth District of Maryland with great diligence and effectiveness, and I am distressed that she is no longer here among us. As the Representative of a neighboring district, I know how well her people were served by her work in the Congress.

But apart from the congressional work she performed so ably for 6 years in this House, many of us have been impressed by her personal qualities, her warmth and caring about people and their problems, her intelligence and deliberative manner in approaching issues, her consideration of her colleagues in the Congress.

It is extremely sad that a lady and public servant of such qualities is still stricken by an illness of several months that prevents her from taking her place among us. I am sure that all of us are praying for her recovery.

A few days ago we performed the distasteful task of declaring the Fifth District seat vacant so that a special election could be held to choose a successor to Gladys Spellman. Whoever wins that special election will have an extremely difficult task matching the energy and skill that she devoted to the work of Congress.●

● Ms. MIKULSKI. Mr. Speaker, it is with a great deal of grief that I speak today to honor my dear friend and colleague, Gladys Spellman. I wanted to vote no on the resolution to declare her seat vacant as an act of protest—I just did not want to accept the fact that Gladys will no longer be my sister in the House.

But Gladys would have wanted us to face the reality of her health situation. She always placed her constituents first, and would not want to leave her district underserved. She would have wanted it this way. Her capable staff did an outstanding job in her absence, but there is no Gladys like Gladys.

Gladys will be remembered in the House as a great fighter for women; and a tremendous advocate for the people of the Fifth District of Maryland. It was a real joy to work with her on extension of the equal rights amendment, and other legislation of benefit to women. She worked hard to insure fairness and equity for Federal employees; both on the job and after they retired. And she served as a great role model for me in her commitment to the well-being of the people of her district.

I wish Gladys and her family the best; and I hope her recovery speeds along.●

● Mrs. BYRON. Mr. Speaker, I know a profound sense of sadness accompanied the action of the House last week in declaring a vacancy in the congressional seat for the Fifth District of Maryland, which has been represented by Congresswoman Gladys Noon Spellman for the last 6 years. I am sure that all Members of the House are continuing to hope and pray for Gladys' complete recovery.

Gladys' service in Congress will be deeply missed by her constituents, her colleagues, and her country. One measure of her influence and stature is the fact that during a recent trip I took with a delegation of House Armed Services Committee members I was repeatedly asked about Gladys' condition by U.S. Embassy personnel overseas. I was very impressed with the strong concern and great respect which these Embassy personnel have for Gladys. I am sure their views are shared by Federal workers everywhere, whose interests Gladys has so capably championed.

It has been a privilege for me to serve in Congress with Gladys. She is a credit to the State of Maryland and to the U.S. Congress. She has established a record of service to her district and her country to which all Members of Congress should aspire. My thoughts and prayers are with her and her family.●

● Mr. ADDABBO. Mr. Speaker, I would like to take a few moments today in joining with my distinguished colleagues in the House as we pay tribute to Gladys Noon Spellman, one of the most articulate, beloved, hard-working, and respected Members of Congress, to have served in Congress in many years, who, because of illness, will be unable to complete her fourth term in Congress. I am sure I speak for all those present today when I say that if ever a person was blessed with the intestinal fortitude to overcome what we all hope is just a temporary setback, it is the Congresswoman from Maryland.

For the past 6 years, Gladys Spellman has been a concerned and effective public servant, who, because of her convictions, became a person we all came to know and admire. During the 96th Congress she was the only woman Member to serve on the all-important Policy and Steering Committee, one of the most prestigious and coveted leadership positions in the House.

It was during the 95th and 96th Congresses that Gladys distinguished herself as chairman of the Subcommittee on Compensation and Employee Benefits on the House Committee on the Post Office and Civil Service, handling issues of major concern to Federal employees from coast to coast. Only a special person such as Gladys, who possessed special leadership qualities, could have ever done the fine job she did.

Gladys Spellman's career in Congress has ended far too soon. A woman who listened to, and spoke for, the people, she will be missed by everyone who had the privilege of serving alongside her and I pray, along with many others, for her speedy and complete recovery.●

● Mr. LONG of Louisiana. Mr. Speaker, the loss of our beloved colleague, and my close friend, Gladys Spellman, as a fellow Member of the House, causes me great sorrow. I have worked with this wonderful woman since the early days of the 94th Congress with ever-increasing respect for her wisdom, fairness, and effectiveness in this legislative body. We all will miss her deeply.

Gladys' work on the House Post Office and Civil Service Committee demonstrated her concern for the working people of this country and gave special recognition to employees who are all too often taken for granted—Federal workers. She led the fight to insure that these employees, and their dependents, are treated equitably. At the same time, Gladys helped us all to recognize the fine work ac-

complishments of people in service to the Federal Government.

Gladys' energy and determination were an example for us all. No matter how difficult the issue, she could always be counted on to fight fairly, and effectively, for things she believed in. Her departure leaves a great void.

I learned some time ago of Gladys' appreciation for the poetry of Robert Frost. One verse from "Reluctance" expresses my feelings at having Gladys Spellman leave our Chamber.

Ah, when to the heart of man
Was it ever treason
To go with the drift of things,
To yield with a grace to reason,
And bow and accept the end
Of . . . a season?

It is with great reluctance that I accept the end of Gladys' seasons of service to this body and her dedication to her loyal constituents.

Our prayers go out to Gladys and her family. May she eventually regain good health and enjoy a full and complete recovery.●

● Mr. REUSS. Mr. Speaker, it is with profound sadness that I join in this tribute to my colleague and friend, Gladys Spellman, whose prolonged illness is a tragedy for her family, her constituents, and her colleagues in this body. Although I concur in the necessity of declaring vacant her congressional seat, I do so with the utmost regret.

Gladys Spellman is among the finest of those with whom I have served in my many years in Congress. Her charm, intelligence, and dedication have contributed in equal measure to her effectiveness and popularity as Representative. The joy which she obviously reaps from her role as Congresswoman has been translated into diligent and accomplished work on behalf of her constituents, who reelected her overwhelmingly last November, despite her hospitalization. No Member of this body cares more for their constituents than does Gladys, and none could be more sorely missed by their colleagues.

I would like to offer my best wishes to Congresswoman Spellman's family and staff, who have carried on with great courage in her absence. I join with my colleagues in a prayer for the speedy and complete recovery of a truly remarkable individual. If ever a prayer deserved to be answered, it is this one.●

● Mr. EDWARDS of California. Mr. Speaker, I would like to thank the gentleman from Maryland, Mr. BARNES, for arranging this special order today. It is with genuine friendship and respect that I honor our dear colleague from Maryland's Fifth Congressional District, Gladys Noon Spellman.

It has been a privilege to serve in the House of Representatives with Gladys since her election to the 94th Congress. During this time I came not only to value her irrepressible optimism and friendship, but also to admire her mastery of legislative technique and craftsmanship.

The hallmark of Gladys' public service career has been her devoted concern for her Prince Georges County constituents. Resulting from her distinguished service at the local, State, and Federal levels, Gladys has not only maintained this impressive rapport with her constituency, but has simultaneously achieved significant accomplishments on a national level. These result from Gladys' service as the regional whip in the 95th Congress, as vice chairman of the renowned "Class of 1974," and on the executive committee of the Democratic Study Group.

Furthermore, Gladys' leadership in the House Committee on Post Office and Civil Service has gained her a nationwide reputation due to numerous victories on behalf of improved working conditions and recognition of Federal employees throughout the country.

The high regard in which Gladys is held is evidenced by the outpouring of loyalty and devotion which the residents of Prince Georges County have bestowed upon Gladys in these months since her illness. At this time, I join with them and my congressional colleagues in honoring the accomplishments of Gladys Noon Spellman, and adding my strongest hopes toward her speedy and total recovery.●

● Mr. DANIELSON. Mr. Speaker, I thank my colleague, MIKE BARNES, for taking this special order to give us a chance to voice our appreciation for Gladys Spellman, a great Member of Congress. The sadness of the circumstances surrounding her leaving the Congress of course impacts upon all of us who considered her to be our friend. As a matter of fact, I think it is safe to say that everyone in the Congress considered Gladys to be a friend. I personally found Gladys Spellman to be a pure joy to work with. She was always friendly, she was always well prepared in whatever her activity might be, and she handled her legislative responsibilities as well as anyone I have ever known.

As a person who is proud to be a politician and who considers politics to be a noble profession, I am happy to say that I considered Gladys Spellman to be a magnificent politician. She was a master of the soft sell and of gentle persuasion. In all of the years that I knew her, there was no occasion on which she ever raised her voice. In fact, it could be said that she almost spoke too softly. Yet, Gladys was very strong in her character and she never yielded on a point of conscience nor did she ever compromise that which she deemed to be for the best interest of our country and of the people whom she represented. Gladys fully understood and applied the time tested rules of requiring as well as giving full cooperation.

The memory of serving with Gladys Spellman is one of my fondest memories during my tenure in the Congress.●

● Mr. WIRTH. Mr. Speaker, I am honored to have this opportunity to pay tribute to my friend and colleague, Gladys Spellman.

During her tenure as a Member of Congress, Gladys Spellman established an admirable record of legislative ability and constituency service. Gladys' sincere concern for the needs of Maryland's Fifth Congressional District, and for the welfare of the Nation as a whole, was made apparent each day we were privileged to serve with her.

Last spring, I was a guest at an energy policy forum Gladys organized for the citizens of Prince Georges County. It was but one instance of her ongoing work, but was for me a personal glimpse of the dedication that Gladys brought to her job.

Although Gladys cannot be with us today, her enduring example of leadership and responsibility will illuminate this chamber for years to come. My prayers are with Gladys and her family for her speedy recovery.●

● Mr. DE LA GARZA. Mr. Speaker, in the annals of mankind there are but a very few individuals who surpass the goals and expectations of their time and generation. Today we are here to pay tribute to one of these—our colleague, Gladys Spellman.

In this day and age Gladys Spellman is a most rare and precious individual—one of our most illustrious members—a true believer in the basic concept of liberty and justice.

There are so many things I could say about this great and gentle woman. In her there is a combination that I doubt can be reproduced. Her chemistry is such that it fits no formula, nor could all the elements be readily identifiable. There is the friend, the wife, the politician. Within are the energy, the wit, the basic honesty, the intelligence and the spark of life. There is the loyalty to her friends, the reverence to basic human rights, the unyielding loyalty to her beloved country.

What a great woman, and yet how humble, kind and understanding. The adjectives are endless. Let it suffice to say for now that there is but one Gladys Spellman and her expertise will be hard to duplicate.

There is a saying that nobody is indispensable—Gladys Spellman is. All of us collectively who have had the privilege to know Mrs. Spellman are better citizens and better persons for that opportunity. Now it is our turn to afford her our support and our prayers.●

● Mr. BARNARD. Mr. Speaker, I deeply regret that her illness will prevent Gladys Spellman from joining us in this Congress. When I arrived in Congress in 1977, Mrs. Spellman became both a friend and a close ally on many issues concerning housing and municipal finance.

Her prior experience in county government gave her an excellent understanding of the problems local governments across the country were facing. By combining a hard practicality with her idealism, she searched for, and often found, solutions that met the needs she saw, and were crafted to meet the political and organizational realities of our time.

On the Banking Committee, she worked for consumers and for equal housing opportunities for all. On the Post Office and Civil Service Committee, she worked to better the working conditions and opportunities for those who serve our country in civil service. And in times when indiscriminate abuse could have demoralized even the most valuable Government worker, her "Beautiful Bureaucrat" award reminded us of the valuable contribution they make.

Mr. Speaker, I know that we all will miss Gladys, and that we all look forward to her recovery.●

● Mr. FORSYTHE. Mr. Speaker, it is with sadness that I rise today to seek recognition in honor of Gladys Noon Spellman whose ill health has prevented her from returning to serve with us in the 97th Congress.

Her calm demeanor and wise counsel will be sorely missed by all of us. Her constituents, too, have lost a valiant leader and protector of their interests.

I will always remember her warmth and generosity. She was never too busy to help a colleague or constituent and she always provided that assistance with good humor and keen attention.

I fervently hope and pray that Mrs. Spellman will recover so that she may one day return to this House.●

● Mr. GILMAN. Mr. Speaker, it is my privilege to join in this special tribute to one of our most beloved and respected colleagues, the gentlelady from Maryland (Gladys Noon Spellman). It is not in exaggeration or a casual manner that I use these terms to describe her, because I know that since her election to the House of Representatives in 1974, she has demonstrated an endearing and compassionate manner as she worked in a determined, deliberate effort on behalf of those causes of critical importance to our Nation and to her constituents.

She distinguished herself early in the House by becoming vice chairman of the "Class of 74" and played a major role in the formation of new forward-looking House rules and procedures. Moreover, as a trailblazer in the area of women's recognition, she served on both the Democratic Policy and Steering Committee and was elected, during her second term, as a regional whip—in both instances, she was the only woman Member serving in these capacities.

Her long career of exemplary service to the people of Maryland's Fifth Congressional District saw Gladys serving in many elected and appointive positions, again her hallmark being a vibrant, tireless representative of those interests most critical to her constituents.

I best know Gladys from her work on the Committee on Post Office and Civil Service, of which I am also a member. As chairman of the Subcommittee on Compensation and Employee Benefits, she mastered a complex subject area and advised her colleagues on the committee and in the Congress of the legislative intricacies of these issues in an articulate and convincing manner. She sparkplugged efforts to assure that Federal pay, health and life insurance, and retirement issues were addressed in an equitable and cost-effective manner taking into account the legitimate interests of Federal workers and the taxpayers they serve.

I was also pleased to join Gladys in the fight for recognition of human rights. In many areas of this issue, but especially in the struggle for the rights of Soviet Jewry, Gladys labored long and hard, demonstrating a sincere, unrelenting determination to alleviate the oppression faced by those in the Soviet Union deprived of the most basic human rights.

We were all deeply saddened last October when we learned of the incapacitating illness which struck Gladys. While we were hopeful that her recovery would progress so as to allow her to return to Congress this term, we must now, however, bring ourselves to accept the fact that our foremost concern is for Gladys' recovery.

While we will individually and as a body miss her ebullience, drive, and tireless dedication, we can, as we keep her and her family ever in our prayers, continue to be inspired by a magnificent gentle lady who has touched all our lives deeply.●

● Mr. BINGHAM. Mr. Speaker, this is a very sad occasion and it pains all of us to be paying our respects to a wonderful woman whom we may not see again. Congresswoman Gladys Spellman lies stricken and semiconscious in a hospital room after suffering a heart attack last year. With great reluctance, the Speaker has had to declare her seat vacant and the Governor announce plans for a special election. We all hope that she will yet pull through and recover completely, but I understand the prospects for this are not good.

Gladys Spellman has had a remarkable political career. Starting as a member of the Prince Georges County Board of Commissioners in 1962, she rose quickly to become chairman of the board and then a member of the county council. In 1974 she was elected to the House of Representatives and she has won reelection with increasing margins of support in every election since then, despite the fact that many of her colleagues elected in the "Watergate" class have since gone down to defeat. Her success is probably due to her diligence and determination to right every wrong affecting one of her constituents that was brought to her attention. Representing a congressional district that is within shouting distance of the Capitol has to be one of the most challenging responsibilities an elected official can face, but Gladys Spellman always seemed to relish it. The more she could do to help people, the happier she seemed to be. Her unflappable good nature won her many friends on both sides of the aisle, and she was adored and respected by her Prince Georges County constituents. She was also an authoritative spokeswoman for the interests of Federal civil servants, and she was constantly battling to insure that Federal workers receive the respect and support they deserve.

I never served on a committee with Gladys and I cannot say that I knew her well during her service in this House. Yet she is the kind of person whom one does not have to know well to enjoy seeing. While in good health she simply radiated good cheer and warmth—so much so that it was a pleasure to listen to her speak or simply to say hello to in the hall.

Whatever the future may hold for Gladys Spellman, she will have left the world a better place than she found it.●

● Mr. ALBOSTA. Mr. Speaker, while we were all hot on the campaign trail last October, in fact just a few days before election day, word came of the tragic attack our colleague Gladys Spellman suffered while she too was campaigning. While we were in shopping centers throughout the country shaking hands, Gladys too was actively campaigning in an election she knew she was greatly favored to win.

Ever committed to the needs and desires of her constituents has been Gladys' way of life during her many years of public service. Her active campaigning and her work in Congress are evidence of that commitment. Since that day in October, Gladys has been in a semiconscious state. The House of Representatives, until recently, had kept her seat secure, hoping that recovery would begin. Unfortunately this recovery has not been evident. It was with great sorrow that I noted the House's action to vacate Gladys' seat.

Gladys Spellman will be missed by all who had the opportunity to serve with her. I was fortunate to serve on the Post Office and Civil Service Committee with Gladys. On that committee, she was referred to as the "Champion of Federal Employees." While this may be an accurate portrayal, Gladys' commitment to the well-being of Federal employees went way beyond the specific interests of her Prince Georges County constituency.

Gladys supported and worked for fair pay and benefits for Federal employees because of her passionate regard for human needs and fair play on the part of the Government. This enlightened me to the fact that we in Congress represent management to the millions of Federal employees in this great Nation and that if we do not treat our employees with respect and pay them what they deserve, as in any private sector company, obtaining optimum performance out of those workers will be difficult.

Gladys Spellman's ideals will be alive and well in the Post Office and Civil Service Committee and the Congress while she recuperates. I only hope and pray that her recovery will be complete and speedy.●

● Mr. ST GERMAIN. Mr. Speaker, I appreciate the opportunity on this sad occasion to be allowed to express a few sentiments concerning our dear colleague, Gladys Spellman.

Gladys served on the House Committee on Banking, Finance and Urban Affairs. As a member of this committee, I have had the opportunity to work with and observe Gladys over the years she has been in Congress.

Few individuals, if any, carried out their responsibilities to their constituents with greater skill or dedication than did our colleague, Gladys Spellman. Few individuals, if any, understood and had more compassion for the needs of the people of their district and the country. Few individuals, if any, understood fully, as did Gladys Spellman, the fact that by providing for the needs of individuals do we provide for the needs of all.

Although Gladys Spellman served only a few years in the Congress, few people with much more service will have left a greater mark on this body. Her charm, her compassion, her sense of fairness and dedication to this institution will always be remembered by all of us. It is with sadness indeed that we will no longer have the opportunity to work with this great lady and accomplished legislator.●

● Mr. YATRON. Mr. Speaker, I want to take this opportunity to honor a personal friend and former colleague, Gladys Noon Spellman.

Mrs. Spellman was a talented, able, and effective legislator whose accomplishments will long be remembered by the people of Maryland's Fifth Congressional District. I was fortunate to have served with her on the House Post Office and Civil Service Committee and I witnessed firsthand her many capabilities. She was a strong, yet accommodating chairwoman of the Subcommittee on Compensation and Employee Benefits.

Congresswoman Spellman was respected and admired by her colleagues regardless of their party affiliation or political inclination. The illness which struck her and keeps her incapacitated is indeed tragic. I extend my deepest sympathies to her family and I pray that she will recover.

Mr. Speaker, this is truly a sad occasion. Mrs. Spellman will be missed immensely and I can only hope that someday she will return to serve in the Congress.●

● Mr. AuCOIN. Mr. Speaker, it is still difficult to believe that Gladys Spellman is not here in the House with us today taking her rightful place as the dynamic Representative from Maryland's Fifth District. I am proud to call Gladys a friend. After sitting side by side with her on the Banking Committee for 6 years, I came to know her as a compassionate and intelligent woman. These qualities along with her good humor and good sense made her one of the outstanding legislators of this body. Her presence will be missed by all and we are praying for her full recovery.●

● Mr. DERWINSKI. Mr. Speaker, I appreciate this opportunity to join with my colleagues in paying tribute to Congresswoman Gladys Noon Spellman. It is a particularly sad occasion for many of us who have known and worked with Gladys over the last few years, but I join with her family and many friends in praying for her speedy and complete recovery.

Having served with Gladys Spellman on the House Post Office and Civil Service Committee, I can certainly attest to her cooperative and dedicated efforts on behalf of legislation affecting Federal Government employees. She not only demonstrated her knowledge and expertise in the areas of jurisdiction of our committee, but she also contributed much through her negotiating skills. We are all familiar with Gladys' warmth and good nature.

She performed the demanding and necessary assignments that are innate to a congressional career with utmost effectiveness and intelligence. Gladys has served well and contributed significantly to the legislative process.

Even though Gladys will not be able to resume her service here with us for the present time, I know that I speak not only for myself but for the entire Congress in saying our thoughts and prayers are with her and her family.●

● Mr. ERLENBORN. Mr. Speaker, while I consider it an honor and a privilege to join with my colleagues today to pay tribute to our friend, the Honorable Gladys Spellman, I wish this event could take place under happier circumstances.

Mrs. Spellman and I often disagreed on matters of policy but she remained pleasant and gracious without fail. Her smiling face brightened this Chamber, and we all miss her cheery presence.●

● Mr. JONES of Oklahoma. Mr. Speaker, nothing could make me happier than joining with my colleagues to express about Gladys Spellman the accolades she deserves. But nothing distresses me more than to do so under the circumstances that bring us together today.

It has been a pleasure serving with Gladys Spellman since she came to the House of Representatives 6 years ago. Actually, I knew of Gladys when I worked at the White House for Lyndon Johnson. President Johnson appointed Gladys to the Advisory Council on Intergovernmental Relations. It was only one of many positions in public service that she would ably fill before her election to the House.

Since her election, she has served her district, State, and Nation with distinction and with honor. It is truly a tragedy that her tenure in public service has been temporarily cut short. I am confident that this interruption is only temporary, though.

Gladys' ready smile and good humor were always a welcome addition to any day. These pleasant qualities did not hide, though, the tireless worker and veteran public servant who could be a strident defender of her beliefs.

My prayers are for a swift and full recovery, so that she can continue serving in whatever arena she may desire. As was given evidence in the last election, Gladys is loved by her constituents because she serves them so well. She has been the premier advocate for the Federal employee, and is owed a debt of gratitude by every Federal worker and retiree in the country. After only her first term in Congress, she gained the chair of the Subcommittee on Compensation and Employee Benefits. Her service in that post has allowed Federal employees and retirees to maintain the high standard of living they have enjoyed.

Gladys is a delightful person and an able colleague, and we all miss seeing her and working with her. My heart goes out to her family and friends, and I look forward to the day in the near future when she returns to the House floor, and we can share the friendship and fellowship with her that we now miss.●

● Mrs. HECKLER. Mr. Speaker, I have had the honor and the pleasure of serving with Gladys Spellman since she first came to Congress in 1974. Over the years we have worked closely on many issues, particularly those concerns we share as members of the Congresswomen's Caucus.

Gladys consistently met her legislative responsibilities with a wisdom, commitment, dedication, and compassion that not only brought results to her constituents but stature and distinction to her role as a Member of Congress.

In her committee work, caucus work, and daily activities, Gladys has gained a reputation for her unique ability to work hard and remain exceptionally good humored and cheerful. Few in this hard-working Congress could compete with Gladys Spellman's devotion to her constituents. She once told me that often the only time she could spare for reading reports sent by constituents was at 4 o'clock in the morning in her study at home. And I know she did this regularly.

Thanks to Gladys Spellman, significant legislation of various kinds plays a crucial role in all our lives. Her efforts to pass the equal rights amendment extension is only one of many measures Gladys unstintingly advocated. Her leadership in this cause, and in many others, only deepened the respect and admiration I and her colleagues already felt for her.

Gladys Spellman was equally at home in any situation—during debate in these Chambers, in meetings with dignitaries, or visiting with constituents. In fact, Congresswoman Spellman had a penchant for losing track of time when she talked with her constituents. She has a sincere and giving personality and a quality that made people feel they could confide in her and share their lives. Simply put, she cared. Gladys was always willing to listen and eager to help. Perhaps her warm and supportive ways accounted in part for the devotion and commitment of those who are close to her. There are many, but I am particularly aware of her loyal supporter, executive administrative assistant, and good friend, Edna McLellan, who has done an outstanding job for Gladys since 1975. The steadfast devotion and love of her husband Reuben and her children Dana Spellman O'Neill and Rick and Steve are truly inspirational. I am sure that my hopes and prayers for Glady's healing and recovery are among the many others offered for this truly superlative human being and very special colleague.

Albert Einstein once said:

> The ideals which have lighted my way and time after time gave me new courage to face life cheerfully have been Kindness, Beauty and Truth.

These are the very qualities that Gladys brought to her job, her constituents, her colleagues, and her family. They are qualities that are still very much a part of her, and ones I am grateful she shared with us.●

● Mr. CORRADA. Mr. Speaker, I am honored to be able to pay tribute to our esteemed colleague, Gladys Noon Spellman.

The Fifth Congressional District of Maryland has seldom had a more devoted or able Representative.

During her three terms in the Congress, Mrs. Spellman earned a reputation for hard work, integrity, and, above all, compassion and understanding toward her constituents. It is a tribute and an example of the love which her constituents felt for Gladys that even after she was stricken shortly before election day, she was overwhelmingly reelected to represent the Fifth District.

It is a tragedy that Gladys will not be able to grace us with her calm composure and hard work and for that she will be sorely missed.

I remember that she visited Puerto Rico a few years ago to conduct field hearings into the cost-of-living allowance for Federal employees as chairwoman of the Subcommittee on Compensation and Employee Benefits of the Committee on Post Office and Civil Service. During those hearings she impressed those in attendance with her grasp of the issue and her compassion.

To Gladys, her husband Reuben, and their children, we wish them all the best and the knowledge that Gladys Noon Spellman will be remembered as a great Representative and a good friend.●

● Mr. GRAY. Mr. Speaker, I consider it a special honor to take part this afternoon in this tribute to our friend and colleague, Gladys Spellman.

I was privileged to have been able to serve with former Congresswoman Spellman in my first term in the House, when we were members of the Democratic Steering and Policy Committee. There, I saw firsthand the dedication, the energy, and the integrity which were a hallmark of every effort undertaken by Mrs. Spellman. Having worked with Mrs. Spellman on the committee and at various other times in the House, it was easy to see the qualities which so endeared her to the constituents of Maryland's Fifth Congressional District.

The fact that Mrs. Spellman physically is unable to carry out her term of service is a loss not only to the people of Maryland, but to all of us here in the House. We shall very dearly miss her wisdom, her leadership, and above all the quality of all of the work which she performed. I know that her commitment to public service will be an example for all of us to follow.●

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to the Honorable Gladys Noon Spellman, who represented the Fifth District of Maryland since 1975. The grave illness of my distinguished colleague has left a void in this House, for she served her Maryland constituents and the American people with devotion and dedication.

I had the privilege of serving with Gladys Spellman on the House Banking, Finance and Urban Affairs Committee, where she was one of the most capable members of that committee. She participated in all of the legislative hearings and drafting sessions conducted by the committee and had a deep concern for the well-being of the American people during these deliberations.

Gladys Noon Spellman began her career of leadership with her election as a member of the Prince Georges County Board of Commissioners in 1962, where she became chairman after her reelection in 1966. She was also appointed by President Johnson to serve on the Advisory Commission on Intergovernmental Relations, and has served on the board of directors of the National Association of Regional Councils, the Democratic Advisory Committee of Elected Officials, the Governor's Commission on Law Enforcement and the Administration of Justice, and the Governor's Commission on Functions of Government.

Gladys has also served as the president of the National Association of Counties, a member of the National Labor-Management Relations Service, on the Steering Committee of Urban Affairs Committee of the National Council of State Governments, as the vice chairman of the Governor's Commission to Determine State's Role in Financing Public Education, as chairman of the Maryland State Comprehensive Health Planning Advisory Council, as chairman of the board of trustees of Prince Georges General Hospital from 1962 to 1970, as chairman of the Washington Suburban Transit Commission, and as a board member of the Washington Metropolitan Area Transit Authority. She was elected in 1971 to membership of Prince Georges first county council.

Gladys Spellman served as a member of the Subcommittee on Consumer Affairs, a subcommittee of the House Banking Committee of which I am honored to serve as chairman, where she compiled a splendid record of excellence and achievement.

All of us here in Congress shall miss Congresswoman Spellman, and I shall especially miss her dedication and loyalty on my subcommittee.●

● Mr. UDALL. Mr. Speaker, Gladys Spellman is one of the real originals I have run across in my years in politics. Vibrant, spirited, and passionate in her dedication and beliefs, she has done great credit to Government and to this House.

All kinds of people have been attracted to Gladys' political career. If she ever had an enemy or ever treated anyone without courtesy, I never heard of it. If ever a public servant fit

the phrase, "Politics of Joy," it was Gladys.

Now she lies seriously ill, and we are all saddened.

For her constituents and for all of us who cherish a just government run by good people, we hope she comes back.●

● Mr. FORD of Tennessee. Mr. Speaker, I would like to join with my colleagues this afternoon in honoring our former colleague and my congressional classmate, Gladys Spellman. Mrs. Spellman, a kind, generous, and effective Congresswoman, taught us all through her work in this body.

For me, her most notable lesson was in the area of constituent services. I appreciate this because she did not simply act as a liaison between her constituents and the vast bureaucracy of this Government, but she took her services further. Mrs. Spellman stood up for the working citizens of her district, 38 percent of whom are employed by the Federal Government, legislatively opposing the District of Columbia commuter tax, opposing measures which would hold down pay raises for Federal employees, which would require productivity increases for Federal employees, or which would freeze hiring in the Federal Government.

In her movement from a school teacher, to the Prince Georges County Board of Commissioners, to the House of Representatives, she exemplified a good and responsive legislator. She represented her district in the way we all aspire to represent ours—standing up for their needs and priorities in her position on the Post Office and Civil Service Committee, in her position on the House floor, in her position as the spokesperson for the Fifth District of Maryland. I will miss her words, her views, her example.●

● Mr. COELHO. Mr. Speaker, I would like to join our colleagues in expressing my admiration and respect for Congresswoman Gladys Noon Spellman.

Her dedication and fine representation of her constituents is evident not only in the respect that she has among her colleagues, but in the overwhelming support she received from her constituents during the last election despite her illness.

I would like to extend my deepest sympathy to her and her family during her illness and my respect for the courage and dignity they have displayed. I join the rest of my colleagues in wishing her a full and complete recovery.

Gladys, we'll miss you here in the Congress, and we'll be thinking of you.●

● Mr. FORD of Michigan. Mr. Speaker, Gladys Noon Spellman was just about to add a stunning victory to her list of political and professional accomplishments with an overwhelming 81 percent margin on November 4, when she had a massive heart attack. This resounding show of support by Maryland's Fifth District residents at the polls proved that the people appreciated her high quality work, her sensitivity, her persistence in battle, and most importantly, her concern for the constituents of her district.

Mrs. Spellman was first elected to Congress in 1974 and it did not take long for her to establish credentials as an expert on the workings of local and Federal Government. She was elected chairman of the Post Office and Civil Service Subcommittee on Compensation and Employee Benefits for the 95th and 96th Congresses. It was in this capacity that I watched Mrs. Spellman steadfastly defend the rights of Federal employees time after time as they became targets for demagogs of all stripes.

Mrs. Spellman continues to receive well-earned praise for her forthright support for the rights of women. She consistently provided leadership on the floor of the House of Representatives and worked with determination on matters which were of concern not only to her constituents, but those which were important to the general welfare of the Nation.

As the Washington Post said in a recent editorial summarizing Gladys Spellman's career, "The bubbling omnipresence of Gladys Spellman—in meetings large and small—is no more."

She will certainly be missed during the 97th Congress. The skills and concern that she brought to the U.S. House of Representatives are gone for the moment, but I join her family, friends, and constituents in praying for her recovery and her eventual return to this body where she has so consistently demonstrated her effectiveness.●

EXECUTIVE SALARIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, our Government may well encounter a management crisis in the not-too-distant future because of our failure in the legislative branch to come to grips with the executive pay issue. Indeed, some of our most respected governmental institutions may be heading for danger.

This is not an alarmist view of the situation. It is the message that comes across loud and clear from informed officials who have testified in recent days before a task force of the Post Office and Civil Service Committee. The task force has been studying recommendations of the President's Quadrennial Commission on Legislative, Executive, and Judicial Salaries.

Some of the testimony we have heard from witnesses with impeccable credentials raises disturbing questions about our Nation's ability to function efficiently and competitively in the years ahead.

Just a few days ago we heard from a panel of top-level managers from the Department of the Navy, the National Aeronautics and Space Administration, the Federal Bureau of Investigation, the National Institutes of Health, and the Internal Revenue Service. These officials—all of whom are keenly familiar with recruitment and retainment problems in their agencies—did not appear for the administration. Rather, they simply described conditions within their organizations.

The picture they paint is disquieting to anyone who is concerned about America's future in an increasingly complex world.

Here are some of the highlights of the panel's testimony:

Lee Colwell, Executive Assistant Director, Federal Bureau of Investigation:

> We have experienced a tremendous amount of turnover in the past four or five years of our management people. We have about 50 percent of our people dropping out from our career development program . . . because they see what is happening to our senior management people, both in terms of stress on the family, and the economic losses in connection with the present regulations on reimbursement of travel costs. Because of pay compression, our lowest level field supervisors make the same salary after a certain period of time in grade as our assistant directors and our top senior agents in charge. We did a survey recently of our field managers, and 42 percent of them indicated that they would retire at the first available period they are eligible. This is contrary to past surveys. (While retirement is mandatory in the FBI at age 55, Mr. Colwell says the average retirement age now is 50.8 or 50.9 years.) This average age of retirement includes the street agents, who are also being attracted to other endeavors. This has cost us a tremendous amount of experience.

Edward Nicholas, Director, Division of Personnel Management, National Institutes of Health:

> The Division of Cancer Cause and Prevention has remained vacant. We made offers to five outside candidates that were well qualified. Each one of them declined consideration because of salary. We can pay $50,000 annually in base salaries and an additional $10,000 for physicians. We can deal with some salary differential (because) we have superb research facilities (and) excellence attracts excellence. So people are willing to put up with $20,000 to $30,000 salary differentials. But we have gone beyond that. We offered Dr. Nathan Case the position of director of our Center for Research for Mothers and Children. He considered the offer very briefly but decided to take another offer from (a hospital) for $150,000 a year.

Edwin Kilgore, Associate Administrator for Management Operations, National Aeronautics and Space Administration:

> Since most of our senior executives and middle-level managers are scientists and engineers, they are greatly in demand by the aerospace industry, and also by the defense industry, and even by universities. The competition is very stiff and we are competing with salaries which are at least twice and sometimes three times what we are now paying. As an example of the impact of this, in 1978, of our senior executive force, we had about a six percent attrition. In 1979, it went up to ten percent. In 1980, it increased to 16 percent. Our projection for this year is that that will go to about 20 percent. So you can see that most of our senior executive force will be replaced with new people in a matter of a very few years, almost a total turnover. I think the only thing that really holds the people is the challenge of the job, and the fact that they are dedicated employees. In spite of this, there is an increasing number of these people who are going into private industry. It's a significant problem for us. These people are at the peak of their career in terms of experience. We have a number of people right now who are staying with us until we can get the shuttle off. These are very key people and I fully expect we will lose a significant number of these very experienced key executives once that's done. Once the challenge of that job is finished, we'll lose people. I think it's a very insidious problem. It's almost a self-fulfilling prophecy that in time is going to cause the Federal Government a great deal of problems. I don't think we have a very sound foundation to attract good new people into these kinds of jobs. For example, one of our key associate administrator jobs was advertised nationally. We narrowed it down to six candidates. Two of those candidates, as a matter of fact, previously worked with NASA. All were interested in the job from the standpoint of the challenge, until it came time to talk about the money associated with the job. They all had to decline because they were making some two to three times what we could pay them. I think this is a pretty typical example."

D. S. Burkman, Director, Personnel Division, Internal Revenue Service:

> Many of our jobs are high prestige positions within the states. They were eagerly sought after by members of the executive corps in any given opening four years ago. We probably had between 15 and 20 applicants for such jobs. We now advertise what used to be a GS-16 or GS-17 job and have no applicants. I think it's a combination of the payless promotion, together with the inflation rate, the tremendously high cost of interest on housing. The pay cap, which has slowly but surely diminished take-home pay over the years as inflation rises, is now starting to impact down to the GS-13 level, and it impacts in this way: Under the merit pay system, we now are faced with supervisors coming to us and saying, "give me back my bag; I don't want to be a group supervisor any more", because his horizon, if you will, is much lower than it was a few years ago.
>
> If the current calculations are correct, by next year, the pay cap will affect GS-14s. They can do that at the specialty level without taking on the burdens of management. In my judgement, it will at that time be much more difficult to attract them to more senior positions.

James Colvard, Deputy Chief of Navy Material, Department of the Navy:

> Obviously, if we continue this (executive pay freeze) we are going to reduce the professional quality of the Executive Service of the United States. I think the insidious nature of it is perhaps not understood well, because the changes we're talking about are very slow and incremental. And if you ask what would happen tomorrow if we lost all our senior executives, or if we replaced them with the next level of people available to replace them, the honest answer would be "very little". The short term would be much more disastrous if we lost all our secretaries at the GS-5 level because there's nobody to answer the mail or the phone. But, in fact, over a long period of time, the leadership of this country and the environmental conditions, the professional standards of the Federal Service, can go down. The fact that that's incremental and not easily seen on a day-to-day basis leaves the Congress and the public with no perception of a clear and present danger. I think that's the only reason why we can't explain that such an obvious problem can go unsolved for so long.

Leonard Kline, head, personnel management branch, Office of the Chief of Naval Operations:

> Since the major part of our population in SES is in the engineering and science areas, that's where our principal loss is. In fact, among that group, their internal rate seems to be slightly higher because of their ability to retain lucrative positions on the outside. We find many of them leaving at 55 and 30 (years) and taking positions with private corporations, and of course retaining that salary in addition to their retirement.
>
> We also find some move back to GS-15s. I know that in the office I work in there are six SES members in the last six months, and two of those have returned to GS-15 jobs, feeling the pay is no different. In fact, they may be better off because they don't have the social obligations and the parking fees and the travel requirements and so forth that they have as SESers. So they can actually gain income by returning to the GS-15 ranks. These are two very capable people. It is hard to entice people to come in from the field into Washington, with the costs they are going to incur, and take on that kind of responsibility for a real cut in pay.

During the hearings of the task force, it was suggested by some witnesses that we consider breaking the linkage between congressional pay and executive and legislative salaries. This, we were told, could break the impasse. This reflects a feeling that Members of Congress would have more courage if they were voting only for salary increases for the judiciary, the executive, or both. I think this is a specious argument. My colleagues who are timid about voting an increase for themselves will be just as timid about voting increases for top-level executives or judges. They will explain it differently, of course. But it really boils down to an unfortunate kind of politics that places retaining one's position and getting reelected above what is good for the country's future. There is plenty of evidence that some of the best qualified Members of this body are leaving Government just as they are leaving other branches because of widening pay differentials.

There is a strange sort of contradiction here that presupposes the public is going to give us some kind of brownie points or accolades for espousing a kind of Government economy that indeed narrows the field of potential officeseekers in the future. If we are going to get past this hurdle there is going to have to be a willingness for Members to stand up for the long-range good of the people rather than worrying about how they are going to play in Peoria at the next election time.

I have a suspicion that the American public is a little bit better informed about the worth and contributions of individual Members of Congress than we sometimes give them credit for. And I don't think they are taken in by some of the grandstand plays to the gallery. I do not believe that the public really believes that cutting the Federal payroll by one-half of 1 percent is as cost-effective as some would have them believe.

If the board of directors of any major corporation in America came up with a cost-cutting scheme that threatened to decimate the firm's talent pool, they would very promptly be escorted out by men in white coats. Yet this is precisely what we are doing—jeopardizing our most precious resource—in the name of economy.

I think it is a false economy that could cost us dearly in the future. Are we being penny wise and pound foolish?

The new administration is proposing enormous increases in defense outlays. This will mean expanded programs. Do we want less than the best managers to run them?

If we continue down this penny-pinching path we probably will end up with a Government run by aristocrats and incompetents—or both. Even in these difficult economic times, where parsimony is a national virtue, I don't think the people of this country want us to be so frugal that we guarantee second-rate management of the world's biggest free enterprise.●

BANK HOLDING COMPANIES AND THE INSURANCE BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, today I, along with our colleague from Ohio, Mr. WYLIE, am introducing legislation to restrict the property and casualty insurance activities of bank holding companies. As many of you know, we have considered this issue actively for the last two Congresses. In 1978 the House approved a provision

to limit bank holding company insurance activities but the issue was not resolved in the Senate given the end-of-the-Congress legislative crunch. In the 96th Congress the Banking Committee again addressed the issue. The bill, H.R. 2255, was reported out of the committee early in 1980 and was passed by the House on June 12, 1980, by a vote of 333 yeas to 25 nays.

The Senate Banking Committee held hearings on the bill and on July 31, 1980, reported the bill with amendments to the full Senate. However, the Senate did not act on the bill and it consequently was not enacted by the Congress. Recently the bill as it was reported by the Senate Banking Committee last year was introduced into the 97th Congress. With the introduction of the house bill today I am hopeful that this issue can be resolved in a timely fashion. The House of Representatives has a clear record on this issue. This bill is needed to insure that the Nation's independent insurance agents do not suffer as a result of the economic power of the biggest financial conglomerates.●

CAPITAL ADEQUACY QUESTIONS SHOULD BE ADDRESSED BY BANK REGULATORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. EVANS) is recognized for 5 minutes.

● Mr. EVANS of Indiana. Mr. Speaker, I am introducing today a concurrent resolution calling on the Federal bank regulators to diminish the inequitable capital requirements among commercial banks. Currently, small- and medium-sized banks are required to maintain capital-to-asset ratios which are considerably higher than larger banks. For example, in Indiana, banks with assets under $100 million had capital-to-asset ratios of 7.66 compared to the larger banks having capital-to-asset ratios of 6.60. Moreover, this inverse relationship is apparently evident in every State in the Nation.

Now the bank regulators have devised a method of comparing the relative strength of banks using capital-to-asset ratios based on neither statute nor regulation. But, as part of their supervisory powers, they have created so-called peer group comparisons. These comparisons are developed by grouping banks by size and/or geographical location and calculating averages. Based on these averages, banks are encouraged to add capital.

Bankers in my State have suggested that this current system is unfair and unduly burdensome for the small bank. Indeed, based on available evidence, there does not seem to be a sound justification for requiring small- and medium-sized banks to maintain higher capital-to-asset ratios than large banks. Based on information made available by the Federal Deposit Insurance Corporation, it appears that as bank size decreases, loan losses, as related to earnings, reserves, and capital decrease. Given the current inverse relationship between bank capital and bank size, one would expect the exact opposite data. The same is true when one compares data on bank failures. Based on FDIC data for the years 1970 through 1978, the probability of failure is much less for banks with total assets of less than $100 million than for banks with total assets of more than $100 million when one excludes banks with total assets of less than $5 million.

While the Federal bank regulators have indicated it is time to review the capital adequacy situation, precious little has been done to make the situation better. In fact, the Comptroller of the Currency moved last year to further erode the stated capital level of national banks by proposing to remove from the current definition of capital subordinated notes and debentures and loan loss reserves.

These higher capital requirements for small- and medium-sized banks have a direct effect on the banks' borrowers and depositors. Assuming a bank must pay its shareholders a fair return comparable to large banks, or for that matter, other corporations or investments, it must earn a higher return on assets through higher prices for loans; lower rates paid on time and savings deposits; or lower salaries, wages, and benefits for its employees.

The resolution I am introducing today should send a message to the bank regulators that the capital adequacy question is one that should be addressed by them quickly. As small- and medium-sized banks look around their competitive environment and see large banks and other financial institutions with lower capital ratios or their equivalent, it becomes increasingly more difficult to maintain a high level of service to the community. I and a number of my colleagues will be looking closely at the progress made in the next few months. Clearly, the bank regulators who have created this disparity should be able to rectify it over time.●

LEGISLATION REVISING REYE'S SYNDROME ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. FERRARO) is recognized for 5 minutes.

● Ms. FERRARO Mr. Speaker, today I am introducing a revised version of the Reye's Syndrome Act which I originally introduced on December 18, 1979. Last year's version of the Reye's Syndrome Act was accepted as an amendment to H.R. 7036, the Health Research Act of 1980, only to be dropped in conference in the dying days of the 96th Congress.

The legislation I am introducing today takes a somewhat different and, I think, more effective approach. The amount of money authorized is reduced from $6 million over 3 years to slightly under $5 million over 3 years. Instead of establishing two Reye's research and diagnostic centers as last year's bill did, this year's bill authorizes the Reye's Syndrome Coordinating Committee, which is established at the National Institutes of Health, to assemble, as needed, Reye's mobile research teams to investigate individual cases of Reye's syndrome and to determine anomalous community factors that may contribute to the occurrence of Reye's.

To compensate for the research that would have been done at the two centers, this year's bill increases the research grants that will be available through the coordinating committee. The overall cost, as I have indicated, will be about $1 million less than the legislation that was approved by the House last year.

There is a clear need for increased funding of research on Reye's syndrome. Between January 1979 and January 1980 the National Institutes of Health received 13 applications for funding for research on Reye's. Of those, four were approved and one application was pending. While the other eight applications were approved, the NIH only had enough funding for two of them.

Reye's syndrome is too serious a threat to the health of our young people for us not to make a greater effort to diagnose and treat it. The disease, which follows viral infections like influenza, chicken pox, or German measles, continues to puzzle the medical profession. Its causes and cures are unknown. Nonetheless, it can be successfully managed if the patient is under the care of a pediatrician, neurologist, neurosurgeon, and anesthesiologist familiar with the disease. Sadly, all too often Reye's is fatal because neither the parents nor the family doctor are aware of the disease and its symptoms.

I want to stress one aspect of this bill that I think is particularly important. Obviously there is a need for expanded research in the diagnostic and treatment areas. But perhaps as important in fighting Reye's syndrome is the effort to inform parents of the dangers of Reye's The disease usually strikes very quickly, and early recognition by parents is critical to getting the intense, specialized care required.

Recent public service ads on television have alerted many Americans to the dangers of this childhood killer. But more must be done. One of the functions of the Reye's Syndrome Coordinating Committee established by

this legislation will be to develop and disseminate information on Reye's to the public. Alerting parents as well as medical specialists to this disease will be tremendously valuable in our fight to control Reye's.

Mr. Speaker, this bill will cost less than $2 million a year to combat a disease that robs us of our most priceless possession—our children. In these times of tight budgets, it is hard to imagine a better way to spend that money. Just 3 years ago, one out of every three children afflicted by Reye's died. Today, that figure is down to 1 out of 10. I am hopeful that this bill, once enacted into law, will eliminate these senseless and tragic deaths entirely.●

IN RESPONSE TO "A PROGRAM FOR ECONOMIC RECOVERY" AS PRESENTED BY PRESIDENT RONALD REAGAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. MITCHELL) is recognized for 10 minutes.

● Mr. MITCHELL of Maryland. Mr. Speaker, the day of reckoning for America is a confrontation that will develop as a result of the irresponsible tax policies and budget reductions as proposed by the Reagan administration.

The cost-reducing proposals of President Reagan entail reducing the monthly benefits of the aid to families with dependent children programs (AFDC) by some $1.9 billion in 1982. The rationale for this reduction is that the lowest income categories of American taxpayers receive an annual earned income tax credit which supplements their income stream. This lump-sum tax benefit was designed to assure that each American taxpayer receives a minimal annual income. In light of the rising costs of food, housing, and energy, AFDC participants suffer severe cash-flow problems which necessitate increases in their monthly allotment as opposed to the reduction which President Reagan proposes. The assumption that the lump-sum payment, through the earned income tax credit, is sufficient to meet the daily costs incurred by the AFDC recipient exemplifies an extreme lack of knowledge, sensitivity, and interest in the area of lower income economic conditions.

I cannot support an economic proposal which acknowledges a 7.8-percent annual unemployment rate for 1981, to be reduced to a 7.2-percent annual rate in 1982.

Clearly, this economic proposal supports and recommends 15 percent black unemployment, 35 percent black teenage unemployment, and essentially the demise of the urban centers throughout the Northeastern corridor of the country. Tax policies do not address the serious problems caused by a lack of skill, training, and employment opportunities in the urban areas. To eliminate the trade adjustment assistance program, which serves those primary and secondary metals workers whose long tradition of hard work has been the foundation of America, and simultaneously provide tax benefits to the upper-income investors in foreign currency, the vehicle used to exacerbate the degeneration of the automobile and steel industry, is an acute confusion of priorities. Why must the workers, who are victims of management undersight, suffer the consequences of reduced unemployment benefits, while the upper-income stockholders and management reap additional benefits through tax expenditures? There is no justice to an economic system which rewards failure with profits and hard work with contempt.

The Joint Economic Committee has received testimony on the economic effects of the resurging supply side tax-incentive approach. Michael Evans, noted economist for Chase Econometrics, stated that, "It would take 2 years before any of the Reagan tax policies would have a significant effect upon inflation or productivity." Thus the 2-year lag associated with the familiarized 10-5-3 must be taken into consideration when formulating any economic program. Why phase out the employment programs of CETA in an admitted 2-year interim period which is needed for growth? The effects of investment incentives should manifest in employment growth, productivity increases—both labor and capital—and reductions in inflation before the employment programs of CETA are phased out. There is varying evidence to the effectiveness of CETA; however, there is no evidence as to the effectiveness of investment incentives in creating employment opportunities and reducing inflation. General investment incentives are not the maximum mode for business growth and development.

Evidence supports the fact that the small business sector is the growth sector of our country. In order to promote long-term balanced growth and stability in the economy we must focus on the opportunities made available through the genius and aspirations of American entrepreneurs in the free enterprise system. A free enterprise system cannot function unless there is adequate entrepreneurial participation, competition, and access to entry. Thus an integral component of a productive economy is a viable small business sector.

Data depict a costly return on the demise of the small business sector. Congressional hearings point to higher consumer costs related to the concentration of economic power. Estimates of the cost to consumers, where competition was stifled, range from $100 to $175 billion annually. Accompanying this indiscriminantly shared cost for economic concentration is the limited freedom of choice imposed on the consumer. It is essential to the cannons of American capitalism to preserve the freedom of product choice for the American consumer. The life of a small business is determined by its ability to respond to market conditions which dictate the quality, price, and quantity of a product or service.

Data suggest the share of output being produced by small businesses has been declining. Small businesses generated 43 percent of the aggregate output in 1963, 40 percent in 1972, and approximately 39 percent in 1976. This represents a decline in small business output of approximately 0.3 percent annually. During the same period, the large businesses increased their share of output by 2.4 percent, representing an acceleration in market share and aggregate output position. In the manufacturing sector—where this trend is even more accentuated—the largest 100 firms increased their position of total assets controlled from 39.7 percent to 47.6 percent from 1950 to 1976 while the largest 200 increased their asset share from 47.7 percent to 60.0 percent during the same period. From 1971 to 1976, the 50 largest retail companies increased their sales from $80 billion to $132 billion, representing an increased concentration from 24 percent to 26 percent of the total retail sales. Testimony supports that this economic concentration results in inflationary overcharges amounting to approximately 9 percent of the gross national product. In food retailing alone, a 1-percent increase in food prices originating in concentrated retail areas cost consumers $1.5 billion annually. Federal reaction to these increases in inflation, caused by economic concentration, is a policy of tight money. The short-run use of monetary policy to increase interest rates and thus reduce investment spending has a disproportionate impact on the small business sector. Characteristically small businesses have a higher short-term debt to total assets relationship and debt to equity ratios while carrying a smaller ratio, of current assets to current liabilities than larger firms. Thus, the availability for commercial credit is essential for small business survival. It is clear that the consequences of the short-term utilization of monetary policy to combat inflation, which is in fact caused by economic concentration, further reduces the small business sector. When small businesses fail due to inconsistent short-term monetary policy, economic concentration is proliferated, inflation is exacerbated, and consumer options are reduced. As the monopolistic forces increase, the instruments of

monetary policy must become more pronounced in order to be effective. Unprecedented rates of interest are dictated to curb investment when the additional resources of retained earnings and price pass through are available to the monopolistic forces.

More than 98 percent of the commercial establishments are small businesses. While they are currently participating in a decreasing share of output, they are providing an increased share of the employment growth. The period between 1969 and 1976 small businesses accounted for approximately 87 percent of all newly generated private sector employment in the country. The largest 100 firms contributed less than 2 percent of the growth during this same period.

The two most wasted and thus most unproductive resources of our economy are: First, the 5.5 million structurally unemployed labor resources who reside in the central city of America; and second, the underutilized infrastructure resources of existing capital facilities that currently exist in our urban areas.

The shift to a more service oriented economy requires a more highly developed and skilled labor force. Innercity high school graduates normally do not meet the qualifications for entry into the high growth, highly specialized service industry. The need for additional training, to meet entry level requirements, will heighten the existing problems of the central city and relate even more black teenagers to the wrath of unemployment. At a higher training cost small businesses—which have traditionally served to train less skilled workers for higher paying jobs with larger businesses—will continue to provide entry level service employment. To meet this additional cost small businesses must be compensated.

RECOMMENDATION NO. 1

New small businesses which locate in an EDA classified "distressed economic area" should be granted a 100-percent refundable tax credit for all formal training costs—to include any remedial or basic training—provided to any worker who is a resident of the designated area.

For each employee who is a resident of the designated area, the employer's contribution to the social security system should be waived for 1 year.

To meet the problems of urban decay and physical deterioration businesses must be provided with an incentive to rehabilitate the existing physical plant facility.

RECOMMENDATION NO. 2

The cost of rehabilitating a commercial dwelling for the purpose of starting a new business in a designated "distressed economic area" may be expensed on the following scale:

Cost of rehabilitation	Accelerated life of dwelling in years	Refundable additional investment tax credit in percent
$0 to $20,000	15	15
$20,000 to $40,000	12	12
$40,000 to $60,000	10	10
$60,000 to $80,000	10	8
$80,000 to $100,000	10	6
$100,000 to $200,000	8	2
Greater than $200,000	8	1

All industrial development bonds issued by a municipality for the purpose of creating new businesses in economically distressed areas will be fully guaranteed by the U.S. Government and will be exempt from Federal income tax.

RECOMMENDATION NO. 3

A financial institution which grants a loan to a new small business located in a designated "distressed economic area" or grants a loan to a minority owned business is eligible to expense an allowance or reserve of bad debt deductions and receive a tax credit if and only if the combination of the two designated classifications is greater than 10 percent of the total loans of the institution.

Loan amount	Percent	
	Expense deduction for bad debts	Allowable tax credit
$0 to $1,000	2	
$1,000 to $5,000	2.5	1.0
$5,000 to $10,000	2.5	2.0
$10,000 to $50,000	3.0	2.5
$50,000 to $100,000	3.5	3.0
Greater than $100,000	3.5	4.0

The decline of productivity in the American economy is directly related to the decline in the small business sector. A National Science Foundation study reveals that small firms produced nearly four times as many innovations per research and development dollar as medium sized firms and more than 24 times as many as the largest firms in a period between 1953 and 1973. Yet, instead of encouraging small business innovation, Federal procurement policy has stifled the incentives for innovation. Through the 1970's, small businesses received less than 5 percent of the Federal research and development funds while the largest firms, which by all indicated research are less innovative, received more than 50 percent of Federal research and development dollars.

RECOMMENDATION NO. 4

That the Federal Government establish as a policy goal 25 percent of all Federal procurement to be set aside for small businesses. Also, 10 percent of all Federal procurement must be set aside for minority business enterprises and/or newly created businesses in the designated distressed economic areas.

These recommendations target our tax policy to the high growth sectors of the economy; provide economic incentives for spatial development in our urban areas; and provide compensation for private sector employees who train the structurally unemployed. These components are necessary for any comprehensive industrialization investment policy in America.

The redistributive effects caused by President Reagan's personal income tax policy are highly skewed in favor of the upper income brackets. The hypothetical family of four—representing 25 percent of the population—earning between $20,000 and $30,000 annually would receive a $624 average annual income tax reduction. That same hypothetical family—representing 6 percent of the population—earning between $100,000 and $200,000 annually would receive a $7,322 annual reduction in taxes. These dramatic results coupled with the additional burdens that low- and moderate-income taxpayers must endure as a result of program reductions will render the poor poorer and the rich richer.

Mr. Speaker, my position is clear. The battleground is drawn. I submit that we, as a party of Democrats, owe the American people more than a day of reckoning.●

NATIONAL SCLERODERMA WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I am today introducing a resolution to authorize the President to designate the week of February 7-13, 1982, as "National Scleroderma Week."

Scleroderma is a painful and debilitating disease that attacks the skin and multiple organs of the body. In its most serious form, scleroderma can strike the esophagus, intestines, lungs, heart, or kidneys, causing fibrosis, inflammation, and atrophy of normal functioning tissues. Localized scleroderma causes hardening and thickening of the skin, particularly of the hands and fingers, along with painful ulcerations.

This disease affects some 300,000 people. A full 80 percent of these cases occur in women of childbearing age. The actual total of victims may be even higher, because misdiagnosed cases are common.

Unfortunately, the cause of scleroderma is unknown, and there is no cure for the disease. Therefore, a great deal of work remains if we are going to overcome its destructive effects.

Not nearly enough attention has been focused on this disease, and the result is a significant shortage of funding for research into possible cures. At a time when public funding for many worthy causes is scarce, we need to encourage private funding, and I believe a National Scleroderma Week would bring the attention to the disease that

would boost public consciousness about scleroderma, as well as lend comfort to its hundreds of thousands of victims.

Mr. Speaker, I introduced a similar resolution in the 96th Congress, and 104 Members cosponsored it. I am very hopeful that we can increase that number substantially, so that the resolution can be brought to the floor this year. Senator SYMMS is introducing the resolution in the other body, and with action in both bodies, we can send this resolution by the end of the year.

I cannot overemphasize the importance of studying and finding a cure for scleroderma, and I think my colleagues will agree that enactment of this resolution would bring closer the day when a cure is actually found. I urge my colleagues to join me in sponsoring this important resolution.

Following is the text of my resolution:

H.J. RES. 197

Joint resolution to provide for the designation of February 7 through 13, 1982, as "National Scleroderma Week"

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President shall issue a proclamation designating February 7 through 13, 1982, as "National Scleroderma Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

THE TREATMENT OF SOVIET JEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. CONTE) is recognized for 15 minutes.

Mr. CONTE. Mr. Speaker, despite what appears to be a moderate upsurge in emigration levels in the past month, I remain deeply disturbed by the deteriorating trend in the Soviet treatment of Jews over the past year. That deterioration runs the gamut of deprivations of basic human rights and freedoms—racial, religious, and cultural discrimination; prohibitions against movement and emigration; separation of families; preventions against the pursuit of livelihood; and, in some cases, incarceration and public ridicule. The treatment of Jews in the Soviet Union, though always harsh, has become more oppressive as the Government has increasingly resorted to persecutions, not just as means to discourage dissidence, but to mete out punishment.

For the past several years, Jewish emigration has served as the escape valve, in part to relieve the political pressure of growing dissident activism. However, when the earlier trickle of emigration had turned to a swell by 1979—reaching 50,000 for the year—the Government began to turn the screw of oppression to stem the tide. Since then, emigration applicants have been persecuted; activists have been sentenced to prison or exile; the backlog of refuseniks has multiplied; new roadblocks have been erected to prevent emigration, including notably an insistence upon invitations from first degree relatives in Israel which is in violation of the Helsinki agreement; and there is the constant redtape hassle, such as forcing applicants to wait as long as 2 years for an answer to their application, losing applications, limiting the availability of application forms, and artfully complicating departure procedures.

Inevitably these tactics have taken their toll on the emigration rate which dropped off to below 1,000 per month at the end of 1980—one-fourth the rate in 1979. It is also true that the tapering in emigration coincided with the cooling in United States-Soviet relations beginning with the invasion of Afghanistan and reaching a low point during the summer Moscow Olympics. Suddenly, after a long dry spell, the number of permissions issued to Jews to emigrate has risen in the past month, and speculation is that this may be a friendly gesture to President Reagan.

While I welcome the recent easing in the exodus and the February release of Yosef Mendelevich, the rights and freedoms sought by dissident Jews in the Soviet Union are too fundamental, too necessary for a humane existence, to be turned off and on with the political wind, or to be used as pawns in a superpower relationship. It is clear evidence that these basic individual rights have little independent standing in the U.S.S.R., and that they are offered temporarily only for the political benefits they will bring to the Soviet Union.

Absent a dramatic change in the Soviet system, I see the only hope lying in a constant vigil to assure that those basic human rights and freedoms are at least accorded the respect of outside pressure via world opinion and that as many dissidents who so desire be allowed to emigrate to a land where such fundamental rights will be respected.

THE PRESIDENT'S ECONOMIC PROGRAM—A TIME TO ACT

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, on February 18, President Reagan invited the Members of Congress to join with him in establishing a "New Beginning." We have been presented with the opportunity to take the lead and begin on a new course of economic growth and prosperity. It is time for those in a position of leadership to take the lead. Anyone can say they want a change for the better, but how many of them are willing to assume the responsibility?

The President has presented the Congress with a well-balanced package of spending reductions and tax cuts which, I believe should be adopted as a package.

There is no question that the President's program will come under attack from special interest groups trying to prevent cuts in their particular programs. Only if elected Representatives in Congress support the President's program can the special interests be prevented from frustrating the President's efforts to rein in Federal spending and provide badly needed tax relief for our Nation's working people.

I intend to support the President's package and will resist attempts to alter it, especially by increasing spending. From the communications I have received, it is clear to me that the vast majority of the people support the President's program and want to see it enacted as soon as possible.

I propose therefore, that we not hesitate in taking the lead in adopting these budget proposals as quickly as possible. Can we afford to risk our credibility as elected officials of the people by ignoring their desires? The answer quite simply is no. We have a duty to perform and I urge that we begin now to revitalize our sagging economy and fulfill the promise of November by doing everything we can to insure that these budget proposals are adopted.

THE SMALL BUSINESS EQUITY TAX ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, with the tide of excitement and enthusiasm for change sweeping over the country and with the necessity of revitalizing the American economy, we must take care to enact proposals that seek to provide cures that really address the heart of the problems at hand. We need to look at the record and direct our efforts where they will provide the most benefit. As chairman of the Subcommittee on Antitrust and Restraint of Trade Activities Affecting Small Business of the Small Business Committee last session, I was able to delve into many of the problems confronting the myriad of small firms that populate American business. It is these businesses that hold the hope for our economic renewal. Accordingly, the policies we will be enacting should be directed at realizing this hope.

One policy we should pursue and swiftly implement is one I have long advocated: A more steeply graduated corporate income tax structure, where-

by the marginal tax rate paid by corporations would be significantly lower for small businesses. Since the original introduction of this bill in early 1979, support for it has grown markedly. The White House Conference on Small Business overwhelmingly listed passage of my bill as their No. 1 goal. There is widespread agreement that the health of American small business is of utmost importance to the overall health of the American economy. That is why the intent of this bill is to help equalize the competitive posture of small business with respect to large businesses, whose size and access to capital make it more difficult for the smaller enterprise to compete effectively. Although such a tax cannot by itself solve this problem, it can do much to strengthen the economic position of these companies.

During hearings I held on conglomerate mergers, testimony was given that once again demonstrated the efficacy of small business. It was pointed out that small business is a generator of jobs. Evidence shows that all net increases in the number of jobs occur in this sector. Small business is also more innovative and productive than are its larger counterparts. In terms of per dollar investment, small business creates more innovations and new technologies than does big business. There also tends to be greater worker satisfaction among employees of small firms since they are more involved in the decisionmaking process of the enterprise. In addition, small business is a strong source of leadership. Many of our colleagues, for example, are former small business men and women who have a record of strong community involvement and civic leadership. And finally, small business is that institution, which more than any other, gives birth to and nurtures the entrepreneurial spirit so essential to creating and challenging new horizons.

Mr. Speaker, as a provider of jobs, as a deterrent to high prices and monopoly power, and as the creator of innovation and development that has made our Nation a leader in technological progress and standard of living, small business' record of achievement is unequaled.

The attempt to preserve and strengthen small business opportunities is an effort to preserve the opportunities, the brilliance, the vitality and the ambitions of the American way of life for those who will follow us. It is important to preserve not only the opportunity to start a business but also to preserve freedom of choice of product and services with respect to quality, price, and availability for the consumer. Economic diversity, therefore, must be given incentives and competition must be strengthened as the only weapon against increasing concentration.

Specifically my proposed tax schedule would compare to the present rate structure as follows:

Taxable income	Current rate	Proposed rate	Percent change
0 to $25,000	17	15	−2
$25,000 to $50,000	20	16	−4
$50,000 to $75,000	30	24	−6
$75,000 to $100,000	40	33	−7
$100,000 to $250,000	46	43	−3
$250,000 to $500,000	46	45	−1
Over $500,000	46	46	0

The result, Mr. Speaker, would be that more than 8 of every 10 corporations—those making less than $500,000—would experience a reduction in their Federal taxes. The tax rate would remain the same, however, for those companies that are the largest in our economy.

With the proposed changes we are considering with respect to the economy, the time is ripe to enact this much needed change in our corporate tax structure. I strongly urge my colleagues to support this legislation.●

TRIBUTE TO EMANUEL CELLER

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, I wish to join with my colleagues in paying tribute to one of the giants of the House of Representatives, Hon. Emanuel Celler of Brooklyn, who died at his home on January 15, at the age of 92.

Mr. Celler was first elected to the House in 1922 when Warren G. Harding was President. When he left the House in 1973 after 49 years, 10 months, and 13 days, he had served under nine Presidents and had served longer in the House than anyone except former Representative Carl Vinson who beat him by 4 months.

He also served longer—22 years—as chairman of the Judiciary Committee than anyone else. During that 22 years, he presided over the approval of four constitutional amendments—more than anyone else except the chairman during the first Congress, 1789–91, when the first 10 amendments that became the Bill of Rights, were approved.

Of the approximately 400 laws that bear his name, 6 were major civil rights bills. He wrote and shepherded into law the Civil Rights Act of 1957, providing for a six-member Civil Rights Commission empowered to subpena and to investigate denial of voting rights. This act was the first comprehensive civil rights legislation to be enacted in Congress in 82 years.

Manny was also the author of the Civil Rights Act of 1960, which made obstruction of court orders for school segregation a crime and provided additional safeguards for voting rights.

In 1964, he helped to guide through the House an additional Civil Rights Act providing, among other things, for the desegregation of public accommodations.

In his 1953 autobiography, "You Never Leave Brooklyn", he said, "I've been privileged to touch the raw material of history." He not only touched it, he shaped and molded it for generations to come.

A native of Brooklyn and a graduate of Columbia University Law School, Manny was elected to Congress in November 1922. Campaigning on the evils of prohibition and the virtues of the League of Nations, he became the first Democrat to be elected from his district. He was reelected each Congress for the next half century and became dean of the House in 1965.

Manny will be remembered as a persistent battler for the rights of the underdog and for his impressive legislative contributions in that regard. Everyone who knew him will have their own special memories. As for me, I shall remember his humor and his natural talent for the pungent phrase. I am reminded of his response when he was once asked how to assess congressional success:

> To be a successful Congressman one must have the friendliness of a child, the enthusiasm of a teenager, the assurance of a college boy, the diplomacy of a wayward husband, the curiosity of a cat, and the good humor of an idiot.

Garry and I extend our deepest sympathy to his daughter, Jane, his grandchildren, and his great grandchildren. We share their loss.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CONABLE, for 60 minutes, today.

Mr. ALEXANDER (at the request of Mr. MICA), for 60 minutes, March 4.

(The following Member (at the request of Mr. DREIER) to revise and extend his remarks and include extraneous material:)

Mr. JEFFORDS, for 5 minutes, today.

(The following Members (at the request of Mr. SUNIA) to revise and extend their remarks and include extraneous material:)

Mr. BARNES, for 60 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ST GERMAIN, for 5 minutes, today.

Mr. EVANS of Indiana, for 5 minutes, today.

Ms. FERRARO, for 5 minutes, today.

Mr. MITCHELL of Maryland, for 10 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ROSE, for 5 minutes, on March 5.

Mr. BINGHAM, for 60 minutes, on March 12.

Mr. BEDELL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DREIER) and to include extraneous matter:)

Mr. FRENZEL in six instances.

Mr. PETRI.

Mr. COUGHLIN in two instances.

Mr. DANNEMEYER in two instances.

Mr. TAUKE in two instances.

Mrs. HECKLER.

Mr. GILMAN in three instances.

Mr. CARMAN.

Mr. DERWINSKI.

Mr. JEFFRIES.

Mr. LENT.

Mr. PARRIS.

Mr. LAGOMARSINO.

(The following Members (at the request of Mr. SUNIA) and to include extraneous matter:)

Mr. ROE.

Mr. COELHO.

Mr. DINGELL.

Mr. BLANCHARD in two instances.

Mr. MAZZOLI.

Mr. BENJAMIN.

Mr. ROSENTHAL.

Mr. WAXMAN in two instances.

Mr. NOWAK.

Mr. FRANK.

Mr. RATCHFORD.

Mr. AUCOIN.

Mr. MCDONALD in five instances.

Mr. EDGAR in two instances.

Mr. STUDDS.

Mr. MOTTL.

Mr. BEDELL in five instances.

Mr. PANETTA.

Mr. KAZEN.

Mr. MILLER of California.

Mr. JONES of Oklahoma.

Mr. WHITTEN.

Mr. BIAGGI in two instances.

Mr. SANTINI.

Mr. YATRON.

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ADJOURNMENT

Mr. MICA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 15 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 4, 1981, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

658. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting notice of various transfers of amounts appropriated to the Department of Defense for fiscal year 1980, pursuant to section 750 of Public Law 96-527; to the Committee on Appropriations.

659. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the military housing maintenance function at MacDill Air Force Base, Fla., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

660. A letter from the Acting Assistant Secretary of the Treasury, transmitting a report on the status of internationally recognised human rights in each of the countries which, in calendar year 1980, drew funds made available under the Supplementary Financing Facility of the International Monetary Fund, pursuant to section 31 of the Bretton Woods Agreements Act, as amended (92 Stat. 1052); to the Committee on Banking, Finance and Urban Affairs.

661. A letter from the Acting Commissioner on Aging, Department of Health and Human Services, transmitting the first report on needs and service programs for the rural elderly, pursuant to section 411(c) of the Older Americans Act, as amended; to the Committee on Education and Labor.

662. A letter from the Executive Director, Congressional Award Board, transmitting the annual report of the Board, pursuant to section 3(e) of Public Law 96-114; to the Committee on Education and Labor.

663. A letter from the Acting General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program to be held on March 12 and 13, 1981, in San Francisco, Calif.; to the Committee on Energy and Commerce.

664. A letter from the President and Chief Executive Officer, U.S. Railway Association, transmitting the seventh annual report of the Association, covering fiscal year 1980, pursuant to section 202 (e) and (f) of the Regional Rail Reorganization Act of 1973; to the Committee on Energy and Commerce.

665. A letter from the Secretary of State, transmitting notice of the President's intention to exercise his authority under section 506(a) of the Foreign Assistance Act of 1961 in order to authorize the furnishing of certain emergency military assistance to El Salvador, pursuant to sections 506(b)(1) and 652 of the act; to the Committee on Foreign Affairs.

666. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of the Netherlands for permission to transfer certain U.S.-origin military equipment to Surinam, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

667. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112(b); to the Committee on Foreign Affairs.

668. A letter from the Director, Defense Security Assistance Agency, transmitting notice that the Defense Department has provided various items of emergency military equipment and certain assistance to Liberia, pursuant to section 506(b)(2) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

669. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting various project performance audit reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance audit reports or project completion reports prepared by the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

670. A letter from the Freedom of Information Officer, Office of the U.S. Trade Representative, Executive Office of the President, transmitting a report on the Trade Representative's Office's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

671. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

672. A letter from the Acting Chairman, U.S. Consumer Product Safety Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

673. A letter from the Chairman, Depository Institutions Deregulation Committee, transmitting a report on the committee's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

674. A letter from the Vice President, Federal Home Loan Mortgage Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

675. A letter from the Acting Administrator of General Services, transmitting a report on the activities of the General Services Administration and its National Archives and Records Service under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

676. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the Court's judgment in Nos. 373, 374, 375, *the Wichita Indian Tribe, etc.* v. *the United States*; to the Committee on Interior and Insular Affairs.

677. A letter from the National Secretary-Treasurer, Sons of Union Veterans of the Civil War, transmitting the audit report of the organization for the year ended June 30, 1980, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

678. A letter from the Comptroller General of the United States, transmitting a report on the program to modernize theater nuclear weapons intended for deployment in several European countries (MASAD-81-15, March 2, 1981); jointly, to the Committees on Government Operations, Armed Services, and Foreign Affairs.

679. A letter from the Comptroller General of the United States, transmitting a report on the effects of regulation on the electric utility industry (EMD-81-35, March 2, 1981); jointly, to the Committees on Gov-

ernment Operations and Energy and Commerce.

880. A letter from the Comptroller General of the United States, transmitting a report analyzing the United States-Puerto Rico relationship (GGD-81-48, March 2, 1981); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

881. A letter from the Comptroller General of the United States, transmitting a report on U.S. taxation under the Foreign Earned Income Act of 1978 (ID-81-29, February 27, 1981); jointly, to the Committees on Government Operations and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on oversight plans of the committees of the U.S. House of Representatives (Rept. No. 97-6). Referred to the Committee of the Whole House on the State of the Union.

Mr. FROST: Committee on Rules. House Resolution 67. Resolution authorizing an investigation and inquiry by the Committee on Standards of Official Conduct (Rept. No. 97-7). Referred to the House Calendar.

Mr. GAYDOS: Committee on House Administration. House Resolution 23. Resolution to provide for the printing as a House document of tributes made to the late former Speaker John W. McCormack on the floor of the House, and for other purposes (Rept. No. 97-8). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FOLEY:

H.R. 2243. A bill to establish certain price support loan levels in the event of the suspension of export sales of agricultural commodities; to the Committee on Agriculture.

By Mr. BEDELL (for himself and Mr. TAUKE):

H.R. 2244. A bill to amend the Energy Policy and Conservation Act to provide for a standby plan for allocating gasoline and middle distillates for essential agricultural uses in the event of a severe energy supply interruption; to the Committee on Energy and Commerce.

By Mr. BEDELL (for himself, Mr. MURPHY, Mr. MOFFETT, Mr. AKAKA, Mr. HALL of Ohio, Mr. PEPPER, Mr. MAZZOLI, Mr. SKEEN, Mr. GARCIA, Mr. HEFNER, Mr. KOGOVSEK, Mr. WHITEHURST, Mr. WEAVER, Mr. BAILEY of Missouri, Mrs. FENWICK, Mr. MITCHELL of Maryland, Mr. EDGAR, Mr. JAMES K. COYNE, Mr. BENJAMIN, Mr. ECKART, Mr. DASCHLE, Mr. BEVILL, Mr. OTTINGER, and Mr. McHUGH):

H.R. 2245. A bill to amend the Internal Revenue Code of 1954 to reduce the rate of tax on the taxable income of a corporation below $500,000; to the Committee on Ways and Means.

By Mr. BEDELL (for himself and Mr. MARLENEE):

H.R. 2246. A bill to encourage the use in programs under the Agriculture Trade Development and Assistance Act of 1954 (Public Law 480), in the export credit sales program, and in the commodity donation program, of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. BIAGGI (for himself and Mr. PEPPER):

H.R. 2247. A bill establishing a national toll-free telephone information line for senior citizens, and for other purposes; to the Committee on Government Operations.

By Mr. BONER of Tennessee (for himself and Mr. MARLENEE):

H.R. 2248. A bill to amend the Internal Revenue Code of 1954 to allow a deduction as an expense for certain amounts of depreciable business assets; to the Committee on Ways and Means.

By Mr. BREAUX:

H.R. 2249. A bill to provide for improving the efficiency of certain rivers and harbors of the United States and for other purposes; to the Committee on Public Works and Transportation.

H.R. 2250. A bill to provide additional funds for certain projects relating to fish restoration, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

By Mr. BROWN of California:

H.R. 2251. A bill to amend the Federal Food, Drug and Cosmetic Act to provide that the label and advertising of certain alcoholic beverages contain a statement warning consumers of possible health hazards associated with consumption of the beverage, unless such a requirement is in effect under other Federal law; to the Committee on Energy and Commerce.

By Mr. CLAY:

H.R. 2252. A bill authorizing the appropriation of funds to the city of Atlanta, Ga., to supplement efforts of the Atlanta Police Department in searching for the murderer of black children from Atlanta; to the Committee on the Judiciary.

By Mr. COTTER:

H.R. 2253. A bill to authorize social security coverage, under the agreement entered into with the State of Connecticut pursuant to section 218 of the Social Security Act, for certain employees of the city of Hartford who are not members of such city's municipal retirement plan, and to validate the past coverage of such employees in cases where wage reports were duly filed and the prescribed equivalent of social security taxes was duly paid; to the Committee on Ways and Means.

By Ms. FERRARO:

H.R. 2254. A bill to amend the Public Health Service Act to provide for research concerning Reye's syndrome, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ST GERMAIN (for himself, and Mr. WYLIE):

H.R. 2255. A bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GIBBONS (for himself, Mr. CHAPPELL, Mr. SHELBY, Mr. GUYER, Mr. MOLLOHAN, Mr. McDADE, Mr. SCHULZE, Mr. BEVILL, Mr. EVANS of Georgia, Mr. BAFALIS, Mr. CLINGER, and Mr. NELLIGAN):

H.R. 2256. A bill to amend sections 5701(a)(2) and 5703(m) of the Internal Revenue Code of 1954 to reduce the excise tax rate imposed on large cigars and to modify the base on which such tax is imposed; to the Committee on Ways and Means.

Mr. COELHO:

H.R. 2257. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. DANNEMEYER:

H.R. 2258. A bill to amend the Clean Air Act to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing, and for other purposes; to the Committee on Energy and Commerce.

H.R. 2259. A bill to amend the Clean Air Act to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FUQUA (for himself and Mr. HUTTO):

H.R. 2260. A bill to permit extended dredging of bendways and interconnecting waterways; to the Committee on Public Works and Transportation.

H.R. 2261. A bill to permit the Corps of Engineers to acquire land for water-related public use; to the Committee on Public Works and Transportation.

By Mr. JONES of Tennessee (for himself, Mr. DE LA GARZA, Mr. JEFFORDS, Mr. WAMPLER, Mr. BEDELL, and Mr. MADIGAN):

H.R. 2262. A bill to further local and State efforts to conserve, protect, and enhance the Nation's soil, water, and related resources for a sustained agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. MOTTL (for himself and Mr. WINN):

H.R. 2263. A bill to amend title 18 of the United States Code to provide penalties for excessive violence during professional sports events; to the Committee on the Judiciary.

By Mr. MURTHA:

H.R. 2264. A bill to establish standards of fair practices that shall be observed by handlers and associations of producers in their dealings in agricultural products; to the Committee on Agriculture.

By Mr. NICHOLS:

H.R. 2265. A bill to amend section 924(c) of title 18 of the United States Code to modify additional penalties for certain felonies committed with firearms; to the Committee on the Judiciary.

By Mr. PARRIS:

H.R. 2266. A bill to amend the Internal Revenue Code of 1954 to provide that the deduction for moving expenses shall apply without regard to dollar limitations in the case of Federal employees other than Members of Congress and their staffs; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 2267. A bill to amend title II of the Social Security Act to eliminate the offset against social security benefits which is presently imposed in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

By Mr. ROE:

H.R. 2268. A bill to amend the Internal Revenue Code of 1954 to restore the deduction for State and local taxes on gasoline and other motor fuels and to allow the deduction for such taxes without regard to whether the taxpayer itemizes other deductions; to the Committee on Ways and Means.

By Mr. SCHULZE:

H.R. 2269. A bill to apply duty-free treatment to Yankee dryer cylinders; to the Committee on Ways and Means.

By Mr. WATKINS:

H.R. 2270. A bill to prohibit the implementation of Revenue Procedure 80-55; to the Committee on Ways and Means.

By Mr. WAXMAN:

H.R. 2271. A bill to amend the Consumer Product Safety Act to authorize appropriations for the Consumer Product Safety Commission; to the Committee on Energy and Commerce.

H.R. 2272. A bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and the Drug Abuse Prevention, Treatment, and Rehabilitation Act to revise and extend the programs of assistance under such acts, and for other purposes; to the Committee on Energy and Commerce.

By Mr. EDWARDS of Alabama:

H.J. Res. 195. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. FISH (for himself and Mr. GREEN):

H.J. Res. 196. Joint resolution to authorize and direct the Secretary of the Interior, subject to the supervision and approval of the Franklin Delano Roosevelt Memorial Commission, to proceed with the construction of the Franklin Delano Roosevelt Memorial, and for other purposes; to the Committee on House Administration.

By Mr. PANETTA:

H.J. Res. 197. Joint resolution to provide for the designation of February 7 through February 13, 1982, as "National Scleroderma Week"; to the Committee on Post Office and Civil Service.

By Mr. EVANS of Indiana (for himself, Mr. D'AMOURS, Mr. MATTOX, Mr. SHUMWAY, and Mr. WATKINS):

H. Con. Res. 82. Concurrent resolution expressing the sense of the Congress that the Federal bank regulators should immediately begin to diminish the inequitable capital requirements among commercial banks; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. HOLT:

H. Con. Res. 83. Concurrent resolution to express outrage at the murder of innocent children in Atlanta, Ga., and to urge the President to provide assistance necessary to apprehend and convict the killer or killers; to the Committee on the Judiciary.

By Mr. WATKINS:

H. Con. Res. 84. Concurrent resolution to express the sense of the Congress that Federal bank regulators should immediately begin to diminish the inequitable capital-to-assets ratios which are imposed on small- and medium-sized commercial banks; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BOLAND:

H. Res. 95. Resolution to provide for the expenses of investigations and studies to be conducted by the Permanent Select Committee on Intelligence; to the Committee on House Administration.

By Mr. MITCHELL of Maryland:

H. Res. 96. Resolution to commend the Baltimore Braille Association; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

15. The SPEAKER presented a memorial of the Legislature of the State of Delaware, relative to a right-to-life amendment; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONTE:

H.R. 2273. A bill for the relief of Dr. Christojohn Samuel and Malathi Samuel; to the Committee on the Judiciary.

By Mr. KAZEN:

H.R. 2274. A bill for the relief of Raul Lopez Maldonado; to the Committee on the Judiciary.

H.R. 2275. A bill for the relief of Rev. Joe H. West; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 2276. A bill for the relief of Mohammad Ismail Khan, Hashmat Ismail Khan, and Mural Ismail Khan; to the Committee on the Judiciary.

H.R. 2277. A bill for the relief of Siraj Yoosuf Patel, Farida Fatima Siraj Patel, Humaira Siraj Patel, Faysal Siraj Patel, and Fahd Siraj Patel; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 559: Mr. HOLLENBECK.

H.R. 776: Mr. SIMON, Mr. PANETTA, Mr. BONIOR of Michigan, Mr. OTTINGER, Mr. JOHNSTON, and Mr. HUGHES.

H.R. 1007: Mr. McKINNEY, Mr. FRENZEL, Mr. MARKEY, Mr. SCHUMER, Mr. DE LUGO, and Mrs. SCHNEIDER.

H.R. 1010: Mr. MURPHY, Mr. BEILENSON, Mr. SABO, Mr. FINDLEY, Mr. GRADISON, Mr. MITCHELL of Maryland, Mr. GORE, Mr. DOWNEY, Mr. COELHO, Mr. KINDNESS, Mr. VENTO, Mr. WALKER, Mr. WEISS, Mr. LAFALCE, Mr. FORSYTHE, Mrs. FENWICK, Mr. GLICKMAN, Mr. EDGAR, Mr. WHITLEY, Mr. EDWARDS of California, Mr. JOHNSTON, Mr. LEVITAS, Mr. MOFFETT, Mr. STARK, Mr. BEDELL, Mr. CONTE, Ms. MIKULSKI, Mr. ERTEL, Mr. LOWERY of California, Mr. TAUKE, Mr. BLANCHARD, Ms. FERRARO, Mr. JAMES K. COYNE, and Mr. DASCHLE.

H.R. 1031: Mr. MURPHY, Mr. BEVILL, and Mr. YATRON.

H.R. 1198: Mr. ROE, Mr. DWYER, Mr. JAMES K. COYNE, Mr. KOGOVSEK, Ms. MIKULSKI, Mr. LUKEN, Mr. FISH, and Mr. ADDABBO.

H.R. 1301: Mr. WON PAT, Mrs. HOLT, Mr. SCHEUER, Mr. GREEN, Mr. SOLOMON, Mr. JOHNSTON, Mr. YOUNG of Missouri, Mr. LAGOMARSINO, Mr. BROWN of Ohio, Mr. HOWARD, Mr. ROE, Mr. YATRON, Mr. McDONALD, Mr. GOLDWATER, Mr. COLLINS of Texas, Mr. EDGAR, Mr. ARCHER, Mr. FORSYTHE, Mr. PASHAYAN, Mr. WOLF, and Mr. EDWARDS of Oklahoma.

H.R. 1302: Mr. WON PAT, Mr. MURPHY, Mrs. HOLT, Mr. SCHEUER, Mr. FARRIS, Mr. GREEN, Mr. SOLOMON, Mr. JOHNSTON, Mr. YOUNG of Missouri, Mr. KRAMER, Mr. LAGOMARSINO, Mr. BROWN of Ohio, Mr. LOTT, Mr. FRANK, Mr. ROE, Mr. BARNARD, Mr. YATRON, Mr. GOLDWATER, Mr. JAMES K. COYNE, Mr. EDGAR, Mr. COLLINS of Texas, Mr. ARCHER, Mr. CLINGER, Mr. PASHAYAN, Mr. FORSYTHE, Mr. GREGG, Mr. WAMPLER, Mr. WOLF, Mr. EVANS of Delaware, and Mr. EDWARDS of Oklahoma.

H.R. 1362: Ms. FERRARO, Mrs. SCHNEIDER, Mr. STRATTON, and Mr. ZEFERETTI.

H.R. 1490: Mr. JOHNSTON, Mr. RALPH M. HALL, Mr. WILLIAMS of Montana, and Mr. CROCKETT.

H.R. 1541: Mrs. BOUQUARD, Mr. WHITTAKER, Mr. GINGRICH, Mr. GREGG, Mr. HYDE.

H.R. 1723: Mr. MARLENEE and Mr. MURPHY.

H.R. 1765: Mr. RALPH M. HALL, Mr. BENNETT, Mr. MARRIOTT, Mr. BAFALIS, Mr. IRELAND, Mr. WHITTAKER, Mr. NELSON, Mr. LUNGREN, Mr. WILSON, Mr. HANCE, Mr. BARNARD, and Mr. HUNTER.

H.R. 1819: Mr. AKAKA, Mr. BAFALIS, Mr. BEARD, Mr. BEDELL, Mr. BEILENSON, Mr. DICKINSON, Mr. DYSON, Mr. FORSYTHE, Mr. HATCHER, Mr. McCLOSKEY, Mr. MURPHY, Mr. SIMON, Mr. STANGELAND, Mr. WALKER, and Mr. YATRON.

H.R. 1873: Mr. KOGOVSEK, Mr. ZEFERETTI, Mr. MURPHY, Mr. BONIOR of Michigan, Mr. LAGOMARSINO, Mr. BEDELL, Mr. DAN DANIEL, Mr. SKEEN, and Mr. GARCIA.

H.R. 1935: Mr. WASHINGTON, Mr. HARKIN, Mr. CROCKETT, and Mr. DIXON.

H.R. 1937: Mr. BROOKS, Mr. MAZZOLI, Mr. RAILSBACK, and Mr. BUTLER.

H.R. 1968: Mrs. FENWICK.

H.R. 2201: Mr. WHITTAKER.

H.J. Res. 14: Mr. BADHAM, Mr. MITCHELL of New York, Mr. ROBINSON, Mr. ROBERT W. DANIEL, Jr., Mr. LENT, Mr. LUJAN, Mr. SNYDER, Mr. CHAPPELL, Mr. BROYHILL, Mr. GOLDWATER, Mr. EDWARDS of Alabama, Mr. MARLENEE, Mr. MURPHY, and Mr. KRAMER.

H.J. Res. 84: Mr. SAVAGE, Mrs. SNOWE, Mr. JONES of North Carolina, Mr. TREIBLE, Mr. MINETA, and Mr. LELAND.

H.J. Res. 120: Mr. HENDON.

H. Con. Res. 30: Mr. HOLLENBECK.

H. Con. Res. 44: Mr. RAHALL, Mr. GORE, Mr. MURPHY, Mr. WOLPE, Mr. WEAVER, Mr. PARRIS, Mr. WHITEHURST, Mr. BAILEY of Missouri, Mr. GUYER, Mr. YATRON, Mr. GINGRICH, and Mr. DORGAN of North Dakota.

H. Con. Res. 55: Mr. PURSELL.

H. Res. 55: Mr. REGULA, Mr. DASCHLE, Mr. DICKS, Mr. DYSON, Mr. ERTEL, Mr. GUARINI, Mr. LAFALCE, Mr. NEAL, Mr. PATTERSON, Mr. UDALL, and Mr. WYDEN.

EXTENSIONS OF REMARKS

REVITALIZATION OF U.S. INDUSTRIES AND CITIES

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BLANCHARD. Mr. Speaker, many of us from the Northeast and Midwest areas of our Nation are particularly concerned about the decline of basic U.S. industries—auto, steel, rubber, glass, and others—and its deteriorating effect on our older urban areas.

Recently, I introduced the United States Revitalization Act, H.R. 2000, which is aimed at restoring the health and vitality to our industrial belt and older cities. The bill would create a U.S. Revitalization Bank which could use loans, loan guarantees, or equity capital, in a very limited fashion, to help industry modernize in order to meet the needs of today and the challenges of tomorrow. The Bank would also provide low-interest loans to cities that do not have the funds to pay for capital improvements. Many cities have been hard hit by a reduction in their tax base, and are not able to borrow from the private sector to meet their needs.

The concept of the bill was inspired by Felix Rohatyn, chairman of the Municipal Assistance Corporation. Rohatyn fashioned the complex financial plan which helped save New York City from bankruptcy 1 year ago. That plan has helped lead New York to their current budget surplus.

H.R. 2000 may not be the exact answer to the problems facing our industries and cities. In fact, access to credit is only one of several techniques to address the problem. But this bill does represent the type of targeted approach that is necessary for us to begin the job of revitalizing the U.S. economy.

Along these lines, I would like to bring to my colleagues' attention the following editorial from the Detroit Free Press which further outlines the need to address the problems facing the basic industries and cities of the Northeast and Midwest.

The article follows:

TWO CRISES: A NEW NATIONAL POLICY MUST LINK URBAN AND INDUSTRIAL REVIVAL

The danger in Detroit's fiscal and economic crisis, and in the festering economic illness of the nation, is that they may seem like other spasms we have overcome. The truth is that they reflect profound change in the country and its place in the world, and they require fundamental solutions.

This city's troubles exemplify the merging of urban and industrial distress. Like a crucible in the workplace, Detroit is having to withstand intense heat. And just as an industrial crucible fuses metals to make stronger forms, the answers to the urban-industrial crisis must be fused to make the country and the city stronger.

The solutions will have to be national. Detroit is in a position to lead the way in change or to perish as a great city and as the powerhouse of the country's most developed industrial region.

The immediate remedies must not be confused with long-term solutions. Mayor Coleman Young is grappling with Detroit's fiscal crisis. As was the case in the mid-1970's, the city's immediate need is for new revenues and cutbacks in spending to balance the budget. But this crisis is different. It is likely to continue indefinitely, with only patchwork relief, unless there is a national commitment simultaneously to revive basic industry and salvage the country's older cities in the Midwest and Northeast.

Those cities are beset by the decline of America's industrial base, the resultant ravages of foreign competition, the revolution in energy prices, shifts of population and industry toward the south, the human and fiscal cost of maintaining masses of people who have lost jobs or were never well equipped to hold them.

DETROIT INNOVATES

Of necessity, Detroit already has become the birthplace of innovative answers. Some may be critically flawed or in need of adjustment, but they are unfolding.

The auto companies have begun rebuilding themselves, with billions of dollars of investment in better plants and technology, but in the face of immediate perils that could cripple them before the task is completed;

The experiment in saving Chrysler has brought previously unthinkable adjustments on the part of workers, management, lenders and suppliers: adjustments of the kind that may be necessary in many American corporations;

A great industrial union, the United Auto Workers, has set the pace for creative flexibility: remaking contracts to limit workers' rewards in a time of emergency, co-operating with management to improve productivity and quality of product, looking to the long-term future at the painful expense of short-term gain;

One extraordinary industrial feat has been accomplished and another initiated: Chrysler's expensive rebuilding of its inner-city Jefferson Avenue plant and the public-private effort that is enabling General Motors to demolish what once was the world's biggest auto manufacturing plant so that it can be replaced by a high productivity new plant in Detroit and Hamtramck.

These are remarkable first steps. But Detroit, even with federal help and local innovativeness, cannot prevail unless the country recognizes the need for a new national urban-industrial policy.

Although this is becoming self-evident, the outlines of the Reagan administration's economic policies do not reflect that. They are intended to buoy the economy generally by freeing billions of dollars for private investment and individual spending and saving. Even if they do that, the trends that have produced an urban-industrial crisis will not necessarily change.

In fact, general economic stimulation could accelerate the deterioration of older big cities and the movement of business and industry to the Sun Belt. Like the world's oil-exporting countries, the Sun Belt already stands to gain awesome new wealth from decontrol of oil and gas prices. It will mean a gargantuan transfer of dollars southward as the colder parts of the country, more dependent upon fuel, pay higher prices. And the administration's plan to free money for business and industrial investment is likely to produce more expansion in the Sun Belt, where competitive advantages already are massively luring people and industry, than in the Midwest and Northeast.

Is that bad for the country? The Commission for a National Agenda for the 1980s, established by former President Carter, does not think so. It has argued that the decline of the Midwest and the Northeast is inevitable and that the government should encourage the flow of people and resources to the Sun Belt, despite "traumatic consequences" for the North's cities.

The commission overlooked the costs of that. It did advocate heavy federal spending to relieve the distress of the people left behind: an implicit recognition that Northern urban centers would become permanently dependent cripples. But it did not comprehend the cost of abandoning cities and industrial complexes, only to pay for building new networks of roads, sewers, water lines, schools, utilities and other services.

An opposite kind of call comes from Felix Rohatyn, the investment banker who has led the rescue of New York as chairman of the Municipal Assistance Corp. He appeals for policies to strengthen industry and the declining cities of the North. We must not become a nation divided regionally between rich and poor, he argues in an article in the New York Review of Books.

HAVING INDUSTRIAL MUSCLE

Mr. Rohatyn notes that the decline of basic industry in America has been accompanied by a shift toward consumer and retail services. He cites Emma Rothschild's conclusion that since 1973 the increase in employment in eating and drinking places has been greater than all employment in the auto and steel industries.

We are becoming a country of service industries. If the muscle of basic industry continues to go slack, we will be as dependent upon other countries' industry as we are upon foreign oil.

Mr. Rohatyn proposes a national Reconstruction Finance Corp., not simply a reincarnation of the New Deal's successful RFC but one designed to meet today's special needs in industry and older urban centers with a linkage of the two.

Its function for cities would be similar to that of Mr. Rohatyn's MAC, which has moved New York from bankruptcy to a balanced budget in five years. MAC won concessions from banks and unions, from city and state, and forced reforms that are making New York fiscally healthy again.

A new RFC's role in industry would be to provide the equity capital needed by older industries that can make a case for their survival. Those companies might benefit also from short-term conditions imposed upon their creditors, unions, stockholders and managements to enable them to become strong and efficient.

A $60 BILLION DOLLAR SHOT

The RFC could begin, Mr. Rohatyn argues, with as little as $5 billion from the federal government and the authority to issue $25 billion in government-guaranteed bonds. With this $30 billion, to be matched by private investors in the same projects, $60 billion would be available for industrial and urban reconstruction. One of his proposals ties the critical U.S. dollar outflow to oil-producing countries to those countries' need for investment opportunities: He suggests that RFC bonds could be sold to certain OPEC countries.

Although Mr. Rohatyn's plan may be faulted in part, we believe it goes to the heart of the urban-industrial problem. The free-market compromises they would require are bothersome, though we have seen their like in the Chrysler and New York City rescues. The trends they might reverse are much more bothersome.

As Mayor Young has said, this country is not so rich that it can afford "disposable cities." Neither is it so rich that it can afford disposable industrial bases and abandoned cities populated by abandoned people.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

THE PASSING OF MRS. EUNICE KING SAVAGE

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, I would like to express my deepest sympathy for the family of Congressman GUS SAVAGE, in the loss of their wife and mother, Mrs. Eunice King Savage. Congressman SAVAGE is a new and most welcome addition to this House, and I join my colleagues in offering a hand of support during the coming days.

Mrs. Savage worked closely with her husband throughout their 35 years of marriage. She returned to high school after marrying Congressman SAVAGE, and completed the Englewood Evening High School in Chicago. In subsequent years, Mrs. Savage attended Crane Junior College in that city.

The Savage's bond of marriage extended to a viable partnership in the pursuit of social justice and change. Mrs. Savage founded the Citizen Newspaper, a series of papers which spoke to citizen issues in Chicago. Congressman SAVAGE edited and published this paper. Having shared her husband's political zeal, Mrs. Savage also was a civil rights and community activist.

While we join with Congressman SAVAGE to mourn his loss, let us not forget that he is somewhat comforted with the memory of a 35-year marriage, complete with mutual respect, love, dedication, and support.●

THE URGENT NEED FOR HUMANITARIAN ASSISTANCE TO SOMALIA

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. GILMAN. Mr. Speaker, years of civil strife and unrelenting drought have left approximately 1.5 million people in the east African country of Somalia in an increasingly tenuous balance between life and death. Streaming into makeshift refugee camps pitifully stocked with the most minimal amount of food rations and medical supplies, these destitute but brave Somali refugees face starvation and crippling illness aggravated by severe malnutrition unless international relief efforts receive new infusions of funding.

Earlier this month, I joined with the gentleman from Connecticut (Mr. MOFFETT) and several other of my colleagues in introducing legislation, House Concurrent Resolution 68, expressing the sense of Congress that the United States should provide immediate humanitarian assistance to Somalia in order to help that nation cope with the hunger problem there. As a member of the Presidential Commission on World Hunger, I witnessed how internationally coordinated relief efforts could be successful when the energies and resources of governments, private groups, and individuals join in a generous union of humanitarian conern for the lives of those suffering calamity and destitution born of forces—manmade or natural—over which they have no control.

Mr. Speaker, as our Commission learned and subsequently stated in our final report on overcoming world hunger, the major hunger problem in the world today is the chronic undernutrition afflicting hundreds of millions of individuals struggling daily for survival in the midst of extreme poverty. To address this problem, I am preparing legislation to improve world food security, to help assure that our Nation's food and development assistance reaches those in poorer nations who are most in need of such assistance, and to better inform Americans about the vital stake the United States has in alleviating hunger and chronic undernutrition.

In the interim, and even as other initiatives against hunger are launched, our Nation must continue to respond expeditiously and generously to instances of famine caused by localized disasters such as bad weather or political strife. Absent such a commitment, the hungry and homeless will perish.

Recently, a delegation from the Hunger Project, a private organization dedicated to raising public consciousness about the hunger problem, visited Somalia. Headed by its executive director, Joan Holmes, the group, including Valarie Harper, Ted Howard, and Jonathan Deull, visited several refugee camps, learning firsthand the dimensions of the catastrophe now gripping Somalia. Their report, a portion of which I insert to be printed at this point in the RECORD, vividly captures the plight of the Somalian refugees:

> Once seen, it can never be forgotten: more than 76,000 people, 90% of them women and children, clustered together on a barren hillside, their only shelter small huts made of thorn bush branches, animal skins, and pieces of cloth. No one in the camp had received food rations in two days, and it was uncertain when the next food supply truck would arrive. . . .
>
> There were no blankets at all, even though at night temperatures fell into the low 40s. The entire water supply for 76,000 people consisted of two shallow, hand-dug wells, each of which had only six inches of murky water remaining, enough for just one more week. In any case, the water was contaminated, the cause of widespread diarrhea among the refugees.
>
> Thousands of children were infected with measles; thousands more were seriously ill from diseases made worse because of severe malnutrition. Sixty percent of the adults had tuberculosis. There were only two doctors for the entire camp and virtually no medical supplies.
>
> We were witnessing firsthand the worst refugee crisis in the world today: 1.5 million people on the brink of starvation in the East African country of Somalia.
>
> Somalia, where one out of every four people is a refugee, is representative of the staggering hunger and refugee problem throughout much of the continent of Africa: up to 60 million people facing starvation or acute malnutrition. The problem is most severe in the Horn of Africa—Somalia, Ethiopia, Sudan, Uganda, Kenya, and Djibouti. Unless the world responds with massive aid, as it did one year ago in Cambodia, millions of East Africans face a bleak and possibly devastating future.
>
> Our Hunger Project delegation had come to Somalia to investigate the famine and refugee crisis that has made this country the most glaring example of the chronic hunger that plagues all of Africa. What we encountered was a time-bomb—a dark tragedy in the making, yet one in which there is the shining possibility that, like Cambodia, Somalia can become an example of an international commitment to save an entire people.
>
> The refugees we visited were once self-sufficient nomads, ethnic Somalis who have fled their native lands in the Ogaden region of Ethiopia. Their lives there have been disrupted by years of war and constant fighting between Somali rebels and the Ethiopian Army. A decade of severe, punishing drought has added to their plight, killing their livestock and leaving them destitute.
>
> Homeless, hungry, diseased, and malnourished, they have made their way across hundreds of miles of desert to Somalia. There, in the Somalis' age-old tradition of caring for kinsmen, they have been welcomed. One-half million refugees have been taken in by Somali families, some of whom care for as many as 20 people. A million more

have settled in 32 government-established refugee camps, where they are totally dependent on outside assistance for their survival.

The strain on the nation of Somalia, the eighth poorest country on earth, is nearly unbearable. Somalia's meager resources are all but exhausted. And the refugees keep coming—at a rate of up to 3,000 a day.

In the refugee camps of Somalia, the fundamental fact of life is hunger—painful, gnawing, debilitating hunger. In the camps of Somalia, we came face to face with hunger—the horrible, tangible, day-to-day, day-in and day-out reality of hunger.

Prolonged hunger decimates a society and unravels the fabric of a culture: productive work becomes impossible; families disintegrate; and the environment is destroyed as the struggle to survive forces people to strip their surroundings of every meager resource.

As we walked among the refugees, we confronted hunger's devastating effect on human beings. Hunger is more than an empty belly. Hunger hurts, deforms, blinds, and maims. A mother's withered breasts no longer give milk. A child's mind and body are stunted. An old man sits motionless in the dirt, staring vacantly at the world through eyes gone hollow.

Hunger is a silent killer. Where hunger reigns, all is deathly still. Ghostly quiet are the hospital tents where small children waste away from diarrhea or measles, common diseases made deadly by undernourishment. Silent are the huts where adults, ravaged by hunger, lie helplessly awaiting death from cholera or tuberculosis.

In the camps of Somalia, we came to know the deadly silence of starvation.

It is almost a miracle that a holocaust has not yet occurred. Only a heroic international relief effort and the Somali government's own unyielding commitment stand between the refugees and looming disaster.

Mass starvation is being averted, but, as one relief worker told us, "There is no room for error. If we have a major outbreak of communicable disease within the camps, we will have dying. If we have a fuel supply problem that prevents us from trucking food from the ports to the camps, we will have dying. If more refugees than we can handle flee the desert, we will have dying. If the refugees leave the camps in desperation and enter the population centers, we will have dying. And in each case, it could happen on a very, very large scale."

Facing impossible odds, relief workers—men and women who are the unsung heroes of our time—fight to keep one million people alive. There is a shortage of everything—supplies, equipment, medical care, trained personnel. The logistics of trucking food across hundreds of miles of barren, roadless desert are overwhelming. Communication between the camps and the outside world is almost nonexistent.

The situation is tenuous, fragile, and potentially explosive. And still, the relief effort holds the line.

There is nothing naive or idealistic about this international relief program. It is a professional operation, staffed by skilled technicians, people with years of field experience. They have fought famine, drought, and the persistence of hunger in the Congo, the Sahel, Chad, and Ethiopia. They have assessed the situation in Somalia—what needs to be done and how to do it. And they know that it can be done.

With large-scale international support, they say, the immediate crisis can be ended. Give us more supplies and more manpower, they tell you, and we can turn this disaster around.

These professionals know the pitfalls of relief work. They recognize how unhealthy it is to "bottle-feed" a refugee population for a long period of time, to keep them dependent on charity. They know that relief must lay the foundation for the refugees to become productive, contributing members of Somali society.

There is no mystery about what needs to be done to return people to their natural state of self-reliance. Already, the relief community is looking beyond the emergency, designing programs with the Somali government for the long-term development of the nation. Plans are underway to increase agricultural and fishing productivity, irrigate new lands, train refugees in new skills, turn back the desert, and restore forests and grazing lands.

With sufficient international support, the persistence of hunger can be ended in Somalia and throughout the Horn of Africa.

We returned from East Africa profoundly altered by what we had seen and learned. In our visits to the refugee camps, we had witnessed both the most heartbreaking human misery and the most inspiring human spirit we had ever known. In the midst of horrifying circumstances, we found people of dignity and stature, pride and courage.

It was never too clear to us that the solution to the problem of hunger in Africa lies within the African people themselves. They do not seek our charity or pity. Rather, they ask for our support and participation as partners.

We had traveled thousands of miles only to recognize even more fully the hunger can be ended. What every prestigious organization that has studied world hunger has said is true: the world community possesses the resources and technology to end hunger in this century—all that is lacking is the will, the worldwide commitment to get the job done.

Only individuals can generate this worldwide commitment. What each person does counts; each action makes a difference.

Our journey had brought us full circle—back to ourselves and our personal commitment, now clearer and deeper than ever. We had strengthened our resolve to let people everywhere know that within each of us lies the key to the end of starvation.

Accordingly, I urge my colleagues to join in support of this important, crucially time-sensitive resolution of congressional concern and support for the people of Somalia.●

CALL TO CONSCIENCE VIGIL: VIACHESLAV ROYAK

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. DOUGHERTY. Mr. Speaker, now more than ever it is important that we not forget those who cannot enjoy the freedom we do as American citizens. I have again joined the "Congressional Call to Conscience Vigil" to draw attention to the plight of Jews in the Soviet Union. This vigil will make clear our total opposition to Soviet abrogations of basic human rights.

Today I would like to express my grave concern for Viacheslav Royak who for 4 years has been refused the right to emigrate to Israel. At work "Slava" Royak has been threatened and abused. He is a diabetic yet Soviet officials withhold insulin from him. His family also must suffer harassment and bigotry—all because of their Jewish heritage and their desire to live in peace and freedom.

In violation of the Helsinki accords and despite a letter from myself and 30 Members of Congress, Soviet officials continue to ignore the Royaks' basic rights. Although I am delighted that the Soviet Union has released Iosif Mendelevich, it is my fervent hope that soon Viacheslav Royak will be able to join Iosif in Israel.●

SOIL CONSERVATION ACT OF 1981

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. JONES of Tennessee. Mr. Speaker, I am today introducing the Soil Conservation Act of 1981. This bill will focus the efforts of the Federal Government and encourage local programs to address the serious soil erosion and related problems that exist in many areas of the United States.

Soil erosion has been a problem since man began altering the environment to meet his needs. Cropping, livestock grazing, logging, mining, and other activities accelerate erosion, disturb or destroy the soil surface, and remove protective vegetation. The problem is growing worse year after year in this Nation and worldwide as well.

According to studies made by the Soil Conservation Service, about 4 billion tons of soil is lost annually from the non-Federal lands in the United States, with one-half of that total coming from cropland. Forty-four percent of the 413 million acres used for cropland in 1977 is on soils with a moderate to very high risk of damage by sheet and rill erosion. Some soils lose as much as 100 tons or more per acre per year. Erosion is especially serious on sloping unprotected cropland. In some areas, a combination of conditions results in deep cavernous gullies that void the land for any productive use.

To assist in combating this problem in a comprehensive way, my colleague JIM JEFFORDS and I have designated this bill. JIM JEFFORDS serves with me as the ranking minority member of the Agriculture Subcommittee on Conservation, Credit, and Rural Development, which I chair.

The Soil Conservation Act of 1981 would tackle the problem of soil erosion using five important approaches.

SPECIAL AREAS CONSERVATION PROGRAM

Title I establishes a special areas conservation program to target increased financial and technical assistance to the most seriously eroding areas in the country as identified by the Secretary of Agriculture.

The program is patterned after the Great Plains conservation program which has been in successful operation in a 10-State area since 1956. Basically, the program would involve these elements:

First, cost-sharing and technical assistance to landowners and operators in a designated special area.

Second, long-term contracts between USDA and landowners and operators based on conservation plans for the farm.

Third, agreement by owners and operators to implement their plans in accordance with a firm schedule and to forfeit further rights if they violate the contract.

Fourth, determination by the Secretary of Agriculture of the cost-sharing percentages necessary to carry out the program.

Fifth, authority to compensate farmers for income lost as a result of crop adjustments from new crops to permanent vegetative cover. This provision is just one way to approach the problem, and I will be interested to hear the debate.

Sixth, approval of all projects by the House and Senate Agriculture Committees.

MATCHING GRANTS FOR LOCAL CONSERVATION ACTIVITIES

Title II of the bill establishes a matching grant program to assist local conservation efforts across the country. I believe that soil and water conservation districts and farmer-elected agricultural stabilization and conservation committees have proved to be extremely capable groups in aiding farmers, ranchers, and other citizens in natural resource conservation.

They do have a need to focus and target their activities to the most pressing conservation needs in each county, and to coordinate more closely with each other and with State and Federal agencies. This bill would encourage that targeting and coordination with several important concepts.

First, It would create county conservation boards, made up of the members of the conservation district governing board and the members of the ASC committee, to receive grant funds from the Department of Agriculture, arrange for matching funds from other sources, and coordinate the development and implementation of long-range conservation programs and annual plans for the county.

Second, it would increase the Federal share of grant funds where an objective in the county program is defined by the Secretary as being national in scope rather than local or State.

Third, it would allow the Secretary and the Governor to designate representatives of other agencies at any level to serve as advisers to the county conservation board.

Fourth, it would call for public participation developing the long-range programs and annual plans.

Fifth, it would require that several important soil and water conservation objectives be addressed in the programs in order to be approved by the State soil conservation agency, State ASC committee, and the Secretary. It also would suggest the inclusion of several other important objectives if they fit local needs.

Sixth, it would permit long-term agreements of up to 10 years where a priority or objective requires several years to complete or reach.

This title will enable existing local units of government to improve their capability to lead the way in the kinds of natural resource improvements that will be cost effective and environmentally sound.

LOANS FOR CONSERVATION ACTIVITIES

Title III establishes a conservation loan program by providing authority for the Commodity Credit Corporation to make secured and unsecured loans to agricultural producers. These loans would be for natural resource conservation and environmental enhancement measures that are recommended by county and State ASC committees and are part of a conservation plan approved by the local conservation district.

This title recognizes that agricultural producers are willing on a voluntary basis to carry out conservation practices, but require some financial assistance to make the practices feasible. This loan authority would put more conservation on the land with very little outlay of Federal funds.

CONSERVATION VOLUNTEERS PROGRAM

Title IV of the bill would establish a program of volunteers in conservation. The Secretary of Agriculture could for the first time accept voluntary service by interested people who are willing to aid the natural resource assistance programs of the Department without compensation and without displacing USDA employees.

It would protect such volunteers in case of injury on the job and in case of tort claims; they now have no such protection, and that is the main reason that USDA and other agencies cannot accept voluntary service.

PROGRAMS FOR REDUCING RESERVOIR SEDIMENTATION

Finally, title V of the bill establishes a 5-year program to develop improved methods for reducing excessive sedimentation in existing reservoirs. State and local governments would work with conservation districts, Agriculture Department agencies, and other interested parties in developing and implementing plans to curb soil erosion on the watershed drainage areas above the publicly owned reservoirs.

House and Senate Agriculture Committees would review and approve each plan to assure that the proposed remedial measures would meet the objectives of the program. The title will help assure that water storage capacity and water quality are not unnecessarily impaired by sedimentation resulting from excessive soil erosion on surrounding land.

Mr. Speaker, it is extremely important that we help local people protect America's valuable land and water resources. I believe that the concepts embodied in the Soil Conservation Act of 1981 will result in better soil and water conservation on the land, at a minimum cost to the Federal Government. I also believe that this bill will help avoid the need for future Federal expenditures to resolve extremely serious soil and water conservation and water quality problems.

Minimizing future as well as present governmental costs must be an urgent priority of this Congress.

Therefore, I ask your favorable consideration of the Soil Conservation Act of 1981.●

1981 CONGRESSIONAL VIGIL: THE ALEINER FAMILY

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. COUGHLIN. Mr. Speaker, once again I would like to bring to my colleagues' attention the case of Boris and Lisa Aleiner, whose marriage spans 7,000 miles and the harsh realities of international politics.

Lisa, an American citizen, and Boris met in March 1976 when she and her family spent a week in Leningrad as part of a vacation tour. She returned the following summer for a 6-week visit and a romance took root. The next summer she returned to Leningrad and married Boris on August 28, 1978. Being in an unfamiliar environment, separated by a language barrier, Lisa returned to her parents' home the following April to await the birth of their son, Sasha.

On March 12, 1979, Boris first applied to leave the Soviet Union for the United States to join his wife and son. He was refused on July 15 of that year. The denial was based on security for a job held 3 years previously. After waiting the allotted time, he reapplied. In May 1980, again, he was refused, but no reason was given this time. Re-

cently Boris was refused permission to emigrate for a third time.

Lisa still lives in my Pennsylvania District, apart from her husband. Sasha, now 15 months old, has met his father only once. Although he has appealed this last decision, it is clear Boris will again have to wait 6 months and apply yet another time for an exit visa. Like so many others, his desire to leave the Soviet Union is not based on political considerations but rather is a matter of family reunification, a humanitarian appeal.

We are all familiar with the Helsinki agreement of 1975, whereby the Soviet Union agreed to accelerate the processing of exit visas for all minorities, especially in those cases where family reunification is an issue. The sad truth is, in 1980, the number of Soviet Jews granted permission to emigrate sharply declined from previous years. Although our pleas seem to receive little consideration, I believe, along with many others, that world opinion can force the Soviet Union to abide by the Helsinki agreement and live up to the responsibilities agreed upon by all signatory nations. The lives of Lisa and Boris Aleiner and thousands of men and women like them depend on our efforts. Remembering that no one's rights are truly secure unless everyone's rights are protected, we owe it not only to the Aleiners and others who suffer like them, but also to ourselves.

As a final note, I would like to thank my colleague, MIKE BARNES, for hms efforts in coordinating the 1981 Congressional Vigil. It is important to let Soviet officials know that the preservation of individual rights and freedoms, as spelled out at Helsinki, remains vital to all Americans.●

TAX CUTS INFLATIONARY? EXPERIENCE SAYS NO!

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. LENT. Mr. Speaker, as one who has long advocated the Kemp-Roth proposal for meaningful reductions in Federal income tax rates, it was gratifying to see President Reagan adopt this plan for revitalizing our economy.

Since the President announced his economic program, however, his tax rate reduction proposals have come under increasing fire—primarily on the argument that such an across-the-board reduction in tax rates would be inflationary. I firmly believe that argument to be specious, and offered only because there is no valid reason to oppose tax reductions sufficient to revitalize our economy.

The fact is that past experience shows the healthy effect on the economy of a substantial tax reduction. A recent article by one of the Nation's most respected economists, Richard Rahn, vice president and chief economist of the U.S Chamber of Commerce, examines in careful detail the reasons why this is true.

In order that my colleagues may have the benefit of this learned exposition of the case for the Kemp-Roth tax reduction approach, I insert Mr. Rahn's article, which appeared in the Washington Star February 18, at this point in the RECORD. I urge my colleages to study thoroughly the arguments presented. They offer a most impressive case for the President's tax reduction program.

TAX CUTS INFLATIONARY? EXPERIENCE SAYS "NO"

During the last 15 years Americans have experienced ever higher levels of inflation and taxation in tandem with rising budget deficits.

Given this historical relationship, why is it so many people are determined to have us believe that any tax reduction would be dangerous now, because all tax cuts are implicitly inflationary?

Usually we are told that a choice must be made between balancing the budget and reducing taxes. It is suggested that tax reductions will automatically increase the deficit, which the Federal Reserve must then cover by printing more money, thus generating more inflation.

NOT A TAX CUT

That scenario is false. To start with, it is misleading to suggest that taxpayers will be getting any real tax cut at all. Inflation, combined with recently legislated increases in Social Security taxes and oil excise taxes, and a highly progressive income tax, all limit the choice to one between a very large tax revenue increase or a somewhat lesser increase.

The assumption that Americans must choose between a balanced budget and tax reduction, because tax cuts will automatically increase the deficit and worsen inflation, is also false.

The whole idea that tax cuts are inflationary stems from a confusion of tax rates with tax revenues. The two are not identical: Inflation-swollen incomes can produce higher tax revenues even if tax rates stay the same.

The Kemp-Roth bill, which has become a core component of the Reagan administration's economic approach, would lower all marginal tax rates by 10 per cent across the board each year for three years. By cutting marginal tax rates we would be rewarding additional work relative to additional leisure, and rewarding additional saving and investment relative to additional consumption. In effect, we would be reducing the "price" of work and increasing the "price" of leisure. Incentives are the essence of supply-side economics.

What's more, since we know that higher levels of production, savings and investment would improve the rate of productivity and increase supplies of goods and services, it is ludicrous to say that cutting marginal tax rates would automatically increase the deficit and worsen inflation.

Indeed, supply-side economists are convinced that precisely the opposite is true. Every major tax-rate reduction in this century, starting with those first proposed in 1920, resulted in increased government revenues. The burden of proof is on those who oppose supply-side tax reductions to find a case when this did not occur.

THE KENNEDY EXPERIENCE

When President Kennedy took office, the highest marginal tax rate was still above 90 per cent. In announcing his intention to cut rates across the board, he said, "Our true choice is not between tax reduction, on the one hand, and the avoidance of large federal deficits on the other . . . An economy hampered by restrictive tax rates will never produce enough revenue to balance the budget—just as it will never produce enough jobs or enough profits."

Commenting in 1965 on results of Kennedy's rate reductions, Walter Heller, who was the president's chairman of the Council of Economic Advisers, said: "What happened to the tax cut in 1965 is difficult to pin down, but . . . did it pay for itself in increased revenues? I think the evidence is strong that it did."

There are other examples of tax-rate reductions that have paid for themselves. The capital gains tax reduction passed in 1978 has led to a $1.1 billion revenue gain, as contrasted to a $2.7 billion revenue loss forecast by the Treasury.

FILING IN PUERTO RICO

And, the most recent example was provided by Governor Carlos Romero Barcelo in Puerto Rico, who reduced income tax rates there by 15 per cent in the last two years. Citing this case, Congressman Jack Kemp noted on the floor of the House. "They found as they reformed their tax code and lowered their rates of taxation on all individual taxpayers that not only did revenues climb by 13.5 per cent, but so did the number of people filing returns."

In other words, when tax rates are cut, individuals at the top of the income scale discover that tax shelters now offer less attractive returns, while those hiding in the underground economy find they can now engage in legitimate business activities and remain law-abiding citizens as well.

The increased economic growth that has historically resulted from reducing tax rates can work in the 1980s to reduce the demand for higher government spending, particularly in transfer payment programs such as unemployment compensation, food stamps, trade adjustment, welfare, and so on. Stimulating economic growth through tax reduction results in large numbers of people leaving the public dole and entering the private economy. The explosion in federal spending in recent years is a direct result of our sluggish economy, aggravated by the last administration's refusal to support general rate reductions.

Given these two beneficial effects of supply-side tax cuts—large revenue feedbacks and a lower level of government spending—it is both impossible and misleading to assume that tax-rate reductions will mean higher deficits and inflation.

Indeed, I believe reductions in marginal tax rates of 10 per cent a year for three years, combined with improved business depreciation, will increase productivity growth, reduce unemployment, and substantially mitigate inflationary pressures, while increasing Americans' real per capita incomes.

In the absence of such tax cuts, American workers will see their individual income and Social Security taxes rise by a staggering $64 billion in FY 1981 and $77 billion in FY 1982. When one considers that average real spendable earnings per worker have declined 15 per cent since 1972, tax increases of this magnitude are hardly the sort of policies needed to get this country moving again.●

CONGRESSIONAL SALUTE TO HON. ANTHONY VER HAGE, ESTEEMED CHIEF OF POLICE OF PROSPECT PARK, N.J., OUTSTANDING CITIZEN, COMMUNITY LEADER, AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. ROE. Mr. Speaker, on Friday, March 6, the residents of Prospect Park, my congressional district and State of New Jersey will gather in testimony to the outstanding public service of one of our most distinguished public safety officers and good friend, Hon. Anthony Ver Hage, whose standards of excellence as chief of police of the borough of Prospect Park, N.J., have truly enriched our community, State, and Nation.

Mr. Speaker, as we commemorate Anthony Ver Hage's retirement from his law enforcement career, I know you and our colleagues here in the Congress will want to join with me in deep appreciation of all of his good works and share great pride in the success of his achievements with his good wife Ellen and their three sons, Mark, Steven, and Christopher.

Chief Ver Hage has indeed earned the highest respect and esteem of all of us for the quality of his leadership and sincerity of purpose in ever seeking to achieve optimum public safety for all of our people. He was appointed to the Prospect Park Police Corps in 1961 as a patrolman. He served in all official ranks of the Prospect Park Police Department—sergeant, lieutenant, and for the past decade has held the high office of public trust as chief of the department.

Mr. Speaker, Anthony Ver Hage comes from a long family line of law enforcement officials. His Uncle Kryn Ver Hage was a sergeant of the Prospect Park Police Department and another Uncle, Councilman Martin Ver Hage, has been police commissioner of the borough for a number of years. Anthony has continued in the tradition of the Ver Hage family with his deep affection and dedication to the needs of the residents of the community. He officially retired from the Prospect Park Police Department on December 31, 1980, with a record of performance and personnel commitment that has enabled him to achieve the fullest confidence and strongest support of the people of our community. He has always applied the most sophisticated and advanced techniques of his profession and his exemplary achievements are now lastingly etched in the annals of the public records of the borough of Prospect Park.

Chief Anthony was secretary of the Policemen's Benevolent Association, Local 114, and during his lifetime was also active as a volunteer fireman of the borough of Prospect Park. He is a past president of the Prospect Park Volunteer Hose Co. It is interesting to note that Anthony served two terms as a member of the Manchester Regional High School Board of Education and his wife Ellen served for a number of years as a member of the Prospect Park Board of Education.

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of our way of life here in America and I am pleased to call your attention to his lifetime of outstanding public service. As Chief Ver Hage retires his official leadership badge of courage and valor as the esteemed chief of police of Prospect Park, N.J., I respectfully seek this national recognition of his contributions to our country in placing others above self in providing safety on the streets, security in the home and optimum public safety for all of our people.

For his contributions to the quality of life for the people of our community, State, and Nation, we do indeed salute an outstanding citizen, community leader and great American—the Honorable Anthony Ver Hage of Prospect Park, N.J.●

THE CASE FOR THE AUTO INDUSTRY

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BLANCHARD. Mr. Speaker, I would like to bring to my colleagues' attention an essay by noted columnist George Will that appears in the current issue of Newsweek magazine. Mr. Will's comments eloquently outline some of the sources for the present problems facing the automobile industry, as well as other related industries. In his analysis, Mr. Will describes some of the proposed efforts to alleviate the crisis that grips the industrial sector of our Nation. He points out that, given the crisis facing the auto industry, some form of trade restraint might be appropriate. He further states that the staggering capital needs of this country's auto and related industries may require some form of a publicly supported source of loan assistance or equity capital.

Recently, I introduced the U.S. Revitalization Act, H.R. 2000, which is designed to provide assistance to our sagging industrial sector and aging cities in the Northeast and Midwest regions of the country. While this particular bill may not be the exact or only answer to the problems facing this region of the country, it is an example of the kind of targeted approach that may be necessary for us to reverse the economic decline which Mr. Will has so accurately described.

As Mr. Will concludes, proposals such as a temporary restriction on auto imports, or a publicly supported source of credit or equity capital, may "go against the grain of Reaganism and the mood of the moment." Yet, as he adds, such steps may be necessary "for conserving the core of the industrial system, and the social fabric of many communities."

Mr. Will's article follows:

[From Newsweek, Mar. 2, 1981]

THE CASE FOR AUTOMAKERS

(By George F. Will)

In 1973 Egypt attacked Israel and devastated Detroit. As a result, senators from Missouri and Texas have threatened Japan, an Ohio senator has castigated an eighteenth-century Scot, and a congressman named Ford (I'm not kidding) from Michigan has denied parking places to staffers who drive foreign cars. America's shattered auto industry demonstrates the connectedness of things in the modern world and suggests the limited relevance of conservation, as currently understood.

The Yom Kippur war triggered OPEC's oil shocks, and a desire for small cars. Gasoline lines following the 1979 Iranian shortfall deepened that desire. Among 1981 cars nine of the ten most fuel-efficient are Japanese. The tenth? VW's diesel Rabbit. Small wonder more U.S. dealers sell imports as well as domestics than sell domestics alone.

In 1979 Japan sent $9.3 billion worth of automotive exports to the United States, and had a $9.1 billion trade surplus in that category—one-third of the U.S. trade deficit. Early last year Japan's share of the import market hit 80 per cent. Now two thoughtful senators, Missouri's Danforth and Texas's Bentsen, propose legislating a limit of 1.6 million Japanese imports a year (the average for 1978–79) through 1983. This proposal may prompt Japan to negotiate limits, as it has done elsewhere. Meanwhile, it is estimated that every 100,000 imports costs the jobs of 8,500 workers in the primary manufacturing industry and up to 16,000 in supplier industries.

Crisis: Ohio's Senator Glenn says "the Adam Smith school of thought" (pure laissez faire) about the crises is "shortsighted, naive and irresponsible" because it would spread the crisis. One in six jobs is related to the auto industry. Its products and services involve 8.5 per cent of GNP and 25 per cent of retail sales. It uses 21 per cent of America's steel, 60 per cent of synthetic rubber, 25 per cent of glass, 20 per cent of machine tools. It is the primary purchaser from 2,000 companies.

As cars become lighter, iron and steel companies suffer. Domestic tire sales are 14 per cent below the peak year 1973 and the industry's capacity exceeds demand by 33 million units: radials last longer, lighter cars are easier on tires, and less driving means fewer replacements (which are 72 per cent of the entire market). New electronic controls of auto functions improve fuel efficien-

cy, but 27,000 franchised dealers face costly investments in complex repair equipment and training. Many small repair shops may fold. In the category of parts, there already is a negative balance of $2.5 billion, and it may grow worse.

The auto industry faces a potential loss of 500,000 manufacturing jobs in one region: 90 per cent of all vehicles and parts are made in New York, Pennsylvania, Ohio, Indiana, Illinois and, of course, Michigan, which has seven of the nation's ten cities with the highest unemployment. Even progress will be painful: assuming, optimistically, a production level of 13 million units, a 5 per cent annual increase in productivity would mean 200,000 fewer jobs by 1985.

The auto industry enters the 1980s under a cloud of high interest rates, under a heavy debt load (Ford took on nearly $1 billion in debt financing last year) and facing huge capital needs. The Big Three lost more than $4 billion in 1980. Ford lost $1.5 billion, a U.S. corporate record (at least until Chrysler reports). But between 1979 and 1985 U.S. companies must spend up to $80 billion on retooling. That is the largest private investment program in history, far larger than the Alaskan pipeline, larger even than the government's Apollo program.

Much is made of Japan's nontariff barriers to imports. Japan does not practice free or fair trade regarding many products. But barriers are beside the point where cars are concerned so long as Japan has $1,000 to $1,500 cost advantage per car—about 20 percent of the price of the average small car sold here. Because of high profit margins, Japanese firms are poised to use discounts to hold or expand their U.S. market shares. They plan a 20 percent increase in production capacity by 1983. European nations set strict limits on Japanese imports (Britain holds Japan to 10 percent of the market; Italy allows just 2,200 cars). Such limits divert the Japanese flood to America.

Protectionism: "Free trade," said Disraeli, "is not a principle, it is an expedient." Actually, it is a principle but, like all principles, it is not always expedient. Granted, departures from it often are imprudent. Nineteenth-century protectionism was rationalized as necessary for the new nation's "infant industries." Today's protectionists say it will provide a "breathing space" for America's "elderly industries" while they seek a fountain of youth. But protectionism is a drug that creates industrial dependencies; it is welfare that makes wards of the state. Nevertheless, free trade is not a game at which only one nation can play. Increasingly, U.S. firms compete not with foreign firms comparably exposed to market stringencies, but with foreign governments that regard their auto (like their steel) industries as jobs programs.

Protection might make the industry more attractive to investors, but its capital needs are so staggering that in addition to Reagan's proposed accelerated depreciation, subventions may seem necessary. Some people are proposing a new Reconstruction Finance Corp., a publicly funded source of equity capital. An RFC might have sufficient leverage to require wage restraint by America's highest paid manufacturing workers, the autoworkers. Every dollar-per-hour decrease or deferral of an increase would save manufacturers $1 billion a year.

All this—call it "Tory socialism"—would be risky medicine with uncertain side effects. We should hope it is not necessary. Certainly it goes against the grain of Reaganism and the mood of the moment. And it is not conservatism as currently understood—an economic doctrine favoring free markets. But it might be a political doctrine for conserving the core of the industrial system, and the social fabric of many communities. A conservatism too pristine to accommodate those goals is politically irrelevant, socially irresponsible and not conservatism properly understood.●

REPORT ON IRAN'S FOREIGN MILITARY SALES TRUST FUND ACCOUNT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues the latest quarterly report on Iran's foreign military sales trust fund account activity. As of December 1980, the balance in the Iranian account was over $469 million.

Throughout most of the 1970's, this account contained funds that Iran was required to put on deposit in the United States for arms on order and in the process of being manufactured. After Iran canceled its military contracts with the United States in February 1979, the United States continued to use these funds to make payments to U.S. defense contractors for weapons previously contracted for by Iran. The amount on deposit at the time of cancellation was $640 million.

In recent months, the United States has been able to sell to other purchasers—U.S. armed services and foreign buyers—most of these items initially ordered by Iran. This has replenished the account and permitted it to remain substantial. The money on deposit in the account has allowed the U.S. Government to satisfy all payments requirements to U.S. defense contractors.

The report provided to me by the Defense Security Assistance Agency at the Department of Defense follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., February 21, 1981.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The following information is submitted in accordance with your letter of 4 September 1979, which requested quarterly reports on Iran's Foreign Military Sales Trust Fund activity:

Quarter (October–December 1980):	
Balance: September 30, 1980	$469,730,719
Collections	0
Disbursements	−24,682,118
Reimbursements to trust fund for items sold to other purchasers	2,573,036
Credits (deposits) to trust fund for previous overdisbursements to military departments or contractors	2,859,369
Balance: December 31, 1980	449,281,006

Sincerely,

LT. GEN. ERNEST GRAVES, USA,
Director.●

LIFTING OF GASOLINE CONTROLS CHANGING SALE PATTERN

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. TAUKE. Mr. Speaker, a number of questions have been raised pursuant to the President's order on January 28, 1981, decontrolling the pricing and allocation of petroleum and petroleum products. Of the utmost concern to me are issues relating to geographical pullouts by the major suppliers of rural areas and to the state of competition within the retail gasoline industry. These issues will be addressed during the upcoming months.

I should emphasize that I support the concept of decontrol. Pricing and allocation regulations have for some time now created distortions in the marketplace and have prevented industry from expediting the production and development of domestic sources of energy. Within the context of decontrol, however, the Congress needs to examine in greater detail a startling trend—the aggressive push by some major oil refiners to increase their share of the market through the expansion of company-operated service stations. The potential for these kinds of actions, all at the expense of the independent lessee service station dealer, is even greater in the future.

Enhanced competition in the gasoline industry is absolutely necessary. Yet, it is difficult for such a situation to occur when an independent lessee dealer has to compete with a station owned and operated by his supplier.

The following article from the February 25, 1981, New York Times, which I would like to have included in the RECORD, makes an important contribution to the debate surrounding the issue of retail gasoline divorcement.

[From the New York Times, Feb. 25, 1981]

LIFTING OF GASOLINE CONTROLS CHANGING SALE PATTERN

(By Douglas Martin)

President Reagan's abolition of controls on gasoline is likely to change the way it is sold in the United States, oil industry officials predict.

They say the end of price and allocation controls could possibly drive thousands of wholesalers and retailers out of business by making it easier for the more efficient big operators to devour smaller competitors.

In addition, they see some major brands moving entirely out of areas where they were previously common and an accelerating trend toward bigger, less personalized service stations.

"Decontrol has thrown chaos into the situation, and thrown the big oil companies into the driver's seat," declared Representative Berkley Bedell, Democrat of Iowa, who has introduced legislation to protect smaller dealers.

For consumers, this possible turmoil, coupled with near-record gasoline supplies and plunging prices on the spot, or noncontract, market, may mean lower prices than would have prevailed under controls, at least temporarily.

But consumer groups worry that companies' decisions to leave certain areas will eventually lead to higher prices by reducing the number of competitors.

"You're going to see further concentration in the market," predicted Edwin Rothchild, director of one such group, Energy Action.

The controls had provided security to many wholesalers and retailers by guaranteeing them access to supplies in times of shortage. In many cases, they also guaranteed favorable prices. Perhaps most important, by cementing commercial relationships with complex regulations, the controls worked to halt changes in marketing patterns that would normally have occurred gradually.

"Some people have come to regard controls as a security blanket," observed Brice Cecil of the American Petroleum Institute. "Now there's a lot of fear and uncertainty about the unknown."

Although wholesale gasoline prices have risen about 10 cents a gallon since the President's action on Jan. 28, this increase was a result of both the end of price controls on crude oil in the United States and increases in the costs of imported oil.

DEALERS REPORT PRESSURE

Under gasoline decontrol, service station operators are no longer limited in the retail price markups that they can make over wholesale costs.

But because competitive market conditions have not allowed retailers to capture even the full profit margin that had been permitted under the Department of Energy rules, gasoline decontrol has had no effect on prices at the pump yet.

The move to end gasoline controls freed the market from the tight regulations imposed by the Federal Government since 1971, and will permit the large oil companies to carry out changes they have wanted to make for years. Especially, they will no longer be forced by Government regulations to supply oil products such as gasoline to customers they had considered marginally profitable at best.

Already, dealers for Shell, Exxon and other large companies say they are being pressed to increase the volumes of gasoline they sell, or switch to other brands. Such moves were severely circumscribed by controls.

COMPANIES ON THE MOVE

"They don't want me anymore, that's all there is to it," said Julio Montenegro, an Exxon dealer in Mount Vernon, N.Y., who said that the Exxon Corporation was offering him $10,000 to switch to another supplier.

The Atlantic Richfield Company has altered credit terms to some independent West Coast wholesalers, and these dealers are unhappy with the changes. "The burden this will place on us is staggering," said one dealer in a telegram to the National Oil Jobbers Council, a Washington-based association of the wholesalers.

And Texaco, Phillips, Gulf, Sun, Mobil, Union and other companies are either already moving out of certain areas or weighing such moves, according to a survey by the wholesalers' group. Controls prevented such moves unless companies could guarantee supplies for dealers it wanted to abandon.

To be sure, companies seem to be trying to make the transition as gentle as possible: The council reports that virtually every major oil company has promised to honor existing supply contracts for at least a year. Exxon, for instance, would permit Mr. Montenegro to renew his lease for three years, if he chose not to take the money and leave.

A top Gulf marketing executive recently said that stations now may have to offer more services to survive. But most analysts say the future will increasingly belong to huge unbranded independents, which buy in large quantities and avoid expenses for credit cards and other frills, and the major oil companies, which have been edging into direct marketing.

DECLINE IN SMALL INDEPENDENTS

For Rocco Gentilella, who sells Gulf gasoline in Freeport, L.I., decontrol could be a further step toward extinction. The number of branded independent dealers—who, like him, lease their own stations—has dwindled to less than 55,000 from 111,000 over the past decade, according to the Service Station Dealers of America, a trade group.

These days Mr. Gentilella pumps about 33,000 gallons of gasoline a month, little more than half the 60,000 of just a few years ago. His profit margins have shrunk, he expects Gulf to raise his rent and some of his longtime customers now openly desert him to buy cheaper gasoline from unbranded competitors.

Moreover, competitive conditions in the gasoline market have not allowed him to pass on the full 12-cent-a-gallon increase in gasoline prices that the Gulf Oil Corporation has declared so far this year. "I'm very, very apprehensive," he said.

"The jig's up," said Jack A. Blum, general counsel of the Independent Gasoline Marketers Council. "A lot of these guys are coming face to face with the fact that they aren't economically viable."

Mr. Gentilella is not alone. Mr. Blum predicts that 8,000 jobbers will be forced out over the next year. And Paul Pierce, executive director of the Service Station Dealers of America, calculates that 15,400 of the nation's retail dealers will vanish.●

TEXAS INDEPENDENCE DAY

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. GONZALEZ. Mr. Speaker, today in Texas we observe independence day, the day on which Texas became a republic. All too few remember that Texas is the only independent republic ever to have become a State; fewer still remember what Texas independence was really all about. All of us remember the Alamo, but hardly anyone remembers what it was about. Who remembers, and who knows the significance of the numerals 1824 on the flag that flew above the Alamo, or even that its colors were red, white, and green, the colors of Mexico?

The battle of the Alamo did not just happen; it was the consequence of revolutionary activity in Texas, which the dictator Santa Ana was trying to suppress. But Texas was not the only site of resistance to his rule; Santa Ana also had to contend with revolutionaries south of the Rio Grande—all of whom were demanding the same thing, and that is, restoration of the Mexican Constitution of 1824.

Under the constitution of 1824, Texas and what is now the Mexican State of Coahuila were one legal entity. But more important than that, the people of Mexico were to have representative government; there were to be freedoms of the kind that we in America had and still have today. Under that constitution, the Anglo-Americans who migrated to Texas were happy to live, and in fact the leaders among them wanted nothing more than to be and remain loyal Mexicans. But when Santa Ana took over, the constitution was suspended; representative government, the free exercise of religion, and all other personal liberties went out the window. The people of Mexico had a choice: surrender or fight.

The Anglo-Americans met at San Felipe, a place on the Brazos River, to discuss their problems. They agreed to declare their loyalty to Mexico, but not to the dictator. They sought the restoration of the 1824 constitution, and all its liberal guarantees—the same guarantees that they had lived under for a decade. Pending that restoration they set up a provisional government.

My great-grandfather and others among my relatives lived in what is today the Mexican State of Coahuila, but which was then the combined States of Coahuila and Texas, or Coahuila y Texas, as it was known at that time. Like their compatriots north of the Rio Grande, these brave souls resisted Santa Ana and demanded that the constitution of 1824 be restored. Unlike the Texans, who finally won in their uphill fight, they could not displace Santa Ana, and so they fled into the southern desert of Durango, at about the same time as the rebellion in Texas was going on.

Through the lens of modern history, we tend to forget that the Alamo's flag was the flag of constitutional authority, not independence. Its colors were red, white, and green—Mexican colors emblazoned with the symbol of Mexican constitutional authority. The Texas convention at San Felipe, and the Alamo fighters who became their symbol, were defenders of constitutional right, resisters against usurpation, not just freebooters.

The principles of Texas independence were the principles of freedom and liberty, the liberal principles on which our own country is founded and on which the Government of Mexico had rested. The situation that the Texans confronted at San Felipe, and later at the Alamo, was that a dictator had taken over, usurped legitimate authority, and had to be confronted by the people. The convention at San Felipe created a provisional government, because a dictatorship was not a government of the people, as the constitution of 1824 guaranteed. Had the revolution in Coahuila succeeded, it is possible that Texas, itself, would never have had to confront Santa Ana; but it did not turn out that way. Santa Ana moved across the Rio Grande in February 1836.

Texas declared its independence on March 2, 1836, some 4 months after the San Felipe convention. Santa Ana's army was already in the vicinity of San Antonio, had been for close to 2 weeks. On March 6, the battle of the Alamo began, and soon ended in tragic glory.

We forget too easily that there was no flag of Texas at the Alamo, forget too easily what started the independence movement. The flag, and the movement reflected a demand for constitutional government, restoration of it. Failing restoration of the constitution, there was only the resort to force, and the hope for independence. That is what the Texans at San Felipe wanted—constitutional government, and an end to a sorry dictatorship.

March 2, 1836, was the date Texans, faced with the forces of Santa Ana, finally recognized that he would never restore the constitution of 1824, and that they had no choice but to seek independence. If they, and their compatriots in Mexico, who included my great-grandfather, had gotten what they originally sought, or Santa Ana had had the sense to grant it, we might still have a place on the Mexican map known as Coahuila y Texas.

March 2 should remind us that human and constitutional rights are worth having, not merely having, but fighting for, as the people of Coahuila and Texas did.●

AMERICA'S SMALL MINERS: A FORGOTTEN BREED

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. SANTINI. Mr. Speaker, a majority of the Nation's operating mines were discovered by the so-called small miner—the independent prospector. Their contribution in terms of past mining history in this Nation is irrefutable.

At one time the "old West" found hundreds of prospectors roaming the wilderness with burro, pick, and shovel. However, burdensome regulations and constraints now cause fewer and fewer of these Western nomads to enter the Nation's deserts seeking their fortune.

Occasionally, the plight of the small miner is momentarily brightened when one lone prospector discovers a major claim. The intriguing story of Jay Lint is one such bright spot. After 12 years of continual digging, Jay discovered the multimillion-dollar Shining Dawn gold mine, high on the Mojave Desert of California.

In order to more fully recognize the value of our small miners, I submit for the record a newspaper article from the February 13, 1981, Las Vegas Review-Journal telling the story of Jay Lint and the Shining Dawn mine:

MINER'S DISCOVERY COULD REAP MILLIONS

SHINING DAWN MINE, CALIF.—The flame of a kerosene lantern flickers gemlike in his eyes as workworn hands stroke the small pile of rocks on the table. His words enter the silence softly.

"I believe that this was meant just for me," he says, "waiting there billions of years for just one person to find it."

Jay Lint came to the high Mojave desert with a pick ax, a shovel and faith. He chiseled away at the ungiving Earth for days, for months, for years and went broke four times, yet still he dug.

He dug for 24 years, exactly half his lifetime.

Now, at last—at sweet, long last—Lint thinks he has found gold. An entire mountainful. Gold beyond his wildest hopes, gold beyond his dreamable dreams.

Lint lives in a crude cabin five miles up a dirt mountain road, but he lives for the $3 claim he staked out along what he believes to be the world's richest vein of gold.

To the naked eye, the Shining Dawn Mine is a chill, damp shaft gouged deep into the red mountainside. But Lint's yawning hole in the ground leads to an ore deposit that geologists say could reap millions.

"We have the Mother Lode," he declares, predicting a 1980s gold rush in the silver-laden Calico Mountains. None of the scientists who have surveyed the site refer to it as the Mother Lode, or gold root, but no one has disputed that Shining Dawn is a major claim, either.

Lint's life, despite the promise of wealth, is unadorned. A dog-eared Bible is jammed between mining journals on the sagging bookshelf of his cabin. He cooks on a wood stove and walks on a dirt floor, entertaining himself with a guitar and a box of dominoes. The place is run by a litter of half-Siamese kittens as wild as the desert wind howling at the door.

He first found traces of gold at the Shining Dawn in 1957 while searching for rare earth elements used in color television, Lint recalls. But it wasn't until Dec. 16, 1974 that he scratched the rock surface of this mountain and saw the gold vein.

"The average prospector could have found it," he says. "It was right there on the surface. Hundreds of people must have walked right over it."

He talks of God, of a vision that led him to this mine. His faith is symbolized by the Shining Dawn hallmark—a Crucifix and Star of the East. He wears tiny gold replicas of the cross in his pierced ears.

He spent the past six years charting the ribbon of gold, then painstakingly mining the fault by hand until he and his five partners found investors to incorporate them as the American Progress Mining Co.

Machinery began working the mine in September and Lint plans to hire additional hands and start building a tiny mining town atop the mountain.

The switch to technology will increase daily ore production from 50 tons to a peak of 500 tons, Lint estimates, with an average of three ounces of pure gold per ton and a top daily income near $1 million.

"And that's only the gold," he boasted. "Half this vein is silver, too."

Lint will process the precious metal himself—as he has done for the past two decades. He learned how through correspondence courses in chemistry and geology.

Before the costly equipment came along, Lint spent his hours between sunrise and sunset inside the Shining Dawn, boring holes into solid rock, filling them with dynamite, then mucking the Earth—and ore—out by the shovelful.

The Framingham, Mich., native claims he can tell whether ground holds gold "just by walking on it.

"I'm just like a witching man who finds water with a stick," he explains, "only I feel it in my body."

Riches will not change him, Lint vows. He belongs here. And he will remain here, "probably wearing the same ol' shoes with the same ol' holes."●

FUEL PRIORITY FOR AGRICULTURE

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BEDELL. Mr. Speaker, today my colleague, Mr. TAUKE, and I are introducing legislation designed to provide American agriculture with priority allocations of fuel in the event of a severe energy shortage.

The Bedell-Tauke bill provides that within 90 days after the date of the enactment of this legislation, the President shall prescribe, by rule, an agricultural allocation contingency plan. This plan would insure that all phases of agricultural production, including food processing and transportation, would be given priority allocations of diesel fuel and gasoline.

This legislation is necessary because of President Reagan's recent decision lifting controls on crude oil and petroleum products and the expiration of Presidential authority to set fuel allocation priorities for essential sectors of the economy, including agriculture, on September 30, 1981.

The expiration of such authority, in addition to the elimination of State setaside programs for diesel fuel later this month, will leave no contingency plan in place. As we know, Mr. Speaker, from our experience during the energy shortage of 1979, the farm

community would be virtually helpless should a severe energy shortage occur.

All should agree that during periods of energy shortage, special provisions must be made to assure that farmers get the fuel they need for production purposes. These fuel supplies are essential, not only to farm income, but to fulfilling domestic and world demand for American farm products. Even a temporary disruption of petroleum supplies could result in serious declines in food production.

Historically, agricultural producers have been recognized as priority users of petroleum products. This priority must be maintained to assure a strong agricultural economy.

Mr. Speaker, it is essential to the continued well-being of our country that farmers have reliable supplies of fuel. This can be assured only if we are prepared to deal with shortages and supply disruptions before they occur. We must take the initiative now, to assure that agriculture will have the fuel it needs during any periods of supply disruption.

We are confident, Mr. Speaker, that our colleagues will recognize the value of this legislation, and we hope that they will lend it their full support.

The text of the bill follows:

H.R. 2244

A bill to amend the Energy Policy and Conservation Act to provide for a standby plan for allocating gasoline and middle distillates for essential agricultural uses in the event of a severe energy supply interruption.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Energy Policy and Conservation Act (42 U.S.C. 6261 and following) is amended by inserting after section 203 the following new section:

"AGRICULTURAL ALLOCATION CONTINGENCY PLAN

"SEC. 204. (a) Within 90 days after the date of the enactment of this section, the President shall prescribe, by rule, an agricultural allocation contingency plan. Such plan shall provide for the allocation of gasoline and middle distillates for essential agricultural uses in the event that a severe energy supply interruption threatens agricultural production, as determined by the Secretary of Agriculture.

"(b) For purposes of this section—

"(1) the term 'middle distillates' means No. 1 and No. 2 diesel fuel and No. 1 and No. 2 heating oil; and

"(2) the term 'essential agricultural uses', when used with respect to gasoline or any middle distillate, means any use of such product—

"(A) for agricultural production, natural fiber production, natural fiber processing, food processing, food quality maintenance, irrigation pumping, crop drying, or transportation related thereto, or

"(B) as a process fuel or feedstock in the production of fertilizer, agricultural chemicals, animal feed, or food,

which the Secretary of Agriculture determines is necessary for full good and fiber production.

"(c) For purposes of section 201 and title V of this Act, an agricultural allocation contingency plan shall be treated the same as an energy conservation contingency plan under section 202.".●

THE TIME IS NOW FOR ALCOHOLIC BEVERAGE WARNING LABELS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BROWN of California. Mr. Speaker, the time has come to take the liquor problem in this country seriously. Today, I am introducing legislation to require health warning labels on all labeling and advertising of alcoholic beverages.

I am sure that my colleagues have all heard the staggering statistics on the costs to society posed by alcohol abuse. However, for these colleagues that have not heard them or have forgotten, let me repeat some of these figures. Excessive use of alcohol costs society between $25 and $40 billion annually—in lost labor productivity, health and medical costs, highway accidents, criminal prosecutions, treatment, and welfare. Alcohol abuse is a factor in 40 percent of criminal arrests and fills one of every four general hospital beds. There are between 5 and 10 million alcoholics in the United States, a figure that grows by 200,000 every year.

Given these staggering statistics, the question arises whether health warning labels will solve the problem. A recent report submitted to Congress jointly by Treasury and Health and Human Services concluded that health warning labels would not solve the problem. According to this report, the risk of drinking alcohol are too complex and the effects vary too much from person to person to convey the hazard accurately in a general warning. To address this problem, I have proposed a more specific warning label.

The report also warned against overusing one of the Government's most important forms of health alert—a general health hazard warning label. Unfortunately, the report recommended against the requirement of warning labels at this time. However, the report did not recommend against warning labels in general. It stated:

If in the future, it is clear other methods of informing have not been adequate * * * Congress should consider a requirement of warning labels for selected alcohol-related risks.

In my view, the question is not whether other methods of informing the public are adequate, but whether the health warning label will contribute to the overall public information campaign sufficiently to justify the costs to the industry and consumers.

A view of the effectiveness of the cigarette warning label indicates that a warning label can contribute to this effort. An article by Daniel Greenberg, a respected science editor, pointed out the demonstrable effectiveness of a propaganda campaign that includes health warning labels. While there is no evidence that warning labels had a significant impact in reducing tobacco consumption, it can be surmised that the labels did contribute to the overall success of the campaign. Thus, concluded Greenberg, it is medically scandalous that cigarette packages have warning labels while alcohol packages do not. I have inserted this article in the RECORD for consideration by my colleagues.

What are the costs that would be imposed by health warning labels? In a hearing before the Senate Subcommittee on Alcoholism and Drug Abuse, Sam Chilcote, president of DISCUS, admitted that the warning label would cost less than a penny per label. In my mind, that is a small price to pay for an effective means of informing the public of the dangers of alcohol misuse.

A number of State legislatures, including Utah and Iowa, are pushing through resolutions calling upon Congress to enact a health warning label requirement for alcoholic beverages.

Ultimately, the question whether health warnings for alcoholic beverages are necessary is a political decision. While the report of Treasury and HHS concluded that warning labels are not advisable at this time, given the severity of the problem, it is clear that the time is now.

I urge my colleagues to join me in cosponsoring this important legislation.

[From the Des Moines Register, Oct. 29, 1980]

A PROPAGANDA CAMPAIGN AGAINST THAT HEALTH HAZARD, ALCOHOL

(By Daniel S. Greenberg)

1980 Science & Government Report

Why don't we give alcohol the same health-propaganda and opprobrium treatment that has produced a remarkable decline in tobacco consumption among Americans?

Since the anti-tobacco mood has developed so gradually, few of us now notice it. But foreign visitors often remark that, relative to their homelands, smoking is on the wane here. The official numbers support that observation, showing, for example, that among men 25 to 34, smokers declined from 60 percent to 40 percent over the past 15 years.

The drop, dating from the 1964 Surgeon General's Report on Smoking and Health, is the direct consequence of an often fumbling, underfinanced and politically opposed effort to get the public to wise up to the toxic effects of smoking. But despite its limitations, it has worked to a substantial extent.

For all the health wreckage that has been reliably traced to tobacco, the weed is mild stuff compared to alcohol, whose devasta-

tion ranges from the killing and serious injury of innocent scores of thousands on the highways, to the commonplace self-destructing of careers and family relations.

The main barrier to giving alcohol the tobacco treatment is that opposition to alcohol has a bad name from our brief and disastrous experience with Prohibition, which foolishly defined drinking as a police problem.

Recuperating from that constitutional mishap, we've evolved to the usual next stage of hope by defining alcohol as a research problem, and ensconcing it in its own government-financed research institute, replete with grants, professional journals, a conference circuit, and all the other organizational paraphernalia of modern-day scholarship.

The potential of this research enterprise ought not to be scoffed at, because, compared with the national booze bill, it is cheap and promising. But as the effectiveness of the anti-tobacco campaign clearly shows, it is not necessary to know everything before you can do something. The public today is highly receptive to reliable information about how to live longer and in good health. This strongly suggests that it is time for an across-the-board propaganda barrage against alcohol.

The intention, of course, is not to ban it, for the obvious reason—as we've seen with marijuana and other "soft" drugs—that it is hopeless to try to impose police control on consumables of mass interest. Rather, the object should be to energize the good sense of the American people and encourage them to protect themselves and one another by remaking the image of drinking, just as has been done with smoking.

It is politically and medically scandalous, for example, that cigarette packages bear a health warning from the surgeon general—as they should—while alcohol packages don't.

Similarly, cigarette advertising is barred from television, while alcohol consumption is permitted to be cleverly depicted in TV ads as integral to good fellowship and joyous events. To the extent that the alcohol industry is under public attack for what it is selling, it responds with odes to moderation. But these actually are relatively infrequent since the plague of alcoholism is widely accepted as a given of modern life.

Having recognized that alcohol is invulnerable to police work, we've designated it a medical problem and wait hopefully and patiently while scientists and doctors work on it.

In the long run, they're likely to be fruitful sources of prevention and treatment. But in the meantime, the propaganda weapon, demonstrably effective, is at hand: Why not use it?●

THE SILVER SCAM—HOW THE HUNTS WERE OUTFOXED—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. McDONALD. Mr. Speaker, on February 23, 1981, I placed in the CONGRESSIONAL RECORD part I of this item relative to the Hunt family and the allegations that it was manipulating the silver market with large purchases. It appeared on page 2738 of the RECORD of that date. For those of my colleagues interested in this matter, I commend part II to their attention so they can learn the truth concerning the activities of the Hunts and the members of the Commodities Futures Trading Commission.

Part II follows:

THE SILVER SCAM—HOW THE HUNTS WERE OUTFOXED—PART II

Back to Nelson Bunker and William Herbert. Could they corner silver?

Let's look at what they did. Their behavior was not typical of that of cornerers. In the first place, they told everybody who would listen what they were doing; they were big, big buyers and intended to buy more and more. A cornerer operates in secret until he owns substantially the entire available supply, and then he squeezes the surprised innocents who have sold short and must buy in higher.

You would have to have been belligerently deaf and disbelieving and anything but innocent to sell short and then be caught surprised if Nelson Bunker and William Herbert had cornered silver and demanded that you deliver. Everybody knew they were buying and willing to pay a higher price.

In the second place, they never tried to squeeze anyone. They took their deliveries slowly, over many months, even accepted in settlement of some of their contracts noncertificated silver not on deposit with the exchanges, and gracefully rolled the bulk of their futures forward into later and later months so as not to squeeze the sellers. Cornerers? Not quite.

What, then, was their objective? Obviously, to own a lot of silver. Did they want to own all of it? Even more than all of it? What would happen if they did?

The governing bodies of the exchanges, or the government, would promptly shut down the markets, and the markets would cease to function until there was a fair balance of supply and demand, until there was an adequate silver supply from other sources, until mine output increased, and people melted down their table silver (in fact there was no corner in sight and even so mine output did increase and people in droves started to sell their table silver). In the meantime, industrial consumption would be cut back to the annual production level while users substituted other metals for the unavailable silver. The fantasy of the Hunts owning all, or more than all, the silver in the world and boosting the price to the stratosphere is simply not credible. It wouldn't have worked. There is no evidence that Nelson Bunker and William Herbert ever thought it would. There was a 100 percent certainty that the exchanges and the government would step in and prevent it.

Furthermore, there was a 90 percent certainty that in the event of any attempt to corner, the professional investors would heavily short silver at progressively higher prices with the absolute certainty that at some point the exchanges and the government would step in, close the markets, and break the price.

In fact, silver could not be cornered, and the attempt would not be a rational bet. Nelson Bunker and William Herbert clearly knew it. Whatever they are, they are not stupid.

Indeed, what was worrying the Commodity Futures Trading Commission (CFTC) and the exchanges was not the possibility of a corner, but the possibility that the silver buyers had the power to drive the price "unreasonably high"—whatever that meant—and the nightmare that Nelson Bunker and William Herbert would buy, buy, buy, driving the price up, up, up, and then secretly unload their enormous holdings at a high price on an unsuspecting public. If they could, their silver game was dangerous. But could they?

Let's be realistic. If they sold even a minor amount, say 50,000 ounces, a number of people would know it, and others would guess. The precious metal markets feed on rumors, and any rumor that the Hunts were selling was bound to cause a huge drop in the price; on a number of occasions such rumors did. Now suppose they tried to sell not 50,000 ounces, a minor amount, but a significant portion of their total holdings, which were 1000 to 10,000 times greater than 50,000 ounces, somewhere between 50 and 500 million ounces, the exact number being anybody's guess. What could they get for it? $50 an ounce? $40? $20? Or $4.50?

The fear that the Hunts were running a silver "pool"—where they as insiders would sell at the top enough so that they would have huge profits and a lot of small investors would be left holding a worthless silver bag—was fantasy with no basis in fact. Nevertheless, the CFTC had that fear, and they, and the Federal Reserve and the Treasury, came to see the Hunts as a challenge not only to the commodity markets, and the ability of the government to regulate those markets, but to the monetary policy of the United States.

Why? Because Nelson Bunker and William Herbert believed—and may well still believe—that gold and silver are even now being remonetized, that paper money is becoming progressively more worthless, that the precious metals will soon be the only true money, and that they will have, in their silver, the only true money there is, apart from gold. And if gold goes to $1000 an ounce, and it may, it will be too valuable to use as the normal, day-to-day medium of exchange—and that was the role they saw for silver, a role which would enhance the relative value of silver. At a 1:10 silver-gold exchange ratio, which Nelson Bunker repeatedly told the press he foresaw, an ounce of silver would be worth $100, and the pocket money used in commerce would be silver.

Unlikely? Perhaps. Farfetched? Perhaps. Impossible? No. Insane? No. Many highly respectable economists share precisely the same view of the future roles of gold and silver. It is not, however, a popular view among the politicians and bureaucrats who govern the U.S.

Back to Nelson Bunker and William Herbert and the silver hunt. In time, they met others who were similarly convinced. There were lots of others. We know the names of some of them, three Saudis and a Lebanese Brazilian, who may or may not have been dealing for their own accounts, and whose names are therefore unimportant, except that one of the Saudis is a prince (the number of male members of the Saudi royal family, however, is apparently 4,000). Obviously, with many others, some of whom were quite wealthy, all buying silver at the same time, the passionate buyers had the capacity, over a period of time, to acquire a very substantial portion of the above-ground stock of silver, no matter how high the price went, and even if they did not want and could not have effected a corner, if they all kept buying enough long enough, the price of silver was likely to go higher.

All right. So what? Was this wrong? Who would suffer?

It was wrong, and there were those who would suffer, according to the CFTC, but precisely what was wrong and who would suffer depended on whom you might ask. The wrong, according to the CFTC, was the distortion of the market mechanism and the sufferers were the makers and users of silver and the uninformed small investors.

The CFTC staff seems to view the Hunts' silver adventure as a sequel to their earlier soybean caper. But the CFTC staff sees it as the primary responsibility of the exchanges, and not the CFTC, to fix and change margin requirements, to establish position limits, to limit trading, and to close the markets if necessary to prevent manipulation of prices, corners, or worse.

CFTC Chairman James Stone—a young, bright, attractive activist, formerly Massachusetts commissioner of insurance, and a newcomer to commodities—took a more aggressive view of the commission's role. Stone, though new to the job, was a very quick learner—and he was regarded with some uneasiness by the insiders who controlled the exchanges. For, much as the exchanges ran to the CFTC with the silver problems caused by those crasy pirates from Texas (and the records of the exchanges and the CFTC are both replete with references to almost daily contacts), the exchanges well knew that the chairman was likely, highly likely, to seek in due course further regulation of the exchanges, and he has.

Chairman Stone's position before the Congress has indeed been more activist. It is clearly more ideological. He considers "speculation" in commodities an unmitigated evil, "a form of gambling which endangers our economy." He equates this year's silver problem with the Dutch seventeenth-century tulip bubble, the English eighteenth-century South Sea bubble, the U.S. nineteenth-century attempted commodity corners, and the stock market collapse of the roaring 1920s. Commodity speculation leads in stone's view to unemployment, inflation, misallocation of credit, and the possibility of a total financial collapse. He thinks the CFTC should have the power to set and change margin requirements. He seems to imply that the CFTC as much as the exchanges was responsible for the silver position limit controls. He demands that restrictions be placed on bank and broker financing of commodity purchases, like the restrictions on their financing of securities purchases. Presumably this restriction also would be issued by the Federal Reserve.

The situation at the CFTC was complicated by two genuine philosophical conflicts. First, there was the growing confrontation between those who believe in the free market, with a minimum of governmental interference and control, and those who, like Stone, believe that extensive governmental regulation is neccessary for the good of both the public and the exchanges.

There was a second and even more important issue at stake, and this had to be causing further pressures on the CFTC chairman and members. The Treasury, the Federal Reserve, and others in the executive branch saw correctly, and quite early, the potential significance of the economic theory underlying the moves of the silver bulls. The silver bulls were at core hard money monetarists. The concept of a hard money standard in accordance with that discomfiting clause of our Constitution giving the federal government the right to coin (not print) money was, to say the least, troublesome to many in the executive branch and many members of Congress. Our government has for years paid its bills in large part with the printing press; in addition, our endemic inflation is, in fact, a source of desperately needed hidden taxes. Loss of the right to print money not backed by precious metal would threaten both. Were required convertibility of the currency into fixed amounts of gold and silver ever readopted, it might relegate our government to taxes on real, non-inflation earnings, debt repayable in coin of constant content if not value, and guarantees backed by similar coin as the sole sources of government revenue.

We had had convertibility until the 1930s. Was it conceivable that we might have it again? Could our government as we knew it function if we did?

Dust under the rug, dust under the rug . . .

Meanwhile, the short sellers of silver were very short and in very hot water. They had had plenty of advance warning, and, as one month rolled around where the longs never tried to squeeze the shorts (and could not have done so even if they wished to with the CFTC and ruling bodies of the exchanges looking on), it became more and more difficult to sympathize with the short sellers of silver. But short they were, and facing the prospect of enormous, crushing loss.

Let us consider their position and who they were, the market insiders, the professional commodity traders, the trading houses themselves, buying and selling for clients and for their own accounts, and the members of the exchanges. Many of them were heavy short sellers of silver. After endless prodding and hearings, the Commodity Futures Trading Commission finally revealed in late May that the insider short position on January 17 was nearly $2 billion. (Some of the insiders promptly claimed their shorts were hedged. We don't know the details of this. Who was ultimately taking the risk?)

Commodity trading is a zero-sum game. Every unit someone buys is a unit someone sells. As Nelson Bunker and William Herbert and others bought and went long, others were simultaneously selling and going short. And as the Hunts and the other buyers went heavily long—at peak more than 200 million ounces of silver long—somebody else was going heavily short.

Suppose for a moment that the same people who controlled the exchanges, and made and changed the trading rules, were in fact the ones who were short, and were heavily short for their own accounts, or related accounts. It is at least relevant to determine the existence and magnitude of what could very well have been an enormous conflict of interest.

Conflicts of interest in regulated markets have been sensitive matters for many years. We have all heard the Wall Street maxim that the public is always wrong. Why? The question is very serious. It suggests the public is stupid—but surely it's much more complicated than that. Is it, in part, because the insiders tell the public what to do and privately do exactly the opposite? The suggestion is misleading in most cases—but it does happen. Sometimes. Indeed, it has to happen sometimes. When the speculators are reluctant to take positions of sufficient size to make the markets function, the market-makers themselves must take the "unpopular" side of the particular risks; that's how they make the markets.

Oh? Well, they do make the markets and they control the exchanges. The members elect the governing boards and the governing boards make the rules. And change the rules, from time to time.

Silver was going out of control. As the price of silver mounted, it became ridiculous in the eyes of many exchange members. Six dollars an ounce? Seven dollars? For silver? Sooner or later the bubble would break. If not, they could always make it break. It would be their duty, they would claim, to make the price break, for the benefit of the makers and users and for the protection of the public. And some of them—we suspected and now know from the CFTC—shorted silver, selling futures on silver they did not own.

At first it seemed they were wrong. The price did not break.

Indeed, as it went higher, the "smart money" got nervous. They had shorted silver at $6. They had shorted more at $7, even more at $8, more still at $10, and by Labor Day of 1979, the price had reached $11. Maybe they should borrow their limits and really go for broke if the price reached $15 or $20. The trouble was that awful word "broke." It may have been literally as well as figuratively true in some few cases.

Again, so what? They had played the game. They were losing. Too bad. That is the nature of the commodity business. If you go heavily short in a rising market, you go broke. That's the way it is. He who sells what isn't his'n must buy it in or go to prison. That is the first law of commodities. Losers weepers.

Not these losers. They had two lines of defense. First, of course, were the governing bodies of the exchanges. And second, there was the government, the agency most directly concerned being the Commodity Futures Trading Commission.

But unless Congress changed the law and permitted the CFTC to make and change all the exchange rules, the governing bodies of the exchanges still had the power to make and change the rules, and possibly the power to make retroactive changes.

Well, they made them, all right. They changed the rules. They did it perhaps for any number of reasons but there was one undeniable effect: they bailed out the losers.

First, they appointed special silver committees of members who had relatively little silver action going, and theoretically less conflict of interest. This was a good move, and clearly correct, but was it substance or only surface?

The new committees promptly turned to business and tightened the screws on silver buyers. Remember those $1000 5000-ounce futures? As the price had gone up and up, the value of those futures had gone up and up, and the people who owned those futures had that escalating value on deposit with their brokers and could use it to borrow money, which they could use to buy more silver futures—always $1000 down for 5000 ounces. The silver pyramid was terrific, as good as—what? Silver?

And so, lo and behold, in the summer of 1979, the exchanges made a series of changes in the margin rules. Instead of putting up $1000 as before, you now had to put up substantially more. First, $1500. Then $2000, which is where matters stood on Labor Day of 1979, when the exchanges became a little panicky and got a lot more aggressive. They bumped the margin again and again, and made the buyers put up more and more, eventually—for the spot

months—as much as $75,000! For one 5000-ounce contract.

The rationale was plausible, if not sound. Tiny as it was, initial margin of $1000 had been deemed an "appropriate" cushion against a possible drop in price when the price of silver was $5 an ounce and the 5000 ounces cost $25,000. But now that the price was $15, and the 5000 ounces cost $75,000, the initial margin of $1000 was deemed inadequate. And the changes were retroactive. If you had put up $1000 initial margin when you bought, and they bumped the requirement to $10,000, you had to put up the other $9000 or you were subject to a margin call and the sale of your future contract.

The little people who had pyramided in accordance with existing rules and bought more and more futures had to put up a lot of additional margin—or sell some of their futures. Which was the purpose of the new rule, of course—to force them to sell their futures. When people have to sell, sell at any price, the price tends to go down.●

FEDERAL EXPENDITURES PAY DIVIDENDS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. AuCOIN. Mr. Speaker, in grappling with the budget cuts proposed by the President, it is important that Congress respond with consistent, thoughtful logic. No one disputes the need to cut Federal spending and balance the budget but to do so without logic, without rationale spells trouble for any economic recovery we hope to achieve. To arbitrarily slash those programs which return revenues to the Treasury and those that help American business and industry boost productivity is a questionable tactic that deserves close scrutiny by the Congress.

A good example of how tax supported research can pay dividends is described in an article by Mike Stahlberg which appeared in the Eugene, Oreg. Register-Guard a few days ago. Through State-supported research at Oregon State University, an improved cheese culture was developed which is now saving the industry millions of dollars each year and returning to the university itself funds to carry on its work, thereby easing some of the budgetary demands on public coffers. Perhaps even more important, the success of this one case has encouraged other scientists and researchers to pursue similar projects which can only help to improve productivity and contribute substantially to a healthier economy.

Mr. Speaker, this article concerns State-financed research, but its lessons for the Federal Government are clear. It suggests an approach for using our scarce Federal resources that we should consider as we address the administration's cuts. I commend it to the attention of my colleagues and insert it in the RECORD at this point.

[From the Eugene (Ore.) Register Guard, Feb. 15, 1981]

TAX-SUPPORTED RESEARCH PAYS OFF

(By Mike Stahlberg)

Oregon taxpayers have been paying to help support research at state universities for years. Now several products developed by that research are paying dividends.

One is a "starter" culture for cheesemaking developed by two Oregon State University scientists, microbiologist William Sandine and pharmacist James Ayres.

That may not sound too glamorous and, in fact, it probably is not the greatest thing since Little Miss Muffet dropped her curds and whey beneath a tuffet.

But it will help the cheese industry "save millions of dollars a year," according to Sandine. The product protects fermenting milk from unwanted viruses while sugar in the milk is being converted to lactic acid and, in turn, causes the protein in the milk to coagulate into curd.

Cheese producers thought enough of the new starter culture to buy more than one million pounds of it last year. As a result of those sales, OSU has earned about $90,000 in royalties.

Sandine expects sales of the starter culture, produced and marketed under the name of "Phase 4" by the Galloway West company, to double in 1981.

In addition to fermenting 200 million pounds of milk, the new product also started other scientists thinking about a State Board of Higher Education policy which encourages inventors.

Sandine says the OSU faculty "is very patent conscious" now. "My chairman told me that several have been to him, talking about things they would like to do and several more have filed disclosure statements with the patent office, so I think the developments in this case have been encouraging."

The experience of these two scientists shows how discoveries in publicly financed laboratories can be put to use by private enterprise, to the benefit of both.

"I think the fact that rewards are now coming in and that the department involved will be able to continue research based on those royalties, plus the personal rewards for the inventors, is going to create a climate across this campus which is going to attract and stimulate a great deal more technology advancement," Ayres says.

"Up to now, not too many people realized it was possible to do good basic scientific research and at the same time be rewarded through the state board system."

Patents on inventions developed by researchers working in state universities belong to the board of higher education. However the board's policy provides for sharing income generated by the patents with the inventors.

The inventors receive 40 percent of the first $50,000 in net royalty income, 35 percent of the next $50,000 and 30 percent of all additional net income received by the board. The remainder of the money is retained by the institution where the inventor worked and is used to help finance more research.

Many patents are held by the State Board of Higher Education. From 1970 to 1980 alone, 14 patents were obtained or applied or are pending. However, most of them have not attracted any commercial attention. Other inventions have not been patented, but the state has entered into "licensing agreements" with companies that use the technology.

Aside from the cheese-making process, the state board's most productive patent has been for the drug DMSO, developed by Dr. Stanley Jacobs of the University of Oregon Health Sciences Center. Since 1973, the school has received more than $100,000 in royalty income from the drug.

Meanwhile, the key to the success of the cheese culture can be found in the cliche about necessity being the mother of invention.

"The best way to develop a product that will be financially successful is to recognize a need and then develop a product to fill that need," Sandine says. A lot of people try to do it the other way around—they develop a product and it never goes anywhere because there's really no need for it. A problem in the cheese industry is virus inhibition of the starters used to begin fermentation," Sandine says.

Sandine says he learned of the cheese industry's need for a better starter medium in discussions with a former graduate student who worked for the Borden Co., Galloway West's parent firm.

"I had an idea to meet that need and I shared it with him," Sandine says, "and he really got excited about it."

After some initial reluctance, Galloway West agreed to finance research with the understanding the company would have first rights to marketing any product that might be developed.

Sandine says he recognized early that he needed a good pharmaceutical chemist, and contacted Ayres. "I explained the concept to him, and he says, 'Hey, we can do that!'" Sandine says.

And they did. The new product "just flat will not allow viruses to grow in it, so they go into the cheese vat with a starter that's virus free," Sandine says.

For the cheese industry, another economic benefit from the new product is the increased productivity that results because smaller quantities of the new starter are needed for each vat of milk. "In the past," Sandine says, "they had to use 1 percent of the total volume of milk. Now they need half as much, or less. Of course, that increases the amount of milk that they can put in their cheese vats."

When you're talking about plants that may process millions of pounds of milk a day, that half percent increase in productivity adds up to a lot of cheese spread.

Meanwhile, Ayres predicts that "the basic concept of a marriage between private industry and universities will grow markedly in the next 10 years" as research money from state and federal governments becomes increasingly more difficult to obtain.

"This was very much a cooperative effort between Oregon State University and the company," Ayres says. "Although we developed the product initially, it was only marketable because of the contributions their (Galloway West's) scientists made as well."

Ayres also forecasts "a tremendous increase" in products marketed as a result of basic university research—"just like all the products that have hit the market now that are fallout from the space program research."

Meanwhile, plans are under way to expand the line of starter mixes to other types of cheese and to obtain an international patent on the process. The starter mix now produced is only suitable for cheddar and cottage cheeses.

Field testing is under way for a starter that can be used in making Swiss and Italian cheeses, particularly mozzarella and other pizza cheeses.

"That market is even bigger than cheddar cheese," Sandine says. In fact, a lot of cheddar cheese plants across the country are switching over to produce mozzarella cheese because there is so much pizza being produced in the country."

That makes it sound like those royalty checks will be getting bigger. But Sandine and Ayres aren't counting on their cheese before it's sliced.

"With any new product—regardless of whether it's a frisbee or hula hoop or whatever—when it hits the market, the competitors immediately attempt to duplicate or improve upon on it," Ayres says.

"There's no way to tell how long it will be before somebody comes along to take away a share of the market."●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. RATCHFORD. Mr. Speaker, at a time when the forces of inflation take their cruelest toll on the elderly of our Nation and the Federal tax burden is difficult for many living on limited or fixed incomes, it is important that we do our best to alert the elderly to tax deductions they are entitled to and how to guard against overpayment of income taxes.

As an active member of the House Select Committee on Aging, I am delighted that committee staff has prepared an excellent guide revised for use in taxable year 1980. This checklist of itemized deductions and helpful hints on how to avoid overpayment of income taxes is an extremely valuable tool, and I insert the Aging Committee guide in the CONGRESSIONAL RECORD at this time.

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Tax Return Information for Use in Taxable Year 1980)

A. FILING REQUIREMENTS

Single Individuals

Single individuals under the age of 65 must file a return if they had gross income of $3,300 or more for the year. Those over age 65 must file if they had gross income of $4,300 or more.

Married Individuals

Married individuals under the age of 65 must file a return if the couple's combined gross income was $5,400 or more. If only one spouse is age 65 or older, the filing level is $6,400. If both spouses are age 65 or older, the filing level is $7,400.

An individual who is married and whose spouse files a separate return must file a return if gross income was $1,000 or more.

Qualifying Widow or Widower

Qualifying widows or widowers must file a return if they had gross income of $4,400 or more during the year. For qualifying widows or widowers who are 65 or older, the filing level is $5,400.

Self-Employed Persons

Self-employed individuals must file a return if they had net earnings from self-employment of $400 or more.

B. PERSONAL EXEMPTIONS

Each taxpayer is entitled to a $1,000 personal exemption. Married taxpayers generally are entitled to an additional $1,000 exemption for their spouses. Furthermore, additional exemptions are provided for age (65 or older) and blindness. Finally, individuals may take an exemption for each person who qualifies as a dependent.

C. ZERO BRACKET AMOUNT

The zero bracket amount (formerly, the standard deduction) is the portion of an individual's income which is not subject to tax. The zero bracket amount is (1) $3,400 for married individuals filing jointly, or qualifying widows or widowers, (2) $2,300 for single individuals, or heads of households, and (3) $1,700 for married individuals filing separately.

D. EXCLUSIONS

Capital Gains

In general, 60 percent of net long-term capital gain is excluded from gross income.

Sale of Personal Residence

Individuals who are age 55 or older may elect to exclude, on a one-time basis, up to $100,000 of the gain from the sale of a personal residence. For the exclusion to apply, the taxpayer must have owned and occupied the residence for 3 of the 5 years ending on the date of sale.

Dividends and Interest

In general, individuals may exclude up to $100 ($200 on a joint return if each spouse has at least $100 of dividends) of dividends received during the year.

For 1981 and 1982 tax years (to be reflected on 1981 and 1982 tax returns), $200 ($400 in the case of joint returns) of interest and dividends may be excluded from gross income.

Disability Income Exclusion

Certain individuals may exclude up to $5,200 per year of disability income. In general, to qualify for this exclusion, an individual must be under age 65, must have retired on disability, and must have retired because of permanent and total disability.

E. ITEMIZED DEDUCTIONS [1]

Medical and Dental Expenses

The portion of medical expenses that exceeds 3 percent of a taxpayer's adjusted gross income may be deducted. (However, medicine and drug expenses are taken into account only to the extent that they exceed 1 percent of adjusted gross income.)

One-half of the amount spent for medical insurance (up to $150) may be deducted without regard to the 3-percent floor. The remainder is lumped with other medical expenses and is subject to the 3-percent floor.

Taxes

In general, State, local or foreign income tax, real property tax, personal property tax, and general sales taxes are deductible.

Interest

Interest payments are deductible by individuals who are legally liable to make them. Items commonly deducted as interest include: Mortgage interest, "points" paid by a borrower, mortgage prepayment penalties, separately stated finance charges, bank credit card plan interest, interest on personal loans, and interest on business loans.

Contributions

Contributions of cash or property to qualified organizations may be deducted. In general, the deduction may not exceed 50 percent of an individual's adjusted gross income.

Casualty and Theft Losses

Personal casualty and theft losses are deductible to the extent that they exceed $100 per occurrence and are not reimbursed through insurance or otherwise.

Miscellaneous Deductions

In addition to medical and dental expenses, taxes, interest, charitable contributions, and casualty and theft losses, a number of other, miscellaneous expenses may be claimed as itemized deductions. Some of the more common expenses in this category include: dues paid to professional societies, employment-seeking expenses, employment-related education, subscriptions to professional journals, union dues, investment counsel fees, safe deposit box rental, and tax counsel and assistance.

F. TAX CREDITS

Credit for the elderly

Individuals who are age 65 or older, or who are under age 65 and receive a taxable pension or annuity from a public retirement system, may be entitled to claim the credit for the elderly. The maximum amount of the credit is 15 percent of one of the following amounts: (1) $2,500 for a single person, head of household, or qualifying widow or widower; (2) $2,500 for a married individual filing a joint return, if only one spouse is 65 or older; (3) $3,750 for a married individual filing a joint return, if both spouses are 65 or older; or (4) $1,875 for a married individual filing a separate return, if the individual and his or her spouse were not members of the same household during the year.

Child and Disabled Dependent Care Credit

Taxpayers may be entitled to a credit equal to 20 percent of the amount paid for the care of a dependent under the age of 15, a disabled dependent, or a disabled spouse, if the payment is made to enable the taxpayer to work or look for work. For a taxpayer with one qualifying dependent, the maximum credit is $400. If there are two or more qualifying dependents, the maximum credit is $800.

Earned Income Credit

Taxpayers with dependent children generally are entitled to a refundable credit equal to 10 percent of the first $5,000 of earnings (for a maximum credit of $500). The credit phases out a rate of 12.5 percent as income rises from $6,000 to $10,000 (that is, a reduction of 12½ cents for each additional dollar of income).

Residential Energy Credit

Taxpayers are entitled to a credit equal to 15 percent of the first $2,000 spent on qualifying energy-saving items. Qualifying energy-saving items include: Insulation, storm or thermal windows or doors, caulking or weather stripping, clock thermostats, furnace replacement burners, and meters that display the cost of energy use.

In addition, taxpayers may receive an additional energy credit for amounts spent on solar, wind-powered, or geothermal equipment for their homes. This credit is for 40 percent of the first $10,000 of those costs.

[1] For further details see itemized deductions.

Credit for Political Contributions

Taxpayers may take credits for up to one-half of political contributions made during the year. The maximum credit is $50 on a single return and $100 on a joint return.

G. PRESIDENTIAL ELECTION CAMPAIGN FUND CHECKOFF

Additionally, an individual taxpayer may voluntarily earmark $1 of taxes ($2 on joint returns) each year for the Presidential Election Campaign Fund. (This does not result in any increase or decrease of the tax liability.)

ITEMIZED DEDUCTIONS

A. CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and Dental Expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance Premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and Medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other Medical Expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services for medical care, including nurse's board paid by you.
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Television set if individual has a hearing impairment and the set is specially equipped with a visual display of the audio portion of television programs. Similarly the cost of an adaptor for a conventional television that performs the same function is now considered a medical deductive by the IRS.
Transportation expenses for medical purposes (9¢ per mile, plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., social security, veterans' pensions or compensation payments, railroad retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or Theft Losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.
Union dues.
Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).
Dues for chamber of commerce (if as a business expense).
Rental cost of a safe-deposit box used to store income-producing property.
Fees paid to investment counselors.
Subscriptions to business publications.
Telephone and postage in connection with investments.
Uniforms required for employment and not generally wearable off the job.
Maintenance of uniforms required for employment.
Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).
Business entertainment expenses.
Business gift expenses not exceeding $25 per recipient.
Employment agency fees under certain circumstances.
Cost of a periodic physical examination if required by employer.
Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).
Cost of bond if required for employment.
Expenses of an office in your home if used regularly and exclusively for certain business purposes.
Transportation expenses for business purpose (20 cents per mile for the first 15,000 miles, and 11 cents per mile in excess of 15,000 miles, plus parking and tolls or actual fares for taxi, buses, et cetera.)

B. OTHER TAX RETURN INFORMATION ITEMS

Tax Tables

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

Multiple Support Agreements

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support; (2) gross income; (3) member of household or relationship; (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—
2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.
3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of the sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.●

PROTEIN BYPRODUCT TO MEET FOOD SHORTAGES

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BEDELL. Mr. Speaker, today my colleague Mr. MARLENEE and I are introducing legislation which we believe will, if adopted, maximize the ability of the U.S. farmer to deliver protein to needy countries around the world.

This legislation would encourage the Secretary of Agriculture, through the Public Law 480 and export credit sales programs, to utilize the protein byproduct resulting from the production of fuel alcohol from agricultural commodities in meeting the food needs of developing countries. In addition, the measure urges the Secretary to use the protein by-product in domestic commodity donation programs. The extent of the Secretary's support for these efforts would, however, be predicated on the conclusions of a 6-month study authorized in the bill on the potential of the byproduct to satisfy world food needs.

As everyone familiar with the production of alcohol from basic agricultural commodities is aware, only the starch in the grain is removed to make alcohol. All the protein, vitamins, and minerals in the original bushel of grain is recovered. In fact, some experts claim that the amount of protein is actually increased due to the yeast action during the distilling process.

In the case of corn used to make alcohol, all the starch in the original 56-pound bushel is used to make about 2.5 gallons of 200-proof alcohol. Approximately 18 pounds of byproduct remains that is 27 to 30 percent protein in content. The byproduct can be—and presently is—used as a livestock feed or feed supplement, or as an ingredient in a variety of bakery items produced for human consumption.

As we know, Mr. Speaker, the world is deficient in protein, not starch. If we remove the protein in basic agricultural commodities, and in so doing increase its concentration in the byproduct threefold, it is obvious that we can maximize the potential of our commodity transportation network to deliver protein to needy countries.

We would like to thank the American Agriculture Movement for its foresight, initiative and helpful assistance in developing this concept. Its members have long been recognized as the leaders in efforts to develop the alcohol fuel potential of this country.

We are confident, Mr. Speaker, that our colleagues will recognize the value of this legislation, and we hope that they will lend it their full support.

The text of the bill follows:

H.R. 2246

A bill to encourage the use in programs under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), in the Export Credit Sales Program, and in the commodity donation program, of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress finds that the use of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities may make it possible for the United States to make available significantly increased amounts of protein to meet the food needs of developing countries without any increase in handling, storage, and transportation facilities. The Congress believes that serious consideration should be given to the potential of this protein byproduct and that, if found to be feasible, this protein byproduct should be included in the Department of Agriculture's commodity export and donation programs.

(b) Accordingly, the Secretary of Agriculture shall investigate the potential for using the protein byproduct resulting from the production of fuel alcohol from agricultural commodities in meeting the food needs of developing countries through Food for Peace programs carried out under the Agricultural Trade Development and Assistance Act of 1954 and through the Export Credit Sales Program carried out under section 4 of the Food for Peace Act of 1966 and section 5(f) of the Commodity Credit Corporation Charter Act.

(c) The Secretary of Agriculture shall also investigate the potential for using the protein byproduct resulting from the production of fuel alcohol from agricultural commodities in the distribution of food products under the commodity donation program carried out under clause (3) of section 416 of

the Agricultural Act of 1949 and under section 116 of the Agricultural Act of 1954.

(d)(1) Not later than six months after the date of enactment of this Act, the Secretary of Agriculture shall report to the Congress on the results of the investigations conducted pursuant to subsections (b) and (c) of this section.

(2) The Secretary of Agriculture shall provide to the Congress each year a description of the efforts being made by the Department of Agriculture to make available, as part of the programs referred to in subsections (b) and (c) of this section, the protein byproduct resulting from the production of fuel alcohol from agricultural commodities. The information for all such programs may be included in the report submitted pursuant to section 408(a) of the Agricultural Trade Development and Assistance Act of 1954, or the information for each such program may be included in the annual report for that program.

SEC. 2. The Act entitled "An Act authorizing Commodity Credit Corporation to purchase flour and corn meal and donating same for certain domestic and foreign purposes", approved August 19, 1958 (7 U.S.C. 1431 note), is amended in the proviso by inserting "(except that this limitation does not apply in the case of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities)" immediately after "processed".●

PROBLEMS OF EL SALVADOR

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BROWN of California. Mr. Speaker, as we review the assertions of the Reagan administration about El Salvador, it is important that we keep the real problems of this country in perspective.

The Christian Science Monitor, which has maintained a fair and balanced approach in its news and editorial columns on U.S. foreign policy, published an excellent editorial on El Salvador which every Member should review.

I submit this editorial for the RECORD:

[From the Christian Science Monitor, Feb. 26, 1981]

HOW TO HELP EL SALVADOR

The compassion of the American people goes out to the tortured land of El Salvador. Despite their own wrestlings with personal adversity, they cannot but be mindful of the bitter struggle of some four million impoverished and terrorized people to grope their way out of dark misery to a better life. The challenge for the United States, which so long neglected this corner of repression and destitution so close to home, is to foster the kind of political and economic system there which will enable Salvadorans to achieve this end. It is a challenge made difficult by the complexity of the situation.

The essential question is: should the US continue to support the present military-civilian government in El Salvador?

President Reagan is determined to do so, despite warnings from West Europeans, some Latin American leaders, and many American specialists that the US is headed down a disastrous path. Fortunately, the President has said that he has "no intention" of involving the US in the fighting in El Salvador. That is reassuring. The lesson of becoming militarily embroiled in a local civil war should not be soon forgotten. By sending troops to El Salvador, the administration would only succeed in transferring the hatred of the Salvadoran people to the United States.

Providing limited military aid is another matter, however. There are voices within the State Department who feel that the center-right government of President Duarte still has a viable chance of putting down the leftist guerrillas, curbing its own military right wing, and carrying out reforms to win over the masses of the people. The point is debatable. By many sobering accounts, the bulk of Salvadorans today support the leftist opposition—not because they are communists but because they have been driven to it by the brutality and violence of the military. But, at the least, Mr. Reagan ought not to supply anything more—patrol boats, equipment, and certainly not advisers—without demanding something in return. Reform must go forward and the military excesses must be curbed (rightists in the security forces are believed responsible for many more thousands of killings of civilians than the leftists). In this connection, it is appalling that nothing more is heard of the supposed investigation being made into the wanton murder of four American women—slayings thought to be at the hand of government security police. That hardly inspires confidence in the Duarte junta.

This is not to fail to appreciate President Reagan's concerns about Soviet and Cuban expansionism in Central America and the Caribbean. It is possible that, with better policing of coastal waters, El Salvador will be able to stem the flow of communist arms and thereby thwart the guerrilla movement. But the problem is not essentially a military one. It is a political and social one, and that is what had so long been overlooked by US policy in the region. It is an illusion to think that Cuba or its Soviet mentor have caused the problems there. They are exploiting them, yes. But popular revolution and civil war have grown because of the failure of the local ruling oligarchies—backed by the US—to promote social, economic, and political justice. They have grown because of the greed and authoritarianism of the ruling elites. In El Salvador today the rich are inordinately rich and the poor are abysmally poor and illiterate. To label the whole opposition as Cuban-inspired and the poor as a part of a communist conspiracy, therefore, serves only to drive the poor into the leftist camp.

The Salvadoran opposition has hard-bitten Marxists in it, to be sure. They no doubt seek to be the driving force behind the guerrilla insurgency. But the opposition contains many other elements as well—social democrats, socialists, Roman Catholic clergy—who are certainly not communists. This is why a political solution, a negotiated settlement between the left and the center-right, would seem to offer the best course. The US should bend its efforts in this direction. To do so, it must know the leaders of the left, and it is therefore to be hoped that, without undermining the position of the Duarte government, it is quietly maintaining contacts with them.

It needs to do even more. Much of the ineffectiveness of past U.S. policy in Latin America can be traced to failure to give the region due attention and to heed the voices of its leaders. Mr. Reagan early on showed his interest in improving ties south of the border. He is on the right track. Mexico, for instance, takes strong exception to the U.S. approach on El Salvador. Should not the President therefore be talking to the Mexicans—and other Latin American leaders—sounding out their position, making sure he is getting advice from the realists, from those who live cheek by jowl with the nations in revolutionary turmoil? Close communication and dialogue on these and other issues would open the way to greater hemispheric cooperation in averting dangerous conflicts and internal strife.

Washington, in short, must not think that an excessively military approach is the answer to fostering social change and democracy. It cannot be ruled out that a carefully moderated supply of U.S. military aid to the El Salvador junta will, as some U.S. diplomats contend, improve the training and discipline of the Salvadoran Army and thereby reduce brutality. But any policy which does not place its primary stress on economic and social reform—on the desperate needs and tragically ignored aspirations of the Salvadoran people—is bound in the long run to fail. The U.S. policymakers must surely know this.●

TENSIONS IN POLAND—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. McDONALD. Mr. Speaker, part I of this article by Prof. Hans Sennholz appeared in the CONGRESSIONAL RECORD of February 25, 1981, and is found on page 3106. Today I am inserting part II of this article which deals with the aspects of nationalism in Poland and the diminished appeal of socialism in Poland. As I stated before, tensions may have subsided somewhat in Poland, but the basic problems remain, so this is still a timely item and will appear in the May issue of Freeman magazine, a publication of the Foundation for Economic Education, Inc. I commend part II of this article to the serious attention of my colleagues:

TENSIONS IN POLAND—PART II

SOCIALISM HAS LOST ITS APPEAL

The Polish workers' revolt reveals the tremendous problems, tensions, and weaknesses of the communist empire. Behind the impudent speeches and boasts of the Soviet rulers lies the hopeless reality of the socialist economy, the misery of living conditions and the despair of millions of people who are chafing under harsh conditions.

The people have to stand in line for hours to buy food that is in scarce supply or for shoes and clothing that are rationed. They walk miles to work—public transportation is most unreliable, and private transportation, except for the bicycle, virtually does not exist. The private automobile lies beyond the reach of most Poles; it is reserved for members of the communist party and the ruling elite. Most amenities of life to which the workers in capitalistic countries are accustomed are not offered by the government distribution system; they may be

available on "black markets" that are supplied through countless illegal channels of trade and manufacture. The frustrations that are felt everywhere continue to lead to labor protests and walkouts although, last summer, Polish workers were permitted to join an independent labor union, Solidarity.

The existence of an independent labor union violates the basic structure of monolithic communism and, therefore, is viewed with alarm in the Kremlin. It raises the crucial question of how much decentralization the Soviet system can tolerate and yet be centrally controlled. Does it constitute a serious challenge to the communist empire?

To the Western observer the union movement in Poland constitutes a curious fruit of socialist thought that promises protection from employer exploitation through organization and collective bargaining. In the capitalistic West, it is aimed at the private owners of the means of production whose bargaining power is said to exceed by far that of individual workers. In a communistic country that claims to represent a nation of working people, the union movement confronting the communist state obviously contradicts this claim. If a labor union is the legitimate representative of the working people, where then is the legitimacy of the state? By casting serious doubt on the philosophical and moral foundation of the communist state, this question makes the union movement a genuine threat to communism. The union will have to be crushed forcibly, or it will, in time, erode the monolithic nature of communism.

The Polish workers who courageously confront the state may be dimly aware of the philosophical implications of their challenge. People who labor and suffer under a totalitarian regime usually are. But they are grossly mistaken in their belief that a labor union can actually improve the living and working conditions of the workers.

It is an economic error deeply imbedded in popular thought, even in the capitalistic West, that labor unions can raise the wage rates and improve the working conditions of the working population. Only rising productivity can bring this about. A labor union that raises production costs and disrupts production, tends to lower productivity and income. Through coercion or threats of coercion it may allocate larger slices of a shrinking pie to workers with union seniority—always at the expense of junior workers. But it cannot improve the economic conditions of all the people.

The Polish people will have to learn in the coming months that shorter workdays, slowdowns and strikes do not raise living standards, but lower them. Economic conditions will deteriorate visibly and markedly because the Socialist production order by itself is basically chaotic and unproductive. Adding militant union tactics to socialistic bungling is adding havoc to confusion. Polish standards of living continue to fall, which may lead to more rebellion and confrontation with the Communist state.

The only hope for genuine economic betterment lies in a return to the private property competitive order; that is to capitalism. All means of production would have to be returned to private ownership, and economic production be guided again by costs and prices freely established in competitive markets. But those words cannot be spoken with Soviet commissars lurking around the corner. Morever, it is doubtful that the Polish workers are thinking in those terms. They are watching with envy the economic conditions in the West where working people are free to unionize and engage in collective bargaining. Because there are unions there are high standards of living, most workers strongly believe, which is a logical error as old as the union movement itself.

The drive for Rural Solidarity, an independent farmers' union, adds yet another dimension to the conflict. A consistent communistic order that tolerates no private property in the means of production has no place for independent farmers. It uses farm workers who labor from dawn to dusk on government estates or community cooperatives. The very existence of privately owned farms in Poland is a rare exception to the Soviet rule that was suspended temporarily because of transitional difficulties. But the government is asserting its ruthless control through its monopolistic position as the sole buyer of all farm products. It is setting its own prices and forcing farm producers to deliver their output to the state. Disobedience is denounced as "black marketeering" and punished severely and mercilessly.

The farmers' drive for an independent union is an open affront to the communistic order. The farmers' union would want to bargain for higher food prices and the freedom to sell farm produce in open markets. It would press demands that are utterly unacceptable to the holders of communist power. The confrontation is ideological and therefore insoluble. It is all the more menacing to the communistic state as it is supported by the workers' union whose economic interests do not call for higher food prices. The strange alliance of workers' and farmers' union, therefore, is signalling a serious challenge to communistic principle and authority.

What are the motive powers of this challenge? This observer is fully convinced that it is Polish nationalism that is rising in defiance of Russian rule and supremacy.

NATIONALISM VERSUS EMPIRE

Nationalism is a guiding principle or creed that permeates political thought and policies throughout the world. It under-girds all modern societies and legitimizes their claim to authority and sovereignty. It makes the nation-state the ideal form of political organization, and provides the framework for social, cultural activities. Unknown before the eighteenth century it swept through Europe during the nineteenth century and conquered the world as a political ideology during the twentieth.

In its most popular garb nationalism raises the demand for a government of the same ethnic composition as the majority of the citizenry. It goal is national self-determination, to be separate, independent, and equal to other nations. Seeking "national" or "popular" foundations for cultural and intellectual life, it rejects the supranational and universal elements of social life. Extreme versions of nationalism tend to drown the quest for individual liberty and seek to crush the rights and interests of other people not of the race and language of the majority group. They have been the primary ideological force that plunged the world into its major wars.

After World War II the spread of nationalism to Africa and Asia brought an end to the European colonial empires and gave birth to a great number of national states. The same forces of nationalism are felt in the communist empire, giving rise to conflicting national interests and creating acute tensions that are gnawing at its foundation. Yugoslavia asserted her independence from Soviet Russia as early as 1948. All other satellite countries sought to regain it in vain. The popular uprising in Berlin, the revolt of Posen, the Hungarian revolution, the Czech rebellion, and now the Polish workers' revolt, all reveal the tremendous tensions and antinomies between the people and their communist masters.

Polish nationalism, which during the 19th century had merely been an upper-class movement and therefore had failed to achieve national independence, is the primary political credo in Poland today. It probably received its impelling force and momentum from the immense suffering which German and Russian nationalism inflicted on many Poles during and after World War II. In 1939, Polish independence was crushed by Nazi Germany and communist Russia, acting in concert, leading to another partition of Poland. During and after the war, more than one-third of the Polish population was driven from its homes and resettled ultimately in formerly German territory that was emptied of their German-speaking inhabitants. The suffering inflicted by foreign nationalism has left a deep mark on the present generation of Poles, especially in the resettled areas. It is no coincidence that the workers' revolt started in the Gdansk area and from there quickly spread to Silesia, which were settled by Poles only thirty years ago.

Nationalism is a powerful divisive force in the communist world, a force capable of producing bitter tensions and conflicts. It is resisting the centralization of all power in the Kremlin and preventing it from establishing its deadly uniformity throughout the empire. In the satellite countries it creates a wide rift between the people and the governments which receive their orders from Moscow. The Polish people reject and scorn their own government and the ruling class of communist party members who are catering to their Russian masters.

The Soviet Union itself consisting of nearly 180 different nationalities and tribes is suffering from growing tensions of nationalism. The Russians or Great Russians, as they are often called, merely comprise some 58 percent of the Soviet population. Sizeable minorities include the Ukrainians, Byelorussians, Georgians, Armenians, Estonians, Latvians and Lithuanians, who are praying for their day of deliverance. When, in 1941, the German armies invaded the Soviet Union, millions of people welcomed the German invaders as their liberators. A volunteer army of Soviet subjects under a former Red Army general, Andrei Vlasov, fought side by side with the Germans to the bitter end. If the German conquest had not been marred by countless Nazi atrocities and the Hitler regime had not proven to be even worse than the Stalin reign, the national minorities might have risen in unison against their Kremlin masters. After the war, four Soviet republics and one national region were dissolved as a punishment for their defection and their inhabitants dispersed over the Union.

Behind the Iron Curtain nationalism probably constitutes the greatest challenge and danger to the communist empire. This is not to deny that in Third-World countries communism and nationalism may become uneasy allies in their attempts at overthrowing the old order. A government with nationalistic ambitions, eager to "liberate" an ethnic group or reclaim "lost territory," may meet resistance by the Western powers, but find eager support by the Soviet Union. The Kremlin encourages and assists the national liberation movement and, whenever

successful, reaps its rewards in the extension of Soviet power.●

BIG SUBSIDIES, ILLEGAL SALES IN CVP WATER PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. MILLER of California. The Water and Power Resources Service and the Department of the Interior have recently proposed a new water pricing policy to correct some of the serious abuses in the Federal water program. In testimony before a WAPRS hearing in Sacramento last week, I analyzed this proposal, and cited several major deficiencies:

First, the proposal would perpetuate hundreds of millions of dollars in irrigation subsidies, which would be paid by power users, general taxpayers, and, for the first time and without legal authorization, municipal and industrial customers.

Second, the proposal would apparently not apply to the pending water contract with the Westlands Water District which contains over $200,000,000 in unjustified subsidies.

Third, the annual Westlands contracts which are used to irrigate illegal lands are, in the opinion of the General Accounting Office, illegal contracts.

I want to share this testimony with my colleagues in hopes that it will stimulate congressional reform of this costly, subsidized water program:

STATEMENT OF CONGRESSMAN GEORGE MILLER, SEVENTH DISTRICT OF CALIFORNIA

The proposed ratemaking procedure offers Federal taxpayers an opportunity to end decades of unjustified and expensive water subsidies to special interest water consumers in California.

President Reagan, in his state of the Union address a week ago, challenged the Congress to change the old ways of doing business. I throw out the same challenge to you today—

Are we simply going to go down the same path we've gone down before—carving out one special interest program here and another special interest program there? I don't think that is what the American people expect of us.

I endorse the President's call for a change in "business as usual."

I don't think the American people want to support subsidized water for many of the biggest and wealthiest farmers in the United States.

I don't think water and utility users want their rates increased so that irrigators can waste hundreds of millions of gallons of water every year.

I don't think that this administration or this Congress should grant a special exemption from sound fiscal practices to the biggest, the richest and the most controversial water project in the Nation.

The proposed ratemaking procedures would correct some serious abuses which have cost consumers many millions of dollars. But it does not go far enough to correct all the abuses which you have the power to solve once and for all.

I will make six specific recommendations for improving this ratemaking proposal to improve the fiscal and administrative accountability of the Federal water program.

First, require that the scandal-plagued Westlands Water District, the Nation's largest, pay the full amount for all the water committed in any new contract.

The pending contract would give Westlands nearly a million acre feet of water annually for substantially less than the cost to the taxpayer. This discount violates the spirit of this ratesetting procedure and totally undermines the Federal water program.

Approval of the Westlands contract would give over 30 percent of the remaining yield of the CVP to a single highly controversial district.

It would grant Westlands an unjustified and unneeded $200 million subsidy on water price which would have to be paid by taxpayers, utility users and other water customers in addition to paying full rates for their own water. That is why the leading newspaper of the Central Valley, the Fresno Bee, condemned the proposed contract as "a pipeline to the taxpayers' pocketbook."

Westlands has a right to 900,000 acre feet as provided in their original contract at a charge of $7.50 an acre foot. If they want more water—and they demand an additional 250,000 acre feet—the Government has the legal ability and the financial obligation to renegotiate this very stupid and detrimental contract—the whole contract—to eliminate the unjustified subsidy.

Westlands may claim a right to additional water because of the interim contracts which have provided the district with more than 1.3 million acre feet in recent years. But according to the General Accounting Office, these contracts have been not only unbusinesslike and financially unsound, but illegal. Westlands has used subsidized water to irrigate land which was brought into its service area without authorization by Congress. In response to my inquiry on the validity of contracts to provide water to these illegal lands, the Comptroller General of the United States has just concluded—

"We are unaware of any exception to the statutory requirement that a legally sufficient contract for the entire repayment obligation * * * is necessary before water may be delivered under water service contracts * * * the Secretary of the Interior does not presently have authority to provide a firm supply of water to Westlands notwithstanding the provisions of the current water service contract."[1]

In the absence of any existing legal obligation by the United States to provide new water to Westlands, the failure to compel Westlands to pay the cost of service for all future sales would be a serious dereliction of your financial responsibilities and would allow a gaping loophole which would severely undermine the ratemaking procedure.

Second, it is unjust to require that municipal and industrial water customers, power users and general taxpayers subsidise agricultural consumers. The "ability to pay" concept included in the proposed ratemaking process assures that inefficient irrigators will pass millions of dollars in unjustified subsidies onto other users.

According to the proposed policy, municipal users may be required to assist irrigation repayment in a manner similar to assistance provided by power users.

We all know that "assistance" is a polite way of saying "subsidy."

Power users are well aware of the cost of this "assistance." Their rates have already climbed in some areas by more than 100% because of the 1978 audit which projected an $8.8 billion deficit in the CVP power account. There will be more increases in the future when the CVP begins purchasing over $2 billion in supplemental power from other utilities later this decade. We should recall that the 1978 audit was extremely critical of the ability to pay discount and urged the use of less subjective criteria in setting water charges.

Why should power users in Sacramento, Santa Clara County, Redding, Roseville, Palo Alto and elsewhere have to pay additionally high rates to subsidize agribusinesses in the Central Valley?

The municipal and industrial account is $17 million in the red. M and I users will have to pay higher rates in the future according to this policy, including interest payments from which agricultural users are exempted.

I know the Contra Costa Water District's water rates would increase at the time of its next contract because of this proposed rule. I reiterate my position that I would support reasonable increases for my constituents if justified to pay their fair share. And I believe Contra Costans will accept that responsibility if they know that all water consumers are sharing the burden.

But I cannot justify charging higher prices to working families in Concord, or Roseville, or San Jose, in order to guarantee 40-year subsidies to prosperous agribusinesses in the Central Valley.

I suggest the repeal of the "ability to pay" formula. Last year, we were repeatedly urged by large farmers and their supporters, like the American Bankers Association, to "let economics determine" farm activity. If an irrigator cannot run his farm without huge water subsidies and without passing along millions of dollars in costs to homeowners and industries and power users, well, that's the free enterprise system.

I am quite certain that there is no shortage of customers in California who would gladly pay the full cost, or more, for some of this water. Corporate agribusiness should either live by the business principles it preaches and pay the going rate for water, or get its hands out of our pockets and its straws out of our reservoirs.

Third, the policy should replace the 40-year contract period with no more than a five-year period. Even with price recalculations every five years, it would be irresponsible, in the light of rapidly changing world and national conditions, to legally commit the United States to deliver water to an exclusive customer for 40 years. Other mineral leases are for five or ten years, and are extended if production is taking place and more critical needs have not arisen.

Ten years ago there was no water crisis. Ten years ago there was no energy crisis. Ten years ago we were giving away water and energy at bargain basement rates; we were burning off natural gas at oil wells as a waste product.

We must not put ourselves in a situation where we lock up vital, irreplaceable natural resources for four decades. The financial soundness of the CVP is not dependent on such long-term contracts; we know that we can sell the water on a much shorter—even an annual—basis.

[1] Comptroller General to Miller, February 18, 1981.

Fourth, the recalculation of prices should occur every two years instead of every five. Energy costs are a major component of these charges, and they are obviously changing on a monthly basis. With such instability in fuel costs, and with inflation at 13 percent, contracts must assure that excessive subsidies are not granted to users.

Such a principle exists in reverse: When a Federal contractor exceeds his estimated costs, he frequently comes to the Government for a cost overrun increase. Why can't Government apply the same business principle to its own contracts?

Fifth, the process should more explicitly restate the secretarial policy of January 3, 1979, with respect to using CVP water to assure delta water quality. Reference is made on page 13 of the statement that contracts will be reduced during water shortages, a term which should be expanded to clarify that it includes periods where supplies are needed to preserve delta quality. Such a provision is contained in the proposed Westlands contract and was implicitly endorsed by Congress in Public Law 96-570 concerning the extension of the Yolo-Zamora service area in 1980.

Clearly, the commitment of 31 percent of the remaining yield of the CVP to a single customer, Westlands, until the year 2020 would seriously undermine the operational flexibility of the CVP and the legitimate competing water needs of millions of Californians including those in the delta.

Lastly, the ratesetting policy should expressly forbid the speculative resale of publicly developed water by a contractor to a third party. Independent investigations by GAO have revealed the resale of public water at prices far higher than those received by the taxpayers who developed the water in the first place.

If a contractor finds he cannot use the water he has purchased, he should either resell it to the Government for the original price, or sell it to another user for the same cost.

We have all heard a great deal about the need to bring the Federal water program into the 20th century. Now is our opportunity.

Let us stop subsidizing the rich and instead show our concern for the millions of taxpayers who pay the bills. Let's think about the financial burden on homeowners and industries and utility rate payers who are watching their water and energy rates escalate in order to subsidise the greed of irrigators who refuse to institute modern conservation and management techniques because their water is cheap and subsidized.

We can put a stop to this abuse of the taxpayer. It will require challenging those who have long regarded the water program as their personal fiefdom. It will require, as President Reagan says, a "sharing of the burdens." It will require that the Government run its water sales program like a sensible business instead of like a charity for the well-to-do.

Your ratemaking proposal contains the seeds of rationality. It should be modified to fulfill the goal of putting this program on a paying basis, and it should be applied across the board—to Westlands, to Contra Costa, to all contractors. If there is political heat, I am ready to bear some of it. I ask the same for all water users and their representatives.●

AID TO EL SALVADOR

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. STUDDS. Mr. Speaker, yesterday the Reagan administration announced a dramatic increase in the amount of U.S. military assistance and the number of advisers being sent to El Salvador. By focusing almost exclusively on the admittedly undesirable involvement of Cuba and possibly the Soviet Union in supplying weapons to insurgents in that country, I believe our policymakers have lost sight of the true nature and origin of this conflict, which is rooted not in outside agitation, but rather in a century of gross political, social, and economic injustice. A recent editorial in the Boston Globe highlights the risks involved in an overly strident U.S. position, and underscores the importance of moving with extreme caution regarding the internationalization of this tragic conflict. I invite my colleagues to share these thoughts:

REAGAN AND EL SALVADOR

In some respects the world would be an easy place in which to live if Ronald Reagan turned out to be right that the fighting in El Salvador was the result of arming of rebels by Cuba. Cutting off the supplies, which might be achieved, would mean an end to the fighting.

Such a scenario would also presumably produce political tranquility in a troubled country. Lacking the divisiveness that the Reagan Administration says is being imposed on El Salvador by Cuban and Soviet agentry, all the parties would be more apt to accommodate each other.

The trouble is that there are very strong indications that even if the Cuban arms flow stops, fighting probably will not end. Unless or until there are fundamental economic and political reforms, the conflict in El Salvador will surely endure.

The Administration appears embarked on a course that involves risks for itself as well as El Salvador. The taking of risks is perfectly proper in many situations; one only wishes that the odds were better in this situation.

First, the Administration is moving sharply closer to a regime that may be relying heavily on terror tactics in dealing with the general population. Ugly reports, including some from members of the US Congress who have recently visited Central America, indicate that the Salvadoran army is participating in attacks on civilians that, in fact, drive them into the arms of the rebels out of a sense of desperation. The danger is that the Salvadoran army, which seems to have a mind of its own, will misread American opposition to Cuban aid for rebels as support for its own misdeeds and thereby only make the lives of all Salvadorans more hazardous.

Second, the Administration is complicating relations with some of our allies. The Mexicans, who are fully as interested in developments in El Salvador as the United States, do not accept the Reagan view of events or of Cuba and have been careful to say so in recent days. The difference could complicate US-Mexican relations on other issues, including our nascent energy trade.

Third, the ambiguous threats of American intervention in the El Salvador question may be seized upon by the Soviet Union as justification for some adventure of its own, notably in Poland. Soviet propaganda has increasingly attributed Polish unrest to outside provocation and assistance. It would be sad indeed if the gains of the Polish Solidarity movement were squandered through American miscalculation in El Salvador.

Last, the truculent tone of the Reagan Administration in facing the Soviet Union should not be carried too far. As new players in the game, the Administration might understandably want to dispel any notions in Moscow that it will be a pushover in any dispute. That tactic should not blind the Administration to the fact that the Soviet Union itself could be close to changes in leadership and that unnecessary conflict only tends to strengthen the hawks in Soviet circles.

El Salvador is a deeply wounded country. Last year more than 10,000 persons were slain by private and public armies of the left and right. Deeply poor and long dominated by an entrenched autocracy, El Salvador's future depends on peace, compromise and reform. The Reagan moves have the odor of polarization and division that suggest the Salvadoran anguish will not soon end.●

GAO CHIEF URGES DEFENSE BUDGET CUTS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BEDELL. Mr. Speaker, I call to your attention a lead article in this morning's Washington Post, "GAO Chief Tells the Pentagon of 15 Areas Where It Can Save."

The article cites a letter that Comptroller General Elmer Staats sent to the Pentagon on Defense Secretary Weinberger's first day in office. The letter listed 15 areas where the new administration can cut defense mismanagement and waste. The GAO claims that these economies can result in an absolute minimum of $4 billion per year and potential savings of $10 billion per year by 1985.

Mr. Staats, who is now in his final weeks of a distinguished 14-year career as Comptroller General, has done the Congress and country a great service. The administration is correctly stressing the need to pare down Government spending. As my colleagues are aware, however, the focus of these cuts is on domestic programs. The administration reassures us that it will hold down defense increases by finding savings through a variety of management improvements. It has proposed $2.9 billion in savings for the coming fiscal year, but has yet to specify those defense areas where the cuts will come.

The letter by Comptroller General Staats has now filled this gap, and I urge my colleagues to take note.

The article follows:

GAO CHIEF TELLS THE PENTAGON OF 15 AREAS WHERE IT CAN SAVE

(By Morton Mintz)

The outgoing comptroller general of the United States has sent a letter to Defense Secretary Caspar W. Weinberger declaring that mismanagement and waste are now adding "several billion dollars a year" to the Pentagon budget, which the Reagan administration proposes to increase dramatically.

The letter, sent to Weinberger on his first day in office by Elmer B. Staats, head of the General Accounting Office, listed 15 major areas where large amounts of money could be readily saved. Staats called them "some of the most apparent high pay-off opportunities" in the defense budget.

GAO has 1,000 accountants and other professionals continuously studying Pentagon programs, and Staat's letter was based on repeated audits they have made. Weinberger has yet to respond to the letter in detail. President Reagan vowed to root out mismanagement and waste throughout the government during last year's campaign.

Just the 15 areas cited have the potential to save an "absolute minimum" of $4 billion a year by the end of Reagan's term in 1985, Staats said in an interview last week. If implemented, other Department of Defense (DOD) economies urged by the GAO would increase annual savings by 1985 to "substantially more" than $10 billion, Staats said.

Staats' estimates come as the administration is preparing to increase the defense budget by billions of dollars next year, while cutting back on domestic programs. The administration has said it will seek to hold down the defense increase by finding savings wherever it can in the Pentagon. But, so far, it has not specified any.

Staats' proposed savings do not challenge the basic defense policies laid down by Congress and the Joint Chiefs of Staff.

Among the major points made by Staats in his letter and the interview:

Thirty GAO reports since 1976 have cited serious flaws in the way DOD accounts for goods and services provided under the foreign military sales program. These have resulted in "improperly" made payments of more than $1 billion. Some progress has been made, but "more improvement is needed."

At the outset of a new weapons system, the Pentagon often tries to hold down the apparent total cost by downplaying the need for the spare parts and back-up equipment needed over the long term. This means that the parts and equipment must be bought later, at greater cost. In the case of the F18 fighter, the savings potential in proper logistical planning and discipline throughout its life cycle would be more than $350 million.

In many geographic areas, the Army, Navy, Air Force, and Marines each have one or more bases. Instead of sharing such things as repairs and supplies, each of the armed forces provides them separately. The potential savings from consolidation: at least $376 million annually.

Management of consumable items, such as ammunition and motor vehicle parts, is scattered. Consolidation would yield yearly savings exceeding $230 million.

In the last 16 months, the estimated cost of the Navy's LAMPS111 (light airborne multipurpose antisubmarine weapon system) has almost doubled, from $3.6 billion to $7 billion. Now, the plan is to buy fewer of them. But that does not solve the questions raised by a GAO review "about the ability of the system to carry out its missions."

DOD plans to buy large numbers of F14, F15, F16, F18 and A10 aircraft for noncombat purposes, asserting that they would be needed in event of war. Staats said that such planning was "very sloppy" and claimed that sharpening it up could save up to $5 billion.

"A hard look at this area by the secretary of defense is needed," he said. "If these aircraft are in fact required for combat purposes, they should be justified as such and approved in that context by the secretary, the OMB and the Congress."

In 1972, the Army got started on its supertank, the M1. The cost was to be $507,000 a copy. By January 1980, when a GAO report warned that the tank's reliability was "uncertain," the unit cost had more than tripled to $1,651,000. The number of tanks in the program was 7,058.

Now the estimated unit cost has shot up to $2,549,000. Meanwhile, the GAO is still reviewing reliability and other aspects of the MI.

Four weeks after the Staats letter went out, the Pentagon issued its quarterly report on the life cycle estimated costs of 47 selected major weapons systems. The figure for Dec. 31 was $47.6 billion higher than it had been only three months earlier. DOD cast inflation as the chief villain behind the increase, which over the three-month period was at the rate of $359,300 a minute.

Liberals in Congress have traditionally denounced the defense budget as excessive. Now, with costs rising dramatically, some conservatives have begun to seek further justification as well. Last Wednesday, an unusual strong joint plea for "decisive action" against defense waste went to Weinberger from Republican Sen. Barry Goldwater and liberal Democratic Sen. Howard M. Metzenbaum.

"Runaway costs characterise our entire defense procurement program," although they "have nothing to do with maintaining the strength of our military forces," the senators said in a letter to Weinberger. "They are, pure and simple, the result of a system that permits DOD officials to operate as though the public purse has no limits."

Staats, who had four top GAO defense specialists at his side during the interview, said the Pentagon has repeatedly ignored documented advice on how to eradicate mismanagement and waste. At the same time, he praised DOD for accepting GAO recommendations that in the last five years produced "measurable savings" of $8.9 billion—54 percent of the total for the entire government. The DOD share of the budget has been much smaller, about 24 percent.

Staats brings the prestige of his office and his long, nonpartisan government service to his plea for defense economies. He is retiring Friday after 15 years as comptroller general and will make his last public appearance before Congress today when he testifies before the House Budget Committee.

This is "the ideal time" to change direction at the Pentagon, he said in the interview.

He has received support from many sources. One, the Republican Study Group in the House, when it was headed by GOP conservative John H. Rousselot (Calif.) last August, released a summary of 19 months of GAO reports showing potential DOD savings of $16 billion.

Staats began immediately after the November election to alert key Reagan aides to government-wide cost-cutting opportunities, sending what he called "vast amounts" of GAO materials to Edwin Meese III, counselor to the president; Weinberger, whose cost-cutting in earlier government service earned him the nickname "Cap the Knife," and budget director David A. Stockman.

Up to now, the Staats letter has elicited only an acknowledgement from the defense secretary. But, Staats and his aides said, there are "all kinds of indications" that the Pentagon is taking the letter "very seriously."

Many Pentagon critics share a hope that Weinberger will renounce attitudes of the kind held in the Carter administration by W. Graham Claytor, secretary of the Navy and then deputy secretary of defense. "I have said many times there is nothing wrong with the Navy that money won't fix," he once told the Senate Armed Services Committee.

In a speech in 1979, Gordon W. Rule, who had retired after being honored by the Navy as its most distinguished civilian procurement specialist, termed Claytor's view "reprehensible." In his own recent letter to Weinberger, he charged that the military is "almost devoid of demonstrable cost consciousness and accountability for mistakes or poor judgment decisions."

Staats, for whom salty talk like Rule's would be out of character, stops short of such drastic judgments. "The accountability system isn't as good as it ought to be," he said.

But he spoke plainly about what may happen if an unreformed Pentagon gets the five-year $169.5 billion spending boost proposed by Reagan.

Insofar as the funds go for new initiatives rather than purposes such as strengthening conventional forces, there "would be a problem," Staats said. "You just cannot absorb much [new] money very fast."

The administration's Program for Economic Recovery," as announced two weeks ago, projected reductions in defense outlays in the four fiscal years 1981 through 1984 of $13.9 billion, including $5.9 billion in the final year. But the program listed almost no specifics, especially as compared with the detailing of plans to reduce outlays in nonmilitary areas by about $41.5 billion.●

THE GOVERNOR OF CALIFORNIA COMMENTS ON THE REAGAN ADMINISTRATION'S ECONOMIC PLAN

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BROWN of California. Mr. Speaker, among the plethora of commentaries I have seen on the Reagan administration's economic recovery program, the article by the Governor of California, which appeared in the editorial pages of the March 1, 1981, Washington Post was the most specific and accurate counterproposal I have seen to date. While most elected officials today support the thrust of the Reagan program, most of those who have studied it know that improvements can and should be made.

Gov. Edmund G. Brown, Jr., has been quite visible over the past several

months in looking for creative and proper ways for all levels of government to stimulate industrial innovation and productivity. I have had many opportunities to work with him in my former role as chairman of the House Subcommittee on Science, Research, and Technology, which devoted the bulk of its time over the past 2 years to the questions of innovation and productivity.

Most recently, I shared a platform with Governor Brown, industrial leaders and other Governors at a seminar sponsored by the National Governors' Association only a week ago. Governor Brown identifies several areas where the Reagan program will work against this goal, which we all support.

I commend the following article to my colleagues as they review the first and the latest round of budget revisions from the Reagan administration.

The article follows:

REAGAN IS WRONG

America needs a new economic agenda. The challenge is to achieve economic strength in an age of unprecedented resource constraints, stiff international competition and Third World demands for a new international economic order. We can meet this challenge only with a sense of national purpose rarely achieved outside of war.

The times, in short, call for discipline and vision. Unfortunately, the president's first effort, in his Feb. 18 budget, is not encouraging. His "Program for Economic Recovery" repeats the errors of the past and compounds the inequities of the present.

At a time of economic stagnation, the president proposes to transfer significant government expenditures from the civilian economy to the military and run a large deficit to finance a regressive personal tax cut.

The facts speak for themselves. The president's proposed $28.6 billion military spending increase in Fiscal Year 1982 will account for two-thirds of his proposed $45 billion deficit, which will be financed by government borrowing from potential civilian investment. His 10 percent individual tax cuts are justified by claims they would spur savings and investment. Yet Wall Street analysts have already concluded they will fuel inflation by stimulating consumption and unbalancing the budget even further.

For those who follow the president's record, the pattern is familiar. He starts in one direction and ends in another. When elected governor of California, Ronald Reagan promised to cut spending 10 percent. But it was only six months before he fired his finance director and raised spending 10 percent. The next eight years brought three tax increases and an annual spending growth of 12 percent.

Given these deficiencies, what can Democrats do? I believe we should respond constructively by supporting both fiscal responsibility and economic strength through technological innovation.

1. Fiscal responsibility: Democrats can cut the budget and support monetary stability without supply-side theology or hurting the needy.

The key will be overcoming powerful special interest pressures. Is President Reagan willing, for example, to cut Medicaid and Medicare budgets by reducing today's gross overpayments to hospitals? If so, he can both reduce the tax burden and improve medical care for the poor. If not, his cuts will merely shift the tax burden to state and local taxpayers.

The president must give the federal and state governments the tools to control medical cost, empowering them to bargain for reduced rates with specific providers and promote effective, organized health systems.

President Reagan's escalating budget deficit is the Achilles' heel of his economic program, forcing the federal government to continue borrowing at levels that will keep interest rates disastrously high.

It may not be politically popular to defer tax cuts or set military spending closer to the percentage spent by our allies. But such restraint is necessary to reform fiscal policy. It may also be necessary to suggest some form of tax on luxuries or other low-priority private spending. As a people, we are overcommitted to wasteful consumption and must change our values to encourage savings, efficiency and long-term investment. In this respect, balancing the budget is the precondition to controlling the president's military and tax-cut excesses.

2. Economic strength through technological innovation: This nation did not become the world's leading economic power by merely manipulating its money supply. Our strength has been built with the world's most sophisticated tools, and we continue to lead the way toward a new information era in which investment in the products of the human mind replace our past emphasis on resource exploitation.

To meet this challenge, it will not be sufficient for the government simply to "get off the back" of business. Our nation, like our major corporations, must practice strategic planning. A new national consensus among business, labor and government will be needed, in which government becomes a partner in the creation of new wealth.

In this respect, Reagan's accelerated depreciation tax cuts for business are flawed. They do not focus on growing industries most under international attack, which write off their equipment in less than five years. And they do not distinguish between those industries that promise high growth and resource efficiency and those that do not.

Instead, we need to support targeted tax cuts and programs already suggested in Congress, which would:

Encourage research and development by industry and universities;

Increase our commitment to basic research, especially by NASA and the National Science Foundation;

Promote capital formation by young and innovative companies through lower taxes on capital gains and qualified stock options.

We need a second post-Sputnik era to produce more technical personnel, reversing the disturbing trend that sees us produce half as many electrical engineers as lawyers. Last year, Japan graduated 19,000 electrical engineers to our 17,000.

While avoiding Chrysler-type bail-outs, we must substantially improve the efficiency of our older industries. Special efforts will be required to modernise, and make more resource-efficient, our auto, steel and other basic industries. We also ought to develop modern ground transportation, such as intercity high-speed rail. Japan, England, France and Germany are all more advanced in this field. Finally, new information technologies can be combined with energy and utility systems to achieve dramatic cost and fuel savings.

This is but the beginning of a new economic agenda. Nostalgia and naive dependence on tax cuts are simply inadequate. America will be an older 4 percent of the world's population in 20 years. Carving out a role for our country that will be both secure and prosperous is possible, but the task demands a profound change in the way we think and the way we organise our business and government relationships. It is here that Democrats must focus.●

DR. GEORGE VINEYARD

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. CARMAN. Mr. Speaker, the Sky Island Club of Long Island has picked Dr. George Vineyard to be the newest member of the Long Island Hall of Fame. It gives me great pleasure to note but a few of Dr. Vineyard's many accomplishments:

Born in St. Joseph, Missouri in 1920, George Vineyard was educated at M.I.T. (S.B. 1941, Ph. D. 1943). From 1942 through 1945 he was a staff member of the M.I.T. Radiation Laboratory working on microwave electronics and radar. His Ph. D. thesis was on the behavior of space charge in the cavity magnetron. In 1946 he joined the physics faculty of the University of Missouri, Columbia, becoming a Professor of Physics in 1952. His research interests were in the theory of liquids, the determination of structures of liquids and solids by various forms of scattering, and general solid state physics. In 1954 he moved to Brookhaven, where he performed research in several areas, particularly the use of neutrons to determine structure of solids and liquids; the kinetics of order-disorder transitions; the theory of diffusion; magnetism; and radiation damage in solids. From 1961 to 1966 he served as Chairman of the Department of Physics at Brookhaven, in 1967 he was appointed Deputy Director of the Laboratory, and in 1973 Director.

Dr. Vineyard is a Fellow, Councillor-at-Large, and now a member of the Executive Committee of the Council of the American Physical Society. He is a member of Sigma Xi and the American Association for the Advancement of Science.

He has served on the editorial boards of six physics journals and as a member of numerous committees for the National Science Foundation, National Research Council, National Academy of Sciences, American Physical Society, and several universities, and as a consultant to various laboratories.

He was the recipient of the Stony Brook Foundation Award for Distinguished Contributions to Higher Education (1975) and an Sc. D. Honoris Causi, Long Island University (1977). He has been Adjunct Professor of Physics at Queens College of the City University of New York since 1967.●

DEBATE ON EL SALVADOR

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. EDGAR. Mr. Speaker, after what began as a rather one-sided presentation of the situation in El Salvador and appropriate U.S. policy there, a healthier debate is now emerging both in Congress and the media on possible alternatives to the merits of the hardline approach. Former Ambassador Robert White's testimony last week before the House Appropriations Subcommittee on Foreign Operations served as a well-needed stimulus to question the directions in which the administration is going, given its strong emphasis on a military, rather than political, resolution to the Salvadoran conflict.

Despite all the rhetoric to the contrary, a broad segment of the American public is disturbed by the militaristic approach the U.S. Government has taken and worried about the parallels to our early involvement in Vietnam. I have received many letters from people across the country supporting my position against the escalation of military aid to the Government of El Salvador.

Although the Central American trip undertaken by my colleagues BARBARA MIKULSKI and GERRY STUDDS and me was a short one, our impressions and reactions to the situation in El Salvador were amply confirmed by Ambassador White's comments on the level of violence there. He believes, as we do, that the "chief killer of Salvadorans is the Government security forces," and that sending arms would only weaken further the civilian elements in the junta who are trying to bring recalcitrant military under control. In addition, our oral testimony delivered to the same subcommittee stressed the dangers of labeling all Government opposition as Marxist, ignoring the important role played by the church activists, independent professionals, and moderate politicians.

While interference and shipment of arms from the Communist countries cannot be minimized and has properly been condemned, one should realize that given El Salvador's past history of social and economic injustices, the leftist insurgent movement would still exist whether Cuba and the Soviet Union were helping or not. As a New York Times editorial so aptly noted: "Blaming the Salvadoran explosion on imported weapons is like blaming the Polish explosion on Radio Free Europe." This fact again points to the urgent need for social reforms and a political solution rather than a lavish outpouring of lethal supplies, likely to make a larger involvement by the United States almost inevitable.

Another problem is the risk the United States runs of alienating itself from our allies, both in Europe and Latin America, if we persist in elevating El Salvador to the keystone position of our worldwide strategy, thereby escalating a regional conflict into an international crisis.

Many thought-provoking editorials and articles on El Salvador which raise these troubling issues have appeared in recent days, insuring that other views will now be heard. In line with these, I wish to commend to your attention the op-ed piece which appeared in the March 1 edition of the Philadelphia Inquirer, containing many of the points raised in our written testimony.

If you are concerned by the current directions of our foreign policy, I urge you to join over 50 colleagues in cosponsorship of our bill, H.R. 1509, which would prohibit military assistance under the Foreign Assistance Act and sales or credits to El Salvador under the Arms Export Control Act. Please contact Victoria Rideout, extension 53111 in Representative STUDDS' office to add your name.

The Inquirer article follows:

[From the Philadelphia Inquirer, Mar. 1, 1981]

REAGAN'S PLANS FOR EL SALVADOR SHOULD BE DEBATED

(By Edwin Guthman)

As the debate over the Reagan administration's proposed intervention in El Salvador develops, the ghost of a cantankerous, bandy-legged U.S. senator lurks in the background. It is Wayne L. Morse, the independent Oregonian with the whiplash tongue, and he is speaking on the floor of the Senate.

It is 1964 or 1965 and for the nth time Morse is asking questions about U.S. policy in Southeast Asia and warning against the Johnson administration's decisions to escalate the war in Vietnam. As usual, only two other senators—one from each party—are on the floor and the galleries are deserted. Nobody is listening.

I identify that scene more than any other when I think about when I worked in Washington in those years. Morse was one of only two senators who voted against the Gulf of Tonkin Resolution which authorized presidential action in Vietnam after North Vietnam reportedly attacked two U.S. destroyers.

His predictions that Vietnam would become an American quagmire turned out to be all too accurate, but in those days the anti-war movement consisted of a relatively few stormy college students and most Americans were lulled by Johnson administration assurances of a quick victory. Certainly, Morse's colleagues in the Senate were.

Today Reagan administration spokesmen put down assertions that there is any parallel between the situation in El Salvador and the early days of U.S. involvement in Vietnam. Perhaps they are right in some respects, but if there is any single lesson to be learned from Morse's lonely fight, it is that now is the time to debate thoroughly the questions that the nation ignored in 1964 and 1965.

And so, even if every word of the State Department's "White Paper" on Soviet-Cuban military aid to the insurgents in El Salvador is true, it should not quell rising concern about the Reagan administration's intention to send more military advisers and arms to bolster the tiny Central American nation's "centrist" junta.

The reason for that is that pertinent questions have been asked which the administration is not answering directly.

Rep. Robert Edgar (D., Pa.) raised some of the questions in testifying for himself and Reps. Barbara Mikulski (D., Md.) and Gerry Studds (D., Mass.) before the Foreign Operations subcommittee of the House Appropriations Committee on Wednesday.

The three representatives spent 10 days in January in Central America. Though they did not set foot in El Salvador, they met with several leading figures in Salvadoran politics, including a member of the junta and two insurgent leaders, as well as many other knowledgeable people. They visited refugees from the fighting in El Salvador who are living with help from international relief agencies and Honduran peasants along the Honduras-El Salvador border.

Here are their questions and Edgar's comments:

Who is the primary source of violence and terrorism in El Salvador?

"Both sides have committed acts of violence which cannot be justified by any standard of human decency. But we believe very strongly, on the basis of our conversations with refugees, and after consultations with others genuinely familiar with the recent history of El Salvador, that by far the greatest responsibility for violence and terrorism rests with those forces now receiving U.S. guns, helicopters, grenades and ammunition.

"It is these forces, far more than the opposition, that have been waging a systematic campaign of harassment, torture and murder against large segments of the Salvadoran population."

What sort of government are we supporting in El Salvador?

"Our own intelligence agencies will admit, when pressed, that the Duarte government has almost no base of popular support and that it would not even be a major contender in a fairly contested election. Throughout our visit to Central America we found even supporters of Duarte admitting that he was unable to control the military forces which have been using him to maintain the superficial legitimacy of their own real power."

Who makes up the opposition in El Salvador?

"If you listen only to the State Department or to President Reagan you will come to believe that President Duarte's government is opposed almost solely by Cuban-supplied Marxist guerrillas seeking to spread the influence of communism through the hemisphere.

"Such forces do exist and they will grow in direct proportion to the amount of U.S. weapons provided to the Salvadoran military. But the opposition is much broader and it includes many members of Duarte's Christian Democratic Party, Social Democrats, much of the Catholic Church, a flock of young professionals, bureaucrats and military men, and thousands of peasants whose politics are not determined by ideology, but by their knowledge of about who is responsible for the death and destruction they see around them."

What, exactly, is U.S. policy and where will it lead?

"Current U.S. policy is based on the premise that the Duarte government is centrist, but this is not so. The Duarte government is not centrist because real power is held by right-wing elements of the military.

"The United States accuses Communist nations of supporting terrorism through its assistance to the left; but the evidence indicates that most of the terrorism in El Salvador has been perpetrated by the forces now receiving U.S. arms and training. . . .

"What policies will not in the future be justified under the heading of anti-communism? . . . The most tragic irony of all is that the growing U.S. intervention in El Salvador is precisely what will benefit Communist propagandists the most."

There are many other questions. One is why does the U.S. government, which reacted strongly—and justly—to the Iranian government's complicitly in the seizure of the hostages, send military aid to the government of El Salvador which may have been involved in the murder of at least six Americans and may well be obstructing investigation of those slayings?

And more fateful: What will the Reagan administration do if one of the American military advisers being sent to El Salvador is killed?

By all reports the Reagan administration thinks it can "win" in El Salvador and thereby not only end Communist subversion in this hemisphere, but turn the tide of Soviet adventurism throughout the Third World.

Those are legitimate, worthy objectives, but before the Reaganauts flex their muscles further, they should address the questions Edgar and others are asking.

Somewhere, Wayne Morse must be gritting his teeth.●

AMENDING THE INTERNAL REVENUE CODE OF 1954

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. PARRIS. Mr. Speaker, today I am introducing a bill which would amend the Internal Revenue Code of 1954 to provide that the deduction for moving expenses shall apply without regard to dollar limitations in the case of Federal employees other than Members of Congress and their staffs.

Many Federal employees face an unfair financial burden when asked to relocate by the Government. Current tax law permits deduction of total expenses with respect to shipping household goods only. Yet, house hunting, temporary living expenses, et cetera, are subject to a $3,000 limit. Most troublesome in inflationary times is the fact that the employee generally incurs a tremendous loss when the sale price of his or her home exceeds the market price of the home to be purchased in the new location; $3,000 obviously cannot begin to cover this kind of loss. Neither can the Federal travel regulations 10-percent allowance on the sale price of the home up to $8,000. Further, any amount above the $3,000 deduction is taxable to the employee as ordinary income.

Also, in most instances, a move in private industry is financed by the company. By allowing deductability for Federal employee's moving expenses, the Government workers' compensation can be brought closer in line with that of the private sector.

Therefore, I ask that the Federal employee not be penalized for moves that are primarily initiated by their employer. An awareness must be brought about regarding this additional financial burden borne by the Federal employee.

I urge the careful analysis of this legislation by my colleagues and would welcome their cosponsorship.●

DR. CIGARROA—MR. SOUTH TEXAS

HON. ABRAHAM KAZEN, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. KAZEN. Mr. Speaker, when my home city of Laredo recently held its annual Washington's Birthday celebration, Dr. Joaquin G. Cigarroa, Jr., received deserved recognition as "Mr. South Texas." I had been so honored in 1979 and feel my selection was magnified by this year's choice, for Dr. Cigarroa is truly a great person. He is the 30th person to receive this south Texas recognition. None has deserved it more.

He was born in San Antonio after his doctor father had to flee political persecution in Mexico, moved to Laredo at the age of 10, and was educated in the Laredo public schools, becoming the Martin High School Valedictorian in 1941. After three semesters at the University of Texas, he transferred to Harvard University where his brilliant academic performance won him John Harvard Fellowships for 3 years and ultimately brought him graduation cum laude from the Harvard School of Medicine.

He taught at Harvard with 2 years away to intern at University of Chicago Clinics. He received an Army commission, served on the staff of Walter Reed Hospital here in Washington, and then in 1954 returned to Laredo to practice there. He married Barbara Flores of Laredo; they have 10 children, 7 of whom have won academic honors at outstanding universities and the 3 youngest have not yet reached college age.

Dr. Cigarroa has been more than a dedicated and brilliant doctor. He served on the coordinating board of Texas colleges and universities, the Texas Commission on Higher Education, the Corpus Christi Catholic Diocesan School Board, and since 1973 he has been a trustee of the Laredo Independent School District Board which he now leads as president. His leadership of the Joaquin Cigarroa, Sr., Foundation, named for his father, has demonstrated his dedication in improving Laredo school facilities and providing outstanding pupils with scholarships.

He is a great American, physician, educator, and civic leader of whom all can be justifiably proud. The stature of the man is apparent in his remarks accepting the "Mr. South Texas" award. I commend them to the attention of my colleagues.

REMARKS OF DR. CIGARROA

The most powerful force in the world is the written and the spoken word—and yet on an occasion such as this—even this force is inadequate to describe the depths of the emotions that I feel. This is as great an honor as our community can bestow on any person—and I am truly overwhelmed and grateful for this designation by the George Washington Birthday Celebration Association through its Mr. South Texas Selection Committee.

I would like to take this opportunity to thank the many fine people of south Texas for the many opportunities that have been given to me in my development and in my work. I could have received no finer background and education than the one I have. South Texas has given me many golden areas of service. I have been involved in the delivery of human services—health, educational, and social—in medicine in the prevention and treatment of truly serious diseases—of infectious diseases, degenerative diseases, aging, coronary heart disease, hypertension, of the development of coronary and intensive care units.

In primary and secondary education, we have worked toward the development of increasing opportunities in an area where objectives must be multiple—where needs are not average—where innovative approaches are daily considered and implemented. In higher education, I have been fortunate to have participated in the master planning for higher education in the State—in the development of new medical schools and of new senior colleges and universities.

But very specially, I am grateful for the opportunity to have been allowed, through my work, to become such an intimate part of so many families in south Texas and to know first hand the wonderful character and spirit of our people.

We live in a dynamic changing State—even in the physiology and chemistry of our bodies—changing our internal milieu every minute. We rarely stop to think of the numerous changes occurring in our external milieu—of our social environment that forms our character and moral fiber.

South Texas is a land unto itself. Many in the rest of our country know it through our summers and because of the famous song "The Streets of Laredo". They do not know much of this unique area of Texas in which I feel so fortunate to have been raised. There are many values that are rooted in our south Texas culture—making it rich for us and for our children.

South Texans place great value upon the extended family. Our children grow up not only close to their parents, but to their grandparents, aunts, and uncles as well. Perhaps as a result of this, we are not experiencing much of the social unrest which is taking place in other parts of our country. Our people do not have that sense of loneli-

ness and of alienation that is so often felt in other parts of our country where they are lost in a sea of people and of social institutions. The individual remains an individual and is the most important part of our society. The individual is not subservient to institutions or to Government. The individual remains central.

Our people live with expectations and with a belief in rising opportunities. There is not a sense that the establishment is entrenched. New people and new ventures can make a place for themselves. We still experience limitless opportunities and a sense of being on the frontier of American society. This family unity and the importance of the individual in south Texas is basic to our moral fiber. In other areas, the nucleus family of only father and mother or the single parental family is becoming the norm and I am truly thankful that in south Texas this is not the case.

A value often taken for granted that is very special is our biculturality. Living adjacent to Mexico, we have the tremendous advantage that our citizens can benefit from the Mexican and the American culture. We have at our command two languages and thus two perspectives on our world. We eat tortillas and pancakes. Our children can play the castanets and dance to modern jazz. Our biculturality is our way of life. Because of our geographic location, it is possible for us to easily maintain this dualism of culture. The farther away from the border one lives, the more difficult it is to do this.

Where does one culture begin and the other end? What shall I keep from my heritage? What shall I let go? These questions are easier for us to answer since our separation from Mexico is not so much psychological as geographical. Finally, what is so special to south Texas is the character of its people—our citizens are warm, open, upright. Our faith in God is strong. Our people are religious, we truly love each other and as a result are tolerant and have great faith in the dignity of man. We view truth, humility, compassion, and love as basic necessary qualities.

I have chosen to speak to you about the values of south Texas because we too, like everyone else in our country, are facing a world which is rapidly changing. In particular, I am referring to the movement of people in our United States. Recently I learned that in our last election, one out of every four voters is new to Texas. The last decade is seeing probably the greatest changes for us in south Texas. The axis of population density is rapidly changing from the Northeast, from Washington, Philadelphia, New York—to a line ranging from southern California to Texas to Florida.

There is a mass migration of people to our area with different values and thoughts and as a result a different prospective exists and so south Texas will change. There is much we can learn from these newcomers—from the values that they are bringing with them. At the same time I want to emphasize that although all of us should be open to change, we should not lose sight of our own fundamental values—of who we are, of what makes us so special. It is a dilemma which has confronted man from the beginning of time. In the face of change, what do we hold onto in our culture and what do we let go? It is a frightening question at times but it is also an exciting one—since it opens us to deep introspection.

In reflecting upon it, I think we ultimately come to our value system that makes us what we are—and it is this that we should try to maintain in the face of change. In this manner, south Texas will always be south Texas, a land—a beautiful land unto itself because of its people and its values.

Finally, I want to thank my wonderful lovely Barbara, who has made my life, my work and our family so beautiful, so happy, so easy and so possible.●

KANSAS MOTHER OF THE YEAR

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. JEFFRIES. Mr. Speaker, it is with great honor that I bring to your attention Mrs. Jean Crouch of Topeka, Kans., who was recently named "Mother of the Year" in our State.

Mrs. Couch has been instrumental in setting up education programs for many groups in northeast Kansas, including pregnant teenagers, elementary school children, and babysitters. She herself is the mother of eight children and a registered nurse.

Her credits include being coordinator of the Topeka Genetic Counseling Center, Inc., founder of the Topeka Teen Aid School, and past president of the Kansas Medical Society Auxiliary. She organized the Shawnee County medical auxiliary good emergency mother substitute course, and helped launch Students Can Offer Responsible Education (SCORE). She is also on the board of directors of the Kansas Association of School Health, Shawnee County Mental Health Center, United Methodist Homes, Aldersgate Village, northeast Kansas chapter of the March of Dimes, and Florence Crittenden Services. She was honored last year for her volunteer work by the Topeka Alumnae Panhellenic Council. With these credentials it is obvious why Mrs. Crouch is deserving of this honor.

Mr. Speaker, I hope that my colleagues will join me in paying tribute to Mrs. Jean Crouch, 1981 Kansas Mother of the Year.●

ON "SAVE YOUR VISION WEEK," MARCH 3, 1981

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. WAXMAN. Mr. Speaker, I would like to take a moment to bring to my colleagues' attention President Reagan's proclamation declaring the week of March 1 to March 8 as "Save Your Vision Week."

Our sight is one of the most precious things we have. I do not think anyone could quarrel with that statement. Therefore, it stands to reason that anything we can do to prevent or cure blindness is in the public interest.

Save Your Vision Week is an effort to publicize those things which each of us can do to prevent blindness. It is our responsibility to take whatever precautions are possible and prudent to prevent injury to our eyes and those of our children. The small amount of care which we should exercise every day is little enough price to pay compared to what we will save in human suffering.

The costs, however, are not only determined by the suffering resulting from blindness. All of us recognize that the health care dollar is not unlimited. One of the most effective and efficient uses for the money we have to spend is on preventive health care. Avoiding accidents caused by carelessness and having routine eye examinations is undoubtedly cost effective.

Vision care has progressed dramatically since the 18th century, when people selected their glasses by choosing one from a barrel, instead of by prescription. Today, there are many diagnostic tests through which visual problems may be determined and corrected. Some learning disabilities which were formerly thought to indicate below average intelligence, such as dyslexia, can also be detected and treated. These people, who once were considered uneducable, now are limited only by their mental ability, not by our inability to recognize visual problems.

Each year approximately 140,000 workers suffer eye injuries on the job. In addition, many of the 2.3 million disabling injuries occurring in the workplace could be the result of visual defects which limit the individual's ability to recognize dangers he or she might otherwise avoid. However, for the most part, our vision changes constantly due to aging, chronic and acute illness, environmental pollutants, and other causes. Many of these changes are so gradual that we would not notice without routine examinations.

Initiatives such as Save Your Vision Week are a sensible way to help control skyrocketing health care costs. We must reverse the pattern of reimbursement which promotes treatment and crisis-oriented medicine rather than prevention. It is obvious that preventing health problems is preferable to treating them, and it stands to reason that the 97th Congress should encourage this approach. Perhaps then we will be able to focus our resources on those health care problems which cannot be prevented or which as yet have no cure.

At this time I ask that President Reagan's proclamation on Save Your Vision Week be printed in the RECORD immediately following my remarks.

SAVE YOUR VISION WEEK

(By the President of the United States of America)

A PROCLAMATION

Of all God's gifts, the ability to see is one of the most precious. It is the sense of sight that saves mankind from living in darkness. It is the sense of sight that permits individuals to communicate with each other and to future generations through literature and art. It enables man to enjoy the magnificence of a sunset and the promise of a rainbow.

Unfortunately, sight is often taken for granted. Few realize how many of our citizens lose their sight every year. Yet many forms of blindness can be cured if discovered soon enough, and many blinded by accident could have kept their sight had they taken only minor eye safety precautions.

Each of us has the responsibility to care for that which is ours. Our eyesight and the eyesight of our children should be paramount on the list of personal responsibilities. Money cannot buy it, but a check-up and early care can preserve it.

To remind all Americans of the importance of good vision and of the ways we can safeguard our eyesight, the Congress, by joint resolution approved December 20, 1973 (77 Stat. 629, 36 U.S.C. 169a), has requested the President to proclaim the first week in March of each year as "Save Your Vision Week."

Now, therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week beginning March 1, 1981, as Save Your Vision Week. I urge all of our citizens to join this observance by showing greater concern for preserving vision and preventing eye injury at home, at work, and at play. Also, I call upon educators and communicators, as well as eye care professionals, to stress to the public the importance of eye care and eye safety for Americans of all ages.

In witness whereof, I have hereunto set my hand this twenty-third day of February, in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN.●

EMANUEL CELLER

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1981

● Mr. ROSENTHAL. Mr. Speaker, I was extremely saddened the other day to read of the death of my very dear friend and former colleague, Emanuel Celler, and I want to take this opportunity to pay tribute to him and his outstanding record of service to his country and to his fellow man, and to his State of New York.

Manny Celler served in the House of Representatives for 50 years—a half a century—and during that time rose to one of the most powerful and influential positions in this body, that of chairman of the Committee on the Judiciary, where he shepherded some of the most important legislation enacted in the history of our country in the fields of civil rights, immigration, and antitrust. Without his expertise, ability, and influence the Congress would not have been encouraged to adopt such strong proposals, and the country and our citizens would have been deprived of some of their inherent rights provided by the Constitution.

As dean of the House he was beloved and respected by all who knew him, and rightly so. He knew how to maneuver, how to act and react, how to bring pressure to bear when it was necessary, how to negotiate and compromise, and, most important of all, how to make and keep friends.

When I was elected to the House from the neighboring borough of Queens, Manny had already been in Congress almost 40 years. He gave most generously of his time and advice, and he was always available to me when I needed his sage advice and counsel, which was quite often during the first days of my service.

He was a remarkable and beautiful man, and a warm and decent human being, always ready to do battle for a just cause, and always ready to help a friend. His kind are too few in this world we live in, and he will be sorely missed by all of us who loved him and admired him for what he was—a highly principled individual, absolutely and completely dedicated to his country and to the people he served for such a long, long period of time. He took his oath of office seriously, discharged his duties and responsibilities with distinction, and his contributions to the quality and integrity of the Congress are unequaled.

I am proud to have been his friend, and to have had the privilege of serving with him in this House.●

AUTOMOBILE EMISSION WARRANTIES

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. DANNEMEYER. Mr. Speaker, today I am introducing two pieces of legislation to correct what I believe to be a clear violation of the intent of Congress by the Environmental Protection Agency with respect to automobile emission warranties.

The Clean Air Act Amendments of 1977, as passed by Congress, provide for a 2-year, 24,000-mile performance warranty on emission systems except for catalytic converters, the thermal reactor, and post-1968 components installed for the sole or primary purpose of reducing vehicle emissions. The warranty for these three specific categories is a 5-year, 50,000-mile requirement.

EPA significantly expanded the range of automobile parts subject to the 5-year, 50,000-mile warranty beyond the intent of Congress, when regulations were issued on May 20, 1980. The expansion was based on the construction that all parts which help enable emission systems to function properly fall under the category of those whose sole or primary purpose is to reduce auto emissions, and thus subject to the longer warranty.

The expansion of the list of parts covered by the longer warranty has a negative impact on competition in the automotive parts market. This reduction in competition hurts, rather than helps, the consumer. The Federal Government is, in effect, tilting business away from small, private auto parts operations and toward dealer service and parts departments. Frankly, consumer benefit from a warranty of this type is illusory. The cost of the warranty is contained in the up front price of the car, spreading the cost among all consumers. If, on the other hand, the consumer has a choice as to where to go for the parts, the consumer will not have to pay for the parts and service unless the repair is actually needed. The increased competition injected into the market will tend to hold down the price of parts from what they would otherwise be.

It is important to point out that neither of these pieces of legislation prohibits auto manufacturers from offering any warranty that they deem appropriate for marketing or other purposes. In addition, notification, recall, and certification remain as enforcement tools against auto emission control system violations.

One bill eliminates the Federal requirement for vehicle emission warranties altogether, and leaves the matter entirely up to the marketplace.

The other bill rolls back the standard so that there is a 2-year, 24,000-mile guarantee for all auto emission control system parts.

This change would delete the loophole of the post-1968 components used for the sole or primary purpose of reducing emissions that EPA used to expand the list of parts covered by the longer warranty.

Both bills also contain a modification of the option under existing law where any State may elect to be covered by the California standards for control of emissions.

This change would provide for more uniform national standards so as not to interfere with the national distribution of automobiles and their component parts.

Mr. Speaker, it is not my intention to move these bills as individual pieces of legislation. Rather I believe that they can and should form a basis for discussion as the House considers the extension of the Clean Air Act during the first session of the 97th Congress. I hope that the House will address the

issues raised by this legislation in the context of the overall Clean Air Act.●

LITHUANIA

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. FRENZEL. Mr. Speaker, last month marked the 730th anniversary of the formation of the Lithuanian state and the 63d anniversary of the establishment of the Republic of Lithuania.

This anniversary is both a happy and a sad one—happy in that it marks the continuation of a cultural and historical tradition of a proud and freedom loving people; sad because those people have been victimized by Soviet imperialism and in the process denied the right to self-determination.

In addition to their illegal occupation of Lithuania and the neighboring states of Latvia and Estonia, the Soviets are engaged in a nefarious program of russification in Lithuania. Russification, in its simplest terms, is an attempt by the Soviets to deprive native people of their language and culture and also prevent the transmission of that information from one generation to another.

At a time when the Soviet Union is making raucous noises about U.S. intentions around the world, the facts speak for themselves. The illegal occupation and suppression of the people of the Republic of Lithuania is just the first in a long series of similar actions engaged in by the Russians which have deprived men and women around the world from deciding their own destinies. Let us hope that the long list of precedents where the Red Army has been the principal instrument of Soviet foreign policy, starting in Lithuania, Latvia, and Estonia, employed in Hungary in 1956, in Czechoslovakia in 1963, and most recently in Afghanistan, in 1979, and continuing through to this day, does not continue in Poland.

As the Deputy Chairman of the U.S. Delegation to the Madrid Conference, Warren Zimmerman, stated:

> We know that there is little that can be done to right a wrong committed four decades ago. But let us remember also that the passage of time will not make that wrong right. Time does not make right, any more than might makes right.

The yoke of Soviet imperialism is a heavy one, and we owe it to those who suffer under that burden not to forget them.

BLACK HISTORY MONTH

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, the month of February sparked an array of substantive activities to commemorate black history. This month was a special time for many citizens in my Seventh District of Maryland to honor the significant work of our foreparents.

I am honored to share the following essay, composed by John A. Micklos, a Baltimore, Md., resident. Although this essay is untitled, it is certainly a fitting tribute to Black History Month:

> The month of February is Black History Month. One may ask why there should be a separate history for the Black man. Although Negro history is indeed interwoven into the whole fabric of our civilization, many aspects arising from slavery have placed the Black American in a real dilemma. That dilemma arises from the concept that, with the exception of the Indian, Negro roots go back further into the history of this republic than any other ethnic minority, yet since his early arrival into this new land, the Black American has been associated with what historians call the "House of Bondage." It appeared that the Black man was fated to remain a slave in his own land.
>
> However, this plight was destined to change with the advent of the Civil War in the 1860's. As soon as the war broke out, hundreds of Negroes began freeing themselves by running away. When the noble President Lincoln signed the Emancipation Proclamation on January 1, 1863, in reality he was merely acknowledging the fact that Blacks were freeing themselves. In retrospect, it must be said that Lincoln did not originate the concept of freeing the Blacks; he merely had to accept the fact that their time for freedom had come. Since that time Blacks, through hard work and dedication, have made immense gains.
>
> They have, however, continued in many respects to be victims of discrimination and much of their history, a history which contributed much to the rich mosaic of the American saga in its growth from a pygmy nation in the 18th century to a mighty fortress and bastion of freedom and opportunity for most, seemed forgotten or neglected in the textbooks of American history and culture. Today although some prejudice, injustice, and discrimination remain for the Black man and others, the majority of Americans have accepted the Black man as an American. Also, most Americans are keenly aware that we, as a people, have committed injustices toward Blacks and others in the past. By studying the rich heritage of Black history, which in reality is an integral part of the overall history of American civilization, we can all broaden our understanding of one another and realize that mistakes and injustices, which must ultimately be totally rectified, were committed. The study of Black history in the final analysis is a study of American history, for in the march of the American Republic toward greatness, the Black man and other minorities have been present, helping to shape each event.●

ESTONIAN INDEPENDENCE

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. COUGHLIN. Mr. Speaker, I join my colleagues today in marking the 63d anniversary of the Proclamation of Independence of the Republic of Estonia.

A strong sense of national unity and pride in their heritage enabled the Estonian people to establish their independence 63 years ago by driving Soviet troops from Estonian soil. Less than 20 years later, Estonia found itself on the turbulent battlefield of World War II. Despite a treaty signed at the time when Estonian independence was declared, the tiny Baltic State soon fell victim to the might of its powerful eastern neighbor and eventually was annexed by the Soviet Union.

Between 1939 and 1949 figures show that an estimated 350,000 people, one-third of Estonia's population, were lost. Yet, despite the deportation and brutal execution of Estonian freedom fighters and the abolition of all constitutional freedoms by the Soviets, the struggle to regain national independence continued. Those who fled their homeland have continued to work courageously to keep alive the memory of Estonia's tragic history in the 20th century and still hope for a return to independence.

As a nation and a people who have embraced the principles of self-determination and freedom from tyranny, we must not forget the plight of the Estonians and the millions of others who have been silenced by Soviet repression. Our continuing commitment to national integrity and human rights worldwide remains vital to all those who have not abandoned hopes of freedom and self-determination.●

THE 63D ANNIVERSARY OF LITHUANIAN INDEPENDENCE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. DERWINSKI. Mr. Speaker, the 63d anniversary of Lithuanian independence was commemorated in the House by a special order. We directed attention to the plight of the people in Lithuania and those held captive within the U.S.S.R., and called for the lifting of the repressive internal policies under which they suffer. I wish to insert a resolution adopted by

the Lithuanian Council of Chicago on the occasion of Lithuanian Independence Day, which I wish to direct to the attention of the Members:

> LITHUANIAN COUNCIL OF CHICAGO,
> *Chicago, Ill., February 16, 1981.*
>
> We, the Lithuanian Americans of the Lithuanian American Council of Chicago assembled this fifteenth day of February, 1981, at Chicago, Illinois to commemorate the restoration of Lithuania's independence, do hereby state as follows:
>
> Whereas February 16, 1981, marks the sixty-third anniversary of the restoration of independence to the more than seven hundred year old Lithuanian State;
>
> Whereas Lithuania was recognized as a free and independent nation by the entire free world, she was a member of the League of Nations, however, she was by force and fraud occupied and illegally annexed by the Soviet Union disregarding the Peace Treaty of 1920 in which Moscow guaranteed Lithuania's independence forever and disregarding the Non-Aggression Pact of 1926 with the Soviet Union;
>
> Whereas the Soviet Union is an imperialistic, aggressive, colonial slave empire, subjugating each year new countries, Lithuania was one of its first victims; the colonies of western countries and even underdeveloped nations of Africa and Asia, have regained their independence, while Lithuania is still exposed to the most brutal Russian colonial oppression and exploitation;
>
> Whereas the Soviet invaders, even though using tortures in jails, concentration camps, and psychiatric wards, are unable to suppress the aspirations of the Lithuanian people for self-government and the exercise of their rights of self-determination: *Now, therefore, be it*
>
> *Resolved*, That we are grateful to the President of the United States who instructed the United States delegation to raise at the Madrid conference the right of the Baltic States for self-determination;
>
> That we are grateful to President Reagan and former President Carter for their struggle against international political terrorism and for human rights which should include the right of nations to live free and independent lives;
>
> That we urge the United States of America and other nations of the free world to use diplomatic and all other possible means to pressure the Soviet Union to withdraw its military forces, secret police apparatus, and foreign administration, and to release from jails, concentration camps, and psychiatric wards, Lithuanian people who struggle for human rights and for their Mother Country's liberty;
>
> That we are grateful to President Reagan for a statement before his election that an official diplomatic non-recognition of the forced incorporation into the U.S.S.R. of the three Baltic nations will continue to be a policy of his Administration;
>
> That we express our most sincere gratitude to the United States Administration and the Congress for non-recognition of the incorporation of Lithuania into the Soviet Union and we request them to use every opportunity in international forums and in direct negotiations with the Soviet Union to strongly support the Lithuanian aims for independence and sovereignty.●

CONSUMER PRODUCT SAFETY COMMISSION

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. WAXMAN. Mr. Speaker, I have introduced today a bill to authorize appropriations for the Consumer Product Safety Commission (CPSC). This legislation would authorize appropriations of $45 million, $47.2 million, and $49.5 million for fiscal years 1982, 1983, and 1984, respectively. In addition, the bill would authorize appropriations of $49.5 million for fiscal year 1985 if the Congress has not enacted authorizing legislation by the expiration of fiscal year 1985.

CPSC is charged with the responsibility of protecting the public against unreasonable risks of injury associated with consumer products. Notwithstanding its broad jurisdiction over approximately 15,000 separate consumer products, CPSC is the smallest Federal health and safety agency. During authorization hearings scheduled for March 5 and 10, 1981, the Subcommittee on Health and the Environment will evaluate the Commission's performance, with the assistance of business and consumer groups which deal with CPSC. We will examine the Commission's funding levels, its mandatory and voluntary standard development efforts, the efficiency of its recall authority, the collegial body as a management tool, and its efforts to regulate consumer products which pose chronic hazards.

Thank you, Mr. Speaker.●

JUSTICE CLARK A PLEASANT SURPRISE FOR SOME EARLY SKEPTICS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. LAGOMARSINO. Mr. Speaker, the appointment of California Supreme Court Justice Bill Clark to be Deputy Secretary of State has stirred some comment in the Capitol. As a close personal friend who has known Bill Clark for some 20 years, and who served in the California State Senate when he was a member of Governor Reagan's administration, and after four terms on the House Foreign Affairs Committee where I have been able to closely follow the operations of the State Department, I feel I have perhaps a better basis than most for commenting. Bill Clark is a former constitutent—his parents still are constitutents—so perhaps the House will excuse some parochial pride on my part in this remarkable man.

In a profession like politics where self-congratulation is the norm, Bill Clark stands out for his modest and self-effacing manner; perhaps his modesty prevents him from speaking out on his own behalf in the way we have become accustomed to here in Washington. In many respects Bill is a self-made man. His wide-ranging experience has given him a lack of pretense which undoubtedly will seem refreshing at the State Department. At the same time, his strong analytical bent, his commonsense, and his astute political insights will be welcome assets. He is a careful and thorough person, not given to brash statements, and I think the more my colleagues come to know him and his work, the more they will respect President Reagan's judgment in giving Bill this important task.

In conclusion, I will read into the RECORD the testimony of another observer who has had a chance to know Bill Clark during his term on the State supreme court, Connie Kang of the San Francisco Examiner:

> JUSTICE CLARK A PLEASANT SURPRISE FOR SOME EARLY SKEPTICS
>
> (By K. Connie Kang)
>
> When Justice William P. Clark Jr. joined the California Supreme Court eight years ago, the chief justice voted against his confirmation.
>
> Legal scholars were horrified that then-Gov. Ronald Reagan would appoint a justice who had not even been graduated from law school.
>
> A mediocre career was predicted.
>
> But today, as Clark leaves the court for the position of deputy U.S. secretary of state in the administration of the man who made him a judge, even those whose legal philosophies are diametrically opposed express fears that his departure will damage the California high court.
>
> Clark, who announced his decision to join the Reagan administration Friday, has been a judge for 12 years, the last eight years on the state Supreme Court.
>
> He served on the trial bench for two years and was on the intermediate Court of Appeal in Los Angeles for another two years before Reagan elevated him to California's highest court in 1973.
>
> "It was Gov. Reagan's idea at all three levels," Clark told The Examiner several years ago. "It never crossed my mind that I would be a judge."
>
> Clark is 49 years old, the father of five, Irish, lean and tall, always courteous and often wearing a bashful smile.
>
> A native Californian, he is proud of his roots and likes to refer to himself as a "farmer" or a "country judge."
>
> Behind his impeccable manners and sometimes self-effacing ways, however, is a resilient man—tenacious, patient and brimming with political savvy. He works at winning people to his side, and usually keeps them when he does. He is loyal to his friends and doesn't forget them.
>
> Like a number of other members of President Reagan's inner circle, Clark is a self-made man who believes in hard work and old-fashioned virtues, though on a personal level he is tolerant of different lifestyles and thoughts.

For eight years, he has lived in a studio apartment near the Supreme Court on weekdays, returning home to his 900-acre ranch in San Luis Obispo County on weekends to work, think and be with his family.

On weekday evenings, Clark could be seen—wearing old Levis, a jacket and loafers and carrying papers under his arm—returning to his chambers after dinner.

When Clark joined the court at the age of 41, he couldn't have received a cooler reception.

It had been the consensus of the staff and judges there that Clark lacked credentials to sit on the state's highest court.

Clark had attended Stanford University on an athletic scholarship, dropped out, entered a seminary, left after a year when he decided he didn't want to be a priest and enrolled at the Loyola University Law School.

He dropped out of Loyola, though, and joined the Army, serving as a counter-intelligence agent in Europe from 1954 to 1956. When he returned to the United states he studied law on his own and then took the bar examination, passing on his second try.

Chief Justice Donald Wright, as chairman of the Commission on Judicial Appointments, voted against the confirmation of Clark, explaining that he did not think Clark was qualified for so high a post. The other two on the commission—State Attorney General Evelle Younger and appellate Justice Parker Wood—voted for confirmation and Clark moved to a seat on the court.

During his first several years at the court, Clark led an isolated existence, speaking little during the court's Wednesday conferences, quietly learning his job and surrounding himself with top-flight staff.

Maury Koblick, a respected research attorney whom Clark inherited from liberal Justice Raymond Peters, said: "The staff was very much opposed to his appointment."

Since then "we learned about him," Koblick said, adding that one would be "hard put" to find a staff member who has dealt "face-to-face" with Clark "who is in the least critical of him."

Similarly, the legal community has apparently learned about Clark, or so some of its distinguished members say.

"I think the legal community has changed its mind," said Preble Stolz, professor at Boalt Hall, the University of California at Berkeley law school, and author of a book on the California Supreme Court to be published later this year.

"Clark has not lived up to the worst expectations of a lot of people. He has been considerably better than what people expected."

"The consensus has been most of the fears . . . that he would be a miserable judge simply were not true," said Professor John Kaplan of Stanford Law School.

Even retired Chief Justice Wright, who eight years ago would have denied Clark the seat on the Supreme Court, now says:

"Justice Clark's opinions are, on the whole, very workman-like—even scholarly. A lot happens in eight years."

Professor Phillip Johnson, of UCs Boalt Hall, who also publicly opposed the Clark confirmation, said: "On the whole, Justice Clark, I think, to some degree, has refuted the criticism that some of us made at the initial appointment."

Clark simply smiles when he is told about what people are saying about him.

"He has an enormous respect for professional learning and competence," said legal scholar Bernard Witkin. "That is one of the reasons why Clark and his staff of expert appellate lawyers have produced very fine products."

Clark has been the voice of strict constructionism on the court—a jurist who has consistently subscribed to the view that the role of the judiciary is to interpret the laws, not make new laws.

"I think his impact on the court has been so important that the loss would be felt very deeply for years to come," said Witkin.

"His importance is that he and two other justices, one of whom has just died, were the balancing conservative wing of the court.

"In today's world and the community of people in California, it is vitally important that the highest court have an expression of the conservative as well as the liberal activist philosophy."

Said Johnson: "His has been a consistent conservative input, very frequently dissenting from changes in the new directions in the law, which the majority has taken. Justice Clark has been articulate in presenting that point of view."

Attorney Edward Lascher said, "His judicial philosophy and mine are not the same, but I think he has done a very responsible job of articulating his own. Somebody has to ask the questions and tell the court that it is going too far."●

TRIBUTE TO JUNIOR ACHIEVEMENT NATIONAL AWARD WINNERS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. MAZZOLI. Mr. Speaker, on March 4, the top Junior Achievement National Award for 1980 will be presented to a remarkable group of young people who, I am proud and delighted to say, hail from Louisville, Ky.

I wish to commend these 25 talented, young business people for the successful inception, management, and operation of their corporation, Trak-Jac. The students developed a winning business style under the guidance of the Louisville and Nashville Railroad.

Their hard work and organization showed up in Trak-Jac's sales record, which surpassed any record in Junior Achievement's history, and in the return of $1.20 on every dollar invested.

These enviable figures demonstrate why Trak-Jac came out No. 1 in competition against thousands of other groups from around the country.

It is an honor to pay tribute to the achievements of these young people from my hometown. The profits they earned were substantial, but the returns from Trak-Jac and Junior Achievement cannot be measured in profits alone. The business training and social exposure these students received during their venture in Junior Achievement will stand them in good stead in the years ahead.

I am grateful to Junior Achievement and the many business sponsors for making this experience possible for so many ambitious young people.●

IOSIF MENDELEVICH: FREEDOM WON

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BIAGGI. Mr. Speaker, today is a day of celebration for all people who support the cause of Soviet Jewry. On January 28 of this year, I made a statement in the CONGRESSIONAL RECORD on the plight of Jewish activist and prisoner of conscience Iosif Mendelevich, who had been in Soviet prison and labor camps for 10 years. I am pleased to report that the Soviet Government handed the struggle to free all Soviet Jews a significant victory by releasing Iosif Mendelevich on February 18, after receiving numerous appeals, including my own, for his release.

The 33-year-old Mendelevich was released from Perm Camp 36, where he had waged a 2-month hunger strike to protest his repeated punishment by Soviet officials for his observation of Jewish religious laws. His hunger strike was prompted by the confiscation of his religious and Hebrew study books and notes, which he used in teaching another prisoner. Such blatant and cruel denial of human rights is practiced regularly by Soviet labor camp officials and remains the source of grave concern by many in this country, including myself, who fear an increased deterioration of this situation in the future.

I joined many around the world who contacted Soviet President Brezhnev to urge him to release Mendelevich from prison, where he was one of the few remaining defendants from the Leningrad trials to be incarcerated. His release, arranged by the World Jewish Congress, has been interpreted by many to be a unilateral action as a good will gesture to the Reagan administration. Other prominent Jewish organizations who were involved in the release of this Jewish activist were the Jewish Identity Center and the Student Struggle for Soviet Jewry.

The return of Mendelevich to Tel Aviv prompted thousands of Jewish residents to turn out to accompany him to the Western Wall in Jerusalem, Judaism's holiest site, where they joined him in jubilant prayers of thanksgiving and remembrance, the Sheheyanu, and then the Kedish. The estimated 5,000-person crowd which met him at the entrance to Jerusalem greeted him with songs and flowers, as they watched him reach the wall by police escort.

We learned that Mendelevich was placed on a Vienna-bound plane on

February 18, without a prior word to his departure. Before leaving, the Soviets stripped him of his citizenship, which prompted his response of "Thank God," after having spent 11 years trying to shed it. The significance of his relief at losing Soviet citizenship was lost on officials who responded in puzzlement.

Throughout his 10-year ordeal, Iosif Mendelevich remained unwavering in his religious principles. Reports from Vienna, his initial stop after his release, indicated he arrived with three books: an old, shabby copy of a Hebrew-Russian dictionary, wrapped in a copy of "Sovietish Heimland," the Yiddish language newspaper, a book by Israeli writer S. Y. Agnon, and a collection of Jewish fables and stories by Ravnitski and Bialik. Also in his possession were Jewish ritual objects, including a set of tzitzits made of rope, a knitted tallit, and a hand-sewn kippah. These objects helped to sustain him throughout his torturous decade of ordeals and persecution, until his reunion with his family in Israel.

While release of Iosif Mendelevich has caused triumphant celebration around the world, we must be mindful that there remain two other prisoners in the Soviet Union from the same trials: Aleksei Murzhenko and Yuri Federov. Reports of a more liberal Soviet emigration policy regarding such prisoners have been received, and I intend to pursue these reports and press the Soviet Government to release these two men to their families and friends in Israel.

The news about the number of exit visas being granted to Soviet Jews is cause for cautious optimism to those of us who have supported the cause of Soviet Jewry. Unofficial estimates put the number of exit visas being granted to Soviet Jews at 1,500 to 2,000 per month in Moscow alone, although such reports have yet to be confirmed by actual arrivals of Jews in Vienna. We must continue to press for a close examination of this matter by our Government in order to communicate our concern to Soviet emigration officials at the earliest opportunity.

I pledge to continue to work on behalf of remaining prisoners of conscience held in Soviet jails, and to continue my advocacy on behalf of all Soviet Jews who wish to emigrate to Jerusalem. As Iosif Mendelevich stated upon his release:

> I am most grateful to all people in Israel and the whole world who made so many efforts for my release. * * * The Soviet power is a cruel power and you need enormous force to break this power. * * * Now all the force should be mobilized for the release of those who are still in Soviet prisons.●

EMERGENCY RESPONSE SYSTEMS: SECURE AND INDEPENDENT LIVING FOR ELDERLY AMERICANS

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mrs. HECKLER. Mr. Speaker, with the dramatic increase in the number of American elderly, finding innovative approaches for long-term care is crucial. Women in particular need to be concerned. People over the age of 75 constitute the most rapidly growing segment of the elderly—and there are almost 50 percent more women than men in this group. These are the aged most likely to suffer the multiple problems of chronic disability, social isolation, and reduced mobility—key concerns in long-term care.

Alternatives to expensive institutionalization center on a range of flexible home health care options. One option is that of a personal emergency response system. This system allows elderly people to maintain independent living arrangements while assuring that they have contact with a community response center. Elderly women are the most likely to face the problem of living alone. In 1978, 70 percent of women 55 years and older lived by themselves, and for an average widow who does not remarry and dies a natural death, 18½ years will be spent alone.

An extensive 3-year study on a personal emergency response system called Lifeline was recently completed for the National Center for Health Services Research (DHHS). In this system, the user has a small portable button that is pressed in the event of a physical or environmental emergency. A digital message is automatically sent over the phone line, and the operator who receives the printed message immediately calls the user. If the individual is conscious, the appropriate type of help can be determined with the person and called for; if the user does not answer, a neighborhood responder, designated beforehand, and/or a professional responder—for example, police or hospital—are notified and sent to the home.

A system of this kind was recently established in Taunton, Mass., in my congressional district. I had the pleasure of officiating at ceremonies marking the adoption of this system. I was extremely impressed—and encouraged—by the enthusiasm of the community and the appreciation of Taunton's elderly.

The evidence available thus far gives high marks for personal emergency response systems. The study I noted found that:

> Users felt more confident about continuing to live independently and moved around their homes with greater ease;
>
> Users averaged only 1 day in a nursing home compared to an average of 10 days spent by members of a control group;
>
> Each $1 spent for the system produced a net savings of $7.19 due to reduced use of institutional services; and
>
> Ninety-six percent of the false alarms were resolved by the initial phone call, avoiding other costly response means.

The availability of personal emergency response systems will enhance the elderly's quality of life and will provide relief for Federal and private budgets through the reduction of institutionalized care. For this reason, I have introduced legislation, H.R. 1712, that allows for the reimbursement of in-home, community-based emergency response system under the medicare statute. These systems will be available to individuals who are severely functionally impaired, and who either live alone or are left alone for substantial periods of time.

Availability of personal emergency response systems will ultimately reduce Federal expenditures for expensive institutionalized care. Although in the short run there will be added expenditures, preliminary figures show that these will be relatively moderate. In addition, the legislation requires that in order to be eligible for reimbursement, the systems will allow our elderly to maintain independent, noninstitutional living arrangements—with security and ease.●

CASH DISCOUNT ACT—H.R. 31

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. FRANK. Mr. Speaker, I wish to express my opposition to a portion of the Cash Discount Act which passed the House last week.

I fully support title I of the act which provides incentives for merchants to grant discounts to cash-paying customers and removes certain regulatory roadblocks to full implementation of this concept. However, title II extends for 3 years the current prohibition on surcharges by merchants on those who elect to use credit cards instead of cash. At first blush, it would appear that title II serves a consumer interest; indeed, its sponsors argue consumer protection in its defense. However, closer examination reveals the opposite to be true.

Merchants now pay anywhere from 3 to 5 percent to credit card issuers for each credit card purchase. According to the New York Times, this cost amounted to approximately $1.5 billion in 1980. This purely legitimate business cost cannot, because of Federal law, be passed along to credit card

customers alone. Instead, it is reflected in the price of all goods and therefore all consumers, those paying with cash as well as credit card customers, pay higher prices because of the use of credit cards. Quite clearly, the cash-paying public subsidizes those who use credit cards. What makes this situation so unfair is that low-income families often cannot afford—or will not be accepted for—credit cards and it is this group that therefore bears the greatest burden in carrying the subsidy of which I speak. Finally, it is also quite obvious that by passing along credit card costs in the basic price of goods and services, the ban on surcharges contributes to inflation.

I would also like to point out that the position I have advocated has the full support of the Consumer Federation of America and Consumers Union, two outstanding organizations whose contributions to consumerism cannot be overestimated.

NATURAL GAS DECONTROL

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. DANNEMEYER. Mr. Speaker, the decontrol of domestic crude oil brought about by President Reagan's Executive order of January 28, 1981, makes the decontrol of natural gas more imperative than ever. Oil decontrol in the absence of natural gas decontrol will tilt drilling toward oil over gas because the rate of return of oil is now relatively higher. In addition, consumption will be tilted toward gas over oil because natural gas is now relatively cheaper by a wide margin.

There is solid evidence to support both of these critical propositions. On the question of drilling tilt, a paper released by John W. Jimison of the Congressional Research Service on February 9, 1981, stated:

> Producers drilled 11,378 gas wells in 1978, 13,044 in 1979, and about 14,800 in 1980. But the increase in gas wells for the first nine months of 1980 was only 5.6 percent, compared to a 38.8 percent increase in oil well drilling, due to the relatively much higher prices of oil.

The validity of the second point on likely consumption patterns is reinforced by the fact that the current ceiling price for new natural gas is $2.70 per million Btu's, or less than one-half the energy equivalent cost of crude oil.

These and other important points in favor of natural gas decontrol were the subject of a statement by Richard Jakmas, vice president for heating fuel policy, National Oil Jobbers Council, which appeared in the "Policy Forum" section of the National Journal issue of January 24, 1981. Mr. Jakmas' statement appeared before the announcement of the President's oil decontrol decision. Perhaps the most important passage reads as follows:

> The case for oil decontrol is a powerful one, but the case for deregulating natural gas is stronger still. If natural gas is not immediately decontrolled, it may never be possible to deregulate it without causing catastrophic economic effects. Closing the gap between the U.S. oil price and the world price is difficult enough, but postponing the decision day for natural gas is tantamount to participating in the creation of an economic nightmare we know will come true.

To avoid the nightmare described above, I introduced the Natural Gas Decontrol Act of 1981, H.R. 2019, on February 24, 1981. This legislation would bring about the immediate, total decontrol of both old and new natural gas.

Mr. Speaker, I strongly encourage my colleagues to contemplate the thoughts expressed in Mr. Jakmas' statement and I insert it in the RECORD at this point:

TOWARD HARMONIZING ENERGY AND ECONOMIC POLICY: DERREGULATE OIL AND NATURAL GAS PRICES NOW

(By Richard Jakmas)

The curtain is rising on a new act in the drama of energy politics. Voices on stage and off are demanding that, as one of its first acts, the Reagan Administration lift controls on crude oil and gasoline prices. Swift action, they reason, would be cheaper for consumers in the long run and sounder for the economy, particularly if world oil prices spiral upward again. Should that occur, the gap between the composite U.S. oil price and the world price—now $3.50 a barrel—would widen still further, setting the stage for an economic shock when controls expire next September.

For the new administration to ignore that advice would be folly. But to heed that wise advice and ignore the opportunity to lift existing controls on natural gas at the same time would be an even greater folly. To deregulate oil and natural gas simultaneously would signify that the new administration is serious about sweeping away impediments to economic growth and greater energy independence. Not to do so would signify a return to the piecemeal energy and economic policies of the last three administrations and provide no solution to a decade of economic stress.

Ever since world oil prices exploded suddenly in 1973, the government's feverish attempt to regulate the economy out of the "energy crisis" with one iron hand while trying to offset the inflationary impact of those policies with the other, has failed. Contradictory policies have tied the economy up in knots and sent confusing signals to consumers.

The consequences of energy regulations must be noted. They have failed to provide equal access to limited supplies or to assure the competitiveness of small businesses in the energy industry or provide lower costs to consumers. Yet their collective purpose, beginning in 1971, was just the reverse.

It is now generally accepted, for example, that the long gasoline lines of 1979 were attributable more to complex, onerous federal allocation regulations than to any other single factor. Furthermore, the regulations that kept domestic oil prices below the world price had the unintended consequence of encouraging oil consumption in general and foreign imports in particular.

In addition to those who argue for oil decontrol on the basis of free enterprise, there are others with an equally compelling case: Deregulation now will cost consumers less than it would when controls are lifted next September, the schedule the new administration has inherited.

Recognizing the fact that competitive pressures created by current, relatively stable supply conditions are keeping prices below the legal ceiling, Robert Stobaugh and Daniel Yergin, co-editors of the revised Energy Future: Report of the Energy Project at the Harvard Business School, argue that under gradual decontrol, the composite (domestic and imported) barrel price would rise gradually until it reaches decontrolled levels, about 22 cents a gallon higher than today if OPEC doesn't raise its prices. Of that 22 cents, 10 cents would be due to the recent OPEC price boost and 12 cents due to decontrol. With immediate decontrol, on the other hand, the 12 cent per gallon increase would occur quickly.

As a result, consumers would actually save money since the price increase would help reduce U.S. imports during the interim period, easing pressure on the world oil market and reducing the likehood of a continued increase in world oil prices.

The case for oil decontrol is a powerful one, but the case for deregulating natural gas is stronger still. If natural gas is not immediately decontrolled, it may never be possible to deregulate it without causing catastrophic economic effects. Closing the gap between the U.S. oil price and the world price is difficult enough, but postponing the decision day for natural gas is tantamount to participating in the creation of an economic nightmare we know will come true. Failure to act in tandem on oil and gas pricing will mean that the new administration will have denied itself the chance to develop a truly consistent energy policy in harmony with economic policy. To act in tandem would mean that for the first time the U.S. would have a consistent policy that efficiently uses U.S. energy resources at their real prices.

The goal of the Natural Gas Policy Act (NGPA), passed by Congress two years ago, was to gradually decontrol the price of natural gas and provide producers with new incentives to increase gas supplies.

It is stipulated in that Act that newly discovered gas and new onshore production wells are to be deregulated by 1985, whereas "old gas will remain under controls for an indefinite period, with price rises held to the rate of inflation.

The initial response to the passage of the NGPA was encouraging. In 1979, natural gas drilling activity increased by 12.4 per cent over its 1978 level. However, that initial growth in activity has now tapered off to well below the rate experts say is required.

In contrast, oil drilling activity has increased sharply. This "tilt" to oil drilling is generally attributed to the incentive offered by decontrolled crude oil prices. Although the NGPA aimed to gradually achieve natural gas price parity with alternative fuels, world conditions have caused the price of oil to increase far more than anticipated. Thus, the price of natural gas is still not offering incentives adequate to encourage producers to drill more wells. Resource development capital is being invested in more profitable oil production.

According to Dr. Edward Erickson of North Carolina State University, "Because success ratios for both exploration and development drilling may fall as drilling activity becomes more intensive, the rate of increase in total drilling may have to exceed 12 per cent per year by a considerable margin in order to allow the target of 26,000 successful gas wells to be reached in 1985. It is a matter of concern whether the gas prices and category definitions in the NGPA will continue to permit rates of increase in drilling activity of this order of magnitude for duration of NGPA ceiling price controls upon new gas prices."

Simply put, accelerated drilling increases yielding natural gas reserve additions that exceed current production levels are unlikely to occur without immediate deregulation.

And the passage of the NGPA has not reversed the 10-year decline in proven reserves of natural gas. In 1971, proven natural gas reserves in the United States were estimated to be 278 trillion cubic feet.

By 1978, they had fallen to 200 trillion cubic feet. And as of June 1980, the Department of Energy reports natural gas reserves were down to 195 trillion cubic feet. Thus, the statistics clearly suggest that the U.S. is still consuming gas faster than it is being replaced.

Supplemental sources of natural gas, including imported natural gas, are being tapped as a hedge against depleting domestic reserves. The Department of Energy projects that imported natural gas (not including imports from Mexico) will constitute 20 per cent of total interstate natural gas supplies by 1983. Recognizing the increasing demand for imported natural gas, exporting countries are raising the price of that gas in line with the world price of oil.

Another facet of the NGPA requires industrial customers to bear much of the burden of steadily increasing prices. The consequences of this requirement raise the prospect of a loss of this vitally necessary market, but extend beyond it as well.

When industry is forced to subsidize the residential sector, necessary conservation efforts are discouraged, and the increased costs industrial customers pay for are passed on to consumers in the price of finished products. In fact, heating oil and electric users (depending upon the type of generation) also subsidize the residential natural gas user by paying for finished products.

Vigorous marketing efforts by the natural gas industry to attract more residential customers, primarily based on artificially suppressed natural gas prices, have been effective. But they have not assured consumer equity, nor brought us any closer to achieving a balanced energy program to insure economic growth. The increased demand for natural gas from the residential sector forces other energy suppliers to reduce net profits to a level insufficient to meet the capital needs necessary for growth.

To be sure, natural gas deregulation is an admittedly more complex endeavor than decontrol of oil but it is no less necessary. Total decontrol of the entire energy industry will at last bring about free enterprise, the only way to enhance our supplies of domestic energy resources, and discourage wasteful consumption.

If natural gas is not immediately decontrolled, it may never be. The principal argument offered by opponents is that it would have an inflationary impact on consumers. What they overlook, however, is the explosive leap natural gas prices would have to take to achieve parity in 1985. If the new administration and the new Congress allow this opportunity to be lost, it may never come their way again. Deregulation now will ease the price impact on natural gas users over the long run, while at the same time assuring the necessary incentives for exploration and development of new sources.●

TO COMMEMORATE BLACK HISTORY MONTH

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 25, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, I am proud to stand with my colleagues to commemorate Black History Month. In this last week of observance, we realize that the month of February has fostered our participation in many significant events, to reflect proudly on the rich legacy left by our strong African and Afro-American foreparents. This period has provided a special time to use the fundamentals of this legacy to face squarely those turbulent times which continue to confront us.

In my moments of reflection, I cannot help but note strong parallels between historical and present occurrences. Comparatively speaking, the year 1881 was marked by many events. Among them, for example, this Nation witnessed the revitalized Knights of the Camelia—to later become the KKK. This group was steadfast in its terror-filled and violent acts against black citizens. Today, 1981, we are witnessing a resurgence of this group. To our dismay, the picture of the burning cross is not closed in the pages of our history books. In fact, there have been several such incidences in my own State of Maryland during the past few months. A similar picture today is the little black children being murdered senselessly while their parents wonder if the fundamentals of hatred and racism will ever disappear.

Admittedly, my reflection on the rich legacy of black history may be a little dampened as I observe the continuous obstructions to social, political, and economic parity for black people. However, when I do reflect on the tenacity and dedication of our foreparents who made this commemorative month possible, I have a revival of strength. It was the untiring efforts of such great legislators as Senator Hiram Revels; outstanding scientists as George Washington Carver; and dedicated scholars as W. E. B. DuBois, which should provide the will for us to face any obstacles. We can look at the tests of endurance which confronted these people and know that we will not be defeated by the KKK or the Moral Majority.

We can look to the editorial skills of Henry Highland Garnett, the teaching abilities of Mary McLeod Bethune, and the business skills of Maggie L. Walker, and know that we will always have examples of strength to sustain our faith. We can point to the multiplicity of talent among our past and present brothers and sisters and know that there has never been a dearth of keen abilities and high aptitudes in our community. If I continue to note outstanding black figures for pages and pages, I can still not do justice to the many patents and ideas which have been stolen from those people who left a foundation. I could not begin to imagine the many lyrics, stanzas, notes, and research efforts for which members of the black race were not given credit. This list could be endless.

My reflections did not begin in the month of February and they will not end as we close out the official black history observance. I long for the day when equitability prevails and the recognition of black history will be a truly integral part of our education system. At that time, every month and everyday will be a time to use our past to build a future.●

COMMEMORATION OF THE 63D ANNIVERSARY OF LITHUANIA'S INDEPENDENCE

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. COUGHLIN. Mr. Speaker, I am honored to join my colleagues in commemorating the 63d anniversary of Lithuania's Declaration of Independence.

Four decades ago, Lithuanian sovereignty fell victim to Soviet domination. The illegal invasion and subsequent occupation of Lithuania was, and is, a blatant violation of the universally acclaimed right to self-determination as expressed both in the Charter of the United Nations and in the Helsinki agreements and acceded to by, among others, the Soviet Union. Lithuania paid dearly in its fight to retain its independence and documented cases of Soviet persecution continue to reach the West. And yet, the proud spirit of the Lithuanian people has never succumbed and, as so courageously demonstrated by the Lithuanian people and the Lithuanian American community alike, they are not without hope. Despite obvious personal risk, dissidents continue to struggle against political, cultural, and religious repression.

At a time in history when the world has witnessed another example of Soviet repression in Afghanistan and Soviet forces have threatened to encroach on the territorial integrity of Poland, it is imperative that we, as Americans, reaffirm and even strengthen our commitment to those principles—liberty, independence, and

self-determination—upon which our own Nation was founded. Just as Lithuania has been an inspiring example of a nation and a people which has maintained its national pride and the spirit of independence, so the United States must also continue to be a symbol of hope and inspiration for all who have been denied these rights. Our dedication to human rights the world over must never diminish.●

MY COMMITMENT TO MY COUNTRY

HON. JAMIE L. WHITTEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. WHITTEN. Mr. Speaker, Miss Donna Louise Tartt of Grenada, Miss., has won the State voice of democracy contest, and I am so impressed with her achievement that I want to share it with all readers of the CONGRESSIONAL RECORD.

In the 34 years that the voice of democracy scholarship program has been in existence, I am sure most of us have come in contact with the program's participants in one way or another. The scholarships awarded national winners have made an impact on school students throughout the country and have resulted in tremendous increases in student participation in view of the annual $1,500 scholarship for the first place winner. I am told that during the past year more than one-quarter of a million students participated from over 8,000 schools which were sponsored by more than 4,400 Veterans of Foreign Wars posts and 3,600 auxiliaries. To say the least, the voice of democracy scholarship program has stimulated increased patriotism among our young people and has provided for all of us a more serious means of thinking about our responsibilities as Americans. It is my privilege to insert Donna Tartt's excellent speech and to add that I am proud to be her Congressman.

The speech follows:

MY COMMITMENT TO MY COUNTRY

(By Donna Louise Tartt)

It is sad, perhaps, but also true, that Americans are at their highest peak of patriotism during wartimes. When our country's honor and freedom are threatened directly, Americans rally round the flag like one big family, determined to fight the common enemy to the very end.

But what about times that are merely hard, like now? America is in just as much danger from inflation, from disillusionment and apathy and a thousand other things, as she ever was from Hitler. Yet, for some perverse reason, we are not supporting our country at the time she needs us most. Instead, we quarrel and bicker among ourselves. We complain about the leaders we elected and we complain about America. This sort of vicious talk about our own country is like an ungrateful child slapping a parent in the face.

America has been good to her people. But we must in turn be good to her by living up to our loyalties as citizens. The three commitments I am about to list are the debts of loyalty and love I owe my country. They are also debts that you owe America, too.

Our first commitment to America should be to educate ourselves of all the different governments of man. Democracy is the hardest to maintain because it requires mass intelligence to be run properly. We, the people, are the ones who make the important decisions about the government, and, in order to make our decisions wisely, we must learn all we can about history and government, about law and economics and other things so we will have a basic knowledge upon which to found these decisions. A free society is a dynamic, exciting market place of ideas, constantly growing and constantly changing. Unless we, the people, take time to study problems from all sides and make the best decisions we can; unless we are free to express our opinions and question things we believe are wrong; unless we all contribute in some way to the marketplace of ideas that is America, our democracy will stagnate and die.

Our second commitment to America should be responsibility towards her. Herman Melville once said, "Freedom is only good as a means—it is no end in itself." When America won the Revolution, our fight for liberty was only beginning, for freedom can only be kept through constant vigilance. America's independence is not just a free gift from our forefathers. We must use our freedoms with responsibility if we wish to be allowed to keep them in the future.

A responsible American takes an active interest in the affairs of the country. He keeps up with current events, and he researches the candidates carefully when he votes so he can choose the one he thinks is best. The responsible American is not a warmonger, but he will defend his country to the death if need be, as so many other Americans have done in the past. And the responsible American, while he keeps an open mind about everything, watches carefully for hidden subversions which will destroy freedom just as surely as any war could. He remembers the words of Plato—"The people will vote for who promises them the most, and in this manner they will give away their freedom."

The final, and perhaps the most important commitment of Americans to America, should be simply to love her. We must believe in America. We must keep our faith in her greatness even in times of trouble, and we must always know, within our hearts, that we are lucky enough to live in the best and brightest nation in the history of mankind. But we must not love her blindly simply because she is our country, for that would be folly, too. Instead, we must love her enough to realize that while she is the most nearly perfect country that could be created by mortal man, she is not totally perfect in every way. To serve our country best, we must be critical lovers of America. Perhaps that is the true test of a good American, for it takes a lot of courage to love something that is not perfect and we should all know, from our past record, that courage is not something to be found lacking in Americans.

The United States has been good to its young people. Our country gives us the freedom to be anything we want to be. You cannot get to your dreams of success without effort—and if you get there you must work hard to stay there, but the beauty of America is that she allows you to do your best at whatever you choose to do in life. These wonderful new horizons and exciting possibilities ahead are our motherland's gift to us. But we, in return, must give back these gifts if we wish our Tomorrows to be as bright as our Todays. America has faith in her young people—indeed, in all her people. Do you have faith in America?

You should, for only when all her people believe in her inherent worth is she able to achieve the glories of which she is capable. Daniel Webster once said, "God grants liberty only to those who love it, and are always ready to guard and defend it." We, the leaders of tomorrow, must love America. We must guard and defend our precious God-given freedom which we so often take for granted—for once it is lost, it can never be regained.●

IN DEFENSE OF KIM DAE JUNG

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. HARKIN. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues, the final statement of Kim Dae Jung, which he presented at his military trial on September 13, 1980. I feel that it is particularly important that his statement be included in the RECORD in light of the fact that Mr. Kim was not permitted to speak in his defense during the appeals process, and no defense witnesses were called.

Tomorrow, Friday, January 23, is expected to be the third stage of Mr. Kim's trumped-up show trial. At that time, the Supreme Court will rule on the case. As it stands now, Mr. Kim has received the death sentence from the lower courts on completely false charges. It remains for the Supreme Court and the Chun Doo Hwan government to determine the final sentence.

Mr. Kim's statement thoroughly exposes the mendacious and frivolous nature of the charges against him, and reveals the true nature of this democratic leader of the Korean people. The philosophy he expounds in his defense is a moving tribute to the values we cherish in this country—freedom, justice, and decency.

KIM DAE-JUNG'S FINAL STATEMENT IN COURT—SEPTEMBER 13, 1980

OUR PEOPLE MUST WALK THE WAY OF DEMOCRACY . . . THEY HAVE THE ABILITY TO DO SO

The following is the final statement in court by Kim Dae-jung at the 18th session of his military trial on September 13, 1980, beginning at 10:00 a.m. Mr. Kim entered the court and exchanged greetings with Rev. Moon Ik-hwan and the families of the defendants.

In standing here for my final summation, I cannot help recalling one particular event: on the fifth day of December last year, I was thoroughly absorbed in watching the televised national funeral of President Park

Chung-hee. I still remember vividly the words of Cardinal Kim Su-hwan's prayer when he said "O Lord, let us understand the meaning of President Park's death."

The death of President Park was most unfortunate for him personally, but it was a turning point for Korea, because it meant both the destruction of Yushin and the dawn of a new era. An enormous hope for democracy welled up among our people and poured out like a gushing spring. But with the imposition of martial law to cover the entire country on May 17, our democracy was forced to face a severe ordeal.

Although many, many people entertained optimism following October 26 [1979], I have consistently expressed my fear that we would have to suffer many hardships and trials for some time to come, even though I believe the 1980's to be an era of democracy. The 18-year reign of the Park regime has created in our country Yushin forces which we cannot ignore. These forces will not be able to establish democracy in our country; nor will they be fit to combat communism. And yet, I have never even once suggested the destruction of the Yushin forces. When I gave a speech entitled "The Spirit of the Korean People" at the YWCA, I made it clear that all the second- and lower-ranked officials of the Yushin forces should be allowed to remain in their jobs. I wanted to compete fairly with Mr. Kim Jong-pil, a leader of the Yushin forces. That meant letting our people decide whom they wanted for their political leader by means of a popular election.

If the October 26 incident had not occurred, what had taken place in Pusan and Masan would most likely have spread throughout the country. But the incident's occurrence made it impossible for either the democratic forces or the Yushin forces to emerge as a real winner. Being a Christian, perceiving all things to be in the light of divine providence, I discerned behind the October 26 incident the will of God that the two groups must get together in the spirit of mutual cooperation in order to make this nation what she ought to be.

Since October 26, I have been convinced that national security, economic stability, and the recovery of democracy are what Korea really needs. For this purpose, I was fully cognizant of the necessity to cooperate with the interim government of Choi Kyu-hah. I have always insisted that reconciliation must take place and that political retaliation must be abolished. It was for that reason that I asked for a dialogue with the government and publicly declared my intention to forgive all those who were involved in my abduction. I also insisted on the necessity of political stability. I did so with the full awareness that political confusion would inevitably endanger democratization. I thought it possible for us to take the road to democracy without plunging into confusion. I was also convinced that confusion under martial law would make confrontation with the military unavoidable. If that happened, I was afraid, those forces antagonistic to democratization would mount a counterattack against us.

My fears and political position notwithstanding, the unfortunate incident of May 17 broke out. Of course, the government must take the primary responsibility for that. Since October 26 [1979], the Korean people have been manifesting an amazing ability of self-control which received wide acclaim from all over the world. During that time, all the foreign ambassadors to Korea with whom I talked praised our ability to exercise self-control. Our people proved to the entire world that they had the courage to fight for democracy and the wisdom to take control of themselves.

The government ignored all of this, however, and in doing so, it invited confusion. There are a few concrete examples which can be cited here. One has to do with the martial law edict. The interim government of Choi Kyu-hah maintained martial law, even though that was clearly unnecessary. This caused suspicion among the people and invited further confusion. Secondly, the interim government refused to specify the length of time it intended to remain in office. This also made the people suspicious. Thirdly, the government ignored the people's desire for constitutional change, particularly the consensus to include the election of the president by popular vote, and the members of the National Assembly through a small constituency electorate system. As if to defy the proposed constitutional revision that was approaching a settlement at the National Assembly, the government established an independent system of reviewing constitutional revision, and came up with the ambiguous suggestions of a dual administrative system and a medium-sized constituency electorate system. All this made students feel that they had to go out into the streets. Personally I did not agree with them on the idea of demonstrating, and even today I still believe that, instead of demonstrating, they should have carefully observed the attitude of the Choi government concerning martial law, and should have waited patiently for the passage in the National Assembly of legislation calling for the removal of martial law. I do not know why the students went out into the streets on May 13 in view of the fact that they had declared on May 12 that their demonstrations would be confined to the campuses. I am still at a loss as to what transpired behind the scenes. In any case, the interim government did not dispel the people's doubts. Instead, it engendered the present situation by doing nothing to meet the people's hopes for the resumption of the National Assembly.

It is evident that in this country a tremendous number of people desire the democratization of Korea and oppose the Yushin forces centering around President Chun. I am convinced that neither the democratic forces nor the Yushin forces can lead this nation if they continue to oppose each other. Our people must walk the way of democracy; they have the ability to do so. These two groups must be tolerant of each other, so that never again will we experience this sort of national tragedy. Mutual cooperation is the only way to combat communism and win victory over it.

Our present government is trying desperately to say that recent events were a "conspiracy to commit insurrection on the part of the Kim Dae-jung Party." But if the government really thinks that I myself possess the power to incite a large number of students and citizens, why does it refuse to talk with me? Why did it object to publishing my statement calling for restraint on the part of the students? Why did it pressure the Dong-A Ilbo not to print my article?

I consider the democratization of this country to be most important, not my own political future. I have done all I could in order to attain democracy in Korea. The prosecution states that unable to seize power by ordinary means, I resorted to violence. But I cannot even handle a gun. What I desired most of all was a popular election. This being achieved, I thought it possible to establish a strong basis for the next election which would come four years later, even though I was prevented from taking political leadership this time. I predicted, furthermore, that if confusion broke out, an extremely difficult situation such as the one we face today would come about. I am a pacifist. But my pacifism does not mean nonresisting. It is a resisting pacifism.

The prosecution is accusing me of having joined a leftist organization after the liberation in 1945, and it charges that I am a communist even today. That is simply not true. I worked as an ordinary member of the New Democratic Party's committee for rebuilding Korea. It is absurd to think that a 20 year-old man was able to hold a position of strong leadership in an organization like that. I was convinced that the mutual cooperation between leftists and rightists was absolutely necessary at the time of liberation. I joined the New Democratic Party, for its slogan matched my strong convictions. When I found out the NDP was nothing more that a left-wing party, I resigned from it. That was the summer of 1946. The police have scrutinized my political background at least twice, but I have never been accused of being a leftist. I then joined a rightist organization in 1947. When the Korean War broke out on June 25, I was arrested by the communist party for being a reactionary. I narrowly escaped death by breaking out of jail.

The prosecution says that I made contact with Chon Taemuk, a spy working out of Imsa Island, at the time of the 1967 elections. But at that time, his right to live as an ordinary citizen in the city of Mokpo had not even been questioned. He even owned a salt field, and no one thought of him as a communist. Later, at the time of his arrest, Mr. Kim Hyung-wook, director of the KCIA, came to talk to me about my relationship with Mr. Chon. We spent about half an hour in the Sejong Hotel talking about it. Director Kim was convinced that I had nothing to do with Chon Taemuk and assured me that his coming to talk to me was strictly a formality. He came to talk to me only because my name had come up in the course of investigation. Later I heard that at his trial Mr. Chon told the court that he decided not to recruit me when he became familiar with my political position.

My relationship with the Hanminjongchong ["Korean Congress for Democracy and National Unification"] is important, because my life depends upon a correct understanding of that relationship. I must say that the prosecution is not presenting the true and accurate facts. When President Park issued the Yushin Constitution in 1972, I had no doubts that the Yushin system was a serious violation of the people's constitution. But since it was impossible for me to effectively protest against it, there was nothing left for me to do but to leave the country. I find it difficult to understand why I was indicted for my activities abroad in the past.

I was confined for sixty days in the basement of the investigation headquarters. I was interrogated in a room from which I could not see the sun or the sky; I was constantly watched. In this sort of situation, as my colleague Kim Sang-hyun has said, it would not be difficult to break one's spirit or to make a non-communist admit that he is a communist. I heard someone scream in the next room; I was stripped naked and was absolutely terrified. I was told then that my role in anti-state political organizations would be considered only as back-

ground information in the investigation. I was led to believe that the only charge under which I was being indicted was for "conspiracy to incite an insurrection," but later I learned that in fact I was being accused of violating the National Security Law as well.

Mr. Yon-taek, bureau chief in the KCIA, visited me at my home one day when he heard that I was going to make a public statement. I had just been released from house arrest imposed upon me ever since my abduction from Japan. He said to me on his visit that it was time to conclude the "Kim Dae-jung case", and he told me that President Park had given him the promise that if I agreed on certain conditions, he would be willing to withdraw charges against me concerning my past activities abroad. When I agreed to those conditions and publicly stated my agreement with them, the director of foreign affairs of the Korean government made official the withdrawal. I was told to get ready for immediate departure from Korea. Soon after that, the Ministry of Foreign Affairs of Japan made public the mutual political agreement between Japan and Korea, which specifically states that I would not be charged in connection with any of my activities while abroad. Until now my past activities have never been questioned. But now I am arraigned under the charges that the government once promised to withdraw.

The anti-state organization which the first article of the National Security Law declares illegal are those that claim themselves to be governments, or those which attempt to destroy the national constitution. But I give my absolute support to the Republic of Korea. Some of those who sponsored the Korean Congress for Democracy and National Reunification in America strongly suggested the establishment of a Korean government in exile, but I was responsible for squelching that move. This group could have had among its members some sympathizers with pro-north Korea organizations, but certainly you cannot expect me to guarantee the legitimate status of everyone involved. Among those four persons with whom I had some personal contact, however, I can speak with assurance. Mr. Kim Jae-hwa was charged with illegally accepting political funds during the seventh session of the National Assembly, but later was cleared of the charge. Subsequently, he was elected to the eighth session of the National Assembly without facing any objection whatsoever from the government, and he continued to serve in the same capacity until the beginning of the Yushin system in October 1972. Mr. Bae Dong-ho ran for the chairmanship of the [pro-Republic of Korea] Mindan organization in Japan, and prior to that had played a significant role in the organization. Mr. Cho Hwa-jun was not suspected of any ideological leanings. Mr. Chung Jae-jun played a very important role for Mindan; at the time both Mindan and the [pro-Democratic People's Republic of (north) Korea] Chongryun organizations were aggressively recruiting members, he was honored by the south Korean government for his strong leadership. In other words, those four men with whom I was in contact were free from any suspicion. The prosecution, in making its charges against me, is heavily relying upon the newspaper reports about the police investigation of Mr. Kim Jae-hwa's alleged illegal funds. I had not read the reports, but even if I had, they would have only made me suspicious of the government. If Mr. Bae Dong-ho was secretly manipulated by the Chongryun, why was he not expelled from the Mindan until 1971?

The prosecution has argued that I received 18 million yen from the Hanmintong, but in fact the largest sum of money I have received from anyone is six million yen from a close friend of former Japanese Prime Minister Fukuda. The second largest contribution was five million yen from a primary school classmate of mine who did not belong to any political organization. I can think of only one instance in which it might be charged that I received financial assistance from the Hanmintong. That was when Bae Dong-ho paid my hotel bill of 400,000 yen without my knowledge.

I was abducted before the formation of the Hanmintong and had absolutely nothing to do with its party platform or with its staff personnel selection. Nor did I ever accept the chairmanship of the Hanmintong. When I learned that my name had been recommended for the chairmanship, I asked through Kim Nok-young, Cho Won-young, and Lee Taek-young that my name be withdrawn. A political party whose chairman is not a resident of Korea cannot claim to be a legal party.

In January 1979, Ms. Mun Min-ja called me on the telephone to ask me whether I had consented to becoming the chairman of the Japan chapter of the Hanmintong. My reply was that I had never been asked and had never agreed to serve as chairman. I told her, furthermore, that I could never condone their statement made after they had met with Im Chang-Young and Yun I-sang, that the United States military forces must be pulled out of Korea. Later, some members of the Hanmintong tried to appease me through a Japanese reporter, saying that all they wanted was to repeat in their own words what President Park had been saying all along about the U.S. troops. At that point, I flatly refused to condone what they said regarding the troops.

Since my abduction, I have not received any information about the activities of the Japan chapter of the Hanmintong. This is understandable, because in the intervening six years I was imprisoned for three years, and for the remaining three years I was kept under house arrest. I have learned, however, that Japanese newspapers have given considerable coverage to reports that a former Korean counselor in the embassy to Japan, after obtaining political asylum in the United States, has stated publicly that thorough investigations into the Hanmintong showed no relationship between the Hanmintong and the Chongryun.

The prosecution's charges concerning my past statements made while abroad are based upon sentences taken out of the context of speeches and put together again as if they have some special, problematic significance. For example, I am accused of the following statement: "The North can guarantee food, although it cannot guarantee freedom. But the South can guarantee neither bread nor freedom." What I really said, however, was this: "In the North, there is no freedom and its people can barely sustain themselves through the ration system. If the poor in the South are left without food, how can we combat communism effectively?"

As for the charges that I attempted to incite an insurrection, all I can say is I am a victim of falsehood and fabrication. Since October 26 last year, I have met with or spoken before many thousands of people, but never once did I encourage them to demonstrate or to overthrow the government by violent means. If you accuse me of all this, you must show some hard evidence. It is written in the indictment that the "Democratic System Research Institute" was intended to have played an active role in an interim government I am accused of having planned. But this Institute held only two meetings after its founding. Do you really believe that an insurrection could be planned in such loosely organized meetings? And do you really believe that one student could make others in those meetings, with one over sixty years old and myself approaching sixty, agree to engage in a violent confrontation without even any serious debate? When student demonstrations broke out, not even a single person affiliated with the "Study Group on Politics and Culture", the "Constitutional Government Study Group", or what has been termed my "private organization"—though I would not call it this myself, and refer to it thus only because the indictment does so—participated in those demonstrations. How can I be charged with inciting riots, when none of us was responsible for leading them?

When the student demonstrations climaxed on May 13, 14, and 15, I issued a statement which urged the students to exercise self control. My statement can hardly be taken as grounds for inciting a rebellion, as even for me personally, that kind of demonstrations would prove to be disadvantageous. Of course, if you wish to say that my printing and distribution of pamphlets was in violation of martial law provisions, then I will resign myself to accept punishment for that. I am also willing to accept the charges of violating the Foreign Currency Control Law, if you interpret the fact that I had some American dollars in my possession as a violation. Punishment must be intelligible to the one who is to be punished.

This court may decide to sentence me to death, but I would ask that you consider carefully whether such an action is truly just according to the law and right according to the principles of a democratic nation. More than for myself, I am hopeful the court will exercize leniency on behalf of the other defendants, for I am ultimately responsible for their present lot. I fervently hope that President Chun will engage in an open discussion with the democratic forces in an atmosphere of national consensus.

When the prosecution's request for my sentence was read the day before yesterday, my mind was amazingly serene. That night I was able to sleep much better than usual, probably in part because it had been raised in the courtroom. I think my serenity is due to my reliance upon God, believing that if God wills my execution, I shall die, and that if God wills for me to live, I shall live.

Finally, let me make a request of the other defendants who are sitting with me in this courtroom. I am eager to leave with them my personal will: that even if I should die, there should never again be political retaliation of this sort in this country. Yesterday, in the courtroom, Dr. Han Wan-sang talked about the prophetic task and the priestly task. I would call them social salvation and individual salvation. As a Christian, I pray for social salvation and the salvation of our nation and people, which I believe can be brought about when we have attained the restoration of democracy.

In closing, I would like to express my appreciation to those conducting this trial, to my lawyers—both court-appointed and privately hired—to the prison officials, and to the journalists covering the trial, Korean as well as foreign. I would also like to thank the prosecution for its labor. (Court session closes at 11:45)

At the end of his final statement, the families of the defendants burst into spirited ovations, acknowledged by a bow from Mr. Kim. At least two of the defendants, Mr. Song Kun-ho and Mr. Lee Ho-chul, had tears in their eyes. When the defendants were handcuffed, the wife of Prof. Lee Mun-young shouted "Mr. Kim, tens of thousands of Christians are praying for you." The wife of Rev. Moon Ik-hwan led the families in singing "We shall overcome." There was a scuffle between the families and the guards who tried to stop the singing. Mrs. Moon was bodily carried away, but she kept on singing even sprawled on the ground.

They continued to sing outside the courtroom. As they were being loaded into the buses to be taken away, shouts came from the bus aimed at the courtroom: "Fabrication," "Long live democracy."

(Kim Dae-jung's final statement in court, above, has been translated from SEKAI magazine—November 1980 issue, pp. 147-152.)●

AMERICANS AS A NATION AND INDIVIDUALLY WELCOME OUR 52 AMERICAN HOSTAGE/HEROES HOME

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. BIAGGI. Mr. Speaker, it has been just over 1 month since our 52 American citizens—held captive illegally and immorally by Iran for 444 days—were released safely. Their return caused a national celebration the likes of which we have not seen for some time. It has helped to rekindle a sometimes flickering patriotic flame in this Nation.

Americans as individuals paid their own tributes to the freed Americans. One such tribute was prepared by a good friend of mine, Salvatore B. Gambino of Lake Worth, Fla. He created an inspiring poem entitled "A Salute To Our Fifty-Two." The poem was read on WPBR in Palm Beach, Fla. I would like to share it with my colleagues in the House by inserting the entire text in the RECORD. It captures the wonderful feeling which this Nation felt over the safe release of our heroes.

The poem follows:

A SALUTE TO OUR "FIFTY-TWO"

The gates of tyranny came down
In that far-off Asian land,
Where Ayatollah's ruthless frown
Sullen glares on every hand
And on a staunch and hostage band.

Of Fifty-two; brave, unafraid;
Far from home; familiar faces;
Whose hope and courage did not fade
Despite vile treatment that debases;
Bearing rude, untold disgraces.

Sons and Daughters, your ordeal's through,
Welcome home, where all are free!
Our country's prayers have been for you—
Your safe return in Liberty
With honor and civility!

America salutes you all,
Our heroes in an insane strife.
You each have well withstood the thrall
And now back home, the time is rife
To resume once more a happy, normal life.

This episode is o'er, and yet,
Our country will not soon forget.●

CLEAN UP PROFESSIONAL SPORTS

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. MOTTL. Mr. Speaker, there is not one of my colleagues who would condone merciless, bare-fisted beatings of human beings. We all abhor vicious and violent acts that can leave victims crippled or even dead.

But for some reason, we draw the line on enforcing criminal sanctions on anyone who beats up a person in a hockey game, football game, or in any professional sport. I am not talking about restricting the hard check on the boards in hockey or a crushing shoulder tackle in football. I am referring to deliberate, malicious acts like punching another player into a bloody mess or unconsciousness. We have to act to stop this type of violence in professional sports because apparently nobody else can or will.

The argument is given that the leagues can police themselves. If the National Hockey League could police itself, there would not have been a record 406 minutes of penalties in a game February 26 between the Boston Bruins and the Minnesota North Stars. This was a disgraceful show for a sporting event. There were seven fights before half of the first period was over.

If my sports violence bill had been enacted into law during the last Congress when it was introduced, we would not have these senseless beatings—beatings done by sports heros who the youngsters of our Nation unfortunately look up to and try to emulate.

We can clean up professional sports without taking out the hard, legitimate physical contact that is part of the games. How many athletes must be maimed by cheap shots before we act to protect them?

It is with a concerned regard for human life and welfare that I am reintroducing the sports violence bill. We can score a victory for human rights with its passage.

I urge my colleagues to support this bill. Those interested in cosponsoring this bill should contact Brian Hyps at 225-5731.●

GOOD EDUCATION NECESSARY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. PANETTA. Mr. Speaker, as Congress focuses on the complex and difficult issues related to the economy and proposals for cutbacks in Government spending, it is necessary for us to keep in mind the human costs associated with particular reductions. One area of special concern to me, even though the Federal role in this area is limited, is public education. While the States and localities have jurisdiction over most aspects of school finance and policy, there is nonetheless a profound Federal interest in a sound education system for all Americans. In addition to providing financial assistance to State and local governments, the Federal Government can help to play a leadership role in calling attention to the need for sound educational programs. But there are other avenues for making the public aware of education issues, and one of the most important and potent is the news medium.

I am pleased that a distinguished journalist in my congressional district has been awarded the Editorial Page Award for Newspapers in the under 50,000 circulation class by the California School Boards Association. The city editor of the Santa Cruz Sentinel for 7 years, Mr. Bruce McPherson won this distinction for his editorial calling attention to cutbacks in Santa Cruz County's educational programs and emphasizing the need for maintaining a high-quality public school system. I extend my warm congratulations to Mr. McPherson. His award-winning editorial is reprinted below for the convenience of my colleagues.

GOOD EDUCATION NECESSARY

School opens this week, and a few people will notice a difference in the educational offerings in 1980-81 as compared to last year.

Trustees of the various districts in the county wisely have tried to maintain the quality in classroom programs. But, even that is subject to reduction with many bigger class sizes in the offing and several "electives" being eliminated in our public schools this year.

Administrators throughout the area also express deep concern that maintenance at schools must be passed over again, and that when and if it is ever to be given proper attention, the price tag will be high.

Since the passage of Proposition 13 in 1978, a little bit has been sliced here and another chunk cut there in our public schools.

Big cuts in busing were made by school districts last year and money will not return in 1980-81.

Students who want to partake in athletics often must pay a fee to do so, such as $25 per sport in the Santa Cruz City Schools District (Santa Cruz, Soquel and Harbor High Schools), and instrumental music instruction in the Elementary District has

been threatened to be eliminated. These types of activities aren't the core of our school system, but sometimes they offer an impetus for a youngster to at least enjoy a learning process and possibly "spin off" that energy to other avenues of education.

It hasn't been a free ride as some people may believe in public education the past few years.

The SC City Schools District, for instance, will be operating with about 20 fewer teachers (most cuts in the high school district) than it had last year. That means, quite simply, that there are bound to be larger class sizes and less time for teachers to give to each pupil. Under such limiting circumstances, instructors who do their continued good job—and there are many of them—should be highly commended.

The Pajaro Valley Unified School District, the largest in the county with about 12,200 students expected this year, is in good financial shape, thanks mostly to state legislation AB 65 in 1977. That bill, in answer to Serrano vs. Priest court proceedings, attempted to equalize spending per pupil throughout the state which aided low cost districts like Pajaro.

Scotts Valley trustees slashed funds for two teaching positions and two classroom aides, as well as after-school sports, in approving their 1980-81 publication budget.

San Lorenzo Valley Unified School District for the second year will not provide busing for high school students, and trustees of the Soquel Elementary School District trimmed busing so only about 25 percent of the students will be bused compared to about half of them last year. The Soquel District also cut its library system in half and instituted a pay-as-you-go sports program.

The Live Oak School District with about 1,150 students will lose a teaching position and custodian at both Green Acres and Live Oak schools, and see its bus fleet reduced from five to three.

County Office of Education officials say their district that provides programs to about 300 severely handicapped students at about 15 locations throughout the county is in "decent shape," thanks mostly to use of reserve funds (much like California government the past few years). But, they do express concern that financial support from the state isn't guaranteed next year, and that maintenance of buses and buildings is falling off.

Cabrillo College, with some "shifts in emphasis," plans to accommodate the same level of education for its 10,500 students this year.

Overall, it appears teachers will have larger classrooms this year and some needed capital outlay projects will continue on paper only.

There often is criticism of how much we spend on our educational system, now in the throes of belt tightening. But when one considers national averages (higher in California) produced by the Organization for Economic Cooperation and Development—that it takes $1,400 a year to educate a child, $5,600 to keep an adult in jail, and $9,500 to place a youngster in a juvenile home—maybe that person will see the importance of placing public education as a top priority in our society.

Improving our public education system is an essential ingredient in maintaining a strong community. In light of reductions that have taken place in public education the past few years, it is encouraging to see instructors go the extra mile so that youngsters may have the best opportunity possible for a quality learning experience.●

MITCHELL COMMENDS THE BALTIMORE BRAILLE ASSOCIATION

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, today I am introducing a House resolution to commend the Baltimore Braille Association for its outstanding contribution in aiding this city's handicapped and elderly. The association is a nonprofit, tax-exempt organization that produces material for the blind and physically handicapped, mentally retarded, slow learners, and special students. Additional services include the provision of materials to homes for the aged, veterans' homes and organizations, and other institutions on a needs basis.

It is significant to note that the Baltimore Braille Association, Inc., was founded by inmates of the Maryland Penitentiary. The multifaceted directorship of this organization consists of the inmates and a board of directors composed of community leaders, legislators, representatives of the National Federation of the Blind, veterans organizations, correctional officials, and the business community.

The services of the association extend to also include consultation with various outside agencies involved in social service activities. Consultation is also provided for members of the various State and local school boards, and both private and public individual schools.

The Baltimore Braille Association works for the Library of Congress Division for the Blind and Physically Handicapped and other social organizations that provide materials for these citizens. In addition, the association is involved in working with various religious and business organizations, providing services that otherwise would be unavailable or too expensive.

I am certainly proud to recognize the meritorious efforts of the Baltimore Braille Association, Inc., and share this commendation of its work with my colleagues.●

THE VOICE OF DEMOCRACY—DANA SUE BENFER

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. EDGAR. Mr. Speaker, representatives of the Veterans of Foreign Wars meeting in Washington this week for their annual conference are reviewing their concerns for the veterans of this country and the Nation as a whole. During the conference the VFW will also choose the winner of their voice of democracy contest. Over 250,000 secondary school students from across the country have participated in this contest testing their writing and oratory skills in describing the meaning of America and the basic principles of our democracy.

Miss Dana Sue Benfer of Broomall, Pa., has been selected from hundreds of other contestants to represent my State as a finalist in the national competition. Dana is a 15-year-old sophomore at Marple Newtown Senior High School, Newtown Square, Pa.

I would like to share with my colleagues the insight she has shown through her award winning address. The VFW and all Americans can be very proud of her ideals and her commitment to her country:

My hands trembled as I tried to open the official looking envelope. The seal said Washington, D.C. A million thoughts raced through my mind as I finally tore it open and began to read. "Greetings * * *" That was all I needed to see. How well I knew the rest—I had been drafted.

Today is October 26, 1983. I still remember that August day when I received that letter as though it were yesterday. I had just graduated from high school. I had been accepted at the college of my choice. A career in medicine loomed in the future! Yet, the world situation had worsened that year. A war was on the horizon. The government considered the threat of war important enough to reinstate the draft. My dreams of college had been shattered!

My mental turmoil was tremendous. I did not know if my commitment to my country was strong enough for me to risk my life. Up until this time, women had never been drafted. In past years, their contributions to war had been sending supplies and writing letters. Now I, an 18 year girl, was forced to make a life and death decision—to go to war or not to go to war.

I talked to many people about this. I talked to my minister who asked me whether or not I was a conscientious objector. A conscientious objector?—not me! No! My commitment to my country runs deeper than that, I told him. My real thoughts about my country that had been held back by fear began to come through. He asked me why I would be willing to risk the body God gave me in combat. The answers surged through me—because my freedom is important to me. I cannot stand by and watch America lose the principles that I used to take for granted, I had said, such as freedom of speech, religion, justice, and all of the others that were guaranteed to Americans in the Constitution.

As a young citizen, I am a leader of tomorrow. I will be carrying the weight of the American Dream on my shoulders 'til I die. When the older generations of today are no longer around, it will be my generation that will be here to enjoy freedom. But it will not exist then, if no one defends it now. Youth participation will enhance our armed forces because we are flexible. We are open to change and to people. Our brains and energies are needed. We must grow up now and face reality. For me, there can be no quiet transition from childhood to adulthood.

As I left the church, I saw an American flag waving in the breeze. I was blinded by emotion. It was a dazzling reflection of my newly discovered ideas. Days passed. My parents and I talked for hours on end. I talked to my grandfather who had fled from Germany in 1925. As I talked to him, his words rekindled the fire of patriotism burning within me. He told me how he had fought as an American in World War II because it was his new homeland to defend. My grandfather had appreciated his newly found freedom and had fought for it. He had watched his old homeland fall under Communist rule. He asked me whether I could sit back and watch that happen to my country. No, I had said. I wanted a world free from oppression, free from corruption and evil practices for future generations. My decision had been made. It was my duty as a citizen to back up our ideals, and I would take on this responsibility. I would acknowledge the letter that I had received. I would serve my country in this critical time of need.

One week later, I was climbing the stairs to the induction station. A man offered me anti-war material and I said, "No, my country needs me and I love my country." He said, "But I love my country, too." As I continued to walk, I looked back and said, "Our love must surely be different." John F. Kennedy's words that I had read so long ago rang in my ears:

"We in this country, in this generation, are—by destiny rather than choice—the watchmen on the walls of world freedom. We ask, therefore that we may be worthy of our power and responsibility * * *."

I felt worthy enough to defend the country I love.●

SOBER THOUGHTS ABOUT THE PROPOSED SALE OF OFFENSIVE EQUIPMENT FOR SAUDI ARABIA'S F-15's

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. ROSENTHAL. Mr. Speaker, last Thursday the members of the Foreign Affairs Committee received a briefing from the State Department about the proposed sale of offensive equipment for the F-15's we have sold to Saudi Arabia.

I am opposed to this sale of offensive equipment. I can see no threat to Saudi Arabia for which these fuel tanks and missiles would be an effective deterrent. However, I see clearly how the Saudi F-15 squadron would now constitute a serious menace to the people of Israel.

As the debate over the merits of the proposed sale continues I submit for the RECORD a thoughtful essay by Hirsh Goodman, the military correspondent for The Jerusalem Post—February 28, 1981.

SALE OF OFFENSIVE EQUIPMENT FOR SAUDI ARABIA

America's apparent willingness to upgrade the offensive capability of the 60 F-15 fighters destined for Saudi Arabia is not only counter to every promise made both to Israel and Congress when the deal was originally approved two years ago, but could have dire tactical and strategic implications for Israel.

The F-15 was designed and built as an air-superiority fighter for the U.S. Air Force. It has a remarkable interception capability, but, in its original form a low-grade potential for air-to-ground attack. It was for this reason that Israel had difficulty blocking the original sale.

The Americans argued at the time, quite cogently, that Saudi Arabia needed the ability to protect its oil wealth and territorial integrity from air attack. In a letter to Senator John Sparkman in May 1978, former U.S. Secretary of Defense Harold Brown wrote that, "The F-15s requested (by Saudi Arabia) would be relatively ineffective in an offensive mode. From the standpoint of military planning it would make no sense whatsoever for Saudi Arabia to acquire an aircraft with the characteristics of the F-15 for using it as a ground-attack aircraft. I am confident that the Saudis have no such intention."

In an effort to placate Sparkman, who was then chairman of the Senate Foreign Relations Committee, Brown gave an assurance that the planes would not be equipped with special features that could give it additional range.

"Specifically," he wrote, "the planes will not have conformal fuel tanks . . . (nor) has Saudi Arabia requested that the plane be outfitted with Ejection Racks (MER 200) which would allow the plane to carry a substantial bomb load. . . . The U.S. will not furnish such MERs. . . ."

Brown expressed his confidence that Saudi Arabia could be taken at its word. It wanted a plane that "would help.(it) deter and defend against those nations that are hostile to its role as a leading moderate Arab state."

So much for Brown's confidence, and so much for Brown's written pledge. The Saudis have requested, and the U.S. Administration appears to be ready to grant, precisely those systems that worried the chairman of the Senate Foreign Relations Committee.

The conformal fuel tanks in question will not only increase the F-15s' range by some 90 per cent, allowing them to reach Israel from anywhere in Saudi Arabia and return, but also to enter into air combat without having to jettison fuel load.

Moreover, the MER 200 bomb racks increase the planes' bomb load from three to eight tons of air-to-ground ordnance, the delivery of which on virtually any Israeli target would be devastating.

In short, if the U.S. agrees to the Saudi demand, the result will be 60 virtually unstoppable weapons in the hands of a nation which has twice in the past six months called for a jihad (holy war) against Israel.

It would not have been difficult for the U.S. to reject the Saudi demand. Neither the conformal tanks nor the MER racks are used by the U.S. Air Force. Nor are they in current production. At worst, the Saudi request could have been delayed by the administration on those grounds.

Saudi Arabia's claim that the upgrading of the plane's offensive role is necessary in the light of recent events in the Gulf region cannot be taken seriously. Saudi Arabia needs to defend its integrity against Iraq and Iran, not conquer or attack either of these countries. And the interceptor aircraft ordered by it were expressly intended for this defensive purpose.

Nor should the U.S. have given credibility to the Saudi threat to seek weapons elsewhere if the U.S. refused the demands. Firstly, there is no other market for these specific weapons, and secondly, Saudi Arabia is seeking arms elsewhere anyway. It has registered an interest in 200 Tornado fighters (manufactured by a European consortium) and has bought weapons from virtually every arms-producing market in the West.

Other weapons purchased over the past two years by the Saudis from sources other than the U.S. include almost 30 advanced naval vessels from Britain; 1,100 tanks and assorted armoured vehicles from France, Italy and Britain; Crotale and other anti-aircraft systems from France and Sweden. And, most recently, a Saudi request to purchase 200 Leopard MK 11 battle tanks from Germany for over $700m.

From the Israeli standpoint, a decision to upgrade the Saudi F-15s—the most sophisticated aircraft in the world—would be grave indeed. Israel has 50 of them (with an option for 10 more), which are intended as Israel's front-line aerial defence against aggression from one or a combination of the confrontation states.

And while the Saudi aircraft were considered defensive in nature, they were not considered by military planners here to be emphatically on the negative side of the military balance.

Now, given both Saudi Arabia's immoderate political stand, emphasized by the increasingly heard threat to launch a holy war, and the transformation of the planes from a defensive to a purely offensive capability, Israel must consider these aircraft potentially hostile.

Given that Israel has 65 per cent of its population and 75 per cent of its industrial infrastructure concentrated in the narrow coastal plain in and around the Greater Tel Aviv area, it is highly vulnerable from the air, and this threat will have to be offset.

Since Israel has reached a point of saturation in its military spending and the U.S. aid package is shrinking in real terms, it is logical to assume that the new threat will have to be met not by accelerating an arms race which is beyond Israel's means, but by a basic change in the strategic concept. Which will mean a greater reliance on the pre-emptive strike as a means of negating the enemy's offensive capability.

In other words, by allowing sophisticated weapons to flow into Arab confrontation states, the U.S. and the Europeans, who have yet to deny an arms request from Saudi Arabia, are pushing the region closer to war.

If Israel adopts a pre-emptive strategic concept, the potential for diplomatic action in a tense situation will be considerably diminished. Once a threat is discerned—particularly in this age of supersonic weapons capable of massive destruction—military action will have to be taken, a process which will considerably increase the chances of war in the region.

Instability in the Middle East, particularly among countries which the U.S. considers its allies, is clearly not an American or European strategic interest. But this fact seems to be lost on the new U.S. administration. A point will be reached, with the unchecked proliferation of weapons here, when war will become inevitable.

Israel would be extremely unwise to agree to a "deal" with the U.S. in exchange for

the upgrading of the Saudi F-15s. It would be folly to legitimize the supply of the most advanced offensive weapons to one of Israel's most vociferous enemies for short-term gain—which would, in the final analysis, only increase Israel's dependence on the U.S.

Israel can muster a strong moral and geostategic case against the supply of these weapons to Saudi Arabia. If it explained its case effectively, it would undoubtedly be able to build up enough pressure in the U.S. to block the sale.

There are many good reasons for the Americans to supply Saudi Arabia with the means to defend itself. But it is quite another question to supply the implements that will make a jihad possible.●

INVENTORY REFORM

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. NOWAK. Mr. Speaker, high interest rates, reduced economic activity, and depressed profit margins are severely afflicting the vitality of our Nation's business community. Both large and small businesses are finding it increasingly difficult to retain capital for investment, and can barely meet their working capital needs.

Business persons and congressional leaders alike have recognized the need for revisions in our Tax Code which will encourage firms to invest in needed plant and equipment. Various capital cost recovery schemes have been introduced in the 96th and the 97th Congresses. Likewise, the administration had put forth its own capital cost recovery proposal as part of its overall tax package.

Reform of the tax treatment of inventories is just as important to the welfare of our Nation's businesses as is capital cost recovery. It is, in essence, the flip side of depreciation reform. Inventories are the largest single asset for firms engaged in the wholesale and retail trades.

The House Small Business Subcommittee on Tax, Equity Capital, and Business Opportunities, which I chair, held hearings on inventory reform on February 12, June 10 and 11, 1980. Based on the hearings, the subcommittee issued a report on "Inventory Accounting as a Burden on the Capital Formation Process," House Report No. 96-1448, which outlined the problem from the small business perspective.

The report emphasized that the importance of inventory accounting reform to small business should not be understated. Based on 1976 Internal Revenue Service data for corporations, 82.3 percent of all tax returns for manufacturers had less than $1 million in total assets. Further, 89.9 percent of all wholesalers and retailers filing corporate returns for that year had less than $1 million in total assets.

TABLE I.—CORPORATIONS [1] GENERALLY CONSIDERED TO HAVE INVENTORIES

	Number of returns	Percent of specified industrial sector
Manufacturers (total)	216,177	100.0
Under $1,000,000 in total assets	177,965	82.3
Under $5,000,000 in total assets	23,517	10.9
Over $5,000,000 in total assets	14,695	6.8
Wholesale and retail (total)	646,067	100.0
Under $1,000,000 in total assets	580,974	89.9
Under $5,000,000 in total assets	38,494	6.0
Over $5,000,000 in total assets	26,594	4.1

[1] 1976 preliminary statistics of income, corporation income tax returns, Internal Revenue Service (Pub. 159, 6-79).

In November 1980, I formed a capital formation task force on inventories, which includes representatives of various business organizations, representing all sizes and types of businesses. Following is a list of task force members:

Cooperative Food Distributors of America, Food Marketing Institute, National Association of Convenience Stores, National Association of Chain Drug Stores, National Association of Retail Druggists, National Federation of Independent Business, National Small Business Association, Chamber of Commerce of the United States, National Shoe Retailers Association, National Home Furnishings Association, National Association of Wholesaler-Distributors, National Association of Manufacturers, Association of General Merchandise Chains, National Automobile Dealers Association, Jewelers of America, and National Association of Retail Grocers.

After several meetings and many hours of study, the task force has released a policy statement. Based on the task force recommendations and the recommendations outlined in the report on "Inventory Accounting as a Burden on the Capital Formation Process," I will introduce, within the next few days, a comprehensive, across-the-board, Inventory Reform Act. Because of its importance to the Congress and the Nation's small business community, I am placing the task force policy statement in the RECORD, as follows:

CAPITAL FORMATION TASK FORCE ON INVENTORIES—STATE OF POLICY ON THE NEED FOR INVENTORY ACCOUNTING REFORM

Reform of the tax law on accounting for inventories is vitally important to business, especially when there is a need to reduce regulation and inflation. Specifically, this type of reform is significant in that it fosters capital formation for all types and sizes of business.

Last year was a particularly difficult year for business to depend on external sources of funds (such as bank loans and/or the capital markets) for investment and expansion. It was a year in which many businesses could not afford to borrow money at rates of interest in excess of 20% and still turn a profit.

Inventory accounting reform is one way of minimizing the problems caused by this type of dependency. Instead, it fosters capital formation by increasing the internal cash flow and retained earnings of a business.

In recognition of the need to foster business capital formation, the following provisions of the tax law on accounting for inventories are particularly burdensome and, therefore, should be revised:

A. There should be simplification of the last-in, first-out (LIFO) method. This can be accomplished by alleviating the initial penalty associated with the LIFO election, by reducing the number of inventory pools required, by permitting the use of regularly published price indexes, and through revocation of the conformity requirement.

B. The current tax treatment of obsolete or excess inventory should be modified to reflect the reality of current business practices.

C. Section 403(b) of the Windfall Profit Tax Act of 1980, involving the recognition of gain on certain dispositions of LIFO inventories should be repealed.

D. Specified small businesses should be permitted to use the cash receipts and disbursements (cash method) of accounting.

The recent proposals by the Internal Revenue Service on inventory reform are a very positive initiative. We look forward to working with the Department of the Treasury, the Internal Revenue Service, and the Congress, on this most important capital formation issue.●

SAGEBRUSH RIPOFF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. DINGELL. Mr. Speaker, much press has been focused in recent months on an attractively named issue, the "Sagebrush Rebellion," which is of purely Western origin. There in the public lands States, individuals and groups who hold permits to use lands of the U.S. Forest Service and the Bureau of Land Management or who do business with or are regulated by these agencies have the misguided notion that these important public lands should be stripped of Federal ownership. Actually they call it divestiture and have the tacit understanding that the lands pass to State ownership only for a brief period of time before being sold to the highest bidders.

The well-financed group promoting this mischief is the League for the Advancement of States Equal Rights (LASER), headquartered in Salt Lake City. LASER counts the President and the Secretary of the Interior among its friends, as well as some in Congress. Among LASER's friends too are livestock, mining, timbering, and other economic interests, all fairly well known to most of us because of their previous identification with anti-Federal land programs.

At LASER's conference last fall, its chief executive described the Federal lands that would be turned over to the States for sale or private interests as

being "all Federal lands with the exception of national parks, monuments and active military reservations." BLM lands, national forests, national wildlife refuges, and all other important and valuable conservation units would be put on the block.

Not surprisingly, LASER's plan is meeting with rising and outspoken opposition in many parts of the country, including from America's millions of hunters, anglers, and other outdoor recreationalists, all of whom value the public lands as places on which they may pursue their sports and hobbies without harassment. My colleagues will be hearing from their constituents about this sagebrush ripoff, because, as the accompanying editorial from the March 1981 issue of Michigan Out-of-Doors makes clear: "Those lands, after all, don't belong to the people of the West. They belong to all of the people of the United States."

The article follows:

SAGEBRUSH RIP-OFF

The Federal Land Policy and Management Act of 1976, otherwise known as the Bureau of Land Management (BLM) "Organic Act," changed many of the rules for the users of public lands, particularly in the West. Prior to the act, BLM lacked cohesive direction and management authority for the lands. With the act, Congress declared as national policy the retention and improved management of the public domain. The act mandated multiple-use policies on public lands for the greatest public good.

The much-needed regulations and new procedures that accompanied the act aroused the ire of miners, ranchers, loggers, developers, and other commercial interests, many of whom preferred doing business under the old rules where access to public land resources was accomplished more easily and where they could do pretty much as they pleased on lands owned by the American people.

The act eventually provided the impetus for the "Sagebrush Rebellion," otherwise known as the "Sagebrush Rip-Off." This is the movement in the West aimed at transferring federal lands to the states. The movement is embodied in legislation sponsored in Congress by Sen. Orrin Hatch, R-Utah, which would shift both BLM lands and U.S. Forest Service lands (the national forests) to the states.

Providing almost a lone voice against the Sagebrush Rip-Off at a recent gathering in Salt Lake City of supporters of the rebellion, Jack Berryman, executive vice president of the International Association of Fish and Wildlife Agencies, said, "We are exceedingly fearful that once transferred to the states, many of these lands would sooner or later find their way into private ownership—single use—and no longer [be] available to the public at large. This has been the case in the past. Nevada, for example, has no state lands because it sold them."

Another concern over the consequences of the movement was expressed at the same gathering by a Michiganian. Marion Van Slooten of West Olive, chairman of the Government affairs Committee of Safari Club International, who told those attending that "it is widely believed by sportsmen that if the Sagebrush Rebellion succeeds in enacting and then upholding state laws claiming title and management rights to lands presently owned by the federal government, western states would not or simply could not afford to even maintain the present levels of funding provided by the federal government for hunting and other wildlife management programs. Sportsmen fear that any broad transfer of federal lands to the states would mean a dramatic loss of federal funds for which the states would not or could not compensate."

What the rebellion signifies for outdoor recreation is obvious. Dave Zinn, chairman of the Sagebrush Rip-Off Committee for the Arizona Wildlife Federation, explained it succinctly: "If this [movement] is successful, our current almost unlimited access to over 50 percent of western land for recreation, hunting, and fishing will change overnight. Like residents of New York (one percent federal land), Ohio (one percent federal land), Pennsylvania, or Texas, we will face mile after mile of 'No Hunting—No Fishing—No trespassing' signs, with no recourse but exorbitant fees for the privileges we freely enjoy now.

"Don't be misled by 'guarantees and specific criteria' in both proposed federal and state legislation that would assure multiple access and use of this land. Sen. Hatch . . . has publicly stated that the ultimate intent of such legislation is transfer of the land to private ownership."

State and local governments in the West unquestionably want more to say about management of federal lands. Many are genuinely dissatisfied with the activities of both the BLM and the Forest Service, but the Sagebrush Rip-Off is not the solution.

The real challenge will be to figure out how to give state and local governments more voice in federal land management plans and decisions without abandoning the national objectives for federal lands that most of the general public supports. As the *Salt Lake Tribune* concluded in a recent editorial on the subject, "Better that Congress . . . with constructive thought and debate, seek the 'compromise' that will make federal land management policies even more flexible and more responsive to the honest needs of *all* Americans for the wise and perpetual utilization of the resources of their public lands."

Those lands, after all, don't belong to the people in the West. They belong to all of the people of the United States.●

HOUSE OF REPRESENTATIVES—*Wednesday, March 4, 1981*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

The Lord is merciful and gracious, slow to anger and abiding in steadfast love.—Psalms 103: 8.

We acknowledge, O God, that the spirit of repentance and the desire for forgiveness does not always touch our lives, as we would prefer to be masters of our fate. Yet, O God, we recognize that all our striving does not compare to the majesty of Your word and the comfort of Your grace. We confess our dependence on Your providence and we pray that Your love will follow us and support us all our days. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

HIGH INTEREST RATES CRIPPLING SMALL BUSINESSMEN

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, amid all of the new rhetoric we have been hearing in the last few days about how the President plans to bring about an improvement in the way our economy is behaving, there has been a strange and ominous silence concerning any intentions to act soon to bring down interest rates.

According to a survey just published by the National Federation of Independent Businesses, high interest rates are driving small businesses in this country into bankruptcy at an alarming rate. In 1980, over 11,000 entrepreneurs were driven out of business, an increase of 58 percent over the number of small business failures in 1979.

The tragedy of such business failures does not stop at the personal level of the entrepreneur himself. It also has a profound impact on the U.S. job market. During the last two decades, three out of every four new jobs have been created in the small business sector. When asked what they consider to be the No. 1 problem facing their economic survival today, a recent survey showed that high interest rates lead the pack. Even more alarming, from the job point of view is the evidence given by small businesses to the 1980 House Small Business Committee in which 82 percent of those entrepreneurs questioned indicated that they were delaying or canceling plans to expand their business.

We look forward to hearing some reassuring statements of high-priority measures to bring down the rates of interest. If we continue to cripple our small businessmen with the heavy burden of misguided monetary policy we face many lean years ahead. The strength of our economy depends upon the survival of our entrepreneurs who have built and continue to build our Nation. We must address their problems with comprehension and competence.

GET INTEREST RATES DOWN

(Mr. REUSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REUSS. Mr. Speaker, high interest rates are killing the American economy. Small business, automobiles, housing, farmers, productive capital investment, and consumers alike are suffering.

How can we get interest rates down? The Joint Economic Committee Democrats have a plan:

First. The Federal Reserve should not tighten money this year;

Second. The administration and the Federal Reserve should coordinate economic policy with our allies, relying more on fiscal and less on monetary policy to fight inflation, and so lower interest rates for all countries; and

Third. The administration and the Federal Reserve should effectively discourage the major banks from lending for speculative purposes—such as the Bunker-Hunt silver scam—or for purely financial purposes such as corporate takeovers.

These steps are consistent with the prudent, moderately restrained monetary policy the Nation needs. The 1981 report of the Joint Economic Committee Democrats, issued last Friday, explains them in detail. I commend that report to the attention of all Members.

FEDERAL RESERVE BOARD OF GOVERNORS

(Mr. WATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, today I am introducing a bill to reform the system by which Federal Reserve Board Governors are selected. My bill will require that "not less than three" of the seven Federal Reserve Board Governors shall come from the agricultural, industrial, or commercial sectors or from financial institutions with assets of less than $150 million. Currently the Federal Reserve Act says that the President "shall have due regard to a fair representation" of these occupations on the Board. This language has been completely ignored so far in the formation of most Federal Reserve Boards. Therefore I have mandated this fair representation by the new language in my bill. If you look at the past and present makeup of the Board Governors you will find that most of the Governors have either been economic theorists or from large financial institutions. We need people on the Board who are working practitioners in the world of reality and who can understand and are sensitive to the repercussions and results of this Nation's monetary policy on the survival of small industry, business, and agriculture.

I introduced this bill because it will aid in fighting inflation without killing the free enterprise system which gave our country a strong economic foundation. In the broadest sense, the Federal Reserve Board controls interest rates and credit in the country. It is absolutely a must that we immediately get interest rates for investment credit down from 19 or 20 percent for farmers, ranchers, and small business people in order for them to increase production and most importantly—just to stay in business and not go bankrupt.

If interest rates stay at the same or approximate levels for the next few months, 1981 of the Reagan administration will go down in history as having the greatest number of bankruptcies since the depression years of the 1930's. Lowering the interest rates is the quickest and most immediate way to allow farmers, ranchers, and small business people to finance and stay in business. This action would in turn increase productivity and stimulate the economy. Without lowered interest rates, we will see more and more economic problems for high cash flow businesses and industries as well as the agriculture sector.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

HIGH INTEREST RATES ARE CHOKING U.S. ECONOMIC GROWTH

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, many of those politicians who thumb their suspenders and talk about supply-side economics refuse to discuss high interest rates or high energy prices, and I would like to know why.

I support spending cuts and tax cuts—but the supply-side disciples should know that tax cuts will not help a small business that went bankrupt yesterday because of skyrocketing energy costs and outrageous interest rates.

Tax cuts are not the answer for a farmer who cannot get the credit to put in his 1981 crop.

Again, the issue is profits and jobs and growth.

Real supply-side economics would call for moderation in interest rates and would oppose monopoly energy pricing.

The small businessman who had to close his doors last week because of energy prices and interest rates is not going to be able to say "thank you" to a Congress that cuts taxes for income he could not make.

An economic recovery plan that ignores interest rates and energy prices is foolish.

It is time for Congress to make the Federal Reserve accountable for its mistakes. It is time for some real supply-side economics—moderate interest rates, growth, profits, and jobs.

The oil companies and big banks are getting rich and the American economy is choking—and that is wrong.

Tax cuts do not help you unless you have profits, and you can not have profits if interest rates and energy prices are eating you alive.

We just have to get this interest rate monkey off the back of the U.S. economy. The Federal Reserve Board and its Chairman, Paul Volcker, think that they can beat inflation by destroying the economy and throwing hundreds of thousands of small businesses into ruin. Even if the Fed wins its game, it may well find itself on the losing side.

REQUIRING THE PRESIDENT TO COMPLY WITH THE WAR POWERS RESOLUTION INVOLVING CONGRESS IN HIS DECISION TO SEND MILITARY ADVISERS TO EL SALVADOR

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr Speaker, I am today introducing a resolution calling on President Reagan to obey the law and honor the War Powers Act by reporting to Congress justifying his decision to send military advisers to El Salvador.

The War Powers Act was passed in 1973 to insure that Congress would fully participate in decisions to send U.S. military forces into foreign hostilities.

To allow the President to commit military personnel to El Salvador while ignoring that act would be a great setback to the democratic process.

My resolution would not stop the President from sending military advisers to El Salvador, although I strongly oppose that action; rather, it would involve Congress in that decision and insure that we do not by silent acquiesence allow this Nation to slip into the quagmire of another Vietnam.

I think this decision is a terrible error. I think it hands to the Communists the championship of the aspirations of the people of South America for freedom and puts us on the side of a repressive dictatorship which has been responsible for more than 6,000 murders of Salvadoran civilians including the archbishop and moderate government representatives as well as the still unexplained deaths of four American religious missionaries.

The Reagan military commitment also undermines our efforts to get the other nations of the world to protest the Russian invasion of Afghanistan.

Rather than demonstrating the strength of the United States, military action on behalf of a repressive military government in postage stamp El Salvador makes us the laughingstock of the world and demonstrates our weakness. It alienates, important allies such as Mexico. It poses unacceptable risks.

Even those who support this action, should support this resolution. It would seem to me they would want the Congress to participate in this decision and to endorse the President's action if, indeed, it can be justified.

I urge support of this resolution.

RESULTS OF RECENT REGISTRATION ENCOURAGING

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I am indeed encouraged by the current reports showing the results of our recent registration effort by Selective Service.

As of February 1981, 95 percent of the young men born in 1961 and 1962 had registered under the first register call.

For those born in 1963 who were required to register during the period of January 5 to February 19, 1981, 87 percent had registered as of February 24, 1981. As late registrations continue to be received, I would expect registration compliance of 95 percent or higher. In 1973 the last year for which Selective Service has similar data, the registration rate was 83 percent at the comparable point in time. Eventually, compliance reached 99 percent for 1973.

It has been my feeling that our young men would comply with the law and respond to this call for registration. I am encouraged by the results shown above. Each of us must acknowledge that along with the freedoms and benefits we receive from our system of government there are also responsibilities that must be accepted. I am confident our young people, when made fully aware of these benefits and accompanying responsibilities, will respond just as their parents have done.

I would like to remind the young men born in 1960, 1961, and 1962 who have not done so to go to the nearest post office to register as required by law. Registration of men born in 1963 is now on a continuous basis as each turns 18. For those born in 1963, registration can be accomplished during a 60-day period, 30 days either side of the 18th birthday. I urge Members of Congress to include comments about this registration requirement in their newsletters and news releases.

Thank you.

CAUTION IN U.S. APPROACH TO EL SALVADOR IS URGED

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, last December 2 four American Catholic missionaries were brutally murdered in the small Central American country of El Salvador. As yet we have not received a satisfactory report of the circumstances surrounding the death of these innocent religious workers. Even family members of one of these unfortunate victims that reside in my congressional district have been unable to secure an autopsy report and other detailed information from the State Department.

Over the last year, this Government has extended military and economic aid to the civilian/military Government of El Salvador in the hope that it would undertake meaningful agrarian and electoral reform, put an end to the violence and terrorism of right-wing extremists, and defeat the rising Marxist guerrilla threat supported by Cuba and other Communist nations. Reorganization of the Government and the naming of Christian Democrat Jose Napoleon Duarte as President of the ruling junta in December gave rise to renewed hope that significant re-

79-059 O 1984 — 48 — (Vol. 127 Pt. 3)

forms would be forthcoming and that atrocities regularly committed by forces supporting the Duarte regime would end.

Yet today, Mr. Speaker, it is clear that no determined investigation of the December murders can be expected. Further, it is clear that implementation of agrarian and electoral reforms is sporadic at best, and that a deteriorating economy and leftist insurgency threaten achievement of these reforms in the near future. It is quite clear these forces present a serious challenge to the government—but it is equally clear that the Duarte regime is incapable or unwilling to control acts of violence, torture, and harassment by its own forces. While 9,000 people were killed last year and countless others subjected to acts of brutality, no arrests have been made and no efforts to curb this activity is ongoing.

Mr. Speaker, I fear that by continuing to extend military aid and advisers to El Salvador rather than encouraging a peaceful settlement to its internal strife, we are assuring the failure of the reform program we have sought to foster. I urge caution in our approach to El Salvador, for I recall all too vividly the outcome of the last American intervention into the internal affairs of another nation when precious little was known of the political forces at play and gross violations of human rights acquiesced to by the Government.

RESOLUTION TO PROVIDE ASSISTANCE TO ATLANTA, GA.

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, today, I, along with the distinguished chairman of the Judiciary Committee, the gentleman from New Jersey (Mr. RODINO), and the gentleman from Missouri (Mr. CLAY), and several others are introducing legislation to authorize a one-time Law Enforcement Assistance Administration grant to the city of Atlanta. These funds will assist the city in meeting the extraordinary expenses it is occurring relative to the police investigation there.

They need help in Atlanta. The amount of the grant, $1.8 million, is based on the fact that each month the city of Atlanta runs a $150,000 deficit to pay for its inquiry into the disappearances of these young black people.

Mr. Speaker, the poet Paul Lawrence Dunbar said in 1900 that black life in America is a promise and not a fulfillment.

I take this expression to mean too often America as a community has turned a deaf ear when black voices have cried for assistance.

Mr. Speaker, these horrendous crimes have horrified the entire Nation, and until they are solved, we all live in Atlanta, every one of us.

I urge support for this resolution.

CLASS OF DESTINY

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, I would like to address my comments this afternoon to the "Class of Destiny" some of whom would apparently benefit more from a seminar on the separation of powers than another trip to the White House.

On the subject of ways and means and budget footdragging, consider the following:

Fact: The President has yet to send to the Congress a bill, or even a complete proposal. We are still waiting to see what the whole package will contain. We see from necessary budget readjustments last week that haste can make trouble.

Fact: We have been handed concepts and outlines and on them, began hearings the very next working day after their receipt. Secretary Regan and Director Stockman were present to discuss the proposals. Since then, we have met regularly in both Ways and Means and Budget, most often simultaneously.

Fact: Page 2 of the President's February 18 statement proposed a timetable in accordance with the Budget Act. Again, the next working day, the chairman of the Budget Committee expressed his intention of working completely with that timetable.

If it is the Class of Destiny's wish that we simply rubberstamp every proposal the President sends to Congress, perhaps it will be their destiny to be the last class of Congress.

□ 1515

NEW SOVIET MOVES IN THE MEDITERRANEAN

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, a new Cuba may be emerging at the crossroads of the Mediterranean.

The Soviet Union and Malta have just signed an agreement which poses a threat to NATO's southern flank. Malta's far left-leaning and mercurial ruler, who for years was on the dole of Libya's dictator Qadhafi, has now embarked on a new adventure with the Russians. Earlier this year, Malta authorized Soviet vessels—which often shadow our naval forces and engage in other surveillance activities—to refuel at Malta's ports.

Malta's harbors and airfields would be invaluable to the achievement of Soviet strategic goals in the Mediterranean region and in the Middle East. The Soviet-Maltese agreements are yet another step in the deepening Russian penetration of the entire region, and are a threat to NATO naval forces in the area.

The possible emergence of a Cuban-type Malta at the very center of the Mediterranean adds a new dimension of urgency to our determination to rebuild America's long-neglected naval forces.

FEDERAL RESERVE POLICIES UNDERMINE INDUSTRIAL BASE

(Mr. BLANCHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLANCHARD. Mr. Speaker, there has been a lot of talk recently about credit allocation and the Federal role in crowding out capital and the use of credit generally. I think all of us should bear in mind that the Federal Reserve Board has been embarked upon its own form of credit allocation for quite some time, allocating credit by its policies to the speculative and short-term ventures and away from the productive and oftentimes human-oriented industries.

Mr. Speaker, there are four ways, as we all know, to allocate credit if the Government is going to do it. One way is by direct spending. Another way is by loan guarantees. Another way, and we all like it, is through the back door, the Tax Code. The fourth way is to let the Federal Reserve Board do it by its policies. By tight money the Federal Reserve Board continues to undermine not only our industrial base and the productive sectors of our economy, but, indeed, our national security.

This ought to be an issue that our people and our Congress address in the weeks and months ahead.

BUDGET CUTS AND THE STUDENT AID PROGRAM

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, over the next several months we will be working on the Reagan administration's student-aid program which will force hundreds of thousands of students, poor and middle-income students, to drop out of college this year, 1981.

Mr. Speaker, the net that has been designed to catch the needy seems to be filled with some gaping holes in this particular program. Each day from now on, Mr. Speaker, I am going to insert in the RECORD a number of letters that I am receiving from college presidents. Today Los Angeles Trade Technical College in Congressman ROYBAL's district, the Chatfield College of St. Martin, Ohio, in Mr. MCEWEN's district, and the Elizabeth Seton College in my own district.

Each day from now on I will enter letters from other colleges in the RECORD. I will announce at this time that on March 11, next Wednesday, we will hold a special order on the floor in order to discuss the full implications of the student-aid program.

A FULL DEBATE ON DEFENSE

(Mr. MAVROULES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAVROULES. Mr. Speaker, it is reported that the President is planning to submit a fiscal year 1982 defense budget of $222.8 billion and recommend a defense spending increase of $7.4 billion for the current fiscal year.

I believe there is a strong national consensus to revitalize our military capabilities. But, when the budget of every other agency and department of this Government is under careful audit, I believe we must also carefully examine the spending requests of the Defense Department and the military services.

The Congress is prepared to support the policies and programs necessary to guarantee our security and bring further stability to the world. However, increased defense spending will provide for a more effective military only if the increases are sound, bring additional capability, and represent a prudent use of the taxpayers' money.

We can meet this challenge—we can set realistic defense priorities. But, we will succeed only if we take the time to ask, and answer some tough questions.

We have the time, I hope we use it.

VIOLATIONS OF CIVIL SERVICE REFORM ACT BY REAGAN ADMINISTRATION

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, today I learned of the first clear violations of the Civil Service Reform Act by the Reagan administration. Energy Secretary James Edwards apparently ordered the illegal transfer of a career member of the senior executive service.

As a result, I have called hearings of my Subcommittee on Civil Service for 10 a.m. Monday morning, March 9, in room 311 of the Cannon House Office Building so that the Department of Energy can account for its deeds.

I have invited Secretary Edwards to appear and tell the subcommittee why he ordered the transfer of Tina C. Hobson, the Director of the Office of Consumer Affairs at DOE, after it was publicly revealed that she had refused the orders of his staff to plant operatives at the Denver meeting of a national consumer group.

The issue is far more serious than it might look at first blush. Consider the questions involved:

First. Did the Department of Energy violate title 5, United States Code, section 3395, forbidding the involuntary reassignment of career members of the senior executive service within the first 120 days after a new administration takes office. I reject the specious theory that a detail is not an involuntary reassignment within the purview of the statute. If that were true, the statutory prohibition could be rendered meaningless by agency subterfuge.

Second. Did the Department of Energy violate title 5, United States Code, section 2302 by taking a reprisal against an employee based on public disclosure of agency wrongdoing? Ironically, Hobson did not go public with the illegal order to plant operatives. Nevertheless, Secretary Edwards and his staff thought she did and transferred her as punishment.

Third. Did the Department of Energy intend to violate Executive Order 12036 which strictly limits the use of undisclosed Government participants in domestic surveillance activities? Sending plainclothes agents to a perfectly legal meeting of citizens raises serious privacy questions. Having personally been the victim of domestic surveillance, I grow very concerned when I see Government officials suggest using improper tactics.

I invite the participation of any Member of Congress in our hearings on Monday.

TRUE PORTRAYAL OF CONGRESSIONAL WIVES—MILDRED WEBSTER PEPPER

(Mrs. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOGGS. Mr. Speaker, one of the great enthusiasms of my life is congressional wives, that remarkable legion of women whom I have known for over the past 40 years. I think congressional wives are being portrayed in a very unpleasant light and that the true portrayal of a congressional wife was never more evident than that projected in the magnificent ceremony of day before yesterday in the Washington Cathedral in the memory of Mildred Webster Pepper.

Barbara Bush, one of the sisterhood of congressional wives, typically called upon other congressional wives, past and present, for their memories of and their accolades to Mildred so that she could include them in her own memorial tribute. There we found the capsule of the true congressional wife, and in their remembrances of Mildred, a warm and loving spirit, an unusual ability to organize people of divergent backgrounds, cultural, geographic, ideological into great forces for good, an innovative user of sometimes limited financial resources, a devoted wife, a good politician, a dedicated American.

Here, Mr. Speaker, is the true congressional wife I would like for the American people to know.

□ 1530

A TRIBUTE TO ROY E. MORGAN

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, as a member of the "Class of Destiny" who intends to be around here for a while, I rise to honor one of my constituents, Mr. Roy E. Morgan.

Mr. Speaker, in an era of specialists, Roy E. Morgan, the president of Wyoming Valley Broadcasting Co., of Wilkes-Barre, Pa., is a generalist who has participated in a wide variety of civic activities over the past several decades.

Mr. Morgan, who will be presented with the Pennsylvania Association of Broadcasters' Gold Medal Award tonight, is a trustee of the Sordoni Foundation, which awards grants to worthy civic, cultural, and scholastic institutions.

During the Hurricane Agnes flood recovery, while senior vice president of the Greater Wilkes-Barre Chamber of Commerce, and chairman of the Industrial Fund, he worked long and tirelessly to secure Federal aid for the rebuilding effort. That effort contributed to the newest old city in the United States—Wilkes-Barre, Pa.

Mr. Morgan has served in many positions with the United Way, and is currently a board member. He is on the presidential advisory board of King's College, the boards of the YMCA, YWCA, the Boy Scouts of America, and numerous other organizations.

The Pennsylvania Association of Broadcasters could not have made a better choice in honoring a man who has made major contributions not only to broadcasting, but also to improving the quality of life in northeastern Pennsylvania.

RESOLUTION TO CUT COMMITTEE BUDGETS BY 10 PERCENT

(Mr. DUNN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNN. Mr. Speaker, today I am introducing a resolution to cut committee budgets by 10 percent.

The Senate has already acted to cut its committee budgets by 10 percent. This is consistent with the mandate that the people of this country gave the Congress and the President on November 4, 1980—to cut Federal spending.

Therefore, I cannot, in good faith and without embarrassment, return to my district, ask my constituents to cut back—to equally share the burden we all must bear—knowing that we have approved up to 80 percent increases in our own committees over last year.

I find the efforts of the leadership of this House to railroad through generous increases for its own committee budgets, without a doubt, irresponsible and hypocritical.

Fortunately, there are a number of my fellow colleagues who understand the mandate that they were given on November 4.

Yesterday, within 2 hours of announcing my intention to introduce a resolution to cut committee funding, 40 Members had asked to cosponsor it and the list is growing rapidly.

I urge the House to set an example to the American people and be the first to cut its own budget.

CONGRESSIONAL SPENDING MUST BE CUT

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, the American voter delivered a very simple but clear message this past November. The message was "cut Government spending." I read that to mean congressional spending as well. And I can think of no better place to start than by getting a grip on the spiraling growth and attendant cost of committee staffs.

A look at the figures tells the story. Overall, the number of House committee staff has increased a whopping 539 percent between 1954 and 1979—from 303 to 1,939. The median family income has increased by only 240 percent during those years.

Since 1973, costs for committee and investigative staff have increased almost threefold climbing from $14.6 million to $40.7 million in 1979.

The 52 freshmen Republicans unanimously support the resolution to cut committee budgets by 10 percent.

MEMBERS SHOULD BROADEN INVESTIGATIONS OF AUTOMOBILE INDUSTRY

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, last week, Arthur Andersen & Co. and the Michigan Manufacturers Association issued a report surveying the current and future position of the automobile industry.

Of particular interest in this study are data relating to automobile parts suppliers. The report states that—

> Parts suppliers are more numerous, smaller in average size, more diverse in production methods, more geographically dispersed among small and large communities.

Further, it is noted that the supplier industry employs two persons for each vehicle manufacturer employee.

The most disturbing fact reported by this study, however, regards parts imports by U.S. automakers. There is an increasing trade deficit of parts sales, the report states. Both Government and industry panels predict that—

> Import activity will increase faster than export activity in the United States during the decade . . .

I should note that I advocate temporary import relief for the domestic automakers. However, these companies cannot have their cake and eat it too. That is, if they are clamoring for import relief, then they should practice what they preach, and consider the effect of their parts import policies on the domestic supplier industry.

An important theme of this study is that public and private cooperation is essential not only to address the crisis facing the automobile industry, but the pending crisis in all U.S. manufacturing. I urge my colleagues to broaden their investigations of the automobile industry to include policies affecting suppliers and all manufacturing industries.

MEMBERS SHOULD GIVE PRESIDENT SUPPORT FOR TAX AND SPENDING CUT LEGISLATION

(Mr. JEFFRIES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JEFFRIES. Mr. Speaker, I want to add my voice to that of President Reagan in his call for unity in support of his program of tax and budget cuts.

Yes; the proposed tax cut is revolutionary. And yes; the budget cuts are broad. But the economic times warrant these bold actions, and the public is demanding support for them.

It is essential that the Congress, the bureaucracy, and the organized interest groups work with President Reagan, not against him. If we are to reverse the economic situation, a sweeping program must be enacted. The President's plan must not be nibbled to death.

I urge restraint on the part of those whose pet projects are being reduced. All of us can find parts of the administration's program with which we disagree. But for the good of the Nation, we must basically support the whole package. As the President recently said:

> We are all in the same boat, and we have to get the engine started before the ship goes over the falls.

Mr. Speaker, I urge my colleagues to give the President their full support for the tax and spending cut legislation that he has proposed.

COMMERCE COMMITTEE STAFF

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, as the folks back home are watching for us to cut Government expenses, we need to start with the bloated committee staffs of Congress. The Commerce Committee staff had 42 investigative staff in 1974 and this budget requests over 160 staff. Our major legislation concerns energy. Back in 1974, our country imported $3 billion of OPEC oil. This year we are importing $80 billion in OPEC oil. The bigger the staff, the worse the results for our country. Why should Commerce ask for over $5 million when the large Armed Services Committee only needs $1 million?

In 1980 the Commerce Committee actually spent $3,657,277. The original request for 1981 is for $5,305,396 to cover their budget.

In the Senate, committees have cut their 1980 expense as much as 28 percent. The Republican majority in the Senate has total cuts of 10 percent. We should cut Energy and Commerce by at least 10 percent. Why should we need to print 2 million copies of papers as they request for duplications? Why does Commerce ask for so much travel and equipment? Staff without basic work will make work. This oversized staff in Commerce will stimulate their creative bureaucratic vision for new ideas on regulations, laws, and Government benefits.

Our country has more government than we need, more regulations than we want, and more taxes than we can afford to pay. Let us move America forward by cutting committee staffs.

IT IS TIME TO REDUCE COST OF DOING THE PEOPLE'S BUSINESS

(Mr. SMITH of Oregon asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Oregon. Mr. Speaker, the Committee on House Administration has recommended a 16-percent increase in the budget of the House Interior and Insular Affairs Committee of which I am a member.

I rise today to oppose such an increase during these austere times. Like other Americans, Oregonians sent a strong mandate to Washington, D.C., for less Government spending. As we ask all Americans to support budget cuts, let us consider ourselves and the administration of Congress as well.

President Reagan has asked us to cut the budget by $49 billion. The House can and must help in this effort by cutting our bloated committee funding.

The amount of legislation referred to the Interior Committee was 28 percent less in the 96th session of Congress than in the 91st session. Yet, while the workload has decreased in recent years, the staff size has increased. In the last decade, the staff has risen from 15 members to 69 members—4½ times as many people on staff than just 10 years ago.

Oregonians are asking for cuts in Government spending, and elimination of waste and extravagance. It is therefore our responsibility to act positively on their mandate.

Our colleagues on the Senate side have cut their committee budgets by an average of 10 percent. Certainly, we in the House can exercise similar leadership by taking steps to reduce the cost of doing the people's business.

THE PROBLEM OF "STAFF-FLATION"

(Mr. LUNGREN asked and was given permission to address the House of 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, as we talk about the difficulties of our economy, we hear words like "inflation," "stagflation," and now we have a new one. It is called staff-flation. It talks about the tremendous expansion we have had in staffs and costs here in the House of Representatives. But unfortunately, as we make our attempt to cut our own budget in small ways, the institutional forces are here at work.

I would cite my colleagues to an article that appeared in today's Los Angeles Times which says, in part, "I think all this business of cutting 10 percent is sort of hokie," said one House staffer who has been trying to gather support for House committee budget increases. "I think it is a lot of dancing on nothing," the aide, who asked not to be identified, said.

Well, you know, Mr. Speaker, when the President is asking us to seriously consider cutting 25 to 35 percent of secondary and elementary school programs from the Federal level, when we are talking about cutting 25 percent from health and social service programs, is it really unreasonable for us to say we ought to look to our own House? I really do not think anyone here can say that we are understaffed. As a matter of fact, we are far overstaffed and we ought to have the guts to do something about it.

HAPPY BIRTHDAY, PENNSYLVANIA

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, today marks the official tricentennial of the Commonwealth of Pennsylvania. Founded in 1681 by William Penn, well before the dawn of our great Nation, it became a haven for those people seeking religious freedom. The early Quakers accepted all religions and nationalities into their colony, and the dream of William Penn became a reality. Today the Commonwealth still embodies the principles of its founder. He would be proud to see the fruits of his labor.

One of the legacies left to us from William Penn is as applicable today as it was when he first admonished feuding local governments and merchants seeking to control sectors of the economy in the early days of the colony. He said, "Be not so governmentist." I ask my colleagues to not only join in wishing this great Commonwealth a happy birthday, but in heeding the words of William Penn when we deliberate in this body. Let us not be so governmentist. Happy birthday, Pennsylvania.

BLUEPRINT FOR A HOUSE THAT WORKS

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, this House is out of order. Not only is public confidence in the legislative branch at an alltime low, but there is a growing consensus among House Members themselves that this institution is becoming increasingly unmanageable and unworkable. This legislative "crisis of governance" can be traced directly to the very foundation of our legislative process—the committee system. With the decentralization of leadership authority in the House, the fragmentation of committee jurisdictions, and the proliferation of subcommittees and staff, it is a crumbling foundation that threatens to bring down the entire House.

Mr. Speaker, the time has come to put our House back in order, to firm up that foundation, to draft a blueprint for a House that works. To that end I am today introducing the Committee Improvement Amendments of 1981, a package of seven House rules changes aimed at strengthening our committee system and making the legislative process more manageable, efficient, and representative.

My proposed amendments would do the following: First, require equitable party ratios on all House committees; second, limit all committees except Appropriations to no more than six subcommittees and members to no more than four subcommittee assignments; third, eliminate the joint referral of bills to more than one committee; fourth, require formal committee adoption of oversight agendas at the beginning of each Congress and House adoption of a consolidated oversight agenda resolution; fifth, require a majority quorum on all committees and subcommittees; sixth, ban proxy voting; and seventh, require House adoption of an overall committee staff ceiling resolution at the beginning of each year.

I urge my colleagues to join me as cosponsors of this resolution and the Rules Committee to take early action on it.

AMERICAN PEOPLE HAVE ANOTHER WEEK TO SPEAK OUT ON FEDERAL SPENDING

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, the American people have been given a reprieve in which to let their Members of the House know that they think it is time to cut Federal spending. The decision to not vote on committee funding this week gives the American people an additional week in which to let their Congressman or Congresswoman know that the time has come to tighten its belt if it is going to ask the country to have a fiscally austere policy.

LET US GET ABOUT THE WORK OF ENACTING THE PRESIDENT'S ECONOMIC REFORM PROGRAM

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I know that political memory is notoriously short, but I think on the House floor today we have seen an alltime record set. The string of Members from the other side of the aisle who came before us earlier today complaining about high interest rates borders on the ridiculous. It was their big spending policies that over the past couple of years led to 20-percent interest rates. In fact, since President Reagan was elected, the interest rate has been dropping, not nearly as far as we would like it to drop, but it has been dropping.

If they would get about the work of enacting the President's economic reform program, maybe it would drop faster, and I think it is high time that they begin that work.

DO LARGE MINING CONSORTIA SET GOVERNMENT POLICY?

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, I would first like to associate the gentleman from Illinois, Mr. PAUL SIMON, with the remarks I am about to make. He could not be here.

I had difficulty believing what I read as I picked up the newspapers this morning and learned that the Reagan administration plans to dump the agreements we have made in the United Nations Law of the Sea negotiations.

□ 1545

These negotiations have been conducted over many years, with most all the nations of the world participating. Our first negotiator was Elliot Richardson, a Republican. It is no secret that four large mining consortia, who think they now have the technology to mine the ocean floor, have tried to dictate the terms of that treaty.

This is no time for partisan politics, but it is time for somebody to speak up. Four large mining consortia are determined to get the Reagan administration to let them control our foreign policy. This will tell all the rest of the world that our previously negotiated agreements do not mean anything.

I say we are in serious trouble. The question somebody had better ask is, Who is going to decide our foreign policy? Who is the Government here to serve? Is the Government of, by, and for the people, or is it of, by, and for four large mining consortia?

WHEN WILL ADMINISTRATION INFORM CONGRESS OF PLANS TO BRING DOWN HIGH INTEREST RATES?

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I am deeply concerned that now, in early March, the administration has done nothing and that apparently nothing is in its plans to reduce the outrageously high interest rates which the American people have to pay and thereby to alleviate the severe economic burdens which result.

With interest rates at their present levels, it is very nearly impossible for people to buy homes. This is particularly burdensome for young couples wishing to start their lives, but it also reacts against the entire home market. The result is a severe depression in the construction industry and related trades such as timber and lumber production, the manufacturing of the components which go into homes, the appliance industry, and the like. In the area which I represent, the purchase of homes has practically come to a standstill, and I have found that people ordinarily engaged in the real estate field have been compelled to seek employment elsewhere. Unfortunately, jobs are hard to find with the economy in such a bad state because of the inability of people to borrow money. This compounds our unemployment situation which is already unacceptably high.

We all know that, in addition to its other problems such as failure to meet competition, the automobile industry is in desperate straits. This is in considerable part due to the high cost of interest which people must pay in order to buy an automobile.

On top of all of this, our Government must continue to operate on borrowed money and we all know that the current rates of interest on Government borrowing are so outrageous that interest is now one of the largest components of our annual budget.

I hope that the administration will soon let us in on its plans to bring down the sky-high interest rates.

HIGH INTEREST RATES AND LACK OF ATTENTION TO OUR MONETARY POLICY

(Mr. ECKART asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ECKART. Mr. Speaker, high interest rates continue to defeat the best efforts of Americans to enable themselves to purchase their own homes or buy new automobiles. It strangles small businessmen, who have been responsible for the development of productivity and new products which are so large a part of our economic plan. These are three examples of the negative effect of continuing high interest rates. Their continuation will add to the bad economic malaise which we have heard so much about.

In short, continued high interest rates in fact significantly contribute to the poor economic growth of America's leading industries, housing and autos, and their place in economic displacement of thousands of American workers. Budget cuts are a part of the answer, but fiscal policy alone will not do it if we do not turn our attention to monetary policy as well.

DISTURBING NEWS FOR VETERANS

(Mr. DE LUGO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LUGO. Mr. Speaker, I decry the recent proposal by the administration calling for cutting medical programs for veterans. The proposal would immediately begin with the elimination of 5,000 medical personnel in fiscal 1982 and lead to a 20,000-person reduction by 1986. This is far more than a waste-elimination proposal; it will directly and detrimentally affect health-care treatment for veterans of our armed services.

Moreover, this proposal contradicts the policy we heard during the President's message to Congress when the President assured the American people that veterans programs would not be cut. Medical care provided to veterans by the Veterans' Administration comprises a vital part of the social safety net espoused by the administration. These proposed cuts, along with the cuts proposed for medicaid, will severely undermine the health-care support system we have established for this group of Americans to whom our society is so indebted.

Mr. Speaker, I am proud to have served in our Armed Forces. I am particularly proud to represent the U.S. Virgin Islands in this Congress, because the young men and women who are my constituents have joined and served in the Armed Forces in proportionally greater numbers than most other regions of our United States. These people do not deserve to have their expectations for benefits dashed. We should not allow the promises our Government made to them to be broken.

I urge my fellow Members to strongly resist any attempts by the President to cut medical services for veterans, or any other benefits relied on by those who have sacrificed to defend our country.

CYNICISM REINFORCED AGAIN BY THE ADMINISTRATION'S BUDGET PROPOSALS

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute.)

Mr. GEPHARDT. Mr. Speaker, apparently, as David Brinkley once said, we have passed from the promising season to the alibiing season. In October 1980, then candidate Ronald Reagan promised the National Association of Retired Federal Employees that he would not propose wiping out the twice-a-year cost-of-living escalator on retired Federal employee benefits. Later, Bill Brock, chairman of the Republican National Committee, assured Federal retirees by letter that the Republican candidate for President would oppose going to a once-a year adjustment.

Now with the coming of the Reagan budget proposals, some 130 days after the articulation of these promises, we learn that the President is proposing changing the twice-a-year adjustment to a once-a-year adjustment. I agreed last year and I agree now with his present position. But as a result of this duplicitous action, cynicism of the American people about politicians and political campaigns and promises has been reinforced once again.

AUTHORIZING INVESTIGATION AND INQUIRY BY COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. FROST. Mr. Speaker, I offer a privileged resolution (H. Res. 67) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 67

Whereas rule XLIII of the Rules of the House of Representatives sets forth the Code of Official Conduct for Members, officers, and employees of the House of Representatives and, among other things, prohibits the acceptance of gifts, directly or indirectly, from foreign nationals or their agents or from any person having a direct interest in legislation before the Congress or the acceptance of compensation from any source for the exertion of improper influence, and provides that all such Members, officers, and employees shall conduct themselves at all times in a manner which shall reflect creditably on the House of Representatives; and

Whereas Federal law prohibits the receipt of anything of value by any Member of Congress to influence his performance of his official duties or to reward or compensate him, other than as provided for by law, for the performance of those duties (18 U.S.C. 201, 203); prohibits the receipt of unauthorized fees relating to naturalization or citizenship (18 U.S.C. 1422); and prohibits conspiracy to commit any offense against the United States (18 U.S.C. 371); and

Whereas information has come to the attention of the House of Representatives alleging that certain Members of the House of Representatives have improperly accepted or agreed to accept money from undercover Federal agents and others in the course of an investigation initiated and/or conducted by the Federal Bureau of Investigation; and

Whereas clause 4(e)(1) of rule X of the Rules of the House of Representatives entrusts the Committee on Standards of Official Conduct with the authority (1) to recommend to the House of Representatives from time to time such administrative actions as it may deem appropriate to establish or enforce standards of official conduct for Members, officers, and employees of the House of Representatives, (2) to investigate any alleged violation, by a Member, officer, or employee of the House of Representatives, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities and, after notice and hearing, to recommend to the House of Representatives, by resolution or otherwise, such action as the committee may deem appropriate in the circumstances, and (3) to report to the appropriate Federal or State authorities, with the approval of the House of Representatives, any substantial evidence of a violation by a Member, officer, or employee of the House of Representatives of any law applicable to the performance of his duties or the discharge of his responsibilities, which may have been disclosed in a committee investigation: Now, therefore, be it

Resolved, That the Committee on Standards of Official Conduct be and it is hereby authorized and directed to conduct a full and complete inquiry and investigation of alleged improper conduct which has been the subject of recent investigations (commonly referred to as ABSCAM) by the Department of Justice, including the Federal Bureau of Investigation, to determine whether Members, officers, or employees of the House of Representatives have violated the Code of Official Conduct or any law, rule, regulation or other applicable standard of conduct. The scope of the inquiry and investigation may be expanded by the committee to extend to any matters relevant to discharging its responsibilities pursuant to this resolution or the Rules of the House of Representatives.

SEC. 2. The committee may report to the House of Representatives any findings, conclusions, and recommendations it deems proper with respect to the adequacy of the present Code of Official Conduct or the Federal laws, rules, regulations, and other standards of conduct applicable to the conduct of Members of the House of Representatives in the performance of their duties and the discharge of their responsibilities.

SEC. 3. The committee, after appropriate notice and hearing, shall report to the House of Representatives its recommendations as to such disciplinary action, if any, that the committee deems appropriate by the House of Representatives and may provide such other reports of the results of its inquiry and investigation as the committee deems appropriate.

SEC. 4. (a) For the purpose of conducting any inquiry or investigation pursuant to this resolution, the committee is authorized to request or compel—

(1) by subpena or otherwise—

(A) the attendance and testimony of any person—

(i) at a hearing; or

(ii) at the taking of a deposition by one or more members of the committee; and

(B) the production of things of any kind, including, but not limited to, books, records, correspondence, logs, journals, memorandums, papers, documents, writings, graphs, charts, photographs, reproductions, recordings, tapes (including audiotapes and videotapes), transcripts, printouts, data compilations from which information can be obtained (translated, if necessary, into reasonably usable form), and other tangible objects; and

(2) by interrogatory, the furnishing under oath of such information as it deems necessary to such inquiry or investigation.

(b) A subpena for the taking of a deposition or the production of things may be returnable at such places and times as the committee may direct.

(c) The authority conferred on the committee by subsections (a) and (b) of this section may be exercised—

(1) by the chairman and the ranking minority member acting jointly, or, if either declines to or is unable to act, by the other acting alone, except that in the event either so declines or is unable to act, either shall have the right to refer to the committee for decision the question whether such authority shall be so exercised, and the committee shall be convened as soon as practicable to render that decision; or

(2) by the committee acting as a whole.

(d) Subpenas and interrogatories authorized under this section may be issued over the signature of the chairman, or ranking minority member, or any member designated by either of them. A subpena may be served by any person designated by either of them and may be served either within or without the United States on any national or resident of the United States or any other person subject to the jurisdiction of the United States.

(e) In connection with any inquiry or investigation pursuant to this resolution, the committee may request the Secretary of State to transmit a letter rogatory or request to a foreign tribunal, officer, or agency.

(f) Any member of the committee or any other person authorized by law to administer oaths may administer oaths pursuant to this resolution.

(g) All testimony taken by deposition or things produced by deposition or otherwise, or information furnished by interrogatory pursuant to this section, other than at a hearing, shall be deemed to have been taken, produced, or furnished in executive session.

SEC. 5. For the purpose of conducting any inquiry or investigation pursuant to this resolution, the committee is authorized to sit and act, without regard to clause 2(m) of rule XI of the Rules of the House of Representatives, at such times and places within or without the United States, whether the House is meeting, has recessed, or has adjourned, and to hold such hearings as it deems necessary.

SEC. 6. The committee is authorized to coordinate its investigation with the Department of Justice and to enter into any agreements with that Department which the committee determines to be essential for the prompt and orderly performance of its duties: *Provided*, That such agreements shall not be inconsistent with applicable law or with any Rule of the House of Representatives unless otherwise provided herein for the purpose of this investigation. Without regard to clause 2(e)(2) of rule XI of the Rules of the House of Representatives, the committee may restrict access to information received from the Department of Justice to such members of the committee or other persons as the committee may designate.

SEC. 7. The committee is authorized to seek to participate and to participate, by special counsel appointed by the committee, on behalf of the committee and the House of Representatives in any judicial proceeding concerning or relating in any way to any inquiry or investigation conducted pursuant to this resolution, including proceedings to enforce a subpena.

SEC. 8. The authority conferred by this resolution is in addition to, and not in lieu of, the authority conferred upon the committee by the Rules of the House of Representatives. In conducting any inquiry or investigation pursuant to this resolution, the committee is authorized to adopt special rules of procedure as may be appropriate.

SEC. 9. Any funds made available to the committee after the adoption of this resolution may be expended for the purpose of

carrying out the inquiry and investigation authorized and directed by this resolution.

Mr. FROST [during the reading]. Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that the resolution be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. FROST) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Arizona (Mr. RHODES), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 67, which authorizes an investigation and inquiry by the Committee on Standards of Official Conduct, was reported by the Committee on Rules as a privileged resolution, and in accordance with the Rules of the House, it is to be debated for 1 hour in the House. No amendments to the resolution are permitted.

House Resolution 67 was introduced by the chairman of the Committee on Standards of Official Conduct, the gentleman from Ohio (Mr. STOKES) and was cosponsored by all the Members of that committee. The Committee on Rules reported this resolution yesterday by unanimous voice vote after hearing testimony from the chairman and his distinguished ranking member, the gentleman from South Carolina (Mr. SPENCE).

The resolution authorizes and directs the Committee on Standards of Official Conduct to undertake an investigation of alleged improper conduct of Members, officers, or employees of the House in the course of the investigation by the Department of Justice and the Federal Bureau of Investigation, commonly referred to as Abscam, and to recommend any disciplinary action deemed necessary to the full House. The resolution extends the mandate to pursue an investigation of the Abscam operation, which was granted to the committee during the 96th Congress by an identical resolution. That resolution, House Resolution 608, was adopted by the House on March 27, 1980, by a vote of 382 to 1.

While during the 96th Congress the committee waited to initiate disciplinary action against members implicated in Abscam until completion of criminal prosecutions, the committee did conduct an investigation and hearing of the case of Representative Michael J. Myers and made recommendations to the House that Representative Myers be expelled. The committee also conducted an investigation and disciplinary hearings for the purpose of recommending sanctions against Representative John W. Jenrette. Mr. Jenrette resigned as a Member of Congress prior to the conclusion of these hearings, and, in view of his action, the committee voted to terminate further proceedings. With the adoption of House Resolution 67 by the 97th Congress, the Committee on Standards of Official Conduct expects to investigate thoroughly all the remaining allegations and to recommend to the House whatever additional actions, if any, are warranted.

I should point out to my colleagues that the provisions of clause 4(e)(1) of House Rule X empower the committee to conduct an investigation of alleged violations of the Code of Official Conduct or of any law, rule, or regulation of the House applicable to the conduct of Members, officers, or employees. However, during the 96th Congress, and, as is the case at the present, it was considered important by the Ethics Committee and the Committee on Rules to have a clear mandate from the full House of Representatives that the Ethics Committee pursue an investigation of Abscam and to permit the committee to use special procedures to facilitate the investigation.

The resolution we are considering today provides the Committee on Standards of Official Conduct the discretion of determining the scope of the inquiry and of making recommendations to the House regarding the adequacy of existing laws, rules, and regulations applicable to Members of Congress. In addition, the resolution grants the committee special procedural tools to facilitate its investigation into Abscam matters.

I should like to review these "special tools" for my colleagues. To begin, House Rule XI, which grants subpena power to House committees, does not specifically speak to the subpena of audio and video tapes. Since the audio and video tapes made during the Abscam operation were an integral part of the criminal proceedings and were used by the Ethics Committee in its investigation of both Representatives Myers and Jenrette, the resolution authorizes the committee to compel by subpena or otherwise, the attendance and testimony of any person at a hearing or at the taking of a deposition by one or more committee members, and the production of "things" of any kind, including, but not limited to, the audio and video tapes in question. In addition, the resolution grants the committee the authority to compel, by interrogatory, the furnishing under oath of such information it deems necessary to the investigation.

House Resolution 67 also further expands the subpena power of the committee beyond the provisions of clause 2(m) of House Rule XI. That rule requires a majority vote of a committee for the issuance of a subpena unless the committee delegates this power to the chairman. The resolution grants the chairman and ranking minority member acting jointly or alone, the authority to compel by subpena or interrogatory. Should either the chairman or ranking minority member decline to act, or if either is unable to act, the question of issuing a subpena or interrogatory may be referred to the committee for a decision as to whether to issue or the committee as a whole may choose to issue a subpena or interrogatory. Subpenas may be issued over the signature of the chairman or ranking minority member, or by any member designated by them.

The resolution further allows the committee to meet without regard to clause 2(m) of House Rule XI at any time or place within or without the United States whether the House is meeting, has adjourned or recessed.

The resolution also contains provisions authorizing the committee to negotiate agreements with the Department of Justice regarding the investigation and provides that the agreements shall not be inconsistent with applicable law or with any House rule unless otherwise provided by the resolution. During the 96th Congress, in accordance with the provisions of House Resolution 608, the Ethics Committee entered into just such an agreement with the Justice Department for the release of evidence prior to completion of criminal proceedings while at the same time protecting confidential information from premature disclosure. During his testimony before the Rules Committee, however, Chairman STOKES advised the committee that this authority to enter into agreements "* * * would not, however, relieve the committee of its obligation, under House Rule X, to seek approval of the House before turning over any information to the Department."

The resolution further authorizes the committee to participate, by special counsel appointed by the committee, on behalf of the committee or the House of Representatives in any judicial proceeding concerning this investigation including proceedings to enforce a subpena. Similar authority has been granted for other investigations as well as the investigations conducted by the Ethics Committee during the 96th Congress.

The resolution also makes clear that authorities conferred upon the committee by means of the resolution are in addition to the committee's authority under House rules. In addition, the committee is empowered to adopt special rules of procedure as may be appropriate, and also allows any funds subsequently made available to the committee to be expended in connection with the investigation.

Mr. Speaker, we are all painfully aware of what the repercussions of Abscam have meant to the honor and

integrity of this House. These special tools granted the Committee on Standards of Official Conduct will facilitate the investigation into the remaining allegations.

As elected representatives of the people, we would do well to adopt this resolution so that the committee can proceed with a clear mandate from the full House and the tools with which to conduct an expeditious and judicious investigation. I urge adoption of the resolution.

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas has accurately explained the provisions of this resolution.

As many of my colleagues recall, last year the House began its own investigation of Abscam. Some of the work was delayed in order to avoid the possibility of any interference with the judicial process in motion at the time. Consequently, the Standards Committee was unable to complete this investigation prior to adjournment of the 96th Congress.

House Resolution 67 is identical to the resolution adopted last year and is necessary for the House to complete its investigation. Further, House Resolution 67 demonstrates our resolve to keep this House in order and to insure its integrity.

I urge adoption of the resolution.

□ 1600

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. STOKES), for purposes of debate only.

Mr. STOKES. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want, first of all, to express my gratitude to the members of the Rules Committee for their promptness in considering House Resolution 67 and for their unanimity in reporting it favorably. The members of the Committee on Standards of Official Conduct are also unanimous in their support of this measure, and I am hopeful that the full House will demonstrate similar support as it did in the last Congress.

As the Members know, House Resolution 67 is identical to House Resolution 608 of the 96th Congress which provided the overwhelming support of the entire House when we first commenced our Abscam investigation in March of last year.

This resolution is essential for several reasons, most of all, it is important that the House of Representatives demonstrate to the American people its continuing resolve to investigate allegations of wrongdoing by Members of the House. This committee takes serious its responsibility to continue the Abscam investigations which were begun in the 96th Congress.

As the Members also know, we had concluded a large part of that investigation when the last Congress expired. There does remain, however, some additional matters to be considered and in order that they be treated in a manner identical with what has gone before, we have adopted the same committee rules as were adopted in the last Congress and we now seek this identical overall House direction and authority.

In pursuing the investigation to date we have been careful to avoid interfering with the Justice Department's responsibilities and I might say here we have received excellent cooperation from them. All of the jury trials are now concluded and I am hopeful that we too can finish up this matter in the very near future.

Mr. Speaker, as we all know House rules are our basic authority for investigations. We have found, however, from this and earlier investigations that House rules, as they exist, do not contain certain procedural provisions necessary to make our investigations more effective and efficient.

It is these additional provisions for which we are seeking the authority in House Resolution 67. The most important of these would allow:

The taking of depositions by one or more members of the committee;

The subpenaing of "things" of any kind, including video tapes;

The requiring of information by interrogatory; and

The deeming of all information taken during the information gathering stage to be in executive session.

These tools are especially useful in an investigation, such as the one at hand, where there are a large number of allegations to be investigated in a short period of time.

The resolution would also empower the committee to continue to negotiate with the Justice Department and to enter into agreements with the Department. The resolution would not, however, relieve the committee of its obligation, under House Rule X, to seek the approval of the House before turning over information to the Department.

Finally, the resolution would allow the committee, by special counsel, to go into court if necessary.

Mr. Speaker, the Committee on Standards has always used its powers with great discretion. It may, in fact, find that the powers we seek here may be used only very sparingly, if at all. But experience and wisdom dictate that we are better off to be armed with these powers and not use them, than to be handicapped by not having the benefit of these powers in this important undertaking on behalf of the House.

Mr. Speaker, I urge the adoption of House Resolution 67.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Do I take it from the gentleman's remarks that some media reports that we had earlier this year that the gentleman was in favor of delaying certain activities of the committee, that those reports were erroneous?

Mr. STOKES. I would say to my distinguished friend, not only were they erroneous, but they were totally irresponsible.

Mr. WALKER. I thank the gentleman for that clarification.

There is nothing in the package that is being brought before us today which in any way would delay the work of his committee at getting about the job of pending investigations. Is that factually correct?

Mr. STOKES. I say to the gentleman that just the contrary is true. We need the authority that we are asking for in House Resolution 67 in order to be able to expeditiously complete this investigation.

Mr. WALKER. I thank the gentleman for that clarification.

Mr. RHODES. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, I rise in strong support of this resolution which is necessary to continue the Committee on Standards of Official Conduct's investigation into the Abscam matter.

I am concerned however of when the committee is going to bring forth a disciplinary recommendation against the gentleman from Pennsylvania (Mr. LEDERER.)

The gentleman from Pennsylvania (Mr. LEDERER), as we may recall, was convicted by a jury of certain felony offenses in the second week of January. I recognize that without this resolution the Committee on Standards of Official Conduct will have its hands tied behind its back to proceed in putting together a case against the gentleman from Pennsylvania (Mr. LEDERER) and bringing a recommendation to the floor.

But I wonder if the gentleman from Ohio (Mr. STOKES), the distinguished chairman of the Committee on Standards of Official Conduct, can give us some idea on when that committee will make a recommendation on the Lederer matter so that the House can do its will?

Mr. STOKES. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentleman from Ohio.

Mr. STOKES. As the gentleman knows, the gentleman having formerly served on the Ethics Committee in the past Congress, that under rule 14, which has been adopted by the Ethics Committee in this Congress, the fact

that the gentleman from Pennsylvania (Mr. LEDERER) had been convicted automatically triggered an investigation into his case.

We adopted the rules of the committee approximately 3 weeks ago, and from that point forward, then there has been an investigation into that matter.

It would be difficult for me to give the gentleman any specific timetable except to say that as he knows, the procedure under rule 14 is a truncated procedure and one that does not take a great deal of time.

Mr. SENSENBRENNER. Reclaiming my time, Mr. Speaker, I seem to recall that in the matter of Representative Michael Myers, that gentleman was convicted in Federal court at the end of August 1980. And the Committee on Standards of Official Conduct made its recommendation so that the House could vote to expel him in October 1980.

So approximately 6 weeks expired between the conviction and the House action.

Similarly in the last Congress, Representative Jenrette was convicted in October during the recess of Congress, and immediately upon reconvening of Congress in November, the committee began its actions and would have made a recommendation prior to the December adjournment if Representative Jenrette had not resigned.

So, in both of these cases, the committee consideration lasted somewhere in the neighborhood of 5 to 6 weeks. Could the gentleman from Ohio give us some kind of a ballpark figure on whether there will be a recommendation brought before this House, say, immediately following the Easter recess, which is about 6 weeks from now?

Mr. STOKES. If the gentleman will yield further, I would say to the gentleman that both of the other cases to which he has referred occurred during an ongoing Congress. In this case, we were to some degree handicapped with reference to any procedural action due to the fact that this Congress had not yet organized.

It was necessary, as the gentleman knows, for us to wait until such time as this Congress had organized and had appointed committee members before we were actually authorized to hold any committee meetings.

The gentleman knows as well as I do the approximate date of those particular organizational meetings.

We had the first meeting of the committee approximately 2 or 3 days after the committee had been officially constituted by the House, and at that time we adopted rules so that we might proceed in this Congress, prior to that time, there having been no rules to even proceed under with reference to any kind of investigation.

So, as I have indicated, this preliminary investigation has begun as a result of the triggering of rule 14 approximately 2 or 3 weeks ago, and I would say to the gentleman that in order to figure time that it probably will work in about the same amount of time that the other cases have worked now that we have actually begun the investigation.

Mr. SENSENBRENNER. Mr. Speaker, I thank the gentleman from Ohio for his remarks, and I am looking forward to voting on a recommendation from the Committee on Standards of Official Conduct relating to the case of the gentleman from Pennsylvania (Mr. LEDERER), some time shortly after the Easter recess.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. GONZALEZ) for purposes of debate only.

Mr. GONZALEZ. Mr. Speaker, I rise in order to be afforded an opportunity to raise some questions which we have not been heretofore given that opportunity, particularly at the time of the presentation of an almost identical resolution, so-called original Abscam resolution last year.

As I said, when the original resolution was presented, there was no debate. It was also a privileged resolution, and there was no opportunity to offer an amendment.

The reasons given for the resolution to begin with are quite inadequate except that there must have been some reason, and when I searched for that reason during the debate last year I discovered why.

It was section 6 as presently reincorporated and another section anterior to 6 which I notice has been changed.

It is about the only change, and where that one was a broad delegation of the privileges of the House, the exact wording was that the committee would have the right to intervene in any judicial proceeding.

Today I notice that language is changed a little bit. It says in any proceeding pursuant. The subject matter of this resolution. That is fine. But let us look at that section 6 and what it does. I was the only one voting "no" on the original resolution, and I am compelled to vote "no" again in case there is a recorded vote, for the same reason. And that is the pusillanimity—and I hate to use that word, but I cannot think of any other—in which we are through section 6 accepting secondary status as Members of the House when we are setting up categories of first-class, privileged Members of the House as compared to those who are not.

In section 6, we are talking about the committee being authorized to deny access to any member of the committee or Member of the House pursuant to an agreement entered into with the Justice Department.

Now, this goes back to the historical background of this type of provision.

You will remember that the so-called Abscam scandals in which Members of Congress were first mentioned agitated in raging form for months before this resolution was adopted.

Names were printed willy-nilly. Some of them, I must remind my colleagues, turned out to be very innocent. Nevertheless, their names were sullied, their reputations questioned, and under shadow to this date. All of that came out as a result of a leak from the Justice Department, which the Justice Department under the Attorney General then and the head of the FBI then and now said was going to be investigated. If they investigated it, they never rendered a report to any Member of the Congress.

□ 1615

It was a violation to have leaked that information out preparatory to even presenting it to a grand jury. We are getting ready to sanction that as a price for the committee to make a deal with the Justice Department to get some solicited information.

Section 6, in effect, says that if the Justice Department has a list of the Members of the House which might include or might not a member of the committee, including the chairman, they can deny this committee that information.

Now, what happened all last year and during the course of the Abscam considerations? How much of that information was selectively presented to the committee? What Member has been denied access to that, whether he is involved in an investigation or not? We do not know and I do not know that there are any rules that have been set up. For example, I have a question to ask. Suppose the Justice Department pursuant to an agreement turned over material——

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. FROST. Mr. Speaker, I yield 2 additional minutes to the gentleman.

Mr. GONZALEZ. I thank my distinguished colleague from Texas.

Suppose the Justice Department decides that it is the chairman of the committee that it does not wish to give information to. What happens then? Is there any awareness of the existence of such documentary or evidentiary material? We do not know.

Suppose it is a less fortunate member of the committee or the House in general that the Justice Department says, "We will give you this, provided they do not have access to that information."

Now, I ask you in the name of justice and self respect, if we were directing this type of action against any other citizen of the United States,

would we tolerate it without question? I do not think so, but we are doing it to ourselves as if we are saying, "Oh, under the pressure of proving our purity, we shall drag in the dust all prestigia, all basic constitutional rights;" and this is what is involved here, the right of access of information in what might be an adversary proceeding to the House for some Member. This is exactly the issue and it is just a shame that we do not have a chance to bring this up under more restrained circumstances, without rule narrowness that prevents an opportunity to offer an amendment; but be that as it might, I must ask this question.

What has been the procedure in the past? Who has made the determination that "X" member or "Y" member shall be denied access of information that the Justice Department might have?

Does my distinguished colleague and now chairman of the committee have any information along this line?

The SPEAKER pro tempore The time of the gentleman has again expired.

Mr. FROST. Mr. Speaker, I yield one additional moment to the gentlemen for purposes of securing an answer.

Mr. STOKES. Does the gentlemen yield?

Mr. GONZALEZ. Certainly.

Mr. STOKES. I would say to the gentleman that, of course, while I was not the chairman in the last Congress and have just been the chairman of this committee in the present session of Congress, to my knowledge there has not been any denial of access that was requested by any Member of Congress. That is, I am not personally aware of any Member having made such a request and having been denied.

Mr. GONZALEZ. Will the gentlemen tell me if there is not a possibility that such a thing could have happened, but my distinguished colleague might not necessarily know about it?

Mr. STOKES. I would certainly have to say to the gentlemen this could have happened without my knowledge; yes.

Mr. GONZALEZ. I thank the distinguished chairman.

These are the concerns I have, that section 6 is a clear signal to the Department of Justice with whom the Congress may develop an adversary relationship of obtaining Abscam material, that they may negotiate whether Congress has access to material to which it is constitutionally entitled, based on possible bias against individual Members.

Mr. RHODES. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of House Resolution 67. This is the same resolution, in effect, that was passed by this body in the last Congress.

My chairman has accurately and thoroughly explained the resolution. It is necessary that we have this resolution passed in order that we might proceed in an orderly fashion with the remaining cases involving Abscam.

I urge immediate passage of this resolution.

Mr. FROST. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant-at-Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 390, nays 1, not voting 41, as follows:

[Roll No. 14]

YEAS—390

Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bedell
Beilenson
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (CO)
Brown (OH)
Broyhill
Burgener
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Chisholm
Clausen
Clay
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Conyers
Corcoran
Cotter
Coughlin
Courter
Coyne, James
Coyne, William
Craig
Crane, Daniel
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Daub
Davis
de la Garza
Deckard
Dellums
DeNardis
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dornan
Downey
Dreier
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Erlenborn
Ertel
Evans (GA)
Evans (IA)
Evans (IN)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Findley
Fithian
Flippo
Florio
Foglietta
Foley
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Grisham
Guarini
Gunderson
Guyer
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Harkin
Hartnett
Hatcher
Hawkins
Heckler
Hefner
Heftel
Hendon
Hertel
Hiler
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnston
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leath
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Lowery
Lowry
Lujan
Luken
Lundine
Lungren
Marks
Marlenee
Marriott
Martin (NC)
Martin (NY)
Matsui
Mattox
Mavroules
Mazzoli
McClory
McCloskey
McCollum
McDade
McDonald
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Mottl
Murphy
Murtha
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Pepper
Petri
Peyser
Pickle
Price
Rahall
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rousselot
Roybal
Russo
Sabo
Santini
Sawyer
Scheuer
Schneider
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Simon
Skeen
Skelton
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stanton
Stark
Staton
Stenholm
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Volkmer
Walgren
Walker
Wampler
Washington
Watkins
Waxman
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Wilson
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki
Zeferetti

NAYS—1

Gonzalez

NOT VOTING—41

Adjabbo
Allasta
Boner
Breaux
Crane, Philip
Dougherty
Edgar
Evans (DE)
Fields
Fish
Ford (MI)
Hightower
Hillis
Hinson
Huckaby
Jones (NC)
Leach
LeBoutillier
Lederer
Long (LA)
Long (MD)

Lott	Perkins	Rosenthal
Madigan	Porter	Rudd
Markey	Pritchard	Savage
Martin (IL)	Pursell	Smith (AL)
McCurdy	Quillen	Vander Jagt
Miller (CA)	Railsback	Vento
O'Brien	Rangel	

□ 1630

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Railsback.

Mr. Breaux with Mr. Pritchard.

Mr. Jones of North Carolina with Mr. Rudd.

Mr. Rangel with Mr. Vander Jagt.

Mr. Perkins with Mr. LeBoutillier.

Mr. Ford of Michigan with Mr. O'Brien.

Mr. Long of Louisiana with Mr. Madigan.

Mr. Hightower with Mr. Lott.

Mr. Albosta with Mr. Hillis.

Mr. Vento with Mr. Philip M. Crane.

Mr. Savage with Mr. Dougherty.

Mr. Rosenthal with Mr. Leach of Iowa.

Mr. Huckaby with Mr. Fields.

Mr. Long of Maryland with Mr. Smith of Alabama.

Mr. Markey with Mr. Evans of Delaware.

Mr. Miller of California with Mr. Fish.

Mr. Edgar with Ms. Martin of Illinois.

Mr. Boner of Tennessee with Mr. McCurdy.

Mr. Pursell with Mr. Quillen.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FROST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONGRATULATING GOVERNMENT AND PEOPLE OF SPAIN ON COMMITMENT TO DEMOCRACY

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 85) congratulating the Government and people of Spain on their commitment to democracy, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. BROOMFIELD. Mr. Speaker, reserving the right to object, I do so in order to yield to the gentleman from Wisconsin (Mr. ZABLOCKI) for the purpose of explaining the purpose of this resolution.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman from Michigan for yielding.

This is a noncontroversial resolution and a very timely one.

A number of countries throughout the world experience threats by both external and internal forces in their efforts to establish a democratic form of government. The response of Spain to one such recent threat is particularly admirable and encouraging.

As my colleagues know, Spain's commitment to democracy was put to the test with the seizure of the Spanish Parliament building by a faction within Spain's paramilitary forces. In attempting the takeover, the rebels made a crucial mistake in underestimating King Juan Carlos' strong and determined dedication to Spain's young democracy. His response to the rebels provides an inspiring example to those of us who place freedom above all else.

King Juan Carlos' extraordinary accomplishment, however, may not have been possible had the people of Spain and the military establishment not demonstrated their strong confidence in him and the democratic ideal he fought to uphold. Our best wishes therefore extend to all the citizens of Spain who share our belief in the democratic process. Let us all hope that the people of Spain will continue to work together to resolve their economic and social problems in a democratic manner.

Our pleasure with the outcome of this crisis extends beyond our concern for the people of Spain. It is in the U.S. national interest to be able to count Spain among our Western European Allies. Surely, we all look forward to the strong participation of Spain in NATO as we seek to fortify the Western alliance. Our Treaty of Friendship and Cooperation with Spain is another critical factor in defending U.S. security interests abroad. United States access to Spanish military facilities could prove essential in assisting us to guarantee the security and self-determination of our friends in the region. Therefore, the reaffirmation of Spain's young democracy serves both Western and Spanish interests.

It is for these reasons that I feel that congressional acknowledgment of the courageous actions of King Juan Carlos and the Spanish people is desirable. I therefore introduce today a concurrent resolution congratulating the Government and people of Spain on their commitment to democracy. The acknowledged support of the U.S. Congress will hopefully serve to advance the cause of democracy in Spain and the strengthening of United States-Spanish relations.

I would also like to thank the distinguished majority and minority leaders of the House, JIM WRIGHT and BOB MICHEL; the ranking minority member of the Committee on Foreign Affairs, Mr. BROOMFIELD; and the chairman and ranking minority member of the Subcommittee on Europe and the Middle East, Messrs. HAMILTON and FINDLEY, as well as Mr. BINGHAM for joining me in cosponsoring this resolution.

Mr. Speaker, I urge adoption of the resolution.

□ 1645

Mr. BROOMFIELD. Mr. Speaker, I thank the chairman for his explanation and, further reserving the right to object, I would like to make my own comments at this point.

Mr. Speaker, the new and fragile democracy of Spain has just survived a major test. King Juan Carlos and the people of Spain are deserving of our heartiest congratulations for turning back a coup attempt that would have destroyed Spain's fledgling democracy. It was a serious test of the country's democratic process and of the leadership of the King, a test that was fully met.

I am confident that out of this traumatic event will come an even greater appreciation of democracy and the need to protect it from its enemies.

The personal courage of King Juan Carlos, who made clear to the conspirators that "they would have to put two bullets in [him] before they took over" convinced the rebels that they were facing a determined adversary. His personal appeal to each of Spain's regional military commanders assured their loyalty and convinced them of his determination to keep Spain a democracy.

Having won the military commanders' support, he went on national television to assure the people of Spain that he would not tolerate the interruption of the democratic process by force.

The Spanish people's overwhelming and joyful demonstrations, shouting their support of "liberty, democracy, and the constitution," are evidence that Spain is committed to the democratic process.

The continued progress of Spain toward development of democratic traditions is important to the United States and other democracies. I want to express my heartfelt congratulations to the people of Spain and their elected Government and urge support for the resolution.

Mr. LAGOMARSINO. Mr Speaker, will the gentleman yield?

Mr. BROOMFIELD. Further reserving the right to object, I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Speaker, I want to congratulate the chairman of the Committee on Foreign Affairs and the ranking minority member, the gentleman from Michigan (Mr. BROOMFIELD), as well as the majority leader of the House and

the minority leader of the House for sponsoring this resolution.

I think too often we think that because something happened it was bound to happen and now we say, well, the coup did not succeed, it failed, it was nothing to worry about. There was really nothing to it. It was not that great a threat after all.

That may be true in hindsight, but certainly when the King was there with the Parliament seized he had no way of knowing that. His action in going on television and challenging the military might, and at that time he did not know how strong it was or how many were committed to the coup, was an act of rare personal bravery and great statesmanship.

So I certainly think it is in order that we congratulate the King, the Government of Spain, and certainly, above all, the Spanish people for their strong commitment to democracy and in showing the way for many other countries in the world.

I ask that the resolution be supported.

Mr. BROOMFIELD. Mr. Speaker, I withdraw my reservation of objection and urge the passage of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin (Mr. ZABLOCKI)?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 85

Whereas the lawless seizure of the Spanish parliament by insurrectionist elements of Spain's paramilitary forces constituted a threat to the continuation of democracy in Spain; and

Whereas King Juan Carlos' personal appeal to maintain respect for peaceful constitutional order in Spain indicates the depth of his support for stability and democracy; and

Whereas the commitment of the clear majority of Spain's armed forces to remain loyal to King Juan Carlos and the Spanish democracy was instrumental in restoring lawful control of Spain's parliament; and

Whereas large scale public demonstrations by the Spanish people indicate the broad base of popular support for constitutional democracy government in Spain: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the restoration of the normal business of the Spanish parliament in the aftermath of its outrageous military seizure symbolizes the strength of democracy in Spain and provides inspiration to all people everywhere who love freedom; and

(2) the continued democratic political development in Spain makes an important contribution to the foreign policy interests of the United States and the free countries of Western Europe.

SEC. 2. The Congress congratulates the government and people of Spain on their commitment to democracy and looks forward to the continuation and expansion of close and cordial relations between the United States and Spain.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERSONAL EXPLANATION

Mr. O'BRIEN. Mr. Speaker, when the vote was taken on House Resolution 67 I was unavoidably delayed.

I would like the RECORD to show that had I been here on time I would have voted "aye."

PRESIDENT'S TAX CUTS WILL HELP ECONOMY

(Mr. ROEMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROEMER. Mr. Speaker, I believe the President of the United States is correctly attacking one of the prime causes of inflation and high interest rates in America by recommending sizable cuts in Federal expenditures. Each of our districts will suffer from the general and specific cuts.

I firmly believe, however, that if the cuts are deep enough and if they are combined with genuine tax reform and governmental deregulation, America can grow stronger economically again.

I ask only that the cuts be fairly distributed and concentrated in areas of obvious waste.

I am inserting in the RECORD today a speech that I gave 2 weeks ago to the Red River Valley Association in Louisiana regarding their key $1.7 billion water project. We in Louisiana, as I said then, are willing to sacrifice, but to make this recovery work we must all join together in a critical review of our budget, item by item, line by line.

REMARKS MADE BY CONGRESSMAN BUDDY ROEMER TO THE RED RIVER VALLEY ASSOCIATION, FEBRUARY 18, 1981

Our nation faces an economic crisis that can be resolved only if we break the inflationary psychology gripping us. The key to this victory is immediate progress toward fiscal restraint, governmental deregulation, and tax reform.

The President is in the process of recommending a number of Budget Cuts designed to reduce the deficit, lower interest rates and combat inflation. I will support the President in our fight to control the Federal Budget.

Although it will be some days before we receive the President's recommendations in detail, I expect that many Public Works projects, including Red River Navigation, could be cut back, perhaps sharply.

This belief is reinforced by early indications that many, many programs will be curtailed. For example, the Farmers Home Administration could be cut by more than 25%, the Rural Electrification Administration by more than 50%, the Department of Transportation by 15%, regulatory agencies by up to 50%, CETA by up to 30%, etc.

Unfortunately for your Association, Red River Navigation suffers not only from a national need to reduce expenditures but also from a marginally positive benefit-to-cost ratio—less than 1.2 to 1.0. This lackluster ratio is worsened by the discovery that the interest rate charged against this project is only 3¼%. At 5% the project is a toss up, and at 7½% the project is decidedly of negative benefit.

Fortunately, this marginal benefit-to-cost analysis is assisted when other, yet to be calculated, gains are measured. For example, hydroelectric power could be a major plus as oil and gas prices increase. Drinking water for urban areas is in my opinion more important than the Corps has heretofore calculated. Recreational development is difficult to measure, but is a definite plus. Rural development and minority participation should be aggressively pushed by your Association under former President Carter's 1980 program and could greatly boost the economic benefits from the project. Additionally, the rate competition with existing carriers will result in transportation savings for business and industry in the Red River Valley.

Finally, economic justification of the project would be enhanced if your Association would join with others and ask for a reasonable use fee structure to be implemented along the waterway. Such fees could be used to defer maintenance and construction costs and would adhere to a long tested free enterprise principle that those who benefit through the use of the project share the burden of the costs of the project.

Frankly, I-49 has a much superior claim to a portion of the limited dollars of the Federal government due to the gasoline taxes and fees deposited in the Highway Trust Fund ($11 billion at present). This money is dedicated by law to the completion and maintenance of the Interstate Highway System.

The Red River Waterway system could enjoy the same superior claim if it would join in the attempt to implement a reasonable fee structure for waterway use.

Since I am a member of the Public Works Committee, and in fact have just been appointed the 5th ranking Democrat on the Water Resources Committee, I look forward to a close working relationship with your Association. Please note that I am a skeptic when it comes to massive expenditures of our tax money without a close understanding of the economic benefits, without carefully thought out plans for maximum efficiency in making expenditures, and without

a sensitivity to the obvious needs of our nation.

The Red River project has been authorized by the U.S. Congress, but it should be constructed only as the nation's finances permit and as the project's economic benefits justify it.

There is much that the Red River Valley Association can do to develop the economic benefits relative to this project, and thereby make your long felt dream a reality.

MANDATORY PRISON SENTENCES FOR USE OF FIREARMS IN FEDERAL CRIMES

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ANDERSON. Mr. Speaker, I want to call our colleagues' attention to legislation I have introduced, H.R. 27, which, when enacted, will provide for a mandatory, minimum 5-year prison sentence on those individuals convicted of committing Federal crimes involving the use of firearms.

With the additional Members whose names are being added to H.R. 27 today, we have already secured over 100 cosponsors this year, just 9 weeks into the 97th Congress.

COSPONSORS OF H.R. 27

Anderson of California, AuCoin of Oregon, Bailey of Pennsylvania, Barnard of Georgia, Beard of Tennessee, Bedell of Iowa, Benjamin of Indiana, Bennett of Florida, Bevill of Alabama, Bonior of Michigan, Brown of Ohio, Chappell of Florida, Coelho of California, Coleman of Missouri, Corcoran of Illinois, Corrada of Puerto Rico, Courter of New Jersey, Coyne, James of Pennsylvania, Craig of Idaho, Daniel of Virginia, Dannemeyer of California.

Davis of Michigan, de Lugo of Virgin Islands, Derwinski of Illinois, Downey of New York, Dreier of California, Duncan of Tennessee, Dwyer of New Jersey, Dyson of Maryland, Eckart of Ohio, Edgar of Pennsylvania, English of Oklahoma.

Ertel of Pennsylvania, Evans of Georgia, Fazio of California, Ferraro of New York, Forsythe of New Jersey, Gibbons of Florida, Gilman of New York, Ginn of Georgia, Glickman of Kansas, Gore of Tennessee.

Green of New York, Grisham of California, Harkin of Iowa, Hefner of North Carolina, Hightower of Texas, Hinson of Mississippi, Horton of New York, Howard of New Jersey, Ireland of Florida, Johnston of North Carolina.

Jones of Oklahoma, Kogovsek of Colorado, Kramer of Colorado, Lagomarsino of California, Lent of New York, Levitas of Georgia, Lowery of California, Lowry of Washington, McCloskey of California, McHugh of New York.

McKinney of Connecticut, Madigan of Illinois, Marriott of Utah, Martin of North Carolina, Mazzoli of Kentucky, Miller of California, Mineta of California, Minish of New Jersey, Mollohan of West Virginia, Murphy of Pennsylvania, Neal of North Carolina.

Panetta of California, Parris of Virginia, Pashayan of California, Pepper of Florida, Pickle of Texas, Price of Illinois, Rahall of West Virginia, Robinson of Virginia, Rudd of Arizona, Sawyer of Michigan, Schneider of Rhode Island.

Simon of Illinois, Smith of Alabama, Stangeland of Minnesota, Stark of California, Stenholm of Texas, Stump of Arizona, Trible of Virginia, Walker of Pennsylvania, Wampler of Virginia, Waxman of California.

Whitehurst of Virginia, Wilson of Texas, Wirth of Colorado, Wolf of Virginia, Won Pat of Guam, Wyden of Oregon, Young of Missouri, Zeferetti of New York, Burgener of California, Huckaby of Louisiana.

It is evident that through the broad bipartisan support H.R. 27 has attracted, this is an important, badly needed piece of legislation and an idea whose time has come. The law-abiding citizens of this Nation want the criminal to know that if he uses a gun in the commission of a Federal crime he will go to jail. They believe, as I do, that this will deter some potential criminals before they act. And those who go ahead and commit the crime, and are convicted, will not have the opportunity to soon repeat their offense. They will be in prison.

Results compiled by the GMA Research Corp., an independent national market and opinion research firm, indicate the nationwide support for mandatory sentencing. Among the many questions posed to 34,000 randomly selected law enforcement officers—including 14,000 chiefs of police, 3,000 sheriffs, and 17,000 rank-and-file policemen—3 specifically dealt with mandatory sentencing. The results are as follows:

First. If a law were passed demanding a mandatory prison sentence for all persons convicted of committing a felony with a firearm, what effect do you feel this would have on the crime rate?

[In percent]

Substantially reduce crime	43.5
Reduce crime somewhat	48.8
No effect on crime	7.3
Increase crime	.1
No opinion	.4
Grand total	100.0

Second. If a law were passed demanding a mandatory prison sentence for all persons convicted of committing a felony with a firearm, what effect do you feel this would have upon the crime rate amongst repeated offenders?

[In percent]

Reduce crime somewhat	81.6
No effect on crime	17.1
Increase crime	.3
No opinion	1.0
Grand total	100.0

Third. Which of the following policies do you feel would most effectively serve to reduce the crime rate with firearms?

[In percent]

Outlaw the possession, sale, importation, and ownership of all handguns	3.1
Impose the Federal registration of all firearms	4.4
Impose the Federal licensing of all firearms owners	4.0
Retain the laws presently in effect	5.5
Impose mandatory sentencing of firearms offenders	80.2
No opinion	2.2
Grand total	100.0

Mr. Speaker, the results clearly demonstrate that, among law enforcement officers, there is strong support for a mandatory sentencing approach to reduce our skyrocketing rate of violent crime. It is high time that we, as responsive elected officials, take the bull by the horn on this issue and quit coddling those who threaten the well-being of our constituents.

I would like to stress that this legislation has nothing to do with gun control but is rather a practical approach to crime control. Those who favor gun-control legislation are free to work for that, regardless of the status of H.R. 27.

I hope that more of my colleagues will join in sponsoring H.R. 27 which is directed at the criminal who abuses the gun; the individual who, through his own actions, jeopardizes the rights and lives of honest, law-abiding citizens. H.R. 27 does just that.

HIGH INTEREST RATES—THE REAGAN PROGRAM FOR CONTINUED RECESSION AND UNEMPLOYMENT

(Mr. ST GERMAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ST GERMAIN. Mr. Speaker, the House Committee on Banking, Finance and Urban Affairs held its semiannual Conduct of Monetary Policy hearings last Thursday. Federal Reserve Chairman Volcker told the committee in those hearings that his money growth targets for 1981 will be even lower than those of 1980. These reduced targets mean that the American people will suffer through 1 more year with interest rates as high, or even higher, that the punishing rates of 1980.

Last year's stratospheric interest rates hurt many sectors of our economy, mainly housing, automobiles, small businesses, and, of course, most heavily, the working people of this country.

We all know the terrible year housing has experienced. Single-family home sales declined throughout 1980, and the first few months of 1981 give no indication that purchases are coming back to life. Yesterday the Commerce Department released figures showing that new home sales fell by 6.5 percent in January, and spokesmen for the Department blamed the drop on continued high interest rates.

Is it any wonder that more homes are not being built and sold when interest rates make moderate priced housing too expensive for middle-income Americans? Today a standard 30-year mortgage for $55,000 would cost $850 per month at a mortgage interest rate of 16 percent—which people have to pay today in many parts of the country if they want a mortgage. Mr. Speaker, according to traditional bank calculations, at best 21 percent of American families could qualify for mortgages under those conditions. The results are obvious and devastating. The vast majority of working people of this country, cannot afford a home.

We all know what has happened to our automobile industry because of high interest rates. All major American automakers lost money last year, and it has been recently reported that Chrysler set a record for losses last quarter. Millions of autoworkers and workers in the auto supply industry are unemployed. In fact, the impact on cars has been so great that some refer to our recession as an "auto bust." Cars are highly discretionary purchases. People will put off buying new cars with interest rates at their current level. Continued high interest policies by the Federal Reserve and the Reagan administration could make 1981 the second consecutive disaster year for the automobile industry.

Less well known, but perhaps more harmful to our overall economic recovery efforts, is the effect of crushing interest rates on small businesses throughout the country. Small businesses account for the vast majority of new private sector jobs, Mr. Speaker. Yet in the midst of a so-called program for economic renewal, the administration has struck a monetary accord with the Federal Reserve Board which virtually guarantees another year of punishing interest rate levels. High interest rates helped to set a post-World War II record for bankruptcies last year, and the administration has told us they will continue those policies for 1981. Bankruptcies were up 58 percent in 1980, compared to 1979. This is the highest year-on-year increase in 35 years. Over 11,000 businesses closed their doors during 1980, and most of them were small businesses. Over 90 percent of those failures were businesses with less than $1 million in liabilities.

Small businesses are particularly vulnerable to high interest rates. They cannot borrow, even at the phantom prime rate, but they must borrow, at whatever rate, simply to maintain inventories.

The Banking Committee's Subcommittee on Domestic Monetary Policy will be holding hearings in 2 weeks, and one of its main concerns will be with the plight of small businessmen. With all the talk of vast reindustrialization programs, we must not forget that millions of small businessmen form the backbone of our economy, and that they operate on narrow profit margins which are squeezed even tighter by high interest rates.

But while industry and business are hard pressed by high interest rates, the ultimate burden falls on the workers who are thrown out of work as the recession gains steam. To even think of increasing the recessionary pressures on the economy, in the face of 8 million unemployed workers, is a heartless and cynical turning from the goals of full employment to which this country is allegedly dedicated. I am not sure what President Reagan and Chairman Volcker feel these workers have done that justifies their sacrifice so that the rest of us may live easier, but I am sure that we cannot stand by idly while the Government turns the screws one more time, and squeezes 1 million more people onto the unemployed lines during 1981.

Mr. Speaker, there is no easy answer to this problem of monumental interest rates. We cannot, as some would have us do, simply bring rates down 10 percent overnight. Interest rates must come down as the general economic outlook improves during the next few years. But the least we can ask of the Federal Reserve Board, and of the Reagan administration, in their new monetary record, is that they do not compound the tight money policies of the past year by further slowing the growth of money for 1981, thus bringing on even higher interest rates for the coming year.

The Federal Reserve told us last week that they predicted unemployment could rise by over 1 million people in 1981—to over 9 million people. The leading economic indicators for the most recent months are uniformly down. Yet the Federal Reserve is telling this country that it will continue to pursue recessionary policies in the face of a declining economy. Many economists predict renewed interest rate pressures from these policies, toward the end of the year. These pressures could drive interest rates into the mid-twenties. This may be good news for large banks, and those lucky enough to afford $10,000 Treasury bills. But for the millions of people who work for $10,000 to $15,000 a year, it means 1 more year of trying to survive. For thousands of other workers and small businesses it will mean the year they will stop participating in the economy altogether—they will become unemployed or go bankrupt.

IN SUPPORT OF THE POSITION OF ASSISTANT SECRETARY FOR TERRITORIES

(Mr. SUNIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SUNIA. Mr. Speaker, the territories are waiting, and wondering, with a great deal of hope, that the President and the Secretary of the Interior will not downgrade the level of Territorial management to that of an office director. There are reports that the post of Assistant Secretary for Territorial Affairs at the Interior Department may soon become victim to the cuts.

In the near 100 years that we have been a territory of the United States, the most significant recognition that has come our way, in the way of management of our concerns, was the elevation of the manager of those concerns from that of an office director to that of Assistant Secretary.

The very size of our Federal Government, and the intricacies of overlapping and intertwining agency responsibilities, make it extremely difficult for small entities, like our territory, to work out their problems. It was indeed a stroke of wisdom when they elevated the position of the Territorial Director to that of Assistant Secretary last year. Congress approved, because Congress realized that the manager of our concerns has to have standing that can cut through redtape.

I stand here to testify to the marked change in management of our affairs, when the job was given to an advocate with a clout. Now we hear reports that we may lose the recognition and the clout to cuts. That in my view, Mr. Speaker, would be a sad and serious mistake.

I say these words without disrespect to the abilities and the integrity of the men and women who have served us well and ably in the post of Director of Territories, but the honest truth is, Mr. Speaker, their efforts were continuously frustrated because they lacked high authority. For in addition to cutting their way through Interior itself, they must also carry some recognition when they advocate our concerns with other departments and agencies. That is very important.

Finally, Mr. Speaker, we as a territory, are indeed "America" in the South Pacific. We are all that is American in the south seas. Surrounding us are all kinds of islands that have become independent or are in various states of such development. While we have no such aspirations, I certainly would like to remind you and my colleagues here of the indignity of having to face those neighbors with a reduced status of Federal recognition. I would much rather not go to those South Pacific conferences and interisland get-togethers any more. They will just look at us as being some program managed by an office director somewhere in Interior.

I know some people will say that these views lead to the establishment of a post that is an unnecessary expense. I do not make these comments because I have some complex, Mr.

Speaker. I make them because they are important and real. And I am not alone. Members of this body who have dealt with Territorial problems for years and possess wide experience about these matters, have expressed views similar to mine, and supportive of the continuation of the Assistant Secretary post.

In conclusion, let me voice a truth we all know and must appreciate. The Secretary of the Interior never has enough time for the territories. No one complains about that because we all recognize that there are issues of greater national implication to which he must direct a great deal of his attention. For us, that is fine. Let us have the Assistant Secretary; that is good enough.

We must not forget that we are governed by Governors elected by the people, and by legislatures elected by the people. Do we not deserve relationship to the secretarial level? I think we do, sir. And I think the administration will find that this suggestion will work to the benefit of the territories as well as the Federal agencies concerned. Thank you.

INTRODUCTION OF FOREIGN TRADE ANTITRUST IMPROVEMENTS ACT OF 1981

(Mr. RODINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RODINO. Mr. Speaker, I am introducing today, along with the gentleman from Illinois (Mr. McCLORY), the Foreign Trade Antitrust Improvement Act of 1981, a bill to amend the Sherman and Clayton Acts to clarify the international application of U.S. antitrust laws.

During the past several years the U.S. position as a competitive international trading nation has eroded. Our position is not nearly as dire as some suggest but the staggering increases in oil prices throughout the last decade have clearly ended the era when the United States could persistently maintain a large trade surplus. Other factors, such as elimination of the fixed monetary exchange rate and increased competition for high-technology markets, have heightened this problem. There is a manifest need for more aggressive, competitive participation by American firms in the international marketplace.

Business representatives frequently claim that the uncertain international reach of the antitrust laws has prevented desirable participation by American producers in the export market. Specific complaints identify the uncertain status of joint ventures and the failure of the Webb-Pomerene Act to exempt export trade associations providing services as significant problems. This bill will resolve those difficulties.

The Supreme Court has held that section 7 of the Clayton Act applies to joint ventures when the participants form a separate corporation and purchase the new venture's stock. Section 7 prohibits acquisitions that may substantially lessen competition and attacks potentially anticompetitive market concentration in its incipiency. Businessmen must, therefore, exercise caution when forming such ventures. This bill would exempt joint ventures that are limited to export trading.

This does not mean that export-related joint ventures are free of all antitrust restrictions. They remain subject to the Sherman Act, but the stringent "incipiency" standard of section 7 would not apply.

The bill also modifies the Sherman Act to more clearly establish when antitrust liability attaches to international business activities. The Sherman Act prohibits restraints of trade or commerce with foreign nations. This bill will establish that restraints on export trade only violate the Sherman Act if they have a direct and substantial effect on commerce within the United States or on a domestic firm competing for foreign trade. It allows American firms greater freedom when dealing internationally while reinforcing the fundamental commitment of the United States to a competitive domestic marketplace.

Foreign entities, including sovereigns, may currently sue American firms that restrain trade abroad even if the activity has no domestic impact. This amendment would eliminate that possibility. There would be no violation unless the restraint on export trade has a direct and substantial effect on American commerce or competitors.

The major deficiency of the Webb-Pomerene Act would be corrected by this amendment to the Sherman and Clayton Acts. Associations exporting services will not violate the Sherman Act unless they engage in activities that have the proscribed domestic effect.

The intense interest in export promotion has generated numerous legislative proposals during the last several years, some of them incorporating a certification process which could require clearance by a number of different Government agencies. I am concerned about the prospect of increasing Government regulation at a time when the costs of regulation and added bureaucracy are uppermost in all of our minds. Indeed, the burden of an application process, the disclosure it may require, and the constant risk of Government intervention and regulation may impede, rather than stimulate, exports. The bill I am introducing today provides the certainty potential exporters desire without imposing undesirable governmental intervention. Mr. McCLORY has joined me as a cosponsor of this bill. I welcome his support and believe this approach, which directly attacks the problem of uncertainty without creating a needless bureaucracy, will enjoy bipartisam support.

It would be unwise in my opinion to expect any modification of the antitrust laws to expand the U.S. export trade dramatically. No antitrust exemption can eliminate the added costs and risks of dealing in foreign markets. Ultimately, only increased productivity and efficiency will insure American producers a significant role as competitors in the international marketplace. At the same time, the uncertainty of antitrust constraints has remained a strong concern to potential exporters; that concern is remedied by this bill. Those engaged solely in export trading activities need not be concerned about the antitrust laws so long as their activities do not have a substantial adverse effect on domestic commerce or competitors.

INTRODUCTION OF THE FOREIGN TRADE ANTITRUST IMPROVEMENTS ACT OF 1981

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, the Foreign Trade Antitrust Improvements Act of 1981, which I am cosponsoring today with Mr. RODINO, squarely addresses the complaint voiced by American exporters and potential exporters that their actions are inhibited by uncertainty regarding the scope and effect of our antitrust laws, and it does so without establishing a bureaucratic apparatus which would confer antitrust immunity at an uncertain cost in Government redtape and possible anticompetitive domestic effects. By clarifying the law, it will especially help those small- and medium-size businesses which many are convinced have the greatest potential for making a significant contribution to our volume of export trade.

While our 1980 trade deficit declined from the previous year, from $29.384 billion to an estimated $26.735 billion, the deficit obviously remains an extremely serious problem which must be overcome by the concerted efforts of our exporters, our labor force, and our Federal Government, including this Congress. Some exporters have expressed concern about the extraterritorial reach of U.S. antitrust laws and their application to certain types of international transactions, although a comprehensive study of export disincentives published last year by the Department of Commerce and the Office of the Special Trade

Representative expressly did not include the antitrust laws among the major export trade disincentives, and no specific instances of those laws unduly restricting exports were shown. I believe that that concern, which is fundamentally born of uncertainty, should be greatly alleviated by the prompt passage of this legislation. It is abundantly clear, of course, that the major disincentives which have been identified, such as taxation of foreign earned income, export controls, the Foreign Corrupt Practices Act, and other significant factors will also have to be dealt with by this Congress, and I anticipate giving my support to measures which appropriately address these problems.

The Foreign Trade Antitrust Improvements Act would amend the Sherman Act, which prohibits restraint of trade or commerce with foreign nations, to provide that it "shall not apply to conduct involving trade or commerce with any foreign nation unless such conduct has a direct and substantial effect on trade or commerce within the United States or has the effect of excluding a domestic person from trade or commerce with such foreign nation." In other words, no violation will lie unless the restraint on export trade has a direct and substantial effect on our domestic commerce or on a domestic competitor. This legislation will send to the export business community the clear signal that it appears to need in order for it to compete with greater confidence and freedom of action in the international marketplace, and it should also help to deter unjustified private and governmental actions against exporters. It has the great merits of clarity, brevity, and effectiveness. In my judgment, the proper response to exporters who feel that the law is unclear is to clarify the law rather than to establish complex bureaucratic licensing procedures. Such procedures in themselves may prove to be as intimidating to the small exporter as the perceived lack of clarity in the law is today.

I find it fundamentally unfair that under section 4 of the Clayton Act, foreign persons, including sovereign nations, may bring actions against American firms for restraint of export trade even though their conduct has no domestic ramifications. Many of these, including Germany, Austria, and the European Community, have domestic-effects standards in their own antitrust laws which allow their own citizens to restrain trade in purely export activities, and many more have no antitrust laws whatsoever to which Americans may have recourse. The former can hardly complain if we make a domestic-effects standard part of our own statutory law, and the latter may be inspired by this legislation to enact their own antitrust laws, a not unwelcome development to anyone who cares about competition in the marketplace. After enactment of the Foreign Trade Antitrust Improvements Act, direct and substantial effects on our domestic trade or commerce or the effect of excluding a domestic competitor will have to be found in order for a foreign sovereign or other entity to bring an action in our courts.

The bill also amends section 7 of the Clayton Act, which prohibits acquisitions which may be anticompetitive or tend to create a monopoly, to exempt from that section "joint ventures limited solely to export trading, in goods or services, from the United States to a foreign nation." The existing very stringent statute may have prevented some American companies in competition with each other from forming joint ventures to compete for overseas business. The bill eliminates section 7 as an impediment to the formation of such useful and necessary combinations, while preserving review under the Sherman section 1 restraint-of-trade standard as amended.

It remains to be noted that this legislation responds to a major criticism of the Webb-Pomerene Act by allowing export trade associations to export services as well as goods, wares, or merchandise, subject to the constraints of the Sherman Act. The inclusion of services within the coverage of Webb-Pomerene was an important recommendation of the National Commission for the Review of Antitrust Laws and Procedures, on which I was privileged to serve.

Mr. Speaker, I regard this legislation as an important proposal which will contribute to the reduction of our trade deficit in years to come through its encouragement of more effective export trade efforts by American firms. In conclusion, I would point out that this measure is being introduced today by both the chairman and the ranking minority member of the Committee on the Judiciary. With this initial bipartisan sponsorship, I am encouraged to believe that this bill will attract the widespread support from both sides of the aisle which I strongly believe it deserves.

HOUSE EXPORT CAUCUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

(Mr. ALEXANDER asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, for the last several years I have been chairing the Export Caucus in the House of Representatives. Yesterday, the House Export Task Force held its organizational meeting for 1981 to elect new officers. They are the Honorable DON BONKER, chairman; the Honorable LES AUCOIN, first vice chairman; the Honorable BILL FRENZEL, second vice chairman, and myself, secretary.

The executive committee is to be announced at a later date.

My initial concern in organizing this caucus was that the United States was not active enough in trying to build markets abroad for American products and services. My district in Arkansas depends very heavily on export markets for the sale of Arkansas products and it is of fundamental concern to my constituents that our export channels be as open and efficient as possible.

During my travels abroad and my conversations with Americans living in many overseas countries, I have become aware of several new dimensions to a larger issue that embraces the export question. This issue is how to strengthen the overall role of the United States in the economic, political, and ideological marketplaces of the world.

There is a strong perception at home, and particularly abroad, that something is gravely amiss in our present approach to defining our Nation's proper role in the world today. One proposed solution to this perception of inadequacy is to increase our spending on armaments and strengthen our Armed Forces. I have no quarrel with such advocates, but I do question the extent to which they have considered all of the elements that enter into the complicated calculus of the national interest and its promotion and protection abroad.

Mr. Speaker, it is my conviction that the greatness of our country is defined and manifested by the efforts of our individual citizens. The projection of our ideals and the demonstration of the productivity of our renowned pragmatism comes to those abroad through the efforts and influence of our citizens who live and work abroad. It is in the day-to-day life of our private citizens abroad that the most fundamental aspects of the promotion and defense of the national interests of the United States are carried out.

When I examine the myriad problems facing our American citizens who live abroad, I am dismayed by the evidence that the United States does not have a coherent policy position in regard to how such citizens should be treated while they are away from home, and what competitive standing they should have when they confront citizens of other countries in the most vital markets of the world.

I am very dismayed by the fact that the United States alone has chosen a tax philosophy in regard to our citizens abroad which guarantees that American citizens will always have a competitive disadvantage no matter where they live abroad. Some recent

attempts have been made to alleviate certain aspects of this competitive disadvantage, but no proposal yet introduced would bring the overseas American to full equality with competitors from other nations.

It is for this reason, Mr. Speaker, that I will introduce a bill to transform our tax approach toward our overseas citizens from one based upon citizenship to one based upon the locus of residence of such citizens. This is precisely the philosophy and practice of all of our competitors abroad. And, it is important to add that upon the enactment of this legislation, the overseas American would not enjoy any competitive advantage over citizens of any other country abroad, but would no longer suffer severe competitive disadvantage as now is unfortunately the case in so many of the most critical areas of the world.

The American entrepreneur abroad does more to build respect and admiration for the free enterprise system than all the tanks and airplanes we could ever deploy. The thoughtful and dedicated overseas American does more to bring about a better understanding of our political ideas and institutions than all of the propaganda expenditure we might be tempted to use as a substitute. The economic development of the rest of the world, and the creation of markets for American products, are fostered more by dedicated U.S. entrepreneurs than by all of our bilateral and multilateral assistance programs combined.

What I am saying, Mr. Speaker, is that the best possible weapon we could deploy to build a stronger America, to assert global leadership and help make a better world is to unleash the reins that we have used to restrain and frustrate our own citizens.

Capitalism will produce a better life for the underdeveloped nations than communism if allowed to compete equally.

At the same time we will be increasing our exports and creating jobs for our own constituents at home. Our present policies have unwittingly been doing the Kremlin's work in reducing the size and the effectiveness of our American private citizen presence abroad. It is time we took a better look at the way we have been treating our overseas citizens and analyzed their contribution from the perspective of how appropriate they are to the furthering of all of our long-term goals throughout the world. I am convinced that all such analyses will conclude that we must help, not hinder, our best resource abroad, our own people, the American citizen abroad.

Mr. Speaker, I urge all of my colleagues on both sides of the aisle to give careful consideration to my proposal for reform of our present tax practices which could bring such bountiful rewards to all Americans at home and abroad.

In addition to this needed reform of our tax practices, we should also focus on other issues which make it difficult for Americans to live and represent us overseas. We should address as a matter of urgency the following additional questions:

Assuring that children born abroad to an American citizen parent are not deprived of their U.S. citizenship;

Assuring that Americans working abroad receive the social security and medicare benefits which they are paying for while abroad; and

Assuring that children living abroad are not being unnecessarily deprived of educational benefits under the various Federal benefit programs now in existence.

One means of assisting the Congress in better understanding the complex problems that face our American citizens living abroad, and in helping us to identify the most appropriate means of solving them, would be to establish a nonvoting delegate in the House of Representatives to be elected by, and to represent the 2 million Americans now living abroad. I shall be introducing legislation in a few days to accomplish this representation.

Mr. Speaker, my 4 years as chairman of the House Export Caucus have taught me many things. The international marketplace is complex and ferociously competitive. We must make a much more energetic effort to understand this competition and we must insure that our own citizens have the best possible competitive standing in this market. We must act now.

I look forward to working with Chairman BONKER and the other members of the task force.

As one of the duties of the outgoing chairman I would like to summarize the history of the Export Task Force for the benefit of my colleagues.

On September 21, 1978, I, along with 13 of my colleagues representing 5 committees formed the House Export Task Force (ETF). The original task force consisted of myself, TOM FOLEY, CLEMENT ZABLOCKI, Al Ullman, HENRY REUSS, JONATHAN BINGHAM, John Slack, STEVE NEAL, JIM JONES, BILL FRENZEL, DAN AKAKA, BARBER CONABLE, LEE HAMILTON and Charles Vanik.

At a luncheon that day, we voted to organize as the Export Task Force in order to provide a forum for all Members of the House who are members of committees having jurisdiction over foreign trade issues or who have an interest in foreign trade to assemble regularly to share information, ideas, and goals on how best to resolve foreign trade matters.

Since that time the Export Task Force has added LES AUCOIN, our new first vice chairman, SAM GIBBONS, JOHN LAFALCE, DON BONKER, the new chairman of the Export Task Force, FRED RICHMOND, IKE SKELTON, GILLIS LONG, and TONY COELHO. Over a year later in 1979, the Senate acted to form the Senate Export Caucus, giving further credence that the House acts and the Senate reacts.

Early in 1979, I and other members of the ETF in order to get a handle on trade problems which would face the 97th Congress arranged with the Congressional Research Service (CRS) of the Library of Congress a series of dinner/seminars.

The first of these CRS/ETF meetings was held February 27, 1979, on "The U.S. Trade Deficit: Diagnosis and Prescription." Speakers were Ralph Bryant, a senior fellow with the Brookings Institution and Larry Fox, vice president for International Affairs of the National Association of Manufacturers. Al Reifman, a CRS senior specialist in international economics, served as moderator.

The second session was held June 12, 1979, on "Federal Export Policies and Programs," John Babson of Ingersoll-Rand and Vincent Rocque, director of the Anti-boycott Compliance Staff were the main speakers. George Holliday, an analyst in international trade and finance with the CRS moderated.

Our third session of the ETF dinner/seminar series was held July 31, 1979. Arthur Downey, former Deputy Assistant Secretary of Commerce for East-West Trade and John Hardt, senior specialist in Soviet economics at CRS were our speakers and George Holliday again moderated.

The fourth meeting in our series was entitled "The Department of Trade Proposals" held on September 28, 1979. The speakers were Eric Hirschhorn of the Office of Management and Budget, Bill Morgan of the Joint Economic Committee, and Bob Russell of the Senate Banking Committee. Ray Ahearn, an economic analyst at CRS, moderated.

Our last seminar was "Agricultural Export Potential" held November 27, 1979. The speakers for this last session were William R. Pearce, corporate vice president of Cargill, Inc., and Alan Middaugh, president of the U.S. Meat Export Federation. James H. Starkey, Deputy Under Secretary of Agriculture, moderated.

With the conclusion of the dinner/seminar series many ETF members suggested continuing to meet over breakfast, lunch, or dinner to discuss pertinent issues.

For example, our colleague, JONATHAN BINGHAM, briefed the ETF membership and staff on the Export Administration Act Amendments of 1979. JON's presentation was helpful and valuable and led to a solid block of support for his efforts on this legislation.

On February 21, 1980, the ETF met with representatives of the Boeing Corp. to discuss necessary steps for the aerospace industry to be competitive in exporting. J. B. L. Pierce, the treasurer of Boeing, and Clyde Summerville presented an excellent testimony before the ETF on this issue.

On February 20, 1980, the ETF met Herta Seidman, the Assistant Secretary for Trade Development. As a head of a new department, the ETF was anxious to hear her plans for the department.

On March 12, 1980, the ETF met with Reginald Jones, Chairman of the President's Export Council. Reg apprised us of PEC activities and interests. This led in turn to PEC-congressional cooperation on such topics as shippers' export declarations, implementation of the MTN agreements, and normalization of trade with China.

On May 22, 1980, the House ETF met with the chairman of the Senate Export Caucus to discuss export trading company legislation. Robert Herzstein, Under Secretary for International Trade of the Department of Commerce and Robert Hormats, the Deputy USTR were also on hand to give the administration's viewpoint on the bill.

Finally on June 26, 1980, Herta Seidman again appeared before the ETF to learn what steps had been taken at Commerce to promote trade development.

Because the ETF has such a limited budget all reports and so forth were filed in the CONGRESSIONAL RECORD. This was done so that not only Members would have access to the information but also the public at large. These articles and reports can be found under the title "Export Task Force" article series found in the index of the CONGRESSIONAL RECORD.

With Chairman BONKER at the helm and with our new officers I am convinced that the ETF will continue to exert a positive influence on the trade balance and on export legislation here in Congress. Although I am no longer chairman of the ETF, I certainly intend to maintain an active role under Chairman BONKER's guidance.

These are several other initiatives I hope the ETF will pursue and, of course, I am always willing to assist other Members with their export-related bills.

Another area of concern is the export trading company legislation. The ETF has been very active with export trading companies. SAM GIBBONS, DON BONKER, JOHN LAFALCE, and LES AUCOIN, all ETF members, have introduced export trading company legislation. We all agree that enactment of this legislation will provide small- and medium-size companies with the capacity and resources to enter the export arena.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased to join with the other members of the House Export Task Force in commending our colleague from Arkansas, BILL ALEXANDER, for the fine work he did in the 96th Congress as task force chairman, and to congratulate the gentleman from Washington (Mr. BONKER) for his selection and willingness to serve as task force chairman in this Congress.

Internationally, the U.S. economy today is stronger than it has been for some years. We experienced a significant surge in exports of U.S. manufactured goods in the last half of 1980. Although we continue to have a rather large trade deficit, we actually have a slight surplus in our international economic position as measured by the current account, which includes what we receive from tourism, the export of services, remittances from our foreign investments abroad, and so forth. This, I might note, is in marked contrast to countries like Germany and Japan which, although we think of them as very strong and competitive countries economically, are actually experiencing rather large deficits in their current accounts. As a result, the dollar has regained much of what it lost in value over the past few years compared to other national currencies. The dramatic decline in the value of gold in the past few weeks is another indication of the current relative strength of the dollar.

So, on the one hand, Mr. Speaker, there is no need for panic with respect to our international economic position. We should not be persuaded by alarmists who suggest that the United States cannot compete effectively for exports and international business without costly Government subsidies for exports and without the repeal of constraints on exporters designed to protect our national security, further our foreign policy, and assure that American trade does not become entangled in illicit practices such as bribes and boycotts.

On the other hand, we cannot afford to be complacent about our international economic position, and about our effectiveness as an exporting nation. We are no longer the only major modern industrial nation in the world, as we were in the immediate postwar decades. The very strength of the dollar makes our products relatively more expensive for foreign buyers. Especially while we continue to require large amounts of foreign oil costing more than $40 billion a year in foreign exchange, we must be aggressive exporters. Some of our industries are far less competitive than they have been in the past due to such factors as outdated equipment, inadequate investment of capital in innovative product lines, poor labor-management relations, low productivity, and the desire of American investors for short-term profits. We must find the means to remedy these problems, and to do so promptly—before we have completely lost major foreign markets that took many years to develop and will take many years and great effort to recapture.

The Subcommittee on International Economic Policy and Trade, which I have the honor to chair, intends to be active in this Congress in examining possible U.S. export problems, and in seeking means of improving our international competitiveness. On March 19, for example, the subcommittee plans to examine the international position of our commercial aircraft industry. That industry over the past several decades has contributed substantially to our exports. Although it is commonly thought of as a highly centralized industry, with only two or three giant manufacturers, those major manufacturers in fact purchase components and services from thousands of small businesses. There are some signs this important industry may be on the verge of losing to foreign competitors its predominant position in international markets. If that is the case, we must assess the reasons and implications for the U.S. economy and our foreign policy.

Ultimately, Mr. Speaker, our need to remain a competitive and effective exporting nation requires that every Member of Congress be fully aware of and consistently assess the impact on exports of every relevant piece of legislation brought before the House. That, I believe, is the contribution that the Export Task Force should and has begun to make. Indeed, I feel that a worthwhile activity for the task force in this Congress would be to prepare and circulate to all House Members a brief export impact assessment for each piece of legislation and major amendment that comes to the floor having any direct effects on U.S. exports. Such an assessment would better enable Members to take export consequences into account in their voting decisions.

Mr. Speaker, I look forward to working with the new chairman and members of the Export Task Force in this Congress, and I urge other Members to join the task force as a demonstration of their recognition of the importance to our economy and to employment of a vigorous export sector, and as a means of obtaining more information on the export effects of the decisions we will be making in this Congress.

□ 1700

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, as a member of the executive committee of the Export Task Force, I would like to thank retiring chairman and founder of the task force, the distinguished gentleman from Arkansas, BILL ALEXANDER, for his efforts on the task force and for his efforts again today to acquaint our colleagues with the task force and with some issues it will tackle in the next 2 years. I urge my colleagues to join and participate in this effort, which has as its primary mission the promotion of U.S. exports.

While export promotion may sound like a noncontroversial effort, it is not. Our Government has over the years made exporting so difficult that many companies either give up or never begin to export. We have an elaborate set of disincentives that have deterred many. We also have few incentives which would encourage new exporters. For most companies exporting is not an easy matter, especially those which cannot afford overseas sales representatives and offices. It is difficult to learn how other countries conduct their business affairs and how to market products for sale overseas. In addition, competition from abroad has mounted tremendously to the point where many U.S. businesses do not care to compete in the international marketplace.

I hope to do my part through the task force toward making exporting easier and more profitable for U.S. businesses. One of the first pieces of legislation we should tackle toward that end is a trading companies bill which will make exporting easier to small- and medium-sized businesses. Other priorities of mine are changes in the Foreign Corrupt Practices Act, our section 911 laws regarding taxation of U.S. citizens abroad, export financing, a better export incentive as an alternative to DISC, better government exporter services to U.S. companies, more congressional oversight to solve some of the many problems businesses have with issuance of export licenses, accelerated depreciation on capital investments, beefing up our overseas foreign commercial service, examination of the international application of U.S. antitrust laws, and R. & D. tax credits.

Export promotion always seems to be a low priority here in the Congress as we continue to react to crises. However, the mounting trade deficit is a real crisis in this country, and the best way we can counteract this travesty is to encourage U.S. sales abroad.

Increased exports will also solve many of our unemployment problems. I am disturbed at how many of my colleagues prefer to spend their efforts limiting imports to save jobs rather than to increase exports which will accomplish the same purpose at far less disruption to our relations with our trading partners.

I look forward to working with my colleagues on the Export Task Force to remove some of the exporting barriers we now face, to add needed incentives, and to restore the United States to its former position as the leading competitor in the international marketplace.

Mr. ALEXANDER. I appreciate the thoughtful remarks of my colleague, the gentleman from Minnesota, and I urge all of my colleagues on both sides of the aisle to give more careful consideration to this proposal for reform of our present tax practices which could bring such bountiful rewards to all Americans, both at home and abroad.

Mr. BONKER. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Washington.

Mr. BONKER. Mr. Speaker, I thank the gentleman from Arkansas (Mr. ALEXANDER) and would like to speak on behalf of others who have served on the task force in commending him for a job well done.

Mr. Speaker, I want to commend my predecessor in this job, BILL ALEXANDER, for the strong leadership he has shown as chairman of the Export Task Force. His will be a hard act to follow. But I will benefit from the work that he has done.

The United States needs a coherent, comprehensive export policy now more than ever. I believe that Congress must provide the leadership to provide such a policy.

There are many institutional barriers in the House, most of them jurisdictional, to formulating a national export policy. But transcending those barriers, and providing a forum where common goals and ideals can be realized is one valuable function I believe the Export Task Force can perform. BILL ALEXANDER laid invaluable groundwork in getting the task force in motion, aided most ably by my colleague BILL FRENZEL. I hope to follow up on the work they have started.

For one only need look at our trade balance with one country, Japan, to see the trouble we face in the decades ahead.

During the last 10 years, we have incurred a $47 billion trade deficit, and today the dollar value of Japanese goods sold in the United States exceeds the combined dollar value of American oil imports from the Middle East.

At the start of our trade relationship with Japan, we supplied them with manufactured goods in exchange for silk and tea. As one congressional report stated:

It appears as though we are a developing nation supplying a more advanced nation—we are Japan's plantation: haulers of wood and growers of crops in exchange for high technology.

We import from Japan autos, steel, tractors, radios, motorcycles, and video and audiotape players. We export to Japan soybeans, cattle feed, logs, coal, and wheat.

One result is an increasing call for import restrictions. I believe this is a step we should consider carefully before taking. Tariff barriers and quotas can set off a round of trade wars in which everyone is the loser. I want the Export Task Force to be a forum for the airing of these issues. There is a lot of talk today about revitalizing the American economy, through budget and tax cuts.

I do not believe we can afford to include the whole subject of export policy in that discussion. For we are losing ground in a fiercely competitive world market. Between 1960 and 1970, the U.S. share of world exports dropped from 18 percent in 1960 to 15.4 percent in 1970. The percentage continued to decline during the 1970's and only began picking up at the end of the decade, as the value of the dollar dropped, making U.S. goods more attractive to foreign buyers.

Today, export of goods accounts for about 7.5 percent of our GNP—the lowest percentage of any industrialized nation, according to the Commerce Department.

I hope the Export Task Force can be a rallying point for improving this dismal economic picture.

My colleague BILL ALEXANDER has already pointed to urgent need to do something about the taxation of Americans working abroad. The United States is the only major industrialized country which taxes on the basis of citizenship as opposed to residence. Nations competing with the United States for export markets generally do not tax their nonresidents on income earned outside their country. The U.S. practice is a serious handicap for U.S. firms operating overseas, especially in the developing world markets, as the U.S. tax liability often makes it more costly to hire Americans.

There are other issues which the task force will address. I would like to touch on them briefly:

EXPORT TRADING COMPANIES

Small- and medium-sized companies represent a large, untapped export potential. For these companies a full-service export intermediary would be of great advantage. An export trading company could arrange transportation, financing, handle documentation, distribution of products, conduct aftersales followup and other export services. However, our banking and antitrust laws prohibit the effective establishment of these trading companies. There are several bills in Congress dealing with this situation. I would expect the task force to embrace the concept as a whole, and provide clearinghouse service to get all the interested parties together so that we can move forward on this important legislation.

EXPORT FINANCING

The administration proposes to cut the lending power of the Export-Import Bank from $5.9 billion to $5.15 billion this year, and from $5 billion to $4.4 billion in fiscal year 1982, saving an estimated $6 billion over the next 5 years.

Reducing the Bank's lending authority would represent false economy. Benefits from the Bank go far beyond large corporations, since every billion dollars of export loans is believed to create from 30,000 to 40,000 jobs.

U.S. EXPORT CONTROLS

The United States has only one major export policy bill—the Export Administration Act—which is basically a list of proscriptions against exports, based on national security and foreign policy considerations. Many in the public and private sectors feel that U.S. export controls are overly restrictive compared with other major industrialized countries, and should be used only where such controls are definitely in the national interest.

FOREIGN CORRUPT PRACTICES ACT

United States firms find they are seriously hampered in export activities because of perceived ambiguities in the law and uncertainty in its application and enforcement by the Department of Justice and the Securities and Exchange Commission, which have overlapping jurisdictions. There is legislation pending to remove these ambiguities and issue clarifying guidelines.

TRADE REORGANIZATION

Many argue that the international trade functions of the U.S. Government need to be reorganized and harmonized to improve U.S. trade policy. Last session, legislation was proposed to create a Cabinet-level Department of International Trade and Investment to strengthen, integrate and improve U.S. trade policy.

I believe the Congress needs to take a long look at how the executive branch handles trade matters. I believe there is unnecessary confusion and an overall lack of coordination, as various departments and agencies battle for jurisdiction. Again, I believe the Export Task Force can provide a forum for this debate.

All these issues are vital to the economic health and strength of America. I am issuing an open invitation to my colleagues on both sides of the aisle to join with me and BILL ALEXANDER, LES AUCOIN and BILL FRENZEL in this effort.

You shortly will receive a "Dear Colleague" asking you to join the task force. With the full cooperation of the House, we can enhance American productivity, promote our products abroad, reduce the balance of trade deficit. Ultimately the benefits will flow to our domestic economy.

Mr. ALEXANDER. I thank the gentleman for his contribution. In addition to the material which will be submitted for the RECORD, I will include an agenda of unfinished business for the attention of my colleagues in order that we might address the many needs that face our Nation; in order to make this Nation competitive in the world market in hopes that we can expand our exports, balance our trade, and fight inflation.

● Mr. AUCOIN. Mr. Speaker, I am delighted to join my colleagues today in discussing the extensive agenda that lays before the House Export Task Force in this Congress.

But first, I want to express my thanks to the gentleman from Arkansas for chairing the task force over the past 2 years. We owe him our gratitude for taking on the challenge of organizing a caucus of export-minded Members and giving freely of his time to see it through its initial years of growth. Though he is stepping down as chairman, I know I speak for the other Members of the task force in saying that I look forward to continuing our relationship on export issues in the days ahead. We value his leadership.

There are many challenging assignments ahead for the Export Task Force. America's position in international markets, despite some slight respite last year, continues to erode. On all fronts, we face a serious trade problem, the answers to which lay in many quarters.

There is no doubt that we must move aggressively to enact export trading company legislation, reform our tax laws from Americans overseas, push our agricultural exports and resolve our dilemma over predatory financing by our competitors. Along with these important programs, however, we must also move to establish what our national export policy is going to be and how each of them fits into our overall scheme for reclaiming America's share in the international marketplace.

I commend to the attention of my colleagues on the task force and in the House the National Export Policy Act, for which I am now seeking cosponsors.

Last year, 43 Members of the House cosponsored the National Export Policy Act (H.R. 7479). This major legislation, a companion bill to one being introduced in the Senate this week by members of the Senate Export Caucus, is designed to establish an aggressive national export policy and promote U.S. exports.

In the past, we have acted on a number of trade measures, but our approach has been piecemeal. The National Export Policy Act is a major step toward a strong, cohesive export policy that touches all aspects of American export efforts.

The need for this legislation is clear. Our country faces serious problems in the international marketplace. We are losing our ability to compete effectively. We are no longer preeminent in the trade of manufactured goods. In 1980, the U.S. merchandise trade deficit was $25 billion. While this was offset by a surplus in our services trade account, we cannot ignore the damaging effect on the value of the dollar and domestic job stability of continued trade deficits and declining international competitiveness.

Meeting this challenge begins with fundamental changes in our export practices and the laws that govern them. It begins with a new national export policy that capitalizes on our traditional economic strength and taps the innovative and creative resources of the American business community.

The National Export Policy Act is designed to enlist maximum cooperation among Government, industry, and labor toward a common national economic objective. It pulls together all of the major concerns and recommendations regarding exports which have crystalized over the last few years. I look forward to working on this legislation with my colleagues on the Export Task Force.●

● Mr. LAFALCE. Mr. Speaker, yesterday, the House Export Task Force completed its organizational work and named new officers by acclamation. The new officers will be my distinguished colleagues, Mr. BONKER, Mr. AUCOIN, Mr. FRENZEL, and Mr. ALEXANDER.

The existence of an export task force is an indication of a need to focus much greater attention on the importance of exports themselves and of providing real incentives for exports. Despite increased exporting efforts and despite the enhanced effectiveness of the U.S. Export-Import Bank, this country has managed to acquire an estimated $147.1 billion in trade deficits during the past 4 years. Or, to put it another way, U.S. exports are paying this country's oil import bill, which will probably continue to climb in the early 1980's.

All of this points to the imperative need for a comprehensive national export policy, and the House Export Task Force should join with its counterpart on the Senate side to help develop that policy. This policy must address problems in the following fields: Export financing, export-related tax policies, including the taxation of Americans working abroad, adjustment of regulations and laws that

hinder U.S. exports, export awareness and promotion programs, international trade agreements, and Government support for export goals.

The export task force will assist in the examination and assessment of the new administration's proposal to reduce funding for the Export-Import Bank. A decision must be made as to whether this is a justified case of budgetary restraint or whether it is a case of what Fred Bergsten called the unilateral disarmament proposed for U.S. trade policy.

At the center of a national export policy must be U.S. export trading companies which would provide technical, marketing, financial, and informational services to small- and medium-sized businesses. The Department of Commerce has estimated than at least 20,000 small- and medium-sized firms could export, if they had access to those types of services.

Therefore, I have introduced H.R. 1648, the Export Trading Company Act of 1981. This bill would allow carefully controlled investments in export trading companies by financial institutions and would clarify ambiguous antitrust provisions in the Webb-Pomerene Act of 1918. This bill would have a dramatic impact on the export performances of the most rapidly growing segment of the economy, which is the small- and medium-sized business community.

The companion bill to H.R. 1648 in the Senate is S. 144 which has been cosponsored by a broad coalition of 60 Senators. A similarly bipartisan coalition is presently gathering behind H.R. 1648, and the Reagan administration has enthusiastically endorsed the companion export trading company bills.

I also want to take this opportunity to commend my good friend and distinguished colleague, Mr. ALEXANDER, for his past leadership as chairman of the export task force since the inception of the task force.●

TRIBUTES TO JOSEPH L. FRISTACHI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

● Mr. GREEN. Mr. Speaker, I rise on behalf of two friends of mine, former U.S. Senator Javits and former New York State Attorney General Louis J. Lefkowitz, both of whom gave years of devoted public service to the people of my State, to help them pay tribute to the memory of a young man who served them with great dedication and distinction in their official duties.

Joseph L. Fristachi, of Bayside, Queens, in New York City, died suddenly in January at age 38. Virtually his entire adult life was dedicated to public service—most of it with Senator Javits and General Lefkowitz. Mr. Fristachi actually began his career in the public service as a teacher in a New York City public high school, but he rose to prominence throughout the State as General Lefkowitz' executive assistant and then as Senator Javits' executive assistant. In these positions, as in all his endeavors, Mr. Fristachi worked with great diligence and ability and always with the highest standards of honesty and integrity.

His devotion to duty was matched only by his devotion to his wife Angela, his children, Joseph Michael and Michelle Marie, his parents, and his brothers and sister. He was generous to a fault with them—as he was with everyone. His patience and understanding extended not only to those he knew, but to those he did not know. These qualities—and his energy and enthusiasm—are captured in a eulogy delivered at his funeral by Attorney General Lefkowitz, in remarks by Senator Javits at a memorial service for him here in Washington, where he had many friends, and in a resolution adopted unanimously by the Senate of the State of New York. In tribute to Joseph L. Fristachi, I am hereby having them printed in the CONGRESSIONAL RECORD:

EULOGY DELIVERED BY LOUIS J. LEFKOWITZ AT A MASS FOR JOSEPH L. FRISTACHI, ST. ROBERT BELLARMINE CHURCH, BAYSIDE QUEENS, JANUARY 19, 1981

I speak as a former associate of Joseph L. Fristachi in the Attorney General's Office and as a close personal friend to share the grief of his loved ones and the void in his untimely death that is in my heart and in the hearts of all who knew him.

I loved Joe like I love my own son. In thinking of Joe this morning, we should treasure the friendship and happiness he gave us over many years.

Joe was a warm human being and kind hearted—always willing to serve and help his fellow man, his church and the community. He had a deep understanding heart.

If we were to try to identify Joe's special qualities, one would note his superb skill as an advisor, a doer, a public servant and his marvelous capacity for friendship. He brought to government, as he did to all things, wise counsel, boundless energy and enthusiasm.

The impeccable character of Joe's wise counsel and sound judgment always emerged following a consultation or a conference. One of the reasons people turned to him was that he had an extraordinary capacity for inspiring confidence. With an easy, kindly manner and a warm smile, he always seemed to know exactly what he was doing.

Joe regarded loyalty as an essential ingredient in friendship. He gave loyalty and expected loyalty in return.

All of us are here today because Joe was our friend and we were his friends. He had a deep and natural interest in people.

Joe was an exemplar of a devoted public servant. He had common sense and integrity of purpose. He was forthright, firm but always fair.

Joe loved his work whether as teacher, in the Attorney General's Office as my executive assistant Attorney General or in Senator Javits' office where he served with distinction as Chief of Staff in the Senator's New York City office.

One of Joe's chief characteristics was a strong commitment to be very thorough no matter what the cause. He was truly a perfectionist, resourceful, and he constantly "dug-in" to find an answer to a problem or resolve a crisis.

Joe was impatient with red tape and bureaucracy. He was not a yes man. He took positions he believed in and argued forcefully for their adoption. Blunt, straight-from-the-shoulder talk was Joe's style.

He was never power-hungry or impressed with his own important position in the office. He enjoyed the greatest respect of all who knew him and worked with him in government, in the community and in all walks of life.

Joe was very loyal and invaluable to me personally. I relied and depended upon him. He made himself available to me 24 hours a day and often on weekends. He was always willing to serve me in any capacity. Yes, he was my trouble shooter whenever a sensitive problem arose in any of the numerous offices of the Attorney General's Office. He performed and got things done.

Joe took a leave of absence from his official duties to help in my campaigns for reelection and worked day and night. He was always there and available when I needed him.

Our friendship grew over the years. There are few who can say they will miss Joe more than I will.

At the very center of Joe's life was his love for his family—Angela—his children, Joseph Michael and Michelle Marie—his parents Joseph and Carmela—his brothers Mario and Robert and his sister Camille.

Joe and Angela lived together in great love and harmony. He was deeply devoted to and very fond of his children. Joe often spoke to me about his son, Joseph Michael, and especially his son's talents as an athlete. Joe, as you know, was a good athlete and he was so proud that his son was following in his footsteps.

When Joe ran for public office, his son then 7 years of age, campaigned for him. I was present on many occasions, when I heard the son, while handing out campaign literature, say to voters, "vote for my father—he will be good for the community." How true was that statement.

We often think that brick, mortar and steel are the real monuments of life—that really is not true. It is really the soul and character of man which are eternal and the good he brought on earth.

Joe's immortality is what he did in his love for man, his contributions to his church and in the community and his devotion to his wife and children, his family and his friends.

Joe's good works in the Attorney General's offices, in Senator Javits' office and throughout his life in the community, will stand as monuments to him.

It was indeed tragic that Joe's life should have ended when he had so much to offer to his fellowman through his many contributions of public service and community activity.

In our sorrow, we can take solace in the memory of Joe's good works, in the memory of his love and affection for his family and us and in memory of a man whose life brightened our own.

Joe Fristachi was a man for all seasons, with his heart always in the right place.

It was a joy to know him. It was an honor to work with him, and it puts a lump in my throat this morning to bid him good-bye.

Joe Fristachi will forever be loved and missed by his family and friends. We shall never forget him.

May his soul rest in peace.

REMARKS BY SENATOR JACOB K. JAVITS AT A MEMORIAL SERVICE FOR JOSEPH L. FRISTACHI AT ST. JOSEPH'S ROMAN CATHOLIC CHURCH, WASHINGTON, D.C., ON JANUARY 21, 1981

None of us ever know when we will go, or what lies ahead if we do not go. In Joe's case, this was a very important point. He was cut off so young, full of vigor, in the very prime of life, with so many talents and so many possibilities that those of us who loved him, as you did and I did, can only hope that it was in the great design, the best for him.

He was the soul of loyalty and devotion. He threw himself into managing the New York office, and into running the campaign with the same fidelity, holding nothing back and giving of his all.

His relationship to Angela and his children was such a dear one, again of such complete dedication and no conceivable reservation. I can hear now his somewhat high-pitched laughter when he was really pleased, indeed, tickled, at something. It will always sound in my ear, as clear as a bell, as a firm and dear recognition of such a fine human being.

We know he will rest in peace. He deserves it.

TEXT OF RESOLUTION ADOPTED BY SENATE OF THE STATE OF NEW YORK, JANUARY 26, 1981

Whereas, the untimely death, after thirty-eight short years, of Joseph L. Fristachi instilled a deep sense of mourning in all who knew him; and

Whereas, most of his life was dedicated to public service as executive assistant attorney general to Attorney General Louis J. Lefkowitz and assistant to United States Senator Jacob K. Javits; and

Whereas, those who were close to Joseph knew of his unique capabilities to serve and help his fellow man, his church and the community; and

Whereas, the love for his family—his wife Angela, his children Joseph Michael and Michelle Marie, his parents Joseph and Carmela, his brothers Mario and Robert and his sister Camille, exemplified the kind of love and devotion all hope to attain; and

Whereas, Joseph's dedication and devotion to public service and family will be the vehicle of immortality to family and all who knew him: Now, therefore, be it

Resolved, That this Legislative Body mourns the untimely death of Joseph L. Fristachi and adjourns out of respect to his memory; and be it further

Resolved, That a copy of this resolution, suitably engrossed, be transmitted to his wife Angela and his children Joseph Michael and Michelle Marie.●

BLUEPRINT FOR A HOUSE THAT WORKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. LOTT) is recognized for 10 minutes.

● Mr. LOTT. Mr. Speaker, to borrow from the title of a book written by our present Rules Committee chairman, this is a "House Out of Order." Ironically, that book was published back in 1965 when the real complaint of such liberals was that the House was too orderly—that it was controlled by a few conservative committee chairmen who managed to keep so-called progressive legislation bottled up in their committees. To remedy this situation, these liberal congressional reformers advocated stripping committee chairmen of their powers under the rubric of "opening up and democratizing the system."

The result of all this was the so-called congressional reform revolution of the last decade which truly did emasculate the powers of committee chairmen, opened us nearly to the point of breaking our binding, and has almost democratized us to death. While many of the reforms of the last decade have been salutary in terms of increasing public exposure and access to the legislative process, I think even many of the liberal reformers will agree that the reform revolution was carried to an extreme and as a consequence we are truly today a "House out of order." Not only is public confidence in the Congress at an alltime low, but there is a growing consensus among House Members themselves that this House is becoming increasingly unmanageable and unworkable.

Mr. Speaker, this legislative crisis of governance can be traced directly to the very foundation of our legislative process—the committee system. With the decentralization of House leadership authority, the fragmentation of committee jurisdictions, the proliferation of subcommittees, and the explosion of committee staff, our committee system is a crumbling foundation that threatens to bring down the entire House.

MAJORITY LEADERSHIP RESPONSE

Unfortunately, the Democratic majority that has controlled this House for the last 25 years has failed to recognize or act on this critical problem, preferring instead to let tiny political fiefdoms with their attendant staff proliferate and duplicate, all at the expense of rational policymaking, quality legislating, and effective oversight.

The Democratic leadership points with alarm to the fact that the House is taking more time to consider fewer bills due to an increase in floor amendments and votes. But, instead of conceding that all this may be due to flawed legislation being reported from unrepresentative subcommittees and committees, the majority leadership contents itself with trying to treat the symptoms instead of the causes—of restricting floor amendments and votes instead of insuring a more representative, accountable and conscientious committee system.

Even more alarming is the majority leadership's insistence on perpetuating inequitable party representation on House committees and subcommittees, in complete disregard of the wishes of the electorate and the democratic tenet of one man, one vote. Is it any wonder, with lopsided majority representation on major committees, that committees often produce legislation that does not meet with the approval of the House and requires major rewriting on the House floor to secure passage?

Just as power tends to corrupt, so too does dispersed power tend to disrupt. And in the House of Representatives, the dispersion of power to proliferating, duplicative, and unrepresentative subunits has completely disrupted and distorted the legislative process to the point of near breakdown and stalemate.

TIME FOR A CHANGE

Mr. Speaker, the time has come to reverse this trend, to put our House back in order, firm up that foundation that is our committee system, and draft a blueprint for a House that works. To that end I am today introducing the Committee Improvement Amendments of 1981, a package of seven House rules changes aimed at strengthening our committee system and making the legislative process more manageable, efficient, and representative.

In summary, my amendments to the House rules would do the following: First, require equitable party ratios on House committees; second, limit all committees, except Appropriations, to no more than six subcommittees, and all Members to no more than four subcommittee assignments; third, eliminate the joint referral of bills to more than one committee; fourth, require formal committee adoption of oversight agendas at the beginning of each Congress and House approval of a consolidated oversight agenda resolution; fifth, require a majority quorum on all committees and subcommittees; sixth, ban proxy voting in committees; and seventh, require House adoption of an overall ceiling on committee staff at the beginning of each year.

Mr. Speaker, at this point I would like to discuss each of these proposals in greater detail, after which I will include the full text of my resolution.

EQUITABLE COMMITTEE RATIOS

Clause 6 of rule X would be amended to require that the membership of all standing, select, and ad hoc committees, except Standards of Official Conduct, and all subcommittees and subunits thereof, and of all conference committees, reflect, to the closest degree possible, the party ratio in the House as a whole.

While House committees should ideally be a microcosm of the House both from the standpoint of democratic representation and to insure the development of legislation that will be acceptable to a House majority, recent

years have witnessed a growing disparity between the partisan composition of the House and its committees and subcommittees. In the 96th Congress, for instance, the minority party was undercounted by 10 seats on the 22 standing committees and by 52 seats on their 152 subcommittees.

As my colleagues are well aware, this inequity was only compounded in this Congress when Republicans made substantial gains as a result of the last election and now hold 44 percent of House seats. Despite this fact, Democrats have retained their supermajorities on the major committees: Nearly 69 percent on Rules, nearly 66 percent on Ways and Means, and 60 percent each on Budget and Appropriations. The more disparate the party ratios between the House and its committees, the more desperate becomes the legislative situation when bills are reported to the House from these unrepresentative committees. If we are to begin to put this House back in order and have more rational and representative policymaking, then our committees should more accurately reflect the party makeup of the House as a whole.

SUBCOMMITTEE LIMITS

Clause 6(c) of rule X would be amended to limit all House committees, except Appropriations, to no more than six subcommittees, and to limit all Members to no more than four subcommittee assignments.

One of the most alarming trends in the House in recent years has been the proliferation of subcommittees. In 1951 there were 19 standing committees in the House with a total of 69 subcommittees; by 1980 we had 22 standing committees with a total of 152 subcommittees and other subunits—a 120-percent increase. The fact that the same number of Members has been spread more than twice as thinly over the subcommittee system has taken a dreadful toll on the legislative process.

The Select Committee on Committees in the 96th Congress concluded that the proliferation of subcommittees and Member assignments have eroded specialization, diminished participation and representativeness, and increased jurisdictional overlap, duplication of effort, policy process fragmentation, and scheduling conflicts.

It is little wonder that 77 percent of the House Members surveyed by the select committee agreed that the committee system is in disarray, 80 percent favor a reduction in subcommittees, and 82 percent favor a limit on subcommittee assignments.

Although a subcommittee and Member assignment limitation proposal was reported by the select committee on October 10, 1979, and was promptly endorsed by the House Republican conference and policy committee, it died in a Democratic Caucus study committee. At the beginning of this Congress the caucus did impose an eight-subcommittee limit on each committee—still a far cry from the reductions that are needed.

My proposed limit would eliminate 26 of the 152 subcommittees which existed in the 96th Congress, and the Member assignment limit would reduce the workload of 188 House Members by 1 or more subcommittee seats.

MULTIPLE REFERRALS

Clause 5(c) of rule X would be amended to eliminate the practice of joint referral of bills to two or more committees simultaneously, but would retain split and sequential referrals and expand sequential referrals to matters reported as well as introduced, subject to appropriate time limits.

Since 1975, the Speaker has been authorized to refer bills to two or more committees simultaneously, in a split manner, sequentially, or to ad hoc committees comprised of members of two or more committees sharing jurisdiction over the same bill. As the Select Committee on Committees concluded in the 96th Congress, joint referrals lead to a substantial duplication of effort, a slowdown in the legislative process, an increase in staff power, jurisdictional bickering, and a lack of accountability.

The select committee found further that multiple referred bills consume four times as much hearing and meeting time as bills referred singly, and yet have less chance of being reported or passed by the House. Multiple referred bills also result in more confusion and amendments when they are considered by the House.

While the elimination of joint referrals might result in more squawking from committees skipped over in the initial referral, if their jurisdictional claims are substantial they may still get a shot at the bill in a sequential referral of limited duration. The elimination of joint referrals may also finally bring the pressure needed to force a comprehensive realinement of committee jurisdictions along more rational and functional lines.

OVERSIGHT

Clause 2(c) of rule X would be amended to require the formal development and adoption of oversight agendas by each committee within 60 days of the beginning of each Congress for submission to the Committee on Government Operations. After hearings and consultation with the majority and minority leaders, the committee would incorporate these agendas into a resolution for consideration by the House within 90 days after Congress convenes. The resolution would be subject to amendments only by the Committee on Government Operations and the majority and minority leaders.

The present House rule requires submission of oversight agendas to the Committee on Government Operations and their publication within 60 days of the convening of Congress. But, for the most part, time constraints have made this a staff operation with little or no formal committee consideration or action. The oversight agendas thus bear little relation to the subsequent oversight plans or activities of our committees.

The new rule is an attempt to make the oversight agendas more meaningful by requiring formal committee adoption within a more realistic time frame, and House consideration of a consolidated oversight resolution, open to amendment only by the majority and minority leaders and the Committee on Government Operations.

MAJORITY QUORUM

Clause 2(h) of rule XI would be amended to require a majority quorum on committees and subcommittees for the purpose of conducting any business, including the markup of legislation.

Under present House rules, committees may set their quorum requirement at as few as one-third of their membership for taking any action other than reporting a measure, closing a meeting, or issuing a subpena. This one-third quorum requirement, taken together with the practice of proxy voting, is a clear invitation to absenteeism at the most critical stage of the legislative process—subcommittee and committee markup of a bill. As a result, the most important decisions made by subcommittees and committees, the amendments adopted, enjoy the support of as few as one-sixth of the membership.

The one-third quorum rule can only contribute to slipshod and unrepresentative legislating both at the subcommittee and committee levels, and to a plethora of floor amendments when bills are exposed to the more critical light of the more representative House membership. The proposed rule would return committees to the majority quorum requirement for the transactions of business which existed prior to 1977.

PROXY VOTING BAN

Clause 2(f) of rule XI would be amended to prohibit proxy voting in House committees and subcommittees.

Under present House rules, proxy voting is prohibited in committees and subcommittees unless authorized in committee rules for specific measures. All but 4 of the 22 standing committees of the House presently permit proxy voting under their rules. As a task force of the Select Committee on Committees noted in the 96th Congress, in recommending a ban on proxy voting:

The sanction accorded proxy voting contributes to absenteeism and tolerates slipshod committee scheduling. The very procedure itself is objectionable—the practice of allowing a Congressman to transfer his right and obligation of voting to another Member seems ill-suited to the basic fundamentals of representative government.

COMMITTEE STAFF CEILING

Clause 5 of rule XI would be amended to provide for the adoption by the House of a resolution establishing an overall ceiling on the House committee staff each year, prior to the adoption of any committee primary expense resolution. In allocating committee personnel within this ceiling in primary expenses resolutions the Committee on House Administration would take into account the past and anticipated legislative veto and oversight activities of each committee. It would not be in order to consider any expense resolution until the ceiling resolution has been adopted, and each such expense resolution would have to be in conformity with the ceiling. Any supplemental expense resolutions which exceeded the limit could only be considered by a two-thirds vote of the House.

In recent years there has been an exponential growth in House committee staffs. Between 1973 and 1979, committee staffs have more than doubled—from 918 committee personnel in 1973 at a cost of $14 million, to 1,939 committee personnel in 1979, at a cost of over $40 million. While much of this growth has been necessary to put the House on a more equal footing with the executive branch and permit it to develop its own independent sources of information, there are growing signs that this staff explosion has reached a point of diminishing returns.

While the House is currently limited by statute as to how many professional and clerical staff each committee may have—18 and 12, respectively—there is no comparable limit on so-called investigative staff which are provided for by primary and supplemental expense resolutions adopted by the House, and paid for out of the contingent fund of the House as funded through the appropriations bill for the legislative branch. Moreover, there is no requirement at present that these primary and supplemental expense resolutions specify the number of additional employees to be authorized or the amount to be allowed for their salaries. It is time for the House to get a handle and a ceiling on this runaway problem before the balance is tipped in the direction of Congress being dominated by its unelected committee staffs.

At this point in the RECORD, Mr. Speaker, I include the text of my resolution. I urge my colleagues to join with me as cosponsors, and the Rules Committee to take early action on these vital proposals.

H. RES. 100

Resolved, That this resolution may be cited as the "Committee Improvement Amendments of 1981".

OVERSIGHT AGENDAS

SEC. 1. Rule X of the Rules of the House of Representatives is amended in the following way:

In rule X, clause 2(c) is amended to read as follows:

"(c)(1) Not later than 60 days after the Congress convenes, each standing committee shall formally adopt and submit to the Committee on Government Operations an oversight agenda for that Congress. Such oversight agenda shall indicate the oversight priorities of the committee, and may specify the date or dates by which the committee intends to complete its oversight activities and report its findings and recommendations to the House.

(2) The Committee on Government Operations shall hold hearings at which the chairman and ranking minority member of each committee shall appear and testify on the oversight accomplishments of their committee during the preceding Congress and their proposed oversight agenda for the new Congress.

(3) Not later than 90 days after the Congress convenes, and after consultation with the majority and minority leaders of the House, the Committee on Government Operations shall consolidate the oversight agendas of all committees into a single House Oversight Agenda resolution which shall be reported to the House. Such resolution may contain only such changes in the original committee oversight agendas as are agreed to by the chairman and ranking minority member of each committee to insure proper coordination and eliminate unnecessary duplication with the oversight plans of other committees. The report on any such plans may include additional recommendations for changes in the oversight agendas as may be recommended by the Committee on Government Operations or by the majority or minority leaders of the House.

"(4) The House Oversight Agenda resolution shall be privileged in the House and subject only to such amendments as may be offered by direction of the Committee on Government Operations or by the majority or minority leaders. The House shall complete action on the oversight agenda resolution no later than 100 days after Congress convenes.".

MULTIPLE REFERRAL LIMITATION

SEC. 2. Rule X of the Rules of the House of Representatives is amended in the following way:

In rule X, clause 5(c) is amended to read as follows:

"(c) In carrying out paragraphs (a) and (b) with respect to any matter, the Speaker shall initially refer the matter to one committee which he shall designate as the committee of principal jurisdiction; but he may also refer the matter to one or more additional committees, for consideration in sequence (subject to appropriate time limitations), either on its initial referral or after the matter has been reported by the committee of principal jurisdiction; or refer portions of the matter to one or more additional committees (reflecting different subjects and jurisdictions) for the exclusive consideration of such portion or portions; or refer the matter to a special or ad hoc committee appointed by the Speaker with the approval of the House (from the members of the committees having legislative jurisdiction) for the specific purpose of considering that matter and reporting to the House thereon; or make such other provision as may be considered appropriate.".

PARTY RATIOS ON COMMITTEES

SEC. 3. Rule X of the Rules of the House of Representatives is amended in the following way:

In rule X, clause 6(a)(1) is amended by adding at the end thereof the following:

"Except as provided in subparagraph (2), the membership of each committee (and of each subcommittee, task force or subunit thereof), shall reflect the ratio of majority to minority party members of the House at the beginning of each Congress."; and

In rule X, clause 6(e) is amended by adding at the end thereof the following:

"The membership of each such select committee (and of each subcommittee, task force or subunit thereof), and of each such conference committee, shall reflect the ratio of majority to minority members of the House at the time of its appointment.".

SUBCOMMITTEE LIMITS

SEC. 4. Rule X of the Rules of the House of Representatives is amended in the following way:

In rule X, clause 6(c) is amended to read as follows:

"(c)(1) Each standing committee of the House of Representatives (except the Committee on Budget) that has more than twenty members, shall establish at least four subcommittees; but in no event shall any standing committee (except the Committee on Appropriations) establish more than six subcommittees.

"(2) No Member may serve at any one time as a member of more than four subcommittees of committees of the House of Representatives.

"(3) For the purposes of this paragraph the term 'subcommittee' includes any panel, task force, special subcommittee or any subunit of a standing committee which is established for a period of longer than six months.".

PROXY VOTING BAN

SEC. 5. Rule XI of the Rules of the House of Representatives is amended in the following way:

In rule XI, clause 2(f) is amended to read as follows:

"(f) No vote by any member of any committee or subcommittee with respect to any measure or matter may be cast by proxy.".

MAJORITY QUORUM

SEC. 6. Rule XI of the Rules of the House of Representatives is amended in the following way:

In rule XI, clause 2(h)(2) is amended to read as follows:

"(2) A majority of the members of each committee or subcommittee shall constitute a quorum for the transaction of any business, including the markup of legislation.".

STAFF CEILING

SEC. 7. Rule XI of the Rules of the House of Representatives is amended in the following way:

In rule X, clause 5 is amended by inserting the following new paragraph (a) and redesignating existing paragraphs accordingly:

"(a)(1) It shall not be in order in the House to consider any primary expense resolution until the Committee on House Administration has reported and the House has adopted a resolution establishing an overall ceiling for committee staff personnel for that year.

"(2) In developing any primary expense resolution for House committees, the Committee on House Administration shall specify in the resolution the number of staff po-

sitions authorized by the resolution. The Committee shall indicate in the report on any such primary expense resolution that the number of staff positions authorized by such resolution is in conformity with the overall ceiling on such positions established by the House.

"(3) In no event shall the total number of additional staff positions authorized by all such primary expense resolutions, taken together with the number of staff positions authorized by clause 6 of this rule, exceed the ceiling established by the House for that year.

"(4) In allocating staff positions pursuant to the overall ceiling established by the House, the Committee shall take into account the past and anticipated legislative and oversight activities of each committee.

"(5) In any supplemental expense resolution, the Committee shall specify the number of additional staff positions, if any, authorized by such resolution, and shall indicate in the report on any such resolution, whether the additional staff positions are in conformity with or exceed the overall ceiling established by the House.

"(6) It shall not be in order in the House to consider any supplemental expense resolution authorizing additional staff positions in excess of the ceiling established by the House except by a vote of two-thirds of the members voting, a quorum being present.".●

URBAN DEVELOPMENT ACTION PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. McCLORY) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, we have now begun our examination of the President's proposals for reductions in Federal spending and taxation and I think we can all agree that one of our goals should be the increased productivity by American industry that will put people back to work.

Unfortunately, while President Reagan has emphasized the need for Federal incentives to individuals and businesses to reinvest in our economy, his economic plan calls for curtailing one of the most effective programs for spurring business investment in our cities.

The urban development action grant program has been perhaps the most successful Federal program, per dollar spent, for inducing businesses to put dollars back into economically depressed areas.

Mayors from all regions of the country—both Democrats and Republicans—as well as business people, community activists, and ordinary citizens, have praised UDAG's action grants as a way to revitalize failing business districts.

These folks talk with pride and hope about new partnerships between government and industry that have rebuilt factories, reopened businesses, and redeveloped neighborhoods. They also talk about thousands of jobs that have been produced. Many UDAG projects are not completed yet, and the level of government support will mean the difference between their success or failure.

President Reagan says he wants to "integrate" UDAG with community development block grants to provide "a more efficient and flexible grant mechanism." He says he wants to cut the budgets of these two programs by $584 million in 1982 with progressively deeper cuts the following years. UDAG's 1981 budget was $675 million.

This proposed consolidation of UDAG and CDBG is less devastating than OMB Director David Stockman's original proposal to eliminate UDAG entirely, but it is still a bad idea.

Integrating UDAG with CDBG would misconstrue the uses of the two programs and take away the unique qualities that make UDAG so effective.

Community development block grants are awarded to thousands of local governments nationwide on a formula, no-strings-attached basis. This is a valuable program—one that helps communities rehabilitate housing facilities, repair roads and sewers, relocate businesses, and provide urban parks. However, these block grants do not require private investment and they do not focus directly on projects that will create permanent jobs in depressed areas.

UDAG, on the other hand, is sharply targeted to those areas most in need of economic assistance. It is not a formula program, but one in which proposed projects compete for Federal dollars on the basis of local commitment by private industry and local governments and citizens. These groups must be willing to invest money and human resources.

While block grants and action grants both help local communities, they serve different purposes and should not be combined. UDAG's record of achievement speaks for itself. In fact, if we decide to reduce the size of Federal programs according to their proven merit, then UDAG should be in line for an increase instead of a cut. In the 3 years of its existence, UDAG has cost $1.9 billion. The results have been: $11.6 billion in private investment in depressed areas; 463,218 jobs, over half of which will be permanent; 46,000 newly constructed or rehabilitated housing units started or completed for moderate and low-income families; and over $300 million a year in local tax revenues gained from 1,000 locally sponsored projects.

UDAG has worked in my State of New Jersey, where over $370 million in private investment has been generated by $70 million in action grants—producing 15,000 jobs.

It also is working in my home city of Newark which has been particularly hardpressed to lure business investors back into the city. The UDAG projects currently underway in the city have attracted $53.8 million in private funds. Over 2,000 jobs—more than two-thirds of them permanent—will result; and the city expects to collect an additional $2.3 million a year in local property taxes from the expanded businesses and industries.

In human terms, these projects mean a new day-care center for working mothers who have wanted to work but had no place to leave their children; a modern office building in the downtown area where a vacant industrial building stood last year; a new shopping center with a much-need supermarket in an area where no one has previously wanted to invest; hundreds of jobs created by an expanded manufacturing plant in the inner city; and home improvements for over 500 families.

There are other examples in my congressional district; in the city of East Orange a combination of $500,000 UDAG funds and $1.5 million in private funds will help 283 families renovate their homes; and in the town of Harrison, 355 permanent jobs are expected to come back to the area after a recently vacated Otis Elevator plant is tranformed into a manufacturing, warehouse and office facility with a UDAG loan of $450,000 and a private investment of $1.9 million.

These results sound familiar to many cities and towns across our country. Is this really a program that should be curtailed at a time when we want to revitalize local economies?

As we go about the business of finding ways to trim the Federal budget, the Congress should look for creative, sound, and reasonable efforts to make our budget better serve the Nation. This means where there is fat, there must be cuts. Where we have overreached with some programs, we must pull back.

But we must not be panicked or intimidated into thinking that the time for new initiatives has passed. We surely will need new ideas to move our Nation forward.

The UDAG program is a new initiative that works. To eliminate or reduce this program blindly, because of some misdirected fervor for so-called across-the-board budget cuts would be a senseless act of false economy.

It would set back the hopes of millions of Americans to improve their local economies and their lives.

□ 1715

GENERAL LEAVE

Mr. FORD of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the subject of the special order taken by the gentleman from Arkansas (Mr. ALEXANDER) today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

THE PRESIDENT'S ECONOMIC PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FORD) is recognized for 35 minutes.

Mr. FORD of Tennessee. Mr. Speaker, the President has presented to this Congress and to the American people a package he says will save this Nation from economic disaster. At the same time, Republican leaders, such as the distinguished majority leader of the Senate, tell us that this is an all-or-nothing package, and that it must be passed as a whole. They threaten to go to the American people in 2 years, if it is not passed and tell them that it is the Democrats who are preventing this country from making the changes necessary to put us on the road to economic recovery.

Mr. Speaker, I am afraid that we are so busy pointing fingers, and playing rhetorical politics with the Federal budget that we forget it is our obligation as elected Representatives to explain in simple terms the choices that the President has presented.

Too often, we forget that billions of dollars, and hundreds of macroeconomic statistics, are meaningless to the average American who has trouble simply conceiving of $2 a gallon for gas or $200 a month to pay a heating bill.

What are the choices we are being asked to make, and what is the set of assumptions upon which they are based? Fundamentally, we are being asked to choose between theories about what makes our economy strong and prosperous, our people healthy and secure, and our Nation great.

We, as citizens, are being asked to separate the sources of our Nation's insecurity from its basis as a world power. At the bottom of each Federal budget line is an equation which balances on philosophy, not politics; facts, not fictions, about the realities of the American economy today.

Republicans are fond of saying that our society faces an economic Dunkirk. They use the fear of impending doom to ask Americans to give up making the economic and social progress which has set this country apart from the other nations of the world. There is no doubt that our economy suffers from an inflation rate that cripples our productive capacity. There is no doubt that Federal fiscal policies have added their share toward this increasing inflation rate, and that every effort must be made to remove the Federal Government from the credit market and to reduce Government spending which is unproductive and wasteful.

But let us paint a realistic picture of the American economy—which remains the most productive in the world. Our people still enjoy a standard of living far beyond that of any other nation in the world.

A study at the University of Pennsylvania's Wharton School of Business indicates that the actual per capita flow of goods and services to the American consumer is nearly twice greater than that of Japan, and one-third greater than Germany and France.

Americans still set the international benchmark for productivity—nearly one-fifth more productive than our closest competitor. Our export capacity has nearly doubled in the last 4 years, with manufactured goods, a measure of our industrial capacity, counting for more than half of those foreign trade dollars.

Even a look at comparative government spending shows that the United States is near the bottom of the list of Government dollars spent as a percentage of gross national product. Federal, State, and local governments only account for 34 percent of our GNP; only the Japanese and the Australian Governments spend less, and only the Japanese have a lower rate of taxation.

Of the seven leading industrial countries, the U.S. Government runs the lowest deficits as a percentage of its GNP. How are our Government dollars spent? It is true that transfer payments climbed dramatically during the 1970's. But, beginning in 1978, Federal nondefense spending began to take a dramatic decline, and the percentage of expenditures targeted for defense began to increase.

In the 1970's, per capita real income rose 23 percent and per capita consumption grew 25 percent; per capita output in the workplace increased 2 percent—much the same level as the previous decade. However, much of this tremendous growth in real purchasing and productive capacity was not financed by Government deficits, but by the credit of the private consumer. While the Federal debt is 3 times as large as it was in 1950, consumer installment debt is 14 times as large, mortgage debt 16 times as big, and corporate debt 13 times its 1950 size.

Looking at other industrial countries of the world, the United States still stands head and shoulders above each and every one in terms of our standard of living, our productivity, our export trade, our small Government debt, and our real income growth. These are facts and figures which indicate that the American economy is still strong and growing. But let us now turn our attention to what our country's major weaknesses are.

In world terms, the greatest threat to our national strength comes from the rapid transfer of wealth to developing countries and the attempt of aggressive nations such as the Soviet Union to exploit these rapid changes for their own political purposes. Part of the cause which leads to the transfer of American capital overseas is our dependence on foreign suppliers of energy. This dependence on foreign sources of oil puts our Nation in a position of strategic weakness, and puts our economy at the mercy of shock therapy administered through the pricing policies of the OPEC nations.

In the face of this tremendous dependence on foreign sources of energy, President Reagan has proposed to do away with our conservation and synthetic fuels efforts designed to encourage national energy self-sufficiency. He proposes to encourage individual auto travel by cutting mass transit subsidies, thereby sending those subsidies, not to American industry, but to Arab oil ministers.

But dependence on foreign oil is not the only factor eroding our national strength. In a very real sense, our greatest national weaknesses are here at home, in our cities, on our streets, in our neighborhoods.

While the impressive numbers and statistics I quoted just a few minutes ago indicate the productive capacity of the Nation's economy, the percentage of Americans who are impoverished has remained the same in the last 10 years. For the last 15 years, 12 percent of our people, nearly 25 million Americans today, fall below the poverty line. When that line is adjusted just slightly to include Americans barely above the poverty level, that figure jumps tremendously to 46 million people—nearly one-quarter of our population.

Although there has been no change in the percentage of our Nation's poor, there have been real changes in who composes that group. Poverty among blacks has been cut in half from two-thirds to one-third; poverty in the Sunbelt has declined, and it has grown in the North.

A game of musical chairs is taking place among our Nation's poor. Today the typical poor person in America is either young, the female head of a household, or a member of a minority. Two out of every five elderly women, two out of every households headed by females, and two out of three black women living alone, are poor today. So while there appears to have been a steady state among all groups, our elderly, youth, and women have actually grown poorer.

A recent report written by the University of California at Berkeley dispels some of the myths which the Reagan program for economic recovery hopes to offer as solutions to poverty in America. In the past, Govern-

ment has operated on theories that improved economic incentives for business would "trickle down" throughout the economic community.

This theory holds that by helping people at the top of the economic ladder, people at the bottom would also benefit. The Berkeley study indicates that what progress has been made in the last 15 years, lifting people out of the shackles of poverty, has been the result of Government income-transfer programs such as social security, food stamps, and housings subsidies.

Growth of the private sector has not had a measurable impact on the Nation's poor; in fact, poverty among the Nation's working poor has actually increased. A 1978 report by the then Department of Health, Education, and Welfare indicated that there has been little improvement in the ability of the poor to gain employment; that income transfer programs, not jobs, had done most of the work lifting Americans above the poverty lines; and that poverty can expect to increase if income transfer programs do not keep track with inflation.

"Trickle down" theories have not served to create new jobs; Government income transfer programs now simply serve to keep a large poor population afloat. Efforts to direct scarce Federal resources away from our poor, and working poor, threaten the very ability of many Americans to have a sound roof over their heads, a nutritional meal in their stomachs, and to keep their homes warm in the winter.

What does President Reagan's economic program offer to address our Nation's weaknesses? It offers meat cleaver cuts for Government programs where a surgeon's scalpel is required. It proposes to cloud our vision of what this country is all about. It threatens to tighten the shackles of poverty, increase the burden of working Americans, and puts us more at the mercy of foreign influences.

Over the past four decades, Government programs have been designed to assure that our defenses are strong, and that our people have adequate shelter, basic nutrition, fundamental education, and a minimum level of health care.

We have set benchmarks below which we work not to fall, and these standards differentiate the people of our country from the citizens of the world.

President Reagan proposes to cut taxes so that every American can have money to invest. But in reality, only the very rich will have any money left over to invest after gasoline climbs to $2 a gallon, heating oil and natural gas bills cost us $200 a month while the price of milk soars at the grocery store. At the same time, the administration opposes removing the oil depletion allowance—a giveaway to the oil industries.

President Reagan promises us that the truly needy will not be hurt; but what about the 21 million Americans who make up our working poor? We are going to reduce their food stamps, cut away the children's ability to get subsidized lunches at school, and sock them with tremendous increases in energy costs without any form of relief. In my district of Memphis, 10,000 of the children of the working poor will no longer be eligible for subsidized school lunches.

Every time someone in my district tries to go somewhere without a car, he or she is being affected. Public transportation fares will go up—in Memphis, they are 70 cents now—and routes are already being discontinued as a result of higher fuel prices, and the decontrol of oil.

Transportation is only one of the areas being cut that, quote—unquote, will not hurt the truly needy. And these people are not benefiting in the least from President Reagan's proposed tax cuts.

The President's economic program was created so that the very wealthy can have more incentive to increase their income from unearned sources. Are we confusing Mr. Reagan's truly needy with the truly greedy.

This Congress will undoubtedly pass a tax bill designed to provide some relief to American businesses so that we keep pace with the rapid gains of our international competitors. But, the price and the package President Reagan seeks to extract is too high. It is so high that one must question whether he is not simply playing rhetorical politics with the fears of the public about the true health of the American economy.

There is great fear and uncertainty among our people today. There is uncertainty about this Government's commitment to fight the sources, not the symptoms of inflation; about our commitment to take the controls of energy prices away from OPEC; about our desire to cut our wasteful spending and to reduce the Government's impact on the credit markets.

Nothing in the President's economic plan addresses the three primary causes of inflation—energy, housing, and food. In fact, some of his proposals are designed to increase the costs to consumers in these areas.

But even more uncertain is our national commitment to what makes this country the greatest on Earth. We cannot afford to let the great "tide of change" that has come upon us as the result of the recent election to sweep away our efforts to improve the livelihoods of the minimum standards of living for millions of Americans who now seem hopelessly encased by the bars of poverty.

We cannot afford to have an entire class of Americans, who from birth, have not even the faintest hope of breaking those barriers.

I can support some of the new approaches to solving these problems. For instance, if the lesson is that Government involvement has failed, then the message must be to the private sector to pick up where we have fallen short. But we must try and try and try again. There may be a change in the goals we seek to achieve. The basic goals and values of society, the fundamental belief in the basic opportunity that each individual must enjoy without being shackled by poverty from birth, lives on.

For over 200 years, our society has strived, and has struggled, to bring the reality the greatest experiment ever undertaken. This experiment has been to mesh the workings of a free society with the fair distribution of goods vested in the public domain. Two hundred years ago, those goods were documented by the Bill of Rights as the right to political self-determination. Over the past 200 years, that right to self-determination, and the tools which Government has employed to realize it, have changed radically.

Today some critics say that we have gone too far. They charge that the benchmarks of acceptability, the basic minimums and standards we use to measure the limits of our tolerance of poverty have been stretched beyond their limit.

I disagree. These are the standards which differentiate American people from citizens in other societies. Our Government's effort to assure that people have adequate shelter, minimum nutrition, a basic level of health care, fundamental education; these mark the differences which propel our society to the greatest economic productivity on Earth today.

We are, indeed, at a turning point in political, economic, and even ideological terms. The problems of fighting poverty are the places for self-examination and self-rededication to our most valuable principles. My opinion is that this is the cutting edge where the ultimate determination of our society's future will be played out.

We must not shy from the challenge; every new opportunity compels us to take risks, to exert leadership, and to demonstrate to the free world that we will not lessen our commitment to achieve the goals for which this Nation was founded.

Our greatest failure will be to allow the concept of costs and risks to deter us. We must not resign ourselves to admitting that the American dream was only meant to be shared by those born lucky enough to afford it. In the face of the stranglehold of OPEC, the never-ending wage-price spiral, the humiliation in Iran and Vietnam, let us

turn to ourselves and rededicate ourselves to the political faith which has sustained us.

As we profess our desire not to be enslaved to the political power of any government, we also profess not to submit to any pessimism which threatens to hold us down. At this moment, more than any other, our greatest options present themselves. The illusion of crisis must be set aside as only a vision of what might occur. We shall only fail if we put aside the responsibilities placed upon us by our traditions and deny our most fundamental beliefs. I am not prepared to do that.

□ 1730

CALIFORNIA TAKING PROGRESSIVE STEPS IN AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COELHO), is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, when Daniel Webster graced these Halls he said that "national strength lies very near the soil."

"The cultivation of the earth," he said, "is the most important labor of man."

The State of California was admitted to the Union just 2 years before the death of this great statesman, but if Daniel Webster were alive today he would be proud of my home State's contribution to American agriculture—the richest agricultural State in the Nation. Consider, for instance, that 8 of the 10 leading agricultural counties in the United States are located in California.

Recently I shared with my colleagues in the CONGRESSIONAL RECORD an article from the Wall Street Journal which discussed the important role research plays in advancing the agricultural sciences, and how California has so resourcefully responded to the challenges of the future. Our commitment to furthering California's position in U.S. agriculture promises to enhance the economy of both the State and Nation, while providing consumers everywhere with an abundance of quality farm products.

An example of California's foresight was the issuance of an executive order by Gov. Jerry Brown a few weeks ago which creates a new agricultural research program for the State. The $12.5 million undertaking is, in the Governor's words, "a significant and dramatic expansion" of the State's direction in dealing with the problems of soil erosion, energy resources used in farm production, water delivery, and the use of pesticides. Funds from the program will finance grants to schools, universities, and agricultural organizations, to be determined by a task force of farm advisers and other citizen interests.

For the RECORD, Mr. Speaker, I wish to include the Governor's executive order:

STATE OF CALIFORNIA—EXECUTIVE ORDER B-77-81

Whereas, an economically sound and sustainable agriculture is vital to California; and

Whereas, California's agricultural future depends upon finding innovative and cost-effective solutions to problems of energy and water availability and cost, air, soil, and water quality, and pest prevention and control; and

Whereas, investment of State resources is proper where significant public benefit can be realized; and

Whereas, the Governor's budget for fiscal year 1981-82 will propose that funds from the Energy and Resources Fund be available to the Department of Food and Agriculture for the Agriculture Investment Program to invest in the state's agricultural resources and specifically into the problems affecting the protection of renewable resources in agriculture as well as in resource related problems and projects to assure the future existence of a viable agriculture in the State; and

Whereas, consultation and advise from farmers, scientists, educators, the financial community, and the public is needed to fully evaluate problems affecting our agricultural resources;

Now, therefore, I, Edmund G. Brown Jr., Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this order to become effective immediately:

1. The Director of the Department of Food and Agriculture shall select an Advisory Committee consisting of sixteen (16) members to make recommendations to the Director with respect to implementation of this Order. Eight of the Advisory Committee members shall be selected by the Director from nominations received from representatives of the agricultural community; the agricultural members of the Advisory Committee shall be selected to represent the geographic, commodity, and size diversity of the State's agriculture. The Director shall appoint eight additional persons as follows:

(a) a representative of the University of California;

(b) the Director of the State Department of Conservation, or a designee;

(c) the President of the Resource Conservation Districts Association, or a designee;

(d) the Director of the State Department of Water Resources, or a designee;

(e) a member of the State Water Resources Control Board;

(f) the State Chair of the California Agricultural Stabilization and Conservation Committee, or a designee;

(g) a representative of the financial community;

(h) one public member.

The Director shall yearly designate one member to act as Chair.

2. The Advisory Committee shall make recommendations to the Director of the Department of Food and Agriculture with respect to the implementation of this Executive Order, and shall determine that the use of funds allocated to the Department under this Executive Order is appropriate, effective, and compatible with the objective of finding innovative and cost effective solutions to the challenge of maintaining and enhancing California's agricultural energy, water, air, soil, and genetic resources, and in accordance with the following purposes:

Increasing agriculture's independence from nonrenewable resources of agricultural energy;

Maintaining the productive capacity of California soils by addressing the problems of soil erosion, salt accumulation, inadequate drainage, soil movement, compaction, decline in fertility, and urban encroachment;

Increasing the availability and efficiency of water use in agriculture;

Encouraging a broad spectrum of agricultural strategies and techniques aimed at preventing the spread of and ensuring the control of plant and animal pests;

Identifying strategies, programs, and incentives that increase the compatibility of agricultural activities with long-term maintenance of wildlife habitat and air and water quality.

3. The Director shall not undertake the disbursement of funds available under this Executive Order except for the purposes and proposals adopted and recommended by the Advisory Committee; however, the Director shall not be required to adopt all proposals or programs recommended. All appropriations for the Agriculture Investment Program shall be made through the Governor's annual budget.

4. The Advisory Committee shall additionally:

Identify renewable resource investment needs in agriculture and develop criteria for evaluating problems affecting the preservation, conservation, or enhancement of renewable agricultural resources in the State.

Publicly request proposals from the research community, and other agencies, organizations, and investigators for the investigation and solution of specific problems and recommend to the Director the funding of those proposals which, in the estimation of the Advisory Committee, may reasonably be expected to be successful and usable.

Provide liaison with other groups, agencies, institutions, and individuals with similar interests and responsibilities for maintaining, improving, and enhancing renewable agricultural resources and act cooperatively with them in attaining such goals. Such cooperation may include, but not be limited to, funding, in part or in whole, by grant or by loan, projects or programs recommended by other groups, agencies, institutions, and individuals.

Review all applications for funding and make recommendations to the Director based upon the purposes established in this Executive Order and the criteria established by the Advisory Committee. The Committee's recommendations should emphasize innovative approaches that are unlikely to find support through other state or federal funding channels, and the Committee shall ensure that its recommendations do not duplicate ongoing programs within the Department of Food and Agriculture or other state agencies or commissions. The Advisory Committee shall seek to maximize the potential public benefit that might result from the allocation of state funds under this program, and shall encourage cost-sharing efforts to provide the most effective use of state funds.

Annually describe and report progress on projects funded to the Governor and the public.

Make recommendations to the Director of the Department of Food and Agriculture

with respect to the implementation of this program.

5. Members shall be appointed to the Advisory Committee for a term of four years, but may not serve more than two consecutive terms.

6. The Advisory Committee shall serve without compensation, but shall receive necessary travel expenses, technical advisors, and staff assistance in carrying out its responsibilities. Annual administrative costs shall be limited to not more than one and one-half percent of the Agricultural Resources Investment Fund.●

LEGISLATION TO INCREASE THE UTILIZATION OF THE INTERNATIONAL COURT OF JUSTICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, I am introducing today, on behalf of myself and the gentleman from Washington (Mr. PRITCHARD) a concurrent resolution designed to encourage increased utilization of the International Court of Justice and thereby promote international justice and peace through law.

In the volatile political climate of our time, respect for principles of international law unfortunately appears on the decline. The attack on the U.S. Embassy in Tehran on November 4, 1979, and the subsequent imprisonment of 52 diplomatically protected Americans for 444 days provide 1 very dramatic example. While making better use of the World Court is no panacea, it is certainly a step in the right direction.

My desire to strengthen the role of the World Court dates back a number of years. It prompted me in 1974 to propose five resolutions, along with Senator CRANSTON of California, urging the President to increase utilization of the Court in a number of ways. Last year, Senator CRANSTON and I reintroduced one of these resolutions as Senate Concurrent Resolution 85 and House Concurrent Resolution 352. As the Congress again failed to take action, I am resubmitting the same concurrent resolution today.

This resolution would strengthen the World Court by seeking the establishment of a special committee in the United Nations which would be authorized to seek advisory opinions on international law, if so requested by national courts empowered by national legislatures to make such requests. This committee could also establish procedures to assure that each party involved in cases before the court or tribunal requesting an advisory opinion would have the opportunity to present its views to the World Court. In addition, the resolution would urge the President to propose legislation to the Congress: First, authorizing Federal courts to request advisory opinions from the World Court; second, laying out the procedures for doing so; and third, defining precisely to what degree the United States accepts the expanded jurisdiction of the International Court of Justice.

Although the United States has long been a leader in promoting peace, we have been remiss in helping to strengthen those international institutions established to build and preserve international law. We did not even join the first world court, the Permanent Court of International Justice, and we became a member of the International Court of Justice in 1946 only after adding a self-judging reservation to the Senate's advice and consent. Let us now reverse our role and become a leader in the campaign to build respect for international law, thereby increasing the prospects for peaceful resolution of international conflict.

I commend this concurrent resolution to my colleagues and urge that it be given favorable and early consideration. The text of the resolution follows:

H. CON. RES. 86

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should—

(1) direct the permanent representative of the United States to propose to the United Nations General Assembly the adoption of a resolution which establishes a special committee authorized—

(A) to seek an advisory opinion of the International Court of Justice, upon request by a national court or tribunal which is duly authorized by national legislation to make such a request, regarding any question of international law of which such court or tribunal has jurisdiction; and

(B) to establish procedures providing adequate opportunities for the presentation to the International Court of Justice the views of each party to the case before the court or tribunal requesting such advisory opinion; and

(2) after the establishment of the special committee, propose legislation to the Congress which—

(A) authorizes Federal courts to request such advisory opinions; and

(B) establishes procedures whereby any Federal court may submit such requests to the special committee; and

(C) defines the scope of acceptance by the United States of the expanded jurisdiction of the International Court of Justice.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. COLEMAN) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 5 minutes, today.
Mr. GREEN, for 10 minutes, today.
Mr. LOTT, for 10 minutes, today.
Mr. MCCLORY, for 5 minutes, today.
Mr. GILMAN, for 60 minutes, March 11.

(The following Members (at the request of Mr. PEASE) to revise and extend their remarks and to include extraneous material:)

Mr. RODINO, for 5 minutes, today.
Mr. FORD of Tennessee, for 35 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.
Mr. PEYSER, for 60 minutes, on March 11.
Mr. BINGHAM, for 60 minutes, on March 11.

(The following Members (at the request of Mr. DENARDIS) to revise and extend their remarks and include extraneous material:)

Mr. MCCOLLUM, for 30 minutes, March 11.

(The following Members (at the request of Mr. FORD of Tennessee) to revise and extend their remarks and include extraneous material:)

Mr. BINGHAM, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. COLEMAN), and to include extraneous matter:)

Mr. SMITH of New Jersey.
Mr. KEMP in two instances.
Mr. GREEN in two instances.
Mr. BENEDICT.
Mr. SOLOMON.
Mr. FRENZEL.
Mr. ROUSSELOT.
Mr. SAWYER.
Mr. MCCLORY.
Mr. CRAIG.
Mr. PAUL in two instances.
Mr. WALKER.
Mr. YOUNG of Florida.
Mr. DERWINSKI.
Mr. MITCHELL of New York.
Mr. RITTER in two instances.
Mr. MCKINNEY.
Mr. BAILEY of Missouri.
Mr. MARLENEE in four instances.
Mr. BEREUTER.
Mr. RINALDO.
Mr. COATS.
Mr. MILLER of Ohio in two instances.
Mr. HOLLENBECK in two instances.
Mr. DORNAN of California.
Mr. PARRIS.

(The following Members (at the request of Mr. PEASE), and to include extraneous matter:)

Mr. MAZZOLI in two instances.
Mr. ROSENTHAL.
Mr. MCDONALD in two instances.
Mr. GUARINI.
Mr. COELHO.
Mr. EDGAR.
Mr. DE LA GARZA in 10 instances.
Mr. PATMAN.
Mr. STARK in two instances.
Mr. BENJAMIN.
Mr. HAMILTON in two instances.

Mr. MOAKLEY in two instances.
Mr. APPLEGATE.
Mr. NOWAK.
Mr. RICHMOND.
Mr. BOLLING.
Mr. LONG of Louisiana.
Mr. VENTO in two instances.
Mr. HUBBARD.
Mr. BEILENSON.
Mr. SIMON in five instances.
Mr. D'AMOURS in two instances.
Mr. PEYSER.
Mr. SMITH of Iowa in two instances.
Mr. OBERSTAR.
Mr. MATTOX.
Mr. MOTTL.
Mr. COTTER.
Mr. FARY.
Mr. RAHALL in two instances.
Mr. LAFALCE.
Mr. ROE.
Mr. SHELBY.
Mr. CORRADA.
Mr. BEDELL.
Mr. BREAUX.

ADJOURNMENT

Mr. FORD of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 41 minutes p.m.), the House adjourned until tomorrow, Thursday, March 5, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

682. A letter from the Comptroller General of the United States, transmitting his review of the proposed rescission of budget authority reported in the message from the President dated January 29, 1981 (H. Doc. No. 97-16), pursuant to section 1014(b) of Public Law 93-344; to the Committee on Appropriations.

683. A letter from the Principal Deputy Assistant Secretary of the Navy (Logistics), transmitting notice of the proposed conversion to contractor performance of the keypunch function at the Naval Weapons Station, Seal Beach, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

684. A letter from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Grand Forks Air Force Base, N. Dak., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

685. A letter from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting notice of the proposed conversion to contractor performance of the refuse collection function at K. I. Sawyer AFB, Mich., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

686. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment and services to Egypt (Transmittal No. 81-22), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

687. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense equipment and services to Jordan (Transmittal No. 81-25), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

688. A letter from the Chairman, National Institute of Education, transmitting the fifth report of the National Council on Educational Research, pursuant to section 405(c)(3) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

689. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Egypt (Transmittal No. 81-22), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

690. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Jordan (Transmittal No. 81-25), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

691. A letter from the Acting Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a report on the council's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

692. A letter from the Executive Secretary, Administrative Conference of the United States, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

693. A letter from the Executive Director and the Deputy General Counsel, Federal Labor Relations Authority, and the Executive Director, Federal Service Impasses Panel, transmitting a report on their offices' activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

694. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports covering visa petitions approved according certain beneficiaries third and sixth preference classification pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

695. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

696. A letter from the Comptroller General of the United States, transmitting a report on the use of wood residue (EMD-81-6, March 3, 1981); jointly, to the Committees on Government Operations, Agriculture, and Energy and Commerce.

697. A letter from the Comptroller General of the United States, transmitting a report on the financial disclosure process of the legislative branch (FPCD-81-20, March 4, 1981); jointly, to the Committees on Government Operations, Rules, and Standards of Official Conduct.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENEDICT:

H.R. 2278. A bill to place a sign memorializing the New River Gorge Bridge as the world's largest steel-arch span bridge; to the Committee on Public Works and Transportation.

Mr. BIAGGI:

H.R. 2279. A bill to require the fingerprinting of juvenile delinquents upon conviction or adjudication and to forbid the withholding of information from criminal trials on the grounds such information relates to a juvenile proceeding; to the Committee on the Judiciary.

H.R. 2280. A bill to authorize the Secretary of the Treasury to conduct a study of handgun bullets manufactured in or imported into the United States, to determine which bullets have the capacity to penetrate bulletproof vests commonly used by law enforcement officers; to the Committee on the Judiciary.

H.R. 2281. A bill to amend title 18 of the United States Code to provide that persons accused of committing Federal felonies who have attained the age of 15 years shall be tried as adults, and to require the several States, the District of Columbia, and the other territories and possessions of the United States to treat all felony offenders alike who have attained the age of 15 years; to the Committee on the Judiciary.

H.R. 2282. A bill to amend section 924 of title 18 to increase the penalties for certain offenses relating to firearms, and to provide mandatory minimum penalties in certain circumstances; to the Committee on the Judiciary.

H.R. 2283. A bill to establish rational criteria for the imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

H.R. 2284. A bill to help States assist the innocent victims of crime; to the Committee on the Judiciary.

H.R. 2285. A bill to amend the Urban Mass Transportation Act of 1964 by proscribing certain acts committed against a mass transportation system; to the Committee on Public Works and Transportation.

By Mr. BROWN of Ohio:

H.R. 2286. A bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization; to the Committee on Energy and Commerce.

By Mr. CLAUSEN:

H.R. 2287. A bill designating the Luther Burbank Shasta Daisy as the national flower of the United States; to the Committee on Post Office and Civil Service.

By Mr. CLAY:

H.R. 2288. A bill to amend title 39 of the United States Code to provide that owners of passenger motor vehicles leased to the U.S. Postal Service shall be exempt from the payment of State taxes and fees on those vehicles; to the Committee on Post Office and Civil Service.

By Mr. COLLINS of Texas:

H.R. 2289. A bill to terminate the Department of Education; jointly, to the Committees on Government Operations and Rules.

By Mr. PHILIP M. CRANE:

H.R. 2290. A bill to amend the Internal Revenue Code of 1954 to exclude all interest from the gross income of individuals; to the Committee on Ways and Means.

By Mr. DAVIS:

H.R. 2291. A bill to amend section 5(d) of Public Law 874 to prevent taking into account Federal funds made available under that act in the distribution of State educational funds; to the Committee on Education and Labor.

By Mr. DAVIS (for himself and Mr. OBERSTAR):

H.R. 2292. A bill to amend the Trade Act of 1974 in order to extend eligibility for adjustment assistance to workers providing essential parts and essential services with respect to articles adversely affected by import competition and to workers providing raw materials for such essential parts; to the Committee on Ways and Means.

By Mr. DE LA GARZA:

H.R. 2293. A bill to provide general assistance and special impact aid to local educational agencies for the provision of educational services to undocumented alien children to whom State or local educational agencies are required, by order of any Federal court, to provide educational services or who are permitted under any such order to receive the benefits of State funds available for educational purposes; to the Committee on Education and Labor.

By Mr. DERRICK:

H.R. 2294. A bill to amend the Congressional Budget Act to require the Congressional Budget Office, for every significant bill or resolution reported in the House or Senate, to prepare and submit an estimate of the cost which would be incurred by the State and local governments in carrying out or complying with such bill or resolution; to the Committee on Rules.

By Mr. DOWNEY (for himself, Mr. PORTER, Mr. OTTINGER, and Mr. PICKLE):

H.R. 2295. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of educational filmstrips; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 2296. A bill to amend the Clean Air Act to provide for further assessment of the validity of the theory concerning depletion of ozone in the stratosphere by halocarbon compounds before proceeding with any further regulation of such compounds, to provide for further research and study, and for other purposes; jointly, to the Committees on Energy and Commerce and Rules.

By Mr. DOWNEY (for himself, Mr. APPLEGATE, Mr. ATKINSON, Mr. BAILEY of Missouri, Mr. BEDELL, Mr. BINGHAM, Mr. BONIOR of Michigan, Mrs. CHISHOLM, Mr. CLAY, Mr. CONYERS, Mr. CORCORAN, Mr. WILLIAM J. COYNE, Mr. D'AMOURS, Mr. DAVIS, Mr. DELLUMS, Mr. DIXON, Mr. DWYER, Mr. DYSON, Mr. EDGAR, Mr. ERTEL, Mr. FAUNTROY, Mr. FAZIO, Ms. FERRARO, Mr. FISH, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. FRANK, Mr. FROST, Mr. GARCIA, Mr. GIBBONS, Mr. GLICKMAN, Mr. GRAY, Mr. GUARINI, Mr. HORTON, Mr. HOWARD, Mr. JEFFORDS, Mr. KASTENMEIER, Mr. KILDEE, Mr. KOGOVSEK, Mr. LAFALCE, Mr. LONG of Maryland, Mr. LOWRY of Washington, Mr. LUNGREN, Mr. MARKEY, Mr. MATSUI, Mr. MCHUGH, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MURPHY, Mr. NEAL, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. RAILSBACK, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. RUSSO, Mr. SCHEUER, Mrs. SCHNEIDER, Mr. SEIBERLING, Mr. SIMON, Mr. STOKES, Mr. VENTO, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WHITEHURST, Mr. WIRTH, and Mr. WOLPE):

H.R. 2297. A bill to amend title 38, United States Code, to waive the 1-year limitation on claims for compensation from the Veterans' Administration for disabilities and disease incurred in or aggravated by military service in the case of claims by veterans who served in Southeast Asia during the Vietnam era for compensation for disabilities resulting from exposure to the phenoxy herbicide known as "Agent Orange" or other phenoxy herbicides; to the Committee on Veterans' Affairs.

By Mr. DOWNEY (for himself, Mr. BARNARD, Mr. BEDELL, Mr. BRODHEAD, Mr. BROWN of California, Mrs. CHISHOLM, Mr. COELHO, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. WILLIAM J. COYNE, Mr. DE LA GARZA, Mr. DE LUGO, Mr. DWYER, Mr. EDGAR, Mr. ERDAHL, Mr. FASCELL, Mr. FISH, Mr. GINGRICH, Mr. GUYER, Mr. HORTON, Mr. HUGHES, Mr. KILDEE, Mr. LAFALCE, Mr. MCKINNEY, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOTTL, Mr. MURPHY, Mr. PEPPER, Mr. PRITCHARD, Mr. RAHALL, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. SABO, Mr. SANTINI, Mr. SCHEUER, Mr. SOLARZ, Mr. STOKES, Mr. WHITEHURST, Mr. WON PAT, and Mr. YATRON):

H.R. 2298. A bill to amend the Internal Revenue Code of 1954 to modify the credit allowed for expenses for household and dependent care services necessary for gainful employment to include credit to individuals for expenses for the care of a mentally or physically handicapped child of such individual, and to provide for the exemption from taxation of trusts established to provide care for such children except to the extent of distributions, and to provide a deduction for contributions to such trusts; to the Committee on Ways and Means.

Mr. EDWARDS of Oklahoma:

H.R. 2299. A bill to amend title 5, United States Code, to improve and reform the administrative procedures of Federal agencies, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 2300. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes; to the Committee on Education and Labor.

H.R. 2301. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

H.R. 2302. A bill to provide for the establishment of a Nuclear Safety Board as an independent establishment of the United States with authority to monitor nuclear incidents and to make recommendations regarding nuclear safety; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. GUARINI:

H.R. 2303. A bill to designate the New York Bulk and Foreign Mail Center at Jersey City, N.J., as the "Michael McDermott Bulk and Foreign Mail Center"; to the Committee on Public Works and Transportation.

By Mr. GRAMM:

H.R. 2304. A bill to amend the Energy Policy and Conservation Act to modify the oil acquisition program of the Strategic Petroleum Reserve in order to decrease the cost to the Government of oil stored in the Reserve and increase the quantity of oil in storage, and for other purposes; to the Committee on Energy and Commerce.

Mr. LAFALCE:

H.R. 2305. A bill to amend the Immigration and Nationality Act to provide for third preference treatment of alien investors; to the Committee on the Judiciary.

H.R. 2306. A bill to amend the Immigration and Nationality Act to provide for third preference treatment of alien investors; to the Committee on the Judiciary.

H.R. 2307. A bill to amend the Internal Revenue Code of 1954 to provide that, for purposes of the Federal estate tax, amounts contributed to certain cemetery companies may be deducted from the gross estate; to the Committee on Ways and Means.

H.R. 2308. A bill to amend the Internal Revenue Code of 1954 to provide that, for purposes of the Federal estate tax, amounts contributed to certain cemetery companies may be deducted from the gross estate; to the Committee on Ways and Means.

By Mr. LEE:

H.R. 2309. A bill to amend the Clean Air Act to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing, and for other purposes; to the Committee on Energy and Commerce.

H.R. 2310. A bill to amend the Clean Air Act to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing, and for other purposes; to the Committee on Energy and Commerce.

By Mr. LEHMAN:

H.R. 2311. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child; to the Committee on Ways and Means.

By Mr. LEWIS:

H.R. 2312. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

By Mr. MARTIN of North Carolina:

H.R. 2313. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize the issuance of a regulation for a food additive on the basis of an evaluation of the risks and benefits of the additive and to allow the continued use of saccharin; to the Committee on Energy and Commerce.

By Mr. MINISH:

H.R. 2314. A bill to grant a Federal charter to the National Opportunity Camps; to the Committee on the Judiciary.

By Mr. MOAKLEY:

H.R. 2315. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for amounts paid or incurred for rehabilitating certain historic structures, to increase the investment tax credit percentage to 25 percent for qualified rehabilitation expenditures with respect to such structures, and to extend the investment tax credit for rehabilitation expenditures to multifamily residential rental property; to the Committee on Ways and Means.

By Mr. MOFFETT (for himself, Mr. RODINO, Mr. EDWARDS of California, Mr. CLAY, Mr. LELAND, Mrs. COLLINS of Illinois, Mr. OTTINGER, Mr. MARKEY, Mr. WEISS, Mr. SCHUMER, Mr. FRANK, Ms. MIKULSKI, Mr. LOWRY of Washington, and Mr. DOWNEY):

H.R. 2316. A bill requiring the Law Enforcement Assistance Administration to provide funds, as authorized to be appropriated under this act, to the mayor of the city of Atlanta, Ga., for extraordinary investigation expenses relating to the recent murders of black children; to the Committee on the Judiciary.

By Mr. MOTTL:

H.R. 2317. A bill to repeal the additional duties imposed until 1993 under the Omnibus Reconciliation Act of 1980 on imported ethyl alcohol; to the Committee on Ways and Means.

By Mr. MURPHY (for himself, Mr. PERKINS, Mr. MILLER of California, Mr. BIAGGI, Mr. SIMON, Mr. FORD of Michigan, Mr. WEISS, Mr. KILDEE, and Mr. DYMALLY):

H.R. 2318. A bill to extend authorizations of appropriations for programs established in the Child Abuse Prevention and Treatment Act and in the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and for other purposes; to the Committee on Education and Labor.

By Mr. NOWAK:

H.R. 2319. A bill to amend the Internal Revenue Code of 1954 to provide simplification in accounting rules related to inventory; to the Committee on Ways and Means.

By Mr. PASHAYAN:

H.R. 2320. A bill to prohibit the compensation of certain fees by the Federal Trade Commission; to the Committee on Energy and Commerce.

By Mr. PASHAYAN (for himself and Mr. COELHO):

H.R. 2321. A bill to authorize the Secretary of the Army to construct improvements on Redbank and Fancher Creeks, Calif.; to the Committee on Public Works and Transportation.

By Mr. PAUL:

H.R. 2322. A bill to authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and Federal Reserve banks and their branches; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2323. A bill to amend the State and Local Fiscal Assistance Act of 1972 to make that act's prohibition on the use of revenue sharing funds for lobbying purposes applicable to any lobbying; to the Committee on Government Operations.

By Mr. PICKLE:

H.R. 2324. A bill to amend the Internal Revenue Code of 1954 to increase the annual gift tax exclusion and to clarify the gift tax treatment of certain transfers for consumption; to the Committee on Ways and Means.

By Mr. RAHALL (for himself, Mr. MOLLOHAN, Mr. BEVILL, Mr. MURTHA, Mr. ROGERS, Mr. KOGOVSEK, Mr. APPLEGATE, Mr. CLINGER, Mr. MURPHY, and Mr. FLORIO):

H.R. 2325. A bill entitled: "The Coal Utilization Incentives Act of 1981"; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. RODINO (for himself and Mr. MCCLORY):

H.R. 2326. A bill to amend the Sherman Act and the Clayton Act to exclude from the application of such acts certain conduct involving exports; to the Committee on the Judiciary.

By Mr. SHELBY:

H.R. 2327. A bill to amend title 18, United States Code, to increase the penalties for desecrating the flag of the United States; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska (for herself, Mr. BEREUTER, Mr. PERKINS, Mr. CLINGER, Mr. BROWN of Colorado, Mr. DAUB, Mr. HAGEDORN, Mr. STANGELAND, Mr. ATKINSON, and Mrs. BYRON):

H.R. 2328. A bill to amend title 23, United States Code, to authorize the Secretary of Transportation to make grants relating to energy impacted rail and highway transportation; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mr. SYNAR:

H.R. 2329. A bill conferring jurisdiction on certain courts of the United States to hear and render judgment in connection with certain claims of the Cherokee Nation of Oklahoma; jointly, to the Committees on Interior and Insular Affairs and the Judiciary.

By Mr. UDALL:

H.R. 2330. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VENTO (for himself, Mr. MCCLORY, Mr. BOLAND, Mr. DE LUGO, Mr. FORSYTHE, Ms. MIKULSKI, Mr. MINISH, Mr. MOAKLEY, Mr. OTTINGER, Mr. PEPPER, Mr. SCHEUER, Mr. STARK, Mr. WEISS, Mr. WINN, Mr. SYNAR, and Mr. BUTLER):

H.R. 2331. A bill to prohibit the drugging or numbing of racehorses and related practices, and to amend title 18, United States Code, to prohibit certain activities conducted in interstate or foreign commerce relating to such practices; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. WALKER (for himself, Mr. DERWINSKI, Mr. ERDAHL, Mr. HILER, Mr. JAMES K. COYNE, Mr. COLLINS of Texas, Mr. HARTNETT, Mr. DANIEL B. CRANE, Mr. GARCIA, and Mr. ASHBROOK):

H.R. 2332. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide an exemption from coverage under the social security program, through a tax refund procedure, for employees who are members of religious faiths which oppose participation in such program, and to provide a similar exemption on a current basis (pursuant to waiver certificates filed in advance) for employers engaged in farming and their employees in cases where both are members of such faiths; and to make the existing exemption for self-employed members of such faiths available to certain additional individuals; to the Committee on Ways and Means.

By Mr. WATKINS:

H.R. 2333. A bill to amend the Federal Reserve Act to provide that not less than three members of the Board of Governors of the Federal Reserve System shall come from the agricultural sector, the industrial sector, the commercial sector, or financial institutions with assets of less than $150,000,000; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WAXMAN (for himself, Mr. EDGAR, Mr. LOWRY of Washington, Mr. OTTINGER, Mr. MOFFETT, Mr. OBERSTAR, Mr. STARK, Mr. ROE, Mr. WASHINGTON, Mr. SEIBERLING, Mr. GUARINI, Mrs. CHISHOLM, Mr. MITCHELL of Maryland, Mr. STOKES, Mr. SABO, Mr. CROCKETT, and Mr. VENTO):

H.R. 2334. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

By Mr. WHITTEN:

H.R. 2335. A bill to provide soybean producers with the same protection from natural disasters as producers of wheat and feed grains; to the Committee on Agriculture.

By Mr. RUSSO:

H.J. Res. 198. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. BINGHAM (for himself and Mr. PRITCHARD):

H. Con. Res. 86. Concurrent resolution to establish a Special Committee on Advisory Opinions from the World Court; to the Committee on Foreign Affairs.

By Mr. OTTINGER:

H. Con. Res. 87. Concurrent resolution declaring that the President's decision to commit U.S. military personnel to El Salvador requires that he comply with section 4(a) of the War Powers Resolution; to the Committee on Foreign Affairs.

By Mr. THOMAS:

H. Con. Res. 88. Concurrent resolution expressing the sense of the Congress that in administering the impact aid program under the act of September 30, 1950, the Secretary of Education should provide school districts with an opportunity to justify requests for financial assistance in amounts which may exceed by more than $50 the minimum local contribution rates for such districts; to the Committee on Education and Labor.

By Mr. BROOKS (for himself, Mr. DASCHLE, Mr. SEIBERLING, Mr. FAZIO, Mr. MCHUGH, Mr. SYNAR, and Mr. BURGENER):

H. Res. 97. Resolution to authorize the reprinting of the report entitled "International Information Flow: Forging a New Framework"; to the Committee on House Administration.

By Mr. DUNN (for himself, Mr. BAILEY of Missouri, Mr. BENEDICT, Mr. BILILEY, Mr. BROWN of Colorado, Mr. CARMAN, Mr. CHAPPIE, Mr. CRAIG, Mr. DANIEL B. CRANE, Mr. CORCORAN, Mr. JAMES K. COYNE, Mr. DENARDIS, Mr. EMERSON, Mr. EVANS of Iowa, Mr. FRENZEL, Mr. GOODLING, Mr. GREGG, Mr. GUNDERSON, Mr. HARTNETT, Mr. HENDON, Mr. HILER, Mr. HUNTER, Mr. JOHNSTON, Mr. LEBOUTILLIER, Mr. LOWERY of California, Mr. MCCOLLUM, Mr. MCEWEN, Mr. MCGRATH, Mr. MARTIN of New York, Ms. MARTIN of Illinois, Mr. MORRISON, Mr. NAPIER, Mr. PARRIS, Mr.

ROBERTS of South Dakota, Mr. ROBERTS of Kansas, Mr. ROGERS, Mrs. ROUKEMA, Mrs. SCHNEIDER, Mr. SHAW, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. SMITH of Oregon, Mr. SOLOMON, Mr. STATON of West Virginia, Mr. WEBER of Ohio, Mr. WEBER of Minnesota, Mr. WOLF, Mr. WORTLEY, Mr. VANDER JAGT and Mr. LAGOMARSINO:

H. Res. 98. Resolution limiting the aggregate of all expense resolution authorization levels for the standing and select committees of the House of Representatives to 90 percent of the aggregate expenditure levels of such committees for the second session of the 96th Congress; to the Committee on House Administration.

By Mr. HARKIN:

H. Res. 99. Resolution expressing the sense of the House of Representatives with respect to the failure of the Government of Chile to extradite Manuel Congreras, Armando Fernandez, and Pedro Espinosa to the United States, and urging the President to take certain actions with respect to Chile; jointly, to the Committees on Foreign Affairs and Banking, Finance and Urban Affairs.

By Mr. LOTT:

H. Res. 100. Resolution to amend the Rules of the House of Representatives for the purpose of strengthening and making more accountable the committee system and thereby making the legislative process more efficient, manageable, and representative; to the Committee on Rules.

By Mr. HARKIN (for himself, Mrs. CHISHOLM, Mr. WOLPE, Mr. OBERSTAR, Mr. DOWNEY, Mrs. SCHROEDER, Mr. STARK, Mr. EDGAR, Mr. LOWRY of Washington, Mr. WEISS, Mr. EDWARDS of California, and Mr. WASHINGTON):

H. Res. 101. Resolution expressing the concern of the Congress about gross violations of human rights in Guatemala, and calling upon the President of the United States to take certain actions; jointly, to the Committees on Foreign Affairs and Banking, Finance and Urban Affairs.

By Mr. PERKINS (for himself, Mr. PHILLIP BURTON, Mr. ASHBROOK, and Mr. ERLENBORN):

H. Res. 102. Resolution providing funds for expenses with respect to welfare and pension plans by the Subcommittee on Labor-Management Relations under the jurisdiction of the Committee on Education and Labor; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BONIOR of Michigan:

H.R. 2336. A bill for the relief of John Franklin Herbert McLin; to the Committee on the Judiciary.

By Mr. BREAUX:

H.R. 2337. A bill for the relief of Fulton Battise, chief of the Tribal Council of the Alabama Coushatta Tribes of Texas and Ernest Bickley, chairman of the Tribal Council of the Coushatta Tribe of Louisiana, and all other enrolled members of the Alabama Coushatta Tribes of Texas and the Coushatta Tribe of Louisiana, respectively; to the Committee on the Judiciary.

By Mr. JOHN L. BURTON:

H.R. 2338. A bill for the relief of Margot Hogan; to the Committee on the Judiciary.

By Mr. ERDAHL:

H.R. 2339. A bill for the relief of Michael Elliott Klaasen; to the Committee on the Judiciary.

By Mr. FAZIO:

H.R. 2340. A bill for the relief of Theodore Anthony Domingues; to the Committee on the Judiciary

By Mr. GONZALEZ:

H.R. 2341. A bill for the relief of Porter C. Murphy; to the Committee on the Judiciary.

By Mr. HILER:

H.R. 2342. A bill for the relief of Maria Cecelia Gabella-Ossa; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 2343. A bill for the relief of Luis Paco Adongay; to the Committee on the Judiciary.

By Mr. YOUNG of Missouri:

H.R. 2344. A bill for the relief of Irene Hoffman; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 10: Mr. ATKINSON, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. CORRADA, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. DYMALLY, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. GARCIA, Mr. GRAY, Mr. HAWKINS, Mr. LELAND, Mr. LUJAN, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOFFETT, Ms. OAKAR, Mr. PEPPER, Mr. RICHMOND, Mr. SAVAGE, Mrs. SCHROEDER, Mr. SIMON, Mr. STOKES, Mr. WASHINGTON, Mr. WEISS, and Mr. RANGEL.

H.R. 15: Mr. MCCOLLUM and Mr. BURGENER.

H.R. 27: Mr. BURGENER, Mr. COLEMAN, Mr. GILMAN, Mr. HUCKABY, Mr. MCHUGH, Mr. MARTIN, of North Carolina, Mr. MINISH, Mr. TRIBLE, Mr. WAMPLER, and Mr. WOLF.

H.R. 29: Mr. LAGOMARSINO.

H.R. 39: Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. DAVIS, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. EDGAR, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FAZIO, Mr. FLORIO, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FROST, Mr. GARCIA, Mr. GUARINI, Mr. HUGHES, Mr. KOGOVSEK, Mr. LOWRY of Washington, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. RICHMOND, Mr. RINALDO, Mr. SIMON, Mr. STARK, Mr. STOKES, Mr. VENTO, Mr. WASHINGTON, and Mr. WAXMAN.

H.R. 58: Mr. ADDABBO, Mr. AKAKA, Mr. ANNUNZIO, Mr. ANTHONY, Mr. APPLEGATE, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BEDELL, Mr. BEILENSON, Mr. BENJAMIN, Mr. BEVILL, Mr. BOLLING, Mr. BONER of Tennessee, Mrs. BOUQUARD, Mr. BREAUX, Mr. BROWN of Ohio, Mr. CHAPPELL, Mrs. CHISHOLM, Mr. CLINGER, Mr. COELHO, Mr. COLEMAN, Mr. CORRADA, Mr. COTTER, Mr. D'AMOURS, Mr. DASCHLE, Mr. DE LA GARZA, Mr. DERWINSKI, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DUNCAN, Mr. ECKART, Mr. EDGAR, Mr. ERTEL, Mr. EVANS of Georgia, Mr. EVANS of Indiana, Mr. FASCELL, Ms. FERRARO, Mr. FISH, Mr. FITHIAN, Mr. FOWLER, Mr. FROST, Mr. GINN, Mr. GLICKMAN, Mr. GRADISON, Mr. GREGG, Mr. GUARINI, Mr. GUYER, Mr. RALPH M. HALL, Mr. HALL of Ohio, Mr. HANCE, Mr. HATCHER, Mr. HEFNER, Mr. HUCKABY, Mr. IRELAND, Mr. JACOBS, Mr. JOHNSTON, Mr. JONES of North Carolina, Mr. KOGOVSEK, Mr. LATTA, Mr. LEATH of Texas, Mr. LEHMAN, Mr. LUJAN, Mr. MARKS, Mr. MATSUI, Mr. MAVROULES, Mr. MCCURDY, Mr. MCHUGH, Mr. MICA, Mr. MCKINNEY, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MOTTL, Mr. MURPHY, Mr. NEAL, Mr. NELSON, Ms. OAKAR, Mr. OTTINGER, Mr. PANETTA, and Mr. PASHAYAN, Mr. PATMAN, Mr. PATTERSON, Mr. PEPPER, Mr. PRICE, Mr. PRITCHARD, Mr. REGULA, Mr. REUSS, Mr. ROTH, Mr. RUSSO, Mr. SANTINI, Mr. SHARP, Mr. SHUMWAY, Mr. SKEEN, Mr. SIMON, Mr. SMITH of Alabama, Mr. SPENCE, Mr. STARK, Mr. STENHOLM, Mr. STUMP, Mr. SUNIA, Mr. UDALL, Mr. WATKINS, Mr. WEAVER, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WHITLEY, Mr. WILLIAMS of Montana, Mr. WILSON, Mr. WINN, Mr. WOLPE, Mr. WON PAT, and Mr. ZEFERETTI.

H.R. 143: Mr. FORD of Michigan.

H.R. 146: Mr. HERTEL, Mr. YOUNG of Missouri, Mr. SAM B. HALL, Jr., Mr. CLAY, Mr. DINGELL, Mr. ANTHONY, Mr. OBERSTAR, Mr. MITCHELL of Maryland, Mr. MAZZOLI, Mr. MURPHY, Mr. ALBOSTA, Mr. WON PAT, Mr. BONIOR of Michigan, Mr. YATRON, Mr. ATKINSON, Mr. HARTNETT, Ms. OAKAR, Mr. SEIBERLING, Mr. WOLPE, Mr. CROCKETT, Mr. KILDEE, Mr. TRAXLER, Mr. GUYER, Mr. HOLLAND, Mr. DUNCAN, Mr. MOTTL, and Mr. DE LUGO.

H.R. 168: Mr. ATKINSON, Mr. BONIOR of Michigan, Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CORRADA, Mr. DE LUGO, Mr. DWYER, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FLORIO, Mr. FORD of Tennessee, Mr. GARCIA, Mr. GILMAN, Mr. GRAY, Mr. GUARINI, Mr. LOWRY of Washington, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. RICHMOND, Mr. SCHUMER, Mr. STARK, Mr. STOKES, Mr. VENTO, and Mr. WASHINGTON.

H.R. 170: Mr. BONIOR of Michigan, Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. DE LUGO, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FLORIO, Mr. FORD of Tennessee, Mr. GARCIA, Mr. GILMAN, Mr. GUARINI, Mr. GRAY, Mr. LOWRY of Washington, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. RICHMOND, Mr. SCHUMER, Mr. STARK, Mr. STOKES, Mr. VENTO, and Mr. WASHINGTON.

H.R. 181: Mr. CONTE.

H.R. 200: Mr. PHILLIP BURTON, Mrs. CHISHOLM, MRS. COLLINS of Illinois, Mr. DAVIS, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. EDGAR, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FAZIO, Mr. FLORIO, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FROST, Mr. GARCIA, Mr. GUARINI, Mr. HUGHES, Mr. KOGOVSEK, Mr. LOWRY of Washington, Mr. MITCHELL of Maryland, Mr. RINALDO, Mr. SIMON, Mr. STARK, Mr. STOKES, Mr. VENTO, Mr. WASHINGTON, and Mr. WAXMAN.

H.R. 217: Mr. ROSENTHAL, Mr. ADDABBO, Mr. MOFFETT, Mr. MURPHY, Mr. BINGHAM, Mr. DIXON, Mr. RICHMOND, and Mr. WON PAT.

H.R. 247: Mr. GUNDERSON, Mr. MARTIN of New York, Mr. HANSEN of Utah, Mr. HARTNETT, Mr. EMERSON, Mr. SMITH of Alabama, Mr. ROBERTS of South Dakota, Mr. MCCOLLUM, Mr. LEBOUTILLIER, Mr. LOWERY of California, Mr. HUNTER, and Mr. DAUB.

H.R. 350: Mr. BUTLER, Mr. JAMES K. COYNE, Mr. DE LA GARZA, Mr. DORNAN of California, Mr. EVANS of Delaware Mr. GUYER, Mr. HUGHES, Mr. LAGOMARSINO, Mr. PORTER, Mr. RAILSBACK, Mr. SEIBERLING, Mr. SIMON, Mr. WHITEHURST, and Mr. WINN.

H.R. 393: Mr. KRAMER.

H.R. 465: Mr. LUKEN.

H.R. 556: Mr. SCHUMER, Mr. EDWARDS of Oklahoma, Mr. RUSSO, Mr. D'AMOURS, Mr. KASTENMEIER, and Mr. GIBBONS.

H.R. 645: Mr. GUYER, Mr. NEAL, and Mr. TRIBLE.

H.R. 646: Mr. EVANS of Delaware.

H.R. 654: Mr. HINSON, Mr. DAVIS, Mr. ROE, Mr. COURTER, Mr. CAMPBELL, Mr. JENKINS, Mr. TAUKE, Mr. CORCORAN, Mr. GARCIA, Mr. BURGENER, Mr. NATCHER, Mr. KOGOVSEK, Mr. MURPHY, Mr. SANTINI, Mr. PRITCHARD, Mr. BONIOR of Michigan, Mr. LAGOMARSINO, Mr. HEFNER, Mr. RHODES, Mr. HUCKABY, Mr. MARKS, Mr. JAMES K. COYNE, Mrs. FENWICK, Mr. HOLLENBECK, Mr. WON PAT, Mr. BEVILL, Mr. YOUNG of Missouri, Mr. HILER, Mr. WALKER, Mr. MADIGAN, Mr. YATRON, Mr. NEAL, Mr. ERDAHL, Mr. ERLENBORN, Mrs. SMITH of Nebraska, Mr. BAFALIS, Mr. MYERS, Mr. HUGHES, Mr. LEBOUTILLIER, Mr. ROBERTS of South Dakota, Mr. DYSON, Mr. PERKINS, Mr. ATKINSON, Mr. JEFFRIES, Mr. ROBINSON, Mr. SPENCE, Mr. JONES of North Carolina, Mr. HARTNETT, Mr. ROSE, Mr. LOEFFLER, Mr. DERRICK, Mr. MOORHEAD, Mr. PORTER, Mr. FOUNTAIN, Mr. STUMP, Mr. SMITH of Alabama, Mr. DAUB, Mr. HOLLAND, Mrs. HECKLER, Mr. AUCOIN, Mr. BEDELL, Mr. IRELAND, Mr. ZEFERETTI, Mr. DOWNEY, Mr. LIVINGSTON, Mr. LEWIS, Mr. HEFTEL, Mr. VANDER JAGT, Mr. MARTIN of North Carolina, Mr. SHANNON, Mr. KAZEN, Mr. RITTER, Mr. SENSENBRENNER, Mr. EVANS of Delaware, Mr. RAHALL, Mr. MCCLOSKEY, Mr. LEE, Mr. EDWARDS of Oklahoma, Mr. ANDREWS, and Mr. WHITE.

H.R. 743: Mr. PICKLE.

H.R. 835: Mr. EDWARDS of California, Mr. MITCHELL of Maryland, Mr. ROSENTHAL, Mr. PEPPER, Mr. YOUNG of Missouri, Mr. YATRON, Mr. CLAY, Mr. FRENZEL, Mr. MURPHY, Mr. WASHINGTON, Mr. FRANK, Mr. PANETTA, Mr. HUNTER, Mr. VENTO, Mr. BINGHAM, Mr. WON PAT, Mr. KILDEE, Mr. DIXON, and, Mr. RICHMOND.

H.R. 852: Mr. YOUNG of Missouri, Mr. THOMAS, Mr. STUDDS, Mr. TRAXLER, Mr. RATCHFORD, Mr. GEJDENSON, Mr. COTTER, Mr. WASHINGTON, MRS. COLLINS of Illinois, Mr. ADDABBO, and Mr. EDWARDS of California.

H.R. 911: Mr. HUNTER.

H.R. 980: Mr. STUMP.

H.R. 982: Mr. MYERS, Mr. YOUNG of Missouri, and Mrs. SCHNEIDER.

H.R. 1064: Mr. LIVINGSTON and Mr. EDWARDS of Oklahoma.

H.R. 1177: Mr. ROYBAL, Mr. TAUKE, Mr. MAZZOLI, Mr. PETRI, Mr. KEMP, Mr. LEHMAN, Mr. SOLOMON, Mr. ROBINSON, Mr. WEAVER, Mr. MILLER of Ohio, Mr. BROWN of Ohio, Mr. BONKER, Mr. LUKEN, Mr. GREGG, Mr. GOLDWATER, Mr. DYSON, Mr. STUMP, Mr. BAILEY of Pennsylvania, and Mr. WAMPLER.

H.R. 1324: Mr. RODINO, Mr. ST GERMAIN, Mr. FLORIO, Mr. ADDABBO, Mr. ROE, Mr. NATCHER, Mr. BOWEN, Mr. WINN, Mr. LAGOMARSINO, Mr. WILLIAM J. COYNE, Mr. SCHEUER, Mr. DOUGHERTY, Mr. ANDERSON, Mr. CONTE, Mr. HOWARD, Mr. GONZALEZ, Mr. STRATTON, Mr. ROBERT W. DANIEL, JR., Mr. LOWERY of California, Mr. BARNES, Mr. GUYER, Mr. HATCHER, Mr. BENJAMIN, Mr. ALBOSTA, Mr. MITCHELL of Maryland, Mr. JONES of Tennessee, Mr. HUGHES, Mr. SEIBERLING, Mr. MATTOX, Mr. HANSEN of Idaho, Mr. HYDE, Mr. ENGLISH, Mr. DUNCAN, Mr. BRINKLEY, Mr. GINN, Mr. COELHO, Mr. RICHMOND, Mr. FAUNTROY, Mr. WALKER, Mr. YATRON, Mr. WON PAT, Mr. FASCELL, Mrs. CHISHOLM, Mr. MAZZOLI, Mr. MCGRATH, Mr. OTTINGER, Mr. NEAL, Mr. LEE, Mr. FISH, Mr. RUSSO, Mr. GREEN, Mr. CORRADA, Mr. STOKES, Mr. DE LUGO, Mrs. FENWICK, Mr. FROST, Mr. NELLIGAN, Mr. LEVITAS, Mr. LOEFFLER, Ms. MIKULSKI, Mrs. COLLINS of Illinois, Mr. SMITH of New Jersey, Mr. PEYSER, Mr. MARKEY, Mr. REUSS, Mrs. SCHNEIDER, Mr. HOLLENBECK, Mr. RITTER, Mr. DWYER, and Ms. FERRARO.

H.R. 1464: Mr. BEARD, Mr. SYNAR, Mr. DANNEMEYER, Mr. DICKS, Mr. MADIGAN, Mr. BROYHILL, Mr. DERWINSKI, Mr. MCCLORY, Mr. PINDLEY, Mr. ANDREWS, Mrs. BOUQUARD, Mr. AKAKA, Mr. EDWARDS of Oklahoma, and Mr. BERNUTER.

H.R. 1574: Mr. FAZIO, Mr. HARKIN, Mr. JOHNSTON, and Mr. VENTO.

H.R. 1576: Mr. JOHN L. BURTON, Mr. CHAPPIE, Mr. DOWNEY, Mr. MOTTL, Mr. PERKINS, Mr. STARK, Mr. WON PAT, and Mr. YOUNG of Missouri.

H.R. 1641: MRS. CHISHOLM, Mr. JEFFORDS, Mr. MURPHY, Mr. SCHUMER, Mr. DIXON, Mr. HUGHES, and Mr. RICHMOND.

H.R. 1642: Mr. BEARD, Mr. GREGG, Mr. NEAL, Mr. ROGERS, Mr. BROWN of Colorado, Mr. BURGENER, and Mr. EVANS of Georgia.

H.R. 1646: Mr. ADDABBO, Mr. AKAKA, Mr. BROWN of California, Mrs. CHISHOLM, Mr. CLAY, Mr. CONYERS, Mr. CORRADA, Mr. CROCKETT, Mr. DANIELSON, Mr. DE LUGO, Mr. DELLUMS, Mr. DIXON, Mr. DYMALLY, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. GUARINI, Mr. JEFFORDS, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MURPHY, Mr. PERKINS, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ROYBAL, Mr. SAVAGE, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. VENTO, Mr. WASHINGTON, Mr. WEISS, and Mr. WON PAT.

H.R. 1706: Mr. WALGREN, Mr. ADDABBO, Mr. MARLENEE, Mr. PEPPER, Mr. FORD of Michigan, Mr. SCHEUER, Mr. MURPHY, Mr. KEMP, Mr. MCDADE, Mr. COELHO, Mr. GINGRICH, Mr. VENTO, Mr. LAFALCE, Mr. DOUGHERTY, Mr. DORNAN of California, Mr. OTTINGER, Mr. MITCHELL of New York, Mr. SHUMWAY, Mr. SIMON, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. SANTINI, Mr. YATRON, Ms. FERRARO, Mr. BURGENER, Mr. MOTTL, Mr. BEDELL, and Mr. GRAY.

H.R. 1720: Mr. CLAY, Mr. MURPHY, Mr. FLORIO, Mr. HEFTEL, Mr. EDWARDS of California, and Mr. WEISS.

H.R. 1725: Mr. MCHUGH.

H.R. 1778: Mr. BADHAM, Mr. DANIEL B. CRANE, Mr. COLLINS of Texas, Mr. GUYER, Mr. JEFFRIES, and Mr. RUDD.

H.R. 1779: Mr. BADHAM, Mr. BEARD, Mr. DANIEL B. CRANE, Mr. COLLINS of Texas, Mr. GUYER, Mr. JOHNSTON, and Mr. RUDD.

H.R. 1817: Mr. KOGOVSEK, Mr. PRICE, Mr. FOUNTAIN, and Mr. HAMILTON.

H.R. 1862: Mr. GUYER, Mr. MOAKLEY, Mr. BARNARD, and Mr. LUKEN.

H.R. 1863: Mr. GUYER, Mr. LUKEN, Mr. STOKES, and Mr. BEDELL.

H.R. 1911: Mr. BURGENER, Mr. MONTGOMERY, Mr. COLLINS of Texas, Mr. JEFFRIES, Mr. MCDONALD, Mr. LEATH of Texas, Mr. GUYER, Mr. STENHOLM, and MRS. BOUQUARD.

H.R. 1918: Mr. MOTTL, Mr. MARKS, Mr. EDWARDS of Oklahoma, Mr. MATSUI, and Mr. DORGAN of North Dakota.

H.R. 1960: Mr. ASPIN, Mr. DAUB, Mr. DE LUGO, Mr. ECKART, Mr. EVANS of Delaware, Mr. GREGG, Mr. MCCLOSKEY, Mr. MICA, Mr. WYDEN, and Mr. YATES.

H.R. 2024: Mr. FAZIO and Mr. CLINGER.

H.R. 2031: Mr. OBEY and Mr. SYNAR.

H.R. 2038: Mr. SPENCE.

H.R. 2039: Mr. SPENCE.

H.R. 2063: Mr. ADDABBO, Mr. BOLAND, Mr. MOTTL, Mr. PRITCHARD, Mr. WHITEHURST, Mr. PEPPER, Mr. LATTA, Mr. RAHALL, Mr. LAGOMARSINO, Mr. HORTON, Mr. FUQUA, Mr. HOWARD, MRS. CHISHOLM, Mr. VENTO, Mr. GUARINI, Mr. BENNETT, Mr. FASCELL, Mr. KILDEE, Mr. GUYER, Mr. MAZZOLI, and Mr. MITCHELL of Maryland.

H.R. 2143: Mr. GOODLING.

H.J. Res. 68: MRS. FENWICK, Mr. LAGOMARSINO, and Mr. WAMPLER.

H.J. Res. 145: Mr. JOHNSTON, Mr. STOKES, MRS. SCHNEIDER, Mr. GRAY, Mr. ST GERMAIN, Mr. BENEDICT, Mr. WHITTAKER, Mr. SKELTON, and Mr. BINGHAM.

H.J. Res. 167: Mr. BENEDICT.

H. Con. Res. 52: Mr. WOLPE, Mr. CONTE, Mr. WON PAT, Mr. SCHUMER, Mr. FAZIO, and Mr. BARNARD.

H. Con. Res. 77: Mr. RODINO, Mr. SAVAGE, Mr. FORD of Tennessee, MRS. CHISHOLM, Mr. D'AMOURS, Mr. STARK, Mr. ROSENTHAL, MRS. HECKLER, Mr. WON PAT, Mr. SEIBERLING, Mr. MARKEY, Mr. VENTO, Ms. MIKULSKI, Mr. RAHALL, Mr. STOKES, Mr. CROCKETT, Mr. KILDEE, Mr. ROE, Mr. RATCHFORD, Mr. MITCHELL of Maryland, Mr. BONIOR of Michigan, Mr. MURPHY, Mr. FORD of Michigan, Mr. TRAXLER, Mr. MAVROULES, Mr. STUDDS, Mr. DYSON, Mr. CONTE, Mr. YATRON, Mr. MINISH, Mr. EDGAR, Mr. HAWKINS, Mr. DE LUGO, Mr. MOTTL, Mr. LUNDINE, Mr. DASCHLE, Mr. HUGHES, and Mr. GRAY.

H. Res. 30: Mr. BLANCHARD and Mr. ANDREWS.

H. Res. 38: Mr. GILMAN.

EXTENSIONS OF REMARKS

"SNOW" ON THE SET

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. DORNAN of California. Mr. Speaker, a number of years ago in the early days of television it was common to see snow on the television screen. Although technical advances have removed the visual snow that used to appear on the tube, I fear that a social relapse in mores is causing a different kind of snow to show up on our TV sets.

I am talking about cocaine. This white, powdery, little cancer is making the rounds in Hollywood among some writers, producers, and actors, and is the subject of a two-part series currently featured in the TV Guide—February 28 and March 7 issues.

I hope that the Members here will take the time to read this short series. I include the first part of this series for the benefit of all those who read the CONGRESSIONAL RECORD.

HOLLYWOOD'S COCAINE CONNECTION—AN INVESTIGATIVE REPORT ON THE HIDDEN INGREDIENT THAT MAY BE POISONING PROGRAMS YOU WATCH

(By Frank Swertlow)

The producer's house looks like a picture from the pages of Architectural Digest. It sits high on a hill, offering a panoramic view of Los Angeles and the San Fernando Valley. At night, when the temperature drops, steam drifts lazily from the oversized swimming pool. Inside the handsome house, gentle laughter is heard, punctuating conversations about art and television.

To the inexperienced eye, this seemingly innocent gathering is a lively mix of art dealers, TV actors, network executives and independent producers. To the trained observer, this well-catered, very mellow party is a ruse. On this night, and on many others, the producer is not merely entertaining guests.

"He's dealing," says a former network executive familiar with the producer's technique. "When he throws a party, he always has beautiful women there, and they touch the men in the right places and look very interested in them. Then he makes his move. It's never, 'Here's five grams of coke. Get me a series.' But it is understood very quickly that if you want the stuff to keep coming, you'll keep the shows coming. This guy has sold a lot of pilots. He's sold a series to one network and is close to a deal with another. It wasn't talent that got him the deals. It was drugs."

As the producer moves through his living room, a blond actor walks over to him and begins talking quietly. The actor, with his sun-bleached hair, jeans and tight leather jacket, looks as if he belongs on the French Riviera. Despite his good looks, he seems unhappy, depressed. The producer and the actor move out of the living room and climb the stairs leading to the second floor and a bedroom. Minutes later, both men return to the party. The actor's mood is changed. An animated smile has replaced his pained expression. Cocaine chases away the blues, which is why, a friend of the producer's says later, the TV man keeps a stash in his bedroom.

As the party winds down, the producer becomes more confident and begins to brag about his many friends at the networks. "My last deal was made at one of my parties," the man says, putting his arm around two actresses. "I guess I just happened to be lucky that night."

Luck has nothing to do with it, according to another producer, himself a victim of cocaine abuse. People like the party-throwing producer, he says, are exploiting the weaknesses of their colleagues. "You develop a dependence on these people," he says. "You know that they can supply you and you don't want them to cut off the supply. Subconsciously, you want these people to be around. You make excuses. You say, 'He understands me. He's one of us. He delivers.' But what you don't want to say is, 'I am dependent on him for drugs.' In the old days, people drank, they were good old boys, they partied together, they wenched together. Now it's drugs. Everybody is a pal. In Hollywood, the phrase 'forming a relationship' means finding a dealer."

Today, perhaps more than ever, these "relationships" are being formed in Hollywood. "Coke is all over the place," said a high-ranking network official, who requested that his name not be used. "It's directors, writers, producers, actors, everyone. It's horrendous."

Obviously, not everyone in the television industry uses cocaine. The users are doubtless a minority. How large a minority is hard to say. What is certain is that the use of cocaine has increased to a point that frightens many observers of the scene. Does cocaine have a serious effect on the TV industry and what viewers see in their living rooms? Sure it does. Producers, like the one who threw the very mellow party can gain a competitive advantage because of a cocaine connection. For him, and those at the other end of his spoon, the best deal in town may have less to do with the quality of a TV production than with the quality of the coke. Just as important are the debilitating effects of coke on writers and other members of production staffs. Noncoke users complain that drugged colleagues create chaos, add pressure and cause critical delays. At home, however, the unknowing viewer is merely left watching what seems to be an inept production.

But nowhere is coke's effect more noticeable than on the careers of the performers who use it. The late Freddie Prinze reportedly used cocaine and other drugs while working on his series *Chico and the Man*. No evidence turned up, but the Los Angeles police investigated reports that Richard Pryor was "free-basing" cocaine before the mixture exploded in his face. One actress on a network series looks as pure and innocent as a Midwestern cheerleader but her dependence on coke has earned her the nickname "The Cocaine Queen of Hollywood." And a well-known TV actor in a network show keeps his dressing room inside a large van, lavishly equipped for drug use.

"Working with someone on cocaine gets in your way," said Henry Winkler of *Happy Days*, who has also acted in several movies. "They think they are doing their best work; but they literally are giving you gibberish. They are like on roller skates."

Peter Strauss, one of the stars of the upcoming miniseries *Masada*, watched a friend destroy himself on coke. "He used to come over to my house and he was flying, snorting three grams a day. I took hold of him and said, 'I care about you, but I don't want you to come over to my house any more. You are killing yourself.' The man thought that using coke was what he needed to work. It gave him an edge. Maybe it did. As an actor, if you are competing against someone with an edge, he may just get the job, because if a scene calls for a guy to act a little crazy, then the guy on coke will give a better performance."

Susan Richardson, one of the stars of *Eight Is Enough*, said performers on coke psychologically drain her. "I have been in situations in which one person is crucial to a scene," said Richardson, who used to lecture to high-school students on drug abuse, "but that person is so screwed up that you have to do 30 or 40 or 50 takes. It puts a lot of pressure on the other actors. How many times can you do a heavy emotional scene?"

A veteran writer, now working on several series, offered a glimpse of the way actors on coke increase tension on already pressure-ridden writing staffs. "When we use this one guy," said the writer about a long-time Hollywood leading man who has a recurring role in a network series, "we can only use him for one day. The guy is banana city. He can't remember his lines. We have to use the world's biggest cue cards. Every scene he's in must be carefully structured so that we give the other actors enough power to carry this guy."

A veteran comedy producer described how cocaine users destroy situation comedies. "Many people in TV are hyper," he said, "but coke makes them more hyper. In comedy, timing is the essence, and the drug ruins this. Suddenly, you have to start writing people out of scenes and restructuring your show. You can't afford to be in the middle of production and have someone crack up."

What happens if someone does crack up? Obviously, a shaky performer can jeopardize a production. "There is an actress," said a former network executive who now runs a production company, "and you'd know her face because she does mostly TV-movies and miniseries, who can't function without the drug. It might be cheaper to feed her the drugs than to cure her, especially in the middle of shooting. A producer is always pressured to keep the show on budget, so he might say, OK, get her the coke. The woman is burned out. The drugs have destroyed her range. She still has a famous face, which is why she gets jobs. But as far as acting is concerned, it's all over."

One independent producer explained his decision to become a drug supplier. It started, said the TV man, a coke user, when he realized that his financial future often depended on keeping drug-dependent performers on schedule. "We were shooting a pilot," the producer said, "and this actress kept missing her marks. The network executive who was sitting next to me in the control room became nervous. I asked that the tape be stopped, and I left the control room and walked down to the set and put my arm around the actress. We then walked into the darkness of the sound stage and I gave her some coke. She flew through the rest of her work, bing, bing, bing. Afterward, the network executive asked me what I had done. 'I hugged her,' I said, 'and told her how much I loved her'."

How do people like this producer afford the thousands of dollars necessary to keep performers supplied with coke? The simplest way is to add the expense to the cost of the production. "Money for drugs is always there," said the producer. "You hide it in the budget under 'miscellaneous' or 'food' or 'entertainment'." Another producer disclosed his technique: "I hide it under 'props' in the budget. Who checks?" One studio head joked about his creative bookkeeping. "There are three kinds of costs: above-the-line, below-the-line and cocaine-line," he said.

Not everyone in Hollywood goes along with a performer's drug habit. An actress working on a Norman Lear series was fired because of her drug problem. "She was late consistently," said a Lear official. "She didn't know her lines and sometimes, because of the drugs she used to bring her down, she couldn't stand up. Everyone would have to wait and wait for her. Then she started losing a great deal of weight and photographs began to show her withering away. Her color began to pale to the point where makeup couldn't cover it up. We tried to talk to her manager, her family. To no avail."

The head of a major TV studio said he once rejected a coke deal that started when an actor's agent asked for a cash payment. He was puzzled by the unusual request.

"The agent told me that the actor wanted to rent us back his own RV, which he would use as his dressing room. I said, 'Sure, I'll get you a check.' The agent said no, cash. I said, 'We pay in checks.' Finally, the agent said, 'Look, he needs the cash to buy drugs.' 'No way. He gets a check. I'm not getting involved in this'."

A network producer laughingly described how one actor refused a part on the advice of his coke dealer. "For years," said the producer, "psychiatrists had an enormous influence on show business. An actor or an actress would come to me and say, 'My shrink doesn't think this part is right for me.' Today, the dealer is replacing the shrink. I'm not joking. This actor comes to me and says, 'Joe doesn't like the part.' I tell the actor, 'So what? He's a dealer. What do I care what he says?' The actor looks at me blankly. 'But Joe's a bright guy,' he says.

"'Jerk, he's a dealer.' This really shows you how empty and insecure some of these people are."

Being empty and insecure and a coke user is not strictly the province of actors. Writers are also susceptible, especially when they believe that the drug will make them more creative.

"TV is a very fast medium," said a veteran comedy writer and producer, "but it is very committee oriented. When you take a meeting and there are a lot of people present, it sometimes becomes hard to follow what's going on. Then you start listening to people, and you realize they aren't on the same wavelength. Some are going up and others are coming down. They drift off on tangents. I'll say something like this: 'I have an idea for a series. It'll be about a pilot and three stewardesses.' 'OK,' shouts some guy, 'it's a great idea, but let's add some pirates to the show and get some swords.' He's not joking. The whole meeting has become a waste of valuable time."

Another writer who works on dramatic shows explained how distracting coke users are for him. "People on coke constantly lose their place," he said. "They blot out whole sections from their memory. They may look hip, cool, bright and creative, but when they try to find out what is going on in a meeting, they look stupid. One guy came to us and pitched a story for an episode of a show. Halfway through the meeting, he forgot why he was there. Hey, it was his story."

The writer went on to say that many producers also rely on cocaine during business meetings. "It's late at night," he said, "and these guys start heading toward the bathroom about every 20 minutes and when they come back they are filled with brilliant ideas. It's great. They are filled with energy and I'm falling asleep, desperately wanting to go home."

Are the ideas brilliant? "Sometimes, sure, the ideas themselves are brilliant," the writer said, "but they have nothing, absolutely nothing, to do with the story conference."

Perhaps the most sinister aspect of the growing use of cocaine in the TV industry is the way it is used as a medium of exchange. "Cocaine is a negotiable instrument in this town," said one veteran producer, familiar with drug dealing. "You might not be able to pay a writer or an actor or director a bonus, so you pay him in cocaine." An actress on a network series said several performers she knew were asked to be guest stars on a variety show and part of their payment was to be in coke. "There is a specific minimum for guest appearances and these actors wanted more money," she explained. "The production company, however, doesn't want to give you more than the minimum because it will affect the entire marketplace. You know, everybody else will start asking for more. So these people got coke. In the old days, people asked for money under the table. Now it's drugs."

Supplying people with drugs sometimes has other rewards: jobs. "There are people," said a veteran producer, "who are in high places at the networks and at studios because somewhere along the line they have gotten people drugs. The problem for people like me is that some of them wind up in creative positions. But the only talent they really have is getting good drugs. Then, suddenly, one day you find this guy sitting across a desk and telling you how to write a script or how to cast a show."

A friend of this producer described a confrontation he had with a network executive who demanded drugs. "'We have a lot of good pilots, so it looks as if we might have a deal with you, depending on the kickback you give me,' this guy starts telling me in a joking way. But it was clear to me that he wanted drugs. He was kidding around, but he was also trying to intimidate me. I said no thanks."

The producer continued: "You see, the way this intimidation works is that if you don't play, you are cut out. A guy like this will tell his boss that the rewrites of the script were not good enough. He can do this at any point, so you really are at the mercy of these executives. I was at one meeting with this guy and in the middle of a conversation he was interrupted with a special/delivery package. It was a 100-pound bag of manure. This was the way another producer told him he wasn't going to play ball. We all thought it was very funny because we knew he was expecting something else in the bag."

Can refusing to negotiate in coke hurt a producer's career? One producer, who said she constantly encounters coke use in meetings with network, and studio executives, especially the younger ones, believed it could. "If you don't do drugs, yes, I think it can hurt you," she said. "You are not part of the club. This is an industry built on relationships—who you know. Suddenly, you find yourself cut out of parties, and believe me, plenty of deals are made at them. Many people have jobs at the networks and at studios because they can get drugs.

"If you are told that so-and-so likes women, or that so-and-so likes coke, you get an idea that someone is delivering a message. Now you have a choice. If you don't play the game—that is, act like a good ol' boy and get them sex and drugs—you find yourself out of work, while all the other people who do go along are getting rich."

Obviously, not every performer, producer, technician, director, studio official or network executive is a coke user or dealer. Indeed, many members of the TV industry are oblivious of how rampant coke use is. It clearly isn't a part of their lives. One factor is that the cocaine club is selective. Nonusers are not invited. "I only socialized with people who were stoned," said a longtime producer. "I only hired people who were stoned. I began to live in another world. There was no way to exist except high. I only did business with people who were high." But he had no trouble finding people to do business with.●

BORIS DEKHOVICH: THE RIGHT TO EMIGRATE

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. OBERSTAR. Mr. Speaker, those of us who serve in democratically elected legislatures and parliaments bear a responsibility to represent the interests of those persons who have no democratically elected representatives.

This House must be part of the Helsinki vigil. We must work to insure that the commitments made in the Helsinki accords are honored. In recent weeks, we have heard encouraging reports that the Soviet Union is permitting increased numbers of its Jewish citizens to emigrate. When it signed the Helsinki accords, it promised all of its citizens the right to emigrate. The record on that promise has not been a good one.

Last year, our former colleague, Andy Maguire brought to my attention the case of Boris Dekhovich, a young Russian Jew living in Vinnitsa, Ukrainian S.S.R. who has been denied

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

permission to join his parents in Israel.

Prior to their departure in August 1975, the parents and sister of Boris Dekhovich were subjected to repeated harassment because of their desire to emigrate and because of their religious beliefs.

Last year 60 Members of the House joined me in a letter to Secretary Leonid Breshnev in an appeal on behalf of Boris Dekhovich. My efforts to deliver the letter through the Soviet Embassy here in Washington and through the U.S. Embassy in Moscow were unsuccessful. The Soviet Government refused even to accept our petition.

At my request, Ambassador Griffin Bell added the name of Boris Dekhovich to the list of cases to be reviewed at the Madrid Conference.

It is my hope that Boris Dekhovich will be able to exercise his rights under the Helsinki accords in 1981.

I include for the RECORD a copy of our letter to Secretary Breshnev regarding Boris Dekhovich:

Mr. LEONID BRESHNEV,
President of the U.S.S.R., Council of Ministers, the Kremlin, Moscow, U.S.S.R.

DEAR MR. PRESIDENT: We, as Members of the U.S. House of Representatives, are deeply concerned about the denial of those human rights guaranteed all people by the Helsinki Accords.

The Accords guarantee that freedom of emigration is a fundamental right of all peoples. The violation of that right must be the concern of all democratically elected legislatures and parliaments throughout the world.

We are writing now because of our particular concern for Soviet citizen, Boris Dekhovich, UL. Kosmonovtoc, 20, Apt. 67, Vinnitsa, Ukranian SSR, who has been denied his right to join his family in Israel.

He has repeatedly sought to exercise the right to emigrate guaranteed him under the Helsinki Accords.

Prior to their departure in August, 1975, the parents and sisters of Boris Dekhovich were subjected to repeated harassment because of their desire to emigrate and because of their religious beliefs.

Granting Boris Dekhovich an exit visa would offer a significant expression of the commitment of your government to the Helsinki Accords. His reunification with his family would not threaten your government or your people.

We urge you to permit Boris Dekhovich to emigrate to Israel.

Sincerely,

James L. Oberstar; Jerome A. Ambro; Les AuCoin; Adam Benjamin, Jr.; William M. Brodhead; Phillip Burton; Charles F. Dougherty; Robert F. Drinan; Mickey Edwards; Hamilton Fish, Jr.; Martin Frost; William H. Gray III; Tom Harkin; Joseph P. Addabbo; Bill Archer; Michael D. Barnes; James J. Blanchard; Berkley Bedell; William L. Dickinson; Thomas J. Downey; Bob Edgar; Melvin H. Evans; Bill Frenzel; Albert Gore, Jr.; William S. Green; Margaret M. Heckler; Frank Horton; Dale E. Kildee; William Lehman; Mike Lowry; Andrew Maguire; Matthew F. McHugh; Morgan F. Murphy; Richard L. Ottinger; Charles B. Rangel; James H. Scheuer; Edward J. Stack; Jack F. Kemp; Robert J. Lagomarsino; Norman F. Lent; Dan Lungren; Marc L. Marks; Norman Y. Mineta; Richard Nolan; Claude Pepper; Benjamin S. Rosenthal; Stephen J. Solarz; Fortney H. Stark; Bennett M. Stewart; Henry A. Waxman; Lester L. Wolff; Antonio B. Won Pat; Frank J. Thompson, Jr.; Ted Weiss; Howard Wolpe; and Sidney R. Yates;
Members of Congress.●

FRESHMEN HEAR THE PEOPLE

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. COATS. Mr. Speaker, at a breakfast with President Reagan this morning, the Republican Members of the freshman class presented a resolution endorsing the President's complete program for economic recovery.

I was happy to hear the President express his appreciation for our willingness to put aside narrow, special interests in favor of his comprehensive program. He also indicated that the White House is receiving more than 90-percent support for the plan.

The President's plan is receiving a similar amount of support in my district. For every 10 letters or telephone calls, 9 are from people who are behind the President, regardless of the personal costs. For example, a student from Fort Wayne writes to me:

I am willing to see programs that concern or interest me, like student loans and the space program, cut if it means getting the Federal budget under control. Its got to be done so do it.

And another gentleman writes:

Please do not let Indiana interests become a deterrent to the overall program. We must cooperate with the President.

At the breakfast this morning, Mr. Reagan commented that apparently no one is on his side except the people. We represent the people and they are calling for action, Let us act now.●

CASIMIR PULASKI: FREEDOM FIGHTER

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. FARY. Mr. Speaker, distinguished colleagues, today, March 4, 1981, is the anniversary of the birth of the Polish patriot, Casimir Pulaski. His dedication to freedom is a symbol for both Poles and Americans who continue the fight for independence. This noble son of Poland so strongly believed in the principle of freedom, that he came to our shores in order to secure this country's independence. Although born to nobility and wealth, Pulaski chose early to leave his comfortable surroundings and to direct his talents to the goal of an independent state for Poland.

At the age of 20, he joined his father and brothers in creating the Confederation of Bar, which was dedicated to the independence of Poland. Pulaski recognized the Russian threat to his homeland and spent much of his youth defending the security of Poland. Capture and imprisonment by foreign regimes were not too high a price for this patriot, who continued to organize and lead forces until 1772. His military prowess, combined with his reputation as a successful cavalry leader eventually forced him to flee Poland in order to escape the Russians.

Pulaski first heard of the American fight for independence while in exile in Paris. A true freedom fighter, he saw his chance to assist yet another country in their mission for liberty. Recognizing this Pole's courage and dedication, Mr. Benjamin Franklin helped to secure Pulaski's voyage to America. Armed with letters of recommendation, Pulaski met with George Washington who put him in command of the U.S. Cavalry. It was from this charge that Pulaski distinguished himself as the "Father of the American Cavalry."

His valiant career in the service of this country, his blueprint for the U.S. Cavalry and his final stand in Savannah, Ga., which resulted in his death aboard the U.S.S. *Wasp*, are examples of his bravery that are well known by all. The ideals that Pulaski fought for still burn in the hearts of both Americans and Poles. His sacrifice for and devotion to the broad concept of liberty is remembered today and will be cherished for a long time to come.

It is with great pride that I join Americans of Polish descent in Chicago and across the Nation in bringing alive the memory of the hero of two continents, Casimir Pulaski.●

CONGRESSIONAL SALUTE TO THE CLIFTON JUNIOR WOMAN'S CLUB OF NEW JERSEY UPON THE CELEBRATION OF THE 25TH ANNIVERSARY OF ITS FOUNDING

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. ROE. Mr. Speaker, on Tuesday, March 10 the people of the city of Clifton, my congressional district and State of New Jersey will join together in celebration of the 25th anniversary of one of our most prestigious junior women's organizations—the Clifton Junior Woman's Club of Clifton, N.J.—whose concern, dedication, compassion, and benevolence in ever seeking improved living conditions, dignity and the highest standards of excellence for each and everyone of our citizens has truly enriched our community, State, and Nation. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to the members of the Clifton Junior Woman's Club on this most noteworthy occasion.

Mr. Speaker, at the outset may I commend to you all of the officers and members of the Clifton Junior Woman's Club whose leadership role and expertise in civic and community development endeavors coupled with their charitable and benevolent activities on behalf of all of our people is applauded by all of us. The current esteemed officers of the Clifton Junior Woman's Club is, as follows:

The Honorable Kathy Vassallo, president; Chris Liszner, past president, 1978–80; Angela Barat, past president, 1976–78; Lieana Jacobus, first vice president; Sandy Hartmann, second vice president; Jane Luipersbeck, corresponding secretary; Linda Simons, recording secretary; Marilyn Herdin, treasurer; Joy Mohrle, federation secretary; Chris Liszner, cochairman, anniversary committee; Angela Barat, cochairman, anniversary committee.

Mr. Speaker, in testimony to their outstanding service to the people of the city of Clifton, the Honorable Gerald Zecker, mayor of the city of Clifton, has proclaimed March 9 through March 13 as Clifton Junior Week and a resolution of appreciation has been adopted by the governing body, as follows:

RESOLUTION

Whereas March 10, 1981 marks the 25th Birthday of the Clifton Junior Woman's Club, a nonprofit service organization of the City of Clifton and,

Whereas March 9 through 13 be proclaimed Clifton Junior Week and,

Whereas during the past 25 years the Clifton Juniors have contributed countless voluntary hours to numerous local charities, as well as assisted fellow civic organizations and city projects, and

Whereas the Clifton Junior Woman's Club is part of the New Jersey State Federation of Women's Clubs and the International General Federation of Women's Clubs and,

Whereas this organization has 4 times received the highest honor for outstanding service to the community from the New Jersey State Federation of Women's Clubs: Now, therefore, be it

Resolved, That we, the Mayor and Members of the Municipal Council do hereby recognize and acknowledge the outstanding donation of time and talent by this worthy organization to the City of Clifton and its citizens and do hereby extend to the members of the Clifton Junior Woman's Club, our thanks and appreciation for their most generous contributions and congratulations on their 25th Birthday; and be it further

Resolved, That this resolution be spread at large upon the minutes of this meeting and a copy thereof be presented to the Club by Mayor Zecker at the celebration of the Club's 25th Birthday Party to be held on March 10, 1981 at 8:00 P.M. at the Allwood Community Church, Chelsea and Merrill Roads in the City of Clifton.

Mr. Speaker, the Clifton Junior Woman's Club, a nonprofit service organization of the city of Clifton, is an organization of people, not just women. Their members serve as community catalysts for volunteer services, assessing the needs of the community and gathering the people together to meet those needs. They comprise a chapter of the New Jersey State Federation of Women's Clubs and the General Federation of Women's Clubs (GFWC) which is the largest and oldest women's organization in the world.

GFWC has over 600,000 members in the United States; the aggregate membership worldwide is 10 million, including national and associate organizations and clubs in 46 foreign countries.

Mr. Speaker, in reaffirming our commitment to full equality for women, since August 26, 1920, when the 19th amendment to our Constitution granting women the right to vote was enacted into law, we have come a long way toward achieving equal opportunity for all Americans—all in the interest of not just women's rights but human rights. On the job and in the home women are making a vital contribution to the national economy and to the strength of the American family.

In recognizing the hard work and dedication of women in our society we must also acknowledge the many special problems they encounter in meeting their dual responsibilities. In addition to recommendations for action to assure equality, women have been responsible for defining priorities of issues not previously dealt with by the Government—not only the seeking of a national policy to strengthen accountability and reaffirm the moral commitment to removal of sex discrimination in the working world and all levels of educational institutions, both public and private—but they have also been successful in achieving a greater national commitment to such pressing legislative and executive issues as family abuse, child care, displaced homemakers, social security, and the marriage tax penalty, to name a few—which we have strongly supported here in the House.

Lest we identify the ladies of our Nation with only women's issues, I hasten to add that they are indeed in the mainstream of our society, not only with homemaking and parental responsibilities—an important role by itself in building America—but in the work force as entrepreneurs of national and international renown, sitting at the policy tables and hammering out decisions in the highest levels of government, public, and private enterprise.

Mr. Speaker, it is interesting to note that the parent organization of the Clifton Junior Woman's Club, the General Federation of Women's Clubs, was organized in March 1889 and received its charter by Congress in 1901. Some of the most worthwhile causes for which they have worked and those for which they are now working include:

First child labor law, cancer detection campaigns, human rights, crime reduction, enactment of the 8-hour workday, protection of children, election reform, equal rights and responsibilities for women, consumer protection legislation, creation of the Food and Drug Act, establishment of the Women's Bureau.

Establishment of public libraries, right to work, standards of education improvements, promotion of international peace, betterment of life for older Americans, Workmen's Compensation Act, energy: conservation, exploration and development, responsible media, juvenile justice, Cooperative Forest Management Act, Uniform Probate Code.

Responsible fiscal policy, protection of private enterprise system, domestic violence prevention, volunteer rights and responsibilities, safety, multiple use of Federal lands, social security/pension equity, lowering health care costs, improvement of FCC regulations, hazardous waste, national and civil defense.

Mr. Speaker, during Clifton Junior Week I am pleased to seek this national recognition of the Clifton Junior Woman's Club of Clifton whose dedication, valued contributions, and outstanding record of achievements in every phase of civic and community endeavors are most deserving and worthwhile. We do indeed salute the officers and members of the Clifton Junior Woman's Club upon the 25th anniversary of service to our people.●

OIL INDUSTRY

HON. CARROLL HUBBARD JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. HUBBARD. Mr. Speaker, our job at hand is to rebuild America's industrial might, straighten out the economy and reclaim our preeminence in the world. I would like to share with my colleagues some thoughts from my constituent, Jim Ezell of Pembroke, Ky., about the role of the oil industry and our economic future. Mr. Speaker, I submit the following:

I am writing this letter because I am a man, like many others in your district, who is both angry and frightened. I become

angry when I look at the past and see the increasing economic erosion of middle class America. I become frightened when I look ahead and see the bleak financial future which looms, not only before me, but before my children. This fear and anger compels me to speak up and urgently appeal to you, my elected representative, to help alter this collision course we are all caught on.

Right now the White House and Congress are buzzing with talk of drastic budget cuts and tax reforms. These are perhaps necessary, but I submit that one area where significant change could make a real difference is in the oil industry.

The White House and Congress seem to take the position that it is right to let the oil industry reap unbelievable profits because (a) They will use some of the money to explore new energy sources. (b) Windfall profits earned by oil companies and oil well owners can be taxed and the money used by the government for the people. The flaws in this logic are evident. (a) The oil companies are in no way compelled to spend profits on energy exploration. (b) The tax received from windfall profits, even at 10%, is a far cry from the amount needed to balance the budget.

Suppose we control the amount of profit that an oil company can make on a gallon of gas, not allowing for any windfall profits. If this were done, the price of gasoline at the pump would be rolled back immediately to under $1.00 per gallon. To control spiralling consumption and to provide funds for energy research and federal revenue, an extra 25¢ per gallon Federal Energy tax could be placed on every gallon. The final outcome would mean (1) insurance of money for energy research, (2) additional funds to balance the budget, (3) a slightly lower cost for gasoline for the consumer and (4) a stronger economy for all.

I realize that a program such as this would mean bucking one of the most powerful and influential forces in America, the oil industry. But it is time for our elected representatives to take a strong stand to protect us, the electorate . . . us, the majority from further exploitation by big business and to insure a more economically sound future for all of us.

Sincerely,

JIM EZELL.●

MRS. MYRTLE BYRD FONTENO

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. LELAND. Mr. Speaker, on November 11, 1980, Houston, Harris County, Tex., lost one of its finest citizens in the passing of Mrs. Myrtle Byrd Fonteno. Not only was Mrs. Fonteno a person of high accomplishment, and a dedicated servant to her community, but more importantly she was a stalwart friend to many—among whom I am proud to count myself.

The board of directors of Standard Savings Association, Houston, Tex., of which Mack H. Hannah, Jr., is board chairman and S. B. Bradford is president, passed a resolution dedicated to Mrs. Fonteno which I would like to have included in the RECORD as follows:

MRS. MYRTLE BYRD FONTENO

Whereas, after three years of dedicated service on the Board of Directors of Standard Savings Association, Mrs. Mrtyle Byrd Fonteno died November 11, 1980.

A great humanitarian and community leader, Mrs. Fonteno was the owner and manager of Better Tours & Travel Agency.

Having moved to Houston in 1956 from Atlanta to work as the Adult Program Director of the Blue Triangle YWCA, Mrtyle Byrd soon married her husband, John Fonteno, Jr. Sometime later, she left the YWCA and established her travel agency.

An educated woman, Mrs. Fonteno earned her Bachelor's and Master's degrees from Knoxville College and Howard University, respectively.

Mrs. Fonteno, however, will be missed most of all for her humanitarian contributions to the city of Houston and to this country. She was the chairman of the Harris County Mental Health and Mental Retardation Authority; a member of the Board of the United Negro College Fund; a board member of the local and national Traveler's Aid Society; a member of the White House planning board for the Conference on Aging in 1971 and the Governor's Committee on the Family in 1979.

She was also a member of Delta Sigma Theta Sorority, Inc., and the Houston Chapter of Link's, Incorporated. Mrs. Fonteno's professional affiliations also included the Houston Chamber of Commerce, Crisis Hotline, Blue Triangle YMCA and the Family Service.

Her actions and service did not go unnoticed. She was the recipient of many awards such as the Achievement Award for Alpha Kappa Alpha Sorority-1969; the 1972 Iota Phi Alpha Woman of the Year; the Fred D. Patterson Award for Leadership in Business in the Black Community-1974, 1975, 1979; the 1974 Gamma Phi Delta Sorority Community Service Award; 1975 Houston Real Estate Association Community Service Award; 1979, Zeta Phi Beta Community Service Award, and the 1980 Community Service Award for Black Social Workers.

Born in 1925, she is survived by her husband, John Fonteno, Jr.; her son, John III; mother, Mrs. Mattie Byrd of Chattanooga, Tenn.; and mother-in-law, Mrs. Elvenia Mundy of La Marque, Texas. Be it therefore

Resolved that the Board of Directors of Standard Savings Association issues this resolution in deepest sympathy * * *●

FISCAL NOTES LEGISLATION

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. DERRICK. Mr. Speaker, I am today introducing a bill which will require the Congressional Budget Office to prepare a fiscal note on any bill which would result in an annual cost to States and local governments of at least $200 million, or which would have exceptional fiscal consequences for a particular level of government or geographic region. CBO is already required to estimate the cost of each bill—for 5 years—to the Federal Government under provisions of the Budget Act.

The Congress has, for the last decade, begun to increasingly achieve certain objectives by requiring States and localities to carry on activities without reimbursement by the Federal Government. For example, the Rehabilitation Act of 1973 requires them to provide the handicapped with full access to Government activities and services—such as providing specially equipped buses and buildings—however, no funds were made available, despite estimates that the cost of complying with the law will run to billions of dollars. Another example, the Safe Drinking Water Act of 1974 established Federal drinking water standards and required States and localities to meet the standards and to test drinking water supplies, monitor results, and set up emergency procedures and enforcement programs—if States refused to do so, the law provides for EPA to assume that responsibility.

In both cases, if estimates of cost to States and localities had been available, Congress may well have acted differently: Either against the law or, recognizing the cost burden, providing some measure of fiscal aid or modifying the activities required. As it was, the cost of implementing these bills was never an issue until the regulatory stage, when it was too late.

The fiscal notes bill I am introducing today would help to alter this situation. If, in CBO's view, a bill would result in State and local costs of at least $200 million, CBO would propose a cost estimate on it. Thus, the House and Senate could act with full knowledge of the real costs of the bill. It is doubtful that more than a handful of bills would require such estimates annually.

Mr. Speaker, I believe the decision-making process under which this body operates would be more rational if this bill were enacted into law; I urge my colleagues to support this endeavor.●

A WORLD MORE DANGEROUS THAN EVER

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SIMON. Mr. Speaker, the Nation owes a debt of gratitude to Ambassador Thomas J. Watson, who has concluded a difficult assignment as our envoy to the Soviet Union.

This accomplished and thoughtful American has served with insight and distinction during a period in which Soviet aggression, the derailment of the SALT II process and other factors combined to bring United States-Soviet relations to their lowest point in almost two decades.

From his special vantage, Ambassador Watson recently described today's world situation as "more dangerous than it has ever been in its history." Nevertheless, it's encouraging to note that he is hopeful that a United States-Soviet dialog can be reestablished by the new administration, and perhaps that the SALT agreement can be renegotiated in some form.

The nature of the current balance of power in the world dictates at least one unavoidable obligation that we and the Soviets share: If the world is to keep its distance from the threat of nuclear war, its nuclear powers have to strive diligently to keep the peace; it won't happen by itself. It is especially important that we continue to talk to each other, notwithstanding our considerable disagreements.

John F. Kennedy once said that we must never negotiate out of fear, but neither must we ever fear to negotiate. That is very nearly the same message which Ambassador Watson offers the Nation in an interview which appeared in a recent issue of U.S. News & World Report. I commend the article to the attention of my colleagues.

The article follows:

VIEW FROM MOSCOW: A WORLD "MORE DANGEROUS THAN EVER"

Question. Mr. Ambassador, what should the Reagan administration do to bridge the gap between the United States and the Soviets?

Answer. I wouldn't presume to advise a President-elect. But I hope a new dialogue with the Soviets could commence at once, with very competent people on both the American and Soviet sides exploring the problems, staking out the parameters of our differences and then trying to work out acceptable solutions.

As you know, I have been involved in arms control. As of now, my conclusion is that it would be very unwise for the United States to get into an arms race. There must be, of course, equality in arms, both conventional and nuclear. But building more nukes, hoping to get ahead of the Russians, is pointless. We know the Soviets will match anything we build, and this will merely take the world into an uneasy situation, much more tense than it is now.

Let me add this: The 15 months I've just spent in Moscow have been among the most tense moments I have ever lived through, perhaps because I've been so very close to the conflict.

Question. Is the world headed into a period of growing danger, with the Soviet Union using its military power more aggressively?

Answer. I perceive the world to be more dangerous than it has ever been in its history.

I do not anticipate that the Soviet Union will use its military power any more aggressively in the future than in the past two decades. However, the United States must do everything it can to continually demonstrate its national will.

We must keep ourselves appropriately armed with conventional arms and do everything in our power to avoid a nuclear-arms race.

General de Gaulle said that all you need is enough in connection with nuclear weapons. While I am strongly for parity, I just don't think there is any way to win an arms race in thermonuclear weapons.

Question. Why have relations between the United States and the Soviets turned sour?

Answer. The primary reason is found in the Soviet action in Afghanistan, followed by the very sensible actions the Americans took.

Question. But the Soviets claim that the relationship had been deteriorating long before they invaded Afghanistan—

Answer. They've certainly accused us of bad faith. They cited our demands for withdrawal of the Soviet brigade in Cuba, the criticism in the Senate of the SALT II treaty and the administration's failure to push for its ratification. I have explained to them very carefully that if SALT II had gone up to the Hill, it would have been defeated, and the treaty would be worse off than it is now. But they insist détente was ruined before they went into Afghanistan. They use these so-called actions—or inactions—on our part to justify what they did in Afghanistan.

Question. Do you see any signs that the Soviet Union would be willing to renegotiate the SALT II treaty?

Answer. First of all, I think they would entertain only very minor changes; and secondly, they would insist on matching every change we asked for with a concession on our part. This trade-off could lead to fairly long negotiations simply because the Russians are not easy negotiators.

Question. How do the leaders of the Soviet Union view the United States—as a decadent capitalistic paper tiger or as a worthy adversary?

Answer. They know we are formidable—perhaps the only force in the world they really have to worry about. A paper tiger? Not at all.

However, the Soviets do grossly misunderstand the United States. I don't think, for example, that they foresaw how fast and how strongly we would react to Afghanistan. And they didn't realize how the position we took would make it easier for other nations to take a stand.

But even now, the Soviets question our willingness to make the enormous sacrifices that their own people have been willing to make.

For better or for worse, the leaders of this country have been able to get their people to accept a low living standard, or even to reduce it, to provide the arms the leadership decides are necessary

The Russians, it seems to me, are perfectly willing to make these sacrifices again. They can and will do it. Their leaders are not going to let us move ahead of them in any arms race.

Question. Are you suggesting neither side can win an arms race?

Answer. That is precisely what I am suggesting. The Russians will not allow us to move ahead of them in conventional arms. They've made sacrifices to draw even with us in thermonuclear weapons.

Now both sides have thousands of such weapons, and it takes only one to three of them to eliminate any of the major cities of the world. So one wonders if the risk of a flat-out arms races is worth any possible temporary, minuscule gain that either side might make.

Question. How do you size up President Brezhnev and other Soviet leaders in the Kremlin?

Answer. They are extremely tough, shrewd leaders, very knowledgeable and confident of their ability to hold their own as a superpower. I have found Soviet officials generally polite and at some levels deferential. But at no level have I detected a lack of confidence.

The Soviets say they want to put limitations on certain weapons or weapons systems because building them "will hurt our living standards, and this is not going to help anyone very much." But if the U.S. is unwilling to agree to SALT II levels or lower current ones, they say, "We are perfectly willing to race you at whatever level you want and in whatever arms areas you want to include."

Let me make this point: I'm sure we're behind the Russians in conventional arms. We ought to balance out what we actually need because it's not necessary to match the Soviets on a tank-for-tank basis. Their defense problems are different than ours. But we must draw even in conventional forces. And that presumes that, should we establish controls over thermonuclear weapons, somewhere down the road we should try to control conventional weapons.

Question. Will the next generation of leaders in the Politburo be more flexible than Brezhnev's group?

Answer. Not really. The system is to bring senior officials into the Politburo as candidate members, presumably to test their ideology, their devotion to the system and to see if they match the current philosophy. If they don't match, the candidate members never move up to full membership. They go back to whatever job they came from.

I would expect very few changes in philosophy inside the Politburo in the foreseeable future. Of course, there is likely to be a period of uncertainty when the top leadership changes, but the system has survived similar periods in the past. You'll probably see some kind of collective leadership developing, with the real leader emerging much later.

It's one of the weaknesses of the system. There is no formal mechanism to ease the changeover.

But remember, this is in the Russian tradition, and it goes back a long way. One-man control doesn't date just to the Communist Revolution.

Question. Are the Russians unhappy about the slow development of trade between the U.S. and the Soviet Union?

Answer. Of course. Expanding trade would allow them to buy technology that otherwise would take enormous time and manpower for them to develop on their own.

But the Soviets don't seem to worry. When they talk to me about sanctions, they say, "We are able to make what we need ourselves" or "We're getting it from others." And then they add that "You fellows are shooting yourselves in the foot."

Question. Would you give the Soviets access to the American technology that they need to exploit their oil resources?

Answer. That's a tough question. On balance, however, if the two-country dialogue was under way again, progress toward détente would move faster if the Soviets were able to develop their resources quickly.

There is going to be an oil shortage here, and that will produce stress. We have stress at home already, even though we are coping with our oil problem. But if we lost access to Middle East oil, we'd come under greater stress. We'd be pushed to make difficult decisions on what to do about that Mideast oil. The same thing is true here. They have the oil, and they will develop it on their own.

But it will take longer. Our technology would probably help them avoid a crisis.

Question. Would that be to the advantage of the United States?

Answer. If you are counting on the Soviets' collapsing if we don't provide them with technology, don't believe it. They won't run out of oil.

I see nothing that will make the Soviet Union weaker militarily or bring about an internal rebellion or do the other things that might seem advantageous to the West.

All that is wishful thinking. I see no possibility of the Soviet system folding.

Question. On the basis of your experience as the United States Ambassador to the Soviet Union, are you optimistic or pessimistic about the future?

Answer. Perhaps I am more hopeful than others think I should be.

On one side, I have respect for the demonstrated common sense of General Haig. He is knowledgeable in military affairs and international relationships. He certainly knows everything about arms.

On the other side, such people as Defense Secretary Harold Brown in the Carter administration have told me that in their experience—and Secretary Brown has been working with the Russians on SALT for a decade—the Soviets live up to their treaty obligations once they're made.

I'm sure that, like most countries, the Soviets would break any treaty they thought threatened their national security. But on the whole, if you work out with them one of these very difficult arrangements, the Soviets will live up to its terms.

I would go beyond that, however, and try to create the framework of a relationship in Geneva that would be constantly at work, not just on arms control or treaty obligations, but on crisis control.

It simply isn't sensible to have a superpower dialogue drop to the level it has been on for the past year. We should have a group of authoritative Soviet and American experts in Geneva at all times examining and consulting on the scenarios of potential crises as they emerge and develop.

Question. What are the most important qualities an American ambassador to Moscow needs to deal with the Soviets?

Answer. First off, he's got to have common sense. Then he needs a lot of experience in managing organizations. Actually, I don't see a great deal of difference in the experience gained in diplomacy and that in business. As an ex-businessman, I haven't found my work here particularly difficult. I've enjoyed free discussions with Foreign Minister Gromyko and his associates, just as I formerly enjoyed discussions in the business world. The challenges in each case were great.

Of course, an ambassador should know the history of how this country has developed and changed over the last thousand years. Knowledge of the language is certainly helpful. But I haven't found my background as a businessman a handicap.

Question. So you think that being a career diplomat is not necessarily the most important requirement for successful diplomacy in Moscow—

Answer. I hope not, else you would have to categorize my term as unsuccessful.●

ENHANCING RECREATIONAL FISHING STOCKS AND FACILITIES

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BREAUX. Mr. Speaker, I am today introducing a bill by request of certain nationally recognized wildlife conservation organizations. This bill is quite similar to a bill which I introduced in the 96th Congress called the Fish Restoration Act of 1979 commonly known as the Dingell-Johnson Expanion Act.

Essentially, this bill would amend a highly successful Dingell-Johnson fish restoration and improvement program to permit additional moneys to be allocated to State fish and wildlife agencies, for the purpose of enhancing recreational fishery stocks and facilities. All money allocated to the States is on a matching basis so the States bear their share of the cost of operating the programs. The funds are derived from additional taxes on the user groups who benefit from the enhancement projects being carried out.

Presently, the statute imposes certain taxes on fishing equipment and these revenues are placed in a separate fund in the Treasury to be used for recreational fishing restoration and enhancement projects. The bill which I have introduced goes one step further and places certain additional fishing equipment on the list of those items which can be taxed and also adds a tax on small boats and motors.

After I introduced the bill last year, the Fish and Wildlife Subcommittee, which I chair, held a hearing on the legislation. During the hearing there was widespread support for the bill heard from most of the major conservation and State fishery organizations in the country. Quite frankly, I have received some letters from individuals throughout the country who have expressed some concern about the tax on boats and motors. Therefore, I am introducing the bill again this year at the request of certain fishing organizations with the caveat that I plan to poll interested sports fishermen around the country to determine their feelings toward this additional tax and expanded program.

I am highly supportive of assisting recreational fishermen and protecting the recreational fishing resources of our Nation, and I am aware that several major species of recreational fishery resources have faced some serious depletion problems. Recreational fishing in our country makes up a large portion of the total fishery resources landed and we must pay equal attention to recreational fishing as we do to the commercial fishing operations and resources of our Nation.

If our subcommittee members, after an extensive review of potential problems which I have outlined, are satisfied that the bill accomplishes the purposes for which it was intended in an equitable manner, I will enthusiastically work toward its enactment during this Congress.●

HARDNOSED FOREIGN AID

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BEDELL. Mr. Speaker, of the many budget battles each year, few have been more frustrating than the debate over foreign aid.

For 2 years running, Congress has failed to pass a foreign aid appropriations bill, opting instead for a continuing resolution that makes no allowance for inflation. Regrettably, the new administration has continued this negative trend by calling for a 26-percent reduction in the fiscal year 1982 foreign aid budget request.

I am dismayed by the recurring refusal of Congress to accept the basic precept that foreign aid is not charity, but an investment in our own national security.

It is clear for example that the new administration perceives a growing national security interest in the stability of Latin America. Yet stability in these countries depends primarily on whether or not their people retain a tangible sense of economic hope. The oil price hikes of the last decade have battered these hopes in many instances. Countries like Jamaica, however, are prepared to help themselves, and it would be shortsighted for us not to offer assistance.

What needs to be stressed, moreover, is the growing stake that industrial nations themselves have in Third World development. Developing countries supply us with critical raw materials; provide essential trading markets; and serve as partners in addressing global problems of poverty, population growth, nuclear nonproliferation, and the environment. In addition, we can no longer ignore the monetary stake our major banks have in holding nearly $500 billion in LDC debts.

For these reasons, the importance of foreign aid to our own well-being is an idea that needs constant reinforcement. I therefore wish to call my colleagues' attention to a Christian Science Monitor, March 2, 1981, article entitled "Hardnosed Foreign Aid," by Sidney Weintraub, former Assistant Secretary of State for International Finance and Development. The author reminds us that foreign aid is an instrument of national security, oftentimes the most effective one we have.

The text of the article follows:

[From the Christian Science Monitor, Mar. 2, 1981]

HARDNOSED FOREIGN AID

(By Sidney Weintraub)

There are powerful reasons growing out of philosophic precepts and national self-interest why the new Republican administration should support foreign aid. Some of these reasons point to an augmented and more directed bilateral program and others to an increase in the use of multilateral agencies like the World Bank and the regional development banks. Some aid would have to be concessional because countries are unable to afford anything else, but much of it could be on market terms.

Aid is an instrument of national security, an important consideration for a security-conscious administration. It was so used in the Marshall Plan and the Alliance for Progress, in South Korea and Taiwan. Security of a nation requires that its people have economic hope. High income is not possible for most people in countries with per capita incomes averaging between one-tenth and one-twentieth of ours, but the dream of a better life must be present. Leaders must be seen to be offering opportunities or they will not endure. The change in leadership in Poland, Jamaica, El Salvador, and even the small Caribbean islands of St. Kitts-Nevis and Dominica are recent examples of this.

The Caribbean, because of the unsettling presence of Cuba and proximity to the United States, is seen by key figures of the administration as a region of paramount national security for the United States. There is no conceivable way to achieve this security absent financial help from us. Mexico and Venezuela recognized this reality by instituting a large aid program there.

Problems are not solved merely by throwing money at them, but problems can be created by withholding money and hope. The new administration will need money for the Caribbean, and it will need flexibility in the use of funds. It should not have to wait a year, as have previous administrations, while Congress debates before help is given to meet emergencies. Such delay might help another, less friendly government come to power in the interim.

The enormity of the financial need in the Caribbean requires that the burden of providing help should be shared. Most countries in the region are among the hardest hit in the world from the oil price increases of the last decade, particularly in relation to the size of their economies. They join a list of other hard-hit countries, like Brazil and many in Central America and elsewhere, which must finance the deficits in their balance of payments brought on by the increased cost of oil imports. This year, less-developed countries will spend $230 billion to $250 billion on oil imports. The combined deficit in the current account of their balance of payments will be more than $60 billion.

Concessional aid cannot fill all gaps of this magnitude, but filled they must be if turmoil is not to erupt. For Brazil and other newly industrializing countries, gap filling is being accomplished primarily by the private banking system, and private banks will have to take the lead in the future as well. The banks have asked for help. The multilateral institutions—the World Bank, the regional development banks in Latin America, Asia, and Africa, the International Monetary Fund—will have to augment their lending to help recycle funds generated from surpluses by oil exporters to the oil-deficit countries where they are needed.

It makes eminent sense to use all the financial intermediaries we can. In time, this financing comes home, not just in interest and amortization, but also in increased US exports and private investment.

It is not always understood that US assistance to the World Bank (or regional development banks) for lending to less-developed countries need not involve a US budgetary outlay. What the US and other donors do is provide a guarantee of last resort which permits the bank to borrow from the market. The bank in turn lends to borrowers (the less-developed countries) at an interest rate related to its own borrowing cost. The official lending institutions are thus intermediaries between lenders and borrowers. They fulfill the same kind of function as any bank. The guarantee of last resort never has been called on in the history of all these institutions.

Many countries are too poor to be creditworthy to the commercial banks, and it would be shortsighted for the US to compound their problems by denying official aid as well. We can give this aid bilaterally or we can share the burden with other donors by working through the multilateral institutions. The amounts are relatively low in relation to our national product. (They are now less than one-quarter of one percent of our GNP.) This is the role for concessional aid.

Call it a grubstake. Call it national security. It is the only economic instrument the US really has in many countries.

This aid need not be given indiscriminately to all comers. If countries will not help themselves, there is no place for US aid other than to lease allies for short periods to say nice things about the US or to vote with us on mostly meaningless resolutions in the United Nations. When countries are prepared to help themselves, it would be folly to withhold our assistance. Jamaica is a current example of this outlook. If its economic policy succeeds, it will help the people of that country and it will be valuable as well for the people of our country.

This would be a hard-nosed aid program. Help those who help themselves. Direct aid to where it is most important for us, which signifies a growth in bilateral aid, but without giving up the burden-sharing implicit in multilateral concessional aid. Help the private banks recycle oil surpluses by providing capital to official international institutions so that they, like the private banks, can act as intermediaries. Those who oppose such a program are taking risks with US national security.●

THE COAL UTILIZATION INCENTIVES ACT OF 1981

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. RAHALL. Mr. Speaker, today I am proud to submit legislation that I believe should receive top priority from this Congress. The measure is aimed at providing tax incentives to electric utilities wishing to convert their facilities from oil or natural gas to coal.

As many of us are aware, various attempts were made in the 96th Congress to enact the utility oil-gas backout legislation. That measure would have required direct Government subsidies to utilities wishing to convert their facilities to coal. This new bill, however, is more in line with the Reagan administration's concept of providing tax incentives rather than subsidies, and provides the most immediate method to reduce our reliance on foreign petroleum sources.

This measure is already supported by a number of my colleagues who are listed as original cosponsors, and by the National Coal Association, the United Mine Workers of America, the Mining and Reclamation Council, and the American Mining Congress.

Mr. Speaker, those of us who support this legislation share the President's view that inflation must be brought under control, and to carry out this initiative, we feel a major drive must be made to reduce America's reliance on foreign energy sources.

A summary of the legislation follows, and I would appreciate the support of my colleagues for this extremely important piece of legislation:

COAL UTILIZATION INCENTIVES ACT OF 1981

SUMMARY

Title I

SEC. 195. AMORTIZATION OF COAL UTILIZATION PROPERTY.—Under present law, an individual or entity is permitted to deduct from their tax liability, a portion of the declining value of a particular item. This bill will allow coal utilization property (boiler or burner, pollution control equipment or coal cleaning equipment) to be written-off over a three-year period. However, at the election of the taxpayer, the coal utilization property may be amortized over a one year period.

SEC. 102. ENERGY CREDIT ALLOWED TO PUBLIC UTILITIES FOR COAL UTILIZATION PROPERTY.—Under present law, utilities are precluded from utilizing the 15 percent energy tax credit. This bill will allow utilities to receive the energy credit.

SEC. 103. FULL INVESTMENT TAX CREDIT ALLOWANCE FOR COAL UTILIZATION PROPERTY.—Present law allows the investment tax credit to absorb a certain portion of a taxpayers tax liability. What often occurs in the case of a utility is that their tax liability is less than the credit allowed, therefore they cannot utilize the credit. This legislation will enable utilities to utilize the investment tax credit to absorb their entire tax liability.

SEC. 104. INDUSTRIAL DEVELOPMENT BONDS FOR COAL CONVERSION AND USE.—Under present law, municipalities are precluded from issuing industrial development bonds for utility concerns. This legislation will allow the various local entities to issue these tax-free debentures to assist utilities through the massive expense of converting.

Title II

SEC. 201. NEW SOURCE PERFORMANCE STANDARDS.—This section amends Section 111(a)(8) of the Clean Air Act which defines modifications by existing sources. Under present law, when an existing source is modified, it is subject to New Source Performance Standards. Under this bill, voluntarily converting units, which convert to coal, would not be classified as a modification and therefore not subject to the New Source Performance Standards.

SEC. 202. FACILITIES CONVERTING TO COAL.—This section amends section 113(d)(5)(a) of the Clean Air Act. Under this bill, voluntarily converting units would be eligible for delayed compliance orders now available to units ordered converted under ESECA or PIFUA.●

EXCITING CONFERENCE IN TEXAS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PICKLE. Mr. Speaker, recently people in Texas had an opportunity to attend a very stimulating conference called the Texas Lyceum.

Speakers included such prominent world citizens as Congressman BILL ARCHER of Texas, former Secretary John Connally, Ezer Weizman of Israel, Peter Rinfert, Charls Walker, and many others.

The views were diverse, and the discussion heated at times.

One man, Mr. Tieman H. Dippel, Jr., was the guiding force behind putting the Texas Lyceum together. Better known as "Skipper" in Brenham, Tex., and to his many friends across the State, he intends for the Texas Lyceum to occur over and over—throughout the ages.

If anyone can put it together it is Skipper Dippel.

I am enclosing just one brief article on the Lyceum that demonstrates that the conference was an exciting and challenging gathering.

I would ask that this be placed in the CONGRESSIONAL RECORD.

THE MIRACLE OF MUTUAL COMMITMENT

(By Roslyn Dawson Hartenstein)

Instead of a windy Greek hilltop, the setting was the plush Regency Ballroom at the Dallas Fairmont Hotel. Instead of Socrates and Plato the participants were business men and women together with government officials. Instead of the classical Lyceum, this was the Texas Lyceum—first of its kind.

For two days in December, the Texas Lyceum brought together business and government leaders from across the state to discuss three areas of mutual concern: the public role of the private sector, new solutions to economic problems, and Texas' challenges and opportunities for the '80s.

The Texas Lyceum was the brainchild of Tieman Dippel Jr., who heads the Texas Lyceum Association. His concept, which was avidly promulgated by the group of business leaders he invited into the association, was to address the development of a national will and a national agenda—by starting in Texas with the development of a Texas will and agenda. The Lyceum concept was a free and open forum of education. Its sponsors were the Institute of Constructive Capitalism, headquartered at the college of business at the University of Texas, as well as from Texas Business Magazine and the Edwin A. Cox School of Business at Southern Methodist University.

Dippel's opening remarks set the tone of the Lyceum. He asked participants to "talk an awful lot of common sense, and maintain a sincerity of purpose." Quoting Oliver Wendell Holmes, Dippel asked that participants consider "not so much where we are, but where we are going."

The Lyceum's necessary gadfly was Pierre Rinfret. Rinfret—once presidential economic adviser to Kennedy, Johnson, and Nixon, and now private consultant on international economic, financial, and political matters—accused modern society of living in a dream world. "There is an unwillingness in our society to face truth," Rinfret said. "American society ignores the inevitabilities, while the fact is that the democratic world will thrive only on truth."

He emphatically accused American business of neglecting important and vital concerns. Rinfret asked, "What has happened to quality, productivity, pride, integrity, and honor in business?" According to Rinfret, American business begets its own problems.

"When American industry gets in trouble, it runs to Washington. In essence, we have free enterprise for the poor and socialism for the rich," said Rinfret. "And the demise of quality control in American business is the fault of American business. Why? Because we in American business have forgotten that our job is to produce quality products at the lowest possible price.

Rinfret posed an interesting question: Does private industry level with the media? His answer was an emphatic "no." In recent years, the hue and cry among business and private industry has been this: "The media is out for our blood! The media is predisposed to crucify business any chance it gets." Rinfret placed the responsibility squarely on the shoulders of American private industry.

"Do we level with the media? With the younger generation? No, we don't. We tell the people what we want them to know," said Rinfret. "The SEC forces our disclosures; the disclosures are rarely voluntary. When they are, the media and the younger generation respond positively."

Finally, Rinfret addressed the adversary relationship between the private sector and government. His solution? That private industry get in pace with the times: "One principal reason the private sector is an adversary to government is because the private sector is 50 years behind the times. The private sector does not understand who the people are, what they want or how to influence them."

Quoting Bill Simon's A Time for Truth, Rinfret said: "The greatest threat to America is the gutless wonders—American businesses. Business must see that the people perceive themselves as protecting themselves against industry."

In summary, Rinfret said: "The country can only survive with the private sector. But the private sector has got to get up to date and understand where it has failed."

Astonishingly, no tomatoes were heaved from salad plates toward Rinfret's podium.

Rather, the participants of the Lyceum listened—whether or not they agreed—and took from Rinfret's remarks a challenge to find real and workable solutions to the problems facing not only business but American society at large.

That a group of influential Texans—leaders in business and government—would take two full days of gauntlet-throwing is remarkable and noteworthy. That these leaders would discard for two days their particular partisan or political leanings in order to enter an open forum of discussion and problem-solving was laudatory. That the results of the Lyceum—a mutual commitment to a statewide agenda of action—were granted unanimous accord was, in fact, miraculous.

A local business leader, whose sense of humor rivals a comedian's, remarked that he'd wager the Lyceum would become more reminiscent of the Colosseum before it was all over. Many people with like expectations entered the two-day session anticipating that, before it was over, symbolic six-shooters would be seen on many a table.

That the Lyceum succeeded without Colosseumesque battles-to-the-death is a tribute to the planners and the participants. And that the Lyceum was not the proverbial "flash in the pan"—it will continue to function as an association and as a forum for shared ideas—gives rise to a new optimism for the future of Texas as a strong national leader in private enterprise as well as progressive cooperation.●

CURB FEDERAL BUREAUCRACY

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. ROUSSELOT. Mr. Speaker, I would like to bring to the attention of the House of Representatives an article in the South Pasadena Republican Womens Club February Newsletter. The "Legislation Report" written by Ginny Knowles, my constituent, discusses the need to curb the Federal bureaucracy, especially those agencies which, through their regulatory activities, stifle American enterprise and productivity.

Constituents often ask what they can do to encourage Congress to take effective legislative action to restrain the growth of Federal spending and the power of the Federal bureaucracy. This fine legislative report urges such action and offers valuable suggestions for individual contact with Members of Congress. I commend the South Pasadena Republican Womens Club for their tradition of involvement.

The article follows:

LEGISLATION REPORT

(By Ginny Knowles)

DISMANTLING THE BUREAUCRACY

Now is the time to let Congress know that we want them to help President Reagan keep his word to abolish the Department of Energy and the Department of Education. There are many other agencies and programs, such as OSHA, EPA, HUD, CETA, VISTA, etc., which could be abolished at a savings of billions of tax dollars.

The federal regulatory bureaucracies are a logical first target for spending cuts. The American economy bears enormous costs due to federal regulations and controls. This pushes up prices of products unnecessarily, imposes long and expensive delays in construction of plants, and lowers productive efficiency at every turn.

The Department of Energy has done far more to hinder the development of energy then to promote it. Regulations and restrictions were imposed which impeded the promotion and development of new energy sources. Plus, millions of dollars were spent on maintaining this big bureaucracy.

Education is to be a responsibility of the states and not a function of the federal government. The federal Department of Education interfered with the local control of education by imposing federal programs upon the local schools. These federal programs involved mountains of red tape and record keeping which takes time away from the classroom instruction.

Write to your Senators and Congressman stressing that we want the Departments of Energy and Education disbanded. Also stress that we must drastically slash the government spending which is now soaking up all of the capital needed by the private sector to increase production, create jobs, and get our economy moving again. It is essential that we remove immediately the oppressive costs and myriad restrictions of the regulatory agencies which are strangling private enterprise.●

SUPPORT FOR THE PRESIDENT'S PROGRAM

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. DUNCAN. Mr. Speaker, in view of President Reagan's speech on March 2 relative to the opposition of the so-called selfish interest groups that oppose his economic recovery plan, mention should be made of one particular group that has endorsed the program and pledged its support. Mr. W. Andrew Adams from my State of Tennessee is president of the National Council of Health Centers, and at his request I enter into the RECORD the text of his telegrams to President Reagan and Secretary Schweiker.

Copies of telegrams attached:

NATIONAL COUNCIL OF HEALTH CENTERS,
Washington, D.C., February 19, 1981.

President RONALD REAGAN,
White House,
Washington, D.C.

DEAR PRESIDENT REAGAN: On behalf of the National Council of Health Centers, please accept our sincere congratulations for your speech before the Nation last night.

The National Council members, composed of investor-owned nursing home corporations with 125,000 beds in 43 States, stand ready to support your new program for economic recovery and to direct our efforts in that behalf, extricating ourselves from this crisis will require considerable sacrifice on everyone's part, but no battle is won without sacrifice, we are prepared to assume our share of the burden.

Clearly, as you stated we are at a time when world events demand a revitalized defense program despite the limitations on our financial resources. The circumstances, we would also agree, require an evaluation of the fact that the rate of government spending for health and social welfare programs over the last 6 years surpass that for defense by nearly 60 percent.

A restructuring of the financial supports of our health care system is overdue, together with a much-needed and to the primary reliance on government funding and the welfare philosophy. The government welfare approach has not worked nor has it provided the needy with the incentive to become self supporting.

We strongly endorse your proposal to shift the burden of health care delivery back to the free market place and support the inclusion of long term care services in that proposal, by allowing competitive forces to control costs and by easing the present tremendous regulatory burden, you will provide us with the new beginning that we so desperately need.

Sincerely,

W. ANDREW ADAMS,
President.

NATIONAL COUNCIL OF HEALTH CENTERS,
Washington, D.C., February 19, 1981.

Hon. RICHARD SCHWEIKER,
Secretary, Department of Health and Human Services, Washington, D.C.

DEAR SECRETARY SCHWEIKER: The members of the National Council of Health Centers have sent a message of support and endorsement to President Ronald Reagan for his proposal of a new program of economic recovery for our country. President Reagan has proposed fundamental changes in our health care delivery system as an essential component of that program. Please be assured that we are ready to work with you and the Department of Health and Human Services to undertake the important efforts ahead of us to bring about those changes.

The National Council members, composed of investor-owned nursing home corporations with 125,000 beds in 43 states, believe that a restructuring of our health care system is long overdue. For too many years we have been guided by a welfare philosophy that has not worked; nor has it provided the needy with the incentive to become self reliant. We realize that everyone will be called upon to make sacrifices in the coming months and we are prepared to do our part.

We firmly believe that an end to the primary reliance on government for funding is essential to our future progress. Your proposed efforts to shift the burden of health care delivery back to the free market sector will restore the incentives necessary to control costs and eliminate waste. We suggest to you that these same competitive approaches should be applied in the long term health care area as well. We hope in the coming months to work with you on developing such an approach and look forward to that effort with great anticipation, by promoting competition with a commensurate easing of our tremendous regulatory burden, you will provide us with the means to focus our efforts on a most important task ahead: providing quality care to our nursing home patients.

We respectfully request to meet with you in the next few weeks in order that we might outline our proposals for promoting competition.

W. ANDREW ADAMS,
President.●

AUDIT OF THE FEDERAL RESERVE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PAUL. Mr. Speaker, today I am introducing a bill to require the General Accounting Office to conduct a complete and thorough audit of the Federal Reserve System and banks. This is not just any bill, for it was last introduced in 1975 by Representative Wright Patman of Texas, who fought for years to have the Fed audited.

This bill provides that "the Comptroller General * * * shall make * * * an audit for each fiscal year of the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and all Federal Reserve Banks and their branches, including transactions of the system open market account conducted through recognized dealers." The bill further provides that the General Accounting Office shall have access to all books and records of the Federal Reserve.

The audit of the Federal Reserve is necessary. In considering a bill to audit the Federal Reserve in 1978, the Senate Committee on Governmental Affairs declared that:

> The three Federal banking regulatory agencies are at the present time the only exceptions to audit by the GAO. Yet they are empowered to carry out functions crucial to our system of government and to our nation's economy. Last year the three agencies incurred operating expenses exceeding $920 million. None of these expenditures were subjected to an audit by the GAO which, as the investigative arm of the Congress, serves to insure the effectiveness of governmental programs as well as appropriate and legal expenditure of funds.

Amazingly, despite this declaration that the Federal Reserve, the FDIC, and the Office of the Comptroller of the Currency "are empowered to carry out functions crucial to our system of government and to our Nation's economy," the Congress went on to enact a law that prevents the GAO from auditing those functions, functions which are "crucial to our system of government and our Nation's economy." I quote from the 1978 Act:

> An audit made under paragraph (1)(A) shall not include—
>
> (A) transactions conducted on behalf of or with foreign central banks, foreign governments, and nonprivate international financing organizations;
>
> (B) deliberations, decisions, and actions on monetary policy matters, including discount window operations, reserves of members banks, securities, credit, interest on deposits, and open market operations;
>
> (C) transactions made under the direction of the Federal Open Market Committee including transactions of the Federal Reserve System Open Market Account; and
>
> (D) those portions of oral, written, telegraphic, or telephonic discussions and communications among or between Members of the Board of Governors, and officers and employees of the Federal Reserve System which deal with topics listed in subparagraphs (A) (B) and (C) of this paragraph.

As the law now stands, the GAO is forbidden to look into those functions of the Federal Reserve which are "curcial to our system of government and our Nation's economy." The reasons

stated by the Senate committee for auditing the Fed are sound ones, but the present law explicitly forbids any investigation of the functions of the Fed which are so important in our economy.

Auditing the expenditures of the Fed is, of course, and important function. It would be nice to know how they spend the billion dollars per year that are not returned to the Treasury. I have seen their marble palace uptown and heard about their caches of cash out in Virginia, and as important as these things are, it is far more important that the Congress and the American people be provided with the results of an investigation of the essential operations of the Fed.

This is especially so since the passage last year of the Monetary Control Act, which empowered the Fed to purchase the paper obligations of foreign governments and use them as collateral for Federal Reserve notes. This extraordinary provision of the law was not debated in the House nor the Senate, nor was testimony taken on it. Yet it is just one example of the sort of power that the Federal Reserve has, and which remains beyond the reach of the investigatory arm of the Congress.

In stating a reason for excluding these "crucial functions" from the purview of the GAO audit, the Senate Committee on Governmental Affairs wrote:

> . . . the Federal Reserve Board must be able to independently conduct the nation's monetary policy. . . .

The independence of the Fed has long been used as a device to shield the Fed from congressional investigation. It is time that we recognized that the independence of the Fed is a legal fiction. One can trace the policies of the Federal Reserve merely by tracing the histories of Presidential elections. I will use the most recent campaign as an example, but one could just as easily select the earlier campaigns of Ford, or Nixon, or Johnson for illustrations of the fact that the Fed takes its cues from the White House.

Last May, when the Presidential campaign was beginning in earnest, and it was becoming increasingly clear that Ronald Reagan would be the nominee of the Republican Party, the Federal Reserve Board began a 6-month expansion of the money supply that was almost unprecedented in our history. During the last 6 months of the year, M1B increased $25.8 billion, or 13.4 percent. Actually the increase prior to the election was greater: The Fed took the money supply up almost $29 billion before scaling back in December, after the Presidential election was over. If one excludes the decrease in December, M_{1B} grew at a 16.4-percent rate in the 5 months prior to the election.

Why? Simply because restraint in the growth of the money supply during a Presidential campaign might lead to the defeat of the incumbent. The Fed knows that it can give the economy a temporary "high" by jacking up the money supply, and it does so, even though the long-run consequences of such an opportunistic policy will be severe.

But it is not only the longrun consequences that will be severe. The ups and downs in interest rates in 1980 followed the ups and downs in the Fed's manipulation of the money supply. Easy money causes high interest rates, and no better illustration of this can be found than the prime rate peaking at 21.5 percent last December, and now falling off as the Fed ceases to expand the growth in the money supply.

Yet it is decisions such as these, decisions which drive interest rates to record levels that are fatal to many businesses, decisions that increase prices at record rates in double-digit inflation, and decisions which will soon affect the unemployment rate by driving it up, that are not permitted to be included in the GAO audit.

I think it is time that the Congress and the American people found out exactly what the Fed is up to. Is there any insider dealing based on the decisions the Fed makes in its secret meetings? What is the relationship between the Fed and foreign governments and international banks? The sooner we find out the better off we will be. The system deserves no more blind faith and support from the American people.●

STATE TAX EXEMPTION FOR LEASED POSTAL VEHICLES

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. CLAY. Mr. Speaker, today I introduced a bill which provides that owners of passenger motor vehicles leased by the U.S. Postal Service shall be exempt from the payment of State taxes and fees.

The purpose of this legislation is to provide that owners of passenger motor vehicles which are leased by the U.S. Postal Service in carrying out its functions under title 39 of the United States Code shall be exempt from the payment of State and local taxes and fees with respect to those vehicles during the terms of those leases, with the goal of enabling the Postal Service to achieve significant savings in the cost of its vehicle leasing activity.

This bill would amend chapter 50 of title 39, United States Code, by adding a new section 5008 which would provide that the owner of any passenger motor vehicle leased by the Postal Service for the purpose of transporting mail or for any other purpose under title 39 shall, during the term of the lease, be exempt from the payment of any tax or fee imposed by any State or political subdivision with respect to the vehicle. Upon the expiration of the lease, the vehicle would be subject to all applicable State and local taxes and fees.

Fifteen to twenty percent of the cost which the Postal Service pays for leasing vehicles covers the costs of State licenses, tags, inspections, and fees. While some States waive these fees for owners of vehicles, enactment of my bill would make this practice uniform across the Nation. The exemption of leased vehicles from taxes and fees could result in a savings to the Postal Service of about $1.6 million annually.

Qualified leased vehicles, whether owned by an individual or by a corporation, would be subject to the provisions of this bill. The vehicles could not be used for the personal use of an individual in the course of transportation of the mail. The bill in no way alters the currently acceptable practice under which employees lease their vehicles to the Postal Service.●

A NATION IN NEED OF SHOCK TREATMENT

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SAWYER. Mr. Speaker, President Reagan has offered the Nation a bold economic program which provides a badly needed change in direction for the American federal system of government.

While there may be those who disagree with certain parts of the President's program, there is widespread agreement that we need to try a new proposal which offers hope for recovery.

In my view, we must act, and it must be done swiftly.

The February 25 editorial of WZZM-TV, Grand Rapids, Mich., contains a compelling message for a nation in need of shock treatment.

The editorial follows:

THE REAGAN PLAN

The economy has always been the backbone of this nation. The free market system created the American dream and hard working, hard producing citizens have provided the initiative and inventiveness which made this the most powerful, most idealistic and most admired nation on earth.

It doesn't seem like it was all that long ago, but a declining economy, accompanied by reduced incentive and devalued dollars have transformed our population into diverse groups of either cynical fatalists, naive optimists or those who look to government

to solve all problems and provide for all our needs.

When there's not enough snow, Michigan resort owners look to government for low cost loans to see them through the famine. When cars aren't selling, a mammoth corporation seeks a congressional bail-out. It's the same with cities that have policies of paying out more than they bring in.

We're a nation in need of shock treatment and that's exactly what President Reagan is offering with his budget cuts and tax slashes. Actually, Reagan is only cutting former President Carter's increases. The simple truth is that we can't keep going in the same direction we're headed without the bottom falling out of the economy. Sure there should be debate over what gets cut and by how much. Congress should be an equal partner with the President in the effort to shore up our sagging finances. But the only direction to go is in expecting less to get more.

A strong economy fuels productivity. Productivity leads to lower inflation. President Reagan campaigned on a platform of fiscal responsibility. He won and deserves a chance to see if it works. God knows, nothing else has.

I'm George Lyons.●

THE PRESIDENT'S ECONOMIC PACKAGE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PICKLE. Mr. Speaker, as we continue our examination of the President's economic package, I would say that in principle I am supportive of the administration's goals. I agree with the general approach taken with regard to cuts in spending, cuts in taxes for businesses, and cutbacks in Federal regulations. While I agree that we need to cut taxes for individuals, I do not necessarily support every specific of the President's plan.

When we pass a tax cut bill, it should be structured to accomplish an increase in: First, productivity; second, private business investments; third, savings; and fourth, research and development. The President's proposal for individual cuts provides insufficient concrete evidence that there will be increases in investment and savings, but instead indicates that the cuts could lead to increased consumer demand. Increased consumer demand could only add to inflation.

I insert a recent Washington Post editorial which reflects my views on this issue:

FORM 1040, ETC.

The questions, so far, have been a good deal more interesting than the answers as Congress begins its examination of President Reagan's tax cut. The House Ways and Means Committee opened its hearings in an atmosphere that was not hostile but certainly skeptical. The responses from the secretary of the Treasury, Donald Regan, were less than reassuring. He is having trouble making the crucial connections in the argument for his tax program. At this early stage of the debate, it appears that the congressional Democrats are strongly inclined to accept, at least in general, the president's cuts in the budget. But they are preparing to challenge his tax bill on grounds that it is too big and too dangerously inflationary.

The administration's case for those three successive annual reductions in the personal income tax rates follows this logic: If people's taxes are cut, they will 1) save more, leading to 2) higher investment, which in turn means 3) rising productivity and therefore 4) increased prosperity and lower inflation. The Democrats in the Ways and Means Committee have begun to challenge each link in that chain of cause-and-effect.

The administration has contributed to its own vulnerability by its extremely optimistic predictions of the response at each stage. Secretary Regan thought it was dreadfully rude of a young New York congressman, Thomas Downey, to describe his economic assumptions as "hallucinogenic." But would it be wrong to describe them as another triumph of hope over experience?

The administration is defending itself mainly by citing the enormous burst of growth, prosperity and high employment that followed a big tax cut in 1964 under President Johnson. That's a very odd posture for this administration to adopt. It came to power amidst a chorus of denunciations of the Keynesian policies of its predecessors, which, the victorious Republicans claimed, was responsible for a decade of stagnant productivity and intolerable inflation. But that 1964 tax bill was widely known, at least until this winter, as the Great Keynesian Tax Cut, the classic success of that school.

Ironies aside, what guidance does the 1964 tax cut offer to policy in 1981? It was a huge cut—dropping, incidentally, the top rate from 91 percent to the present 70 percent. But it came at a time when, unlike the present moment, the economy was already expanding fast. Productivity rose sharply in the year of the tax cut, but it fell thereafter through the rest of the decade. What should you make of that? Higher productivity—which means output that rises in relation to the number of people working—is important, since otherwise wage increases are inflationary. As for inflation, it remained low through 1964 but began to rise ominously in late 1965. That was largely the impact of the buildup for the Vietnam War. But there's a certain parallel with the present situation, since the Reagan administration's plans for military spending are already sending inflationary tremors through the economy.

One lesson of 1964 is that a big tax cut can certainly raise the savings rate, but it will also raise spending—a lot. It will lower unemployment, just as the Keynesian theorists promised, but it doesn't necessarily do anything for productivity. The 1964 case says that a tax cut can keep a boom going but, combined with a rapid increase in military appropriations, it raises an obvious danger of more inflation.

There's a reasonable case for a tax cut this year. But it isn't the case that the administration is making. Nor is it a case for the three years of large personal tax reductions that the administration is urging.●

SPEECH OF IDAHO VFW VOICE OF DEMOCRACY WINNER

HON. LARRY E. CRAIG

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. CRAIG. Mr. Speaker, I wish to place into the CONGRESSIONAL RECORD of the United States a speech made by 16-year-old Timothy Paul Kast of Post Falls, Idaho. The young Mr. Kast's speech was the Idaho winner of the VFW Voice of Democracy contest and message that is well worth noting.

America! "The land of the free and the home of the brave." This is the great country that I live in. I work, play, laugh, and cry here. Everything that I do is done in these United States. This makes it important for me to look around and consider how my country affects the way that I live and what my part is in guiding it in the right direction.

As I was writing this I looked around my neighborhood, I saw all that our nation's great technology has given us. I saw the letters, U.S.A., printed on my pen and on my cup, reminding me of the prominent position we hold in world economics. But then I looked even further into our peoples actions and found something that made me more proud than all of these achievements.

I saw Americans who said what they wanted, worshipped the religion of their choice, worked at the job that made them the most happy and people who could talk about the game Friday night with whomever they chose. I thought about the many freedoms and privileges our people enjoy here and how our government supports all of these things we have. In fact, I realized that the government is affecting everything in our lives today.

This system of government that acts to promote the ideals of its people is why we are such a proud nation. We show our love for America to the world in many ways. My little sister was playing "Oh Beautiful" on her flute as I wrote this very speech, and we show our appreciation to a country that brings us so many rights in many other WAYS.

It's often interesting to me to look back and study the people who fought for and started our country. I think of the tremendous time and effort they put forth to form their country in liberty. What kept these Americans going and what keeps Americans working for their nation? It is and was one word. Commitment!

Commitment is a powerful word that in this instance stands for an individual's dedication to be involved, do his duty, and always serve America's people to their fullest. These individual commitments have become and will continue to be the heart and soul of the success of our nation. America is its people committing themselves to sustain, improve, and defend this great unique nation of ours. It's up to us to protect the privileges we hold in being part of a country so uniquely formed on the basis of individual freedom and justice for all.

As a citizen of America I have my own personal commitments to my country. They involve taking the time to care so that our democracy may forever endure. I must become actively involved in local, state, and national government, be willing to stand up

and defend this great country and its people, and practice my rights and privileges without infringing on others' personal rights.

Our government is set up of the people, by the people, and for the people. It makes decisions concerning every aspect of my life. For these reasons it is of most importance to me that I become active in all forms of government. It is my duty as well as my privilege to be able to vote at all elections and serve by either being a member of a governmental body, or simply writing my representatives in government so that my voice is heard. Our government is why our nation is so unique, and so it needs to be given the proper time from us, its citizens.

Of equal importance is my commitment to be ready to defend the United States at any time. If we were to lose our country to some outside force we would undoubtedly not be able to enjoy the vast freedoms we do today. America's people must always stand ready to unite, so we can ensure our democracy will always be here to benefit us and our children.

I have my own individual rights and privileges and I must keep in mind that all other Americans do also. I should commit myself to remember these other rights so that all may enjoy equal opportunities and freedoms. It should be my responsibility to help abolish all crime in the U.S. and to protect my neighbor against harm, all of which are the commitments we have to each other as American citizens.

I know my commitments to America and its citizens, and I am ready to fulfill them. Just imagine if everyone was to remember and practice theirs. We could all ensure that our democracy could stand strong against the forces tending to undermine its institutions, and generations to come would enjoy America's freedoms, while other countries looked up to and took example from us. Our courage to stand up and show we are proud of our freedoms and are willing to defend them will surely illustrate to the world that America is "The land of the free and the home of the brave."●

SUNSET LEGISLATION—THE BEST LONG-TERM STRATEGY FOR CONTROLLING SPENDING

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. LONG of Louisiana. Mr. Speaker, the President has presented the Congress with his recommendations for budget reductions. Many of these cuts are long overdue. Others will be seriously questioned by the Congress. But one point I believe we can all agree on is that this flurry of post-inaugural budget maneuvering illustrates the need for Congress to do a better job at oversight.

During the coming months we will be deciding the future of Federal programs that took years to implement. The sad truth is that we know all too little about whether these programs are achieving the goals set for them. More than ever, Congress needs to improve its ability to oversee the programs it has established.

Passage of sunset legislation in the 97th Congress would be a major step forward in promoting vigilant oversight by the Congress. In the long run, it could be the most significant step we take toward budgetary control. The concept of sunset has been with us for several Congresses. Our reluctance to enact it thus far is based, I believe, on a legitimate concern as to whether it would truly work. Congress is justifiably wary of adopting major changes in our procedures without first being satisfied that they are likely to have a positive impact.

When the Subcommittee on the Legislative Process of the Committee on Rules began its hearings on sunset in the last Congress, these concerns were foremost in my mind. This subcommittee, which I again have the honor to chair in this Congress, held extensive hearings during the 96th Congress. We looked at three major proposals aimed at improving oversight: H.R. 2, the initial sunset proposal; H.R. 65, the sunrise proposal; and H.R. 2364, a regulatory reform proposal. After long deliberation, we developed a new approach to sunset that combined many of the key features of these bills. My colleague on the subcommittee, BUTLER DERRICK, and I have reintroduced this bill as H.R. 58 in the 97th Congress. H.R. 58 draws from all three of the initial proposals. From H.R. 2, we adopted the idea of an oversight agenda. From H.R. 65, we included the establishment of performance measures. From H.R. 2364, we have included provisions for regulatory analysis.

What distinguishes H.R. 58 from previous attempts at sunset, I believe, is its tough but practical approach. It grafts the principle of sunset review onto a workable set of procedures. H.R. 58 links program reviews by committees to legislative action in the same Congress and gives Congress the opportunity to vote on the continuation, modification or termination of programs. The automatic termination procedures of earlier sunset proposals necessitated the exemption of the major entitlement programs. The procedures employed in H.R. 58 eliminate the need for any exemptions. Thus H.R. 58 will extend review to all forms of Federal spending including entitlements, loan guarantees, and special tax privileges. These forms of spending constitute the growing portion of the budget often referred to as uncontrollable, and H.R. 58 is designed to focus review on these budget items. The no-exemption approach of H.R. 58 represents its major innovation over earlier sunset proposals.

H.R. 58's approach is simple in design, building on current congressional procedures and the committee system. Its deadlines and procedures are coordinated with those under the Congressional Budget Act. It is a sunset approach that I believe will work, and work effectively. H.R. 58 offers us the chance to make meaningful congressional oversight part of the national effort to control spending. Over 100 Members from both parties have already joined BUTLER and me in cosponsoring this important legislation. The 97th Congress can be the one to finally bring sunset review to the Federal Government, and I invite all Members with a serious concern about improving oversight to join with us.●

WELCOME TO CLOSE UP STUDENTS

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BAILEY of Missouri. Mr. Speaker, today I was pleased to welcome to the U.S. House of Representatives eight high school students from St. Louis County, Mo.

These high quality young people are involved in "Project Close Up" and will be learning in detail of the operation of their Federal Government.

I have found these visitors to be of fine intellect and character and encourage their continued participation in their Government.

The students are: Debbie Mayer, Robert Huff, Mary Colvin, Andy Brown, Tami Atherton, Courtney Peistrup, Michele Raffel, and Ed Murphy.●

FINANCING INTERNATIONAL INSTITUTIONS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PAUL. Mr. Speaker, soon this body will be called upon once again to enact legislation appropriating funds for the international development banks, the IMF, and the World Bank. When my colleagues make a decision on giving more taxpayers' money to those institutions, I hope they will keep in mind the message conveyed by the following two articles that appeared in the Washington Post and the Wall Street Journal. That message is simply this:

For several decades, U.S. foreign policy has been wagged by this tail of global debt. The IMF and the World Bank are run by and for the money center banks, the aim being the aversion of international financial collapse and their own bankruptcies. The World Bank's objective is to squeeze the U.S. taxpayer * * *.

The IMF's pattern is to squeeze the taxpayers of the recipient nations.

Let us hear no more of the great effects this foreign aid program has had

on either the American people or the people of the recipient countries. Foreign aid helps elites. It is based on a percolate up theory: The poorer peoples will subsidize the rich. I believe that we could save billions of dollars a year by ending these programs immediately.

The articles follow:

[From the Wall Street Journal, Mar. 2, 1981]

THE LAFFER CURVE AND FOREIGN POLICY

(By Jude Wanniski)

The "fundamental principles" of taxation, as he called them, were laid out by Treasury Secretary Andrew Mellon in a 1924 statement. It is a classic as well as a classical statement, one that now lies at the heart of domestic "Reaganomics." In his book, "Taxation: The People's Business," Mellon said:

"The problem of the Government is to fix rates which will bring in a maximum amount of revenue to the Treasury and at the same time bear not too heavily on the taxpayer or on business enterprises. A sound tax policy must take into consideration three factors. It must produce sufficient revenue for the Government; it must lessen, so far as possible, the burden of taxation on those least able to bear it; and it must also remove those influences which might retard the continued steady development of business and industry on which, in the last analysis, so much of our prosperity depends.

"Furthermore, a permanent tax system should be designed not merely for one or two years nor for the effect it may have on any given class of taxpayers, but should be worked out with regard to conditions over a long period and with a view to its ultimate effect on the prosperity of the country as a whole. . . .

"I have never viewed taxation as a means of rewarding one class of taxpayers or punishing another. If such a point of view ever controls our public policy, the traditions of freedom, justice and equality of opportunity, which are the distinguishing characteristics of our American civilization, will have disappeared and in their place we shall have class legislation with all its attendant evils. The man who seeks to perpetuate prejudice and class hatred is doing America an ill service. In attempting to promote or defeat legislation by arraying one class of taxpayers against another, he shows a complete misconception of those principles of equality on which the country was founded.

"Any man of energy and initiative in this country can get what he wants out of life. But when that initiative is crippled by legislation or by a tax system which denies him the right to receive a reasonable share of his earnings, then he will no longer exert himself and the country will be deprived of the energy on which its continued greatness depends."

PRESIDENT IS COMMITTED

President Reagan essentially campaigned on these principles and has committed himself to them. The size of his victory Nov. 4, along with Republican control of the Senate and expanded influence in the House, point toward domestic tax reforms in 1981 along classical lines.

Because the U.S. is such a large part of the world economy, domestic economic reforms that boost productivity will have beneficial effects around the world—in the same way that economic growth in California following passage of Proposition 13 in 1978 had buoyant effects on the rest of the U.S. But the reverse is also true. If the rest of the world economy follows perverse economic principles—moving up the Laffer Curve even as we head down—it will transmit those negative effects to the U.S. offsetting our gains and perhaps swamping them.

This is why it is so critical that a new President shape a foreign policy that has as a key ingredient the transmission of classical economic reforms to the rest of the world.

The most immediate and pressing threat to the world economy which the Reagan administration must face is the Third World debt to the international banks, a debt that now exceeds $300 billion. On the face of it, there is no prospect that this debt can be repaid, and because the amount exceeds by many times the amount of capital in the international banks, these banks would be technically bankrupt were it not for continued currency inflation. Indeed, lacking any other solution, the banks have a profound vested interest in global inflation. It preserves the illusion of solvency even as the debt mushrooms. Where once the international banks were ardent exponents of a gold standard for the dollar, which maintained a reliable unit of account between debtors and creditors, they led the way in the early 1970s in urging a "floating" dollar.

Citibank, the biggest of them all, was the most ardent in pushing for an end to the dollar-gold link, but Chase Manhattan and the Bank of America were not far behind. New money could be created through deposits in the Eurodollar market to roll over Third World debt. The inflation brought some relief to debtors, but not for long. It also hurt holders of dollar assets, most particularly the OPEC nations. In an attempt to keep even with inflation, they hiked the dollar price of oil. This only meant new private money creation by the banks was necessary, triggering another round of inflation.

The Third World debt mushrooms for the most part because of compounding finance charges, not because of a net increase in actual imports of resources. Imagine buying a television set in 1955 and paying for it over 30 years and you have a picture of the fix the Third World is in. The TV set (the original development project) has long ago been scrapped, but the finance charges go on and on. As a result of rising interest charges at the end of 1979, Third World debt service obligations rose by $7.5 billion.

The International Monetary Fund, founded in 1945 to deal with international balance-of-payment problems, must not only find a way to pay for the oil that goes to the developing nations, it must also scramble for the funds to refinance existing debt.

For several decades, U.S. foreign policy has been wagged by this tail of global debt. The IMF and the World Bank are run by and for the money-center banks, the aim being the aversion of international financial collapse and their own bankruptcies. The World Bank's objective is to squeeze the U.S. taxpayer for resources to send to the Third World, with the avowed aim of helping nations develop so their expanding tax bases can support their debt service. The IMF's pattern is to squeeze the taxpayers of the recipient nations, via IMF imposed "austerity plans," to collect the revenues needed to meet international debt obligations. The net result of this one-two punch has been the exact opposite of the intended aim, pushing developing nations up the Laffer Curve and inviting civil strife, revolutions, terrorism and authoritarian takeovers of one kind or another.

The State Department and a long string of Secretaries of State have displayed little or no interest in these economic causes of global unrest (Kissinger even boasted of his lack of interest in or knowledge of economics). The framework for foreign policy is set by the members of the Council on Foreign Relations and, in the 1970s, the Trilateral Commission, who assume that the U.S. is a declining power. And both the CFR and the TLC (founded by Chase's David Rockefeller) are dominated directly or indirectly by the impact of international debt on global commerce. The problem is that these Eastern elites have the wrong development model.

BORN OF THE DEPRESSION

The development model the U.S. urged on the rest of the world after 1945 was a modern one, born of the Great Depression. It focused on the need of governments to get control of "aggregate demand," or consumer demand. If a nation's masses consumed all its production, there would be no surplus, no capital, remaining for investment in "infrastructure." Infrastructure—roads, waterworks, power plants, docks, even a steel industry—was advanced as the key to development, through its ability to increase economic efficiency.

Policy that flowed from this theory took two forms. The poor nations were urged to impose steeply progressive taxes on their people to amass revenues to finance infrastructure. Project loans also were made to the poor nations, the loans to be paid back with the tax revenues that would result from economic development. In most cases, the policy financed infrastructure built with materiel and expertise from the industrial countries. Development was seen as stemming from physical capital, from "things." The poor nations were left with debt and tax burdens. Entrepreneurial activity was smothered by confiscatory tax rates. And because the infrastructure did not foster growth, tax revenues did not increase. The revenues that were received had to be applied to debt service, while costs of financing general government were taken care of by the printing press and inflation, further discouraging indigenous initiative.

This, of course, was not the developmental path the U.S. or other industrial nations followed. The classical formula focused on human capital, on "people," not "things." Policy did not focus on consumer demand for things, but on encouragement of individuals to supply their talents and energies to greater production. The U.S. economy was built in an environment conducive to individual enterprise: low rates of taxation, minimal central planning and hard money. Yet this is exactly the model that our modern economic theorists and policymakers discourage the emerging nations from following. It is exactly the model that should now serve as the economic backbone of U.S. foreign policy.

[From the Washington Post, Mar. 3, 1981]

IMF TO LOAN CHINA $550 MILLION

The International Monetary Fund yesterday announced it will loan the People's Republic of China at least $550 million over the next year "in support of the government's 1981 economic stabilization program."

The loan is the first of a series China is scheduled to receive from both the IMF and the World Bank to help the country with its

balance of payments problems, and to speed the development of its industrial and agricultural base. China is a new member of both institutions.

The IMF said that after a satisfactory performance in 1978, in which the cost of living declined, and the budget showed a surplus, there was a deterioration in 1979 caused by the high priority given to heavy investment at the expense of other sectors.

"Faced with this situation, the authorities implemented a readjustment program which was designed to reduce the investment ratio, slow down the growth of heavy industry, encourage the growth of light industry and agriculture, speed up the introduction of new technology, and initiate management reforms to decentralize decisionmaking and improve the efficiency of resource allocation," the IMF said.

Some progress, but not enough, was made in reducing inflationary pressures, according to the IMF.●

HUMAN RIGHTS—ARGENTINA ARRESTS HUMAN RIGHTS ADVOCATES

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BONKER. Mr. Speaker, only a few weeks have passed since we first heard the numerous statements of Reagan administration officials that America's foreign policy priorities are being reversed—antiterrorism supplanting human rights.

Here at home and at international conferences abroad, the administration's policy shows a definite tilt toward the regimes of Chile and Argentina. This approach could very likely be blamed for the Argentine police over this past weekend arresting the leaders of the Argentine human rights movement and confiscating their files on more than 6,000 disappeared persons.

The Washington Post of March 3, 1981, said it best when it pointed out in its editorial, "Arrests in Argentina":

> Over the weekend a single judge, using the court's own police, arrested without charges a number of prominent advocates of personal freedoms for Argentine citizens. One of the new prisoners is a man whose son is among the thousands of Argentines who "disappeared" at official hands and were presumably murdered in the earlier period. Another has a son who is still a prisoner and is a known torture victim. The judge also confiscated substantial files, including the documentation on 6,000 "disappeared" people.

These arrests should be a source of concern to all. It would be tragic if the Reagan administration, in its haste to fight one form of terrorism, aids and abets the perpetuation of state-supported terrorism. I commend to the attention of all of my distinguished colleagues the following Washington Post editorial:

ARRESTS IN ARGENTINA

It had seemed that Argentina was emerging from its dark night of the 1970s, when its struggle against terrorism shaded into a frightful assault on its citizens' liberties, and so it is especially painful to see that some courageous Argentines who have tried to aid their unfortunate brethren have themselves run afoul of the security apparatus.

Over the weekend a single judge, using the court's own police, arrested without charges a number of prominent advocates of personal freedoms for Argentine citizens. One of the new prisoners is a man whose son is among the thousands of Argentines who "disappeared" at official hands and were presumably murdered in the earlier period. Another has a son who is still a prisoner and is a known torture victim. The judge also confiscated substantial files, including the documentation on 6,000 "disappeared" people. He is the same judge who ordered raids on human rights offices and the seizure of their files before a visit to Argentina by the Inter-American Human Rights Commission in 1979.

The leading theory is that the errant judge, conceivably acting alone but more probably acting for the still-substantial unreconstructed elements in Argentina's security forces and business community, became alarmed at the progress that the human rights cause was beginning to make in the courts. It is possible that this group realized that a more sympathetic approach to civil liberties, and to the possibility of transition to constitutional rule, was likely to come from Gen. Roberto Viola. He is to take over the government on March 29 with the first mostly civilian cabinet since the 1976 coup. Little or no taste is visible among the military for any coming to terms with the atrocities that it perpetrated and sponsored in the blackest years. But there is a view that the worst of Argentina's ordeal is behind it, and there is broad support for movement back to a more normal domestic life and for an end to the country's status as something of a pariah on account of its violations of liberties in the past.

For the moment at least, the Argentine government is hiding behind the contention that the arrests are the work of an independent judiciary. Given the well-documented record of judicial abuse and weakness in Argentina, however, this is a very tough proposition to sell. No Argentine regime can ask for the respect of people of good faith anywhere if it does not halt the persecution of the people newly arrested.

The first thought of many Americans, and not only Ronald Reagan's critics, was that Argentine hardliners had been emboldened by the new administration's downgrading of human rights. The State Department's nominee as human rights officer, for instance, is specifically on record with the statement—which is false as well as cruel—that the Carter administration's "scolding" of Argentina didn't really help the situation there at all.

The new administration can cite its stand at the United Nations Human Rights Commission in Geneva just the other day. The American delegate supported a resolution to keep the pressure on Argentina to account for past killings and disappearances, even while he lamented that other countries with similar or worse records were not being pursued. By yesterday, however, the State Department, saying privately that it was making inquiries in Buenos Aires, had not found public voice on the new arrests. The least it can do is to make plain that it disapproves of people's being locked by for trying to help the victims of an overweening state.●

LEGISLATION TO PROMOTE THE USE OF GASOHOL

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MOTTL. Mr. Speaker, today, I am introducing legislation to promote the accelerated use of reasonably priced gasohol.

Year by year, America will be draining its oilfields and becoming ever more dependent on imported oil for its transportation and heating needs. This increased dependence on imported oil threatens our national security and will increasingly influence our foreign policy options, and hundreds of billions of dollars of our wealth are hemorrhaged away to pay for monopolistically priced oil imports.

There are alternatives to petroleum, however, which America must be developing. In addition to synthetic fuels, probably the most important energy alternative is alcohol derived from organic matter, such as corn, sugar, wood, and wastes.

It is absolutely essential that Americans develop these alternative forms of energy as rapidly as possible.

Thus it is incredible that last year the Congress actually enacted legislation to limit the growth and development of gasohol—the blend of ethyl alcohol and petroleum-based gasoline. An amendment was included in the Omnibus Reconciliation Act of 1980—Public Law 96-499, which I voted against for this reason—which imposes a 10-cent-per-gallon tariff in 1981 on imports of ethyl alcohol used for fuel. Under the amendment, this tariff will rise to 20 cents per gallon in 1982, and in 1983 will be 40 cents per gallon—a prohibitive tariff to be imposed until 1993.

The amendment, which was originally proposed by Members of the other Chamber, without benefit of hearings, was adopted by the House conferees only at the insistence of the Senate.

The bill I am introducing today will repeal this tariff. The tariff imposed in last year's act is completely indefensible. It slows the development of gasohol use in this country by making it harder for distributors to obtain supplies and build customer acceptance of this new product. A large number of U.S. industries who are building or planning on building ethyl alcohol distilleries wanted access to imports in order to build markets so that once their plants were built, they could immediately begin selling their new products. As the National Oil Jobbers

Council wrote last year to the chairman of the Ways and Means Committee:

> We oppose the imposition of this duty as unwarranted, anticompetitive, inflationary and destructive of our members' efforts to build a growing market for gasohol. As independent small businessmen who are actively involved in the blending and marketing of gasohol, NOJC fears that any precipitous decline in alcohol supply would reduce our members' ability to market gasohol. Certainly, the elimination or curtailment of supplies would greatly increase the price of gasohol and make it noncompetitive with gasoline.

One reason that the amendment is inflationary is that today there is a virtual monopoly in America on the production of ethyl alcohol. One company is reported to produce almost 80 percent of our supplies. Thus the tariff has the effect of providing potential windfall price advantages to this company in the next several years, before other large producers have capacity available.

Finally, the tariff is very bad trade law. It primarily hits imports from Brazil, a country with which we frequently have a trade surplus. Under international trade law, Brazil now has the right to obtain compensation by retaliating against some of our exports to her.

In summary, the repeal of this unwise action of last year offers the potential to speed the use of a new form of energy, lower fuel costs, and reduce trade frictions with a major trade partner. I urge the Ways and Means Committee to hold early hearings on this legislation in order to repair the damage of last year.●

TAX TIPS FOR THE ELDERLY

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. RITTER. Mr. Speaker, certainly none of us are spared from the devastating effects of inflation, but our older Americans living on fixed incomes clearly suffer the most. Their problems of mere survival are futher aggravated by the deteriorating economic picture facing this country.

While the President has proposed a bold plan for redirecting economic policy to curb inflation, increase employment, and encourage economic growth, many of the Nation's elderly will see little improvement in their limited income.

A vast number of older Americans are overpaying their income taxes, based on reports from the Select Committee on Aging, because they do not take advantage of tax reduction provisions contained in the law.

To help our senior citizens avail themselves of these provisions, I am submitting a revised checklist of tax return information for use in taxable year 1980.

Prepared by the select committee, the checklist should be helpful to our senior citizens and their families as they try to live with the economic stress we are all experiencing today.

The checklist follows:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Tax Return Information for Use in Taxable Year 1980)

A. FILING REQUIREMENTS

Single Individuals

Single individuals under the age of 65 must file a return if they had gross income of $3,300 or more for the year. Those over age 65 must file if they had gross income of $4,300 or more.

Married Individuals

Married individuals under the age of 65 must file a return if the couple's combined gross income was $5,400 or more. If only one spouse is age 65 or older, the filing level is $6,400. If both spouses are age 65 or older, the filing level is $7,400.

An individual who is married and whose spouse files a separate return must file a return if gross income was $1,000 or more.

Qualifying Widow or Widower

Qualifying widows or widowers must file a return if they had gross income of $4,400 or more during the year. For qualifying widows or widowers who are 65 or older, the filing level is $5,400.

Self-Employed Persons

Self-employed individuals must file a return if they had net earnings from self-employment of $400 or more.

B. PERSONAL EXEMPTIONS

Each taxpayer is entitled to a $1,000 personal exemption. Married taxpayers generally are entitled to an additional $1,000 exemption for their spouses. Furthermore, additional exemptions are provided for age (65 or older) and blindness. Finally, individuals may take an exemption for each person who qualifies as a dependent.

C. ZERO BRACKET AMOUNT

The zero bracket amount (formerly, the standard deduction) is the portion of an individual's income which is not subject to tax. The zero bracket amount is (1) $3,400 for married individuals filing jointly, or qualifying widows or widowers, (2) $2,300 for single individuals, or heads of households, and (3) $1,700 for married individuals filing separately.

D. EXCLUSIONS

Capital Gains

In general, 60 percent of net long-term capital gain is excluded from gross income.

Sale of Personal Residence

Individuals who are age 55 or older may elect to exclude, on a one-time basis, up to $100,000 of the gain from the sale of a personal residence. For the exclusion to apply, the taxpayer must have owned and occupied the residence for 3 of the 5 years ending on the date of sale.

Dividends and Interest

In general, individuals may exclude up to $100 ($200 on a joint return if each spouse has at least $100 of dividends) of dividends received during the year.

For 1981 and 1982 tax years (to be reflected on 1981 and 1982 tax returns), $200 ($400 in the case of joint returns) of interest and dividends may be excluded from gross income.

Disability Income Exclusion

Certain individuals may exclude up to $5,200 per year of disability income. In general, to qualify for this exclusion, an individual must be under age 65, must have retired on disability, and must have retired because of permanent and total disability.

E. ITEMIZED DEDUCTIONS[1]

Medical and Dental Expenses

The portion of medical expenses that exceeds 3 percent of a taxpayer's adjusted gross income may be deducted. (However, medicine and drug expenses are taken into account only to the extent that they exceed 1 percent of adjusted gross income.)

One-half of the amount spent for medical insurance (up to $150) may be deducted without regard to the 3-percent floor. The remainder is lumped with other medical expenses and is subject to the 3-percent floor.

Taxes

In general, State, local or foreign income tax, real property tax, personal property tax, and general sales taxes are deductible.

Interest

Interest payments are deductible by individuals who are legally liable to make them. Items commonly deducted as interest include: Mortgage interest, "points" paid by a borrower, mortgage prepayment penalties, separately stated finance charges, bank credit card plan interest, interest on personal loans, and interest on business loans.

Contributions

Contributions of cash or property to qualified organizations may be deducted. In general, the deduction may not exceed 50 percent of an individual's adjusted gross income.

Casualty and Theft Losses

Personal casualty and theft losses are deductible to the extent that they exceed $100 per occurrence and are not reimbursed through insurance or otherwise.

Miscellaneous Deductions

In addition to medical and dental expenses, taxes, interest, charitable contributions, and casualty and theft losses, a number of other, miscellaneous expenses may be claimed as itemized deductions. Some of the more common expenses in this category include: dues paid to professional societies, employment-seeking expenses, employment-related education, subscriptions to professional journals, union dues, investment counsel fees, safe deposit box rental, and tax counsel and assistance.

F. TAX CREDITS

Credit for the Elderly

Individuals who are age 65 or older, or who are under age 65 and receive a taxable pension or annuity from a public retirement system, may be entitled to claim the credit for the elderly. The maximum amount of the credit is 15 percent of one of the following amounts: (1) $2,500 for a single person, head of household, or qualifying widow or widower; (2) $2,500 for a married individual filing a joint return, if only one spouse is 65 or older; (3) $3,750 for a married individual filing a joint return, if both spouses are 65 or older; or (4) $1,875 for a married individual filing a separate return, if the individual

[1] For further details see itemized deductions.

and his or her spouse were not members of the same household during the year.

Child and Disabled Dependent Care Credit

Taxpayers may be entitled to a credit equal to 20 percent of the amount paid for the care of a dependent under the age of 15, a disabled dependent, or a disabled spouse, if the payment is made to enable the taxpayer to work or look for work. For a taxpayer with one qualifying dependent, the maximum credit is $400. If there are two or more qualifying dependents, the maximum credit is $800.

Earned Income Credit

Taxpayers with dependent children generally are entitled to a refundable credit equal to 10 percent of the first $5,000 of earnings (for a maximum credit of $500). The credit phases out a rate of 12.5 percent as income rises from $6,000 to $10,000 (that is, a reduction of 12½ cents for each additional dollar of income).

Residential Energy Credit

Taxpayers are entitled to a credit equal to 15 percent of the first $2,000 spent on qualifying energy-saving items. Qualifying energy-saving items include: insulation, storm or thermal windows or doors, caulking or weather stripping, clock thermostats, furnace replacement burners, and meters that display the cost of energy use.

In addition, taxpayers may receive an additional energy credit for amounts spent on solar, wind-powered, or geothermal equipment for their homes. This credit is for 40 percent of the first $10,000 of those costs.

Credit for Political Contributions

Taxpayers may take credits for up to one-half of political contributions made during the year. The maximum credit is $50 on a single return and $100 on a joint return.

II. PRESIDENTIAL ELECTION CAMPAIGN FUND CHECKOFF

Additionally, an individual taxpayer may voluntarily earmark $1 of taxes ($2 on joint returns) each year for the Presidential Election Campaign Fund. (This does not result in any increase or decrease of the tax liability.)

ITEMIZED DEDUCTIONS

A. CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and Dental Expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance Premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and Medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other Medical Expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services for medical care, including nurse's board paid by you.
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Television set if individual has a hearing impairment and the set is specially equipped with a visual display of the audio portion of television programs. Similarly the cost of an adaptor for a conventional television that performs the same function is now considered a medical deductive by the IRS.
Transportation expenses for medical purposes (9¢ per mile, plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., social security, veterans' pensions or compensation payments, railroad retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).
Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.
Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.
Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).
Penalty for prepayment of a mortgage—deductible as interest.
Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or Theft Losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.
Union dues.
Cost of preparation of income tax return.
Cost of tools for employee (depreciated over the useful life of the tools).
Dues for chamber of commerce (if as a business expense).
Rental cost of a safe-deposit box used to store income-producing property.
Fees paid to investment counselors.
Subscriptions to business publications.
Telephone and postage in connection with investments.
Uniforms required for employment and not generally wearable off the job.
Maintenance of uniforms required for employment.
Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).
Business entertainment expenses.
Business gift expenses not exceeding $25 per recipient.
Employment agency fees under certain circumstances.
Cost of a periodic physical examination if required by employer.
Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).
Cost of bond if required for employment.
Expenses of an office in your home if used regularly and exclusively for certain business purposes.
Transportation expenses for business purpose (20 cents per mile for the first 15,000 miles, and 11 cents per mile in excess of 15,000 miles, plus parking and tolls or actual fares for taxi, buses, et cetera.)

B. OTHER TAX RETURN INFORMATION ITEMS

Tax Tables

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

Multiple Support Agreements

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support; (2) gross income; (3) member of household or relationship; (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—
2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.
3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of the sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.●

IMPACT OF CUTS IN STUDENT AID

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PEYSER. Mr. Speaker, I am placing in the RECORD today letters from colleges stating the impact on them of cuts in the student aid program.

ELIZABETH SETON COLLEGE,
Yonkers, N.Y., March 2, 1981.

Hon. PETER PEYSER,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: I am deeply concerned about the effect that the Reagan Administration proposed cuts in student aid programs would have upon independent colleges, and, in particular upon Elizabeth Seton College.

This year, 55% of our day students and 31% of our weekend students receive Pell Grants; 30% (day) and 62% (weekend) have taken out loans under the GSL program. 82% of the parents of students enrolled in the day division are in the $25,000 and below income category; 81% of self-supporting students have incomes of $10,000 or less. The College serves a sizable minority population, approximately 33%, many of whom would never have considered going to college had not the financial incentive been there. The reported 1979-1980 retention rate for our day division students was 80%; for weekend 75%. Clearly this has been a worthwhile investment of tax dollars.

I appreciate President Reagan's concern to curtail government spending. Abuses need correction. Reducing the anticipated appropriations, even below current levels, raising the Parent Loan interest rate to market, and possibly requiring interest payment from GSL students while attending college penalize self-supporting students, or parents in middle income brackets, some with several children in college. The resulting burden to the tax-payer to accommodate dislocated students in public institutions is not a viable alternative. Contributing to a drop-out rate because of a student's inability to pay for his/her education can lead to unemployment, and other social ills. Where are our priorities?

I urge you to consider this matter one of special urgency. Thank you for the opportunity to comment. I look forward to your response.

Sincerely,

MARY ELLEN BROSNAN, S.C.,
President.

LOS ANGELES TRADE TECHNICAL COLLEGE,
Los Angeles, Calif., February 24, 1981.

Congressman PETER A. PEYSER,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: Thank you for your letter of February 18, 1981, concerning the retention of student assistance programs. Because of the socio-economic backgrounds of many of our students, their abilities to remain in school depend greatly on student loans, basic opportunity grants and other financial aids programs.

You are to be commended for your leadership in this important area and we pledge our support and participation.

Sincerely,

THOMAS L. STEVENS, Jr.,
President.

CHATFIELD COLLEGE,
St. Martin, Ohio, February 27, 1981.

Hon. PETER PEYSER,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE PEYSER: It was indeed encouraging to hear from a member

of Congress who has a deep concern for the continuance of aid to those interested in obtaining an education. We are fortunate to have such an active member of Congress on the Education and Labor Committee.

Unlike your district in New York, Chatfield is a very small, rural college attempting to offer an education to many students who could not possibly financially afford such an opportunity without assistance. Currently 40% of our student body are on some kind of student grant or loan. We serve a five county area in southwest Ohio where unemployment is rampant. In December 1980, when the U.S. unemployment rate was 6.9, Adams County had an unemployment rate of 17.2, Highland an unemployment rate of 10.5 and Brown County 9.5. We are in hopes, and so are our students, that the education they are obtaining will assist them in finding employment. If they are employed, as many of our students are, they are sufficiently ambitious to wish to better their lot. Though I understand the current administration does not believe in Appalachia, the above mentioned counties were designated as Appalachian counties indicating their need for help. To those of us in education, assisting an individual to better himself and to be a wage earner helps not only the individual but likewise helps commerce.

I agree with you that colleges must be heard at this time. For that reason I am in the process of writing to our Representative Robert McEwen and Senator John Glenn. My hope is that your office will be devastated with letters giving you support in this worthy cause and that members of Congress will be willing to listen to you and hear the cry of the poor. I agree that there is needless spending in some areas of the giant bureaucracy of Federal government, but I do not believe that sufficient study to justify the proposed cuts has been made.

If there is anything further I can do to help, do not hesitate to contact me.

Sincerely yours,

Sister XAVIER LADRIGAN,
Dean and Administrative Head.●

OFF-BUDGET DEFICITS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. FRENZEL. Mr. Speaker, Mr. Steven Hofman, the staff director for the House Wednesday group is the author of this week's "Ideas and Trends" section of Business Week.

In his column in the March 9 issue, Hofman points out that off-budget programs and Government-backed enterprises will amount to nearly $47 billion in this fiscal year, and will nearly double the deficit of over $55 billion in the Carter budget.

Hofman also notes that this off-budget spending is no secret, except for the public, and recommends that such spending be brought under budget disciplines.

I invite the attention of all Members to this fine article.●

LIBERTY AND BREAD: MR. NOVAK'S BASIC TRUTH

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. RITTER. Mr. Speaker, Michael Novak our Nation's new representative to the United Nations Commission on Human Rights recently made a point in a speech regarding Third World development that is as eloquently true as it is basic and fundamental. That point is that economic freedom and political freedom go hand in hand, and that this is as true in the Third World as it has been here in the United States.

A March 3 Wall Street Journal editorial put this matter into sharp focus, and I would like to reprint that editorial here, for my colleagues' information.

LIBERTY AND BREAD

Those who are worried the Reagan administration lacks an appreciation for Third World issues—and such worries have been widely voiced—would do well to consider the speech delivered in Geneva last week by America's new representative to the United Nations Commission on Human Rights. The topic is development, on which the Western initiatives in the past generation have been: a World Bank-sponsored drive toward income transfers and official state planning; a litany of complaints about the alleged rapaciousness of big corporations; and a constant harangue about the dangers of too many people being born.

Now into the midst of this debate comes Mr. Reagan's representative, Michael Novak, uttering the one word that America seemed to have all but abandoned—capitalism. Not "anticommunism." But capitalism. C-a-p-i-t-a-l-i-s-m. This is the system that allows individuals to invest their capital and labor and reap for themselves the wealth it produces, a system that provides that one man's good fortune is another's as well. Mr. Novak's use of this word in the midst of a Third World forum is no small matter, and we can only hope that it is an opening chord in what will become a broader initiative by the new administration.

It is, after all, both an irony and a tragedy that America should have allowed itself in recent years to be put on the defensive in the debate on development. It is an irony simply because America is the most developed nation and also the most free, a combination that has captured Third World imaginations even while America seemed to be shying away from the ideas on which its own success was built. It is a tragedy because the anti-capitalist concepts that have taken hold during the period have produced incalculable setbacks in nations as diverse as Tanzania and China, Jamaica and Burma, Poland and India.

The recognition that capitalism might have something to offer the Third World has been growing throughout the Third World of late, however. It has been stirring, moreover, in some remarkable places, not merely in such capitals as Peking and Warsaw, but even in such redoubts, we would venture, as Pyongyang. And no opportunity could be riper than the one the Reagan administration is seizing to explicate some of the basic ideas on which America was developed.

They key principle Mr. Novak put well. It is that wealth can be created. Wealth isn't a limited quantity to be transferred from the rich nations to the poor. It is created by the application of human muscle and brain. This in turn means that having a lot of people (widely, but erroneously viewed as a Third World "problem") creates an opportunity to have more wealth. And people apply their muscle and brain to create wealth when they are given the incentive of being able to keep what they earn and the freedom to use their wealth for their material and spiritual fulfillment, as they please.

This is another key point. Freedom is an integral part of capitalism. Totalitarian states that deny this freedom deny the incentive to develop, and this is why they have been so roundly outpaced. President Carter seemed to understand this link between freedom and development; he stated explicitly in his first big foreign policy speech at Notre Dame in 1977 that the great democracies of the world aren't free because they're rich, but are rich because they're free. But then he pressed a human rights campaign that talked a lot about freedom of speech, of assembly, of religion, but all too little about a co-equal freedom—the freedom of enterprise.

Here you need the freedom to set up corporations to handle jobs too big for the individual proprietor and a system of law individuals and corporations can trust. For decades a school of thought has been attacking one variety of corporation, the multi-national, for allegedly "obscene" profits. But now America has sent Mr. Novak into these debates asking: "Are we to understand that losses are virtuous?"

Another school of thought holds that capitalism can't address the real problem of the Third World—poverty among agricultural peasants. This is a canard, nowhere more thoroughly demolished than in an important, if little known, book called "Wealth of Nations in Crisis," whose author, Ronald Nairn, sets out a capitalist ethic for peasant farming. He takes you from the plains of America, to the pastures of New Zealand, to the mushroom farms of Taiwan and the paddies of Thailand and Japan to demonstrate the sort of productivity that can be unleashed by freeing Third World farmers from government and bureaucratic inhibitions.

Freedom is, in the end, the enormous attraction of this whole idea of capitalism. Communism, as Mr. Novak points out, has been forcing much of the Third World to choose between bread and liberty, producing meagerly even of bread. That liberty and bread can be grown together—and, ultimately, only together—is precisely what America has been all about. We can think of no more relevant or timely idea for America to be pressing in the so-called North-South dialog than this, and it is heartening to see the administration making such an eloquent beginning as Mr. Novak has done in Geneva.●

SEATTLE MAYOR URGES LANGUAGE STUDY FOR ECONOMIC GROWTH

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SIMON. Mr. Speaker, a friend sent me a copy of a speech which Mayor Charles Royer, of Seattle, gave to the convention of the American Council of Teachers of Foreign Languages recently.

I am inserting a portion of it in the RECORD for the attention of my colleagues in the House and Senate.

He points out that the new frontier economically for the United States is sales abroad, using Boeing as an example. But for the United States to sell abroad we must awaken to the reality that we must learn other languages and cultures.

It is a remarkable speech by a mayor of obviously above average sensitivities. Usually speeches by mayors welcoming conventions are filled with banalities. We have all given such speeches. My colleagues perhaps will assure you that I have given more than my share of such speeches.

But here is a distinguished mayor of a major city who recognizes an educational, cultural, and economic flaw and talks about it candidly.

I urge my colleages to read his remarks which I have abbreviated somewhat for the RECORD:

Last month the Washington State Senate released a poll of citizen attitudes about education. People were asked to rate the importance of fourteen subjects ranging from mathematics to physical education. Eighty-five percent of those responding ranked mathematics as essential to quality education. Surprisingly, 63 percent gave that same high ranking to civics and government. But only 24 percent rate foreign languages as essential to a good education. Foreign languages ranked eleventh overall, just slightly ahead of drivers education, art, and music.

Apparently many people do not really believe there is a connection between the conjugation of German verbs and the solution of the problems that confront them in their everyday lives.

That same view is widely held by my fellow mayors. It is difficult for many of them to understand why a mayor should be interested in promoting the teaching of foreign languages when the cities are facing immediate problems of unemployment, housing shortages, and racial tension. But it is exactly because we have these problems that I believe your work is so important.

It is no secret that America is facing severe economic problems, and those problems threaten every part of our society. This nation's promise has always been economic opportunity. At first, that opportunity was created by the abundance of the continent, the seemingly boundless natural resources of the frontier. If the streets of New York and Boston were not paved with gold, at least they led new immigrants further west to fertile, open land. For 300 years this nation solved its economic problems by turning west. When the dust bowl came, or the factory gates closed, there was always the promise of a fresh start on the frontier.

But we've reached the end of the line. Those who lose their jobs today in Detroit, Gary, or Cleveland still pack up their families and head for the Northwest. But in the streets of Seattle, they meet those who've packed up their families in Bankok, Nome, and Mexico City. There is no longer a promised land beyond the horizon. We must create the promised land where we stand—in Detroit, Cleveland, in Boston and Seattle.

Not only is the frontier gone, but the dominance of American industrial and monetary power seems to be ending. Ten years ago, six of ten leading banks in the world were American. Today, there are only two among the top ten. Our industrial productivity is not increasing as rapidly as that of some other nations. The irony of our situation is that those nations which are having the most success are beating us with our own machines, sold to them in the aftermath of World War II.

American industry is losing its share of international markets. Nor can we rely on dominance of the domestic market. The farmers of America's great plains are driving Japanese pick-up trucks, wearing blue jeans made in Taiwan, and straw hats from Hong Kong. We are in the midst of a changing world economy, and we must adjust to it.

We no longer have the world's highest standard of living. By some measures we are fifth. For the first time in many years, a majority of the American people do not believe that their children's fortunes are likely to be better than their own.

The talk among our nation's economists is now turning to "reindustrialization"—the code word for rebuilding the nation's economic base. The elements of that concept are not yet well defined, but generally refer to the need to reinvest in the industrial resources of our country—the railroads, factories, and the cities themselves.

There is one element of "reindustrialization" that I find especially challenging and relevant to this conference. It is the need to compete in a world economy—to sell American goods overseas.

Perhaps I give this issue so much importance because of our own experience in the Northwest during the late 60's. During that period, our leading employer, the Boeing airplane company, laid off 80,000 workers in a two year period. We survived that economic catastrophe because of international trade. During those years, it was the growth of our ports that provided the stimulus for recovery. Boeing also began trading abroad, and last year led all American companies in sales overseas. The same emphasis on international trade can help to bring the national economy out of its decline.

No nation has a better chance to meet that challenge than a country whose people have come from every corner of the earth. But we have not used the great resource of our human diversity. We have failed to invest in our own linguistic and cultural resources because we did not understand their true value. In Japan, and in Western Europe the learning of foreign languages and cultures is viewed as an economic necessity that is as important as investing in new machinery. Here in the United States, we are letting our languages get rusty at the same rate as our railroads. Most of the debate surrounding reindustrialization will focus on machinery and technology. It will be up to us to focus a share of that debate on the human resources which are equally—or perhaps more important.

This nation has proven very capable of producing material goods for export, but I am less certain we understand what the nations of the world want and need. We tend to see their situation through American eyes.

We will never succeed in meeting the challenges of a world economy if we continue to abandon our attempts to understand the languages, cultures, and politics of those with whom we wish to trade. We will lose out to those who have a better understanding of their trading partners' needs and world views. And if our goods and services have little credibility or currency in foreign markets, what credibility have our values, our political philosophy?

After ten years of decline in the teaching of foreign languages, we have a chance to reverse that trend, and a chance to contribute to the redevelopment of our country.

How much violence in our history has been caused by the inability to understand one another's fears? As we enter a period of scarcity, people must come to understand that their differences can be a source of strength in confronting our common problems. Our ethnic and cultural diversity is a resource we have used too little and no longer can afford to ignore. That lesson must be incorporated both in our teaching and our politics.

Those of us who see a connection between the human resources of language and culture and the economic recovery of our country are a small minority. The new industrial policy being debated in Washington will not automatically revive foreign language training. It only provides the opportunity to work together toward that end.

It will not be enough to teach the pronunciation of a people's language. We must explore their economics, their politics, and their values.

The people of Seattle and other cities need jobs and a healthy economy. The key to both may be the recognition that people everywhere need to speak the languages of the new world we live in.●

UNICO'S PERSON OF THE YEAR, DR. PRISCO F. DEFRONZO

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. RINALDO. Mr. Speaker, the work of members of UNICO is a labor of love for the benefit of all Americans yet it seldom receives the recognition that it deserves. In a very real sense, an essential part of the fabric of American society is contained in the work of UNICO and its members, such as Dr. Prisco F. DeFronzo.

On March 7, the union chapter of UNICO National will present Dr. DeFronzo with its 24th annual Person of the Year Award for his extraordinary accomplishment in promoting UNICO's membership efforts, and projects to aid the sufferers of Cooley's anemia and Americans with mental health disorders.

As a physician healing the sick at Clara Maas Hospital and Columbus Hospital, Dr. DeFronzo has earned the respect of his colleagues and the admiration of his patients. He has brought compassion, friendship, and medical skills to the suffering, and encouragement to those rebuilding lives shattered by accidents and injuries.

Dr. DeFronzo has stressed the quality of the Italian American family in furthering the values of love, loyalty, and duty to one's family, friends, and country. He has unselfishly given his time and hard work to building the union chapter of UNICO into one of the most successful in New Jersey.

Mr. Speaker, Dr. DeFronzo's service as a former president of UNICO reflects his lifelong commitment to the well-being of the community. I congratulate Dr. DeFronzo on his selection as UNICO's person of the year and extend my warmest wishes for the best in the years ahead.●

ARE ALL TAX CUTS CREATED EQUALLY? EXPERIENCE SAYS NO

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. KEMP. Mr. Speaker, the Keynesian economists and other doomsayers would have us believe that cutting marginal income tax rates will not work. They say that it would be inflationary. That the rich would get richer and the poor poorer. That business will not benefit and savings and investment will not rise. For their part, they offer the success of 10 years of Keynesian policy; policy which has brought us deepening inflation and an ever-increasing tax burden for American people; a policy which has led us to this critical point of stagflation.

Are we to rely on the predictions of those same economists whose policies have failed to maintain a thriving U.S. economy for an indication of what will or will not work? Or should we rather look to history for real evidence?

Economist Richard Rahn points out that significant, permanent across-the-board cuts in marginal income tax rates of the kind proposed by President Reagan have been enacted only twice before—once in the 1920's under Presidents Harding and Coolidge and again in 1964–65 on the recommendation of President Kennedy. In both instances tax revenues increased.

From 1922–28, through Harding and Coolidge's terms, marginal tax rates were reduced from a maximum of 73 percent to 25 percent. In every year that marginal tax rates were cut, revenue increased overall. And the largest chunk of contributions came from the higher classes. The higher the class, the larger the revenue increases. By 1928, the contribution from the $100,000 and over class alone was larger than the total contribution by all classes in either 1923 or 1924. And the share of taxes paid by the under $20,000 class during 1921–25 declined from more than 35 percent to under 11 percent.

Stymied by Depression-induced deficits and the international monetary system collapse, Herbert Hoover pressed for and got, in 1932, an across-the-board increase in income tax rates which raised the maximum marginal rate to 63 percent. Rates continued to rise until the Kennedy years. At President Kennedy's recommendation, individual income tax rates were cut an average of 24 percent in 1964 and 1965. The range of rates were lowered from 20 percent to 91 percent to today's 14 percent to 70 percent. The result? Receipts increased in all classes above $10,000 while they declined in all classes below that level. The largest increases came, as before, in the highest income classes. And in fiscal year 1966, Treasury receipts exceeded predictions by $10.3 billion, of which $7.3 billion was in individual income tax revenues.

The chief economist and vice president of the Chamber of Commerce of the United States, Richard Rahn, discussed the historical evidence on tax rate reductions in an excellent article printed in the Washington Star last week. I would like to submit that article into the RECORD at this time, and commend it to the attention of all my colleagues.

[From the Washington Star, Feb. 18, 1981]

TAX CUTS INFLATIONARY? EXPERIENCE SAYS NO!

(By Richard W. Rahn)

During the last 15 years Americans have experienced ever higher levels of inflation and taxation in tandem with rising budget deficits.

Given this historical relationship, why is it so many people are determined to have us believe that any tax reduction would be dangerous now, because all tax cuts are implicitly inflationary?

Usually we are told that a choice must be made between balancing the budget and reducing taxes. It is suggested that tax reductions will automatically increase the deficit, which the Federal Reserve must then cover by printing more money, thus generating more inflation.

NOT A TAX CUT

That scenario is false. To start with, it is misleading to suggest that taxpayers will be getting any real tax cut at all. Inflation combined with recently legislated increases in Social Security taxes and oil excise taxes, and a highly progressive income tax, all limit the choice to one between a very large tax revenue increase of a somewhat lesser increase.

The assumption that Americans must choose between a balanced budget and tax reduction, because tax cuts will automatically increase the deficit and worsen inflation, is also false.

The whole idea that tax cuts are inflationary stems from a confusion of tax rates with tax revenues. The two are not identical: Inflation-swollen incomes can produce higher tax revenues even if tax rates stay the same.

The Kemp-Roth bill, which has become a core component of the Reagan administration's economic approach, would lower all marginal tax rates by 10 percent across the board each year for three years. By cutting marginal tax rates we would be rewarding additional work relative to additional leisure, and rewarding additional saving and investment relative to additional consumption. In effect, we would be reducing the "price" of work and increasing the "price" of leisure. Incentives are the essence of supply-side economics.

What's more, since we know that higher levels of production, savings and investment would improve the rate of productivity and increase supplies of goods and services, it is ludicrous to say that cutting marginal tax rates would automatically increase the deficit and worsen inflation.

Indeed, supply-side economists are convinced that precisely the opposite is true. Every major tax-rate reduction in this century, starting with those first proposed in 1920, resulted in increased government revenues. The burden of proof is on those who oppose supply-side tax reductions to find a case when this did not occur.

THE KENNEDY EXPERIENCE

When President Kennedy took office, the highest marginal tax rate was still above 90 percent. In announcing his intention to cut rates across the board, he said, "Our true choice is not between tax reduction, on the one hand, and the avoidance of large federal deficits on the other . . . An economy hampered by restrictive tax rates will never produce enough revenue to balance the budget—just as it will never produce enough jobs or enough profits."

Commenting in 1965 on results of Kennedy's rate reductions, Walter Heller, who was the president's chairman of the Council of Economic Advisers, said: "What happened to the tax cut in 1965 is difficult to pin down, but . . . did it pay for itself in increased revenues? I think the evidence is strong that it did."

There are other examples of tax rate reductions that have paid for themselves. The capital gains tax reduction passed in 1978 has led to a $1.1 billion revenue gain, as contrasted to a $2.7 billion revenues loss forecast by the Treasury.

FILING IN PUERTO RICO

And, the most recent example was provided by Governor Carlos Romero Barcelo in Puerto Rico, who reduced income tax rates there by 15 percent in the last two years. Citing this case, Congressman Jack Kemp noted on the floor of the House, "They found as they reformed their tax code and lowered their rates of taxation on all individual taxpayers that not only did revenues climb by 13.5 percent, but so did the number of people filing returns."

In other words, when tax rates are cut, individuals at the top of the income scale discover that tax shelters now offer less attractive returns, while those hiding in the underground economy find they can now engage in legitimate business activities and remain law-abiding citizens as well.

The increased economic growth that has historically resulted from reducing tax rates can work in the 1980s to reduce the demand for higher government spending, particularly in transfer payment programs such as unemployment compensation, food stamps, trade adjustment, welfare, and so on. Stimulating economic growth through tax reduction results in large numbers of people leaving the public dole and entering the private economy. The explosion in federal spending in recent years is a direct result of our sluggish economy, aggravated by the last administration's refusal to support general rate reductions.

Given these two beneficial effects of supply-side tax cuts—large revenue feedbacks and a lower level of government spending—it is both impossible and misleading to assume that tax-rate reductions will mean higher deficits and inflation.

Indeed, I believe reductions in marginal tax rates of 10 per cent a year for three years, combined with improved business depreciation, will increase productivity growth, reduce unemployment, and substantially mitigate inflationary pressures, while increasing Americans' real per capita incomes.

In the absence of such tax cuts, American workers will see their individual income and Social Security taxes rise by a staggering $64 billion in FY 1981 and $77 billion in FY 1982. When one considers that average real spendable earnings per worker have declined 15 per cent since 1972, tax increases of this magnitude are hardly the sort of policies needed to get this country moving again.●

BURNING OF FLAG

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SHELBY. Mr. Speaker, I have reintroduced legislation which would increase the penalty for desecration of the flag of the United States from a fine of not more than $1,000 or imprisonment for not more than 1 year or both to a fine of not more than $5,000 or imprisonment for not more than 5 years or both. This legislation would not change anything now contained in title 18, section 700, of the United States Code, other than increase the penalties. Thus, the definition of desecration—publicly mutilating, defacing, defiling, burning, or trampling—remains the same. By increasing the penalties, the classification of the crime of desecration of the flag could be changed from that of a misdemeanor to a felony if the punishment rendered is in excess of a $1,000 fine or 1 year imprisonment.

During the last session of Congress I became alarmed over some of the outrageous events that transpired in our country and introduced this legislation to give Congress an opportunity to register in a definitive way its disgust of the burning of our flag. The reasons for this legislation still exist. It is time to reaffirm our traditional values and engender respect for firmness to those who share neither our traditional values nor respect for our country. It should no longer be considered old fashioned to believe in one's country and stand up for its ideals. My bill presents an opportunity to publicly address some of the intense scorn and ridicule to which our honored values have been subjected.●

LASER TECHNOLOGY DEMONSTRATION PROPOSED

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SOLOMON. Mr. Speaker, the February 16 issue of Aviation Week and Space Technology included an article which is essential reading to everyone interested in national defense and the future security of our Nation. An article entitled "Laser Technology Demonstration Proposed" outlines the future of laser weapon technology. This article clearly indicates that we must move swiftly to develop and deploy these weapons before they are added to the Soviet arsenal. I believe that lasers will someday provide us with the air defense capabilities to virtually eliminate the enemy ICBS threat. I am submitting this article in the CONGRESSIONAL RECORD and hope that many of my colleagues will take the time to read it.

LASER TECHNOLOGY DEMONSTRATION PROPOSED

WASHINGTON.—Early technology demonstration of space-based, high-energy laser battle stations through an accelerated program is urged in a Defense Dept. report soon to go to Congress. Laser battle stations in space offer the potential to alter the world balance of power, according to the report.

In the study of high-energy laser weapons technology, the Pentagon addresses the issue of whether there are compelling reasons to use current technology to provide the option for early deployment of laser weapons in space.

The Defense Dept. study has resulted in a preliminary report drafted in response to Congress, which sought to add funding of $200 million to the present Fiscal 1981 military budget for space-based laser weapons research and development. The report is due in early March.

A number of reasons are cited in concluding that an accelerated laser weapons program should be initiated.

They include the following:

Technology being developed in current Defense Dept. space laser weapons systems makes existing arsenals of strategic nuclear-armed weapons vulnerable, with large numbers of ballistic missiles and aircraft at risk to the deployment of a moderate number of chemical lasers operating with 4-meter-dia. optics and 5 megawatts of power. A five-megawatt/four-meter-dia. laser produces 1-5 kilojoules/cm. sq. on a target at ranges up to 2,200 mi. Present strategic systems are vulnerable to the thermal energy of lasers at 1 kilojoule/cm. sq. (1 kilowatt/sec./cm. sq.).

Instantaneous worldwide ballistic missile defense using a constellation of space laser systems is "an awesome force capable of checkmating a massive ICBM [intercontinental ballistic missile] attack. A hundred laser battle stations in space with each operating with 25 megawatts of power and 15-meter-dia. optics could cope with the simultaneous launch of 1,000 ICBMs hardened against lasers to 10-20 kilojoules/cm. sq. The 25 megawatt/15-meter-dia. system is considered within "the current technology horizon," and such a system could severely inhibit a Soviet war initiative or first strike strategy. Failing this, it should significantly limit damage to the U.S.

Space-based laser battle stations sized and deployed to cope with a large ICBM attack "would easily handle high-altitude aircraft targets, submarine-launched ballistic missiles and satellites as well as the ICBM launches."

Potential application exists of spacebased laser constellations enhancing the laser force effectiveness by offensive operations through a choice of engagement conditions that make maximum use of laser capability. Suppression of airborne air defense radar and interceptor aircraft just before friendly bomber penetration is an example. Another is destruction of all low-orbit (approximately 4,000 km. or 2,484 mi.) satellites within seconds to achieve space superiority. Lasers also could interdict airlift operations worldwide and support ground forces and air forces to achieve local air superiority.

U.S. deployment of space-based laser systems would demand a Soviet response, with two responses expected immediately—hardening strategic systems to laser energy and developing weapons to destroy laser battle stations.

SOVIET UNDERTAKING

The Soviet move to harden strategic systems "is not a trivial undertaking when one considers the number of forces impacted and the difficulties involved in reducing their vulnerabilities," according to the preliminary report.

Changes could be required in current designs that maximize payload by minimizing structure weight, "and thus force major research and development efforts to limit vulnerability in the next generation of the entire arsenal of strategic weapons."

One objection to the draft report by some laser weapons experts and members of Congress is the estimated degrees of hardness the Soviets could achieve in response to a U.S. system of laser battle stations.

The hardness assumed in the draft report by Pentagon officials tends to drive the U.S. to higher power levels and larger optical systems for chemical lasers in space. This in turn relates to the estimated cost for a space-based laser system, including means to place the battle stations in orbit.

Some of those associated with or directly involved in preparing the report agreed they want to provide a system capable of meeting the most severe Soviet challenge that can be expected as a counter once the U.S. demonstrates it can place a laser weapon in orbit.

One critic of the report claimed the study calls for "a perfect laser system, just as we have done in recent years seeking the perfect tank or the perfect bomber while the USSR went ahead and fielded lots of less-than-perfect tanks and bombers.

"By looking at a perfect laser system in space, a 25-megawatt/15-meter-dia. system, it takes the U.S. 20 years to get there and costs over a hundred billion dollars, when in fact a series of 5-megawatt/4-meter-dia. laser could force the USSR to scrap their fifth-generation ICBMs now being tested and threaten the present fourth-generation

SS-18s and SS-19s," the government official said. "We could easily increase the laser's power by recent nozzle development," he said.

"The report concludes that the U.S. can have a 5-megawatt/4-meter-dia. laser ready by 1985, but that it will take another three years to check it out and launch it; that's just unrealistic," according to another expert in lasers who has seen the report.

"It assumes one shift per day in industry and DSARC (defense systems review council) program milestones, not an all-out accelerated effort."

Another official with extensive experience in directed-energy weapons programs said that, while there is the attitude to try to build a perfect system in the Pentagon laser assessment, it also is true that the Soviets could use ablative materials within existing technology to harden ICBM boosters to a considerable level.

"If we are going to use laser battle stations for ballistic missile defense, it is very important that they work properly; the consequences are extensive if the system can be countered," he said.

"Even those who prepared the report conclude that through extraordinary measures, laser weapons can be in space by mid-1980s to provide antisatellite and air defense capabilities with some limited BMD application, but it will focus Soviet efforts on new weapons and countermeasures," a Defense Dept. official said. He said that under the concept in the report on lasers, "If the Wright brothers wrote the War Dept. that they had an aircraft capable of 40-mph. speeds and a payload of 200 lb., the answer would be the U.S. is only interested in a supersonic aircraft with thousands of pounds of payload armed with missiles."

But he agreed that ablative technology could permit hardening ICBM boosters to require 10–20 kilojoules/cm. sq. to destroy, saying that boosters and buses now are hardened against X-rays, not laser energy.

Present Soviet boosers are only hardened against laser energy of 0.2 kilojoules/cm. sq., and reentry vehicles 7 kilojoules/cm. sq., another official said, but hardening could be increased by trading off reentry vehicles for the weight penalty in hardening with ablative materials.

EARLIEST DEPLOYMENT

The report lists the estimated earliest times for space-based laser systems of given capabilities. They are:

Test of a 5-megawatt/4-meter-dia. weapon—nine years.

Deployment of a 10-megawatt/10-meter-dia. weapon in a constellation of 10 satellites for full antisatellite and air defense missions, and light ballistic missile defense—15 years.

Deployment of a 25-megawatt/15-meter-dia. weapon in a constellation of 100 satellites to provide a full or robust BMD capability and for all other missions—20–25 years.

The times and costs involved assume a fast-moving, aggressively managed and committed program, according to the report, "but not a panic or crash effort." The report also assumes development of advanced surveillance and command, control and communications systems, as well as heavy lift boosters in time to integrate with a 10-megawatt/10-meter-dia. system. This would come after the commitment to a 5-megawatt/4-meter-dia. system that can be carried into space by the space shuttle.

"As the laser force evolves, enemy assets placed at risk grow significantly," the report draft said. "The engagement potential of a force level of 50 25-megawatt/15-meter-dia. weapons could hold at risk approximately 1,200 missiles, 200 bombers, 50 airborne radars, 200 interceptors and 80 satellites. The replacement value of these assets ranges $70-140 billion."

This is roughly the investment for the total U.S. space laser force, according to the report. The Pentagon's mission utility panel tried to define costs and compare laser weapons to alternative systems, and the results show a wide variety of outcomes.

There are still uncertainties in the data base for costs, times, performance and vulnerabilities, which levy urgent requirements on the technology program to resolve the issues of both weapon performance and countermeasures effectiveness.

SPACE CAPABILITIES

Laser battle stations in space have the additional benefit of requiring the development of new space capabilities, i.e., heavy lift launch vehicles, comprehensive surveillance system, routine space transportation operations and the ability to resupply and refurbish satellites in space. The fallouts have broad implications for civilian and other military uses in space.

The study calls for early solution to issues associated with overall system design, system vulnerability, costs, and effectiveness of potential countermeasures such as ablative materials on the external surface of missile boosters. "Such importance extends to our ability to make measured decisions on rational response to a Soviet space laser threat," according to the report.

"Putting the U.S. in an early position to rapidly exploit technology if outcome warrants acknowledges that the race is on now even though the major payoff may be 10 or 20 years away. Further postponement of the initiative of the race is unwise," the report states. At its most promising form, according to the paper, the space laser offers potential to tip the strategic balances: "A potential that must be exploited as rapidly as possible to provide downstream options of system deployment in a meaningful time frame."

A Soviet laser battle station constellation can also be an awesome threat to the U.S., perhaps more serious even at lower levels of capability, according to the study. "A space laser race will be compelling to enter, to lead and to win."

Potential laser battle stations missions include the counterair mission areas and counterspace areas.

They are as follows:

Air defense of the U.S.

Suppression of Soviet airborne warning and control systems.

Suppression of look-down/shoot-down interceptor aircraft.

Navy fleet defense.

Airlift interdiction.

Offensive antisatellite use.

Defense of counterspace forces.

Defense of friendly space assets.

Antiballistic missile defense.

Mission examples abound in the report but include destruction of 53 Soviet spacecraft grouped in three target priority groups—Priority 1, which must be negated within 4 hr. of the decision to commit laser weapons, and Priority 2 and 3 which must be negated within 48 hr.

To deny replacement of destroyed spacecraft dictates that the laser system initially negate four simultaneous replacement launches with the residual capability to encounter and destroy two more replacement satellites every 4 hr.

Fleet defense requires attacking and destroying aircraft engaged in a stand-off attack—an attack that lasts 2–4 hr.

DESTROY CAPABILITY

The number of aircraft the laser system must destroy in the available time is 118 attacking the fleet in the Greenland-Iceland-United Kingdom gap, 30 attacking aircraft in the Indian Ocean, and 62 in the Mediterranean Sea.

A second antiaircraft mission is to destroy up to 176 bombers departing the USSR to attack the U.S. mainland. The bombers would be en route 6 hr. and must be destroyed prior to reaching within 1,200 naut. mi. of the U.S. coast or northern boundary.

In the area of antiballistic missile defense, one scenario calls for a partial defense against SS-18s and SS-19s out of a large ICBM force (up to 1,600 reentry vehicles) launched in a coordinated attack against the Minuteman-MX force. The force is assumed to be defended by 200 low-altitude defense system (LoADS) missiles. The combined active and passive measures result in 1,000 U.S. reentry vehicles surviving the Soviet attack.

The current technology laser systems deployed in reasonable numbers—from two to six battle stations—have utility across a range of aircraft and antisatellite missions, and the cost of this technology and deployment tends to be comparable if not lower than higher technology options, according to the report.

The buy-in costs will be approximately $10-20 billion, including the costs associated with a new heavy lift vehicle and surveillance systems.●

BULGARIA'S INDEPENDENCE

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. GREEN. Mr. Speaker, I would like to note that March 3 marked the 103d anniversary of Bulgaria's independence. This date represents the successful revolt by the Bulgarians against the Turks in 1878. Prior to the revolt, the Turks had dominated Bulgarian lands for centuries.

Unfortunately, that freedom was short lived and remains an elusive goal today. In 1941 Bulgaria was captured by the powerful Axis controlled by Hitler. On September 9, 1944, the Russian Army invaded and the Communist Party, appointed by Moscow, took control. Now Bulgaria is subjected to the same control and suppression as the other Soviet-dominated nations of Eastern Europe.

Yet, as is the case in other countries in that region, a spirit of independence and nationalism persists in that country. Despite all the Soviet attempts to strip this culture of its identity, strong Bulgarian traits persist.

The Soviet Union's leaders in Bulgaria refer to that country as the very model of the Soviet Union's loyal younger brother. The evidence suggests the opposite. Bulgarian culture

lives on. The people show a continued fascination for the United States and Western life. Most important, the civil problems we have seen in several Eastern European countries seem likely for Bulgaria as well.

So in recognition of the 103d anniversary of Bulgaria let us remember that we must go beyond the surface in examining that country. It is not a group of people accepting Soviet domination. It is not a country apathetic toward the virtues of freedom. It is a country being unreasonably dominated by the relentless strength of the Soviet Union.

Bulgarian citizens are individuals stripped of the greatness of individuality. I salute those people, wish them well in their struggle, and hope that the 104th celebration of Bulgaria's independence will be a happier occasion.●

CONDO DILEMMA REACHES DUXBURY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. ROSENTHAL. Mr. Speaker, the condo conversion problem is not limited to luxury high-rise buildings in major cities. Increasingly, in the course of the Subcommittee on Commerce, Consumer, and Monetary Affairs' continuing investigation of Federal issues involved in conversions, I am made aware of conversions which are occurring in smaller cities and in moderate to low-income buildings. Unfortunately, one of the common threads in almost every conversion is the displacement of the elderly. The Boston Globe on February 25, 1981, carried a story about a conversion of a six-unit dwelling in Duxbury, Mass., where the residents range in age from 73 to 92. The purchasers bought the building for $250,000 and expect to gross more than $400,000 when the units are sold. The aged tenants are unable to buy or even pay the increased rents made necessary by the expensive financing used to purchase the building. This sorry tale is being repeated in many parts of the country. Local officials too often seem unable or unwilling to deal with the issue. I suggest that the Congress should soon act to alleviate this growing, nationwide problem.

The article follows:

[From the Boston Globe, Feb. 25, 1981]

CONDO DILEMMA REACHES DUXBURY

(By David Arnold)

DUXBURY.—She sat amongst cardboard moving cartons arranged as neatly as bone china.

"It is all quite awkward," she said softly above the tick-tock of antique clocks in her apartment.

"It is all quite awkward," he said in his home across town, sitting in the warmth of a wood stove. They are distant relatives.

He bought her Snug Harbor apartment building for condominium conversion. But the transaction is stalled, and he says he now must raise her rent . . . far beyond the means of the 82-year-old woman. She will move by the end of the month.

The big city problem of condominium conversion has come to a sleepy, traditional Duxbury neighborhood where people have lived in quiet elegance for decades.

"Raising rent is not fun," said James T. Pye, a Duxbury lawyer and one of three Duxbury professionals who bought the property, "especially when the youngest tenant is 73 and another is a distant relative. But I have little choice. I am fighting just to break even."

Pye, Edward C. Murphy, a realtor and Russell S. Harrington, a dentist, formed the Snug Harbor Realty Trust and purchased the Federalist dwelling for $250,000.

Trees and a slender white picket fence frame the shingled house at the intersection of Harrison and Washington streets. The Snug Harbor neighborhood of Duxbury has many such homes.

The new owners plan to convert the apartments to six condominiums, reflecting the present apartment layout. After minor alterations they hope to gross more than $400,000 when all of the units are sold.

But six elderly women, who range in age from 73 to 92, now live in the "units" of the coastal home, built in 1804 by a ship builder/merchant. Five of the women will have to move, according to one tenant. She predicted they would find rooms with friends or relatives in Duxbury.

The tenants interviewed by the Globe requested anonymity. They were embarrassed by the publicity given what they considered a private affair of finding new homes. Two ladies shyly admitted they receive government subsidies and did not want their financial problems known to the general public.

On February 3 the town building inspector, Spencer A. Joseph, put a stop order on the conversion. He contended that the impending change in ownership from one to six persons was a change in "use"—violating a previous zoning ordinance on the property.

However Joseph could not provide one example of how use of the building actually would change with new ownership. "That is the million dollar, very debatable question," he said.

"This is the town's first conversion; I just want to make sure all sides have the opportunity to air their feelings," he continued. "If a seller can collect twice as much by first converting his home to condos, this town is in for a drastic change. The issue deserves some airing."

And with a stop order on conversion plans, the Snug Harbor Realty Trust is caught holding a quarter of a million-dollar piece of property on which upkeep, heating fuel, bank principal plus interest, and taxes must be paid.

Rents paid by the present tenants must be increased to cover such expenses. "But doubled? My god it's preposterous," exclaimed the 82-year-old tenant. She excused herself for her language.

On March 1, rent for her one-bedroom heated apartment will shoot from $265 to $395 per month—an estimated $150 monthly heating bill not included. (One alteration the new owners will make is individual heat control for each unit.)

"I spent $1130 to move here 14 years ago," said another tenant as she adjusted a blanket wrapped about her knees. "Now I have to move again because I certainly can't afford the $65,000 apartment. I shall sorely miss our community of ladies."

She said she enjoyed the independence of her apartment but will move in with her daughter, also a resident of Duxbury. "Where do people get money like that?" she queried, returning her tea cup to its saucer. "Wouldn't a butler and maid service come with the deed?"

Down the street at the Duxbury post office Joanne Hoover, a resident of Snug Harbor, voiced her general opposition to condominium conversions in the village.

"Snug Harbor is very historical. For our children here we have summer sailing programs which will be hampered by the increased traffic condos will bring. We all do try very dearly to keep our neighborhood from changing."

Daniel Sangster, also a resident, disagreed.

"We need condominiums in Duxbury," he said. "Older folks are going to need accommodations when the children strike out on their own. These homes are just too big for Duxbury parents who do not want to move away from the water."

Sangster wore a blue blazer and Topsiders. "The problem with making this the first conversion," he said, "is that these folks presently living there are not only elderly, but very dear friends of many of us.

"There is a moral complication here," he said. "It clouds the real issue of conversions."●

WE MUST BRING THE FEDERAL BUDGET UNDER CONTROL

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SMITH of New Jersey. Mr. Speaker, I appeal to my colleagues to join me and support a program of reduced taxation and reduced Federal outlays. We must commit ourselves to a stable fiscal policy through lower personal tax rates and business taxes, and eliminate the burden and intrusion of Federal regulations. Americans can no longer endure inflation rates of 12 and 13 percent. We can no longer suffer interest rates for short-term credit which reached 20 percent last year, and home mortgage rates which went over 15 percent. We cannot continue to allow 8 million Americans to go without work.

Mr. Speaker, the representatives of the people must bring the Federal budget under control. Federal spending has been increasing by approximately 16 percent per year. It is time to take the necessary action to improve our economy, by controlling the expansion of our domestic programs. We must cut waste and fraud throughout the Federal Government in such a manner that the truly needy are not forgotten. All Americans must share in the sacrifices which are essential to end deficit spending. As the President

said in his February 19 address, "We will continue to fulfill the obligations that spring from our national conscience." I fully agree that we cannot forget the sick and the elderly, but we must have the strength and the conviction to reverse the combination of sustained inflation and economic distress which now threatens the American economy.

Individual tax burdens have been climbing steadily over the past few years as inflation pushed individuals into higher tax brackets and social security tax rates have increased. The result has been a disincentive to work and save. Presently, individuals pay taxes at marginal rates which range between 14 and 70 percent. The administration's proposal, when fully implemented, will reduce these rates to a range between 10 and 50 percent. The cut in tax rates will provide greater incentives for productive employment and savings. Tax shelters will appear less attractive as tax rates are reduced. These provisions are designed to help redress America's low growth in productivity. Increased investment will also serve to expand our economy and create the jobs we so desperately need.

Mr. Speaker, our President has had the wisdom to seek the cooperation of the Congress, which will consider his budget proposals, and the Federal Reserve Board, which controls the supply of money in our economy. He has offered us the opportunity to reverse the trends of the past two decades. Let us bring about a return to the standard of living that we once took for granted.●

CHEROKEE NATION AND LOSS OF MINERALS

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SYNAR. Mr. Speaker, today I reintroduced legislation which I sponsored last year to confer jurisdiction on certain courts in the United States to hear, determine, and render judgment for damages caused to the Cherokee Nation resulting from the congressionally authorized Arkansas River navigation system. Unfortunately, with the crush of legislative action toward the end of the 2d session, hearings were not held on the bill I introduced in the 96th Congress. I remain hopeful, however, that the Congress can act on this bill this year and resolve the issue once and for all.

The history of this claim against the United States has been a long and painful one for the Cherokee Nation. Congress agreed in 1946 to dredge, dam, and change the course of the Arkansas River to make it navigable from Tulsa to the Mississippi River. In 1966, the Cherokees filed suit against the State of Oklahoma seeking compensation for losses of land, oil, gas, sand, gravel, and other resources in the riverbed that had been destroyed by construction. The Choctaw and Chickasaw Indian Nations joined the Cherokees in this suit.

While two lower courts ruled against the Cherokee Nation, the U.S. Supreme Court held in 1970 than the tribes did in fact own the riverbed. Following that decision, Congress ordered the Interior Department to determine the value of the land and resources, and appropriated funds for these studies in 1973, 1974, and 1975. Based on those studies, the Interior Department entered into negotiations with the three tribes to reach a settlement agreement with respect to the property interests of the tribes in the bed of the Arkansas River.

In negotiations with the Cherokee Nation, an informal agreement was reached between the tribe and the Interior Department for payment by the U.S. Government in the amount of $8,453,818.88 as full compensation for all losses sustained by the Cherokee Nation for sand and gravel deposits in the Arkansas riverbed between the Grand and Canadian Rivers. In a June 16, 1978, letter from Secretary of the Interior Cecil Andrus to Congressman YATES, as chairman of the Appropriations Subcommittee on Interior, Secretary Andrus stated:

> • • • we believe this negotiated settlement represents fair and just compensation for the losses sustained by the Cherokee Nation in the taking of their mineral assets from the Arkansas riverbed.

The Secretary further stated:

> Our current plans are to consider this item in the development of the 1980 Budget.

But, Mr. Speaker, a request for funds for payment of this negotiated settlement was not included in the fiscal year 1980 budget submitted by the administration. In a March 16, 1979, letter from Secretary Andrus to Chairman YATES, the Secretary states:

> You have requested the basis for the administration's refusal to support the payment of $8.4 million to the Cherokee Indian Nation for the destruction of its sand and gravel deposits in the Arkansas Riverbed. The justification for this administration's position in this matter is based on a conclusion that the United States is not legally obligated to compensate the Cherokee Nation for the loss of its sand and gravel deposits.

The Interior Department and the Office of Management and Budget have now decided that the United States can claim the powers and rights of navigational servitude to confiscate the riverbed without compensation to the Cherokee Nation. This new policy decision was made despite the prolonged negotiations with the tribe, and despite the fact that an informal negotiated settlement between the tribe and Interior was reached.

Mr. Speaker, it has been almost 10 years since the U.S. Supreme Court ruled that the Cherokee Nation owned the portion of the Arkansas riverbed for which they now seek compensation. The tribe has consistently acted in good faith with the Federal Government in negotiating a fair and just settlement for the loss of their minerals. Up until last year, it appeared that the Interior Department also intended to act in good faith on this matter. Now, however, we are faced with a complete turnaround by the Government, and the Cherokee Nation appears to have no alternative but to file suit against the Government for just compensation for its losses from the Arkansas River project.

I believe the Cherokee Nation should have an opportunity to let the courts make a final determination on this matter, and the bill I have introduced today will simply allow them to file such a claim.

I hope the House of Representatives will take expeditious action on this legislation.●

ACTION ON AVIATION SAFETY

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. GINGRICH. Mr. Speaker, recent actions by Secretary of Transportation Drew Lewis hold the promise of improving aviation safety and bettering relations between the Department of Transportation, and the aviation community.

The Secretary's recommendation that President Reagan appoint a Presidential task force to study crew complement in the airline cockpit is a sound one. I am pleased that the President has appointed such a task force. A full and impartial evaluation of the crew complement question is overdue, and I am confident that a successful evaluation will end this divisive controversy in the airline industry.

An immediate benefit of the decision to appoint a Presidential task force is the announcement by the Air Line Pilots Association (ALPA) that it will not stage a nationwide work stoppage in early March. ALPA had planned that work stoppage not only to protest the FAA's failure to evaluate crew complement properly but also to call attention to other shortcomings in aviation safety.

These include a multitude of problems in the current air traffic control system, an unwarranted surplus in the Airport and Airway Trust Fund, and heavyhanded rulemaking by the FAA.

Secretary Lewis said the new FAA Administrator will address these safety concerns after he takes office. I

certainly hope so, because many of these issues—such as problems with the air traffic control system—will require a great deal of time and thought to resolve.

Both Secretary Lewis and the new Administrator face difficult tasks and decisions in the months ahead. The Secretary has already demonstrated a very positive attitude toward the diverse groups that comprise the aviation industry, and I believe he deserves our support for the way he has conducted himself so far.●

M. SGT. ROY P. BENAVIDEZ, CONGRESSIONAL MEDAL OF HONOR WINNER

HON. BILL PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PATMAN. Mr. Speaker, at a time in our history when the critics say there are no more real heroes, I am happy to report that the State of Texas has produced yet another true national hero in the person of M. Sgt. Roy P. Benavidez of El Campo, Tex. The Nation's highest military honor, the Congressional Medal of Honor, has been awarded to Master Sergeant Benavidez by President Reagan in a touching and appropriately prestigious ceremony at the Pentagon in Washington, D.C. He has been so honored for conspicuous gallantry and intrepidity in action on a Vietnam battlefield in 1968.

Because new eyewitness testimony was discovered and military time restrictions were lifted, the Joint Chiefs of Staff only recently approved this deserved honor for this brave man who repeatedly risked his own life to save his fellow soldiers during a raging battle in the Asian jungle.

Just as the entire Nation's recognition of the courageous service of all Vietnam veterans has come too long after the fact, so, too, has Sergeant Benavidez' honor been too long delayed.

However, thanks to the determined, devoted efforts of many grateful, caring Americans who knew his story and pursued this excellent cause over a period of many years, Roy Benavidez' well-earned day of glory finally came to fruition last Tuesday, February 24.

It was a day in which all American patriots could and did take immense joy and pride—and especially those in the 14th Congressional District of Texas, where we are, indeed, proud and pleased to have the Benavidez family reside.

So today I ask all of you to join me in saluting this genuine American hero along with all of those who served so gallantly in Vietnam.

The following is the citation that accompanied the award:

> The President of the United States of America, authorized by Act of Congress, March 3, 1863, has awarded in the name of the Congress the Medal of Honor to
>
> Master Sergeant Roy P. Benavidez, United States Army, Retired
>
> for conspicuous gallantry and intrepidity in action at the risk of his life above and beyond the call of duty:
>
> On May 2, 1968, Master Sergeant (then Staff Sergeant) Roy P. Benavidez distinguished himself by a series of daring and extremely valorous actions while assigned to Detachment B-56, 5th Special Forces Group (Airborne), 1st Special Forces, Republic of Vietnam. On the morning of May 2, 1968, a 12-man Special Forces Reconnaissance Team was inserted by helicopters in a dense jungle area west of Loc Ninh, Vietnam to gather intelligence information about confirmed large-scale enemy activity. This area was controlled and routinely patrolled by the North Vietnamese Army. After a short period of time on the ground, the team met heavy enemy resistance, and requested emergency extraction. Three helicopters attempted extraction, but were unable to land due to intense enemy small arms and antiaircraft fire. Sergeant Benavidez was at the Forward Operating Base in Loc Ninh monitoring the operation by radio when these helicopters returned to off-load wounded crewmembers and to assess aircraft damage. Sergeant Benavidez voluntarily boarded a returning aircraft to assist in another extraction attempt. Realizing that all the team members were either dead or wounded and unable to move to the pickup zone, he directed the aircraft to a nearby clearing where he jumped from the hovering helicopter, and ran approximately 75 meters under withering small arms fire to the crippled team. Prior to reaching the team's position, he was wounded in his right leg, face, and head. Despite these painful injuries, he took charge, repositioning the team members and directing their fire to facilitate the landing of an extraction aircraft, and the loading of wounded and dead team members. He then threw smoke cannisters to direct the aircraft to the team's position. Despite his severe wounds and under intense enemy fire, he carried and dragged half of the wounded team members to the awaiting aircraft. He then provided protective fire by running alongside the aircraft as it moved to pick up the remaining team members. As the enemy's fire intensified, he hurried to recover the body and the classified documents on the dead team leader. When he reached the team leader's body, Sergeant Benavidez was severely wounded by small arms fire in the abdomen and grenade fragments in his back. At nearly the same moment, the aircraft pilot was mortally wounded, and his helicopter crashed. Although in extremely critical condition due to his multiple wounds, Sergeant Benavidez secured the classified documents and made his way back to the wreckage, where he aided the wounded out of the overturned aircraft, and gathered the stunned survivors into a defensive perimeter. Under increasing enemy automatic weapons and grenade fire, he moved around the perimeter distributing water and ammunition to his weary men, reinstilling in them a will to live and fight. Facing a build-up of enemy opposition with a beleaguered team, Sergeant Benavidez mustered his strength, and began calling in tactical air strikes and directing the fire from supporting gunships, to suppress the enemy's fire and so permit another extraction attempt. He was wounded again in his thigh by small arms fire while administering first aid to a wounded team member just before another extraction helicopter was able to land. His indomitable spirit kept him going as he began to ferry his comrades to the craft. On his second trip with the wounded, he was clubbed from behind by an enemy soldier. In the ensuing hand-to-hand combat, he sustained additional wounds to his head and arms before killing his adversary. He then continued under devastating fire to carry the wounded to the helicopter. Upon reaching the aircraft, he spotted and killed two enemy soldiers who were rushing the craft from an angle that prevented the aircraft door gunner from firing upon them. With little strength remaining, he made one last trip to the perimeter to ensure that all classified material had been collected or destroyed, and to bring in the remaining wounded. Only then, in extremely serious condition from numerous wounds and loss of blood, did he allow himself to be pulled into the extraction aircraft. Sergeant Benavidez' gallant choice to join voluntarily his comrades who were in critical straits, to expose himself constantly to withering enemy fire, and his refusal to be stopped despite numerous severe wounds, saved the lives of at least eight men. His fearless personal leadership, tenacious devotion to duty, and extremely valorous actions in the face of overwhelming odds were in keeping with the highest traditions of the military service, and reflect the utmost credit on him and the United States Army.●

GOOD NEWS FROM THE EDUCATION FIELD

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SIMON. Mr. Speaker, the National Assessment of Educational Progress has released the results of its third assessment of this decade of the writing skills of our Nation's 9-, 13-, and 17-year-olds. Particularly noteworthy among their findings is the indication that black teenagers and 17-year-olds from economically disadvantage areas have significantly improved in writing ability over the past 10 years, narrowing the gap between their scores and others.

It is also interesting to note the overall lack of change in students' writing skills over the decade. While current scholastic aptitude test scores might lead us to believe, particularly in basic skills, today's teenagers are growing weaker, this survey seems to indicate that basic skills—writing mechanics and grammar—are no better nor worse among today's teenagers than they were 10 years ago.

Some parts of the survey are not encouraging. Teenagers report they are being asked to write very little, and that they enjoy writing less as they grow older. More students now take remedial writing, but even more are in

need of such instruction. On the positive side, however, as author and educational consultant Charlotte Brooks states:

The assessment data demonstrate that we have a base to build on and that the skills are there for most youngsters. We can no longer assume that any group of kids is "unteachable".

Because my colleagues may have missed seeing the report during the January onslaught of paper, I am inserting the assessment summary at this point in the RECORD:

[From the National Assessment of Educational Progress Bulletin]

GOOD NEWS, BAD NEWS MIX IN THIRD NAEP WRITING SURVEY

WASHINGTON, D.C.—During the decade of the 70's, there was no major change in the writing abilities of most American students. The majority of students at ages 9, 13 and 17 demonstrated control over the basic conventions of writing, though a sizeable minority (from 10% to 25%) at each age appeared to have very serious problems with writing.

In a survey of writing skills first conducted in 1969–70 and repeated in 1973–74 and again in 1978–79, the National Assessment of Educational Progress (NAEP) found that:

Black teenagers improved on almost all of the writing tasks administered to 13- and 17-year-olds, narrowing the gap between their performance and that of the nation on some items and performing at the national level on others.

Although still performing below the nation, 7-year-olds from economically disadvantaged urban areas improved with each writing assessment.

Neither 13- nor 17-year-olds reported that they received a great deal of direct instruction in writing or were required to do much writing in school.

Teenagers writing the better essays generally reported having written more papers and having had more class time devoted to writing instruction.

While significantly more 17-year-olds reported having taken remedial writing courses in 1979 than in 1974 (8% versus 6%), assessment results suggested that more students needed such intensive instruction.

Enjoyment of writing appeared to decline from age to age, with slightly less than two-thirds of the 9-year-olds indicating that they enjoyed writing compared to 59% of the 13-year-olds and 53% of the 17-year-olds. Approximately a quarter of the students at all three ages felt that they were no good at writing.

National Assessment, which is funded by the National Institute of Education and conducted by the Denver-based Education Commission of the States, administered a variety of writing tasks to students during each of the three writing surveys. Thousands of responses were collected from representative national samples of students across the country. The papers were evaluated or analyzed in terms of overall quality, effectiveness of the writing skill being measured, cohesion and coherence, syntactic fluency, and mechanical correctness. To assure that the papers were scored the same way, papers from all three assessments were scored at the same time by trained readers. Also, students were asked a number of questions about their writing experiences, training and attitudes.

Thirteen-year-olds were assessed in the fall of 1969, 1973, and 1978; 9-year-olds were assessed in the winter of 1970, 1974, and 1979; and 17-year-olds were assessed in the spring of 1969, 1974, and 1979.

Holistic evaluation of a descriptive essay written by 17-year-olds, which considers all aspects of a piece of writing, revealed no significant change in the overall quality of papers written by students in 1969 and 1979. However, a downward trend was suggested by a 6% decline in the number of better essays written in 1979.

Judgments about specific writing skills of 17-year-olds indicated that the ability to write narratives declined from 1969 to 1974, but improved dramatically from 1974 to 1979. Three-quarters of the 17-year-olds wrote competent narratives in 1979. Persuasive writing ability declined between 1974 and 1979, while performance on an explanatory business letter and a humorous letter remained stable.

Seventeen-year-olds, nearing high school graduation, wrote more coherently in 1979 than in 1969. The high school students used more transitions in their stories and wrote more coherent paragraphs in the descriptive essays than their 1969 counterparts.

At age 13, writing performance showed some declines. The overall quality of descriptive essays declined significantly between 1969 and 1978. Similarly, the ability to write an effective persuasive letter declined between 1973 and 1978.

Results were more encouraging for the two expressive writing tasks given to 13-year-olds. While slightly fewer 13-year-olds in 1978 were able to write an essay that clearly expressed a mood than in 1969, the major decline in performance occurred between 1969 and 1973. Between 1973 and 1978, 13-year-olds improved on this task, almost erasing the previous decline. Performance on the other expressive essay remained stable between 1973 and 1978. On both of these tasks, over half the 1978 students showed minimal or better skill in expressing feelings in writing.

Eighty percent of the 13-year-olds were able to write a successful letter to a mail order firm in 1978, demonstrating that they had the ability to handle a routine writing task.

The proportions of mechanical errors as well as the levels of sentence complexity remained about the same between 1969 and 1978 among 13-year-olds. The average paper tended to be perfunctorily written, linking subjects, verbs and objects without much modification or elaboration. The most common errors across all three assessments were in the areas of spelling, punctuation and awkward sentences.

While holistic evaluation of all aspects of a narrative essay written by 9-year-olds revealed no significant changes in the overall quality of papers between 1970 and 1979, a 6% increase in the number of better papers written in 1979 suggested that the writing skills of the elementary students may have improved. More specific analysis of another narrative writing task given to 9-year-olds showed that in 1979 their stories included fewer storytelling techniques, tending toward explanation rather than expression. As a result, performance declined significantly on this item between 1970 and 1979.

On both an expressive essay task and a persuasive letter, the performance of 9-year-olds remained about the same between 1974 and 1979, with slight increases being found in the number of minimal or marginal papers written.

In 1979, approximately half of the 9-year-olds wrote a successful letter to order a poster through the mail. Their weakest spot was the failure to include an address where the poster should be sent.

Nine-year-olds showed evidence of increased sentence sophistication and complexity from 1970 to 1979, while the proportion of mechanical errors in their papers remained fairly stable between assessments. As found at the other two ages, the most error-prone papers (10% to 25%) contained two to three times as many errors as the average paper.

"I am enormously encouraged by the consistent growth demonstrated by black and disadvantaged urban writers," said Charlotte Brooks, writing teacher, author, editor and educational consultant who was a member of a panel of prominent individuals convened by National Assessment to interpret the survey results. "It's clear that something has happened to help these youngsters write better. Although many of them have not yet reached a high level of writing competence, they obviously have a potential for improvement that educators, legislators and the public must recognize."

Brooks, past president of the National Council of Teachers of English, added, "The assessment data demonstrate that we have a base to build on and that the skills are there for most youngsters. We can no longer assume that any group of kids is 'unteachable'."

Has the "Back to Basics" movement helped or hindered the writing abilities of students? "I think the basics movement has been detrimental in many ways to writing," commented Beverly Bimes, an English teacher from Missouri and 1980 National Teacher of the Year. "Too often, what's basic turns out to be mechanics and grammar, not writing. An expressive writing, which is basic, if often seen as a frill. We have to remember that a writer has feelings and a writer has a mind. Too many writing assignments simply become a way for students to regurgitate information instead of requiring them to generalize, analyze, synthesize, hypothesize or defend."

Roy Forbes, director of National Assessment, stated, "As a parent and an educator, the data are indicative to me of the main challenge we face in the '80s. We have shown that improvements can be made in writing skills, but there is need for more student writing in schools and greater student exposure to comprehensive writing programs. Yet these are expensive things to implement in the schools, especially in times of tight or reduced budgets. We must either be willing to provide comprehensive writing programs in our schools or, as a society, we are going to have to modify our values and expectations."

The National Assessment of Educational Progress, a congressionally mandated program, is a cooperative venture of the education community and the federal government designed to measure the knowledge and skills of young Americans and to monitor changes in their educational performance over time.●

HON. GLADYS NOON SPELLMAN

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. RUSSO. Mr. Speaker, I am honored to join with my colleagues in paying tribute to a courageous lady, Congresswoman Gladys Spellman. We all miss her presence here. A decent person, a concientious and hard-working legislator, Gladys had an impact on the actions of this body and on those privileged to work with her.

Because of her intelligence as well as her commitment, she became an almost unassailable political force in Prince Georges County. Her constituents came to know that she meant what she said and that she was there to work for them. She did. She did her job well and she is deserving of the praise that is being offered now.

Our thoughts and prayers are with our former colleague and with her family. We wish them well.●

EFFORT TO RESTRUCTURE OUR NATION'S IMMIGRATION LAWS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MAZZOLI. Mr. Speaker, the report of the Select Commission on Immigration and Refugee Policy, created by the Congress, constitutes the first major effort by a joint Congressional/Presidential Commission to examine and overhaul the immigration laws of the United States since 1911. Historically, such reports have generated a major rethinking in Congress and across the country of our Nation's immigration laws. I expect this report will do the same.

In holding field hearings around the country, the Select Commission has performed a vital service. Not only have these hearings increased public awareness of the numerous problems tied to our immigration and refugee policies, but they have also provided a mechanism for receiving broad citizen participation in the possible solution of those problems.

As chairman of the House of Representatives Subcommittee on Immigration, Refugees, and International Law, I can assure the members of the Commission, the American people, and peoples of the world who are interested in this important subject that our subcommittee will conduct full and complete hearings on the report so that all points of view can be taken into account.

I expect to work closely with my House colleagues, with Members of the Senate, with President Reagan and members of his administration in examining this country's present immigration and refugee policies in light of the Commission report. Changes in our present laws to improve the present system can only come about through the cooperation of all interested parties.

There can be no doubt about the significance of immigration and refugee policy for our country and for the world. The 15 million refugees throughout the world, the millions of illegal aliens presently in this country, the 120,000 Cubans and Haitians who have reached our shores and claimed asylum are staggering but actual facts.

We are a nation of immigrants, and have been and continue to be the most humane of all countries in accepting the displaced and oppressed from throughout the world. But we can no longer simply open our doors to all those who wish to enter our land. We must seek a reasonable and rational immigration policy that benefits our country and our people without ignoring the legitimate problems of refugees and those who wish to immigrate to our shores.

We must also develop a policy that works, not one that is ignored or openly mocked. The American people should not and will not stand idly by while hundreds of thousands and perhaps millions of people violate our Nation's laws to the detriment of American citizens. A law that cannot be enforced is, in the long run, worse than no law at all.

These and other issues have been ably addressed by the Select Commission, and I want to commend all the members of the Commission and the staff who worked so hard to produce the report.

A special tribute must go to my longtime friend, Rev. Theodore M. Hesburgh, chairman of the Commission and president of my alma mater, the University of Notre Dame, who has put his usual outstanding effort into his job.

I want to congratulate also my congressional colleagues who gave up so much of their time and energy to the Commission: especially Congressman PETER W. RODINO, JR., my chairman on the House Judiciary Committee; Congressman HAMILTON FISH JR., former Congresswoman Elizabeth Holtzman, my predecessor as chairman of the Immigration Subcommittee; and the four Members of the U.S. Senate, Senator EDWARD M. KENNEDY, Senator DENNIS DECONCINI, Senator ALAN SIMPSON, the new chairman of the Senate Immigration Subcommittee, with whom I expect to work closely, and Senator CHARLES MCC. MATHIAS.

The Cabinet members of the former administration, Cyrus R. Vance, Edmund Muskie, Benjamin Civiletti, F. Ray Marshall, Patricia Harris, also should be commended for their efforts. Also, I acknowledge the contributions of Ms. Rose Matsui Ochi, Mr. Joaquin Francisco Otero, and Hon. Cruz Reynoso.

The Commission report is but a first step in the ongoing effort to restructure our Nation's immigration laws. All the steps will be painful and difficult, but the goal is worth the effort.●

TRIBUTE TO GLADYS SPELLMAN

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. WON PAT. Mr. Speaker, I thank our colleague, Mr. MIKE BARNES of Maryland for reserving this special order so that we may pay tribute to our close friend and colleague, Gladys Spellman.

It was my great pleasure to have known Congresswoman Spellman and to have worked with her on a number of issues concerning Federal employees. Like Mrs. Spellman, I shared a common concern for the welfare of Federal employees and wanted to do everything possible to assure that they received a fair shake from the Federal Government.

I can well remember the time several years ago when Mrs. Spellman, always a very busy woman, took some extremely valuable time out of her hectic schedule to meet with a constituent of mine and me to discuss the cost-of-living allowances. During that meeting, she showed a keen grasp of the problems facing civil servants on Guam and a touching concern for their ability to deal with rising prices.

Federal employees on Guam had no better friend on Capitol Hill than Gladys Spellman. She was a diligent worker on their behalf and stood off a flood of legislation which would have reduced their benefits.

It is with great sadness that those of us who have come to love and deeply respect this great legislator recognizes that she may not serve in our midst again. I certainly offer her family my sincerest of condolences and pray that Gladys may soon regain her health. She will be deeply missed by her countless friends here on the Hill and we all wish here the very best in the future.

Thank you.●

DISCRIMINATION BY QUOTA

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. WALKER. Mr. Speaker, I take this occasion to call to the attention of my colleagues in this body the extremely insightful article by James Q. Wilson, Shattuck professor of government at Harvard University, which appeared in the Washington Post this morning. In his article, entitled "Equal Merit, Equal Opportunity," Mr. Wilson eloquently outlines the inher-

ently discriminatory nature of quota systems and other numerical requirements in employment, and I commend it for your review.

[From the Washington Post, Mar. 4, 1981]

(By James Q. Wilson)

EQUAL MERIT, EQUAL OPPORTUNITY

No issue better illustrates the gap between elite and mass opinion than that of affirmative action—the requirement that, in the selection of persons for valued positions, some rule other than equal opportunity for persons of equal merit be applied. Whether called targets, goals, quotas or compensation, the principle is opposed by the great majority of Americans: Indeed, they deny it is a principle. The spokesmen for civil rights and feminist and liberal organizations defend the practice and lament the threat to it posed by President Reagan.

Jimmy Carter's Justice Department, in one of many eleventh-hour regulations adopted by the outgoing administration, signed a consent decree that, in effect, required that any examination used to select persons for the civil service would result in the hiring of minorities in the same proportion as those who took the test. The panel on social justice of Carter's Commission for a National Agenda for the Eighties calls for affirmative action plans "that take race into consideration" because a "colorblind remedy" would not remedy past abuses. The object is not equality of opportunity, the panel states in all candor, but an increase in the number of blacks, Hispanics, women and minorities in a particular labor force.

The faculty of arts and sciences of Harvard University has recently debated a proposal to accomplish the same thing in faculty appointments—that is, to find ways of ensuring not simply that all suitable candidates are vigorously recruited and fairly judged but that the numbers of women and blacks in the faculty will increase.

The political cost of such measures—the rage they induce in citizens who see in such measures little more than political patronage—will, in the long run, be less than their moral cost. What is at stake, I think, is the motive force, the emotional wellsprings, of the long and still-unended struggle for human decency. The abused and oppressed descendants of American slaves did not enlist the attention or arouse the compassion of America by force of arms or superiority of numbers but by dramatizing, in ways that most Americans could no longer ignore, the elementary justice of their claims for the right to vote, to enter public accommodations, to find jobs and to buy houses. When Sen. Everett Dirksen said that civil rights was an idea whose time had come, he meant, I think, that it was an idea whose moral claim could no longer be denied.

I was taught, in school and in college, that there were no grounds for excluding a person from the enjoyment of a fundamental right because of race or religion. The Constitution was, or ought to be, colorblind. I never heard or read a plausible argument against that view; I think there is none. It has that clarity and power that, when evoked by a suitable issue or test case, will sweep all else before it. What can one say in response? Only that some race or religion is inferior, and that argument is not only wrong, it is unintelligible.

Race, religion or sex may still be taken into account in human affairs, but only with respect to those matters where men and women do not have presumptively equal claims. Where no claim of fundamental right is at stake, then the degree to which the accidents of group identity are properly considered should be decided by the purposes of the offices or resources being distributed.

In one sense, affirmative action is as old—and as unobjectionable—as the first ethnically balanced ticket for municipal office got up by the sachems of Tammany Hall. We do not object to an Irishman, an Italian, a Jew and a black being nominated for office because we know that a government does not govern simply, or even chiefly, by virtue of the competence of its governors, but rules as much by the confidence it can inspire in the diverse community over which it claims authority, and that confidence will depend in no small part on how representative of the community its chief officeholders appear to be.

Similarly, a college may decide that its purpose is not simply to find the brightest students and make them still brighter but also to have a competitive athletic program, retain the support of generous alumni and offer to students an opportunity to mingle among young persons of different background, talents and interests. Accordingly, it may admit students by a variety of criteria, including strength, speed, familial connections, race and sex.

But where the institution to which access is sought is to be judged solely, or principally, by the merit of its members and the excellence of its practices, then to admit any standard other than merit, fairly determined, is to deny the reason for the institution's existence. We do not wish to be served by a "representative" collection of brain surgeons, or naval aviators, or physicists, but by the very best such persons we can obtain, provided we are confident that no one has been unfairly excluded from consideration. Our objection to unfair exclusion is not so much that anyone has a right to be a brain surgeon or whatever, but that excluding any group from fair consideration reduces our chances of finding all of the very best surgeons.

It is possible, in short, to distinguish between circumstances where representativeness is more or less desirable as a consideration in appointment. But other difficulties remain. One involves the cost: Who is to be denied a position in order to favor another? Those who bear the costs of affirmative action are rarely those members of the elite who most vigorously defend it; it is, rather, the (typically) less advantaged white male who does not receive the appointment or office, even though he may be personally blameless for whatever discrimination once prevented blacks or women from receiving it. Affirmative action is often thought of as a form of restitution, but those who pay the restitution are not those responsible for the earlier evil, or even those most able to pay. Allan Bakke did not, so far as we know, oppress blacks, but Justices Brennan and Marshall were prepared to act as if he had.

The other difficulty is graver; the implied racism and sexism of the view that without special privileges women, blacks and other minorities would lose out in any fair competition. What is a "fair competition" is, of course, not easily decided; clearly, a person deprived of educational and economic advantages will be less able to compete than one who has had every such advantage. But a black or a woman of middle-class parents who graduates from a prestigious college with a good record is not disadvantaged in any subsequent competition for position or office; indeed, he or she is greatly advantaged compared to a poor white with a high school diploma and little else. To suggest that these blacks and women will be "underrepresented" compared with the latter unless they are given privileged access to subsequent careers is to libel the former and enrage the latter.

That presidential commissions, Supreme Court justices and members of an otherwise distinguished faculty are so eager to embrace an unexamined and undifferentiated slogan without offering, or thinking it necessary to offer, reasoned arguments and useful distinctions is a sad measure of the intellectual poverty and moral bankruptcy of contemporary discussion of what was once—not so long ago—a shining crusade on behalf of great principle; equal opportunity for all persons of equal merit.●

TO BALANCE THE BUDGET

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PASHAYAN. Mr. Speaker, on a recent trip to my district in California, I held several meetings with constituents to discuss President Reagan's budget proposals. One person was Margie Wilson, an active senior citizen. She has written a brief poem concerning a topic of interest to all of us in Washington. I should like to share with you her few words of commonsense:

TO BALANCE THE BUDGET

Waiting my turn at his shop,
I watched my barber cut hair.
It seems he starts at the top,
And gradually trims down from there.

The government needs this example,
The top is where it is wise,
To trim where the money is ample,
Then start with the littler guys.●

THE SILVER SCAM—PART III

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. McDONALD. Mr. Speaker, today I am placing part III of this series in the CONGRESSIONAL RECORD in order to balance out all the misimpressions given by the media relative to the Hunts and the silver market. Part I appeared on February 23, 1981, page 2739, part II appeared on March 3, page 3492. I commend this matter to the attention of my colleagues.

THE SILVER SCAM—PART III

Meanwhile, from the point of view of the insiders, the new increased margin deposits had several other advantages. Since the law prohibited the commission from setting margins, the exchanges could claim that they were policing themselves, so there was no need for additional CFTC powers. For another thing, the member firms now had more of other people's money to hold, and

they did not pay interest on commodity account margin deposits. The third reason for the increased deposits was clever and farsighted—it was a long-range mechanism for solving the margin-adequacy and net-capital problems of overexposed members. The moment the silver price came down far enough, the exchanges would change the rules again, drop the required margin deposits and count the extra deposits as excess margin. But that was still months into the future.

Back to September 1979. The insiders raised the margin requirements retroactively and forced some of the small holders to sell, trying to drive the price down. But the price didn't come down.

It went up. Keep bumping those margin deposits? They did, but as the required deposit was raised to $3000, $5000, and $7500—within two weeks, by the way—the price of silver went up every single day, to $15.90 on September 18. On that day, the Comex increased the deposit on new contracts from $7500 to $50,000 for the spot month, $20,000 for other futures. That would surely bring the price down.

Or would it? It did. But not very far or for very long. On September 19, the price bottomed at $15.20, down all of $.70 from the previous day's $15.90. After bouncing briefly up and down through the $15.90 level on September 24, it went solidly through it on September 27.

The changes hadn't worked. The little people had had to sell, but they didn't own all that much silver. The rich, on the other hand, didn't have to sell. They borrowed the additional money or got it from their own deep pockets. The big money smelled what was coming, many sold their futures, and bought physical silver forward contracts in Europe, to insulate themselves from the possibility of further market-manipulative rule changes.

Many people felt that shifting trading to Europe was paranoid. After all, this was still the good old U.S. of A., and we were hardly a banana republic. Yet. Yes, the retroactive rises in required margin deposits had been unfair, and might even had been illegal in this never never land, this murky bog of law, but there would be no more shenanigans of that style or the U.S. markets would cease to exist, and there was no danger of that happening, as it would undermine the dollar. So the non-paranoid, loyal Americans continued buying futures here and the price stayed up.

As it stabilized at $15 and $16 in October, building its base for another big push, the losers must have begun to sweat. They had to make the big buyers sell. Big sales, a lot of sales, and fast! Before the big blowout. How? Change the rules again?

The exchanges threatened. And so did Chairman Stone. They would impose position limits on silver. They would abrogate the right to take delivery. They would permit trading for liquidation only. By God, they would close the markets! Some of the member firms even asked the exchanges to close the markets. The threats worked, sort of. For two months, the price stabilized. Silver closed October at $16.56 and November at $18.82

But in December, whoosh! The explosion came. After briefly cracking $20 on December 3, the price zoomed through that level on December 12. It cracked $25 on December 26. On December 31, it closed at $34.45! Merry Christmas and Happy New Year!

January was more of the same. On January 2, the price hit $38.85.

Calm. Change the rules. Again, and again, and once again. Three new rule changes. Starting on January 8 and completed on January 21, fourteen days later.

New Rule Number One: force the biggies to sell. On Janaury 8 the exchanges decreed that—with retroactive effect, of course—no one could own more than 2000 futures in all months, or 500 futures in any month. Guess who owned more? Nelson Bunker and William Herbert and the other big players were caught. They would have to sell their extra futures, and they owned reams of extra futures. And then, just to make sure they got the message, the monthly limits for January and February were dropped to fifty contracts—with the implicit threat to continue the ridiculously low limit from month to month thereafter until the price broke.

That worked; it affected the price, all right; it dipped to $31.91 on January 8. But then it headed up again.

The Hunt brothers, resourceful as always, had found a big short, Englehard Minerals and Chemicals Corp., with huge holdings of bullion. They sold their extra futures to Englehard, which was delighted to buy the long position to offset their short. And as part and parcel of the same deal, Nelson Bunker and William Herbert entered into a private, off-exchange contract with Englehard to buy from Englehard in sixty days 19 million ounces of silver bullion at $35 an ounce—$665 million. This took the pressure off the market. The price bounced merrily through $40, and briefly through $50!

That did it.

The exchanges rushed through New Rule Number Two: force everybody to sell. The exchanges matter-of-factly let it be known that the fifty-contract monthly position limit of New Rule Number One also meant, by the way, that no matter how many futures contracts you owned, you could not demand delivery, in January of February or any other month if the ban was extended, of more than fifty futures' worth of silver!

This created an anomaly. If you owned more than fifty contracts, you would still have to make payment on the due date unless you sold your extras, but you couldn't demand delivery on more than the fifty futures. Holders were given until January 31 to get their positions in line. What? That's right. Ten whole days. Could the exchanges really do it? Wasn't it illegal? Unconstitutional? Isn't there something in the Constitution about impairing the obligations of contract?

Chairman Stone made speeches declaring what was fair and for the general good; it was the function of the CFTC to declare the policy and purpose of the markets, and the sole purpose of the markets, the chairman now decreed, was to provide an opportunity for makers and users to hedge against rising or falling prices, and not an opportunity to own the underlying commodities, and never mind what the futures contracts said, or that you had to have an underlying delivery requirement to make the contracts meaningful, or that you needed speculators who were willing to take delivery in certain cases to have a working market. It was perfectly all right to make the buyers pay while lifting the delivery requirement from the sellers.

Some holders of more than fifty contracts simply sold their excess contracts. Others realized, to their dismay, that the fundamental arithmetic of the game had changed. Where previously the above-ground trading supply was something like 400 million ounces, and the supply overhanging the market was that plus whatever in addition the shorts were willing to sell short at the risk of having delivery demanded—now the supply was virtually infinite, since the shorts were no longer under the discipline of possibly having to deliver. Indeed, they could sell and sell without limit in the hope that their infinite fictitious supply would at some point exhaust the buyers' capital available for purchase.

Still other holders gave up in disgust. If you couldn't demand delivery of more than fifty contracts but you still had to pay for the excess, what did that mean? That you had to pay for it without getting it? Potential investors became reluctant to buy, and frightened holders became eager to sell. A lot of people began to feel that the whole thing was getting ridiculous and that the only sensible thing to do was to sell their futures and get out of the game. Permanently.

What would happen with all sellers and no buyers? Because that's where the game was heading, fast.

The shorts must have licked their lips.

And implemented New Rule Number Three, the coup de grace, the final settlement: there was still a remote possibility that too many pesky buyers would continue to buy despite the changes in the rules because they had faith in the American system—or in the strength of the European physical silver market—or because they were just too damn dumb to sell when any fool could see the game was up. What was needed was a new rule to knock out all the buyers. The trouble with that was that if there were no buyers, only sellers, there would be no market. What was needed was not new buyers, but rather only certain buyers, reliable buyers like—who? You guessed it: the shorts, including the short insiders!

New Rule Number Three: trading would be for liquidation only. That sounded fair. And sounded nice. You couldn't sell unless you were long, and you couldn't buy unless you were short.

Wait a minute, wait a minute—what did that mean? If you phoned your broker and asked him to buy a contract, and were even willing to put up the $50,000 initial margin because you thought the price was cheap, your broker would refuse your order. You couldn't buy unless you were short and you were buying in order to cover your short.

No one could buy except the shorts? Oh, no! That couldn't be serious! The shorts were short and therefore wanted the price down. The further down it went, the less they were short, and if they drove the price down far enough they would even be in profits! Suppose the shorts, the only permitted buyers, dropped their bids $5 a day? $10 a day? Suppose they were willing to bid only a penny an ounce? Well? What about it? Now, now, let's not exaggerate, they wouldn't go that far, at least not right away, no matter how they must have been tempted.

Three new rules in fourteen days. Rules? Killers.

Amazingly, they didn't at first seem to work. The price did drop a bit, of course, but only to $34 on January 22, and from there it moved back up again. It reached $38.50 again on February 11. It dropped off to $31 on February 19, but moved back up to $36.15 on March 4.

The trouble was the European physical silver markets. They had kept functioning—normally. They were legitimate trading markets.

The big players were now selling their surplus futures in New York and Chicago and buying physical silver in Europe. From time to time on some days, there was a $2 to $3 discrepancy between the price in New York and Chicago and the price at the same moment in Europe.

The discrepancy wasn't serious. It couldn't last. But for the moment it gave the shorts another new game, heads they won, tails they couldn't lose. The name of the game was arbitrage, playing the spread in two different markets. Nelson Bunker and William Herbert and the other players who were long on the American markets were barred from participating in the arbitrage because they were barred from buying here. But what about the shorts who were free to buy here because they were short—without commissions, by the way, if they were insiders and owned seats on the American markets? If Nelson Bunker and William Herbert and others were buying in Europe at $38, and the price in New York and Chicago was $35, the smart money could buy in New York and Chicago and sell in Europe at the same time, making a handsome profit with no risk.

Remember, the shorts were the only permitted buyers. To arbitrage was certainly inconsistent with the spirit of the "trading for liquidation only" rule. But did they do it?

That is another of those details the exchanges, CFTC, Congress, and the media have not yet told us. We can only wonder what some of the shorts did. As an opportunity, it was luscious.

Unfortunately, arbitrage, like all good things, comes to an end when the price differential disappears. The price differential did disappear.

But the price of silver still held above $30. The shorts escalated. The insiders had changed the rules and had still failed. They were losers. And not good losers. They were the only permitted buyers. So the hell with restraint. Drop the bids. Every day. To whatever price level it took to force margin calls. Margin calls? Hell, panic margin calls!

They did. They moved their bids down, day by day. To $33.10 on March 6. To $29.75 on March 10. And, somewhere in the vicinity of $29, on March 10, 11, and 12, the margin calls started. The people who owned futures were all margined to some extent. Even with a deposit of $75,000 per future, the value of the underlying 5000 ounces was $145,000 at $29 an ounce and the holder was margined to the extent of the remaining $70,000. Most holders were margined far more than that. Drop the bids to $25, and watch. Additional margin not posted? Too bad. Sell the customer out. At market, now $25.

It was a one-way street—down. Drop the bid. Call for margin, and sell the customer out.

What else? Could the insiders continue to short sell? They knew the price was going down. Think of the money they could make if they could short sell. It was technically prohibited. Or was it? If trading was for liquidation only, sellers were not permitted to sell unless they were long. Was there a loophole? Hmm. Short selling was still permitted by the rules if "for the purpose of effecting delivery," whatever that meant. Delivery to the depositories of physical silver bought somewhere else? If that is what it meant, it would not be all that difficult. There was lots of physical silver available somewhere else.

In any event, the panic was on, margin calls even if no short sales. The price dropped to $25.50 on March 13. To $21 on March 14. On with those margin calls. And as the price dropped, a little bit every day, $20, $18, the margin calls became a wave, then a tide, then a flood.

Hold on now: let's be fair. A short pause for fairness. Are we sure that's the way it happened? It could have been innocent.

The margin calls could have been minimal, and the forced sales a relative trifle, the majority of the sales being sales by longs who were not margined, who were well informed, who knew what was going on, and decided, one by one, independently, that the silver price action was disappointing, the Ides of March were an appropriate time to sell, so they all, at about the same time, placed orders to sell at market, no matter how low. It could have happened. It's quite possible.

And it is possible that the bidders were not the short insiders, but just plain folks who happened to be short, and that they were not knocking the price down, but were all acting independently, placing a cautious bid here, a cautious bid there, without any thought of causing margin calls, and that, indeed, the few insiders who were short were trying to keep the price firm, orderly, and responsible.●

REEXAMINING CAPITAL ADEQUACY REQUIREMENTS

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. D'AMOURS. Mr. Speaker, it is an honor to join with my colleague from Indiana, Mr. EVANS, in introducing a concurrent resolution to reduce the regulatory burden on our Nation's small banks. This legislation, which urges the Federal bank regulators to reduce capital to asset ratios for small banks to levels approximating that of large banks will increase bank productivity at no cost to the taxpayer and no danger to depositors.

Of equal importance, Mr. Speaker, it will increase competition in the banking field and will continue the trend of banking deregulation which began with the passage of the Depository Institutions Deregulation and Monetary Control Act in the 96th Congress.

FDIC data analyzed by Dr. Donald R. Fraser suggest that there is no direct relationship between bank size, capital adequacy, and loss risk. If anything, small banks appear to have a smaller risk potential than large banks. Yet for many years Federal regulators have required small banks to maintain a higher capital to assets ratio than large banks.

Since higher capital to assets ratios require small banks to charge higher prices for loans and pay lower rates on deposits in order to earn the same rate of return on capital, past practice has clearly put small banks at a competitive disadvantage.

House Concurrent Resolution 82 asks the Federal bank regulators to reexamine their current practices and reduce small bank capital to asset ratios where no need can be demonstrated that higher capital to asset ratios are necessary to insure the safety and soundness of the banking system. This will put all banks, both big and small, on an equal footing.●

TRIBUTE TO REPRESENTATIVE GLADYS SPELLMAN

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. MAZZOLI. Mr. Speaker, I join with colleagues in the House of Representatives in paying tribute to our former colleague, Gladys Spellman.

We were all saddened by Gladys' departure from the House. She served the people of the Fifth District of Maryland well and ably over the years. Gladys served the needs of her constituency, and her popularity among her constituents reflects her diligent service.

Gladys' presence among us will be noted for years to come by all who were privileged to work with her.

I extend to Gladys and her family my best wishes for her total recovery.●

GSES EMPLOYEES DESERVE PAY RAISE

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PARRIS. Mr. Speaker, in addressing the area of salary hikes in the Government Senior Executive Service, a seemingly sensational topic has emerged. In speaking for this sector of Federal workers, I have to say that I do believe their outcries are justified and their just deserts have not been realized. I consider their protests to have gone unnoticed for two reasons: One, GSES employees have received only one 5.5 percent raise hike in 4 years. This raise was granted back in October 1979. Also, the comparable workers' level of salary in private industry is substantially more than the federally employed executive. This is obviously not equitable to the executive working for the Federal Government. I do not feel that this sector of civil servants is receiving fair compensation.

There are several ramifications that can arise from the lack of proper focus in dealing with this situation. First, without suitable compensation at this level, those who have the most to offer, those best at their jobs, those top notch individuals, many with unique training, knowledge, and experience, will be tempted to leave the Federal sector and be hired away by the better paying private sector. Does not our Federal community need excellence and superior achievement in the area of employment too? Another reaction to take into consideration is that ambitious entry-level persons with valuable skills to offer may be seduced away from entering the Federal realm altogether. There again taxpayers and citizens are being precluded from having first-rate, efficient workers representing their vital interests, who can offer them the most for their money.

What solution is available to address any possible deterioration from occurring in this important level of Government workers? The feasible solution is that of the raise. We cannot force persons to enter the Federal levels of employment. There must be incentives. The best and only incentive that can be offered is equitable pay comparable to that of private industry. The artificial pay caps imposed by Congress which have unfairly limited past increases in compensation and denied high-level Government workers proper earnings must be eliminated for civilian and military personnel as well.

In addressing this problem, however, I recommend that legislators' wages not be included in simultaneous consideration of a compensation increase. Senior Executive Service salaries and congressional salaries should not go hand in hand. In conjunction with this thought, I urge Congress to support H.R. 1200, a bill that I have cosponsored which provides that appropriations of funds for congressional pay be considered separately from that of senior Federal level workers. Only in this way can the right and proper thing be done for the interests of all concerned.●

THE NEW RIVER GORGE BRIDGE

HON. CLEVE BENEDICT

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BENEDICT. Mr. Speaker, I am pleased to introduce legislation today in the House which would place a sign memorializing the New River Gorge Bridge in West Virginia as the world's largest steel-arch span bridge. Senator ROBERT C. BYRD has already introduced this legislation in the Senate as S. 402.

Hundreds of motorists cross the New River Gorge Bridge daily—some not realizing the uniqueness of the structure. The main span of the bridge is 1,700 feet long. It contains enough steel to build 14,250 medium-size cars and contains 23,000 cubic yards of concrete—enough to pave 9,000 driveways. When the bridge opened in February 1977, it replaced a span in New Jersey as the longest steel-arch span in the world.

The bridge is a rare example of how a manmade object has truly enhanced an area of great natural beauty. The New River is one of the oldest rivers in the world. Legislation approved by Congress in 1978 has preserved a 52-mile section of the river under the National Rivers Act and it is now supervised by the National Park Service.

In addition to being the world's longest steel-arch span, the bridge is also the second highest in the United States and the highest east of the Mississippi River. The peak of the arch is 876 feet above the river, 325 feet higher than the Washington Monument.

Mr. Speaker, I urge my colleagues to join me in paying tribute to this architectural triumph by approving this legislation.●

SENATE RESOLUTION NO. 28 PASSED BY THE SENATE OF PUERTO RICO

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. CORRADA. Mr. Speaker, I am pleased to have the opportunity to insert in today's RECORD a copy of Senate Resolution No. 28 passed by the Senate of Puerto Rico on January 21, 1981.

I am sure that both President Reagan and Vice President BUSH share the concerns and hopes expressed by the Puerto Rico Senate and that their administration will be marked by a spirit of collaboration and concern for the people of Puerto Rico.

SENATE RESOLUTION No. 28

I, Hipolito Marcano, Secretary of the Senate of the Commonwealth of Puerto Rico, do hereby certify that the Senate of Puerto Rico in its Session of January 21, 1981, approved Senate Resolution No. 28 which reads as follows:

Resolution to extend the congratulations of the Senate of Puerto Rico to the new President of the United States of America, the Honorable Ronald Reagan, upon his installation as the Fortieth President of the Nation, and to the Honorable George Bush, as Vice President, and to wish them success in the performance of the grave responsibilities that now rest on their shoulders

STATEMENT OF MOTIVES

Whereas last November 4, the Honorable Ronald Reagan and the Honorable George Bush were elected President and Vice President of the United States of America, respectively.

Whereas the significant and historical event of the inauguration of the recently elected President and Vice President of the United States of America on Tuesday, January 20, 1981, marked a highly transcendental moment for the western civilization and the world as a whole.

Whereas President Ronald Reagan has reached the highest office in the Nation in an auspicious manner, supported by an overwhelming majority of the voters who exercised their free will at the polls, in a clean and honest electoral process which should set an example for all the people of the world.

Whereas President Reagan and Vice President Bush are deserving of our most sincere congratulations in behalf of the People of Puerto Rico, with the hope that under their leadership the Federal programs that have been so helpful to Puerto Rico in its struggle against its economic and social problems be maintained or improved; and that the true relationship of friendship and good government be strengthened between the people of Puerto Rico and the Federal government.

Whereas we trust that the new President and Vice President shall be able to open new roads to progress in all phases of the collective life of the American people and achieve the proper measure of peace and tranquility in the international scene that the world is looking forward to.

Whereas we hope that President Reagan and Vice President Bush will maintain their genuine concern for the situation of the people of Puerto Rico, and the continued strengthening of our relationship. Now, therefore: be it

Resolved by the Senate of Puerto Rico:

Section 1. To extend the congratulations of this High Body to the Honorable Ronald Reagan and the Honorable George Bush upon their taking office as President and Vice President of the United States of America.

Section 2. To give witness to the Honorable Ronald Reagan and the Honorable George Bush, upon their official assumption of their duties, of the profound satisfaction felt by the People of Puerto Rico, and our heartfelt hope for success in solving the problems that beset our Nation.

Section 3. To reiterate the hope of this Senate and of the People of Puerto Rico that during this new government administration, the mutual collaboration that we have had be continued and strengthened.

Section 4. Copies of this Resolution, duly certified and translated into the English language, shall be sent to the Honorable Ronald Reagan and the Honorable George Bush, President and Vice President of the United States of America, and to the Honorable Baltasar Corrada del Rio, Resident Commissioner of Puerto Rico in Washington.

Section 5. All communications media shall be informed of the approval of this Resolution, for divulgation and circulation.●

GLADYS NOON SPELLMAN

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. VENTO. Mr. Speaker, it is an honor to participate in this special order for our colleague, Representative Gladys Noon Spellman. I have had the privilege to serve in the 95th and 96th Congresses with the distin-

guished Representative from Prince Georges County, Md., and I always found her ready to offer help to her colleagues who frequently sought her advice and counsel.

Congresswoman Spellman brought a unique and valuable perspective to Congress. Even though she began her elected career later in life, she had a vast range of political experience ranging from the school board and local government to Congress. In spite of her long history of involvement, Gladys never demonstrated a jaded or cynical view of politics which so often accompany years of public experience. She approached each issue and problem with a freshness and enthusiasm seldom matched in Congress.

Congresswoman Spellman was an unapologizing spokesperson for the rights of Federal employees and consumers. Her expertise and sincere dedication to serve the interests of her district brought her quickly to the chair of the Subcommittee on Compensation and Employee Benefits. As a member of the Banking Committee, I was privileged to serve with her on the Consumer Affairs and Housing and Community Development Subcommittees. In these subcommittees, she was a forceful and effective advocate for greater corporate responsibility, Federal programs to assist metropolitan areas, and increasing housing opportunities for all citizens.

I know I speak for all Members of this body in wishing her a rapid and complete recovery. In these difficult times, we will certainly miss her contributions.●

GUNS VERSUS BUTTER

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. HOLLENBECK. Mr. Speaker, the dilemma of making "guns versus butter" decisions between competing human and military goals and interests has never been easily solvable. And the solution is more confusing and difficult in today's economic climate. However, recent reports by the U.S. General Accounting Office, the Republican Study Conference, and the House Appropriations Committee dramatize several ways in which Congress can begin to balance these goals and interests while still funding necessary programs for a strong defense.

I see, Mr. Speaker, no compelling human or practical reason to elevate the defense budget—or any budget—to sacred cow status. Surely, the Defense Department is no more immune than any other department from overspending, waste, and fraud, nor is it impossible to bilk. Witness several recent reports.

According to departing Comptroller General of the United States, Elmer B. Staats, mismanagement and waste have added several billions of dollars a year to the defense budget. Mr. Staats recently cited 15 areas in which we can potentially save between $4 billion and $10 billion a year, every year, by the end of the Reagan term. I include below the major points made by the head of the General Accounting Office as they appeared in the March 3 edition of the Washington Post:

Among the major points made by Staats in his letter and the interview:

Thirty GAO reports since 1976 have cited serious flaws in the way DOD accounts for goods and services provided under the foreign military sales program. These have resulted in "improperly" made payments of more than $1 billion. Some progress has been made, but "more improvement is needed."

At the outset of a new weapons system, the Pentagon often tries to hold down the apparent total cost by downplaying the need for the spare parts and back-up equipment needed over the long term. This means that the parts and equipment must be bought later, at greater cost. In the case of the F18 fighter, the savings potential in proper logistical planning and discipline throughout its life cycle would be more than $350 million.

In many geographic areas, the Army, Navy, Air Force, and Marines each have one or more bases. Instead of sharing such things as repairs and supplies, each of the armed forces provides them separately. The potential savings from consolidation: at least $376 million annually.

Management of consumable items, such as ammunition and motor vehicle parts, is scattered. Consolidation would yield yearly savings exceeding $280 million.

In the last 16 months, the estimated cost of the Navy's LAMPS III (light airborne multipurpose antisubmarine weapon system) has almost doubled from $3.6 billion to $7 billion. Now, the plan is to buy fewer of them. But that does not solve the questions raised by a GAO review "about the ability of the system to carry out its missions."

DOD plans to buy large numbers of F14, F15, F16, F18 and A10 aircraft for noncombat purposes, asserting that they would be needed in event of war. Staats said that such planning was "very sloppy" and claimed that sharpening it up could save up to $5 billion.

"A hard look at this area by the secretary of defense is needed," he said. "If these aircraft are in fact required for combat purposes, they should be justified as such and approved in that context by the secretary, the OMB and the Congress."

In 1972, the Army got started on its supertank, the M1. The cost was to be $507,000 a copy. By January 1980, when a GAO report warned that the tank's reliability was "uncertain," the unit cost had more than tripled to $1,651,000. The number of tanks in the program was 7,058.

Now the estimated unit cost has shot up to $2,549,000. Meanwhile, the GAO is still reviewing reliability and other aspects of the M1.

Four weeks after the Staats letter went out, the Pentagon issued its quarterly report on the life cycle estimated costs of 47 selected major weapons systems. The figure for Dec. 31 was $47.6 billion higher than it had been only three months earlier. DOD cast inflation as the chief villain behind the increase, which over the three-month period was at the rate of $359,300 a minute.

Mr. Speaker, complementing these findings is a congressional Republican study committee report citing several General Accounting Office reports which, taken together, estimate that the Pentagon could save some $15 billion yearly. Savings of a billion dollars could be realized, for instance, if the Air Force installed one, rather than two computer systems at their bases to perform administrative and operating functions. Improved management of Navy shipbuilding contracts could save nearly three-quarters of a billion dollars. Over one-half of a billion dollars is being squandered by increased Government costs due to fraud, inadequate accounting, and procedural control in the Army's Military District of Washington's Finance and Accounting Office according to the GAO.

Some potential savings are comparatively small, but are indicative of the attitude now prevailing in the Defense Department which appears to place little regard on cost consciousness above spending for the sake of spending. For example, if military discharges in extraordinary cases were processed more efficiently and faster, the GAO estimates $41½ million could be saved. Erroneous payments to reservists and guardsmen for drills they did not attend have cost the American taxpayer thousands in recent years, and lack of consolidation of Army and Navy undergraduate helicopter pilot training programs has cost the Treasury Department $63 million a year.

In addition to these findings, the House Appropriations Committee in its report on the Defense appropriation bill for 1981 lists 46 ways in which defense dollars are needlessly frittered away. Instance of waste and mismanagement cited by the committee include paying foreign national employees in excess of the pay rates prevailing in those countries, the operating of duplicate facilities for the overhaul of air-launched missiles, the retention of an inventory now obsolete but which is expensive to maintain, and the underutilization of modern flight simulators in preference to more air time. Mr. Speaker, these are only a few of the many instances of waste mentioned by the committee. For my colleagues who are interested, I direct their attention to pages 82 through 84 of House Report 96-1317.

I would also like to take this opportunity to draw my colleague's attention to commentary by columnist Jack Anderson on March 3 and 4 which gives further insight into possibly unnecessary Pentagon expenditures.

According to Anderson and a yet to be released report, the Defense Department engages in the hiring of private consultants for work their own servicemen should be doing. Defense Department contracts were awarded to a small number of consulting firms that coincidentally are manned largely by former Pentagon personnel. It is not surprising that a practice like this could and probably has resulted in payment to friendly firms for work that is not always necessary and often at inflated prices. I also include these articles for your attention.

DEFENSE WASTE

(By Jack Anderson)

More than 20 years ago, President Eisenhower shocked his old military buddies by warning of the growing power of what he called the "military-industrial complex." But it is doubtful that even Ike foresaw the extent to which the sweetheart relationship between Big Business and the brass has taken control of the single biggest slice of the federal government's budget pie.

President Reagan may have given his budget cutters an unintended signal in his economic address to Congress when he singled out waste and fraud in the social service agencies as the target for cuts in federal spending. By omitting mention of the Defense Department, he apparently encouraged his budget officials to ignore the monumental waste and fraud in the Pentagon.

As a result of being given more money than they can spend themselves, the Pentagon brass have farmed out an increasing number of their own military functions to private consulting firms. Many of these consultants are former high-ranking Defense Department officials. They are, in effect, charging the government for the expertise they gained while they were in government service.

What makes the "old boy" system particularly disturbing is that the private consultants have not only taken over jobs the Defense Department should be doing itself—but the profit-motivated contractors are identifying, defining and dictating the very programs the Pentagon hires them to run.

In short, the former officers are telling the Pentagon that it needs a particular job done, and that they're the only ones who can do it right. Their old buddies in the Pentagon—perhaps hoping for a post-retirement job themselves—OK the project. It's a self-perpetuating boondoggle.

A confidential government report obtained by my associate Indy Badhwar details the problems raised by the "privatization" of the Defense Department. And it's not chicken feed involved: The Pentagon is currently spending about $3 billion a year on private consultants whose "expertise" is often matched by high-salaried Defense Department employes.

The government investigators said they found a few cost comparisons done by the Pentagon to determine if the functions performed by contractors could be carried out by DOD's own civil servants at less cost. In the rare instances where comparisons were done, they showed that the government would have saved money by doing its own work "in-house." For example, a Navy study showed that it could have saved $159,000 over a five-year period by letting its own employes design a manpower planning system.

Here are some examples the report gives of the way the old-boy network operates:

A $43,835 contract went to a private individual who acted as the Defense Secretary's Man Friday. The contractor helped prepare the secretary's annual report to Congress.

A $304,000 contract to assess the Pentagon's responsibilities in the event of general mobilization went to a firm that employed a former vice chief of the Army, a former Air Force general and a onetime deputy assistant secretary of defense.

An Air Force contract originally costing about $1 million has been going up by about $500,000 a year. The private contractor is studying the problems of command and control in electronic warfare. Ten of the contractor's employes are former Pentagon officials.

The boondoggle is not only self-perpetuating, but self-aggrandizing. Every contract gives the private consultant additional expertise on Pentagon operations, providing a "snowball" effect for additional consulting contracts.

Unkept promises: Back in 1961, the 22d Soviet Party Congress adopted a 20-year plan for the Soviet Union. Igor Glagolev worked for the Soviet Academy of Sciences at the time and helped draft the party "platform."

Glagolev has since defected and now lives in this country. But he remembers what the 20-year plan called for; Free apartments, kindergartens, nurseries and rest homes for all Soviet citizens, plus the shortest working day and the highest standard of living of any Communist country.

Observing the program at its deadline this year, Glagolev concludes that the 20-year plan was "a total failure." Largely because of inflation, he says, the standard of living in the Soviet Union has actually declined in the past 20 years.

Unfriendly skies: The flight engineers' union recently tried to buy a full-page ad in the Pan Am Clipper—the slick magazine that is offered to passengers along with their coffee, tea or milk. To the union's surprize, Pan Am refused to run the ad, even though it contained no suggestion of any management-union problems. "What are we supposed to do now," asked the union's rep, "hand it out to the passengers?" "Do what you want," replied an airline spokeswoman, in a tone as icy as a miniature-on-the-rocks.

FAST-BUCK OPERATORS MILK SACRED COW

(By Jack Anderson)

The Defense Department has become the only sacred cow to survive the determined budget-cutters of the Reagan administration. Yet there is overwhelming evidence that the Pentagon cow is being milked for hundreds of millions of dollars in dubious contracts each year.

In the process of hiring private consultants for work their own employes should be doing, the brass hats are turning over control of defense policies to a small clique of outside "experts" motivated more by profits than patriotism. These specialized consulting firms are packed with former Pentagon personnel, who usually get favored treatment from their onetime buddies in the military.

A still-classified government report reviewed by my associate Indy Badhwar chronicles appalling waste, mismanagement, greed and conflicts of interest that threaten to make the Pentagon a private fiefdom of fastbuck operators. Some details from the report:

More than half of all Department of Defense contracts go to companies that employ or were formed by former military or civilian DOD officials.

A private consulting firm was hired for $294,000 (a contract price that soon almost doubled) to study drug and alcohol abuse in the armed forces. Though there were Pentagon employes qualified to make the study at lesser cost, the brass hats explained that an "outside" contractor would provide a more objective report. The vice president of the "outside" firm was the former director of Pentagon research into prevention of drug and alcohol abuse.

Nearly 60 percent of all contracts are renewed repeatedly—a circumstance referred to by insiders as the "from-here-to-eternity gravy train."

A contractor was hired for $190,000 to teach Navy personnel how to improve cost analyses on missile work. The contractor then suggested that his firm take over the cost analyses—in other words, do what he was orginally hired to teach Navy employes to do. The Navy bought the proposal, and the contract is now in its seventh year.

An $80,000 contract was awarded for "studies on nonpecuniary factors in the federal approach to pay comparability and the feasibility of monetizing these nonpecuniary factors for consideration in the pay comparability process." When auditors asked if this incredible gobbledygook made any sense, a top official replied airily: "That's what makes it interesting."

A contractor was paid $43,000 from the Navy for technical data on a naval test range. He got the data from the Navy itself.

The Air Force paid a contractor $50,000 to correct a malfunction in a missile mockup. An Air Force engineer had already solved the problem.

An Air Force contractor was awarded $1.4 million to correct deficiencies in another firm's multimillion-dollar project. With 80 percent of the money spent, the contractor demanded $400,000 more to complete his job. The money wasn't available, so the contractor walked away when he had spent the original $1.4 million, leaving civil servants to pick up the pieces.

A contract to provide support services for the Army's Hawk missile has been modified 60 times, raising the cost from $6 million to $33 million and delaying completion by a year.

Bubble, Bubble . . .: To protect the embassy staff from electronic snoopers, sensitive U.S. missions abroad are equipped with bugproof conversation "bubbles," pod-like chambers of aluminum or plastic placed inside bigger rooms.

The inner chamber is suspended a few inches off the floor so no wires can go in or out undetected. The outer room has noise generators or wind machines to smother any sounds that might escape the inner bubble.

A former diplomat told my reporter Allen Myerson that the U.S. Embassy in Tehran had a bubble that looked like a space shuttle. It was big enough to hold the ambassador's daily staff meeting, safe from the prying ears of the shah and his secret police.

Mr. Speaker, we all agree that there are no easy solutions to our economic problems. What should be apparent, however, is that Government spending must be reduced with no program, department or agency, exempt from scrutiny. As I stated earlier, there is no room for a sacred cow in the Federal budget, especially when evidence, as here, suggests that many Defense ex-

penditures are resulting from waste, fraud, and mismanagement.

Mr. Speaker, with the above materials in mind, I call on the Reagan administration, the Office of the Budget, and the Members of this body to examine closely the recommendations made by the GAO and others and begin to detail plans for properly allocating defense outlays commencing this fiscal year.

This is, as Mr. Staats has said, the ideal time for the Pentagon to begin to manage more efficiently its fiscal resources. It is also the proper tie for this body to demonstrate across-the-board scrutiny and fiscal prudence.●

ROBERT F. POPP HONORED

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. APPLEGATE. Mr. Speaker, I would like to take this opportunity to bring to the attention of the House of Representatives, a constituent of mine, Mr. Robert F. Popp, who recently received the 1980 George Washington Honor Medal of the Freedoms Foundation of Valley Forge.

The national awards program of Freedoms Foundation draws public attention to individuals and organizations whose words and deeds support the U.S. social, political, and economic system, suggest solutions to basic problems, and contribute to responsible citizenship.

Mr. Popp, who writes for the East Liverpool, Ohio, Evening Review, was selected for the honor on the basis of his column, "Misdirected Protest." He is among seven distinguished individuals who have been chosen this year for special awards; Alistair Cooke, Olivia De Haviland, Secretary of State Alexander Haig, Fred Turner, and Kenneth Daylor, former Canadian Ambassador to Iran.

Robert Popp has spent over 41 years covering municipal affairs and his insightful commentaries in his column in the Evening Review have contributed significantly to citizen awareness.

We are all grateful to Mr. Popp for his dedication to public service and we are very proud of his journalistic achievements.●

BILLS INTRODUCED TO ELIMINATE ANTICOMPETITIVE ASPECTS OF EMISSION WARRANTY REQUIREMENTS

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. LEE. Mr. Speaker, the present language in the Clean Air Act requires a vehicle to warrant the "emission control device or system" of a motor vehicle for a period of 5 years or 50,000 miles. After the first 24 months or 24,000 miles, that term is defined as "a catalytic converter, thermal reactor, or other component installed on or in a vehicle for the sole or primary purpose of reducing vehicle emissions." This language is used with respect to a performance warranty, which is in addition to the production warranty and durability certification.

Because the EPA has utilized the term "primary purpose" to include a vast number of parts under the 5-year or 50,000-mile warranty, it has been suggested that deletion of the term "or primary purpose" could be utilized to prevent EPA from overriding the clear intent of Congress to eliminate an anticompetitive broad based extended warranty requirement.

While elimination of the term "or primary purpose" could be helpful in further establishing such congressional intent, it would not, for the reasons stated below, reduce the opportunity for EPA to circumvent that intent by using other areas of the law as loopholes.

First. EPA performance warranty regulations provide that the 5-year/50,000-mile warranty shall apply not only to "sole or primary" parts, but also to components which must be adjusted, repaired, or replaced to enable such components—that is, sole or primary parts—to perform properly. Should the term "primary" be eliminated, the EPA could still utilize its same fallacious, but nevertheless devastating reasoning that, in order to enable the "sole" parts to operate properly, these same components must be included in the warranty. The EPA promise in the warranty regulations that its list of parts would be expanded from time to time is a clear indication of how far EPA feels it can go. As long as there is a 5-year or 50,000-mile warranty for any part, this conclusion can be reached by EPA. In view of the durability requirements and recall authority built into the act under section 207(c), there is no need to add another requirement for a promised durability in order to maintain clean air.

Second. With respect to the present language requiring a production warranty of 5 years or 50,000 miles, such a requirement provides a redundancy since the same protection is found in the durability certification and recall provisions, and it also provides EPA with a significant loophole for changing the will of Congress. Prior to the 1977 amendments, the EPA attempted to utilize this same production warranty language to propose an in-use warranty requirement of extended duration on an unlimited parts list. That attempt was withdrawn, but under the present language in the act it could be tried again.

In June of 1979, the EPA published a pamphlet entitled "What You Should Know About Your Auto Emissions Warranty," which drew upon the language of the production warranty provisions in the Clean Air Act, but which in reality was a recitation of a performance warranty of extended duration on an unlimited number of parts, including such parts as carburetors, distributors, spark plugs, and chokes.

Third. In December of 1978, the California Air Resources Board, basing its authority on California legislative language that is identical to the Federal production warranty language, imposed a performance warranty requirement of extended duration on an unlimited number of parts, including those mentioned in the EPA pamphlet. This California warranty was granted a waiver by the EPA under the guise of a accompanying enforcement procedure, and the U.S. Court of Appeals in the District of Columbia upheld EPA's and California's authority to do so under the current language of the Clean Air Act.

In addition to this glaring loophole for circumventing congressional intent through the concerted action of EPA and California Air Resouces Board, there is another factor found in the law which permits all other States in EPA designated nonattainment areas to adopt California regulations, including the warranty regulations.

Experience has demonstrated that if a vehicle will fail in emission performance it will do so in the first 2 years of the vehicle's life. Studies by the FTC indicate that substantial market distortion occurs where the compulsory warranty extends beyond 2 years.

To preclude EPA from overriding the will of Congress and establishing an anticompetitive warranty, however it may be designated or from whatever source it may emanate, the changes suggested in my bills are necessary to eliminate the possibility of future EPA action in utilizing loopholes in the law to accomplish what it, and not Congress, has intended. The requirements for protection of the environment are met by maintaining in the act the provisions for durability certification enforced through mandatory recall provisions.

Therefore, I am introducing two bills for discussion purposes which address the problems created in the automotive aftermarket by provisions in the Clean Air Act. It is my belief that these bills would remove certain anticompetitive features in the act and would save money by allowing consumers to exercise free choice in the seeking of bargains for parts and service.

In introducing these measures, I am not suggesting that these concerns be taken up in any legislative context

other than a comprehensive approach to the entire Clean Air Act. These bills are similar to those introduced on March 3 by Congressman WILLIAM E. DANNEMEYER, of California, except that my bills narrow the scope of the California waiver provision under section 209 of the Clean Air Act.

The texts of the bills follow:

H.R. —

A bill to amend the Clean Air Act to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AMENDMENTS TO THE CLEAN AIR ACT

SECTION 1. (a) NEW MOTOR VEHICLE EMISSION STANDARDS IN NONATTAINMENT AREAS.—Section 177 of the Clean Air Act is repealed, effective on the date of the enactment of this Act.

(b) PRODUCTION WARRANTY AND PARTS CERTIFICATION.—(1) Section 207 of such Act is amended by striking out subsection (a) thereof.

(2) The amendment made by this subsection shall take effect with respect to model years beginning after the date of the enactment of this Act.

(c) PERFORMANCE WARRANTY.—(1) Section 207(b)(2)(B) of such Act is amended to read as follows:

"(B) it fails to conform with applicable regulations for a period of use of the first two years or the first twenty-four thousand miles (or the equivalent) whichever first occurs, and"

(2) Paragraph (2) of section 207(b) of such Act is amended by striking out "No such warranty shall be invalid" and all that follows down through the end of such paragraph (2).

(3) Paragraph (2) of section 207(h) is amended by striking out "(without regard to subparagraph (C) thereof)".

(4) The amendments made by this subsection shall take effect with respect to model years beginning after the date of the enactment of this Act.

(d) INSTRUCTIONS.—(1) Subparagraph (A) of section 207(c)(3) of such Act is amended to read as follows:

"(A) The manufacturer shall furnish with each new motor vehicle or motor vehicle engine written instructions for the proper maintenance and use of the vehicle or engine by the ultimate purchaser. The manufacturer shall provide in boldface type on the first page of the written maintenance instructions notice that maintenance, replacement, or repair of the emission control devices and systems may be performed by any automotive repair establishment or individual using any automotive part of his choosing."

(2) Subparagraph (B) of such section 207(c)(3) is amended by striking out "; except that the prohibition" and all that follows down to the period at the end thereof.

(3) Section 203(a)(4)(C) of such Act is amended by striking out "except as provided in subsection (c)(3) of section 207,".

(4) The amendments made by this subsection shall take effect with respect to model years beginning after the date of the enactment of this Act.

(e) STATE STANDARDS RESPECTING PARTS.—(1) Section 209(b)(1) of such Act is amended by inserting "which are numerical emission levels" before "for the control of emissions from new motor vehicles".

(2) Section 209(b)(1)(C) of such Act is amended by striking out "and accompanying enforcement procedures".

(3) Section 209(c) of such Act is amended to read as follows:

"(c) No State or political subdivision thereof shall adopt or attempt to enforce any standard applicable to any motor vehicle part, or motor vehicle engine part, for purposes of controlling or regulating motor vehicle or motor vehicle engine emissions.

(f) PROHIBITED ACTS.—Section 203(a) of such Act is amended by striking out "and the causing thereof".

(g) CLARIFICATION OF TAMPERING PROVISION.—Section 203(a)(3)(B) of such Act is amended by—

(1) striking out "device or element of design installed on or in a motor vehicle or motor vehicle engine" and substituting "part or component placed in or on a motor vehicle or motor vehicle engine for the sole purpose of controlling emissions"; and

(2) inserting the following before the semicolon at the end thereof: ", except as may be necessary in connection with routine maintenance".

(h) TECHNICAL AMENDMENTS.—(1) Section 202(d) of such Act is amended by inserting "(b) and (c)" and "207.

(2) Section 207(g) of such Act is amended to read as follows:

"(g) For the purpose of this section, the owner of any motor vehicle or motor vehicle engine warranted under this section is responsible in the proper maintenance of such vehicle or engine to replace and to maintain, at his expense at any service establishment or facility of his choosing, such items as spark plugs, points, condensers, and any other part, item, or device related to emission control, unless such part, item, or device is covered by any warranty not mandated by this Act."

GENERAL EFFECTIVE DATE

SEC. 2. Except as otherwise specifically provided in section 1 of this Act, the amendments made by section 1 shall take effect on the date of the enactment of this Act.

H.R. —

A bill to amend the Clean Air Act to promote competitiveness in the motor vehicle aftermarket and to preserve consumer freedom of choice to select parts and service of the consumer's own choosing, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AMENDMENTS TO THE CLEAN AIR ACT

SECTION 1. (a) NEW MOTOR VEHICLE EMISSION STANDARDS IN NONATTAINMENT AREAS.—Section 177 of the Clean Air Act is repealed, effective on the date of the enactment of this Act.

(b) PRODUCTION WARRANTY AND PARTS CERTIFICATION.—(1) Section 207 of such Act is amended by striking out subsection (a) thereof.

(2) The amendment made by this subsection shall take effect with respect to model years beginning after the date of the enactment of this Act.

(c) PERFORMANCE WARRANTY.—(1) Section 207(b) of such Act is amended by striking out "tests conducted under section 206(a)(1), then" and all that follows down through the end of such subsection and substituting: "tests conducted under section 206(a)(1), then he shall establish such methods and procedures by regulation.".

(2) The amendment made by this subsection shall take effect with respect to model years beginning after the date of the enactment of this Act.

(d) INSTRUCTIONS.—(1) Subparagraph (A) of section 207(c)(3) of such Act is amended to read as follows:

"(A) The manufacturer shall furnish with each new motor vehicle or motor vehicle engine written instructions for the proper maintenance and use of the vehicle or engine by the ultimate purchaser. The manufacturer shall provide in boldface type on the first page of the written maintenance instructions notice that maintenance, replacement, or repair of the emission control devices and systems may be performed by any motor vehicle repair establishment or individual using any automotive part of his choosing."

(2) Subparagraph (B) of such section 207(c)(3) is amended by striking out "; except that the prohibition" and all that follows down to the period at the end thereof.

(3) Section 203(a)(4) of such Act is amended by inserting "or" at the end of subparagraph (B), by striking out subparagraph (C), and by redesignating subparagraph (D) as (C).

(4) The amendments made by this subsection shall take effect with respect to model years beginning after the date of the enactment of the Act.

(e) STATE STANDARDS RESPECTING PARTS.—(1) Section 209(b)(1) of such Act is amended by inserting "which are numerical emission levels" before "for the control of emissions from new motor vehicles".

(2) Section 209(b)(1)(C) of such Act is amended by striking out "and accompanying enforcement procedures".

(3) Section 209(c) of such Act is amended to read as follows:

"(c) No State or political subdivision thereof shall adopt or attempt to enforce any standard applicable to any motor vehicle part, or motor vehicle engine part, for purposes of controlling or regulating motor vehicle or motor vehicle engine emissions.

(f) PROHIBITED ACTS.—Section 203(a) of such Act is amended by striking out "and the causing thereof".

(g) CLARIFICATION OF TAMPERING PROVISION.—Section 203(a)(3)(B) of such Act is amended by—

(1) striking out "device or element of design installed on or in a motor vehicle or motor vehicle engine" and substituting "part or component placed in or on a motor vehicle or motor vehicle engine for the sole purpose of controlling emissions"; and

(2) inserting the following before the semicolon at the end thereof: ", except as may be necessary in connection with routine maintenance".

(h) TECHNICAL AMENDMENTS.—(1) Section 202(d) of such Act is amended by inserting "(b) and (c)" after "207".

(2) Section 207(g) of such Act is repealed.

GENERAL EFFECTIVE DATE

SEC. 2. Except as otherwise specifically provided in section 1 of this Act, the amendments made by section 1 shall take effect on the date of the enactment of this Act.●

EMBARGO THREATS TO FARM INCOME

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MARLENEE. Mr. Speaker, I am proud to join my distinguished colleague from Oklahoma (Mr. ENGLISH) in introducing legislation designed to protect farmers' income in the event of the embargoing of agricultural products. I hope that other Members of the House will see fit to cosign this legislation.

This bill will protect farmers by assuring them that if trade is halted for reasons of national security or foreign policy, the loan rate on that commodity shall be set at not less than the average market price during the 15 marketing days prior to the embargo. If suspension of trade is for short supply situations or other reasons besides national security or foreign policy, the loan rate shall be set at 90 percent of parity.

The legislation also contains provisions to assure that storage payments are made to producers and that the Secretary may purchase the embargoed commodity in order to offset severe market fluctuations.

I need not remind Members that after President Carter announced the Soviet grain embargo in January of last year, the price of wheat dropped dramatically. In my area, the price fell 50 cents a bushel.

I do not want to take the Chamber's time to address all the pluses and minuses of the current embargo, we have heard all the arguments. What we are striving to do today is to assure producers that in the event of future trade suspension, they are not again singled out to carry the financial burden of foreign policy decisions.

I would like to bring to the attention of my colleagues that similar legislation was introduced last Congress by Mr. ENGLISH and passed the Agriculture Committee by a wide margin of 37 to 2.

I want to thank my colleague (Mr. ENGLISH) for again bringing this measure before the Members and urge that it be given full consideration by the Agriculture Committee.●

GO-SLOW POLICY RECOMMENDED FOR COAL MINING IN ALASKA

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SEIBERLING. Mr. Speaker, the January issue of the National Academy of Sciences News Report included an article summarizing the findings of a National Research Council report on surface mining conditions in the State of Alaska. The report was mandated by the Surface Mining Control and Reclamation Act of 1977 to determine whether the act "should be modified with respect to surface coal mining operations in Alaska."

The committee report warns that while the act assumes that surface mining of coal is a temporary disturbance of the land, and that original use could be restored once mining operations were completed, this assumption does not apply to the unique and sensitive lands in Alaska's North Slope, which contains the State's most abundant coal resources. In fact, this area, which is a region of continuous permafrost, would not be reclaimable under the provisions of the act, and the industry has only limited experience to guide revegetation of a tundra, or to predict the effect of mining and reclamation on the wildlife indigenous to the tundra.

The conclusion of the report: Go slow with mining in Alaska's North Slope, and develop Alaskan coal in "an environmentally acceptable way"—with more protections than those afforded by the Surface Mining Control and Reclamation Act.

Mr. Speaker, following these remarks is a copy of the News Report article summarizing this study. I commend it to the attention of my colleagues.

ENVIRONMENTS, INDUSTRY, AND PEOPLE:
STRIP-MINING FOR COAL IN ALASKA

"In Alaska, as elsewhere," decisions to commit land to coal-mining are decisions about "the benefits of mining, its direct and external environmental and social costs, and the degree to which these costs are borne by the mining companies themselves," all factors that vary within Alaska and among Alaska and other states. In Alaska, at least, these broader matters are less likely to be the subjects of only tacit decision. This kind of admonition, that mining decisions involve far more than mining, pervades the response of a National Research Council committee to a Congressional call—in Section 708 (a) of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95-87; 91 Stat. 445-532)—for a "study of surface coal mining conditions in the State of Alaska . . . to determine which, if any, of the provisions of this Act should be modified with respect to surface coal mining operations in Alaska."

Because mining and reclamation in Alaska are limited, "it is premature to suggest exact modifications of the Act," the National Research Council Committee on Alaskan Coal Mining and Reclamation reported. Nevertheless, according to the committee, portions of the statute are inappropriate to conditions in some of Alaska's coal regions. The committee saw this as a matter of appropriateness, not stringency; there are unique features in Alaskan ground. Also, the committee noted, many environmental and social changes that come with large-scale coal-mining are not covered adequately either by the Act or by concurrent law.

The committee—of the National Research Council Commission on Natural Resources' Board on Mineral and Energy Resources—noted that Congress had anticipated that Alaskan conditions might differ from those for which the Surface Mining Control and Reclamation Act of 1977 was designed. So they do, the committee said, pointing out that some of the statute's requirements to restore terrain would have no remedial effect in frozen soils. The committee's report—"Surface Coal Mining in Alaska: An Investigation of the Surface Mining Control and Reclamation Act of 1977 in Relation to Alaskan Conditions"—warns:

". . . Permafrost is the most unusual condition in Alaska, continuous in the Arctic and discontinuous in much of the Interior Region. Where the mean annual temperature is below 0°C (32°F), the ground becomes perennially frozen, in some places to great depths. Freezing completely alters the normal hydrologic regime; ground water in the usual sense does not exist. Some frozen ground, when thawed, loses strength and slumps or flows, resulting in failure of foundations, bridges, roads, and the like. Some practices required by the Act could initiate thawing and cause unwanted subsidence, instability, and other undesirable results. Permafrost terrain dictates mining and reclamation techniques that are different from those envisaged in the Act."

Alaska's North Slope coal basin, "which contains the largest coal resources" in the state, is a region of continuous permafrost. "Areas of continuous permafrost disturbed by surface mining are not known to be reclaimable under provisions of the Act," the committee said. Interior Alaska—including the Nenana basin—has large areas of discontinuous permafrost. Alaska's Southcentral Region—including the Cook Inlet coal basin—more resembles what Alaskans call "the Lower 48," but it is subject to earthquakes and floods.

Alaska is sparsely populated, although much of its population is concentrated in a few areas. The state lacks a built-up transportation network. Ownership and dedication of much of the state's land are unsettled, and land-use planning in Alaska is in its infancy.

Alaska has coal. The committee reviewed estimates and concluded that, although better data are needed, even allowing for "great uncertainty . . . it is clear that Alaska's coal resources are very large and will become more important as other sources of fossil fuels in the United States are depleted." The state's major coal basins contain "perhaps as much coal as is currently inferred for the rest of the United States," the committee said. "The total [Alaskan] coal resource may range from 1.9 to 5.0 trillion tons. Two hundred million tons are classified as reserves based upon actual drilling or field studies; the rest of the resource is classified as hypothetical and speculative." Some of that coal is under water; some of it is too deep to mine by today's technology; some of it is otherwise inaccessible. However:

". . . Although much of the (Alaskan) coal will ultimately be extracted by underground mining, large quantities are strippable and could be mined and shipped using today's technology, especially in the Southcentral Region."

The "could be" in this finding is conditional:

". . . The conditions in the Southcentral Region (Cook Inlet coal basin) are similar enough to those in some of the conterminous United States to warrant initial regulation of surface coal mining under provisions of the Act, and we recommend that this be done. Results of actual operations, however, may show that certain mining and reclamation standards now in the Act need modification for this region."

Public policy and regulations for mining Alaskan coal, the committee said, must be considered in the context of broader planning for Alaska's future. Accordingly, mine-site reclamation requirements and closely related decisions such as transport plans not only ought to take account of strictures immediately imposed by the natural environment but also ought to stop short of predisposing the outcome of planning for allocation of Alaska's lands.

The committee—chaired by mining engineer Earl H. Beistline, dean of the School of Mineral Industry at the University of Alaska, Fairbanks—worked with the assumption that Alaska still has the opportunity to avoid or minimize the kinds of mistakes made elsewhere.

"Public goals for land use in Alaska should be a basis for setting objectives for mining and reclamation," the committee said.

"The Act's concept of surface coal mining as a temporary land use is of doubtful applicability to Alaska because new land uses that become permanent are introduced by mining, and original conditions cannot necessarily be restored. . . .

"The need to make long-term allocations in land-use priorities supports the view that rational coal development in Alaska requires goals for land use."

To avoid "possible future pitfalls of choices made on a site-by-site basis," the committee urged that "lands underlain by coal that can be readily mined by surface methods" be identified as "prime coal lands":

". . . The designation of prime coal lands would identify areas of significant resource potential and would provide basic information for weighing the mineral value of these lands against the actual or expected value of other current or anticipated uses. Because the status of much of the land in Alaska is yet to be determined, and because of the potential importance of Alaska's coal resources . . . , prime coal lands should be identified so that land classifications, which might preclude mining, are not made without a full knowledge of the resource value."

The committee said development planning will have to be sensitive to possible effects of a coal industry on Alaska's Native subsistence economies, on its Native regional corporations, on its diverse population, and on its mixture of Federal, state, and private interests. Moreover:

"Major coal development in Alaska can be expected to be associated with adverse symptoms of growth (the boom-town syndrome) in various degrees, depending on the location of the mining. . . .

"Substantive coal development in Alaska should be accompanied by forming institutional structures to reduce social stress on communities and people. The needed public funds should come primarily, or entirely, from coal production. Social effects of development should be monitored."

The Surface Mining Control and Reclamation Act of 1977 deals directly with mining and not at all with social matters but recognizes that mine-siting and designation of coal lands are not isolable from land-use planning. In Alaska these are far-reaching issues. Among the committee's comments:

"Management of resources can be considered in the light of settlement patterns, economic forces, employment opportunities, need for renewable resources, and other socioeconomic factors, in addition to the need for minerals."

Thus, more specifically:

"Roads into Alaska's undeveloped areas are not necessarily viewed as an unqualified blessing, and a decision to build such a road for coal development requires an understanding of its many uses and consequences. . . ."

The committee said the statute's performance standards for mining and reclamation "can be achieved" in Southcentral Alaska, but it recommended that regulatory procedures in this region "focus initially on innovative and effective methods for meeting the Act's environmental objectives instead of strictly following the Act's prescribed practices."

For the Nenana basin, in Interior Alaska, the committee recommended that mining and reclamation standards "be determined from results that can be achieved using the best available technology for dealing with discontinuous permafrost and other special conditions that characterize this region." Although coal-mining at Healy, in the Nenana basin, "shows that obvious problems of surface mining and reclamation" are "controllable by practices now being used," conditions at Healy may differ from conditions in other parts of Interior Alaska, and "more experience and demonstrations of other technologies are needed before . . . standards can be accurately defined for Interior Alaska as a whole."

For the North Slope the committee concluded: ". . . [T]he mining and reclamation emphasis, apart from mining coal for local use, should be to obtain data on the basis of which the response of permafrost terrain to mining and reclamation practices can be evaluated and on the basis of which the unavoidable consequences of surface mining can be understood. . . .

". . . To the best of our knowledge, large-scale surface coal mining and reclamation have not yet been attempted anywhere in the world under Arctic conditions, i.e., widespread permafrost and tundra. Only limited experience from oilfield and pipeline development is available to guide revegetation of tundra and to predict the effects of industrial development on the indigenous wildlife. If an operator were granted a variance to mine coal on a commercial scale for a limited time on the North Slope, much could be learned about the effects of mining on the environment and about reclamation technologies. However, we recommend a go-slow policy for mining on the North Slope. Such a policy would involve initial small-scale operations for testing and developing techniques for mining and reclamation so that standards feasible for commercial mining on a large scale, using the best available technology, can be determined. Such small-scale operations are not likely to be profitable, and government subsidy or partnership or a government corporation may be needed. In addition, we recommend that appropriate variances be made for small-scale coal mines whose output is needed for heating villages and towns on the North Slope. . . ."

If Alaskan coal is to be exploited, the committee said, it "should be exploited in an environmentally acceptable way."●

THE HEALTH CARE CRISIS FACING ELDERLY AMERICANS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. FORD of Tennessee. Mr. Speaker, more than a decade ago Congress enacted legislation to establish a comprehensive medical care program designed to meet the health care needs of our Nation's elderly. The medicare program has, for the most part, met these needs, but it has been deficient in one important aspect. To date, no comprehensive program exists to provide our Nation's elderly with such medical appliances as hearing aids, eyeglasses, and, dentures. As a result, under the present system of health care in the United States many elderly Americans simply do without the medical devices they do so desperately need.

Mr. Speaker, to remedy this situation I introduced, on February 24, a bill to provide our Nation's elderly with eyeglasses, hearing aids, and dentures under the medicare program.

The deficiencies of the present medical appliance distribution system have been well documented. The Subcommittee on Health and Long Term Care of the House Select Committee on Aging studied this matter in September 1976. In its report entitled "Medical Appliances and the Elderly," the subcommittee found that over 5 million Americans are wearing eyeglasses which need correcting. The current medicare program does not cover the cost of eyeglasses and the necessary related eye examinations. Medicaid is also of little help. Only half the States provide eyeglass coverage under the medicaid program. In addition, private insurance is doing little to remedy this problem—they rarely cover vision expenses.

Vision care provides the most outstanding example of both the great need of this country's elderly for medical devices and the inadequacy of the present system. Indeed, with the exception of arthritis, chronic vision deficiencies are the most prevalent of ailments among the Nation's aged. Presently, more than 20 million older Americans, or 92 percent of the Nation's elderly, require and own eyeglasses. Many others, however, need corrective glasses but cannot afford them.

This need is critical. Many elderly persons are mistakenly and cruelly thought to be senile when in fact they are unable to see the necessary stimuli. A recent study conducted by the Ebenezer Society, a leading geriatrics center in Minneapolis, Minn., revealed that many older Americans may "have been inappropriately labeled mentally

impaired as a result of unresolved vision needs."

But inadequate vision care is not the only health problem plaguing our elderly. Dental care is a second health crisis which must be resolved. Approximately 11.4 million Americans over age 65 are edentulous (toothless) as a direct result of tooth decay and periodontal disease. Although a majority of elderly do have dentures, they acquire too many ill-fitting dentures, or worse, no dentures at all.

Inadequate dental care poses significant problems to the elderly. Persons who go without dentures for too long a time after becoming toothless may never be able to wear them. Furthermore, those equipped with ill-fitting dentures frequently plan their diets to minimize their chewing difficulties. Such diets often neglect meats, vegetables, and fruits—nutritional needs essential for life itself. Dr. Jay W. Friedman expanded upon this problem of ill-fitting dentures in a recent article in Geriatrics Magazine:

> The denture patient with poor dentures has a sore mouth, dissatisfaction with his chewing capacity, and fear that his teeth will come loose at embarrassing moments. Many elderly persons have given up chewing with their dentures and use them only for appearance in social situations.

Dr. Friedman also argues that the soreness created by the ill-fitting dentures may lead to cancerous lesions. All Americans should be assured of an adequate and balanced diet. But in the case of the elderly, nutritional needs cannot be guaranteed if they continue to be edentulous or equipped with faulty dentures. According to a 1975 Muellar and Gibson study, medicaid reported spending no money for dental care for the aged. Medicaid provides dental care under a States' option plan. But as more and more States trim their budgets, the dental care programs are often the first to be cut. Private health insurance companies provide no relief either. The Long Term Health Care Subcommittee's 1976 report states that "dental costs are the least insured major health in the United States."

But even if the vision and denture needs of the elderly were met tomorrow, we would still be confronted with a crisis in hearing impairment. The Federal Council on Aging, along with the American Speech and Hearing Association, concluded that over one-half of all persons aged 65 and over suffer a hearing impairment. For many millions of older Americans, the answer to many of these problems is the use of a suitable hearing aid. Hearing deficiencies assume many forms. One form, known as hearing sensitivity loss, is an inability to hear things loudly enough. Another form, speech discrimination, involves an inability to hear speech and other sounds clearly even though the sounds may be sufficiently loud and distinct. What the afflicted person hears is similar to grabied speech from a broken radio speaker.

The present health care delivery system makes hearing aid acquisition a costly proposition. A General Accounting Office report states that average retail cost to the purchaser of a hearing aid is approximately $350. This high cost is unfortunate and tragic for those elderly Americans who require a hearing aid. These people are unable to offer their contributions to society. Dr. Blue Carstenson of Carstenson and Associates states that the use of hearing aids would help the elderly and their problems of "isolation, degradation, and loneliness."

Some States under the medicaid program recognize this problem and provide appropriate coverage. However, approximately 80 percent of the States continue to provide no medical coverage. Medicare compounds this problem: Medicare currently provides coverage for neither hearing aids nor hearing examinations. In addition, private insurance policies rarely provide coverage for hearing aid expenses.

Many Americans hope to live to an old age. But think how frightening it would be to grow old and not be able to see, hear, or eat because of the high cost of medical appliances. This is the case for many millions of elderly Americans. Mr. Nelson H. Cruikshank, a former Presidential Counsel on Aging, commented upon this American tragedy:

> The elderly pay not in dollars. They pay in the quality of life. Some cut down on food requirements. Some go without the proper type of shelter. Some cut off their social life. Many just do without eyeglasses, hearing aids, and dentures and fall back into more and more seclusion and live a restricted life because these appliances are not available to them as they should be.

Dr. Sidney Wolfe, director of the Public Citizen's Health Research Group, explained the dilemma the elderly face because of their desperate need for medical devices:

> The only way out for the elderly is to make impossible choices. It is impossible for senior citizens to decide whether or not they want to hear what goes on in the world or whether they want to eat.

Mr. Speaker, none of us here today would like to make the decision of whether to hear or to eat. Yet, every day millions of elderly Americans must consciously make that decision. On their limited and fixed incomes, senior citizens have a most difficult time allocating the scarce financial resources. These people often chose to eat and exist rather than seeing, or hearing, and living life to its fullest tomorrow.

Mr. Speaker, our Nation's elderly should receive the best health care currently available in the United States. My goal will go a long way toward meeting this goal by extending the medicare program to provide our older Americans with eyeglasses, dentures, and hearing aids.

In the absence of a comprehensive national health program, I believe that my bill would be a significant factor in resolving the health care crisis facing elderly Americans. This national health tragedy has already inflicted deep psychological wounds upon those who are unfortunate in obtaining much needed medical devices. Mr. Speaker, I believe that it is time for an immediate change. I urge the House to give full consideration to my bill. I urge the House to give full consideration to the health needs of the Nation's elderly.●

HONORING OUR FALLEN HEROES

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. GUARINI. Mr. Speaker, on January 27 I introduced a bill authorizing the President to present gold medals to the families of the eight Americans who died in the Iranian rescue mission.

The week in which I introduced my bill was one of great national jubilation. Mr. Speaker, who can ever forget the outpouring of patriotism and strong national feelings that swept America when the former hostages returned home.

However, what was a moment of joy for most Americans was a matter of sacrifice for eight others. I am speaking of those eight brave American servicemen who went into the Iranian night on that fateful April day in order to free 53 captive Americans and did not return alive. While that time is not with us we must not allow the moment to be forgotten. These men, Charles T. McMillan II, Harold L. Lewis, George N. Holmes, Jr., Richard L. Bakke, Lyn D. McIntosh, Dewey L. Johnson, John Davis Harvey, and Joel C. Mayo, will never hear the cheering that accompanied the freed hostages.

I am proud of these young men and I am pleased with the response of my colleagues to my proposal that the families of these servicemen be presented with gold medals in recognition of their patriotism and bravery. At the present time this bill has 70 cosponsors including 6 of the 8 top-ranking majority members of the Banking Committee, the committee to which this bill was referred.

Support for this proposal is bipartisan in nature and covers every geographical area of the Nation. I am resubmitting the bill today along with the names of the 70 cosponsors so that their names may be part of the permanent record.

I ask that all my colleagues join me in honoring these men who attempted to end the ordeal of the hostages. If you have not already done so, please take the time to support this legislation. It is a small, but important way for a grateful Nation to remember.●

PRESIDENT REAGAN'S ECONOMIC PROGRAM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, March 4, 1981, into the CONGRESSIONAL RECORD:

PRESIDENT REAGAN'S ECONOMIC PROGRAM

President Reagan has placed before Congress and the nation the outlines of an economic program that is staggering in scope.

The President is set on bringing about a sharp shift in economic thinking and the structure of government. With his proposals for $54 billion in tax cuts and $41 billion in spending reductions, Mr. Reagan is seeking both to reverse the economic trends of recent years and to scale down the size of government relative to the economy. The President is not denying government a large role, but he wants to restrain its growth compared with that which would otherwise occur under current law. Spending in 1986 will be about 40% higher than spending this year under his plan, so he is accepting much of the New Deal and Great Society without question. Savings are to come from cuts in food stamps, jobless benefits, student loans, and welfare.

Another noteworthy feature of Mr. Reagan's program is his flat rejection of the theory that economic growth, full employment, and stable prices can be attained through the manipulation of government budgets. The President believes that budgets must not be used either to regulate the economy or to bring about social change. Instead, he wants to stimulate the production of goods and services by lowering taxes, cutting the budget, keeping the supply of money tight, and deregulating industry. More than any recent Chief Executive, Mr. Reagan will rely on control of money supplies and interest rates to stifle inflation.

The President's program is based on a risky theory concerning the behavior of Americans in the marketplace. Mr. Reagan is convinced that his program will shake up our expectation of high inflation and then begin to exert positive pressures throughout the economy. His hope is that he will quickly overcome high interest rates that have choked off car and housing sales, wage settlements now running at 10% per year, American dependence on foreign oil, external shocks to various sectors of the economy, and a difficult international monetary environment. The main question to ask about the President's program is not whether his goals are desirable, but whether his means are suitable.

Two things about Mr. Reagan's plan impress me. First, I am struck by the President's optimism. An astonishing self-assurance permeates his proposals from top to bottom. Mr. Reagan has a clear sense of purpose and a keen confidence that he can get the job done. Second, the economic assumptions on which all the President's budget figures lie are optimistic. Mr. Reagan assumes that the economy will grow at an average rate of 4.4% per year from 1982 to 1986 as inflation declines sharply. Such growth is without precedent. He also assumes that more than half of the tax cut will be saved in a way that dampens inflation. This scenario, too, has no precedent. Since the economy affects the budget as much as the budget affects the economy, the President's plan could be devastated if the assumptions are wrong. For example, the deficit would balloon by billions if the growth rate were only one percentage point below what Mr. Reagan assumes.

The President's proposals will probably be judged by a hard standard: whether or not they substantially reduce the rate of inflation. Many things could go wrong. The economic assumptions could be in error. The cuts in taxes and spending could cancel each other out. Tax cuts and increased defense spending could accelerate inflation. If any of these things happen, disillusionment will set in.

Mr. Reagan was right to say that those who oppose his program should come up with a better one. Of course, there will be no shortage of suggestions. I myself would like to see a deeper cut in the current budget (the President trims only $7 billion), a much smaller deficit for 1982 (Mr. Reagan almost doubles the $27.5 billion deficit proposed by his predecessor), more tax cuts designed specifically to boost the productivity of business (the tax savings recommended by the President significantly benefit high-income individuals), a reduction in taxes only after spending is reduced (Mr. Reagan is not stressing such linkage), an even-paced increase in military spending to diminish the likelihood of waste (the President is committed to a very rapid increase in military spending), and a moderate rate of economic growth that does not outstrip a slow increase in the money supply (Mr. Reagan wants a very rapid rate of economic growth).

Congress is clearly favorable to many elements of the President's program. So am I. Mr. Reagan has given the people a bold program, and there is a strong disposition in Congress to give it a try. My impression is that the great majority of people support the President's efforts to change the direction of government. The people expect Congress to consider those efforts urgently in an honest, bipartisan manner. I am quite prepared to support the basic ideas of the plan; large cuts in spending and taxation and a lesser role for government. We can no longer do business as usual.●

NORTHERN IRELAND

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. COTTER. Mr. Speaker, it is indeed appropriate as we move closer to St. Patrick's Day that we recall the debts of this country to the isle of saints and scholars. The contributions of the Irish people to our history and culture have truly been remarkable. It is a source of great pride to me to note that so many Irish men and women have helped to build and develop this great state and country.

On this day, however, a sober note must be interjected into our discussion. I pray that the violence which has torn apart Ireland will soon come to an end. It is my sincerest desire for a peaceful Ireland. A country joined not through violence but through a common effort by both the north and the Republic, by Catholics and Protestants, to establish a system of government in which both communities will live in economic, political, and social harmony.

I am confident that the Irish people will work out their differences. No matter how diverse their political or religious interests or backgrounds, the one thing all Irish men and women share is a love of their fine country. It is upon this love that the foundations of a peaceful Ireland will be formed.

We are all painfully aware of the troubles currently besetting Ireland. The conflict in those six of divided Ulster's nine counties known as Northern Ireland is now in its 11th year. All of the solutions have been tried up to this point have not borne fruit, yet the problem will not go away. It remains not only as a tragedy for modern Ireland, but it prevents the reconciliation of the Irish and British peoples and constitutes a threat to the peace and stability of the North Atlantic community and, therefore, to the security of the United States.

For 11 years, Northern Ireland has suffered under a virtual seige of violence that has shocked the civilized world. The perpetrators of this violence—regardless of their political motivation—deserve universal condemnation, both because of the injury they cause to society and the repression they invite.

I am against violence from wherever it comes. There is no justification for it in terms of religion, politics, or territory. Political rhetoric, religious differences, and manmade boundaries are one thing. But the wanton violence found in Northern Ireland should have no place in a civilized world.

It is bad enough when civilized countries fight each other under formal declaration of war, but it is utterly reprehensible whenever violence flourishes as a way of life.

I support any and all individual or collective efforts to appeal to end the violence in Northern Ireland, to oppose violence from any source, and to hail the efforts of the small band of dedicated men and women who have picked up the banners of peace and marched through the death streets of Northern Ireland.

We should all be aware that the cleansing light of American attention

to the issue of human rights in Northern Ireland can go a long way to removing the initiatives from the forces of violence on both sides, forces which often feed on the sense of frustration of the people of Northern Ireland that for them, there is no hope.

The knowledge that the American people are informed and concerned can be a key factor in helping the people of Northern Ireland triumph over those who presently try to grab world attention through the bullet and the bomb. Let us pray that we achieve success with our efforts.●

COMPANIES DOUBT THEIR ARTS GIVING WOULD RISE TO OFFSET REAGAN CUTS

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. GREEN. Mr. Speaker, I would like to bring to the attention of my colleagues an article which appeared in last Thursday's Wall Street Journal concerning the administration's proposal to cut funding for the National Endowments for the Arts and Humanities by 50 percent. I recognize that there has been politicization of the National Endowments under the Carter administration, and there undoubtedly could be savings by elimination of what have come to be known as basketweaving projects. But I defy anyone to show me where 50 percent reductions can be achieved in that fashion.

While arts programs have received a significant amount of private as well as public dollars in recent years, these contributions do not indicate that Federal support of such programs is unnecessary. The article I am submitting points to the need for continued support of the arts by the Federal Government in order to assure maintenance of arts programs. I believe that the Government has an ongoing responsibility in this area and to encourage participation in the arts by all sectors of our population. The continued growth of interest in and involvement in arts projects by the private sector is an indication to me that the Government should continue to support these programs. It has only been through the partnership of private and public moneys that arts and humanities programs have become so important to so many of our citizens. I urge my colleagues to continue encouraging this combined effort of the private and public sectors in order that we might still provide arts programs to all our committees and citizens. I am submitting for the RECORD the above mentioned article, and urge opposition to the disproportionately unfair cut in arts funding:

COMPANIES DOUBT THEIR ARTS GIVING WOULD RISE TO OFFSET REAGAN'S CUTS

(By Cynthia Saltzman)

Groups in the arts and humanities, alarmed by proposed steep cuts in federal subsidies, may find cold comfort when they look to business patrons to come to the rescue.

"I just don't see it in the cards that we'll be able to pick up that much slack," says Robert Thill, secretary of the contributions committee at American Telephone & Telegraph Co. The gap to be filled, he says, is "too much of an increase for corporations to make, in view of all the other obligations we have to meet."

The Reagan administration is seeking budget cuts of almost 50 percent at the National Endowment for the Arts and the National Endowment for the Humanities. The proposed cuts total about $165 million.

Some major patrons, such as Exxon Corp. and Pillsbury Co., which respectively give about $2 million and $1 million a year to the arts, say they don't have any plans to change their contribution policies. Only a few companies—mostly the biggest ones—really figure in the field. The Business Committee for the Arts says about 1 percent of the nation's corporations account for more than half the total corporate support for the arts.

THE COMPETITION

Big corporate contributors say they expect increased pressure for contributions in other fields, such as education, health and other service sectors. The Reagan economic plan that is stimulating concern calls for the budget authority of the NEA to be cut to $88 million in fiscal 1982, which starts Oct. 1, 45% less than the $159 million allocated for this fiscal year and almost 50% below the $173 million budgeted for fiscal 1982 by the Carter administration. The administration wants to chop the fiscal 1982 budget authority of the NEH by almost half, to $85 million.

The Reagan report asserts that the endowments "for too long" have been "promoting the notion that the federal government should be the financial patron of first resort both for individuals and institutions engaged in artistic and literary pursuits," thus discouraging private contributions.

But corporate officials and arts fund-raisers say the policy of government patronage has been a resounding success. Since the founding of the two endowments in 1965, corporate support of the arts has grown along with federal financing. In 1979, businesses contributed $436 million to the arts, compared to the 1967 figure of $22 million, according to the Business Committee.

STIMULATING GIFTS

The federal grants are engineered to encourage private contributions. All NEA grants must be matched by nonfederal funds. In one program, the "challenge grants" given major cultural institutions, each government dollar has to be matched by at least three nonfederal dollars.

Often a grant generates far more in gifts than required. The Museum of Fine Arts in Boston, for instance, has used a $2 million grant to launch a capital campaign in which it has raised $21.5 million.

The large museums, opera companies and symphonies don't have to convince prospective contributors of their artistic merits. But smaller, less-established groups often need the kind of recognition that comes from an NEA grant. It's like a "Good Housekeeping seal of approval," says Edward M. Strauss Jr., president of the Business Committee for the Arts.

"Any small arts organization is immediately asked by a corporation whether it gets money from the NEA or from the state arts council," says Marian Godfrey, director of development of Mabou Mines, an experimental theater group in New York that received about $71,000 of its $290,000 budget from the NEA last year.

"An endowment grant increases both your artistic and your management credibility," says Miss Godfrey.

Arts programs often have government and corporate sponsorship. The large exhibition "Expressionism—a German Institution 1905-1920," now touring the country, was sponsored by Philip Morris Inc. as well as the NEA and the Federal Republic of Germany.

"There's been a wonderful partnership between corporations and government in the arts," asserts Robert W. Bonine, vice president for community relations at Pillsbury. "But there's a limit to how great our participation should be. Corporations already give more to the arts than shareholders and the public think we should."

The final shape of the budget cuts isn't determined, of course, but arts leaders fear that small, more experimental groups are most likely to be hurt. Performing arts groups are particularly worried.

"I asked for a 30% increase in the $1.4 million subsidy from private individuals and corporations, to continue what we're doing now, and do the same number of productions," says William P. Wingate, managing director of the Mark Taper Forum in Los Angeles. "We aren't going to get it."

"Today we're producing plays with an average of 10 actors, including understudies, compared with more than twice that many in the late '60s and early '70s," Mr. Wingate adds. "That's how we've coped with inflation." Costs, he says, are rising at a 20% annual clip.

Museums also find that they have to ask for increasingly large amounts to cover the rising costs of exhibitions. Richard Dougherty, vice president for public affairs at the Metropolitan Museum of Art in New York, says the "Treasures of Tutankhamun" exhibition, which in the late 1970s cost the participating museums $1.5 million for shipping, travel and curatorial expenses, might cost double or triple that now.

In view of inflation and the threat of declining subsidies, cultural organizations will have to seek ways to increase earned income, arts managers say. Mr. Bonine says Pillsbury will try to help arts groups do that. "The next decade is going to be tough for all of us," he says.

Dayton-Hudson Corp., Minneapolis, gives 5% of its federal taxable income to nonprofit organizations (the maximum deductible charitable contribution allowed by the Internal Revenue Service). Wayne E. Thompson, senior vice president for environmental development, believes the President should announce a "public policy" encouraging the private sector to do more.

Corporations are bracing for a wave of new money requests from arts groups. "Requests from the cultural sector have increased more than any other sector in the past two years," says AT&T's Mr. Thill. Odile Basch, manager of cultural affairs at Philip Morris, estimates that the company gets 30 to 50 such letters a week from dance, theatre and opera companies, museums and other arts organizations.

Leonard Fleischer, senior adviser for the Exxon arts program, says, "Inflation is really a killer for the arts groups." If the Reagan program succeeds in bringing it under control, he observes, "That will help all the arts groups a lot."●

ELLA TAMBUSSI GRASSO

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. CHAPPELL. Mr. Speaker, it is with a deep sense of loss that I rise in tribute to the late Governor Ella Tambussi Grasso, who after a heroic struggle, lost her battle against cancer.

During her many years of public service, this woman truly was guided by a single principle—to work for the people with all of her heart, mind, and spirit. Indeed, she was revered by her constituents.

As I recall a story that was published in many newspapers, Mrs. Grasso was in a State helicopter over the State of Connecticut during a blizzard in 1978. Upon seeing an urgent message written in the snow by a constituent, she immediately responded to the problem.

As one of the most popular figures in Connecticut political history, Mrs. Grasso never lost an election in a political career that began in 1952. She began her illustrious career as a State legislator before being elected secretary of the State, where she remained for 12 years. By 1970 she was in Washington.

As a former colleague, I can attest to the fact that Ella Grasso was a truly dedicated and esteemed legislator. Her service on the Veterans' Affairs Committee and on the Education and Labor Committees was exemplary.

My heartfelt sympathies go out to Mrs. Grasso's family. I also wish to thank my colleague TOBY MOFFETT for calling this special order to "stop for a moment and reflect on the life of this extraordinary public servant and remarkable woman."●

TAXATION OF AMERICANS WORKING OVERSEAS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. PICKLE. Mr. Speaker, we must recognize and take legislative action with regard to our tax treatment of Americans working overseas. Our Nation has accumulated deficits in its trade accounts of some $150 billion over the past 4 years. If we expect our exports to remain competitive in the world market we must have our citizens working overseas to monitor and protect our interests. Yet our tax policy has forced many of these people to abandon the foreign markets and return home. They simply can no longer afford to live abroad.

A recent GAO study supports what I have been saying since 1975, that we must consider placing Americans working abroad on an income tax basis comparable to that of citizens of competitor countries. I would like to call my colleagues' attention to this study and ask that the digest of the report be placed in the RECORD.

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS—AMERICAN EMPLOYMENT ABROAD DISCOURAGED BY U.S. INCOME TAX LAWS

DIGEST

The competitiveness of U.S. exports in the world market has become a major national concern because of the deficit in the U.S. balance of trade that developed in the 1970s and its implications for real income and employment in the United States. This problem has been the focus of major initiatives to improve government export promotion programs and to identify and correct Government disincentives to exports.

To adequately promote and service U.S. products and operations in foreign countries, U.S. companies employ a large force of U.S. citizens abroad. There is widespread concern that tax provisions contained in the Foreign Earned Income Act (FEIA) (Public Law 95-615, Title II, Nov. 8, 1978) are proving a disincentive to employment of U.S. citizens abroad, and, therefore, adversely affecting exports.

A GAO survey of a group of major U.S. companies having substantial operations abroad revealed that U.S. taxes were an important factor in reducing the number of Americans employed overseas, because the:

Tax laws do not fully relieve the companies' employees from taxes on income reflecting the excessive costs of living and working abroad.

Companies generally reimburse overseas employees for their additional tax burden, making Americans more costly than citizens of competing countries, who generally are not taxed by their home countries.

Complexity of the new tax laws makes compliance difficult and expensive.

IMPACT ON EMPLOYMENT OF AMERICANS OVERSEAS

The United States is alone among the major industrial countries in taxing foreign-source income on a citizenship basis. It taxes not only base salary but also overseas allowances to the extent they are not offset by deductions provided for in the Foreign Earned Income Act.

Most major U.S. firms that GAO surveyed operate programs to reimburse expatriate employees for the additional tax burdens resulting from their overseas assignments. These programs are usually available to both Americans and third-country nationals.[1] They are generally designed to ensure that the tax liabilities borne by employees do not exceed the home-country taxes on their base salaries.

GAO found that these programs are significantly more expensive for Americans than for third-country nationals, who generally are not taxed by their home countries. For example, a third-country national in Saudi Arabia, where there is no income tax, did not require a tax reimbursement. Americans, on the other hand, paid U.S. taxes substantially in excess of those that would normally apply to their base salaries. The companies provided Americans in Saudi Arabia with tax reimbursements averaging $18,889 for married employees in the $45,000 to $55,000 salary range and $10,558 for unmarried employees in the $25,000 to $45,000 salary range.

The difference between the tax reimbursement payments provided to Americans by the companies and those made to third-country nationals contributed significantly to the relative costliness of Americans. Although it varied from country to country,[2] the difference was in all cases substantial, ranging from 24.5 percent of the differential in total compensation to over 100 percent. In the latter cases, the tax reimbursement made U.S. workers more costly even though their other compensation was lower than that of third-country nationals.

This cost differential was reported by the U.S. firms as a major cause of the decrease in their employment of Americans overseas. Further, the relative number of Americans in overseas positions decreased in comparison with third-country nationals from 1976 to 1980.

APPARENT INADEQUACY AND COMPLEXITIES OF THE FOREIGN EARNED INCOME ACT

Congressional intent in passing the FEIA was twofold—to create greater equity between people working abroad and at home and to provide benefits for the U.S. economy by encouraging Americans to work in hardship areas. The first objective was to be achieved through a series of deductions for the excess costs of living overseas and the second through either an additional $5,000 hardship deduction or through a $20,000 exclusion (with no deductions) for individuals in designated hardship area camps. In practice, however, the law

—falls far short of its goal of providing equity, and

—runs counter to the general goal of simplifying U.S. tax returns.

The FEIA provides a series of deductions for certain excess foreign living costs. In total, the deductions for cost of living, housing, schooling expenses, and home leave transportation do not appear to reduce income earned abroad by the actual costs of these items. Although the schooling and home leave transportation deductions were generally adequate according to data provided by U.S. company officials, the housing and cost of living deductions were often seriously inadequate in reducing income by actual allowances. In addition, the FEIA neglects to consider other costs, the most significant of which is the tax on the tax reimbursement designed to compensate employees for the excess taxes, both U.S. and foreign, that are incurred as a result of working overseas. Tax reimbursements were provided by 95 percent of the firms responding to our questionnaire. The tax reimbursement, while varying according to salary level, host country, and compensation package, often represented more than 30 percent of the individual's base salary.

The apparent inadequacy of the FEIA deductions overall is demonstrated by the large amounts by which an individual's total

[1] The third-country nationals included in GAO's survey were citizens of Canada, France, Japan, the United Kingdom, and West Germany.

[2] The host countries included in GAO's survey are Brazil, Hong Kong, Japan, Saudi Arabia, the United Kingdom, and Venezuela.

allowances exceed his FEIA deductions. In six countries, the allowances exceeded the deductions by $29,000 to $53,000 for married individuals and $19,000 to $28,000 for unmarried individuals. These figures represent the extent to which the FEIA does not reduce taxable income related to the excessive costs of living overseas. In practice, major companies protect their employees from such taxation. (See pp. 13 and 19.)

GAO found a general consensus that the FEIA is unreasonably complex. Many individuals overseas are unable to prepare their own tax returns and many of the U.S. firms surveyed incur substantial costs for preparation of employee returns. The risk of incorrect preparation of returns is great, and individuals are often forced to seek outside assistance. The average estimated cost of preparing an employee's tax return, according to the companies surveyed, was almost $700 if prepared by the company and more than $1,100 if prepared by an accounting firm. (See p. 14.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

Taxation of Americans working abroad is part of the continuing conflict among the tax policy objectives of raising revenue, achieving tax equity, simplifying tax returns, and other special aims of public policy, such as promoting U.S. exports and competitiveness abroad. In considering the question of whether, and to what extent, Americans working abroad should be taxed, the Congress must decide what priority should be assigned to each of the conflicting policy objectives.

GAO believes that the Congress should consider placing Americans working abroad on an income tax basis comparable with that of citizens of competitor countries who generally are not taxed on their foreign earned income, because:

Present U.S. tax provisions are widely regarded as discouraging employment of U.S. citizens abroad.

Present tax provisions have reportedly made Americans relatively more expensive than competing third-country nationals, thereby reducing their share of employment abroad by major U.S. companies.

Americans retained abroad by major companies are generally reimbursed for their higher taxes, adding to the companies' operating costs and making them less competitive.

A number of optional means of taxing Americans abroad have been proposed to the Congress. Two of these—complete exclusion or limited but generous exclusion of foreign earned income for qualifying taxpayers—would establish a basis of taxation comparable with that of competitor countries and, at the same time, would be relatively simple to administer. (See pp. 28 and 29.)●

BOOST ALCOHOL FUELS INDUSTRY

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MARLENEE. Mr. Speaker, my colleague from Iowa (Mr. BEDELL) and I have recently introduced legislation (H.R. 2246) that will give a boost to the alcohol fuels industry and at the same time provide a valuable protein-rich product to needy countries. When grain is used in the production of alcohol, only the starch is used. As Mr. BEDELL pointed out in his remarks yesterday (CONGRESSIONAL RECORD page 3497) all the protein, vitamins, and minerals in the grain used in the fermenting process are retained. Thus, the alcohol formation process has a byproduct of a protein-rich mash. At present, this mash is used chiefly as an animal feed. Those of you who had the opportunity to try the food samples provided by the WIFE (Women Involved in Farm Economics) organization during their demonstration before Congress last month know the value of this byproduct in human consumption. The legislation we propose directs the Secretary of Agriculture to investigate the potential for incorporating this byproduct in the export credit sales program and in the Public Law 480 program. We are not directing the Secretary to include this byproduct in our international food assistance programs, but only to investigate the potential of such use. What we have is a potential to help a fledgling domestic industry, increase our international trade, and further help in feeding the hungry of the world. I hope you will take the time to review the legislation and give it your full support.●

CONTINUING DEBATE ON EL SALVADOR

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. EDGAR. Mr. Speaker, each day we are greeted with new pronouncements on U.S. policy toward El Salvador which tend to escalate our involvement there. Distressing reports are also reaching us of events in that country, such as remarks by avowed rightist and coup plotter Roberto D'Aubuisson. He inexplicably remains free, despite his history and repeated statements against the Government, while Colonel Majano, a moderate reformer ousted from the Government last year, is now under arrest for his views. In view of these concerns, I wish to commend to my colleagues an editorial from the March 4 Philadelphia Inquirer entitled "United States is Rushing Toward Central American Tragedy."

The editorial follows:

UNITED STATES IS RUSHING TOWARD CENTRAL AMERICAN TRAGEDY

President Reagan, with encouragement from Secretary of State Alexander M. Haig Jr., is embarked on a course of very significantly increasing the United States' direct involvement in the bloody and brutal troubles of El Salvador and adjoining nations in Central America.

There is a great deal of evidence, unrebutted by anything the Reagan administration has publicly argued, that that course promises to lead the United States into painful, expensive, misdirected and domestically and internationally divisive folly. The best time to reconsider and to reverse that course is now.

What is that course? Materially, it is:

Monday, the administration announced that 20 new U.S. military advisors are being dispatched to El Salvador, to join 25 others there or en route, plus nine more assigned to the American Embassy in San Salvador.

Mr. Haig said the administration also intends to increase economic aid to El Salvador from the present level of $63 million a year, and reports from Central America suggested a range of $225 million.

That would be in addition to direct military materiel aid, of which $10.4 million worth of helicopters, ammunition and other supplies previously has been provided, with $25 million more being added at present by the Reagan administration.

It can be argued, and is being argued, that that doesn't amount to very much; that 54 American military advisors, forbidden to take direct part in combat, represent little risk of involvement in actual war; that the aid can be paid for mainly from existing stockpiles and appropriations; that it is a prudent level of contribution to stability in Central America, critical to the security of the United States.

The trouble with those arguments is that they rest on the assumption that the government of El Salvador, headed by President Jose Napoleon Duarte, is capable, with aid, of establishing domestic order, both economic and civil, and maintaining it in such a way as to nurture stability in the entire Western Caribbean region and thus the Western Hemisphere.

A preponderance of evidence insists that that assumption is totally false.

The Reagan administration and its supporters in this matter are on sound ground in insisting that there is not a clear, direct parallel between the circumstances of Central America and those which led the United States into Vietnam and to the bloodiest, most emotionally and politically scarring folly of U.S. history.

That inviting parallel falls on three important elements:

Scale: El Salvador is the size of Massachusetts, a bit more than one-twentieth of that of Vietnam, and has a population of 4.6 million, about one-twelfth of Vietnam's.

Location and access to American military might: The United States easily could wage war there.

International significance and involvement: Although clearly the Soviet Union and its client state Cuba will exploit any opportunity for instability in noncommunist nations, and to some extent are doing so in Central America, the great distances make it a practical impossibility for Communist nations to pour in the sort of massive aid which made North Vietnam and the Vietcong the military forces they were.

There is, however, a lesson from Vietnam which should be drawn by the Reagan administration, and by all other Americans, in the Congress and across the land.

That is that despite exploitation of the turmoil by Cubans and others, the principal motivation of the guerrillas who are resisting the Duarte government is not to press forward an international or regional communist conspiracy. The overwhelming indications by the most attentive and dispassionate observers are, rather, that the main purpose and mission of those resistance fighters is to shake off the staggering yoke of two generations and more—most of the history of the nation, in truth—of repressive, brutal exploitation by a tiny oligarchy.

The Duarte government has demonstrated it is virtually impotent in its efforts to control the established military, which still serves the interests of the oligarchy. Every indication is that if, with U.S. aid, that military can annihilate the resistance, Mr. Duarte's days would be swiftly over, and the forces of extreme repression would rise again to control.

To commit the United States to that course, to devote American treasure and, most likely, blood to that endeavor, to put the full faith and credit of the United States on the line to reestablish and perpetuate a totalitarian rule of the extreme right would be a tragic disservice to every value America should stand for.

It also would threaten, in real and importantly practical terms, to alienate the U.S. government from those of its most enduring and vital allies, and to alienate the Reagan administration, perhaps gradually but no less cripplingly, from a vast segment of the American people.●

FREEDOM FOR ESTONIA: CAUSE OF CAPTIVE NATIONS CONTINUES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1981

● Mr. BIAGGI. Mr. Speaker, February 24 marked the 63d anniversary of the proclamation of the independence of the Republic of Estonia, illegally annexed by the Soviet Union in 1940. The short-lived freedom of this small Baltic nation is a cause of concern to those of us who remain deeply committed to freedom for all captive nations who continue to be suppressed, against all respect for the principles of international law and order.

On the anniversary of its independence, Estonia, along with its sister nations, Latvia and Lithuania, finds itself void of human and civil rights, provided for in the 1975 Helsinki accord. This proclamation, cosigned by both the United States and the Soviet Union, provided a vehicle for the guarantee of human rights to the Estonians of Eastern Europe. The Soviets have acted in complete disregard for the provisions of Helsinki through their continued unwarranted and immoral occupation of Estonia.

The shores of the Baltic Sea have been home to Estonians since 2000 B.C., who remained free until the 13th century, where their strategic location invited a succession of foreign invasions, 90 percent by Russia. Such dominations did not dampen the Estonian national spirit, and World War I found them fighting a successful war of independence against the Russians. Sadly, this independence was brutally eliminated when Russian forces invaded Estonia in June 1940.

This annexation not only terminated the freedom of Estonia, but also resulted in the massive slaughter and deportation of its citizens. The height of Soviet aggression occurred in mid-1941 when 60,000 Estonians—more than 5 percent of the entire population—were either killed or sent to Soviet concentration camps, and again, in 1949 when 80,000 rural Estonians were driven from their land and deported to Siberia during the Soviet mass confiscation of small, privately owned farms. Our outrage at this heinous act of barbarism is compounded when a stunning total of 350,000 people were lost between 1939 and 1949—one-third of the population of this tiny, freedom-loving nation.

The systematic Russification of Eastern Europe countinues unabated today. Afghanistan is the most recent victim of the ever-hungry jaws of Russian communism. I call upon the new administration to take strong and substantive action to curtail the spread of Soviet domination in all areas of the world and work to reinstate the human and civil rights of the Estonia people—rights which have eluded them for 63 years.

We shall not abandon the cause of captive nations. I will continue to work to eliminate violations of human rights in all areas of the world and insure that the freedom which all people of captive nations seek is not merely an illusive dream. We can never love freedom as much as those who are desirous of it because they do not have it themselves. I pledge my continued support for the full restoration of rights to the people of Estonia and their brothers and sisters in Baltic Nations and join with them in their struggle to reachieve their independence.●

THE POST PUBLISHING CO.'S TRIBUTES TO ELLA T. GRASSO

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. McKINNEY. Mr. Speaker, as you know, Connecticut's beloved Governor and our former colleague, Ella T. Grasso, recently lost her long and courageous battle to cancer. This loss was felt deeply throughout Connecticut for she was not just an elected official but, more so, a symbol of all of that which is good about our State. Reflective of this attitude is the tribute paid her by the Post Publishing Co.'s two newspapers in Bridgeport, Conn., the Morning Telegram and the Evening Post. Under the direction of Joseph A. Owens, who is editorial editor for both papers, the Telegram and Post devoted entire pages to the life and career of the late Governor Grasso. So that I may share these commentaries with her many friends here in Congress, I include the articles in the RECORD at this point. The Post article is simply entitled "Ella T. Grasso" and the Telegram piece is headlined, "Gov. Ella T. Grasso—An Inspiration." Lastly, and appropriately, Mr. Speaker, I would also ask permission to include a signed column by Mr. Owens which describes "Ella's Last Public Appearance." Mr. Owens is a veteran observer of Connecticut's political scene and he was one of those who was fortunate to have enjoyed a special friendship with the late Governor Grasso.

The articles follow:

ELLA T. GRASSO

Governor Ella Tambussi Grasso was an extraordinary person.

A debilitating, wasting illness claimed her life yesterday, but only after she had courageously fought the ravages of cancer for 10 long, painful months.

During Governor Grasso's heroic battle, the people of Connecticut were united in the hope that a miracle would occur; that their prayers would be answered. It was almost mystical, this intense concern for the woman who had governed this state for six years. To men and women of all ages, and social stations, it was unbelievable that their vibrant leader would be touched by death.

Ella T. Grasso was an officeholder with style and grace. She had an indomitable will to succeed, once she was convinced the cause was fair and just.

All her life she confronted the odds and won. By never losing sight of the fact that she was the daughter of poor immigrants, she worked hard at every project she undertook. That accounted for a good measure of her success. But there was more. She had the rare ability to quickly perceive facts and draw logical conclusions. Often there was need for bravery, whether the contest involved Democratic politics, a governmental issue, the rights of others or the good of Connecticut and the nation.

Mrs. Grasso did not think it unusual in 1974 when she became the first woman to seek the governorship. "I believe that working for the people is the noblest profession, and I seek this office to serve the people."

The empathy between this native of Windsor Locks and the people was abundantly evident as she traveled about the state during the autumn days and nights of her first gubernatorial campaign. There was a sense of anticipation. Voters were anxious for Election Day to come so they could pull the lever for the candidate they knew as "Ella."

Upon entering office, she inherited financial problems of a tremendous magnitude. Her inaugural address was a message of hope, of confidence and of challenge.

"The business of Connecticut can be conducted openly, compassionately and efficiently—with prudence and economy. It can; it must; and so it will," she declared in the magnificent Great Hall of the House in the Capitol. Twenty-one years earlier, in the same high-ceilinged, historic chamber she had taken the oath as a state representative.

There is no career in American history that parallels the course Mrs. Grasso traveled. While giving unstintingly of herself to

public service, Mrs. Grasso remained the heart of the Grasso home. She took special interest in the work of her husband, Thomas, an educator, and raising their two children, Susane and James.

She lived by a code which embraced the highest moral laws and would withstand the test of any ethics or philosophies ever promulgated. That code orbited around her love of people. There was a personal attachment that was genuine and treasured by Ella.

To build a better state, she was convinced it was necessary for her to set the example. Until the state's finances were straightened out, she returned part of her salary, and insisted on frugality in her office and the Executive Residence. During the gasoline shortage in 1979, she commuted by bus between the Grasso summer home in Old Lyme and Hartford.

That was the indefatigable Ella, in her role of teacher, refusing to ask of others what she would not do herself. On the bus trips, as she did wherever she went, this warm-hearted woman introduced herself as Ella. That is how she wanted to be known. Titles meant little to her.

No one loved a challenge more than Ella. The blizzards early in the winter of 1978 pumped up her adrenalin and, much in the manner of a MacArthur or Patton in war, she was the general who, from a command post in the Hartford Armory, directed emergency measures.

Then in her typical fashion, the governor went aloft in a helicopter and viewed operations from the sky. In a rural area, people had etched a message in the snow: Ella Help! They knew their plea would be heeded.

When other natural disasters struck, this woman of strong spirit and boundless energy was on the scene, exhorting rescue squads to give their all. With that kind of inspirational leadership, how could they do less?

Governor Grasso, a Phi Beta Kappa graduate of Mt. Holyoke College, mastered the intricacies of politics, with the late Democratic Chairman John M. Bailey her tutor.

Connecticut is saddened by the death of Ella, a dynamic leader who showed us that old values will never wear out. Her explanation of why she entered public life is worthy of reflection: "Working for the people is the noblest profession of all."

Ella T. Grasso did Connecticut great honor.

GOVERNOR ELLA T. GRASSO—AN INSPIRATION

For as long as there is a state called Connecticut, the remarkable career of Ella Tambussi Grasso will be a source of inspiration.

Sentimentalists are rightly claiming that she was the American dream come true. We are among them.

The distinctive success of Governor Grasso was the result of hard work. Her quest for excellence as a student brought her scholarships to private schools where classmates were accustomed to a lifestyle enjoyed by the wealthy. Her immigrant parents, who settled in Windsor Locks—a mill town between Hartford and Springfield—had ample cause to be filled with pride when their daughter graduated Phi Beta Kappa from Mt. Holyoke College. That was only the beginning of the achievements this ambitious woman would attain.

More with a sense of history than anything else, Governor Grasso often described herself as a "child of the Great Depression." She would recall, with a smile, that during the early years of their marriage, she and husband Tom operated a movie theater in the shoreline community of Old Lyme during the summer. There was need to supplement his income as an educator. "Every morning we hoped it would rain," she said more than once as she spoke of a bygone era that had left an indelible imprint on her mind.

In this current age of pretense, Ella T. Grasso was genuine. She was plain; she was real. Humor and sparkling conversation were prized by her. She walked with, and talked to, the mighty, but never lost the common touch because of the deep and abiding concern she harbored for the well-being of others. She was a woman of true compassion.

The cosmetics of politics and Ella T. Grasso were not compatible. During a campaign she sought the opportunity to meet and to talk to people. The result, she confidently believed, would take care of itself. Nine victories without a loss stand as a tribute to the philosophy which governed her policy.

It is history that she was the last protege of the late Democratic State Chairman John M. Bailey. A quarter of a century ago he envisioned greatness for a young woman in the General Assembly, gifted with the ability to understand complex issues and offer sensible solutions.

The arrival of Ella T. Grasso at the top—her victorious gubernatorial effort in 1974—was welcome and invigorating. She had succeeded in a man's world. Her election to the governorship was national news, but the winner stoutly refused to see herself as a celebrity. Always, she wanted the people to think of her simply as, and call her, "Ella."

Politics is a rough profession. No one ever liked the give-and-take as much as Governor Grasso did. She crafted an administration that well served the best interests of the majority of the people. The example was set by the leader who carried out her duties conscientiously and most often cheerfully.

Humor was one of her hallmarks and she used it effectively on lawmakers and bureaucrats alike to get a job done. In the company of friends at lunch or dinner, Governor Grasso took special delight in recounting happenings, serious and otherwise, in a way which provoked laughter. The wrinkles in her cheeks were etched by thousands of smiles that reflected her inner joy.

The death of Governor Ella T. Grasso is an occasion for detailed reports about her ascendancy in public life, along with statements by countless high-ranking public figures and business leaders who honestly admired her skills, her character and her integrity. After all has been written and said, one fact will remain: Her stay in Connecticut was all too brief, though she lived here her entire life of 61 years.

Comfort can be taken in her legacy. Governor Ella T. Grasso willed to current and future generations a special gift. She provided a model of how public service can be an unselfish act of love for fellow human beings.

ELLA'S LAST PUBLIC APPEARANCE

(By Joseph A. Owens)

Most fittingly, Gov. Ella T. Grasso's last public appearance was at the annual meeting of an organization she helped launch, whose members will always hold special affection for her.

It was a night of fun for the Hundred Club at La Renaissance in East Windsor. Larry Elgart's big band rocked the rafters with its rendition of "Hello Dolly" with the lyrics changed to "Hello Ella" as Connecticut's beloved governor marched into the hall, accompanied by Bridgeport businessman Bill Flynn, the retiring president, and Bob Lappin, the new head.

There was a constant stream of visitors to the head table, as men and women sought to personally greet the governor and a gentleman who directed the state from 1961 to 1971, former Gov. John N. Dempsey.

The crowd was happy because Ella and Dempsey spread joy wherever they went. And, in a departure from previous practice, another state officeholder, Secretary of the State Barbara B. Kennelly, served as "mistress of ceremonies."

Though she was accustomed to speaking to large groups, running the show was a new experience for Barbara. Her husband, Jim, her mother, Mrs. John Bailey and her brother, John, smiled every time the MC looked to Flynn or Lappin for a cue.

Lappin announced the establishment of a $5,000 scholarship in Ella's name for the son or daughter of a firefighter or police officer killed while on duty. To make the night complete, Ella was given a gold mantel clock and a scroll commemorating the occasion.

Dempsey was at his best. He turned the pages back to 1967 and a meeting in his office which led to the founding of the club which aids families of police officers and firefighters killed on duty. Among those present was Secretary of the State Ella Grasso. After listening to the proposal, Ella said to the governor, "If this club will help human beings, and I think it will; and if this club will help those in need, and I think it will; let's get it going."

With a big smile, Dempsey added, "Ella gave me some additional advice. 'Make sure you put up the first one hundred bucks!'"

Though she was tired and weakened by her illness, Ella was magnificent.

First she needled "Barbie" and expressed hope Kennelly would be "a toastmaster person for a long time."

The compassion Ella felt for people who had experienced misfortune was obvious. She spoke eloquently about those who give "a gift of self and a gift of love."

And paying tribute to her longtime friend, she revealed, "You know, I didn't spend all those years with John Dempsey for nothing. I learned a great deal from him, especially from his inimitable store of quotations. I'm sure he won't mind if I take a little liberty with one:

The world has need of the best in you,
The world has need of the work you do.
The world has need of a helping hand,
The world has need of a friend who understands.

It welcomes the honest, the loyal, the true,
The world needs this Hundred Club and it looks to you.

There was a standing ovation for Ella. Everyone in the hall, some 650 people, knew that she was making a gallant attempt to conquer a disease that topples giants.

The date of the dinner was Nov. 6, 1980. Within a month, Ella T. Grasso resigned her governorship because she lacked the strength to serve.

Ella's last public speech was as good as any she ever made.●

PAINLESS BUDGET CUT: ELIMINATE WASTE

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. YOUNG of Florida. Mr. Speaker, I wholeheartedly endorse President Reagan's call for a reduced Federal budget. The runaway Government spending of past years has nearly destroyed our economy while at the same time increasing the taxpayers' burden to a record high.

As a first step, there is a quick, painless way to reduce the Federal budget immediately, without requiring cuts in existing programs or reductions in services to the needy. All we need to do is eliminate the waste in the Federal budget caused by fraud, mismanagement, and abuse.

Of course, like the weather, everyone talks about this goal yet seems to do little about it. Yet our own General Accounting Office evaluates Federal programs regularly, and then publishes reports with its findings. Each agency also has in-house inspections and audits which can reveal wasteful spending. This rich lode of information can be readily mined by Congress, by the White House, and by the agencies themselves, and in the process stretch each dollar we spend while reducing the taxpayers' burden.

As I review these reports, I find shocking misuse of Federal money: $34.4 billion in waste identified by GAO alone, simply adding up the amount of misspent money found by the Federal Government itself. For instance, the mammoth Department of Health and Human Services estimates that it loses some $6 billion a year through the abuse of its programs, from fraudulent claims, and from mismanagement that allows precious dollars to slip through the cracks. In fact, the Justice Department has estimated that anywhere between 1 and 10 percent of the Federal Government's $250 billion economic assistance budget, or $2.5 to $25 billion, is vulnerable to fraud.

Another real saving could be achieved if the Federal Government simply adopted commercial business practices in its debt collection system. Every year, nearly $3.5 billion are written off by Federal agencies as uncollectible debts. Under the present system, most agencies just write off debts when they can not collect them. The GAO found this practice to be wasteful, and has suggested the adoption of the system used by every penny-conscious businessman who does not have a limitless supply of public funds to keep him afloat: Collect those debts.

How about eliminating unnecessary programs? One good candidate would be the Department of Housing and Urban Development's college housing loan program, which spends some $2.6 billion a year. Under it, colleges can apply for housing funds if they have many students in need of dorms. The GAO found, however, that the funding criteria had little if any relevance to student housing needs, so that some institutions with little use for the housing money were getting millions of dollars a year. That, coupled with the fact that the college-age population is decreasing and enrollment is therefore declining, spells waste. This is a questionable program which additionally misspends funds.

While we are at it, why not take a close look at our massive foreign aid spending? On February 3, 1981, I detailed before the House of Representatives ways in which we could save billions of dollars in long-term obligations by scaling down our foreign aid program.

These are just some of the many instances where the taxpayers pay for ineptness, mismanagement, and waste. A $100 million, or even $1 billion may seem like small potatoes in a budget which will reach over $700 billion in fiscal 1982, but it all adds up in the end. That is how we are able to find $34.4 billion of waste in just a cursory reading of only some of the Federal Government's own financial documents. If GAO has identified this much, just imagine what a concerted effort by Congress to root out waste and inefficiency at every level of government could do for the taxpayers' pocketbooks and for our efforts to balance the Federal budget as well.●

LITHUANIAN AMERICANS COMMEMORATE THEIR HOMELAND INDEPENDENCE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1981

● Mr. DERWINSKI. Mr. Speaker, Lithuanian Americans are a well-organized and hard-working ethnic group who are deeply interested in maintaining their cultural background. When freedom is restored to their homeland, they will be in a position to make a positive contribution to the progress of Lithuania.

Lithuanian Americans from all over the United States joined in commemorating the 63d anniversary of the declaration of independence in their homeland. The Cicero, Ill., chapter of the Lithuanian American Council issued a resolution in support of those who continue to live under the bondage of Soviet rule. I insert that resolution for the attention of the Members:

RESOLUTION OF THE LITHUANIAN AMERICAN COUNCIL, CICERO CHAPTER

We, the Lithuanian Americans of Cicero, Ill., assembled this 8th day of February, 1981, at St. Anthony Parish Hall to commemorate the restoration of Lithuania's independence, do hereby state as follows:

That February 16, 1981, marks the 63rd anniversary of the restoration of independence to the more than 700-year old Lithuanian State;

That Lithuania was recognized as a free and independent nation by the entire free world, she was a member of the League of Nations; however, she was by force and fraud occupied as a result of an infamous Molotov-Ribbentrop Pact of 1939 and illegally annexed by the Soviet Union disregarding the Peace Treaty of 1920 and the Non-Aggression Pact of 1926;

That the Soviet Union is an imperialistic, aggressive colonial empire, subjugating each year new countries; Lithuania was one of its first victims. Unlike its western allies, the Soviet Union has failed to withdraw from countries that it had occupied during World War II;

That the Soviet invaders, even though using tortures in jails, concentration camps, psychiatric wards are unable to suppress the aspirations of the Lithuanian people for self-government and the exercise of their rights to self-determination: Now therefore, be it

Resolved, That we congratulate Mr. President Ronald Reagan and his administration, who took the helm of U.S. government by their strong and much-promising hands;

To urge the United States of America to use diplomatic pressures, international forums and direct negotiations that the Soviet Union withdraw its military forces, secret police apparatus, its administration and release from jails, concentration camps and psychiatric wards people who struggle for human rights and independence;

We are grateful to President Reagan for a statement before his election that an official diplomatic non-recognition of the forced incorporation into the U.S.S.R. of the three Baltic nations will continue to be a policy also of his Administration;

That we express our most sincere gratitude to the United States Administration and the Congress for non-recognition of the incorporation of Lithuania into the Soviet Union;

That copies of this Resolution be forwarded to the President of the United States, to the Secretary of State, to the U.S. Congressmen and Senators from our state, to Congressman Dante B. Fascell, Chairman, Commission on Security and Cooperation in Europe, Senate Foreign Relations Committee, House Foreign Affairs Committee, and to the news media.

DR. PETER ATKOCIUNAS,
President.
STANLEY DUBAUSKAS,
Secretary of the Meeting.●

WORK INCENTIVE FOR AFDC WOMEN

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. PETRI. Mr. Speaker, I recently introduced a bill, H.R. 1432, which will

help to bring our welfare system up to date and could save around $1 billion in Federal support for welfare programs each year. Specifically, this legislation would expand the aid to families with dependent children work requirement by requiring mothers with no child younger than 3 to register for the work incentive program (WIN).

I believe that this reform is several years overdue. Under the Social Security Act, an AFDC mother who has children under the age of 6 is exempt from any work requirement. Bureau of Labor Statistics' figures indicate that 55.6 percent of all women with youngest children between the ages of 3 and 6 are in the labor force. There are approximately 700,000 AFDC mothers with youngest children between 3 and 6. Given these figures, it would seem that many women on AFDC would also like to work, and my bill would encourage them to do so by requiring them to register for the WIN program. The bill does not cut anyone off from AFDC benefits, since if a suitable job is not available, the family would continue to receive benefits.

We all know that women are increasingly active in the labor force, and they gain professional satisfaction as well as monetary rewards for their service. The rapid growth of day-care centers and preschool programs has greatly improved educational and social activities available to the young. By encouraging women to work, we are not discouraging early childhood development. Operation Head Start and other good and innovative day-care programs have taught their participating children the skills needed to compete successfully in school. These children are less likely to need special or remedial work later on.

We have all heard from our constituents about their disappointment with the inequities of our welfare system. This bill would effect a just change. It emphasizes the productive energies that all Americans have, and increases the chances for a better life for those who will be helped to find and maintain jobs.

I urge my colleagues to join me in the sponsorship of this bill.●

BALANCE OF GOVERNMENT

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BOLLING. Mr. Speaker, the following article by Hon. James R. Schlesinger is realistic and well worth reading. It appeared in the Washington Post of March 4. As the Post says, Mr. Schlesinger, "who has held various Cabinet positions, served for a time as acting director of the Bureau of the Budget in the Nixon administration."

BALANCE-OF-GOVERNMENT

(By James R. Schlesinger)

By fiscal 1984, according to the new economic plan, 1) the major entitlements programs, defined as the "social safety net" and placed off-limits, will rise to at least 41 percent of federal spending; 2) defense expenditures will rise from 24 percent to 32 percent of federal outlays, or some 6.4 percent of GNP; 3) the share of national output taken by the federal government will, in three years, be squeezed from 23 percent to 19 percent of GNP.

To accept these targets as likely outcomes requires what Alfred North Whitehead called "a temporary suspension of disbelief." It presupposes steady real economic growth of close to 5 percent annually accompanied by a decline in unemployment despite tight money. Federal interest costs are projected to decline from 10 percent to 9 percent in a shrinking budget—reflecting Herculean assumptions of a rapid fall in the deficit (because of rapid real growth based on the supply-side effects of tax reductions) and of a fall of the interest rate to 7 percent (in the face of tight money). Expenditures for the social safety net, defense and interest payments will rise from 71 percent to a mere 82 percent of the budget—a figure so constrained only if one accepts the assumptions regarding interest payments.

What is referred to as balance-of-government must therefore shrink from 29 percent to, at most, 18 percent of federal spending. That implies, given a budget declining in real terms, that the balance-of-government will, in relation to national output, fall by 50 percent, from 6.7 percent to 3.4 percent of GNP. With plausible economic growth rates, the programs would be cut in real terms by 40 percent or more. Achieving the Plan's goals depends critically on this massive reduction. In brief, it is not going to happen.

Balance-of-government seems a somewhat cavalier way to describe the activities of the legislature and the judiciary as well as 10 departments and all of the countless agencies, putting aside the Veterans Administration and the CIA. It includes vastly popular programs—Smokey Bears, the national parks, the Smithsonian. It includes programs related to the national security whose aggregate cost will rise substantially—the DOE's nuclear weapons program, the FBI, the Coast Guard, security assistance, the strategic petroleum reserve. It includes programs with powerful constituencies—agricultural extension, maritime subsidies, aid to Israel. It includes civil service retirement ($20 billion and rising rapidly). It includes Medicaid—capped but still growing. It includes expenditures of Congress and the judiciary, unlikely to shrink. This just begins to scratch the surface, but it should be evident that, even if Congress desires to avoid being "obstructionist," it will find it virtually impossible to "cooperate" beyond the initial tranche in slicing the balance-of-government in half.

Not only has the safety net been "fenced" but also tobacco price supports (Sen. Helms) and the Clinch River breeder reactor (Sen. Baker); the food stamp cut has been modified (Sen. Dole). It is just conceivable that other senators may be heard from.

Nor is it only Congress. This has been described, perhaps in a spirit of fun, as Cabinet government. While Cabinet members have been extraordinarily docile to date in the presence of OMB examiners, what will happen when they discover that they face unending conflict with their constituencies, their subordinates, Congress and in the courts—that this Solomonic decision is intended actually to cut their babies in half?

The pain has not yet started. The first $34 billion in cuts were readily compiled by stapling together virtually every non-defense budget cut proposed to every budget director or president for the last 12 years. All right so far. It is comparatively easy to target CETA, Amtrak, trade adjustment assistance, the Appalachian Commission—or to demand user fees. However, in order to reach the state target for FY1982, an additional $10 billion to $13 billion in as-yet-unspecified cuts will be required by March 10 above the $34 billion initially specified—perhaps more if a recession comes. The going is obviously getting more difficult. Moreover, the first set of cuts must be matched by an additional $30 billion to $40 billion in cuts by FY1984, if the ultimate target is to be achieved. One may be skeptical how much beyond the first tranche of cuts we shall actually get.

It is axiomatic in budgeting that cuts are easy to identify—so long as one merely lowers the numbers and ignores the programmatic consequences. Cutting "balance-of-government" in half—not very likely! Protection of some areas implies that cuts elsewhere will have to be correspondingly more severe—if targets are to be attained. Other agencies will soon join the national endowments for the arts and humanities in facing reductions of 50 percent and much higher.

According to the Plan, non-defense expenditures of the federal government, now running at 17 percent of GNP, will have to be reduced to 12.5 percent of GNP to accommodate defense expenditures and reduce overall federal spending to 19 percent of GNP. Non-defense expenditures can plausibly be cut by a couple of percentage points, but hardly 4½ percent of GNP—and even the lower goal becomes difficult when the major entitlement programs are placed off-limits.

The public mood now supports major reductions in federal expenditures—and they will come this year. But as one looks to 1984, one must be skeptical. Nonetheless, editorialists are now making sympathetic noises regarding the premises of the overall program—inquiring who has a better alternative. How about—facing reality. If the United States must preserve the social safety net, and if it is to strengthen its depleted defenses, as well as pay interest, some 16 percent to 17 percent of GNP will be required. It will be almost impossible to reduce total federal expenditures to the 19 percent level. Indeed, they are likely to remain in the range of 22 percent. Taxes will have to be adjusted accordingly.

Budget control is a goal fervently to be sought. But budget control will not be attained by projecting budget reductions far deeper than are realistically attainable—and by projecting tax reduction based on the realizing of such unachievable cuts. No matter how much one might wish it, the budget is regrettably not yet susceptible to the alchemist's art.

Perhaps most important of all, the international challenges facing this nation are serious. An endless domestic debate over unattainable objectives, distracting attention from our international difficulties, contributes little to the national interest.●

TRIBUTE TO HARLEY STAGGERS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. RAHALL. Mr. Speaker, this evening the West Virginia State Society will hold a banquet honoring our former colleague, Congressman Harley O. Staggers. I am pleased to participate in this tribute.

The following is a brief statement I plan to make this evening, and I would like to share it with my colleagues at this time:

REMARKS OF CONGRESSMAN NICK RAHALL, TRIBUTE TO CONGRESSMAN STAGGERS, MARCH 4, 1981, FORT MCNAIR OFFICERS CLUB

Thank you and good evening.

The Second Congressional District of West Virginia occupies the eastern part of the State, and contains the most mountainous and most sparsely populated counties in the State. It is the largest congressional district, geographically, east of the Mississippi River, and certainly one of the most beautiful areas of America.

Just as the Lord blessed this region of our land with great natural beauty and resources, He likewise blessed it with a man who dedicated a lifetime to the region's assets—its people and its terrain.

It is for this reason, I am proud and pleased to participate in this tribute for one of West Virginia's best—Harley O. Staggers.

A year ago last month, Harley Staggers announced his intention to retire from the United States House of Representatives, after 32 years of dedicated service. Within hours of his decision, his colleagues expressed their praise and admiration for him, and I would briefly like to share with you now some of the things that were said about Harley Staggers.

I quote, "In his time, he has met every challenge head on with determination not found elsewhere."

Quote, "He is a man of unquestioned integrity and ability."

Quote, "Mr. Staggers is a man who cares a great deal about his country."

And finally, I quote, "Harley Staggers has represented his West Virginia constituency well.

No other district has been served more honorably. A loyal person, he is true to both his beliefs and friends. He knows what too many have not learned—to get loyalty, one must give loyalty."

There was another colleague of ours who stated his feelings for Harley Staggers on that day last year in the House chamber. He is no longer with us, because if he was, he would be sitting at this table. I am referring to the late Congressman John Slack.

John said of his good friend Harley Staggers, "Here is a man of whom it can be said, gave all the best years of his life to public service. In war, in peace, in cold war and detente, in recession and inflation, he did his duty as a soldier in the trenches of the legislative process."

I had the privilege of serving with Harley Staggers for four years in the House of Representatives. There is not enough time in the day for me to relate the things he did for me. I can say one thing, however, Harley Staggers stands as strong, as determined, and as proud as the West Virginia mountains.

Ralph Waldo Emerson once observed that sometimes a man's accomplishments and deeds fall short of the measure of the man himself. Emerson said this in reference to George Washington, but it applies to Harley Staggers as well.

Harley is unique among American statesmen. He is one of the best; but most of all he is a man for whom we are all proud, a man we are pleased to honor, and a man we are all honored to call a dear friend.

Thank you.●

THE CIGARETTE SAFETY ACT

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MOAKLEY. Mr. Speaker, recently, the Wall Street Journal ran a five-part series on fire safety. Unfortunately, the series neglected to mention the No. 1 national cause of residential fire fatalities and injuries—cigarette related fires.

I would like to share with my colleagues a letter—March 3, 1981—Senator ALAN CRANSTON, the sponsor of the Cigarette Safety Act's companion bill in the Senate, wrote which spells out the compelling need for congressional action to mandate the Consumer Product Safety Commission to review cigarettes as an ignition source and determine the feasibility of a performance standard that will insure cigarettes have a minimum capacity for igniting smoldering furniture fires.

The letter follows:

I applaud your excellent five-part series on fire safety. Active citizen interest in the enforcement of community fire codes is long overdue.

I'd like to point out, however, that smoke detectors, lighted fire escapes, sprinkler systems and fire doors can only mitigate the loss of life and property once a fire has started. And important though they may be, an ounce of fire prevention is worth pounds of mitigation. We need to—and we can—do something about the Number One cause of fire deaths in America: the untended cigaret.

Some 74,000 fires a year—which take the lives of 2,300 people, burn and otherwise injure 5,800 others, and cause $210 million in property damage—result from "forgotten cigarets" carelessly dropped on bedding or upholstery. Add to those costs uncounted millions of dollars more in lost sales and production and in worker layoffs following such fires, medical care for the victims and higher insurance premiums for all.

Trying to get smokers to be more careful has proven a Sisyphean task—the incidence of cigaret-caused fires has gone up. Fireproofing all fabrics would be enormously expensive and probably impractical. It would be easier and cheaper to make cigarets that can't start fires. Believe it or not, that is not only possible, it is already being done.

The National Bureau of Standards has found that at least two popular, competitively price brands are (albeit unintentionally) marketing cigarets that will not set fire to most fabrics. This, despite some 30 years of protestation by the industry that "it couldn't be done"—if not technologically, then at least economically.

I am not overly fond of government regulation. I voted to deregulate the airlines. The trucking industry. Banking. Oil. I led the successful fight to abolish the Renegotiation Board. But when an industry can, without sacrifice, make an important contribution to public safety and persistently refuses to do so, then clearly government regulation is called for.

I have introduced the Cigarette Safety Act (S. 51) to remove the tobacco industry's exemption from the Consumer Product Safety Act and give the industry four years in which to produce cigarets and little cigars which, according to standards to be set by the Product Safety Commission, "have a minimum capacity for igniting smoldering upholstered furniture and mattress fires."

ALAN CRANSTON,
U.S. Senate.

Washington, D.C.●

CASMIR PULASKI

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BENJAMIN. Mr. Speaker, I am honored today to pay tribute to a truly great American patriot—Casmir Pulaski. Born in Poland on March 4, 1747, of noble birth he came to this country to help to fight for American freedom and independence.

Pulaski began his life and contribution to America as a general, commanding cavalry during the Revolutionary War. He worked closely with George Washington. A mutual respect and affection developed, attested to by Washington's consent and support for the creation of a special unit, the Pulaski Legion, whose heroism guaranteed Pulaski a successful U.S. military career.

Using battle drills he developed, Pulaski trained undisciplined groups of dragoons to create an efficient army capable of carrying out independent military actions. He is remembered in American history as the "Father of the American Cavalry."

Pulaski died in 1779 from wounds suffered during the Battle of Savannah. His courage and dedication to the American Revolution has won him a permanent place in American history.

The State of Indiana has shown its appreciation to Pulaski by naming a county and a highway in his honor.

The city of Gary paid him tribute by naming a public school in his honor and Mayor Richard Gordon Hatcher has issued a proclamation honoring this American patriot.

As Americans, we should follow the lead of Indiana and demonstrate our appreciation toward Pulaski and his fight for American freedom.

Mr. Speaker, I am proud to honor this great American patriot.●

KEEPING COOL WITH COOLIDGE AND REAGAN

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. RICHMOND. Mr. Speaker, as a member of the Joint Economic Committee, it gives me the greatest of pleasure to call to the attention of my colleagues to a column that appeared in the March 3 Washington Star, authored by our distinguished chairman, HENRY REUSS.

Congressman REUSS has done his historical homework, and aptly calls to mind the uncanny parallels between the misguided economic policies of the Coolidge era and those which we may be in danger of embarking upon today.

The article follows:

[From the Washington Star, Mar. 3, 1981]

KEEPING COOL WITH COOLIDGE . . . AND REAGAN

(By Henry S. Reuss)

The centerpiece of the administration's "Program for Economic Recovery" is a $140 billion a year income tax reduction, mostly for affluent taxpayers, surrounded by budget cuts and "regulatory reform." Treasury Secretary Donald Regan, justifying the program's emphasis on tax cuts for the wealthy, told the Joint Economic Committee on February 19, "We believe this provision will discourage the use of tax shelters."

By a strange coincidence this almost exactly parallels the Harding-Coolidge "Program for Economic Recovery" of the 1920s.

The centerpiece of that program, too, was a succession of income tax reductions for the wealthy, engineered by Treasury Secretary Andrew Mellon. Tax payments for affluent taxpayers were cut by more than two-thirds.

MELLON'S RATIONALE

This is how Secretary Mellon justified the reductions:

"High rates tend to destroy individual initiative and seriously impede the development of productive business. Taxpayers subject to the higher rates cannot afford, for example, to invest in American railroads or industries, or embark on new enterprises in the face of taxes taking away 50 per cent or more of any return that may be realized.

"These taxpayers are withdrawing their capital from productive business and investing it instead in tax-exempt securities and adopting other lawful methods of avoiding the realization of taxable income. The result is to stop business transactions that would normally go through, and to discourage men of wealth from taking the risks incidental to developing and opening new businesses."

The tax cut centerpiece had its surrounding programs. Budget cuts were administered by the new director of the budget, appointed by President Harding in 1921. "Regulatory reform" was achieved by installing friends of regulated industries as the regulators.

Senator George Norris of Nebraska saw it this way:

"The effect of these appointments is to set the country back more than 25 years. It is an indirect but positive repeal of congressional enactments, which no administration, however powerful, would dare to bring about by any direct means. It is the nullification of federal law by a process of boring from within.

"If trusts, combinations, and big business are to run the government, why not permit them to do it directly, rather than through this expensive machinery which was originally honestly established for the protection of the people of the country against monopoly and control?"

Unfortunately, much of the Harding-Coolidge tax reduction went into luxury consumption goods and into speculative investment.

BOOM AND BUST

Florida real estate and the stock market fueled the boom. The redistribution of income away from the worker and farmer, and toward those at the top of the income scale, produced the bust.

A leading banker, Frank D. Vanderlip, looking back at what happened, explained, "Capital kept too much, and labor did not have enough to buy its share of things."

And Secretary Mellon, when the crash came, could only advise, "Liquidate labor, liquidate stocks, liquidate the farmers, liquidate real estate!"●

ROBERT L. HALL

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MITCHELL of New York. Mr. Speaker, it is my privilege to bring the attention of my colleagues to the distinguished service of Robert L. Hall of Ilion, N.Y. On March 14 of this year, Mr. Hall will be honored with the presentation of the Distinguished Eagle Scout Award by the General Herkimer Council of the Boy Scouts of America. This award is presented to a former Eagle Scout who attained that rank at least 25 years ago and has subsequently distinguished himself in his career and public life.

The nomination of Robert Hall for this award was made by a National Committee of Distinguished Eagle Scouts and approved by the National Court of Honor of the Boy Scouts of America. The selection of Mr. Hall for this award was most appropriate.

Born in Kansas City, Mo., he became a Tenderfoot Scout in 1935, reaching Eagle rank in 1940. He obtained a bachelor of science degree in mechanical engineering from the University of Kansas and a master of science degree in industrial engineering from the Massachusetts Institute of Technology.

After serving in the U.S. Marine Corps in World War II, he began his career in industry in 1946 with the Lake City Ammunition Plant in Independence, Mo.

In 1955, he moved to Ilion, N.Y. to work as a methods and standards engineer for Remington Arms. In 1970, after serving as special assistant to the vice president of engineering, he was made superintendent of production. In 1973, he was promoted to plant manager, the position he holds today.

Beyond his impressive professional success, Mr. Hall has contributed actively to his community, serving as a member of the board of the Utica, N.Y. A.A.A. and the hospital plan, Blue Cross, Blue Shield and as an active member of the Catholic Church.

He has also continued his dedicated service to the Scouts as a troop committeeman, Scoutmaster, institutional representative, merit badge counselor, and friend of Scouting.

He is most deserving of the honor and rank of Distinguished Eagle Scout. It is a title he will wear well and proudly. I hope all of my colleagues in the House will join me in congratulating him on receiving this fitting honor.●

TV COVERAGE OF CONGRESS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. BEREUTER. Mr. Speaker, I would like to have printed in the CONGRESSIONAL RECORD a recent editorial I read in the Sioux City Journal. It refers to the topic of television coverage of proceedings of the House and why it should occur in the Senate. The conclusion should be of interest to our colleagues in the other body:

Television is a vital segment of the news media and it is time for the Senate to join the House in recognizing this and acting accordingly.

I include at this point the editorial in full:

SENATE AND TV

Two years ago, the House of Representatives took the plunge and approved limited television coverage of its floor sessions. Despite any number of predictions to the contrary, the presence of TV cameras did not transform the House into a circus.

Indeed, the business of the House went on much as before, except that millions of Americans who had never seen their elected representatives in action were given the chance to do so.

Now, the Senate is considering whether it should break with tradition and authorize some kind of television coverage of debates, votes and other floor session activity.

The arguments against television coverage are the same ones that proved so unfounded in the House. Senate Minority Leader Robert Byrd, for example, fears that cameras and lights would diminish the dignity of the Senate, distract members from the business at hand, and prompt some senators to play to the camera.

But House members have long since become accustomed to the discreet presence of cameras and lights. The dignity of the House, such as it is, has not been eroded. And most of the grand-standers have managed to restrain themselves, partly because the time-honored rules of decorum and parliamentary procedure still apply.

Very likely, the Senate will discover what the House already knows: That television coverage, properly handled, is not disruptive to the business of that body.

Even more: Save in exceptional circumstances, TV coverage of the House and Senate is less than prime-time fare. Ratings for the live gavel-to-gavel coverage of the House are quite modest, despite the fact that these broadcasts are carried by some 700 cable television systems.

Ratings, of course, are not the point. Citizens and taxpayers have a right to news media coverage of government, including that part of government conducted daily on the floor of the House and Senate. Television is a vital segment of the news media and it's time for the Senate to join the House in recognizing this and acting accordingly.●

TENSIONS IN POLAND—PART III

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. McDONALD. Mr. Speaker, part I of this series by Prof. Hans Sennholz appeared in the CONGRESSIONAL RECORD of February 25, 1981, on page 3106, part II appeared March 3, 1981, on page 3498. Part III, the final part, which I am placing in the CONGRESSIONAL RECORD today covers the propensity of the Soviets to expand their domains and what the West must do to counter this policy. I commend this timely item to the attention of my colleagues:

TENSIONS IN POLAND—PART III

CONQUER OR PERISH

Why are the Soviets so intent upon conquering and extending their sphere of power? Why this unflinching aspiration for unlimited world supremacy?

The communist politicians and sympathizers throughout the world have a ready answer: the need for self-defense. The decaying capitalist democracies, they proclaim, are bent on extending their spheres of exploitation. Russia is merely defending her own independence. Of course, such an answer has justified all aggressions from the beginning of time. Louis XIV and Napoleon, Hitler and Mussolini invaded foreign countries only in self-defense. For the same reason Russia annexed Estonia, Latvia, Lithuania, Bessarabia, a province of Czechoslovakia, a part of Finland, a great part of Poland, and Chinese and Japanese territories. Russia created a ring of satellite countries for which it claims exclusive concern and interest. They include the rest of Poland, East Germany, Czechoslovakia, Rumania, Hungary, Yugoslavia, Bulgaria, Korea and, since Dec. 1979, also Afghanistan. In these countries only "friendly" governments, i.e. puppet communist regimes, are tolerated.

If the U.S.A. were to seek territorial aggrandizement in Soviet fashion, it would have annexed Canada, Mexico, and Cuba long ago, and converted all other Latin American countries to "friendly" neighbors. But that would be "capitalist imperialism" in communist terminology. When the Soviet Union embarks upon aggression it is "self-defense."

Russia's aggressiveness actually is the poisonous fruit of the communist dogma that the Soviet Union is entrusted by destiny to keep the death watch of capitalism. By laboring towards the final world revolution the Kremlin is paving the way for the new order. The Russian intelligentsia and many thought leaders who afford strength and support to the regime are flattered by the thought that they are the leaders of the world revolution. They are ready to support the Kremlin as long as the world revolution is advancing and showing promise of final success. To them the spread of communism throughout the world offers cogent proof that Marx and Lenin were right in their foreknowledge of a new order. The Kremlin, therefore, is under continuous pressure to produce new evidence that communism is on the march and the revolution is proceeding on schedule. It must take ever new initiatives of aggression and launch new attacks in order to retain the vital support of the intelligentsia. Any break in the Kremlin momentum is inviting disillusionment and disapproval. Any setback is threatening the very foundation of the political order. Only unflinching aggression and visible success can appease the Marxian intellectuals.

And yet, reason and virtue have not perished in the satellite countries, nor in Russia itself. To the intelligent and sensitive minds communism has ceased to constitute a faith that satisfies their souls. Many millions of victims of communism tear at the hearts and weigh on the consciences of those who still can feel and think. Other millions of victims who endured sadistic brutality in labor camps are finding their moral strength to resist the darkness. Although still inbued with the doctrines and theories of Marxism or other brands of socialism, many thinkers are rediscovering the intellectual and moral roots of Western civilization. A large number of Russian writers are consciously Christian. To them Christianity is often perceived to be the alternative and main competition to Marxism-Leninism. They are emerging From Under the Rubble, as Alexander Solzhenitsyn and a group of intimates describe it in a ringing testament.

When given the opportunity, the great minds of Russia are escaping to the West. The communist regime kept in place by brute force is suffering from ideological subversion that is gnawing at the foundation of the empire. The entrenched ruling class of the Soviet Union as well as those in all its satellites have much to fear from their long-suffering subjects. Chronic discontent with working and living conditions are sparking sporadic rebellions. The Polish troubles are an early indication that the Soviet system is moderating in its ideological and moral foundation.

It would be wishful thinking that the communist regime in Poland is about to collapse, pulling down communist rule throughout the world. But it is certain that whatever is happening in Poland is shaking the empire and frightening the Soviet rulers. They may have to call on the Soviet armed forces for their "defensive" service in the name of the socialist world order. But the effectiveness of the armed forces depends on their fidelity and loyalty to a system that is decaying in its core. It is not surprising that the Kremlin is hesitating to order the Red Army to march.

HOW CAN THE WEST RESPOND?

Recent events in Poland reveal the tremendous tensions and antinomies of the Soviet system. They manifest again that the empire structure is resting precariously on a decadent foundation that is crumbling bit by bit. When a few thousand desperate slaves are rattling their chains the whole slave plantation must brace itself for an earthquake. The Polish workers who, with incredible courage, are tearing at their shackles, are speaking louder than the gibgerish of Marxist-Leninist propaganda that pours from the Kremlin. They may fail in the end because the Red Army may yet hold together in a skirmish with ancient neighbors, the Poles. But their sacrifices may reveal and widen the fractures and ruptures of the whole system. For the final day of liberation they may have to wait a little longer until the whole structure comes tumbling down.

To the West, the Polish unrest may serve as a timely occasion for re-evaluating its basic position and policy. Should we continue to come to the support of the communist states through the transfer of massive capital and modern technology—in return for a few more moments of detente? Should we help the ruling classes of the Soviet empire to weather one crisis after another? Or should we pursue a policy of containment that affords new hope and stength to the countless millions of communist oppression? If we have faith in the intellectual and moral values of the West, the answers are very simple.

The Kremlin leaders are devoting all their energies to the building of armed forces of a size the world has never seen before. Counting their numbers many Western observers are despairing, talking about defeat and surrender and preparing for the worst. They are alarmed about our "missile gap," the "fighter gap," the "bomber gap," etc. etc., which we are urged to bridge at once. All their facts and figures may be true. But they are completely ignoring the moral coefficient that is most important in the determination of who is superior. According to a famous dictum by Clausewitz, we must multiply the military strength of the enemy with his moral coefficient in order to arrive at his strength in battle. That is, we must multiply the Soviet legions with universal tyranny and oppression of the Soviet system in order to estimate its actual strength. Such a calculation must fill us with new hope and confidence in the ultimate outcome of a collision.

Surely we must not allow ourselves to be lulled to sleep, act cowardly, be confused and indecisive. We must be strong not only politically and militarily, but also intellectually and morally. We must have faith in our values, in the intellectual and moral heritage of the West.●

U.S. POLICY TOWARD ISRAELI SETTLEMENTS IN OCCUPIED TERRITORIES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. HAMILTON. Mr. Speaker, in late January 1981, there were a series of statements coming from Israel regarding additional settlements that

might be built in the occupied territories of the West Bank and Gaza.

At that time, I wrote the new administration asking for its views on this matter and what would be policy toward the sensitive settlement issue.

In the attached reply, the State Department does not comment on the legality of the settlements but does say:

We consider continued settlement activity as unhelpful to the goals to which Israel, Egypt and the United States have dedicated themselves in the peace process, and as such ill-advised.

The correspondence with the Department of State follows:

DEPARTMENT OF STATE,
Washington, D.C., February 23, 1981.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives

DEAR MR. CHAIRMAN: I am responding to your letter of January 26, 1981 addressed to the Secretary regarding Israel's announced intention to build ten more settlements in the occupied territories.

In late May and early June 1980, Prime Minister Begin made three separate statements indicating that Israel would halt the construction of new settlements on the West Bank after building ten more there. Subsequently, senior Israeli officials indicated that some of these settlement sites had already been chosen. Although we welcome any limit on settlement activity, it was recognized that these declarations would permit considerable settlement activity to continue. For instance, Israeli officials did not indicate any intention to halt the "thickening" of existing settlements or the construction of settlements previously decided upon but never built. More recently, we have received information that indicates Israel may not count new settlements in the Jordan Valley as included in the final ten.

We consider continued settlement activity as unhelpful to the goals to which Israel, Egypt and the United States have dedicated themselves in the peace process, and as such ill-advised. Israel, on numerous occasions, has made clear its desire to bring the autonomy negotiations to a successful conclusion. Settlement activity creates the impression, whether accurate or not, that the intention is to prejudge by actions on the ground an issue which must be addressed in those negotiations. The Government of Israel is aware of our views on this matter.

We are opposed to Israeli settlement activity because these are unilateral actions which tend to prejudge the outcome of negotiations; we would, of course, support a negotiated outcome that enabled Jews as well as Christians and Muslims to live together in peace in the West Bank and Gaza under agreed arrangements.

Sincerely,

WALTER L. CUTLER,
Acting Assistant Secretary for Congressional Relations.

JANUARY 26, 1981.

Hon. ALEXANDER HAIG, Jr.,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: The Israeli Government, according to press reports, has decided to build 10 new settlements and strengthen several others in the five months between now and the Israeli elections scheduled for the summer of 1981.

I would like to know the policy of the United States regarding such settlements, what the United States is saying to the Israelis about this announced intention and what does the Department see as the implications of these settlements for the Middle East peace process.

I appreciate your consideration of this matter and look forward to hearing from you.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.●

SMALL, MEDIUM BANKS NEED RELIEF FROM REGULATORS

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MATTOX. Mr. Speaker, I am cosponsoring, along with my friend from Indiana, Mr. EVANS, a resolution calling for the Federal bank regulators to immediately diminish differences in capital requirements between small- and medium-sized banks and their larger competitors. Bankers in Texas have called my attention to what they consider is an unfair regulatory burden and, based on the information made available to me, I agree.

To meet capital requirements imposed by Federal bank regulators and to fulfill basic banking functions, small- and medium-sized banks rely heavily on retained earnings as the source of additional capital since they do not have access to capital markets.

Inflation-induced asset growth has had the effect of lowering capital-to-asset ratios as existing capital is spread over a greater number of asset dollars. These banks are forced to retain more earnings by lowering expenses or shareholder dividends. This, in turn, makes community banking less competitive from a number of standpoints. First, shareholders may be disadvantaged by not earning a fair return on their investments. Second, borrowers may have to pay more than they otherwise would have to due to greater retained earnings requirements. Finally, depositors or employees may receive less as banks seek to satisfy these regulator-imposed capital requirements.

As a cosponsor of this resolution, I believe Federal bank regulators have the authority to reduce this burden today, and should do so. Thank you.●

AMERICAN UNIVERSITIES AND EXPORT DEVELOPMENT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. LAFALCE. Mr. Speaker, one of the great challenges facing the 97th Congress is the development of an export trading strategy for the 1980's. Our Nation's economic history is replete with the tales of Yankee traders plying the seven seas with boatloads of cargo bound for the world's markets and returning to American ports laden with ivory, jade, and spices. Today, this trade continues, albeit at a dramatically different volume and with computers, farm machinery, and grain filling the holds of our trade vessels. Yet, unlike the dynamic trade years of the distant and not-so-distant past, our Nation now stands mired in serious trade deficits. These trade deficits have amounted to nearly $150 billion in the past 4 years alone, and show little sign of disappearing in the near future.

The declining posture of our trade picture is not an overnight phenomenon. Through decades of neglect by Government and business, today's export problem is one that has a variety of complex causes. Certainly our reliance on domestic markets for the economic health of our industries has hurt; by fostering a myopic view of world trade, we have marked time while our trading competitors have marched forward into the rapidly growing markets of the world.

I believe that several fundamental changes are necessary to correct the trade imbalance and set the stage for a return to American preeminence in world trade. One element to this export strategy is the use of export trading companies. A bill to encourage their formation and growth, H.R. 1648, was introduced earlier this year and is rapidly gaining cosponsors. Another element in this exporting strategy is the development of American university-level programs to train the future leaders of this Nation's international community. Educators and businessmen familiar with international trade and communication continue to stress the need for improved foreign language training, international business and economics programs, and the need to teach more students these fundamental tools so necessary for modern life.

Mr. Speaker, I am pleased to note that the State University of New York is developing its international studies programs in response to the growing need for trained individuals to lead our export initiatives in the 1980's. As the following article, by a career officer in the U.S. Foreign Service, indicates, the universities of our country are in a unique position: They cannot only train future leaders, but through their research and data gathering programs they can lend great service to small and medium-sized businesses who need specialized information assistance.

As our universities consider their priorities for the new decade, I hope that they will consider the role that international studies can play in helping our national economy and strengthening their roles as servants of the commonweal.

The article follows:

[From the State University of New York News, January-December 1980]

NEW YANKEE TRADERS IN GLOBAL MARKETPLACE

(By James E. Leader)

Just about a year ago I was sitting in my office at the U.S. Embassy in Caracas pondering my future. It was that cycle in a Foreign Service Officer's peripatetic career when one assignment is drawing to a close and he must negotiate his fate for the next one. One attractive prospect was the offer initiated by SUNY's Office of Community Colleges to work for a year at the University under the Department of State's Pearson Program. As a practitioner in foreign affairs I was enthused by the prospect for an exchange of ideas with the molders of the next generation of "internationalists".

Not only did the assignment to SUNY work out, the News has iced the cake with this early opportunity to begin the dialogue. The timing is opportune since Chancellor Wharton is presently making use of these pages to set forth his agenda of "Priorities for the New Austerity," among these "International Programs" and "Public Service." These two priorities happen to neatly bracket aspects of higher education which fueled my interest in working at SUNY. I think they offer the promise of harnessing education to a new national imperative for more effective American performance in the world economy.

THE DISCIPLINE OF THE INTERNATIONAL MARKETPLACE

As I look back, my twenty years in foreign affairs has spanned a period of dramatic change in America's international role. The age of commanding U.S. authority on the world stage in the period between World War II and Viet Nam has passed. We may recall this "imperial era" with nostalgia, but we must accept the fact that the extraordinary circumstances of World War II which made us predominant are gone, partly as a product of the soundest elements of our post-World War II foreign policy: the rebuilding of Europe, the cultivation of our own best political and economic traditions in Japan, and the support lent to peaceful transition of former colonies into independent, sovereign nations. We needn't lament the change; we were not really very good imperialists. Besides, the new era offers some great opportunities to pursue such neglected, but productive, classical economic principles as "comparative advantage." It is not clear, however, that the American people or our policymakers have reached a consensus understanding of our current, still powerful but less controlling authority in world affairs. We need such a consensus, and the tools to cope, if we are to retain influence over our fate in a rapidly changing international environment. And, make no mistake, the exercise of control over our national destiny is the fundamental foreign policy objective.

As the world becomes more multi-polar, Americans are going to have to learn again to live by their wits and their skills, much as we did in the Yankee trading days of the 18th century. We were spared that kind of discipline, the discipline of the international market place, during the "grand imperial" years of the 1950s and early 1960s when we had a virtual monopoly on the world's power, energy resources and technology. Indeed, in a very real sense we haven't had to apply such discipline since the early days of our republic. Sometime between the Monroe Doctrine and the Civil War we turned our imagination from competition in the world to our own apparently limitless resources. Now, however, our continuing balance of trade deficits and increased dependence on foreign resources dictate that we hone anew those wits which served us so well in a former time.

PREPARING AMERICANS FOR THE INTERNATIONAL MARKET

The change in America's role in the world, and the development of skills to act out that altered role involve an educational effort of major proportions—a matter of direct concern to the State University of New York. As I discover more each day, many people in the University have been thinking and acting upon this concern. And yet, there's plenty of room for further mobilization of SUNY's internal and external resources to "internationalize the curriculum" to broaden the University's outreach, and to make SUNY graduates better equipped to deal with the modern challenge to American ingenuity. The University, then, can make a unique contribution to New York's industry, agriculture, and labor force which will enable the state's products to be fully competitive in the world market.

At the risk of being thought presumptuous, but because I believe my perspective to be sufficiently different—that of one who looks at education through the oculars of the nation's foreign policy and its welfare—I have some ideas to offer.

CURRICULUM FOR YANKEE TRADERS

As America moves from "Yankee Imperialism" to "Yankee Trading" in its world posture, the University must broaden its outreach to a diverse student body any member of which has a fair chance of plying his or her trade in an international environment. Although we remain a continental nation, with the special perspective that that implies, we have to force ourselves to think smaller, or better put, particularly to have the many alcoves and byways of the world market at least in our peripheral vision, the way a Swiss or a Dane has done for centuries. The agent of empire may be able to afford to ignore small opportunities and strange customs, but the trader cannot.

If the University is to prepare its students to cope and prosper in this new age, it has to establish a hard international content in its curriculum. On the one hand, the specialized programs for the "career internationalist" should be nourished and strengthened since we still do need the area experts, the diplomats, the international banking specialists. But we need, as well, many more American citizens informed enough to cope with the big world in their everyday jobs which, increasingly, might even take them abroad. We also need home-based citizens with sufficient confidence in their international understanding to look for opportunity in the big world. So perhaps even more important than the strengthening of specialized international instruction programs is the need for the horizontal spread of international awareness among the masses of students.

I would argue that each SUNY campus should at a minimum develop a curriculum that gives every student some comparative government, some practical cultural anthropology (fundamental concept such as the differing perceptions of personal and community territory in cultures), and some view of world economics. These subjects can be integrated into existing general studies courses or perhaps lumped together in a general "world culture" course. The educational product of this effort would be a new generation of "casual internationalists." Let me illustrate by briefly describing the jobs of a few Americans I encountered in Venezuela who fit my definition of this new breed. SUNY undoubtedly has in its classrooms students who will shortly and unexpectedly find opportunities for similar jobs abroad:

1. A training expert for an American firm awarded a large petroleum construction contract. His job was to administer tests to determine skill deficiencies in locally-hired craftsmen and to design a training program to plug these gaps.

2. A personnel specialist who supervised the hiring of Venezuelan nationalists for another American contractor. In addition, she identified skill areas for which there were no Venezuelan candidates and arranged hiring of foreign nationals from outside the country. In performing this role she had to be familiar with Venezuelan law and custom to avoid legal problems and labor strife.

3. An employee of a transnational corporation advising a Venezuelan government agency on technical issues arising from its contract with a joint Brazilian-Venezuelan construction consortium.

4. A geologist prospecting for kiln-grade clay for his American company which had been contracted by the state-owned steel mill to build furnaces.

5. Bridge maintenance specialists located by the U.S. Department of Transportation to help the Venezuelans develop an emergency rehabilitation and maintenance program for a deteriorating major bridge.

6. A college drop-out who came to Venezuela on a jaunt and ended up managing a mess-hall at the giant Ciudad Guayana steel mill.

7. A dozen-plus young American musicians playing for Venezuelan orchestras.

Most of the people filling such jobs in Venezuela had little academic training to help them with their new environment abroad. Moreover, most did not have the built-in "support system" of the old-line transnational corporation which traditionally provided a ready-made American community, or at the very least an American culture in the work place. The new casual internationalists often will be working in a totally native work environment with a host-country boss and without even the lifeline of a home office personnel system in Buffalo or Detroit to reassure them that they have a workplace back home if things don't work out. Many of the new breed are freelance and on their own. For all or some of these reasons such jobs can be tough, but the rewards both financial and psychic can be great, making them opportunities not to be ignored by today's students.

In addition to those who find work overseas, there are many other casual internationalists who will find business opportunities at home in the international arena. Any student joining a company today should have basic skills for spotting international opportunities for his employer, because that could be precisely where his employer's greatest opportunities lie. But to explore such opportunities, a minimum of international training and orientation is a must.

THE UNIVERSITY AS PUBLIC SERVANT

Providing students with coping skills for future international involvement, it seems to me, is a critical priority for the University. But if New York State and the nation are to prosper in this new era, the University also has a mission to serve those who produce for the commonweal. I believe it is perfectly legitimate, more than that, reinforcing to its educational mission for the University to be involved in the economic process. Certainly the University can play a highly constructive role, and one that does not require it to become an advocate of any particular interest priority for the economy. My "ex-Aggie" bias notwithstanding, it's a fact that the pivotal role played by the great land-grant agricultural colleges in making the U.S. farm industry the most productive in the world stands as a model for public service in the university. The Morrell Land Grant Act laid the groundwork not only for the domestic prosperity of a basic industry, but also for the subsequent export of ideas and resources that fostered a green revolution, reduced starvation in the Saharan (Sahell) region, and showed the way to cheap, balanced nutrition for the world's poor children.

(Now, happily, I'm learning what you at State University have known: the key role played in New York State's economy by SUNY's agricultural and technical colleges, community colleges, four-year and specialized institutions, and graduate research centers.)

There are two areas of public service in the international arena with which SUNY already has had considerable experience and which it can expand. The first is its role as an agent for economic development to be used by foreign entities, and the second is its service as a clearinghouse for information and development technique by present and potential export industries in New York State.

DEVELOPMENT ASSISTANCE

"Transfer of Technology," a basically intellectual exercise, is simultaneously the principal growth industry in international trade and home territory for the University. One aspect of technology transfer which is a fruitful area for exploration is the study of other successful technological systems and their potential for application in the United States. Examples might be West Germany's co-management scheme for shared labor-management involvement in corporate decision-making, and the less-defined but highly successful employee motivation systems in Japan. There is also an increasing market for the kind of services a University can deliver in the field of technology transfer to less developed countries and probably to developed countries as well. One example is the program contracted by the Government of Nigeria for the upgrading of technical training in that country, in which SUNY is participating. There are a number of other countries with severe shortages of mid-level technicians and supervisors, any of which would be a market for the kind of integrated pedagogic and technical services the University can provide, particularly through its community colleges, tailor-made for such services.

The benefits of University involvement in such areas are multiple. They present SUNY with a great opportunity for learning and for conducting its international programs in a practical, sensible context. They permit the University's expanded involvement in world reconciliation by alleviating the tensions created by uneven rates of development in the world. In a very practical, grass roots sense, these programs also can have great spin-off for local producers for whom they can open up new markets.

The University's participation in development and technology transfer programs can come through the traditional channel of a contract with the U.S. Agency for International Development (AID). AID also has a relatively new Reimbursable Development Program (RDP) in which it extends its good offices in putting together a project for which a host country will pay. AID can put up seed money for preliminary feasibility surveys which an institution demonstrates could produce a project. In addition, there are opportunities for direct contracting for projects overseas.

When I was leaving Caracas, I talked with a leader in Venezuela's vocational education organization. He and his colleagues are keenly interested in identifying ideas and techniques and technology for up-grading Venezuelan technical skills, the country's most critical scarcity. He was interested in SUNY and the scope and variety of resources it had to offer in the field of vocational training and he asked me to send him information. As I become acquainted with SUNY, I see numerous areas in which the University could be useful to a country such as Venezuela. I think specifically of the extensive range of technical and vocational offerings at the agricultural and technical colleges and the community colleges. What I have yet to find is a single source of information outlining what the university can offer in the way of development assistance—a promotional brochure or its like. Development of such a document would likely both enhance New York State's appreciation of the asset it has in SUNY, and also serve as a preliminary catalogue informing foreign entities of what they might find useful here.

INTERNATIONAL ECONOMIC INFORMATION SYSTEMS

Several times during my tour of duty in Caracas, I got to meet members of state or regional economic missions from the U.S. exploring export opportunities abroad for their home areas. I was always impressed with their dedication and their conviction regarding the importance of exports to the health of their local economies. But often they had very spotty information on what their local area was now producing or could produce for the foreign market. They were also often, and understandably, deficient in even basic knowledge of the foreign markets they were exploring. It seems to me that this suggests an additional public service area which SUNY should be investigating.

The SUNY system can provide a critical service to the small and medium businesses in New York through the development of information systems on local production and foreign markets. Certainly one of the brakes on small business involvement in export is the complexity of that trade and the paucity of information. Big corporations have access to sophisticated production and market analysis. SUNY, with its statewide network, can be a key actor in export promotion by developing information on local production which supplements that available through the State and U.S. Departments of Commerce, by researching foreign demand for local products and by acting both as consultant and information conduit to small and local businesses with no other access to sophisticated information.

The development of such a program need not divert the University's attention from its educative role. Indeed, service to local industry should in part be provided by students through study projects which because of their practical application have a healthy educational value. Moreover, student involvement in the international economic information system should increase their ultimate employability and could produce the contacts leading directly to a job after graduation.

All sorts of University resources have application to a mission for the promotion of small and medium industry exports. Area studies programs, language departments, the law school, history departments and indeed the entire University system could be ad hoc or regular contributors to such a service as special problems or issues arise.

There is a further payoff to the University. SUNY involvement with export promotion, particularly for small and medium businesses, puts it on the side of the angels. There are no identifiable interest groups opposed to such activity. What's more, there is considerable interest in Albany and in Washington in activity to stimulate exports. Involvement in such a widely supported mission should generate general public and legislative support for the University's activity as well as assistance in direct grants from government agencies for projects in export promotion.

INTERNATIONAL PROGRAMS—A GROWTH INDUSTRY FOR SUNY

The opportunities open to SUNY for growth in international programs, and which I have found being broadly discussed here, more than justify the curiosity which brought me to Albany in the first place. I believe in a national mission of reconciliation with the world, or I would not have remained in foreign affairs work for most of my adult life. I am convinced SUNY is playing an important role in that same mission and has further international challenges which it is equipped to meet. Simply put, I think the University can develop curricula which give all students a realistic perception of the American role in foreign affairs and some basic tools for them to function at least as "casual intenationalists." SUNY can develop a pioneering export information system which would serve both the American foreign policy interest and the welfare of the State of New York. And it can play an even larger role in technology transfer and development assistance abroad which will create additional reinforcement for international cooperation rather than confrontation.●

CORRUPT HORSERACING PRACTICES ACT

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. VENTO. Mr. Speaker, today, I, with 14 of my colleagues, am reintroducing the Corrupt Horseracing Practices Act. This legislation would prohibit the racing of any horse under the influence of drugs or medication and would establish minimum standards for drug testing and enforcement procedures.

In introducing this legislation during the 96th Congress, I emphasized the threat that drugging presents to the future of horseracing. That threat is still very real.

Horseracing and the gambling on that sport is a major business in the United States. In 1975 nearly 80,000,000 spectators attended horseraces and wagered over $7.8 billion at the track in this multi-billion-dollar industry.

To maintain its fans, horseracing must present a form of entertainment that is enjoyable, exciting, and above suspicion. The integrity of the industry is most essential and any appearance of scandal can threaten the foundation of racing—its fans' loyalty. If racing should fall victim to reports of fixed races, the consumer will simply seek other forms of entertainment upon which to bet or spend money. While agreeing that a scandal would threaten the future of racing, officials are, in effect, playing with fire by turning away from the inherent dangers that drug use poses for racing.

Bettors have an already cynical view on racing's integrity, as shown by the National Commission on the "Review of the National Policy Toward Gambling" survey. This study revealed that most bettors believe that horseraces are fixed pretty often. Further revelations about drugging abuses and the ensuing scandal could lead to a final break between racing and its consumers.

The possibility of a drugging scandal in racing is very real. Reports are growing of the use and abuse of legal medications and of the proliferation of illegal drugs, including narcotics, in racing. In that effort to get a slight advantage over the opposition, individuals within racing are now turning to whatever they think will bring results, even if it is illegal. The Governor's Organized Crime Prevention Commission for the State of New Mexico has conducted a review of the state of horseracing and has released a most disturbing report. In its investigation the commission determined that:

The administering of illegal drugs or medication to racehorses is one of the most common illegal practices at the two tracks investigated. Horses are being drugged or medicated on racing days as a common practice on behalf of owners, trainers and veterinarians. . . . An intense effort involving collusion between vets, owners and trainers exists for the purpose of successfully using drugs which will not be detected in testing procedures.

The problems associated with drugging go beyond the threat to racing's integrity. Drugging is a threat to the health and well-being of both the rider and the horse. A report by the Jockey's Guild revealed that for 1978, their 1,700 licensed members were involved in 2,000 spills that year, causing the deaths of 4 jockeys, the paralysis of 4 others, and the hospitalization of 1,500 riders for 2 weeks or more. The close relationship between drugging and horse breakdowns has been demonstrated by numerous studies. The most recent study was conducted by the South Dakota Racing Commission in 1980. This statistical analysis on 1,400 horses in 150 races revealed that horses on the drug program were 2½ times more likely to break down during a race than those not on the drug program.

I must point out that racing officials are aware of the problems posed by drugs and of the threat that it presents. The National Association of State Racing Commissioners, following the introduction of this measure during the 96th Congress, did adopt new uniform guidelines on the use of drugs in racing. This proposal has been approved in some racing States. I support and applaud the efforts that have been made and am hopeful that the NASRC will continue to move forward. However, these rules are now being challenged in the courts and State legislatures by those frightened by the prospect of drug-free racing.

Despite the positive steps taken by many States, I remain convinced that minimum Federal standards are essential. Horseracing is for all practical purposes an interstate business. Horses are moved from State to State to compete in various events. As an interstate industry, the problems of horseracing should be addressed at the Federal level. To fail to do so will only weaken and destroy any effort to address this issue. One only needs to look at Maryland's effort to impose a strict drug rule on horseracing. Rather than seeking to work within that rule, many owners and trainers threatened to boycott Maryland racetracks in favor of more liberal drug States. Unless a minimum Federal standard is in place, constant pressures will be applied to a State to liberalize its drug codes. In addition, a federalized system provides the vehicle for effectively enforcing penalities on those who violate the regulations through a mechanism to notify all racetrack operators of suspensions to violators. Thus, for example, drug violators in Maryland cannot avoid penalization by racing in West Virginia.

The legislation introduced today does not call for the usurption of the State's role in racing. Rather, it is intended to provide for Federal-interstate-States cooperation. The legislation sets our minimum parameters and allows each State to implement further restrictions. In addition, the bill does not seek to supplant the State in the enforcement of the regulations but rather to assist in this extremely complex area. The solution to the problem of drugs and horseracing will not be achieved by the States alone nor by the Federal Government alone but through cooperation. That concept is the cornerstone of this legislation.

I am most hopeful that the various interests in horseracing will work with me and my colleagues in Congress in seeking an effective solution to the problems of drugs in horseracing.●

THE REHABILITATION AND HISTORIC PRESERVATION TAX INCENTIVES ACT OF 1981—H.R. 2315

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. MOAKLEY. Mr. Speaker, I recently came across some alarming statistics which illustrate how rapidly we are losing our built heritage. In 1935, the Historic American Building Survey was established by Congress to make a record of the significant historic buildings which were in existence at that time. Approximately 35 percent of those buildings have since been destroyed. In our own recent past we can look to the work of Frank Lloyd Wright, probably the most important architect of this century, certainly the most influential—over half of his buildings have been destroyed.

Of the buildings which will be in existence in the year 2000, 80 percent of them have already been built. Renovation of older buildings requires less energy, places less strain on our limited resources, and is labor intensive by its very nature.

The Reagan administration's recent announcement of proposed budgetary reductions to the Historic Preservation Fund, from a total of $42.5 million available in fiscal year 1980 down to $5 million in fiscal year 1982, will curtail many programs which have been making significant strides toward preserving our built heritage. One of these programs is the existing system of tax incentives for historic preservation. This and related programs are administrated primarily by State historic preservation agencies under the successful Federal/State partnership

established under the National Historic Preservation Act of 1966, and reauthorized last year. The Reagan budget seeks no money for State programs and in my own State, the Massachusetts Historical Commission will have its budget cut by 50 percent. National Register nominations and tax certifications, which are primarily the responsibility of the States may be sharply curtailed or terminated unless the State can find the additional revenue necessary to continue the programs. Many States, like Massachusetts, are limited in this decision due to State mandated programing requirements.

Under the Tax Reform Act of 1976 and the Revenue Act of 1978, tax incentives were established to place rehabilitation on a more competitive level with new construction. Although the investment tax credit provisions of the Revenue Act of 1978 did not deal specifically with historic buildings—under the tax act buildings must only be over 20 years old and have 75 percent of the original exterior walls remaining after renovation; the Tax Reform Act of 1976 did establish specific tax incentives for the promotion of historic preservation and certain disincentives to stop the demolition of historic buildings. Although the incentives have only been in actual operation for the last couple of years, they have already generated more than $1.1 billion in largely private investment in income producing property. They have created over 10,000 new housing units of which 39 percent were for low- and moderate-income families—the average project investment being nearly $540,000.

To maintain the progress which has previously been made and to place more emphasis on the private sector, I am today introducing legislation to increase the tax incentives for private rehabilitation of historic buildings. This legislation will not only encourage the undertaking of quality rehabilitations of historic buildings, but, it will also help to increase reinvestment in declining urban neighborhoods, facilitate the expansion of multifamily residential dwellings in urban areas, and concentrate its employment impact on the labor intensive construction and housing industry.

The Rehabilitation and Historic Preservation Tax Incentives Act of 1981 is aimed at accomplishing three objectives. First, my bill allows a 10-percent tax credit to encourage the quality rehabilitation of historic, owner-occupied residences and other structures which are not covered under the investment tax credit. These structures, which comprise a significant portion of the historic buildings in the United States, substantially contribute to the historical integrity of many neighborhoods throughout the country. By allowing this credit, homeowners in declining historic neighborhoods will be given a direct incentive to undertake the quality rehabilitations so necessary to reverse urban decay and blight in their neighborhoods. Not only will this result in more stable neighborhoods, it will also help to turn our inner cities into places where families are once again drawn to live.

Second, my bill corrects an inadequacy in the investment tax credit that gives certified historic rehabilitations a relative disadvantage to rehabilitations of old, but nonhistoric commercial structures. Despite the fact that renovations of historic commercial structures can qualify for both the ITC and the accelerated depreciation of the Tax Reform Act of 1976, many developers have opted for rehabilitations outside of historic districts to avoid complying with the Secretary of the Interior's standards for rehabilitating historic structures. The Secretary of the Interior's standards for rehabilitation and certification procedures assure quality rehabilitations, which sometimes are more costly. By increasing the ITC to 25 percent for certified rehabilitations, the disadvantage that historic rehabilitation now faces will be alleviated and investment will be drawn back into the historic districts.

Finally, the act amends the 10 percent investment tax credit (ITC) rules to include rehabilitated multifamily residential dwellings. Nationally we are faced with a serious housing shortage of both single family dwellings and multifamily rental housing. Nowhere is this more apparent than in our older urban neighborhoods where the deterioration of housing stock has contributed directly to neighborhood decline. As the buildings fall into disrepair they quickly become prey to vandalism, havens of drug addicts, and ultimately, victim of the arsonists torch. This decline is not inevitable. The tax incentives for historic preservation have been used with considerable success to create new residential housing, often from abandoned or underutilized commercial or industrial facilities. By simply referring to the impressive number of new housing units which have been created in certified historic structures, it seems evident that an even greater potential exists under the ITC. Testimony at Chairman ROSTENKOWSKI's Boston field hearing to consider extension of the historic preservation tax incentives indicated that the exclusion of multifamily residential dwelling units from the investment tax credit is a serious deficiency. My bill gives rehabilitated multifamily rental buildings equal footing with the commercial structures already covered by the ITC.

I have included a section by section description of the Rehabilitation and Historic Preservation Tax Incentives Act along with a copy of the bill to further explain the intent of this legislation.

SECTION BY SECTION DESCRIPTION

The Rehabilitation and Historic Preservation Tax Incentives Act is divided into three major sections:

Section 2. Credit for Rehabilitation of Certified Historic Structures.

A 10 percent tax credit, similar to the residential energy credit, is allowed for certified rehabilitation of buildings which are either listed on the National Register or which are located within a registered historic district and have been certified as contributing to the significance of the district.

This section is aimed at stimulating the owners of historic homes, and historic buildings with one to four residential dwelling units, to invest in certified rehabilitations. This section would cover all historic buildings which are not covered under the investment tax credit.

Section 3. Increase of the Investment Tax Credit From 10 percent to 25 percent for Rehabilitation Expenditures with Respect to Certified Historic Structures.

The ITC is increased to provide an additional 15 percent credit for certified rehabilitations of historic buildings. Presently the ITC offers a 10 percent credit for rehabilitations of commercial, nonresidential buildings which are at least 20 years old. The only requirement for rehabilitation is that a least 75 percent of the existing exterior walls must remain after the rehabilitation. Because the quality rehabilitation of a certified historic structure is often more costly, the present statute places quality rehabilitations at a comparative disadvantage. This section equalizes the incentives for doing the more costly certified rehabilitations with the incentives for nonhistoric commercial rehabilitations under the investment tax credit.

Section 4. Investment Tax Credit for Rehabilitation Extended to Multi-Family Residential Property.

The ITC is expanded to include multifamily residential dwellings (five or more dwelling units). Under the present law, residential rehabilitations are specifically excluded from the 10-percent investment tax credit.

There is ample evidence that the tax incentives for historic preservation have stimulated renewed investment in buildings which were once regarded as structurally and functionally obsolete. By removing limitations on use of the investment tax credit for multifamily housing, this section will allow developers to raise the venture capital necessary to convert obsolete commercial and industrial buildings into rental housing. This should be particularly useful to our Nation's older urban areas which have extremely limited rental housing.

A text of the bill follows:

H.R. 2315

A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for amounts paid or incurred for rehabilitating certain historic structures, to increase the investment tax credit percentage to 25 percent for qualified rehabilitation expenditures with respect to such structures, and to extend the investment tax credit for rehabilitation expenditures to multi-family residential rental property.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rehabilitation and Historic Preservation Tax Incentives Act of 1981".

SEC. 2. CREDIT FOR REHABILITATION OF CERTIFIED HISTORIC STRUCTURES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting after section 44E the following new section:

"SEC. 44F. REHABILITATION OF CERTIFIED HISTORIC STRUCTURES.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the qualified rehabilitation expenditures paid or incurred by the taxpayer during the taxable year.

"(b) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED REHABILITATION EXPENDITURES.—The term 'qualified rehabilitation expenditure' means any expenditure in connection with a certified rehabilitation of a certified historic structure.

"(2) CERTIFIED HISTORIC STRUCTURE.—The term 'certified historic structure' means any building or structure which—

"(A) is listed in the National Register, or

"(B) is located in a registered historic district and is certified by the Secretary of the Interior to the Secretary as being of historic significance to the district.

"(3) REGISTERED HISTORIC DISTRICT, CERTIFIED REHABILITATION.—The term 'registered historic district' and 'certified rehabilitation' have the meanings given them by section 191(d).

"(c) SPECIAL RULES.—For purpose of this section—

"(1) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than credits allowable by sections 31, 39, and 43.

"(2) BASIS ADJUSTMENT.—For purposes of this title, if a credit is allowed under this section for any qualified rehabilitation expenditure with respect to any property, the increase in the basis of such property which would, but for this paragraph, result from such expenditure shall be reduced by the amount of the credit so allowed."

(b) COORDINATION WITH OTHER TAX INCENTIVES FOR REHABILITATION.—

(1) COORDINATION WITH INVESTMENT TAX CREDIT.—Clause (iv) of section 48(g)(2)(B) of such Code (relating to certain expenditures not included) is amended to read as follows:

"(iv) CERTIFIED HISTORIC STRUCTURES.—Any expenditure attributable to the rehabilitation of a certified historic structure (within the meaning of section 191(d)(1)) unless—

"(I) the rehabilitation is a certified rehabilitation (within the meaning of section 191(d)(4)), and

"(II) no credit is claimed under section 44F with respect to such expenditure."

(2) COORDINATION WITH AMORTIZATION OF REHABILITATION EXPENDITURES.—Paragraph (3) of section 191(d) of such Code (relating to amortizable basis) is amended by adding at the end thereof the following: "Such term does not include any portion of the basis attributable to expenditures taken into account in computing any credit allowed under section 44F."

(c) TECHNICAL AMENDMENTS.—

(1) Subsection (a) of section 1016 of such Code (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (21), by striking out the period at the end of paragraph (22) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(23) to the extent provided in section 44F(c)(2), in the case of property with respect to which a credit has been allowed under section 44F."

(2) Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44E" and inserting in lieu thereof "44E, and 44F".

(d) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44E the following new item:

Sec. 44F. Rehabilitation of certified historic structures."

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to qualified rehabilitation expenditures (within the meaning of section 44F(b) of the Internal Revenue Code of 1954) paid or incurred after March 4, 1981, and before January 1, 1984, in taxable years ending after March 4, 1981.

(2) BINDING CONTRACTS, ETC.—The amendments made by this section shall apply to qualified rehabilitation expenditures (as so defined) paid or incurred after December 31, 1983, if such expenditures are paid or incurred—

(A) pursuant to a binding contract entered into by the taxpayer before January 1, 1984, or

(B) with respect to a rehabilitation which begins before January 1, 1984.

SEC. 3. INVESTMENT TAX CREDIT PERCENTAGE INCREASED FROM 10 PERCENT TO 25 PERCENT FOR REHABILITATION EXPENDITURES WITH RESPECT TO CERTIFIED HISTORIC STRUCTURES.

(a) IN GENERAL.—Paragraph (2) of section 46(a) of the Internal Revenue Code of 1954 (relating to amount of credit) is amended by adding at the end thereof the following new subparagraph:

"(F) CERTIFIED HISTORIC STRUCTURE PERCENTAGE.—For purposes of this paragraph, the certified historic structure percentage is 15 percent."

(b) APPLICATION OF CERTIFIED HISTORIC STRUCTURE PERCENTAGE.—Subparagraph (A) of section 46(a)(2) of such Code is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and by adding at the end thereof the following new clause:

"(iv) in the case of so much of the basis of a certified historic structure (within the meaning of section 191(d)(1)) as is attributable to qualified rehabilitation expenditures, the certified historic structure percentage."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts incurred after March 4, 1981, in taxable years ending after such date.

SEC. 4. INVESTMENT TAX CREDIT FOR REHABILITATION EXTENDED TO MULTI-FAMILY RESIDENTIAL RENTAL PROPERTY.

(a) IN GENERAL.—Subsection (g) of section 48 of the Internal Revenue Code of 1954 (relating to special rules for qualified rehabilitated buildings) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) MULTI-FAMILY RESIDENTIAL RENTAL PROPERTY ELIGIBLE FOR REHABILITATION CREDIT.—

"(A) IN GENERAL.—This subsection shall apply to any building (and its structual components) which is multi-family residential rental property.

"(B) MULTI-FAMILY RESIDENTIAL RENTAL PROPERTY.—For purposes of this paragraph, the term 'multi-family residential rental property' means a building—

"(i) which contains 5 or more dwelling units (as defined in section 167(k)(3)(C)), and

"(ii) 80 percent or more of the gross rental income from which during each taxable year of the testing period is reasonably expected to be rental income from such units.

"(C) TESTING PERIOD DEFINED.—For purposes of this paragraph, the term 'testing period' means the seven taxable years beginning after the taxable year in which the building is placed in service after the rehabilitation.

"(D) SPECIAL RULES.—For purposes of this paragraph—

"(i) TESTING PERIOD TREATED AS USEFUL LIFE FOR PURPOSES OF RECAPTURE.—For purposes of section 47, in the case of a building which ceases to meet the requirements of clause (ii) of subparagraph (B) for any taxable year, the portion of the basis of such building which is treated as section 38 property by reason of this paragraph shall be treated as—

"(I) being placed in service not earlier than the date the building is placed in service after the rehabilitation, and

"(II) ceasing to be section 38 property during such taxable year.

"(ii) RENTAL VALUE OF UNIT OCCUPIED BY TAXPAYER INCLUDED IN GROSS RENTAL INCOME.—If any portion of a building is occupied by the taxpayer, the gross rental income from such building shall include the rental value of the portion so occupied."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts incurred after March 4, 1981, in taxable years ending after such date.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 5, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

6:30 a.m.

MARCH 6

Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, receiving testimony on strategic command, control and communications programs.
224 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Labor and Human Resources
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Social Security Administration and certain refugee programs, Department of Health and Human Services.
1114 Dirksen Building

Environmental and Public Works
To hold hearings on S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

Foreign Relations
To hold hearings on issues relating to Central America, focusing on the situation in El Salvador.
4221 Dirksen Building

Rules and Administration
To hold hearings on the proposed extension of the West Front of the Capitol Building, the status and progress of construction of the Hart Senate Office Building, proposed modifications to the Russell and Dirksen Senate Office buildings, and to review the U.S. Capitol Master Plan.
301 Russell Building

Joint Economic
To hold hearings on the employment/unemployment situation for the month of February.
2128 Rayburn Building

2:00 p.m.
Armed Services
Preparedness Subcommittee
To hold open and closed hearings on proposed authorizations for the Department of Defense, focusing on operation and maintenance programs of the U.S. Army.
212 Russell Building

MARCH 9

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for administrative activities of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, Legal Counsel, Financial Clerk, Joint Economic Committee, and the Joint Committee on Printing
S-128, Capitol

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Finance
International Trade Subcommittee
To hold hearings on S. 396, to restrict importation of automobiles from Japan for a temporary period, and on the current situation of the domestic auto industry.
2221 Dirksen Building

10:00 a.m.
Environment and Public Works
To resume hearings on S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

Select Committee on Small Business
To hold hearings on the role of small business in the Nation's economy recovery.
424 Russell Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

2:30 p.m.
Labor and Human Resources
To hold hearings on the nominations of Thomas W. Pauken, of Texas, to be Director of the ACTION Agency, Albert Angrisani, of New Jersey, to be an Assistant Secretary of Labor, and T. Timothy Ryan, Jr., of Virginia, to be Solicitor for the Department of Labor.
4232 Dirksen Building

MARCH 10

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Congressional Budget Office, and the Office of the Architect of the Capitol.
S-128, Capitol

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Indian health service programs, and the Bureau of Land Management, Department of Interior.
1318 Dirksen Building

*Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 398, permitting certain employees to work for 10-hour days.
4232 Dirksen Building

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Institute of Building Science, Federal Home Loan Bank Board, National Credit Union Administration, and the Office of Revenue Sharing (NYC).
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Supreme Court of the United States, and other activities of the judicial branch.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of Head Start.
3110 Dirksen Building

10:00 a.m.
*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Interstate Commerce Commission, Washington Metropolitan Area Transit Authority (Metro), and the Architectural and Transportation Barriers Compliance Board.
S-126, Capitol

Environment and Public Works
Business meeting, to consider those matters and programs which fall within the Committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for nuclear energy research and development activities of the Department of Energy.
S-128, Capitol

MARCH 11

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Library of Congress, Government Printing Office, and the Copyright Royalty Tribunal.
S-126, Capitol

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

*Select on Intelligence
Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Captiol

9:30 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Soldiers' and Airmen's Home, domestic programs of ACTION, Community Services Administration, and the Railroad Retirement Board.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Metric Board and the Marine Mammal Commission.
S-146, Capitol

Judiciary
Constitution Subcommittee
To hold hearings on miscellaneous proposals to balance the Federal budget.
2228 Dirksen Building

10:00 a.m.
Budget
To hold hearings on the administration's economic proposals for the Federal Government.
6202 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Fire Administration of the Federal Emergency Management Agency.
235 Russell Building

Environment and Public Works
Business meeting, to continue consideration of those matters and programs which fall within the Committee's jurisdiction with a view toward submitting its views and budget recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, the National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 45, simplifying the administration of national policy requirements applicable to Federal assistance programs to State and local governments.
3302 Dirksen Building

MARCH 12

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Accounting Office, and the Office of Technology Assessment.
S-126, Capitol

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 351, to transfer certain surface mining operations from the Mine Safety and Health Administration to the Occupational Safety and Health Administration, and other pertinent proposals.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration, Department of Transportation.
1318 Dirksen Building

Budget
To continue hearings on the administration's economic proposals for the Federal Government.
6202 Dirksen Building

Environment and Public Works
To mark up S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

1:00 p.m.
*Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

3:00 p.m.
Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 13

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
235 Russell Building

MARCH 16

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

10:00 a.m.
*Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration, Department of Transportation.
1318 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982

for the Maritime Administration, Department of Commerce.
235 Russell Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax bills, S. 352, 483, 502, and 565.
2221 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 17

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings to review the proposed budget for fiscal year 1982 for the Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Attorney General, Department of Justice.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
1202 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Older Americans Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 18

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Department of Agriculture, and the General Accounting Office.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Bureau of Investigation, Offices of U.S. Attorneys, U.S. Marshals Service, and bankruptcy trustees, Department of Justice.
S-146, Capitol

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 19

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Science and Education Administration, Office of the Secretary, Departmental Administration, Office of Governmental and Public Affairs, and the Office of the General Counsel, Department of Agriculture.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Immigration and Naturalization Service of the Department of Justice, and the Coordinating Council on Juvenile Justice and Delinquency Prevention.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Highway Administration, Department of Transportation.
1318 Dirksen Building

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics, health services research and health care technology programs, national research service awards, and medical library assistance programs.
4232 Dirksen Building

10:00 a.m.
*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
1114 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

MARCH 24

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Foreign Agricultural Service, Office of International Cooperation and Development, Federal Crop Insurance Corporation, Economics and Statistics Service, and the World Food and Agricultural Outlook and Situation Board.
1223 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for low income energy assistance programs.
5302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
*Energy and Mineral Resources Subcommittee
To hold hearings to examine the current supply situation of anthracite coal used for home heating and future trends in this area.
3110 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Drug Enforcement Administration, and prison service programs, Department of Justice.
S-146, Capitol

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy.
1114 Dirksen Building

Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the office of the Secretary, general administration, Economic Development Administration, and the Regional Action Planning Commissions, Department of Commerce.
S-146 Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
5110 Dirksen Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act.
2228 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings on S. 45, simplifying the administration of national policy requirements applicable to Federal assistance programs to State and local governments.
3302 Dirksen Building

MARCH 26

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
322 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Oceanic and Atmospheric Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of State; and to review certain foreign assistance programs.
S-126, Capitol

MARCH 27

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of

the Department of Health and Human Services.

4232 Dirksen Building

MARCH 30

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Drug Abuse Prevention, Treatment and Rehabilitation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Aviation Administration, Department of Transportation.
1114 Dirksen Building

MARCH 31

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Soil Conservation Service, Agricultural Stabilization and Conservation Service, and the Animal and Plant Health Inspection Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Trade Administration, Scientific and Technical Research Service, and the Patent and Trademark Office, Department of Commerce.
S-126, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
To hold hearings to review family planning programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Management and Budget.
S-146, Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development; and to continue review of certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the White House Office, Office of Administration, official residence of the Vice President, executive residence, special assistance to the President, Compensation of the President, and other unanticipated needs.
S-146, Capitol

APRIL 1

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Farmers Home Administration, Rural Electrification Administration, and the Farm Credit Administration.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Emergency Management Agency and the Selective Service System.
S-126, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the economic and statistical analysis program, U.S. Census Bureau, National Telecommunications and Information Administration, and the Minority Business Development Agency, Department of Commerce.
S-146, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.
1224 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, international affairs programs, Bureau of the Mint, Bureau of Engraving and Printing, and Bureau of Government Financial Operations of the Department of the Treasury.
1224 Dirksen Building

APRIL 2

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior; and the Smithsonian Institution.
1114 Dirksen Building

9:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, and Veterans of World War I.
412 Russell Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service.
S-146, Capitol

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS.
412 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco and Firearms.
S-146, Capitol

APRIL 3

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation and related agencies.
1114 Dirksen Building

APRIL 6

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Alcohol and Drug Abuse Education Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Railway Association and Consolidated Rail Corporation (Conrail).
1114 Dirksen Building

APRIL 7

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Nutrition Service, and the Food Safety and Quality Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for the National Science Foundation.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
*Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court, and the Committee for Purchase From the Blind and Other Severely Handicapped.
1318 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Domestic Volunteer Services Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, Department of Transportation, and to review overall budget recommendations.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability.
1318 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity Futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural Cooperative Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 23

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for certain child abuse and adoption opportunity programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the

79-059 O - 84 - (Vol 127 Pt.3) - 54

government of the District of Columbia.

1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.

S-126, Capitol

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.

1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Davis-Bacon Act.

4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1224 Dirksen Building

Labor and Human Resources
Education Subcommittee
To hold hearings to review certain educational programs.

5110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international monetary programs of the Department of Treasury.

S-126, Capitol

APRIL 29

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.

1318 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act.

457 Russell Building

Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.

4232 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.

6226 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.

1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.

1318 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.

S-126, Capitol

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.

S-126, Capitol

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.

1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.

1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain international aid programs.

S-126, Capitol

MAY 12

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.

1224 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.

4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Peace Corps.

S-126, Capitol

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of the Interior.

1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.

4232 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.

1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international programs.

S-126, Capitol

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.

1224 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.

1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.

1224 Dirksen Building

CANCELLATIONS

MARCH 12

9:30 a.m.
Judiciary
To resume oversight hearings to review the administration's budget recommendations of the Federal Trade Commission.

2228 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, March 5, 1981*

The House met at 11 a.m.

The Reverend S. James Steen, rector, St. Patrick's Episcopal Church, Washington, D.C., offered the following prayer:

Almighty God, eternal King and Ruler of all the peoples of the Earth, we give You hearty thanks for the gift of our great Nation. We give You thanks for those men and women who by their devotion to justice, freedom, and peace have molded our country in the past. We thank You for the commitment of those who serve her today.

Grant wisdom to all who are entrusted with the authority of government, that both at home and beyond our shores, Your will may be accomplished. Especially, we ask You to guide the Representatives assembled in Congress; that the actions they take here may please You and benefit those whom they are called to serve.

All this we ask in Your holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

REV. JAMES STEEN

(Mr. JONES of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Oklahoma. Mr. Speaker, it is a great privilege and pleasure for me to welcome to the House today the Reverend James Steen, the rector of St. Patrick's Episcopal Church here in Washington, D.C.

It is an honor for us that on this occasion he would have his parents, Mr. and Mrs. Sid Steen of Tulsa, Okla., who are my constituents and friends, to be here to observe their son open this session of the House with a prayer and also to celebrate their 50th wedding anniversary.

Mr. Speaker, Reverend Steen graduated from Washington and Lee University and General Theological Seminary, and served as assistant rector at Trinity Church in Princeton, N.J. He also spent 5 years as associate rector of the Church of St. Luke in the Fields in New York City, where he was widely respected for his efforts to involve the community in the liturgical and social aspects of the church.

I am especially pleased to introduce Jim Steen today because he is a native of my home State, Oklahoma, and the son of two of my constituents, Sid Steen, executive editor of the Tulsa World, and his wife.

Mr. and Mrs. Steen have set Oklahoma a high standard of public service, and their son is doing an excellent job of following in the family footsteps. As an Oklahoman, I would like to say how proud we are of Reverend Steen. As a Member of this House, I would like to thank him for being here with us today.

WE MUST MOVE FORWARD WITH ENERGY PACKAGE

(Mr. FITHIAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FITHIAN. Mr. Speaker, today I take the well to ask the President to use his budget ax with the same skill that he splits the wood on his ranch. This would mean that he should not chop down the energy program that has been built in this Congress and in this country over the last several years. We must not, I think, give over the ax to the OMB to be wielded recklessly in the field of alternate fuels and in the field of alcohol fuels and in the field of gasohol. I speak only to one element of the energy policy today but it is essential that we move forward toward producing more, not less, energy at this time.

We speak much these days of national defense, but I would remind the Members of the House that the Achilles' heel of the national security program in the United States is our inability to deliver to the Armed Forces the needed liquid fuel to propel the machinery and equipment that we use in the Defense Department.

So, if for no other reason than to make this country more secure, we must move forward with the gasohol program, we must move forward with the alternate fuels program, and we must move forward with the whole energy package that we worked very hard to develop. It must not be dismantled. We must not chop off our foot in the process of chopping budgets.

ENERGY SECRETARY'S PROPOSAL FOR BUDGET INCREASE IS ESSENTIAL

(Mr. LUJAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUJAN. Mr. Speaker, I want to take time today to commend Energy Secretary James Edwards for his remarks concerning manpower needs at our national defense laboratories.

Appearing before a House subcommittee this week Mr. Edwards pointed out the danger of allowing these vital installations to operate with inadequate manpower and dated physical plants.

Two nuclear weapons research facilities—Los Alamos and Sandia labs—are located in New Mexico; together they play a vital role in my home State's economy, but more importantly they are of critical importance to the future security of our Nation.

The New Mexico congressional delegation has been meeting with DOE officials in an effort to obtain at least 75 more positions for the protective force at the Los Alamos National Laboratories. Secretary Edwards' viewpoint on this proposal is positive. He proposed to substantially increase funding for national labs because of growing concern that weapons research is lagging and that future needs will not be met.

It is clear that the Secretary has given this subject a full review. His proposal for a budget increase is well-founded and essential. I look forward to working with him in the coming months to insure that our national defense labs are fully funded.

APPOINTMENT AS MEMBERS OF COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The SPEAKER. Pursuant to section 3(1), Public Law 94-304, the Chair appoints as members of the Commission on Security and Cooperation in Europe the following Members on the part of the House: The gentleman from Florida (Mr. FASCELL), chairman; the gentleman from Illinois (Mr. YATES); the gentleman from New York (Mr. BINGHAM); the gentleman from Colorado (Mr. WIRTH); the gentlewoman from New Jersey (Mrs. FENWICK); and the gentleman from Pennsylvania (Mr. RITTER).

APPOINTMENT AS MEMBERS OF U.S. DELEGATION OF MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86-420, as amended, the Chair appoints as members of the U.S. delegation of the Mexico-United States Interparliamentary Group the following Members on the part of the House: The gentleman from Texas (Mr. DE LA GARZA) chairman; the gentleman from Pennsylvania (Mr. YATRON), vice chairman; the gentleman from Texas (Mr. KAZEN); the gentleman from California (Mr. MILLER); the gentleman from Missouri (Mr. SKELTON); the gentleman from Colorado (Mr. KOGOVSEK); the gentleman from Florida (Mr. MICA); the gentleman from California (Mr. ROUSSELOT); the gentleman from California (Mr. LAGOMARSINO); the gentleman from Arizona (Mr. RUDD); the gentleman from Pennsylvania (Mr. GOODLING), and the gentleman from California (Mr. DREIER).

APPOINTMENT AS MEMBERS OF U.S. GROUP OF NORTH ATLANTIC ASSEMBLY

The SPEAKER. Pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended the Chair appoints as members of the U.S. group of the North Atlantic Assembly to be held May 22 to 25, 1981, in Venice, Italy, the following Members on the part of the House: The gentleman from California (Mr. PHILLIP BURTON), chairman; the gentleman from Indiana (Mr. HAMILTON), vice chairman; the gentleman from Texas (Mr. BROOKS); the gentleman from Illinois (Mr. ANNUNZIO); the gentleman from North Carolina (Mr. ROSE); the gentlewoman from Ohio (Ms. OAKAR); the gentleman from New York (Mr. GARCIA); the gentleman from Mississippi (Mr. BOWEN); the gentleman from Michigan (Mr. BROOMFIELD); the gentleman from Illinois (Mr. FINDLEY); the gentleman from Virginia (Mr. WHITEHURST); and the gentleman from California (Mr. BURGENER).

APPOINTMENT AS MEMBERS OF U.S. DELEGATION OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of Public Law 86-42 as amended, the Chair appoints as members of the U.S. delegation of the Canada-United States Interparliamentary Group to be held May 22-26, 1981, in Halifax, Nova Scotia, the following Members on the part of the House:

The gentleman from Florida (Mr. FASCELL), chairman; the gentleman from Massachusetts (Mr. BOLAND), vice chairman; the gentleman from Florida (Mr. GIBBONS); the gentleman from Washington (Mr. BONKER); the gentleman from New York (Mr. LAFALCE); the gentleman from Illinois (Mr. RUSSO); the gentleman from Maryland (Mr. BARNES); the gentleman from New York (Mr. HORTON); the gentleman from Kansas (Mr. WINN); the gentleman from Michigan (Mr. DAVIS); the gentlewoman from Maine (Mrs. SNOWE); and the gentleman from New York (Mr. MARTIN).

HOUSE COMMITTEE FUNDING RESOLUTIONS

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, at a time when the President is calling for reductions in Federal spending of almost $50 billion, it is imperative that the Congress show a sense of fiscal responsibility in the workings of our own House.

While the Senate has cut committee budgets by an average of 10 percent below last year's authorization, we in the House will begin to vote on committee funding resolutions that, in all but one case, contain increases ranging from 16 to 39.2 percent.

How can we as Members of Congress tell the American people to make economic sacrifices at the same time we continue to increase our committee budgets? Americans have sent a clear message to Congress. America wants less Government and less Government spending.

We must begin by putting a lid on the expenditures for our committee budgets. I urge you to defeat the committee funding resolutions at the proposed funding levels.

RITA JENRETTE DOES NOT SPEAK FOR HUGHES FAMILY

(Mr. HUGHES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUGHES. Mr. Speaker, we have seen a lot more of Rita Jenrette lately, both on the talk show circuit and in the pages of Playboy magazine.

She has become quite an expert—or at least she claims to be—on the Congress, its Members, and our morality.

But the Washington I hear about from Rita Jenrette is not the Washington I know. Whatever our other shortcomings might be, I know the overwhelming majority of my colleagues to be decent, God-fearing, sincere, and hard-working individuals who have given every effort toward doing what they believe is right.

Perhaps I have not traveled in the right circles, but the husbands and wives I have met in the Congress are deeply involved in civic work, in raising funds for the troubled or needy, in working with our young people, and a host of other worthy activities, or perhaps they are simply homemakers.

I know that that type of activity, day in and day out, is not particularly exciting or newsworthy. It does not make good copy and it certainly will not boost the ratings of the "Phil Donahue show."

But that is the Washington I know.

Rita Jenrette has every right to talk about her own life and speak for herself. But she does not speak for me, or for my family, or for, I suspect, the great overwhelming majority of my associates.

INTRODUCING LEGISLATION PROVIDING CREDIT FOR NONPETROLEUM FUEL USE BY AUTOMOBILES

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, by 1985 our automobile manufacturers have to meet a standard of 27½ miles per gallon for their average fuel economy. Today I am introducing some legislation which will give these manufacturers a credit on that standard for automobiles that they produce which are designed to use nonpetroleum fuels whether they be alcohol, methane, methanol or whatever.

We have given the automobile manufacturers similar treatment for electric vehicles in previous legislation.

It is my judgment that this may provide them the incentive to build cars that have engines that use alternative fuels at a much faster rate than they ordinarily will do.

Mr. Speaker, I let my colleagues know that today our companies are manufacturing several hundred thousand cars a year in South America that use 100 percent alcohol and certainly they should be able to have the technology to manufacture the same kind of cars for the U.S. market. Hopefully this bill will provide them with some incentive.

□ 1115

PERMISSION FOR COMMITTEE ON ENERGY AND COMMERCE TO HAVE UNTIL MIDNIGHT FRIDAY TO FILE REPORT ON H.R. 2166

Mr. SHARP. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce may have until midnight Friday, March 6, 1981, to file a report on the bill, H.R. 2166.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from Indiana?

There was no objection.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

CONGRESS SHOULD SET EXAMPLE BY CUTTING COMMITTEE STAFFS

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, in its wisdom the House has taken long and deliberate time in its consideration of the committee staff budgets. The reason for that is that America knows Congress is spending too much money, and it knows that the $80 billion deficit comes from Congress. The bigger the staffs, the more we spend on all types of legislation.

I want to give the Members an example of how fast these committee staffs have grown with a few typical committees compared today against the year 1974, which is not a long time ago, just 6 years.

The Committee on Agriculture had 22 members in 1974. The last I heard they had 70 over there now. The Committee on Interstate and Foreign Commerce had 58; they now have 160 and they are asking for 170.

The Committee on Merchant Marine and Fisheries had 22, 6 years ago, and they have 88 on the staff over there now. The Committee on Ways and Means had 31 in 1974, and they now have 90.

The way to cut back on Government is to cut back on the staffs and have fewer of these people sitting around the Halls of Congress trying to dream up new regulations, dream up new laws. We need to save money for America.

America has more Government that it needs, more regulations than it wants, and more taxes then we can afford to pay.

U.S. NATIONAL SECURITY AND THE MULTILATERAL DEVELOPMENT BANKS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, in assessing legislation for the Multilateral Development Bank (MDB's) this year, I urge my colleagues to consider the impact of these institutions on U.S. national security. The vast financial support they provide is critical to the maintenance of long-term economic and political stability throughout the developing world.

Among the 13 largest development bank borrowers, for example, this security is absolutely vital to U.S. strategic interests. Each of these countries—Brazil, Mexico, Korea, Pakistan, Egypt, India, Indonesia, Colombia, Thailand, Yugoslavia, Turkey, the Philippines, and Kenya—is either a close U.S. ally or a key buffer to Soviet-backed expansionism. Alone, these countries received over $8 billion in development bank assistance in 1979—more than four times U.S. security support assistance, worldwide, in 1979, and at far less cost to the American taxpayer. Reduced U.S. support for these institutions would mean not only less development assistance, but also a loss in U.S. influence over the direction of MDB assistance flows.

U.S. security interests are closely linked to the health of the world economy which, in part, is dependent upon MDB activities for growth, resilience, and efficiency. MDB assistance induces growth which stimulates markets. The largest MDB borrowers are the world's fastest growing markets and now surpass Western Europe in the purchase of U.S. exports.

The MDB's help to recycle surplus OPEC funds back to the deficit developing countries through project loans, thus alleviating excess strain on the world's monetary system.

Finally, the MDB's use their growing leverage to induce shifts within the developing countries toward market-oriented policies thereby helping to achieve and maintain an efficient, responsive international market economy.

ENACTMENT OF H.R. 2256, PHASING OUT EXCISE TAX ON LARGE CIGARS, URGED

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, I am delighted to cosponsor H.R. 2256, which would phase out over a 3-year period the excise tax on large cigars. In the past, when times were much more prosperous for the cigar industry, it made some sense for these products to be used as vehicles for a stable source of Government revenue. The cigar excise tax was doubled in 1942, as part of the package to raise funds for World War II—and then later for the Korean conflict.

In recent years most of the excise taxes in this country have been eliminated. Now the U.S. cigar industry has fallen on hard times. The industry is a major source of employment in the Eleventh District of Pennsylvania, particularly in Berwick, Mountaintop, and Kingston, where we already suffer from high unemployment. Enactment of H.R. 2256 would inject badly needed financial support to a labor intensive industry and help get it back on its feet. By so doing, it would create needed jobs in Pennsylvania and other areas throughout the country, thereby providing revenues to the Government through increased income taxes. I urge my colleagues to support H.R. 2256.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask to proceed for 1 minute for the purpose of inquiring of the acting majority leader the program for next week.

Mr. SHARP. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to the gentleman from Indiana.

Mr. SHARP. Mr. Speaker, the leadership would like to announce the program for next week.

On Monday, the House meets at noon in a pro forma session.

On Tuesday, the House meets at noon to consider one bill under suspension of the rules: H.R. 2166, to extend antitrust defense for oil companies participating in voluntary agreements under the international energy program.

On Wednesday, the House will meet at 3 p.m. in a pro forma session.

On Thursday, the House meets at 11 a.m. in a pro forma session.

On Friday, the House will not be in session.

Mr. MICHEL. I might make the observation that it is a pretty lean plate for next week. I was given to understand that since the funding resolutions were put off this week, that they might be considered next week. I wonder if the gentleman would have any intelligence on when those funding resolutions might be brought before the House?

Mr. SHARP. I have been advised that that decision has not been finally given, and can really provide no further information.

Mr. MICHEL. Do I understand, then, from the gentleman's response, that a decision has not been made either on the form in which they would come by the traditional means, for example, of one at a time, giving the minority an opportunity to amend the individual resolutions, or is there a prospect of their all being lumped together in one resolution.

Mr. SHARP. I simply have not been advised in a way that I could answer that question.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield.

Mr. LOTT. We are getting off to an extraordinarily slow start, it seems to me, around here. I wonder if the leader has been informed as to when we might pick up the pace around here.

Mr. MICHEL. No, but the majority leader and I had a little exchange the other day in which I said that the measurement of what is accomplished around here at this junction cannot always be measured by what takes place on the House floor. The committees are meeting. I understand the Budget Committee, as the gentleman well knows, is meeting. The Ways and Means Committee is beginning to hold hearings. The Appropriations Committee has already met, unfortunately, on the Carter budget as distinguished from the new one.

We know the rescissions will not be up here until the 10th of March. We cannot really be in that kind of position of criticizing any inaction on the floor of the House when, frankly, the tax bill itself has not been formally submitted. The specifics will not be up here until the 10th.

I cannot be all that critical that we are not doing things here on the floor of the House if for no other reason than just to be spinning our wheels. I would say, however, that it is important that we have ample time to debate the funding resolutions for the various committees, because as the gentleman well knows, we have some decided feelings on this side particularly about the growth of staff around here and our own intention of making some economies here in our own body to give some encouragement to the departments downtown and the rest of the people out there in the country who are being asked to sacrifice something and to cut down on their normal pattern of living in the interests of the overall national effort to cut Federal expenditures.

Mr. SHARP. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. I yield.

Mr. SHARP. I can advise the House that the leadership does wish and expect to take up consideration of committee funding during the week of March 16.

Mr. MICHEL. March 16. I thank the gentleman for that observation, and then I will take it from the gentleman's statement that that will be the case, and we will prepare ourselves for that eventuality.

Mr. Speaker, I yield back the balance of my time.

ADJOURNMENT TO MONDAY, MARCH 9, 1981

Mr. SHARP. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. SHARP. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMENTS AND SUGGESTIONS BY THE HONORABLE CHARLES ROSE OF NORTH CAROLINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. ROSE) is recognized for 5 minutes.

EFFECT OF IMPORTED TOBACCO ON TOBACCO PRICE SUPPORT PROGRAM

Mr. ROSE. Mr. Speaker and my colleagues in the House, before he left office President Carter accepted the recommendation of his Secretary of Agriculture, Bob Bergland, to call for an investigation of the effect that imported tobacco was having on the tobacco price support program administered by the U.S. Department of Agriculture. President Reagan asked that that investigation be halted when he came into office, and on Monday of this week he gave the green light to the resumption by the International Trade Commission of the investigation started by the previous President.

Mr. Speaker, I salute both the previous and the present Presidents of the United States for the actions that they have taken in this investigation, and as chairman of the Tobacco and Peanut Subcommittee of the Committee on Agriculture, I pledge to watch this investigation very carefully to the end that the tobacco producers of this country can be assured that the tobacco price support program is operating as it should be in the interests of all Americans.

LEGISLATION TO PROTECT IDENTITY OF INTELLIGENCE AGENTS

Mr. Speaker, on another subject, I have cosponsored legislation that would protect the identity of intelligence agents. In the last few years we have seen a great trend toward openness and full disclosure. Much of this is good, but much of this often causes more harm than good. In the case of the intelligence community, it has placed the lives of many intelligence agents in jeopardy. I hope that when the time comes for this legislation to be brought to the floor, that it will have wide bipartisan support so that intelligence community agents who serve our country can do their work with the requisite program.

USE OF COMPUTERS INCREASE EFFICIENCY OF COMMITTEES AND MEMBERS

Mr. Speaker, the House of Representatives is being called on as never before to be a greater guardian and watchdog of the American tax dollars. Industries throughout America have discovered in various ways that their own productivity can be improved by the imaginative and educated use of computers.

Mr. Speaker, in this House the Committee on House Administration has made available to every committee and every Member of Congress adequate resources on computer time and equipment and consultation to make offices and committees more productive.

Mr. Speaker, it is very true that you can bring a horse to water, but you cannot make him drink. So does that apply in the field of computers, and I challenge each and every committee chairman and every colleague on both sides of the aisle to study carefully the resources that are available to them as Members of this body to the end that they become more productive by the intelligent and considered use of electronic data processing.

□ 1130

THE HOUSE BROADCASTING SYSTEM

And last, in closing, Mr. Speaker, we began almost 2 years ago a bold experiment in this Congress, and that was the invention of the House broadcasting system. Today the proceedings of the House of Representatives are the longest running live television show in America.

I left my district the other day by airplane, and a man at the airport said:

> I watch the House of Representatives on television, and sometimes it is pretty dull, but, Congressman, we can tell that you people are serious about managing the business of this country.

So we are about to come up, Mr. Speaker, on the second birthday of the House of Representatives broadcasting system, and we owe you a debt of gratitude as our Speaker for allowing this system to go forth and develop so that millions of men and women across America can look in on live television and see the Congress of the United States at work.

Mr. Speaker, I yield back the balance of my time.

PROVIDING FOR AMERICA'S MINERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. ROGERS) is recognized for 10 minutes.

Mr. ROGERS. Mr. Speaker, I rise today to bring to the attention of my colleagues the health care needs of our country's coal miners, and to assure them of the need to continue an effective, soundly financed program of black lung benefits.

There is no denying the hazards of working in a coal mine. I am sure that most of my colleagues are well aware of the constant threats of roof cave-ins, explosions, and fires. But there is another, far more insidious danger—the danger of breathing the dusty air

which all too often contributes to the suffocating disease of pneumoconiosis.

The statistics are clear. Black lung kills more Americans than all other forms of pneumoconiosis combined—including those affecting iron workers, farmers, welders, and factory workers. It kills over 1,000 people each year, and disables the 100,000 Americans afflicted today. The risk of death and disability among coal miners is two times that of the general population and the chance of death is eight times more than that in any other occupation.

And the problem is squarely confronted in my own district, in the streets of Harlan, Middlesboro, and Hyden. Ex-miners in Appalachia have a death rate 24 percent greater than the norm.

But the statistics do not address the suffering caused in individual lives. They do not address the numbing fear in a still young man who one day discovers shortness of breath, difficulty in walking up even a slight hill, and then the violent, painful cough.

The statistics do not describe the workingman who dreads going to sleep at night, that time when the suffocating cough prevents his breathing—even when he has his feet carefully propped up or when he is lying under an oxygen tent.

The statistics do not record the heartfelt sorrow of the wife, the eventual widow, who hears her husband's racking cough during the night.

Mr. Speaker, Presidents have declared that our energy crisis is the moral equivalent of war. Each war has its heroes, and this one is no different. And just as our country has legitimately provided for the wounded veterans and their descendants in previous wars, so we must provide for the disabled veterans of this current war.

The country is increasingly turning to coal as a cheap, efficient, and abundant domestic source of energy. It provides our households, industries, and utilities with the promise of future energy. There is not a single congressional district which does not benefit from the labors of the miners.

It is not asking too much when we demand that those who have been disabled in our country's energy war be provided for by the country they have so ably served. The miners and their families should not bear this burden alone.

I urge my colleagues to work with me to insure that we continue to provide a soundly financed, well-constructed program of benefits for these miners who have been truly disabled.

Mr. NELLIGAN. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. Yes; I yield to the gentleman from Pennsylvania.

Mr. NELLIGAN. Mr. Speaker, I thank the gentleman for yielding, and I compliment him on his profound elocution and articulation of a problem which is indeed a problem for all Americans.

I, too, come from a coal-mining area, the 11th District of Pennsylvania, and I remember, as a young man and as a child, seeing the coal miners from the Dorrance colliery coming home in the afternoon black with only the whites of their eyes showing. I watched those coal miners over the years, as I grew to be a young man, and I watched the deterioration of their bodies, I watched them wheeze and bend over and gasp for breath, and indeed I saw them die from black lung.

If we can expect in this Nation a revitalization of coal, then we must have consideration for the men who are going to mine that coal. I strongly urge all my colleagues, particularly those who do not have this problem, who are not confronted with the problem, and have not seen the victims of black lung, to be sympathetic and compassionate. And if not that, I just urge them to look at it reasonably and logically, and I urge, for the good of the country and for the good of the coal miners in this country and to achieve energy independence, that they do not support any move to cut the black lung program.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. Yes; I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Speaker, I also wish to rise in strong support of the gentleman's message. This may seem strange, coming from a nonmining-area Representative, but it so happens that my whole family history is intertwined with mining. My oldest brother, who died 1 year ago exactly, was a mining engineer and spent all his life in the mining area of northern Mexico, and I am very familiar with the plight of miners that has been described here so dramatically.

I remind the gentleman that really the question is a very large one, and unless one has been into the mines or the mining areas and seen the plight and the life of a miner, it is very difficult to comprehend what is involved.

I want to express my support, as I have from the beginning, of the black lung legislation. There is only one other thing, though, and that is why I am delighted that the two gentlemen spoke up today, and that is that, as I understand it, on the budgetary recommendations by the administration this is targeted for either reduction or elimination; is that correct?

Mr. ROGERS. Mr. Speaker, I understand that the executive branch is considering some changes in the program.

Mr. GONZALEZ. Mr. Speaker, I thank the gentleman very much.

Mr. NELLIGAN. Mr. Speaker, will the gentleman yield on that point for one more comment?

Mr. ROGERS. I yield to the gentleman from Pennsylvania.

Mr. NELLIGAN. Mr. Speaker, I thank the gentleman for yielding.

It is my understanding that the administration intends to keep the black lung program for those who are now receiving it as is. The problem is that it has been plagued with allegations that there are many receiving it who are not truly disabled, and I believe the administration's intention is to make the proof more positive that those who are applying for black lung benefits indeed do have a disablement and they are disabled.

I would hope that what it would do is take the looseness out of the program and insure that only those who are truly disabled, those who really need the black lung payments, are indeed those who are going to get them.

Mr. ROGERS. Mr. Speaker, I urge the executive branch that, in reviewing the black lung benefits program, they consider this very clear and resounding note from the Congress that those who are truly medically disabled from the black lung disease will indeed receive the disability benefits that are presently in the law.

Mr. Speaker, I yield back the balance of my time.

THE SECOND ABSCAM RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, yesterday the House voted again overwhelmingly, with the one dissenting voice being mine, on the so-called No. 2 Abscam resolution.

I have been distraught that there would have been such little attention paid to the real issue that surrounds the development of the actions that we have had to confront as a result of that specific resolution and its reaffirmation yesterday. It seems that the real issue, which is the independence of the legislative body, is being sacrificed without a whimper. Liberty usually is lost that way, not with a bang, and now, without a whimper.

In this case I am fearful that the House has acted rather willy-nilly on the most fundamental emergence of a basic issue that very seldom has confronted the English-speaking world with respect to its parliamentary or representative activities.

Mr. Speaker, I hope to go into this at greater length in the days to come, but it just seems that the House, in acting the way it did yesterday, was like the old Bourbon kings and learns nothing and forgets nothing.

What we should have learned, and must learn, is that the tactics of

Abscam went too far. Judges have questioned it, thoughtful editorialists have questioned it—but the issue seems too hot for us to handle here in the House—and this House is where liberty is going to be preserved or lost.

It is one thing for a law enforcement agency to investigate crime, and another to fabricate crime. Abscam was very much a case of fabricated crime, aimed against specifically targeted legislators. This is not only troubling, it is frightening.

The Washington Post last January 13 went as far as anybody could expect in today's climate to warn about the excesses that now seem to be authorized by the Justice Department. The editorial says that the guidelines that embrace Abscam tactics go "too far." It says that—

> No law enforcement agency should be in the business of running around town offering bribes, willy-nilly, in hopes that someone will accept something. After all, the agent who offers a bribe is committing what would be an illegal act but for his official position.

Precisely. We are forewarned that the purposes of the FBI are not always benign. As the Post warns, speaking of the Abscam guidelines—

> The history of the Bureau is reason enough not to have such a power lying around . . .

Yet we ask no questions; we do not consider the uneasiness of the judges who have been considering these cases and the appeals from them; we do not question anything in our haste to exorcise the demons and furies of Abscam. I believe that the warnings I have cited, in the Post editorial, ought to stimulate a little thought and courage on our part. Do we really want a society in which anybody, including supposedly independent officials, are subjected to tricks and tests with no other purpose than to entangle people who have done nothing wrong—but can perhaps be made to do something wrong? We would be outraged if such flummery were used against the press, which cherishes, rightfully so, its independence and freedom. Why can we not see the danger to the Congress itself?

The editorial follows:

ABSCAM AND HONESTY TESTS

> There is not much to be gained by speculating about how the latest chapter in the Abscam affair will end. The prosecutors, past and present, are apparently divided among themselves as to how close the investigators came, in some of the bribery cases, to the line that divides a legal snare from an illegal trap. The defense attorneys, of course, think the line was crossed. The judges, as they always do, will have the last word.
>
> But there is something to be gained from looking—in the abstract—at the tactics used by the government in this remarkable investigation. According to the Department of Justice, those tactics pretty well followed the guidelines set out last week by Attorney General Civiletti as official policy for future undercover investigations.
>
> If that is so, the Justice Department and the FBI tried hard to keep the Abscam investigation on target. The guidelines provide, for example, that before a government agent invites an individual to engage in illegal conduct—as the Abscam agents did when they offered bribes to members of Congress—the "corrupt nature" of the conduct must be "reasonably clear" to the potential victim. The inducement offered—$50,000 in most Abscam cases—must also be in line with the character of the illegal transaction.
>
> Those are useful and wise guidelines, meant to eliminate the possibility that a victim does not understand the illegality of what he is asked to do and is not tempted by sums of money out of line with reality.
>
> But after that, the guidelines move into a treacherous area. They permit the director of the FBI to authorize his agents to offer bribes to individuals who are not suspected of having previously engaged in similar illegal activities.
>
> This is pushing the law and the legitimate role of law enforcement agencies too far. It is acceptable, legally and as public policy, for FBI agents to offer bribes to members of Congress when there is reason to believe they have sold or are willing to sell their services. But it is bad public policy and perhaps legally wrong for those agents to test the honesty of any public official (or anyone else) unless that threshold of prior questionable conduct has been crossed. No law enforcement agency should be in the business of running around town offering bribes, willy-nilly, in hopes someone will accept something. After all, the agent who offers a bribe is committing what would be an illegal act but for his official position.
>
> This issue has yet to come to the surface in the Abscam trials. It may or may not come up in the future, depending in some part upon the prior activities of the men who were indicted. But whether or not it arises in these cases, the present attorney general or the next one should review these new guidelines with an eye to striking out this particular grant of authority to the FBI. While it is unlikely that the present director would abuse his power, the history of the bureau is reason enough not to have such a provision lying around waiting for someone to invoke it as a routine test for determining honesty.

COTTER PENSION PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

● Mr. COTTER. Mr. Speaker, today I am introducing my bill to encourage workers to save for their retirement by making it easier for them to begin an individual retirement account.

In essence, the Cotter plan is an IRA for all working men and women. The plan allows an individual worker to open an IRA even if that person already has a private or government pension plan. Almost every working person and their spouse would be able to open an IRA, even if the spouse had no earned income.

Individuals in qualified pension plans would be able to exclude up to $500 from taxable income on their Federal tax return each year, and up to $1,000 each year on a joint return. The money placed in a Cotter plan would not be taxed until it is withdrawn after retirement, usually at a lower tax rate.

In addition, the bill raises the present IRA limits for those who have no other pension plan to $2,000 or $2,500 for a spousal account. This maintains the present equity relationship between the various pension systems.

This tax incentive is designed to encourage people to take greater responsibility for their retirement by saving now to supplement other retirement income. It is also designed to encourage long-term savings in order to help provide for the long-term capital needs required by our economy.

A more detailed description of the Cotter plan is printed below. However, there are several points I would like to make. First, each year a person would be able to exclude not only $500 for their own account, but an additional $500 can be excluded from taxable income for a spouse, even if the spouse has no earned income.

In order to insure that these funds are available for retirement, there would be a 10-percent penalty tax for withdrawal from the account before retirement.

For people who have no qualified pension plans, the Cotter plan would raise the present IRA limits to the lesser of $2,000 or 100 percent of gross income for an individual, or $2,500 or 100 percent of gross income for an individual and spouse.

Projections by the Joint Committee on Taxation indicate that this proposal will cost the Treasury $1.2 billion by 1984, but I am convinced the long-term benefits of this proposal far outweigh this cost.

One final point, my bill requires that institutions providing the Cotter plan clearly provide on an annual basis the rate of return to the holder of the account. This will enable each holder of a Cotter plan to "shop around" for the best interest rate available. Complete freedom is given the holder to rollover from one type of account to another, or to switch institutions holding their Cotter plan if they do not feel they are receiving a fair return on their investment.

I believe the Cotter plan offers a distinct opportunity for Congress to act to encourage saving. It is increasingly becoming apparent that our aging population will have to prepare itself more carefully to secure a decent standard of living during retirement. Latest statistics indicate that the ratio of covered workers to social security retirees will decline from 3 to 1 to about 2 to 1 by the early 21st century. Given budgetary pressures that will

continue on both the Federal Government and the social security system, it is not likely that the Federal Government will be able to assume responsibility for lessening all of the burdens of our aging population. The establishment of the Cotter plan will be a constructive step in meeting this future social need.

This is the type of legislation that should be part of the current tax bill before the Ways and Means Committee. Low- and moderate-income people have little choice but to spend for necessities the money they receive from the tax cut. The wealthy will save and invest. The vast majority of Americans in the middle class are at the margin—they could save their tax reduction and contribute to capital formation and productivity, or spend it and perhaps contribute to inflationary pressures. My bill may tip the scale for many middle-class Americans in favor of saving for retirement, providing a strong support for the President's economic recovery program.

REVENUE EFFECT

It is estimated that the provision will reduce budget receipts by $30 million in fiscal year 1981, $735 million in fiscal year 1982, $945 million in fiscal year 1983, $1,180 million in fiscal year 1984, $1,280 million in fiscal year 1985, and $1,425 million in fiscal year 1986.

One last point, the following table shows the estimated distribution by income class of the Cotter plan. The table shows that 79.6 percent of all tax deductions will go to those making between $10,000 and $50,000.

COTTER PENSION PLAN—ESTIMATE OF DISTRIBUTION BY INCOME CLASS

[1978 income level]

Aggregate gross income (thousands of dollars)	Tax deduction (millions of dollars)	Percent of all tax deduction	Number of returns (thousands of returns)	Percentage of all returns
$0 to $10	143	6.0	577	11.6
$10 to $20	[illegible]	23.9	[illegible]	27.7
$20 to $30	655	27.7	1,312	26.3
$30 to $50	[illegible]	28.0	1,181	23.7
$50 to $100	273	11.5	445	[illegible]
$100 plus	68	[illegible]	81	1.6
Total [1]	[illegible]	100.0	[illegible]	[illegible]

[1] Estimated revenue loss for 1978 is $760 million.

Source: Joint Committee on Taxation

THE 103D ANNIVERSARY OF BULGARIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. FERRARO) is recognized for 5 minutes.

● Ms. FERRARO. Mr. Speaker, March 3, 1981, marked the 103d anniversary of Bulgarian Independence Day. I want you to know that my heart goes out to the proud people of Bulgaria.

Bulgaria's history has been one of continual domination and persecution by foreign powers. It was at the end of the Russo-Turkish War of 1877–78 that Bulgaria achieved independence. It was a time of great joy for these people who poured their energies into building a prosperous nation where freedom of speech and assembly were part of their basic human rights. It is most unfortunate that the freedom, under which Bulgaria flourished economically, socially, and politically was so short lived. The advent of World War II brought an abrupt end to this freedom. Bulgaria was invaded by Soviet military forces who to this day impose a Communist government on this once independent nation.

Years of peace, progress, and freedom created a strong sense of Bulgarian nationalism, which is still very much alive among these people. Many continue in their fight for self-determination and remain hopeful of some day resuming a life free from Soviet oppression.

Bulgarians have demonstrated great courage and strength throughout their history. Let us join other freedom-loving peoples throughout the world in supporting these brave individuals who are struggling to regain independence for Bulgaria.●

STATUS REPORT ON FEDERAL INVESTIGATION INTO FRAUD AND CORRUPTION IN ARMY AND AIR FORCE EXCHANGE SERVICE

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, today I am providing the status of the Federal investigation into fraud and corruption in the Army and Air Force Exchange Service (AAFES).

This investigation is being conducted by a Federal task force which consists of representatives from the Department of Justice Public Integrity Section, U.S. attorney's office for the western and northern districts of Texas, the Federal Bureau of Investigation, the Internal Revenue Service, and the Air Force Office of Special Investigations.

Pursuant to its oversight responsibility for military exchanges, the nonappropriated fund panel, Committee on Armed Services, has monitored closely the investigation by the Federal task force. In addition, the panel has examined independently the entire matter concerning vendor and employee misconduct.

On November 21, 1980, I inserted into the CONGRESSIONAL RECORD a copy of a letter addressed to the commander of AAFES, clarifying AAFES responsibility in matters pertaining to suspension of companies which have admitted criminal activity.

In December the U.S. General Accounting Office (GAO) issued a report entitled "More Effective Internal Controls Needed To Prevent Fraud and Waste In Military Exchanges". GAO recommends that the exchanges take a more active and systematic approach to combat fraud and to improve the overall system for managing procurement.

Because of the nature and extent of fraud and corruption uncovered at AAFES, the panel met with the Chiefs of Staff of the three military services to advise them of the panel's deep concern and alarm. The service Chiefs of Staff have submitted a report, including a plan of action, addressing the panel's concern.

Judicial action has been brought against contractors, contractor consultants, vendor representative firms, and AAFES employees. As of February 4, 1981, a total of 24 within the 4 years have pled guilty or been convicted. In that time 61 firms and/or individuals have been suspended or debarred from doing business with AAFES or the Federal Government. Since 1976 AAFES has taken administrative action against 29 executive employees for violations of its standard of conduct. Of these, 13 were separated or resigned while separation action was pending; 16 were either suspended, reprimanded, or counseled for less serious infractions. There are many cases pending which will be reported on later.

The following table lists actions taken against suppliers and employees of the Army and Air Force Exchange Service arising out of the Federal task force investigation of fraud, waste, and abuse.

ACTIONS TAKEN AGAINST SUPPLIERS AND EMPLOYEES

Name	Offense	Judicial action	Administrative action [1]
Suppliers			
Anthony Leal, owner, S. & L. Construction Co.	Giving gratuities	Pled guilty: Aug. 1, 1977; sentenced: Aug. 19, 1977; 1 yr imprisonment, $5,000 fine.	Suspended Feb. 24, 1978; debarred Sept. 21, 1978–Feb. 24, 1981.
S. & L. Construction Co.	do	None	Suspended Feb. 24, 1978; debarred Jan. 17, 1979–Feb. 24, 1981.
William H. Weil, consultant to S. & L. Construction Co.	Conspiracy to defraud	Pled guilty: July 27, 1977; sentenced: Aug. 19, 1977; 3 yr suspended, $1,000 fine.	Suspended Feb. 24, 1978; debarred Sept.21, 1978–Feb. 24, 1981.

ACTIONS TAKEN AGAINST SUPPLIERS AND EMPLOYEES—Continued

Name	Offense	Judicial action	Administrative action [1]
Harry Thelen, owner of Thelen Bros. Construction Co.	Giving gratuities	Pled guilty: Oct. 21, 1977; sentenced: Nov 17, 1977; 3 yr probation, $2,500 fine.	Suspended Feb. 24, 1978; debarred Jan. 17, 1979–Feb 24, 1981
Thelen Bros. Construction Co.	do	None	Suspended Feb. 24, 1978; debarred Jan. 17, 1979–Feb 24, 1981
David Strauss, owner, Strauss Construction Co.	Income tax evasion	Pled guilty: June 16, 1978; sentenced: July 17, 1978; $3,000 fine.	Suspended Feb. 4, 1980; debarred July 18, 1980–July 18, 1983
Strauss Construction Co.	do	None	Suspended Feb. 4, 1980; debarred July 18, 1980–July 18, 1983
Charles M. Kahn, agent of Leal & Strauss	Conspiracy to defraud	Pled guilty: July 20, 1977; Sentenced: Oct. 13, 1978; 5 yrs imprisonment (to run concurrently with May 20, 1977 sentence for tax evasion), $5,000 fine.	Suspended Mar. 30, 1978; debarred Sept. 21, 1978–Mar. 30, 1981.
Harrell Sales International, Inc., military representative firm	False income tax returns	Pled guilty: Aug. 23, 1979; sentenced: Sept. 14, 1979; $10,000 fine.	Debarred June 16, 1980–June 16, 1983
Harrell International, Inc.	Parent corporation of and responsible for actions of Harrell Sales International, Inc.	None	Debarred (A.A.F.E.S. only) June 16, 1980–June 16, 1983
Wilson Harrell, chief executive officer of Harrell International, Inc. and Subsidiaries.	Responsible for actions of Harrell Sales International, Inc.	do	Suspended Feb 20, 1980, debarred (A.A.F.E.S. only) June 16, 1980–June 16, 1983
Patrick H. Bohanan, employee of Harrell Sales International, Inc	Giving gratuities	do	Suspended Feb. 21, 1980–Nov 10, 1980
James DeSanto, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21, 1980; Suspended DOD-wide Oct. 21, 1980
William N. Eddinger, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21, 1980–Nov. 17, 1980
Milton Eidelberg, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21, 1980; debarred Jan 27, 1981–Feb 21, 1983
William A. Eipper III, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980–Aug. 1, 1980
David S. Fishman employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980–Nov 10, 1980
Frank Gales, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21, 1980, died Oct. 7, 1980
Robert Giangrossi, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980; suspended DOD-wide Dec. 19, 1980
Stanford Lee Gritz, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21–Sep. 22 1980.
Richard W. Jacks, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21–Nov 10, 1980
Thomas Jankowski, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21, 1980; suspended DOD-wide Dec. 19, 1980
James Peter Jenson, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21 1980–Nov 10, 1980
Norman R. Johnson, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21 1980–Nov. 10, 1980
Philip W. Johnson, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21, 1980, debarred Jan 29–Feb. 21 1981
Philip H. McMillan, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21 1980; debarred Nov 26, 1980–Feb. 21, 1982
Carol Morales, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21–Mar 12, 1980
Leonard Ray Rinard, employee of Wilson Harrell & Co	do	do	Suspended Feb. 21 1980; debarred Jan. 21–Feb 21, 1981
Winthrop G. Robinson, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21–May 14, 1980
Donald Stephens, employee of Harrell Sales International, Inc	do	do	Suspended Feb. 21, 1980; debarred Dec. 8, 1980–Feb. 21, 1981
Larry Stocker, employee of Harrell Sales	do	do	Suspended Feb. 21–Nov 10, 1980
Richard G. Thompson, employee of Wilson Harrell & Co	do	do	Suspended Feb 21–Jun 16, 1980
Martha J. Weems, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21–Nov. 10, 1980
Dave Weedenfeller, employee of Wilson Harrell & Co	do	do	Suspended Feb. 21–Nov 25, 1980
Roland W. Williams, employee of Harrell Sales International, Inc	do	do	Suspended Feb 21–Nov 10, 1980.
Jesse Bird, president of Bird Harrell, subsidiary of Harrell International, Inc.	do	do	None.
Bonhoeffer Sales Co. Inc., military representative firm	Conspiracy to defraud	Pled guilty: Mar. 21, 1980. Sentenced: May 12, 1980; $7,500 fine.	Suspended Feb. 22, 1980; debarred Jan. 8, 1981–Feb 22, 1983
Brookwood Corp., military representative firm	do	do	Suspended Feb. 22, 1980; debarred Jan. 7, 1981–Feb. 22, 1983
Robert N. Peffers, president of Bonhoeffer Sales Co., Inc.; vice president of Brookwood Corp.	False income tax returns	Pled guilty: Mar. 21, 1980; sentenced: Jan. 15, 1981; 3 yr suspended, 5 yr probated, $5,000 fine.	Suspended Feb. 22, 1980; debarred Jan. 8, 1981–Feb. 22, 1983
Estil G. Brumfield, President of Brookwood Corp.; vice president of Bonhoeffer Sales Co. Inc.	Bribery	Granted judicial immunity	Suspended Feb 22, 1980; debarred Jan. 7, 1981–Feb 22, 1983
Adams Commission Co., Inc., military representative firm	do	None	None
M. Hollis Adams, president, Adams Commission Co	do	do	Do.
Elizabeth Arden, vendor	Low level sales personnel gave gratuities (Christmas gifts).	do	Do.
Worldwide Books Co., Inc., vendor and concessionaire	Bribery	Pled guilty: Dec. 14, 1979; sentenced: Dec. 14, 1979, $5,000 fine.	Do.
Bendone Manufacturing Co., Inc., vendor	Giving gratuities	None	Suspended Dec. 3, 1979–Dec. 3, 1980
Martin A. Taylor, Co. Inc., military representative firm	Bribery	Pled guilty: Sept. 4, 1980; awaiting sentencing	Suspended Dec. 1, 1980; suspended DOD-wide Jan. 2, 1981.
Martin A. Taylor	Officer/director Martin A. Taylor Co., Inc.	None	Suspended DOD-wide Jan. 2, 1981.
Churchill Sales Co., Inc., military representative firm	Bribery	Pled guilty: Aug. 1, 1980; sentenced: Jan. 16, 1981; $20,000 fine.	Suspended Nov. 24, 1980; suspended DOD-wide Jan. 6, 1981.
Martin Goodman	Officer/director Churchill Sales Co., Inc.	None	Suspended DOD-wide Jan. 6, 1981.
Anthony Mazzuotti	do	do	Do.
Robert Naar	do	do	Do.
Bazar, Inc. Sales Co., vendor and military representative firm	Bribery	Pled guilty: Oct. 2, 1980; sentenced: Jan. 23, 1981; $20,000	Suspended Oct. 21, 1980; suspended DOD-wide Dec. 18, 1980
Bonice C. Bazar	Officer/director Bazar, Inc. Sales Co.	None	Do.
Meyer Bazar	do	do	Do.
Elliot Koppel	do	do	Do.
Bazko Products Corp.	Bazar affiliate	do	Do.
Deltah, Inc	do	do	Do.
North Star Sales Co., Inc	do	do	Do.
P.M.C. (Merchandising) Corp.	do	do	Do.
Reps, Inc	do	do	Do.
Sentiment Jewelry Co., Inc	do	do	Do.
Gary Fregeau, employee of Churchill Sales Co., Inc	Income tax evasion, giving gratuities	Pled guilty: Aug. 4, 1980; awaiting sentencing Feb. 6, 1981	Suspended Nov. 28, 1980.
James M. May, vendor representative	Giving gratuities	None	Suspended Dec. 4, 1980.
Federal Sales Associates, Inc., military representative firm	do	do	None
Vivian Payne, employee of Federal Sales Associates, Inc	do	do	Suspended Oct. 10, 1978–Jan. 18, 1980.
Martha J. Fletcher, employee of John Healy Co.	Accepting gratuities while employed by AAFES (resigned Mar 19, 1976).	do	Suspended Oct. 25, 1978–Apr 24, 1979.
Ed Neger, vendor representative	Giving gratuities	do	Suspended Apr. 11–Aug. 30, 1979.
Employees			
Harold Kindreick, contracting officer for construction, headquarters AAFES.	Bribery, conspiracy to defraud, income tax evasion.	Pled guilty: July 27, 1977 and Aug. 4, 1977; sentenced: Nov. 17, 1977; 7 yr, $5,000.	Separated Oct. 21, 1977; suspended Feb. 24, 1978; died Sept. 13, 1978
James W. Wells, contracting officer for construction, headquarters AAFES.	Accepting gratuities	Pled guilty: Nov 10, 1977; sentenced: Nov. 10, 1977; 30 days.	Resigned Jan. 14, 1977; suspended Feb. 24, 1978; debarred Sept. 21–Feb. 24, 1981
Phyllis Stover, merchandising specialist, headquarters AAFES	do	Pled guilty: Oct. 17, 1977; sentenced: Dec. 2, 1977; 2 yr probation, $1,500.	Resigned July 23, 1976; suspended Feb. 24, 1978, debarred Jan. 17, 1979–Feb. 24, 1981
Florence P. Erb, merchandising specialist, headquarters AAFES	do	Pled guilty: Mar 30, 1978; sentenced: June 16, 1978; 2 yr probation, $1,500 fine.	Retired in lieu of separation May 31, 1978; suspended May 31, 1978, died Nov 29, 1978.
Anthony J. Pezzello, merchandising specialist, headquarters AAFES	Conspiracy to defraud, income tax evasion.	Pled guilty: Sept. 20, 1978; sentenced: Oct. 20, 1978; 6 yr imprisonment (4 suspended).	Separated Sept. 11, 1978; suspended Dec. 22, 1980.
Paul Ylda, merchandising specialist, headquarters AAFES	Mail fraud, bribery	Convicted Oct. 23, 1979; sentenced: Nov 16, 1979; 8 yr $10,000.	Separated Oct 23, 1978; suspended Dec. 22, 1980.
Enrico Sambuccini, merchandising specialist, Alamo exchange region	Accepting gratuities, false income tax return.	Pled guilty: May 12, 1980; sentenced: May 27, 1980; 3½ yr, $2,500.	Resigned in lieu of separation Nov. 21, 1979.

ACTIONS TAKEN AGAINST SUPPLIERS AND EMPLOYEES—Continued

Name	Offense	Judicial action	Administrative action [1]
James M. Baker, merchandising specialist, Alamo exchange region	Accepting gratuities	Pled guilty: Oct. 10, 1980; sentence: Dec. 19, 1980; 1 yr with 6 mo probation.	Separated June 5, 1980.
Henry Marx, merchandising specialist, headquarters AAFES	do	Pled guilty: May 15, 1980; sentenced: Jan. 16, 1980; 6 mo $2,000.	Retired May 9, 1980.
Walter Shepherd, Deputy Chief, Alamo exchange region	Accepting gratuities, false income tax return.	Pled guilty: Apr. 8, 1980; sentenced: June 17, 1980; 6 yr $10,000.	Retired May 11, 1979.
Kenneth W. Davis, merchandising specialist, Alamo exchange region	Accepting gratuities	Indicted: Sept. 2, 1980; tried: Dec. 16, 1980; hung jury	Separated Sept. 11, 1980.

[1] Unless otherwise noted, suspension actions are issued by A.A.F.E.S. and are effective A.A.F.E.S. only. All debarment actions and DOD-wide suspensions are effective for all DOD agencies and were issued by the Department of the Air Force, Deputy Chief of Staff for Research, Development and Acquisition (AF/RD), prior to June 1979 and by the Department of the Army, Assistant Judge Advocate General for Civil Law (DAJAG), after June 1979.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DENARDIS) to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 10 minutes, today.

Mr. ROGERS, for 10 minutes, today.

(The following Members (at the request of Mr. ROSE) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COTTER, for 5 minutes, today.

Ms. FERRARO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DAN DANIEL, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,320.

(The following Members (at the request of Mr. DENARDIS) and to include extraneous matter:)

Mr. PETRI.

Mr. DANNEMEYER.

Mr. BADHAM.

Mr. WAMPLER.

Mr. FINDLEY.

Mr. BROOMFIELD in two instances.

Mr. MCKINNEY.

(The following Members (at the request of Mr. ROSE) and to include extraneous material:)

Mr. FAUNTROY.

Mr. ERTEL.

Mr. SOLARZ.

Mr. OBEY.

Mr. ZABLOCKI.

Mr. OTTINGER in two instances.

Mr. BEILENSON.

Mr. COTTER.

Mr. LEHMAN.

Mr. ROSENTHAL.

Mr. LOWRY of Washington.

Mr. EDWARDS of California.

Mr. SANTINI.

Mr. CORRADA.

Mr. WAXMAN.

Mr. RODINO.

Mr. BONKER.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 41 minutes a.m.), under its previous order, the House adjourned until Monday, March 9, 1981, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and delegations traveling under an authorization from the Speaker, concerning the foreign currencies and U.S. dollars utilized by them during the fourth quarter of calendar year 1980 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Edwin Webber	12/13	12/13	Israel				1,763.00 1,298.30				1,763.00 1,298.30
Committee total							3,061.30				3,061.30

[1] Per Diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used enter amount expended.

HENRY S. REUSS, Chairman.
Feb. 17, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1980

Name of member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Trevor A. Dean	10/17	10/26	England	531.40	1,290.00		2,610.00				3,900.00
Anthony C. Dalmas, M.C.	11/10	11/12	Belgium	7,104.00	288.00				42.93		270.93
	11/12	11/17	Denmark	2,887.50	525.00		1.01		48.13		574.14
	11/17	11/17	France								
Military transportation							2,650.85				2,650.85
Committee total					2,043.00		5,261.86		91.06		7,395.92

[1] Per Diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RICHARD BOLLING, Chairman.
Feb. 17, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. WYCHE FOWLER, JR., U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN NOV. 20 and NOV. 29, 1980

Name of member or employee	Date: Arrival	Date: Departure	Country	Per diem [1]: Foreign currency	Per diem [1]: U.S. dollar equivalent or U.S. currency [2]	Transportation: Foreign currency	Transportation: U.S. dollar equivalent or U.S. currency [2]	Other purposes: Foreign currency	Other purposes: U.S. dollar equivalent or U.S. currency [2]	Total: Foreign currency	Total: U.S. dollar equivalent or U.S. currency [2]
Wyche Fowler, Jr. [3]	11/21	11/22	Brussels								
	11/22	11/29	Madrid	47,971.00	623.00						
Brussels to Madrid							105.00				105.00
Madrid to D.C. (USAF)							1,203.73				1,203.73
Committee total											1,308.73

[1] Per Diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Delegate to NATO assembly—reflected on NATO Report.

HON. WYCHE FOWLER, JR.
Feb. 19, 1981.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

698. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction exceeding $100 million with Ansett Aviation Equipment Pty. Ltd. (Australia), pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

699. A letter from the Chairman, National Commission for Employment Policy, transmitting the Commission's sixth annual report, pursuant to section 505 of Public Law 93-203, as amended; to the Committee on Education and Labor.

700. A letter from the Secretary of the Treasury and the Director, Office of Management and Budget, Executive Office of the President, transmitting the annual report on improvements made in fiscal and budgetary information and controls, pursuant to section 202(f) of the Legislative Reorganization Act of 1970, as amended; to the Committee on Government Operations.

701. A letter from the Secretary of the Treasury, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

702. A letter from the Chairman, Federal Election Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

703. A letter from the Chairman, National Endowment for the Humanities, transmitting a report on the Endowment's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

704. A letter from the National Executive Director, American Veterans of World War II, Korea, and Vietnam (AMVETS), transmitting the annual audit report of the organization for the year ended August 31, 1980, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

705. A letter from the Acting Administrator of General Services, transmitting five amendments to lease prospectuses, one prospectus proposing a succeeding lease, and two which propose new leases, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

706. A letter from the Comptroller General of the United States, transmitting a report on the impact of the Foreign Corrupt Practices Act on U.S. business (AFMD-81-34, March 4, 1981); jointly, to the Committees on Government Operations and Energy and Commerce.

707. A letter from the Comptroller General of the United States transmitting a report on the management of Radio Free Europe/Radio Liberty (ID-81-16, March 2, 1981); jointly, to the Committees on Government Operations and Foreign Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEILENSON:

H.R. 2345. A bill to prohibit the printing of Federal Reserve notes in the denomination of $100, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. COTTER:

H.R. 2346. A bill to amend the Internal Revenue Code of 1954 to extend and liberalize the deduction for individual retirement savings; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 2347. A bill to amend title 28 of the United States Code to allow voluntary school prayer; to the Committee on the Judiciary.

By Mr. GLICKMAN:

H.R. 2348. A bill to amend title V of the Motor Vehicle Information and Cost Savings Act to allow adjustments in a manufacturer's fleet average fuel economy for automobiles made by the manufacturer which utilize nonpetroleum based fuels; to the Committee on Energy and Commerce.

By Mr. LEACH of Iowa (for himself, Mr. KASTENMEIER, Mr. BEREUTER, Mr. CONABLE, Mr. CLINGER, Mr. COUGHLIN, Mr. FISH, Mr. FORSYTHE, Mr. FRENZEL, Mr. GRADISON, Mr. GREEN, Mr. HOLLENBECK, Mr. KOGOVSEK, Mr. LAGOMARSINO, Mr. MCKINNEY, Mr. MOFFETT, Mr. OBERSTAR, Mr. PRITCHARD, Mr. RAILSBACK, Mr. SAWYER, Mrs. SCHROEDER, Mr. SMITH of Iowa, Mr. STANTON, Mr. UDALL, Mr. WASHINGTON, and Mr. ZABLOCKI):

H.R. 2349. A bill to require the establishment, on the basis of the decennial census, of congressional districts that are of reasonable numerical equality and that meet certain other requirements, in order to insure fair and effective representation; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 2350. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain social security taxes; to the Committee on Ways and Means.

H.R. 2351. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. OTTINGER:

H.R. 2352. A bill to provide for the payment, out of the proceeds of gold belonging to the Government of Czechoslovakia, of certified awards of nationals of the United States against the Government of Czechoslovakia and to provide for the release of such proceeds to Czechoslovakia after all such awards are paid; to the Committee on Foreign Affairs.

By Mr. PASHAYAN (for himself and Mr. MITCHELL of Maryland):

H.R. 2353. A bill to amend title XI of the Social Security Act to provide that a Professional Standards Review Organization shall not be considered to be an agency of the United States; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. PRITCHARD (for himself and Mr. LOWRY of Washington):

H.R. 2354. A bill to designate national forest lands in the State of Washington as the Cougar Lakes Wilderness; to the Committee on Interior and Insular Affairs.

By Mr. SENSENBRENNER:

H.R. 2355. A bill to amend the Internal Revenue Code of 1954 to extend to 48 months the rollover period for nonrecognition of gain on the sale of a principal residence; to the Committee on Ways and Means.

By Mr. FORSYTHE:

H. Res. 103. Resolution to refer the bill for the relief of Harold N. Holt to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. FORSYTHE introduced a bill (H.R. 2356) for the relief of Harold N. Holt, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS:

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 246: Mr. GARCIA, Mr. YOUNG of Alaska, Mr. MCDONALD, Mr. STOKES, Mr. FISH, and Mr. JAMES K. COYNE.

H.R. 907: Mr. WON PAT, Mr. WEISS, Mr. AKAKA, Mr. AUCOIN, Mr. MCCLOSKEY, Mr. EDGAR, Mr. COELHO, Mr. GARCIA, and Mr. MCHUGH.

H.R. 1270: Mr. FORD of Tennessee, Mr. YATRON, Mr. NEAL, Mr. DUNCAN, Mr. DE LUGO, Mr. BEVILL, and Mr. SIMON.

H.R. 1293: Mr. FORD of Michigan, Mr. PETRI, Mr. JACOBS, Mr. FAZIO, Mr. WEAVER, Mr. ECKART, Mr. LUNDINE, Mr. NEAL, Mr. ATKINSON, Mr. SABO, Mr. WASHINGTON, Mr. VENTO, Mr. ADDABBO, and Mr. MILLER of California.

H.R. 1309: Mr. VOLKMER and Mr. FLIPPO.

H.R. 1338: Mr. NEAL, Mr. ATKINSON, Mr. SABO, Mr. WASHINGTON, Mr. VENTO, Mr. ADDABBO, Mr. MILLER of California, Mr. PETRI, Mr. FORD of Michigan, Mr. JACOBS, Mr. FAZIO, Mr. ECKART, and Mr. LUNDINE.

H.R. 1429: Mr. GRAY, Mr. RATCHFORD, Mr. DONNELLY, Mr. CROCKETT, Mr. RODINO, Mr. MARKEY, Mr. MCHUGH, and Mr. WASHINGTON.

H.R. 1765: Mr. FROST and Mr. HUCKABY.

H.R. 1956: Mr. LEATH of Texas.

H.J. Res. 167: Mr. HARTNETT.

H.J. Res. 178: Mr. WINN, Mr. BEILENSON, Mr. ADDABBO, Mr. DE LA GARZA, Mr. RUDD, Mr. BENEDICT, Mr. JEFFORDS, Mr. ROE, Mr. GREGG, and Mr. HUGHES.

SENATE—*Thursday, March 5, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND)

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Gracious God, we pray today for wisdom and humility as the Senate exercises its great power. As pressure from interest groups builds, protect the Senators, their families, and staffs against the forces which would exploit. Strengthen their courage and integrity when seductive influences probe for vulnerability and weakness.

Almighty God, arm the leadership of this Nation with resolve to follow through on the commitments made in political campaigns. Encourage them when futility and frustration taunt their efforts. Let Thy manifold blessings crown their faithfulness as they seek to know and do God's will.

We ask this in the name of Him whose name is above every name and whose kingdom is without end. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President. I ask unanimous consent that following the time allocated to the two leaders under the standing order and the special orders heretofore entered on behalf of Mr. DOMENICI and Mr. BAUCUS, there be a period for the transaction of routine morning business, not to exceed 30 minutes, in which Senators may be permitted to speak for not more than 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW AND FOR RECESS FROM TOMORROW UNTIL 11 A.M. ON TUESDAY, MARCH 10, 1981

Mr. BAKER. Mr. President. I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. on Friday, March 6; and that when the Senate convenes on that day, it immediately stand in recess until 11 a.m. on Tuesday, March 10, 1981.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CERTAIN ACTION TO BE TAKEN ON FRIDAY, MARCH 6, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Friday, March 6, 1981, between 9 a.m. and 3 p.m., Senators be permitted to introduce bills, resolutions, and statements, and that committees be authorized to file reports.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORITY FOR CERTAIN ACTION BY OFFICERS OF THE SENATE DURING RECESS

Mr. BAKER. Mr. President, I ask unanimous consent that during the recess of the Senate over until Friday, March 6, and Tuesday, March 10, 1981, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred; that the Vice President, the President pro tempore, and the Acting President pro tempore be permitted to sign duly enrolled bills and joint resolutions.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no further need for my time under the standing order, and I am prepared to yield it back; or, I am prepared to yield it to the distinguished minority leader or any other Senator. I will yield my remaining time to the distinguished minority leader, if he wishes.

Mr. ROBERT C. BYRD. I would appreciate it if the majority leader would do so. I do not know of any need for the time, but I would like to have it; and if the majority leader desires to have it yielded back, I will be glad to do that.

Mr. BAKER. Mr. President, I yield my remaining time under the standing order to the control of the minority leader.

Mr. ROBERT C. BYRD. I thank the Senator.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I yield such time as he may desire to the distinguished Senator from Wisconsin (Mr. PROXMIRE).

Mr. PROXMIRE. I thank the distinguished minority leader.

HISTORIAN OF THE HOLOCAUST

Mr. PROXMIRE. Mr. President, in a recent New York Times Book Review, Lucy Dawidowicz tells of the historian Philip Friedman, the first to organize the collecting of records about Jewish life and death under the German wartime occupation.

"The holocaust often defeated historical imagination," she writes, for its nature and scope seem beyond human comprehension. Yet Friedman, a Jew and a survivor, had the restraint necessary to distance himself far enough to write an objective history. In his book "Roads to Extinction," Friedman explores the dual aspects of holocaust history: The German policies of extermination, and the Jewish response to them. While he was only a few years removed from the traumatic events he wrote of, his essays are a triumph of discipline and detail. As Dawidowicz points out:

> Friedman stimulated survivors to write memoirs and urged them to gather letters, photographs, relics and any remains that would serve future historians.

Friedman's commitment to a preservation and clear analysis of the facts of the holocaust reflects a desire to make it comprehensible. Thus, if we can trace the events and the motives behind the horror, and know, almost intimately, the mortal consequences, we can be better prepared to never allow such a crime to recur.

A first step, hardly unusual or daring, is to define genocide clearly as an international crime. The Genocide Convention does just that. All nations who ratified the treaty have made their opposition to the crime quite clear; 85 countries have ratified the treaty so far. Our inaction for these past 22 years is both puzzling to the world community and damaging to our moral credibility.

Both the American Bar Association and the American Civil Liberties Union have affirmed the constitutionality of the convention. The treaty would not infringe upon U.S. sovereignty.

Most importantly, the genocide treaty would obligate the contracting nations to enact legislation providing penalties for the crime of genocide, whether committed during peace or war. It would be a slow process, not foolproof, but a beginning declaration of man's intolerance of this travesty.

Philip Friedman's work forces us to remember the horror, and to see it clearly. Ratification of the Genocide Convention would be a worthy result of such reflection.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

RECOGNITION OF SENATOR DOMENICI

The PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico (Mr. DOMENICI) is recognized for not to exceed 15 minutes.

S. 621—WATER RESOURCES REFORM

Mr. DOMENICI. Mr. President, 2 years ago, the senior Senator from New York (Mr. MOYNIHAN) and I introduced S. 1241, legislation that would have restructured the national approach to water resources development and the policy behind that rather fractured program.

The Committee on Environment and Public Works last year reported out of committee a scaled-down version of that legislation as title II of S. 1641. That bill, however, never came to debate on the Senate floor.

Today, we are reintroducing a bill which is essentially the same as S. 1241. The need for action on our bill is even more acute now than it was 2 years ago. Many areas of the Nation confront the danger of serious droughts this summer. It has been 5 years since Congress acted on omnibus water resources legislation. There have been practically no new starts of water projects in that time. The scope of the program continues to shrink; spending on construction projects of the Corps of Engineers is half of what it was a decade and a half ago in real dollars. Behind it all looms a backlog of $30 billion in unbuilt projects.

My colleagues know well the frustrations they face when confronted with a water resources need in their State. It takes a generation—26 years—to move a typical corps project from the point when the study is authorized to the time construction begins, and then construction may take another decade.

Just this week, a top corps official testified before our Public Works Committee and told us that the project to deepen Norfolk Harbor to accommodate deep-draft coal vessels would not be completed until 1989, under existing processes.

I repeat: There is a great deal of enthusiasm to get on with modifying our port systems so we can accommodate deep draft ships, to ship coal to countries of the world that want to contract with America. And I repeat: The general in charge of civil works for the Corps of Engineers told us that under present procedures, if all systems were go, it would take until 1989 for all of the work to be completed at the most appropriate port for renovation, Norfolk. And that is for a project on which the studies are nearly complete and for which there is general support. General Heiberg's caveat was that the corps would make it by 1989, so long as everything—everything—fell in place: Not a day of authorization or funding delays, no problem with getting the necessary dredging equipment or contracts, no problem with spoils disposal, and so on.

I think everyone in this body would say that is outrageous. I am not blaming General Heiberg. I am not blaming the corps. It is the process we are addressing today in our new bill, our approach to reform in water policy for this country.

But it is also a litany that sweeps our land. Who in the Senate can say that his or her water problems were met in a timely manner? Who can say that the work of the corps or the Water and Power Resources Service is going well?

But look at the mammoth problems our current system must resolve. In my area of the Nation, we have a giant underground aquifer known as the Ogallala. It stretches across six States, serving as the water supply for 180 counties, and helping to slake the thirst of 40 percent of our Nation's beef cattle. To meet this need, it is being depleted by 14 million acre-feet of water yearly. And we are just now studying the issue. Can we expect our present, ad hoc system to meet the needs of the Ogallala area? I hope so. But the track record is not encouraging.

Such problems are becoming even more critical as time continues to burden the current system. This Nation must resolve these problems if we are to have an effective water resources program to meet the challenges of the final fifth of this century. We must resolve these difficulties and rebuild public confidence in the Federal Government and in its water resources program. The challenges are numerous.

Senator MOYNIHAN and I are today introducing legislation which we believe will overcome many of these problems. Briefly, the bill accomplishes four goals.

First. It sets up a method for automatically studying water needs identified by the States and then to authorize projects that the State and Federal agencies develop;

Second. It establishes a system of grants to the States for their use in priority projects to be built by Federal agencies, using Federal designs, with 75 percent Federal money, 25 percent non-Federal;

Third. It creates a system to deauthorize old, unneeded projects; and

Finally, it sets up a special national category of regional, interstate projects that will be built by the traditional methods, at Federal costs, with total congressional oversight and determination. This is likely to be focused on major navigational projects, as well as major water supply projects.

This bill establishes a system of block allocations among the States, giving them the opportunity to select which projects, on a priority basis, should go forward within their States. Those projects not selected are eventually deauthorized. The result: A focus once and for all on the priority projects seriously needed by our Nation.

The bill also establishes a system for automatically authorizing new projects that have been studied by the Corps of Engineers and other Federal water resources agencies. This eliminates the protracted congressional reviews now delaying consideration.

Mr. President, under the current system, the congressional review process causes many serious delays in the planning and construction of a water project. For the average project, there is a total lagtime of nearly a decade while studies wait to be funded, projects wait to be authorized, and construction awaits appropriations. This bill also seeks to reconcile the 160 or so different cost-sharing arrangements in the water resources program of this country, placing all of those that are not national in nature on a basis of a 25-percent local cost sharing.

How we develop a rational program which commands the confidence of the public, a program that meets the needs of this country and the growing water shortages, may be the major resource issue of the 1980's. It is not an exaggeration to say that we may face a disaster unless we take the initiative in seeking new and innovative approaches that make certain we are building priority projects across this land.

As chairman of the Budget Committee, I am well aware that we lack unlimited resources for water development projects, or any other necessary program. We are, therefore, limiting the authorization in the bill for construction in fiscal year 1983 to $2.5 billion, approximately the present level of construction funding for water development projects. While I am convinced that the funding level for water projects must increase during this decade, we must also recognize that spending will be limited early in that period. But the process we are proposing will lead to better, more effective projects, and I am certain we will be able to make a case—a strong case—for higher funding levels.

I believe that the approach in this bill is more likely than any other to assure that projects will be of consistently high quality and to assure that the money is spent wisely.

I hope that my colleagues will take the opportunity to examine this bill with care, to see if it merits their support and even cosponsorship. I know that our Subcommittee on Water Resources, under the leadership of Chairman ABDNOR, will delve seriously and carefully into the entire issue of water resources in the coming months. I urge that the subcommittee give this approach, or variations upon it, its most careful review.

I should add that Senator MOYNIHAN and I know now, as we stated 2 years ago, that our approach may not represent a complete and final answer to the water resources problems of our country. It may merit perfecting. It may merit changes in the way we identify regional projects outside the scope of the State selection process. But I continue to believe that it represents a sound starting point for discussion. It is evident to me there will be little likelihood we will see another omnibus water resources bill until we confront the difficult and serious needs to reform the policies under which this program goes forward.

I believe that this approach to water resources development—moving the decisions out of Washington and back to the States—fits perfectly into President Reagan's philosophy. The water resources program represents a prime candidate for the kind of program that can be managed more effectively at the State level. Any program where it takes 26 years, on average, to get a project under construction, where a $30 billion backlog exists, and where a decline in real spending has occurred, is clearly a program in trouble.

I firmly believe that the only way we are going to have adequate water resources development is to change that program. And change must encourage priority work, it must make sure that the local people who benefit offer a reasonable commitment of their own to that work, and it must make sure that a project can be moved on to early completion. This bill seeks to enact such a program. It will not turn the Water Resources Council, or a successor, into a new water czar, but designates the Council to serve as a recordkeeper for the decisions and priorities made by the States.

Mr. President, I ask unanimous consent to have printed in the RECORD an outline of the Domenici-Moynihan National Water Resources Policy and Development Act of 1981, an analysis of the role of the WRC in this process, and the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OUTLINE OF THE DOMENICI-MOYNIHAN NATIONAL WATER RESOURCES POLICY AND DEVELOPMENT ACT OF 1981

Creates a new funding and project-selection system, transferring most responsibility for project selection to the states.

Allocates $2.5 billion in F.Y. 1983 (rising gradually to $4 billion in F.Y. 1988) among the states. This money is available only for Federally designed projects already authorized or which would be authorized in the future.

Establishes a flat 25 percent local cost-share on all water resources projects, replacing the 160 or so current cost-sharing systems.

The Federal funds are allocated to the states on a formula based half on land area, and half on population.

New projects can be authorized automatically, if the State and the Federal agencies agree.

A benefit-to-cost ratio greater than one is not required for projects built under the program, if the State decides the project has other important benefits and merits priority action, within its set allocation of funds.

The types of projects eligible for Federal participation is expanded to include water supply and renovation, desalination, and dam safety.

Creates a new category of regional projects that would be funded directly by the Federal Government, selected by Congress. Only 10 projects of this type could be under construction at one time.

Studies of new water resources projects are authorized at State request, and undertaken according to a separate state priority list. $150 million is available annually for studies, with states putting up 25 percent of the cost.

The program covers work of the Army Corps of Engineers, the Water and Power Resources Service (formerly the Bureau of Reclamation), and the Soil Conservation Service.

The Water Resources Council, or a successor, will evaluate future water needs.

THE ROLE OF THE WRC

Our earlier versions of this bill raised fears among some groups and persons that the bill secretly transferred great power to the Water Resources Council, to the detriment of the Congress, the States, and the water resources program.

That simply is an inaccurate reading of the bill. If the Federal Goverment is to be involved in water resources development, some Federal agency must disperse these Federal funds and perform other processing services for the legislation.

I believe it would be helpful to provide my colleagues with a brief outline of the role of the WRC, or a successor agency, under our bill.

ROLE OF THE WRC

The WRC would transfer to the Corps, WPRS, or the SCS a state request for a study of a water need. This is an automatic referral.

The agency would then make the study, and, if the agency and the state agree a project is needed, it is *automatically* authorized.

If the state opposes the project, the project *cannot* be authorized.

If the Federal Government oppcses it, and the state approves, the project is sent to WRC. If the WRC agrees with the state, the project is automatically authorized. If the WRC agrees with the Federal Government that the project should not be authorized, then the project is sent to Congress for review and possible authorization.

If an adjacent state disapproves of a project supported by the state and the Federal Government, then the project goes to Congress for review and possible authorization.

If the project is to be one of the major regional projects, then it must go to Congress for authorization *and* appropriation, as is currently the procedure.

The WRC also must review the annual state priority list, but it can only reject it (and send it back to the state) if the state failed to have a public hearing on the list; there is no other authority for the WRC.

The WRC distributes the annual construction allocation, but this is automatic, and based on a Congressional formula—half land, half population.

Thus, the WRC has no substantive role in the program, only a procedural one with Congressionally mandated deadlines. The role of the agencies (the Corps, WPRS, SCS) is preserved.

The bill does lessen the role of the Congress, with much of that responsibility transferred to the states and their governors.

THE ROLE OF CONGRESS

Establish annual funding levels.

Decide whether to authorize projects in dispute when the agency opposes a project, or when an adjacent state opposes it.

Select individual major regional projects and fund those regional projects on a line-item basis.

Establish the objectives by which the Federal agencies plan water projects. In addition to national economic development and environmental quality, this includes regional economic development and social welfare.

Our purpose in lessening the role of Congress is because the present system isn't working—too many delays, too little state participation. While we obviously are open to alternative suggestions, we do believe that our approach will create a workable program, quite similar to the one for highways, where Congress establishes basic goals and funding levels, then leaves the details of project design and selection to the states and the line agencies.

S. 621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Water Resources Policy and Development Act of 1981."

TITLE I

CONGRESSIONAL FINDINGS

SEC. 101. (a) The Congress finds that development of important and necessary water resources projects and the wise expenditure of Federal funds has been frustrated by increasing delays in the implementation of Federal water resources programs. The Congress finds further that it takes, on average, twenty-six years from the time that planning of a typical water resources project is authorized until the initiation of its actual construction, and that such delays are caused by a variety of factors, including the lack of expeditious congressional action, as well as the failure of the Federal Government and the States to establish an effective system to develop priorities which determine those water resources projects most needed for the development of the national economy.

(b) The Congress, therefore, declares that the Nation's water resources development will operate more effectively and efficiently when projects are developed in accordance with a system of Federal and State priorities, and administered with an increased degree of State participation.

(c) It is, therefore, the purpose of this Act to establish and encourage a cooperative Federal-State program to solve water resources problems throughout the Nation, providing the State with greater responsibility for establishing priorities and timing projects, while maintaining reliance on the technical expertise and financial assistance of the United States and its water resources agencies.

FEASIBILITY STUDIES

SEC. 102. (a) Each State shall periodically review the water resources needs of such State, including the need for specific projects in such State, and may submit requests to the Water Resources Council (hereinafter referred to as the "Council") for detailed studies of specific, identified water resources needs and problems within such State or its region. The Council shall, within fifteen days of receipt of any such request, publish notification of such request in the Federal Register and transmit such request to the appropriate Federal water resources agency or agencies, and such transmittal shall be deemed to be authorization for such study.

(b) In addition to the requests under subsection (a) of this section, each State shall, no later than July 1, 1982 submit to the Council a list of those studies that were authorized prior to the date of enactment of this Act, but which have not been initiated or completed as of July 1, 1982, and which such State finds are necessary to meet identified water resources needs and problems in such State or region.

(c) For any feasibility study submitted or listed as a result of subsection (a) or (b) of this section, as well as any other studies previously authorized, each State shall, after public hearings, submit to the Council, no later than August 1, 1982, and annually thereafter, a list of those studies, in order of priority, which such State wishes to have undertaken or completed by the appropriate Federal water resources agencies. Within the funds available under this section the appropriate Federal water resources agencies shall make detailed evaluations of specific water resources needs or problems, analyze alternative solutions, determine the most effective and desirable solution to such need or problem, and determine whether such solution or solutions should be recommended for the implementation. The Federal water

resources agency shall take into account the requirements of any affected interstate compact relating to water use and any relevant court decrees. No studies of a specified and identified water resources need or problem shall be eligible for funding after September 30, 1983, except as provided by the terms of this section or section 106 of this Act.

(d) Before any Federal water resources agency may initiate, under the terms of this section, any study which had not been commenced prior to enactment of this Act, the Council must receive from the appropriate Governor or Governors of the State or States in which implementation is likely to occur, or other non-Federal body, an agreement that such State, States, or non-Federal body will pay 25 per centum of the cost of such study upon its completion.

(e) Once a study is initiated under the terms of this section, the appropriate Governor or Governors shall appoint one or more employees of such State or States, up to a total agreed to by the appropriate Federal water resources agency or agencies, who shall work in coordination with the appropriate Federal water resources agency or agencies in the formulation and development of such study. Such State or States shall be reimbursed out of funds authorized by this section for the salary and services of the person or persons appointed under this subsection.

(f) Any Federal water resources agency may contract with a State or States for the preparation of a study under this section.

(g) At the conclusion of any study under this section, the Federal water resources agency or agencies shall, as soon as possible, submit a detailed report on such study to the Council, together with the specific recommendations of that agency or agencies regarding whether or not a project should be implemented, together with certification by the appropriate Governor or Governors that implementation of the project described in such study would be desirable, needed, and entitled to priority consideration within such State or States.

(h) To the extent practicable and reasonable, Federal and State agencies shall attempt to complete any study under this section within three years of its initiation, and shall consolidate hearings and studies required by law in order to expedite completion of any study under this section.

(i) To the extent practicable and reasonable, the Council shall seek to assure that expenditures under this section are allocated among the States on the same basis as the funds are allocated under section 104 of this Act, and meet the priorities established by each State under subsection (c) of this section.

(j) For the purposes of undertaking feasibility studies under this section, there is authorized to be appropriated to the Council, for distribution among appropriate Federal water resources agencies, $150,000,000 for the fiscal year ending September 30, 1983, and each fiscal year thereafter.

PROJECT AUTHORIZATION AND CONSTRUCTION

SEC. 103. (a) Each state shall schedule public hearings at least once a year to review projects and proposals for water resources development that merit priority consideration. Following such hearings, each state shall develop a priority list for those water resources needs and projects that are to be studied and implemented, and submit such list to the Council by July 1, 1982, and annually thereafter. Each such list shall be published by the Council in the Federal Register, and shall be utilized to establish the order and rate of funding for such projects.

(b) In considering projects for the priority list required by subsection (a) of this section, each State shall consider the needs for alternative water sources or projects in such State, and the need to assure widespread benefits for any proposed project.

(c) The list submitted by a State under the terms of subsection (a) of this section shall be deemed to be approved within sixty days of its submission to the Council unless the Council finds that such list was developed without an adequate and full opportunity for public hearings and participation. In the event the Council finds the list was developed without an adequate and full opportunity for public hearings and participation, the Council shall immediately notify such State, which shall conduct such hearings and submit a new list as soon as practicable. No funds under this section shall be available for expenditure in any State until a priority list for such State has been submitted and approved.

(d) Within thirty days of the submission of a study report, as required by section 102 of this Act, the Council shall publish in the Federal Register a summary of the project described in such report, together with the recommendations of the Federal water resources agency and the certification of the Governor or Governors. Ninety days after such publication, the project described in such report shall be deemed authorized for implementation under this title, and eligible for inclusion on a State's priority list for implementation under the terms of section 104 of this title, and eligible for funding utilizing moneys authorized by section 104 of this title.

(e) Notwithstanding the provisions of subsection (d) of this section, any project report involving implementation of a project in one State, where the Governor of another State in the affected watershed objects in writing to the Council within ninety days after the publication in the Federal Register required in subsection (d) of this section, and shows that such project would adversely affect the quality or quantity of water available in such other State, such study report shall, within sixty days of the receipt of such objection, be transmitted by the Council to Congress. Implementation of the project described in any study report so transmitted to Congress may only be authorized by an Act of Congress.

(f) Notwithstanding the provisions of subsection (d) of this section, any study report shall require the approval of the Council if the Federal water resources agency or agencies recommend against the implementation of the project described in such study, and the Council shall, if it approves implementation of the project described in such study report, publish a summary of the project described in such report in the Federal Register, as provided by subsection (d) of this section. Should the Council fail to act on a study report within one hundred and eighty days of the receipt of such report, implementation of the project described in such study report shall be deemed authorized for the purposes of this title. Whenever the Council sustains the recommendations of a Federal water resources agency or agencies against implementation of a project described in such study report, the Council shall transmit such recommendation and the study report to Congress within thirty days. Implementation of the project described in any study report so transmitted to Congress, may only be authorized by an Act of Congress.

(g) Any project that was under construction at the time of enactment of this Act may, at the discretion of the Governor or Governors of the State and States in which such project is located, become eligible for funding under the terms of this section.

(h) Any project to be constructed using funds authorized by this section shall be designed according to principles and standards established by the Council, incorporating regional development benefits and other social effects, and may be constructed, notwithstanding the computation of the project's national economic benefits and costs, so long as such project is on a State's priority list under the terms of subsection (a) of this section.

(i) For the purposes of the construction of projects to be undertaken under the terms of this section, there is authorized to be appropriated to the Council for allocation under the terms of section 104 of this title, the sum of $2,500,000,000 for the fiscal year ending September 30, 1983, $2,800,000,000 for the fiscal year ending September 30, 1984, $3,100,000,000 for the fiscal year ending September 30, 1985, $3,400,000,000 for the fiscal year ending September 30, 1986, $3,700,000,000 for the fiscal year ending September 30, 1987; and $4,000,000,000 for the fiscal year ending September 30, 1988, and for each fiscal year thereafter, with such sums to remain available until expended: *Provided*, That the cooperating State, or States jointly, or other appropriate non-Federal body, agree to pay, or contribute in kind, 25 percentum of the cost of constructing such project, and 50 per centum of the cost of efficiently operating and maintaining such project upon its completion.

(j) The non-Federal contribution on projects authorized prior to the date of enactment of this Act to be constructed under the terms of this section may, at the discretion of the non-Federal interests, be contributed over the life of the project, including a reasonable rate of interest to be determined by the Council, and revenues received by the United States as a result of the sale of water or other benefits produced by such project shall be available for use toward computing a portion or all of such non-Federal payments.

(k) Whenever a project provides electrical power, municipal and industrial water, or other revenue-producing benefits, revenues from the sale of such benefits shall, on those projects where the non-Federal interests contribute their share at the time of construction of such project, be shared between the contributing non-Federal interests and the participating Federal agencies on the basis of that percentage contributed by each entity toward the project's construction costs and its operations and maintenance. Revenues received by the Federal Government as a result of the preceding sentence shall be deposited in the Treasury. Revenues repaid directly to the non-Federal interests under this section shall be available to such interests for any purpose.

(l) For the purpose of protecting human life and property, projects that were authorized prior to the date of enactment of this Act for the stated purpose of the elimination of hazards and failure of dams shall be subject to the cost-sharing described in such authorization.

(m) Any project whose purpose is to provide for municipal and industrial water supply may be implemented by the appropriate non-Federal interest in consultation with the Corps of Engineers.

STATE ALLOCATION

SEC. 104. (a) Beginning in the fiscal year that ends September 30, 1983, sums authorized to be appropriated pursuant to section 103 of this Title shall be allocated by the Council among the States at the beginning of each fiscal year in accordance with regulations promulgated by the Council, one-half in the ratio that the population of each State bears to the population of all of the States, and one-half on the ratio that the area of

each State bears to the area of all States: *Provided*, That no State shall receive less than one-third of 1 per centum of the sums allocated annually among all the States: And *provided further*, That the sum of $100,000,000 or 3 per centum of the funds appropriated pursuant to section 103 of this Title, whichever is the lesser, shall be allocated annually to the State of Alaska.

(b) Sums allocated to a State under subsection (a) of this section shall be available for obligation on and after the date of such allocation, provided such State meets the requirements of section 103(c) of this Title. Such sums shall continue to be available for obligation in such State for a period of three years after the close of the fiscal year for which such sums are authorized. Any allocated sums which have not been obligated by the end of such three-year period shall be reallocated by the Council on the basis of the ratio used in making the original allocation of sums under this section. Any sum made available to a State by reallocation under the preceding sentence shall be in addition to funds otherwise allocated to such State for grants under this Title during any fiscal year.

DEAUTHORIZATION

SEC. 105. Any project authorized for construction prior to enactment of this Act, but on which no construction has begun within five years following the date of enactment of this Act, shall cease to be authorized five years after the date of enactment of this Act unless such project has been placed on the priority list of the appropriate State or States, and such project can reasonably be expected to receive construction funding within the succeeding five years, or unless such project is included under the terms of section 106(b) of this Title.

SPECIAL REGIONAL PROJECTS

SEC. 106. (a)(1) As a result of its review under section 109 of this Title, or other information made available to the Council, the Council may direct the study of water resources projects that, in the view of the Council, have or are likely to have a national significance and priority. The Council shall direct that such studies be undertaken by the appropriate water resources agency or agencies.

(2) By concurrent resolution, Congress may direct the Council to initiate a study under the terms of paragraph (1) of this subsection.

(b) From among projects authorized prior to the enactment of this Act, the Council shall, within six months of enactment of this Act, select up to ten projects of a regional character that have national significance and priority. Upon the listing of a project under the terms of this subsection, such project shall be eligible for funding by direct appropriation of Congress without regard to the terms of section 103 of this title, or the limitations of subsection (f) of this section.

(c) Projects constructed under the authority of this section must produce national economic benefits that exceed the cost of such project, using a reasonable rate of interest as determined by the Council.

(d)(1) Projects studied under the terms of subsection (a) of this section, if subsequently authorized specifically by the Congress, and projects listed under the terms of subsection (b) of this section, shall be constructed at full Federal cost, provided that once the project is available for utilization, the users or beneficiaries of such projects shall pay a fee, as the Council or law may require, that is designed to recover all or an appropriate percentage of the project's cost, with interest, during the project's anticipated life, together with its cost of operation and maintenance.

(2) The Inland Waterways Trust Fund established by title II of Public Law 95-502 shall be available to repay costs under the terms of paragraph (1) of this subsection for projects authorized for the purposes of commercial inland navigation.

(e) There is authorized to be appropriated to the Council $20,000,000 for the fiscal year ending September 30, 1983, and for each fiscal year thereafter, for feasibility studies of regional water resources projects that have a national significance and priority. No more than fifteen such projects of national priority shall be under study and design at one time, while no more than ten such projects of national priority shall be under construction at one time.

(f) While projects under this section may be constructed wholly within one State, such projects must provide benefits significantly affecting two or more States, and receive the approval of the Governors of such States.

OPERATIONS AND MAINTENANCE

SEC. 107. For the purposes of operating and maintaining facilities of water resources agencies that are in existence at the time of enactment of this Act or are constructed under the terms of this Act, the sum of $1,000,000,000 is authorized to be appropriated for the fiscal year ending September 30, 1983, and annually thereafter to the Council for distribution to the appropriate water resources agencies.

CLARIFICATIONS

SEC. 108. (a) Nothing in this Act shall alter the requirements of the National Environmental Policy Act (42 U.S.C. 4343) the Fish and Wildlife Coordination Act (16 U.S.C. 661), or the Endangered Species Act (16 U.S.C. 1530 et seq.).

(b) Projects authorized as a result of enactment of this Act shall incorporate the conservation of water.

STUDIES

SEC. 109. (a) The Council, after public hearings and in consultation with the States, shall:

(1) Make a detailed estimate of needs and costs regarding (A) the national priorities for water resources management through the year 2000, together with an estimate of the needs for cost-effective implementation of projects throughout the Nation by the year 2000, (B) the needs, over a twenty-year period, in each State for water resources projects, and (C), in cooperation with the Office of Water Research and Technology, a study of the best ways to achieve the maximum efficient use of water supplies from existing Federal projects; and

(2) A review of present cost-sharing mechanisms for water resources projects, including any changes adopted subsequent to the enactment of this title.

(b) There is authorized to be appropriated to the Council the sum of $5,000,000 to carry out the purposes of this section.

(c) The Council shall transmit the studies authorized by this section to Congress no later than January 1, 1984.

DEFINITIONS

SEC. 110. As used in this Act:

(a) The term "water resource agencies" means the United States Army Corps of Engineers, the Water and Power Resources Service, and the Soil Conservation Service;

(b) The term "project" means any publicly owned water resources facility, device, system, or non-structural management plan designed for flood protection, erosion control, reclamation (including renovation of existing works), hurricane protection, municipal and industrial water supply (including renovation of existing works), navigation, power generation, saline water conversion, water-based recreation, dam safety, sediment control, water conveyance, or related water purposes undertaken by a water resources agency;

(c) The term "conservation of water" shall include methods to store water and to reduce water loss;

(d) The term "Governor" shall include any official or body under State law with responsibility for water resources in such States.

(e) The term "Water Resources Council" means the Water Resources Council, or any agency to which the responsibilities of the Council, as defined by law as of January 1, 1981, may be subsequently transferred.

TITLE II

WATER RESOURCES PLANNING ACT AMENDMENTS

SEC. 201. The Water Resources Planning Act, as amended (42 U.S.C. 1962 et seq.), is further amended by deleting section 101 and inserting in lieu thereof the following:

"SEC. 101. There is hereby established an independent Water Resources Council (hereinafter referred to as the "Council"), which shall be composed of nine members, including the Secretary of the Army, the Secretary of the Interior, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, plus five members chosen by the President, with the advice and consent of the Senate, for their demonstrated interest and expertise in water resources development. The chairman of the Council shall be designated by the President from among those members selected by him or her. The five members selected by the President shall be compensated at the rate for Level III of the Executive Schedule under section 5313 of title 5, United States code, except that the Chairman shall be compensated at the rate for Level II. Actions of the Council shall be approved by a majority vote of the members."

SEC. 202. (a) The Water Resources Planning Act, as amended, (42 U.S.C. 1962 et seq.), is further amended by inserting after the present section 105 a new section 106 to read as follows:

"SEC. 106. (a) There is hereby established a State Advisory Committee (hereinafter referred to as the 'State Committee') which shall be composed of five members.

"(b) The Chairman of the Council shall appoint the Chairman of the State Committee from persons recommended by the governing body of the National Governors' Association for a term of not more than four years. The Chairman of the State Committee shall not represent a specific State or regional interest, but shall demonstrate an understanding of the Nation's water resources problems. The Chairman of the State Committee shall be compensated at the rate for level V of the Executive Schedule under section 5316 of title 5, United States Code.

"(c) The remaining members of the State Committee shall be selected jointly by the Chairman of the Council and the Chairman of the State Committee from persons recommended by the governing body of the National Governors' Association to provide for broad national representation in the area of water management. Attention shall be given to balancing of regional interests in the selection of the Committee.

"(d) When authorized by the Chairman of the Council, the travel and other expenses of participation as members of the State Committee may be reimbursed by the Council.".

Mr. DOMENICI. Mr. President, I yield to my good friend from New York.

The PRESIDING OFFICER (Mr. SPECTER). The Senator from New York is recognized.

Mr. MOYNIHAN. Mr. President, I thank the distinguished chairman of the Budget Committee and the man whose

indefatigable concern for this area of national policy is responsible for the legislation that I have the honor to join with him in introducing today.

Mr. President, on May 24, 1979, my distinguished colleague from New Mexico (Mr. DOMENICI) and I introduced a bill to improve our national water program. The National Water Resources Policy and Development Act of 1979, S. 1241, was pronounced by some as radical and by others as outrageous. But, I might add, the bill was also viewed as a refreshing and creative approach to a national program that at best can be described as stale and stagnant. Now, national economic and political circumstances have changed since 1979 we find that the continuing failure of our water program remains with us.

It is therefore with the greatest sense of hope that I once again find myself at the Senator from New Mexico's side to introduce the National Water Resources Policy and Development Act, this time of 1981. Our new bill is in most respects identical to our original bill. However, we have made several changes that we believe strengthen our attempt to improve the method by which water resources are developed in our Nation.

Before I describe these changes I might first invoke the wise words of an engineer and inventor on the subject of water, Leonardo daVinci said:

Remember when discoursing about water, to adduce first experience and then reason.

It may be worth recalling what our national experience has of late been in water resources. It is a chaotic and idiosyncratic system of economic and resource development, producing a random array of benefits more responsive to the vagaries of seniority in the U.S. Congress than anything else.

Our current program also suffers from its failure to include the entire Nation. From legislation borne out of an interest to develop hitherto undeveloped regions of our continent, we in the older regions now find ourselves victims of our own tradition. We are told our water needs do not mesh with the national purpose. In the period from 1950 to 1976, the Northeast received slightly more than 6 percent of the cumulative national water resources funds spent by the Corps of Engineers and the former Bureau of Reclamation—now the water and Power Resources Service. The West received over 48 percent, the South 28 percent and the North Central region 18 percent. This is our experience.

Now, reason. Our bill brings to water resources development a concept which is, I think, deeply sensitive to the uses of federalism: The capacity of States to know best what they most need, and the capacity of the Federal Government to look to national interests and the sharing of costs.

Our bill would create a uniform, national system by which water projects can be approved and undertaken, while at the same time allowing for the full consideration of all the questions that must be answered in the approval of each initiative. The bill would change the current practice of authorizing and appropriating water resources funds to States on a project-by-project basis, that has no relation whatever to national policy, and which, indeed, makes national policy impossible. Instead, funds would regularly be appropriated on the basis of population and land area. States would be required to match these funds on a 75-percent Federal, 25-percent State basis regardless of the types of project and could choose to spend their allocation on whatever feasible projects are of most importance to them. Current restrictions on Federal funding, such as those placed on single purpose water supply projects, would be eliminated to give the States more flexibility in addressing those pressing needs that previously have gone unmet.

The section-by-section analysis which accompanies my statement explains the procedures by which the States would select their projects, funds would be allocated among the States, and the costs of such projects would be shared between the States and the Federal Government. There are, however, several particular points which I would like to explain further.

First is the matter of the formula by which funds are allocated among the States. As in our original bill, the allocation is based on land area and population. We are not satisfied with this formula because of its failure to take into account water needs, diverse as they may be from one State to another. However, we have yet to see a better formula. We continue to look and are most open to suggestions. It is our hope that over the next few months our allocation formula will be refined.

Second is the matter of navigation. Many have questioned the wisdom of including both inland navigation and coastal harbors in a State-based development program. Their point is that such navigation projects frequently have economic effects far beyond the borders of a single State. Our bill does provide the opportunity for Governors of neighboring States to both review and if justified reject a State's project. The bill also affirms the need for continued Federal support for projects of a regional and national character.

Nonetheless, there is a great interest in developing and expanding coastal ports capable of handling the expected increase in the export of steam coal. Harbor deepening projects have been estimated to cost between $100 million and $400 million a piece. Clearly such projects are beyond the scope of intrastate projects for which our bill is best suited. It is my conclusion that the particular nature of navigation development suggests that it should be treated in separate legislation. However, until agreement is reached on the nature of such legislation and the corresponding adjustments made in our allocation formula, we shall leave navigation projects in the bill. We simply wish to make it understood that our intention is to devise a more appropriate Federal policy toward construction and maintenance of large inland and coastal navigation projects.

A third point I wish to make is our desire to place water management and conservation solutions to water problems on an equal footing with structural, capital-intensive solutions. We explicitly state that to the extent possible projects should incorporate the best available techniques for water conservation. Furthermore, we include nonstructural management plans in our definition of a water resources project.

My final point concerns the applicability of the National Water Resources Policy and Development Act to water supply problems faced by many community and urban water systems. The Federal Government has by tradition not assisted in the development of single purpose water supply projects, single purpose being somewhat of a misnomer for municipal and industrial water supply. On the other hand, the Federal Government has without apparent hesitation included municipal and industrial water supply in multipurpose reservoir projects constructed by both the Army Corps of Engineers and the Bureau of Reclamation. Indeed, in 1958 the Congress passed the Water Supply Act (Public Law 85–500) which firmly established the Federal policy on this matter.

The act required the non-Federal interests to repay the Federal Government over a 50-year period following the completion of the project, at an interest rate set by the Secretary of the Treasury. Since the passage of the 1958 act, the Corps of Engineers has spent a total of $576 million and the Water and Power Resources Service a total of $763 million on municipal and industrial water supply. Only $13.4 million was spent in the New England region and $20.8 million in the North Atlantic region. Compare this to $214.3 million spent in the Southwest by the Corps of Engineers alone.

As of 1977, water and power resources service projects were supplying 18,244,000 persons with drinking water equaling 825.2 billion gallons of water annually. That is the equivalent of supplying water to the cities of New York, Boston, and Providence combined. And this was done by the Federal Government. The central Arizona project now under construction will annually supply the cities of Tucson and Phoenix with 166 billion gallons at a cost of approximately $600 million, which is about 35 percent of the total cost of the reclamation project.

The one piece of legislation that supports our claim for equity has never been implemented. Title I of the 1965 Rivers and Harbors Act (Public Law 89–298) stated:

Congress hereby recognizes that assuring adequate supplies of water for the great metropolitan centers of the United States has become a problem of such magnitude that the welfare and prosperity of this country require the Federal Government to assist in the solution of water supply problems.

These words were written in 1965, the last time the Northeast suffered from a prolonged and debilitating drought. Sixteen years later we find ourselves in much the same circumstances.

Although all water utilities would like to operate on the principle that their systems are to be self-sustaining enterprises, it is a fact that the water utility industry is the most capital intensive of

all the utilities. Furthermore, it is a regulated industry where rates are set not just on the basis of the cost of delivery but also according to political and financial constraints set by State utility commissions.

Arguments raised against the inclusion of municipal and industrial water supply frequently concentrate on the issue of whether the Federal Government should assist cities and towns in operation and maintenance, with rehabilitation erroneously being classified as regular maintenance. Take, for example, the case of New York City's third city water tunnel. We are talking about an extraordinarily large cost for increasing the reliability and operational flexibility in the city's water delivery system, a cost I might add comparable to the municipal and industrial water supply component of the central Arizona project. This is not maintenance. I should further add that no one is suggesting a Federal grant program. We are asking for terms no more generous than that now extended to water supply from multipurpose projects under the 1958 Water Supply Act. This is what I mean by equity.

For myself and the Senator from New Mexico, who has shown an exquisite sensibility in these matters, we invite those concerned with the environment and with the economic well-being of our Nation to ask if ours is not a better system, a more rational system, a national system that can bring order, equity, and progress into a field which has been characterized by randomness, waste, and even destruction of natural resources.

Mr. President, I ask unanimous consent to have printed in the RECORD a section-by-section analysis of the Domenici-Moynihan water policy bill.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF DOMENICI-MOYNIHAN WATER POLICY BILL

The short title of the bill is the National Water Resources Policy and Development Act of 1981.

TITLE I

Section 101. Findings and Intent. Congress finds that existing arrangements for water resources development have led to excessive delay in the implementation of water resources projects. The delay is in part a result of the failure of the Federal and state governments to establish their priority of projects and management plans most needed to further the development of the national economy. It is the intent of Congress to place greater reliance on the states for funding and establishing priorities for water resources development.

Section 102. Feasibility Studies. This section authorizes states to request specific feasibility studies of water resources projects. Each year $150,000,000 shall be distributed among the Federal water agencies to finance the planning, design and engineering of these studies. Before a study is initiated, the non-Federal interest must agree to pay 25 percent of the cost of the study following its completion. The states will also be reimbursed for persons appointed to work with the Federal agency on the study. Any Federal water resources agency may contract with a state or states for the preparation of a study.

The states shall annually submit to the Water Resources Council a list of project feasibility studies in order of their priority. To the extent possible, the Council shall allocate among the states funds for studies on the same basis as funds are allocated for construction. The Federal and state agencies shall attempt to complete studies within three years.

Section 103. Project Authorization and Construction. Each state is required to develop a priority list for water projects each year and submit the list to the Water Resources Council. The list shall be approved in 60 days provided that the Council finds that the list was developed with the benefit of public hearings and public participation.

Projects whose studies were conducted under Section 102 of this Act will become authorized for construction 90 days after the study is approved by the governor of the state. However, if the governor or governors of neighboring states object to the project on the grounds that the project will adversely affect the water quantity or water quality in that governor's state, then the project must receive Congressional authorization. Furthermore, if a project has not been endorsed by the Federal water agency, then the Water Resources Council must first approve the project before such project could be authorized and eligible for funding under this Act.

Projects under construction at the time of enactment of this Act may become eligible for funding under the terms of this section at the discretion of the governor or governors of the state or states. Projects constructed with funds authorized by this section shall be designed according to the principles and standards of the Water Resources Council. Such evaluation shall fully incorporate the estimation of the project's regional development benefits and other social effects. A project may be constructed notwithstanding the computation of the project's national economic benefits and costs as long as the project is on a state's priority list and meets the other requirements of this section.

This section authorizes $2.5 billion in FY 1983, $2.8 billion in FY 1984, $3.1 billion in FY 1985, $3.4 billion in FY 1986, $3.7 billion in FY 1987, and $4.0 billion annually thereafter. Funds allocated to states shall remain available until expended provided the state or non-Federal interest agrees to pay or contribute in kind 25 percent of the cost of constructing such project and 50 percent of the cost of operating and maintaining such project upon its completion.

Revenue produced from projects providing electrical power or municipal and industrial water shall be shared between the non-Federal interest and the Federal agency on the basis of the percentage contributed to the cost of construction and operation and maintenance.

Municipal and industrial water supply projects may be implemented by the appropriate non-Federal interest in consultation with the Corps of Engineers.

Section 104. State Allocation. Funds authorized in Section 103 shall be allocated by the Water Resources Council among the states at the beginning of each fiscal year on the basis of land area and population. No state shall receive less than 0.33 percent and no more than 3 percent.

Funds allocated to states shall remain available for obligation for a three year period, after which the Council shall reallocate the funds according to the original allocation described in this section.

Section 105. Deauthorization. Projects authorized for construction prior to this Act but on which no construction has begun within years following enactment of this Act shall cease to be authorized five years after enactment unless the project is placed on a state's priority list.

Section 106. Special Regional Projects. The Council or Congress, by concurrent resolution, may for the study of such projects. From among previously authorized projects, the Council shall select up to ten projects of national significance which shall be eligible for funding by direct appropriation by Congress without regard to the limitations of this Act. Projects constructed under the authority of this section must produce national economic benefits that exceed the cost of such project using a reasonable rate of interest set by the Water Resources Council.

Projects studied under this section and subsequently authorized by Congress shall be constructed at full Federal cost provided that the users of the projects pay a fee designed to recover all or an appropriate percentage of the project's cost with interest in addition to its cost for operation and maintenance. The Inland Waterways Trust Fund shall be available to repay a portion or all of the costs for commercial inland navigation projects.

Section 107. Operation and Maintenance. This section authorizes $1,000,000,000 annually for the purpose of operating and maintaining water resources facilities.

Section 108. Clarifications. Nothing in this Act shall alter the requirements of the National Environmental Policy Act, the Fish and Wildlife Coordination Act or the Endangered Species Act. Projects authorized under this Act shall incorporate the best available techniques for the conservation of water.

Section 109. Studies. The Water Resources Council shall conduct a number of studies to estimate national water needs and priorities to the year 2000, individual state water needs, and the means by which the most efficient use of water supplies may be made at existing Federal projects. The Water Resources Council shall also review present cost-sharing mechanisms for water resources projects. This section authorizes $5,000,000 for use by the Water Resources Council to conduct these studies. The Council shall transmit the studies to Congress no later than January 1, 1984.

Section 110. Definitions. Water resources agencies include the Army Corps of Engineers, the Water and Power Resources Service, and the Soil Conservation Service.

Water project means any publicly-owned water resources facility, device, system, or non-structural management plan designed for flood protection, erosion control, reclamation (including the renovation of existing projects), hurricane protection, municipal and industrial water supply (including the renovation of existing projects), navigation, power generation, saline water conversion, water-based recreation, dam safety, sediment control, water conveyance, or related water purposes.

TITLE II—WATER RESOURCES PLANNING ACT AMENDMENTS

Section 201. Restructuring of the Water Resources Council. The Water Resources Council shall be an independent body composed of nine members, five of which shall be chosen by the President. One of the five Presidential appointees shall be designated as the chairman.

Section 202. State Advisory Committee. The Chairman of the Water Resources Council shall appoint a chairman of the State Committee from persons recommended by the National Governors Association. The Chairman of the Water Resources Council and the Chairman of the State Council shall select four additional members of the State Council, taking regional balance into account in their selection.

Mr. MOYNIHAN. Mr. President, I shall elaborate only a few further points that my distinguished friend from New Mexico has made.

The first is to say, and I hope the Senate will understand this because it was

a disappointment to us last year when this bill was reported out of our committee that it was never even considered on the floor of this body, this is a bill that responds to a stalemated and failed system of water development in the country at a time of a crisis in water supplies.

The arrangements that have been in place for a century or more or less with respect to rivers and harbors, almost a century with respect to the Bureau of Reclamation, are not working. The system has stopped working, and we have brought forth an alternative that, as we say, is most rational and national, and I think it is a happy circumstance, if I may say, that the distinguished Presiding Officer is the Senator from Pennsylvania, and if I am not mistaken from the eastern section of Pennsylvania, and any visitor to that great city of Philadelphia, among the first sights he sees along the Schuylkill will be the Philadelphia waterworks, a municipal enterprise of great neoclassic splendor down there and great engineering ingenuity, marking the beginning of a water project system of the older parts of our country from the East where water systems were built by municipalities or at most by States, frequently by private enterprises, that continues to this day.

The system by which Philadelphia gets water, the political-economic system, is no different today than it was in the 18th century, and the result is all over the Eastern United States a crisis in an area where there is in fact abundant water but water systems are so decrepit that New Jersey, New York, Boston, Philadelphia, places like that, experience serious drought problems this year.

In the West, which was developed by Federal funds, a system was in place effectively from the time the Bureau of Reclamation was established in 1905, and that system does not work anymore. It does not work. It takes 30 years to find out that in fact you are not going to have the project.

Now there is a crisis here, and we can do without oil but we cannot do without water. We have enough in most parts of the country. We can conserve it in other parts of the country. But we cannot do either without legislation such as Senator DOMENICI and I have introduced.

We are talking to the Senate about a real problem. The Senate last year chose not to hear us and it may do so again this year. If it does, it will be a dereliction of duty larger than any might suppose.

Mr. President, I believe our time may be about to expire. I would simply like once again to thank my distinguished colleague and friend for enabling me to join him in this national legislation.

Mr. DOMENICI. I thank my good friend.

Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. How much time does the Senator from New Mexico have?

The PRESIDING OFFICER. Slightly less than 1 minute.

Mr. DOMENICI. Mr. President, I hope everyone understands that the intention here is not to spend more money than we have been spending, at least not for the next few years. What we are trying to do is to get the process, which is not working, off dead center by having a completely new system for prioritizing projects, then letting the States go forward, in exchange for their paying for part of the cost of the projects.

It has been 5 years since a major omnibus water bill became law. The ad hoc approach to picking projects is fraught with problems. It does not prioritize anything. Our bill, I hope, will initiate a dialog that will replace a system that is failing to meet a great problem with a system that stands a far greater chance of meeting the needs of America's future.

S. 620—NEW MEXICO PROJECTS

Mr. DOMENICI. Mr. President, I am today introducing legislation, which authorizes three relatively minor items that affect the water resources needs of the State of New Mexico.

Section 1 of the bill authorizes the U.S. Army Corps of Engineers to construct a flood control project at Albuquerque. Actually, the work would extend the present levee system north and south of the city, not affecting the levees that now exist in the central area of the city. This change would assure against floods with a frequency of once nearly every 300 years.

Within the corps, this proposal is not considered controversial. The project was approved last year by the Subcommittee on Water Resources. In addition, the Congress enacted legislation last year that established the maximum size of the projects to allow local interests to begin to rebuild the existing system of bridges over the Rio Grande.

My proposal, however, may lead to even higher levels of flood protection for the citizens of Albuquerque, as it authorizes the corps to dredge out the Rio Grande channel to increase its capacity to move water past the city. Thus, instead of raising the existing levees, the corps could lower the river bed.

Section 2 of this bill authorizes the storage of water from the San Juan-Chama project in various New Mexico reservoirs. This section would assist the cities of Albuquerque and Santa Fe by providing storage locations for contract water owned by them.

The cities now lack adequate storage facilities, while extra space is available at Abiquiu and Elephant Butte Reservoirs. The city of Albuquerque contracted to store water at the Elephant Butte project in southern New Mexico. The courts, however, held that this contract and storage had not been specifically authorized by Congress. Now that the courts have forced the issue, the cities believe it would also be appropriate to permit further storage at Abiquiu, north of Albuquerque, in addition to small amounts now stored there.

This section authorizes such storage, when the storage does not interfere with the authorized purposes of the projects, such as flood control. Thus, the storage would be allowed only if it proved compatible with authorized project purposes.

This legislation, of course, imposes no cost on the Federal Government. It merely allows the cities to store their water, if the Federal agencies believe that would be appropriate.

Any additional costs for operating and maintaining the projects will be paid by local interests. In addition, this extra water would be available for additional power production at Elephant Butte Reservoir.

I recognize that some may oppose this proposal. But I offer it to provide to the public an opportunity to evaluate and comment on its merits.

Section 3 is a minor item, one which has been approved previously by the Senate, but never enacted into law, as we have failed to pass a full omnibus water resources bill since 1976. This section authorizes $300,000 in extra funds to assure the completion of important archeological recovery work at Santa Rosa Lake.

I send to the desk a bill for myself and Senator SCHMITT with reference to those three projects in my State.

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 620

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, is authorized to construct a project for flood control in the vicinity of Albuquerque, New Mexico, in conformity with the report of the Board of Engineers for Rivers and Harbors, dated September 14, 1979, at an estimated Federal cost of $33,224,000: *Provided,* That the Chief of Engineers shall further be authorized to increase flood protection through the dredging of the river bed to an elevation lower than existed on the date of enactment of this Act.

SEC. 2. (a) The proviso of Section 2 of Public Law 84-485 shall not be construed to prohibit the storage of San Juan-Chama project water acquired by contract with the Secretary of the Interior pursuant to Public Law 87-483 in any reservoir.

(b) The Chief of Engineers is authorized to enter into agreements with entities which have contracted with the Secretary of the Interior for water from the San Juan-Chama Project pursuant to Public Law 87-483 for storage of a total of 200,000 acre-feet of such water in Abiquiu Reservoir. The agreements to thus store San Juan-Chama Project water shall not interfere with the authorized purposes of the Abiquiu Dam and Reservoir Project and shall include a requirement that each user of storage space shall pay any increase in operation and maintenance costs attributable to the storage of that user's water.

(c) The Secretary of the Interior is authorized to enter into agreements with entities which have contracted with the Secretary of the Interior for water from the San Juan-Chama Project pursuant to Public Law 87-483 for storage of such water in Elephant Butte Reservoir. Any increase in operation and maintenance costs resulting from such storage not offset by increased power revenues resulting from that storage shall be paid proportionately by the entities for which the San Juan-Chama Project water is stored.

(d) The amount of evaporation loss and spill chargeable to San Juan-Chama Project water stored pursuant to Subsections (b) and (c) of this section shall be accounted as required by the Rio Grande Compact and the procedures established by the Rio Grande Compact Commission.

SEC. 3. The project for Santa Rosa Lake, Pecos River, New Mexico, authorized by section 203 of the Flood Control of 1954 (68 Stat. 1260), is hereby modified to authorize the expenditure of not to exceed $300,000 for the recovery of cultural resource data, in addition to any amounts authorized for this purpose pursuant to the Reservoir Salvage Act of 1960, as amended (88 Stat. 174).

● Mr. SCHMITT. Mr. President, I take a great deal of pleasure in joining with my colleague from New Mexico, Senator DOMENICI, in sponsoring legislation that will resolve some of the water problems confronting our State.

Section 1 of the bill will authorize the U.S. Army Corps of Engineers to undertake a program to eliminate the serious flood threat that exists today because of the condition of the existing levees on the Rio Grande River in an area from Bernalillo to Belen. This would be accomplished by rehabilitating existing levees and where necessary dredging the river bed to acceptable levels.

Section 2 of the bill would authorized the city of Albuquerque to store in various New Mexico reservoirs water to which the city is legally entitled from the San Juan Chama project. Under the present situation, the city is in danger of losing its water rights. This bill would not only protect those water rights but would give additional benefits in the form of providing water for recreational and power-generating purposes at Elephant Butte Reservoirs, thus directly providing economic benefits to the community of Truth or Consequences, which depends a great deal upon the level of water of the lake to support the local economy. The benefits would be accomplished at no cost to the Federal Government as the costs of operating and maintaining the storage program would be paid by the owners of the water.

Section 3 of the bill is aimed at resolving a longstanding problem to complete important archeological recovery work at Santa Rosa Lake.●

RECOGNITION OF SENATOR BAUCUS

The PRESIDING OFFICER. Under the previous order, the Senator from Montana (Mr. BAUCUS) is recognized for a period of time not to exceed 15 minutes.

TAX EXPENDITURES—SOME ADDITIONAL THOUGHTS

Mr. BAUCUS. Mr. President, last week I addressed the Senate on the subject of tax expenditures and their inexplicable exclusion from President Reagan's economic plan. Tax expenditures have become, as we all know, enormously popular. Once enacted, they tend to become firmly entrenched in the tax law and insulated from review.

The C. D. Howe Research Institute in 1979, commented on tax expenditures in this way:

> Tax expenditures have become a regular feature of recent budgets, apparently for two reasons: tax expenditures are politically popular with the business community and a convenient way of helping governments to stay within their expenditure limits because they are recorded as a revenue loss rather than as an expenditure increase.

By quoting this authority, I do not suggest that I am fundamentally opposed to tax expenditures. On the contrary, the tax expenditures mechanism frequently provides an efficient means for solving an economic problem.

I also reiterate my belief that taxes generally should be reduced to help stimulate more savings and investment and to restore lost income to individual taxpayers. I also believe that as we reduce those tax expenditures which are inefficient and unproductive, as many of them are, we will have more income available to enact the targeted and significant income tax reduction that we all talk about so much.

What I do suggest is that tax expenditures should not be immune from serious and critical and frequent review by Congress. They do offer potential for budget control actions.

In that regard, Mr. President, I note that the bill introduced by the Senator from New York (Mr. MOYNIHAN) is a bill aimed at just this purpose: eliminating and reducing a tax expenditure which he views to be unproductive, that is, the commodity straddle, which is exactly what we are talking about.

In my view, tax expenditures are nothing more than the functional equivalent of Federal spending programs. Tax subsidies are becoming ever more prevalent because it is frequently easier to achieve the enactment of a policy through the tax mechanism. Walter Heller understood the appeal of tax expenditures when he testified in 1959:

> The back door to government subsidies marked "tax relief" is easier to push open than the front door marked "expenditures" or the side door marked "loans, guarantees and insurance" . . .
>
> The very groups that use this back door are often among the most insistent advocates of responsible and informed government budgeting. Yet here is a whole catacombs of government benefits which are largely hidden from public view, let alone, periodic review.
>
> Once embedded in the tax structure, the preferential provisions are treated as inalienable vested rights, impervious to changes in tax rates, economic policy, and technology.

Heller's prescient admonishments are as relevant today as they were 22 years ago. His words should help us better understand the frequently perverse characteristics of tax subsidies.

TAX EXPENDITURES—A GROWTH EXPLOSION

Today, I would like to illustrate the phenomenal growth in the tax expenditure budget. This discussion will support my argument that the cuts in spending programs must be matched by simultaneous reductions in tax expenditures.

In describing the rate of increase in tax expenditures, Paul McDaniel, professor of law at Boston College, recently testified before Congress that:

> This hidden growth in the federal budget cannot continue unchecked or Congress will ultimately lose its hard won progress to achieve more effective control over the budget.

Growth in tax expenditures has been explosive. How many of my colleagues know, for example, that the growth in tax expenditures is currently exceeding inflation?

Indeed, depending upon the measure used, tax expenditures are increasing at a rate nearly twice that of inflation.

For example, between 1980 and 1981 alone, tax expenditures rose nearly 20 percent. The Consumer Price Index for that same period was 12 percent, and the GNP deflator—perhaps a better guage of inflation—was less than 10 percent.

Tax expenditures have witnessed a phenomenal growth since the first tax expenditure budget in 1968. Let us look at the figures.

The 1968 tax expenditure budget consisted of just 40 items—that is, there were 40 exclusions, deductions and credits. Today, that list has expanded to over 100 items.

Tax expenditure growth can also be understood in dollar amounts. The tax expenditure budget has grown from $44 billion in 1968 to over $260 billion in fiscal year 1982.

Here is another fact. Since 1975, the revenue losses resulting from tax expenditures are rising faster, 14 percent a year, than direct outlays which are rising at 11 percent.

A RECENT CRS REPORT ON TAX EXPENDITURES

When the Congressional Budget and Impoundment Control Act was amended in 1974, it required, for the first time, that the budget report include estimates of tax expenditures. These estimates permit us to fully appreciate the magnitude of tax expenditure growth.

At my request, the Congressional Research Service prepared an analysis showing the growth in tax expenditures compared to the Federal budget.

Let us look at some of the figures compiled by CRS. Between fiscal year 1974 and fiscal year 1980, tax expenditures exploded by $120 billion, or 162 percent. Even more astounding is that the percentage growth of tax expenditures exceeded both total outlays of Federal funds, which grew by 111 percent, and total income tax receipts, which expanded by 96 percent.

In short, the percentage increase in tax expenditures in any given year is now outpacing the growth in inflation, total income tax receipts, and outlays from Federal funds.

If we are serious about getting Federal spending under control, then we must begin to reverse the trend in tax expenditure growth. Otherwise, control of the Federal budget simply cannot be accomplished. And I ask my colleagues to join with me in calling for an evaluation and reduction of tax expenditures.

Next week I plan to continue my ob-

servations on tax expenditures by discussing the upside-down effects of these subsidies and the options available to Congress and the administration in achieving a modest reduction in the tax expenditure budget.

Mr. President, I ask unanimous consent that the CRS analysis that I recently spoke of be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
February 27, 1981.

To: Honorable Max Baucus.
From: Nonna Noto, Analyst in Public Finance, Economics Division.
Subject: Growth in Tax Expenditures Relative to the Federal Budget Since 1974.

According to the figures presented in the accompanying two tables, total tax expenditures expanded by $121 billion or 162 percent between FY 1974 (when estimates of tax expenditures were first required in the budget) and FY 1980. This is nearly as large as the growth in total income tax revenues over the same period of $151 million, and over half the expansion in total outlays out of Federal funds of $221 billion. In terms of percentage growth, however, tax expenditures at 162 percent considerably outpaced both total outlays out of Federal funds, which grew by 111 percent, and total income tax receipts, which grew by 96 percent. The relevant rows in Table 1 are marked by asterisks.

Projections to FY 1982 based on the Carter budget show tax expenditures increasing by $71 billion or 36 percent; total income tax receipts increased by $88 million or 28 percent; and total outlays from Federal funds increasing by $120 billion or 29 percent.

Thus tax expenditures have been growing and were expected to continue to grow at a more rapid rate than total outlays from Federal funds, which in turn have outpaced income tax revenues.

The tables also break out tax expenditures associated with the individual income tax from those associated with the corporate income tax. The corresponding individual and corporate income tax receipts are provided as a basis for comparison. Although both tax expenditures and tax receipts have been growing more rapidly for the individual income tax than the corporate income tax, the growth of tax expenditures relative to receipts has been greater for the corporate income tax.

The figures suggest that the revenue cost of the current tax expenditure system is so large that if all the tax expenditure provisions were eliminated, average tax rates could be reduced by approximately one-third and still yield the same level of revenue now collected. See p. 34–37 of the enclosed CRS report on Tax Expenditures for an explanation of this estimate.

TABLE 1.—GROWTH IN TAX EXPENDITURES, INCOME TAX RECEIPTS, AND FEDERAL OUTLAYS, FISCAL YEARS 1974 TO 1980

[In millions of dollars, fiscal years]

	1974 (actual)	1980 (actual)	Absolute change 1974–80	Percent change 1974–80 (3)÷(1)
	(1)	(2)	(3)	(4)
Tax expenditures:				
Individuals	57,340	152,308	94,968	166
Corporations	17,465	43,505	26,040	149
Total tax expenditures	74,805	195,813	121,008	162
Income tax receipts:				
Individual	118,952	244,069	125,117	105
Corporate	38,620	64,500	25,880	67
Total income tax	157,572	308,569	151,097	96
Total outlays, Federal funds	198,652	419,214	220,552	111

Source: Calculated by CRS from data presented in U.S. Office of Management and Budget, Special Analyses, Budget of the U.S. Government. Data for fiscal year 1974 from the Budget for fiscal year 1976, Special Analysis F, table F–1, p. 108–109 for tax expenditure estimates; Special Analysis B, table B–2, p. 29 for actual income tax receipts and budget outlays. Data for fiscal years 1980 and 1982 from the Budget for fiscal year 1982, Special Analysis G, table G–1, p. 226–230 for tax expenditure estimates, and Special Analysis C, table C–2, p. 75, for income tax receipts and budget outlays, actual for 1980 and estimates for 1982.

TABLE 2.—PROJECTED CHANGE, FY 1980–82, BASED ON CARTER BUDGET

[In millions of dollars, fiscal years]

	1982	Absolute change, 1980–82	Percent change, 1980–82
	(1)	(2)	(3)
Tax expenditures:			
Individuals	214,425	62,117	41
Corporations	52,300	8,795	20
Total tax expenditures	266,725	70,912	36
Income tax receipts:			
Individual	331,677	87,608	36
Corporate	64,648	48	
Total income tax	396,325	87,656	28
Total outlays, Federal funds	538,817	119,603	29

Source: Calculated by CRS from data presented in U.S. Office of Management and Budget Social Analyses, Budget of the U.S. Government. Data for fiscal year 1974 from the Budget for fiscal year 1976, Special Analysis F, table F–1, p. 108–103 for tax expenditure estimates; Special Analysis B, table B–2, p. 29 for actual income tax receipts and budget outlays. Data for fiscal years 1980 and 1982 from the Budget for fiscal year 1982, Special Analysis G, table G–1, p. 226–230 for tax expenditure estimates and Special Analysis C, table C–2, p. 75, for income tax receipts and budget outlays, actual for 1980 and estimates for 1982.

TAX EXPENDITURES: THE LINK BETWEEN ECONOMIC INTENT AND THE DISTRIBUTION OF BENEFITS AMONG HIGH, MIDDLE, AND LOW INCOME GROUPS

(Report No. 80–99 E)

(By Nonna A. Noto, Analyst in Public Finance, Economics Division, Congressional Research Service, Library of Congress)

ABSTRACT

How are Federal tax expenditures distributed among high, middle, and low income groups? This report analyzes data from a 1978 study by the Senate Budget Committee which estimated the distribution of benefits, through reduced tax liabilities, among five income classes for individual tax expenditure provisions.

By classifying these provisions according to four categories of economic behavior, this report finds systematic differences in the types of tax expenditures which favor separate income groups. Tax expenditures from investment-related provisions are associated consumption and employment-related provisions with the middle income groups, and need-related provisions with the low income group. The overall system of tax expenditures is found to benefit the high income group relative to the middle income groups.

Understanding that one income group is more likely than others to engage in a specific category of economic activities holds implications for policy-making. It indicates that shifting the amount of tax subsidies among economic activities can affect the distribution of the tax burden among income groups. It suggests that efforts to encourage savings and investment by middle income groups through tax-expenditure incentives may call for an adaptation of current tax provisions.

INTRODUCTION

Although interest in the question of who benefits from Federal programs is perennial, the specific focus of that interest may shift with the times. Anti-poverty programs of the late 1960s and early 1970s stimulated efforts to measure the effect of Government programs on the redistribution of income. In addition to direct cash payment programs such as welfare, social security, and unemployment compensation, these efforts measured income-in-kind programs such as food stamps, housing allowances, and medicare.[1] During the late 1970s, recognition of a large disparity in economic growth rates between the northern and southern states led to many inquiries concerning the net flow of Federal aid (Federal payments net of taxes paid by residents) to individual cities, states, and regions.[2]

Footnotes at end of article.

Inflation, recession, and slowdown in the rate of growth of real personal income during 1979 and 1980 have placed an unusual economic squeeze on middle-income groups. These circumstances have prompted inquiries about Federal programs which offer aid to the middle class. In addition, the decline in worker productivity and the low rate of capital formation in the U.S. economy have spurred interest in incentives for personal savings and business investment.

This paper concentrates on how the current system of tax expenditures works to accomplish different economic objectives through different income groups. A decision to change the amount of subsidy to certain economic activities, through tax expenditures as they now operate, could have substantial consequences for the distribution of income after taxes. Alternatively, a decision to redistribute benefits under the present tax-expenditure system from some income groups to others could call for a shift in subsidies from some economic activities to others. Using the tax-expenditure system to accomplish the dual goals of encouraging investment relative to consumption behavior and benefiting the middle rather than the high-income class appears to call for redesigned tax expenditures.

A backdrop to this analysis of the distribution of subsidies from tax expenditures

among income groups is the question of how Congress perceives the relationship between the distribution of the tax burden achieved in the presence of tax expenditures and the distribution indicated by the statutory rate and exemption structure of the Federal personal income tax. If the statutory rate and exemption structure in fact represents Congress's intended distribution of the tax burden, then tax expenditures, to the extent that they reduce the tax liability of some income groups more than others, distorts the intended distributional structure of the income tax.

Another interpretation considers tax expenditures as part of the determination of the tax burden. Thus, tax expenditures serve as an alternative to lower statutory rates and higher exemptions. Tax expenditures may consciously be conferred on some income groups relative to others in order to adjust the pattern of progressivity set by the rate and exemption structure.[3] Under this latter interpretation, if all tax expenditures were to be eliminated, Congress might be expected to adjust rates and exemptions to recapture, at least in part, the distributional effect of tax expenditures.

I. Forms of Federal aid to individuals

Federal programs can aid individuals by transferring income without restrictions as to its use; by subsidizing expenditures on items such as housing, food, health care, or education; and by subsidizing economic behavior such as earning income or investing. The policy tools for achieving those objectives can take a variety of forms. Individuals may receive benefits directly in the forms of cash grants, loans or loan guarantees, and tax expenditures. Individuals may also receive benefits indirectly through publicly provided services or benefits to corporations.

Estimating the dollar value of these benefits is complex. Data on the overall distribution of benefits across income classes from Government programs are not available in any standard, regularly published form—from either Government or private sources. Taking advantage of a special set of data developed for a 1978 study by the Senate Budget Committee, this report focuses on the distribution of tax expenditures across income groups.[4] Although the data are acknowledged to be rough estimates, and thus should be interpreted with caution, they do offer a measure of how Federal tax-expenditure provisions, designed to achieve a variety of economic purposes, may work through different income groups to achieve those purposes.

Aid to individuals other than through tax expenditures is mentioned briefly here only to indicate the magnitude and complexity of the task that would be involved in attempting to fully account for the benefits of Federal programs to individuals in a specific income group such as the middle class.

Direct grants may be unrestricted cash transfers such as public assistance, social security, and veterans' benefits, or they may be restricted aid such as the food stamp, medicare, and rent supplement programs. These cash or cash-equivalent grants generally aid low income groups.

Loan and loan-guarantee programs such as the large mortgage programs of the FHA (Federal Housing Administration) or the VA (Veterans Administration) may offer the individual borrower lower interest rates, lower downpayments, or longer maturities than would conventional lenders. Working through insurance protecting private lenders and through secondary mortgage market operations, programs such as those of GNMA (Government National Mortgage Association) also supply funds to designated groups. Because of limits on the size of these loans, Government loan programs generally do not benefit high income households capable of borrowing in private credit markets. And because these loan programs are aimed at households capable of paying back the loans, they seldom benefit households in the lowest income groups. Government direct loan and loan-guarantee programs are most likely to be aimed at middle income households unable to borrow on their own in the private credit market, or at least unable to borrow on terms as favorable as those the Government offers.

Among the Federal programs and regulations indirectly benefiting the middle class are price supports for farmers, wage protection for construction workers, and the provision of public education. How much these Federal activities benefit each income group is difficult to say.[5]

This report addresses the distribution of tax expenditures only. Overall conclusions about how specific income groups benefit from Federal programs would be more accurate if the effect of direct expenditure and indirect subsidy programs could be accurately measured.

II. Economic intent of tax expenditure provisions

Tax expenditures associated with the Federal personal income tax commonly take the form of the exclusion, exemption, or deferral from taxation of certain types of income, or a preferential rate of tax on certain income. They also may take the form of a deduction or tax credit for expenditures on selected activities.[6]

The origins of tax-expenditure provisions are varied. Some appear in retrospect to be almost accidental, with the current predominant use quite different from the original intent. They often stem from efforts to draw up legal definitions of taxable income and deductible expenses associated with earning income. An example is the interest deduction. It began as a deduction for interest expenses apparently associated with conducting business. Now the bulk of interest deductions under the personal income tax is accounted for by interest payments on home mortgages and consumer credit. Efforts to eliminate a tax-expenditure provision generally must contend with pressures from current users. Consequently, tax expenditures tend to be identified by their current usage, with their original intent frequently forgotten.

Tax expenditures are often presented according to functional groups which correspond to Federal budget outlay categories, for example, national defense, energy, commerce and housing credit, health, and income security. This facilitates the comparison between the amount of tax expenditures and direct expenditures for a given functional area, now that the Congressional Budget Act of 1974 (P.L. 93–344) requires that tax expenditures be listed in the Federal budget. The list of tax expenditures, along with their projected revenue costs for the current and subsequent two fiscal years, can be found in Special Analysis G of the Federal budget.[7]

This report organizes the individual tax-expenditure items in an alternative way which emphasizes their dominant economic character. The tax expenditures examined here have been classified into four broad categories of economic behavior—investment, consumption, employment, and need.[8] These categories are described briefly here and in greater detail in Section III.

The investment category includes provisions offering special tax treatment of certain income or expenditures related to investment activities other than owner-occupied housing. This includes income from such sources as capital gains and interest on municipal bonds, and expenditures on such items as business equipment and research and development.

The consumption category includes provisions offering special tax treatment of expenditures related to consumption, broadly defined to include capital gains on housing, fellowship income and parental support of students, and State and local taxes as payments for the consumption of public services, as well as expenditures for charitable contributions, casualty losses, and interest expenses, among others.

The employment category includes provisions offering special tax treatment of fringe benefits received in connection with employment.

The need category includes provisions offering special tax treatment of income received presumably because of financial need, including retirement benefits, disability compensation, unemployment insurance, and public assistance.

An examination of the distribution of tax expenditures across five income groups reveals that taxpayers at all levels of income receive at least some benefits from almost all of the tax expenditure items. Individual tax expenditures, however, are likely to differ substantially in the fraction of benefits going to low, middle, or high income groups. Classifying tax expenditures by the four categories of economic behavior reveals that the nature of the provisions which benefit primarily the middle class is likely to differ systematically from those which benefit primarily either low or high income groups.

Acknowledging the somewhat arbitrary classification of the 60 tax expenditure items into four behavioral categories and the roughness of the estimates of the distribution of tax expenditure benefits by income class, this study nevertheless reaches several conclusions. In general, middle income households are most likely to benefit from tax expenditure provisions related to consumption and employment. Low income households are most likely to benefit from the provisions related to need. And high income households are most likely to benefit from the provisions related to investment.

This two-way classification of tax expenditure items, both by behavior categories and by income groups, highlights the fact that tax expenditure provisions aimed at separate asoects of national economic behavior tend to work through different income groups. Thus, because tax-expenditure legislation may have specific economic purposes, it is reasonable to assume that the income groups which tend to engage most heavily in that behavior would benefit more than the others from the tax provision.

III. Individual tax-expenditure provisions composing the economic categories

The individual tax-expenditure provisions making up each of the four economic-behavior categories of investment, consumption, employment, and need are presented in tables 1 through 4, located on pages 20 through 23. Within each table, the individual items generally are ordered by decreasing size of the total dollar benefits or revenue losses estimated for the tax ex-

Footnotes at end of article.

penditure provision in fiscal year 1978. Exceptions occur where smaller provisions have been placed under a larger provision of a highly similar nature, suggesting that the provisions be considered together as a category. Examples of these groupings include depreciation, tax exempt bonds, charitable contributions, and veterans' and military pensions.

Data Source

The data on tax expenditures which provide the basis for this analysis are derived from a study on Tax Expenditures conducted in 1978 by the Senate Budget Committee. That study estimated the total revenue loss and the percentage distribution of tax expenditures among five income groups for each tax expenditure item.

The total benefits, in millions of dollars, presented in the first column, are the estimated revenue losses associated with the tax-expenditure provision for the individual, as opposed to the corporate, income tax for fiscal year 1978. The remaining five columns present the estimated percentage distribution of benefits from the tax-expenditure items across five expanded gross income classes[9]: under $10,000; $10,000 to $20,000; $20,000 to $30,000; $30 000 to $50,000; and over $50,000. The first category, under $10,000, is considered low income. The last category, over $50,000, is considered high income. The three groups in between, ranging from $10,000 to $50,000, are considered middle income.[10]

Problems in Measuring Tax Expenditures

The estimates presented in tables 1 through 4 are subject to at least three measurement problems. First, the estimates of the distribution across income classes for an individual provision are very rough. They were intended simply to indicate in a general way whether specific tax expenditures provide tax savings largely to low, middle, or high income taxpayers.[11]

Second, revenue losses associated with deductions tend to be overstated, while those associated with exclusions are understated. Each tax expenditure is analyzed as marginal or incremental with all other provisions assumed to remain in place. Thus the existing marginal tax bracket is applied to the calculation of the revenue cost of the tax expenditure. If any one deduction was eliminated, all others would be worth less, in the aggregate, because taxpayers would have less deductions pushing them beyond the zero-bracket amount, and fewer would itemize deductions. In contrast, the revenue gain anticipated from the elimination of an exclusion tends to be underestimated. In the absence of the exclusion, taxpayers would move into higher tax brackets. The revenue loss estimate, however, is based on the marginal bracket in effect in the presence of the exclusion.

Third, these calculations do not take into account the possible interdependence among the tax-expenditure items. If one provision was eliminated, the use of others might rise or fall because the behavior of taxpayers changes in response to altered tax incentives. An example of this is provided by two estimates of the revenue cost of itemized deductions for fiscal year 1981. If each item is considered separately, the sum of these individual expenditures is $58.9 billion. But if all the provisions are considered together, the estimated revenue loss is lower, at $44.5 billion.[12]

Footnotes at end of article.

This analysis does not take into account indirect distributional consequences of taxpayer behavior altered by tax-expenditure incentives. Examples are the capitalization of the tax advantages of homeownership leading to higher prices for owner-occupied houses or the tax-free status of State and local bonds resulting in lower interest rates for those debt instruments.

These measurement problems are a warning that the figures presented in this report for both the dollar revenue loss and the percentage distribution of benefits should be interpreted with caution as rough estimates.

Investment-related tax expenditure provisions, presented in table 1, include special tax treatment of items, on both the expenditure and income sides of the taxable-income calculation, that are related to investment activities other than owner-occupied housing. On the expenses side, the largest item in terms of foregone revenue cost is the investment tax credit. On the income side, the large items include the exclusion and deferral of capital gains transferred at death and by gift, capital gains, exclusion of interest of life-insurance savings, and exclusion of interest on State and local bonds.

For the majority of the individual provisions in this category, over 60 percent of the dollar benefits in tax savings are estimated to go to taxpayers with incomes over $50,000. Some exceptions, which give a greater fraction of benefits to the middle-income groups, are the investment tax credit, the dividend exclusion, exclusion of interest on life insurance savings, the expensing of certain agricultural outlays, and the deferral of income on savings bonds.

Another group of tax expenditures, not accounted for here, which also are associated with the investment category are those related to the corporate income tax. It is normally assumed that tax expenditures, like taxes, on corporate income are shifted to the owners of capital who generally are in the highest income class. Thus, by omitting the analysis of corporate provisions, the estimates of tax expenditure benefits going to the investment category and to the highest income class are no doubt understated.

Consumption-related tax-expenditure provisions, presented to table 2, involve the consumption activities of taxpayers. This is defined to include income and expenses related to owner-occupied housing, which is considered here as a final good rather than an intermediate good used in production. The largest consumption provisions, measured in terms of foregone revenue cost, include the deductibility of nonbusiness State and local taxes, the deductibility of mortgage interest and property taxes on owner-occupied homes, the deductibility of charitable contributions, and the deductibility of medical expenses.

At least 60 percent of the tax expenditures from most provisions in this category benefit the three middle-income groups—$10,000 to $20,000, $20,000 to $30,000, and $30,000 to $50,000. Exceptions which benefit the lowest income group more are two provisions related to education—the exclusion of income from scholarships and fellowships and veterans' education benefits through the G.I. bill. The exceptions which give a large fraction of benefits to the highest income group include the deductibility of charitable contributions and the exclusion of capital gains on home sales for persons aged 65 and over (likely to be aggravated in this direction under the 1978 law permitting exclusion of up to $100,000 for persons aged 55 and over).

Employment-related tax-expenditure provisions, presented in table 3, generally encompass the exclusion from taxable income of employer contributions for employee benefits and provisions relating to earned or labor-related, as opposed to investment, income.

The largest employment provisions in terms of foregone tax revenues include the net exclusion of pension contributions and earnings, for both employer and self-employed plans, and the exclusion of employer contributions for medical insurance premiums and medical care.

Over 70 percent of the benefits deriving from most provisions in the employment-related group go to taxpayers in the three middle-income groups from $10,000 to $50,000. The exceptions, which grant a high fraction to the highest income group, are the net exclusion of pension plans for the self-employed, the new jobs tax credit, the maximum tax on earned income, and the exclusion of certain income earned abroad by U.S. citizens. The exception which grants the bulk of its benefits to the lowest income group is the exclusion of benefits and allowances to Armed Forces personnel.

Need-related tax-expenditure provisions, presented in table 4, generally refer to the exclusion from taxable income of certain sources of income provided presumably on the basis of financial need. The largest among these in terms of foregone revenues are the exclusion of social security benefits, the exclusion of unemployment insurance benefits, the earned income credit, and the additional exemption for the elderly.

For the bulk of these provisions, over 50 percent of the benefits are estimated to accrue to the lowest income group, with incomes under $10,000. Exceptions, which confer over 50 percent of their benefits on the middle-income groups, are the exclusion of veterans' disability compensation and military disability pensions, the exclusion of unemployment insurance benefits, the additional exemptions for the elderly and the blind, and the exclusion of sick pay. Even within this group of exceptions, most of the benefits are concentrated in the lower end of the middle-income range, $10,000 to $20,000. As might be expected from the category label of need, very few of the benefits in this group of provisions go to taxpayers with incomes over $50,000, or even to those with over $30,000.

SUMMARY

In this section, tax expenditures were treated as individual items. An effort was made to identify a pattern of income distribution which describes most of the items in each of the four economic behavior categories, although exceptions to that pattern were acknowledged. In addition, an effort was made to identify the specific tax-expenditure items which, because of their large dollar magnitudes, are likely to dominate the behavior of the group to which they are assigned.

The next section focuses on the four aggregate categories of investment, consumption, employment, and need. It summarizes the overall distribution of tax-expenditure benefits among the four economic categories and the five income groups for fiscal year 1978. The reader is cautioned once again that because of the roughness of the income-distribution estimates and the sometimes arbitrary classifications of the individual tax-expenditure items into the four economic categories, the statistics presented on the distribution of tax-expenditure benefits should be interpreted only as approximations.

TABLE 1.—INVESTMENT-RELATED TAX EXPENDITURES

Tax expenditure item	Total benefits to individuals fiscal year 1978 (millions)	Distribution of benefits by expanded gross income class, fiscal year 1978 (percent)				
		Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	Over $50,000
Investment expenses:						
Investment tax credit	$2,390	7.7	24.1	18.7	19.9	29.6
Expensing of certain agricultural outlays	445	5.3	18.1	17.1	24.8	34.7
Depreciation:						
Excess 1st-yr. depreciation	145	2.1	3.6	3.6	15.0	75.7
Depreciation on rental housing in excess of straight line	300	2.2	3.4	3.7	15.0	75.6
Depreciation on other buildings in excess of straight line	125	2.1	3.6	3.6	15.0	75.7
Asset depreciation range	115	3.0	8.0	8.0	20.0	60.9
Excess of percentage over cost depletion	140	2.3	3.6	3.6	15.1	75.4
Expensing of intangible drilling, exploration, and development costs	300	2.4	3.8	3.8	15.2	74.8
Expensing of construction period interest and taxes	140	2.0	3.3	4.0	14.7	76.0
Expensing of research and development costs	30	0	3.3	3.3	13.3	80.0
Housing rehabilitation: 5-yr. amortization	10	0	0	6.7	13.3	80.0
Investment income:						
Capital gains:						
Exclusion and deferral of capital gains transferred at death and by gift	5,116	1.8	6.8	8.1	15.6	67.7
Capital gains (other than farming, timber, iron ore, and coal)	7,430	1.7	6.9	8.1	15.6	67.7
Capital gains treatment of certain income related to farmland	350	1.5	7.0	8.2	15.4	67.9
Capital gains treatment of certain income related to timber	60	1.8	5.4	9.0	16.4	67.3
Capital gains treatment of royalties of coal	50	2.2	6.6	8.9	15.6	66.7
Capital gains treatment of royalties on iron ore	5	0	0	0	100.0	100.0
Exclusion of interest on life insurance savings	2,025	13.6	22.5	18.4	17.5	28.0
Tax-exempt bonds:						
Exclusion of interest on general purpose State and local debt	1,925	.1	2.5	3.4	8.7	85.3
Exclusion of interest on State and local industrial development bonds	115	0	2.1	3.2	8.4	86.3
Exclusion of interest on State and local government pollution control bonds	110	0	1.2	3.5	8.2	87.1
Deferral of income on savings bonds	625	14.2	22.4	18.3	17.3	27.9
Dividend exclusion	475	9.1	24.0	24.7	23.3	18.9
Total, investment related[1]	22,626	3.9	10.5	10.2	15.9	59.5

[1] See notes at end of table 4.

TABLE 2.—CONSUMPTION-RELATED TAX EXPENDITURES

Tax expenditure item	Total benefits to individuals fiscal year 1978 (millions)	Distribution of benefits by expanded gross income class, fiscal year 1978 (percent)				
		Under $10,000	$10,000 to $20,000	20,000 to $30,000	$30,000 to $50,000	Over $50,000
Deductibility of nonbusiness State and local taxes (other than on owner-occupied homes and gasoline)	$8,905	1.1	14.0	22.3	23.4	39.2
Deductibility of nonbusiness State gasoline taxes	760	3.2	30.9	36.3	20.1	9.3
Deductibility of property taxes on owner-occupied homes	4,665	1.9	19.4	28.4	24.6	25.7
Deductibility of mortgage interest on owner-occupied homes	4,985	2.0	24.5	36.0	25.2	12.3
Deductibility of charitable contributions:						
Education	585	.4	3.2	4.8	18.3	73.3
Health	875	1.3	7.6	12.7	19.6	58.8
Other	4,370	1.4	15.3	22.0	18.1	43.2
Deductibility of medical expenses	2,435	6.0	31.7	28.4	18.3	15.6
Deductibility of interest on consumer credit	2,120	2.0	24.5	35.9	25.2	12.3
Deferral of capital gains on home sales	935	4.0	42.8	33.7	14.6	4.8
Exclusion of capital gains on home sales for persons age 65 and over	70	2.5	15.0	17.5	15.0	50.0
Parental personal exemption for students age 19 or over	770	15.3	57.7	5.9	6.0	15.1
Exclusion of scholarships and fellowships	295	68.0	18.8	6.1	4.1	2.0
Exclusion of GI bill benefits	200	53.5	29.5	5.8	1.5	.8
Credit for child and dependent care expenses	525	13.6	43.6	33.0	8.2	1.6
Deductibility of casualty losses	360	4.4	28.7	19.1	23.7	24.1
Credits and deductions for political contributions	60	15.3	31.8	22.4	15.3	15.3
Total, consumption related[1]	32,515	3.4	21.5	26.2	21.4	27.7

[1] See notes at end of table 4.

TABLE 3.—EMPLOYMENT-RELATED TAX EXPENDITURES

Tax expenditure item	Total benefits to individuals fiscal year 1978 (millions)	Distribution of benefits by expanded gross income class, fiscal year 1978 (percent)				
		Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	Over $50,000
Net exclusion of pension contributions and earnings:						
Employer plans	$9,940	5.2	29.2	29.9	18.2	16.5
Plans for self-employed and others	1,650	2.4	13.7	19.1	25.1	39.6
Exclusion of employer contributions for medical insurance premiums and medical care	6,340	10.5	33.1	27.8	15.9	12.7
Exclusion of benefits and allowances to Armed Forces personnel	1,260	52.5	37.0	5.0	4.1	1.4
Exclusion of other employee benefits:						
Premiums on group term life insurance	905	10.5	33.1	27.8	15.9	12.7
Premiums on accident and accidental death insurance	75	10.0	34.3	27.1	15.7	12.9
Privately financed supplementary unemployment benefits	10	30.0	40.0	20.0	10.0	0
Contributions to prepaid legal services plans	10	20.0	40.0	20.0	20.0	0
New jobs tax credit	985	8.0	24.0	18.4	20.0	29.6
Maximum tax on earned income	665	0	0	0	0	100.0
Exclusion of certain income earned abroad by U.S. citizens	360	7.3	12.5	18.7	32.1	29.4
Exclusion of employee meals and lodging (other than military)	200	12.5	50.0	14.3	12.5	10.7
Total, employment-related[1]	22,500	9.5	28.7	25.3	17.3	19.3

[1] See notes at end of table 4.

TABLE 4.—NEED-RELATED TAX EXPENDITURES

Tax expenditure item	Total benefits to individuals fiscal year 1978 (millions)	Distribution of benefits by expanded gross income class, fiscal year 1978 (percent)				
		Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	Over $50,000
Exclusion of social security benefits:						
For the aged (OASI)	$4,210	56.6	23.4	9.5	6.7	3.8
For dependents and survivors	950	56.6	23.4	9.5	6.7	3.7
For the disabled	550	56.8	23.4	9.6	6.8	3.4
Exclusion of railroad retirement benefits	265	56.8	23.2	9.6	6.8	3.6
Exclusion of veterans benefits:						
Disability compensation	840	17.3	43.2	26.3	9.8	3.4
Pensions	40	85.7	14.3	0	0	0
Exclusion of military disability pensions	115	47.6	38.1	9.5	3.8	.9
Exclusion of workers' compensation benefits	835	56.7	23.5	9.4	6.7	3.7
Exclusion of special benefits for disabled coal miners	50	58.0	24.0	10.0	6.0	2.0
Earned income credit:						
Refundable	945	100.0	0	0	0	0
Nonrefundable	285	100.0	0	0	0	0
Exclusion of unemployment insurance benefits	1,200	36.7	39.7	14.9	5.3	3.4
Additional exemption for the elderly	1,155	32.8	30.9	13.2	11.1	11.9
Exclusion of public assistance benefits	345	78.5	15.5	5.1	.9	0
Tax credit for the elderly	100	65.2	30.0	4.3	.4	0
Exclusion of sick pay	75	15.4	59.1	12.7	7.3	5.4
Additional exemption for the blind	10	30.0	30.0	15.0	10.0	15.0
Total, need-related [1]	12,130	54.6	25.0	10.4	6.2	3.9

[1] The total dollar value of benefits for each income class was calculated by CRS by multiplying the total benefits for each tax expenditure item by its percentage distribution for an income class, and then summing the resulting estimated dollars of benefit within each income class. The total percentage figures were obtained by dividing the dollar total for each income class by the sum of the 5 separate income-class calculations. The numbers behind these percentage calculations are reported in table A–1.

Source: U.S. Senate, Committee on the Budget, Tax Expenditures: Relationships to Spending Programs and Background Material on Individual Provisions, committee print, 95th Congress, 2d session (Washington, D.C.: U.S. Government Printing Office, 1978), reference pages as noted in table.

IV. The link between economic intent and income groups

There are two convenient ways to demonstrate the link between income groups and economic behavior categories. One is to survey the tax expenditures received by each income group and determine which category of economic behavior accounts for the largest fraction of those benefits. The other is to consider the distribution of tax expenditures within one category of economic behavior and ask which income group is receiving the largest fraction of the tax subsidies to that economic activity. These summary percentages are presented by income class, in table 5, and by economic category, in table 6. These simple percentages highlight how the relative importance of the separate economic behavior categories can differ considerably for the low, middle, and high income groups. Recall that these distributions reflect the situation as measured in fiscal year 1978.

Distribution Within Income Groups. The percentages in table 5 indicate how, moving up the income scale, the relative emphasis in the distribution of benefits shifts from need, to employment, to consumption, and finally to investment-related tax-expenditure provisions. For taxpayers with (expanded gross) incomes under $10,000, over 60 percent of the tax expenditures received fall under the provisions related to need. For taxpayers in the $10,000 to $20,000 range, 34 percent of the benefits derive from employment-related provisions and 37 percent from consumption-related provisions. For taxpayers in the $20,000 to $30,000 range, 32 percent of the benefits are related to employment, and 48 percent to consumption. Taxpayers in the $30,000 to $50,000 range receive 26 percent of their benefits from employment-related, 46 percent from consumption-related, and 24 percent from investment-related provisions. For taxpayers in the highest income group, over $50,000, 33 percent of the benefits derive from consumption-related and 49 percent from investment-related activities.

TABLE 5.—WHICH ECONOMIC BEHAVIOR CATEGORY PROVIDES THE MOST TAX EXPENDITURES FOR EACH INCOME CLASS?

[Percent distribution within income class, fiscal 1978]

Economic behavior category	Expanded gross income class					
	All	Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	$50,000
Investment	25.2	8.2	12.6	13.0	23.7	49.4
Consumption	36.2	10.2	37.0	47.9	45.7	33.0
Employment	25.1	19.9	34.3	32.0	25.6	15.9
Need	13.5	61.7	16.1	7.1	4.9	1.7
Total [1]	100.0	100.0	100.0	100.0	100.0	100.0

[1] Individual columns may not sum to 100 because of rounding.

Source: CRS calculation based on data presented in table A–1.

Distribution Within Categories of Economic Behavior. A similar pattern of progression can be seen in table 6 which presents the percentage distribution of benefits across the income groups within each of the four categories of economic behavior. Among the investment-related provisions, 60 percent of the benefits go to households with incomes of $50,000 or over. Benefits from consumption-related provisions are divided approximately equally among the four income groups of $10,000 and above. Over half the benefits from employment-related provisions go to households in the $10,000 to $20,000 and the $20,000 to $30,000 range. Over half the benefits from need-related provisions go to households with income under $10,000. Again, the progression in the distribution of benefits from need, to employment, to consumption, to investment is apparent moving up the income scale.

TABLE 6.—WHICH INCOME CLASS RECEIVES THE BULK OF TAX EXPENDITURES FROM EACH ECONOMIC BEHAVIOR CATEGORY?

[Percent distribution within economic behavior category, fiscal 1978]

Economic behavior category	Expanded gross income class					
	All	Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	$50,000
Investment	100	3.9	10.5	10.2	15.9	59.5
Consumption	100	3.4	21.5	26.2	21.4	27.7
Employment	100	9.5	28.7	25.3	17.3	19.3
Need	100	54.6	25.0	10.4	6.2	3.9
Total	100	12.0	21.0	19.8	16.9	30.4

[1] Rows may not add to 100 because of rounding.

Source: CRS calculation based on data presented in table A–5.

The findings of this section emphasize the strong identification that exists between an income group and the dominant category of economic behavior which characterizes the tax expenditure benefits it receives. In general, tax expenditure benefits related to need tend to be identified with the low-income group, employment with the middle-income group, consumption with both the middle- and high-income groups, and investment with the high-income group.

In the effort to assess which income group receives the greatest net benefit from the system of tax expenditures viewed as a whole, the next section concentrates on the distribution of benefits from the total of all tax expenditures considered together. Section V evaluates the income progressivity of tax expenditures in the aggregate and the impact they have on the progressivity of the personal income tax.

V. Tax expenditures and the progressivity of the income tax

Because tax expenditures represent a reduction in tax liabilities and consequently a reduction in potential tax revenues, a tax expenditure concession to one income group increases the tax burden on others. Further, in order to maintain the same level of revenue from the personal income tax, average statutory rates must be higher, or the zero bracket amount and personal exemption must be lower than they would be in the absence of tax expenditures.

Any conclusion about whether the existence of tax expenditures acts to redistribute income depends upon the assumption made about what the tax system would be like in the absence of tax expenditures. If tax expenditures were phased out, would Congress choose to offset higher revenue collections through an across-the-board tax cut, benefiting all income groups in proportion to their income? If so, then the current tax-expenditure system can be judged as redistributing income away from that norm. Alternatively, it might be anticipated that Congress would seek to preserve the distribution of the tax burden which now prevails with tax expenditures in place. In the latter case, tax expenditures cannot be judged as distorting the tax system away from the desired norm. Rather, tax expenditures may be serving as an alternative to adjusting statutory rates and exemptions differentially by income group.

Measuring the progressivity of the tax expenditure system provides information which is instructive under either of these alternative assumptions. The information can be used to indicate how the progressivity of the tax system implied by the statutory rate structure is altered by tax expenditures. Or, it can be used to indicate how the statutory rate-structure would need to be adjusted in order to maintain the present distribution of the tax burden if the tax-expenditure system were dismantled.

The distribution of tax expenditures across the income groups is examined here according to two standards of progressivity. The first is the traditional standard which measures the value of tax-expenditure benefits as a percent of adjusted gross income. The second is a relative standard which evaluates the effect of tax expenditures on tax payments.

The individual income-tax system is known for being progressive. That is, income taxes paid represent a higher fraction of income the higher the income group. The first row of table 7 illustrates that taxes as a fraction of adjusted gross income increase from 6.5 percent for those with incomes under $10,000, up to 31.3 percent for those with incomes over $50,000.

Applying the traditional progressivity measure—as a fraction of Adjusted Gross Income (AGI)—to tax expenditures reveals an irregular pattern, moving up the income scale. According to the figures presented in row 2 of table 7, at the low end of the income scale tax expenditures appear mildly progressive. The dollar benefit of tax expenditures for taxpayers with incomes below $10,000 is slightly higher, at 7.6 percent of AGI, than for taxpayers in the next income group, $10,000 to $20,000, at 5.1 percent of AGI. For the middle-income groups, from $10,000 to $50,000, tax expenditures appear mildly regressive. That is, they reduce taxes in relation to income more the higher the income group. For the highest income group, over 50,000, tax expenditures appear steeply regressive. Tax-expenditure benefits jump from 8.8 percent of AGI for taxpayers in the $30,000 to $50,000 group to 22.3 percent of AGI for those with incomes over $50,000.

TABLE 7.—PROGRESSIVITY OF TAXES AND TAX EXPENDITURES

[Percentages, 1977 and 1978 [1]]

	Income class [1]					
	All	Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	Over $50,000
(1) Taxes actually paid as a percentage of AGI	14.6	6.5	10.8	14.1	18.2	31.3
(2) Tax expenditures as a percentage of AGI	8.2	7.6	5.1	6.1	8.8	22.3
(3) Full taxes as a percentage of AGI (1) plus (2)	22.8	14.1	15.9	20.2	27.0	53.6
(4) Tax expenditures as a percentage discount from full taxes (2) divided by (3)	36.0	53.9	32.1	30.2	32.6	41.6

[1] Distribution of tax expenditure benefits based on expanded gross income classes (defined in footnote 9, p. 13) for fiscal year 1977–78. Distributions of adjusted gross income and taxes paid based on adjusted gross income classes with data from taxable returns filed for the 1977 calendar year.

Source: See appendix, table A–2, for the numbers behind these percentage calculations.

The relative measure of the effect of tax expenditures on the progressivity of the tax system involves the concept of the full tax,[11] defined as the sum of taxes actually paid plus the value of tax expenditures. The distribution of full taxes across the income groups reflects the likely progressivity of the income tax if the tax-expenditure system were dismantled and no compensating changes were made in tax rates for different income groups.

Applying the traditional measure of progressivity to full taxes, as in row 3 of table 7, indicates that full taxes would be extremely progressive at the high income end of the spectrum, rising to 53.6 percent of income for the over-$50,000 group. Full taxes would be nearly proportional for the two income groups under $20,000, in the 14 to 16 percent range.

The measure of tax expenditures as a percentage of full taxes indicates the direction in which the existence of the tax-expenditure system affects the progressivity of the statutory rate and exemption structure of the individual income tax. According to this measure, presented in row 4 of table 7, the group receiving the largest percentage discount from their full tax liability is the lowest-income group, under $10,000, with a discount of 53.9 percent. This can be explained by the low actual-tax liability of this group arising from the progressive nature of the income-tax system. The other group receiving an above-average discount on its full tax liability is the highest-income group, over $50,000, with a discount of 41.6 percent. The three middle-income groups, from $10,000 to $50,000, all register discounts below the average of 36.0 percent, at approximately the same rates of 32.1, 30.2, and 32.6 percent.

The average figure of 36 percent suggests that if the tax-expenditure system were to be eliminated and, in compensation, taxes were reduced proportionately across all income groups, average tax rates could be cut by approximately one third. If, instead of making such an across-the-board tax cut, Congress were interested in preserving the current progressivity of tax liabilities, it would grant a higher than average rate cut to the lowest- and highest-income groups, and a lower than average cut to the middle-income groups.

Conclusions as to the effect of tax expenditures on the progressivity of the income tax are sensitive to the standard of measure used. Both the traditional and relative progressivity comparisons made in this report indicate that, in fiscal 1978, the greatest absolute benefit from tax expenditures went to the highest income group, over $50,000. The relative progressivity comparison, measured as a fraction of full taxes, shows net benefits from tax expenditures going to the group with the lowest taxable income, under $10,000, as well as to the highest-income group.

Because tax expenditures are nonrefundable, the very-lowest-income group, which is off the scale of taxable income, receives essentially no benefit from the tax expenditure system. The group with income just high enough to be subject to tax would benefit if tax expenditures were replaced by general increases in the dollar size of the personal exemption or the zero-bracket amount. These changes would raise the ceiling on the level of income not subject to tax, thus increasing the number of people at the low end of the income scale who are not liable for income taxes.

Section VI updates the estimated growth of tax expenditures in the four economic-behavior categories between fiscal 1978 and 1980. Drawing upon the relationship between income groups and categories of economic behavior observed for 1978, section VI investigates how the income redistributive effect of the tax-expenditure system may have shifted over the past two years in response to higher rates of expansion in some categories of economic behavior than others.

VI. Update: Changes in tax expenditures from 1978 to 1980

The distribution of tax-expenditure benefits among income groups and categories of economic behavior was examined in detail for fiscal year 1978. An interesting aspect of the tax-expenditure budget, however, is that, like the direct-expenditure budget, it tends to change from year to year. This section investigates the changes that occurred in tax expenditures between fiscal 1978 and 1980.

Changes in tax expenditures stem both from fluctuations in the use of existing provisions in response to macroeconomic trends and to changes in taxpayer behavior and from legislative adaptations to tax-expenditure provisions in the Internal Revenue Code.

Footnotes at end of article.

There were substantial changes in the tax-expenditure provisions that were in effect in 1980 compared with 1978. The Revenue Act of 1978 reduced tax rates for individuals and increased the personal exemption and the zero-bracket amount. These changes would be expected to reduce the estimated size of tax expenditures because fewer taxpayers would itemize deductions and because deductions and exclusions would have less value at lower marginal tax rates.

The Revenue Act of 1978 contained other specific changes in tax-expenditure provisions. Some items, such as the deductibility of State and local gasoline taxes, were eliminated. Some new items were added, including tax incentives for the preservation of historic structures, an investment credit for the rehabilitation of structures, the exclusion of interest on State and local housing bonds, a deduction for employer educational assistance and residential energy credits (introduced by the Energy Tax Act of 1978).

Some items were redefined. The $35,000 exclusion for capital gains on owner-occupied housing for persons over 65 was changed in 1978 to $100,000 for persons over 55. The percentage of capital gains not subject to tax was raised from 50 to 60 percent, thus raising the cost of the tax expenditure for every dollar of capital gains. The new jobs tax credit was replaced by the targeted jobs credit and the credit for employment of AFDC (aid to families with dependent children) recipients and public-assistance recipients under WIN (work incentive) programs.

There also have been changes in reporting methods and estimating techniques. The refundable portion of the earned-income credit, now reported as a budget outlay, is retained here as a tax expenditure item for the sake of comparability between 1978 and 1980. The Treasury's method for estimating the tax-expenditure value of capital gains transferred at death has been revised to account for a negative offset to income-tax collections of approximately 37 percent of estate-tax collections. The tax-expenditure figure published for 1978 has been revised downward by 37 percent here to correspond to the 1980 estimate.[11]

The figures presented for 1980 in table 8 incorporate all of these alterations. Thus the changes calculated for tax expenditures in each economic behavior category reflect both legislated changes in the structure of the tax-expenditure system and changes in underlying economic behavior.

The calculations presented in table 8 indicate that the four economic behavior categories expanded at different rates between fiscal 1978 and fiscal 1980. Total tax expenditures under the personal-income tax grew by $49.5 billion or 55 percent. The need category expanded at approximately the average rate, by 54 percent, while the employment category grew at slightly less than the average rate, by 48 percent. The two categories of consumption and investment deviated noticeably from the average, however. The consumption category expanded more rapidly than average, by 69 percent, while the investment category fell short of the average, growing by only 44 percent.

These differing rates of expansion show up in a small change in the distribution of total tax expenditures among the four economic categories. The fraction associated with consumption increased by three percentage points, from 36 to 39 percent; the fraction associated with investment declined by two percentage points, from 25 to 23 percent; the fraction associated with employment decreased by one percentage point, from 25 to 24 percent; and the fraction associated with need barely dropped from 13.5 percent. The consumption category increased its lead for first place in terms of absolute size. Employment-related benefits edged ahead of investment for second place. Need remained the smallest category.

TABLE 8.—CHANGE IN TAX EXPENDITURES BY ECONOMIC CATEGORY, 1978-80

[Dollar amounts in millions]

	Tax expenditures—fiscal year—		Change in tax expenditures, 1978-80	
	1978	1980	Absolute change	Percent change
Investment	$22,626	$32,520	19,894	44
Consumption	32,515	54,805	22,290	69
Employment	22,500	33,305	10,805	48
Need	12,130	18,656	6,526	54
Total	89,771	139,286	49,515	55

Source: See table A-3 through A-6 in the appendix.

What explains these large differences in the rates of growth in the categories of economic behavior? Although observers of the national economy have been noting the recent strength of consumption relative to investment, it is beyond the scope of this report to examine the relationship between tax expenditures and movements in the macroeconomy. What we can do in this report, however, is to identify those tax expenditure items which grew by over one billion dollars between fiscal 1978 and 1980 and thus account for the bulk of the change in the relative size of the four categories of economic behavior. Note that all of the provisions experiencing this exceptionally large expansion were provisions already in place in 1978 and not any of those introduced subsequent to 1978. (The growth of individual tax expenditure items can be found in tables A-3 through A-6 in the appendix.)

There were six items in the rapidly expanding category of consumption that grew by over one billion dollars. These include the deductions for State and local taxes other than property taxes, property taxes, mortgage interest, charitable contributions other than to health or education, medical expenses, and consumer credit. The mortgage interest deduction grew by 150 percent in these two years. The consumption category accounted for nearly half the total increase in estimated tax expenditures between 1978 and 1980.

The two items in the employment category which grew by over one billion dollars include employer contributions to pensions and to medical insurance programs. The medical contribution deduction grew by 100 percent.

The two items in the need category which grew by over one billion dollars include the exclusion of social security benefits for the aged (OASI) and the exclusion of unemployment insurance benefits. The unemployment insurance provision grew by 100 percent.

The two items in the investment category which grew by over one billion dollars were the preferential treatment of capital-gains income and the exclusion of interest on life-insurance savings. The investment category differs from the others in that two of the items that were largest in dollar size in 1978 did not grow by an above-average rate between 1978 and 1980. In particular, estimated tax expenditures under the investment tax credit grew by only 22 percent and tax expenditures associated with capital gains transferred at death declined. Thus, the category as a whole fell behind the average.

The next obvious question of interest in the framework of this report is how the change in the relative size of tax expenditures associated with the different economic categories influenced the distribution of tax expenditure benefits among the income groups and, consequently, how it affected the progressivity of the income-tax system.

It is relatively easy to track the change in the estimated size of tax expenditures from year to year. The revenue cost of each tax expenditure item is now estimated annually by the Treasury Department, as required by the Congressional Budget Act of 1974 (P.L. 93-344). The distribution of tax expenditures among the income groups, however, is not estimated annually. The percentage estimates used in this report were a special contribution of the Senate Budget Committee's 1978 tax-expenditure study.

Because inflation has changed the meaning of the income categories used in 1978 and because the economic behavior of income groups may have changed, it is admittedly misleading to apply the 1978 distributions by income group to 1980 tax expenditures. Nonetheless, it is tempting to do this in order to get some idea of the implication of the changing relative size of tax-expenditure items on the distribution of benefits by income class.

Repeating for 1980 the calculations made for 1978 (presented in tables 1 through 4 and summarized in table 6) suggests that the observed shift from investment and employment-related to consumption-related tax expenditures resulted in only the slightest (one percent) increase in benefits to the middle income groups, from $20,000 to $50,000, at the expense of the lowest- and highest-income groups. The small size of the shift may be explained in part by recalling that although investment-related provisions tended to be associated with the high-income group, employment-related provisions were associated with the middle income group, and consumption-related benefits were spread quite evenly across the four income groups over $10,000. It seems reasonable, then, that the shift among the economic categories caused almost no effect on the distribution of tax-expenditure benefits among the income groups. Thus the change in the relative size of the categories of economic behavior between 1978 and 1980 does not alter the conclusion reached earlier, in section V, that the tax-expenditure system as a whole tends to benefit high- and low-income taxpayers at expense of the middle-income groups.

The final section, VII, applies the findings of this report to the Federal budget policy issue of controlling the size of tax expenditures. It emphasizes the need to evaluate the cost-effectiveness of tax expenditures in accomplishing their legislated purpose. It points out administrative ways to limit the revenue cost of individual tax expenditure items. And it recognizes the possible conflict between the goals of accomplishing certain economic purposes and aiding certain income groups.

VII. Implications for controlling tax expenditures

Organizing individual tax-expenditure items according to the four categories of investment, consumption, employment, and need emphasizes the generic types of economic activity that Federal tax policy consciously seeks to subsidize. Cross-classifying these categories of economic behavior by the distribution of their benefits across income groups suggests that policies designed to achieve these separate economic purposes may work predominantly through different income groups.

The strong link between income groups and economic activities suggests that efforts to subsidize certain economic activities can be expected to affect the distribution of income after taxes. Similarly, efforts to control tax expenditures can be expected to have different effects on income groups depending on whether these limits are accomplished by

Footnotes at end of article.

eliminating certain tax-expenditure provisions completely, putting a cap on the size of the deduction or exclusion, switching from a deduction or exclusion to a tax credit, or restricting the use to a certain income range.

Focusing on the distribution of benefits across the income groups from an individual tax expenditure provision or even an economic-behavior aggregate can be misleading because it fails to point out the offsetting forces within the tax-expenditure system. Aggregating the benefits from all tax expenditures reveals that although the middle class receives a large fraction of the benefits from tax-expenditure provisions related to consumption and employment, it does not appear to receive a net benefit from the tax-expenditure system viewed as a whole. In the comparison of tax expenditures to adjusted gross income, it is the high-income group which appears to receive the greatest benefit from tax expenditures. When benefits are measured as a discount on full taxes or taxes, actually paid, both the low- and high-income groups appear to receive higher than average tax discounts than the middle-income groups.

Tax-expenditure provisions shrink the personal income-tax base and reduce tax liabilities for some taxpayers relative to others. To compensate for these lost revenues, statutory tax rates must be higher or standard exemptions and deductions must be lower than they would be in the absence of tax expenditures. The dollar magnitude of tax expenditures is so large that if the tax expenditure system were dismantled, average tax rates could be cut by approximately one-third.

It is not clear, however, that Congress would choose to distribute such a tax cut evenly across the income groups. Nor is it likely that the tax-expenditure system would be completely dismantled. Consequently, it may prove useful to a discussion of policy to list some issues to be considered in an effort to control the size of the tax-expenditure budget.

Benefit-Cost Analysis

Tax-expenditure provisions generally are legislated with the intent of increasing a particular economic activity. Thus an important issue is to evaluate the success of tax expenditures in bringing about an increase in the subsidized activity and to compare this to the revenue cost of the tax subsidy.

As difficult as it is to get an accurate estimate of the revenue cost of a tax-expenditure provision, it is even more difficult to get an estimate of its effectiveness in bringing about net increases in the subsidized activity. In order to justify the implementation or continuation of a tax-expenditure provision, it is important for the Congress to evaluate whether the value to the public of the increment in activity attributable to the tax break in fact outweighs the revenue cost to the Treasury. In some cases, individuals might undertake the activity anyway, even in the absence of a subsidy. An example might be people insulating their houses in response to high energy costs. In such cases, a subsidy might have little effect on behavior. The result of tax expenditures in such areas might be a substantial tax-revenue loss in exchange for little direct gain as measured by altered economic activity.

Congress also should be aware of the possible misuses of tax-expenditure provisions, for purposes other than those intended by the legislation. An example was the use of tax-exempt State and local bonds, generally intended for public projects, to finance privately owned housing. Congress effectively placed a moratorium on this use of the bonds by initiating legislation in 1979 to restrict eligible mortgages (see H.R. 5741 and S. 2064).

Tax expenditures also can distort economic behavior toward engaging in the subsidized activity beyond the point intended by the legislation. An example is that the open-ended subsidies to owner-occupied housing through the mortgage-interest and property-tax deductions and the deferral of and eventual exclusion from taxation of capital gains on housing may have encouraged households to go far beyond their requirements for basic shelter in their decision to purchase a house. Efforts to limit the use of tax expenditures for luxury consumption may call for a cap on the total amount that could be deducted under certain provisions.

As a form of aid, the tax-expenditure subsidy is simply an alternative to direct spending, loans, loan guarantees, or other forms of Government protection through regulations. In some cases a direct subsidy, for example, might be more cost-effective than the tax-expenditure approach. It has been calculated repeatedly that it would cost the Treasury less to pay interest subsidies directly to State and local governments than to exempt State and local bonds from taxation. Both approaches accomplish the same goal of lowering the net cost of borrowing for these governments.

Efforts to trim the tax-expenditure budget could apply these kinds of benefit-cost evaluations to help determine which provisions are likely candidates to be eliminated, revised, or replaced by another form of subsidy.

Income Bias in Tax Mechanics

A second issue is that the mechanics of the tax-expenditure system itself tend to confer greater obvious benefits on people in higher-income groups. Because tax expenditures work through a reduction in taxable income, they tend to offer a greater percentage benefit—per dollar of excludable income or deductible expenditures—to higher income households, in higher marginal tax brackets. Further, for almost all tax expenditure provisions, there is no upper limit on the total amount that can be deducted or excluded. High income taxpayers are likely to have larger expenditures to deduct or larger amounts of income to exclude.

This administrative aspect raises the question of how the economic goals of tax expenditures can be encouraged without conferring extra benefits on people in the highest marginal-tax brackets. One approach is to place a dollar limit or cap on the amount that can be deducted or excluded. An example is the dividend and interest exclusion of $200 for individuals and $400 for married persons filing jointly (recently changed from the $100/$200 dividend-only exclusion by the Crude Oil and Windfall Profit Tax Act of 1980). The cap approach deals with the open-ended characteristic of many tax subsidies by limiting the dollar amount of the exclusions, to $200 or $400 in this case. This approach still confers relatively greater benefits on people in higher marginal-tax brackets, on expenditures up to the level of the cap. The incentive effect of the marginal-tax subsidy is eliminated for income, in the case of exclusions, or expenditures, in the case of deductions, above the level of the cap. Thus, the capped dividend and interest exclusion is not likely to encourage additional savings among the wealthy.

The use of a tax credit rather than a deduction or exclusion is another approach which maintains the economic incentive of the tax subsidy but does not confer relatively greater benefits on people in high marginal tax brackets. Take, for example, the tax credit for political campaign contributions. The tax credit offers a 50 percent subsidy for every dollar or eligible contribution (up to a credit of $50 per individual and $100 for married couples filing jointly) to taxpayers in all tax brackets. Thus the credit provides greater benefit than a comparable deduction would for people below the 50 percent marginal tax bracket.

A cap on deductions and exclusions or the use of a tax credit is particularly appropriate where the tax-expenditure benefit is not intended to be positively associated with income, such as medical deductions. Restricting the use of the deduction or exclusion to taxpayers below a given income level may be appropriate where the benefit is intended primarily for lower-income groups. Examples are the full exclusion of unemployment and disability benefits only for people below certain income levels.

Legislating a dollar limit on caps and credits is relatively straight-forward. This administrative advantage permits better control of the total size of the associated tax expenditures.

It is interesting to note that many tax expenditures confer obvious benefits only on taxpayers who itemise deductions. There is an indirect benefit to the others, however, from an overall increase in itemizing. For the sake of administrative manageability, the zero-bracket amount generally is set high enough that only about one third of those filing tax returns itemise deductions. Thus, if a greater number of people start to use deductions or if people increase the average dollar size of their deductions, this places upward pressure on the level of the zero-bracket amount in order to reduce the number of itemizers. A higher zero-bracket level benefits only those taxpayers whose deductions would fall below that level. The tax benefits to the group with deductions below the level of the zero-bracket amount are not calculated as a revenue loss associated with tax expenditures.

Tailoring Tax Expenditures to Income Groups

A third issue is the awareness that some income groups are more likely than others to engage in the various types of subsidized economic activities. We have seen that the overall share of benefits received by an income group depends in large part on the degree to which it engages in activities subsidized by the tax-expenditure system.

For 1978, the predominance of benefits going to the highest income group could be traced to the large share of total tax expenditures going to investment- and consumption-related activities, combined with the large fraction of the benefits in those categories accruing to the highest-income group. The benefits accruing to the lowest-income group could be traced primarily to the very high fraction of the benefits from need-related provisions going to this group. The middle-income groups derived the bulk of their benefits from the consumption and employment-related categories.

The total dollar benefits associated with either the consumption or employment category were comparable to that for the investment category. But the middle-income groups did not have much of an advantage over the highest income group in the fraction of these benefits that they received. As a consequence, the middle-income groups did not receive a net benefit, relative to the other income classes, from the tax-expenditure system viewed as a whole.

If the observed link between the income groups and the economic behavior categories is in fact strong, this suggests that further changes in the allocation of tax expenditures

among the economic categories, such as that observed between 1978 and 1980, could also be associated with a redistribution of tax-expenditure benefits among the income groups.

In the current economy there is concern both with increasing savings and investment and with aiding the middle class. The statistics based on tax-expenditure experience in 1978 suggest that there may be some incompatibility between those two goals since it is the highest-income group that traditionally has made the greatest use of investment-related tax expenditures. In the interest of fostering the dual goals of encouraging investment activities while benefiting the middle class, alterations of present tax expenditure policies might be considered.

There is little evidence from either economic theory or empirical analyses that higher rates of return—such as those offered by tax expenditures—actually increase the rate of savings in the economy. Nevertheless, efforts to use tax policy to encourage savings and investment are likely to continue. Evaluating the potential effectiveness of new policies to encourage additional savings and investment on the part of the middle class in particular would involve a far more careful analysis than this report can provide of differences in savings and investment behavior among income groups. The statistics presented in this report on the distribution of benefits from tax expenditures do, however, suggest a difference in the existing investment-related provisions which favor the middle-income groups in contrast to those which favor the high-income group.

As table 1 revealed, the middle-income groups receive a large fraction of the benefits from the dividend exclusion, the deferral of income on savings bonds, the exclusion of interest on life insurance savings, and the investment tax credit. In contrast, the high-income group receives a large fraction of the benefits from provisions for depreciation, expensing of costs, capital gains, and tax-exempt bonds. Two other categories frequently associated with saving by the middle income, but not included here in the investment category, are employer-sponsored pension plans, placed under employment, and homeownership, placed under consumption.

Perhaps with the exception of the investment tax credit, the savings and investment programs associated with the tax expenditures favoring the middle income can be described by such phrases as forced savings, low risk, available in small denomination payments, and working through investment intermediaries. Keeping these qualities in mind may point to ways to alter tax-expenditure policies in order to encourage more investment and saving on the part of the middle-income groups.

One possibility is to increase the options for personal, voluntary contribution to tax-sheltered pension plans, even for people already covered by employer-sponsored plans. Another possibility is to offer middle income people investment options which have higher rates of return than savings bonds and life insurance but which still offer opportunities to defer taxation on the accumulating interest income.

Still another area to explore is reducing the bias in favor of owner-occupied housing as a vehicle for tax-deferred accumulation of capital gains and, most recently, as an essentially tax-free vehicle for retirement savings. Investment in productive (income-producing) assets, either directly or indirectly through financial and investment intermediaries, could receive tax treatment more in balance with housing to encourage the middle income to diversify their assets away from such a heavy concentration in owner-occupied housing.

Finally, offering a tax break in the form of an exclusion, such as the dividend exclusion, rather than a deduction, benefits even people who do not itemize their deductions, thus tending to benefit low- and middle-income taxpayers. The recent change in the law extending the exclusion to apply to interest as well as dividend income removes the provision's former bias toward stocks relative to interest-producing assets. (The dividend exclusion offsets in a small way the double taxation of corporate income.) But, if a stimulus for savings exists at all, raising the limit on the size of the exclusion provides an incentive for additional savings or investment only for those whose income from these sources previously was below the new limit.

The statistical findings of this report may have application to several policy areas. The analysis sheds light on some possible ramifications of controlling the tax-expenditure budget on certain economic categories and separate income groups. The calculations of the change in the four aggregate categories of economic behavior over time demonstrate how movements in the macroeconomy may be reflected in differences in the rates of expansion in the corresponding categories of tax expenditures. For the 1978 to 1980 period examined, paralleling other observations of the economy, the use of tax expenditures related to consumption grew more than the use of those related to investment. Most of all, the report emphasizes how economic behavior, as reflected in the use of tax expenditures, differs quite noticeably and systematically among the income groups. This suggests that policies designed to accomplish certain economic goals should anticipate the varying responses of these groups.

FOOTNOTES

[1] See Edgar K. Browning, Redistribution and the Welfare System (Washington, D.C.: American Enterprise Institute, 1975) and John J. Korbel, Poverty Status of Families Under Alternative Definitions of Income, **Background Paper No. 17 (Washington, D.C.:** Congressional Budget Office, 1977).

[2] See Lillian Rymarowicz, Statistical Information on the Amount of Federal Funding Received by the Individual States Over the Past 20 Years, report of the Economics Division, Congressional Research Service, Library of Congress, Washington, D.C., November 6, 1979.

[3] Tax burdens can differ among taxpayers within the same income group. Tax liabilities will be lower for those taxpayers who make use of tax expenditure provisions than for those who do not.

[4] U.S. Senate, Committee on the Budget, Tax Expenditures: Relationships to Spending Programs and Background Material on Individual Provisions, Committee Print, 95th Congress, 2d Session (Washington, D.C.: U.S. Government Printing Office, 1978).

[5] For an exposure to the complexity of the task of allocating taxes and public expenditures to income classes, see Tax Foundation, Inc., Tax Burdens and Benefits of Government Expenditures by Income Class, 1961 and 1965 (New York: Tax Foundation, Inc., 1967). The Tax Foundation study states explicitly the many, frequently arbitrary assumptions it was necessary to make in order to allocate all Federal, state, and local taxes and expenditures to individual income classes.

For a more in-depth discussion of specific government-expenditure programs, their economic effect, and the methodology for estimating the distribution of their benefits across income brackets, see W. Irwin Gillespie, "Effect of Public Expenditures on the Distribution of Income," in Richard A. Musgrave, ed., Essays in Fiscal Federalism (Washington, D.C.: The Brookings Institution, 1965), pp. 122–186.

[6] For a fuller discussion of the concept of tax expenditures, an annotated list of tax expenditures including their Internal Revenue Code authority, and a bibliography on the topic, see U.S. General Accounting Office, Tax Expenditures, A Printer, PAD 80–26 (Washington, D.C.: U.S. General Accounting Office, 1979).

[7] See U.S. Office of Management and Budget, "Tax Expenditures," Special Analyses, Budget of the United States Government, Fiscal Year 1981 (Washington, D.C.: U.S. Government Printing Office, 1980), Special Analysis G, pp. 207–238.

[8] For other categorizations of tax expenditures and analyses of their economic effects, see Richard Goode, The Individual Income Tax, rev. ed (Washington, D.C.: The Brookings Institution, 1976), and Joseph A. Pechman, ed., Comprehensive Income Taxation (Washington, D.C.: The Brookings Institution, 1977).

[9] The measure of expanded gross income is an attempt to come closer to the concept of real economic income than the measure of adjusted gross income used on income tax returns. Expanded gross income is equal to adjusted gross income plus the untaxed part of capital gains, percentage depletion in excess of cost depletion, and other tax preferences subject to the minimum tax; the deduction of investment interest up to the amount of investment income is excluded. Thus the measure of expanded gross income tends to be larger than the measure of adjusted gross income, particularly for the higher income groups likely to be most affected by these investment-related adjustments to the definition of income. See Senate Budget Committee, Tax Expenditures, p. 6.

[10] The median family income in 1978 was $17,640. Thus, statistically, the middle class lies at the upper end of the $10,000 to $20,000 bracket, near the $20,000 to $30,000 range. The group in the $30,000 to $50,000 range is popularly considered the middle class or upper middle class. This leaves only the under $10,000 group as low income and the over $50,000 group as high income.

Median family income data from U.S. Department of Commerce, Bureau of the Census, *Current Population Reports, Consumer Income*, Series P–60, United States: 1978 (Advanced Report) (Washington, D.C.: U.S. Government Printing Office, 1979), p. 6.

[11] Senate Budget Committee, Tax Expenditures, p. 6.

[12] OMB, Special Analysis G., Fiscal Year 1981 Budget, p. 217.

[13] The full tax is a purely hypothetical concept since, if tax expenditures were eliminated, other tax obligations would no doubt be lowered to offset the additional revenues flowing from the broader tax base. Because we do not know how Congress would decide to distribute such a reduction in taxes across the income groups, we continue to use the present distribution of taxes actually paid as the basis of comparison.

The full tax method for evaluating the vertical equity of the tax system among income groups is explained by Richard A. Musgrave and Peggy B. Musgrave in their *Public Finance in Theory and Practice* (New York: McGraw-Hill Book Company, 1973), pp. 249–252. The findings presented here for 1978 are consistent with Musgrove and Musgrove's findings for 1972.

[14] For further explanation of the changes in tax expenditures between 1978 and 1980, see Special Analysis G, 1981 Budget, pp. 217–229.

TABLE A-1.—ESTIMATED DOLLAR VALUE OF TAX EXPENDITURE BENEFITS BY BEHAVIOR CATEGORY AND INCOME CLASS, FISCAL YEAR 1978

[In millions of dollars]

Behavior category	All	Expanded gross income class: Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	Over $50,000
Investment	22,626	875	2,369	2,316	3,606	13,459
Consumption	32,512	1,095	6,975	8,503	6,942	8,997
Employment	22,498	2,134	6,458	5,580	3,891	4,335
Need	12,128	6,621	3,030	1,256	790	470
Total	89,764	10,726	18,832	17,755	15,190	27,261

Source: CRS calculations based on 1978 dollar value and percentage distribution data presented in tables 1 through 4. These numbers are the basis for the total percentages for the economic behavior category in tables 1 through 4 and for the percentage calculations presented in tables 5 and 6.

TABLE A-2.—ESTIMATED DOLLAR VALUE OF ADJUSTED GROSS INCOME AND TAXES PAID FOR CALENDAR 1977 AND OF TAX EXPENDITURES AND FULL TAXES FOR FISCAL 1978, BY INCOME CLASS

[In millions of dollars]

	All	Income class [1]: Under $10,000	$10,000 to $20,000	$20,000 to $30,000	$30,000 to $50,000	Over $50,000
(1) Adjusted gross income	1,094,410	140,362	369,635	289,864	172,684	122,237
(2) Taxes paid	159,331	9,082	39,788	40,755	31,390	38,274
(3) Tax expenditures	89,764	10,725	18,832	17,755	15,190	27,261
(4) Full taxes (2)+(3)	249,095	19,807	58,620	58,510	46,580	65,535

[1] Distribution of tax expenditure benefits based on expanded gross income classes (defined in footnote 9, p. 13) for fiscal year 1977–78. Distributions of adjusted gross income and taxes paid based on adjusted gross income classes with data from taxable returns filed for the 1977 calendar year.

Sources: Estimates of tax expenditure benefits from table A–1, last row, Total. Adjusted gross income and taxes paid from Department of the Treasury, Internal Revenue Service, "Preliminary Statistics of Income, 1977, Individual Income Tax Returns" (Washington, D.C.: U.S. Government Printing Office, 1979), table 1, pp. 15–18. Full taxes, row (4), equal the sum of taxes paid, row (2), and tax expenditures, row (3).

TABLE A-3.—CHANGES IN INVESTMENT-RELATED TAX EXPENDITURES, 1978 TO 1980

[In millions of dollars]

Tax expenditure	Total benefits to individuals: Fiscal year 1978	Fiscal year 1980	Change, 1978 to 1980
Investment expenses:			
Investment tax credit	2,390	2,910	520
Expensing of certain agricultural outlays	445	430	−15
Depreciation:			
Excess 1st-year depreciation	145	135	−10
Depreciation on rental housing in excess of straight line	300	285	−15
Depreciation on other buildings in excess of straight line	125	120	−5
Asset depreciation range	115	150	35
Excess of percentage over cost depletion	340	1,150	810
Expensing of intangible drilling, exploration, and development costs	300	610	310
Expensing of construction period interest and taxes	140	140	0
Expensing of research and development costs	30	35	5
Housing rehabilitation: 5-yr amortization	10	10	0
Investment credit for rehabilitation of structures		60	60
Tax incentives for preservation of historic structures		25	25
Exclusion of certain agricultural cost-sharing payments		30	30
Investment income:			
Capital gains: Exclusion and deferral of capital gains transferred at death and by gift	5,116	4,750	−366
Capital gains (other than farming, timber, iron ore, and coal)	7,430	13,855	6,425
Capital gains treatment of certain income related to farmland	350	385	35
Capital gains treatment of certain income related to timber	60	120	60
Capital gains treatment of royalties on coal	50	75	25
Capital gains treatment of royalties on iron ore	5	10	5
Exclusion of interest on life insurance savings	2,025	3,365	1,340
Tax-exempt bonds:			
Exclusion of interest on general purpose State and local debt	1,925	2,365	440
Exclusion of interest on State and local industrial development bonds	115	305	190
Exclusion of interest on State and local government pollution control bonds	110	240	130
Exclusion of interest on State and local housing bonds		180	180
Deferral of income on savings bonds	625	290	−335
Dividend exclusion	475	490	15
Total, investment related	22,626	32,520	9,894

Sources: See notes to table A–6.

TABLE A-4.—CHANGES IN CONSUMPTION-RELATED TAX EXPENDITURES, 1978 TO 1980

[In millions of dollars]

Tax expenditure	Total benefits to individuals: Fiscal year 1978	Fiscal year 1980	Change 1978 to 1980
Deductibility of nonbusiness State and local taxes (other than on owner-occupied homes and gasoline)	8,505	14,665	6,160
Deductibility of nonbusiness State gasoline taxes	760		−760
Deductibility of property taxes on owner-occupied homes	4,685	7,760	3,075
Deductibility of mortgage interest on owner-occupied homes	4,985	12,505	7,520
Deductibility of charitable contributions:			
Education	585	765	180
Health	875	1,145	270
Other	4,370	5,725	1,355
Deductibility of medical expenses	2,435	3,585	1,150
Deductibility of interest on consumer credit	2,120	3,595	1,475
Deferral of capital gains on homes sales	935	1,010	75
Exclusion of capital gains on home sales for persons age 65 and over/55 and over	70	535	465
Parental personal exemption for students age 19 or over	770	1,030	260
Exclusion of scholarship and fellowships	295	375	80
Exclusion of GI bill benefits	200	160	−40
Credit for child and dependent care expenses	525	820	295
Deductibility of casualty losses	360	590	230
Credits and deductions for political contributions	60	100	40
Residential energy credits		460	460
Total, consumption-related	32,515	54,805	22,290

Sources: See notes to table A–6.

TABLE A-5.—CHANGES IN EMPLOYMENT-RELATED TAX EXPENDITURES, 1978 TO 1980

[In millions of dollars]

Tax expenditure	Total benefits to individuals: Fiscal year 1978	Fiscal year 1980	Change 1978 to 1980
Net exclusions of pension contributions and earnings:			
Employer plans	9,940	12,925	2,985
Plans for self-employed and others	1,650	2,125	475
Exclusion of employer contributions for medical insurance premiums and medical care	6,340	12,965	6,625
Exclusion of benefits and allowances to Armed Forces personnel	1,260	1,470	210
Exclusion of other employee benefits:			
Premiums on group term life insurance	905	1,485	580
Premiums on accident and accidental death insurance	75	90	15
Privately financed supplementary unemployment benefits	10	10	0
Contributions to prepaid legal services plans	10	20	10
New jobs tax credit	985		−985
Targeted jobs credit		10	10
Credit for employment of AFDC recipients and public assistance recipients under work incentive (WIN) programs		5	5
Maximum tax on earned income	665	1,265	600
Exclusion of certain income earned abroad by U.S. citizens	360	555	195
Exclusion of employee meals and lodging (other than military)	300	350	50
Employer educational assistance		30	30
Total, employment related	22,500	33,305	10,805

Sources: See notes to table A–6.

TABLE A-6.—CHANGES IN NEED-RELATED TAX EXPENDITURES, 1978 TO 1980

[In millions of dollars]

Tax expenditure	Total benefits to individuals: Fiscal year 1978	Fiscal year 1980	Change, 1978 to 1980
Exclusion of social security benefits:			
For the aged (OASI)	4,210	6,880	2,670
For the dependents and survivors	950	990	40
For the disabled	550	685	135
Exclusion of railroad retirement benefits	265	330	65
Exclusion of veterans' benefits:			
Disability compensation	840	1,050	210
Pensions	40	50	10
Exclusion of military disability pensions	115	125	10
Exclusion of workers' compensation benefits	835	1,165	330
Exclusion of special benefits for disabled coal miners	50	50	0
Earned income credit:			
Refundable	945	1,696	751
Nonrefundable	285	415	130
Exclusion of unemployment insurance benefits	1,200	2,495	1,295
Additional exemption for the elderly	1,155	1,970	815
Exclusion of public assistance benefits	345	395	50
Tax credit for the elderly	250	135	−115
Exclusion of sick pay/disability	75	185	110
Additional exemption for the blind	20	40	20
Total, need related	12,130	18,656	6,526

Sources: For 1978, U.S. Senate, Committee on the Budget, Tax Expenditures: Relationships to Spending Programs and Background Material on Individual Provisions, committee print, 95th Congress 2d session (Washington, D.C.: U.S. Government Printing Office, 1978). For 1980, U.S. Office of Management and Budget, "Tax Expenditures," Special Analyses, Budget of the United States Government, Fiscal Year 1981 (Washington, D.C.: U.S. Government Printing Office, 1980) Special Analysis G, pp. 230–234.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, what is the pending business?

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for a period not to exceed 30 minutes, during which Senators may speak for a period of time not to exceed 5 minutes each.

Mr. HART. Mr. President, I ask unanimous consent that I be recognized for 15 minutes.

Mr. BAKER. Mr. President, will the Senator yield to me for a moment?

Mr. HART. Yes.

Mr. BAKER. Mr. President, I ask unanimous consent that the order previously entered in respect to morning business be changed so that the period for the transaction of morning business may extend for not more than 1 hour in which Senators may speak for not more than 15 minutes each.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the Senator from Colorado for yielding.

THE NEED FOR THOUGHTFUL NAVAL PLANNING

Mr. HART. Mr. President, one of the issues which increasingly interests and increasingly troubles many Members of the Senate is the state of the U.S. Navy. Most Senators are aware that the Navy has, in recent years, faced a number of serious problems. It has been challenged for control of the sea by a growing Soviet naval capability. It has seen large numbers of its ships reach the ends of their planned service lives over a short period of time. It has encountered serious problems in recruiting and, even more, retaining skilled personnel. It has not received the level of funding for naval shipbuilding which the Navy, and others, including myself, have felt necessary.

The Senate and the Congress as a whole have attempted to alleviate the Navy's problems. Particularly, former Senator Robert Taft, Jr., of Ohio began the work in the Senate some years ago, pointing out that the United States is, by nature, a maritime nation, requiring a maritime strategy. He proposed innovative shipbuilding programs, including smaller aircraft carriers, conventional as well as nuclear attack submarines, and high-technology warships such as surface effect ships and hydrofoils. The Senate has since taken many shipbuilding initiatives originally recommended by Senator Taft, and the Congress has consistently raised the naval shipbuilding budget above the level recommended by the President.

President Reagan, Secretary of Defense Weinberger and the other officials of the new administration's Defense Department now face the same challenges. Fortunately, they appear to recognize the need for a larger, more powerful Navy. They have acknowledged the need for greater attention to personnel issues, and for more funding for operations and maintenance. And, of course, these views are welcome.

But, the most controversial, and perhaps most difficult question remains unresolved: What kind of Navy should we build? We cannot expect a new administration, after only several weeks in office, to be able to answer this question fully. Indeed, I hope administration officials will not attempt to answer it too quickly, before they have had sufficient time to reflect on the matter, to listen to all sides in the debate, and to weigh alternatives and combinations of alternatives carefully.

Mr. President, I also hope that this administration will recognize the critical importance of the question. However much money we spend on shipbuilding, however much we improve readiness and the personnel situation, if we build the wrong kinds of ships, reflecting the wrong concepts, we will end up with a weaker Navy in the future, not a stronger one; and a weaker country, not a stronger one.

While the administration has not yet indicated which direction it wants to go in naval shipbuilding, the leadership of the Navy—both military and civilian—reportedly has made some recommendations on this subject. These reported recommendations raise some concern.

Secretary Lehman has reportedly outlined a new naval strategy and a shipbuilding program to implement it. The program would be focused on the carrier battle group, beginning construction of another *Nimitz*-class nuclear carrier and pulling the *Oriskany* carrier out of mothballs. It would also form battleship battle groups, using battleships modified to carry a large number of long-range cruise missiles.

According to some sources, some of the Navy's leadership is also seeking a long-range program which builds on this start and contains little innovation. It places heavy emphasis on the carrier battle group, built around the large, nuclear-powered carrier. It reportedly calls for reinstituting the nuclear cruisers program, with plans for up to five nuclear cruisers of the *California* and *Virginia* classes. It may seek to reactivate all four mothballed battleships. Attack submarines construction is apparently to remain focused exclusively on the nuclear-powered SSN–688 class: A capable boat, but one so expensive it cannot be afforded in the needed numbers.

The reported fiscal year 1982 shipbuilding program, which includes long-lead funds for a nuclear carrier but not for a light carrier, and which contains funds for reactivation of a battleship, appears consistent with these reports about the Navy's longer range goals.

Before this approach is embodied in a new 5-year shipbuilding program, I hope the administration will take a hard look at the serious deficiencies of such a program.

For some years, a growing number of naval analysts and Members of Congress have recognized that even with substantial increases in the Navy's shipbuilding budget, we can never have enough ships if each ship we build is extremely expensive. A single nuclear carrier battle group, with its aircraft and escort ships, costs about $10 billion in procurement costs alone. Since it takes three carriers to keep one on station, it would require an addition of $30 billion to the ship procurement budget just to face the Soviets with a single additional battle group. Such an expensive approach is hardly likely to reverse the current unfavorable trend in the naval balance.

There are some alternatives to the big carrier approach.

We could purchase three light carriers, of about 40,000 tons each, for the cost of a single *Nimitz*-class carrier.

We could purchase approximately two conventional Aegis cruisers for the cost of a single nuclear cruiser.

We may be able to meet the Marine Corps' legitimate need for additional landing fire support in ways which are both less expensive and more effective than recommissioning battleships. We currently have in reserve two *Salem*-class cruisers, each of which carrys nine automatic eight-inch guns. These unique guns permits each ship to fire a broadside of approximately 80 rounds per minute.

This could provide the fire support needed by an amphibious landing more effectively than could battleships, whose guns are larger, but have a much slower rate of fire. Yet the cost of recommissioning these cruisers, and of supporting them once they were returned to service, might be substantially less than that of the battleships, freeing funds for other needed ship construction.

In submarines, we clearly need numbers greater than the current force level goal of 90 attack boats.

Yet, with a single SSN–688 class attack submarine costing over $500 million, we will be fortunate if we can afford just to sustain 90.

Modern diesel-electric submarines are highly effective, and while they cannot perform all the missions of which a nuclear submarine is capable, they can do many of them. In some missions they are actually somewhat superior because of their smaller size and greater quietness on patrol. And they can be acquired for as little as $100 million each, only one-fifth as much as the SSN–688 class. We could make good use of such conventional submarines, as additions to a force of 90 nuclear boats.

New technologies create other interesting possibilities. With V/STOL aircraft such as the Marines' Harrier, we could have carriers even smaller than the proposed 40,000-ton light carrier, again, as supplements to the larger ships. A single class of such ships, built in two varients, could provide both V/STOL carriers and needed amphibious assault ships.

New hull technologies offer other opportunities. The PHM hydrofoils have proven quite useful, more could be constructed at relatively low cost. With modular armament, they could serve in anti-submarine and radar early warning roles in addition to their current surface attack role. They might be well suited to provide some of the escort force for a light carrier.

A shipbuilding program which ignores these needs and opportunities is not likely to give us a stronger Navy. It will be more costly Navy, but it will still lack the numbers of ships needed in a conflict. It will be a Navy whose characteristics are well known to the opponent, who will have had decades to prepare his systems and tactics to defeat that predictable Navy. It will leave potentials such as new technology ships to the opponent, who, if past experience is a guide, will take advantage of these opportunities

The administration faces many challenges, many of seemingly greater importance than this one. But in virtually every case, the nature of the challenge is the same. It is a challenge to innovate. In neither social policy nor defense will mere repetition of past actions produce positive results.

Mr. Weinberger and President Reagan must realize this in relation to the Navy, as clearly as they seem to in other areas. A naval program which merely repeats the types of ships we have built in the past, for the types of missions and tactics we have had in the past, will not give us a more effective defense.

Mr. President, I think it would be tragic for our country to call upon our people to sacrifice to increase defense spending dramatically and the result is a weaker rather than a stronger, nation.

UNITED STATES ASSISTANCE TO EL SALVADOR

Mr. CRANSTON. Mr. President, I question the advisability of the Reagan administration's decision to send another 20 U.S. military personnel to El Salvador. I believe that if we continue to increase this type of military presence in El Salvador—we will now have 78 military personnel there, including the embassy Marine guards—it could lead to greater American involvement in the El Salvadoran civil war. U.S. advisers will be prime targets for extremists on the right and left who seek escalation of the current conflicts.

I think it is noteworthy in this respect that the moderate President of El Salvador, Jose Napoleon Duarte, has expressed a desire to limit the U.S. presence in El Salvador and specifically requested that the United States reduce the number of new advisers which we proposed to send. I would therefore oppose any further increase in the number of U.S. advisers beyond what the Reagan administration has announced this week. Enough is enough.

I am also concerned by the decision to send an additional $25 million in military arms, unless this aid is conditioned upon renewed commitments by the El Salvadoran authorities to move forward on essential political and land reforms and to continue efforts to check rightist violence.

I have been closely monitoring the situation in El Salvador because of the threat posed to El Salvador's security by the recent influx of arms from a number of communist countries and because of my deep concern regarding flagrant human rights violations in that country.

I share the concerns expressed by administration officials regarding the flow of arms to guerrillas in El Salvador from communist countries and terrorist organizations such as the Palestine Liberation Organization. And I support efforts by the United States to enhance the ability of the authorities in El Salvador to interdict this illicit flow of weapons.

I believe that all U.S. military and economic assistance to the El Salvadoran authorities should be conditioned on continued commitment by both the civilian and military leaders in their government to significant reforms. It is these reforms which hold the promise of drying up remaining political support for the military opposition to the Duarte regime.

It is essential for the El Salvadoran Government to make better efforts to check violence by right-wing "death squads" opposed to these important reforms, and to investigate the murder of American church and labor leaders in El Salvador.

If the Reagan administration is serious about combating international terrorism, it should make energetic efforts to halt the reported funding by expatriate El Salvadoran millionaires in Miami of right-wing death squads who are operating with impunity within El Salvador. I understand an FBI investigation into this so-called "Miami connection" is moving forward slowly. This investigation should be speeded up: The administration's zeal in opposing the flow of arms to left-wing guerrillas must be matched by a vigorous commitment to block the flow of support to right-wing terrorists in El Salvador which is apparently emanating from Miami. These individuals in Miami are apparently abusing U.S. hospitality and are in violation of U.S. law if they are providing unregistered cash for the purpose of running guns to right-wing terrorists in El Salvador.

I am concerned by the magnitude of the proposed increase in military assistance to El Salvador—which precedes any new proposal to send economic assistance and which may be more than the El Salvadorans' legitimate need. I believe we should consider conditional military aid only in response to specific requests from the Duarte regime.

President Duarte clearly prefers U.S. economic assistance to an increased U.S. military presence. It is this U.S. economic assistance—together with progress on political and land reforms—which provides the brightest hope for an end to the violence and for a better future for the people of El Salvador.

In assisting the El Salvadoran Government, the United States should encourage it not to seek a purely military solution to the current civil war. We should work with the nations of the OAS—especially Mexico—to see if there are opportunities for joint initiatives to stem the flow of weapons to the guerrillas and to initiate a dialog between the warring factions in El Salvador.

AN ECONOMICS LESSON FROM JAPAN

Mr. LEVIN. Mr. President, the February 27 Wall Street Journal carried a story that I want to call to the attention of those who oppose attempts to negotiate or legislate restraints on the importation of Japanese cars into this country.

The story, in very clear terms, details the call by Japan for a reduction by U.S. lumber firms in the amount of wood they export to Japan. The Japanese rationale for restraint is simple: They fear that continued exports will drive many of their local lumber firms into bankruptcy. Japan is not prepared to see its domestic industry harmed and their response is designed to protect their economy.

Mr. President, everyone tells us that the American auto industry ought to learn a lesson from Japan; that the car makers should emulate Japanese technology and products. I think its time that the American Government learned a lesson from Japan as well and started to emulate that Government's interest in preserving a viable economic structure. Just as Japan wants to protect its economy, I believe that America ought to protect its economy. And that means that we ought to be acting now to curtail Japanese auto imports.

The administration is still debating their approach to this problem. Secretary Lewis is scheduled to give the International Trade Subcommittee a status report on the deliberations of his task force next week. In that report, I hope he addresses the fundamental question which has bothered so many of us for so long: Why are we virtually the only major industrial nation in the world which matches its belief in free trade with an open door policy?

Free trade is a fine idea, but to be practical, it has to be a universal idea. The plain truth is that free trade is not being practiced by Japan. The General Accounting Report on Trade issues released last year demonstrates conclusively that non-tariff barriers erected by Japan restrict our ability to send our cars to their country. Recent surveys of industrial practices around the world show that virtually all countries have some kind of local content requirements or protective tariffs and taxes. But the United States persists in opening its doors to foreign trade and closing the doors of employment opportunity on its own citizens.

President Reagan's budget calls for significant reductions in programs designed to support the unemployed. I would suggest that we could reduce expenditures for such programs—without changing their structure—if we had the kind of trade policy which would stimulate domestic industrial growth and employment.

The President has an opportunity to do that. He has the power, the unques-

tioned power, to enter into negotiations with Japan right now—negotiations which could lead to import restraint. Congress has the opportunity to act as well. Senators DANFORTH and BENTSEN have introduced legislation calling for quotas, and while I think their limit is too high, I have been proud to be associated with their efforts.

But having the opportunity and taking advantage of it are two different things. President Reagan pledged during his campaign last year that he would take whatever action was required to convince Japan not to flood our market with their cars and flood our welfare offices with American workers.

It was a nice promise, but it does not do much for the unemployed workers or the companies which have reported record breaking losses in the last few weeks.

The time for promises has come and gone. Japan is ready to take action to protect their lumber industry. And I suggest that its time we take action to protect our auto industry.

Mr. President, I ask unanimous consent that the Wall Street Journal article describing the Japanese response to the threat to their lumber industry be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JAPAN ASKS U.S. LUMBER TO REDUCE EXPORTS IN FURTHER SETBACK TO THE INDUSTRY

(By Marilyn Chase)

SAN FRANCISCO.—The slumping U.S. lumber industry was dealt another blow as Japanese lumber dealers, in an apparent about face, called for the U.S. and Canada to cut their lumber exports to Japan this year 50 percent.

In U.S.-Japanese trade, the shoe usually is on the other foot, with American industries asking Japan to limit its exports of autos and other items to this country. But Japan cited an alarming rise in inventories and domestic prices that have plunged 15 percent below the cost of imports amid falling housing starts. The Japanese warned that many of their 43,000 lumber dealers will go bankrupt soon unless North American exports of finished lumber are swiftly and sharply curtailed.

This came as a surprise to U.S. observers who recalled that last fall's bilateral talks between U.S. and Japanese industry and government officials had ended with a consensus that the Japanese would expand—rather than contract—their imports.

"If they're going to keep the good faith generated at those meetings, they should expand lumber imports as they stated they would last fall," said Gus Kuehne, executive vice president of the Northwest Independent Forest Manufacturers.

Mr. Kuehne and other observers admitted to some skepticism at the Japanese forecast of expanded U.S. imports last fall. However, he said that he wasn't prepared for such a dramatic cutback request either. "We just didn't think business would expand quickly," he said.

"If they're successful and sales do go down, it will mean additional curtailment of production in the West," he said. And in view of the industry's already depressed state, he warned: "Every drop means that that many more will be unemployed."

Weyerhaeuser Co. executives noted that most of recent North American increases in lumber exports have come from Canada. "So if there's any cutback in lumber exports, it shouldn't be from the U.S.," Mr. Kuehne argued. He noted about 90% of U.S. forest products exported to Japan are logs, rather than finished lumber, while about 85% of Canadian exports are finished lumber.

Other observers saw Japanese inventory and pricing difficulty as a short-term problem that arose from overzealous purchases last year. "The Japanese buy like crazy when business is good, and turn off the spigot when business is weak," one analyst said. "And in 1979 and early 1980, they were buying as if there were no tomorrow."

"No doubt about it, it is bad right now," concurred H. A. Roberts, executive vice president of the Western Wood Products Association. "But it shouldn't affect potential product exports to Japan over the long run."

Negotiations between U.S. and Japanese lumber industries are set to continue in three weeks in Japan, and Mr. Roberts said he plans to tell his Japanese counterparts "that the U.S. group wants to be positive in its outlook, but we aren't going over there with great expectations." "I'm skeptical about how much the Japanese will upgrade their purchases from lumber to finished products," he said. "After all, they have a lot invested in their own finishing plants.

Mr. Kuehne, however, was adamant. "At a time when we have U.S. mills built to cut lumber to Japanese specifications, they come out with an announcement that strikes at the very heart of any effort to increase our exports and improve sales."

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SYMMS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MRS. ANN WOOLLEY, NATIONAL PRESIDENT, AMERICAN NATIONAL COWBELLES, INC.

Mr. BOREN. Mr. President, all Oklahomans are proud of the fact that one of our State's citizens, Mrs. Ann Woolley of Ada, Okla., was elected February 3 as the new national president of the American National CowBelles, Inc., an organization which disseminates factual information on beef and serves as the voice of women in the cattle industry.

Ann Woolley is the third generation of her family to be involved in ranching. She grew up in Hominy, Okla., and she and her husband, Walter, run a commercial cow/calf ranch out of Ada, Okla.

During her address to the general membership of the CowBelles at the group's 30th annual convention in Phoenix, Mrs. Woolley stated that:

It is a time for all cattle producers to work together to attain a greater share of the marketplace both at home and abroad. We need to push for a strong nationwide advertising campaign and education of the great American public to the role that beef plays in their lives. If CowBelles and cattlemen do not do it for themselves no one else will.

Mrs. Woolley served 6 years on the CowBelles' executive committee, was the first chairman of American Ag Day, co-chairman of the National Beef Cook-Off contest, chairman of the budget committee and served as regional coordinator for the seven American National CowBelle regions in the United States.

She is past president of the Oklahoma CowBelles, is an active member of the First Presbyterian Church of Ada, has been president of the PTA, president of the Wednesday Morning Music Club, president of the country club women's auxiliary, president of the ladies golf association and a member of the Daughters of the American Revolution and the Ada Arts and Humanities Council. In 1980 she was chosen to be 1 of 17 "Ladies in the News in Oklahoma," a selection made by the Oklahoma Hospitality Club of Oklahoma City.

The Woolleys have four daughters, three of whom are university graduates and a fourth, who is a sophomore at Oklahoma State University.

I am confident that, as president of the National CowBelles, Ann Woolley will continue to display the talent, integrity, and devotion which she has shown in her many other pursuits in civic and church work. She is a very productive citizen of our State, and Oklahomans have great pride in her accomplishment in attaining this high office where she will be an outstanding representative of Oklahoma's No. 1 industry—farming and ranching.

DOD CONSULTANT POLICIES

Mr. THURMOND. Mr. President, tighter control of Defense Department consultant contracts is mandatory.

Today I have dispatched a letter to Defense Secretary Caspar Weinberger urging he give immediate attention to this matter.

Especially disturbing is the practice of contract awards to consulting firms when the work, if necesary, should be done internally. Furthermore, the trend toward awarding contracts to firms recently staffed by former Pentagon employees raises serious ethical questions.

Mr. President, an article on this subject by Columnist Jack Anderson deserves the attention of the Congress. I ask unanimous consent that this article, entitled "Fast-Buck Operators Milk Sacred Cow," which appeared under Mr. Anderson's byline in the March 4, 1981, issue of the Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 4, 1981]

FAST-BUCK OPERATORS MILK SACRED COW

(By Jack Anderson)

The Defense Department has become the only sacred cow to survive the determined budget-cutters of the Reagan administration. Yet there is overwhelming evidence that the Pentagon cow is being milked for hundreds of millions of dollars in dubious contracts each year.

In the process of hiring private consultants for work their own employes should be doing, the brass hats are turning over control of defense policies to a small clique of outside "experts" motivated more by profits than patriotism. These specialized consulting firms are packed with former Pentagon personnel, who usually get favored treatment from their onetime buddies in the military.

A still-classified government report reviewed by my associate Indy Badhwar chronicles appalling waste, mismanagement, greed and conflicts of interest that threaten to

make the Pentagon a private fiefdom of fast-buck operators. Some details from the report:

More than half of all Department of Defense contracts go to companies that employ or were formed by former military or civilian DOD officials.

A private consulting firm was hired for $294,000 (a contract price that soon almost doubled) to study drug and alcohol abuse in the armed forces. Though there were Pentagon employes qualified to make the study at lesser cost, the brass hats explained that an "outside" contractor would provide a more objective report. The vice president of the "outside" firm was the former director of Pentagon research into prevention of drug and alcohol abuse.

Nearly 60 percent of all contracts are renewed repeatedly—a circumstance referred to by insiders as the "from-here-to-eternity gravy train."

A contractor was hired for $190,000 to teach Navy personnel how to improve cost analyses on missile work. The contractor then suggested that his firm take over the cost analyses—in other words, do what he was originally hired to teach Navy employees to do. The Navy bought the proposal, and the contract is now in its seventh year.

An $80,000 contract was awarded for "studies on nonpecuniary factors in the federal approach to pay comparability and the feasibility of monetizing these nonpecuniary factors for consideration in the pay comparability process." When auditors asked if this incredible gobbledygook made any sense, a top official replied airily: "That's what makes it interesting."

A contractor was paid $43,000 from the Navy for technical data on a naval test range. He got the data from the Navy itself.

The Air Force paid a contractor $50,000 to correct a malfunction in a missile mockup. An Air Force engineer had already solved the problem.

An Air Force contractor was awarded $1.4 million to correct deficiencies in another firm's multimillion-dollar project. With 80 percent of the money spent, the contractor demanded $400,000 more to complete his job. The money wasn't available, so the contractor walked away when he had spent the original $1.4 million, leaving civil servants to pick up the pieces.

A contract to provide support services for the Army's Hawk missile has been modified 60 times, raising the cost from $6 million to $33 million and delaying completion by a year.

DISABLED AMERICAN VETERANS

Mr. ROBERT C. BYRD. Mr. President, every year the Disabled American Veterans (DAV) comes to Washington to formally present its views to the Congress. I wish to submit for the RECORD Senator CRANSTON's statement to the group, given at this year's annual meeting on February 24.

Every Member of this body is aware of Senator CRANSTON's compassion and understanding in responding to the needs of our wartime veterans. There are now some 2.3 million veterans receiving service-connected disability compensation. Understandably, this program is of major importance to our Nation's veterans.

Senator CRANSTON, as chairman and now as ranking minority member of the Veterans' Affairs Committee, has been an eloquent spokesman for those men and women who have endured hardship and sacrifice in the service of our country. His effective leadership has resulted in significant improvements in many different veterans' programs.

The statement follows:

DAV LEGISLATIVE PRESENTATION

Thank you, all, and welcome to all of you here this morning, and a special welcome to National Commander Stan Pealer. I look forward to hearing the D.A.V.'s legislative goals and priorities.

I'd also like to welcome especially my fellow Californians who are here this morning—National Senior Vice Commander Sherman Roodzant and Bob Jordan, National Service Officer. Would you and the other members of the California delegation please stand and be recognized?

[Applause.]

Next, I want to congratulate immediate past National Commander Paul Thompson on his fine record of achievement and leadership this past year, and to note the presence here of one of your most distinguished past national commanders and my very close friend and counselor, Oliver Meadows.

Would Paul and Oliver please stand so we can acknowledge their great work.

[Applause.]

I also want to say a special word of thanks to the outstanding national headquarters staff of the D.A.V., with whom I've worked so closely and from whom I've received such excellent cooperation and assistance—"Gabby" Hartnett, Rick Hellman, Butch Joeckel, Ron Drach, Steve Edmiston, Bill Gearhart, Art Wilson, and others—while I was chairman of the committee. I look forward to continuing our productive working relationship.

Looking back, I think we can see just how productive it's been.

Last year, during a period of tight budgetary restraint, working closely together in a bipartisan manner, we were able to build a very good record of responding to the needs of our service-connected disabled veterans—this committee's top priority.

First, we were able to provide fair cost-of-living increases in the compensation and D.I.C. programs—although, budget restrictions unfortunately prevented our making the 14.3-percent increase applicable across the board.

In addition, we enacted the first comprehensive revision in 37 years of the V.A.'s chapter 31 program of rehabilitation for service-connected veterans, including two of your major goals—expansion of services for very severely disabled veterans and emphasis on helping the veteran obtain and retain suitable employment. I'm very proud of this legislation.

In the same new law, we improved employment programs for veterans—especially disabled veterans and Vietnam-era veterans—including a permanent statutory base for the very successful D.-VOP program.

Last year's comp. bill also established a new program of special home adaptations—sought by your organization—for certain veterans with service-connected loss of both hands or service-connected blindness.

In the all important health-care area, we also did well for service-connected veterans. By an historic, 85-to-zero vote in the Senate, we overroad the ill-advised presidential veto of the physicians special pay bill. The law we enacted, by dealing effectively with the recruiting and retaining of V.A. health-care personnel—should do much to help guarantee a strong, independent V.A. medical system.

In the appropriations process—again with your great help—we added $32 million to the V.A.'s budget request for medical care, including funding for 1,176 additional health-care workers. And I am very pleased to report that the comptroller general of the United States has just ruled, pursuant to our request for a formal ruling, that a 1979 law I proposed makes it unlawful for the administration to apply its current hiring freeze to any positions in the V.A. health-care system.

I believe the Comptroller General is 100-percent right on this! So does the V.A.'s General Counsel. But, as always O.M.B. is dragging its feet. We've got to work together on this. It's time for O.M.B. to obey the law and give V.A. health-care programs the support and the staff that the Congress has mandated.

With respect to legislation this year, it appears that President Reagan will continue the policy of proposing an adequate cost-of-living increase in compensation and D.I.C. but whether he does or not, I pledge that I'll do my best to see that we keep faith with service-connected disabled veterans hit with double-digit inflation.

With respect to the upcoming Fiscal Year 1982 budget and appropriations processes, we don't yet know what cuts will be proposed from President Carter's quite effective V.A. health-care budget request. But I want to assure you that, in reviewing any proposals for changes, I will not support any that would impair the independence or integrity of the V.A. health-care system or lower the quality of its health-care services. That must not happen!

Also, we must insist on adequate funding to implement the chapter 31 improvements enacted last year.

On the legislative front, two bills I've introduced respond directly to D.A.V. resolutions—S. 415 to increase the specially adapted housing grant, and S. 416 to increase the adaptive auto assistance grant and provide certain service-connected veterans—who don't qualify for the grant—with adaptive equipment they need to operate a car safely.

Also, I've introduced S. 458 to extend by two years both the eligibility period for Vietnam-era veterans to request V.A. readjustment counseling services and to receive V.R.A. appointments in Federal positions. The D.A.V. has been most responsive to maintaining effective programs such as these that respond to the needs of Vietnam veterans and I look forward to your continued support.

I firmly believe that it is by continuing to deal honestly and responsibly with the difficult issues of special importance to Vietnam veterans—such as agent orange—that we can best say to these veterans that the Nation is truly grateful for their service and sacrifices on our behalf.

Another important agenda item is to improve V.A. benefits for ex-P.O.W.'s. I will be introducing a bill very shortly to ensure that these who have endured so much receive no less than their due.

Finally, I greatly appreciate the help you've given me in refining the bill, S. 417, I introduced this year to provide a new G.I. bill program for the all-volunteer force. I believe we need prompt enactment of legislation to help recruit and retain the military personnel needed to provide for a strong national defense.

Truly, there is much to do this year. As ranking minority member of this committee, I look forward to working closely with your outstanding organization, to receiving your input, and to getting the job done once again for America's veterans.

THE SENATE'S AGENDA

Mr. BAKER. Mr. President, I understand that certain negotiations are underway now in respect to a time agreement and other arrangements that may lead to an orderly disposition of the so-called cash discount bill which I had indicated on Tuesday I intended to ask unanimous consent to proceed to or move to the consideration of that item on the legislative calendar.

While those negotiations proceed, I think it is clear now that there is no

further morning business to be transacted for the moment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CRISIS IN THE AUTO INDUSTRY

Mr. DANFORTH. Mr. President, the auto industry remains in a state of crisis despite a rebate-led sales surge in late February by several U.S. automakers. Domestic sales of U.S.-made cars were down 4.2 percent from February of last year. The late month rally came at a very high price. GM began offering rebates of $500 to $700. Chrysler offered rebates of 7 percent on most of its cars. Ford offered rebates of 10 percent and still suffered a year-to-year sales decline in late February while others were improving. Industry analysts are reported to expect another slump when the rebates expire. U.S. automakers clearly cannot depend on such rebates to spur sales and meet their commitment to invest $70–$80 billion in retooling over the next several years.

Mr. President, I ask unanimous consent that the Senator from Louisiana (Mr. LONG) be added as a cosponsor to S. 396.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN POLICY STRATEGIES AND CONCERNS

Mr. THURMOND. Mr. President, much talk is being centered both inside and outside the Reagan administration about various foreign policy strategies and concerns.

A recent speech delivered by Human Events Capitol Hill Editor Allan H. Ryskind at Hillsdale College for the Center for Constructive Alternatives Seminar on "Washington's New Leadership" reflects much of my thinking. The speech text is particularly effective in underscoring that former President Carter's two Secretaries of State were tragically nearsighted when it came to Soviet moves and countermoves.

Mr. President, in order to share Mr. Ryskind's excellent insights with my colleagues, I ask that this viewpoint appear in the RECORD at the conclusion of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

U.S. FOREIGN POLICY NEEDS A FORWARD STRATEGY

(By Allan H. Ryskind)

The general theme at this seminar, as I understand it, is: Can the new Administration make a difference, can it change things for the better? My response, as a fairly long-time observer of the Washington scene, is that it would be difficult for things to get worse. Double-digit inflation, high unemployment, high interest rates, low productivity and a runaway budget suggest that the Reagan Administration, assuming it is fully determined to slash tax rates and apply a tourniquet to our hemorrhaging budget, will at least diminish the intensity of the pain.

But what about the area of foreign policy, the main topic of my speech tonight? Here, again, I believe, it would be difficult for the Reagan Administration to make things worse. And to understand why this is so, some history of the Carter years is in order. Under the late—and some would say unlamented, I would say unlamented—Administration, the United States and that portion of the world that is still eager to resist communism suffered enormous setbacks.

The Communists of North Vietnam, who stormed over the South in the spring of 1975, managed to nearly consolidate their hold on the entire Indochina peninsula, having installed their puppet in Cambodia in January 1979. A few weeks after the fall of Phnom Penh, several thousand miles away in the pivotal Persian Gulf area, the shah felt impelled to flee his country, leaving Iran to the tender mercies of a fanatical anti-American Shiite Moslem, the Ayatollah Khomeini.

How critical was the loss of the shah? Former Secretary of State Henry Kissinger, with whom many of us on the right don't always agree, has made an eloquent response. "In my own experience,' he said, "the shah never failed to stand by us. In the 1973 Mideast war, Iran was the sole American ally adjoining the Soviet Union which did not permit the overflight of Soviet transport planes into the Middle East. In 1973–74, Iran was the only Middle East oil-producing country that did not join the oil embargo against us. . . ."

With the demise of the shah's regime, an unfriendly power now borders the Strait of Hormuz, through which passes 70 per cent of the imported oil consumed by Western Europe and 90 per cent of that used by Japan. The new Iran, unlike the old, is a deadly enemy of both Israel and Egypt, a supporter of such pro-Soviet terrorist regimes as Libya and a foe of the West in general.

The facilities we used in Iran to monitor the Soviet's strategic missile test range are no longer available to us. What may be even more dangerous to the West's survival is that the political earthquake that shattered Iran has already had unpleasant consequences for the major oil-producing nation in the gulf, Saudi Arabia. The loss of Iran, in short, has placed the West in the greatest peril.

I wish this were the only sad news I had to relate. But 1979, unlike the words of a singer identified with the Reagan era, was, alas, a very bad year. More foreign policy catastrophes were to come. In December 1979, the Soviets engaged in a massive invasion of Afghanistan. It was the first time since the conquest of Eastern Europe that Soviet soldiers were dispatched en masse beyond the borders of their post-World War II empire.

The Afghan rebels, we are told, are giving the Soviets a rough time, but, in speaking to knowledgeable Afghans who have left their oppressed nation, one is led to believe that the rebels cannot last forever without far more help than they are presently being given by outside sources.

By moving into Afghanistan, Soviet armies now threaten both Pakistan and Iran, and, indeed, the entire Gulf region. With a Sovietized Ethiopia and Yemen threatening Saudi Arabia from the west and the south and a Sovietized Afghanistan menacing Iran and Pakistan from the east, the oil lifeline of the West is facing a powerful Soviet pincer movement that hardly warrants optimism on our part.

In the Middle East and Asia, then, there were stunning setbacks for the West. But we also suffered a major blow in our own back yard: Central America. The President would not admit it, but the Soviets and the Cubans had managed to acquire a new nation in our hemisphere in July 1979. Once considered a pro-Western ally and the key to control of the region, Nicaragua was overrun by the Sandinistas, with the United States paving the way through an arms embargo on the Somoza government.

The Sandinistas were spawned by the Cubans, trained by them and virtually controlled by them. When Nicaragua fell, they established a Cuban-style political apparatus that was effective right down to the block level; they invited Cubans in as military advisers and teachers; and they were soon signing agreements with Moscow.

While the Sandinista rulers have repeatedly denied exporting revolution, so flagrant has been their involvement in El Salvador that even our extremely liberal ambassador there, Robert White [since fired], was moved to denounce Nicaraguan intervention. Castroism under President Carter had been spreading so swiftly throughout the Central American-Caribbean region that the Communist parties in the area recently remarked that "In Central America, the revolution feels itself stronger than in any other years in history."

Aside from absorbing these staggering losses, the United States, in the eyes of President Carter's own key military appointees, had slipped behind the Soviet Union in our strategic capabilities. Just last year, Gen. Richard Ellis, head of the Strategic Air Command, whose mission is to deter Soviet aggression with our nuclear arsenal, told a House Defense Appropriations subcommittee:

"Our calculations show that there was indeed essential equivalence in 1977 and early 1978. Since then it has eroded to the point where we must say essential equivalence does not exist." The chairman of the Joint Chiefs of Staff, Gen. David Jones, considered by many conservative lawmakers to have been a Carter apologist, told the Senate Armed Services panel on June 16:

"I share Gen. Ellis' concern. I said earlier that I also agree with what Sen. Jackson said, that we have moved from strategic superiority to the edge of strategic inferiority. . . ."

Why have these catastrophic reversals taken place? If you believe, as some have contended, that personnel is policy, then there is no mystery as to why the West has suffered such enormous setbacks. I cannot think of any administration in our history which placed into critical governmental positions so many people who espoused defeatism, pacifism, radicalism or anti-Americanism.

From Sam Brown, who headed Action and controlled the Peace Corps, to Andrew Young, who set our Third World policy at the United Nations, to even Secretary of State Edmund Muskie, the Carter Administration was wallowing in strange characters preaching astonishing doctrine.

There is an old but inelegant saying that "the fish stinks from the head." And President Carter, unfortunately, was largely responsible for the tenor of our foreign policy.

A tip-off as to the disaster that was to follow when he assumed office came when he tried—unsuccessfully, it turns out—to install Theodore Sorensen as chief of the Central Intelligence Agency.

A former speech-writer for President Kennedy, Sorensen had become a partisan of the Democratic left in this country. He was an early booster of George McGovern, a supporter of "massive" defense cuts and an advocate of unilateral disarmament. Equally revealing is that the man Carter picked to head the CIA—the agency upon which the President must depend for making crucial foreign policy and defense decisions—was a conscientious objector. His Nebraska draft records show that he was classified "I-AO, a conscientous objector available for non-combatant military service only" when he initially registered. He also had that classification during the Korean War.

Sorensen has never repudiated his "conscientous objector" beliefs, and, indeed, defended them before his Senate confirmation hearings in 1977. He did insist, however, to many a skeptical solon, that "my preference for personal non-violence" would not inhibit his advice to the President on military policy.

Sorensen withdrew his name from nomination the first day of the hearings because it was obvious he could not be confirmed. But for the President to have purposely chosen a conscientious objector to rule over our major intelligence-gathering agency clearly signalled that this country was about to embrace a very soft foreign policy. Nor was the Sorensen selection particularly out of "synch" with the rest of the Carter appointments.

Sam Brown, Carter's choice to head Action, had led the anti-war movement in the United States. But he was not just anti-war, but pro the enemy, pro the Vietcong and the North Vietnamese battalions. On Sept. 25, 1977, after he was already the chief of Action, the agency which governed the Peace Corps, Brown participated in a "celebration and welcome" to honor the arrival of the Vietnamese Communist delegation to the United Nations and joined in applauding Vietnamese Deputy Foreign Minister Ngo Dien who heatedly condemned the "U.S. imperialists."

Brown told the New York Times: "I believe we ought to aid the Vietnamese in their construction." Thus Brown like so many supporters of Hanoi, felt it was incumbent upon the United States to pay reparations to the North, to enable our enemy to impose the same kind of brutal regime it enjoyed upon the South Vietnamese.

How much a speech-writer can influence a President is debatable, but the fact that President Carter chose Hendrik Hertzberg to script his major addresses because they seemed to think alike is not only interesting but a bit scary as well. Hertzberg emerged as the President's favorite ghost in 1979. Just two years earlier—when he began employment at the White House—he was listed on the masthead of *Win*, a publication of the radical-pacifist War Resisters League.

Not only was Hertzberg on the editorial masthead—until it was revealed in the press—but he was a frequent enough contributor. One of his more startling articles was featured in the Aug. 1, 1974, edition. Titled "It's Time to Start Worrying About the Bomb Again," the article was highly supportive of a proposal by then Sen. Harold Hughes, the Iowa Democrat, who announced that if he were ever elected President, the American people must know that he would never, under any circumstances, use nuclear weapons.

Hertzberg himself suggested that it might be a dandy idea for the U.S. to unilaterally destroy our entire atomic arsenal. Such a plan, he said, "could be undertaken openly, and television crews, foreign diplomats and representatives of international organizations would be invited to observe the dismantling of our warheads. The initial reaction everywhere would be stupefaction, giving way, I imagine, to a dramatic improvement in the world's moral and political climate."

I do agree with Hertzberg on at least one point: The world would, indeed, be "stupefied" if we carried out his program. But how the world would be better off after we had instantly handed the Soviet empire complete military mastery over every country on earth leaves me somewhat mystified.

But Hertzberg had a breathtaking explanation for his ingenious proposal. Neither the Soviets nor the Red Chinese, he blithely contended, would be likely to launch an unprovoked attack after such a magnanimous surrendering of our arms, because it "would be a crime against humanity dwarfing anything in the past, including the mass murders of Hitler and Stalin, and I do not think that either the Russians or the Chinese are prepared to commit a crime of such enormity."

Nothing if not intellectually honest, Hertzberg acknowledged that a "crime of such enormity" might still be committed, "remote as the chances are." But then he said that "it would be undeniably 'better' for the United States alone to be destroyed than for the Soviet Union, Europe and much of the rest of the world to be destroyed as well."

In the May 1, 1976, issue of Win, Hertzberg, as almost all New Left intellectuals, welcomed Hanoi's victory in South Vietnam, even though he granted the new rulers would be repressive. He also said: "Vietnam will be free of foreign interference and domestic gangsterism—most people will be far better off than they were under Saigon. . . .

"The society the Communists will construct in Vietnam will not be a free society as I understand the term," he added, "but the outcome of the struggle, both there and here in the United States, was a victory for something honorable in the human spirit." (Incidentally, when I contacted Hertzberg in April 1979, he informed me, in writing, that, by and large, he still stuck by his conclusions on Vietnam. He did not expound on his nuclear disarmament policy.)

Is it not somewhat remarkable that the man who was scripting the President's speeches believed we should unilaterally destroy our nuclear weapons, even if it meant our own annihilation, and that he embraced the theory that Hanoi's victory over a relatively free South Vietnam was "something honorable in the human spirit"?

But this only scratches the surface of the kind of men who surrounded the President. Whom did the President install as our chief arms negotiator for the SALT II talks? Paul Warnke. And what was Mr. Warnke's claim to fame? He served as the principal adviser to Sen. George McGovern on national security issues during the 1972 campaign.

Analyzing the McGovern position on defense, Dr. William Kintner, a highly respected American defense expert, stressed that the dramatic defense cuts planned by McGovern amounted to "a fiscal formula for unilateral disarmament. This could only satisfy the Soviet Union, upon whose benign sentiments we and our allies would then depend, because the McGovern budget would give them no choice."

Warnke's preference for "unilateral" initiatives was evidenced in the Spring 1975 issue of Foreign Policy, where Warnke proceeded to blame the arms race on the United States.

"As its only living superpower model," stated Warnke in doleful tones, "our words and our actions are admirably calculated to inspire the Soviet Union to spend its substance on military manpower and weaponry. . . ."

"The chances are good . . . that highly advertised restraint on our part will be reciprocated. The Soviet Union, it may be said again, has only one superpower model to follow. To date, the superpower aping has meant the antithesis of restraint."

Unforgivably, in my humble opinion, Warnke blamed us for provoking the Soviet Union for engaging in the most massive military buildup in history, even though the record will show that the U.S. defense budgets experienced dramatic declines during the Nixon and Ford years. Ever since the Cuban missile crisis, furthermore, the United States has deliberately pursued a unilateral disarmament policy designed to permit the Soviets to match our strategic might, to assure them that we have no aggressive intentions.

Warnke, however, is apparently someone who favors a policy fashioned to give the Soviets, not parity, but strategic superiority. At the very least, he is not disturbed by the possibility. Testifying before the Senate on the 1972 SALT I agreement, Warnke said the ceilings on "both land-based and sea-based missiles should not be the cause for any concern on our part. They do give the Soviets an apparently large mathematical edge. . . . We should not be concerned about the existing mathematical edge, nor should we be concerned about any attempts that the Soviet Union might take to add additional, useless numbers to their already far more than adequate supply."

When Warnke was under fire before being confirmed by a rather narrow margin by the Senate, President Carter continued to express "complete confidence" in him. He stated: "His views are well considered by me. . . . I have accepted them. . . . I believe Mr. Warnke's proposals are sound."

Is Warnke's nuclear weapons philosophy so different from Hertzberg's? Is it any wonder that with Warnke as our chief negotiator for SALT II, Let. Gen. Edward Rowny, the Joint Chief's representative at the talks, ended up denouncing the treaty we concluded? Is it any wonder that the Senate refused to ratify it, believing it was not in our own interest to do so?

Andrew Young, of course, also played a strategic role in shaping our foreign policy. You may recall his statements with a few shudders. I know I do. But when he resigned under pressure in the summer of 1979, the Liberal Establishment, while faulting him for misleading the secretary of state, hailed his supposed statesmanship, with the Washington Post insisting that "he made some truly outsized contributions to American diplomacy." Did he really?

Young saw himself as the spokesman for the downtrodden, but his legacy at the U.N. was not as a champion of the oppressed, but as a spear carrier for the oppressor. Contrary to the liberal myth, his voice was not raised on behalf of the moderates, the peacemakers and the poor, but on behalf of leftist, totalitarian regimes and revolutionaries.

His record on their behalf is close to perfect. When the Cubans arrived in Angola, intent on supporting the minority Communist-dominated MPLA and crushing the majority opposition, Young contended that Castro's forces "were essentially opposing racism, and driving the South Africans out." As he was being considered for the U.N. post by the Senate Foreign Relations panel, Young appeared on CBS-TV where he said, ". . . [T]here's a sense in which the Cubans bring a certain stability and order to Angola. . . ."

"I don't believe that Cuba is in Africa because it was ordered there by the Russians," he once said. "I believe that Cuba is in Africa because it really has shared a sense of colonial oppression and domination."

Whether dubbing Iran's Khomeini a "saint" or defending Castro's armed aggres-

sion in Africa or suggesting that the United States is no better than the Soviets, for we, too, supposedly have "hundreds, perhaps thousands, of political prisoners." Young played a disastrous role in shaping our foreign policy. He sent out the dangerous signal around the world that the U.S. is the friend of revolutionary Marxists, not their enemy. And many would contend that this is why the Cubans, the Ethiopians, the South Yemenis, the Patriotic Front, the Vietnamese, the Sandinistas, et al., were having such an easy time in pursuing their imperialistic ventures.

Though Young couched his rhetoric in the most provocative and outrageous terms, the basic thrust of his views were, to a great extent, policy. With Young at the helm, the U.S. did support the MPLA in Angola, did back the Marxist left in both Africa and Latin America, did withdraw our backing of the shah and purposely undermined Somoza.

In his 1970 book, "Between Two Ages," Brzezinski observed: "Latin American nationalism, more and more radical as it widens its popular base, will be directed with increasing animosity against the United States unless the United States rapidly shifts its own posture. Accordingly, it would be wise for the United States to make an explicit move to abandon the Monroe Doctrine and to concede that in the new global age geographic or hemispheric continuity no longer need be politically decisive."

In an article appearing in "Foreign Policy" in the summer of 1976, titled "America in a Hostile World, Brzezinski—who was just about to assume power—suggested that his views had not changed perceptibly over the years. He said that the Third World was inexorably tilting toward the revolutionary left, and that U.S. foreign policy should become "sympathetically sensitive" to the significant shift toward Marxist values.

While it may strike some as offensive, he added, Cuba and China are today "so attractive to so many" because of the egalitarian nature of their societies. The obvious point Brzezinski was making: If you can't beat 'em, join 'em. Hence, it is no wonder that the Carter Administration began its tenure by making overtures to Castro and his supporters in the Third World.

How else to explain the fact that when Jonas Savimbi, the anti-Communist Angolian guerrilla leader, came to the United States he received an icy reception from the Carter Administration? Despite urgent requests from Lane Kirkland of the AFL-CIO, former Defense Secretary James Schlesinger, former Secretary of State Henry Kissinger and Senators Sam Nunn and Daniel Patrick Moynihan, Brzezinski refused to meet with the charismatic leader who would almost certainly win an election in Angola if the Cubans would get out.

Savimbi now relates that two hostile aides of Richard Moose, the then assistant secretary of state for Africa, did finally meet with him. "They said I was wasting my time," Savimbi has said, "and that the Carter Administration did not want to be bothered by UNITA. They even said mine was a lost cause and that I should give it up. They asked me why I was afraid of communism. My reply was that I was not fighting communism, but rather Soviet-Cuban colonialism, a foreign source of misery for my country.

"One of Moose's fellows said that he had been to Ethiopia and that Marxism had restored peace and tranquility and improved life for everyone there."

The picture would not be complete without at least mentioning the two secretaries of state during the Carter years, Cyrus Vance and Edmund Muskie. Vance was, perhaps, the weakest secretary of state in modern times. Apparently traumatized by his initial support of the no-win war in Vietnam, he became a do-nothing secretary of state, who customarily endorsed Andrew Young's policies and offered no resistance of any note to either Soviet or Cuban adventurism. He quit his post because he couldn't go along philosophically with a decision by the Administration to use very limited force to liberate our hostages.

When the Soviets invaded Afghanistan and President Carter made the decision to impose the grain embargo, shelve SALT II and squeeze the Soviets in other ways as well, Vance refused to be strongly identified with the toughening response from the White House.

I attended the White House press briefing when Brzezinski and other top Administration officials explained the need for these anti-Soviet measures. Vance was conspicuously absent. The next day, when the State Department had a special briefing on the Administration decision, Hodding Carter III, the press spokesman, was the man in charge, with Vance again conspicuously absent. When I asked Carter where Vance was he said he was in the building, but didn't have the time to brief the reporters. Whether out of conviction or otherwise, he had decided not to be closely identified with the Administration's tentative efforts to apply a stronger policy toward Moscow.

His replacement, Edmund Muskie, had been considered a dove when he was in the U.S. Senate, and this belief was underscored by the little-known remarks that he delivered to the Beth Jacob Brotherhood Donor Dinner in Pikesville, Md., on Jan. 30, 1980, about a month after the Afghanistan invasion.

Amazing as it might seem, Muskie, while claiming he supported President Carter's hardened attitude toward Moscow, issued a virtual brief on behalf of the Soviets. Aside from trying to "stabilize the region" and fearing that the United States might "intervene militarily" in neighboring Iran, the Soviets, said Muskie, "may well have misunderstood recent American actions as aggressive in nature."

We should look, he informed his audience, "for a minute at recent United States policy initiatives from a Soviet perspective." Said Muskie (and I quote him verbatim):

"(1) The SALT II treaty was being exhaustively examined in the United States Senate. Crippling or 'killer' amendments were a virtual certainty on the Senate floor.

"(2) The NATO allies, with the encouragement of the United States, had recently agreed to the basing of so-called theater nuclear weapons designed for use in a limited nuclear war. They are theater weapons to our allies—but strategic weapons to the Soviet Union, whose cities they threaten.

"(3) Our defense budget, like the Soviets', has been increasing steadily since 1975. We are undertaking major improvements in our strategic weapons. Last year, a proposal to increase defense spending by 3 per cent after inflation in 1980 and 5 per cent in 1981 and 1982 was adopted overwhelmingly.

"(4) We have been dramatically improving our relationship with the People's Republic of China. We planned to grant favorable trade concessions to China while continuing to deny them to the Russians.

"(5) The disclosure that a Soviet combat brigade was stations in Cuba brought a reaction from the United States which in the eyes of the world must have appeared massive, from the well-publicized shows of military muscle, to the intense negotiations with our allies in the region."

The Soviets, Muskie continued—and then either he or someone on his staff pencilled in the afterthought, "in their paranoia"—"may well have concluded that detente was dead and that it was we who had killed it. We were at a minimum placing a severe strain on detente." The Soviet "misreading of American intentions concerns me deeply," he added.

With this kind of thinking permeating the Administration from top to bottom, you can see why I believe that it would be difficult for the Reagan Administration to do worse.

Having said all this, having detailed the gory aspects of the Carter foreign policy, and outlined the defeatist and near-pacifist thinking of its philosophers, I am still not certain, despite the wonderfully refreshing statements about the Soviets that are emanating from the President and the secretary of state, that the new Administration will do immeasurably better.

I say this because, during the entire post-World War II era, every administration—whether Republican or Democratic, whether softline or hardline—has lost ground to the Soviet empire and/or communism. Under President Truman, Eastern Europe and China disappeared behind a Communist curtain. Under President Eisenhower, the Soviets—by our refusal to do anything to challenge the Russians when the Hungarian Revolution broke out—consolidated their hold over Eastern Europe. And they breached the Monroe Doctrine when they established a major beachhead in this hemisphere in 1959 with Castro's assumption of power in Cuba.

Under Presidents Kennedy and Johnson, Indochina began slipping into the Soviet sphere of influence and the United States, through the disarmament philosophy of Robert McNamara, saw its strategic nuclear superiority vis-a-vis the Soviets begin to erode rapidly.

Under Presidents Nixon and Ford, Hanoi expanded its grip on Southeast Asia, the Cubans began spreading their soldiers into Africa and we continued to fall behind the Soviets militarily. In addition, detente opened the way for the Soviets to receive a massive infusion of sophisticated technology from the West, much of which they used to build up their nuclear and conventional forces. The Carter years, as I have suggested, greatly accelerated our retreat from the world and the growth of Soviet power.

So what should be done? What is desperately needed, in the eyes of many Kremlinologists, is a forward strategy. For too long we have decided to react to events, never to take the lead. In the opinion of a growing number of students of Soviet power, we must greatly increase the pressure upon the Soviet Union and its satellites. We must not only retain the grain embargo, but we must expand it to include our high-grade technology. The Afghan rebels as the recent Islamic conference in Saudi Arabia makes clear, are in deep, deep trouble so it is incumbent upon us to furnish them with as many critical weapons as they can handle.

We must totally reverse our policy toward Angola, giving Jonas Savimbi the kind of backing a friend of the West and an enemy of Soviet-Cuban imperialism deserves.

But I would also contend that we scrap the Brzezinski Doctrine and reestablish the Monroe Doctrine.

* * * * *

As Moscow's cat's-paw, the Cubans have handsomely extended Soviet influence throughout Africa and the Middle East. They have conquered Angola and are conniving against Saudi Arabia from their havens in Ethiopia and Yemen. Through arms and training, they have helped to bring about the Communist conquest of Nicaragua and have frequently appeared on the brink of toppling El Salvador as well. Cubans are literally swarming throughout the Caribbean.

There is no question as to their impact. As Martin J. Scheina, analyst for Cuban affairs, the Defense Intelligence Agency, said in congressional hearings last year: ". . . Cuba's support for radical governments and revolutionary movements increased notably during 1979. . . . Cuba has nurtured the Sandinistas for two decades. As their activities gained impetus in 1978, this lowprofile assistance dramatically changed. It is very doubtful that the Sandinistas could have achieved victory without Cuban support."

Our new ambassador to the United Nations, Jeane Kirkpatrick, has made some ominous observations about the Cuban threat. "In the past four years," she has written in a recent Commentary article, "the Soviet Union has become a major military power within the Western Hemisphere. In Cuba, the Soviets have full access to the naval facilities at Cienfuegos, nuclear submarines, airstrips that can accommodate Backfire bombers. From these, Soviet naval reconnaissance planes have on several occasions flown missions off the east coast of North America. They also have electronic surveillance facilities that monitor American telephone and cable traffic and a network of intelligence activities under direct Soviet control. And, of course, a Soviet combat brigade.

"During the same four-year period the Soviets have continued to finance, train and staff a Cuban military establishment which has by now become a significant instrument of Soviet expansion in Africa, the Middle East, and South Asia as well as throughout the Caribbean and Central and South America. Today Cuba possesses a small navy; a sizeable number of supersonic aircraft—including IL-14's and MIG 21's and 23's—that can be quickly armed with nuclear weapons; modern transport planes capable of airlifting Cuban troops anywhere in the area; a huge army; and an estimated 144 SAM-2 anti-aircraft missile sites."

What the Reagan Administration should do, in the opinion of various geo-strategists, is amputate this cat's-paw. It would be tantamount to eliminating a bishop or a knight in our global chess game with the Russians. In one fell swoop, much of Africa and most of this hemisphere would be freed from any immediate Communist threat. A defeat of this magnitude could also shatter the illusions of so many that communism, whatever its defects, is somehow inevitable and must be accommodated. I do not say the Soviet empire would crumble because of it, but it might give us all in the West a little breathing room.

Many would argue that this is too drastic an action, that communism will someday collapse of its own dead weight. Perhaps. But I am unaware of a country that has come under full Communist rule in recent history that has managed to wriggle out from under such rule. Thus there are many who would strongly suggest that the Reagan Administration begin to focus its attention on how to render the imperialist Cuban government harmless.

Unless we are prepared to press ahead with such a forward strategy, many would argue, the Reagan Administration may not fare much better than the preceding administrations in stemming the tide of Soviet imperialism.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, what I am about to propose is in conjunction with certain changes that are necessary in relation to the Teacher Day Resolution. This has been cleared on both sides of the aisle. I say to the distinguished acting minority leader that I believe it has been cleared with both the majority and minority side of the committee, as well.

Mr. BOREN. Mr. President, the majority leader is correct. His request has been cleared with the minority and with our side of the aisle and we have no objection to it.

Mr. BAKER. Mr. President, I thank the acting minority leader.

TEACHER DAY, UNITED STATES OF AMERICA

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of Senate Joint Resolution 38, to provide for designation of the first Friday of March as "Teacher Day, United States of America," and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 38) to provide for designation of the first Friday of March as "Teacher Day, United States of America".

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration, and, without objection, the joint resolution will be considered to have been read the second time at length.

The Senate proceeded to consider the joint resolution.

UP AMENDMENT NO. 6

Mr. BAKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) proposes an unprinted amendment numbered 6:

On page 2, line 4, strike "the first Friday of March" and insert in lieu thereof the following: "March 6, 1981"

The amendment (UP No. 6) was agreed to.

The joint resolution, as amended, was agreed to.

UP AMENDMENT NO. 7

Mr. BAKER. Mr. President, I send to the desk an amendment to the preamble of Senate Joint Resolution 38 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) proposes an unprinted amendment numbered 7 to the preamble.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (UP No. 7) is as follows:

Amend the preamble so as to read:

Whereas teachers, through education of the young, provide both an essential foundation of modern civilization and the means for enhancing the lives of all members of society; and

Whereas the personal inspiration and enrichment which students receive from their teachers extend far beyond the few years spent in the classroom to exert a valuable lifelong influence on the young people of this Nation, and through them, on all of our citizens; and

Whereas teachers richly deserve individual recognition, honor, and encouragement for their dedication and excellence in the pursuit of their profession; and such recognition, honor, and encouragement should be bestowed each year on a nationwide basis; and

Whereas students, parents, school administrators, and all other citizens of the United States should be encouraged to personally communicate by word and deed to their present an former teachers, the special appreciation and recognition that teachers so richly deserve: Now, therefore, be it

The amendment (UP No. 7) was agreed to.

The joint resolution, as amended, together with its preamble, as amended, is as follows:

S.J. RES. 38

Whereas teachers, through education of the young, provide both an essential foundation of modern civilization and a means for enhancing the lives of all members of society; and

Whereas the personal inspiration and enrichment which students receive from their teachers extend far beyond the few years spent in the classroom to exert a valuable lifelong influence on the young people of this Nation, and through them, on all of our citizens; and

Whereas teachers richly deserve individual recognition, honor, and encouragement for their dedication and excellence in the pursuit of their profession; and such recognition, honor, and encouragement should be bestowed each year on a nationwide basis; and

Whereas students, parents, school administrators, and all other citizens of the United States should be encouraged to personally communicate by word and deed to their present and former teachers, the special appreciation and recognition that teachers so richly deserve: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating March 6, 1981 as "Teacher Day, United States of America", and inviting the people of the United States to observe the period with appropriate activities.

The title was amended so as to read:

A joint resolution to provide for designation of March 6, 1981 as "Teacher Day, United States of America".

THEY DESERVE TO BE REMEMBERED

Mr. HELMS. Mr. President, a letter I recently received from Mr. Kevin F. Dwyer of Wheaton, Ill., reminds us that courage and patriotism are frequently found in the American character even when, as has often happened in our history, these virtues are expended for the benefit of those in other countries.

Mr. Dwyer writes—

My brother, Stephen Michael Dwyer of Boston, was killed in action on July 16, 1979, while serving with 3 Commando, 1st Bn, Rhodesian Light Infantry. My brother was one of four Americans who were killed while serving with the Rhodesian Army. Stephen had served four years with the United States Marine Corps. He was honorably discharged after serving his Corps and his country both faithfully and well. He was intelligent, brave, and a patriot.

The three other Americans who fought and died in the Rhodesian Army were Sgt. Hugh McCall of New York, N.Y.; Trooper Joseph Byrne of Ridgefield Park, N.J., and Trooper Joseph Battaglia of Florida. All of these men gave their lives to save all Rhodesians, black and white, from the slavery of Marxism.

Mr. President, their sacrifice, like that of thousands of Rhodesians, was undermined by the policies of our own Government and other Western governments who systematically and ruthlessly denied Rhodesia the option of freedom.

These four Americans gave their lives in an honorable cause and they deserve to be remembered. I cite their names today on the Senate floor so that the historical record will be complete.

THE SHAWCROSS SCAM

Mr. HELMS. Mr. President, in his book, "Sideshow: Kissinger, Nixon, and the Destruction of Cambodia," author William Shawcross engaged in highly subjective, if not totally biased, speculation to prove that the policies of the Nixon administration led to great noncombatant losses in Cambodia, and, in fact, to the war in Cambodia and the subsequent genocide.

Now, Mr. President, fairness obliges us to look at some incontroverted facts before Mr. Shawcross's version is accorded any real credibility. For example, is it not accurate to ask whether genocide in Cambodia—now Kampuchea—has been perpetrated by the Communist government of that nation, and that the reality of that horror seems to pose a problem for those who find the lessons of an inhumane gulag under Communist regimes a hard one to believe?

In the current issue of the "American Spectator," researcher Peter W. Rodman analyzes Shawcross' arguments and shows them for what they are.

It is important that all of us study this material. Therefore, I ask unanimous consent that "Sideswipe: Kissinger, Shawcross, and the Responsibility for Cambodia," along with the introduction by the "Spectator" editor R. Emmett Tyrrell, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SIDESWIPE: KISSINGER, SHAWCROSS AND THE RESPONSIBILITY FOR CAMBODIA

(By Peter W. Rodman)

At the end of 1979 The American Spectator awarded its Worst Book of the Year award to William Shawcross for his epic bowl of applesauce, Sideshow: Kissinger, Nixon and the Destruction of Cambodia. We accorded the book high marks for Shawcross's masterful juggling of documents and for his assiduity in propounding themes at once illogical and moronic. Unfortunately, Mr. Shawcross failed to show up at our award ceremony—a practice that has become all too common with our laureates—but he was injudicious enough to challenge me to reveal examples of his legerdemain.

Now I have asked Peter Rodman, formerly of the National Security Council Staff and currently Henry Kissinger's research assistant on the Kissinger memoirs, to illuminate the Shawcross method of cooking up history. It has been a demanding task. Through the Freedom of Information Act, Shawcross gained access to thousands of documents relating to America's foreign policy in Southeast Asia. Rodman is one of the few scholars who actually bothered to check Shawcross's work. What Rodman has discovered is that Shawcross is even slipperier than I reported in our February 1980 issue.

I suppose I could have kept this matter private—a mundane scandal known but to Rodman, Tyrrell, Shawcross, and Shawcross's favorite cleric. A private communiqué to the great artist would have fulfilled my Christian obligations, had the preposterous theme of the Shawcross book not come to be accepted by the Left as one of recent American history's Great Truths, namely: that the United States is responsible for the Cambodian holocaust. Left-wingers are repeating it fervently in the universities and other realms of the intelligentsia. In time it will assume the sacrosanct quality of so many other left-wing lies: the innocence of Alger Hiss, the Great Red Scare of the 1950s, the American responsibility for the origins of the Cold War.

These are some of the lies that the left-wing brethren live by. And of course the brethren are very fine at spreading them. A few weeks ago during Senate hearings on the confirmation of Alexander Haig, some senators intoned the Shawcross thesis as though it had just been passed on to them by Herodotus in a vision.

It is the responsibility of any intelligent journal of opinion to keep the record straight even from the credulity of senators. The Left has been successfully disfiguring history for years. In the following piece, Rodman shows one of the ways the surgery is accomplished. Incidentally, Rodman's scholarship appears all the more exquisite when one considers the lofty laudations Shawcross has received for his "scholarship." This piece might not stop the Left from spreading its mumbo jumbo on Cambodia, but it will make the Left's job more difficult, at least among the literate.

In April 1975, the Communist Khmer Rouge took power in Cambodia, emptied Phnom Penh of its entire population, and embarked on a nationwide campaign of terror and destruction that claimed the lives of somewhere between one million and three million Cambodians—out of a total population of seven million.

Four years later, British journalist William Shawcross produced a book entitled Sideshow: Kissinger, Nixon and the Destruction of Cambodia. As its subtitle suggests it attempts to prove American responsibility for the horrors wrought by the Khmer Rouge. Shawcross argues in essence that American bombing in 1969 "destabilized" the neutral government of Prince Norodom Sihanouk; that the U.S.-South Vietnamese incursion of 1970 triggered the bloody war in Cambodia that engulfed the country; and that America's prolongation of the conflict for five years paved the way for the victory of the Khmer Rouge and accounted for their genocidal brutality after they took power.

The Shawcross book was widely praised for its impressive documentation, even by some who did not entirely swallow its conclusions. The book advertises itself as based on "thousands of pages of classified U.S. Government documents" obtained under the Freedom of Information Act (FOIA). Without the time or inclination to verify his evidence, reviewers seemed mesmerized by invocation of the Freedom of Information Act, as if it were a voodoo incantation that paralyzed all critical faculties. I have had the opportunity to examine a duplicate set of the government files that Shawcross obtained under the FOIA. It was an experience full of surprises. Close scrutiny of the materials shows that the evidentiary basis of the book is so seriously flawed as to discredit his whole enterprise. He had no White House documents, since they are exempt from the FOIA, yet he presumes to pass judgment above all on White House decisions. His vaunted research turns out to be slipshod, distorted by bias, and in some cases bordering on the fraudulent. It is a compendium of errors, sleight of hand, and egregious selectivity; he has suppressed entirely a mountain of evidence in his possession that contradicted his principal points.

The chronicle of Shawcross's errors is in itself a brief history of Cambodia's tragedy

Beginning in about 1965, North Vietnam established a string of military bases on the territory of neutral Cambodia, along the border, just opposite South Vietnam. From these sanctuaries North Vietnamese forces launched forays into South Vietnam, attacking South Vietnamese and American troops and escaping back across the border into Cambodia where self-imposed restraints prevented our pursuit or retaliation.

The Nixon administration in early 1969 lifted some of these restraints. At a time when major American troop withdrawals were being planned, the North Vietnamese shelled a number of cities in South Vietnam, in flagrant breach of the pledge that had been the quid pro quo for President Johnson's halt to the bombing of North Vietnam. No one in the Nixon administration was eager to resume the bombing of the North; a less explosive form of retaliation seemed warranted. President Nixon undertook the bombing of the Cambodian sanctuaries in the knowledge that 1) Prince Norodom Sihanouk, Cambodia's neutralist leader, did not object to American military action against the North Vietnamese bases, and that 2) the risk of harm to Cambodian civilians was minimal.

Shawcross struggles without success to prove that both these propositions were false.

CHESTER BOWLES: THE MISSING QUOTATION

Sihanouk was powerless to prevent North Vietnam's expropriation of Cambodian territory for prosecution of the Vietnam war. The Prince went considerably beyond acquiescence, however; he allowed the Communists to ship war materiel to the port of Sihanoukville and then to transport it by a leisurely truck route to the sanctuaries along the border. Even Shawcross describes this (p. 64), and anyone wanting an authoritative account of the active help Sihanouk gave to the North Vietnamese will find it in Sihanouk's recent memoirs. This would seem to say something about how "neutral" Cambodia was under Sihanouk.

In fairness to the agile Prince, however, in the late 1960s he began to feel put-upon by the heavy-handed North Vietnamese and tried to square accounts by telling American officials that he would not object at all if the United States attacked the Vietnamese Communist bases and drove them out of Cambodia. He said this to various visitors, one of the most important being Ambassador Chester Bowles, who on January 10, 1968, met with the Prince in Phnom Penh on a mission for President Johnson.

Sihanouk's conversation with Bowles has become controversial. The Nixon administration cited it when the Cambodian bombing became a cause celebre in 1973. Shawcross devotes a great deal of effort to the Bowles mission, attempting to discredit, evade, deny, or dismiss the administration's contention. The reason for this exertion is obvious: If Sihanouk invited us to attack the North Vietnamese bases, then we were defending Cambodia's neutrality, not violating it, and the bombing of Cambodia appears in an entirely different light.

Shawcross pronounces the claim "questionable" (p. 28). For three and a half lengthy pages he walks us through the Bowles mission (pp. 68–71), citing Bowles's State Department briefing papers, Bowles's escort officer's summary report, and Bowles's cables to Washington. Never does Shawcross quote a word of what Sihanouk said to Bowles on the subject. He apologizes that his documentation is incomplete and therefore not "conclusive evidence"; "whether Sihanouk actually told Bowles that the United States was free to bomb the sanctuaries cannot be definitely determined from the sanitized State Department papers," he writes. Nevertheless, Shawcross is confident enough to inform his readers that his documents "suggest that it is not so."

A look at the documents is illuminating. While Shawcross may not have had a verbatim transcript, he had an explicit summary of what Sihanouk said. The State Department escort officer's report of the Bowles mission, which Shawcross received under the Freedom of Information Act, contained evidence that could not be more conclusive, which Shawcross chose to conceal from his readers:

> Then, in one of his amazing reversals [the report read], the Prince said he would not object if the U.S. engaged in "hot pursuit" in unpopulated areas. He could not say this publicly or officially, but if the U.S. followed this course it would help him solve his own problem. Of course, if the U.S. engaged VC/NVA [Vietcong/North Vietnamese Army] forces on Cambodian territory, both sides would be guilty of violating Cambodian soil, but the VC/NVA would be "more guilty" (sic). If we pursued VC forces into remote areas where the population would be unaffected he would "shut his eyes."

The same thing could have been found in Chester Bowles' memoir Promises to Keep, published in 1971:

> "Later, in a quiet private visit, Sihanouk volunteered that he would not object to the United States engaging in 'hot pursuit' in unpopulated areas of Cambodia. He pointed out that while he could not say this publicly or officially, if the United States followed this course, it might even help him to solve his problem."

Bowles was skeptical, but Sihanouk's position never deviated from this. After the B–52 bombing started in 1969 and was reported in the American press, Sihanouk responded in similar terms publicly: He complained if Cambodians were hurt but did not object if we attacked the Vietnamese Communists who were illegally occupying a portion of his country. Sihanouk drew closer to the United States. In July 1969, four months after the bombing started, he invited President Nixon to pay a visit to Phnom Penh and promised a warm reception. He began to write and speak more openly against the North Vietnamese. This avid observer and barometer of the balance of power now saw the United States as a potent counterweight to the hated North Vietnamese, restoring his country's freedom of action and enhancing—yes, enhancing—its neutrality.

Shawcross' treatment of the Bowles mission is a sham. Kissinger has published part of Sihanouk's verbatim remarks in his memoirs but it adds little to what was already available. In a lecture at Harvard in March 1980, Sihanouk admitted what he said to Bowles. Stephen Young, Assistant Dean of Harvard Law School, heard Sihanouk's lecture and called it "an incredibly significant admission." For "that means that, in the debate that has riven our country for 10 years, Henry Kissinger is right and William Shawcross is all wrong."

WHAT THE CHIEFS' MEMORANDUM REALLY SAID

Nixon ordered the B–52 bombing of certain North Vietnamese sanctuaries on the Pentagon's assurance, secondly, that attacking them posed minimal danger of Cambodian civilian casualties. The Joint Chiefs of Staff examined 15 North Vietnamese base areas in Cambodia with the explicit mandate, inter alia, to consider the risk of harm to civilians. General Earle Wheeler forwarded the results to Secretary of Defense Melvin Laird on April 9, 1969, in a lengthy memorandum with numerous appendices and maps. Only the base areas in which the danger to civilians was found to be "minimal" were recommended for targeting.

This exercise might suggest to an impartial observer that the United States took extraordinary pains to avoid civilian casualties. But not to Shawcross. He quotes from the memorandum in the most selective fashion to imply a callous disregard for human life—exactly the opposite of the memorandum's obvious meaning. Shawcross accomplishes this by quoting at length only from the caveats that the memorandum's draftsmen included for the sake of honesty: that all estimates of likely civilian casualties were "tenuous at best," that "some Cambodian casualties" would likely be sustained in certain kinds of military operations, and that the "surprise effect" of attacks could tend to increase the danger, "as could the probable lack of protective shelters around Cambodian homes to the extent that exists in South Vietnam."

On reading the Chiefs' memorandum carefully one finds, first of all, that these acknowledged risks to civilians applied to combined air and ground operations against the sanctuaries, not to aerial attacks on specific military targets ordered by Nixon. What is more, Shawcross acknowledges only in passing what the memorandum emphasized over and over again: that civilian casualties would be "minimal," for the simple and obvious reason that the North Vietnamese did not allow any Cambodians anywhere near their military dispositions. The point was made repeatedly, in passages that Shawcross found inconvenient to call to the reader's attention. For example:

> a. There is very little mixing of the VC/NVA Forces with the Cambodian populace. Conversely, Cambodians rarely go into areas under de facto control of the VC/NVA.
>
> b. Cambodian villages and populated areas are readily identifiable and can be essentially avoided in conducting preplanned operations into the base areas.
>
> c. Very few permanent structures exist in the base areas outside the Cambodian villages.

Virtually all those that do exist are enemy-occupied. (JCSM–207–69, 9 April 1969, Appendix E, p. 27)

> [T]he enemy's military forces in Cambodia habitually occupy areas close to the SVN [South Vietnam] border and away from significant Cambodian presence.

Extreme care would be taken to attack only known enemy bases in Cambodia, thus minimizing the risk of engagement with Cambodian forces or of causing Cambodian casualties.

The canard that we callously assumed the risk of massive harm to civilians should finally be laid to rest by Prince Sihanouk's recent memoirs. Before the March 1970 coup that overthrew him, Sihanouk writes, the North Vietnamese sanctuaries were "limited to a few outlying and uninhabited sectors along the Cambodia-Vietnam borderline."

There is more to this April 9, 1969 memorandum. It sets out in detail the strategic importance of the enemy sanctuaries and the danger that they presented. Indeed, it is one of the most impressive statements ever made of the case for attacking them. For example:

> An appropriate time to undertake operations to destroy an enemy force is subsequent to a contact in which the enemy has been defeated and is withdrawing. It is at this point that the enemy force is most disorganized and vulnerable. The option of conducting pursuit operations has essentially been withheld from COMUSMACV [the U.S. Command] because the best place to conduct such operations is against his rallying and collection points in Cambodia.

Authority to conduct pursuit operations to limited depths in Cambodia could result in destruction of enemy units involved as effective fighting forces, and could require the enemy not only to provide filler replacements to regenerate such units but also to provide new cadre leadership. Pursuit operations also could result in capture or destruction of munitions and supplies in the sanctuaries to which enemy forces are withdrawing. Possibly most important of all, however, is the fact that once US/RVNAF [U.S./South Vietnamese] pursuit operations have been undertaken, the enemy would be forced to adjust to the possibility of future pursuit operations and would not be able to operate in border areas with confidence that sanctuary was available nearby. Reestablishment of bases deeper in Cambodia would be very difficult for the enemy, due to increased visibility and the likelihood of confrontation with the Cambodian populace and forces, the International Control Commission, and the foreign press. . . . It is estimated that, as the enemy reaches his full deployment for the current offensive, and his operations begin to run their course, an opportunity will be presented in the III Corps area to strike a strategic blow of major proportions. If successfully exploited, this blow could change the whole balance of forces in Vietnam, severely curtail enemy capability in the vital III Corps area, and shorten the war. (Appendix C, pp. 23-24)

Shawcross preferred not to call this strategic analysis to his readers' attention.

BASE AREA 704: THE WRONG BOX

From the Joint Chiefs' memorandum of April 9, 1969, the White House selected as targets only six base areas minimally populated by civilians. The target areas were given the codenames Breakfast, Lunch, Dinner, Supper, Snack, and Dessert; the overall program was given the name Menu.

With only six base areas, one might have thought that Shawcross would get it right. But he did not. To his embarrassment, a glaring error was discovered during the taping of David Frost's interview with Henry Kissinger in October 1979. Frost hurled at Kissinger the accusation that the White House ordered hundreds of B–52 attacks against a North Vietnamese base area in Cambodia that the Joint Chiefs of Staff had specifically recommended against attacking because it was heavily populated by Cambodians. Frost based the accusation on the following passage in Sideshow:

> "Three of the fifteen sanctuaries—base areas 704, 354 and 707, which had "sizeable concentrations of Cambodian civilian or military population" in or around them—were not recommended for attack at all . . . The Chiefs' warning seems to have made no difference. Base Area 704 appeared on the White House's Menu as Supper. In the course of events, 247 B–52 missions were flown against it."

The only problem with this is that Base Area 704, because of its sizeable number of civilian inhabitants, was never a target of the B-52 bombing. The target area codenamed Supper, against which 247 B-52 missions were flown, was Base Area 740 in eastern Cambodia—minimally populated by civilians and about 200 miles away from Base Area 704 which is in southern Cambodia along the Mekong River. Shawcross's assertion that Base Area 704 was attacked by B-52s is totally wrong. The map on page 27 of his book labeling Base Area 704 as target area Supper is also wrong.

Shawcross has admitted the error. The map and the relevant pages in his book were redone in subsequent editions. David Frost, informed of the error by Kissinger, was sufficiently embarrassed to request that the taped segment be deleted from the NBC program broadcast on October 11, 1979. It was deleted. But Shawcross was unapologetic. In a letter to Nigel Ryan of NBC News on October 10, 1979, Shawcross acknowledged that his book was wrong—and then offered an explanation as false as the original error. Shawcross excused his mistake on the ground that he had relied on a Defense Department White Paper submitted to the Senate Armed Services Committee in September 1973. This Defense Department statement indeed listed Base Area 704 as one of the six base areas targeted in the Menu program, apparently by a typographical error. What Shawcross failed to mention to NBC News is that he had two documents in his possession making clear that Base Area 740, not 704, was one

of the six targets of the B-52 bombing program. A memorandum for Secretary Laird from General Wheeler dated November 20, 1969, recommended "additional" B-52 strikes against Base Area 740 in the Menu series. A similar memorandum of November 25, 1969 again listed Base Area 740 as a Menu target. The first memorandum was published in the Senate Armed Service Committee hearings of 1973 (pp. 151–153), to which Sideshow refers frequently; the second memorandum was released to Shawcross in 1977 under the Freedom of Information Act.

A meticulous scholar would have noticed the discrepancy between the 1973 White Paper with the typographical error and the contemporaneous 1969 documents listing Base Area 740 as a MENU target. Had Shawcross noticed the discrepancy he might have guessed that the contemporaneous documents were more authoritative than the after-the-fact summary of 1973. Or he could have checked with the Defense Department, as he did in October 1979, six months after the publication of his book and only after Kissinger pointed out the error. Shawcross did neither. The erroneous figure "proving" American barbarity was too tempting to admit of noticing discrepancies.

It is interesting to read what else the 1969 documents contain. According to the JCS memorandum of November 25, 1969, Base Area 740 contained enemy troop concentrations; anti-aircraft, field artillery, rocket, and mortar positions; eleven North Vietnamese base camps and bivouc areas; two storage areas; road and trail networks including six bridges; as well as numerous bunkers, trenches, and defensive positions—none closer than one and one-half kilometers to any civilian habitation. None of this is mentioned in Sideshow.

"DESTABILIZING" SIHANOUK: THE ELUSIVE EVIDENCE

Sihanouk was deposed as Cambodian Chief of State on March 18, 1970, by his own government and National Assembly. This set off a chain of events that ultimately engulfed Cambodia in ten years of bloody conflict.

It is an article of faith in anti-American Demonology that the United States had a hand in the coup. (In fact, the United States was taken by surprise). Shawcross naturally pursues this line of inquiry, only to admit in the end that he can find "no direct link" between the U.S. government and the coup plotters ("Sideshow," p. 112). He would earn credit for his honesty were it not for two paragraphs of thick insinuation that the United States had plenty of motive and its denials must always be suspect, as if only bad luck can account for his failure to unearth the "direct link."

Shawcross then resorts to a more complicated line of argument to establish American responsibility. Most observers ascribe the coup to Cambodian popular resentment at the continuing North Vietnamese occupation of Cambodian territory tolerated by Sihanouk. Shawcross's thesis is that American B-52 bombings of remote sanctuary areas in 1969–1970 forced the North Vietnamese and Viet Cong troops to push their supply bases "deeper into the country" and "spread the fighting out from the border areas," thereby disrupting Cambodian politics and "destabilizing" Sihanouk's rule.

It is difficult for anyone at this point to reconstruct North Vietnamese movements under the American bombings. Undoubtedly they moved to evade the precisely targeted attacks. The crucial questions are where, and to what extent, and with what traceable consequences. Shawcross's documentary evidence is so weak and so tendentiously handled that it casts serious doubt on whether his thesis holds any water at all.

The first document cited by Shawcross is General Wheeler's memorandum of November 20, 1969, to Secretary Laird, which we saw earlier. Shawcross cites it as evidence for the following: ". . . in Cambodia, as the Chiefs reported, it [the bombing] forced them to "disperse over a greater area than before." The raids spread the fighting out from the border areas. . . ."

General Wheeler's memorandum, however, turns out not to refer to "spreading the fighting" at all. It refers rather to the enemy's dispersal of supplies "over a greater area than before." And far from endorsing Shawcross's claim that they moved "deeper into Cambodia" into conflicts with Cambodian authorities, the passage describes the North Vietnamese as dispersing supplies, and secondarily personnel, into more isolated areas on the immediate periphery of the main base areas, or in between the various base areas, which were strung out along the Vietnamese border. The passage cited by Shawcross actually reads:

"Supplies have been dispersed over a greater area than before; and supplies have been moved into densely covered, unstruck areas. This tends to be confirmed by the increased activity noted since mid-October approximately mid-way between Base Areas 350 and 351. . . . However, even with his increased dispersal of personnel and supplies, the enemy continues to use portions of his old areas."

Thus the source cited by Shawcross is not only irrelevant to his main point but in direct contradiction to it. His use of the document is either deceptive or notably inept.

But there is more. Shawcross then invents a phony quotation from General Creighton Abrams:

To escape the bombardment [Shawcross writes], the Vietnamese Communists had begun to move deeper into Cambodia—"thus," as Abrams later acknowledged to the Senate, "bringing them into increasing conflict with the Cambodian authorities." . . . The effect was inevitable. . . . Sihanouk's balance of right against left became more precarious. The bombing was destabilizing him."

It turns out that the quoted words attributed to General Abrams in testimony to the Senate Armed Services Committee were spoken in reality by Senator Stuart Symington. In a book so fawned over for its scholarship, this is remarkable sleight of hand. Senator Symington put forward the proposition that U.S. bombings and ground probes from South Vietnam must have induced the North Vietnamese "to expand their areas of control or operations, thus bringing them into increasing conflict with the Cambodian authorities." Abrams indeed "acknowledged" this in the vaguest terms ("Yes, I think that is a fair statement"). Unfortunately we do not have General Abrams's own analysis because Senator Symington moved to a different subject. Nor is it likely that the Army Chief of Staff would tell a powerful senator on the Armed Services Committee that he was full of baloney. And neither General Abrams nor Senator Symington even touched upon the two central steps in Shawcross's argument: that the bombing drove the Vietnamese and the war "deeper into Cambodia" and was responsible for undermining Sihanouk's government. The Abrams/Symington exchange, even if quoted honestly, does not establish the crucial points.

The claim of North Vietnamese "spreading in Cambodia" is repeated in another passage shortly thereafter. This time Shawcross invokes an article published in Sihanouk's monthly journal Le Sangkum in October 1969 written by Sihanouk's Prime Minister and Defense Minister, Marshall Lon nol:

". . . their spread [Shawcross writes] was due [in Lon Nol's words] to flooding and to "the operational pressure exerted by their adversary," that is, to clearing operations by American and South Vietnamese troops."

Lon Nol was writing of incidents of conflict between the North Vietnamese and Cambodian troops, thus confirming what General Abrams "acknowledged" to Senator Symington. But rather remarkable in this article, seven months after the beginning of the MENU bombing, is the absence of any reference to North Vietnamese "spreading" and, indeed, the complete absence of any mention of the U.S. bombing. Lon Nol is describing a totally different cause and a totally different effect. He writes of the increase in numbers (accroissement) of Vietnamese Communist forces in their base areas—not the spreading out of these bases. And he blames not the enemy's flight from American bombing in Cambodia but the enemy's withdrawal (repli) from South Vietnam, made necessary (as Shawcross notes) by American and South Vietnamese clearing operations in South Vietnam. Seven months after the bombing began, if Shawcross is to be believed, the Cambodian government should have complained of the American bombing as the cause of disruption and "destabilization" that Shawcross is so eager to prove. Yet Sihanouk and Lon Nol saw the menace elsewhere; they placed the condemnation precisely where it belonged. The article was entitled: "The Implantations of Viet Cong and North Vietnamese Along Our Frontier."

Shawcross has been backtracking lately, writing in a recent Harper's that the movement of North Vietnamese "deeper into the country" may not have been very extensive but that "a few miles deeper" was enough to disrupt Cambodia's political equilibrium. Considering how much of the weight of Shawcross's entire argument rests on this complicated syllogism, it is striking how weak is the evidentiary basis for it. (Even the map on page 27 of Sideshow showing the Communist base areas in the 1969–70 period offers no indication of any change in their location or extent over those two years.) Prince Sihanouk is rather more honest, telling the Cambodia Affairs Institute in Washington ten years after his overthrow: "If I lost my Fauteuil presidentiel and my Chamcar Mon Palace in Phnom Penh to Marshal Lon Nol who occupied them for five years, it was because I tremendously helped the Vietcong and the North Vietnamese."

NORTH VIETNAMESE ASSAULT ON CAMBODIA: THE MISSING MONTH OF APRIL

Like Sherlock Holmes's dog that didn't bark, the most striking distortion in Sideshow is an epic event in Cambodian history that is simply omitted from the book.

The new Cambodian government, even before it stripped Sihanouk of his powers, formally asked the North Vietnamese and Viet Cong in mid-March 1979 to vacate their Cambodian sanctuaries. The North Vietnamese responded with the humanitarianism for which they are renowned: They invaded the rest of Cambodia. Sweeping out of their bases along the border, they attacked and overran Cambodian military outposts, Cambodian towns, Cambodian roads and Cambodian river communications all over the eastern half of the country, linking their scattered sanctuaries into one massive continuous base area aimed at South Vietnam and advancing westward on Phnom Penh, surrounding and menacing the capital with the evident intention of intimidating the new government into passivity, surrender, or collapse.

It was this wholesale North Vietnamese assault on eastern Cambodia, beginning in late March 1979, that plunged Cambodia into the Indochina war for the first time. To be sure, the remote sanctuaries along the border had been the subject of North Vietnamese occupation and American counter-attacks; there had been occasional local incidents between North Vietnamese and Cambodian authorities. But Cambodia had never been at war; the Cambodian armed forces had

never before been belligerents in full-scale hostilities. The North Vietnamese changed all that. It was after a month of these assaults that the United States and South Vietnam launched the so-called Cambodian incursion on April 30 to block the North Vietnamese and to protect American and South Vietnamese lives against the vast new North Vietnamese military base ballooning over all of eastern Cambodia.

The reader turns eagerly to Sideshow to see what this brilliantly comprehensive investigative reporter has to say on the subject of this North Vietnamese invasion. Nothing. Absolutely nothing. There is but one disingenuous descriptive sentence, ascribing only defensive motives to the North Vietnamese:

[T]he North Vietnamese moved westward into Cambodia with the apparent intention of securing their lines of communication.

There are one or two oblique references elsewhere in Sideshow that would indeed require Sherlock Holmes to piece them together and deduce that something was going on. It is not that Shawcross lacked information. Under the Freedom of Information Act, he had, for example, an important cable of April 21, 1970, in which Acting Chairman of the Joint Chiefs General William Westmoreland informed General Abrams in Saigon of the fact that Phnom Penh was surrounded and threatened:

"As you are certainly aware, there is highest level concern here with respect to the situation in Cambodia. This concern has been heightened by the following:

"a. It appears that the success of NVA and VC troops to date have encouraged them to expand what may have been limited objectives initially to a current drive to isolate Phnom Penh.

"b. Most lines of communication leading into Phnom Penh from the north, east, and south have been interdicted by enemy forces and the security of Phnom Penh and the Cambodian Government appears to be seriously threatened."

The North Vietnamese were systematically interdicting all the major roads and waterways that led into Phnom Penh, cutting off the highways particularly to the north, east, and south of the city and blocking traffic on the Mekong River that was the city's lifeline. This North Vietnamese assault would seem to have little to do with "securing their lines of communication," as Sideshow fatuously claims, but a great deal to do with strangling the lines of communication of the Cambodian capital.

None of this is to be found in Sideshow. Shawcross prefers to regard the U.S.-South Vietnamese incursion as gratuitous and unprovoked, explained by the psychic aberrations of the Nixon administration: "The White House's truculence," Nixon's eagerness for "restoring his slighted authority" after domestic setbacks, "negligent and emotional decision making," and other ad hominem imputations of pathological aggression (pp. 130ff). The whole month of April is practically missing from the book—except for minor American actions after mid-April, without reference to the North Vietnamese attacks to which they were a response.

When Kissinger described these North Vietnamese attacks in his book and the David Frost interview, Shawcross took evasive action. His first response was to claim that Kissinger's account of the North Vietnamese assault was an afterthought: "[A]t the time of the [U.S.-South Vietnamese] invasion, neither Nixon nor Kissinger mentioned these moves or used them to justify American actions," Newsweek reported him as claiming. Yet no one could possibly read the Nixon administration's public statements of the time—April 30, June 3, June 30, 1970; February 25, 1971—and not find that the North Vietnamese invasion of eastern Cambodia was the reason for the allied military operations of April 30, 1970. Shawcross later retreated to the narrower assertion that "many" of the individual clashes listed in Kissinger's book "have never been mentioned before, neither in Nixon's announcement of the invasion, nor anywhere else." This is ridiculous. The New York Times reported the rapid advance of the North Vietnamese invasion of Cambodia throughout the period and published a map on April 16, 1970, showing them already in control of a third of the country. If Kissinger's is indeed the most detailed and comprehensive description of the events of 1970—which it is—how this is a criticism of the Kissinger book is not obvious.

Shawcross's other tack has been to claim that Hanoi's intention in devouring eastern Cambodia in March–April 1970 "has never been proven" and has always been in dispute. The assertions that Hanoi really sought to topple the Cambodian regime, Shawcross now says, "have no basis in reality." This is first of all false and second of all a curious line of argument. Presumably it is possible to invade a country, occupy a third of it, lay siege to its capital, and yet claim sufficient ambiguity about one's motives to render any counter-measures not only unwarranted but immoral. The only account in Sideshow, remember, is that the North Vietnamese moved westward to "secur[e] their lines of communication."

What is the evidence? Shawcross certainly had enough documentation to show that the American government at the highest levels had good reason to believe the worst about North Vietnamese intentions. Witness Westmoreland's message of April 21, 1970, that Phnom Penh was surrounded, quoted above, not to mention all of Sihanouk's public statements including his March 23, 1970, five-point declaration calling for the overthrow of the Lon Nol government, and the declarations of solidarity from the North Vietnamese, Viet Cong, and Pathet Lao. On the ground, the North Vietnamese efforts to establish (and dominate) the insurgency aroused the resentment of, among others, the Khmer Rouge (the Cambodian Communists, who came to power in their own right five years later). The "Black Book" issued by the Khmer Rouge (Pol Pot) regime in September 1978 recounts:

"After the coup d'etat, of March 18th 1970, the [North] Vietnamese organized their nationals living in Kampuchea, they armed them and used them as particularly ferocious instruments of oppression against the people of Kampuchea. . . . [The North Vietnamese] secretly organized a shadow national administration in Kampuchea, particularly in the north-east zone. . . . [They] organized a secret shadow army in Kampuchea. . . ."

This was published seven months before Sideshow appeared but Shawcross does not refer to it.

Among North Vietnamese documents captured by the allies in the post-April 30 sweep through the sanctuaries were guidebooks for the organizing (by the North Vietnamese) of the Sihanouk-proclaimed "National United Front of Cambodia" (FUNK) at the hamlet and village level to take power after the overthrow of the Lon Nol government; directives pledging support by North Vietnamese cadre and armed forces for the FUNK; soldiers' notebooks detailing North Vietnamese activity in forming and training guerrilla units; military staff notebooks on the formation of Cambodian units led by North Vietnamese cadre and of signal battalions, and so on. This is public knowledge.

Even Sideshow contains a damaging admission by Shawcross that "a government dominated by Hanoi" was the probable outcome if the United States did nothing. Nor have any of Shawcross's emotional rebuttals to the Kissinger book even addressed one of its most important revelations: that in secret talks with North Vietnamese negotiator Le Duc Tho on April 4, 1970, Kissinger proposed joint diplomatic steps to guarantee the neutralization of Cambodia. Le Duc Tho contemptuously dismissed the offer and insisted on the overthrow of the new Cambodian government.

It was the North Vietnamese assault of March-April 1970 that plunged Cambodia into war, whatever Sideshow's evasions. In 1979, four years after the Khmer Rouge victory, the North Vietnamese invaded Cambodia again, demonstrating that the heirs of Ho Chi Minh never had the slightest intention of tolerating a truly independent Cambodia, even an independent Communist Cambodia.

THE STRANGULATION OF THE CAMBODIAN ARMY

The Cambodian Army resisted the assault of the North Vietnamese and Khmer Rouge for five years, succumbing finally in April 1975. Their struggle was prey to a host of difficulties: poor organization and logistics; lack of training and the technical know-how to maintain and use equipment; petty corruption; and the progressive, Congressionally mandated withdrawal of American military support—from the 1970 ban on U.S. advisers, to the 1973 halt of U.S. air operations, to the 1975 strangulation of military supplies. Pentagon accounts document this well, and Shawcross under the FOIA had access to two of the best: the end-of-tour reports of two American officers who headed the Military Equipment Delivery Team in Cambodia (MEDTC), Major General John Cleland and his successor, Brigadier General William W. Palmer.

These accounts are quite moving, but Shawcross suppresses their principal points and turns the documents totally on their head. By quoting selectively he develops a tendentious thesis of his own to explain Cambodia's failure. He dismisses the generals' own analysis (without informing his readers of its contents) in a crude ad hominem attack:

"These reports must be read with caution since each man was anxious to promote his own career in the Army despite the Cambodian debacle. Each, therefore, was concerned to attach all blame to the Cambodians and refused to analyze carefully the effect of his own work in Phnom Penh."

Shawcross second-guesses the American strategy and blames Generals Cleland and Palmer for the disaster that befell the Khmer National Armed Forces (FANK):

"Cleland explained the rationale—and, unconsciously, its serious implications—in his end-of-tour report: 'The FANK depend on firepower to win. Seldom has FANK outmaneuvered the enemy—he has outgunned him.' But his own actions made this inevitable; instead of improving the intrinsic fighting quality of Lon Nol's troops, Cleland created a fatal new dependency in them. By mid-1974 fully 87 percent of all American military aid was being spent on ammunition. If the Congress began to cut back aid or if the Khmer Rouge closed all lines of communication, then the government's troops would be deprived of "the quickfix" (to use another Cleland expression) which the Americans had thrust upon them. Both these things did happen and each contributed toward making the fall of the regime inevitable."

Shawcross's military critique is utterly disingenuous. Generals Palmer and Cleland stress an obvious and totally different point: that Congressional restrictions made any other strategy impossible. The ban on U.S. advisers meant that there was no possibility of "improving the intrinsic fighting quality of Lon Nol's troops," as Shawcross professes to recommend; escalating legislative prohi-

bitions deprived the Cambodians of what assets they had. Shawcross is not really recommending an alternative approach to assistance; his argument is that no assistance should have been given the Cambodians in the first place. He faults the Congress, indeed, but only for the degree to which it acceded to administration requests at all.

General Palmer's end-of-tour report, for example, makes poignantly clear how even the minimum objective of achieving a military stalemate (for purposes of negotiation) was rendered impossible because the Cambodian Army's few advantages over the enemy were eroded by the progressive reduction of American aid. It is a powerful account that Shawcross understandably did not want his readers to see:

"(1) *Congressional restrictions*

"In January 1971, the Cooper-Church Amendment specifically prohibited "advisors" in Cambodia. The Symington-Case Amendment of February 1972 prescribed that the total number of U.S. personnel in Cambodia should not exceed 200. In view of the U.S. Vietnam experience, the intent of these restrictions is understandable. However, their cumulative effect was to severely limit any MEDTC ability to ensure that millions of dollars in MAP [Military Assistance Program] funds were being well spent. FANK was provided modern equipment but was denied the overall training, technical know-how, and military professionalism desperately needed to modernize it in the areas of tactical leadership, staff planning and coordination, personnel and financial management or logistics operations. Proper management and effective use of the equipment provided was apparently to be learned by a trial and error, do-it-yourself process which time would not permit.

"Lacking any authority to provide in-country advice or U.S. training, any improvement in FANK leadership was predicated on almost non-existent Khmer initiatives since American officers were too restricted to assist.

"(2) *Reliance on firepower*

"FANK was originally conceived as a 'light infantry force' designed to fight 'Khmer Insurgents.' When it became apparent that the 'insurgents' were rapidly evolving into main force units in their own right, the U.S. objective of keeping FANK alive and the GKR [Government of the Khmer Republic] viable was assured through the quick-fix of massive U.S. airpower. With the U.S. bombing halt in August 1973, the Khmer Army artillery and tactical air inventories were augmented because this solution provided less expensive and politically more palatable sources of firepower to offset the leadership and manpower deficiencies in the Khmer Armed Forces. As that firepower was increasingly denied to them because of escalating munitions costs and reduced funding, the only remaining option appeared to be manpower.

"However the Army's inability even to maintain the strength of its intervention brigades, let alone achieve significant growth, soon became self-evident. Moreover, serious leadership and training deficiencies, combined with the absence of any U.S. advisory or training effort, obviated major changes in the Khmer force structure, battle tactics or doctrinal reliance on firepower, even if sufficient time had been available.

"In sum, the U.S. taught the Khmer Armed Forces to survive through firepower. FANK was equipped with the means to employ it in large amounts. Outside sources of firepower were withdrawn so that they relied solely on their own firepower assets. Firepower and the logistics to support it became the two most important advantages FANK had over the KC [Khmer Communists], and by 1974 it was too late to change that orientation to any extent in the short term. Therefore, as escalating prices drove munitions costs progressively higher, increasing rather than decreasing levels of MAP funding were necessary to promote successful achievement of U.S. objectives in Cambodia."

FEELING SORRY FOR THE KHMER ROUGE

Shawcross at least acknowledges the genocidal brutality of the Khmer Rouge after they took power, in contrast to other prophets of the Left who still consider the charges to be imperialist propaganda. But Shawcross nevertheless excuses the atrocities by another line of argument: that they were all America's fault. Apologetics nontheless. His book is not subtitled "The Khmer Rouge and the Destruction of Cambodia," but "Kissinger, Nixon and the Destruction of Cambodia."

The viciousness of the Khmer Rouge he attributes to a paroxysm of vengeance, a seizure of "Manichean fear" induced by the severe "punishment" inflicted upon them in the years of their struggle—that is to say, by American and Cambodian efforts to resist them. This is one of the central theses of his book, and for it he offers no documentation whatsoever:

"All wars are designed to arouse anger, and almost all soldiers are taught to hate and to dehumanize their enemy. Veterans of the combat zone are often possessed of a mad rage to destroy, and to avenge their fallen comrades. It does not always happen, however, that victorious armies have endured such punishment as was inflicted upon the Khmer Rouge. Nor does it always happen that such an immature and tiny force comes to power after its country's social order has been obliterated, and the nation faces the danger of takeover by a former ally, its ancient enemy. In Cambodia that did take place. In the last eight years, degree, law, moderation had been forsworn. The war and the causes for which it was fought had brought desolation while nurturing and then giving power to a little group of zealots sustained by Manichean fear."

It is enough to make one feel sorry for the poor Khmer Rouge. How perfectly natural that they would up and murder three million of their own people! This is, of course, ridiculous. Most soldiers in combat have "endured . . . punishment" but none before have murdered a third of the population of their country after the war was over.

American bombing had ended twenty months before they came to power. The evacuation of Phnom Penh was planned months before. The savagery was systematic—forced dispersal of whole populations; destruction of traditional social structures, organized religion, and even the family; forced collectivization of agriculture; liquidation of the middle class and civil service; police terror—and it was all standard Khmer Rouge practice in all the areas they controlled in Cambodia from as early as 1971. The genocide was premediated, motivated by ideology, and the work of political fanatics. And the definitive evidence for this is found in Shawcross' own sources.

One of the best is "Cambodia: Year Zero" by Francois Ponchaud, a French Jesuit who lived through the early horrific phases of the Khmer Rouge victory. Ponchaud is a friend of Shawcross and no defender of American policy; nevertheless his book shows a clarity about Khmer Rouge motivations that Shawcross seems to have deliberately avoided. Shawcross cites Ponchaud extensively but never the passages stressing the idealogical premediation of Khmer Rouge policies dating back at least to 1972. Ponchaud writes, for example:

"[A]ccusing foreigners cannot acquit the present leaders of Kampuchea: their inflexible ideology had led them to invent a radically new society. A fascinating revolution for all who aspire to a new social order. A terrifying one for all who have any respect for human beings.

"So we must look elsewhere for an explanation of the deportation from Phnom Penh. The official reasons certainly had something to do with the decision to clear the city, but they do not seem sufficient. The deeper reason was an ideological one, as we later saw clearly when we learned that the provincial towns, villages, and even isolated farms in the countryside had also been emptied of their inhabitants.

"The evacuation of Phnom Penh follows traditional Khmer revolutionary practice: ever since 1972 the guerrilla fighters had been sending all the inhabitants of the villages and towns they occupied into the forest to live, often burning their homes so they would have nothing to come back for. A massive, total operation such as this reflects a new concept of society, in which there is no place even for the idea of a city. The towns of Cambodia had grown up around marketplaces; Phnom Penh itself owed its expansion to French colonialism, Chinese commerce, and the bureaucracy of the monarchy, followed by that of the republic. All this had to be swept away and an egalitarian rural society put in its place.

"On April 17, 1975, a society collapsed; another is now being born from the fierce drive of a revolution which is incontestably the most radical ever to take place in so short a time. It is a perfect example of the application of an ideology pushed to the furthest limit of its internal logic."

Shawcross had another important source as well: a U.S. government study by Foreign Service Officer Kenneth M. Quinn. From interviews with refugees fleeing Cambodia in 1973 and 1974, Quinn pieced together a detailed description of Khmer Rouge totalitarian practices and shows that they began in some areas in late 1971. Shawcross cites some of Quinn's account but leaves the impression that it all dates from 1974. Another source, a Cambodian intellectual, is quoted at length in reference to the 1972–73 period, but all the quotes describe Khmer Rouge organizational structure and political indoctrination, including their "respect for 'the ways of the people.'"

The distortion is calculated. American bombing reached its peak in the spring of 1973. The evidence of Father Ponchaud and Kenneth Quinn that the Khmer Rouge were totalitarian thugs in 1971 and 1972 contradicts the thesis that Shawcross struggles mightily but in vain to prove: that it was American bombing that turned the Khmer Rouge into butchers.

Sideshow is filled with countless other errors and distortions. On one page he asserts that "no Comumnist offensive had been launched" when the secret bombing began in 1969; yet the preceding page had quoted from a North Vietnamese document hailing the Communist spring offensive of 1969 because it killed more Americans than the Tet offensive of 1968 (pp. 109–111). His tendentious account of the role of the U.S. Embassy in the bombing procedures of 1973 (pp. 272–277) relies on a Senate Foreign Relations Committee staff report that is itself wildly erroneous. His chapters on alleged "missed opportunities" to negotiate a settlement are undercut by the mountain of evidence that the North Vietnamese and later the Khmer Rouge rejected all American and Cambodian overtures to compromise.

As a work of history the book is worthless. It is an elegant polemic in which scrupulous regard for evidence has been swept aside by political bias and emotional compulsion. Its elaborate documentation is impressive only if one has not seen the original documents. To understand it, one must leave historiography and explore the realm of psychiatry.

The antiwar movement's temptation to gloat at the long-predicted collapse of the "corrupt" anti-Communist regimes of Indochina was quickly stilled by the tales of holocaust that emerged from Cambodia. (The "boat people" of Vietnam and the poison-gas campaign to exterminate the Hmong in Laos came a bit later.) for anti-war critics had assured us beforehand that the collapse of the Lon Nol government would end the killing and be a blessing for the Cambodian people. "What future possibility could be more terrible than the reality of what is happening to Cambodia now?" asked Anthony Lewis on March 17, 1975, urging a cutoff of American aid. Abandoning the Cambodian government was "for the good of the suffering Cambodians themselves," the Los Angeles Times assured us on April 11. "Indochina Without Americans: For Most, a Better Life," was the headline of a piece in the New York Times on April 13, datelined Phnom Penh. Its author, Sydney Schanberg, had comforted us a month before with a report that the Khmer Rouge would be more moderate after victory and that fears of a bloodbath were unfounded. These predictions turned out to be horribly wrong. The people of Cambodia paid the price. But there were no recriminations in America. The administration was stuck with a failed policy, and its opponents were understandably sheepish at the results of an outcome they had long urged.

Then along came Shawcross. Vietnam critics could now "resist all attempts to make them feel guilty for the stand they took against the war," as Stanley Hoffmann urged them in an enthusiastic review. Shawcross was a godsend. How psychologically comforting to have in hand a convoluted theory and purported evidence that American government decisions were the propelling force behind the horrible events after all. How politically convenient to be able to focus responsibility on a Republican administration for the most gruesome outcome of a failed military commitment begun under two liberal Democratic Presidents.

But it was too convenient to be true. The book's evidentiary basis is shoddy and deceitful. By no stretch of moral logic can the crimes of mass murderers be ascribed to those who struggled to prevent their coming into power. One hopes that no craven sophistry will ever induce free peoples to accept the doctrine that Shawcross embodies: that resistance to totalitarianism is immoral. So whatever the book's value as psychotherapy, as a history of Cambodia it is a joke. And as political apologetics it is obscene.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I understand that an agreement has been reached now in respect to the consideration of S. 414, the so-called cash discount bill. I have before me a proposed unanimous-consent request dealing with time limitations and other matters, which I believe has been cleared on the minority side. May I inquire of the distinguished minority leader whether that is the case, and if he is prepared at this time to proceed with the request?

Mr. ROBERT C. BYRD. Mr. President, the majority leader is correct and the minority is ready to proceed with the agreement.

Mr. BAKER. Mr. President, I thank the minority leader.

In that case, Mr. President, I ask unanimous consent that the Senate new proceed to the consideration of S. 414.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I only reserve the right to object to indicate for the RECORD that it was the majority leader's pronouncement earlier today that the Senate would only proceed but that it would not take further action on this measure today. Am I correct?

Mr. BAKER. Mr. President, the minority leader is correct. It is my intention to ask that the Senate proceed to the consideration of S. 414, then immediately to lay aside that matter temporarily until Thursday, March 12, in accordance with the request I am about to make.

Mr. ROBERT C. BYRD. Mr. President, I have no objection.

CASH DISCOUNT ACT

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 414) to amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the bill.

The Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "Cash Discount Act".

TITLE I—CASH DISCOUNTS

SEC. 101. Section 167(b) of the Truth in Lending Act (15 U.S.C. 1666f(b)) is amended to read as follows:

"(b) With respect to any sales transaction, any discount from the regular price offered by the seller for the purpose of inducing payment by cash, checks, or other means not involving the use of an open-end credit plan or a credit card shall not constitute a finance charge as determined under section 106 if such discount is offered to all prospective buyers and its availability is disclosed clearly and conspicuously.".

SEC. 102. (a) Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end thereof the following:

"(z) As used in this section and section 167, the term 'regular price' means the tag or posted price charged for the property or service if a single price is tagged or posted, or the price charged for the property or service when payment is made by use of an open-end credit plan or a credit card if either (1) no price is tagged or posted, or (2) two prices are tagged or posted, one of which is charged when payment is made by use of an open-end credit plan or a credit card and the other when payment is made by use of cash, check, or similar means. For purposes of this definition, payment by check, draft, or other negotiable instrument which may result in the debiting of an open-end credit plan or a credit cardholder's open-end account shall not be considered payment made by use of the plan or the account.".

(b) Effective April 10, 1982—

(1) subsections (x) and (y) of section 103 of the Truth in Lending Act (as redesignated by section 603(b) of Public Law 96–221) are redesignated as subsections (y) and (z), respectively; and

(2) subsection (z) of such section (as added by subsection (a)) is redesignated as subsection (x) and is inserted after subsection (w).

SEC. 103. Any rule or regulation of the Board of Governors of the Federal Reserve System pursuant to section 167(b) of the Truth in Lending Act, as such section was in effect on the day before the date of enactment of this Act, is null and void.

TITLE II—BAN ON CREDIT CARD SURCHARGES

SEC. 201. Section 3(c)(2) of Public Law 94–222 (15 U.S.C. 1666f note) is amended to read as follows:

"(2) The amendments made by paragraph (1) shall cease to be effective on February 27, 1984.".

SEC. 202. Not later than two years after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall prepare a study, on the basis of a review and analysis of such data and studies as it finds appropriate, and shall submit its findings to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives on the effect of charge card transactions upon card issuers, merchants, and consumers, including to the extent possible—

(1) the effects of charge card transactions on retail sales;

(3) the effect of charge card usage on consumers and on merchants, including the effects on merchant cost; and

(3) the effect of charge card usage on the pricing of goods and services, with a comparison of the costs resulting from payment by (A) currency and coin, (B) by personal check or similar instrument, (C) by in-house credit plans, and (D) by charge card

TITLE III—MISCELLANEOUS

SEC. 301. Section 625(c) of Public Law 96–221 is amended by adding at the end thereof the following: "Any creditor who elects to comply with such amendments and any assignee of such a creditor shall be subject to the provisions of sections 130 and 131 of the Truth in Lending Act, as amended by sections 615 and 616, respectively, of this title.".

SEC. 302. Section 5137 of the Revised Statutes (12 U.S.C. 29) is amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this section, any national banking association which, on the date of enactment of this paragraph, held title to and possession of real estate which was carried on the association's books at a nominal value on December 31, 1979, may continue to hold such real estate until December 31, 1982, if the earnings from such real estate are separately disclosed in the financial statements of the association.".

Mr. BAKER. Mr. President, I now ask unanimous consent that S. 414 be laid aside temporarily until Thursday, March 12, and that at that time, it automatically be made the pending business before the Senate following the conclusion of the time allocated to the two leaders under the standing order, any special orders that may be provided for on that date, and at the conclusion of the transaction of routine morning business, if such be ordered, to follow after the special orders.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT

Mr. BAKER. At that time, Mr. President, I ask unanimous consent that there be time limitations as follows:

Two hours to be under the control of the distinguished Senator from Wisconsin (Mr. PROXMIRE); 1 hour to be under the control of the distinguished Senator from Ohio (Mr. GLENN); 1 hour to be under the control of the Senator from New Jersey (Mr. WILLIAMS); 1½ hours to be under the control of the Senator from Rhode Island (Mr. CHAFEE); 1 hour to be equally divided, on an amendment by Mr. GARN, dealing with the Home Mortgage Disclosure Act.

Provided, further, that the Garn amendment be offered only by the distinguished Senator from Utah (Mr. GARN); 30 minutes, to be equally divided, on amendments in the first degree; 20 minutes, to be equally divided, on amendments in the second degree; 10 minutes on debatable motions, appeals, or points of order, if the same be submitted to the Senate; and that the agreement be in the usual form.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I wonder whether the distinguished majority leader would substitute the name of Mr. DODD for the name of Mr. WILLIAMS.

Mr. BAKER. I am pleased to do that, and I so modify the request.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER (Mr. WEICKER). Is there objection? The Chair hears none, and it is so ordered.

The text of the agreement follows:

Ordered, That following the Leaders and any Special Orders on Thursday, March 12, 1981, the Senate proceed to the consideration of S. 414 (Order No. 28), a bill to amend the Truth in Lending Act, with 30 minutes on any amendment in the first degree (except an amendment to be offered by the Senator from Utah (Mr. GARN), relative to the Home Mortgage Disclosure Act, on which there shall be 1 hour), to be equally divided and controlled by the mover of such and the manager of the bill; with 20 minutes on any amendment in the second degree, to be equally divided and controlled by the mover of such and the manager of the bill; and with 10 minutes on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 5½ hours, with 2 hours controlled by the Senator from Wisconsin (Mr. PROXMIRE), 1 hour controlled by the Senator from Ohio (Mr. GLENN), 1 hour controlled by the Senator from Connecticut (Mr. DODD), and 1½ hours controlled by the Senator from Rhode Island (Mr. CHAFEE): *Provided*, That the said Senators, or any one of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, is there time remaining for the transaction of routine morning business?

The PRESIDING OFFICER. All time has expired.

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended for not to exceed 15 minutes, under the provisions previously stated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

GAMBLING IN THE DISTRICT OF COLUMBIA

Mr. HATFIELD. Mr. President, I would like to make a few observations on the question of legalized gambling in the Nation's Capital.

I believe it is plain now that congressional action will be insufficient to disapprove of the initiative which passed in the last District of Columbia election to make gambling a part of our local lifestyle, but I do want to recount a few of the reasons for my opposition to legalized gambling for the District of Columbia.

First of all, 30 percent of the people of the District voted in the last election, and gambling won by a 3-to-2 margin, which is an absolute plurality of only 18 percent. So when we hear assertions made that somehow this issue has received the overwhelming support of the people of the District, we should be aware of precisely what percentage of the people of the District actually voted in support of legalized gambling.

Second, I believe it is evident that the contest was certainly one sided, as it involved expenditures for advertising. We can compute at least $200,000 that was spent on the campaign to pass the initiative, $80,000 just in the last 3 days of the election. There was no disclosure rule, so we cannot trace the source of this largesse. On the antigambling side, little money was raised and spent.

Third, the central question that I believe must always concern us is whether there is a Federal interest sufficient to intervene in this vote. We must bear in mind that in the home rule charter, Congress can intervene. We have the right to intervene at any point. The damage this gambling regime will do to the Federal City, I believe, is sufficient to bring this within the Federal interest.

I need not go into the fact that this is more than the Nation's Capital city. This is a world capital. Many people visiting the United States see America through the microcosm of Washington, D.C.

I ask the question: Does this enhance the image of America, of the United States generally?

I also ask another question today, as we are under budgetary restrictions. Who is going to support the increased appropriations required to meet the increasing social problems that will be brought about by this gambling activity?

I do not in any way want to denigrate any city in this country or any State in this country. However, I think a most recent study that has been made about the impact of gambling on the social order of a community, was reported by U.S. News & World Report. It recounted the social problems faced by Las Vegas, Nev., which is one of the gambling capitals of this country. They asked a simple question. Is there a relationship between social problems in Las Vegas and gambling?

The survey showed that the equivalent of one of every nine women in Las Vegas between the ages of 15 and 39 is acting as a prostitute, 10,000 estimated in all.

The alcoholism rate is the highest in the Nation.

The crime rate is the highest in the Nation.

The suicide rate is double the national average.

I believe there is little doubt, from reading at least this report, that one can draw certain relationships between the presence of gambling and the increase in social problems.

One also must recognize that legal gambling promotes illegal gambling by removing the stigma. Moreover, illegal gambling pays higher odds and does not provide information to the IRS, so that a big win is not taxed. Thus, an increase in legal gambling will probably cause an increase in illegal gambling, and organized crime will be attracted.

Legal gambling will not provide credit. Illegal games will give credit, and will give credit to a person deeply in debt. In illegal games, illegal collection methods will have to be used, also. Is this the kind of economic regime we want to achieve in the District?

Mr. President, the District has had a lottery before. Soon after the new Nation elected its first President, a lottery was begun to improve the Federal City. The first prize was a $50,000 hotel. It was unsuccessful, and the agent did not make enough money to pay the first prize. Two more District lotteries followed, and the confusion and lawsuits convinced the Federal Government to get out of the lottery business. This lottery is likely to cause similar problems, for different reasons.

Gambling is the best effort to date to defeat the renaissance of the Federal City. The proponents are building a casket to bury home rule. They are pallbearers of home rule rather than the defenders of States' rights. For who is going to pay the bill for the increase in social services needed as a result of increased social friction and bankruptcies, when we do have sufficient money today to pay for the kind of standard of education that should be characteristic of a capital city. Nor the resources today to pay for the health needs of this city, for the housing needs of this city, for the needs of the poor? Will it be the city, or will the Federal Government be asked for the fund?

Gambling is one of those parasites of society that plays to the poor, that lives off the poor. Decisions such as this by

the city fathers and mothers provide ammunition, I believe, for the opponents of home rule, and I have been one of the stalwart defenders and supporters of home rule.

The question then might be asked, Why drop the issue if it so clear? I suppose that, based upon the experience of my own State, the people of Oregon have the opportunity to vote for gambling and erode their income and tax basis. We have parimutuel gambling in my State, both horses and dogs. But the people of Oregon can also reverse that decision through the initiative process, and the District residents have the same opportunity.

Some believe that this is the correct method for elimnating gambling in the District. In fact, gambling opponents plan to organize a new antigambling initiative.

So we have this alternative.

But also, Mr. President, I am convinced that if this bill comes out of the committee through petition to the full Senate, and loses on the floor, the Senate will have voted on three issues in one, namely, the issue of home rule; second, the right of D.C. residents to use the initiative device; and third, gambling as a revenue-raising methods is accepted. The media will dwell on the last issue only, and the Senate will be characterized as having approved gambling. That is good image for us to project nationally.

Even though some of our colleagues will be voting on the home rule issue, or the issue of the right of residents of the District to use the initiative device, the overriding issue is the question of gambling or not for the District, and the media will correctly interpret it as such. Thus, I do not want to lose this vote on the floor.

I believe that if anyone really believes that the purpose of these games will be to benefit "charitable institutions"—and that is always the excuse given for gambling—he should look at the priority in which the winnings are distributed. I recall that in my State all the parimutuel funds were put into a pot, and then off the bottom of the pot they would give so much for the county fair associations, the 4-H Club program, and the children's programs. Every time the Oregon legislature would raise the issue whether or not to deal with the parimutuel gambling of the State, the gamblers stayed home. Those who conducted the races never had to appear. They sent the children before the committee to plead for the funds that they were deriving from parimutuel betting.

I think we should look at the small percentage those groups receive from the total gambling revenues and what small percentage that the District of Columbia charitable institutions will receive now. How is that pot distributed? First come the operator's expenses and the operator's profits. Then, taxes must be paid. Next, they must hold some capital for the next game. Finally, the beneficiary gets what is left. It is apparent to anyone who takes a moment to look at this list that the prime benefactor of the game is the operator, or the "house."

I do not think anyone would be foolish to believe that when one goes into such an operation one is engaging in an eleemosynary operation. It is for profit, and the profit belongs to those who operate it.

Some argue that through legal gambling we will eliminate, as they say, all of the other problems of our finance and taxes. That has not happened anywhere in this country that I know of.

Mr. President, I suggest something that every gambler knows. The percentage of the pot which goes out for other purposes determines the odds. It is important to realize that as long as legalized games pay taxes, audits, benefits to charitable institutions or any other expense not directly related to operations, they cannot hope to come close to the odds a gambler can get in an illegal game.

Moreover, any legal game must report winnings. Since this is not an obligation of an illegal game, all the prizes in an illegal game can be much larger.

So I rise today merely to share these thoughts out of frustration and out of great sadness. It looks as though the Committee on Governmental Affairs and the District of Columbia Subcommittee that has this issue before it, have determined that Senate Concurrent Resolution 6 shall not come to the floor and that any effort to bring it to the floor will be actively opposed. In all probability that would result in a vote that could be interpreted as affirmation by the Senate as support for gambling in the District.

So I have come to that rather agonizing decision that I must yield on my efforts and recognize that the gamblers have won at least this day. But in spite of all of the elements of respectability that have been bestowed upon this action, including the government of the District and others of leadership in the District, I do not make a great prophecy today by saying that they will be back up here on the Hill asking for increases in their budget for the District to deal with these increasing problems of housing, education, health, and all the other social issues that will rise in proportion to the gambling activities of this area.

I regret that the District has voted for this, and I regret much more that the Senate committee has seen fit not to challenge the initiative or to intervene as is the constitutional right and responsibility of the Senate. I hope we do not abrogate all our rights and responsibilities so quickly during the coming months.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:20 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 85. Concurrent resolution congratulating the government and people of Spain on their commitment to democracy.

At 12:40 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that pursuant to the provisions of section 1, Public Law 86-420, as amended, the Speaker appoints the following Members to the U.S. delegation of the Mexico-United States Interparliamentary Group: Mr. DE LA GARZA, chairman, Mr. YATRON, vice chairman, Mr. KAZEN, Mr. MILLER of California, Mr. SKELTON, Mr. KOGOVSEK, Mr. MICA, Mr. ROUSSELOT, Mr. LAGOMARSINO, Mr. RUDD, Mr. GOODLING, and Mr. DREIER.

The message also announced that pursuant to the provisions of Public Law 86-42, as amended, the Speaker appoints as members of the U.S. Delegation of the Canada-United States Interparliamentary Group to be held on May 22 to May 26, 1981, in Halifax, Nova Scotia, the following Members on the part of the House: Mr. FASCELL, chairman, Mr. BOLAND, vice chairman, Mr. GIBBONS, Mr. BONKER, Mr. LAFALCE, Mr. RUSSO, Mr. BARNES, Mr. HORTON, Mr. WINN, Mr. DAVIS, Mrs. SNOWE, and Mr. MARTIN.

The message further announced that pursuant to section 3(1) of Public Law 94-304, the Speaker appointed the following Members to the Commission on Security and Cooperation in Europe: Mr. FASCELL, chairman, Mr. YATES, Mr. BINGHAM, Mr. WIRTH, Mrs. FENWICK, and Mr. RITTER.

The message also announced that pursuant to the provisions of section 1 of Public Law 689, 84th Congress, as amended, the Speaker appoints as members of the U.S. group of the North Atlantic Assembly, to be held on May 22 to May 25, 1981, in Venice, Italy, the following Members on the part of the House: Mr. PHILLIP BURTON, chairman, Mr. HAMILTON, vice chairman, Mr. BROOKS, Mr. ANNUNZIO, Mr. ROSE, Ms. OAKAR, Mr. GARCIA, Mr. BOWEN, Mr. BROOMFIELD, Mr. FINDLEY, Mr. WHITEHURST, and Mr. BURGENER.

HOUSE CONCURRENT RESOLUTION REFERRED

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 85. Concurrent resolution congratulating the government and people of Spain on their commitment to democracy; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment:

S. 573. A bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Mr. THURMOND. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: In the Reserve of the Army and Army National Guard, there are 34 appointments to the grade of major general and brigadier general (8 major general and 26 brigadier general) (list beginning with Brig. Gen. Robert Milton Erffmeyer); in the U.S. Navy, there are 38 temporary promotions to the grade of rear admiral (list beginning with Michael R. Ackley), and 9 temporary promotions to the grade of rear admiral (list beginning with Norman V. Cooley, Jr.); in the Marine Corps, there are 20 temporary appointments to the grade of major general and brigadier general (7 major general and 13 brigadier general) (list beginning with Thomas R. Morgan); and Maj. Gen. James W. Stansberry, U.S. Air Force, to be lieutenant general, I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. In addition, in the Navy, there are 1,203 temporary/permanent appointments/promotions to the grade of captain and below (list beginning with Robert S. Chan) and 619 temporary/permanent promotions to the grade of lieutenant commander (list beginning with Clinton E. Adams); in the Navy and Naval Reserve, there are 566 temporary/permanent promotions to the grade of commander (list beginning with Alexander V. Abarv; in the Air Force, there are 348 appointments/promotions to the grade of colonel and below (list beginning with George G. Abbott) and 1,146 promotions to the grade of 1st lieutenant (list beginning with Michael R. Ackley). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of February 5, February 16, and February 19, 1981, at the end of the Senate proceedings.)

By Mr. DOLE, from the Committee on Finance:

Roscoe L. Egger, of the District of Columbia, to be Commissioner of Internal Revenue.

John E. Chapoton, of Texas, to be an Assistant Secretary of the Treasury.

Paul Craig Roberts, of Virginia, to be an Assistant Secretary of the Treasury.

(The above nominations from the Committee on Finance were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and Joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STENNIS:

S. 617. A bill for the relief of Mrs. Elsie B. Lawson; to the Committee on the Judiciary.

By Mr. CANNON (by request):

S. 618. A bill for the relief of Anacleto Aboyabor Dotollo and Turtosa Accompanado Dotollo; to the Committee on the Judiciary.

By Mr. ROBERT C. BYRD:

S. 619. A bill for the relief of Alberto A. Fernandez, M.D.; to the Committee on the Judiciary.

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 620. A bill to authorize the construction of a project for flood control in the vicinity of Albuquerque, New Mexico, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DOMENICI (for himself and Mr. MOYNIHAN):

S. 621. A bill to authorize the National Water Resources Policy and Development Act of 1981, to direct the Water Resources Council to act as the coordinating body for a program of water resources assistance to the States, and for other purposes; to the Committee on Environment and Public Works.

By Mr. INOUYE:

S. 622. A bill to control the export of hazardous wastes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LEVIN:

S. 623. A bill to amend chapter 7 of title 5, United States Code, relating to judicial review of agency action to allow appeals from interlocutory orders on the assignment or conduct of an administrative law judge, and for other purposes.

By Mr. LEVIN (for himself and Mr. COHEN):

S. 624. A bill to amend the Internal Revenue Code of 1954 to require the Secretary of the Treasury to issue a certificate of release of a lien in certain cases, and for other purposes; to the Committee on Finance.

By Mr. DURENBERGER:

S. 625. A bill to revise the boundary of Voyageurs National Park in the State of Minnesota, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN:

S. 626. A bill to the Internal Revenue Code with respect to offsetting positions in personal property, and for other purposes; to the Committee on Finance.

By Mr. TOWER:

S. 627. A bill for the relief of James Antin Chua-Tuan, M. D.; to the Committee on the Judiciary.

S. 628. A bill for the relief of Martin Alfredo P. Marasigan, M.D., also known as Freddie del Prado Marasigan, M.D.; to the Committee on the Judiciary.

S. 629. A bill to increase fines for trading without a license; to the Committee on Commerce, Science, and Transportation.

By Mr. SASSER (for himself, Mr. RANDOLPH, Mr. ROBERT C. BYRD, and Mr. BAUCUS):

S. 630. A bill to revise loan guarantee provisions of the Airline Deregulation Act of 1978, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DECONCINI (for himself, Mr. MATSUNAGA, Mr. HEINZ, Mr. FORD, and Mr. INOUYE):

S. 631. A bill to dismiss certain cases pending before the Education Appeal Board; to the Committee on Labor and Human Resources.

By Mr. RANDOLPH (for himself and Mr. ROBERT C. BYRD):

S. 632. A bill for the relief of Herbert J. Thomas Memorial Hospital; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 633. A bill for the relief of Estefania Tolentino; to the Committee on the Judiciary.

By Mr. McCLURE (for himself, Mr. SYMMS, Mr. WALLOP, and Mr. SIMPSON):

S. 634. A bill to authorize the exchange of certain lands in Idaho and Wyoming; to the Committee on Energy and Natural Resources.

By Mr. HEINZ:

S. 635. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism; to the Committee on Governmental Affairs.

By Mr. CRANSTON (for himself, Mr. RANDOLPH, and Mr. STAFFORD):

S. 636. A bill to clarify the Veterans' Administration's authority to recover certain health-care costs, to extend the period of availability of funds committed under the Veterans' Administration program of assistance to new State medical schools, to authorize expansion of the scope of and epidemiological study regarding veterans exposed to Agent Orange, and for other purposes; to the Committee on Veterans Affairs.

By Mr. JOHNSTON (for himself and Mr. JACKSON):

S. 637. A bill to establish a program for Federal storage of spent fuel from civilian nuclear powerplants, to set forth a Federal policy and initiate a program for the disposal of nuclear waste from civilian activities, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN:

S. 638. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Finance.

By Mr. PACKWOOD (for himself and Mr. BENTSEN):

S. 639. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of incentive stock options; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself and Mr. SCHMITT):

S. 620. A bill to authorize the construction of a project for flood control in the vicinity of Albuquerque, N. Mex., and for other purposes; to the Committee on Environment and Public Works.

(The remarks of Mr. DOMENICI on this legislation appear earlier in today's RECORD.)

By Mr. DOMENICI (for himself and Mr. MOYNIHAN):

S. 621. A bill to authorize the National Water Resources Policy and Development Act of 1981, to direct the Water Resources Council to act as the coordinating body for a program of water resources assistance to the States, and for other

purposes; to the Committee on Environment and Public Works.

(The remarks of Mr. DOMENICI and Mr. MOYNIHAN on this legislation appear earlier in today's RECORD.)

By Mr. INOUYE:

S. 622. A bill to control the export of hazardous wastes; to the Committee on Banking, Housing, and Urban Affairs.

EXPORT OF HAZARDOUS WASTES CONTROL ACT OF 1981

● Mr. INOUYE. Mr. President, today I am introducing a bill to amend the Export Administration Act of 1979 which will curb the unregulated export of hazardous wastes. Americans are all aware of the special dangers that toxic substances—especially wastes—pose to our health and environment. The Congress in particular has recognized the need to control the handling and disposal of hazardous substances in such legislation as the Toxic Substances Control Act (TOSCA) and the Resource Conservation and Recovery Act (RCRA). However, there is an important loophole in our efforts to control the disposal of hazardous wastes: they can be shipped abroad.

In some cases, this is not a problem since the wastes are destined for reprocessing in countries that are fully aware of the dangers involved. In other cases though, foreign governments have not been completely informed about the hazards nor can they guarantee that local comoanies are able to handle the wastes safely. Moreover, wastes are sometimes exported from the United States in order to avoid the strict guidelines that would have applied to their disposal here. Except for PCB's and dioxin, which are controlled under TOSCA, it is impossible for the U.S. Government to stop the export of hazardous wastes even if they pose a significant threat to the health and environment of the recipient country.

The United States should be setting an example in the area of hazardous waste management. Instead, we are leaving ourselves open to recreating a Minamata or a Love Canal in another country. The time has come to invoke our longstanding policy of enacting export controls in order to protect the foreign policy interests of the United States. Mr. President, I am sure that my distinguished colleagues will agree that curbing the export of hazardous wastes is in the best interests of both the United States and our friends abroad.

The bill I am introducing will expand the Commodity Control List established under section 4(b) of the Export Administration Act to include all of the hazardous wastes defined and listed under section 3001 of the Resource Conservation and Recovery Act. It will also include sewage sludge and other liquid wastes that do not fall under the Environmental Protection Agency's current definition of "hazardous waste."

In order to export a hazardous waste, a person or company in the United States must secure a validated license—section 4(a)(1) of the Export Administration Act—from the Secretary of Commerce, who will issue the license only after appropriate consultation with the Secretary of State and the Administrator of the Environmental Protection Agency. In granting a license, the Secretary of Commerce must be satisfied that the importing country is fully informed about the shipment and is willing to deal with the hazards involved. In so doing, we will also be able to keep accurate records of the nature, volume, and final disposition of wastes exported from the United States.

Mr. President, the mechanisms for controlling the export of hazardous waste are already in place: no further authorizations or appropriations are needed. The export of hazardous waste does not contribute to a favorable balance of trade, but it does entail enormous risks. I trust that my fellow Senators will join with me in stemming the export of hazardous wastes before it does real and lasting harm to either the United States or one of our trading partners abroad.

I ask unanimous consent that the full text of this measure be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Export of Hazardous Wastes Control Act of 1981".

FINDINGS AND POLICY

SEC. 2. (a) Section 2 of the Export Administration Act of 1979 is amended by adding at the end thereof the following:

"(10) There are currently no meaningful controls over the export of hazardous wastes. However, the United States recognizes that hazardous wastes present a special danger to the health and environment of people in all countries. It is therefore in the best foreign policy interests of the United States to control the export of hazardous wastes.".

(b) Section 3 of such Act is amended by adding at the end thereof the following:

"(12) It is the policy of the United States to permit the export of hazardous wastes only if the recipient country has been notified of the export and such country is capable of handling the wastes appropriately.".

PROHIBITION

SEC. 3. Section 7 of the Export Administration Act of 1979 is amended by adding at the end thereof the following:

"(k) HAZARDOUS WASTES.—(1) As used in this subsection, the term 'hazardous waste' means—

"(A) a solid or liquid waste, or combination of wastes, which because of its quantity, concentration, or physical, chemical, or infectious properties, which the Administrator of the Environmental Protection Agency determines may—

"(i) cause or significantly contribute to an increase in—

"(I) mortality;

"(II) serious irreversible illness; or

"(III) incapacitating, reversible illness; or

"(ii) pose a substantial present or potential hazard to human health or the environment when improperly treated, stored, transported, disposed of, or otherwise managed;

"(B) any hazardous waste identified and listed by the Administrator of the Environmental Protection Agency under section 3001 of the Resource Conservation and Recovery Act of 1976 (Public Law 94-580); and

"(C) any sewage sludge or residue, liquid or solid, from a waste treatment plant.

"(2) Hazardous waste may be exported from the United States only pursuant to a validated export license. The Secretary of Commerce may issue such a license—

"(A) only after consultation with the Secretary of State and the Administrator of the Environmental Protection Agency; and

"(B) only if he is satisfied that the government of the importing country (i) has been fully informed about the proposed shipment and the hazards involved; and (ii) agrees to the shipment.

"(3) The provisions of this subsection apply to all exports of hazardous wastes including—

"(A) those destined for recycling, reprocessing or treatment abroad;

"(B) those destined for disposal abroad;

"(C) those sold to governments or companies in other countries; and

"(D) those for which United States companies, persons, or governmental agencies paid another country or company to recycle or dispose of the wastes.".

REPORT

SEC. 4. Section 14 of the Export Administration Act of 1979 is amended by adding at the end thereof the following:

"(d) Report on Exports of Hazardous Wastes.—The Secretary of Commerce shall include in each annual report a list of—

"(1) all hazardous wastes for which validated export licenses are required;

"(2) the number and type of applications received by the Department of Commerce for the export of hazardous wastes; and

"(3) hazardous wastes for which export licenses, if any, were granted.".●

By Mr. LEVIN:

S. 623. A bill to amend chapter 7 of title 5, United States Code, relating to judicial review of agency action to allow appeals from interlocutory orders on the assignment or conduct of an administrative law judge, and for other purposes.

JUDICIAL REVIEW OF CERTAIN INTERLOCUTORY ORDERS

Mr. LEVIN. Mr. President, today I am reintroducing a bill to provide for judicial review of interlocutory orders concerning the assignment or the conduct of an administrative law judge, if the party adversely affected by the order files an application for appeal within 10 days after the entry of the interlocutory order.

Over 2 years ago, constituents of mine brought to my attention an incident which had occurred with regard to the Federal Trade Commission's case against the three ready-to-eat cereal companies. After having presided over the case for 6 years, Administrative Law Judge Harry R. Hinkes informed officials at the FTC that he intended to retire. Rather than face the possibility of a retrial, the Commission agreed to enter into a contractual arrangement with Administrative Law Judge Hinkes to continue hearing the case.

When serious questions were raised about the circumstances surrounding the contractural employment of Mr. Hinkes by parties to the case, the former administrative law judge became "unavailable" to hear the case and a new Administrative Law Judge was appointed. The newly appointed Administrative Law Judge Berman took up the case where

former Administrative Law Judge Hinkes had left off and the FTC avoided a retrial.

Because of my concern about the events surrounding the arrangement of Hinkes' contract and the possibility that the Administrative Procedures Act may have been violated, I sent a letter to the FTC requesting that an independent law judge be appointed to investigate the matter. Up until recently, the Commission failed to recognize the need to appoint someone outside of the agency to take a look at this problem. As a result, the case has progressed under a cloud of impropriety concerning the Hinkes matter for over 2 years. On February 13, 1981, the Commission ordered that an independent law judge be appointed to undertake additional factfinding about the contract which was arranged with former Administrative Law Judge Hinkes. The FTC has not yet defined the scope of that inquiry, so I must withhold my total support of it, but I do believe that it is a positive and long overdue step in the right direction.

Mr. President, just days after the FTC issued its order, District Court Judge Gash dismissed the Kellogg Co.'s challenge to the propriety of the FTC's action in replacing Judge Hinkes without ordering a rehearing and stated:

> Although plaintiff raises serious questions of statutory and constitutional violations, the Court concludes that it is without jurisdiction to hear plaintiff's complaint. Rather, such review is reserved for the Court of Appeals after the Commission has reached a final determination appealable under 15 U.S.C. 45(c).

Thus, while Judge Gash recognized that there were serious implications about the FTC's decision to appoint Administrative Law Judge Berman without ordering a rehearing, he was powerless to render a judgment because current case law—FTC against SOCAL—requires that there be a final agency action before the court can review the Hinkes matter.

The bill I am reintroducing today addresses this problem. Rather than allowing these cases to drag on for years when there are serious questions raised about the assignment or conduct of the administrative law judge presiding over the case, my bill would provide a mechanism for review. Before the taxpayers and the parties involved had spent millions of dollars which may be for naught because the administrative law judge's decision would not be upheld in appeals anyway, the court could review the interlocutory order.

Mr. President, we are in a situation with regard to the cereals case where there is extreme doubt in the minds of many people who have followed the case and are familiar with the so-called Hinkes affair as to whether or not the contractural employment of Hinkes and the FTC's subsequent decision not to order a retrial have so tainted the case against the cereal companies that any final decision must be called into question. My bill would prevent situations like this—which I do not believe will happen frequently—from reoccurring.

By Mr. LEVIN (for himself and Mr. COHEN):

S. 624. A bill to amend the Internal Revenue Code of 1954 to require the Secretary of the Treasury to issue a certificate of release of a lien in certain cases, and for other purposes; to the Committee on Finance.

LEGISLATION REGARDING INTERNAL REVENUE SERVICE PROCEDURES

Mr. LEVIN. Mr. President, on July 31, 1980, I chaired a hearing which the Governmental Affairs Subcommittee on Oversight of Government Management held on Internal Revenue Service collection practices and their impact on small business.

The investigation began as a result of reports from small businesses of what appeared to be arbitrary, unnecessary, and heavyhanded IRS use of its broad lien, levy, and seizure authority to collect delinquent taxes. Similarly, a number of IRS revenue officers had contacted the subcommittee with criticisms of internal managerial pressure mandating arbitrary liens, levies, and seizures even though inappropriate and where the tax delinquency could have been better recovered for the Treasury with less arbitrary and less harsh methods.

One of the major subcommittee concerns was IRS' use of its lien and levy authority. The subcommitte found that liens imposed against taxpayer's property frequently remained on that property well after the delinquency was satisfied and well after the need for the lien expired. Additionally, we found that sometimes levies were issued against taxpayer bank accounts and receivables even where revenue officers had agreed to an installment pay plan, and the taxpayer was abiding by it.

In fiscal year 1979, the IRS issued 465,029 levies, and 371,337 liens. More recently, in fiscal year 1980, levies had risen to 610,942, a 31-percent increase, and liens had climbed to 445,285, up 20 percent over 1979. With the increased use of liens and levies, the concern for fairness in their application is even more pressing.

As a result of the subcommittee's findings and the concerns raised, I am introducing this bill, along with Senator COHEN, who now chairs the subcommittee, which is designed to address two very specific problems which were brought to our attention during that hearing.

One of these problems, as noted earlier, is that the IRS fails to promotly release liens on taxpayer's property once the tax delinquency has been fully paid. A lien on a taxpayer's assets ties up the property and destroys its usefulness as collateral for the individual or business to borrow against—even to pay the IRS. Currently, section 6325(a) of the Internal Revenue Code authorizes the IRS to release liens when the liability has been satisfied; however, that authority is entirely discretionary, and lacks any reference to how soon the lien should be released. Our bill would amend that section by requiring the promot release of liens where the liability has been paid.

The second problem is that taxpayers who had their bank accounts or accounts receivable levied by the IRS received no notice of that levy from the IRS following the levy. A levy against a taxpayer can quickly strip a taxpayer of all cash flow reserve, and irrevocably damage his or her credit worthiness, particularly when the taxpayer is a small business. We propose to amend the code to require notice to the taxpayer promptly after the levy is made.

The need for the proposed changes was well documented in the testimony and evidence heard and received at the hearing. Senator COHEN's statement, which follows, aptly details the plight of two small businessmen who testified before us, and who had liens and levies placed against them. The significant financial consequences of a failure to release a lien or to notify a taxpayer of a levy are well illustrated in those two examples.

The Congress has conferred powerful forcible collection powers on the IRS, including its authority to summarily lien, levy, or seize and sell taxpayer's property and rights to property. These powers play an important role in the IRS collection effort and are necessary to insure that taxpayers will not play fast and loose with the Federal tax system. However, when the use of these powers is abused or arbitrarily applied, then what was created as a necessary tool turns into a deadly weapon.

The bill we are introducing today is not intended to compromise or diminish the needed authority we have vested in the IRS. Rather, it simply attempts to shield taxpayers from the unnecessary drastic financial consequences of a levy without subsequent notice, or a lien which the IRS fails to release when taxes are fully paid.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RELEASE OF CERTAIN TAX LIENS REQUIRED.

(a) IN GENERAL.—Subsection (a) of section 6325 of the Internal Revenue Code of 1954 (relating to release of lien or discharge of property) is amended by striking out "may issue" and inserting in lieu thereof "shall promptly issue".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to any lien in effect on or after the date of the enactment of this Act.

SEC. 2. NOTICE OF LEVY TO TAXPAYER IN THIRD PARTY CASES.

(a) IN GENERAL.—Section 6331 of the Internal Revenue Code of 1954 (relating to levy and distraint) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) NOTICE OF LEVY TO TAXPAYER.—In the case of property held by a person other than the taxpayer (other than salary or wages described in subsection (d)), levy may be made under subsection (a) only if, at the same time notice of levy is sent to such person, notice of levy is also sent to the taxpayer at the taxpayer's last known address.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to any levy made on or after the date of the enactment of this Act.

● Mr. COHEN. Mr. President, I am pleased to be a cosponsor of Senator LEVIN's legislation to provide needed safeguards for taxpayers affected by the Internal Revenue Service's debt collection practices.

This bill would insure that the IRS notifies the delinquent taxpayer when a lien or a levy is imposed on his property or a seizure has been made. It would also require the IRS to release promptly any liens as soon as the tax liability, interest, and penalties have been paid in full. Both of these requirements are reasonable safeguards and would not impose any onerous burden on the agency.

In fact, I believe that most taxpayers would assume that, under its current procedures, the IRS already would be required to notify a taxpayer when seizing his assets. Similarly, most taxpayers would expect that, once the delinquency and penalties had been repaid, the IRS would quickly release its claims on the taxpayer's property. However, hearings before the Senate Governmental Affairs Oversight Subcommittee demonstrated that neither procedure is consistently followed.

Last year, the Oversight Subcommittee examined the IRS' debt collection practices. The subcommittee heard from small businessmen and IRS revenue officers who indicated that the agency at times has abused its debt collection powers. Testimony and documents obtained by the subcommittee showed that several field offices placed undue emphasis on seizing assets, in direct contradiction of stated IRS national policies. The consequences of these abuses fall particularly heavily on small businesses, which may be forced into bankruptcy because of hasty and unnecessary IRS seizures of assets.

The subcommittee heard from small businessmen from Maine and Michigan who detailed their problems with the IRS. In the case of the Maine businessman, the IRS seized thousands of dollars from his business checking account without notifying either the owner or manager that it had done so. The businessman discovered the seizure only after he received a notice in the mail from his bank. And this seizure occurred despite the fact that the IRS had previously agreed to a gradual repayment plan which the businessman was meeting.

The Michigan businessman told the subcommittee of his difficulty in getting IRS to release its lien even after he had fully repaid the tax liability and resulting penalties.

Let me also emphasize that in both of these cases, the tax delinquency resulted from an embezzlement; neither businessman was at fault. But the IRS insensitively ignored the mitigating circumstances, disregarded it own verbal agreements with the taxpayers, and treated both businessmen harshly and unfairly.

Senator LEVIN's legislation seeks to prevent these abuses from continuing by providing added protections for delinquent taxpayers.

The IRS has a clear obligation to pursue vigorously the collection of taxes owed the Federal Government. No one disputes that the agency should use the forceful powers it has been delegated to recover taxes in cases in which the delinquency either was deliberate or the business has not made a good faith effort to repay the outstanding debt. Nevertheless, the powerful procedures available to the IRS, including the seizure of a business' assets, should be resorted to only after cooperative methods have failed and mitigating circumstances have been fully considered.

The United States is considered to have the most effective tax system in the world because of its high degree of voluntary compliance. Nearly all American businesses and individuals report their incomes honestly and pay their taxes promptly. But perhaps the true measure of a tax system is how it treats those who appear to violate its precepts. We will surely jeopardize the success of our system if we do not insure that the agency charged with administering it operates equitably and efficiently.

In my judgment, this legislation will help insure fairer treatment of taxpayers who appear to be or are delinquent in their payments to the Federal Government. The Government not only has an obligation to collect its debts, but also to treat its debtors fairly.●

By Mr. DURENBERGER:

S. 625. A bill to revise the boundary of Voyageurs National Park in the State of Minnesota, and for other purposes; to the Committee on Energy and Natural Resources.

VOYAGEURS NATIONAL PARK

● Mr. DURENBERGER. Mr. President, I am introducing a bill to amend the act of January 8, 1971, authorizing the establishment of the Voyageurs National Park and for other purposes.

Legislation authorizing the establishment of Voyageurs National Park was passed in January 1972. It was not until April 1975 that the park was officially established by the Secretary of the Interior. Since that time, much has been accomplished. The Voyaguers Park master plan has been adopted, all but 7,065 acres of the 133,622 land acres in the park have been acquired and alternatives for wilderness designation in the park have been developed and are in the public hearing phase.

Throughout this planning phase there has been extensive public involvement. The Voyageurs National Park Association, established in 1963, provided leadership in the park's formation and has served as a broad-based membership citizens' organization which has been actively and effectively involved in Voyageurs Park issues to the present time. The State of Minnesota officially created the Citizens Committee on Voyageurs National Park in 1975. This group has provided a forum for northern local involvement as well as reflecting State concerns.

In addition, extensive public meetings have been conducted throughout the State on park management issues.

The future development of Voyageurs National Park looks bright and is insured if the public and the established groups with an interest in the park continue to be effectively involved.

The bill I introduce today will carry out the recommendations arrived at in the master plan for the park. But more significantly, it will also resolve the points of controversy between northern Minnesota residents, the State of Minnesota and the Department of the Interior which have arisen during the planning process.

Since the establishment of Voyageurs Park in 1975, the National Park Service has banned hunting in the Black Bay area on the western border of the park in accordance with the Service's standard prohibition on hunting in national parks. This has been the most serious controversy with area residents who have maintained that waterfowl hunting should not have been prohibited in Black Bay.

This bill will provide for the transfer of 1,000 acres, primarily water of Black Bay, to the State of Minnesota and will establish this section as a State wildlife management area which will permit waterfowl hunting under State regulations.

A second major problem has been in private land acquisition with a 1971 authorization too low for 1977–80 market values. This legislation would increase authorization from $26 million to $36.9 million which reflects the current best estimate of the required amount for the 6,572 acres which purchase will be from willing sellers except for selected parcels designated for development of the park in the Voyageurs land acquisition plan which is expected to be released shortly. Of land acquired since 1975 at Voyageurs, 66,442 acres have been purchased at a cost of $30 million, and 60,095 acres have been donated by the State of Minnesota or Federal agencies. Condemnation has been used in only 34 cases.

The bill to revise the boundary of Voyageurs National Park and increase the authorizations for land acquisition culminates over a year of negotiations which began when the National Park Service announced its desire to negotiate with the State of Minnesota regarding Black Bay and State lands outside the park needed for park access and development.

The bill represents the agreement reached by the Department of the Interior and the State of Minnesota and is supported by the Governor of Minnesota, Al Quie, as well as the Department of the Interior. The overwhelming majority of the official State of Minnesota Citizens Advisory Committee of Voyageurs also approved the bill.

The companion bill is being introduced in the House by Congressman OBERSTAR and has the support of Congressman VENTO and others in the Minnesota delegation.

A magnificent national park, the establishment of Voyageurs is to the great credit of the Nation, my State of

Minnesota, and the people whose vision helped create the park.

I am pleased to introduce a bill which I believe will help measurably to facilitate the management and development of the park in the best interests of the public it serves.

The proposed legislation also includes the following provisions:

First. The deletion from Voyageurs of 782 acres in the Neil Point, or Gold Shores, area on Rainy Lake. This area is no longer necessary for a park administration building. The use of it would require substantial dredging of Rainy Lake, which the Park Service has determined would be environmentally unacceptable, and considerable residential development in the area makes it incompatible with the purposes of the park.

The Park Service master plan for Voyageurs supports deletion of the Neil Point area and as an alternative thereto, recommends.

Second. The addition to Voyageurs of 180 acres of land and water at Black Bay Narrows for park development needs. The narrows site has been selected by the Park Service to provide the primary access site to the park, boat launching facilities, a ranger station, a visitor center, and a central maintenance facility, all of which could and should be constructed as early as fiscal year 1982.

Third. The deletion of Black Bay from the park by the Secretary of the Interior, subsequent to the following actions by the State of Minnesota.

DNR designation of the portion of Black Bay now in the park (1,000 acres) as a wildlife management area, permitting the hunting of ducks, and the development of a wildlife management plan for the entire Black Bay area. The State has agreed to develop a management plan for the entire 5,500-acre area of Black Bay, to insure optimum management of it on a consistent basis. The agreement on Black Bay is with the understanding that the State of Minnesota will maintain the wildlife management area in perpetuity.

The State of Minnesota will grant and the National Park Service will acquire a perpetual easement on approximately 120 acres of State land on the Sullivan Bay access road between the present park boundary and the Ash River Trail (county 765). The easement would include the present dirt road and a corridor of 400 feet wide along the road. Easement would permit the National Park Service to realine and improve the road, which is seen as an access point to Voyageurs. National Park Service financial assistance in upgrading this road has long been sought by local officials. The 400-foot strip will insure the park visitors a scenic view, shielded from potential logging sites in that area.

The State of Minnesota will grant and the National Park Service will acquire a lease of 18.45 acres of land at the Kabetogama forestry station on the western boundary of the park. This will permit the National Park Service to develop parking facilities and other services for park visitors. Like the Ash River and Sullivan Bay areas, Kabetogama is seen as an access point for visitors to the park, and a desirable area for National Park Service facilities.

One final major management decision is not covered in this bill—possible wilderness designation in the park. That decision is in the public review process.

However, with exception of possible wilderness designation, I see this bill as the end, not the beginning, of legislative solutions to controversies in Voyageurs National Park.

In the ongoing management of Voyageurs, I strongly urge the National Park Service to closely consult and seek advice from the Voyageurs National Park Association, the Citizens Committee on Voyageurs National Park, and the more recently formed Voyageurs National Park Coalition.

I strongly recommend the passage of this bill to the Senate as a major step toward the development of what we in Minnesota consider the finest national park in the country.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled, "An Act to authorize the establishment of the Voyageurs National Park in the State of Minnesota, and for other purposes", approved January 8, 1971 (84 Stat. 1971), is amended as follows:

(1) By redesignating "SEC. 102." as "SEC. 102 (a)", and inserting the following new subsection after subsection (a) of section 102:

"(b)(1) In addition to such revisions as the Secretary may make in the boundaries of the park from time to time pursuant to other provisions of law, the Secretary is specifically authorized in the manner provided in subsection (a)—

"(A) to delete approximately 782 acres in the Neil Point area of the park;

"(B) to add approximately 180 acres in the Black Bay Narrows area of the park;

"(C) to add approximately 18.45 acres owned by the State of Minnesota at the Kabetogama Forestry Station;

"(D) to add approximately 120 acres owned by the State of Minnesota, being a strip of land through that portion of section 1, township 68 north, range 20 west, fourth principal meridian, which is parallel to and 400 feet on both sides of the unimproved road extending northward from the Ash River Trail as such road crosses said section; and

"(E) to delete approximately 1,000 acres at Black Bay.

"(2) The boundary revisions specified in subparagraphs (C), (D), and (E) of paragraph (1) shall, notwithstanding anything to the contrary contained in this Act or any other law, become effective only upon (i) the tender of a conveyance to the United States, by such instrument and in such manner as are satisfactory to the Secretary, including but not limited to lease or easement, by the State of Minnesota of the lands or interests therein described in subparagraphs (C) and (D) for purposes of the park; (ii) the establishment by the State of Minnesota of a wildlife management area in the area authorized to be deleted from the park by subparagraph (E), and (iii) agreement of the State of Minnesota, incorporated in a plan, to manage State lands riparian to Black Bay to preserve the natural character of the area so as to complement to the fullest extent possible the management of the park.

"(3) At such time as the deletion referred to in subparagraph (E) of paragraph (1) becomes effective, the Secretary is further authorized to convey to the State of Minnesota all right, title, and interest of the United States in and to property acquired for the park from the State within the area deleted pursuant to subparagraph (E).".

(2) By redesignating "SEC. 401." as "SEC. 401. (a)" and inserting the following new subsection after subsection (a) of section 401.

"(b) In addition to such sums as may have been appropriated for the acquisition of property prior to the effective date of this subsection, there is authorized to be appropriated for that purpose not to exceed $10,995,000.".

(3) The Secretary is directed to study existing road access to the park and to report to Congress on the impact of park-related use of those roads and to report specific recommendations on improvements necessary to insure adequate road access to the park. The Secretary is directed to report within one year of the date of enactment of this section to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate.●

By Mr. MOYNIHAN:

S. 626. A bill to the Internal Revenue Code with respect to offsetting positions in personal property, and for other purposes; to the Committee on Finance.

COMMODITY STRADDLES TAX ACT OF 1981

Mr. MOYNIHAN. Mr. President, the legislation I am introducing today would crack down on a popular tax-shelter device known as the commodity straddle.

The bill has two parts.

Part one suggests general rules that, if enacted, would insure that straddles are not used in future to avoid taxes.

Part two contains specific rules; these are aimed at the more imaginative straddles that the Internal Revenue Service has discovered in recent years. One needs specific rules for these straddles because the general rules would be inadequate.

The bill has a May 5, 1981, effective date. I have chosen that date because I still regard the measure as a discussion draft; I invite anyone who wishes to comment on it. I suspect it will be late April or early May before I have a bill that I can say with confidence is the best that can be written.

Straddles pose a difficult challenge. They are a tax shelter that works almost too well. It is almost too easy to defer paying taxes by using straddles. It is almost too easy to convert income that would be taxed at 70 percent into long-term capital gain, taxed at 28 percent.

Consequently, straddles represent a serious tax equity problem. They are a threat to the integrity of the Federal tax system.

Straddles are also an economic efficiency problem. They cause capital to be diverted to the commodities markets from other sectors. This capital is invested unproductively. Straddles cause a tremendous waste of human capital: Hundreds of lawyers and brokers are needed to package and market them.

I do not know what the cost to the economy is. I know it is large. I know

that the Government will lose $1.3 billion from straddles in fiscal year 1982, and that without action by Congress, the losses in 1983 and in later years will be greater.

Any legislation must take account of these problems.

At the same time, the legislation must acknowledge that straddles are sometimes used by investors who merely want to make a profit. And when used in this fashion, they are perfectly legitimate. Indeed, they serve a valuable economic purpose by promoting liquidity in the commodities markets.

The difficult question is, How does one devise rules that prevent straddles from being used as tax shelters, but that permit their use in other circumstances?

The bill I propose would set out the following principles. In general, an individual would be unable to deduct his loss from a straddle until he has been out of the straddle for 30 days. The bill calls this period covering the straddle plus 30 days the balanced period.

To illustrate, suppose an investor has two futures contracts, one to buy and one to sell a commodity. He disposes of one of the contracts at a loss, but keeps the other; 30 days later, the investor may deduct the loss.

However, if he enters into a new futures contract that tends to offset the remaining contract—and he does so during the 30 days—then the loss may not be deducted. The investor is still in a straddle. The balanced period has not ended.

The bill would also suspend the holding period for capital gains during the balanced period. This is to prevent conversion of short-term gain into long-term gain.

Ordinarily, a futures contract to sell a commodity will produce a long-term gain if it is held for more than 6 months. But under the bill, the 6 months would not run from the time the investor enters into a straddle until he has been out of the straddle for 30 days.

The new rules would apply to straddles in commodities, debt instruments, and personal property, but not in corporate stock.

Only straddles involving what the bill calls offsetting positions would be affected. An offsetting position is a straddle in which the contracts tend substantially to diminish the taxpayer's risk of loss. There is a conclusive presumption that certain types of straddles meet this test—like straddles in silver, gold, and Treasury-bill futures.

Those are the general principles.

The bill also proposes a set of specific rules. I won't go into them at the moment, except to say that they deal with such matters as cash-and-carry transactions, the 30-day rule for securities dealers, and the sale-or-exchange requirement for capital assets.

Each of these rules is discussed in detail in a paper entitled "Treasury Proposal for Tax Treatment of Commodities Straddles and Related Transactions."

Finally, let me read briefly from a letter I received last month from my friend Clayton Yeutter. Dr. Yeutter is now president of the Chicago Mercantile Exchange:

> We share Treasury's desires to eliminate indefensible tax avoidance schemes, whether the vehicle be straddles or any other device.

The letter says:

> But we ought not to do so by destroying liquidity in futures markets. . . . I believe we can reach a mutually accommodative legislative conclusion on this issue in 1981 if we all diligently work at it. It is important that we get it done this year because of the litigation that is developing. There is no point in either the IRS or taxpayers spending a lot of money on tax lawyers, and no point in adding this additional load to an overburdened court system, when the solution is clearly a legislative one.

I agree with these sentiments entirely. The point is to get the discussions underway. No one is helped by delay and procrastination.

Mr. President, I ask unanimous consent that the text of the bill and a copy of the "Treasury Proposal for the Tax Treatment of Commodities Straddles and Related Transactions" be printed in the RECORD.

There being no objection, the bill and proposal were ordered to be printed in the RECORD, as follows:

S. 626

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Commodity Straddles Tax Act of 1981".

(b) AMENDMENTS TO 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section of other provision of the Internal Revenue Code of 1954.

SEC. 2. NONDEDUCTIBILITY OF CERTAIN LOSSES IN CONNECTION WITH OFFSETTING POSITIONS IN PERSONAL PROPERTY.

(a) IN GENERAL.—Part VII of subchapter O of chapter 1 (relating to wash sales of stock or securities) is amended by adding at the end thereof the following new section:

"SEC. 1092. OFFSETTING POSITIONS IN PERSONAL PROPERTY.

"(a) IN GENERAL.—In the case of any offsetting position in personal property—

"(1) that portion of any loss—

"(A) which is incurred in connection with the sale or exchange of any position held as part of such offsetting position, and

"(B) which exceeds any gain recognized in connection with the sale or exchange of any other position held as part of such offsetting position,

shall be treated as incurred as of the close of the balanced period; and

"(2) the holding period (as determined under section 1223) of any position held as part of any offsetting position shall not include any portion of the balanced period with respect to the position.

"(b) OFFSETTING POSITIONS.—For purposes of this section—

"(1) IN GENERAL.—A taxpayer holds an offsetting position in personal property if the taxpayer holds 1 or more positions with respect to personal property which substantially diminishes the taxpayer's risk of loss with respect to 1 or more other positions held with respect to personal property (whether or not of the same kind).

"(2) CERTAIN POSITIONS TREATED AS OFFSETTING.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), 2 or more positions shall, for purposes of paragraph (1), be treated as offsetting if such positions include substantially equivalent long and short positions and—

"(i) such positions are in the same commodity (whether or not in the same physical form),

"(ii) the aggregate margin requirement for such positions (determined on the exchange where traded or otherwise) is less than that of the sum of the margin requirements for each such position held separately,

"(iii) such positions are in debt instruments, or

"(iv) such positions are determined, under regulations prescribed by the Secretary, to be offsetting.

"(B) STANDARD DEVIATION.—No position shall be treated as offsetting under subparagraph (A)(iv) unless the standard deviation of the change in price of 1 or more positions held as part of the offsetting position has been at least 5 times the standard deviation of the change in price of the offsetting position taken as a whole during any 2-year period occurring during the immediately preceding 5-year period.

"(C) SATISFACTION OF SECRETARY.—No position shall be treated as offsetting under subparagraph (A) (iii) or (iv) if the taxpayer establishes to the satisfaction of the Secretary that such position is not offsetting.

"(c) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes this section—

"(1) BALANCED PERIOD.—The term 'balanced period' includes, with respect to any position—

"(A) any period during which such position is part of any offsetting position, and

"(B) the 30-day period after the day on which such position (or any successor position) ceases to be offsetting.

"(2) PERSONAL PROPERTY.—The term 'personal property' means—

"(A) commodities,

"(B) evidences of indebtedness, and

"(C) any other type of personal property (other than stock in a corporation).

"(3) POSITION.—The term 'position' means an interest (including a futures contact or option) in personal property. Any personal property acquired by the taxpayer pursuant to a futures contract, option, or other interest shall be treated in the same manner as a position in such personal property.

"(4) LONG POSITION.—The term 'long position' means a position which increases in value when the personal property to which it relates increases in value. Such term includes the holding of personal property, or of a futures contract or option to buy personal property at a fixed price, which so increases in value.

"(5) SHORT POSITION.—The term 'short position' means a position that decreases in value when the personal property to which it relates increases in value. Such term includes the selling of personal property short, or the holding of a futures contract or option to sell personal property at a fixed price which so decreases in value.

"(6) DEBT INSTRUMENT.—The term 'debt instrument' means any interest bearing obligation.

"(7) ATTRIBUTION.—In determining whether any positions are offsetting, the principles of section 318 shall apply, except that—

"(A) in determining constructive ownership in the case of the members of an individual's family, only such individual, such individual's spouse, and a child of such individual who has not attained the age of 18 shall be taken into account.

"(B) constructive ownership from a corporation to a person, or from a person to

a corporation, partnership, trust, or estate, shall be determined only if—

"(i) there is at least an 80-percent interest (determined after the application of the family attribution rules) held by, or in, such person, or

"(ii) in the case of a trust, the trust is a trust to which subpart E of part I of subchapter J applies; and

"(C) in the case of a passthrough entity, constructive ownership shall be determined under paragraph (8).

"(B) TREATMENT OF PASSTHROUGH ENTITIES.—

"(A) IN GENERAL.—In determining whether any positions are offsetting, a person having an ownership interest in any passthrough entity shall be treated as owning a pro rata share of the personal property, or of any position in personal property of such entity equal to the person's pro rata share of the ownership interest.

"(B) PASSTHROUGH ENTITY DEFINED.—For purposes of subparagraph (A), the term 'passthrough entity' means—

"(i) a regulated investment company,

"(ii) a real estate investment trust,

"(iii) an electing small business corporation,

"(iv) a partnership,

"(v) an estate or trust, or

"(vi) a common trust fund.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such part VII is amended by adding at the end thereof the following new item:

"Sec. 1092. Offsetting positions in personal property.".

(2)(A) The heading for such part VII is amended to read as follows:

"PART VII—WASH SALES; OFFSETTING POSITIONS"

(B) The table of parts for subchapter O of chapter 1 is amended by striking out the item relating to part VII and inserting in lieu thereof the following:

"PART VII. WASH SALES; OFFSETTING POSITIONS."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offsetting positions established after May 5, 1981, in taxable years ending after that date.

SEC. 3. CAPITALIZATION OF CERTAIN CARRYING CHARGES

(a) IN GENERAL.—Part IX of subchapter B of chapter 1 (relating to items not deductible) is amended by adding at the end thereof the following new section:

"SEC. 280E. CERTAIN EXPENDITURES RELATING TO PROPERTY IN AN OFFSETTING POSITION.

"(a) IN GENERAL.—Any amount—

"(1) which would be allowable as a deduction but for the provisions of this section,

"(2) which is allocable to personal property (other than an option or a futures contract) which is part of an offsetting position within the meaning of section (1092 (b)), and

"(3) which is allocable to the balanced period (within the meaning of section 1092 (c)(1)) with respect to such personal property,

shall be charged to capital account.

"(b) CERTAIN AMOUNTS INCLUDED.—For purposes of subsection (a)—

"(1) interest on indebtedness incurred or continued to purchase or carry personal property, and

"(2) any storage or insurance costs with respect to personal property,

shall be treated as allocable to such personal property.".

(b) CONFORMING AMENDMENT.—The table of section for such part IX is amended by adding at the end thereof the following new item:

"SEC. 280E. Certain expenditures relating to property in an offsetting position.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures made after May 5, 1981, in taxable years ending after that date.

SEC. 4. CERTAIN GOVERNMENT OBLIGATIONS TREATED AS CAPITAL ASSETS

(a) IN GENERAL.—Section 1221 (defining capital asset) is amended—

(1) by inserting "or" at the end of paragraph (4),

(2) by striking out paragraph (5); and

(3) by redesignating paragraph (6) as paragraph (5).

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 341(c)(2) (relating to determining total assets of a collapsible corporation) is amended by striking out "(and governmental obligations described in section 1221(5))".

(2) Subparagraph (D) of section 1231(b)(1) (defining property used in trade or business) is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (5)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after May 5, 1981.

SEC. 5. DEALERS IN SECURITIES.

(a) 30-DAY REQUIREMENT.—Subsection (a) of section 1236 (relating to dealers in securities is amended by striking out "30th" each place it appears.

(b) CLEAR IDENTIFICATION REQUIREMENT.—Section 1236 is amended by adding at the end thereof the following new subsection:

"(d) CLEAR IDENTIFICATION IN CASE OF OFFSETTING POSITIONS.—For purposes of subsection (a), no security which is part of an offsetting position (as defined in section 1092 (b)) shall be treated as clearly identified in the dealer's records as a security held for investment unless all securities which are part of the offsetting position have been identified in accordance with such subsection.".

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to securities acquired after May 5, 1981, in taxable years ending after that date.

SECTION 6. SALE OR EXCHANGE.

(a) IN GENERAL.—Section 7701(a) (relating to definitions) is amended by adding at the end thereof the following new paragraph:

(38) SALE OR EXCHANGE.—The term 'sale or exchange' when used with reference to any capital asset means any disposition of such asset.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to any disposition after May 5, 1981.

TREASURY PROPOSAL FOR TAX TREATMENT OF COMMODITIES STRADDLES AND RELATED TRANSACTIONS

PART A: COMMODITIES STRADDLES

I. Present Law:

Taxpayers are now engaged in a variety of transactions involving commodities in the expectation that they will defer reporting income until some future years and that they will convert short term capital gain (taxable at a maximum 70 percent rate) to long term capital gain (taxable at a maximum 28 percent rate).*

These transactions typically involve a balanced position in commodities: a contract to purchase a given quantity of a commodity in some future month (a "long") and a contract to sell the same quantity of the identical commodity in some other future month (a "short"). The offsetting contracts generally cover the identical commodity (e.g., March silver (silver to be delivered in March) and September silver) but often can involve the same commodity in a physically altered form (e.g., soybeans and soybean meal) or two or more commodities whose price movements are highly correlated (e.g., gold and silver).

The balanced position described above is known as a "straddle." In a straddle, the taxpayer's risk is not measured by a price change in the underlying commodity, but rather is a function of a change in the price relationship between different delivery months. Where the relationship between delivery months is strictly a function of carrying costs, the taxpayer's risk in such a position is minimal.

The ideal commodity in which to place a straddle shows significant price volatility, but produces very little variation in the price spread between delivery months. The taxpayer who enters a straddle in such a commodity waits for the expected price movement in the underlying commodity (either up or down), sells, (or "lifts") the loss leg, and claims the full amount of the loss on that leg for tax purposes. In order to maintain the same minimal risk position, the taxpayer will immediately purchase a position identical to the one just sold (long or short, as the case may be) in the same commodity but in a different delivery month.

For example, a taxpayer, in 1980, could be long July 1981 and short September 1981 silver. If the taxpayer experiences a loss in his July 1981 position which meets his requirements for a 1980 tax loss, he can sell that position and buy January 1982 silver. He is still in a straddle (long January, short September) and can dispose of both legs in the next tax year, yet he will claim a loss in 1980, for tax purposes, attributable to the sale of the July 1981 leg.

The Internal Revenue Service has ruled that a loss in a silver straddle, analogous to the loss attributable to the July 1981 leg in the above example, is not a deductible loss for income tax purposes. The purpose of this transaction was to claim losses, for federal income tax purposes, which far exceeded the expected magnitude of any real economic losses. Moreover, the taxpayer in that ruling had no reasonable expectation of deriving an economic profit from the transaction. The Service has applied a similar analysis in the case of losses claimed with respect to straddles placed in other commodities. See e.g., Rev. Rul. 78-414, 1978-2 C.B. 213 (the conclusion in Rev. Rul. 77-185 is equally applicable to a "spread," or straddle, in futures contracts covering Treasury bills).

II. Reasons for Change:

In these transactions, the taxpayer recognizes approximately equal amounts of gain and loss. The object of the transaction, however, is to recognize the loss currently, in order to offset it against other income, and to postpone the recognition of the related gain until a later year. There is no impediment to achieving an indefinite deferral of a gain through the use of a series of transactions each year. Such a result is unconscionable. The magnitude of the tax loss claimed in the first year substantially exceeds the economic risk inherent to the straddle position.

*For purposes of illustrating the transactions which may be undertaken by taxpayers (in Part A and the other Parts), it is assumed that these taxpayers will successfully maintain that they are entitled to the benefits claimed. The Internal Revenue Service has begun to litigate these issues in the courts. This litigation is proceeding on the basis of several theories any one of which, if successful, would deny the taxpayers the favorable tax consequences they claim. Because of the length of time that it will take to achieve a judicial resolution of these issues to a degree which will prevent taxpayers from claiming the benefits on their returns, this legislative solution is being pursued.

Assume, for example, the taxpayer A had a $500,000 short term capital gain from real estate in 1978 and that A is subject to tax at a 70 percent rate. A's tax on this amount would have been $350,000 (70 percent of $500,000). A, however, entered into the following transaction to defer the payment of the tax.

Date, and transaction:

October 31, 1978, buy: 200 contracts (5,000 ounces per contract) for Mar. 80 silver at $6.9020 per ounce. Sell: 200 contracts (5,000 ounces per contract) for Jan. 80 silver at $6.8060 per ounce.

The above transaction will be executed as a "straddle," that is, the taxpayer will purchase a Mar. 80—Jan. 80 straddle at $.0960 per ounce ($6.9020–6.8060). The stated price for the straddle represents the spread between contract months. Because the taxpayer's risk in a straddle is a function of a narrowing (or widening) of this spread, rather than a move in the underlying silver price, the margin required for this position is minimal. (In fact, at times in the past certain exchanges did not require that any margin be posted for a silver straddle.) By November 9, the price of the March 80 silver contract is $6.3870 per ounce. At that time, the taxpayer will enter into the following transaction:

Date, and transaction:

November 9, 1978, buy: 200 contracts for May 80 silver at $6.4850 per ounce. Sell: 200 contracts for Mar. 80 silver at $6.3870 per ounce (closing A's position in Mar. 80 silver).

January 2, 1979, buy: 200 contracts for Jan. 80 silver at $6.4950 per ounce (closing A's position in January 1980 silver acquired on October 31, 1978). Sell: 200 contracts for May 80 silver at $6.4850 per ounce (closing A's position in May 1980 silver acquired on October 9, 1978).

The taxpayer in the above transaction will report a loss of $.5150 per ounce upon closing the long position in the Mar. 80 silver contract. Because A sold 200 contracts, at 5,000 ounces each, A will claim an aggregate short-term capital loss of $515,000 upon liquidating the loss leg and use it to offset the real estate gain in 1978. At the same time, however, A has an unrealized gain of $.5180 per ounce on the other half of the straddle, the Jan. 80 position, amounting to $518,000 in total.

Thus, at the time that A claims a short term capital loss of $515,000 in 1978, A's aggregate economic gain from the transaction is $3,000, before commissions (loss of $515,000, unrealized gain of $518,000).

Shortly after the beginning of the next taxable year, A closed out his balance position in silver. A will realize a short term capital gain upon lifting the Jan. 80 position equal to $311,000 and another short term capital gain on the opposite side (May 80 silver) of the balanced position, established on November 9, 1978, of $201,000. A's total gain in 1979 is $512,000. As the example illustrates, A has protected the unrealized gain on November 7 by entering into a new balanced position.

Although a price movement after November 9 eroded some part of the unrealized gain in the Jan. 80 leg, it produced a corresponding unrealized gain in the May 80 leg.

Taxpayer A used the straddle transaction simply to defer, or "roll over" a $500,000 gain from 1978 to 1979. The benefit to A from the deferral can be viewed as a tax free loan from the government in an amount equal to the tax that would otherwise be due.

If A were to invest the amount of the deferred taxes (approximately $350,000) in tax exempt bonds yielding 7 percent, the benefit of the one year deferral to A would be approximately $25,000. A's real economic loss from this transaction was only $3,000 (loss in 1978, $515,000; aggregate gain in 1979, $512,000 ($201,000+$311,000)) plus commissions.

In addition to deferring taxes, the straddle can be used to convert short term capital gain into long term capital gain. In order to accomplish this, the leg of the straddle containing the unrealized gain must be the long leg. A short position (i.e., a contract requiring the holder to make delivery) will always produce short term capital gain or loss. If an appreciated long position is held for six months and thereafter sold at a gain, however, the resulting gain will be long term.

Having a net short term capital gain of $500,000 from a securities transaction in 1978, B enters into the following transactions in 1978 and 1979:

Date and transaction:

October 20, 1978, buy: 200 contracts for Mar. 80 silver at $6.5430 per ounce. Sell: 200 contracts for Jan. 80 silver at $6.4490 per ounce.

October 30, 1978, buy: 200 contracts for Jan. 80 silver at $6.9620 per ounce (closing out B's Jan. 80 position). Sell: 200 contracts for May 80 silver at $7.1570 per ounce.

April 23, 1979, sell: 200 contracts for Mar. 80 silver at $7.9690 per ounce (closing out B's position in March 1980 silver acquired October 20, 1978). Buy: 200 contracts for May 80 silver at $8.0670 (closing out B's position in May 80 silver acquired October 30, 1979).

As a consequence of the above transactions, B will report a $513,000 short term capital loss for 1978, attributable to closing his position in Jan. 80 silver at a loss of $.5130 per ounce on October 30, 1978.

B, of course, has a corresponding gain ($516,000) of approximately the same amount in the Mar. 80 position.

B protected this gain by replacing the Jan. 80 short with a May 80 short on October 30, 1978. B will report a long term gain in the following taxable year on closing the Mar. 80 contracts held from October 20, 1978 to April 23, 1979, in the amount of $1,426,000.

B will also report a short term capital loss from closing the May 80 position of $.9100 per ounce, or $910,000. B's net gain from the April 23rd closing transactions is $516,000, which is almost the same as the loss in the previous year ($513,000).

Overall, B recognized a $3,000 economic gain from all of these straddles (gain of $1,426,000—losses of $513,000 and $910,000). B will have succeeded, however, not only in deferring taxes on approximately $500,000 of short term gain, but also in converting all of the short term capital gain, attributable to the securities transaction, to a long term capital gain. B's tax savings attributable to the conversion alone (assuming B is taxed at a 70-percent rate in all years) is approximately $201,000.

This procedure is not confined to trading in silver or other precious metals. Commodities with the greatest potential for accomodating a short term—long term conversion are those which are volatile enough to produce a significant move in the value of a contract during a reasonably short period, which have spreads which closely reflect full carrying charges, with respect to which there is an expectation that the underlying price will move up over the next few months, and in which the futures market is liquid enough to produce good executions when needed.

III. Explanation of the Proposal:

A. Nonrecognition of the loss: Under the proposal, a taxpayer would not be permitted to recognize a loss, in excess of gains recognized as part of the same transaction, from a "balanced position" unless the taxpayer stayed out of the balanced position for at least 30 days. If the taxpayer remained unbalanced for the 30 day period, the loss would be treated as sustained, for tax purposes, on the first day following the close of the 30 day period.

This rule would apply in the case of balanced positions in property. For these purposes, the term property would include commodities, debt instruments, currency, futures contracts on commodities, currency or debt instruments, and forward contracts, but not stock.

The term balance position would mean any position in property with respect to which a taxpayer's risk of loss is substantially diminished by reason of holding two or more positions in property. A conclusive presumption would apply to:

(1) Positions in the same commodity, whether in the physical commodity or a futures contract.

(2) Positions with respect to the same commodity, but in a substantially altered form (e.g., silver and silver coins; soybeans and soybean meal).

(3) Positions in commodities with respect to which the margin, required by any exchange on which the commodity is traded (or otherwise), for entering into the balanced position, is less than the aggregate margin required for each of the positions held separately.

(4) All positions in debt instruments and futures contracts for debt instruments.

(5) All such positions as the Secretary may, by regulation, prescribe. In order to constitute a balanced position under this paragraph, the standard deviation of the change in price of part of the same or a similar balanced position must have been at least 5 times the standard deviation of the change in the price of the balanced position (or a similar balanced position) over any two year portion of the immediately preceding 5 year period.

The conclusive presumptions in (4) and (5) will not apply in those cases where the taxpayer can establish to the satisfaction of the Secretary that the positions are not offsetting.

B. Holding Period: Whenever a taxpayer is in a balanced position, the holding period for any property that is part of the balanced position will be suspended for the period that the position is considered balanced under the bill. Accordingly, a balanced position may no longer be used as a vehicle for converting short-term capital gain into long-term capital gain.

IV. Effective date:

For all transactions in "property" entered into after December 31, 1980.

PART B: CASH AND CARRY TRANSACTIONS

I. Current Law:

At present, taxpayers have been converting ordinary income (taxable at a maximum 70 percent rate) into long-term capital gain (taxable at a maximum 28 percent rate) by entering into transactions following the format described below:

Facts: A, an individual, would like to defer and convert approximately $11,500 of ordinary income:

Date and transaction:

May 1, 1980, buy: 5,000 ounces of silver at $20.00 per ounce. Sell: One, 5,000 ounces, contract for July 81 silver at $22.50 per ounce.

During the period May 1, 1980 to July 1, 1981, storage costs for the silver are estimated at $400, insurance at $100, and interest on the indebtedness incurred to finance the purchase, $12,000 (an annual rate of approximately 10.285 percent). The spread between the May 1, 1980 spot price for the silver and the July 81 futures price ($2.50/ounce) is a function of these three carrying costs.[1]

[1] The spread normally will not increase above the carrying costs, for if it did, investors would purchase the spot commodity and sell the futures contract. The spot could then be held and delivered against the futures contract, and an economic profit realized. Arbitrageurs will enter the market to maintain the equilibrium relationship between the spread and the carrying charges. See T. A. Hieronymous, *Economics of Futures Trading* 156 (2d ed. 1977).

From May 1, 1980 to June 1, 1981, T will pay and claim a current deduction for $11,600 of expenses attributable to interest, storage and insurance.

On June 1, 1981, T will enter into the following transactions to close out this spread position:

Date, transaction, and gain (loss): June 1, 1981, sell: 5,000 ounces of silver at $36.22 per ounce, $31,600.

June 1, 1981, buy: One July 81 silver contract at $36.50 per ounce, ($20,000). Net gain from June 1, transactions, $11,600.

In such transactions, the taxpayer will claim that the cost of storage and insurance, as well as the interest, constitute current deductions. On the other hand, the short sale rules of section 1233 may not technically apply (the spot silver and the July 81 silver futures are not "substantially identical"), so that the gain on the sale of the physical silver is reported as a long term capital gain. Thus, the cash and carry transaction gives taxpayers the opportunity to obtain both deferral and conversion, at a minimal economic risk. By selling the futures, the taxpayer has eliminated risk attributable to price moves in the underlying commodity. Even if silver prices were to decline substantially, the taxpayer could always deliver the silver to close out the futures contract, thereby realizing a "locked-in" gain.

II. Reasons for Change:

The taxpayer in the case described above has assured himself of being compensated for the market rate of interest at the time the spread is entered into, plus storage and insurance for carrying the commodities to the delivery date. Although the taxpayer bears the risk that these costs will increase so dramatically as to produce a loss, such an increase would have to be quite spectacular to produce an after tax loss after taking into account the claimed tax effects of the transaction. In addition, the taxpayer may be able to "lock-in" the cost of the borrowings, generally the major cost in these transactions, so as to substantially eliminate any risk that the carrying charges will rise dramatically.

Assume that, on May 3, 1980, the interest cost to A in the transaction described above rose from 10.25 percent to 15 percent and remained at 15 percent until July 1, 1981, at which time A delivered the silver against his obligation under the July 81 contract. Assume further that A's income is taxed at a 50 percent rate. Under the facts, A will pay interest at 15 percent on $100,000 for 14 months ($17,500) plus storage and insurance of $500, for a total of $18,000. A will claim all of this amount as a deduction against ordinary income, so that A's after tax cost of carrying the silver is $9,000. A will recognize a $12,500 gain when the silver is delivered against A's July 81 short position, the tax payable with respect to this gain will be $2,500 (20 percent x $12,500), and A's net proceeds will be $110,000. The result of this transaction is: net amount realized, $110,000 ($112,500–$2,500); net cost $109,000 ($100,000 plus $9,000). Thus, after tax A will realize a $1,000 gain although, pre-tax, A would report a $5,500 loss.

The critical point to be made is that, by entering into the futures contract, A has assured himself of at least $12,500 as compensation for the cost of carrying the silver. Even if the spot market for silver collapsed and interest rates rose dramatically A could always deliver the physical silver to liquidate his futures position at a "locked in" gain.

III. Explanation of the Proposal:

Under the proposal, carrying costs (such as storage and insurance) and interest on indebtedness incurred or continued to purchase or carry any commodity, for any period during which the commodity is part of a balanced position, must be capitalized and added to the basis of the physical commodity.

As applied to taxpayer A in the original transaction, this proposal would require A to capitalize, and add to the basis of the silver, all of his $11,600 of carrying costs. As a result, A would be denied a current deduction for the $11,600 of costs attributable to carrying the silver from May 1, 1980 to June 1, 1981. Further, when the silver was sold on June 1, 1980, A would realize only a $20,000 gain (basis=$111,600; amount realized=$131,600). Under the modification contained in Part A, this gain would be a short term capital gain. This gain would be offset by the $20,000 short term capital loss generated as part of the same transaction.

IV. Effective Date:

The rules requiring that the interest and carrying charges be capitalized, as outlined above, would apply to amounts paid or accrued after December 31, 1980.

PART C: THE TAX TREATMENT OF TREASURY BILLS AND TREASURY BILL FUTURES CONTRACTS

I. Current Law:

Under current law, Treasury bills and other government obligations issued at a discount, and with a fixed maturity not exceeding one year, are expressly excluded from the definition of a "capital asset" by section 1221(5). Thus, all gains and losses on the sale or exchange of a Treasury bill are taxable as ordinary income or loss. It is unnecessary to segregate the portion of the original issue discount accrued during the time the obligation is held from the gain or loss realized on the sale or other disposition of the obligation. Treas. Reg. section 1.1221–1(e). Further, no part of the discount at which that obligation was originally sold accrues as income until the date on which it is paid at maturity, sold, or otherwise disposed of. Section 454(b).

II. Reasons for Change:

In Rev. Rul. 78–414, 1978–2 C.B. 213, the Internal Revenue Service ruled that a commodity futures contract for the delivery of a Treasury bill, not acquired as a legitimate "hedge" or for sale to customers in the ordinary course of business, could be used to "roll-over" (i.e., defer) amounts of ordinary income by taxpayers using the typical trading strategy outlined in Part A. Instead, using a variation of the straddle transaction in the ordinary course of the purchaser's business, was a capital asset. Accordingly, gain or loss recognized on its sale or exchange constitutes capital gain or loss. Thus, commodity futures contracts for Treasury bills can not be used which involves taking or making physical delivery of the Treasury bill, taxpayers have used Treasury bill futures contracts in an attempt both to defer amounts of ordinary income and to convert that income to short term or long-term capital gain. One form of this trading strategy is outlined below.

Assume that A enters into a Treasury bill futures straddle as follows:

Date and transaction:

October 31, 1980, buy: 1 contract for delivery of a Treasury bill ($1,000,000 face amount, 90 day bill), in December 1980 at 87.17. Sell: 1 contract for delivery of a Treasury bill in January 1981 at 87.48.

On December 17 (the last trading day for the December contract), the price of the December 80 Treasury bill futures contract opened at 83.39 and the price of the January 81 T bill futures contract opened at 83.98. On December 18, the taxpayer enters into the following transactions:

Date and transaction:

December 18, 1980, buy: 1 contract for delivery of a Treasury bill in January 1981 at 84.28 (closing out the January 81 short position).

Futures settlement: (1) accepts delivery of $1,000,000 face amount, 91 day Treasury bill, and completes a total payment of $967,466.39, according to the terms of the futures contract.

(2) sells the $1,000,000 face amount, 91 day Treasury bill, on the market at $969,151.11.

The taxpayer will claim an ordinary loss of $8,315.28 on the December 18, 1980 sale of the Treasury bill. The taxpayer also has a gain from closing the March 81 Treasury futures position of $8,000 ($25 per basis point). This gain will be reported as short term capital gain.

The taxpayer can engage in some other straddle, such as a silver straddle, to defer the recognition of the short term capital gain attributable to closing out the March 81 futures position to a later taxable year and possibly to convert it to a long term gain. In addition, the taxpayer may be able to utilize capital loss carryovers that otherwise could not be used to offset ordinary income to offset the capital gain.

III. Explanation of the Proposal:

Under the proposal, Treasury bills would no longer be excluded from the definition of a "capital asset" and section 1221(5) would be repealed. The rule of section 454 (b), that recognition of the discount earned for the period the obligation is held is deferred until the security is sold, redeemed or otherwise disposed of, would be retained. Gain or loss from the sale or exchange of a Treasury bill, or any other asset now described in section 1221(5), would be capital gain or loss, provided that the security was a capital asset in the hands of the taxpayer.

Notwithstanding the repeal of section 1221 (5), a person who sold, exchanged, redeemed or otherwise disposed of a Treasury bill would be required to take into account, as interest, that part of the discount on the bill which accrued during the period such person held the bill. This result follows from a substantial body of case law which, in the absence of section 1221(5), requires a taxpayer to include in income, as interest, the earned portion of original issue discount.

IV. Effective Date:

The repeal of section 1221(5) would apply to all securities issued after December 31, 1980.

PART D: IDENTIFICATION AND SEGREGATION OF ASSETS HELD FOR INVESTMENT BY DEALERS IN SECURITIES

I. Current Law:

Under current law, gains and losses from property held primarily for sale to customers in the ordinary course of business are taxed as ordinary income or loss. Gains and losses from property held for investment, however, are taxed as capital gains and losses. The gains and losses of a person from the sale of property of a type held by that person primarily for sale are generally ordinary. Notwithstanding that stock or securities constitute property of a type held primarily for sale to customers, dealers in securities can follow special rules which permit them to identify and segregate certain of their assets as held for "investment." Gains and losses from these assets may be taxable as gains and losses from the sale of a capital asset.

These rules provide that:

(1) gain from the sale or exchange of a security is not treated as gain from the sale or exchange of a capital asset unless the security was "clearly identified" on the dealer's records as held for investment within 30 days following the date of acquisition and was not, at any time following the expiration of that 30 day period, held by such dealer primarily for sale to customers in the ordinary course of business;

(2) a loss from the sale or exchange of securities held by a dealer is, generally, not an ordinary loss if, at any time, the security was "clearly identified" as a security held for investment.

For these purposes, the term "security" means any share of stock in any corporation, any certificate of stock or interest in any corporation, any note, bond, debenture, or other evidence of indebtedness, or any evidence of an interest in, or right to subscribe to or purchase, any of the foregoing. The term "dealer in securities" is defined as a "merchant of securities, whether an individual, partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers; that is, one who as a merchant buys securities and sells them to customers with a view of the gain and profits that may be derived therefrom." Treas. Reg. § 1.471–5.

II. Reasons for Change:

Partnerships are being organized, and interests in such partnerships sold to investors, which are designed to operate as "broker-dealers" and "market makers" with regard to a wide range of securities. It is claimed that these investments provide ordinary losses equal to some multiple of the taxpayers' cash investment (*e.g.*, 4:1), with income recognition, often at some later date, at long term capital gains rates. These broker dealer partnerships claim such losses and gains, in part, by taking a balanced position in securities, waiting for a price movement to produce a loss on one side and a gain on the other, and then identifying the loss side as inventory and the gain side as investment. Although futures contracts on commodities and financial instruments are not within the definition of a "security" for purposes of section 1236 (see section 1236(c)), it appears that taxpayers are claiming similar tax treatment on these gains and losses by analogy to section 1236. These particular gains and losses are derived from transactions with respect to which there is, at most, a minimal economic risk.

From an information processing and recordkeeping point of view, the 30 day identification period of current law is no longer needed. Most, if not all designations, can be made and recorded instantaneously.

III. Explanation of the Proposal:

Under the proposal, the 30 day period within which securities must be identified, for purposes of the special treatment provided in section 1236, would be shortened. In order for the gain from the sale or exchange of a security to qualify as capital gain, such security must have been identified as held for investment by the close of the day following its date of acquisition. The requirement that the security not be held for sale to customers at any time following the close of the identification period would be retained, as well as the rule regarding the treatment of securities sold at a loss.

In addition, section 1236 would be amended to provide explicitly that a security constituting part of a balanced position will receive the unfavorable treatment mandated by section 1236 (i.e., capital loss and ordinary income), unless all securities that are a part of the balanced position are identified as investment securities on the dealer's records under the rules of this section. This amendment simply clarifies the treatment of such securities under current law.

IV. Effective Date:

The new one day identification rule would apply with respect to securities acquired after December 31, 1980.

PART E: SALE OR EXCHANGE REQUIREMENT

I. Present Law:

Straddle transactions are particularly troublesome when they can convert ordinary income into capital gain as well as deferring the income to a later year. Besides using the transactions in Treasury obligations, discussed above in Part C, some tax shelter promoters are relying on the need for an actual "sale or exchange" in order to obtain capital treatment on the disposition of a capital asset.

Although a taxpayer must normally recognize gain or loss whenever there has been a "sale or other disposition of property," section 1001(a), the definitions of capital gains and losses in section 1222 depend on there being a "sale or exchange" of a capital asset. The courts have interpreted this requirement in a way that allows certain assets to be disposed of in a manner that is not considered a "sale or exchange," thus yielding ordinary income or loss on such dispositions. This result has been reached despite the fact that the cancellation was economically equivalent to a sale or exchange of the contract.

II. Reasons for Change:

Because certain contracts may be viewed as having the potential to produce gain or loss that is either capital (when they are sold or exchanged) or ordinary (when they are cancelled or otherwise disposed of), certain balanced positions are claimed to afford taxpayers the potential for creating capital gain or ordinary loss, thus effectively converting any income, including ordinary investment and salary income, into capital gain.

Assume, for example, that taxpayer A had $250,000 of salary and $250,000 of long-term capital loss from an investment in stock. Under normal tax rules, A cannot offset the ordinary income and the capital loss. Thus, A would normally be required to pay tax on the $250,000 of salary income, and would be allowed an offset for only a small part of the long-term capital loss. A, however, enters into the following transaction to allow the ordinary income and capital loss to be offset in the same year.

Date, transaction, and value:

October 13, 1980: Enters into a contract $2,822,500 ("Forward contract") to purchase 5,000,000 German marks at $.56450 per mark in March, 1981. Enters into a contract $2,850,500 ("Forward contract") to sell 5,000,000 German marks at $.57010 per mark in June, 1981.

The above transaction involves very little risk to A. By December 17, 1980, the price of March 1981 marks is $.5112 and the price of June 1981 marks is $.5188. A enters into the following transaction:

Date and transaction:

December 17, 1980: Assigns the contract right to sell 5,000,000 German marks at $.57010 per mark to the M Bank for $256,500. Cancels the contract to purchase 5,000,000 German marks at $.56450 per mark upon payment of $266,500 to the other party to the contract.

The taxpayer in the above transaction will report an ordinary loss on the contract that was cancelled. This loss will equal the amount paid on cancellation. The taxpayer will report a net short-term capital gain on the contract to sell marks that was assigned to M Bank on December 17. Thus, the transaction as a whole has been used to convert the $250,000 of ordinary income to a short term capital gain that can be netted against the taxpayer's long term capital loss.

III. Explanation of the Proposal:

The requirement that there be a "sale or exchange" in order to obtain capital gain or loss on the disposition of a capital asset would be eliminated.

IV. Effective Date:

For all sales or other dispositions of property occurring after December 31, 1980.

By Mr. SASSER (for himself, Mr. RANDOLPH, Mr. ROBERT C. BYRD, and Mr. BAUCUS):

S. 630. A bill to revise loan guarantee provisions of the Airline Deregulation Act of 1978, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AIRLINE DEREGULATION ACT AMENDMENTS OF 1981

● Mr. SASSER. Mr. President, I rise today to introduce legislation that would amend the Airline Deregulation Act of 1978. I am pleased to have my two distinguished colleagues from West Virginia, Senator RANDOLPH and Senator BYRD, and the distinguished Senator from Montana, Senator BAUCUS, join me today in introducing S. 630. The purpose of this bill is not to reintroduce regulation to the airline industry. Rather, it is an attempt to improve the quality of service to small and medium sized cities that have lost a significant amount of air service since implementation of the 1978 deregulation law.

In many areas, deregulation has worked well. In others it has not. I do not believe that the lack of success in some areas is because deregulation is a bad idea; I believe it is because of technical problems of deregulation in the airline industry.

One of the facts of life in the airline industry is that a large aircraft is not used most efficiently on short runs between smaller cities. The greatest amount of fuel on any flight is used during takeoff and landing, therefore the longer a plane is at cruising altitude and speed the less fuel is consumed. For this reason, airlines that once served smaller cities and shorter routes have chosen to use their equipment elsewhere.

While commuter airlines have filled some of the gap in service to these areas, they are not always able to meet the demands of the market. Unfortunately, domestic airlines do not have in service enough medium sized planes to service medium sized markets adequately.

Section 2(c) of this bill is directed toward encouraging the purchase of medium-sized planes. The Federal Government currently has a program administered by the Department of Transportation that guarantees loans for the purchase of new aircraft and parts. The bill would direct the Secretary of Transportation to give priority to loan guarantee applications for the purchase of medium-sized aircraft with passenger capacity for between 19 and 56 passengers. This would cover the bulk of the medium-sized aircraft now available. I might point out that these loan guarantees are very safe loans. No airline has ever defaulted on such a loan.

In addition, authorization for the loan guarantee program is extended until 1990. Under present law, the program expires in 1982.

Section 2(b) of this bill provides for continued oversight of fares after that duty is relinquished by the Civil Aeronautics Board. Current law allows airlines great flexibility in setting fares. That leeway would continue, but rather than having no oversight of fares after January 1983, the Secretary of Transportation would be delegated the authority currently held by the CAB. The purpose of this section is to insure that passengers on routes served by only one carrier will not be subject to monopoly pricing.

It is evident that since the inception of airline deregulation air carriers have made the decision to subsidize low fares on highly competitive routes with high fares on routes with little if any competition. Those of us who fly frequently on low competition routes are well aware that ticket prices have risen more sharply on these routes than on other routes.

Indeed, I recently did some computations on relative air fares and found that while it cost only about 6 cents a mile to fly from New York to Los Angeles, it now costs about 22 cents a mile to fly from Knoxville to Washington. Certainly, I expected a fare differential in these trips, but the nearly 4-to-1 differential amply shows the degree to which airline fares have escalated in our medium-sized markets as a result of deregulation.

I do not believe that we should return to the time when airline rates were dictated by Government policy. I believe that present pricing flexibility depending mostly on market place influences is healthy. I do not necessarily agree with present corporate pricing strategies, but those decisions are rightly left to the airlines. I do, however, feel that there must be some guarantee that those who must fly low competition routes will not be subject to unreasonable monopolistic pricing.

Finally, section 2(e) of this bill increases the amount of time airport operators have to find replacement service when an air carrier discontinues service between city pairs where they are served by only one carrier. Air carriers are currently required to give 90 days notice. Under the provisions of this bill, air carriers would be required to give 180 days notice. In my discussions with airport operators, I have become convinced that 90 days is just not enough time to find new service. I believe that 180 days is a more reasonable amount of time for the operators and cities to find replacement service that is often essential to a city.

Mr. President, like most Senators I am hesitant to endorse any effort that would increase the amount of Government regulation of the private sector. The people of this country clearly do not want us to take that direction. This bill carefully avoids reregulation of the airline industry.

There are many whose experiences with an unregulated airline industry have led them to call for substantial reregulation. I agree that there are some problems that have resulted from quick changes in industry, primarily changes in the regulatory atmosphere. This bill is an attempt to rectify those problems with regulation. The three steps taken by this bill are needed to prove that deregulation can work for all sectors of the commercial flying community.

I am confident that S. 630 is a good vehicle for promoting congressional discussion about the status of the Airline Deregulation Act. And it is my hope that as the Commerce Committee reviews S. 630 they will take the opportunity to let interested parties come to the fore and provide the Commerce Committee with their assessments of their experience with the Airline Deregulation Act.

Senators PACKWOOD and CANNON are to be commended for their substantial efforts in deregulating the airline industry. They helped shepherd landmark deregulation legislation through the Senate and the House in 1978. The law has worked well, but like any law it should be assessed from time to time as it is implemented. It is my hope that S. 630 will contribute to the assessment of the many features of the Airline Deregulation Act of 1978.

Mr. President, I ask unanimous consent that the full text of S. 630 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 630

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Airline Deregulation Act Amendments of 1981".

SEC. 2. (a) Section 1601(a)(2)(B) and (D) of the Federal Aviation Act of 1958 is repealed.

(b)(1) Section 1601(b) of such Act is amended by adding the following new paragraphs at the end thereof:

"(3) The authority of the Board under section 1002(d)(1) and (d)(2), (e), (g), (h), and (i) of this Act is transferred to the Secretary of the Department of Transportation effective January 1, 1983.

"(4) The authority of the Board under section 401(j) of this Act is transferred to the Secretary of the Department of Transportation effective December 31, 1981.".

(c) Section 3 of such Act is amended by adding the following at the end thereof: "In considering applications for loan guarantees, the Secretary shall give priority to those qualified applicants who apply for such guarantees for the purpose of purchasing aircraft with seating capacity for 25 to 55 passengers inclusive, and equipment for such planes. No less than two-thirds of the total amount of loans guaranteed for the purchase of aircraft shall be for the purchase of such limited seating planes.".

(d) Section 8 of such Act is amended to read as follows:

"SEC. 8. The authority of the Secretary under section 3 of this Act shall terminate 12 years after the date of enactment of the Airline Deregulation Act Amendments of 1981.".

(e)(1) Section 401(j)(1) of such Act is amended by striking out "90 days" and substituting "180 days".

(2) Section 401(j)(2) of such Act is amended by striking out "sixty" and substituting "180".●

By Mr. DECONCINI (for himself, Mr. MATSUNAGA, Mr. HEINZ, Mr. FORD, and Mr. INOUYE).

S. 631. A bill to dismiss certain cases pending before the Education Appeal Board; to the Committee on Labor and Human Resources.

DISMISSAL OF CASES PENDING BEFORE EDUCATION APPEAL BOARD

● Mr. DECONCINI. Mr. President, Senators MATSUNAGA, HEINZ, FORD, INOUYE, and I are introducing proposed legislation that would dismiss certain cases pending before the Education Appeal Board. Upon enactment this bill would "dismiss all actions seeking repayment of funds provided to State or local agencies under title I of the Elementary and Secondary Education Act of 1965." In order for the repayment of funds to be dismissed the Department of Education's audit of the State or local agency must have been conducted prior to enactment of the Education Amendments of 1978.

Approximately 19 States have appeals pending before the Education Appeal Board, in the Department of Education. Of these 19 States, approximately 16 would receive relief from this proposal.

There are several persuasive reasons for dismissing these audit proceedings. The most compelling reason, in my judgment, is that children in school today would in effect be paying for educational programs that were provided to children years ago. For if school districts ultimately have to repay funds to the Federal Government reductions in existing programs would be required.

The audit experience of State and local officials in Arizona is an example of the bureaucracy functioning in its least effective manner. Arizona's title I programs were audited by the Federal Government in the spring of 1970. The audit covered the period between August 10, 1965 and August 31, 1969. The audit report was made available in August 1970, but a formal hearing has yet to be scheduled. In 1973, Arizona first requested a hearing before the audit hearing board, which was responsible for considering such appeals. Four years later, the Office of Education, claiming that the State had never requested a hearing, directed the State to do so and also demanded a detailed response to the audit report. A response was submitted, along with a request for information needed to provide a factual basis for certain charges contained in the report. Additional requests for information were made by the State, but it did not receive a copy of the auditors' work papers until June of last year.

Because of this bureaucratic bungling Arizona is placed in the position of disproving allegations concerning events that occurred 11 to 15 years ago. This situation is simply untenable because over the years records have been destroyed, witnesses have died or become unavailable, making it impossible in some cases to provide documentation for what actually happened.

The Education Amendments of 1978 established the Education Appeal Board. The purpose of the Board is to conduct audit appeal hearings, withholding hearings, and cease and desist hearings. The statute also requires certain procedures to be used during the appeals process. The Board and procedures were not legislatively authorized prior to enactment of the 1978 amendments. Perhaps Arizona would have been saved from bureaucratic procrastination had these provisions been in effect earlier.

Not only have the procedures used for the Arizona audit been faulty, but the audit itself is of questionable validity. An affidavit from Cornelius Tierney, a partner in Arthur Young & Co. located in Washington, D.C., severely criticizes the auditing methods and some of the conclusions reached by the Federal auditors.

The resources being used by States and local school districts, combined with those being used by the Government to pursue these appeals, when aggregated may equal or exceed the funds in dispute. Thus, it seems prudent for the Government to dismiss those cases where audits occurred before 1978 and expend its resources for investigating more recent matters.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 631

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Education Appeal Board (established by section 451 of the General Education Provisions Act as amended by the Education Amendments of 1978) shall dismiss all actions seeking the repayment of funds provided to State or local agencies under title I of the Elementary and Secondary Education Act of 1965 which are based on an audit or audits conducted prior to the date of enactment of the Education Amendments of 1978.●

By Mr. MCCLURE (for himself, Mr. SYMMS, Mr. WALLOP, and Mr. SIMPSON):

S. 634. A bill to authorize the exchange of certain lands in Idaho and Wyoming; to the Committee on Energy and Natural Resources.

EXCHANGE OF LANDS IN IDAHO AND WYOMING

● Mr. MCCLURE. Mr. President, today I am introducing legislation to provide for a land exchange between Richard Hendricks of Preston, Idaho, and the Secretary of Agriculture. Under the Federal Land Policy Management Act of 1976, the Secretary of Agriculture has the authority to exchange lands if the exchange occurs within the same State. In this instance, the land exchange proposed involves the States of Idaho and Wyoming.

In the State of Idaho, Mr. Hendricks of Preston owns 5.9 acres and improvements consisting of a warehouse with office space and restroom facilities. The U.S. Forest Service is currently leasing this site for a YACC facility and acquisition of this site through a land exchange would be an effective means of meeting U.S. Forest Service needs. In exchange for Mr. Hendricks' land and improvements, the U.S. Forest Service would convey approximately 81.78 acres of national forest land in Lincoln County, Wyo.

This proposed land exchange has been under consideration for some time now and has involved the work of people on both the local level and Washington, D.C. level. During the closing days of the 96th Congress an official position by the Department of Agriculture-U.S. Forest Service was not obtained because of time constraints. However, there appears to be no opposition and I would therefore anticipate a favorable report from the Department as well as timely consideration and action by the Congress.

Mr. President, I ask unanimous consent that the text of the legislation I am introducing be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 634

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized to exchange the parcel of land described in Sec. 2 ("Parcel A") currently owned by the United States, for the parcel of land described in Sec. 3 ("Parcel B") and any improvements thereon, currently owned by Richard Hendricks of Preston, Idaho. Such exchange shall be made without additional consideration and in lieu of receiving monetary payment.

SEC. 2. For the purposes of this Act, Parcel A shall consist of the following described tract of land consisting of approximately 81.78 acres: T. 33 N., R. 119 W., 6th P.M., Lincoln County, Wyoming, sec. 14, SE¼ NW¼ and SW¼ NE¼, containing approximately 80 acres, and T. 35 N., R. 119 W., 6th P.M., Lincoln County, Wyoming, sec. 28, beginning at the southwest corner of lot 2, thence north 15 rods, thence east 19 rods, thence south 15 rods, thence west 19 rods to the point of beginning.

SEC. 3. For the purpose of this Act, Parcel B shall consist of the following described tract of land, consisting of approximately 5.9 acres: That portion of the SE¼SW¼ of section 8, T. 9 S., R. 42 E., Boise Meridian, Caribou County, Idaho, beginning at the southeast corner of the SE¼SW¼ of Section 8, thence west 376 feet, more or less, to an intersection with the easterly right-of-way of the Oregon Shortline Railroad, thence N. 7 10' P., 131 feet to a point of spiral; thence northerly along a curve to the left, the said centerline of main track has a spiral angle of 3 30' with 6 x 38 foot chords, a distance of 232 feet to a point of spiral curve; thence along a curve to the left with a radius of 2010.1 feet a distance of 520 feet; thence S. 87 22' E. a distance of 269 feet, thence north 428 feet, more or less; thence east 30 feet; thence south along the east line of said SE¼SW¼ 1,320 feet, more or less, to the point of beginning.

SEC. 4. Upon the conveyance of Parcel B and any improvements thereon from Richard Hendricks by warranty deed to the United States acting through the Secretary, the Secretary is authorized and directed to convey by quitclaim deed, all right, title and interest of the United States in Parcel A to Richard Hendricks; *Provided,* that the conveyance of Parcel A shall be subject to valid existing rights of third parties and a reservation by the United States of all mineral interests and of the existing road right of way in land section 14; and *Provided further,* that the conveyance of Parcel B to the United States may be subject to a reservation of all mineral interests therein to Richard Hendricks.

SEC. 5. The lands acquired by the Secretary by this Act shall, upon acquisition, become part of the Caribou National Forest and shall be administered in accordance with the laws, rules and regulations applicable to the National Forest System.●

By Mr. HEINZ:

S. 635. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism; to the Committee on Governmental Affairs.

ANTITERRORISM ACT OF 1981

Mr. HEINZ. Mr. President, I am today introducing legislation which would greatly improve the capability of the U.S. Government to halt the spread of terrorism. While there have, fortunately, been no major new acts of international terrorism perpetrated within the past several months, there is every reason to believe that there continue to exist organizations and individuals who feel that terrorism is an appropriate method to advance their goals. It is important, therefore, that we act immediately to reinforce the capability of our Government to penalize those nations which act as sponsors, conduits, or catalysts for the spread of terrorism throughout the world, and the legislation I am sponsoring would, I believe, go a long way toward achieving this goal.

Mr. President, this legislation would establish a number of procedures to assure that our Government can, when necessary, take appropriate actions to make the American public and the Congress aware of which nations are, in fact, supporting international terrorism. And, more importantly, it would give the President the authority to penalize such nations when appropriate. Let me add, however, that this legislation, even if enacted, is not by itself a complete answer to the problem of international terrorism; it is no substitute for a determined executive branch. What is required is nothing less than the complete development and implementation by this administration of a comprehensive U.S. strategy to deal with international terrorism, and I call upon the Reagan administration to go full speed ahead to make that policy a reality. We cannot afford to wait until the next terrorist incident is upon us before acting.

Mr. President, this legislation is substantially similar to legislation which was reported out of the Government Affairs Committee late last year. This legislation, which was a modified version of legislation I have cosponsored, and worked for passage of, for the past two Congresses, was largely the product of the efforts of Senators Ribicoff and Javits, and I most certainly want to acknowledge the great time and energy they put into the development of this legislation.

It may be that, as my colleagues review this legislation they may have ideas for further modifications or improvements, and I would most certainly welcome any thoughts they may have, so that we can develop the best legislation possible to deal with this most serious problem. Indeed, in the near future I expect to have additional suggestions for improving this legislation.

Mr. President, why is legislation needed in this area? There are two principal reasons; first, terrorism, unfortunately, continues to persist and even grow as a modern international phenomenon; second, we in the Congress have not yet dealt with this issue as thoroughly as we should. Let me discuss these two points.

On the first point, I really need not elaborate. The recent year-long ordeal of the American hostages in Iran is dramatic evidence of the continuing prevalence of terrorism in our world. Let us look at the full record for a moment.

International terrorism is a widespread phenomenon. The rate and number of incidents of nature demanding increasing attention from the media, governments, international terrorism is ris-

ing. The nature of the attacks increasingly threatens the orderly functioning of international commercial and government operations. Further, the acts impact on public perceptions of the security of the individual and the ability of governments to protect citizens, and government itself, from terrorist actions.

International terrorist attacks fall primarily into five major categories of activities: Assassinations, kidnapings, bombing attacks on and seizures of facilities, and hijackings. According to a CIA report, between 1968 and 1979 there were 283 incidents of international terrorist assassinations resulting in the murder of 355 victims. In 1979, 587 people were killed by terrorist attacks. Approximately 25 percent of these took place in Latin America and 38 percent took place in Western Europe. More than half of the assassinations in 1979 took place in Western Europe (25 of 47). The predominant victims were law enforcement officers (25 percent), businessmen (24 percent), and diplomats (33 percent). Almost 80 percent of all terrorist assassination attempts result in the death of the intended victims. The trend in this category is an increase especially involving assassinations of Soviet and United States nationals.

With regard to international terrorist kidnappings, there have been 347 kidnapping incidents and 133 were killed in these incidents in the same time frame: 36 percent of these took place in Latin America; 15 percent in Africa; and 16 percent in the Middle East. Fourteen percent of the victims were American businessmen and 40 percent of all terrorist kidnapping victims were Americans. As a result of these kidnappings, 267 "political prisoners" were released and, in 32 percent of the incidents—where the data is available—$146 million was paid in ransom to meet the kidnappers' demands.

The most frequent type of terrorist attack is bombing. Bombings account for nearly 40 percent of all terrorist operations. There have been 1,947 significant international terrorist bombings resulting in 1,010 deaths in the last 7 years; 19 percent of these have occurred in Western Europe and nearly 16 percent in Latin America; 36 percent of the attacks were against corporate officials, and half of the attacks were against U.S. citizens or property. The trend in this category has been down since 1974. However, little comfort can be taken from this fact because terrorist bombings are frequently conducted by relatively inexperienced terrorist groups which move to different types of activity as they become more sophisticated.

There have been 290 incidents of attacks on and seizures of facilities between 1968 and 1979 resulting in 358 killed, 332 wounded and 664 hostages. Of these attacks, 52 percent occurred in Latin America, 37 percent in Western Europe. Facilities attacked included government offices, (17 percent), banks (16 percent), military installations (15 percent), and individual residences (7 percent). Material damage amounted to $31,300,000.

One of the most dramatic types of terrorist incidents is an aircraft hijacking. Between January 1970 and November 1977, there were 72 such incidents resulting in 37 hostage deaths, and 15 hostage woundings, with 1,707 hostages eventually being released, 361 being rescued and 18 escaped. The 13 attempted hijackings of U.S. air carriers in 1979 were more than any other nation experienced. However, none occurred because of weapons penetrating the screening system. The 14 foreign hijackings involved aircraft of 12 nations with hijackers boarding at 11 different airports.

Thus, the evidence of a persistent and serious threat of international terrorism is overwhelming. The question then arises—what, if anything can be done about it, and, more relevantly, what, if anything can the Congress of the United States do about it?

First of all, Mr. President, there is no panacea for terrorism, and I know of no way consistent with civilized society to completely prevent the possibility of terrorist activity. Nonetheless, I am convinced that much can be done that is of both substantive and symbolic value in the fight against terrorism. Specifically, the bill I am introducing today is the product of many minds and many months of serious work. During that period of work, it became clear that there currently exist a number of gaps in our ability to deal with terrorism and terrorists. Let me elaborate on these gaps.

First, international law has not really succeeded in dealing with the problem of terrorism. Efforts by nations, including the United States, to formulate international legal obligations—via U.N. resolutions, resolutions of the International Civil Aviation Organization, et cetera—to control terrorism have been blocked by nations professing, not always sincerely, a concern for the right of self-determination and the right to extend political asylum. Most fundamentally, international law has not been successful because nations have generally not been willing to accept the imposition of sanctions against violators, nor to accept any other enforcement mechanisms.

Second, under the Carter administration, the executive branch did not initially assign a high enough priority to U.S. policy for combating terrorism. To quote the report of the Governmental Affairs Committee, as recently as 2 years ago,

> The executive branch saw little significant threat of terrorism to the United States.

It was only after the Senate Committee on Governmental Affairs began looking into this area that the executive branch responded by taking measures to establish a central coordinating point for dealing with terrorism, and also established a program to review the security condition of foreign airports.

The United States will not be able to combat the growing challenge of terrorism unless the executive policymaking apparatus is more effectively and forcefully utilized to define overall goals, to develop alternative initiatives in both bilateral and multilateral contexts, and to better integrate the concerns and objectives of antiterrorism policy into the policymaking functions of the geographical bureaus of the State Department.

There is also an important need for periodic reassessments by Congress and the executive branch of both the extent and sufficiency of our own preparedness and response capabilities, and the actions and policies of other governments. Such reassessments, of course, should reflect the totality of American interests, both political and economic, as well as our responsibility as one of the world's largest and most influential countries.

Third, international civil aviation security programs to protect air commerce against hijacking, sabotage, and related crimes are inadequate. During 1979, worldwide hijackings (27) went down only slightly, while hijackings originating in the United States increased to the highest since stringent security measures were instituted at U.S. airports in January 1973. In June 1979, the first successful hijacking from the United States to Cuba in 4½ years took place.

In all, there were six hijackings from the United States to Cuba, two of which were successful. The inability to substantially reduce worldwide hijackings indicates that the hijacking threat persists and further improvements are necessary to assure universal application of effective international security measures.

Fourth, terrorist activity within many nations continues, and close operational interrelationships are continuing between terrorist organizations in widely separated geographic areas of the world. The Central Intelligence Agency has confirmed the expanding nature of terrorist activity and the involvement of transitional terrorist groups based mainly in West Germany and Japan in increasing numbers of incidents where joint objectives and resources are being pursued.

Mr. President, these are some of the important reasons we need this legislation. Let me take a few moments to describe what this bill would do to remedy these problems.

Under the bill, the President would be required by law to maintain an annual list of those countries which are found to aid or abet terrorism. We simply cannot tolerate foreign governments aiding international outlaws. If a nation supports terrorists, the U.S. Government should publicize it and take steps to halt any American economic aid, military sales, trade and tourist travel to that country. Simply giving a nation "outlaw" status on a public list will be an effective sanction in itself against aiding terrorists in the future. I suspect few American tourists or corporations would feel comfortable doing business in that nation.

The U.S. Government has several tools available to it to pressure foreign countries against aiding terrorists. Under the legislation, the President could deny foreign assistance aid, sales of defense materials, export licenses for commodities of potential military application, and duty-free treatment under the Trade Act of 1974.

The legislation would also require the Secretary of Transportation to periodically inspect foreign airports for the adequacy of their security. Any foreign airport which fails to correct a serious deficiency would be placed on a list and the American traveling public would be so notified. Far too often, the airline industry has become an easy target for terrorists. Millions of American people travel

each year to foreign countries. They expect security standards abroad to equal or surpass those found here in the United States.

The bill will also require the President to report to Congress on terrorist acts which affect American lives or property. Congress will need this valuable information if it is to deal knowledgeably with the difficult aspects of terrorism.

The bill also gives strong direction to the executive branch to seek cooperation in the international arena in combating terrorism. Specifically, the legislation urges the President to negotiate with other nations for the creation of a permanent international working group on terrorism, and to seek international adherence to The Hague, Montreal, and other conventions so that hijackers and terrorists will be severely penalized around the world.

Finally, the bill takes the giant and very important step of completing U.S. adherence to the Montreal Convention by including in the United States Code strict penalties for terrorist acts on or near aircraft. These penalties, already adopted by most other nations participating in the convention, cover aircraft sabotage and piracy, and conveying false information and threats. Including this language in the United States Code will go far toward signaling other countries we are determined to deal with terrorists in the United States in the strongest, most forceful way possible.

Let me note at this point, Mr. President, that this bill is certainly not a panacea; it will not end international terrorism, nor will it in any way guarantee the proper response in each and every specific situation involving terrorism. Further, I certainly do not mean to assert that the actions called for in this legislation are the only, nor in every case, the most appropriate, means for dealing with a specific terrorist incident. For example, when a government, such as happened in Iran, is itself the perpetrator of the terrorist act, the President must fashion a response which takes into account all kinds of foreign policy and national security factors, and it is possible that the responses envisioned in this bill would not be the most useful or appropriate.

Mr. President, I should note that I am heartened by the apparent fact that the new administration will be making the elimination of terrorism one of its major foreign policy goals. While this legislation is needed, and will, I believe have a significant impact, there is no substitute for having an overall foreign policy which places a high priority on dealing with the sources of terrorism. In fact, it is all the more appropriate to pass such legislation in view of the new administration's position, and I look forward to working closely with the administration and developing a comprehensive response to international terrorism.

Mr. President, in closing, I think it would be approoriate to quote the words of now-retired Senator Ribicoff concerning the seriousness of the threat of terrorism. Senator Ribicoff said, in words as true now as they were 2 years ago:

> It is time to stem this tide and fight back. Terrorism is a real threat to our security, and to that of the entire world.
>
> American citizens, businesses, and Government facilities continue to be the focus of many terrorist acts. So, our Federal government must be organized, equipped, and prepared to deal effectively and quickly with future incidents.
>
> Millions of American people travel overseas annually. So, we must insure their trip is a safe one and that security at foreign airports is acceptable and adequate.
>
> Terrorism strains normal relationships between nations, and severely disrupts world security and peace. So, we must take the lead in working with the international community to combat terrorism through cooperative and mutual agreements. We must penalize those nations which support, aid, or finance terrorists' activities.
>
> When it comes to terrorism, we do not have time to spare. It troubles me deeply to think that this bill would become law only in response to a future tragic disaster caused by terrorists. I cannot think of a better way to express our "get tough" attitude toward terrorism than to enact this bill into law.
>
> We must act, before we have to react.

I urge my colleagues to act promptly on legislation to strengthen the capability of our Government to deal with terrorism.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 635

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act shall be cited as "The Antiterrorism Act of 1981".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) innocent persons have been killed, injured, and victimized, human rights violated, property destroyed and damaged, and international commerce obstructed as a result of terrorist acts;

(2) such acts represent an intolerable attack against the fundamental right to life security of all peoples of the world;

(3) such acts constitute a threat to the orderly and civilized functions of international and national communities;

(4) certain nations exhibit a pattern of support for international terrorist acts;

(5) certain international airports fail to maintain consistently effective security measures; and

(6) economic sanctions should be directed at countries which harbor, aid, abet, or assist terrorists.

(b) It is therefore the purpose of the Act to—

(1) strengthen Federal capabilities in policy and planning, coordination, intelligence, and response capability and enlist the cooperation of all other nations and national and international organizations in initiatives to counter terrorist acts more effectively throughout the world, while safeguarding democratic values;

(2) promote appropriate action by the United States and other governments in order to combat international terrorism; and

(3) provide public notice to persons traveling in international air commerce of deficient security programs and facilities at certain foreign airports.

DEFINITIONS

SEC. 3. (a) For purposes of this Act, the term "international terrorism" includes any act which is intended to damage or threaten the interests of or obtain concessions from a state or an international organization and which either—

(1) is an act—

(A) which is unlawful and results in the death of, bodily harm to, or the forcible deprivation of the liberty of any person or in the violent destruction of property, or is an attempt or credible threat to commit an act that would have such a result; and

(B) which is committed or takes effect (i) outside the territory of a state of which the offender is an national, or (ii) outside the territory of the state against which the act is directed, or (iii) within the territory of the state against which the act is directed and the offender knows or has reason to know that a person against whom the act is directed is not a national of that state, or (iv) within the territory of any state if the act is supported by another state (within the meaning of subsection (b) of this section), irrespective of the nationality of the offender; or

(2) is an act designated as—

(A) an offense under the Convention for the Suppression of Unlawful Seizure of Aircraft (done at The Hague, December 16, 1970);

(B) an offense under the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (done at Montreal, September 23, 1971); or

(C) a crime under the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, including diplomatic agents (adopted by the General Assembly of the United Nations at New York, December 14, 1973);

but does not include acts (1) committed by the military forces of a state in the course of an armed conflict, or (ii) committed by other conventional armed groups in the course of operations directed against essentially military objectives. The exclusion contained in clause (ii) does not apply with respect to an act the purpose of which is to obtain, for actual or possible use as a weapon, any nuclear material, equipment, or technology, or any weapon or substance whose use as a weapon of war is prohibited by international law.

(b) For purposes of this Act, the term "state support of international terrorism" means any of the following acts which are committed deliberately by a state:

(1) Furnishing arms, explosives, or lethal substances to any individual, group, or organization with the likelihood that they will be used in the commission of any act of international terrorism;

(2) Planning, directing, providing training for or assisting individuals or groups in the commission of any act of international terrorism;

(3) Providing direct financial support for the commission of any act of international terrorism;

(4) Providing diplomatic facilities with intent to aid or abet the commission of any act of international terrorism; or

(5) Allowing the use of its territory as a sanctuary from extradition or prosecution for any act of international terrorism.

REPORT ON ACTS OF INTERNATIONAL TERRORISM

SEC. 4. (a) Six months after the date of enactment of this Act and each year thereafter, the President shall transmit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report on those incidents he determines to be acts of international terrorism pursuant to section 3 of this Act: *Provided, however,* That any such incident which affects or involves citizens or significant interests or property of the United States shall be reported to Congress not later than sixty days after the occurrence of such an incident.

(b) With respect to any such incident

which affects or involves citizens or significant interests or property of the United States, and with respect to any major act of international terrorism, such reports shall include, but not be limited to, the following information:

(1) a description of the incident and of the involvement and identity of each individual, entity, group, or organization involved in such incident;

(2) the identity of any government providing state support for such acts of international terrorism, and a statement setting forth the exact nature and extent of such government's involvement;

(3) a description of the actions of any government which assisted in bringing about a positive termination of the incident;

(4) a description of the response of the United States Government to such incident.

(c) Nothing in this section is intended to require the public disclosure of information which is properly classified under criteria established by Executive order, or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

(d) Nothing in this section is intended to require disclosure of investigatory records compiled for law enforcement purposes specifically protected by section 552(b)(7) of title 5, United States Code.

LIST OF STATES SUPPORTING INTERNATIONAL TERRORISM

SEC. 5. (a) Six months after the date of enactment of this Act and each year thereafter, the President shall consider which, if any, states have demonstrated a pattern of support for acts of international terrorism. If the President determines that any states have so acted, he shall submit a list of states supporting international terrorism to the President pro tempore of the Senate and the Speaker of the House of Representatives, and set forth his reasons for listing any such states. The President may at any time add to any such list the name of any state supporting international terrorism by transmitting the name of such state to the President pro tempore of the Senate and the Speaker of the House of Representatives together with his reasons for adding the name of such state to the list. If the President determines that no states have undertaken such acts, he shall report the same with a detailed explanation.

(b) Such list shall also identify any states against which sanctions have been applied pursuant to section 6 of this Act, and any other initiatives of the United States with respect to such states.

(c) Nothing in this section is intended to require the public disclosure of information which is properly classified under criteria established by Executive order, or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

(d) Nothing in this section is intended to require disclosure of investigatory records compiled for law enforcement purposes specifically protected by section 552(b)(7) of title 5, United States Code.

(e)(1) The list shall be reviewed periodically by the President. The President may propose to Congress a request for removal of any state from the list. Such request shall be accompanied by the reasons therefor.

(2) A state requested by the President to be deleted from the list shall be removed from the list thirty days after the submission of that request to the Congress unless Congress by concurrent resolution disapproves that request.

PRESIDENTIAL AUTHORITY TO COMBAT INTERNATIONAL TERRORIST ACTS

SEC. 6. (a) When a foreign government is listed pursuant to section 5 of this Act, the President shall—

(1) provide no assistance under the Foreign Assistance Act of 1961, or

(2) not authorize any sale, or extend any credit or guaranty, with respect to any defense article or service as defined by section 47 of the Arms Export Control Act, or

(3) approve no export license for the export of commodities or technical data which would enhance the military potential of the foreign government or which would otherwise enhance its ability to support acts of international terrorism under the Export Administration Act, or

(4) extend no duty-free treatment under title V of the Trade Act of 1974, or

(5) permit no entry to the United States by nationals of such country, or foreign nationals sponsored by such country, for the purpose of acquiring or continuing training or education in nuclear sciences, or a subject having military applicability, or

(6) take such other actions as he deems necessary.

(b)(1) If the President finds that the interests of national security so require, he may suspend the applicability of all or any part of the prohibitions listed in subsection (a) of this section in such case: *Provided*, That the President consults with the appropriate committees of Congress prior to the suspension of such prohibitions. He shall report his reasons therefor in writing in detail within 15 days of the suspension to the President pro tempore of the Senate and the Speaker of the House of Representatives and those prohibitions shall not apply.

(2) In determining which of the prohibitions in subsection (a) of this section should be taken, the President, in consultation with Congress, shall consider.

(A) the effectiveness of suspending any prohibition in inducing change in a country's policy or practice of supporting acts of international terrorism;

(B) the effect of such suspension on United States relations with other governments; and

(C) the effects of such suspension on other national interests of the United States.

(c) In devising initiatives to combat international terrorist actions and to reduce state support for such actions, the President shall take such other measures available to him as he deems appropriate; he shall take into account the effectiveness of specific sanctions in inducing change in a country's policy or practice of supporting acts of international terrorism; the likely effect of sanctions on overall United States relations with such country or with other countries; and the effect such sanctions would have on other United States national interests.

(d) The President shall take all appropriate diplomatic measures consistent with international obligations to support the effectiveness of actions taken pursuant to this authority in the accomplishment of the purposes of this Act.

(e) The President shall promptly and fully inform the President pro tempore of the Senate and the Speaker of the House of Representatives of each exercise of authority granted under the Act.

(f) Nothing in this section is intended to require the public disclosure of information that is properly classified under criteria established by Executive order or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and to the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

REPORT ON FEDERAL AND INTERNATIONAL CAPABILITIES TO COMBAT TERRORISM

SEC. 7. (a) Not later than six months after the date of enactment of this Act, and thereafter at two-year intervals, the President shall submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a Report on Federal and International Capabilities to Combat Terrorism. Such report shall include a comprehensive and specific review of Federal antiterrorism organization, policies, and activities. It shall include a description and evaluation of the effectiveness of relevant Federal organizational structures, planning, coordination, including with State and local authorities, response capability, intelligence gathering and analysis, assistance to and cooperation with United States business representatives abroad, and security preparedness and security adequacy of United States diplomatic and military installations. Such report shall further include a statement and evaluation of all relevant Federal policies, including those with respect to responding to threats, and the management of a terrorist incident. The report shall contain an assessment of the capability and effectiveness of the International Civil Aviation Organization and other international programs and organizations to establish appropriate airport security standards and combat terrorist activities.

(b) Nothing in this section is intended to require the public disclosure of information which is properly classified under criteria established by Executive order, or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.

INFORMATION ON FOREIGN AIRPORT SECURITY

SEC. 8. Section 1115 of the Federal Aviation Act of 1958 (49 U.S.C. 1515) relating to security standards in foreign air transportation is amended to read as follows:

"SECURITY STANDARDS IN FOREIGN AIR TRANSPORTATION

"SEC. 1115. (a) The Secretary of Transportation shall conduct at such intervals as the Secretary shall deem necessary an assessment of the effectiveness of the security measures maintained at those foreign airports serving United States carriers, those foreign airports from which foreign air carriers serve the United States, and at such other foreign airports as the Secretary may deem appropriate. Such assessments shall be made by the Secretary in consultation with the appropriate aeronautic authorities of the concerned foreign government. The assessment shall determine the extent to which an airport effectively maintains and administers security measures. The criteria utilized by the Secretary in assessing the effectiveness of security at United States airports shall be considered in making such assessments and shall be equal to or above the standards established pursuant to the Convention on International Civil Aviation. The assessment shall include consideration of specific security programs and techniques, including but not limited to, physical and personnel security programs and procedures, passenger security and baggage examination, the use of electronic, mechanical or other detection devices, airport police and security forces, and control of unauthorized access to the airport aircraft, airport perimeter, passenger boarding, and cargo, storage, and handling areas.

"(b) The report to the Congress required by section 315 of this Act shall contain:

"(1) A summary of those assessments conducted pursuant to subsection (a) of this section. The summary shall identify the airports assessed and describe any significant deficiencies and actions taken or recommended.

"(2) A description of the extent if any to which specific deficiencies previously identified, if any, have been eliminated.

"(c) When the Secretary finds that an airport does not maintain and administer effective security measures at the level of effectiveness specified in subsection (a) of this section, he shall notify the appropriate authorities of such foreign government of his finding, and recommend the steps necessary to bring the security measures in use at that airport to the acceptable level of effectiveness.

"(d)(1) Not later than sixty days after the notification required in subsection (c) of this section and upon a determination by the Secretary that the foreign government has failed to bring the security measures at the identified airport to the level of effectiveness specified in subsection (a) of this section, he—

"(A) shall publish in the Federal Register and cause to be posted and prominently displayed at all United States airports regularly serving scheduled air carrier operations the identification of such airport: and

"(B) after consultation with the appropriate aeronautical authorities of such government and, notwithstanding section 1102 of this Act, may, with the approval of the Secretary of State, withhold, revoke, or impose conditions on the operating authority of any carrier or foreign air carrier to engage in foreign air transportation utilizing that airport.

"(2) The Secretary shall promptly report to the Congress any action taken under this subsection setting forth information concerning the attempts he has made to secure the cooperation of the nation in attaining the accentable level of effectiveness.

"(e) Nothing in this section is intended to require the public disclosure of information that is properly classified under criteria established by Executive order or is otherwise protected by law. Such information shall be provided to the President pro tempore of the Senate and to the Speaker of the House of Representatives in a written classified report. In such case, an unclassified summary of such information shall be prepared and submitted to the President pro tempore of the Senate and the Speaker of the House of Representatives.".

AVIATION SECURITY ASSISTANCE TO FOREIGN GOVERNMENTS

SEC. 9. (a)(1) The Secretary of Transportation is authorized to promote the achievement of international aviation security by providing technical assistance concerning aviation security to foreign governments. Such technical assistance may include the conduct of surveys to analyze the level of aviation security in airports and the provision of training in aviation security to foreign nationals. Such training in aviation security may be conducted either in the United States or in foreign nations. The Secretary may provide for the payment of subsistence and expenses for travel within the United States for foreign nationals receiving such aviation security training in the United States.

(2) The Secretary may require a foreign government to reimburse the United States for all, part, or none of the cost of providing the technical assistance authorized under paragraph (1).

(b) There is authorized to be appropriated to carry out the provisions of this subsection an amount not to exceed $100,000 for each of the fiscal years 1982, 1983 and 1984.

POWER TO GRANT AUTHORITY TO ARREST AND CARRY WEAPONS

SEC. 10. (a) Section 313 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1354), is amended by redesignating subsection (e) as subsection (f) and by adding a new subsection:

"(e) Subject to such reasonable rules and regulations as he may prescribe, the Administrator is empowered to authorize, in connection with the performance of their air transportation security duties, persons employed by the Federal Aviation Administration to carry firearms, and to make arrests under warrant for any offense committed against the laws of the United States, and without warrant for any offense against the laws of the United States committed in their presence or for any felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed or is committing such a felony.".

(b) The table of contents of the Federal Aviation Act of 1958, in the matter of subchapter III, chapter 20 of title 49, United States Code, section 1354, is amended by redesignating

"(e) Annual report to President and Congress"

to read

"(e) Power to grant authority to arrest and carry weapons",

and by adding a new designation,

"(f) Annual report to President and Congress".

PRIORITIES FOR NEGOTIATION OF INTERNATIONAL AGREEMENTS

SEC. 11. (a) The President is hereby urged to seek international agreements to assure more effective international cooperation in combating terrorism.

(b) High priority in the negotiation of such agreements should be given to agreements which include, but which need not be limited to the following:

(1) establishment of a permanent international working group, including subgroups on topics as may be appropriate, including but not limited to, law enforcement and crisis management, which would combat international terrorism by—

(A) promoting international cooperation among countries;

(B) developing new methods, procedures, and standards to combat international terrorism; and

(C) developing and implementing rules for air service boycotts to countries supporting international terrorism;

(2) establishment of means to effect observance of—

(A) the Convention for the Suppression of Unlawful Seizure of Aircraft (The Hague, December 16, 1970);

(B) the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, September 23, 1971); and

(C) the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents (New York, December 14, 1973);

(D) the Convention Against the Taking of Hostages (New York, December 17, 1979).

IMPLEMENTATION OF MONTREAL CONVENTION

SEC. 12. The President shall develop standards and programs to insure the full implementation of the provisions of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation (Montreal, September 23, 1971).

AIRCRAFT SABOTAGE

SEC. 13. (a) Section 31 of title 18, United States Code, is amended—

(1) by striking out the words "Civil Aeronautics Act of 1938" and inserting in lieu the words "Federal Aviation Act of 1958";

(2) by striking "and" at the end of the third undesignated paragraph thereof;

(3) by striking the period at the end thereof and inserting in lieu thereof "; "; and

(4) by adding at the end thereof the following:

"'In flight' means any time from the moment all the external doors of an aircraft are closed following embarkation until the moment when any such door is opened for disembarkation. In the case of a forced landing the flight shall be deemed to continue until competent authorities take over the responsibility for the aircraft and the persons and property aboard; and

"'In service' means any time from the beginning of preflight preparation of the aircraft by ground personnel or by the crew for a specific flight until twenty-four hours after any landing; the period of service shall, in any event, extend for the entire period during which the aircraft is in flight.".

(b) Section 32, title 18, United States Code, is amended to read as follows:

"Whoever willfully sets fire to, damages, destroys, disables, or interferes with the operation of, or makes unsuitable for use any civil aircraft used, operated, or employed in interstate, overseas, or foreign air commerce; or willfully places a destructive substance in, upon, or in proximity to any such aircraft which is likely to damage, destroy, or disable any such aircraft, or any part or other material used, or intended to be used, in connection with the operation of such aircraft; or willfully sets fire to, damages, destroys, or disables any air navigation facility or interferes with the operation of such air navigation facility, if any such act is likely to endanger the safety of such aircraft in flight, or

"Whoever, with the intent to damage, destroy, or disable any such aircraft, willfully sets fire to, damages, destroys, or disables or places a destructive substance in, upon, or in the proximity of any appliance or structure, ramp, landing area, property, machine, or apparatus, or any facility, or other material used, or intended to be used, in connection with the operation, maintenance, or loading or unloading or storage of any such aircraft or any cargo carried or intended to be carried on any such aircraft; or

"Whoever willfully performs an act of violence against or incapacitates any passenger or member of the crew of any such aircraft if such act of violence or incapacitation is likely to endanger the safety of such aircraft in service; or

"Whoever willfully communicates information, which he knows to be false, thereby endangering the safety of any such aircraft while in flight; or

"Whoever willfully attempts to do any of the aforesaid acts—shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.".

(c)(1) Chapter 2, title 18, United States Code, is amended by adding a new section after section 32 to read as follows:

"§ 32A Offenses in violation of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation

"(a) Whoever commits an offense as defined in subsection (b) against or on board an aircraft registered in a state other than the United States and is afterward found in this country—shall be fined not more than $10,000 or imprisoned not more than twenty years, or both.

"(b) For purposes of this section a person commits an 'offense' when he willfully—

"(1) performs an act of violence against a person on board an aircraft in flight if that

act is likely to endanger the safety of that aircraft; or

"(2) destroys an aircraft in service or causes damage to such an aircraft which renders it incapable of flight or which is likely to endanger its safety in flight; or

"(3) places or causes to be placed on an aircraft in service, by any means whatsoever, a device or substance which is likely to destroy that aircraft, or to cause damage to it which renders it incapable of flight, or to cause damage to it which is likely to endanger its safety in flight; or

"(4) attempts to commit, or is an accomplice of a person who commits or attempts to commit, an offense enumerated in this subsection.".

(2) The analysis of chapter 2 of title 18 of the United States Code is amended by adding after item

"32. Destruction of aircraft or aircraft facilities."

the following new item:

"32A. Offenses in violation of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation.".

(d) Section 101(34) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1301 (34)), relating to the definition of the term "special aircraft jurisdiction of the United States,"; is amended as follows:

(1) by deleting the word "or" at the end of subsection (d)(i);

(2) by deleting the word "and" at the end of subsection (d)(ii) and inserting in lieu thereof the word "or"; and

(3) by adding a new subsection (d)(iii) as follows:

"(iii) regarding which an offense as defined in subsection (d) or (e) of article I, section I of the (Montreal) Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation is committed, provided the aircraft lands in the United States with an alleged offender still on board; and".

(e) Section 902(k) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472(k)), is amended by adding subsection (3) to the end thereof, to read as follows:

"(3) Whoever while aboard an aircraft in the special aircraft jurisdiction of the United States commits an act which would be an offense under section 32 of title 18, United States Code, shall be punished as provided therein.".

(f)(1) Chapter 2 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 36. Imparting or conveying threats

"(a) Whoever imparts or conveys or causes to be imparted or conveyed any threat to do an act which would be a felony prohibited by section 32 or 33 of this chapter or section 1992 of chapter 97 or section 2275 of chapter 111 of this title with an apparent determination and will to carry the threat into execution shall be fined not more than $5,000 or imprisoned not more than five years, or both.".

(2) The analysis of chapter 2 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"36. Imparting or conveying threats."

AIRCRAFT PIRACY

SEC. 14. (a) Section 901 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1471), is amended by adding at the end thereof the following new subsections:

"(c) Whoever imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by subsection (i), (j), (k), or (l) of section 902 of this Act, shall be subject to a civil penalty of not more than $1,000 which shall be recoverable in a civil action brought in the name of the United States.

"(d) Except for law enforcement officers of any municipal or State government, or the Federal Government, who are authorized or required within their official capacities to carry arms, or other persons who may be so authorized under regulations issued by the Administrator, whoever, while aboard, or while attempting to board, any aircraft in, or intended for operation in, air transportation or intrastate air transportation, has on or about his person or his property a concealed deadly or dangerous weapon, which is, or would be, accessible to such person in flight shall be subject to a civil penalty of not more than $1,000 which shall be recoverable in a civil action brought in the name of the United States.".

(b) Subsection (a) of section 1395 of title 28, United States Code, is amended by striking the period at the end of such subsection and adding the following: ", and in any proceeding to recover a civil penalty under section 35(a) of title 18 of the United States Code or section 901(c) or 901(d) of the Federal Aviation Act of 1958, all process against any defendant or witness, otherwise not authorized under the Federal Rules of Civil Procedure, may be served in any judicial district of the United States upon an ex parte order for good cause shown.".

(c)(1) Section 902(m) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(m)) is amended to read as follows:

"FALSE INFORMATION AND THREATS

"(m)(1) Whoever willfully and maliciously, or with reckless disregard for the safety of human life, imparts or conveys or causes to be imparted or conveyed false information knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a felony prohibited by subsection (i), (j), or (l)(2) of this section, shall be fined not more than $5,000 or imprisoned not more than five years, or both.

"(2) Whoever imparts or conveys or causes to be imparted or conveyed any threat to do an act which would be a felony prohibited by subsection (i), (j) or (l)(2) of this section, with an apparent determination and will to carry the threat into execution, shall be fined not more than $5,000 or imprisoned not more than five years, or both.".

(2) The table of contents of the Federal Aviation Act of 1958, in the matter of title II (subchapter IX, chapter 20 of title 49, United States Code, section 1472(m)), is amended by redesignating

"(m) False information."

to read

"(m) False information and threats.".

(d) Section 903 of the Federal Aviation Act of 1958 (49 U.S.C. 1473) is amended by striking "Such" at the beginning of the second sentence of subsection (b)(1) of that section, and substituting therefor "Except with respect to civil penalties under section 901 (c) and (d) of this Act, such".

By Mr. CRANSTON (for himself, Mr. RANDOLPH, and Mr. STAFFORD):

S. 636. A bill to clarify the Veterans' Administration's authority to recover certain health-care costs, to extend the period of availability of funds committed under the Veterans' Administration program of assistance to new State medical schools, to authorize expansion of the scope of and epidemiological study regarding veterans exposed to agent orange, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' ADMINISTRATION HEALTH CARE AMENDMENTS OF 1981

● Mr. CRANSTON. Mr. President, the bill I am introducing today on behalf of myself and two other members of the Veterans' Affairs Committee, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Vermont (Mr. STAFFORD), contains three VA health-care-related provisions that were passed twice by the Senate last fall, but were not acted on by the House of Representatives before the 96th Congress adjourned. Briefly, the Senate passed these three provisions unanimously on September 4, 1980, as part of S. 1188, the "Disabled Veterans' Rehabilitation Act of 1980"—which ultimately was enacted, with modifications in titles I, II and V of Public Law 96-466—but, because the House Committee on Veterans' Affairs objected to the inclusion of these provisions in that legislation on grounds of germaneness, the health-care provisions were not included in the compromise agreement that incorporated S. 1188. In an attempt to overcome this objection and gain House consideration before the end of the last Congress, these three provisions were inserted as an amendment in the nature of a substitute in a separate House-passed health bill that was pending in the Senate Committee on Veterans' Affairs—H.R. 4015—which was then passed by the Senate on September 26, 1980, and sent back to the House where, unfortunately, it died with the sine die adjournment of the 96th Congress.

Mr. President, these three provisions would:

First, strengthen and clarify the VA's authority to recover the costs of veterans' non-service-connected care, in appropriate cases, from workers' compensation carriers, automobile no-fault insurers, and States that pay for the costs of health care provided to victims of personal violence;

Second, modify the VA's program of grant assistance to new State medical schools under subchapter I of chapter 82 of title 38, United States Code, to provide an additional 12-month period in which the five new State medical schools established with assistance under that subchapter may obligate funds previously committed to them; and

Third, authorize the expansion of the scope of the epidemiological study mandated by section 307 of Public Law 96-151 regarding veterans exposed to agent orange to include additional factors that might be related to the health problems being experienced by Vietnam veterans, and establish timetables within which the Administrator of Veterans' Affairs, based on the results of such study and other available pertinent information, would develop regulations for the resolution of claims for benefits based on exposure to agent orange and, if the scope of the study is expanded, on the other factors.

Mr. President, as I stated on September 26—the day the Senate passed H.R. 4015 with these provisions as a substitute amendment—I believe that these VA health-care related provisions, with the possible exception of the provision that

would authorize significant changes in the VA's agent orange study, are not controversial. With respect to the proposed change in the agent orange study, a provision which I authored along with the distinguished Senator from Pennsylvania (Mr. HEINZ) and which I will describe in greater detail below, the Senate's rollcall vote on September 4 on the Cranston-Heinz amendment was unanimous—86 to 0—and would thus appear to be widely supported in the Senate as a meaningful and responsible next step for dealing with the very difficult scientific questions that remain regarding the health of many Vietnam veterans.

I will be working very hard with the new chairman of the committee, the very able Senator from Wyoming (Mr. SIMPSON), who cosponsored our substitute amendment to H.R. 4015, and other members of the committee to act quickly on this bill and secure prompt Senate action. Based on the commitment I received last fall from the new chairman of the House Committee on Veterans' Affairs, Representative MONTGOMERY, I am sure that if the Senate acts quickly on this matter, the provisions of this bill will receive prompt and favorable consideration on the House side. Indeed, pursuant to that commitment, the provisions have already been introduced in the other body as H.R. 2155, 2156, and 2157.

HEALTH-CARE COST RECOVERY PROVISIONS

Mr. President, under the Medical Care Recovery Act, sections 2651 and 2652 of title 42, United States Code, and pursuant to VA regulations, the VA has an active program in many States for recovering health-care costs in cases in which a non-service-connected disabled veteran is provided VA hospital, nursing home, or outpatient care and also is entitled to reimbursements for health-care costs for disabilities covered by workers' compensation, automobile no-fault accident insurance, or a State's crime-victims' compensation program. However, in some States the VA is precluded from such recoveries because of State laws, insurance exclusionary clauses, or State-court interpretations.

Section 2 of the bill we are introducing would provide clear authority for the United States to recover the costs of hospital, nursing home, or outpatient medical care furnished by the VA to veterans for non-service-connected disabilities to the extent they have entitlement to payment for private medical care under the situations I listed above. Under this provision, the United States would have an independent right to recover its costs of providing health care in such a situation to the exetent that the third party involved—such as the veterans' employer, the workers' compensation carrier, or the State with a crime-victim compensation program—would be liable if the care and treatment were provided in a non-Federal facility.

Recoveries would be limited to any maximum amount specified by law in the State or community concerned or by a relevant provision in a contract of insurance or indemnification unless the amount sought to be recovered was a lesser amount. In the latter situation, the amount of the recovery would be governed by the reasonable costs of the care and services provided by the VA, as determined by the Administrator under a schedule of costs that would be prescribed after notice and opportunity for public comment.

Mr. President, the purpose of providing clear statutory authority for the right of recovery in these situations is to enable the VA, in appropriate cases, to pursue these recoveries without extensive litigation over the issue of its authority to recover. The provision in this bill would override provisions in State laws and codes of local communities that exclude, for the purpose of workers' compensation, auto no-fault, and crime-victims' compensation health-care coverage, any care provided in a Federal health-care facility. It also would provide expressly that veterans eligible for VA health-care services under chapter 17 of title 38 may not be denied VA medical care or services by reason of this provision.

The Congressional Budget Office has informally and preliminarily estimated that potential recoveries would be $500,000 in the first year of full implementation rising to $2.2 million in the fourth year. Thus, particularly in view of the budget-conscious climate in which we now require Federal agencies to operate, I believe we should provide the VA with straightforward authority in this regard in order to make it easier for the VA to collect reimbursements to which it is entitled.

EXTENSION OF TIME FOR STATE MEDICAL SCHOOLS ESTABLISHED WITH ASSISTANCE OF VA GRANTS TO OBLIGATE FUNDS

Mr. President, section 3 of this bill would modify the VA's program of grant assistance to new State medical schools under chapter 82 of title 38.

Under subchapter I of chapter 82 the VA operates a program for assistance in the establishment of new State medical schools. Five medical schools—Wright State University in Dayton, Ohio; Marshall University in Huntington, W. Va.; the University of South Carolina in Columbia, S.C.; the Quillen/Dishner Medical School in Johnson City, Tenn.; and Texas A&M University in Temple, Tex.—have received grants to assist in the alteration or repair of buildings in order to make them suitable for use as medical school facilities and to help pay the faculty salaries at such schools. Each of these new medical schools is affiliated with at least one VA medical center.

Although new medical schools are no longer authorized to be established under the subchapter I program, new appropriations for such grant assistance are authorized through fiscal year 1982, and funds previously appropriated remain available—by virtue of sections 5072(b) and 5082(b) of title 38—for 6 years after the year for which they were appropriated. However, I note that, despite the continued availability of an authorization for appropriations for this program through fiscal year 1982, no new appropriation has been made for any part of the chapter 82 program since fiscal year 1979, and none have been requested for fiscal years 1981 or 1982.

Mr. President, under section 5073(a)(2) of title 38, a grant made to a new medical school under the subchapter I program for the payment of faculty salaries may be used for that purpose only during the first 7 years of the school's operation and only up to statutorily specified percentages of total faculty salary costs—declining from 90 percent during the first 3 years of such school's operation to 50 percent in the seventh year.

Mr. President, Wright State was the first new medical school to receive a subchapter I grant and is now well into its seventh year of operation, as defined in VA regulations implementing the subchapter I program. The distinguished Senator from Ohio (Mr. GLENN) brought to my attention last year that, due to circumstances unforseeable when the subchapter I program was enacted, Wright State may be unable to use effectively by the end of the 7-year period the full amount of grant funding committed to it for faculty salaries. In order to resolve this problem and also to prevent similar difficulties from occurring at the other four schools, section 3 of the bill would provide an additional 12-month period in which these schools could obligate the funds already committed to them under subchapter I beyond the periods specified in sections 5027(b), 5082(b), and 5073(a)(2) of title 38.

This provision would limit the amount of remaining funds that could be used to pay faculty salaries during the 12-month extension period to 50 percent of the total cost of such salaries during that year—the same limit that currently applies in the seventh year. Thus, the provision is intended to enable the schools to make appropriate and efficient use of the funds already committed to them.

Mr. President, no new authorization for appropriations for the subchapter I program would be provided by this section of the bill, and there would be no additional expenditures entailed by enactment of this provision.

AMENDMENTS TO THE AGENT ORANGE STUDY PROVISION

Mr. President, section 4 of the bill would amend the current agent orange study mandate—section 307 of Public Law 96-151, the Veterans' Health Programs Extension and Improvement Act of 1979—in four ways.

First, it would amend the description of the mandated agent orange study to require the VA to study the health of Vietnam veterans as their health may have been affected by exposure to agent orange.

Second, it would authorize the Administrator of Veterans' Affairs to expand the scope of the agent orange study to include an evaluation of other factors involved in service in Vietnam, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions.

Third, it would expressly provide the Administrator with authority to contract with non-VA entities for the design and conduct of the study.

Fourth, it would provide a framework within which the VA would be required to translate information obtained from the agent orange study—and the other

factors if the study is expanded—and information from other relevant studies or sources, into guidelines and recommendations for responding to the claims of Vietnam veterans that are based on exposure to such elements.

The Senate Committee on Veterans' Affairs has followed closely the work of the President's interagency work group on phenoxy herbicide exposure—IAG—which was established on December 11, 1979, and is chaired by the Department of Health and Human Services.

Mr. President, on February 27, 1981, I wrote to Martin Anderson, the Assistant to the President for Policy Development, to urge that the President reauthorize this very important group and formally designate it as the group responsible for assuring that the President's responsibility—mandated in section 307(c) of Public Law 96-151—to assure coordination and consultation between different Federal agencies with respect to their agent orange-related activities is fully implemented. I ask unanimous consent that this letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., February 27, 1981.

Mr. MARTIN ANDERSON,
Assistant to the President for Policy Development, The White House, Washington, D.C.

DEAR MARTIN: I am writing in connection with a matter that is of great importance to our Nation's Vietnam veterans and a deep concern of mine on the Veterans' Affairs Committee—Agent Orange. As you know, Agent Orange, the defoliant used by our Armed Forces in Vietnam, was contaminated by dioxin, one of the most toxic substances ever identified by the scientific community.

On December 11, 1979, President Carter established, through his Assistant for Domestic Affairs and Policy, an interagency work group to assure that all Federal efforts in the area of dioxin-related research are fully coordinated and that there is a wide and ongoing consultation among all the agencies involved. The President appointed the then-Department of Health, Education, and Welfare—an agency well-equipped, in my view, to deal with the difficulties involved and one not generally perceived as having an interest to defend in these matters—as the work group's chair agency.

On December 20, 1979, the Veterans' Health Programs Extension and Improvement Act of 1979 (Public Law 96-151) was enacted with provisions, in section 307(a), mandating the VA to design and conduct an epidemiological study on Agent Orange. In addition, for purposes of assuring that any dioxin-related study conducted by the Federal Government would be scientifically valid and conducted efficiently and objectively, section 307(c) of this law required the President to assure that the VA study is fully coordinated with all other Federal agencies' studies regarding the health effects in humans of dioxin exposure and that all appropriate consultation and coordination take place among the heads of Federal agencies involved in the design, conduct, monitoring, or evaluation of such dioxin studies. For your reference, I have enclosed a copy of section 307 of Public Law 96-151.

Since the interagency work group on dioxin (formally the Interagency Work Group on Phenoxy Herbicides and Contaminants) was created, it has issued six progress reports dealing with the many dioxin-related activities of the Federal agencies, including long-term research proposals and various clinical projects of a shorter length, which may help to provide the answers we seek about the possible health effects of exposure to substances containing dioxin. In addition, the work group has itself reviewed and commented on certain of these research proposals. I believe these reports and comments have been of definite value to the agencies involved in terms of the rapid dissemination of useful information, to the Congress in terms of providing members with succinct, periodic updates, and, finally, to the public, in terms of widespread concern that the studies be as objective and useful as possible and that no unnecessary delays occur in the Federal Government's pursuit of answers in this area. I also believe that the work group could appropriately serve as the means of the President carrying out his statutory responsibility under section 307(c) of Public Law 96-151.

In light of the immediacy of the issues involved—the VA will, after great delay, shortly sign a contract for the design of the protocol for its study—and their great importance to Vietnam veterans and their families and to the health of many other segments of our population, I believe that the President should reauthorize the interagency group under the chairmanship of the Secretary of Health and Human Services, designating the group as the body responsible for assuring that the provisions of section 307(c) of Public Law 96-151 are fully implemented. Such a designation—accompanied by the appropriate delegation of the authority—would enhance the authority of the group and give greater weight to its recommendations as well as provide needed assurance of full implementation of those provisions.

I would very much appreciate hearing from you at your earliest convenience about these matters and learning of your response to my recommendations.

With warm regards,
Cordially,

ALAN CRANSTON,
Ranking Minority Member.

AGENT ORANGE STUDY

SEC. 307. (a)(1) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of persons who, while serving in the Armed Forces of the United States during the period of the Vietnam conflict, were exposed to any of the class of chemicals known as "the dioxins" produced during the manufacture of the various phenoxy herbicides (including the herbicide known as "Agent Orange") to determine if there may be long-term adverse health effects in such persons from such exposure. The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from exposure to such dioxins or other dioxins.

(2)(A)(i) The study conducted pursuant to paragraph (1) shall be conducted in accordance with a protocol approved by the Director of of Office of Technology Assessment.

(ii) The Director shall monitor the conduct of such study in order to assure compliance with such protocol.

(B)(i) Concurrent with the approval or disapproval of any protocol under subparagraph (A)(i), the Director of the Office of Technology Assessment shall submit to the appropriate committees of the Congress a report explaining the basis for the Director's action in approving or disapproving such protocol and providing the Director's conclusions regarding the scientific validity and objectivity of such protocol.

(ii) In the event that the Director has not approved such protocol during the one hundred and eighty days following the date of the enactment of this Act, the Director shall (I) submit to the appropriate committees of the Congress a report describing the reasons why the Director has not given such approval, and (II) submit an update report on such initial report each sixty days thereafter until such protocol is approved.

(C) The Director shall submit to the appropriate committees of the Congress, at each of the times specified in the second sentence of this subparagraph, a report on the Director's monitoring of the conduct of such study pursuant to subparagraph (A)(ii). A report under the preceding sentence shall be submitted before the end of the six-month period beginning on the date of the approval of such protocol by the Director, before the end of the twelve-month period beginning on such date, and annually thereafter until such study is completed or terminated.

(3) The study conducted pursuant to paragraph (1) shall be continued for as long after the submission of the report under subsection (b)(2) as the Administrator may determine reasonable in light of the possibility of developing through such study significant new information on the long-term adverse health effects of exposure to dioxins.

(b)(1) Not later than twelve months after the date of the enactment of this Act, the Administrator shall submit to the appropriate committees of the Congress a report on the literature review and analysis conducted under subsection (a)(1).

(2) Not later than twenty-four months after the date of the approval of the protocol pursuant to subsection (a)(2)(A)(i) and annually thereafter, the Administrator shall submit to the appropriate committees of the Congress a report containing (A) a description of the results thus far obtained under the study conducted pursuant to such subsection, and (B) such comments and recommendations as the Administrator considers appropriate in light of such results.

(c) For the purpose of assuring that any study carried out by the Federal Government with respect to the adverse health effects in humans of exposure to dioxins is scientifically valid and is conducted with efficiency and objectivity, the President shall assure that—

(1) the study conducted pursuant to subsection (a) is fully coordinated with studies which are planned, are being conducted, or have been completed by other departments, agencies, and instrumentalities of the Federal Government and which pertain to the adverse health effects in humans of exposure to dioxins; and

(2) all appropriate coordination and consultation is accomplished between and among the Administrator and the heads of such departments, agencies, and instrumentalities that may be engaged, during the conduct of the study carried out pursuant to subsection (a), in the design, conduct, monitoring, or evaluation of such dioxin-exposure studies.

(d) There are authorized to be appropriated such sums as may be necessary for the conduct of the study required by subsection (a).

Mr. CRANSTON. Mr. President, the committee has reviewed carefully the various recommendations and comments made by the IAG in its six progress reports on Federal activities in this area, and the provisions in this section of the bill reflect many of the recommendations made by the IAG thus far. With respect to the VA agent orange study, the IAG commented in an August 1980 progress report that the current study mandate, which requires a study of veterans exposed to dioxin as found in agent orange, would be extremely difficult, if not impossible, to fulfill because of the many scientific problems entailed in

identifying a population, prior to commencing the study, known to be exposed to agent orange. VA officials and other scientists concur in this opinion.

Thus, the first change that would be made in the study mandate by this section would remove this unintended threshold problem by requiring the VA to study the health of Vietnam veterans as it may have been affected by their exposure. This change would allow the VA to begin the study of the health status of these veterans by identifying a population of veterans who served in Vietnam, without first having to determine whether each one was, without question, exposed to agent orange in Vietnam.

The IAG also stated in its August 1980 report that it was aware of a multitude of concerns of Vietnam veterans about various other chemicals, medications, and environmental hazards that were present in Vietnam and, thus, possibly could be related to health impairments that Vietnam veterans are experiencing today.

Based on the above-described difficulty in identifying with precision a population exposed to agent orange and these other concerns, the IAG recommended that the mandate for the VA study be expanded to take these other factors into account. The provision in this section would give the Administrator of Veterans' Affairs discretionary authority to do just that while not, in any way, detracting from the study's focus, as already mandated, on agent orange.

Mr. President, I believe it is possible, as the IAG has suggested, that a combination of factors peculiar to service in Vietnam may be responsible for the many health problems now being blamed on agent orange alone. I believe that we have a responsibility to Vietnam veterans and other concerned Americans to make sure these other possibilities are fully and carefully explored. Moreover, it may be that, should the Administrator choose to expand the study, this provision will lead to more reliable results in a shorter period of time about the current status of the health of Vietnam veterans.

Mr. President, the third change in the agent orange study mandate that would be made by this section would explicitly authorize the Administrator to contract with non-VA public or private entities for the design and conduct of the mandated study. Last June, I called for the VA to take steps to contract out the design and overall management of the study to a group outside the direct control of the VA because I had become convinced then—as I still am—that it is in the best interest of all concerned that the study be managed by a clearly neutral, nongovernmental body. Several of the veterans' organizations, most notably the American Legion and the Veterans of Foreign Wars, adopted resolutions at their most recent national conventions in support of such an approach.

Mr. President, the fourth change—and one that, in my view, would be a particularly valuable and appropriate addition to the study mandate—would require the Administrator to establish a framework for the VA to issue regulations containing guidelines, standards, and criteria for resolving disability compensation claims based on disabilities or diseases believed to be related to agent orange exposure, and, if the scope of the study is expanded, on the other possible health-risk factors.

As I mentioned above, Senator HEINZ and I worked long and hard on this provision which is intended to provide Vietnam veterans and their families with the assurance that every effort will be made to evaluate appropriately and completely any new evidence obtained from the mandated study on agent orange—and, if the study is expanded, the other factors—very soon after such information is available, and, thus, insure that the claims of Vietnam veterans are fairly considered.

Mr. President, this provision would establish—as described in detail in a colloquy between Senator HEINZ and me on September 4, 1980, CONGRESSIONAL RECORD, pages 24076-24078—a specific timetable for the VA to report to appropriate congressional committees on the study findings, to develop and publish in the Federal Register proposed regulations, and to make recommendations to appropriate congressional committees for any legislative action that might be necessary in light of the proposed regulations.

Such recommendations would include, of course, any changes in current law warranted by the study findings with respect to certain specific presumptions of disability or compensation for genetic damage that might be related to birth defects. However, this change would not, in any way, compel the VA to develop and propose any such guidelines, criteria, and standards that are not justified by the scientific information available at the times that the reports and proposals must be submitted, nor would it preclude VA actions with respect to proposals for the resolution of these claims based on scientific evidence available from other sources at any earlier time.

This change also would not have the effect in itself of speeding up the scientific process of finding the answers to the very perplexing questions we now face with respect to the health of Vietnam veterans. However, I believe that, by establishing a specific framework and timetable for VA action, tied to certain reporting requirements already contained in Public Law 96-151, we would be taking an important step toward meeting the strong concerns of many Vietnam veterans that, in the absence of an express requirement for VA actions on the findings of the mandated study, the VA might not act promptly.

It is very unfortunate that many Vietnam veterans perceive the VA in this manner. Regrettably, these perceptions are not without some justification, as might be expected in any situation which involves a complex, as yet undeciphered, problem, the very strong concerns and expectations of many individuals who have served our country well when called to do so, and a very large governmental bureaucracy.

Mr. President, section 307(d) of Public Law 96-151, which authorizes the appropriation of such sums as may be necessary for the conduct of the mandated study, would not be amended by this bill.

I urge my colleagues to support the changes that would be made in the Agent Orange study by this bill and join me in my effort to assure its rapid consideration. In my view, this would be a most meaningful message to Vietnam veterans, their families, and all other persons concerned about the Federal Government's ability to act appropriately in this very troublesome area.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 636

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Administration Health-Care Amendments of 1981".

VETERANS' ADMINISTRATION HEALTH-CARE COST RECOVERY PROVISIONS

SEC. 2. (a) Subchapter III of chapter 17 of title 38, United States Code, is amended by adding after section 628 the following new section:

"§ 629. Recovery by the United States of the cost of certain care and services

"(a) In any case in which a veteran is furnished care and services under this chapter for a non-service-connected disability and such disability was incurred—

"(1) incident to such veteran's employment and the disability is covered under a workers' compensation law or plan which provides reimbursement for or indemnification of the cost of health care and services provided to the veteran by reason of the disability,

"(2) as the result of a motor vehicle accident covered under the law of a State which requires the owners or operators of motor vehicles registered in such State to have in force automobile accident reparations insurance, or

"(3) as the result of a crime of personal violence that occurred in a State or subdivision thereof in which a person injured as the result of such crime is entitled to receive health care and services at such State's or subdivision's expense for personal injuries suffered a the result of such crime,

the United States shall have the right to recover, subject to the limitations, conditions and procedures prescribed in subsections (b) and (c) of this section, the reasonable costs of such care and services from the State or subdivision thereof, employer, employer's insurance carrier, or automobile accident reparations insurance carrier, to the extent that such veteran, or the provider of care and services to such veteran, would be eligible to receive reimbursement or indemnification for such care and services if such care and services had not been furnished by a department or agency of the United States.

"(b) The amount that may be recovered by the United States in exercising the right provided under subsection (a) of this section may not exceed the lesser of (1) an amount equal to the reasonable cost of the care and services furnished such veteran under this chapter, as determined by the Administrator pursuant to regulations which the Administrator shall prescribe after notice and opportunity for public comment, or (2) the maximum amount specified by the law of the State or subdivision thereof concerned or by any relevant contractual provision to which such veteran was a party or was subject.

"(c)(1) The United States shall, as the right provided in subsection (a) of this section, be subrogated to any right or claim that such veteran or such veteran's personal representative, successor, dependents, or survivors may have against a State or subdivision thereof, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier.

"(2) In order to enforce any such right or claim to which it is subrogated under paragraph (1) of this subsection—

"(A) the United States may intervene or join in any action or proceeding brought by the veteran or such veteran's personal representative, successor, dependents, or survivors against a State or subdivision thereof, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier, or

"(B) if—

"(i) no such action or proceeding has been commenced within one hundred and eighty days after the first day on which care and services for which recovery is sought were furnished to such veteran by the Veterans' Administration under this chapter, and

"(ii) the United States has sent written notice by certified mail to such veteran at such veteran's last-known address, or to such veteran's personal representative or successor, of the United States intention to institute legal proceedings,

the United States may, sixty days after the mailing of such notice, institute and prosecute legal proceedings against such State or subdivision thereof, employer, employer's insurance carrier, or automobile accident reparations carrier.

"(d) A veteran eligible for care and services under this chapter may not be denied such care and services by reason of this section.

"(e) No law of any State or of any subdivision thereof, and no provision of any contract or agreement entered into, renewed, or modified pursuant to any State law shall operate to prevent recovery by the United States under (1) subsection (a) of this section for care and services furnished under this chapter to any veteran for a nonservice-connected disability, or (2) subsection (b) of section 611 of this title for care and services furnished as a humanitarian service in emergency cases under such subsection to any individual.".

(b) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 628 the following new item:

"629. Recovery by the United States of the cost of certain care and services.".

EXTENSION OF TIME FOR STATE MEDICAL SCHOOLS ESTABLISHED WITH ASSISTANCE OF VA GRANTS TO DELEGATE FUNDS

SEC. 3. Notwithstanding the provisions of section 5072(b), 5073(a)(2), or 5082(b) of title 38, United States Code, in cases in which the Administrator has approved an application for a grant or supplemental grant under subchapter I of chapter 82 of such title (for the establishment of a new State medical school), amounts appropriated pursuant to section 5072(a) or 5082 of such title that are approved for such a grant or supplemental grant shall remain available for, and may be paid during, a period of twelve months in addition to the periods provided for in such sections, respectively, and any funds made available by this section for payments, or authorized to be paid, under such grant or supplemental grant for faculty salaries may not exceed the amount provided for under section 5073(a)(2)(G) of such title.

AMENDMENTS TO AGENT ORANGE STUDY PROVISIONS

SEC. 4. Section 307 of the Veterans' Health Programs Extension and Improvement Act of 1979, Public Law 96-151 (93 Stat. 1097), is amended—

(1) by amending subsection (a)(1) to read as follows:

"(a)(1)(A)(i) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of the long term adverse health effects in humans of service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict as such health effects may result from exposure to phenoxy herbicides (including the herbicide known as 'Agent Orange') and the class of chemicals known as 'the dioxins' produced during the manufacture of such herbicides.

"(ii) In conducting the study provided for by division (i) of this subparagraph, the Administrator may, as the Administrator deems appropriate, expand the scope of such study to include an evaluation of the long term adverse health effects in humans of such service as such health effects may result from other factors involved in such service, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions.

"(B)(i) The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long term adverse health effects in humans from exposure to phenoxy herbicides (including the herbicide known as 'Agent Orange') and the class of chemicals known as 'the dioxins' produced during the manufacture of such herbicides.

"(ii) In conducting the review and analysis of the literature provided for by division (i) of this subparagraph, the Administrator may, as the Administrator deems appropriate, expand the scope of such review and analysis of the literature to include a review and analysis of the literature covering other studies relating to whether there may be long term adverse health effects in humans from other factors involved in service in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict or in other comparable situations involving one or more of the factors described in subparagraph (A)(ii) of this paragraph.

"(C) The Administrator may, in carrying out the study provided for by subparagraph (A) or the review and analysis of the literature provided for by subparagraph (B), or both, enter into such contracts or agreements with private or public agencies or persons for such necessary services, including design of the protocol for or the conduct of, in whole or part, such study, or both, or such review and analysis of the literature, or both, as the Administrator may deem practicable and necessary."; and

(2) by amending subsection (b)—

(A) by amending paragraph (2) by inserting "for administrative or legislative action, or both," after "recommendation";

(B) by adding at the end the following new paragraph:

"(3)(A)(i) Not later than ninety days after the submission of each report provided for in paragraph (2), the Administrator shall, based on the results described in each such report and the comments and recommendations thereon and any other available pertinent information, develop and publish in the Federal Register, for public review and comment, proposed regulation, containing proposed guidelines, standards, and other criteria (together with an explanation of the bases for such proposed guidelines, standards, and criteria) for resolving claims for benefits administered by the Veterans' Administration based on exposure to Agent Orange during service in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict.

"(ii) If the Administrator expands the scope of the study provided for in subsection (a)(1)(A)(i) (as provided for in subsection (a)(1)(A)(ii)), such proposed regulations shall also contain proposed guidelines, standards, and other criteria for resolving claims for benefits administered by the Veterans' Administration based on one or more factors described in subsection (a)(1)(A)(ii) related to such service.

"(iii) Proposed regulations developed and published pursuant to division (i) of this subparagraph (and, if proposed regulations are developed and published pursuant to division (ii) of this subparagraph, pursuant to such division) shall include specification of any presumptions (including any presumptions regarding service and exposure) to be applied to the resolution of the claims to which such proposed guidelines, standards, and criteria in such proposed regulations apply.

"(iv) Notwithstanding any other provision of law, the public review and comment process required by division (i) of this subparagraph shall be conducted in accordance with the provisions of sections 553 (b) and (e), 556, and 557 of title 5, United States Code.

"(v) On the same day as such proposed regulations are published as required by division (i) of this subparagraph, the Administrator shall submit to the appropriate committees of the Congress any recommendations for legislative action that the Administrator considers appropriate in light of such proposed guidelines, standards, and criteria, the report submitted pursuant to section (b)(2), and any other available pertinent information.

"(B) Not later than ninety days after the completion of the public review and comment process provided for in subparagraph (A)(i) and (iv), the Administrator shall publish in the Federal Register final regulations containing the guidelines, standards, and other criteria (together with an explanation of the bases for such guidelines, standards, and criteria) for resolving the claims involved.

"(C) Nothing in subparagraph (A) or (B) shall be considered to limit in any way the discretion and authority of the Administrator to promulgate or prescribe regulations, guidelines, standards, or other criteria for resolving any claims described in subparagraph (A)(i) or (ii) at any time earlier than the time prescribed in subparagraph (A) for the publication of the proposed regulations described in such subparagraph.

"(D) The Administrator's compliance with the provisions of, and any regulations promulgated pursuant to, this paragraph shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.".●

By Mr. JOHNSTON (for himself and Mr. JACKSON):

S. 637. A bill to establish a program for Federal storage of spent fuel from civilian nuclear powerplants, to set forth a Federal policy and initiate a program for the disposal of nuclear waste from civilian activities, and for other purposes; to the Committee on Energy and Natural Resources.

NUCLEAR WASTE POLICY ACT

● Mr. JOHNSTON. Mr. President, today I am introducing the Nuclear Waste Policy Act, a bill which is based on the nuclear waste legislation which was overwhelmingly approved by the Senate in the 96th Congress. As my colleagues recall, at the close of the last Congress, certain Members of the Senate and the House of Representatives were working hard to arrive at a compromise on this important energy policy issue. Time ran out on us before that compromise could be developed. It is my hope that we can regenerate the cooperative spirit of that time and move expeditiously in this Congress to the enactment of comprehensive legislation establishing a definitive national policy for nuclear waste management.

The legislation I am introducing today embodies the basic policies adopted by the Senate last year. The Nuclear Waste Policy Act provides for—

A Federal program, including authorization for the construction or acquisition of a Federal facility, for interim away-from-reactor storage of spent nuclear fuel;

A requirement that the Secretary submit to Congress within a time certain a proposal accompanied by cost estimates for a system for the long-term isolation of spent nuclear fuel and high-level radioactive waste in a manner that permits continuous monitoring and ready retrieval of the fuel or waste;

An accelerated program of research, development, and investigation of alternative technologies for the long-term isolation of nuclear wastes under conditions incorporating retrievability as well as in irreversible ways; and

A process of consultation and concurrence involving Federal Government and affected States and Indian tribes in the siting of permanent repositories for the nuclear wastes generated in civilian nuclear activities.

Mr. President, I believe there is an excellent chance for early enactment of a nuclear waste policy based on the elements of this bill. There can be no doubt that we are in great need of policy guidance from Congress in this matter. Currently, the nuclear energy option is, in my opinion, unreasonably burdened by public doubt and uncertainty about nuclear waste disposal. This public doubt and uncertainty is a direct consequence of indecision and drift in Federal policy with regard to nuclear waste management. The Federal Government has avoided definitive action on nuclear waste management, failed to assess waste management costs, and blocked the adoption of a rational spent fuel policy. Yet policy decision on these matters can only be made by the Federal Government. The aim of the bill I am introducing is to see that the Federal Government assumes its responsibilities with regard to nuclear waste management and begins doing the things that those responsibilities imply.

There are three principal titles of the bill.

AWAY-FROM-REACTOR STORAGE

Title III of the bill authorizes the Secretary of Energy to acquire, transport, and provide for the interim storage of spent nuclear fuel from civilian nuclear powerplants. The Secretary would levy a per unit charge for this service designed to recover the full cost of interim storage and permanent disposal of wastes associated with the spent fuel, including all transportation and handling. The Secretary would be authorized to construct or acquire one or more facilities—each to be fully subject to the licensing authority of the Nuclear Regulatory Commission—to provide safe interim storage of the spent fuel. Any person transferring spent fuel to the Secretary would retain the nontransferable right to the value of any fuel remaining should such material ever be recovered.

The purpose of this legislation is to provide prudent insurance against the likelihood that spent fuel pools at one or more existing nuclear reactors will fill up, forcing the shutdown of those powerplants. There is a good chance that expansion of these pools will prove infeasible or uneconomic, or both.

Federal capacity for the safe isolation of spent fuel and high level radioactive waste will be urgently needed during the 1980's. It is currently very unlikely that permanent disposal facilities will be in place in this time frame. There is also a substantial possibility that necessary approvals for expanded at-reactor storage will not be forthcoming in all instances. In any event, at-reactor pools were never designed to store large amounts of spent fuel for extended periods of time. Reliance on this method of storage pending the uncertain establishment of a facility for permanent disposal of nuclear wastes is both unsafe and costly relative to centralized AFR storage. The Nuclear Waste Policy Act provides the necessary Federal authority to establish such a program, while insuring that the ratepayers who benefit from nuclear power pay the full cost of nuclear waste management.

PERMANENT NUCLEAR WASTE DISPOSAL

Title IV of the bill directly addresses the question of permanent disposal of nuclear wastes. Definitive answers with regard to permanent nuclear waste disposal have proved extremely elusive over the years since nuclear power first was recognized as an important energy option. Indecision on permanent nuclear waste disposal is one of the reasons we currently are faced with the necessity of providing for interim away-from-reactor storage of spent nuclear fuel. If facilities for separating and permanently disposing of nuclear wastes from spent fuel were in existence today, AFR's would not be necessary.

We should have no illusions that it will be easy to agree on a specific facility for the permanent disposal of nuclear wastes. Nuclear wastes must be isolated for a very long time with very high assurance that release to the biosphere will not occur. Certainly this means that we must design any permanent disposal facility with care and make use of the best scientific skills and techniques available. We should not, however, make the job harder than it needs to be. Much of the recent thinking about the permanent disposal of nuclear wastes assumes that wastes will be irreversibly consigned to some deep underground geologic formation. It is the irreversibility of this kind of technological option which makes us so reluctant to choose a specific site and construct the necessary facilities. We are asking ourselves to make an irreversible choice, one that will last for all time. Reluctance to make this kind of choice is understandable.

But forcing this kind of choice is not necessary. There is no reason why nuclear wastes cannot be safely isolated from the biosphere for as long as may be required in facilities which permit continuous monitoring of the waste, maintenance of all important features of the facility providing containment of the waste, and ready retrieval of the waste to prevent any loss of control of potentially toxic material.

An added advantage of this approach is that it allows for progress—the certain discovery in the future of more advanced and secure methods of waste containment. As long as we do not lose control of the waste we put away now, we can incorporate the improved knowledge we are bound to gain in the future. In the meantime, however, we are assured—because we have control of the wastes—that the public health and safety is adequately protected at all times.

Title IV of the Nuclear Waste Policy Act requires the Secretary of Energy to submit to Congress—within a time certain—a detailed proposal for a facility for the permanent disposal of spent fuel and high-level radioactive wastes from civilian nuclear activities in a manner which permits continuous monitoring and ready retrieval of the fuel and wastes. Before any such facility would be built a subsequent act of Congress would be required.

Submission of the proposal required by title IV would permit Congress to carefully assess the merits and costs of long-term retrievable, monitored isolation of nuclear wastes. For the first time definitive action on a system of permanent disposal facilities would be possible without the uncertainties that have been the hallmark of past efforts to locate a specific deep geologic formation—a granite structure, a basalt formation, or a salt dome—where nuclear waste could be irreversibly consigned with reasonable assurances of safety. The facilities envisioned in title IV, while they would be located underground, could in fact be safely sited in any State in the continental United States. If we adopt the policy suggested in title IV of the Nuclear Waste Policy Act, no individual State will be singled out as the "nuclear dumping ground for the Nation" solely because of the geologic characteristics of its subsurface. The connection between geologic identity and the attractiveness of a site for nuclear waste disposal will be broken. We will be free to pick a waste disposal site—or several waste disposal sites—to better connect the costs of nuclear power with the beneficiaries of nuclear power.

STATE PARTICIPATION

Finally, title VI of the bill confers on States and Indian tribes specific rights of consultation and concurrence in the sit-

ing of permanent disposal facilities for civilian nuclear waste. The provisions of the Nuclear Waste Policy Act constitute a simplified version of the language adopted by the Senate in the 96th Congress. The policy is the same. Any State in which a permanent disposal facility for civilian nuclear waste may be located—or any Indian tribe on whose reservation such a facility may be located—has the right to enter into negotiations with the Secretary concerning the coordination and sharing of information and views concerning the proposed facility.

In the event that a proposed facility reaches the point where application by the Secretary to the Nuclear Regulatory Commission for a construction license is appropriate, the State and, as the case may be, the Indian tribe would have the right to object to the proposed facility. All work on the facility would stop unless the President submitted a statement to the Congress that concerns of the State or Indian tribe have been sufficiently addressed in the proposed project. Work on the facility could not be restarted if either House of Congress passes a resolution disapproving the President's statement. Thus the objections of an affected State or Indian tribe prevail if either House of Congress agrees that a proposed permanent disposal facility for civilian nuclear waste fails to sufficiently address the concerns of the State or tribe.

Mr. President, civilian nuclear power is very important to the energy future of this country. But for nuclear power to remain a viable energy option, we must set forth a definite and acceptable policy for the management of civilian nuclear wastes. We need such a policy to deal with the civilian nuclear wastes we now have—which are considerable—and also to deal with the wastes which will be generated in the future. I believe that the Nuclear Waste Policy Act provides the necessary authorities for a careful and considered resolution of the current uncertainties in civilian nuclear waste management. I look forward to participating with my colleagues in addressing this important issue and urge the convening of hearings on the bill at the earliest convenient date.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 637

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Waste Policy Act".

TITLE I—FINDINGS AND PURPOSES

FINDINGS

SEC. 101. The Congress finds and declares that—

(a) a reliable system adequate to provide sufficient electrical energy to meet the Nation's current and anticipated needs is an essential part of a comprehensive national energy policy and is vital to national security and public welfare;

(b) an adequate electrical system requires a diversified base of primary energy sources in order to avoid excessive reliance upon any single alternative energy source;

(c) a diverse base of primary energy sources can be achieved only if each available source competes on an equal footing in decisions on the siting and construction of facilities for generating commercial electric power;

(d) nuclear energy can—

(1) make a significant contribution to national supplies of electricity;

(2) offer site-specific advantages in environmental impact, cost, and fuel availability over other primary sources of energy; and

(3) help reduce United States dependence on insecure sources of foreign oil;

(e) lack of an effective Federal policy for the interim storage of spent fuel and disposal of radioactive waste from civilian nuclear activities unreasonably burdens the choice of nuclear energy as an alternative primary energy source in decisions on siting and construction and operation of powerplants and unduly constrains efforts to establish a diverse base of primary energy sources;

(f) the Federal Government has the responsibility for the interim storage of spent fuel from civilian nuclear powerplants and the disposal of high-level radioactive waste from civilian nuclear activities in order to protect the public health and safety and provide for the common defense and security.

(g) the costs associated with the storage of spent fuel and the disposal of radioactive waste from civilian nuclear activities should, to the greatest extent practicable, be borne by the direct beneficiaries of such activities and should be considered in the selection or rejection of nuclear energy over alternative primary energy sources; and

(h) the technology exists and is under development which would provide reasonable assurance that spent fuel and high-level radioactive waste can be safely disposed of and that disposal facilities for spent fuel and high-level radioactive waste can be available when needed;

PURPOSES

SEC. 102. The purpose of this Act is to—

(a) assume the Federal responsibility for the acquisition and interim storage of spent fuel from civilian nuclear powerplants and for the disposal of high-level radioactive waste from civilian nuclear activities;

(b) establish a definite Federal policy for the disposal of high-level radioactive waste from civilian nuclear activities;

(c) authorize the Secretary to—

(1) acquire or construct at least one facility for the interim storage of spent fuel from civilian nuclear powerplants;

(2) select a technology and design for a system comprised of at least one Federal facility for the disposal of high-level radioactive waste generated by civilian nuclear activities and to select a site and design for the first component of such a system;

(3) provide for the construction, operation and maintenance of nuclear waste storage and disposal facilities described in paragraphs (1) and (2);

(d) accelerate the examination and consideration of alternative technologies for the disposal of nuclear waste; and

(e) provide for improved consultation and cooperation between the Federal Government and States and Indian Tribes in the siting of facilities for the interim storage of spent fuel from civilian nuclear powerplants and facilities for the disposal of high-level radioactive waste from civilian nuclear activities.

TITLE II—DEFINITIONS

SEC. 201. As used in this Act the term—

(1) "atomic energy defense activities of the Secretary" includes those activities and facilities of the Department of Energy carrying out the functions of—

(i) Naval reactors' development and propulsion;

(ii) weapons activities, verification and control technology;

(iii) defense materials production;

(iv) inertial confinement fusion;

(v) defense waste management; and

(vi) defense nuclear materials, security and safeguards,

all as included in the Department of Energy appropriations account in any fiscal year for such functions.

(2) "civilian nuclear powerplant" means a utilization or production facility for the generation of commercial power, as that phrase is used in the Atomic Energy Act of 1954, which is or will be licensed under such Act;

(3) "Commission" means the Nuclear Regulatory Commission;

(4) "disposal" means the long-term isolation of material, including long-term monitored storage which permits retrieval of the material stored;

(5) "environmental impact statement" means any document prepared pursuant to or in compliance with the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852);

(6) "Governor" means the Governor of a State or successors to the Governor, during their respective terms of office, or their designees;

(7) "Indian tribe" means an Indian tribe, as defined in the Indian Self-Determination and Education Assistance Act (Public Law 93-638);

(8) "permanent disposal" means the long-term isolation of radioactive waste for at least such period of time as the Commission determines is necessary in order that the radioactivity, heat generation and toxicity of such waste does not exceed the radioactivity, heat generation and toxicity of naturally occurring uranium.

(9) "repository" means a facility for the disposal of high-level waste, transuranic contaminated waste, or spent nuclear fuel, whether or not such facility is designed to permit the subsequent recovery of such material, except for facilities to be used exclusively for research and development purposes and containing an insignificant amount of such material;

(10) "safe repository" means any underground facility for the permanent disposal of transuranic waste, high-level radioactive waste, spent nuclear fuel or any combination of such wastes or fuel, whether or not such facility is designed to permit the subsequent recovery of the materials placed in the repository, and whether or not such safety is achieved solely by the characteristics of the medium in which the facility is located or by a combination of such characteristics with appropriate engineered structural containment, waste form and packaging, monitoring and maintenance of such facility.

(11) "Secretary" means the Secretary of Energy;

(12) "spent fuel" means nuclear fuel that has been irradiated in and recovered from a civilian nuclear powerplant;

(13) "State" means any State of the United States, the District of Columbia, and, subject to the provisions of Public Law 96-205, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Marianas Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(14) "test disposal" means the emplacement in a repository of an amount in excess of 100 canisters of spent nuclear fuel, high-level wastes or transuranic contaminated waste.

TITLE III—INTERIM STORAGE OF SPENT FUEL FROM CIVILIAN NUCLEAR POWERPLANTS

SEC. 301. (a) It is the policy of the Federal Government to provide, as soon as possible, an assured and predictable capacity for the interim storage of spent fuel from civilian nuclear powerplants.

(b) The policy under subsection (a) shall provide for—

(1) maximizing, by utilization of available spent fuel pools to the maximum practical extent, the storage of such spent fuel at the site of each civilian nuclear powerplant; and

(2) the establishment of a Federally owned and operated system for the interim storage of spent fuel at one or more away-from-reactor facilities.

SEC. 302. The Secretary, the Commission and other appropriate Federal officials shall take such actions as they consider necessary to encourage and expedite the use of available storage at the site of each civilian nuclear powerplant consistent with—

(a) the protection of the public health and safety;

(b) economic considerations;

(c) continued operation of the powerplant;

(d) the sensibilities of the population surrounding such powerplant; and

(e) otherwise applicable law.

SEC. 303. (a) The Secretary, consistent with such criteria as he prescribes under the policy set forth in section 301, shall offer to enter into, and may enter into, contracts with persons owning, or planning to own, civilian nuclear powerplants. Those contracts shall provide that the Federal Government will (1) take title to spent fuel from the powerplants, (2) transport the spent fuel to Federally owned and operated interim away-from-reactor storage facilities and store such fuel in the facilities, and (3) dispose of waste products associated with such spent fuel.

(b) Nothing in this Act authorizes the Secretary to take title to spent fuel, transport spent fuel or dispose of spent fuel or the waste products associated with spent fuel from a nuclear powerplant not located within the United States.

SEC. 304. A contract entered into under section 303 shall provide—

(a) for a one-time payment at the time the Federal Government acquires the spent fuel of a charge per unit of spent fuel, as such unit is defined by the Secretary, which charge is determined by the Secretary to be adequate to cover—

(1) the cost of transportation of such spent fuel;

(2) the proportion of the costs of the construction and the operation, maintenance and decommissioning of Federal interim away-from-reactor storage facilities which proportion is associated with such spent fuel; and

(3) a surcharge to reflect the cost of permanent disposal of high-level radioactive waste associated with such spent fuel;

(b) for the retention by the owner of such spent fuel of a nontransferable right to the value of the remaining fuel resource less the costs of recovery, as determined at the time of recovery. The right ends when the Federal Government—

(1) takes action resulting in the recovery of the remaining fuel resource, and

(2) gives to the owner of the right an amount of money equal to the value of the recovered fuel less the costs of recovery;

(c) that title to the spent fuel together with all rights to such fuel, except as otherwise provided in this Act, passes to the Secretary at the site of the powerplant at the time the Secretary takes possession of the spent fuel;

(d) that the contract becomes effective when the interim away-from-reactor storage facility is available as determined by the Secretary by notice in the Federal Register; and

(e) for adjustment and recalculation of the one-time payment established under subsection (a) of this section and assessment of any difference to be paid or reimbursed at the time such spent fuel or associated radioactive waste is placed in permanent disposal.

SEC. 305. (a) The Secretary shall provide notice of intent to enter into such contracts by publishing notice in the Federal Register not later than one hundred and eighty days after the date of the enactment of this Act. Such notice shall contain such information as the Secretary considers appropriate concerning proposed terms and conditions of such contracts.

(b) The Secretary shall establish the one-time payment charge per unit of spent fuel required by subsection 304(a) on an annual basis, based on calculation of the costs and surcharge listed in subsection 304(a), and shall publish such annual one-time payment charge and the calculation thereof in the Federal Register. Each one-time payment charge shall become effective thirty days after publication and shall remain effective for a period thereafter of twelve months as the charge for the costs and surcharge listed in subsection 304(a) for any spent fuel, title to which is transferred to the Federal Government during that twelve-month period.

SEC. 306. (a) The Secretary shall construct or acquire at least one away-from-reactor facility for the interim storage of spent fuel from civilian nuclear powerplants. The facilities shall—

(1) be made available in adequate capacity and in a timely manner to accommodate all spent fuel for which commitments have been made pursuant to section 303 of this Act; and

(2) be subject to a license under the provisions of section 202(3) of the Energy Reorganization Act of 1974 (88 Stat. 1233).

(b) The Secretary, in providing for the transportation of spent fuel under this Act, shall utilize by contract private industry to the fullest extent possible in each aspect of such transportation. The Secretary shall use direct Federal services for such transportation only upon a determination of the Secretary of Transportation, in consultation with the Secretary, that private industry is unable or unwilling to provide such transportation services at reasonable cost. The authority of the Secretary to enter into contracts under this section shall be limited to the extent and in such amounts as are provided in appropriations Acts.

(c) The Secretary and the Commission, on a continuing basis, shall analyze and make projections of the availability when needed of spent fuel transportation casks required to support Federal transportation requirements pursuant to subsection (b). The Secretary and the Commission are authorized and directed to take such actions as the Secretary and the Commission, respectively, deem necessary and appropriate to ensure the timely availability when needed of such spent fuel transportation casks.

SEC. 307. When an interim away-from-reactor storage facility is available, the Secretary shall take possession of and transport to a designated storage facility any spent fuel covered by a contract made under section 303 of this Act. The Secretary shall take this action within thirty days after the date on which the owner of such spent fuel provides notice in writing to the Secretary that such spent fuel is available.

SEC. 308. Funds made available to the Secretary for the purpose of—

(a) acquiring plant and capital equipment or land; or

(b) for planning, construction, or modification of facilities,

to make available facilities for the interim storage of spent fuel from civilian nuclear powerplants away from the reactor under any law making appropriations of funds or authorizations for appropriations of funds for the fiscal year ending September 30, 1979, the fiscal year ending September 30, 1980, and the fiscal year ending September 30, 1981, including funds authorized and appropriated for Project 79-1-p (Away-From-Reactor Spent Nuclear Fuel Storage Capacity) in any legislation authorizing appropriations for the Department of Energy, shall be available to carry out the purposes of section 306.

SEC. 309. (a) In carrying out the provisions of sections 301 through 308 with regard to any facility for the interim storage of spent fuel from civilian nuclear powerplants which the Secretary is authorized by section 304(a) to construct or acquire, the Secretary shall:

(1) as soon as practicable, but not later than 90 days after enactment of this section, notify in writing the Governor and the legislature of any State in which is located a potentially acceptable site for such a facility or an existing facility potentially suitable for interim storage of spent fuel of the Secretary's intention to investigate that site or facility;

(2) during the course of investigation of such site or facility, keep the Governor and the legislature currently informed of the progress of work and results of the investigation;

(3) at the time of selection by the Secretary of any site or existing facility, but prior to undertaking any site-specific work or alterations, promptly notify the Governor and the legislature in writing of such selection; and

(4) throughout the course of any subsequent work on that site or existing facility, furnish the Governor all relevant information on a current basis and provide him with the opportunity for review and comment from time to time.

(b) If within a reasonable time after the Governor has received notice of selection required by subsection (a)(3), the Governor notifies the Secretary in writing of his objections to the facility, the Secretary shall suspend further work on such facility and promptly transmit the Governor's objections together with the Secretary's comments and recommendations to the President.

(c) Unless within ninety days after receipt of the Secretary's notification under subsection (b) the President determines that such facility is essential to the national interest, the Secretary shall terminate activities specific to the facility. Such determination shall not be subject to judicial or administrative review.

(d) During the regulation and monitoring of the facility, the Governor or his designee shall have the right to be currently informed of all relevant facts and matters, and shall have access to all relevant documents, and have the right to review and comment on such matters from time to time.

SEC. 310. Section 202(3) of the Energy Reorganization Act of 1974 is amended to read:

"(3) Facilities used primarily for the receipt and storage of high-level radioactive wastes or spent fuel resulting from activities licensed under such Act or spent fuel from foreign reactors transferred under a subsequent arrangement authorized under such Act.".

SEC. 311. Transportation of spent fuel under section 303(a) shall be subject to licensing and regulation by the Commission as provided for transportation of commercial spent fuel under existing law.

TITLE IV—DISPOSAL OF HIGH-LEVEL RADIOACTIVE WASTE RESULTING FROM CIVILIAN NUCLEAR ACTIVITIES

SEC. 401. It is the policy of the Federal Government to provide, consistent with section 301, a federally owned and operated system for the permanent disposal of all high-level radioactive waste resulting from civilian nuclear activities.

SEC. 402. Within one year after the date of the enactment of this Act, the Secretary shall transmit to the Congress a proposal for the construction of one or more safe repositories for the permanent disposal of high-level radioactive waste resulting from civilian nuclear activities. Such repositories shall be designed to—

(a) accommodate spent fuel from civilian nuclear activities without reprocessing, as well as the high-level radioactive waste from other civilian nuclear activities, including reprocessing of such spent fuel if such reprocessing is undertaken in the United States;

(b) permit continuous monitoring, management, and maintenance of the spent fuel and high-level radioactive waste for the foreseeable future; and

(c) provide for the ready retrieval of any spent fuel and high-level radioactive waste for further processing or disposal by an alternative method.

SEC. 403. The proposal shall include—

(a) the general description, cost estimates, and construction schedule for a permanent disposal system which shall be initially designed for a capacity adequate at a minimum to receive in a timely manner the high-level radioactive waste produced by all ongoing civilian nuclear activities and the spent fuel from the operation of all civilian nuclear powerplants for which any application for any Federal license or permit has been received prior to the date of the enactment of this Act; and

(b) site-specific designs, specifications, and cost estimates adequate to solicit bids for the construction of an initial safe repository within the system which will demonstrate the feasibility of permanent disposal of spent fuel and high-level radioactive waste in a manner which permits retrieval of such fuel and waste and which has capacity of at least one thousand spent fuel rods along with a volume of processed high-level radioactive waste from civilian activities limited to the amount sufficient to accomplish such demonstration.

SEC. 404. In formulating the proposal, the Secretary shall consult with the Commission and the Environmental Protection Agency, and shall transmit their comments on the final proposal to the Congress together with the proposal.

SEC. 405. (a) Preparation and transmittal of the proposal to the Congress is not a major Federal action significantly affecting the environment within the meaning of section 102 (2)(C) of the National Environmental Policy Act of 1969 (83 Stat. 852) but an environmental assessment shall be prepared on the proposal to accompany such transmittal based upon available information regarding alternative technologies for waste disposal.

(b) When Congress authorizes construction of the initial safe repository, the requirements of the National Environmental Policy Act shall apply, except that any environmental impact statement in connection with such facility need not consider any alternative to the design criteria set forth in section 402 of this Act as may have been amended by such subsequent congressional authorization.

(c) Any facility authorized under this title shall be subject to a license under section 202(3) of the Energy Reorganization Act of 1974 (88 Stat. 1233), except that in its consideration of the application filed by the Secretary for the initial facility, the Commission may not consider any alternative to the design criteria set forth in section 402 of this Act but shall comply with the requirements of the licensing process as otherwise provided by law.

(d)(1) Beginning the first fiscal year after the commencement of construction of any safe repository under section 402 the Secretary shall, to the extent provided in appropriations Acts and subject to the provisions of this subsection, make annual impact aid payments to any appropriate local government with respect to such repository—

(A) which repository is located within the jurisdictional boundaries of such government,

(B) which is determined by the Secretary to have a substantial impact on such government, and

(C) where the construction of such repository, or any modification thereof, is completed after the effective date of this Act, and, in the case of a modification of an existing facility, such modification substantially increases the capacity of such repository.

(2) The Secretary shall by rule establish a formula under which payments will be made under this subsection for any fiscal year. In developing such formula, the Secretary shall identify, and take into account, the local governmental services provided to the Secretary concerning such repository and the associated costs to the governments providing such services as the result of such repository. The Secretary may enter into negotiations with any appropriate local government in advance of commencement of construction of any safe repository to determine the magnitude of the payments such government would receive under the formula with respect to such repository.

(3) Payments made pursuant to this subsection shall be made solely from the fund established under section 501. The authorization of payments under this subsection is not an obligation of the United States.

(4) No payment may be made under this subsection with respect to any land or interests in land owned by the United States and administered by any Federal agency (other than the Secretary), without regard to how the United States obtained ownership thereof, including lands or interests therein acquired or withdrawn by a Federal agency for purposes of such agency and subsequently made available to the Secretary for such facilities.

(5) As used in this subsection, the term "local government" means a county, parish, township, municipality, borough existing in the State of Alaska on the date of the enactment of this subsection, or other unit of government below the State which is a unit of general government as determined by the Secretary.

SEC. 406(a). The Secretary shall continue and accelerate a program of research, development, and investigation of alternative means and technologies for the permanent disposal of high-level radioactive wastes from civilian activities, atomic energy defense activities of the Secretary and Federal research and development activities. Such program shall include examination of various waste disposal options including, but not limited to—

(1) permanent disposal in naturally occurring geologic formations;

(2) advanced technologies for the long-term retrievable isolation of nuclear waste;

(3) placement in deep ocean sediments;

(4) placement in very deep drill holes;

(5) placement in a mined cavity in a manner which leads to rock melting;

(6) partitioning of reprocessing waste and transmutation of radionuclides; and

(7) ejection into space.

(b) The programs to be carried out under subsections (a) shall include—

(1) collection of baseline data and environmental information about potential disposal sites;

(2) dissemination of fundamental scientific information;

(3) development, analysis, and validation of predictive models;

(4) extensive, independent, objective review of results by scientific experts, and of proposed facilities and operations through the licensing process;

(5) practical experience, including careful monitoring of radioactive waste isolation systems;

(6) a demonstrated capability to take any needed corrective or mitigating actions; and

(7) an ongoing research and development program to increase the state of knowledge about the disposal of nuclear waste.

(d) The Secretary shall report to the Congress his findings and recommendations resulting from the program authorized by this section, as follows—

(1) as a part of the annual report required by section 657 of the Department of Energy Organization Act (91 Stat. 565) the Secretary shall report concerning the status of the program; and

(2) from time to time, the Secretary shall make recommendations arising from his studies concerning the advisability of modifying or replacing the technology adopted under section 402 of this Act.

TITLE V—FINANCIAL ARRANGEMENTS

SEC. 501. (a) There is hereby established in the Treasury of the United States a separate account to provide for (1) the construction and operation of Federal away-from-reactor interim storage facilities for spent fuel, (2) the disposal of such spent fuel or high-level radioactive waste from civilian nuclear activities, and (3) the handling and transportation of such spent fuel or waste. Amounts appropriated under sections 308 and 502(b) or otherwise appropriated to the Secretary to carry out any of the purposes of titles III and IV (except section 406), all charges under section 304, receipts derived from the sale of any reprocessed fuel, and the proceeds from any obligations issued pursuant to section 502 of this title shall be deposited into the account.

(b) To the extent or in such amounts as are provided in appropriations Acts, the Secretary may draw on such account to carry out the purposes of titles III and IV (except section 406).

SEC. 502. (a) To carry out the purposes of titles III and IV (except section 406) the Secretary may borrow money from the Treasury of the United States in amounts provided in appropriation Acts, but not more than $300,000,000. The Secretary and the Secretary of the Treasury shall agree on terms, maturities, and conditions of the obligations, but the maturities may not be more than thirty years. The Secretary may redeem the obligations before maturity. The Secretary of the Treasury shall decide the interest rate of the obligations considering the average market of outstanding marketable obligations of the United States Government of comparable maturities during the month before the obligations are issued. The interest payments on such obligations may be deferred with the approval of the Secretary of the Treasury but any interest payment so deferred shall bear interest. Such obligations shall be issued in amounts and at prices approved by the Secretary of the Treasury. The Secretary of the Treasury shall purchase any obligations of the Secretary issued under this section and for this purpose the Secretary of the Treasury is authorized to use as a public debt transaction of the United States the proceeds from the sale of any securities issued under the Second Liberty Loan Bond Act. Securities may be issued under that Act to purchase obligations from the Secretary under this section.

(b) There is authorized to be appropriated for the fiscal year ending September 30, 1982, to carry out the purposes of titles III and IV (except section 406) no more than $200,000,000, such amounts to remain available until expended.

(c) Appropriations made available under sections 308 and subsection (b) and any other appropriations made to the Secretary to carry out the purposes of titles III and IV (except section 406) shall be repaid into the General Fund of the Treasury out of the account, together with interest until the date of repayment at a rate determined by the Secretary of the Treasury taking into consideration the average market on long-term obligations of the United States during the fiscal year in which such appropriations are made. The Secretary shall repay such appropriation together with interest within thirty years from the time at which such appropriations become available for expenditure after the date of enactment of this Act, and no appropriations to the Secretary are authorized to carry out the purposes of titles III and IV (except section 406) unless the amounts appropriated are deposited into the account established in section 501(a).

TITLE VI—STATE ROLE IN NUCLEAR WASTE REPOSITORY SITING

APPLICATION

SEC. 601. (a) The provisions of this title shall not apply to the transportation, management, or disposal of spent fuel or radioactive waste from atomic energy defense activities of the Secretary or Federal research and development activities.

(b) Any facility established or operated exclusively for the disposal of spent fuel or radioactive waste produced by atomic energy defense activities of the Secretary or Federal research and development activities shall not be subject to the provisions of this title.

COOPERATIVE AGREEMENT

SEC. 602. (a) The Secretary shall identify the States with one or more potentially acceptable sites for a repository, including test disposal of high-level or transuranic wastes. Within ninety days of such identification, or within ninety days of enactment of this Act, the Secretary shall notify the Governor, the State legislature, and the Tribal Council of any affected Indian tribe in any affected State of the potentially acceptable sites within each State.

(b) Each State and Indian tribe notified under subsection (a) shall have the right to participate in a process of consultation and concurrence, based on public health and safety concerns, in all stages of the planning, siting, development, construction, and operation of a repository. The Secretary shall promptly enter into negotiations with each such State and Indian tribe to establish a cooperative agreement under which the State and Indian Tribe may exercise such right. Public participation in the negotiation of such agreement shall be provided for and encouraged by the Secretary, the States and the Indian tribes. The Secretary, in cooperation with the States and Indian tribes, shall develop and publish minimum guidelines for public participation in such negotiations, but the adequacy of such guidelines or any failure to comply with these guidelines shall not be a basis for judicial review.

(c) The cooperative agreement may include, but need not be limited to, the sharing in accordance with applicable law of all technical and licensing information, the utilization of available expertise, the facilitating or permitting procedures, joint project review, and the formulation of joint surveillance and monitoring arrangements to carry out applicable Federal and State laws. Such cooperative agreement shall provide procedures for resolving objections of the State and Indian tribe in any stage of the planning, siting, development, construction or operation of such a facility within the State: *Provided, however*, That any such agreement shall not affect the Commission's authority under existing law.

(d) For the purpose of this title the term "process of consultation and concurrence" means a methodology by which the Secretary (1) keeps a State or Indian tribe fully and currently informed about the aspects of the project related to any potential impact on the public health and safety, (2) solicits, receives, and evaluates concerns and objections of the State or Indian Tribe with regard to such aspects of the project on an ongoing basis, and (3) works diligently and cooperatively to resolve such concerns and objections.

(e) The Secretary, the State and, as the case may be, the Indian Tribe shall seek to conclude the agreement under subsection (b) not later than one year after the date of notification under subsection (a). The Secretary shall report to the Congress annually thereafter on the status of efforts to resolve objections under any agreement approved under subsection (c). Any report to the Congress on the status of negotiations under subsection (b) or the agreement under subsection (c) by the Secretary shall be accompanied by comments solicited by the Secretary from the State and, as the case may be, the Indian Tribe.

SEC. 603. (a) In carrying out the provisions of sections 401 through 405 with regard to any safe repository for the permanent disposal of spent fuel and high-level radioactive waste from civilian nuclear activities which repository is or may be proposed by the Secretary under such sections for subsequent construction authorization by Congress, or any safe repository so proposed, the construction of which has been authorized by Congress, the Secretary shall—

(1) as soon as practicable, but prior to initiation of any onsite investigation in any State, notify the Governor, the legislature of such State and any affected Indian Tribe in writing of his intention to initiate such investigation;

(2 during the course of investigation of any site, keep the Governor, the legislature and any such Tribe currently informed of the progress of work and of results of the investigation;

(3) at the time of selection by the Secretary of any site for such a safe repository, but prior to undertaking any site-specific design work, promptly notify the Governor, the legislature and the Tribe in writing of such selection;

(4) throughout the course of any subsequent design work and site verification activities provide continuing access to designees of the Governor and the Tribe to the design and other information developed which the Secretary determines is relevant and provide opportunity for review and comment by the Governor and the Tribe from time to time during such work and activities: and

(5) notify the Governor, the legislature and the Tribe in writing at least ninety days prior to formal application by the Secretary to the Commission for a construction permit for such safe repository.

(b) To the extent practicable, actions of the Secretary under this section shall be consistent with any agreements concluded under section 602 between the Secretary and such State and Tribe.

(c) If at any time after the Governor or an affected Indian Tribe has received notice of site selection, but no later than ninety days after receipt of notice under subsection (a) of intent to file an application for a construction permit with the Commission, the Governor or the Indian Tribe notifies the Secretary in writing of objections to the proposed safe repository, the Secretary shall suspend further site-specific activities on such repository and promptly transmit such objections together with the Secretary's comments and recommendations to the Congress and the President.

(d) If the President determines that—

(1) a safe repository which is the subject of a notification under subsection (c) is essential to the national interest and

(2) the concerns of the State and, as the case may be, the Indian tribe, have been addressed to an extent sufficient for the Secretary to apply to the Commission for a license to construct such repository,

the President shall submit a statement to that effect to the Congress under procedures set forth in section 551 of the Energy Policy and Conservation Act (42 U.S.C. 6521). Any determination by the President under this subsection shall not be subject to judicial review. Such statement shall be subject to review as if it were an "energy action" under such section 551. The Secretary may continue activities on the facility referred to in subsection (c) on the 60th day after the submission of such statement unless one House of Congress enacts a disapproval resolution under 42 U.S.C. 6421.

(e)(1) For purposes of this section any reference in 42 U.S.C. 6461 to a period of

(A) 15 calendar days shall be considered to be a reference to 60 calendar days; and

(B) 5 calendar days shall be considered to be a reference to 20 calendar days.

(2) For purposes of this section any reference in 42 U.S.C. 6461 to a "resolution" shall mean only a resolution of either House of Congress described in subparagraph (A) or (B) of this paragraph.

(A) A resolution of the matter after the resolving clause of which is as follows: "That the ——— does not believe that the proposed development of a repository at ——— within the State of ——— referred to in the statement transmitted to Congress by the President on ——— sufficiently addresses the concerns of such State and any affected Indian Tribe within such State".

(B) A resolution the matter after the resolving clause of which is as follows: "That the ——— believes that the proposed development of a repository at ——— within the State of ——— referred to in the statement transmitted to Congress by the President on ——— sufficiently addresses concerns of such State or any affected Indian tribe within such State".

The first blank space of any such resolution shall be filled with the name of the resolving House, and the other blank spaces shall be appropriately filled.

(f) For purposes of this section the term "affected Indian Tribe" means an Indian Tribe upon whose reservation a repository will be sited.●

By Mr. BENTSEN:

S. 638. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Finance.

HOMEMAKERS IRA BILL

● Mr. BENTSEN. Mr. President, I rise today to introduce a bill with an important dual purpose—to meet the social goal of greater retirement security and to advance the economic objective of increased savings and investment. I propose the homemakers, who make an invaluable economic contribution to the welfare of our country, be eligible to provide for their own retirement to the establishment of individual retirement accounts, at the same $1,500 contribution rate currently available for a working spouse.

Under present law, wage earners who do not participate in another retirement plan may receive a tax deferral from IRA contributions equal to the lesser of 15 percent of earned income or $1,500. The IRA limit is $1,750 at the wage earner who himself is eligible to establish an IRA elects to set up a spousal IRA. The homemaker retirement bill will allow the

homemaker to set up an IRA regardless of the type of retirement plan, if any, the working spouse has. It would permit the annual contribution of up to $1,500 by the homemaker and the working spouse each, for maximum contribution of $3,000—in lieu of the current maximum $1,750 spousal contribution.

This is a very simple proposal for individuals to understand and for the IRS to administer. The bill merely extends the numbers of individuals currently eligible to establish an IRA. It is not a complex tax exemption. IRA's provide tax deferral until the money is taken out at the time of retirement.

Mr. President, financial security in retirement will become increasingly difficult to achieve in the years to come. By the turn of the century, 13 percent of our population will be over age 65. Older persons are living longer, retiring earlier and becoming increasingly dependent upon retirement income programs. At the same time, the declining birth rate will mean fewer workers supporting more beneficiaries in the social security system.

In 1935 there were nine workers for every aged person. In 1977 the worker-to-age ratio was 4 to 1, and there were three workers for every social security beneficiary. By the year 2030 there will be two workers for every one beneficiary. It is easy to see that the social security system cannot take this kind of overload. The economic crunch that limited resources and expanding costs—is already upon us.

One way to ease the burden on the system is to enable an encouraged person to provide for their own retirement. It was with this idea in mind that Congress included the Employee Retirement Income Security Act of 1974 (ERISA) provisions which would have allowed individuals not participating in qualified private or governmental programs to set up their own retirement plans. The homemaker retirement bill will extend the rationale of this provision to enable an important group of individuals with no current means of providing for their retirement to do so—the 30 to 50 million American homemakers are rapidly approaching retirement age without any type of retirement plan.

These individuals have devoted many years of self-sacrificing unpaid work toward the welfare of the family. These homemakers often face financial crisis when confronted with an untimely death of the working spouse before retirement age, a dissolved marriage, or old age with only minimum social security benefits for their support. I feel that it is about time we recognized the contributions of these hard-working homemakers and give them the opportunity that they have earned to provide for their own retirement security.

I have long argued that our present tax system is biased against savings. We need to constantly be looking for ways to encourage savings which provide a greater source of capital for the investment needed to promote economic growth and boost productivity. This simple and equitable IRA eligibility extension is one such option. The average American should have the opportunity to invest in an easily understandable, fully vested retirement plan which will in turn generate much needed capital flow into the economy.

Finally, Mr. President, I feel that it is about time that homemakers were given equal treatment under ERISA. Though they do not work for wages, the Nation's homemakers do very real work with very long hours. It is about time that we recognized the economic value of their labor. Homemakers, like the self-employed and those whom employment does not offer a retirement plan deserve and require the opportunity to provide for financial security in old age. They should not have to rely on uncertain survival benefits, dwindling social security funds, or welfare.

The homemakers retirement bill encourages these individuals to take independent action to establish their own retirement funds, thus providing them with the means to live their later years in the dignity and the self-respect which is rightfully theirs.●

By Mr. PACKWOOD (for himself and Mr. BENTSEN):

S. 639. A bill to amend the Internal Rvenue Code of 1954 with respect to the income tax treatment of incentive stock options; to the Committee on Finance.

INCOME TAX TREATMENT OF INCENTIVE STOCK OPTIONS

● Mr. PACKWOOD. Mr. President, Senator BENTSEN and I are today introducing legislation which would create a new category of stock options called "incentive stock options."

This bill is substantially the same as was approved by the Senate Finance Committee in September 1980 as an amendment to the tax reduction of 1980 (H.R. 5829). That bill died at the end of the 96th Congress.

This new class of stock options features those provisions, taken from both the pre-1964 laws governing restricted stock options and the later qualified options, which offer the greatest incentives and safeguards. This bill promotes productivity by restoring a valuable form of noncash compensation that both lowers labor costs and resulting product prices while motivating superior performance by employees. It would give more people a vested interest in their firm and enable small, growing companies to compete with large, established corporations in attracting top-caliber employees.

THE PRODUCTIVITY PROBLEM

In the past decade, the United States has experienced a serious and steady decline in its productivity growth rate. It has become clear that this drop is not a temporary aberration or a cyclical phenomenon. The economic implications of lagging productivity growth make it essential for Congress to act to reverse this trend.

The move to stimulate the supply of resources and output in the economy received a boost in 1978. After years of consumption-oriented tax measures, 1978 saw Congress focus on a tax policy designed to stimulate economic growth and capital formation. This was an excellent beginning. But as the Joint Economic Committee recently concluded:

Some of the tax changes in the Revenue Act of 1978 will stimulate investment. But these are not sufficient.

Incentive stock options allow a further step in the direction of greater productivity growth by making it easier for new companies to start up and grow.

ROLE OF SMALL BUSINESS

Small growing companies provide more than their share of technological innovation and job growth. They can continue to contribute this sort of economic dynamism, however, only if they are successful in attracting and motivating highly talented employees.

Incentive stock options significantly improve the ability of young companies to compete successfully for capable individuals. These smaller businesses are often unable to offer the job security or the salary levels that are available in larger corporations. But since the stock of smaller companies often grows at a more rapid pace than larger companies, stock options in these businesses can be extremely attractive, thereby providing an incentive for talented individuals to risk their careers in the uncertainties of a new venture.

LEGISLATIVE HISTORY

In the past, there has been some degree of controversy over stock options. Until the early sixties, companies could offer such incentives in the form of restricted stock options. In 1963, the Kennedy administration recommended that these provisions be repealed. The administration argued that since individuals were taxed on personal service income at rates up to 92 percent, but long-term capital gains were taxed at only 25 percent, stock options allowed too much conversion of ordinary income into capital gains. Congress first limited the value of options, creating the "qualified stock option" in 1964, then phased out all stock option preferences in 1976.

Today, circumstances are considerably different. Changes in the Tax Code have drastically reduced the sheltering effects of stock options. The maximum tax rate on personal service income is now 50 percent and the capital gains rate, as a result of actions taken last year, now stands at a maximum of 28 percent. As I will explain in more detail later, the effect of the change is that stock options now can be reinstated at no net cost to the Treasury. In fact, a revenue gain will result after the first couple of years following enactment of the bill.

EXPLANATION OF PROVISIONS

Current tax law authorizes only so-called nonqualified options. When employees exercise these options, they must pay income tax—at ordinary income rates—on the paper profit (or "spread") between their option price and the market price when they buy. This cost and risk of loss on a "profit" never realized has forced most companies to turn from stock options to straight cash compensation and stock purchase plans. These cost companies more and motivate employees less.

This bill creates a new category of stock options called incentive stock options. It incorporates what we believe to be the best features and safeguards of both the "pre-64" restricted option and the later qualified options. Employees would not be required to pay tax at the time they exercise these options. Since any spread would not be treated as personal service income to the employee at the time of exercise, the company would not be able to deduct it as compensation. The employee could then be eligible for capital gain treatment when the stock is sold. As under present law, the employer would not have a deduction at the time the employee sells the stock.

In order to be treated as an incentive stock option plan, the following rules must be met:

First. The option must be issued at 100 percent of its fair market value. However, if a goodfaith effort is made to issue the stock at not less than its fair market value, but it is later determined to be undervalued, the option will still be treated as an incentive stock option. This provision helps avoid the imposition of drastic consequences on employees as a result of inadvertent undervaluation of the stock by the employer.

Second. The option can be exercised up to 10 years after issuance, as with restricted stock options. Rules for qualified options allowed only 5 years.

Third. Shareholder approval is required, as in the case of qualified stock options.

Fourth. As was true for restricted options, employees would be permitted to exercise the options in any sequence. Qualified options rules required options to be exercised in the order granted.

Fifth. To qualify for long-term capital gain treatment, the employee would be required to hold the stock 2 years after the company had granted the option and 1 year after the employee had exercised the option. This is similar to rules governing restricted stock options. If the stock is sold within 2 years, ordinary income would be realized up to the lesser of the gain or the spread between the option price and the value of the stock at the time of exercise, as with qualified options.

Sixth. Similar to qualified options, the optionee must be an employee continuously from grant to 3 months prior to exercise.

Seventh. At grant, the employee may not own more than 10 percent of the voting power or value of the stock of the company, unless the option price is at least 110 percent of the fair market value. This is similar to the rules for restricted options. In contrast, qualified stock guidelines did not permit the employee to own more than 10 percent of the voting power or stock value if the equity capital is $1 million or less, decreasing to 5 percent of the equity capital is $2 million or over.

Eighth. As with both restricted and qualified options, options issued would not be transferrable other than at death and would be exercisable during the employee's lifetime only by the employee.

The Packwood-Bentsen bill makes three changes in the bill as introduced in 1980 (S. 2239).

First, as approved by the Senate Finance Committee on a motion by Senator BILL BRADLEY. The bill applies to options exercised after the effective date. However, a modification is made in the Bradley amendment. Specifically, the bill applies to:

First. Qualified options exercised after the effective date; and

Second. Other options—meeting the requirements of this bill—exercised after the effective date, unless the company elects for the option to not be entitled to these provisions. This election must be made within 6 months after enactment, and may be revoked only with permission of the Internal Revenue Service.

Third. There has been some question about the effect of stock appreciation rights—or other rights to cash payments concurrent with exercise of a stock option—on the entitlement of a plan to treatment as a qualified stock option. This bill raises no inference about this issue. However, the bill permits companies to modify or delete these features within 6 months after the date of enactment if they so choose.

Fourth. The bill clarifies that the employee may pay for the stock subject to the option with stock of the company granting the option.

REVENUE EFFECT

As I stated briefly before, such stock options can be reinstated at no net cost to the Federal Government. In 1980, the Joint Committee on Taxation determined that the bill, after possible minuscule revenue losses in the first 3 years after its enactment, will result in a revenue gain. For example, the Joint Committee estimated that the revenue increase would approximate $15 million in fiscal year 1984 and $30 million in fiscal year 1985.

We look forward to working with other Senators, the Department of the Treasury and the public to consider any improvements in this important piece of legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 639

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Part II of subchapter D of chapter 1 of the Internal Revenue Code of 1954 (relating to certain stock options) is amended by adding after section 422 the following new section:

"SEC. 422A. INCENTIVE STOCK OPTIONS.

"(a) IN GENERAL.—Section 421(a) shall apply with respect to the transfer of a share of stock to an individual pursuant to his exercise of an incentive stock option if—

"(1) no disposition of such share is made by him within 2 years from the date of the granting of the option nor within 1 year after the transfer of such share to him, and

"(2) at all times during the period beginning on the date of the granting of the option and ending on the day 3 months before the date of such exercise, such individual was an employee of either the corporation granting such option, a parent or subsidiary corporation of such corporation, or a corporation or a parent or subsidiary corporation of such corporation issuing or assuming a stock option in a transaction to which section 425 (a) applies.

"(b) INCENTIVE STOCK OPTION.—For purposes of this part, the term 'incentive stock option' means an option granted to an individual for any reason connected with his employment by a corporation, if granted by the employer corporation or its parent or subsidiary corporation, to purchase stock of any of such corporations, but only if—

"(1) the option is granted pursuant to a plan which includes the aggregate number of shares which may be issued under options and the employees (or class of employees) eligible to receive options, and which is approved by the stockholders of the granting corporation within 12 months before or after the date such plan is adopted;

"(2) such option is granted within 10 years from the date such plan is adopted, or the date such plan is approved by the stockholders, whichever is earlier;

"(3) such option by its terms is not exercisable after the expiration of 10 years from the date of such option is granted;

"(4) the option price is not less than the fair market value of the stock at the time such option is granted;

"(5) such option by its terms is not transferable by such individual otherwise than by will or the laws of descent and distribution, and is exercisable, during his lifetime, only by him; and

"(6) such individual, at the time the option is granted, does not own stock possessing more than 10 percent of the total combined voting power of all classes of stock of the employer corporation or of its parent or subsidiary corporation.

Paragraph (6) shall not apply if at the time such option is granted the option price is at least 110 percent of the fair market value of the stock subject to the option and such option by its terms is not exercisable after the expiration of 5 years from thte date such option is granted.

"(c) SPECIAL RULES.—

"(1) EXERCISE OF OPTION WHEN PRICE IS LESS THAN VALUE OF STOCK.—If a share of stock is transferred pursuant to the exercise by an individual of an option which would fail to qualify as an incentive stock option under subsection (b) because there was a failure in an attempt, made in good faith, to meet the requirement of subsection (b) (4), the requirement of subsection (b) (4) shall be considered to have been met.

"(2) CERTAIN DISQUALIFYING DISPOSITIONS WHERE AMOUNT REALIZED IS LESS THAN VALUE AT EXERCISE.—If—

"(A) an individual who has acquired a share of stock by the exercise of an incentive stock option makes a disposition of such share within the 2-year period described in subsection (a)(1), and

"(B) such disposition is a sale or exchange with respect to which a loss (if sustained) would be recognized to such individual,

then the amount which is includible in the gross income of such individual, and the amount which is deductible from the income of his employer corporation, as compensation attributable to the exercise of such option shall not exceed the excess (if any) of the amount realized on such sale or exchange over the adjusted basis of such share.

"(3) CERTAIN TRANSFERS BY INSOLVENT INDIVIDUALS.—If an insolvent individual holds a share of stock acquired pursuant to his exercise of an incentive stock option, and if such share is transferred to a trustee, receiver, or other similar fiduciary in any proceeding under title 11 of any other similar insolvency proceeding, neither such transfer,

nor any other transfer of such share for the benefit of his creditors in such proceeding, shall constitute a disposition of such share for purposes of subsection (a)(1).

"(4) STOCK MAY BE PAID FOR WITH EMPLOYER STOCK.—The employee may pay for the stock with money or other property (including stock of the corporation granting the option).

"(5) COORDINATION WITH SECTIONS 422 AND 424.—Sections 422 and 424 shall not apply to an incentive stock option.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 421 of such Code (relating to general rules in the case of stock options) is amended—

(A) by inserting "422A(a)," after "422(a)," in subsections (a), (b), and (c)(1)(A), and

(B) by inserting "422A(a)(1)," after "section 422(a)(1)," in subsection (b).

(2) Section 425(d) of such Code (relating to attribution of stock ownership) is amended by inserting "422A(b)(6)," after "422(b)(7),".

(3) Section 425(g) of such Code (relating to special rules) is amended by inserting "422A(a)(2)," after "422(a)(2),".

(4) Section 425(h)(3)(B) of such Code (relating to definition of modification) is amended by inserting "422A(b)(5)," after "422(b)(6),".

(5) Section 6039 of such Code (relating to information required in connection with certain options) is amended—

(A) by inserting ", an incentive stock option," after "qualified stock option" in subsection (a)(1),

(B) by inserting "incentive stock option," after "qualified stock option," in subsection (b)(1), and

(C) by adding at the end of subsection (c) the following new paragraph:

"(4) The term 'incentive stock option', see section 422A(b).".

(6) The table of sections for part II of subchapter D of chapter 1 of such Code is amended by inserting after the item relating to section 422 the following new item:

"Sec. 422A. Incentive stock options.".

SEC. 2. EFFECTIVE DATES AND TRANSITIONAL RULES.

(a) The amendments made by section 1 shall apply with respect to—

(1) options granted after December 31, 1980,

(2) Qualified options (within the meaning of sec. 422) granted on or before December 31, 1980, which are exercised after such date, and

(3) Other options granted on or before December 31, 1980, which are exercised after December 31, 1980.

Paragraph (3) shall apply to an option unless the corporation granting such option elects to have the amendments made by section 1 not apply. Such election must be made not later than six months after the date of enactment of this Act. Such an election, once made, may be revoked only with the consent of such Secretary or his delegate.

(b) In the case of an option granted before January 1, 1982, paragraph (1) of section 425(h) of such Code shall not apply to any change in the terms of such option made before not more than six months after the date of enactment of this Act to permit the plan to modify or delete a stock appreciation right or other rights to cash payments concurrent with exercise of the option.●

● Mr. BENTSEN. Mr. President, I am pleased to join my colleague from Oregon (Mr. PACKWOOD), in sponsoring the Employees Incentive Stock Ownership Act which will reinstate restrictive stock options as an attractive form of cooperate compensation.

This bill will have a positive impact on providing stability in corporate management. In today's market the longevity of top management personnel with any one company has steadily declined. With so-called headhunters bidding to acquire top management this is not a surprising development. Thus job hopping has become more the rule than the exception that it was in years past. Job hopping can be detrimental because it places emphasis on year-to-year profits and losses and encourages management to put off making the tough, long-term decisions necessary to insure the success of the company in the future. If we are to expect management to make the expenditures necessary for the kinds of research and development of technology needed to make the United States competitive throughout the world in future years, we must provide management with the incentives to stay for the long haul. This bill will help provide that stimulus.

Our bill has substantial positive economic effect as well as positive revenue effect. Incentive stock options promote productivity and combat inflation, improve the ability of growth companies to attract talented employees, promote capital formation and broaden the base of corporate ownership.

The issuance of incentive stock options would provide employees with an entrepreneurial stake in finding better ways to do the job. The stock option only has value to the employee if the price of the company stock increases through growth in its sales and profits. Therefore, options give employees a powerful incentive to find ways to expand the company's business and conduct business more efficiently. Business growth creates more jobs; increased efficiency results in greater productivity. Further, because incentive stock options are a form of noncash compensation, granting them causes no out-of-pocket expense to the corporation. Lowering a company's "up front" labor costs in this way results in improved cash flow for the company and can result in lower product price and thereby reducing inflationary pressures.

Incentive stock options will help small, growing companies attract talented employees. This fact was recognized by the White House Conference on Small Business which endorsed the restoration of favorable tax treatment of stock options as one of its key recommendations to promote innovation in small businesses. Young companies frequently have difficulty competing in a job market for talented managers and scientists. Studies have shown repeatedly that small, highly technological companies grow faster and create more jobs than mature industries. As a result, their equity value also increases more rapidly, making stock options in these smaller companies more attractive than options in more mature companies. The stock options give small companies an advantage in attracting talented employees.

The exercise of stock options provides additional equity capital for companies, as well as bringing new shareholders into the company.

Mr. President, under present law when an employee exercises nonqualified options, he must pay taxes, at the ordinary income tax rate, on the profits between his option price and the prices of the stock when he buys it. Not only is taxation at ordinary tax rate inconsistent with what other owners pay on our capital appreciation, but in addition the employee must pay the tax before he actually realizes any gain from selling the stock. This is comparable to taxing the appreciation on a homeowner's house before he sells it.

Further hardships will result if the value of the stock acquired by means of an option should decline sharply before the employee desires to sell it. Under those circumstances the employee must not only take an actual loss on the stock, the deductibility of which is subject to capital loss provisions, but he also must pay taxes at ordinary income rates on a gain he never realized.

The cost of compensation from incentive stock options is borne, indirectly, by the existing shareholders through mild dilution of their shares. The shareholder, in turn, benefits from the increased value of their shares that result from the higher productivity of the company's employees. The company, and its shareholders, must elect to issue the incentive stock options; the cost of their issuance is no longer a deductible expense. As a result, the issuance of incentive stock options results in a net revenue gain.

In the last Congress the Joint Committee on Taxation, after examining the impact of a similar bill, estimated, that after 6 years of existence, it will result in a net revenue gain of $35 million. Thus in effect, Mr. President, the companies seeking to issue these stock options are offering to pay a higher tax so that they can offer the incentives necessary for a healthy business environment. We should not ignore this request.

I believe that the above evidences that incentive stock options make good economic sense and strong revenue sense. The importance of this legislation was recognized by the Senate Finance Committee when it included it in the Tax Reduction Act of 1980.

In addition to our studying incentive stock option plans I would also encourage the Senate Finance Committee, the Joint Tax Committee, and the Treasury Department to carefully review the concept of restrictive stock incentive plans, to determine whether these types of plans would also accomplish the objective of the stock option plans. Restrictive incentive stock plans are geared at providing employees an immediate proprietary interest in a company and therefore greater incentives to maximize work effort and increase company productivity. I believe that the Senate Finance Committee should carefully review this concept when we begin deliberation on the question of the stock options. I look forward to working with Senator PACKWOOD, and urge my other colleagues in the Senate to join us, on working on legislation that will help the United States regain its preeminent position in world productivity.●

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. BAKER, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 12, a bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans.

S. 24

At the request of Mr. BAKER, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 24, a bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and the deduction of contributions to, education savings accounts and housing savings accounts.

S. 43

At the request of Mr. SASSER, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 43, a bill to amend the Congressional Budget Act of 1974 to require the Director of the Congressional Budget Office to prepare and submit, for every bill or resolution reported in the House or the Senate which has certain specific economic consequences, an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

S. 46

At the request of Mr. THURMOND, the Senator from Texas (Mr. TOWER), and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 63

At the request of Mr. RANDOLPH, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

S. 131

At the request of Mr. INOUYE, the Senator from North Carolina (Mr. HELMS) was added as cosponsor of S. 131, a bill to incorporate the Pearl Harbor Survivors Association.

S. 164

At the request of Mr. MELCHER, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 164, a bill to prohibit proposed regulatory increases in imputed interest rates for tax purposes on loans between related entities and on deferred payments in the case of certain sales of property.

S. 290

At the request of Mr. MELCHER, the Senator from Hawaii (Mr. INOUYE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Florida (Mr. CHILES), the Senator from Arizona (Mr. DECONCINI), the Senator from Ohio (Mr. GLENN), the Senator from Ohio (Mr. METZENBAUM), the Senator from Maryland (Mr. SARBANES), the Senator from New York (Mr. MOYNIHAN), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 290, a bill entitled "Reye's Syndrome Act of 1981."

S. 396

At the request of Mr. DANFORTH, the Senator from Louisiana (Mr. LONG) was added as a cosponsor of S. 396, a bill to impose quotas on the importation of automobiles from Japan during 1981, 1982, and 1983.

S. 421

At the request of Mr. DECONCINI, the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of S. 421, a bill to provide for reductions for fiscal year 1982 in obligations by the departments, agencies, and establishments of the executive branch of the Government.

S. 480

At the request of Mr. MELCHER, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 480, a bill to provide price and income protection for farmers and assure consumers of an abundance of food and fiber at reasonable prices, and for other purposes.

S. 495

At the request of Mr. THURMOND, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 495, a bill to amend section 3(i) of the Food Stamp Act of 1977, relating to the definition of the term "household", to prevent the splitting of a household for the purpose of qualifying as two or more households under such act.

SENATE JOINT RESOLUTION 38

At the request of Mrs. KASSEBAUM, the Senator from Montana (Mr. MELCHER), the Senator from Idaho (Mr. MCCLURE), the Senator from South Carolina (Mr. THURMOND), the Senator from Maryland (Mr. SARBANES), the Senator from Wisconsin (Mr. KASTEN), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of Senate Joint Resolution 38, a joint resolution to provide for designation of the first Friday of March as "Teacher Day, United States of America."

ORDER FOR STAR PRINT—SENATE 441

Mr. STEVENS. Mr. President, I ask unanimous consent that S. 441 be reprinted to reflect a change in wording that was inadvertently not included in the bill as introduced on February 6.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 87—RESOLUTION RELATING TO TAXATION OF SOCIAL SECURITY BENEFITS

Mr. HEINZ (for himself, Mr. CHILES, Mr. GRASSLEY, Mr. PRESSLER, Mr. COHEN, Mr. PERCY, Mr. MELCHER, Mr. PRYOR, Mr. GLENN, Mr. BURDICK, Mr. BRADLEY, Mr. DODD, Mr. PACKWOOD, Mr. DOLE, Mr. CANNON, Mr. WILLIAMS, Mr. MOYNIHAN, Mr. MITCHELL, Mr. SASSER, Mr. GARN, Mr. LEVIN, Mr. SARBANES, Mr. ROTH, Mr. SIMPSON, Mr. SYMMS, Mr. HARRY F. BYRD, JR., Mr. MATSUNAGA, Mr. BENTSEN, Mr. RIEGLE, and Mr. PROXMIRE) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 87

Whereas social security was established to protect the income of Americans against the serious economic risks that families face upon retirement, disability, and death; and

Whereas social security provides a monthly payment to some 35,000,000 beneficiaries; and

Whereas various bodies have recommended that social security benefits be included in taxable income for Federal income taxes; and

Whereas for the people affected, taxing of social security benefits would be tantamount to a cut in benefit payments; and

Whereas 25 percent of the elderly—even with social security—are near or below the poverty level and all Americans are suffering the effects of inflation; and

Whereas 50 percent of all older women have median incomes below the poverty level and average monthly benefits of women receiving social security are only $2,216 per year; and

Whereas the overall incomes of the elderly have not kept pace with inflation and the cost of basic necessities such as fuel, food and medical care have risen faster than the rate of inflation; and

Whereas the prospect of taxation of benefits has alarmed many older Americans and undermined the confidence of all Americans in the integrity of the social security program: Now, therefore, be it

Resolved, That it is the sense of the Senate that any proposals to make social security benefits subject to taxation would adversely affect social security recipients and undermine the confidence of American workers in the social security programs, that social security benefits are and should remain exempt from Federal taxation, and that the Ninety-seventh Congress will not enact legislation to subject social security benefits to taxation.

● Mr. HEINZ. Mr. President, today, I am introducing a resolution expressing a position which is shared by many of my colleagues on the Special Committee on Aging, the Finance Committee, and, indeed, in the entire Senate. This resolution reaffirms our longstanding policy that social security benefits should not be taxed and that the 97th Congress will not enact legislation to subject these benefits to Federal taxation. I am pleased that I have been joined in sponsoring this resolution by Senator LAWTON CHILES of Florida and several of my colleagues on the Special Committee on Aging. As chairman and ranking minority member of the committee, Senator CHILES and I are acutely aware of the continuing fear of social security recipients that their benefits will suddenly be subject to taxation. We are also aware that total retirement income is less than adequate for a large number of our older citizens.

Many of those who would be affected are already struggling to keep up with the cost of basic necessities. Elderly households spend a disproportionate amount of their income on food, utilities, fuel, and medical care. Furthermore, prices for these items have increased at a rate faster than the Consumer Price Index. Despite the indexing of social security benefits, overall elderly incomes have not kept pace with inflation. Taking away in taxation what has already been given in benefits is actually a reduction

of benefits—however we may try to disguise it.

In addition, any decision to tax current benefits would be grossly unfair to those who have planned their retirement with the expectation of a tax-free social security benefit. These persons do not have the opportunity to acquire additional insurance protection or a larger annuity, or to accrue more personal savings. They may not be able to alter their choice of living arrangement or delay retirement for a year or two. The result could be devastating regardless of how well they had planned for their retirement income.

Our citizens are already burdened by heavy taxes. At a time when we are seeking ways to alleviate some of this tax burden, it is unwise and inconsistent to increase taxes for those on limited incomes. Furthermore, the elderly, even without taxes on social security, pay a substantial portion of the total Federal income taxes collected by the IRS. Persons over 65 years of age, who constitute 11 percent of the total population, pay 10 percent of all personal income taxes.

The need for reform to insure social security's financial soundness is well known to all of us in Congress and increasingly to the American public as well.

The Old Age and Survivors Insurance Trust Fund, which covers benefits for retirees, their dependents and survivors, is facing a critical cash flow problem beginning early in 1982. In addition, economic and demographic predictions indicate an even more serious long-range financing problem.

In such a time of crisis, it is necessary that we examine every possible alternative for insuring that the social security system can fulfill its promise to current and future beneficiaries.

Proposals such as those of the President's Commission on Pension Policy, to apply the same tax treatment to social security as to other retirement programs, and to implement them prospectively, certainly deserve careful evaluation. At the same time, we must make certain that aftertax benefit levels can be maintained, that the tax treatment of contributions enables increased personal savings for retirement, and that there are not other changes which result in benefit reduction.

Above all, we should not adopt any plan to tax any portion of benefits out of expediency because it is simple or because it offers a quick fix to our financing problems.

No proposal should be enacted in the absence of a comprehensive reform package or without full examination of its impact on recipient of social security at all income levels.

We simply cannot, should not, and, I hope, will not adopt any plan for taxing benefits which would take place immediately.

Social security is the cornerstone of our Nation's retirement income system. About 93 percent of Americans over the age of 65 are receiving social security benefits, and for two-thirds of them, it is their major source of income. The taxation of any part of these benefits, when coupled with inflation, could be a serious financial burden on elderly households which are struggling to make ends meet.

This resolution is an important action which we can take at this time to reassure these citizens that they do not face a sudden, unexpected loss of income.●

EXEMPTING SOCIAL SECURITY BENEFITS FROM FEDERAL TAXATION

● Mr. CHILES. Mr. President, today Senator HEINZ and I, as chairman and ranking minority member of the Special Committee on Aging, are submitting a resolution expressing the sense of the U.S. Senate that social security benefits should not be subject to Federal taxation.

We are all well aware that the social security system needs a major overhaul if it is to continue on a sound basis. As chairman of the Committee on Aging during the last Congress, I held a series of hearings on social security to explore the options available to insure the integrity of the system.

I found that there are answers to the problems, and I believe we can, and will, put social security on a sound footing again. I have introduced a comprehensive reform bill, S. 484, which will move a long way toward returning the social security system to its original purpose of guaranteeing a base retirement income for older Americans. The approach I advocate would initiate a series of actions to solve the short term cash flow problems in the social security trust funds, and begin making reforms in the next century which will guarantee the long-range integrity of the trust funds for future retirees. My bill also encourages greater work and income opportunities for older persons.

Simply subjecting all or part of social security benefits to a Federal income tax is not a solution to the short or long-range funding problems of the social security trust funds. Very little additional revenue would be generated, yet any taxation would be felt very keenly by millions of social security recipients.

By acting on this resolution, the Senate can express its support for the crucial goal of preserving current social security retirement benefits, and I urge all my colleagues to join with us now.●

● Mr. PERCY. Mr. President, I commend the distinguished chairman of the Special Committee on Aging and the ranking minority member, Senators HEINZ and CHILES, for bringing this important resolution to the floor of the Senate. As a member of the Aging Committee, I am proud to join them in this effort to allay the fears of millions of older Americans with this resolution stating that the 97th Congress will not enact legislation to tax social security benefits.

Taxation of benefits for current retirees makes no sense, and this resolution will put the U.S. Senate clearly on record in opposition to such a measure.

Mr. President, those who are hardest hit by inflation in this country today are the elderly. For too many, social security benefits are the only source of income. And for millions more, social security benefits which keep pace with inflation prevent them from sinking into poverty. Even with these benefits, 25 percent of the elderly are near or below the poverty line. For elderly women the statistics are far worse. Fifty percent of all older women have median incomes below the poverty level.

Taxation of benefits for these retirees would only take needed income away from people who can least afford it, those living on modest, fixed incomes.

Moreover, Mr. President, we would, if we embark upon a course to tax the benefits of these retirees, be breaking faith with those who long ago made retirement plans thinking that their social security benefits would not be taxed. Since more than 10 million families would suddenly find themselves paying an additional several hundred dollars in taxes they had not budgeted, the average annual tax increase would be $350, a heavy burden for many elderly families living from one social security check to another.

Finally, Mr. President, if the Congress should consider taxation of benefits of future recipients, it should be done in the context of overall pension policy reform.

Recently, the President's Commission on Pension Policy, which was created by President Carter to examine the Nation's retirement, survivor, and disability systems, recommended in its final report that contributions to and benefits from social security receive the same tax treatment as other retirement programs. The Commission recommended that taxes on contributions to social security be deferred and benefits from social security eventually be counted as income subject to taxation. At the same time, the Commission recommended phasing out the earnings limitation, which has served to discourage older workers from employment.

I have not had the opportunity to fully study this proposal and, of course, I would very much like the benefit of the testimony presented to the Aging Committee and other congressional committees on the Commission's proposal before making any decision. However, I cite this report because it couples the taxation of future retirees' benefits with other important reforms. Any consideration of taxing social security benefits must be part of a broader-based reform. Otherwise our only accomplishment would be to put an additional tax burden on the disabled, retirees, and survivors receiving social security payments while doing nothing to address the more serious problems of the social security system and national pension policy in general.

Again, Mr. President, I commend Senators HEINZ and CHILES for their leadership and urge the Senate to agree to, without delay, this important resolution.●

● Mr. PRYOR. Mr. President, today I join with Senator HEINZ and other members of the Special Committee on Aging in sponsoring a sense of the Senate resolution which expresses the view that social security benefits should remain exempt from Federal taxation.

We are all fully aware of the problems

that the social security system has faced in recent years and the challenge that now faces the Congress to take steps to insure this most important program's financial stability. Last year, in anticipation of the need to insure the retirement income of our Nation's elderly, the Special Committee on Aging, under the able chairmanship of Senator CHILES, held a series of hearings which delved into the many options that are available for revitalizing this program.

In addition to hearing the many options for change in the social security system, I, along with other committee members, became more acutely aware of the degree to which the elderly of our Nation depend upon their social security benefits to finance their ever-increasing living expenses. Over the last decade, these expenditures, especially for necessities such as food, fuel, and health care, have grown at a rate of 8.4 percent per year, while the overall Consumer Price Index increased at an annual rate of 7.2 percent. This economic situation has caused an even greater strain on the fixed incomes of these struggling retirees.

In addition to the hardship this change in practice would place upon many of our Nation's retired workers, this action would also serve to further reduce the confidence of workers and retirees throughout the country in the social security system.

Treatment of social security benefits as regular income for tax purposes, which has been suggested by several study groups as a means to apply current tax laws more equitably and to increase tax revenues, translates into nothing less than reducing benefits for social security beneficiaries. Such an action, especially in times of such rapid inflation, would be a heartless move and would place an unnecessary burden on the millions of Americans who have paid faithfully into the social security system over their lifetime.●

● Mr. GLENN. Mr. President, I am pleased to join my colleagues on the Senate Special Committee on Aging in introducing a resolution expressing the sense of the Senate that social security benefits should remain exempt from Federal taxation.

Many older Americans are living on minimum, fixed incomes and the biggest problem they are facing is inflation. Almost daily, I hear from senior citizens who are distressed by reports that changes will be made in the social security system, such as the taxation of benefits, which will reduce their retirement income. I am opposed to changes in the social security system which will breakfaith with people who have paid in during their working years.

I am hopeful that Congress will act expeditiously to resolve the financing problems facing the social security system. However, this can be done without putting a burden on people who are beyond their normal working years.●

SENATE RESOLUTION 88—SUBMISSION OF A RESOLUTION OVERTURNING DEFERRAL OF CONGREGATE HOUSING SERVICES APPROPRIATIONS

Mr. WILLIAMS (for himself, Mr. CRANSTON, and Mr. TSONGAS) submitted the following resolution, which was referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on Banking, Housing, and Urban Affairs, jointly, pursuant to the order of January 1, 1975:

S. RES. 88

Resolved, That the Senate disapproves the proposed deferral of budget authority to carry out the congregate services program under title IV of the Housing and Community Development Amendments of 1978 (numbered 81-70), set forth in the message transmitted by the President to the Congress on February 17, 1981, under section 1013 of the Impoundment Control Act of 1974.

● Mr. WILLIAMS. Mr. President, on February 17, 1981, President Reagan sent a special measure to the Congress withdrawing 33 rescissions proposed on January 15, 1981, by the Carter administration for this year. As stated in the message, the deferrals are designed to give the administration the opportunity to decide whether or not to free the funds for the programs involved. While the deferrals are called "temporary" under the terms of the Budget Act they could last until the end of the fiscal year, and there is no certainty that the deferrals will be lifted anytime soon.

One of the programs caught by the deferrals is the congregate housing services program (CHSP). Its entire $10 million appropriation for fiscal year 1981 is now held in abeyance, and activity under the program has come to a complete halt. While I understand the administration's interest in making its own decisions about housing programs, free of any limitations that its predecessor may have attempted to impose, in the case of CHSP a continuing deferral of its funds contradicts the administration's repeatedly expressed policies of reducing unnecessary Federal spending and promoting greater Government efficiency. Few actions could be more shortsighted than the deferral of CHSP appropriations. The fact is that this little program not only eases the tremendous personal hardship imposed on elderly and handicapped persons faced with premature institutionalization, but also it improves the way we deliver social services to needy people, and results in proportionately very substantial savings in medicaid expenditures.

To assure that the administration fully recognizes the importance of the CHSP in pointing the way toward a more efficient, responsive social service system, and to speed the availability of the program's funds, I am submitting a resolution to disapprove the President's deferral. I am pleased to be joined in sponsoring this measure by several of my distinguished colleagues.

Enacted in 1978, with overwhelming bipartisan support, the CHSP adds a significant dimension to the Federal Government's ability to deliver appropriate housing assistance through the section 202 loan program, and the public housing program. The program addresses the need for basic social services, such as meals, or housekeeping and personal care assistance, among low-income persons who have some functional disability, but not to the extent that they require institutional care.

It is true that social service programs such as those operated under social security or the Older Americans Act, while very worthwhile programs, are not capable in most instances of responding adequately to the at risk-persons that CHSP was created to aid. These programs often do not provide a full range of services in a given community, nor are individual services always complete. For example, meals services provided by these programs typically offer only one meal a day for 5 days a week where they are available, and they are not always available. In the absence of a full meals service that does not take time off for weekends and holidays, frail elderly or handicapped persons in assisted housing face removal to institutions, even though they could otherwise get along fine in their own residences. The partial service cannot help them.

CHSP allows eligible sponsors to secure funds from a single source—the Department of HUD—rather than from a myriad of sources each with its own series of rules, regulations, and requirements. Moreover, it significantly reduces the bureaucracy prevalent in existing programs which involve as many as five separate administrative levels—Federal and State Governments, regional agencies, local governments and agencies, and finally the grant recipients. CHSP cuts through this bureaucracy, sending the funds directly from the Federal Government to the sponsor.

To participate in the program, sponsors of section 202 housing or public housing survey their tenants to determine which ones have impairments that would threaten their continuing residency in their projects in the absence of support services. For the group of tenants able to remain in their units with just a little help, the sponsor fashions a program of services tailored to his residents' needs. I should stress that not all tenants of a particular project would be eligible. It is the program's purpose to foster a residential, rather than an institutional environment. Service packages are reviewed by appropriate local agencies for the elderly or handicapped, and then the application for CHSP funding is transmitted to HUD.

Under the law, no services already available to a project's tenants from other sources in the community can be paid for by CHSP. Duplication of available services is prohibited. Moreover, program sponsors may not use the pro-

gram to pay for services they supported prior to application for CHSP funds. In an effort to hold down per person costs, individuals receiving congregate services are expected to contribute toward their cost, to the extent they can reasonably do so. Thus, the program is not meant to take over the work of other social services programs, but only to pick up where they leave off.

Because the program reduces our reliance on institutions such as nursing homes to take care of people who are only marginally or minimally impaired, CHSP can substantially reduce Federal per person medicaid expenditures. Medicaid reimbursements in Maryland, the lowest in the country, total more than $6,000 per person. While in Mississippi, they reach above $7,100 per person, the country's highest. By contrast, CHSP funded services, together with rental assistance, would average nationwide about $4,000 per person. Considering that studies have suggested that a large proportion of nursing home residents need only a minimum of support services, not institutional care, the congregate housing services concept has enormous savings potential.

Let me describe a couple of specific CHSP funded projects. In 1 Mississippi project the 54 persons receiving CHSP supported services either came from an institution or would have been forced to enter one. In the Albuquerque, N. Mex., area, an Indian housing project now ready for occupancy would receive tenants all of whom will come out of nursing homes. There are other equally dramatic examples of the value of CHSP.

CHSP has a particularly important feature which must be noted. It provides funds on a multiyear basis through 3- to 5-year contracts between sponsors and HUD. This eliminates the uncertainty, and the wasteful stop-go syndrome that afflicts so many local social service effort which are never sure that funding will be available from one year to the next. CHPS's guarantee of funding is also absolutely crucial to encourage developers of new low-income housing to incorporate into their buildings the full service central dining facilities and the specially designed units that best accommodate at-risk tenants.

In my visits to low-income housing projects, elderly residents have made it clear to me how much they fear premature placement in institutions. They view nursing homes and other facilities as debilitating places that can rob them of their dignity and independence. They often feel that if they are placed in a nursing home, they will never leave. For low-income persons with functional impairments, current residential housing programs are inadequate to provide the noninstitutional, yet supportive environment that can best be described as "housing with help." CHSP helps fill this gap.

It is now operating on a pilot basis. Its appropriations are much less than the amount authorized. However, the Congress did explicitly approve a 4-year program. Before the proposed rescission and the current deferral, it was beginning to focus on new construction projects, to determine how successfully it could encourage developers to incorporate special congregate housing designs in their plans. This phase would be brought to a halt, short circuiting one of the program's basic missions.

Mr. President, CHSP has such promise. And the Congress has repeatedly recognized its promise by approving appropriations for each of the last 3 years despite administration plans to delete it from the budget. It deserves to be continued.●

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Budget Committee will meet to hear testimony of the President's budget proposals on March 11 and 12, 1981, in room 6202 of the Dirksen Senate Office Building.

Appearing before the committtee on Wednesday morning, March 11, will be Dr. Alice Rivlin, Director of the Congressional Budget Office, and on March 12, David Stockman, Director of the Office of Management and Budget, will testify.

For more information, contact Mr. Bill Stringer of the Budget Committee staff at 224-0538.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I would like to announce that the Subcommittee on Intergovernmental Relations will hold 2 days of hearings on the subject of grant reform, S. 45 the Federal Assistance Reform Act of 1981, and related legislation.

The first day of the hearings will be held on March 11, 1981, in room 3302 of the Dirksen Senate Office Building, and the second day of hearings will be held on March 25, 1981, in room 3302 of the Dirksen Senate Office Building. Both hearings will be held from 2 to 5 p.m. For further information on the hearings please call Jimmie Powell at 224-4718.

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. DANFORTH. Mr. President, on Wednesday, March 18, the Subcommittee on Federal Expenditures, Research, and Rules of the Committee on Governmental Affairs will hold hearings to identify the Federal programs, laws, and regulations which impose the greatest paperwork burdens on the American people. At that hearing the subcommittee will receive the testimony of the U.S. Chamber of Commerce, the National Association of Manufacturers, the National Federation of Independent Businesses, the Business Reports Advisory Council, the National Governors Association, the National Association of Counties, the National League of Cities, and the American Council on Education. We plan to bring this hearing record to the attention of the Office of Information and Regulatory Affairs in the Office of Management and Budget. Pursuant to the Paperwork Reduction Act (Public Law 96-511), which goes into effect April 1, this office is charged with the responsibility of reducing the burden of Federal paperwork. It is our hope that these hearings will assist OMB as it assigns priorities in its work.

The hearings will be held in room 3302 of the Dirksen Senate Office Building, beginning at 10 a.m. Questions concerning the hearings may be addressed to Patricia Otto, chief clerk, at 224-0211. Persons wishing to submit material for the hearing record should address it to the Subcommittee on Federal Expenditures, Research, and Rules, 44 Capitol Hill Apts., 128 C Street NE., Washington, D.C. 20510. Material submitted for the record must be received by close of business, Wednesday, March 25.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public hearings before the Committee on Energy and Natural Resources on President Reagan's budget for fiscal years 1981 and 1982.

The hearing on the President's budget for the Department of Energy will be held on Thursday, March 12 at 9 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony will be received from the Secretary of Energy.

The hearing on the President's budget for the Department of the Interior and the Department of Agriculture will be held on Friday, March 13 at 9 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony will be received from the Secretary of the Interior and a representative of the Secretary of Agriculture.

In addition, the full committee will hold business meetings to consider the committee's March 15 report to the Senate Budget Committee on March 16, 17, 18, and 19, at 9 a.m. in room 3110 of the Dirksen Senate Office Building.

For further information regarding these meetings, you may wish to contact Mr. Richard Grundy at 224-2564.

ADDITIONAL STATEMENTS

TERRORISM TRACING THE INTERNATIONAL NETWORK

●Mr. PACKWOOD. Mr. President, hardly a day goes by without news stories describing new and brutal acts of terrorism, committed around the world. Public officials, church leaders, educators, private citizens unlucky enough to be in the wrong place at the wrong time—men, women, and children—die at the hands of extremists with no regard for human life. These terrorist acts are more and more often carried out not at random, not by disorganized bands of hoodlums, but by well-organized, well-financed political terrorists, equipped with the best and most lethal weapons, and well-trained to disrupt, intimidate, and kill.

Who finances them? Who provides the weapons, the training? The answer, or at least a part of the answer, may be found in last Sunday's New York Times Magazine, in an article entitled, "Terrorism: Tracing the International Network." In this article the author, Claire Sterling, describes the involvement of the Soviet Union and its surrogates in terrorist activities in Turkey, Italy, and Northern Ireland, with such disparate terrorist groups as West Germany's Baader-Meinhof Gang, Italy's Red Brigade, the Basque ETA, and the Palestinian Liberation Organization.

Mr. President, Claire Sterling is not a wild-eyed young investigative reporter seeking publicity. She is a well-respected veteran journalist with over 30 years of experience in Europe. She has a reputation for painstaking and accurate research and reporting. And she tells a frightening story. It is must reading.

Mr. President, at this time, I ask that the text of this article be printed in the RECORD.

The article follows:

TERRORISM: TRACING THE INTERNATIONAL NETWORK

(By Claire Sterling)

Four well-groomed men bearing sawed-off shotguns approach a car on a busy street in Milan; bullets rip through the body of the passenger, chief of one of the city's largest hospitals. The Red Brigades, the nation's most-feared terrorist group, claims responsibility. In Northern Ireland, a band of armed men uses explosives to blast its way into the castle of Sir Norman Stronge, an 86-year-old Protestant leader and longtime speaker of Northern Ireland's Parliament; the bodies of Sir Norman and his son, James, 48 years old, are found later, bullets through their heads, and guerrillas of the Irish Republican Army (I.R.A.) say it was their work.

Such incidents—these two within the last few weeks—are the stuff of everyday headlines. But last month, at his first news conference as Secretary of State, Alexander M. Haig Jr. made them the focus of diplomatic confrontation. He warned that international terrorism had become "rampant," and he charged the Soviet Union with consciously seeking to "foster, support and expand" terrorist activities around the world. Specifically, he accused Moscow of "training, funding and equipping" those who kill for political profit.

The reaction to Secretary Haig's charges was in many ways predictable. The Soviet Union called such talk "a gross and malicious deception" and insisted that the "control center of international terrorism" was, in fact, the Central Intelligence Agency headquarters in Langley, Va. Journalists who interviewed Government intelligence experts—including some C.I.A. aides—quoted officials to the effect that there was no hard evidence to support Mr. Haig's accusations. And many Americans shook their heads despairingly at what sounded to them like nothing more than an old cold warrior's refrain, a broadside political attack against a safe and familiar target.

Until a few years ago, I might have been among those head-shakers. Generations of Americans, raised on Depression fare, find it hard to shake off a belief in the aspirations of the political left. But I have spent the last two and a half years researching leftist terrorist groups, talking to government officials and police in 10 countries from Sweden to Lebanon, examining court records and interviews in the public prints. I now know better. There is massive proof that the Soviet Union and its surrogates, over the last decade, have provided the weapons, training and sanctuary for a worldwide terror network aimed at the destabilization of Western democratic society.

The network, as described by dozens of captured terrorists and volumes of courtroom testimony, consists of a multitude of disparate terrorist groups, helping out one another and receiving indispensable aid from not altogether disinterested outsiders.

A few years ago, the C.I.A. reported that more than 140 such terrorist bands from 50-odd countries on four continents were linked in one way or another.

One example: On July 26, 1974, a customs inspector at the Orly airport in Paris discovered that Yutaka Furuya, a passenger on a flight from Beirut was carrying several forged passports, $10,000 in counterfeit money and papers tying him to the Japanese Red Army terrorist group. It turned out he was on his way from a Palestine base in Lebanon to kidnap a wealthy Japanese businessman in West Germany, and that he was to have logistic support from the German Red Army Faction.

After his arrest, fellow Japanese terrorists occupied the French Embassy in The Hague and demanded Furuya's release. They used explosives stolen by a Swiss anarchist group from a military depot in Zurich, and they were directed by Carlos the Jackal, a Venezuelan who was running terrorist operations in Europe for George Habash's Popular Front for the Liberation of Palestine.

Such connections within the terrorist network have long been evident. What is now beginning to emerge is the degree to which the links in this network have been purposefully forged—and continue to be maintained—by the Soviet Union and its two chief proxies in this regard, Cuba and the Palestinians.

Not until Secretary Haig's charges, and a similar statement a day earlier by the President of Italy, Alessandro Petrini, had any Western government publicly accused Moscow of a major role in fostering the network. Most of the governments under siege are still reluctant to do so. They are unwilling to risk their relationship with Moscow—or with the oil-rich nations supporting the Palestinian connections of the network. They also seem to want conclusive proof that the Soviet Union has created and is the phantom mastermind of these terrorist bands.

It's not that simple. Such direct control of the terrorist groups was never the Soviet intention. All are indigenous to their countries. All began as offshoots of relatively nonviolent movements that expressed particular political, economic, religious or ethnic grievances.

Moreover, some of the support Moscow hands out in the third world goes to anticolonial groups that are militant but not terrorist. Time and again, however, authentic left-wing liberation movements slip over the line from organized resistance to terrorist violence. That line is hard to define, as is the very concept of terrorism itself. Lenin's definition—"the purpose of terror is to terrorize"—is a useful beginning. The terrorist uses violence not to punish the victim but to intimidate the audience, to impose his political will by force when he cannot achieve it by democratic means.

The heart of the Russians' strategy is to provide the terrorist network with the goods and services necessary to undermine the industrialized democracies of the West. More than half of the international terrorist attacks since 1968, according to the C.I.A., have taken place in Western Europe and North America. The most deadly have come in a strategic crescent from Turkey westward through Italy and up to Ireland. And, as Italy's Red Brigades have made clear, the ultimate objective is "the supreme symbol of multinational imperialism," the United States.

It is not happenstance that none of the major terrorist attacks have been directed against the Soviet Union or any of its satellites or client states.

Some terrorist bands have suffered their share of setbacks in the last year or two. In Turkey, for example, "The Anarchy"—the warfare between left and right terrorists that accounted for 4,000 deaths in 1980—has almost ground to a halt since the new military regime took over. More than 21,000 alleged terrorists, more or less evenly split between left and right, have been jailed. In Spain, estimates of the number of hard-core Basque terrorists in Eurkad ta Askatasuna (E.T.A.) remain at between 100 and 200, but there have been signs of public disenchantment. Early last month, the murder of a nuclear engineer led to widespread antiterrorist protests; a few days later, however, the demonstrations turned in E.T.A.'s favor after a suspected terrorist died while being held by the police.

Still, it is dangerous to draw conclusions from apparent symptoms of weakness in the terrorist network. Public knowledge of the workings of a particular terrorist band usually comes from one that is in trouble, whose members have been arrested and are talking. Moreover, some terrorist groups have flourished during these same years; the Provisional I.R.A., for example, has been able to maintain between 200 and 250 fully armed members in spite of the growing war-weariness within its Roman Catholic constituency.

The network, with Moscow's aid, has come a long way in the last decade. Once dependent upon large numbers of ill-equipped amateurs untrained in modern guerrilla tactics, the network is now in large measure made up of professionals, superbly trained, moving about the world in yachts and helicopters, flush with money picked up in multimillion-dollar kidnappings and bank robberies, armed with walkie-talkies, electronic eavesdropping devices—and even heat-seeking, ground-to-air Strela missiles. They have strings of safe houses at home and established getaway routes to assured sanctuaries abroad. It takes only a handful of them to paralyze a nation.

The roots of the terrorist network can be traced directly to the Tricontinental Congress held in Havana in January 1966. More than 500 delegates passed resolutions emphasizing the need for close collaboration between "Socialist countries"—i.e., the Soviet Union and its satellites—and "national liberation movements." Significantly, resolutions covered not only third-world groups but also "democratic workers and student movements" of Western Europe and North America. The delegates' purpose, they said, was to devise "a global revolutionary strategy to counter the global strategy of American imperialism."

It was, unmistakably, a call for a Guerrilla International. And the call was heeded. Ten months later, a new cluster of more than a dozen training camps for guerrilla fighters from all over the world was opened in Cuba. The man in charge was Col. Vadim Kotchergin of the K.G.B. It was the first major move by the Soviet Union in the emergence of the Guerrilla International.

To be sure, Fidel Castro had been operating his own schools for guerrillas since 1961, starting with recruits from Latin America and Africa. By 1964, Palestinians and Europeans had joined the ranks. But the addition of Colonel Kotchergin's camps added a new dimension. The men who were trained in these camps provided the first generation of leadership for the terrorist decade to come.

The stage was set in 1968, that amazing year when, from Berkeley to Tokyo, a generation born after the last great war declared its own war on society in a brief but stunning show of strength. The whole planet seemed to be lurching leftward toward revo-

lution. Then, it was over, and the vast majority who had lived through the experience left it behind. But many of those with a true vocation for revolutionary violence had found one another.

These beginners knew nothing of the terrorist trade; they lacked money, weapons, fast getaway routes and safe havens abroad. We will never know how far they might have gone on their own, because they were never really left on their own. By 1970, any aspiring terrorist band could count on Cuba or the Palestinian resistance.

The revolutionary decade of the 1960's had been focused in Latin America as Fidel Castro preached his gospel of spontaneous, popular revolution. But that vision had faded as the Soviet presence in Cuba increased, and now the fulcrum of revolution had moved to the Middle East.

The Palestinians now had their own camps for foreigners. Starting in Syria, Lebanon and Jordan, they spread over the decade to South Yemen and then down into Moscow's new African client states, Angola and Mozambique. The Palestinians also set up such camps in Algeria and in Libya, with the help of Libyan money and literally billions of dollars' worth of Soviet armament. Cubans taught in most of these camps, East Germans in many, North Koreans in some.

It was in South Yemen, however—by then a Soviet satellite state tightly controlled by the K.G.B.—that a kind of postgraduate school in international terrorism emerged. The list of foreign guests in the camps around Aden included members of West Germany's Baader-Meinhof gang, Italy's Red Brigades, the Basque E.T.A., the Provisional I.R.A., the Japanese Red Army, the Tupamaros of Uruguay and the Turkish and Iranian undergrounds.

For most of them, the hosts were George Habash and his military commander, Wadi Haddad, of the Marxist Popular Front for the Liberation of Palestine. It was this group, more than any other among the half-dozen in the Palestine resistance, that was most committed to internationalizing the struggle with Israel. The group's strategy: to develop a multinational terrorist hit team that would force their cause upon the world's attention. One early operation, carried out jointly with El Fatah through Black September, was the massacre at the Olympic Games in Munich in 1972. Soon, however, the Habash-Haddad front, operating out of Aden, went its own way. Among its missions: The raid on a meeting in Vienna of the Organization of Petroleum Exporting Countries in December 1975 in which 11 Arab oil ministers were taken hostage; the occupation of the French Embassy in the Netherlands in September 1975; the destruction of the West German Embassy in Stockholm in February 1976; the hijacking of a French plane to Entebbe in June 1976 and of a Lufthansa plane to Mogadishu in Somalia in October 1977.

A second major watershed in Moscow's support of the terrorist network came after the October War of 1973. For the first time, the Arab military performance was impressive enough to persuade leaders such as the P.L.O.'s Yasir Arafat that there was some chance of a diplomatic road to peace. The most intransigent foes of a negotiated settlement with Israel reacted by forming the Palestine Rejection Front. And the Soviet Union, committed to an anti-Israel policy, began to lavish ever-greater financial and logistical support on the rejectionists.

The Cubans started arriving in large numbers to train guerrillas in the Middle East. At the same time, Moscow organized extensive military and guerrilla courses for the Palestinians—in the Soviet Union and in East Germany, Czechoslovakia, Hungary and Bulgaria. By 1977 more than 50 such courses a year were running in the Soviet bloc, 40 of them within the Soviet Union itself, involving thousands of guerrilla cadets. In addition, all the Palestinian guerrilla formations—totaling more than 16,000 men—are today wholly armed with Soviet-bloc weapons.

Throughout this period, the Russians insisted that such support of the Palestinian cause was simply a matter of supporting an indigenous liberation movement; they have denied any connection between that support and any international terrorist activities. In reality, however, there has been a straight transfer of terrorist skills and equipment from Moscow to the Palestine resistance to the terrorists of Europe and beyond, with the knowledge and assistance of the Russians themselves.

Soviet-bloc arms were being shipped from Eastern Europe to the Middle East, then trans-shipped to Western European terrorists through a Bulgarian staging post or via Libya. (The imprisoned co-founder of Italy's Front Line, Fabrizio Giai, said: "Never—never!—could the Palestinians have delivered Kalashnikovs and other Soviet-bloc weapons to us or anybody else without the Soviet Union's permission.") And privileged sanctuaries for German, Spanish and Italian terrorists were sprouting up all over Eastern Europe. Four German terrorists wanted for the 1977 kidnapping and murder of the industrialist Hanns-Martin Schleyer, for example, were tracked down by West German detectives taking sunbaths on a beach in Bulgaria. Top Italian terrorists were practically commuting to Prague. And the movement of personnel and tactics between and among the Russians, the Palestinians and the individual national terrorist groups was growing ever greater and more sophisticated.

The record of Soviet involvement with the terrorist network is clear, as in the case histories of the three target nations cited below.

TURKEY

Masked gunmen burst into cafes. "Are you rightist or leftist?" they would demand, and then slaughter one side or the other—or both. Anybody sitting at a ground-floor window, watching television, became fair game for the terrorists. Entire cities took sides: Erzurum, near Turkey's border with Iran, was rightist; Kars, on the Russian border, was leftist. One dared not journey from one to the other.

In 1977, 250 political murders were committed in Turkey; in 1979, the number reached 1,500; last year it climbed above 4,000—the world's worst case of raging terrorist warfare. Not until the army took over power last summer and started its massive arrests of suspected terrorists did the bloodshed begin to diminish.

There were a host of logical reasons for the violence in Turkey. A closed, medieval Islamic society had been suddenly transformed by Kemal Ataturk's post-World War I revolution, swept into the modern age, but political corruption had rotted the beginnings of parliamentary government. Endemic poverty and a 50 percent youth unemployment had stirred textbook urban unrest. Leftist revolutionary groups appeared. But the explanation for the burst of terrorism in Turkey is to be found elsewhere: in the Soviet Union.

Vladimir N. Sakharov used to work for the K.G.B.'s Department VIII, which encompasses the Arab states. Afghanistan, Iran, Yugoslavia, Albania, Greece and Turkey. When he defected in 1971, he told American interrogators about three major Soviet missions in his zone. They were:

1. To sabotage Saudi Arabia's oil fields and, if possible, dislodge its pro-Western monarchy.

2. To build terrorist cells in the Arab oil sheikdoms around Kuwait and the Persian Gulf, offering scholarships and guerrilla training in the Soviet Union.

3. To mount—as reported in John Barron's book "KGB"—a "brutal campaign of urban terrorism, kidnapping and assassination against Turkey."

Generally speaking, Turkey has rated little public attention in the Western world. Yet it is a land mass of enormous importance, the North Atlantic Treaty Organization member charged with defending the eastern entrance to the Mediterranean; its strategic importance to the West has increased dramatically since the fall of the Shah in Iran. Turkey has been coveted by the Russians since the days of the first czars.

According to Sakharov, the latest expression of that desire began in the early 1960's when the K.G.B. began recruiting promising young left-wing Turks for a terrorist movement. They were eventually shipped secretly to Syria for guerrilla training, with the arrangements made by two K.G.B. agents working out of the Soviet Embassy in Damascus. Turkey's terrorist cadets soon were enrolled in other Palestinian camps, from Lebanon and Jordan to South Yemen, and taken in hand by Habash and Haddad. By 1970, a group of them had already been caught by police in the act of mounting a terrorist hit. Time and again in the years that followed, Turkish graduates of Palestinian camps—Russian-supervised or located in Russian-run South Yemen—were picked up as they made their way back home, loaded down with Soviet-bloc weapons.

For the most part, these newly trained terrorists joined a sprawling youth group called Dev Genc and its military arm, the Turkish Peoples Liberation Army. Its bombings, shootings, holdups, kidnappings and killings of police brought about the declaration of martial law in 1971. Two years later, the Turkish Army kept its word and held free elections. Meanwhile, the Liberation Army and its smaller associates in the left-wing underground had dug deeper, built up enormous new arsenals of Soviet-bloc weapons (40,000 guns were seized by police over the next four years) and tightened its ties with the Habash-Haddad front.

The Palestinians, too, had worked assiduously under martial law to build up terrorist cadres in Turkey. As their noted hijacker Leila Khaled proudly announced to the Istanbul daily Hurryet on May 26, 1971, Habash's Popular Front for the Liberation of Palestine (P.F.L.P.) was "sending instructors to Turkey in order to train Turkish youth in urban guerrilla fighting, kidnappings, plane hijackings and other matters . . . in view of the fact that it is more difficult than in the past for the Turks to go and train in P.F.L.P. camps abroad." The P.F.L.P. "has trained most of the detained Turkish underground members," she added.

Eventually the leftist terrorists of Turkey came to be splintered among dozens of Marxist revolutionary bands. But rightist terrorism has a clearer profile. It belongs to Col. Arpaslan Turkes, whose Paramilitary Idealists are also known as the "Gray Wolves"—they howl when their leader appears before them. The colonel was a late starter in political terrorism, depending initially on a neo-Nazi party. By the time he turned his Gray Wolf terrorists loose in the early 1970's, he could justifiably claim to be responding to Communist provocation. The terrorist left wing retaliated, and the two-way kill rate rose inexorably. Right-wing military officers supplied weapons to right-wing killers, while the Soviet Union accelerated shipments to the leftists. Huge consignments of Soviet-bloc arms were smuggled in from Bulgaria, trucked overland or shipped by sea. On June 3, 1977, Turkey's security officers stopped the Greek cargo vessel Vasoula in the Bosporus, coming from Varna, Bulgaria. She was carrying 67 tons of armaments, much of it earmarked for the left-wing underground in Turkey. The Turkish Government's protest to Bulgaria got nowhere.

Late in 1978, martial law was imposed again, but the level of violence continued to soar. The terrorism was producing a corpse

an hour when the army once again took over the nation last summer. As was true in its earlier interventions in 1960 and 1971, the armed forces said they were seeking to rescue, rather than replace, a democratic order under siege. They kept their promise those times, restoring civilian rule, and most observers are reasonably sure they will do so again. Meanwhile, the terrorist kill rate has dropped from one an hour to one a week.

NORTHERN IRELAND

When Northern Ireland's shooting war started in 1969, the Protestants had all the guns. The Roman Catholic Provisionals had nothing but a few moldering weapons left from the I.R.A.'s storied battle for freedom, about half a century before. They had to rely at first on American weapons—trickling in, three or four at a time, in the false bottoms of suitcases—and on American dollars.

The millions of Irish Americans who bankrolled the Provos thought they were supporting a continuation of the conflict that ended in 1922 with Ireland's winning its independence from Great Britain. The Protestant majority in the six Northern counties still under British control had been freezing Roman Catholics—many of them wretchedly poor—out of jobs, housing and public life. The I.R.A. presented itself as engaged in an open and aboveboard war against religious persecution: a war to reunite the North with the South.

In fact, as the Provisional I.R.A.'s newspaper, An Phoblacht, has made clear, it was and remains a war "to demolish the colonial regime in the Northern war zone and the Quisling regime in the Free State of Ireland"—in other words, a war against both North and South. It was also a war to "educate the workers to destabilize capitalism and international imperialism," as the Provos told Controinformazione, the house organ of Italy's Red Brigades.

The I.R.A. has come a long way since its early days of dependence upon the United States. Fund raising is mostly done at home nowadays, by means of protection rackets, brothels, massage parlors and bank stickups. And the incoming hardware is largely Soviet-made. It took only a few years to make the transformation with the help of the international terror network.

The first definitive signal the Provos received that their weapons shortage might be ending came in the autumn of 1971. An unknown man, using the all-purpose name of "Mr. Freeman," dropped by to say that 4.5 tons of modern arms made in Czechoslovakia might be available. Maria McGuire, who wrote a book about life among the Provos, later reported that one of their leaders, David O'Connell, wandered on the Continent from Paris to Berne to Amsterdam to make the connection, "followed by the Czech and Soviet secret police." Then he made contact with Omnipol, an arms factory in Prague run by the Czech security police, who in turn had been tightly controlled by the K.G.B. since the 1968 Soviet invasion. O'Connell eventually did order 4.5 tons of bazookas, rocket launchers, hand grenades and the like, but the 166 crates were intercepted by police in Amsterdam. While the Provos were shattered by the loss of their first big arms consignment, their source was assured from that point on.

By then, the I.R.A. was getting to be a focus of worldwide revolutionary interest second only to the Palestinian resistance. The first I.R.A. contingents were dispatched to Jordanian guerrilla camps in 1969 and were soon drawn into George Habash's inner circle. In October 1971, Provo leaders were guests of honor in Florence at the historic conference that started Europe's Guerrilla International.

Assembled by Giangiacomo Feltrinelli, the radical Italian millionaire publisher, and the ultra-left Potere Operaio (Workers Power), delegates from 14 countries agreed to coordinate international terrorist plans. It was, according to British and Irish Government sources, an unprecedented and dangerous development.

The keynote address, on the Palestinian resistance, was given by Italy's radical Marxist thinker Antonio Negri. The delegates then spent a full day listening to the I.R.A.'s Seamus Costello as he analyzed the experience of Europe's oldest guerrilla army. Arrangements were made at the meeting to smuggle weapons in heavy trailer trucks across the Continent to the I.R.A.

In May 1972, I.R.A. leaders sat in at the first international terrorist summit, organized by George Habash in Baddawi, Lebanon. And two months later, in Paris, Habash's Palestinian Front and the armed bands of 12 other nationalities signed a formal "Declaration of Support" for the Provisional I.R.A. Fifty Provos were selected for advanced guerrilla training in Lebanon. Before long, there was a steady flow of I.R.A. men to South Yemen for work with Wadi Haddad. There, on the shooting range, in Haddad's private movie house at camp, they mingled with the men at the top.

The connection began to pay off at once. During 1972, the Habash-Haddad front held a series of secret meetings in Dublin, organizing the multinational terrorist team that would operate under Carlos the Jackal. When a million dollars' worth of weapons were divided up among them, the Provisionals got the lion's share. Soon, Carlos himself was taking the trouble to procure explosives for the Provos from an anarchist weapons supply service in Zurich. Italy's Red Brigades hailed the I.R.A. as "an unrenounceable point of reference for generalized warfare on the European continent" The operational plans of Cuban Intelligence for 1972 stipulated that "Cuba would train the I.R.A. in terror and guerrilla warfare tactics." Col. Muammar el-Qaddafi of Libya offered "arms and support for the revolutionaries of Ireland." Within a year, the cargo vessel Claudia steamed out of Tripoli toward the coast of Ireland bearing 250 Kalashnikov rifles and other weapons—five tons of the very best Soviet-bloc hardware—for the I.R.A. It was seized by the Irish Navy.

By 1976, the Provos were training in Libyan guerrilla camps, as they were still doing last year. Eyewitnesses have reported their presence at such sites as Tokra, northeast of Benghazi, where Cuban instructors offer the world's most advanced courses in sabotage, and at Camp Az-Zauiah studying weaponry, explosives, sabotage and psychological warfare with guerrillas from West Germany, Spain, Greece and Brittany.

Every move to arm and train the I.R.A. has pushed it further toward its ultraleft benefactors, who see Northern Ireland as a prized battleground. Civil war in the six counties puts great strains on the United Kingdom, which is interlocked with the entire Western structure of trade, industry, banking and military alliances. No wonder that the Soviet Union, as early as 1972, was sponsoring a worldwide campaign "against British repression in Ireland," piloted by hoary front groups like the International Union of Students, the World Federation of Democratic Youths and the World Peace Council.

All this has brought Northern Ireland closer than any other country in the West to the kind of conflict that Marxist revolutionaries call a civil war of long duration. And the Provos show no signs of wanting to reach a political settlement.

Like the most extreme of their Protestant counterparts, they have consistently blocked every possible peaceful solution. In 1973 they helped kill off a power-sharing plan in a new Northern Ireland Assembly by planting 48,000 pounds of explosives. "We see no future in power-sharing," they said. Later in 1973 they helped consign the promising Sunningdale agreement to oblivion by breaking their own cease-fire—the last they would ever agree to—after just three weeks. "There is absolutely no question of another cease-fire or truce," they later declared. In the summer of 1979, they killed off the best proposition yet for a federated Ireland, "the Fitzgerald plan," by blowing up Lord Mountbatten on his fishing boat.

The Fitzgerald plan was "unacceptable" they said flatly, a week after Mountbatten's death. Their spokesman was Ruairi O'Bradaigh, an I.R.A. man of 30 years' standing and president of their lawful political arm, the Provisional Sinn Fein. "We do not want a confederation of the South with the North," he declared. "Nor do we want an independent Ulster. We want a general dismantling of the existing establishments in the Irish Republic and Ulster both."

What then does the Provisional I.R.A. have in mind for its own version of a free and united Ireland? "We want a Democratic Socialist Republic," replied O'Bradaigh, something "third-worldish," a bit like "Allende's Chile," flavored with thoughts from Colonel Qaddafi's "Green Book," "similar to Communism but not exactly like it"; Marxist in analysis, if not necessarily in practice, designed to "nationalize industries, control the means of production and distribution and take over agriculture under state-run cooperatives"; emphatically "not German Social Democracy" and not quite a dictatorship of the proletariat either, but almost. "We could not risk having parties around who want to bring colonialism back. There would have to be a reckoning with them."

Meanwhile, as the Provos keep saying, the 12-year-old war must go on. By late 1978, the Roman Catholic Bishop of Londonderry observed: "The Catholic community, like the whole community here in the North, is sick and tired of the Provisional I.R.A." But it is doubtful whether the Provos take much notice. They do not really require to be loved. They never did need more than a few hundred professional guerrillas to hold down a British army 30 or 40 times their size. So long as they can count on the international terror network for hardware and sanctuary, their civil war can probably last in perpetuity.

ITALY

In May 1975, Carlo Fioroni, a 21-year-old Italian high-school teacher, was arrested in Switzerland while attempting to change $100,000 of Italian ransom money into Swiss francs. Back in Italy, Fioroni was convicted and imprisoned for his role in the terrorist kidnapping and murder of his closest friend. Four years later, from his prison cell, he provided the public with its first authentic look inside the Italian terrorist movement.

During that same year, 1979, a judge in Padua offered his prognosis of the nation's political health: "It seemed to me that . . . a tragic moment was approaching for the community—insurrection and civil war." There was a terrorist attack somewhere in the country once every three hours.

Fioroni described a complex political-paramilitary structure that was Europe's most sophisticated model of modern revolutionary warfare. His revelations sent shock waves through the nation.

Throughout the decade, Italians had been sure that their terrorist affliction was a native cancer, free of foreign influence. To be sure, Italy lacked the religious confrontation that had ignited Ireland or the ethnic hatred that had fired Basque terrorism. But, as expert analysts pointed out, it did offer causes enough for the outbreak: The nation had been relentlessly misgoverned for 30 years. Social and economic deformities abounded. Moreover, Italy's Communist Party, the largest in the West, had been moving toward partnership with the political establish-

ment, leaving a huge revolutionary vacuum on the left.

Thus, left-wing intellectuals of the left refused to perceive the terrorists as anything but misguided revolutionaries and resolutely closed their eyes to possible foreign links. Italy's allies shared this view. As late as 1978, the C.I.A. refused an Italian Government request for help in finding the kidnapped former Premier, Aldo Moro, on the ground that there was no evidence that the Italian Red Brigades had any international connections.

In fact, the Italian terrorists were intimately connected with the global terrorist network. Their apparatus had two tiers. One was an open and legal political arm, the Autonomous Area, operating seminars, international conferences, counterculture bookshops and a chain of private broadcasting stations. Its leaders were the intellectual gurus of Italy's left. The other tier was a secret, terrorist branch. It included dozens of different units—the Red Brigades, with 500 armed members, and smaller bands, such as Front Line, with 200 to 300 more. The two tiers were mutually supporting, with a so-called Second Society of hundreds of thousands of law-abiding citizens offering the terrorists acceptance and protection. And the whole apparatus was closely linked to the Soviet Union and its terrorist surrogates, seeking to destabilize a major Western democracy.

Fioroni was the first important member of the underground to talk publicly about its connections with the I.R.A. and the German and Basque terrorists. Not until 1980 was the Soviet link first established: Half the founding leaders of the Red Brigades and several top leaders of the Autonomous Area had been trained by the K.G.B. in special camps in Czechoslovakia before 1968. Patrizio Peci, a former member of the Red Brigades' High Strategic Command, then confirmed that this training of cadres had continued throughout the 1970's.

Peci added: "All the arms reaching the Italians, of whatever make or provenance save those taken from policemen and Carabinieri, were coming from a single distribution center stocked by Palestinian formations." Consignments picked up off the Lebanese coast and off-loaded in Venice, he said, had been divided among Italians, Germans, I.R.A. Provisionals and Spanish Basques.

More than 1,000 accused terrorists were in prison by the end of 1980, and some 100 of them made detailed confessions. Police raids turned up scores of safe houses, tons of weapons and archives covering 10 years of terrorist growth. "Operationally speaking, the worst is over," Gen. Capuzzo, the national Commander of the Carabinieri, said a few weeks ago. Yet even as he spoke, there was evidence that his optimism might have been misplaced. New terrorist incidents have occurred, And the deadly curve seems to be rising again.

The nations of Europe have made a start on a coordinated approach to combatting the international terrorist network—a kind of counterterror network. The interior ministers of all 10 Common Market nations, along with those of Spain, Austria and Switzerland, have been meeting periodically on the matter for nearly three years. They have found ways: harmonizing their technical procedures, from car-plate identification to fingerprinting, and sharing their computerized information.

West Germany's computers in Weisbaden, for instance, now give officials throughout Europe access to 10 million items of information on the life histories, travels, dental work, reading habits and musical preferences of known terrorists all over the world. Other nations are creating similar data banks. There has also been an increased exchange of antiterrorist expertise as more nations set up their own special commando units modeled on West Germany's Leatherheads (the G.S.G. 9), Britain's celebrated S.A.S. and the French Gendarmerie's Intervention Group (G.I.G.N.).

But direct action against individual terrorists cannot do the job alone. Leaders of the target nations are beginning to recognize the need to deal with larger groups of law-abiding citizens who lend the terrorists support—the accomplices among whom, as Mao put it, the terrorist can swim like fish in the sea. The technique of establishing such a two-tier structure, as in Italy, has had a broad application among European terrorists.

The way was pointed more than a century ago, in czarist Russia, by a Moscow revolutionary named Nicholas Ishutin. It was he who first suggested the combination: an underground terrorist force operating within the protective ring of an open political party of law-abiding citizens. The public arm preaches revolution, covers for the underground, shields it from the police.

The terrorists are presented as authentic—if sometimes "misguided"—revolutionaries. And they need not fear informers because of what the Mafia calls Omertà, the law of silence.

The willingness of Secretary Haig and the President of Italy to go public with charges of Soviet involvement in the terrorist network may lend strength to a public-information attack on the two-tier technique. What is needed is extensive public debate—in the media, at the universities, among intellectuals in general—cutting through old romantic concepts. Left-wing terrorism is not built upon authentic revolutionary goals of justice and equity for the working class. It seeks everywhere to dismantle free societies, forcing constitutional governments to behave like police states. And civilians paired with the terrorists are peculiarly exposed to manipulation by the network's Soviet sponsor.

For all the value of government crackdowns and educational programs, these terrorists have noticeably improved their self-protective apparatus and tactics. Smaller bands are emerging, less vulnerable to infiltration, less susceptible to public pressure, and armed with the latest technological weapons of destruction.

There remains the other option open to governments under siege, the option they have been so loath to take. They can directly confront the Soviet Union, Cuba and the Palestinians, using the weapons of diplomacy and trade to halt the transfer of terrorist goods and services. They could attempt to mobilize world opinion against the network, raising the issue in the United Nations and other international forums. They could bring economic pressures on Moscow and the network's other linchpins.

In fact, given the dimensions of the problem, and the danger it poses to free nations everywhere, it seems hardly credible that the Soviet Union and the West can settle any other issues between them so long as the issue of world terrorism goes unresolved.●

CONTROL DATA CORP.

● Mr. DURENBERGER. Mr. President, anyone who thinks American business innovation is a thing of the past should take a close look at Control Data Corp.

In the relatively short time since its founding, CDC has grown from a fledgling company to one of the giants in the high-technology field. Much of the credit for this tremendous growth rate is the genius of CDC's founder William Norris.

An important part of CDC's growth, though, has been its attention to people problems. For that, the credit must go to Mr. Norris and his deputy chairman Norb Berg.

Mr. Berg has made a successful career out of dealing with the human side of the corporation. His employee programs are leaders not only in CDC's industry, but in the entire business world.

With a bit of understated pride I want my colleagues to know that Norb Berg is a smalltown boy who was a classmate of mine at St. John's University—a small liberal arts college in the smallest of Minnesota towns. This background could be responsible for his commitment to humanity as the best work of even corporate institutions.

Mr. Berg and CDC take corporate responsibility beyond the annual financial contributions that many firms make to worthwhile causes. For CDC, corporate responsibility is a way of doing business, not just another slogan.

With so many people quick to criticize business, especially big business, it is refreshing to see a company like CDC receive some well-deserved publicity on its many outstanding contributions to the communities it serves.

I ask that the February 15, 1981, St. Paul Pioneer Press article on Control Data Corp. and Norb Berg be printed at this point in the RECORD.

The article follows:

NORB BERG—HE'S THE GUIDING FORCE OF CONTROL DATA'S INNOVATIVE PEOPLE PROGRAMS

(By Don Clark)

Products and services can be copied. Dynamic executives retire or get lured away. Only constant innovation guarantees survival of high-technology firms.

And Control Data Corp. is betting that its people will "out-innovate" the competition.

The confidence stems from the work of Norbert Berg, Control Data's deputy chairman and guiding force of its personnel programs since 1959.

Berg's secret? Friends and Control Data observers boil it down to two words: helping people.

An Eastern European couple defected in 1977 and moved to Minnesota, leaving their two children behind. The man became a Control Data employee, and the couple unsuccessfully tried government channels to free their children.

"I happened to mention this to Norb," recalls Minnesota Vikings coach Bud Grant. Berg's long-time hunting buddy. "To make a long story short, he got them over here in nothing flat. It was Control Data clout."

In the public eye, Berg and other generals at the Bloomington-based multinational have been overshadowed by founder, chairman and chief executive officer William Norris. But Norris, 69, now leaves most operating details to Berg, 48, and Robert Price, 49, president and chief operating officer.

Moreover, Berg has been the prime mover behind many of Control Data's celebrated "corporate responsibility" projects—from building plants in the inner city to helping small businesses to saving the family farm to hiring prison inmates, while still in prison.

"I don't think a company of this size could carry on projects like these without a Norb Berg," says Norris. "His major weakness is that he sometimes tries too hard to help people. But if you have to have a fault, that's one of the better ones to have."

Helping people definitely extends to Control Data's own personnel, which have access to a wealth of employee assistance and training programs. Some, including a 24-hour

counseling hot-line (EAR) and an extensive employee health program, already are being marketed to other corporations.

But, to hear Berg talk, potential profit from such programs is secondary to productivity benefits, which the company hopes will help Control Data match gains in foreign corporations.

"You can't pick up the paper without hearing about productivity," he said recently in his office at Control Data's tower in Bloomington. "People say 'it's the Japanese, and that's a cultural thing and you can't change the culture, so forget it.' I can't buy that.

"We've got a long history of a different kind of culture at Control Data with our employees," Berg said. "It's enlightened self-interest. We've got a tremendous investment in our work force. It's an idea industry, a brain industry. I could sit here and build a very crass case why I should have a fantastic employee relations program, but I think people could see through that. It's got to be day after day after year after year that we really do care about our people."

One sign of Berg's effectiveness is that he can't remember the last time a union won the right to bargain for Control Data workers. He can recall 13 employee elections that removed existing unions.

"If we get a labor union in a location, then we deserve it," Berg said, "because we've failed to convince our employees that they don't need a third party to see that they're treated the way they'd like to be treated.

Absenteeism, turnover and tardiness afflicted Control Data's first inner city operation, begun in 1968 on the north side of Minneapolis. To keep the plant operating smoothly, Control Data ended up providing legal assistance, financial assistance, a nonprofit day-care center and the EAR counseling program.

"My job was to make the resources available so we could provide the services to make those problems go away," Berg recalled. "So all of the sudden we looked around and we had solved all of the damn problems and the thing was working very smoothly and it has for years and years."

Berg's old friends link many of his ideas with his religion and academic background. But it may go back further than that, back to his childhood in the Wisconsin town of Edgar—population 808—living in poverty with seven brothers and sisters.

"I remember my mother crying when I took the last syrup in the bottle before my brothers and sisters had any," Berg said in a recent speech to Control Data workers.

He attended what he calls the Benedictine "poor boys prep school" at St. John's in Collegeville and later St. John's University. But it was at the University of Minnesota industrial relations center that Berg began to connect Catholic morality with modern theories of employee relations. Berg graduated with a master's degree in 1957, and since then has put in long hours on the center's advisory boards and hired scores of center graduates.

"The theory was that most problems are human problems," summed up Herbert Heneman a long-time friend and the industrial relations professor who recruited Berg.

"You hired your mistakes. Every manager was a personnel manager and they had to be trained," Heneman said. "This was new and it was almost heresey. Norb grabbed it and ran off with it. He's got the best personnel department in the world."

Theories were grafted onto natural ability. "He has the best grasp of human nature of anybody I've ever known," says president Price.

Standard Oil Co. of New Jersey gave Berg his first personnel job. But raising a family in New Jersey did not appeal to Berg and new wife Marilyn, and Standard—the largest American corporation at the time—was too big. He took a 10 percent salary cut to return to Minnesota and work at an 150-employee computer company located in an old paper warehouse in downtown Minneapolis.

Control Data has grown phenomenally since those years—to $3.8 billion in sales in 1980—and diversified so widely that many analysts expect service divisions soon will bring in more cash than the company's well-known computer products.

Berg's job has grown with it: today he oversees 58,000 employees in 47 countries. His salary in 1980 was more than $400,000.

"He's obviously loaded, but you'd never know it by talking to him," said John Gagliardi, an old friend who coached one of Berg's four athletic sons at St. John's. (Berg boasts that he and his wife, long-time St. Paul residents, one year watched their sons in 32 games.)

"He'd try to do anything I ask him," Gagliardi said. "I just don't know what to ask him."

Betty Jean Barr started work as a collator in 1970 at Control Data's bindery in St. Paul's Selby-Dale neighborhood, an experimental effort to give part-time work to mothers and students in the minority community.

"It turned out there were opportunities for advancement through the plant," recalls Barr, who has been steadily promoted and now manages a similar plant begun last year near downtown Minneapolis. "I really can't find words to describe Mr. Berg. A lot of people with important jobs are fairly distant. He comes down and he talks to you."

When he repeats William Norris's slogans of "addressing society's problems as business opportunities," Berg speaks with authority—many Control Data initiatives were his ideas.

So the perennial jabs from Wall Street—that Control Data cares too much about saving the world and not enough about profits—make him a bit testy.

"Look at what we've done in the inner city of Minneapolis, St. Paul, Washington, D.C. and elsewhere. If you want to argue just cold buisness reasons, I'll give you cold business reasons," Berg said.

"Some economists predict that in the mid-80s there will be a tremendous shortage of lower-level employees, birth patterns being what they are. If that's the case, we have more know-how than any company in the United States in how to utilize employees that other companies have shied away from, the so-called hard-to-employ, the people coming out of prisons, people who are handicapped, people who are home bound. People who are unskilled.

"Those things don't bother us. We know how to attract, retain and motivate such people, and we've done it over and over again," Berg said.

And Berg points out that he has driven a pretty hard bargain on siting Control Data plants, insisting that cities equalize inner-city land prices with the suburbs. In the case of the world distribution center that recently opened at I-94 and Dale St., the land discount was about 300 percent.

"It's a matter of survival," Berg insisted. "I should be able to explain to stockholders who ask, 'how can you justify putting that plant in the inner city where the land is 10 times as much and the taxes are three times as much?' I'm a businessman and I represent the stockholders, and I'm obliged to negotiate with the city for the very best deal that I can get," Berg said.

Most city officials are convinced.

"It was probably the most thoroughly positive experience of my entire public life," said St. Paul Mayor George Latimer of his negotiations with Berg for the world distribution center.

David Jones' house used to stand on the site of Control Data's world distribution center in St. Paul, and he calls the city's decision to allow the plant a "personal disaster." Yet when he was having trouble straightening out relocation benefits with the St. Paul Housing and Redevelopment Authority, he called Berg's office.

"He put his boys on it and they called the people at the housing authority, who were basically telling me to go to hell," Jones said. "Overnight, so to speak, they turned the situation around. If it were not for his intervention, I would have been in a critical situation."

Berg has pushed Control Data's efforts to help convicts, which include loaning executives to help corrections officials and training prisoners on the company's computer education network. Federal Parole Commissioner Dick Mulcrone recalls he was able to place "at least several dozen" prisoners in jobs at the company.

These efforts also led to one of Control Data's few failures in the "good works" line—a program known as Wheels. The plan was to give ex-convicts low-interest loans to buy used cars from a Control Data leasing subsidiary.

Wheels ran into several conventional problems, such as high-interest rates. It also ran into what Berg refers to as "white collar crime," with losses that he confirmed were more than $40,000.

"The end of the story is they overtrusted some people and they got stung badly," Mulcrone said. "If that had happened in most corporations in America, the accountant types would have said go and don't darken my door again.

"Instead it was 'where did we go wrong? How do we put it back together,' " said Mulcrone of the program, which is scheduled to be revamped and restarted. "If there was anyone who believes in losers more than Norb Berg, I haven't met him."

Another brand of recent losers—high-level officeholders from the Democratic Party—also have been turning up regularly in a wide variety jobs and consultant arrangements for Control Data. The group includes former Vice President Walter Mondale and former Minnesota Gov. Rudy Perpich.

Berg says he is a political independent, but admits he has been intimately involved in negotiations and planning concerning the appointments.

"I've spent my whole life here trying to find good people for Control Data. There are some people coming out of government that are not paid as well as many industrial people are, so you don't have a problem dealing with them from a salary standpoint. They usually have had a lot of responsibility and some good experience in related areas. There's pretty good bargains in the process.

"And there aren't many Republicans running around these days. I sort of wish there were so I could hire them," he added.

William Norris tells a story about hurriedly passing a shoeshine boy with Berg on their way to an engagement in Baltimore. When he looked around, Norris saw Berg having his shoes shined. "He didn't need a shine. He was just trying to give that kid a lift."

From Berg's window atop Control Data headquarters, with the telescope given to him by Bud Grant, you can see ducks on the banks of the Minnesota River, the flash of inquisitive deer and an occasional red fox sunning itself.

That is a world Berg loves, the world he visits whenever he can, and the world most apparent from his office decor. Friends describe his almost manic need for solitude after working with people day after day.

"He will sit in the woods all day with a gun in his hand praying that he won't see a deer," said Roger Wheeler, a Control Data vice president for personnel and public affairs. "But

when Berg goes away for any length of time I know the day he comes back is going to be hell. He pours out ideas."

As much as Berg loves trips to his Wisconsin cabin, however, people are still paramount, says Wheeler, one of Berg's closest friends at the company. His guess is that part of that stems from an emotional involvement in their pain and triumphs.

"Norb Berg cries at bake sales," said Wheeler.

After many years of paying property tax for his cabin in the state of his birth, Wisconsin, Berg tired of paying substantially higher fees for out-of-state hunting permits. So he is suing the state of Wisconsin.

"It's unfair," said companion Grant. "He's not going to win, but he's sure going to ruffle some feathers over there. He's got the whole state in an uproar."

On Berg's shelf is a small plaque among the mounted game trophies. It reads: "This fish will always be one pound lighter and one inch shorter than any similar fish caught by W. C. Norris."

The message holds a grain of truth about Berg's intentions toward the top Control Data spot: he says he would like to be chairman, but has no interest in the chief executive's role.

To Norris, that is one of his most valuable qualities.

"Not many people see things that clearly," Norris said. "At first some people didn't believe it. But having someone around who has that point of view is an enormous help to a chief executive officer. He can talk to people in a way that's not possible if they view him as a rival."

For Berg, it's a decision based on personal interest. But as most of his friends point out, Berg's personal interests wind up having quite an effect on other people's lives.

"Bob (Price) and I complement each other very well. He does a fantastic job of running the operations of the company," Berg said. "I didn't develop myself or pick up the experiences that would be necessary along the line.

"That's my desire. I have much more fun doing things that I do."

JAPAN-UNITED STATES ECONOMIC RELATIONS GROUP

● Mr. DURENBERGER. Mr. President, today I would like to acquaint my colleagues with the final report of the Japan-United States Economic Relations Group. Two years ago President Carter and the late Prime Minister Ohira established a working group of private citizens to examine economic relationships between the United States and Japan. Edson W. Spencer, chairman of Honeywell Inc., and a distinguished Minnesotan, was one of America's four representatives.

The United States and Japan are the largest and second largest industrial democracies. Both nations have a vital stake in the preservation and promotion of a stable world order favoring the survival and prosperity of societies based on principles of law, nonaggression, popular sovereignty, and private entrepeneurship.

Mr. President, this economic relations group recently published its final report, a thoroughly excellent document outlining the challenges facing both countries in the coming decade. Mr. President, I ask that the foreword, executive summary, conclusion, and list of members be reprinted in the RECORD for the benefit of my colleagues. I urge you to take time and review it. Trade relations between the United States and Japan will have a profound effect on our lives. I have yet to see a report that better analyzes the issues bearing on that relationship.

The material follows:

FOREWORD

The Japan-United States Economic Relations Group, consisting of eight private citizens of the two countries, was established pursuant to a joint communique of May 2, 1979 from the late Prime Minister Ohira and President Carter. The purpose of the Group is to examine factors affecting the bilateral economic relationship over the longer-run and make recommendations to the President and the Prime Minister designed to strengthen it.

The Group's chairmen are Ambassador Nobuhiko Ushiba, former State Minister for External Economic Affairs, and Ambassador Robert S. Ingersoll, former Deputy Secretary of State. Other members are Akio Morita, Chairman, Sony Corporation, Shuzo Muramoto, President, Dai-Ichi Kangyo Bank, Ltd., Eiichi Saeki, Chairman, Nomura Research Institute, A. W. Clausen, President, Bank of America, Hugh T. Patrick, Professor of Economics, Yale University, and Edson W. Spencer, Chairman, Honeywell, Inc. Joint consultations among all members took place in Washington in December, 1979, Tokyo and Oiso in May, 1980. Honolulu in August, and San Francisco in November. The Group was substantially aided by small and effective staffs and a series of commissioned background studies in both countries.

During the past year, the Group examined a broad range of bilateral and multilateral issues relating to Japan-United States economic relations. The members have consulted with a wide segment of organizations, private and official, and with many individuals in both Japan and the United States so that their views could be considered in the discussion and recommendations. The Group came away from its work with a strengthened conviction that the bilateral economic relationship is of tremendous importance to the future security and welfare of both countries, and indeed to the world. The Group believes that the current economic and political relationship between the two countries is, in general, healthy and mutually rewarding. To enhance the relationship and improve the two countries' ability to meet shared global challenges, however, the Group has addressed a broad set of problems. These include such matters as inadequate consultative mechanisms between the two governments, mistaken or outdated perceptions of each country in the other country, inadequate American economic performance, lagging liberalization of the Japanese market, unresolved energy issues, and the politicization of economic and trade disputes. All too often, both governments and their respective private sectors have failed to face up to difficult problems.

Given its purposes most of the Group's recommendations are addressed to the President and the Prime Minister and directly concern the two countries' relations. Others, such as those on improving United States productivity and on the internationalization of Japan, are directed primarily to just one government and appear more domestic in nature, but will have an important beneficial effect on United States-Japan economic relations. Still other recommendations are addressed to the private sector since in the market oriented private enterprise system of both countries, it is consumers, management, and labor that ultimately determine the success of the economic relationship. The Group believes that implementation of all its recommendations, while some are politically difficult, is in the long-term national interests of both countries and will enhance the relationship between them.

EXECUTIVE SUMMARY

Over the past year, the Japan-United States Economic Relations Group has examined a broad range of bilateral and multilateral issues relating to the two countries' economic relations. We have found that a generally healthy economic and political relationship exists between Japan and the United States, but that a number of problems need to be addressed to improve the bilateral relationship and enhance the effectiveness of the two countries in cooperatively dealing with global challenges. These problems included inadequate consultative mechanisms between the two governments, mistaken or outdated perceptions of each country in the other country, inadequate American economic performance, lagging liberalization of market access in Japan, and, all too often, a failure by the governments and private sectors in both countries to face up to difficult problems.

I. THE UNITED STATES-JAPAN ECONOMIC RELATIONSHIP IN A GLOBAL CONTEXT

Because of their broad international ramifications, many of the problems affecting United States-Japan economic relations are not amenable to bilateral solutions. Progress in solving these broader economic problems, however, rests heavily on a close, effective, and comprehensive partnership between Japan and the United States, the two largest market economies in the world.

This partnership should be based on three principles:

The relationship between Japan and the United States involves shared responsibilities for the management of the international economic and political order.

Japan needs to develop and articulate a new, more active international role.

The United States needs to recognize more fully the implications of the postwar diffusion of power and the demands of a more interdependent world.

In implementing these basic principles, it is important to adhere to key guidelines such as those provided by GATT and similar existing international agreements.

Close intergovernmental relations are the key to developing a stronger sense of global responsibilities and addressing interrelated aspects of bilateral and global issues.

A review of existing consultative mechanisms shows the need for closer and more regularized consultations at all levels.

Beginning in 1981, there should be periodic joint meetings of cabinet officials of the core departments and ministries dealing with foreign relations, trade and industry, energy, agriculture, and financial and monetary issues.

To improve the effectiveness of their bilateral cooperation and strengthen their ability to work together on global problems, both Japan and the United States need to develop new international roles and to "internationalize" their societies.

In order to make more reliable and effective the cooperation and coordination between Japan and the United States with regard to security as defined by the terms of the Japan-United States Security Treaty, Japan should clarify its defense role, strengthen its self-defense capabilities, and shoulder a more equitable burden with the United States in attaining comprehensive security. Japan must contribute to both regional and world security, specifically by augmenting economic cooperation with Third World countries, and undertaking diplomatic and political initiative and leadership.

The United States must improve the quality of its consultations with its allies, including Japan. Because domestic political considerations often put a premium on prompt, decisive, and unilateral presidential action, it will require strong leadership and some political sacrifice to forego unilateral policy

decisions in favor of increased consultation with allies.

Both governments should improve training in international affairs for civil servants (especially those in more domestically oriented ministries and departments).

Encouragement should be given to increased and even more intensive and effective contacts and communications among business leaders in Japan and the United States through existing mechanisms and economic organizations as well as through new channels as appropriate.

There should be increased joint policy research activities and intensified exchange programs for legislators, business and labor leaders, and others in the public and private sectors.

II. BASIC ELEMENTS OF THE ECONOMIC RELATIONSHIP

The United States-Japan economic relationship is of substantial benefit to both countries by stimulating competition, expanding product choices, adding to available capital and technology in each country, and increasing overall economic efficiency. At the same time, there are inevitable frictions over such matters as changing patterns of competition in particular industries, bilateral merchandise trade and current account imbalances, the handling of foreign exchange rate fluctuations, and efforts to coordinate macroeconomic policies. The President and the Prime Minister should play a more active role in improving public understanding of the causes and implications of bilateral and global economic interdependence.

In particular, there needs to be a better understanding of the reasons for trade and current account imbalances. There have been serious adverse consequences of a continued, narrow United States focus on the bilateral trade imbalance.

The trade imbalance reflects structural differences between the two countries and would exist even if there were perfect access to the Japanese market for American products or if American economic policies were well managed. It reflects an efficient allocation of resources for the two countries.

Current account balances are affected by many factors, including changes in energy costs, the interaction of domestic demand and world business cycles, and differences between domestic savings and investment rates.

Better criteria than trade and current account balances in evaluating a nation's economic policies and performance include stability and predictability of its macroeconomic policies, its avoidance of unfair trade practices, access to its markets, its avoidance of using exchange rate policies to promote its exports and its trade, worker retraining, and other positive adjustment measures to solve domestic problems of adjustment to the system of international competition.

Because savings in Japan seem likely to remain relatively high compared to domestic investment demand, it is likely that Japan will have a long-run tendency to run a current account surplus and thus be a capital exporter.

While Japanese capital exports will benefit the world, the United States will continue importing large amounts of manufactured goods from Japan. Japan should avoid sudden surges of exports in specific products which cause serious injury to American or other foreign firms.

Exchange rate fluctuations have been particularly wide in a recent years. The efficient operation of the floating exchange rate adjustment mechanism requires a well balanced, long-rate perspective within government monetary institutions.

Japan should continue its trend toward greater responsibility for the maintenance of the international financial system by further improving capital liberalization and sharing the responsibilities of a key currency country.

Exchange rate stability requires also stable, predictable macroeconomic policies, control of inflation and improved productivity performance in the United States.

Attempts to tightly coordinate macroeconomic policy and set bilateral macroeconomic targets have proved ineffective in the past as well as politically controversial.

The Unted States and Japan should consult closely on macroeconomic policies, but avoid attempts at tight coordination.

There need to be new forums for macroeconomic consultation at both the cabinet and working levels.

III. THE IMPACT OF ENERGY ON THE RELATIONSHIP

Cooperation or conflict in energy policies may well be the most important test of the viability of the American-Japanese partnership. A high degree of energy interdependence requires more intense consultations on all aspects of the energy problem.

A ministerial level joint committee should be established to meet at least once a year on a regular basis to review and coordinate the disparate consultations now carried out in various other forums and address energy problems in a comprehensive manner.

One of the most critical threats to the security and economic well-being of both countries is the possibility of a major interruption in petroleum supplies. The two governments are simply not prepared to deal with this threat.

It is imperative that the two governments immediately undertake a crisis management study and formulate specific measures to be taken in the event of a large-scale supply interruption.

Contingency planning should be expanded as quickly as possible to other major petroleum consuming countries.

The United States and Japan should take the leadership in strengthening the capacity of the International Energy Agency to deal with both large-scale and small-scale supply interruptions and coordinate stockpiling policies.

To improve the efficiency with which currently available petroleum supplies are transported and used, there should be a change in United States policy to allow Alaskan oil which is surplus on the United States West Coast to be exported to Japan in exchange for other oil already committed to Japan.

To develop alternative supplies of energy supply, there needs to be very substantial research and development in energy related technologies.

Both governments, but especially Japan, must make a much greater effort in energy research and development. A substantially augmented Japanese program would not only help equalize the burden, but be an important contribution to meeting Japan's global responsibilities.

No alternative source of energy can be overlooked. Both governments and their private industries should accelerate nuclear power development, including the use of the fast breeder reactor as it becomes economically feasible.

Because of vast United States coal reserves, coal offers a particularly attractive basis for substantially augmented United States-Japan energy cooperation. Both countries can benefit from further development of United States mines and exports to Japan.

The two governments should foster an environment that will encourage investment by the private firms of both countries in coal development, including mining, transportation facilities, and coal gasification and liquefaction in the United States.

The two governments should explore possibilities for bilateral arrangement embodying secure access to markets for American coal in Japan and American assurance of coal supply to Japan.

Increased United States exports of oil, coal, and nuclear energy materials will improve the bilateral trade balance between Japan and the United States.

IV. AMERICAN PRODUCTIVITY AND THE MANAGEMENT OF THE UNITED STATES ECONOMY

As long as the United States economy suffers from inflation, low savings rates, low rates of capital formation and investment, inadequate expenditure on research and development, burdensome regulation, and low productivity growth, the United States-Japan economic relationship will face severe strains. Improved United States management and strengthening of the supply side of its domestic economy could be one of the most important factors in improving United States-Japan economic relations.

To improve productivity, the following steps should be taken by the American government:

Productivity should be a major focus of United States economic policy. To do this, the President should convene a White House National Productivity Conference.

Economic policies should foster a noninflationary, stable economic climate, conducive to investment and improvements in productivity.

The President and Congress should develop specific longer-term programs to improve savings and investment rates such as investment tax credits, the reduction of personal and corporate and capital gains taxes in a non-inflationary manner, and the shortening of depreciation schedules.

The President and Congress should adopt new programs to stimulate research and development and innovation.

The American government should reduce the regulatory burden and make productivity a principal consideration in the formulation and implementation of regulations.

The United States government should sponsor a comprehensive research program on the measures Japan and other foreign countries have taken in the public and private sectors to increase productivity.

Given the proper economic environment, it is the primary responsibility of the private sector to improve productivity performance. The following steps should be taken in the private sector:

United States corporate management should make long term productivity improvement a principal objective, building productivity considerations into corporate objectives, management attitudes, and management compensation programs.

Management and labor should consult closely on productivity trends and problems and on opportunities for improving productivity performance.

Corporate and labor leaders in both countries should establish joint programs to enhance productivity and increase bilateral understanding of shared problems.

V. JAPAN'S MARKET: OPEN OR CLOSED?

The American perception of the Japanese market as closed to foreign business has contributed to tensions in the bilateral relationship.

In terms of tariffs and quotas, the Japanese market is as open as the American market for comparable manufactured goods.

In terms of government procurement practices, foreign investment rules, entry of services, and procedures for standards, inspections, and testing, Japan's market is not as open as the American market and more needs to be done to liberalize market access to Japan's own national interest.

There are special difficulties for foreign business in Japan from more intangible factors such as administrative procedures, traditional business customs and mores, and cultural and social barriers to foreign influence.

To improve market openness in Japan and the foreign perception of the Japanese market as open, the following measures should be taken:

The recently enacted, more liberal Foreign Exchange and Foreign Trade Control Law should be implemented by the Japanese government in ways fully consonant with the principle of freeing foreign transactions from restraint. Exceptions to this principle allowable in the new law should be invoked only in genuine emergency situations.

Both governments should implement the GATT government procurement code and cooperate in seeking to increase its coverage in later renegotiations of the code.

The Prime Minister should establish a powerful central office for the consideration and resolution of trade and investment issues. This office should deal with broader policy issues as well as company-specific complaints.

The two governments should provide support and financial assistance to the Trade Study Group, a voluntary group of American and Japanese governmental officials and businessmen in Tokyo who have played a major role in identifying trade barriers and bringing together foreign and Japanese business and Japanese governmental authorities to resolve trade problems.

Japan should make its economic decision-making processes more publicly visible, like those of the United States. There should be additional opportunities for private sector access to these processes.

American businessmen need to improve their efforts to gain access to the Japanese bureaucracy.

VI. INDUSTRIAL TRADE ISSUES

Competition in industries such as textiles, automobiles, steel, and electronics products has been a major source of controversy in United States-Japan trade relations. Trade protection is not an appropriate remedy for industrial trade problems. In general, it delays economic adjustment and hurts the ability of the protected industry to meet the demands of international competition. It also can seriously injure the overall competitiveness of an economy by increasing rates of inflation. Protectionist measures are also contrary to consumers' interests in lower prices, wide choice of designs, quality, and services.

The following basic principles should govern industrial trade relations:

The two governments should foster a stable, non-inflationary investment climate which encourages economic growth and facilitates adjustments.

Both governments should maintain policies promoting a world free trade and investment environment.

Both governments should adhere to the principle of equal national treatment in programs relating to industries.

There should be a clear understanding in both countries of foreign industrial policies and specific industrial problems. There should be periodic bilateral discussions between Japanese and American governments on trade and investment restrictions, liberalization programs, implementation procedures, and industrial programs.

There should be bilateral business, labor, and government dialogues, consonant with law, to identify and discuss potential industrial trade issues before they become major disputes.

Both governments need to be more conscious of the international implications of domestic economic policies.

Corporations, especially in the United States, need to have a longer-term, more internationally oriented perspective.

Free trade and investment policies should be maintained for all industries, including the steel, automotive, and semiconductor industries.

VII. AGRICULTURAL TRADE ISSUES

Mutually beneficial economic interdependence is nowhere more evident than in the case of agricultural trade, but steps need to be taken to further open the Japanese market to foreign agricultural products, restructure Japanese agriculture to make it more efficient and competitive, and to improve food security for Japan.

Japan should continue to shift away from the use of quantitative restrictions on agricultural imports and to ultimately eliminate them by redirecting support policies so that international prices are more adequately reflected in determining the level of domestic price supports.

Japan should continue to encourage the expansion of the land rental market to help increase the average size of farms and strengthen the poistion of full-time farmers.

The fear of food shortages in Japan is very real, but food security cannot be guaranteed through high protection of inefficient agriculture except at extremely and unacceptably high social and financial costs.

To increase food security, Japan should establish a more adequate wheat and feedgrains reserve.

The United States and Japan should enter into negotiations leading to medium-term supply and purchase arrangements.

VIII. PROBLEMS IN U.S. TRADE LAW AND THE UNITED STATES-JAPAN ECONOMIC RELATIONSHIP

There is concern in Japan that recent changes in American trade laws have moved in some areas in a protectionist direction and may act as a non-tariff barrier to trade. At the same time, many Americans believe that these laws are fully consistent with international codes, provide legitimate defense for domestic industries against unfair trade practices, and are needed to support an overall liberal trade policy.

Because of the differences of opinions in this area, both governments should undertake an examination of American and Japanese trade laws and practices.

Similar efforts should be carried out on a private basis among specialists in both countries.

As a long-term measure, the two governments should provide leadership in further strengthening international codes dealing with injurious trade practices.

IX. ECONOMIC DISPUTES AND POLITICAL FRICTION

United States-Japan economic and trade issues have often become serious political issues in both countries, jeopardizing valuable cooperation in non-economic as well as economic arenas. Both governments should make strong efforts to contain politicization of inevitable instances of economic friction.

Officials in both countries should improve their knowledge of and sensitivity to the domestic political situation of the other country in order to avoid highly visible political conflict.

Especially on the United States side, there is a need to discard misleading images, such as that of "Japan, Inc."

On the Japanese side, there is a need for government, media, and other leaders to put American political statements and Congressional action in a broader perspective.

Americans must be sensitive to the use of what appear to be heavy-handed pressuring tactics. Japan should respond earlier to "softer" signals and not invite pressure.

Each side should avoid using the other as a scapegoat despite the short-run political benefits of sometimes so doing.

United States officials should beware of intruding too deeply into Japanese economic decision-making, particularly on issues normally considered domestic in nature.

Japanese negotiators should speak up more, countering American criticism as squarely as possible, to minimize misunderstandings or misperceptions of their position.

A cardinal principle in American-Japanese diplomacy in the future should be an effort to negotiate on the basis of mutual and reciprocal benefit.

X. CONCLUSION

The sheer size of the United States-Japan share of the global economy and world trade requires the maintenance of a close, mutually rewarding economic relationship. It is vital to both countries and the world. Yet, in any bilateral relationship as encompassing, intense, and diverse as that between Japan and the United States, there will inevitably be some differences in national interest and, therefore, occasions for bilateral tension. What is essential is that these occasional differences be viewed in a broader, long-term perspective, addressed directly and resolved in a mutually beneficial manner, and not be permitted to imperil the overall relationship.

In its work, the Group could not examine all of the many challenges the two countries face in their economic interactions with each other and the rest of the world. We chose to give attention first to those issues which have been most visibly troubling the United States-Japan economic relationship. We feel that a number of potentially important problems need further attention. These include not only issues of trade relations and differences in the structure of the two economies, but also those involving the shared global responsibilities of a more comprehensive United States-Japan partnership. Continuing attention to these issues in both countries is the best guarantee of a healthy long-term United States-Japan economic relationship.

CONCLUSION

Each year, Japan and the United States together produce about 35 percent of the world's new output and engage in almost 20 percent of the world's trade. For this reason, the two countries' success in maintaining a close, mutually beneficial relationship is not only vital to their own prosperity and security, but critical to the world as a whole. Progress in solving the broader problems of the international economy depends in large part on a close, effective United States-Japan partnership.

In the preceding pages, we have repeatedly stressed that in any relationship as encompassing, intense and diverse as that between Japan and the United States, there will inevitably be some differences of interest and some friction. What is essential is that this friction be viewed in a broader perspective and not be allowed to imperil the overall relationship.

The Japan-United States Economic Relations Group has been a unique experiment in the two countries' relations. Never before have the two heads of government jointly requested a binational group of private citizens to examine the issues affecting the relationship and make policy recommendations directly to them.

We all believe this experiment has been highly successful. During the past year, we have engaged in many hours of intense discussion and as this report demonstrates, have been able to arrive at common points of view on many issues. The Group has sponsored research involving both Japanese and American experts, and believes that this kind of joint policy oriented research can have an important impact on improving mutual understanding of bilateral and global problems.

In the past year, we could examine only some of the many challenges the two countries face in their economic interactions with each other and with the rest of the world. We chose to give attention first to those issues which have been most visibly troubling the United States-Japan economic relationship. We feel that a number of potentially important problems need further attention. These include not only issues of trade and institutional structure, but also those involving the shared global responsibilities of a more comprehensive American-Japanese partnership. Their consideration would benefit from further examination by a binational group not burdened with day-to-day governmental policy responsibilities.

LIST OF MEMBERS

THE JAPAN-UNITED STATES ECONOMIC RELATIONS GROUP

Chairmen

Nobuhiko Ushiba, Former State Minister for External Economic Affairs.

Robert S. Ingersoll, Chairman, Japan Society, Inc.

Members

Akio Morita, Chairman, Sony Corporation.

Shuzo Muramoto, President, Dai-Ichi Kangyo Bank, Ltd.

Kiichi Saeki, Chairman, Nomura Research Institute.

A. W. Clausen, President, Bank of America.

Hugh T. Patrick, Professor of Economics, Yale University.

Edson W. Spencer, Chairman, Honeywell, Inc.

Executive Directors

Tadashi Yamamoto, Director, Japan Center for International Exchange (JCIE).

Charles E. Morrison, Research Advisor, Visiting Fellow, JCIE.

Jack B. Button, Former Minister-Counselor, The American Embassy, Tokyo.

W. Andrew Osterman, Deputy Director.●

THE REAGAN ERA AND CORPORATE SOCIAL RESPONSIBILITY

● Mr. DURENBERGER. Mr. President, while most Americans have been cheering the economic recommendations of President Reagan, many of our constituents are wondering how we will meet the legitimate social goals that seem threatened by budget cuts.

As I look at the tremendous resources in our country—the combined talents and ability of Government, business and the voluntary sector—I am convinced that we can achieve our social goals. The budget cuts at the Federal level will not take anything away from anyone. Instead, the redirection of Government will simply change the way we pay for services.

The rationale for Federal spending cuts goes beyond our abhorrence of a bloated Federal budget and double-digit inflation. Cutting the budget is a message to the public—and to some politicians—that Government cannot and should not be all things to all people. Our country is blessed with other resources that can and will provide services. It is Government's legitimate role to set national policy and to provide the encouragement, the incentives, and the opportunity for others to achieve that policy in many cases.

Voluntary organizations throughout the country are already following this formula. In fact, in many ways, the recurring theme that has set America apart from other societies, even other democracies, has been our citizens' involvement in voluntary service activities. Private citizens have always been involved in the delivery of services as well as in the determination of policy.

Part of our new commitment to redirect the national Government must be the provision of incentives for volunteerism. Inflation is a disincentive that is robbing voluntary organizations of their ability to attract volunteers and is eroding contributions. Reducing inflation and passing legislation like the bills I am proud to support to increase the mileage tax deduction and the charitable contributions tax deduction are the incentives we need.

The private for-profit sector also has a major role to play in this redirection of public service delivery. In many areas, the private sector has already taken the lead in providing services. In other areas, through legislation I and others have introduced—ridesharing and health care, for example—business may have the opportunity to do even more.

Business, though, is faced with many difficult questions as it studies its opportunities in "social responsibility."

The Clearinghouse on Corporate Social Responsibility, in its publication Response, thoughtfully laid out these opportunities and challenges. I might add, by the way, that I am proud that two Minnesotans, John E. Pearson of Northwestern National Life and Arley Bjella of Lutheran Brotherhood, have been actively involved in the Clearinghouse.

Mr. President, I ask to have printed in the RECORD the editorial from Response.

THE REAGAN ERA AND CORPORATE SOCIAL RESPONSIBILITY

(By Stanley G. Karson)

What is the impact of the November elections on the course of corporate social responsibility?

What does the apparent conservative swing say about the social and community problems that have been addressed increasingly by business leaders?

The answers to these questions, asked of the Clearinghouse and discussed at the most recent meeting of the industry's Committee on Corporate Social Responsibility, may well disturb some, particularly those expecting pat answers. So that there not be confusion over basic terms, let us begin the answer with a definition: corporate social responsibility involves the conduct of a business so that it is financially profitable, economically useful, ethically correct and socially supportive.

The financial, economic and ethical components of this definition should either benefit under the Reagan Administration or not be affected one way or the other. But during the next four years, will business expand or contract the social role—that element of corporate social responsibility which attends to critical problems of the community and of society at large?

As national priorities change from government spending for social programs to inflation curbs, tax reduction, budget balancing and military spending, it is clear that the private sector—to a great degree, the corporate world—will find itself pressed to fill some of the void. This is an inevitable consequence that must be faced by owners and managers of America's business. Millions of Americans who voted against massive Federal spending, proliferating government programs and excessive regulation on November 4th were saying implicitly that approaches and solutions using private sector initiatives should have a chance.

How business responds to this challenge will shape much of the future for both business and society in the years ahead. If either of the following options are pursued, trouble lies ahead:

1. Corporate executives misinterpret the signs, born of the electorate and of history, and withdraw, even faster than Washington, from the social arena. They adopt a business-as-usual posture, concentrating exclusively on higher-than-usual profits. And all the while, the sores that infect their communities, even their markets, become worse than usual. *Warning:* If any lessons have been learned over the years—and that is always a big "if"—problems ignored become problems enlarged.

2. In the euphoria of a simpatico, pro-business national administration, some corporate leaders are convinced that they have all the ideas, talents and resources to save the nation. They toy with thoughts of single-handedly solving welfare, public education, unemployment and urban development. *Warning:* As government cannot, without grave risks to our political and economic structure, assume the rightful role of business, so business cannot take over proper functions of government.

No, the effective social role for pragmatic, aware, concerned business leadership is not in these two scenarios. Rather, it must be as a moderate, middle-of-the-road influence, looking to strengthen the nation's economic and social system, attempting to hack away at the thickets of poverty, disease, discrimination and social unrest within the limits of the available talents and resources of the corporation.

For business to do less would spurn an opportunity to strengthen our social fabric that might not come again.●

A PATRIOTIC POEM BY A PATRIOTIC AMERICAN

● Mr. GARN. Mr. President, I wish to submit for the RECORD the following poem composed by Mr. Ernest N. Eklof, a resident of Utah. Mr. Eklof, as his poem demonstrates, is a devout and patriotic American. His poem, "The President's Inauguration," is dedicated to every man who takes the oath of President of the United States. More specifically, he addresses this poem to President Reagan, who for Mr. Eklof, personifies much of his patriotic poetry. I feel his verses closely capture the spirit of this exalted office. I hope all who read this poem may receive the same spirit in which it was written.

The poem follows:

THE PRESIDENT'S INAUGURATION

(By Ernest N. Eklof)

Expectant stands America this day,
Demanding him who has become our choice.
And eager to move forward on her way.
America are we, and we rejoice.
We make him ours, thus our pow'r display.
He is our Chief, we listen for his voice.
Thus ours, and so destined, he shall be
Our conscience. We endow him with our might,
To hold the bastion of liberty.
And for its keep, with him we pledge to fight,
And with our efforts trust in Deity.
To keep our freedom's beacon shining bright;
While stirring drumbeats from our past proclaim
The sacred Constitution of our Land
For generations hence in freedom's name.
We pledge our very lives, held by God's hand,

To keep the living torch of peace aflame—
An ensign for the world to understand.
America receives her president,
And he receives America to guide
Her years of destiny with our consent,
To make her past and future unified;
To guarantee her history's sure ascent,
And all for which our Land was sanctified.
But heavy is the burden which he bears,
To be our leader with sobriety,
From his beginning through fulfilling years.
With him, America, the brave, the free,
Let glory bask in human dignity!●

S. 574—FAMILY ENTERPRISE PRESERVATION ACT

● Mrs. RASSEBAUM. Mr. President, through an oversight, the text of estate tax legislation which I introduced on February 26 was not included as part of my introductory statement.

I ask that the text of S. 574 be printed in the RECORD at this time.

The text of the bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Enterprise Preservation Act".

SEC. 2. (a) Part IV of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to taxable estate) is amended by adding at the end thereof the following new section:

"SEC. 2056. BEQUESTS, ETC. OF CERTAIN PROPERTY USED FOR FARMING, ETC.

"(a) ALLOWANCE OF DEDUCTION.—

"(1) IN GENERAL.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate an amount equal to the value of any interest in qualified tangible property which passes or has passed from the decedent to a qualified heir, but only to the extent that such interest—

"(A) is included in determining the value of the gross estate, and

"(B) is not excluded under this part (without regard to this section) in determining the value of the taxable estate.

"(2) LIMITATION.—The amount allowable as a deduction under paragraph (1) shall not exceed—

"(A) $750,000 with respect to interests in qualified tangible property which pass or have passed to the spouse of the decedent, and

"(B) $750,000 with respect to all such interests which pass or have passed to all qualified heirs of the decedent other than the spouse.

"(b) QUALIFIED TANGIBLE PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified tangible property' means tangible property (other than money) located in the United States which, on the date of death of the decedent, was being used for a qualified use, but only if 50 percent or more of the adjusted value of the gross estate of the decedent consists of the adjusted value of tangible property (other than money) which—

"(A) on the date of the decedent's death, was being used for a qualified use, and

"(B) passed from the decedent to a qualified heir of the decedent.

"(2) CERTAIN INTANGIBLE PROPERTY INCLUDED.—An interest in intangible property shall be treated as an interest in qualified tangible property to the extent such interest represents an interest in, or in connection with, any qualified tangible property which is real property. Such interests include any mineral interest, easement, or other similar interest.

"(3) QUALIFIED USE, ETC.—The terms 'qualified use' and 'adjusted value' have the meanings given such terms by section 2032A (b).

"(c) TAX TREATMENT OF DISPOSITIONS AND FAILURE TO USE FOR QUALIFIED USE.—

"(1) IMPOSITION OF ADDITIONAL ESTATE TAX.—If, within 15 years after the decedent's death and before the death of the qualified heir—

"(A) the qualified heir disposes of any interest in qualified tangible property (other than by a disposition to a member of his family), or

"(B) the qualified heir ceases to use for the qualified use the qualified tangible property which was passed from the decedent, then there is hereby imposed an additional estate tax.

"(2) AMOUNT OF ADDITIONAL TAX.—

"(A) IN GENERAL.—The amount of the additional tax imposed by paragraph (1) with respect to any interest shall be the amount equal to the adjusted tax difference with respect to the estate.

"(B) ADJUSTED TAX DIFFERENCE WITH RESPECT TO THE ESTATE.—For purposes of subparagraph (A), the term 'adjusted tax difference with respect to the estate' means the excess of what would have been the estate tax liability but for subsection (a) over the estate tax liability. For purposes of this subparagraph, the term 'estate tax liability' means the tax imposed by section 2001 reduced by the credits allowable against such tax.

"(C) PARTIAL DISPOSITIONS.—For the purposes of this paragraph, where the qualified heir disposes of a portion of the interest passing to such heir (or a predecessor qualified heir) or there is a cessation of use of such a portion, the adjusted tax difference with respect to the estate taken into account with respect to the transition involving the second or any succeeding portion shall be reduced by the amount of the tax imposed by this subsection with respect to all prior transactions involving portions of such interest.

"(3) PHASEOUT OF ADDITIONAL TAX BETWEEN 5TH AND 15TH YEARS.—If the date of the disposition or cessation referred to in paragraph (1) occurs more than 60 months and less than 180 months after the date of the death of the decedent, the amount of the tax imposed by this subsection shall be reduced (but not below zero) by 10 percent for each period of 12 full months after such 60 months and before the disposition or cessation.

"(4) ONLY 1 ADDITIONAL TAX IMPOSED WITH RESPECT TO ANY 1 PORTION.—In the case of an interest passing from any decedent, if subparagraph (A) or (B) of paragraph (1) applies to any portion of an interest, subparagraph (B) or (A), as the case may be, of paragraph (1) shall not apply with respect to the same portion of such interest.

"(5) DUE DATE.—The additional tax imposed by this subsection shall become due and payable on the day which is 6 months after the date of the disposition or cessation referred to in paragraph (1).

"(6) LIABILITY FOR TAX; FURNISHING OF BOND.—The qualified heir shall be personally liable for the additional tax imposed by this subsection with respect to his interest unless the heir has furnished bond which meets the requirements of subsection (d)(2).

"(7) CESSATION OF QUALIFIED USE.—For purposes of paragraph (1)(B), real property shall cease to be used for the qualified use if such property ceases to be used for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) of section 2032A under which the property qualified under subsection (b).

"(d) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED HEIR, ETC.—The terms 'qualified heir' and 'member of family' have the meanings given such terms by section 2032A (e).

"(2) BOND IN LIEU OF PERSONAL LIABILITY.—If the qualified heir makes written application to the Secretary for determination of the maximum amount of the additional tax which may be imposed by subsection (c) with respect to the qualified heir's interest, the Secretary (as soon as possible, and in any event within 1 year after the making of such application) shall notify the heir of such maximum amount. The qualified heir, on furnishing a bond in such amount and for such period as may be required, shall be discharged from personal liability for any additional tax imposed by subsection (c) and shall be entitled to a receipt or writing showing such discharge.

"(3) INVOLUNTARY CONVERSIONS.—Under regulations prescribed by the Secretary, rules similar to the rules under section 2032A (h) shall apply to the involuntary conversion of an interest in qualified tangible property.

"(4) PROPERTY PASSING FROM THE DECEDENT.—The determination of whether an interest in property passes to any person shall be made in accordance with section 2056 (d).".

(b)(1) Section 6324B of the Internal Revenue Code of 1954 (relating to special lien for additional estate tax attributable to farm, etc. valuation) is amended—

(A) by inserting "or qualified tangible property (within the meaning of section 2058 (b))" after "section 2032A (b))" in subsection (a),

(B) by inserting "or the adjusted tax difference with respect to the estate (within the meaning of section 2058 (c))" after "2032A (c)(2)(B))" in subsection (a),

(C) by inserting "or the deduction is allowed under section 2056" after "section 2032A" the first place it appears in subsection (b),

(D) by inserting "or section 2058 (c)" after "2032A" in subsection (b) (1), and

(E) by inserting "or 2058 (c)" after "2032A (c)" in subsection (b) (1).

(2) Section 2013 (f) of such Code (relating to credit for tax on prior transfers) is amended—

(A) by inserting "or 2056" after "2032A" each place it appears in the text and heading, and

(B) by inserting "or 2058 (c)" after "2032A (c)" each place it appears.

(c) The table of sections for part IV of subchapter A of chapter 11 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Sec. 2056. Bequests, etc. of certain property used for farming, etc.".

SEC. 3. The amendments made by this Act shall apply to the estates of decedents dying after December 31, 1980.●

THE PROMOTION OF TRUMAN SPANGRUD TO THE RANK OF MAJOR GENERAL THE U.S. AIR FORCE

● Mr. DECONCINI. Mr. President, as Americans once again realize the importance of a strong military to our Nation's security, so should we recognize and commend those who have done their best to keep America strong during a time when participation in the Armed Forces was not sufficiently appreciated.

Thus, Mr. President, I rise today to give my thanks and my congratulations to a native Arizonan whose promotion to the rank of major general was confirmed by this body on December 4, 1980. Maj. Gen. Truman Spangrud's service to his country spans a period of 15 years, beginning in 1956 with a commission as an Air Force second lieutenant through the Reserve Officer Training Corps. He completed Air Command and Staff College as a distinguished graduate while earning a master's degree in business administration from George Washington University at the same time. In 1966, he flew 81 combat missions in Southeast Asia. He completed the National War College as an outstanding graduate. He has held several positions in the office of the Comptroller of the Air Force and is currently vice commander of the Electronic Systems Division of Air Force Systems Command. A command pilot with 3,500 hours of flying time, General Spangrud's decorations include the Legion of Merit, Distinguished Flying Cross, Bronze Star, Meritorious Service Medal, and seven Air Medals.

Let us share with General Spangrud's family their pride in his devotion and service to the United States. Let us encourage young men and women to follow the example that General Spangrud has set, because without Americans like General Spangrud our Nation could not remain free.●

EXPORT TRADING COMPANY LEGISLATION—IV

● Mr. HEINZ. Mr. President, I would like to bring to my colleagues' attention a study prepared for the Department of Commerce by Economic Consulting Services Inc. The study reveals the serious difficulties the U.S. textile and apparel industries have had in developing potential export markets. The study recommends the enactment of legislation such as S. 144, the Export Trading Company Act of 1981, that would establish export trading companies to correct this situation.

Mr. President, this industry is only one of many that will benefit from the enactment of this bill. I ask that "A Study of the Feasibility of Export Trading Companies to Promote Increased Exports by the U.S. Textile and Apparel Industries" by Economic Consulting Services Inc. be printed in the RECORD.

The material follows:

A STUDY OF THE FEASIBILITY OF EXPORT TRADING COMPANIES TO PROMOTE INCREASED EXPORTS BY THE U.S. TEXTILE AND APPAREL INDUSTRIES

EXECUTIVE SUMMARY

I. Introduction

In May 1980, Economic Consulting Services Inc. (ECS) was awarded a contract by the U.S. Department of Commerce for "A Study Of The Feasibility Of Export Trading Companies To Promote Increased Exports By The Textile And Apparel Industries." This Executive Summary presents a brief synopsis of the findings of the study, and ECS's resultant policy recommendations.

II. Purpose and scope of the study

The U.S. textile and apparel industries have had limited, but recently improving, success in developing their potential export materials; in 1979 only 6.5 percent of the dollar value of U.S. textile shipments and 1.6 percent of U.S. apparel shipments were sold for export. One major reason for this poor export performance is that these two industries consist largely of firms which do not have the resources needed to explore foreign markets fully and effectively. An export trading company (ETC) might make it possible for these small firms to develop their export markets more fully than they have to date.

The study was carried out in four phases. The objectives of these phases were, respectively: (1) to examine the feasibility of export trading companies which specialize in textiles and apparel, and to identify their probable functions and organizational needs; (2) to construct a preliminary model of an ETC for each of these industries; (3) to develop and conduct two surveys, one to assess the interest of U.S. manufacturers in selling through an ETC and the second to assess the willingness of foreign importers to buy U.S. textiles and/or apparel through an ETC; and (4) to develop "final" organizational models for ETCs specializing in textiles and apparel, along with appropriate policy recommendations.

III. Definition of an export trading company

An export trading company (ETC) is defined in this study as an independent firm (or association of firms) which has the capability to provide a comprehensive range of export services to domestic producers. Such services include: contacting foreign customers; providing markets intelligence and research; arranging for freight forwarding; arranging for price quotes, whether on an f.o.b., c.i.f., or landed, duty-paid basis; making necessary credit and other financial arrangements; providing other necessary transaction mechanics; and, possibly, performing broader functions such as product design. In the performance of these services, an ETC should be capable of taking title to the products that it trades and will normally function in this manner, although it is not precluded from exporting on a commission basis or providing specialized export services for a fee. To be effective, an ETC must maintain some level of "permanent" presence in major foreign markets, through overseas sales representatives, sales offices, showrooms, warehousing facilities, and/or distribution networks. An ETC may also become involved in importing and in international trade among third countries in order to: develop additional sales and revenues, reduce foreign exchange risk, maintain good relations with its customers, consummate barter deals, and use its overseas sales offices/distribution facilities most efficiently.

IV. Potential role for an export trading company in the textile and apparel industries

The growth in U.S. exports of textiles and apparel has been limited by barriers which an ETC should be able to overcome. The small size of many firms in the apparel and textile industries makes it difficult or impossible for them to allocate the financial and managerial resources needed to establish an effective export "arm". Many firms are not aware of their export potential and lack an understanding of even the basic mechanics of exporting.

Moreover, many American textile and apparel manufacturers, long accustomed to intense and increasing competition from foreign suppliers in the domestic market, have shied away from any effort to participate in export markets on a sustained basis. To many manufacturers, it is not logical to consider seriously competing abroad, given that certain foreign manufacturers have been so successful in penetrating the U.S. market. Exporting also involves a different set of problems than does the sale of goods domestically, such as: a different set of customers; longer financing periods; perhaps different styles, different sizes, or other product requirements; additional transportation costs; and additional documentation. Therefore, exporting requires a mix of managerial and financial skills which many domestic producers lack, and which they have had limited incentive to acquire.

An ETC could overcome these barriers to exporting. In most cases, an ETC is likely to take title and perform all subsequent export operations. Such an ETC would be, in essence, another customer for the domestic industry, and would act as a foreign distributor for U.S. textile and/or apparel firms. An ETC could also act as an agent and/or provide certain specialized export services to manufacturers.

Exporting through an ETC also can make it possible for domestic firms to take advantage of various economies of scale that are often possible in exporting. The establishment of overseas offices, transportation and insurance, warehousing, etc., can all be carried out for a much lower per-unit cost when large volumes of products are exported than when only limited quantities are sent abroad. An ETC should be able to pool the exports of several domestic producers, and therefore take advantage of these potential economies. An ETC also might consolidate the shipments of several domestic producers either to fill very large foreign orders or to offer a full range of complementary products.

Finally, an ETC may be able to market U.S. products abroad more effectively than many textile and apparel manufacturing firms. An ETC should be able to offer a wider range of products, a wider range of product services, and in general be better equipped to recognize potential market opportunities in foreign countries than many individual manufacturers. This may allow an ETC to secure more favorable prices and/or develop additional marketing opportunities that most of the individual manufacturers represented by the ETC could not develop on their own. An ETC may also be in a stronger position to bargain for lower freight, insurance, and storage rates than could be obtained by individual small- or medium-sized producers.

V. Interest in export trading companies

Two different surveys of individual firms were conducted as part of the study. In the first, questionnaires were mailed to 117 U.S. textile and 235 U.S. apparel firms to assess their attitudes toward exporting through an ETC, and usable responses were received from 57 textile firms and 70 apparel firms. In the second survey, personal interviews were conducted abroad with importers of textile and apparel products in six foreign countries to determine whether they would consider buying U.S. textile and apparel products from an export trading company, and if so what benefits they would hope to derive from purchasing through an ETC.

A. Conclusions: Domestic textile and apparel industry surveys:

Over 70 percent of all of the firms responding to the domestic industry survey in both the textile and apparel industries indicated that they would consider selling through an ETC. A high percentage of positive responses was obtained from firms of all sizes, and from both exporters and non-exporters, although smaller firms and firms with no export experience evidenced the highest level of interest in selling through an ETC. The greatest interest in the ETC concept was shown by textile firms with less than 500 employees, and by apparel firms without regard to the number of employees which either export less than 5 percent of their gross sales or which do not export. Those firms not interested in selling through an ETC either were already successful exporters which were not willing to share control over their export operations, or were firms which appear to have no interest in exporting.

The responses of textile and apparel firms were, with some exceptions, very similar. A substantial majority of both textile and apparel firms, regardless of their size and regardless of whether or not they are exporters, wanted the ETC to take title and assume all subsequent export responsibilities. Therefore, most U.S. textile and apparel firms which would consider selling through an ETC would prefer an ETC that acts as a "one-stop" exporter.

Finally, although most respondents indi-

cated that they were either unwilling to invest in an ETC, or were uncertain as to their willingness to do so, several firms indicated that they would be willing to invest substantial amounts, ranging from $50,000 to $500,000, and in two cases over $500,000. Therefore, some textile and apparel firms appear to be potential sources of investment capital for an ETC in each industry.

B. Conclusions: Foreign importer survey:

A number of buyers in each of the countries visited indicated that they would be willing to purchase U.S. textile and/or apparel products from an ETC, although their enthusiasm for the ETC concept, and the range of services that they would expect, varied considerably from country to country. Buyers in the Far East generally expressed a much greater level of interest in buying through an ETC than buyers in Europe.

Importers in all of the countries visited stressed the potential role of an ETC in locating U.S. suppliers and effectively marketing U.S. products in their country. Almost all of the importers contacted stated that the enormous size of the U.S. textile and apparel industries makes it very difficult for foreign importers to locate U.S. firms which (1) are producing the types of products that they want to buy and (2) are willing to export. In addition, many U.S. textile and apparel firms are not effective in identifying which of their products can be marketed in specific foreign markets, and then promoting these products. If an ETC can help overcome these problems, it will perform a valuable marketing service and should be able to increase U.S. exports of textile and apparel products.

VI. Final models

An export trading company that trades in textiles will be very similar to one that trades in apparel.[1] In both cases, the ETC will "domesticate" the foreign sales of U.S. manufacturers by making the terms and conditions of foreign sales as similar as possible to those of domestic sales. To do this effectively, an export trading company exporting the products of U.S. firms in either industry will have the following features:

The ETC should be organized as an independent, privately-owned, profit-motivated corporation.

Product expertise is essential for the ETC's success. Therefore, the most likely source of entrepreneurs for a textile/apparel ETC lies with firms/individuals with experience in the textile and/or apparel industries. Other possible sources of investors are other trading organizations, such as export management companies, and banks (if legislation is enacted to allow investments by financial institutions).

The ETC should be capable of taking title to the products that it handles, essentially acting as a "one-stop" exporter for U.S. textile/apparel firms. This, however, does not preclude the ETC from selling products on a commission basis or from performing more specialized export services.

To market U.S. products effectively overseas, an ETC must meet the specific needs of foreign buyers, and therefore must be willing, at a minimum: to supply products to foreign buyer specifications; to extend credit in a form acceptable to foreign buyers; to clear shipments through customs; to pay duties and freight; to quote landed, duty-paid prices. At the same time, a number of foreign buyers may not wish to use this entire range of services. Therefore, the ETC must be flexible in this regard.

There is no optimal size for an ETC. However, an ETC should have the resources to hire its own sales representatives and/or establish its own overseas offices in major foreign markets which require such an office. Moreover, the range of export-related services for which the ETC would be responsible implies a substantial commitment of human and financial resources.

An ETC must have a large volume of sales in relation to capital in order to earn an adequate return on equity. The expected ratio of capital to sales for an ETC should be within the range of 1:10 and 1:20.

To obtain the sales volume required for long-term viability and to avoid over-reliance on a single product, an ETC should represent as diverse a range of textile/apparel products as possible. The same ETC may export both textile and apparel products.

Although an ETC may become involved in two- and three-way trade as well as exporting, few foreign buyers showed any interest in having the ETC act in this role, and a number of U.S. textile and apparel firms indicated that they would be reluctant to export through an ETC that imports competitive products. Therefore, it is anticipated that an ETC will engage in two- and three-way trade primarily as an ancillary operation, and that there will be little or no conflict between the profit-maximizing objectives of the ETC and the policy objectives of improving the U.S. trade balance.

VII. Policy implications

The policy implications of this study may be summarized briefly as follows:

Export trading companies represent a promising vehicle for expanding exports of U.S. textiles and apparel.

An export trading company should be organized as a private, profit-motivated corporation which is capable of taking title to the merchandise that it handles and acting as a "one-stop" exporter for domestic textile and apparel firms.

There are no institutional or legal barriers which preclude the establishment of export trading companies in the textile and apparel industries. However, some forms of government encouragement and some legislative changes may provide a valuable impetus for the formation of ETCs.

Administrative and legislative initiatives which should be taken to encourage the formation of export trading companies in the textile and apparel area include: (1) conducting seminars to publicize the export trading company concept; (2) targeting existing government support for exporters and/or new businesses to encourage the formation of export trading companies; (3) having a single office in the Department of Commerce responsible for coordinating programs applicable to export trading companies; (4) allowing bank investment in export trading companies; and (5) clarifying, and perhaps strengthening, the anti-trust protection provided under the Webb-Pomerene Act. These initiatives can be taken using existing resources, and require no new appropriation of funds.●

[1] There are some differences between textile and apparel ETCs which have the same sales volume and which offer the same range of services with respect to their organizational structure and financial requirements. These differences are illustrated in two financial models, one each for textiles and apparel, which ECS developed for this purpose and which are presented in the Final (Phase IV) Report.

THE REYE'S SYNDROME CONSENSUS DEVELOPMENT CONFERENCE

● Mr. MELCHER. Mr. President, from March 2 to March 4 a Consensus Development Conference was held on Reye's syndrome at the National Institutes of Health. Reye's is a life-threatening affliction of children that can strike with terrific speed following a bout with a viral illness. Symptoms include persistent vomiting, lethargy, and irritability. Coma can follow due to lack of brain oxygen and death can follow within a few days. Some surviving victims have suffered brain damage.

I was privileged to address the Reye's Conference and it was a milestone in the fight against Reye's. It was not, however, the culminating event. It was, instead, a threshold gathering, marking the launching of what must be a truly national focus on this potential killer of our children.

In a conversation with Dr. Charles U. Lowe of the Office of Medical Applications of Research, he told me—

Reye's syndrome is one of those rare examples where a marked reduction in mortality rates seems to have followed from a public awareness campaign rather than from some medical breakthrough.

The figures tend to support Dr. Lowe's observation. Reye's mortality which, in 1977, was reported at 42 percent came down to 18 percent by 1979.

Certainly that is an improvement. But it still means that 18 percent of the victims did not survive. If those figures are to be reduced—hopefully eliminated—the research and the public awareness campaign must continue with our full support. Consistent with the aim of the Consensus Development Conference, I want to bring to the attention of the Senate three conference documents in order to further spread the word about Reye's.

One of the documents explains the character and purpose of consensus development conferences. The second document described the Reye's situation existing prior to the conference.

The third document deserves special attention. It is the draft statement issued by NIH at the conclusion of the conference. Let me repeat it is a draft, meaning that the recommendations and conclusions will not be altered but that the final, polished document will not be available from the Office of Medical Applications of Research for about 2 more weeks.

Because public and professional awareness is so important in the battle against Reye's, I ask that the previously mentioned documents be printed in the RECORD.

The documents follow:

[Office for Medical Applications of Research]

NIH CONSENSUS DEVELOPMENT

The National Institutes of Health in fall 1977 launched a program designed to improve the lines of communication from the health research community to the practicing physician and the public. The key element in this effort is "consensus development," a process that brings together biomedical research scientists, practicing physicians, consumers, and others in an effort to reach general agreement on whether a given medical technology is safe and effective. That technology may be a device, drug, or medical or surgical procedure.

The consensus development program is aimed at complementing—but not replacing—the usual means of reporting research results through publication in scientific journals and other medical periodicals and through the lay media.

NIH Director Dr. Donald S. Fredrickson initiated the program in recognition of the fact that there was no formal process within the research community to assure that medical research discoveries were identified

and evaluated to determine if they were ready to be used by doctors and other health care workers. Since NIH is the nation's principal health research agency, it was felt that it should assume the responsibility of more fully reporting biomedical research findings to the practicing community and the public.

In recent years, there has been considerable public criticism voiced concerning the use of certain surgical and medical procedures, drugs and devices. Many have claimed that some new technologies have reached the health care delivery system without being tested adequately. On the other hand, there are those who maintain that some well-validated technologies have been too slow in making their way from the research work bench to the hospital bedside.

A main objective of the NIH consensus development program is to provide the physician and the public with current, responsible information on the pros and cons of medical technologies. This information is made public through reports, containing conclusions and recommendations about a given technology, written by expert and lay members of consensus development conference panels.

With the highly complex work associated with biomedical research has come rather technical language which is not always easily understood by all audiences. Consensus development panels have, therefore, worked to produce reports which, although appropriate for the practicing physician, will also be comprehensible to the general public.

The value of these reports is that they may identify safe and useful emerging medical technologies and make a wider audience aware of their availability. At other times, they may point out some potential problems which could result from the use of an existing technology. In some instances, panels may even recommend against using a given medical or surgical procedure, device, or drug, under certain conditions.

One of the prime objectives of consensus development conferences is to provide a public forum to ensure that all points of view are aired. Specific time periods are set aside at every consensus development meeting to enable individuals and groups to raise questions or issue comments, and meeting summary reports are designed to include the different view points voiced at the meeting.

For further information about the NIH consensus development program, contact the Office for Medical Applications of Research, National Institutes of Health, Building 1, Room 216, Bethesda, Maryland 20205.

REYE'S SYNDROME

Reye's syndrome is one of man's modern medical mysteries. It is a life-threatening disease that develops rapidly in some children usually following an acute viral infection. With the highest rate of incidence reported in the United States, Canada, and Thailand, Reye's syndrome has occurred in at least 21 countries and has affected children in rural, suburban, and urban areas.

Although it is not a common illness (in the United States it is estimated that one to two cases occur every year per 100,000 children under the age of 18) scientists are conducting intensive research to discover the cause(s) of this potentially fatal disease and the best methods of diagnosing and treating it.

First described in 1963 by R. D. K. Reye, an Australian pathologist, Reye's syndrome is characterized by acute encephalopathy (swelling of the brain) and fatty degeneration of the liver. The liver in a Reye's syndrome patient generally contains an unusually large amount of fat distributed in small droplets. In addition, the liver's functions become impaired, and there are structural alterations of its mitochondria—the small, spherical components of cells that release stored energy in food needed for the body's activities. These changes in mitochrondria are also found in the muscle and brain tissues. The brain swells, and the excessive build-up of pressure inside the skull results in brain dysfunction, and possibly death.

SYMPTOMS

Researchers have established a clear association between the development of Reye's syndrome and outbreaks of Influenza B, Influenza A, and varicella (chickenpox). In a typical case, a child will have either influenza or chickenpox, most likely during the winter or early spring months when epidemics of these diseases normally occur. The child seems to be recovering from this viral disorder, but then will experience the abrupt onset of persistent and intractable vomiting, usually the first sign of Reye's syndrome. The child may undergo changes in mental state, becoming listless, lethargic, and disoriented, or sometimes becoming hostile or unusually annoyed if spoken to or touched. Other symptoms may include combativeness, inability to recognize family members, incessant moaning or screaming, and twitching and jerking. Within a short period, measured in minutes or hours, the child may become unconscious, and may progress to a deep coma and possibly death. If untreated, the period from the start of vomiting to death is three to five days.

EPIDEMIOLOGY

The fatality rate for Reye's syndrome is not easy to ascertain since the disease is difficult to diagnose and mild cases may not be reported. Furthermore, a standardized definition of mild cases of Reye's syndrome has not yet been developed. Increased awareness of the disease on the part of physicians and hospital staff has led to greater voluntary reporting. Between December 1, 1979 and April 30, 1980, the Centers for Disease Control received 304 reports of Reye's syndrome occurring in 37 states and Washington, D.C. The incidence is probably higher, and estimates of 600-1200 cases per year have been made. Approximately twenty percent of the cases are fatal.

Cases of Reye's syndrome are divided almost equally among boys and girls. A racial breakdown indicates that white children are affected at a higher rate, although Reye's syndrome also occurs in Blacks, Hispanics, Asians, and other ethnic groups. Among babies under the age of one year, Black infants have a higher incidence of Reye's syndrome, yet Black children over the age of one seem less susceptible to developing the disease than white children.

CAUSATIVE FACTORS

The factors which interact with the initial viral infection to trigger Reye's syndrome in some children have not yet been identified. Some reports have suggested an association between Reye's syndrome and insecticides.

Ingestion of aflatoxin, a toxin produced by fungal molds sometimes found in stored agricultural products, has also been suggested as a cause of Reye's syndrome since experimental use of aflatoxin in macaque monkeys produced liver lesions similar to those found in children with Reye's syndrome. However, there is no strong epidemiological basis to implicate either insecticides or aflatoxin.

Current evidence suggests a possible link between the development of Reye's syndrome and the use of salicylates (aspirin) during the preceding viral infection. Recent studies reported by the Centers for Disease Control showed higher use of aspirin among children who were hospitalized for Reye's syndrome than among matched children who had a similar viral illness but did not develop Reye's syndrome. The majority of the children who were given aspirin took no more than is normally recommended. The Centers for Disease Control has urged caution in giving aspirin to control fever in children who develop influenza-like illnesses or chickenpox because their use could be a contributing factor to Reye's syndrome.

DIAGNOSIS

The successful management of Reye's syndrome is facilitated by early diagnosis. If detected and treated in its beginning stages, most Reye's syndrome patients can, and do, recover completely.

Children who develop persistent vomiting following recovery from a viral illness and who develop listlessness, irritability, disorientation, or increasing lethargy, should receive prompt medical attention. A physician will perform laboratory tests and a case history may be taken to consider the possibility of other illnesses whose symptoms mimic those of Reye's syndrome.

A diagnosis of Reye's syndrome is usually made if there is an elevated blood ammonia level, and if acute non-inflammatory encephalopathy is present with either fatty changes in the liver or excessive increases in two enzymes called SGOT and SGPT. SGOT (serum glutamic oxaloacetic transaminase) and SGPT (serum glutamic pyruvic transaminase) are enzymes normally present in the liver, which are released into serum in high concentrations as a result of injury to the liver cells. The tests that are performed on a child also indicate whether an excessive level of ammonia is present in the blood, an indicator of mitochondrial injury within the liver, which is typical of Reye's syndrome patients.

TREATMENT

Although there is no known cure for Reye's syndrome, intensive supportive care in a hospital with intensive care facilities and staff experienced in treating Reye's syndrome can often reverse the course of the disease.

Once a diagnosis of Reye's syndrome has been made, treatment is concentrated on the control of brain swelling and intracranial pressure through the use of drugs and monitoring measures. Even with this aggressive therapy, some children who recover from Reye's syndrome may suffer permanent brain damage. Although treatments may vary, the prognosis for children with Reye's syndrome is improving. This may be attributable in part to the fact that more diagnoses of Reye's syndrome are made before children reach advanced stages of the disease, physicians now have more experience in treating the disease, and treatment is more aggressive.

Research

The National Institutes of Health is sponsoring research efforts to identify the causes of Reye's syndrome, develop methods of treatment and/or prevention, improve methods of diagnosis, and identify which children might be at high risk. Because Reye's syndrome research transcends the areas of epidemiologic, neurologic, and metabolic studies, NIH-supported investigations are multi-institutional to provide the broad coverage needed in the study of this disease. The institutes conducting Reye's syndrome research include the National Institute of Allergy and Infectious Diseases (NIAID), the National Institute of Neurological and Communicative Disorders and Stroke (NINCDS), the National Institute of Environmental Health Sciences (NIEHS), the National Institute of Arthritis, Metabolism, and Digestive Diseases (NIAMDD), the National Institute of Child Health and Human Development (NICHD), and the Division of Research Resources (DRR).

Epidemiologic studies are being conducted to determine if viruses, aflatoxins, insecticides, or pesticides may play a role in the development of Reye's syndrome. Researchers

are also working on improving existing Influenza A and B vaccines, developing new ones, and studying varicella vaccines. If influenza and varicella infections can be controlled and eventually prevented, Reye's syndrome may not occur in the aftermath of these epidemics.

Five general clinical research centers located at universities throughout the country also receive support from NIH to conduct research on Reye's syndrome. Their research focuses on such areas as determining whether any metabolic defects remain in the survivors of Reye's syndrome, finding methods to reduce the high levels of ammonia that occur during Reye's syndrome, and understanding the mechanisms involved in the disease that produce the severe brain swelling. One recently initiated study has been undertaken to evaluate the neurological, psychological, and educational abilities of children who have survived Reye's syndrome.

The development of animal models and the study of biochemical correlates are also topics of interest to scientists. Other grantees are searching for a serum factor that might be responsible for destroying the mitochondria in children with Reye's syndrome. Working with rat liver mitochondria incubated with serum from Reye's syndrome patients, these researchers are trying to ascertain what substance in the serum could be the cause of the structural and functional alterations in the mitochondria.

In addition to national surveillance, the Centers for Disease Control is studying the possible role of specific viruses, aflatoxins, and medications. The Centers for Disease Control also conducts investigations of Reye's syndrome outbreaks when they occur in the United States.

Reye's syndrome is receiving increased national attention. The National Institutes of Health is sponsoring workshops and meetings to bring together investigators from various disciplines. As scientists move closer towards discovering the causes of Reye's syndrome, there is hope that occurrence of this serious and sometimes fatal disease can be prevented.

Several private organizations also are actively concerned with Reye's syndrome. For further information, write to:

National Reye's Syndrome Foundation (Michigan), 8293 Homestead Road, Benzonia, Mich. 49616.

The National Reye's Syndrome Foundation, Inc. (Ohio), P.O. Box 829, Bryan, Ohio 43506.

The Robert Katz Medical Research Foundation, 969 Saxony Drive, Highland Park, Illinois 60035.

American Reye's Syndrome Association, 701 S. Logan Street, Suite 203, Denver, Colo. 80209.

THE DIAGNOSIS AND TREATMENT OF REYE'S SYNDROME

A Consensus Development Conference was held at the National Institutes of Health on March 2, 3, and 4, 1981, to address issues on the diagnostic criteria and treatment of Reye's syndrome.

At NIH, consensus development conferences bring together investigators in the biomedical sciences, practicing physicians, consumers, and advocate groups to provide a scientific assessment of technologies including drugs, devices, and procedures, and to seek agreement on their safety and effectiveness.

On the first two days of the meeting, a consensus development panel and members of the audience reacted to evidence presented on the following questions:

What are the key signs, symptoms, and laboratory findings of Reye's syndrome?

What is the evidence for the effectiveness of the various treatments of Reye's syndrome?

What are the clinical and experimental studies needed to advance our ability to diagnose and treat Reye's syndrome?

The members of the panel represent the disciplines involved with the diagnosis and treatment of those with Reye's syndrome. Panelists were nominated for their role by seven specialty associations: the American Academy of Neurology, the American Academy of Pediatrics, the American Association of Neurological Surgeons, the American Society of Anesthesiology, the American Academy of Family Physicians, the Child Neurology Society, and the American Nurses Association. This summary is the result of the panel's deliberations.

Reye's syndrome is a rare, potentially life-threatening illness that affects children of all ages, with peak incidence between 5 and 15 years; on rare occasions it has been reported in adults. Although Reye's syndrome (encephalopathy with fatty degeneration of viscera) has been extensively investigated since the classic description of the disorder by Reye, Morgan, and Baral, in 1963, the etiology and pathogenesis of this disease process remain obscure. The subcellular insult appears to affect mitochondria in multiple organ systems. Since prompt treatment may provide a better chance for complete recovery, early diagnosis is important.

Dissemination of information including the early symptoms of Reye's syndrome, diagnostic criteria, and essential aspects of therapy is recommended. This information should be distributed to parents, physicians, and nurses to facilitate early recognition, diagnosis, and treatment.

1. WHAT ARE THE KEY SYMPTOMS?

Reye's syndrome should be suspected in a child who, during or while recovering from a viral illness (most commonly chickenpox or influenza), unexpectedly develops repetitive vomiting and altered behavior such as lethargy, confusion, irritability, or aggressiveness. Fever is not usually present at this time. In children under 1 year of age, vomiting, although present, may be overshadowed by respiratory disturbances such as hyperventilation or apneic episodes. In this age group, seizures may occur as well. The consensus panel suggests that all children with the above symptoms receive prompt medical attention.

2. WHAT ARE THE LABORATORY FINDINGS IN REYE'S SYNDROME?

Helpful laboratory tests include determination of serum transaminases, ammonia concentration, and blood prothrombin activity. The serum transaminase levels should be at least three times upper normal limits; prothrombin time is usually prolonged, and blood ammonia levels are usually elevated. Jaundice is conspicuously absent and bilirubin levels are rarely elevated. Blood glucose level is usually normal, especially in children 4 years of age and older. CSF findings include fewer than 30 cells per mm^3 and normal CSF glucose concentration except in association with hypoglycemia. Other recommended laboratory tests include determination of blood glucose, amylase, calcium, phosphorous and salicylate level.

3. WHERE SHOULD A PATIENT BE TREATED?

The major need in a primary care setting is a high index of suspicion for Reye's syndrome and a willingness to perform appropriate laboratory investigations promptly. Children with history and laboratory findings suggestive of Reye's' syndrome should be hospitalized for detailed observation, intravenous glucose infusion, and supportive therapy. Management of patients with Stage II* or worse should be carried out in a pediatric intensive care unit with a multidisciplinary team and preconceived protocol approach.

If the diagnosis of Reye's syndrome is made in a primary care setting, the responsible physician should, in consultation with colleagues in a tertiary care center, discuss the timing of transfer. An intravenous infusion containing glucose should be initiated as early as possible, and the transport team should be prepared to provide support for vital functions.

4. WHAT ARE THE CURRENTLY USED RATING OR CLASSIFYING SYSTEMS FOR MEASURING THE SEVERITY OF CLINICAL SYMPTOMS? HOW USEFUL ARE THEY?

A variety of staging systems have been proposed for Reye's syndrome patients, based upon clinical neurological findings. These systems have proven useful in determining the severity of the illness, monitoring therapy and for predicting ultimate outcome. The multiplicity of staging systems has, however, been confusing for clinicians and researchers alike.

5. SHOULD A UNIFORM SYSTEM BE RECOMMENDED FOR GENERAL USE?

The panel reviewed a number of proposed staging systems and recommends the following system for use in management and study of Reye's syndrome:

TABLE 1.—STAGING OF REYE'S SYNDROME

	I	II	III	IV
Level of consciousness	Lethargy follows verbal commands	Combative/stupor, verbalizes inappropriately	Coma	Coma.
Posture	Normal	Normal	Decorticate/decerebrate	Flaccid.
Response to pain	Purposeful	Purposeful/nonpurposeful	Decorticate/decerebrate	None.
Pupillary reaction	Brisk	Sluggish	Sluggish	None.
Doll's eye	Normal	Conjugate deviation	Conjugate deviation/inconsistent or absent	None.

6. WHEN IS A LIVER BIOPSY NEEDED?

The diagnosis of Reye's syndrome can be made in most patients without liver biopsy, a procedure not to be undertaken lightly in an uncooperative, critically ill child with defects in coagulation. The results may confuse rather than inform unless the tissue is processed and interpreted by pathologists with a special interest in the illness.

Nevertheless, a carefully planned biopsy, after correction of the coagulation abnormality, performed by physicians experienced in performing and interpreting the results of such biopsies, can provide important information in certain specific situations. Biopsy should be seriously considered in patients in certain categories: (1) infants, (2) children with recurrent episodes, (3)

*Stages in this paper refer to those described in Table 1.

familial cases, and (4) nonepidemic (sporadic) cases without antecedent infection or vomiting. Another reason for biopsy might be the need for increased certainty of the diagnosis if a new and potentially dangerous therapeutic regimen is planned.

7. WHAT OTHER CONDITIONS MAY BE PRESENT WITH SIMILAR SYMPTOMS?

There is a lengthening list of illnesses that have been temporarily misidentified as Reye's syndrome. Toxins, including aspirin, methyl bromide, hypoglycine (senecio alkaloid), isopropyl alcohol, pyrrolizidine, aflatoxin, lead, and valproic acid may produce disturbances of consciousness and elevation of serum transaminases. We now recognize that transaminase elevations may occur in children with varicella without Reye's syndrome and in shock or hypoxia due to a wide variety of illnesses. Intramuscular injections (especially thorazine) and protracted seizures are additional causes of enzyme elevations in the setting of other central nervous system diseases.

When confronted by familial or recurrent occurrence of Reye-like illness, the physician should consider an in-born error of metabolism, especially systemic carnitine deficiency, B-OH, B-me glutaric acidemia, ornithine transcarbamylase deficiency, or hereditary fructose intolerance.

8. WHAT SPECIAL DIAGNOSTIC TESTS ARE NEEDED?

CT scanning is neither necessary nor indicated for diagnosing Reye's syndrome unless there is clinical suspicion of a disease other than Reye's syndrome, e.g., subdural hematoma, brain abscess, etc. Thus, CT scanning is not an integral part of the diagnostic evaluation of the child with Reye's syndrome. If, however, the test is done early in the course of illness, it will show a normal pattern or evidence of diffuse brain edema, with no displacement of ventricles or localized areas of enhancement.

Other neurological diagnostic tests such as the EEG may be utilized depending on the availability of appropriate equipment and individuals skilled in EEG interpretation but, in general, the EEG has not proven to be helpful in following patients, in determining prognosis, or in altering treatment. It may be used, in the absence of hypothermia or significant levels of barbiturate, as one of the indicators of brain death.

9. WHAT HAVE BEEN THE INDICATIONS FOR INTRACRANIAL PRESSURE MONITORING? WHAT DEVICES ARE AVAILABLE? WHAT ARE THE GOALS IN REDUCING INTRACRANIAL PRESSURE AND WHEN CAN MONITORING BE STOPPED?

Since 1976, several reports have suggested that monitoring of intracranial pressure may be useful in treating cerebral edema in children with Reye's syndrome. Devices used include those monitoring pressure from epidural, subarachnoid, and ventricular spaces.

There are difficulties inherent in the assessment of the usefulness of a procedure that is employed as a diagnostic rather than a therapeutic tool.

Retrospective comparisons of the use of intracranial pressure monitoring devices have produced conflicting opinions. Some physicians believe it improves their ability to manage patients, others do not. Mortality and morbidity directly attributable to monitoring devices are low, but local infection, focal seizures, subdural hemorrhage, cerebral spinal fluid leakage, and occlusion of the pressure sensor may occur. However, the use of these devices has not been shown to have a detrimental effect on outcome in children with Reye's syndrome. Interpretation of the usefulness of intracranial pressure monitoring devices is further complicated by an increase in earlier referral of milder cases, concomitant with improved pediatric intensive care unit facilities and general supportive care. Data are inconclusive regarding criteria for discontinuation of monitoring, but no evidence exists that prolonged use of these devices (>4 days) is of benefit.

10. WHAT ARE APPROPRIATE THERAPIES IN THE NONCOMATOSE PATIENT?

The standard therapy for Stage I patients with Reye's syndrome includes administration of dextrose-containing fluid. While there are no studies documenting that hypertonic glucose administration is clearly preferable over 5 percent dextrose administration, a number of considerations including hypoglycemia in Reye's syndrome have prompted many experienced clinicians to administer 20 percent dextrose solutions to achieve blood-glucose levels of approximately 250 mg percent. The rate of fluid administration may have to be changed in the setting of brain edema although clinical experience indicates that severe fluid restriction often results in hypovolemia and hypotension. This may occur even with relatively normal rates of fluid administration when osmotic diuretics are given concomitantly during Stage II. The most common osmotic agent is mannitol, given every 4–6 hours to raise serum osmolality to levels up to 325–350 mOsm.

It is for this reason that hemodynamic monitoring is extremely important in patients with Reye's syndrome. Arterial catheters not only provide continuous blood pressure measurement but also allow access for frequent arterial blood-gas sampling and other diagnotic tests. Central venous catheters or Swan-Ganz catheters are also useful for monitoring blood volume and cardiac filling pressures. This is particularly important with treatment regimens emphasizing hemoconcentration and high serum osmolalities. While central venous catheters may be entirely adequate in patients with normal cardiopulmonary function, pulmonary artery catheters for thermodilution cardiac output and wedge pressures should be used in patients who exhibit cardiac or pulmonary failure or in patients receiving drugs such as catecholamines.

11. WHAT ARE THE IMPORTANT METABOLIC DERANGEMENTS AND ARE THEY AMENABLE TO TREATMENT?

There are many documented metabolic derangements in Reye's syndrome, including hypoglycemia, hyperlactatemia, hyperammonemia, short chain fatty acidemia, hyperaminocidemia (glutamine, glutamate, proline, phenylalanine, tyrosine, glycine, alanine, lysine, aspartate, and alpha-amino-N-butyrate) as well as a respiratory alkalosis. Despite all these well-documented findings, their relationship to the severity or treatment of the disease remains speculative except for two specific observations.

The maximum peak ammonia level appears to be correlated with the ultimate severity of the disease although treatment of the hyperammonemia has not been shown to alter outcome. Perhaps the only generally recognized metabolic treatment is hypertonic glucose administration, which even in the absence of hypoglycemia, has been observed in many centers to be beneficial.

Elective intubation of patients in Stage II Reye's syndrome has received general acceptance in most centers and appears to be without significant complications. The rationale for this is that control of the airway is essential in patients who require hyperventilation to control cerebral edema and who are at high risk for the development of coma.

Finally, correction of clotting abnormalities by administration of vitamin K is generally accepted therapy. Administration of 10 mg or more vitamin K, particularly intravenously, has been documented as producing hypotension.

12. WHAT ARE THE THERAPIES FOR INCREASED INTRACRANIAL PRESSURE?

While the encephalopathy of Reye's syndrome is not always associated with increased intracranial pressure, elevations of intracranial pressure frequently complicate the care of patients in coma. As a result, efforts have been directed at prevention and control of increased intracranial pressure. Therapies commonly employed include osmolal therapy as well as spontaneous and controlled hyperventilation. Other measures such as high-dose barbiturates, steroids, cerebrospinal fluid withdrawal and decompressive craniotomy remain investigational. Groups employing these measures have failed to demonstrate survival rates better than that seen with intensive supportive care, including temperature control as well as management of circulatory, respiratory, and metabolic disturbances.

Early diagnosis and prompt referral to an institution providing skilled intensive pediatric care by an experienced team are key factors in improving survival of children with Reye's syndrome.

Any use of these newer techniques of monitoring and therapy of cerebral edema should be reserved for centers experienced in the diagnosis and management of children with severe neurological disorders.

13. WHAT THERAPIES ARE DIRECTED AT REMOVAL OF PRESUMED TOXINS?

Exchange transfusion, peritoneal dialysis, total body washout, charcoal hemoperfusion, and plasmapheresis have all been suggested as potentially helpful by removing an unidentified toxic substance from patients with Reye's syndrome. To date, there is no evidence that the use of these techniques for this purpose is associated with an improved survival for patients with Reye's syndrome. Exchange transfusion, which has been extensively employed, may have a role in the correction of clotting abnormalities.

14. WHAT ARE THE RESIDUAL FINDINGS?

Complete recovery may be expected in the majority who survive the acute phase of Reye's syndrome. However, some children who experience Stage III or IV disease may suffer brain damage resulting in developmental delay, motor impairment, or mental retardation.

Normal functioning in school may be delayed. For some weeks, the children may be able to do the prescribed school work, but at a slower rate. Sometimes, distractability, inattention, and memory problems may occur.

Anxiety and apprehension associated with fear of bodily harm and death are frequently encountered in these children while hospitalized and following discharge from the hospital. Such fears can be helped by gentle parental support. However, parental fears of near loss with resultant over-protectiveness of the child can accentuate behavioral or school problems and should be avoided.

Extensive psychological and educational testing appears to be unnecessary except in a study setting. Working with school personnel to assist them in providing learning experiences geared to the individual needs of the recovering child is often required. Family guidance and counseling may be useful and is encouraged.

15. WHAT ARE THE AREAS OF FUTURE RESEARCH?

The areas of potential research with regard to Reye's syndrome can be broadly and arbitrarily grouped as follows: epidemiology, etiology, diagnosis and disease screening, treatment and patient monitoring, and evaluation and followup (long/short). The most important area is elucidation of the etiology of this syndrome.

The proposed research agenda reflects the peculiar nature and current state of clinical knowledge of Reye's syndrome. A central consideration is the relatively low and seasonal incidence of this potentially lethal disease. This fact often results in small numbers of patients seen at any single hospital, and can contribute to the geographic maldistribution of observed cases. However, this

maldistribution may represent an opportunity to study risk factors that may be unique to various sections of the country. In studying treatment efficacy, together with the many possible combinations of disease stages and treatment regimens, this low disease frequency mandates the necessity of multicenter collaborative research efforts.

Epidemiology: The identification of high risk infants and children deserves particular attention. More detailed stratification of the incident cases on age, race, presence/absence of environmental factors, socioeconomic and other characteristics will be helpful to study further the observed difference in disease occurrence among many population subgroups.

Additional efforts should be made to explore the unusual geographic pattern of Reye's syndrome and to perform more intensive data collection programs within each region. To facilitate the collection of multicenter clinical data, Reye's syndrome should have a specific diagnostic code in the ICD–10.

Etiology: The etiology of Reye's syndrome remains unknown. An association with a recent viral infection, especially influenza B, and varicella, is well-established. However, the development of Reye's syndrome following any of these viral infections is uncommon. In addition, three recent population-based case control studies have demonstrated an apparent association between salicylate usage and Reye's syndrome. Since the specific questions posed to the panel and discussed at the consensus conference were limited to diagnosis and treatment, the data on which this observed association is based were not presented, but were discussed by several participants in the conference. Each of the three studies indicated a marked increase in the estimated relative risk of Reye's syndrome, which does not appear to be due to chance. However, other possible explanations of this association include potential biases such as case-control selection (e.g., comparability of antecedent illness), information gathering (e.g., based on recall), and confounding (e.g., indications of salicylate use).

Parents and physicians should be aware that most, if not all, medications have potential deleterious effects; thus, caution in the use of salicylates in children with influenza and those with varicella is prudent. Currently, the risk of these effects is unknown for salicylates or for other antipyretic medications. Since salicylates have been given to children with illnesses predisposing to Reye's syndrome without adverse effect, and cases of Reye's syndrome have occurred in which salicylates had not been administered, salicylates alone cannot be responsible for the development of Reye's syndrome. However, the similarities between salicylism and Reye's syndrome, together with the recent studies reporting association between Reye's syndrome and salicylate ingestion, indicate a need for further carefully designed studies.

Thus, data from these future studies must be available before recommending changes in the current practices of antipyretic therapy of children. Other factors that deserve attention include the role of influenza and other viruses, aflatoxins, and genetic predisposition.

Diagnosis and disease screening: Although guidelines for the recognition of Reye's syndrome are generally accepted, information on the validity of the many proposed screening (clinical and laboratory) tests is incomplete and based on small numbers or nonuniform criteria.

Particular attention should be given to documenting the sensitivity, specificity, and predictive values associated with the various tests.

Treatment and patient monitoring: The proper evaluation of the various treatment regimens of Reye's syndrome can only proceed within the framework of a randomized controlled trial, with unbiased determination of therapeutic outcome (other than survival status). However, the range of treatment regimens should include the major contemporary strategies to facilitate the development of consensus protocols. Such an approach would optimize institutional participation, and result in increased numbers of patients studied.

A need exists for determining the optimal monitoring procedures; namely, applying the most sensitive indicators of patient status while exposing the patient to minimal risks related to many invasive techniques.

In any event, treatment and monitoring evaluations should be based upon strictly defined protocols that specify the appropriate sample sizes needed to detect particular effects, after patient exclusions and "losses" due to other reasons. Also, strict stopping rules should be specified prior to the initiation of any experimental intervention studies. For example, the protocol should contain strict guidelines for ensuring the homogeneity of comparison groups—particularly with respect to "baseline" characteristics.

Evaluation and followup: Both the short- and long-term sequellae related to Reye's syndrome should be evaluated, using strict treatment protocols. Subtle effects on mental and motor capabilities should be evaluated using longitudinal data analysis, to detect points in time if and when abilities return to "normal." When possible, evaluations should be conducted without knowledge of the patient's treatment or monitoring regimens.

The conference was sponsored by the National Institute of Neurological and Communicative Disorders and Stroke; and co-sponsored by the National Institute of Allergy and Infectious Diseases; the National Institute of Arthritis, Metabolism, and Digestive Diseases; the National Institute of Environmental Health Sciences; the National Institute of Child Health and Human Development; and the Division of Research Resources. Collaborating agencies included the Centers for Disease Control and the National Center for Health Statistics. Assistance was provided by the Office for Medical Applications of Research, NIH.●

STATEMENT BY ARTHUR FELLWOCK, COMMANDER IN CHIEF OF VFW BEFORE COMMITTEE ON VETERANS' AFFAIRS

● Mr. DECONCINI. Mr. President, on March 3, 1981, the commander in chief of the Veterans of Foreign Wars, Mr. Arthur Fellwock, delivered an excellent statement before the Senate Committee on Veterans' Affairs detailing that fine organization's views on the current status of veterans' programs and benefits and its legislative priorities for the 97th Congress. The statement presents a clear and concise picture of both the short- and long-range problems confronting our Nation's veterans, especially in the field of health care, and I felt it should be shared with all the Members of this body. Mr. President, I request that the full text of Commander in Chief Fellwock's statement be printed in the RECORD.

The statement follows:

STATEMENT OF ARTHUR FELLWOCK, COMMANDER IN CHIEF VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. Chairman and Members of the Committee:

Although it is a singular honor for me to appear before this distinguished Committee representing the more than 2.5 million men and women of the Veterans of Foreign Wars of the United States and our Ladies Auxiliary, it is with heavy heart that I do so. This, since I am here today in the place of our beloved T. C. Selman who expired October 21, 1980, two months to the day following his election as Commander-in-Chief of our great organization. T. C. was a Marine Corps veteran of World War II who served in every position of leadership and responsibility in the V.F.W., was a former mayor of Freeport, Texas and a man who gave unstintingly of his time, his effort and his own means to assist our nation's veterans and to assure an America dedicated to the principles established by our founding forefathers. Therefore, my first act in office was to dedicate this administrative year as the "T. C. Selman Memorial Year."

Mr. Chairman, our pamphlet, entitled, "V.F.W. Priority Goals—Legislative and Security for 1981," is appended to my testimony and, without objection, it is requested these priority goals be made a part of the record of this hearing. Although carrying my name, these priority goals reflect the thinking and the programs initiated by the late T. C. Selman.

Mr. Chairman, as a life member of V.F.W. Post 2673 in Cody, Wyoming, it is gratifying to us all that you have been elected Chairman of this Committee by your colleagues. To those of you who have returned to the Committee, please accept my personal thanks for your continued dedication. To those of you who are newly-elected to Congress or recently appointed to this Committee, you have accepted a trust that is very sacred, to provide the Veterans Administration the programs needed ". . . to care for him who shall have borne the battle and for his widow and his orphan."

Mr. Chairman, permit me to commend this Committee for having shepherded through the Second Session of the 96th Congress legislation to enhance benefits for our veterans, their dependents and survivors which became Public Laws 96–330, 96–365 and 96–466. The soundness of your legislative actions was wholeheartedly endorsed when the Senate overrode the President's veto of H.R. 7102, the "Veterans Administration Health-Care Amendments of 1980," which became Public Law without the President's signature. Your sensitivity for those you so ably represent was well demonstrated in the agonizing cost-savings legislation in the amount of $400 million you were mandated to submit by the First Concurrent Budget Resolution for the fiscal year 1981.

It is always a pleasure for me to recognize individuals who have dedicated themselves to the high professionalism required of those whose efforts are on behalf of others rather than themselves. With that in mind, I commend your fine professional staff and, in particular, Kenneth P. Bergquist, Chief Counsel and Staff Director; former Congressman Garner E. Shriver, your General Counsel; John Pressly, Associate General Counsel; Jonathan R. Steinberg, Chief Minority Counsel; Edward P. Scott, Minority General Counsel; and William Brew, your Special Counsel. These men and their capable staffs have worked closely with the Executive Director of our Washington Office, Cooper T. Holt and our National Legislative Director, Donald H. Schwab, and their staffs not only for the benefit of combat veterans but for the entire veteran community.

Accompanying me here today, Mr. Chairman, are those who make up the national leadership of our great organization. Their untiring efforts have resulted in this being our 26th consecutive year of increased membership. Among our numbers we count more than one-half million Vietnam veterans or one-fifth of those who served in Vietnam or contiguous waters during our involvement in those hostilities.

Mr. Chairman, and regardless of party affiliation, the voting populace of our nation sent a clear and unmistakable message in the election last November. They want double digit inflation, which reached 25.7 percent in the last two years, brought under control so that their earned or retirement income has meaningful purchasing power. They want the prime rate, which reached a record high of 21½ percent last December, greatly reduced so that they can afford the finance charges to purchase a home and other necessities. They have signaled a desperate need for strong leadership. We are, indeed, facing economically troubled times. Financial experts outside the government and the hard money advocates, who believe a return to the gold standard is our only chance of salvation, have been predicting the coming of an economic collapse for more than a year. Whether or not we choose to give credence to their prophecies, we cannot ignore the considered opinion of an expert such as Alan Greenspan, the former Chairman of the Council of Economic Advisers. Mr. Greenspan stated recently that only "bold and creditable action can save the economy." David Stockman, the Director of the Office of Management and Budget believes we face an "economic Dunkirk" and the President, himself, has labeled the federal budget "out of control."

Mr. Chairman, the V.F.W., we who, above all others, are responsible for our nation being free today, applaud the President's goal to reestablish a stable economy. We believe the cure must come and the longer it is deferred, the more painful it will be for us all. However, and let the record reflect, veterans' benefits have already sustained disproportionate cuts the past several years. In 1976, the Veterans Administration budget was 5.02 percent of the federal budget in outlays and for the fiscal year 1981, has fallen to 3.39 percent, a reduction of 1.63 percent. Now, I would not insult your intelligence by intimating that the Veterans Administration requires 1.63 percent more of the budget or $10.8 billion this year, but, by comparison, let us examine the social and welfare programs. In 1976, the budget for the Department of Health, Education and Welfare was 35.14 percent of the federal budget in outlays. For 1981, the combined budgets of the successors to HEW, the Department of Health and Human Services and the new Department of Education total 36.53 percent of the federal budget, up 1.39 percent. That translates into an increase of $113.3 billion in five years and the whole 1981 budget for these programs, $242 billion, is more than one-third of the entire federal budget of $662.7 billion in outlays. If anyone can identify fat, fraud, waste or abuse anywhere within the Veterans Administration or its programs, the V.F.W. stands ready to lend its full support in its eradication, although we do not know where any fat exists.

Under no circumstances, however, can we ever in any way subscribe to emasculating veterans' benefits and services as enunciated in the Heritage Foundation report entitled "Agenda for Progress." Those of you familiar with this document know that it recommended (1) that compensation payments should be limited to veterans and survivors of veterans whose disabilities are traceable either to combat or job-performance as defined under workmen's compensation regulations; (2) Congress should eliminate all pensions for veterans and survivors of veterans which are not compensable as service-connected; and (3) that the present VA health-care system be dismantled. The thrust of this unfeeling document reflecting how ungrateful the protected can be makes the Economy Act of 1933 pale by comparison. We of the V.F.W. would fight implementation of its provisions with every resource at our disposal.

Disturbing to me, Mr. Chairman, is that one of your former colleagues, now the Director of the President's Office of Management and Budget, David Stockman, felt obligated to take a gratuitous and onerous slap at our nation's veterans. You no doubt read that he stated many Congressmen "admit to holding noses" while voting benefits for veterans "who do not even have a hangnail" to show for their experience in uniform. This is unfortunate, indeed. What this country does not need, Mr. Chairman, are those who never heard a shot fired in anger, never even donned a uniform and may even have brought comfort to the enemy making disparaging remarks about our veterans whose personal sacrifices have kept our nation free.

On the other side of the coin, when President Reagan was campaigning for the Presidency and addressed our 81st National Convention last August, his profound and sincere statements with respect to veterans and veterans' benefits caused him to be interrupted numerous times by resounding applause and standing ovations. Permit me to quote excerpts from his stirring address:

"To me," he said, "it is unconscionable that veterans in need are denied hospital and medical care because of inadequate funding which has closed hospital beds and cut health-care personnel within the VA.

"To me it is a breach of faith that compensation for those with service-connected disabilities has not kept abreast of inflation and that the administration rammed through Congress a pension program admittedly designed to deny such to World War II veterans and survivors.

"To me," Candidate Reagan continued, "it is the height of hypocrisy for the administration in high sounding words to repeatedly tell us how much we owe our Vietnam veterans and then, only in this election year recommend a stingy 10 percent increase in the GI Bill when these veterans have not had an increase since 1977 and the *Congressional Budget Office* has stated they now need a 30 percent increase to catch-up.

"To me the cruelest betrayal of all was the administration's proposed national health plan which, if passed, would have made the VA hospital and medical care system the nucleus of national health insurance. This, following repeated statements by the President that he supported the continued presence of an independent, progressive system of VA hospitals.

"To me," Mr. Reagan, who is now our President, concluded with "It is regrettable and insensitive of the administration to drag its feet in providing open national cemeteries in which veterans can be interred near their survivors. And finally today let me personally pledge to uphold veterans' preference in federal employment and to see it is strictly enforced in all federally funded programs."

In addition, and most reassuring, is the Republican Party Platform with respect to veterans which fulfills many of our current priority goals and is herein quoted:

"Republicans recognize the very special sacrifice of those who have served in our nation's armed forces. Individual rights and societal values are only as strong as a nation's commitment to defend them. Because of this our country must never forget its appreciation of and obligation to our veterans.

"Today the veterans population numbers 30 million. This is the largest veterans population in our nation's history. We recognize the major sacrifices they have made for their fellow Americans.

"We will maintain the integrity of the Veterans Administration. We will seek to keep it separate and distinct from other federal agencies as the single agency for the administration of all veterans' programs. In particular we feel it is of vital importance to continue and expand the health-programs provided to veterans through the Veterans Administration hospitals. Here we see the need for increased access to care, especially for older veterans.

"We further advocate continued and expanded health-care for our Vietnam veterans and consider it vital for the Veterans Administration to continue its programs for the rehabilitating of the disabled as well as its job training efforts.

"We are committed to providing timely and adequate adjustments in compensation for service-disabled veterans and the survivors of those who died as a result of their service. We are also committed to maintaining the pension program for those who have served during a period of war, for those who were disabled and impoverished, and for their widows and orphans.

"We will support measures to provide for every veteran at death a final resting place for his remains in a national cemetery, and for cost of transportation thereto.

"Veterans preference in federal employment in all departments and agencies will be continued and strictly enforced.

"Retired military benefits deserve more than the cursory attention given them by a Department of Defense otherwise interested in on-going programs. We believe that such benefits should be administered by the Veterans Administration."

We will, if necessary, remind the Administration time and time and time again of these commitments. The Democratic Party Platform contains some similar points.

The compensation and Dependency and Indemnity Compensation programs are the keystones of all veterans' benefits. Compensation remunerates in part some 2.2 million veterans, including more than half a million Vietnam veterans, whose earning capacity has been reduced by their service-connected disabilities. The more than 350,000 survivors of those killed on active duty or who were permanently and totally disabled at the time of death due to their service-connected disabilities including unemployability, receive Dependency and Indemnity Compensation. Congress, through this Committee, has made changes in these programs as dictated by the test of time and our primary concern is that these benefits are never permitted to be eroded by inflation.

The pension program for those disabled by non-service-connected disabilities and their survivors has come under particularly harsh criticism recently. Not only by the Heritage Foundation, but a publication of the National Tax Limitation Committee which in an advance proof dated February 15, 1981 entitled "Meeting America's Economic Crisis: A Roadmap to an Emergency in Federal Spending Reductions" opined that "the necessity of this program (pension) is questionable, particularly in light of other income security plans such as social security, Medicaid, Medicare and AFDC (Aide to Families with Dependent Children)." You know, as we know, that the pension program established by Public Law 95–588 is intended to keep nearly all veterans of World War II and subsequent conflicts and their dependents off the pension rolls. As of today, a veteran alone under current pension law is assured an income of $4,460 counting 100 percent of all other income from all other sources, including social security benefits. Thus, the dignity afforded our wartime veterans in need is $69 a year above the Orshansky update of the poverty line as reported in the November 1980 Interim Report of the President's Commission on Pension Policies. We believed at the time this legislation was passed, as we do now, that the assured income levels are too stringent. The key word is dignity and we do not believe that any veteran who served this nation in uniform during periods of hostility should ever, under any circumstances,

and for whatever reason, be reduced to the status of a welfare recipient.

Mr. Chairman, the educational benefits authorized by 38 USC are most beneficial for both veterans and the national treasury. Although approximately $62 billion has been paid in behalf of veterans pursuing their education since World War II, increased taxes paid by veterans whose incomes increase because of their education, repays the money invested several times over. Although it is heartening that 65 percent of our younger Vietnam veterans have availed themselves of the GI bill, there are still those who have not for any number of reasons. With this in mind, our last National Convention passed resolutions to extend both the delimiting date and the period of eligibility from 45 to 48 months.

While on the subject of educational benefits, a number of bills have been introduced in both houses of Congress to establish a new far-reaching and costly educational program for active duty personnel in our all volunteer armed forces. Needless to say, we of the V.F.W. fully support anything the Department of Defense believes will enhance the recruitment and retention of the necessary high caliber personnel. However, we object to the basic educational assistance in pending bills being funded by the Veterans Administration. These bills are all costly and would send the VA budget skyrocketing and subject all veterans' programs to renewed attack. Educational programs for active duty personnel should be fully funded by the Department of Defense, administered by the Veterans Administration and the Congress and the people of this nation educated to the fact that this additional money in the DOD budget is necessary to maintain an adequate defense posture to ensure their continued freedom.

Speaking of Vietnam veterans, Mr. Chairman, one of the provisions of Public Law 96-151 which was approved December 20, 1979, mandated the Veterans Administration to design a protocol for and conduct a study of persons, who during service in Vietnam, were exposed to chemicals known as dioxins used in various herbicides, including Agent Orange. To my knowledge, the Agent Orange study has not even commenced and 15 months have elapsed. Notwithstanding, the V.F.W. has been very active in an outreach program to encourage veterans who believe they were exposed to file a claim and be examined at a Veterans Administration facility. It is hopeful that this Committee will take whatever action is necessary to get this study underway which, incidentally, we recommended should be conducted by an agency outside of the Veterans Adminstration such as the National Institutes of Health.

Mr. Chairman, the greatest concern of the V.F.W. and, yes, the entire veteran population is maintaining the integrity of the separate and vast Veterans Administration health-care system which presently consists of 172 medical centers, 92 nursing home care units, 16 domiciliaries and 49 outpatient clinics. It is imperative, Mr. Chairman, that these facilities be properly funded and staffed so that no veteran in need of care be turned away as many are now. In the 1940's the VA hospital had 121,000 beds which have now been cut to 84,000, with additional reductions to 81,000 scheduled and in the interim the veteran population has doubled, standing at 30 million.

Because of inadequate funding and staffing 16,000 or more beds stand empty each month and, yet, it is nearly impossible to gain admittance to a nursing care bed for a veteran in need. As you know, the VA was authorized to maintain 12,000 nursing care beds in 1980 and each year thereafter, but according to the most recent figures available, the VA is operating only some 8,300 nursing care beds. The need for more rapid expansion of long-term care is self-evident when you realize that the average age of World War I veterans is 84.9 years, World War II veterans—60, and Korean veterans—50.7. In addition, and although Vietnam veterans are now only 33.8 years of age, over half a million of them are disabled and in need of varying degrees of continuing care.

Coupled with the foregoing, Mr. Chairman, is the tenuous personnel situation within the Veterans Administration and, in particular, within the Department of Medicine and Surgery. Medical care facilities still suffer from the reduction of some 5,000 personnel in 1978 and 1979 due to the Leach Amendment which cut personnel ceilings to those in effect on September 30, 1977, and former President Carter's hiring freeze wherein only one replacement could be employed for each two losses. Although the upcoming budget reflects an additional loss of only 54 personnel, the fact of the matter is that the reduction will amount to 1,344 employees due to the drain on existing facilities to staff new activations. In addition, we now have President Reagan's hiring freeze which will further complicate matters and must result in the reduction of health-care. As of this writing, informal information indicates that the personnel within the Department of Medicine and Surgery will be exempt in whole or in part. Furthermore, the General Counsel of the Veterans Administration has rendered an opinion that this latest hiring freeze is illegal and in violation of the law predicated upon the provisions of Title III, Public Law 96-151 which requires the Office of Management and Budget to provide the personnel ceiling for health-care staffing for which appropriations are made.

Mr. Chairman, we have always had a proprietary interest in veterans preference in federal employment which came under heavy attack during the last Administration. We believed this matter had been laid to rest when the 95th Congress retained veterans preference virtually unchanged. However, an attack thereon has appeared in a panel report of the President's Commission for National Agenda for the Eighties alleging that the most outstanding persons, particularly women, are not hired by the Civil Service and the issue of preference for veterans should be reexamined. This allegation has been repeatedly and thoroughly rebutted in testimony and we look for the continued support of this Committee should a serious threat to veterans preference in federal employment again surface.

Although at this point in time we do not know what cuts will be made in the Veterans Administration budget by the new Administration, two prime targets previously have been the construction program and beneficiary travel. We all know that renovation or replacement of antiquated hospital facilities is not a luxury but a necessity, as is the construction of new and expanded long-term care facilities. When I look at the new Senate office building under construction, which is a Taj Mahal of office buildings, I do not see how anyone in good conscience could agree to restricting construction of facilities needed by the veterans of this Nation. I also note that there is a proposed reduction in the upcoming budget of $15 million in beneficiary travel with a view toward further curtailing such for our veterans most in need, those with non-service-connected disabilities who are in real financial need. Informal information available to me also indicates that there is a proposal under consideration to require those with non-service-connected disabilities to pay the first $10 of beneficiary travel each time they require necessary medical care. President Reagan has promised that programs for the truly deserving needy will be untouched. We believe beneficiary travel is, indeed, one of those areas and full funding must be restored. There can be no doubt that restricting beneficiary travel to needy veterans also restricts their access to proper VA medical care.

Mr. Chairman, and members of the Committee, I trust each of you will be with us tonight on the occasion of our annual Congressional Banquet at the Sheraton Washington Hotel. As you know by now, we will be honoring the Honorable Paul Laxalt with our 18th Annual Congressional Award for outstanding service to the Nation. The reception will begin at 6:00 p.m. with dinner promptly at 7:00 p.m., where our Voice of Democracy winners will be honored guests. I want to assure each of you our program will conclude at approximately 9:15 p.m.

In closing, let me say that we look forward to a continuing close relationship with this Committee. We must never forget, nor permit the Nation to forget, that those of us who served during periods of war and hostility have rendered a very special service to our great Nation. We have given years of our lives, we have given years from our families, and we have given years from our personal endeavors, if not also our physical and mental health.

Thank you.●

EXTENSION OF MANDATORY BUILDING TEMPERATURE RESTRICTIONS

● Mr. PELL. Mr. President, the emergency building temperature restriction program authorized under the Energy Policy and Conservation Act expired in January of this year. President Carter had the authority to extend the mandatory restrictions for an additional 9-month period upon a finding that the imminent energy shortage which inspired the program presented a continuing threat. President Carter, I believe, quite correctly chose to extend the program for a 9-month period ending in September 1981.

Last week, however, President Reagan, by Executive order rescinded the decision to extend temperature controls by President Carter. This action, I believe, is most unfortunate and a mistake. Until the decision by President Reagan, the building temperature restrictions along with the 55-mile-per-hour highway speed limitations were the only mandatory conservation measures implemented by the Federal Government. The action to terminate the building temperature restrictions represents a sad commentary on this administration's conservation policy in light of the continuing threat our country faces from Mideast oil interruptions. To abandon this proposal, along with the 55-mile-per-hour highway limitation, as has been suggested, is a wrong signal to send to some of our leading OPEC suppliers who have emphasized to us the importance of our Nation's energy conservation efforts. The decision to end the restrictions is also the wrong signal to send to the American people regarding our energy vulnerability and their obligations to assist in reducing this vulnerability.

Recently, Mr. President, Senator PERCY released a study regarding an evaluation of the emergency building temperature program. This report concluded that it was indeed most effective:

The program requirements were simple to

meet, easy to administer, and used little of the taxpayer's money. Lastly, the program yielded immediate benefits by helping to reduce America's staggering international oil bill.

In this regard, data provided by the Department of Energy suggests that approximately 300,000 barrels of oil a day may have been conserved nationwide as a result of the program with a potential savings of $4.5 billion for our country since the beginning of the program in 1979. The study also reported that some major businesses, including American Telephone and Telegraph and Pan American Airlines, realized significant energy savings by complying with the program.

Mr. President, in view of the continuing uncertainty over world oil supplies and particularly the continuing conflict between Iran and Iraq, I regret that President Reagan rescinded the order to extend the building temperature restriction program implemented by President Carter. This program was not causing a hardship on individuals or businesses, nor creating an unnecessary regulatory burden for those affected by the restrictions. In my view, the temperature restrictions serve as a constant reminder of the continuing importance of conserving energy for us as a nation. I hope President Reagan will reconsider his decision on this important program.●

THE BONNEVILLE TRANSMISSION LINE AND STATE-FEDERAL RELATIONS

● Mr. BAUCUS. Mr. President, this is an exciting time for those of us who have been concerned about relations between Federal and State governments. In the Pacific Northwest, and in Montana in particular, one of the Federal agencies of major significance is the Bonneville Power Administration (BPA).

If the key to improved Federal-State relations is improved responsiveness and cooperation between Federal agencies and State and local governments as well as the people they represent—and I believe it is—one opportunity for improvement in Montana is with BPA: The Bonneville Power Administration needs to become more responsive to people in Montana.

There are provisions in the recently enacted Northwest Power bill that establish a planning council for BPA comprised of members appointed by State governments. This is a definite step in the right direction. But other steps can and should be taken immediately.

BPA TRANSMISSION LINE—THE LITMUS TEST OF BPA-LOCAL RELATIONS

Perhaps the paramount, immediate challenge facing BPA in my State is that of making itself genuinely responsive to Montanans with regard to the construction of twin 500 kV powerlines that BPA intends to build across western Montana. These lines would join with private lines being constructed across central Montana. They are intended to bring eastern Montana coal-generated electricity to BPA consumers.

Many Montanans along the route of the proposed lines, local governments, the Montana State government, and members of the Montana congressional delegation, have been confronted with a long series of problems in dealing with BPA on these lines.

CONTROVERSIAL QUESTIONS REMAINING

Indeed, there are still many controversial questions that, to date, have not been finally decided: Will Montana's siting act govern BPA's siting? How much impact aid will be available to impacted counties? There are many particular routing problems and questions about when the lines should be buried. These problems have become so complex that without BPA's so far having submitted to State siting authority, members of the Montana congressional delegation have, in effect, become to some extent de facto siting commissioners. We have, unfortunately, become the landowners' and local governments last hope.

IS BPA JUST GOING THROUGH MOTIONS?

All of these questions revolve around the more central fear that many of us from Montana have that BPA has been less than genuine in its response to our concerns. This concern was recently highlighted for me when I read papers filed in a lawsuit stemming from construction of a similar powerline by BPA in another State. (Columbia Basin Land Protection Association and Franklin County and State of Washington against James Schlesinger, et. al. is currently pending before the Ninth Circuit Court of Appeals.)

It appears that affected farmers had proposed an alternative route to the route proposed by BPA and submitted their alternative to BPA for review. But, the BPA official in charge of siting apparently, "* * * told his people not to spend any appreciable time in analyzing the alternative route suggested by the landowners."

FEBRUARY 27 MEETING WITH BPA'S ACTING ADMINISTRATOR

Last week, Mr. Earl Gjelde, acting administrator of BPA, came to my office at my request to discuss these problems. I reviewed a long series of particular problems that I and other Montanans have had with BPA, and I solicited his help in having both the particular problems remedied and the general situation improved. Much of what I had to say to him came down to getting BPA to do on its own what, to date has taken considerable and repeated prodding by me and others in the Montana congressional delegation to get BPA to do.

I must say, I was impressed by Mr. Gjelde. He has only held the reins of BPA as acting administrator for a few short weeks; yet his clear intent to quickly respond to the problems I pointed out was evident. At the same time, I am reminded of a caution given the world by George Santayana:

> Skepticism, like chastity, should not be relinquished too quickly.

I know that Mr. Gjelde would agree that the best intentions of agency administrators are frequently lost in the jungles of bureaucratic indifference.

I look forward to meeting with Mr. Gjelde again in the near future to follow through further on the months of meetings and staff work that culminated in our meeting last week. I know that people all across western Montana are anxious to work with BPA. At the same time, landowners in the Flint Creek Valley and other areas near Drummond, Mont.; in the Clark Fork Basin, the Touchette Hills, the Nine Mile, the Houle Creek, and other areas near Missoula, Mont.; county governments and the State government may soon be suing BPA because of the problems we discussed.

In short, the best way BPA has to expedite work on these power lines is to meet the legitimate needs of the people and governments that will be impacted by the power lines. The best way Congress has for improving Federal-State relationships is to insure that agencies such as BPA are truly and genuinely responsive to the people they are to serve.

Directly following my meeting with Mr. Gjelde, I wrote to him to detail the progress I believe we made. I think it would be useful for everyone working on these problems to have this letter available, and I ask to have the letter printed in the RECORD.

U.S. SENATE,
Washington, D.C., March 2, 1981.

Mr. EARL GJELDE,
Acting Administrator, Bonneville Power Administration, Portland, Oreg.

DEAR MR. GJELDE: I appreciate your stopping by my office Friday and look forward to seeing you in the "follow-up" meeting we discussed in a few weeks. As I promised, here are more of the details concerning several of the points we discussed.

To repeat my general concern: BPA must do better in making its Montana line siting process genuinely responsive to the needs of Montanans along the proposed routes, to the landowners groups, the local governments, to the State Government, and to the Congressional delegation. From our discussion, I am confident that you are working to make these improvements. As part of this process, here is a listing of my understandings concerning our discussion Friday:

1. In the Drummond area, I understand you will see whether BPA can promise not to go thorough the Flint Creek Valley. This assurance would obviate the need to immediately pin down the Substation 3 site. Without this assurance, I am concerned that a south-of-highway substation site will prejudice BPA's decision on line siting west of the substation.

2. Also in the Drummond area, I would appreciate you making certain that periodic mailings and meetings with the Landowners Association occur without further prompting from my office. I would like to be provided with copies of BPA's group correspondence with Drummond area citizens and to be notified of meetings BPA is holding.

3. Concerning the Missoula area, I understand you will make certain that BPA immediately responds to several pending information and meeting requests as we discussed Friday. Pending requests of which I am aware are as follows:

(a) A December, 1980, letter request from Margery Harper, President, Clark Fork Basin Protective Association, for information and meeting; I would like a meeting between BPA and this group scheduled for some time during March;

(b) A January, 1981, letter request for information from the Missoula County Commission;

(c) A February 2, 1981 verbal request made by Richard L. Carter, President, Touchette

Hills Homeowners Association, of Gordon Brandenberger in Kalispell; I understand both Mr. Brandenberger and Mr. Carter have written notes of the specific request.

4. Also concerning the Missoula area, I am asking the Clark Fork Basin Protective Association, the Touchette Hills Homeowners Association, the Valley Preservation Council and Houle Creek Homeowners Association to send me their lists of members who wish to be kept informed of BPA's plans and progress. I will provide you with these listings as they arrive, as I have provided BPA with the listing of Drummond area citizens who attended my December 27 meeting. I understand that you will make sure that BPA communicates with these people as quickly as possible, and periodically as necessary to inform them of BPA plans, timetables and progress.

5. Finally, I have several substantive questions about Missoula area siting, as follows:

(a) Can you assure me that no special weight will be given the existing power line route in the Missoula area—that it will be considered only as an option with equal weight being given to alternative routes? As I mentioned Friday, BPA has given me this assurance with regard to the existing power lines site through the Flint Creek Valley near Drummond.

(b) What is the specific criteria BPA will use in determining areas through which the power lines must be buried?

(c) Once a route is determined, to what extent will people off of the route itself, but nevertheless impacted by the lines, be compensated for the impact? For example, will BPA pay for fixing television reception problems that result from the line's construction even if the people with these problems do not live directly on the route? Also, is any provision being made for scenic impacts on homeowners not living directly on the route?

6. Concerning BPA and the Montana State Government, it is my understanding that BPA is seeking formal memoranda of understandings with Montana that will involve the State in (a) initial decisions on whether BPA will build future power lines and other major facilities; and (b) the development of rules and regulations for implementing the Northwest Power Act—specifically including regulations determining the formula for providing impact aid awards.

As I noted in our meeting, it is my position that the Montana Major Facilities Siting Act should govern construction of major facilities within the State—regardless of whether the construction is federal or private. While this issue has not been finally resolved, still the decisionmaking on whether and who will build facilities needs to involve State Government at the earliest possible moment.

7. It is my understanding that BPA will thoroughly explore the basis of its determination of need for the proposed Libby Integration Project with appropriate Montana State Government siting officials and provide them with whatever specific information they require on a timely basis. The purpose of this is to allow the State and me sufficient information on which to base a recommendation to you on whether this project should proceed as planned. Accordingly, this needs to be accomplished as quickly as possible and before work has substantially proceeded.

8. Finally, it is my understanding that you will address the need for BPA to have personnel available to Montanans at meetings and otherwise who can address authoritatively Montanans' requests.

Thank you once again for your assistance.

With best personal regards, I am

Sincerely,

MAX BAUCUS.●

ANN'S NEWSSTAND AND THE REMARKABLE ANN COOPER

● Mr. KENNEDY. Mr. President, one of the first pieces of advice President Kennedy gave me when I was elected to the Senate in 1962 was, "Be sure to meet Ann Cooper and be sure to get your newspapers at Ann's Newsstand." I took that advice then, and I have followed it ever since.

Even then, Ann Cooper was already a legend in the Senate. For over three decades, her newsstand has been a fixture of Senate life. Her warm smile and her delightful personality have endeared her to generations of Senators and Senate aides.

Earlier this week, a detailed article in the Washington Post told the remarkable story of Ann Cooper over the years, from the time she first opened her now famous newsstand in 1948 in the old Carroll Arms Hotel. The article is of interest to all of us who know Ann and who value her friendship, and I ask that it may be printed in the RECORD.

The article follows:

[From the Washington Post, Mar. 2, 1981]

CAPITOL HILL'S NEWSSTAND ANNIE: NEWSPAPER STORE FOR THE STARS

(By Thomas Goldwasser)

Nine months before Harry Truman won his unexpected presidential election in 1948, Ann Cooper came to Washington. A few months later, after completing a course on hotel management and running the canteen at Sibley Hospital, the young woman in her 20s from Warren, Ohio, started a newsstand on Capitol Hill. She has been a fixture there ever since.

Today, one block north of the Dirksen Senate Office Building at 301 1st St. NE., in a trailer, is Ann's Newsstand, which Annie (everybody calls her Annie) Cooper has operated since 1965. Before that, beginning in the summer of 1948, she owned and operated her news business downstairs in the Carroll Arms Hotel. "I answered an ad," volunteers the businesswoman. The man who ran the stand had a heart attack, and his son was selling it for $1,000.

So, Cooper began hobnobbing with famous senators and their staffs. And, even though she has come upon some hard times since then, household names still talk and joke with her and, most important, consider her a friend.

"When I was at the Carroll Arms," begins Cooper, "Sen. John F. Kennedy used to eat in the dining room and he'd come down to read the magazines. He never bought them, just looked. He was shabbily dressed and always looked like he needed a haircut. You know, with his hair always hanging along side of his face." Then, Cooper pauses a few seconds and continues: 'He was very nice and friendly. Those were the good old days. People just are not like that now."

In addition to Kennedy, other senators, later to become household words, were newsstand patrons. Lyndon Johnson, Richard Nixon, Hubert Humphrey and Henry Jackson were, at times, regulars. "When Senator Jackson first got elected, he'd come in here every night to pick up his paper. And Senator Humphrey was a friendly soul. Everybody liked him. I have some thank you cards from him which I will always treasure. Not long before he died, I sent a card for his birthday." Today, the senate majority and minority leaders, Howard Baker and Robert Byrd, respectively, order their daily papers from Ann's Newsstand.

Cooper toiled in her Carroll Arms stand until 1965, when the hotel was sold. "When I first moved to the trailer," she explains, "I thought it would be temporary. But I got used to it and didn't want to move back when the hotel reopened." Since reopening the Carroll Arms, where comedian Mark Russell began his career and powerful Hill types made deals around the bar, has come upon hard times. In recent years, the building has been converted into office space for the surfeit of senate staff members.

Cooper, too, has had a string of bad luck the past few years. Over an 18-month period, beginning in November, 1977, she had a pacemaker implanted, was mugged and fell, breaking her hip. However, her shop never closed. Her friends on Capitol Hill came to her rescue. Hill policemen especially were helpful. Many men and women volunteered their lunch hours to take over her duties.

And Donnie Burch, who now serves as a Hill policeman on the House side, used a month's vacation to run the newsstand. According to Terry Flaherty, who heads the Senate parking unit, there really was no alternative. "If Annie had not gotten help from her friends like she did, she probably would have had to close up." Flaherty, who has known her since she arrived on the Hill, and is a close friend, continues: "The stand couldn't afford to take on any full-time help, and even with the way people helped out, Annie did, and still, has a rough time making it. Remember in her business, the profit margin is very small even in the best run stands."

And the consensus is that, Ann's Newsstand has not been masterfully run. "Annie's been too nice for her own good," concludes Allen Neece, Jr., who, until last November, served as legislative counsel to the Senate Small Business Committee. Neece, who now directs his own Washington consulting firm, elaborates: "In the old days, Annie used to be a bank to some of the Hill staffers. If they were strapped, they'd come to her for a loan. Large amounts of money, too, and many times she was never paid back."

Cooper's small-town habit of trusting people, without getting a word on paper, proved nearly fatal to her business. Her debts kept piling up. Finally, early in 1980, with the help of Neece and Janet Downs, staff members of the Senate Small Business Committee, Cooper received a $20,000 Small Business Administration loan under the new minibusinesswomen's direct loan program. However, even with this aid, coupled with advice on sound business management from the SBA's Service Corps of Retired Executives (SCORE), the wolves were still at Annie Cooper's door.

Last March, her largest creditor threatened to cut off deliveries within a week if she did not pay up.

Once again, Cooper's friends showed her how much they cared. With hardly any notice, comedian Mark Russell, Cooper's friend since early Carroll Arms days, Flaherty, and Roll Call editor Sid Yudain organized a fund raiser. And last March, more than 350 Annie Cooper friends, at a minimum of $10 a head, raised $6,500. At the shindig in a Senate committee room, the Capitol Hill pecking order was ignored, as lowly staffers mingled freely with senators.

Today, Annie Cooper remains right where she belongs, a block from the Capitol, running her business. Five days a week, from 5 am until 6 pm, she's there. On Saturdays and Sundays, she knocks off early at 3:30 or 4:00. She closes only on Christmas day. And she has enlisted the support of a bookkeeper who picks up the books one day a week.

She'll probably carry on essentially just the way she always has, running a business where, as Mark Russell observed, "The six words heard most often in her career have been, 'Can you trust me till payday?'" ●

DEBT COLLECTION ACT OF 1981 CAN HELP REDUCE BUDGET DEFICIT

● Mr. SASSER. Mr. President, on February 26, Senator CHARLES PERCY and I introduced, along with four of our colleagues, the Debt Collection Act of 1981 (S. 591). Senator PERCY is to be commended for his long-standing concerns about this problem. Both he and I have worked long and hard on this subject, and I am hopeful that with strong bipartisan support we can pass S. 591 early in the 97th Congress.

I am equally gratified that President Reagan is prepared to support the lead of Congress in this matter. It is my understanding that the Reagan administration plans to mount a vigorous drive on the debt collection front, building on the recommendations of the debt collection project that President Carter established in August, 1979. I trust that the Reagan administration will lend its support to S. 591 as an appropriate vehicle for improving Federal debt collection efforts.

I have recently written President Reagan and OMB Director, David Stockman, concerning this matter, and I ask to have printed in the RECORD my correspondence on this subject.

The correspondence follows:

U.S. SENATE,
Washington, D.C., February 27, 1981.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I noted with great approval your statement of February 26 that you would press forward with an aggressive debt collection program in order to recover the more than $25 billion in delinquent debts that are presently owed to the Federal government.

I am heartened by this development. This country cannot afford to maintain the present policy of letting delinquent debts owed the Federal government continue to go uncollected.

The estimates of the fiscal loss to the Federal government from uncollected debts are truly staggering. In 1979 alone, the Federal government wrote off over $1 billion in uncollected debts. And by some estimates the eventual write-off for uncollected debts in FY80 could reach as high as $6.5 billion.

During these times of fiscal austerity when your Administration is making every effort to keep Federal spending below $700 billion for 1982, it is imperative that we put a legislative program in place that will help you achieve your debt collection efforts.

Senator Charles Percy and I along with four other Senators have just yesterday introduced legislation (S. 591) that will permit you to mount a professional and progressive debt collection effort.

Very briefly, this legislation will provide you with the tools you need to improve federal debt collection. It provides that information on bad debtors can be referred to commercial credit bureaus. The legislation amends the Civil Service Code to permit Federal employees to have their salaries offset for unpaid debts that they owe the Government. It permits the IRS, by carefully controlled procedures, to assist other Federal agencies in collecting unpaid debts, and it requires Federal agencies to provide timely and regular reports to the Congress on the extent of their efforts to collect unpaid debts.

Senator Percy and I intend to press the case for this legislation early in this 97th Congress. I am pleased that you share our concern about this grave fiscal problem, and I hope that Senator Percy and I can count on the Office of Management and Budget supporting this legislation.

Best regards.

Sincerely,

JIM SASSER,
U.S. Senator.

UNITED STATES SENATE,
Washington, D.C., February 27, 1981.
Director, Office of Management and Budget
Executive Office Building, Washington, D.C.

DEAR DAVE: I noted with great approval President Reagan's statement of February 26 that he would press forward with an aggressive debt collection program in order to recover the more than $25 billion in delinquent debts that are presently owed to the Federal government.

I am heartened by this development. This country cannot afford to maintain the present policy of letting delinquent debts owed the Federal government continue to go uncollected.

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Best regards.

Sincerely,

JIM SASSER,
U.S. Senator.●

THE FOUR HORSEMEN SHOW

● Mr. LEVIN. Mr. President, a valuable community service offered to citizens of the Eastern Upper Peninsula of Michigan is being recognized for its achievements on Saturday, March 7, 1981. A small businessman, Ross Roe, of Sault Ste. Marie, has sponsored a show on WSOO radio for a number of years which provides an outlet for community concerns, events, and general discussion of daily living.

The program, known as the Four Horsemen Show, is almost advertisement free. Instead, it features animated discussion with veteran broadcaster Bill Thorne asking every conceivable question of his wide variety of guests.

The Four Horsemen Show, its host Bill Thorne, and its sponsor Ross Roe, are receiving long overdue recognition for this Sault Ste. Marie Institution by the Sugar Island Lions and Sugar Island Senior Citizens Clubs.

I ask that the following editorial from the March 2, 1981, Sault Ste. Marie Evening News be printed in the RECORD.

The editorial follows:

[From the Sault Ste. Marie, Mich., Evening News]

THE FOUR HORSEMEN SHOW

In a week the Sugar Island Lions and the Sugar Island Senior Citizens will be taking a night to honor the Four Horsemen Show. It's an occasion worth noting.

The Four Horsemen Show, in case you've never heard of radio, or if you are so new to town you haven't passed a Saturday morning here, is a radio show broadcast to the area from the showroom of Roe Chevrolet. It's an hour long, and during that hour barely a minute, if that, is spent talking about Roe Chevrolet.

This is the community's hour of radio, and it is given to the community each week by Ross Roe. On it are sometimes lively discussions about what has been happening or not happening here, some advice about upcoming events, the weather in its entirety, and once in a while, some western tunes spun by host Bill Thorne.

The show has been used at one time or another by virtually every group in the eastern U.P. I've even had the pleasure of leaning against a shiny new car awaiting a turn at the mic with Thorne, and while I waited like everyone else on the show, I got a chance to learn about what's coming and why.

That's why the show is being honored, because it's an outlet to the community, for the community, and it works. It's important that every community have a place where some idle conversation, and some timely discussion can touch subjects that need attention. It's a measure of the community.

The popularity of the show speaks well for it, it's where Democrat meets Republican, township official meets city commissioner. Where church news and a feature share the mic with a country ballad.

We're pleased that Ross Roe is being thanked for sponsoring the program, and Bill Thorne, with his silkey style, and omnipresence is being thanked for his work.

The Lions and the senior citizens have made worthy choices and should be congratulated.

PAT EGAN.●

NINE-DIGIT ZIP CODE PLAN

● Mr. BAUCUS. Mr. President, I am pleased to support S. 539, introduced by my distinguished colleague from Minnesota, Mr. DURENBERGER. I am happy to be a cosponsor of this amendment.

The Postal Service has asked Congress for almost $1 billion to implement a nine-digit ZIP code and to purchase optical character readers (OCR's) and bar code readers (BCR's). The new OCR's would read the addresses on most first- and third-class mail and print a bar code on the front of the envelope. When the letter arrives at the local post office, it would go through a BCR that would direct it to the letter carrier.

The Postal Service wants to divide the country into some 20 million ZIP code areas, so mail can be sorted into smaller

units before being given to the letter carrier. The nine-digit code, which would be one's current code plus four new numbers, would correspond to a rural route, a block face, a firm, a building, or a lock section.

If implemented, the Service says it would send post cards to residents telling them what their new ZIP code is. But what if someone wanted to know the ZIP code of a friend in another State? Since it would take a 40,000-page volume to contain the expanded codes, plans are underway for a toll-free telephone number which would have computer operators on hand to provide ZIP code information.

By going automated the Service hopes to save about $600 million per year in labor costs. Machines would come to replace sorting clerks. The Service says no clerks would be fired, but when job vacancies occur they would not be filled.

While I applaud efforts to cut costs for the Postal Service, I cannot agree to increasing costs to the public in the process.

The Service has not provided any figures on what their nine-digit ZIP code plan would cost the private sector. Senator DURENBERGER says studies done by Minnesota companies and government agencies put a near billion dollar price tag on the cost to redo business files to contain the new codes. For businesses in Montana, the new ZIP codes would mean spending weeks and probably months revising their mailing lists—a severe loss of manpower times especially for smaller businesses who keep manual records.

The Postal Service says the automated system would help improve and speed up sorting and mail delivery by increasing the number of postal zones. In Montana, which now has about 400 ZIP codes, more than 80,000 codes would be created.

While this new system may help speed up the work in urban areas, in Montana and other rural areas this expansion would only serve to complicate the system.

I am also concerned that the Postal Service has been unwilling to look at less complicated and cheaper alternatives to its plan.

Rather than a nine-digit number, why not a five-character code, like four numbers and a letter? A Montana computer consultant who has studied the Postal Service plan told me such a system could be implemented with existing equipment and at a much lower cost. This kind of system is now being used in a number of countries throughout the world, including Canada, England, and Germany.

Finally, the Postal Service says its new system would be voluntary, so if a business finds the conversion process too costly or simply too much of a bother, it can still use its five-digit code.

But the Postal Service says the success of its plan depends on the support and patience of the American people. By 1986, Postal officials expect 90 percent of all first-class mail to carry the new code. It seems to me that to ask everyone to learn a nine-digit ZIP code when they already have a social security number, driver's license number, bank account number, ad infinitum, is not making it easy to comply.

And what if the public chooses not to use their new number? Then the millions of dollars of savings the Postal Service is talking about would probably not be realized. The Susan B. Anthony dollar, which potentially could have saved $50 million a year, failed to gain the acceptance of the American people. I only hope, along with my colleague Mr. JEPSEN, that the new ZIP code system, if implemented, does not follow a similar fatal course.

Last session, I voted in favor of an amendment to postpone implementation of this plan so we would have time to examine it more closely. As of now, I find closer scrutiny has not uncovered a great deal of favorable evidence.●

AMBASSADOR WATSON ON U.S. POLICY TOWARD THE SOVIET UNION

● Mr. PELL. Mr. President, last month our departing U.S. Ambassador to Moscow, Thomas J. Watson, appeared on the ABC interview program "Issues and Answers" to discuss his views on U.S. policy toward the Soviet Union. In accepting President Carter's ambassadorial appointment in 1979, Ambassador Watson brought to the diplomatic service the tough, business-like approach that previously had earned him the presidency of IBM, one of our country's most important corporations. Mr. Watson's views therefore today carry the weight of a man of considerable high-level experience, first in the realm of large-scale corporate enterprise and now in the realm of superpower diplomacy.

It is perhaps a measure of that experience that, at a time when American politics has been swept by nostalgia and a passion for oversimplification, Mr. Watson continues to be able to make crucial distinctions in his prescription for a wise U.S. policy. Without question, he favors firmness and strength: Ambassador Watson strongly advocated sanctions against Soviet actions in Afghanistan, and recommends even greater sanctions in the event of Soviet intervention in Poland. But at the same time, he supports the prudent pursuit of American self-interest—through energetic efforts to achieve progress in United States-Soviet negotiations on arms control.

Ambassador Watson disputes the carryover campaign rhetoric which glibly disparages SALT II as containing an alleged "fatal flaw," and believes there should be an immediate resumption of East-West discussions so that the results of 7 years of negotiation by three administrations are not lost to a dangerous future in which the technologically driven weapons race continues unchecked.

Mr. President, I ask that the transcript of Mr. Watson's interview be printed in the RECORD.

The transcript follows:

THOMAS J. WATSON, FORMER U.S. AMBASSADOR TO THE SOVIET UNION

ANNOUNCER. From Washington, ABC News present Issues and Answers. After more than a year of negotiating with the Soviet Union . . . Our American Ambassador to Russia has just returned with his report on the Men in the Kremlin . . . Here, in his first television interview since arriving in the United States from Moscow . . . Outgoing United States Ambassador to the U.S.S.R., Thomas J. Watson. To interview Ambassador Watson . . . ABC News Chief Diplomatic Correspondent Sander Vanocur . . . and Issues and Answers Chief Correspondent Bob Clark. We'll be back in just a moment . . . Issues and Answers is brought to you by CONOCO; where money produce oil, natural gas, coal, uranium and petro-chemicals.

Mr. CLARK. President Reagan has accused Russia's leaders in his first news conference, of reserving the right to commit any crimes, to lie, to cheat—those are his words—in pursuit of their goal of world revolution and world domination. You've just come back from 14 months in Moscow as our ambassador, do you share that judgement?

Ambassador WATSON. I don't share that judgment precisely. I think they go after their goals a good deal differently than we do. I think what they would call morality would be different than our terms of morality, but I think in many areas the Russians' and our interests run parallel and I think it is possible to work with them, very difficult, but quite possible, and so I would not share those views.

Mr. CLARK. Do you think the tough new approach of President Reagan and Secretary of State Haig taken toward the Russians is a wise way for the new administration to start off? Are the Russians likely to be impressed by this sort of talk?

Ambassador WATSON. I'm very impressed by their silent diplomacy. Most of the progress that I made, if any, in the Soviet Union, was done rather silently. I never held any interviews while I was there until just the month that I left. And I think that they are amenable to working things out silently because they have great inferiority complexes and they don't like to be made goats of. So any posturing, in dealing with the Russians, in my opinion, is not useful. I have great confidence in General Haig. I have never met him but I have made two trips to NATO while I was ambassador in the Soviet Union and I know that all of the NATO allies have profound respect for him. He also knows the size of the forces in place on both sides and in my opinion, if we can eliminate the conflict between the White House advisors and General Haig, we'll have smooth sailing or smoother sailing in the Soviet Union.

Mr. VANOCUR. Mr. Ambassador, did you have any conflict between the White House advisor and the Secretary of State during your tenure in Moscow?

Ambassador WATSON. Well, I had the great good fortune of knowing Senator Muskie and Senator Vance (sic) before I came on board and I didn't have conflict but I saw people all around me whose jobs were at risk and whose policies were undermined by this constant conflict that seemed to go on between the two places, and on one occasion I was accused in the press of being a little bit soft in the way I cabled back reports and I wired back and said I am cabling back in the most accurate way that I believe I can characterize the positions I hear from the Soviets and if that is not satisfactory, well, get yourself another boy, and I had the complete backing from the State Department in that position and no further trouble.

Mr. VANOCUR. Are you suggesting that National Security Advisor Zbigniew Brzezinski was leaking this to the press?

Ambassador WATSON. Well, it was attributed to a spokesman in his office and the suggestion was that my cables were varnished, to translate that, softened, in order to accommodate the Russian position.

Mr. VANOCUR. What do the phrases "soft" and "hard" in dealing with the Soviet Union

mean? They complain we are not businesslike in our approach to them, no consistency. Are they accurate in those charges?

Ambassador WATSON. I think that has substance to it, that accusation. They're a group of rather old men. Their average age is 68, as you know. They are quite consistent in their policies. Sometimes they are quite wrong. I think they very much miscalculated what would happen as a result of Afghanistan. But they are very consistent and they find it very hard to accommodate to the policies over the past four years, where the State Department was recommending one course and Dr. Brzezinski was recommending another course, and nobody really was calling the tune in the straight direction that the United States should be going. So they really couldn't follow the ball. And this made them very jittery. They understand the weaponry and understand the destructive power of each side. And they are extremely concerned with their dealing with an erratic kind of force when they look at us.

Mr. CLARK. Do you think, Mr. Ambassador, that we are headed into a dangerous period of confrontation with the Soviet Union, assuming that the tough talk by the Reagan administration is followed up by tougher stances against Soviet aggression anywhere in the world or against Soviet terrorism, support of terrorism?

Ambassador WATSON. Basically, Bob, I think the two systems are on a collision course. I can't tell you at what point they will collide but given no change in direction in the Soviet way of doing things, and no change in direction of our way of doing things, there's bound to be an explosion down the line somewhere, let's say somewhere in the next two to three decades. And so I just believe that we have to both recognize that we have the power to destroy each other and stop threatening or posturing. The last thing in the world that we want to do is to get into a position where we bluff the Russians or try to bluff them and they call our bluff. I think that's absolutely the last thing this administration wants to do or should do.

Mr. VANOCUR. President Brezhnev, of course, is 74 years old, and not in very good health. There is a view that when the last of the old revolutionaries are gone, the younger generation will be easier to deal with, more flexible. I take it you are not very hopeful about that?

Ambassador WATSON. No. I think it is a very steady system. Let's remember that a person doesn't get elected or brought into the Politburo until he is in his fifties. He's normally a candidate member so they can kind of see how he works for a while and then he finally is made a full member or he sometimes is dropped so that it—the tendency to perpetuate itself in its own shadow, and I see no possibility of it changing.

Mr. CLARK. And you warned about the danger of our being on a collision course; what currently, in the world, could bring a collision with the Soviet Union, could it be Poland, or what?

Ambassador WATSON. Well, I don't think Poland would bring a collision and I would be willing to talk about Poland at length. I don't think that would bring a collision because we have more or less accepted their zones of influence. They have tremendous problems in Poland because by going in there they would lose so much prestige in all of the relationships they have in western Europe in addition to any possibility of future friendships and relationships with us, so that they are on the horns of a terribly difficult dilemma.

Mr. VANOCUR. Mr. Ambassador, if you were still the ambassador in Moscow, when and if the Soviets invaded Poland, what would be your recommendation as to our course of conduct?

Ambassador WATSON. I would be for suspending everything that we can suspend that we have left, which isn't very much. And treating them at very much an arm's length situation. But I would not break diplomatic ties with them because I think with these weapons that we both have, that you can never afford to not be talking, and I think in the last year and a half, when I've been familiar with this situation, there's been all too little talk. It's been a tragedy to see this SALT situation deteriorate to the point where the only communication essentially has been a couple of meetings between Mr. Vance and Mr. Muskie and Mr. Gromyko and the rest all through Mr. Dobrynin and I.

Mr. VANOCUR. Let's take up some specifics. What should the Reagan administration do about SALT in its present condition?

Ambassador WATSON. Well, in my opinion, the best thing for the United States and the world would be to get back to the SALT table, feel the Russians out, see what the minimum changes are that the Reagan administration would accept, and then ratify that treaty. And before I finish that, let me say that when I last looked at that treaty, which wasn't very long ago, there was nothing in the treaty that would inhibit any of the plans of Secretary Brown or the head of the Joint Chiefs of Staff, General Jones. So that we were really agreeing to a second step after SALT I, to confirm SALT I, which is now just an ennui and being observed by mutual consent, informal mutual consent, we would be back into a negotiation to contain the weapons. Now, you know the weapons count and you know what they can do. Three of those weapons on New York will destroy 95 percent of the population, so if you want to destroy three hundred cities in the Soviet Union, then you take 900 weapons and there's nothing left of the Soviet Union. And if we were to do the same on the other side or they were to do the same to us, it would end up the same way. So you end up with, you'd use one-tenth of your weaponry and you'd have 90 percent left. What do you do with it?

Mr. CLARK. President Reagan has made it very clear that he wants some major changes in the SALT II before resuming serious negotiations. Do you think the Russians are willing to make any significant concessions that would get SALT II back on track again?

Ambassador WATSON. Well, they've spent seven years negotiating a treaty in good faith and I make no arguments to the Soviets. I'm just now arguing about the SALT II treaty. They believe they negotiated in good faith, both governments signed it, and now we can't get it ratified over here. They would be very reluctant to sit down at a SALT table and make major changes in SALT II.

Mr. CLARK. Failure to begin new SALT negotiations in a reasonable time, could it trigger a new nuclear arms race?

Ambassador WATSON. Well, I'm sure it would because the very minute we even suspect that they have broken out of the provisions of SALT I and II, then we would break out, and I think it is very easy that we would both begin to escalate. That's why I think the situation is so desperately dangerous at the moment.

Mr. VANOCUR. Mr. Ambassador, suppose we do challenge them to a new arms race, what will be their response?

Ambassador WATSON. Oh, they would build weapon for weapon with us. There is no possibility of getting them to collapse economically or give up because of our industrial potential or anything of that sort. The only way we can show the Soviet Union we mean business is by being realistic in the way we manage our own country, by balancing our budget, by raising taxes instead of lowering taxes, by going to universal military service, by having a civilian army that's not paid competitively with the civilian jobs outside. I'd have a hard professional corps that was well paid and then I'd have universal military service. That impress the Russians tremendously.

Mr. VANOCUR. What would you do about the grain embargo?

Ambassador WATSON. The grain embargo also impressed the Russians. I am concerned about the effect of the grain embargo on the farmers and I don't like partial sanctions that affect just one segment of the society. But in the grain embargo area, the Russians never thought that we would hurt ourselves in order to show dedication in our relationship with them. So I would hold that grain embargo right on there and try to figure out some way of compensating the farmers who are hurting.

Mr. CLARK. If the grain embargo is retained, would you extend it, perhaps, certainly if there is any new Russian aggression anywhere that would warrant extending the grain embargo, to other areas of trade, and this is reportedly one thing President Reagan is considering, so you don't just single out the farmers as the ones that bear the full burden?

Ambassador WATSON. Yes. I'm for overall sanctions if the Russians continue to operate in a fashion that we don't like or we think is dangerous. But you have to consider the Europeans walk around some of our provisions and I think it would be appropriate for General Haig to line up the Europeans quietly so that we can present a united front and we aren't sanctioning certain types of equipment and having them able to get that equipment from Western Europe somewhere or through Third World nations.

Mr. CLARK. We're going to take a short break here. We'll be back in just a moment with more Issues and Answers.

ANNOUNCEMENTS

Mr. CLARK. Our guest is Thomas Watson, who has just returned as the American Ambassador to the Soviet Union. And Chief Diplomatic Correspondent, ABC's Sandor vanocur.

Mr. VANOCUR. Mr. Ambassador, we were talking about trade a moment ago. The Carter administration granted export licenses to Caterpillar Tractor and International Harvester so they could help build that pipeline that the West Germans are contracting with the Soviets to put natural gas in Siberia and Western Europe. Would you cancel those export licenses?

Ambassador WATSON. I would not. I would not because I think when you cancel export licenses, you are almost at the point of war. I would be very careful in what I committed to go over there and if I was giving them something that could help them technologically, I would do it, and I wouldn't object to a complete ban on all trade with the Soviet Union, as I said a few minutes ago. But to selectively sanction, I think is wrong. On the other hand, existing contracts which have been partially paid for, I think should be fulfilled.

Mr. VANOCUR. This is going to be a centerpiece of our foreign policy with the Soviet Union, trade, because the Western Europeans have one view of it, we may have another. Do we hurt ourselves by not trading with the Soviet Union or do we hurt them?

Ambassador WATSON. Well, I think that all of those sanctions, actions taken after Afghanistan, most of which were cooked up in Moscow by my group, although they may well have been cooked up in the State Department here simultaneously, were not things done to hurt the Soviet Union as much as to get their attention. And we really got their attention. This was the first time, you remember, in Afghanistan, that they'd ever moved outside of the traditional postwar boundaries. And they had no idea that we'd react the way we have, and we may well have made the world a little safer for a temporary period by letting them know that there were certain things that the Western World would not stand for.

Mr. CLARK. Defense Secretary Weinberger said this week that the Reagan Administration would very probably want to deploy the neutron bomb. There were some questions as to whether countries such as West Germany would let it, let us deploy it on their soil. The Russians have already warned that use, deployment of the neutron bomb would trigger a new nuclear arms race in Europe. Would you still go ahead and deploy the bomb?

Ambassador WATSON. No, I wouldn't. I would try to get a nuclear weapons treaty and if I couldn't I would build right with the Soviets. If they don't want a treaty with them, I would build bomb for bomb with them. But we've led this nuclear parade now for 40 years and it hasn't gotten us very far and we have essentially a large group of weapons that are meaningless. If one side used one of those weapons, even if it is a tactical weapon on the battlefield, it will quickly escalate to strategic weapons, and when it escalates to strategic weapons, 90 percent of each nation is going to be killed or maimed. And that's essentially national suicide. And neither one of our sides should be in a position of betting our nation on those kinds of odds. I think the quicker you get those weapons treatied, the better. Now, on conventional weapons, I would decide where and how I wanted to project my power and my national resolve, and I would build sufficient conventional weapons to do that whenever and wherever I saw fit.

Mr. CLARK. And you expressed a very strong concern earlier about a possible collision between the United States and the Soviet Union somewhere down the years; whether it be a decade or not, what would trigger such a collision?

Ambassador WATSON. Well, you mentioned the Middle East. Let me just take any of the nations down there. Iran, for instance. We could have a confrontation over Iran. It's all perfectly safe as long as we're confronting Iran from the south and the Soviets are confronting it from the north. But if Iran suddenly becomes a nonentity and the government collapses, then the Soviet and American forces are facing each other in a confrontation, and I've had nightmares about what you do in a situation like this. I hope you would get the U.N. into it and I hope you would try to back it down. But the thing that concerns me is that we can stumble into confrontation very easily in the dangerous world in which we live. And if we try to use the bluff and the threat of a thermonuclear weapon, that is an absolutely nonproductive course, in my opinion, because they are absolutely equal with us.

Mr. CLARK. Do you think there is a serious threat that the Soviet Union might invade Iran if the government there just collapsed?

Ambassador WATSON. I think it is a possibility, Bob, I really do. I'm sure that we are thinking about that as a contingency and I say this not knowing.

Mr. VANOCUR. Well, Mr. Ambassador, this goes back to the trade question. The Soviet Union has enormous quantities of untapped oil, natural gas. If they are not permitted to build that pipeline, transfer their gas to Western Europe, or if they have deficiencies in their own production for their own domestic consumption, doesn't that turn their attention more than it is already to the Persian Gulf?

Ambassador WATSON. There are a lot of people who say that. My own feeling is that the Russians are very realistic about the Persian Gulf and that we don't need to make any noise or lay down any ultimatums at all. They understand that that is a national and vital interest of the United States of America and I believe they will be very cautious there. What I really am concerned about is what happens if Iran goes into a revolution and really collapses as a viable government. Then I think that we both have got to go very, very cautiously to avoid serious consequences.

Mr. VANOCUR. Is there the instrumentality of communication now?

Ambassador WATSON. There is not and that's why I think we should be back at the tables, even if we are just sitting and discussing potential crises.

Mr. VANOCUR. Well, Mr. Ambassador, this is a blunt question but I ask it with respect, do we need an ambassador in the Soviet Union? The reason I ask this, ever since the days of Henry Kissinger and Richard Nixon, we seem to use Mr. Dobrynin, the Soviet Ambassador, as our ambassador, and even though he has to park now upstairs rather than downstairs in the State Department garage, is there any way that we can break out of this? Make our ambassador effective in the Soviet Union?

Ambassador WATSON. Well, I had no trouble seeing anybody in the Soviet Union that I wanted to but you know well, because you were visiting there while I was there, that it is a different kind of society now. The hostesses of Moscow are not anxious to get me to dinner whereas the hostesses of Washington often were very anxious to get Anatoly to dinner. He's a charming man. That's a closed society. We have an open society. But as far as I was concerned, I had no trouble getting to see any of them that I wanted to. Most of my visits were confrontational and yet when I left I thought that I had a good relationship with all of them, insofar as one can be very realistic and still have a good relationship.

Mr. CLARK. If we could get back to Iran for just a moment because this question of how we would react to any Soviet move into Iran could become an extremely critical one, General David Jones, the Chairman of the Joint Chiefs of Staff, did some of the toughest talking in this area this week, and he said before the Senate Armed Services Committee that if the Russians moved into Iran they should know that we might respond somewhere else in the world, perhaps with an attack on the Russian Navy somewhere. Do the Russians listen to that sort of threat?

Ambassador WATSON. I think that it contributes to the kind of atmosphere of tension but I don't think the Russians are particularly impressed by those kind of statements. The Russians know our potential and I think that silent diplomacy and silent management of the thing and personal conferences are a lot better in dealing with the Soviets than trying to deal with them through newspaper headlines.

Mr. CLARK. One of the areas where you disagree with President Reagan and Secretary of State Haig is over linkage. They are strongly for it and you have been generally opposed to the principle of linkage. Why?

Ambassador WATSON. Well, I think that you're comparing a mountain, in a way, with a molehill when you talk about linking a thermonuclear treaty when you are dealing with something that can destroy the whole Western World and an operation in Poland, serious though it may be, and it certainly would be serious, or a misbehavior in El Salvador. I think those are terrible things and I think they should be responded to with conventional arms and I think we ought to be strong enough, and if we are strong enough and dedicated enough, they won't be doing those kinds of adventures. But comparing the two different things together, they are just not in the same ballpark.

Mr. VANOCUR. Mr. Ambassador, when I was in the Soviet Union, you had this sense of paranoia about their own insecurity, kept mentioning phrases like parity, equality with the United States. Is there any way that the United States can satisfy this insecurity paranoia without jeopardizing our own vital interests?

Ambassador WATSON. I believe that we can do that. I believe a good treaty which is fair to both sides, as I believe SALT II was, I've never been able to discover the fatal flaw that I heard about so much during the election, if we could get that settled and then had sufficient conventional forces so that they would respect us wherever we happened to want to project our influence in the world, and we would respect them, I think that we could slowly simmer the whole thing down. Going in the direction we are going in now is calculated to get the worst kind of response out of the Russians.

Mr. CLARK. Mr. Ambassador, you have stressed several times the need to build up conventional arms to close the gap with the Russians, on conventional arms, but yet some of our military experts say it is going to take at least five or ten years, to let them get so far ahead. What do we do in the meantime? Is that the period of most critical danger?

Ambassador WATSON. Yes, I don't think they are nearly that far ahead of us. You'd have to count. They have a much different military problem than we. They have a hostile border of 7,000 miles, maybe 10,000 miles, China around to Finland. We don't have that kind of a problem. We also have some allies. So that you have to make sophisticated counts of what the strategic requirements will be. They probably are somewhat ahead of us in the areas of tanks and perhaps forward based aircraft. But we ought to be able to correct that very easily. And to think that you can control that gap by using thermonuclear weapons, is what I really wanted to make as the point here today, because you really can't. For many years we were able to do it. We had a monopoly. They were relatively cheap to build. And during the Cuban missile crisis, we were way ahead of the Russians and they backed out of there. Mr. Kunetsov said at that point, never again will be in a position to have to do this, and they've made great national sacrifices, you've seen, to bring themselves even. I think, as far as those weapons go, once somebody else has the same number you have, that is a useless weapon. And the best you can do is to treaty it and control it. Remember, on treaties, none of the treaties we have made are treaties that cannot be verified. There's no mutual trust between these two nations. And so each one wants to verify the other's compliance with the treaty.

Mr. CLARK. Mr. Ambassador, we thank you very much for being our guest on Issues and Answers.●

ESTONIAN INDEPENDENCE DAY

● Mr. PERCY. Mr. President, as we note the 63d anniversary of Estonia's proclamation of independence, we recall sadly that Estonia's independence was brutally cut short in June 1940 when the Soviet Union occupied Estonia and her neighbor states Latvia and Lithuania. Serious violations of individual rights pledged by the Soviet Union in the Helsinki Final Act continue today in Soviet-occupied Estonia.

On this occasion those of Estonian heritage in this country and elsewhere commemorate the establishment of the independent Estonian state in 1918 and renew their commitment and vigil for the return of independence to Estonia. All of us Americans, who are blessed with freedom, pay tribute to the rich scientific and cultural contributions of Estonians to Western civilization, and join with Estonians in their ongoing commitment to Estonian independence.●

THE SUCCESSFUL CETA PROGRAM IN BAYONNE, N.J.

● Mr. WILLIAMS. Mr. President, I was delighted to see Senator HATCH's favorable comments in the RECORD of February 26, 1981, regarding the Job Corps program following his tour of the Clearfield Job Corps Center located in Utah.

Senator HATCH succinctly outlined one of the many success stories that results from taking impoverished and unemployed youth and providing them with basic education, vocational skills training, work experience, and counseling. The results are readily apparent.

At a time when we are inundated with all the horror stories and the abuses that exist within the Comprehensive Employment and Training Act, as well as encountering the administration's efforts to cut back public service employment. I would like to offer yet another success story.

In Bayonne, N.J., which is, I might add, Secretary of Labor Donovan's hometown, we have found that public service employment workers have made a tremendous impact to the community with the services they provided. As a result of CETA employment, more than 123 individuals have been successfully placed into the mainstream of employment.

As we review the budget requests and proposed modifications to the CETA program, it is my hope that we can also focus on the beneficial effects these programs have had for disadvantaged individuals and the communities they have served.

I submit for the RECORD the Bayonne story as related by the mayor of Bayonne, the Honorable Dennis P. Collins, and also examples he has submitted of how CETA has worked.

The material follows:

STATEMENT OF MAYOR DENNIS P. COLLINS OF BAYONNE, N.J.

It would not be unrealistic for me to call our CETA program a "blessing" for both the city and for its residents who were caught in the midst of the national recession without a job. CETA was an answer to their prayers and an opportunity for the city to use an enlarged workforce to achieve goals that were only a dream before.

I refer, in particular, to the marvelous job of bulkheading done along the Newark Bay shoreline at City Park and Veterans Park by CETA carpenters, the great job of renovation accomplished at the old City Hall Annex building that had been unused except for storage since the 1972 opening of the new municipal building, and which is now being used by community agencies; the refurbishing of the former St. Andrew's School as a senior citizen center; renovation of the BEOF building at 22nd Street and the Boulevard; the Community Day Nursery building at 27th Street and Broadway; the teen-age/senior citizen center and Bayonne Mental Health Center at Broadway and 27th Street; and the restoration of the old Fire Museum on West 47th Street that has been declared as both a state and national historic site; the repainting of our sewerage treatment plant for the first time in 23 years; the refurbishing of the city's centralized garage; and renovation work and assistance to many, many nonprofit organizations in the community.

CETA employees also contribute greatly to the smooth functioning of the various municipal and board of education departments where they are trained in their jobs and have proven to be able and dependable workers.

Even the CETA summer Youth Program has aided the city, not only by gainfully employing our youth, but also in providing much needed services and making genuine contributions. For example, a group of students conducted a door-to-door survey of residents to help determine the number and location of senior citizens and persons with disabilities. This information has proved invaluable for our Office on Aging and the nonprofit Barrier-Free Club which reaches out to help the disabled with services and programs.

Since the inception of the CETA programs, over 350 Bayonne residents have been given employment and training opportunities. This does not include the Summer Youth Programs. The CETA II Program was started on November 12, 1974, and 52 persons were hired under that title. Because of openings in regular municipal jobs due to attrition, 11 of these CETA employees were eventually transferred to the city's payroll.

The CETA Title VI program had its inception on January 14, 1975. Since that time, 161 employees were hired on this program and again, due to attrition, 29 of these people were able to be transferred onto the municipal rolls.

On July 12, 1977, the CETA VI PSE Projects Program went into effect and since that time 142 employees had been hired. Finally, over 500 youth are hired each summer on that special program.

The information above gives examples of benefits to both the city and its residents gained through the CETA programs. I must stress that I have only cited a few examples since a listing of all benefits would take more space than contained in this letter.

Bayonne's success with CETA stems primarily from good administration and my appreciation is extended to the entire CETA administrative staff. Additionally, no program can succeed without the dedicated efforts of its members. And, so, I also extend thanks to the individual CETA employees who, through their efforts and good work, make the programs a success.

I would be very remiss if I didn't single out Edward M. Parrelly, executive director of the Hudson County CETA Consortium, and his dedicated staff for their invaluable advice and assistance. They treat us with the utmost courtesy and helpfulness whenever we call or visit. The success of Bayonne's CETA programs—and I'm confident of the program in Hudson's other municipalities as well—can also be traced to Ed Parrelly and his staff.

Unfortunately, there are so many critics of CETA who attack it blindly without realizing its great benefits. Our leaders in Washington are looking to curtail expenditures for these programs and to place needless restrictions on working CETA programs in the interest of the national economy.

Yet, they do not explain how it will help the economy if thousands of CETA workers are unemployed and if cities and other CETA sponsors have to curtail much needed programs for the community.

I again publicly pledge to work in close cooperation with Ed Parrelly, other mayors and CETA sponsors to maintain and hopefully even increase our CETA programs.

We at the grassroots know CETA works and we seek the cooperation of our Washington representatives to lend their efforts in seeing to it that the CETA program continues in the interest of our people and our cities.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: John P. Sakowski, M.D., Director.
To: Hon. Dennis P. Collins, Mayor.

The following people are full time employees of this department, formerly CETA employees:

Rosemary Cook, Rosetta M. Considine, Catherine Daugherty, Kevin Doyle, Gail Lake, Helen V. Mullanaphy.

The CETA program was helpful to this department in that it allowed employees to be hired and trained. Because of the in-depth training they received, the above were transferred to the regular payroll when vacancies occurred.

JOHN P. SAKOWSKI, M.D.,
Director.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: Gerard Kinch, Bldg. Supt.
To: Mayor Dennis P. Collins.

Building Services—Former CETA employees now city employees:

John James Hanly, Edward Hynes, Thomas Kirby, Marion Sinopoli, James F. Zeigler, Arthur Naugle.

The reason the above were transferred to the regular municipal payroll was because of the fact that their training and job performance as CETA employees was excellent.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: Marvin A. Eger, Director of Finance.
To: Mayor Dennis P. Collins
Re: CETA.

The Comprehensive Employment Training Act has indeed been mutually beneficial to both Bayonne and the employees in the program.

Recognizing the prime interest of CETA, this department has had extraordinarily good success in training, retraining and teaching job skills to many employees who wanted to get into the main stream of the employed.

The department has demanded that any CETA employee take advantage of on-going educational opportunities in addition to on-the-job training. We have insisted that CETA employees take Civil Service examinations in their categories in order to be eligible for governmental positions as they became available.

During my tenure as Director of Finance, the following list of Department of Finance employees, who were former CETA employees, are outstanding examples of a productive work force that I am proud to be associated with and whom I have appointed.

Giovina Genova, senior clerk.
Rosalie Maguire, clerk typist.
George Misdom, senior assessing clerk.
Dorothy Devaney, cashier.
Kathy Agel, clerk.
Anita Hitchell, clerk.
Betty O'Connor, senior bookkeeping machine operator.
Irene Kokola, clerk.
Robert Schaible, cashier.
Ed Herrmann, senior account clerk.
John Coffey, city comptroller, provisional.

For a complete perspective it must be noted that many of our former CETA employees, after leaving here went on to fill productive positions in the private sector.

Several of the eight CETA employees presently employed in the department have also followed the described patterns of training and testing. They, too, will be placed in meaningful employ as they qualify.

Respectfully submitted,

MARVIN A. EGER.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: James F. Sisk, Director, Department of Public Safety.
To: Mayor Dennis P. Collins.
Re CETA Employees.

More than two dozen men and women have been employed and trained by the Department of Public Safety since the inception of the CETA program in 1975.

Those employed in our Police Garage, Police & Fire Signal System and Parking Meter Division have aided those departments im-

measurably. From their ranks, we have hired, under Civil Service, one employee who is assigned to the Parking Meter Division.

Our Bureau of Criminal Investigation (B.C.I.) benefited greatly by the acquired expertise of its CETA employees. A former CETA employee currently holds a position which had been previously filled by a police officer. We have also hired another former CETA employee, with provisional Civil Service status, who proved invaluable to this office. Other CETA personnel, formerly assigned to B.C.I., have attained Civil Service status in the Board of Education and employment in the private sector.

Those trained in our Fire Prevention Bureau went on to Civil Service positions in the City Clerk's office and at the County level.

Our Municipal Court and Violations Bureau are, perhaps, the greatest beneficiary of the CETA program. The tremendous volume of work in these departments could not be handled were it not for CETA personnel. The Violations Bureau, in particular, served as a training ground for young people embarking on a business career as well as those reentering the business world. We have absorbed onto the city payroll, through Civil Service, three former CETA employees, two currently assigned to the Violations Bureau and one to Municipal Court.

JAMES F. SIEK.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: James R. Donnelly, Business Administrator.
To: Honorable Dennis P. Collins, Mayor.
Re Comprehensive Employment & Training Program.

Since the inception of the C.E.T.A. Program, the office of Business Administration has benefited considerably as the result of having approximately eight employees who assisted in our every day activities.

Most of these employees received their training and eventually located in other municipalities or the private sector. As the result of their efforts we have been able to update much of the record keeping in Administration, Real Estate, Personnel and Purchasing.

Three of our former C.E.T.A. employees have been placed within other departments. Pat Goodhart is certified in the Law Department, J. Bonner is a provisional employee in Business Administration and Arthur Burns is a Budget Examiner within the Community Development Block Grant.

JAMES R. DONNELLY,
Business Administrator.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: Frank J. Ziobro, Law Director.
To: Hon. Dennis P. Collins, Mayor.
Re: CETA employees

We were only able to use three CETA employees from its inception until the present time, the reason being that we required personnel with superior qualifications to meet the needs of our department.

Of the three CETA employees, we were able to have two retained by our department on a permanent basis and I think that that is an excellent performance in training and placing those employees in our department.

CITY OF BAYONNE,
DEPARTMENT OF COMMUNITY DEVELOPMENT,
March 4, 1981.

From: James M. Sweeney.
To: Hon. Dennis P. Collins, Mayor.

CETA workers have been utilized extensively in the Department of Community Development, performing basic construction tasks in the conversion or rehabilitation of City owned property as well as entry level municipal functions. CETA labor was used to introduce two employees (J. Sweeney, J. Garrantino) to City workers resulting in the eventual permanent full time employment of both. Others have helped complete surveys and neighborhood analysis for the various planning studies accomplished.

The heart of the CETA program has been the improvements completed on various municipally owned buildings. A staff of five men have completed the total renovation of the 47th Street Fire Museum, the City Hall Annex, the BEOF/Whelman's Club, St. Andrews Senior Citizen Center, the Neighborhood Preservation Office and to a large degree, the conversion of the former Democratic Club to the new home for the Community Day Nursery. These CETA projects have saved countless thousands of dollars in rehabilitation cost and have given new life to otherwise dilapidated structures.

JAMES M. SWEENEY, *Program Director.*

FREE PUBLIC LIBRARY,
Bayonne, N.J., March 4, 1981.

To: Honorable Dennis P. Collins, Mayor, City of Bayonne.
From: Mary E. O'Connor, Library Director.
Re: CETA employees at the Bayonne Public Library.

The following personnel worked at the Bayonne Public Library under the CETA job programs: Eugene Bocchiaro and Edward Lewis (who are still with CETA). Harry Babich, Richard Cerchio, Edward Helminski, Eugene Barry, Anthony Pietrowicz, George Szweada and John Lewandowski.

Of the above the following were later transferred to the regular Bayonne Public Library payroll: Catherine Dougherty as Account Clerk Typist, Edward Helminiski as Heating and Air Conditioning Operator, George Szweada as Building Maintenance Worker, Anthony Pietrowicz at Maintenance Repairer, John Lewandowski as Maintenance Repairer (who has since retired), Joseph Lupo will be hired as Guard Public Property effective April 1, 1981 when the present incumbent retires.

These training positions have served as an excellent source of manpower to fill library vacancies and I strongly urge that the CETA program be continued.

MARY E. O'CONNOR,
Library Director.

CITY OF BAYONNE,
INTER-OFFICE MEMORANDUM,
March 4, 1981.

From: Edward M. Sweeney, Director, Public Works Parks and Recreation.
To: Mayor Dennis P. Collins.

This is in answer to your request of March 3, 1981 requesting my opinion of the CETA program and how many employees were hired on the City payroll from CETA.

Attached are my comments on this matter.

EDWARD M. SWEENEY.

CETA COMMENTS

As the Director of the Department of Public Works, Parks & Recreation, I feel that the Comprehensive Employment and Training Act (CETA) has been very successful. CETA workers have gained on the job education and training in our department and a good percentage of CETA workers have found permanent employment with the City as vacancies permitted. Thus, we have carried out the goals of the CETA program.

With a breakdown of the department we can show that we have trained and hired people for a variety of jobs.

Sanitation Division—Approximately 35 percent of the division's work force came from CETA ranks.

Mechanical Division—An estimated 60% of our employees at the Central Garage are former CETA workers who gained valuable mechanical training.

Parks Division—Almost 25 percent of our work force in this division are former CETA workers. They have been trained to do a diverse number of jobs which include forestry, repairs, carpentry, painting and maintenance.

Recreation Division—25 percent of the workers in the recreation division were originally with CETA. They now perform work as recreation leaders, sports officials and secretaries.

Director's Office—20 percent of the clerical staff in the Director's office were trained under the CETA program.

SEWAGE PLANT PAINTING—CETA VI

To estimate the cost of the painting accomplished in the Sewage Disposal Plant to date, enclosed is a contractor's list of costs and labor involved if it was done by an outside paint contractor.

Funds for paint and labor paid by CETA. At no cost to city.

Contractor's total estimate, 1975, $33,075.00.

CONTRACTING ESTIMATED COST
SEWAGE TREATMENT PLANT

Area: Engine room:
Conditions:
Concrete ceilings—Raw, fine dust, some oil film.
Cranes (2), Crane beams steel (4)—Pitted rust, greasy muck.
Hand rails—Good. (1 coat of paint).
Sash—Good. Partial donel-coat.
Piping—Good. Partial donel-coat.
Operations room—Complete. (1 coat).
Overhead corrugated door—Pitted, muck.
Rigging—Major job in engine room. About 30 percent of time spent.
Cleaning method—By hand. Wire brushing, steel scrapers, some solvent washing, dust brushing.
Protection of engines and gear boxes from overhead dirt and fine dust by plastic covering.
Coatings—2 coats over 90 percent of area.
Types of paints—Concrete primers, latex finishes, steel primers, steel oil finishes, aluminum, enamels. $3,300.
Area: Compressor room (under grit room):
Conditions—Concrete ceilings and walls—Raw, oily, heavy dirt.
Piping—Oily film and dirt.
Cleaning method—Solvent cleaning, wire brushing, dust brushing.
Coatings—2 coats on all items.
Types of paint—Concrete primer latex finish and semigloss (dado). Aluminum. $650.
Area: Vacuum room (under filter room):
Conditions—Concrete ceilings and walls—Raw, very heavy dirt and sludge.
Piping—Heavy dirt and sludge, rust.
Machinery—Oily and rust scale.
Cleaning method—Steel scrapers, wire brushing, solvent cleaning.
Coatings—2 coats over entire areas.
Types of paint—Concrete primer, latex finishes, semigloss steel primer, steel oil finish. $2,000.
Area: Corridors (main floor 2):
Conditions—Clean concrete ceilings and walls (dado only). Some dust. 1 coat.
Types of paint—Latex finish, semigloss. $400.
Area: Grit room:
Conditions—Structural steel—85 percent heavy rust and scale. Thick dirty lime.
Sash—Steel rusty.
Hand Rails—Good. (1 coat).
Piping—Partially rusty.
Rigging—Scaffolding over flume pits. About 30 percent of time spent.
Coatings—3 coats over 75 percent of area.
Cleaning Method—By hand, wire brushing, steel hammer chipping, dust brushing.
Types of paint—Steel primer, Aluminum, Enamels, $7,200.
Area: Laboratory:

Conditions—Concrete ceilings—dirty. Some dust—peeling.
Brick walls—(dado 5') Good. Some peeling (1 coat).
Sash—Good. (1 coat).
Counter Tops—Good. (1 coat Epoxy).
Cleaning Method—Metal scrapers, dust brushes.
Protection—Plastic covering equipment, Cabinets and Floor.
Scaffolding—20 percent of time spent.
Types of Paint—Concrete primer and finishes, Latex Semi-Gloss (Dado walls), Epoxy. $850
Area: Kitchen (lower level):
Conditions—Ceilings, walls and deck—partial peeling, dusty.
Coatings—10 percent prime.
Types of Paint—Latex flat, Semi-Gloss Porch and Deck Enamel. $140.
Area: Shower Room and Locker Room (lower level):
Conditions—Ceilings and Walls—Partial peeling, dusty.
Coatings—20 percent Prime.
Types of Paint—Latex flat and Semi-Gloss. $300.
Area: Stairways (2 to below engine room):
Conditions—Walls and Stairs—Good.
Coatings—1 coat all surfaces.
Types of Paint—Semi-Gloss Porch and Deck Enamel. $200.
Area: Under Engine Room:
Conditions—Ceilings, Walls, Floor—Raw, dirty.
Equipment and Piping—Heavy dirt, oily film. Heavy grease on deck.
Cleaning Method—Washing down completely with soapy water and solvents.
All Steel Surfaces—Wire brushing and scraping. Congested area hard to get at.
Coatings—2 coats 70 percent of Area.
Types of Paint—Latex primer and finish, Semi-Gloss Porch and Deck Enamels, Aluminum, $2,500.
Area: Locker Room (main floor):
Conditions—Ceilings and Walls—Peeling.
Coatings—20 Percent Priming.
Types of Paint—Latex flat and Semi-Gloss. $150.
Area: Boiler Room:
Conditions—Ceilings and Walls—Raw, heavy soot, oily in spots.
Equipment—Greasy with dirt.
Cleaning Method—Wire brushing, solvent cleaning, dust brushing.
Coating—Heavy aluminum.
Types of Paint—Aluminum, Enamel (motors). $1,100.
Area: Corridors (2-lower level):
Conditions—Ceilings and Walls—Raw.
Piping—Pitted rust, heavy dust.
Cleaning Method—Wire brushing, dust brushing.
Types of Paint—Latex primers and finishes, Semi-Gloss (dado), steel primers, steel oil finishes, Enamels, Aluminum. $675.
Area: Stairway (to vacuum pump area room):
Conditions—Concrete Walls—Good.
Coatings—1 coat only. (lower steps—1 coat).
Types of Paint—Semi-Gloss (walls). Porch and Deck Enamel (stairs). $100.
Area: Compressor Room (under engine room):
Conditions—Concrete Ceilings, Walls and Deck—Raw, oily and greasy, clinging dirt.
Tanks, Machinery, Piping—oily and greasy, heavy dirt.
Cleaning Method—Complete washing of all areas with soapy water and solvents. Wire brushing.
Coatings—2 coats over entire areas.
Types of Paint—Concrete primer latex finish and Semi-Gloss (dado). Steel primer, steel oil paint finish, Enamels, porch and deck oil. $950.
Area: Men's Toilet (main floor):
Conditions—Concrete Ceilings, Brick Walls—Peelings.
Coatings—Metal Partitions—Good (1 coat).
Ceilings—2 coats.
Walls—1. coat.
Types of Paint—Latex flat, Semi-Gloss, Enamel. $200.
Area: Filter Room:
Conditions—Concrete Ceilings—Raw, heavy dirt.
Cranes (2) Crane Beams (4)—Pitted rust, heavy dirt.
Sash—Pitted rust, heavy dirt.
Machinery—Heavy dirt, rust.
Hand Rails—Good (1 coat).
Over-Head Corrugated Door—Pitted. Heavy dirt.
Piping—Heavy dirt.
Rigging—about 25 percent of time spent.
Cleaning Method—Steel scrapers, hand wire brushing, solvent cleaning, dust brushing.
Coatings—2 coats over 90 percent of Area.
Types of Paint—Concrete primers, Latex finishes, steel primers, steel oil finishes, Aluminum, Enamels. $4,100.
Area: Stairway (end of filter room incl. area between vacuum room and tunnel):
Conditions—Concrete Walls—Raw, very heavy muck on piping.
Coatings—Hand Rails—Good (1 coat).
Walls—2 coats.
Types of Paint—Concrete primer, latex finishes, steel oil paint, Enamel. $1,100.
Area: Tunnel to Upper Gallery:
Conditions—Concrete Ceilings and Walls—Raw.
Piping—fair condition.
Coatings—1 heavy coat on all surfaces.
Types of paint—Latex masonary paint. Semi-Gloss oil paint on steel, Aluminum. $1,100.
Area: Cyclone Fence: 650 feet of fence wire brushed. One coat Aluminum. $750.
Area: Base of Water Department Garage: 1 coat on concrete 4' Base, $310.
Other Painting in Misc. Areas—Pumping Station, etc. $1,000.
Total: $36,000.
Total estimated cost, tools add 5 percent, $29,075.00.
Estimated paint cost, $4,000.00 (bid cost).
Total, $33,075.00, May 1–Jan. 31 (9 months).●

BILL KURTIS ON POLAND

● Mr. PERCY. Mr. President, one of the relatively few Western journalists who has been able to enter Poland in recent months and cover the story of the solidarity union movement comprehensively is Chicago channel 2 anchorman Bill Kurtis.

In his special report for WBBM-TV in Chicago, and in special articles for the Chicago Sun-Times, Bill Kurtis has captured the human details of the new spirit of hope that characterizes Poland's recent turmoil. It is in the best tradition of foreign correspondent journalism, full of insight into the forces shaping Poland's present renewal, and an inspiration to all of us who care deeply about the traditions and spirit of the Polish nation. Bill Kurtis has brought us a vivid picture of the struggle and optimism of Poland's workers.

Describing a rally in support of farmers' demands for an independent farmers' union, Kurtis says:

The spirit was here, the close relationship between the moral strength of what is happening in Poland and the people's force to carry it out. It has led many Poles to set their minds on the future, oblivious to threats of Soviet intervention, confident in their faith and a new Polish spirit—of Solidarnosc.

Mr. President, I ask unanimous consent that the full text of Bill Kurtis' articles on his recent travels in Poland for the Chicago Sun-Times be inserted in the RECORD at this point.

The article follows:

SOLIDARNOSC—AMID POLAND'S TURMOIL, A NEW, SMILING SPIRIT

(By Bill Kurtis)

WARSAW, POLAND.—A tall man, his dark coat turned up against the chill February wind, teetered on his toes, straining to see the beginning of the serpentine line that he had joined. He saw only the cold breath of his fellow Warsaw shoppers and the shifting of their stout frames from one foot to another. It gave the column a false sense of movement as it twisted out of sight around a corner.

One full city block from the newcomer's position, the line ended in a flurry of arms and elbows struggling to enter the doorway of a "delicatesy," patience finally giving way to the anticipation that had built during a four-hour wait to buy a few tins of canned tomatoes.

It is a common picture of Poland, 1981, for there are lines everywhere, longer than at any time in recent history, created by shortages of meat, fruit, dairy products, flour and appliances. For the average Pole, there was no store immune from the specter of empty shelves.

The Depression scene, although quite accurate, is a superficial impression, however. There is something more significant in the line of shoppers that more precisely represents Poland today.

Even after hours standing in the cold dampness, the rugged faces were smiling. Their voices were lively in animated conversation that mirrored small red-and-white pins on their coats, which bore a single word—SOLIDARNOSC.

It is a rallying cry for a new Polish spirit that has swept from the Baltic Sea to the Czech border, from the Silesian coal mines to the Black Madonna—Our Lady of Czestochowa. Solidarnosc has captured union workers and professionals, dissenters and intellectuals, housewives, students and farmers, cab drivers and waiters. It has unified the country into a single cause larger than any Polish force outside the Catholic Church and has turned a union of shipyard workers into a social movement that outnumbers the Communist Party in Poland 3-1.

Despite its size, however, and impressive gains—the five-day workweek that took six months to achieve in Poland took 10 years in East Germany—the spirit that represents social revolution in Poland also could topple the country into further Communist repression.

The most visible symbol of Solidarnosc is 38-year-old Lech Walesa, holding the reins of popular support in his hands while trying to delicately steer between Scylla and Charybdis—the Communist parties of Poland and the Soviet Union.

Walesa is no Mahatma Gandhi, although he endorses the same nonviolent tactics Gandhi used against the ruling British government in India. He is no Dr. Martin Luther King, Jr., although he identifies with the same Christian themes of neighborly love as a means to an end. He is a creation of communism's laboring class, a socialist who believes in free speech and free assembly but not necessarily in capitalism.

In early February, I found Walesa chasing one wildcat strike after another like a fireman trying to put out blazes, trying to mediate and moderate the labor problems, ironically, after having set off the first spark

of hope himself. He is attempting to hold the rising spirit of Solidarnosc within some control, preaching non-violence and patience, singing the Polish National Anthem with strikers in Bielsko-Biala and trying to avoid disorder there at the same time.

His rich, chestnut-colored mustache, split by the curving, full-bowled pipe he has recently taken up to cut a chain-smoking cigarette habit, has become a familiar trademark throughout Poland. He breezes into buildings with the swagger of a re-elected politician. He can exhibit a toughness forged in the shipyards of Gdansk and a shortness of temper intrinsic to union bargaining agents. Yet he also possesses the feisty charm of a streetfighter with the ability to use his warm smile to control the mood of a crowd as a maestro might lead an orchestra from one movement to another.

I have watched him crushed between security guards and tenacious television camera crews to be spewed into a waiting bus at Rome's Leonardo da Vinci Airport, only to mug for the cameras through the windows once inside, obviously enjoying the jostling attention. Even exhausted at the end of marathon negotiating sessions in Warsaw, Walesa would pause briefly amid the blue lights to communicate with the media—not playing to it, but responding dutifully to the waiting press.

We live in an age in which leaders often must excel in two arenas. One is private, like Walesa's presence at a negotiating table in Gdansk, and the other is public, like his media image of "commonness"—with loosely combed hair and ill-fitting clothes—which ignites the identification of a Polish constituency.

He has become the Poles' lightning rod, elevated from simple roots amid shipyard workers in Gdansk to world prominence. The small nation of 35 million seems to be riding along at his side, sharing each experience vicariously, sharing the thrill of winning—so far.

Every Pole's dream is to visit the pope at the Vatican. Walesa was there, kneeling to kiss the papal ring, standing alongside his holiness to receive a papal blessing and appearing to confer privately with the man who embodies the greatest surge of Polish pride in the country's history. The symbolism carried in a wirephoto back to Poland had enormous impact. A copy is still pinned to the wall of Solidarity's Warsaw office and its nonverbal communication speaks volumes on behalf of the Solidarnosc cause. Pope John Paul II is standing on the right, representing the moral strength of the Polish people, embracing the "commoner" Lech Walesa, who has become Every Pole.

The message during that embrace was to go slowly and peacefully. The strategy seems clear—to avoid giving the Soviet Union reason to send troops onto Polish soil, but it is a tall order to control the spirit of a social movement that is percolating wildly through millions of different hearts and minds.

Poles throughout the country already have begun liberalizing the communist structure in many individual ways, like speaking freely.

There was a Polish saying applied in the past: "When a Pole comes home from work he changes his shoes and his views." Today, proudly, Poles tell you that the phrase should be shortened to: "When a Pole comes home from work, he changes his shoes—period!"

The new attitude has taken the form of a boldness, even in front of the communist bosses, that at times seems to go even beyond Walesa's example. In the recent wildcat strike in Bielsko-Biala, where workers were out for 10 days, the issue was corruption among provincial Communist Party leaders, well beyond the traditional labor complaints of wages and working conditions. Communist Party leader Stanislaw Kania described the growth of Solidarity support in these areas as a political opposition force. That was denied by Walesa and other union leaders, but even impartial observers find truth in the charge. A strike in Jelenia Gora included demands to relinquish a vacation resort used exclusively by Communist Party members, another example of what Kania would call using strikes for political ends—but what the workers there were calling "justice."

Even sympathetic observers believe many areas are in a state of anarchy that pushes Walesa dangerously close to losing his comfortable negotiating relationship with the current ruling party and perilously close to the edge of chaos, which would be used by the Soviet Union as justification for sending troops into Poland to restore order.

In every sector are stories of individual "victories" in support of Solidarity goals. During dinner one night, I kidded the waiter about his lack of a Solidarnosc lapel pin, which was being worn by fellow waiters in another restaurant not far away. He lifted his lapel, revealing a red-and-white Solidarnosc button underneath, explaining that the national strike scheduled for Feb. 3 had been called off, according to a news conference broadcast only a few hours before. His attention to the matter had not missed a detail of the announcement.

Access to the media has, of course, speeded the growth of Solidarity. Before the summer of 1980, state-controlled television and radio broadcast only Communist-censored information. In the Gdansk agreement negotiated between the shipyard workers and the government, Solidarnosc was granted access to the media for the union's own purposes, which amounts to a pipeline of information completely independent of the government. In addition to that enormous concession, the government granted permission for Sunday mass to be broadcast for the benefit of shut-ins. It was Solidarnosc's "gift" to the church, and it cemented the trade union's bond with the movements alter ego.

A student who worked part time as a guide for foreign tourists expressed his feelings for Solidarnosc by referring to his father. "My father is a disappointed man. For 35 years he's worked hard in the belief that it would be good for his family, and now we don't even get a washing machine, automobile parts or food. Thirty-five years ago he thought it would all work out, that his generation would sacrifice for later generations of Poles—his sons—but he's bitterly disappointed." The father's sadness has become a flicker of hope in the son's eyes, hope that is carried in the organization—Solidarnosc.

Some 60,000 printers are members of Solidarity. They recently pressured their censors to let them print the truth, threatening to print the newspapers with blank spaces where the censor's cuts had been made. At one point, printers working on the Zycie Warszawy newspaper refused to print articles critical of Solidarnosc.

Journalists have carved new gains as the censors relaxed their red pencils in the mood of the reforms sweeping the country.

Two-thirds of the employees of Polish television are members of Solidarnosc.

Students, who touched off major protests in 1968 resulting in expanded academic freedoms, are almost lost in the current free-fire zone of labor unrest. They have taken over university buildings and staged hunger strikes to protest mandatory courses in Russian languages and Communist history.

The Holy Cross Church in Warsaw, where the first Radio Mass was broadcast under the agreement, closes each service Sunday with a Polish hymn that seems appropriately patriotic as well as religious. It's entitled "Let Poland Be Poland."

I saw the full scope of the Solidarnosc spirit most clearly during a dinner in the home of an upscale Polish family. Both husband and wife were engineers. She was a member of Solidarity and he was a member of the Communist Party who in 1978 had even served as an adviser to the Republic of Vietnam. Her support for the Solidarnosc cause was based on pragmatic reasons—"I hope Solidarnosc will influence supplies on the market and the standard of living." But there also were broader desires from the Communist member of the movement, bold talk in a conversation with a Western journalist. The husband joined her to say, "In my opinion the government could be more democratic, to promote the general welfare of the people."

"How will Solidarnosc be able to live with Communism?" I asked. "What will be the result?"

He was wrestling with his own concept of communism, as Poles have done for 35 years, balancing a socialist government with their opinions about Christianity. He replied, "Jesus Christ was the first communist." I suggested that communism was atheistic, to which he replied, "I mean Jesus Christ disapproved of any kind of mistreatment and persecution. His principles were the same as communism, that everything should be centered on man's good. He wanted to establish relationships based on man's equality. That's why I say he was communistic." He made it clear that Solidarity was not expected to overturn communism in exchange for capitalism, but even as a Communist Party member he expected a democratization of Polish Socialism.

We ate Polish ham and sausage, spiced with ample servings of Polish vodka. The meat, our hostess admitted, was obtained through diplomatic "connections." We'd call it "clout" in Chicago. That, she said, is the way many people are getting by—trading through friends and "connections."

During the meal, the lifestyle of the average Pole became the topic of their concern.

If someone wants an automatic washer, he pays the total price for the privilege of having his name placed on a list of buyers who must wait, for years sometimes, for the next shipment. Young couples routinely live for five to six years with their parents until they become eligible for housing. It is a practice by many parents to place a child's name on the housing list when he enters elementary school, so that when the child nears the age of marriage the wait will not be as long.

All these things, the couple hoped, would be helped by Solidarnosc, but realistically they smiled, knowing the social movement still was working from outside the center of power.

Shortly before leaving, our communist host said he probably would join Solidarity himself, to please his wife, but he added, "I think we are dealing with the particular character of the Polish economy. There have been restrictions in recent years, import restrictions, employment restrictions, and all of them have obstructed the economy. What we need is a new approach. There are enterprises which require many employees. When there are restrictions they can't function. That's why changes are needed along with a new responsibility on the part of managers."

On the way to the door, the walls of their children's room in the small apartment could be seen covered with posters of such American teen-age idols as Leif Garrett, the Bee Gees and the Beatles. Western influence through television programs and motion pictures has saturated Poland with the taste of a freer life in the West and with how life could be.

It has all contributed to a state of mind that now demands change.

A HARD ROAD TO SOLIDARITY—BUT WHERE WILL IT END?

(By Bill Kurtis)

WARSAW.—The current unrest in Poland can be seen with some clarity if placed in its historical perspective.

Throughout the 19th century, while Poland's partitioned borders changed like shifting sands between Prussia, Russia and Austria, every generation rose up to claim the rights to a free and independent Poland.

That sovereignty was finally granted by treaty, not revolution, in 1919 with the Treaty of Versailles, only to be wiped away again when the Nazi blitzkreig swept into Poland in 1939. Socialism replaced it six years later under the repressive hand of Stalin's Communist Party leadership. It was a time of rebuilding and sacrifice so the next generation of Poles might be better off.

It was 1956 before the first real protest was led by students and workers against the policies of Stalin and Poland won a change of government with Wladyslaw Gomulka elected to head the United Workers (communist) Party. The Stalin era faded and the next 25 years was marked by the dates of strikes and protests which wrested small victories from the Communist regime.

Student strikes in 1968 achieved greater independence for scientists and academicians. Gdansk laborers struck the shipyards in 1970 to demand a union free from control of the Communist Party. They made the mistake, however, of letting their emotions spill into the streets, giving the government cause to use force to put down the riots. Nearly 50 men were killed. Among the strikers was a 28-year-old electrician named Lech Walesa whose experiences were stored away to form the basis of a strategy 10 years later in the same shipyards.

Strikes and protests in 1976 and 1978 all brought a modicum of reform but they were largely dissipated efforts of dissenters and intellectuals unable to unite the large population to their cause.

Solidarity can be traced to three concurrent forces that were developing during the '70s. The first was an economy that promised hope but failed.

After the 1970 Gdansk experience, Communist Party leader Edward Gierek liberalized the Polish government and promised economic expansion by turning to the West for the funding of industrial growth. The United States and European giants poured billions of dollars into Poland, creating an impressive industrial base but one that quickly extended beyond its existing technical capacity.

Poland had planned to repay the huge loans by selling its products in Western markets. That became a deep flaw. Those Western markets dried up when inflation and recession cut deeply into world economies, including that of the United States, and the quality of Polish goods simply did not measure up to those products already being sold in the Western markets.

In 1975, Poland's economy began to slide badly, unable to keep up with the optimistic undertaking of the first half of the decade. Much of Poland's production was taken out of internal consumption and exported to obtain hard currency to help repay the huge loans.

Lines begin to form when shortages appeared in stores throughout Poland. Housing slumped. Imports were restricted. Essential items like medicine ran into short supply. If the Poles prided themselves on anything it was eating well, especially pork, which carried them through the harsh winters. Eventually, farmers found it unprofitable, or they wanted to get a message across to the government, to raise pigs. Meat, vegetables, tractors, automobiles all seemed to be leaving the country, making it hard for Poles to buy even their own goods produced in Poland. They were left standing in line for what was available.

It was a severe blow, especially after the optimism of the early '70s, which led many to believe they could actually challenge Japan in productivity.

During this period of liberalized relations with the West, the highway between Warsaw and Chicago was flowing openly. Relatives visited frequently and the "culture" of the West poured into Poland.

As the economy faltered, so did the Polish faith in the Communist leadership. Rumors of special favors going to party members led to charges of government corruption, which fueled a total rejection of the governing ability of the ruling party and, perhaps more seriously, eroded any faith left in the economic policies.

By the end of the decade, Poland was $23 billion in debt to Western nations and the lines were longer than ever.

Concurrently, Polish pride was on the upswing, destined to peak at the end of the decade in the proudest moment of its 1,000-year church history when a Pole became pope. The significance can't be overestimated.

Poland is very likely the most devout Roman Catholic nation in the World. A full 90 percent of its population are Catholics and 75 percent are practicing believers. The church had become their shield under communism.

When Karol Wojtyla became pope in 1978, it was a confirmation of that deep faith, even a sign that 35 years of growing Catholicism under an atheistic system was destined for bigger things. Polish pride soared.

When Pope John Paul II visited Poland in 1979, the country unified in its one faith, behind one man. Even Communist Party members mixed into the huge turnouts to see the pope.

Although Cardinal Wojtyla had always followed the lead of his mentor, Cardinal Stefan Wyszynski, in preaching peace and internal order and moderation in the demands for unions and free speech, his message was taken by many as a direct challenge to the ruling government, a call to action to claim human rights of free speech and assembly—unions.

When the government ended its subsidy of the middlemen who sold meat, resulting in sharp increases in the prices of ham and sausage, the cutoff served as a trigger for the action Pope John Paul II seemed to be calling for.

Strikers bolted the gates of the Gdansk shipyard, this time staying inside the factories to avoid giving the authorities reason to call in force to put the action down.

By August, 1980, the strike had caught the world's imagination as the fight of a small band of men, struggling for their human rights against the great odds of Poland's powerful Communist Party backed up by the tanks of the Soviet Union. When 38-year-old Lech Walesa climbed the gates to announce victory to his fellow strikers, his speech was heard around the world. Maybe it was the appeal of the underdog winning against a Goliath, or perhaps the world sensed a valiant stirring in the soft underbelly of communism among the workers themselves.

Walesa was transformed from an out-of-work electrician into a world celebrity, and to his Polish constituency he became a hero second only to the Pope.

Solidarity had won the right to become a union independent of the ruling Communist Party. Within three months, 3 million Poles had agreed to join its ranks. By January, 1981, it claimed 10 million members, eclipsing the 3.5 million Communist Party members, many of whom had signed up as Solidarity supporters as well.

It was no longer just a union but a social movement which for many represented Polands only hope for reform. Intellectuals who could before muster only isolated support joined the spirit of change around the unified theme of democratic and economic reform.

Communist Party leader Stanislaw Kania charged that Solidarnosc had become more than a union, it had become a political opposition force. Walesa and others carefully denied any political aspirations but they are being pushed along by the Spirit of Solidarnosc, as clear to the Communist Party as it is to the people.

Each day seems to bring Poland to the edge of a cliff from which it has, so far, managed to back away. The questions loom daily. When will Solidarity go too far? When will it be unable to contain the spirit that is sweeping Poland? When will the government decide to use force, either Polish troops or Soviets, to restore order to Poland? And what then?

Walesa's most difficult problems of control may lie in the rural areas where farmers have already expressed dissatisfaction with a Supreme Court ruling that denied them an independent farmers union. Their feelings are deep.

I attended a rally of Rural Solidarity 25 miles from Warsaw, where 5,000 peasants farmers quietly marched behind a red banner from a church to a soccer stadium. They sat for two hours in the cold, listening to speeches calling for action, listing the complaints among the farmers, such as the inability to get tractors, parts, jeeps and fertilizer, and asking why the state-owned farms could get equipment easily.

When the rally was over, they marched back to mass at the church and sang hymns facing the same Rural Solidarity banner they had followed to the rally. Again, the spirit was here, the close relationship between the moral strength of what is happening in Poland and the peoples force to carry it out. It has led many Poles to set their minds on the future, oblivious to threats of Soviet intervention, confident in their faith and a new Polish spirit—of Solidarnosc.●

ORDER FOR THE RECOGNITION OF SENATORS BAUCUS AND KENNEDY ON TUESDAY, MARCH 10, 1981

Mr. STEVENS. Mr. President, I ask unanimous consent that Senator BAUCUS and Senator KENNEDY each be recognized for a special order not to exceed 15 minutes on Tuesday, March 10.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER PERMITTING THE INTRODUCTION OF BILLS, RESOLUTIONS, AND STATEMENTS, AND AUTHORIZING COMMITTEES TO FILE REPORTS UNTIL 3 P.M. TODAY

Mr. STEVENS. Mr. President, I ask unanimous consent that until 3 p.m. today Senators be permitted to introduce bills, resolutions, and statements, and that committees be authorized to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 11 A.M. TOMORROW

Mr. STEVENS. Mr. President, I move, in accordance with the provisions of the order previously entered, that the Sen-

ate stand in recess until the hour of 11 a.m. tomorrow.

The motion was agreed to; and at 1:18 p.m., the Senate recessed until Friday, March 6, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate March 5, 1981:

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

The following-named person to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years as follows:

Henry F. Greene, of the District of Columbia, vice Edmond T. Daly, deceased.

The following-named person to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years as follows:

Ricardo M. Urbina, of the District of Columbia, vice Norma Holloway Johnson, elevated.

IN THE COAST GUARD

The following-named lieutenant commanders of the Coast Guard Reserve to be permanent commissioned officers in the Coast Guard Reserve in the grade of commander:

Wallace F. Kelley
John T. Schulenberg
Carl L. Perry
Alfred J. Rank
Robert P. Eigas
Richard W. Mattson
William A. Lordge
Robert G. Christian
James R. Hamlin
Regis C. King
James W. Kunkle
James M. Sharpe, Jr.
Daniel S. Wilshire
Garret W. Post
Lynn W. Meyer
Donald E. Tungate
Vivian J. Gianelloni III
Earl Bergadine
Larry A. Kittner
Hans A. Slade
Ollie W. McClung, Jr.
Richard F. Healing
Stephen M. Levine
Douglas W. Brown
Steven B. Satterthwaite
Edward H. Leska, Jr.
Thomas B. Rueb
Gordon K. Swain
Robert B. Wood
William B. Atkinson
Ronald E. Arbuckle
Bruce M. Patterson
Merlin E. Rudd
Thomas E. Sims III
Richard C. McCormac
Roy G. Phelps, Jr.
Robert B. Rabon
James A. Niedermayer
Jackson D. Ingram
Luke P. Benson
Anthony F. Finizio
Russell T. Hebert
Darvy M. Cohan
Robert W. Staton III
Samuel R. Volpentest
Gary J. Fields
Ernest L. Seeman
Lawrence T. Hubbard
John L. Pauly
Samuel G. Preiss, Jr.
Warren G. Appell
Gerald W. Bourland
Barton W. Stein
William B. Powell
Robert L. Rice
Richard R. Shaw
Charles M. Schubert
Richard H. Plager
Conrad A. Lauer
Paul F. Keane
Dennis A. Lupher
Jimmy D. Stephens
Thomas J. Downs
Bernard J. Helldorfer
Edward H. Bonekemper III
Frazer C. Hilder
Richard F. Sanders
Gary L. Cousins
Mauro M. Martinez
Robert C. Connolly
Kevin A. Malone
Philip G. Clifford II
Clay M. Drexler
Robert G. Bright
Robert P. Sniffen
Edward L. Ziff
Ronald R. Reaume
Michael J. Caccuitto, Jr.
Fredrick C. G. Scheer
Forrest S. Bauman
Ray A. Franseen
Douglas A. Hall
Donald E. Berquist
Terence McCabe
Ronald A. Hassell
Anthony D. Castberg
Robert M. Hopkins
Robert W. Rummell
Fentress H. Munden
Charles W. Gower
Philip J. Grossweiler
Michael T. Bohlman

IN THE AIR FORCE

Lt. Gen. Evan W. Rosencrans, U.S. Air Force, (age 54), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8036, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Lynwood E. Clark, 087-20-7534-FR, U.S. Air Force.

IN THE NAVY

The following-named officer of the U.S. Navy for permanent promotion to the grade of rear admiral, pursuant to title 10, United States Code, sections 5780 and 5791.

To be rear admiral

Raymond N. Winkel.

IN THE MARINE CORPS

The following officers of the Marine Corps Reserve for appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5902:

Constantine Sangalis.
William H. Gossell.

Executive nominations received by the Secretary of the Senate March 5, 1981, under authority of the order of the Senate of March 5, 1981:

DEPARTMENT OF LABOR

Thorne G. Auchter, of Florida, to be an Assistant Secretary of Labor, vice Eula Bingham.

DEPARTMENT OF TREASURY

Angela M. Buchanan, of the District of Columbia, to be Treasurer of the United States, vice Azie Taylor Morton, resigned.

OFFICE OF PERSONNEL MANAGEMENT

Donald J. Devine, of Maryland, to be Director of the Office of Personnel Management for a term of 4 years, vice Alan Keith Campbell, resigned.

EXTENSIONS OF REMARKS

JEANE KIRKPATRICK: UTILITARIANISM AS U.S. FOREIGN POLICY

HON. WALTER E. FAUNTROY
OF THE DISTRICT OF COLUMBIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. FAUNTROY. Mr. Speaker, Ms. Margaret D. Wilde, a citizen of the District of Columbia, has had published this week in the ecumenical weekly, Christian Century, an article entitled "Jeane Kirkpatrick: Utilitarianism as U.S. Foreign Policy." The article is a valuable contribution to constructive thinking and debate on the orientation and objectives of U.S. foreign policy.

I submit this article for the RECORD and call it to the attention of my colleagues:

JEANE KIRKPATRICK: UTILITARIANISM AS U.S. FOREIGN POLICY

Before Ronald Reagan announced his choice of Jeane Jordan Kirkpatrick as U.S. ambassador to the United Nations, the story of her rise to prominence was circulated as an indication that her recommendations would be likely to shape his policy toward right-wing military regimes: Kirkpatrick's November 1979 Commentary article, "Dictatorships and Double Standards," had drawn favorable notice from a Reagan aide and eventually led to a friendship with the candidate himself.

Human values were conspicuously absent from the 1979 article; that was not altogether surprising for a university professor specializing in pragmatic policy implementation. It was when her recommendations were embraced as public policy—including a call for support of "tested friends" who happen to be "moderately repressive autocrats"—that the ethical implications of supporting repression became an issue. Patricia Derian, the Carter administration's human rights spokeswoman, summed up those implications explosively: "What the hell is moderately repressive?"

After her nomination to the Reagan cabinet, Kirkpatrick relaxed the confrontation somewhat by acknowledging that ideals do indeed play a part in foreign policy. In a January 7 talk to B'nai B'rith in Washington, D.C., she did not define those ideals but said that political power was needed to achieve them, and that the pursuit of ideals should be grounded in political realism. Thus she seemed to make room for the view that human values stand above economic and military interests—although her failure to say so directly, in a speech about the relation between ideals and realism, was not at all reassuring.

At the same time, Kirkpatrick reaffirmed the primacy of U.S. interests at the practical level on which governments operate: abstract concepts are "irrelevant, or less relevant than strategic considerations." She warned that "ideals never exist in the abstract; if you try to apply it in that context, the result will be havoc." And amid the controversy surrounding her article, only days before her confirmation hearing she reaffirmed moderate autocracy as a lesser evil than unstable or leftist governments.

At the end of January a new Kirkpatrick Commentary article appeared. Titled "U.S. Security and Latin America," the new statement leaves no doubt about the place of ideals in her perspective: it was not by oversight, nor because of the limited frame of reference of the earlier article, that human values were not mentioned. The view reflected in the second article is entirely amoral, devoid of any ideals that might be served by a more realistic policy.

HIDDEN ASSUMPTIONS

The 1979 article, written from an academic perspective without the conflicting pressures that affect the making and interpretation of public policy, is more cogently argued than the 1981 article. But even at the pragmatic level, her thesis is logically flawed and unrealistic. The 1979 Kirkpatrick thesis contains a set of assumptions by which differing interpretations are judged guilty of ideological distortion or naïveté. Four of these assumptions are fundamental to her policy projections:

1. The U.S. cannot change the course of world history, so it is unrealistic to encourage modernization and democratization in other countries. Even aid to economic development as a basis for democracy is "grossly oversimplified," in Kirkpatrick's opinion. Citing John Stuart Mill's criteria for representative government, she explains:

"While it surely helps to have an economy strong enough to provide decent levels of well-being for all, and "open" enough to provide mobility and encourage achievement, a pluralistic society and the right kind of political culture—and time—are even more essential. . . . Decades, if not centuries, are normally required for people to acquire the necessary disciplines and habits."

2. The U.S. can change the course of world history, so those who advocate adapting to changing values and popular pressures are either defeatists or Marxists. This judgment is most evident in Kirkpatrick's derisive use of quotation marks around such terms as "broadly based" and "forces of democracy"; however, she states the view directly in a passage describing how established autocracies are needlessly brought down by a combination of local insurgency and U.S. ambivalence:

"And everywhere our friends will have noted that the U.S. cannot be counted on in times of difficulty and our enemies will have observed that American support provides no security against the forward march of history."

Later she slips into the sarcastic mode and refers to "evolutionary changes, which seem to be the only kind that actually occur."

"Since events are not caused by human decisions, they cannot be stopped or altered by them. . . . The Carter administration's essentially deterministic and apolitical view of contemporary events discourages an active American response and encourages passivity. . . . Where once upon a time an American President might have sent the Marines to assure the protection of American strategic interests, there is no room for force in this world of progress and self-determination. Force, the President told us at Notre Dame, does not work; that is the lesson he extracted from Vietnam. It offers only 'superficial' solutions."

3. Poverty, repression and corruption are an accepted way of life in most of the world, and only our Western cultural bias leads us to wish it were otherwise. Traditional autocracies are "deeply offensive to modern American sensibilities," says Kirkpatrick:

"The notion that public affairs should be ordered on the basis of kinship, friendship and other personal relations rather than on the basis of objective 'rational' standards violates our conception of justice and efficiency. The preference for stability rather than change is also disturbing to Americans whose whole national experience rests on the principles of change, growth and progress. The extremes of wealth and poverty characteristic of traditional societies also offend us, the more so since the poor are usually very poor and bound to their squalor by a hereditary allocation of role. Moreover, the lack of concern of rich, comfortable rulers for the poverty, ignorance and disease of 'their' people is likely to be interpreted by Americans as moral dereliction pure and simple. . . . Confronted with them, our vaunted cultural relativism evaporates and we become as censorious as Cotton Mather confronting sin in New England."

4. Kirkpatrick then claims that systemic differences make revolutionary autocracies more repressive and less susceptible to change than traditional ones:

"Traditional autocrats leave in place existing allocations of wealth, power, status, and other resources which in most traditional societies favor an affluent few and maintain masses in poverty. But they worship traditional gods and observe traditional taboos. They do not disturb habitual rhythms of work and leisure, habitual places of residence, habitual patterns of family and personal relations. Because the miseries of traditional life are familiar, they are bearable to ordinary people who, growing up in the society, learn to cope, as children born to untouchables in India acquire the skills and attitudes necessary for survival in the miserable roles they are destined to fill. Such societies create no refugees."

HUMANITY VS. STABILITY

The January 1981 Commentary article reflects Kirkpatrick's recent thinking about security threats—some real, some imagined, some invented in the face of clear evidence to the contrary—through early December, when she was already on her way to public prominence. Her failure to identify human goals as a context for realistic policymaking is remarkable.

In the new article human welfare is generally recognized as an objective, but it is totally relativized. Kirkpatrick refers to lower infant mortality rates and increasing levels of education in Central America, but emphasizes how slowly the improvements come, and at what cost to stability and security:

"It has been easier to break down the myths justifying the old distribution of values in society than to improve access to

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

education, medical care, decent housing, good food, respect, and political power."

The unacceptability of this trade-off of stability for other goals is underlined in Kirkpatrick's conclusion: we must think realistically, she says, "about the alternatives to existing governments, and about the amounts and kinds of aid and time that would be required to improve the lives and expand the liberties of the people of the area. The choices are frequently unattractive."

Abstract concepts, which Kirkpatrick merely scorned in the B'nai B'rith speech, are an obsession in the new article. Everything she disagrees with is abstract: "The goals recommended [to Carter] for U.S. policy were all abstract and supranational—'human rights,' 'development,' 'fairness.'" In her conclusion she cites Edmund Burke against a global world view, which stands "in all the nakedness and solitude of metaphysical abstraction."

Kirkpatrick is correct in contending that abstraction can be abused, or substituted for clear thinking about concrete reality. She accuses the Carter administration of this failing in its uncritical acceptance of "change" and "progress" (her quotation marks). But she allows the same path in a sweeping dismissal of change—and the desire for change—as leading to disruption of stability and subversion of authority:

"The nations of Central America (including Mexico) and the Caribbean suffer from some form of institutional weakness—because significant portions of the population have not been incorporated into the political system, and/or because political action is not fully institutionalized, and/or because the legitimacy of the government is in doubt, and/or because there is no consensus concerning legitimacy within the political elite, and/or because the economy is vulnerable to shifts in the international market, and/or because regular infusions of aid are required, and/or because rising expectations have outstripped capacities. All are vulnerable to disruption, and must rely on force to put down challenges to authority."

SUBVERTED TRADITIONS, UNRELIABLE FRIENDS

In responding to the Kirkpatrick thesis, one would be wrong to downplay either the instability of the current situation or the direct Soviet influence on that situation. There are real threats to U.S. national security in Latin America, some of them undeserved; also, the growing instability is already causing more suffering in Latin America than in the U.S.

But the Kirkpatrick thesis is not the answer, either before God and the people of Latin America or in terms of pragmatic U.S. interests. What she proposes in both Commentary articles and in the B'nai B'rith speech is not political realism, but utilitarianism—and the new government will soon discover that utilitarianism is no more viable as a single policy standard than was humanitarian concern.

It is not realism to expect U.S. economic, political and military interests always to serve human values. But neither is it realism to deny the existence of those values above and beyond political power relationships; when ideals no longer exist in the abstract, then the nation will have lost its soul and will also fail to serve its own pragmatic interests.

The traditions which once provided stability, and made misery bearable in Latin America and elsewhere, are daily subverted by the traditional autocrats. In Latin America theirs is not a traditional god but a puppet deity, prostituted on state occasions to the increasing indignation of even traditional bishops and lay leaders.

Traditional autocrats do disturb existing allocations of wealth, power and status. They massively displace Indians, peasants and urban slum-dwellers from their habitual places of residence, as land and timber values rise. They do disturb family and personal relations, as Argentine Nobelist Adolfo Pérez Esquivel and the Mothers of the Plaza de Mayo (mothers of the disappeared) are witness.

The difference between traditional and revolutionary autocracies is not systemic or even tactical; it is a matter of political and economic loyalties which are themselves highly unpredictable. Traditional autocrats are motivated by modern economic objectives, and pursue them in the context of a modern geopolitical struggle. For the sake of steel mills, hydroelectric plants, nuclear capability and their own personal appetites, these rulers build alliances with international companies and governments, shift local production to international markets, construct statistical economic "miracles," and use modern communications technology to promote imported consumer goods and cultural values.

These autocrats also fail to meet standards of efficiency and rationality which are not (as Kirkpatrick believes) unique to American culture, but are central to U.S. interests. Traditional autocrats entrust the international orientation and local implementation of policy to cousins, brothers-in-law or the highest bidders, and their actions regularly confound the logic of U.S. bankers and policymakers. They do not judge their interests and alliances by a single standard; as tested friends, some of them are overdue for re-evaluation.

But they will not stand still to be measured; already they are abandoning moderation in favor of military and police excess, and are expecting us to pick up the tab. "No more Nicaraguas" was the promise of 1980; now we face a proliferation of El Salvadors, all claiming to be our friends, each forcing us to modify or set aside any single standard of political credibility or economic and military cost-effectiveness.

Human rights, development, fairness and the oneness of humankind are not mere abstractions to those who care about them and suffer their absence, just as Kirkpatrick's vision of U.S. strength and national security is not abstract to her. They are all human values or principles to which mortal decision-makers refer in taking concrete action; instead of scorning them, we should thank God for the gift of abstraction, and face directly the responsibility of choosing among our principles when swift action is required.

There is no universally applicable single standard—and the sooner we realize this, the less credibility and the fewer lives, American and foreign, will be lost in the process.●

IOSIF MENDELEVICH

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. SOLARZ. Mr. Speaker, as my colleagues are already aware, on February 18, 1981, Iosif Mendelevich, a 10-year prisoner of conscience in Soviet prisons, stepped onto Israeli soil a free man. Iosif is a living testimony to true courage in his endurance of 10 years of hardship, hunger, and ill health. He retained his devotion to Judaism throughout his ordeal, and was subjected to repeated punishment for his persistence in observing Jewish religious laws. At the time of his release he had just terminated a 54 day hunger strike held to protest the confiscation of religious and Hebrew study books and notes, which he used in teaching other Jewish prisoners.

It is important that, while rejoicing in the release of Iosif Mendelevich, we continue to work to secure the release of the only two remaining prisoners convicted with Iosif—Alexi Murzhenko and Yuri Fiordorov—as well as to pressure the Soviets for the freedom of other Jews held in Russia against their wills. I am certain that the storm of protest on Iosif Mendelevich's behalf from Members of Congress and the thousands of constituents who continue to bring these matters to our attention helped to secure his release, and we all must continue to apply this pressure to obtain the release of others unjustly held in the Soviet Union. I urge all of my colleagues to continue their efforts on behalf of these beleaguered people.●

MARTIN LUTHER KING: AN INSPIRATION RECALLED

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. McKINNEY. Mr. Speaker, quite appropriately, during these last few weeks, we have been fortunate to have read and heard a number of commentaries extolling the virtues and meaning of the life and career of Dr. Martin Luther King. Only a few, however, captured the excitement of the man and told of how stirring his very presence could be. Woody Klein is one of the few. An author and lecturer, Mr. Klein was among those present at the Abyssinian Baptist Church on November 14, 1965, when Dr. King made his first appearance in the pulpit of the Rev. Adam Clayton Powell. In a recent column for the Westport (Conn.) News, he recounted that moving event and I believe his words are worth sharing with my colleagues in the house. A former member of the administration of New York City Mayor John V. Lindsay, Mr. Klein holds to the beliefs and ideals of Dr. King and has endeavored to make them a reality. His column follows:

MARTIN LUTHER KING: AN INSPIRATION RECALLED

He opened the door to his suite at the New York Hilton on that summer afternoon, August 30, 1965, thrust a strong, welcoming hand towards me, smiled and asked me to join him. He was in a pleasant mood, a little distant, quiet, calm, gentle.

It was the first time I had ever met the Rev. Dr. Martin Luther King.

Away from the crowds and the cameras, the noise and the klieg lights, he seemed strangely alone, almost shy. It was the private man, I realized, whom I was interviewing.

A mutual friend of ours, the Rev. Wyatt Tee Walker, who had once worked on Dr. King's staff, had arranged this last-minute exclusive interview for me when I was reporting for the New York World-Telegram and Sun, covering the civil rights movement.

Dr. King, president of the Southern Christian Leadership Movement, was to have met that afternoon with the United States Ambassador to the United Nations, Authur Goldberg, to discuss the situation in Vietnam. But the meeting had been postponed and I was the fortunate recipient of the one-hour break in Dr. King's schedule.

We talked quietly about a great many subjects. He told me he thought Red China should be admitted to the U.N. "because it would be one of the best ways to ease tension in the world" and to make disarmament possible; he said the national antipoverty program "should be greatly expanded or it might become another glorified welfare program to preserve poverty" instead of eliminating it; he said he felt most white people in positions of economic power "still fail to grasp the depths and dimensions of racial injustice" in the United States; and, he called New York Congesssman Adam Clayton Powell "a very strong force" in Harlem who could possibly help the Negro civil rights movement by joining him in a people-to-people tour of the black ghettos.

"Do you think it would be helpful if President Johnson toured the ghettos of America?" I asked.

"It would have a tremendous psychological value," Dr. King replied. "The vast majority of Negroes have a high regard for Mr. Johnson. They feel he is working for them. There is no bitterness towards him in the rioting and the violence that has erupted. He is not to blame. He has done his best.

"Yet the rioting in Los Angeles and other parts of our country has hurt the movement and something is needed to give it a lift. A tour by the President—seeing poverty conditions for himself—should be followed by a massive economic program to give the people in the ghetto a stake in society."

I asked him if he felt his non-violent movement might spread to the North?

"I consider New York and the North a place where it will work." he replied. "It seems to me that if it doesn't take hold in Harlem and in Bedford-Stuyvesant there could be trouble. Frustrations can erupt at any time."

Three months later, on Sunday, November 14, 1965, I was sitting in the audience on a reporting assignment in the Abyssinian Baptist Church in Harlem, where the Rev. Adam Clayton Powell was about to begin his Sunday sermon.

He stood up, raised both hands and within minutes his followers were spellbound by his rhetoric, his emotional appeal, his charm. He asked his "brothers and sisters" to join in with him and, before the 30 minute speech was over, everybody in the church was cheering wildly.

Then he introduced the Rev. Dr. Martin Luther King, who had been sitting patiently on the platform awaiting his turn. He had kept his word and had come to Harlem to seek support for his non-violent Southern Christian Leadership Movement. He started talking very quietly. The contrast between him and Rev. Powell was noticeable.

But as he began to warm up, the audience sensed his emotions peeling off, layer by layer. Within 15 minutes, he, too, had his listeners in a joyous response with every sentence he uttered. As his cadence quickened, the crowd became more and more excited.

When he finally sat down he received a standing ovation. He had out-performed Adam Clayton Powell on Mr. Powell's own podium.

That was the last time I saw the Rev. Dr. Martin Luther King.

For three years more, he would continue to be an inspirational force for equality and justice in America. Long after he received the Nobel Peace Prize, he continued to strive for the peace that has yet to come, the peace between races in America.

He was and still is, in the eyes of many, one of the great men of America in this century. And he inspired millions, black and white alike, until he was taken from us by an assassin's bullet on April 4, 1968, at the age of 39.

He would have been 52 tomorrow.●

SOIL CONSERVATION ACT OF 1981

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. WAMPLER. Mr. Speaker, today I join my colleagues, the Honorable ED JONES of Tennessee and JIM JEFFORDS of Vermont, in sponsoring the Soil Conservation Act of 1981. The purpose of this bill is to coordinate Federal and local efforts in addressing the critical needs of soil conservation, water management, and other related problems that exist in many areas of the United States.

Mr. Speaker, one of the most serious problems this country faces today is the permanent loss of productivity from our land due to improper management and erosion. Rising demands on American agricultural productivity, the conversion of cropland to urban use, and extreme drought conditions throughout the country have caused severe damage and loss to our agricultural land base. Studies indicate that we are losing about 4 billion tons of soil a year, 2 billion of which come from cropland. Some areas are losing as much as 100 tons of soil per acre per year.

The costs and losses associated with soil erosion have a profound effect on our economy. Failure to control soil erosion on farms and ranches could double the cost of producing food and fiber over the next 50 years, without regard to inflation or other factors.

The Soil Conservation Act of 1981 provides the means to address this problem with a rational and comprehensive approach. Participation is completely voluntary and will be targeted to the areas and problems which are most in need of assistance.

Essentially, the bill has five proposals. Title I establishes a special areas conservation program which will provide cost-sharing and technical assistance to areas of the country which have extremely severe erosion problems. This nationwide effort is modeled after the Great Plains conservation program which has been so successful in 10 Midwestern States.

Title II provides for a program of matching grants for State and local agencies to carry out conservation activities. This would allow each county to identify and address its conservation priorities and expand its sources of assistance.

Title III authorized the Commodity Credit Corporation to guarantee loans to farmers and ranchers for the purpose of installing sound conservation practices which will protect land and enhance agricultural productivity.

Title IV establishes a program for volunteers in conservation. This would allow voluntary service by interested people who are willing to assist the conservation programs of the Department of Agriculture without compensation and without displacing USDA employees.

Title V would target technical and financial assistance to watershed drainage areas above a few large reservoirs which the Secretary of Agriculture recognizes as having severe sedimentation problems. The intent is to demonstrate that conservation practices on the land can reduce sedimentation and thus protect not only water quality but also lengthen the effective life of the storage capacity of the reservoirs.

Mr. Speaker, I am not without reservation in supporting this or any other measure which may have some impact on the Federal budget. The proposals contained in this bill deserve the close scrutiny and careful consideration of every Member of Congress.

Nevertheless, I believe the problems which this country faces in preventing erosion and maintaining a strong agricultural land base cannot be ignored. I am looking forward to working with the House Agriculture Committee, the administration, and the other body in developing a program which will accomplish the goals of the Soil Conservation Act of 1981 without unnecessarily expanding the Federal budget.●

THE SUPPLY-SIDE IMPACT OF OCCUPATIONAL CANCER

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. OBEY. Mr. Speaker, I would like to take just a minute of the House's time to say that I think the administration is ignoring the supply-side effects of work-related cancer. Each year between 50,000 and 80,000 Americans die of work-related cancers. The dissavings, compensation, and medical bills which these deaths entail amount to billions of dollars each year, dollars that might otherwise be spent on new plant and equipment.

I believe it is important to point this out, particularly in light of two things that the administration has done in recent days. First, the new administration has ordered the withdrawal of a current intelligence bulletin issued by the National Institute for Occupational Safety and Health and by the Occupational Safety and Health Administration which simply reports to businessmen, workers, and the general public the results of tests by the Chemical Industry Institute indicating that formaldehyde may cause cancer. This is not a question of Government's requiring that workers be protected from cancer-causing chemicals; it is simply a question of whether or not workers should be informed. I intend to insert the text of the bulletin in the Extensions of Remarks tomorrow.

Second, the Secretary of Health and Human Services yesterday fired Dr. Tony Robbins, a commissioned Public Health Service officer as head of the National Institute for Occupational Safety and Health. Dr. Robbins had served only 2 years of his 6-year term as Institute Director. The 6-year term for the NIOSH director came about as a result of an amendment offered by Senator Javits to insure that the Institute Director was selected and allowed to serve based on scientific qualifications rather than partisan politics. In the history of the Institute no Director has ever before been fired.

Dr. Robbins graduated cum laude from Yale Medical School in 1966, and he held, in addition, a masters in public health from Harvard. He had served as State director of public health in both Vermont and Colorado. In his 2 years at NIOSH he brought order out of the chaos which has continually plagued that small agency since its inception. He improved the quality of the scientific output and developed the first constructive relationship with the U.S. Department of Labor in the agency's history. He was, in short, the type of uniquely qualified and dedicated individual which Government agencies are too rarely able to attract. One can only surmise that his firing was made in hopes of finding a Director whose scientific findings will be more politically acceptable. I would therefore like to remind the Department and Dr. Robbins' successor that cancer has a negative net impact on productivity.●

WHY JAPAN CAN AND WE CANNOT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. FINDLEY. Mr. Speaker, a question which arises frequently in economic discussions by the voters is: Why is the U.S. economy so out of control when other industrialized nations like Japan can keep inflation at a moderate rate? A recent editorial in the Pike Press in my district addresses this very issue and offers a rational explanation into why they can and we cannot.

[From the Pike Press, Feb. 23, 1981]

LESSONS FROM JAPAN

President Reagan told the nation in his recent economic broadcast that America had the lowest rate of gain in productivity of virtually all the industrial nations with which it competes in the world market. Japan, he said, outproduces America in both automobiles and steel.

While the U.S. rate of inflation is running at more than 12 percent a year, in Japan in the fiscal year ending March 31, consumer prices are expected to rise about 7.5 percent from the previous year, when prices gained 4.8 percent. And this in a country that depends more heavily on foreign oil than any other industrialized nation.

How come?

For one thing, workers' wages in Japan aren't rising as fast as prices. Last year's wage increase was 6.9 percent.

More importantly, productivity gains are keeping pace with wage increases. For 1980, productivity is estimated to have grown about six percent. The previous year it rose 11 percent.

Another thing, unlike the U.S., cost-of-living clauses are not common in Japan so wages don't rise automatically with prices.

And if you want an example of truly staggering inflation take a look at Israel with a rate of 135 percent, second only to Argentina, and headed for a world record.

One reason for the extreme inflation in Israel is a wage system, both for union and non-union workers, that is pegged to the cost-of-living index, the same self-defeating device that has caused inflationary headaches in the U.S. and that Japan was wise enough to avoid.●

WALTER CRONKITE: DEDICATED TO EXCELLENCE

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. ADDABBO. Mr. Speaker, this is the way it is, on Friday evening, March 6, Walter Cronkite, a man many consider the most trusted man in America, as well as one of the most famous news anchormen in the history of the broadcast journalism, will give his final broadcast from the set of the CBS evening news. His absence from the evening news will be missed by millions of his loyal viewers, including myself, and I would like to take this opportunity to thank him for bringing a semblance of order and reason to the many confusing, hectic, and frightening events which have been beamed into our living rooms for the past 19 years. Without Walter sitting at his desk, giving it to us straight, it would have been impossible to comprehend how quickly the world was changing, whether it was for the worse or the better.

Walter did many things for us, though what many will remember is how he made the world a little more understandable for us. He understood how important personalities were, whether it was at conventions or space shots. News was, and still is, people, and Walter helped bring those people into our homes, where we could study them. A man dedicated to excellence, his confident delivery and objective news reports made us feel as if he were genuinely concerned how the events he was reporting would affect us. Whether he was covering an inauguration, the signing of a peace treaty, or July 4, 1976, he was forever setting standards for broadcast journalism that others will long aspire to.

Thank you Walter, thank you for giving us your best, night after night, year after year. There may be more conventions, inaugurations, and explorations into space, but somehow it just would not be the same without you. We will miss you, and never forget you, and may your future be just as rewarding and outstanding as your past.●

FOSTER CARE EMERGENCY AND THE NEED TO ENCOURAGE ADOPTIONS

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. PETRI. Mr. Speaker, I would like to call the attention of my colleagues to an editorial in yesterday's Washington Post.

The editorial highlights the problems of foster children and the pressing need to get the children back to their natural parents or to stable, permanent homes within a reasonable period of time. Because of the need to do something at the Federal level to assist the settlement of foster children in permanent homes, I recently introduced a bill, H.R. 1337, to amend the

Internal Revenue Code to treat adoption expenses in the same manner as medical expenses. Under current law, medical costs incurred for births can be deducted from Federal income tax, and I believe it is only fair to treat the lawful costs involved in adoption proceedings in the same way. This legislation would encourage strong family ties and improve the welfare of the child.

In my opinion, the editorial drives home the need to encourage alternatives to foster care—something my bill is designed to do. The text of the editorial follows:

[From the Washington Post, Mar. 4, 1981]

FOSTER CARE EMERGENCY

Pretend for a moment that you are a foster child in the District's care. If you are a typical foster child, here is what will happen to you, according to a report released by the D.C. Auditor's office last week: After entering foster care at age 3, you will remain with the foster care system for over 10 years. During that time, chances are that you will be shifted between institutions and foster homes at least three times. Three times you will be moved from place to place, breaking up relationships with adults, changing schools and friends. And all the while it won't be certain that the District's Department of Human Services knows that you are still out there. The department admits that it does not know how many children are in its foster care or where they all are. Even if the city does know where you are, there will be no plan for getting you back to your natural parents or for seeking a stable couple who would adopt you.

The city and the courts are supposed to review a foster child's status at a hearing every two years. In fact, the foster care system is so overloaded that the hearings are usually not held and the reviews are generally limited to a reading of the child's commitment papers. Even so, the city auditor's report estimates that 10 percent of the foster care children in the District are being held on commitments that have expired. For that 10 percent and most of the other children in foster care as well, there is no plan for what will happen in the future other than the continuation of foster care.

Getting a child out of the city's foster care system and up for adoption is now so rare that families seeking to adopt children are often forced to look to other cities and states. The decision on severing the child's relationship with its natural parents is an extremely difficult one. But the city's foster care system is not even putting it before the court where it is decided. Instead, the typical foster child is left in foster care to be shifted from one home to another with no plan for returning to a family. The reason for inaction is that the foster care system is overloaded and understaffed.

The city needs to begin a system of review for every foster care child—concentrating on infants and younger children. The goal would be to get the children back to their natural parents or to stable, permanent homes within a reasonable period of time. The current situation where children remain in care for about seven years and are shifted from here to there like so much baggage should not be allowed to continue. Many of the children in foster care have been neglected or emotionally and physically abused by their natural parents. It is hardly the role of the city government to neglect and emotionally abuse these children a second time.●

EDGAR R. HILL TO BE HONORED

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. BADHAM. Mr. Speaker, today it is my privilege to pay tribute to one of those rare individuals whose accomplishments and contributions to his community are an inspiration to us all.

I am speaking of Edgar R. Hill, who will be honored on March 30, 1981, with the Giving Is Living Award, to be presented by the Voluntary Action Center of Newport Beach, Calif., which I have the honor to represent in the U.S. Congress.

"Uncle Ned" Hill, who is 87 years old, joined by his wife, Dora, have spent almost 50 years improving the quality of living by sharing their great talents, time, and energy working with, and for, others.

Ned and Dora came to California not long after they were married in the Midwest in 1932, where he founded a building materials company. Later, Ned moved to Newport Beach where he founded a shipbuilding company and produced subchasers for the U.S. Navy during World War II.

In recognition for this work, Ned was appointed in 1959 to the Advisory Council on Naval Affairs. In the field of business, he helped found a bank and later served as a bank consultant.

Ned Hill sponsored Boy Scout Explorer's Post No. 203, the first of its kind in the United States. Further dedication to his community was demonstrated when Ned joined with John Wayne and others to form the 552 Club, a support group for Hoag Memorial Hospital. Also, he founded the Executive Club of the YMCA and still holds the No. 1 membership card.

Meanwhile, Ned and Dora, who had served the city as mayor, learned that the Newport Beach Chamber of Commerce was deeply in debt and in danger of extinction. Ned became president and within 3 years the chamber was solvent, membership on the increase, and a headquarters building program planned.

Today the Newport Harbor Area Chamber of Commerce is the largest of all chambers in Orange County.

In addition to these activities, Ned Hill has been a charter member of the commodores club of the chamber, serves as a member of the board of directors, is past president of two Kiwanis Clubs, is a gold card charter member of the executive club of the YMCA and in 1970 received the Man of the Year Award from the chamber of commerce.

He received the Leadership Award from the Harbor Area United Fund in 1971 and a certificate of merit from the Newport Harbor High School for work in the vocational guidance program.

If ever there was a man who stood tall among men in Newport Beach and its neighboring communities it is Ned Hill, whose life and deeds have made his city a better place for all to live.

It is my great pleasure to rise before this honorable body to pay tribute to Ned Hill.●

HUMAN RIGHTS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. BONKER. Mr. Speaker, as the debate rages regarding the future of a human rights policy, I would like to commend to the attention of the Reagan administration and my distinguished colleagues an extremely thoughtful essay on that subject by Colman McCarthy which appeared in the Washington Post of March 1, 1981.

The article follows:

WITNESSING THE BEST AND WORST OF HUMAN RIGHTS POLICIES

(By Colman McCarthy)

On the same day last week, the world had a chance to see two kinds of human rights policies being advanced. One was bold and humane, the other self-serving and manipulating.

In Manila, Pope John Paul II spoke as a genuine world leader eager to use his moral force on behalf of the oppressed in the Philippines. "Even in exceptional situations that may at times arise," he said, with the brutal President Ferdinand Marcos sitting a few feet away, "one can never justify any violation of the fundamental dignity of the human person or of the basic rights that safeguard this dignity."

In Washington, Alexander Haig went to Congress to win support for the Reagan administration's enthusiasm for the junta in El Salvador, a regime implicated in some of Central America's grossest human rights violations. Haig's effort was part of the administration's announced withdrawal from what it sees as useless human rights advocacy.

The words of the pope were forcefully direct, with no follow-up clarifications needed from the Vatican's explainers-of-papal-subtleties. If any doubts existed, the pope did his own clarifying: No government, no matter "the exigencies of security," can claim "to serve the common good when human rights are not safeguarded."

With world attention on him, Marcos was as pious as an altar boy serving his first Mass. "Forgive us, holy father," the dictator said of past church-state differences. "Now that you are here, we resolve we shall wipe out all conflicts and set up a society that is harmonious to attain the ends of God."

That syrup is impressive, except that another pope—Paul VI—was in Manila 11 years ago. God's ends haven't been much served since then, except for a little air-

brushing of the sordid a month ago when, with another pope about to the fly in, Marcos lifted martial law.

Being in a predominantly Catholic country, John Paul II was doing much more than issuing a rebuke to a regime that in the last decade has held and tortured thousands of political prisoners. He was stirringly engaging in "prophetic criticism," a phrase of Rosemary Ruether, the American theologian who wrote in a recent issue of Commonweal: ". . . the stance of prophetic criticism is not one of attack on other people's religion or society, but a faithful judgment on one's own religious and social community; a calling it back to faithfulness to its own professed ideals."

In a secular context, this is the tragedy of the Reagan administration's dismissal of human rights advocacy. Suddenly, the nation's professed ideals don't matter, as if rights advocacy were merely something that an overly zealous Jimmy Carter cooked up.

It wasn't at all. In 1975 Congress passed a provision in the Foreign Assistance Act that said, "A principal goal of the foreign policy of the United States is to promote the increased observance of internationally guaranteed human rights."

With Ernest Lefever selected by Ronald Reagan to be the assistant secretary of state for human rights and humanitarian affairs, this law is likely to be ignored or broken. Two years ago, Lefever told a House subcommittee that "it shouldn't be necessary for any friendly country to pass a human rights test before we extend normal trade relations, before we sell arms, or before we provide economic or security assistance. This approach, I believe, should be adopted toward adversary states like the Soviet Union."

With the murderous junta of El Salvador well within this definition of "friendly"—and what's the killing of a few nuns or other "moderately repressive" acts among buddies?—the victims of human rights violations can only feel betrayed by the United States.

In Congress, some hope exists. Reps. Gerry Studds, Robert Edgar and Barbara Mikulski have introduced legislation to cut off U.S. arms sales to El Salvador. It will lead only to more violence, they argued, as well as create more enemies for the United States. Our role should be to join the effort for a negotiated settlement of the revolution. It should also be a recognition that a bold position by the church on human rights is sound morality—and for a nation, it is sound politics.●

UNNATURAL GAS LAWS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. DANNEMEYER. Mr. Speaker, an editorial in the Chicago Tribune of February 24 commented on the Natural Gas Policy Act of 1978 and the Fuel Use Act of the same year, in the following manner:

If the President and Congress want to make natural gas a weapon in the fight to reduce our dependence on imported oil, they should discard both of these policies.

With the thoughts expressed by this editorial in mind, last week I introduced H.R. 2019, the Natural Gas Decontrol Act of 1981, to provide for the immediate, total deregulation of natural gas. In addition, I have cosponsored two pieces of legislation to amend the Fuel Use Act, introduced by several of my able colleagues.

H.R. 1464, by Mr. YOUNG of Missouri and Mr. CORCORAN, amends the Fuel Use Act to permit owners of residential gaslights to retain service to those lights. The second bill, jointly introduced by my distinguished colleagues from California and Texas, Mr. MOORHEAD and Mr. GRAMM, is H.R. 1765. This bill removes the restrictions on the use of natural gas by existing powerplants.

I urge the support of my colleagues for these pieces of legislation which, taken together, move in the direction of recognizing the importance of natural gas in our energy future. I ask permission to insert the full text of the editorial at this point in the RECORD and commend it to my colleagues for their consideration:

UNNATURAL GAS LAWS

President Reagan had hardly learned his way to the White House water cooler when he liberated oil and gasoline from the bonds of federal price controls. This was wise but largely symbolic, since the chains were due to be lifted in October anyway. So far, however, Mr. Reagan has averted his gaze from the shackles the federal government has placed on the production and use of natural gas. These, much more than the controls on oil and gasoline, threaten to make the yoke of the foreign oil cartel heavier on all of us.

Natural gas is the closest thing we have to a perfect fuel. It is clean, versatile, and abundant. And unlike oil, its price and supply are not controlled by OPEC. In fact we have plenty of it right here at home. But so far we have not exploited the numerous advantages of gas.

Why not? There are two main obstacles. The first is the Natural Gas Policy Act, which established a Byzantine maze of price controls on more than two dozen categories of gas. The uncontrolled price of a barrel of oil is now about $36. But the equivalent amount of gas sells for less than $16. Since gas has several advantages over oil, this is like pricing French wine below beer. The result is that energy firms are putting most of their money into the search for oil instead of gas, even though most experts estimate our gas resources to be considerably greater than those of oil. Last year, the drilling rate for natural gas was up only 7 per cent; for oil it was up 39 per cent.

The federal government has even taken measures to discourage the use of natural gas. The chief culprit is the Fuel Use Act, which forbids the construction of new gas boilers by utilities or industrial companies and requires existing ones to be switched to coal by 1990. This has limited the use of gas in favor of coal (and, perversely, oil), which is dirtier and less versatile than gas. That policy might make sense if we were indeed exhausting our reserves of gas, as was commonly believed when the law was passed three years ago. But the evidence now suggests potential reserves are enough to last beyond the foreseeable future. Those reserves, however, won't be of much use if the government continues to outlaw some uses of gas. Besides this law, there are government regulations which place the burden of any gas shortages directly on industrial users. Thanks to the price controls, there have been several shortages in the last decade. Industrial users understandably prefer fuels whose supplies are more reliable.

If the President and Congress want to make natural gas a weapon in the fight to reduce our dependence on imported oil, they should discard both of these policies. Decontrol of prices will increase supplies, but they will be useless as long as demand is artifically depressed. Removing the impediments to greater use of gas likewise will be pointless unless coupled with steps to increase gas supplies. Taken together, these measures would do much to subvert OPEC's tyranny without sacrificing public health or the environment. Freeing gas would help to free us all.●

H.R. 2311 WILL MAKE ADOPTION EXPENSES TAX DEDUCTIBLE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. LEHMAN. Mr. Speaker, I have introduced legislation, H.R. 2311, to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child. The deduction would apply to the amount of adoption expenses paid by the taxpayer during the taxable year.

Adoption expenses would include reasonable and necessary adoption agency fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law.

There is a great need for this legislation. Many people who could not otherwise afford to pay adoption costs would be able to adopt homeless children. This need was given attention at the recent White House Conference on Families by passage of a resolution calling for Federal tax policy to provide additional exemption or credits for families adopting a child. The delegates to the Conference expressed the view that adoption is a time-honored and legitimate mode of family formation and is the best method for insuring every child's right to a family.

Another important aspect of this legislation is the potential alleviation of some of the social and financial costs associated with State and Federal foster home programs. Adoption is the long-term solution to problems of instability and insecurity that children in foster care often face. While foster home programs provide great service and solutions to many problems, they do not provide long-term solutions. Breaking the financial barrier to adoption would mean that more foster children would be adopted. It is estimated that up to one-third of the foster children could be adopted if barriers were removed. This would trim the largest item in the child welfare budget. Of all the public spending on children in substitute homes, approximately 97 percent goes to foster care and only 3 percent to assist in adoption services. Although it is estimated that approximately 750,000 American children are presently in foster care, making it easier for people to adopt some of those children would ease the burden of poorly paid staff that are often professionally unprepared and ill-equipped to legally free children for adoption. The tax deduction which my bill allows will both encourage and make possible adoptions by more families and will not become a yearly expense to the Government.

For the adoption of foreign-born children, placing needy children in loving homes, at no cost to the Government, will become more accessible for the many married and single people who wish to adopt these children. Ms. Lorri Kellogg, executive director of a private adoption agency in North Miami Beach, Universal Aid for Children, Inc., informs me that the expense of adoption is the major obstacle for people who wish to adopt foreign-born children.

It is time that birth and adoption are placed on equal terms as modes of family formation. In the words of Mr. George Welch, a constituent, adoptive father, and board member of Universal Aid for Children, Inc.:

The costs of childbirth are deductible as medical expenses, and now that special kind of "birth" that is adoption will also be deductible.

I urge my colleagues to join in cosponsoring this long overdue legislation. The text of H.R. 2311 follows:

H.R. 2311

A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain expenses paid or incurred in connection with the adoption of a child

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

"SEC. 221. ADOPTION EXPENSES.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the amount of the adoption expenses paid or incurred by the taxpayer during the taxable year.

"(b) ADOPTION EXPENSES DEFINED.—For purposes of this section, the term 'adoption expenses' means reasonable and necessary adoption agency fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law.

"(c) DENIAL OF DOUBLE BENEFIT.—No amount which is taken into account in computing a deduction or credit under any other provision of this chapter shall be allowed as a deduction under this section."

(b) Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (15) the following new paragraph:

"(16) ADOPTION EXPENSES.—The deduction allowed by section 221."

(c) The table of sections for such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following:

"Sec. 221. Adoption expenses.
"Sec. 222. Cross references."

(d) The amendments made by this Act shall apply to taxable years beginning after December 31, 1980.●

FIGHT CRIME BY ELIMINATING $100 BILLS

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. BEILENSON. Mr. Speaker, there is one easy way for us to make it difficult for criminals to conduct business: Remove $100 bills from circulation. Cash is the means of doing business for those involved in numerous illegal activities—from drug smuggling to tax evasion—and the more obvious and cumbersome their illegal payments become, the more likely there will be discovery by law enforcement officials. Because removing $100 bills from circulation will deter crime, but not interfere with legitimate transactions, except for, perhaps, occasional inconveniences, I am introducing a bill to prohibit the Federal Reserve from printing notes in denominations of $100, and to provide that after January 1, 1982, $100 bills will no longer be legal tender.

Long ago the Federal Reserve stopped printing bills in denominations larger than $100. Who has missed them? Only those who need to carry or hide large amounts of money, in cash. Likewise, it is evident that the only people who would miss $100 bills are those who want to do business only in cash in order to avoid bank records and the involvement of an outside party in their transactions. People avoiding bank records are doing something illegal—or at least questionable—with their money. It is an undisputed fact that cash is the method of payment in the world of drug dealing, gambling, racketeering, extortion, political payoffs, and other unlawful activities. Cash payments are also used as a way to evade taxes—professionals and contractors, for example, can demand cash payment and, by avoiding bank records, can avoid paying taxes on the money collected.

Removing $100 bills from circulation will not put an end to illegal cash payments, but it will make such transactions much more difficult. Without these bills, criminals are forced to use $50's, $20's, and $10's for cash payoffs. It is much harder to smuggle money out of the country, hand a person $5,000 in a public place, or carry an envelope containing $1,000 in one's shirt pocket if a person must use bills of small denominations rather than $100's. Without $100's, the means of criminal activity become at the very least twice as bulky, unwieldy, burdensome—and most of all, conspicuous—as they are with $100's.

Depriving criminals of such a convenient means of business as large-denomination bills would hardly be worth considering if there was not such good reason to be suspicious of widespread use of these bills. A remarkably large portion of our currency consists of $100's—yet law-abiding citizens have little, if any, use for these bills.

There is about $49.3 billion worth of $100 bills in circulation, making up nearly 40 percent of the total amount of cash in circulation. It is astonishing that there are more than 493,000,000 $100 bills in circulation, because it is so rare that the average person ever sees any of these bills. In spite of the increase in the use of credit cards, personal checks, payroll deductions, and other forms of cashless payments over the last decade, there has not been a corresponding decrease in the number of $100's in circulation. In the last 10 years, in fact, the percentage of all cash in circulation represented by $100 bills has almost doubled—from 22 percent to nearly 40 percent. The Treasury Department has studied the flow of $100's and concluded, not surprisingly, that $100's are probably being hoarded, and that hundreds of millions of dollars in $100's have been transported out of the country in recent years.

We can guess who is not using $100's: The average, law-abiding citizen. Even with inflation, there is little cause for carrying $100's. It is hard to imagine a situation where a few $20's would not be sufficient cash for one's day-to-day transactions—and as much cash as anyone would want to carry on his or her person. People who do not use credit cards—which most people do use for purchases costing more than the average amount of cash which they carry with them—write personal checks or use traveler's checks for major purchases. Almost no one making a legitimate large transaction uses cash any more.

The inconvenience that removing $100's from circulation might cause people who use these bills for legitimate purposes seems very minor indeed compared to the advantages that might be gained by making it more difficult for people involved in illegal activities to transfer and hide large sums of money. If we can reduce

crime at such a small expense and with minimal inconvenience to law-abiding citizens, it is certainly worth a try. I would urge the members of the Banking, Finance and Urban Affairs Committee to consider this proposal—a simple but powerful one—and act on it favorably.●

ALCOHOL AND DRUG ABUSE AMENDMENTS OF 1981

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. WAXMAN. Mr. Speaker, I am pleased to announce the introduction of H.R. 2272, legislation to extend for 3 fiscal years the authorization of appropriations for programs of assistance sponsored by the National Institute on Alcohol Abuse and Alcoholism (NIAAA) and the National Institute on Drug Abuse (NIDA). NIAAA and NIDA represent the Federal Government's first line of defense in the battle against two of this Nation's most intractable public health problems. Each day, programs sponsored by the Institutes support prevention activities and provide treatment services to thousands of Americans crippled by drug and alcohol abuse.

The future of these Federal programs is very much in doubt. The Reagan administration has proposed that Federal funding for alcohol and drug abuse programs be reduced over 25 percent and the remainder folded into a multibillion dollar discretionary State health block grant. H.R. 2272 stands in sharp contrast to this extension of State revenue sharing and is, I believe, a more efficient use of limited Federal alcohol and drug abuse funds.

I do not object to States playing a greater role in the delivery of health care services; indeed I welcome it. What I object to is the discretionary nature of the administration's proposal and the potential it poses for the wholesale closing of hundreds of treatment programs and a reduction in prevention activities nationwide.

H.R. 2272 assumes a cautious and more realistic approach to State administration of Federal alcohol and drug abuse dollars. The bill provides authority for the award of grants, directly to State governments, for the development and administration of drug and alcohol abuse prevention and treatment services. These grants are categorical and require a 50-percent match to insure that the Federal contribution will build upon, rather than supplant, State funding. Reports on the administration's health block grant indicate that it does not require cost sharing and therefore may encourage an overall reduction in the level of State funding for these activities. If we are to transfer a greater portion of Federal funding responsibility to the States, I believe we should transfer program accountability as well.

Hearings on H.R. 2272 will be held Wednesday, March 11, 1981, beginning at 9:30 a.m. At that time, the subcommittee will hear from a wide range of witnesses representing State governments, the private voluntary sector, public health experts, as well as NIAAA and NIDA. It is my intention to carefully review the strengths and failures of current Federal programs and explore the impact of the administration's health block grant on our Nation's commitment to reducing the impact of drug and alcohol abuse on society.●

MX MISSILE AND SOCIETY'S VALUES

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. SANTINI. Mr. Speaker, I would like to enter in the RECORD a newspaper article that appeared in the January 14-15, 1981, issue of the Desert News in Utah. It was written by Maj. Gen. W. T. Fairbourn of the U.S. Marine Corps, a former senior strategic planner with the U.S. Joint Chiefs of Staff. Major General Fairbourn seriously questions the effectiveness of the Air Force's MX racetrack proposal and suggests other alternative systems be reviewed. I hope my colleagues will give it the serious attention I believe it merits.

THE PROPOSED MX DEPLOYMENT IS STRATEGIC LUNACY

(By W. T. Fairbourn)

Early in World War II Franklin D. Roosevelt secretly commissioned the Manhattan project which resulted in the production of the atomic bomb.

Harry Truman ordered that the first two bombs produced be used against the Japanese in order to end World War II in 1945.

The United States continued to improve the fission weapons and to stockpile them and enjoyed a world monopoly in atomic destructive force until the Soviets tested their first weapon.

When the United States tested its first fusion weapon at Eniwetok, the island (Engebi) where the weapon was exploded disappeared. The Soviet Union followed suit by developing its own fusion weapon.

The United States developed and deployed the MIRV (Multiple Individual Reentry Vehicle). The Soviets have followed suit.

The United States developed the missile submarine which is now in its fifth generation. The Soviet Union is following suit and has missile submarines deployed.

The United States is preparing to deploy the cruise missile. The Soviets have a counterpart.

The United States is preparing the MX as a "mobile" missile. The Soviets are following suit by modifying their SS-18.

In every case the United States has been the leader and Russia has been the follower. Thus history will assign to the United States the ultimate responsibility for the creation and disposition of this awesome weapon.

Is it not time to decide whether we wish to perpetuate human life as we now know it on this planet or whether we wish to participate in its annihilation?

There are various estimates as to the megatonnage needed to render the Soviet Union militarily ineffective. I will use a nominal figure of 400 megatons. In our strategic configurations we have more than eight times that amount. If we add to this the amount we have in theater and tactical weapons configuration it will exceed 20 times the figure of 400 megatons.

Is there justification for the 370 additional metagons that MX will produce? I find none.

This is proliferation where none is justified. At a time when the United States should be taking the lead in the reduction of nuclear weapons it is unilaterally taking deliberate action to increase it.

There is a considerable body of opinion that holds that the United States must be superior in both megatonnage and in warheads in order to maintain her position vis a vis the Soviet Union. This belief will not bear scrutiny. What the United States needs is adequate nuclear force to accomplish its mission, e.g., to render the Soviet Union militarily ineffective. More nuclear weapons are unnecessary. Overkill serves no useful purpose.

As a part of keeping our technology the most advanced in the world we need the MX as a replacement. We deserve the best missile in the world because we can produce it. This is our only justification for the MX but it is adequate.

To be worthwhile MX must be deployed in a survivable configuration and in geographic locations where it can accomplish its mission without hazarding the destruction of that which it is designed to protect. Deployment in the shell game configuration in the Utah and Nevada desert meets neither of these requirements. Let us address the configuration first.

The administration "perceives" that the Minuteman III is becoming vulnerable. For the moment let us accept this "perception" as being a fact. Should we replace it with a new weapon in essentially the same configuration as the present minuteman? It is my conclusion that a weapon that weighs 195,000 pounds, is buried beneath the level of the ground, moves once or twice a year, for a minimum of 7,000 feet and a maximum of 10 miles, is hardly a mobile weapon. Whether placing the weapon in any one of 23 prepared emplacements will effectively hide it for its lifetime is conjecture. It is my professional opinion that neither a prudent individual nor a prudent nation would risk the survivability of such an important weapon to such an improbable future.

The proposed location in Nevada and Utah would make construction relatively simple. With the clusters located relatively close together, command, control and communication would be relatively simple. Local security in an isolated area with a sparse population would be enhanced. These appear to be all the advantages.

Turning to the disadvantages, there are many. If the U.S. objective is as the Secretary of Defense announced at the Democratic National Convention "To so structure our strategic forces as to convince the Soviets that they cannot win a nuclear war," this means making MX survivable. Survivability will not be accomplished from this location. This is the primary disadvantage and it is a fatal flaw. By the Air Force's own statement, 4,600 warheads on this complex would destroy it. This is within the current capability of the Soviet Union (1980 Air Force statistics credit the Soviets with 6,000 warheads). Further, by the time the proposed deployment is completed it is within the Soviet capability to produce at least twice the number (1,200) warheads that they now have on hand. Construction of this particular deployment will undoubtedly motivate the Soviets to exercise this capability.

The destruction of the MX complex by 4,600 Soviet Warheads delivered over a short period of time would create a post detonation situation beyond comprehension.

No one has yet tried to extrapolate the direct effects of 4,600 weapons delivered in a limited area to say nothing of the residual effects. These would be ground bursts intentionally and therefore, would produce the maximum possible residual effects. The author's own thumbnail evaluation of these effects leads him to conclude that considering the winds and current from west to east, at least 50 percent of the U.S. population would be affected. Sixty percent of the arable land of the United States would be rendered unproductive. This would destroy the nation's food supply and the world's bread basket for generations to come. The capability of the West to become the nation's principal energy source would be destroyed. The principal industrial complexes would be untenable from contamination. Human life as we know it today throughout the United States would cease to exist. It is inconceivable that any rational nation could willingly and deliberately fall victim to such genocidal activities.

Those who disagree with the author's conclusion will argue that a nuclear strategy is successful only if the weapons are never used. No argument is offered on this point. What is seriously in question is deliberately offering the proposed MX deployment, the majority of the U.S. population, the arable agricultural land, the U.S. industrial complex, the energy potential of the West to destruction by a single attack utilizing the MX deployment as the aiming point.

Perhaps this aberation in national rationality would be understandable if this proposal were the only solution or even if it were the best of several solutions.

It would appear that the authors of the proposed deployment fail to understand simple principles of defense. To locate the defending forces (such as Minuteman) within the elements to be defended (i.e. population, arable real estate, etc.) made some sense when the Minuteman was not vulnerable. To continue the same general manner of deployment after vulnerability has become probable is indefensible.

Both the defending elements and the defended elements can be destroyed by a single attack.

If the Minuteman deployment is vulnerable so also is the proposed deployment of the MX just as vulnerable.

Now is the time to correct the perceived vulnerability of the Minuteman and at the same time to replace it with the MX in a truly mobile configuration, and incidentally to separate the defending forces from the elements of national power which those forces are defending.

There are many small islands under U.S. control in the Pacific. Examples of these islands include Midway, Wake, Johnston, Howland, Baker, Christmas and on ad infinitum. Each one of these islands are capable of providing anchorage for one or more surface or subsurface vessels.

There are countless anchorages, havens and coves along the U.S. portions of the inland passage between Seattle and Alaska. Each one of these anchorages is capable of holding one or more surface or subsurface vessels.

There are numerous capital ships (battleships, carriers, cruisers and submarines) in moth balls that would make suitable platforms for ICBMs or their decoys. These could be deployed from anchorage to anchorage in a random manner.

The variety of combinations immediately available in such an array of forces and facilities is mind boggling. True mobility would result.

To continue the development of a system that is already vulnerable, that cannot be fully deployed for 10 years, that cannot accomplish its mission when deployed, that increases the attractiveness of the United States as a target; while failing to investigate reasonable concepts such as presented herein is in the author's judgment strategic lunacy.●

CZECH CLAIM LEGISLATION REINTRODUCED

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. OTTINGER. Mr. Speaker, I am today introducing legislation which was sponsored in the 96th Congress by Lester Wolff of New York, which will settle an issue that has dragged on for over 30 years. This measure will repay—at no cost to the U.S. taxpayer—those U.S. citizens who have valid claims against the Government of Czechoslovakia arising from losses they sustained as a result of their property being seized by the Government of Czechoslovakia during World War II.

The impasse in the settlement of these claims is, in part, due to the linkage of the claims against Czechoslovakia with the Czechoslovak gold reserves controlled by the United States. This gold was confiscated from Germany at the end of World War II after having initially been looted by the Germans from the various European countries, including Czechoslovakia, which Germany occupied during the war.

This linkage of American claims and Czechoslovak gold was officially established in section 408 of the Trade Act of 1974 in which Congress provided "that Czechoslovak monetary gold held under control of the United States may not be returned until a claims agreement has met congressional approval."

Since congressional enactment of the Trade Act of 1974 instructed the Department of State to renegotiate a compensatory agreement with the Czechs, 7 fruitless years have passed during which the Czechs have refused to negotiate. Regrettably, the State Department has stopped pressing the matter.

Thus, more than 30 years after the Czechoslovak confiscation program was completed, American claimants remain largely uncompensated for the losses which they have sustained.

One need only communicate personally with some of these aging awardholders, as I have, to appreciate their pain and disappointment as this matter goes unresolved.

This legislation offers the only assurance available that the 2,600 American awardholders will be repaid. It calls for a fair negotiated settlement, but, failing that, would require:

First, liquidation of Czech gold located in the Federal Reserve Bank in New York;

Second, investment of the gold's proceeds; and

Third, repayment of the American awardholders from the investment interest.

I should note that this bill is also fair to the Czechoslovaks as it stipulates that the liquidated gold's full value would be returned to Czechoslovakia after payment of the American awards from the investment interest.

Mr. Speaker, these aging American awardholders literally cannot wait any longer for relief. If the State Department cannot guarantee a prompt, compensatory settlement—and it has repeatedly admitted that it cannot—then the Congress should act swifty to end this cruel impasse by enacting this important piece of legislation.●

IZOLDE TUFELD CASE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mrs. SCHROEDER. Mr. Speaker, I would like to bring to the attention of my colleagues the case of Izolde Tufeld. She has been suffering for the last 2 years with a neurological disease, which if treated, is curable. Her husband, Dr. Vladimir Tufeld, has been in contact with neurological surgeon Dr. Verner Friedman in Denver, Colo., by letter and telephone, and has been advised by Dr. Friedman that his wife is suffering from an acoustic neuronomia, or some other cerebello pontine angle tumor. In the absence, however, of laboratory test and a CT scan, neither of which are available in the Soviet Union, this diagnosis cannot be confirmed. Dr. Friedman has invited Dr. and Mrs. Tufeld to come to Denver so that she can be treated. Their visa, however, has been denied by the Soviet Government.

I am asking that my colleagues join me in petitioning the Soviet Government to reconsider their decision and allow Mrs. Tufeld to come to Denver for medical treatment so that her life might be saved.●

COUGAR LAKES WILDERNESS

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. LOWRY of Washington. Mr. Speaker, I am pleased today to introduce a bill to designate a 279,000 acre Cougar Lakes Wilderness in the central Cascades of the State of Washington. Inclusion of the Cougar Lakes in the National Wilderness Preservation System will benefit Americans everywhere, for not only is this a region of remarkable beauty and great ecological diversity, but it is also one which offers a variety of recreational experiences to both the rugged outdoorsman as well as the 1-day urban visitor.

The Cougar Lakes bill proposes a wilderness consisting of two large adjacent units which retain their primeval character despite their proximity to national forest lands which are being used for intensive timber harvesting. The proposed wilderness contains the rolling meadow and forest communities of the Tumac Plateau, the volcanic cinder cones and plugs of Spiral Butte and Fifes Peak, the windswept slopes of Mount Aix, clear trout streams such as the Rattlesnake and Crow Creek, the deeply forested valleys of the Greenwater and Little Naches Rivers, glacial cirques along the crest of the Cascades, and lakes of all sizes too numerous to mention. The area's pristine valleys provide clean waters for local agriculture and for sport and commercial fisheries. The wide variety of fish and wildlife includes peregrine falcons, elk, native cutthroat trout, wolverines, and, of course, a few cougars.

A wilderness area is not only important for its ecological values—a wilderness is for people as well. And Cougar Lakes is close to people. It provides an area where Puget Sound's urbanites can enjoy nature, and it is immediately accessible to those in Yakima and Ellensberg who have the privilege of living so nearby.

The Cougar Lakes region has already served as an inspiration for one of Washington State's greatest human resources, the late Justice William O. Douglas. Bill Douglas grew up in Yakima. As he relates in his autobiography, "Go East, Young Man," it was in the Cougar Lakes that he developed his love for the outdoors, his robust physical condition, and his understanding and appreciation of nature which so characterized his work and his writing. There is no greater tribute to the beauty of Washington's Cougar Lakes than this: Throughout his distinguished career on the Supreme Court, Justice Douglas returned to his beloved home at Goose Prairie. It was to Goose Prairie that he retired following his long service to the Nation. Justice Douglas described his first visit to the area as a young man:

> When I left the road at Soda Springs, I was at once in a deep forest that no axe had ever touched. Yellow pine reached to the sky, one hundred, two hundred feet. This was the dry eastern slope of the Cascades. There was little underbrush—the woods were open, not dense. Sun came streaming in as if it were pouring through long narrow windows high in a cathedral. The soft notes of some bird, a thrush I believe, came floating down through the treetops. As I listened, it was as though a music had come from another world. I had not gone a quarter mile when I felt the solitude of the mountains. I had been in them before, but this was the first time I had been alone. This was the first time I had felt the full impact of their quietness. It was so silent I could almost hear my heart beat. No moving thing was in sight. The quiet was so deep that the breaking of a twig underfoot startled me. I was alone but I felt dozens of animals must be aware of my presence and watching me—hawks, flycatchers, hummingbirds, camprobbers, bear, cougar, deer, porcupine, squirrels. Yet when I looked, I could see nothing but trees and sky. Then I became aware of the fragrance of the trees. The ponderosa pine towered above all others and I began to see the scattering of other conifers: black, white bark pine, white and red fir, and the tamarack or larch. I stopped, looked up, and took a deep breath. Then I suddenly realized I was experiencing a great healing. In Yakima, I suffered from hay fever. Suddenly it was gone. My nose was not stuffy, my eyes were clearing. I breathed deeply of the frangrant air again and again as I lifted my face to the treetops. I had been hurrying and strained. I was alone and on my own in an unexplored land. I was conscious of being exposed to all the dangers of the woods—a prey for any predator or man. But now, strangely, that apprehension fell from me, like ashes touched by wind. I suddenly felt that these pine and fir that had greeted the early explorers were here to welcome me too. These trees were friends, silent, dignified, and beneficent. They were kindly, like the Chinook. They promised as much help and solace to me as had the sagebrush and lava rock of the foothills. I felt peace spread over me. I was at ease in this unknown wilderness—I who had never set foot on this particular trail, who had never crossed the high ridge where I was headed, felt at home. One who is among friends, I thought, had no need to be afraid.

Mr. Speaker, such an enduring resource of ecological, recreational, and wilderness values as we find in the Cougar Lakes regions should be preserved for the benefit and inspiration of future generations of American people. I urge prompt action on this bill.●

ON THE U.S. COMPTROLLER GENERAL'S REPORT ON PUERTO RICO'S POLITICAL FUTURE

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. CORRADA. Mr. Speaker, the report issued on March 2, 1981, by the Comptroller General of the United States, Elmer Staats, on the question of Puerto Rico's political future as a result of requests made by Senator J. BENNETT JOHNSTON and myself is a well-documented study analyzing the options of statehood, changes in commonwealth status, and independence.

The report, very appropriately, does not seek to take sides on the complex, vital, and highly debated issue of Puerto Rico's future political relationship with the United States. The significance of this report is that it will assist the people of Puerto Rico and its political leaders as well as Congress and the President in future status deliberations by describing Puerto Rico's economic, social, and political development, and intricate relationship with the Federal Government, and by exploring issues and potential impacts likely to be addressed by Puerto Rico and the Congress in the event of such deliberations concerning the merits and ramifications of each status alternative.

The exposition of the three status alternatives—statehood, changes in commonwealth status, and independence, as they are described by advocates of each formula is serious and responsible. We, as Puerto Ricans, should feel proud of the degree of sophistication and wisdom shown by proponents of each of the three formulas as they defend policies and strategies concerning economic development, scope of government services, and revenue sources to finance such activities in the event their preferred political status is favored by the people and by the commitment of all Puerto Ricans, regardless of their status preference, to the preservation of our culture, our Spanish language, and our identity as a people.

Looking into some of the specifics in the report, as they pertain to the economic viability of statehood, it is important to note that:

One. Payment of Federal taxes by individuals under statehood will not be burdensome to our population and will be set off by substantial increases in additional Federal funds coming to Puerto Rico both to individuals as well as the government. The island's Federal individual income tax liability would have increased by only $248 million over what we now pay under the current status if we had been a State in 1979. Because of Puerto Rico's low per capita income, about 43 percent of the Puerto Rican tax returns in 1979 would have had no Federal tax liability and 70 percent of Puerto Rican tax returns could have been eligible for an estimated $36 million in earned income credits.

Two. The government of Puerto Rico may reduce Puerto Rican income taxes as a relief to individuals paying Federal income taxes. For instance, the $248 million paid by individuals in Puerto Rico to the Federal Government in income taxes under statehood could be reduced by the Puerto Rican government by tax cuts under the Puerto Rican income tax laws.

Three. If Puerto Rico had been a State in 1979, the island would not have received $273 million in Federal excise tax and custom duty rebates—mainly from alcoholic beverages, gasoline, cigarettes, and others—but such lost revenue would have been replaced by the estimated increased Federal aid under statehood. Although much of this aid would have been paid to individuals or targeted to increase funding in existing services there would have been an estimated net $320 million in general revenue sharing aid and Puerto Rican government funds freed up by the increased Federal share in medicaid—health services to the poor—aid to families with dependent children, and cash assistance payments to the elderly, the disabled, and the blind under the supplementary security income program.

Four. The main tax impact under statehood would go to corporations which would have to pay slightly over $1 billion in Federal taxes. In this area, those of us who favor statehood believe that the impact of this tax can and should be phased in to allow for an orderly transition during a period of approximately 20 years. Existing grants of tax exemption would be honored. Adjustments would be made to existing Federal and Puerto Rican tax laws to provide on a long-term basis the necessary incentives to promote a healthy investment climate. Other policies would be developed to attract and retain business in Puerto Rico. These policies would be geared toward business profitability by addressing such matters as manpower availability and productivity, labor costs, shipping costs, trade relations, export markets, capital and financial availability and energy costs. The added political stability as well as political clout, with two Senators and seven Congressmen, as well as the right to vote for the President, would be important instruments in helping to promote sound economic development for the island in a joint effort of Federal, State, and local governments to strengthen capital investment and capital formation in the island. These economic development policies would be responsive to the needs of private enterprises and ventures—local, from the U.S. mainland and abroad—willing to participate in our progress.

Finally, it should be noted that while the process of change toward statehood requires the careful development of appropriate economic and fiscal policies, and there is no absolute certainty that such process will be an easy task, the fact is that the economic vulnerability of our current status creates even more difficulties. The economic development of Puerto Rico, to a large degree, has been made hostage to a shaky fiscal policy of Federal tax exemption for profits made by U.S. mainland firms doing business in Puerto Rico. Congress may unilaterally eliminate the benefits of section 936 of the Internal Revenue Code any time. We would oppose such move, but we should not be caught unprepared. We should begin to design the blueprint for a more solid economic development toward the future adjustable to full partnership for Puerto Rico as a State of the Union with the rest of the Nation. This blueprint for the future will signify for us Puerto Ricans greater economic self-sufficiency, the dignity brought about by political equality as citizens of the United States, and respect for our cultural heritage and our identity as a people.●

RESCUE ATTEMPT MEMORIAL SATURDAY

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. ERTEL. Mr. Speaker, the ninth grade civics classes at Central Dauphin East Junior High School have conducted a mock Congress and passed a resolution which I would like to bring to your attention. Under the direction of Mr. Robert McClosky, the civics classes in sections 9–14, 9–6, 9–17, and 9–12 passed a joint resolution proclaiming April 25, 1981, to be "Rescue Attempt Memorial Saturday." I include the text in full here:

Resolved by the Senate and the House of Representatives of Central Dauphin Junior High School in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating April 25, 1981 as "Rescue Attempt Memorial Saturday," and inviting the people of the United States to observe such a day with appropriate ceremonies and to wear and display Red ribbons to commemorate the 90 commandoes and especially:

Marine Cpl. George M. Homes, Jr., Pine Bluff, Arkansas.

Air Force Capt. Richard Bakke, Long Beach, California.

Marine Sgt. John Davis Harvey, Roanoke, Virginia.

Marine S/Sgt. Dewey L. Johnson, Jacksonville, North Carolina.

Air Force Capt. Harold Lewis, Mansfield, Connecticut.

Air Force Sgt. Joel Maye, Bonifay, Florida.

Air Force Capt. Lyn D. McIntosh, Valdosta, Georgia.

Air Force Capt. Charles T. McMillen, Corryton, Tennessee.

who were killed in the line of duty on April 25, 1980 during the rescue mission that attempted to free the 52 Americans held hostage by the Iranian people.

We the below signed "Senators and Representatives" strongly believe in this Resolution.

Mr. Speaker, I want to commend these students for their fine work in drafting a well-written and thoughtful resolution to remember the servicemen killed in the attempt to rescue the 52 former hostages. In light of the recent efforts to celebrate the homecoming of the hostages, we cannot afford to forget those who gave their lives in an attempt to rescue their fellow countrymen. As we determine future policy and action in similar situations, let us all remember that behind the joyous homecoming celebration lies the grim tragedy of the deaths of these men. I hope that all Americans will take a few minutes on April 25 to remember them.●

RIVERSIDE CITY COLLEGE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. BROWN of California. Mr. Speaker, it is with great pride that I tell you of the 65th anniversary of one of the finest colleges in the 36th District of California. Riverside City College was founded in 1916 and is one of the oldest junior colleges in the State. Its 65th anniversary celebration will take place on March 14, 1981.

The founders of RCC enthusiastically endorsed the idea of junior colleges in our great State and made extensive efforts to define what roles the institution should play. Most of the essential features of the community college were envisioned: Students could receive the first 2 years of university work with no tuition; vocational courses would be offered; there would be part-time students; and older citizens could begin their education.

Through the years, the college has continued to define itself and in so doing has made major contributions to the concept of what a community college is. RCC's impact has not been felt just in Riverside, but across the Nation.

By 1918, the concept of community service was added to the definition of what a community college should do; an idea of A. G. Paul, chief administrator of RCC until 1950. Then, in 1922, H. S. Bliss developed the cooper-

ative plan—a work-study program. RCC was the first college west of the Rockies to offer such a program. A distinguished alumnus of this program was Chester Carlson, the founder of Xerox.

The cultural attractions of the city of Riverside are many, and these have often been initiated and sustained by the people and programs of the college: H. Norman Spohr and the community chorus; Marcella Craft and the Community Opera Association; Rex Brandt and the Riverside Art Association; and Leland Wilcox and the Riverside Community Players.

Between 1955 and 1975—just 20 years—RCC's enrollment increased by 650 percent. Besides this strain on its resources during that time, the college also met successfully the challenge of student activism; the special needs of minority groups; changing matriculation patterns; and special programs for the deaf, another RCC first; the handicapped and for the reentry woman. Two skilled administrators led RCC through this turbulent period, O. W. Noble and Ralph Bradshaw.

RCC has maintained high standards and broad curriculum throughout administrations. In 1916, RCC started with 105 students. It now has an enrollment of more than 14,000, a 28-building campus, and 190 full-time and 350 part-time teachers.

It is clear that RCC has kept close to the dreams and concepts envisioned by its founders in serving the Riverside community. RCC is a premier junior college which deserves high praise for educational excellence and to which we offer our warmest congratulations and deepest appreciation for continued community service on the occasion of its 65th anniversary.●

HEARING SCHEDULE OF THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT OF THE VETERANS' AFFAIRS COMMITTEE

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. EDGAR. Mr. Speaker, as chairman of the Subcommittee on Education, Training and Employment of the Veterans' Affairs Committee, I am pleased to announce that the subcommittee will be holding a number of hearings on programs coming under the jurisdiction of the subcommittee.

A major bill pending before the subcommittee is H.R. 1400, the Veterans' Educational Assistance Act of 1981, introduced by the distinguished chairman of our committee, Hon. G. V. (SONNY) MONTGOMERY of Mississippi. H.R. 1400 responds to the concerns of many Members of Congress and the military services about the effectiveness of our Armed Forces and the capability of the military to attract and retain the quality of personnel it needs. H.R. 1400 proposes to provide an educational assistance program to assist the readjustment of members of the Armed Forces after their separation from military service, and to enhance the recruitment and retention of quality personnel for both the active duty and Reserve components of the Armed Forces.

On March 17, 19, 24, and 25, 1981, the subcommittee, therefore, plans to hold four hearings on H.R. 1400 and similar proposals, to be held in the committee hearing room, 334 Cannon House Office Building, beginning at 9 a.m. each day. Among the invited witnesses will be the Secretaries of the services, the Secretary of Transportation, the Veterans' Administration, the Joint Chiefs of Staff, the Commandant of the U.S. Coast Guard, and the chiefs of the Reserves and the National Guard.

On March 31, 1981, the subcommittee will be holding an oversight hearing on education, training and employment programs administered by the Veterans Administration. The hearing will be held in the subcommittee hearing room, 340 Cannon House Office Building, beginning at 8:30 a.m.

On April 2, 1981, the subcommittee will be holding an oversight hearing on veterans' employment, training and preference programs administered by the Department of Labor and the Office of Personnel Management. The hearing will be held in the committee hearing room, 334 Cannon House Office Building beginning at 2 p.m.

Members of Congress and interested persons who desire to testify at these hearings or submit statements for the hearing record should contact Mrs. Arlene Burnett, administrative assistant, at 202-225-3527.●

URBAN DEVELOPMENT ACTION PROGRAM

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. RODINO. Mr. Speaker, we have now begun our examination of the President's proposals for reductions in Federal spending and taxation, and I think we can all agree that one of our goals should be the increased productivity by American industry that will put people back to work.

Unfortunately, while President Reagan has emphasized the need for Federal incentives to individuals and businesses to reinvest in our economy, his economic plan calls for curtailing one of the most effective programs for spurring business investment in our cities.

The urban development action grant program has been perhaps the most successful Federal program, per dollar spent, for inducing businesses to put dollars back into economically depressed areas.

Mayors from all regions of the country—both Democrats and Republicans—as well as business people, community activists, and ordinary citizens, have praised UDAG's action grants as a way to revitalize failing business districts.

These folks talk with pride and hope about new partnerships between government and industry that have rebuilt factories, reopened businesses, and redeveloped neighborhoods. They also talk about thousands of jobs that have been produced. Many UDAG projects are not completed yet, and the level of government support will mean the difference between their success or failure.

President Reagan says he wants to "integrate" UDAG with community development block grants to provide "a more efficient and flexible grant mechanism." He says he wants to cut the budgets of these two programs by $584 million in 1982 with progressively deeper cuts the following years. UDAG's 1981 budget was $675 million.

This proposed consolidation of UDAG and CDBG is less devastating than OMB Director David Stockman's original proposal to eliminate UDAG entirely, but it is still a bad idea.

Integrating UDAG with CDBG would misconstrue the uses of the two programs and take away the unique qualities that make UDAG so effective.

Community development block grants are awarded to thousands of local governments nationwide on a formula, no-strings-attached basis. This is a valuable program—one that helps communities rehabilitate housing facilities, repair roads and sewers, relocate businesses, and provide urban parks. However, these block grants do not require private investment and they do not focus directly on projects that will create permanent jobs in depressed areas.

UDAG, on the other hand, is sharply targeted to those areas most in need of economic assistance. It is not a formula program, but one in which proposed projects compete for Federal dollars on the basis of local commitment by private industry and local governments and citizens. These groups must be willing to invest money and human resources.

While block grants and action grants both help local communities, they serve different purposes and should not be combined. UDAG's record of achievement speaks for itself. In fact, if we decide to reduce the size of Federal programs according to their proven merit, then UDAG should be

in line for an increase instead of a cut. In the 3 years of its existence, UDAG has cost $1.9 billion. The results have been: $11.6 billion in private investment in depressed areas; 463,218 jobs, over half of which will be permanent; 46,000 newly constructed or rehabilitated housing units started or completed for moderate and low-income families; and over $300 million a year in local tax revenues gained from 1,000 locally sponsored projects.

UDAG has worked in my State of New Jersey, where over $370 million in private investment has been generated by $70 million in action grants—producing 15,000 jobs.

It also is working in my home city of Newark which has been particularly hardpressed to lure business investors back into the city. Then UDAG projects currently underway in the city have attracted $53.8 million in private funds. Over 2,000 jobs—more than two-thirds of them permanent—will result; and the city expects to collect an additional $2.3 million a year in local property taxes from the expanded businesses and industries.

In human terms, these projects mean a new day-care center for working mothers who have wanted to work but had no place to leave their children; a modern office building in the downtown area where a vacant industrial building stood last year; a new shopping center with a much-needed supermarket in an area where no one has previously wanted to invest; hundreds of jobs created by an expanded manufacturing plant in the inner city; and home improvements for over 500 families.

There are other examples in my congressional district; in the city of East Orange a combination of $500,000 UDAG funds and $1.5 million in private funds will help 283 families renovate their homes; and in the town of Harrison, 355 permanent jobs are expected to come back to the area after a recently vacated Otis Elevator plant is transformed into a manufacturing, warehouse and office facility with a UDAG loan of $450,000 and a private investment of $1.9 million.

These results sound familiar to many cities and towns across our country. Is this really a program that should be curtailed at a time when we want to revitalize local economies?

As we go about the business of finding ways to trim the Federal budget, the Congress should look for creative, sound, and reasonable efforts to make our budget better serve the Nation. This means where there is fat, there must be cuts. Where we have overreached with some programs, we must pull back.

But we must not be panicked or intimidated into thinking that the time for new initiatives has passed. We surely will need new ideas to move our Nation forward.

The UDAG program is a new initiative that works. To eliminate or reduce this program blindly, because of some misdirected fervor for so-called across-the-board budget cuts would be a senseless act of false economy.

It would set back the hopes of millions of Americans to improve their local economies and their lives.●

WAR POWERS RESOLUTION AND EL SALVADOR

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. BROOMFIELD. Mr. Speaker, as my colleagues know, the Reagan administration, intent upon preventing the success of what it views as a clear case of Communist supported insurgency in El Salvador, last week announced that it was sending 25 U.S. military training personnel to that country in order to help train El Salvadoran forces. These are in addition to 19 such personnel sent to El Salvador by the Carter administration.

Concern has been expressed to me by some of my colleagues as well as some constituents over the applicability of the war powers resolution to this situation. As the ranking Republican on the House Foreign Affairs Committee and its Subcommittee on International Security and Scientific Affairs, which has oversight over the resolution, I have posed certain questions to the Department of State regarding its applicability. The Department's response follows:

APPLICATION OF THE WAR POWERS RESOLUTION TO EL SALVADOR

The War Powers Resolution does not apply to the present situation in El Salvador. The Resolution applies only where U.S. military personnel are introduced (1) into hostilities or situations where it is clear that their involvement in hostilities is imminent, or (2) into foreign territory while equipped for combat.

HOSTILITIES[1]

The U.S. personnel in El Salvador are not being introduced into hostilities or a situation where their involvement in hostilities is imminent:

The level of hostilities in El Salvador has receded since the insurgent offensive in January, and significant fighting is not presently occurring in the areas to which U.S. military personnel will be sent. To date, there have been no attacks on U.S. military personnel.

These personnel will be stationed either in San Salvador (the capital) or in certain carefully selected regional military garrisons. Special precautions will be taken to provide constant security for their living and working areas.

These personnel will not go on patrol or combat missons with Salvadoran forces, or otherwise be placed in situations where combat is likely. They will not act as combat advisors, but rather will provide training to Salvadoran personnel who come to their training centers.

This situation has been carefully examined by military and foreign service experts who are familiar with current conditions in El Salvador. On the basis of their advice, the Administration has concluded that present circumstances do not indicate an imminent involvement of U.S. personnel in hostilities.

However, this aspect of the situation in El Salvador will be kept under continuing review by the State and Defense Departments. If some change in circumstances should occur in the future which raises the prospect of imminent involvement of these personnel in hostilities, we would of course comply with the requirements of the Resolution.

EQUIPPED FOR COMBAT

Section 4(a)(2) of the War Powers Resolution requires a report to Congress within 48 hours after the introduction into foreign territory of U.S. Armed Forces "while equipped for combat" (with some exceptions).

This provision does not apply to the U.S. military personnel who are already in El Salvador or to the additional mobile training teams which are about to be sent to that country:

These personnel will carry only personal sidearms, which they are only authorized to use in their own defense or the defense of other Americans.

It is not unusual for U.S. military personnel abroad in non-combat roles to carry or have access to personal weapons for individual defense (for example, U.S. aircrews), and this has never been regarded as triggering the War Powers Resolution.

A small training team whose members have sidearms would have no meaningful combat capability, and is not a force equipped for combat within the meaning of this section.

ACCOMPANYING FOREIGN FORCES

Section 8(c) of the War Powers Resolution states that:

. . . the term "introduction of United States Armed Forces" includes the assignment of members of such armed forces to command, coordinate, participate in the movement of, or accompany the regular or irregular military forces of any foreign country or government when such military forces are engaged, or there exists an imminent threat that such forces will become engaged, in hostilities.

This Section was designed to make clear that the Resolution applies to individual members of U.S. forces who may enter hostilities as commanders or advisors, as well as U.S. combat units. It was not intended to require a War Powers report any time U.S. military personnel may be involved in training or advising foreign military personnel if there is no imminent involvement of U.S. personnel in hostilities.

In the case of El Salvador, U.S. military personnel will not act as combat advisors, and will not accompany Salvadoran forces in combat, on operational patrols, or in any other situation where combat is likely. For

[1] The meaning of "hostilities" is not entirely clear in the context of a guerrilla insurgency. We would interpret it to apply to any armed confrontation between opposing forces involving an exchange of fire, whether in a conventional or a guerrilla conflict. However, it would not apply to irregular or infrequent violence, such as sporadic terrorist attacks, which happen to occur in a particular area. In any event, we have no reason at present to believe that U.S. military personnel are about to be exposed to attack of either description.

the purpose of Section 8(c), they will not "command, coordinate, participate in the movement of, or accompany" Salvadoran forces at any time or place where involvement in hostilities is imminent.●

TOO MUCH CAPITAL FOR HOUSING?

HON. BENJAMIN S. ROSENTHAL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. ROSENTHAL. Mr. Speaker, the Housing and Community Development Act of 1980 (Public Law 96-399) at section 603 expresses the sense of Congress that—

Lending by federally insured lending institutions for the conversion of rental housing to condominium and cooperative housing should be discouraged where there are adverse impacts on housing opportunities of the low and moderate-income and elderly and handicapped tenants involved.

The Subcommittee on Commerce, Consumer, and Monetary Affairs, which I chair, has been monitoring enforcement of this provision in connection with its investigation of Federal activities impacting the conversion issue. I have asked the General Accounting Office to report on what, if anything, the banks and thrift institutions have been doing to discourage lending where the adverse impacts mentioned in the law occur.

In addition to section 603, there are other reasons for banks and thrift institutions to carefully consider loans for certain condo and co-op conversions. In an article in the summer 1980 issue of the Brookings Bulleting, the highly regarded housing expert Anthony Downs makes the point that we are providing too much money to finance housing generally. Mr. Downs states:

Much of that money simply inflates the market prices of the existing inventory rather than adding to the total housing supply.

In my view, we are not encouraging investment in new housing or rehabilitation, but instead are encouraging speculative investment in existing housing, and converted condos and co-ops make up an increasing portion of this market.

Mr. Down's article follows:

Too Much Capital for Housing?

High interest rates and the recent curtailment of mortgage credit have cast a shadow over the housing industry. Many people in that industry are dismayed that the United States cannot invest more funds in housing. Their concern is understandable, yet I see evidence that in recent years we have been investing more capital in financing housing than is good for us.

For more than half a decade, our nation has been experiencing a slowdown in productivity growth and recently an absolute decline in productivity. We need to make huge capital investments in energy production, energy conservation, and modernization of our industrial plant and equipment to compete in world markets. Yet more American capital flows into mortgages for housing than into any other single use, including business investment or state and local government finance. Moreover, some evidence suggests that much of this capital is diverted into current consumption rather than used to produce additional housing units. So large a use of resources should be neither ignored nor regarded as inevitable. We should be asking: Is our system of financing housing diverting too many resources from other investments that might help counteract declining American productivity?

I emphasize that I have not reached a definite answer to this question. In exploring it with you, I will offer a series of propositions that may stimulate additional thinking.

OUR POSTSHELTER SOCIETY

The first proposition grows out of the changing attitude toward housing held by American consumers. Housing is no longer considered merely shelter. Many buyers now view it primarily as an investment that allows them to accumulate capital and to hedge against inflation. As George Sternlieb has put it, we are becoming a "post-shelter" society in which the behavior of homebuyers and homeowners is often dominated by investment considerations.

The pervasive attitude leads many people to invest in more space than they really need and to buy homes at an earlier age than they did just a decade ago. It has also led them to expand the share of their incomes they devote to housing. Surveys conducted by the U.S. League of Savings Associations show that median spending on housing among home purchasers was 24 percent of income in 1979, up from 22 percent in 1977. Since that was the median, many homebuyers are devoting more than the usual 25 percent share of their income to housing.

The second proposition is that housing as an investment offers extraordinary tax advantages compared to any alternative form of investment, such as corporate stocks, bonds, or even direct investment in small business. Yet those alternative investments, especially in small business, provide most of the innovation and new private job creation in our economy.

The attraction of homeownership is increased by the deductibility of interest payments and property taxes from taxable income. But the really stupendous tax advantages of homeownership result from the ability to sell a house without paying capital gains taxes on the proceeds so long as another home is purchased, and to take out $100,000 in capital gains after the age of fifty-five without paying any tax whatsoever. No other form of investment offers any thing remotely approaching those advantages. Moreover, they induce households to purchase ever more costly homes as time goes by.

THE REWARDS OF INFLATION

Influential as tax advantages have been in consumer housing decisions, an even larger consideration in recent years has been inflation. My third proposition is that investment in housing has become far more than a strategy to "keep up" with inflation. In addition to that, inflation magnifies the other benefits of investment in housing.

The clearest advantage lies in the high leveraging that is possible. The investor can borrow 80 percent, or even up to 95 percent, of the initial cost of a house. With so small a down payment, any significant percentage rise in the price of the whole asset provides a huge return on equity. Take the example of a California home bought in 1976 with 20 percent down. The median price of existing homes sold in California rose at a compound annual rate of 20.9 percent from 1976 to 1980, increasing the initial equity in the typical home by more than 100 percent every year.

For the nation as a whole, the price of existing single-family homes has increased by an average of 12.7 percent each year since 1976. The average house purchased with a 20 percent down payment has thus shown a 63.5 percent annual increase in initial equity. Even after deducting associated costs, the profits resulting from homeownership are remarkable—and totally tax-free.

Consumers are alert to this opportunity. Millions of households have rushed to buy homes, thereby stimulating housing price increases at a rate greater than the overall rate of inflation, at least until last year. Ironically, rising home prices have not curtailed the number of units demanded, as economic theory would predict. Rather, they have increased the number by stimulating greater total demand by people who expect additional price increases.

Inflation also causes the carrying costs or occupancy costs of a housing investment to decline in real terms over time. Debt service usually accounts for well over half the cost of occupying a home. So even if operating costs like utility bills and local taxes rise rapidly, with mortgage payments fixed and household incomes rising, homeowners pay declining real amounts for housing each month—as well as falling percentages of household income. This fact has been obscured by alarmist housing analysts who look only at the first-year costs of occupying a home and draw gloomy conclusions about how few Americans can afford to buy a house. Home-buyers know better; they look at multiyear costs and see that owner-occupancy costs in real terms were falling throughout the 1970s.

A third effect of inflation is to reduce the real after-tax rate of interest paid by borrowers in constantly devalued dollars. Another simplified calculation will make this clear. If a borrower pays 12 percent interest on a mortgage when prices are rising 10 percent a year, the real rate of interest is 1.8 percent before taxes for the first year (1.12 divided by 1.10). The rate falls to minus 2.5 percent after taxes for people in the 40 percent tax bracket. And if the house itself is rising in value at 12.7 percent a year, as it has on the average for the entire nation in recent years, then even the before-tax rate is negative and the after-tax rate is minus 4.8 percent.

These calculations are based on a one-year loan. The results are even more dramatic when compounded over a long-term loan during a period of accelerating inflation such as we have experienced. Most lenders did not anticipate that acceleration. Hence they charged interest rates that were too low from their own point of view and from that of the savers whose deposits supplied much of the money for home loans. The result was that borrowers received large real benefits during the 1970s at the expense of lenders and savers.

Naturally, this situation has discouraged consumers from saving out of current income. They have simply moved their savings under their own roofs, so to speak, by regarding increases in their home equities as savings. After all, they can earn for greater rates of return on investments in real estate—if they borrow most of the required money—than they can on savings accounts. They have come to look upon borrowing to purchase housing as the best way to increase their family savings. They believe, as my father used to say, that "what you owe today, you will be worth tomorrow."

Another effect of inflation is that it pushes more people into higher tax brackets, steadily increasing the value of the tax shelters offered by investment in housing. Conversely, inflation penalizes other forms of investment. It harms bonds, for instance, because their fixed interest payments represent a falling real return to bondholders over time. It penalizes corporate equities because of the requirement that depreciating assets be valued at their historic cost for tax purposes rather than at their much higher actual replacement cost. By understating true replacement costs and overstating reported profits, this practice results in excessive corporate taxation that harms investors in stocks. The separate inflation-adjusted accounts now required by the Securities and Exchange Commission show that the real profits of many firms are 40 percent lower than their reported profits. Corporate income taxes in turn are excessive by as much as 20 percent. Thus, the more deeply investors explore the return on housing investment, the better that return looks than the alternatives.

These effects of inflation create a growing social and economic cleavage between families who already own homes and therefore enjoy these benefits, and those who are not yet homeowners or cannot afford to become one. The fraction of buyers purchasing their first home fell from 36 percent in 1977 to only 18 percent in 1979.

ARE HOUSING NEEDS EXAGGERATED?

Our current huge investment in housing finance is often justified by references to demographic trends. Its defenders claim that high rates of household formation demonstrate a "need" for more housing. But do people "need" as much housing as they are buying? In 1979, for example, 22 percent of all home purchases were made by single persons. Many bought houses large enough to shelter sizable families—far more space than one person must have for shelter. They bought for investment reasons.

Such behavior was encouraged by the low real capital cost of housing space. Indeed, the very formation of separate households is stimulated by low housing costs. Experience in Eastern European nations with acute housing shortages shows that both the number of households formed and the birthrate are influenced by the cost and availability of housing. The tremendous acceleration of household formation in the United States during the 1970s resulted in part from the availability of housing at low cost (in real terms); it was not a purely demographic factor to which housing markets "had to" accommodate themselves.

The attractiveness of homeownership as an investment inevitably has helped make the construction of new rental units economically unattractive to developers. They cannot charge rents high enough to make new units pay, since people would rather buy than pay rents sufficient to provide a fair return. As a result, rental housing is not being built in most areas in significant quantities. Moreover, existing rental units are being converted into condominiums because people will pay far more to own them than to rent them, thanks to the benefits of homeownership. These outcomes are contributing to rental housing shortages in many markets.

A related issue is the restriction of new housing production by local governments. When those governments respond to intensified housing demand in growth areas by restricting additions to the supply, escalation of the prices of existing housing is inescapable. Higher prices soak up more financial capital and fewer new units are produced than would otherwise be the case. Such restrictions are often imposed in the name of environmental protection; but local officeholders surely know that the restrictions add money to the balance sheets of the homeowning majority of voters in their jurisdictions. In California, for example, the production of new units declined by 21 percent in 1979 from the peak it had reached two years earlier; this stimulated a rapid increase in the median price of existing units, which rose 29 percent from February 1979 to February 1980 alone and represented a gain of about $22,000 per home.

It may seem inconsistent to criticize local governments for restricting new home construction when I have just argued that current estimates of housing needs may be exaggerated. Yet many parts of the United States have urgent needs for more housing units, especially fast-growing areas experiencing heavy net in-migration. Precisely those areas tend to place the most restrictions on new homebuilding.

It is not that the United States is building too much housing. We undoubtedly will need a great many more new housing units in the next two decades. The point is that we are providing too much money to finance housing. Much of that money simply inflates the market prices of the existing inventory rather than adding to the total housing supply. Restrictions placed on new development by local governments tend to worsen the problem.

HOUSING'S SHARE OF CAPITAL

The fraction of all capital raised by nonfinancial sectors of the American economy that went into home mortgages averaged 16 percent between 1966 and 1971. It rose sharply in the 1970s, reaching 28.5 percent by 1977. An equally high level of housing investment prevailed from 1950 to 1965, when it averaged 28.1 percent. But that was a period when the nation was catching up after twenty years of depressed new home construction in the 1930s and during and right after World War II. We are not under similar pressures of long-deferred demand today, yet we are directing our national resources as though we were.

Total mortgage financing has risen sharply each year in relation to the total cost of building new housing. The annual ratio of all residential mortgage lending to the total cost of new housing put in place rose from 66.5 percent in the 1950s, to 89.3 percent in the 1960s, to 108 percent in the first half of the 1970s, and to 144.9 percent from 1975 to 1978. Although some of this remarkable increase reflected lower down payment requirements for new homes, most of it resulted from greater refinancing of the existing inventory. The influx of capital inflated the value of the existing housing supply without adding to true wealth or to productivity.

The annual rate of home-purchase transactions has been rising as well, as more households seek the benefits of ownership or realize their capital gains. In the 1960s, about 1.7 new or existing homes were sold each year for every new household formed. In the last half of the 1970s, that ratio rose to 2.3 to 1. In addition, from 1968 to 1979 the median sale price of existing homes rose at a compound annual rate of 9.7 percent compared to 8.9 percent for new homes. The consumer price index rose at a rate of 6.9 percent during that period, which means that the prices of existing homes rose 41 percent faster than prices generally.

An important part of these price increases has been diverted into consumption by householders who take out some of their equity when selling and buying. The U.S. League's study in 1979 showed that typical repurchasers received $30,877 in equity from houses they sold last year, but took 34 percent of that equity out of housing when they bought another home. In fact, more than 80 percent of the people who sold homes last year did not use all the proceeds for reinvestment in another home. Much of this "diverted" profit probably was used for personal consumption of various kinds. Such behavior is perfectly acceptable from the viewpoint of the individual household, but the net result has been a significant movement of funds seemingly used to finance housing into the financing of other things.

POLICY IMPLICATIONS

So much for the evidence that we may be investing too much capital in housing. Because of the way our institutions work, much of that investment has gone into raising the price of existing houses rather than expanding the housing stock to meet valid needs. My intention is to suggest the validity of that hypothesis, not to affirm it conclusively. Yet the evidence is persuasive enough to warrant consideration of possible policy responses. The trends we have witnessed in the last decade are by no means irreversible.

It seems clear that we ought to reduce the relative tax advantages of investment in housing as against other forms of investment. I hasten to affirm that homeownership is a desirable social goal and should be encouraged by financial incentives, including some tax benefits. But I also believe that the present overwhelming tax advantages of buying housing compared to other possible uses of capital impart too strong a bias to household choices. Those relative advantages could be reduced either by decreasing the benefits attached to housing or by extending greater advantages to other kinds of investment, such as personal savings accounts and corporate stocks. The latter course would be politically easier, since 65 percent of all householders are homeowners.

Another possibility would be to direct more mortgage funding into financing new construction and rehabilitation, and less into inflating the values of existing homes without improving them. Pumping up the prices of existing homes by pouring capital into housing finance while allowing local governments to restrict the construction of new housing as much as they wish, as happens in parts of California, appears to be a wasteful national policy. It diverts housing finance into general consumption when the nation needs higher levels of investment to improve productivity and reduce our dependence on imported sources of energy. The power of local governments to block the construction of additional housing—especially lower-cost housing—should be closely scrutinized.

Lastly, the real cost of borrowing capital to finance housing should be increased, preferably by paying savers higher rates of interest to reward them for saving. The

shift by savings and loan associations to rollover or renegotiable-rate mortgages is a move in this direction. If future savers do not receive a greater share of real rewards from the housing investments they finance than they have in recent years, many will save less out of their current incomes. This is shown by the decline in the savings rate in the past year or so to about one-half the rate of similar points in previous business cycles. A lasting decline in savings would greatly reduce the borrowing that has made housing purchases so profitable. After all, not everyone can be a borrower; someone must defer immediate consumption by saving or no borrowing will be possible. Hence, raising the real cost of capital for housing—and thus the real return on savings—is not just a means of reducing the flow of resources into housing. Rather, it is an essential means of ensuring that an adequate flow will exist in the future.●

POST-TRAUMATIC STRESS DISORDER

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. EDWARDS of California. Mr. Speaker, the March 1981 issue of the American Legion contains an excellent article entitled "The Wounds That Would Not Heal."

The article, written by Dr. Arthur S. Blank, Jr., describes the problems of "post-traumatic stress disorder" which have been encountered by a significant number of Vietnam era veterans. In exploring the reasons for this disorder, the article also explains why the Veterans' Administration's Operation Outreach was created, and why this program has been able to assist these veterans in overcoming their delayed stress problems.

Unfortunately, what the author does not point out, is that most Vietnam veterans will lose their eligibility for this vital program this fall, unless the Congress acts to extend their eligibility. I have introduced legislation, H.R. 747, to extend the eligibility of these veterans for counseling under Operation Outreach for 3 more years, until September 30, 1984.

I hope that after reading this outstanding essay, my colleagues will agree that Operation Outreach needs to be continued. I would certainly welcome the cosponsorship of my colleagues on H.R. 747.

The article follows:

THE WOUNDS THAT WOULD NOT HEAL

(By Arthur S. Blank, Jr., M.D.)

"He jests at scars, that never felt a wound."—Shakespeare.

Military psychiatrists in Vietnam during the war, including this writer, were cheerfully reassuring about the psychological effects of the war on troops. In our reports and in the press, the word went out that—in contrast to WWII—psychiatric casualties were rare, thanks to the limited 12-month tour, the off-and-on nature of the combat, and new treatment methods refined during the Korean War. In fact, evacuations and hospitalizations for psychiatric reasons did remain low throughout the war.

But as early as 1970, a group of psychiatrists and psychologists led by Chaim Shatan M.D. and Robert J. Lifton M.D. in New York, first began to report important and persisting emotional stress in veterans who had successfully completed tours in Vietnam and had had no psychiatric treatment.

From that time 10 years ago, through the final painful years of the war and the return to America of the 3.5 to 4 million men and women who served in Vietnam during our longest war, through the shock of defeat and withdrawal, through our nation's effort to forget the war and the deep divisions and mistrust which it created—slowly through this past decade—our citizens and government have recognized that a substantial minority of Vietnam veterans have been deeply wounded psychologically by what happened to them in Indochina. And now, in recent months, we have finally moved to confront and deal with this major public health problem.

The best available research to date reveals that about 20 percent, or somewhere around 700,000 veterans of Vietnam, are to this day markedly impaired by the after effects of their war experiences. Many of them can be said to be suffering from "post-traumatic stress disorder."

What is this psychological condition? For most of these veterans, the core symptoms are the same as those which were felt by thousands of veterans of WWII and Korea, especially combat veterans: nightmares, depression, anxiety and fear, trouble restarting peacetime living, flashbacks and feelings of detachment from others. For some individuals, there have been other manifestations of the psychological stress disorder: alcohol or drug abuse, physical conditions such as chronic headache, low back problems or ulcers. Both the acute, short-term form, and the long-lasting or "delayed" form of this syndrome have occurred in veterans of previous wars—perhaps all wars.

All warriors know the horror, the suffering, the grief of losing buddies, the profound fear and tension of daily living with death, the miserable living conditions and the extremes of human existence which happen in war. There is great heroism, humor, loyalty and friendship—along with great hatred, brutality, sadism and pain—much of which lies forever beyond the imagination of those who have been spared the experience of war.

And so, Vietnam veterans share the wounds and scars of war with their fathers and uncles and friends who are veterans of previous wars.

Again in the case of Vietnam, we have to ask why the emotional wounds of perhaps 80 percent of those veterans healed? Many reasons, perhaps. Maybe it's been a basic flexibility of spirit, or special postwar help and attention from family and friends who have been able to aid the veteran in getting over the war experience. Or perhaps it's just been the ability to forget—to shut it out and keep it out and go on with normal living—an ability which some seem to have more than others.

But what happened to the others? What happened to those who, 10, 12, 14 years later, are still suffering from frequent nightmares, or are irritable every day with their children and troubled by the intense—too intense—anger which the child's natural cantankerousness brings up? Others have been stuck now for years in a dulling depression which takes the joy out of life, and takes the advancement out of their careers. Some suffer from sleep distrubances, difficulties in concentrating or other limitations on their capacity for work.

For some this has resulted in an endless cycle of unemployment; for others, repeated divorce; and for still others, years spent lost in alcoholism which could never be successfully treated because its roots in the war were never recognized.

Through the 1970s, the families and friends of these veterans, a few mental health professionals and a few government officials knew about the psychological wounds which would not heal. But either because our feelings about the Vietnam War itself were still so intense, or because we hoped that with time the problems would go away, our society was not able to take action about the situation.

That has changed, and in Operation Outreach of the VA and the Vietnam Veterans Outreach Project of the DAV, the nation is not only beginning to address the treatment needs of troubled vets, but we are beginning to pin down very clearly what factors have made the Vietnam War haunt the lives of some veterans and their families for so long.

First of all, as I heard expressed so eloquently in testimony in a courtroom a few weeks ago by a retired general officer—a man who had been a battalion commander in both the Korean War and in Vietnam—the war in Vietnam was different. There are some things about a guerrilla war, as opposed to a conventional war, which simply cause a number of people to come unglued inside—unglued in a way that lasts and is very difficult to get over.

For many of us the deepest cut ultimately came from the atmosphere of terrorism which permeated the entire war zone. There was no safe ground and there were no safe people. Every Vietnamese person—man, woman and child, young and old—was potentially the enemy. Babies really were booby-trapped, and youngsters really did toss grenades into one's jeep. GIs worked, lived and even fought for months with Vietnamese who turned out to be working for the other side. All base camps, cities, towns, airstrips and installations established throughout the country were attacked at some time or other during the 11 years of war. Attacked also, of course, were units in the field proper and troops in "normal" combat situations. It was all a combat zone, the whole way through.

For those who were not in Vietnam, it is easy to dismiss this pervasive and penetrating terrorizing atmosphere—and its psychological consequences—as exaggeration. But the features of guerrilla terrorism were added to the mental challenge of combat experiences and have produced in some veterans an especially painful, deep and abiding kind of paranoid fear which we are now beginning to learn to recognize and treat.

It has also now become clear that uncertainty about the rightness or wrongness of the war itself has, for some veterans, been a major factor in producing lasting psychological disability. Now that passionate attitudes for and against the war have somewhat cooled, we have begun to see that some veterans remain sorely troubled by the nature of the Vietnam War, and that these difficulties go beyond political differences. That is, many veterans with stress syndromes have—as part of their problems—a relentless despair that in a war which they

believe to have been just and honorable, they and their comrades were not permitted to fight to win.

On the other hand, some veterans who believe that the war was wrong from the outset and an unjustified interference in the affairs of the Vietnamese, share the same kinds of despair, pain and bitterness as part of their symptoms.

Thus, our regular experience in rap groups now is that the political disagreements, though still real and important, can be transcended in the search for a common healing outcome.

A third major factor which has caused the perpetuation of stress syndrome in Vietnam veterans came about when the veteran returned home. Many veterans came home to friends, family and community who lacked the capacities to help in the emotional debriefing process which all war veterans need to some extent.

Because of the seemingly endless exposure to the war on television, or the deep divisions which came into our society over the war, or because so much of the civilian population was discouraged by the fact that so little was accomplished and so much lost, many people to whom the veteran returned could not stand to hear any more about Vietnam. By the end, at least as many people opposed the war as supported it. Many Americans were, or still are, sad and regretful about what happened in Vietnam: the pro-war folks because we did not win, and the anti-war folks because we were there at all. They have had their own wounds to heal, with not much left over with which to help the veteran work it out.

I must most emphatically add that many psychologists, psychiatrists and other counselors—with a few exceptions—have, until very recently, not been able to help those Vietnam veterans who needed to talk out the war. These professionals, too, have not been able to face it.

The hitch has been that for most Vietnam veterans with a stress syndrome, a true recovery has to include revisiting and re-experiencing, to some extent, the events which were lived through in Indochina. They must be remembered before they can be forgotten, sometimes in painstaking detail.

That need for talking it out will be instantly recognized by many veterans of other wars. It is part of the normal recovery process. Since the mental health field has had such a hard time providing the context for that, the Outreach Centers have been created as places where Vietnam veterans, their families, friends and other veterans can honestly—and with feelings—bring the buried past into the present and make it a constructive part of the future.

The core of the psychological difficulties which some Vietnam vets are now struggling to recover from is the same as in veterans from other wars. The trauma of combat, the encounters with death, horror, mutilation and suffering were the same. Some veterans of WWII and Korea to this day are fighting the same struggle.

In fact, it is our hope that through the concentrated attention which we professionals, community workers, Vietnam veterans and friends are now directing toward stress disorder in Vietnam veterans, we shall inspire the Veterans Administration and the nation at large to a deeper understanding of the problems, strengths and wisdom of all veterans of war, and to a more sensitive appreciation of the ways in which returned warriors can fully contribute to a happier and more peaceful society.●

EULOGY OF MSGR. D. JOSEPH CORBETT: MINISTRY OF LEADERSHIP AND SERVICE TO ALL

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. ZABLOCKI. Mr. Speaker, upon the passing away of Rev. Msgr. D. Joseph Corbett on February 19, 1981, my fellow parishoners at the Shrine of the Blessed Sacrament Catholic Church—as well as the entire Christian community of Washington—lost a beloved pastor and inspirational religious leader.

In his 30 years as a priest of the Washington Archdiocese, Monsignor Corbett served as pastor in three different parishes; director of the Confraternity of Christian Doctrine; secretary to Cardinal O'Boyle; rector of the Archdiocese of Washington Preparatory Seminary; and elected member of the archdiocese's priests' senate.

Reflecting recognition of Monsignor Corbett's lifetime ministry of service to the people of Washington, an overflow congregation of fellow priests and sisters, relatives, friends, and Blessed Sacrament parishoners attended his Mass of Christian Burial on February 23. With Cardinal Patrick A. O'Boyle in attendance, and joined by Bishop Thomas W. Lyons and Bishop Eugene A. Marino, the Archbishop of Washington, James A. Hickey, celebrated the mass at Blessed Sacrament.

In his eulogy, Fr. James Lockman, acting administrator at Blessed Sacrament, noted the positive influence that Monsignor Corbett had on countless people, including and especially the parishoners of Blessed Sacrament Parish:

Though countless the achievements of Msgr. Corbett, none surpasses the dedicated, personal, and humble way in which he gave of himself to all whom he knew, loved and served. With relentless dedication he committed himself to the spirit and vision given to the Church through the Second Vatican Council and he shared this mission together with all those to whom he ministered.

Monsignor Corbett's impact on the many people he so ably served included the future of our country—our youth. This was most poignantly reflected by an 8-year-old parishoner who, at Monsignor Corbett's funeral mass, observed to her father: "Daddy, I have lost a friend."

The wellspring of Monsignor Corbett's strength and hope is best reflected in one of his favorite psalms which he had written in his personal breviary and prayed daily:

You, Oh Lord, are my lamp,
My God who lightens my darkness
With you I can break any barrier,
And with my God I can scale any wall.—(Ps. 18: 30.)

In extending consolation to Monsignor Corbett's family, including and especially his mother, Mrs. Johanna Corbett, the Blessed Sacrament Parish community joins me in recognition and appreciation that Monsignor Corbett reached out to all with the message: "Blessed are the poor in spirit for the Kingdom of God is theirs".●

CHILD WELFARE AND ADOPTION

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mrs. CHISHOLM. Mr. Speaker, the Children's Defense Fund (CDF) has worked over a decade to improve the lot of the poor, homeless, and handicapped children and their families. It is the feeling of this group that the poor and their children stand to lose much if the President's proposed budget cuts are approved.

In response to what it calls the Stockman plan, CDF has prepared "A Children's Defense Budget: A Response to President Reagan's Black Book."

Following is the first chapter of the document, entitled "Child Welfare and Adoption."

CHILD WELFARE AND ADOPTION

WHAT IS THE ADOPTION ASSISTANCE AND CHILD WELFARE ACT OF 1980?

The Adoption Assistance and Child Welfare Act of 1980 (Public Law 96-272) passed the House by a vote of 401 to 2 after years of effort. It seeks to provide the federal leadership needed to produce long overdue reforms in the child welfare system which has encouraged family break-up and long term, expensive out-of-home care for children. The new law attempts to redirect federal fiscal incentives and encourage states to keep families together, get children out of the limbo of foster care and into permanent families through return home or adoption.[1]

The reforms uniquely link federal increases in a state's funding for child welfare, foster care, and adoption services to the efforts the state makes to reform anti-family procedures and ensure that:

Children enter care only when necessary.

Children who must enter care are placed in the most appropriate family-like setting.

Children's placements are reviewed periodically to prevent them from staying in care any longer than needed and protect them from getting lost in the foster care system.

Children are returned home or provided with new permanent families in a timely fashion.

The act also provides federal reimbursement to states for subsidies to assist with the adoption of children with special needs (such as mental, physical, or emotional handicaps).

[1] These reforms revise the Title IV-B Child Welfare Services program, and combine the federal Foster Care program and new Adoption Assistance program in the Title IV-E program.

WHO BENEFITS FROM THE ADOPTION ASSISTANCE AND CHILD WELFARE ACT?

The act brings desperately needed help to the over half million homeless children adrift in this country and the thousands more who enter foster care each month. Many of these children have been needlessly wrenched from their families and left to linger in costly facilities that range from foster family homes to large child care institutions.

Many of these children have special needs stemming from physical, mental, or emotional handicaps; some are victims of parental abuse and neglect; others have been involved with the juvenile court. Approximately 60 percent of these children are white. Over 40 percent are preadolescents and adolescents. Fewer than 30 percent come from AFDC families.

In many states these children remain in care an average of five years, moving from foster home to foster home or institution to institution. They are neither returned home nor provided with new permanent families through adoption. Often, they are cruelly forgotten or written off as lost causes.

Terri and Cindy are just two of these homeless children:

Terri is an alert, warm, engaging eight-year-old who is beginning to show signs of learning difficulties and aggressiveness. Terri is entering her third school and her fourth foster home in four years. She has not seen her own parents in four years but no one is making plans for her to ensure she has a permanent family.

Cindy is a seven-year-old retarded child whose mother made numerous unsuccessful attempts to enroll her in the public school system in the southern rural community where they live. Cindy could already do many things for herself. Yet the school system argued it had no services for her, offered no alternatives, and told her mother to keep Cindy at home. Cindy and her mother were receiving public assistance but the local welfare officials did nothing to help cindy's mother insist the schools provide an appropriate education. Instead, they wanted to place Cindy in a state institution for the mentally retarded. When Cindy's mother refused, the local department formally charged her with neglect. The Court upheld the charge and ordered that Cindy be placed in the state institution.

These children and thousands of others like them are victims of state and local child welfare systems across the country—the very systems the Reagan Administration currently proposes to give total responsibility for the children to without any procedural protections.

WHAT IMPACT WILL THE CURRENT REAGAN ADMINISTRATION PROPOSAL HAVE?

The Administration's current proposal cuts the Adoption Assistance and Child Welfare Act of all its procedural reforms and fiscal incentives by placing it in a block grant, the Social/Community Services and Health Program Consolidation, with over 30 other programs and by reducing their combined budgets by 20 percent from fiscal year 1981 levels. In fact, states are free to eliminate the child welfare and adoption programs altogether. The federal leadership anticipated by the act and necessary to stop state neglect and abuse of children and families would be undermined as a result.

Homeless children will get lost. Thousands of our country's most vulnerable children will continue to get lost in the foster care system because procedures—such as information systems, case plans, and case review systems—to identify the most needy children will no longer be required under the consolidation proposal.

Children will continue to languish in foster and institutional care. The lack of federal leadership and revised fiscal incentives will mean business as usual at the state and local level. Funds will continue to be spent for costly out-of-home care because it is an easier and more familiar course for child welfare workers. Without incentives to develop service programs that specifically keep families together or reunite them, states are not apt to use dollars for the upfront costs of implementing these programs. And the long range cost-savings which result from the creation of preventive services will be lost. States will continue to deny permanent adoptive families to children (particularly those with severe handicaps who have been lingering in the foster care system for years) unless they are required to use federal dollars specifically for adoption assistance payments on these children's behalves.

The truly needy will be hurt. The majority of children who come into contact with the child welfare system come from poor families. These poor families are at risk of the greatest harm—removal of their children, sometimes permanently—when no alternatives to foster care are available. Indeed, homeless children are America's most vulnerable and "truly needy" group of children.

Taxpayers' money will continue to be misused. Homeless children cannot argue for their fair share of a block grant. Often their parents are not in a position to organize and advocate on their behalf. And individual caretakers and other professionals responsible for their care are constrained by the larger social services system of which they are a part. Thus, money meant to help homeless children and children threatened with removal from their families will likely be absorbed by existing programs, such as the presently underfunded Title XX Social Services program. Funds will not go toward the creation of preventive and reunification services and adoption subsidies as intended. Some children will remain in institutions at a cost of taxpayers of up to $36,000 per child per year. To date the vast majority of federal dollars for child welfare have been used to finance the high cost of this bed and board care.

If implemented as enacted, the Department of Health and Human Services estimates that the Adoption Assistance and Child Welfare Act will save over $4 billion in out-of-home care costs over the next five years. It will reduce the average number of children in care by 30 percent. These reductions will never be realized if the Act is gutted.

The Reagan Administration proclaims budgetary wisdom but ignores findings proving that public dollars used to keep families together now are more cost-effective in the long run than placing children in care:

In 1977 the state of Washington passed legislation mandating crisis intervention services for "families in severe conflict." About 40 percent of these services were delivered to the entire family in their own home. Washington state officials say that the legislation and an increased emphasis on finding permanent homes for children saved the state about $2 million in a six-month period alone.

Between October 1975 and November 1978 the State of Iowa's Department of Social Service ran, within a seven-county district, a group of preventive services for children already dispositioned to be placed in institutions. The services were delivered to families in their own homes. The department estimated their savings from these programs at $1,354,211.

THE REAGAN ADMINISTRATION'S CURRENT PROPOSAL IS ANTI-FAMILY

It deliberately undermines a law designed to strengthen families which Congress enacted only last year. It doesn't even give the act a chance to work after hundreds of hours have been spent designing it so that it will. The hopes raised for families and children less than eight months ago, when the Adoption Assistance and Child Welfare Act was enacted, will be ruthlessly crushed now that these same families are told that a targeted investment on their behalves is not a "wise" investment.

The Reagan Administration's proposal makes no similar attempt to preserve families. In fact, when coupled with the effects of other current administration proposals to cut back food stamps, Aid to Families with Dependent Children, and Medicaid, the stability of more and more families will be threatened. It makes no sense in any terms—particularly not fiscal ones—when we all recognize the extreme pressures facing families today. And it resigns to oblivion the greater and greater number of children who will enter the limbo of foster care without any way of fighting back.●

MASS TRANSIT MUST NOT BE IGNORED

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1981

● Mr. OTTINGER. Mr. Speaker, on February 17, the Subcommittee on Commerce, Transportation, and Tourism held a hearing in New York City on commuter rail service provided by Conrail in the Northeast. The hearing focused on whether Conrail should continue to operate commuter service and, if not, what alternative arrangements are feasible. The hearing in New York is one of a series which the subcommittee is conducting on commuter service in the Northeast.

I have addressed this body on many occasions raising my concerns about the future of mass transit in this country and the need for increased Federal commitment to maintaining and expanding our public transportation network. Such an investment means jobs, increased mobility for all Americans, improved quality of the environment, a healthier economy, and energy conservation. Without this investment, we will continue to suffer from more traffic congestion, pollution, economic stagnation and will pay a horrendous price in increased dependence on imported oil.

My testimony at the February 17 hearings highlighted the problems confronting the commuter rail lines which serve Westchester County, N.Y. These problems are indicative of those

which plague many public transportation systems across the country which are faced with shrinking budgets and increased ridership. I urge my colleagues to study, understand, and address the complex problems facing the mass transit industry and to support solutions which foster well-being and growth in this critical industry—an industry which is the lifeblood of our economy.

STATEMENT OF HON. RICHARD L. OTTINGER BEFORE THE SUBCOMMITTEE ON COMMERCE, TRANSPORTATION, AND TOURISM—FEBRUARY 17, 1981

Mr. Chairman, I appreciate this opportunity to participate in the Subcommittee's examination of Conrail commuter rail service in the Northeast and whether Conrail should continue to operate commuter service.

I represent Westchester County, New York. One-hundred and sixty-six thousand of my constituents travel the 224-mile Conrail Hudson, Harlem and New Haven lines each day. Commuter rail service is vital both to the economic health of my communities and New York City and also plays an important role in saving oil, reducing traffic congestion, and holding down pollution in the metropolitan area.

The present organization of commuter rail management is a nightmare with a dozen entities having a role in policy and funding of the service including not just the Metropolitan Transportation Authority (MTA) and Conrail but also the Urban Mass Transportation Administration (UMTA), Federal Railroad Administration (FRA), National Transportation Safety Board, the New York and Connecticut Departments of Transportation, and the County Department of Transportation. Financial, management, equipment acquisition, and heavy maintenance responsibilities for our commuter rail system rest with the MTA. The MTA contracts with Conrail to operate the commuter rail service on the Harlem and Hudson lines. Conrail has a joint agreement with the MTA and Connecticut Department of Transportation for service to commuters on the New Haven line. Although it contracts with Conrail for operating services, MTA cannot directly assess penalties against Conrail for substandard performance nor does MTA have any direct authority over Conrail personnel—and it has failed to provide any such authority in its contracts.

Commuter rail service in Westchester County is atrocious and we are literally a gasp away from total disaster. The system is ready to collapse. As MTA Chairman Richard Ravitch told a State Assembly panel several weeks ago, things have deteriorated to a point that "a state of emergency" now exists.

Between November 7 and December 5 of last year, there were six accidents on the MTA/Conrail lines. The November 7 head-on collision at Dobbs Ferry injured 100 people and an accident on December 5 killed 2 Conrail workers. On a daily basis, commuters are faced with serious overcrowding and inadequate ventilation, heating and air conditioning. On Monday, December 29, 1980, for example, the Harlem and Hudson lines were lacking 27 cars on the normal morning rush trains. Last summer, conditions on the commuter rail lines were so horrendous that literally hundreds of my constituents contacted me sharing tales of horror and begging for relief. In one letter which I received a commuter detailed his experiences noting that, "In the fourteen years that I have been riding the commuter trains into New York City, conditions never have been worse than in recent months on the Harlem Division." He went on to recount what had become a "fairly typical" daily rail trip. He commented:

"On the morning of June 16, there were only half the normal complement of cars, which resulted in severe crowding for what has become the usual complement of standees. There are no straps for standees in the cars and passengers, including many elderly persons and women, were badly jostled. In the evening, my train had a breakdown at the Mount Vernon station and the undercarriage on my car caught fire and became enveloped in the billowing smoke. There was panic in the car, but, fortunately, the doors were open and the passengers were able to escape."

He went on to state that, "You should know that I am not complaining here about the many cars in which the air conditioning does not work or suffer lighting failures or about well-intentioned trainmen who are too embarrassed or unable to collect tickets in overcrowded cars."

Mr. Chairman, the situation is so critical that I can say in all seriousness and candor that we should consider tacking warning signs to the cars of the commuter trains reading, "Caution: Conrail is hazardous to your health." Today, I am writing to Secretary of Transportation Drew Lewis requesting FRA to send an Emergency Safety Inspection Team to examine the MTA/Conrail equipment, track, and maintenance/inspection procedures. I have been advised that such a team performed a similar function on the Louisville/Nashville line resulting in a 40 percent reduction of train accidents in one year.

There have been many proposals for reorganizing the Conrail commuter operation ranging from creating a new public authority to run the commuter rail system, to transferring the responsibility of the commuter system to Amtrak, to granting MTA full authority for the management and operation of the rail lines. I have intentionally not endorsed any of these proposals because of my reluctance to focus attention away from the really critical problem with the system—years and years of inadequate funding and bad management resulting in the use of obsolete equipment and deferral of adequate maintenance resulting in safety and health hazards.

I am certainly not opposed to changing the current structure of the Conrail commuter operations in Westchester; however, I want to make sure that any change is not just a cosmetic one and we are not merely "reshuffling the deck chairs on the Titanic." As one observer noted, we want to make certain that we are not just offering a "fresh target for the frustrated commuter." Prior to my endorsing one plan or another I must be convinced that there is some assurance of good management, adequate funding, and that appropriate labor and management questions have been addressed.

We must also recognize that at long last MTA has an able chairman who takes improvement of commuter rail service seriously and is addressing himself creatively to analysis of the problems and proposal of reasonable solutions. Also, Conrail has appointed Joseph Spreng, a very knowledgeable and capable manager, to run the service. It would be a mistake to promote organizational change for its own sake, ignoring the difficulty of getting this kind of experienced and able top management. Care must also be exercised to assure that any new entity would have access to federal funds equal to that MTA now enjoys and would inherit its UMTA commitment.

I am aware that the United States Railway Association is studying Conrail commuter passenger services and expects to issue a report in April. It was noted in USRA's December 1980 report entitled, "Federal Funding of Conrail: Rail Service Objectives and Economic Realities," that Conrail should not be the vehicle through which the responsible agencies obtain their commuter rail service if any reasonable alternative is available." The report goes on to say that Conrail's commuter operations divert management attention away from the primary freight objective of the railroad and further, the frequent delays in subsidy payments and inadequacy of such payments impose a financial burden on the system. The report seems to indicate that the divestiture by Conrail of its commuter operations may be fast-approaching.

With probable reorganization in store for the future, I suggest that a regional task force be created to study the alternatives to the current system for providing commuter rail service. In the case of the MTA/Conrail system, I suggest that representatives of the federal, state and local governments, the MTA, Conrail, and most importantly commuter representatives participate in such a task force. Over the years, I have convened a similar group of people on a frequent but ad hoc basis to address the Conrail commuter rail issues. This coordinated approach has been successful and I would like to see it elevated to a more formal structure so that commuters are assured that the best and least disruptive solution to the problem is adopted.

Capital funding to overcome the years of neglect of the system will be an essential element of any solution, as well as adequate operating revenues.

Mass transit advocates fought hard during the last session of Congress to enact legislation which would have changed the formula for allocating operating and capital assistance to urbanized areas. The formula change to the Section 5 UMTA program would have based the distribution of funds on service-based factors rather than solely on the basis of population. Had this change been enacted, the MTA system, which carries 35% of the nation's transit riders and collects 40 percent of the national fare box intake, would have received double the amount of operating assistance within 5 years—from $207.9 million to $404.7 million. We must continue working for this critical formula change.

We are hearing rumors that the Reagan Administration wants to cut mass transit aid. I will fight hard to at least maintain current capital and operating funding levels. Should these critical funds be slashed, all other potential ways of raising capital for the system must be explored. We must be creative in devising and supporting alternative methods of financing.

MTA Chariman Richard Ravitch has identified a list of options for new sources of funding to meet the $14 billion which MTA has identified as necessary for capital revitalization for the system for the next decade. (Mr. Ravitch has identified $1.33 billion in capital funds as required over a ten-year period to restore the MTA portion of Conrail to "a state of good repair.") Several of the Ravitch proposals are particular-

ly innovative and deserve your subcommittee's careful examination.

One of these is to amend federal law to permit the Secretary of Transportation to enter into contracts with public agencies like MTA to provide funding commitments over several years rather than waiting year by year for appropriations to come forth from Congress. This change would give MTA the ability to borrow substantial amounts of capital backed by those contracts. I strongly support this change.

Another mechanism proposed originally by Assemblyman Peter Sullivan of Westchester is "leveraged lease financing." Under this system, investors (which could include local communities with substantial commuter populations and even groups of commuters), would use federal tax shelters and benefits to acquire equipment, improve the equipment if necessary, and lease the equipment to a public carrier like the MTA. This is a fascinating way in which private capital might be tapped. To be successful, it might require some form of federal assistance or guarantees. It certainly merits careful consideration, especially if public funds are to be limited.

Finally, Mr. Ravitch has suggested reducing depreciable life of the cars to seven years for tax purposes as compared to current law which allows private owners to depreciate the cars over a 12-year life.

With regard to the safety issue, I am drafting legislation to address the safety problems which exist on the MTA/Conrail lines. I support decreasing the required maximum interval between detailed, general periodic inspections of locomotives/cars from the current 92 days back to 30 days at least with respect to lines like ours with bad accident and maintanance records. A required public report must be submitted to FRA after each inspection rather than just the annual submission presently required. Further, equipment inspection must not be limited to locomotives and the brakes, electrical devices, automatic controls, alarms and protective devices of the cars, but must also address health standards and should include a mandatory inspection of ventilation, air conditioning and heating systems and the condition of signals and the electric generating equipment. Federal safety-related regulations must also address employee training in the railroad industry including evacuation procedures, working with equipment under an emergency situation, shutdown and restoration of third rail power, intake and exhaust operation of emergency ventilation fans and dampers, on scene coordination with fire services, communication with passengers and first aid measures including CPR training.

In closing, there are no simple answers to the crisis which faces us. It is clear that all levels of government must become involved in devising a solution to the commuter rail problem and that in addition to its obvious financial role, the federal government must also become more actively involved in addressing the safety and management issues confronting the system. I applaud this subcommittee and its chairman, Mr. Florio, for scheduling these hearings and look forward to working closely with you in an effort to provide commuters with the kind of service which they are demanding and which they deserve. Thank you.●

MAKING A KILLING IN CATTLE FUTURES

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 4, 1981

● Mr. SMITH of Iowa. Mr. Speaker, during my tenure as chairman of the House Small Business Committee in the 95th and 96th Congresses, the committee, particularly the subcommittee I was privileged to chair, conducted a study and investigation of the marketing of meat and other commodities.

Last fall, I instructed the committee's staff to examine trading in live cattle futures, and report to me the results. This report was given to me last week and at a press conference I held last Friday and I revealed the results of this study and released the report.

I think this matter should be of great interest to small businesses, consumers, and others.

My statement on the report follows:

STATEMENT OF HON. NEAL SMITH

This press conference is for the purpose of reporting the results of a further study of cattle futures activities and to report specifically an unprecedented discovery relating to the live cattle futures contract on the Chicago Mercantile Exchange.

It involves the activities of a group of 32 traders, many of whom have business affiliations, who have traded in similar or identical patterns for at least 16 months each time live cattle futures reach the cost of production for Corn Belt feeders as determined by U.S.D.A.

In order to make absolutely sure that I state the information with 100 percent accuracy, I will first read a statement to you in its entirety and will then answer your questions.

Last September, I released the results of a study of trading activities of certain categories of individuals who trade in cattle futures. That study revealed that some traders with access to inside information made huge profits during the period studied.

To begin, let me point out that I have always been a strong supporter of futures markets. When these markets are operating properly, they are one of America's most efficient economic institutions and serve to reduce the margins that businesses, especially small businesses, must have in order to remain operating. In the early 1970's when many people were calling for a shutdown of futures trading, I promoted the bill which, instead of shutting them down, established the CFTC to monitor the industry and provide a legal basis grounded in a sound economic purpose. Most futures markets serve this economic purpose, but when one futures contract is abused or does not serve an appropriate economic purpose properly, whether it is silver or cattle, it seriously hurts the reputation of all futures markets.

For the past several years I have conducted an investigation of the meat and livestock industry which has uncovered:

(1) extortion at meat unloading docks;

(2) problems with thin market reporting of cash prices and formula pricing;

(3) problems of concentration of market power among meatpackers;

(4) a growing trend toward vertical integration from feedlot to retailer;

(5) problems with the grading system; and

(6) problems with the live cattle futures contract.

Some of these problems have been addressed by new laws; others are being improved without legislation. I want to thank those of you who have reported the facts which have been uncovered because no progress would have been made but for the fact that some of the news media exposed these abuses and problems to public scrutiny. Today I will focus some more on one problem area—the live cattle futures market of the Chicago Mercantile Exchange. I point out to you that under the CFTC Act, the administrative agencies keep the names and positions of individual traders confidential. While Congress is not bound by this requirement, I have always recognized the desirability of the rule and will continue to do so today.

Previous studies which I have released have shown that:

(1) Corn Belt cattle feeders could have used the futures to hedge against a loss on only 28 days out of the 2½ year period studied ending (August 1980);

(2) large traders, many of which had inside information, made $156 million trading in live and feeder cattle futures over a 16 month period while small traders lost $156 million (September 1980);

(3) officers of meat, grain and commercial feedlot companies made an average of $2.5 million each and officers of brokerage companies made average profits of $800,000 (September 1980);

(4) meatpackers, grain companies and commercial feedlots tend to trade these markets in the same way (September 1980); and

(5) there are serious problems with the way the Chicago Mercantile Exchange designates hedgers in these markets so that there is not, for practical purposes, and effective speculative limit (September 1980). The limit is supposedly 450 contracts of 40,000 pounds each.

These previous studies indicated there was something drastically wrong with the live cattle futures contract but instead of those in charge of the contract vigorously seeking to find and remedy the problems, they chose to ignore them; therefore, we have proceeded to further analyze the necessary data.

We secured the daily positions of traders and analyzed them to see which ones had similar trading patterns. The staff also examined confidential forms and used public information such as that filed with the SEC, to determine business affiliations.

Today I am reporting on a study which shows that in the live cattle futures, it has been possible to predict with 100 percent accuracy certain changes in live cattle futures prices and that a group of participants in the futures market have been buying and selling futures in a way which permits them to reap large profits from these 100 percent predictable price moves. The predictable bias exerts a downward pressure on live cattle futures prices and is seriously aggravating the problems of feeders other than the very large commercial lots or those who are profiting from this particular futures activity.

If a futures market is operating properly and supply-demand conditions determine prices, then there should be no way to accurately predict price moves 100 percent of the time.

But that is exactly what we have been able to do. The table attached to this statement gives the details of 29 predictions of price drops over the last 3 years. Every one of the 29 predictions came true and usually within 2 days.

The prediction technique is detailed in the report I have made available. It is really very simple—everytime the futures price goes above the cost of feeding cattle by those other than the 422 largest who feed 55 percent of the cattle in the United States, that figure is reported by U.S.D.A., the price will drop—every single time. This is operating with such clockwork that someone trading with this system could have made at least $4,700,000 over the last 3 years on speculation within the legal limits. Some people did make profits of that amount.

Until today, only 5 people knew about the results of this study—myself and 4 staff members. When I was confronted with the results of this study, I had three choices:

(1) One alternative would have been to say nothing and make several million dollars trading cattle futures. That would obviously be totally irresponsible. I have never traded in cattle futures and will not do so while holding this office.

(2) Another alternative would have been not to trade, but still not reveal this information and to let this condition continue. That would permit some insiders to continue to reap large profits and perpetuate a financial disadvantage to Corn Belt cattle feeders.

(3) The final alternative, which I have chosen, is to reveal what is going on and for the media to disseminate the information widely. That will effectively destroy the ability of cattle futures traders involved to reap these unjustified profits not related to risk or service at the expense of others in the market.

As this becomes public, the traders who are causing this to happen will no longer be able to find others willing to take the opposite side of these contracts. This then should eliminate the disadvantage of traders who do not have knowledge of this downward bias and also could prevent certain drops from occurring prior to the time a Corn Belt feeder could have hedged against a loss.

The downward bias is totally documented in the study. The most important question is what is causing this?

First of all, unlike the grain futures, in live cattle futures there is no significant group of commercial long hedgers who act as a buying force regardless of the price level. In fact, the supply of short hedgers in live cattle is four times as large as long hedgers. The long hedgers in this market are limited largely to some wholesalers and retailers. The balance of the longs to offset the short hedgers are mostly speculators and small traders. Studies show that most packers do not long hedge, they short hedge along with the grain companies and commercial feedlots.

Over the last 3 years, the long speculators have not been enough of a buying force to ameliorate this situation.

What is happening is that big commercial feedlots, grain companies and meatpackers—who have lower costs than farmer/feeders or can shift costs from one level to another—start going short futures when the price gets over their costs but are still below the level at which most Corn Belt feeders could hedge against a loss. Then about when the price reaches the Corn Belt feeders cost, the officers and brokers jump on the bandwagon and the selling pressure becomes so great that prices drop—everytime.

The net result of this is that it places a cap on prices at the Corn Belt cattle feeders breakeven level. Instead of futures permitting farmers to shift risks by hedging in the futures, this market is putting them at an exaggerated disadvantage to big commercial feedlots who can hedge at the lower cost levels. Commercial lots have a tool in the live cattle futures that permits their continued expansion and the elimination of farmer/feeders.

In my opinion, this alone would show that the live cattle contract is not serving the economic purpose which justified its approval and it would be bad enough if the only problem was the excess of short hedging by the 422 largest feedlots, and by packers and grain companies, many of whom are affiliated with one another. But to compound the problem, the study shows that the selling of a certain group of 32 speculators, officers of various companies, and others is exacerbating the problem.

A classic test of whether futures markets are working properly is to compare futures prices to cash prices. If futures are reflecting true supply-demand conditions then futures and cash prices should move together. After 20 out of the 29 futures price drops over the last 3 years, cash cattle prices either stayed the same or went up. This is strong evidence that the futures prices are artificial and not reflecting supply-demand conditions.

In studying who was involved in this, we combined business affiliation information with an analysis of the correlation in trading activity between various accounts and found a group of 32 large traders who have direct business affiliations and/or highly correlated trading activities.

Over the period January 1978 through April 1979, these 32 traders as a group realized a total net profit (not including commissions, brokerage fees, clearinghouse fees or other trading costs) in live and feeder cattle futures of approximately $110,000,000 or an average of $3,437,000 each. I emphasize that these profits were from all trades made by these 32 traders over the 16 month period ending in April 1979, while the predictability of live cattle futures prices has been going on for at least 36 months (since January 1978). At this time, we do not have estimates of profits since April 1979. Over the period for which data were available, all large traders (1,027 in number) had total net profits in live and feeder cattle futures of approximately $156,000,000. Thus, 3 percent of the large traders with correlated trading activity and/or common business affiliations accounted for 70 percent of the total net profits of large traders.

As a group, the 32 traders were net sellers of live cattle futures on or about 14 out of the 15 dates when the signal predicted price drops during this period.

It is my strong opinion that the results of this study mean that the live cattle futures market, as presently performing, is not meeting the minimum reasonable economic purpose test and that it is resulting in harm to the very people it is supposed to serve.

The question then is, what should be done? I believe 5 specific things will at least help, namely:

(1) I have made these results public today. This by itself should help eliminate the downward bias in prices.

(2) I have introduced legislation in the last Congress (H.R. 7197) and this Congress (H.R. 631) which prohibits officers of meat companies from trading cattle futures and restricts the companies to only hedge trading. Action on this bill would help.

(3) Strict speculative limits might help.

(4) A much more effective monitoring of the speculator-hedger distinction would help.

(5) But most importantly, armed with this information, it is absolutely essential that the CFTC take whatever action is necessary—right now—to solve these problems or suspend trading until the Chicago Mercantile Exchange or some exchange designs and displays a willingness to enforce a contract which will serve a justified economic purpose.

When incorporated with the results of other studies previously released by the Committee and U.S.D.A., it becomes clear that there are both immediate and future adverse effects on farmers and consumers:

(1) The big commercial lots usually absorb the relatively few longs before the futures price is high enough so non-affiliated feeders can hedge.

(2) Fourteen out of 15 times when the futures price reached the level where Corn Belt feeders could hedge, 32 traders with similar or identical trading patterns sold their contracts and that helped to break the market so it almost never could reach the level where the Corn Belt feeders would hedge.

(3) The big commercial lots could sell cattle regardless of cash prices when an affiliated packer wants the cattle or when they want to because they were able to hedge those cattle; however, the Corn Belt feeder could not do that because the futures prices did not permit them to hedge.

(4) The result of this pattern is to drive Corn Belt feeders out of business and increase the rate at which the commercial lots are dominating cattle feeding. In 1979, three times as many Corn Belt feeders went out of business as in 1978.

(5) This situation has effectively capped live cattle prices at a level below where Corn Belt feeders could sell. We are already well on our way toward domination of our cattle supply. 422 lots or the packers or grain companies that control them already feed 55 percent of all of the steers and heifers fed in the U.S. One alone, Caprock Industries, which is owned by Cargill and affiliated with Missouri Beef, feeds 550,000 head by itself.

(6) Unless something is done, the eventual result of this is that these large commercial lots, packers and grain companies will so dominate cattle supplies, that their owners can:

(a) dictate the price of meat,

(b) dictate the quality of meat available,

(c) dictate the price of calves which go into feedlots.

FUTURES PRICE DROPS AND CASH PRICE CHANGES

[Dollars in hundredweight]

Signal date	Futures contract	Size of futures price [1] drop from signal level		Cash price change		
		Dollars	Days	1 day after signal	2 days after signal (cumulative)	5 days after signal (cumulative)
Feb. 10, 1978	June	−$0.26	1	−$0.62	−$0.62	−$0.12
Mar. 13, 1978	August	−.41	4	+.37	+.62	+1.87
Apr. 21, 1978	do	−1.05	2	−.62	−.75	0
May 5, 1978	October	−.80	2	+.50	+1.00	+3.00
May 24, 1978	do	−.46	4	0	+1.00	0
Sept. 11, 1978	December	−.86	5	+.62	+1.37	+.62
Sept. 13, 1978	do	−1.48	3	0	−.87	+.08
Sept. 14, 1978	February	−1.74	2	−.87	−.74	−.49
Sept. 21, 1978	do	−1.34	1	0	−.94	−1.12
Oct. 4, 1978	April	−.34	3	0	+.38	−.12
Nov. 28, 1978	do	−1.33	1	−.25	−1.00	−.75
Dec. 8, 1978	June	−.75	2	0	+.50	+1.25
Jan. 24, 1979	do	−.29	2	−.50	+1.00	+1.87
Mar 8, 1979	August	−.68	2	0	−.38	+2.00
Apr. 12, 1979	do	−.46	1	+1.00	+1.12	+2.00
Sept. 7, 1979	February	−.25	2	+.10	+1.00	+1.25
Oct. 2, 1979	December	−2.65	1			
Oct. 2, 1979	February	−2.71	1	−.50	−1.25	−3.50
Oct. 2, 1979	April	−.47	2			
Nov. 5, 1979	do	−1.34	1	+.37	+.75	+3.25
Dec. 3, 1979	June	−.73	4	+.25	−.63	−.25
Jan. 2, 1980	do	−.68	4	−1.00	−1.00	−1.00
Mar. 3, 1980	August	−.37	6	+.40	+1.30	+1.30
June 17, 1980	October	−.44	2	+.15	+.15	+.15
June 24, 1980	do	−.22	1	0	0	0
July 22, 1980	December	−.19	5	+.35	+.35	+1.50
July 25, 1980	do	−1.76	2	+.15	+.15	+.15
Oct. 13, 1980	April	−.52	2	0	0	0
Dec. 1, 1980	June	−1.69	1	+.37	+.88	+.88
Average		−.91		+.01	+.12	+.51

[1] Futures price drops are calculated from the closing price on the first day after prices drop below the signal level. The number of days indicates how long before the drop occurred, where 1 day equals the day of a signal, 2 days equals the day after a signal, etc. ●

SENATE—*Friday, March 6, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Honorable RUDY BOSCHWITZ, a Senator from the State of Minnesota.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 6, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RUDY BOSCHWITZ, a Senator from the State of Minnesota, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. BOSCHWITZ thereupon assumed the chair as Acting President pro tempore.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 11 a.m. next Tuesday.

RECESS UNTIL TUESDAY, MARCH 10, 1981, at 11 A.M.

Thereupon, at 11:01 a.m., the Senate recessed until Tuesday, March 10, 1981, at 11 a.m.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–518. A communication from the Chairman of the National Agricultural Research and Extension Users Advisory Board, transmitting, pursuant to law, a report on the 1982 budget for food and agricultural research and extension; to the Committee on Agriculture, Nutrition, and Forestry.

EC–519. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the transfer of amounts appropriated to the Department of Defense; to the Committee on Appropriations.

EC–520. A confidential communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report concerning the Department of the Army's proposed letter of offer to Morocco for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–521. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on seven construction projects to be undertaken by the Air National Guard; to the Committee on Armed Services.

EC–522. A communication from the Principal Deputy Assistant Secretary of the Navy (Logistics), transmitting, pursuant to law, a report with respect to converting the keypunch function at the Naval Weapons Station, Seal Beach, Calif., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–523. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report with respect to converting the family housing maintenance function at MacDill Air Force Base, Fla., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC–524. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Most Critical Testing Still Lies Ahead for Missiles in Theatre Nuclear Modernization"; to the Committee on Armed Services.

EC–525. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Further Actions Needed To Improve Management of HUD Programs"; to the Committee on Banking, Housing, and Urban Affairs.

EC–526. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on matters contained in the Helium Act for fiscal year 1980; to the Committee on Energy and Natural Resources.

EC–527. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Puerto Rico's Political Future: A Divisive Issue With Many Dimensions"; to the Committee on Energy and Natural Resources.

EC–528. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Effects of Regulation on the Electric Utility Industry"; to the Committee on Energy and Natural Resources.

EC–529. A communication from the Chairman of the National Research Council and President of the National Science Foundation, transmitting, pursuant to law, a report of the Council entitled "On Prevention of Significant Deterioration of Air Quality"; to the Committee on Environment and Public Works.

EC–530. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "American Employment Abroad Discouraged By U.S. Income Tax Laws"; to the Committee on Finance.

EC–531. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance audit reports or project completion reports prepared by the Asian Development Bank; to the Committee on Foreign Relations.

EC–532. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on items provided to Liberia for emergency military assistance; to the Committee on Foreign Relations.

EC–533. A communication from the Acting Assistant Secretary of the Treasury, transmitting, pursuant to law, a report on the status of internationally recognized human rights in each of the countries which, in calendar year 1980, drew funds made available under the Supplementary Financing Facility of the International Monetary Fund; to the Committee on Foreign Relations.

EC–534. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Agencies' Maintenance of Computer Programs: Expensive and Undermanaged"; to the Committee on Governmental Affairs.

EC–535. A communication from the Chairman of the President's Commission on Pension Policy, transmitting, pursuant to law, the final report of the Commission; to the Committee on Governmental Affairs.

EC–536. A communication from the Executive Director of the President's Commission on Pension Policy, transmitting, pursuant to law, the final report of the Commission; to the Committee on Governmental Affairs.

EC–537. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Impact of Regulations—After Federal Leasing—On Outer Continental Shelf Oil And Gas Development"; to the Committee on Governmental Affairs.

EC–538. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, a report on activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–539. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on the activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–540. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the activities of the Department under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–541. A communication from the Acting Director of the Federal Mediation and Conciliation Service transmitting, pursuant to law, a report on the activities of the Service under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–542. A communication from the General Counsel of the Office of the Federal Inspector, Alaska Natural Gas Transportation System, transmitting, pursuant to law, a report on the activities of the system under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–543. A communication from the Freedom of Information Officer, Office of the United States Trade Representative, transmitting, pursuant to law, the report on the activities of the Office under the Freedom of

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-544. A communication from the Acting Director of the Office of Government and Public Programs, National Science Foundation, transmitting, pursuant to law, a report on the activities of the Foundation under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-545. A communication from the Vice President, Deputy General Counsel, and Corporate Secretary of The Mortgage Corporation, transmitting, pursuant to law, a report on the activities of the Corporation under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-546. A communication from the Acting Chairman of the United States Consumer Product Safety Commission, transmitting, pursuant to law, a report on the activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-547. A communication from the Postmaster General, transmitting, pursuant to law, a report on the activities of the Postal Service under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-548. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on the temporary admission of certain aliens under section 212(d)(3) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-549. A communication from the Acting Commissioner on Aging, Department of Health and Human Services, transmitting, pursuant to law, a report on needs and service programs for the rural elderly; to the Committee on Labor and Human Resources.

EC-550. A communication from the Chairman of the National Institute of Education, Department of Education, transmitting, pursuant to law, the fifth report of the National Council on Educational Research; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S.J. Res. 26. Joint resolution designating the week beginning March 8, 1981, as "Women's History Week."

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment, and an amendment to the title:

S.J. Res. 22. Joint resolution authorizing the President to proclaim March 16 of each year as "Freedom of Information Day."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MATHIAS:

S. 640. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia; to the Committee on Governmental Affairs.

By Mr. INOUYE:

S. 641. A bill to amend title IV of the Social Security Act to improve the administration of the AFDC program by standardizing work expense allowances and clarifying budget procedures with regard to the earned income disregard; to the Committee on Finance.

By Mr. RUDMAN:

S. 642. A bill for the relief of Nesca Nicolas; to the Committee on the Judiciary.

By Mr. JEPSEN:

S. 643. A bill to amend the Internal Revenue Code of 1954 to provide explicitly for the exclusion of social security benefits from taxable income; to the Committee on Finance.

S. 644. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain lending or finance businesses for purposes of the tax on personal holding companies; to the Committee on Finance.

By Mr. RANDOLPH:

S. 645. A bill to promote the development of enhanced tertiary oil recovery techniques; to the Committee on Finance.

By Mr. RANDOLPH (for himself, Mr. WILLIAMS, and Mr. PELL):

S. 646. A bill entitled "The Consumer-Patient Radiation Health and Safety Act of 1981"; to the Committee on Labor and Human Resources.

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 647. A bill to amend the Social Security Act with respect to professional mental health services; to the Committee on Finance.

By Mr. QUAYLE:

S. 648. A bill to extend the authorization for youth employment and demonstration programs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BAUCUS (for himself, Mr. LUGAR, Mr. KASTEN, Mr. LEAHY, and Mr. WILLIAMS):

S. 649. A bill to amend the Internal Revenue Code of 1954 to provide that the executor may elect, for estate tax purposes, to value certain items at an amount equal to the adjusted basis of the decedent in such items and to remove certain limitations on charitable contributions of certain items; to the Committee on Finance.

By Mr. MATHIAS (for himself, Mr. NUNN, Mr. WILLIAMS, and Mr. MATTINGLY):

S. 650. A bill to require the Law Enforcement Assistance Administration to provide funds, as authorized to be appropriated under this act, to the mayor of the city of Atlanta, Ga. for extraordinary investigation expenses relating to the recent murders of children in that city; to the Committee on the Judiciary.

By Mr. WALLOP:

S. 651. A bill to provide for the reinstatement and validation of United States Oil and Gas Lease Numbered W-46102 covering certain lands in Natrona County, Wyo.; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATHIAS:

S. 640. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act with respect to the borrowing authority of the District of Columbia; to the Committee on Governmental Affairs.

BORROWING AUTHORITY OF THE DISTRICT OF COLUMBIA

● Mr. MATHIAS. Mr. President, I am introducing legislation today, at the request of Mayor Marion S. Barry, Jr., of the District of Columbia, to extend for 2 years the borrowing authority of the District. My bill would amend section 723(a) of the Home Rule Act to extend the District government's interim authority to borrow funds from the U.S. Treasury for capital improvement projects.

Under the present law, the District may borrow those funds necessary to complete capital improvement projects for which construction and construction services funds were authorized or appropriated prior to October 1, 1980, or the date of enactment of the D.C. Appropriation Act of 1981, whichever is later.

My bill would extend the current authority the District has to borrow U.S. Treasury funds, repayable at Treasury interest rates, as is necessary to cover projects authorized or appropriated in the D.C. appropriation for fiscal years 1982 and 1983.

As my colleagues may know, the Home Rule Act, passed in 1973, authorized the District to enter the bond market to finance its capital improvements projects, and terminated the District's permanent authority to borrow U.S. Treasury funds, as of January 2, 1975. In addition, the original Home Rule Act provided a 2-year interim loan authority to allow borrowing to finance projects for which funding had been authorized or appropriated prior to January 2, 1975. Since that time, the interim authority has been extended twice, so that such borrowing has been allowed to continue through fiscal year 1981.

This interim borrowing authority is necessary in order to allow the District to prepare to enter the bond market to fund capital improvement projects. The city and its leaders have worked diligently over the past 6 years to bring the city's finances under control and to establish a sound bookkeeping system. The first full audit of the District's books under Home Rule has just been completed by independent auditors who issued an unqualified opinion that the District's financial statements accurately reflect the city's financial condition, and the accounting and reporting practices the city has used conform to generally approved practices for State and local governments.

The city is now preparing to move ahead into the bond market. This bill will allow the District government the time to ease into the market without interrupting ongoing construction and repair projects.

To delay or abandon such important projects as reconstructing and repairing streets and bridges; making roof and boiler repairs at public schools; undertaking energy conservation and basic improvements at District of Columbia General Hospital and District of Columbia police stations as well as renovating surplus District schools and other obsolete buildings would be a disservice to the city's residents, visitors, and commuter. In fact, it would set back the newly established financial program and negate progress made to date.

In these times of economic uncertainty, it is important that we guard against interruption of citywide development. Only with a sound program of city management can the District of Columbia continue to prosper and attract visitors and industry alike. I urge my colleagues to give favorable consideration to this important measure for the city of Washington.

I ask that the text of the legislation be printed at this point in the RECORD.

The bill follows:

S. 640

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That section 723(a) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-241 note) is amended by striking out "October 1, 1980, or upon enactment of the fiscal year 1981 appropriation Act for the District of Columbia government" in the first sentence and inserting in lieu thereof "October 1, 1982, or upon enactment of the fiscal year 1983 appropriation Act for the District of Columbia government."●

By Mr. INOUYE:

S. 641. A bill to amend title IV of the Social Security Act to improve the administration of the AFDC program by standardizing work expense allowances and clarifying budget procedures with regard to the earned income disregard; to the Committee on Finance.

ADMINISTRATION OF AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM

● Mr. INOUYE. Mr. President, today I am pleased to introduce legislation which would amend the Social Security Act to reform the program of aid to families with dependent children, otherwise known as the AFDC program.

The intent of my proposal is to provide for the improved administration of this particular program by allowing for the standardization of work expense costs, and by clarifying the present budgeting procedures with regard to that portion of "disregarded income" known as the "earned income exemption."

Mr. President, the soaring costs that have occurred with exceedingly high work-expense claims have been a concern of mine for some time now. Nearly 2 years ago, at my request, Mr. Andrew Chang, the then-director of the department of social services and housing of the State of Hawaii, testified before our Senate Appropriations Committee on the experiences that the State of Hawaii had with the work-related expense item. I would today like to share a portion of his testimony with my colleagues. Further, I would suggest that these problems are not unique to Hawaii, but in fact are commonplace across the Nation.

Until May 1976, employed persons in Hawaii, regardless of the particular assistance program they are qualified for—that is, AFDC, AFDC-UP, State assistance—were permitted standardized work-expense deductions of $33 and an additional allowance of $11 for transportation to rural areas. However, the department soon found that they were in violation of section 402(a)(7) of the Social Security Act, which requires all States "to take into consideration * * * any expenses reasonably attributable to the earnings of any such income."

As a result of a Supreme Court ruling, Shea against Vialpando, standardized work-expense allowances for the AFDC program were suspended at the end of May 1976. Hawaii then promulgated new regulations stating that only a reasonable amount paid for tools, equipment, special uniforms, workshoes, union dues, medical insurance, transportation, and private employment agency fees would be deductible from the earnings of a recipient, provided that these expenses were reasonably attributable to the earnings of income.

The State further placed the burden of justifying the requested "discounted" income on the recipient, by requiring verification that the expenses were in fact for items needed as a condition for employment before the deduction was allowed. Mr. Chang further added that the cost of child care incurred as a result of employment was expressly not included in the content of work expenses, because it was included in the social services scope of services.

In December 1976, several recipients, through the State Legal Aid Society, initiated a court suit (Perez against Chang) against the Department of Social Services, alleging that the Department had illegally failed to deduct from gross earning all expenses reasonably attributable to the earning of income and that further, the Department had illegal verification requirements for all AFDC recipients. On September 1977, the U.S. District Court entered a judgment (Von Hiram against Chang) which permanently enjoined the Department from disallowing actual work-related expenses to be deducted from earned income of AFDC applicants and recipients. The court held that the Department should allow any and all personal and work-related expenses of employment. In this suit, it was also decided that the Department must deduct all work-related expenses retroactively for 2 years.

Mr. President, the effect of this decision has been larger claims for work expenses and, unfortunately, the opportunity for wide-scale abuse of the welfare system. This abuse is made possible by the fact that there are no longer any objective standards or guidelines available to evaluate these so-called work expenses. For income one client is a self-employed architectural designer with a gross income amount of approximately $3,000 per month. His business expenses include the costs of leasing a car for $175 a month, the no-fault insurance policy, business trips to neighbor islands, entertainment expenses such as purchasing flowers leis and lunches for his clients, gasoline expenses incurred as a result of the business, and so forth. The Department bases its eligibility decision on the level of earned income. In order to obtain the earned income figure, the net profit of the employment is determined. This involves deducting all work expenses from the gross income. By the time all of these expenses are taken into account, the client who would be ineligible otherwise, becomes eligible for welfare assistance.

I would like to share further, with this body, some of the astounding statistics that I have been provided by the Department. The average work expense deduction per claimant in Hawaii, increased 30.8 percent over a 20-month period from July 1977 to February 1979. The portion of working families on the welfare rolls increased from 20.4 to 23.1 percent in the AFDC program alone.

As of February 1979, the median length of time on welfare for working families was between 2½ to 3 years, while for nonworking families the median was 1½ to 2 years. For the fiscal year 1977-78 the approximate work expense costs totaled $881,000. Average work expense deductions ranged from $17.85 to $48.69. As of December 1978, work expense costs totaled $954,000. The average work expense cost increasing from $52.69 to $68.54, a 30-percent increase. For the fiscal year 1978-79 the costs of work expense was estimated at $2.3 million.

I submit that when the work expense item was included in the Social Security Act, it was not the intent of Congress to encourage abuse or to prolong the period of time on welfare rolls. Yet this is exactly what is happening.

The legislation that I am introducing today will prevent wide-scale abuse of the program by establishing guidelines for the standardization of the work expense items, and further establish a new procedure in the processing of the earned income exemption. I propose to have the earned income exemption calculated on the small amount of the net income rather than the gross income, which is the present procedure.

In my judgment, this legislation would reduce the nationwide error rate by eliminating most of the guesswork in the processing work. It would also eliminate much of the time involved in the calculation and processing of overpayments and supplements, as the recipient will only be eligible for this deduction after a written claim and verification are submitted.

Mr. President, I would like to ask for the support of my colleagues in the passage of this legislation. This measure, which would prevent the abuse of this program, is an issue that should concern us all.

Mr. President, I ask that the text of this bill be printed in the RECORD.

The bill follows:

S. 641

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) clause (ii) of section 402(a)(8)(A) of the

Social Security Act is amended to read as follows:

"(ii) In the case of earned income of a dependent child not included under clause (i), a relative receiving such aid, and any other individual (living in the same home as such relative and child) whose needs are taken into account in making such determination—

"(I) an amount of such earned income equal to standard work expense deductions established by the State (which may vary among localities within the State),

"(II) the first $70 of the remainder of such earned income for such month (after the disregard under subclause (I) has been applied), and

"(III) 20½ percent of the remainder of such earned income for such month (after the disregards under subclauses (I) and (II) have been applied), except that the provisions of this clause (clause (ii)) shall not apply to earned income derived from participation on a project maintained under the programs established by section 432(b)(2) and (3); and".

(b) Section 402(a)(7) of such Act is amended by striking out ", as well as any expenses reasonably attributable to the earning of any such income".

(c) The amendments made by subsections (a) and (b) shall become effective on October 31, 1981.●

By Mr. JEPSEN:

S. 643. A bill to amend the Internal Revenue Code of 1954 to provide explicitly for the exclusion of social security benefits from taxable income; to the Committee on Finance.

EXCLUSION OF SOCIAL SECURITY BENEFITS FROM TAXABLE INCOME

● Mr. JEPSEN. Mr. President, contrary to conventional wisdom, the tax-exempt status of social security benefits is not provided for by public law. It enjoys the much weaker and more uncertain protection of an Internal Revenue Service ruling, dating from 1941. This raises the frightening possibility that benefits could become subject to Federal income tax at any time and without the prior approval of any legislative body. Today, I am introducing legislation to exclude social security benefits from taxable income as a matter of law and thus guarantee older Americans the security they have earned.

In 1979, the Advisory Council on Social Security published an opinion that the 1941 IRS ruling was inequitable and argued that half of social security benefits should be taxed. A recent book by Mickey Levy, the "Tax Treatment of Social Security" and a series of articles in leading publications adopted similar positions. Last month, the President's Commission on Pension Policy issued a recommendation along identical lines. I mention these references to underscore a very real danger confronting older Americans. The authors of these documents have a great deal of influence. In the past, many of the Advisory Council's proposals have ultimately become legislation. The threat is not trivial. The need for legislative response is critical.

Three powerful arguments urge immediate consideration of that response.

First, the taxation of social security benefits would target one of the poorest sectors of our society. The incremental burden on our elderly population would amount to $36 billion by 1985. This works out to an average of $350 per year for every affected person over 65 in the United States. Approximately 10.6 million of the 24.2 million benefits recipients would be impacted. When one considers the fact that almost 20 percent of retired persons—even with social security—are below the poverty level, it is difficult to comprehend why any proposal to tax program beneficiaries could enjoy even limited support. The idea bears frightening implications for the already depressed standard of living of America's older citizens. It is cruel and it is unfair.

Second, the apparent logic for taxing social security implies that the system is a welfare mechanism designed to redistribute income from the wealthy to the poor. This concept was forcefully articulated by the New York Times in an editorial last year. The paper's endorsement of the taxation of social security was based on the mistaken assumption that most beneficiaries would be unaffected because their income is so low; only the privileged few, the article suggested, would be assessed.

The social security program is a pension system to which one has a right based on the withholdings one pays into it throughout a working lifetime. It is neither a welfare mechnaism nor a medium for redistributing society's assets. That is not interpretation. That is the language of the Social Security Act. I oppose any nonlegislative ruling which contradicts the original expressed purpose of Congress. I oppose turning social security into an instrument of political manipulation. The Wall Street Journal published an editorial, responding to the statements which appeared in the New York Times and emphasizing the point I have just made. I hope my colleagues here in the Senate will take the time to read it. I ask for unanimous consent to have the editorial inserted at this point in the RECORD.

The final argument is one of integrity. At a time when confidence in the Federal Government is at an historical low, I believe it would be imprudent to aggravate that cynicism further by undermining the purpose of social security. Inflation and interest rate instability impact on older Americans more than other groups. This makes it all the more important that Congress guarantee by statute the integrity of the one social program which expressly protects this sector of our society and on which that sector specifically depends.

I am aware that there is no sentiment in Congress for the taxation of social security benefits. However, many of my constituents in Iowa have been following the recent discussions which raise that possibility. They fear, and justifiably so, that the IRS may reverse the 1941 ruling without congressional approval. In order to assure them that their benefits will not be subject to taxation, I believe that the simplest and most straightforward thing to do is to spell out their sentiments in law. Since there is obviously no revenue impact from this legislation and since it merely confirms the practice of the last 40 years, I ask for the support of my colleagues in expediting consideration and passage of this bill.

Mr. President, I ask that the text of this bill and an article from the Wall Street Journal be printed in the RECORD.

The bill and article follow:

S. 643

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCLUSION PROVIDED

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"SEC. 128. SOCIAL SECURITY BENEFITS.

"Gross income does not include benefits paid under title II of the Social Security Act.".

(b) CLERICAL AMENDMENT.—The table of sections for such part is amended by striking out the last item and inerting in lieu thereof the following:

"SEC. 128 Social security benefits.

"SEC. 129. Cross reference to other Acts."

SEC. 2. EFFECTIVE DATE.

The amendments made by the first section of this Act shall apply to all taxable years to which the Internal Revenue Code of 1954 applies.

TAXING SOCIAL SECURITY

One of the proposals of last year's Social Security Advisory Council called for making half of Social Security benefits subject to the federal income tax. The Congressional Budget Office also has offered support for this idea, as have various other influential voices, such as The New York Times.

The response to the Times March 7 endorsement is of some interest. The Times got a batch of angry letters from readers contending such a tax would be "unfair." It attempted to field these complaints with a second editorial on April 1 explaining, in essence, that such a tax would not affect the poor and hence is not "unfair."

There is very little argument on the first point. Because of the double income tax exemption for the elderly, retirees with little or no income other than Social Security would pay nothing. The new tax, which it is estimated could raise $36 billion to supplement the Social Security funds between now and the end of 1985, would fall entirely on retirees whose total retirement income exceeded some $10,000 a year. The entire bill would be paid by the upper-income one-third of the retired population.

This reply no doubt satisfied many of the Time's worried readers. But whether or not it represents "fairness" depends on how you define fairness. Some people define it as taking from the well-off and giving to the poor; others view it as treating everyone alike and still others, most of us probably, put it somewhere in between. One thing is certain, however. A tax on benefits would take Social Security still further along the road to becoming a welfare system.

Social Security has been tilting towards high income to low income transfers for some time, even though it was promoted originally in the 1930s as a retirement insurance plan. Many people still think of it as insurance and for good reason, since it is officially titled Old Age and Survivors Insurance (OASI).

Many people can't see why anyone should worry about the tilt towards welfare since everyone still gets more than he and his employer put into the system. That, however, is only true of present beneficiaries. According to an American Enterprise Institute study young men and women entering the system today are facing the prospect of getting less than the combined employee-employer contribution if they remain single and if their earnings are above the median level. Low earners will continue to get more. Young single males in the maximum earnings bracket won't even get back the tax extracted from their own wages.

As a class, young wage earners of all income levels face a heavier burden than their elders faced, simply because they will be fewer in numbers relative to the number of retirees if present demographic projections hold true. And the high earners who have the least to look forward to in benefits would face further inroads from a benefit tax.

Supporters of benefit taxation think it is only fair for the Social Security system to be rigged in a way that will tax the strong earners to support the weak ones. Of perhaps more relevance to the future of the system, however, is whether the strong earners feel that way as well.

There already are signs of disaffection among high producers with many of the artifacts of the welfare state, its ever increasing taxes and its generation of dependency among healthy people. Given this mood of the times, a chance that tilts Social Security towards welfare cannot be expected to win universal favor in this large and vital segment of our society.

There are some conservatives who would argue along a different tack, that Social Security should be taxed to put it on a par with private pension income. They fear that given the rising costs of Social Security, it will eventually put private pensions out of business with a further impact on the nation's already feeble rate of capital formation.

This is not an insubstantial fear. Yet the answer to this and so many others of our economic problems does not seem to us to be additional taxation. Rather, it lies in genuine government cost reductions and elimination of economic inefficiencies.

If the burdens of stunted economic growth are steadily shifted to our society's strong producers, they will at some point cease to be strong producers. The rundown of economic growth that has been occurring this last decade will accelerate. The biggest victims of this will be the poor. And that won't be fair either.●

By Mr. JEPSEN:

S. 644. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain lending or finance businesses for purposes of the tax on personal holding companies; to the Committee on Finance.

TAX TREATMENT OF CERTAIN LENDING INSTITUTIONS

● Mr. JEPSEN. Mr. President, on March 6, 1980, I introduced S. 2396, a bill to amend the Internal Revenue Act of 1954 with respect to the treatment of certain lending or finance businesses for the purpose of the tax on personal holding companies.

Referred to the Subcommittee on Taxation and Debt Management of the Finance Committee, it was opened for testimony on April 25, 1980. At the hearing the Treasury Department stated that there was no objection to the measure. The bill was incorporated as section 5 in H.R. 7117 approved by the Committee on Finance, November 20, 1980. On December 13, 1980, the Senate approved H.R. 7117 by unanimous consent. The House removed section 5 subsequently because no hearings had taken place on the matter before either the Ways and Means Committee or an appropriate subcommittee. This was done as a matter of procedure rather than on the merits of the bill itself. The legislation died.

Today I am reintroducing an identical bill. Because it is noncontroversial, I urge its immediate adoption. Present law is causing undue and unnecessary hardship in certain sectors of the consumer finance industry. My legislation promises to correct the technical inconsistency in a simple and straightforward manner.

Mr. President, I ask that my relevant remarks on the bill as reported in the RECORD of last year and the text of the bill be printed in the current RECORD.

The bill and remarks follow:

S. 644

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) clause (ii) of section 542(c)(6)(C) of the Internal Revenue Code of 1954 (relating to exceptions from definition of personal holding company) is amended by striking out "but not $1,000,000".

(b) Clause (i) of section 542(d)(1)(B) of such Code is amended to read as follows:

"(i) making loans, or purchasing or discounting accounts receivable, notes, or installment obligations, if (at the time of the loan, purchase, or discount) the remaining maturity exceed 144 months; unless—

"(I) The loans, notes, or installment obligations are evidenced or secured by contracts of conditional sale, chattel mortgages, or chattel lease agreements arising out of the sale of goods or services in the course of the borrower's or transferor's trade or business, or

"(II) the loans, advances or installment obligations are made or acquired by the taxpayer and meet the requirements of subparagraph (C).".

(c) Paragraph (1) of section 542(d) of such Code is amended by adding at the end thereof the following new subparagraph:

"(C) INDEFINITE MATURITY CREDIT TRANSACTIONS.—For purposes of subparagraph (B)(i), a loan, advance, or installment obligation meets the requirements of this subparagraph if it is made under an agreement—

"(i) under which the creditor agrees to make loans or advances (not in excess of an agreed upon maximum amount) from time to time to or for the account of the debtor upon request, and

"(ii) under which the debtor may repay the loan, advance or installment obligation in full or in installments.".

(d) The amendments made by this section shall apply to taxable years beginning on or after December 31, 1980.

REMARKS OF MR. JEPSEN ON TAX TREATMENT OF LENDING INSTITUTIONS

Mr. President, this bill alters a provision contained in present law which restricts consumer finance companies to the inclusion of loans maturing in less than 60 months in determining whether those companies are personal holding companies. It is a provision which has had so little impact, until recently, that it appears to have been reinserted in the law (after having been deleted) as the result of a technical error which has gone unnoticed for almost 15 years. For the reasons stated, the 60-month requirement conflicts with the consistent policy underlying the general exception, because it unfairly places small consumer finance companies at a competitive disadvantage in relation to widely-held companies engaged in the same business.

PRESENT LAW

Present law imposes a tax of 70 percent on the undistributed income of a personal holding company (section 541–547). A personal holding company is defined as a corporation, 60 percent of whose adjusted ordinary gross income is personal holding company income (generally passive investment income), and 50 percent of whose stock is owned by five or fewer persons. Certain types of companies whose active businesses involve the investment of funds and the earning of interest and dividends (that is, normally passive income is income not from the active conduct of a business), are excluded from the personal holding company provisions.

Among the business excluded from the definition of a personal holding company are certain consumer finance companies (section 542(c)(6)). Among the types of consumer finance companies intended to be excluded are licensed personal finance companies operating under the small loan (Russell Sage) laws of the various States, lending companies (not of the Russell Sage type) engaged in the consumer finance business, Morris plan banks, and finance companies engaged in the business of factoring inventories, accounts receivable, and otherwise financing the short-term and intermediate-term needs of business.

HISTORICAL BACKGROUND

While the tests to be met in order to enjoy the exclusion are the same, regardless of the type of finance company involved, this has not always been the case; and, it was as the result of congressional attempts to simplify the various earlier exclusions that the present 60-month limitation inappropriately became a rule of general application.

The exception from the application of personal holding company rules to licensed personal finance companies was added to the Internal Revenue laws by the Revenue Act of 1938. The exception was added to grant exemption for companies operating in the various States under statutes similar to the Uniform Small Loan Act drafted by the Russell Sage Foundation. These statutes have typically been referred to as Russell Sage laws. Under these State laws, interest could not be payable in advance or compounded and could be computed only on unpaid balances. Furthermore, the laws limited the principal amount of the loan (usually to less than $500), the term (usually less than 3 years) and the amount of interest (usually less than 3 percent a month).

The provision contained in the tax law attempted to mirror these general State requirements, rather than being more strict, as a means of insuring that the exception generally reflected the active business practices which it was designed to except. As the result, when the circumstances of the consumer lending business have rendered the tax requirements more strict than State regulatory provisions, the tax provisions have been altered as well. The primary example of

this retroactive action is the change effected in the provision in 1962.)

Prior to 1962, the personal finance company exception mirrored the earlier restrictive provisions of Russell Sage laws. The conditions for exception under the law at that time required that a finance company must:

First. Be authorized to engage in the small loan business under one or more State statutes providing for the direct regulation of such business;

Second. Derive 80 percent or more of their gross income from lawful interest, discount, or other authorized charges;

Third. Derive the 80 percent of their income, referred to above, from loans maturing in not more than 36 months made to individuals in accordance with the provisions of applicable State law;

Fourth. Derive this 80 percent of their income from loans where the interest and all other authorized charges do not exceed the amount equal to simple interest computed at the rate of 3 percent per month not payable in advance and only on unpaid balances;

Fifth. Derive 60 percent of their gross income from lawful interest, discount, other lawful authorized charges received from individuals whose indebtedness to the company does not exceed the limit prescribed by the applicable State law, or, if there is no such limit, $500;

Sixth. Have trade or business expense deductions (other than compensation for personal services rendered by shareholders or members of their family) equal to 15 percent or more of their gross income; and

Seventh. Have outstanding loans with respect to any person who is a shareholder having a 10-percent interest in the stock of the company (including stock owned by members of the family) or not in excess of $5,000.

Recognizing that the requirements no longer reflected the then-existing State statutory limits, but were more strict, Congress, in the 1962 legislation, deleted the 3-percent interest requirement entirely, deleted entirely the 36-month loan limit, and increased the limit on maximum amounts for loans from $500 to $1,500. The legislative history of these changes as contained in the report of the Senate Committee on Finance is instructive (in pertinent part):

This bill omits this 3-percent-simple-interest requirement entirely, on the grounds that the personal holding company tax is not intended as a means of regulating the lending companies but rather as a tax applicable in certain cases, to passive investments. In any event, this is an ineffectual regulatory device since this restriction applies only to about 10 percent of the outstanding small loans. This occurs because the bulk of the small loans are made by widely held finance companies, and therefore not treated as personal holding companies since they do more than 50 percent of their stock. Moreover, even the companies presently subject to this restriction need to meet it only with respect to 60 percent of their gross income.

The bill also deletes the requirement that these lending companies derive most of their income from loans maturing in not more than 36 months. Several States already have gone beyond this as a permissive period for loans and it appears likely that in the near future a number of additional States may extend maturities to more than 36 months.

Your committee agrees with the House committee that it should not impose a requirement substantially more restrictive in nature than the State laws regulating this type of lending company.

A third change made by the House bill modifies the maximum size of a loan which may qualify under the 60-percent-income requirement where there is no State law governing the maximum size of a loan. Under present law where there is no such limit under State law, a limitation of $500 is provided. Under the bill this limitation is increased to $1,500. It is understood that the only State which does not have a ceiling of its own is the State of California. When the $500 limit provided by present law was considered, this represented the usual ceiling among the States. The States have changed these ceilings materially, however, with the result that today relatively few States have a ceiling of $500 or less and even in these cases there usually is provision for supplementary loans which exceed this ceiling in certain situations. The $1,500 provided by this bill, where there is no applicable State limitation, today is substantially in conformance with the ceilings applicable in those States providing their own maximums.

A fifth change relates to the use of the term, "small loan business" which represents the type of business in which a lending company must be engaged in order to be removed from application of the personal holding company tax under this exception. The bill adds after the terms "small loan business" the term "(consumer finance business)". This is intended to make it clear that this exception is not limited to small loans in the narrow sense, but rather is intended to encompass consumer finance loans generally. Moreover, the reference to consumer finance business will bring this exception more directly in accord with the terminology now used by a number of State legislatures which have retitled the applicable provisions governing these institutions as "consumer finance laws" as a means of providing a more descriptive title for the type of business involved. S. Rep. No. 2047, 87th Cong., 2d Sess. ——— (1962), reprinted in [1962] U.S. Code Cong. and Ad. News 2825, 2827–2828.

An equally compelling policy reason for eliminating tax requirements which are more restrictive than requirements of the various State laws was expressed by then-Assistant Secretary of the Treasury, Stanley Surrey, in his comments to the Senate committee on the proposed revisions:

It has been the Department's consistent position that taxpayers in like situations should be subject to the same rules and rates of taxation. The effectiveness of our self-assessing system to a large extent depends upon each taxpayer's willing compliance with laws which are regarded as rational and fair. Since [the small loan provisions] selects only a portion of the small loan industry for regulation, and since that portion is similar to other businesses not subject to these rules, the Department has no objection to the removal of the 3-percent-a-month and 36-month regulatory limits. S. Rep. No. 2047, 87th Cong., 2d Sess. ——— (1962), reprinted in [1962] U.S. Code Cong. and Ad. News 2825, 2830–2831.

While the 1962 legislation vastly improved the equity of the tax treatment accorded closely-held finance companies, the provision, as amended, remained extremely complex. As the result, in the Revenue Act of 1964, Congress simplified the exception by imposing one set of standards upon all types of finance companies. In so doing, a limitation on the terms of loans for consumer finance companies found its way back into the law.

Subsequent to the revisions made by the 1962 act, there remained four different types of personal finance companies which were excluded from the personal holding company category:

1. Licensed personal finance companies, 80 percent of whose gross income is interest from loans if at least 60 percent of their gross income is received for loans classified as "small loans" by State law (or $500 if there is no State law limit) and if the interest is not payable in advance and computed only on unpaid balances. In addition, loans to a person who is a 10-percent shareholder must not exceed $5,000 in principal amount. These frequently are known as "Russell Sage" type personal finance companies.

2. Other lending companies engaged in the small loan or consumer finance business, 80 percent of whose gross income consists of interest or similar charges on loans to individuals and income from 80-percent-owned subsidiaries which in turn themselves meet this test. In addition, at least 60 percent of the company's income must be from interest or similar charges made in accordance with small loan or consumer finance laws to individuals where the loans do not exceed the [sic] State specification for small loans (or if there is no such limit, $1,500) and if the trade or business expenses of the company represent 15 percent or more of the company's gross income. These companies also must not have loans outstanding to shareholders, with a 10-percent interest or more, which exceed $5,000.

3. A loan or investment company (such as a Morris Plan bank), a substantial part of whose business consists of receiving funds not subject to check and evidenced by certificates of indebtedness or investment, and making loans and discounts. Here also a loan to a person who is a 10-percent shareholder may not exceed $5,000 in principal amount.

4. A finance company actively engaged in purchasing or discounting accounts or notes receivable, or installment obligations, or in making loans secured by any of these or by tangible personal property, if at least 80 percent of its gross income is derived from such business. In addition, at least 60 percent of such a company's gross income must be derived from certain categories of income. These categories, in general, relate to business or factoring-type loans: such as purchasing or discounting accounts or notes receivable, or installment obligations arising out of the sale of goods or services by the borrower in his business; making loans for not more than 36 months to businesses where the amounts are secured by accounts or notes receivable or installment obligations of the type described above, or secured by warehouse receipts, bills of lading, inventories, chattel mortgages on property used in the borrower's trade or businesses, etc. In the case of these companies, the trade or business expense deductions must represent at least 15 percent of the gross income of the company, and loans to those who are 10-percent shareholders in such company must not exceed $5,000 in principal amount.

It should be noted that the only type of finance company upon which a maturity limit was imposed was a finance company engaged in purchasing or discounting accounts or notes receivable, or installment obligations, or in making loans secured by any of these or by tangible property. Such factoring-type companies were required to earn at least 60 percent of its income from, inter alia, loans to businesses for not more than 36 months, where the loans arose out of the borrowers trade or business.

Curiously, when the Congress "simplified" the exception in the 1964 act, the limit was

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* It should be noted that in 1950, an exception was added to permit interest on business loans to be computed by the "dollar add on" method to reflect changes in the law of almost one-half of the states permitting such loans.

written to have precisely the opposite effect. As the result of the 1964 act, the 36-month limit was expanded to 60 months, but rather than applying to loans by factoring-type companies, the limit, now contained in section 542(d)(1)(B)(i) was written to apply to all but such factoring-type loans.

It is important to not that if the word "unless" in section 542(d)(1)(B)(i) were changed to the word "if", the new law would have accomplished the simplification result without resurrecting a limit previously deleted as too restrictive. That simplification was the intent of the 1964 changes and that the same policy underlying the deletion of the 36-month limit was to be retained is clearly reflected in the House committee report:

In the interest of simplification, your committee concluded that it would be desirable to have one exclusion available for all four of these categories of lending or finance companies. At the same time, it saw no need for purposes of the personal holding company provision to restrict the type of loans which these companies could make. This is properly a matter of regulation by State law governing these lending or finance businesses. Moreover, it was recognized that in any event the personal holding provisions do not apply to widely held corporations. In such cases only State law governs the type of loans which can be made. H. Rep. No. 749, 88th Cong. 2d Sess. ——— (1964), reprinted in [1964] U.S. Code Cong. & Ad. News 1313, 1389–1390.

In the absence of an explicit explanation in the legislative history of the inclusion of a 60-month limit, one might conclude that Congress merely painted with too broad a brush when it simplified prior law. However, in light of the total reversal of the type of company to which it was to be applied and the reiteration of the policy underlying the original deletion, it is far more plausible to conclude that the 60-month limitation of present law does not reflect legislative policy, but rather inadvertent error.

REASONS FOR CHANGE

Whether the result of error or generalization, the 60-month limit needlessly restricts closely held consumer finance companies from competing on an equal basis with more widely held companies in rapidly expanding areas of consumer finance.

As previously stated, the limitation on the term of loans was deleted because the restrictions under most State laws had become far more liberal than the Federal tax provision. That is even more the case today. Most consumer finance companies presently operate, not only under small loan laws, but also under the generally applicable usury laws. In almost all instances, the general usury law imposes no maximum maturity. This expansion beyond small loan laws has resulted from fundamental changes in the competitive structure of the entire finance industry. Rather than competing for small loans, the bulk of recent market expansion has been in the areas of revolving credit and second mortgage loans. In the case of revolving credit, the loans have no fixed maturity. In the case of second mortgage loans, probably owing to the size of the loan, the maturities typically equal or exceed 60 months.

The trend in personal loans is definitely toward longer maturities, and, in the case of the rapidly expanding revolving or open-end credit, no fixed maturity at all in the traditional sense. As the table below demonstrates, according to statistics provided by the Federal Reserve Board, the percentage of personal loans having a maturity of over 42 months increased from a negligible amount in 1972 to 26.4 percent of loans made in 1977. The 1977 figure almost doubles the percentage of lower maturity loans from the year before.

FINANCE RATES, MATURITIES, AND AVERAGE AMOUNT FINANCED BY FINANCE COMPANIES, 1972–77

	1972	1973	1974	1975	1976	1977[1]
Average finance rates (percent):[2]						
Personal loans	21.1	20.6	20.7	21.0	21.0	20.5
Automobiles:						
New	11.9	12.1	12.6	13.1	13.2	13.1
Used	16.5	16.7	17.2	17.6	17.6	17.6
Mobile homes	12.4	12.8	13.3	13.6	13.4	13.6
Other consumer goods	19.3	18.9	19.1	19.8	19.5	19.1
Average maturities:[2]						
Personal loans in months	32.3	33.5	34.8	36.3	37.6	42.0
Automobiles (percent):						
New (total)	100.0	100.0	100.0	100.0	100.0	100.0
Percent over 42 mo					14.5	26.4
Percent 37 to 42 mo	[3].9	[3]2.7	[3]8.4	[3]23.6	17.8	21.2
Percent 31 to 36 mo	84.3	83.2	78.4	65.3	55.8	40.4
Percent 30 mo or less	14.5	13.9	13.2	11.2	11.7	11.9
Percent balloon	.3	.3	.2	.1		
Used—Total	100.0	100.0	100.0	100.0	100.0	100.0
Percent over 36 mo					3.6	6.7
Percent 31 to 36 mo	[4]47.7	[4]49.9	[4]52.9	[4]54.2	53.3	57.3
Percent 25 to 30 mo	33.3	31.3	29.2	31.1	29.9	23.6
Percent 24 mo or less	18.9	18.7	17.8	14.7	13.2	10.4
Percent balloon	.1	.1	.1			
Mobile homes	106.4	115.7	121.2	121.0	123.3	126.2
Other consumer goods	21.7	21.4	21.1	21.1	22.2	22.9
Average amount financed:[2]						
Personal loans	$996	$1,169	$1,162	$1,260	$1,384	$1,530
Mobile homes	6,307	6,645	7,292	7,686	8,404	8,037
Other consumer goods	396	305	434	464	510	538
Average size of contract on automobiles:[2]						
New	3,685	3,929	4,314	4,975	5,496	6,116
Used	1,890	2,090	2,436	2,650	2,846	3,076

[1] Preliminary NCFA estimates.
[2] Unweighted means of periodic sample data for each year.
[3] Over 36 mo.
[4] Over 30 mo.

Note.—Parts may not add to totals due to rounding.

Source: Federal Reserve Board.

Additional data on consumer finance transactions compiled by the First National Bank of Chicago reflects that the percentage of loans written for longer than 37 months (the only category including over 60-month loans) grew from 11.76 percent in 1972 to 20.35 percent in 1977 to 30 percent in 1978.

These data reflect not only the increase in numbers of longer maturity loans but the rapidity with which the numbers of such loans are increasing. It may be expected that particularly with the tremendous increase in the volume of second mortgage loans (almost all of which have maturities of at least 60 months or longer), the strength of the trend will continue.

PROPOSED LEGISLATION

The proposed bill would amend section 542 of the Internal Revenue Code in two respects. First, section 542(d)(1)(B)(i) would be amended by replacing the 60-month maturity limitation with a limitation of 144 months. Additionally, the bill would except from the computation of average maturities all open end credit transactions (revolving credit) as that term is defined in the Truth in Lending Act.

The second amendment would tighten the eligibility rules for the consumer finance company exclusion from the definition of "personal holding company." Subsection (c) of section 542 excepts a number of business enterprises from the definition of a "personal holding company." Paragraph (6) of that subsection provides for the exclusion of certain lending or finance companies if certain conditions are met. Among those conditions is the requirement that the sum of deductions which are directly allocable to the finance business must exceed the sum of 15 percent of the first $500,000 of ordinary gross income from the finance business, plus 5 percent of the second $500,000 of gross income from the finance business.

At the request of the Joint Committee on Taxation, the bill would extend the amount to which the 5 percent applies from $500,000 to the total amount of all gross income derived from the finance business which exceeds $500,000. The result will be that overall percentage of deductions directly attributable to gross income from the finance business must be greater than under present law in order for a consumer finance company to qualify for exclusion under the personal holding company provisions.

The bill, therefore, represents a balance between the need to accommodate a changing business environment and the need to insure that the exception is not employed as a device to avoid the personal holding company rules.

Mr. President, it is my understanding that this is a noncontroversial bill and that the Treasury Department supports its passage. I hope that early action on this measure can be scheduled by the Finance Committee and that it can become law this year.●

By Mr. RANDOLPH:

S. 645. A bill to promote the development of enhanced tertiary oil recovery techniques; to the Committee on Finance.

DEVELOPMENT OF ENHANCED TERTIARY OIL RECOVERY TECHNIQUES

● Mr. RANDOLPH. Mr. President, the bill I introduce today is a measure to extend the exemption contained in the Windfall Profit Tax Act of 1980 for certain tertiary project front-end oil. Front-end oil is production the revenue from which is dedicated, pursuant to the Department of Energy's tertiary incentive program regulations, to the "allowed expenses" of a tertiary enhanced oil recovery project.

The DOE's "allowed expense" rules limit the amount of front-end oil that can be sold in connection with a particular EOR project to a maximum of $20,000,000. The windfall profit tax exemption, however, was limited so that it does not extend to front-end oil used to finance certain prepaid or capital items even though the Department of Energy allows such oil to be released from price controls. There is no reason to impose a tax on the front-end oil used to finance such expenses.

The Department of Energy will exercise sufficient restraints and control over prepayments and capital items to prevent any potential abuse. The only effect of the limitations on the windfall tax exemption regarding prepaid and capital items is to reduce the incentive available to independent producers to undertake tertiary projects and thereby slow the development of our domestic oil resources.

To remove this problem with the available incentive, the amendment I propose coordinates the windfall tax exemption with the Department of Energy's program fully by providing that front-end oil used to finance certain prepaid and capital items approved by DOE is exempt from windfall profit tax to the same extent as are other qualified expenses.

The early termination of crude oil price controls by President Reagan in Executive Order No. 12287, will have the undesirable effect of terminating the tertiary incentive program, thereby slowing the development of innovative EOR technologies. This legislation is designed to cure that defect by providing for the continuation of a program exempting front-end oil, under the limitations prescribed in the current DOE rules, for the period after decontrol.

The Department of Energy started the tertiary incentive program after finding that EOR techniques having a vast potential for recovering additional crude oil from known reservoirs involve "such substantial preproduction expenses and such a high risk of failure that a general finding can be made that projects employing such techniques are not an attractive investment opportunity."

Accordingly, in order to stimulate the rate of technical innovation in this crucial crude oil supply area, DOE adopted a program to provide "front-end" financing to producers undertaking such projects. Under this program, over 300 new or significantly expanded tertiary projects have been undertaken. However, the program, and many recent projects undertaken in reliance thereon, will now be lost under decontrol.

The magnitude of the potential benefit from tertiary EOR techniques was the subject of a January 1978 study, Enhanced Oil Recovery Potential in the United States, by the Office of Technology Assessment. OTA estimated that EOR technologies could recover as much as 51 billion barrels of the 300 billion barrels of oil that will otherwise remain trapped in known reservoirs in the United States. That is almost half again the amount of oil recoverable with conventional technology. Thus, EOR technologies promise great potential contributions to our domestic crude supply. Like the DOE findings, however, the OTA study also noted that enhanced oil recovery processes are new and their investment risks high, and therefore that their development will be retarded absent some form of assistance.

Despite the momentum begun by the DOE program, EOR technologies are still in their infancy, and a continuing program is needed in order to advance the processes that will return the greatest amounts of oil. At a minimum, a modest program to stimulate the early use of a wide range of EOR techniques, by providing that a fraction of the front-end money necessary to finance these high cost, high risk projects be exempt from windfall profit tax, should be permitted. I urge the speedy consideration and adoption of this measure by the Senate.●

By Mr. RANDOLPH (for himself, Mr. WILLIAMS, and Mr. PELL):

S. 646. A bill entitled "The Consumer-Patient Radiation Health and Safety Act of 1981"; to the Committee on Labor and Human Resources.

CONSUMER-PATIENT RADIATION HEALTH AND SAFETY ACT OF 1981

● Mr. RANDOLPH. Mr. President, public exposure to radiation in the healing arts professions accounts for 90 percent of the annual population dose in the United States from manmade sources. By comparison, annual exposure from nuclear facilities accounts for less than 1 percent.

It is estimated that 30 percent of that exposure is unnecessary. The annual direct cost of this unnecessary exposure to our health care system may be $1½ to $2 billion. The long-term cost to our health care systems for treatment of illnesses resulting from unnecessary exposure, although not quantifiable, is no doubt substantially more.

The reasons for unnecessary exposure are several—faulty equipment, improper use of X-ray equipment, defensive medicine, economic incentives, and unnecessary screening. My legislation focuses on the use of radiation in the healing arts.

Although the essential and beneficial role of radiologic services in the diagnosis and treatment of injuries and illness is well recognized and accepted, there is evidence that current procedures result in a greater risk to consumer-patients than is necessary.

In spite of the risk to individuals from radiation exposure and the known adverse health effects that may result, in 39 of our States, any individual may operate X-ray equipment, regardless of training or qualifications.

Of the estimated 130,000 to 170,000 persons who operate the Nation's 250,000 pieces of medical X-ray equipment, only 85,000 have demonstrated their competence in voluntary certification or State licensing examinations. Seventy-five percent of all nonhospital radiologic procedures in the United States are performed by noncredentialed radiologists.

For over 10 years I, and other colleagues who have joined me, have sought to address this seeming paradox. On three occasions the Senate has passed legislation to provide for certification of operators, the measure, however, has either been dropped in conference, or died with legislation it was amending.

Unfortunately, in the interim, the need for such legislation has not diminished. If anything, with the growing use of radiation in the healing arts, it has increased. Over 300 million X-rays will be taken nationally this year.

This legislation has two principal thrusts—

First, to require the establishment of minimum Federal standards for the certification of persons who operate machines used for diagnostic or therapeutic purpose which emit ionizing radiation, and

Second, to provide for accrediting institutions which conduct training programs for such persons.

Mr. President, the legislation I am introducing today with the cosponsorship of the senior Senators from New Jersey and Rhode Island, Mr. WILLIAMS and Mr. PELL, is identical to title V of H.R. 7203, the Health Professions Education and Distribution Act of 1980, which passed this body unanimously in the 96th Congress on September 19, 1980. Unfortunately, the conferees for the Senate and the House were unable to resolve the differences between their respective measures prior to the sine die adjournment of the 96th Congress.

Mr. President, I request that following my remarks there appear in the RECORD a description of the need for this legislation and the committee views contained in Senate Report No. 96-936, and the text of the Consumer-Patient Radiation Safety and Health Act of 1981.

The bill and committee views follow:

S. 646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 101. This Act may be cited as the "Consumer-Patient Radiation Health and Safety Act of 1981."

SEC. 102. The Congress finds that—

(1) it is in the interest of public health and safety to minimize unnecessary exposure to potentially hazardous radiation due to medical and dental radiologic procedures;

(2) it is in the interest of public health and safety to have a continuing supply of adequately educated persons with appropriate credentials to administer radiologic procedures pursuant to accreditation and certification programs administered by State governments;

(3) the protection of the public health and safety from unnecessary exposure to potentially hazardous radiation due to medical and dental radiologic procedures and the assurance of efficacious procedures are the responsibility of State and Federal governments;

(4) persons who administer radiologic procedures, including procedures at Federal facilities, should be required to demonstrate competence by reason of education, training, and experience; and

(5) the administration of radiologic procedures and the effect on individuals of such procedures have a substantial and direct effect upon United States interstate commerce.

SEC. 103. It is the purpose of this Act to—

(1) provide for the establishment of minimum standards by the Federal Government for accreditation of education programs for persons who administer radiologic procedures and certification of such persons; and

(2) insure that medical and dental radiologic procedures are consistent with rigorous safety precautions and standards.

SEC. 104. Unless otherwise expressly provided, for purposes of this Act, the term—

(1) "radiation" means ionizing and nonionizing radiation, in amounts beyond normal background levels, from such sources as medical and dental radiologic procedures;

(2) "radiologic procedure" means any procedure or article intended for use in—

(A) the diagnosis of disease or other medical or dental conditions in humans (including diagnostic X-rays); or

(B) the cure, mitigation, treatment, or prevention of disease in humans;

that achieves its intended purpose through the emission of radiation;

(3) "radiologic equipment" means any radiation emitting electronic product used or intended for use to—

(A) diagnose disease or other medical or dental conditions (including diagnostic X-ray equipment); or

(B) cure, mitigate, treat, or prevent disease in humans;

if such product achieves its intended purpose through the emission of radiation;

(4) "practitioner" means any licensable doctor of medicine, osteopathy, dentistry, podiatry, or chiropractic, who prescribes radiologic procedures for other persons;

(5) "persons who administer radiologic procedures" means any person, other than a practitioner, who intentionally administers radiation to other persons for medical purposes and includes medical radiologic technologists (including dental hygienists and assistants), radiation therapy technologists, and nuclear medicine technologists;

(6) "Secretary" means the Secretary of Health and Human Services; and

(7) "State" includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

SEC. 105. (a) No later than the date twelve months after the effective date of this Act, the Secretary, in consultation with the Radiation Policy Council, the Administrator of Veterans' Affairs, the Administrator of the Environmental Protection Agency, appropriate agencies of the States, and appropriate professional organizations shall by regulation promulgate minimum standards for the accreditation of educational programs to train individuals to perform radiologic procedures. Such standards shall distinguish between programs for the education of (1) medical radiologic technologists (including radiographers), (2) dental auxiliaries (including dental hygienists and assistants), (3) radiation therapy technologists, and (4) nuclear medicine technologists. Such standards shall not be applicable to educational programs for practitioners.

(b) No later than the date twelve months after the effective date of this Act, the Secretary, in consultation with the Radiation Policy Council, the Administrator of Veterans' Affairs, the Administrator of the Environmental Protection Agency, interested agencies of the States, and appropriate professional organizations, shall by regulation promulgate minimum standards for the certification of persons who administer radiologic procedures. Such standards shall distinguish between certification of (1) medical radiologic technologists (including radiographers), (2) dental auxiliaries (including dental hygienists and assistants), (3) radiation therapy technologists. Such standards shall include minimum certification criteria for individuals with regard to accredited education, practical experience, successful passage of required examinations, and such other criteria as the Secretary shall deem necessary for the adequate qualification of individuals to administer radiologic procedures. Such standards shall not apply to practitioners.

SEC. 106. In order to encourage the administration of accreditation and certification programs by the State, the Secretary shall provide a model law for radiologic procedure safety to the States. Such model law shall provide that—

(1) it shall be unlawful in the State for individuals to perform radiologic procedures unless such individuals are certified by the State to perform such procedures; and

(2) any educational requirements for certification of individuals to perform radiologic procedures shall be limited to educational programs accredited by the State.

SEC. 107. (a) If a State continues to permit nonpractitioners to perform radiologic procedures without having provided an accreditation and certification program consistent with the minimum Federal standards promulgated under this Act within three years after the effective date of this Act, the Secretary shall, until such programs are in effect, take the following action:

(1) during the first twelve months after the expiration of such period of time, the Secretary shall reduce by 5 percent the amount of each allotment, grant, loan, and loan guarantee made to, and each contract entered into with, such State during such period under the Public Health Service Act; and

(2) after the expiration of such twelve-month period, the Secretary shall reduce by 10 percent the amount of each such allotment, grant, loan, loan guarantee, and contract.

(b) A State may utilize an accreditation or certification program administered by a private entity if—

(1) such State delegates the administration of the State accreditation or certification program to such private entity;

(2) such program is approved by the State; and

(3) such program is consistent with the minimum Federal standards promulgated under this Act for such program.

(c) The Secretary may by regulation exempt any specific grant, loan, contract, or other form of financial assistance from the requirements of this section if the Secretary determines such exemption is in the public interest and would not present an unreasonable risk to any person or to the public health and safety.

(d)(1) The Secretary shall be responsible for continued monitoring of States in order to determine which States are in compliance with this section. The Governor of each State shall be responsible for notifying the Secretary of changes in approved accreditation and certification programs. If a State fails to comply with the provisions of this section, after notice and a hearing on the record, the Secretary shall reduce by 10 percent the amount of each allotment, grant, loan, and loan guarantee made to, and each contract entered into with, such State during such period of noncompliance under the Public Health Service Act.

(2) Upon the application of a Governor of a State, the Secretary may extend the effective date of subsection (a) for not more than 2 years from the date of such application if the Secretary determines that good faith efforts to comply with this section have been made by the State, and reasonable assurance is provided that an effective certification and accreditation program will be provided by the State within the subsequent 2 years.

(e) Notwithstanding any other provision of this section, in the case of a State which has, prior to the effective date of standards and guidelines promulgated pursuant to this Act, established standards for the accreditation of educational programs and certification of radiologic technologists, such State shall be deemed to be in compliance with the conditions of this section unless the Secretary determines, after notice and hearing, that such State standards do not meet the minimum standards prescribed by the Secretary or are inconsistent with the purposes of this Act.

SEC. 108. The Secretary shall, in conjunction with the Radiation Policy Council, the Administrator of Veterans' Affairs, the Administrator of the Environmental Protection Agency, appropriate agencies of the States, and appropriate professional organizations, promulgate Federal radiation guidelines with respect to radiologic procedures. Such guidelines shall—

(1) determine unnecessary radiation exposure due to radiologic procedures and the techniques, procedures, and provide methods to minimize such exposure;

(2) provide for the elimination of the need for retakes of diagnostic radiologic procedures;

(3) provide for the elimination of unproductive screening programs;

(4) provide for the optimum diagnostic information with minimum radiologic exposure; and

(5) include the therapeutic application of radiation to individuals in the treatment of disease, including nuclear medicine applications.

SEC. 109. (a) Except as provided in subsection (b), standards promulgated pursuant to this Act shall apply to each department, agency, or instrumentality of the executive branch of the Federal Government.

(b)(1) The Administrator of Veterans' Affairs, through the Chief Medical Director of the Veterans' Administration, shall, to the maximum extent feasible consistent with the responsibilities of such Administrator and Chief Medical Director under title 38, United States Code, prescribe regulations making the standards promulgated pursuant to this Act applicable to the provision of radiologic procedures in facilities over which the Administrator has jurisdiction. In prescribing and implementing regulations pursuant to this subsection, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of the regulations, and the implementation thereof, which the Secretary and the Administrator prescribe under this Act.

(2) Not later than 180 days after standards are promulgated by the Secretary pursuant to this Act, the Administrator shall submit to the appropriate committees of Congress a full report with respect to the regulations (including guidelines, policies, and procedures thereunder) prescribed pursuant to paragraph (1) of this subsection. Such a report shall include (A) an explanation of any inconsistency between standards made applicable by such regulations and the standards promulgated by the Secretary pursuant to this Act; (B) an account of the extent, substance, and results of consultations with the Secretary respecting the prescribing and implementation of the Administrator's regulations; and (C) such recommendations for legislation and administrative actions as the Administrator determines are necessary and desirable. The Administrator shall timely publish such report in the Federal Register.

SEC. 210. The provisions of this Act shall become effective October 1, 1981.

COMMITTEE VIEWS

TITLE V—RADIATION HEALTH AND SAFETY

The purpose of this legislation is to provide an inducement to States to implement programs for the certification of persons who administer radiologic procedures and, as a corollary, to establish standards for the accreditation of educational programs which train individuals to perform radiologic procedures.

Over the 10 year period since the Food and Drug Administration published a model State law for certification of radiologic technologists only 8 States have joined California, New Jersey, and New York in instituting programs. In the interim, public exposure to radiation in the healing arts has continued to increase. In 39 States any individual may operate radiation equipment, irrespective of his or her training or qualifications.

The essential and beneficial role for the use of radiation in diagnostic and therapeutic procedures outweighs the potential adverse health effects from the exposure to radiation necessary to achieve that result. The exposure, however, should be kept to the minimum necessary. The Committee considers the estimated annual unnecessary exposure of 30 percent to be unacceptable.

The Committee recognizes that persons administering radiologic procedures who have not received adequate training or demonstrated their ability to operate radiologic equipment are not the sole cause of the public's unnecessary exposure to radiation in the healing arts. Faulty or improperly calibrated radiation equipment, defensive medicine, economic incentives, and unnecessary screening programs also contribute to unnecessary exposure. The Committee believes, however, that exposure will be substantially reduced if radiologic procedures are only performed by trained and qualified persons.

The Committee's bill seeks to preserve the traditional responsibility of the States to control the certification of health professions and to assure the continued availability of diagnostic and therapeutic radiation procedures in all States. The Committee's bill seeks only to assure that radiologic procedures be performed by qualified persons.

Therefore the Committee has directed the Secretary, in consultation with the Radiation Policy Counsel, the Administrator of the Environmental Protection Agency and the Administrator of Veterans' Affairs, interested agencies of the States, and appropriate professional organizations, within 12 months of the date of enactment of this legislation, to promulgate by regulation and periodically update minimum standards (1) for the accreditation of education programs to train individuals to perform radiologic procedures, and (2) for the certification of persons who administer radiologic procedures.

The Committee bill provides that the standards developed by this process generally shall be applicable to the provision of diagnostic and therapeutic radiologic procedures in the healing arts by Federal agencies.

In the case of the Veterans' Administration, the Administrator of Veterans' Affairs, through the VA Chief Medical Director, shall, to the maximum extent feasible consistent with their responsibilities under title 38, prescribe regulations making those standards applicable in connection with VA facilities.

Where State certification programs are in existence as of the effective date of Federal minimum standards, the State program is to be deemed in compliance until such time as the Secretary renders an affirmative finding, after public hearing, that the State program does not require the equivalent of the Federal minimum standards or the conditions for approval of a State program have not been met. The Committee anticipates that the Secretary will utilize his discretion in the bill to provide an extension of the imposition of a reduction in Public Health Service Act funding to such State for up to two years to permit the State to conform its program to the Federal standards.

In directing the Secretary to consult with interested State agencies, the Committee recognizes the primary role of the States in administering certification and accreditation standards and the efforts of such groups as the Conference of Radiation Control Program Directors, State certificate bodies, and health departments in reducing unnecessary and unproductive radiation exposure. Since 1974 the Conference has endorsed credentialing of allied health-radiation operators as a desirable mechanism to assure that operators of radiation equipment have the education and training needed to administer radiation to consumer-patients properly and efficaciously.

Similarly, the Committee, in directing the Secretary to consult with appropriate professional organizations, recognizes the expertise, concern, and efforts of these groups in promoting the most beneficial use of radiation in the healing arts, and the importance of their close involvement in achieving the purposes of this legislation.

These organizations are responsible for the existence in every State, on a voluntary basis, of a system for the accreditation of programs for the education of persons who administer radiologic procedures and for the certification of such individuals. The American Medical Association endorsed the concept of standards for radiologic technologists over 50 years ago, and has instituted an approval system for schools of radiologic technology. The American Registry for Radiologic Technologists provides examinations for the graduates of AMA-approved schools. Other allied health organizations have also instituted accreditation and certification programs as professional specialties have come into existence.

Among appropriate professional organizations, the Committee intends that the Secretary consult with the American Medical Association, the American College of Radiology, the American Society of Radiologic Technologists, the American Podiatry Association, the American Board of Nuclear Medicine, the Society of Nuclear Medicine, The American Registry of Clinical Radiography Technologists, the American College of Radiography Technologists, the American Society of Clinical Pathologists, the American Academy of Dental Radiology, the American Registry of Radiologic Technologists, the American Dental Association, The American Dental Assistants Association, the American Dental Hygienists Association, the American Osteopathic College of Radiology, the American Osteopathic Association, the American Chiropractic Association, the American Board of Health Physicists, the American Association of Physicists in Medicine, and the Health Physics Society.

In providing that States may utilize an accreditation or certification program administered by a private entity, the Committee clearly intends to preserve the option of each State to either institute and administer a separate program, or to provide that an educational institution's accreditation by a private accrediting board or an individual's certification by a private examining organization shall be recognized by a State as fulfilling its statutory requirements.

The Committee recognizes that, although the provisions of this legislation will result in a reduction of unnecessary exposure to radiation in the healing arts, additional efforts to eliminate the other causes of unnecessary exposure must continue. Several initiatives undertaken by FDA's Bureau of Radiological Health were outlined by Director Villforth in his testimony at the legislative hearing.

The Committee is encouraged by the effort to develop and validate X-ray referral criteria which should result in a reduction of the number of medically unnecessary X-ray examinations through evaluation of the clinical value of various X-ray examinations. Current programs to augment physicians' training in such fields as patient selection, the physics of radiology, and X-ray practices, and to enhance consumers' awareness of their role in helping to minimize radiation exposure, should continue to be pursued aggressively.

The FDA's educational programs to improve radiologic technologists' performance and to prepare model training materials are expected to continue.

In order to promote these and other ongoing FDA efforts, the Committee has directed that the Secretary promulgate guidelines to assist the health professions in further reducing unnecessary radiation exposure in the healing arts.

The Committee, by directing that the Secretary shall develop standards which distinguish between educational programs and certification standards for medical radiologic technologists, dental auxiliaries, radiation therapy technologists, and nuclear medical technologists, recognizes the diversity in the scope of practice of these professional disciplines and intends that the Secretary, in consultation with the appropriate professional organization, shall develop separate minimum standards.

These categories of specialization are now provided for by such voluntary certification bodies as the American Registry of Radiologic Technologists. It is further assumed that provision will be made for dental auxiliaries who would be authorized to perform diagnostic X-ray examinations under the direct supervision of dental practitioners.

The categories set forth by the Committee are not, however, intended to be exclusive and the Committee anticipates that it may be desirable for the Secretary to designate additional areas of professional expertise within these groups and new areas of professional expertise as the practice of radiologic technology evolves in the future.

The Committee does not intend that a requirement for certification should result in barriers to entry into the field of radiologic technology and anticipates that the Secretary, in the process of consultation set forth in the bill, will make appropriate provision for students in accredited programs, technologists-in-training under the supervision of a practitioner, and students in medical, dental, podiatric, osteopathic, and chiropractic schools, to receive the necessary education and training to enter their professions.

Likewise, the Committee in no sense intends to endorse formal training alone as demonstrated competence sufficient to satisfy minimum qualifications for certification. Rather, the committee intends that certification be conditioned on demonstrated competence through written examination and exhibited performance through proficiency testing. In practice it is performance that determines competence in providing efficacious radiologic examinations. The Committee intends that the tests and standards applicable to the various categories of radiologic personnel be job-related and understands that criteria for certification will vary depending on the actual responsibilities of the personnel in question.

The committee recognizes that technologists do not take radiographs in isolation from the decisions of their practitioner-employers.

Moreover, the Committee does not intend to restrict any consumer-patient from obtaining the benefits of diagnostic radiology or to preclude any physician from providing necessary health care services. Nevertheless, the Committee does intend to assure that when radiologic services are warranted and prescribed that unnecessary radiation exposure is minimised and that efficacious radiologic services are provided.

NEED FOR LEGISLATION

RADIATION HEALTH AND SAFETY

Since 1967 legislation has been under consideration by the Congress to provide for State licensure of users and operators of medical radiologic equipment such as X-ray equipment. An initial proposal providing for Federal minimum advisory standards for the licensure of radiologic technicians and for the assurance of adequate training of such individuals was contained in the Senate passed version of the Radiation Control for Health and Safety Act of 1968; however, the provision was dropped at the House-Senate conference.

Since then four separate Congresses have considered similar legislation introduced by Senator Jennings Randolph and others.

During the 93rd Congress, similar measure was offered by Senator Randolph as an amendment to S. 2994 and accepted unanimously by the Committee as Title IV, the Radiation Control for Health and Safety Act of 1974. Although approved by the Senate, the title was deleted from the measure by the House and Senate conferees because there was no comparable provision in the House passed bill.

That measure was subsequently introduced by Senator Randolph in the 94th Congress as S. 1261, the Radiation Health and Safety Act, and was offered and unanimously accepted as Title XVI of H.R. 5546, the Health Professions Education Assistance Act of 1976. As in the previous Congress, the title was dropped in conference.

In the 95th Congress, Senator Randolph introduced similar measures, S. 1695 in the 1st Session, and S. 3230 in the 2d Session. No legislative activity occurred on either measure.

The general public's exposure to radiation sources in medicine and dentistry is, next to natural background, the largest contributor to the consumer's radiation exposure in the United States. Medical and dental sources of radiation currently account for over 90 percent of all human exposures to man-made ionizing radiation by contrast, normal operation of nuclear powerplants accounts for less than 1 percent of the consumer's exposure to ionizing radiation.

The annual cost of radiation services in the healing arts to the public is $6 billion. It is estimated by the Bureau of Radiological Health (BRH) that approximately 30 percent of the exposure to radiation is unnecessary. Annual health care costs due to genetic damage from radiation exposure is estimated by BRH to be $1.4 billion. The long term cost for treatment of illnesses resulting from unnecessary exposure, although not available, is certain to be substantial. In testimony received by the Committee, it was estimated that diagnostic and therapeutic exposure to radiation will account for 2,000 to 4,000 cancer deaths in the United States in 1980.

The attendant benefits from the use of radiation for medical and dental diagnosis and for radiation therapy are well recognized for their essential role. Moreover, the risks associated with undergoing an efficacious X-ray examination needed for proper medical care are less than the risks which would be incurred without the examination.

However, as observed 9 years ago by Dr. Donald Chadwick, then Director of the U.S. Public Health Services' Division of Radiological Health and past Executive Secretary of the former Federal Radiation Council:

Our knowledge of the biological effects of radiation has many gaps, but enough is known that practitioners of medicine, dentistry, and public health should make every feasible effort to prevent or reduce all unnecessary radiation exposure. The size of the population at risk and the possible consequences of failure to take appropriate action are too great.

Potentially the whole U.S. population is at risk. Approximately 130,000 medical X-ray machines are used to conduct about 186 million X-ray examinations annually, and 172,000 dental X-ray units are employed in 92 million dental X-ray examinations each year.

Approximately 5 million individuals were administered radiopharmaceuticals in the diagnosis or treatment of disease. Unfortunately, the use of microwaves and ultrasonics for therapeutic purposes also has emerged as a significant potential source of consumer radiation exposure, often without any medical supervision.

It is estimated that 85,000 of the 130,000 to 170,000 persons now operating medical X-ray equipment are certified by either the American Registry of Radiologic Technologists (ARRT) or the American Registry of Clinical Radiography Technologists (ARCRT), or licensed by one of the eleven States and one territory (New York, New Jersey, California, Kentucky, West Virginia, Florida, Vermont, Arizona, Montana, Oregon, Hawaii, and Puerto Rico) administering such programs. This leaves approximately 45,000 to 85,000 non-credentialed individuals performing X-ray examinations without evidence of training or demonstrated ability to perform radiologic procedures.

Approximately 200,000 dental hygienists and assistants currently conduct X-ray examinations, about 145,000 of these, primarily dental assistants, are non-credentialed.

It is estimated that 18,000 technologists work in the nuclear medicine field, of whom 13,400 are certified by the ARRT, the American Society of Clinical Pathologists (ASCP), or the Nuclear Medicine Technology Certification Board (NMTCB). There are approximately 2,000 radiation therapy technologists, 900 of whom are certified by the ARRT and 600 of whom are licensed by States.

The need for prudent use of potentially hazardous radiation such as X-rays and, although less well understood, ultrasound is generally recognized. Standard-setting bodies such as the National Council on Radiation Protection and Measurement, the International Commission on Radiological Protection and the former Federal Radiation Council have warned that any exposure to ionizing radiation carries with it some risk of adverse public health effects. As expressed by the International Commission on Radiological Protection—

The cautious assumption (is) that any exposure to radiation may carry some risks for the development of somatic effects including leukemia and other malignancies and of hereditary effects. The (A)ssumption is made that down to the lowest level of dose the risk of inducing disease or disability increases with the dose accumulated by the individual. This assumption implies that there is no wholly safe dose of radiation.

These radiologic services are ordered by some 350,000 physicians, approximately 18,000 of whom are radiologists with specialized expertise in the use of radiation for diagnostic and therapeutic purposes. With the exception of California, there is no requirement for training of physicians—96 percent of these physicians—in the medical uses of radiation. However, because of the growing availability of radiologists and the increasing sophistication of diagnostic examinations now possible in modern medicine, there is a trend toward concentration of the performance of more and more of these examinations in the hands of radiologists.

The actual performance of medical radiologic services, however, is now for the most part delegated by physicians to equipment operators. As has been noted, some 85,000 of these operators are voluntarily certified. Evaluation of the competence of non-certified radiation equipment operators for the most part is left to physicians.

Historically, the American Medical Association (AMA), the American College of Radiology (ACR), and the American Hospital Associaiton (AHA) have argued that the physician has the basic responsibility for exposing the consumer to potentially hazardous radiation—no one else can bear this responsibility. Even accepting this premise, while a non-radiologist physician may know best when to prescribe radiologist services, it does not necessarily follow that he also knows best how to administer the radiologic procedures himself, or that he knows when the patient should be sent to someone else and what qualifications that someone else should possess. Acceptance of the above premise, perhaps more than any other factor, is the reason the safety and efficacy of current radiologic practices still remain a major public health issue.

The United Nations Scientific Committee on the Effects of Atomic Radiation in 1972 stated: "The awareness of the radiological staff of the importance of the protection of the patient is probably the greatest factor in the control of population exposure." Moreover, a significant portion of present consumer-patient exposures can be avoided without a decrease in benefits by improvements in training, equipment, techniques, and procedures in administering radiation to patients, particularly the application of X-rays in diagnostic procedures.

When X-ray examinations are prescribed for a patient, the logical assumption is that the radiation procedures are being performed in a professional manner. Moreover, when consumer-patients present themselves for radiologic services their assumption is that—

Only licensed medical practitioner will actually order the radiologic examinations;

The medical practitioner will order radiographs only when absolutely necessary to confirm a preliminary diagnosis;

The practitioner will order only the minimum number of radiographs necessary for clinical diagnosis;

The practitioner will elicit information from a potentially pregnant woman taking this into consideration in ordering radiologic services;

The radiation risk to the individual patient and the clinical benefits to be achieved can be and will be evaluated by the practitioner in the best medical interests of the patient;

The benefit-risk evaluation will be provided to the concerned consumer-patient in a way that can be reasonably understood;

The patient can request that radiologic services can be deferred;

Non-practitioners (technologists) who take radiographs are sufficiently trained to obtain the clinical data required;

The technologist knows how, for a given patient, to achieve the best possible radiographs for the particular diagnosis of interest to the ordering practitioner with the lowest possible radiation exposure;

The technologist will supply appropriate gonad shielding when the gonad area is not the specific subject of the radiograph but may receive radiation exposure or when the patient so requests;

The technologist who does the positioning, the setting of machine controls, the activating the actual exposures, and the development of any films is competent to provide the necessary data for the practitioner in the finished picture as quickly as possible, minimizing prolonged patient discomfort and anxiety;

The practitioner who reads the radiographs is sufficiently expert through training and experience to read and interpret

them in terms of the patient's individual needs; and

If the above cannot be carried out properly, the patient will be informed and be referred to a qualified radiologist or medical center who in turn will employ qualified technologists and expertly interpret the finished radiographs.

In summary, the patient assumes a "Consumer Bill of Rights for Radiation," when agreeing to undergo radiologic services. While these assumptions can be assured by qualified radiologic technologists working with equally qualified practitioners, there is no reason to believe that is always the case.

The FDA's Bureau of Radiological Health has initiated programs to control unnecessary consumer radiation exposure from electronic products under authority contained in the Radiation Control for Health and Safety Act of 1968. Performance standards for diagnostic X-ray equipment intended to reduce unnecessary exposures have been promulgated pursuant to Public Law 90-602 by the Bureau of Radiological Health with an effective date of August 1, 1974. This statute does not provide complementary authority to establish qualifications for the operators of these potentially hazardous radiation devices such as those employed in providing medical and dental health care services. However, general authority does exist under the Public Health Services Act (Sections 356 (3) and (5)) to establish guidelines, although no mechanism for enforcement exists to assure adoption of such guidelines.

Dr. Karl Z. Morgan, a founder and past president of the American Health Physics Society, has stated that—

"An unqualified operator of radiological equipment inadvertently can overturn any benefits derived from equipment performance standards established pursuant to Public Law 90-602; the outcome is unnecessary consumer hazards. This is true irrespective of whether the operator is a poorly trained physician or a radiological technologist."

Like many other extremely useful and even necessary technologic advances, radiologic techniques can be misused through ignorance, neglect, carelessness, and lack of appropriate education and training; in this case, the principal concern is training in the fundamentals of radiation protection.

There is limited information available on the role of the radiologic technologist in reducing patient exposure; however, FDA/BRH data shows that credentialed operators generally perform somewhat better and reduce radiation exposure as compared to noncredentialed operators although the performance of voluntarily credentialed individuals remains far from adequate.

Two limited investigations, a proficiency examination and a survey of operator performance, conducted during the mid-1970's indicated that many operators were not qualified to perform X-ray examinations.

Of the 666 credentialed (licensed or certified) operators who took the proficiency examinations, 85 percent failed to achieve the suggested passing score. Of the 217 noncredentialed operators in the sample, 99 percent failed. The operator performance survey showed that 46 percent of 300 credentialed operators and 70 percent of 260 noncredentialed operators evaluated failed to properly restrict the X-ray beam to the size of the film. Thus, continuing education would appear warranted.

In addition to restricting the X-ray beam to the size of the image receptor, unnecessary exposure can result from an operator's failure to use lead-impregnated shields to protect body parts not being examined; to limit the intensity of the X-ray beam to the lowest acceptable level; or to use proper techniques to avoid the need for retakes. FDA estimates that 5-10 percent of the 200 million X-ray examinations performed each year need to be repeated because they are not done properly.

Presently the American Society of Radiologic Technologists, in collaboration with the American College of Radiology and the Council on Medical Education of the American Medical Association, establish the accreditation standards and curricula, along with a syllabus, for radiologic technologists. Such minimum requirements, known as "Essentials," are then subject to adoption by the House of Delegates of the American Medical Association.

Actual accreditation is performed by the AMA's Council on Medical Education—the largest specialized allied health accreditation body in the country—which is recognized by the Office of Education for this purpose. Accredited institutions for the training of radiologic technologists are surveyed and evaluated at least every five years by the Joint Review Committee on Education in Radiologic Technology, which was established in 1970 and relies on voluntary services from radiologists and technologists across the country. A similar Joint Committee on Education Programs in Nuclear Medicine Technology exists for this specialty. Recommendations of these two Committees are forwarded to the Council on Medical Education for further action. Similar accrediting bodies exist for programs for dental hygienists and dental assistants.

The need to improve on the efficacy of radiologic services has been broadly recognized since the mid-1960's. In April 1965 the National Advisory Committee on Radiation advised the Surgeon General: minimum legal standards of education, training, and experience for (radiologic) technologists appear to be necessary to bring about (an) increase in effectiveness with which radiologic services are delivered to the public.

In June 1967, the HEW Task Force on Environmental Health and Related Problems—charged with recommending the goals, priorities, and strategy to cope with environmental threats to man's health and welfare—concluded that "radiation hazards, in spite of the amount of public sensitivity to the subject during the past quarter century are still in need of improved control. Clearly more protection is needed." The Task Force observed that, even with widespread concern about the danger of X-rays, many Americans are overexposed in diagnostic and therapeutic practice. The Task Force went on to recommend that, "all persons using X-ray equipment should be licensed to do so, after fulfilling written examinations as to their competency."

The same year, in October 1967, further support was forthcoming from the Surgeon General's Medical X-Ray Advisory Committee on Public Health Considerations in Medical Diagnostic Radiology in their report entitled, "Public Health Considerations in Medical Diagnostic Radiology (X-Rays)." The report observed that, "prime consideration should be the total public health interest and that the stage has been reached when mandatory requirements of examination, training, and experience are appropriate."

In the words of the Surgeon General's Medical X-Ray Advisory Committee, this recommendation was warranted despite the fact that "the voluntary procedures of certification by the American Registry of Radiologic Technologists (ARRT) set a general high level of such assurance" that medical X-ray equipment operators are knowledgeable and competent. Nevertheless, the Committee concluded that instruction for general purpose technologists was "usually insufficient for more than sketchy coverage of radiation safety and efficiency. . . ."

Although the Committee did not specifically endorse licensure, it recognized that licensure "may be the best mechanism for assuring the fulfillment of minimum requirements" for proficiency. The licensure could be accomplished gradually "with a transition period to avoid the disruption of vital radiological services if such programs are put into effect. Uniformity in standards for each actions would be highly desirable." In its August 1970 Annual Report to the Congress pursuant to the Radiation Control for Health and Safety Act of 1968, the Department of Health, Education, and Welfare recommended that,

The Public Health Service should vigorously promote licensure or certification of users of radiation sources in the healing area. Licensure or certification should be uniformly applied at Federal and State levels. Full use should be made of model regulations or assure compatibility between states.

Similar support was expressed in May 1971 in the 1971 Annual Report which recommended that, "P.H.S. should vigorously promote State licensing or certification of users of radiation sources employed in the healing arts which are not subject to A.E.C. (now Nuclear Regulatory Commission) control."

The Conference of Radiation Control Program Directors in May, 1974, adopted a resolution urging the Congress and State legislatures to adopt "such legislation as is presently before them to assure the continuation or implementation of programs for licensure of operators of medical diagnostic X-ray equipment."

The resolution urged the Congress and the Food and Drug Administration "to adopt a public policy supporting such legislation" and urged further that "the Food and Drug Administration actively assist states in drafting state legislation and organizing an effective implementation of present and future operators licensing legislation."

Support for mandatory licensure of radiologic technologists is apparent among public health specialists, including environmental health and radiological health experts. Similar resolutions have been adopted by such organizations as the American Public Health Association, the Conference of State Sanitary Engineers, the American Association of State and Territorial Health Officers, and the American Society of Radiologic Technologists.

In its November 1976 report titled "Radiation Exposure From Diagnostic X-Rays Could Be Reduced," the General Accounting Office recommended that:

The Secretary of HEW work more vigorously with States and nonprofit private organizations to establish a uniform national operator credentialing program that would better insure the competency of X-ray machine operators.

During June 1977, the Senate Committee on Commerce, Science and Transportation conducted extensive public hearings on the effects of ionizing and nonionizing radiation on public health and safety. In the Committee's Report on Radiation Health and Safety, which evaluated the testimony and statements submitted during the hearings, released on December 1, 1978, it was recommended that:

The Bureau of Radiological Health, working with professional organizations such as the American Society of Radiologic Technologists, the Conference of Radiation Control Program Directors, and the American College of Radiology, should develop and encourage the adoption by the States of standards for the accreditation of X-ray machine operators and institutions conducting educational programs in radiologic services.

In May 1978, the President directed that the Secretary of HEW "coordinate the formulation of a program" covering (1) research on the effects of radiation exposure, (2) public information on radiation, (3) care and benefits for persons adversely affected by radiation exposure, and (4) steps to reduce adverse radiation exposure.

An Interagency Task Force on Ionizing Radiation composed of the Departments of Defense, Energy, and Labor, the Veterans Administration, the Nuclear Regulatory Commission, the Environmental Protection Agency, and the Department of Health, Education, and Welfare was established to assist in fulfilling that directive.

In its Report on the Health Effects of Ionizing Radiation, the Interagency Taskforce recommended "improving the availability, training, and credentialing of personnel who administer radiation-related procedures." A work group of the Taskforce recommended that one type of exposure which should be targeted for early and concerted action was diagnostic exposure in the healing arts.

Earlier in 1978, the President, on January 26, 1978 (43 FR 4377), in issuing Radiation Protection Guidance to Federal Agencies for Diagnostic X-Rays, recommended that:

Operation of medical or dental X-ray equipment should be by individuals who have demonstrated proficiency to produce diagnostic quality radiographs with the minimum of exposure required: such proficiency should be assessed through national performance-oriented evaluation procedures or by didactic training and practical experience identical to, equivalent to, or greater than training programs and examination requirements of recognized credentialing organizations.

This recommendation was to serve as a basis upon which each Federal agency would develop detailed standards tailored to meet its particular requirements.

The United States is presently faced with the situation where the competence of between one-half and two-thirds of persons administering radiologic procedures are for the most part unknown. The Committee proposal will encourage the States to develop mechanisms to upgrade the quality of radiologic services and protect the recipients of the services from unwarranted radiation exposure.●

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 647. A bill to amend the Social Security Act with respect to professional mental health services; to the Committee on Finance.

PROFESSIONAL MENTAL HEALTH SERVICES

● Mr. MATSUNAGA. Mr. President, today I am introducing a bill designed to determine psychotherapeutic efficacy, safety, and appropriateness in order to provide expanded medicare coverage for mental health services. This measure, cosponsored by Senator INOUYE, contains similar provisions to legislation which I introduced in the 96th Congress, S. 3029.

My proposal would create a National Professional Mental Health Services Commission composed of recognized mental health care practitioners and researchers appointed by the President. This 15-member Commission would include at least one psychiatrist, one clinical psychologist, one clinical social worker, and one psychiatric nurse specialist.

The Commission's work would take the form of recommendations to the Secretary of Health and Human Services regarding the combinations of patient characteristics, therapeutic techniques, therapist characteristics, and types of settings that would be reimbursable in treating specified mental problems. Payment would be made under the bill for mental health professionals' services as determined by the Commission, unless the Secretary formally disagreed. In addition, the Commission would propose changes to Congress providing for additional mental health services to beneficiaries of the Federal programs.

Under this measure, the Commission would have the authority, together with the necessary funds, to study and validate these services. That panel's activities will not only promote a greatly needed expansion of the mental health service provisions in the Social Security Act, but will also provide needed precedents and benchmarks for private health insurance programs.

Through my proposed legislation, clinical psychologists, clinical social workers, and psychiatric nurses who practice in health maintenance organizations and in hospital outpatient programs would be eligible for the first time to receive direct professional reimbursement. Another important provision of my bill would eliminate the special 50 percent patient cost sharing requirement that currently applies to medicare payments for outpatient psychiatric benefits.

Also, this measure would substantially increase the annual limit of $250 on the amount of outpatient psychiatric benefits a patient may receive; medicare would pay 80 percent of the reasonable charges for these services, as is presently the case for other physicians' services, up to a maximum of $1,000 in reasonable charges annually.

With each succeeding year, an ever increasing percentage of all medicare payments is being spent on mental health services. During the last decade, professional mental health care specialists, advocacy groups, and the general public expressed a great deal of apprehension over the adequacy of mental health benefits and the limitation on the types of providers that are eligible to participate in the program.

As an original cosponsor of the enabling medicare legislation, I shared this concern from the very inception of the program. Indeed, I have authored and cosponsored numerous proposals since 1965 which sought to mandate the expansion of mental health benefits while providing for the independent participation in the program of certain qualified mental health practitioners. In this regard, I am pleased to point out that a section intending to eliminate the 50 percent cost sharing requirement, increase the $250 annual limit on outpatient mental health benefits, and provide reimbursement to clinical psychologists did, in fact, pass the House of Representatives last year as part of the omnibus reconciliation bill.

With a rapidly increasing aged population, we obviously must develop a new, comprehensive, and coordinated strategy of providing and financing mental health care in the near future so as to meet the growing need for these services more effectively and efficiently. This policy must be targeted to the care that is vitally needed, rather than to cursory and often meaningless diagnoses. The proper thrust is to promote appropriate care rather than to focus narrowly on a specific type of professional health care provider. I believe that ultimately such a policy will benefit people of all ages.

I believe that this bill represents a reasonable, prudent, and responsible approach to the orderly expansion of mental health benefits under the medicare program. In fact, it closely parallels the approach that has been pioneered by the Blue Cross and Blue Shield health insurance organizations in evaluating the safety, efficacy, and appropriateness of the services for which they provide reimbursement.

Mr. President, I do not believe that the Federal Government can afford to continually expand health care benefits without appropriate controls. If this demonstration project proves successful, and I am confident that it will, its application in generic form to other health care services for which payment is made in whole or in part by the Federal Government will likely follow. Accordingly, it is with this in mind that I urge my colleagues to give their most thoughtful consideraton to this most important and worthwhile proposal.

Indeed, its implementation is long overdue.●

By Mr. QUAYLE:

S. 648. A bill to extend the authorization for youth employment and demonstration programs, and for other purposes; to the Committee on Labor and Human Resources.

YOUTH EMPLOYMENT AND DEMONSTRATION PROGRAMS

● Mr. QUAYLE. Mr. President, I am today introducing a bill to extend the authorization of appropriations for certain youth programs under CETA through fiscal year 1982. This bill is necessary because the authorization for these programs expired in October of last year and they are currently being operated only under the authority of the continuing resolution which expires on June 5 of this year.

The programs covered by my bill are the youth incentive entitlement program, the youth community conservation and improvement program and the youth employment and training programs. Basic descriptions of these programs, as well as information on funding levels and participation are given in an attachment to this statement.

There is no question that youth unemployment is one of the most serious of our domestic problems. The youth programs covered by my bill are probably the least controversial and the generally best regarded of all the programs under the Comprehensive Employment and Training Act. They have received favorable evaluations from a variety of sources and prime sponsors' use of these funds have not been marked by the allegations of fraud and abuse that have plagued many other CETA programs. The reason for extending their authorizations is simple: If they are not reauthorized they will continue to operate under a continuing resolution and that has numerous disadvantages for efficient program operation; a brief listing of some of these disadvantages is shown at the end of this statement.

Further, the lack of authorizing legislation means that the House Committee on Appropriations will not consider the program during its deliberations on the regular appropriations bill—and thus proponents of changes in funding levels for those programs will not be able to have their day in court. My bill repeals the mandatory fund allocation in existing law so as to give full freedom to

the appropriations process in determining the funding level for each program.

Next year, the authorization of the overall CETA program expires. As chairman of the Subcommittee on Employment and Productivity, I plan to make a thorough reexamination of the entire employment and training system in the United States. That examination will cover the youth programs as well as other programs.

As a result of that reexamination I hope that we will be able to develop a bill that will respond to our national employment and training needs in an all encompassing and rational way—and that is only possible if we give an interim extension to the youth programs so that the entire panoply of programs can be considered together.

Hearings on the bill will take place on March 18 and 19 in room 4232 Dirksen. I ask that the text of the bill and supporting materials be printed in the RECORD.

The bill and material follow:

S. 648

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Youth Employment Demonstration Amendments of 1981".

SEC. 2. Section 112(a)(4) of the Comprehensive Employment Act is amended by adding at the end thereof the following new subparagraph:

"(D) There are authorized to be appropriated such sums as may be necessary for the fiscal year 1981 and for the succeeding fiscal year to carry out part A of title IV.".

SEC. 3. Section 441 of the Comprehensive Employment Training Act is repealed.

DISADVANTAGES OF OPERATING UNDER A CONTINUING RESOLUTION

1. Continuing resolution and/or funding is frequently for only part of a year, meaning that any plans made or programs intended for a longer period are subject to uncertainty and revision. Any grants, contracts or subcontracts extending for periods beyond the funding period require contingency provisions because further funding may not be available or the level of funding may be reduced.

2. Innovations or desirable program redirection is hampered due to restrictions on implementing major programmatic changes under a continuing resolution.

3. The planning process and agreements with other agencies are impeded because early indications of reliable funding levels are not available.

4. Paperwork is increased because grant, contract and subcontract modifications are required whenever the continuing resolution is extended and additional funding is made available.

5. Nationally administered discretionary funds are subject to special uncertainty due to the lack of program direction and the uncertainty of the extent of program flexibility under continuing resolution which restricts new projects or activities not previously authorized.

6. Prime sponsors are placed at risk of having funds recaptured if the level of ultimate funding is smaller than anticipated.

7. The lack of authorizing legislation marks the program as politically vulnerable and subject to early termination making it difficult to retain managers and staff.

EMPLOYMENT AND TRAINING PROGRAMS FOR YOUTH AUTHORIZED UNDER TITLE IV, PART A, SUBPARTS 1, 2 AND 3 OF PUBLIC LAW 95-524

The Youth Employment and Demonstration Projects Act of 1977 (YEDPA), which amended CETA, created major demonstration programs (described below), each representing a different way of addressing youth employment problems.

The Youth Incentive Entitlement Pilot Projects (YIEPP) is unique in employment and training programs in that it establishes an "entitlement" to a job for any youth who meets the program's eligibility criteria. It was designed to test the effect of guaranteed jobs on the high school return, retention, and completion rates of economically disadvantaged youth. Approximately 45,000 young people 16 to 19 years old in 17 selected geographic areas are guaranteed year-round jobs if they agree to attend high school or work toward a high school equivalency degree. The jobs offer an average of 20 hours of work per week during the school year and up to 40 hours per week in the summer.

The Youth Community Conservation and Improvement Projects (YCCIP) program was designed to develop the vocational potential of jobless youth by providing them with work of tangible community benefit. The program is for unemployed 16- through 19-year-olds, with preference given to economically disadvantaged out-of-school youth with the most severe difficulty in finding employment. Seventy-five percent of the funds are allocated to CETA prime sponsors for basic program operations, 2% is for migrant and seasonal farmworker youth, 2% for Indian programs, and 21% for the discretionary use of the Secretary of Labor.

The Youth Employment and Training Program (YETP) was designed to enhance the job prospects and career preparation of low-income youths aged 16 through 21 who have the most severe problems in entering the labor force. A broad variety of employment and training programs, including work experience opportunities in community activities, outreach services, counseling, education to work transition, institutional and on-the-job training, job restructuring and child care services are authorized. Eligible youths are from families whose incomes do not exceed 85% of the Bureau of Labor Statistics lower living standard income level. Youths from families with lower incomes receive preference for enrollment. Seventy-five percent of the funds are available by formula to CETA prime sponsors; of that amount, 22% is earmarked for in-school projects, with coordination and agreement of the local education agency. A large number of discretionary projects are also supported by YETP funds.

COMPARISON OF BUDGET AUTHORITY, OUTLAYS AND PERSONS SERVED, 1979-81

[Dollar amounts, in thousands]

	Fiscal year 1979			Fiscal year 1980			Fiscal year 1981 [2]		
	Budget authority	Outlays	Persons served	Budget authority	Outlays	Persons served [1]	Budget authority	Outlays [3]	Persons served [3]
YCCIP	$107,100	$103,366	38,500	$134,000	$122,430	41,900	$129,000	$165,206	51,900
YIEPP	107,100	76,568	53,400	----------	87,477	21,300	----------	26,423	24,800
YETP	499,796	555,506	411,600	692,086	695,402	443,500	746,000	766,556	450,000

[1] Preliminary figures. [2] Based on Dec. 16, 1980, continuing resolution level. [3] Estimates.

ACTIVITY UNDER SELECTED CETA YOUTH EMPLOYMENT AND TRAINING PROGRAMS, FISCAL YEARS 1979 AND 1980*

[Includes YETP, YETP Gov's grants and YCCIP]

Activity	Total		YETP [1]		YETP Gov's grants [2]		YCCIP [3]	
	1979	1980	1979	1980	1979	1980	1979	1980
Total enrollment [4]	452,100	485,400	373,600	395,500	40,000	48,000	38,500	41,900
Career employment experience [5]	175,200	203,400	158,700	183,900	16,200	19,500	300	0
Transition services [6]	99,600	108,400	87,300	88,700	12,300	19,700	0	0
On-the-job training	8,600	7,000	7,700	6,300	900	600	0	100
Classroom training	46,800	56,700	41,100	50,100	5,400	5,900	300	700
Work experience	121,500	128,200	77,900	79,800	5,100	5,700	38,500	40,700
Current enrollment at Sept. 30 [4]	123,700	138,500	97,100	115,300	17,600	11,600	9,000	11,400
Career employment experience [5]	56,000	52,700	47,300	51,200	8,700	1,500	(7)	----------
Transition services [6]	25,700	33,200	19,200	25,900	6,500	7,300	(7)	----------
On-the-job training	1,700	1,500	1,500	1,400	200	100	0	0
Classroom training	9,100	12,400	8,100	11,000	800	1,200	100	200
Work experience	25,000	31,900	15,500	20,100	1,000	1,300	8,500	10,500
Total terminations	326,500	347,000	274,200	280,300	22,300	36,200	30,000	30,500
Entered employment	54,500	61,400	52,300	48,300	5,300	7,700	6,300	5,400
Other positive terminations	179,000	164,800	157,200	134,800	11,100	21,500	10,700	8,500
Other term	83,000	83,600	64,700	65,000	5,300	6,900	13,000	12,700
Transfer to other subparts	NA	37,000	NA	32,100	NA	1,100	NA	3,800

Activity	Total		YETP [1]		YETP Gov's grants [2]		YCCIP [3]	
	1979	1980	1979	1980	1979	1980	1979	1980
Other results:								
Obtained GED [8]	5,500	8,700	5,000	8,100	200	200	300	400
Returned to school	64,300	100,500	54,900	79,300	5,500	17,000	3,900	4,200
Received academic credit	27,900	46,400	24,500	40,900	2,500	4,700	900	800

[1] Youth employment and training programs, authorized by title IV of CETA. Designed to make a long-term impact on youth unemployment through career opportunities and such training and supportive services needed to aid youth aged 12 to 21 in completing school and/or securing unsubsidized employment.

[2] Special grants to Governors that have been used to fund YETP activities.

[3] Youth community conservation and improvement projects, authorized by title IV of CETA. Designed to employ 16- to 19-year-old youths in well-supervised work projects that produce a tangible output of benefit to the local community.

[4] Totals include individuals not enrolled in a specific activity, as well as persons who were enrolled in more than 1 activity.

[5] A program activity for in-school youth that combines both well-supervised employment (work experience or on-the-job training) supported under the youth employment and training programs and certain transition services, including, at a minimum career information, counseling, and guidance.

[6] Services and activities designed to assist youth to make the transition from school to unsubsidized jobs in the labor market. Examples include: Outreach, assessment, and orientation; occupational information and career counseling; provision of labor market information; literacy or bilingual training; job sampling, including vocational exploration in the public and private sector; supportive services; job restructuring; job development; and placement.

[7] Less than 50.

[8] General (high school) equivalency diploma.

* Preliminary figures.

YOUTH PROGRAMS ACTIVITY, FISCAL YEAR 1979-80

Characteristics	YETP		YETP-Gov's grants		YCCIP	
	1979	1980	1979	1980	1979	1980
U.S. total	373,600	395,500	40,000	48,000	38,500	41,900
Percent	100.0	100.0	100.0	100.0	100.0	100.0
Male	47.1	47.5	53.9	53.1	74.3	75.4
Female	52.9	52.5	46.1	46.9	25.7	24.6
Age:						
14 to 15	14.5	14.3	15.6	23.8	.6	.6
16 to 19	76.0	76.1	72.9	65.5	96.9	98.0
20 to 21	9.5	9.4	11.0	9.6	2.4	1.4
22 and over	.2	.2	.5	1.1	.1	0
Education:						
School dropout	21.4	21.1	19.4	19.5	61.1	60.8
Student (high school or less)	65.3	65.6	65.6	66.5	20.7	20.2
High school graduate, no post-high school	10.6	10.3	11.0	9.9	16.0	16.7
Post high school attendee	2.7	3.0	4.0	4.0	2.2	2.3
Public assistance status:						
Receiving AFDC	20.1	21.7	12.5	12.6	19.9	18.5
Receiving SSI	8.7	5.0	11.2	3.4	9.2	4.5
Economically disadvantaged	79.4	82.6	76.5	81.2	86.8	84.1

Characteristics	YETP		YETP-Gov's grants		YCCIP	
	1979	1980	1979	1980	1979	1980
Ethnic group:						
White	47.8	48.1	35.2	37.2	44.6	47.1
Black	35.5	34.8	31.0	26.1	36.4	33.2
Hispanic	13.4	14.1	31.0	34.5	14.6	15.4
Other	3.3	3.4	2.8	2.2	4.4	4.3
Limited English speaking ability	4.3	4.7	17.3	22.0	4.2	4.2
Migrants or seasonal farmers	1.5	.9	.7	.6	2.0	1.1
Veterans	.4	.5	.5	.4	.8	.7
Handicapped	3.4	6.7	6.4	8.3	3.7	4.2
Offender	5.1	5.8	14.8	13.4	12.5	13.7
Displaced homemaker	NA	.4	NA	.4	NA	.5
Labor force status:						
In school [1]	NA	66.2	NA	65.9	NA	13.3
Unemployed	50.2	31.3	47.6	29.6	81.5	77.7
Underemployed	2.1	1.4	2.7	1.4	1.9	1.4
Other	47.7	7.1	49.7	3.1	16.6	7.6
Unemployed compensation claimant	.6	.7	1.0	.7	.9	.9
TJTC eligible	NA	2.8	NA	1.8	NA	2.4

[1] Included in "unemployed" and "other" in fiscal year 1979.●

By Mr. BAUCUS (for himself, Mr. LUGAR, Mr. KASTEN, Mr. LEAHY, and Mr. WILLIAMS):

S. 649. A bill to amend the Internal Revenue Code of 1954 to provide that the executor may elect, for estate tax purpurposes, to value certain items at an amount equal to the adjusted basis of the decedent in such items and to remove certain limitations on charitable contributions of certain items; to the Committee on Finance.

ARTIST'S TAX EQUITY AND DONATION ACT OF 1981

● Mr. BAUCUS. Mr. President, it is with great pride that I introduce today the Artist's Tax Equity and Donation Act of 1981. I am pleased to have a number of my colleagues join me in this effort: Senators LUGAR, KASTEN, LEAHY, and WILLIAMS.

Enactment of this bill will accomplish several important objectives. The Artist's Tax Equity and Donation Act will enhance the ability of our nonprofit and government institutions to acquire and preserve this Nation's cultural and artistic treasures; it will promote charitable donations of artistic gifts to our Nation's repositories of our cultural heritage; and it will encourage productivity by creative individuals who are now discouraged by the taxation of the fruits of their labor at death or upon disposition of their works.

The Artist's Tax Equity and Donation Act will correct some of the special tax problems artists face because of the nature of their profession. Current Federal tax laws unfairly treat artists and their heirs. My proposal will go a long way toward removing the major tax inequities now facing the creators of valuable, cultural, artistic and literary materials.

VALUATION OF CERTAIN ITEMS CREATED BY A DECEDENT

The Artist's Tax Equity and Donation Act consists of two provisions. First, the bill amends present estate tax laws to ease the burden of inheritance taxes for the heirs of artists. Current Federal estate tax laws are unfair not only to America's artists and their families, but also to all Americans who are being deprived of an extraordinary source of our national cultural heritage as a result of these laws.

A professor at one of my State's fine universities asked me this question:

Can a civilized nation have tax laws that result in the destruction of art?

I believe the answer must be a resounding "no." Unfortunately, that is not the answer given by our country's tax laws today.

Under current tax law, the heirs of artists are required to pay estate taxes on the fair market value of inherited works of art. The important point to remember is that, for most artists, the bulk of their estate is comprised of their own unsold art, rather than other assets—like cars, jewelry, furniture, stocks and bonds—which have a readily ascertainable value and are easily marketable.

And, unlike such items, like an expensive, rapidly appreciating piece of jewelry, which are held for investment purposes, artworks often remain in the creator's estate for the simple reason that the artist was unable to sell them, or even give them away to a museum or charity. Ironically, when the artist is alive and does donate his or her work, our tax laws only permit a charitable deduction equal to the artist's cost of materials in the work. Yet, when the artist dies, the very artwork which could not be sold or even given away are, at that instance of death, mystically transformed into valuable assets which are subject to estate taxes computed on their full market value—a value which is speculative at best.

I cannot overstate the devastating impact that these tax laws have on an artist's family. Families of artists, who are unable to sell their creative works, have had to live on limited, moderate incomes and find that, at the moment of the artist's death, they suddenly become wealthy because of that same unsold art. But that wealth is illusory for all but tax purposes.

Actually, families faced with an enormous estate tax bill due on unsold works often do not have sufficient money on hand to pay the tax bill. So, the artwork must be sold in order to pay the estate

tax due on them. It is at that time, the artist's family is faced not only with a limited market, but also with a buyer's market. In these desperation sales, collectors and other buyers can get the art for a bargain. Hence, the very artworks, which when unsold were valued at fair market value for tax purposes, often have to be sold at prices far below market value in order to pay the estate tax.

Many times, even the sale of the artwork will not bring in enough money to pay off the tax bill. Other assets must then be sold to raise the needed additional capital—and sometimes this means selling the family home. This is exactly what happened to the widow of "Pogo" creator, Walt Kelly. In a newspaper article several years ago, Selby Kelly said that after her husband's death, the first legal advice given her was to declare bankruptcy. Mrs. Kelly said:

> I didn't take that advice, but, I was forced to sell our home, a beautiful brownstone—and live very simply today.

Mrs. Kelly went on to say that she was able to survive financially during this period because, a cartoonist herself, she was able to continue many "Pogo" projects and thus produce enough income to pay the tax bills.

What happened to Mrs. Kelly is not an isolated incident. Regrettably, reports of similar situations—and ones where the families are not even as fortunate as Mrs. Kelly was in being able to generate some income by continuing her husband's projects—are becoming commonplace. No wonder then, that artists, painfully aware that their creative work may, at their death, place their families in severe financial jeopardy, are producing less and are actually destroying the very art they worked so hard to create. A few years ago, Arizona artist, Ted DeGrazia burned his paintings worth $1.5 million because his wife simply could not afford to inherit them. Other artists voiced like intentions.

What a waste of talent. What an unfair burden upon artists and their families. What a blow to our Nation's cultural heritage. What a loss to all Americans.

My proposal would end this inequity in a very simple way. The bill would give the executor of an artist's estate an optional method of estate tax evaluation of unsold created works. Thus, the executor could elect, for estate tax purposes only, either first to value the works at their fair market value, as under present law, or second, to value the artwork at the cost of the materials used to create them.

Essentially, this provision relieves artists of the agonizing pressure to destroy the fruits of their own labor in order to protect their families, and end the tragedy suffered by artist's families in having to sell the artwork to pay the estate taxes. It would allow each created work to achieve its own true value.

TAX TREATMENT OF DONATED WORKS

The second provision of the Artist's Tax Equity and Donation Act is designed to reverse the decline in donations of art to nonprofit institutions. This provision would permit the creator to receive a deduction equal to the fair market value of the work. Collectors of artwork now enjoy favorable tax treatment when donating their work. My bill simply places artists on an equal footing by allowing them also to receive this tax benefit.

Present law, adopted in 1969, allows an artist to deduct only the cost of the materials when donating the work to a museum. Study after study has confirmed the devastating impacts of the 1969 law. The creators of artworks have virtually stopped donating their works to public and government institutions.

Prior to 1969, the creators of artwork, including goods created by public officials, could be donated to libraries, archives, and other nonprofit institutions in return for a large tax deduction for those contributions. Congress decided to change the Tax Code specifically to stop some elected officials from using and abusing this tax privilege. But, when Congress closed this loophole for elected officials, it unintentionally also changed the tax laws that allowed creators to contribute their artworks, manuscripts, and compositions to museums and libraries. Ironically, the 1969 amendments preserved this tax break for the collector, but denied it to the creator of the work.

Mr. President, we have had over a decade to evaluate the impact of the 1969 tax law. To an astounding degree, creators are failing to donate their works to public and government institutions. The 1969 law has had the effect of drying up a critical source of art for our universities, museums, and other public institutions. And, the public has been deprived from increasing access to this Nation's most previous treasures.

The Artist's Tax Equity and Donation Act will, therefore, restore the pre-1969 tax treatment for donations made by the creators of artwork. This legislation, however, will retain the prohibition regarding contribution of official papers by elected officials.

The work of America's artists forms a record of the emotions and ideas of generations of Americans. Nothing tells us more about ourselves or our past than the works of these very special people. My State of Montana boasts some of the most famous Western artists and literary figures of our history. Yet, the present tax laws pose enormous problems for the preservation of their works.

My proposal will alleviate the burdens which the present Tax Code imposes on artists and their families all across America. Artists will benefit from the bill. But, the real beneficiaries will be the public. Passage of this bill will encourage creators to produce and enhance the ability of our nonprofit and government institutions to acquire and preserve for all generations a chronicle of our Nation's great history.

Mr. President, I have developed this legislation in consultation with many of the major organizations interested in the arts. This measure enjoys widespread support and I am grateful to those individuals who have worked with me.

Several organizations have conveyed their formal support for the Artist's Tax Equity and Donation Act. I ask that the text of the bill be printed in the RECORD. I also ask that letters by the American Library Association, American Arts Alliance, Association of Research Libraries, and the Mississippi Valley Collection in Tennessee be printed in the RECORD at this point.

The bill and letters follow:

S. 649

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Artist's Tax Equity and Donation Act of 1981".

SEC. 2. CHARITABLE CONTRIBUTIONS OF CERTAIN ITEMS CREATED BY THE TAXPAYER.

Subsection (e) of section 170 of the Internal Revenue Code of 1954 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSITIONS.—

"(A) IN GENERAL.—In the case of a charitable contribution of any literary, musical, or artistic composition, any letter or memorandum, or similar property if such property was created by the personal efforts of the taxpayer making such contribution, the amount of such contribution shall be the fair market value of the property contributed at the time of such contribution and no reduction in such amount shall be made under subparagraph (A) or (B) of paragraph (1).

"(B) CERTAIN CONTRIBUTIONS BY PUBLIC OFFICIALS.—Subparagraph (A) shall not apply in the case of any charitable contribution of any letter, memorandum, or similar property which was written, prepared, or produced by or for an individual while such individual was an officer or employee of the United States or of any State (or political subdivision thereof) if the writing, preparation, or production of such property was related to, or arose out of, the performance of such individual's duties as such an officer or employee.".

SEC. 3. VALUATION OF CERTAIN ITEMS CREATED BY THE DECEDENT FOR ESTATE TAX PURPOSES.

(a) IN GENERAL.—Part III of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to gross estate) is amended by inserting after section 2032A the following new section:

"SEC. 2032B. VALUATION OF CERTAIN ITEMS CREATED BY THE DECEDENT.

"(a) GENERAL RULE.—If—

"(1) the decedent was (at the time of his death) a citizen or resident of the United States, and

"(2) the executor elects the application of this section,

then, for purposes of this chapter, the value of qualified creative property shall be determined under subsection (b).

"(b) VALUE OF QUALIFIED CREATIVE PROPERTY.—For purposes of subsection (a), the value of qualified creative property of the decedent shall be an amount equal to the adjusted basis (within the meaning of section 1011) of the decedent in such property immediately before his death.

"(c) QUALIFIED CREATIVE PROPERTY DEFINED.—For purposes of this section, the term 'qualified creative property' means any copyright, any literary, musical, or artistic composition, any letter or memorandum, or any similar property—

"(1) which was held by the decedent at the time of his death, and

"(2) which was created by the personal efforts of the decedent.

"(d) ELECTION.—The election under this section shall be made not later than the time prescribed by section 6075(a) for filing the return of tax imposed by section 2001 (including extensions thereof), and shall be made in such manner as the Secretary shall by regulations prescribe.".

(b) CONFORMING AMENDMENT.—The table of sections for such part III is amended by inserting after the item relating to section 2032A the following new item:

"Sec. 2032B. Valuation of certain items created by the decedent.".

SEC. 4. EFFECTIVE DATES.

(a) CHARITABLE CONTRIBUTIONS.—The amendment made by section 2 shall apply to contributions made after December 31, 1980.

(b) ESTATE TAX VALUATION.—The amendments made by section 3 shall apply to estates of decedents dying after December 31, 1980.

AMERICAN LIBRARY ASSOCIATION,
Washington, D.C., February 19, 1981.

Hon. MAX BAUCUS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAUCUS: I am writing to inform you of the strong support of the American Library Association for legislation you plan to introduce restoring a tax incentive for authors and artists to donate their creative works to libraries and museums. The American Library Association is a nonprofit educational organization of over 35,000 librarians, library trustees and public-spirited citizens dedicated to the development of library and information service for all the American people.

Prior to the Tax Reform Act of 1969, an author or artist who donated his or her literary, musical or artistic compositions or papers to a library or museum could take a tax deduction equal to the fair market value of the items at the time of the contribution. Since 1969, such deductions have been limited to the cost of the materials used to produce the composition.

As a result, donations of manuscripts and papers from authors and other figures to libraries have dwindled drastically. The Library of Congress, for instance, has received only 15 new literary manuscript collections in the last ten years. In prior years, 15 to 20 such gifts were received annually. In addition, some 35 well-known composers have ceased donating music manuscripts, including Samuel Barber, Aaron Copland and Walter Piston. A number of leading artists no longer make gifts to the Library of original works, including several New Yorker cartoonists.

Other libraries report a similar decline. A fact sheet summarizing the results of a recent survey of the effects on libraries of the Tax Reform Act of 1969 is attached. Since libraries are generally unable to compete for manuscripts on the open market, the result may be that an entire generation of literary papers may be lost to future scholars. Private collectors may or may not make their collections available. Libraries were formerly able to search out manuscripts of minor figures or early work of authors who would later be famous. Such manuscripts may never reach the open market, but may languish in attics or be discarded or destroyed.

I would also call your attention to the attached resolution in favor of restoring a tax incentive for such donations adopted by the American Library Association in June 1979, and a similar resolution (also attached) approved by the White House Conference on Library and Information Services in November 1979. Two-thirds of the over 1,000 White House Conference delegates were lay persons with no direct connection to libraries, indicating widespread citizen support for such legislation.

The American Library Association is most appreciative of your interest and support in this matter, and stands ready to provide any further information or assistance you may require.

Sincerely,

EILEEN D. COOKE,
Director.

MANUSCRIPT DONATIONS TO LIBRARIES—EFFECT OF THE 1969 TAX REFORM ACT

Prior to the Tax Reform Act of 1969 (PL 91-172), an author or artist who donated his or her literary, musical or artistic compositions or papers to a library or museum could take a tax deduction equal to the fair market value of the items at the time of the contribution. Since 1969 such deductions have been limited to the cost of the materials used to produce the composition. In July 1979 Norman Tanis and Gayle Goldberg from the library at California State University, Northridge, surveyed over 200 libraries to determine the effect of the 1969 law on manuscript donations to libraries. In summary, their survey indicates:

1. The libraries most affected by the Tax Reform Act are those which collect contemporary literature, art, and music. Collections have experienced a definite decline traceable to the present tax structure.

2. The Tax Reform Act has also increased the practice of accepting gifts "on deposit," a costly practice for libraries with a limited benefit to scholars and researchers.

3. The tax reform has definitely limited bibliographic and physical accessibility of manuscript collections through (1) reduced donations, and (2) in cases where donations have been accepted "on deposit," through restricted use policies mandated by donors. In addition, illogical locations and divided collections, as well as the separation of collections from closely related materials, have posed considerable problems for researchers.

4. With tighter budgets, libraries are at a disadvantage in competing for manuscripts offered for sale. The highest bidder for an item may be outside the state or region where it was produced, or in some cases, outside the United States entirely.

5. The loss of valuable archival materials is indeterminable. Specific instances of manuscript collection losses directly attributable to lack of tax deductions were cited by many responding libraries. However, the number of authors, artists, and composers who may have come forward with manuscript donations had the Tax Reform Act not been in effect will never be fully known.

Among the librarians reporting, the following comments are illustrative:

California.—The Act has had a significantly deleterious effect upon this library's acquisition of scholarly materials that would otherwise have come our way, including literary manuscripts and correspondence and scientific notebooks.

Colorado.—The elimination of tax deductions for originators of documents has very much limited our ability to acquire literary manuscripts by donation. The interests of students and faculty at this institution and elsewhere would be well served by a liberalization of the law.

Illinois.—The need to sell manuscripts, rather than donate them, can lead to their increased acquisition by individuals, rather than by institutions, thus limiting their bibliographical and physical accessibility. Acquisition through sale can tend to result in the illogical location of materials, separating manuscripts from other closely related materials, more than acquisition through donation. It is quite possible that long-term results of the law will be a broader scattering of like resources and diminished accessibility of those resources for research nationally.

Kansas.—We have received a fairly large quantity of authors' manuscripts since the passage of the act but only on deposit (one insignificant exception). All authors have expressed a desire to give us their manuscripts but cited the act as making it financially impossible for them to do so. We have catalogued these deposit collections and (with the depositors' permission) made them available to researchers on a limited basis. If no liberalization takes place, these collections will ultimately be removed, we will be out a packet of professional time and money and a lot of researchers will be greatly discommoded.

Louisiana.—For visual materials such as drawings and paintings, there is absolutely no incentive to make donations to the library. For a time we were attempting to build a collection of contemporary Louisiana art work through donations but a number of artists we approached said that it wasn't worth their while to donate under present tax restrictions. A number of Louisiana photographers said the same thing; in the case of photography this is particularly unfortunate, as some of the work was of considerable research value.

Missouri.—The denial of tax deductions has had a punitive effect on both the creators and the library and has resulted, in our opinion, in a serious disruption to scholarship inasmuch as manuscripts created since 1970 have by and large not been available to researchers who need them. There are several instances in which we hold the personal and literary papers, correspondence, etc., of significant American literary figures only up to 1970. Papers created since then have been retained (safely, we trust) in the authors' hands, pending a change in the law. We are now, of course, talking about a ten-year gap in the public record.

New Hampshire.—We know of several local writers who would have otherwise been willing to give us their papers. They now prefer to sell their manuscripts and we generally cannot afford to buy them. Often the papers go out of state to less appropriate institutions.

New York.—One very recent case: a well-known writer, a donor to this library in the past, put certain of his manuscripts on the open market. We had some related materia's already; unfortunately, we could not compete.

Pennsylvania.—Since 1969 the direct gift of self-created manuscripts has declined. Two manuscript acquisition procedures have increased significantly: (1) More material is placed on deposit for future consideration of purchase or for future changes in the tax law. This has resulted in more complicated arrangements and uncertainty in the future status of the material. (2) More gift offers are withdrawn once the donor is informed of the tax situation.

Rhode Island.—Our efforts to acquire donations have met with continued frustration. The number of unsolicited offers has declined as well. As a result, we have been forced to compromise our rule against accepting collections on deposit and additional strains have been placed on our acquisitions budget.

Texas.—In some cases, it has meant that a gift most suited for one library has instead gone to another library which could pay more for it. In other cases, it has meant that works could not be given to libraries even when their authors would have preferred to give them and would have under the old laws.

Virginia.—One young author, approached after the law went into effect, placed 20-30 boxes of correspondence and manuscripts on deposit. He later withdrew the collection and put it up for sale. It was offered

to this institution, but the library had no funds to purchase it, so it lost the collection.

Wisconsin.—Several potential donors have expressed regrets when introduced to the realities of the 1969 Act, and if our limited experience reflects the national scene, the total losses to the nation's libraries must be staggering.

Wyoming.—No precise figures are available, but I estimate a 25 percent decrease in the numbers of donors of manuscripts and letters.

RESOLUTION ON LITERARY, MUSICAL, AND ARTISTIC DONATIONS TO LIBRARIES

Whereas, prior to the Tax Reform Act of 1969 (PL 91-172), an author or artist who donated his or her literary, musical or artistic compositions or papers to a library or museum could take a tax deduction equal to the fair market value of the items at the time of the contribution, and

Whereas, since 1969 such deductions have been limited to the cost of the materials used to produce the composition, and

Whereas, since 1969 donations of manuscripts and papers from authors and other figures to libraries have been severely reduced, and

Whereas, libraries, in their present precarious financial condition, are rarely able to compete successfully for manuscripts on the open market, and

Whereas, an entire generation of literary papers may be lost to future scholars through lack of an incentive to donate them to libraries, and

Whereas, restoration of the tax deduction would contribute to the equitable tax treatment of authors and artists and would increase public access to and preservation of the nation's literary and artistic legacy; Therefore be it

Resolved, That the American Library Association supports the restoration of the pre-1969 tax deduction equal to the fair market value of literary, musical or artistic compositions or papers at the time donated by the creator to a library or museum.

TAX INCENTIVES FOR DONATIONS OF AUTHORS AND ARTISTS

Whereas, prior to the Tax Reform Act of 1969 (PL 91-172), an author or artist who donated his or her literary, musical or artistic compositions or papers to a library or museum could take a tax deduction equal to the fair market value of the items at the time of the contribution, and

Whereas, since 1969 such deductions have been limited to the cost of the materials used to produce the compositions, and donations to libraries have been severely reduced, and

Whereas, an entire generation of literary papers may be lost to future scholars through lack of an incentive to donate them to libraries, and

Whereas, restoration of a tax incentive would contribute to the equitable tax treatment of authors and artists and would increase public access to and preservation of the Nation's literacy and artistic legacy: Therefore be it

Resolved, That the United States Congress enact legislation restoring a tax incentive for authors and artists to donate their creative works to libraries and museums.

AMERICAN ARTS ALLIANCE,
February 25, 1981.

Hon. MAX BAUCUS
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR BAUCUS: On behalf of the over 400 nonprofit professional arts institutions of the American Arts Alliance, I would like to express our deep gratitude for your introduction of the Artists' Tax Equity and Donation Act of 1981. Passage of this legislation would remedy much of the inequity which was imposed upon artists as an unexpected consequence of the 1969 tax reforms.

As you know, the Tax Reform Act of 1969 prohibited creators of artwork from taking a tax deduction for the fair market value of the work they contribute to tax-exempt organizations. The primary objective of this legislation was to prevent public officials from abusing the tax system by taking a deduction for the donation of their personal papers. Not a thought was given to the effect of a change in this legislation on the nation's scholars, musicians, and visual artists. Once again, this small, but invaluable, group of Americans was forced to suffer, because of the indiscretions of others.

For over a decade many of these creative Americans have been reluctant to make contributions of their works, because they would receive a deduction only for the cost of their materials. As a consequence, valuable research data and collections are not in the public domain. Gifts to museums and libraries have fallen dramatically, and an entire generation of future scholars has not had access to an important segment of American culture. We must not allow our tax system to deter the progress of this nation's civilization!

In attempts to remedy this unfortunate situation, bills have been introduced in Congress in order to rectify inequities in the laws to allow artists to be treated as equitably as other individuals who make charitable contributions. The Alliance is grateful to you for your attempt to provide fair tax treatment to American artists.

The second provision of your bill is also extremely important. Tax laws have unintentionally treated artists unjustly concerning their estates. Presently, works of art for estate tax purposes are taxed at their fair market value. This provision contradicts sharply with the law that allows an artist who donated the same work shortly before his death to deduct only the cost of materials. Requiring the artist's estate to be taxed at fair market value often imposes a great burden on the heirs. This situation has caused artists in extreme cases to destroy great works of art. Your bill allowing the valuation of artworks to be the adjusted basis of the property immediately before the death of the artist, would solve a major problem plaguing artists and their heirs.

Members of the Alliance, which includes a large number of art museums, and all Americans who wish to encourage the availability and preservation of our cultural heritage, are grateful to you for introduction of this legislation.

Sincerely,

ANNE G. MURPHY,
Executive Director.

ASSOCIATION OF RESEARCH LIBRARIES,
Washington, D.C., February 13, 1981.

Hon. MAX S. BAUCUS,
1107 Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR BAUCUS: I am writing on behalf of the Association of Research Libraries, representing 111 major research libraries in North America, to express strong support for legislation which would restore a tax incentive for authors and artists to donate their creative works to libraries and museums.

The tax incentive for contribution of manuscripts and papers to libraries, which prevailed prior to the Tax Reform Act of 1969, enabled research libraries throughout the nation to acquire valuable collections of original research materials from authors, musicians, and scholars. These collections represent an important record of America's cultural heritage and provide researchers with the raw material for study.

Since 1969 such donations have greatly dwindled; member libraries of our Association have noted decreases of as much as 90 percent. Collections which would formerly have been given to libraries are now often broken up and offered for sale. Important manuscripts and papers may end up in the hands of private collectors because libraries, faced with curtailed funds, have been unable to purchase them. The result is that important bodies of original research materials are unavailable to the public.

As the resolution of the White House Conference on Library and Information Services indicated, "an entire generation of literary papers may be lost to future scholars through lack of an incentive to donate them to libraries."

We understand that you plan to introduce legislation that, by restoring the tax incentive for donating creative work to libraries and museums, will begin to repair the loss to the public of these important documents. We thank you for your efforts and extend our strong support.

Sincerely,

RALPH E. MCCOY,
Interim Executive Director.

THE MISSISSIPPI VALLEY COLLECTION,
Memphis, Tenn., February 18, 1981.

Sen. MAX BAUCUS,
U.S. Senate, Washington, D.C.

DEAR SENATOR BAUCUS: A mailing from the Society of American Archivists has just informed me of the good news that you plan to introduce a bill that will help the collection development in cultural institutions. Once creative persons are again able to get tax deductions for the full fair market value of their papers or works of art, archives, libraries, and museums will be able to attract many valuable collections.

The 1969 tax reform act only allowed people to deduct the cost of copying material donated in their lifetimes to a cultural institution. This act retarded donations and even forced donors to quit donating their materials. In one instance affecting my department, a prominent Tennessee writer Jesse Hill Ford stopped donating his papers to the Mississippi Valley Collection, since we could not begin to buy his papers from him. Mr. Ford unfortunately does not make enough personal income that he could afford to subsidize our collection. Multiply this instance many times across the nation and you have a serious problem in preserving the nation's cultural heritage.

I wish you the best of luck in shepherding your bill all the way through. Enclosed are copies of letters I wrote to Senators Howard Baker and Jim Sasser in support of your bill; let us hope that they are moved by my epistles.

Cordially,

ELEANOR MCKAY, *Curator.*●

By Mr. MATHIAS (for himself Mr. NUNN, Mr. WILLIAMS, and Mr. MATTINGLY):

S. 650. A bill to require the Law Enforcement Assistance Administration to provide funds, as authorized to be appropriated under this act, to the mayor of the city of Atlanta, Ga., for extraordinary investigation expenses relating to the recent murders of children in that city; to the Committee on the Judiciary.

AID TO ATLANTA, GA., FOR INVESTIGATION INTO RECENT MURDERS OF CHILDREN IN THAT CITY

● Mr. MATHIAS. Mr. President, the loss of a child always comes as a terrible blow. As a Nation, we have watched helplessly as the people of Atlanta have unearthed evidence of a crime of grotesque proportions—the murder of at least 20 children. We all want to reach out, to

offer solace and help. Even an offer of help seems an inadequate response, but that is no reason not to make the offer.

I send to the desk a bill that would authorize a one-time $1.8 million grant to the city of Atlanta to help pay for the investigation that will bring the murders to an end.

My proposal does not mandate Federal intervention. The Law Enforcement Assistance Administration would simply channel the money to the city authorities to help pay police overtime and allow the local police to assign more people to the investigation.

Just yesterday, the Attorney General announced that he would spend $1 million to provide important Federal support for the investigation, and we all applaud his action. My bill would not duplicate his effort; rather, it complements it.

I urge all of my colleagues to join in this attempt to give the people of Atlanta the resources they need to do the job.

I request that the text of my bill be printed in the RECORD immediately following my remarks.

The bill follows:

S. 650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other law or regulation, the Law Enforcement Assistance Administration shall, pursuant to authority under section 601 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3761), provide the mayor of the city of Atlanta, Georgia, with funds for extraordinary investigation expenses (including expenses for overtime, additional personnel, computer time, office space and supplies, and vehicles) with respect to the recent murders of children in Atlanta, Georgia, since July 1979.

(b) There is authorized to be appropriated for the purposes of this Act, $1,800,000.●

● Mr. WILLIAMS. Mr. President, I cannot say that I am pleased to be a cosponsor of the legislation being introduced today, because it is a response to a series of brutal, inhuman slayings of defenseless children which have terrorized the citizens of Atlanta. These killings have produced deep concern and outrage throughout the Nation.

But, I can say, Mr. President, that I am grateful to the distinguished Senator from Maryland, Mr. MATHIAS, for his leadership in bringing this urgently needed bill before the Senate. I know that, under his guidance, the chances of quick action by the Judiciary Committee, and then the full Senate, will be excellent.

Mr. President, since the murders in Atlanta began, 21 innocent young people have been snatched from the streets and disappeared. Nineteen of them have been found dead. We can all imagine the fear and horror which such a series of senseless killings would produce in any of our home communities. And we all know how deeply it has disturbed the people of Atlanta, particularly its young people, who now lead lives circumscribed by curfews and scarred by growing psychological problems.

The administration should be commended for its announcement yesterday that nearly $1 million will be provided to help Atlanta address the mental health and social difficulties which have arisen due to the slayings. However, there is still a real need to end the root cause of this ongoing nightmare—to find the killer or killers, stop the murders, and make sure that justice is done. The bill we introduce today, by providing nearly $2 million in law enforcement assistance to Atlanta, can speed the day when the monsters who have committed these callous crimes are locked safely away from the society they are not fit to be part of.

Mr. President, the killings in Atlanta are perceived ominously by minority Americans as merely the ugliest face of a new wave of racism sweeping America. They do not see the killings in isolation, but as part of a trend which encompasses the unsolved shooting of Vernon Jordan, the coldblooded murder of defenseless black men in Buffalo and Salt Lake City, and the increasing visibility and boldness of Ku Klux Klan activities.

I think it is incumbent upon every Member of this body to speak out loudly and clearly against these events, so that black Americans know that we are committed to protecting their lives, their rights, and their opportunity to participate totally in our society. Racism must have no place in today's America. That is why it is so crucial that the Atlanta murders be stopped before one more youngster is killed. And that is why the Federal Government must do all it can to assist in the apprehension of those responsible, and see to it that the full weight of the law is brought down upon them.●

By Mr. WALLOP:

S. 651. A bill to provide for the reinstatement and validation of U.S. Oil and Gas Lease No. W-46102 covering certain lands in Natrona County, Wyo.; to the Committee on Energy and Natural Resources.

VALIDATION OF OIL AND GAS LEASE IN WYOMING

● Mr. WALLOP. Mr. President, I wish to inform the Senate of my reasons for introducing S. 651. This bill, if enacted into law, would reinstate a Federal oil and gas lease covering certain lands in Natrona County, Wyo. The lease expired by operation of law because of a mistake on the part of the leaseholder in not paying a rental payment when due.

The lease was a competitive lease issued for a primary term of 5 years ending August 31, 1979. Rent for the primary term was properly and timely paid. At the time of the expiration of the primary term, drilling operations were underway. Had the rent of $240 been paid on August 31, 1979, the lease would have been extended for another 2 years pursuant to statute.

Believing that the rent had been paid, the leaseholder continued drilling and completed a well on February 14, 1980, at a cost of over $400,000. This well is capable of producing approximately 150 barrels of oil per day.

Thereafter, with all parties believing that the rent had been paid, the U.S. Geological Survey approved a communitization agreement on February 22, 1980, which included the land under the subject lease. In the course of approving this agreement, the Bureau of Land Management memoranda erroneously showed the rent to have been paid. Relying upon this, the Geological Survey approved the agreement. After approval of the agreement, over $170,000 additional funds were spent by the leaseholder in developing this property.

This failure to pay the rent on the date it was due automatically terminated the lease by operation of law (30 U.S.C. section 188(c)(d)). Under current law, the only way in which this lease can be reinstated is by means of a private bill.

It is my hope that the following brief history of the law may be helpful to my colleagues in understanding the reasons for this bill. Prior to 1954 nonpayment of the annual rent under an oil and gas lease issued under provision of the Mineral Leasing Act of 1920 did not terminate the lease. Instead, the lessee continued to be liable to the United States for nonpayment of rentals for the term of the lease even though the lessee in fact may have intended to drop the lease by discontinuing the annual rental payments. This created a multitude of problems for both the lessees and the Government.

In 1954 Congress amended the Mineral Leasing Act to provide that a failure to pay the rent when due caused the lease to automatically terminate by operation of law. The Department of Interior thereafter construed the statute strictly and treated leases as terminated regardless of how trifling the deficiency may have been. Payment of the rent in a sum a few cents less than the amount actually required or by a lateness of a day or two, through no fault of the lessee, resulted in termination of the lease.

This statute was amended in 1962 and again in 1970. As so amended, the Congress gave the Secretary of Interior discretion to reinstitute a lease that had expired by virtue of failure to pay rent in a timely fashion, if within a 20-day period after the rent was due, the leaseholder petitioned for a reinstatement of the lease, tendered the rent that was due and proved to the Secretary that a failure to have paid the rent in a timely fashion was not due to negligence on the part of the leaseholder.

Up until the amendments of 1970, Congress was burdened annually with a large number of private bills introduced for the purpose of reinstating such leases which had been automatically terminated by operation of law for various mistakes. After the 1970 amendments, while the number of such private bills has been reduced, clerical errors and mistakes still occur, for it is nearly impossible to prevent all errors, especially when one considers the volume of leases handled by the Government and leaseholders every month.

In reporting the 1970 amendments to the House, the House Committee on Interior and Insular Affairs remarked as follows:

It is recognized that this 20 day limitation on reinstatements means that a small percentage of terminated leases, otherwise de-

serving, may not be reinstated under this legislation. However, in balancing the advantage of a more liberal relief provision against the Committee's desire to reduce the incentive for "intentional" mistakes, the latter course was chosen. In the event truly deserving cases arise that cannot meet the 20 day provision, recourse to private relief legislation may be necessary. (H.R. Report No. 91-1005, accompanying S. 1193, April 14, 1970).

Under the circumstances of this case, I believe it to be equitable to the leaseholder and fair to the U.S. Government to reinstate this lease. Not only would it be unduly harsh upon the leaseholder to terminate this lease where the leaseholder has in good faith expended large sums in developing a producing well, but it would also be unfair to terminate the lease where, because of a mistake of the Bureau of Land Management in believing the rent had been paid, a communitization agreement was entered into by the leaseholder, approved by the Geological Survey and additional sums were expended in developing the property.●

ADDITIONAL COSPONSORS

S. 46

At the request of Mr. THURMOND, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 75

At the request of Mr. WALLOP, the Senator from Arizona (Mr. DECONCINI), and the Senator from Wyoming (Mr. SIMPSON) were added as cosponsors of S. 75, a bill to amend the Internal Revenue Code of 1954 to encourage capital investment by individuals and corporations.

S. 395

At the request of Mr. WALLOP, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 395, a bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes.

S. 464

At the request of Mr. DURENBERGER, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 464, a bill to amend the Internal Revenue Code of 1954 to adjust provisions governing private foundations.

SENATE CONCURRENT RESOLUTION 12

At the request of Mr. ROTH, the Senator from Nebraska (Mr. ZORINSKY), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of Senate Concurrent Resolution 12, a concurrent resolution expressing the sense of the Congress that Congress shall work its will and take final action no later than May 31, 1981, on the economic recovery proposals which President Reagan presented to the Congress on February 18, 1981.

SENATE RESOLUTION 65

At the request of Mr. DURENBERGER, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of Senate Resolution 65, a resolution to promote alternative nonanimal testing procedures.

NOTICES OF HEARINGS

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. COHEN. Mr. President, I wish to announce that the Subcommittee on Oversight of Government Management, of which I am chairman, will conduct oversight hearings on Government-wide debarment and suspension procedures on March 11 at 9 a.m. and March 12, at 9 a.m., in room 357, Russell Senate Office Building.

ADDITIONAL STATEMENTS

SENATE PROGRESS ON SMALL BUSINESS LEGISLATION

● Mr. ROBERT C. BYRD. Mr. President, I am pleased to be able to report that the Senate made substantial progress last year in developing and passing small business legislation.

Among the major bills that were enacted into law in this area in 1980 were:

A requirement that Federal paperwork be cut by 25 percent within 3 years (Public Law 96-511);

A set of tight constraints on issuing Federal regulations, with a provision for a separate tier of less-demanding standards for smaller businesses and small towns (Public Law 96-354);

An increase in strength for the Office of Advocacy at the Small Business Administration, to give small firms throughout the country a greater voice in making Government policies (Public Law 96-302); and

The most extensive securities deregulation in 40 years, to make it easier to raise venture capital (Public Law 96-477).

All of these new laws—as well as far-reaching proposals on tax reduction, product liability relief, and innovation which were developed in the Senate last year—will make the burden of Government on business lighter. As a result, the energies of our independent business community will be released to create new jobs, products, and services.

This activity will greatly benefit the Nation's economy.

We have come a long way in addressing the pressing problems of small business, and in resolving many of the most important ones.

These advances could not have been realized without the hard work of the Democratic Task Force on Small Business. Their ability to formulate a broad range of legislation, and willingness to hold hearings and advocate and manage these bills made the critical difference. Gaylord Nelson, who chaired the task force, and the other members of that group deserve tremendous credit for their fruitful efforts.

This year leadership of the Democrats on the Small Business Committee has passed to the able hands of SAM NUNN.

I am confident that under his guidance, and with strong bipartisan participation, the Senate will continue to work for legislation to help the 14 million owners of small businesses and family farms in this country.●

MORE THAN HALF OF SENATE'S SMALL BUSINESS LEGISLATIVE AGENDA ENACTED INTO LAW IN 1980

● Mr. NUNN. Mr. President, as ranking Democratic member of the Senate Small Business Committee, I would like to provide a report of the activities of the Senate Task Force on Small Business, appointed last year by the Senator from West Virginia (Mr. ROBERT C. BYRD).

As the Senate is aware, the task force was appointed to follow up on the recommendations of the White House Conference on Small Business, which took place in Washington January 13-17, 1980. By the time Congress adjourned in mid-December, more than half of the 14 top priority small business bills sought by the task force had been enacted into law.

These new statutes mandate fundamental changes in public policy for the benefit of small, family, and independent enterprises, including:

A requirement that Federal paperwork be cut by 2 percent within 3 years;

Tight new constraints on issuance of Federal regulations, such as a separate tier of less onerous standards governing the compliance of small businesses and small governmental units;

Increased strength for the Advocacy Office at the SBA, to give small firms a greater voice in Washington decision-making;

Provisions for the payment of legal expenses for firms which successfully contest Federal regulations in court;

The most extensive deregulation of securities law in 40 years, to make it easier to mobilize venture capital;

Patent reforms which will permit small firms to retain discoveries made in the course of Government contracts in order to spark increased innovation;

A strong program of export assistance to encourage small business entry into work markets.

In addition to these seven bills that passed, two more of the task force goals were enacted in part or for a temporary period—increase in small business' share of Government contracts and budget balance. An extensive business tax reduction bill sought by the task force was approved by the Senate Finance Committee. In fact, 13 out of 14 of the task force agenda items progressed through the stage of committee approval. On the final item—estate tax relief—task force members conducted two sets of public hearings and produced a far-reaching bill which attached broad bipartisan support.

We have not solved all the problems of the 14 million independent enterprises of this country. There is much more to

be done. But, the legislation enacted and developed in 1980 has generated a great deal of momentum.

These bills can change basic national policies to ease governmental burdens on enterprise and offer greater rewards for hard work and risk taking. They will strengthen the private enterprise system at many of its critical points. They will materially improve the climate for the creation, growth, and profitability of small firms.

Beyond these specifics, this splendid congressional effort has reaffirmed the vital importance of small business to our economy and society, making our citizens increasingly aware of the outstanding contributions made by small enterprise, including;

More than 90 percent of all new jobs;

Half of existing employment;

More than 40 percent of the gross national product; and

Half of the industrial innovations;

These dynamic qualities of small firms make them a vital part of the solution to our most pressing national problems. Thus, the legislation which the task force helped conceive, formulate and enact will strengthen the entire economy. The exceptional work done in 1980 has laid the foundation for a range of future governmental action which we hope can strengthen it further in fundamental ways.

We, on the Small Business Committee, are dedicated to these goals, and are determined to do everything we can to carry these initiatives forward. We will continue to work to make small business and entrepreneurship flourish, and consequently to make our country flourish during the remaining years of this century.

During the past year, there is no question that small business had received more attention than at any time during the past generation. What are the reasons for this turnaround?

A primary cause has been the rapid growth of all types of small business organizations. The major national groups such as the Chamber of Commerce, the National Federation of Independent Business, the National Small Business Association, the National Business League and the National Association of Small Business Investment Companies have expanded in membership and involvement during the past 10 years. Regional organizations like the Small Business Association of Georgia have been established. Traditional trade groups of all kinds have become much more active.

WORK ON SENATE SMALL BUSINESS COMMITTEE

Another reason for this revival was the initiative of the Senate Small Business Committee. Since 1975, our committee, under the leadership of the Senator from Wisconsin (Mr. NELSON), held over 300 days of public hearings, introduced a series of legislative proposals to help small firms—and saw the enactment of a great many of them.

In one field—taxes—our Small Business Committee has been the spearhead of reviewing and reforming the tax laws to take account of the special problems of the small business community. Among the resulting breakthroughs for small business have been:

An increase of the corporate surtax from $25,000 to $100,000, making all rates below $100,000 more progressive than they have ever been. This is saving small business over $2 billion per year, and individual companies between 23 percent and 47 percent, of what they previously paid in Federal corporate taxes;

An increase of the investment tax credit 43 percent from 7 to 10 percent and nearly tripling it for many small firms by increasing the eligibility of used machinery for that credit from $50,000 to $100,000;

Reforming the Federal estate tax for the first time in 35 years, by tripling the exemption given tax from $60,000 to $175,600; broadening the marital deduction, so a total of $425,000 can pass to a surviving spouse free of Federal tax; and providing 15 years for payment of taxes due on a farm or small business; and

Reducing the tax rates on capital gains from a maximum of 49 percent to a maximum 28 percent, which stemmed from our 3 years of hearings on capital formation. During the year after that change, nearly a half-billion in fresh venture capital was mobilized to finance small business.

THE WHITE HOUSE CONFERENCE ON SMALL BUSINESS

Progress was also made on legislation to reduce paperwork and regulation. But the committee was convinced that a national effort was needed to concentrate attention upon the entire range of small business concerns.

Thus, in 1977, our committee presented and the Senate passed Senate Resolution 105, calling upon the President to convene a White House Conference on Small Business. The Conference was announced by President Carter on April 6, 1978.

In my judgment, the most important factor in the new prominence of small business has been the White House Conference on Small Business. Previously, no one had solicited the opinion from the entire small business community as to what they viewed as problems and solutions. In that regard, the Conference was historic. It brought 2,000 delegates to Washington for 5 days in January 1980. Beyond that, the Conference drew over 25,000 small business owners to meetings in every State to elect these delegates and formulate recommendations.

CONGRESSIONAL FOLLOWUP ON THE CONFERENCE

The White House Conference delegates debated and deliberated. In an impressive demonstration of their abilities and resolve to play a constructive role, they reconciled their many differences to reach agreement on a set of 60 recommendations—5 each in 12 major subject areas. The 15 recommendations which received the highest number of votes were given special emphasis, and these will be summarized below.

Congressional response to the conference was immediate. On February 28, 1980, Senate Majority Leader ROBERT C. BYRD announced the appointment of a Senate task force to address the conference recommendations. He selected Senator NELSON as its chairman and key committee and subcommittee chairman having jurisdiction over the major small business legislation pending before various committees of the Senate as members.

I ask unanimous consent that a list of the task force members be reprinted following my remarks.

This proved to be an excellent strategy for two reasons. First, the problems of small business span the entire economy, and crossed a wide spectrum of Senate committees which deal with these problems. Second, these assignments had the effect of engaging the Senate power structure in the small business cause, something which had not been done before in a formal manner.

By April 2, 1980, the task force had met, agreed upon, and announced a program which included:

Public hearings on as many of the top 15 recommendations as possible, with specific task force members assigned the responsibility of conducting these hearings and recommending legislation according to a definite time schedule;

Targeting for enactment in 1980, 14 specific pieces of legislation embodying a dozen of the top 15 recommendations as well as other high priority small business legislation which appeared to be within the realm of possible enactment during the year. (See CONGRESSIONAL RECORD, Apr. 2, 1980, p. 7603.

Shortly thereafter, the House of Representatives formed a similar task force.

The Senate was extremely active. These efforts paid off in the remarkable progress of the small business legislative program in 1980.

On September 30, the eve of the preelection recess, Senator Nelson delivered an interim report to the Senate that 5 of the 14 task force items and 3 of the top 14 conference recommendations had been enacted in whole or in part to date.

These tabulations became obsolete the next day when Congress gave final clearance to four major small business bills (equal access to justice, export assistance, securities capital formation, and minority business expansion).

The postelection congressional session was also active in advancing small business legislation, clearing two additional items on the task force list (a small business patent bill and a paperwork reduction act).

THE SMALL BUSINESS LEGISLATIVE RECORD FOR 1980

It has not been possible previously to report the final record of the Senate Task Force on Small Business but I believe it is useful to do so now.

The following table shows the implementation of the task force agenda and the recommendation of the White House Conference on Small Business.

Senate task force agenda item	White House Conference recommendation	96th Congress action
1. 13 point small business tax program including corporate tax reduction and depreciation reform.	No. 1 and No. 2	Reported from committee in H.R. 3429.
2. Estate tax reduction	No. 5	Bill drafted and subject to hearings (S. 2967).
3. Balanced budget	No. 3	Agreed to in First Concurrent Budget Resolution, but ultimately unattainable in 1980.
4. Capital formation/securities		Public Law 96-477.
5. Regulatory flexibility	No. 4	Public Law 96-354.
6. Comprehensive regulatory reform.	No. 15	Reported from committee.
7. Paperwork reduction		Public Law 96-511.
8. Access to courts	No. 12	Public Law 96-481.
9. Small business advocacy	No. 10	Public Law 96-302.
10. Innovation	No. 6	Public Law 96-517 and 96-354 enacted 2 of 4 titles recommended by the Conference.
11. Patent reform	Part of No. 6	Public Law 96-517.
12. Increased small business government contracts.	No. 14	Partially implemented by Public Law 96-481.
13. Stimulate small business exports.	5 of the 60 recommendations.	Public Law 96-481.
14. Reform product liability law		Passed Senate.
15. New issues investment credit and rollover of capital gain in sale of business.	No. 7	Hearings held in Senate Finance Committee.
16. Social security reform	No. 8	Nelson-Roth bill introduced (S. 2804).
17. Small business participating debentures.	No. 9	Hearings held in Senate Finance Committee (S. 2981).
18. Women in business	No. 11	Hearings held in Senate Small Business Committee.
19. Minimum wage freeze	No. 13	No action in 1980.
20. Mandatory procurement goals	No. 14	Hearings held in Senate Small Business Committee.

THE FOLLOWING TABLE SUMMARIZES THESE ACTIONS

	White House Conference	Senate task force
Enacted	2	7½.
Enacted partially or temporarily	6	9½.
Passed Senate	6	10½.
Reported from committee	9	13.
Subject to hearings	13 of 15	14 of 14.

Even this report, which is most gratifying, understates the work done by the task force to move legislation forward.

For example, in the tax field, which was the subject of 5 of the top 10 recommendations of the White House Conference, the task force was directly responsible for drafting 13 bills covering nearly all facets of these recommendations. Task force members then conducted 5 days of public hearings which resulted in approval by the Senate Finance Committee of 10 of the original 13 income tax proposals, including rate reductions and depreciation reform (conference recommendations Nos. 1 and 2) and a broad-gage estate tax relief bill for small business (conference recommendation No. 4).

It was certainly beyond the control of the task force that the major national debate about the timing and approach of tax cuts made the passage of any such bill impossible last year.

SUMMARY

At the end of September, Senator NELSON gave this evaluation of the task force effort:

It is important that virtually every priority recommendation of that conference has received serious congressional consideration. With a single exception, the top 15 recommendations and many of the other 45 recommendations have been translated into Senate bills. Those bills have not only been introduced, but have been the subject of public hearings. This kind of groundwork is a necessary prelude to formulating responsible legislation and persuading Members of Congress, the executive branch, the press and the public and its enactment is vital to our economy and our free private enterprise system. (Sept. 30, 1980 Congressional Record, p. 28121.

All of the consideration of small business legislation, and all the progress that I have described, occurred within a period of 11 months from the conference and within 7 months from its May 15, 1980, final report.

The task force chairman concluded his interim report by saying:

So, in my view, the legislative response during this period has been extraordinary, and the record of success has been even more extraordinary.

The Senate majority leader remarked, also on September 30:

Organized in February of this year, the task force swiftly adopted a strategy to implement the major proposals of the White House Conference on Small Business. The task force agenda was placed before the Senate on April 2. Since then, the task force has been exceptionally effective in moving a whole range of small business legislation through the Senate and the Congress.

Of the 15 task force priorities, most have either been enacted into law or have been passed by the Senate at least once.

The Senator from Kentucky (Mr. FORD) added this observation:

From the outset we in the task force have been very conscious not to raise false expectations. We established a realistic legislative agenda and projected specific action . . . We concentrated on several pieces of legislation which, by design, implement the goals specifically established by the conference delegates. The results have been very favorable as can be seen by the status report in the RECORD today. (Sept. 30, 1980, CONGRESSIONAL RECORD, page 28121.

I wish to fully associate myself with these evaluations, and to commend all who participated in this record of success in advancing the interests of small business and the economy in this country. I believe this is an excellent legislative record that will stand the test of time.

We hope very strongly that this effort will continue and we urge that the effort be continued on both sides of the aisle and in both Chambers of the Congress in 1981, and in the years to come.

MEMBERS OF THE SENATE DEMOCRATIC TASK FORCE ON SMALL BUSINESS, 1980

Senator Gaylord Nelson, Chairman, Wisconsin.
Senator Alan Cranston, California, Assistant Majority Leader.
Senator Bill Bradley, New Jersey.
Senator Harry Byrd, Independent, Virginia.
Senator John Culver, Iowa.
Senator Thomas Eagleton, Missouri.
Senator Wendell Ford, Kentucky.
Senator Ernest Hollings, South Carolina.
Senator Gary Hart, Colorado.
Senator Donald Stewart, Alabama.●

RETIREMENT OF COMPTROLLER GENERAL ELMER STAATS

(By request of Mr. BAKER the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Mr. President, there are times when the measure of a man's integrity and productivity lies in what is not said about him. We have seen in recent times the tendency of Government agencies in pursuit of noble goals to go overboard. We have all heard complaints of violations of civil rights appearing to be commonplace among investigatory forces.

There is, however, one investigative agency which has been headed so effectively and so smoothly by one man over the past decade that, although everyone knows his name, no one complains when his forces move in to investigate.

Mr. President, the name, Elmer Staats, a native Kansan, is synonymous with "Government Watchdog." There are few Members of this body who have not uttered the clincher in oral argument, "I have in my hand a report from the General Accounting Office." The strength of those reports is so dominant that we do not even think about questioning their integrity. We may disagree with the recommendations, but never with the facts and conclusions.

All this automatic authority is no accident. It is the reflection of the dedication, skill, and personality of one man, Comptroller General Elmer Staats. It is to his administration that we owe all the time saved by reports which marshal facts in a way to make them useful to a legislator. It is the further measure of the man that his office operates so smoothly that we often forget the performance record of both it and him.

It is unfortunate, Mr. President, that as usual, we wait until we are about to lose someone to speak out on his worth. Elmer Staats has done honor to his office and to the Congress which it served. Would that we all could earn such a farewell when our own service ends.●

HALTING MILITARY AID TO EL SALVADOR

● Mr. KENNEDY. Mr. President, we are approaching what could be fateful decisions in El Salvador. It is time to think hard and to speak clearly.

We must oppose the foreign shipment of arms into El Salvador from countries that are the actual or potential adversaries of our own. But we must not let their transgressions tempt us into an unlimited military commitment without conditions. We cannot sustain a government in El Salvador, at any reasonable price in dollars or national determination, that does not truly represent its people. That is not only the lesson of our recent history. It is also the imperative of this time in El Salvador, where moderate leaders on all sides need American pressure to help them move their country toward peace and away from killing and repression, whether it comes from the far left or the far right, from within or outside the Government.

Not only our future, but the possibility of a free El Salvador depends on measured, careful policies rather than hasty demonstrations of power or dangerous overreaction. We must seek a settlement, not a prolonged conflict. And above all else, we must act in accordance with our own fundamental values. What is right for us as Americans is also the right way for America to prevail—and it is the only way for the people of El Salvador to be free.

I am joining with Senator PAUL TSONGAS and others to prepare legislation for introduction next week to halt all American military aid to El Salvador, including aid currently in the pipeline, until certain conditions are met, including progress toward a negotiated settlement, and a thorough investigation of the murders of Catholic missionairies and other Americans in El Salvador in recent weeks.

Under the terms of such legislation, military aid could be resumed after the President and the Congress agree that the following three conditions have been fulfilled:

First, there must be a thorough and complete investigation of those responsible for the killing of the three American nuns, as well as the American Catholic lay worker and two American labor leaders who have also been murdered in El Salvador.

Second, the United States must actively pursue international efforts, some of which have already been started, to shape a mediated solution to the conflict. Such a solution might well be modeled on the Lancaster House conference of all parties that stopped the fighting in Zimbabwe and led to a government with broad national and international support. This effort should be directed toward seeking an in-place truce, an end to repression, and a halt to all arms flows from any quarter into El Salvador. We must also put an end to Miami-based financing of rightwing death squads in that country. The Government of El Salvador must agree to cooperate in these efforts.

Third, civilians must have a substantial and continuing role in the decision-making and leadership of the El Salvadoran Government. Those who would launch a military coup in El Salvador must understand that no further American aid will be forthcoming to their military government.

As I have indicated, we support the essential efforts of the United States now underway to halt any flow of arms from Cuba, the Soviet bloc, and other sources into El Salvador. I believe that President Reagan and Secretary Haig will have the full support of Congress and the country in the diplomatic steps they are taking to bring an immediate end to all such activities by outside nations that are inciting new violence in El Salvador.

What we do oppose, however, is an American policy that neglects the obvious need to seek a political solution, and that proposes to rush large amounts of military aid to a government in El Salvador that fails to act against extreme violations of human rights. By suspending military aid and pressing for international mediation, we can draw other nations into a coordinated approach to stop all weapons shipments into that country.

We are taking this action because of our deep disquiet over an American policy that relies more and more heavily on military assistance and that does not serve our own interests or those of the Salvadoran people.

Further militarization of the political crisis in El Salvador can lead to only one result—more violence, more suffering, and more bloodshed in a nation which has a population of only 5 million, and which has already suffered 10,000 deaths in the past year.

The roots of this conflict lie in 50 years of oppression in El Salvador by a tiny oligarchy backed by the military. The crisis has steadily worsened over the past decade because of extreme political, social, and economic injustices suffered by the population. Half the people cannot even drink safe water, while a handful live in palatial splendor. Electoral fraud and thinly disguised coups denied election victories to Christian Democrats and Social Democrats in 1972 and 1977. Brutal repression of the people, including officially condoned murder, has produced an almost permanent attitude of fear and hatred of the security forces.

Over the past 18 months, a succession of juntas, increasingly limited in their civilian representation, and increasingly indiscriminate in their repression, have attempted to govern. Neither the violent excesses of the opposition left, nor the nationalization of banks and land reform have been able to win popular support for the junta. The constant repression and involvement of the security forces in political killings is widely regarded as the major reason for that failure.

A year ago, the archbishop of San Salvador, Oscar Romero, was assassinated in a hospital chapel, after he had written President Carter to protest the start of American military links to the junta.

In November 1980, six moderate political leaders opposed to the junta, including the former Minister of Agriculture Enrique Alvarez and five prominent Christian Democrats and Social Democrats, were kidnaped in full public view, then tortured and executed.

On December 2, three American nuns—Sister Maura Clarke, Sister Ita Ford and Sister Dorothy Kazel—and Jean Donovan, a Catholic lay worker, were brutally assaulted and murdered.

On January 3, 1981, two more Americans, Michael Hammer and Mark Pearlman, leaders of the American Institute for Free Labor Development of the AFL-CIO, were assassinated in the Sheraton Hotel in downtown San Salvador.

We read that the Government, aided by the FBI, has fingerprints from the van in which the American Catholic missionary women were riding the night they were stopped and murdered. We read that the Government has identified the security forces in the area that night, but 3 months have now passed—and there has been no acceptable progress in identifying and bringing to justice the killers of these women, or of any of the other victims I have referred to. Why should the American people be propping up such a government with further supplies of guns and bullets?

The State Department's human rights report to the Congress cited the involvement of the security force in repression. The same finding comes from the Inter-American Human Rights Commission, from Amnesty International, and from the Salvadoran Catholic Church.

The former Ambassador to El Salvador, Robert White, recently stated—

There is not now, nor has there ever been a determined investigation of the murders of the American missionaries.

It is clearly contrary to America's national interest to provide arms and advisers to El Salvador in the current situation. Such a step will move us further away from, not closer to, the goal of an end to the killing and a peaceful resolution of the conflict.

American military personnel should not be placed in this civil war situation in which their lives are at risk. As we learned just last week, gunfire is as likely at the American Embassy in San Salvador as it is in the countryside. No one—not the President, not Secretary Haig, not Secretary Weinberger—has yet answered this unavoidable question: What is the intention of the present administration in the event that an American adviser is killed?

The decision to send advisers and aid begins a process that may be impossible to contain. The Carter administration launched the military relationship with El Salvador by asserting that only nonlethal aid of a very limited type was being considered. Now, it has escalated to large amounts of lethal weapons, to more military assistance for El Salvador than for any other nation in the hemisphere, and to American military advisers.

Militarizing the conflict inevitably weakens the power of civilians in the Government of El Salvador. It gives the military—the same military that stands accused of involvement in the killings and repression—greater identification with the United States and greater influence over the course of events in El Salvador.

Mexico, Canada, and other democratic governments are opposed to U.S. military involvement. America's interest in the region does not lie in isolating ourselves from our hemispheric friends. It does not lie in setting the United States in opposition to those demanding an end to repression and authoritarian rule in El Salvador. By emphasizing the military side of the crisis, the United States increases the likelihood that the civil strife will spread to Honduras, Guatemala, and Nicaragua, and ignite the entire central American region.

I urge the administration to pursue every possible opportunity to bring the dissenting factions to the conference table. The experience of the successful resolution of the conflict in Zimbabwe should be applied to El Salvador. The government and other affected parties should begin talks now, with outside mediation acceptable to all sides. Negotiation, not military escalation, is the only truly promising road to peace.

The legislation we are proposing is a vital step on that road to peace. Let us think together and work together to avoid the road that leads to wider war.●

HALTING MILITARY AID TO EL SALVADOR

● Mr. TSONGAS. Mr. President, I am pleased to announce that my distinguished colleague from Massachusetts, Mr. KENNEDY, intends to introduce legislation which would prohibit the furnishing of U.S. military assistance to El Salvador unless and until certain conditions are met by the Reagan administration. Mr. President, I am happy to be able to cosponsor this initiative.

Our bill, which is presented against a backdrop of escalating violence in El Salvador, has, as its fundamental objective, a peaceful resolution of the current tragedy in El Salvador. What we are seeking is a solution which will promote the interests of all the parties to the conflict in El Salvador as well as protect the strategic concerns of the United States in this region.

Mr. President, this measure would prohibit the assignment of U.S. military personnel to, and the furnishing of other security assistance for El Salvador, unless the following conditions are satisfactorily met.

First, we believe that the United States must insist on the active pursuit of all reasonable diplomatic initiatives which will bring an end to the violence in El Salvador. Giving arms to the junta, without taking these steps, will only exacerbate the political instability and reward those who participate in the violence. Both the left and the right have expressed an interest in participating in discussions which could lead to the establishment of a government in which all parties have a stake.

These diplomatic efforts should seek an end to the terror, discussions among the various factions, and a fair and mediated resolution of the conflict. Moreover, a condition to any further military aid, we feel strongly that Salvadoran civilians must continue to have an essential role in the leadership—and decision-making process in El Salvador.

We must also press for a conclusive investigation of the brutal murders of the American religious persons and other American citizens. The evidence collected thus far by the FBI appears to be substantial enough to obtain these results; until answers are provided and the individuals responsible are brought to justice, we should provide no further weapons which could be used to kill other Americans.

Mr. President, we agree that outside support for the left contributes to the destabilization of El Salvador. At the same time, however, there are serious reports about outside aid and arms for rightwing thugs and terrorists. Much of this support is said to come from within our own country, particularly Miami. This pipeline needs to be fully investigated and closed. The rightwing opposition and their tactics are no less a threat to El Salvador's future than are the Marxist-leftist groups. Neither side has a monopoly on violence and senseless killings.

Mr. President we are dealing with a country that lacks a strong, viable political base. To simply pour more military aid into the country—simply in the hopes of containing an elusive, outside Communist threat—is not the answer. We need to urgently explore the diplomatic window that is currently open to us and help the Salvadorans find a peaceful solution. This is what the Salvadorans themselves want. President Duarte himself said yesterday that the revolution would be won or lost not so much on the basis of military capability as on the basis of economic and social improvements in the society. This is what our allies and the neighboring countries want.

To elevate this conflict, with its complex domestic causes, to the central position of our strategic, global policy risks turning El Salvador into an international crisis.

Mr. President, what we are simply trying to do is insure that all the tools available to us are used in a sensible and timely manner, in an effort to bring an end to El Salvador's nightmare.●

FEDERAL TAXATION OF SOCIAL SECURITY BENEFITS—SENATE RESOLUTION 87

● Mr. BURDICK. Mr. President, I am proud to join my fellow members of the Senate Aging Committee and others in sponsoring Senate Resolution 87, which puts the Senate on record against any Federal taxation of social security benefits.

Several study groups have recommended that Congress consider this option. This resolution would make it crystal clear to the American population that we will not tax social security. No matter what changes may be proposed in the tax laws, social security should remain exempt from taxation. There is no question that some changes need to be made, but this should not be one of them.

Any taxation of benefits would generate very little additional revenue when compared to the projected needs of the social security system. And such a tax would fall most heavily on a group of people least able to pay for it. Twenty-five percent of the elderly in this country are already near or below the poverty level—and this is with full, untaxed social security benefits. The necessities of life for the elderly—food, fuel, and health care—have gone up 8.4 percent per year over the last 10 years. This is even faster than the Consumer Price Index has risen. With the elderly facing this kind of inflation, I believe any tax targeted so directly on the elderly would be a travesty.

I am glad to see so many Members of the Senate join us in sponsoring this resolution, and I am very hopeful that it will pass the Senate soon, so that older Americans can be assured of the Senate's position on this issue.●

ELMER M. JACKSON

● Mr. MATHIAS. Mr. President, on March 9 a distinguished Marylander, Elmer M. "Jack" Jackson, will turn 75. This in itself is not so rare an event but the contributions Mr. Jackson has made and continues to make to publishing and the quality of the printed word in Maryland deserve recognition.

Jack Jackson started his long career in 1920 as a reporter and city editor on newspapers in Hagerstown and Annapolis. In 1933, he became editor of the Annapolis Evening Capital and the Maryland Gazette. By 1947 he had risen to the position of general manager of these newspapers, and put his personal stamp on both.

During his career, other Free State newspapers have known and flourished under his guidance and journalistic wisdom. The Worcester Democrat, the Anne Arundel Times, and the Carroll County Times all bear the mark of excellence he brought to the journalist's and publisher's craft.

Today after more than five decades, his high standards still prevail at the Anne Arundel Times and at Jackson Printing, Inc., which he serves as president.

Jack has also given a full measure of service to his community, State, and Nation. He served in the U.S. Navy from 1941 to 1947; he still serves as a director of Maryland National Bank, the State's largest banking institution, and has been a delegate to the Maryland General Assembly.

I have come to know and admire Jack Jackson. His reputation for fairness, objectivity, honesty, and dedication to keeping his readers informed about their community stand in the best traditions of local journalism.

I join Jack's friends and colleagues in wishing him a happy birthday and in thanking him for his distinguished service to Maryland and its people.●

TRIBUTE TO WALTER CRONKITE

(By request of Mr. BAKER the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Mr. President, to millions of Americans, the man who signs off CBS this evening is as familiar as the daily paper. "Uncle Walter" has been called "old iron pants," "the most trusted man in America", the conscience of network journalism.

In millions of recollections, the great events of our time can be measured against his steady, calming presence. In turmoil or on jubilation, it is almost as if Americans instinctively needed to hear his voice and see his face lest the headlines themselves overwhelm us.

Who among us will forget the sight of Walter Cronkite in shirt sleeves fighting back tears as he announced the death of John Kennedy on November 22, 1963? Who did not share his infectious enthusiasm when a rocket left a Florida launch pad bearing a human cargo and bound for the Moon—and a historic rendezvous with the oldest dream of mankind. For a generation Cronkite has explained to millions of fascinated Americans the inner workings of political conventions and Saturn rockets. He has eased us from one administration to the next, made approachable eight Presidents, and lent logic to otherwise senseless events in our own land and across a shrinking globe.

His lasting contributions can hardly be contained by a crowded shelf of Emmy awards or 1,000 parting tributes. "If I have lost Cronkite," Lyndon Johnson said in 1968, "I have lost middle America." Menachem Begin and Anwar Sadat could undoubtedly add their own assessments of a newsman sufficiently respected as to play a part-time role as mediator and electronic statesman.

There are many reasons for this. But, most of all, there is this undeniable fact: For 19 years as anchorman of the "CBS Evening News," and for 25 years before that as a wire reporter and television reporter, Walter Cronkite has stood for seriousness in a profession tempted by triviality. His qualifications to report the news have never been less than his admittedly remarkable gift of communicating it.

I feel a special kind of pride that because, whether or not the rest of America knows it, Walter Cronkite is something of a hometown boy for me. He was born in St. Joseph, Mo. He polished his talent in Kansas City, where he is still remembered as one of the most competitive wire reporters in the history of UPI. From there he gained an entree to the war in Europe and eventually a job offered from Ed Murrow. Murrow was then organizing his own corps of CBS correspondents who went on to attain legendary status in their own right. But, Cronkite turned Murrow down—he felt that radio might be too superficial a medium through which to report the news.

It is a concern he later transferred to television itself, and most Americans are more knowledgeable about the world they live in as a result.

When the war ended, Cronkite went home to Kansas City. He landed a job with radio station KMBC and later became Washington correspondent for a string of 10 stations in Kansas, Missouri, and Nebraska. When the Korean war broke out, the journalist from St. Joseph displayed an uncanny ability to make sense of the fighting on television using nothing more than a blackboard, some chalk, and a surefootedness bequeathed him by his own experiences on the battlefront.

The rest, as they say, is history. At the 1952 Republican national convention, a network entered into the television lexicon—"anchorman"—and then as now Cronkite embodied it. I will leave it to the historians of the medium to gage his lasting impact on a still young industry. For me, I can only express gratitude that a man like Cronkite has set the standards for an industry that wields powers beyond measurement.

Long after Cronkite's familiar, "and that's the way it is * * *" every American who cares about the quality of our public life and the press that communicates and shapes it will agree with some words Ed Murrow spoke to us in 1958. "Television," Murrow warned, "can broaden and illuminate, but only to the extent that its operators choose to use it to such ends. Otherwise," he concluded, "it is merely lights and wires in a box."

Thanks to the integrity, exhaustive curiousity, and the hearty appetite for excellence shown by Murrow's successor, the tube that remains a constant guest in America's living rooms has become far more than lights and wires in a box. Thanks to Walter Cronkite, network news has taken its place in the forward ranks of American journalism. He will be missed—and hopefully he will be emulated.●

HOUSE OF REPRESENTATIVES—*Monday, March 9, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

I will call to mind the deeds of the Lord: Yea, I will remember Thy wonders of old. I will meditate on all Thy work, and muse on Thy mighty deeds.—Psalms 77: 11, 12.

O God, may Your mighty acts in days past continue to inspire, and may all Your gifts fill our hearts. We celebrate Your love to us and to all people, particularly those more dear to us whom we name in our hearts before You. We gain assurance that You watch over us, You forgive and renew us, and Your comforting spirit never abandons us. Grant us Your abiding peace each day and in eternity. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate has passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 38

Joint Resolution to provide for designation of March 6, 1981, as "Teacher Day, United States of America".

A TRIBUTE TO THOMAS IORIO

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ADDABBO. Mr. Speaker, it is my sad duty to inform the House of the death of Thomas Iorio, Deputy Sergeant at Arms and majority pair clerk. Tom died at his home in Silver Spring, Md., Saturday night, after a long battle against cancer. At the time of his death, Tom was 79 years of age and had worked for the House of Representatives for 36 years.

Tom was a good friend to all of us who have served in this body through the years. He knew more about the legislative process than most of us will ever know, and he was free with his advice and store of experience for those of us who sought his counsel.

Tom was the fifth recipient of the John McCormack Award which is presented each year to a House employee for outstanding service to the House over a long period of time. The Doorman's Society named him "Man of the Year" in 1976. The Italian Government in 1974 presented him with the Order of Commendatore, which is the medal of honor for public service. As you know, Tom was very proud of his Italo-American heritage and worked hard to advance the cause in recent years. Our prayers are for him, Claire, his wife, and children, Carmen and Connie.

Friend may pay their respects to Tom and his family on Monday the 9th and Tuesday the 10th from 3 to 5 and 7 to 9 p.m., at the Collins Funeral Home, 500 University Boulevard, West Silver Spring. The funeral services will be held Wednesday the 11th with a 10 a.m. mass, St. Bernadette Church, 72 University Boulevard, East Silver Spring.

Mr. Speaker, I ask unanimous consent to address the House for 60 minutes at the close of business this Wednesday, March 11, so that Members who wish to do so may join with me in paying tribute to this special friend.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LEGISLATION TO TERMINATE MILITARY ASSISTANCE TO EL SALVADOR

(Mr. STUDDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STUDDS. Mr. Speaker, 62 Members of the House of Representatives have now cosponsored the bill, H.R. 1509, to terminate U.S. military assistance to the Government of El Salvador.

Late Thursday, in a hearing before the Subcommittee on Inter-American Affairs, the most Reverend James A. Hickey, Archbishop of Washington, explained why the U.S. Catholic Conference was also opposed to the Reagan administration's mistaken decision to emphasize military rather than political means of resolving the terrible violence which is currently plaguing El Salvador.

In his statement, Archbishop Hickey argued:

It would be particularly unfortunate, in my view, if our necessary and proper concern for the security of the United States were to be used as justification for additional United States military aid to the present government in El Salvador. Neither the USCC nor I am complacent about the actions of other outside powers in the El Salvador conflict . . . Our position is to oppose military aid and intervention from all outside powers. We urge and support political pressure and other diplomatic measures by Latin American nations and by ourselves and our allies to stop the flow of arms from Cuba through Nicaragua to El Salvador. But as a part of this approach we earnestly and vigorously oppose the sending of United States military assistance to El Salvador.

It is my own belief that opposition within the United States to President Reagan's policy in El Salvador is widespread and that it is growing quickly. Whatever the reasons for the results of the 1980 elections, they did not stem from any national wish to see large numbers of U.S. military advisers sent to help fight a civil war in Central America.

I urge my colleagues to cosponsor H.R. 1509.

CUTTING STUDENT AID

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. PEYSER. Mr. Speaker, in the last week literally hundreds of letters have been coming into my office from college presidents around the country. They are expressing their great dismay at the Reagan administration's proposals to slash the student aid budgets, not just for their colleges, but for the hundreds of thousands of students who are going to be affected.

Today I will be entering into the RECORD, Mr. Speaker, a letter from the American Conservatory of Music that is in the Seventh District of the gentlewoman from Illinois (Mrs. COLLINS), a letter from the California State University, which is in the 21st District of the gentleman from California (Mr. FIEDLER), and a letter from Canisius College that is from the 37th District of New York, the district of the gentleman from New York (Mr. NOWAK).

Mr. Speaker, I am convinced that the President himself does not realize the impact that the changes that are being proposed are going to make on over 1 million students in this country who will be forced to give up their remaining education.

(The letters follow:)

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

AMERICAN CONSERVATORY OF MUSIC,
Chicago, Ill., March 2, 1981.

Hon. PETER A. PEYSER,
Congress of the United States,
Washington, D.C.

DEAR MR. PEYSER: Your letter to my predecessor, Mr. Leo Heim, was given to me for reply.

I have already written to my own congressman, Mr. Sidney Yates, expressing my concern on cuts in the loan and grant program. As I mentioned to him, the vast expenditure of funds for the GI bill after World War II proved that mass education was a good investment. There are, no doubt, some inequities in the programs which need attention, but massive cuts in this era of high costs for education would have a damaging, long-range effect on the nation.

We would be happy to help in any way possible. Thank you for your letter.

Yours sincerely,

CHARLES MOORE,
President.

CALIFORNIA STATE UNIVERSITY,
Northridge, Calif., February 25, 1981.

Hon. PETER A. PEYSER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: I was delighted to receive your letter of February 18 in which you expressed concern over the proposed cuts in student aid appropriations. We are profoundly concerned that the Reagan Administration has seen this area in the budget as a prime target for cutbacks. Through the University's membership in the American Association of State Universities and Colleges, we fully intend to mount a vigorous campaign against the proposed reductions.

Your interest in this issue and the assistance you offer as a member of the Education and Labor Committee is both welcomed and appreciated.

Sincerely yours,

JAMES W. CLEARY,
President.

CANISIUS COLLEGE,
Buffalo, N.Y., March 3, 1981.

HON. PETER A. PEYSER,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: Thank you very much for your letter of February 22, 1981, concerning the proposed cuts in student aid.

I agree with you totally that educational assistance is a bad area to cut, in efforts to curtail government spending. Since education is the key to the nation's future, any money well and prudently spent in this area is a sound investment in our future national health and vitality. Moreover, untold good has been accomplished in the last two decades by making it possible for deserving students to attend colleges of their choice, and it would be a terrible shame to reverse that course of action now.

I feel it is vital for the future security and health of our nation that we preserve the excellent set of student assistance programs, consisting of BEOG, SEOG, College Work Study, Guaranteed Student Loans and National Direct Student Loans, so that the United States can keep pace with the other leading nations of the world in the development of our most precious resource, namely the minds and characters of our young people. Rather than cutting back, I think we should expand programs of aid for education such as savings plans, tuition tax credits, and possibly others.

My staff and I would be more than willing to render any possible assistance in your efforts to keep higher education strong in our nation. Thank you for your initiative and leadership in this matter.

Kindest personal regards. May God always bless you!

Sincerely yours,

Rev. JAMES M. DEMSEY, S.J.,
President.

LEGISLATION NEEDED TO COMBAT INTERNATIONAL TERRORISM

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON. Mr. Speaker, I have again introduced legislation to combat international terrorism of all types—assassinations, kidnapings, bombings, attacks and seizures of facilities, and hijackings.

Even as I speak today, terrorists are holding over 100 hostages, including 3 American citizens and 2 other U.S. residents, aboard a Pakistani airliner. These terrorists have already killed one hostage, a Pakistani diplomat, and are threatening the others with death if their demands for the release of political prisoners are not met. Last Thursday, a guman seized a Continental Airlines jet at Los Angeles International Airport, demanding $3 million ransom. Fortunately, no one was injured in that incident and the gunman surrendered peacefully.

My bill, H.R. 1948, is designed to maximize and strengthen Federal capabilities to combat international terrorism without overreacting or denying to the executive branch the necessary flexibility which it must have in conducting foreign policy. This legislation requires the President to impose sanctions, including the cutoff of foreign assistance, against states which actively support international terrorism. The bill also requires the Secretary of Transportation to assess security measures at foreign airports and to revoke the operating authority of U.S. and foreign air carriers which use any inadequately secured airport to serve the United States. Further, the bill sets criminal penalties of up to $10,000 in fines and 20 years in prison, or both, for the hijacking of an aircraft.

Between 1968 and 1980 in incidents of international terrorism, 173 U.S. citizens have been killed, 136 kidnapings occurred in which Americans were victims, 912 American facilities have been bombed, and at least 50 U.S. facilities have been attacked or seized. I believe that the executive branch and the Congress must act together now to protect U.S. citizens abroad and foreign nationals on U.S. soil. It is our responsibility as the leader of the free world to act decisively on this matter.

REVOLVING CREDIT FUND FOR AG EXPORTS AND TRADE REPRESENTATIVE

(Mr. STENHOLM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, the 97th Congress has embarked upon a major campaign of economic recovery for this country and one of the most essential elements of this recovery will be the restoration of a trade balance in favor of the United States.

One of the few real success stories of foreign trade that we can point to over the past few years has been the economic power that our agricultural trade has provided us.

However, despite the fact that we are the major world power in agricultural trade, we have consistently failed to use this power to the extent necessary to provide the maximum returns to the economy of the United States.

For this reason, I am introducing two bills today that will provide a mechanism by which our competitive position in agricultural world trade can be further strengthened and enhanced. Most important of all, the economic returns to our entire economy and consequently to all Americans, can be significantly increased.

The first bill provides for the establishment of a revolving credit fund for the development of agricultural exports to those nations which have need of short-term credit but for various reasons are unable or unwilling to obtain this credit through normal commercial sources. This type of program is necessary to provide U.S. exports with a competitive edge in the opening and establishment of new markets.

History has proven that initial entrance and market presence in developing economies are of immeasurable benefit in terms of maintaining markets in later years as these economies mature and become regular and dependable export customers.

This legislation is somewhat unique in that it does not require the appropriation of new funds, but only makes additional funds which are due to be repaid to the Commodity Credit Corporation during this and the next 2 fiscal years. These loans would be made at commercial rates and would not be on concessional terms.

The second bill provides for the appointment of an additional Deputy U.S. Trade Representative. Trade negotiations are of vital importance to the success of our programs for agricultural and other exports. I believe it is essential that the United States be represented at the highest levels possi-

ble by an adequate number of individuals who can devote proper attention to all areas of importance in the agricultural trade area.

While this legislation does not require that this additional Deputy Trade Representative be established to deal exclusively with agricultural trade issues, I would hope that the formation of this new position will enable the Office of the U.S. Trade Representative to devote the high level attention to agricultural trade matters that will be so neccessary in the months ahead.

It is my understanding that such a position can be accommodated at current staff levels within the office of the U.S. Trade Representative.

LET US BE FAIR WITH OUR SENIOR CITIZENS

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, we have seen a series of trial balloons floated from various sources, each suggesting that money could be saved from social security payments by inventing some new method of calculating the cost of living for our senior citizens.

I think it is time to shoot down those trial balloons, or at least to make it absolutely clear that Congress will not tolerate any deceptive manipulation which begins with the clear purpose of reducing social security payments to the Nation's elderly.

Some have suggested that the Bureau of Labor Statistics create a separate index for senior citizens, simply leaving out any consideration of cost of housing. The theory behind this suggestion is that most of our senior citizens are not in the market to buy a home.

While that may be true, it also is true that many of our elderly Americans are living in rented houses, or in apartments, or in retirement homes of one kind and another. Certainly these costs have increased. It would be cruel and deceitful to leave them out of the formula.

Furthermore, if we were to assume that older Americans are less affected than other citizens by the cost of housing, we would have to recognize honestly at the same time that they are more affected by the cost of medicine and also probably more vulnerable than others to the rising costs of fuel and utility rates for heating in the winter and cooling in the summer.

In other words, if we were to have some new cost-of-living index expressly for our senior citizens, it would be only fair to include those areas in which they must pay more, as well as those areas in which they presumably pay less. To do otherwise would be a cruel delusion. If there is to be any different cost-of-living index for retired people, it must begin with the object of being fair—not with the object of finding some tricky or deceptive way to save money at their expense.

WIC PROGRAM IS INVALUABLE

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOAKLEY. Mr. Speaker, I rise today to express my extreme distress at President Reagan's recent proposal to reduce a significant portion of the Federal budget for the special supplemental food program for women, infants and children, better known as WIC. I have had the pleasure of working closely with the Massachusetts' WIC program for several years now and have found it to be one of the most responsive and efficiently run Federal programs in the country. Massachusetts, in particular, has received national recognition for their dedication in helping this group of the population who so desperately depend on WIC to receive the nutritional assistance necessary for health development. Because of the WIC program, low-income, nutritional-risk pregnant women and their young children, the neediest of the truly needy are provided with the vital nutritional supplements which they need in their diets, but otherwise would not be able to afford.

Studies conducted by Harvard researchers and other independent and Government studies have clearly indicated that the benefits of the WIC program result in long-term cost savings. I cannot overemphasize the importance of this nutrition to these needy mothers and their young children during the critical stages of prenatal development and the early years of life. Without a doubt, infant mortality rates have dropped substantially in areas where WIC programs have been implemented. The tragic consequences of malnutrition, which result in premature birth, low birth weight, respiratory illnesses, mental retardation, birth defects, and death have been greatly reduced through the efforts of WIC. One cannot dispute the fact that continued provision of WIC's supplemental food to the diets of these low-income mothers and their offspring will play an important role in eliminating malnutrition in our Nation in the future.

I find it disheartening that President Reagan is proposing to reduce over one-quarter of WIC's budget. How can we justify adequate nutrition to impoverished mothers and their children. The benefits reaped from WIC greatly outweigh the comparatively small expenditure of Federal funds.

The WIC program is invaluable and its effects are not concentrated in just one regional area of the Nation. Unfortunately, even at present funding, the WIC program cannot serve all those who would qualify for aid. To further reduce WIC moneys would be a grievous mistake and would seriously damage the progress we have begun to make in eradicating malnutrition in our country. I urge my colleagues to carefully examine the contributions of the WIC program as proposals to restrict Federal funding come before us.

□ 1215

NO MORE TAX MONEY FOR THREE MILE ISLAND CLEANUP

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, today the Nuclear Regulatory Commission issues its final environmental impact statement on the Three Mile Island cleanup. I take this occasion to say that there should be no Federal taxpayer bailout of Three Mile Island. The Federal Government has spent already about $12 million of research money in cleaning up Three Mile Island.

I say this should be stopped, and I offered an amendment in committee this morning on the NRC authorization to prohibit any further expenditure of Federal tax moneys for the cleanup of Three Mile Island.

A 10-PERCENT REDUCTION IN COMMITTEE BUDGETS CALLED FOR BY REPUBLICAN FRESHMEN MEMBERS OF CONGRESS

(Mr. JAMES K. COYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. JAMES K. COYNE. Mr. Speaker, the President's program for economic recovery has received overwhelmingly expressions of support from Members on both sides of the aisle, in both Houses of Congress, and from citizens of all parts of this Nation.

This program contains spending cuts amounting to more than $50 billion. These cuts are necessary, and we must support them. At the same time, we in the House must exercise restraint in our own budgets. As an indication of our united support for such fiscal restraint, the 52 Republican freshmen have unanimously approved a resolution calling for an average 10-percent reduction in committee budgets. On behalf of our freshman class, I am sending to your office today, Mr. Speaker, a copy of this resolution

which has been signed by every member of this class.

We must act now to reduce the outrageous increases that have occurred year after year in the committee budgets. Without the opportunity to amend the committee funding resolutions, we will vote to defeat these resolutions when they are brought to the House floor.

The letter and resolution follow:

WASHINGTON, D.C., *March 9, 1981.*

HON. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
The Capitol.

DEAR SPEAKER O'NEILL: On behalf of the 52-member class of Republican freshmen, I am sending you a copy of our resolution calling for an average 10% reduction in House Committee budgets.

As you will note, this resolution has been signed by every member of this class. We feel that some measure of fiscal restraint on Committee budgets is long overdue, and that to continue the pattern of enormous annual increases in Committee budgets would be absolutely irresponsible.

I hope you will give careful consideration to the message that approval of such increases would give, and I urge you to support a more reasonable and responsible level of expenditure for House Committee budgets, in 1981.

Sincerely,

JAMES K. COYNE,
Member of Congress.

RESOLUTION OF NEW REPUBLICAN MEMBERS OF THE 97TH CONGRESS

Whereas the Senate has cut its staff allocation for standing committees by 10 percent; and

Whereas following the leadership of President Reagan, we believe the House of Representatives should be exercising fiscal restraint: Now, therefore, be it

Resolved, That the House of Representatives should proceed to cut by 10 percent on the average the cost of the staffs of the standing committees of the House.

Dan Coats, Bob McEwen, Frank R. Wolf, George C. Wortley, Joe Skeen, Claudine Schneider, Pat Roberts, John Hiler, Bobbi Fiedler, Vin Weber. Hal Daub, W. Bailey, Mick Staton, Steve Gunderson, Marge Roukema, Clint Roberts, Jim Dunn, Sid Morrison, Ray McGrath, Thomas F. Hartnett. James V. Hansen, Tom Bliley, James L. Nelligan, Judd Gregg, Hank Brown, Larry E. Craig, Eugene Johnston, Gene Chappie, Stan Parris, Ed Weber. James Coyne, Bill Hendon, E. Clay Shaw, Jr., David Dreier, John LeBoutillier, Jack Fields, L. J. DeNardis, Cleve Benedict, Albert Lee Smith, Jr., Bill Emerson. Christopher H. Smith, David O'B. Martin, John L. Napier, Gregory W. Carman, Bill Lowery, Lynn Martin, Denny Smith, Bill McCollum, Harold Rogers, Guy V. Molinari, Cooper Evans, Duncan Hunter.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. JAMES K. COYNE. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Is the gentleman aware of the plans of the committee to reduce the spending levels by 10 percent?

Mr. JAMES K. COYNE. The gentleman is aware of many discussions by individual Members in this regard, but the latest information we have continues to be that many Members of the Congress are committed to increasing many special items within these committees.

Mr. ALEXANDER. I regret to advise the gentleman that his information is incorrect.

Mr. JAMES K. COYNE. I will look into the matter.

Mr. ALEXANDER. I thank the gentleman for yielding.

FISCAL RESTRAINT ON COMMITTEE BUDGETS AND STAFF CALLED FOR

(Mr. SKEEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKEEN. Mr. Speaker, the level of public regard for Congress continues downward, not only because of widely publicized allegations of misconduct by Members, but, more importantly, because of an apparent continuation of the callous and irresponsible attitude toward the financial management of the crucial committee function of this body.

At a time when most Americans indicate a strong willingness to endure personal sacrifice, to help stabilize and strengthen the economy, the committees of Congress are again proposing substantial budget and staff increases—an arrogant continuance of years of gluttony and bloat.

The time has come to brighten the congressional image, to polish away a little of the tarnish with a measure of fiscal restraint, and to reduce committee budgets and staff.

CONGRESS SHOULD SET EXAMPLE OF FISCAL PRUDENCE AND CUT COMMITTEE STAFFS

(Mr. WEBER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEBER of Ohio. Mr. Speaker, soon we will begin to review not the spending practices of other departments of Government but the spending practices of this House. The plain fact is that Congress itself has become part of the huge bureaucracy that the American people have given us a mandate to cut.

I am shocked by the present staff sizes and budget levels of our committees. During the past decade, funds appropriated to our committees by this House have increased 424 percent. Similarly committee staff has risen by 200 percent. The responsibility for this clearly rests with the majority party. They are in control of this House and have been the chief beneficiary of this extravagance. Majority staff now outnumbers minority staff by 5 to 1.

It rests with us in Congress to set an example and live according to the standards of fiscal prudence that we have set for others.

CONGRESS CAN SHOW AMERICAN PEOPLE IT IS SERIOUS IN REDUCING SIZE AND COST OF GOVERNMENT

(Mr. MORRISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MORRISON. Mr. Speaker, the No. 1 concern in America today is inflation. My constituents in Washington State are opposed to the size and shape of the Federal bureaucracy and are insisting we work to limit how far it reaches into our individual pocketbooks and controls our lives.

In 1954, the last year the Republicans controlled the House, committee staff totaled 303. In 1979, after 25 years of continuous Democrat control, the total has swollen to 1,939. Thirty-three Republican freshmen have been elected to replace Democrat Members to reverse the trend to big government, and we see the past and now proposed inflation in committee staffing as a highly visible clue to the job we were elected to do.

Total committee budgets for investigative staff grew from $6.8 million in 1971 to $46.8 million in 1979. When we cut the excess out of these committee budgets, we will take the first step toward reducing the size of Government.

Now that I am here and can see the figures indicating the committee staff growth, it is apparent that as we have increased staffing levels, we have lost, as individual Members of Congress, our ability to measure the real attitude of Americans. Part of that attitude this past November was a repudiation of the process that has gradually turned Congress into a bureaucracy.

How can we talk of cutting waste in other Government programs, when some of the worst examples of overspending are the excessive numbers of staff members on House committees. How can we ask our constituents to cut back and sacrifice when we are authorizing huge increases in committee budgets?

The President is trying to cut areas of the executive branch that are unnecessary and counterproductive. We must do the same. To help curb Government spending we must make these necessary cuts in committee staffs.

Beginning with cuts here in our own House, we can show the American people that we are serious in reducing the size and cost of Government.

CONGRESS MUST START WITH ITS OWN BUDGET

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, last November's elections were clearly a call from the people for less Federal spending. Now the people are watching to see if we will heed their call.

Since I became a Member of Congress, I have seen overwhelming support among my colleagues for the President's efforts to reduce the rate that Government spending increases. But how can Congress expect the President to cut the budget if we do not exercise restraint here with our own budgets?

It is hypocritical for Congress to talk out of both sides of the mouth, but that is exactly what we would do if we approve the drastic committee budget increases embodied in the funding resolutions that are due to be considered this week. Some of the committees—including the Post Office and Civil Service Committee, on which I have the privilege to serve—are asking for budget increases of 30 to 40 percent. These requests demonstrate a complete disregard for the expressed will of the people.

Congress must prove its willingness to fight inflation by starting in its own backyard.

PRESIDENT REAGAN'S TRIP TO CANADA

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, I am very pleased to note President Reagan will visit Canada tomorrow and Wednesday and that his visit will be, more substantive and less social than might be expected.

It is extremely important, in my view, that we maintain the most friendly relations with our neighbors to the north—and to the south as well.

Export-import figures attest to the vital economic interrelationship between the United States, Canada, and Mexico.

In 1979, for example, we exported to Canada goods valued at $33 billion and imported $38 billion worth of Canadian products.

That same year the value of American goods exported to Mexico was $9.8 billion. We, in turn, imported $8.8 billion from our southern neighbor.

We have a special interest in the welfare of these two neighbors. Problems have arisen and will continue to arise between our countries. In the past they have been solved through friendly discussion and negotiation. They should be solved in the same manner in the future.

President Reagan recently met with President Lopez Portillo of Mexico to assure him of America's continuing desire to solve our problems as friends and neighbors.

Now he is going to Canada in the same spirit to meet with Prime Minister Trudeau.

There are, unfortunately, some developing problems between Canada and the United States which need addressing.

President Reagan's visit, during which he will discuss these matters substantively, should be looked upon as a welcome and neighborly thing to do.

FUNDING FOR INVESTIGATIVE STAFFS SHOULD BE REDUCED

(Mr. SHAW asked and was given permission to address the House for 1 minute.)

Mr. SHAW. Mr. Speaker, the House this year is being called upon to make significant budget cuts in many Federal programs. Given the tremendous increase in costs of many programs in recent years, and the dubious benefits, I feel most of us will support these cuts.

But what will we say about a program where costs have risen 160 percent in just 6 years, and where employment has risen 75 percent, all accompanied by a decrease in productivity? Actually, I am not talking about a runaway Federal program. I am talking about the tremendous growth of the investigative staffs of our own committees.

In the 93d Congress, it took 681 investigative staff and $23 million to report 906 bills.

In the last Congress, only 11 more bills were reported, but it took 1,191 investigative staff, and $59 million.

With the strong message sent to us November 4, it seems clear to me that to condone such increases is unconscionable. Hence, I strongly urge my colleagues to support measures to significantly reduce funding for investigative staffs.

Thank you.

CONGRESS MUST STREAMLINE ITS COMMITTEE OPERATIONS

(Mrs. SCHNEIDER asked and was given permission to address the House for 1 minute.)

Mrs. SCHNEIDER. Mr. Speaker, we will shortly be considering resolutions approving funding levels for the various committees of the House. As a new Member elected to help bring the cost of Government under control, I am appalled that the House has not seen fit to reduce inflated committee budgets across the board.

As I see it, the funding resolutions would have been brought to the floor long ago had not the majority failed to recognize the virtual explosion of committee staff and funding. In a mere 8 years, committee staffs have more than doubled. It is perplexing to me how we can expect our constituents to tighten their belts in order to restore health to our economy without doing so ourselves.

In short, Mr. Speaker, I urge the majority to bring the resolutions to the floor without delay and to insure that they require deep and reasonable reductions in committee budgets absent clear evidence to the contrary. With few exceptions, the requests of the committees represent yet further increases when we should be streamlining our operations to the maximum extent feasible. Now is the time for everyone to economize and get our economy on track once again.

EASING OF CLEAN AIR REGULATIONS

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOLDWATER. Mr. Speaker, today, the Environmental Protection Agency is expected to ease certain clean air regulations. These burdensome rules inhibit expansion of industrial projects. This is good news for California which has recently been penalized for their inability to comply with particular clean air regulations.

These changes are a correct, commonsense approach which should have been the original policy. Previously, any attempts by industry to improve their production capabilities were thwarted by EPA if those improvements contributed any emissions at all. Under this new policy, however, companies can modernize installations or build facilities as long as the total emissions from the plant do not increase. These proposed changes will allow California to process a quarter of a million more barrels of domestic oil per day. And increased production means one thing—energy self-sufficiency. In effect, these changes will help us to end our dependence on foreign energy sources.

We now may soon have the best of both worlds. We can help provide regulatory relief to industry while maintaining our commitment to protect the public's health.

THE LATE WILLIAM T. ROY

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, I bring sad news to you and to my colleagues. William T. Roy, who served as the Assistant Parliamentarian in the House of Representatives for some 27 years, and

who retired from that position March 1, 1958, died this past Saturday, on March 7, in Delray Beach, Fla., in my district, where he has made his home since his retirement.

Mr. Roy was appointed Assistant Parliamentarian in 1931, and served under Speakers Longworth, Garner, Rainey, Byrnes, Bankhead, and Rayburn—a distinguished career.

It was so distinguished that when he retired from service in this House, the leadership on both sides of the aisle took the floor and commemorated his service, his objectivity, and his concern for proper procedure in the House.

While living in the District of Columbia, Mr. Roy had been active in the National Guard, the Headquarters Commandant of the 29th Division, at the time of his retirement.

Mr. Roy is survived by his wife, Donna, who now makes her home in Delray Beach. I bring this to the attention of our Members that we may share in her sadness.

□ 1230

RESIGNATION AS MEMBER OF COMMITTEE ON POST OFFICE AND CIVIL SERVICE

The SPEAKER laid before the House the following resignation as a member of the Committee on Post Office and Civil Service:

MARCH 4, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: I would like to submit my resignation, effective today, from my temporary seat on the House Post Office and Civil Service Committee.

I am happy to have had the opportunity to be of service to my fellow Democrats by serving, even for this short period of time, as a member of the Post Office Committee.

Sincerely,

STEPHEN J. SOLARZ,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

COMMUNICATION FROM HON. CLEMENT J. ZABLOCKI—SUBPENA DUCES TECUM IN MATTER OF UNITED STATES OF AMERICA AGAINST PEOPLES TEMPLE OF THE DISCIPLES OF CHRIST

The SPEAKER laid before the House the following communication from Hon. CLEMENT J. ZABLOCKI:

MARCH 5, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: In accordance with the provisions of Rule L of the Rules of the House of Representatives, I am hereby notifying you of my receipt today of a *subpoena duces tecum* in the matter of the *United States of America* v. *Peoples Temple of the Disciples of Christ, a California corporation, et al.* This matter is presently being litigated in the United States District Court for the Northern District of California (Civil Action No. C-79-0126-SC).

The subpoena commands my appearance at the law offices of Wald, Harkrader and Ross on March 17, 1981 at 9:00 a.m., with all of the documents and materials listed in Schedule "A" of the subpoena, to testify on behalf of Robert H. Fabian, Receiver for the Peoples Temple of the Disciples of Christ. The subject matter of this subpoena related to the Committee on Foreign Affairs' investigation into the Jonestown, Guyana tragedy, conducted pursuant to the provisions of clause 1(h)(10) and clause 2 of Rule X of the Rules of the House of Representatives and of House Resolution 981 of the 95th Congress. (*See* "The Assassination of Representatives Leo J. Ryan in the Jonestown, Guyana Tragedy" Report of a Staff Investigative Group in the Committee on Foreign Affairs, U.S. House of Representatives, May 15, 1979, House Document No. 96-233, 96th Congress, 1st Session).

I have requested legal representation in this matter from the Clerk's general counsel since the custody of the documents in question falls under the jurisdiction of the Clerk's office.

I am examining the subpoena and, pursuant to my responsibility under Rule L, will notify you of my determination of whether the subpoena is a proper exercise of the court's jurisdiction, is material and relevant and is consistent with my privileges and rights as a Member of the U.S. House of Representatives.

With best wishes, I am

Sincerely yours,

CLEMENT J. ZABLOCKI,
Chairman.

FOOD STAMP RECOUPMENT BILL

The SPEAKER pro tempore (Mr. ALEXANDER). Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 10 minutes.

● Mr. JEFFORDS. Mr. Speaker, today, I am introducing my food stamp recoupment bill, a copy of which follows my remarks, which I believe will bring a sorely needed measure of sense and control to the now undisciplined food stamp program.

I feel strongly that a well-managed food stamp program must be part of the safety net the Federal Government provides for the indigent members of our society. Eradicating hunger, insuring that our poor have enough food on their tables to meet a minimum nutritional standard, these are laudable, noble goals; we must not turn away from them.

But as things now stand, the program's costs are skyrocketing and its integrity is questioned. Costs have doubled in the past 3 years, and are now topping $11 billion annually. The food stamp rolls stand at roughly 22 million individuals. As a result of program expansion, pressure on the funding cap has been considerable. For the third year in a row, Congress in 1981 will have to take emergency action to provide more funds because of an impending shortfall. Moreover, the program is plagued with a high national error rate, and last year had income reporting error rates as high as 40 percent in some States.

How can we put this topheavy program back on an even keel? We are presented with a number of options, including basing eligibility on income in a prior period, reducing benefits in the initial month and eliminating the inflation adjustment for the standard and shelter deductions. Certainly, from a broader point of view, since for every 1-percent drop in unemployment rates, the annual food stamp budget drops by half a billion dollars, we must work on ways of reducing inflation and unemployment.

Probably we will have to settle on a combination of reform approaches. But my recoupment proposal, which I am introducing today, provides Congress with the opportunity to pioneer one of the most innovative and equitable approaches to program reform. It is a two-pronged plan, reducing costs without restricting current eligibility and also eliminating fraud and abuse.

In general, the Jeffords recoupment bill would require the higher income food stamp recipients, those who have yearly incomes above 175 percent of the poverty level, and thus well above the program eligibility level, to repay some or all of their benefits on an interest-free basis. The magnitude of repayment would depend on by how much income exceeds this threshold, with 50 cents on each dollar up to a maximum of the total benefit value being recouped. The funds freed up in this manner would be available for redistribution to the most needy, those closest to the poverty line. By reducing overall program costs, recoupment would also alleviate pressure on the cap. Estimates of the net annual revenues recoupment would generate range from a low of $59 million to more than $1 billion.

Repayment would take place through the Federal income tax reporting system. By creating an interface between welfare offices and the Internal Revenue Service, recoupment would prove an effective weapon against program abuse. For the first time, those individuals who may have defrauded the system by intentionally misrepresenting their income data would be readily identifiable through computer tape matching.

It is important to note that recoupment is a time-tested idea. It was first introduced by Andrew Young in the 94th Congress. Members may recall that I first offered my recoupment proposal as a floor amendment in July of 1977. At that time, members generally applauded the idea while expressing concern about its administrative

aspects. While failing to adopt the amendment, the House mandated a Food and Nutrition Service (FNS) study of the concept. After 2 years of work, FNS, which under the Carter Administration opposed recoupment, released a thorough if biased study which gave guidance to significant improvements in the legislation.

For example, the administrative burden on the State welfare offices has been minimized. For the purpose of recoupment, household food stamp benefits are allocated equally among individuals 19 years of age or older. State food stamp offices will simply mail to each adult participating in the program a form W-X, just like the W-2 which all employers now send out, listing the amount of benefits received by that adult's household and that adult's individual allocation. Should this adult-per-capita scheme prove inequitable for unusual family or household situations, the Secretaries of Agriculture and Treasury would have discretionary power to devise equitable allocations. In any event, food stamp offices will not be required to calculate the recoupment liabilities of food stamp households according to complicated formulas, nor to reconcile food-stamp units and tax units.

Once the W-X's have been mailed out, the recipient would include the food stamp amount subject to possible recoupment on his or her Federal income tax return, and then determine what repayment, if any, was necessary according to easily understood tables and worksheets provided by the IRS. Since in most cases recoupable households will be receiving substantial refunds from the IRS, fully 85 percent of the recoupable benefits could be captured from these refunds.

Other changes in recoupment encouraged by constructive FNS criticism include: the returning of as much as $15 million in excess revenues to the State food stamp agencies to offset expenses, with each State receiving an amount in proportion to its share of the total net revenues; the exempting from recoupment liability of all adults participating in the food stamp program during the entire year, as well as those households with incomes consisting only of supplemental security income benefits; and the elimination of a possible work disincentive through the use of the 50 cents on the dollar schedule although I question whether someone who is told his food stamps will be a loan rather than a grant is less likely to look for work.

Some States have objected that food stamp offices would have to expand their staffs and acquire costly equipment to properly administer this proposal. However, the bill I am introducing today requires no additional collection of client data. Food stamp caseworkers would spend minimal additional time explaining recoupment to food stamp recipients—since the allocation method is straightforward—totaling monthly household food stamp benefits and preparing W-X's. Moreover, increased administrative tasks, such as they are, will be more than compensated for by the return of excess revenues to the States, and by the incentives to computerize and streamline which will result from the implementation of recoupment.

On May 8 of last year, the House adopted recoupment with these improvements, as a floor amendment to S. 1309, the Food Stamp Act Amendments of 1980, by the decisive vote of 241 to 147. Unfortunately, because the Senate had no comparable provision in its version of the bill, and because some Members felt that Ways and Means and Finance jurisdiction over those aspects of recoupment affecting the Internal Revenue Code had been circumvented, my amendment was dropped in conference.

In the conference report accompanying S. 1309, however, the conferees respectfully requested that the Ways and Means and Finance Committees hold hearings on recoupment by May 1, 1981, so that the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry might have the benefit of such deliberations prior to the reauthorization of the food stamp program this year.

During the Conference, former Ways and Means Chairman Al Ullman circulated a letter addressed to TOM FOLEY, then chairman of the Agriculture Committee, recommending that recoupment not be included in S. 1309, but committing Ways and Means to conducting hearings on the proposal "at the earliest possible opportunity." This sentiment in favor of prompt hearings was echoed by both majority and minority members of the Ways and Means Committee during floor debate.

In order that last year's legitimate objections over Ways and Means jurisdiction be resolved, I urge the committee to take advantage of the opportunity it now has to hold hearings on recoupment. A decision to do so would not only be in accordance with the request of the 1980 food stamp conferees, but also with the will of the House, which has clearly indicated it finds a great deal of merit in the recoupment approach to food stamp reform.

In closing, Mr. Speaker, recoupment seeks to apply to the food stamp program an approach which has already been adopted in other governmental programs. The concept of giving grants to the most needy and low- or no-interest loans to the less needy is currently in use, in a number of different forms, in the various loan programs and Small Business Administration programs, among others. At a time when inflation is running rampant and the call for reduced Federal spending and budget cutting has sounded in no uncertain terms across the entire country, it is entirely appropriate that individuals experiencing only short-term need, our construction workers, for example, whose jobs are by nature seasonal, should repay some or all of their benefits when they are able to do so. Recoupment reinforces a notion that has long been at the heart of our culture, the notion that while the Federal Government should provide a helping hand when necessary, it cannot and should not dispense handouts with no strings attached.

Mr. Speaker, let us get moving and bring this program under control.

H.R. 2368

A bill to amend the Food Stamp Act of 1977 to make individuals who have excessive income ineligible to participate in the food stamp program, and to make such individuals liable for the value of coupons received while so ineligible

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Food Stamp Reform Act of 1981".

AMENDMENTS TO FOOD STAMP ACT OF 1977

SEC. 2. (a) The first sentence of section 4(a) of the Food Stamp Act of 1977 is amended by inserting "and funds received from the Secretary of the Treasury under section 6306 of the Internal Revenue Code of 1954" after "of this Act".

(b) The last sentence of section 5(a) of the Food Stamp Act of 1977 is amended by inserting ", conditional upon such repayment as may be determined pursuant to section 18 of this Act," after "furnished".

Section 11(e) of the Food Stamp Act of 1977 is amended—

(1) in paragraph (2) by striking out "household.", and inserting in lieu thereof the following: "household, and of the conditions under which repayment in cash for any excess benefits received by members of an eligible household may be required in accordance with section 18 of this Act. A State agency shall provide a description of such conditions in understandable terms to each individual who is 19 years of age or older and who is a member of an eligible household which applies to participate in the food stamp program.";

(2) in paragraph (19) by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(20) that the State agency shall furnish to each individual to whom section 18(a) of this Act applies the information required in section 18(d)(1) and shall certify to the Secretary of the Treasury the information required in section 18(d)(2).".

(d) The Food Stamp Act of 1977 is amended by redesignating section 18 as section 19, and by inserting after section 17 the following new section:

"REPAYMENT FOR EXCESS BENEFITS RECEIVED

"SEC. 18. (a)(1) Each individual who is 19 years of age or older during any entire taxable year and who, in any taxable year, participates in the food stamp program as a member of any household participating in the food stamp program, and has countable income in excess of the exempt amount shall be liable to the United States as determined in accordance with paragraph (2) and paragraph (3) of this section.

"(2) For purposes of paragraph (1), in the case of any individual who files a Federal separate income tax return such individual shall be liable for an amount equal to the lesser of—

"(A) the value of the coupons allocated to such individual in such taxable year; and

"(B) one-half of the amount by which the countable income of such individual for such taxable year exceeds the exempt amount.

"(3) For purposes of paragraph (1), in the case of two individuals who file a Federal joint income tax return such individuals shall be jointly and severally liable for an amount equal to the lesser of—

"(A) the value of the coupons allocated to both such individuals in such taxable year; and

"(B) one-half of the amount by which the countable income of such individuals for such taxable year exceeds the exempt amount.

"(b) Subsection (a) of this section shall not apply to—

"(1) any individual who participates in the food stamp program during the entire taxable year involved; and

"(2) any individual who is a member of a household which has household income, during the entire taxable year of such individual, comprised of only supplemental security income benefits under title XVI of the Social Security Act, State supplementary payments described in section 1616(a) of such Act, and payments of the type referred to in section 212(a) of Public Law 93-66.

"(c) For purposes of subsection (a) and notwithstanding subsection (b), there shall be allocated to each individual 19 years of age or older the lesser of—

"(1) an equal share of all of the coupons received by each household of which such individual is a member participating in the food stamp program in any taxable year of such individual, for any period during which such individual is a participating member of each such household; and

"(2) a share of the coupons received by each such household in such taxable year for any period during which such individual is a member of such household, determined in accordance with regulations issued by the Secretary to prevent any extreme inequity.

"(d) Pursuant to such regulations as the Secretary, in consultation with the Secretary of the Treasury, may issue and for purposes of determining the liability of any individual under subsection (a) of this section, the State agency shall—

"(1) furnish for each calendar year, before February 1 following such calendar year, to each individual who is 19 years of age or older, who participates in the food stamp program in such State in such calendar year, and who is not an individual described in subsection (b) of this section—

"(A) a statement specifying the amount of coupons allocated to such individual in such calendar year as determined in accordance with subsection (c) of this section; and

"(B) such other information as may be necessary to carry out the provisions of this section; and

"(2) certify to the Secretary of the Treasury for each calendar year, before March 1 following such calendar year—

"(A) the name and address of each individual 19 years of age or older who participates in the food stamp program in such State in such calendar year and who is not an individual described in subsection (b) of this section;

"(B) the amount of coupons allocated to each such individual in such calendar year as determined in accordance with subsection (c) of this section; and

"(C) such other information as may be necessary to carry out this section.

"(e) Any amount for which an individual is liable under subsection (a) of this section shall be payable as if such amount were a tax imposed by section 1 of the Internal Revenue Code of 1954.

"(f) For purposes of this section:

"(1) 'Adjusted gross income' shall have the meaning given it in section 62 of the Internal Revenue Code of 1954.

"(2) 'Countable income' means, in the case of any individual who files a Federal separate income tax return and in the case of two individuals who file a Federal joint income tax return, for any taxable year the sum of adjusted gross income and any unemployment compensation received in such taxable year which is not included in gross income pursuant to section 85 of the Internal Revenue Code of 1954.

"(3) 'Exempt amount' means—

"(A) in the case of any unmarried individual who files a Federal separate income tax return and in the case of two individuals who file a Federal joint income tax return, for any taxable year an amount equal to 175 percent of the income standard of eligibility established under section 5(c) of this Act applicable to a household having the number of members equal to the number of personal exemptions allowable as a deduction by such individual, or by such two individuals, as the case may be, for such taxable year under part V of subchapter B of chapter 1 of the Internal Revenue Code of 1954, for persons who are members of the household of such individual, or of any household of either of such two individuals; and

"(B) in the case of any married individual who filed a Federal separate income tax return for any taxable year an amount equal to one-half of the amount determined in accordance with subparagraph (A), except that for purposes of determining such amount the number of such personal exemptions shall be increased by one.

"(4) 'Taxable year' shall have the meaning given it in section 7701(a)(23) of the Internal Revenue Code of 1954.

"(5) 'Unemployment compensation' shall have the meaning given it in section 85(c) of the Internal Revenue Code of 1954.

"(g) The Secretary may transfer to the Secretary of the Treasury an amount, as specified in appropriations Acts, of any funds appropriated to carry out this Act for fiscal years beginning after September 30, 1980, sufficient to enable the Secretary of the Treasury to assess and collect under section 6306 of the Internal Revenue Code of 1954 amounts for which individuals are liable under subsection (a) of this section and to carry out related administrative functions.

"(h)(1) Of the funds transferred to the Secretary under section 6306 of the Internal Revenue Code of 1954, the Secretary shall—

"(A) transfer 15 per centum of such funds, but not to exceed $15,000,000 in any fiscal year, to the States, and

"(B) use the portion of such funds not transferred to the States under subparagraph (A), to carry out the provisions of this Act.

"(2) For purposes of paragraph (1)(A), the amount of funds to be transferred to each State shall be an amount equal to the product of—

"(A) the lesser of—

"(i) 15 per centum of the funds transferred to the Secretary under section 6306 of the Internal Revenue Code of 1954; and

"(ii) $15,000,000 in any fiscal year; and

"(B) the aggregate amount of liability for funds to be collected by the Secretary of the Treasury under section 6306 of the Internal Revenue Code of 1954 from individuals who are residents of such State, as specified on their respective Federal income tax returns, divided by the aggregate amount of liability for funds to be collected by the Secretary of the Treasury under such section from residents of all the States.

"(3)(A) Any State which accepts funds transferred under paragraph (1)(A) shall distribute such funds to the State agency conducting the food stamp program in such State.

"(B) Any State agency which receives funds distributed under subparagraph (A) shall use such funds to carry out the food stamp program.".

(e) The first sentence of section 19(b) of the Food Stamp Act of 1977, as so redesignated by subsection (d), is amended—

(1) by inserting "of the sum" after "excess"; and

(2) by inserting "and any funds transferred to the Secretary under section 6306 of the Internal Revenue Code of 1954 in such fiscal year" before the period.

(f) Section 4(a) of the Food Stamp Act of 1977 is amended by striking out "section 18" and inserting in lieu thereof "section 19."

AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

SEC. 3. (a) Subchapter A of chapter 64 of the Internal Revenue Code of 1954 (relating to collection of taxes) is amended by adding at the end thereof the following new section:

"SEC. 6306. COLLECTION OF REPAYMENT FOR EXCESS FOOD STAMP BENEFITS.

"The Secretary or his delegate shall determine, assess, and collect the amount of any liability of any individual under section 18(a) of the Food Stamp Act of 1977, arising from the conditional entitlement of such individual to benefits under such Act, in the same manner, with the same powers, and subject to the same policies, procedures, and limitations, including deferral or suspension of collection because of hardship, as if such amount were a tax imposed by section 1, except that for one year from the date such liability is payable no interest or penalties shall be assessed or collected with respect to such amount. Notwithstanding any other provision of law, the Secretary shall transfer, in such amounts as are specified in appropriations acts, funds collected under this section to the Secretary of Agriculture."

(b) The analysis of sections for subchapter A of chapter 64 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Sec. 6306. Collection of repayment for excess food stamp benefits.".

APPLICATION OF AMENDMENTS

SEC. 4. Section 18(a) of the Food Stamp Act of 1977, as added by section 2(d), shall apply in the case of any individual to each taxable year of such individual beginning on or after the first day of the first calendar year beginning after the date of the enactment of this Act.

EFFECTIVE DATES

SEC. 5. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) The amendments to section 11(e) of the Food Stamp Act of 1977, as made by section 2(c), and section 18(d) of the Food Stamp Act of 1977, as added by section 2(d), shall take effect on the first day of the first calendar year beginning after the date of the enactment of this Act.●

TAX CREDIT FOR THE CARE OF THE ELDERLY ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, I am greatly concerned about retired Americans on fixed incomes who are feeling the impact of double-digit inflation more than any other citizen today. Our Nation's senior citizens are experiencing increases in living expenses which threaten their very existence. As you know, Mr. Speaker, I believe the primary way to help them is to control inflation by ending the practice of cumulative deficits in the Federal budget.

On the other hand, however, until Congress adheres to a conservative fiscal discipline, we should look for ways to target relief to those who need it most. For this reason, I am today introducing legislation which will provide an incentive to our senior citizens who are able to spend their retirement years with their families by giving each family a $400 tax credit. For example, a son or daughter who has a mother 65 years or older in the household will be eligible for a $400 tax credit.

Public expenses, both Federal and State, can be reduced considerably if more senior citizens are encouraged to live with their families instead of residing in long-term-care facilities. The cost for home services provided by public agencies is far less than the cost of institutional care, no matter what the level of impairment, according to a GAO report on home health care. An elderly person placed in a long-term-care facility costs the Government, on the average, $5,496 per year, whereas agency services for a noninstitutionalized person only cost the public $1,188 per year. This is a net annual governmental cost of $4,308. Mr. Speaker, I realize my bill will be a revenue loss to the U.S. Treasury at one point of the ledger, but if we subtract the $400 tax credit from the $4,308, a net savings of $3,908 will result.

The aforesaid report further notes that an elderly person's living arrangements have a direct impact on the likelihood of institutionalization. Research from this report shows that few institutionalized people live with their families at the time they are placed in long-term-care facilities.

I think my tax credit proposal will strengthen our basic social unit—the family—while making our senior citizens more productive and happier people. Finally, Mr. Speaker, let me point out that using the tax system to keep families together is not new, nor is it without precedent. What I am proposing is built on the current precedent of giving tax credits to families paying for child care. I hope that Congress will see the wisdom and the need to extend its coverage for elderly family members, too.●

PROLIFERATION OF HOUSE COMMITTEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 30 minutes.

Mr. COLLINS of Texas. Mr. Speaker, one of the biggest questions before the country today is, Will the House follow the example of the Senate in cutting its committee staff budgets? The Senate has already acted. The Senate is controlled by the Republican Party and the Senate took a firm and decisive cut in reducing spending.

Now, as we all know, the House is controlled by the Democratic Party. The Democrats have a 51-vote majority and the big question is, What is the House going to do about cutting its committee staff?

The Senate established their total budget for 1981 as $41,698,899. That is the total. They include their statutory. They include their investigative. Here in the House we have a complicated system. We have already set up the statutory and in it we provided $24,705,000 for House staff.

In 1980, the House approved a total of $42 million in addition to statutory for investigative funds. Now, if you look at that, you can see that last year our House, our big-spending House, spent a total of $66 million for committee staff budgets, whereas over on the other side the Republican-controlled Senate operates frugally on a $41 million total budget.

Let us put it in simple language. The House already is spending 60 percent more for committee staff budgets than the Senate is. We are spending 60 percent more for committee staff budgets than the Senate is. As far as I can tell, the only difference is the House is controlled by the Democrats and the Senate is controlled by the Republicans. We have the same legislative programs in the House as they have in the Senate, we have the same legislative programs. We are going to pass bills and they are going to pass bills. There is not any difference in the legislation. It is the same legislation, but the problem is, the House has 60 percent more staff to operate than the Senate does.

We have been asked, what is going to be our House goal? Well, I hope our goal is to cut down to the same level as the level that the Republicans have established for the Senate staff over there of $41,698,899.

In America today, every time we go back home, and I just got back from Texas, I will tell you, they are all talking about the same thing, and that is inflation, inflation, inflation. When they get through with inflation, in the next breath, and the people back home, I think, are sometimes smarter than Congressmen realize. They know what is going on. They know that the cause of inflation is Government funding, Government spending, Government spending.

The best way to start cutting is to get rid of these oversized committee staffs that we have around here, because in order to maintain their jobs, a committee staffer has to create more legislation. He has got to schedule more hearings. He has got to draft more regulations. Staffers stir up new business and develop more layers of Government regulations.

I looked at the Federal Register to see how much of excessive activity staffers have been stirring up. Back in 1973, the Federal Register was 35,572 pages. This past year, and this 1980 Federal Register lists all these regulations and rulings to give America an idea of what is going on; it had grown to 87,000 pages. In 1973, 35,000; today, 87,000 pages of more of the gobbledygook, and America does not want or need this gobbledygook. America needs jobs. When you get through with inflation, the second thing that your neighbors at home will tell you is that folks want jobs. They want business to grow. They want business to develop. The reason that business cannot develop is that businessmen are spending too much time smothered under tons of paperwork.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I would be glad to yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, I appreciate the remarks of the gentleman from Texas concerning the cost of Government, and more particularly and in this instance more specifically the cost of Congress.

I would like to reply to the gentleman's remarks, if I may. I certainly think it is appropriate and I am sure that others this week will be doing so as well.

The reason that the House of Representatives increased its staff in 1975 and 1976 was because it had in the past overlooked its constitutional responsibility for oversight of the executive agencies of Government. Because of the blatant abuse of power encapsulated in what we refer to as Watergate, it was judged by the American people and the House of Representatives in particular that it needed to increase the size of its staff in order to oversee the abuse of power of the executive agencies of this Government. It was a good investment. It continues to be a good investment.

Now, in reply to the gentleman's reference to the demands of the American people to reduce the cost of Government, I think if the gentleman will wait until the action of the Rules Committee this week, he will see that a proposal is being made at the initiative of the Democratic Party in the House of Representatives to cut back on the authorization from the 1980 level to a different level this year.

We Democrats are aware of the demands of the American people. We get elected, too, just like the gentleman does. We are concerned about the high cost of Government. We intend to reduce the cost of Congress significantly this year in order to comply with the demands and wishes of the American people.

I appreciate very much the gentleman's concern and I hope the gentleman will follow the leadership of the Democrats in the House and avail himself of the opportunity to cut back on the authorization which we will present to the House next week.

Mr. COLLINS of Texas. I appreciate what the gentleman said. The distinguished gentleman from Arkansas is one of the greatest statesmen we have ever produced from the South. I always admire and respect all his statements, but I want to go back and call to his attention a few comparable figures to see how much we have saved. Back in 1973, as I recall, this Government was spending about $275 billion. We had smaller congressional committees.

Now, through what is called this additional investigative and this additional oversight committee staff we now have this Congress up spending $700 billion. A little more of this investigation and oversight staff and we will bankrupt the country. We are no better off than when Congress was spending $275 billion. In fact, if you will ask folks in Arkansas, just like in Texas, they will tell you they cannot see a thing we are getting down home. They cannot see anything added at home except they are getting more inflation and more taxes. Bigger Government begins with this committee staff business.

Mr. ALEXANDER. Will the gentleman yield further?

Mr. COLLINS of Texas. I would be glad to yield.

Mr. ALEXANDER. Well, my people in Arkansas think they are getting good service out of the Congress. I cannot speak for Texas. I have not been there in a good while. It may be that the service the people receive in Texas is not as good as it is that they receive in Arkansas. Arkansans are getting good service from the Congress.

I would think that it would neglect the responsibilities of this Congress to the American people to not provide the personnel necessary for these committees to function in a way that will carry out the mandate for their existence.

Now it is, I am sure, a very appealing argument to take out after the Congress. Gosh, I have known Members of Congress in the past from all across this great country that have never done anything but run against the Congress. As far as I know, that is all they are good at—running against the Congress, telling jokes about the Congress, raising Cain about the Congress; Congress cannot do anything right.

The fact of the matter is that those people who make a career out of running against Congress do not do anything else.

□ 1245

I do not agree with the gentleman. I think this Congress is providing a great service to the American people.

The gentleman in the well and I both have had an opportunity to compare what we have in this House of Representatives to other representative bodies around the world and this is, indeed, the most deliberative and the most responsive institution on the face of this Earth. In fact, it is a mirror that reflects the image of the American people.

The American people deserve the kind of service that they are getting from this Congress. They also deserve for us to be frugal, to be conservative, and that is what the gentleman is going to get. I hope he votes the right way next week when he gets this bill.

Mr. COLLINS of Texas. I can assure the gentleman I will vote the right way, and I just want to remind the distinguished gentleman of a few facts before us, because down in Texas I imagine it is about like it is in Arkansas.

Mr. ALEXANDER. No; it is not like it is in Arkansas. We do not have the money and the wealth and the power and the influence that the gentleman has in Texas.

Mr. COLLINS of Texas. What you have in America today is a 20-percent interest rate, and that is what businessmen are paying for money down home. Folks have to borrow money, and they can remember back in the good days when the Republicans had the Presidency back there, and the Republicans had established some sound policies in 1973, and Americans were paying 6 percent for interest. Today when you borrow money you are paying 20 percent for interest.

They can remember when inflation was 6 percent and President Jimmy Carter said it was too high. But what has happened? Today we have 15-percent inflation.

Now, the biggest problem in Government is that we have had this Congress for 25 years in the hands of one party, the Democrat Party, the big-spending party. We are never well off when Congress spends the country into bankruptcy.

Mr. ALEXANDER. Would the gentleman yield further?

Mr. COLLINS of Texas. I will be glad to yield.

Mr. ALEXANDER. My people in Arkansas are different from your people in Texas. We know that inflation is caused from component parts other than the cost of Government. Certainly the cost of Government is a component part of inflation and I will agree with the gentleman that we should balance the budget, and we are, we Democrats are going to produce a smaller deficit than Reagan has produced. I would ask the gentleman to sit around and watch that happen this year because it is going to happen.

But we know that the cost of energy, for example, is also inflationary. The gentleman's people in Texas make energy. We do not make so much energy in Arkansas; we buy it. We know that one of the greatest contributing factors to inflation is the cost of energy.

Also the cost of this money the gentleman is talking about is a contributing factor. We also know that it is artificially high, that the cost of money is about 6 to 8 percent more than it needs to be because we have not got the right kind of pressure on the Federal Reserve to reduce the cost of interest.

There are other component parts of inflation. The trade deficit contributes about 40 percent to inflation. It is not the single issue of the cost of Government. While that is a contributing factor, it is not the only reason, and we people in Arkansas understand that.

Mr. COLLINS of Texas. I appreciate what the distinguished gentleman from Arkansas says, and we do not have any oil in my county either. But I will tell the gentleman what Congress did. Congress escalated the energy problem and we did it right here with laws from the Halls of Congress. In 1973 we decided that it was time that we fully regulated the oil business, that the problem was the United States had $3 billion of oil imports and we could regulate oil up here in Washington and we could solve it all. After 7 years of regulation and solving it all we took the oil business from where America imported $3 billion in oil to where we are today importing $80 billion in oil.

The problem we have in this country is America is living on OPEC-Arab oil.

Over 50 percent of our oil consumed is from Arab OPEC. They are getting every last dollar that the market will pay.

But if we would have left this to the open market, if we had left it to the people that have commonsense out there in the grassroots of America instead of letting a bunch of Washington bureaucrats ruin it, our economy today would have been better.

Let me tell the gentleman about one other issue. The gentleman talked about taxes. I will say to the gentleman that 43 cents out of every $1 today is going for taxes. Back home people say taxes are too high. I would say to the gentleman the Bible does not ask you but for 10 cents out of every dollar, but up here in the Government we demand and get 43 percent by taxes. Congress spends it, we spend it, we spend it.

If I can just add one other point, we talked about what the Democrats say in the way of the budget. What they say and what they do are two different horses running down the road. Back in April of last year, standing right at that microphone over there was one of the most distinguished gentlemen that ever came from Connecticut (Mr. GIAIMO) who unfortunately was designated, who was assigned, who was allocated that job of being chairman of the Budget Committee. On the floor of this House he said this year we are going to balance the budget, this year of 1980 we will balance the budget. The gentleman from Arkansas heard him say that.

He said the Treasury is going to take in $616 billion and we are going to spend $614 billion with a $2 billion surplus. The gentlemen on the Democrat side said that the whole year during the election year; it was always one of the front-page items, we heard the Democrats running up and down and they repeated we are going to balance the budget because we passed a resolution.

Well, what happened? Last year the national debt in the United States went up $80 billion. The reason the debt did it is because you got a lot of funny accounting gizmos like off-budget items and special resolutions. This year Congress has already made spending commitments for another $80 billion in debt increase.

The bottom line is not what the resolution says, it is how much has Congress increased the national debt. The Democrats did that spending.

Mr. ALEXANDER. Will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman.

Mr. ALEXANDER. I asked a question the other day of a very distinguished economist who is more than just a textbook economist. I asked him, I said what would happen if the President's program were passed intact, just exactly like it is, what influence would that have on the deficit. He said we would probably experience a $80 billion deficit—if not $100 billion.

There is more to this business of budgets and deficits than the single simplistic message that the gentleman from Texas, who is indeed my friend, has tried to explain to the American people.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to my distinguished friend from Mississippi.

Mr. LOTT. I must confess I found the entire discussion here quite interesting this afternoon. I would first like to commend the distinguished gentleman from Texas for taking this time to address this very real problem that we have in the House of Representatives, and to bring it to the attention of the American people.

I was very interested in some remarks that were made by my also distinguished colleague and friend from Arkansas (Mr. ALEXANDER) about this. He mentioned the fact that this could be an oversight Congress, that maybe this additional staff would help us to be an oversight Congress. As I recall, the last Congress was referred to at the beginning of that Congress as an oversight Congress and, in fact, instead it became an overlook Congress. It did not do anything about trying to get this body, this Government, and this country straightened out.

No action was taken on regulatory reform. No action was taken on legislative veto. No action was taken on sunset legislation. No action was taken on budget reform. There was no oversight then and there will not be this time with all of the additional staff that anybody might want to add around here.

As far as this House, reflecting the American people, O Lord, I would hope not. This institution is behind, way behind the American people on every issue, on getting the budget under control, on improving our defense posture. Maybe we will begin to make some progress in this Congress because we do have some improvement in the philosophical makeup and the reflection of the American people, but certainly not the previous Congress.

I am one Member that runs against this Congress because of the irresponsibility of this Congress. Until I see some indication that we are going to have a change in that direction, the one thing we do not need around here is more people. We have seen this Congress double, triple, quadruple in the size of the expenditures of the budget for the committees and the number of people around here. We are covered up with people, and all they are doing for the Members of Congress is giving us more work and more difficulty in getting our job done.

I apologize for getting so excited about this issue.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. I respect and admire and appreciate the gentleman from Mississippi (Mr. LOTT) and we, indeed, are friends. I was not referring to the gentleman a minute ago when I said that he was one of these people who ran against the Congress. I am chagrined to learn that the gentleman bases his political future on running against Congress. It is a shame because I do not think it is going to happen to the gentleman. I do not think that you fellows are going to take over the Congress. You are trying real hard and you are raising $100 million. We still have a deficit from last year. You are starting your television campaign soon in order to spend some of that $100 million.

I would say to the gentleman this reminds me, when a fellow runs against the Congress, it reminds me of a dog that is chasing cars and it is barking at the wheel. If he ever catches up with that wheel and bites ahold of it, he will not know what to do with it.

Thank you very much for yielding.

Mr. LOTT I would like to ask the gentleman if he will yield further. I would like for us to have a chance to catch that car and see if we cannot do something a little different with it. There is one thing we know for sure, and that is we know that the dog that has been chasing it has not been able to catch it or to do anything with it or anything about getting this Government under control.

I am not running against future Congresses. I have run against past Congresses. I hope in this Congress and in the next Congress we can work together for the best interests of America, both Republican and Democrats. More staff I do not believe is going to contribute to that.

Let me ask the gentleman from Texas (Mr. COLLINS) if he will yield so that I may address a question to the gentleman from Arkansas about this new proposal that we have learned about, which seems to be some effort to, in fact, get the committee budgets under control. It is a little late, but at least it may happen and we will get some control.

I want to make sure it is a real, not a phony effort though, and whether any proposal would be directed at last year's budget authorizations or what was actually spent, and would it come under a modified closed rule prohibiting others from offering an amendment?

Mr. ALEXANDER. I am not on the committee and I am not in a position to speak for the committee.

Mr. LOTT. The gentleman is speaking for the Democrat leadership, is he not?

Mr. ALEXANDER. I am speaking for the leadership today, and I am speaking as an individual in response to the remarks of the gentleman from Texas (Mr. COLLINS) as well.

I do not want, for the 1 minute for the special order, to replace any general debate on any bill that might be brought before this Congress. The gentleman will have an opportunity to address the question.

Mr. LOTT. The gentleman would be for an open rule, I take it?

Mr. ALEXANDER. The gentleman will have an opportunity to address the question when it is presented next week, and he will have that matter in the Rules Committee. The gentleman is on the Rules Committee and he will have a vote on that committee. I do not. But I hope the gentleman will follow the leadership of the Democrats next week when the bill is presented in order to cut back on the cost of Congress, because that is the kind of opportunity the gentleman will have.

Mr. LOTT. Certainly I am going to support efforts to cut back on the committee funding levels, but let us make sure there are real cuts and not phony cuts that will make the American people think they may be getting some responsibility out of their institution when, in fact, they will not.

Again I thank the gentleman from Texas (Mr. COLLINS) for the opportunity to make some comments on this important issue.

Mr. COLLINS of Texas. I thank the distinguished gentleman from Mississippi, who is our Republican whip, and who speaks so well for the Republican leadership. We only have 44 percent Republicans in this House. When it comes time to pass this staff bill, they have got a 51-vote majority over on the Democrat side. When it comes time the Republicans are going to be voting on this side to cut the staff budgets.

But I wonder, just as the gentleman raised the question, will it be a substantive cut or will it just be a word discussion that we are going to have on the House floor? They said we would balance the budget this time last year. The Democrats said they were going to spend $614 billion and take in $616 billion. If this is the same kind of doubletalk you all are going to give us, we have a term for that down South.

Mr. ALEXANDER. I have been hearing a lot of hogwash today. That is why I asked for the opportunity to respond to some of it from the well of the House.

Mr. COLLINS of Texas. Let me go into some specific cases with the gentleman because for 25 years this country has suffered under a Democrat-controlled Congress, and this country deserves better.

Let me cite specifically how Congress has overburdened the country with excessive staff who have led the planning of building an excessive Government.

Take the Argiculture Committee, as agriculture is a big factor everywhere in the South. In 1973 they had 20 on the staff. Today they have 70. They have 70. There are fewer people on the farm, but you would not know it up here in Washington.

I am on the Energy and Commerce Committee. That must be the most overloaded committee staff we have. They had 56 on the staff and I served on that 1973 committee, and we were doing a good job with 56. Today they have 160 staff and they want more.

Take the Merchant Marine Committee. Why does the Merchant Marine Committee need a dozen people? In 1973 they had 22. That seems like a big committee staff to me. Today they have 88. They do not have a committee, they have an empire.

Take Ways and Means, 31 staff in 1973. Today everybody has their own private expert. They are up to 90. They have gone from 31 to 90. When Wilbur Mills of Arkansas was chairman of Ways and Means we had a total committee staff of 31 and America had lower taxes.

The Rules Committee, look at the Rules Committee. They had seven in 1973. Today they have 45 people sitting as staff in that Rules Committee.

I want to cite another one that I never could understand, the District of Columbia. A few years ago we ran the District of Columbia up here in the Congress, we had the Government function. Today the District of Columbia is an autonomous body and it is self-governed. Over in the other body they have a subcommittee of seven for the District of Columbia. Over here we have 41 on the District of Columbia staff. We have to have six times as many people to do the same function as they do in the Senate.

Let me give you another example, this House Computer Service. I can punch a button in my office and the Congressional Research Service sends me a copy of every bill. Or I can punch a button right beside it as we have a duplicate facility known as House Information Service. The only difference is we spend $10 million, because that is what it costs the House to keep that duplicate computer facility going.

What I want to know is how we can get rid of all of these surplus staff people? They are temporary staff and they are trying to create permanent tenure. They are trying to become permanent. What we need to do is to cut staff back down to size. Smaller staffs will be more efficient.

Mr. ALEXANDER. Will the gentleman yield?

Mr. COLLINS of Texas. I am glad to yield.

Mr. ALEXANDER. We will cut the budget for funding of the committees next week, and maybe the gentleman can use his influence to reduce the size of the subcommittee on which he serves.

Mr. COLLINS of Texas. I will be glad to.

Let me tell you about my commerce subcommittee. I served as the ranking Republican on oversight for 4 years. At that time there were 30 Democrats on the staff and they assigned me 1 person for the Republicans. In other words, I think the Democrats are smarter than that. I do not think that they need 30 staff people to tell them what 1 person can tell the Republican side.

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Now I am on the Communications Subcommittee. We handle telephone, radio, and television. There is a brilliant man on your side who chairs that subcommittee. He has 18 people he names for the Democrats and he has assigned us 1 for Republicans. We are getting all the facts we need with one staff member. Frankly, it is time we got this staff down to equity. If the Democrats had two people and we had one on this investigative staff, we would have all we needed.

But remember this: The American people know that the Democrats control this House. The American people know that you have a 51-vote majority. When the Republicans moved into the Senate they cut spending, they cut, they cut. The challenge is with you, it is with the Democratic leadership and it is with the Democratic Party. Are you going to cut down in the House to what the Republicans have done in the Senate?

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield further?

Mr. COLLINS of Texas. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. I thank the gentleman for yielding.

Would you use your influence, if the House reduces its funding level for appropriations, to see that the President reduces the White House staff accordingly? I have not heard any proposals to reduce the White House staff. I think the White House should follow the example of the House of Representatives.

We intend to reduce the authorization on the funding level next week when the bill comes before this Congress. I hope the gentleman will follow that leadership and support it. Would you see if you could use your influence

to get the President to reduce his staff accordingly?

Mr. COLLINS of Texas. I appreciate the gentleman bringing that question up. The last time it was brought up was by a gentleman from Georgia named Mr. Jimmy Carter. During his entire campaign in 1976 he talked about reducing White House staff and his first year he just zoomed that thing up. Now I am sure that it is going to be cut because the Republicans believe in less.

But if you will remember, Mr. Carter made that a big issue, and he zoomed it up with more staff.

Mr. Reagan will do the right thing and have more efficiency in the White House.

Mr. JAMES K. COYNE. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Pennsylvania.

Mr. JAMES K. COYNE. I thank the gentleman for yielding.

I think there is an important differentiation to make here between what is authorized and what is actually spent. As you know, gentlemen, the entire freshman class of Republicans in this Congress has voted unanimously, all 52, to reduce the committee budgets not over what was authorized last year, but over what was spent. The only way we can really compare apples and oranges here is to demand that this year we reduce the amount we spent by 10 percent.

Authorizations are a little bit like funny money in a "Monopoly" game. There is a game, I think around here, where people come in requesting more than they really want and then they play a little game and allow the authorization to be reduced by a measly 10 percent.

We are only interested in actually saving the taxpayers dollars, and reducing authorizations will not accomplish that goal.

Mr. COLLINS of Texas. I want to just add to what the gentleman said there. Let us get down to real figures. The Senate, for their staff, have spent $41,698,000. That is what the Senate is spending. What I want to know is, what the gentleman from the other side of the aisle is going to come in with, the actual figure. You made a good point in asking for a firm total.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Is the gentleman from Pennsylvania actually recommending that because a figure is authorized that it must be spent? Is the gentleman trying to get the Congress to act like some of the Federal agencies which are authorized a certain amount of money and they feel that they must spend it in order that they might be rewarded by an equal or greater amount the next year?

I have known agencies and representatives from agencies that have thrown away money, uselessly, simply because they felt that they must spend everything that was authorized. Certainly the gentleman is not saying that this Congress should follow an example like this?

Mr. JAMES K. COYNE. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Pennsylvania.

Mr. JAMES K. COYNE. I would certainly agree with you. I think we have had a very bad budgetary practice. As you may know, I came to this august body from the world of business. The world of business does not have this duplicitous budgetary procedure where you have authorizations, obligations, and what have you.

We are only interested in what the actual dollars spent from the taxpayers' pockets are. I think that is the message that came across very loud and clear last November 4, that if we are asking the American people to tighten their belts by $50 billion across this country, then here in Congress we must get our own house in order.

I offer for example the budget of the Rules Committee which has grown from $30,000 to $600,000 in just the past 8 years. Would the gentleman please explain to me what the justification there can be for that type of budget increase?

Mr. ALEXANDER. If the gentleman will yield further, I am not a member of the Rules Committee and I cannot answer for that committee.

Mr. COLLINS of Texas. I appreciate all the gentleman from Pennsylvania has said, because you have highlighted the basic issue here and that is what is the bottom-line figure. Committees cannot spend any more than they are authorized. You serve on the House Administration Committee and you are asking that they just simply do not authorize any more than committees need. They cannot spend it if it is not authorized. Let us cut them down to $41,698,000. That is not just investigative. That is investigative plus statutory which is $24 million, so basically anything we spent over $16 million on investigative is just that much in excess of what the Senate needed to do their staff work.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Mississippi.

Mr. LOTT. Just as an aside, the gentleman cannot answer about the Rules Committee, but he does serve on the Appropriations. That committee and the Budget Committee do not have to go through this process.

Quite frankly, I think it might not be a bad idea to know what is being spent for committee budget and staff for the Committee on the Budget.

But all the gentleman from Pennsylvania was saying is just very simply this. Let us not have any funny stuff shell game around here. He is saying if this amount was spent last year, we want to make sure that no more or a reduction is spent by those same committees this year.

Now that is not too complicated. You go through all this stuff about what was authorized last year and what has been requested this year and we are going to cut 5 percent down below what was requested by the committee. It is all a bunch of junk. We are talking about real dollars and cents, what was spent and what is going to be spent this year.

The American people are not going to be fooled by a lot of different figures when in the final analysis x dollars are spent by this Congress unnecessarily to get the job done.

Mr. COLLINS of Texas. You are absolutely right. What American business knows is the bottom line and they can tell the difference between the bottom line and resolutions. You raised a real interesting question. The finances in our Congress are handled by the Budget Committee and Appropriations Committee. What is amazing is that they have lifted themselves above the voice of Congress. They do not let the House floor have anything to do with their own staff budgets.

The Republicans control the Senate, and they have shown that Republicans want to cut spending because they actually cut their budget.

In the House where the Democrats have a 51-vote majority and the controlling vote, will the Democrats cut or be the big spenders?

America has more Government than we need. We have more regulations than we want. And America has more taxes than we can afford to pay. Let us cut these committee staffs and build the momentum for America to move forward again.

REPEALING ICE PROVISIONS OF SECTION 201 OF CLEAN WATER ACT

The SPEAKER pro tempore (Mr. ALEXANDER). Under a previous order of the House, the gentleman from Missouri (Mr. YOUNG) is recognized for 10 minutes.

Mr. YOUNG of Missouri. Mr. Speaker, on behalf of myself, Mr. SOLOMON, Mr. ROE, and Mr. LUKEN I am today introducing H.R. 2360. In 1972 the Congress passed the Nation's landmark water pollution control law, the Clean Water Act, Public Law 92-500. The Clean Water Act set ambitious goals for cleaning up our Nation's waterways by 1985. The Congress recognized that these goals would not be achievable without substantial financial assistance to municipalities and

treatment authorities to enable them to construct the new and upgraded treatment facilities needed to meet the act's stringent treatment requirements. While the construction of new treatment facilities under the section 201 grants program has not proceeded as fast as we all wish, there have been remarkable improvements in our rivers and lakes since 1972. These improvements would not have occurred without Federal assistance under the 201 program.

In 1979, information developed by EPA in response to a congressional directive in the 1977 amendments to the Clean Water Act led the Congress to reexamine one provision of section 201. This provision contained the requirement for so-called industrial cost recovery. ICR, as it has become known, was originally devised to remedy any inequity resulting from the ability of some industries to utilize grant funded treatment plants while other industries were required to build their own self-funded plants. ICR required industries using publicly owned treatment works to repay their share of Federal grant funds. An EPA contractor, Coopers & Lybrand, determined that in fact those industries using publicly owned plants paid substantially more for treatment in many cases than their counterparts which provided their own treatment. These latter plants could be built with tax-exempt bonds and were allowed a rapid tax writeoff. They also could be built without some of the costly equipment needed to treat the widely varying content of wastes from metropolitan areas.

The Congress recognized that ICR frustrated the concept of joint industrial-municipal treatment. Such joint treatment has long been considered the most sound from both an environmental and cost-effective point of view. Action was taken last year in the passage of Public Law 96-483, which eliminated the ICR provisions from section 201. One provision of the Senate bill, S. 2725, however, mandated a new and even more counterproductive concept, now known as industrial cost exclusion or ICE. Hearings were not held on the merits of this concept and because of the rush to pass an ICR repeal bill S. 2725 was passed with the ICE provision. The House of Representatives did, however, insist on a study of ICE impacts by EPA and I am happy to report that EPA has done an excellent job of pointing up some of the serious problems caused by ICE.

Mr. Speaker, the negative impacts of ICE are well understood by the Metropolitan St. Louis Sewer District (MSD) which provides most of the wastewater treatment in my district. By way of background, MSD was created in 1954 to provide an areawide, integrated sewer system. Prior to the creation of the district, communities adjacent to the city of St. Louis were required to provide their own wastewater collection and disposal facilities which collected and transported the wastewater from small geographic areas to nearby streams with little or no treatment. Population growth of the numerous communities in St. Louis County resulted in the discharge of large quantities of raw and partially treated wastewater into streams and rivers flowing through and around the city of St. Louis to the Mississippi River. None of the municipalities or private franchise sewer companies serving the area at that time had the jurisdictional authority or financial resources required to eliminate the increasing health hazards. When it began operation in 1956, the district took over all existing wastewater and storm drainage facilities within its jurisdiction. Since that time, extensive systems of interceptor sewers and treatment plants have been built or acquired. These systems provide for the collection and treatment of virtually all waste-water flows originating in the district. I have long supported the efforts of MSD to clean up the rivers and streams around St. Louis. As a member of the Missouri Legislature I sponsored a bill which when passed established the State's pollution control bond program which provides further matching funds to agencies such as MSD to carry out the ambitious programs needed to solve urban pollution problems.

Mr. Speaker, the system created by MSD has been built around the concept of joint municipal-industrial waste treatment. MSD long ago recognized the environmental and economic benefits of joint treatment. By providing joint treatment MSD provides effective centralized service and only a handful of effluents must be monitored by enforcement authorities. If the hundreds of industries served by MSD provided their own treatment, enforcement efforts would increase greatly in magnitude. Sludge resulting from MSD's treatment plants is efficiently incinerated with no harm to the environment. The same could not be said if the many industries served by MSD, several of whom generate toxic effluents, were encouraged to treat their own wastes and dispose of their own residues. Joint treatment also allows so-called economics of scale which means that one large treatment plant costs less to build and operate than numerous smaller plants. Cost savings are passed on to all users of this system. I fear that if ICE encourages industries in MSD's service area to self-treat, MSD would lose large sums of revenues and the cost of sewer service to MSD's remaining residential and commercial customers will skyrocket. Further programs toward pollution reduction in the St. Louis area could be seriously threatened.

Mr. Speaker, for these reasons, I have introduced H.R. 2360, to repeal the ICE provisions of section 201. This bill if enacted into law would have several beneficial effects. Joint industrial-municipal treatment, recognized as sound in the 1972 Clean Water Act, would again be encouraged, with resultant benefits from energy and resource conservation and safe, efficient sludge disposal. The arbitrary and senseless differentiation between industries discharging over 50,000 gallons per day and subject to ICE, and those sewering less than this amount and therefore not subject to ICE, seems only to treat many older plants in water-intensive industries as second-class citizens. In urban areas such as St. Louis these older plants provide needed jobs, tax revenue, and sewer revenues. If these firms are forced to close or relocate as a result of ICE, the impacts on many older urban areas would be devastating.

The most important effect of H.R. 2360, however, would be to maintain the forward progress of the Nation's clean water effort. The EPA report on ICE reveals that serious delays will result from ICE implementation. Municipal officials suggest that delays of from 1 to 3 years will result as industries evaluate the economics of their continued participation in publicly owned treatment projects. Added time will be lost as industries and municipalities grope with the problem of finding the needed moneys to offset the reduced Federal grants. Because of the inflation associated with such delays, the savings to the grants program through ICE will be wiped out if the average delay is only 2.2 years. If delays run beyond 2.2 years inflation will consume more program funds than ICE will save. Of equal concern, pollutants which could have been removed from our Nation's waters from 1 to 3 years earlier will continue to enter our rivers and lakes.

I urge my colleagues to join with me in removing this most unnecessary obstacle to the cleanup of our Nation's waters by cosponsoring H.R. 2360.

SUBCOMMITTEE ON CRIME TO HOLD HEARINGS ON THE REAUTHORIZATION OF THE DRUG ENFORCEMENT ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HUGHES) is recognized for 5 minutes.

● Mr. HUGHES. Mr. Speaker, on March 12, 1981, at 9:30 a.m. in room 2237 Rayburn House Office Building, the Subcommittee on Crime of the House Judiciary Committee will begin

hearings on the reauthorization of the Drug Enforcement Administration.

Appearing before the subcommittee to give testimony will be Peter Bensinger, Administrator of DEA, accompanied by his Deputy Administrator and Assistant Administrators for Enforcement, Intelligence, and Compliance and Regulation.

All interested persons or organizations wishing to submit testimony for the record of the hearings or desiring further information should address their communications to the Subcommittee on Crime, Committee on the Judiciary, 207E Cannon House Office Building, Washington, D.C. 20515. Telephone: 202-225-1695.●

REPORT ON SYSTEMATIC DOWNWARD BIAS IN LIVE CATTLE FUTURE PRICES

(Mr. SMITH of Iowa asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SMITH of Iowa. Mr. Speaker, some staff members of the Small Business Committee have been making a detailed study of the operation of the live cattle futures contract. This report follows another study and includes some astounding findings. It is of widespread interest and rather than wait to have it printed for distribution, I am inserting it in the CONGRESSIONAL RECORD where those who are interested all over the United States may more easily obtain a copy. It is as follows:

During the past two years the Small Business Committee staff has conducted an extensive investigation of the live cattle futures contracts traded on the Chicago Mercantile Exchange. During the course of this investigation, an unusual discovery has been made.

A trading technique has been uncovered which predicted certain live cattle futures price movements with 100 percent accuracy during the three year period from January 1978 to the present. The technique is not based on the usual charting techniques or econometric models of demand-supply variables. It predicts a phenomenon that appears to be unique to the live cattle futures. This report explains the trading technique, documents its predictive accuracy, documents the causes of this phenomenon, analyzes its impact on cash cattle prices, and discusses the interconnected trading activities of a group of large, highly profitable cattle futures traders whose trading activities appear to contribute to the phenomenon.

THE TRADING TECHNIQUE

Before detailing the trading technique, it should be understood that economic theory says that if a market is accurately reflecting true supply-demand conditions, then it would be impossible to discover any technique which predicts price movements with 100 percent accuracy.[1] Thus, the discovery of such a technique is strong evidence that the live cattle futures market is not operating as an efficient price discovery mechanism. Evidence indicates that this market is operating with a consistent, systematic, perfectly predictable downward price bias.

Using the technique over the last 36 months, a trader could have entered and closed 29 separate short positions and profited everytime. If a trader were selling only one contract each time, total profits (not including commission charges) would have been at least $10,500. If a trader were selling at the speculative limits of 450 contracts, total profits (not including commission charges) would have been at least $4,700,000.

The technique is a simple turning point rule, based on publicly available information, which predicts with 100 percent accuracy times when live cattle futures prices will drop. It does not predict every drop in cattle prices, but those drops it does predict have occurred 100 percent of the time. The average time between the signal of a drop and its occurrence was 2.4 days. Nine of the 29 drops occurred the same day as the signal, 11 drops occurred the day after the signal, and 9 drops occurred 3 to 7 days after the signal. The average drop in price per occurrence was $0.90 per hundred weight or $360 per futures contract. This average does not include possible profits from positions established at the beginning of major price drops. During the period studied—January 1978 through the present—there were eight major price drops in excess of $5 per hundred weight. The technique accurately predicted 6 of the 8 major drops. No signals were given before the other 2.

The technique is very simple: When live cattle futures prices reach a price which covers Corn Belt cattle feeders' costs[2] plus an interior Iowa-Southern Minnesota basis adjustment, they will drop—everytime. The size of the drops which occurred during the three year period ranged from $0.19 per hundred weight to $2.71 per hundred weight. In six of the twenty-nine cases, prices continued to drop in excess of $5 per hundred weight.

Table 1 outlines the details of the technique. Column (1) lists calendar months when feeders are purchased and placed in feedlots. Column (2) lists the appropriate (six-to-seven month distant) live cattle futures contract to monitor for a trading signal. Column (3) lists historic monthly average selling prices (plus basis adjustment) required for Corn Belt cattle feeders to cover all feeding costs for a six month feeding period. The first time[3] the daily high price of the futures contract listed in Column (2) exceeds the signal price in Column (3) the futures price will drop, on average, within 2.4 days, including the day of the signal.

Since the selling price required to cover all costs presented in Column (3) is obtained from quarterly USDA Livestock and Meat Situation reports, in order to keep the technique current between quarterly publications, it is necessary to update these figures on a daily basis by removing the cost of feeder steers and corn from the USDA data and replacing these costs with current (daily) feeder steer and corn prices.

TABLE 1.—CATTLE FUTURES TRADING TECHNIQUE

[Dollars in hundred weight]

(1) For animals placed on feed during the calendar month of	(2) Watch the price of the futures contract listed below	Full cost +	(3)[1] Basis =	Signal price
1978				
January	June 1978	$46.42	$0.36	$46.78
February	August 1978	48.70	.36	49.06
March	August 1978	52.04	.56	52.60
April	October 1978	54.71	−.41	54.30
May	October 1978	57.91	.55	58.46
June	December 1978	56.66	.97	57.63
July	December 1978	57.02	1.23	58.25
August	February 1979	57.81	.85	58.66
September	February 1979	58.26	.68	58.94
October	April 1979	59.04	1.22	60.26
November	April 1979	59.80	.98	60.78
December	June 1979	62.88	.77	63.65
1979				
January	June 1979	$66.55	$0.36	$66.91
February	August 1979	70.12	.36	70.48
March	August 1979	74.65	.56	75.21
April	October 1979	76.65	−.41	76.24
May	October 1979	75.93	.55	76.48
June	December 1979	73.06	.97	74.03
July	December 1979	74.42	1.23	75.65
August	February 1980	70.90	.85	71.75
September	February 1980	74.83	.68	75.51
October	April 1980	72.22	1.22	73.44
November	April 1980	72.33	.98	73.31
December	June 1980	72.78	.77	73.55
1980				
January	June 1980	73.39	.36	73.75
February	August 1980	74.57	.36	74.93
March	August 1980	70.73	.56	71.29
April	October 1980	66.47	−.41	66.06
May	October 1980	66.54	.55	67.09
June	December 1980	69.07	.97	70.04
July	December 1980	70.38	1.23	71.61
August	February 1981	73.68	.85	74.53
September	February 1981	75.15	.68	75.83
October	April 1981	74.32	1.22	75.54
November	April 1981	75.08	.98	76.06
December	June 1981	75.49	.77	76.26
1981				
January	June 1981	73.84	.36	74.20

[1] The first time the daily high futures price for the contract month in column 2 exceeds the USDA reported cost of Corn Belt cattle feeding plus the basis adjustment (signal price) listed below, futures prices will drop. Monthly average Corn Belt cattle selling prices required to cover all feeding costs for feeder animals purchased during the calendar months in column 1 are available in Livestock and Meat Situation, ESS, U.S. Department of Agriculture, on a quarterly basis. Between publications of this bulletin, feeding costs are updated by removing the cost of 600 lb. feeder steers and the cost of 45 bushels of corn and substituting the current cost of feeder steers and corn. The basis adjustments in column 3 are the 1968–1978 average for choice steers for interior Iowa-Southern Minnesota centered on J. Marvin Blasberg, "Basis Data for Cattle: Omaha, Sioux City, Peoria, St. Louis, Interior Iowa-Southern Minnesota," Staff Paper Series No. 94, Department of Economics, Iowa State University, 1975 and updates.

If a signal does not occur during a current calendar month, average selling price required to cover costs of production plus basis adjustments for the calendar month are calculated and monitored either until a signal occurs or until the six-month feeding period expires. Thus, several different futures contracts may be monitored for signals at any point in time.

In Appendix A, figures are presented which document the technique for the period January 3, 1978 through October 15, 1980.[4]

[1] See Jitendar S. Mann and Richard G. Heifner, "The Distribution of Shortrun Commodity Price Movements," ERS, USDA, Technical Bulletin Number 1548, March 1976.

[2] Selling prices required to cover all Corn Belt cattle feeding costs are reported by USDA (see footnote, Table 1) as what expenses would be if all items were paid for during a six month feeding period. These costs are representative of the more than 68,000 smaller farmer-feedlots in the Corn Belt. However, more than half of all fed cattle are now fed in 422 large feedlots (30,000 head or more per year) which have costs lower than the reported Corn Belt costs.

[3] Sometimes, after the signal price is exceeded for the first time and the predicted drop occurs, prices will recover and exceed the signal price again. While additional drops often occur after the signal price is exceeded on subsequent occasions, such additional drops cannot be predicted with 100 percent accuracy.

[4] One signal has occurred since October 15, 1980, (on December 1, 1980) which is not presented in the figures. It is not possible to reproduce Appendix A and B graphs in the Record.

CAUSES OF THE OBSERVED PHENOMENON

Why have certain cattle futures price drops become perfectly predictable?[5] The answer is multifaceted. First, the amount of short hedging in the live cattle futures market is almost four times as large as the amount of long hedging.[6] Long hedging as a percent of open interest averages about 8 percent while short hedging averages over 30 percent. Thus, unlike the grain futures markets, in the live cattle futures there is no significant group of commercial long hedgers who act as a buying force without significant regard to price level. There is very little long hedging because meat is not sold on fixed price forward contracts. Thus, while the fundamental supply situation finds expression in futures prices via the actions of commercial short hedgers, the fundamental demand situation—lacking expression via significant amounts of commercial long hedging—may not be accurately reflected in live cattle futures prices. Such a situation is likely to result in systematic downward bias in prices.

Since 29 out of 29 predicted price drops occurred over a three year period, it is safe to conclude that selling pressure overcame buying pressure regardless of speculative buying on the long side of the market. If the market were composed of more long hedgers, their buying could tend to offset some of the selling coming during periods when prices reach Corn Belt feeding costs.

Second, the short hedging which does occur is closely tied to the cost of feeding cattle.[7] Per unit production costs vary for different cattle feeders with large commercial feedlots enjoying lower per unit costs than farmer/feeders. Commercial feedlots, including grain and meat packing companies which are feeding cattle, comprise the largest single block of short hedgers in live cattle futures.[8] To the extent that large commercial feedlots have similar per unit production costs, and to the extent this group of large traders places short hedges once futures prices exceed production costs, the decision to sell futures will occur at basically the same point in time for most large commercial feeders. Thus, the observed drops in cattle futures prices, which predictably occur once prices reach the Corn Belt (farmers') cost of feeding (plus basis adjustment), are resulting, in part, from a build up of selling pressure coming from commercial cattle feeders.

Third, as groups of large short hedgers (grain companies, meat packing companies and commercial feedlots) sell futures as short hedges against cattle on feed when prices go above their production costs, the officers of some of these companies also sell large blocks of futures, adding to the downward pressure on prices. Also, some brokers (futures and commission merchants) who handle the accounts for short hedgers and the accounts of officers of short hedging companies and some floor brokers also sell futures for their own speculative accounts and for certain of their speculative customers' accounts, adding more downward pressure on prices.[9] Thus, a snowball effect is generated which manifests itself in the observed predictability of certain drops in cattle futures prices.

IMPACT ON CASH PRICES

Changes in the cash price for 900–1,000 pound choice steers at Sioux City immediately following each of the 29 signals were analyzed to determine what, if any, impact the futures price drops had on cash prices. If cash prices drop with the predicted drops in futures prices, support would be lent to the hypothesis that the predicted futures prices are reflecting fundamental changes in supply-demand conditions. On the other hand, if cash prices do not drop with the predicted drops in futures prices, support would be lent to the hypothesis that the predicted futures price drops are not reflecting fundamental changes in supply-demand conditions and that the futures prices are artificial.[10]

The 29 futures price signals occurred on 27 separate calendar days. Following the futures price signals, there were 8 days when cash prices did not change, 7 days when cash prices dropped, and 12 days when cash prices rose. On average, cash prices rose $0.01 per hundred pounds on the day after a signal, rose $0.12 per hundred pounds two days after a signal, and rose $0.51 per hundred pounds five days after a signal.

These results lend support to the hypothesis that the predicted futures price drops are independent of cash prices and not reflective of fundamental changes in supply-demand conditions. Such artificial futures price moves increase basis instability and thus detract from the usefulness of live cattle futures as a hedging mechanism for farmers.

CORRELATED TRADING ACTIVITY OF LARGE TRADERS

A September 1980 report by the staff of the Committee on Small Business presented aggregate results of an analysis of the trading activity of all large (reporting) traders in live and feeder cattle futures during the period January 1978 through April 1979.[11] Additional analysis of the individual daily trading activity of the more than 1,000 large (reporting) traders is presented below.

The net daily trades of each trader were correlated[12] with the net daily trades of all other traders over the period. These correlations identified the degree to which any pair of two traders were making similar trades over the time period. Thus, if two traders were trading in an identical manner, they would have a correlation coefficient of +1.0. If two traders were trading exactly opposite each other, they would have a correlation coefficient of −1.0.

In addition, a mean (average) and standard deviation for each trader's net daily trading activity was calculated. Each trader's net daily trades were then filtered using the mean plus one standard deviation to identify only those days when traders were engaging in large transactions (in excess of one standard deviation) relative to their usual (mean) behavior. Then, for each trader, a data set of large trades was created and correlated with similar data sets for all other large traders. These (filtered) correlations identified pairs of large traders who may not trade together every day, but who do trade together when unusually large positions are taken or liquidated.

Correlations between pairs of traders are of interest because if two or more traders are trading in a similar manner, the aggregate market impact of their trades increases and can affect prices. Such common trading activity over a short time period may reflect spurious correlation. However, common trading activity identified by high correlation coefficients calculated from net daily trading data over a longer time period (16 months) are much less likely to reflect spurious correlation.

Thus, high correlation coefficients identify pairs of traders who may be acting in concert with regard to trading decisions. Traders who are making common trading decisions after direct contact may be in violation of Chicago Mercantile Exchange rules if their combined positions exceed Exchange imposed speculative limits. The likelihood that two or more traders with high correlation coefficients are acting in concert increases when such traders share common business affiliations.

In addition to the correlation analysis, information from Commodity Futures Trading Commission (CFTC) Form 40's,[13] Secu-

[5] See monthly issues of *Commitments of Traders*, Commodity Futures Trading Commission, Chicago, Illinois.

[6] This is not the case in grain futures where most short hedging is against inventories and not related to farmers' production cost and where long hedging is against fixed price forward sales. An analysis of corn futures prices compared to farmers' production costs revealed no systematic relationship. Corn prices were substantially above production costs (with land valued at acquisition cost and at current costs) for extended periods of time during the period 1976 through 1980.

[7] "An Analysis of the Futures Trading Activity in Live and Feeder Cattle Contracts of Large (Reporting) Traders on the Chicago Mercantile Exchange," Staff Report of the Committee on Small Business, House of Representatives, 96th Congress, 2nd Session, September 1980, p. 30.

[8] These trading activities were confirmed by data on the daily positions of large traders in live cattle futures. This helps explain why the highest average profits per account were obtained by officers of grain companies, meat packing companies, commercial feedlots and futures commission merchants. See Ibid.

[9] Artificial prices are prices which do not reflect the true supply-demand conditions for a commodity.

[10] Op. cit., "An Analysis of the Futures Trading Activity in Live and Feeder Cattle Contracts . . ." This report estimated total profits by large traders in live and feeder cattle futures to be $156,000,000 during a 16 month period and found the highest average profits among officers of meat packing, grain, commercial feedlot and brokerage companies. Grain, meat packing and commercial feedlot companies were found to be following generally similar trading patterns in live cattle futures.

[11] Approximately 1,000,000 correlation coefficients were calculated. A correlation coefficient indicates the degree of association between two variables. The value of a correlation coefficient can range between −1.0 and +1.0. The sign (+ or −) of the correlation coefficient indicates the direction of change in one variable as the size of the other variable changes. Thus, a positive (+) sign means the two variables move together and a negative (−) sign means the two variables move in opposite directions. The value of the correlation coefficient indicates the extent of the relationship. For example: +1 means a perfect correlation with both variables moving in the same direction, −1 means a perfect correlation with both variables moving in opposite directions and 0 means absolutely no relationship between the variables.

[12] The CFTC Form 40 is required of all large traders and provides background information such as: principal business, persons controlling trading, others having a financial interest in the account other businesses in which principal has a financial interest, etc.. Currently, traders holding 100 contracts or more are required to file Form 40's with the CFTC. During the period January 1978 through April 1979, those holding 50 contracts or more were required to file Form 40's.

rity and Exchange Commission 10k's, and publicly available articles of incorporation was used to establish business affiliations between large cattle futures traders. Combining this business affiliation information with the correlation analysis resulted in a group of 32 large traders who had direct business affiliations and/or correlation coefficients of 0.75 or greater.

Table 2 (omitted herein) schematically presents the interlocking trading relationships between the 32 traders in the group. Each arrow connecting any two traders indicates that there exists a correlation coefficient of .75 or larger between the trading activities of the two traders on days when both traders were trading during the period January 1978 through April 1979.

Each trader is identified by: (1) major business activity (e.g. officer of FCM, farmer, speculator); (2) a 3 to 5 digit code number (e.g. 120, 97701); and (3) a one digit number (e.g. 5). The major business activity and one digit number identifiers correspond to the groupings of large traders presented in "An Analysis of the Futures Trading Activity in Live and Feeder Cattle Contracts of Large (Reporting) Traders on the Chicago Mercantile Exchange" (see footnote 7). For example, in the upper left-hand corner of Table 2, the first trader (officer, 120, 5) is an officer of the futures commission merchant (brokerage firm) identified as FCM, A. This officer's code number is 120 and the account was in group 5—officers of FCM's.

In Table 2, the 32 traders are grouped according to documented business relationship as follows:

1. FCM A = a futures commission merchant (brokerage firm): 3 officers, one affiliated officer, 3 affiliated speculators, one affiliated commercial feedlot, and one affiliated grain company have correlated trading activities among themselves and with others in the groups of 32 traders.

2. Meat Company: 3 officers and one affiliated speculator have correlated trading activities among themselves and/or with others in the group of 32 traders.

3. FCM B = a futures commission merchant (brokerage firm): one officer and one affiliated officer have correlated trading activities with others in the group of 32 traders.

4. Affiliated Speculative Group: 3 speculators with a common affiliation are highly correlated with each other and with others in the group of 32 traders.

5. Commercial Feedlot A: The feedlot account and the accounts of 2 affiliated farmers are correlated with each other and with others in the group of 32 traders.

6. Commercial Feedlot B: The accounts of an affiliated speculator and an affiliated foreign trader are correlated with one of the farmers affiliated with Commercial Feedlot A.

7. In addition there are: 2 farmers, 6 speculators, one officer of an FCM and one commodity pool who all have correlated trading activities with others in the group of 32 traders.

Over the period January 1978 through April 1979 these 32 traders as a group realized a total net profit (not including commissions, brokerage fees, clearinghouse fees or other trading costs) in live and feeder cattle futures of approximately $110,000,000. Over the period for which data were available, all large traders (1,027 in number) had total net profits in live and feeder cattle futures of approximately $156,000,000.[14] Thus, 3 percent (32/1,027) of the large traders with correlated trading activity and/or common business affiliations accounted for 70 percent (110/156) of the total net profits of large traders.

With regard to the trading technique discussed earlier in this report, 15 of the 29 signals occurred during the time period for which data were available on large traders' net daily trading activity. As a group, the 32 traders were net sellers of live cattle futures on or about 14 out of the 15 signal dates. Thus, it is safe to conclude that as a group, the 32 traders were trading parallel with the phenomenon discussed in this report.

CONCLUSIONS AND RECOMMENDATIONS

The discovery of a systematic trading technique which predicts certain live cattle futures price drops with 100 percent accuracy means there is a large amount of short selling (relative to buying) entering the marketplace on a reoccurring, predictable basis. Available evidence indicates such short selling is generally coming from commerical feedlots, grain companies which own or have an interest in commercial feedlots, meat companies which own or have an interest in commercial feedlots, officers of these companies, officers of futures commission merchants and certain large farmers and speculators. The technique's predictive success implies that some cattle futures traders are aware of and taking advantage of the phenomenon discussed in this report. Since such knowledge can be used to profit from futures transactions to the obvious disadvantage of traders not in possession of this knowledge, it is recommended that the contents of this report be made public.

Based on the economic theory of efficient markets, the existence of the phenonenon described in this report provides strong evidence that the live cattle futures market is not operating as an efficient price discovery mechanism and that this market is operating with a consistent, systematic, perfectly predictable downward bias. Such a conclusion means the live cattle futures market is not fulfilling its economic purpose of providing a hedging vehicle (equally) to all traders.

Evidence indicates that the predictable drops in live cattle futures prices are not reflective of fundamental supply-demand conditions and are, in fact, artificial price moves.

As a hedging mechanism, the live cattle futures market is providing hedging opportunities only to those cattle feeders with the lowest per unit costs[15] and not to cattle feeders in general.

A group of 32 large traders with correlated daily net trading activity and/or common business affiliations is a major force in the live (and feeder) cattle futures market and this group displays a net daily trading pattern indicative of knowledge of the observed bias in prices.

Making the results of this report public should result in live cattle futures traders arbitraging the observed phenomenon out of existence. To the extent this occurs, the live cattle futures market would not only not offer hedging opportunities to Corn Belt cattle feeders,[16] but also not offer hedging opportunities to large (least cost) commercial cattle feeders. In such an environment, the live cattle futures market would serve no economic purpose.●

[14] Op. cit., "An Analysis of the Futures Trading Activity in Live and Feeder Cattle Contracts. . . ." p. 16.

[15] Generally, these are lots feeding in excess of 30,000 head per year.

[16] See "An Assessment of the Performance of the Chicago Mercantile Exchange Live Cattle Contract as a Hedging Vehicle for Cattle Feeders." Staff Study, Committee on Small Business, U.S. House of Representatives, 96th Congress, 2nd Session.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RUDD (at the request of Mr. MICHEL), for Wednesday, March 4, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ADDABBO, for 60 minutes, Wednesday, March 11.

(The following Members (at the request of Mr. COLLINS of Texas), to revise and extend their remarks and include extraneous material:)

Mr. JEFFORDS, for 10 minutes, today.
Mr. CORCORAN, for 5 minutes, today.
Mr. COLLINS of Texas, for 30 minutes, today.
Mr. GILMAN, for 1 hour, on March 12.

(The following Members (at the request of Mr. YOUNG of Missouri), to revise and extend their remarks and include extraneous material:)

Mr. YOUNG of Missouri, for 10 minutes, today.
Mr. MOTTL, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. HUGHES, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SMITH of Iowa and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,560.

(The following Members (at the request of Mr. COLLINS of Texas), and to include extraneous matter:)

Mr. ROUSSELOT.
Mr. DANNEMEYER.
Mr. DENARDIS.
Mr. NELLIGAN.
Mr. MCKINNEY.
Mr. DERWINSKI in three instances.
Mr. MICHEL.
Mr. COLLINS of Texas in three instances.
Mr. BETHUNE.
Mr. PRITCHARD.
Mr. MCCLORY.
Mr. PETRI.
Mr. LEE.

(The following Members (at the request of Mr. YOUNG of Missouri), and to include extraneous matter:)

Mr. RODINO.
Mr. ASPIN.
Mr. OBERSTAR in four instances.
Mr. BENJAMIN.
Mr. STARK.
Mr. DORGAN of North Dakota.
Mr. NATCHER.
Mr. MURTHA.
Mr. BRINKLEY.
Mr. BEDELL in three instances.
Mr. OTTINGER in three instances.
Mr. ZEFERETTI.
Mr. LELAND.
Mr. DYSON.
Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. NOWAK.
Mr. D'AMOURS.
Mr. DAN DANIEL.
Mr. FAUNTROY.
Mr. MCDONALD in three instances.
Mr. SANTINI.
Mr. MINETA.
Mr. FORD of Michigan in two instances.
Mr. HALL of Ohio.
Mr. CLAY.
Mr. OBEY in five instances.
Mr. BLANCHARD.

ADJOURNMENT

Mr. YOUNG of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 14 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 10, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

708. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies and commodities provided by the Berlin Magistrate, and under the German Offset Agreement during the quarter ended December 31, 1980, pursuant to section 720 of Public Law 96-527; to the Committee on Appropriations.

709. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of certain chemical munitions at Pine Bluff Arsenal, Ark., pursuant to section 409(b)(4) of Public Law 91-121; to the Committee on Armed Services.

710. A letter from the Secretary of the Army, transmitting notice of the recent discovery and disposal of suspected lethal chemical nerve agent munitions at Dugway Proving Ground, Utah, pursuant to section 409(b)(4) of Public Law 91-121 and section 506(d) of Public Law 91-441; to the Committee on Armed Services.

711. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

712. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting a report covering fiscal year 1980 on design and construction supervision, inspection, and overhead fees charged by the construction agents for the military construction projects of the military department and the Defense agencies, pursuant to section 604 of Public Law 96-418; to the Committee on Armed Services.

713. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment to Turkey (transmittal No. 81-27), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

714. A letter from the Secretary of Housing and Urban Development, transmitting a report on the administration of the Interstate Land Sales Full Disclosure Act, pursuant to section 1421 of the act, as amended; to the Committee on Banking, Finance and Urban Affairs.

715. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-4, "To approve a cost of living increase for faculty and administrative schedule employees at the University of the District of Columbia; to increase the hourly rate of work study students to $3.95; and to provide a salary and pay adjustment for employees in the Educational Service of the District of Columbia Board of Education," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

716. A letter from the District of Columbia Auditor, transmitting various reports issued by his office, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

717. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

718. A letter from the Director, Defense Security Assistance Agency, transmitting a report that the Defense Department has provided certain defense articles, services and training to El Salvadore under the authority of Presidential Determination No. 81-2, pursuant to section 506(b)(2) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

719. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment to Turkey (Transmittal No. 81-27), pursuant to section 36(b) of the Arms Export Control Act, as amended, together with certification that the sale is consistent with the principles contained in section 620C(b) of the Foreign Assistance Act, pursuant to section 620C(d) of the act; to the Committee on Foreign Affairs.

720. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting a report on national eligibility standards imposed by the United States and other member countries of the Development Assistance Committee of the Organization for Economic Cooperation and Development, requested in Senate Report No. 96-732; to the Committee on Foreign Affairs.

721. A letter from the Acting Assistant Public Affairs Director for News, U.S. Department of Agriculture, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

722. A letter from the Secretary of Health and Human Services, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

723. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

724. A letter from the Deputy Director for Administration, Central Intelligence Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

725. A letter from the Chairman, Commodity Futures Trading Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

726. A letter from the Acting Chairman, Equal Employment Opportunity Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

727. A letter from the Governor, Farm Credit Administration, transmitting a report on the Administration's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

728. A letter from the Chairman, Federal Maritime Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

729. A letter from the Acting Director, Federal Mediation and Conciliation Service, transmitting a report on the Service's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

730. A letter from the General Counsel, Office of the Federal Inspector, Alaska Natural Gas Transportation System, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

731. A letter from the Acting Director, Office of Government and Public Programs, National Science Foundation, transmitting a report on the Foundation's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C.

552(d); to the Committee on Government Operations.

732. A letter from the Chairman, Federal Maritime Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

733. A letter from the Assistant Vice President for Personnel, Farm Credit Banks of St. Louis, transmitting addenda to the banks' pension plan report for the year ended April 30, 1980, previously submitted pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

734. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to authorize additional judicial positions for the courts of appeals and district courts of the United States; to the Committee on the Judiciary.

735. A letter from the Secretary of the Interior, transmitting a report on the Teton Dam claims program as of December 31, 1980, pursuant to section 8 of Public Law 94-400; to the Committee on the Judiciary.

736. A letter from the Comptroller General of the United States, transmitting a report on physical security at U.S. military bases (PLRD-81-1, March 6, 1981); jointly, to the Committees on Government Operations, and Armed Services.

737. A letter from the Comptroller General of the United States, transmitting a report on the major issues concerning the future of the Department of Defense's Assault Breaker program (MASAD-81-9, February 28, 1981); jointly to the Committees on Government Operations, and Armed Services.

738. A letter from the Comptroller General of the United States, transmitting a report of the Federal highway program (CED-81-42, March 5, 1981); jointly, to the Committees on Government Operations, Public Works and Transportation, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Submitted Friday, March 6, 1981]

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2166. A bill to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program with amendment (Rept. No. 97-9). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BREAUX:

H.R. 2347. A bill to repeal title III, Marine Sanctuaries, of the Marine Protection, Research, and Sanctuaries Act of 1972; to the Committee on Merchant Marine and Fisheries.

By Mr. CHAPPELL:

H.R. 2358. A bill to establish the Mineral Conservation Research and Development Commission within the National Science Foundation, and to provide for the inventory of major nonfuel raw materials and the development of substitute materials; to the Committee on Science and Technology.

H.R. 2359. A bill to amend title 38 of the United States Code to permit veterans to determine how certain drugs and medicines will be supplied to them; to the Committee on Veterans' Affairs.

By Mr. YOUNG of Missouri (for himself, Mr. SOLOMON, Mr. ROE, and Mr. LUKEN):

H.R. 2360. A bill to amend the Federal Water Pollution Control Act to repeal the limitation on the use of grants for publicly owned treatment works for treatment, storage, or conveyance of industrial wastes; to the Committee on Public Works and Transportation.

By Mr. CORCORAN:

H.R. 2361. A bill to amend the Internal Revenue Code of 1954 to provide individuals a refundable credit against income tax for maintaining a household for certain individuals who are related to the taxpayer and have attained the age of 65; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 2362. A bill to amend the Internal Revenue Code of 1954 to increase the regular investment tax credit from 10 to 15 percent; to the Committee on Ways and Means.

By Mr. DORGAN of North Dakota:

H.R. 2363. A bill to amend the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. EVANS of Georgia (for himself and Mr. IRELAND):

H.R. 2364. A bill to repeal the prohibition contained in the Foreign Assistance Act of 1961 against the use of certain herbicides to eradicate marihuana by countries receiving assistance under that act for international narcotics control, and for other purposes; to the Committee on Foreign Affairs.

By Mr. EVANS of Georgia:

H.R. 2365. A bill to amend title 28, United States Code, to provide that the Federal courts shall not have jurisdiction to consider any question involving the validity of any act of Congress providing for induction for training and service in the Armed Forces of males only or providing for registration of males only for possible induction; to the Committee on the Judiciary.

H.R. 2366. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 2367. A bill to amend the Railroad Retirement Act of 1974 with respect to annuities for widows and widowers of certain railroad employees; to the Committee on Energy and Commerce.

By Mr. JEFFORDS (for himself, Mr. GRADISON, Mr. GIBBONS, Mr. GREEN, Mr. KRAMER, Mr. WHITEHURST, Mr. ERLENBORN, Mr. LAGOMARSINO, Mr. PETRI, Mr. MOTTL, Mr. SHUMWAY, Mr. BAFALIS, Mr. CHAPPELL, Mr. ROUSSELOT, Mr. GINGRICH, Mr. BROWN of Ohio, Mr. DERWINSKI, Mr. HUCKABY, Mr. LOTT, Mr. LUNGREN, Mr. KINDNESS, Mr. BEARD, and Mr. COURTER):

H.R. 2368. A bill to amend the Food Stamp Act of 1977 to make individuals who have excessive income ineligible to participate in the food stamp program, and to make such individuals liable for the value of coupons received while so ineligible; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. LELAND:

H.R. 2369. A bill to amend title 39 of the United States Code to provide for the use, without charge, by qualified nonprofit organizations of available post office space open to the public for soliciting voter registration, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LIVINGSTON:

H.R. 2370. A bill to amend the Federal Water Pollution Control Act to provide for the payment of claims resulting from a certain discharge of pentachlorophenol into the Mississippi River Gulf outlet; to the Committee on Public Works and Transportation.

H.R. 2371. A bill to amend the Water Resources Development Act of 1974, relating to the hurricane-flood protection project on Lake Pontchartrain, La.; to the Committee on Public Works and Transportation.

By Mr. MINETA (for himself and Mr. BETHUNE):

H.R. 2372. A bill to amend the Congressional Budget Act of 1974 to establish procedures for setting targets and ceilings, in the congressional budget process, for loans and loan guarantees under Federal credit programs, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Government Operations, and Rules.

By Mr. PETRI:

H.R. 2373. A bill to amend the Consolidated Farm and Rural Development Act to require that not less than a fixed percentage of all real estate loans be made for the acquisition of farms by certain operators and to provide for the repayment of such loans in graduated installments at the option of such operators; to the Committee on Agriculture.

H.R. 2374. A bill to amend the Railroad Unemployment Insurance Act to provide that the maximum daily benefit will be the daily equivalent of the maximum weekly benefit payable under the State unemployment compensation law; to the Committee on Energy and Commerce.

By Mr. ROE:

H.R. 2375. A bill to amend the Social Security Act to establish a national catastrophic illness insurance program under which the Federal Government, acting in cooperation with State insurance authorities and the private insurance industry, will reinsure and otherwise encourage the issuance of private health insurance policies which make adequate health protection available to all Americans at a reasonable cost; to the Committee on Energy and Commerce.

By Mr. STENHOLM:

H.R. 2376. A bill to amend the Trade Act of 1974 to provide for an additional Deputy U.S. Trade Representative; to the Committee on Ways and Means.

H.R. 2377. A bill to amend the Food for Peace Act of 1966 to create a revolving fund to finance short-term commercial export credit sales of agricultural commodities out of private stocks; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. ZEFERETTI (for himself, Ms. FERRARO, and Mr. DOWNEY):

H.R. 2378. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for excessive fuel costs incurred in heating their principal residences; to the Committee on Ways and Means.

By Mr. FITHIAN:

H.J. Res. 199. Joint resolution to provide for the designation of April 26 to May 1, 1981, as "National Occupational Health Nurse Week"; to the Committee on Post Office and Civil Service.

By Mr. ZEFERETTI:

H. Con. Res. 89. Concurrent resolution concerning the rights of the people of Ireland; to the Committee on Foreign Affairs.

By Mr. DINGELL:

H. Res. 104. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Energy and Commerce; to the Committee on House Administration.

By Mr. JONES of Oklahoma:

H. Res. 105. Resolution approving the printing of additional copies of the report accompanying the First Concurrent Resolution on the Budget for Fiscal Year 1982; to the Committee on House Administration.

By Mr. ZEFERETTI (for himself and Mr. RAILSBACK):

H. Res. 106. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

16. By the SPEAKER: A memorial of the Legislature of the State of Wisconsin, relative to dairy price supports; to the Committee on Agriculture.

17. Also, a memorial of the House of Representatives of the State of Georgia, relative to warning labels on alcoholic beverage containers; to the Committee on Energy and Commerce.

18. Also, a memorial of the Senate Legislature of the Commonwealth of Massachusetts, relative to ZIP codes; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 2379. A bill for the relief of Joaquin Morales; to the Committee on the Judiciary.

H.R. 2380. A bill for the relief of John Kerry Murphy; to the Committee on the Judiciary.

By Mr. LELAND:

H.R. 2381. A bill for the relief of Lorna P. Whittaker; to the Committee on the Judiciary.

By Mr. LIVINGSTON:

H.R. 2382. A bill for the relief of Mrs. Stella Marie Deignan; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 523: Mr. SIMON.

H.R. 551: Mr. MATTOX.

H.R. 911: Mr. GINGRICH, Mr. EVANS of Delaware, and Mr. WILSON.

H.R. 1120: Mr. SAVAGE.

H.R.1130: Mr. PHILIP M. CRANE.

H.R. 1206: Mr. BARNARD, Mr. CARMAN, and Mr. TRIBLE.

H.R. 1207: Mr. BARNARD, Mr. CARMAN, and Mr. TRIBLE.

H.R. 1244: Mr. JOHN L. BURTON.

H.R. 1297: Mr. ROSE, Mr. LENT, Mr. GRAMM, Mr. CHAPPELL and Mr. CHENEY.

H.R. 1298: Mr. ROSE, Mr. LENT, Mr. GRAMM, Mr. CHAPPELL, and Mr. CHENEY.

H.R. 1509: Mr. GRAY, Mrs. SCHROEDER, Mr. BEILENSON, Mr. RICHMOND, Ms. FERRARO, Mr. JOHN L. BURTON, Mr. MOAKLEY, Mr. KASTENMEIER, Mr. WYDEN, Mr. ROSENTHAL, Mr. MURPHY, Mr. ROYBAL, Mr. SAVAGE, Mr. YATES, Mr. KILDEE, Mr. FOGLIETTA, and Mr. LELAND.

H.R. 1532: Mr. HERTEL.

H.R. 1574: Mr. GUYER and Mr. STOKES.

H.R. 1580: Mr. JAMES K. COYNE, Mr. PANETTA, Mr. BEARD, Mr. EVANS of Delaware, Mr. BURGENER, and Mr. BOSKER.

H.R. 1640: Mr. DE LUGO, Mr. MURPHY, and Mr. RALPH M. HALL.

H.R. 1765: Mr. DREIER, Mr. ROUSSELOT, and Mr. CHAPPIE.

H.R. 1818: Mr. MAVROULES, Mrs. PENWICK, Mr. CHAPPELL, and Mr. PATTERSON.

H.R. 1823: Mr. YOUNG of Missouri, Mr. MURPHY, Ms. MIKULSKI, Mr. KILDEE, Mr. ROE, Mr. FORD of Michigan, Mr. HERTEL, Mr. ATKINSON, Mr. BONIOR of Michigan, Mr. CROCKETT, Mr. DE LUGO, Mr. ANDREWS, Mr. OBERSTAR, and Mr. RUSSO.

H.R. 1918: Mr. WHITTAKER.

H.R. 2024: Mr. MOTTL and Mr. SHUMWAY.

H.R. 2036: Mr. EVANS of Delaware, Mr. BURGENER, Mr. WINN, Mr. FORSYTHE, Mr. HOWARD, Ms. MIKULSKI, Mr. KOGOVSEK, Mr. McDONALD, Mr. CLAY, Mr. LEATH of Texas, Mr. WOLF, Mr. WON PAT, Mr. WHITEHURST, Mr. LUNGREN, Mr. BOWEN, Mr. GINGRICH, Mr. JEFFORDS, Mr. LOWERY of California, Mr. PANETTA, Mr. GLICKMAN, Mr. WYDEN, Mr. DERWINSKI, Mr. ROUSSELOT, Mr. LOTT, and Mr. PISH.

H.R. 2037: Mr. DE LUGO, Mrs. BOUQUARD, Mr. LOWERY of California, Mr. BURGENER, Mr. GINGRICH, Mr. EVANS of Delaware, Mr. WHITTAKER, and Mr. RALPH M. HALL.

H.R. 2055: Mr. APPLEGATE, Mr. BROWN of Ohio, Mr. GUYER, Mr. MCEWEN, Mr. MILLER of Ohio, Mr. SKEEBELING, and Mr. STANTON of Ohio.

H.J. Res. 82: Mr. DANIEL B. CRANE, Mr. DANNEMEYER, Mr. COLLINS of Texas, Mr. JEFFRIES, Mr. GUYER, and Mr. PORTER.

H.J. Res. 156: Mr. DORNAN of California.

PETITIONS, ETC.

Under clause 1 of rule XXII,

36. The SPEAKER presented a petition of the Congress of the Federated States of Micronesia, Kolonia, Ponape, Eastern Caroline Islands, relative to funding for a public education program prior to the plebiscite regarding the draft compact of free association, which was referred to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

REBUILDING AMERICA'S DEFENSES: ONE VIEW

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. GINGRICH. Mr. Speaker, Congress will soon begin considering the long overdue revival of America's military strength. One contribution to this effort has been made by William Hauser in a thought-provoking article in the New York Times.

In brief, Hauser asks whether we desire to become, once again, preeminent in the world like we were after World War II, or whether we want what is necessary for American survival in the world situation of today? Hauser makes the case that there are critical and fateful differences between these two alternatives.

He argues that American preeminence is not only unattainable but is also unnecessary for American survival. In fact, he holds that searching and building for preeminence prevents us from coping with the real world threats we face, and is, therefore, dangerous. By his analysis it is nostalgia posing as a strategy.

He then argues that the kind of military forces America ought to have must be able to cope with what he sees as the real and present world challenges to our survival.

William Hauser's article should help us think about some of the facets of one of the Congress' greatest challenges.

The article follows:

REDUCING OUR FORCES IN EUROPE

We learned the lessons of Vietnam too well. As a result, we are today exposing our country's vital interests to deadly peril.

After 50,000 deaths and untold billions of dollars, we emerged from Vietnam with two truths burned into our national soul. The first is that modern war is so costly in blood and treasure that countries dare wage it only to secure interests truly vital. The second is that lacking a national consensus about our vital interests, war cannot be won against a determined foe. Before Vietnam, the United States intervened militarily in Lebanon, in 1958, and the Dominican Republic, in 1964; since than, we have recoiled from similar involvement in Angola, Ethiopia, and in Iran.

Whether these decisions were right or wrong is not the point. We have apparently forsworn armed intervention in the third world. While rebuilding our ramparts in Europe that were neglected as a result of Vietnam, we have dismantled our ability to deploy forces elsewhere. Even the so-called Rapid Deployment Force is largely earmarked for wartime duty in Europe, its logistics dependent on unready reserve organizations, its manpower replacement in disarray, and its strategic transport pitifully inadequate.

By lacking a capability for intervention, we are risking truly vital interests. If we were to be denied access to the energy and mineral resources of Africa, the Middle East, and Southwest and Southeast Asia, our economic well-being, physical security, and even domestic liberties would be endangered. Similarly, if the Soviet Union could block our European and Japanese allies' access to those same resources and markets, they would become Soviet satellites-in-fact, however independent they remained in name. The United States would be isolated in a Sovet-dominated world.

But is not Western Europe's defense against Soviet invasion our most threatened vital interest? The answer is no, for the Red Army's Eastern European rear is unreliable, West Germany has superb conventional forces, Britain and France are nuclear powers, and United States escalation is feared by the Soviet Union's planners. Our North Atlantic Treaty Organization allies understand this, which is why they are not "doing their part" to be stronger. They understand also that the real threat—the endangered vital interest—lies elsewhere. Nonetheless, they are reluctant to join us in a military coalition outside Europe. They recognize the problems of allied operations, which are hard enough on a single partner's territory and are next to impossible across vast distances. They expect us to fulfill our global role while they limit themselves to a regional one.

We cannot afford to provide major defensive formations in Europe and simultaneously counter Soviet adventurism in the third world. We are already maintaining overstructured, hollow forces that we cannot adequately man, train, keep in repair, or competently control. Experienced officers and noncommissioned officers are leaving the military services in unprecedented numbers. We are mistakenly viewing this "leading indicator" as a matter of their benefits rather than as a vote of no confidence in an unviable profession.

If we want worldwide capability, we are going to have to reduce our forces in Europe. We deployed there in 1949 to protect a war-prostrated West from the Soviet Union's massive armies. That forward, linear strategy, which made sense then, has become nonsense in the face of European strength and Soviet global mobility. The American fox has its paws stuck fast to the NATO tarbaby, while Soviet-proxy rabbits scamper freely through the third world.

Today, we are an essentially "island power," and our long-term access to the Afro-Eurasian continent requires a mobile strategy. Our land forces must be lean, highly trained, readily deployable, and sustainable by sea, air transport, and firepower. Our formations in Europe can be much reduced and still be adequate for deterrence. Europe will (if it must) strengthen its own defenses.

Regrettably, the new Administration appears to be harking back to our pre-eminence of yesteryear. Perhaps that is an attempt to signal, in familiar language, a resurgence of national will; perhaps the new leadership recognizes the need for a new strategy. Even so, changing the deployment of our forces will engender opposition, for major elements have European defense as their principal raison d'etre. Fears will also arise in some quarters that a capability to intervene in the third world will tempt us rashly to do so. That is a risk that we as a nation must take, or we are going to concede the battle without a shot's being fired.

It is unrealistic to expect ever again to be militarily pre-eminent. But if we do not bestir ourselves, we are going to be irrelevant.

[William L. Hauser, a business executive, is a former Army officer and a writer on national security matters.]●

REV. EVAGORAS CONSTANTINIDES

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. BENJAMIN. Mr. Speaker, I take this opportunity to inform the House of Representatives that Rev. Evagoras Constantinides celebrated the 25th anniversary of his ordination into the priesthood on Sunday.

Father Evagoras, known to many Members for his service in metropolitan Washington and work on behalf of the Greek Cypriots, has been an outstanding priest and spiritual leader of the Greek Orthodox Church and the northwest Indiana community.

Father Evagoras has served the SS Constantine and Helen Cathedral in Merrillville for 11 years. He guided and inspired the church community to build a new cathedral and community center which stand as an example of this clergyman's worldly mission to do God's work.

Reverend Constantinides has been honored by his parishioners at a testimonial marking his 25th anniversary as a priest. A full and overflowing hall attested to his dedication, devotion and conscientious service to God and mankind. His comfort, compassion, and concern embrace an entire community and its young, old, sick and departed. They remembered and appreciated his spiritual guidance and devotion and overwhelmingly responded with their love and affection.

Mr. Speaker, I know that the friends of Father "Ev" in the Congress of the United States want to join me to congratulate and wish him many more rewarding years in the priesthood.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

THE DEATH OF VAL SCARTON—THE LOSS OF A LEADER AND A FRIEND

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. MURTHA. Mr. Speaker, several days ago Mr. Val Scarton, president of District 2 of the United Mine Workers, suddenly passed away. His death is a tremendous loss to the area I represent and to all the miners in the country.

I think it is appropriate to submit the following article to the CONGRESSIONAL RECORD on a day when miners are massing in Washington to protest cuts in the black lung program. Val Scarton fought hard for the black lung program and his heart would have been with today's demonstration.

I endorse the following remarks from the Johnstown Observer, and share these kind words about a lost friend:

THE AREA LOSES A LEADER

(By Marcus)

Just as he gave his all in life for his miners and his community, Val Scarton gave in his death. His family asked that in lieu of flowers, donations be made to the Portage Ambulance Fund and the Portage Industrial Group.

While Scarton was well known and nationally recognized as District 2 president of the United Mine Workers of America, few people know that he also served on the Southern Alleghenies Planning and Development Committee, the Cambria County Democratic Party Executive Committee and many other civic and business groups.

In all his endeavors he was a believer in the coal miner and the coal industry.

Rising from a miner to a committeeman to safety inspector to organizer to staff man and then to the presidency was testimony and proof that he believed in the miners and that the miners believed in him.

The latest round of coal negotiations had a great effect on Val. Although suffering from rheumatoid arthritis, and having visited the Geisinger Clinic, the Cleveland Clinic and other reputable medical centers, he did not deter from his objective to get the coal miner working at the best possible wage and under the safest possible conditions. The ongoing coal talks proved a real drain on Scarton. The coal companies broke up their association—known as the Bituminous Coal Operators Association (BCOA)—and decided to negotiate individually. That kind of split negotiating takes time, effort, and energy. Moreover, some of the individual companies did not want to start where the last contract ended, but insisted on starting at ground level zero as though there never had been a union contract in existence.

In this battle Scarton and his fellow organizers found that the government, the press and even the public were not at all concerned. As Scarton knew from his many experiences in the past, the miners have to go it alone in these troublesome economic times. Through all the tough negotiations, Scarton never missed a session and never failed to keep his staffmembers or the local union presidents informed. While he did not publicize his accomplishments, everyone knew that when Val was involved, things would get done.

Above all else Val Scarton worked for the welfare of his miners and kept partisan union politics at the bottom of his list of priorities.

On the county level he is credited for having been a driving force in the election of Judge O'Kicki and District Attorney (now Judge) Caram Abood in 1971. He kept a low, but effective, political profile. He had no time for political, union, civic, or business phonies. Everyone knew where Val Scarton stood and whom he supported.

He was an advisor to Congressmen, Senators, Assemblymen and other governmental officials. He actively supported the utilization of coal for conversion to gasoline and other chemical byproducts. He was a coalminer, a coal union president and a believer in coal and its men.

The area has lost a true citizen and supporter. The Observer extends its deepest sympathies to his widow Dorothy and his children.●

PRESIDENT REAGAN'S SPENDING CUTS FOUND ATTRACTIVE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. ASPIN. Mr. Speaker, I find President Reagan's package of spending cuts quite attractive. Certainly the effort to prune back expenditures and achieve a balanced budget is long overdue. The White House has now challenged the Congress to act and, I feel, it is incumbent upon us to do so and to do so quickly.

The proposed Reagan cuts totaling $41.4 billion are the right magnitude and in many cases are in the right areas. I have pressed for many of these cuts myself over the years. Certainly, there can be no argument over eliminating duplicative benefits, benefits to the nonpoor and programs that time has passed by.

I am now in the process of reviewing each of the President's proposals individually. I have questions about a few of the cuts included in the package—and I am concerned that certain programs of dubious value have emerged unscathed.

For example, the programs for subsidizing tobacco growers and the shipping industry are left untouched by the White House knife, exemptions I cannot accept. In the near future, I expect to produce some suggestions for additions to and deletions from the package given us by the White House. I anticipate my package of cuts will equal or even exceed the size of the President's package.

I am in full agreement with the stated goal of many of the President's cuts—to reduce the size of the burdensome bureaucracy. I am concerned, however, that some of the cuts may actually have the opposite result. For example, the President's submission to Congress says that by combining dozens of categorical grant programs in a few block grants we will trim the Federal bureaucracy. But we know from past experience that sometimes this approach can work to boost State and local bureaucracies as much or more than it reduces Federal bureaucracy in those States. I do not think the voters will be fooled if for every civil servant lopped off the Federal payroll, two more are added to State and local payrolls.

I intend to give all the President's proposals a thorough eyeballing. I will not reject any out of hand. Basically, I am every much in sympathy with his spending cut proposals.

I cannot say the same thing about his tax cut proposals. We have a serious inflation problem. If we were serious about getting it under control, we have got to do two things: move more rapidly toward a balanced budget and stimulate the investment necessary to increase productivity. The Reagan tax cuts do neither.

The Reagan budget actually calls for more cuts in taxes than in spending. That means the Reagan proposals will actually result in a higher deficit. Of course, Mr. Reagan tells us the budget will be balanced 3 years from now. But President Carter was always telling us the budget would be balanced 3 years from now, too. The problem is that, like tomorrow, 3 years from now never comes.

If we are going to cut taxes at all for 1982, and I am not sure we should, we have got to target the cuts at stimulating investment. That way we can increase productivity, generate more and better jobs, and ultimately reduce inflation. The Reagan tax proposals do not do that. They are concentrated on inflation-creating cuts in personal income taxes. Too little is going to encourage businesses to invest more and the little that does is not as effective as it could be.

Finally, I am not at all happy with the type of personal income tax cuts President Reagan has proposed. They are very clearly geared to benefit rich more than middle income or poor families. By the President's own figures, as found in table 7 of his budget submission, Mr. Reagan is proposing to reduce the taxes of a family earning $200,000 in 1984 by $31,091, while he would save the family earning $11,000 only $312. What is more, despite all the talk about concern for the truly needy, his own document shows the tax savings for someone with an income of $3,000 would be a minuscule 27 cents. Since social security taxes will continue to rise in the coming years, the poor will actually be paying more in taxes in 1984 while the rich

would enjoy a windfall under the President's proposal.

In sum, Mr. Speaker, I find the Reagan tax cuts appalling and the Reagan spending cuts appealing. We must move with speed on the spending cuts, but I think we can consign the bulk of the tax cuts to the back burner.●

RAILROAD RETIREMENT ANNUITIES

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. GONZALEZ. Mr. Speaker, I am once again introducing legislation to help the widows and widowers of certain railroad employees.

At present, the law grants to the surviving spouse of a railroad employee a smaller annuity than he or she would have received if his or her spouse had lived to retirement. The bill I am proposing would give the surviving spouse the same annuity that he or she would have received had his or her spouse died after retiring.

This measure would also help the surviving spouse initially by preventing a large drop in his or her monthly income at a time when he or she is under a great strain due to the death of husband or wife. In the long run, it would assist the widow or widower in keeping up with the continuing rise in the cost of living as I am sure it is increasingly difficult to survive on the annuity that they receive.

Mr. Speaker, I believe that this bill would be a fair and just amendment to the present law and I hope that the committee will be able to consider such legislation in the near future.●

SELF-DETERMINATION FOR ALL OF IRELAND

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. ZEFERETTI. Mr. Speaker, as we approach St. Patrick's Day on March 17, the American people again prepare to revel in the richness of the Irish culture. All true Irish men and women, however, pause on this day of celebration to reflect on the discrimination and injustice imposed upon the minority population in the six counties of Irish soil designated as Northern Ireland by the Government of Great Britain.

The history of the Irish conflict is centuries old. While 26 counties gained independence earlier this century, the British carved out 6 counties in the Ulster province of Ireland and created a new political entity, Northern Ireland. This British creation had no basis culturally, politically, or geographically in Irish history. It is interesting to note that not all nine counties of the province of Ulster were included in this new state, but only those six counties which would insure a loyalist and Protestant majority.

As a result, the nationalist Irish population have since been living under a government whose policies are blatantly in violation of basic civil and human rights. Today, more than a decade after military forces were sent to Ulster to quell violence that had erupted as a result of the minority's peaceful efforts to attain equal rights, nearly 12,000 British troops continue to patrol the streets of Ulster. British Government spokemen tell us that the troops are stationed there to control terrorist activity.

I maintain my staunch opposition to the use of violence in any form, but after 11 years of military presence in Northern Ireland, it is clear that the British policy has failed miserably. A military solution is not the remedy for a problem that is political in nature.

British authorities further state that their troops are gradually being withdrawn, turning over their security duties to the Royal Ulster Constabulary (RUC), Northern Ireland's police force. Such a policy poses an even greater threat to the nationalists, for the RUC has been cited by a number of international human rights organizations as guilty of gross violations of human rights and blatant acts of injustice. It was this fact that led the U.S. State Department to ban further sales of U.S. weapons to the RUC police force, an action I strongly support.

Mr. Speaker, because of the special relationship the United States and British Governments have enjoyed over the years, it is the duty and responsibility of our Government to use its influence in seeking a just and lasting peace in Northern Ireland, free from outside intervention. Today, I have introduced a concurrent resolution recognizing "the right of all of the people of Ireland, including the six counties known as Northern Ireland, to control their own political destiny." It also urges the President "to adopt and pursue policies which are wholly consistent with such right."

The enactment of this measure would serve notice on the Government of Great Britain that the American people are sincere in our endeavor to bring peace to all of Ireland. The people of the Emerald Isle must be given the opportunity to choose their own political destiny. Such a right is the very foundation of democracy, but one that, unfortunately, does not exist in Ulster today.●

"EMPLOY THE OLDER WORKER" CAMPAIGN

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. LEE. Mr. Speaker, for 1 week, March 8 through 14, 1981, the National Retired Teachers Association and the American Association of Retired Persons in Watkins Glen, N.Y., will sponsor an "employ the older worker" campaign.

I would like to take this opportunity to bring to the attention of my fellow colleagues the importance of this event. An elderly person seeking employment in this country is often at a great disadvantage. He or she may be the victim of age discrimination, during the application process or after initial employment, when competing with younger workers for upper level positions.

It is time for this Nation to recognize the valuable contribution that elderly citizens can make to our society. If we fail to take advantage of this valuable commodity, we have not only cheated the elderly person in America but shortchanged ourselves as well.

I urge that each of my colleagues take time to consider the elderly person and the contribution that this group can make to the American labor force.●

GIRL SCOUTS OF THE UNITED STATES OF AMERICA

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. NATCHER. Mr. Speaker, the week of March 8 through March 14 commemorates the 69th anniversary of the Girl Scouts of the United States of America and it is with great pleasure that I pay tribute to this wonderful organization for its many fine achievements.

For 69 years, scouting has inspired its members toward high ideals of character, conduct, patriotism, and service so that they may become happy and resourceful citizens. The spirit and youthful energy of Girl Scouts stand as shining examples to all of us that the individual can, and does, make a difference in our world.

The triumphs of Girl Scouts owe much to the tireless women and men who volunteer their time and energies as leaders and assistant leaders. Girl Scouts, guided by volunteers, are highly visible in their neighborhoods. They help in countless ways, and seek out opportunities to make their communities better places in which to live.

Mr. Speaker, Scouting is not necessarily limited to the young. Scouts reach out to people of all ages and give them an opportunity to participating in their programs. An extensive adopted grandparent program, giving older persons the attention and affection to which every human being is entitled, highlighted the year, in addition to cooperative projects with businesses and communities, an example being a cleanup project where 1,000 girls, volunteers from Xerox, and a community development group, selected a neighborhood in which to repaint and repair houses and property.

The Girl Scouts have made tremendous strides in enriching their program by greater participation of minority and disadvantaged girls. Nearly 300,000 minority girl and adult members are registered Girl Scouts.

In an effort to provide Girl Scout adults with the leadership training necessary to better relate to girls and their needs and concerns, the new Edith Macy Conference Center is scheduled to open in 1982 in Briarcliff, N.Y.

Scouting's new program emphasizes career exploration, business and technology, community action, global relations, and leadership. As girls aged 6 to 17, including girls with handicaps, girls representative of all minority groups, and target groups with special needs, countinue to take on new challenges and face greater opportunities, the Girl Scouts will be there. They will assist and encourage these girls to aim high, test their limits, and realize their dreams.

Mr. Speaker, in my home State of Kentucky, the Kentuckiana Girl Scout Council serves over 25,000 members in western Kentucky, representing the largest single organization serving our youth in this section of the State. I am particularly proud of the Girl Scouts of the Second District of Kentucky for their many contributions and I look forward with them and all of the Girl Scouts of the United States of America to another fine year.

On this, the 69th anniversary of the Girl Scouts, I offer my very best wishes and sincere congratulations, together with my pledge of continued support.●

THE LARGE OPTICS DIAMOND TURNING FACILITY AT LAWRENCE LIVERMORE NATIONAL LABORATORY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. STARK. Mr. Speaker, I would like to bring to the attention of my colleagues another first by the scientists, engineers, and technicians at Lawrence Livermore National Laboratory. On January 27, 1981, LLNL Director Roger Batzel broke ground for the large optics diamond turning machine facility, which will house the world's most accurate large lathe. When completed, the facility will make ultraprecise metal mirrors for a Department of Defense high-energy-laser weapons system.

When the facility is completed in 1983, the 75,000-pound machine will be the most accurate lathe of its size in the world, machining laser optics weighing up to 1 metric ton with an averaged accuracy of one-millionth of an inch. Working like a huge record player, the mirror is rotated slowly on a horizontal turntable while the computer-controlled diamond tool cuts the mirror precisely into the desired shape.

As part of LLNL's precision engineering program, the large optics diamond turning machine facility will help transfer to industry precision machining and optical technology, execute projects for the Department of Energy and other Government agencies, and advance precision technologies for future programs at LLNL.

I know I share with the employees of LLNL and the residents of my district great pride at the addition of the large optics diamond turning machine facility to the programs at LLNL. This facility will allow LLNL to continue its role as a world leader in science and technology.●

VOTER REGISTRATION IN POST OFFICES

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. LELAND. Mr. Speaker, I have today introduced a bill that would allow the conduct of voter registration in U.S. Post Offices by qualified nonprofit organizations.

I have been growing increasingly alarmed, as I am sure my colleagues have, by the continued, steady decline of citizen participation in elections over the last 20 years, a period in which the final remaining barriers to registration and voting, such as poll taxes and literacy tests, were removed.

In 1960, 63 percent of the American citizens, who were eligible to register and vote, actually voted in the Presidential election of that year. In every Presidential election since then, that number has gone down and dropped to 54 percent in last year's Presidential election. In other words, almost half of all Americans who could have registered and voted did not do so. This figure represents 74 million people.

In the last two Presidential elections, the winning candidates have received the votes of only one-fourth of the voting age population. Ronald Reagan received 27 percent in 1980, and Jimmy Carter did only slightly better at 27.2 percent in 1976.

In a country that prides itself on being the leading democracy in the world, this low level of citizen participation is not only embarrassing but unacceptable, because it means that the rights of millions of Americans to decide who governs them, are not being honored. There is no single reason why this is so, but a strong argument can be made that many of the contributing factors are the results of our failure as a government to insure that sufficient opportunity and encouragement are provided to our citizens to avail themselves of this most basic and important right.

In comparison to other leading democracies, the U.S. ranks 19th among the 20 largest democratic countries in voter participation. I am ashamed and disturbed by this, and I intend to do everything I can to improve on this unfortunate situation. I urge my colleagues on both sides of the aisle to join me in this effort by supporting this legislation.

The bill I am introducing requires the U.S. Postal Service to make space available, without charge, to qualified nonprofit organizations for the purpose of offering citizens the opportunity to register to vote. The space would be made available only at such times and in such a manner that normal post office functions are not interrupted.

The Postal Service already has in effect an unwritten policy which allows the use of space by other Federal agencies, and has also allowed the use of postal facilities for purposes which, like voter registration, serve the national interest. However, for an endeavor such as voter registration, which only helps citizens to exercise their right to have a voice in their Government, there should be a maximum of encouragement and availability, and my bill provides this.

I urge the Congress to quickly enact this legislation. It is one modest step, but one that, in combination with other measures, can get us moving toward more healthy participation in our electoral process. This can only result in better government and a better working relationship between those in government and the public.●

THE COUGAR LAKES WILDERNESS ACT

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. PRITCHARD. Mr. Speaker, last Thursday, March 5, 1981, I introduced

H.R. 2354, the Cougar Lakes Wilderness Act of 1981. This legislation would establish a 271,750 acre wilderness area in central Washington State. The wilderness would be composed of two units: a north unit, commonly referred to as the Norse Peak area, and a south unit, known as Cougar Lakes.

Efforts to preserve the land included in H.R. 2354 started long before RARE I, RARE II—even the Wilderness Act itself. Its administrative history goes back to 1899, when Congress established Mount Rainier National Park, immediately west of the Cougar Lakes area. Cougar Lakes has been the focus of five wilderness or wilderness study bills. The litany of studies and reviews have provided a preponderance of evidence that Cougar Lakes should be included in the National Wilderness Preservation System.

Cougar Lakes possesses a wide range of natural features from gently sloping terrain to spacious plateaus to spectacular peaks. There is an abundance of fish and wildlife. The land's attributes are readily accessible to many people. One need not be a young mountain climber in order to take advantage of the countless recreational experiences which Cougar Lakes has to offer. Best of all, Cougar Lakes is located close to the State's population centers, giving many people the opportunity to enjoy this valuable national resource. This special area should be preserved not only for us to enjoy, but for future generations of Americans to appreciate as well.

I am looking forward to the opportunity of working with my colleagues in the Washington congressional delegation and the House Interior Committee securing passage of this legislation.●

OUTSTANDING LIBRARY AWARD PRESENTED TO THE FIRST CHRISTIAN CHURCH LIBRARY, NEW CASTLE, PA.

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. ATKINSON. Mr. Speaker, I would like to take this opportunity to share with my colleagues in the House of Representatives an honor given to the First Christian Church Library, New Castle, Pa.

This award, the Outstanding Library Award, was given by a worldwide organization, the Church & Synagogue Library Association. The library is most deserving of this award because of the many long volunteer hours put into promoting community services activities by the library.

Mrs. Harold E. McEwen, librarian for the past 21 years, received the award at the University of Hartford, West Hartford, Conn. The award is given to a library which has shown itself to be creative and innovative in responding to the library's mission of reaching and serving members of the congregation and the community.

The New Castle library has expanded over the years—it started in the church parlor, expanded to the fellowship hall, and then to its present room. The library was finished in the memory of Pamphilia Phillips, mother of Grace Phillips Johnson. A second room, a memorial to Ralph McConahy, has been added.

The library, located in the main stream of church traffic, is continuously being promoted for the betterment of the church and community. Traveling displays are maintained throughout the church, with one display being withdrawn each week while others rotate to a new location.

The library is listed in the regional resource directory of the Pittsburgh Regional Library Center and cooperates with the University of Pittsburgh Library. Mrs. McEwen has helped establish other church libraries and recently lectured on "Archives in the Church Library." In addition, she has attended a number of library seminars which has aided the New Castle library.

Most important, the library serves the community. Residents of two nearby high rise apartments are invited to use the facilities, and other churches are also welcome to use the library. It observes National Bible Week each year, and has worked with the Boy Scouts.

It is a great honor for me to stand here today in the Hall of the House and share with my colleagues the great accomplishments of this church library. The award it received is an honor and I wanted to take a minute from our deliberations today to share it with you. Thank you.●

REDUCE GOVERNMENT SPENDING

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DAN DANIEL. Mr. Speaker, in these days, when there is so much public comment on the need to reduce Government expenditures, there is an inclination on the part of many to exhibit less than enthusiastic support when proposed reductions directly affect their areas of interest.

Because of this, I was particularly impressed with an article which appeared on the front page of the Gazette, of Gretna, Va., in the Thursday, February 26 edition, entitled "Cutting Welfare: Thomas Backing President." Mr. Don Thomas, about whom the article is written, is the director of welfare in Pittsylvania County, Va. In this capacity he administers a welfare program in one of Virginia's largest counties.

The article contains some statements which I feel are worthy of wider attention, and I would therefore commend this to the reading of Members of the House.

The article follows:

CUTTING WELFARE: THOMAS BACKING PRESIDENT

President Reagan last week launched his long-promised effort to cut back wasteful government spending and restore vitality to the American economy.

And, at the heart of the President's concept, is a proposal to chop more than $16 billion from controversial welfare programs such as food stamps and Medicaid.

Among other things, the President has called for a $1.8 billion reduction in food stamps.

In a budget plan presented to Congress last week, the President said welfare aid should go only to the "deserving needy."

The President has proposed tightening eligibility rules in more than dozen large welfare programs—a move which would eliminate millions of people from the nation's welfare rolls.

President Reagan maintains that the American taxpayer simply cannot afford to continue paying the ever increasing cost of welfare.

As surprising as it might seem, the President's position has drawn the endorsement of Pittsylvania Welfare Director Don Thomas, whose agency distributed more than $7 million in welfare benefits last year.

"I support the President's proposals, I just hope they work," Thomas said this week.

Like the President, Thomas said he felt one major way of cutting back on welfare is to tighten the eligibility requirements.

"The eligibility requirements for some of these programs are just too loose. I think we should have stronger work requirements so that those individuals who are capable of working should be made to work," Thomas said.

Thomas pointed out that about 5,600 people in Pittsylvania—or about 9 percent of the county's population—receive some form of welfare assistance.

Thomas says that, in his opinion, the county's welfare rolls could be cut by "at least one-third."

Thomas said he knew of one case in the county where a man had turned down a job because he could "come out better by getting food stamps and other welfare benefits."

"It's just not fair to the taxpayers," Thomas remarked.

He noted that in 1980 more than $2 million worth of free food stamps were issued in the county. Thomas says this amount could be reduced substantially if eligibility requirements were tightened.

"When welfare was developed in the 1930s it was designed as a temporary program. Now people depend on it. For many people it's a way of life, they spend their entire lives on welfare," Thomas said.

"We don't do anything to support the work ethic," Thomas added.●

"PROTECTING" WHOM?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DERWINSKI. Mr. Speaker, the United Nations continues to suffer from the misuse of its units by various nations for blatant political purposes. The Chicago Tribune of March 5, editorialized on several particular incidents involving efforts by countries to curtail press coverage under the disguise of "protecting the press." The editorial follows:

"PROTECTING" WHOM?

For some years, Soviet bloc and Third World governments have been nagging at the United Nations Educational, Scientific, and Cultural Organization to adopt policies ostensibly designed to "protect" the press, apparently by licensing reporters.

We have never understood quite how this would protect the press, or against whom, but we are indebted to two Third World governments, India and Malta, for showing us how they would like to protect the press.

The monthly bulletin of the International Press Institute tells us that the government of India, embarrassed by reports of police brutality in the state of Bihar, has prevented a BBC television crew from pursuing the story. More than 30 men are said to have been blinded with weaving needles, bicycle spokes, and acid. And according to the Indian government, the subject has been given all the coverage it needs.

The IPI also reports that in January the government of Malta banned certain issues of the London Sunday Times from entering the country. The Times had printed an article which Malta said was "outrageous and full of lies." But the Times' real crime, it seems, was failing to print a response from the Malta director of information. If you offend the government of Malta, it seems, you would not have much circulation in that country.

Which raises anew the familiar question: Whom do these governments want to protect, the press or themselves?●

EL SALVADOR

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. OBERSTAR. Mr. Speaker, in March 1980, I joined a number of our colleagues in an appeal to President Carter urging that he withdraw a request for $5.7 million in military aid to El Salvador.

I did so because I believed that initial request would lead to an involvement in El Salvador that was contrary to our national interest as well as that of the overwhelming majority of the people of El Salvador.

I was distressed when a President of my own party restored that military aid which had been suspended following the deaths of four American women serving as missionaries in El Salvador.

The Reagan administration has continued and accelerated a dangerous course in El Salvador that threatens, rather than strengthens, the security of the people we represent.

Our policy in El Salvador will do nothing to remove the poverty and repression which are the major destabilizing forces within El Salvador.

I do not want to see a government hostile to the United States in El Salvador. The proper course for us, however, is not to support a government which is hostile to its own people.

Fifty-five Members of this House have already cosponsored H.R. 1509, the legislation introduced by our colleague from Massachusetts (Mr. STUDDS) to terminate military aid to El Salvador. This bill offers the first step in a policy of commonsense for this country. I am proud to be a cosponsor.

In the past 2 months, I have been impressed by the level of concern in my district regarding our policy in El Salvador.

The Duluth News-Tribune, the largest newspaper in my district, has published two thoughtful, responsible editorials on El Salvador and the unfortunate decisions by both the Carter and Reagan administrations with respect to El Salvador.

I ask my colleagues to consider the following editorials from the News-Tribune:

[From the Duluth News-Tribune, Jan. 20, 1981]

AIDING OPPRESSION

Is the ruling regime in El Salvador really the kind of government our government wants to find itself four-square behind?

Late last week, the U.S. State Department announced an immediate escalation of its military aid to El Salvador. The United States is now shipping some $10 million worth of new military hardware to the Salvadoran government.

The State Department explained its renewed help for the Central American nation in terms of that government's perceived enemy: "We must support the Salvadoran government in the struggle against left-wing terrorism supported covertly with arms, ammunition, training and political and military advice by Cuba and other communist nations."

So, in the eyes of our State Department, El Salvador's enemy is communism, its archnemesis left-wing terrorism. And therefore we, as a right-thinking, right-acting nation, apparently have an obligation to help obliterate this leftist threat in our own hemisphere.

But is the current Salvadoran government really a better alternative? We honestly doubt it.

El Salvador has long been ruled by a right-wing military junta. That government is generally acknowledged to have been kept in power to protect and promote the financial interests of some 15 to 20 rich and powerful families in the nation of 4.3 million. The methods the junta has used for such protection and promotion can often best be described as terrorist.

Brute force has long been a trademark of the military commanders. Salvadorans who have dared to express opposition to their government's actions or policies have routinely, perhaps systematically, been tortured and/or killed. Violence has been a common tool for silencing dissent in the basically poverty-striken nation. And more than suspicion supports contentions that poverty among the many is fostered to preserve the lavish richness of a few.

The Salvadoran government now stands accused of aiding, if not committing, the murder of four American women late last year. Our government said Saturday that it has been assured that the junta continues to take "positive steps" in investigating those deaths. Balderdash!

In its perhaps noble efforts to thwart the personal and social abuses often associated with communistic regimes, our government may foolishly be aiding and abetting a regime which is just as abusive of the rights of its citizens. Small matter that those abuses are inflicted from the opposite end of the global political spectrum.

The painful lessons learned in such diverse countries as Vietnam and Iran should have taught us that no government anywhere can long stand without the support of the people it governs. If the government of El Salvador is now in such dire straits as to require massive American military aid, we wonder how much support it really has among its own oppressed people.

[From the Duluth News-Tribune, Feb. 22, 1981]

LESSON NOT LEARNED?

Some of the reports coming out of the State Department on El Salvador these days sound strangely familiar. They seem to echo out of the past from another warm part of the world.

Take this paragraph from a recent news dispatch: "It is not clear how much more military aid might be supplied to El Salvador, but (Secretary of State Alexander) Haig's attitude is plain, according to members of Congress who have been privately briefed: whatever is necessary to prevent a communist takeover."

Here's another: "The administration's Latin American experts now believe that a major effort to prop up what they consider to be a 'centrist' government in embattled El Salvador with U.S. military aid could pay big dividends."

And other reports are filled with statements that the U.S. government believes that leftist forces supported by Cuba, and perhaps by others, can be bested with U.S. help and that stability can be restored.

Here's the kicker. After stability is restored, our government's Latin American experts believe, "basic economic and political reforms would follow, including free elections. It would show that progress is possible in an underdeveloped country without a communist, or leftist, revolution," is the way one report quoted the experts.

Overriding all this is the indication that the Reagan administration believes El Salvador is the place where America can show a victory in the Third World after its failures in Iran and—here's a place name that rings a bell—Vietnam.

Vietnam—where a former administration's Southeast Asian experts believed the United States should prop up a government with U.S. military aid; Vietnam—where it was believed leftist forces could be bested with U.S. help and stability restored; Vietnam—where basic economic and political reforms were going to follow, including free elections; Vietnam—where more than one

American secretary of state determined this country should do whatever is necessary to prevent a communist takeover.

It could be that it is in the best interests of this country to keep El Salvador in our camp. It could be that it would be well that this country do what it can to prevent communist takeovers in this hemisphere.

But when high U.S. government officials start making statements such as "we will do whatever is necessary," and when government experts promise that with enough military aid, we can "win one" and then economic and political reforms such as free elections will follow, one wonders if we learned anything in Vietnam.

Such things as stability and free elections are as elusive in banana republics as they are in Southeast Asian jungles. And it is difficult to understand how that could be forecast by anyone calling himself an expert on Latin America.

The United States should continue to pursue its goals in El Salvador like a squad of private soldiers making their way through a minefield: very, very carefully.●

GREEN THUMB PROGRAM

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. BRINKLEY. Mr. Speaker, may I bring to the attention of my colleagues the excellent letter of Mrs. Josephine Brown, one of my constituents from Warner Robins, Ga. Mrs. Brown conveys so well the feelings of many senior citizens who are employed in the Department of Labor's Green Thumb program. We can learn much from the experience and counsel of our senior citizens who understand the dignity of work and the satisfaction which it brings. I am grateful for constructive lives and I am grateful for good citizens like this.

The letter follows:

FEBRUARY 23, 1981.

JACK BRINKLEY,
2412 Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN BRINKLEY: Please accept this letter as a plea for your support of the Green Thumb Program administered by the Warner Robins City Recreation Department.

Green Thumb has given me the opportunity to work. As a senior citizen, there are very few jobs for people like me. We do not want welfare, we want to work. Green Thumb has allowed us, the senior citizens, to remain self-supporting and serve the people in our community as well.

Congressman Brinkley, any and all support you can contribute toward the continuation of the Green Thumb Program is appreciated.

Respectfully submitted.

JOSEPHINE BROWN.●

MGM GRAND HOTEL FIRE

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. SANTINI. Mr. Speaker, I would like to enter into the RECORD a letter I received from the Clark County, Nev., Fire Department praising the cooperation they received from the U.S. Fire Administration in studying the cause of the tragic fire that killed 84 persons at the MGM Grand Hotel on November 21, 1980.

The cooperation the county fire department received was excellent and proves that Federal and local government can be effective working partners.

A preliminary report released January 17, 1981, by the U.S. Fire Administration indicated that poor ventilation, lack of directions on how to get out of the hotel, plastic furnishings that are potentially lethal when burned, and construction which preceded the adoption of local fire codes were safety features absent in the MGM and are absent in many hotels and public buildings in America today. The preliminary report further stated that sprinkler systems or smoke detectors located throughout the hotel would have minimized the disaster.

While we have learned a difficult and most tragic lesson, I am confident that improved cooperation among local and State governments, the U.S. Fire Administration, and the National Fire Protection Association can help prevent such recurrences.

The letter follows:

CLARK COUNTY FIRE DEPARTMENT,
Las Vegas, Nev., December 8, 1980.

Congressman JAMES SANTINI,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN SANTINI: I would like to take this opportunity to inform you of an excellent team effort that recently took place following the tragic MGM Grand Hotel fire which occurred November 21, 1980.

After the fire fighting and rescue efforts were concluded, of which we all participated, our Division (Fire Investigations) went to work. Our assignment was to determine cause, origin, and circumstances surrounding the fire. We investigated the scene until very late that first evening and after determining the magnitude of the loss (property and life), decided to accept the assistance of the United States Fire Administration, which was offered by Mr. Gordon Vickery, the Director, who had sent word earlier and offered their help.

The next day several team members began arriving and we commenced to address every issue raised as the result of this fire.

Tom Wright, their Team Coordinator, made it known that they were here to assist and not to take over or run the show. I appreciated this and the whole investigation went very well.

I know because of my Division's efforts and the tremendous help of the USFA and the National Fire Protection Association, that the forthcoming report will be very well done. It will be informative as to this fire and will also be used as a tool to hopefully prevent this sort of tragedy from happening again.

As a result of what I observed and the help we received, I feel the Fire Administration is very effective and well organized. I also feel this is a result of those who manage the organization. If possible, could you convey this feeling and information to those who might oversee appointments to the Administration.

Respectfully submitted,

MIKE PATTERSON,
Captain, Fire Investigation Division.●

HUMAN RIGHTS OF CHRISTIANS IN EGYPT

HON. LAWRENCE J. DeNARDIS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DeNARDIS. Mr. Speaker, I wish to express my concern for the human rights of Christians in Egypt. My interest has been heightened by information I have received from the American Coptic Association through Shawky F. Karas, Ed. D., president of the American Coptic Association.

Egypt's Christians continue to live under daily threats of religious and legal persecution, legal in the sense that the Egyptian Government has not only adopted, but confirmed Islamic principles in its constitution that are designed to eliminate Christians from playing any effective role in the religious, economic, educational, and social life of their country.

Christian Egyptians are industrious people who love their homeland. However, they are exposed to discrimination and religious suppression from all levels of Egyptian society.

In addition, the members of the Muslim Brotherhood are waging a violent campaign of terrorism against Christians and their property, with the objective of wiping out every trace of Christian life in Egypt today.

Despite Egyptian President Sadat's promises to the Egyptian Christian leadership in 1972, 1975, 1978, and 1979, to establish freedom and justice for the Christians of his country, the situation has not improved. In fact, it has gotten worse.

Dr. Karas has presented a fact file which makes clear the evidence of persecution against Egypt's Christians that has gone on for generations. We must try to convince Egypt that Christians in Egypt deserve equal rights and freedom from discrimination.

If we are going to support human rights throughout the world, we must not neglect the 8 million Christian Egyptians who face terrorism, and even annihilation in the Arab world.●

BILL TO REPEAL MARINE SANCTUARIES ACT

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. BREAUX. Mr. Speaker, I am today reintroducing a bill to repeal a Federal program which stands as a classic example of unnecessary, costly, duplicative, interfering and ineffective bureaucracy. In short, it represents all of the bureaucratic irritants which are so exasperating to the American taxpayer.

There are two basic reasons why I feel that the repeal is in order. First, the marine sanctuaries program is not needed for the protection of the marine environment; other programs are more than equal to the task. Second, the marine sanctuaries program has been very poorly administered; it has lacked a consistent, coherent policy base and has been carried out in a manner that has frustrated the administration of other Federal programs. These twin consequences have been wasteful expenditures of the taxpayer's money and unnecessary additional costs to user groups.

The program is not needed because the authority provided by title III of the 1972 act for the protection of the environment is redundant with other authorities, such as as well as the committees of the Congress which established the marine sanctuary authority in the first place. Simply stated, this program has been an example of the very poorest performance of the executive branch in my experience. It has served to infuriate other departments in the executive branch. It has even been the cause of rather heated disputes in Cabinet meetings of the previous administration.

At a time when we in the Congress and those in the executive branch are carefully looking for programs which will reduce waste and inefficiency, the marine sanctuaries program earns the honor of being among the first on my list of Federal curtailments.

In the waning days of the previous administration, the Commerce Department provided the President with several sanctuary designation proposals and the President chose to approve them. These designations were located off the coasts of Georgia, Florida, and California. These decisions were made without appropriate prior consultation with any of the committees or Members of Congress who have been intimately involved with this program.

From 1972 to 1979—a period of over 7 years—only two sanctuaries have been established: one to protect the wreck of the Civil War vessel, *Monitor*, and the other to protect those provided by the Outer Continental Shelf Lands Act (OCSLA), the Clean Water Act, the Fishery Conservation and Management Act, the Marine Mammal Protection Act, the Endangered Species Act, the Ports and Waterways Safety Act, the Ocean Dumping Act, and a multitude of other statutes which are already in place. This program cannot be afforded by the American taxpayer because it substantially complicates and seriously impedes the work of the Federal Government and the activities of our citizens. It also provides no significant countervailing benefit that cannot be achieved through these other programs.

The original Marine Sanctuaries Act adopted in 1972 provides the Secretary of Commerce with the authority to establish marine sanctuaries. By a loose reading of the statute as well as the intent of Congress, the Commerce Department has chosen to regulate any and all activities which are considered to be potentially threatening to the marine environment, even when these threats are not substantiated by science or fact. The Commerce Department, by regulation, has chosen to provide themselves with very sweeping authority even when the legislative history of the statute did not clearly provide such authority.

More importantly and inexcusably, the Commerce Department has chosen to ignore or treat lightly their responsibility to coordinate this program with other involved Federal agencies coral reefs off Key Largo, Fla. Each sanctuary is very small and has little impact on marine activities. In fact, there is no need for either sanctuary since the *Monitor* can be given special protection and Key Largo coral can be protected by the Interior Department under the OCS Lands Act and by the Department of Commerce under the Fishery Conservation and Management Act.

The sum of $1.75 million was appropriated for this program last year and $2.25 million was authorized for appropriations by the Congress. In the first cut of this administration's budget reductions, there was no reduction included for the marine sanctuaries program. If this is the case in the second budget announcement, it will be a sorry state of affairs indeed. Of all of the programs which we plan to cut, this is one which cannot escape.

I urge all of my colleagues who have an interest in the new wave of fiscal responsibility to take a close look at this program and join with me in cosponsoring the repeal bill.●

TRIBUTE TO ELINOR PEABODY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DYSON. Mr. Speaker, on March 2, 1981, one of St. Marys County's most illustrious women, Elinor Peabody, passed away.

Mrs. Peabody's drive and dedication to community service was exemplary and her loss will be felt in the county for many years. Her commitment to St. Marys Hospital, among many others, earned her a reputation as an energetic fundraiser and educator. As president of the St. Marys Hospital Auxiliary and as a member of the hospital board of directors, Mrs. Peabody almost singlehandedly raised millions for the hospital. She was a credit to the community.

Perhaps John Hoxie, of the Enterprise, best expressed St. Marys sadness at Mrs. Peabody's death in his editorial of March 4, 1981, which I insert here for the RECORD:

A GREAT LOSS

St. Marys County suffered a great loss Monday with the death of Elinor Peabody.

"She was a beautiful, sincere lady who devoted her whole life to helping people in the county," said County Commission President George Aud Tuesday after learning of her death. "I think the county needs more Mrs. Peabodys."

Certainly it does, but the likes of Mrs. Peabody are rare.

She leaves much behind here in St. Marys County. Her efforts as president of the St. Marys Hospital Auxiliary were largely responsible for funding the addition to the hospital which bears her name, the new intensive care unit and many other improvements.

Her dedication became almost legendary and the many honors bestowed upon her in later life were well deserved.●

GAO REPORT URGES ACTION ON WOOD ENERGY

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. D'AMOURS. Mr. Speaker, on behalf of the Wood Energy Caucus, I would like to recommend to my colleagues a highly important and timely new report by the General Accounting Office entitled, "The Nation's Unused Wood Offers Vast Potential Energy and Product Benefits."

Within 10 years, according to the report, improved utilization of currently discarded portions of our wood resources—the wood residues—can contribute 8 percent of the Nation's energy budget. The U.S. Forest Service believes that by 1990 the level of

wood residue use could amount to 25 percent of current oil imports.

To reach this goal, certain Federal actions are necessary: In some cases, simply modifying the focus of forest management programs, requiring no new funds; and in other cases, implementing cost-effective techniques that actually reduce funding requirements. Overall, the enormous benefits that wood energy use can offer far outweigh the possibility of any additional costs.

The GAO report, EMD-81-6, March 3, 1981, can be ordered from the U.S. General Accounting Office, Document Handling and Information Services Facility, P.O. Box 6015, Gaithersburg, Md. 20760. Phone: 202-275-6241.

The Wood Energy Caucus has been organized as an informal grouping of Congressmen and Senators who are interested in encouraging and assisting wood energy use. As the GAO report indicates, wood energy can make a significant contribution in dealing with this country's energy supply problems and in alleviating our dependence on expensive foreign oil. Congressmen and Senators who would like to join the Wood Energy Caucus should call Mark Szpak in my office, 225-5456; Margaret Downs in Congressman JEFFORDS' office, 225-4115; John Fitzgerald in Congressman ALBOSTA's office, 225-3561; Jimmie Powell in Senator DURENBURGER's office, 224-6854; or Mitch Tyson in Senator TSONGAS' office, 224-2742.

The following is a summary of the wood energy study done by the GAO:

THE NATION'S UNUSED WOOD OFFERS VAST POTENTIAL ENERGY AND PRODUCT BENEFITS

DIGEST

Background

Immense quantities of wood residues—estimated by the Forest Service at 600 million dry tons each year—are wasted in the U.S. in the form of decaying logging residues and dead trees, unused wood processing residues, and large, untapped acreages of small, defective, and other lower value trees.

Wood residues could be an important energy source. The Forest Service estimates that, within 10 years, about half of the available residues could be recovered economically, increasing wood's contribution to 8 percent of the Nation's energy budget.

Residues are also suitable for making lumber and plywood, as well as reconstituted wood products such as pulp, paper, and particleboard. Wood products can substitute for other materials, such as aluminum and steel, which are far more energy-intensive. Some officials believe that increased substitution of wood products offers even greater potential benefits than alternative use of wood to produce energy.

Major barriers to residue use

GAO identified numerous factors standing in the way of greater use of wood residues for energy and products. While there are regional differences, GAO found four barriers which appear to have a significant effect on residue use nationwide. These barriers are

Inadequate data on the volume, location, accessibility, and availability of forest residues;

Lack of economical and effective equipment for harvesting and transporting residues;

Lack of investment capital needed for harvesting and using residues; and

Limited awareness and acceptance of wood energy and product technology among industrial firms, utilities, and State and local bodies.

Other obstacles may serve to discourage or prevent residue use in some areas around the country. They pertain to:

Federal forest management policies and programs,

Utility practices and regulations, and

Environmental concerns related to greater use of residues.

Detailed Examination of Actual Potential is Needed

While the Forest Service and Department of Energy have an interest in greater residue use, they have made little progress in developing a national wood residue plan. The agencies need to expedite development of a comprehensive, well coordinated plan for using residues for both energy and products.

Initially, the agencies should direct their attention to regional variations by making a number of assessments in selected locations around the country which appear to offer significant opportunities for greater residue use.

These residue assessments should be made in areas adjacent to a particular site where potential end-use facilities for wood residues exist and/or could be developed. Such operating areas should be defined in terms of key factors such as topographical features, transportation corridors, economic hauling distances, and landowner attitudes. The mere existence of residues in a given area may mean little if landowners are unwilling to make them available.

GAO believes the Forest Service should take the lead in accomplishing the needed assessments. The Department of Energy should be an active participant in the studies, but the assessments must deal more with resource management problems than end-use technology questions. Given the current preponderance of resource issues, Forest Service lead responsibility is essential.

Concurrent with accomplishing the residue assessments, the Forest Service, Department of Energy and some other Federal agencies can initiate several actions to stimulate greater residue use.

RECOMMENDATIONS

To the Secretary of Agriculture and the Secretary of Energy

To more fully evaluate potential barriers to wood residue use and how these barriers vary by locations, and to begin development of a comprehensive national plan for realizing the vast potential of wood residues for producing energy and products, the Secretaries should conduct a cooperative program of assessments in at least six locations around the country. Based on the results of these assessments, the Secretaries should present to the Congress within 2 years a national wood residues plan, including proposed residue use goals and recommendations for legislation or other actions to overcome barriers to such goals.

The Secretaries should also work jointly to develop standardized methods for evaluating the costs and benefits of using wood fuels in Federal facilities, including allowance for forest management benefits, and submit these methods to the Office of Management and Budget within 6 months for dissemination to the executive branch to assure consistency in life-cycle energy evaluation.

The Secretaries should also establish programs which encourage both the use of wood fuels and the development of residue-handling equipment.

To the Administrator, Environmental Protection Agency

To help promote wood residue use in locations where current air pollution regulations preclude such facilities, GAO believes that policies and procedures must (1) recognize emission trade-offs resulting from reduced burning of residues in the woods or in other locations and increased burning at proposed wood energy facilities, and (2) allow such trade-offs to be considered in deciding whether a wood-burning facility may be constructed and what type of pollution control equipment will be required. GAO recommends that the Administrator request legislation to amend the Clean Air Act to allow full recognition of such trade-offs. The Administrator should also encourage the States to modify their policies where needed to recognize such trade-offs.

To the Secretary of Defense and the Administrator of General Services

GAO recommends that the Secretary of Defense and the Administrator of General Services provide a major stimulus for wider wood residue use through both facilities conversion and procurement policies.

Matters for consideration by the Congress

GAO's recommendations call for carefully coordinated interagency actions to plan, fund and implement local wood residue assessments in each of the Nation's major forested regions and to develop subsequent proposals for a national wood residues plan. Effective participation by both the Department of Agriculture and Department of Energy is essential to the success of these actions. GAO believes the Congress should consider the adequacy of participation and degree of cooperation and coordination displayed by the Departments in the course of reviewing their future appropriations requests.

AGENCY COMMENTS

GAO sent a draft of this report to the Departments of Agriculture, Energy and Defense, the General Services Administration, and the Environmental Protection Agency. The Environmental Protection Agency did not provide comments on the report. All the other agencies provided written comments.

The Department of Agriculture said the report could provide "an impetus for greater and more effective use of unutilized wood fiber." The Department said the Forest Service would assume the lead agency role in planning and conducting local wood residue assessments and the results of the assessments would be incorporated into subsequent proposals for a national wood residues plan.

Overall, the Department of Energy agreed that wood residues should play an important part in achieving the national energy goals.

Other comments by the Departments of Energy and Defense and the General Services Administration supported some GAO recommendations and disagreed with other recommendations.●

SUPPORT FOR TRADE ADJUSTMENT PROGRAMS

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. OBERSTAR. Mr. Speaker, the failure to enact legislation making substantial and much needed improvements in the trade adjustment assistance program was one of the major disappointments of the 96th Congress.

Under the able leadership of our former colleague, the gentleman from Ohio (Mr. VANIK), the House in May 1979 passed H.R. 1543, a responsible piece of legislation to correct a major inequity in the existing trade adjustment program.

The 1974 Trade Act does not authorize workers who produce an essential part or service for the manufacture of an import-impacted good to qualify for adjustment assistance. Autoworkers may obtain trade assistance, but not the steelworkers who make the steel used in the manufacture of American autos. Steelworkers in my district who produce iron ore and taconite were laid off as a direct result of a decrease in demand for steel due to increased imports of foreign made cars. Yet, these workers were denied trade adjustment benefits.

The full Senate never considered H.R. 1543 in 1980. When Congress failed to pass H.R. 1543, it lost the best chance to make easential improvements in the program. The administration now proposes, instead of improvements, substantial cutbacks.

American workers need the provisions of H.R. 1543. When they lose their jobs as the result of our trade policies, we have a responsibility to assist them.

In February, our colleague, Mr. SEIBERLING, introduced the text of H.R. 1543 with three constructive changes, including a provision to permit military leave and authorized sick leave to be used in the computation of eligible employment. I am pleased to have cosponsored Mr. SEIBERLING's bill, H.R. 1604.

Along with the gentleman from Michigan (Mr. DAVIS), I have introduced H.R. 2292, to establish specifically the eligibility of those workers who produce raw materials for the essential part or service used in the manufacture of an import-related good. The effect of H.R. 2292, in combination with H.R. 1604, would be to permit iron ore miners to qualify for trade adjustment assistance when auto imports cause unemployment in the steel mills and consequently, the iron ore mines and taconite plants.

At some point, I hope Congress will act to pass these bills to meet a legitimate responsibility to American workers.●

INCARNATE WORD COLLEGE

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. GONZALEZ. Mr. Speaker, this year marks the centennial of Incarnate Word College of San Antonio.

In the year 1881, San Antonio was, as it is today, a growing city. At that time it was on its way toward becoming the largest city in Texas. Electricity and street railways were the newest thing; and everything was clearly up to date in San Antonio. That was the time Incarnate Word College began to operate, another new part of a newly emerging city.

From the very beginning, the college served the whole community, not just some of it. Piety, charity, and all the virtues were real there, not just slogans. Scholarship and service were the goals, never forgotten, never missed.

In more recent years, Incarnate Word has made a special effort to provide opportunities to the disadvantaged. For example, it is one of the smallest schools in the country to have set up and made a success of a program designed to encourage and prepare minority students to enter scientific and medical careers.

But all along, not just when it became fashionable, Incarnate Word has made a special contribution to the community, and especially to Mexican Americans. The college has always served as a beacon of encouragement and hope, a place to inspire young people to seek out the opportunities that higher education could offer. Historical texts refer to Mexican Americans as a subculture or underclass, but such generalizations have never been true. The reason is that colleges like Incarnate Word have always done more than offer hope, they have created opportunities.

For 100 years. Incarnate Word College has served in the same quiet, proud way in San Antonio. Its students have become supremely valuable contributors to the life and progress of the community they live in, which is most often San Antonio, but now includes every imaginable place.

Colleges like Incarnate Word are priceless assets. They provide excellent education, work very hard to be sensitive and responsive to community needs, and they always give more to the community than they ask of it.

No college in America has done a better job than Incarnate Word. Its students have been well served, and in turn have enriched the world. This small, quiet, urban school has earned the right to be proud, enjoyed the respect of all who come in contact with it, and inspired the admiration of everyone who knows its work.

I was proud to take part in a ceremony honoring community leaders, part of Incarnate Word's centennial celebration, 2 days ago. It was we who should have been honoring the college, not the other way around. But that is the way the school operates—always self-effacing, always giving.

There may be schools larger in size, greater in prestige, richer in endowment, and enjoying greater renown; but no college has greater integrity and honor than Incarnate Word, none has served better, and none has any more right to our respect and pride.

I salute Incarnate Word College, a singularly good place, a true builder of scholars, and for 100 years, an outstanding community institution, a place of heart and mind. I cannot imagine that the college will be the same 100 years from now as it is today; yet if it changes in a physical way, my firm hope and earnest belief is that its spirit, its dedication, and its determination will remain the same then as they are today.●

NEW HOMESTEAD ACT

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. PETRI. Mr. Speaker, today I have reintroduced legislation which would help young farmers get started in farming by making changes in the Farmers Home Administration's farmownership loan program. As an extra benefit, this legislation entitled the "New Homestead Act" would require no additional spending.

There is a significant need for this type of legislation. For the past four decades we have seen a serious decline in the number of family farms in America. Recent figures from USDA show we are losing about 1,000 farms a week. If this decline continues, it may lead to higher food prices, larger trade deficits, and some long-term problems for the agriculture industry. It can even result in the extinction of the family farm—a development fraught with far-reaching social and political consequences for our democratic society.

One key reason for the decline in family farms is that new farmers are having trouble finding ways to buy a farm. With land values accelerating, getting started in farming will be ever more difficult for the low-equity, young farmers. If the family farm is to survive, we must find ways of helping new farmers get started.

The farmownership loan program (FO) now offers loans to new farmers

to buy farms and to existing farmers to improve theirs.

The first change would offer new farmers the option of a graduated repayment plan, permitting smaller installments during the early years of farming, with payments increasing at a constant rate until they level off 5 to 10 years after the start of the loan. Such a plan is used for home loans from HUD. Over the years, these loans cost somewhat more than the standard amortized plan but they place a smaller financial burden on the borrower in the beginning when expenses are high and resources slender. As a farmer begins to pay off high startup costs and gains more experience, he is in a better position to make larger payments. Also because the deferred interest is capitalized in later payments, such loans would not cost the Government more money.

The second change would require that at least 40 percent of the FO program's funds be spent to help new farmers buy farms. Establishing a minimum percentage would insure a continuous source of assistance for new farmers. It may also help in reducing backlogs of processed applications awaiting funding. Currently, slightly over 40 percent of FO loans are being made for new farmers. However, the scheduled termination of FmHA's economic emergency loan program in September could result in many more applications to the FO program and could seriously reduce the amount of FO money available to new farmers to buy farms unless a 40-percent floor is established by legislation.

An existing farmer can apply for loans from commercial lending institutions or from the FmHA farm operating program, in addition to the FO program. A new farmer usually does not have these options.

The graduated repayment plan and the 40-percent minimum provision are two inexpensive ways that Congress can assist new farmers and simultaneously help to preserve the family farm.●

VOICE OF DEMOCRACY

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. UDALL. Mr. Speaker, Tammy Sue Kuykendall of Elfrida, Ariz., delivered the winning speech in the Veterans of Foreign Wars voice of democracy contest in Arizona this year. Tammy is a student at Valley Union High School in Elfrida, and has been deeply involved in student government and other extracurricular affairs throughout her high school years. She is an impressive young woman. Her parents, Tom and Betty Jo Kuykendall, are surely quite proud of her. I am pleased to submit her winning entry for inclusion in the RECORD, with my congratulations:

A man was stranded on the bank of a raging river, swollen by summer rains. It was imperative he reach the other side, so he hired a boy to row him across—despite the danger they faced. After many anxious moments, the boat reached the opposite shore. As the boy prepared to make the return trip, the man turned to thank the brave youth and noticed a "C" painted on one oar, and an "F" painted on the other. He asked what these letters meant, and the boy replied," "C" stands for commitment and "F" stands for faith. If I just row with "C" I go in circles to my left. If I row with "F" I go in circles to my right. I have to make a commitment to cross this relentless river, and have the faith to know I can do it; therefore, I must use both oars to go straight across."

The first time I heard this story, I realized that each of us have to make commitments as individuals, and have enough faith to follow through.

My commitment to my country begins with my family and loved ones. I want to live each day being thankful for the freedom I was born with, and in time, instill in my children the same lofty ideals, high principles, and pride in this great nation that my parents have given me.

Now, and in the future, I will do everything in my power to help keep America the land of freedom and opportunity.

By pursuing a career in Ag Journalism and Communications, I hope to relate to other people; understand more problems this world is faced with, and no matter how insignificant it may seem to others—contribute in my own way, to the destiny of America.

In my opinion, one of the greatest problems this world faces today is lack of communication. Communication among families, within communities, in the government, and dealing with foreign affairs.

There is a strong message to be shared. I want to remind Americans that our heritage is of the land and of the spirit, of the heart and of the soul. We must not lose what our ancestors have given their lives for. I hope to wage my own battle against anyone or anything that challenges our democracy.

You might ask yourself—what can one person accomplish in molding America's future?

To be honest, I don't know. But I won't set back and wait for something to happen—Why?

Because the true meaning of being born an American really didn't touch my life until I began reading books and newspapers—and started to understand what life is all about. Then I studied, asked questions, and realized that America is what we make it. All of us. Our fear, our struggles, our dreams; a day's work for the weakest man, and the largest goal of the most daring man. Our battles, our mistakes, our failures, our success—are America. We must all believe that our individual commitments to our country hold significance and hope.

We have too much at stake not to make a commitment. This is most apparent to me in the thin dawn of a new day—or the stillness of a moonless night, when our world is close about us. I sometimes think of simple things—like a glass of frosty cold lemonade on the 4th of July; the carefree laughter of a small child as he enjoys his freedom; people worshiping God in their own way.

I think about these things and realize we all take too much for granted. Because of this, I know my commitment to my country must never waver.

When summer rains swell our rivers and the destiny of America is beckoning to us from the opposite shore, it is not a time for despair—it is a time for hope. We can each put forth the effort to grasp an oar with each hand; one marked "C" for commitment, the other marked "F" for faith and row with steady determination until we reach the far bank.

I believe in my heart that on that shore we will find the destiny of America to be the abiding place of liberty and free institutions.

I am confident that each of us can leave a legacy for future generations, through our commitment to our country, and each individual will speak with pride and gratitude when he says, "I am an American!"●

ENCOURAGING NEWS FOR AMERICAN AUTO INDUSTRY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. FORD of Michigan. Mr. Speaker, I was encouraged to note in the Washington Post of Friday, March 6, that eight Republican Governors joined the Secretary of Transportation and many Members of Congress in asking President Reagan to begin immediate negotiations on a voluntary trade agreement with the Japanese that would limit the number of auto imports.

This gubernatorial support is most welcome and comes at a time when we must take some action to avoid permanent and lasting damage that now threatens the American automobile and truck industry and key related industries.

New U.S. automobiles are fuel efficient and our manufacturers are now in the midst of an all-out effort to competely redesign and replace their production lines. But this conversion will take time and in the interim the Japanese must offer cooperation.

While David Stockman insists on imposing his personal free trade philosophy, which is detrimental both to his home State and the national economy, I am pleased to note the emerging commitment and support of Secretary of Transportation Drew Lewis in this effort to revitalize the car industry.

Because of the importance of this matter, and this interest by the Governors in one of the Nation's most dire problems, I am including the Washington Post story with my remarks:

EIGHT GOVERNORS TO ASK CAR IMPORT CUT

THEY WANT REAGAN TO SEEK VOLUNTARY PACT WITH JAPANESE

(By Lou Cannon and Hobart Rowen)

Eight Republican governors, joined by the Reagan administration's secretary of transportation, are to ask President Reagan today to move immediately to negotiate a voluntary trade agreement with the Japanese that would limit automobile imports significantly.

Well-placed White House sources said Reagan has made no decision on the issue, which has provoked one of the sharpest internal battles of his young administration.

One source said the weight of the internal argument appeared to tilt toward those who favor an import limitation to help the hard-hit domestic auto industry, but that the strong opposition of Office and Management Budget Director David A. Stockman has left the issue in doubt.

Known to favor such an agreement are Transportation Secretary Drew Lewis, who heads a task force that is to make a formal recommendation on the issue next week, Commerce Secretary Malcolm Baldrige and Labor Secretary Raymond J. Donovan.

The "free trade" opposition, led by Stockman, includes Treasury Secretary Donald T. Regan and Murray Weidenbaum, chairman of the Council of Economic Advisers.

Somewhere in the middle is Bill Brock, the president's special trade representative, and Secretary of State Alexander M. Haig Jr., who, in the words of one White House official, "has yet to show his hand."

Reagan has held one meeting on the issue where both sides strongly expressed their views. A decision is considered likely next week, after another White House meeting presided over by Reagan.

The governors are to press for the import agreement in their White House meeting today. They also are to seek a new 10 percent tax credit, one year depreciation of hand tools instead of the two years now allowed, and a 20 percent tax credit for research and development.

The group is chaired by Gov. William G. Milliken of Michigan, the state where the impact of Japanese automobile imports has been felt most strongly.

The other governors are James A. Rhodes of Ohio, James R. Thompson of Illinois, Christopher S. Bond of Missouri, Lee S. Dreyfus of Wisconsin, Richard L. Thornburgh of Pennsylvania, Robert D. Orr of Indiana and Pierre S. du Pont IV of Delaware.

The governors are expected to point out to Reagan that European countries have limited the import of Japanese cars and argue that the U.S. industry deserves similar protection.

Historically, Reagan has been a free-trader. But during the election campaign, while in Michigan, he promised to help the auto industry, and aides indicated he favored a voluntary agreement.

There is some feeling in the White House that the Japanese are more receptive to such an agreement than they have ever been.

While no specific numbers have been agreed upon, the betting in the White House is that the target would be between 1.4 million and 1.6 million Japanese cars a year. Presently, the import level is 1.9 million cars a year.

In this week's Cabinet-level meeting Regan argued that there was no need for an import agreement because the U.S. auto industry was expected to make between $3 billion and $4 billion in profits this year.

This figure was derided by advocates of the agreement, and Treasury officials subsequently acknowledged that their numbers were wrong and that the industry stands to have profits of no more than $1 billion, if that.

Haig, as he often does, has preserved his options. One source said Haig's neutrality was a good sign for advocates of the import agreement because he had been expected to oppose it.

But another source said Haig has been impressed by Stockman's opposition to any import limitations, which would have the effect of increasing automobiles prices for U.S consumers even while they helped the industry.

At a breakfast meeting with reporters Wednesday, Brock described the Reagan trade policy as "a free-trade policy tinged with patriotism."

And Baldrige said that the American auto industry needed "some running room," adding that it will take from three to five years for it to get into a competitive position with the Japanese.

There is growing protectionist sentiment in Congress for some sort of limitation on auto imports, but it is considered unlikely that legislation on mandatory quotas would pass if the President opts to seek a voluntary agreement.

That decision is now expected no later than the end of next week.●

LEGISLATION NEEDED TO COMBAT INTERNATIONAL TERRORISM

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. ANDERSON. Mr. Speaker, I have again introduced legislation to combat international terrorism. This important legislation was reported by the Committee on Public Works and Transportation in the 95th and 96th Congresses, only to perish in the Committee on Foreign Affairs and the Committee on the Judiciary, to which this legislation was jointly referred. Similar legislation was also favorably reported last year by the Senate Committee on Governmental Affairs.

I believe that the executive branch and the Congress must act together now to protect U.S. citizens abroad and to protect foreign nationals on U.S. soil. It is our responsibility as the leader of the free world to act decisively on this matter. My bill, H.R. 1948, is designed to maximize and strengthen Federal capabilities to combat terrorism without overreacting or denying to the executive branch the necessary flexibility which it must have in conducting foreign policy.

H.R. 1948 requires the President to compile a list of states which actively support international terrorism and to impose specified sanctions against such states. These sanctions include the elimination of assistance under the Foreign Assistance Act of 1961, other than international disaster assistance, and refusal to sell any defense articles or services, or to extend any credit, under the Arms Export Control Act. The President can withhold application of these sanctions if he finds it in the national security interest to do so. He must, however, inform the Congress in writing of the reasons for withholding the sanctions.

The bill also requires the Secretary of Transportation to assess security measures at foreign airports. If these airports do not meet internationally established standards, the Secretary must give notice to the traveling public and the Secretary is authorized, with the approval of the Secretary of State, to revoke the operating authority of U.S. and foreign air carriers which use the foreign airport to serve the United States. Further, the bill sets criminal penalties of up to $10,000 in fines and 20 years in prison, or both, for the hijacking of an aircraft.

Another provision of the bill requires the tagging of cap-sensitive explosives with a material which can be detected prior to detonation and which would allow identification of the source of the explosive following detonation. This provision does not apply to black and smokeless powders manufactured for use as propellent powders.

International terrorist attacks fall primarily into five major categories: Assassinations, kidnapings, bombings, attacks and seizures of facilities, and hijackings. According to a CIA report, between 1968 and 1979 there were 283 incidents of international terrorist assassinations resulting in the murder of 355 victims. The trend in this category is an increase, especially involving assassinations of Soviet and U.S. nationals.

During this same period, there were 347 international terrorist kidnapings resulting in the death of 133 victims. Forty percent of these terrorist kidnaping victims were Americans. As a result of these kidnapings, 267 political prisoners were released and, in 32 of the incidents, $146 million was paid in ransom to meet the kidnaper's demands.

Bombing is the most frequent type of terrorist incident, accounting for nearly 40 percent of all terrorist operations. In the last 7 years, there have been 1,947 significant international terrorist bombings resulting in 1,010 deaths. Half of these attacks were against U.S. citizens and property.

There have been 290 incidents of attacks on and seizures of facilities between 1968 and 1979 resulting in 358 killed, 332 wounded, and 664 hostages taken. Most of these attacks were against government offices, banks, and military installations.

One of the most dramatic types of terrorist incidents is an aircraft hijacking. Between 1970 and 1977, there

were 72 such incidents resulting in 36 hostage deaths, and 15 hostage woundings, with 1,707 hostages eventually being released, 361 were rescued and 18 escaped. During 1979, there were 27 attempted hijackings involving 13 American and 14 foreign aircraft. Fourteen of these attempts were successful. One person was killed and three were injured. Between 1973 and 1979, no hijackings of U.S. scheduled air carriers were the result of real firearms or high explosive devices passing undetected through the passenger screening system. In January 1980 there was a penetration of the system when a man armed with a small pistol successfully hijacked a U.S. air carrier aircraft to Cuba. Unfortunately, last Thursday marked the second time in 8 years that a gunman has penetrated the U.S. airport security system, when a hijacker held hostages for 10 hours aboard a Continental Airlines jet at Los Angeles International Airport. Fortunately, no one was injured and the gunman surrendered peacefully.

To summarize, between 1968 and 1980 in incidents of international terrorism, 173 U.S. citizens have been killed; 138 kidnapings occurred in which Americans were victims, 912 American facilities have been bombed, and at least 50 U.S. facilities have been attacked or seized. While most international terrorist incidents occur outside of the United States, the number of incidents occurring in this country is not insignificant. There have been attacks against Yugoslav, Cuban, and U.S.S.R. diplomatic facilities, the hijacking of an American airlines jet in 1979 by a Serbian nationalist, the assassination of former Chilean Foreign and Defense Minister Orlando Letelier, bombing by Cuban Americans, and attacks against U.S. military personnel in Puerto Rico.

As I stated earlier, Mr. Speaker, we must work together to protect U.S. citizens abroad and to protect foreign nationals on U.S. soil. I hope that in the 97th Congress this vital legislation will be enacted into law.●

EQUITY FOR THE GREAT LAKES

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. OBERSTAR. Mr. Speaker, on January 19, 1981, I introduced H.R. 845, legislation which provides for long overdue equity in the treatment of the Great Lakes, America's fourth seacoast.

H.R. 845 would restructure the financing of the St. Lawrence Seaway Development Corporation, the agency within the U.S. Department of Transportation responsible for the management of America's locks at the seaway.

The legislation would convert the outstanding $109 million construction debt into equity ownership by the Federal Government. The change is, in effect, a bookkeeping transaction. The debt is owed by an agency of the Government to the Treasury. H.R. 845 would not require the outlay of any taxpayer funds.

H.R. 845 provides that tolls on the seaway be sufficient to meet all operating and maintenance costs and provide a rate of return on the original Federal investment equal to the Canadian rate of return on Canada's original investment. Canada changed to this system in 1977.

Users of the seaway share a burden borne by users of no other federally constructed waterway: The repayment of capital construction costs. In 1986, the annual debt payment, now $2 million, will rise to $9.5 million in order to meet the repayment schedule established by the Treasury. That increase would be devastating for our ports. It would force an enormous increase in seaway tolls and impair the competitive position of the Great Lakes shipping area.

In the coming months, public and private groups interested in the Great Lakes will be working to secure enactment of H.R. 845. As a member of the House Water Resources Subcommittee, I will move for early consideration of H.R. 845 following completion of the budget process.

Mr. Speaker, I would welcome the support of my colleagues for this legislation.●

INVENTORY SIMPLIFICATION AND REFORM TAX ACT OF 1981

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. NOWAK. Mr. Speaker, on March 4, 1981, I introduced legislation on behalf of our Nation's inventory intensive businesses, which are burdened by too much regulation and high rates of inflation. In specific, H.R. 2319 provides for a dramatic change in the tax treatment of business inventories. It is a balanced package of relief designed to help all sizes and types of business.

INVENTORY ACCOUNTING AS A BURDEN ON THE CAPITAL FORMATION PROCESS

In February and June 1980, the Small Bussiness Subcommittee on Access to Equity Capital and Business Opportunities,[1] which I chair, conducted the first congressional hearings ever held on simplification of the tax law on accounting for inventories.[2] The tone of the hearings was set by Prof. Eugene O'Connor of Canasius College, when he asked "whether or not the Government intends to cooperate to preserve the small business as an entity?"

Inventory reform is viewed as one means of easing the capital formation burdens placed on small business. Like depreciation reform, it aids capital formation through increasing the internal cash flow of a business.

There is, however, a fundamental difference in these two types of tax reform. Accelerated depreciation reform focuses on the needs of capital intensive small business. On the other hand, inventory accounting reform aids the vast majority of small businesses, which are primarily labor intensive.[3]

For those industrial sectors that are generally considered to have inventories—manufacturers, wholesalers, and retailers—the importance of inventory accounting reform to small business should not be understated. Based on 1976 Internal Revenue Service data for corporations, 82.3 percent of all tax returns for manufacturers had less than $1 million in total assets. Further, 89.9 percent of all wholesalers and retailers filing corporate returns for that year had less than $1 million in total assets.

TABLE I.—CORPORATIONS GENERALLY CONSIDERED TO HAVE INVENTORIES[1]

	Number of returns	Percent of specified industrial sector
Manufacturers (total)	216,177	100.0
Under $1,000,000 in total assets	177,965	82.3
Under $5,000,000 in total assets	23,517	10.8
Over $5,000,000 in total assets	14,695	6.9
Wholesale and retail (total)	646,062	100.0
Under $1,000,000 in total assets	580,974	89.9
Under $5,000,000 in total assets	38,494	6.0
Over $5,000,000 in total assets	26,594	4.1

[1] 1976 preliminary statistics of income, corporation income tax returns, Internal Revenue Service (Pub. 159, 6–79).

With respect to the economy as a whole, tax reform for accounting for inventories is vitally needed. For example, in 1978, there was 3.5 times as much corporate investment—in total dollars—in structures and equipment, as compared to inventories. In that same year, businesses understated their depreciation allowances on capital investment by $12.6 billion while inventory costs were understated by $25.2 billion. In other words, these statistics indicate that while there was a much greater amount of investment in structures and equipment in comparison to inventories for 1978, inventories were a more pronounced factor in the overstatement of business income for that year.[4]

ROOT OF THE PROBLEM—THE COMPLEXITY AND UNCERTAINTY OF THE LAW AND REGULATIONS

The tax regulations provide that a taxpayer must keep an inventory in every case in which the production, purchase, or sale of merchandise is an income-producing factor. In general, the regulations also require a business to use the accrual method of accounting with respect to its purchases and sales of inventories.[5]

Of the two accrual methods for determining the cost of items in the closing inventory, the most widely used is the first-in, first-out (FIFO) method. The preferred method is the last-in, first-out (LIFO) method, as it lessens taxable income in periods of high rates of inflation.

Small business does not use LIFO, however. Based on 1976 IRS statistics on corporations, only 2.5 percent of all wholesalers and 1.3 percent of all retailers use LIFO.

TABLE II.—PERCENTAGE OF CORPORATIONS USING LIFO IN 1974 AND 1976[1]

Type of business	Total returns filed for year	Number using LIFO	Percentage using LIFO
Manufacturers:			
1974	211,563	7,775	3.68
1976	212,333	7,720	3.65
Wholesalers:			
1974	214,975	5,396	2.51
1976	226,875	5,698	2.51
Retailers:			
1974	386,772	4,155	1.07
1976	407,666	5,219	1.28

[1] 1974 statistics of income, corporation tax returns, Internal Revenue Service, Pub. 16 (11–78) and 1976 corporation statistics, Statistics Division, IRS, August 1980.

In particular, some businesses are not even reporting inventories. For example, 25.5 percent of all retailers filing corporate returns in 1976 did not report any inventory to the IRS. Additionally, 34.3 percent of all corporate wholesalers and 28.5 percent of all corporate manufacturers did not report any inventory for that year.[6] These statistics could be interpreted to suggest that many small businesses have difficulty maintaining business records for inventory purposes. To help this type of business, one provision of my bill permits specified small businesses to use the cash receipts and disbursements method (cash method) of accounting. In essence, it is the simplest of all accounting methods.

The Department of the Treasury recognizes the complexity of the tax law with respect to inventories. In testimony before the subcommittee, Daniel I. Halperin, Deputy Assistant Secretary of the Treasury for Tax Policy, stated:

> Small business has a legitimate complaint that the current complexity in the use of LIFO effectively denies them its benefits. The Administration supports the need to simplify the LIFO rules for small business to make them more available.[7]

THE HEARING REPORT AND THE CAPITAL FORMATION TASK FORCE ON INVENTORIES

In October 1980, my subcommittee released a report on "Inventory Accounting as a Burden on the Capital Formation Process." The report makes several recommendations to Congress on the need for reform of the tax treatment of inventories for small business.

It was apparent, however, that inventory reform would probably never occur without a well coordinated effort on Capitol Hill and in the business community. For this reason, in November 1980, I put together the Capital Formation Task Force on Inventories. The task force is a private sector endeavor involving 16 trade associations, which represent all sizes and types of businesses. Following is a list of the task force members:

Cooperative Food Distributors of America, Food Marketing Institute, National Association of Convenience Stores, National Association of Chain Drug Stores, National Association of Retail Druggists, National Federation of Independent Business, National Small Business Association, Council on Small Business of the Chamber of Commerce of the United States, National Shoe Retailers Association, National Home Furnishings Association, National Association of Wholesaler-Distributors, National Association of Manufacturers, Association of General Merchandise Chains, National Automobile Dealers Association, Jewelers of America, and National Association of Retail Grocers.

Mr. Speaker, the objective of the task force was to study the report and to make suggestions on ways of simplify the tax law on accounting for inventories. On February 25, 1981, the task force released a policy statement and recommendations for inventory reform.[8] Based on these recommendations, and the subcommittee report, I have introduced the Inventory Simplification and Reform Tax Act of 1981. This bill will help elicit discussion of a most important issue for our Nation's businesses. Specifically, I wish to thank the American Institute of Certified Public Accountants, and those task force members who provided technical advice in the drafting of H.R. 2319. Following is a summary of the bill:

INVENTORY SIMPLICATION AND REFORM TAX ACT OF 1981

SUMMARY OF BILL

Section 1. Title of bill.

Section 2. Repeal of LIFO conformity requirement.

Under the present law, a business electing LIFO must keep its financial statements and its tax statements the same. In other words, it cannot use FIFO for financial purposes and at the same time, use LIFO for tax purposes.

This bill would revoke the LIFO conformity requirement.

Section 3. Alleviating the initial penalty associated with the LIFO election.

If a business wants to elect LIFO, it is required to restore to cost inventory writedowns taken in prior years. Thus, a business that restores inventory writedowns to cost due to its desire to elect LIFO, has a large tax bill due in the year it elects LIFO.

To alleviate this severe drain on the business in the year it elects LIFO, it would be permitted to restore inventory writedowns to income over a 10-year period.

Section 4. Simplification of Inventory Pooling requirements.

The current LIFO pooling requirements are a regulatory burden on wholesalers and retailers. These businesses are forced to keep complex records based on the pooling requirement to group items of inventory by major lines, types, or classes of goods (i.e., multiple pooling). Manufacturers, on the other hand, use a natural business unit (one pool).

Subsection (a): Certain small businesses permitted to use one pool.

In a massive simplication of the law, small businesses with less than $5 million in gross receipts would be permitted to use one pool for LIFO.

Subsection (b): Pooling simplification for wholesalers and retailers.

Wholesalers and retailers (not electing the preceding subsection) would be permitted to pool their goods according to the general expenditure categories of consumer goods described in the CPI Detailed Report. These categories are generally as follows:

1. Food and beverages.
2. Housing maintenance and repair commodities.
3. Fuels (other than gasoline).
4. House furnishings and housekeeping supplies.
5. Apparel commodities.
6. Private transportation (including gasoline).
7. Medical care commodities.
8. Entertainment commodities.
9. Tobacco products.
10. Toilet goods and personal care appliances.
11. School books and supplies.

Section 5. Permitting businesses to use regularly published government price indexes.

[1] During the 97th Congress, tax oversight has been added to the jurisdiction of the subcommittee, which is now entitled, "Tax, Access to Equity Capital and Business Opportunities."

[2] Hearings on Inventory Accounting as a Burden on the Capital Formation Process, part 2.

[3] The fact the small business is primarily labor intensive is evident by analyzing the capital investment per employee of various industrial sectors. Those sectors of the economy which are generally considered small business (wholesalers, retailers, etc.) had a much lower capital investment per employee than most large businesses (public utilities, petroleum, etc.). The capital investment per employee for particular industrial sectors for 1976, are as follows (as compiled by the Department of Commerce): Wholesale and Retail Trade, $14,000; Food, $25,000; Petroleum, $150,900; and Public Utilities, $367,600. For further discussion of the capital intensiveness of small business, see Subcommittee Report on Capital Formation and Retention, Jan. 10, 1980, p.5.

[4] For a further discussion, see subcommittee hearing record, pt. 2, "Tax Policy, Inflation and Inventory Accounting," by Jane G. Graveille, Congressional Research Service, Sept. 2, 1980, p. 7.

[5] An exception to this requirement is that small farms may use the cash receipts and disbursements method of accounting.

[6] Statistics Division, Internal Revenue Service, August 1980.

[7] "Inventory Accounting as a Burden on the Capital Formation Process," part 2.

[8] See Congressional Record, March 4, 1981, p. 3553.

In general, a business on LIFO must develop an internal price index for valuation of its inventory. This is particularly a costly and complex requirement for small business. Department stores are currently the only industrial group permitted to use government price indexes.

This bill permits any business electing LIFO to use an index based on general categories from the Consumer Price Index or the Producers Price Index.

Section 6. Permitting business to use certain internal indexes, without showing other methods are unsuitable or impractical.

The tax regulations place certain limitations on the type of internal price index a business may use for LIFO.

For businesses wanting to continue to use internal price indexes under LIFO, this bill would broaden the choice of internal indexes. This provision would permit many businesses to use the link chain method of indexing.

Section 7. Repeal of § 403(b) of the Crude Oil Windfall Profits Tax Act of 1980.

There is a provision in the Windfall Profits Tax Act which requires a corporation to recapture its LIFO benefit as ordinary income in certain specified situations. In general, this recapture occurs when a corporation distributes its LIFO inventory in a partial or complete liquidation of the business. The effective date of this provision is for plans of liquidation adopted after December 31, 1981.

Section 8. Cash Receipts and Disbursements Method (Cash Method) of Accounting.

A business may elect the cash method if its gross receipts are less than $1.5 million and if it meets the active participant test. In general, an active participant is someone who is actively involved in management and whose principal business activity is such trade or business.

Section 9. Treatment of Excess or Obsolete Inventory.

In general, the current tax law only permits a business to writedown its excess or obsolete inventory in certain narrowly defined situations. Often, these narrowly defined situations do not reflect the reality of current business practices.

This bill provides an objective standard for businesses in the treatment of the value of its excess inventory. It generally permits a business to reduce the value of its excess inventory over a five year period.●

PEACE CORPS AT A CROSSROADS

HON. TONY R. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. HALL of Ohio. Mr. Speaker, this month marks the 20th anniversary of the Peace Corps. Such a landmark offers us an opportunity to reflect upon its development and ask about its future in a world very different from the world of its founding.

For me, this anniversary takes on a special meaning. I was a Peace Corps volunteer in Thailand before I was elected to the Ohio General Assembly. for 2 years, I saw firsthand the importance of the Peace Corps and I participated in its mission to help our world citizens.

The Peace Corps is our most effective foreign assistance program. It differs from all other international programs which offer food, money, or arms, because the Peace Corps offers our most precious resource—our own people.

Today, the Peace Corps successfully achieves its goals of helping the people of other countries in meeting their needs for trained manpower, and promoting a better understanding between the American people and the people of other lands.

It accomplishes these goals through volunteers who work at the local level, communicating American values and ideals, and delivering assistance directly to the host country.

The quality of volunteers in the Peace Corps is as high today as it has ever been. Programs are better focused than they have been in the past. Foreign leaders still view the Peace Corps as a reliable resource they can depend on.

Just as they did 20 years ago, volunteers in the Peace Corps achieve a deep sense of satisfaction and personal development. The friendships that are formed through the Peace Corps' unique people-to-people approach continue to benefit this Nation.

Yet, despite its success, the Peace Corps today is struggling for survival. Only 5,000 volunteers now serve in the field—one-third the number who served during 1967. Applications for volunteer positions have steadily declined since the 1960's. The Peace Corps serves nine fewer countries than it did only 4 years ago.

The greatest threat to the Peace Corps may still lie ahead. The decline in popularity of foreign aid has weakened support for the Peace Corps here in the Congress. This, added to the new mood of fiscal restraint and budget cutting, could lead to unfairly large cuts in the Peace Corps program.

The President's recently imposed Federal hiring freeze will have a particularly harsh effect on the Peace Corps. This is because the agency places a strict 5-year limit on employment to insure an infusion of new people and ideas. But unless the hiring freeze exempts the Peace Corps, this scheduled turnover will become a quick depletion of manpower.

Finally, the Peace Corps is in danger of losing its vitality. In the 1970's, a series of organizational and personnel changes diminished the effectiveness of the agency, and the number of applicants began to drop. The Peace Corps must wage an aggressive campaign to promote interest in its program, or the number of applicants will continue to decline.

Last year, when I was a member of the Foreign Affairs Committee, I offered an amendment to the foreign aid bill to increase support for the Peace Corps so that it could continue its efforts overseas undiminished.

In February of this year, I joined with my Senate colleagues, PAUL TSONGAS and CHRISTOPHER J. DODD, in a letter to the President urging his support for the Peace Corps, and expressing concern about the effects of the hiring freeze. Senators TSONGAS and DODD, like me, are former Peace Corps volunteers.

The Peace Corps represents the best humanitarian instincts of the American people in assisting less fortunate people around the world. Dollar for dollar, it has excelled as an effective, yet inexpensive American aid program. In the long run, the investment of this money just might save us from spending millions of dollars more in the future which might be required for economic or security assistance.

Happy birthday, Peace Corps, and many happy returns.●

WOMEN'S HISTORY WEEK

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. RODINO. Mr. Speaker, the significant role that women have played in the development of our Nation has been consistently overlooked in the body of American history, and I believe it is time that Congress initiated a reawakening to the contributions of women to our history. This is why I have joined with over 100 of my colleagues in sponsoring a resolution to designate the week of March 8 as a time of special recognition for women's history in America.

The resolution would direct the President to issue a proclamation calling on the people of all 50 States to observe the week with appropriate activities in celebration of women's history.

This is already happening in many States, and in my congressional district on Sunday, March 8, there was a march through downtown Newark celebrating Women's History Week. Hundreds participated in this event which was sponsored by the following organizations: The New Jersey Division on Women, Clara Allen, director; New Jersey Advisory Commission on the Status of Women, Connie Woodruff, chairperson; Essex County Advisory Board on the Status of Women; New Jersey Coalition of Labor Union Women; National Organization for Women, New Jersey chapter; New Jersey Industrial Union Council/Women's Affirmative Action Commission of the AFL-CIO; Black Women United; United Auto Workers/New Jersey Women's Council; and the

Labor Council for Latin American Advancement.

Over 100 other local women's groups were represented at the march which culminated in a program of women's history at Essex County College. The college presented films, exhibitions, and performances by women singers and dancers, as well as three speakers: Mary Burke Nichols, director of the Women's Bureau for New York State; Crystal Lee Sutton, the courageous Tennessee woman who unionized textile workers and whose life was portrayed in the movie "Norm Rae"; and Kathy Andrade, a native of El Salvador who is a representative of the International Ladies Garment Workers Union.

The activities at Essex County College offer hope that the present lack of historical attention on women's contributions will be replaced by a broader and more indepth appreciation of the role of women.

Women of all races and ethnic origins have served as leaders in the forefront of every major progressive movement for social change in our Nation's history. Their efforts have been directed not only to secure their own rights of suffrage and equal opportunity, but to secure these rights for all Americans.

During the antislavery movement prior to the Civil War, Elizabeth Cady Stanton, Lucretia Mott, Susan B. Anthony, and Harriet Tubman were some of the women who led the attack agaist racial injustice; in the struggle to open up educational opportunities to minorities, the name of Mary McLeod Bethune stands out; at the beginning of the American industrial labor movement, Mary Harris (Mother) Jones and Frances Perkins were leaders; and in our more recent struggle for civil rights the name of Rosa Parks is prominent among the activists.

The names of women who have enriched our Nation through contributions in science, the arts, politics, and sports are legion. Names like Molly Pitcher, Margaret Meade, Dorothy Day, Georgia O'Keefe, Mary Cassatt, Emily Dickinson, Willa Cather, Eleanor Roosevelt, and, more recently, such dynamic leaders in their fields as Sarah Caldwell, Beverly Sills, Leontyne Price, Althea Gibson, Barbara Jordan, Patricia Harris, and Shirley Hufstedler.

While the achievements of these particular women stand out, the fight for equal opportunity for all women has not yet been won. As chairman of the House Judiciary Committee which is responsible for safeguarding the rights of all Americans, and as a sponsor of the equal rights amendment, I remain hopeful that the required number of States will ratify the amendment. This would write into our fundamental law a reaffirmation of our Nation's commitment to basic human rights.

There have been some advancements that we can take pride in, such as the increased number of women on the Federal bench. As the chief sponsor of the Omnibus Judgeship Act of 1978, which created 152 new Federal judges, I pushed for language in the conference report that directed the President to consider the lack of women and minorities on the Federal bench when reviewing qualified candidates for judgeships. As a result of this legislation, President Carter was able to name more women to the Federal bench than did all previous Presidents combined. Also, the Judiciary Subcommittee on Civil and Constitutional Rights has held several hearings on equal employment opportunities in the executive and judicial branches, and the results have been more women working in the U.S. courts.

These advances did not come easily, and the cause of full equality is still ahead of us. But I believe that there are good people to carry on the fight, and I am encouraged by the support given to this resolution for Women's History Week.●

COMMEMORATION OF TARAS SHEVCHENKO DAY

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. NELLIGAN. Mr. Speaker, I rise to commemorate one of the most important days in the history of the Ukraine, and in the memory of Ukrainian Americans—the birthday of Taras Shevckenko, who was the foremost Ukrainian poet and nationalist of the 19th century.

Born a serf on March 9, 1814, Shevchenko used his literary talents to gain his freedom in 1838. Other literary figures of his time used their talents for personal status and financial gain. Shevchenko was different. He applied his God-given gifts to creating a Ukrainian ethnic consciousness, and to promoting the cause of Ukrainian independence.

In 1847, the dictatorial Russian czarist regime punished Shevchenko for his writings by inflicting upon him the worst of fates—forced exile.

Though officially prohibited from writing, Shevchenko continued to work secretly. His poems had an immense impact on Ukrainian nationalist consciousness in the 19th century, and continue to inspire thousands of Ukrainian Americans in the present.

Today, I salute Taras Shevchenko. In so doing, I honor the accomplishments of Ukrainian Americans in Pennsylvania's 11th District, and across the Nation.●

NEW GEOLOGICAL SURVEY GAS SUPPLY ESTIMATES RENDER THE NGPA OBSOLETE

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DANNEMEYER. Mr. Speaker, natural gas is presently priced and allocated pursuant to the Natural Gas Policy Act of 1978 (NGPA). Further, the use of natural gas is restricted by the Fuel Use Act. Both of these public laws were heavily influenced by two critical assumptions, both of which are now obsolete.

First, the pricing formula of the NGPA is based upon the assumption that the $9 to $14 per barrel price of crude oil in 1978 would not increase faster than inflation through 1985. As everyone knows, far from only keeping pace with inflation, world oil prices have more than doubled. Specifically, the Energy Information Administration's Weekly Petroleum Status Report of February 27, 1981, estimates the current weighted average world oil price at $35.62 per barrel. Clearly, if no changes are made in the NGPA, the price of selected categories of natural gas to be deregulated in 1985 will be below the market clearing level, assuming the price of oil and gas to be linked.

Second, the NGPA, as well as the Fuel Use Act, is based upon a Chicken Little syndrome as to the future available supply of natural gas. It is clear that former President Carter's energy policy was based upon the view that natural gas was in very short supply and should be strictly conserved. It is my recollection that the Carter administration predicted we would run out of natural gas by the end of this decade.

Nothing could be further from the truth. On February 25, 1981, the U.S. Geological Survey of the Department of the Interior released the summary results of a 16-month investigation to update the 1975 estimate of the Nation's oil and gas resource base.

The study released by the Geological Survey reflects a 22-percent increase in the mean estimate of our undiscovered recoverable conventional supply of natural gas. The report of the Geological Survey defines this category of gas as follows:

> Undiscovered recoverable resources are those resources which can be extracted economically under existing technology and price/cost relationships assuming normal short-term technologic growth.

The new mean estimate of 594 trillion cubic feet of natural gas compares with the 1975 mean of 484 trillion cubic feet. The estimates are again based on a range set by 95 and 5 percent probability levels. The new range

of at least 475 trillion cubic feet to more than 739 trillion cubic feet compares with the 1975 figure of between 322 and 655 trillion cubic feet. At current levels of consumption, the new mean estimate represents almost a 30-year supply of conventional natural gas.

In my considered judgment, Mr. Speaker, these new supply figures render obsolete the second critical assumption behind the NGPA and the Fuel Use Act. This is true, I believe, even though the Geological Survey findings do not include supplemental gas sources such as those from tight sands, shales, brines, and others. Supplemental sources make natural gas even more plentiful than the Geological Survey figures indicate. The policy conclusion is clear. We should be encouraging rather than discouraging the search for, and the use of, natural gas.

At a minimum, I believe this new information, coupled with the unreal oil price assumptions, reinforces the conclusion that the 97th Congress must reconsider the present national policy toward natural gas as contained in the Fuel Use Act and the Natural Gas Policy Act. We may disagree on the changes necessary to these statutes, however as a body we must first develop a consensus that radical changes in circumstances since 1978 warrant a reexamination of existing policy.

After a considerable degree of study and research of the available options, and consistent with my past position, I introduced H.R. 2019, the Natural Gas Decontrol Act of 1981, on February 24, 1981. H.R. 2019 provides for the immediate, total deregulation of natural gas.

Mr. Speaker, there are those who advocate reform of the NGPA short of total deregulation. While there are some specific changes that I do support—as an improvement over the status quo—such as repeal of incremental pricing and the ban on use of gas by existing powerplants, I must state my conviction that they do not go far enough. Anything short of total deregulation is analogous to trying to rescue a drowning person 100 feet off a pier by compromising on a 50-foot rope. Just as the rope will fall far short of its objective, so will the NGPA if allowed to run its course unamended through 1985 and beyond.

It cannot be emphasized enough that the current state of affairs with crude oil free of controls while natural gas remains regulated skews the incentive system in a manner that will lead to future natural gas shortages. These shortages will occur because of Government policy pushing producers away from gas, not because the actual supply of gas in the ground has been depleted. Simply stated, the higher price of oil is already tilting exploration and drilling toward oil and away from gas. The increase in gas well drilling for the first 9 months of 1980 was 5.6 percent while the increase for oil well drilling was 38.8 percent. If we are to avoid future shortages and overall energy market distortions, we must decontrol natural gas as swiftly as possible. Failure to do so will adversely affect all gas users, but especially residential customers in the Midwest and Northeast.

Natural gas is the ideal transition fuel as we move from nonrenewable to renewable sources of energy during the rest of this century. Unlike coal, natural gas is clean burning. Unlike foreign oil, natural gas does not place American foreign policy and the world economy at the mercy of a cartel. With 1 million miles of pipeline, a transportation infrastructure is already in place. If the most optimistic projections of supplemental gas enthusiasts prove accurate, the future of natural gas will span beyond the transition period.

Mr. Speaker, we as a Congress cannot sidestep this issue. The longer we wait to act, the further we merely postpone the inevitable day of reckoning. I urge my colleagues to support reexamination of the Natural Gas Policy Act and the Fuel Use Act together as early as possible in the 97th Congress.●

SOVIET UNION AND EASTERN EUROPE IN PERSPECTIVE

HON. BOB SHAMANSKY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. SHAMANSKY. Mr. Speaker, I wish to bring to the attention of my colleagues and the public the valuable contributions to international understanding made by a unique radio program broadcast in the 12th District by WOSU Radio.

WOSU Radio and the Center for Slavic & East European Studies at Ohio State University produce the show "Soviet Union and Eastern Europe in Perspective." In charge is Miriam Schwartz, of the center.

WOSU Radio, an affiliate of National Public Radio, distributes the show to the Ohio Educational Broadcasting Network. This means people all over the State have the opportunity to hear "Soviet Union and Eastern Europe in Perspective."

All participants on the program are experts in the field. Guests receive no monetary payment, but appear because they recognize the show as a valuable educational tool. The purpose of the program is to inform the general public about all aspects of life in the Soviet Union and Eastern Europe. Although the content is accurate and scholarly, it is never too technical or obscure. People who are not experts can learn something about and perhaps come to understand more of that important area of the world.

Ohio State University has more than 50 scholars in Soviet and Eastern European area studies, but the show's producers also attempt to interview as many experts as possible from other institutions.

Mr. Speaker, I have traveled in the Soviet Union and Eastern Europe and appreciate the consistently high quality maintained by the program's producer, Miriam Schwartz. It is my hope that when my colleagues are in Ohio, they make it a point to listen to "Soviet Union and Eastern Europe in Perspective."

Thank you.●

THE SILVER SCAM—PART IV

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. McDONALD. Mr. Speaker, today I am placing the final part in the CONGRESSIONAL RECORD of this series describing how the Hunt family was really the victim and not the instigator of the fall in the silver market last year. For those wishing to consult the previous parts of this series, the items appear on February 23, page 2738, March 3, page 3492, and March 4, page 3586. I commend this concluding article to the attention of my colleagues:

THE SILVER SCAM—PART IV

It could all have been innocent and natural. But was it? And is it wrong for us to be suspicious?

On to D-for-debacle Day. Their backs to the wall, Nelson Bunker and William Herbert made an announcement that was a little unusual. They were going to raise $4 billion by issuing notes paying interest rumored to be 8 percent secured by silver at a price rumored to be $20 an ounce, and they had arranged to sell 12.5 percent of the notes to one unidentified Swiss bank. The initial press response was surprisingly noncommittal; Nelson Bunker and William Herbert were in the process of raising another $4 billion which they would use to shore up the market. The response on the exchanges was something else. The Hunt brothers needed money? Oh, my! Sell! Sell it all! Quick! Sell!

At that point, even Nelson Bunker and William Herbert failed to meet their margin calls. When people heard that, the price went from $15.80 all the way down to $10.80 in one day.

Even then, it had considerable resilience. It ranged from $12 to $16 for weeks, which was nice for the exchanges and their members. The sharp drop in price, followed by the recovery and stability, made it possible for the exchanges to change the member margin rules, declare the previous high margin deposits as excess, and proclaim the capital- and margin-adequacy and solvency of the member firms which had previously been a little bit weak: Bache alone was now decreed to have excess margin of $80 million, and Heinhold $19 million!

Justice had prevailed. The markets had worked. The brokerage firms were still solvent, adequately margined, and with adequate net capital. The chairman had done his job well, possibly better than he wished in retrospect. If he had done it a little less well, he could have asked the Congress for new powers to regulate everything, margin, retroactive rules, other powers. He may decide to ask anyhow. But the fact of the matter was that the exchanges had done the job themselves, albeit with the cooperation of the CFTC. The "free" market had "worked," they had rescued the commodities exchanges—and those greedy brothers from Texas has lost more than a billion dollars! Bucked the system? Gone to hell! TV, radio, newspapers, magazines, all the media celebrated. Of course, nobody in his right mind would ever trade precious metals on the American markets again, but that wouldn't last, everyone knew. People have very short memories.

The story had played out dramatically. There were winners who had deserved to win and losers who had deserved to lose.

The story goes on.

In the closing days of March, it became clear that the cash position of Nelson Bunker and William Herbert was not what it might have been, and too tight for them to consummate the $665 million purchase of 19 million ounces from Englehard at $35 an ounce. At a marathon day-and-night negotiating session in Boca Raton, representatives of Citibank, Chase Manhattan, Morgan Guaranty, Bank of America, Manufacturers Hanover Trust, and First National Bank of Dallas met with officers of Englehard, Nelson Bunker, and William Herbert, Chairman Paul A. Volcker of the Fed drifted in and out of the room, occasionally in pajamas. In the end, the Hunts seem to have settled their matter with Englehard by transferring to Englehard some of their oil properties and some of their silver. Has the deal closed?

On D-for-debacle Day plus one, March 28, a curious thing happened. Silver had traded down to $10.80 the day before. The panic was still on. The margin calls were still exploding. Nearly a billion dollars of silver traded that day in a very curious pattern. It went down to $11.50, then bounced up again to $14, sank to $11.30, bounced up again, and then down again a few more times, to $11.50 each time, and up again each time, before closing the day at $12.00. It is easy to understand who was selling—panicky people who were margin short. But who was doing the buying?

It could not have been Nelson Bunker and William Herbert, who were spending the day tied up in financial knots. But somebody was buying a billion dollars of silver.

Who?

Shortly thereafter, the Hunts did in fact negotiate with most of the banks who had been present at the Boca Raton pajama party a billion-dollar-plus loan to Placid Oil, an independently managed family trust, with the understanding that some of the loan proceeds would be re-lent by the trust to Nelson Bunker and William Herbert, who would collateralize the loan with virtually everything they had in the world—everything: oil, silver, stock, art, horses, cattle.

Again, Mr. Volcker of the Fed participated, at least to the extent of blessing the loan. When challenged, he denied recommending it, or pressuring any of the bankers to do it, taking the serene position that, as chairman of the Fed, he was entitled to know. He later remarked that "there is evidence indicating that there was an attempt to control the supply of a significant commodity. . . ."

Afterward, at least one banker commented to at least one financial reporter that his bank and the others were doing it to "save civilization as we know it." Apparently there was some fear of a mammoth international banking musical chairs—in which one or more banking institutions lending to Nelson Bunker and William Herbert or their creditors or someone with whom they or their creditors had hedged or contracted would be paid what and when—and who would be left unable to grab a chair.

Mr. Volcker two weeks later reportedly told the press that one of the requirements of the loan would be that Nelson Bunker and William Herbert would have to liquidate their entire silver stock and refrain from dealing in precious metals. An odd statement for Mr. Volcker to make. Knowledgeable as he is, and he unquestionably is knowledgeable, he had to know the impact his statement was likely to have—and did have—on the shell-shocked precious metals markets, before he decided on the following day to qualify what he had said. What was he trying to accomplish? Save the dollar as we know it?

There has been occasional media conjecture that the bank loan to Placid Oil was a "bail-out" designed to placate highly placed Saudis who were embarrassed at the debacle. yet this is oddly unconvincing. If the entire loss was borne by the Saudis involved, and not merely the proportionate interest that seems to have been theirs, the total sum in question is nevertheless in petrodollar terms negligible. The Saudis have for eight years been delicate in the extreme in urging fiscal and monetary restraint on Washington, although they lose vastly more than the total amount of the silver both on the foreign exchange markets every day the dollar loses one percent of its value. Hurt by the loss? Embarrassed by the speculation? No. Total petrodollar diversification into precious metals to this date remain prudent. The Saudis are more likely to have been irritated by the questionable ethics of the changes of trading rules by the exchanges.

The Comex and the Senate Committee on Agriculture issued reports and various Senate and House committees held hearings. Conspicuously missing from the reports and the inquiry were hard factual answers to a number of fascinating questions, such as:

Who was short and how many ounces and when and at what prices? Who controlled the exchanges? What was the relationship of each of the shorts to the power structure on the exchanges? Were each of the short-member firms in compliance at all times with all net capital and margin requirements? If not, why not, and what was done about it?

What efforts were made by the brokerage houses to police what was being said by their brokers? Were the firms telling their customers to buy, themselves shorting silver?

Who were the sellers in January, February, and March? Were any of them selling short? Where they in fact selling only to effect delivery, whatever that meant? Where they engaging in arbitrage between the various markets?

To what extent were the bidders the short insiders on the exchanges and their associates, as opposed to just plain folks who happened to be short? Where they all acting independently? Where they deliberately knocking the price down to cause margin calls? Were the insiders who were short trying to keep the price firm, orderly, and responsible? Who bought all the silver at $11.50 on March 28?

What banks, brokers, creditors, and others were in danger of insolvency if Nelson Bunker and William Herbert were cash-squeezed and failed to honor their obligations when due? Why did Mr. Volcker announce in April that the Placid Oil loan was going to require Nelson Bunker and William Herbert to sell off all their silver and refrain from purchasing precious metals? Why was this the business of the CFTC, Treasury, SEC, Fed, or anyone else?

Were the purpose and effect of the rule changes as described above? What does the CFTC propose to do about it? Are there any limitations on the power of the exchanges to change the rules of trading to benefit particular classes of traders?

The near disintegration of the financial markets is a very serious problem and should be investigated by the Congress. But we are left to wonder whether useful hearings on the subject will ever be held.

This is one of those situations where there are a number of different points of view.

The governing bodies of the Comex, and CBOT see the Hunt speculations in silver as the most dangerous threat in history to the commodities markets of the United States. They noted the problem early, notified the key regulatory body, the CFTC, promptly, stayed in touch with the CFTC nearly daily, and, with the approval of the CFTC, instituted the higher margin requirements, position and delivery limits, and liquidation-only trading that ended the speculative threat once and for all and restored the free markets to their basic maker-user-hedger function. They did it all themselves, with the powers they now have under the law, and they see no need for further regulation by the CFTC or anyone else.

The SEC sees the similarity between the trading of futures and the trading of securities and the potential danger of inconsistencies between the rules governing trading on the commodity markets supervised by the CFTC and the rules governing trading on the securities markets supervised by the Division of Trading and Markets of the SEC. Runaways on the commodity markets can seriously influence trading on the securities markets.

The Federal Reserve and Treasury have multiple concerns. First, there is the threat that excessive prices for precious metals will lead to some sort of reintroduction of a gold-and-silver convertible currency. Second, there is the risk of speculation in commodities which accompanies and reinforces inflation and which directly undermines the value of the dollar when it is the precious metals that soar in price. Third, there is the relationship between speculation in the precious metals and the levels of the money supply and base and their rates of increase and decrease. Fourth, and finally, a major speculative accident in one of the commodity markets could lead to a domino collapse of the world banking system. In fact there are some people who insist that the Hunt caper very nearly did just that.

Nelson Bunker and William Herbert undoubtedly feel that they played by the rules and were victimized by the exchanges and the CFTC. In spite of this, they have paid all their debts, pledging myriad assets, including substantial quantities of silver, for

the Placid Oil loan. As they look to the future, they see business and politics as usual; the ship of state out of control; fiscal and monetary policy geared to votes; prime dropping to 9 percent; the money supply and base edging up week by week; federal spending, borrowing, and guarantees climbing; banks, savings and loans, and insurance companies recovering; the bond market moving back up; the stock market nudging 1000; the dollar tumbling; and the gold price overtaking the Dow at $1000.

With gold at $1000 an ounce, at 1:37 the silver price will be $27 an ounce, at 1:20, $50 an ounce, and at 1:10, $100 an ounce—which is exactly what Nelson Bunker and William Herbert were saying all along.

Two brothers from Texas, trying to make a little money, caused all that fuss for all those folks in government. How much silver do they now own? How much did they lose? Is their Placid Oil debt restructuring all for show, done with mirrors?

Silver mirror on the wall, who'll be the richest of them all? Hi-ho, Nelson Bunker and William Herbert.●

THE 63D ANNIVERSARY OF THE DECLARATION OF LITHUANIAN INDEPENDENCE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. MICHEL. Mr. Speaker, February 16, 1981, marked the 63d anniversary of the Lithuanian Declaration of Independence. Unfortunately, this day is one which sees the Lithuanian people still subjected to Communist imperialism.

The Helsinki accords made it clear that the principle of self-determination is and should be at the very foundation of world peace. Yet the Soviet Union still continues to dominate the lives of Lithuanians, despite the fact that the Soviet Union pays lipservice to the principles of the Helsinki accords.

It is no coincidence that the Soviet secret police have been persecuting Lithuanian Roman Catholics who seek only to practice their faith. The Soviet rulers know that the greatest enemy of tyranny is faith in God.

We hear much about human rights today, Mr. Speaker, but when was the last time you heard an official spokesman of the United States complain officially about the human rights violations that have been going on in the Baltic States for 40 years?

The time has come to break this silence, and this recognition of the Lithuanian Declaration of Independence should be a start.●

IS THE POSTAL SERVICE PREPARED TO DEAL WITH THE CRISES OF THE EIGHTIES?

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. CLAY. Mr. Speaker, the Postal Service is faced with several critical issues of the eighties—in short, shrinking resources, public demands for better service, and new and advanced technology. The Subcommittee on Postal Operations and Services, which I am privileged to chair, is and will be addressing these issues in the months ahead.

Recently, Michael F. Cavanagh and Richard M. Neustadt commented on the changing postal scene in the Washington Star of February 20, 1981. They offer a warning to the Postal Service that deserves the attention of my colleagues.

This comment follows:

WHAT HAPPENS WHEN THE MAILS DRY UP?

In Columbus, Ohio, a resident settles down for the monthly misery of paying bills. Instead of shuffling papers, he pushes a couple of buttons and his TV set displays his bank balance and the bills due. A few more buttons, and the bank's computer is making the payments.

Meanwhile, a downtown businesswoman prepares a report for the home office. She checks the text displayed on a screen and approves it. Within seconds the report flashes over telephone lines or a satellite and is printed out at its destination.

This is not science fiction; people are using these systems today. They will spread rapidly in the next decade as electronics begins to replace paper as the primary means of transferring information. Anything this new and efficient will strike us as exciting. Easily forgotten, however, is its impact on the old means of moving information: the mails.

LOSING CUSTOMERS

When our Columbus resident paid his bills he eliminated the need for at least a dozen letters—half sending him the bills and half paying them. When our businesswoman sent her report by "electronic mail," the Postal Service lost another customer. Both of them got instant transmission—a considerable advantage over the mails. And both of them used equipment that is getting cheaper—another contrast with the escalating cost of postage.

Sixty per cent of Postal Service revenue comes from first-class mail, and four-fifths of first-class volume is business-related mail and bills. Communications carriers like Satellite Business Systems are being launched to capture the business traffic, and banking at home will increase as cable TV and special telephone-based electronic information systems spread throughout the country.

Mail volume is high now, and some think the diversion will take many years. But other communications experts believe 10 percent of first-class volume may shift to electronics by the middle of this decade.

That will be only the beginning, of course. The hard fact is that the Postal Service will have no role in the world of terminal-to-terminal communications. Whatever the pace, the hemorrhage of lost revenues is inevitable, and it will occur in the most profitable operations. The loss will far exceed the savings from moving fewer items.

This threat comes at a time when the Postal Service already faces severe strains. Most parcel traffic has been lost to private companies, and the Postal Service is very properly stuck with the most costly rural routes that private carriers avoid. Business mailers, frustrated with slow delivery are shifting their priority items to private couriers, although the Postal Service is now competing for that business.

The Service's 650,000 workers are insisting that wages at least keep up with inflation. Proposals to increase efficiency—such as five-days-a-week delivery, closing some rural post offices, and longer zip codes—are attacked by Congress and the public.

For those who have waited a week for a letter to get across town, the first reaction might be to welcome electronics and bid the Service adieu. But the fact is that we will need the conventional mail system for at least the rest of this century. For some time to come, millions of small businesses and tens of millions of households will not have electronic terminals—because of expense, because they are in remote areas, and because people will not know how to use the technology.

MAGAZINES, LOVE LETTERS

Moreover, electronics cannot do everything. Without the universal service and low rates provided by the Postal Service, most small magazines would die. Similarly, love letters would feel very different if they appeared on a cathode ray tube. Paper is being eclipsed, but it is not disappearing, and the government has a constitutional responsibility to ensure that anyone in the country can send paper to anyone else. To meet that responsibility, the government must decide how to deal with rising cost and falling volumes.

How? Affected groups are tackling three different approaches.

First, current services and rates could be maintained by having the Treasury make up the losses. Congress now gives the Service about $750 million a year in "public subsidies." Budget cuts will probably significantly reduce this figure, despite the fact that to meet future deficits, the subsidy might have to increase ten-fold or more.

The crunch in the federal budget is likely to mean that the postal subsidy will go down rather than up in the years to come. Unless the economy and public attitudes change very sharply, it would be a serious mistake to expect taxpayers to bail out the Postal Service when electronic diversion hits full force.

Second, mailers could bear the cost, but the Postal Service is supposed to be a universal utility. Do we want to make stamps unaffordable for the poor? In any case, higher postal rates would accelerate the migration to electronic mail and alternate delivery methods. As volume fell, the deficit would widen, forcing further rate increases—a vicious circle and fairly rapid disaster.

The only alternative is to make the Service more efficient. Postal management has made some solid moves to increase productivity in recent years, but now must consider more radical steps to cut costs. It should shift at some point from door-to-door delivery to clusters of mail boxes set up at street corners. It could deliver mail five days a week instead of six. It could close some of the 40,000 postal facilities.

Postal management has floated some of these ideas, and they have proved to be political dynamite. Mailers want more service, not less. The postal unions fear their members will lose jobs. As for the public, people appreciate mail and react angrily to proposals for cutbacks.

A politician's natural reaction to this situation is to look for another issue to work on, but we must be willing to begin planning now. The first step will be to arrive at a consensus on how quickly electronic diversion will come and how severe the impact will be. Then cutbacks can be phased in gradually, so that job reductions will be achieved through attrition, not lay-offs.

If we start now, we can build the lean but still sound postal system we will need in the 1990s.

[Richard M. Neustadt was an associate director of the Carter domestic policy staff. Michael F. Cavanagh is president of an information policy consulting firm.]●

WE SHOULD LEAD BY EXAMPLE—NO PAY RAISE FOR CONGRESS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. BEDELL. Mr. Speaker, soon the Congress will take up former President Carter's request for a 16.8-percent pay increase for Members of Congress and 1,346 executive and legislative officials. I strongly believe Congress must lead by example in the fight against inflation—and that such leadership entails rejecting this proposed salary increase.

Granting ourselves such a pay increase would be wrong at a time when we in Congress should lead the fight to revive our U.S. economy, which has been crippled by persistent inflation and a high national debt. I strongly urge my fellow Members of Congress to reject this pay increase and send a clear sign to the American people that we are serious about fighting overspending and inflation.

The pay proposal, totaling $183.1 million, would raise salaries for Members of Congress from $60,662 to $70,853. I have consistently voted against such pay increases in the past.

Mr. Speaker, I have talked to many families in my district, and have received many letters from the people of northwest Iowa. I know that these hard-working families are doing all they can to make ends meet. These families are sacrificing and trying to keep their heads above water—and many cannot even do that. This is typical of families not only in Iowa but across the Nation. In light of this, how can we in good conscience here in Congress watch these people struggle and sacrifice, yet grant ourselves a pay increase? I contend we cannot and must not.

There is no room for a pay raise for Congress at a time when the President has asked for an increase in the debt ceiling. There is no room for a pay raise for Congress when President Reagan has just outlined an economic recovery package, which involves reducing and eliminating Federal spending programs.

While I am still reviewing and studying the President's package, I must say that I agree with the basic thrust of his program. It is time we trimmed excessive waste and spending from the Federal budget. In fact, ever since coming to Congress, I have supported and worked for elimination of unnecessary Federal spending. We must start economic recovery right here in Congress—by putting our own House in order.

Mr. Speaker, I am cosponsoring a bill introduced by my colleague from Iowa, Mr. TAUKE, which is designed to simplify and clarify the whole question of congressional pay adjustments. This bill mandates that congressional pay increases be considered independently of—and not as riders to—other appropriations bills, as has been the tradition in the past. It also says that pay increases will not be linked to the salaries of other Federal employees. Further, it defers congressional pay adjustments until the beginning of the next Congress, and requires a recorded vote in each House for annual congressional pay adjustments.

The time has come to address this matter in a clear, effective manner. It is time for Congress to lead by example, not by lipservice. We owe it to the people of America to block this unjustified pay increase and work instead to fight inflation starting right here, in our own pocketbooks. That way, the people of northwest Iowa and across this Nation will know we are serious about it.●

PRESIDENT REAGAN'S POSTSECONDARY EDUCATION BUDGET CUTS: A LOBOTOMY FOR WEIGHT CONTROL

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. FORD of Michigan. Mr. Speaker, President Reagan's proposals to reduce Federal spending are based on the assumption that the Federal Government has become too large. The Federal Government, according to President Reagan, has become fat, sloppy, and intrusive in the life of the Nation. I can agree with some of the President's diagnosis of the Nation's ills. Although we certainly differ on the priorities, I believe that prudent reductions in some areas of Federal spending are warranted. It is, however, apparent to me that you do not hack away at the Nation's brainpower as part of a fiscal diet. A lobotomy is not acceptable as a means of weight control. Yet this is precisely what the President proposes. The impact of the President's proposals for budget cuts in postsecondary education would be a substantial decline in college and university enrollments, paticularly among graduate students, and in all likelihood several hundred institutions of postsecondary education closing their doors. The educational level of our citizens makes a major contribution to technological innovation and improving our economic productivity. Accelerated technological innovation and increased economic productivity are, in turn, central to bringing us out of the current economic doldrums. Shutting down the engine of long-term economic progress in the name of short run budget cutting is not wise public policy.

THE PRESIDENT'S PROPOSALS

GUARANTEED STUDENT LOAN PROGRAM

Restrict loan amounts to "remaining need," which is educational costs minus both other aid received by a student and the expected contribution of the student's family;

Eliminate the in-school interest subsidy requiring that the in-school interest be paid by the student;

Increase the interest rate on parental loans from 9 percent to market interest rates—approximately 18 percent;

Deny the Student Loan Marketing Association access to the Federal Financing Bank; and

Prohibit the use of State tax-exempt bonds as a source of student loan capital.

PELL/BASIC GRANTS

Increase the percentage of family income that is expected to be contributed for educational expenses; and

Require all students to contribute $750 toward their educational expenses.

STUDENT SOCIAL SECURITY BENEFITS

Phase out this program in 4 years by reducing the benefits of current recipients 25 percent per year and accepting no new recipients.

The Subcommittee on Postsecondary Education, on which I serve as the ranking majority member, held 2 days of hearings on the impact and implications of these proposals on February 24 and 26. Representatives of students, institutions, financial aid administrators, and others presented detailed analyses of these proposals. I commend this hearing record to my colleagues, but, in the spirit of the new administration, let us skip down to the bottom line.

THE BOTTOM LINE

An overall decline in enrollments by 500,000 to 750,000 students;

A decrease in loan volume in the guaranteed student loan program of 80 to 90 percent; this implies a reduction of $5 to $6 billion in loans available to students and negative effects on more than 2 million students;

A reduction in Pell grant recipients of 100,000 this fall and 575,000 next fall as well as a reduction in grant amounts across the board;

A 25-percent loss of operating revenue in the case of one typical private college;

A shift in student enrollments from higher priced—mostly private—colleges to lower cost institutions;

A prediction that in the neighborhood of 300 private colleges will close;

An increase in loan repayments for the few who get loans of between 25 and 40 percent; in the case of a graduate student who borrows the legal maximum under the guaranteed student loan program, $25,000, a monthly repayment of $447, a 41-percent increase over current law;

A long-term increase in the loan default rate because of high repayment burdens;

A very significant decline in graduate student enrollments since graduate students have few alternatives to finance their education other than the guaranteed student loan program;

A reduction of $500 in the first year in the average benefit to a student social security beneficiary. This is a loss not only of resources to pay for postsecondary education but also a loss of family income; and

A general reduction in access to postsecondary education and choice among postsecondary educational alternatives, hitting hardest students from working and middle-income families.

BEYOND THE BOTTOM LINE

The cold numbers do not begin to tell the story of what these proposals will bring in terms of frustrated aspirations, unfulfilled hopes, waste of intellectual talent, impoverishment of the national spirit, and broken promises by the Federal Government to students and their families. By the way, the projected savings are $126 million in fiscal year 1981 outlays and $1.5 billion in fical year 1982 outlays.●

THE NEW ECONOMICS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. OTTINGER. Mr. Speaker, I insert in the RECORD the following article, written by William Nordhaus, that appeared in the New York Times of Sunday, February 22.

The subject of the article is the President's Federal spending cut/tax cut program that he outlined to us in his recent address to a joint session of Congress, and some very important points are raised. I offer the text of the article in whole for the review of my colleagues:

DOUBTS ABOUT THE NEW BRAND OF ECONOMICS

With two major speeches, an audit and a gaggle of fact sheets, President Reagan has staged an economic thriller, full of heroes and villains. We can now see the details of the new President's economic vision. The starting point for the program is the Administration's "Brand-New Economics." What are its tenets?

First, the excessive scope of Government is held responsible for the economic ills of the day.

Second, by getting Government's house in order, we can regain the golden age of low inflation, high productivity and low unemployment.

Third, the brand-new economics rejects the veiw of the dismal old economics that slack is necessary for breaking out of today's stagflation. Demand management is eschewed, so there is no apparent connection between the budgetary policies adopted and the level of unemployment or inflation. In short, do not fear policies that stimulate rapid economic growth as long as they are led by expansion of the private sector.

Behind the banner of reducing waste and unleashing the private sector, the brand-new economics represents an attempt to reverse the redistributed impact of Government policies.

In the expenditure field, the redistributive impact is seen by the exemption of sacred middle-class programs—defense, Social Security, etc. The remainder contains $75 billion of programs that are designed, however ineptly, to protect the poor. As Mr. Reagan proposes to trim these substantially, the net effect is to redistribute resources from the poor to defense and taxpayers.

The regressive feature of the brand new economics can be seen as well in the tax package. The personal and business taxes are effectively reduced, while Social Security taxes and the earned-income tax credit, features heavily affecting low-income families, are unchanged.

Moreover, the personal tax cuts—the Kemp-Roth cuts—are proportional to taxes, so that the upper-income groups benefit far more than the lower-income groups. And the biggest winners of all are those with the largest property income. On the margin, their take-home pay goes up 60 percent.

How much sense does the brand new economics make? Central questions involve the supply-siders' tunnel vision, the indictment of Government, the inflation diagnosis, the expenditure cuts and the longer-run outlook.

The most striking irony in the brand new economics is the focus on incentives for the rich, while ignoring those for the poor. Surprisingly, low-income households face the highest "tax rates" (more precisely, the benefit-reduction rates). Upon landing a job, they may find that their disposable income declines as a result of tax rates built into programs such as food stamps. Poor families, then, may well face marginal tax rates over 100 percent.

A true supply-sider might wonder whether such rates do not stifle work effort. Yet, the brand-new economics actually raises the tax rate on the poor by technical changes in the food stamp program.

Are tax incentives only for affluent job holders? Is it accurate to state that reckless Governmer' tax and regulatory policies have caused the poor productivity and growth of the United States economy? Would that it were so simple. Most economic studies attribute at most a quarter of the productivity slowdown to Government mismanagement.

Other features of the last decade, such as rising oil prices, changing demography, sectoral shifts and tight money, are more significant. I cannot see how the brand-new economics will significantly alter these trends.

A third feature of the brand-new economics is to attribute the inflation to Government deficits. (Actually, they appear uncertain on this issue, sometimes money growth is considered the villain.) On occasion, Presidential simplification can serve as a useful rallying cry. But associating inflation with Government deficits is simply an old husbands' tale.

The years in which inflation rose in the United States, 1973 and 1979, were periods in which the public sector was in surplus. Moreover, countries that have shown superior recent inflation performance, West Germany and Japan, had at the same time much larger Government deficits relative to their economy than the United States. Blaming the affairs of state for our entire economic mess is politically chic, but economically groundless.

The aspect of the brand-new economics that has most promise is the expenditure cuts. Although many cuts are regressive, the package attacks several long-standing abuses. Many, such as dairy price supports or waste treatment grants or public service employment, have been criticized by policy analysts for years. Unfortunately, their reservations were often overridden by political "realism."

If the Reagan list is supplemented with prudence in defense spending, as well as concern for poorer citizens, it can form a useful start for a thorough fiscal spring housecleaning.

The central political and economic issue concerning the Reagan economic package is, will it work? While there has been no comprehensive study of the validity of the brand-new economics, two pieces of analysis cast doubt on the validity of the supply-side panacea:

Data Resources simulated the effects of large personal tax cuts in their model. The impact on productivity and inflation by the mid-1980's is extremely small, less than one-tenth of a percentage point. The report of the outgoing Council of Economic Advisers contains a careful analysis of the impact of alternative tax packages. They conclude that a 10 percent reduction in personal tax rates would have a negligible effect on inflation and productivity.

In sum, Mr. Reagan's brand-new economics may well succeed in helping trim Federal waste, and upper-income groups may get a bigger share of the pie. In terms of the nation's central economic problems—inflation, productivity, unemployment, high interest rates—we are likely to witness another half-decade of stagflation and dashed hopes.●

LITHUANIAN INDEPENDENCE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. McCLORY. Mr. Speaker, 63 years ago this past month, an independent Lithuanian State was created. This Lithuanian State existed in freedom until 1940 when it, along with the other Baltic States, was forcibly annexed by the Soviet Union.

Lithuania thus joined the large number of captive nations in Eastern Europe and oppressed nationalities sought to be absorbed within the Soviet Union. But although the Lithuanian State was suppressed, the spirit of independence of the Lithuanian people was not and could not be suppressed. On the contrary, that spirit has burned even more brightly in tyranny than before Soviet imperialism annexed Lithuania.

Today, the Soviet Union is perceived in Lithuania as an occupying foreign power. The creative energies of the Lithuanian people—and particularly of the young people—are directed to preserving the Lithuanian cultural heritage and especially the Catholic faith which the overwhelming majority of Lithuanians embrace.

With the inspiring example of the Polish workers just across their border, the Lithuanians, like others of the captive peoples, have a new hope that their future may be different from their recent past. The United States should take every reasonable step to encourage this growth of freedom, both for its own sake and for the obvious aid it would render to our reputation in the world, and to our national security.●

PREYING UPON ETHNIC SENTIMENTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. McDONALD. Mr. Speaker, the week in which the New York Times discovers that the current plague of international terrorism is Moscow-directed deserves commemoration of some sort.

In addition, as we approach St. Patrick's Day, we can expect renewed exploitation of Irish-American sentiments on behalf of the Irish Republican Army, exploitation intentionally translated into financial and propaganda support.

As a slight antidote, we offer Claire Sterling's observations on the IRA as they appeared in the New York Times magazine on March 1. Ms. Sterling notes that the avowed objective of the IRA is the demolition of the existing order in both Northern Ireland and the Republic. She also sketches the more than ample evidence proving that the present day IRA receives training, arms, and other support from Moscow and its client states and terrorist organizations.

In other words, this few hundred professionals are engaged in a murderous war against Irelend on behalf of the Soviets. We may presume that their actions are directed toward the installation of a regime which might resemble that of Bulgaria, rather than anything the people of Ireland would like to see. While this outcome seems unlikely at present, an intermediate objective is well-served, the objective of keeping two Western European nations in turmoil.

Americans should not permit sentimentality to blind them to the facts.

Ms. Sterling's article follows:

NORTHERN IRELAND

When Northern Ireland's shooting war started in 1969, the Protestants had all the guns. The Roman Catholic Provisionals had nothing but a few moldering weapons left from the I.R.A.'s storied battle for freedom, about half a century before. They had to rely at first on American weapons—trickling in, three or four at a time, in the false bottoms of suitcases—and on American dollars.

The millions of Irish Americans who bankrolled the Provos thought they were supporting a continuation of the conflict that ended in 1922 with Ireland's winning its independence from Great Britain. The Protestant majority in the six Northern countries still under British control had been freezing Roman Catholics—many of them wretchedly poor—out of jobs, housing and public life. The I.R.A. presented itself as engaged in an open and aboveboard war against religious persecution: a war to reunite the North with the South.

In fact, as the Provisional I.R.A.'s newspaper, An Phoblacht, has made clear, it was and remains a war "to demolish the colonial regime in the Northern war zone and the Quisling regime in the Free State of Ireland"—in other words, a war against both North and South. It was also a war to "educate the workers to destabilize capitalism and international imperialism," as the Provos told Controinformazione, the house organ of Italy's Red Brigades.

The I.R.A. has come a long way since its early days of dependence upon the United States. Fund raising is mostly done at home nowadays, by means of protection rackets, brothels, massage parlors and bank stick-ups. And the incoming hardware is largely Soviet-made. It took only a few years to make the transformation with the help of the international terror network.

The first definitive signal the Provos received that their weapons shortage might be ending came in the autumn of 1971. An unknown man, using the all-purpose name of "Mr. Freeman," dropped by to say that 4.5 tons of modern arms made in Czechoslovakia might be available. Maria McGuire, who wrote a book about life among the Provos, later reported that one of their leaders, David O'Connell, wandered on the Continent from Paris to Berne to Amsterdam to make the connection, "followed by the Czech and Soviet secret police." Then he made contact with Omnipol, an arms factory in Prague run by the Czech security police, who in turn had been tightly controlled by the K.G.B. since the 1968 Soviet invasion. O'Connell eventually did order 4.5 tons of bazookas, rocket launchers, hand grenades and the like, but the 166 crates were intercepted by police in Amsterdam. While the Provos were shattered by the loss of their first big arms consignment, their source was assured from that point on.

By then, the I.R.A. was getting to be a focus of worldwide revolutionary interest second only to the Palestinian resistance. The first I.R.A. contingents were dispatched to Jordanian guerrilla camps in 1969 and were soon drawn into George Habash's inner circle. In October 1971, Provo leaders were guests of honor in Florence at the historic conference that started Europe's Guerrilla International.

Assembled by Giangiacomo Feltrinelli, the radical Italian millionaire publisher, and the ultra-left Potere Operaio (Workers Power), delegates from 14 countries agreed to coordinate international terrorist plans. It was, according to British and Irish Government sources, an unprecedented and dangerous development.

The keynote address, on the Palestinian resistance, was given by Italy's radical Marxist thinker Antonio Negri. The delegates then spent a full day listening to the I.R.A.'s Seamus Costello as he analyzed the experience of Europe's oldest guerrilla army. Arrangements were made at the meeting to smuggle weapons in heavy trailer trucks across the Continent to the I.R.A.

In May 1972, I.R.A. leaders sat in at the first international terrorist summit, organized by George Habash in Baddawi, Lebanon. And two months later, in Paris, Habash's Palestinian Front and the armed bands of 12 other nationalities signed a formal "Declaration of Support" for the Provisional I.R.A. Fifty Provos were selected for advanced guerrilla training in Lebanon. Before long, there was a steady flow of I.R.A. men to South Yemen for work with Wadi Haddad. There, on the shooting range, in Haddad's private movie house at camp, they mingled with the men at the top.

The connection began to pay off at once. During 1972, the Habash-Haddad front held a series of secret meetings in Dublin, organizing the multinational terrorist team that would operate under Carlos the Jackal. When a million dollars' worth of weapons were divided up among them, the Provisionals got the lion's share. Soon, Carlos himself was taking the trouble to procure explosives for the Provos from an anarchist weapons supply service in Zurich. Italy's Red Brigades hailed the I.R.A. as "an unrenounceable point of reference for generalised warfare on the European continent." The operational plans of Cuban Intelligence for 1972 stipulated that "Cuba would train the I.R.A. in terror and guerrilla warfare tactics." Col. Muammar el-Qaddafi of Libya offered "arms and support for the revolutionaries of Ireland." Within a year, the cargo vessel Claudia steamed out of Tripoli toward the coast of Ireland bearing 250 Kalashnikov rifles and other weapons—five tons of the very best Soviet-bloc hardware—for the I.R.A. It was seized by the Irish Navy.

By 1976, the Provos were training in Libyan guerrilla camps, as they were still doing last year. Eyewitnesses have reported their presence at such sites as Tokra, northeast of Benghazi, where Cuban instructors offer the world's most advanced courses in sabotage, and at Camp Az-Zauiah studying weaponry, explosives, sabotage and psycho-

logical warfare with guerrillas from West Germany, Spain, Greece and Brittany.

Every move to arm and train the I.R.A. has pushed it further toward its ultraleft benefactors, who see Northern Ireland as a prized battleground. Civil war in the six counties puts great strains on the United Kingdom, which is interlocked with the entire Western structure of trade, industry, banking and military alliances. No wonder that the Soviet Union, as early as 1972, was sponsoring a worldwide campaign "against British repression in Ireland," piloted by hoary front groups like the International Union of Students, the World Federation of Democratic Youths and the World Peace Council.

All this has brought Northern Ireland closer than any other country in the West to the kind of conflict that Marxist revolutionaries call a civil war of long duration. And the Provos show no signs of wanting to reach a political settlement.

Like the most extreme of their Protestant counterparts, they have consistently blocked every possible peaceful solution. In 1973 they helped kill off a power-sharing plan in a new Northern Ireland Assembly by planting 48,000 pounds of explosives. "We see no future in power-sharing," they said. Later in 1973 they helped consign the promising Sunningdale agreement to oblivion by breaking their own cease-fire—the last they would ever agree to—after just three weeks. "There is absolutely no question of another cease-fire or truce," they later declared. In the summer of 1979, they killed off the best proposition yet for a federated Ireland, "the Fitzgerald plan," by blowing up Lord Mountbatten on his fishing boat.

The Fitzgerald plan was "unacceptable" they said flatly, a week after Mountbatten's death. Their spokesman was Ruairi O'Bradaigh, an I.R.A. man of 30 years' standing and president of their lawful political arm, the Provisional Sinn Fein. "We do not want a confederation of the South with the North," he declared. "Nor do we want an independent Ulster. We want a general dismantling of the existing establishments in the Irish Republic and Ulster both."

What then does the Provisional I.R.A. have in mind for its own version of a free and united Ireland? "We want a Democratic Socialist Republic," replied O'Bradaigh, something "third-worldish," a bit like "Allende's Chile," flavored with thoughts from Colonel Qaddafi's "Green Book." "similar to Communism but not exactly like it"; Marxist in analysis, if not necessarily in practice, designed to "nationalise industries, control the means of production and distribution and take over agriculture under state-run cooperatives"; emphatically "not German Social Democracy" and not quite a dictatorship of the proletariat either, but almost. "We could not risk having parties around who want to bring colonialism back. There would have to be a reckoning with them."

Meanwhile, as the Provos keep saying, the 12-year-old war must go on. By late 1978, the Roman Catholic Bishop of Londonderry observed: "The Catholic community, like the whole community here in the North, is sick and tired of the Provisional I.R.A." But it is doubtful whether the Provos take much notice. They do not really require to be loved. They never did need more than a few hundred professional guerrillas to hold down a British army 30 or 40 times their size. So long as they can count on the international terror network for hardware and sanctuary, their civil war can probably last in perpetuity.●

SUPPORT FOR REPEAL OF ICE IN CLEAN WATER ACT

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. SOLOMON. Mr. Speaker, I rise today to support legislation introduced by Congressman BOB YOUNG and myself to repeal section 3 of Public Law 96-483.

During the final days of the second session, the 96th Congress approved a provision of the Clean Water Act—known as industrial cost exclusion, or ICE—which adversely impacts on hundreds of publicly owned treatment works across the country. ICE states that no grant made after November 1981 to a publicly owned treatment facility may be used to treat the waste of any industrial user if it exceeds a flow of 50,000 gallons per day.

Congressman YOUNG and myself believe ICE should be repealed.

Although the intent of the amendment was to insure that the construction grants program would not subsidize industrial dischargers at the expense of the taxpayer, Federal tax structure offers significant benefits to self-treaters which is also at public expense.

EPA recently released a draft analysis of the effects of ICE. The draft report supports my conclusion that this section of the law is costly both to the economy and the environment. EPA states:

This information is particularly important in light of the statements made by the industries and communities describing the devastating effect of ICE. The industries would either close permanently or move to other municipalities which have suitable Publicly Owned Treatment Works. The loss of these industries would have serious consequences on the already high unemployment rates in these communities. In addition to increased unemployment, residents and industries remaining in these cities would have to contribute to the construction and maintenance of POTWs through increased property taxes.

New York State's Environmental Conservation Department has made similar comment, saying:

Industrial Cost Exclusion is much too major a change to make at this late date in the program. From a dollar standpoint, the reduction in expenditure of public funds resulting from ICE may be negated by increased public cost due to project delay. From a grantee standpoint, it is just one more unnecessary delay and, in some cases, a hardship caused by a retroactive change in government policy. ICE, for the present, should be repealed.

I strongly support the conclusions drawn by these reports and ask that all Members of the House join Congressman BOB YOUNG and myself in the repeal of this law.●

THE LEGACY OF ELLA T. GRASSO

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1981

● Mr. McKINNEY. Mr. Speaker, Alan Schoenhaus has been observing the Connecticut political scene for close to two decades now from his vantage point as State capital bureau chief for the Post Publishing Co.'s two newspapers, the Post and the Telegram. As such, he brings a unique historical perspective to his position and he brought that experience to bear in a recent column in which he commented on the life and legacy of our late Governor Ella T. Grasso.

In the article, Alan relates some of the conversations he had with Governor Grasso and presents a series of special insights into the personality of a very special person. I include Alan's column, entitled "Ella's Legacy," in the RECORD at this point so that I may share it with my colleagues in the House, many of whom knew her so well.

The column follows:

ELLA'S LEGACY

HARTFORD.—Simply stated, in the flat-out candid style she preferred in private, Ella Grasso was the brightest intellect on the Connecticut political scene.

She was also a person of enormous energy, and one of the most introspective public figures ever to reach celebrity status in the national consciousness.

Her death Thursday evening after an incredibly long and particularly brutal struggle with cancer came as no surprise to anyone. But the reality of her passing still brings a shock that comes from the cold realization that this particularly sparkling personage is no longer part of public life.

For those who knew her, perhaps the most engaging (and fascinating) feature of Ella Grasso was her unflagging awareness of herself and her ability to function, adapt and accommodate at all levels of society without losing sight of basics.

Ella Grasso could, and did, move effectively among presidents and visiting royalty, and function with equal ease and candor with the powerless and poverty stricken.

An extremely complex person, she could (and did) display the rhetoric of her Mt. Holyoke eduction; and she could (and did), in the give-and-take of a tough political conference, swear like a longshoreman—scaring the recalcitrance out of more than one unsuspecting lawmaker.

Yet, whatever the occasion or her approach to it, she was virtually always in command, and she acted with a degree of dignity and self-effacement that is rare in the very well known.

"I'm afraid they wouldn't find it very interesting," she told us one time when asked in jest if she'd consent to an in-depth interview for Playboy Magazine, as had Jimmy Carter during his 1976 campaign for the presidency.

She was always wary of group interviews, rarely super-candid at news conferences, often knowingly taking reporters' questions on rhetorical flights of fancy. "I think we should carefully examine the potential parameters of such a deeply significant subject," she responded more than once to a singer from across the conference table. Then she would purse her lips and grin the wagging grin of the pink panther. Indeed, if the spirit moved her, she could be the most obfuscatory respondent on the Eastern seaboard. But she always knew what she was doing. And she almost always picked her own moments of candor.

While sitting with her once on an airplane, she ruminated over the constant stream of questions she, as the Record Book First Woman to be Elected Governor in Her Own Right (not in succession to a husband), was always asked about whether she was a feminist. "I am a feminist," she insisted, "but I'll be (expletive) if I'm going to be someone else's idea of what a feminist should be . . ."

She was, first and foremost, a traditional political figure who learned the process from the real masters like John Bailey and Abe Ribicoff, and who had the depth of vision to grow with the process as it developed. "I've always tried to grow with the times politically, and stay slightly ahead. But, I've never gotten too far out ahead . . . that's why I've moved so slowly," she said, in one of the first indepth interviews as a congresswoman looking for the Democratic gubernatorial nomination.

Four years later she moved through the process at much greater speed. She began to move boldly rather than tentatively in Democratic presidential politics. She was a frequent visitor to the White House. And she even became the subject of speculation as a vice presidential nominee, speculation she dismissed with a wave of the arm and a knowing chuckle. But the excitement was there.

More recently, sitting in her favorite Italian restaurant in Washington, she smiled graciously as patrons from many states interrupted her meal to shake hands and wish her well. "Run for president," a man from Texas said, "We're all with you."

A man from New Jersey asked her to be photographed with him and members of his veterans' group who were holding a reunion in the restaurant. She obliged. He pledged the help of the entire organization if she wanted to seek the top spot, and the group responded with shouts and applause.

We suggested she get an aide to take names, and she laughed and told us in street vernacular that we'd do anything to drum up a story. But her eyes sparkled in a way that led us to suspect that that story might be there some day in the future.

Little did anyone know that the ravages of cancer would soon take away the strength that went with that phenomenal potential. And, in the final analysis, snuff out the chance for any of us to further bask in that brightest of intellects.

Her legacy, of course, is that she has made a lasting imprint on our lives. She knew this, of course. She was so bright.●

TRIBUTE TO GLADYS NOON SPELLMAN

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. FUQUA. Mr. Speaker, there is little I can add to the honest outpouring of respect and friendship demonstrated in the House last Tuesday for Gladys Noon Spellman, who since 1974 has so ably represented the Fifth District of Maryland.

Nonetheless, I would feel remiss if I did not belatedly express my own feelings on her departure from this House and the illness which so tragically interrupted her brilliant career.

It is my sincerest hope that Gladys Noon Spellman soon recovers from the illness which has deprived us of her services, and that one day she may be well enough to again bring her wisdom, her intellect, and her grace to share with those of us who so valued her friendship and her counsel.

Her remarkable career from teaching school, through 12 years as an elected official of Prince Georges County, to service in this legislative body was one of which she, her family, and friends can be justly proud.

Gladys Spellman represented her constituents effectively, with dignity and devotion to the interest of her district and her Nation.●

CHILDREN'S DEFENSE FUND

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mrs. CHISHOLM. Mr. Speaker, part of the administration's proposed budget includes a number of changes in the structure and eligibility standards for a number of social welfare programs. The Children's Defense Fund has developed an extensive analysis of the impact of these changes on American children and their families. Beginning today, I will insert the CDF response to President Reagan's budget.

POVERTY

Chapter II of "A Children's Defense Budget: A Response to President Reagan's Black Book" examines current eligibility standards and the effects that redefining poverty will have on needy children and their families. The following information was prepared by the Children's Defense Fund of Washington, D.C.

WHAT IS AID TO FAMILIES WITH DEPENDENT CHILDREN?

Aid to Families with Dependent Children (AFDC) is the only program explicitly aimed at protecting poor children by giving their families income support. It is critical to the survival and well being of millions of children who are the poorest of any age group in America. One in six children is poor in any one year. One in four children depends on AFDC at some point in his or her lifetime.

WHO BENEFITS FROM AFDC?

Sixty-six percent of all AFDC recipients (or over 7 million) are children: half are eight or younger and over 80 percent are 14 or younger. Very few children "grow up" on welfare. Only 2.4 percent of the people who receive welfare remain on the program for all of childhood. Each year about one-third of all AFDC families leave the program and are replaced by other families.

Families on welfare average the same number of children (2.2) as the rest of the population. Of ten mothers on AFDC, four are caring for preschool children; three are working, seeking work, or in training; one is disabled; and two are not currently seeking work. Of this latter group more than half is either over 45 or has never been employed.

CURRENT STATUS OF AFDC MOTHERS AND CHILDREN

Each state determines who is eligible for AFDC and sets benefit levels: these vary widely. In most states AFDC payments are intolerably low, failing to provide even a minimum level of decency. In Mississippi, the average payment for a child is 97¢ a day; in Texas, it is $1.18; in South Carolina $1.22. There is not one state where even the combined benefits of AFDC and food stamps brings a family of four up to the official poverty level of $7,450.

Unlike military, Congressional or government retirees and SSI recipients, poor welfare children and mothers get no automatic cost of living increases. In the last four years, each child on AFDC has lost one dollar of every eight he or she previously received. In effect, children have already paid 45¢ a day, or 12 percent of their total benefit to fight inflation. The average AFDC recipient now gets $3.10 a day or $93.13 a month (in April 1980 prices), a decrease from the comparable $3.55 a day or $106.55 a month paid in 1976, the last year under our previous Republican Administration. Despite these already low levels, six states have actually cut AFDC benefits over the past year and a half, and other states are currently considering reductions.

State AFDC payment have often failed to keep pace with inflation. In Texas, for example, the maximum AFDC payment for a family of four without other income has been $140 per month since 1969 (with a temporary bonus of $5 per month added in 1979). But the cost of living since 1969 has risen 115 percent. Thus $140 buys less than half of what it bought before.

States have also kept families off the AFDC rolls by not increasing eligibility levels over the years. In 1969, the monthly income of a family of four in Texas had to be less than $187 to qualify for AFDC. Today that requirement is the same, even though the real value of $187 is considerably less now than it was in 1969.

Despite national rhetoric about the importance of keeping families together, a child in Arkansas, or any of 24 other states, is denied any benefit at all—despite need—if he or she is living with both parents, even though those parents are unemployed and without income. The child's ineligibility for AFDC in these states also denies him access to Medicaid. Almost half the states also offer no benefits to a woman pregnant with her first child, and many others limit bene-

fits severely. The well-being of these children are jeopardized at the most crucial time in their lives.

PROPOSED REAGAN CUTS WILL FURTHER HURT POOR CHILDREN AND MOTHERS

The Reagan administration proposes cutting over $496 million in federal support for AFDC. Combined with state matching funds, this will lead to a combined loss of over $900 million to our poorest mothers and children.

We believe that the cuts described below, damaging in themselves, are part of a larger strategy which will be devastating for poor families. This is the idea of converting AFDC into a block grant to the states. We believe the contemplated plan is to reduce the base federal reimbursement first and then convert the reduced base to a block grant. Even the current system does not require any minimum benefit for families; states decide that. Block grants would increase the pressure for further reductions. The cuts now proposed are just the beginning.

The "Black Book" recommends five ways to reduce federal funding for AFDC:

(1) States would be required to determine AFDC benefits based on the family's income in the previous months. Under the present system, AFDC benefits are based on current need. The new proposals would ignore a child's current need. If a working mother became ill and lost her job, she could apply for AFDC and immediately receive a full AFDC grant which recognized that she and her children had no present income. Under this Reagan proposal, if that mother applied, she and her children would not be able to receive a check for the first month, since the new way of computing benefits would still consider her employed—even though she had actually lost her job and could no longer rely on that earned income. This new system creates a one-month waiting period for families who apply for AFDC because they have suddenly lost another source of income. And we hear the administration is considering a three-month period, as contemplated for food stamps, which would triple the hardship. It could affect large numbers of children in newly-needy families, who turn to welfare to regain their bearings during short periods of unemployment. Families who have been just barely scraping by usually do not have savings to tide the family over. Particularly in states that do not have emergency cash assistance programs, even the most caring parent may be forced to place children in foster care because they cannot otherwise provide for them.

The proposal also leads to the ironic situation that once the parent does find work, payments may continue for the one to three month period. This makes no sense. And it would be an administrative nightmare increasing paperwork massively. Retreat from a system which looks at the current needs of families is particularly punitive to children, who have no control over their parents' income or saving patterns.

(2) The amount of work-related expenses a parent can claim would be limited by setting a standard maximum deduction for these costs regardless of whether actual expenses incurred were greater. Currently a working parent can deduct all actual work-related expenses (such as transportation, child care, supplies, and taxes) from earned income before her AFDC eligibility and grant levels are calculated.

This means that if a mother has unusually high child care expenses because she has, for example, a handicapped child and her work-related expenses were limited, her AFDC income would be slashed. If the mother were applying for AFDC for the first time, she might be found completely ineligible—her income, unadjusted for her real work expenses, would appear more than enough to support her family. In either case, the mother may be encouraged to quit work because she can no longer pay for child care or may be forced to accept inadequate arrangements for her children. The extent of the potential harm to children would depend on the level of the standard deduction. The fact that the administration estimates this would produce savings of $86 million plus suggests that the cuts may be even higher, and the impact even more destructive. This hurts working women and their children.

(3) AFDC payments under $10 per month would be prohibited. In one-third of the states, this partial AFDC grant—however small—is the only way poor working parents can get their children a Medicaid card, and thus needed health and dental care. The $10 monthly payment is not the only issue; insuring continued Medicaid coverage is critical, since it probably would not be replaced by private medical plans through the parent's employer.

"Late in 1974, 78.4 percent of the nation's nonwhite children with family incomes under $5,000 did not have private hospital insurance; 46 percent of those with incomes under $10,000 did not have private insurance."

Thus, loss of even a partial grant of $10.00 per month may mean loss of a child's chance to grow up healthy. Parents may end up quitting work and staying on welfare to protect their children's health.

(4) Stepparents' income would be automatically considered available to a stepchild whether or not the stepparent actually supports the child. The child would then lose his or her AFDC benefits if the stepparent's income exceeded AFDC guidelines. In states where a stepparent is not legally obligated to support a stepchild, the child may be caught in the middle, with no legal recourse against a stepparent who withholds support and no AFDC grant because the welfare department assumes that support is forthcoming.

(5) It would be assumed that people on AFDC with earned income receive monthly Earned Income Tax Credit Payments, with reductions in a family's monthly AFDC payment accordingly. But experience shows that the Earned Income Tax Credit is a phantom benefit for many working parents: in 1978, one out of every four families eligible for the credit never received it. Of those who did, many received the credit as a lump sum at the end of the tax year and not as a monthly payment which they could use to pay the rent or heating bill, or to supplement food stamps when they ran out at the end of the month. Reducing a child's monthly check by up to $500 a year to reflect income which the parent never gets, or will only get at the end of the year, is a cruel hoax. It may be enough to put many working families just scraping by on partial AFDC back on the welfare rolls entirely.

DO THESE CUTS AVOID HURTING THE TRULY NEEDY?

No. AFDC benefit levels for the nation are already low—having declined by 12 percent since 1976. In almost one-fourth of the states, the current maximum AFDC payment to a family of three is lower that the amount needed for just one person who qualifies for Supplemental Security Income.

Even the working poor who are eligible for AFDC—those hardest hit by the cap on work-related expense deductions and the elimination of grants under $10—are desperately poor. In order to apply and receive even a partial AFDC grant, a family of four in San Antonio, Texas must have a net income of less than $187 per month; and in Jackson, Mississippi, $252 a month.

ARE THE ADMINISTRATION'S AFDC PROPOSALS PRO-FAMILY?

No. Under the present AFDC regulations, if a welfare parent marries and her spouse is able to support her, she will generally lose her AFDC eligibility. But if her new husband in not legally responsible to support her children and does not actually support them, the children can keep their AFDC benefits. Thus, a stepparent can choose to marry and support his spouse without also being compelled to support children he is not legally responsible for and cannot afford to support.

Under the new system, loss of the children's AFDC benefits could place early strains on a recent marriage, and could result in its breakup. It would increase AFDC's version of the marriage tax: a welfare parent and her partner could cohabit without any loss of AFDC benefits to the parent or to children who are not related to the live-in partner, while marriage could result in total loss of AFDC benefits to the entire family—dissuading a parent from remarrying at all.

WILL THESE AFDC REDUCTIONS ENCOURAGE SELF-SUFFICIENCY?

No. The working poor are hard hit. In one-third of the states, a partial AFDC grant—as little as $10 or below—is the only way poor working parents can get their children a Medicaid card. Many may have to choose to quit working in order to get their child the needed health and dental care if they lose Medicaid.●

A TRIBUTE TO GLADYS NOON SPELLMAN

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. HEFNER. Mr. Speaker, I regret that I was unable to be present last Tuesday when a number of my colleagues paid tribute to Gladys Noon Spellman. I have had an opportunity to read these tributes, and they so accurately and eloquently capture the essence of this fine lady.

Gladys was a superb legislator, and her tireless work on behalf of her constituents is legend. No problem was too insignificant to warrant her attention and her help. She never passed the buck. I am told that Gladys endeavored to attend every meeting or function to which she was invited by her constituents, whether it be a handful of senior citizens or a large civic association or even a Halloween party for children at a shopping center. She gave tirelessly of her time and talents. She had a genuine affection for people.

Gladys will be greatly missed in this House, and she will be greatly missed by her constituents. She is truly the gentlewoman from Maryland.●

U.S. CREDIBILITY AT STAKE IN LAW OF THE SEAS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. BEDELL. Mr. Speaker, today was to mark the opening in New York of the culminating session of the U.N. Law of the Seas (LOS) Conference. The 10th session in 7 years, delegates from 150-odd nation participants had strong reason to believe they could reach final agreement on 320 provisions, plus annexes, governing all uses of the oceans.

Regrettably, the Reagan administration announced last week its intent "to seek to insure that the negotiations do not end at the present session of the conference, pending a policy review by the U.S. Government." No one has ever suggested that the new administration forgo such a review. What is dismaying is the clear signal that this administration plans to renege on past commitments made by the four preceding administrations and negotiated predominantly by Republican diplomats.

In testifying last Thursday before Senator LARRY PRESSLER's Foreign Relations Subcommittee on Arms Control, Oceans, International Operations and Environment, I spoke out strongly against what I felt was an attempt by four mining consortia to dictate the terms of the LOS Treaty. Deep seabed mining is only one—and not even the most important one—of many critical interests at stake in this treaty. These interests also include inter alia military and commercial navigation and overflight, economic zones, fishing, environment, and scientific research. The LOS Treaty is not simply a deep seabed mining agreement, and we must not let four mining consortia control its outcome.

For these reasons, I would like to call my colleagues' attention to weekend editorials in the Washington Post, New York Times, and Christian Science Monitor, all of which criticize the Reagan administration's apparent denunciation of past American commitments on Law of the Seas:

[From the Washington Post, Mar. 7, 1981]

DEEP-SIXING THE LAW OF THE SEA?

A tremor went out the other day when the administration announced that it has suspended negotiation of the Law of the Sea Treaty until it has conducted its own review. One suggestion was that the mining companies, held at bay by the last administration, got to the new one and sold it—if it needed any selling—on the need to toughen the terms to ensure American access to those strategic manganese nodules lying on the seabed. Another version was that this negotiation had always been the medium of a Carter message of warmth to the Third World, and this administration wishes to send another message. Yet a third version was that the treaty is awfully complicated and that there was no need to be crowded by the calendar.

Since the administration had not had the chance for a full-scale review, there is probably no single or coherent explanation for deciding to pull off the track and tell 150-odd nations, practically on the eve of a negotiating session, that there won't be any negotiating. A lot of those nations are grumbling, never mind that there were other reasons why this session (the 10th in seven years) would not have been the "final" one it was billed to be. In any event, to the extent that company objections to the text-so-far led to the suspension, that is not necessarily a bad thing.The companies, who are not friendless, would have weighed in during a ratification debate anyway. It is not necessarily a bad thing for the administration that (presumably) will actually be presenting a treaty for ratification to crank the mining interest into its calculations before it sits down to complete a treaty text.

At least one part of the administration's public explanation, however, is troublesome. The State Department said in effect that the United States must have the mining provisions it wants and, furthermore, that it will make no mining concessions in order to get the other benefits offered in the treaty—regarding fishing, environment, economic zones, research, navigation, overflights, etc. Granted, the Reagan administration wants everyone to know it's tough. But is this not a rather prickly attitude to bring to the table, especially when, publicly at least, not a single specific defect in the old terms has been identified? There is no magic in those terms, which originated in the directives of Henry Kissinger and whose fashioning has been in the hands of Republican negotiators throughout. But they do represent the product of a negotiation, a mingling of interests, as distinguished from one country's fiat.

[From the New York Times Mar. 9, 1981]

DON'T SINK THE SEA TREATY

Properly enough, the Reagan Administration wants to examine all the fine print before it decides what to do about a complex diplomatic legacy, the Law of the Sea treaty. What is worrisome is the note of dismissal in the terse announcement that it wants to defer any final action on this bipartisan venture. The good faith and credibility of the United States as a negotiator are now bound up with this decade-long effort to bring the oceans under international agreements.

It had been hoped that 150 nations would finally reach full agreement at the tenth sea law conference that begins here today. But the State Department sees "serious problems" in the draft treaty and has called for a policy review. If this means that Washington wants to reopen the major compromises so laboriously attained, then the work of four Administrations is likely to be washed away.

That work, by common consent, has resulted in a juridical tour de force. Thanks to determined diplomacy, both maritime and landlocked nations have agreed to a universal covenant for the seas. The draft treaty should end many boundary quarrels by setting a 12-mile limit for territorial waters plus a 200-mile "exclusive economic zone." It would finally place real restraints on pollution, clarify marine research rights and tighten standards of seamanship.

A clear advantage for the United States is the treaty's guarantee of unimpeded passage through strategic straits for both military and commercial ships. These and other gains require concessions, the most controversial of which will constrain development of the seabed riches of nickel, cobalt, manganese and copper. A global authority would license mining, set production limits and share in the profits. Protests by American mining interests deserve a hearing; fuller protection for private capital is, in fact, among the remaining issues. But even more worthy of a hearing is the reasoned rebuttal of Elliot Richardson, the most recent chief American negotiator and former Secretary of Defense.

The Johnson Administration marked a path for the mining provisions when it supported a United Nations resolution in 1970 that defined underseas riches as the "common heritage" of mankind. That support was reaffirmed by both the Nixon and Ford Administrations and was finally given treaty language during the Carter years.

American mining interests that oppose the treaty apparently hope that their technology will overtake diplomacy and let them pre-empt the ocean bottom. So delay itself is a factor in the diplomacy. There are large stakes here that may justify further bargaining on one or another point. But there are also national security interests, well understood at the Pentagon, that argue for an early conclusion of the negotiations.

If the Reagan Administration moves quickly to persuade itself of the value of the compromises already reached, its effort can probably enhance the chances of the treaty's eventual ratification by a skeptical Senate. But to scuttle the treaty now would be to lose a rare opportunity to extend the reach of law and prevent innumerable conflicts in the decades ahead.

[From, the Christian Science Monitor, Mar. 6, 1981]

U.S. HITCH IN LAW OF THE SEA

The Reagan administration has gotten off on the wrong foot with the majority of nations at the UN by stepping away from previous United States support for completing the Law of the Sea treaty this spring. After seven years of negotiations through Republican and Democratic administrations, the US had joined virtually all of the world's other countries in determining to reach final agreement at the session beginning Monday in New York. Washington's chief negotiator, Republican Elliot Richardson, had completed a hard-working three-year tenure convinced that US as well as international interests were properly served and that a treaty ready for signing was "all but certain" this year. This week, at the last minute, the State Department publicly instructed its delegation "to seek to insure that the negotiations do not end at the present session of the conference, pending a policy review by the United States."

No one in a dismayed international community is saying that the new US administration should have to forgo such a review. But some delegates question why a treaty of such historic importance apparently did not receive the attention given to other matters during the four months since the election.

Another question is whether such a review could not be undertaken without suggesting that the US intends to go back on its earlier efforts to seek a completed treaty now. Such a position undercuts the negotiations, leaving other delegations uncertain of US adherence to agreed points and possibly encouraging other countries to make changes.

The Republican platform expresses doubts about the Law of the Sea Conference, saying it has paid insufficient attention to gaining early American access to the mineral resources on the seabed. But US unilateral legislation already postpones commercial exploitation of these resources until 1988. And the treaty negotiators have given long and hard attention to protecting the seabed rights of everybody.

At any rate, this issue is only one part of a document intended to regulate the uses of the oceans in many ways for the good of all, including a naval power like the United States to whose ships it would guarantee free passage. Perhaps President Reagan will come back from his trip to Canada with fresh resolve for completing a Law of the Sea treaty. A main remaining item of negotiation involves bilateral disputes like the one over fishing grounds between the US and Canada—and how to find fair solutions when one country's 200-mile zone of national economic jurisdiction overlaps another's.

One option is to leave such disputes to existing international law. But the debate on this and other items must not be vitiated by lack of US resolve to work for a final treaty.●

JAPAN AND INDUSTRY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. OTTINGER. Mr. Speaker, much has been made, in the past 2 weeks, of the declining state of America's business community and American business in general. Typically, the reasons that the business community gives for this phenomenon include: The decline of the work "ethic" over time, the costs of retooling and modernizing, and an increase in the influence of organized labor.

I would like to offer for the review of my colleagues the following article by Lester Thurow, professor of economics and management at the Massachusetts Institute of Technology. The article appeared in the February 8 edition of the New York Times.

The piece compares the Japanese and American business management systems, and I think that it will provide my colleagues with much food for thought.

PRODUCTIVITY: JAPAN HAS A BETTER WAY

As American productivity growth has slipped from positive to negative, most of the public blame has focused on this or that government activity. But whatever part of the blame is truly ascribable to the government, and there is certainly some, it is clear that much of the productivity problem lies within the jurisdiction of the private sector. The productivity problem will only be cured if the private sector is willing to cure itself.

Within the private sector it is fashionable for management to point to a deterioration in labor's "work ethic." The belief that the next generation has less of the work ethic than the last generation has at least a 2,000-year history, but the key to productivity is not the work ethic. A willingness or unwillingess to give up coffee breaks is ultimately unimportant.

What is important is an interest in ferreting out more efficient production processes and a willingness to embrace technical change. Think of an American worker and a Japanese worker facing the introduction of some new labor-saving technology.

The Japanese worker goes at it armed with a guaranteed lifetime job, a bonus based on productivity and corporate profitability and a wage rate that attaches to him as an individual and not to the particular job that he happens to be doing. A new labor-saving machine presents nothing but opportunity. It cannot throw the worker out of a job. It cannot lower her wage rate. It can only raise the bonus.

In contrast, the new machine is nothing but a potential threat to the average American worker. It may lead him to become unemployed. It may abolish her particular job and force her to work in a lower paying occupational category. Long held and expensively acquired skills may disappear overnight.

The potential benefits, if they exist at all, are distant and indirect. Wages may eventually go up with higher productivity but there is no direct immediate linkage between the new technology and a higher income for the affected worker.

Much of the productivity growth in Japan can also be traced to a work force that is itself interested in finding and initiating new ways of reducing the amount of labor involved in the production process. Productivity is not solely a management function. Given the incentive system, worker initiatives on productivity are rewarded with both cash and praise.

American workers have no such incentives. Each worker is most apt to know better ways of doing his own job. But to improve the productivity of one's own job is to reduce the number of people that the company is willing to hire in one's own job category. Even if the initiator retains his job, he certainly does not get praise from his laid off compatriots or those who may be laid off as the result of his next "good" idea. The net result is a failure to harness the individual initiative for which Americans are supposedly famous.

Is it any surprise, then, that American workers are interested in restrictive work rules and resist technical change? They would be stupid to do otherwise.

To generate high productivity growth, management is going to have to change the system of work incentives confronting labor so that there is a direct correspondence between those things that are good for society—higher productivity—and those things that are good for the individual—higher income. America does not have to adopt the Japanese incentive system, but it does have to work out the American equivalent.

But the problem of perverse incentives extends far beyond the shop floor. Many observers, particularly the Japanese, have pointed out that the time horizons of American companies have become so short that they are unwilling to invest in major new technologies.

While recently teaching at the Management Institute of one of America's largest corporations, I was told that the time horizon, of the divisions represented in the room was 2.8 years. It is not surprising that new products and production processes are increasingly being introduced abroad and that the construction of completely new industrial facilities has almost stopped in America. Who can build, much less recoup the costs, of a major new facility in 2.8 years?

The short time horizon should not come as a surprise. American managers are looking over their shoulders at investors who invest on a daily if not hourly basis. Top management is given a bonus based on current profits. Middle-level management has been organized into independent profit centers where people are promoted or demoted based on current profits. New M.B.A.'s are implicitly taught that the short-run bottom line is the only thing. With that structure of incentives anything but a short time horizon would be a miracle. And there are no economic miracles.

American management's emphasis on short-run profits springs from both mental laziness and fear.

It is easier to invest based on current profits rather than trying to figure out who will be successful 10 years down the road. The investor does not have to live with 10 years of risk and uncertainty.

A mental midget can tell whether top management deserves a bonus based on current profits. It is much harder to figure out whether top management has positioned the company well for the long haul. To stop researching, designing, and building the products that will be needed 10 years from now is to take risks. Current American management is known only for its risk aversion.

Mechanical judgments of middle level managers based on the earnings of their profit centers generates no controversies. But it promotes managers who are making good profits now but who should be incurring expenses to make much larger profits later, or demotes managers who are doing a good job in areas where the external environment makes profits difficult to obtain.

In business schools it is easier to teach the quantitative methods that are applicable in short-run profit maximumization for most of the parameters of the problem are known. It is much harder to teach long-run profit maximumization where risk, uncertainty and the unknown dominate. Once on the job, students want to use what they are taught.

Whatever government does to stimulate productivity, America will never close the productivity growth gap with Japan or West Germany unless there are major changes in the incentive structures facing labor and management. The economy needs to be restructured so that each of us has a direct self-interest in promoting the productivity games that are the foundation of both our economy and our own future standard of living.●

H.R. 2363

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DORGAN of North Dakota. Mr. Speaker, today, I am introducing H.R. 2363, which would amend the Internal

Revenue Code in order to permit a taxpayer to choose the option of including, in the 1980 income, disaster payments and Federal crop insurance payments received in 1981 for any 1980 crop.

This measure is necessitated by the fact that, through no fault of individual taxpayers, many ASCS disaster payments and Federal crop insurance payments on 1980 crop losses are being made in 1981. In North Dakota, for example, the late ASCS payments total some $5 million while the late FCIC payments may run as high as $250 million.

In 1978, when the same situation developed with regard to disaster and deficiency payments, a similar provision was passed by the Congress. It seems appropriate for the Congress to once again take action to insure that taxpayers are not penalized as a result of delays on the part of Government agencies.●

CHILD HEALTH

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mrs. CHISHOLM. Mr. Speaker, one of the key elements in President Reagan's proposed budget is the funding of major programs through block grants made directly to States. A number of agencies that provide numerous services to the poor feel that their programs will suffer under such a plan and that States will favor programs of a different nature.

Since 1965, many of the Nation's poorest families have been provided with health care through the medicaid program, community clinics, health centers, and public hospitals. In the past these providers were given direct grants. Under the Reagan plan, the States would receive the money and then decide which programs to fund.

In the past many States have failed to implement the children's part of the medicaid program; and innumerable children have been left without adequate health care. To combat this problem, the Children's Defense Fund has tried unsuccessfully to have the child health and nutrition program (CHAP) passed. With the possibility of massive budget cuts for the entire medicaid program, CDF fears that even more poor children will go without needed health care because States will reduce or eliminate badly needed services from the medicaid program.

Chapter III of CDF's "A Children's Defense Budget: A Response to President Reagan's Black Book" discusses the benefits of the medicaid program and the improvements made in American health care over the last 16 years:

CHILD HEALTH

WHAT IS MEDICAID?

In 1965, after extensive hearings and investigations into the health status of the nation's poorest citizens, Congress enacted the Medicaid program. Medicaid guarantees that America's most destitute families have a way to purchase such essential health care services as physical checkups, medical treatment, dental care, hospitalization, prenatal care and necessary medications.

WHO ARE THE CHILDREN WHO BENEFIT FROM MEDICAID?

Forty-five percent, or almost 13 million, of the total Medicaid-eligible population are children. They are among the poorest and most afflicted of all children in America.

The child in Washington State with cystic fibrosis, whose mother and father work to bring home a combined income of less than $5,000 per year.

The pregnant woman in Mississippi who receives $120.00 per month to care for herself and her other two children.

The foster care child in New York who has been in institutions since infancy and suffers from a congenital heart ailment.

The two children in Tennessee who suffer from asthma, allergies and many other medical and dental problems whose mother receives $140 per month to support the three of them.

For most of these children, and millions more like them, their only hope for adequate health care is Medicaid.

Because of states' past failure to adequately implement the children's part of Medicaid, urgent child health needs still go unmet. 1 out of 7 American children under 18 years of age (or 9 million children) has no regular source of primary health care. 1 in 5 poor and minority children has not seen a doctor at all in two years. 1 out of 3 children (or over 18 million) has never been a dentist. Millions of American women lack prenatal care despite high correlations between lack of prenatal care and infant mortality and illness. 7 out of 10 mothers under age 15 get no prenatal care in the first three months of pregnancy; one-fifth get no prenatal care at all. These gaps in preventive health care hurt children and taxpayers who pick up the tab in costlier emergency and hospital care.

WHAT IS BEING PROPOSED BY THE REAGAN ADMINISTRATION?

The Reagan Administration proposes to end the Medicaid entitlement and cap Medicaid spending. In FY '82 federal funds will be cut by a minimum of $1 billion.

WHAT WOULD BE THE IMPACT OF THESE PROPOSALS ON CHILDREN'S MEDICAID BENEFITS?

By limiting the amount of federal Medicaid funding to levels far below what is needed for states to maintain their current levels of services, the Reagan Administration's proposals will result in severe Medicaid cutbacks by the states. Because of past budget pressures, most states have already turned Medicaid into a bare-bones program. A further federal budget squeeze will force states to gut their programs. Under the guise of "flexibility," the states will have the responsibility to decide how to distribute pain among the poor.

From past state practices, we can predict many types of state cutbacks that will result if the Administration's proposals pass:

States may eliminate millions of already underserved eligible mothers and children from their programs. States have the option of providing Medicaid to many types of impoverished pregnant women and children, in addition to those who qualify because they receive welfare grants. Thirty-four states presently cover some or all of these mothers and nearly 1 million children. If the federal Medicaid budget is cut, these "optional" women and children—for example, a first-time pregnant mother and two-parent poor families—may well be among the first to lose their Medicaid benefits.

States will sharply reduce or altogether eliminate essential services from their programs.

The federal budget cuts will prevent states from maintaining their current commitment to certain services. Even the Stockman "Black Book" concedes this will happen. States have already faced budget crises in Medicaid. They have been forced to cut or reduce the very health services that keep children well and correct health problems before they become serious and thus more costly:

An increasing number of states will require that recipients share the costs of such vital services as prescription medications and physician visits.

States will limit the number of physician, clinical, and hospital visits that recipients can receive, even if additional visits are essential.

States will eliminate certain services entirely from their programs, even if they are necessary to keep children out of hospitals.

WILL THE ADMINISTRATION'S PROPOSAL SAVE MONEY?

No. Forcing states to curtail the availability of essential preventive health services now is the epitome of penny-wise and pound-foolish management and assures escalating health care costs later on:

It costs the state of Alabama approximately $1,100 to provide a pregnant woman with adequate prenatal care. It cost $20,000 per year, however, for Alabama to pay the institutional costs of caring for a severely handicapped child whose disabilities resulted from his mother's lack of pregnancy-related care.

Children can get the full preventive health care they need each year for about $325: less than the cost of a 2-day hospital stay.

Children can get screened for health problems for about $20: less than a Senator would pay for a good dinner in Washington.

In North Dakota, total Medicaid expenditures per child were 36–44% lower for children who were screened for health problems than for those who had not received timely health exams. Expenditures for inpatient hospital services were 47–58% lower for those who had been screened.

A Texas study which examined the costs and benefits of preventive care which many children now get (vision screening, hearing screening, preventive dental care, and identification of congenital malformations) showed that for each state dollar spent, more than $8 was saved in the longterm costs and in the income loss avoided.

Moreover, while federal expenditures for Medicaid may decrease, states will be forced to make up the difference out of their own coffers to provide key health services for their poorest citizens. For example, in 1980, the state of Florida hoped to save some $31 million by not providing Medicaid for all financially needy children. But the state ended up spending $42 million in state and local funds providing health care to these same children when they became ill. As federal funds for preventive health services dis-

appear, they will be more than replaced by state and county tax dollars spent on far more costly care.

DO THESE CUTS AVOID HURTING THE TRULY NEEDY?

No. All Medicaid recipients are among the most needy in our society. Of the 23 million persons eligible for Medicaid, 18 million are dependent children, or aged, blind or disabled adults. To qualify financially for Medicaid, families must be indigent, with incomes at or below their states' welfare payment levels, which range from $1,600 to $6,000 a year for a family of four.

IS THE ADMINISTRATION'S PROPOSAL PRO-FAMILY?

No. The proposal will likely force states to reduce their programs by eliminating Medicaid coverage for married pregnant women and children from two-parent families. The cutbacks promise to do profound damage to poor working families who are struggling to stay together and survive. And since children represent an average of only about 17% of Medicaid's expenditures, they are without the political power to compete for their fair share as states begin to wield the budget ax.

WILL THESE PROGRAM REDUCTIONS ENCOURAGE SELF-SUFFICIENCY?

No. Through Medicaid, millions of families can now purchase care that keeps their children healthy and productive. A Tennessee mother can buy eyeglasses, allergy shots, and other needed health services that allow her two children to remain healthy and in school so that she can work. A pregnant mother in Mississippi receives adequate prenatal care for herself and her unborn child so that both have the chance to be healthy and productive.

The Reagan plan seriously threatens poor, working, two-parent families who survive partly because Medicaid helps supply health care for their children. withdrawal of health care will force parents to go onto welfare so that they can qualify for the Medicaid their children need.

WILL THE ADMINISTRATION'S CUTS IMPROVE STATES' ADMINISTRATION OF MEDICAID?

No. The Administration's proposed program cuts have not been tailored to achieve better program administration. The plan simply places severe limitations on the availability of federal funds to meet current state commitments.●

WALTER E. FAUNTROY

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. FAUNTROY. Mr. Speaker, it is with a sense of honor, as well as sadness due to the circumstances which dictate it, that I rise to pay tribute to our distinguished colleague, Gladys Noon Spellman.

As the representative from the District of Columbia, Gladys and I have worked closely during her tenure in Congress. I, and the residents of the District, shall always remember with gratitude and deep respect, the efforts put forth by Mrs. Spellman with respect to the ratification of the District of Columbia full voting rights amendment by the State of Maryland. As one who advocates the full participation of citizens in the political process, Gladys was sensitive to and disturbed by the injustice surrounding the disenfranchisement of the citizens of the District of Columbia.

Shortly after her arrival in Congress, Gladys assisted me in organizing the Metropolitan Caucus, a bipartisan body comprised of those Members representing districts in the Metropolitan Washington area. Gladys' contribution to that body has always been a substantial one, and her wisdom and foresight will be missed.

As chairman of the Post Office and Civil Service Subcommittee, Gladys Noon Spellman did more for the Federal worker than perhaps any other Member who has served in this body. Adequate health and life insurance coverage, equitable salary levels, and perhaps most important, recognition of the valuable service rendered by the Federal work force, were all realized and highlighted through her efforts.

A spirited and compassionate woman, Gladys Spellman took the concern of each and every one of her constituents to heart, and gave her all in seeking a resolution of the various problems they faced. Their love for her, and the deep respect in which she was held, was poignantly demonstrated by her resounding reelection victory just days after she was stricken ill.

Gladys Noon Spellman will be greatly missed by all in this Chamber, and I join with her family, friends, and constituents in a prayer for her complete and rapid recovery so that we might once again have the benefit of her brilliance, integrity, and dedication.

THE LAW OF THE SEA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. DERWINSKI. Mr. Speaker, a concern of mine for some time has been the development of the text of the Law of the Sea Treaty. We are at a very important juncture at this moment in the law of the sea process, as our delegation prepares for another negotiating session scheduled to begin today. If a satisfactory treaty text can be negotiated, a signing ceremony would be held in Caracas late this summer. If not, we must anticipate further negotiation until an acceptable treaty text is achieved.

I am entering in the CONGRESSIONAL RECORD for the edification of the Members, the remarks on the Law of the Sea Treaty negotiations of our respected colleague, JOHN B. BREAUX, of Louisiana, before the Oceanic Organization on February 18, 1981. Congressman BREAUX's committee assignments have given him the knowledge to make an incisive assessment of the status of the law of the sea negotiations.

Like Mr. BREAUX, I am encouraged by what I have heard of the views of the new administration in the law of the sea area but I share his concerns about what he terms, "the sheer momentum of the lengthy Law of the Sea Conference process." Mr. BREAUX's timely speech follows in part:

REMARKS OF HON. JOHN B. BREAUX BEFORE THE AMERICAN OCEANIC ORGANIZATION, FEBRUARY 18, 1981

I was asked to review with you today the legislative initiatives that could be expected in the area of oceans affairs during the 97th Congress. I intend, however, to confront a far more important matter—The Law of the Sea. As a long-time Congressional adviser to the United States Law of the Sea delegation, and as a past and present chairman of Congressional subcommittees having jurisdiction over oceans issues, I have had more than a little experience with this subject. In my considered opinion, the fate of our oceans interests, with their many significant implications for our national security, domestic economy, and foreign relations, may well be determined for the foreseeable future by policy decisions of the Reagan Administration during the next eighteen days.

I have often spoken to many of you of ocean concerns of mine and priorities for the Congress and the Administration. At this time in our nation's history I am personally convinced that the highest priority for President Reagan and the oceans community of this nation must be to make certain that the draft LOS treaty either be improved or, if it cannot be improved, abandoned.

There is considerable international pressure on the United States to adhere to the schedule of the Law of the Sea Conference calling for the conclusion of negotiations following a six-week meeting to begin on March 9, 1981. A Caracas signing ceremony is anticipated by late summer of this year. However, it is my view that the Draft Convention which has emerged from the negotiations is so thoroughly adverse to the fundamental interests of the United States, that only an absolute capitulation by this nation to the unrestrained demands of the Third World and Soviet Bloc would allow the Conference to complete its work in accordance with the established timetable. I strongly suspect that the schedule was established to produce just that outcome, and I find it truly remarkable that the previous Administration allowed the United States to be led submissively down so perilous a path. Only firm instructions to our Law of the Sea delegation to retrench at the coming Conference session can avert a result which will have the most far-reaching and serious consequences for our nation.

It must be remembered that the outcome of the Law of the Sea negotiations not only will influence the course of oceans law and politics for the next several decades, but also will affect the direction of other emerging international arrangements and the pace with which they are concluded. At the foundation of the Law of the Sea negotiations lies the drive of the Third World toward the establishment of the "New International Economic Order"—the N.I.E.O.—which is calculated to effect a fundamental redistribution of global wealth and power from the nations of the industrialised North to the countries of the less developed South. The political model is one-nation one-vote democracy which conveys an equal voice, for example, to a nation of 800 million and to a nation of 350 thousand. The economic model is socialist central economic planning, which seeks to stifle free enterprise and defeat market principles.

Paul Engo, a developing country negotiator who oversaw the production of the first unified Law of the Sea negotiating text, the key provisions of which have largely survived the many years of subsequent negotiations, stated that with respect to his work on the draft: "Of considerable importance for me was another international document commanding wide universal support: 'The Declaration on the Establishment of a New International Economic Order' adopted by the General Assembly on 1 May 1974 at its sixth special session."

Indeed, the Law of the Sea Conference and the emerging treaty stand as precedents for a reconciliation of competing international interests across a broad spectrum of global issues. These include the development and utilization of the resources of the Moon and Earth's sister planets of the solar system, and the exploration and exploitation of Antarctic mineral resources.

It is worth noting in this relation a statement by Mexico, a principal player in the Group of 77, before the U.N. Special Political Committee on November 1, 1979: "Regarding the treaty on the moon . . . this agreement provided that the resources of the moon were the resources of mankind, just like the 'historic decision' on the resources of the seabed." The Moon Treaty has been opened for signature, but because of intense Congressional and industry criticism of its N.I.E.O. orientation has not been signed by the United States.

It should be further noted that Alvero de Soto, a key Third World spokesman, stated at a public meeting in the United States on September 14, 1979:

"The temptation to apply to Antarctica the same principles which are the basis for the regime of the seabed is very great, and some have not been able to resist it. This temptation should increase now that the United Nations Committee on the Peaceful Uses of Outer Space has decided to recommend to the General Assembly a draft Treaty which would declare that the Moon also constitutes the common heritage of mankind."

H. Shirley Amerasinghe, late President of the U.N. General Assembly and President of the Law of the Sea Conference, once declared that:

"There can be no doubt that there are vast possibilities for a new initiative that would [be] to the benefit of all mankind. Antarctica is an area where the now widely accepted ideas and concepts, with their special stress on the principle of the equitable sharing of the world's resources, can find ample scope for application."

Admittedly, it is U.S. policy to resist the extension of the common heritage concept to the Antarctic Continent and our position on that point is strengthened by the existence of several developing countries which are territorial claimants in Antarctica and, therefore, must reject common ownership of that continent. However, the substantial danger remains that, once having accepted the common heritage in the deep seabed context, the United States will succumb to pressure from non-claimant LDC's to extend the principle to an area which the U.S. regards to be as international in character as the other global commons. At risk is the Antarctic Treaty system that has maintained the freedom of scientific research, prevented militarization, including the emplacement of nuclear weapons, and halted the spread of territorial claims on the frozen continent. Also in jeopardy is a truly viable regime that is under negotiation among the Antarctic Treaty Parties for mineral resources which may be of tremendous economic and strategic importance as the resources of more hospitable environments begin to dwindle.

One must bear in mind that the Third World has already succeeded in establishing as a universal principle the concept that every nation has "permanent sovereignty" over the natural resources within its national boundaries. While this principle appears to be self-evident and hardly open to challenge, the implications for the materials-dependent industrialized countries are profound. For the Third World, permanent sovereignty includes not only the nationalization of foreign investments, but also the employment of natural resources as politico-economic weapons. Complementing these measures are wide-ranging efforts dedicated to the establishment of Third World control of the resources and communications and transportation media of the global commons. The deep seabed regime set out in the Law of the Sea Draft Convention is but a single example of this phenomenon. I must point out that this movement by the developing countries is sympathetically supported by the Soviet Bloc, which is essentially independent with respect to many critical materials. This is the "Resource War" about which much has been said and written in recent days and to which this nation must respond decisively, if our long-term security is to be preserved.

Natural resources are not the only targets of Third World and Soviet designs. There are also initiatives in a number of international fora, particularly those under United Nations auspices, to implement the notion that the technology of the advanced nations is the "universal heritage of mankind" to which all members of the international community have a right of access. This involves, on the Law of the Sea model, mandatory transfer of proprietary and non-proprietary technology to developing countries and to a supra-national competitor to private enterprises, as a condition of access to international resources. In other negotiations, such as those relating to an International Code of Conduct on the Transfer of Technology, the operative mechanisms include generally reduced protections for the proprietary rights of developed country technology suppliers and increased pressures for transfers to developing country recipients on a highly politicized, and concessionary, anti-commercial basis.

The twin risks are that our adversaries will gain control of vital raw materials and of the conditions under which the technology essential to development will be utilized and transferred. Under such conditions, the shift of economic wealth and political power will be dramatic—and potentially devastating to the industrialized West. The Third World views such an outcome as just retribution for the perceived outrages of colonialism. The Soviets encourage this viewpoint, and the program which serves it, because as self-styled anti-imperialists, the cost to them of N.I.E.O. justice is nothing and the price paid by the West is very high, indeed.

Unfortunately, resistance by the advanced Western countries to Third World demands has been substantially less convincing and effective in the Law of the Sea Conference than in other international negotiations. If the Law of the Sea Draft Convention is accepted, the political and economic assault on the industrialized West and on the market economy principles upon which its well-being largely depends will be rewarded with a stunning success. In a single stroke, the N.I.E.O. will be propelled from political rhetoric into international law. The resulting model for other vitally important regimes will threaten the United States and the other nations of the Free World with severe damage to their strategic, economic and political interests.

For these reasons and for others I intend to discuss at some length, a letter I initiated on December 10, 1980 to then President-elect Reagan called attention to the significance for the United States of acceptance of the Draft Convention, absent substantial amendments. That letter, which was cosigned by a bi-partisan group of thirteen other Members of Congress occupying positions on the three interested Committees of the House, urged a far-reaching and incisive review of the Law of the Sea negotiations, in light of the multitude of affected national interests. I would like to share with you some of the principal concerns raised in the letter.

An International Seabed Authority, which would control the vast, strategic mineral resources of the deep seabed, an area encompassing fully two-thirds of the Earth's submerged lands, would be dominated by the Third World and heavily influenced by the Soviet Bloc. For the World's deep ocean minerals, the freedom of the seas doctrine would be a dead letter and the United States would have access to them only at the sufferance of nations whose interests conflict with our own.

A plenary, "supreme" Assembly in the Authority would operate on the basis of one-nation one-vote and would set general policies. Clearly, the small minority of western industrialized nations would be unable to protect their interests in that organ.

An executive Council, composed of 36 nations (18 reflecting geographical distribution and 18 reflecting special interests), would be responsible for provisionally approving rules and regulations, pending final action by the Assembly, and for acting on recommendations of a Legal and Technical Commission concerning seabed mining contract applications. While the Soviet Bloc would be guaranteed at least three seats in the Council, the United States would be assured of not even a single vote and would have to compete with its own allies for representation. Furthermore, in the Legal and Technical Commission, experts would be chosen on the basis of geographical distribution and special interests and there is every reason to believe that this subsidiary organ would be as political as the Council to which it would report. Under such a scheme, qualified applicants for mining licenses would not be assured access to seabed resources, and for the United States, this could mean the indefinite continuance of our dangerous dependence for strategic minerals, including cobalt, nickel and manganese, on unreliable foreign sources of supply. Such an outcome would serve the interests of the Third World, particularly the land-based minerals producers, and of the East European Socialist Bloc, at the expense of United States security and economic interests.

A highly privileged, supra-national mining Enterprise would compete with private and

State enterprises for access to seabed minerals. The Enterprise would be operated for the benefit of developing countries.

The treaty would establish an array of seabed production restrictions. These would include not only a ceiling on the overall level of seabed mineral output, but also on the production of each operator, and would limit the number of mine sites that could be exploited by any State or group of States in a period of time or in an area of the seabed. Further, the Authority could be permitted to represent all seabed mineral production in international commodity arrangements which would be negotiated to replace the treaty production ceiling. As the Department of the Treasury has testified before Congressional committees, these many restrictions would tend to artificially inflate prices, distort markets, encourage inefficient production, and of course, limit the diversity and extent of vital minerals supplies. Our vulnerability to supply restraints and disruptions would be sorely aggravated, and the socialist planned economy model would be promoted.

I should note that, unlike other mining entities, the Enterprise would receive a guaranteed portion of the overall seabed mineral output, and would be exempt from all other limitations on production.

The Authority would collect from private and State miners heavy, front-end loaded, mining taxes ($527 million to $1.3 billion per site, depending on each operator's profitability). These taxes would fund the operations of the Authority, compensate developing country land-based minerals producers for harm by ocean mining, and provide, in accordance with international rules and regulations, assistance to developing countries and even to so-called national liberation groups—I repeat—national liberation groups.[1]

Notably, the Enterprise would be exempted for up to ten years from making payments to the Authority and would likely be granted tax immunity by most States, a further privilege that is not likely to be extended to private and State miners.

The treaty would provide for an obligation of each contract applicant to prospect two complete mine sites, in order for the Authority to choose one for development by the Enterprise or developing countries (which could also compete for contracts to mine non-reserved sites).

The treaty would obligate ocean miners to transfer their technology to their competitors, the Enterprise and developing countries. While these transactions are supposed to take place on fair and reasonable commercial terms and conditions, the forced sale nature of the transfers would likely lead to a quite different result. In any case, States Parties having access to ocean mining and processing technologies would, under certain circumstances, be obligated to make them available to the Enterprise. While the transfer obligation on mining operators would be of limited duration, the obligation on States Parties could be of an indefinite nature. I should particularly emphasize that these transfer requirements could extend to certain defense-related technologies. I have had this matter carefully scrutinized and I am alarmed by its implications. Consider, for example, the fact that Romania is a member of the Group of 77 and, therefore, would have a claim of right to our sensitive technologies—and could then put them to use for the benefit of the Warsaw Pact, of which that country is also a member.

The treaty would establish an obligation on States parties to fund, on the U.N. scale of assessments, the initial, fully integrated operation of the Enterprise, with the United States required, accordingly, to provide at least $125 million in long-term, interest-free loans and the same amount in loan guarantees.

The treaty would impose unreasonable restrictions on commercial arbitration and undue limitations on the competence of judicial organs to review decisions and actions of the Authority.

Under the treaty, amendment of the seabed regime would take place after approximately 20 years, on a vote of two-thirds of the States parties, i.e., in accordance with the wishes of the Group of 77, with the revised system binding on all States. To this, the legal right of denunciation offers a politically doubtful response.

I should add that a Preparatory Commission would develop seabed mining rules and regulations that would be binding under the treaty in force, until and unless amended by consensus agreement in the Council, with the subsequent approval of the Assembly. While there is a remote possibility that the Commission might favorably resolve some ambiguities of the treaty, other important provisions are unambiguous and, consequently, rules and regulations cannot be expected to improve the seabed regime significantly.

I should also point out that, if the final treaty text fails to provide satisfactory interim investment protection for U.S. ocean miners who have operated under our seabed mining legislation, the near-term losses to our industry will be substantial. Furthermore, no prudent investor would attempt to proceed with seabed mining under the pending long-term regime. The conclusion of the negotiations without major changes to the Draft Convention thus would unquestionably spell the end of ocean mining for the foreseeable future. This country simply cannot afford that consequence to our economy and security.

As I have noted, deep ocean minerals include cobalt, manganese and nickel, each of which is a strategic material.

Cobalt, which is essential to critical high technology items, such as jet engines, is imported into the United States principally from Zaire and Zambia. We are 82 percent dependent on foreign sources of that mineral.

Manganese is essential to the production of steel. We cannot manufacture a single tank or naval vessel—or automobile—without that metal. Yet we rely for 72 percent of our needs on imports, with Gabon, South Africa and Brazil serving as our primary suppliers.

Nickel has numerous applications essential to a viable industrialized economy. Our import dependence is 77 percent. Canada, which is becoming increasingly nationalistic with respect to its minerals policies, is our largest supplier.●

[1] We are assured by our delegation that the United States could block implementation of these provisions by the Council. However, as noted, the United States is not guaranteed representation in that body and any effort to defeat the clear intent of the treaty would be viewed as bad faith deserving of severe retaliation.

THE FEDERAL LENDING OVERSIGHT AND CONTROL ACT OF 1981

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. MINETA. Mr. Speaker, today I joined with my colleague Mr. BETHUNE to introduce the Federal Lending Oversight and Control Act of 1981. This legislation will bring more than $500 billion in Federal loan and loan guarantee programs under the control of Congress budget process.

Once enacted, the bill would create a credit budget. Thus, Congress would follow the same budget process for lending as is currently mandated for revenues and spending. By requiring a vote on the credit budget, the bill would control the amount of credit the Federal Government can extend annually.

Escalating Federal lending has pushed the amount the Federal Government has extended to nearly $500 billion. This figure is almost half the size of the Federal debt. Only one-sixth of this tremendous amount is currently included in the congressional budget process.

The Federal presence in credit markets is just as great as the Federal presence in the economy as a whole. In recent years the Government has become the largest lender in the Nation. Last year about 23 percent of the total credit extended was channeled through the Federal Government. Federal loans and loan guarantees have grown by about 130 percent between 1975 and 1980.

When I first introduced this bill in 1979, the credit budget and its accompanying credit control limitations were proposals, still untested. We are resubmitting it now after the Congress and the administration have fully incorporated the credit budget and limitations into all stages of the budget process.

Over the weekend, David Stockman, Director of the Office of Management and Budget, announced that the administration will be seeking to cut $34 billion from the Federal loan and guarantee programs during the next year and a half. Congress will be asked by the administration to limit future loan and loan guarantees. Our bill provides Congress with the tools to control the Federal Government's credit programs on a continuing basis.

For the benefit of the membership I would like to take this opportunity to provide a detailed explanation of the bill.

THE FEDERAL LENDING OVERSIGHT AND CONTROL ACT OF 1981—AN EXPLANATION

The Federal Lending Oversight and Control Act of 1981, proposes the establishment of procedures to set targets and ceilings in

the Congressional budget resolutions for gross direct loans and gross loan guarantees by the federal government in a fiscal year. By amending the Congressional Budget Act of 1974, this bill, if enacted, would make these new procedures an integral part of the Congressional budget process.

BACKGROUND

Federal lending and loan guarantees are becoming an increasingly important means of providing government services. The total volume of new loans and loan guarantees by the federal government, including those by off-budget entities, was $116 billion in fiscal year 1980. Outstanding loans and loan guarantees are estimated to total $541 billion by the end of fiscal year 1981.

While plans for direct and guaranteed loans under individual federal credit programs are reviewed each year during the budget process, until the fiscal year 1981 budget there was no systematic mechanism in the Congress of the executive branch for reviewing the total volume of federal credit activity. Consequently, there has been no systematic way to consider the resource allocation effects of loans and loan guarantees, nor the reasonableness of the total volume. If the federal government wishes to allocate its credit resources efficiently and to coordinate that allocation with its fiscal policy and direct expenditures, it must exercise control over federal credit activities in a manner similar to that for direct spending activities.

In its fiscal year 1981 budget, the Administration developed a federal credit budget consisting of estimates of new direct loan obligations and new loan guarantee commitments, and accompanied by requests for appropriated limitations on annual loan programs levels. The Congress responded affirmatively to the credit control proposals, by taking the following actions:

The budget resolutions for 1981 included targets for aggregate amounts of new on- and off-budget direct loan obligations and new primary and secondary loan guarantee commitments. These targets, lacking the Congressional Budget Act enforcement mechanisms available for unified budget resolution targets, are not legally binding.

Annual limitations were enacted for commitments for new direct loans and new loans guarantees. These limitations were included in the appropriations language for most budget accounts containing direct or guaranteed loan programs.

The Congressional Budget Office and the Office of Management and Budget have developed the ability to update and track new credit activity and action on appropriations limitations.

Thus, in action on the fiscal year 1981 budget the Congress and the Administration developed a credit budget and credit control system thoroughly integrated into the regular budget process. This Act provides a statutory basis for the budget resolution credit targets giving them the same legal status as the unified budget targets.

PLAN OF THE BILL

The Federal Lending Oversight and Control Act established credit program controls through amendments to Title III and IV of the Congressional Budget Act of 1974. The Act adds to Title III, which establishes the concurrent budget resolutions on budget authority and outlays, provisions to expand the target- and ceiling-setting process to gross direct lending and to loan guarantees. Title IV, which establishes procedural mechanisms to prevent future "backdoor" spending, is amended to require appropriations action in order for direct loans and loan guarantees to become effective.

POINTS OF CONTROL

The Act applies to federal credit programs controls similar to those on direct spending programs. Therefore, the first issue that must be decided is the point at which controls are to be placed. Two criteria guided the definition of control points in this Act.

First, controls are on a gross basis rather than the net of repayments basis used in the unified budget. Gross level controls are the most direct means of regulating program levels. Second, controls are applied at the point in the lending or guarantee process when the federal government commits itself and cannot cancel the loan or guarantee arrangement without the agreement of the other party or parties. Simply put, controls should be applied at the point where the government cannot change its mind. Based on these criteria, the Act sets the control point for direct lending at the obligations stage and for guaranteed lending at the commitment stage.

DIRECT LOANS

For the purposes of this Act a direct loan is defined as a disbursement of funds (not in exchange for goods or services) that is contracted to be repaid—with or without interest—or any of the following transactions:

Direct federal participation in loans privately made or held;

Purchase of private loans through secondary market operations; or

Acquisition of federally-guaranteed private loans or collateral in satisfaction of default or other guarantee claims.

Direct federal loans are already included in the unified budget totals on a net of repayments basis. Net lending, the change recorded in the budget totals for a program for a fiscal year, equals the amount of new loans extended minus the amount of loan repayments on all—new and prior—loans during the fiscal year.

Net lending is an appropriate indicator of the changes in an agency's financial picture resulting from the operations of a direct loan program. It is not, however, a satisfactory indicator or point of control of program activity. Net lending on-budget understates the amount of new credit extended by the federal government by the amount of the deducted repayments and by the amount of off-budget lending. These deductions are not trivial. New lending by the federal government for fiscal year 1981 is estimated to be $56.7 billion. Deducting repayments ($20.7 billion) and loans by off-budget agencies ($32.1 billion) leaves net lending recorded in the budget at $3.9 billion. Direct federal lending in 1981 is thus understated in the budget by $52.8 billion. Policymakers should be aware of this $53 billion of federal lending. Even though net extensions of federal credit are estimated to total only $3.9 billion, the full amount of credit diverted by on-budget agencies from the borrowers to whom the marketplace would allocate credit to borrowers selected by the federal government is $56.7 billion.

Because the economic effects of direct federal loans to selected borrowers are assumed to differ from the economic effects of the loans that would have been extended in the marketplace, the Congress should consider targets and ceilings, controlling the gross amounts of credit diverted, not just the annual net additions to federal direct loans outstanding. Therefore, the Act requires that targets and ceilings be set in the concurrent budget resolutions on the gross obligations for the principal amount of direct loans. The total is not reduced because of repayments, prepayments, sale of loan assets defaults, or loan forgiveness.

GUARANTEED LOANS

Unlike direct loans, guaranteed loans are not included in the unified budget totals at all. In fact, the definitions of budget authority and new spending authority, in sections 3(a)(2) and 401(c) respectively, specifically exclude the authority to guarantee the repayment of indebtedness incurred by another person or government. Thus, loan guarantees are not at all subject to the targets and ceilings on budget authority and outlays in the concurrent budget resolutions.

The Act introduces for the first time controls on total commitments by the federal government to guarantee loan principal in all loan guarantee programs. Two aspects of this point of control merit discussion: applying controls at the commitment stage and counting only guaranteed loan principal against the targets or ceilings.

The Act applies controls on loan guarantees at the stage when a federal agency enters into a guarantee agreement that becomes effective at such time as the lender meets stipulated preconditions. In a sense, the commitment stage of a loan guarantee arrangement is equivalent to the obligation stage of a direct loan arrangement. The government has entered into an agreement which can be expected, without further intervention, to mature into a financial responsibility to provide loan principal or guarantee a loan's repayment, as the case may be.

Applying controls at the commitment stage of loan guarantees is appropriate because at the point a commitment is granted, there is no reason for the borrower or the lender to search for alternative financing means. At that point the federal government has in a sense "siphoned" credit out of the market and allocated it to a borrower who, without the guarantee, would not have been allocated credit on those terms, or perhaps on any terms at all.

The second aspect of the Act's controls on loan guarantees that merits discussion is the fact that only the federal government's contingent liability is counted against the individual program limitations and the targets or ceilings in the budget resolution, where the principal amount of a loan is only partially guaranteed, only the amount of the contingent liability is controlled. For example, a limitation of $500,000 for a program of 90 percent guarantees means that the agency could guarantee loans totaling $555,555; only $500,000 of the principal, however, would be guaranteed by the government. This provision will make it possible for programs of partial guarantees to leverage their limitation of guarantee commitments into a larger total volume of loans than a program of 100 percent guarantees. It is consistent with the treatment of partially guaranteed loans in the Administration's credit budget.

SECTION-BY-SECTION ANALYSIS

Title I—Federal Lending Reporting Requirements

Section 101 of the Act requires the Secretary of the Treasury, in consultation with the Council of Economic Advisors, to report on the relationship between federal lending and (1) the condition of the economy, (2) the availability and cost of credit in the pri-

vate sector and (3) the exercise of monetary and fiscal policy by the federal government.

Section 102 amends the Federal Reserve Act, to require the Fed to report on the effects of federal credit activity on the availability and cost of credit in the private sector and on the exercise of monetary policy by the Fed.

Section 103 amends the Budget and Accounting Act to require essential data regarding direct lending and guaranteed loan activity from the President.

Title II—Amendments to the Congressional Budget Act of 1974

The heart of The Federal Lending Oversight and Control Act is its amendments to Titles III and IV of the Congressional Budget Act of 1974. Title I essentially piggybacks provisions for setting targets and ceilings for direct and guaranteed loans onto the provisions establishing the first and second concurrent budget resolutions.

Incorporating credit program controls in the First Concurrent Resolution

Section 201 amends sections 301(a) and 301(c) to include in the required contents of the first concurrent resolution on the budget each year targets on direct and guaranteed loans and to require that the standing committees of the Congress include in their reports to the Budget Committees their views and estimates on credit programs as well as direct expenditures. Specifically, section 301(a) is amended by the addition of two new subsections requiring that the first concurrent resolution of the budget include:

The appropriate level of total gross obligations for the principal amount of direct loans and total commitments to guarantee loan principal; and

The appropriate level of gross obligations for direct loans and of commitments for guaranteed loans for each functional category.

Section 301(c) is amended to require the standing committees to include in their March 15th reports to the Budget Committee their recommendations for credit program levels and their estimates of the amounts of direct and guaranteed loan authority to be provided in their bills to be effective during the fiscal year beginning October 1st. Section 301(c) also includes a special requirement for the Banking Committee in each house to include their recommendations as to the overall levels of federal credit assistance in their March 15th reports. This special responsibility recognizes the expertise of these two committees in the area of the credit economy and the monetary system.

The inclusion of targets for credit programs in the first budget resolution argues that such targets should then be allocated by committee after the resolution has been adopted by the Congress, as section 302 now requires for the targets for budget authority and outlays. Section 302(a) is amended to require that the joint explanatory statement accompanying a conference report allocate to the standing committees of the House and Senate having jurisdiction over credit programs the appropriate levels of gross obligations for direct loans and of commitments to guarantee loan principal. Section 302(b) would be amended to require that the Appropriations Committees subdivide their allocations among their subcommittees, as they presently subdivide their allocations of budget authority and outlays.

The Act amends Section 307 to add the summary report by the House Committee on Appropriations, which compares its action on regular appropriation bills with the appropriate levels of budget authority and outlays as set forth in the budget resolution, a comparison of the Committee's recommendations on gross obligations on direct loans and total commitments to guarantee loan principal to the levels set forth in the concurrent budget resolution.

Section 308 establishes the scorekeeping procedures. It is amended by the Act to include scorekeeping requirements on credit program limitations. Specifically, section 308(a) is amended to require that the statement in reports accompanying a bill providing new budget authority state how the limitations on credit programs in the bill compare to the overall totals in the budget resolutions and to the allocations to the Committee under section 302.

The Act expands the scorekeeping responsibilities assigned to the Congressional Budget Office by section 308(b) by requiring an up-to-date tabulation in the periodic scorekeeping reports of the limitations on gross lending and new commitments compared with the targets in the budget resolutions and the allocations under section 302.

The Act amends section 309 to require that action on bills providing limitations on credit programs shall be completed not later than the seventh day after Labor Day, as is required of all bills providing new budget authority.

The Second Budget Resolution: Ceilings on credit program limitations

Incorporating ceilings on credit program limitations into the second required concurrent resolution on the budget is accomplished by amending section 310 of the Congressional Budget Act. The Act adds a new subsection to section 310(a) to state that the Committees on the Budget shall, at the same time as they report in a second resolution any revisions to the budget expenditure aggregates in the first resolution, revise as necessary the limitations on total obligations for direct loans and for new commitments for guaranteed loan principal. The Committees are also to direct which committees have jurisdiction to recommend such changes.

The ceilings on limitations for credit programs set in the second required concurrent resolution on the budget are given force by an amendment to Section 311 of the Congressional Budget Act. This amendment extends the point-of-order coverage of that section to bills increasing the limitations on obligations for direct loans or commitments to guarantee loan principal above the second resolution levels.

Closing the backdoor on credit: An issue only partially resolved

Section 202 amends Title IV of the Congressional Budget Act to set up a two-stage process for new direct loan and loan guarantee authority. A new section 405 would require that authorizations for new direct loan or guarantee authority state that such authority would be effective for any fiscal year only as approved in appropriation acts. This requirement is enforced by the fact that legislation authorizing direct loans for guarantees without such a provision could be ruled out of order on the floor of either House.

As drafted, the new section 405 would apply only to new authority or to reauthorizations of existing programs. Coverage of existing programs will depend on the willingness of the Appropriations subcommittees to include such limitations in their bills. Across-the-board coverage is needed to maintain the integrity of the targets and ceilings enacted under the amendments to Title III. As drafted, the Act lacks provisions to force this across-the-board coverage.

Applying the May 15th authorizing deadline

The new section 405 of the Congressional Budget Act will effectively set up an authorization-appropriations two-step process for bills containing the authority to guarantee loans. The Act amends section 402 of the Congressional Budget Act to make the May 15th deadline for the reporting of authorization bills to either House effective also for bills authorizing direct loans and loan guarantees.

Miscellaneous amendments to the Congressional Budget Act

The Act makes two additional amendments to the Congressional Budget Act. Section 203 amends section 2, the Declaration of Purposes, to add a subsection declaring control of direct lending and loan guarantees to be a purpose of the bill. It also amends the definitions in section 3 to add a definition for direct loans.

Title III—Amendments to House Rules

The Act amends Clause 2 of Rule X of the Rules of the House by requiring that authorizing committees specifically consider consistency and uniformity of credit program legislation under their jurisdiction, with respect to such matters as default policy, interest rates and loan terms.

Title IV—Construction and Effective Dates

Section 401 reconfirms the right of either House to change their respective rules pertaining to this Act.

Section 402 states that the reports in Sections 101 and 102 are due beginning February 2, 1982; that the Section 103 report from the President shall begin with fiscal year 1982; that Title II (amending the Budget Act to include credit) shall be effective fiscal year 1983; and that Title III (committee review of legislation) shall begin January 3, 1983.●

INTRODUCTION OF THE FEDERAL LENDING OVERSIGHT AND CONTROL ACT

HON. ED BETHUNE

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 9, 1981

● Mr. BETHUNE. Mr. Speaker, Congressman MINETA and I have introduced a bill to enable Congress to make some sense out of the $500 billion-plus myriad of Federal lending activity—Federal loans and loan guarantees. Our bill, the Federal Lending Oversight and Control Act, consists of three parts: Part I, to require timely information from the Treasury, the Federal Reserve, and the President about Federal credit programs' effects on the economy; part II, to incorporate lending into the budget process and impose an annual limit on total volume; and part III, to make way for oversight and tighter tests on Federal loan and loan guarantee programs.

There is widespread agreement on the need for greater understanding and control over Federal credit.

We are encouraged that Congress set targets in the First Budget Resolution last year for Federal credit programs. Title II, the heart of our bill, would insure that targets and ceilings for lending are incorporated into the congressional budget process—just like for spending programs.

During the last few years, greater and greater attention has been focused on this issue. Most recently, President Reagan warned the Nation about Federal lending in his "State of the Economy" address, and he will recommend a number of revisions in Federal lending programs—as did President Carter. In fact, former President Carter deserves great recognition for initiating control over Federal credit, as his was the first administration to recommend limits on lending programs. Last year, Congress followed that lead, with targets for most programs, and a sense of the Congress resolution endorsing budgetary control over Federal lending. Other initiatives include: House and Senate Budget Committee task force hearings, Rules Committee hearings, endorsement of my bill last year by the Republican Policy Committee, and the inclusion of a plank in the Republican platform expressing the need for Congress and the administration to take charge of runaway Federal lending. The momentum is with us.

These actions reflect a bipartisan consensus, and our bill consumates that consensus. Congress must take charge of this largely unknown, but fastest growing form of Federal assistance. In fact, direct loans and loan guarantees grew by about 133 percent between 1976 and 1980, compared to a 58-percent increase in Federal spending. Outstanding Federal credit is expected to reach $600 billion in 1981.

Much of the appeal—and the reason for the enormous growth—of Federal lending lies with its extra-budgetary treatment. Most lending goes on outside the budget. In the case of direct loans, only the net activity—new loans minus repayment—appears in the budget, while guaranteed loan activity totally escapes the process unless there is a default. In fact, some guaranteed loans are actually laundered into direct off-budget loans when they are sold to the Federal Financing Bank.

For fiscal year 1981, only about $44 billion of the $150 billion of new Federal loans and loan guarantees are included in the official on-budget accounts.

In order for Congress to fulfill its responsibility to determine the size and impact of the Government, and determine the allocation of resources among Government programs, Federal lending must be assessed and expressed in the budget process. Our bill would enable Congress to take charge of the 200-plus lending programs that currently exist.

Our bill—title I—would also require timely information from the Department of the Treasury, the President, and the Federal Reserve. With information from these sources, Congress will be able to fill in some of the vital missing pieces in our giant jigsaw puzzle of credit activity, including information about the relationship between Federal lending and the condition of the economy, the availability and cost of credit in the private sector, and the exercise of monetary and fiscal policy by the Federal Government.

The least understood aspect of Federal lending is its overall impact on the economy. Is Federal lending cost-free if the loan is repaid? At first blush, the costs are not obvious. However, as Dr. Alan Greenspan, former Chairman of the Council of Economic Advisers, pointed out in hearings on Chrysler before the Economic Stabilization Subcommittee, there are long-term impacts and indirect costs—such as higher inflation due to an excessive amount of credit preemption on the part of the Government—associated with Federal lending programs. The true costs of Federal credit programs are their adverse effect on the prosperity and future economic growth caused by the allocation of capital away from its potentially most productive users.

Clearly, Federal lending programs collectively target hundreds of billions of dollars to groups which are deemed too risky by the market for private investment. Federal lending pushes individuals, who would normally be refused credit, ahead of other creditworthy borrowers who are in line for a loan. The productivity of the borrowers who are crowded out is forever lost to the market. In fact, one economist estimates that for every $1 billion of Federal lending activity, $0.7 to $1.6 billion of private investment is crowded out. If he's right, this could mean that between $420 billion and $960 billion of productive private activity is preempted by the Federal Government.

Even if private borrowers are not crowded out altogether, chances are that they are paying higher rates of interest because the Government has sopped up so much of the available amount of credit. Credit is far too important to be allowed to continue growing haphazardly. More importantly, we must not allow credit to negate our work this year to cut spending and encourage productivity. As the door on spending programs is closed, pressures on the gate to Federal lending will be even greater.

Do benefits of Federal lending programs outweigh their costs? No one knows.

In terms of direct costs, many credit programs provide a subsidy through favorable interest rates or terms. Some current programs still carry interest rates as low as 3 percent. Economists are now trying to quantify lending subsidies, so that once we have a better understanding of the macroeconomic effects of Federal lending, Congress can plug them into the equation.

In addition to interest subsidies, there are administrative costs and potential default losses. Although it should be relatively easy to determine these costs, Congress has no idea where we stand because the terms, practices, and definitions for basic elements of programs vary so much. In fact, the data reported is so varied that at this time we have no idea how many loans are actually in default. Part III of our bill addresses this problem by requiring the oversight subcommittees of each House standing committee, excluding Appropriations and Budget, to review the risks of the programs within their jurisdiction and strive for consistency and uniformity of the definitions, default policies, interest rates, and other terms and conditions pertaining to each program.

Mr. Speaker, on the plus side of the cost/benefit question, thousands of Americans can speak for the positive fruits of Federal loan and loan guarantee programs. Much of the Nation's housing is the result of intricate Federal credit programs. Nurses, farmers, shipbuilders, small businesses, and so on, have been able to contribute to the well-being of our country.

To assess Federal credit activity intelligently, there simply must be an open forum in Congress. Our bill would bring Federal lending out into the sunshine, and I hope you will give us your support.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 10, 1981, may be found in the Daily Digest of today's RECORD.

MARCH 11

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Library of Congress, Government Printing Office, and the Copyright Royalty Tribunal.
S-126, Capitol

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for strategic defense programs of the Department of Defense.
224 Russell Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Governmental Affairs
Oversight of Government Management Subcommittee
To hold hearings to review Government-wide debarment and suspension practices in dealing with irresponsible contractors in relation to Government contracts.
357 Russell Building

*Select on Intelligence
Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment.
1223 Dirksen Building

9:30 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Soldiers' and Airmen's Home, domestic programs of ACTION, Community Services Administration, and the Railroad Retirement Board.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Metric Board and the Marine Mammal Commission.
S-146, Capitol

Armed Services
Preparedness Subcommittee
To resume open and closed hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, receiving testimony on Air Force operation and maintenance programs.
212 Russell Building

Banking, Housing, and Urban Affairs
To hold hearings on the prospective nominations of John J. Knapp, of New York, to be General Counsel, Philip D. Winn, of Colorado, to be Assistant Secretary for Housing, Stephen May, of New York, to be Assistant Secretary for Legislation, and Emanuel S. Savas, of New York, to be Assistant Secretary for Policy Development and Research, all of the Department of Housing and Urban Development.
5302 Dirksen Building.

Judiciary
Constitution Subcommittee
To hold hearings on miscellaneous proposals to balance the Federal budget.
2228 Dirksen Building

10:00 a.m.
Budget
To hold hearings on the administration's economic proposals for the Federal Government.
6202 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for the U.S. Fire Administration of the Federal Emergency Management Agency.
235 Russell Building

Environment and Public Works
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budget recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

Governmental Affairs
To hold hearings on the nomination of Donald J. Devine, of Maryland, to be Director, Office of Personnel Management.
3302 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for energy conservation programs of the Department of Energy.
Room S-126, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Corporation for Public Broadcasting, the National Commission on Libraries and Information Science, and the President's Commission on Ethical Problems in Medicine.
1114 Dirksen Building

Environment and Public Works
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
4200 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 45, simplifying the administration of national policy requirements applicable to Federal assistance programs to State and local governments.
3302 Dirksen Building

MARCH 12

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment.
1223 Dirksen Building

Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Accounting Office, and the Office of Technology Assessment.
S-126, Capitol

9:00 a.m.
Energy and Natural Resources
To resume hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Department of Energy.
3110 Dirksen Building

Governmental Affairs
Oversight of Government Management Subcommittee
To continue hearings to review Government-wide debarment and suspension practices in dealing with irresponsible contractors in relation to Government contracts.
357 Russell Building

9:30 a.m.
Armed Services
Tactical Warfare Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, receiving testimony on Air Force programs.
212 Russell Building

Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 144, to promote the formation of U.S. export trading companies to expand export participation by small U.S. companies.
5302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 351, to transfer certain surface mining operations from the Mine Safety and Health Administration to the Occupational Safety and Health Administration, and other pertinent proposals.
4232 Dirksen Building

Veterans' Affairs
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
412 Russell Building

10:00 a.m.
Budget
To continue hearings on the administration's economic proposals for the Federal Government.
6202 Dirksen Building

Environment and Public Works
To mark up S. 533, establishing public buildings policies for the Federal Government, permanently establishing the Public Buildings Service in the General Services Administration, authorizing funds for fiscal year 1982 for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
4200 Dirksen Building

Governmental Affairs
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15, and to consider the nomination of Donald J. Devine, of Maryland, to be Director, Office of Personnel Management.
3302 Dirksen Building

Select on Intelligence
Budget Subcommittee
To continue closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

1:00 p.m.
*Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

2:00 p.m.
Select on Ethics
Business meeting, to further consider the proposed revisions to the Senate Code of Official Conduct.
5110 Dirksen Building

3:00 p.m.
Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Mediation and Conciliation Service, the National Labor Relations Board, the National Mediation Board, the Occupational Safety and Health Review Commission, and the Federal Mine Safety and Health Review Commission.
1114 Dirksen Building

MARCH 13

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
To resume hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Departments of the Interior and Agriculture.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
235 Russell Building

MARCH 16

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

10:00 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax bills, S. 352, 483, 502, and 565.
2221 Dirksen Building

1:30 p.m.
Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, and Health and Human Services.
1114 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

MARCH 17

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings to review the proposed budget for fiscal year 1982 for the Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building

Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Attorney General, Department of Justice.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
1202 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Older Americans Act.
4232 Dirksen Building

10:00 a.m.
Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Health and Human Services.
1114 Dirksen Building

MARCH 18

9:00 a.m.
Energy and Natural Resources
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings to review the proposed budget for fiscal year 1982 for the Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building

Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Attorney General, Department of Justice.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
1202 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Older Americans Act.
4232 Dirksen Building

10:00 a.m.
Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Health and Human Services.
1114 Dirksen Building

MARCH 18

9:00 a.m.
Energy and Natural Resources
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recom-

mendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Department of Agriculture, and the General Accounting Office.
1224 Dirksen Building

*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Bureau of Investigation, Offices of U.S. Attorneys, U.S. Marshals Service, and bankruptcy trustees, Department of Justice.
S-146, Capitol

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on S. 640, extending through fiscal year 1983 the borrowing authority of the District of Columbia.
6226 Dirksen Building

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Governmental Affairs
Federal Expenditures, Research, and Rules Subcommittee
To hold oversight hearings on Public Law 96-511, providing for the reduction of Federal paperwork requirements and duplications, and consolidating statistical policy activities with information management in the Office of Management and Budget.
3302 Dirksen Building

1:30 p.m.
*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Education.
1114 Dirksen Building

MARCH 19

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Science and Education Administration, Office of the Secretary, Departmental Administration, Office of Governmental and Public Affairs, and the Office of the General Counsel, Department of Agriculture.
1224 Dirksen Building

Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration, and the Corporation for Public Broadcasting.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Immigration and Naturalization Service of the Department of Justice, and the Coordinating Council on Juvenile Justice and Delinquency Prevention.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
*Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration, Department of Transportation.
1318 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

MARCH 20

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics, health services research and health care technology programs, national research service awards, and medical library assistance programs.
4232 Dirksen Building

10:00 a.m.
*Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
1114 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

MARCH 24

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Foreign Agricultural Service, Office of International Cooperation and Development, Federal Crop Insurance Corporation, Economics and Statistics Service, and the World Food and Agricultural Outlook and Situation Board.
1223 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for low-income energy assistance programs.
5302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings to examine current shortages and future supply trends of anthracite coal used for residential heating.
3110 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Drug Enforcement Administration, and prison service programs, Department of Justice.
S-146, Capitol

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy.
1114 Dirksen Building

Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the office of the Secretary, general administration, Economic Development Administration, and the Regional Action Planning Commissions, Department of Commerce.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
5110 Dirksen Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act.
2228 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration, Department of Transportation.
1223 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings on S. 45, simplifying the administration of national policy requirements applicable to Federal assistance programs to State and local governments.
3302 Dirksen Building

MARCH 26

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Oceanic and Atmospheric Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of State; and to review certain foreign assistance programs.
S-126, Capitol

MARCH 27

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
*Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Highway Administration, Department of Transportation.
1224 Dirksen Building

MARCH 30

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Drug Abuse Prevention, Treatment and Rehabilitation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Aviation Administration, Department of Transportation.
1114 Dirksen Building

MARCH 31

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Soil Conservation Service, Agricultural Stabilization and Conservation Service, and the Animal and Plant Health Inspection Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Trade Administration, Scientific and Technical Research Service, and the Patent and Trademark Office, Department of Commerce.
S-126, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
To hold oversight hearings on the implementation of family planning programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Management and Budget.
S-146, Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development; and to continue review of certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the White House Office, Office of Administration, official residence of the Vice President, executive residence, special assistant to the President, compensation of the President, and other unanticipated needs.
S-146, Capitol

APRIL 1

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Farmers Home Administration, Rural Electrification Administration, and the Farm Credit Administration.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Emergency Management Agency and the Selective Service System.
S-126, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the economic and statistical analysis program, U.S. Census Bureau, National Telecommunications and Information Administration, and the Minority Business Development Agency, Department of Commerce.
S-146, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.
1224 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, international affairs programs, Bureau of the Mint, Bureau of Engraving and Printing, and Bureau of Government Financial Operations of the Department of the Treasury.
1224 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

APRIL 2

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed buget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior; and the Smithsonian Institution.
1114 Dirksen Building

9:30 a.m.
*Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, and Veterans of World War I.
457 Russell Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service.
S-146, Capitol

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

11:00 a.m.
*Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS.
457 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco and Firearms.
S-146, Capitol

APRIL 3

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation and related agencies.
1114 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

APRIL 6

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Alcohol and Drug Abuse Education Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Railway Association and Consolidated Rail Corporation (Conrail).
1114 Dirksen Building

APRIL 7

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Nutrition Service, and the Food Safety and Quality Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for the National Science Foundation.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
*Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court, and the Committee for Purchase From the Blind and Other Severely Handicapped.
1318 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Domestic Volunteer Services Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, Department of Transportation, and to review overall budget recommendations.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability.
1318 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity Futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural Cooperative Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 23

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for certain child abuse and adoption opportunity programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126, Capitol

APRIL 24

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

Labor and Human Resources
Education Subcommittee
To hold hearings to review certain educational programs.
5110 Dirksen Building

2:00
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international monetary programs of the Department of Treasury.
S-126, Capitol

APRIL 25

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank,

and the Consumer Product Safety Commission.
1318 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act.
457 Russell Building

Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.
6226 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126, Capitol

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain international aid programs.
S-126, Capitol

MAY 12

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Peace Corps.
S-126, Capitol

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery Art, and the Bureau of Mines, Department of the Interior.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international programs.
S-126, Capitol

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

CANCELLATIONS

MARCH 12

9:30 a.m.
Judiciary
To resume oversight hearings to review the administration's budget recommendations of the Federal Trade Commission.
2228 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.
1114 Dirksen Building

MARCH 16

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Maritime Administration, Department of Commerce.
235 Russell Building

MARCH 19

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

MARCH 20

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, March 10, 1981*

The House met at 12 o'clock noon.

Rev. Jim Anthis, pastor, the Memorial Christian Church, Muskogee, Okla., offered the following prayer:

Eternal God, today, we join together on behalf of and for the welfare of all mankind. We seek Your guidance on this important day in which we hold so much power for the future of the world You have created. Provide us a clear vision of our crucial responsibilities as the strongest body of lawmakers in the world.

Give us fresh insights into our task of creating a climate for world peace. Give us a clear image of the poor and help us to remember those many less fortunate ones who will die without our concern, action, and help.

Free us all from selfishness and strife, and lead us as we lead our Nation and world into harmony and everlasting peace. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

DR. JAMES ANTHIS OF MUSKOGEE, OKLA.

(Mr. SYNAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYNAR. Mr. Speaker, today it is my privilege to have as my guest Dr. James Anthis of Muskogee, who delivered our opening prayer. The Reverend Dr. Anthis, a native Oklahoman, is the epitome of spiritual and community leadership and devotion. He also is a close friend; I have had the honor of speaking to his congregation several times.

Dr. Anthis has been the minister at Muskogee's Memorial Christian Church for 5 years. Before that, he was the minister at the Hollywood-Beverly Christian Church, and one member of his congregation—Ronald Reagan—went on to become the President of the United States. Obviously, Dr. Anthis' influence is considerable.

Besides serving as a minister in Muskogee, Dr. Anthis is on the faculties of three Oklahoma colleges and is the editor-at-large of Disciple magazine, the president-elect and founder of Muskogee's Cooperative Ministries, the chairman of the Educational Committee of Muskogee's Chamber of Commerce, and the president of the Community Council PTA. The list of his contributions to church and community is virtually endless.

While Dr. Anthis is visiting our Nation's Capital this week, he will participate in the dedication of the Lyndon B. Johnson Memorial Window at the National City Christian Church this Sunday. He also will be interviewing Members of Congress who are members of the Christian Church for Disciple magazine.

Dr. Anthis' life extends beyond his church and community involvement. He and his wife Judith have five children, ages 13 to 17, to whom they are quite devoted. His favorite sport is tennis, and during his years at Phillips University in Oklahoma, Dr. Anthis was a nationally ranked tennis player. He still is active in the sport when his schedule allows.

A man of accomplishment, Dr. Anthis is worthy of our respect and admiration. It is indeed an honor to have him address this body today.

THE LATE HONORABLE JACOB GILBERT

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, on February 27, after a year-long struggle against cancer, our former colleague, Hon. Jacob Gilbert, of New York City, passed away at Columbia Presbyterian Hospital.

Jack Gilbert was an unusually gifted person who served this House with distinction for a 10-year period from 1961 to 1970. Before election to the House, he had served 14 years in the New York State Legislature. During his tenure here in the House, Jack Gilbert served on the Ways and Means Committee. He used this position of considerable influence to push hard for issues of greatest concern to him, the problems of the elderly, the poor, the handicapped, the young, and disadvantaged.

Jack Gilbert was a close personal friend of mine while we served together in this House, and he remained a close friend during the decade following his retirement from Congress. Because of this closeness, I have asked permission that I might host a special order for 60 minutes on March 18 so that my colleagues who served with Jack Gilbert or were otherwise fortunate enough to know him, may join with me in paying tribute to the record he carved.

Jack is survived by his wife Irma, two daughters, Miriam and Sandra and a son, Samuel. Our prayers and thoughts are with him and them.

Mr. Speaker, I ask unanimous consent that I be granted permission to address the House on March 18 for 60 minutes.

CONGRESSIONAL COMMITTEES ANXIOUSLY AWAIT PRESIDENT'S PLAN

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, public opinion is high in support of the President's promise to cut Government spending. A recent Harris survey reports that 81 percent of the American people support the President in his efforts. Congress is cooperative, but we cannot hold hearings on a promise. We must have a plan.

David Stockman, Director of OMB, has repeatedly promised to present Congress with specific recommendations today. Today the administration sent a package, but I understand that it is incomplete. The congressional committees anxiously await the President's plan.

Mr. President, we are ready when you are.

DISCHARGE PETITION ON HOUSE JOINT RESOLUTION 56, CONSTITUTIONAL AMENDMENT TO END COURT-ORDERED BUSING

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, beginning today I am asking my colleagues to step forward and sign my discharge petition to bring to the floor House Joint Resolution 56, proposing an amendment to the Constitution to end once and for all court-ordered busing.

Busing under Federal decree continues to destroy our public schools. Every year that busing continues the financial hole becomes deeper, and the public more turned off to public schools.

In Cleveland, the school system is in financial crisis and yet is being ordered to spend $40 million on busing next year by a Federal judge. Enrollment has plummeted because of white flight, and every day an average of 17,000 students do not even show up for class in a system of 85,000 students.

The other day Cleveland Mayor Voinovich stated:

> The entire community, including the mayor, is in despair over what has happened to our school system and everyone is frustrated because things are getting worse.

Court-ordered busing is what has happened to our schools, and things will keep getting worse until we stop it with our neighborhood schools constitutional amendment.

I urge my colleagues to help put an end to the divisive issue of court-ordered busing by going to the clerk's desk and signing Discharge Petition No. 1 on House Joint Resolution 56.

MOVING ON A VERY FAST TRACK ON THE ADMINISTRATION'S BUDGET PROGRAM

(Mr. JONES of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Oklahoma. Mr. Speaker, this morning the administration delivered the revisions to the 1981 and the 1982 budget, and the Committee on the Budget staff has already begun to analyze this budget. I want to repeat what my colleagues on the committee, the Speaker, and I have all stated before: We will move on a very fast track in working on the administration's budget program.

I met with OMB Director, Mr. Stockman, last week, and he is in general agreement with the timetable we have set out. This timetable should be taken out of partisan consideration. The House of Representatives and the Committee on the Budget will not abandon our constitutional responsibility to review and improve upon this budget, but I can assure you that we will cooperate.

In order to meet this timetable, it is going to take cooperation from both ends of Pennsylvania Avenue, and if the administration furnishes the details, as they have promised, on the budget today to all of the committees, then I think this timetable can be achieved. I know the various committees want to cooperate.

Assuming the details are there, we will be able to move on a very fast track.

HOUSE COMMITTEES NOT GETTING INFORMATION FROM THE ADMINISTRATION

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, the experience of the Ways and Means Committee in attempting to act expeditiously on the President's economic program is sadly illustrative of the problems faced by the House committees in trying to obtain the information they need to do their job.

Item: Witnesses who have appeared so far before the committee have been unprepared to answer questions or have been limited in their authority to respond.

The Secretary of the Treasury was unable to provide specific information on the proposed changes in depreciation allowance schedules—the core of the President's business investment program. He also did not have information on proposed changes in user fees, or on the second tax package.

The Secretaries of Labor and of Health and Human Services displayed unfamiliarity with key administration proposals to eliminate the national trigger of extended benefits for unemployment compensation, the shape of the social services block grant scheme, and the assumptions behind the medicare budget.

Two administration figures with key responsibility in the area of tax and economic policy—Under Secretary-designate of Treasury for Tax and Economic Affairs Norman Ture and the Assistant Secretary-designate of Treasury for Economic Policy Craig Roberts—declined to appear before the committee to explain the President's economic plan.

Item: Written requests for information on program specifics by the committee have largely gone unanswered. The committee requested more specific information on the social service block grants, proposed cuts in social security benefits, unemployment compensation and trade adjustment assistance, and on the shape and assumptions of the tax cut. The administration has provided no information with regard to the budget impact of its reduction proposals—on individuals or on other Federal and State programs.

The Ways and Means Committee is obviously a key forum for the administration's package, which calls for cuts of almost $7 billion in fiscal 1982 in the programs under the committee's jurisdiction, in addition to a tax cut of $53.9 billion.

And yet the administration has been unable or unwilling to provide this forum with the budget specifics and policy explanations needed to fashion coherent and responsible legislation.

REGULATORY REFORM LEGISLATION

(Mr. SYNAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYNAR. Mr. Speaker, one of the reasons the people of the Second District of Oklahoma sent me to Congress was because I told them I would do what I could to relieve them of some of the burdens imposed on them by the Federal regulatory bureaucracy. I warned them that it would not be easy—that there were a lot more bureaucrats than there were Congressmen—but I promised them I would try.

Well, Mr. Speaker, you can imagine how delighted I was when I arrived in Washington 2 years ago to find that virtually every Member of Congress shared my goal of enacting significant regulatory reform legislation. In fact, Members on both sides of the aisle were falling all over each other introducing regulatory reform bills. But somehow, with all that support for regulatory reform, Congress has failed to enact the kind of meaningful reform our constituents have demanded.

As a Democrat, I am particularly alarmed by our collective failure, because so much of the leadership toward reform has come from my Democratic colleagues. Now we have a Republican President who has appointed a Republican task force on regulatory relief. And unless I am way off base, that task force is going to propose an omnibus regulatory reform bill that incorporates the very plans that leaders in our party have espoused for years. To be very candid, I do not look forward to the day when the current administration announces, and calls its own, a regulatory reform bill made up primarily of Democratic-initiated ideas.

It has been Democratic Members—like JIM BLANCHARD and GILLIS LONG, who have fought so hard for sunset legislation; and ELLIOT LEVITAS, who has sponsored legislative veto; and GEORGE DANIELSON, who has worked so tirelessly on an omnibus regulatory reform bill as chairman of the Judiciary Subcommittee on Administrative Law—who have led the Congress in the last few years on this important national issue. And it would be a serious mistake, given the broad support for these plans in the small business community and in the Nation as a whole, for the Democratic Party to abdicate its position of leadership on this front.

So, Mr. Speaker, I rise today to call on the Congress, and particularly to call on my Democratic colleagues, to put aside our differences and get about the business of enacting the kind of legislation our constituents have demanded and members of our party have supported for the past several years.

Regulatory reform has not been, and need not become, a purely partisan issue. But it will be, unless we Democrats act quickly and forcefully to re-

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

claim the position of leadership on this issue to which we are entitled.

AFRICAN REFUGEE RELIEF DAY

(Mr. DIXON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DIXON. Mr. Speaker, today I have introduced House Joint Resolution 202, asking the President to declare April 9, African Refugee Relief Day.

I have the privilege to be joined by Congressman JACK KEMP and 134 colleagues who have agreed to sponsor this resolution for its introduction.

In designating African Refugee Relief Day, it is our hope to bring about greater awareness of the critical needs of over 4 million refugees and displaced persons on the Continent of Africa.

Most of these are women and children, who have fled armed conflict, unrest, and famine. The lives of these individuals often hang by a thread in countries with fragile systems of relief.

April 9 is significant because it marks the opening of a 2-day conference on assistance to refugees in Africa by the U.N. and the Organization for African Unity in Geneva.

Our hope is that the American people will reach out to help these refugees by supporting private relief agencies that are providing food, medical assistance, and other relief.

□ 1215

MISPLACED PRIORITY ON AID TO EL SALVADOR

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, a few minutes after I read this morning of the administration's intention to send an additional $25 million in military aid to El Salvador, I received a phone call from a reporter in my district who wanted to talk about the budget package we are all awaiting from the White House.

The reporter wanted to know what would happen to the Economic Development Administration in the lower Naugatuck River Valley in targeting public and private investment where jobs and long-term economic opportunity are needed most.

I had to tell that reporter that the EDA was being put out of business, and that there was some other bad news for the people of that area: The cutback in student financial aid; the cap on medicaid payments to States that could close the elderly out of nursing homes and raise individual health costs; the cuts in State grants that may mean higher local taxes.

Clearly, the tradeoff is not aid for our people or aid to the military-backed government in El Salvador. But our signal of domestic austerity is in the sharpest conflict with the signal the administration is sending of largesse toward the Duarte junta. We cannot tell the American people, on one hand, that their Government does not have enough money to put them to work and keep them well, while on the other hand, we commit more and more of our scarce funds to a military involvement that provokes the gravest questions about our Nation's motives and methods.

TERRORISM

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, during his campaign for the Presidency, Mr. Reagan said: "There is no room in the world for terrorism." During his confirmation hearings before the Senate, Alexander Haig said that our foreign policy would not involve a fight so much for human rights, but a fight against terrorism.

Now the administration has decided to turn its back on what the U.S. Court of Appeals in Washington has called one of the most monstrous international crimes of all time. I refer to the blowing up by Chilean agents of a former Ambassador to the United States for Chile named Orlando Letelier in September 1976.

The Carter administration's response was not nearly enough, but at least some sanctions were imposed. Now the Reagan administration is dropping all sanctions and has even sent David Rockefeller to embrace General Pinochet in Santiago, Chile.

No room for terrorism, Mr. Speaker? Well, maybe just a little room for terrorism, if you happen to be a right-wing dictator in South America.

THE ADMINISTRATION AND SMALL BUSINESS

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, the 13½ million small businesses in America which provide millions of jobs for Americans are the wellsprings of innovative technological change and, in short, serve as the backbone for the American economy.

In recent years the bankruptcy rate for small businesses has increased dramatically. In recent years, small businesses have found it increasingly difficult to secure access to capital, and the high interest rates charged by the banks are prohibitive even when the banks are willing to make a loan to the small business entrepreneur.

The Reagan administration's response to the problems of small business is, among other negative things—

(A) SBA'S LOAN PROGRAM

Direct loans—$403.5 million was appropriated in fiscal year 1981. Carter proposed to reduce this by $57.5 million and Reagan added to this $42 million, thus giving a final proposed fiscal year 1981 figure of $304 million.

(B) GUARANTEED PROGRAM

The amount of $4.518 billion was appropriated in fiscal year 1981; Carter proposed to cut this by $350 million and Reagan further reduced it by $768 million, thus giving a final Reagan proposed fiscal year 1981 figure of $3.400 billion.

(C) SBA'S POLLUTION BOND CONTROL PROGRAM

This is one of the few programs in SBA that has actually generated revenue. Carter's 1981 figure for the program was $110 million; Reagan has reduced this to $100 million. Because there are only 7 months left into the 1981 budget cycle, this reduction equals nearly a 10-percent cut in the program. In fiscal year 1982 Reagan is proposing to cut Carter's figures of $125 million by $35 million, thus giving the program a budget of $90 million. This figure equals to a 24-percent budget cut for fiscal year 1982.

This program generated $6.6 million in guaranteed fees in 1980. Under Carter's budget it was projected to reach $7.7 million in fiscal year 1981. This program does not require appropriation of funds only to guarantee on default.

U.S. INVOLVEMENT IN EL SALVADOR

(Mr. SHANNON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHANNON. Mr. Speaker, this weekend, I held a series of town meetings in Massachusetts. Again and again, in towns across my district, I heard doubts, disbelief, and anger over the increasing U.S. involvement in El Salvador. My constituents do not agree with Secretary Haig or with the President that El Salvador is one of those "things that Americans sometimes have to fight for."

Most people who urged me to oppose U.S. military action in El Salvador recalled the era of American military advisers in Vietnam. The most effective speakers on this point were men who arrived in Vietnam just after the adviser era. Now we call them Vietnam veterans.

The people of Massachusetts tell me they are prepared to make sacrifices for the economic stability of the United States. They are not prepared to make sacrifices for the stability of the Duarte government of El Salvador.

CONGRESS SHOULD LOOK CLOSELY AT PRESIDENT'S BUDGET

(Mr. SIMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIMON. Mr. Speaker, I finally got hold of this document, 159 pages, for a $772 billion budget, a little less than one-quarter of a page per $1 billion, not exactly a detailed analysis of the budget.

I think all of us favor fiscal restraint and we commend the President for moving in this direction; but we want equity with it. We do not want to be giving anyone, no matter how highly motivated, a blank check.

And I simply point out to the Members, from the viewpoint of equity, just looking at percentages here now, what happens in the various functions, and I am only picking a few:

National defense, plus 18 percent; international affairs, minus 7 percent; general science, minus 7 percent; energy, minus 28 percent; natural resources, minus 41 percent; commerce and housing, plus 5 percent; transportation, minus 19 percent; community and regional development, minus 21 percent; education and training, minus 33 percent; administration of justice, minus 13 percent; general government, minus 2 percent; and general-purpose fiscal assistance, minus four-tenths of 1 percent.

Mr. Speaker, I simply suggest we better look closely at what we are doing.

CONGRESSMAN ANDERSON INTRODUCES TAX REDUCTION PACKAGE

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON. Mr. Speaker, I am today introducing a comprehensive package of revisions in our tax laws which embodies, I believe, a more equitable alternative to current law than do other approaches that the media seem to be focusing on.

My legislation includes personal tax reductions, but not the simplistic across-the-board reductions which provide upper income people with a windfall, but do little for the middle-class American. The bill I am introducing today would cut taxes by 9 percent for those earning $15,000 a year, and 3 percent for those earning $100,000.

Much has been said about the 10-5-3 capital cost recovery plan, and rightfully so as the concept is an important one, and one which if enacted would contribute greatly to the reindustrialization of our country. But 10-5-3 also constitutes an enormous drain on the Treasury at precisely that point when we are working so hard to balance the budget. I have turned 10-5-3 into 20-10-7-4-2. One cost estimate on this version for fiscal year 1982 has been set at $13.8 billion. Because it is an investment in our Nation's future, it is one that we can not only afford, but can not afford to pass up.

I have also worked in this legislation to improve upon past tax indexing proposals to assure that personal income taxes do not continue their drastic increase when individuals receive cost-of-living wage and salary raises.

Also included in this legislation is a provision eliminating the unfair and unreasonable marriage tax which presently penalizes many couples for getting married.

If this bill is enacted, businesses would receive tax credits for research and experimentation, encouraging them to engage in those risky activities which in the past have contributed so greatly to our Nation's strength.

Finally, my bill could, in a relatively inexpensive manner, help enhance our Nation's balance-of-trade picture by revising sections of the tax codes which discourage the hiring of Americans overseas.

Mr. Speaker, this body will almost certainly be considering tax-reduction legislation this year. I believe that the bill I am introducing today takes a sensible, comprehensive approach to this issue. I invite our colleagues to join me in cosponsoring the bill, and urge our Ways and Means Committee to begin its consideration of the proposal as quickly as possible.

HIRING FREEZE OF PUBLIC SERVICE EMPLOYEES

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, shades of Richard Nixon.

In clear violation of the law, President Reagan has announced that he was imposing a freeze on the hiring of public service employees. The hiring freeze was to become effective March 2, at least 8 days before the President's rescission request would be submitted to the Congress. The President has attempted to justify this freeze by announcing that he plans to seek a rescission and deferral of public service employment moneys. But under the Budget Control and Impoundment Act, a 45-day freeze may be imposed only upon actual submission of a rescission request.

I am deeply disturbed by the President's decision to ignore the statute. This freeze is clearly an impoundment of obligated funds. We must remember why the Budget Control Act, with its restrictions on impoundment, was enacted. Just 8 years ago another President chose to illegally impound obligated funds. I would have hoped that, after the sad example of Richard Nixon, no other President would want to follow in that path.

EDA HEARINGS BEGIN WEDNESDAY

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBERSTAR. Mr. Speaker, the Reagan administration is proposing to eliminate a very effective program established by Congress 20 years ago to generate employment in the private sector and help distressed areas.

Today the administration formally will ask the Congress to terminate the Economic Development Administration.

Tomorrow the Economic Development Subcommittee which I chair will begin 3 days of hearings on EDA, the multistate title 5 Regional Economic Development Commissions, and the Appalachian Regional Commission. Secretary of Commerce Baldrige, will present the administration's case for termination, along with OMB Director David Stockman.

I urge all Members to pay close attention to these hearings. I do not believe that the Members of this House want to see an effective job-creating, private-sector program that generates taxpaying, not taxeating, jobs abolished in only a matter of weeks. Participation of House Members in our hearings would be most welcome.

ECONOMIC RECOVERY TAX ACT OF 1981

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I am very pleased to be the first speaker here today to notice that there was an election last November.

Along with the Republican leader of this body and my Republican colleagues on the Ways and Means Committee, I am introducing today the legislation which implements the tax provisions of President Reagan's program for economic recovery. It is called the Economic Recovery Tax Act of 1981. It spells out the details of the President's individual and business tax reductions. Along with the budget proposals that have been sent up to the Hill today, I think it will be exactly what the economy needed. I would urge my colleagues to join me in cosponsoring this important piece of legislation. There are no surprises in it. It matches the

promise of the Reagan campaign by providing for cuts across the board over 36 months of individual tax rates and for a substantial speedup of depreciation rates via the administration's "10-5-3" proposal. I will place in the RECORD, in a special order this afternoon, a careful summary of this proposal, and I call it to all of my colleagues' attention.

AMERICAN APOLOGISTS FOR LEFTIST TERRORISTS, PLEASE NOTE

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the Roman Catholic archbishop of San Salvador said recently the left has lost its struggle against the El Salvador Government.

He said the guerrillas "lost support because the people saw that they tended toward the conquest of power for its own sake." He also, quite correctly, critizes rightwing terrorism.

As for those who will not condemn the leftists, the archbishop stated:

> In general the international information is pretty partial. They either don't know or they try to hide things.

Then there is the San Diego Union reporter who recently spent 12 days with the El Salvador leftist guerrillas. In an article he quoted one of their leaders as saying—

> "The guerrillas, want to establish a more radical government in El Salvador than in Fidel Castro's Cuba . . ."

The guerrilla leader went on to say there can be "no compromise" and that "eventually we will fight in Mexico."

Given these facts, is it not time for American apologists for this band of Marxist-Leninist cutthroats to publicly acknowledge they have been wrong in criticizing President Reagan's El Salvador policy?

FOREIGN AID CANNOT BE EXEMPT FROM REST OF FEDERAL BUDGET CUTS

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, I was surprised and disappointed to read in this morning's paper that the administration is proposing substantial increases in foreign aid.

As an enthusiastic supporter for the President's program to cut Federal spending to fight inflation. I am sorry that the administration did not propose some sort of moratorium on foreign aid.

At a time when we are asking the American people to tighten their belts at home, it is going to be very difficult to justify a $1 billion increase in foreign aid.

How, for example, can we explain sending cash payments overseas to help other nations balance their national budgets, when we cannot even balance our own?

Mr. Speaker, if the President's economic program is to maintain its credibility, foreign aid cannot be exempt from the economies we are applying to the rest of the Federal budget.

FISCAL RESPONSIBILITY SHOULD BEGIN IN CONGRESS

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, this morning when the new administration is asking the American people and this Congress to support fiscal cutbacks in an effort to bring the spiraling national debt under control, the U.S. Congress continues to expand committee staffs and budgets. As President Reagan announced the new administration's budget-cutting proposals in his effort to slowly bring our deficit spending back in line with our revenue receipts, we, the U.S. Congress, move in the opposite direction—enlarging committee staffs and budgets. I do not think he, nor the American people, intended for this Congress to exempt itself from these imperative fiscal constraints.

There is no better place for fiscal responsibility to begin than right here, right now, with our own legislative body.

In too many instances, committee staffs have increased more than 100 percent while some committee budgets have increased 200 percent. Economic recovery will require fiscal discipline in every segment of our society, including this legislative body.

Let us work with the human and fiscal resources we have, without further ballooning an already too large committee system. If we are serious about solving the economic problems facing this Nation, now and here is the time to begin.

WASTE, FRAUD, AND ABUSE

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, waste, fraud, and abuse. Who says there are not millions of dollars in the Federal budget that cannot be cut without hurting valuable programs that serve the people of this country?

I am constantly amazed at the amount of money spent on outside consultants and am outraged when I read articles like the one in yesterday's Washington Star which described the activities of a local consulting firm.

Practical Concepts, Inc., a Washington consulting firm, has more than $3 million in contracts with the Agency for International Development alone. Federal auditors recently discovered that Government money has been used for such things as swimming pools, tennis courts, and bonuses as high as $97,000 a year. In response to inquiries concerning some questionable expenditures, the president of this firm simply responded and I quote:

> Our indirect costs are none of the Government's business. We could spend it all on booze and dancing girls.

I do not think the hard-working people of this Nation have this kind of thing in mind when they send their tax dollars to Washington. How can we explain to our constituents that we have to cut back on such programs as education, health services, and unemployment assistance when we continue to subsidize the beltway bandits.

I believe the American people are willing to accept a period of economic belt tightening to get our ailing economy back on its feet. But they should not be expected to bear the entire burden while we continue to throw away money to firms such as PCI for which we receive very little if anything in return.

CONGRESS MUST SHARE BUDGETARY BELT TIGHTENING

(Mr. JOHNSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON. Mr. Speaker, last month I met with several hundred citizens from across my district.

Their message came through loud and clear. The people are tired of reckless and wasteful Government spending and suggest that this body would be wise to heed that message. To prove our good faith, we need to put our own house in order.

One very good way to do that is to put a ceiling on the spiralling growth rate of committee staffs in the House. During the past few years, committee budgets have soared far beyond the rate of inflation or any other economic indicator which might otherwise be used to justify this costly phenomenon.

I would ask, Mr. Speaker, how can we ask our constituents back home to bite the bullet and accept budgetary cuts in their favorite programs when we have yet to demonstrate our own willingness to do so? Now is the time for us to show that Congress, too, it willing to take its share of budgetary belt tightening.

THE SEAGRAVES CASE

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, last Friday, a superior court judge in Sacramento, Calif., handed down a decision that will have far-reaching consequences in both the fields of religion and education. By ruling, as he did, that the California State Board of Education must distribute a statement cautioning against the teaching of man's origins in science classroom as a matter of scientific fact, Judge Irving Perluss struck a blow for both religious liberty and the separation of church and state. In essence, the judge's ruling makes it clear that school boards should not be challenging the religious values of their students any more than they should be encouraging the teaching of the theory of evolution as fact.

Given the tendency of some school boards to stress evolution over creationism these days, this ruling is an encouraging first step in the right direction. The next step is to see that both theories are treated equally in the schools—or not at all.

COMMUNITY HOME HEALTH SERVICES ACT OF 1981

(Mr. MOLINARI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLINARI. Mr. Speaker, today I am introducing the Community Home Health Services Act of 1981. This legislation is necessary to encourage and expand community home health care by proposing methods of assisting the homebound elderly through the development and implementation of home health-care programs for the aged.

As the proportion of our Nation's elderly population continues to dramatically increase, it is becoming abundantly clear that greater attention must be paid to alternative forms of home health care and community home health-care services. Too many of the homebound aged who are sent to nursing homes do not have to be there. They would prefer to remain independent, living in their own homes, yet in reach of health-care assistance when it is needed.

This legislation recognizes the important social commitment we all have as American citizens. A commitment which insures that the elderly and infirm who want and need assistance are able to get it. Furthermore, it recognizes that we must do these things at a reduced cost, and that we can do them relying more on the local community than on the Federal Government.

CHILDREN'S EDUCATION IS ERODED BY FORCED BUSING

(Ms. FIEDLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FIEDLER. Mr. Speaker, how long are we going to allow the quality of our children's education, and support for public education to be eroded by the abominable practice of forced busing. For years, judges who are out of touch with reality have been forcing our school systems to pour needed dollars into transportation rather than education.

The courts are creating two classes of children—those who can afford to flee public schools and those who are forced to stay.

In the 96th Congress, the gentleman from Ohio (Mr. MOTTL) took the courageous step of bringing needed legislation to the floor through a discharge petition. Despite the winds of change that swept across this country last November, some Members still want to thwart the will of the people by refusing to allow full discussion of this issue in committee.

Therefore, again this session, my distinguished colleague has had to resort to a discharge petition. I will sign that petition today and will urge my colleagues to join me.

For the sake of the children of this country, this House must make its voice heard to end one of the greatest social tragedies of the 20th century.

CONGRESS SHOULD NOT PLAY GAMES

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, this week, I think we could say politely, that we have not been tremendously inundated by legislative action on the floor. That being the case, I wondered why we did not have the committee funding resolutions scheduled this week or last week.

Having made some inquiries, I have discovered that now there is a rumor about that we may have all of the committee funding resolutions of the House put into one package tied with a yellow ribbon and presented to us on the last possible day so that the argument will be made that if we do not vote for all the resolutions at one time, the people who work for us and work for this institution will not be paid.

Now, Mr. Speaker, we ought not to be playing games in this place. We know that there is an issue that is being discussed throughout this institution, that is, whether we are going to get our own house in order, whether we are going to have the will to do to ourselves what we are asking our constituents to do, that is not to take some of the largesse of the Federal Government.

Yet, it appears that the leadership is going to deny us this opportunity to vote on single resolutions as they come before us so that we can make informed judgments. Mr. Speaker, if that occurs, we may be required to have this place come to a grinding halt but it will only be so because of the refusal to look reality in the face and deal with it now.

MINIMIZING FOREIGN ASSISTANCE COSTS THROUGH THE MULTILATERAL DEVELOPMENT BANKS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, channeling U.S. foreign assistance through the Multilateral Development Banks (MDB's) complies fully with our current requirements for budget stringency. U.S. foreign assistance costs are minimized as a result of certain unique features of these institutions, including multilateral cost-sharing arrangements, the leveraging of contributions through sizable borrowings on world capital markets, and the return flow of economic benefits which raise U.S. national income and hence tax receipts.

Other donor countries now account for 78 percent of total MDB contributions. Moreover, a substantial, rising share of U.S. contributions is in callable capital which backs up MDB borrowings, but which is never spent out of the U.S. Treasury. Also, procurement, required to implement MDB financed projects, results in purchases of U.S. goods and services which far exceed U.S. paid in contributions.

Through the combination of cost-sharing, leveraging via callable capital, and procurement, U.S. assistance channeled through current and scheduled MDB programs will largely pay for itself.

As an illustration, for every dollar the United States pays into the World Bank through this year's general capital increase agreement:

The World Bank will lend more than $66, by relying upon other donor country contributions and borrowings on private capital markets.

More than $13 in U.S. goods and services will be purchased to implement projects, based upon recent U.S. procurement shares.

U.S. national income will rise by at least $26, according to recent studies.

Federal tax receipts will increase by more than $8, or six times the original outlay of $1, according to Congressional Budget Office estimates of current marginal tax rates.

Thus, U.S. assistance through the World Bank will bring considerably more revenue back into the U.S. Treasury than that program costs and actually reduce the budget deficit over time. No other aid vehicle offers these budgetary advantages.

□ 1245

TO RETAIN ITS CREDIBILITY, CONGRESS MUST CUT BACK ON COMMITTEE FUNDING

(Mr. LOWERY of California asked and was given permission to address the house for 1 minute and to revise and extend his remarks.)

Mr. LOWERY of California. Mr. Speaker, many of us were elected to this Congress on the pledge that we would do everything in our power to reduce Federal spending and bring inflation under control.

At a time when we ask the American people to accept less from the Federal Government more is being asked for by the House. Specifically, I refer to the requests by committees of the House to increase their budgets over last year's levels.

Mr. Speaker, we cannot hold ourselves to a standard different from what we have set for our fellow Americans. We cannot ask for more when we ask Americans to accept less. We cannot maintain their trust if we allow our own demands for Federal dollars to grow unrestrained.

In the past 10 years this body has allowed a 300-percent increase in the size of committee staffs. We cannot in good conscience ask for more money for ourselves and retain our credibility among the people.

Congress must cut back as we ask the people to cut back. That is why I ask for a 10-percent reduction for funding House committees. I strongly urge my colleagues on both sides of the aisle to support this effort.

Not to do so would be a failure in our responsibilities to those Americans whom we represent.

MOCK INNOCENCE OF MOSCOW'S SPOKESMEN

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, I have noticed during the past few days that the Soviet Government has been doing a lot of sweet talking lately in United States and Western European circles while they, through their client states, fan the flames of war in El Salvador and continue to carry out acts of genocide in Afghanistan. It is a classic Soviet diplomatic tactic to try to pull the wool over their opponents' eyes; to distract with talk about increased trade, arms limitation, peace, and friendship, while probing with steel. It is like a two-pronged fork. One prong has an anesthetic on it, and the other is just cold steel.

I urge the American people to recognize this Soviet sham for what it is, and not be fooled by the mock innocence of Moscow's spokesmen.

We would like to reduce world tensions. We would like smoother relationships with the Soviet Union, but we know their actions speak louder than their words. Frankly, I wonder why in the world our networks give that Soviet propaganda so much free media time. Maybe we should ask them to pay prime time advertising rates, or at least give U.S. spokesmen equal media exposure in the U.S.S.R., as theirs get here.

But, I sure will not hold my breath waiting for that.

LET US NOT HAVE A "DO AS I SAY BUT NOT AS I DO" CONGRESS

(Mr. HANSEN of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANSEN of Utah. Mr. Speaker, I rise to address an issue of great concern to the people of the State of Utah.

On September 15, 1980, I stood with other candidates and pledged to work toward the goal of making essential cuts in the amount that Congress spends on itself. My constituents in Utah accepted that goal and sent me to Congress with a mandate to reduce Federal spending. That mandate has not been revoked. I have yet to receive my first constituent letter, call, or comment asking Congress to increase—or even to maintain—its extravagant spending levels.

Personally, I find it difficult to understand, and impossible to justify, how, for example, a congressional committee that could operate with 6 employees and a budget of $5,000 in 1971 could require 40 employees and a budget increase of 22,000 percent to over $1 million in 1979.

It is a paradox to require the American people to tighten their belts while Congress recklessly indulges in self-perpetuating committee bureaucracies and geometrically spiraling committee expenditures. We will not fool the American people into following a "do as I say but not as I do" Congress.

Let us abandon fiscal irresponsibility and reaffirm, by our own example of reducing committee funding, our pledge of economic responsibility to the American people.

STOP FORCED RACIAL BUSING: SIGN DISCHARGE PETITION NO. 1

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute.)

Mr. ASHBROOK. Mr. Speaker, the American people overwhelmingly oppose the ridiculous practice of forced racial busing. Public opinion polls show that as many as 9 out of 10 taxpayers would vote to outlaw busing if they had the opportunity to do so. Unfortunately, they do not. The Congress does have that opportunity. The Congress has steadfastly ignored its responsibility. The wishes of those millions of Americans have been routinely ignored.

At the start of today's session at 12:01 p.m., my good friend, our colleague from Ohio, ROW MOTTL, filed a discharge petition at the desk, in an effort to again bring the issue of forced busing to the floor of this House. I urge my colleagues to sign the petition immediately. My signature was affixed to that petition immediately after that of the sponsor. I am proud to be the second signer but we have 216 to go.

In the last Congress, we were successful in getting a vote on the constitutional amendment to outlaw forced busing. We failed but we intend to try again.

The House Judiciary Committee has refused to hold hearings and report legislation which would address the busing issue. We have no reason to believe that our luck will be any better in this Congress. That is why it is imperative that every Member of this body who opposes forced busing sign the petition at the desk. We owe it to our constituents.

BUDGET REVISIONS NOW ON CAPITOL HILL

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I rise in an effort to correct what I am sure was an inadvertently erroneous statement made earlier today by the gentleman from Arkansas when he said the complete budget revisions have not yet been received. I am told that in fact, contrary to an erroneous press report, the complete package has been received on Capitol Hill, and the gentleman from Oklahoma and the Budget Committee can now proceed on the fast track that was mentioned here earlier today.

This is a work that we must get on with. President Reagan has told the American people that we can reduce taxes, cut spending, increase defense, and balance the budget. Throughout the campaign last year, Democrats said, "No, you cannot do that."

Well, now we have a program, a program to do all those things, and that program is under fire here on the House floor. We have heard a string of objections, and evidently what we are

hearing now is, "We won't let him do that."

Tell that to the American people, that you want to abandon the mandate. I do not think Americans are going to understand such attempts to undermine the President's efforts.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Is the gentleman suggesting that the plan that has been submitted is complete in its entirety, and that Congress can now proceed with the committee hearings and hear the thousands of witnesses that are necessary in order to complete action on the President's request? If it is, it is welcome news, because we have been waiting on the Democratic side for the President to fulfill his commitment to the American people, to submit a plan of action to go along with the promise that has been made.

We welcome the opportunity, and I hope the gentleman is saying that that plan is complete, and I will certainly look forward to reviewing it today in order to see if the gentleman is correct.

I thank the gentleman for yielding.

PRINTING AS HOUSE DOCUMENT TRIBUTES MADE TO LATE FORMER SPEAKER JOHN W. McCORMACK ON FLOOR OF THE HOUSE

Mr. GAYDOS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 23) to provide for the printing as a House document of tributes made to the late former Speaker John W. McCormack on the floor of the House, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 23

Resolved, That the statements made on the floor of the House of Representatives with respect to the death of the late former Speaker John W. McCormack, together with other pertinent matter, shall be printed as a House document.

SEC. 2. in addition to the usual number there shall be printed three hundred additional copies of the House document referred to in the first section of this resolution which shall be casebound in such style as the Joint Committee on Printing shall direct for use of the Speaker.

SEC. 3. The Speaker is authorized to appoint a committee to formally present copies of the document printed pursuant to section 2 to Boston University for inclusion in the papers of the late former Speaker.

SEC. 4. Upon the enactment of this section into permanent law, section 723 of title 44, United States Code, is amended by inserting immediatly after "Member of Congress" where the words first appear "or a former Member of Congress who served as Speaker".

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. PATMAN). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 1 hour.

Mr. GAYDOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 23 provides that the statements made on the floor of the House of Representatives with respect to the death of the late former Speaker John W. McCormack, together with other pertinent matters, shall be printed as a House document. The resolution further states that in addition to the usual number of 1,500, 300 additional copies of the House document shall be printed, and that it shall be casebound in such style as the Joint Committee on Printing shall direct for the use of the Speaker of the House.

The Government Printing Office has estimated that the cost of this printing will be as follows:

First 1,500 (paper)	$9,759.83
300 casebound	1,164.15
Total	10,923.98

The resolution, also, authorizes the Speaker to appoint a committee to formally present copies of this document to Boston University for inclusion in the papers of the former Speaker. This provision is included in the resolution in response to the desire of the Massachusetts Congressional Delegation, the university, and the family, for a suitable ceremony to call attention to the historically significant collection of the former Speaker's papers. This committee, which will be purely ceremonial, will not be formally funded. The final section of the resolution proposes to make a simple change in the provisons of title 44, section 723, of the United States Code subject to the enactment of this section into permanent law. Under the current provisions of title 44, section 723, of the United States Code, tributes to deceased Members are printed at the end of each session of Congress, without the necessity of a resolution authorizing such a printing, if the deceased was a sitting Member of Congress at the time of his or her death, the proposed amendment to the United States Code simply provides a single, narrow exception so that a deceased former Speaker's tributes would be treated on the same basis as a deceased sitting Member's tributes.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF CERTAIN INTERNATIONAL ENERGY AUTHORITIES

Mr. SHARP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2166) to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, as amended.

The Clerk read as follows:

H.R. 2166

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (j) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking out "March 15, 1981" and inserting in lieu thereof "September 30, 1981".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Indiana (Mr. SHARP) will be recognized for 20 minutes, and the gentleman from California (Mr. DANNEMEYER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. SHARP).

GENERAL LEAVE

Mr. SHARP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SHARP. Mr. Speaker, our country must be prepared for a possible oil crisis. Before us today is one element of that preparation.

H.R. 2166 will extend until September 30 the limited antitrust defense for U.S. companies which are carrying out policies of the U.S. Government. This bill preserves in the law the existing safeguards which are designed to protect the American economy and the American consumer from possible anticompetitive actions by participating companies.

The bill was reported from the Energy and Commerce Committee without opposition. It has the support of the administration, and I would hope that it would garner the support of the entire House of Representatives. The bill extends the defense for only 6 months so that the U.S. Congress and the new administration will have time to review its particular policy and how it relates to our general preparedness for such a crisis.

I hope it is not necessary to reiterate, Mr. Speaker, that we simply must do more in this country to prepare ourselves for a possible crisis. Experts tell us the likelihood is great that there will be another one. We have witnessed in the past the devastating effects such crises have had on our economy. Future incidents of this type certainly would set back any efforts we are trying to make now to put our people back to work and to control inflation.

In more detail, Mr. Speaker, this is a bill to extend until September 30, 1981, the limited antitrust defense available under the Energy Policy and Conservation Act to domestic oil companies participating in the international energy program. The IEP was established in 1974 by an agreement signed by all of the world's major oil consuming countries except France.

In the agreement, consumer nations made three major commitments: First, they agreed to reduce demand for petroleum; second, they promised to increase oil stockpiles, and third, they committed themselves to sharing petroleum supplies in the event of a significant supply disruption.

In general, the participation of the oil companies in the international energy program is primarily related to the operation of the oil allocation system to be used by the International Energy Agency during such supply shortages. The companies also are active in providing information to the IEA to assist it in analyzing the world oil situation. Since such information sharing and market allocation activities potentially constitute violations of U.S. antitrust law, companies participating in the IEA oil allocation plan could be subject to court action absent the antitrust defense.

Under the provisions of EPCA, the antitrust defense granted is limited in scope. Moreover, the voluntary agreement under which the companies operate is subject to a variety of safeguards to discourage anticompetitive behavior. The law requires that the agreement itself be approved by the Attorney General. Additionally, industry meetings convened to advise the IEA are monitored by U.S. officials and verbatim transcripts are kept. Prior U.S. Government approval is necessary before any confidential company data can be submitted to the IEA. Only if all these procedures are followed does the law afford the companies the protection of the anititrust defense.

Unless extended, this limited defense will expire on March 15, 1981. If this is allowed to happen, the participation of the oil companies most likely would cease at that time. Operation of the IEA emergency oil allocation plan would be made more difficult, if not impossible. The U.S. Government, though continuing to participate in the international energy program, might not be able to carry out fully its obligations under the agreement.

Consequently, the committee on Energy and Commerce has reported out H.R. 2166 which extends the antitrust defense to September 30, 1981. The Senate is considering similar legislation today. I am told that the administration will be issuing a report shortly which will delineate any proposed changes in the antitrust defense. We will be closely following the progress of the administration in this matter and expect to examine more comprehensively U.S. obligations under the international energy program agreement. However, at this point, due to the imminent expiration of the authority, it is necessary to move expeditiously to extend the antitrust defense in order to give ourselves the time necessary to consider the issue fully.

Mr. Speaker, today with the passage of the IEA antitrust exemption, we are taking one small step to insure this Nation's energy security. I would like to take this opportunity to say that many more steps need to be taken. Moderate oil supply interruptions in 1973 and again in 1979 added dramatically to inflation and unemployment in this country, hurting countless families and wrecking past hopes for prosperity. As you are well aware, this Nation's inability to handle an oil crisis could be the Achilles' heel of any economic program forged by the Congress and the administration. Thus, it is of critical importance that we take further steps to prepare for future disruptions.

Much groundwork has been laid by past Congresses and administrations to prepare us for emergencies. Although the performance of Government in past crises was substantially less than ideal, I hope that we have learned from those experiences the limits and the potential for Government action.

There are those who now argue that energy issues are merely an economic problem which can be resolved by the market. Certainly, the marketplace can, will, and should resolve many of these issues. But, as you know, our energy problem is of profound significance to our national security and to world peace. The American people will and should expect the Government to be prepared to act in useful ways.

In conclusion, let me emphasize that we must accept this responsibility and help to prepare this Nation for future oil crises.

Mr. Speaker, I would like to yield to the gentleman from New Jersey (Mr. RODINO), the distinguished chairman of the Judiciary Committee, such time as he may consume.

Mr. RODINO. Mr. Speaker, I rise in support of H.R. 2166. As my esteemed colleague from Indiana, Mr. SHARP, the distinguished chairman of the Subcommittee on Fossils and Synthetic Fuels, has pointed out, this bill merely extends for an additional 6 months the antitrust exemption for oil companies' participation in the International Energy Agency. That exemption was originally granted by the Energy Policy and Conservation Act of 1975.

This additional time period will allow the Congress to review the exemption in light of the announced antitrust policies of the Reagan administration.

The Committee on the Judiciary will be holding oversight hearings on the Department of Justice during the next few weeks. These hearings will provide a backdrop for consideration of further proposals to extend any antitrust immunity for the oil companies. In particular, the hearings will afford us an opportunity to question the Attorney General and the new head of the Antitrust Division about policy directions for antitrust enforcement during the next 4 years.

The Judiciary Committee receives numerous requests to create or modify antitrust exemptions each year. It is our policy to review such requests carefully, paying close attention to the strong public interest principles which underlie our antitrust laws.

In 1975, the Judiciary Committee worked closely with the Commerce Committee in drafting the antitrust language contained in the Energy Policy and Conservation Act. Our committee has not asserted jurisdiction over H.R. 2166, or other bills which have extended the antitrust exemption for additional time periods.

At the same time, the Judiciary Committee will continue its active oversight of this as well as other antitrust exemptions. We fully anticipate an active role in scrutinizing and reporting to the Congress any proposals to modify or further extend this antitrust immunity for international activities of the petroleum industry.

□ 1300

Mr. DANNEMEYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill we have before us today has two redeeming virtues: It is simple and it is necessary if this Nation is to continue to participate in the International Energy Agency. As Members will recall, the IEA is an Agency which was established back in 1974 at the urging of the United States. Its chief purpose was to soften the impact of oil shortages on the free world in the event of another oil embargo, but to fulfill that function the multinational oil companies have to be able to exchange the information necessary for the establishment of an emergency allocation plan. For the 26 non-U.S. oil companies involved, that

is not a major problem, but for the 13 U.S. firms presently participating such an information exchange would be an obvious violation of the antitrust laws unless and exception were made. This bill grants that exception, or immunity if you will.

I hasten to remind my fellow colleagues that the immunity this measure creates is neither new or unlimited. For the record, this antitrust exemption was first written into law back in 1975. It was extended several times, the last time being in 1979, and it does provide for careful monitoring by both the FTC and the Justice Department to insure that antitrust violations do not, in fact, take place. Moreover, the exemption extension being sought in H.R. 2166 is of a very brief duration—just until September 30 of this year. Originally the thought was to have a 1-year, or a 9-month extension, but for differing reasons members of the subcommittee and full committee agreed on a 6½-month extension that will not only give us sufficient time to review both the immunities and the way they are monitored, but will insure that we do so expeditiously. Whether one thinks the immunities are too broad or too inflexible, one should not have any difficulty with that.

I could go on, but rather than belabor the obvious just let me suggest one thing: If we want to have a mechanism for sharing the shortages then it stands to reason we should make it possible to share the information on how best to spread them around.

I urge adoption of this bill.

Mr. SHARP. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. DINGELL), the distinguished chairman of the full Committee on Energy and Commerce.

Mr. DINGELL. Mr. Speaker, I thank my good friend, the gentleman from Indiana (Mr. SHARP), for yielding me this time, and I rise in support of H.R. 2166.

Mr. Speaker, I observe with a great deal of pleasure that the distinguished gentleman from Indiana (Mr. SHARP) is commencing a very capable career, one of which all of us will be very, very proud, as he commences his leadership in the field of energy. He is the chairman of the Subcommittee on Fossil and Synthetic Fuels in the House of Representatives, where he serves with remarkable distinction. This is the first product of his subcommittee during this year, and it is indeed a good product and one which presages well not only for the House but for the country in the field of energy policy.

The gentleman from Indiana, as we all know, is a man of remarkable ability, one who has served already with great distinction as a Member of the House and one who has shown expertise in the area of energy. He is a Member of whom I am certainly very proud. I commend him for this bill. It is a good piece of legislation, and it is one which should pass.

Mr. Speaker, this brief extension is needed to insure that this defense is available so that U.S. oil companies will continue to assist the International Energy Agency, while providing time for Congress and the new administration to examine this provision in conjunction with other matters relating to the international and domestic allocation of oil in times of emergency and to consider poesible changes in the law.

I note that the Office of Management and Budget, in a March 4, 1981, letter to Senator BRADLEY, stated that the administration, which I presume includes the Energy Department, the State Department, the Justice Department, as well as the Federal Trade Commission, will "conduct an analysis of our energy emergency preparedness programs, including our participation in the international energy program." The OMB listed seven issues of particular concern. We expect the administration to provide our committee with the results of that analysis well before the September 30, 1981, expiration date.

I also have received a draft copy of an executive summary of the Economic Regulatory Administration concerning a recent IEA test of the international allocations system. That summary raises serious problems with the system. I expect the ERA to provide the committee with the final and complete study and recommendations later this month.

Mr. SHARP. Mr. Speaker, I appreciate the very generous remarks of the gentleman from Michigan (Mr. DINGELL).

● Mr. GORE. Mr. Speaker, I support the limited extension of the IEA antitrust exemption contained in H.R. 2166. However, I do so with the recognition that it is a mere 6-month extension.

During subcommittee consideration of this bill I introduced the amendment which moved up the extension from March 15, 1982, to September 30, 1981. I was reluctant to agree to still another IEA extension bill. I did so only because of assurances by Subcommittee Chairman PHIL SHARP that this subject would be given extensive review in the months ahead. I commend the gentleman for his efforts on this issue and will look forward to working closely with him as we proceed on a comprehensive review.

In 1974 the United States became a signatory to the international energy program and 1 year later our multinational oil companies were given an antitrust immunity to carry out the provisions of the program. It should be kept in mind that the authority granted under this immunity gives the oil industry a defense to activities which, if conducted in the United States, would be considered illegal. Such sweeping authority should only be given when a careful balancing test demonstrates that the benefits of the program outweigh the dangers. In my judgment, the success of joint company involvement in IEA has not been demonstrated and the potential anticompetitive effects are still readily apparent. In addition, it is still deeply disturbing to me that so many IEA meetings are closed, that transcripts of meetings are delayed and so heavily edited by the State Department as to make them incomprehensible, and that the Federal Government has not given its supervisory role sufficient priority. These are questions that must be considered. Yet Congress has never taken a careful look at IEA in general nor at the antitrust exemption in particular. In the next few months that task must begin.

One area that I hope to explore in-depth is the role of the FTC in monitoring the IEA meetings. While we have not yet had an opportunity to see the FTC budget proposals by the administration, the early signals suggest severe cuts in the FTC's Bureau of Competition. The FTC has never given its IEA role sufficient priority and with extensive cuts, the IEA is likely to get short shrift. When the antitrust immunity expires in September, we will also want to review FTC's ability to monitor this program. If there is any indication that FTC will not be capable of doing its job, I do not see any justification for continuing the exemption.

The amendment I offered for a 6-month extension coincides precisely with the expiration of the EPAA. I believe that the two acts must be reviewed in tandem since without EPAA the United States will have no standby allocation mechanism with which to carry out its oil-sharing agreements under the international energy program. During our hearings on H.R. 2166, Assistant Secretary of Energy Peter Borre expressed concern with the expiration of EPAA authorities and urged quick and extensive review. While other acts could arguably be used in the interim, such as the Defense Production Act, they are blunt instruments that ultimately will prove to be ineffective. EPAA and IEA should be reviewed together. This bill will help serve that goal.

Mr. Speaker, the last time this issue was reviewed we waited until the very last minute, and then granted a 2-year extension of the antitrust immunity. Promises were made: An extensive review would be undertaken soon. However, that never happened, as Congress seemed to become overtaken by other events. This time, I certainly hope that we see more than promises.

I will look forward to a comprehensive review of this issue in the months ahead.●

● Mr. BROYHILL. Mr. Speaker, the only issue before us today is the extension of the limited antitrust defense granted to the U.S. companies participating in the activities of the International Energy Agency. Without this extension, these U.S. companies could not legally participate, and the IEA itself would be jeopardized. Without the IEA, Mr. Speaker, the oil-importing nations would lose the only existing mechanism of mutual protection should a worldwide shortage of crude oil occur.

As I have stated before, the administration is conducting an analysis of the IEA, including an examination into the present antitrust monitoring programs of the Department of Justice and the Federal Trade Commission. Changes may be proposed by the administration. I am confident that the Congress will consider the proposals, if there are any, carefully. In any event, the specifics of the antitrust defense may be an issue for debate at a later date but not at this time.

Speculation over what the administration may or may not propose, or what the ramifications may or may not be, if any, is clearly irrelevant to our consideration of H.R. 2166.

As you know, Mr. Speaker, H.R. 2166 is a most simple bill. It allows the IEA to function by permitting the U.S. companies to participate, under supervision by two Federal agencies through September 30, 1981.

I should note for the record that the original administration expiration date for this extension was December 31, 1981. The subcommittee, later confirmed by our full committee, changed this date to September 30, 1981, for the simple reason that the December deadline would have placed congressional consideration of this matter in with the flurry of bills which ordinarily accompany the end of the session, now scheduled in October.

We believe this shorter period of time will be good discipline for the administration and the Congress.

Mr. Speaker, I include the testimony of Mr. Peter Borre of the Department of Energy, submitted before the Subcommittee on Fossil and Synthetic Fuels, in the RECORD at this point. It is particularly illustrative of the value and the need for this extension.

Thank you, Mr. Speaker.

TESTIMONY OF PETER BORRE, ACTING ASSISTANT SECRETARY FOR INTERNATIONAL AFFAIRS, DEPARTMENT OF ENERGY

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to appear before you today in support of legislation to extend to December 31, 1981, the antitrust defense and related provisions contained in Section 252 of the Energy Policy and Conservation Act. In my testimony I will attempt to answer the questions contained in the Chairman's letter to Secretary Edwards.

Two temporary extensions of Section 252, which is scheduled to expire on March 15, 1981, have been enacted by Congress. The Administration believes it essential that this provision remain in force so that U.S. oil companies may participate in the implementation of the 1974 Agreement on an International Energy Program (IEP). Without U.S. company participation, the emergency oil sharing system of the International Energy Agency could not function. This would eliminate the key international mechanism available to the industrialized countries for managing substantial oil supply interruptions.

U.S. participation in the IEA is central to the pursuit of our long-term international energy objectives. Our participation in the agency has several general as well as specific benefits related to the emergency sharing of supplies. In general terms, the collaborative mechanism of the IEA provides a unique forum for consultations and joint actions with our principal allies in the industrialized world. It represents a shared commitment to insure the future viability of our economies and social institutions by meeting together one of the most critical issues of our time.

Specifically, in terms of facing oil shortages, the United States benefits from the IEA emergency sharing commitment. First, the protection afforded by the selective trigger reduces our vulnerability to politically inspired embargoes directed solely at the United States. Second, during a general triggering of the system, member countries, by agreeing to share the shortfall equitably and cooperatively, are effectively agreeing to reduce the devastating ratcheting of prices that would result from individual members scrambling for oil on their own. Finally, the joint decision to prepare for emergencies by building stocks and other measures, ensures that all of us bear a fair burden in preparing for emergencies and that we are in fact prepared.

BACKGROUND

The 1973 oil embargo and the consequent sharp increase in world oil prices severely disrupted the economies and strained the political and strategic relationships of oil-importing nations. Inadequate cooperation among the industrialized countries resulted in competitive unilateral efforts by many to obtain oil supplies, thus exacerbating price pressures in the market to the detriment of all.

The United States and other industrialized countries recognized the need to unite in a coordinated effort to meet future shortfalls and to take steps to lessen dependence on imported oil and thereby reduce their strategic and economic vulnerability. They therefore agreed at the Washington Energy Conference in February 1974 to create a framework for closer cooperation. Following eight months of negotiations, on November 18, 1974, the United States and 15 other nations concluded an Agreement on an International Energy Program. The International Energy Agency, which was created by the IEP, now consists of 21 of the 24 OECD countries. The IEA is the principal multilateral body through which the United States pursues its international energy objectives.

The centerpiece of the IEP Agreement is a system to handle oil supply interruptions which result in the supplies available to an individual nation or the IEA as a whole falling 7 percent below a base period. The system involves the equitable sharing of oil according to a carefully constructed formula in which each nation has an obligation to reduce its need for imports by cutting demand and drawing on stocks. It requires the submission by governments and companies of information on the oil market—oil production, consumption, imports, and exports—so that a determination can be made as to when to trigger and how to allocate available oil.

Oil companies, with their sophisticated transporation and distribution networks, play the key role in allocating supplies during an emergency. Therefore, when the Congress enacted the Energy Policy and Conservation Act in December of 1975, it detailed in Section 252 of that Act procedures to be followed in developing and carring out voluntary agreements and plans of action to allow U.S. companies to participate in the implementation of the allocation and information provisions of the IEP.

These procedures include prior notification of industry meetings convened to advise the IEA, publication of meeting notices in the Federal Register, monitoring of industry meetings by U.S. Government representatives, transcription of industry meetings, and securing prior U.S. Government approval for the submission of confidential company data to the IEA. The Department of Energy, the Department of Justice, and the Federal Trade Commission have monitored closely industry participation in the IEP over the past 5 years.

The utility of the IEP even if a shortfall does not become large enough to trigger the allocation system, and the necessity of oil industry participation in the IEP were demonstrated in 1979, when curtailment of exports from Iran created dislocations in the international oil market. The IEA's Standing Group on Emergency Questions (SEQ) and Standing Group on the Oil Market (SOM) held frequent consultations with members of the Industry Advisory Board (IAB) to the IEA and the Industry Working Party (IWP) to discuss the nature, extent, and effects of the shortfall on world oil supplies. Those consultations (which were monitored by U.S. Government observers from the Departments of Energy and Justice and from the Federal Trade Commission) enabled the IEA and its member governments to take concerted action to reduce the severity of the consequences of supply dislocations.

INFORMATION SYSTEM

As part of this response to Iranian developments in January 1979, the IEA implemented its Special Information System to obtain information vital to an understanding of the current oil market situation and in anticipation of a triggering of the IEA system. This system involves the voluntary provision by the companies of monthly data on actual and scheduled oil production and inventories in IEA Member Countries, as well as imports to and exports of crude oil and products from these countries. This information system provides the basic data essential to determining allocation rights and obligations if the international oil allocation system were to be triggered. U.S. companies provide this information directly to the IEA pursuant to the provisions of the Voluntary Agreememt, and in reliance on the antitrust defense contained in Section 252 of EPCA.

We have been successful in minimizing the reporting requirements placed on companies. The information supplied under this provision is the only information provided directly by companies to the IEA for use in the emergency system. We continue to guard against any IEA efforts to seek additional company data under this system that is not justified by the specific requirements of the emergency system.

In the event that the IEA allocation system were activated, the Special Information System would become an integral part of the allocation process. Although the ultimate responsibility for all international emergency allocation activities rests with the IEA, the 48 IEA-designated Reporting Companies of which 22 are U.S. companies would be called upon to play an essential role in the operational and logistical aspects of the emergency oil allocations. A list of the companies participating in the IEA and a discussion of the IAB's structure and responsibilities are attached to this testimony. A list of the U.S. Reporting Companies is also attached.

OIL SHARING SYSTEM

The broad parameters of the international oil allocation process to be used in an emergency already have been determined by Member Countries in the International Energy Program Agreement. The physical redistribution of supplies needed to effect such allocation would be accomplished largely through voluntary actions by the Reporting Companies, including adjustments in their internal supply schedules, commercial transactions with other companies, or voluntary offers to supply or receive oil, which would be coordinated by the IEA with the assistance of the Industry Supply Advisory Group.

The Industry Supply Advisory Group, comprised of industry oil supply experts chosen from among the Reporting Companies, would work under the guidance of the IEA Allocation Coordinator, who is responsible for the overall supervision of the allocation program. This group would provide technical advice on oil supply and logistics to the IEA, channel instructions to the Reporting Companies to ensure efficient operation of the allocation program, and assist the Allocation Coordinator in evaluating and selecting from among the voluntary offers proposed by the Reporting Companies those which would best meet each Member Country's supply right. Of the 21 companies who provide representation on the Industry Supply Advisory Group, 13 are U.S.-based companies currently participating in the Voluntary Agreement. U.S. companies would not participate in the Industry Supply Advisory Group if the antitrust defense were not available.

CONSEQUENCES OF EXPIRATION OF THE ANTITRUST DEFENSE

You have asked me to detail the activities of companies that would be affected by an expiration of the antitrust defense. If the antitrust defense provided for in Section 252(f) were no longer available for U.S. oil company activities pursuant to the IEP, those companies would cease their membership on the IAB and IWP and their subcommittees, the Industry Supply Advisory Board convened during an emergency, and end their participation as Reporting Companies in the IEA information and emergency allocation systems would be ineffective and the IEP's purpose would be undermined.

Even more important, failure of the U.S. Government to provide a means for its companies to participate in the IEA would be viewed by the other IEA Member Countries as a breach of our commitment to the Agreement. It would indicate to them that we are not sincere in supporting mechanisms currently in place which, though flawed, remain the best available way of responding to a severe international oil crisis. Such a signal would seriously impair both the IEA's cooperative efforts and the leadership position of the United States in future international energy activities. I understand that the importance of the U.S. role in the IEA was stressed by its Executive Director, Dr. Ulf Lantzke, during his discussions with Members of Congress earlier this week.

Equally difficult conditions would exist should the defense lapse temporarily. Oil company participation in the IEA would again be halted and, according to the prevailing legal interpretation, would only be resumed following readoption of a Voluntary Agreement or Plan of Action which by law requires at least 20 days waiting period unless an international energy emergency has been declared. This would place us in a vulnerable position for dealing with serious oil supply interruptions. We do not believe it is in the best interests of the United States to allow this defense to lapse.

The Department has the capability to collect the same information from U.S. Reporting Companies as contained in the IEA's Questionnaire A by virtue of its IA-401 data form which is currently in standby status. The IA-401 was used by DOE in July-August 1980 to provide oil supply information to the IEA when the antitrust clearance for company submission of the QA lapsed temporarily. The IA-401 is a mandatory reporting form identical to the QA. When the necessary legal clearances were again obtained for QA submissions in October 1980, the IA-401 was deactivated and in November it was placed in standby status. Authority to use the 401 will remain in effect until December 31, 1982. It should be noted, however, that without the participation of the U.S. companies it would prove impossible to implement the emergency allocation system of the IEP and the provision of information, therefore, would be immaterial.

I solicit your support in extending the antitrust defense and other provisions of Section 252 until December 31, 1981. The Administration in cooperation with other IEA members is reviewing the IEP to assess whether any changes are desirable. We hope to complete the review within a few months.

APPENDIX

The Standing Group on Emergency Questions (SEQ) of the IEA formulates the policies and procedures that would be taken to anticipate or respond to supply interruptions. The SEQ obtains technical advice from the Industry Advisory Board (IAB), which is further divided into three subcommittees:

(1) Subcommittee A participates in the development of the detailed procedures to be used during emergency oil allocations and in allocation system tests. The tests simulate in great detail hypothetical emergency supply interruptions and the appropriate work procedures developed to handle the emergency. Subcommittee A also considers antitrust clearance issues.

(2) Subcommittee B has studied technical problems involving aviation and marine bunkers, stocks and emergency reserves, and the treatment of naphtha under the emergency allocation system. The Subcommittee is inactive at the present time.

(3) Subcommittee C analyzes problems associated with extraordinary costs to companies participating in emergency allocations, settlement of disputes, and IEA monitoring of oil prices in an emergency. It also considers antitrust clearance issues.

MEMBERSHIP LISTS

IAB

ARCO, BNOC, BP, Cities Service (expires May 1981), ENI, Exxon, Gulf, Mobil, OeMV, Petro-Canada, Petrofina, Petroleum Association of Japan (PAJ), Petroleum Producers Association of Japan (PPAJ), Shell Int'l, Socal, Statoil, Texaco, Veba-Oil.

SUBCOMMITTEE "A"

BP, ENI, Exxon, Gulf, Mobil, PPAJ, Shell Int'l, Shell Oil—USA, Socal, Sohio, Statoil, Sun, Texaco, Veba-Oil, Continental Oil.

SUBCOMMITTEE "B"

BP, Exxon, Gulf, Idemitsu Kosan, Shell Int'l, Texaco, Mobil, Petrofina.

SUBCOMMITTEE "C"

PPAJ, BP, Continental Oil, Exxon, Gulf, Mobil, Shell Int'l, Shell Oil—USA, Socal, Statoil, Texaco, Vega.

IEAG

ARCO, BNOC, BP, Cities Service, Continental Oil, ENI, Exxon, Gulf, Mabanaft GmbH, Mobil, PAJ, Petro-Canada, Petrofina, Phillips, Shell Int'l, Socal, Sohio, Statoil, Standard Oil (Indiana), Svenska Petroleum, Texaco, Veba-Oil.

IWP

PPAJ, BP, ENI, Exxon, Gulf, Mobil, OeMV, PAJ, PPAJ, Petrofina, Shell Int'l, Socal, Texaco, Veba-Oil.

The 22 U.S. reporting companies are:

Amerado Hess Corp.
Ashland Oil, Inc.
Atlantic Richfield Co.
Caltex Petroleum Co.
Champlin Petroleum Co.
Cities Service Co.
Continental Oil Co.
Crown Central Petroleum Corp.
Exxon Corp.
Getty Oil Co.
Gulf Oil Corp.
Mobil Oil Corp.
Murphy Oil Co.
Occidental Petroleum Corp.
Phillips Petroleum Co.
Shell Oil Co. (U.S.).
Standard Oil Co. of California.
Standard Oil Co. of Indiana.
Standard Oil Co. of Ohio.
Sun Company.
Texaco, Inc.
Union Oil Co. of California.●

Mr. DANNEMEYER. Mr. Speaker, I yield back the balance of my time.

Mr. SHARP. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. SHARP) that the House suspend the rules and pass the bill, H.R. 2166, as amended.

The question was taken.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 373, nays 0, present 2, not voting 57, as follows:

[Roll No. 18]

YEAS—373

Addabbo
Akaka
Albosta
Alexander
Anderson
Annunzio
Anthony
Applegate
Ashbrook
Atkinson
AuCoin
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Bellenson
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Bliley
Boggs
Boland
Bolling
Bonier
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Broomfield
Brown (CA)
Brown (CO)
Broyhill
Burgener
Burton, John
Burton, Phillip
Byron
Campbell
Carman
Carney
Chappell
Chapple
Cheney
Clausen
Clay
Clinger
Coats
Coleman
Collins (IL)
Collins (TX)
Conte
Conyers
Corcoran
Cotter
Coughlin
Courter
Coyne, James
Coyne, William
Craig
Crane, Daniel
Crockett
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Daub
de la Garza
Dockard
Dellums
DeNardis
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dornan
Dougherty
Duncan
Dunn
Dwyer
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Emerson
Emery
English
Erdahl
Erlenborn
Ertel
Evans (DE)
Evans (GA)
Evans (IA)
Fary
Fascell
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Gray
Green
Gregg
Grisham
Gunderson
Guyer
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Harkin
Hartnett
Hatcher
Hawkins
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Hopkins
Howard
Hubbard
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnston
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Livingston
Loeffler
Long (MD)
Lott
Lowery
Lowry
Lujan
Lundine
Lungren
Markey
Marks
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mattox
Mavroules
McCloskey
McCollum
McDade
McDonald
McEwen
McGrath
McHugh
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Moore
Moorhead
Morrison
Motti
Murphy
Murtha
Myers
Napier
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Parris
Pashayan
Patman
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Porter
Price
Pritchard
Purnell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rousselot
Roybal
Rudd
Russo
Sabo
Santini
Sawyer
Schroeder
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Shumway
Shuster
Simon
Skelton
Smith (AL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stangeland
Stanton
Stark
Staton
Stenholm
Stratton
Studds
Stump
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weber (MN)
Weber (OH)
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zablocki

ANSWERED "PRESENT"—2

Dymally
Washington

NOT VOTING—57

Andrews
Archer
Aspin
Badham
Bedell
Brooks
Brown (OH)
Butler
Chisholm
Coelho
Conable
Crane, Philip
D'Amours
Davis
Downey
Dreier
Edwards (OK)
Evans (IN)
Fazio
Foglietta
Ford (MI)
Frenzel
Gingrich
Guarini
Heckler
Hinson
Holt
Horton
Huckaby
Jones (NC)
Lederer
Lewis
Long (LA)
Luken
Madigan
Mazzoli
McClory
McCurdy
McKinney
Nelligan
Pickle
Quillen
Roberts (KS)
Roberts (SD)
Rosenthal
Savage
Scheuer
Schneider
Skeen
Stokes
Swift
Tauzin
Vander Jagt
Waxman
Wilson
Wortley
Zeferetti

□ 1315

The Clerk announced the following pairs:

Mr. Long of Louisiana with Mr. Lewis.
Mr. Guarini with Mr. Philip M. Crane.
Mr. Zeferetti with Mr. Nelligan.
Mr. Fazio with Mr. Wortley.
Mrs. Chisholm with Mr. Roberts of Kansas.
Mr. Brooks with Mr. McClory.
Mr. Jones of North Carolina with Mr. Vander Jagt.
Mr. Scheuer with Mr. Skeen.
Mr. Tauzin with Mr. Quillen.
Mr. Wilson with Mr. McKinney.
Mr. Waxman with Mr. Frenzel.
Mr. Pickle with Mr. Gingrich.
Mr. Rosenthal with Mr. Horton.
Mr. Savage with Mr. Madigan.
Mr. Mazzoli with Mr. McCurdy.
Mr. Luken with Mr. Conable.
Mr. Huckaby with Mr. Evans of Indiana.
Mr. Ford of Michigan with Mr. Edwards of Oklahoma.
Mr. Downey with Mr. Dreier.
Mr. Foglietta with Mr. Butler.
Mr. D'Amours with Mr. Badham.
Mr. Coelho with Mr. Archer.
Mr. Swift with Mrs. Heckler.
Mr. Stokes with Mr. Roberts of South Dakota.
Mr. Aspin with Mrs. Holt.
Mr. Andrews with Mr. Brown of Ohio.
Mr. Bedell with Mr. Schneider.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on February 7, 1981, the President approved and signed a bill of the House of the following title:

H.R. 1553. An act to provide for a temporary increase in the public debt limit.

PERSONAL EXPLANATION

Mr. PORTER. Mr. Speaker, last Wednesday it was necessary for me to catch a plane to my district to attend the wake and funeral of a dear friend Ms. Edna Graham. For this reason, I had to leave for the airport approximately 15 minutes before the vote was taken on rollcall No. 14 and was not recorded. Had I been present and voting, I would have voted "aye."

I would like the record to so indicate.

DISCHARGE PETITION ON CONSTITUTIONAL AMENDMENT TO END COURT-ORDERED BUSING

(Mr. EMERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EMERSON. Mr. Speaker, I am pleased today to have the opportunity to sign the discharge petition that I hope will provide the chance for this House to deal effectively, firmly, and finally with the subject of forced busing of schoolchildren for purposes of achieving integration.

Mr. Speaker, forced busing is a social theory whose time never came, and never will. It is a cruel imposition upon children, costing huge amounts of emotion, energy, and dollars, and creating more ill will and hostility among people than any far-stretched benefits could hope to balance out.

The vast majority of the American people and the people of the 10th District of Missouri want this matter dealt with—put an end to it once and for all—and they want it done quickly. The people are frustrated that the processes do not move more swiftly.

I urge the requisite number of my colleagues to join in signing the petition submitted by the gentleman from Ohio (Mr. MOTTL) so this House may act, and hopefully act in accord with the national sentiment on this subject.

RESCISSIONS OF BUDGET AUTHORITY AND DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-28)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

(For message, see proceedings of the Senate of today, March 10, 1981.)

□ 1330

PROGRAM FOR ECONOMIC RECOVERY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-26)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

(For message, see proceedings of the Senate of today, March 10, 1981.)

REPUBLICANS ARE NIBBLING THE PRESIDENT TO DEATH

(Mr. MATTOX asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MATTOX. Mr. Speaker, a recent "Dear Colleague" letter addressed to Republican Members of the House warned that it was important to remind the Nation that Democrats still control the House and that the country should know, and I quote, "* * * who is to blame if economic recovery is blocked by the Democratic leadership?"

Mr. Speaker, a second "Dear Colleague" letter emerged on the same date, coauthored by the writer of the first letter and it was addressed to all Members of the House.

The second letter was making a pitch for, and you have probably guessed it, gaining support against President Reagan's cuts of the space program. I quote: "We don't want to see the President's program nibbled to death," said the second letter, but, it added, "we believe space is important to the cycle of national survival * * *."

What these two letters proclaim, Mr. Speaker, is that spending under Republican plans is patriotic but any Democratic proposals are wasteful, unpatriotic, and designed to obstruct a currently popular President. I am afraid the Republicans are going to nibble President Reagan to death.

The letters referred to follow:

WASHINGTON, D.C.,
February 23, 1981.

DEAR REPUBLICAN COLLEAGUE: When Nicholas Lemann of the Washington Post wrote "People who call themselves conservatives control both Houses of Congress" (p. 1 Feb. 22, 1981) everyone who is conservative should have been frightened and aroused. The national news media is buying the liberal Democratic argument that Tip O'Neill is helpless in a House controlled, de facto, by conservatives.

We know better. We lost the fight for a conservative Speaker. A liberal now presides over the House. And he recognizes motions, sets the calendar, and dominates the proceedings. He is in control.

Liberals still control most of the committee and sub-committee chairmanships, and most of the staffs.

Liberals preside, in particular, over the Ways and Means, Joint Economic, and Rules Committees. These three committees will have enormous impact on Reagan's program for economic recovery. It is obvious that they have been stacked by the liberals to block that program.

It is vital that we tell the country over and over again that we don't control the House, and that Tip O'Neill and the liberals do. It is essential that the country knows who to blame if economic recovery is blocked by the Democratic leadership.

Sincerely,

NEWT GINGRICH.

FEBRUARY 23, 1981.

"It is time for us to realize that we are too great a nation to limit ourselves to small dreams."—President Ronald Reagan, Inaugural Address.

DEAR COLLEAGUE: Have you been receiving mail protesting the cutback in America's plans for space exploration? We have. And it's tough to know how to respond.

We support the President's Economic Recovery Program. We don't want to see it nibbled to death.

At the same time, we believe space is important to the cycle of national survival—the interdependence of a strong economy, a strong defense, visible national goals, access to resources, and technology.

We're most interested in three space projects. First, anti-missile fighters, manned space vehicles to intercept enemy missile attack. Second, space solar power systems, to take solar power technology beyond the limits of night and clouds, beaming the power home. Third, the Space Operations Center, a permanently manned space station capable of supporting privately-financed space industrial activities.

We believe the United States has a world mission; we Americans influence by example; we are the showplace of freedom; and the sword and shield of liberty.

Our solar system abounds with minerals and energy. Other nations even now are claiming those resources and developing capabilities to use them.

If the United States does not compete in space, we abandon world leadership to those who do.

If you're interested in finding out more about these concepts, the NASA budget, or space exploration generally, please call. Contact Melinda Parris at 5-4501 or Bob Weed at 5-4261.

Sincerely,

PAUL TRIBLE.
NEWT GINGRICH.

CONGRESS SHOULD FULFILL ITS COMMITMENT TO STUDENTS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, mail continues to pour into my office from students and colleges around the country, and what they are all asking in one way or the other is that Congress fulfill its commitment and this country fulfill its commitment to students as it has in the past.

Today, Mr. Speaker, I will be entering into the RECORD a letter from Green Mountain College in Vermont, which is in Congressman JIM JEFFORD'S district; I will be entering a letter from the Mississippi State University, which is in Congressman DAVE BOWEN'S district; a letter from the West Kern Community College District, Taft College, in Taft, Calif., which is in Congressman WILLIAM THOMAS' district; and a letter, finally, from Fort Scott Community College, in Fort Scott, Kans., which is in Congressman ROBERT WHITTAKER'S district.

Mr. Speaker, we need to be reminded of the commitment we have made in the past, and need to sustain, to the students of our country. Hopefully we will act prudently and not evict a generation of students from college by unwise and unwarranted cuts.

The letters referred to are as follows:

GREEN MOUNTAIN COLLEGE,
Poultney, Vt., March 4, 1981.

Hon. PETER A. PEYSER,
Congress of the United States, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN PEYSER: Thank you for your letter of February twenty-seventh in which you raise your concern regarding the proposed cuts in funds available to assist students in attending the college of their choice. This is a matter of grave importance for all colleges and universities, but in particular those small independent colleges such as Green Mountain that must rely heavily on student generated fees for their existence.

Well over 50 percent of our Green Mountain College students would be dramatically affected by any reductions in the federal student financial aid programs. We have expressed our concerns to the Vermont Congressional delegation. Furthermore, we have alerted the parents of every student currently attending the College, as well as those we anticipate enrolling next September and have suggested that they in turn contact their respective legislators.

Green Mountain College has a distinguished history of nearly 150 years, and I don't believe that there has ever been any single act that might have as devastating an effect on this institution as those actions

which are currently being contemplated in Washington. In addition to depriving a number of deserving students the opportunity of education at Green Mountain, the effects of these proposals can conceivably determine the demise of the institution.

I would appreciate any assistance you can give Green Mountain College and other small colleges in this matter.

Sincerely,

JAMES M. POLLOCK,
President.

MISSISSIPPI STATE UNIVERSITY,
Mississippi State, Miss., March 5, 1981.

Hon. PETER A. PEYSER,
U.S. Congress, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN PEYSER: I appreciated your letter and the opportunity to visit with you regarding student loan programs. Any significant reduction in these loans will have a most harmful effect on our student population. As you may know, our state has the lowest per capita income in the nation. We also have a black population which is 37 percent of our total population. It should be apparent that any reduction in student loans will affect the greatest hardship on individuals who are from poor and lower income families. You will note in my letter to our Mississippi Congressional delegation members that there are three predominantly black state universities which will suffer even greater losses since about 95 percent of their students receive student aid.

I am hopeful that the cuts anticipated will not be imposed at the proposed level and that student needs will receive more consideration. Here in the South, education will be the key to productivity and economic development.

Your efforts are certainly appreciated.

Sincerely,

JAMES D. MCCOMAS,
President.

MISSISSIPPI STATE UNIVERSITY,
Mississippi State, Miss., March 3, 1981.

Hon. JOHN C. STENNIS,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR STENNIS: I am writing to urge you to consider support for supplemental appropriations for fiscal year 1981 in the Pell Educational Opportunity Grant and National Direct Student Loan programs. Projected cuts would mean a reduction from $9,550,000 for this year at Mississippi State University to a level of $5,600,000 or a reduction of $3.9 million. We anticipate that 2,715 fewer students would receive aid with the projected cuts. If the more recent cuts are more severe that obviously we will be even more adversely affected.

While we recognize that budget cuts may be essential, cuts in programs such as these have far more harmful effect on Mississippi than any other state since we have the lowest per capita income. Improving the level of education in our state is the first hope of improving our economic status. Too, our state has the largest percentage minority (black) population of any state.

The following table shows the results of projected cuts which may be even greater than this amount if further reductions are sought.

Program	Students	Amount
1980–81:		
NDSL	[1] 3,750	$3,550,000
FISL	[1] 1,900	1,000,000
PELL	[1] 2,300	4,000,000
Projected 1981–82:		
BEOG	3,000	2,500,000
NDSL	1,215	1,300,000
FISL	1,000	1,000,000

[1] These figures are duplicated counts as students receive a combination of all programs.

I would point out this is aid to individual students not for direct support of any university programs. I would emphasize as well that we have one of the best records in the country of collecting our student loans. I have little sympathy for those universities that have not made an effort to collect loans and would like to see a system which does not penalize universities such as our own and others which have an excellent record in collection and repayment of loans.

Any help you can give in this regard will help all eight state universities. Many of our predominantly black universities in Mississippi have as much as 90 percent of their students receiving government loans and grants. We will appreciate your serious consideration of this matter.

Sincerely,

JAMES D. MCCOMAS,
President.

TAFT COLLEGE,
Taft, Calif., March 3, 1981.

Hon. PETER A. PEYSER,
U.S. House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN: In response to your letter of February 24th, many of us here at Taft College are very supportive of your position in relation to opposing cuts in student loans. You can count on us to help.

America faces the most unique circumstances in the history of mankind, in that our extremely rapid technological advances threaten to outrun our ability to educate our populace. If we are to play our role in this world, then we better protect higher education.

Your support and concern is very much appreciated.

Sincerely,

DAVID COTHRUN,
Superintendent/President.

FORT SCOTT COMMUNITY COLLEGE,
Fort Scott, Kans., March 4, 1981.

Hon. PETER A. PEYSER,
U.S. House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE PEYSER: I am deeply appreciative of the concern which you are demonstrating regarding recent threats in student loan cutbacks and reduction of Basic Equal Opportunity Grant monies. I concur with you that student assistance programs should not be cut back and I am particularly defensive regarding the Higher Educational Loan Program.

There are many small farms in southeast Kansas, farms that have been handed down from one generation to another, and these same farms would represent a nice amount of money to the owners should they be sold. Unfortunately, the small land owner does not want to sell the farm because this is a way of life. The farm barely sustains the family and makes buying clothing and energy extremely difficult and dollars for education almost impossible. The student loan program has been the only source of revenue to these land owners who look good on paper but who have a miserable cash flow. Furthermore, these same people have a great amount of pride. They may see grant dollars as a federal dole but they see student loan dollars as an avenue whereby they can pull a fair share of the load.

Whatever you can do in Washington will be greatly appreciated. Please call on me for whatever service I can be.

Sincerely,

WAYNE MCELROY,
President.

PRESIDENT'S PROPOSED PROGRAM CUTS ARE DEVASTATING TO VIETNAM VETERANS

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BONIOR of Michigan. Mr. Speaker, in another whirl of activity, the House will receive today a second round of budget cuts. Running in the billions, the huge sum involved will obscure many details. I rise today to insure that one detail will not be overlooked.

In among the range of budget cuts, four small programs serving Vietnam veterans are expected to be eliminated. Compared to billions, this may not seem important, yet it is vital. These four programs are our service delivery system for Vietnam veterans. To cut them is to cut our ability to reach Vietnam veterans.

The fact that these cuts can be overlooked tells half the story. For while they are so vital to Vietnam veterans, they total approximately $67.8 million. The figure speaks for itself. It amounts to around one-tenth of 1 percent of the original round of budget cuts proposed by the President.

Mr. Speaker, like many of my colleagues, I share a concern that we increase our control over Federal spending, and I will be supporting cuts arrived at through the House's reconciliation process. I cannot support cuts that contribute so little and cost so much.

While insignificant to the President's efforts to control the budget, cutting these programs is devastating to Vietnam veterans.

Perhaps the most important program being cut is the VA's Operation Outreach, which funds some 91 readjustment counseling centers around the country. The program's history demonstrates both its needs and points, I think, the tragedy of the expected cuts.

First proposed in the early 1970's, the readjustment counseling program was not enacted until 1979. In the intervening years, it passed the Senate each Congress only to die in conference. For Vietnam veterans, its enactment was a frustrating process.

The decade-long process of its enactment is crucial to an understanding of the impact created by cutting the program. Enacted in 1979, the program became fully operational only in 1980. After waiting a decade, it is being ended after a little over a year and a half.

The need for the program is clear. VA studies released in the last few years have documented it:

Of those who served in Vietnam, 60 percent faced readjustment problems upon their return, and for 40 percent the problems remain; 51 percent of those who served in Vietnam never returned to school.

Not only is the program needed, it is effective. As centers were opened, they were flooded with Vietnam veterans. And the early rush did not disappear. Staffed principally by Vietnam combat veterans, the centers have, in many cases, earned the trust of their communities.

Every program has its problems, especially new programs. The readjustment counseling program is, I suspect, no exception. I would not seek to protect it from careful scrutiny and carefully designed cuts. But I will not sit by while it is abolished.

The Disabled Veterans Outreach program provides a similar example. Given a statutory base only last year, it, too, was responsive to a long documented need. According to the VA's program evaluation of the vocational rehabilitation program for service-connected disabled veterans, only 64 percent of the disabled Vietnam veterans surveyed were employed 90 to 100 percent of the time.

The final two programs provide additional special help. The veterans cost of instruction program helps veterans in college, at a projected fiscal year 1982 cost of $12.2 million. The targeted technical assistance program, not yet fully underway, hopes to help local areas provide better services to Vietnam veterans. Its cost was $4.8 million.

Mr. Speaker, each of these programs is being ended in a different way. Understanding the details is an education in budget cutting. I have attached a summary of the cuts and a description of each program and the budget cutting process used.

But among these details I do not want to lose sight of the overwhelming bottom line. We are being asked to watch the destruction of programs it took us a decade to build. In return we are not advancing some compelling but conflicting Government policy, for these cuts advance our budget control efforts so little as to be invisible.

The irony of the proposed cuts is, perhaps, clearer to us all in the light of the recent return of the hostages from Iran. The contrast between their return and the return of Vietnam veterans has reminded us all of the task we have left undone.

I do not wish to deny the hostage's courage, nor their sacrifice. Indeed, like many, my uncertainty as to how to point the inequity without appearing to deny the hostages their due has lead me to hesitate. But I recently read a letter by Colonel Wickert in the Washington Star of January 29 that offers us a sense of balance.

Mr. Speaker, I began by noting the President may propose the cuts, for there may have been some last minute change that will surprise us all. If not, I hope my colleagues will read Colonel Wickert's letter and join me in opposing the cuts.

THE PROPOSED CUTS

[In million]

Programs being cut	Savings
Readjustment counseling program	$31.5
Disabled Veterans Outreach program	19.3
Targeted technical assistance program	4.8
Veterans cost of instruction program	12.2
Total	67.8

READJUSTMENT COUNSELING PROGRAM: OPERATION OUTREACH

Enacted in 1979 (Public Law 96–22), the program authorizes the VA to provide readjustment counseling to Vietnam-era veterans. The program has been implemented through the creation of some 96 centers throughout the United States.

The program's original funding level was increased by $6 million in the fiscal year 1981 appropriation bill to fund needed expansion. President Carter's fiscal year 1982 budget called for additional funding to expand the program further and finally implement contact authority granted in the original act, bringing the total up to $31.5 million.

The Reagan administration froze implementation of the $6 million called for by the fiscal year 1981 appropriation bill; 156 of the 176 new positions created have not been filled. The March 10 budget is expected to recommend that the program be totally eliminated in fiscal year 1982.

Entitlement to use the readjustment program would have expired in October 1981 for any veteran who had not previously visited a center. However, veterans who had would continue to be eligible, and the Congress was expected to extend the program for another 2 to 3 years.

DISABLED VETERANS OUTREACH PROGRAM (DVOP)

Enacted in 1980 (Public Law 96–466), the program authorizes the Department of Labor to create 2,000 positions to develop jobs for veterans, with concentration on disabled and Vietnam veterans. The program is funded at $19.3 million for fiscal year 1981.

The Reagan administration appears to be proposing that during fiscal year 1982 only 1,000 positions receive special funding. The remaining 1,000 could be funded by States using Federal grants, but, apparently, no additional funding will be provided to the States to meet this need. During fiscal year 1983, the full 2,000 positions are to be funded outside of the Department's budget.

One escape hatch is provided. It appears the Department may fund slots by bringing them under its relevent regular hiring ceiling; but that requires that one position be emptied before a DVOP position can be created. In addition, the Department's relevent ceiling is expected to be cut by around 17 percent, making it even more difficult to find slots for DVOP positions.

DVOP was originally created in 1977 as a Carter administration executive initiative. The program was given a statutory base in 1980 in response to both its success and threats to its continued viability, including a gradual phase down and the increasing use of DVOP personnel or work unrelated to veteran employment needs.

THE TARGETED TECHNICAL ASSISTANCE PROGRAM (TTA)

The program was created through the use of title VI (public service employment) funds and was funded at a level of $4.8 million during fiscal year 1981. Negotiations were underway with some 30 different areas, and in the 9 locations final action was ready. The Reagan administration has apparently frozen title VI funds, effectively ending the program before it got started.

VETERANS COST OF INSTRUCTION PROGRAM (VCIP)

A Department of Education program, VCIP provides grants to colleges to help them assist veterans seeking or receiving college education. The program was projected to cost $12.2 million in fiscal year 1982. The March 10 budget is expected to propose elimination of the program.

[From the Washington Star, Jan. 29, 1981]

WHO BLED FOR REAL HEROES?

I agree that what the revolutionary government of Iran did in invading our embassy and capturing its personnel was an outrage, and the hostages' behavior and endurance deserve nothing less than commendation and praise. I am second to no one in my relief and grateful happiness at their 444-day delayed deliverance.

If these persons were the only Americans ever to suffer inconvenience, anxiety, abuse or pain, then nothing we could do would be excessive in their celebration and recompense. But they are not. In Korea and Vietnam, 52 good soldiers were killed every morning before breakfast on routine scouting and patrolling missions, and few hearts in this country bled for them. Nice, young, drafted farm boys, hideously burned, are today in veterans hospitals, totally forgotten and forsaken by all but their kin and the hospital personnel. Returning Vietnam heroes—true, combat heroes—have been spat on, figuratively and literally, by their countrymen on their return home.

The excesses about the detained, inconvenienced and maltreated ex-hostages today is in crass contrast. The yellow ribbons and flag-raisings, the candlelight vigils and prayer-sayings are not what I am talking

about. They are proper, right and good. I am referring to Warren Christopher calling them "our true heroes," Mr. Carter saying that because of their predicament "this country has been united as it never has been united before," Mayor Koch of New York City planning a celebration "far bigger than that for Lindbergh or MacArthur or for anyone," and congressmen planning to strike a special gold medal for each hostage.

All just fine, except for that boy in the burn ward, those spat-on, out-of-work Vietnam soldiers and airmen punished by their countrymen for their real pain and blameless performance of terrible combat duty.

The truth is, the mindless and unprincipled medium of television news made this so-called "crisis" (which it was not) and so now they are playing it to the hilt and milking it of its last drop of pathos. The Carter White House elected to play the thing as soap-opera (and paid a steep price for doing so, I am glad to note).

There was no excuse in 1979 for our nightly television show of ill-shaven Iranians waving their fists and burning effigies and flags of the United States. Maybe once, or twice, but not nightly. In the same category was the television fare, night after night, of agonizing hostage mothers, wives, girlfriends—euphoric, in tears, in agonies of doubt and fear.

If I were a returning Marine or State department person, I would say, "You will make no circus animal of me! I knew there were risks when I signed aboard. Let me now alone, so that I will be free!"

The straw that broke it for me was The Star's caption (headed "Hostage Report") under a group picture of the eight servicemen killed on the unfortunate rescue mission. With the same semantic slovenliness that has marked all of the news media's handling of this grotesque soap opera, you say beneath their earnest, youthful faces, "Effort to Rescue Hostages Died Ignominiously on Iranian Desert." I have taught college-level English for 20 years and am (as I thought at least The Star was also) sensitive to semantic values. Ignominious means "shameful, dishonorable, disgraceful, contemptible, despicable, degrading, humiliating."

Are we a great—the great—world power? Or are we a nation of sheep (and schlock)? Do we have any values, proportion or balance not manipulated by professional tub-thumpers? Think of my boy, now going on 29 years old, in the burn ward. He was carrying igniters on his back as he was ordered to.

HOWARD WICKERT,
Lieutenant Colonel, U.S.A., retired.

□ 1230

RETIRING DIPLOMAT, RICHARD N. GARDNER

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks and to include extraneous matter.)

Mrs. FENWICK. Mr. Speaker, I would like to say a word about one of our retiring diplomats, Richard Gardner, who has represented this country in Italy, so faithfully and so well. It is not just a question of being a good and faithful public servant which indeed he is, but he was also a most effective representative of the people of this country and its Government.

He loved and understood the people of the country to which he was sent, and perhaps that was one of the reasons for his great success. In any case, our interests were well advanced. Since we have no knighthoods to give to those who leave such honorable public service, I would like to insert in the RECORD this report from the New York Times:

DEPARTING U.S. ENVOY TO ITALY SEES LINKS ENHANCED

(By Henry Tanner)

ROME, February 27.—If there is one message that Richard N. Gardner, the departing American Ambassador to Italy could leave to the Republican Administration, it would be: take the Italians seriously; they are better allies than most.

Mr. Gardner, who was to leave Rome today to resume teaching international law at Columbia University next fall, feels that he is leaving Italian-American relations in a much healthier state than when he arrived. Most Italian politicians and journalists would agree with him.

When Mr. Gardner was sent here by the Carter Administration, the Communists were basking in 1976 election gains that gave them more than a third of the popular vote for the first time, and they were pushing hard to become members of the government. Today they are in the opposition, isolated and on the defensive after several election setbacks.

The Socialist Party is steadily becoming more anti-Communist. It has joined other non-Communist parties in a Government for the first time in 14 years and is gradually transforming itself into a social democratic party along the lines of Chancellor Helmut Schmidt's group in West Germany.

NO LONGER INTERFERING DIRECTLY

American policies and affairs are being discussed with respect by Italian newspapers, and there is little predictable anti-Americanism. Even Communists concede that the big embassy on Via Veneto, though still trying to influence Italian politics, is no longer interfering directly. "They no longer go around stuffing dollar bills into the pockets of generals and politicians," a Communist politician said.

It is not that Mr. Gardner has brought all this about. But, as Egidio Ortona, a former Ambassador to Washington and delegate at the United Nations put it, "he has been a good influence; a poor ambassador could have done a lot of damage."

Mr. Gardner has been a tireless worker, traveler and speaker, making about 40 major speeches a year in all parts of the country and driving his large embassy staff mercilessly.

He and his Italian-born wife, Danielle, have been hosts to a steady stream of politicians, businessmen, professors, writers and artist. Unlike previous ambassadors who limited their hospitality largely to the hard core of establishment politicians and businessmen, the Gardners have been reaching out into less conventional sectors of Italian society.

Mr. Gardner has been cultivating Bettino Craxi, the head of the Socialist Party, who has been moving to the right and hopes to become Italy's first none-Christian Democratic prime minister.

The Ambassador has also been in contact with the younger anti-Communist Christian Democrats in Parliament who hope to replace their party's aging leadership. The embassy believes that they can be relied upon to bury the "historic compromise," the concept that Italy can be governed only by cooperation between its two largest parties, the Christian Democrats and the Communists.

In terms of United States foreign policy, Mr. Gardner's finest hour came in December 1979, when Italy became the first European country to accept the deployment of new American cruise and Pershing II missiles. The Italian decision was crucial. The West Germans had said they would accept the missiles only if another European nation did. The Dutch, Belgian and Danish Governments could not do so for domestic political reasons. The Italian Government, even though the country has Western Europe's largest Communist Party, not only accpeted the missiles but did it without serious political repercussions.

One of the things that made the Italian decision possible was that Mr. Craxi, whose party had once rejected NATO entirely, was willing to support it.

Italy also went along with the American call for sanctions against Iran even though it had about $3 billion in contracts in Iran along with 1,800 Italian technicians as potential hostages. The Italian Government also supported the boycott of the Moscow Olympics last year, but the Olympic committee sent its members to Moscow anyway.

When he arrived here in 1977, Mr. Gardner had a dual assignment concerning the Communists. On one hand, he had to carry on with the traditional American policy of helping to keep the Communists out of the government of a major ally. On the other hand, since the Communists were a major power in the country, Washington wanted him to acknowledge their power and to establish contacts for the first time between the embassy and Communist officials to find out what their thinking and intentions were.

It was a difficult policy to carry out. His arrival was preceded by articles in leftist Italian newspapers praising him as an "open-minded man" representing a more open-minded Administration.

Soon afterward, when a State Department spokesman, with the French election campaign in mind, declared that Washington did not want to see the Communists "dominant" in an allied government, the Italian left concluded that since the Communists here could not possibly be dominant, the United States had lifted its unqualified opposition to their entry into the government.

CORRECTING A MISCONCEPTION

President Jimmy Carter later corrected the statement from "dominant" to "influential," but the misconception was kept alive inadvertently by some and purposely by others. The Rome daily La Repubblica, which supported the Communist effort to enter the government, praised Mr. Gardner and the Carter Administration so consistently that the Ambassador finally sent a man around to see the editors and tell them, in effect, that look, we are not nearly as open-minded as you seem to think.

In a recent conversation, Mr. Gardner said he was appalled when he arrived here to see how little cultural impact the United States had on Italy. "Culture is politics here," he said. "The Communists are systematically trying to establish a cultural hegemony in the schools, the press, the unions, the judiciary and only last in the government."

The Ambassador upgraded American cultural programs, including the translation of American books, language programs and scholarships paid by private Italian and American businesses. He hopes that these programs will continue.

"Erosion of the intellectual and cultural foundation of the alliance could be just as great a threat as the Soviet SS-20," he said, referring to the Soviet medium-range missile. "It would be tragic if these programs fell."

LEGISLATION REMOVING RESTRICTION ON FOREIGN ASSISTANCE FUNDS FOR SPRAYING OF HERBICIDE TO ERADICATE MARIHUANA

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHAW. Mr. Speaker, today I am introducing legislation which will remove the restriction on foreign assistance funds for the spraying of a herbicide to eradicate marihuana. Similar legislation is being introduced in the other body today by the senior Senator from my home State of Florida.

Currently countries are prohibited from using U.S. funds to destroy marihuana fields through the spraying of herbicides.

The ban was adopted when there was great concern that Americans who smoked sprayed marihuana would suffer serious health problems.

However, subsequent testimony has shown that the health threat is questionable at best.

As insurance, my bill will direct the Secretary of the Department of Health and Human Services to monitor and report to Congress on the health impact.

What is not questionable, however, is the effect this current statute has had on efforts to stop the ever-increasing flow of drugs into the United States.

It is unrealistic for the United States to say we are serious about controlling drug trafficking if we prohibit other countries from using the single most effective means to accomplish large-scale destruction of marihuana crops.

Therefore, I urge prompt consideration and adoption of this legislation.

Mr. Speaker, today I received a letter from Florida's Attorney General Jim Smith. I believe his remarks should be made part of the RECORD and deserve serious consideration:

DEPARTMENT OF LEGAL AFFAIRS,
OFFICE OF THE ATTORNEY GENERAL,
Tallahassee, Fla., March 9, 1981.

Hon. CLAY SHAW,
U.S. House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR CLAY: My staff advises me that your office is preparing legislative proposals directed at the drug smuggling problem. Nothing is more vital to the future of Florida at this time, and your interest in this problem is much appreciated.

For the past two years I have been working at the state level to help organize the resources available here and achieve some meaningful drug enforcement. As you know, however, Florida has been overrun by the smugglers. We're simply not equipped to make significant gains. Our state has mounted a full effort to combat these smugglers with little success.

The one measure that has demonstrated its effectiveness in curtailing the importation of drugs is denied us by law. This is the spraying of the crop with herbicides in the field. Mexico's standing as a prime source of marijuana for the U.S. market was destroyed along with the crop after its participation in spraying operations, financed by the United States and Mexico.

An amendment to the Foreign Assistance Act of 1961 prompted by what would seem to be contradictory concern for the health of drug users who might receive a product containing herbicide residues now prohibits use of foreign aid funds for this purpose. Medical evidence does not, as suggested by the 1978 study of the United Nations Narcotics laboratory, support this concern. In fact, no case of herbicide poisoning by marijuana use has ever been reported to health agencies of the federal government that research such matters.

Moreover, the United Nations Fund for Drug Abuse Control and drug enforcement officials at every level, including those in the Colombian government, proclaim spraying as the only measure assuring success in the near term. Once the product reaches the myriad channels of smuggling, the odds against interdiction and the cost increase exponentially.

This amendment should be repealed, and I strongly recommend that you consider offering such a measure to the Congress. I believe you will find support for repeal at the highest level—including DEA Administrator Peter Bensinger and Colombia's President Turbay—among officials who are close to the problem.

Of course, my staff and I are ready to help at any time, in any way we can.

Sincerely,

JIM SMITH,
Attorney General.

THE ECONOMIC RECOVERY TAX ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 60 minutes.

● Mr. CONABLE. Mr. Speaker, along with the Republican leader of this body and my Republican colleagues on the Ways and Means Committee, I am introducing today the legislation which implements the tax provisions of President Reagan's program for economic recovery. The Economic Recovery Tax Act of 1981 spells out the details of the President's individual and business tax reductions.

Individual taxes would be reduced across-the-board over 36 months, as follows: 5 percent in 1981, 10 percent in 1982, 10 percent in 1983, and 5 percent in 1984. The cumulative effect of these phased reductions is a 30-percent cut in individual taxes. When the full individual tax cuts are implemented the span of rates will be reduced from the current 14 to 70 percent to a range of 10 to 50 percent.

The reduction of the top individual rate from 70 to 50 percent will encourage persons in high marginal brackets to direct their disposable income into productive investments. Currently, persons in these high brackets often participate in tax shelters which contribute little to the overall economy. The principle motivation of these taxpayers is to cut their effective marginal bracket. Lower marginal brackets will reduce the attractiveness of tax shelters and infuse more funds into the mainstream of the economy.

Little good comes to the economy when persons find it preferable to invest in tax shelters, gold coins, or oriental rugs instead of enterprises whose enhancement would advance the economy. By placing their disposable income in the economic mainstream, these persons will be staking their personal financial success on the success of the overall economy.

A reduction in the marginal rate of taxation does represent an encouragement to work harder and to save more. As we have gone through a bracket creep process in recent years, our income tax has become increasingly progressive with the result that people have lost incentive to increase their incomes, whether through risktaking or through simply working harder on the opportunities that arise. Thus, there is good economic argument in behalf of this kind of rate cutting.

Accelerated depreciation for plant and equipment is the centerpiece of the administration's business tax reduction plan. The proposal embodies a modified version of the Capital Cost Recovery Act, also known as "10-5-3" or the Jones-Conable bill.

The President's proposal makes some modest and entirely beneficial changes, establishing statutory recovery periods of 18, 15, 10, 5, and 3 years for investment in different categories of depreciable capital assets.

The Economic Recovery Tax Act provides a 3-year recovery period for cars, light trucks, as well as depreciable personal property unused in connection with research and development. Also this category of property would not be limited to the $100,000 annual ceiling contained in the original "10-5-3."

The act provides a 5-year recovery period for equipment and machinery, comparable to the "5" in "10-5-3." To the extent research and experimentation equipment now falls into the "3" category, it obviously would not be in this category. Also, some long-lived utility property may be excluded from the "5" category.

Certain owner-user buildings and public utility property with a midpoint lifetime greater than 18 years are placed in a 10-year recovery category. Thus, this category is a limited version of the "10" in "10-5-3." The term "owner-user building" means a building owned by the taxpayer and operated for a qualified use. Qualified use generally includes industrial, manufacturing, and production operations, plus retailing and warehousing activity. Office buildings would not qualify for 10-year recovery.

Like the accelerated schedule in Jones-Conable, the pattern of recovery for the act's 10-, 5-, and 3-year categories is not uniform. For example, property in the 5-year category is not written off 20 percent a year for 5 years. Rather, the recovery pattern is 20, 32, 24, 16, and 8 percent, respectively, over 5 years.

The Economic Recovery Tax Act also follows Jones-Conable in applying the investment tax credit. Equipment and machinery in the 5-year category would receive the full 10-percent investment tax credit, while property in the 3-year category would receive a 6-percent credit.

The act's treatment of the investment tax credit is, however, more generous than under current law. Current law requires an asset to have an expected useful lifetime of at least 7 years in order to receive the full investment tax credit, whereas the President's proposal and "10-5-3" grant full credit for property in the 5-year category. Similarly, under current law, property with a useful lifetime of fewer than 3 years receives no investment tax credit, whereas the new system would grant such property a 6-percent credit. The investment tax credit is recaptured on a proportional basis in cases where the 5- or 3-year recovery property is disposed of within 5 or 3 years, respectively.

The President's plan also improves the tax treatment of buildings—other than those includible in the 10-year category—by establishing shorter, audit-proof recovery periods. Commercial, nonresidential buildings and low-income residential buildings would be depreciated over 15 years using the straight-line method. Residential rental property would be depreciated over 18 years using the straight-line method.

Current rules regarding the recapture of accelerated depreciation on buildings would become moot under the new system. Recapture generally is based on the excess of accelerated depreciation over straight-line depreciation. Since the act deems most buildings to have a straight-line recovery period of 18 or 15 years there is no excess amount of depreciation.

The Economic Recovery Tax Act phases in the new capital recovery system in a manner similar to "10-5-3." The 3-year recovery property is covered immediately. The 5- and 10-year recovery categories are phased in over 5 years. The 15-year category of buildings is phased in over 3 years, whereas the 18-year category is covered immediately.

Mr. Speaker, this highlights the salient features of the Economic Recovery Tax Act of 1981. My description shows that it implements the tax plan unveiled by the President on February 18. It contains no surprises. Its contents have been debated for at least 8 months. It has strong and widespread support among the populace, and I trust that now we will proceed with prompt action.●

THE DAIRY PRODUCTION ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, today I am introducing the Dairy Production Act of 1981. This is a significant piece of legislation, for if this bill is adopted by Congress, the dairy industry of the United States will be making a significant financial sacrifice.

I would like to add, Mr. Speaker, that the dairy support program has been unfairly criticized during this past year. Government inventories of dairy products have been building and many contend that this is because support prices have been too high. The real problem is that the alternatives to dairying have not been favorable. Beef prices have not been at a level which would encourage farmers to cull their producing cows. Consumers, too, have favored buying lower priced pork and poultry, thus keeping downward pressure on beef prices. My colleagues also should not forget that the Carter administration placed an embargo on grain sales to the Soviet Union. Grain prices did not increase as expected, and farmers increased their feeding of concentrates—milk production per cow increased.

Many contend that the support program is costly; an accurate accounting by the administration would show that the program is not costly at all. Most of the product is sold back to private industry or distributed through domestic channels. This money is returned to the Treasury. For example, for the fiscal year 1980, the support program actually cost the U.S. Government $314 million, and not the $1.3 billion that has been reported.

Let us review the record of the dairy price support program: Supports at 80 percent of parity and above have worked well to balance the supply of and the demand for milk. For example, when this body was considering the extension of 80 percent dairy price supports in November 1979, the Congressional Budget Office presented material—through testimony of its Director before the House Committee on Agriculture—which showed that supports at less then 80 percent would lead to an imbalance of supply and demand and eventually higher consumer costs. CBO recognizes, as do many of us who are from dairy producing areas, that a lowering of supports can force farmers out of production, decreasing supply and having a longer-term effect of increasing consumer costs. This happened in the early 1970's when supports were lowered; without the flexible scale for determining supports which I am placing in my bill, it could happen again. It is even more difficult to turn on milk production than it is to turn it off. Perhaps we should spend more of our time trying to cure the ills that exist in the rest of the economy instead of destroying a relatively healthy and important sector such as dairying.

Some people may have the impression that dairy farmers are getting rich. A review of record indicates that farmers' costs are increasing faster than the increase in the amount received for milk. For example, electronic accounting records of average-size Vermont farms show that 52 percent were worse off in 1980 than in 1979. Information from the Cornell University management information summary of 122 New York farms shows that operating receipts per cow increased by 10.4 percent while operating expenses increased by an average of 13.8 percent. Furthermore, a report of the Springfield Farm Credit Bank states, "That the price farmers receive for their milk has increased just enough each year to keep up with the inflation of expenses."

As I mentioned in the beginning of my statement, the dairy industry has made sacrifices before for the Nation and it is willing to do so again. The U.S. dairy industry accepted concessions in the multilateral trade negotiations which allowed for the additional importation of 67 million pounds of cheese, which lowered returns to producers by 25 cents per hundredweight. In addition, the U.S. Government has allowed more than 150 million pounds of casein, a milk protein, to be imported into the United States, even though that product should normally be restricted because it is disrupting the operation of a domestic support program and it is counter to the provisions of section 22 of the Agricultural Adjustment Act of 1933.

Again I say, and the record proves it, the Government inventories of dairy products are building not because dairy supports have been legislated to be at 80 percent of parity, but because the alternatives to dairying have not been favorable. Nevertheless, the administration is asking the dairy farmer to make a sacrifice by forgoing an increase in supports. For this concession I am hopeful that the administration will take positive action to increase the manufacturing allowance for manufacturers to convert fluid milk to storable dairy products, and raise the sellback price of product to industry from 105 to 110 percent. This latter change will reduce significantly the amount of product held by the Government. Because of the Government's sellback policy of 5 percent over cost, private industry has chosen to let USDA buy and store dairy products.

The legislation which I am introducing today will base supports on the level of Commodity Credit Corporation stocks which the Secretary of Agriculture anticipates to be on hand. The lower the level of stocks, the greater the support price. If this legislation is enacted prior to April 1, there essentially would not be any significant increase in support prices, thus signaling the dairy industry that stocks are too high. Stocks would not again adjust to above 75 percent of parity unless CCC stocks decreased to a manageable level—again an incentive for the dairy industry to decrease the level of production. In addition, my legislation will direct the President to place a quota, based on a 5-year average of imports prior to 1981, on the importation of milk proteins used for food and feed purposes. This action alone could reduce by 280 million pounds the amount of nonfat dry milk held in Government stocks.

I am hopeful that this legislation can be considered quickly by Congress so that the dairy farmers of this country can adjust to no further significant increase in supports while Government inventories of dairy products are high.●

COMMITTEE STAFF FUNDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 45 minutes.

Mr. COLLINS of Texas. Mr. Speaker, at this time the House is meeting in our own committees—we are constantly meeting—on the subject of committee staff funding. I welcome the gentleman from California (Mr. LUNGREN) sitting on this special order, because he has been working closely on it, and we are all very much concerned. The House Administration Subcommittee on Accounts has been hearing these budgets. They have been discussing them in detail. They have been reviewing them. They sent them on up to the Full House Administration Committee. And today my Commerce Committee went before the House Subcommittee on Accounts, and the gentleman from North Carolina (Mr. BROYHILL) represented the minority viewpoint and our chairman, the gentleman from Michigan (Mr. DINGELL) presented the viewpoint from the Democrats' side.

I find in Congress that we tend to criticize, but we never criticize our own committee. And since I have very serious doubts and grave concern about this entire committee staff funding, I want to tell the Members that I am as much opposed to my own committee as I am to any committee that is coming up.

Now, when I was listening there today, I heard Chairman DINGELL of our Commerce Committee make this statement. He said:

> This country has many, many problems. We have many, many problems. We need a bigger committee to take care of these problems.

Well, I will tell you, he is right. This country has many problems. But Congress does not solve the problems; Congress is the cause of the problems. The problem we have in this country is that we just have too much government. We have more government than we need. We have more regulations than we want and, heaven knows, we have more taxes than we can afford to pay.

What we have to do is to take action where it all starts. It all starts with this committee staff funding. These committees, as staff grows and they grow and they grow, staffs have to generate more and more and more work, because the more work they generate, the more it rises them up in the level of the committee, and then they can have two or three staffers under them, and it gets to be a bigger title and higher remuneration.

I want to tell the Members one thing about this Energy and Commerce Committee on which I serve. It is a great committee. I am proud to be on it. But Commerce is not a committee; this is an empire.

Back in 1973, when I was on the Commerce Committee—I checked the figures—back then we had 56 total staff, and that was plenty. That was more than adequate. Fifty-six staff. Do the Members know that right back here in this hearing room what they were asking for today? One hundred and seventy-seven. One hundred and seventy-seven staff.

Now, they make the statement that energy is a big problem in this country, and they are right. But I will tell the Members when energy got to be a big problem in this country was when we started taking over in the Government.

Back in 1973, when we had 56 people, they said we need more people running the energy business here in Congress, we need more experts. The trouble was that our country was dependent on foreigners. We were not dependent on foreigners at all then. We were importing $3 billion in oil. Today, this year, we imported $80 billion in oil. In 7 years of Government intervention, Government planning, all of this Government committee leadership, our imports have grown from $3 to $80 billion.

Congress does not solve the problems. Congress is the problem.

Let me go into some of these deals about how busy this Energy and Commerce Committee is. I want to tell the Members the subcommittees really are busy. I serve on three subcommittees and they are meeting all the time. You just can hardly close one door before another one opens.

We made a check last year on the committees in the House, the subcommittees, to see who was doing the work around here. We have six subcommittees in our Commerce Committee. I want to tell you where ours stood, so far as hours they worked last year. No. 1, No. 2, No. 3, No. 5, and No. 7. We met all the time. And the more we met, what happened? The more energy we import, the more regulations we put on the back of business, the more problems America has. They tell me that industry today has real problems because they cannot buy new machinery, they cannot buy new equipment, they are putting all of their funds into clean air. They do not put all of it in clean air in Japan; they put it in jobs. We do not need all of these regulations. The best thing we could do would be to start working this year to modify excessive regulations.

I just mentioned the fact that our staff has grown in the Commerce Committee from 56 to 177 between 1973 and 1981. But I want to tell the Members where staff is growing. It is growing on the Democrat's side. They are the ones who demand all of this extra counsel. They are the ones who have all of the topheavy staff. If the committee gave every one that we asked for on the Republican side, we would not get but 31. And if the Democrats took twice as many, that would be 62 for them. The Commerce Committee would not need but 93. Heaven knows, we do not need but 56. But to talk about 177.

It is interesting, and we should bear in mind that in our body, in the House, we have a much larger committee staff than they do over in the Senate. I know the Members of the House well, and I have the highest respect for my friends. They are gentlemen, they are scholars, they are diligent. We are just as smart as the people are down there at the other end of the Capitol. But for some reason the House needs a lot more staff to advise us on what to do over here. It takes 60 percent more, 60 percent more committee staff—that was the record last year—60 percent more money was spent for committee staff

here in the House then they spent over on the Senate side.

Now, it is interesting that this year there is a lower staff budget on the Senate side because the Senate is controlled by the Republican party, and the Republican party said, "We are going to cut the budget, we are going to cut spending."

Now, over here the issue is squarely with the Democrats. The issue is squarely on their side of the aisle. Are they going to take the lead? Will the Democrats cut back that 60 percent margin of overpadding, of overstaff, that we have over here, or will the Democrats come through and ask again for a big increase?

I yield to the gentleman from California, (Mr. LUNGREN).

Mr. LUNGREN. I thank the gentleman for yielding, and I want to commend him for being the leader in this fight for the past several years.

One indication of the effectiveness of the gentleman in the well I think is seen in the fact that we have taken off the calendar for 2 weeks in a row now the schedule of seven of our first committee funding resolutions. The scuttlebutt now heard is that we are going to take all of the committee resolutions together, put them in one package, and only allow us a single vote on it, and I would say to the gentleman in the well that he has been extremely effective, so effective that some who differ with him apparently feel we have to go to those ends to try to defeat his efforts.

I would say to the gentleman that I think there are a number of Members on the other side of the aisle, though they be Democrats, who would go along with us, but it is going to be extremely difficult for them to do so on particular committees if they only have one vote, an up-or-down vote on whether we should fund this place at all.

□ 1345

Then it becomes a question of party discipline to support that. Then we have defeated our very purpose here. I think the gentleman has pointed out that we have had an explosion of staff in this place.

One of the problems we have is that it is a self-defeating proposition. We create staff to take care of us because we have so many committees and subcommittees. The reason we have so many committees and subcommittees is that we will not discipline ourselves and really get down to just a few assignments. We realize we cannot be everywhere, so we need staff to cover for us.

The staff, to make sure that they stay on, generate more work. We find more work we cannot do, so we create more staff to take care of that work, and it never ends.

It seems to me if we are ever going to get down to the question of reorganizing this institution which we both love, we are going to have to do two things: first, get rid of proxy voting on committees.

Mr. COLLINS of Texas. If I could just interrupt the gentleman right there, that is what happens when we get on too many committees around here. Mr. LOTT, our Republican whip from Mississippi, has made a strong issue of that; this letting Members just sit around and leave proxies all over the place instead of being in hearings and speaking for themselves. I am glad you hit that one right at the first, because that is a very serious issue.

Mr. LUNGREN. And so, Mr. Speaker, we have two things that go hand in hand: Proxy voting which allows us to be there when we are not there, and excessive staff which allows us to do things that we cannot do ourselves. The upshot of all of this is that we do not pay attention to many of the bills in the subcommittee or committee stage because you go prepared to have hearings, you go prepared to listen to the evidence, you go prepared to make up your mind based on the evidence that is presented, and maybe everybody there decides, based on the evidence that is presented, that there is one way to go, but a chairman or someone else will pull the proxies out of his pocket and vote the opposite way for those people who never had the benefit of those hearings that were actually taken.

It then happens on the committee level where proxies are allowed to be voted.

Then we come here on the floor of the House and we have bills that really are not in good shape. What happens when we on the minority side attempt to bring amendments and some on the majority side bring amendments? We get criticized by the leadership for slowing down the process and for attempting to put roadblocks in the legislative progress.

The fact is that much of the legislation is not being dealt within the subcommittee level, the committee level, and then by the rules we adopt on the floor, which do not allow us to take care of those problems, it is not being dealt with on the floor.

So, the committee staffing goes beyond us picking up the cudgel thrown by the President of the United States to try to slim down Government to its regular size so that we are fighting trim instead of being overweight and trying to slug ourselves through a fight that we cannot win. It goes to the very question of how this institution operates.

If we are elected by the people to make those decisions, we ought to make those decisions; they should not be made by staffers who in some ways—and there are many, many good staffers, I do not mean to say that there are not—but there is a certain feeling that develops after awhile when you are here long after the Members are here, when you stay on the committees and the subcommittees long after they do.

I had a freshman Member come to me today and say during a hearing he and another Member got together to bring up an amendment and they asked one of the counsel to come over. The counsel said, "Well, have you checked with this staff person and that staff person, and that staff person?" He named three staff people. "Well, if you have not checked with those staff people, I would suggest that you not introduce this amendment during this markup proceeding."

Now, what does that mean? It means that we have turned this place on its head. There is no justification for the growth we have had in staff. Two years ago the entire professional staff of the Committee on Education and Labor went to the People's Republic of China. I have waited with bated breath to find out what pearls of wisdom they have brought us back from the Communist regime in China as to how we can better have labor relations in this country or how we can better educate our children. You know, I am still waiting, because I doubt we can learn much in the People's Republic of China about our labor relations and our educational institutions which I thought were the reasons that we had a Committee on Education and Labor.

We all know that it goes on. It is something that we keep quiet about here on the Hill, and we should not keep quiet about it. The American people are looking at us. I would hope sometime that the press, who are so interested in watching when we do our daily dance or yearly dance on pay raises for Members of Congress and then leave as we discuss something else which probably costs 40 times as much, would pay a slight bit of that attention to how we organize ourselves, to the fact that we are overstaffed here, to the fact that on some committees you have four and five and six and seven and eight people just on the top who are making over $30,000 or $35,000 a year which would put them in the upper brackets of anybody's district in this country.

Mr. COLLINS of Texas. If the gentleman would pause just there, I appreciate what he is saying. I remember February of last year when we spoke on this same subject of "Are committee staffs too high, can we cut back?" and they thundered the vote over us. But we are back to it again.

I want to mention my own Energy and Commerce Committee because we do have many very capable people, but I did not know how many we had. We

have in this committee 45 people making over $39,500—that is 45 people who are making over $40,000 salaries in that committee staff—and we have 21 that are making over $50,000. Now that is a lot of executives that are in that one committee.

One other thing I would like to bring out when we are talking about these committees: Our side of the aisle, the Republicans, are not the ones asking for all this excess staffing. Apparently we catch on to things more quickly. I do not know why they need so many people on the other side of the aisle.

I was ranking member for 4 years on the Oversight and Investigations Subcommittee. The Democratic majority always assigns the staff and they gave me one. But they had 31 on their side—31 for them and 1 for Republicans.

Well, right now I am the ranking member on the Subcommittee on Communications. They asked me how many we needed and I said one. We have gotten 1 and they are asking for 18.

Now, it is obvious where the big load is. It is obvious where the bloated committees are. The Democrats have got to face up to this issue.

As the gentleman said so well, President Reagan has given America a challenge. He has given us an absolutely necessary basic issue that the Democrats have to face. And where it will be faced first is right here in Congress. We have got to cut down on the size of our committees so we can cut Government spending.

While we are talking about this, I like to keep coming back to the Senate because over in the Senate they divide their committee staffing two to one. In other words, the majority takes two and the minority takes one.

Over here in the House where Republicans make up 44 percent of the membership—44 percent of the House are Republicans—they give us 1, and they take 18. Now, that looks to me like an overloaded deal, and it is obvious where the overload is coming from.

The ranking Republican of our committee came in and he said, "I'm asking that the Commerce Committee cut its budget by 10 percent of what they spent last year."

Now, the gentleman from North Carolina was taking a very moderate position. I think we ought to cut it by 50 percent. But Mr. BROYHILL just asked them to cut it by 10 percent. I will be interested in seeing, just as you will, what the figure is when it comes to the floor.

Now, one final thing I wanted to bring up about committee staff. We do not want to see people lose their jobs. I want people to have jobs. That concerns us down in Texas more than anything, that people have jobs, people work for a living. The chairman of our committee, before House Administration, made this statement which is interesting. As you all know, staff are not on civil service; they are just temporary employees. But they are most talented and our chairman said:

> Every person on our staff committee could leave our committee, go downtown and get a job where he would be making probably twice as much money.

Now, I think that is advancement. What we are going to do, we are going to do something for all these staffers on the committee, these $50,000 people are now going to be able to make $100,000 because they will be able to go downtown and work in civilian life. We are not creating any job loss; we are just giving them an opportunity to move forward in civilian life.

This committee staff funding issue is coming up. I hope it does not go on a party line vote. I hope we vote for what is good for the country. The challenge for saving money rests on the Democratic Party.

Let us provide a great example of austerity for progress.

INTRODUCTION OF A GI BILL PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HUNTER), is recognized for 5 minutes.

● Mr. HUNTER. Mr. Speaker, during the recent Armed Services Committee testimony presented by the Joint Chiefs of Staff, I was particularly impressed by the importance they placed on manpower—or, more specifically, the lack thereof. All acknowledged that the substantial improvements in pay and allowances approved by Congress during 1980 had brought us back from the brink of disaster. It is obvious that while we may no longer teeter on the edge, we have moved only a few feet back; the massive chasm is still quite visible.

Our committee is deeply concerned about readiness and this year reorganized the subcommittee structure to focus more attention in this area. During questioning by panel members, the Joint Chiefs pointed out that no matter what the state of our weapons systems, spare parts or maintenance, readiness was an empty term without sufficient skilled and motivated people. Getting directly to the point, the Chief of Naval Operations made clear that his No. 1 problem was still personnel.

The 96th Congress made major, if greatly overdue, changes in the military compensation system. According to service officials, these revisions are already being reflected in a substantial increase in retention rates. This is indeed cause for jubilation, but we should not be blinded by this initial flush of success. Like a first-period touchdown, it is exciting to the fans, but an awful lot of time still remains on the clock.

During my election campaign, I had the opportunity to talk with literally hundreds of young men and women on active duty in the Nation's Armed Forces. They were very candid about what was right and what was wrong with a military career. These gripe sessions were an education for me, even as a Vietnam veteran, and will prove invaluable in my work on the House Armed Services Committee. Aside from the obvious concerns about pay, medical care, family separations, and other quality of life items, I was particularly impressed by the importance which they placed on education, or more correcty, the lack of an adequate education program for veterans.

In a supposed economy move, Congress in 1976 abolished the GI education bill and replaced it with a contributory plan, the post-Vietnam-era veterans education assistance program, commonly called VEAP. It has proven to be a dismal failure. It is time to rethink this decision and reestablish a more comprehensive education program in return for service in the Armed Forces.

During fiscal year 1980, for the first time in several years, the services met their numerical recruiting goals. This may be only a temporary phenomenon, unfortunately, due more to the general state of the economy than to the new-found attractiveness of a military career. In addition, we should be very concerned over the caliber of recruits because the percentage of individuals entering the service with high school diplomas continues to decline. With the increasing sophistication of our weapons systems, we desperately need to raise, not lower, the education level of our military personnel. The current monetary enticements to military service are simply not accomplishing the job they were intended to do.

Frankly, I believe we can make a good case to some of the best of our high school graduates who for financial or other reasons are unable to go immediately on to college that they spend a certain number of years in the service of their country in return for substantial Federal assistance in financing their educations. In the current budgetary dilemma, we need to carefully reexamine the $5 billion being spent for Federal higher education aid, on a no-strings-attached basis, to determine whether revisions may be required. It is not unreasonable for the Nation's taxpayers to expect some type of repayment in return for an education; military service should be the top priority.

A new GI bill, along with adequate pay and selected enlistment and reenlistment bonuses for shortage areas,

would go a long way toward improving the number of recruits and, more importantly, the quality.

As the Washington Star recently titled an editorial on the issue of military manpower, we have a "GI Bill Without GI's." The Nation's taxpayers are underwriting billions of dollars in higher education assistance at a time when our Armed Forces go begging for good people.

As the caliber of recruits declines, the sophistication of our weaponry increases by leaps and bounds. Without replacement of the skilled technicians who have left the services in droves in the past few years and a major upgrading of new manpower accessions, I fear we are on a collision course. Now is the time for decisive action. We must continue the trend begun last year of assuring that the pay schedule keeps pace with inflation and that special incentive pays and bonuses do not fall so far behind that they become meaningless. Additionally, we should reestablish a GI bill for education. It will not be a cure-all and should not be designed as such. It should be a major, highly visible and easily understandable component of the military compensation package and I urge such action this year. The bill I am introducing today will be a first step in that direction.●

NINE-DIGIT ZIP CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, last week I wrote Postmaster General Bolger expressing my concern about the failure of the Postal Service to clarify to the American people the plans for the development of the nine-digit ZIP code. My letter included questions reflecting the major areas of concern which had been brought to my attention.

This morning I received a response from the Postmaster General. I bring this correspondence to the attention of the House so that all Members will have an opportunity to study the Postal Service's position. The Committee on Post Office and Civil Service has scheduled hearings before the postal subcommittees chaired by Mr. CLAY and Mr. LELAND, to be held Thursday, March 12, 1961. I hope that at that time any further questions will be brought to the committee's attention.

I insert in the RECORD a copy of my letter and the response from the Postmaster General:

COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C., March 2, 1981.

Hon. WILLIAM F. BOLGER,
Postmaster General,
U.S. Postal Service,
Washington, D.C.

DEAR MR. POSTMASTER GENERAL: The issue of the nine-digit ZIP code is very much in the public mind and many questions have not been answered. I would appreciate your providing specific answers to the following questions:

1. What effect, if any, would an expanded ZIP code have upon postal employees now or in the future? Would any layoffs result?
2. Will any mailer, either a business mail user or private citizen, be required to use the nine-digit ZIP code?
3. Would the level of service provided ordinary first-class mail differ if a mailer used a nine-digit rather than a five-digit ZIP code?
4. How much would it cost to install the machinery necessary to implement the nine-digit system? What is the estimated return on investment?
5. What plans do you have to ensure that American business enterprises will be involved in the manufacture of any equipment used?
6. What assistance does the Postal Service plan to provide for mailers who demonstrate a willingness to convert their mailing systems to a nine-digit program?
7. If mailers are willing to use the new system, will any financial incentive be provided? Do you have an estimate of the cost of conversion for the business mailer? Do business mailers agree with your cost estimates?
8. Would it make any substantial difference if the ordinary citizen continued to use only a five-digit ZIP code on their personal mail rather than the nine-digit ZIP code?
9. How will the Postal Service make the new ZIP codes available to business mail users and the general public?
10. Many complaints have been made that postal employees required ordinary citizens to put ZIP codes on parcels and other mail matter when presented for mailing at postal facilities. Is there any requirement that individuals use the ZIP code today? What effect upon postal costs and future rate increases do you estimate will occur if the nine-digit ZIP code is adopted? If it is not adopted?
11. What advantages do you see in a nine-digit ZIP code rather than one of numbers and alphabetical letters such as are used in some foreign countries?
12. What role to date has the Board of Governors played in the development of the nine-digit ZIP code plan? Please describe presentations to the Governors which have been made by Postal Service officials and what specific policies and decisions have been adopted and made by Governors?
13. What role will the Postal Rate Commission have in the implementation of the nine-digit program?

With kind regards,
Sincerely,

WILLIAM D. FORD,
Chairman.

THE POSTMASTER GENERAL,
Washington, D.C., March 9, 1981.

Hon. WILLIAM D. FORD,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR BILL: This is in response to your March 2 letter posing a number of questions concerning the ZIP + 4 Program and its effect upon mail users and postal employees.

Enclosed please find the answers to your questions. If I can be of any further assistance or if you require additional information, please contact me or Edward Horgan, Assistant Postmaster General, Government Relations Department on 245-4181.

Sincerely,

WILLIAM F. BOLGER.

QUESTIONS AND ANSWERS—ZIP + 4

1. What effect, if any, would an expanded ZIP Code have upon postal employees now or in the future? Would any layoffs result?

Current projections indicate a cumulative reduction of 15,600 work-years during the deployment period ending in 1987 when the ZIP + 4 system will be fully in place. The Postal Service does not intend to lay off any employees. The current employee attrition rate is about seven percent or 45,000 persons annually. This rate is expected to continue over the next several years, creating ample potential for letting certain jobs go unfilled rather than laying off employees.

2. Will any mailer, either a business mail user or private citizen, be required to use the nine-digit ZIP Code?

No private citizen or business mailer will be required to use the ZIP + 4, except those mailers who wish to take advantage of the rate incentives to be proposed by the Postal Service. In fact, the Postal Service would support legislation which makes it clear that the use of the ZIP Code is not mandatory unless mailers would want to qualify for rate incentives.

3. Would the level of service provided ordinary first-class mail differ if a mailer uses a nine-digit rather than a five-digit ZIP Code?

The Postal Service does not plan any significant changes in its current service standards as a result of the ZIP + 4 Program. The standards will be the same for five-digit and nine-digit mail. In the long run, implementation of the ZIP + 4 and automation could make achievement of these service goals somewhat easier for mail bearing the ZIP + 4 in that they provide a greater depth of sort capability with less missorting errors. However, the potential for more reliable service for ZIP + 4 mail because of the greater accuracy of automated processing will not come at the expense of current delivery times for other mail and will not be enough to change service standards.

4. How much would it cost to install the machinery necessary to implement the nine-digit system? What is the estimated return on investment?

The total equipment-related investment required to implement the ZIP + 4 Program will be $886,784,000. The specific equipment installation costs for Fiscal Years 1981–1986 will be $39,238,000.

Based upon a potential mail volume of one-half of the current First Class Mail volume (about 90% of the 30 billion pieces of First Class Mail compatible with optical character reader processing), if the expected volume of First Class Mail materializes, the return on investment will be 48.5%. If ZIP + 4 usage amounts to only 50% of the expected volume, the return on investment is reduced to 30%. If no ZIP + 4 mail is processed through the equipment, the return on investment will be 22%. The return would be 37% if current three-and five-digit presort volumes doubled and 43% if equipment costs rose 20% above current estimates. Finally, if only the Phase One

$316 million procurement were made, the return on investment figure for the system would be 32%.

5. What plans do you have to ensure that American business enterprises will be involved in the manufacture of any equipment used.

The Postal Service made it clear that the contracts for optical character reader and bar code sorter equipment will be awarded to American firms and that the equipment will be manufactured in the United States. In addition, the Postal Service has insisted that no more than 25% of the components of the initial 10% of the units ordered can be of foreign manufacture, a standard far more stringent than that required by the Buy American Act. At present, four American firms, E Systems, Burroughs, Pitney-Bowes, and Ford Aerospace, are competing for two contracts for the manufacture of optical character readers. The closing date for the receipt of bids for these contracts is April 13, 1981. With respect to bar code sorters, a number of domestic and foreign manufacturers are competing for the contract to provide a prototype for testing purposes. If a foreign firm is selected to provide the prototype, the same ground rules discussed above in connection with the optical character reader procurement will prevail.

6. What assistance does the Postal Service plan to provide for mailers who demonstrate a willingness to convert their mailing systems to a nine-digit program?

The Postal Service will make available to mailers completely audited state and national computer tapes which can be used to convert computerized customer files from the current ZIP Code to the ZIP + 4. If mass mailers desire, documentation and software programs developed and used by the Postal Service for converting its files and those of other Federal agencies can be made available for informational purposes. The Postal Service will also assist mailers who maintain manual address lists with the conversion to the ZIP + 4 should these mailers choose to convert.

7. If mailers are willing to use the new system, will any financial incentive be provided? Do you have an estimate of the cost of conversion for the business mailer? Do business mailers agree with your cost estimates?

At the March meeting of the Postal Service Board of Governors, a proposal was presented which would provide for a one-half cent per piece incentive for OCR-readable First Class Mail bearing the ZIP + 4 (except First Class Mail presorted to a carrier route). In order to take advantage of this incentive, mailers would have to tender their mail to the Postal Service in lots of 500 pieces. The Postmaster General will ask the Governors at their April meeting for permission to file this proposed classification change with the Postal Rate Commission later that same month.

Although estimating the total cost for business mailers to convert their mailing list files to the ZIP + 4 is complicated by such factors as the number of mailers who will voluntarily convert and the diversity of the file systems to be converted, several assumptions are possible. The conversion cost for small, noncomputerized mailers should be minimal because the Postal Service will assist them in updating manual lists. With respect to computerized lists, the estimates which the Postal Service has received from large list processing companies for converting such lists range from one-half cent to one cent per address. Inasmuch as each of the approximately 80 million delivery addresses appears on 100 different lists, the total estimated conversion costs will range from $40 million to $80 million. Some individuals who have testified before various Congressional Committees and some Members of Congress have used substantially higher figures to document their opposition to ZIP + 4. The Postal Service considers these inflated figures. It should also be remembered that ZIP + 4 is an entirely voluntary program targeted only at volume First Class mailings. No individual or business mailer is going to be forced to use the add-on. Mailers will use the ZIP + 4 only if it is in their financial self-interest.

8. Would it make any substantial difference if the ordinary citizen continued to use only a five-digit ZIP Code on their personal mail rather than the nine-digit ZIP code?

As indicated in the response to Question 1, the same service standards will prevail whether an item bears the current ZIP Code or ZIP + 4. Any increased reliability in the processing of ZIP + 4 mail will not be achieved at the expense of other mail.

How will the Postal Service make the new ZIP Codes available to business mail users and the general public?

The Postal Service intends to make audited conversion tapes available to business mailers who request them starting in June of this year. In addition, the procurement process for a toll-free telephone system capable of handling 100,000 calls per day is in the technical evaluation stage. The Postal Service also intends to notify households of their four-digit add-ons in the event that they might wish to use them. It is also planned that local post offices have local ZIP + 4 directories so that they might provide information to interested citizens. It should be noted that since ZIP + 4 is a voluntary program, it is in the interest of the Postal Service to insure that mailer access to the code is as convenient as possible.

10. Many complaints have been made that postal employees required ordinary citizens to put ZIP Codes on parcels and other mail matter when presented for mailing at postal facilities. Is there any requirement that individuals use the ZIP Code today? What effect upon postal costs and future rate increases do you estimate will occur if the nine-digit ZIP Code is adopted? If it is not adopted?

There is no statutory or regulatory requirement that individuals or business mailers use the ZIP Code, unless they wish to take advantage of bulk rates or presort discounts. The Postal Service would support legislation to insure that the ZIP Code would not be mandatory unless mailers would want to qualify for rate incentives.

With the implementation of the ZIP + 4 Program, the Postal Service would expect to save $597 million in Fiscal Year 1987, building thereafter to more than $1 billion in annual savings following ten years of full-scale operation. These savings represent amounts which would not have to be recovered through postage rates, thus creating the prospect of less frequent and lower postage rate increases. Conversely, if the Postal Service were not able to capture these savings through automation, the billions of dollars in lost savings would have to be paid by postal ratepayers.

11. What advantages do you see in a nine-digit ZIP Code rather than one of numbers of alphabetical letters such as are used in some foreign countries?

The original Postal Service analysis of ZIP Code expansion considered number codes, letter codes, and a combination of the two. It was decided early on to use the current five-digit code as the basis for the expansion since any radical change in the current code would result in an immediate and costly drop in ZIP Code use and a rise in mailer conversion costs and Postal Service sorting costs. A wholly numeric add-on was selected based upon the current state of optical character recognition technology. From the Postal Service's and industry's extensive experience with number and letter character readers, the Postal Service was able to extrapolate probable recognition rates for numerical codes, alphabetical codes, and combination codes. Wholly numeric codes produced far greater recognition rates than the others.

Retaining the original five-digit code presented an additional advantage in that the general public could still use the existing ZIP Code and, during the phased introduction of the ZIP + 4, the Postal Service could sort the conventionally ZIP-Coded mail using the optical character recognition equipment. Finally, four additional digits were determined to be the minimum number of additional numeric digits necessary to allow reassignment of addresses between routes as population density changed.

12. What role to date has the Board of Governors played in the development of the nine-digit ZIP Code plan? Please describe presentations to the Governors which have been made by Postal Service officials and what specific policies and decisions have been adopted and made by Governors?

The Board of Governors has been kept well informed of the progress of the ZIP + 4 proposal over a period of several years. The Board has been briefed frequently by the Postmaster General, who has benefitted from their advice, even to the point of adopting the name for the program suggested by one of the Governors. The Board has regularly reviewed and improved information on the program which has appeared in recent annual reports and comprehensive statements on postal operations. It has also considered and approved the $316 million capital investment for the equipment necessary to implement Phase 1 of the ZIP + 4 Program and will consider at its April meeting the request of the Postmaster General for permission to file the ZIP + 4 rate incentive package with the Postal Rate Commission.

Enclosed are copies of the proposal advanced to the Board of Governors on the ZIP + 4 and an addendum to it requested by the Board at its November 1980 meeting.

13. What role will the Postal Rate Commission have in the implementation of the nine-digit program?

The Postal Service will file with the Postal Rate Commission, probably in April 1981, a request for a recommended decision on a proposed classification change to create an incentive for the use of the ZIP + 4. The Commission will consider the filing and make its recommended decision in accordance with the applicable provisions of Chapter 36 of title 39, United States Code.●

NOW ACCOUNTS—ONLY THE WEALTHY NEED APPLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, a recent article in the Wall Street Journal gave further evidence that my statements concerning NOW accounts were both accurate and justified. Time and time again I have warned that NOW—negotiable orders of withdrawal—accounts were only for the rich and that they did nothing for small consumers.

The article states:

Now that the program is nationwide—since January 1—bankers across the United States agree such an account isn't for the blue-collar type who can't keep more than a couple of hundred dollars in it.

Amazingly, the very bank service once advertised in the New York Times as "the ultimate bank account" is now determined by the banking community not to be for the blue-collar type.

Quoting Dan Chapman, a senior vice president of First National Bank of Dallas, NOW depositors, "tend to be upscale consumers in white-collar jobs with incomes over $30,000." Once again I say to you that allowing for nationwide NOW accounts without assuring small accountholders' participation was a mistake.

As far as I can determine, NOW accounts have accomplished just what I said they would. They have helped fatten the pockets of the banking industry at the expense of the people who need the most help. Everybody should have a shot at these services, not just the wealthy. There is no way NOW accounts will provide any economic relief or advantage to small depositors.

My stand on this legislation is well documented. Even when I offered amendments which would have made NOW accounts available to those with minimum deposits of $100, it was defeated.

I am convinced, more than ever, that NOW accounts are a ripoff and a product of the biggest media blitz in banking history. Consumer confusion has replaced consumer information and it is becoming more apparent that my worst fears are being realized.

The less sophisticated consumer opening a NOW account is often placed in the position of unwittingly supporting the NOW accounts offered by the profiteering financial institutions.

Congress should pass legislation that benefits everyone, not just a chosen few. It is my hope that when Congress considers future legislation, the impact on all consumers is fully weighed.●

REINTRODUCING LEGISLATION CREATING NATIONAL PRODUCTIVITY COUNCIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LUNDINE) is recognized for 20 minutes.

GENERAL LEAVE

Mr. LUNDINE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LUNDINE. Mr. Speaker, a year ago I took the well in this House to discuss what I believe is the most difficult and critical problem facing the United States: The decline in productivity growth. I said then that Congress had to "focus its efforts on putting the puzzle together and launching a comprehensive strategy" to improve productivity. Although productivity was at that time already a buzzword on Capitol Hill, little was being done about it and the outlook was not encouraging. Unfortunately, I am afraid the same can be said today.

There has been so much talk on the subject of productivity that perhaps it is worth reminding ourselves why prompt action in this area is so important. As I see it, there are at least four reasons why improved productivity must be a top priority for the Federal Government. First and foremost, I believe productivity is the neglected long-term key to our fight against inflation. It is obvious that when the costs of labor, raw materials, and physical plant increase, those higher costs will be translated entirely into higher prices for goods and services—unless productivity is improved.

The second point is closely related: Low productivity growth is contributing to the weakening of the dollar by reducing the competitive edge of American products and thereby undermining the balance of trade.

Third, steady productivity growth is important to expanding employment. Here, the relationship is perhaps less obvious and may contradict the assumption among many people that productivity simply means fewer people doing the same amount of work. But, as we should learn from the current discussions of supply-side economics, more cost-effective production is the key to business expansion and thus to expanded employment.

Finally, these benefits add up to a social, or political, argument for a strong productivity policy. As we have progressed through successive anti-inflation policies in the last few years, Americans have been asked repeatedly to make sacrifices. I believe the country is willing to make those sacrifices, but only if there is a visible and realistic path toward improvement ahead. To date, there has not been. A comprehensive and coherent policy for improving productivity can provide that crucial glimmer of light at the end of the tunnel.

When I addressed the House a year ago on this subject, the Economic Report of the President for 1980 had just been released. That report was rather fatalistic on the question of productivity. "Since it is difficult to identify a single cause for a slowdown in productivity growth," the report declared, "the immediate prospects for improvement in productivity are not good." The attitude of Mr. Carter's Council of Economic Advisors eventually improved. The final economic report of President Carter, released in January, abandons last year's gloomy prognosis and asserts unequivocally that "a program to stimulate productivity growth must be a keystone of economic policy."

Intentions, however, have yet to be transformed into reality. The sad fact is that there is no Federal program to foster productivity improvement. Several Federal activities scattered among various agencies, and amounting to more than $2 billion, do contribute to private sector productivity. But the closest the Federal Government has come to establishing a productivity program which might coordinate these disparate activities and set clear productivity improvement goals is a deservedly obscure entity known as the National Productivity Council, established by President Carter under an Executive order in October 1978. The record of that Productivity Council is a travesty upon its very name. Since 1978, the Council has convened on exactly four occasions and has garnered a barely full-time staff of two people with no funding.

Last year, I characterized the Council as an interagency group which rarely meets and accomplishes little. This year, I am spared the embarrassment of repeating myself since the General Accounting Office, in a thorough evaluation which has just been released, has provided its own assessment. The GAO notes that the key responsibilities assigned by the President to the Productivity Council were: First, coordinating and supervising productivity activities throughout the Federal Government; second, identifying for the President and the Congress key issues pertaining to productivity improvement; and third, serving as a focal point within the executive branch for productivity issues, with special liaison to business, labor, and academic leaders on this subject. The GAO report concludes that the National Productivity Council has not effectively accomplished any of these functions.

In other words, as a government and as a nation, we have been wasting our time—time which we cannot afford to lose. The Council's inactivity has coincided with a 2-year period of national

productivity decline—only the second—and now the longest—such period since World War II. The Council's poor performance would be less discouraging if it were an isolated event. Unfortunately, it is the fifth unsuccessful productivity group to be formed at the Federal level in the past decade.

Against that background of past failure, I welcome President Reagan's determination to make a fresh start. I am particularly pleased that the President has given productivity a high priority in his recent statements, and I look forward to working with him. Toward that end, I am today reintroducing legislation which I first offered a year ago, which would create a statutory, visible, fully funded, and fully staffed National Productivity Council. This proposed Council is fashioned upon recommendations of the General Accounting Office and I believe it can succeed where its forerunners have failed. This Council would be assigned specific and important responsibilities which the GAO has concluded, on the basis of its past experience, will be essential to a successful Federal productivity effort.

These responsibilities will include: First, the formulation and annual revision of a national productivity improvement plan; second, analysis of those Federal activities which hinder or encourage improved productivity in the private sector; third, legislative and regulatory recommendations to the Congress for enhanced productivity; fourth, consultation with representatives of business, labor, and academic institutions on the subject of productivity improvement; and fifth, coordination of various Federal activities related to productivity.

Why do we need this Council? Above all, because when we have $2 billion worth of independently evolved programs affecting productivity, we need to have some coordination of them. We need to analyze the effectiveness of our total effort, to assess where the gaps are in that effort, and to discover what more could be done.

For example, in its recent report, the GAO found that current Federal expenditures in the area of productivity were not evenly distributed among activities related to productivity. "Less than 2 percent is spent for improving human resources through programs for skill training, improved labor mobility, job security, and labor-management cooperation," the report found. I believe that an active, forceful, and respected National Productivity Council could help to redress such imbalances by calling them to our attention and by suggesting corrective measures.

The Council could similarly restore a balanced perspective to the current obsession with business investment as the total cure for lagging productivity. Certainly, increased capital formation is an important component of any effort to improve productivity, but investment alone is not the answer—a fact which we are in danger of forgetting. Today, we are poised on the brink of accepting a multibillion-dollar tax cut for accelerated business depreciation which has been promoted as a panacea for declining productivity growth.

Yet, as even Business Week's analyses have shown, the Capital Cost Recovery Act has a highly differentiated effect on various industrial sectors—some benefit greatly, others benefit very little. As we well know, there is already a considerable range of productivity growth rates within the private sector. The proposed tax benefits of the 10-5-3 legislation do not always correspond to the sectors in need. As Pat Choate and Gail Schwartz point out in a recent book on sectoral revitalization, we need to know whether across-the-board tax incentives would encourage the flow of capital into those vital industries that need it the most in order to modernize and ultimately become more productive. The historical precedents would suggest the opposite.

Faced with such crucial policy dilemmas, I am convinced the existence of a professional National Productivity Council could be extremely helpful. We need a neutral third party whose sole concern is the Federal impact on productivity and to whom we can turn for reliable advice. In short, we need an unrelenting spokesman who will keep the issue of productivity uppermost in our minds and make us aware of how Federal policies affect it.

There is, of course, considerable hostility today toward any proposal to create a new Government organization. Not surprisingly, some of that antagonism was directed last year toward my proposal for a new Productivity Council. Let me assure those critics that I share their skepticism and their concern about Government bureaucracy. Moreover, I fully acknowledge that the crucial decisions affecting productivity growth will be made in the private sector.

Nevertheless, we must face the fact that we live in a mixed economy, and that a Federal Government which spends more than 22 percent of gross national product and whose taxing and regulatory policies broadly affect the private economy, ought to have some agency within it that attends to the Nation's No. 1 economic problem. Governments of other industrialized nations such as Japan and West Germany are much more involved with labor and business in developing a consensus policy for maintaining high productivity growth. We would do well to take our cue from their success.

My proposal for a statutory Productivity Council would not add to the burden of government but, rather, would respond to a serious weakness in governmental performance. As the recent GAO report noted:

All key economic decisionmakers in recent years have recognized the importance of productivity growth to our economic strength. Yet, when economic policies are made, productivity concerns seem to be given low priority * * * [the new Productivity Council] would not be an economic decisionmaker but would participate in economic and budgetary decisionmaking to ensure the presence of a productivity perspective.

Naturally, some Members will not be persuaded that spending $5 million on a Productivity Council to oversee $2 billion in current productivity programs is a worthwhile investment. To these colleagues, let me offer a more compelling cost-benefit analysis. As a 1978 report of the Council on Wage and Price Stability observed, the effect of slow productivity growth since 1967 has been to reduce total real incomes by some 20 percent—more than $300 billion—from what they would have been if the pre-1967 productivity growth rate had been sustained. Clearly, we cannot afford not to invest in a more productive future.

Last summer, the retiring chairman of the House Subcommittee on Economic Stabilization (Mr. MOORHEAD) scheduled 4 days of hearings—which I chaired—on the problem of lagging productivity growth and what the Federal Government should do about it. In my opinion, those hearings were very useful in sharpening our understanding of this issue. In particular, they reinforced my conviction that something like a statutory Productivity Council is needed in the executive branch. I would like to take a few moments to share with my colleagues some highlights from those hearings which, in my view, strengthen the case for the legislation which I am reintroducing today.

During the initial hearing, testimony was given by an Associate Director of the Office of Management and Budget (OMB) on behalf of the current Productivity Council. OMB's presentation revealed a startling devaluation of the productivity problem. "High inflation and energy problems which dominated the 1970's," OMB testified, "must be solved before the productivity growth rate can be restored to its previous level." When, during questioning of the witnesses, I suggested that this statement reflected a disturbingly passive approach to the productivity issue, OMB simply reaffirmed its view that "productivity growth will result * * * when the economic policies—of the administration—take hold."

This determination to put the cart before the horse says a good deal about why the existing Productivity Council has been such an abysmal failure. Most experts in this field, I think, would agree that lagging productivity growth is a major component of infla-

tion rather than the other way around. No Productivity Council worthy of the name can succeed when it is a captive of OMB's perspective on this point.

One of our subsequent witnesses, economist Lester Thurow from the Massachusetts Institute of Technology, saw the issue much more clearly:

Productivity is obviously the country's number one problem. When productivity is going downhill, it doesn't make any difference what is happening to inflation or unemployment. You are going to have an economy that's going downhill. Although the public opinion polls haven't put productivity in the number one slot, I think the Congress ought to put it in the number one slot.

At one point in the discussion, I asked Mr. Thurow whether he thought the United States would benefit from some kind of independent group that might be perceived as a little less partisan—than the Congress—such as a national economic commission or a national productivity council. Professor Thurow largely concurred:

I certainly think there is a lot of value in information, especially in the productivity area. Productivity is one of those kind of background things which doesn't make the headlines * * *. Well, we are not going to address the productivity problem until the American people in fact decide that it is an important problem * * * that they have to address.

One of the traditional barriers to productivity efforts on a national level has been the opposition from many sectors of the labor movement which feared, from past experiences, that productivity was just another name for speedup or reduced labor force. Thus, some of the most instructive and encouraging testimony received by our subcommittee came from Mr. Donald Ephlin, a vice president of the United Auto Workers. In his opening statement, Mr. Ephlin underscored his own union's willingness to tackle a tough issue:

We recognize that the only reliable basis for improving the purchasing power and access to leisure of American workers is the increase in the economy's capacity to convert a given amount and intensity of work into ever more output. In keeping with that recognition, the UAW has explicity pledged not to oppose the introduction of productivity-enhancing, labor-saving technological advances.

On the specific subject of my legislation to create a statutory Productivity Council, Mr. Ephlin observed that the "UAW is in strong support of [its] objectives." Mr. Ephlin went on to make a crucial point with respect to a Productivity Council's potential effectiveness:

The National Productivity Improvement Plan that the Council is directed to develop will not be regarded as authoritative and viable unless it incorporates the agenda of labor and business. By including them in the proposed Council, a tripartite committee would be created; the parties would have the opportunity and the responsibility to find a common ground between often conflicting sets of goals.

As a public official who has been involved in the labor-management cooperation movement for many years, I have seen what it can achieve in the area of productivity and I wholeheartedly agree with Mr. Ephlin's tripartite proposal. The legislation I am introducing today does create an advisory board to the Productivity Council whose members are to be selected entirely from "individuals with experience in business, labor and academics." The bill does not take the further step of placing such individuals on the Council itself, but I am quite open to that possibility and will be exploring that alternative structure in the weeks ahead.

Appearing on the same panel with Mr. Ephlin, Dr. Richard Rahn, vice president of the U.S. Chamber of Commerce, endorsed the same notion of tripartite "communication among business, labor, and government," but added, "I don't think there is a need for a formal government intervention in this process." Fortunately, not all of the probusiness community seems to feel the same hesitation. For example, the American Enterprise Institute's Committee To Fight Inflation, chaired by former Federal Reserve Board Chairman Arthur Burns, recently issued a nine-point anti-inflation plan. I was pleased to note that in one of those points, the committee urged Congress and the President to:

Actively encourage labor-management councils in individual shops, offices and stores throughout the country so that workers and managers will jointly seek ways of improving productivity.

Perhaps the most persuasive testimony from any witness last summer was the presentation from the American Productivity Center. This private, nonprofit organization based in Houston, Tex., has done pioneering work with numerous businesses to improve productivity. The organization is chaired by C. Jackson Grayson, former head of Southern Methodist University's Business School, and was represented at last summer's hearings by one of its directors, Mr. William Usery, former Secretary of Labor. Mr. Usery had this to say on the Productivity Council legislation which I am sponsoring:

Although I and the American Productivity Center believe that H.R. 6462 may not go far enough in its particulars, we believe it is a most important step toward (a) firm commitment by our government to improve productivity. * * * Efforts within the private sector have proved successful, but are limited by the relative absence of government commitment to implementing solutions.

One might expect a private organization like the American Productivity Center to dismiss a government productivity group as intrusive and unnecessary. On the contrary, however, Mr. Usery explained in some detail the benefits which the center anticipates would result from a federally formulated productivity improvement plan.

The Federal Government would be helping to bring together elements of the business, labor and government communities . . . such a friendly meeting of the minds would be beneficial to America and certainly beneficial to productivity. The concept of a national productivity policy has many advantages over other economic measures . . . we have already tried other measures such as cutbacks, controls, regulation, spending, subsidies, protectionism. The result has been in most cases a failure. A successful productivity program promises to avoid the problems inherent in these other actions.

No one expects that a National Productivity Council, by itself, will reverse the deceleration in America's productivity growth. Productivity is an enormously complex issue—one which must be addressed simultaneously on several fronts. Certainly, the diverse testimony we heard last summer confirmed that point. But, paradoxically, a Productivity Council might help us make some progress by reminding us of that very complexity—by insuring that Congress does not attempt to solve our productivity problems by seizing upon on simplistic cure.

In my statement on productivity a year ago, I outlined four general areas, each encompassing several policy issues, where I thought our efforts could be profitably focused: First, improving the use of human resources; second, enhancing capital formation; third, expanding the commercialization of advances in knowledge (innovation); and fourth, reforming the regulatory process. I can only look back over those remarks today with acute frustration. If a National Productivity Council were monitoring congressional progress in these areas, we would not receive high marks for achievement during the past year.

In the absence of that kind of third-party, neutral assessment, let me take my remaining time this afternoon to list some of the legislative objectives which remain unfulfilled. I will not take time, as I did last year, to discuss these measurses' relevance to productivity, but I do believe each item forms a part of the puzzle.

HUMAN RESOURCES

The Labor-Management Cooperation Act, funded this year for the first time, remains in a precarious position. No grants have yet been made. Final regulations have been placed under the recent rulemaking freeze, the commitment of the current administration to the program remains in doubt, and funding for the second year hangs in the balance.

As for skills development, the entire retraining program under trade adjustment assistance has been eliminated this year as funds under title III of CETA have diminished. The Youth

Act, proposed last Congress by the Carter administration to expand the title IV youth training programs and to provide a new program of support for basic skills instruction in the secondary schools, was allowed to die at the end of last year. Similar legislation has been reintroduced this year, but without the educational component.

Discussion continues, meanwhile, about termination of public service employment, titles II-D and VI of CETA, but there is no corresponding talk about strengthening the original purpose of the act, namely providing effective skills training for those who are structurally unemployed.

Financing to assist employee ownership of firms—which was approved last Congress by both Houses as part of the Public Works and Economic Development Act reauthorization—died in conference at the end of last year.

CAPITAL FORMATION

Our failure to pass the expanded EDA authorization bill last year, however, had ramifications far beyond the fate of employee ownership. What was clearly at stake was the Federal role in assisting productive capital formation. Not long ago, there was a great deal of talk about national development banks, urbanks, reconstruction finance corporations, and other proposals to fill the gaps in our capital markets—particularly for new ventures and for distressed businesses which need to retool to become productively competitive. The only idea along these lines which advanced in the Congress was the Carter administration's proposal for a vastly augmented development program under EDA: loans, loan guarantees, interest subsidies, and technical assistance totaling $2.5 billion per year. Unfortunately, after passing the House late in 1979, this measure languished in conference for nearly 1 year before the conferees gave up hope of agreement.

Today, however, the existing level of business development assistance under EDA—barely $500 million—is threatened as the Reagan administration has recommended terminating the entire program.

On a related measure, the Reagan administration's inclusion of the Capital Cost Recovery Act, the so-called 10-5-3 bill, in its tax proposal will evidently hasten its passage by the Congress. And yet, close examination of this measure over the past year has increased rather than reduced the doubts about its appropriateness for improving productivity. Very little work seems to have been done in either Chamber toward a more refined depreciation measure which might differentiate among economic sectors on the basis of their potential or their need for productivity growth. An explosion of real estate speculation is a likely result of the 10-5-3 proposal in its current form.

A final issue related to capital formation is monetary policy and the perpetuation of high interest rates. A year ago, I stated that—

Fourteen percent interest rates have not only caused a crisis in America's housing market, but they also have served as a deterrent to business investment.

Today, that statement almost evokes nostalgia for a golden past. We have become accustomed to 20-percent interest rates and with Chairman Volcker's latest projections for the coming year, there is no sign of relief. Unquestionably such restrictive policies are having an effect on business investment and I believe it is time that we examined whether the Reagan administration's economic growth and money growth scenarios are compatible.

INNOVATION

Among the witnesses who appeared during the Economic Stabilization Subcommittee's hearings on productivity last year was Dr. Jordan Baruch, then Assistant Secretary of Commerce for Productivity, Technology and Innovation. Dr. Baruch gave a very impressive presentation which detailed his administration's productivity program within the Commerce Department. Five major initiatives were outlined as part of this new program: A center for the utilization of Federal technology (CUFT), centers for cooperative generic technology development (the COGENT program), a productivity reference service, a foreign technology utilization program, and several corporations for innovation development (CID's). It is my understanding that very few of these have gotten off the ground and I further understand that the entire Office of Productivity, Technology and Innovation under which they are to be administered is targeted for elimination under the new Reagan budget to be submitted this week.

It is unclear whether legislative action could salvage these worthwhile initiatives. Last year's passage of the Stevenson-Wydler Technology Innovation Act, one of Congress few real achievements in the productivity area, will serve some of the same purposes as the Carter proposal, but there is still a great deal more to be done.

REGULATION

While there was much talk about proposals for a regulatory budget for Federal agencies during the last Congress, no action has been taken on that legislation. It is clear from the initiative undertaken by Vice President BUSH that greater efforts to reduce regulatory burdens will be forthcoming. While we do not yet know the thrust of that regulatory initiative, I do believe that adopting regulatory budgets would probably encourage more efficient compliance with regulatory goals rather than elimination of those goals.

If I have emphasized in the last few minutes what Congress has not done it is because of frustration and not pessimism. We have made some progress in some small ways which I have not mentioned. The 96th Congress enacted, for example, the Paperwork Reduction Act, a patent bill which strengthens the awarding of patents for university-based research, and a number of small business bills, including the Regulatory Flexibility Act. But our record of inaction, unfortunately, dwarfs our record of achievement. I believe that a strong Productivity Council, such as would be created by the legislation I am introducing today, could play a vital role in keeping that productivity agenda before us and in guiding us in the specific actions that are needed. I am pleased today to be joined by Congressman JOHN LAFALCE in introducing the Productivity Council legislation and I would like at this point to include his statement in the RECORD.

● Mr. LAFALCE. Mr. Speaker, I am today joining with my good friend and distinguished colleague from New York (Mr. LUNDINE) to introduce the Productivity Improvement Act of 1981. This bill would provide for the legislatively mandated establishment of a National Productivity Council which would develop and annually revise a comprehensive national productivity improvement plan.

This bill represents years of dissatisfaction with the Federal Government's apparent unwillingness to take forceful action to stem the decline in productivity in this country. Throughout the 1970's, productivity growth steadily decreased to the point of no productivity growth; and during the past 2 years, productivity actually declined. This alarming productivity trend is undermining the fight against double-digit inflation and economic stagnation. Without productivity growth, real economic growth cannot occur; and that is precisely what is happening in this country.

In the fall of 1978, the National Center on Productivity and the Quality of Life in the Workplace went out of existence; but the administration promised forceful action on the productivity. What happened? By Executive order, the President established a National Productivity Council. After its creation, I held a number of hearings on my Small Business Subcommittee on General Oversight and participated in hearings before the Banking Subcommittee on Economic Stabilization, chaired by Mr. LUNDINE, in order to determine exactly what the Council was doing to boost productivity. Those hearings revealed a pattern of neglect, inaction, and indifference, despite the fact that productivity was actually declining during 1979 and 1980.

Finally, on May 29, 1980, I asked the Comptroller General of the United States to conduct an assessment of the overall performance of the National Productivity Council, in order to confirm or deny the pattern revealed by those hearings. The General Accounting Office complied with that request, and on February 18, 1981, it issued a report, entitled "Stronger Federal Effort Needed To Foster Private Sector Productivity". The gist of that report concerning the effectiveness of the council was as follows:

In over 2 years of existence the Council has been relatively inactive, has largely ignored the functions assigned to it, and has lacked support. It has seldom met, has not provided guidance to Federal productivity programs, and has not become recognized as the Government's productivity focal point.

The Productivity Improvement Act of 1981 will help correct this lamentable record, be legislatively establishing a National Productivity Council with a Presidentially appointed Chairperson and with its own budget authorization of $5 million. This bill is totally in the spirit of the GAO's recommendations for a stronger Federal effort in the field of private sector productivity. In addition to the Chairperson, the membership of the Council shall be composed of those department and agency chiefs who should be concerned with productivity growth. Examples would include the Secretaries of Commerce, Labor, and Treasury, and the Directors of the Office of Management and Budget, the Federal Mediation and Conciliation Service and the National Science Foundation.

The most important duty of the Council would be the development and annual revision of a comprehensive national productivity improvement plan which would have four key elements. First, it would identify and describe the impact of Federal expenditures, policies, programs, and activities on productivity growth in the private sector. Second, it would establish short-term and long-term objectives to improve productivity in the private sector. Third, it would identify those Federal policies which present unnecessary obstacles to productivity growth as well as those which promote that growth. Fourth, it would make specific recommendations concerning Federal policies to encourage the improvement of productivity in the private sector.

Mr. Speaker, some may object to this bill, because it will establish another Federal entity, albeit a very small one. However, this proposed Council should be placed in the proper perspective. It will have an annual cost of $5 million. Yet, the gross national product is in excess of $2 trillion; the total Federal budget is above $600 billion; and OMB has very conservatively estimated that the Federal Government spends more than $2 billion per year on productivity programs. Yet, the Federal Government has no central coordinating agency on productivity in the private sector and virtually ignores the importance of stressing and pinpointing the importance of productivity growth in the private sector.

After 2 years of declining productivity, the Federal Government must be ready to take a more positive and dynamic role in promoting productivity. Without Federal leadership, this country may be doomed to repeating past inactivity on productivity and to suffering a persistent decline in productivity. Most of our major trading competitors long ago recognized the need for forceful government leadership to encourage productivity in their own private sectors, and it is time that this country catches up with the rest of the Western World. The National Productivity Council could provide that essential leadership, and I hope that my colleagues will join together to support this bill.●

□ 1400

THE PRESIDENT'S BUDGET PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CROCKETT) is recognized for 5 minutes.

● Mr. CROCKETT. Mr. Speaker, on Sunday, March 8, the Detroit Free Press printed an editorial entitled "Defense: Stripped of Myths and Distortions, the Reagan Plan Looks Perilous." I believe that this editorial contains very thoughtful material which should be considered by this body when the President's proposals are brought before us. I insert the text of that editorial in the RECORD at this point for the benefit of my colleagues:

DEFENSE: STRIPPED OF MYTHS AND DISTORTIONS, THE REAGAN PLAN LOOKS PERILOUS

Before Congress joins debate on whether we need another nuclear aircraft carrier or should bring World War II battleships out of mothballs, the Reagan administration's military spending proposals should be examined whole, with perspective and without the intrusion of myths. The myths abound. The perspective is not to be found in the picture presented by Defense Secretary Caspar Weinberger.

It is a fact that Soviet military spending grew rapidly in the 1960s and 1970s. That surge, as well as a false perception that the United States has been spending less in inflation-adjusted real dollars than it formerly did, has given great momentum to President Reagan's military spending plans.

The Pentagon has promoted the use of figures that are badly misleading. They have appeared again in the latest reports on Mr. Reagan's proposals. The record should be set straight on several basic points.

Some reports indicate the administration wants to increase military spending by $32.6 billion: $6.8 billion for the fiscal year that will end Sept. 30 and $25.8 billion for fiscal 1982. A more accurate description should take into account the fact that former President Carter already had proposed a $22 billion increase for 1982 and the Reagan increase would be on top of that. What is actually proposed, in addition to the increase for this year, is a 1982 military budget of $222.2 billion: an increase of $51 billion—30 percent—over the pre-Reagan spending level for this year.

Do we need such a big increase? Do we need to spend, by 1986, the $367.5 billion that Mr. Weinberger projects: more than twice as much as this year's military budget?

The answers should be measured against the myths:

U.S. military spending has not been declining. It did decline in inflation-adjusted dollars from 1968 until the mid-1970s. It then was increased, in real dollars, in every year of the Carter administration.

It is absurd to suggest, as Mr. Weinberger did, that Soviet military spending is "approximately 50 percent larger than ours." Since we do not know exactly what Soviet spending is, the CIA and the Pentagon use "estimated dollar costs of Soviet defense programs": figures that represent what it would cost the United States to support Soviet military forces. But Soviet military manpower is much cheaper than ours, and much of the Soviets' military production is. Serious military analysts discount the Pentagon's dollar-comparison basis.

Mr. Weinberger was even further afield in saying that "Soviet (military) investment is . . . far ahead of the combined allied investment." He was using the same misleading dollar basis. The United States and its North Atlantic Treaty Organization allies greatly out-spend the Soviet Union and its Warsaw Pact allies.

So much for three of the myths, which Mr. Weinberger seems determined to propagate.

Myth-making about U.S. and Soviet military spending is insidious. "Pie charts" drawn to illustrate the federal budget are something else: misleading if you do not look beyond them. For instance: The "pie" shows the administration wants to increase military spending from 24 percent of the federal budget this year (up from 22.9 percent last year) to 32 percent by 1984. But the fact is that military spending already takes more than half the money Congress spends.

What's wrong with those pies? Nothing, if you know what they represent. In 1969 the federal government adopted a "unified" budget approach, replacing "administrative budgets," which showed how much tax money would be collected and how it would be spent. The old pie charts would have shown military spending as more than half the budget. But the pies that show the "unified" federal budget include various trust funds that are completely or largely self-supporting, such as those for Social Security and highway construction. About a third of the federal cash flow automatically moves into and out of the trust funds each year.

So would the 32 percent of the federal budget that Mr. Reagan wants for defense in 1984 be about a third of the money Congress can spend? No, it would be much more than half; it already is more than half the amount taken in through individual income taxes. Of the remaining amount spent by Congress, a large chunk will be for interest on the national debt, about two-thirds of which was incurred through defense spending.

What we are seeing, in the Reagan proposals, is a quantum leap into military spending, requiring even deeper cuts in the money Congress appropriates for domestic programs than those the president has called for. The alternative to that is huge, inflation-feeding deficits.

While Congress is considering the merits of taking old battleships out of mothballs, it also must consider what the whole of the Reagan plan would do to the taxpayers, the economy, the arms race and the fundamental nature of the country. The proposed military budget, in our view, is a call not for national strength but for domestic calamity.●

EGYPT RATIFIES TREATY ON NONPROLIFERATION OF NUCLEAR WEAPONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, I wish to take this opportunity to commend the Arab Republic of Egypt for its recent ratification of the treaty on the Nonproliferation of Nuclear Weapons (NPT), making it the 114th nation to do so. Egypt has long been a supporter of international measures to reduce the spread of nuclear weapons, and was one of the original signers of the NPT, as well as a member of the Eighteen-Nation Committee on Disarmament of the United Nations. With the deposit of its instruments of ratification of the NPT on February 26 of this year, Egypt now formally undertakes to forgo the acquisition of nuclear weapons and to accept the application of International Atomic Energy Agency safeguards to all its nuclear activities. Based on this expression of good faith on the part of Egypt and the government of President Anwar Sadat, Egypt's cooperation with the United States in the peaceful applications of nuclear energy may proceed, should our two countries so desire.

In a statement accompanying the ratification of the NPT, the Government of Egypt also expressed its conviction that—

The establishment of nuclear-weapon-free zones in different parts of the world is bound to increase the effectiveness of the Non-Proliferation Treaty in the realization of its objectives and aims.

In this light, Egypt has strongly endorsed the establishment of a nuclear-weapon-free zone in the Middle East, as well as in Africa. Israel has also endorsed this proposal, another indication of the growing amity and cooperation of the two countries which has come about as a result of the Camp David accords.

This effort should be supported to the fullest extent possible by the United States. A nuclear-weapon-free zone already exists in Latin America under the Treaty of Tlatelolco, and has proven successful. The Egyptian proposal, if implemented, can only complement the regime established by the NPT, and will enhance the security of all nations in the Middle East and around the world.●

READJUSTMENT COUNSELING FOR VIETNAM-ERA VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MOTTL) is recognized for 5 minutes.

● Mr. MOTTL. Mr. Speaker, today I am introducing H.R. 2415 to amend title 38, United States Code, to extend by 2 years the period during which Vietnam-era veterans may initially request readjustment counseling.

The 96th Congress passed Public Law 96-22 which authorized a program of readjustment counseling to assist Vietnam-era veterans suffering from problems readjusting to civilian life. This assistance was made available for those who applied within 2 years after their date of discharge from active duty in the military service or within 2 years of the effective date of the law, which was October 1, 1979. As Members may recall, at the time Public Law 96-22 was passed, the budget for fiscal year 1979 had already been processed, and the counseling program was slow in getting underway. However, in the past year and a half, vet centers have opened across the country and have been highly effective. Some of these centers were opened in the last few months, and it is most important that they be permitted to make an outreach effort in their communities and render this vital service.

Mr. Speaker, the bill I am introducing would make this possible by extending the eligibility period until September 30, 1983. I understand that funds for the extension of the program were included in the Carter administration's budget totals.

It is my hope that this legislation will be given early and favorable consideration.●

LEGISLATION TO RELIEVE STATES OF FINANCIAL BURDEN CAUSED BY MEDICAID PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. SHELBY) is recognized for 5 minutes.

● Mr. SHELBY. Mr. Speaker, today I am reintroducing a package of bills designed to bring some relief to the financial burden to the States caused by requirements of the medicaid program. I am joined in this effort by my six colleagues from Alabama. Last year, a severe crisis in medicaid financing in Alabama brought to our attention the impediments faced by States who need to reduce the dramatic increase in their expenditures for this program. Although the State administration had several reasonable cost-saving ideas, they were prohibited from implementing them because of inflexibilities in the Federal control of the program. These bills are designed to allow greater State discretion in implementing certain changes that would bring a degree of fiscal relief.

An added benefit of these bills is that, because most of them have the potential of reducing medicaid expenditures overall, as they reduce State medicaid expenditures they would at the same time reduce Federal medicaid expenditures. In fact, I have noticed proposals similar to these in the reports coming from the Reagan administration. The administration plans to cap medicaid payments to the States while giving States increased flexibility in program management to cope with the decreased Federal revenues, and the ideas offered in my proposals would fit right in with this plan.

These bills would perform the following functions:

First. Allow States to negotiate for the purchase of certain services;

Second. Give States the right to end a recipient's medicaid eligibility in instances of demonstrated abuse of the system;

Third. Allow families to contribute to the cost of medical care by participating in a voluntary "relative responsibility" plan for recipients in nursing homes;

Fourth. Give States the choice of requiring patient copayment for all medicaid services; and

Fifth. Require the Federal Government to pay for all the medicaid expenditures of SSI recipients during periods in which they have been incorrectly certified for SSI by the Federal Government. .

I recognize that the issue I am raising here is one which goes to the heart of the nature of the relationship between Federal and State governments. Not only do I recognize this fact, I believe thorough discussion is in order. During these times of Federal belt tightening, it makes utmost sense to reevaluate the division of duties in such a State-administered plan and to consider regulatory changes which would ultimately reduce Federal outlays as well as bureaucratic manhours.●

LEGISLATION TO CORRECT PROBLEM OF CHILD CARE FACILITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 5 minutes.

● Mrs. COLLINS of Illinois. Mr. Speaker, today I am introducing legislation aimed at correcting the problem of inadequate, inappropriate and even

in this day and time, nonexistent child-care facilities in this Nation.

My bill, the Child and Family Development Act as drafted by the Chicago Task Force on Child/Day Care was written to strengthen the development of children and the functioning of families by establishing a comprehensive Federal child-care program designed to improve the quality and availability of child care services while at the same time protecting parental rights and preserving the family as a unit.

While statistics will certainly bear out the need for alternative forms of quality child care, it does not stop with cold hard sterile numbers. The facts are that the family, as a unit, is struggling desperately to survive the ravages of rampant inflation, high unemployment, high interest rates, along with basically trying to make ends meet in the home. It is certainly very difficult in the midst of the present economic situation to make sure the family is well fed, has clothes and a roof over their heads. And whether we like it or not the way to try and provide for the family means that in most cases two-parent households (both spouses) are active in the labor market. The dilemma facing single parent households are, of course, more pressing. Statistics reveal there are over 1 million single-parent working mothers with pre-school-age children. Add that to 66 percent of divorced women who have children under 3 and 72 percent of divorced women who have children between the ages of 3 and 5.

What we are witnessing today, is an incredible situation in which responsible parents are trying to earn a living at the same time while looking desperately for a sensitive situation where children can be left attended during the day.

Recently, the White House Conference on Families released a report that addresses the issue of child care. At a conference Detroit hearing, Berkley Watterson, of the United Auto Workers said:

> The young members of our union are frantically seeking in all directions, solutions for a safe place to keep their children while they are at work. At the present time, they find nothing but patchwork arrangements and confusion in the availability of day-care programs.

Subsequently, the White House conferees came away advocating increased child care tax incentives to businesses and expanding present child care deduction or credit. In short, they were supportive of alternative forms of quality and affordable child care.

The Washington Metropolitan Affiliate of the National Black Child Development Institute held a conference during the last few days in October. Part of that conference dealt with responding to the platform on child care as assembled by the National Day Care Campaign. The platform was designed to accomplish two objectives: First, highlight and call attention to the need for child day care for children whose parents work; and second, express the need for child day-care policy in simple language.

It is important for all to realize that when we talk of providing child care we are talking of assisting and enhancing the family as a unit. We are talking prosensitive care for children whose parents work to survive this economic climate.

Many of us may remember during World War II when mothers took to the defense factories to keep things running while soldiers went to war. What happened to the children whose parents were working? They attended day-care facilities—a temporary necessity brought about by an emergency situation.

In summary, the outside forces attacking families today will not disappear overnight. Day care should be seen as a measure to assist those families deal with the pressing economic ills prevailing in our society and indeed, the world. Coupled with assisting families survive with their heads up, alternative sources of quality, competent, and affordable child care must be available to working parents.

We must keep in mind too that this is not a women's issue, a minority issue or a poor people's issue. It is a family issue that transcends class, race or economic levels.

Accordingly, I would like to extend an invitation to individuals, groups and organizations concerned with and who have expertise with child care to study and analyze this legislation and if and where applicable, to make suggestions which might make it more responsive to the objectives of assuring quality and affordable care for children whose parents work. I believe that with constructive suggestions, we will be able to build a framework for action in the 97th Congress.●

ADMINISTRATION TO ELIMINATE SUBSIDY ON INLAND WATERWAYS BY INCREASING USERS FEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, as part of President Reagan's program for economic recovery the administration will seek to eliminate the subsidy on inland waterways beginning in 1983 by increasing users fees on barge fuel.

The Congressional Budget Office estimates that full recovery of these costs through a fuel tax would require a tax equal to about $1.30 a gallon. Such a high tax is impractical because fuel consumption does not necessarily reflect the benefits received by a given waterway user. I am proposing a more moderate and equitable approach through legislation I first introduced in 1979, which would impose a schedule of user charges to recover 25 percent of the actual costs of Federal waterway expenditures for navigation.

In 1978, the 95th Congress established for the first time a mechanism for recouping some of the funds expended to maintain and develop the inland waterways of the United States. That legislation imposed a Federal excise tax on fuel consumed by barges, which comprise the bulk of commercial traffic using the waterways. The tax begins in 1981 at the rate of 4 cents per gallon and will rise to 10 cents in 5 years. Receipts from the tax will accumulate in a trust fund for waterway construction and maintenance. The bill also directed the Secretaries of Transportation and Commerce to conduct a comprehensive study with respect to a system of waterway user charges.

In my view, the partial recoupment program established by the 95th Congress, while a step in the right direction, remains deficient in two important respects. First, it does not go far enough in establishing a fee schedule that will make Federal treatment of competing forms of transportation more equitable. Second, it fails to create any incentive for the commercial users of the inland waterways to join the effort to hold down the cost of maintaining and developing the system. For these reasons I am introducing legislation to require that a system of limited charges, which would facilitate the objectives of the study mandated by the 1978 act and which would insure a more equitable sharing of the cost of operating our Nation's inland waterways, be levied on waterway users.

The Federal Government currently builds, maintains, and operates a network of inland waterways that are used by barge operators to carry about 11 percent of our domestic freight. Providing inland waterways free of user charges dates back to the early days of the Republic when it was the intent of the Government to create a viable water transportation system by protecting canal operators against other forms of competition.

This policy has proven quite successful. Today, the Government maintains more than 15,000 miles of inland waterways deep enough to accommodate commercial traffic. In many cases, these waterways are navigable only because the Federal Government has invested billions of dollars over the years in locks, dams, and dredging operations.

I believe that the principle of operator-supported waterways should be extended to provide that at least 25 percent of the cost of maintaining and developing the Nation's waterway system be borne by private enterprise, which benefits from its use. The Congressional Budget Office estimates that in 1981, the current fuel tax of 4 cents per gallon established under the Inland Waterway Revenue Act of 1978, will cover only 2.6 percent of Federal costs for 1981, and the projected revenues for the 5-year period 1982-86 will cover only 6 percent of projected Federal expenditures for waterway navigation purposes during this period.

Even more significant is the cost control factor that is built into a requirement that waterway users pay a greater percentage of the costs associated with the operation of the system. If users must pay an increased percentage of the cost of Government services, they will have a tremendous incentive to act as "watchdogs" to prevent waste, since they will be forced to pay for a percentage of that waste. The percentage requirement thus promotes efficiency by enlisting the support of users in whose interest it is to identify and eliminate unnecessary expenditures.

As provided in my bill, the establishment of a schedule of user charges that will generate revenue sufficient to recoup 25 percent of the cost of waterway operation, maintenance, construction, and rehabilitation would be designed to supplement the Federal excise tax on barge fuel levied by the 1978 act, and would be phased in over a 5-year period. The amount of Federal tax paid by users would be credited against the user fee mandated for that year. In other words, the revenue to be collected under the fee schedule would be the difference between the amount of fuel tax paid and the annual percentage requirement established by the schedule.

The underlying purpose of this proposal is to bestow a reasonable and more equitable financial responsibility for the condition of our Nation's waterways on those who receive the most direct benefit. A well-conceived user fee program will lower the cost of construction and maintenance to the taxpayer, and will provide users with a direct incentive to advocate and carry out cost-effective proposals for waterway improvements. Based on CBO estimates, if Congress imposes user charges to cover 25 percent of the Federal expenditures for inland waterways, as contained in this bill, the cumulative savings over the phase-in period would be approximately $1.2 billion.

I urge my colleagues to join me in support of this important legislation.●

THE POSTAL SERVICE'S NINE-DIGIT ZIP CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. ENGLISH) is recognized for 5 minutes.

● Mr. ENGLISH. Mr. Speaker, today I am introducing legislation that would prohibit the Postal Service from spending any funds to establish a nine-digit ZIP code. I also wish to announce that the Subcommittee on Government Information and Individual Rights, which I chair, will continue its examination of the Postal Service proposal at hearings on March 26.

The Postal Service ZIP expansion plan is both costly and complex. The details of just how costly and complex are set forth in a report issued last December 10 by the Committee on Government Operations (H. Rept. 96-1531). This report, which is based on the subcommittee's earlier hearings, faults the Service's planning for the program and labels the Postal Service plan a potential "colossal failure."

This is not the first time a Postal Service effort has received such a label. More often than not, however, the Congress involvement comes too late to do anything but acquiesce to the throwing of good money after bad. Our interest here is not to stand in the way of progress, but to ask the hard questions that will help insure real progress.

As it stands, the Postal Service has been quite forthcoming with films of optical character readers (OCR's) and other automated equipment on which it will spend approximately $1 billion. The Service has, however, ignored repeated requests from the subcommittee for specific data on the performance evaluation of this equipment.

The potential costs to mailers to incorporate the additional digits into their mailing lists is another area that needs further study. Until pressed by the subcommittee, the Postal Service had not even considered the cost of its proposal to Government agencies or to the private sector. When it finally acceded to our demands on this matter, the Service produced an analysis that is defective on its face. The Service says the conversion will cost mailers a total of from $40 to $80 million. Our estimate, substantiated by testimony by the businesses who will be affected, is that conversion may cost mailers close to $1 billion.

Even when I give the benefit of the doubt to the Service on its cost estimates, I am left with nagging questions concerning the soundness of the ZIP expansions proposal. For example, if the conversion to nine-digit ZIP codes will cost so little, why is the Postal Service Board of Governors proposing to give mailers a one-half-cent discount for each letter carrying the longer codes? It is interesting to note at this juncture that if the Service succeeds in getting the nine-digit ZIP on 30 billion pieces of business mail—its supposed primary target—it will be losing $150 million yearly in revenue.

Mr. Speaker, there are many similar questions which must be addressed and answered before this issue can be intelligently resolved.

I am well aware of the fact that it has been almost 11 years since the Congress approved the establishment of an independent Postal Service. At the time it was felt that with independence, management would be able to cure the ills of the old post office department through the application of business-like practices. While the Postal Service and its supporters can undoubtedly point to many improvements, each of us has received his share of constituent complaints and horror stories relative to increased rates and deteriorating services. Many knowledgeable individuals have questioned whether the Postal Service can survive for another decade.

Independence does not mean there should be no oversight. It means that we must be judicious in our exercise of this responsibility. The nine-digit ZIP code proposal deserves our scrutiny because, if it fails, we may see the demise of the Postal Service along with it.

The cosponsors and the text of the bill follow. The bill would amend the Postal Service's enabling statute; it is not an appropriations measure.

COSPONSORS OF H.R. 2393

Mr. Brooks, Mr. Kindness, Mr. Applegate, Mr. Archer, Mr. Bailey of Missouri, Mr. Bedell, Mr. Brown of Ohio, Mr. John L. Burton, Mr. Daniel B. Crane, Mr. Robert W. Daniel, Jr., Mr. Davis, Mr. Dorgan of North Dakota, Mr. Dornan of California, Mr. Duncan, Mr. Emery, Mr. Evans of Georgia, Mr. Evans of Indiana, Mr. Findley, Mr. Forsythe, Mr. Fountain, Mr. Frenzel, Mr. Frost, Mr. Fuqua, Mr. Gore, Mr. Guyer, Mr. Hagedorn, Mr. Sam B. Hall, Jr., Mr. Hefner, Mr. Heftel, Mr. Hendon, Mr. Hughes, Mr. Jeffries, Mr. Jones of North Carolina, Mr. Kastenmeier, Mr. Kramer, Mr. Lagomarsino, Mr. Latta, Mr. Lent, Mr. Luken, Mr. McDonald, Mr. McKinney, Mr. Madigan, Mr. Marlenee, Mr. Moffett, Mr. Mollohan, Mr. Neal, Mr. Nichols, Mr. Parris, Mr. Pashayan, Mr. Pepper, Mr. Rahall, Mr. Rinaldo, Mr. Roberts of South Dakota, Mr. Roberts of Kansas, Mr. Rose, Mr. Rosenthal, Mr. St Germain, Ms. Schroeder, Mr. Sensenbrenner, Mr. Sharp, Mr. Shelby, Mr. Shumway, Mr. Solomon, Mr. Stangeland, Mr. Stark, Mr. Walker, Mr. Weiss, Mr. White, Mr. Whitehurst, Mr. Williams of Ohio, Mr. Wright, Mr. Yatron, Mr. Edwards of Oklahoma, Mr. Lee, Mr. Young of Missouri, Mr. Hubbard, Mr. McDade, and Mr. Conable.

H.R. 2393

A bill to prohibit the use of funds to establish a nine-digit ZIP code

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2003 of title 39, United States Code,

is amended by adding the following subsection at the end thereof:

"(g) None of the funds available to the Postal Service from the Fund shall be expended to implement a nine-digit ZIP code system."●

TRIBUTE TO EMANUEL CELLER

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MITCHELL of Maryland. Mr. Speaker, some weeks ago this House paid tribute to Emanual Celler, who served with distinction in the U.S. House of Representatives. I did not know Mr. Celler well, but as a black man I knew of his stalwart fight throughout his years of service for the protection of civil rights.

My brother, Clarence Mitchell, Jr., the former long-term national lobbyist for the NAACP, knew Mr. Celler as a friend, and often told me about the courage and brilliance of the former House Judiciary Committee chairman. My brother paid final tribute to Representative Celler in his January 25 column of the Baltimore Sun Sunday newspaper.

I submit that tribute for careful reading by my colleagues in the House. Some need especially to read it as they retreat from the protection of civil rights and instead, begin to attack civil rights legislation, affirmative action programs, and programs to help the poor.

GOOD WORKS—THE MARK EMANUEL CELLER MADE

(By Clarence Mitchell)

The difficulty in capturing the sweep of a man's influence was brought home to me by a newspaper story on the death of former Representative Emanuel Celler at the age of 92. For almost half the 50 years he served in Congress, the New York Democrat was chairman of the House Judiciary Committee.

A line in the story said, "His name appears as author or co-author on the three major civil rights laws of the century in 1957, 1960 and 1964." In addition, the hearings he conducted on the 1957 Civil Rights bill make a two-inch-thick publication of 1,299 pages of close print. These hearings marked a turning point for civil rights in Congress. Before the hearings, such airing of the grievances of blacks revealed the problem but did not result in a remedy. After the hearings, the question was not whether there should be legislation, instead the question was, "What kind of laws shall we pass?"

In February, 1957, Mr. Celler opened the hearings before a subcommittee he also headed. With him sat the six subcommittee members who included Peter Rodino, Democrat of New Jersey and now chairman of the full committee, Kenneth Keating, Republican of New York, and William McCulloch of Ohio, also a Republican.

The cream of the Old South's segregation supporters came to deny that a law was needed and to utter such fiery words that one wondered whether they intended to stage a second barrage against Fort Sumter, Senators Sam Ervin of North Carolina, Herman Talmadge of Georgia and Strom Thurmond were the stars. But the cast of characters included former and future governors, state attorneys general, celebrated orators and just plain naysayers.

The Celler-Keating team heard them all with patience and respect even though it was clear that they would have opposed passage of the Ten Commandments if someone had labeled them a civil rights bill.

George Wallace, then a minor circuit judge in Alabama, said, "I enjoyed my service with the distinguished chairman in Chicago on the platform committee at the Democratic National Convention. We differed on many matters there, especially on the matter of civil rights, but I found the chairman fair and willing to listen to arguments of us people from the South."

When the bill reached the House floor, opponents tried to delay passage with parliamentary tricks. One of them was to make derogatory remarks about a member in violation of House rules. To get redress the offended member had to ask that the words "be taken down" and this usually caused long wrangling at the expense of time and patience of those supporting measures being debated.

Representative Mendel Rivers, Democrat of South Carolina, pointing to Representatives Celler and Keating as they were explaining the bill, said, "There they are, the Gold Dust Twins!" When they did not respond, he said in obvious disappointment, "Why do they not demand that my words be taken down?" Representative Celler gave him a smile and a wave but did not take the bait that would have brought costly delay.

Always skillful in evading a question from the press or a colleague if he thought the answer would give useful information to his opponents, Mr. Celler would often say, "That reminds me of an old Russian proverb which says, 'Don't roll up your pants until you come to the river.'" Sometimes he varied it by saying it was an old Turkish proverb.

During the Nixon administraion, the Justice Department backed a bill that seemed to hold out a promise to segregationists that the nation would return to separate schools based on race. Civil rights supporters denounced it as an apple of discord. Mr. Celler said, "That is not an apple of discord, it is an apple of Sodom."

Sometimes later my friend David Brody of the Anti-Defamation League sent me a picture of an apple of Sodom while he was in the Middle East where it grows. It is a beautiful red, well shaped and looks like luscious fruit, but when pressed it bursts like a punctured balloon—releasing air and feathery particles.

In many ways Mr. Celler was in Congress what Chief Justice Earl Warren was in the Supreme Court. Representative James Corman, a California Democrat, once invited me to dinner with them and Representative McCulloch at his home. He sensed that age was placing a limitation on the time they could be with us.

It was an evening long to be remembered as the three men informally recounted their views on the importance of civil rights. When it ended there was an inner sadness because one felt that when these three passed on the nation would suffer an almost irreparable loss.

The chief justice left us first and Mr. McCulloch followed him, but Representative Celler seemed like a sturdy institution who would be around even after most of us who are younger would be gone. Alas, that was not to be. The time came when the old warrior for freedom and justice had to roll up his pants and cross the river into eternity leaving us a rich heritage of laws and memories of his good works.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DAVIS (at the request of Mr. MICHEL), for March 11 to 17, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ADDABBO, for 60 minutes, on March 18.

(The following Members (at the request of Mr. EMERSON) to revise and extend their remarks and include extraneous matter:)

Mr. CONABLE, for 60 minutes, today.

Mr. JEFFORDS, for 5 minutes, today.

Mr. COLLINS of Texas, for 45 minutes, today.

Mr. HUNTER, for 5 minutes, today.

(The following Members (at the request of Mr. HERTEL) to revise and extend their remarks and include extraneous matter:)

Mr. FORD of Michigan, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LUNDINE, for 20 minutes, today.

Mr. CROCKETT, for 5 minutes, today.

Mr. ZABLOCKI, for 5 minutes, today.

Mr. MOTTL, for 5 minutes, today.

Mr. SHELBY, for 5 minutes, today.

Mr. ALEXANDER, for 10 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. ENGLISH, for 5 minutes, today.

Mr. JONES of Oklahoma, for 60 minutes, on March 11.

Mr. ALEXANDER, for 30 minutes, on March 11.

Mr. D'AMOURS, for 30 minutes, on March 18.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GORE, to extend his remarks prior to the vote on H.R. 2166.

(The following Members (at the request of Mr. EMERSON) and to include extraneous matter:)

Ms. FIEDLER.

Mr. CHENEY.

Mr. FORSYTHE.

Mr. LENT in two instances.

Mr. NELLIGAN.

Mr. YOUNG of Alaska in two instances.

Mr. WILLIAMS of Ohio.

Mr. COLLINS of Texas in two instances.

Mr. FIELDS.

Mr. DERWINSKI in four instances.

Mr. HYDE.

Mr. CARMAN.

Mr. JEFFORDS.

Mr. HILLIS.

Mr. GILMAN.

Mrs. SNOWE.

(The following Members (at the request of Mr. HERTEL) and to include extraneous matter:)

Mr. STARK in two instances.

Mr. RODINO in two instances.

Mr. CROCKETT.

Ms. FERRARO.

Mr. LELAND.

Mr. KILDEE in two instances.

Mr. STOKES.

Mr. MAZZOLI in two instances.

Mr. DAN DANIEL in two instances.

Mr. MURTHA.

Mr. FLORIO.

Mr. OBERSTAR in three instances.

Mr. COTTER.

Mr. JACOBS.

Mr. BONER of Tennessee in three instances.

Mr. WEISS in six instances.

Mr. BEDELL.

Mr. DASCHLE.

Mr. LONG of Maryland in two instances.

Mr. LEVITAS.

Mr. VENTO.

Mr. RAHALL.

ADJOURNMENT

Mr. LUNDINE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 3 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 11, 1981, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

739. A communication from the President of the United States, transmitting proposed supplemental appropriations and budget amendments for fiscal years 1981 and 1982. (H. Doc. No. 97-29); to the Committee on Appropriations and ordered to be printed.

740. A letter from the Acting Under Secretary of Defense (Research and Engineering), transmitting the annual report for fiscal year 1980 on independent research and development and bid and proposal costs, pursuant to section 203(c) of Public Law 91-441; to the Committee on Armed Services.

741. A letter from the Acting Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the Army's intention to study the conversion from in-house operation to commercial contract of various functions at sundry locations, pursuant to section 502(a) of Public Law 96-342; to the Committee on Armed Services.

742. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at Malmstrom Air Force Base, Mont., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

743. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting a report on the administration of the Change in Bank Control Act of 1978 during the period March 10, 1979, through December 31, 1980, pursuant to section 7(j)(14) of the Federal Deposit Insurance Act, as amended; to the Committee on Banking, Finance and Urban Affairs.

744. A letter from the Secretary of Education, transmitting proposed final regulations revising the 1981-82 family contribution schedules for the Pell grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

745. A letter from the Chairman, Federal Council on the Arts and the Humanities, transmitting the fifth annual report on the arts and artifacts indemnity program, covering fiscal year 1980, pursuant to section 8 of Public Law 94-158; to the Committee on Education and Labor.

746. A letter from the Secretary of Energy, transmitting the annual report for 1980 on the Strategic Petroleum Reserve, pursuant to section 165 of the Energy Policy and Conservation Act of 1975; to the Committee on Energy and Commerce.

747. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Israel for permission to transfer certain U.S.-origin military equipment to Ecuador, pursuant to section 3(d) of the Arms Export Control Act, as amended; to the Committee on Foreign Affairs.

748. A letter from the Acting Assistant Secretary of Commerce for Administration, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

749. A letter from the Secretary, American Battle Monuments Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

750. A letter from the Acting Administrator of Veterans' Affairs, transmitting a report on the Veterans' Administration's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

751. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing Army records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

752. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing Navy records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

753. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of proposed changes in an existing Navy records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

754. A letter from the Employee Benefits and Risk Manager, Office of Joint Services, Fourth District Farm Credit Institutions, transmitting the annual report of the District's retirement plan for the year ended July 31, 1980, pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

755. A letter from the Acting Chairman, U.S. Synthetic Fuels Corporation, transmitting the financial report of the Corporation for the quarter ended December 31, 1980, pursuant to section 177(c) of Public Law 96-294; jointly, to the Committees on Energy and Commerce and Banking, Finance and Urban Affairs.

756. A letter from the Comptroller General of the United States, transmitting a report on the Air Force and Navy plans to acquire trainer aircraft (MASAD-81-11, February 28, 1981); jointly, to the Committees on Government Operations and Armed Services.

757. A letter from the Comptroller General of the United States, transmitting a report on the Department of Defense's participation in the space transportation system (MASAD-81-6, February 28, 1981); jointly, to the Committees on Government Operations, Armed Services, and Science and Technology.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON:

H.R. 2383. A bill to amend the Internal Revenue Code of 1954 to reduce individual and business income taxes; to the Committee on Ways and Means.

By Mr. BEDELL:

H.R. 2384. A bill to require the Secretary of the Army to establish a schedule of user charges to be paid by the owner or operator of any shallow-draft cargo vessel using any inland waterway of the United States, and for other purposes; jointly, to the Committees on Public Works and Transportation and Ways and Means.

By Mr. BRODHEAD:

H.R. 2385. A bill to amend the Internal Revenue Code of 1954 to reduce the maximum individual income tax rate to 50 percent; to the Committee on Ways and Means.

H.R. 2386. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

By Mrs. COLLINS of Illinois:

H.R. 2387. A bill to strengthen the development of children and the functioning of families by establishing a comprehensive Federal child care program designed to improve the quality and availability of child

care services while protecting parental rights, and for other purposes; to the Committee on Education and Labor.

By Mr. COLLINS of Texas:

H.R. 2388. A bill to amend section 924(c) of title 18 of the United States Code to increase the minimum additional penalties for the commission of Federal felonies with firearms and to provide that persons convicted under that provision are ineligible for parole during certain periods; to the Committee on the Judiciary.

H.R. 2389. A bill to provide for the safeguarding taxpayer rights, and for other purposes; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 2390. A bill to amend the Internal Revenue Code of 1954 to allow each individual to exclude $1,000 of interest on savings; to the Committee on Ways and Means.

By Mr. DASCHLE:

H.R. 2391. A bill to amend title 38, United States Code, to provide education and training opportunities for certain Vietnam-era veterans to assist those veterans in gaining employment; to the Committee on Veterans' Affairs.

By Mr. WILLIAMS of Montana:

H.R. 2392. A bill entitled the "Montana RARE II Release Act of 1981"; jointly, to the Committees on Interior and Insular Affairs and Agriculture.

By Mr. ENGLISH (for himself, Mr. BROOKS, Mr. KINDNESS, Mr. APPLEGATE, Mr. ARCHER, Mr. BAILEY of Missouri, Mr. BEDELL, Mr. BROWN of Ohio, Mr. JOHN L. BURTON, Mr. DANIEL B. CRANE, Mr. ROBERT W. DANIEL, JR., Mr. DAVIS, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DUNCAN, Mr. EMERY, Mr. EVANS of Georgia, Mr. EVANS of Indiana, Mr. FINDLEY, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FRENZEL, Mr. FROST, Mr. FUQUA, Mr. GORE, Mr. GUYER, Mr. HAGEDORN, Mr. SAM B. HALL, JR., Mr. HEFNER, Mr. HEFTEL, Mr. HENDON, Mr. HUGHES, Mr. JEFFRIES, Mr. JONES of North Carolina, Mr. KASTENMEIER, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LATTA, Mr. LENT, Mr. LUKEN, Mr. MCDONALD, Mr. MCKINNEY, Mr. MADIGAN, Mr. MARLENEE, Mr. MOFFETT, Mr. MOLLOHAN, Mr. NEAL, Mr. NICHOLS, Mr. PARRIS, Mr. PASHAYAN, Mr. PEPPER, Mr. RAHALL, Mr. RINALDO, Mr. ROBERTS of South Dakota, Mr. ROBERTS of Kansas, Mr. ROSE, Mr. ROSENTHAL, Mr. ST GERMAIN, Mrs. SCHROEDER, Mr. SENSENBRENNER, Mr. SHARP, Mr. SHELBY, Mr. SHUMWAY, Mr. SOLOMON, Mr. STANGELAND, Mr. STARK, Mr. WALKER, Mr. WEISS, Mr. WHITE, Mr. WHITEHURST, Mr. WILLIAMS of Ohio, Mr. WRIGHT, Mr. YATRON, Mr. EDWARDS of Oklahoma, Mr. LEE, Mr. YOUNG of Missouri, Mr. HUBBARD, Mr. McDADE, and Mr. CONABLE):

H.R. 2393. A bill to prohibit the use of funds to establish a nine-digit ZIP code; to the Committee on Post Office and Civil Service.

By Ms. FIEDLER:

H.R. 2394. A bill to amend chapter 65 of title 18, United States Code, to provide criminal penalties for desecration of a religious structure or a consecrated grave, or the placement of an antireligious symbol on the property of another, and for other purposes; to the Committee on the Judiciary.

By Mr. HILLIS (for himself and Mr. BROOMFIELD):

H.R. 2395. A bill to make the tax deduction for repayment of certain unemployment compensation benefits which is applicable to taxable years beginning after December 28, 1980, applicable to taxable years ending after April 2, 1975; to the Committee on Ways and Means.

By Mr. HOLLAND:

H.R. 2396. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes and the tax on generation-skipping transfers; to the Committee on Ways and Means.

H.R. 2397. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain lending or finance businesses for purposes of the tax on personal holding companies; to the Committee on Ways and Means.

By Mr. HUBBARD:

H.R. 2398. A bill to provide, for purposes of the Federal income tax, that the one-time exclusion from gross income of gain from the sale of a principal residence by an individual who has attained age 55 shall apply to sales and exchanges after December 31, 1977; to the Committee on Ways and Means.

By Mr. HUNTER:

H.R. 2399. A bill to amend title 38 of the United States Code to provide meaningful educational assistance to persons who serve in the Armed Forces; jointly, to the Committees on Armed Services and Veterans' Affairs.

By Mr. CONABLE (for himself, Mr. MICHEL, Mr. DUNCAN, Mr. ARCHER, Mr. VANDER JAGT, Mr. PHILIP M. CRANE, Mr. FRENZEL, Mr. MARTIN of North Carolina, Mr. BAFALIS, Mr. SCHULZE, Mr. GRADISON, Mr. ROUSSELOT, and Mr. MOORE):

H.R. 2400. A bill to amend the Internal Revenue Code of 1954 to encourage economic growth through reduction of the tax rates for individual taxpayers and acceleration of capital cost recovery of investment in plant, equipment, and real property; to the Committee on Ways and Means.

Mr. JEFFORDS:

H.R. 2401. A bill entitled the "Dairy Production Act of 1981"; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. JONES of Oklahoma:

H.R. 2402. A bill to amend the Internal Revenue Code of 1954 to change the period for the payment of taxes under section 4161(a) of such Code; to the Committee on Ways and Means.

H.R. 2403. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of gain on the sale or exchange of foreign investment company stock; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. EDWARDS of California, Mr. SEIBERLING, Mr. DANIELSON, Mr. MAZZOLI, Mr. HUGHES, Mr. SYNAR, Mr. BENNETT, Mr. AKAKA, Mr. McCLORY, Mr. RAILSBACK, Mr. FISH, Mr. BUTLER, Mr. MOORHEAD, Mr. KINDNESS, and Mr. LUNGREN):

H.R. 2404. A bill to eliminate diversity of citizenship as a basis of jurisdiction of Federal district courts; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. DANIELSON, Mr. RAILSBACK, Mr. McCLORY, Mr. BUTLER, and Mr. SAWYER):

H.R. 2405. A bill to establish a U.S. Court of Appeals for the Federal circuit, to establish a U.S. Claims Court, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 2406. A bill to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. SAM B. HALL, JR., Mr. OBERSTAR, Mr. AKAKA, Mr. RAILSBACK, Mr. FISH, Mr. HAMMERSCHMIDT, and Mr. BETHUNE):

H.R. 2407. A bill to aid State and local governments in strengthening and improving their judicial systems through the creation of a State Justice Institute; to the Committee on the Judiciary.

Mr. KASTENMEIER:

H.R. 2408. A bill to provide for consistent standards relating to standing to bring suit in Federal courts; to the Committee on the Judiciary.

By Mr. LAFALCE:

H.R. 2409. A bill to amend the Internal Revenue Code of 1954 to eliminate the marriage penalty by providing that all individuals shall use the income tax rate applicable to joint returns and that community property laws shall not apply for Federal income tax purposes; to the Committee on Ways and Means

By Mr. LEATH of Texas (by request):

H.R. 2410. A bill to amend title 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; to the Committee on Veterans' Affairs.

H.R. 2411. A bill to amend title 38, United States Code, to authorize the Administrator to provide a memorial plaque or marker in appropriate situations to the next of kin of an individual who would otherwise be memorialized in a national, private or local cemetery; to the Committee on Veterans' Affairs.

By Mr. LUNDINE (for himself and Mr. LAFALCE):

H.R. 2412. A bill to establish the National Productivity Council and the National Productivity Council Advisory Board; to the Committee on Banking, Finance and Urban Affairs.

By Ms. MIKULSKI:

H.R. 2413. A bill to authorizing the establishment of a customs fund for use in the renovation, expansion, and construction of customs port facilities located on State or municipal marine terminal property at U.S. ports; to the Committee on Ways and Means.

By Mr. MOLINARI:

H.R. 2414. A bill to amend the Public Health Service Act to encourage the establishment of home health programs and to amend the Social Security Act to provide expanded coverage of home health services under the medicare and medicaid programs; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. MOTTL:

H.R. 2415. A bill to amend title 38, United States Code, to extend by 2 years the period during which Vietnam-era veterans may initially request psychological readjustment counseling; to the Committee on Veterans' Affairs.

By Mr. PICKLE (for himself and Mr. HANCE):

H.R. 2416. A bill to promote the development of tertiary enhanced oil recovery techniques; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 2417. A bill to amend the Internal Revenue Code of 1954 to increase to $150,000 the amount of group-term life insurance which may be provided by an employer and excluded from the gross income of an employee; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 2418. A bill to amend the Elementary and Secondary Education Act of 1965 to provide that an elementary or secondary school may not receive Federal funds unless the principal supervisor of such school certifies to the Commissioner on Education that the Pledge of Allegiance is a part of the daily program of such school; to the Committee on Education and Labor.

H.R. 2419. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. SHAW:

H.R. 2420. A bill to amend section 481(d) of the Foreign Assistance Act of 1961; to the Committee on Foreign Affairs.

By Mr. SHELBY (for himself, Mr. BEVILL, Mr. FLIPPO, Mr. NICHOLS, Mr. SMITH of Alabama, Mr. DICKINSON, and Mr. EDWARDS of Alabama):

H.R. 2421. A bill to permit relatives of medicaid eligible individuals residing in nursing homes to contribute voluntarily to a State fund for the provisions of such care; to the Committee on Energy and Commerce.

By Mr. SHELBY (for himself, Mr. BEVILL, Mr. FLIPPO, Mr. NICHOLS, Mr. DICKINSON, and Mr. EDWARDS of Alabama):

H.R. 2422. A bill to amend title XIX of the Social Security Act to permit State medicaid programs to require nominal copayments for basic services provided to categorically needy individuals; to the Committee on Energy and Commerce.

H.R. 2423. A bill to amend title XIX of the Social Security Act to permit States to terminate eligibility for medicaid medical assistance for up to 1 year for individuals determined to have abused the medicaid program; to the Committee on Energy and Commerce.

H.R. 2424. A bill to amend title XIX of the Social Security Act to allow States to provide for competitive bidding for the purchase of certain items under the medicaid plans; to the Committee on Energy and Commerce.

H.R. 2425. A bill to amend title XIX of the Social Security Act to provide that the Federal medical assistance percentage will be 100 per centum for individuals during periods in which they have been incorrectly certified as supplemental security income recipients, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SOLOMON:

H.R. 2426. A bill to amend the Internal Revenue Code of 1954 to allow the residential energy credit for certain wood or peat-burning stoves; to the Committee on Ways and Means.

H.R. 2427. A bill to amend the Internal Revenue Code of 1954 to provide for the indexing of certain assets for purposes of determining gain or loss; to the Committee on Ways and Means.

H.R. 2428. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax for up to $750 of the cost of purchasing a new highway vehicle; to the Committee on Ways and Means.

H.R. 2429. A bill to amend title VI of the Social Security Act to improve the aid to families with dependent children program by substituting block grants for open-ended Federal matching, to give the States a fiscal incentive to reduce error, waste, and fraud in the aid to families with dependent children program, to provide fiscal relief to the States so as to reduce overall State welfare spending and increase basic benefits for the truly needy, to encourage the States to require work as a condition of eligibility for aid to families with dependent children payments, to establish a demonstration project to provide a pilot test of the States' ability to design and implement their own welfare programs, and for other purposes; to the Committee on Ways and Means.

H.R. 2430. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to residential users of refined petroleum products; to the Committee on Ways and Means.

By Mr. SOLOMON (for himself, Mr. SMITH of New Jersey, Mr. MATSUI, Mr. JEFFRIES, Mr. DOWNEY, Mr. LAGOMARSINO, Mr. STRATTON, Mr. LOWERY of California, Mr. HERTEL, Mr. MURPHY, Mr. McGRATH, Mr. YATRON, Mr. FOGLIETTA, Mr. GREEN, Mr. GUYER, Mr. HORTON, Mr. BOWEN, Mr. HYDE, Mr. MOLINARI, Mr. ATKINSON, Mr. LEE, Mr. SCHEUER, Mr. BIAGGI, Mr. LONG of Maryland, and Mr. CARMAN):

H.R. 2431. A bill to grant Federal charter to the Italian American War Veterans of the United States of America; to the Committee on the Judiciary.

By Mr. STARK:

H.R. 2432. A bill to amend the Internal Revenue Code of 1954 to reduce individual and business income taxes; to the Committee on Ways and Means.

By Mr. LAFALCE:

H.J. Res. 200. Joint resolution designating February 1982 as "American History Month"; to the Committee on Post Office and Civil Service.

By Mr. MITCHELL of Maryland (for himself, Mr. SMITH of Iowa, Mr. ADDABBO, Mr. GONZALEZ, Mr. LAFALCE, Mr. BEDELL, Mr. RICHMOND, Mr. NOWAK, Mr. IRELAND, Mr. SKELTON, Mr. EVANS of Georgia, Mr. STENHOLM, Mr. MAZZOLI, Mr. MAVROULES, Mr. CROCKETT, Mr. HATCHER, Mr. WYDEN, Mr. ECKART, Mr. DORGAN of North Dakota, Mr. SAVAGE, Mr. ROEMER, Mr. FARY, Mr. McDADE, Mr. CONTE, Mr. BROOMFIELD, Mr. MARRIOTT, Mr. WILLIAMS of Ohio, Mrs. SNOWE, Mr. BERKLEY, Mr. DANIEL B. CRANE, Mr. STATON of West Virginia, Mr. WEBER of Minnesota, Mr. DAUB, Mr. SMITH of New Jersey, Mr. WEBER of Ohio, and Mr. DREIER):

H.J. Res. 201. Joint resolution authorizing the President of the United States to proclaim May 10 through May 16, 1981, "National Small Business Week"; to the Committee on Post Office and Civil Service.

By Mr. DIXON (for himself, Mr. KEMP, Mr. ZABLOCKI, Mr. ANDERSON, Mr. ANDREWS, Mr. ATKINSON, Mr. AUCOIN, Mr. BARNES, Mr. BEDELL, Mr. BEILENSON, Mr. BENJAMIN, Mr. BEVILL, Mr. BINGHAM, Mr. BONER of Tennessee, Mr. BONKER, Mr. BONIOR of Michigan, Mr. BOWEN, Mr. BROOKS, Mr. BROOMFIELD, Mr. BROWN of California, Mr. BROWN of Ohio, Mr. PHILLIP BURTON, Mr. CHENEY, Mrs. CHISHOLM, Mr. CLAY, Mr. COELHO, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. COUGHLIN, Mr. WILLIAM J. COYNE, Mr. CROCKETT, Mr. DASCHLE, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DE LUGO, Mr. DENARDIS, Mr. DERRICK, Mr. DERWINSKI, Mr. DICKS, Mr. DONNELLY, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DOWNEY, Mr. DYMALLY, Mr. ECKART, Mr. EDGAR, Mr. EDWARDS of California, Mr. EDWARDS of Oklahoma, Mr. ERDAHL, Mr. EVANS of Delaware, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mrs. FENWICK, Ms. FERRARO, Mr. FINDLEY, Mr. FISH, Mr. FITHIAN, Mr. FORD of Tennessee, Mr. FOWLER, Mr. FRANK, Mr. FUQUA, Ms. FIEDLER, Mr. GEJDENSON, Mr. GILMAN, Mr. GINGRICH, Mr. GINN, Mr. GOODLING, Mr. GORE, Mr. GRAY, Mr. GUARINI, Mr. HARKIN, Mr. HAWKINS, Mr. HEFTEL, Mr. HUGHES, Mr. KILDEE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEACH of Iowa, Mr. LEHMAN, Mr. LELAND, Mr. LEWIS, Mr. LIVINGSTON, Mr. LONG of Maryland, Mr. LONG of Louisiana, Mr. LOWRY of Washington, Mr. LUNGREN, Mr. MCCLOSKEY, Mr. McHUGH, Mr. MARKEY, Mr. MARKS, Mr. MATSUI, Ms. MIKULSKI, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. NATCHER, Mr. NELSON, Ms. OAKAR, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON, Mr. PEPPER, Mr. PERKINS, Mr. PETRI, Mr. PEYSER, Mr. PRITCHARD, Mr. PURSELL, Mr. RANGEL, Mr. RATCHFORD, Mr. RICHMOND, Mr. RODINO, Mr. ROSENTHAL, Mr. SABO, Mr. SAVAGE, Mr. SCHUMER, Mr. SHUMWAY, Mr. SIMON, Mrs. SNOWE, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. SUNIA, Mr. THOMAS, Mr. TRAXLER, Mr. VENTO, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEISS, Mr. WHITTEN, Mr. WOLPE, and Mr. ZEFERETTI):

H.J. Res. 202. Joint Resolution to authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day"; to the Committee on Post Office and Civil Service.

By Mr. LENT (for himself and Mr. McGRATH):

H. Con. Res. 90. Concurrent resolution disapproving the proposed sale to Saudi Arabia of AIM-9L air-to-air missiles and the FAST auxiliary fuel and equipment pods for the F-15 fighter aircraft ordered by Saudi Arabia; to the Committee on Foreign Affairs.

By Mr. ROSE:

H. Res. 107. Resolution providing funds for the expenses of the Committee on House Administration to provide for the maintenance and improvement of ongoing computer services for the House of Representatives, for the investigation of additional computer services for the House of Representatives, and to provide computer support to the committees of the House of Representatives; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOWLER:

H.R. 3433. A bill for the relief of Fa Fung Chen; to the Committee on the Judiciary.

By Mr. YOUNG of Alaska:

H.R. 3434. A bill for the relief of Jerry L. Crow; to the Committee on Interior and Insular Affairs.

H.R. 3435. A bill for the relief of M. Sgt. Paul D. Camp, Sr., U.S. Air Force (retired); to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 37: Mr. GUYER, Mr. TAUKE, and Mr. PORTER.

H.R. 40: Mr. RICHMOND, Mr. ROSENTHAL, Mr. WON PAT, Mr. RANGEL, Mr. MCCLOSKEY, Mr. STARK, Mr. MITCHELL of Maryland, Mr. CLAY, Mr. SKEEN, Mr. FAUNTROY, Mr. PHILLIP BURTON, Mr. WAXMAN, Mr. LEHMAN, Mr. WEISS, Ms. FERRARO, Mr. BEILENSON, and Mr. ROYBAL.

H.R. 52: Mr. JACOBS.

H.R. 70: Mr. DORGAN of North Dakota.

H.R. 163: Mr. SKEEN.

H.R. 254: Mr. FOWLER.

H.R. 259: Mr. RUDD.

H.R. 266: Mr. ANDREWS, Ms. MIKULSKI, and Mr. MITCHELL of Maryland.

H.R. 269: Mr. GREGG and Mr. TRIBLE.

H.R. 316: Mr. CAMPBELL, Mr. NEAL, Mr. BETHUNE, Mr. JAMES K. COYNE, Mr. ROBINSON, Mr. LOWERY of California, Mr. GINGRICH, Mr. ROEMER, Mr. PASHAYAN, Mr. FITHIAN, and Mr. COLEMAN.

H.R. 317: Mr. LOTT, Mr. ANNUNZIO, Mr. DANNEMEYER, Mr. FROST, Mrs. SCHNEIDER, Mr. ROUSSELOT, Mr. CAMPBELL, Mr. MCGRATH, Mr. GOODLING, and Mr. WHITE.

H.R. 318: Mr. ROEMER, Mr. MARLENEE, Mr. FISH, Mr. RUDD, Mr. PORTER, Mr. LOEFFLER, Mr. MOORE, and Mr. CHENEY.

H.R. 350: Mr. DAUB.

H.R. 464: Mr. COELHO.

H.R. 644: Mr. BOWEN, Mr. BURGENER, Mr. BUTLER, Mr. DORNAN of California, Mr. FAZIO, Ms. FERRARO, Mr. FISH, Mr. GINGRICH, Mr. GUARINI, Mr. GUYER, Mr. HUGHES, Mr. JEFFORDS, Mr. LAFALCE, Mr. LEHMAN, Mr. LONG of Maryland, Mr. LOTT, Mr. MARTIN of New York, Mr. MURPHY, Ms. OAKAR, Mr. OBERSTAR, Mr. STOKES, and Mr. STUMP.

H.R. 654: Mr. PHILIP M. CRANE and Mr. DOUGHERTY.

H.R. 878: Mr. HOWARD, Mr. GARCIA, Mr. DORGAN of North Dakota, Mr. BONER of Tennessee, Mr. WALGREN, Mr. STUMP, Mr. ATKINSON, Mr. WHITTAKER, Mr. DASCHLE, and Mr. DAUB.

H.R. 934: Mr. STARK, Mr. MURPHY, Mr. SKEEN, Mr. WON PAT, Mr. SIMON, and Mr. STOKES.

H.R. 974: Mr. GOLDWATER.

H.R. 1100: Mr. BONER of Tennessee and Mr. APPLEGATE.

H.R. 1147: Mr. APPLEGATE.

H.R. 1200: Mr. STOKES, Mr. WEAVER, and Mr. DONNELLY.

H.R. 1261: Mr. STOKES and Mr. WHITEHURST.

H.R. 1262: Mr. STOKES and Mr. WHITEHURST.

H.R. 1263: Mr. STOKES and Mr. WHITEHURST.

H.R. 1264: Mr. STOKES and Mr. WHITEHURST.

H.R. 1265: Mr. STOKES and Mr. WHITEHURST.

H.R. 1337: Mr. GORE, Mr. SCHEUER, Mr. COLLINS of Texas, Mr. KOGOVSEK, Mr. LAGOMARSINO, Mr. FROST, Mr. HYDE, Mr. SENSENBRENNER, Mr. MAZZOLI, Mr. WHITTAKER, Mr. JEFFORDS, Mr. DASCHLE, Mr. VENTO, Mr. MCGRATH, and Mr. MINETA.

H.R. 1343: Mr. CHAPPELL, Mr. ROUSSELOT, Mr. KILDEE, Mr. DE LUGO, Mr. PARRIS, Mr. HINSON, Mr. FISH, Mr. PANETTA, Mr. KINDNESS, Mr. EVANS of Georgia, Mr. DERWINSKI, Mr. WHITEHURST, Mr. ARCHER, Mr. KRAMER, Mr. FORSYTHE, Mr. BARNARD, Mr. CORCORAN, Mr. SMITH of Alabama, Mr. DAVIS, Mr. MCDADE, Mr. GREGG, Mr. MCKINNEY, Mr. PASHAYAN, Mr. FRENZEL, Mr. WILLIAMS of Ohio, Mr. HANSEN of Idaho, Mr. PAUL, Mr. LOTT, Mr. ROE, Mr. COLLINS of Texas, Mr. SAM B. HALL, JR., Mr. NEAL, Mr. MCDONALD, Mr. CONYERS, Mr. JAMES K. COYNE, Mr. SAWYER, Mr. CRAIG, Mr. MARRIOTT, Mr. MITCHELL of Maryland, Mr. GUYER, Mr. LAGOMARSINO, and Mr. ROBINSON.

H.R. 1353: Mrs. CHISHOLM, Mr. HORTON, Mr. HOWARD, Mr. RAHALL, Mr. REUSS, Mr. SOLARZ, Mr. WON PAT, Mr. YATES, and Mr. YOUNG of Missouri.

H.R. 1432: Mr. WHITEHURST, Mr. JEFFORDS, Mr. ROBERT W. DANIEL, JR., and Mr. GUYER.

H.R. 1454: Mr. EDGAR, Mr. AUCOIN, Mr. MATSUI, Mr. STOKES, Mr. MCKINNEY, Mr. LEHMAN, Mr. FOGLIETTA, and Mr. DYMALLY.

H.R. 1512: Mr. BARNARD.

H.R. 1540: Mr. JOHN L. BURTON, Mr. DIXON, Mr. DOWNEY, Mr. FISH, Mr. GINGRICH, Mr. GUYER, Mr. HANSEN of Idaho, Mr. HOLLENBECK, Mr. LEHMAN, Mr. MARTIN of New York, Mr. ROBINSON, Mrs. SCHROEDER, Mr. SENSENBRENNER, Mr. STOKES, and Mr. TRIBLE.

H.R. 1596: Mr. MOTTL.

H.R. 1648: Mr. ADDABBO, Mr. BARNARD, Mr. BOLAND, Mr. BONIOR of Michigan, Mr. CARMAN, Mr. CONTE, Mr. CORRADA, Mr. DE LA GARZA, Mr. EARLY, Mr. FAZIO, Mr. FORSYTHE, Mr. FRANK, Mr. FRENZEL, Mrs. HECKLER, Mr. HUGHES, Mr. MARKS, Mr. MAVROULES, Mr. MCHUGH, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. NOWAK, Mr. PORTER, Mr. PRITCHARD, Mr. RAHALL, Mr. RINALDO, Mr. RITTER, Mr. TRAXLER, Mr. UDALL, Mr. WHITTAKER, Mr. WON PAT, and Mr. WYDEN.

H.R. 1700: Mr. ADDABBO, Mr. AUCOIN, Mr. BARNES, Mr. CARMAN, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. FITHIAN, Mr. FOLEY, Mr. GREGG, Mr. HAMILTON, Mr. HUNTER, Mr. JONES of Tennessee, Mr. MOORHEAD, Mr. SHAMANSKY, Mr. SIMON, Mr. STUMP, Mr. TRIBLE, and Mr. WAMPLER.

H.R. 1720: Mr. BEILENSON, Mr. JEFFORDS, Mr. EDGAR, Mr. OTTINGER, Mr. LOWRY of Washington, Mr. STOKES, and Mr. VENTO.

H.R. 1800: Mr. MOFFETT, Mrs. CHISHOLM, Mr. MILLER of California, Mr. BEILENSON, Mr. GLICKMAN, Mr. CONYERS, Mr. GUYER, Mr. EMERY, Mr. SCHEUER, Mrs. SCHROEDER, Mr. BRODHEAD, Mr. OTTINGER, Mr. STOKES, Mr. COLLINS of Texas, Mr. WALKER, Mr. KILDEE, Mrs. SCHNEIDER, and Mr. BEDELL.

H.R. 1954: Mr. COELHO.

H.R. 2032: Mr. JOHNSTON, Mr. WINN, Mr. ROUSSELOT, Mr. COLLINS of Texas, Mr. SHUMWAY, Mr. WHITEHURST, Mr. WHITTAKER, Mr. BAFALIS, Mr. LOEFFLER, Mr. BEARD, and Mr. RUDD.

H.R. 2052: Mr. BINGHAM, Mr. WHITEHURST, Mr. FORSYTHE, Mr. PETRI, Mr. GUYER, and Mr. HUGHES.

H.R. 2129: Mr. SIMON.

H.R. 2252: Mr. OBERSTAR, Mrs. CHISHOLM, Mr. FAUNTROY, Mr. CONYERS, Mr. STOKES, Mrs. COLLINS of Illinois, Mr. PHILLIP BURTON, Mr. BINGHAM, Mr. GRAY, Mr. DIXON, Mr. HAWKINS, Mrs. SCHROEDER, Mr. FORD of Tennessee, Mr. FOWLER, Mr. GARCIA, Mr. SAVAGE, Mr. PANETTA, Mr. GONZALEZ, Mr. REUSS, Mr. MOFFETT, Mr. DOWNEY, Mr. RATCHFORD, Mr. EDWARDS of California, Mr. FUQUA, Mr. GIBBONS, Mr. LEHMAN, Mr. FASCELL, Mr. BARNARD, Mr. RUSSO, Mr. SHARP, Mr. YOUNG of Missouri, Mr. HUGHES, Mr. PEYSER, Mr. HALL of Ohio, Mr. BAILEY of Pennsylvania, Mr. BLANCHARD, Mr. LEACH of Iowa, Mr. DERWINSKI, Mr. AKAKA, Mr. ROYBAL, Mr. MITCHELL of Maryland, Mr. HYDE, Mr. JENKINS, Mr. LELAND, Mr. PATTERSON, Mr. AUCOIN, Mr. PEPPER, Mr. SMITH of Iowa, Mr. LAFALCE, Mr. JACOBS, Mr. DELLUMS, Mr. MOAKLEY, Mr. BEVILL, Mr. YATES, Mr. FINDLEY, Mr. DANIELSON, Mr. SKELTON, Mr. LOWRY of Washington, Mr. WEAVER, Mr. JOHN L. BURTON, Ms. OAKAR, Mr. CROCKETT, Mr. GEPHARDT, Ms. MIKULSKI, Mr. GOODLING, Mr. YATRON, Ms. FERRARO, Mr. BEDELL, Mr. TAYLOR, Mr. FORD of Michigan, Mr. DE LUGO, Mr. GINGRICH, Mr. GILMAN, Mr. BARNES, Mr. RANGEL, Mr. MARKEY, Mr. WYDEN, Mr. GINN, Mr. LEVITAS, Mr. CHAPPELL, Mr. YOUNG of Florida, Mr. BIAGGI, Mr. BRINKLEY, Mr. WIRTH, Mr. SABO, and Mr. SIMON.

H.J. Res. 125: Mr. APPLEGATE, Mr. SKELTON, and Mr. MOTTL.

H.J. Res. 141: Mr. PEPPER, Mr. OBERSTAR, Mr. MURPHY, Mr. RODINO, Mr. SCHEUER, Mr. GORE, Mr. ROE, Mr. CORRADA, Mr. LAGOMARSINO, Mr. BOWEN, Mr. GINN, Mr. HOLLAND, Mr. MADIGAN, Mr. GUYER, Mr. JENKINS, Mr. CARMAN, Mr. SABO, Mr. HEFNER, Mr. ERDAHL, Mr. DE LUGO, Mr. FRENZEL, Mr. YOUNG of Alaska, Mr. WEBER of Minnesota, Mr. IRELAND, Mr. VENTO, Mr. LELAND, Mr. SIMON, Mr. NOWAK, and Mr. ADDABBO.

H.J. Res. 155: Mr. ANDREWS, Mr. ANNUNZIO, Mr. ASPIN, Mr. ATKINSON, Mr. AUCOIN, Mr. BAFALIS, Mr. BAILEY of Pennsylvania, Mr. BARNARD, Mr. BARNES, Mr. BEVILL, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. BOWEN, Mr. BREAUX, Mr. BRODHEAD, Mr. BROOMFIELD, Mr. BROWN of Ohio, Mr. BURGENER, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mr. BUTLER, Mrs. CHISHOLM, Mr. CLAY, Mr. COELHO, Mrs. COLLINS of Illinois, Mr. COLLINS of Texas, Mr. CONTE, Mr. CORRADA, Mr. COURTER, Mr. WILLIAM J. COYNE, Mr. DE LA GARZA, Mr. DENARDIS, Mr. DERWINSKI, Mr. DICKS, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DWYER, Mr. EDGAR, Mr. EDWARDS of California, Mr. FARY, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mrs. FENWICK, Mr. FERRARO, Mr. FINDLEY, Mr. FISH, Mr. FLORIO, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. FUQUA, Mr. GOLDWATER, Mr. GONZALEZ, Mr. GORE, Mr. GRAY, Mr. GUARINI, Mr. GUYER, Mr. HARTNETT, Mrs. HECKLER, Mr. HEFTEL, Mr. HERTEL, Mr. HOLLENBECK, Mrs. HOLT, Mr. HORTON, Mr. HUGHES, Mr. HYDE, Mr. JACOBS, Mr. KASTENMEIER, Mr. KEMP, Mr. KILDEE, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEBOUTILLIER, Mr. LEE, Mr. LEHMAN, Mr. LENT, Mr. LEWIS, Mr. LONG of Louisiana, Mr. LOWERY of California, Mr. LUJAN, Mr. LUNDINE, Mr. MCGRATH, Mr. MCHUGH, Mr. MATSUI, Mr. MAVROULES, Mr. MIKULSKI, Mr. MILLER of California, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MOTTL, Mr. MURPHY, Mr. MURTHA, Ms. OAKAR, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. PETRI, Mr. PEYSER, Mr. PICKLE, Mr. PORTER, Mr. RANGEL, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. RUSSO, Mr. SANTINI, Mr. SAVAGE, Mr. SCHEUER, Mr. SIMON, Mr. SOLARZ, Mr. STARK, Mr. TAUZIN, Mr. VENTO, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEISS, Mr. WHITEHURST, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr. WINN, Mr. WIRTH, Mr. WOLPE, Mr. WON PAT, Mr. WORTLEY, Mr. YATRON, Mr. YOUNG of Missouri, Mr. ZEFERETTI, Mr. HOWARD, Mr. LOWRY of Washington, Mr. YATES, Mr. WALGREN, Mrs. SNOWE, Mr. AKAKA, Mr. COTTER, Mr. D'AMOURS, and Mr. STRATTON.

H.J. Res. 191: Mrs. CHISHOLM, Mr. HYDE, Mr. LAGOMARSINO, Mr. MURPHY, Mr. STOKES, Mr. SUNIA, Mr. WINN, and Mr. YOUNG of Alaska.

H. Con. Res. 27: Mr. DONNELLY and Mr. HOLLENBECK.

H. Res. 33: Mr. DORNAN of California.

H. Res. 96: Mr. KEMP, Mr. GRADISON, Mr. LOEFFLER, Mr. DORNAN of California, Mr. ROUSSELOT, Mr. DREIER, Ms. FIEDLER, Mr. COATS, Mr. COURTER, Mr. PORTER, Mr. DANNEMEYER, Mr. ROBERT W. DANIEL, JR., Mr. DAVIS, Mr. DAUB, Mr. FIELDS, Mr. PENDLEY, Mr. GUYER, Mr. HANSEN of Utah, Mr. JEFFRIES, Mr. LEWIS, Mr. LUNGREN, Mr. MOLINARI, Mr. MOORHEAD, Mr. RITTER, Mr. SMITH of Alabama, Mr. ERDAHL, Mr. ROEMER, Mr. NELLIGAN, Mr. WILSON, and Mrs. FENWICK.

SENATE—*Tuesday, March 10, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Bless the Lord, O my soul: and all that is within me, bless His holy name. Bless the Lord, O my soul and forget not all His benefits: Who forgives all thine iniquities, Who heals all thy diseases.—Psalms 103: 1–3.

Our Father in Heaven, it is difficult for strong men to admit weakness, and in our secular culture it is considered unacceptable. Help us, O God, to humble ourselves before Thee, to acknowledge our weakness and failure and receive Thy strength and wisdom. Give us grace to confess our sins and receive forgiveness in the confidence that Thou dost forgive us our sin and cleanse us from all unrighteousness.

Help us remember that whosoever exalts himself shall be abased and whosoever humbles himself before the Lord shall be exalted.

We thank Thee Father that Thy strength is manifest in us when we admit our weakness. Enable us to do our work today in Thy grace and power and love.

We ask this in the name of Him who is perfection incarnate. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that following on after the recognition of the two leaders under the standing order there be a period for the transaction of routine morning business for not to exceed 1 hour in length during which Senators may be permitted to speak for not more than 15 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER VITIATING ORDERS FOR THE RECOGNITION OF SENATORS BAUCUS AND KENNEDY

Mr. BAKER. Mr. President, might I inquire are there special orders issued in favor of Senators BAUCUS and KENNEDY for this morning?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. Mr. President, I am advised that neither Senator BAUCUS nor Senator KENNEDY will require the time that is provided for and I ask unanimous consent that those orders be vitiated.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I have no further requirements for my time under the standing order and no requests for time. I am prepared now to yield the remainder of the time provided for under the standing order to the distinguished minority leader if he wishes to avail himself of the time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

THE PASSING OF AN EXCEPTIONAL LADY

Mr. ROBERT C. BYRD. Madam President, I was saddened to learn that, at approximately 7:45 a.m. today, Mary Katherine Babb Randolph, the wife of our distinguished colleague Senator JENNINGS RANDOLPH, died after a lengthy illness. I am sure that all Senators join me in extending to Senator RANDOLPH and his family our deepest condolences.

As is the case with so many Senators' wives, Mrs. Randolph possessed a brilliance and creativity in her own right. Throughout her long illness, she continued to be a valued helpmate to Senator RANDOLPH and an inspiration to all who knew and admired her.

Mrs. Randolph belonged to a politically active and prominent West Virginia family. Her grandfather had been State auditor and Republican candidate for Governor. An uncle served in both houses of the West Virginia State Legislature. And her father was mayor of her hometown, Keyser, and had been a member of the Board of Governors of West Virginia University.

Prior to her marriage to JENNINGS RANDOLPH, Mary Katherine Babb had achieved a wide reputation as a social worker. She was renowned for the tenacity and compassion she displayed in taking care of orphaned and abandoned children in the eastern panhandle of West Virginia as an employee of the State Board of Children's Guardians. Known as "The Welfare Lady," she "compassed Heaven and Earth" in search of her charges, traveling by train, car, bus, and riverboat, and even fording mountain streams on foot in remote rural areas, looking for children in need.

In 1933, shortly after his election to the U.S. House of Representatives, Mary Katherine Babb married JENNINGS RANDOLPH. In the course of her husband's career in the House and Senate, and in the private sector, Mrs. Randolph became the friend and confidant of numerous congressional and senatorial wives, and was closely associated with Eleanor Roosevelt and seven subsequent First Ladies—Bess Truman, Mamie Eisenhower, Jacqueline Kennedy, Lady Bird Johnson, Pat Nixon, Betty Ford, and Rosalynn Carter.

Mrs. Randolph was a unique embodiment of grace and achievement, brilliance and sensitivity. Her friends in Washington and West Virginia will genuinely miss her.

Madam President, my wife, Erma joins me in extending our thoughts and sympathies to Senator RANDOLPH, and his sons, Jay and Frank as we share in their loss. February 18 had been the Randolph's 48th wedding anniversary, and last Sunday was Senator RANDOLPH'S 79th birthday. Though we mourn the passing of Mrs. Randolph, we can be thankful for the long and rich union of these two friends of ours who have contributed so much to Washington, West Virginia, and America. We shall not soon forget the kindness and courage of Mrs. Randolph, and we count it a privilege to have known her.

Mr. BAKER. Madam President, I join with my colleague and friend, the distinguished minority leader, in extending my sympathy and condolences and those, I am sure, of every Member on this side of the aisle, on the occasion of the death of Mary Randolph, the wife of our beloved and distinguished colleague from West Virginia, Senator RANDOLPH.

All of us treasure our relationship and friendship with Senator JENNINGS RANDOLPH. He is an extraordinary and unique Member of this body. We have been aware not only of the illness and suffering of his wife, Mary, but also of the toll it has taken on their family. We cannot help but admire the courage of Mary Randolph in a long, debilitating illness;

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

of JENNINGS RANDOLPH in his courage and devotion; and their family at this time.

All of us in the Senate, by the very nature of this institution, come to regard each other as members of a large and close family. Thus, the loss of any of us saddens and diminishes all of us.

Having been privileged to serve with Senator RANDOLPH for a great many years on the Environment and Public Works Committee, it was my good fortune to come to know both JENNINGS and Mary Katherine rather well.

As many of my colleagues are aware, Mary Katherine's health had been failing her for some time. Throughout her illness, however, she never once complained. Nor would she allow Senator RANDOLPH to curtail his service to the citizens of his beloved West Virginia. At her insistence, JENNINGS maintained as vigorous a schedule here and throughout the Nation as any Member of this body. His heart and his prayers were with her at all times, however, and in the infrequent quiet periods of his days, he would be by her side or talking to her on the telephone.

That Mary Katherine was the inspiration of JENNINGS RANDOLPH's unparalleled service to his State and country is no surprise to those of us who knew her. For Mary Katherine, herself, maintained a long career of exceptional service.

A legatee of rich and devoted service to West Virginians by her own family, Mary Katherine as a young adult spent years and boundless energy searching out adoptive and foster parents for abandoned and orphaned children. During the 5 years of her service on the West Virginia Board of Children's Guardians, she was affectionately known throughout that State as the "Welfare Lady," for her tireless efforts in behalf of unfortunate children.

During her many days in Washington, she was a close friend and acquaintance of every First Lady of our land from Eleanor Roosevelt to Rosalynn Carter and she worked with each of them on their many civic and social programs.

She was most active in such programs as the American Heart Association, the Boy's Clubs of America, the Florence Crittendon Homes for young women, and the many activities of St. Patrick's Episcopal Church here in Washington.

We shall all greatly miss Mary Katherine—for her unfailing kindness, her boundless good cheer, her quiet strength, and her devoted friendship.

I know I speak for each member of the Senate in expressing my heartfelt sympathies to Senator RANDOLPH on this most sad day for us all.

THE UNITED STATES SENATE

LIMITED DEBATE, 1789–1981, THE CLOTURE RULE

Mr. ROBERT C. BYRD. Mr. President, undoubtedly, one of the greatest changes occurring in the rules between the 1884 codification and the 1979 revision, was the emergence and development of the controversial cloture rule. That rule is now contained in paragraph 2 of Rule XXII, and it commands a history unto itself.

The origin and development and evolution of the rule have constituted a long and stormy voyage on the Senate's parliamentary sea.

In 1604, the practice of limiting debate in some form was introduced in the British Parliament by Sir Henry Vane. It became known in parliamentary procedure as the "Previous Question." It is described in Section 34 in Jefferson's *Manual of Parliamentary* Practice as follows:

> When any question is before the House, any member may move a previous question, whether that question (called the main question) shall not be put. If it pass in the affirmative, then the main question is to be put immediately, and no man may speak anything further to it, either to add or alter.

In 1778, the Journals of the Continental Congress show that the "Previous Question" was used. Section 10 of the Rules of the Continental Congress was as follows: "When a question is before the House no motion shall be received, unless for an amendment, for the previous question, to postpone the consideration of the main question, or to commit it."

In the British Parliament and the Continental Congress, the "previous question" was used to avoid discussion of a delicate subject or one which might have injurious consequences.

The Congress of the Confederation, on the practice of which the 1789 Senate drew so heavily, specifically declared that the—

> previous question . . . shall only be admitted when, in the judgment of two States at least, the subject moved is in its nature, or from the circumstances of time of place, improper to be debated or decided—

Jefferson, in his Manual, written while the 1789 rule was still in effect, stated:

> The proper occasion for the Previous Question is when a subject is brought forward of a delicate nature as to high personages . . . or the discussion of which may call forth observations which might be of injurious consequences. Then the Previous Question is proposed; and in the modern usage, the discussion of the Main (pending) Question is suspended, and the debate confined to the Previous Question. The use of it has been extended abusively to other cases.

The question as to whether in the last analysis, a minority should have power to prevent legislative action by the majority had been discussed in America long before 1789. Even in the colonial assemblies, various forms of obstruction had been practiced, and the subject was mentioned in the constitutional convention.

A committee of the Congress of the Confederation, in 1784, recommended stringent rules to prevent delays. The adjournment date having been set for June 3, and with much work to be done in the remaining 2 weeks, the committee recommended that in this instance the President be authorized to take the following action to expedite business:

1) to take the sense of Congress with respect to putting any question without debate when he considered it desirable;

2) to prevent any Member from speaking more than once or longer than the President deemed necessary;

3) to prevent more than two Members from speaking on one side of any question; and

4) to finish each day's business regardless of the hour of adjournment.

The *Journals of the Continental Congress* do not record that the recommendations were adopted, but they provide an interesting example of proposals far more stringent than the Senate was ever to consider.

It is apparent that unlimited debate was frowned on by the Senate in the First Congress, since Rule IV provided that "No member shall speak more than twice in any one debate on the same day, without leave of the Senate," and rule VI provided that "No motion shall be debated until the same shall be seconded."

Despite such precautions, delaying tactics were used in the Senate during its first year in 1789 against a bill to locate the National Capital on the Susquehanna.

The following year, the bill to fix the location of the Capital again occasioned dilatory tactics in both the Senate and House. In the upper Chamber, opponents of Philadelphia as the Capital tried to spin out the time until the Rhode Island Senators could arrive and vote against that site. In the House of Representatives, supporters of Philadelphia faced a similar situation. It was raining when the Philadelphia bill was under consideration in the House. If the bill passed the House and went to the Senate before the rain stopped, its friends believed it would pass, but if it reached the Senate after the rain stopped, it would be defeated. This curious circumstance was due to the illness of Senator Samuel Johnston, an opponent of the Philadelphia location, who could not safely be carried to the Floor in the rain to vote against the bill, but could and would if the rain ceased. The Senate was so evenly divided that the ill Senator's vote could have meant the difference. Supporters of the bill, therefore, tried to push the bill through the House before the rain ended. Gerry of Massachusetts and Smith of South Carolina thwarted the effort, however, by making long speeches and dilatory motions which delayed the decision until the next day.

As I have already indicated, the rules adopted by the United States Senate in April, 1789, included a motion "for the previous question." As I have likewise stated already, when the rules were modified in 1806, reference to the previous question was omitted, it having been used only ten times during the years from 1789 to 1806.

In the following year, 1807, debate on an amendment at the third reading of a bill was forbidden. From that time until 1846, there were no further limitations on debate in the Senate. Henry Clay, in 1841, brought forth a proposal for the introduction of the "previous question", but the proposal encountered opposition and was abandoned. In 1846, consideration of the Oregon bill prompted the use

of the unanimous consent agreement, a form of cloture, to limit debate by fixing a date for a vote. Since that time, such agreements have been used frequently to fix an hour at which the Senate will vote, without further debate, on a pending proposal, and to limit debate on amendments, appeals, debatable motions, etc.

In 1850, Senator Douglas submitted a resolution permitting the use of the "previous question", but, in the face of considerable opposition, the resolution was laid on the table.

In 1862, a resolution was adopted stating that,

In consideration in secret session of subjects relating to the rebellion, debate should be confined to the subject matter and limited to five minutes, except that five minutes be allowed any member to explain or oppose a pertinent amendment.

In 1868, a rule was adopted providing that, "Motions to take up or to proceed to the consideration of any question shall be determined without debate, upon the merits of the question proposed to be considered." The object of this rule, according to Senator Edmunds, was to prevent a practice which had grown up in the Senate, "when a question was pending, and a Senator wished to deliver a speech on some other question, to move to postpone the pending order to deliver their speech on the other question." According to Mr. Trumbull, the object of the rule was to prevent the consumption of time in debate over business to be taken up. The rule was interpreted as preventing debate on the merits of a question when a proposal to postone it was made.

In December 1870, in the third session of the 41st Congress, Senator Henry Anthony of Rhode Island introduced the following resolution:

On Monday next, at one o'clock, the Senate will proceed to the consideration of the Calendar and bills that are not objected to shall be taken up in their order; and each Senator shall be entitled to speak once and for 5 minutes only on each question; and this order shall be enforced daily at one o'clock 'till the end of the Calendar is reached, unless upon motion, the Senate should at any time otherwise order.

The resolution was adopted on the following day, December 7, 1870. The so-called "Anthony Rule" for the expedition of business was the most important limitation of debate yet adopted by the Senate. The rule was interpreted as placing no restraints upon minority, however, inasmuch as a single objection could prevent its application to the subject under consideration. In 1880, the rule became a standing rule of the Senate. It is today Rule VIII, Paragraph 1.

On April 19, 1872, a resolution was introduced, "That during the remainder of the session it should be in order, in the consideration of appropriation bills, to move to confine debate by any Senator, on the pending motion to 5 minutes." The resolution was adopted, and similar resolutions were adopted at various succeeding sessions of Congress.

An effort to reinstitute the "previous question" was made in March 1873, but the resolution was defeated by a vote of 30 to 25.

From 1873 to 1880, nine other resolutions were introduced confining and limiting debate in some form. On February 5, 1880 in the second session of the 46th Congress, the famous "Anthony Rule," which was first adopted on December 7, 1870, was made a standing rule of the Senate as rule eight. In 1882, the "Anthony Rule" was amended by the Senate, so that if the majority decided to take up a bill on the calendar after objection was made, the ordinary rules of debate without limitation would apply.

In December 1883, Senator William Frye, of Maine, Chairman of the Committee on Rules, reported a general revision of the Senate rules which included a provision for the "previous question". Amendments in the Senate struck this provision out.

On March 17, 1884, the Senate agreed to the following amendments to the rules: "The Presiding Officer may at any time lay, and it shall be in order at any time for a Senator to move to lay, before the Senate any bill or other matter sent to the Senate by the President or the House of Representatives, and any question pending at that time shall be suspended for this purpose. Any motion so made shall be determined without debate."

Also in March, 1884, the eighth rule of the Senate was amended by adding thereto:

All motions made before 2 o'clock to proceed to the consideration of any matter shall be determined without debate.

In 1886, the Senate agreed to strike out the words, "without debate," from that part of rule XIII which provided that "every motion to reconsider shall be decided by a majority vote."

Between 1884 and 1890, there were 15 different resolutions offered to amend the rules as to limitations of debate, all of which failed of adoption. On December 29, 1890, Senator Nelson Aldrich introduced a cloture resolution in connection with Senator Henry Cabot Lodge's "Force Bill," which was being filibustered against. The resolution read, in part, as follows:

"When any bill, resolution, or other question shall have been under consideration for a considerable time, it shall be in order for any Senator to demand that debate thereon be closed. On such demand, no debate shall be in order, and pending such demand no other motion, except one motion to adjourn, shall be made. . . ."

There were five test votes on the cloture proposal, and the votes "commanded various majorities, but in the end it could not be carried in the Senate because of a filibuster against it which merged into a filibuster on the 'Force Bill.'"

In 1893, Senator Henry Cabot Lodge expressed his growing frustration over the delay, by excessive debate, of legislation he considered vital in an article entitled "The Struggle in the Senate." Mr. Lodge wrote:

Of the two rights (of debating and voting) that of voting is the higher and more important. We ought to have both, and debate certainly in ample measure; but if we are forced to choose between them, the right of action must prevail over the right of discussion. To vote without debating is perilous, but to debate and never vote is imbecile.

As it is, there must be a change, for the delays which now take place are discrediting the Senate, and this is greatly to be deplored. The Senate was perhaps the greatest single achievement of the makers of the Constitution, and anything which lowers it in the eyes of the people is a most serious matter. A body will not long hold the respect of the people who have chosen it to govern the country.

No minority is ever to blame for obstruction. If the rules permit them to obstruct, they are lawfully entitled to use those rules in order to stop a measure which they deem injurious. The blame for obstruction rests with the *majority*, and if there is obstruction, it is because the majority permits it. The majority to which I have reference is the party majority in control of the Chamber.

In 1897, the Chair ruled that quorum calls could not be ordered unless business had intervened. This ruling opened the way to a discussion of exactly what constituted "intervening business." This issue was finally joined in 1908 during a marathon filibuster led by Robert La Follette, Sr. On that occasion, Senator La Follette broke the previous endurance record by holding the floor for 18 hours and 23 minutes. His accomplishment was made possible through the device of suggesting the absence of a quorum, resulting in quorum calls each lasting at least six minutes and giving him the opportunity to seek rest and relief.

On May 29, 1908, with the temperature over 90 degrees in the chamber, La Follette talked on into the night, fortifying himself with turkey sandwiches and egg nog from the Senate Restaurant. At one point, he took a sip of egg nog and immediately cast it away, exclaiming that it had been drugged. (Subsequent chemical analysis revealed that the amount of ptomaine in the glass would certainly have killed the Wisconsin Senator, but the culprit was never identified.)

After thirty-two quorum calls, Senator Nelson Aldrich, whose bill was the target of Senator LaFollette's filibuster, raised a point of order, based on the 1897 precedent, to the effect that no business had intervened since the last quorum call. Mr. Aldrich argued that debate by itself was not "intervening business." By a vote of 35 to 8, the Senate decided that Aldrich's point was well-taken, thereby reversing an 1872 precedent to the contrary.

This ruling made it more difficult for La Follette to continue. His filibuster finally came to an end a few hours later when one of La Follette's allies, the blind senator from Oklahoma, Thomas Gore, yielded the floor to Senator William Stone, who was scheduled to relieve him. Unbeknownst to Gore, Stone had been called to the cloakroom, and the filibuster's foes, taking advantage of the blind

senator's disability, immediately seized the opportunity to call for the adoption of the pending measure.

Again, in 1915, Senator Reed Smoot set a new one-man record for the longest *continuous* filibuster, speaking for more than eleven hours without rest and without deviating from the subject at hand. His action was part of a filibuster against the administration's Ship Purchase Bill. The debate consumed thirty-three days and resulted in the failure of three important appropriations bills.

In May 1916 the Committee on Rules reported out a resolution providing for two-thirds cloture by those voting, but the resolution, although debated, did not come to a vote.

In 1916, and again in 1920, the Democratic Party's national platforms included a statement as follows. "We favor such alteration of the rules of procedure of the Senate of the United States as will permit the prompt transaction of the Nation's legislative business."

The final impetus for a cloture rule came as a result of a 1917 filibuster against an administration measure that would have permitted the arming of American merchant vessels for the duration of the World War. Seventy-five senators had signed a petition calling for action on this bill in the closing days of the 64th Congress. However, eleven members banded together in opposition, and their action led to a twenty-three-day filibuster and the ultimate failure of this much-desired bill. This stimulated a great public outcry which associated the Senate's right to free and unlimited debate with treason. President Wilson, on the eve of his second inaugural, angrily responded to the Senate's action by making one of the most notable of presidential attacks on the Senate and its procedures. He said, in part:

The termination of the last session of the 64th Congress disclosed a situation unparalleled in the history of this country, perhaps unparalleled in the history of any modern country. In the immediate presence of a crisis fraught with a more subtle possibility of national danger, the Congress has been unable to act either to safeguard the country or vindicate the elementary rights of its citizens. More than 500 of the 531 members of the two houses were ready and anxious to act; the House had acted by an overwhelming majority; but the Senate was unable to act because a little group of eleven Senators determined that it should not.

The Senate has no rules by which debate can be limited or brought to an end by which dilatory tactics of any kind can be prevented. A single member can stand in the way. The result is a paralysis of the legislative and executive branches of government.

The inability of the Senate to act has rendered some of the most necessary legislation impossible at a time when the need of it was most pressing and most evident. It would not cure the difficulty to call the Sixty-fifth Congress into extraordinary session. The paralysis of the Senate would remain. The Senate cannot act unless its leaders obtain unanimous consent. Its majority is powerless, helpless . . .

Although as a matter of fact, the nation and the representatives stand in back of the Executive with unprecedented unanimity, the impression made abroad will be that it is not so and the other governments may act as they please without fear that this government will do anything. We cannot explain. The explanation is incredible. The Senate of the United States is the only legislative body in the world which cannot act when its majority is ready for action. *A little group of willful men*, representing no opinion but their own, have rendered the great government of the United States helpless and contemptible.

The remedy . . . the only remedy is that the rules of the Senate be altered so that it can act. The country can be relied on to draw the moral. I believe that the Senate can be relied on to supply the means of action and save the country from disaster.

Even before the filibuster which killed the Armed Ship Bill, the president had planned to call the Senate into special session to deal with a pending treaty. Nonetheless, when the Senate met in extraordinary session the day following Wilson's inauguration, there was only one item of business on its members' minds—the cloture rule. Professor Thomas Ryley in his book, *A Little Group of Willful Men*, notes that, at the time, most senators did not want to undermine the filibuster, as many of them had taken advantage of it in the past, but "with an aroused public, there was almost as much resentment over the filibuster as there was over the fact that American rights had not been defended to the utmost." When the president announced that the rules of the Senate would have to be revised before he would call a special session of the entire Congress to deal with the war emergency, Ryley observes, "the fate of unlimited debate was sealed."

The principal responsibility for the cloture resolution rested with the new Democratic majority leader, Thomas Martin of Virginia. Under his guidance, a bipartisan committee of the Senate's leaders drew up a proposal providing for cloture on a pending measure if two-thirds of those present and voting so voted. Under the new rule, cloture would begin with a petition signed by sixteen members. Two days after the submission of the petition, a vote would be held. If two-thirds of those present and voting approved the proposal, each senator could speak for a maximum of one hour, and no amendments could be made except by unanimous consent. Even if this rule had been in effect at the time of the Armed Ship bill filibuster, however, it could not have saved the measure, for the amount of time required under the procedure was greater than that remaining in the life of that Congress.

It was clear from the beginning of the March 1917 debate that the rule would pass by an overwhelming margin. I think it is useful, however, in the light of subsequent developments and considering the overstated nature of President Wilson's attacks on the Senate, to look at the arguments of the proposed rule's three lone opponents.

Illinois Senator Lawrence Sherman had been an avowed supporter of the Armed Ship bill. He took the position, nonetheless, that President Wilson's attack was unfair. He said, "There is in the memory of no person, now having a seat on the Senate, delayed action or a filibuster which destroyed meritorious legislation, save during the last weeks of the short (second) session, which automatically adjourned on the succeeding fourth day of March of that year. There is a limitation," he continued, "where mere exhaustion applies the cure. It is always in the power of the Senate to apply the remedy by continuous session, except the last few days named." Sherman argued that the rules were to be made "the scapegoat for the deficiencies of human nature," and their amendment had been raised "solely for the purpose of breaking down the rule of the Senate and riveting Executive control on the Senate as firmly as on the House."

Senator Sherman's basic point was that if the administration had sent the bill in "due time, it would not have been possible," in his words, "for those senators to have defeated it by delaying a roll call until the adjournment."

A second opponent, Senator La Follette, also took issue with the practice of holding important bills in committee, particularly appropriations measures, until the eleventh hour to build up pressure for their speedy and uncritical consideration and passage. As the debate on the cloture rule was drawing to a close, La Follette presented a classic statement in defense of unlimited debate. He said:

Mr. President, believing that I stand for democracy, for the liberties of the people of this country, for the perpetuation of our free institutions, I shall stand while I am a Member of this body against any cloture that denies free and unlimited debate. Sir, the moment that the majority imposes the restriction contained in the pending rule upon this body, that moment you will have dealt a blow to liberty, you will have broken down one of the greatest weapons against wrong and oppression that the Members of this body possess. This Senate is the only place in our system where, no matter what may be the organized power behind any measure to rush its consideration and to compel its adoption, there is a chance to be heard, where there is opportunity to speak at length, and where, if need be, under the Constitution of our country and the rules as they stand to-day, the constitutional right is reposed in a Member of this body to halt a Congress or a session on a piece of legislation which may undermine the liberties of the people and be in violation of the Constitution which Senators have sworn to support. When you take that power away from the Members of this body, you let loose in a democracy forces that in the end will be heard elsewhere, if not here.

The third opponent, Senator Gronna of North Dakota, at the time the resolution passed, said simply, "Forgive them, for they know not what they do!"

By a vote of 76 to 3, on March 8, 1917, after only six hours of debate, the Senate adopted its first cloture rule.

In the months that followed, the United States entered the World War and the Senate, during the second session of the 65th Congress, broke all previous records by remaining in session for 354 days between December 1917 and the following November. By the time the war had ended in November 1918, it was becoming clear that the cloture rule was not going to be effective. Several months earlier, Senator Oscar Underwood, soon to become the Democratic floor leader,

introduced a resolution reestablishing the use of the "previous question" and limiting debate during the wartime period. The Rules Committee favorably reported the Underwood resolution, but it failed of passage by a vote of 34 to 41.

A year later, on November 15, 1919, the Senate adopted its first cloture motion and four days later brought to an end the 55-day debate on the Treaty of Versailles.

In the years that followed, however, cloture was used only sparingly. From 1917 until 1962, the Senate invoked cloture just four times and between 1917 and the end of World War II, it voted on cloture petitions on only 15 occasions, including five in February 1927.

On November 29, 1922, the Senate's Republican Whip, Charles Curtis, tried a new approach to limit debate. In the midst of a four-day filibuster against an anti-lynching bill, Democratic Leader Underwood, who supported that filibuster, moved to adjourn immediately upon the convening of the Senate. Curtis then raised a point of order that the motion was dilatory. He said, "I know that we have no rule of the Senate with reference to dilatory motions. We are a legislative body and we are here to do business and not to retard business." He then observed that "it is a well-stated principle that in any legislative body where the rules do not cover questions that may arise, general parliamentary rules must apply." He argued that in the House, Speaker Reed had ruled, in the absence of rules to the contrary, that dilatory motions were out of order. Vice President Coolidge, in the Chair at the time, declined to rule on Curtis' specific point of order. Today, except in cases where the Senate is operating under the cloture rule, the rules do not specifically prohibit dilatory motions as such.

One of the most notable of the earlier campaigns to devise an effective debate limitation rule began here in the Senate chamber on March 4, 1925. The occasion was the inaugural address of the new Vice President, Charles Dawes. By that time, Mr. Dawes had already earned a reputation as an effective administrator by virtue of his successful banking career and his service as the first director of the Budget Bureau. A man of commanding personality, the Vice President was often called by his campaign nickname of "Hell 'n Maria," one of his favorite expressions. During his term of office, Mr. Dawes participated more actively in the Senate's business than most of his predecessors.

Mr. Dawes began his activist role with a statement that shocked the assembled senators. He told them that it was his duty as their presiding officer "to call attention to defective methods in the conduct of (the Senate's) business." Accordingly, he observed that the existing cloture rule, "which at times enables Senators to consume in oratory those last precious minutes of a session needed for momentous decisions, places in the hands of one, or a minority of senators, a greater power than the veto power exercised under the Constitution by the President of the United States, which is limited in its effectiveness by the necessity of an affirmative two-thirds vote." Filled with indignation, the vice president covered his audience with a barrage of rhetorical questions. *"Who would dare,"* said he, "to contend that under the spirit of democratic government the power to kill legislation providing the revenues to pay the expenses of government should, during the last few days of a session, ever be in the hands of a minority, or perhaps one senator? *Who would dare* oppose any changes in the rules necessary to insure that the business of the United States should always be conducted in the interests of the Nation and never be in danger of encountering a situation where one man or a minority of men might demand unreasonable concessions under the threat of blocking the business of the Government? *Who would dare* maintain that in the last analysis the right of the Senate itself to act should ever be subordinated to the right of one senator to make a speech?"

On the following day, Senator Underwood introduced a resolution to replace the 1917 cloture rule. Its provisions, which harkened back to the original 1789 rule on the "previous question," were as follows:

1. There shall be a motion for the previous question which, being ordered by a majority of Senators voting, if a quorum be present, shall have the effect to cut off all debate and bring the Senate to a direct vote upon the immediate question or questions on which it has been asked and ordered. The previous question may be asked and ordered upon a single motion, a series of motions allowable under the rules, or an amendment or amendments, or may be made to embrace all authorized motions or amendments and include the bill to its passage or rejection. It shall be in order, pending the motion for, or after previous question shall have been ordered on its passage, for the Presiding Officer to entertain and submit a motion to commit, with or without instructions, to a standing or select committee.

2. All motions for the previous question shall, before being submitted to the Senate, be seconded by a majority by tellers if demanded.

3. When a motion for the previous question has been seconded, it shall be in order, before final vote is taken thereon, for each Senator to debate the proposition to be voted for one hour.

To build support for his reform campaign, Vice President Dawes set out on a cross-country tour. In the spirit of his great, great grandfather, William Dawes, who rode with Paul Revere on that fateful night in 1775 to warn of the impending arrival of British troops, Charles Dawes sought to sound the alarm against the dangers he perceived in the Senate's rules.

At one stop, in Boston, the Vice President addressed a gathering on this subject. In the presence of Massachusetts Senator William Butler, he asked that those in the audience who favored a rules change stand up in order to make their views known to their senator. As the supportive cheers died down, the vice president literally pulled the embarrased senator from his chair, exclaiming, "I want to hear what Senator Butler has to say about this." The freshman senator quickly observed that he was in favor of a reform of the Senate's rules, particularly the seniority rule.

Several weeks later, Mr. Dawes announced that he intended to take his campaign to Kansas, home of Senate Republican floor leader Charles Curtis. There he promised to hold a "monster mass meeting" and he expressed the hope that the senator would be present to see his constituents "react." Senator Curtis, who was also chairman of the Rules Committee, told a *New York Times* reporter that he thought the Dawes-Underwood proposal stood little chance even though he was willing to support it. Recalling his own earlier efforts to achieve majority or three-fifths cloture, Senator Curtis reminded the vice president that he had been able to find only two other Republican senators willing to join him in support of such a proposal. The Kansas senator correctly predicted that the Dawes campaign would fail.

Later in 1925, Democratic Leader Joseph Robinson, joining members on both sides of the aisle, argued that no change in the rules was necessary to prevent irrelevant debate. He noted that general parliamentary practice "contemplates that a speaker shall limit his remarks to the subject under consideration," and he called on the Chair to require that debate be germane. (Prior to 1964 there was no rule requiring germaneness of debate and the Chair had ruled on numerous occasions that there was no requirement for debate to be germane.)

Executive branch reorganization acts in 1939 and 1945 contained provisions for a limitation of debate not to exceed ten hours, equally divided between supporters and opponents, but only in the case of a concurrent resolution disapproving a presidential reorganization plan. The language of those statutes acknowledged the constitutional right of the Senate to change this requirement "at any time in the same manner and to the same extent as in the case of any other (Senate) rule." This rule read: "Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to." Subsequent extensions of the Reorganization Act contained this proscription on debate.

In 1946, the Republican Steering Committee delegated Senator Saltonstall to prepare an amendment to Rule XXII "so that the various dilatory methods of preventing its application can be eliminated."

By 1948, a series of rulings over the years had rendered the 1917 cloture rule worthless, particularly those rulings that held that it could not be applied to debate on procedural questions. On August 2 of that year, President Pro Tempore Arthur Vandenberg, in sustaining a point of order against a petition to close debate on a motion to consider an anti-poll tax bill, declared that in the final analysis, the Senate had no cloture rule at all. He noted that "a small but determined minority can always prevent cloture under the existing rules . . ." At that point, the Republican Conference appointed a committee of ten senators to recommend revision of the existing cloture rule.

In 1949, control of the Senate returned to the Democratic Party. Fresh from his surprise election victory, President Truman sought to clear the way for a broad civil rights program and his first step was to push for a liberalization of the cloture rule. His efforts produced a bitter battle at the beginning of the 81st Congress.

After lengthy hearings in the Rules Committee, the Majority Leader, Scott Lucas, moved on February 28 to take up the resolution. This action set off a filibuster which ran until March 15, when it was voluntarily halted. After three days of further debate, the Senate adopted a compromise measure that proved to be less useable than the one it replaced. It required that two-thirds of the *entire* Senate vote for cloture, rather than two-thirds of those present and voting. The new rule differed from the old in that it allowed cloture to operate on any pending business or motion with the exception of debate on motions to change the Senate rules themselves. Previously, the cloture rule had been applicable to those latter motions. This meant that future efforts to change the cloture rule would themselves be subject to extended debate without benefit of the cloture provision. Previously, under the old rule, debate limitation on a rules change had at least been theoretically possible. This led critics of the revised rule to develop a new strategy, which became apparent in 1953, at the beginning of the 83rd Congress.

At the opening of the 83rd Congress, advocates of majority rule in the Senate challenged the conception of the Senate as a continuing body. They based their strategy on the contention of Senator Walsh in 1917 that each new Congress brings with it a new Senate, entitled to consider and adopt its own rules. They proposed to move for consideration of new rules on the first day of the session and, upon the adoption of this motion, to propose that all the old rules be adopted with the exception of rule XXII. Rule XXII was to be changed to allow a majority of all Senators (49) to limit debate after 14 days of discussion. On January 3, 1953, Senator Clinton Anderson moved that the Senate immediately consider the adoption of rules for the Senate of the 83rd Congress. Senator Robert Taft moved that the Anderson motion be tabled. During the ensuing debate, Senator Douglas told the Senate that the Anderson proposal was the only method with any hope of success. The 1949 rule, he said, "ties our hands once the Senate is fully organized. . . . For under it any later proposal to alter the rules can be filibustered and never permitted to come to a vote. . . . Therefore, if it be permanently decided that the rules of the preceding Senate apply automatically as the new Senate organizes, we may as well say farewell to any chance (either) for Civil Rights legislation or needed changes in Senate procedures."

Opponents of the Anderson motion centered principally on the argument that the Senate is a "continuing body", bound by the rules of earlier Senates. They said that this thesis was proved because: (1) Only one-third of the Senate is elected every two years; (2) The Constitution did not provide for the adoption of new rules every two years; (3) If the Senate had had the power to adopt new rules, it had lost that power through disuse; and (4) The Supreme Court, they said, had decided that the Senate was a "continuing body." The Anderson motion was finally tabled by a vote of 21 to 70, on January 7, 1953.

On January 3, 1957, Senator Anderson moved, at the opening of the 85th Congress, to consider the adoption of new rules. Senate Majority Leader Johnson moved to table the Anderson motion, and the Anderson motion was tabled by a roll-call vote of 55 to 38. During the debate, however, Vice President Nixon said that he believed the Senate could adopt new rules "under whatever procedures the majority of the Senate approves." He said that in his opinion the current Senate could not be bound by any previous rule "which denies the membership of the Senate the power to exercise its constitutional right to make its own rules." Nixon said he regarded as unconstitutional the section of Rule XXII banning any limitation of debate on proposals to change the rules, but added that the question of the constitutionality of the rule could be decided only by the Senate itself.

During the 85th Congress, 1957–58, eight resolutions were introduced to amend the cloture rule. At the opening of the 86th Congress, Senate Majority Leader Johnson offered a resolution to amend Senate Rule XXII which was adopted on January 12, 1959, after 4 days of debate, by a 72 to 22 roll call vote. The resolution amended Rule XXII so as to enable two-thirds of the Senators present and voting to shut off debate on any matter—and I should emphasize—including proposals for rules changes. It also amended Senate Rule XXII by adding this language: "The rules of the Senate shall continue from one Congress to the next Congress unless they are changed as provided in these rules."

At the opening of the 87th Congress, in 1961, Vice President Nixon reaffirmed his 1957 "advisory opinion" that the constitutional right of a majority of the Senate to adopt new rules at the beginning of a new Congress could not be inhibited by the two-thirds requirement of Rule XXII regarding cloture. No action on cloture was taken on a final nature.

Efforts to amend the cloture rule failed again in the 88th and 89th Congresses. On January 11, 1967, Mr. McGovern introduced a resolution providing for three-fifths of the Senators present and voting to end debate. On January 18, Mr. McGovern proposed that the Senate immediately vote to end debate on the motion to consider his resolution and if a majority vote occurred, the Senate would then debate the resolution itself. Mr. McGovern justified this procedure by arguing that the Senate, under the Constitution, could, at the beginning of a new session, adopt new rules by a majority vote. Senator Dirksen raised a point of order against the McGovern motion. Supporters of McGovern had hoped for a favorable ruling from Vice President Humphrey, but Humphrey stated: "the precedent, . . . namely, that the Chair has submitted constitutional questions to the Senate for its decision—the Presiding Officer believes to be a sound procedure. It has not been considered the proper role of the Chair to interpret the Constitution for the Senate. Each Senator has his own obligation when he takes his oath of office to support and defend the Constitution. The Presiding Officer is aware of no sufficient justification for reversing this procedure." Humphrey then asked the Senate if the point of order should be sustained. He also said this question was debatable but subject to a tabling motion, which is not debatable, whereupon Mr. McGovern moved to table the Dirksen point of order. According to the Vice President, acceptance of the tabling motion would have validated the constitutionality of the McGovern motion, which in turn would have validated the right of the Senate to adopt new rules by majority vote at the beginning of a new session. However, the Senate rejected Mr. McGovern's motion by a 37 to 61 roll call vote. Dirksen's point of order was then sustained by a 59 to 37 roll call vote. Hence, the Senate found McGovern's motion unconstitutional. An attempt was then made to invoke cloture but it failed.

At the beginning of the 91st Congress, in 1969, yet another strategy was devised by those who favored alteration in rule XXII. S. Res. 11 was introduced by Senators Church and Pearson and provided for invoking of cloture by three-fifths, rather than two-thirds, of those present and voting. Their strategy required a favorable ruling by Vice President Humphrey that a simple majority could invoke cloture on any motion to take up, or on the resolution itself, when a change in the rules was being attempted at the start of a new Congress. On January 14, 1969, five days after debate had begun on S. Res. 11, Mr. Church and 24 other Senators filed a cloture motion to limit debate on the motion to consider the resolution. This cloture motion was filed under the procedure set forth in rule XXII. Mr. Church then inquired of the chair whether, if a majority of the Senators present and voting, but less than the two-thirds required by rule XXII, voted in favor of cloture the cloture motion would have been agreed to.

Church justified his request for a favorable ruling with the argument that it was unconstitutional to require a two-thirds vote to invoke cloture on such questions in that it restricted the right

of a majority of the Senate to determine its rules at the opening of a new Congress, a right, by Church's reasoning, implied in the Constitution.

The Vice President agreed with Mr. Church, saying: "On a par with the right of the Senate to determine its rules, though perhaps not set forth so specifically in the Constitution, is the right of the Senate, a simple majority of the Senate, to decide constitutional questions.

"If a majority but less than two-thirds, of those present and voting, vote in favor of this cloture motion, the question whether the motion has been agreed to is a constitutional question. The constitutional question is the validity of the Rule XXII requirement for an affirmative vote by two-thirds of the Senate before a majority of the Senate may exercise its right to consider a proposed change in the rules. If the Chair were to announce that the motion for cloture had not been agreed to because the affirmative vote had fallen short of the two-thirds required, the Chair would not only be violating one established principle by deciding the constitutional question himself, he would be violating the other established principle by inhibiting, if not effectively preventing, the Senate from exercising its right to decide the constitutional question. . . ."

"The Chair informs the Senate that in order to give substance to the right of the Senate to determine or change its rules to determine whether the two-thirds requirement of Rule XXII is an unconstitutional inhibition on that right at the opening of a new Congress, if a majority of the Senators present and voting but fewer than two-thirds vote in favor of the pending motion for cloture, the Chair will announce that a majority having agreed to limit debate on S.Res. 11, to amend Rule XXII, at the opening of a new Congress, debate will proceed under the cloture provisions of that rule."

This was a landmark ruling, subject, as the Chair said, to appeal without debate.

On January 16, the Senate voted 51 to 47 to invoke cloture and the Vice President, in line with his earlier statement, ruled that cloture had been invoked. This decision was appealed and reversed on a 45 to 53 roll call vote. A subsequent attempt to invoke cloture this time within the two-thirds stricture of Rule XXII, was attempted and failed.

At the start of the 92nd Congress, Senators Church and Pearson introduced S.Res. 9, which would have reduced the number of Senators required to curtail debate from two-thirds to three-fifths of those present and voting. The proponents hoped for a favorable ruling from the Chair on whether a simple majority at the start of a Congress could invoke cloture on a resolution to alter Senate rules or on a motion to take up such a resolution, but Vice President Spiro Agnew stated that he would refrain from making any such ruling, and instead, referred all such questions to the full Senate for resolution. The proponents of S.Res. 9 were, therefore, required to carry on their efforts under the two-thirds requirement they were seeking to change.

Attempts to invoke cloture failed, and during the six-week debate on the motion to consider the resolution, several Senators suggested a number of compromise solutions to bridge the gap between those favoring a modification of Rule XXII and the opponents of a three-fifths rule. Senator Allen Ellender proposed a three-fifths vote to end debate on all conference reports and appropriations bills. Senator ROBERT C. BYRD, who was then Majority Whip, suggested that debate be ended by three-fifths of the membership of the Senate. A third attempt to end debate failed on March 2 by a vote of 48 to 36. A fourth and final attempt to end debate failed by a vote of 55 to 39, 8 votes short of the required two-thirds majority. Senator Javits then appealed the decision of Presiding Officer Allen Ellender, who had announced that the cloture attempt had failed to receive the necessary two-thirds majority. By appealing the decision of the Chair, Mr. Javits again raised the question of whether the Senate could alter its rules at the beginning of a new session by a simple majority. Majority Leader Mansfield successfully moved to table Mr. Javits' motion.

At the beginning of the first session of the 94th Congress, Senators Mondale and Pearson sponsored an attempt to change the cloture rule so that three-fifths of the Senators present and voting could bring debate to a close. The proposal, S. Res. 4, was introduced on January 17, 1975, and placed on the Senate Calendar. As in the past, proponents of the measure hoped for a favorable ruling from the Chair on whether a simple majority, at the start of Congress, could close debate on a resolution to change Senate rules, or on a motion to take up such a resolution. Mr. Pearson, as part of a lengthy motion, moved that the Senate proceed to the consideration of S. Res. 4, and, "under Article 1, Section 5, of the U.S. Constitution, I move that debate upon the pending motion to proceed to the consideration of S. Res. 4 be brought to a close by the Chair immediately putting this motion to end debate to the Senate for a yea or nay vote; and, upon the adoption thereof by a majority of those Senators present and voting, a quorum being present, the Chair shall immediately thereafter put to the Senate, without further debate, the question on the adoption of the pending motion . . ."

Senator Mansfield entered a point of order against the motion in that it prescribed an end to debate by a majority vote. Vice President Rockefeller declined to rule either on the validity of the Pearson motion or on the Mansfield point of order, and, instead, submitted to the Senate the question of whether the Mansfield point of order was well taken. The Senate temporarily endorsed the doctrine that majority cloture may be invoked to change Senate rules at the start of a Congress when it agreed to a motion by Senator Mondale to table the Mansfield point or order by a vote of 51 to 42.

Senator James Allen of Alabama then moved that the motion be divided inasmuch as it contained several clauses. The Vice President ruled that the motion could be divided and that, once divided, the various parts of the motion became debatable, although, when considered as a whole, the motion was not subject to debate. With this ruling, coupled with the Vice President's subsequent recognition of Senator Allen, the Pearson motion became subject to a long series of amendments and intervening motions, and although the principle of majority cloture had been temporarily endorsed, the parliamentary tangle which followed the division of the motion prevented a majority cloture vote from being taken on the original Pearson resolution.

In the course of the debate, on February 26, 1975, Senator RUSSELL LONG of Louisiana indicated his willingness to compromise on a constitutional three-fifths cloture rule. This proposal was embodied in S. Res. 93, introduced by Senator ROBERT C. BYRD of West Virginia on February 28, 1975. The Byrd Resolution provided for closing debate in the Senate upon the vote of "three-fifths of the Senators duly chosen and sworn." The Byrd proposal required a two-thirds vote of "Senators present and voting" to close debate on a measure or motion to change the rules of the Senate. Senator BYRD requested immediate consideration of his resolution, but objection was heard and the resolution went over under the rule.

On March 3, 1975, the Senate, by a vote of 53 to 38, agreed to reconsider the vote of February 20, through which the Mansfield point of order against the Pearson motion was tabled. A motion to table the Mansfield point of order was rejected, 40 to 51. The following day, the Senate voted 53 to 43 to sustain the Mansfield point of order. Thus, the Senate erased the precedent of majority cloture established two weeks before, and reaffirmed the "continuous" nature of the Senate rules.

On March 3, 1975, Senator ROBERT C. BYRD entered a motion to close debate on the motion to proceed to consider S. Res. 4. On March 5, 1975, the Senate invoked cloture on the motion to proceed to consider Senate Resolution 4. The vote was 73 to 21, with two-thirds of the Senators present and voting having voted in the affirmative. Later the same day, the Senate voted 69 to 26 to proceed to consider S. Res. 4, and adopted Senate Resolution 93, which had been previously introduced by Senator ROBERT C. BYRD, as an amendment in the nature of a substitute. Senator BYRD introduced a motion to close debate on Senate Resolution 4, as amended, and cloture was voted on March 7, by a vote of 73 to 21, with two-thirds of the Senators present and voting recorded in the affirmative. S. Res. 4, as amended by S. Res. 93, in the nature of a substitute, to provide for a constitutional three-fifths cloture vote for all measures save those amending the rules of the Senate, passed the Senate on March 7 by a vote of 56 to 27.

Subsequent to the 1975 revision, opponents of measures increasingly relied on "post-cloture" filibusters in an attempt to delay Senate action on measures. They did this by calling up myriad amendments offered before cloture was invoked, by demanding frequent roll call votes and repeated quorum calls, and by calling for the reading of amendments, conference reports, and the Journal.

In 1977, Senator ROBERT C. BYRD introduced a resolution, S. Res. 5, designed to restrict the use of such post-cloture filibusters. As reported from the Committee on Rules and Administration, the resolution provided that a cloture petition could not be offered until 24 hours after the Senate had begun consideration of a measure; limited to 50 hours the amount of time available for debate after cloture was invoked; provided that time for quorum calls and votes be charged against the 50 hours; permitted the post-cloture debate time to be extended or reduced upon a two-thirds vote of the Senate; and included provisions limiting dilatory tactics. The reading of amendments and conference reports in full could not be demanded if they were available in printed form to all Senators, and the Presiding Officer was given greater discretion in ruling quorum calls dilatory and out of order. However, efforts to devise a compromise version of the resolution failed, and S. Res. 5 was put aside for the remainder of the session.

In October 1977, a series of rulings by the Vice President, sustained by the Senate, established precedents for reducing the impact of post-cloture filibusters. Senator ROBERT C. BYRD offered a point of order against an amendment to the Natural Gas Pricing bill in that the amendment was directed to the bill, and not to the substitute upon which cloture had already been invoked. The amendment, Mr. BYRD claimed, was dilatory, in that it was not directed at the subject under consideration. Moreover, Senator BYRD made the point of order that "when the Senate is operating under cloture, the Chair is required to take the initiative . . . to rule out of order all amendments which are dilatory or which on their face are out of order." Vice President Mondale sustained the point of order, and the Senate tabled an appeal from the ruling of the Chair. The Senate also sustained a point of order that a Senator has the right to recall his own amendments, qualified and pending under cloture, prior to being called up. The Senate also sustained a point of order that actions ruled dilatory do not constitute the transaction of business for the purpose of demanding a subsequent quorum call.

On Jan. 15, 1979, Senator ROBERT C. BYRD introduced S.Res. 9, a proposal to expedite Senate consideration of legislation. The resolution, as introduced, contained the following provisions:

a. offering of non-debatable motions to approve or correct the Journal would be permitted;

b. debate on motions to proceed to consider a particular bill would be limited to 30 minutes;

c. demands for the reading of an amendment would not be in order if copies of the amendment were available in printed form;

d. the offering of non-debatable motions requiring three-fifths vote to enforce rule of germaneness on future amendments to a bill would be allowed;

e. post-cloture debate time would be limited to 100 hours, with time for quorum calls, votes, and parliamentary rulings and appeals counted against the 100 hours;

f. post-cloture debate time could be extended or reduced, but not below ten hours, by a three-fifths vote of the full Senate;

g. after Sept. 1 of each year, a cloture motion could be brought to a vote the same day as introduced, after a maximum of five hours of debate;

h. the demand to read a conference report in full could not be entertained, if printed copies of the report were available;

i. "three-day rule" for availability of committee reports would be changed to a "two-day rule," with Saturdays, Sundays, and holidays included; and

j. the Committee on Rules and Administration would be directed to provide for the installation of an electronic voting system in the Senate.

The respective party leaderships appointed committees to study the Byrd resolution and to report their recommendations to the party conferences. The Republican committee was chaired by Senator TED STEVENS and the Democratic committee was chaired by Senator Gaylord Nelson. The committees met individually and jointly with the party leaders in an effort to devise an acceptable compromise.

On Feb. 7, 1979, the Senate agreed to a unanimous consent request by Sen. ROBERT C. BYRD to limit consideration only to those portions of his resolution dealing with post-cloture regulations. An alternate resolution, S.Res. 61, embodying points (e) and (f) above, was made in order for purposes or amendment. Under terms of the agreement, S.Res. 61 became the pending order of business. If a final vote on the disposition of the new resolution did not occur by 6 p.m. on Feb. 22, 1979, the original language of S.Res. 9 would again become the pending business before the Senate.

During its consideration of S. Res. 9 and S. Res. 61, the Senate recessed rather than adjourned at the end of each day's session. This was done to maintain the procedural fiction that the Senate was still in its first day of business. It has been maintained that the Senate is not bound by rules adopted by the Senate in previous Congresses, and that a majority of Senators can vote to end debate on rules changes on the first day of a new Congress. This ruling was temporarily upheld by the Senate in 1975, but later was overturned as part of the cloture rule reform compromise of that year. However, continuation of the Senate in its first legislative day maintained; the possibility that this contention could have been used to end prolonged debate on cloture rule reform that year.

On Feb. 22, 1979, the Senate agreed to S.Res. 61 by a vote of 78–16. As finally approved, the resolution established a cap of 100 hours of consideration once cloture has been invoked on a measure. At the expiration of the time limit, the Senate would proceed to the final disposition of the measure; no amendments then not pending would be in order. A motion to table, a motion to reconsider, and motions necessary to establish a quorum would be in order, however. The Senate may, by a three-fifths vote, increase the amount of post-cloture time, with the additional time to be equally divided and controlled by the Majority and Minority Leaders, or their designees.

Under the resolution, each Senator is entitled to one hour of time. Senators may yield their time to the majority or minority floor managers of the bill, or to the Majority or Minority Leaders. None of the designated four Senators may have more than two additional hours yielded to him or her. These Senators, in turn, may yield their time to other Senators so requesting. If all available time expires, a Senator who has not yielded time and who has not yet spoken on the matter on which cloture has been invoked, may be recognized for ten minutes for the sole purpose of debate.

The resolution provided that no Senator shall call up more than two amendments until every other Senator has had the opportunity to call up two amendments. The Chair is directed to recognize Senators who have not called up two amendments, and who wish to do so, in preference to a Senator seeking recognition to call up a third amendment.

After cloture is invoked, the resolution stipulated that the reading of the Journal shall be dispensed with and that the Journal shall be approved automatically for the duration of post-cloture consideration of a measure. Similarly, after cloture is invoked, the reading of amendments available in printed form will be dispensed with routinely.

The formed cloture rule made in order amendments introduced prior to the completion of the cloture vote. S. Res. 61 made in order first degree amendments (amendments to a bill) submitted by 1 p.m. of the day following submission of a cloture motion; second degree amendments (amendments to amendments) would be in order if submitted in writing one hour prior to the cloture vote.

After the Senate passed S. Res. 61, it agreed to place S. Res. 9 on the Senate Calendar. The Senate also adjourned, thus completing the first legislative day of the 96th Congress. As Senator BYRD explained, this action would guarantee that if the Senate resumed consideration of S. Res. 9, a two-thirds vote would be required to invoke cloture on the measure.

Mr. President, I ask unanimous consent that a table entitled "Senate Votes on Cloture Motions, 1919–1980," be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SENATE VOTES ON CLOTURE[1] MOTIONS, 1919 TO 1980

Congress and date	Subject	Motion submitted by[4]	Yea votes needed	Yeas	Nays	For Cloture[5] Republicans	For Cloture[5] Democrats	For Cloture[5] Other	Against Cloture[5] Republicans	Against Cloture[5] Democrats	Against Cloture[5] Other	Congressional Record Volume	Congressional Record Page
66TH													
Nov. 15, 1919	Versailles Treaty[2]	Henry Lodge	63	78	16	37	41		11	5		58	855-56
Feb. 2, 1921	Emergency tariff	Boies Penrose	48	56	35	27	9		7	28		60	2432
67TH													
July 7, 1922	Tariff bill	Porter McCumber	54	45	15	45	0		5	30		62	10040
69TH													
Jan. 25, 1926	World Court[2]	Irvine Lenroot	53	68	26	37	31		16	7	1, F-L	67	2578-79
June 1, 1926	Migratory birds	Peter Norbeck	53	46	33	36	10		8	24	1, F-L	67	10292
Feb. 15, 1927	Branch banking[2]	George Pepper	56	65	18	36	29		9	8	1, F-L	68	3824
Feb. 25, 1927	Disabled officers	Lawrence Tyson	58	61	36	27	24		19	16	1, F-L	68	4901
Do	Colorado River	Hiram Johnson	61	32	50	31	11		28	30	1, F-L	68	4900
Feb. 28, 1927	Prohibitions Bureau[2]	Wesley Jones	55	55	27	33	22		13	13	1, F-L	68	4986
Do	D.C. buildings	Irvine Lenroot	56	52	31	30	22		17	13	1, F-L	68	4985
72D													
Jan. 19, 1933	Banking Act	Joseph Robinson	59	58	30	25	33		19	10	1, F-L	76	2077
75TH													
Jan. 27, 1938	Anti-lynching	Matthew Neely	59	37	51	2	35		13	37	1, F-L	83	1166
Feb. 16, 1938	Do	Robert Wagner	59	42	46	3	38	1, P	10	34	1, F-L	83	2067
77TH											1, I		
Nov. 23, 1942	Antipoll tax	Alben Barkley	52	37	41	14	21	1, P	10	31	1, P	88	9065
78TH								1, I			1, I		
May 15, 1944	Do	Do	54	36	44	18	17	1, P	13	31		90	4470
79TH													
Feb. 9, 1946	FEPC	Do	56	48	36	25	22	1, P	8	28		92	1219
May 7, 1946	British loan	Joseph Ball	55	41	41	17	23	1, P	19	22		92	4539
May 25, 1946	Labor dispute	William Knowland	54	3	77	1	2		35	41	1, P	92	5714
July 31, 1946	Antipoll tax	Alben Barkley	48	30	33	15	23	1, P	7	26		92	10512
81ST													
May 19, 1950	FEPC	Scott Lucas	64	52	32	33	19		6	26		96	7300
July 12, 1950	Do	Do	64	55	33	33	22		6	27		96	9962
83d													
July 26, 1954	Atomic Energy	William Knowland	64	44	42	40	4		4	38		100	11942
86TH													
Mar. 10, 1960	Civil rights	Paul Douglas, Jacob Javits.	64	42	53	12	30		20	33		106	5118
87TH													
Sept. 19, 1961	Amend Rule 22	Mike Mansfield, Everett Dirksen.	54	37	43	11	26		15	28		107	20147
May 9, 1962	Literacy tests	Do	64	43	53	13	30		23	30		108	8058
May 14, 1962	Do	Do	63	42	52	11	31		22	30		108	8294
Aug. 14, 1962	Communication satellite[2]	Mike Mansfield	60	63	27	34	29		2	25		108	16431
88TH													
Feb. 7, 1963	Amend Rule 22	Do	64	54	42	18	36		15	27		109	2058
June 10, 1964	Civil rights[2]	Do	67	71	29	27	44		5	23		110	13327
Sept. 10, 1964	Legislative reapportionment	Everett Dirksen	62	30	63	23	7		8	54		110	21896
89TH													
May 25, 1965	Voting rights[2]	Philip Hart	67	70	30	23	47		9	21		111	11466
Oct. 11, 1965	Right-to-work	Mike Mansfield	62	45	47	5	40		26	21		111	26581
Feb. 8, 1966	Do	Do	66	51	48	6	45		26	22		112	2512
Feb. 10, 1966	Do	Do	66	50	49	6	44		26	23		112	2864
Sept. 14, 1966	Civil rights	Do	64	54	42	12	42		21	21		112	22570
Sept. 19, 1966	Do	Do	62	52	41	10	42		20	21		112	23042
Oct. 10, 1966	D.C. home rule	Do	62	41	37	10	31		15	22		112	24848
90TH													
Jan. 24, 1967	Amend Rule 22	Do	66	53	46	17	36		19	27		113	1336
Feb. 20, 1968	Open housing	Do	62	55	37	18	37		18	19		114	3427
Feb. 26, 1968	Do	Do	62	56	36	19	37		17	19		114	4064
Mar. 1, 1968	Do	Everett Dirksen	61	59	35	22	37		14	21		114	4845
Mar. 3, 1968	Open housing[2]	Mike Mansfield	65	65	32	24	41		12	20		114	4960
Oct. 1, 1968	Fortas nomination	Do	59	45	43	10	35		25	19		114	28933
91ST													
Jan. 16, 1969	Amend Rule 22[2]	Frank Church	66	51	47	17	34		26	21		115	994
Jan. 28, 1969	Do	Do	62	50	42	21	29		21	21		115	1937
Sept. 17, 1970	Electoral college	Mike Mansfield	60	54	36	21	33		18	18		116	32157
Sept. 29, 1970	Do	Do	58	53	34	19	34		19	15		116	34034
Dec. 19, 1970	Supersonic transport funds	Hugh Scott	61	43	48	26	17		11	37		116	42712
Dec. 22, 1970	Do	Do	58	42	44	28	14		10	34		116	43176
93D													
Feb. 18, 1971	Amend Rule 22	Frank Church	57	48	37	21	27	0	17	18	1, C-R 1, I-D	117	3014
Feb. 23, 1971	Do	Do	58	50	36	20	30	0	17	17	1, C-R 1, I-D	117	3623
Mar. 2, 1971	Do	Do	56	48	36	21	27	0	10	15	1, C-R 1, I-D	117	4566
Mar. 9, 1971	Do	Do	63	55	39	24	31	0	19	18	1, C-R 1, I-D	117	5485
June 23, 1971	Military draft[2]	Mike Mansfield	62	55	27	35	29	1, C-R	5	21	1, I-D	117	21584
July 26, 1971	Lockheed loan	John Tower	60	42	47	29	13	0	12	33	1, C-R 1, I-D	117	27154
July 28, 1971	Do	Do	56	59	39	38	21	0	5	32	1, C-R 1, I-D	117	27585

Footnotes at end of table.

SENATE VOTES ON CLOTURE[1] MOTIONS, 1919 TO 1980

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July 30, 1971	Do	Do	60	53	37	36	15	0	4	31	1, C-R 1 I-D	117	28185
Sept. 21, 1971	Military draft[2]	John Stennis	61	61	30	38	21	1, C-R 1, I-D	4	26	0	117	32657
Dec. 10, 1971	Rehnquist nomination	Hugh Scott	63	52	42	36	15	1, C-R	35	6	1, I-D	117	46117
Feb. 1, 1972	EEOC	Harrison Williams	57	48	37	24	24	0	17	18	1, C-R 1, I-D	118	1972
Feb. 3, 1972	Do	Do	59	53	35	24	29	0	16	17	1, C-R 1, I-D	118	249
Feb. 22, 1972	Do[2]	Do	63	73	21	32	40	1, C-R	8	12	1, I-D	118	4917
Sept. 14, 1972	U.S.-Soviet Arms Pact[2]	Mike Mansfield	61	76	15	39	35	1, C-R 1, I-D	0	15	0	118	30622
Sept. 29, 1972	Consumer Agency	Robert Byrd	51	47	29	15	32	0	16	11	1, C-R 1, I-D	118	32895
Oct. 3, 1972	Do	Jacob Javits	58	55	32	20	35	0	18	12	1, C-R 1, I-D	118	33401
Oct. 5, 1972	Do	Robert Byrd	55	52	30	20	32	0	17	11	1, C-R 1, I-D	118	33865
Oct. 10, 1972	School busing	Mike Mansfield	55	45	37	24	19	1, C-R 1, I-D	12	25	0	118	34504
Oct. 11, 1972	Do	Do	59	49	39	25	22	1, C-R 1, I-D	26	13	0	118	34788
Oct. 12, 1972	Do[2]	Do	58	40	38	26	21	1, C-R 1, I-D	12	26	0	118	35330
93D													
Apr. 30, 1973	Voter registration	James B. Allen	58	56	31	14	42	0	22	7	1, C-R 1, I-D	(3)	5786[illegible]
May 3, 1973	Do	Mike Mansfield	63	60	34	14	46	0	26	6	1, C-R 1, I-D	(3)	S8231
May 9, 1973	Do	Do	66	67	32	18	49	0	24	6	1, C-R 1, I-D	(3)	58617
Dec. 2, 1973	Campaign financing reform.[2]	Do	54	47	33	7	40	0	22	9	1, I-D 1, C-R	(3)	S21645
Dec. 3, 1973	Do	Do	59	49	39	10	39	0	27	10	1, C-R 1, I-D	(3)	S21713
Dec. 11, 1973	Rhodesian chrome	Do	63	50	35	31	18	0	21	17	1, C-R 1, I-D	(3)	S22504
Dec. 13, 1973	Do	Do	54	62	33	23	38	0	18	13	1, C-R 1, I-D	(3)	S22840
Do	Legal services	Do	64	50	36	20	40	0	21	13	1, C-R 1, I-D	(3)	S22846
Dec. 14, 1973	Do	Robert Taft, Jr.	57	56	29	18	38	0	16	11	1, C-R 1, I-D	(3)	S22960-70
Dec. 18, 1973	Rhodesian chrome[2]	Mike Mansfield	60	63	26	25	38	0	14	10	1, C-R 1, I-D	(3)	S23200
Jan. 30, 1974	Legal services[2]	Robert Taft, Jr.	65	68	29	24	44	0	16	12	1, I-D	(3)	5823
Feb. 5, 1974	Genocide treaty	Frank Church	61	55	36	18	37	0	21	13	1, C-R 1, I-D	(3)	S1272
Feb. 6, 1974	Do	Do	62	55	38	18	37	0	22	14	1, C-R 1, I-D	(3)	S1372
Mar. 6, 1974	Government pay raise[2]	Mike Mansfield	62	67	31	21	45	1, I-D	19	11	1, C-R	(3)	5[illegible]
Apr. 4, 1974	Campaign financing	Do	64	60	35	18	42	0	22	12	1, C-R 1, I-D	(3)	S5277
Apr. 9, 1974	Do[2]	Do	63	64	30	20	44	0	10	9	1, C-R 1, I-D	(3)	S5[illegible]
June 19, 1974	Public debt ceiling[6]	Do	62	50	43	9	41	0	27	14	1, C-R 1, I-D	(3)	S11080-81
Do	Do	Wallace Bennett	62	45	48	31	13	1, C-R	5	42	1, I-D	(3)	S11081
June 26, 1974	Do[7]	Mike Mansfield	66	48	50	11	37	0	29	19	1, C-R 1, I-D	(3)	S11595
July 30, 1974	Consumer Protection Act	Abraham Ribicoff	66	56	42	14	42	0	25	15	1, C-R 1, I-D	(3)	S13837
Aug. 1, 1974	Do	Do	66	59	38	15	44	0	24	13	1, C-R 1, I-D	(3)	S14127
Aug. 20, 1974	Do	Do	63	59	35	17	42	0	21	12	1, C-R 1, I-D	(3)	S15361
Sept. 19, 1974	Do	Do	66	64	34	20	44	0	21	11	1, C-R 1, I-D	(3)	S17131
Dec. 3, 1974	Export-Import Bank	Robert Packwood	60	51	39	24	27	0	14	23	1, C-R 1, I-D	(3)	S20410-11
Dec. 4, 1974	Do	Do	62	48	44	24	24	0	15	27	1, C-R 1, I-D	(3)	S20523
Dec. 13, 1974	Trade reform[2]	Robert C. Byrd	60	71	19	33	36	1, C-R 1, I-D	4	15	0	(3)	S21394
Dec. 14, 1974	Supplemental appropriations[2] (school desegregation amendment).	Hugh Scott	56	56	27	21	35	0	14	12	1, C-R	(3)	S21506
Do	Export-Import Bank	Robert C. Byrd	56	49	35	26	10	1, C-R	10	25	0	(3)	S21510-11
Dec. 16, 1974	Do	Do	59	54	34	30	22	1, C-R 1, I-D	6	28	0	(3)	S21633
Dec. 17, 1974	Social services[2]	Russell B. Long	62	70	23	29	41	0	11	10	1, C-R 1, I-D	(3)	S21740
Do	Upholstery import regulations/Taxes and tariff.[2]	Do	62	67	25	28	39	0	12	11	1, C-R 1, I-D	(3)	S21767-68
94TH													
Feb. 26, 1975	Regional railroad reorganization.[2]	Robert C. Byrd	63	86	8	32	52	1, I-D 1, C-R	2	6		(3)	S2[illegible]
Mar. 5, 1975	Cloture reform[2]	Do	63	73	21	23	50		13	8	1, I-D 1, C-R	(3)	S3045
Mar. 7, 1975	Do[2]	Do	63	73	21	23	50		13	6	1, I-D 1, C-R 1, C-R	(3)	S3300
Mar. 20, 1975	Tax reduction	Ernest Hollings	60	59	38	14	45		22	13	1, I-D 1, C-R	(3)	S3482
Mar. 21, 1975	Do[2]	Do	60	83	13	27	55	1, C-R	6	6	1, I-D	(3)	S4579
May 13, 1975	Consumer Protection Agency.[2]	Abraham Ribicoff	60	71	27	20	51		18	7	1, I-D 1, C-R	(3)	S8050
June 11, 1975	Personal Senate committee staff.[2]	Robert Packwood	64	77	19	28	48	1, C-R	6	12	1, I-D	(3)	S10468
June 24, 1975	New Hampshire Senate contest.	Robert C. Byrd	60	57	39		56	1, I-D	34	4	1, C-R	(3)	S11477
June 25, 1975	Do	Do	60	56	41		55	1, I-D	36	4	1, C-R	(3)	S11522
June 26, 1975	Do	Do	60	54	40		53	1, I-D	36	4		(3)	S11615
July 8, 1975	Do	Do	60	57	38		56	1, I-D	34	3	1, C-R	(3)	S11952
July 9, 1975	Do	Do	60	57	38		56	1, I-D	36	2		(3)	S12193
July 10, 1975	Do	Do	60	54	38		53	1, I-D	34	3	1, C-R	(3)	S12326
July 21, 1975	Voting Rights Act.[2]	Do	60	72	19	24	48		11	6	1, I-D	(3)	S13066

Congress and date	Subject	Motion submitted by[1]	Yea votes needed	Yeas	Nays	For Cloture[2] Republicans	For Cloture[2] Democrats	For Cloture[2] Other	Against Cloture[2] Republicans	Against Cloture[2] Democrats	Against Cloture[2] Other	Congressional Record Volume	Congressional Record Page
July 23, 1975	do	Mike Mansfield	60	76	20	27	49		10	8	1, I-D 1, C-R	(5)	S13369
July 30, 1975	Oil price ceiling	Robert C. Byrd	60	54	38	10	44		24	13	1, I-D	(5)	S14318
Sept. 23, 1975	Labor-HEW/busing	Edward Brooke	60	46	48	16	30		19	27	1, C-R	(5)	S16541
Sept. 24, 1975	do[3]	Robert C. Byrd	60	64	33	17	47		19	12	1, C-R 1, I-D	(5)	S16668
Nov. 11, 1975	Common-site picketing[3]	Mike Mansfield	60	66	30	17	48	1, C-R	19	11		(5)	S18705
Nov. 14, 1975	do	Robert C. Byrd	60	58	31	14	44		15	14	1, C-R 1, I-D	(5)	S20132
Nov. 18, 1975	do[3]	Mike Mansfield	60	62	37	15	47		21	14	1, C-R 1, I-D	(5)	S20321
Dec. 4, 1975	Railroad reorganization[3]	Vance Hartke	60	61	27	15	42		14	11	1, C-R 1, I-D	(5)	S21021-22
Dec. 5, 1975	New York aid[3]	Mike Mansfield	60	70	27	21	48	1, C-R	15	11	1, I-D	(5)	S21181
Feb. 3, 1976	Rice production[3]	Walter Huddleston	56	76	18	28	42		19	11	1, I-D 1, C-R	(5)	S1125-26
June 3, 1976	Antitrust bill[3]	Robert C. Byrd	60	67	22	15	52		15	5	1, I-D 1, C-R	(5)	S8507
Aug. 31, 1976	do[3]	Mike Mansfield	60	63	27	14	49		18	7	1, I-D 1, C-R	(5)	S15003-4
Sept. 23, 1976	Civil rights attorneys' fees[3]	Robert C. Byrd	60	63	26	18	45		14	10	1, I-D 1, C-R	(5)	S16478
95TH													
Jan. 24, 1977	Vietnam draft evader pardon.	Jesse Helms	60	53	43	27	25	1, I-D	9	34		(5)	S1178
July 29, 1977	Campaign financing	Robert C. Byrd	60	49	45	2	47		33	11	1, I-D	(5)	S13085
Aug. 1, 1977	do	do	60	47	46	2	45		35	10	1, I-D	(5)	S13181
Aug. 2, 1977	do	do	60	52	46	4	48		33	12	1, I-D	(5)	S13275
Sept. 26, 1977	Natural gas deregulation[3]	Robert C. Byrd/Howard H. Baker, Jr.	60	77	17	34	42	1, I-D	1	16		(5)	S15603
June 7, 1978	Labor law reform	Robert C. Byrd	60	42	47	8	34		28	18	1, I-D	(5)	S8678
June 8, 1978	do	do	60	49	41	8	41		26	14	1, I-D	(5)	S8814
June 13, 1978	do	do	60	54	43	10	44		25	17	1, I-D	(5)	S9076
June 14, 1978	do	do	60	58	41	14	44		24	16	1, I-D	(5)	S9171
June 15, 1978	do	do	60	58	39	14	44		22	16	1, I-D	(5)	S9219
June 22, 1978	do	do	60	53	45	12	41		25	19	1, I-D	(5)	S9409
Oct. 9, 1978	Tax reduction[3]	do	60	62	28	30	31	1, I-D	3	25		(5)	S17818
Oct. 14, 1978	Energy tax conference report.[3]	do	60	71	13	20	51		10	2	1, I-D	(5)	S18762
96TH, 1ST													
Dec. 12, 1979	Windfall Profits Tax	Robert C. Byrd	60	53	46	5	48		36	9	1, I-D	V. 125, No. 177	S18291-92
Dec. 13, 1979	do	do	60	56	40	5	50	1, I-D	34	6		V. 125 No. 178	S18382-S18383
Dec. 14, 1979	do	do	60	56	39	4	51	1, I-D	35	4		V. 125 No. 179	S18502
Dec. 17, 1979	do	do	60	84	14	28	55	1, I-D	12	2		V. 125 No. 181	S18794-S18795
96TH, 2D													
Apr. 21, 1980	Nomination of William Lubbers to be general counsel NLRB.	do	60	46	40	8	38		29	10	1, I-D	V. 126 No. 61	S3995
Apr. 22, 1980	do	do	60	62	34	10	51	1, I-D	29	5		V. 126 No. 62	S4040
Apr. 28, 1980	Rights of Institutionalized Persons.	Birch Bayh	60	44	39	11	33		25	13	1, I-D	V. 126 No. 66	S4255
Apr. 29, 1980	do	Dennis DeConcini	60	56	34	15	41		22	11	1, I-D	V. 126, No. 67	S4294
Apr. 30, 1980	do	Robert C. Byrd	60	53	35	14	39		22	12	1, I-D	V. 126, No. 68	S4340
May 1, 1980	do	do	60	60	34	13	47		25	8	1, I-D	V. 126, No. 69	S4429
May 15, 1980	Soft Drink Products	do	60	86	6	35	51		3	2	1, I-D	V. 126, No. 79	S5414
June 10, 1980	Draft Registration	do	60	62	32	22	39	1, I-D	18	14		V. 126, No. 94	S6515
Aug. 1, 1980	Nomination of Don Zimmerman to be member NLRB.	do	60	51	35	10	41		27	7	1, I-D		S10505
Aug. 4, 1980	do	do	60	45	31	10	35		23	7	1, I-D		S10654
Aug. 5, 1980	do	do	60	63	31	15	48		21	7	1, I-D		S10773
Aug. 18, 1980	Alaska Lands	do	60	53	25	22	41		15	9	1, I-D		S11050
Aug. 21, 1980	Vessel Tonnage/Surface Mining.	do	60	61	32	26	34	1, I-D	15	17			S11314
Dec. 3, 1980	Fair Housing Amendments	do	60	51	39	13	38		26	13			S15330
Dec. 4, 1980	do	do	60	62	32	13	49		26	5	1, I-D		S15501
Dec. 9, 1980	do	do	60	54	43	9	45		31	11	1, I-D		S15853
Do	Stephen Breyer Nomination (U.S. Circuit Judge).	Edward M. Kennedy	60	68	28	15	57		24	3	1, I-D		S15873

[1] Many cloture petitions have also been withdrawn or held out of order since 1917.
[2] Indicates that cloture was invoked.
[3] The Chair ruled that a majority would invoke on any change in the rules of the Senate at the beginning of a Congress. On appeal the Chair was overruled 45 to 53 (Congressional Record, vol. 115: Jan. 16, 1969, p. 985).
[4] Does not necessarily indicate support of cloture.
[5] As an amendment to Debt Ceiling Bill.
[6] On amendment proposed by Senator James B. Allen.
[7] On amendment proposed by Senator Hubert Humphrey.
[8] Daily edition.
[9] Party codes:
C-R—Conservative Republican.
I-D—Independent-Democrat.
P—Progressive.
I—Independent.
F-L—Farmer-Labor.

Mr. ROBERT C. BYRD. Mr. President, this table will show that I have offered more cloture motions than has any other Senator during the intervening years since the cloture rule was first adopted, and it will also show that cloture has been invoked on more motions introduced by me.

Mr. Mansfield, my predecessor, offered 56 cloture motions. Cloture was invoked on 14 of those motions. I have offered 70 cloture motions and cloture has been invoked on 20 of those motions.

Mr. President, I yield the floor.

BLACK LUNG

Mr. ROBERT C. BYRD. Mr. President, I did something on March 9 that I have not done before in my 28 years of service in the Congress of the United States. I left this Hill to address a gathering of coal miners who had come to Washington to protest rumored changes in the black lung benefits program.

I ask unanimous consent that the text of my remarks on that occasion be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS TO THE UNITED MINE WORKERS OF AMERICA BY U.S. SENATOR ROBERT C. BYRD

Most of you know me.

You know Robert Byrd as a friend of the coal miner. I always will be.

You work long hours in the coal and rock dust, with nothing between you and the mountain but roof bolts . . .

Where the rain never falls
And the Sun never shines,
It's dark as a dungeon
Way down in the mines.

You have come out of the mountain, dog-tired and dirty, and have gone home to your families, who depend on you for bread.

One day, you will leave the mountain for the last time . . . after putting in long years on the job . . .

Some leave it only for the grave.

You mine the coal that produces the electricity that lights cities, runs factories, and turns the wheels of industry.

You mine the coal that makes steel for hospitals and skyscrapers, automobiles, ships, tanks, and guns.

You are a vital part of America, and you are a part of me—a large part.

I grew up in a coal miner's home . . . during the Depression . . . in the '30's.

I slept on a coal miner's bed . . . ate from a coal miner's table . . . married a coal miner's daughter.

Before many of you were born, I played my fiddle at UMW rallies . . .

On Mitchell Day . . .

John L. Lewis Day . . .

Labor Day.

I know the sorrows, the heartaches, the tragedies that come to you and your families. My brother-in-law's father was killed in the mines.

More than once, I have looked down upon the still face of a miner—his body lying on the mine bath house floor—killed by a slate fall . . .

An electric wire . . .

Or a runaway motor.

More than once I have looked into the worn face of a miner, for whom each new day brought misery . . .

And every gasp for breath brought pain.

Black Lung!

That is why you are here today. That is why I am here.

You are a part of me—a large part.

On March 26, 1969, I appeared before the Labor Subcommittee of the Senate Committee on Labor and Public Welfare and proposed Federal legislation to provide compensation to disabled miners suffering from Black Lung.

The next day—March 27, 1969—Senator Randolph and I joined in introducing legislation to establish the Black Lung benefits program.

I not only helped in enacting the black lung legislation. As a member of the Senate Appropriations Committee, I also helped to fund it . . .

And to establish black lung clinics in the coal field areas . . . and to enact mine safety laws.

You are here today because you are worried that these hard-won benefits may be reduced or erased by the new administration.

That is why I am here with you. I, too, am concerned!

As of this moment, we do not know what the new administration will propose to do about mine safety programs or about black lung benefits.

We have not been told the details. We have not seen the fine print.

The administration has said that it wants to put the black lung disability trust fund on a sound financial footing.

I support that aim.

I know you do.

A sound trust fund will mean that black lung victims can feel secure in the knowledge that they will receive the compensation provided by law.

And this is what we must protect—the black lung victims who are entitled to such benefits.

I have asked the administration for information on what it proposes to do.

I believe we ought to find out what the administration has in mind.

The White House recently cited a report by the General Accounting Office which indicated, according to the administration, that 9 out of 10 families currently receiving black lung benefits are not entitled to them.

I do not believe that. I believe that figure is grossly misleading.

I believe that most retired miners receiving benefits are getting that which is due them under the law.

If there is waste and abuse in any program, then let's find it and get rid of it.

Mismanagement of programs hurts those who are most deserving of benefits.

The retired miners I know only want to receive that which is rightly theirs under the law.

They seek compensation for a disabling disease—contracted while serving their country with their labor and sweat . . .

Their bone and sinew . . .

And sometimes their blood.

I commend Sam Church for his strong and reasoned leadership of this great union . . .

Of which my foster father and my wife's father were members in the 1930's.

I commend Sam Church and I commend you on the stability you have brought to the coal fields.

I have met with delegations from West Germany, France, Japan, and other countries interested in buying our coal.

I have said to them: You can count on the American coal miner.

Today, you are petitioning your government in an orderly way.

I have stood with you in the past. I will stand with you in the days ahead.

You are a part of me—a large part.

You can count on me.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I have no further use for the time that has been allotted to me under the order and the time that has been yielded to me by the distinguished majority leader, and I therefore yield it back.

ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business.

Mr. BAKER. Mr. President, I ask unanimous consent that the order previously entered to provide for a period for the transaction of routine morning business be modified so as to extend that time not beyond 2 p.m., and that Senators may be permitted to speak therein.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF S. 573 AT 2 P.M. TODAY

Mr. BAKER. Mr. President, on Thursday last I indicated that it was the intention of the leadership today to proceed to the consideration of Calendar Order No. 29, S. 573, a bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

I ask unanimous consent, Mr. President, that the Senate proceed to the consideration of that bill at 2 p.m. today.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. ON THURSDAY

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. on Thursday, March 12.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I might inquire of the distinguished minority leader whether it might be possible for the Senate to consider the nominations appearing on today's Executive Calendar.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side of the aisle to proceeding with the nominations.

Mr. BAKER. I thank the minority leader.

With that view, Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering the nominations contained on the Executive Calendar.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The PRESIDENT pro tempore. The clerk will state the nominations.

The second assistant legislative clerk proceeded to read the nominations on the Executive Calendar.

Mr. BAKER. Mr. President, I am advised that all of the nominations appearing on the calendar, beginning on page 1 and continuing through page 6, including those nominations placed on the Secretary's desk in the Air Force and Navy, have been cleared on our Executive Calendar. If the minority leader can advise me of the status of those nominations on his side, perhaps it would be possible to proceed to their consideration en bloc.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side to proceeding en bloc to take up the nominations.

Mr. BAKER. Mr. President, I thank the minority leader.

In view of that, I ask unanimous consent that the Senate proceed now to the consideration en bloc of all of the nominations on the Executive Calendar, including those at the Secretary's desk.

The PRESIDENT pro tempore. Without objection, the Senate will proceed to consider the nominations, en bloc.

NOMINATION OF ROSCOE L. EGGER, JR., TO BE COMMISSIONER OF INTERNAL REVENUE

(By request of Mr. BAKER the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Mr. President, the Senator from Kansas urges the confirmation of Roscoe L. Egger, Jr. to be Commissioner of Internal Revenue.

FAVORABLE COMMITTEE ACTION

On March 5, the Committee on Finance held hearings on Mr. Egger and found him to be eminently qualified by reason of his experience and character to perform the functions of Commissioner of Internal Revenue.

Our committee then voted unanimously to recommend Senate confirmation of Mr. Egger's nomination without referral to committee.

MR. EGGER'S DIVERSE TRAINING

President Reagan has nominated Mr. Roscoe L. Egger, Jr. to be Commissioner of Internal Revenue. Mr. Egger will bring to that position his background and training as an accountant and as a lawyer. From that perspective, Mr. Egger is the ideal candidate, appealing both to members of the bar and to the public

accountants. Mr. Egger has a distinguished career in public accounting, having since 1973 headed the office of government services for a major accounting firm. He will bring that experience, expertise, and uncompromising excellence to the position of Commissioner of Internal Revenue Service.

THE DUTIES OF THE COMMISSIONER

As Commissioner of Internal Revenue, Mr. Egger will have responsibility for the Internal Revenue Service, the collection of our internal revenue, and the administration of our tax laws. In that position, Mr. Egger will be responsible both for the efficient collection of our revenue and for the equitable enforcement of our laws. With increasing concern for the level of voluntary compliance with our tax laws, the importance of the fair and effective administration of the tax laws cannot be exaggerated. Mr. Egger is well suited for the tasks for which he has been nominated.

INVESTIGATIONS COMPLETED

The Committee on Finance has reviewed Mr. Egger's financial position, the results of the investigation by the FBI, and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.●

NOMINATION OF JOHN E. CHAPOTON TO BE ASSISTANT SECRETARY OF THE TREASURY FOR TAX POLICY

(By request of Mr. BAKER the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Mr. President, the Senator from Kansas urges the confirmation of John E. Chapoton to be Assistant Secretary of the Treasury for Tax Policy.

FAVORABLE COMMITTEE ACTION

On March 5, the Committee on Finance held hearings on Mr. Chapoton and found him to be eminently qualified by reason of his experience and character to perform the functions of Assistant Secretary of the Treasury for Tax Policy.

Our committee then voted unanimously to recommend Senate confirmation of Mr. Chapoton's nomination without referral to committee.

MR. CHAPOTON'S BACKGROUND

Mr. Chapoton brings to the position of Assistant Secretary for Tax Policy a broad range of experience and expertise, both from public service and the private practice of law. In his practice of law, Mr. Chapoton has specialized in Federal taxation for 20 years. In his 4 years of public service which punctuated that private practice, Mr. Chapoton served with the Tax Legislative Counsel, ultimately rising to head that branch of the Treasury in charge of the preparation of tax legislation.

PROPOSED DUTIES

As Assistant Secretary for Tax Policy, Mr. Chapoton will not only oversee the Office of Tax Legislative Counsel, but will generally be charged with executive responsibilities for, among other matters, the preparation of tax revenue projections and evaluation of legislation and regulations. Thus, Mr. Chapoton's past private and public service is a virtually ideal preparation for the position to which he has been nominated.

REPORT ON INVESTIGATIONS

The Committee on Finance has reviewed Mr. Chapoton's financial position, the results of the investigation by the FBI and the report of the Office of Government Ethics. We are confident that there are no problems in any of these areas.●

NOMINATION OF PAUL CRAIG ROBERTS TO BE ASSISTANT SECRETARY OF TREASURY FOR ECONOMIC POLICY

(By request of Mr. BAKER the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Mr. President, the Senator from Kansas urges the confirmation of Paul Craig Roberts to be Assistant Secretary of the Treasury for Economic Policy.

FAVORABLE COMMITTEE ACTION

On March 5, the Committee on Finance held hearings on Dr. Roberts and found him to be eminently qualified by reason of his experience and character to perform the functions of Assistant Secretary of the Treasury for Economic Policy.

Our committee then voted unanimously to recommend Senate confirmation of Dr. Roberts' nomination without referral to committee.

A DISTINGUISHED CAREER IN PUBLIC SERVICE

Dr. Roberts has been nominated to become Assistant Secretary of the Treasury for Economic Policy. He has been nominated for that position in substantial measure because of his record of achievement as an economist coupled with his distinguished public service. He has served on Capitol Hill on staffs both in the House and the Senate. He combines both academic expertise and practical experience, a combination that will go far to insure his success in the very important position to which he has been nominated.

NEW RESPONSIBILITIES

As Assistant Secretary for Economic Policy, Dr. Roberts will have principal responsibility for the preparation of the Treasury's economic projections and will advise on the determination of appropriate financial and fiscal policy.

ROUTINE INVESTIGATIONS COMPLETED

The review by the FBI, the Committee on Finance and the Office of Government Ethics discloses no potential ethical problems or conflicts of interest.●

The PRESIDENT pro tempore. Without objection, all nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

Maj. Gen. James W. Stansberry, to be lieutenant general.

IN THE ARMY

The U.S. Army Reserve Officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, secs. 593(a), 3371 and 3384:

Brig. Gen. Robert Milton Erffmeyer, Brig. Gen. Louis Holmes Gin III, Brig. Gen. Angelo David Juarez, Brig. Gen. Harley Lester Pickens, and Brig. Gen. Berlyn Keasler Sutton, to be major general.

Col. James Eugene Beal, Col. Elmus Snider Uzzery, Col. William Peter Sylvester, Jr., Col. Richard Hubbard Bailey, Col. Donald Michael Mers, Col. Augusto Rafael Gautier, Col. Peter Dewitt Hyman, Col. Carl Lester Newhouse, Col. Robert Leroy Duewerth, and Col. Gregorio Clemente Brevetti, to be brigadier general.

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, secs. 593(a) and 3385:

Col. Vernon Junior Andrews, Col. Paul Nicholas Cotro-Manes, Col. Bruce Gordon Grover, Col. Patrick Wallace Harrison, Col. Robert Lee Howell, Col. Dale Owen Laubach, Col. James Augustus Lynch, Jr., Col. Roland Lavern Parkhill, Col. Jack Strukel, Jr., and Col. James Jomac Wasson, to be brigadier general.

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, secs. 593(a) and 3392:

Brig. Gen. William Fremont Engel, Brig. Gen. Ansel Martin Stroud, Jr., Brig. Gen. Ralph Taylor Tice, to be major general.

Col. Norman Eugene Duckworth, Col. Hubert Gerald Lane, Col. Lincoln James Lett, Col. Alexis Theodore Lum, Col. Dean Douglas Mann, and Col. Jerry Lee Wheichel, to be brigadier general.

IN THE NAVY

The following named captains of the line of the Navy for temporary promotion to the grade of rear admiral, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualification therefor as provided by law:

Virgil W. Moore, Jr., John F. Addams, Robert B. Rogers, Albert J. Herberger, Don H. McDowell, Richard L. Thompson, Allan G. Paulson, Ted C. Steele, Jr., George M. Furlong, Jr., Edwin R. Kohn, Jr., James H. Flatley III, Warren E. Aut, John R. Batzler, Ronald F. Marryott, Theodore A. Almstedt, Jr., James D. Williams, Laverne S. Severance, Jr., Richard M. Dunleavy, Roger E. Box, Harold L. Young, Richard J. Grich, Ronald J. Kurth, William A. Walsh, Kendall E. Moranville, James G. Storms III, Joseph S. Donnell III, William J. Holland, Jr., Ronald E. Narmi, Robert W. Schmitt, Morton E. Toole, John H. Fetterman, Jr., John W. Nyquist, Walter L. Chatham, Bruce Demars, Stanley R. Arthur, Peter M. Hekman, Jr., and Ming E. Chang, to be rear admiral.

The following named woman captain of the line of the Navy for temporary promotion to the grade indicated under the provisions of title 10, United States Code, sec. 5767(c):

Pauline M. Hartington, to be rear admiral.

The following named captains of the Navy for temporary promotion to the grade of rear admiral in the staff corps, as indicated, pursuant to title 10, United States Code, sections 5772 and 5791, subject to qualification therefor as provided by law:

Medical Corps

Normal V. Cooley, Jr., Quintous E. Crews, Jr., Robert C. Elliott, and James A. Zimble, to be rear admiral.

Supply Corps

Joseph S. Sansone, Jr., Edward K. Walker, Jr., and Donald E. Wilson, to be rear admiral.

Civil Engineer Corps

Donald L. Conner, to be rear admiral.

Dental Corps

Carlton J. McLeod, to be rear admiral.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of major general under the provisions of title 10, United States Code, section 5769:

Thomas R. Morgan, Ernest C. Cheatham, Jr., John V. Cox, John Phillips, Wesley H. Rice, Gregory A. Corliss, and Harold G. Glasgow, to be major general.

The following named officers of the Marine Corps for temporary appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5769:

James R. Vandenelzen, William G. Carson, Jr., Lloyd W. Smith, Jr., Edwin J. Godfrey, William R. Etnyre, Eugene B. Russell, Donald L. Humphrey, William A. Bloomer, Paul D. Slack, George H. Leach, Hugh T. Kerr, Joseph B. Knotts, and John H. Gary III, to be brigadier general.

DEPARTMENT OF THE TREASURY

Roscoe L. Egger, Jr., of the District of Columbia, to be Commissioner of Internal Revenue, vice Jermone Kurtz, resigned.

John E. Chapoton, of Texas, to be an Assistant Secretary of the Treasury, vice Donald Cyril Lubick, resigned.

Paul Craig Roberts, of Virginia, to be an Assistant Secretary of the Treasury, vice Curtis Alan Hessler, resigned.

FEDERAL RAILROAD ADMINISTRATION

Robert W. Blanchette, of Maryland, to be Administrator of the Federal Railroad Administration, vice John McGrath Sullivan, resigned.

DEPARTMENT OF TRANSPORTATION

John M. Fowler, of Pennsylvania, to be General Counsel of the Department of Transportation, vice Thomas George Allison, resigned.

Judith T. Connor, of New York, to be an Assistant Secretary of Transportation, vice William B. Johnston, resigned.

Lee L. Verstandig, of the District of Columbia, to be an Assistant Secretary of Transportation, vice Susan J. Williams, resigned.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE AND NAVY

Air Force nominations beginning George G. Abbott, to be colonel, and ending Michael P. Mills, to be captain, which nominations were received by the Senate and appeared in the Congressional Record of February 5, 1981.

Air Force nominations beginning Michael R. Ackley, to be first lieutenant, and ending Anthony E. Zompetti, to be first lieutenant, which nominations were received by the Senate on February 10, 1981, and appeared in the Congressional Record of February 16, 1981.

Navy nominations beginning Robert S. Chan, to be captain, and ending Julian D. McCarthy, to be lieutenant, which nominations were received by the Senate and appeared in the Congressional Record of February 5, 1981.

Navy nominations beginning Alexander V. Abary, to be commander, and ending Margaret J. Hamman, to be commander, which nominations were received by the Senate and appeared in the Congressional Record of February 5, 1981.

Navy nominations beginning Clinton E. Adams, to be lieutenant commander, and ending Christine E. Miller, to be lieutenant commander, which nominations were received by the Senate on February 10, 1981, and appeared in the Congressional Record of February 16, 1981.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has confirmed these nominations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TRIBALISM IN UGANDA

Mr. PROXMIRE. Mr. President, in the February 5, 1981, edition of the Washington Post, Jay Ross describes the sporadic bush wars in Uganda, fueled by ancient tribal distrust and more recent political animosities.

That country has some of the most serious tribal divisions on the African continent, and there are at least 32 distinct tribes in Uganda. Currently, there is much devastation in the villages of the West Nile, Idi Amin's home province. The tribes in this area received preferential status during his reign, while other tribes, particularly in Central and Southern Uganda, were intensely persecuted. During Amin's reign of terror, as many as 1 in every 25 Ugandans was killed, and conservative estimates of the total number of people slaughtered range from 100,000 to 400,000.

There were systematic purges of all white males in the Christian tribes of the Nilotic Acholi and the Langi. Amin explained that the purges were political acts against conspirators who opposed his rule. His victims, however, had been selected and identified solely on the basis of their membership in these tribes, not because they had opposed his regime.

The Genocide Convention defines the crime of genocide as the intent to destroy, in whole or in part, a national, ethnical, racial, or religious group. Thus, it is important to note that Amin's motives are also ethnic or religious, and therefore an act of genocide. Amin, a Moslem, also ordered the elimination of substantial numbers of other Christians. Wanume Kibedi, former Ugandan Foreign Minister from 1971–73, has stated that Amin's orders to liquidate the Lango and Acholi tribes spring from his deep-seated fear of all ethnic groups other than his own. In his book "Genocide," I. L. Horowitz characterized Uganda as a genocidal society.

The current struggle is between armed men still loyal to Amin, and the Ugandan Army and its Tanzanian allies. Ross notes that "whether the fighting involves retribution for old injuries or attempts to wage a guerilla struggle against the new government in Kampala is not clear." Yet traditional tribal tensions, coupled with the memories of Amin's atrocities, have made his home district on the West Nile a scene of destruction and suffering. As one Ugandan vowed during Amin's reign: "When things change, not even a chicken will be left alive" in Amin's native province.

In Uganda today, the legacy of genocide still destroys. The only way to stop such a terrible disgrace, or even to speak out against it with conviction, is through international covenant.

That covenant is the U.N. Genocide Treaty. We must ratify it.

COMMISSION ON ARTS AND ANTIQUITIES OF THE U.S. SENATE

The PRESIDENT pro tempore. On behalf of the majority leader, pursuant to Senate resolution 382, 90th Congress, I announce that the following Senators, pursuant to the positions that they hold, are members of the Commission on Arts and Antiquities of the U.S. Senate: The Senator from South Carolina (Mr. THURMOND), as President pro tempore; and the Senator from Maryland (Mr. MATHIAS), as chairman, Committee on Rules and Administration.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HAWKINS). Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BAUCUS AND SENATOR HARRY F. BYRD, JR., ON THURSDAY, MARCH 12, 1981

Mr. BAKER. Madam President, I am advised that there are two requests for special orders on Thursday. I ask unanimous consent that, on Thursday, following the time allocated under the standing order, or the standing orders, as it may be amended, in favor of the two leaders, there be a special order in favor of the distinguished Senator from Montana (Mr. BAUCUS) of not to exceed 15 minutes; and a special order on behalf of the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT REAGAN'S TAX PROPOSAL

Mr. BAKER. Madam President, in behalf of the distinguished chairman of the Senate Finance Committee, Mr. DOLE, of Kansas, who I might add is feeling much better and who hopes to return to his duties soon, I am today introducing legislation proposed by President Reagan to reduce Federal income taxes this year by 10 percent.

While Senator DOLE and I both recognize and yield to the constitutionally provided prerogative of the House of Representatives to institute tax-related legislation, we nonetheless wish to offer this bill so that the Finance Committee may be facilitated in consideration of this matter.

This legislation is an elemental component of the President's economic recovery program. It provides for across-the-board tax relief for all Americans

and would substantially reform tax depreciation schedules that have crippled the growth of productivity of American business and industry.

On several occasions during the 96th Congress, I and many of my colleagues in this Chamber, endorsed this tax measure in principle. I reiterate my endorsement today.

Under current law, our citizens will pay more in Federal taxes this year than ever before—the Federal taxation burden on them increases more this year than during any previous year in our history.

I submit that we now tax our people beyond any logical limits. We have gone to the public well too often. It is very nearly dry and the American people demand and deserve relief.

This legislation offers that relief. Not only will a significant portion of the onerous tax burden on our wage earners be lifted, but the savings this bill will precipitate will do much to pump needed capital back into the private sector lending markets of our economy.

Furthermore, this legislation, coupled with the proposed spending reductions now pending before the Congress, provide the American people with a long-awaited, clear signal that this administration and this Congress are absolutely committed to a reduction in the growth of the Federal Government.

As desperately as we need to reduce the American citizen's tax burden, and as unequivocal as the need is to reduce Federal spending, the need to reform our corporate tax structure is no less important to our national economic recovery.

At the very core of this recovery is the need to stimulate new private-sector growth and productivity.

Existing depreciation schedules are extraordinarily complex, do not adequately account for the impact of inflation on the cost of capital, and are, quite simply, antiquated.

The proposed depreciation schedules greatly simplified the process and timeframe for business and industry to recover their capital investments. Further, the new schedules will allow more businesses, large and small, to more fully benefit. A quicker investment recovery will provide business and industry with the means and the incentive to retool, reinvest, and maintain state of the art technology.

That, coupled with the increases in investment tax credits proposed by this legislation, will encourage capital formation which, in turn, will result in new growth, new and meaningful job opportunities, and a new era of unsurpassed productivity in this Nation.

I am hopeful the Congress will act thoughtfully, yet expeditiously, on this vital legislation.

PRESIDENT REAGAN'S TAX REDUCTION LEGISLATION

(By request of Mr. BAKER, the following statement was ordered to be printed in the RECORD:)

● Mr. DOLE. Madam President, today I am joined by a number of our colleagues in introducing the administration's tax cut package at the request of the President. It is our hope that introduction of this legislation will focus the attention of the Senate on the need for broad tax reductions to initiate economic recovery for our Nation and the strong desire of the American people for us to address this issue immediately.

A BROAD-BASED TAX CUT

With this legislation President Reagan has followed through on his pledge to the American people that he would propose tax cut legislation to lower tax rates for all individuals and provide a major investment incentive for business to modernize plant and equipment.

RATE REDUCTION FOR INDIVIDUALS

For individuals, President Reagan has proposed a 30-percent reduction in tax rates to be phased in over calendar years 1981 through 1984.

The administration proposal for individual rate reductions reflects the tax-cutting philosophy espoused for many years by our distinguished colleague, Senator ROTH of Delaware. The Roth-Kemp tax plan is the basis for the administration proposal, and Senator ROTH must take a great deal of the credit for making tax reductions an issue that has won popular support and commanded the attention of policymakers. Focusing attention on the need for individual rate reductions, and on the incentive effects of tax cuts, has brought about a major shift in the way we view tax policy. The senior Senator from Delaware has done much to educate us all concerning the relation between the high level of taxation and economic stagnation.

No one should need a reminder that double-digit inflation for the last 2 years has capped an extraordinary, inflationary decade. During this period, individuals who have been fortunate enough to receive wage increases to keep up with inflation have seen an ever-increasing percentage of their income taken by the Federal Government for income taxes. These individuals who have not improved their real economic position in any way have, nevertheless, been forced to pay more taxes to the Government due to our progressive tax-rate structure.

AN EQUITABLE PROPOSAL

It is important to note that more than 70 percent of the benefit from the individual portion of this tax cut would be received by working people with incomes of $10,000 to $60,000. Nearly half of the tax reductions would be received by individuals with an income of $10,000 to $30,000. In today's inflated economy, it is difficult to argue that these individuals are wealthy. It is even more difficult to explain why their tax rates should have increased so drastically over the last few years. As the President pointed out in his recent address to Congress, the American worker's hourly earnings, adjusted for inflation, have declined by 5 percent over the last 5 years. Over the same period Federal taxes have increased 67 percent.

Furthermore, while the reduction in tax rates generally will reduce the tax liabilities of all taxpayers in proportion to taxes paid, interaction with the earned income tax credit will, in fact, provide a slightly greater percentage tax reduction for taxpayers at the low end of the income scale. On the other hand, interaction with the present law 50-percent maximum tax rate on earned income will give the most highly-paid wage earners a slightly lesser percentage reduction in taxes.

It can rightly be said that this proposal provides a much needed, major tax reduction for all taxpayers without ignoring the especially great hardship inflation and increased taxes have had upon our low-income citizens.

SPENDING CUTS NEEDED TO ASSURE NONINFLATIONARY TAX CUT

The President's tax reduction for individuals would merely reduce, not eliminate, the additional tax received by the Government from inflation. However, this Senator believes that substantial Federal spending cuts and continued fiscal responsibility are absolutely necessary parts of the President's economic recovery program. For that reason, I have expressed some reservations about making a full 3-year commitment to individual tax reductions. My reservations have been based upon a concern that, if we enacted a tax cut before spending cuts were acted upon, there would be little assurance that the spending limitations would ever be enacted.

The President, however, has made clear that his economic program must be considered as a whole. If we can accomplish what must be done in the spending area, we should give serious consideration to a multiyear tax reduction for individuals.

ACCELERATED COST RECOVERY FOR BUSINESS

The second major element of the President's tax reduction package is an accelerated and simplified capital cost recovery system to encourage business investment.

This Nation used to pride itself on having the most modern, most efficient, industrial machinery in the world. That is the reason our workers were acknowledged to be the most productive in the world. Unfortunately, although our business community has been able to invent substantial new technologies, they have not had the resources to put them to productive use. Instead, other nations have used our technology to develop new, efficient factories producing goods with which American companies find difficult to compete.

According to the administration, the annual growth in productivity for U.S. industry for the years 1973 to 1979 fell almost 75 percent from the rate from 1945 to 1968. In those later years productivity was growing at a rate of only eight-tenths of 1 percent per annum.

To reverse this disturbing trend the President has proposed that the cost of business investment be reduced.

The President's proposal is simple and will be effective in encouraging business investment. If a business makes an investment, the cost of that investment would be taken as a deduction for tax purposes over a 3, 5, 10, 15, or 18 year period, depending on the nature of the investment.

WHY THIS INCENTIVE IS NEEDED

This is not a radical, new concept. For many years now, businesses have been able to recover the costs of capital investments over the useful life of the asset purchased. The reason for this is to allow a business to put aside funds to purchase a replacement for a business asset when it wears out or becomes obsolete.

However, inflation and the increased cost of technologically more advanced business assets have made this method of cost recovery completely inadequate. The time period over which investment costs may be recovered is so long that businesses cannot afford to make desirable investments. The problem is compounded by an increasingly complex set of rules, established by the Government to provide guidance for taxpayers, but which now has become a further obstacle to business investment, especially for smaller companies which cannot afford sophisticated legal and accounting advice.

A SIMPLE, EFFECTIVE PROPOSAL

The President's proposal would provide an easy to understand and economically more advantageous method for a business to recover the cost of its investments in plant and equipment.

The proposal would create three mandatory classes of tangible personal property on which taxpayers would be entitled to rapid cost recovery over periods of 3, 5, and 10 years, depending upon the nature and use of such property. Although certain owner-occupied structures would also be entitled to accelerated cost recovery over 10 years, depreciable real property would in general be subject to straight-line cost recovery over periods of 18 or 15 years. Additionally, the availability of the investment tax credit would be expanded.

These provisions would be phased in beginning on January 1, 1981, with all provisions fully effective by January 1, 1985.

THE FINANCE COMMITTEE ROLE

This Senator is certain that the underlying philosophy of the administration proposal will win strong support in the Finance Committee. Nonetheless, it would be unrealistic to assume that the committee will report the administration proposal without careful review and, where necessary, modification of many specific provisions.

For instance, we will want to assure that the accelerated cost recovery provisions, in fact, accomplish their intended purpose of stimulating investment. The proposal will have to be carefully studied to make certain that no one sector of the economy, such as livestock breeders or farmers, is disadvantaged, rather than helped, by these new rules.

Similarly, we will review the proposal to determine if there are loopholes which will encourage tax shelter schemes, rather than productive investment.

There seemed to be broad consensus on the Senate Finance Committee about the need for a substantial tax cut last year. The committee, under the leadership of the distinguished Senator from Louisiana (Mr. LONG), fashioned a bipartisan tax cut bill that included significant individual rate cuts and an overhaul of the business depreciation system. That the bill did not become law is no reflection on its merit. And it is fitting that the Finance Committee bill paved the way for consideration of the administration's tax package in 1981.

Madam President, we have a real opportunity to improve the lives of our people by restructuring the tax laws, as well as limiting Federal spending. We have a responsibility to review the President's economic recovery program carefully. This Senator, however, is convinced that the basic thrust of this program is sound and the program is urgently needed. We must act as quickly as possible.●

PRESIDENT'S TAX REDUCTION PROGRAM

Mr. ROTH. Madam President, I am pleased to join my distinguished colleague BOB DOLE today to introduce the President's legislative proposals for across-the-board tax cuts.

This legislation provides for a 10 percent per year tax rate reduction for 3 years. When fully effective the proposal would reduce the tax burden of all taxpayers by approximately 30 percent. Individual tax rates would be reduced from the present rates ranging from 14 to 70 percent to rates ranging between 10 and 50 percent. These rate reductions are designed to reduce the heavy tax burden now strangling our Nation's economy.

According to the Congressional Budget Office, inflation and social security tax increases will impose a major tax burden on working Americans over the next 5 years. The CBO estimates that total Federal tax revenues under current law will more than double over the next 5 years, increasing $585 billion to $1.1 trillion a year by fiscal 1985.

But the tax burden the American people are bearing today is already unbearable. The average U.S. household last year paid more than $6,000 in Federal taxes. That represents an increase of more than 50 percent from only 4 years ago. The following table demonstrates how this tax burden has grown over the past decade and will continue to grow in the next unless something is done now to stop it.

AVERAGE TAX BURDEN PER HOUSEHOLD

	1971	1976	1979	1981	1985
Total Federal taxes (in billions)	188.4	300.0	465.9	623.0	1,062.7
Total households [1] (in millions)	63.5	71.2	76.0	79.5	87.5
Average tax	2,967	4,213	6,130	7,836	12,488

[1] Source: U.S. Census Bureau.

Substantial tax reductions are needed to offset the massive tax increases facing the working men and women of this country. The only way to reduce inflation is to promote economic growth and the best way to promote economic growth is to reduce the high rates of taxation which are destroying the incentive to work, to save and to invest. They are choking off private initiative and retarding the savings and investment needed to increase productivity and create new jobs.

The United States has the lowest rate of saving in the Western World, resulting in the lowest rate of productivity, growth, investment, and real wage increases among the major industrialized nations. Personal savings is falling because inflation and high tax rates reduce the real rate of return on savings income. As people are pushed into higher tax brackets, they get to keep less of each additional dollar of savings income. Since income from savings is added to earned income, the highest tax rate each taxpayer pays is imposed on his or her savings income. The higher the tax rate individuals face on the additional income from savings, the less likely they are to save. Thus, the present high tax rates discourage new savings, encourage consumption, and force savings away from productive investments and into tax-exempt bonds and tax shelters.

Nothing is more important than growth. The basic choice facing the economy is whether to grow or not to grow. If we had put a modest but sustained growth policy in place in 1950, the results would by now be enormous. Consider the period 1950 to 1979. In 1979, U.S. GNP reached $2.3 trillion. It could have been $3.5 trillion.

Between 1950 and 1979, the average annual growth of the U.S. economy in real terms was 3.6 percent. Many other major industrialized countries grew at annual real rates averaging in excess of 5.5 percent. If the United States had grown an average 1.5 percent faster each year since 1950, at a rate of just over 5 percent, its GNP in 1979 would have been $3.5 trillion.

With a $3.5 trillion economy, incomes would have been 50 percent higher than they were in 1979 and jobs would have been plentiful.

Faster growth, higher incomes, and plentiful jobs are exactly what the unemployed, underprivileged, and the minorities of this country have been seeking for many years. It is no accident that the greatest gains in income, jobs, and dignity for minority workers have come during periods of rapid expansion.

Economic growth is the only path to a balanced budget, and it can only be achieved by reducing the tax drag on the economy and restraining the growth of Federal spending.

As President Jack Kennedy said in 1962 in proposing an across-the-board tax rate reduction:

> Our choice is not between tax reductions, on the one hand, and the avoidance of large federal deficits on the other. It is increasingly clear that no matter what party is in power, so long as our national security needs keep rising, an economy hampered by restrictive tax rates will never produce enough revenue to balance the budget, just as it will never produce enough jobs or enough profits.

I am here today to echo President Kennedy's words. I call upon my colleagues to lend their bipartisan support to the tax reduction program being introduced today. It is a fair and progressive tax cut for all Americans and middle-income Americans in particular. These Americans are not very rich, they are not very poor, they are very taxed.

Mr. STEVENS. Madam President, today I have the pleasure of cosponsoring

President Reagan's tax incentive program. This tax package provides the essential framework that allows the private productive capacities in this Nation to get moving again.

Inflation has affected all aspects of American life. All Americans have seen the effect of seeing their wages climb into higher tax brackets while their buying power declined. Nowhere is tax more apparent than in Alaska. Alaskans are particularly hard hit by high taxes as we have the highest Federal tax burden per person. In 1979, the U.S. average per person was $3,101, while the Alaskan average was $3,304. President Reagan's proposal gives the economy wide relief that is so desperately needed today.

The focus of these changes in the tax code is twofold:

First. An across-the-board reduction of 10 percent in individual tax rates over each of the next 3 years beginning July 1, 1981.

Second. Depreciation reform to speed-up cost recovery for industry. Under the accelerated cost recovery system, all business property placed in service beginning January 1 of this year, is eligible for faster writeoff. The ACRS will provide positive incentives for industry to modernize existing plant and equipment and to increase their overall investment activity.

I am confident that the incentives provided by these tax changes will produce a net increase in Federal revenues by the end of 1982.

Introduction of these essential tax reforms marks the beginning of a new period of economic growth for the Nation. These measures put the burden for growth back into the private sector by providing the basic incentives that will make that growth possible.

Madam President, I commend this tax incentive program to you, and urge our concerted effort to insure its prompt passage.

Mr. CHAFEE. Madam President, today I am pleased to join my colleagues on the Senate Finance Committee in introducing the Reagan administration tax cut bill.

President Reagan is absolutely correct in calling for substantial tax reductions beginning this year. Coupled with a major reduction in the rate of Government spending growth, a well-structured tax cut will be the key to reviving economic productivity, reducing unemployment, and, most importantly, bringing inflation under control.

Like many of my colleagues on this side of the aisle, I have differences with some aspects of the administration's proposal. I have serious doubts, for example, about the wisdom of enacting 3 successive years of individual income tax cuts at 10 percent per year. I firmly believe that a savings incentive should be included to increase personal savings and help make more capital available for mortgages and business investment. And I want to take a close look at the depreciation revisions to assure that these investment incentives are well balanced.

Differences aside, the most important point is that by introducing this tax cut bill, we are starting the ball rolling toward enactment of a major tax bill this year. I will be working closely with the President and his advisers to deliver the American people a much needed tax relief measure.

RECOMMENDATIONS OF QUADRENNIAL COMMISSION ON PAY ALLOWANCES

Mr. BAKER. Madam President, the Quadrennial Commission on Pay Allowances has submitted its report. Under that act, the recommendations may be approved or disapproved or Congress may elect not to act at all, in which case the recommendations would not be put into effect.

It appears to me, however, that it would be infinitely preferable for this body to make a statement of its preferences and intention with respect to the Quadrennial Pay Commission report.

I have great respect for the Quadrennial Pay Commission. Under the provisions of the act, the distinguished minority leader and I each made nominations for membership. The members of the Commission worked diligently and with dedication.

However, I believe that the better part of public policy suggests that we take action in respect to those recommendations. I have consulted with the distinguished minority leader on this subject, and I am prepared now to propose a unanimous-consent agreement, which I believe is cleared on both sides.

Madam President, I now send to the desk four resolutions relative to pay recommendations, for myself and on behalf of the distinguished minority leader, Mr. ROBERT C. BYRD, such recommendations having been transmitted to Congress by the President, and I ask unanimous consent that they be placed on the calendar.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. There is no objection, Madam President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Madam President, I further ask unanimous consent that upon the conclusion on March 12 of the time allocated to the two leaders under the standing order and any special orders, the Senate proceed to the consideration of the resolutions in sequence, as they appear on the calendar.

I say, parenthetically, that they have been submitted in the same form in which they have been described in the statute.

Mr. ROBERT C. BYRD. Madam President, reserving the right to object——

Mr. BAKER. Madam President, I wish to amend my request in certain respects.

The Chair has already received and sent the resolutions to the calendar. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Madam President, I withdraw all of my request beyond that point and amend it as follows:

I ask unanimous consent that on Thursday, at any time, the majority leader, after consultation with the minority leader, may call up these resolutions for consideration by the Senate, notwithstanding any other order for the considerations of any other measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Madam President, I further ask unanimous consent that each resolution be subject to a time limitation of 20 minutes for debate, equally divided and controlled by the distinguished Senator from Delaware (Mr. ROTH) and the distinguished Senator from Missouri (Mr. EAGLETON); that time on first degree amendments be limited to 15 minutes equally divided and controlled by the mover and the manager; that time on second degree amendments be limited to 10 minutes each and similarly controlled; that time on motions, appeals, and points of order, if such are submitted to the Senate, be limited to 10 minutes each; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That at any time after consultation with the Minority Leader, the Majority Leader be authorized to call up the resolutions relative to pay recommendations transmitted to Congress by the President, notwithstanding any other order for the consideration of any other matter, with debate on any amendment in the first degree to be limited to 15 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution: with debate on any amendment in the second degree to be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution; and with debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate to be limited to 10 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution: Provided, That in the event the manager of the resolution is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said resolution shall be received.

Ordered further, That on the question of agreeing to the said resolutions, debate shall be limited to 20 minutes each, to be equally divided and controlled by the Senator from Delaware (Mr. Roth) and the Senator from Missouri (Mr. Eagleton): Provided, That the said Senators, or either of them, may, from the time under their control on agreeing to the said resolutions, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

(March 10, 1981)

Mr. BAKER. I thank the distinguished minority leader and I thank all Senators.

I might say that formulation of this agreement will give the leadership more discretion in deciding how this matter, which must be dealt with on Thursday—and by the way, it is my intention to complete action on this and the bill already scheduled on Thursday even if it means the Senate remaining in late on Thursday or perhaps being in session on Friday—but this technique will give us more flexibility in deciding how to schedule and what particular hour to lay down these four resolutions.

I thank the minority leader for his cooperation.

Mr. ROBERT C. BYRD. Madam President, I extend my thanks to the distinguished majority leader for his courtesy in molding the request which he has just made to conform with the necessities on this side of the aisle.

Mr. BAKER. Madam President, I thank the minority leader.

Mr. WALLOP. Madam President, will the majority leader yield?

Mr. BAKER. I yield the floor.

Mr. WALLOP. I thank the majority leader.

JACK OGILVIE HORTON

Mr. WALLOP. Madam President, it was with great sorrow that I learned this past week of the death, February 28, of Jack Ogilvie Horton of Saddlestring, Wyo. Together, Jack and I have managed neighboring ranches along the Big Horn Mountains for many years, sharing political goals and philosophies, working together to help the people of Wyoming, and nurturing a friendship which I shall value deeply over the coming years.

His years in Washington as Assistant Secretary of the Interior for Land and Water Resources established for Jack many similarly enduring friendships in this Congress and the Government community. I have shared with these friends this week the pain and frustration of seeing Jack lose his valiant fight against leukemia at the age of 43.

Jack Horton turned the opportunities of his life into something straight out of a Michener novel. He lent color to ordinary experiences. He lightened an exceptional academic background with flashes of humor and the absurd. He cajoled and encouraged his professional colleagues toward unexpected achievement. He invented language so that Western resource users could learn to talk to Western environmentalists. And in the midst of this perpetual professional motion, he played a killing game of tennis, rode the rodeo circuit, climbed mountains, and ran the Boston Marathon.

Because Jack was the quintessential cowboy politician, I want to leave in this Senate a record of the highlights of the life of a very special and unique Wyoming citizen.

From the Wyoming public school system, Horton entered America's most prestigious avenue toward a classical liberal arts education. With highest honors he obtained his degrees from Deerfield Academy, from Princeton, and as a Rhodes Scholar at Oxford. Shortly before his death, he renewed his training in economics and geology with additional graduate study at the University of Colorado. He brought this same educational opportunity to others through the administration of a family-funded trust at Princeton University. His commitment to Princeton, its alumni, and its academic life was recognized by his election as a trustee in the mid-seventies.

His professional life began in Wyoming—a stint as executive director of our Republican Party. Horton's commitment to Republican principles and goals was evident throughout his many years of Federal public service. He was a partisan. He did not, however, allow that partisan commitment to impede his communication with the very diverse people and interest groups of the West.

Horton played a very important role in the inventory and allocation of Alaskan resource lands. He was the first chairman of the Federal-State Land Use Planning Commission for Alaska—the Department of Interior's effort at resolving Alaskan land issues which ultimately reached this Congress as the controversial Alaskan lands bill.

From 1973 to 1977, Horton was Assistant Secretary of the Interior for Land and Water Resources—a new assistant secretaryship which was largely designed to facilitate a major policy role for Horton in recognition of his commitment to preserving the quality and way of life in Alaska and the Western States. Jack was unwavering in his belief that a balance could be achieved in the West's production of energy and natural resources without irreparable damage to the environment. It is a balance this Nation has not yet achieved, but his accomplishments moved us much closer to an effective multiple-use program.

Horton served as Assistant Secretary throughout both the Nixon and Ford administrations. With the change to a Democratic administration, he continued these same efforts as a private consultant in natural resources, counseling industry, public interest groups, and political leaders.

For all these professional accomplishments, it is the personal stories which all of us will remember—and we shall do so with the joy of having shared those times with Jack and shaken our heads more than a few times at his antics. He never made his safari to Africa, but he was there once to climb Kilimanjaro. When he climbed Mt. McKinley, it was with then-Bicentennial chairman John Warner's flag in his backpack, and he later presented that memento of the successful climb to the White House. He did not win the Boston marathon, but he made an impressive showing for a man of 40. In lacrosse, he was not satisfied with simply being an All-American; he was perhaps the only American to be All-England at Oxford. As an officer in the Navy, he flew 175 fighter pilot missions over the South China Sea. Living off-base in Japan, he explored the Eastern philosophy, produced a more-than-credible Japanese meal, and became fluent in the language.

Jack's early years were guided primarily by his grandmother, Mrs. Henrietta Horton, of Sheridan, Wyo. To her, I want to express my gratitude for her role in encouraging Jack toward a career which enriched the life of Wyoming's people. The pioneer heritage of the Horton family in Wyoming now passes forward to his young niece and nephew.

That heritage is immensely enriched by Jack Horton's life. I know that my colleagues in the Congress join me in extending our deepest sympathy to the Horton family and to his friends, who will miss Jack so much.

Madam President, I thank the Chair.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 83-420, appoints the Senator from New York (Mr. D'AMATO) to be a member of the Board of Directors of Gallaudet College.

The Chair, on behalf of the Vice President, pursuant to Public Law 93-642, appoints the Senator from Missouri (Mr. DANFORTH) to be a member of the Harry S. Truman Scholarship Foundation Board of Trustees.

U.S. POLICY ON EL SALVADOR

Mr. ROBERT C. BYRD. Madam President, I think most of us agree with President Reagan's stated objective that we do not want any government coming into power in El Salvador owing allegiance to Havana or Moscow. However, I think we also should agree that totalitarianism, regardless of its coloration, is an anathema to the United States. Therefore, I was disappointed with the President's reluctance during his press conference last Friday to state unequivocally that all military and economic aid would be cut off to El Salvador if a right-wing coup toppled the government of Jose Napoleon Duarte.

This administration has spent considerable time and effort to enlist the sympathy and support of our friends and allies for halting the flow of arms to the leftist elements in El Salvador. Yet, little has been said of the clandestine flow of arms to rightest elements in El Salvador, some of it coming from the Salvadoran exile community in the United States. I think few would disagree that the threat to the Duarte government from the right is as real as the threat from the left.

Mr. President, I think it would be a mistake for U.S. policy throughout this hemisphere if we did not make it perfectly clear that right-wing terrorism is as unacceptable to us as left-wing terrorism. Our efforts in El Salvador are to foster moderation in the hope that eventually a truly pluralistic society can emerge from that strife-torn society. Yet, we undercut that effort if the focus of our concern is only on the left.

By refusing to clearly spell out that a right-wing coup would be unacceptable to us and would result in an immediate air cut-off, we are sending the signal that a right-wing government would be preferable.

Therefore, I think it is imperative that we lay it on the line with the right as well, so there is not any misperception of U.S. intentions should they undertake a coup. I think having done so, the President's stated policy of supporting the forces of moderation in El Salvador will be strengthened and will be received with a much higher degree of credibility

throughout the hemisphere than is now the case.

MARY KATHERINE BABB RANDOLPH

Mr. HATCH. Madam President, I was saddened this morning to learn of the passing of Mary Katherine Babb Randolph, the loving wife of our beloved colleague, JENNINGS RANDOLPH. The Randolph's have served as an example of the ideal married couple—committing their lives to one another and then fulfilling the law of love by their care and concern for the well-being and happiness of others.

As husband and wife, they have lived the ideal as set by the "Maker Himself." They have demonstrated true wisdom which was made manifest in their daily acts of love for one another. There are no shortcuts to knowledge, to wisdom, to understanding—these must be lived and experienced by each and every soul.

In a moment of silence, let us remember Mary Randolph and pray with confidence that God will give strength to JENNINGS and peace to his dear wife. And know that He has already done so.

Mr. WALLOP. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE UPSIDE-DOWN EFFECT OF TAX EXPENDITURES

Mr. BAUCUS. Madam President, I have asked for this time today as part of my continuing effort to alert the Senate to the growing, hidden impact of tax expenditures.

The revenue loss to the Treasury from these items—the exemptions, deductions, and credits found in the Tax Code—is growing nearly twice as fast as inflation. These so-called tax breaks and tax loopholes will cost the Treasury some $267 billion this year.

Elmer B. Staats, who just last Friday ended 15 years of service as the Comptroller General, recently told the House of Representatives:

> While many of these tax expenditures help to implement important public policy goals, I can only urge that the administration and Congress subject tax expenditures to the same careful scrutiny afforded direct expenditures.

Madam President, I could not agree more. To quote the fathers of the budget process, former Senators Ed Muskie and Henry Bellmon:

> Failure to take tax expenditures into account in the budget process would be to overlook significant segments of Federal policy. They should be given particularly thorough scrutiny because tax expenditures are generally enacted as permanent legislation and thus are comparable to continuing direct spending entitlement programs, often with increasing annual revenue losses.

Tax expenditures have been enacted over the years as a means of accomplishing various national goals. These tax breaks are designed to provide an incentive that will encourage individuals and industries to fulfill certain objectives—ranging from energy conservation to encouraging housing development.

But is this system always fair? Are the right people receiving the incentive?

In my view, all too often this is not the case. That is, the wealthy benefit far more than the middle income or poor. And, that is one of the problems with using tax subsidies—it is called the "upside-down effect."

For example, two families buy identical houses costing $100,000 each. The first family with an income of $15,000 is in the 22-percent tax bracket. The second, with an income of $100,000 is in the 70-percent bracket.

At tax time, the family in the 22-percent bracket saves $22 on each $100 of mortgage interest it paid during the year. But, the family in the higher bracket saves $70 for each $100 of mortgage interest payment.

That is the upside-down effect. The Federal Government has given one family a $70 subsidy and the other only a $22 subsidy on identical homes and mortgages.

The wealthier family actually gets a larger tax subsidy than the poorer family.

According to a study by the Library of Congress, the majority of beneficiaries of tax expenditures are the relatively few Americans who earn more than $30,000 a year.

Our tax system is progressive. Americans with larger incomes are supposed to receive larger tax bills. But, many tax expenditures also benefit the wealthy more than they benefit the lower and middle income.

Though I do not want to eliminate tax subsidies from the books, sometimes these provisions are the only way to achieve goals and objectives we all agree are important.

The question is fairness; Americans want their tax system to be fair. We are willing to pay our fair share if we know the burden is being spread equally.

But it does not seem fair to me to accept the President's proposed cuts in the school lunch program while ignoring completely tax deductions for business lunches.

Fairness dictates that we look at both Federal spending and tax expenditures.

In conclusion, Madam President, let me say that I strongly believe we should have tax cuts. This year it is important to give proper tax cuts both to individuals and to businesses in order to increase the productivity of our country. But at this time, when we are trying to cut direct spending in our budget, it is also important for us to look at other forms of Federal spending; that is, tax expenditures. We should look at those expenditures and we should cut those and reduce those that do not make sense, because we are not going to have this opportunity again for some time.

I strongly urge my colleagues in the Senate, and whoever else may be interested in this subject, to look at tax expenditures, because if we are going to get control of the budgetary process that is a necessary component of that endeavor.

Madam President, I ask unanimous consent that a useful article by Gerard Brannon on the upside-down phenomenon of tax expenditures be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX EXPENDITURES AND INCOME DISTRIBUTION: A THEORETICAL ANALYSIS OF THE UPSIDE-DOWN SUBSIDY ARGUMENT

Advocates of broadening the income tax base often stress that providing incentives through deductions, exclusions, and nonrefundable credits generally helps rich people a lot, ordinary-income people only a little, and poor people not at all. The apparent absurdity of these upside-down subsidies has been graphically described by Stanley Surrey.

Indeed, it is doubtful that most of our existing tax incentives would ever have been introduced, let alone accepted, if so structured [as expenditures] and many would be laughed out of Congress. . . . What HEW Secretary would introduce a program under which social security benefits would be unaffected if the recipient's total income including the benefit were under $2,050, would be atuomatically increased by 14 percent if the recipient's income were between $2,050 and $2,550, by 15 percent if between $2,550 and $3,050, and so on up to 70 percent if over $100,000?

The upside-down-subsidy argument has been important politically in the United States because it provides a populist appeal to the relatively technical argument for tax reform. (Or is it a technical appeal to the poualist argument for progressivity?)

The argument for base-broadening tax reform also claims that a lower rate of income tax on a broader base would reduce market distortions. Such an antiseptic argument for tax reform has far less political appeal than does former Treasury Secretary Joseph W. Barr's reference to 155 high-income taxpayers who paid no tax in 1967. The message that tax expenditures are "welfare for the rich" makes a banner to which troops will rally.

The upside-down-subsidy argument deserves some intensive analysis. Surrey is right that it is passing strange to adopt subsidies that encourage, say, contributions of rich people more than those of poor or average-income people. The deduction for charitable contributions does not seem so strange, however, if one justifies it as follows: instead of taxing all rich people at an average rate of, say, 40 percent and all middle-income people at, say, 20 percent, we tax generous rich people at, say, 35 percent and stingy rich people at, say, 45 percent; the spread for corresponding degrees of generosity and stinginess for average incomes is 17.5 percent and 22.5 percent, with the average at 20 percent. This line of argument can be extended to other allowances as well.

This description of the contributions deduction makes clear that the structure of the contributions subsidy and the progressivity of the tax system are in principle different things. A tax system could be enacted in which the average tax on rich people was 40 percent or 60 percent. With either average, one could introduce a variety of tax rate differentials between generous and stingy taxpayers: 0 percent, ±2.5 percent, ±10 percent, and so forth. The differential can be centered on any average. There are logically two separate questions here: how progressive the tax system should be and how tax subsidies to charity should be structured.

Despite this logical separability, issues of income-tax structure and progressivity continue to be confused. Much discussion centers on the high-income bias of tax expenditures, and not uncommonly the argument against a provision is that it helps the rich.

This paper is not a restudy of the whole case for or against base-broadening tax reform. It is concerned with the narrower issue of the high-income bias of tax incentives.

To put this in context consider a deduction that is not related to economic income. Such a deduction tends to distort individual choice. Whether such a tax deduction is good social policy involves such questions as the following: (1) Is there some external benefit in the activity involved in the deduction that justifies a subsidy? (2) Should the subsidy be treated as a tax provision and administered by the Internal Revenue Service or treated as an expenditure and administered by an agency with subject matter expertise? (3) Is it efficient to structure the subsidy to encourage rich people—an income-level bias—which is usually the case with tax subsidies?

This paper examines only question 3. Frequently the answers to questions 1 and 2 provide a strong case against the deduction, but here it is assumed that the deduction passes these tests. Because of the political importance of question 3, it deserves particular scrutiny.

The first section explores the issues of income-level bias in theoretical terms. The second section examines income-level bias in connection with a number of specific tax allowances for contributions, taxes, investments, and so forth. The third section offers some conclusions.

THE TAX BASE AND THE DISTRIBUTION OF THE TAX BURDEN

Income-Level Bias:

A high-income bias in a tax expenditure is the property of providing more dollar tax relief, in relation to the amount subject to special treatment, for high-income taxpayers than for low-income taxpayers.

The word "special" carries a lot of freight. A deduction for cost of goods sold produces more tax relief for a high-bracket taxpayer than for a low-bracket taxpayer. This is not called a high-income bias because a deduction for cost of goods sold removes from taxation a part of gross receipts that is not net income. The deduction prevents those receipts from being taxed at whatever rates they would have been taxed without the deduction. The value of such a deduction quite properly depends on the payer's tax bracket. Income-level bias, however, is associated only with features of the tax law not directly related to the measurement of economic income. While not all tax provisions are clearly necessary or unnecessary for the definition of economic income, this fuzziness is not critical.

I define income-level bias in terms of the ratio of tax relief to the amount subject to special treatment. A refundable tax credit is free of income-level bias because tax relief is the same percentage of contributions at each income level. That the rich contribute more than the poor is not necessarily evidence of bias. In another sense there may be high-income bias even in a refundable tax credit for some expenditure common in rich families and rare in poor families, such as hiring household servants.

Base-Broadening Tax Reform and Tax Rate Progressivity:

To highlight the distinction between issues of tax structure (in other words, the tax base) and those of progressivity (in other words, tax rates), I define as "progressivity constant, revenue constant" (PC–RC) any tax reform that broadens the tax base and adjusts tax rates so that tax revenue from each income bracket is unchanged after taxpayers adjust their behavior to take account of the change in rates and bases.

Such a change reforms the tax system in two ways: It removes a tax distortion, which increases or decreases the attractiveness of the previously untaxed or undertaxed activity relative to all other taxable activities; it also permits a reduction in tax rates, which may reduce the distortions that any tax system imposes. If the latter occurs, it is necessary to moderate the claim made earlier that it does not matter whether we tax all rich people at 40 percent or adopt a higher rate schedule with a contribution that results in generous rich people paying 35 percent and stingy rich people 45 percent.

These two ways of taxing rich people differ in the incentive effects of deductions and exemptions. "Incentive effect" means encouraging some action that the taxpayer would not take without the tax provision. From the taxpayer's standpoint a simultaneous expansion of the tax base and reduction of the tax rates reduces excess burden. Presumably the point of these deductions and exemptions is that they induce actions that are not worth the before-tax cost to the taxpayer.

When one considers incentive effects, however, one sees that broadening the tax base, with PC–RC rate changes, does reduce the marginal burden of the tax, even if it does not reduce effective tax rates. Repealing the tax advantages of homeownership and correspondingly reducing statutory rates would reduce the excess burden of incentives in two ways: Taxpayers would be less likely to buy housing than they would have been with the subsidy, and because of the lower marginal rates they would be less likely to alter labor supply, to give to charity, and to invest in oil wells.

The subtle connection between base-broadening and tax rates is that removing some tax expenditures weakens all the others (which suggests that tax reform a little at a time is quite satisfactory). The use of tax incentives does not increase average tax rates but does increase marginal tax rates, thereby adding a burden to the tax. When these incentives involve income-level bias, they add particularly to the burden of the progressive part of the income tax.

Tax Allowance Techniques:

Exclusion from gross income of a type of income is equivalent to the combination of taxing it fully and providing the taxpayer a subsidy of $tI(1-t)$, where I is the excluded income and t is the marginal tax rate. The subsidy is zero when t is zero, 25 percent when t is 0.20, and 233 percent when t is 0.70, a clear high-income bias.

The failure to "gross up" a tax credit—in other words the failure to add the credit to income—is a kind of exclusion and therefore contains some high-income bias, but it is less than a full exclusion of the item on which the credit is allowed. The difference is related to the size of the credit. For example, replacing the municipal bond exclusion with a 50 percent tax credit, not grossed up, would cut the income-level bias of exempt interest in half.

A tax credit that is grossed-up currently and is refunded when the net tax after credits is negative is in all respects like a taxable payment to the recipient and thus involves no income-level bias. The income-level bias of deductions and exclusions normally is the same because both remove a certain amount of income from taxation. The income-level bias of personal deductions is actually greater than that of ordinary deduction and exclusions because of the standard deduction. The 1978 standard deduction is equivalent to an extra personal deduction of $2,200 for the taxpayer or $3,200 for taxpayer and spouse, coupled with a disallowance of $2,200 or $3,200 of itemized personal deductions. A disallowance of a fixed amount constitutes a relatively larger disallowance for low-income taxpayers than for high-income taxpayers.

THE INCOME-LEVEL BIAS OF SOME SPECIFIC TAX EXPENDITURES

How significant is the high-income bias in specific tax expenditures, and does such bias make sense as subsidy policy? I assume that Congress has achieved the degree of income tax progressivity that it wants and that if a tax expenditure were repealed it would be in a PC–RC fashion. I deal here with only two questions: Does being upside-down make the tax expenditure less efficient or otherwise less desirable as a subsidy? Does it make the tax system less or more progressive in ways other than by the rates?

Contributions:

Criticisms of the high-income bias of the charitable-contributions deduction have been frequent and vociferous, usually concluding in favor of a tax credit or a system of fractionally matching the contributions of taxpayers and nontaxpayers alike.

Hard analysis provokes puzzlement over why liberal tax reformers should wish to eliminate the high-income bias in the contributions deduction. The total burden of the tax system is the sum of the tax paid plus the excess burden associated with the induced contributions. If the contributions deduction were converted into a refundable tax credit and at the same time tax rates were changed so that the reform was PC–RC, it would follow that while maintaining the progessivity of the formal tax system, some of the excess burden connected with induced contributions would be shifted from the rich to the poor, making the total system more regressive. This fact suggests that ignoring excess burden and focusing only on the distribution of taxes lead analysts to understate the true progressivity of the tax system.

D is the demand curve for contributions. With no deduction, the cost to the taxpayer for every dollar contributed is a dollar; the contribution is AB. For a taxpayer in the 50 percent tax bracket, deductibility reduces the cost to 50 cents for every dollar contributed and increases contributions to AC; the area EFG represents the excess burden for donors in the 50 percent tax bracket. Under the PC–RC assumption tax rates must be increased for taxpayers whose marginal tax rates are less than the credit percentage and decreased for taxpayers whose marginal tax rates are greater than the credit percentage. These changes are required because high-bracket taxpayers, for example, will reduce their contributions (the "price" of contributing has increased), lowering their deductions; the decline in contributions together with the reduced tax-offset percentage will increase tax liabilities. To keep the change PC–RC, rates must be reduced. The argument is the reverse for low-income taxpayers.

Accordingly conversion of the contributions deduction to a credit, in a PC–RC change, shifts more of this excess burden to lower-income groups. The nub of this argument is that in the analysis of PC–RC changes, the rich are going to pay a given amount of net tax whether there is a contributions deduction or not. With the contributions deduction, the rich can get to this tax only by contributing more to charity than they "really" want to contribute.

Having high-income bias in the contributions deduction (an upside-down subsidy) is consistent with the usual purpose of a progressive tax, which is to reduce the inequalities of living standards. The argument for this thesis is seen by pushing it further, converting the contributions deduction to a credit without changing tax rates—a change that appears to favor the poor because their taxes are cut and the taxes of the rich are raised. But if the price elasticity of contributions at every income level is greater than one, as recent research suggests, then converting the contributions deduction to a

credit that yields the same total revenues while making no changes in tax rates increases the income available for personal consumption and savings of the rich while decreasing that of the poor. The taxes of the rich would increase, but their contributions would fall even more. The reverse is true of the poor. By the criterion of relative total burden of the tax system, converting the contributions deduction to a credit without changing tax rates is favorable to low-income groups; by the criterion of disposable income for personal purposes, such a change is unfavorable to low-income groups.

I think that the disposable-income-for-personal-purposes criterion is the more useful one in this case. If the goal of a tax system is to reduce inequality, it can be achieved by permitting the rich to exchange some of the tax redistribution for a larger amount of redistribution through charity. Apparently the rich are willing to make such an exchange because of the personal satisfaction, name memorialization, or other reward that comes from giving. This sort of "consumption" is harmless as long as the public regulation of charity precludes private benefits to donors.

The upside-down subsidy also efficiently uses forgone revenues to increase contributions and to reduce differences in personal spending. Assume that expenditures by charity serve the public good as well as welfare expenditures by government. Removing the contributions deduction would reduce contributions by BC (figure 1), and if there were no change in rates, the tax increase would be EFGH. Recent research suggests that contributions decline more than taxes increase. Consequently the charitable contribution reduces private spending inequalities more than would a FC-BC repeal of the deduction, and the net burden on low-income donors of induced contributions is only EFG before donor satisfaction is subtracted. It should please equalitarians to achieve this goal in a less burdensome way.

I conclude that the income-level bias of the charitable contributions deductions is a desirable tax policy.

State Income and Sales Taxes:

Another apparent peculiarity of the federal tax law is that it allows high-income people to offset more of their state income taxes and sales taxes than it allows low-income people. The influence of federal tax deductibility on state tax policy complicates matters. Suppose that deductibility of state income taxes were repealed, effective four years hence. Each state would have reason to reexamine the allocation of state tax burdens because the net costs that state tax laws impose on their citizens would be altered slightly significantly.

The income-level bias in the federal treatment of state income taxes makes a progressive tax less costly to high-income taxpayers. With deduction, a state can impose a net cost of $3,000 on a taxpayer in the 50 percent bracket and collect $6,000 in revenue. If state income tax deductibility were repealed in a FC-BC way, states would tend to make their income taxes less progressive or would repeal them altogether, and the total progressivity of the tax system would decline.

The income-level bias makes state and local sales taxes more regressive by reducing their net cost for upper-bracket taxpayers. It is difficult to see how this deduction serves the purposes of a progressive federal income tax. A more neutral way of reducing the cost to taxpayers of state sales taxes is to give those states revenue grants measured by their sales tax collections. To balance the burden that progressive taxes place on the rich, especially if the political cost of progressivity increases, states are likely to strike a balance at less progressivity.

Other Deductions and Exclusions:

The high-income bias of the standard deduction and personal exemptions amounts to excluding from income tax, at the taxpayer's marginal rate, the increase in the official poverty-level income associated with the addition of one dependent. Above-poverty-level income seems to me to be the appropriate tax base.

Exclusion of transfer payments is a singularly inappropriate instance of high-income bias. The basic idea behind transfer payments is a perceived need of the recipient, but most transfers are made as a matter of right without means tests. If the amount of transfers varied systematically with taxable income, it would be possible in principle for Congress to vary them with perceived need. But the amount of, say, social security or unemployment insurance payments may be the same for families with widely different amounts of taxable income from other sources. Exclusion of transfers from income tax provides the greatest tax advantage for those least in need, which contradicts progressivity.

Investment Incentives:

Many investment incentives are provided through extra deductions or exclusions, accelerated depreciation, or lower tax rates (oil and gas well development costs, building depreciation, capital gains rates, and so forth). Each technique involves high-income bias. The investment tax credit has less high-income bias than accelerated depreciation, but it still has some because it is neither refundable nor grossed-up. One argument for the investment credit in 1961–63 was that it has less high-income bias than the obvious alternative, more accelerated depreciation.

It is inefficient to provide investment incentives with high-income bias. The effect is to expand the supply of a particular investment and reduce the before-tax rate of return on it. The favored investment is attractive for high-income taxpayers even when the rate of return declines sufficiently to make it relatively unattractive to low-income taxpayers. The increase of investment in the favored activities by high-bracket taxpayers in part replaces investment by low-bracket taxpayers and in part causes a net expansion of the investment.

Such a pattern is clear in the market for tax-exempt municipal bonds. Because top-income taxpayers are reluctant to concentrate investment in a specialized security, they typically hold only a portion of their portfolios in municipal bonds. As a result, the interest rate on municipal bonds must be sufficiently high to induce taxpayers below the top brackets to invest in them. The net return on these bonds to top-bracket taxpayers is higher than net returns on similarly risky bonds that are taxable. It is precisely for this reason that many tax reformers advocate a tax credit payable by the federal government to states and municipalities that agree to issue taxable bonds. An incentive with less high-income bias will not only provide greater federal revenues but, because it appeals to a broader market, promises to enable states and municipalities to borrow as much as they now do at less cost to themselves.

This costly and inefficient aspect of high-income-biased investment incentives will become aggravated as more types of investment are selected for tax-expenditure subsidy, all to be financed by a narrow section of the investment market.

CONCLUSION

Hard-bitten veterans of tax reform wars will find it strange to read in this essay about reforms that leave the revenue and progressivity constant. Many tax reformers seek more progressivity by linking repeal of some high-income-biased tax expenditures with an across-the-board rate reduction. There is one good argument for considering the repeal of these tax expenditures and an increase of tax progressivity: statutory tax rates are straightforward and can be taken as the popular will. Tax expenditures, however, are complex and those biased toward high incomes lend themselves to being lobbied in Congress by well-paid pressure groups. If they are parts of the same project, the public would understand how they undercut progressivity.

If this near-conspiracy theory of why high-income-biased tax expenditures are in the law is true, then it follows that tax expenditures especially favorable to high incomes ought to be repealed for just that reason—because they are upside-down subsidies, because they are welfare for the rich.

I find the conspiracy theory of tax expenditures plausible but not compelling. After a quarter of a century of broaden-the-tax-base debates, it is fairly well known that the tax system is much less progressive than the statutory rate schedule. If this much is understood, then it follows that tax reform and greater progressivity are different things and we could buy either one without the other.

Given the separability of tax reform and greater progressivity, the upside-down-subsidy or welfare-for-the-rich arguments per se are not convincing. There may be good reasons for structuring particular subsidies to provide greater incentives to the rich than to the poor. Because the basic tax rates can offset the average value of the tax incentive, it is inappropriate to describe the subsidy merely as more generous for the rich. The tax system in this case is more burdensome for rich taxpayers who do not qualify for the subsidy.

Whether tax expenditures should be structured to produce greater differentials for the rich than for the poor turns out to be something that should be looked at for each tax expenditure. My examination suggests that in some cases, but not always, high-income bias is a defect of tax expenditures.

Mr. BAUCUS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOSCHWITZ. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MIDEAST ARMS RACE

Mr. BOSCHWITZ. Madam President, I ask unanimous consent that an article entitled "Mideast Arms Race," by Flora Lewis, which appeared in the New York Times on March 2, 1981, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MIDEAST ARMS RACE

(By Flora Lewis)

WASHINGTON, March 1.—The sale of F-15 fighter bombers with extended range and bomb-racks to Saudi Arabia is moving to completion, and the dangerous implications are being brushed aside with precious little thought for the future.

It is a key example of the tendency to put off urgent policy problems with a military hardware deal. In this case, it not only solves nothing but is likely to create even bigger problems later. The deal is going through with a quid pro quo package of weapons and money for Israel, so that this is a serious new surge in the Middle East arms race and it's likely to provoke further escalation in the future.

Even close advisers to the Saudis are worried and unhappy about what they see as a renewal of U.S. decisionmaking based on

short-term military calculations and the desire to get back petro dollars in return for arms. They see a regression from our awakening after the 1973 war to the fact that the region's problems are essentially political and economic, and a slump back into the illusion which helped bring the nightmare of Iran—that weapons spell welfare for the West.

The United States Government simply doesn't appreciate the depth of Saudi concern about the problems within their own country and around the Persian Gulf, these people say, and is shutting the real troubles out of its vision with its focus on the East-West issue.

As for Israel, already hopelessly overwhelmed by defense costs and forced into triple-digit inflation to ease its debts, the arms spiral means not more security but economic disaster.

Now that the United States is pushing, the Saudis want the planes, which cost over $15 million each, but more as a symbol than an important contribution to their defense. The F-15's are, as an American expert put it, superb fighter interceptors but much cheaper planes can do a better job of ground support and pinpoint bombing.

Furthermore, the initial deal would have limited the planes' range to areas far from Israel. With extra fuel tanks and bomb racks about to be endorsed by the Senate at Administration request, they become a threat to the Israelis that can't be discounted simply by relying on Saudi intentions and ties to the United States. That may be reasonable today, but no one can guarantee who is going to command the Saudi arsenal tomorrow or the next day.

So Israel has a new requirement for early warning in order to scramble its fighters before a possible surprise attack wipes them out on the ground. The geography of the area makes it virtually impossible for the necessary electronic monitoring to be done in Israeli territory and air space.

What then? Does it mean much more intimate sharing of intelligence with the United States, which would be a terribly sensitive arrangement in terms of American relations with the Arabs and which would desperately increase Israel's dependence for its very existence on Washington's instantaneous good will? Or does it call for the United States to build a satellite reception station for Israel, which the country can't possibly afford to build for itself and which would probably provoke the Arabs into demanding equal access to America's super-secret eye in the sky? These are very delicate questions that must be examined in appraising the deal.

A combination of political happenstance has led to shelving the hard problems just now and buying time with yet one more lethal package. From the Israeli point of view, the deal is a bad precedent and all the more so because it cancels an American commitment, made when the F-15's were originally promised to Saudia Arabia, not to provide the extras that would extend their range and mission capability. But Jerusalem evidently feels it would be worse to have a big fight with the Reagan Administration at its very beginning.

Therefore, Israel isn't complaining very much. And Americans loyal to Israel's cause, but hoping for a new and more flexible regime in Jerusalem don't want to strengthen Prime Minister Menachim Begin so soon before next June's elections by a demonstration that he can turn Washington around.

Special care in tiptoeing up to the Israeli elections is the reason for Secretary of State Alexander Haig's planned trip to the Middle East next April. Egypt's Sadat wants to come to Washington soon, and so does Begin, but that could affect internal Israeli politics. To avoid charges of either backing or snubbing Begin, a decision has been made to put them both off and instead to send Mr. Haig to visit both capitals, as well as Saudi Arabia and Jordan.

This is sensible short-term diplomacy as far as it goes, but unhappily it is going on the wings of another arms race. It isn't too late to step back and examine the whole package again with a longer perspective, in terms of what might really enhance the security of both Saudi Arabia and Israel. Too many weapons have certainly helped to create the Middle East-Persian Gulf headache, but the hair of the dog isn't much of a remedy.

Mr. BOSCHWITZ. Madam President, the article very clearly and succinctly, and with great insight, points out that we may be once again helping or fostering a serious new surge in the Middle East arms race that really is likely to provoke not peace but, rather, a further escalation of hostilities over there.

The article points out that the United States is receiving little in return for enhancing the F-15's that the Senate agreed to sell to the Saudis a couple of years ago. The F-15's have not yet been delivered, but enhancement of the F-15's is now being sought by the Saudis. They wish to have them become offensive weapons, rather than just being defensive weapons as they were originally intended to be.

Indeed, there was an agreement with the Senate in 1978, prior, Madam President, to either one of us being here, an agreement that this kind of weaponry would not be sold to the Saudis; that this kind of weaponry would not be put on the F-15's.

The article, Madam President, is written by Flora Lewis, who very clearly makes the case that we may indeed be fostering an additional heightened arms race in the Middle East, which certainly a majority of our body would find unsatisfactory.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Without objection, it is so ordered.

(The remarks of Mr. ROBERT C. BYRD at this point on the history of the U.S. Senate are printed earlier in today's RECORD, by unanimous consent.)

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SCHMITT). Without objection, it is so ordered.

IN SUPPORT OF THE METZENBAUM AMENDMENT TO REIMPOSE OIL CONTROLS THROUGH SEPTEMBER 1981

Mr. PELL. Mr. President, 6 weeks ago, Energy Secretary James B. Edwards, shortly after President Reagan's oil decontrol order, commented that the President's decision would result in only a small cost to consumers. Specifically, Secretary Edwards estimated that decontrol would lead to price increases for oil products of only 3 to 5 cents per gallon over the next few months. Unfortunately, Mr. President, these projections by Secretary Edwards have proven to be totally unrealistic and the impact of oil decontrol has been significant and, in fact, most tragic.

Shortly after President Reagan's decontrol order, for example, the New England Congressional Caucus estimated that immediate decontrol would cost the average New England household an additional $75 prior to October 1 of this year. More recent estimates by several consumer groups, including the Citizen Labor Energy Coalition, have indicated that immediate decontrol will cost the average family an additional $100 to $200 for heat and gasoline this year.

These most recent estimates, Mr. President, do not seem unrealistic. According to the recent data released on Friday by the Department of Labor, energy prices accounted for the largest percentage increase in the cost for producer goods.

While these energy increases are due in part, to earlier OPEC price increases in December and January, along with decontrol of oil begun last year, President Reagan's immediate decontrol has unquestionably impacted this upward spiraling trend of energy costs. Unfortunately, the full impact of the President's order has yet to be fully measured.

The impact from decontrol, however, Mr. President, is quite clear in the State of Rhode Island. Since President Reagan's decision in January to decontrol crude oil and gasoline, Rhode Island families have been hard hit with dramatic increases in the cost of both heating oil and gasoline. Where the average price for home heating oil prior to decontrol was just over $1.20 a gallon and $1.29 a gallon for regular gasoline, it is now $1.31 a gallon for home heating oil and $1.37 a gallon for gasoline.

In my view, the decision to immediately decontrol crude oil and gasoline by President Reagan was unnecessary and most certainly not essential to stimulate oil production, according to industry officials. The decontrol order has resulted in a heavy burden for many families in Rhode Island and throughout the country, where budgets are already stretched to the limit.

Mr. President, I fully support the proposal to reimpose controls on oil prices until September 1981.

In addition, I shall continue to press for additional legislation to ease the burden of these high energy costs on families. I hope that my colleagues, Mr. President, will support the energy tax credit legislation, S. 329, which I introduced in January, to provide some relief for consumers.

TOURISM IN THE UNITED STATES

Mr. PRESSLER. Mr. President, the tourism and travel industry is now our third and fourth largest source of foreign

revenue in the United States. In my State of South Dakota, tourism travel is our second largest industry.

I wish to express my deepest concern and commitment that the Secretary of Commerce and the Reagan administration appoint a very seasoned experienced professional to head the Office of Travel and Tourism in the Commerce Department. Legislation has passed the Senate indicating this body's desire that that position be upgraded or possibly made into an independent agency. I would hope that I will be consulted on any appointments made by the administration in this area. As chairman of the Commerce Committee subcommittee dealing with tourism, I intend to take a very active role in this area. Also I would hope that the distinguished Senator from Virginia, who is the chairman of the Tourism Caucus, will also be consulted on this appointment. To date we have not been consulted.

The 1979 budget for travel and tourism was between $13 and $14 million. That has been cut to approximately $6 to $8 million under current plans—in the bill that has passed the Senate, to about $8 million, and under the current Reagan administration proposal, to between $6 and $7 million.

We can sustain that reduction of almost half in what we spend on tourism only if a person of great experience in the travel and tourism industry is appointed. As chairman of the Subcommittee on Business, Trade and Tourism of the Commerce Committee, I am deeply concerned that a higher priority be given in the Department of Commerce to tourism travel. As of today, I have not been consulted by the Secretary of Commerce on who might be appointed. I hope very much that the pending legislation is passed by the House and is signed by the President.

Also, I thank the Senator from Virginia (Mr. WARNER), the chairman of the Senate Tourism Caucus, who did a great deal of work last year in this area, as he has done over the years as chairman of the Bicentennial Commission and as chairman of the Senate Tourism Caucus.

I yield to the Senator from Virginia.

Mr. WARNER. Mr. President, I thank the distinguished Senator from South Dakota for his kind words. I wholeheartedly support him in this petition on behalf of the tourism industry.

I hope, as does a number of our colleagues, that the Secretary of Commerce will give very careful attention to his selection of the individual whose qualifications will symbolize this administration's determination to move forward in the area of tourism. As has been pointed out accurately by the distinguished Senator from South Dakota, tourism has a remarkable potential to improve our balance of payments at a time of critical need.

A few days ago, the Secretary of Commerce visited with the Senator from South Dakota and me, at which time he made a commitment to us that he would assign to tourism a very high priority, recognizing that in years past—and these years not only span the Carter administration but also reach back into the Ford administration—tourism has been accorded a second-class status within the Department of Commerce.

Secretary Baldrige assured us that no longer would that be the case. Quite the contrary, he will search diligently for an individual who, consistent with the appeal today of the distinguished Senator from South Dakota, is recognized in the tourism industry as a true professional to take on this new challenge.

The industry not only is important to the balance of payments of this country but, as indicated by the Senator from South Dakota, it represents in some 43 States either the first, second, or third largest income-producing industry. It certainly occupies a place of distinction in Virginia, and Virginians will welcome the new policy set by Secretary Baldrige.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MCCLURE). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. POLICY REGARDING EL SALVADOR—WHAT SHOULD IT BE? HOW SHOULD WE APPROACH IT?

Mr. HELMS. Mr. President, the fate of El Salvador and what the United States can and should do to assist that afflicted country are questions foremost in our minds today. But sometimes, I fear, we are mostly talking to ourselves and reading the rather lopsided views of the media and other self-proclaimed experts in Central American affairs, such as our recently returned former Ambassador Robert White, who has a few axes of his own to grind.

Those who seem not to be consulted at all are the Salvadorans themselves.

Mr. President, in the interests of balance, I submit for the attention of my colleagues the text of a letter I recently received from a 30-year-old private businessman, a citizen of El Salvador, who got a B.S. in mechanical engineering as well as an M.B.A. from a university in the United States.

I shall not disclose this gentleman's name, but, if I may say so, I think his message deserves to be heard and considered by all Americans—and certainly Members of the U.S. Senate.

He wrote:

> First I would like to thank you for your help in restoring the U.S. aid to our country. But I must recall that if it were not for the reforms that the U.S. government, under the Carter Administration, imposed on our country, we would not be in this chaotic economical situation that will surely lead to more social unrest.
>
> The confiscation (without compensation) of the best farms and of the big banks, and the governmental monopoly of the principal exporting products. All were moves against the most elemental principles of free enterprise, and they were all creations of the U.S. State Department.
>
> The deep economic depression and the most serious unemployment problem that these reforms have caused are our real greatest problem now and for many years to come if we want to save this country from communism, or any other forms of totalitarianism.
>
> I believe that the future of our country depends on the success of our government to create more jobs for everybody, and I believe that this is possible only through private enterprise, mainly because we have no natural resources, like oil, to subsidize more bureaucrats.
>
> The confiscated properties will never be able to generate the necessary profits to expend or invest in other businesses and create the new jobs that we badly need. Moreover, it is almost impossible to find people willing to invest in a country in which the government does not respect the laws that protect private enterprise.
>
> There is not much difference between the socialist government system towards which we are heading now and the systems of the countries behind the iron curtain, some of which are also called "democratic republics."
>
> The real help that we need from our foreign friends is in restoring in this country the laws that protect the free enterprise system. That will be the beginning of a future of democracy, progress, and justice for all our people, and a stable, friendly country to the United States of America.

Mr. President, I associate myself completely with the observations of this gentleman. In establishing our policy toward El Salvador we could have no better guidance than this.

EL SALVADOR

Mr. PRESSLER. Mr. President, I wish to speak briefly to the situation in El Salvador.

I realize the great efforts the Reagan administration is making in searching for a solution. I do hope that the Reagan administration will carefully study our Nation's experiences in Vietnam. I hope the Reagan administration will convene a study group within the administration to analyze what mistakes we made in Vietnam and be sure that we do not make them again. It is my contention that we are making a tragic mistake by sending more military personnel into this area.

I served in the Army in Vietnam, and during my 18 months as a lieutenant in Vietnam I worked part of the time in what was called the pacification program which was supposed to do the very same things our American advisers are trying to do in El Salvador.

I hope that the lessons of the British in Malaysia are looked at closely, especially Sir Robert Thompson's book "Fighting Communist Insurgency."

It is very possible we are falling into a trap of identifying too much with the very arguments that the rebels are using. The rebels say we are trying to control the country through our banks and through our military, and the presence of visible U.S. military forces may well have a counterproductive effect. In fact we may help the rebels—ironically enough.

I hope that the administration has a review underway, and I hope that the lessons of Vietnam and the lessons of Malaysia are carefully looked at and applied in El Salvador.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PRESSLER). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXTENSION OF EXPIRATION DATE OF SECTION 252 OF ENERGY POLICY AND CONSERVATION ACT

The PRESIDING OFFICER. Under the previous order, the hour of 2 p.m. having arrived, the Senate will proceed to the consideration of S. 573, which the clerk will state by title.

The assistant legislative clerk read as follows:

> A bill (S. 573) to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

The Senate proceeded to consider the bill which had been reported from the Committee on Energy and Natural Resources with an amendment:

> On page 1, line 5, strike "December 31, 1981" and insert "September 30, 1981".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. MCCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MCCLURE. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCLURE. Mr. President, on March 4 the Committee on Energy and Natural Resources favorably reported, by a unanimous vote, S. 573 with an amendment. S. 573 is an administration bill that would extend the expiration date of section 252 of the Energy Policy and Conservation Act. As introduced on February 26, the bill extended the expiration date from March 15, 1981, to December 31, 1981. The committee amended the bill by changing the expiration date to September 30, 1981.

Section 252 of the Energy Policy and Conservation Act authorizes U.S. oil companies to participate in voluntary agreements for implementing the allocation and information provisions of the agreement on an international energy program. That program provides a mechanism for an oil allocation system to be utilized by the participating countries in the event of a major oil supply disruption. Section 252 also provides a limited defense against any antitrust suits that may be brought against U.S. oil companies participating in the international energy program. The antitrust defense is limited to actions taken in implementing the allocation and information provisions of the program.

The current expiration date of section 252 is March 15, less than 1 week from today. If the Congress fails to act by that date and section 252 is allowed to expire, U.S. oil companies participating in the international energy program would be compelled to cease their participation in the program. If that should occur, the allocation mechanism of the program could not operate effectively in the event of any new disruption of oil supplies in the international oil market.

The Committee on Energy and Natural Resources held a hearing on S. 573 on March 2. Testimony was provided by witnesses from the Department of Energy, the State Department, and the Justice Department. It was evident from the testimony presented at the hearing that the administration deems the timely enactment of S. 573 to be an extremely important matter. I certainly concur with that assessment.

The antitrust issue was also discussed at the hearing. The point was made that Justice Department staff attorneys have personally monitored practically all of the approximately 150 industry meetings held in the 5 years since the effective date of section 252. The meetings not attended by the Justice Department were covered by personnel from the Federal Trade Commission. There is no dispute about the fact that these monitoring activities have produced no instances of any adverse impacts on competition resulting from the activities of the U.S. oil companies participating in the program.

The agreement creating the international energy program was originally signed in 1974 as the result of an effort by the United States to promote cooperation among major industrial countries in reducing dependence on imported oil. There are presently 21 signatories to the agreement, consisting of most of the principal industrialized oil consuming nations. The agreement provided for creation of the International Energy Agency as an automonous entity within the Organization for Economic Cooperation and Development. The agreement also provided that the IEA would serve as the medium for the operation of an international oil sharing system for use during oil supply emergencies, and an information system on the international oil market. It also required each country to establish an emergency petroleum storage program, and to have a means for restraining demand for petroleum products in the event of an interruption of petroleum supplies to the IEP countries.

Section 252 of EPCA sets out procedures applicable to the development or carrying out of voluntary agreements and plans of action to implement the allocation and information provisions of the international energy program. Under this authority, U.S. oil companies entered into the voluntary agreement and plan of action to implement the international energy program. At present, 22 U.S. oil companies, including both major international oil companies and independent oil companies, are participants in the voluntary agreement.

Participation by the United States in the International Energy Agency is central to the pursuit of our long-term international energy objectives. In general terms, the IEA provides a unique and effective forum for consultations and joint actions with our principal allies in the industrialized world. It represents a shared commitment to cooperate in dealing with one of the most critical issues of our time. More specifically, in terms of facing oil shortages, the United States benefits from the IEA emergency sharing commitment. Our participation in the allocation program reduces our vulnerability to politically inspired embargoes directed solely at the United States. Moreover, during a general triggering of the system, member countries would share the shortfall equitably, and the result would be a reduction in the devastating ratcheting of prices that otherwise would result from individual members scrambling for oil on their own.

The administration, through an interagency group, is conducting a study of possible modifications in the international energy program, and it is reviewing the provisions of section 252. Therefore, the administration has requested that section 252 be extended for a sufficient time to permit completion of the study. I have been assured by the administration that the study will be completed well before September 30.

Mr. President, S. 573, as amended, is identical to the companion measure considered by the House, which is H.R. 2166. Last week the House Energy and Commerce Committee voted unanimously to report H.R. 2166. Earlier today the House passed the bill—and I might just report that it passed the bill by a vote of 373 to nothing, with 2 abstentions—and the Senate is now faced with the responsibility of insuring that section 252 continues in effect beyond its current expiration date of March 15, thus assuring continued U.S. participation in the international energy program.

Mr. President, I ask unanimous consent that the Congressional Budget Office report on S. 573 be printed in the RECORD.

Mr. METZENBAUM. Mr. President, reserving the right to object, and I do not intend to, I am not quite clear as to why the Congressional Budget Office report on S. 573 would be considered here. Is that the number of this bill?

Mr. MCCLURE. That is this legislation.

Mr. METZENBAUM. I have no objection. I did not recognize it as that.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

> CONGRESSIONAL BUDGET OFFICE,
> *Washington, D.C., March 5, 1981.*
>
> Hon. JAMES A. MCCLURE,
> *Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.*
>
> DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 573, a bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act, as ordered reported by the Senate Committee on Energy and Natural Resources, March 4, 1981.

The bill extends until September 30, 1981, Section 252 of the Energy Policy and Conservation Act, which provides antitrust immunity for the activities of oil companies carrying out voluntary agreements to implement the international energy program. Based on information from the Department of Energy, the Department of Justice, and the Federal Trade Commission, the costs for federal officials to monitor meetings and prepare transcripts and reports is estimated to be approximately $125,000 for the period March 15 through September 30, 1981. This assumes that the emergency oil allocation system is not activated.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. McCLURE. Mr. President, I also ask unanimous consent that a letter of March 10, 1981, from Secretary of Energy Edwards and a letter of March 9, 1981, from Deputy Assistant Secretary of State Edward Morse, both reviewing the importance of this measure, be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF ENERGY,
Washington, D.C., March 10, 1981.

Hon. JAMES McCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am taking this opportunity to write to you to reiterate the importance the Administration attaches to quick Congressional action to extend the antitrust defense contained in Section 252 of the Energy Policy and Conservation Act. Failure to extend the existing provisions of the Law before its March 15, 1981, expiration date would have serious international consequences for this Government.

The antitrust defense available under this legislation to the 21 U.S. companies participating in the emergency sharing provisions of the International Energy Agency (IEA) is an integral element of the U.S. Government's commitment to the organization. If that defense were to lapse, U.S. companies would be unwilling to participate in IEA actions to deal with oil supply disruptions. Once the defense had lapsed, it appears that it would be necessary to follow the procedures in Section 252, including waiting twenty days, before implementing the Voluntary Agreement and Plan of Action which is necessary in order for the U.S. companies to qualify for the antitrust defense.

During that period, the IEA emergency sharing system—the principal mechanism for dealing with substantial oil crises—would be unavailable. This would expose the United States and other IEA members to a considerable risk in light of the continuing hostilities between Iran and Iraq. A return to pre-winter levels of fighting between these two countries greatly increases the possibility of further oil supply disruptions.

Furthermore, failure to extend the defense would damage relations with our principal allies in the industrialized world. Such action by the United States would be severely criticized by our allies and would constitute an abdication of leadership by this country in the international energy arena.

For these reasons I urge the United States Senate to act promptly to extend the clearance to September 30, 1981.

Sincerely,

JIM EDWARDS.

DEPARTMENT OF STATE,
Washington, D.C., March 9, 1981.

Hon. JAMES A. McCLURE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR McCLURE: Attached please find the materials you seek.

Sincerely,

EDWARD L. MORSE,
Deputy Assistant Secretary for International Energy Policy.

EPCA Section 252 is vital to U.S. participation in the International Energy Agency. Without the antitrust defense which it provides, U.S. oil companies would refuse to participate in IEA data collection and oil sharing activities. As a result, the IEA would no longer have any hope of taking effective action to forestall adverse effects of oil supply crises.

Such an outcome would be disastrous for American national interests. From the standpoint of international energy policy, it would deprive us of one of the few tools we have for combatting the disruptive effects of oil crises on our economy and on the welfare of the American people. Our dependence on imported oil makes us vulnerable not only to oil supply shortfalls themselves, but also to price increases caused by panic buying by other consuming nations. Cooperation among oil importing nations is essential, and the United States was the leader in the establishment of the IEA to assure such cooperation. Allowing EPCA Section 252 to expire would bring such cooperation to an end and leave us empty-handed in our struggle against oil crises.

More broadly, allowing Section 252 to expire would cause severe damage to our relations with our allies. Most of the Western European countries and Japan are much more dependent on imported oil as a source of energy than is the United States, and hence attach even greater importance to defending against oil supply crises than we do. A decision by us to restrict our participation in the IEA by terminating Section 252 would be viewed by them as casting further doubt on the continued commitment of the United States to the collective economic well-being of the community of Western market economy nations.

The spillover of such a decision on other vital areas of foreign policy interests could not be well-contained. Our allies would regard a decision to terminate Section 252 authority as an indication that the U.S. had become a less reliable ally, unwilling to live up to commitments made in areas of central strategic concern.

By all measures, participation in the IEA since its inception in 1975 has been of immense benefit to the United States. It has reinforced our cooperative ties with our allies and helped us collectively to reduce our dependence on imported oil and our vulnerability to oil supply disruptions. At the same time, our antitrust authorities confirm that consumers and small businesses have suffered no ill effects from oil company cooperation in IEA activities. EPCA Section 252 should therefore be extended immediately to allow our participation in the IEA to continue.

Mr. McCLURE. Mr. President, I also ask unanimous consent that the committee amendment be adopted and be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I yield to the Senator from Washington.

Mr. JACKSON. Mr. President, I am pleased to speak in favor of S. 573, a bill to extend the expiration date of certain authorities pertaining to the allocation and information provisions of the international energy program.

I am a supporter of the international energy program. I want to see it continue to operate, and to be made even more effective.

I hope that by once again authorizing a temporary extension of the section the entire International Energy Agency program will be given the attention and scrutiny it deserves.

This section has been extended three times before. This will be the fourth. Each time Congress has acted to extend the section it has been on a temporary basis, supposedly for the purpose of providing the executive branch with sufficient time to complete a comprehensive analysis of the program.

Each time Congress has been forced to act on the temporary extensions based upon the specter of dire consequences to the whole program if the limited antitrust defense provided by subsection (j) of this section is allowed to expire.

We have been told repeatedly that the antitrust defense is essential to the continued effective operation of the program and that the agreement entered into by the oil companies based upon the protection offered by this section must not be allowed to expire.

Mr. President, the entire free world depends upon a reliable, sufficient flow of energy from the oil producing nations. Our national and economic security depends upon ample energy supplies.

It is essential that oil-consuming nations do everything within their power to prepare for the possibility that one or more of the major oil producers will simply stop producing. A production halt could come at any time. It could be the result of a political act by a major producer aimed at one or more consuming countries. Or it could come about as a result of political instability at home.

Whatever the reason, we simply must be prepared to cope. And the best mechanism for doing so is through international cooperation among oil consuming nations.

I am concerned about the ability of the IEA to function effectively in the face of a limited supply interruption. Even a limited supply interruption can have grave consequences as we saw last year. Prices spiral, national and regional supplies are skewed, and people suffer.

The administration has committed itself to completing a long overdue review of the IEA. They have promised to submit a complete report to the Congress by June 30 which addresses the major issues before us.

The report should provide us with a complete analysis of the mechanisms available to deal with both limited and major supply interruptions; whether the present mechanism is workable or whether it needs to be changed; and, finally, to what extent effective U.S. Government and company participation is dependent upon the statutory authority to allocate petroleum supplies in time of an emergency.

It is no coincidence that the extension before us today expires on September 30, 1981. The basic authority of the U.S. Government to allocate energy supplies in an emergency also expires on that date.

The administration's report must recognize the clear link between international preparedness and domestic authority to act in time of an emergency. The report must include recommendations for action on both domestic and international authorities. The report must consider the variety of alternatives and recognize the clear link between the two types of authority.

Mr. President, there is bipartisan support for this piece of legislation. There has been a long history of bipartisan support for a program that will provide the United States and other oil-consuming nations with adequate planning and protection mechanisms for dealing with oil supply disruptions.

I look forward to continuing our work on this vital issue later this year.

Mr. President, I yield the floor.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I am going to vote for this extension of the IEA antitrust exemption. I have done so on previous occasions, but in each instance I must confess that I have done so with reservations and tongue in cheek, because I have never been quite convinced that the antitrust exemption provided for under this legislation is needed or could not be equally well effectuated by a specific exemption on each occasion when the oil companies met in connection with IEA matters.

But I have a further concern about the entire subject, and that is whether or not the IEA does indeed serve this Nation's interest.

I had the privilege of attending one IEA meeting. I must confess that I felt uncomfortable and I felt embarrassed, because I heard the representatives of the other nations of the world use that meeting for the purpose of being most condemnatory of my own Nation. I heard them criticize us. I heard them accuse us and I heard them indicate that this Nation is the one that has failed to meet its share of the responsibilities under the agreement.

As a matter of fact, at one of those meetings there was an agreement that there would be a cutback of 5 percent on a voluntary basis of the amount of oil consumed by each nation. And, lo and behold, when one looked at the figures after a year had gone by, it was obvious that the United States had done its part but almost all of the other nations, particularly the major ones, had failed to meet their responsibilities.

So, I sort of wonder whether or not this Nation, which is one of the few in the world that produces as much as half of its total consumption, should be participating in an international energy agency which has the authority to cut back on the amount of oil available to people in this Nation should a crisis arise, in another part of the world.

I have some misgivings about that. I am not certain that our foreign partners, some of whom are so prone to criticize us day in and day out, are that ready or that willing to share the same responsibility. And one nation that is not a party to that agreement, the nation of France, who does not participate in the IEA, is one that has certainly turned its back on our Nation so many times in the past several years that it is hard to keep count.

But they, too, have been very ready, very willing, to criticize us as to the whole issue of oil and our involvement in that subject.

UP AMENDMENT NO. 8

(Purpose: To restore oil price controls)

Mr. METZENBAUM. Mr. President, I do not rise today for the purpose of opposing the extension of the IEA antitrust exemption. I intend to vote for it. But prior to doing so, I think that this Senate ought to have an opportunity to act in connection with another matter that has to do with oil in this Nation. Therefore, Mr. President, I ask that an amendment that I have pending at the desk be called up at this time, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM), for himself, Mr. BUMPERS, Mr. EXON, Mr. MATSUNAGA, Mr. KENNEDY, Mr. DODD, Mr. BIDEN, Mr. PELL, Mr. RIEGLE, Mr. WILLIAMS, and Mr. MITCHELL, proposes an unprinted amendment numbered 8:

At the appropriate place insert the following:

SEC. . Any order of the President exempting crude oil and refined petroleum products from price and allocation controls pursuant to the Emergency Petroleum Allocation Act of 1973, after January 20, 1981 shall be null and void.

Mr. METZENBAUM. Mr. President, the amendment which I have called up is offered on behalf of myself, Senator BUMPERS, Senator EXON, Senator MATSUNAGA, Senator KENNEDY, Senator DODD, Senator BIDEN, Senator PELL, Senator RIEGLE, Senator WILLIAMS, and Senator MITCHELL.

This amendment would have the practical effect of nullifying President Reagan's decision to terminate the remaining price controls on crude oil and oil products. This amendment does not address the wisdom of decontrol, as such. Rather, it restores the September 30, 1981, date for decontrol as established by the Emergency Petroleum Allocation Act.

I offer this amendment, Mr. President, because I believe that we can see all around us the overwhelming evidence that the President's action was hasty and certainly in retrospect it was ill advised, and it is having far different effects than the administration intended or the administration said it would have.

At the time the President signed his Executive order, for example, administration spokesmen estimated that decontrol would add perhaps 5 cents a gallon to the price of oil products. It required less than a week to demonstrate how wrong they were. Six days after accelerated decontrol became effective, Exxon already had raised its prices twice for a total increase of 8 cents a gallon on all of its petroleum products. In that same period, Texaco's product prices went up in three separate jumps for a total of 7 cents a gallon. Now, 5 weeks later, the price of gasoline has gone up an average of 12 cents, and although today's paper indicates that Exxon lowered some prices, if you read the whole article it says that Exxon also raised its wholesale gasoline prices by a penny a gallon and heating oil, diesel fuel, and kerosene by 2 cents a gallon in the Rocky Mountain region.

A Gulf Oil executive was quoted recently in the Wall Street Journal as saying there are additional increases of 15 cents to 20 cents yet to come, solely as a result of accelerated decontrol.

This vote today will give the Members of the Senate an opportunity to indicate to their constituents whether they are really in favor of the 12-cent-a-gallon increase already in effect or the additional 12 to 20 cents yet to come.

According to the New York Times, analysts believe that heating oil, which sold for 94 cents a gallon in November of last year, could hit $1.35 to $1.40 by the end of this heating season. "I guess the President knows what he is doing," said a heating oil dealer quoted in one press report, "but I just can't figure out how people are going to pay for their bills."

And it is already clear that the administration was wrong on more than price. Energy Secretary Edwards stated at the White House press conference after the President signed the order that immediate decontrol would bring us between 50,000 and 100,000 barrels of oil a day in new oil production. The Secretary did not tell us and has not yet told us where that oil is going to come from. New drilling? The New York Times reported recently that there is a 6-month backlog on orders for new drilling bits.

So how is there going to be any new drilling without bits?

On January 28, the Wall Street Journal quoted a Gulf Oil executive who said:

> Extra funds from decontrol won't make much difference. There aren't too many rigs unoccupied currently.

An on February 2 the chief energy analyst for Merrill Lynch stated on the McNeil-Lehrer show that the oil drilling industry is "overextended at present."

In fact, it is so overextended that the February 23 issue of the Oil & Gas Journal reports that one company, Raymond International, has back orders on drilling rigs totaling $2 billion.

So we are not going to get that extra production because you cannot have extra production of oil unless you have the bits and drilling rigs.

But even if we got the production increase promised by Secretary Edwards, what, in fact, are we really getting? Very, very little. He says there will be 50,000 to 100,000 barrels a day extra. That is a drop in the bucket for a country that consumes 17 million barrels a day. And at a cost of $10 billion it is one of the most expensive drops in history.

As a matter of fact, it should be pointed out that as of the day that the President decontrolled the price of oil, he increased the net worth of oil companies of this country about $170 billion based upon their oil reserves in hand at that time.

But let us take a look at this question of the 50,000 to 100,000 barrels of oil per day extra, and let us run through the numbers.

The CBO estimates the cost of decontrol to the consumers of this country between now and the end of September at $10 billion. For the sake of argument, let us assume that Secretary Edwards is correct in projecting between 50,000 and 100,000 barrels per day of new production, and let us take 75,000, the midpoint, as a reasonable figure.

Let us assume we get that 75,000 barrels of oil per day each day for the 240 days between the time of the order and decontrol. That would give us a total production of 18 million barrels of oil. That is a little more than 1 day's U.S. consumption.

Is it fair to say, how much is that oil going to cost us? How much are we going to pay for that 18 million barrels of oil? It does not take a financial genius. You do not even need to use one of those new fancy computers to figure out if we are buying 18 million barrels of crude oil for $10 billion, we are paying $556 a barrel.

And you do not have to be a mathematical wizard to figure out that figure comes out to $13.20 a gallon; $13.20 a gallon—not a barrel, a gallon—before it has even been to the refinery. That is hardly a bargain for the people of this country, but it is pretty good business for the oil companies.

The other argument that is made is, well, even if we do not get that much additional production, we are really going to conserve energy by increasing prices this way. Secretary Edwards has estimated that the higher prices stemming from decontrol will reduce demand by 50,000 barrels a day. Apparently, he finds that 50,000 figure a rather convenient one to use. When he does not have anything else, he uses that one. He says that between now and September we will save 12 million barrels. But that will come to a little less than three-quarters of 1 day's consumption.

Is price, assuming him to be right on his figures as to how much we are going to save, the most efficient, most effective, or the most equitable method of reducing consumption? Let us see what the facts are.

Studies conducted in this and other countries have shown, time and time again, that higher prices have a relatively small effect on demand for gasoline. In France, where gasoline costs over $3 a gallon, it costs 45 cents a mile to operate a small Renault, but in 1980 there were 22 percent more cars on French roads than there were before the 1973 Arab embargo. Consumption in that same period has risen by 21 percent.

In 1973, the average Frenchman put 7,800 miles a year on his car. Last year, with the higher prices, that figure increased to 8,300. A French expert had this to say to the Wall Street Journal:

> We have concluded that price isn't effective in conservation.

And he pointed out that a recent poll concluded that gasoline would have to reach as high as $3.75 a gallon before most Frenchmen would change their driving habit.

That pattern is by no means confined to France. Both Britain and West Germany report similar experiences.

As the January 23, 1981, issue of the highly respected Lundberg letter points out:

> Price is not the only force at work on gasoline demand. Now and in the immediate future—

Lundberg concludes—

> improving automobile efficiency, not raising prices and lowering income, appears to be the most dependable way to limit or reduce U.S. gasoline consumption.

Some would argue at this point, well, look what happened: Prices have gone up and we are using less. I am prepared to accept that as a fact. We are using less, and prices have gone up. But when we had the people from the Department of Energy before our committee, I said:

> Why are they using less? Are they using less because there are unemployed auto workers, unemployed steel workers, unemployed rubber workers, unemployed miners, unemployment throughout this entire Nation and, as a consequence, people do not have to drive to work because there is no work to drive to? Is that why they are using less, or is it because gasoline costs more? Or is it the fact that they are buying more foreign cars and they are getting more miles per gallon.
>
> American cars as well are getting more miles per gallon than they were several years ago.
>
> Is it because prices are up that they are using less or is it the natural consequence of the fact that automobile manufacturers are now doing that which they should have done several years ago?

The Department officials did not have an answer.

I remember when Senator JACKSON and several others and I tried to get through Congress a bill to try to force automobile manufacturers to get at least 20 miles per gallon for every car coming off the line in 1980, going up to 23 miles by 1985. And they fought it. Now they have suddenly started to move and they are getting a little more miles per gallon. But the fact is that there is not any conclusive evidence, even from the Department of Energy, to confirm anything other than that which Mr. Lundberg points out, where he says that improving automobile efficiency, not raising prices and lowering income, is the only dependable way to limit or reduce U.S. gasoline consumption.

That is not a new insight. We have been arguing this point for years and arguing for strong mandatory conservation programs. But we were told by the previous administration and now by this one: no, not mandatory conservation; higher prices will do the trick. Mr. President, this Senator does not think that the higher prices will do the trick. But they do create a new and needless burden on each and every person in this country.

If we are not getting much in the way of production or conservation, what will we get from the President's action? Well, I think, Mr. President, that we are going to get several different things. One of them is an unadulterated high shot of more inflation. Another is upward pressure on the Federal budget. A third is yet another massive and unhealthy transfer of more wealth from the consumers to the producers of energy. And a fourth result, one that may not have been foreseen by the administration, is real economic distress for thousands of American farmers.

Like all other businessmen, farmers have known about and planned for the arrival of decontrol in the fall of 1981. A Department of Agriculture economist, for example, has predicted an increase in farm fuel costs of between 25 and 40 percent in the year to come. In Kansas, the State Energy Office estimates that, for the average farmer in that State, fuel expenses will rise in 1981 from the current level of $3,900 a year to nearly $5,000. But decontrol in January and decontrol in September are two very different things. Decontrol now means higher prices now in one lump sum.

Had there not been decontrol now, maybe these great ideas of this administration would have indeed been able to bring down the rate of inflation a bit before the September 30 decontrol date. Maybe there would have been some lowering of interest rates. Maybe there would have been time to battle that psychology of inflation about which the administration speaks. Maybe there would have been some forward movement in bringing down prices. But, no, one of the first things that the administration had to do was give inflation another shot in the arm and kick it up another 1.1 to 1.4 points.

What does it mean for the farmers? A recent newspaper article quoted an official of the U.S. Department of Agriculture's Energy Research Group at the National Economics Division here, in Washington, about the effect of the decontrol order on agriculture.

Mr. President, the official of the U.S. Department of Agriculture indicated that the effect on the income of farmers is anybody's guess. He said:

> All I know is that some guys are going to be put in a terrible squeeze. There could be a lot of farmers going out of business this year because they don't have the money up front.

I do not think that is what the President intended when he signed his Executive order, but that is what is happening to our farmers and to countless small businesses in this country that have to purchase oil. We gain nothing from this Presidential action, but we stand to lose a great deal.

Inflation, President Reagan said in his inaugural address, "threatens to shatter the lives of millions of Americans." I agree with that in the strongest terms. Yet, here we have an action that is pumping even more inflation into our economy, and we are counting on the President's leadership to attack the inflation that is sapping the strength of our economy.

What I and others cannot understand is how we can control inflation by creating more inflation.

Recently, a local radio commentator, Chris Core, of WMAL, put the question in simple, down-to-earth terms in an open letter to the President. This is what he said:

> Dear President Reagan: I'm writing for an explanation. I'm concerned about your deregulation of oil and gas prices.
>
> You told us that our country's worst enemy is inflation. And yet, your first month in office, you've taken what price controls there were off the life blood of the American economy.
>
> I heard today that because of your actions, the price of gasoline in this country will rise to an average of $1.60 a gallon by June. And that the airlines are raising fares because of their soaring fuel costs.
>
> How is this helping inflation?
>
> I also heard that this price increase will come despite a current and predicted oil "glut" . . . caused because Americans are doing as asked and conserving.
>
> How is all this helping us to battle inflation?
>
> When gasoline prices go up, and freight costs go up and heating oil prices for our homes go up, how will this cool inflation?
>
> I'm afraid I don't understand.
>
> I'm not a trained economist, I'm just a taxpayer and a consumer.
>
> With respect,
>
> CHRIS CORE.

Mr. President, this Senator does not understand it, either, just as Mr. Core and millions of other Americans do not understand it. But I can understand just what the President's decision will mean to the rate of inflation.

If we consider only the direct price impacts, decontrol will raise inflation about half a percentage point. But when I asked the Congressional Research Service to factor in the indirect costs in the form of higher prices for commodities produced by the manufacturing sector, the result was a very different estimate. CRS says that accelerated decontrol will raise the rate of inflation between 1.1 and 1.4 points, driving the inflation rate up from 12.4 percent to between 13.5 percent and 13.9 percent.

To see the practical dollars and cents impact of what is happening, we need only look at the airline industry. The CAB has already approved a 5-percent fare increase to help the airlines meet rising fuel costs. Another fare hike is likely soon.

How much will decontrol cost the airline industry? The early guess is about $100 million a month and possibly more. And the same is true of other forms of commercial transportation. Greyhound has announced a 10-percent increase.

The farmers, the airlines, the buslines—as a matter of fact, there is not even one item that the American people buy or use that does not involve energy costs. The clothes we wear, the housing we live in, the schools we pay taxes for—across the board, we get these higher costs by reason of decontrol of the price of oil.

The point is that we are faced with serious dislocations in our economy and with real economic distress. Yet, the Reagan administration, which has a commitment to produce a balanced Federal budget, has done that objective a real disservice.

We have heard that the extra windfall profit tax income from decontrol will help to balance the budget. I believe that is the shallowest of all arguments, because that is nothing more than doing exactly what the President said he was not going to do: Raise taxes.

If you argue that the additional windfall profit taxes are going to help to balance the budget, then you have to go back and remind the President that he is promising to reduce taxes, not to increase them. An increased tax is an increased tax, by whatever name you call it, whether it is done directly or indirectly through decontrol.

Consider the other side of this whole question, and that is: What will decontrol do to the budget?

According to the Wall Street Journal, Federal outlays will rise, because of decontrol, by as much as $2.4 billion in this fiscal year.

Let us look at defense, an area in which we are talking about spending substantially increased billions. The fact is that every penny increase at the pump translates directly into $70 million a year in higher military costs. We have had a 12-cent increase since January 28. That means DOD's fuel bill has gone up $840 million for fuel—$840 million.

Or, we can think of it as the 340 M-1 Abrams tanks that will never come on line.

Recently, I visited the 24th Mechanized Division, located at Fort Stewart. That division, 1 of 16 in the U.S. Army, has an annual payroll of $211 million. However, accelerated decontrol already has cost us the payroll of four mechanized divisions.

Mr. President, I am not going to talk further today about what this is doing to the Defense Department; but when I visited Fort Stewart, and those men and women told me that they did not have a sufficient amount of fuel to keep their vehicles going and that they were on a ration system, I was deeply concerned and I know that they are going to have that much less by reason of the increased cost of fuel. I wonder where the administration is coming from taking an action such as decontrol.

Mr. President, I could talk at great length today about another favorite subject of mine, and that has to do with the profits of the oil companies, who are the only winners in this sad episode. They are the same companies that received 40 percent of the total profits of all industrial companies last year.

I am not going to talk today about their profits. I think the American people know how they have soared, soared, and soared.

I am not going to talk about the oil companies tightening their stranglehold on potential competing energy sources like coal, uranium, and solar technology.

But I do wish to say what I believe to be obvious, that the interests of the oil companies are not the same as the interests of the American people and the American free enterprise system.

Mr. President, the new administration made a sad mistake on January 28, and they are also talking about an equally sad mistake by proposing to decontrol the price of natural gas.

What kind of humane attitude can this be?

The Washington Post reported that if they decontrolled the price of natural gas it will go up more than 200 percent. Even the companies said that it would go up 80 percent.

Mr. President, I wish to make it clear today that, if there is to be a move to decontrol natural gas prices, my fellow Members of the Senate should not be prepared to go home early. We did indeed filibuster that issue when it was last on the floor and we were right then and we would be even more correct the next time.

So I say to the administration "clear your decks because this body is going to be in session a long time if you attempt to decontrol the price of natural gas," and I must say I am pleased to learn how many fellow Senators have come and said, "We are ready to help on that issue."

I have also heard that the administration is going to try to go through the back door, through the Federal Energy Regulatory Commission, to achieve the same objective. I do not know what we can do about that. But we will explore every avenue.

The American people cannot stand any more burden in their utility bills. They are already suffering in their heating oil bills by reason of decontrol of the price of oil. The American people are entitled to some consideration, some fairness, some equity, and some justice.

The administration has been talking about the fact that the truly needy will be protected. Decontrolling the price of oil has added to the ranks of the truly needy. There are more truly needy by reason of decontrol, and there will be still more truly needy in the months to come.

The President acted prematurely with results, as I have stated, that were most likely unanticipated.

Mr. President, I believe that the Senate has the responsibility to correct that costly mistake. I hope that we will adopt the amendment before us. I stand here not kidding myself as to what I anticipate the vote will be. But I believe that every Member on the majority side should have the privilege of putting the stamp of approval on the President's actions so that their constituents may know that they approve of higher gasoline prices and higher fuel oil prices, and that they believe that somehow it is good for the country to add to the inflationary spiral. To those who are so anxious, just as I am, to balance the budget, I hope that in the debate that ensues they will somehow explain to me how decontrolling the price of oil is going to help either win the battle against inflation or, beyond that, to help balance the budget.

Mr. President, I yield for a question to the Senator from Michigan.

(Mr. GRASSLEY assumed the chair.)

Mr. RIEGLE. I thank the Senator for yielding.

I wish to acknowledge and congratu-

late his leadership on this issue, because what he is saying here today is essential for the public to hear.

I simply wish to ask the Senator this question:

By the decision to have the sudden decontrol of oil, is this not an action that basically just surrenders to the OPEC monopoly? Does this just not mean now that we accept the prices that they are imposing on the world and upon the United States? Is that not the effect of this decision?

Mr. METZENBAUM. The Senator from Michigan is so often on target, and he certainly is on that question.

The Saudis, the Kuwaitis, all the Middle East OPEC nations will only have to set the price and the American oil companies will scurry to keep pace with them. The consumers will have nothing to do with setting that price. What we have done is we have made it possible for the OPEC nations to determine what happens in our economy and at what price we will be buying oil in our Nation.

Mr. RIEGLE. So, despite all the tough talk that we have heard out of this administration about standing up to international bullies, we have just caved in to the OPEC monopoly. We have just said that their monopoly prices are something that we are prepared to see charged by our own producers right here in the United States. What has happened is that the consumers in the United States are now directly at the mercy of this OPEC monopoly price structure in terms of what they have to pay for the oil that comes out of the ground here in the United States.

Mr. METZENBAUM. The Senator is 100 percent correct.

Mr. RIEGLE. I wonder, in light of the fact that Saudi Arabia is really the price leader in OPEC and has driven prices up, that the prices have absolutely no relationship to the costs of producing the energy. These are pure monopoly prices set by a cartel. There are rumors that Saudi Arabia is going to raise the price another $3, which of course will just pull up the price again in the United States. This is the same Saudi Arabia that the administration now wants to send the upgraded F-15 material in order to enhance their jet fighters and do them a favor on the military side. This is at the same time that they are bleeding this country dry with these artificially high oil prices and now allowing our own oil companies to practice the same kind of highway robbery.

Mr. METZENBAUM. This is a new kind of toughness that the administration is exhibiting. The more OPEC charges us for oil, the more willing we are to help them with their military equipment, even if in so doing we violate a firm commitment previously made to the Members of Congress.

Mr. RIEGLE. The other part of this that bothers this Senator is that this sudden decontrol of oil prices, as the Senator said earlier, gives this economy a dose of pure inflation. We get absolutely nothing for it. We are not going to get one extra drop of oil by caving in to these OPEC prices and raising the prices in this way for oil that was previously discovered. And to impose that kind of dose of inflation at the same time we hear all the talk about fighting inflation just seems to me to be hypocrisy right on its face.

I will tell the Senator that the people of Michigan are angry about it and I will tell him that there are a lot of people who voted for President Reagan who are angry about this decision feel that this is not what was talked about in the course of the campaign. This was not something that was indicated would happen at this time and in this way, that there would be this sudden decontrol of oil prices. We have family after family, individual after individual in Michigan who cannot pay these inflated fuel oil prices and cannot pay these inflated gasoline prices.

It is one thing to talk about equity in terms of trying to do something about inflation, but if we look at the tax proposals of this administration that are supposed to set the economy right, in 1981 a family of four earning $20,000 would get a tax rebate of $112. That is gone already because of these higher energy prices and the higher social security taxes. That money is gone. Whereas if we look at people in the high income brackets, say earning $100,000 a year, they are going to get a tax rebate of $920.

So as we look at these things and start connecting them one with the other it is obvious that what is being done here in the name of equity is hurting people and is falling very inequitably on families across this country.

I think the sooner the people wake up to this and the sooner the press wakes up to this and helps get these facts across in terms of what the practical impact is, the sooner we are going to have people in this country insisting on some rational response to these ever-soaring energy prices. We are going to bankrupt this country if we stay on this track. If they decontrol natural gas prices I just wish to say to the Senator right now I hope the administration has the courage to bring that issue to the Senate, because I wish to say to the Senator right now that with him, and anyone else who wishes to join in the effort we will have the longest filibuster here they have ever seen in this Chamber; because they are not going to raise natural gas prices if this Senator has anything to say about it.

Mr. METZENBAUM. I thank the Senator from Michigan.

Mr. President, in indicating the cosponsors I included the name of Mr. EXON inadvertently. I ask unanimous consent that his name be removed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I now yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I do not have anything terribly different to add to what the Senator from Ohio and the Senator from Michigan have already said. I do not have anything different to add to what I have said on this floor for the past 5 years about this country's energy policy. I intend to support the amendment of the Senator from Ohio even though it has absolutely no chance of passage. The case needs to be made, and it needs to be made again and again so that the American people understand the implications of one of President Reagan's first official acts, which was to transfer an additional $10 billion from the American people into the pockets of the American oil companies with a single stroke. The most significant aspect of that act is that we got nothing in exchange.

Sooner or later the country will recognize the falseness of this old ploy that if oil prices are high enough, the American oil industry will find enough of this very, very finite resource.

This same President last year took strong exception to the 10-cent gasoline tax that President Carter proposed. I opposed the 10-cent gasoline tax because I thought it would be terribly burdensome on the people who could least afford to pay it. My State happens to be in the unhappy position of using more gas per capita than any State in the Nation, and I could not dare agree to an additional burden on a State such as that, which also happens to be about 48th in per capita income.

Yet, it was candidate Reagan who said that gas taxes are a back-door effort to balance the budget by imposing a tax on the American people, which might have been true. In any event, we both opposed the President's 10-cent gas tax, but at least that money would have gone into the coffers of the American people. In that case, some of it might have even gone back to them in the form of energy assistance payments.

In this particular case, however, the same amount of money, $10 billion, does not go into the Treasury. Instead, it goes into the pockets of the oil companies, and for no real purpose. They have been drilling a lot of holes, 60,000 holes last year, an alltime record, but their findings, per foot drilled, continues to decline, and it will continue to decline. My authority for that is the Exxon Corp. It is the Exxon Corp. and the American Petroleum Institute who say unabashedly that no matter how high oil prices go, production in this country is going to continue to decline just as it has since 1967 with the exception of the Prudhoe Bay find in Alaska.

In May 1979 the average domestic price of American oil was $10.71 a barrel. I will repeat it, in May 1979 the price of American oil was $10.71 a barrel because it was controlled. In November 1980 the price had more than doubled to $23.90 a barrel. During that time, the oil production in this country went from 8,585,000 barrels a day to 8,560,000 barrels, or 25,000 barrels a day less.

I will promise you that in 1990, 9 years from now, I do not care what the price of oil is, domestic production in this country will be down 500,000 barrels a day from what it is today. Yet we keep falling for the argument that raising the price will guarantee further discoveries. They could not drill any additional holes, because they do not have enough rigs. They are to be applauded for drilling as much as they do and at least trying to find oil, but it just is not going to happen. Thus, all we have done is

made the American oil industry a full-fledged partner with the OPEC cartel. Make no mistake about it. If Sheikh Yamani tomorrow said Saudi Arabia alone was increasing the price of their oil to $80 a barrel I promise you that by sundown the price of every barrel produced in America would be $80 a barrel too. There is no real incentive for the American oil industry to try to break the cartel. For every $1-a-barrel increase of OPEC oil price, the American oil industry benefits $1 billion a year in profits. You tell me how badly the American oil industry hates the OPEC cartel.

I know that of the $10 billion going to the oil companies as a result of accelerated decontrol a good portion will be collected in tax. As a matter of fact, this administration considered the additional $5 billion in windfall profit taxes in making up the budget, so there is more than one President who is trying to balance the budget with oil taxes.

You heard Secretary of Energy Edwards say on the evening news that decontrol is really a rather insignificant thing. After all controls are being phased out anyway, and on October 1 this year it will self-destruct. The incredible thing was his statement that gasoline prices would go up no more than 2 or 3 cents, a nickel at most; and, within 30 days, the price of gasoline was up to 10 cents more than it had been the day the President signed the order.

It reminds me of Lucy holding the ball for Charlie Brown every fall. He keeps falling for it and we keep falling for it, and every time the statistics come out differently.

The Senator from Michigan mentioned a moment ago the possibility of decontrolling natural gas. Every Member of the Senate and every family in America ought to understand some of the ominous consequences of decontrol of natural gas, and I was pleased to hear the Senator from Michigan say a moment ago there will be a filibuster.

I will add to that by saying the filibuster that was conducted here on the Natural Gas Policy Act will be child's play compared to the filibuster that will occur on this floor if the administration tries to decontrol the price of natural gas. The filibuster would be necessary to protect American consumers. If we decontrol natural gas, the average worker in the northern United States will have to spend 4 weeks a year of hard work just to pay his heating bill; not the price of getting to and from work, just his heating bill.

Today, the poverty level income for families of four in a rural setting is $7,600, and this winter those families have had to spend 25 percent of their income just to pay for gasoline and heating. Of course, there is a much smaller effect on people making $30,000, $40,000, or $50,000 a year. Energy Action estimates that if the price of natural gas is decontrolled today, the average gas bill for a family in New England for 1 year, will rise from $1,148 to $4,059 by 1985, a quadruoling of the cost.

What is really important is that we are getting nothing in exchange again. Oil companies will not drill more holes because they cannot drill any more than they are drilling. What you get the first year of decontrol is another $80 billion, another $80 billion to the oil and gas industry. How long, America, can we tolerate this? It is an elitist policy that flies right into the face of everything we have believed as a people.

We deny our own conscience and our own sensitivities about the plights the middle-income and the lower middle-income people already have. To impose the burden of decontrol of oil prices is now much more devastating than the possibility of decontrolling the price of natural gas.

Finally, we must consider the cost passthroughs. This suit of clothes I have on, this desk before which I stand, the manufacturing process of making the carpet on this floor, everything you can see that is material and physical is made with energy, and so all those costs are passed on. This administration says that we are going to solve this problem of inflation, but the President never uttered the word energy in his economic message to the Congress.

Fiscal restraint, I applaud it; monetary restraint, stopping the money printing presses, I applaud it. But you are not going to do it if you break our energy in the vacuum of fiscal restraint and monetary policy alone. You are only going to do it if you break our energy dependence. And you are only going to break our energy dependence for the short term and the intermediate term if we conserve, conserve, and conserve some more. The suggestion that the best way to conserve is to simply price it completely out of range of the vast majority of the American people, defies everything in which I believe.

Mr. President, I yield the floor.

Mr. METZENBAUM. Mr. President, I yield to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, I join my distinguished colleagues in urging recontrol of oil prices, for decontrol has imposed unwarranted and severe economic hardships on the American consumer.

The skyrocketing price of energy has become a heavy burden for low-income families. The poor use 50 percent less energy than median-income households, yet the low-income family spends over 35 percent of its income on energy, compared to only 13 percent for the median-income family.

In my home State of Hawaii, the monthly gas price survey last month showed the fastest 1-month increase in the history of this survey. Since decontrol, the average price of premium gasoline has shot up to $1.57 per gallon, while unleaded is up to $1.54. I should point out that these prices were last month's prices. I just returned from Hawaii this morning, and I can report to you that gasoline prices are continuing to climb.

I predicted on January 28 that decontrol of petroleum would only fuel the fires of inflation, causing the price of a gallon of gasoline to zoom past $1.50, and perhaps up to $2 by the end of this year. I honestly hope that I turn out to be wrong on the $2 prediction but $1.50 a gallon is already a reality.

I am particularly disturbed that the administration continues to contend that the price increase resulting from decontrol will engender greater production of domestic oil. It is historical fact that while the price of oil has leaped by 1,200 percent, or a factor of 12, since 1973, our oil production in the lower 48 States has essentially continued to decline.

How much can we expect the price of a barrel of oil to increase because of decontrol? From $36 per barrel to $50? To $72 per barrel? If the price does increase to $72—or $80 as my friend from Arkansas has predicted—the increase would then be a factor of 2, or 200 percent. During the past 8 years oil has gone up by a factor of 12 and the law of economics has not come into play as the President has prophesized. In fact, I can repeat that the $3 to $36 per barrel price increase of petroleum has resulted in less production today than in 1973.

The main reason for this disappointing performance is that we have reached and exceeded the point of diminishing returns. While only 60 wells need be drilled in Saudi Arabia to produce 1 million barrels per day of crude oil, we now need to drill 60,000 wells in the continental United States to produce the equivalent amount of oil. All this means is that, at best, the soaring costs will reduce the chronic 300,000 barrels per day annual decline to perhaps 100,000 barrels per day.

I would agree with the administration's expectation that the consumption of energy will drop. But that will be because the wage earner will not be able to afford the higher cost of energy, and also, because unemployment will increase. Even then, this draconian means of inducing energy conservation will not create any savings because, as most economists are in agreement, the announced decontrol action will only suppress consumption by about 1.5 percent.

Decontrol means that the oil companies will increase their annual profits by billions of dollars, after all taxes, including the windfall profit tax, are levied. The Federal Government, too, will accumulate additional revenues.

I am greatly disturbed, therefore, that the fiscal year 1982 budget that will be announced today by the administration will recommend nearly a 75-percent reduction for solar and conservation programs, the one area where the individual taxpayer can take advantage of any Federal energy programs. And the only energy technology scheduled for more than token Federal research and development aid is nuclear, an industry that has already received almost $40 billion of subsidies, but in more than 30 years of development, today accounts for only slightly more than 3 percent of the Nation's energy supply.

It can also be mentioned that nuclear power is primarily for electrical production, a demand sector that consumes less than 10 percent of the oil used nationally.

I would like to assure my colleagues that I am not necessarily knocking nuclear energy. I am merely using it as an example to express wonderment about the sensibility of our country's energy policy. I believe that we are in the midst

of a potentially devasting energy crisis, and feel that we need to develop all our feasible indigenous energy sources as fast as practicably possible.

In determining our national energy policy, we should ask ourselves the following questions:

First. Will decontrol increase domestic oil production?

Second. Is nuclear energy the only technology that shows commercial promise?

Third. Is energy such a trivial budget item that it deserves only 1 percent of the Federal outlay, as it commanded in fiscal 1980?

Fourth. Is not the spiraling cost of energy the root cause of our economic and national security woes and the principal factor in escalating inflation our greatest national foe, even in the eyes of the new administration?

I shake my head in astonishment at what is rapidly evolving into our national energy policy. But, as it has repeatedly been said, the President proposes and the Congress disposes, so it is for us as legislators to examine closely the administration's proposed energy budget. In doing so, we must bear in mind that energy is part and parcel of our national defense.

As I pointed out to Secretary Edwards, of the 1 percent which is set aside from the budget for our energy programs, more than 50 percent is earmarked for defense purposes, which means that less than one-half of 1 percent is dedicated to alternative sources of energy, to the development of those sources of energy which can be the true answer to our energy problem.

We are being told by the President that his proposed budget is geared toward stemming inflation. Assuming this to be true, how can decontrol of oil and gas, which is sure to further escalate prices, and consequently inflation, be justified?

Too many people have been hurt by decontrol and will continue to be hurt, unless we, who represent the consumers of America, act resolutely in their behalf. I urge my colleagues to vote for recontrol.

Mr. President, I ask unanimous consent that a letter dated March 9, 1981, from the Citizens/Labor Energy Coalition, Washington, D.C., be printed at this point in the RECORD, as well as an article from the Washington Post, dated March 3, 1981.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CITIZEN/LABOR ENERGY COALITION,
March 9, 1981.

DEAR SENATOR: We are writing to notify you that Senator Metzenbaum this week plans to offer an amendment reversing President Reagan's crude oil decontrol order to S. 573 (extending oil companies' antitrust exemption for the purpose of International Energy Agency participation). We urge you to support this amendment allowing the previous phase-out of crude oil price controls to continue through September.

The disastrous results of immediate decontrol are even more extreme than originally predicted. It now appears that President Reagan's order will increase the nation's oil bill by $15.6 billion and that that price rise added between 1.1 and 1.6 percentage points for February and will add more than one-half a percentage point through September. Immediate decontrol will cost the average family an extra $100 to $300 this year for heat and gasoline. Small businesses and farmers will also face added economic burdens as propane and heating prices will jump 10–20 cents a gallon.

The Administration's minimal price impact predictions have proven to be totally unrealistic. We have already witnessed the price of gasoline rise 12 cents a gallon and more, and Gulf Oil recently predicted additional increases of 15 to 20 cents a gallon between now and September. The Administration's insistence that their original projection of a 3 to 5 cent increase is accurate to within a penny is ludicrous.

Please bear in mind these additional points when you vote on this amendment:

Despite the alarming cost to your constituents, decontrol will not stimulate production. The Wall Street Journal reported January 28 that "Industry officials say nearly every promising exploration and production project already is being pursued, and the extra funds from decontrol won't make much difference." These "extra funds" will amount to some $3 billion in after-tax profits, plus a hefty tax deduction, added to the record $30 billion they would have earned this year without the President's decontrol order.

Last year, the oil companies' profits constituted 40% of all U.S. manufacturing profits (up from 18% in 1978). This increase, according to Business Week, comes at the expense of other industries. Thus, decontrol will increase unemployment in many struggling business sectors while swelling the oil companies' coffers.

The oil industry's "energy" investment program consists largely of buying up proven reserves and smaller oil and gas companies. Rather than expanding our known reserves, decontrol will enable the large oil companies to further consolidate the industry and continue to stifle competition.

Any increase in federal revenues resulting from immediate decontrol is simply a hidden tax being paid by American businesses and consumers and not consistent with the tax reductions the nation expects.

We trust you will give serious consideration to this matter and will vote in favor of Senator Metzenbaum's amendment.

Sincerely,

ROBERT M. BRANDON,
Washington Director.

[From the Washington Post, Mar. 3, 1981]

OIL PRICE DECONTROL IS UPHELD

A federal judge yesterday upheld the legality of President Reagan's Jan. 28 executive order that eliminated price controls on gasoline, propane and crude oil.

U.S. District Judge Harold H. Greene turned back a legal challenge that contended Reagan should not have decontrolled the fuels without first calling for a public hearing.

The suit against Reagan's action was filed by nine members of Congress, three state governments and organizations representing union, consumer and civil rights groups.

The challengers had asked Greene to issue an injunction restoring the controls pending a full trial on the issue. But the judge refused, saying that "the dislocations which would inevitably result from such an on-again, off-again method of operation in a vital part of the national economy are likely to be both significant and detrimental."

The Reagan administration defended its swift decontrol action, which was issued without warning, by saying that advance notice would have caused those in the petroleum business to stockpile products and sell them after decontrol at higher prices. This would have produced artificial shortages, the government said.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. METZENBAUM. Mr. President, will the Senator from Idaho yield for the purpose of this Senator requesting the yeas and nays?

Mr. McCLURE. I yield.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Mr. President, I thank the Senator.

(Mr. DANFORTH assumed the chair).

Mr. THURMOND. Mr. President, I rise to state my opposition to the amendment offered by the Senator from the State of Ohio. This attempt to override the President's decision to accelerate decontrol of petroleum is ill-founded, and serves to benefit no one, least of all the American consumer.

It appears that this amendment is directed toward reversing the increase in prices for various petroleum products we have witnessed since President Reagan accelerated decontrol, by virtue of his Executive order on January 28, 1981. A thorough review of the facts behind these increases, however reveal that accelerated decontrol is not the real culprit.

In fact, retail gasoline price increases during the first 2 months of 1981 were smaller in total than those during the same period during 1980 when price controls were still in full effect. The increases of 1981 must, in fact, be attributed in large part to the activities of OPEC. Moreover, the President's action cannot be blamed for the recent increases in the price of heating oil, since heating oil has been decontrolled since 1976.

The battle against soaring energy prices must be a cooperative one and a well-reasoned and logical one. We cannot fall victim to short-term, and short-sighted, solutions such as the Senator from Ohio proposes today. This amendment serves only to perpetuate, and in fact aggravate, the many problems with petroleum controls that the President has moved to eliminate.

The benefits of decontrol are numerous. We know, for instance, that decontrol reduces this country's demand for oil imports, and thus reduces our political and economic vulnerability to oil supply disruptions.

Also, while increasing our oil production above the amount that would have been produced under price controls, decontrol also increases our country's oil conservation efforts, discouraging inefficient and wasteful oil consumption.

By eliminating regulations favoring certain firms, decontrol introduces the benefits of rigorous competition back into the domestic oil industry.

Finally, decontrol encourages the development and use of nonpetroleum energy sources such as coal, natural gas, nuclear and solar power, thus reducing even further U.S. dependence on increasingly expensive and insecure foreign oil.

Since the gradual process of decontrol has begun, we have witnessed dramatic increases in exploration, drilling and production by our domestic oil industry. Undoubtedly, a major reason underlying this activity is the understanding by the industry, and by those who finance these ventures, that the Government will not keep prices artificially low and that increased efficiency and productivity will be encouraged, rather than stifled.

Finally, to those who are concerned with increased oil company revenues, I remind them that about 80 percent of these revenues will go to Federal, State, and local governments as a result of the windfall profit tax and various other taxes and royalties. Thus government, not industry, will benefit most.

Mr. President, the amendment by the Senator from Ohio would serve to destroy all the benefits of decontrol, just as decontrol is beginning to reveal its true worth. For these reasons, I oppose the amendment and urge its defeat.

Mr. MITCHELL. Mr. President, I support the pending amendment which would void the President's January 28 order decontrolling domestic oil production and reinstate the phased oil decontrol schedule, under which controls will expire on October 1.

Beginning in April 1979, the U.S. Government began a gradual phaseout of controls on the pricing and allocation of oil. The controls were to have been completely ended in October of this year. On January 28, President Reagan ordered these controls lifted immediately, thereby accelerating decontrol by about 7 months.

The argument for decontrol is that the resulting higher prices will encourage the oil companies to increase domestic production and cause the American people to consume less. But immediate decontrol will not contribute materially to those objectives.

The oil companies have already increased their drilling efforts. Industry publications report that virtually all drilling rigs in the country are in operation; there are substantial delays in the availability of rigs. Since no drilling rigs are available, moving decontrol up cannot possibly increase exploration.

Furthermore, despite increased drilling and despite an increase of 111 percent in wellhead prices since decontrol began in April 1979, domestic oil production is no higher than it was 2 years ago. If more than doubling the price of oil has not increased production, there is no basis to conclude that still higher prices will do so.

As to the second objective of decontrol—increased conservation—studies consistently show that major price increases are needed before minor declines in consumption occur. Under gradual decontrol, a 50-percent price rise in gasoline resulted in only a slight consumption decrease over 21 months. According to the President's 1980 economic report, that portion of the consumption drop attributable to the 50-percent price rise was only 2 percent. There is no basis for concluding that a further 10-percent price increase will greatly reduce consumption.

With heating oil at $1.30 a gallon, Maine people are heating their homes to the lowest tolerable temperatures. Once you have set the thermostat at 50 or 55 degrees, as thousands of Maine families already have, there is not much more conserving to be done.

These facts form the basis of the conclusion by the Petroleum Research Foundation that early decontrol will not materially increase production or conservation. There is, accordingly, no national benefit from early decontrol.

Gradual, phased decontrol of oil prices was the least damaging and most equitable way to incorporate world energy prices into our economy. It permitted businessmen, government officials at all levels, and working people to anticipate the slow but continued rise in oil product prices. It permitted rational planning for the time that decontrol would be effected. And it gave everyone fair warning of the costs they would have to assume when decontrol was completed.

The sudden lifting of controls is unwise and inequitable. Under gradual decontrol, every part of the country and every sector of society was asked to share the costs of carrying out a national policy: Consumers were asked to pay higher prices; oil companies were asked to accept slightly lower profits; and all businesses and regions were placed on notice that they would have to adjust to price and supply changes by the end of the year.

Immediate decontrol removed that element of predictability.

It substituted immediate price increases for consumers and businesses.

It created immediate uncertainties about the supply and distribution network.

And it is causing a massive transfer of dollars away from consumers, businesses, and energy-poor regions, with no benefit to the Nation.

In the month since decontrol went into effect, we have seen immediate cost increases to consumers, oil dealers and retailers, regions, and States. We have seen no immediate national benefit. Nor is there any reason to believe we can expect long-term benefits from moving up the decontrol date 7 months.

And as well as afflicting consumers with price increases, the sudden lifting of controls threatens to undermine our efforts to deal with inflation.

The Congressional Budget Office originally estimated that the net result of early decontrol will be to add half a percentage point to this year's rate of inflation. But if the February figures from the Bureau of Labor Statistics are any guide, the Budget Office has underestimated the inflationary effects of this decision. In February, oil prices rose 20 percent—an annualized rate of 250 percent.

That price rise was not the result of a new massive OPEC price increase. It was a domestic price rise imposed on our own people by the major oil companies. And the Bureau of Labor Statistics has said that this 20-percent monthly price rise does not reflect the full effects on consumer prices of the increases in the prices of gasoline, home heating oil, and other oil products.

When that full price increase works its way through our economy, it could be a serious blow to our efforts to slow inflation.

The $50 billion spending cut Congress is being asked to approve will lower inflation much less than one percentage point. Yet the speedup in decontrol of oil prices will add at least a half percentage point to our inflation rate.

The Congressional Budget Office estimates that moving up decontrol will cost American consumers—working people and businesses—$11.7 billion.

The cost to New England, which relies heavily on oil for its energy, will be $775 million—about $75 in additional costs for each household in New England.

My own State of Maine will pay out $45 million in higher oil prices—capital that is needed in the State for investment in job-producing businesses.

And we are being asked to pay these costs for benefits which are questionable at best.

The Department of Energy contends that decontrol will reduce consumption by an amount between 50,000 and 100,000 barrels daily. This is the same Department which estimated that gasoline prices would rise a total of between 3 and 5 cents, an estimate that was proven wrong within hours after it was made.

But even if this estimate is accurate, the savings will reduce imports by only 1.5 percent—not a significant saving, nor a significant contribution to the national welfare.

The Wall Street Journal reported that industry officials say that nearly every promising exploration and production project already is being pursued, and the extra funds from decontrol won't make much difference. That report appeared on January 28, the very day on which the President announced his decontrol decision.

Domestic oil production has hovered at around 8.5 million barrels per day for the last 2 years—a period during which domestic prices rose by 111 percent, and exploratory drilling reached record levels. In January, the Oil and Gas Journal reported that there is a 1-year wait for drilling equipment because of heightened exploration.

How can the 7-month speedup in decontrol possibly increase exploration when there is a shortage of equipment?

And why will still higher prices increase production, when a doubling of prices has failed to do so?

The fact is that the Energy Secretary could not supply a single report from his Department to buttress the claim that conservation and production would increase. And the contention that prices would rise by no more than 3 to 5 cents per gallon did not outlast the week in which it was made.

It is difficult to see how higher prices imposed in the middle of the winter heating season could, in fact, substantially increase conservation.

It is still winter in the Northern States.

People cannot arbitrarily heat their homes less, even if the price of heating oil goes through the roof. The people of Maine are not recklessly overheating their homes when they are paying $1.30 per gallon for heating oil. They are simply paying more money for the same amount of heat.

Gasoline consumption is traditionally lower in the winter months. The driving season remains some months off. News reports indicate that our Nation is experiencing a surplus of gasoline.

Yet there is no evidence that this adequacy of supply has caused prices to come down. Gasoline prices have already risen an average of 12 cents this year—10 cents of it after the January 28 decontrol announcement.

Two weeks ago, a New York Times story carried the information that the gasoline glut may moderate prices: Not by keeping them stable; not by lowering them; but perhaps by reducing the rate at which they rise. This morning's Washington Post reports that Exxon raised gasoline prices by a further cent per gallon and home heating oil prices by 2 cents.

There is no national benefit in any of this.

We are gaining no more oil; we are gaining no more independence from the artificially administered prices set by OPEC; we are not conserving more home heating oil; we are simply paying more.

The past month has demonstrated clearly that the sole result of early decontrol has been to boost the prices paid by consumers.

We have seen a swift and substantial increase in the price of oil—at the astounding annualized rate of 250 percent for the month of February. We have seen heating oil prices skyrocket in the middle of winter. And, despite weak demand for gasoline, we have seen gasoline prices leap by at least 10 cents since decontrol took effect—even though industry officials themselves admit that record stocks exist and demand is low.

There is no evidence whatever that production or exploration plans have been substantially expanded by any of the major companies. Indeed, news stories indicate that the major companies view decontrol less as an opportunity to expand production than as a chance to change their supply and distribution patterns.

A recent Wall Street Journal story reported that the major companies see decontrol as an opportunity to make massive and drastic changes in marketing strategies: Reducing sales outlets, placing more pressure on retailers to increase profits, raising local stations' rental fees, and cutting supplies to some dealers. An official of Standard of Indiana was quoted as saying, "We don't feel any obligation to our assigned customers."

These marketing changes planned by the major oil companies seem to be the only tangible result of immediate decontrol other than the dramatic increase in prices.

Decontrol was to have been a return to an open, competitive market system. Yet the effects of decontrol have been to raise prices and curtail services—not to increase competition or supplies.

Immediate decontrol means that dollars are being transferred from the pockets of working people to the major oil companies earlier and faster than they would have under phased decontrol.

Immediate decontrol has given us more inflation, no more conservation, no more production and a good chance of much less competition at the retail level.

Is this how the free market economics of decontrol was supposed to work?

If the decontrol decision was merely symbolic, as many of its supporters say, I would not be concerned.

But the symbolism is imposing immediate, real and needless costs on the people of Maine, on the New England region, and on the entire country.

Moving up the date of decontrol will add to our inflation rate. That will not be symbolic.

The extra costs to consumers and businesses will be $11.7 billion. That will not be paid in symbolic dollars.

Most importantly, the effects of decontrol on real people are far from symbolic. They are very stark.

And of all the States in the Union, my own State of Maine will be hardest hit by early decontrol for several reasons.

First. When energy costs are included, Maine has the lowest per capita income in the Nation. The poorer you are—whether as an individual, a family, or a State—the more adversely you are affected by higher prices.

Second. Maine has an unusually high number of elderly, who are the poorest members of society. Over 120,000 Maine citizens receive social security retirement benefits. Their average check is $316 a month, and for a majority, this is their sole source of income. Having to pay higher prices for oil products hurts all Americans. Imagine how much harder hit is the elderly citizen with a total income of $316 a month.

Third. Maine's population is scattered and there is little mass transit. Almost all Maine workers must drive to work. Increases in the price of gasoline are devastating to our working men and women.

Fourth. Maine is very dependent on oil for home heating. Natural gas is not available in Maine to any significant degree. And although Mainers are turning to wood and coal, most homes and businesses still use heating oil.

Fifth. Much of Maine's electricity is generated in oil-burning plants, so our electric bills will go up again. On many bills, the fuel adjustment charge is already more than the basic charge. The fuel adjustment charge will go even higher, since the utilities have no choice but to pass on the higher cost of oil to their customers.

Last month I addressed a convention of letter carriers during which the question of decontrol was raised. After the meeting, one of the letter carriers came up to tell me that earlier that week he had delivered an oil bill and a social security check to an elderly widow on his route. She opened both envelopes and showed them to him. Her oil bill for the month was $210. Her social security check, which is her sole source of income, was $280.

The President has identified inflation as our principal problem. I agree completely.

That is why I cannot endorse an action that adds to inflation and has no offsetting benefits—as immediate decontrol does. I cannot endorse an action that so harshly affects those who have no defense against it—particularly when the action has no national benefit.

The oil price increases already announced have a serious impact on Maine people and all others in our Nation. They drain dollars from savings and from investments that other industries need—all for no useful purpose.

Immediate decontrol makes Maine and every other energy-poor State vulnerable to supply disruptions and spot shortages in the future.

Gradual phased decontrol was fairer to the people and the regions of the country. It gave us a predictable schedule on which to adjust to higher prices and changing supply situations.

Immediate decontrol removes that predictability and places businesses and consumers at the mercy of the OPEC cartel.

The inexorable upward climb in energy prices, particularly over the last 2 years, has disabused Americans of any notion that there is a magical or easy answer to our energy problem.

Reinstating a gradual phase out of decontrol will not be a magical answer. But it will give our industry and our people the chance to plan for the higher costs. It will slow the massive drain of resources away from energy-poor regions and from productive investments.

In his recent address to the Nation, the President said his budget cuts would be painful but should be supported because all regions of the country would share in the sacrifice. If that is true, he will have my wholehearted support.

But that is surely not true of his decision to immediately decontrol oil. That decision hurts one region far more than it hurts others.

Early decontrol will not increase oil production, but it will increase inflation. It bears most heavily on those who can least afford it. And it accelerates the massive transfer of dollars away from the energy-poor regions of the Nation. It is wrong, it is unfair, and it should be reversed.

Mr. McCLURE. Mr. President, I rise in opposition to the amendment offered by the Senator from the State of Ohio. In my opinion, reversing the President's decision to accelerate somewhat the phased decontrol of petroleum is not only bad energy policy, it is bad economic policy.

This Nation has suffered grievously from price controls on petroleum ever since President Nixon imposed a general wage-price freeze back in 1971. It has taken us a decade to finally dispose of the remnants of that ill-fated decision. And I, for one, do not intend to allow this country to slip back into that situation.

At the outset, let me first note that what President Reagan did on January 28 was to accelerate only modestly the phased decontrol of crude oil that President Carter began in June of 1979. In any event, the price and allocation authority

which is contained in the emergency Petroleum Allocation Act of 1973, as amended, expires at the end of September 1981. So even if President Reagan wanted to continue price controls on petroleum, he could not do so past September of this year.

We must keep in mind that the modest acceleration of phased petroleum decontrol affects only the timing of the impact of decontrol, and not the magnitude of these impacts. As I noted before, phased decontrol would have occurred in any case by the end of September of this year. And in the month that President Reagan issued his decontrol order, only 15 percent of the crude oil refined by oil companies was still subject to price controls. Moreover, all refined petroleum products except gasoline and propane had previously been decontrolled. For example home heating oil was decontrolled during the summer of 1976.

Why then, have we seen such a rapid increase in petroleum prices over the last 2 to 3 months? The answer—OPEC. That OPEC is the principal cause of recent increases in domestic petroleum prices, as opposed to decontrol, is evidenced by the fact that retail gasoline price increases during the first 2 months of 1981 are smaller in total than those during the same period during 1980 when price controls were still in full effect.

And with respect to the increases in heating oil prices, it is only too obvious that OPEC must be the cause of recent price increases since heating oil has been decontrolled since the summer of 1976.

What then, are the benefits of decontrol, accelerated or otherwise?

First, decontrol reduces U.S. demand for oil imports. Lower imports improve our balance-of-payments deficit, put downward pressure on world oil prices, and reduce our political and economic vulnerability to oil supply disruptions.

Second, decontrol increases U.S. oil production above the amount that would have been produced under price controls. This additional production will further reduce U.S. oil imports.

Third, decontrol encourages the development and use of nonpetroleum fuels. By making oil substitutes more competitive, decontrol will increase the contribution of nuclear power, coal, natural gas, and solar energy to reducing U.S. dependence on insecure and expensive foreign oil.

Fourth, decontrol increases U.S. oil conservation efforts. Decontrol discourages inefficient and wasteful oil consumption, and encourages technological innovations that will allow the United States to more efficiently use the oil it does consume.

Fifth, decontrol increases efficiency, competition, and productivity in the domestic oil industry. By eliminating regulations favoring certain firms, decontrol introduces the rigors of competition back into the domestic oil industry. Certain refiners and marketers may experience special problems as the industry adjusts to decontrol. Some have expressed concern over the loss of supply arrangements that were maintained by the DOE supplier-purchase rules. However, a large segment of the refining industry has announced that they will continue these arrangements with marketers voluntarily for a transitionary period to avoid imposing unnecessary hardships on historical purchasers. Ultimately, we expect that adjustments in the domestic oil industry will result in a more efficient marketing system. This system may be characterized by an increase in high-volume gasoline stations. U.S. consumers will benefit directly from the lower operating costs of these operations.

Sixth, decontrol increases efficiency and productivity in the U.S. economy. Consumer purchases and capital investments will now be made with the clear understanding that oil prices will not be held artificially low by the Government. Thus, consumers will demand and industry will insure that new investments will be energy efficient. In addition, decontrol allows valuable capital resources to move from less efficient activities in the oil industry to more productive and profitable activities in other parts of the oil industry, or elsewhere in the economy.

I would also like to point out that contrary to what my colleague from Ohio believes, reimposing controls on petroleum is detrimental to the interests of consumers throughout this Nation. At first blush it may appear that it would reduce inflation to restrain oil price increases. But let me just point out that controls do not prevent price increases, they just camouflage them and shift the costs to other parts and sectors of the economy.

There is no doubt that the crude oil price and allocation control system which we have had in effect over the past decade has caused us to become more dependent on high-cost, insecure supplies of foreign petroleum. Our system subsidized the importation of foreign oil at the expense of providing domestic incentives to produce oil. It is no wonder then that, until phased decontrol began in earnest, the petroleum industry's exploration and drilling activities were sluggish.

And what have we seen since we began to decontrol crude oil? Drilling activity is at an all-time high. New companies are being formed to produce additional drilling rigs. Existing rig companies are expanding their capacity to produce additional rigs. Oil companies are taking chances as never before, looking for oil in regions never before thought to contain a drop of recoverable oil.

And it is this boom in exploration, drilling and production activity that my colleague from Ohio will succeed in stifling if his amendment is successful.

It is for these reasons, Mr. President, that I oppose the amendment of the Senator from Ohio. Recontrolling oil prices would be a monumental mistake that would severely retard our fight against inflation, and it would have a serious adverse effect on our economy.

I would like to respond to just a couple of the factors that were mentioned in debate earlier on the floor, one of which was that somehow what we were doing was just knuckling under to OPEC.

Let me indicate to my friend from Michigan, who made that statement earlier, that actually the combinations of policies that have been in effect which were wiped out by the President's decontrol program had the effect of saying that we would subsidize the importers of OPEC oil.

Under the price control program, domestic producers subsidized those who imported crude oil, and the result was that OPEC producers and those who were importing OPEC oil were delighted by the program. Thus, to indicate that somehow OPEC was hurt by the former system of controls would be to state the argument in totally opposite terms from the actual situation. The President's decontrol of oil strengthens domestic producers and, therefore, reduces the economic advantage of those who are importing oil.

Now, whether or not oil prices or gasoline prices have risen is a matter of record. The reason why they have risen is a matter of argument. I think it is important for us to recognize that while the Senator from Ohio or the Senator from Maine and others who have spoken today point to gasoline or heating oil price increases, those increases are not necessarily related to the decontrol order and, as a matter of fact, are for the most part unrelated.

The best evidence that this Senator has been able to get is that probably 9 cents or 10 cents of the price increase is the result of the oil increases dictated by the OPEC cartel in December and January. The balance of the price increase, whatever that may have been in the various markets across the country, is the result of the decontrol action.

Remember that decontrol applied to only 15 percent of the supply of petroleum. It was a small part of the U.S. production, which is, in itself, only a part of the total consumption. So to look at the total price increase and relate that back to the decontrol order is erroneous.

Now, to say that the oil companies may have been foolish in their timing of those price increases would be to state the obvious, so far as the Senator from Idaho is concerned, because they played right into the hands of the critics of the industry, and the oil companies have been critized all afternoon. I hope they have been listening, because these speeches this afternoon were totally predictable.

As a matter of fact, the senior Senator from Idaho did predict those arguments as a result of that action.

My friend from Maine talks about the price rise in home heating oil. The Senator better be concerned if the President did not decontrol the price of gasoline, because home heating oil has not been controlled since 1976. And if there is any distortion in the market, a system of price controls that prevents them from getting the return which is necessary on gasoline means that their only alternative is to load it on the other side, that is, heating oil. If my friend from Maine is really concerned about the cost of heating homes in the State of Maine and the Northeast, then he had better be concerned that we have a form of decon-

trol that keeps all the costs from being laded on some home heating oil and allow some of our people in Ohio, Washington, New Jersey, and Michigan, those who are driving cars around, to share in the cost of heating the homes in New England.

So the reason for the price increase that has hit the retail markets is not the simple explanation that some have made it out to be here today. I suspect we will be debating for weeks and months the complex components of those price increases. But to state that all of the price increases are the result of the President's action in January is far too simple, far too easy, and far too neat an explanation of what has really happened.

Mr. President, I am prepared to vote if there are no other Senators who desire to speak.

I see the Senator from New Jersey on his feet. I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I would have preferred that the Reagan administration follow that schedule for decontrol that was established by President Carter and upon which the bulk of many actions of the Senate in the last Congress was based, especially the windfall profit tax. Under that schedule, controls would not have expired until October 1, 1981.

Mr. President, first let us understand that accelerating decontrol is largely symbolic, in that, contrary to what the administration has said, there will not be any significant incremental production between now and October 1; that is, production increases over and above those we would have seen under the old phased decontrol schedule will be negligible.

On the other hand, Mr. President, those who made investment decisions, such as the purchase of more fuel-efficient equipment or fuel-efficient vehicles expecting controls to expire on October 1, could well be disadvantaged economically.

With that, Mr. President, I might also state that I know that consumers are hurting. I know that people are suffering from the unexpected price increases that this action triggered.

The CEO estimates that between now and October prices will increase 12 to 14 cents per gallon due to decontrol. According to the Carter plan these increases would have been postponed until October.

Mr. President, my effort to try to help people get through this period of higher oil prices will not result in supporting this effort to reimpose controls, but it will result in my effort to obtain tax reductions for individuals so that they will have the dollars to pay the higher oil prices.

In addition to that, I will fight to restore the $450 million that the Reagan administration budget removes from the low-income energy assistance program for the poor and the elderly for 1982.

Mr. President, I would like to point out that the dollars that will be used to cushion the impact of these higher prices for consumers throughout the country and to pay the energy assistance to the elderly will come from the windfall profit tax revenues. I might also point out for the record that the additional increase in the price of oil—roughly 70 percent, 70 cents of every dollar increase in an older oil well—will come to the Government precisely as a result of the amendment that I sponsored on the windfall profit tax last year.

So, Mr. President, I am cognizant and aware of the distress that decontrol is causing individuals and I will seek to redress that injury through lower taxes and transfer of payments to the elderly and poor through low-income energy assistance. I know the revenues are there because my amendment on the windfall profit tax created the revenues necessary to assume these lower taxes and energy assistance.

But, Mr. President, I think it is important to remember a number of other things as we debate this issue. One is that in the last several years we have seen the price of heating oil and gasoline nearly double with controls.

And why is that, Mr. President? Because as we controlled domestic oil, we were really subsidizing imports. Because domestic oil was kept lower than the market price, we encouraged consumption. Because oil production in the United States was not increasing, we bought more imports.

In fact, Mr. President, before controls were imposed, this country was importing about 3.9 to 4 million barrels a day. By 1978 that was at 8 million barrels a day. It has dropped back to about 7 million barrels. But it is nonetheless a significant increase, which means a significant drain of wealth from citizens of the United States to the treasuries of OPEC.

The world price of oil went from $14 to $35 a barrel. Even though the price of oil was controlled in this country, the average consumer price doubled because the entitlement system averaged the high foreign price with the lower controlled domestic price.

Mr. President, at the same time we experienced these increased prices due to OPEC, we have become more strategically vulnerable, because we have become more dependent on insecure sources of Persian Gulf oil.

Mr. President, I think it is time that we recognize that security of supply is the main issue here. The present war between Iraq and Iran has caused the world price of oil to go up $4.

We have lost 3 to 4 million barrels per day.

If this war continues into the fall we will see a price increase of about $10 a barrel. Mr. President, for every $5 increase in the OPEC price, we will send $12 billion more to OPEC from U.S. consumers. Last year we sent $80 billion to OPEC to pay for our oil appetite, draining our productivity in the process.

I think it is important that we recognize that the effort to reimpose controls subsidizes OPEC, and I think it is important also that we recognize that.

The transfer of wealth is enormous. So, Mr. President, with controls, prices have still risen, doubled in a short period of time. That has led to an increase in the amount of imports into this country from OPEC, thereby making us more strategically vulnerable to oil supply interruption. Decontrol stops the OPEC subsidy; it sends a message to our allies; hopefully, it allows us to focus on the wealth transfer issue and the danger of disruption.

Mr. President, the issue of focusing on controls diverts our attention from the real problem, which is our vulnerability to interruption due to our continued dependence on insecure sources.

As I have stated many times in this body, if we lost 8 million barrels of oil per day for a year, our economy would be in a depression, with rampant inflation. We must prepare for that—the most probable threat to our national security. The real test of this administration will be whether they develop such a policy or refuse to make the tough decisions on the strategic reserve and the rebatable standby tariff.

So, Mr. President, I will not support the reimposition of controls, but I must say that by accelerating the decontrol the President has again drawn attention away from the very grave problems of vulnerability to interruption and wealth transfers, and focused the energy debate once again on the oil companies.

Mr. President, I do not think that is the main issue. I think the security of this country, its economy, and its future are the issues.

I say this not because I am a friend of big oil. To confirm that, take a look at my windfall profit tax amendments or my zero voting record with the American Petroleum Association. Rather, I say that because I think we have to face up to the fact of living in an incredibly complex world where economic cross-currents swirl and uncertainties prevail—where oil will no longer be cheap and supply will be uncertain.

We have to cushion ourselves against those uncertainties, not only in the individual consumer sense, which tax reduction and transfer payments presume, but also in the larger strategic sense, which we fail to do as long as we continue to subsidize imports, and which we must do if we are going to refocus the energy debate on the need to develop emergency preparedness measures that will allow us to survive an oil supply interruption that increases in probability each day, and if we are going to make this country secure in the 1980's and beyond.

I yield the floor.

Mr. METZENBAUM. Does the distinguished Senator from West Virginia wish to proceed?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the Energy Policy and Conservation Act of 1975 established price and allocation controls on crude oil and refined petroleum products. The law provided these controls primarily as a response to large increases in oil prices caused by OPEC. The purpose of the controls was to cushion the inflationary impact that sudden, gigantic oil price increases would have on our economy.

As the United States adjusted slowly

to the quadrupling of oil prices, a decision was made by President Carter to phase out the controls, beginning on June 1, 1979. Under the Energy Policy and Conservation Act, all controls would expire on October 1, 1981. The effect of President Carter's decision was to establish a gradual process of decontrol, which would allow the economy to adjust as smoothly as possible to significantly higher energy costs.

Although phased decontrol avoided sharp economic dislocations, it was scrapped on January 28, 1981, by President Reagan. The result was a price increase in oil and gasoline already two to four times as large as the administration had predicted.

It is with these events in mind that I have questioned the advisability of the accelerated decontrol ordered by the President.

Therefore, I will support the amendment offered by the distinguished Senator from Ohio (Mr. METZENBAUM) to reestablish the process of gradual decontrol. The timetable in effect on January 20, 1981, with regard to price and allocation controls would go back into effect.

This does not mean that the controls would be placed on domestic oil indefinitely. Not at all. The clock would continue to tick until October 1, 1981, when all remaining controls would expire.

I have supported such a policy of gradual decontrol, with the understanding that it remain a gradual process, and that a windfall profit tax be enacted to recapture a portion of the increased revenues flowing to oil producers as a result of decontrol.

The price increases resulting from the sudden and complete decontrol have placed unnecessary costs on our economy. Consider the effect of this quick price jump on one department of the Federal Government—the Defense Department:

According to the Office of the Assistant Secretary of Defense (Comptroller), the additional fuel costs incurred by the Defense Department as a direct result of the total decontrol ordered on January 28 are $246 million. That amount is likely to be included in a request for supplemental appropriations for fiscal year 1981 by the Defense Department.

What could the Department of Defense do with that $246 million, if it did not have to use it to cover the cost of sudden decontrol? The Department could almost completely recommission the giant battleship *New Jersey* with that amount of money. I consider it remarkable that the $246 million will go solely to cover fuel costs increases resuling from rapid decontrol, when such a sum is badly needed elsewhere.

I have not touched on how that amount could be spent for domestic programs. The centers for disease control could fund their total preventive health services program and have money left over with that $246 million.

These examples show that the costs of sudden decontrol appear to be far greater than the benefits. Drilling activity before the total decontrol order was issued was at recordbreaking levels. Phased decontrol provided a superb incentive for large-scale oil exploration. And the windfall profit tax was not deterring people from hunting for oil.

All of this suggests to me that sudden decontrol was not the most prudent course to take. The costs—whether to the agencies of the U.S. Government, or to millions of our citizens who drive or use heating oil—are immense.

I hope that the Metzenbaum amendment will be adopted by the Senate—although I am under no illusions as to the outcome—so that our constituents will know that we do not support this unjustified additional price shock.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. I thank the distinguished minority leader for his remarks and his effort in this endeavor. I want him to know that we are grateful, and I think more important than that the American people, the consumers, are grateful to him for his support and his able statement.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. METZENBAUM. I am ready to vote if the Senator from Idaho is ready to vote.

Mr. McCLURE. I understand the Senator from Wyoming is on his way to the Chamber.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I would like to make a few comments before we vote. Both the Senate and House of Representatives reported bills out of committee on March 4, 1981, to extend until September 30, 1981, the antitrust exemption for oil companies participating in the international energy program. This exemption, found in section 252 of the Energy Policy and Conservation Act, will expire on March 15, 1981, if no action is taken by the Congress. The exemption allows oil companies to participate in an international oil-sharing agreement without being in violation of the antitrust laws. Without such an exemption, the effects of a crude oil supply disruption could be quickly and disproportionately felt by the United States and those countries which participate in the International Energy Agency and its programs.

The real importance of this measure, however, is in its ability further to focus attention on the vital energy concerns facing Congress in the current session. Not only will the above measure expire on September 30, 1981, but that date marks the expiration of the Emergency Petroleum Allocation Act as well.

Without prompt action, the potential consequences of disruptions in the petroleum market, particularly for agriculture, are severe.

Petroleum supply disruptions for agriculture can place heavy burdens on the American consumer. One USDA study estimated that a 10-percent fuel shortage at the farm could lead to as much as a 55-percent increase in farm commodity prices. In addition, given the uncertainties of nature, timing is critical to farm operations. Even a short disruption in fuel supplies at the wrong time can result in crop losses or reduced yields for that year. Farmers must have fuel in sufficient quantities at the appropriate time and place to insure full food and fiber production.

Price anomalies in the international petroleum market are cause for concern in the United States. Price increases could, in fact, impair the ability of many family farms to survive. Costs that can be passed through the food system would have a heavy impact on wholesale and retail prices. Each 10-percent increase in energy costs across the food system can raise food prices about 1.2 percent.

I take this opportunity to remind my colleagues that the urgency of congressional action on these and other related energy measures is of utmost importance in avoiding serious consequences for the domestic economy and national security. It is not without good reason that agriculture has been called the backbone of America's economy. Whatever threatens the farming community also poses a threat to the basic structure of our economy.

Failure to pass this bill or distorting it by amendment at this moment in time would be an act of the utmost and gravest irresponsibility, Mr. President.

With that, I am prepared to yield the floor.

Mr. BOREN. Mr. President, I rise in opposition to the proposal to reinstitute controls on crude oil, introduced by my colleague from Ohio.

Surely, at this time all Americans realize the great threat to our national security which is posed by our dependence on foreign oil. Our largest individual supplier of crude oil has been Saudi Arabia, and the OPEC cartel as a bloc provides 50 percent of our imports. Our crude oil supplies from insecure sources such as these are growing as well as our overall dependence on foreign sources for oil. We have just recently seen, and are continuing to see, the impact of dependence on unreliable foreign sources such as Iran.

If we are going to restore the security of this country and assure our energy independence, increased investment will be required. It takes money to drill oil wells or to drill gas wells. It takes money to dig a coal mine. It takes money to develop solar energy panels. Whatever source of energy we are talking about, it will take increased capital investment over and above what is now taking place if we are going to have energy independence. There is simply no other way to do it.

It is also important to note that decontrol not only lifts price controls, but also the accompanying paperwork. Producers, especially the small independent producers, are released from the burden of much of paperwork required by the Department of Energy with the advent of decontrol.

In many cases, this burden is as costly to some small producers as the limitations on the price of oil at the wellhead.

The Nation is best served by an open market. Price controls such as those imposed on oil were properly eliminated by the President. This is a time to encourage domestic production of all forms of energy. The amendment of the Senator from Ohio is definitely ill-conceived and represents a backward step.

Mr. McCLURE. Mr. President, we are ready to vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. METZENBAUM. Mr. President, a rollcall has been asked for.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BAKER (after having voted in the affirmative). On this vote, I have voted "yea." I have a pair with the distinguished Senator from Kansas (Mr. DOLE). If he were present and voting, he would vote "nay." Therefore, I withdraw my vote.

Mr. STEVENS. I announce that the Senator from New York (Mr. D'AMATO) is necessarily absent.

I also announce that the Senator from Kansas (Mr. DOLE) is absent due to illness.

I further announce that, if present and voting, the Senator from New York (Mr. D'AMATO) would vote "nay."

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Colorado (Mr. HART), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent because of death in the family.

I further announce that, if present and voting, the Senator from Tennessee (Mr. SASSER) would vote "yea."

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 24, nays 68, as follows:

[Rollcall Vote No. 27 Leg.]

YEAS—24

Biden	Hollings	Mitchell
Bumpers	Huddleston	Moynihan
Byrd, Robert C.	Inouye	Pell
Cannon	Jackson	Proxmire
Chafee	Leahy	Riegle
Dodd	Levin	Roth
Eagleton	Matsunaga	Sarbanes
Hawkins	Metzenbaum	Williams

NAYS—68

Abdnor	Danforth	Hatch
Andrews	DeConcini	Hatfield
Armstrong	Denton	Hayakawa
Baucus	Dixon	Heflin
Bentsen	Domenici	Heinz
Boren	Durenberger	Helms
Boschwitz	East	Humphrey
Bradley	Exon	Jepsen
Burdick	Ford	Johnston
Byrd, Harry F., Jr.	Garn	Kassebaum
Chiles	Glenn	Kasten
Cochran	Goldwater	Laxalt
Cohen	Gorton	Long
	Grassley	Lugar
Mathias	Pressler	Stevens
Mattingly	Pryor	Symms
McClure	Quayle	Thurmond
Melcher	Rudman	Tower
Murkowski	Schmitt	Trible
Nickles	Simpson	Wallop
Nunn	Specter	Warner
Packwood	Stafford	Weicker
Percy	Stennis	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Baker, for.

NOT VOTING—7

Cranston	Hart	Sasser
D'Amato	Kennedy	
Dole	Randolph	

So the amendment of the Senator from Ohio (UP No. 8) was rejected.

Mr. TSONGAS. Mr. President, I have accepted the need for the decontrol of energy prices. If we are to make the transition to an energy future based on efficiency and renewable resources, we need a pricing system that provides the right price signals. Keeping prices artificially low is not in the consumer's long-term interest. Thus, I have supported oil price decontrol as an element of our Nation's energy policy.

But it is only an element; it cannot be the whole show. Yet there is every indication that the administration is taking apart every other energy program in place.

An energy pricing policy that relies on replacement costs makes sense only if other elements of the policy are in place. Those elements are:

PROTECTION FOR THE POOR

We must have a program to help the poor pay their bills. We must maintain the integrity of the fuel assistance program and increase its funding to cover the higher prices. More importantly, we need a serious program to weatherize their homes. Decontrol means higher bills that the poor cannot pay. This year's colder than normal winter is already running down fuel assistance funds faster than expected. Such fuel assistance makes no sense unless we are taking steps to weatherize. We must also maintain the integrity of the low-income weatherization and provide sufficient funds to seriously weatherize low-income homes. Yet the administration is cutting conservation programs by three quarters and the weatherization program is to be folded into another program with no additional funds.

CONSERVATION ASSISTANCE TO MIDDLE INCOME FAMILIES

Reliance on high prices to encourage conservation is inadequate and inhuman unless people have the financial capacity to invest in conservation. Most don't—so the impact of high prices is hardship and suffering instead of improved efficiency. Here again the administration apparently is eliminating the Solar and Conservation Bank, which would have provided loan subsidies for conservation improvements. The administration also is planning to eliminate the Residential Conservation Service, which provides energy audits to consumers indicating if and when individuals have the knowledge and financial capacity to respond.

EMERGENCY STANDBY ENERGY ALLOCATIONS

The free market works well when supply and demand are in relative balance. In a crisis shortage situation, there must be a mechanism to insure that all regions of the country receive fair treatment. Oil companies trying to manage short supplies and protect their business interests cannot be expected to take responsibility for insuring that New England gets its share. The administration has eliminated price and allocation controls without a commitment to maintain standing controls after they expire in September.

While I support the principle of decontrol I strongly object to the administration's energy policy. Energy policy that relies on decontrol alone is setting in motion economic forces that will crush people. We must give people the tools to avoid that.

The pendulum is swinging away from a balanced energy program. The building blocks added during the last 6 years by the Congress and Presidents Carter and Ford are being swept aside. The new Secretary of Energy has little experience in the energy field. He has been slow in making subcabinet appointments. Unfortunately, Secretary Edwards sees the DOE's function mainly as one of increasing supply. What happened to the balanced approach of conservation and production?

According to the OMB numbers, DOE's solar funding will be cut 60 percent, DOE's conservation funding, 75 percent, and the Conservation and Solar Conservation Bank is being eliminated entirely. The new administration has indicated that the Federal Government should not support commercialization, that high prices alone will stimulate solar and conservation. But how will high prices do that if builders and bankers are unfamiliar with solar products, and if solar companies cannot raise capital to expand? How can it work when new ventures avoid the uncertain market conditions, when buyers cannot get information about solar and conservation, when no one is willing to risk funds on demonstrations?

The program that is emerging from administration is ill considered. In fact, it does not seem to be the result of much consideration at all. Increasing prices through accelerated oil decontrol and natural gas decontrol which the administration is also apparently going to propose, will cause hardship conservation. This type of conservation involves, as Reagan said, being colder in winter and hotter in the summer. That is not the conservation we need. We have to increase energy efficiency and that takes more than decontrol.

While the administration is wiping out most of the conservation and renewable resource programs, it is increasing support of nuclear power. I cannot believe that the administration has found no waste in the nuclear budget, that they have found no programs that could be carried out by the private sector, that all nuclear programs are deserving of scarce Federal resources. It is an indefensible energy policy that would fund the Clinch River breeder reactor and eliminate the Solar and Conservation Bank and low-income weatherization.

The energy situation is one of the major realities that our Nation must come to grips with if we are to survive.

Its impact on national security and our national economy is critical. This administration's approach is ideological and shortsighted.

Experts have been predicting declining U.S. oil production and reports indicate that the oil industry is overextended at the current time—no excess drilling capacity exists. The main impact of accelerated decontrol by itself is to increase the revenues of the windfall profit tax. If it was the administration's intention to raise revenues to help balance the budget, then it is grossly inequitable to raise billions of dollars from heating oil consumers with a tax the administration opposes to begin with.

In closing, we will have to see how the administration's energy policy is treated by Congress. In the past, congressional energy efforts have been clearly bipartisan. I hope my Republican colleagues would not abandon the principles of energy policy that we established together. Several weeks ago, the Senate Energy Committee held hearings on the global oil situation. The warning was clear. If the Iran/Iraq war continues, as it appears it will, the draw down on world oil stocks will begin to bite by late spring. As nations begin to rebuild stocks, the world oil market will tighten and price increases, shortages, and crises will revisit our country. Once again, we will start reacting to crisis, slapping together an ill-conceived response only a few months after we started taking apart the energy program that took so much time and effort to put together. I believe what we have crafted—while not perfect—is significantly equitable and effective. An energy policy of only decontrol is neither.

I am thus faced with a hard choice. While I believe decontrol is a good policy, it is part of a bad energy program. But I have decided to vote in favor of decontrol but want to register my strong objections to the Reagan energy program—a program that will do little to reduce our dependence on imported oil. It is a program that should please the Ayatollah or Chairman Brezhnev.

Mr. BURDICK. Mr. President, I intend to vote for the antitrust exemption allowing oil companies to participate in an international oil sharing agreement. But, I want to join my colleagues who are asking that the U.S. Senate begin immediately to assess crude oil markets in light of the new administration's policies.

Mr. President, my State is and will always be a rural State with an agriculturally based economy. Twenty years ago, when oil supplies were plentiful, rural areas provided marketing opportunities for companies to increase overall profitability through higher volume at lower margins. However, today the case is dramatically different. Today, the trend through the foreseeable future is toward ever more tightening supplies. Many companies are finding it too costly to serve isolated markets, and are withdrawing. In many small communities in North Dakota, the only remaining supplier of petroleum products is the locally owned cooperative or a small, independent dealer. These cooperatives and independents, even though frequently organized into regional operations, exercise almost no control over general trends in oil supply in the world.

If rural States like mine are thrust into a completely free market, then marginal rates of profitability per gallon of gasoline will have to be substantially higher than in the major urban centers in order to attract supply from the majors.

Mr. President, the Emergency Petroleum Allocation Act expires later this year. There will never be a better time than now to address the problems of access to crude oil supply and cost given the inevitable tightening of crude oil supplies, and contingency planning for access to crude oil and cost in the event of a major oil supply disruption.

Mr. President, for all these reasons, I encourage the new Senate leadership to begin immediately with hearings aimed at determining what, if any, contingency plans for crude oil supplies and price are necessary.

● Mr. HATFIELD. Mr. President, I intend to support the extension of the antitrust exemption because I feel the commitment to our international energy partners is of critical importance to international security. A related issue concerns me, however. This is with regard to the participation of major oil companies in mitigating the adverse impacts of both energy shortfalls and the enormous price increases which have plagued the world oil market for several years.

I am of the opinion, Mr. President, that while the cooperation of oil companies has basically been good with regard to international agreements, major oil companies have, in many instances, acted in a totally irresponsible and perhaps illegal manner in its pricing policies to domestic consumers. Specifically, Mr. President, I am referring to the $11 billion in potential overcharges which are presently under investigation by the Department of Energy's Office of Special Counsel. Already nearly $3.5 billion in overcharges has been settled upon with over $7 billion remaining under further audit and legal investigation.

Mr. President, during this investigation of consumer rip-offs major oil companies have taken advantage of every loophole to avoid reporting requirements and thereby evade the charges which have been lodged against them. Mr. President, I intend to monitor very closely the cooperation provided by the oil companies in both the international and domestic markets until such time that all allegations are resolved by the Department of Energy.●

The PRESIDING OFFICER. If there be no further amendment the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

AMENDING THE ENERGY POLICY AND CONSERVATION ACT TO EXTEND CERTAIN AUTHORITIES RELATING TO THE INTERNATIONAL ENERGY PROGRAM

Mr. McCLURE. Mr. President, I ask unanimous consent that the Senate——

The PRESIDING OFFICER. The Senator from Idaho will suspend until such time as there is order in the Chamber so that the distinguished Senator can be heard. I request the Senators to take their seats.

The Chair recognizes the Senator from Idaho.

Mr. McCLURE. I thank the Chair.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2166, and that the bill be considered as having been read the first and second time.

The PRESIDING OFFICER. Is there objection? Without objection, the bill will be considered as having been read the first and second time by title.

The Senate proceeded to consider the bill, H.R. 2166.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. Mr. President, I ask unanimous consent that S. 573 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I would not like to let this moment pass without recognizing the very capable services of the staff, both the majority and minority staff, Chuck Trabandt, David Doane, Howard Useem, and Marilyn Burkhardt of the majority, and Mike Harvey and Betsy Moler of the minority staff, and also to express my thanks to Senator JACKSON, the ranking minority member of the committee, for helping us expedite the passage of this matter, to Senator BRADLEY from New Jersey, and also to the distinguished Senator from Ohio (Mr. METZENBAUM). While we had disagreement on the amendment, nevertheless the help we had in getting the matter to the floor and getting it voted on was such that we are now able to send it to the President.

Mr. METZENBAUM. I thank the Senator from Idaho.

TIMELY REVIEW OF PROPOSED LAW OF THE SEA TREATY

Mr. JACKSON. Mr. President, I am pleased that the administration has decided to make a comprehensive review of U.S. policy as it relates to the proposed Law of the Sea Treaty.

Yesterday marked the opening of the 10th negotiating session of the Third United Nations Conference on the Law of the Sea. The conference formally began over 7 years ago. In fact, preparatory work started in the late 1960's.

The Committee on Energy and Natural Resources and its predecessor, the Committee on Interior and Insular Affairs, has maintained a bipartisan interest in and concern about these negotiations. In 1969, I asked the late Senator Metcalf to chair a special Subcommit-

tee on the Outer Continental Shelf whose mission was to evaluate the U.S. interest in the Continental Shelf and how that interest might be affected by a future international agreement. The subcommittee's report contained a number of significant policy recommendations which were followed by the U.S. negotiators.

Throughout the 1970's, the committee's interest continued. It was most specifically evidenced by our work on the seabed mining legislation which, after four Congresses, was enacted last June. Title II of the act contained a specific declaration of congressional intent that any international agreement dealing with the oceans should "provide assured and nondiscriminatory access" to seabed resources to U.S. citizens and "provide security of tenure" for U.S. citizens who undertake seabed mining before an international agreement enters into force.

This highly unusual provision, together with the many statements of concern about the provisions of the proposed treaty which were made on the Senate floor during debate on the seabed mining bill on December 14, 1979, are clear evidence that the Senate has long had severe reservations about the proposed treaty.

Mr. President, I am well aware that this has been a long, difficult, and extremely complex negotiation. Indeed, it is undoubtedly the most difficult multilateral effort ever undertaken in the history of diplomacy. Over 150 countries are involved.

Many of these nations are small and landlocked and have no direct interest in the wide variety of ocean uses involved. Yet, in the negotiation, they each have the same vote as states with extensive coastlines and the greatest interest in the ocean.

Furthermore, the negotiation covers a broad range of ocean uses including, among other things, a specific maximum limit of the territorial sea, freedom of navigation and overflight both for military and commercial vessels and aircraft, through, over, and under straits used for international navigation and other traditional high seas areas, rights over the living and nonliving resources of a 200-mile economic zone and the Continental Shelf, marine scientific research, protection and preservation of the marine environment, the peaceful settlement of disputes and the establishment of a regime to govern the development of the resources of the deep seabed. Each of these subjects is important to the United States.

The initial driving forces behind the U.S. interest in developing an international agreement for the Law of the Sea stemmed from our national defense concerns about freedom of navigation, overflight rights, and other national security interests.

At times, our concern about these admittedly vital matters seemed to outweigh our concern about equally important matters, such as control over fisheries resources and nonliving resources, including essentially all the potentially vast oil and gas resources on our continental margin. Congress concern over these issues was evidenced in the "200-mile fisheries" bill enacted in 1976 and the Outer Continental Shelf Lands Act Amendments of 1978.

Mr. President, I think it is important that we all understand the administration's position. They are not, as has been reported by some of the media, abandoning the Conference on the Law of the Sea. They are taking the opportunity to evaluate carefully the work product of this lengthy process—the Draft Convention on the Law of the Sea—in light of the interests of the United States as we see them in 1981.

In making that evaluation, I urge the administration to remember that the outcome of the Law of the Sea negotiation will not only influence the course of ocean law and politics for the next several decades, but also will affect the direction of the other emerging international arrangements and the pace at which they will be concluded.

One of the main forces in the Law of the Sea negotiation is the Third World drive toward the establishment of the new international economic order. This concept, which is the subject of the so-called north-south dialog, is calculated to make a fundamental redistribution of global wealth and power from the nations of the industrialized north to the countries of the less developed south.

The political model is one nation one vote, which gives an equal vote to a nation of 800 million and to a nation of 350,000. The economic model is central economic planning, rather than the free enterprise, free market economy.

In sum, Mr. President, while I strongly support the concept of establishing international ocean law, I do not think that belief in the goal of the common heritage of mankind should blind the United States or any other nation to significant national interests. After all, if we have problems with other nations or groups of nations, much can be done through less sweeping bilateral or multilateral negotiations. I wish the administration well in its review and urge other nations not to overreact to this pause in the long, laborious process of working out broadly acceptable ocean law.

SENATE SUPPORT FOR REAGAN ADMINISTRATION ACTIONS IN THE LAW OF THE SEA CONFERENCE

Mr. McCLURE. Mr. President, the Reagan administration in the past 7 days has acted swiftly and decisively to redirect dramatically the U.S. negotiating position in the Law of the Sea Conference. The 10th session of the LOS Conference convened yesterday at the United Nations in New York City. In preparation for that session, the administration has acted several times in the past week to modify significantly the U.S. posture in the conference from that of the Carter administration. First, the State Department last Tuesday announced that the Secretary of State had instructed our representative to the conference to seek to insure that negotiations did not end at the present session in order that a full policy review of the draft treaty could be completed by the U.S. Government. The policy review will involve all interested departments and agencies, and will consider a series of serious problems raised by the draft treaty prepared at the last session of the conference in Geneva last year. Second, the State Department Saturday announced that the Secretary of State had replaced the existing LOS negotiating team by appointing James Malone, Assistant Secretary of State-designate for Oceans, Environment, and Science, as the President's special representative to the LOS Conference. This action had the effect of placing Reagan administration policy-level personnel in charge of the U.S. negotiating team, in place of those who had represented the Carter administration over the past 4 years in the LOS Conference.

Finally, yesterday, Assistant Secretary of State-designate Malone announced at the conference that the U.S. review of the draft treaty would encompass the full spectrum of treaty provisions, including not only the seabed mining provisions, but also all other aspects of the treaty. Taken together, these decisive actions have removed the United States and our significant national security interests in the LOS Treaty from the virtual brink of disaster in which the new administration found itself after the inaurguration.

Mr. President, I rise today in strong support of these actions by the new administration and the clear position of the President and the Secretary of State regarding the need for a serious review of the Law of the Sea Treaty before this country is prepared to complete the conference and accept that treaty.

I also believe that it is most important that participants and observers in the LOS Conference, both domestically and internationally, recognize that the administration's action to review the treaty is a reflection of and a direct response to the strong bipartisan concerns expressed over the last several years in the Senate and in the House of Representatives regarding the draft treaty now pending in the conference.

Such concern was fully documented in the last debate of this body regarding the deep sea mining legislation and the LOS Treaty during our debate on December 14, 1979. The same concerns were the basis for the action of both the House and the Senate dealing with the treaty in title II of the Deep Seabed Hard Mineral Resources Act, Public Law 96-283, enacted on June 28, 1980.

Those same concerns have been the subject of continued congressional action in the form of letters to the administration and hearings over the past year, including most recently the hearing in the Foreign Relations Committee last week on the pending treaty.

Consequently, Mr. President, I believe it is fair to say that the Senate and the Congress generally are firmly on record in support of the absolute necessity for a review of the pending Law of the Sea Treaty before the administration proceeds to consider the draft treaty for final action. On that basis, in addition to my own long held and strongly felt convictions on this matter, I am quite

confident that the U.S. Senate today applauds the administration's actions over the past week and is prepared on a bipartisan basis to support the administration domestically and internationally in the conduct of that review.

Let me turn now to certain specific concepts worthy of review in the existing draft treaty and the procedures associated with them. And, let me begin by reviewing the Senate debate of December 14, 1979, as it applied to the treaty and the treaty process, as summarized in the following staff analysis.

On December 14, 1979, the Senate passed by a unanimous voice vote, S. 493, the Deep Seabed Mineral Resources Act. During the course of debate, 14 Senators, Mr. Magnuson, Democrat of Washington; Mr. LONG, Democrat of Louisiana; Mr. McCLURE, Republican of Idaho; Mr. Muskie, Democrat of Maine; Mr. HELMS, Republican of North Carolina; Mr. WEICKER, Republican of Connecticut; Mr. MATSUNAGA, Democrat of Hawaii; Mr. STEVENS, Republican of Alaska; Mr. Javits, Republican of New York; Mr. PELL, Democrat of Rhode Island; Mr. Church, Democrat of Idaho; Mr. JACKSON, Democrat of Washington; Mr. HATFIELD, Republican of Oregon; and Mr. Stone, Democrat of Florida; spoke in favor of the legislation and only one Senator—Mr. TSONGAS, Democrat of Massachusetts—voiced an objection to immediate passage of the bill.

Seventy-three Senators from five legislative committees and the Budget Committee had earlier in the year voted unanimously to report the bill.

More important, however, than their expressions of support for the immediate passage of S. 493 in committee and on the floor was the round of criticisms leveled by Senators against various draft articles contained in the ocean mining provisions of the Law of the Sea Treaty currently being negotiated at the Third United Nations Conference on Law of the Sea.

Intended as a bipartisan effort to exercise the constitutional mandate for senatorial advice in the treaty negotiation process, the thrust of the 14 Senators' statements was that the U.S. Law of the Sea negotiators should abandon the present course of negotiation and should undertake serious renegotiation of many major provisions of the current treaty text. Without such fundamental revision, several Senators stated their intentions to withhold their consent to the treaty.

Almost every Senator who participated in the floor debate indicated that the present draft Law of the Sea Treaty constitutes a significant concession by the United States to various political and economic pressures that are not founded upon or in furtherance of the best interests of this Nation.

Additionally, most Senators indicated in their floor statements that if the administration did not heed the Senate's advice offered during the course of the floor debate and if the negotiators did not undertake serious and fundamental revisions, the Senate would withhold its consent to ratification of the treaty.

Many made a specific point of mentioning that whether the legislation would remain interim in nature depended upon future ratification of the treaty.

Further, they stated that the Senate would much prefer to protect American interests by unilaterally sanctioning mining operations through U.S. legislation rather than by consenting to the defective draft they so severely criticized. They also expressly stated that if such an undesirable treaty were, in fact, signed by a representative of the United States, such signature would have no effect in deferring enactment of U.S. legislation or its administrative implementation.

Some Senators said they would oppose a U.S. signature on the treaty altogether without major revision of its text.

For example:

Senator LONG concluded his statement by noting that:

> While I am in favor of an equitable Law of the Sea Treaty, the current articles pertaining to deep seabed mining are defective and so one-sided that if called upon to give my advice and consent to the current treaty draft, I would withhold it;

Senator McCLURE stated:

> I hope our actions and our words here today will not go unheeded by either the State Department or the other negotiators at the United Nations Conference. The present treaty is, I repeat, fundamentally unacceptable. If a treaty that is more balanced cannot be negotiated, we will allow our citizens to carry on in perpetuity under the schemes established by this legislation. Its interim nature depends upon the renegotiation of just such a balanced document;

Senator Muskie noted that:

> The executive branch has an affirmative duty to listen to such advice of the Senate or else the Senate will be forced to choose between adopting treaties it does not like or embarrassing our international position by amending or rejecting what has already been negotiated;

Senator HATFIELD stated that:

> The provisions of the 1977 ICNT (Informal Composite Negotiating Text) have been improved little by the publication of the ICNT Revision 1 (the current negotiating text) this spring. The negotiations of this summer in New York have not moved the negotiators substantially closer to a successful treaty . . . it is now abundantly clear that we must also move to establish interim rules;

Senator WEICKER noted that:

> Progress of negotiations . . . has been lackluster and near-term progress, without substantial concessions on the part of the United States is unlikely . . . We should, therefore, pass these protective, interim measures and encourage the House to move expeditiously as well;

Senator MATSUNAGA argued that:

> Passage of the legislation should help to stimulate realistic negotiations . . . which will protect the interests of our people.

Senator STEVENS pledged:

> I am personally committed to insuring that the United States does not sign any Law of the Sea Treaty until such treaty is fully acceptable to the Senate.

Senator Javits stated that:

> The negotiations are not likely to arrive at any agreement on the deep seabed issue that is acceptable to the United States . . . unless it is clear to the developing world that . . . if some of their demands remain unreasonable, we will have proceeded to mine during the next decade without an agreement.

Senator PELL observed that:

> [I]f there is to be any deep seabed mining to regulate at all, there must be an interim regime that provides a bridging legal basis for and diplomatic protection of deep seabed mining.

Senator Church warned that:

> Any treaty which: Fails to provide assured access by U.S. citizens and security of tenure to U.S. mining operators; fails to protect the national interest in sound institutional arrangements; forecloses a substantial contribution to national mineral needs by imposing onerous economic conditions and artificial limitations on seabed production . . . would raise serious questions concerning its acceptance by the Senate.

Senator JACKSON declared that:

> While increasing global economic interdependence would lead us to redouble our [negotiating] efforts, we cannot allow ourselves to be pushed into positions on deep seabed mining so inimical to our national interests as those we find ourselves trapped in at the present negotiations.

And Senator Stone concluded by stating:

> [G]iven the recent events in Iran and elsewhere which exemplifies the tenuous balance between issues of mineral access and national security, it is encumbent upon the Senate to insure that the situation we face in oil does not become the situation we face in these strategic metals. If difficulties with the developing nations of the world which export minerals to us is to remain the trend, this Nation must have the capability to provide for itself. I firmly believe, Mr. President, that this legislation is one method of insuring that capability. If the State Department is going to send the Law of the Sea Treaty to this body and ask this body to agree to its ratification and to agree that the treaty will supersede this legislation, it had better start undertaking some serious reconsideration. Mr. President, I am hopeful that the State Department will get the message from this body that it had better go back to the drawing board and start renegotiating a good part of the treaty before sending it to the Senate and hoping to get it ratified.

In addition to the above quoted points, the following detailed views concerning the treaty's deficiencies were expressed during the course of the debate:

First. Provisions that would jeopardize the security of tenure for U.S. citizens that have either engaged in mining under domestic legislation prior to the ratification and entry into force of a Law of the Sea Convention or who are engaged in operations pursuant to the treaty must be rectified.

Specifically, the Senators were displeased with those articles that require applicants for work plans to agree to accept as enforceable all rules and regulations adopted by the Authority—without regard to the timing of such adoptions.

Many Senators were greatly disappointed that the draft text contains no mention of grandfather protection for miners who are U.S. citizens or private citizens of any other country who undertake operations pursuant to validly enacted domestic legislation.

Most of the Senators who addressed the issue were of the opinion that lack of adequate grandfather protection in the text of the treaty itself would seriously jeopardize the chances for Senate approval of a treaty subsequently presented to it for ratification. (See the statements of Senator McClure (pp. 36038, 36042–36045), Senator Matsunaga (p. 36064), Senator Stevens (pp. 36064–36065), Senator Javits (pp. 36070–36071), Senator Church (p. 36072), and Senator Jackson (p. 36073)).

Second. Draft treaty provisions that would impose production controls over the extraction of the vital minerals found on the ocean floor are anticonsumer in nature, inflationary, artificially maintain the market shares of mineral exporting nations, and are inimical to the national defense and security interests of the United States.

Such provisions were perceived in Senate debate as likely to result in the creation of an OPEC-type metals cartel. (See the statements of Senator McClure (p. 36039), Senator Hatfield (pp. 36047, 36048), Senator Helms (p. 36048), Senator Church (p. 36072), Senator Jackson (pp. 36074–36075), and Senator Stone (pp. 36075–36076).

Third. The ocean policymaking functions and powers delegated to the political arms of the "authority" created by the treaty—that is, the Assembly, Council, and Tribunal—are too discretionary to adequately assure protection of U.S. or other developed countries' interests.

Specifically, several Senators found objectionable and fundamentally unacceptable, provisions that grant the Assembly supreme policymaking authority for ocean mining and other U.S. nautical objectives particularly on the basis of the one-nation, one-vote system.

That the Council may not override or check the policy actions of the Assembly was also cause for concern.

Senators also criticized provisions of the treaty for not guaranteeing the United States a seat on the Council, and provisions that grant discretion to the Council and Technical Commission to block the approval of a plan of work or contract—that is, be granted a legal right to conduct mining operations—even though the applicant might be fully qualified. (See the statements of Senator McClure (p. 36038), Senator Hatfield (p. 36048), Senator Helms (p. 36049), Senator Jackson (pp. 36073 and 36074), and Senator Stone (p. 36076)).

Fourth. Other draft Law of the Sea Treaty provisions require U.S. companies to negotiate the transfer of their own technology to Third World countries and a third party's technology to the Authority and Enterprise are clearly unacceptable, several Senators said. (See the statements of Senator McClure (p. 36039), Senator Hatfield (p. 36048), (Senator Helms (p. 36049), Senator Jackson (pp. 36074–36075) and Senator Stone (p. 36076)).

Fifth. The creation of a transnational government owned and operated government mining company called the Enterprise was highly criticized. The exemptions and other favorable treatment afforded the Enterprise, Senators said, result in an access system that is not in reality a dual system and will in the long run likely lead to a system that forces private parties to enter into joint ventures with the Enterprise if they want to participate in mining operations at all. Such a system is incompatible with the language of S. 493 and adverse to the best interests of the United States. (See the statements of Senator Long (p. 36033), Senator McClure (p. 36039), Senator Helms (p. 36049), Senator Jackson (p. 36074), and Senator Stone (p. 36076)).

Sixth. The so-called French antimonopoly clause of the draft treaty that would result in limitations being placed on the number of U.S. citizens that could engage in the recovery of ocean mineral resources was also labeled "fundamentally unacceptable."

The Senators argued that such a limitation would force U.S. corporations to operate in conjunction with foreign corporations and consequently seek sponsorship for a contract—that is, the right to conduct ocean mining operations—from other countries which are parties to the convention.

This in turn was seen as leading to the exportation of American jobs and technological expertise. (See the statements of Senator McClure (p. 36039), Senator Hatfield (p. 36048), Senator Jackson (p. 36075), and Senator Stone (p. 36076)).

Seventh. The financial obligations imposed by the draft treaty on private mining contractors are arbitrary and too high in relation to the investment risk already faced by such private parties. (See the statements of Senator Long (p. 36033), Senator McClure (p. 36039), Senator Hatfield (p. 36048), Senator Helms (p. 36049), Senator Jackson (p. 36073), and Senator Stone (p. 36076)).

Eighth. Some Senators said provisions in the draft Law of the Sea Treaty that would allow the Authority to impose a moratorium on further ocean mining by U.S. citizens due to the failure of some future conference of signatory nations to agree on changes to the mining scheme formulated under the treaty are also unacceptable. (See the statements of Senator McClure (p. 36039), Senator Jackson (p. 36075), and Senator Stone (p. 36076)).

As the preceding analysis makes abundantly clear, the U.S. Senate is firmly on record as supporting not only a full review but a significant reconsideration and modification of certain essential aspects of the current draft treaty. There should, therefore, be no question about our support for the actions taken by the administration in the past week and the course set for administration negotiation in the current session of the LOS treaty.

These concerns have been recently expressed in a strong and unambiguous way in the testimonies of Congressmen Breaux and Lagomarsino at hearings before the Foreign Relations Committee last week. Mr. President, I ask unanimous consent that their prepared statements be inserted in the Record at this point.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement of the Honorable Robert J. Lagomarsino

Mr. Chairman, Members of the Committee: It is an honor as a House Republican to visit the other body and to note the keen interest being shown over here in the Law of the Sea Treaty.

I have had the opportunity to follow this issue for several years on the House Foreign Affairs Committee, one of several House Committees to report out and later see through to enactment the Deep Seabed Hard Mineral Resources Act.

As you know, Title II of that legislation directs the U.S. Delegation to negotiate a treaty that will guarantee U.S. citizens assured, continuing access to deep seabed minerals. In addition, Title II specifies that the treaty should protect such citizens' right to explore for and mine such minerals under the legislation prior to entry into force of the treaty with respect to the U.S. by providing guarantees that will allow them to continue mining activities on the same site, under treaty terms, conditions and restrictions that do not impose significant new economic burdens with the effect of preventing continuation of the project on a viable economic basis.

Those of us who have labored long and hard on this legislation know that the treaty negotiating text shows little evidence of any awareness on the part of our Law of the Sea Conference delegates of the congressional intent expressed in Title II of this legislation.

That title instructs our delegation not only to obtain grandfather protection for U.S. licensees and permittees but to bring home a treaty which from beginning to end conforms to the intent of Title II. The present treaty text does not even begin to come close to achieving that end.

Let us not forget that ocean mining is now a high seas freedom. Our choices are to continue to exercise that high seas freedom without a treaty, to obtain a treaty that protects existing high seas freedoms to mine the deep seabed, or to lie down, play dead, and accept the present text or anything like it.

Either of the first two choices are preferable to the third. Let me make it clear that the third choice would make a mockery of Title II.

As a result of the failure of the U.S. Law of the Sea Delegation during the Carter Administration to negotiate assured, nondiscriminatory access and to negotiate grandfather protection for U.S. citizens operating under the Deep Seabed Hard Mineral Resources Act, as mandated by Title II of that legislation, U.S. ocean mining companies have drastically slashed their budgets and are on the verge of dissolution. Should the treaty text be finalized at the March/April session in anything like its present form, the companies would shut down, because the treaty text would render valueless their investments so long as there was any real chance the treaty would enter into force. It must be recognized that the U.S. is now chiefly dependent upon politically unstable foreign nations for its supplies of several strategic minerals . . . including those to be derived from seabed mining. Having learned the hard way the lessons of OPEC and the dangers inherent in allowing ourselves to become dependent on foreign sources for vital raw materials, it is in our national interest to promote the development of a private sector capability to harvest the resources of the ocean. Without a viable, growing U.S. ocean mining industry, future U.S. access to seabed minerals will be only a mirage.

Some Carter Administration LOS officials have argued that unsatisfactory treaty provisions can be cured either by interpretive statements at the session that formalizes the text or alternatively during the subsequent Preparatory Commission negotiations which are to develop rules and regulations to implement the treaty's seabed mining provisions. Self serving interpretative statements by the U.S. regarding the meaning of the treaty's various provisions will have no binding effect on the International Seabed Authority whose responsibility it will be to implement and execute the treaty. Further, counter statements made by third world opponents will at best nullify interpretative statements made by the U.S. Delegation and at worst will ensure that the treaty will be interpreted in a light unfavorable to U.S. interests.

The treaty itself will govern the contents of the rules and regulations to be negotiated by the Preparatory Commission. Thus, there is no way to correct treaty flaws in its implementing rules and regulations.

The changes the U.S. Delegation intends to seek at the March/April LOS negotiating session do not even begin to satisfy Title II of the Act, and therefore, even if adopted, would result in Senate refusal to ratify the treaty. Due to the fact that the text fails to assure U.S. access to seabed minerals.

When reviewing the treaty in light of Title II of the legislation, we should not ignore treaty provisions which: (1) impose production controls on seabed mining, encourage international commodity agreements restricting prohibition of seabed minerals and otherwise bias the treaty regime against development and the operation of free market principles; (2) grant overall policy making powers to a one nation, one vote "Supreme" Assembly; (3) do not guarantee the U.S. a seat on the Council; (4) impose compulsory technology transfer (including sensitive defense related technology) by private companies to their competitors—the internationally owned mining company created by the treaty, called the Enterprise, and deny effective remedies because of inadequate dispute settlement provisions; (5) impose quotas on the number of minesites to be awarded to U.S. citizens as well as other antidevelopment policies; (6) require the U.S. to fund 25% of the Seabed Authority's expenses including payment and loan guarantees to the Enterprise; (7) grant privileges and immunities to the Enterprise to operate in the U.S. and other countries; (8) encourage revenue sharing with the PLO and other terrorist groups; (9) permit amendment to the treaty text binding on the U.S. even if the Senate or President refuses to ratify such amendments; and (10) guarantee the Soviets 3 seats on the Council and an ability to block U.S. access to seabed resources simply by demanding that the Seabed Authority adhere to the intent of the treaty text.

Finally, Mr. Chairman, let us focus for a moment on the Soviet issue.

The U.S.S.R. recognizes that it is far better protected by the treaty than the U.S. and is pressing the U.S. to agree to conclude the negotiations by accepting the treaty text in its present form. In addition to receiving greater benefits than the U.S. from the navigation provisions, they have guaranteed control over 3 seats on the executive Council, whereas the U.S. is not guaranteed even one Council seat, and being a net exporter of strategic metals, desire to prevent secure U.S. access to seabed minerals. The denial of assured, non-discriminatory access for U.S. citizens to seabed minerals would be the case if the present treaty text or its equivalent were agreed upon at the March/April session in New York. The Soviets also support the treaty provisions which allow revenue sharing with the PLO and other terrorist groups and would, therefore, like to see the U.S. embarrassed by their retention in the treaty text.

Mr. Chairman, I am confident that this Committee will fight hard to force a new focus on the relationship between Title II of the legislation and the pitiful treaty negotiating text.

Statement of the Honorable John B. Breaux

Mr. Chairman, I am pleased to have the opportunity to testify concerning the Law of the Sea, an issue that profoundly affects our national security, domestic economy and foreign policy. Your decision to confront this vitally important subject at this time is highly commendable. The Law of the Sea Conference session that begins on March 9, 1981 must be regarded as a watershed in the history of post-World War II international relations. The momentum toward a fundamentally unacceptable treaty will be halted by the United States, as a result of a decision by the new Administration to hold the negotiations open, pending a review of the serious problems presented by the Draft Convention which emerged from the last meeting of the Conference. The United States will have the opportunity to establish a policy that will effectively avoid the far-reaching, adverse consequences to our national interest that otherwise would have inevitably followed upon the rapid conclusion of the negotiations this spring and the opening of the treaty for signature this summer.

I hope and expect that the United States will communicate to the international community a heretofore strangely absent realism with regard to the expectations that our nation holds for its future. There is, I believe, a message that must be conveyed to the Third World and Soviet bloc:

We will not meekly submit to the New International Economic Order; we will not mildly consent to the ruin of our system of values as a free enterprise society.

We will not quietly retreat from our rights and responsibilities as the leader of the free world; we will not capitulate to our political and military adversaries.

We will protect the vital interests of the United States; we will have due regard to reasonable aspirations, but not the unreasonable demands, of the developing countries.

In a letter dated December 10, 1980, I was joined by a bi-partisan group of thirteen of my colleagues in calling upon President Reagan to order a review of the Law of the Sea negotiations. In the few minutes that I have before this subcommittee, I would like to mention some of the principal areas of concern.

Under the envisaged treaty, the United States woud not have assured access to the strategic minerals of the deep seabed. These include cobalt, which is essential to the manufacture of jet engines and other high technology equipment. Also included is manganese, which is required for the production of steel. Yet, unlike the Soviet Union, we are heavily dependent on unreliable foreign sources of supply, such as Zaire and Gabon, to satisfy our essential requirements for these minerals—and we possess the technology to free ourselves from this serious vulnerability through the development of the vast resources of the deep ocean floor.

I must emphasize that this access problem cannot be remedied through detailed rules and regulations to be negotiated in the Preparatory Commission which would operate in the period between signature and entry into force of the treaty. Basic provisions of the Draft Convention are fatally flawed. In the International Seabed Authority, which would control access, the selection of mining applicants would be highly politicized, as a result of the voting procedures and composition of the executive Council, and due to the composition of the subsidiary Legal and Technical Commission. The developing countries would dominate, and the Soviets would heavily influence, these organs. Production restrictions and criteria for the choice among competing applicants would aggravate this terribly serious problem.

Our highly sophisticated technology—some of it defense-related—would be subject to forced sale obligations for the benefit of developing countries—including Romania, a Warsaw Pact nation—and for the use of a highly privileged, supranational, mining Enterprise to be established to compete with our private operations. We are assured by previous U.S. negotiators that this is not a real problem. Based on very careful, detailed legal analysis, I must insist that they are not correct.

The treaty would provide for the sharing of seabed mining revenues with national liberation groups. We are told that we could block the implementation of this treaty provision in the Council. But we are not guaranteed representation in that body, although the Soviet Bloc is expressly assured at least three seats and the developing countries are promised the vast majority of remaining votes. And if we were to receive a seat, we could expect to be rotated out of it, in accordance with treaty requirements. In any event, a decision to thwart the clear intent of the treaty would invite severe retaliation in a system in which we would hardly be in a position to protect ourselves.

There would be no reservations permitted to the seabed regime, and after about two decades, it could be amended for all States parties on the vote and ratification of only two-thirds of them. We are told that we could denounce the treaty and return to unilateral mining, if the amended regime were unsatisfactory. However, one may well ask whether some twenty years of the "common heritage," international consent, access regime would have given rise to rule of customary law prohibiting unilateral exploitation. And, one may inquire as to whether the United States would risk retaliatory denunciations by other States and thus imperil our other oceans interests.

The seabed mining regime would establish a highly adverse precedent for future international arrangements concerning the resources and communications and transportation media of the international environment. In fact, the Moon Treaty, which was recently opened by the United Nations for signature, declares the resources of the moon and of the other bodies of the solar system to be the common heritage of mankind, and establishes principles for future exploitation that follow virtually verbatim the policy provisions of the seabed regime set out in the Law of the Sea Draft Convention. Concerns along the lines of those that I have raised today have led the Executive to withhold signature of that space agreement.

I am reluctant to consume more of the Subcommittee's limited time on these and other seabed mining issues. Additional, detailed submissions for the record can well serve my purposes in this hearing. Moreover, although I feel compelled to point out here and now that the serious problems created by the Draft Convention are by no means restricted to the seabed mining regime, there are compelling reasons why these far-reaching issues ought not to be discussed today in open hearing. I would simply like to provide pertinent documents which will, at a more appropriate time, emerge in the printed record of this hearing. They will have considerable value for what I hope will be a Law of the Sea review process to which the public will have an opportunity to make a timely and informed contribution.

Again, thank you for the opportunity to present my views to the Subcommittee. Your decision to hold this hearing, and the Administration commitment to carry out a meaningful review, are distinctly in the public interest. There is, at long last, reason to hope that the United States will return to a policy that defends and promotes the broad range of national interests affected by the Law of the Sea negotiations.

Thank you.

Mr. McCLURE. Mr. President, these concerns are also paralleled in the analysis of national observers. Articles in the New York Times, the Washington Star, the Washington Post, and the Wall Street Journal indicate increasing support for a full review of the draft LOS Treaty before the United States continues with its negotiations. Mr. President, I ask unanimous consent that the editorial in the Wall Street Journal of March 9 and the editorial in the Washington Star of March 8 be inserted in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Mar. 9, 1981]

FOUNDERING LAW OF THE SEA

Just when delegates to the UN Law of the Sea Conference thought they were sailing smoothly toward ratification of the pact this summer, the Reagan administration fired a timely shot across their bows. Citing "serious problems" in the lengthy and complex document, particularly in the rules on deep-sea mining, the U.S. said it would defer action on the treaty at the 10th session of the conference opening in New York today until it has time to draw up revisions. We doubt they "revisions" are the answer to the mining code. The whole concept is deeply flawed.

The agreement covers two distinct and separable issues: navigation rights and rules on the exploitation of the wealth of metals and minerals that lie abundantly in fist-size nodules on the seabed. The navigation section is an attempt to reconfirm rights of free passage, especially though the many narrow and strategically important straits around the globe. Traditional conventions have been thrown into some disarray as nations have begun proclaiming that their territorial waters extend up to 200 miles from shore—claims that theoretically make some straits legally impassable without permission.

In truth, however, any attempt to block free passage has traditionally been regarded as a belligerent act. International conventions on this subject date all the way back to the code drawn up by Dutch statesman Hugo Grotius in 1609.

The free passage business is mainly window dressing for something of far more interest to the UN, a massive international income transfer managed by the UN by skimming off the returns from seabed mining. Elliot Richardson, long the chief U.S. negotiator, argues eloquently on the page opposite today that the terms for this are "fair and reasonable." But we must respectfully disagree.

Under the treaty, the UN would set up an International Seabed Authority, siting it in some nice spot like Jamaica, Malta or Fiji. It would soon be in control of vast sums, gathered from taxes and royalties on enterprises that have the advanced and expensive technology needed for deep sea mining, firms which on the whole are based in advanced industrial countries. This money would then be distributed to "poor" nations, as designated by the UN on the basis of definitions not yet spelled out.

In short, the UN, itself heavily dominated by Third World nations, would suddenly acquire enormous taxing and financial power. We are asked to take it on faith that it would use that power wisely.

The alternative to this would be to let the mining companies who can retrieve these minerals do so to the extent that this kind of mining can be competitive with other types. They will put these resources and the capital generated from returns on their investments into the world markets. Unlike in the UN scheme, the result will be enhanced international economic efficiency. There won't be a lot of UN power politics over who gets the boodle. The Reagan administration was right in holding up the treaty. We need to contemplate just how much independent power we want to UN to have.

[From the Washington Star, Mar. 8, 1981]

DRAGGING ON LAW OF THE SEA

It should not be shocking that the Reagan administration dropped anchor against concluding a Law of the Sea Treaty at what was thought might be the final negotiating session, opening tomorrow in New York. The Republican platform viewed the treaty proposals with skepticism.

Instructing U.S. representatives to the 10th gathering of the Third U.N. Law of the Sea Conference to "seek to insure that the negotiations do not end at the present session" could put at hazard, it is said, the extraordinary work that has been done over the past seven years. The long negotiations have involved more than 150 nations, covering a spectrum of international issues—territorial limits, freedom of navigation and over-flight, conservation and management of fisheries, protection of the marine environment, to name but a few.

Elliot Richardson, the former U.S. ambassador to the conference, agrees generally with the administration's decision to review the draft treaty, with its more than 400 provisions. However, he warns that an effort to gain major new concessions from Third World nations "risks losing gains that have already been achieved without in fact being able to obtain a successful response to those demands." Mr. Richardson's warning should not be disregarded.

But it would be a mistake to regard President Reagan's decision to put the treaty on hold as either parochial or thoughtless. He is inheriting a process that has been going on since 1974. For a new administration to accept uncritically a treaty of such scope would be excessively trusting in a world where trust is not always warranted. The administration said it has found "serious problems" in the final draft. There are problems. That is not unexpected. The distance covered in seven years of delicate international effort to accommodate diverse and antagonistic interests insures that the closer the process is brought to conclusion, the greater the deficiencies that will emerge.

There are sufficient practical reasons for reluctance to cover that remaining ground at a single leap. The Reagan administration also is evidently using the New York negotiating session to suggest that the United States is going to be more assertive in international affairs than in the recent past. We would not quarrel with transmitting that message, and giving it practical meaning.

Among the practical liabilities is a clause that would require parties to a ratified treaty to share seabed resources with "peoples who have not attained full independence or self-governing status." No U.S. administration could agree to so explosive a provision.

Another central problem is deepsea mining. The Reagan decision cannot be portrayed as a blatant concession to U.S. mining interests—implying unadulterated commercial self-interest. It is not so simple. There are disturbing questions about access to the vast mineral wealth beneath the seas—nickel, cobalt, copper, manganese, all of vital strategic value to the U.S. and for which we are now either wholly or significantly dependent on foreign sources—and on the required transfer of advanced technology to the international operating regime the treaty would establish. Progress has been made on this volatile issue. But we share the view that there is still a far distance to go to balance America's long-range interests and global equity.

The premise of the Law of the Sea, that oceanic resources represent "the common heritage of mankind," is a noble ideal. The U.S. obviously will continue to embrace that goal. But the flame of idealism can burn those who embrace it incautiously. We doubt that President Reagan's caution will jeopardize eventual treaty agreement—there is too much to be gained for all the participating nations. But there is too much at stake to venture to the end assuming that all that can be accomplished already has been.

Mr. McCLURE. Mr. President, finally, let me review several but certainly not all the points in the draft and the procedures related to the treaty that are of concern to this Senator.

In title II of the Deep Seabed Hard Mineral Resources Act (Public Law 96-283) the Congress instructed the delegation to obtain secure access to ocean minerals, including negotiating a grandfather clause exempting U.S. citizens engaged in ocean mining under the legislation from any provisions of the treaty which, by adding significant new economic burdens, would adversely affect either assured access or the economic viability of ocean mining projects. The delegation to the LOS conference did not insist on a treaty provision conforming to the language of title II.

The current negotiating text effectively forfeits U.S. access to strategic ocean minerals. The four primary minerals to be derived from seabed nodules—nickel, cobalt, copper, and manganese—are of major strategic importance to the U.S. economy and national security. The United States is currently dependent on imports for 95 to 98 percent of its manganese, cobalt, and nickel. The alternatives to seabed mining production is a continued dependence on unstable and unreliable foreign sources, Zambia and Zaire for cobalt, Zambia, Chile, and Peru for copper, Gabon, Brazil, and South Africa for manganese. By the year 2000, U.S. import reliance for these four metals would be reduced to zero if as few as 10 ocean mining sites were fully operational. In fact, with the exception of nickel, five mine sites would meet the excess of U.S demand over U.S. production.

Title II also asked the delegation to insure security of tenure for those U.S. contractors who begin exploration and development operations before the treaty enters into force. It will cost each consortium one-quarter of a billion dollars to complete work on proving final commercial feasibility of ocean mining. Thereafter, each consortium will have to spend approximately $1 billion to start mining and processing ocean minerals on a commercial basis.

The companies cannot take the risk of going forward so long as this treaty text does not provide for security of

their investments. The delegation has not been able to obtain assurance that mining operations already in place will have priority of rights and access even to minesites already exploited. The delegation has still not been able to include a grandfather clause.

A third area of concern lies in the organization and functions of the International Seabed Authority, the Executive Council, and the Legal Technical Commission. The United States still lacks a guarantee that it will have seats on the council—which the U.S.S.R. has—while the political nature of the voting procedures and composition of the body make it probable that the United States will, in fact, enjoy very little influence or control over its interests.

In addition, we asked that such things as criteria for selection of contracts and procedures for commercial arbitration of disputes be written into the treaty. These issues are still left to the Preparatory Commission, which will not be established until after the treaty enters into force. In the draft treaty text, critical disputes, such as those related to the authority's refusal to grant contracts or abuse of its discretionary authority, are not subject to review by impartial panels.

Further, we asked for assurance that individual contractors would not have to face discrimination in selection for contracts. But as the draft text now reads, individuals will be required to pay heavy fees, and are limited in the number of minesites they may apply for and the amount of minerals they may extract. Worse still, the clause which requires sharing of technology with other nations and with the Enterprise, of which the Senate voiced strong disapproval, has not been changed.

A sixth area of serious concern lies in article 137 of the draft. This article provides that no state or its citizens "shall claim, acquire, or exercise rights with respect to the minerals of the [deep seabed] area except in accordance with the provisions of [the treaty]". This provision and others contained in article 137 purport to establish preemptory norms of international law which have the effect of declaring that the United States has no legal right to authorize seabed mining or other uses of the deep seabed, except pursuant to the treaty. This concept flies in the face of the U.S. Constitution which provides that the only treaties the United States is bound to recognize and adhere to are those which have received the advice and consent of the Senate and have been ratified by the President. Notwithstanding the U.S. constitutional provisions regarding treaties, article 137 of the treaty attempts to establish a new system of creating international law which in essence provides that once the 60 ratifications necessary for it to enter into force are obtained, those 60 nations may impose the treaty they ratified upon all other nations, including the United States, without any requirement that such nations agree to be bound by the treaty.

It has been further argued that once the United States signs the treaty, the United States may not take any action in contravention of the treaty, including the issuance of exploration or mining permits pursuant to the Deep Seabed Hard Minerals Resources Act of 1980. Once again, the purpose of our constitutional provisions regarding treaties, was to prevent the United States from becoming obligated either to take action or not to take action under any treaty without the prior concurrence of two-thirds of the U.S. Senate.

The treaty's provisions contained in article 155 which permit the complete revision of the treaty text after it enters into force. The treaty permits amendment by a review conference. The treaty is unclear on how the review conference is to make decisions on adopting amendments because it states that the review conference itself shall establish its own rules and procedures. However, should the review conference succeed in agreeing, by whatever procedure, to amendments to the treaty, such amendments would be binding on all states parties once three-fourths of the states parties ratify such amendments.

Regardless of Presidential or Senate refusal to ratify, such amendments would be binding on the United States.

The treaty further provides that in the event of a collapse of the review conference, states parties may agree by two-thirds vote to adopt amendments to the treaty. Such amendments would enter into force and be binding on all states parties once they were ratified by two-thirds of the states parties to the treaty. That means that if the United States ratified the treaty, and either the Senate or the President refused to agree to ratify subsequent amendments to the treaty, the amendments would nevertheless be binding on the United States. Although technically possible the United States could then renounce the treaty, all of the rights it then enjoyed under the treaty would be revoked, rendering renunciation a very risky option.

Consequently, speaking for this Senator, I must state that the draft as it now stands remains fundamentally unacceptable. It is important that we make clear to the Third World and the Soviet bloc, who are determined to conclude the treaty negotiations by April 24 without permitting any material changes to the current negotiating text, that we are not willing to bow to pressure and accept a treaty which still contains passages that may be inimical to U.S. interests and security.

I would like to point out that the U.S.S.R. recognizes that it is far better protected by the treaty than the United States, and is pressing the United States to agree to conclude the negotiations by accepting the treaty text in its present form. In addition to receiving greater benefits than the United States from the navigation provisions, they have guaranteed control over three seats on the executive council, whereas the United States is not guaranteed even one council seat. The U.S.S.R. being a net exporter of strategic metals, they desire to prevent secure U.S. access to seabed minerals. The denial of assured, nondiscriminatory access for U.S. citizens to seabed minerals would be the case if the present treaty text or its equivalent were agreed upon at the March/April session in New York. The Soviets also support the treaty provisions which allow revenue sharing with the PLO and other terrorist groups and would, therefore, like to see the United States embarrassed by their retention in the treaty text.

On the basis of the concerns I have outlined here, this Senator and, I believe, the other Members of this body, would like to go on record as strongly supporting the decision of the administration to institute a full and careful review of the LOS Treaty as it now stands.

This Senator is hopeful that the Reagan administration officials charged with the review of the Law of the Sea Treaty will carefully analyze the treaty provisions to which we make reference today, will ask themselves if such provisions are in the national interest, and if they are contained in the text of the treaty submitted to this body, whether the Senate will grant advice and consent to the treaty?

In concluding, I would like very much to commend the President, Secretary of State Haig, Deputy Secretary Clark, Under Secretary Buckley, and Assistant Secretary Malone, for their positive action over the last week in effecting this major review and redirection of the U.S. position in the LOS process.

LEGISLATIVE PROGRAM FOR REMAINDER OF THE WEEK

Mr. ROBERT C. BYRD. Mr. President, I take the floor at this time to ask the distinguished majority leader what the program is for the rest of the day and for the rest of the week, if he would enlighten us.

Mr. BAKER. Mr. President, I thank the minority leader. There will be no more rollcall votes today. Shortly after we have another brief period for the transaction of routine morning business, it will be my intention to move that the Senate stand in recess until Thursday at 11 a.m.

On Thursday we will have two pieces of business to transact. We will have the cash discounts bill, on which there is a time agreement. In addition it would be the intention of the leadership to proceed at some point, perhaps in the middle of the afternoon, to the consideration of the four resolutions of disapproval in respect to the pay raises.

I expect there will be rollcall votes on both of those measures, and the Senate may be in until 6 or 7 o'clock on Thursday.

If we are able to complete both of those measures on Thursday, it will be my expectation that we will only be in session pro forma on Friday, and then we will go over until Tuesday.

Mr. ROBERT C. BYRD. In the alternative, if the Senate does not complete both of those measures, will there then be a session on Friday?

Mr. BAKER. The Senator is correct. If we are unable to complete action at a reasonable time on Thursday or Thursday evening, we will be in session on Friday.

It would be my hope, however, that we would be able to complete them even if it meant staying reasonably late on Thursday.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to extend beyond 30 minutes in length in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT'S BUDGET-CUTTING TEAM AND THE WHITE HOUSE STAFF EXEMPTED FROM PRESIDENT REAGAN'S FEDERAL EMPLOYMENT "DIET"

Mr. DECONCINI. Mr. President, last week the President announced with much fanfare that he was "putting the Federal Government on a permanent diet" by requesting a permanent ceiling on Federal employment to replace the current hiring freeze. The President's proposal would effectively reduce the number of Federal employees by 33,000 below current levels.

There is no question that we can and should reduce the size of the Federal Government. As a member of the Senate Appropriations Committee and the ranking minority member on the Treasury, Postal Service, and General Government Subcommittee, I intend to do my part to help the President make reductions in Federal spending wherever possible.

However, in examining the President's proposed March 10 budget revisions for fiscal year 1981 and 1982, it appears that the President has exempted his own White House staff and the staffs of his two top budget cutters from his Federal version of "weight watchers." I am talking about the Office of Management and Budget and the Office of the Secretary of the Treasury.

While the details of the President's latest budget revisions are still coming in, the budget tables show that the President has "looked the other way" when it comes to his own White House staff and the staffs at OMB and the Office of the Secretary of the Treasury.

The President is actually requesting an increase of $861,000 and 20 positions for the Office of Management and Budget over and above the levels proposed by President Carter in January of this year. By going above the Carter budget for OMB for 1982, the President is recommending $37,151,000, which is $6,151,000 or 19.2 percent over the current 1981 OMB budget of $32,000,000.

During the early days of the Reagan administration, I remember reading in the newspaper that the President intended to take his own medicine and recommend a 10-percent reduction in the Executive Office of the President next year. His initial contribution to this effort was his January 29 proposed rescission of $1,500,000 in the budget of the Council of Wage and Price Stability. Now, we learn that the President has changed his mind and has decided to embrace the original Carter budget proposal for the White House office and reduce the overall Executive Office of the President budget by a much smaller amount. The President is recommending the Carter budget of $22,346,000 for the White House Office in 1982—an increase of $1,973,000 or 10 percent over the current 1981 funding levels.

Furthermore, while the President has proposed reductions in, or elimination of, the proposed fiscal year 1981 pay raise supplemental for most other agencies, he has apparently decided to exempt the White House office from any cuts in the fiscal year 1981 pay raise. In fact, the White House office is only one of three offices exempt from cuts in the 1981 pay raise supplemental among all agencies covered by the Treasury, Postal Service, and General Government appropriations bill.

The President has also spared the office of his other budget-cutting team captain, Treasury Secretary Donald Regan, from the budget knife next year—leaving the proposed Carter budget figure of $37,265,000 for the Office of the Secretary intact—and recommending the full pay raise supplemental of $1,507,000 for the office. The budget request for the Office of the Secretary of the Treasury represents an increase of 11.2 percent over the current 1981 budget for the Office.

Mr. President, at a time when the President and his team of budget cutters are asking the Nation to sacrifice, it is ironic that the President has not applied the same tough budget standards to his own inner circle of staff and advisers or to the offices of those who are leading the administration's campaign to balance the budget and cut Federal spending. Indeed Mr. President, the Senate has reduced the size of its committee budgets by 10 percent.

As the ranking minority member of the Appropriations Subcommittee with jurisdiction over the White House Office, OMB, and the Office of the Secretary of the Treasury, I intend to recommend to the committee this week that its report of March 15 to the Senate Budget Committee include a recommendation that a 10-percent reduction be made in the total Executive Office of the President, including the White House Office and OMB, and a similar reduction in the Office of the Secretary of the Treasury. I believe that such a move is both fair and equitable under the circumstances, and I hope my Republican and Democratic colleagues will assist me in this effort.

NAMIBIA

Mr. PERCY. Mr. President, the recent deadlocked conference on implementation of an independence plan for Namibia (South-West Africa) was a disappointment for those of us who believe that a settlement holds great promise for U.S. interests in the region.

The territory of Namibia has been administered by South Africa since World War I, but for many years South Africa's jurisdiction has been challenged by the U.N. and the World Court. About 3 years ago South Africa accepted in principle a U.N. plan for the independence of the territory. The United States, the United Kingdom, Canada, Germany, and France formed the western "contact group" which worked to develop the independence plan promised by the U.N. Nigeria and the important African "frontline" nations of Botswana, Tanzania, Zambia, Zimbabwe, Angola, and Mozambique joined with us in actively supporting the plan.

Since then, disagreements over terms for a cease-fire and implementation of the independence plan have prevented a final resolution. Progress has been halting, frustrations have run high, and pressures for new sanctions against South Africa have been building.

Last month, all sides in the dispute met in Geneva at a U.N.-sponsored all-parties conference which was to be a step toward achieving independence. Regrettably, no progress was made at the conference.

The fact that the conference was convened at all provided a sharp contrast to the situation that existed when I visited South Africa and Namibia in 1976. At that time a constitutional conference on Namibia had been organized by the South African Government, but it did not include all of Namibia's main political parties. There was an urgent need to expand the conference.

The U.S. approach to the Namibia situation at that time was, in its own way, equally unrealistic. To demonstrate American disapproval of a continued South African presence in Namibia, U.S. policy severely limited official contact with the territory; in fact, no U.S. officials at all were stationed there. When I visited Namibia, accompanied by a junior officer of our Embassy in Pretoria, it was to my knowledge the first time a member of the U.S. Senate or a representative of the U.S. Embassy in South Africa had ever done so.

By being practically invisible in Namibia, it seemed to me that the United States was only minimizing the role that it might have played in helping to encourage a satisfactory political solution. Upon my return I urged a more active U.S. role, and I have been gratified that the issue was subsequently given a much higher priority by the Department of State.

Mr. President, I believe that the issue should remain one of high priority for this administration. A peaceful settlement will bring to an end 15 years of war with guerrilla forces which enjoy sanctuary in neighboring Angola—a war which can only escalate and widen if the problem is allowed to fester.

A settlement on Namibia increases the likelihood that Angola would have the confidence to begin to reduce the Cuban presence of 15,000 to 19,000 military personnel. Angola's Foreign Minister has

stated publicly that his government's reliance on the Cubans would be diminished once a Namibian settlement, including the removal of South African troops from its border, were concluded.

Beyond these desirable political developments, peace in Namibia will allow development of Namibia's untapped sources of valuable minerals, especially uranium and diamonds.

In many ways, a Namibia settlement can contribute to the achievement of stability and progress in the region. In a time of increasing tensions around the world, this could be an encouraging and positive development for the United States and the West.

Mr. President, a recent Chicago Sun-Times editorial discussed the Namibia problem. The language of the editorial is very strong but the message—that Namibia should be a high priority matter for this administration—is important. I ask unanimous consent that Chicago Sun-Times' February 2 editorial about Namibia be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STALLING ON NAMIBIAN FREEDOM

A crisis centering on Namibia is brewing for the new Reagan administration.

If "crisis" has become a turn-off word for benumbed Americans, let's add that this one involves a threat to U.S. oil imports.

That strikes closer to home than the larger issue, the deserved independence of the black Namibian people from the illegal, white-racist domination of South Africa.

Namibia is a huge, thinly populated former German colony that was put under South African mandate by the League of Nations after World War I. The United Nations, with U.S. support, terminated the mandate in 1966, but South Africa hasn't been listening.

Three years ago, under international pressure, it finally appeared to agree to a settlement that called for a cease-fire between South African forces and guerrillas of SWAPO (the South-West Africa People's Organization) and elections to be held under the eyes of UN observers. But South Africa's spokesmen recently dug in their heels again, saying it would be "premature" to implement the settlement now, that "time is needed to establish a climate of trust."

Bunk. South Africa fears that SWAPO would win an election over the Namibian elements it sponsors, as it probably would. And SWAPO is led by Sam Nujoma, who is looked upon by South Africans as a communist, though others who are more objective judge him to be a non-ideologue fighting only for the freedom of his people.

If South Africa's new intransigence is prompted by hope that Reagan will go easy on it and loosen the Carter administration's commitments to black African independence, that hope should be frustrated. Support for South Africa on this issue would deprive Namibians of self-determination and the United States of the friends Carter won among black nations, including the largest—Nigeria.

Enter oil. Nigeria, which supplies the United States with 15 percent of its oil imports, has threatened to use the oil weapon in the cause of African independence movements.

The issue could come to a head soon. African and other Third World nations are preparing to seek a United Nations trade boycott against South Africa. The Reagan administration then would be forced to make a painful choice—veto the boycott, thus alienating our friends, or support it, thus inflicting woes on South Africa's black workers as well as its white government.

Firm diplomatic pressure on South Africa to bend to the inevitable might avert the dilemma. Alexander Haig's State Department should pursue that as a priority matter.

ESTONIAN INDEPENDENCE DAY

Mr. PERCY. Mr. President, today marks the 63d anniversary of the proclamation of independence for Estonia, a small country of unusual physical beauty and rich ethnic and cultural heritage. Estonia's independence was brutally cut short in June 1940 when the Soviet Union occupied Estonia and her neighbor states Latvia and Lithuania. Serious violations of individual rights pledged by the Soviet Union in the Helsinki Final Act continue today in Soviet-occupied Estonia.

On this occasion those of Estonian heritage in this country and elsewhere commemorate the establishment of the independent Estonian state in 1918, and renew their commitment and vigil for the return of independence to Estonia. All of us Americans, who are blessed with freedom, pay tribute to the rich scientific and cultural contributions of Estonians to Western civilization, and join with Estonians in their commemoration of and commitment to Estonian independence.

BARRY (GOLDWATER) TO THE RESCUE

Mr. PERCY. Mr. President, once again the Rockford Register Star has hit the nail right on the head with a forthright editorial on the distinguished Senator from Arizona entitled "Barry to the Rescue." In their editorial comments they are just as incisive and to the point as BARRY GOLDWATER himself.

I commend this excellent editorial on a truly remarkable American and colleague of ours to my fellow Members of Congress and other readers of the CONGRESSIONAL RECORD.

Mr. President, I ask unanimous consent that the full text of the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BARRY TO THE RESCUE

There was a time when Sen. Barry Goldwater, R-Ariz., went down in defeat as a presidential candidate because he was considered "too right."

Now, this veteran legislator, an affectionate legend in the eyes of many, is polishing off his credentials and challenging the so-called "New Right" within the Republican Party.

In his usual colorful way, Goldwater says, "I'm the 'right' and I say, who the hell are the New Right? I want to find out what we're talking about when we talk about the New Right. Are we talking about a fund raiser named (Richard) Viguerie, or the moral right?"

If it's the latter says Goldwater, "We really have to pay attention . . . I don't question the role of religion in politics . . . but I do question the wisdom of any minister to stand up and say vote for Charlie or vote for Joe."

Whatever the case, Goldwater makes rampantly clear that he is not yielding his special role in the party to the tight-knit faction that calls itself the New Right and works from the sidelines.

He particularly decried comments by Paul Weyrich, another ideologue from the New Right, who served notice to Republicans like Vice President-elect George Bush that they'd better "get in line."

"Who is Paul Weyrich? I think you'll find that the so-called New Right is not going to run the Republican Party. I think that Viguerie and Weyrich feel ultraconservatives had a lot to do with the last election. I don't believe that."

Nor does the veteran senator cotton to the New Right's idea of amending the Constitution so that prayers can be said in schools and abortion outlawed.

He said women should make their own decisions about abortion. "I just don't think the government should pay for it." Regarding prayer, he's for it only if it is not prescribed in the classroom.

Anyway, says Goldwater, "I don't like to see the Constitution amended at all. Everytime we amend it, we screw it up."

Nor is he for the wholesale dismantling of federal social programs. "We might see a repetition of Miami, Watts or Detroit all over the country if we go in with a meat-ax."

Goldwater is not retiring to his wheelchair despite his arthritic legs. He said he was "madder than hell" with those Democrats who claim they'll scuttle Gen. Alexander Haig if Reagan nominates him to his cabinet. Men like Senate Majority Leader Robert Byrd have said Haig is vulnerable because of Watergate and his service to Nixon during that lawless episode.

Said Goldwater, Byrd was "talking through his fiddle."

The senator from Arizona deserves a medallion for his curmudgeonly stance, for his candor, and for his partisanship, qualities that redeem him from those faceless monsters in Congress who can't talk straight, preferring their knife-in-the-back tactics to a frontal attack.

We hope Goldwater will be around as long as there is need for someone to get "madder than hell" in the service of his government. Nobody does it with more charm or exuberance than Barry.

MARY KATHERINE RANDOLPH

Mr. WILLIAMS. Mr. President, this is a most sad occasion for the Senate and I would like to express heartfelt condolences from Mrs. Williams and me to JENNINGS RANDOLPH on the death of his wife.

Mary Katherine was a remarkable woman who traveled the mountains and hollows of West Virginia as a social worker before her marriage. It was then a most unusual profession and she pursued it with such energy and devotion that she became known as the welfare lady. When she married JENNINGS 48 years ago, she terminated that career but certainly she maintained her vision of what needed to be done and her outrage over injustice throughout her entire life. I must believe that her love, and her vision, played a major role in

the many, many accomplishments of her fine husband as well.

I would be remiss if I did not express a feeling of awe with regard to JENNINGS. We are all aware of the ordeal he has endured over the past few years. We knew well of his devotion and constant attention to Mary Katherine yet despite the emotional heartbreak and the physical demands which his attention to Mary Katherine required, he was true to his vows in this body and true to his heritage of helping so many people who otherwise would have nowhere else to turn. He did not fulfill his duties in the perfunctionary manner of the routine over these years; he led the fight for so many causes, coal mine safety, the handicapped, just to cite two of his major efforts.

Despite his exhaustive ordeal and his devotion to Mrs. Randolph, he was able to bring to bear his full intellectual powers and his vision to bear on the crucial, human elements of his legislative endeavors, and by doing so, he enriched the lives of his colleagues and, indeed, all America.

Again, Mr. President, I offer my condolences to JENNINGS, his two sons, Jay and Frank, and his three grandchildren. It is sad that death has ended this most joyous of marriages but I know that the strength of that eternal union will enable our colleague to carry on.

A DAZZLING ACHIEVEMENT ON ICE

Mr. WILLIAMS. Mr. President, the entire United States is proud when one of our citizens thrills the world in an international sporting event, but that pride is even greater when the achievement belongs to someone as talented, unaffected and accomplished as Ms. Elaine Zayak of Paramus, N.J.

Ms. Zayak recently captured the silver medal in the world skating championships at the Hartford, Conn., Civic Center and I just wanted to call her special effort to the attention of my colleagues.

It is rare enough to see an individual so change and develop a sport through the power of a single performance, but Elaine's achievement is even more memorable since she is a 15-year-old high school sophomore. In a performance marked with seven triple jumps—and a great deal of beauty as well as controversy—Ms. Zayak stunned the skating community with her precision and daring.

Even more important, however, is the way Elaine has worked as an ambassador on ice for America. She toured the People's Republic of China in late October 1980 and won acclaim for her personality and performance both in the arena and out. That is one of the reasons why she was selected as Bergen County, N.J., Female Amateur Athlete of the Year and why she has so many friends and admirers around the world. In recent months, Elaine has captured the eastern senior ladies championship, and the U.S. ladies national championship; major achievements on the way to her silver medal in Hartford.

We will hear more from this dedicated and talented young performer in the years ahead, and I am proud to note that she is one of my constituents, and, more importantly, someone whom all of us can admire.

AN INSPIRING PRAYER

Mr. ROBERT C. BYRD. Mr. President, on March 4, I attended a dinner given by the West Virginia Society in honor of Congressman Harley Staggers of West Virginia. On that occasion, Col. John F. Nicholas, Jr., a member of the West Virginia Society in the District of Columbia and delegate to the National Association of State Societies, offered a prayer which those of us who have chosen public service should find to be particularly applicable and inspiring.

I ask unanimous consent that Colonel Nicholas' prayer be printed in the RECORD.

There being no objection, the prayer was ordered to be printed in the RECORD, as follows:

Almighty God, in whose providence men and nations live, and move, and have their being, we thank Thee for the daring men and women who founded and have shaped our great country—and especially the man we are honoring this evening. Lord, open our hearts and minds to Thy guidance this day. May our faith never be shadowed by doubt or fear. May the sense of Thy presence be as clear in the halls of government as in the temples of worship. In all our striving, our aspiring, and our working, may we be sustained by the radiant vision of the ultimate triumph of justice and peace of Thy coming kingdom.

And to Thee we shall ascribe all honor and glory. Amen.

SENATOR GARY HART

Mr. MOYNIHAN. Mr. President, on February 19 I had the honor of introducing my friend and colleague, the senior Senator from Colorado, to New York County Democrats on the occasion of our annual dinner. I said:

Let us hear tonight from one of the new leaders of the American nation, and perhaps especially of our party. 1980 was, of course, a painful year for those of us in the Senate. We lost so many fine, strong voices. But that is the history of any institution. The test of an institution is its capacity for renewal, for progress, for new perspectives and new ideas. No one more embodies that renewal than my distinguished colleague and close friend, Gary Hart, who first entered politics as George McGovern's campaign manager in 1972, and went on to represent his wonderful state in the Senate. Some of you might note that tonight I am wearing a campaign button I picked up in Denver last Fall when I was campaigning for him. It puts it in that plain old-fashioned way: "Coloradans do it with Hart." Mark me. The time will come, and not far distant, when the whole nation will.

Mr. President, the New York Democratic Party is the oldest organized political party on the face of the Earth. We have been privileged to hear many fine speakers. But in my time at least none has been more lucid or effective than Senator HART. I believe that my colleagues on both sides of the aisle will benefit from Senator HART's remarks and ask unanimous consent that they be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR GARY HART

H. L. Mencken once said: "In this world of sin and sorrow, there is always something to be thankful for. As for me, I rejoice that I am not a Republican."

In this spirit of rejoicing together, I would like to set before you two plain propositions:

The Democratic Party must not abandon its historic principles and ideals—we are fundamentally different from the Republican Party and we must not forget that. But, second,

The Democratic Party must once again be willing to experiment—to try new ways—new approaches—to solve our problems, achieve our goals, and elevate our vision.

Why do I warn against abandonments of principle?

Because there are those who say the clock has run out on the Democratic Party—that the 1980 election signaled the death of the Democratic dream—that present day realities require us to return to practices of oligarchy, monopoly, and economic royalism to survive.

But those voices are the voices of false prophets.

The vast majority of Americans still believe—and always will believe—in a fair and just and equitable society. A society not dominated by concentrated wealth—not driven by personal greed—not based on devil-take-the-hindmost economics. A society where charity is more than the crumbs that fall from the rich man's table. A society that believes not only that a rising tide indeed lifts all boats—but also understands that it matters not if the tide is rising, if you have no boat at all.

So we as Democrats would make both a practical mistake—and a profound moral misjudgment—if we foresake our heritage.

If, in an effort to achieve some short-term political gain, we become like our age-old adversaries, we will abandon the American people.

And, if the American people see that the pursuit of office is more important than the pursuit of principle, they will abandon us.

We are the Party that can show it's possible to be fiscally responsible—and morally responsible—at the same time. And we will.

So, in spite of the false prophets, I do not fear the failure of our principles or the loss of our ideals—the ideals that have provided minorities and women full constitutional rights, the ideals that have done so much to reduce poverty, hunger, and want in our country, the ideals that continue to cause Americans to sacrifice their lives in the defense of democratic principles around the world.

The recent elections are a set-back, not a permanent defeat.

We lost a battle in a long war over principles. And until the older person who is cold, the unemployed younger person, the harassed blue-collar person begins to identify with the mink, diamond, and limousine set—the troops are still on our side.

But to re-affirm our heritage as the majority party, we must become, once more, the Party of ideas—of new solutions to new problems.

Franklin Roosevelt did not say, in 1932, "I am creating the New Deal. It is a rigid set of programs and bureaucracies. And everyone

who considers himself a Democrat must agree with all of it."

No, he said: "Our problems are new. We must try new approaches. We must experiment. If something works we will keep it. If it doesn't work, we will throw it out and try again."

That's the spirit which rescued our country in the 1930s. And it's the spirit which will rescue our country in the 1980s.

What form might this new spirit of experimentation take?

Let's take, for example, the serious problem of productivity and capital formation.

My friend Howard Samuels has pointed out—in a consistently articulate way—that humanitarian goals are best achieved in a healthy economy. It's difficult to be liberal when there aren't enough dollars to meet our needs. Put another way: an expanding pie is easier to share than a shrinking one.

We can create more capital for plant expansion and modernization and new business—and create more jobs—by creating a new class of stock—call it "new capacity stock." The first turnover of such stock would be completely tax free. Investors would have a great incentive to buy the stock. Companies would be attracted to issue such stock—and to expand—by the potential to attract capital.

This proposal, together with specific accelerated depreciation measures sponsored by Democrats, can help reestablish prosperity and greater opportunities for all.

A second example.

The humanitarian goal of concern for seniors—particularly their heating bills—offers a clear case where we can demonstrate social concern without bureaucracy and increased taxes.

Two years ago the Senate passed a bill—which the utilities succeeded in killing in the House—called Lifeline Utility Rates. It would have required each state to adapt a rate system providing all senior citizens a subsistence amount of energy at the lowest rate offered bulk customers. It would have substantially reduced energy bills for the elderly.

This may not be the perfect solution—but it beats the silence we get from this Administration on a fundamental human problem.

Yet another example. As with almost all social progress in this country, the Democrats have taken the lead in cleaning up the environment.

But as we had gotten used to doing, we chose to do that by increasingly complicated regulations.

In his concern for General Motors, President Reagan now intends to dismantle the regulations—presumably leaving the air to clean up itself.

But we're concerned with more than just the needs of General Motors. We're concerned also with the health and prosperity of the workers who build the cars, the safety of the buyers who drive them, the purity of the air they produce, and the integrity of the landscape from which comes steel, and the coal to smelt it.

But we can't win the political battle if it's between more regulation or less regulation.

There is an alternative. We can make it profitable to build cleaner cars by offering an incentive—a rebate—for those who buy them. And we can make it unprofitable to build dirty cars by imposing a charge on those who build them. In short, we can achieve the same results—but without strangling a major, troubled industry in regulations.

What about national security? The Party that led this country, and its allies, to victory in two world wars in this century—and by our leadership prevented World War III—is not a Party that's weak on defense.

Liberal Democrats must learn again that it's imperative to share the concern of many Americans for the well-being of our service men and women. It's imperative to ensure sufficient numbers of maintainable and effective weapons. It's imperative—not only to oppose waste in the military—but, where necessary, to spend more to guarantee the survival of our allies in Europe, Israel, Japan, and throughout the world.

But, along with a strong defense, we must never cease to remind our fellow Americans that an unrestrained nuclear arms race makes us weaker rather than stronger—is fiscally and morally irresponsible—and jeopardizes the survival of human civilization.

And as we seek stability and security throughout the world, we must also seek security at home—in our very neighborhoods.

People genuinely concerned about our survival in the world and their survival here at home won't be inclined to listen closely to the arguments for the superiority of the Democartic Party's economic theories.

The increasing problem of disorder and crime is a national problem—not a New York problem. It is just as frightening to be mugged on the grounds of the State Capitol in Denver, Colorado, as on a New York subway.

Over a decade ago, John Lindsay and the Kerner Commission argued for policies to bring employment back to cities and to provide educational opportunities.

There is no gain in cutting spending for education and job-training, if more money has to be spent for police protection.

Educating poor youngsters is a social investment. Young people must learn to have a stake in their country. Ignorance doesn't care.

Education is our system for recruiting Americans. It is the only method we have for actually creating the American spirit.

And that is central to the Democratic agenda.

So here as in defense, in energy, in our economy, the Democratic Party of the future must be the Party of new ideas, of experimentation, of vision, and of hope.

It takes no particular talent to oppose progress. It takes enormous talent to meet society's needs with limited resources in an austere period.

We are the Party with that talent.

In *War and Peace*, Prince Andrei said of the Russians at the Battle of Austerlitz: "We lost because we told ourselves we lost."

Well, we haven't lost.

We have not come this far to turn back.

We are the Party:

that brought civil rights to this land;

that restored Europe and Japan after World War II;

that sent Americans to the moon and brought them safely back;

that raised the standard of living for virtually all Americans;

that faced down the Soviets in Cuba;

that tackled the hard job of cleaning up our air, our water, and our land;

that established a collective bargaining system and a safer work place for labor.

That is who we are and who we have been—and I am proud to be identified with that record.

But we can't prevent destruction of past monuments unless we are in office. And we can't get into office unless we deal with present realities.

We can only protect the gains of the past by solving the problems of the future.

Now we must become the Party that:

combines economic growth with a healthy environment;

makes government a partner in industrial revitalization;

creates a better quality, more effective defense—combined with nuclear arms control.

Many among us are asking where we will be in the 1980s.

If we create new approaches to new problems—and if we hold to our principles of fairness, of justice, and of equality—I know where the Democrats of the future will be.

We will be:

where cities need rebuilding;

where a young construction worker needs a home;

where parents want to educate their children;

where neighborhoods live in fear of crime;

where young people are concerned about a healthy environment;

We will be:

where a black teenager needs a job,

and where a Chicano farm worker needs fair treatment.

We will be where democratic people want a strong and trusted friend around the world.

And we will be where an elderly person is cold and alone.

We are the Party of the future.

We hold the heritage of hope.

Fortune and history have made America the standard of democracy and the hope of the world.

That is our dream.

That is our vision.

And that is our promise.

DR. ALICE RIVLIN, DIRECTOR, CONGRESSIONAL BUDGET OFFICE

Mr. MOYNIHAN. Mr. President, there is, in the most recent issue of the Bureau of National Affairs Daily Report for Executives, a rather extensive speculation on the future of our good friend and valuable associate, Dr. Alice Rivlin, the Director of the Congressional Budget Office.

Her term, as is observed in this particular document, this newsletter, does not expire until February 1983, but it is reported that she has agreed to resign her post perhaps as early as next month.

The suggestion is that this is a matter that has been desired by the party that now has the majority here in the Senate, and also that this is desired in the executive branch where it is felt that Dr. Rivlin's Keynesian bias, as is suggested, ignores the potential benefits of supply-side tax policies.

In order that the record should show what I am speaking of, I ask unanimous consent, Mr. President, that this particular passage from the Daily Report for Executives be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

U.S. BUDGET: CBO DIRECTOR TO RESIGN POST SOON IN DEAL WITH SENATE REPUBLICANS, SOURCES REPORT

Congressional Budget Office Director Alice Rivlin, whose term will not expire until February 1983, has agreed to resign her post, perhaps as early as next month, in exchange for a voice in the selection of her successor, congressional sources said today.

A CBO spokesman today denied knowledge of any such agreement. "The rumor is utter nonsense. Her term runs until February 1983, and she plans to serve it," the spokes-

man said. Rivlin herself declined to comment.

Conservative Republicans on the Senate Budget Committee, notably Sens. Orrin Hatch (R-Utah) and William Armstrong (R-Colo), have long been critical of Rivlin and the CBO, arguing that the economic analyses the agency prepares for the congressional budget panels have a "Keynesian bias" that ignores the potential benefits of supply-side tax policies. Since the November election victory that brought Republicans control of the Senate, Armstrong has been pushing Senate leaders for a floor vote to oust the CBO director.

Although Rivlin's term is fixed by the Congressional Budget Act that established CBO as a nonpartisan research agency in 1974, a majority vote in either house could remove the director from office. Rivlin has been the agency's only director. Armstrong and other supply-side advocates, including some at the Treasury Department, believe the alleged CBO policy-slant will provide a powerful weapon to Democrats who oppose the supply-side strategies embodies in President Reagan's economic plan.

A Treasury Department memo circulated to congressional Republicans, shortly after the election spelled out the case against Rivlin and CBO, fueling a behind-the-scenes power struggle between the supply-siders and Senate Budget Committee Chairman Pete Domenici (R-NM). Armstrong reportedly backed off on the issue of a floor vote when Domenici and other moderates convinced him he did not have enough GOP support to force Rivlin's dismissal.

For the moment, it appears that Domenici has prevailed, securing Rivlin's agreement to go soon, but quietly, in a manner that will minimize political fallout. However, congressional sources privy to the arrangement indicate that Armstrong and Hatch are not entirely pleased with the terms Domenici has set.

According to these sources, Senate conservatives also want to see changes made at lower levels on the CBO professional staff. "It doesn't matter what Domenici told her (Rivlin). Once she leaves, we intend to clean house," one source says.

Mr. MOYNIHAN. Mr. President, I can report that, learning of this, I spoke this morning with Dr. Rivlin, and learned from her that there is no truth whatever to her pending resignation. It is greatly exaggerated, as Mark Twain said of his demise on one occasion.

I would like to add my voice to what I think would be that of many of us on the Budget Committee of the Senate, to say that it would be a deplorable precedent for the Director of the Congressional Budget Office to be asked to, much less be forced to, resign owing to the nature of his or her economic training and general position within that discipline.

It is true, Mr. President, that Dr. Rivlin took courses in economics, and that may preclude her useful service to those whose view of the subject is that it is a matter of belief rather than understanding.

It can be formally demonstrated that Dr. Rivlin attained a doctor of philosophy degree from an accredited university, and that, too, I do not doubt, might be held an insurmountable obstacle to her acceptance by those whose proficiency in economics appears to lie in the inverse ratio to their training in the subject.

But that is a passing phase. Faith healing is not a matter to be dismissed out of hand, but neither is it a substitute for the medical profession.

And neither are some of the nostrums going about these days under the heading of economics to be thought of as a substitute for an old and difficult and incomplete, and probably, incompletable discipline.

I hold not the least animus against those who are concerned with the basic questions that supply side economics, as it has come to be known, has raised. I would be the first to allow that the general theory of employment, interest, and money and the so-called Keynesian doctrine that have followed from it have had, implicit and explicit, the notion that industrial economies have an inherent tendency to overproduction and that there is a persisting problem in the modern economics of oversaving. It seems to me that those at most would have been temporary conditions of, say, the British economy in the 1930's.

It ought to be clear that economics deals with the persisting problem of scarcity, that insufficient supply is the basic subject to which the discipline is directed. There is never, save in the most temporary and special circumstances, an excess of savings. There is never, except in the most special and temporary of circumstances, an overproduction of economy, generally speaking.

So, those who deal with supply-side matters address themselves to an imbalance in our own thinking in this matter. That is one thing. It is altogether another thing to conduct a witch hunt against a respected professional who has served in her office with diligence, with probity, and with effectiveness through one and a half terms, who has sought to bring the standards of the public service to her work, and who now evidently is unacceptable because of some undefined doctrinal difference with a largely anonymous faction in this Chamber.

If there are those in this body who disagree with Dr. Rivlin's proposed economics, let them come forward. Let them stand on this floor and express to us, in terms comprehensible, at least, to this body, what their views are, explain how they reached them, and in what way they are at odds with those of Dr. Rivlin, and explain in what way her continued stay in a nonpartisan appointive term is unacceptable to them.

We enacted the Congressional Budget Impoundment Act in the hope that we would bring a measure of detached analysis to the assistance of Senators who are not, in the main—and certainly, the senior Senator from New York is not such a person—well versed in economic doctrine. There are those of us who try to know economics without any suggestion that we are able, in that sense, to do it, as the economists say. But let there be no doctrinal test for the right to serve in an office for which a term was established for the very purpose of protecting it from this kind of change in fashion and temper and mood.

It seems to me that the gentlemen and the ladies on the other side of the aisle would make a deep mistake if they were to seek to drive any professional member of the Congressional Budget Office from his or her post, owing to supposed doctrinal heresies with respect to economics matters scarcely understood by those who profess them in our great universities and I dare to think, hardly even comprehended in this Chamber. If they succeed in doing this, they will have succeeded in undoing one of the most important issues that the other side of the aisle has raised for the past 3 years, which is the question of the integrity of the budget process.

I hope that this fine woman will stay at her post through to the end of her term. If she is driven out, let the opprobrium for such an impolitic and improper act rest on those responsible.

Mr. President, two concluding observations to this matter:

I want it to be noted that Dr. Rivlin has not been asked to resign and cannot, in that particular sense, have agreed and has not agreed to do so.

Finally, I believe I can state in the spirit of the law that it would be irresponsible of her to resign unilaterally in an arrangement with the Senate unless the House also wanted her to do it. It would be useful to us to recall that the Congressional Budget Office serves both our bodies.

In conclusion, Mr. President, lest it be thought that I am perhaps speaking of a person who has shared my own views with great unanimity over the years, I say that this is not the case at all. Were anyone to question me on the matter, I have, somewhere in my files, a number of book reviews by Dr. Rivlin of books by the Senator from New York which I would not want to see reprinted under any circumstances, and only in the most extreme situation would I bring them to the defense of my own impartiality.

A GOOD DAY FOR NEW YORK

Mr. MOYNIHAN. Mr. President, Monday, March 2, was an exceptionally good day for New York. When the Westinghouse Science Search announced its awards for this year, we learned that 7 of 10 winners, including the first prize winner, hail from New York schools.

This impressive sweep of the top prizes is a testament to the hard work, imagination, and dedication of the winners. All of them are marked for great success, and I expect that we will hear of them again in the future. I congratulate them. I thank them for bringing this honor to their home State.

Success in competitions like the Westinghouse one also tells us something about the schools, teachers, and parents of the winners. To all of them, I offer my compliments and thanks.

I give you the names and schools of the winners from New York:

Amy Sue Reichel of Hunter College High School, first prize; Joel M. Wein of Stuyvesant High School, fifth; Terrence D. Sanger of the Dalton School, sixth; Lori I. Kaplowitz of George W. Hewlett High School, seventh; Seth Finkelstein of the Bronx High School of Science, eighth; Mark L. Movsesian of Forest Hills High School, ninth; and William Chang of the Bronx High School of Science, tenth.

An article about the Westinghouse competition appeared in the March 3 issue of the New York Times. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TOP WINNER IN WESTINGHOUSE SCIENCE SEARCH IS HUNTER HIGH PIANIST, 17

(By Timothy M. Phelps)

WASHINGTON, March 3.—A 17-year-old senior at Hunter College High School in Manhattan, who worked for five months on experiments in genetic engineering that helped explain resistence to disease, won the top prize today in the annual Westinghouse Science Search.

The winner, Amy Sue Reichel, who conducted her experiments at the Albert Einstein College of Medicine, will receive a $12,000 scholarship.

Second place and a $10,000 scholarship went to Douglas A. Simons, 18, of Vero Beach, Fla., who designed and built his own optical instruments for his study of the moon's surface. Michael M. Dowling, 18, of Newington, Conn., won third prize and a $10,000 scholarship with a clinical biochemical research project.

Miss Reichel said in an interview that she first had learned of her talent in science in the sixth grade when she was able to figure out a gear ratio that none of her classmates had understood.

Hunter College High School, on Park Avenue between 94th and 95th Streets, is part of the City University of New York. No tuition is charged at the school, which is attended by 1,200 intellectually gifted children selected through competitive examinations.

Miss Reichel is an accomplished pianist—Bach, Beethoven, Chopin, and Debussy are her favorites—and she also likes to paint.

"A lot of people think that if you're interested in science, you can't be interested in the arts at the same time," she said. "That's always bothered me. I like to do a lot of different things."

The annual contest is conducted by a nonprofit organization, Science Service, for Westinghouse Electric, the sponsor.

Of the top 10 winners among the 40 finalists who assembled here for the last five days, seven were from the New York metropolitan area. This reflected a trend that has always been a topic of conversation at the annual judging.

One Westinghouse official said that "New Yorkers have no inhibitions," whereas "you might be more inhibited if you came from Oklahoma." Others cited the New York's science-oriented high schools and multitude of research facilities.

"It's really hard to do research, you know," said Michael R. Candan, a 17-year-old senior at Benjamin N. Cardozo High School in Queens, who studied the use of an extract from fern leaves as a repellent to flour beetles. "You have to have equipment. Usually you have to go to a university, which is found only in the major cities, and sort of beg for help."

Joel M. Wein, a 17-year-old Manhattan resident who goes to Stuyvesant High School in Manhattan, said of his friends on the school's mathematics team. "My friends are some of the most brilliant mathematicians in the country. You can't help but get excited when you are running around with people like that."

Mr. Wein, who did his project in numbers theory ("An Examination and Generalization of the Syracuse Algorithm"), came in fifth and got a $7,500 scholarship.

Both the students and the judges of the competition say that teachers in New York set their sights early on the Westinghouse competition and begin encouraging their best students years in advance to start working on projects.

The Bronx High School of Science, according to some of the finalists, has a special research course aimed at the Westinghouse program. As a result, the main hall of the school displays 50 feet of plaques from the competition, according to E. G. Sherburne Jr., director of Science Service. The school will add three more plaques this year from among the top 10 finalists.

The 40 finalists, who exhibited their projects to the public at the National Academy of Science over the weekend, were a tidy and friendly lot who tended to address their elders as "sir." The trend in clothing was toward suits and sports jackets for the boys, skirts or dresses for the girls.

It is a big change from the finalists of the 60's, said Dr. David Axelrod, New York Commissioner of Health and the chairman of the judges for this competition.

The other official winners were: Song Pan, 17, of Miami, fourth, a $7,500 scholarship; Terrence D. Sanger, 17, of Manhattan, Dalton School, sixth, $7,500; Lori E. Kaplowitz, 17, of Woodmere, L.I., George W. Hewlett High School, seventh, $5,000; Seth Finkelstein, 16, of the Bronx, Bronx High School of Science, eighth, $5,000; Mark L. Moysesian, 17, of Forest Hills, Queens, Forest Hills High School, ninth, $5,000; and William Chang, 17, of Fresh Meadows, Queens, Bronx High School of Science, 10th, $5,000.

GASOLINE SURPLUSES

Mr. MITCHELL. Mr. President, recent news reports indicate that gasoline stocks in the country are at record levels.

I hope this means we can look forward to seeing some downturn in gasoline prices at the pump in the near future. The normal interplay of free market forces causes a price downturn when demand is slack and supplies are adequate. With decontrol of domestic crude oil production and the removal of regulations governing the oil industry, I hope that the free market forces which play a role in the seasonal rise and fall of other commodities, such as food supplies, will begin to operate in the oil industry.

On March 2, the New York Times reported that spot market prices for gasoline were some 13 cents lower than the wholesale prices being charged by major oil companies. The spot market is apparently responding to demand fluctuations.

If the spot market is showing the classic signs of adequate supply and weakened demand, I hope the decontrolled oil market will show similar signs. The report that cheaper European-refined gasoline is being imported into this country because of our rising prices—although demand is slackening—is a disturbing indication that the decontrolled market may represent a license to keep raising prices, not an interplay of the classic economic pressures of supply and demand.

I hope that this is not true, and that we will soon see a downturn in gasoline prices at the pump.

Mr. President, I ask unanimous consent that the full text of the New York Times article appear in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BIG STOCKS OF GASOLINE SOFTEN PRICE—LOWER DEMAND IS ALSO EVIDENT RETAIL MARKUPS

(By Douglas Martin)

Gasoline stocks in the United States are nearing record levels, and oil company officials and independent analysts are beginning to suggest that the ample inventories could stem the upward rush in retail prices, and perhaps even begin to push them downward.

Recent increases in crude oil prices continue to exert an upward pressure, analysts caution. But, "The higher the inventories, the greater the downward pressure on prices," noted one economist for a major oil company.

The American Petroleum Institute reported last week that gasoline inventories, including stocks held at refineries, storage terminals and service stations, rose to 280.2 million barrels on Feb. 20 from 280.1 million a week earlier and 259 million at the beginning of 1981.

The record level of gasoline stocks was 283.3 million barrels on April 18, 1980. Those inventories helped insure stable gasoline prices last summer, and even a slight drop in the autumn.

PRICES DOUBLED IN TWO YEARS

Over all, however, gasoline prices have approximately doubled over the past two years, with prices for unleaded regular now exceeding $1.60 a gallon in Manhattan. The Lundberg Letter, a gasoline industry trade publication, estimates that the national average price of gasoline now exceeds $1.34, an rise of more than 12 cents this year. Industry officials foresee at least another 3-cent increase in 1981, but there is mounting doubt whether such an increase is possible in today's market.

Already high stock levels, coupled with reduced demand, are making it difficult for gasoline retailers to pass on the wholesale price increases of nearly 10 cents a gallon declared by major oil companies since President Reagan decontrolled the price of crude oil less than a month ago.

The Shell Oil Company calculates that dealers' margins now average 8 to 9 cents a gallon, compared with about 13 cents a year ago. Some retailers margins have sunk as low as 4 to 5 cents because of the stiffen competition.

Reflecting the weakening market Oil Buyers Guide reports that the price of gasoline has softened on the spot market, which responds more quickly to forces of suoply and demand than the contract market. Moreover, gasoline is selling on the spot market for 12 cents a gallon below the wholesale prices charged by major oil companies, exerting further downward pressure on prices, according to industry analysts.

"The pace of the major companies' price increases has slackened," noted Albert Bas-

sano, editor of Oil Buyers Guide. Although about half a dozen oil companies increased wholesale gasoline prices last week, the rises were generally a penny or less, compared with earlier increases of 2 to 5 cents.

Moreover, substantial quantities of gasoline are said to be coming into the United States from Europe because of even weaker demand there and the rising prices here. Oil company planners are debating whether they should replace some of their domestically refined gasoline with cheaper imports.

But demand in this country has also been weakening. United States gasoline consumption fell 6 percent last year, and a further drop of 3 percent is foreseen this year by oil industry economists.

"If demand continues to decrease, it's going to put pressure on prices," said Lawrence Goldstein, of the Petroleum Industry Research Foundation.

But the price of the crude oil used to produce gasoline has risen by $3 to $4 a barrel, or about 8 cents a gallon, over recent months, and oil companies insist they have no choice but to pass these costs on to gasoline consumers.

"When the price of the raw material goes up, it doesn't make much difference how much gasoline you have in stock," said Charles M. Kittrell, executive vice president of the Phillips Petroleum Company.

The current high gasoline inventories are partly the result of the soaring prices. A rule of thumb in the business says that every 10 percent increase in prices results in a 2 percent drop in demand.

The growth in stocks has also been the result of high demand for heating oil caused by this winter's cold weather. Refinery design requires that, within certain limits, processors must make more of every product to make more of one specific product, such as heating oil.

Also, the oil industry has reacted to supply interruptions, feared or actual, by keeping more gasoline on hand than was considered necessary in prior years. This is also true of crude oil, stocks of which stood at 376.6 million barrels on Feb. 20, compared with 357.9 million a year earlier, according to the petroleum institute.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of March 5, 1981, the Secretary of the Senate on March 6, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on March 6, 1981, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

FISCAL YEAR 1982 BUDGET REVISIONS—MESSAGE FROM THE PRESIDENT—PM 35

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations and the Committee on the Budget:

To the Congress of the United States:

On February 18, I spoke to a Joint Session of Congress about the economic crisis facing America. I pledged them to take the action necessary to alleviate the grievous economic plight of our people. The plan I outlined will stop runaway inflation and revitalize our economy if given a chance. There is nothing but politics-as-usual standing in the way of lower inflation, increased productivity, and a return to prosperity.

Our program for economic recovery does not rely upon complex theories or elaborate Government programs. Instead, it recognizes basic economic facts of life and, as humanely as possible, it will move America back toward economic sanity. The principles are easily understood, but it will take determination to apply them. Nevertheless, if inflation and unemployment are to be curtailed, we must act.

First, we must cut the growth of Government spending.

Second, we must cut tax rates so that once again work will be rewarded and savings encouraged.

Third, we must carefully remove the tentacles of excessive Government regulation which are strangling our economy.

Fourth, while recognizing the independence of the Institution, we must work with the Federal Reserve Board to develop a monetary policy that will rationally control the money supply.

Fifth, we must move, surely and predictably, toward a balanced budget.

The budget reform plan announced on February 18 includes 83 major cuts resulting in $34.8 billion outlay savings for 1982, with greater future savings. With this message, over 200 additional reductions are proposed. An additional $13.8 billion in savings are now planned. Further, I am proposing changes in user charges and off-budget payments that will bring total fiscal savings to $55.9 billion. This compares with $49.1 billion in fiscal savings announced on February 18.

In terms of appropriations and other budget authority that will affect future spending, we are proposing elimination of $67 billion in 1982 and over $475 billion in the period 1981 to 1986.

These cuts sound like enormous sums—and they are—until one considers the overwhelming size of the total budget. Even with these cuts, the 1982 budget will total $695.3 billion, an increase of 6.1 percent over 1981.

The budget reductions we are proposing will, undoubtedly, face stiff opposition from those who are tied to maintaining the status quo. But today's status quo is nothing more than economic stagnation coupled with high inflation. Dramatic change is needed or the situation will simply get worse, resulting in even more suffering and misery, and possibly the destruction of traditional American values.

While recognizing the need for bold action, we have ensured that the impact of spending reductions will be shared widely and fairly by different groups and the various regions of the country. Also, we have, as pledged, maintained this society's basic social safety net, protecting programs for the elderly and others who rely on Government for their very existence.

Budget cuts alone, however, will not turn this economy around. Our package includes a proposal to reduce substantially the personal income tax rates levied on our people and to accelerate the recovery of business with capital investment. These rate reductions are essential to restoring strength and growth to the economy by reducing the existing tax barriers that discourage work, saving, and investment. Individuals are the ultimate source of all savings and investment. Lasting economic progress, which is our goal, depends on our success in encouraging people to involve themselves in this kind of productive behavior.

Our tax proposal will, if enacted, have an immediate impact on the economic vitality of the Nation, where even a slight improvement can produce dramatic results. For example, a 2 percent increase in economic growth will add $60 billion to our gross national product in one year alone. That $60 billion adds to the State and local tax base, to the purchasing power of the American family, and to the resources available for investment.

When considering the economic recovery package, I urge the Members of Congress to remember that last November the American people's message was loud and clear. The mandate for change, expressed by the American people, was not my mandate; it was our mandate. Together we must remember that our primary responsibility is to the Nation as a whole and that there is nothing more important than putting America's economic house in order.

The next steps are up to Congress. It has not been easy for my Administration to prepare this revised budget. I am aware that it will not be easy for the Congress to act upon it. I pledge my full cooperation. It is essential that, together we succeed in again making this Nation a land whose expanding economy offers an opportunity for all to better themselves, a land where productive behavior is rewarded, a land where one need not fear that economic forces beyond one's control will, through inflation, destroy a lifetime of savings.

RONALD REAGAN.

THE WHITE HOUSE, *March 10, 1981.*

RESCISSION AND DEFERRAL OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 36

The PRESIDING OFFICER laid before the Senate the following message

from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Commerce, Science, and Transportation, the Committee on Labor and Human Resources, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Judiciary, the Committee on Veterans' Affairs, the Committee on Governmental Affairs, and the Select Committee on Small Business:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974 I herewith propose 3 new rescissions of budget authority previously provided by the Congress, totalling $128.0 million. In addition, I am reporting 24 new deferrals totalling $825.5 million, and revisions to five previously reported deferrals increasing the amount deferred by $876.4 million.

The rescission proposals affect programs of the Department of the Interior and the National Consumer Cooperative Bank. The deferrals affect Appalachian regional development programs, programs in the Departments of Commerce, Defense, Education, Energy, Housing and Urban Development, Justice, Labor, and Transportation, as well as the Veterans Administration, the General Services Administration, and the Small Business Administration.

The details of each rescission proposal and deferral are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, *March 10, 1981.*

MESSAGES FROM THE HOUSE

At 1:34 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2166. An act to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-551. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report on a rescission proposed by the President; to the Committees on Appropriations, Banking, Housing, and Urban Affairs, and the Budget, jointly, pursuant to the order of January 30, 1975.

EC-552. A communication from the Clerk of the U.S. Court of Claims, transmitting, pursuant to law, a certified copy of the court's judgment order on the case of Wichita Indian Tribe, and so forth against the United States, Nos. 373, 374, 375; to the Committee on Appropriations.

EC-553. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed foreign military sale to Jordan; to the Committee on Armed Services.

EC-554. A communication from the Assistant Secretary of the Air Force for Research, Development, and Logistics, transmitting, pursuant to law, a report on the awarding of a contract for refuse collection at Sawyer AFB, Mich.; to the Committee on Armed Services.

EC-555. A communication from the Assistant Secretary of the Air Force for Research, Development, and Logistics, transmitting, pursuant to law, a report on the awarding of a contract for family housing maintenance at Grand Forks AFB, N. Dak.; to the Committee on Armed Services.

EC-556. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on a proposed foreign military sale to Egypt; to the Committee on Armed Services.

EC-557. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report of the value of property, supplies, and commodities provided by the Berlin Magistrate under the German Offset Agreement for the quarter ending December 31, 1980; to the Committee on Armed Services.

EC-558. A communication from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report on a transaction of the Bank involving U.S. exports to Australia; to the Committee on Banking, Housing, and Urban Affairs.

EC-559. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Impact of Foreign Corrupt Practices on U.S. Business"; to the Committee on Banking, Housing, and Urban Affairs.

EC-560. A communication from the Secretary of the Treasury and the Director of the Office of Management and Budget, transmitting, pursuant to law, a report on improvements made during the past year in fiscal and budgetary information and controls; to the Committee on the Budget.

EC-561. A communication from the Acting Chairman of the U.S. Consumer Product Safety Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year ending September 30, 1980; to the Committee on Commerce, Science, and Transportation.

EC-562. A communication from the Acting General Counsel of the Department of Energy, transmitting, pursuant to law, notice of a meeting relative to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-563. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, five amendments to prospectuses previously submitted relative to proposed leases; to the Committee on Environment and Public Works.

EC-564. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Improvements Made, Some Still Needed in Management of Radio Free Europe/Radio Liberty"; to the Committee on Foreign Relations.

EC-565. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Financial Disclosure Process of the Legislative Branch can be Improved"; to the Committee on Governmental Affairs.

EC-566. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, a report under the Freedom of Information Act for the calendar year 1980; to the Committee on Governmental Affairs.

EC-567. A communication from the District of Columbia Auditor, transmitting pursuant to law, eleven reports of the Office of the District of Columbia Auditor; to the Committee on Governmental Affairs.

EC-568. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, a report on the activities of the Administration under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-569. A communication from the Chairman of the Depository Institutions Deregulation Committee, transmitting, pursuant to law, a report on the activities of the Committee under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-570. A communication from the Acting Chairman of the Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, a report on the activities of the Council under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-571. A communication from the Chairman of the Commodity Futures Trading Commission, transmitting, pursuant to law, a report on the activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-572. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report on the activities of the Department of the Treasury under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-573. A communication from the Executive Director of the Federal Labor Relations Authority, the Deputy General Counsel of the Federal Labor Relations Authority, and the Executive Director of the Federal Service Impasses Panel, transmitting, pursuant to law, a report on activities of their various departments under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-574. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, a report on the activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-575. A communication from the Assistant Administrator of the Agency for International Development (Legislative Affairs), transmitting, pursuant to law, a report on the activities of the Agency under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-576. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, a report on the activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-577. A communication from the Acting Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, a report on the activities of the Department of State under the Freedom of Infor-

mation Act for calendar year 1980; to the Committee on the Judiciary.

EC-578. A communication from the Executive Secretary of the Administrative Conference of the United States, transmitting, pursuant to law, a report on activities under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-579. A communication from the Chairman of the National Endowment for the Humanities, transmitting, pursuant to law, a report on the activities of the National Endowment for the Humanities under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-580. A communication from the Governor of the Farm Credit Administration, transmitting, pursuant to law, a report on the activities of the Administration under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-581. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending the deportation of certain aliens under section 244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-582. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on certain aliens whose visa petitions have been accorded third and sixth preference classification under section 204(d) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-583. A communication from the Chairman of the Federal Council on the Arts and the Humanities, National Foundation on the Arts and Humanities, transmitting, pursuant to law, the annual report on the arts and artifacts indemnity program for fiscal year 1980; to the Committee on Labor and Human Resources.

EC-584. A communication from the Acting Director of the Federal Mediation and Conciliation Service, transmitting, pursuant to law, the annual report of the Service for fiscal year 1979; to the Committee on Labor and Human Resources.

EC-585. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the estimated revenues to be deposited in the Panama Canal Commission's fund by the Panama Canal Commission for fiscal year 1982; to the Committee on Armed Services.

PETITIONS

The following petition was laid before the Senate, together with accompanying papers, and referred as indicated:

POM-30. A resolution of the Senate of the State of Wisconsin; to the Committee on Agriculture, Nutrition, and Forestry.

SENATE RESOLUTION 6

"Relating to urging congress to continue the dairy price support program at 80% of parity.

"Whereas, 80% of parity has been guaranteed for dairy producers the last 2 years under federal law; and

"Whereas, the importance of continuing support prices at 80% of parity can be demonstrated by the following facts:

"(1) Wisconsin is the nation's number one dairy producer, generating over $6 billion in retail sales last year;

"(2) Dairy producers are already shouldering more than a fair share of the economic load by only receiving 80% of the same inflated dollar other businesses operate with but recover 100% of costs, plus a profit;

"(3) The Commodity Credit Corporation buys dairy products at support level prices when supplies exceed commercial demand. The product is stored and then sold back into commercial channels when needed. $1.3 billion in Commodity Credit Corporation purchases is a gross outlay which is eventually recovered. The true cost of the program is then the administrative costs of the program, which was $91 million in the 1979–80 marketing year;

"(4) The issue is one of priorities and that if production of food and fiber is not a nation's highest priority then it should be;

"(5) While almost all components of the business community have experienced declines in their productive capability, family farmers have consistently increased their productivity;

"(6) The support program has slowed the decline in farm numbers in this state to the point where in 1980, farm numbers were the same as the previous year, thus vastly increasing the cost benefit of support programs as a land conservation measure;

"(7) The university of Wisconsin system has conservatively estimated the reduction in state income if support prices only drop 5% at $1 billion or an average $6,000 per year per farmer, which has income tax yield implications for Wisconsin in 1981; and

"Whereas, the president and congress are considering changes in the dairy price support program; now, therefore, be it

"Resolved by the senate, That the Wisconsin senate urges congress to continue the dairy price support program at 80% of parity; and, be it further

"Resolved, That duly attested copies of this resolution be transmitted to all members of congress from this state, the secretary of the U.S. senate and the chief clerk of the U.S. house of representatives, the president of the United States and the secretary of the U.S. department of agriculture."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 509. A bill to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually (Rept. No. 97-24).

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under the authority of the order of the Senate of March 5, 1981, the following executive reports of committees were submitted on March 6, 1981:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

John M. Fowler, of Pennsylvania, to be General Counsel of the Department of Transportation;

Judith T. Connor, of New York, to be an Assistant Secretary of Transportation;

Robert W. Blanchette, of Maryland, to be Administrator of the Federal Railroad Administration; and

Lee L. Verstandig, of the District of Columbia, to be an Assistant Secretary of Transportation.

(The foregoing nominations reported from the Committee on Commerce, Science, and Transportation, with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Albert Angrisani, of New Jersey, to be an Assistant Secretary of Labor.

T. Timothy Ryan, Jr., of Virginia, to be Solicitor for the Department of Labor.

(The above nominations, reported from the Committee on Labor and Human Resources, with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROBERT C. BYRD:

S. 652. A bill for the relief of Raul H. Tamayo, M.D., his wife, Teresita, and his son; to the Committee on the Judiciary.

By Mr. THURMOND (for himself and Mr. CHILES):

S. 653. A bill to amend title 28 of the United States Code to modify habeas corpus procedures; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 654. A bill for the relief of Romulo Cayetano; to the Committee on the Judiciary.

By Mr. MATHIAS (for himself, Mr. HUDDLESTON, and Mr. BENTSEN):

S. 655. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States; to the Committee on Finance.

By Mr. MATHIAS (for himself and Mr. SARBANES):

S. 656. A bill to preserve, protect, and maintain the original boundary stones of the Nation's Capital; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD (for himself, Mr. JEPSEN, Mr. GRASSLEY, Mr. PACKWOOD, Mr. CRANSTON, Mr. HAYAKAWA, Mr. MOYNIHAN, and Mr. D'AMATO):

S. 657. A bill to designate the Department of Commerce Building in Washington, D.C., as the "Herbert Clark Hoover Department of Commerce Building"; to the Committee on Environment and Public Works.

By Mr. NICKLES:

S. 658. A bill to amend the Fair Labor Act of 1938 to exempt employees who are under 18 years of age from the provisions of section 6 of that act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. EXON (for himself and Mr. ZORINSKY):

S. 659. A bill to amend the authorization for the flood control project for the town of Niobrara, Nebr., and for other purposes; to the Committee on Environment and Public Works.

By Mr. BOREN:

S. 660. A bill to amend title IV of the Social Security Act to provide for a demonstration program of block grants to States in lieu of Federal matching or aid to families with dependent children; to the Committee on Finance.

By Mr. JEPSEN:

S. 661. A bill to amend title 18 of the United States Code to provide a criminal penalty for robbery of a controlled substance and to establish a commission to make recommendations with respect to the Federal effort to curb pharmacy related crimes; to the Committee on the Judiciary.

By Mr. BOSCHWITZ:

S. 662. A bill for the relief of Defoil L. Orteza, Rosemarie Orteza, Defoil A. Orteza, Junior, and Joseph-Mari A. Orteza; to the Committee on the Judiciary.

S. 663. A bill for the relief of Wing Yin (Cecelia) Li; to the Committee on the Judiciary.

By Mr. CHILES (for himself and Mr. NUNN):

S. 664. A bill to amend section 481(d) of the Foreign Assistance Act of 1961; to the Committee on Foreign Relations.

By Mr. CHAFEE:

S. 665. A bill to extend the period during which the Secretary of Defense may repay certain educational loans made to persons who serve in the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. FORD:

S. 666. A bill for the relief of Louise Condon; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. HATFIELD, Mr. HOLLINGS, Mr. INOUYE, Mr. LEVIN, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. PELL, Mr. RANDOLPH, and Mr. TSONGAS):

S. 667. A bill to amend the Social Security Act to extend medicaid eligibility to certain low-income pregnant women and newborn children; to the Committee on Finance.

By Mr. JACKSON:

S. 668. A bill to provide for an expedited and coordinated process for decisions on proposed non-nuclear energy facilities, and for other purposes; to the Committee on Energy and Natural Resources.

S. 669. A bill to amend the existing geothermal leasing and permitting laws, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, and Mr. DECONCINI):

S. 670. A bill to amend title 38, United States Code, to improve certain programs of Veterans' Administration benefits for veterans who are former prisoners of war, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PELL (for himself, Mr. GLENN, Mr. GOLDWATER, and Mr. HUDDLESTON):

S. 671. A bill to amend section 402 of title 23, United States Code, relating to establishment by each State of comprehensive alcohol-traffic safety programs as part of its highway safety program; to the Committee on Commerce, Science, and Transportation.

By Mr. PELL:

S. 672. A bill to require the Secretary of Transportation to administer a national driver register to assist State driver licensing officials in electronically exchanging information regarding the motor vehicle driving records of certain individuals; to the Committee on Commerce, Science, and Transportation.

By Mr. DOMENICI:

S. 673. A bill to amend the Internal Revenue Code of 1954 to provide a 5 barrel per day exemption from the windfall profit tax in the case of stripper well oil, and for other purposes; to the Committee on Finance.

By Mr. QUAYLE:

S. 674. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against income tax for $750 of the cost of purchasing a qualified American-made automobile or light truck; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HEFLIN, Mr. DECONCINI, Mr. SIMPSON and Mr. EAST):

S. 675. A bill to establish a Federal Jurisdiction Review and Revision Commission; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 676. A bill for the relief of Victor Wu-Hsiung Kaw and Ms. Pei-San Kaw; to the Committee on the Judiciary.

By Mr. STEVENS:

S. 677. A bill to amend chapter 83 of title 5 of the United States Code to provide an equitable system of cost-of-living adjustments for civil service annuitants, and for other purposes; to the Committee on Governmental Affairs.

By Mr. STEVENS (for himself, Mr. MATHIAS, and Mr. GLENN):

S. 678. A bill to amend Title 39 of the United States Code to require that any extension of the Zip Code be part of a voluntary service option with a reduced rate; to the Committee on Governmental Affairs.

By Mr. EAGLETON:

S. 679. A bill for the relief of Maggie John Ekpo and her four children, Comfort John, Alice John, Ime John, and Eno John; to the Committee on the Judiciary.

By Mr. GORTON:

S. 680. A bill for the relief of Kai-Mee Chen; to the Committee on the Judiciary.

By Mr. STAFFORD (for himself, Mr. RANDOLPH, Mr. CHAFEE, Mr. PACKWOOD, Mr. CANNON, Mr. GORTON, and Mr. MITCHELL):

S. 681. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; ordered held at the desk.

By Mr. HEGLE (for himself, Mr. EXON, Mr. PRESSLER, Mr. JOHNSTON, Mr. PRYOR, Mr. ANDREWS, Mr. ABDNOR, Mr. ZORINSKY, Mrs. HAWKINS, Mr. CRANSTON, Mr. DECONCINI, Mr. LAXALT, Mr. LEVIN, Mr. SASSER, Mr. GRASSLEY, Mr. WILLIAMS, and Mr. DIXON):

S. 682. A bill to place a moratorium on decisions by the Federal Trade Commission in shared monopoly proceedings until the Congress establish the existence of the violation and defines its elements; to the Committee on the Judiciary.

By Mr. BAKER (for Mr. DOLE) (for himself, Mr. BAKER, Mr. ROTH, Mr. STEVENS, Mr. DANFORTH, Mr. CHAFEE, Mr. HEINZ, Mr. WALLOP, Mr. DURENBERGER, Mr. ARMSTRONG, Mr. SYMMS, Mr. GRASSLEY, Mr. KASTEN, Mr. JEPSEN, Mr. BOSCHWITZ, Mr. LAXALT, Mr. PERCY, Mr. THURMOND, Mr. HUMPHREY, Mr. WARNER, Mr. TOWER, Mr. HATCH, Mr. SCHMITT, Mr. HAYAKAWA, Mr. GARN, Mr. COHEN, Mr. ANDREWS, Mr. SIMPSON, Mrs. HAWKINS, Mr. MURKOWSKI, Mr. HELMS, Mr. EAST, Mr. MATTINGLY, Mr. QUAYLE, Mr. DOMENICI, Mr. NICKLES, Mr. BOREN, Mr. MCCLURE, Mr. ABDNOR, Mr. COCHRAN, Mr. LUGAR, Mr. GOLDWATER, Mr. PRESSLER, Mr. D'AMATO, Mr. STAFFORD, and Mrs. KASSEBAUM) (by request):

S. 683. A bill to amend the Internal Revenue Code of 1954 to encourage economic growth through reduction of the tax rates for individual taxpayers and acceleration of capital cost recovery of investment in plant, equipment and real property; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. HATCH, Mr. DECONCINI, Mr. SIMPSON, Mr. HEFLIN, Mr. LAXALT, Mr. LUGAR, Mr. BOREN, Mr. ARMSTRONG, Mr. EAST, Mr. DENTON, Mr. GRASSLEY, and Mr. PRESSLER):

S.J. Res. 42. Joint resolution proposing an amendment to the Constitution to alter Federal fiscal decisionmaking procedures; to the Committee on the Judiciary.

By Mr. DECONCINI:

S.J. Res. 44. Joint resolution requesting the President to designate July 18 of each year as "National POW/MIA Recognition Day"; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. NUNN, Mr. DURENBERGER, Mr. NICKLES, Mr. JEPSEN, Mr. GOLDWATER, and Mr. BOSCHWITZ):

S.J. Res. 45. Joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND (for himself and Mr. CHILES):

S. 653. A bill to amend title 28 of the United States Code to modify habeas corpus procedures; to the Committee on the Judiciary.

MODIFICATION OF HABEAS CORPUS PROCEDURES

Mr. THURMOND. Mr. President, in partial response to Chief Justice Burger's recent observation that there should be some reasonable relief to limit judicial review of criminal convictions, I am today introducing a bill containing four proposals to ameliorate the repeated abusive use of Federal habeas corpus to attack State criminal convictions. The purpose of these proposals is to meet longstanding concerns of the States over undue Federal interference in State criminal convictions. As noted by Mr. C. Raymond Marvin of the National Association of Attorneys General in a letter to the Senate Committee on the Judiciary last year:

The purpose of the four proposals, which would take the form of amendments to the United States Code, is to address some of the problems that result in a lack of finality in the judgments rendered by many of our courts. There is wide support for the theory that a principal weakness of our criminal justice system is its lack of certainty: the certainty of a criminal being caught, convicted, and punished. Public confidence will inevitably be shaken by a system where crim-

tials are caught, convicted, and sentenced but where the judgment rendered may be appealed, cross-appealed and counter-appealed years after the initial verdict.

The amendments proposed herein are not radical nor will they interfere with the defendant's full right to determination of federal claims in federal courts. They are intended only to end abuses of the writ of habeas corpus by ensuring that claims on behalf of a defendant are presented in an orderly and timely manner.

The first proposal amends 28 U.S.C. 636(b) to require a district judge—rather than a magistrate—to conduct evidentiary hearings held in a habeas corpus proceeding with respect to a person held in State custody under a State criminal conviction. This recognizes the importance in our Federal system, of State criminal justice proceedings by requiring the experience and authority of a Federal judge to overrule decisions of State supreme courts. Indeed, in many habeas corpus cases not only has the State supreme court reviewed the conviction on direct appeal, but the U.S. Supreme Court has denied review of the decision.

The second proposal would codify the decision of *Wainright* v. *Sykes*, 433 U.S. 72 (1977), in which the Supreme Court held that the failure to object to the admission of inculpatory statements as required under the State law bars Federal habeas corpus review of the issue absent a showing of cause for the noncompliance and some showing of actual prejudice. Unlike the Wainright decision, an effort is made here to spell out the factors constituting "cause" for failure to comply with the State rule.

The third proposal establishes reasonable time limits within which a Federal habeas corpus action must be commenced.

Finally, the fourth proposal provides limits on Federal habeas corpus evidential hearings where the record in the State court provides a factual basis for the State court findings and such record was made under circumstances affording the habeas petitioner a full and fair hearing on the factual issue.

Mr. President, these four proposals seem worth serious study to me. It is absolutely essential that we reexamine methods to enhance the credibility of our criminal justice system and place some reasonable limitations on repeated litigation surrounding criminal convictions. This bill deals with Federal review of State criminal convictions. Similar proposals are equally applicable to repeated collateral attack on Federal criminal convictions. We should extend our appreciation to the Attorneys General for their concern.

Mr. President, I ask unanimous consent that the bill I am introducing be printed in the RECORD following these remarks.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Habeas Corpus Procedures Amendments Act of 1981".

SEC. 1. Section 636(b)(1)(B) of title 28, United States Code, is amended to read as follows:

"(B) a judge may also designate a magistrate to conduct hearings, including evidentiary hearings, except evidentiary hearings in cases brought pursuant to section 2254 of this title, and to submit to a judge of the court proposed findings of fact and recommendations for the disposition, by a judge of the court, of any motion excepted in subparagraph (A), of applications for post-trial relief made by individuals convicted of criminal offenses in a United States District Court.".

SEC. 2. Section 2244 of title 28, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) In a habeas corpus proceeding brought in behalf of a person in custody pursuant to the judgment of a State court, if the Federal question presented was not properly presented under State law in the State court proceedings both at trial and on direct appeal, or properly presented in a collateral proceeding and disposed of exclusively on the merits, the claim may not be considered or determined by a judge or court of the United States, unless the petitioner establishes that the alleged violation of the Federal right was prejudicial to the petitioner as to his guilt or punishment and that—

"(1) the Federal right asserted did not exist at the time of the trial and that right has been determined to be retroactive in its application;

"(2) the State court procedures precluded the petitioner from asserting the right sought to be litigated;

"(3) the prosecutorial authorities or a judicial officer suppressed evidence from the petitioner or his attorney which prevented the claim from being raised and disposed of; or

"(4) material and controlling facts upon which the claim is predicated were not known to petitioner or his attorney and could not have been ascertained by the exercise of reasonable diligence.

"(e) No petition filed in behalf of a person in custody pursuant to the judgment of a State court shall be considered or determined by a judge or court of the United States if it is not filed within three years from the date the State court judgment and sentence became final under State law, unless the Federal right asserted did not exist at the time of the State court trial and that right has been determined to be retroactive, in which case the petition may be entertained within three years from the date said right was determined to exist.

SEC. 3. Section 2254(d) of title 28, United States Code, is amended to read as follows:

"(d) In any proceeding instituted in a Federal court by an application for a writ of habeas corpus by a person in custody pursuant to the judgment of a State court, a determination after a hearing on the merits of a factual issue, made by a State court of competent jurisdiction in a proceeding to which the applicant for the writ and the State or an officer or agent thereof were parties, evidenced by a written finding, written opinion, or other reliable and adequate written indicia, shall not be redetermined or relitigated by a judge or court of the United States, unless the applicant shall establish or it shall otherwise appear, or the respondent shall admit—

"(1) that the merits of the factual dispute were not resolved in the State court hearing;

"(2) that the factfinding procedure employed by the State court was not adequate to afford a full and fair hearing;

"(3) that the material facts could not be developed at the State court hearing;

"(4) that the State court lacked jurisdiction of the subject matter or over the person of the applicant in the State court proceeding; or

"(5) that the applicant was an indigent and the State court, in deprivation of his constitutional right, failed to appoint counsel to represent him in the State court proceeding;

"(6) or unless that part of the record of the State court proceeding in which the determination of such factual issue was made, pertinent to a determination of the sufficiency of the evidence to support such factual determination, is produced as provided for hereinafter, and the Federal court on a consideration of such part of the record as a whole concludes that there is no evidence to support such finding.

No evidentiary hearing may be conducted in the Federal court when the State court records demonstrate the factual issue was litigated and determined, unless the existence of one or more of the circumstances respectively set forth in paragraphs numbered (1) to (6), inclusive, is shown by the applicant.".

● Mr. CHILES. Mr. President, I am pleased to join with the distinguished chairman of the Judiciary Committee in introducing these amendments to the habeus corpus statute for State prisoners. The purpose of the bill is to give greater respect to orderly State court procedures, and to underscore the importance of finality in our court system.

This need for finality was emphasized recently by Chief Justice Burger in his report to the American Bar Association. He stressed the importance of deterrence in solving our crime problem, and he expressed concern that the criminal justice system, as it now operates, was not supplying that deterrence. In his view, one important step we could take to reform our current system to better fight crime would be to recognize the need for "at some point—finality of judgment" in our criminal justice system. I agree with the Chief Justice's observation, and with his recommendation that collateral review be confined to claims of miscarriage of justice. I believe that the bill Senator THURMOND and I are introducing today is consistent with his observations, and with his recommendations for reform. It is an important step in fighting the battle against crime.

THE STATE OF AFFAIRS TODAY

Mr. President, the past 25 years have brought about an explosion in the use of the habeus corpus writ by State prisoners to collaterally attack their convictions. The writ itself was first made available to State prisoners by a statue enacted by Congress in 1867. In 1953, in the Brown against Allen case, the Supreme Court construed the 1867 statute in such a way as to give Federal district courts broad authority to redetermine the merits of State court convictions. At that time, in a concurring opinion, Justice Jackson expressed deep concern over

the "floods of stale, frivolous and repetitious petitions (which will) inundate the dockets of the lower courts and swell our own."

Mr. Justice Jackson's observations have proven all too accurate, as prisoners have taken advantage of the easy availability of access to the Federal courts. In 1953, the flood consisted of 541 petitions. Last year, there were 7,031 such petitions filed by State prisoners in the Federal courts. That represents a 13-fold increase in the number of petitions filed since 1953. In fact, the total number of State prisoner petitions (which includes other forms of challenges to the conviction or the conditions of confinement) now accounts for over 11 percent of the total number of all civil cases filed in the Federal courts today.

EFFECTS OF TODAY'S SYSTEM

Mr. President, the current state of affairs is detrimental to the effective functioning of our courts, and to our criminal justice system. First of all, the easy availability of such collateral review is at odds with one of the most fundamental principles of our judicial system: the notion of finality. Habeas cases relitigate the same facts and issues that were decided in the State courts, either at trial or on direct appeal, or, possibly, on collateral appeal in the State court system. While all recognize that finality in criminal cases will not carry the same weight it does in civil cases, it does not follow that finality has no place at all in our criminal justice system. Yet the current system operates in such a way as to suggest that a prisoner, duly convicted in a full and fair State proceeding, can challenge that conviction time and time again, for years or even decades after his State court conviction became final.

Factual issues can end up being redetermined long after the crime was committed and the initial trial was held, and evidence may have disappeared or key witnesses may no longer remember crucial details. The State is prejudiced by these long delays, and more importantly, the delays impair the reliability of the factfinding process. Moreover, the potential for extensive Federal court review of State court convictions can create unnecessary friction between the State court systems and the Federal courts.

This lack of finality hampers the courts and the criminal justice system in other ways as well. An effective criminal justice system must let would-be criminals know that they will be punished for committing crimes. This deterrence is not effective if prisoners have easy access to the Federal courts to file collateral attacks on their convictions. As a result, the word gets out to would-be criminals that, even if you are caught and get sent to prison, you may not have to serve out your sentence. That message gets out to the public as well, and the result is an erosion of public confidence in the ability of the criminal justice system and the courts to deal with crime.

Furthermore, the sheer volume of petitions filed is a strain on the resources of our courts. To the extent that our prosecutors, defense attorneys, and judges devote their time and effort to reviewing and processing these petitions, we dilute the resources of the courts, and add to the delay in bringing original criminal and civil cases to trial. Ironically, the flood of petitions may actually hurt those who have valid habeas claims.

According to a 1979 Justice Department study of Federal habeas corpus review of State court judgments, a large number of the claims filed are frivolous and repetitious, since many petitions can be filed without cost to the prisoner. This finding may prevent the worthy petitions from getting the consideration they deserve. As Justice Jackson observed:

> (I)t must prejudice the occasional meritorious petition to be buried in a flood of worthless ones.

Mr. President, the bill which Senator THURMOND and I introduce today will help to solve some of these problems with the current system. In doing so, it will represent an important step in our fight to solve the crime problem which each one of us must try to solve.

PROVISIONS OF THE BILL

Mr. President, the bill's three sections contain four proposals for reform.

The first section would redefine the role of U.S. magistrates in conducting evidentiary hearings in habeas cases brought by State prisoners. It would specify that magistrates could not conduct such hearings. The Supreme Court recognized the pivoted role these hearings play in the outcome of the proceeding, stating that—

> (I)t is commonplace that the outcome of a lawsuit—and hence the vindication of legal rights—depends more often on how the fact finder appraises that fact than on a disputed construction of a statute or interpretation of a line of precedents. (*Speiser* v. *Randell*, 352 U.S. 513, 520)

In habeas cases, we currently allow magistrates to make recommended findings of fact which can, in effect, overrule the decisions rendered by State trial judges and approved by State supreme courts. It seems to me that, as a sound policy of federalism and of respect for our own State court systems, we should require that such findings be based only on hearings conducted by Federal district court judges, appointed and confirmed pursuant to article 3 of the Constitution.

Federal magistrates would continue to play an important screening role in habeas proceedings. They would continue to receive and review the State court record, and all other documents submitted by the parties. I know that some will be concerned that this provision will have the effect of burdening the dockets of our Federal district courts. In practice however, the burden which exists today is the number of petitions filed, not the number of hearings held. The latest available statistics show that, nationwide, U.S. magistrates conduct about 200 evidentiary hearings in State habeas cases a year.

I am reluctant to increase the caseload of the Federal courts in any way. However, this relatively small number of hearings, when balanced against the importance of having such important factual determinations conducted by article 3 judges, makes this modification necessary.

Section 2 seeks to set out, in statutory form, a definition of the "cause and prejudice" standard laid down by the Supreme Court in the Wainwright against Sykes case. What both the Wainwright decision and this proposal stand for is the notion that deference ought to be paid to orderly State court procedures. Wainwright specified that a person who has not raised claims in this State court trial due to his failure to comply with State procedural rules cannot then turn around and then raise those claims for the first time in a habeas proceeding unless he shows a "cause" for his failure to follow the State procedures.

Section 2 basically codifies the Wainwright rule. It lists four conditions which are valid "causes" for not having raised a claim in the State trial: First, the Federal right being raised in the habeas proceeding did not exist at the time of the State trial; second, the State court procedures precluded the habeas petitioner from ever raising the issue in the State trial; third, the State officials suppressed the evidence necessary for the person to raise his claim; and fourth, the facts necessary to make the claim in State court were unknown, and could not be ascertained through reasonable diligence.

The second part of section 2 would create a statute of limitations, to assure that habeas claims are filed and considered while the evidence is still fresh. This provision, I believe, is essential if we are to have any finality in our criminal justice system. Too often, claims are filed years and years after the State proceedings have become final. Oftentimes, crucial evidence is no longer available, or key witnesses are unable to recollect important facts. The result is that the State is prejudiced in its ability to respond to the claims raised solely by the long delay in the filing of the habeas petition.

Current law recognizes this potential for abuse of the writ, and gives the habeas court discretion to dismiss stale claims. In practice however, making a determination that the State has been prejudiced by the delay in filing is as time consuming as making a new determination on the merits. The result, according to the State officials who must deal with these cases from day to day, is that stale claims are rarely dismissed on this basis. I do not believe that the great writ was ever meant to be used this way. In this regard, the comments of Judge Coleman of the Fifth Circuit Court of Appeals, made in the recent case of Paprskar against Estelle, are particularly on point:

> Of course, the Constitution is supreme and must be obeyed. I do not quarrel with that. I do find it to be painfully incongruous that he who defies all civilized notions of due process

in the summary theft of a human life is allowed, years after the event and years after his conviction has become final, to raise all kinds of constitutional claims which, if they existed, could have been raised at trial or, at least, soon thereafter.

The fault, of course, is not with the Great Writ. It lies in the manner in which it is allowed belatedly to be invoked. While Congress has commendably made some effort to limit jurisdiction for the entertainment of these eleventh hour attacks on state court convictions it is readily apparent to one regularly dealing with the subject that those efforts have not met with much success.

Very few belated applications for habeas corpus claim that the petitioner is innocent. The fundamental purpose of the writ has been distorted. The confidence of the general public in the ability of state courts to bring criminals to justice has been eroded. The deterrent effect of law prohibiting criminal conduct has been seriously damaged. The decisions say that the writ may not be used as a second appeal, but from experience the outlaws know better. Instead of being a bulwark of freedom for the citizen it has been allowed to become a last, and too often a sure, refuge for those who have respected neither the law nor the Constitution.

Section 3 of the bill contains the fourth proposal, which is designed to insure that findings of fact, fairly and properly made in a State court hearing, are not needlessly redetermined in a habeas proceeding. It complements the other provisions of this legislation and underscores the need to give deference to orderly State procedures.

Current law, as codified in 28 U.S.C. 2254(d), creates a presumption that the State court's factual findings are correct, a presumption which falls if the habeas petitioner is able to establish that one of eight specified defects existed in the State proceedings. But the petitioner's failure to establish one of these defects is not a bar to holding another factual hearing; it simply gives the petitioner the burden of proof in the hearing. The result is that such hearings can be, and, according to State law enforcement officials, are in fact held almost at the discretion of the habeas court, regardless of the sufficiency or fairness of the State proceeding. I am not of a mind that this is the way our courts should operate.

Accordingly, this proposal modifies current law by forbidding any redetermination of facts unless the habeas petitioner can establish that a specified defect existed in the State proceeding. It also tightens up the conditions themselves, to insure that needless redeterminations of facts do not occur.

Mr. President, these proposals carry with them the endorsement and support of the National Association of Attorneys General. In this regard, Jim Smith, the attorney general of Florida, has been instrumental in conceiving these proposals and for building support for them among all the attorneys general across the country.

These proposals may not be the only way to solve the current situation, but I do hope that they will stimulate discussion and comment from many interested parties. For my part, I feel that they are a good starting point for reform. I am pleased to join with the distinguished chairman of the Judiciary Committee in his efforts, and stand ready to help him in whatever way I can.

Mr. President, I ask unanimous consent that a resolution of support for these proposals which the National Association of Attorneys General adopted be inserted in the RECORD along with my statement.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

RESOLUTION: FEDERAL CRIMINAL CODE/HABEAS CORPUS PROCEEDINGS

Whereas, the principal weakness in the criminal justice system today is its lack of certainty; and

Whereas, crime rates continue to rise and public confidence in the criminal justice system is at a low point nationally; and

Whereas, certainty and swiftness of justice is universally accepted as the strongest deterrent to criminal activity; and

Whereas, the diminishing ability of the states to carry out the judgments of their criminal courts has led to erosion of certainty; and

Whereas, certain of the commendable procedural safeguards attached to the writ in recent years are being abused, and have become instruments with which to frustrate justice rather than secure it; and

Whereas, records of criminal proceedings contain many examples of such abuses, none worse than *Walker v. Wainwright*, a Florida case in which a writ filed 35 years post-conviction, when there was no living person to refute the defendant's testimony, was granted and he was set free; and

Whereas, the writ was designed as a shield, not a sword;

Now, therefore, be it resolved by the National Association of Attorneys General:

(1) That certain amendments to the federal criminal code relating to habeas corpus proceedings are necessary to require orderly and timely presentation of claims in behalf of defendants and restore finality to the criminal process;

(2) That the amendments attached hereto remove no rights available to any defendant, stand as no barrier to the assertion of new rights or the filing of claims not previously asserted when they were not known to exist;

(3) That these amendments represent no unreasonable departure from accepted criminal practice and, in fact, are in keeping with the tenor of several recent holdings of the United States Supreme Court;

(4) That the Congress of the United States is hereby petitioned by the assembled attorneys general of the states to amend the federal criminal code, as proposed hereafter, to ensure the victims of crime equal protection of the laws; and

(5) That the Washington Counsel of this Association is authorized to inform the Administration, Members of Congress, and others of these actions.

The proposals referred to above would:

1. Amend 28 U.S.C. 636(b) to require that a district judge, rather than a magistrate, conduct any evidentiary hearing held in a habeas corpus proceeding involving a prisoner held in state custody.

2. Amend the habeas corpus act to codify *Wainwright v. Sykes*, 433 U.S. 72 (1977), which recognized the legitimacy of the "contemporaneous objection rule" and bars litigation of issues not properly raised unless "cause and prejudice" is shown for failing to comply with state procedural requirements.

3. Establish a time limit within which a state prisoner must institute a federal habeas corpus action which challenges his state court conviction. The legislation would require the action be brought within three years from the date the judgment and sentence becomes final under state law.

4. Require a habeas corpus court to accept state court findings of fact where there is an evidentiary basis for that finding providing the petitioner was accorded a full and fair hearing on the factual issue.●

By Mr. MATHIAS (for himself, Mr. HUDDLESTON, and Mr. BENTSEN):

S. 655. A bill to amend the Internal Revenue Code of 1954 to clarify the extent to which a State, or political subdivision, may tax certain income from sources outside the United States; to the Committee on Finance.

STATE TAXATION OF FOREIGN SOURCE INCOME

● Mr. MATHIAS. Mr. President, over the years, I have watched certain Congresses develop a flavor, or theme, and I think history will remember the 97th as the economic revival Congress.

The economy has deteriorated to the point where we can no longer afford the luxury of business as usual. The people want reform; the President wants reform; and the Congress wants reform.

For 20 years, business has wrestled with the gross inefficiency of our outmoded interstate tax machinery, and I think this year we will finally do something about it.

Just recently, President Reagan's tax policy task force gave a boost to this tax simplification effort by strongly endorsing the principle that underlies the interstate taxation bill I introduce today.

This bill will help smooth the flow of interstate and international commerce in this country; it wil remove the risk of double taxation for United States and foreign corporations; and it will bring the States into conformity with the Federal Government and most other countries on the taxation of foreign source intercorporate dividends.

This is a slightly revised version of legislation that I introduced in the Senate 2 years ago (S. 1688), along with a companion House bill (H.R. 5076), by Representatives CONABLE and JONES to rationalize the tax treatment of foreign source income by the States. By purging a major inefficiency in our tax system, it would make U.S. business more competitive in international markets, and it would remove a constant source of irritation in our relations with our foreign trading partners.

Our current negotiations of new tax treaties have focused the attention of the Treasury Department and the Senate on the resentment of our overseas trading partners over a very few U.S. States which persist in using worldwide combined reporting to extend their taxing jurisdiction overseas. Under this system, these States have stretched their apportionment net to ensnare foreign source income of corporate groups with members located and doing business outside the United States. This practice was a central controversy, for example, in the Senate's consideration in 1978 of the United States-United Kingdom Tax Treaty. As negotiated between the United States Treasury and the British Government, the treaty included a clause that would have limited its use by the States in taxing British corporations.

Despite the President's support, the Senate deleted this clause—article 9(4)—from the treaty during the summer of 1978, before ratifying it in the summer of 1979. The States argued that such a prohibition should not be attempted by the treaty process, but should receive a full legislative hearing in both Houses of Congress. It was in response to this argument that Representative CONABLE and I introduced companion measures, H.R. 5076 and S. 1688, in the 96th Congress to focus the debate on the issues of worldwide combination and taxation of foreign source dividends on a comprehensive basis, encompassing all foreign countries.

Following the removal of article 9(4), the United States-United Kingdom treaty went through a prolonged period of uncertainty in Parliament, while several British delegations visited Capitol Hill to assess the likelihood of progress on my interstate tax legislation. The news that hearings had been scheduled before the House Ways and Means Committee on March 31, 1980, had a very favorable impact on Parliament; it ratified the treaty last February after this showing of good faith on our part.

We encountered the same stumbling block in the negotiations with Canada over the treaty that was signed last September and presented to the Senate on November 12, 1980. Here, the impasse over worldwide combination was broken by an exchange of notes between the United States Treasury Department and the Canadian Prime Minister, recording an agreement that the discussions would be reopened at the first opportunity. This is sure to continue to be a point of contention in the negotiation of our future international tax treaties.

The legislative history of the debate in the U.S. Congress goes back many years, at least back to the Willis Commission of 1962, on which I served. More recently, Representative ROSTENKOWSKI, the current chairman of the Ways and Means Committee, led a task force on foreign source income which recommended that the States be prohibited from including the foreign source income in their tax base until it becomes subject to Federal taxation. In 1978, I held a series of Judiciary Committee hearings across the country on the entire spectrum of tax issues relating to interstate commerce and foreign source corporate income. The House hearings last spring concentrated on taxation of foreign source income, and they were followed by a day of Senate hearings on June 24 last summer, before the Finance Subcommittee on Taxation and Debt Management. At these sessions, the committees received testimony in support of my legislation from: The International Chamber of Commerce, the Chamber of Commerce of the United States, the American Chamber of Commerce in Great Britain, the Business Roundtable, the National Association of Manufacturers, the committee on State taxation of the Council of State Chambers of Commerce, the National Association of Wholesalers-Distributors, the American Apparel Manufacturers Association, the European Economic Community, the Government of Great Britain, the Confederation of British Industry, the Dutch Employers' Federation, the German-American Chamber of Commerce, and most of the major American and British corporations in this country.

The testimony from the Treasury Department supported the first part of the bill, and suspended judgment on the second part, concerned with the treatment of foreign source intercorporate dividends, saying at the Senate hearings that it needed more time to study this aspect of the problem.

To supplement the extensive legislative hearing record we have developed, I am looking forward to the studies of the issue that are due to be published this spring by the General Accounting Office and the Advisory Commission on Intergovernmental Relations. I have every expectation that both studies will recommend a solution to this continuing problem along the lines I have suggested.

The bill I am submitting today would limit the use of the worldwide combined reporting system so that a State in imposing an income tax on any corporation could not take into account any amount of income attributable to any foreign corporation which is also a member of an affiliated group of corporations, unless such amount is subject to Federal income tax. As I mentioned earlier, the Federal Government has rejected the worldwide combined reporting system, and instead relies on the arm's-length method of taxation, as do nearly all the governments in the world market. The arm's-length method treats affiliates and subsidiaries in a corporate group as separate and autonomous business entities for tax purposes, applying a tax only when the income is repatriated.

Ordinarily, I would prefer that the States act on their own to resolve the matter, but we have given them 20 years and are no closer to settling it today than we were when I served on the Willis Commission in the early 1960's.

An efficient tax system at all levels is to everyone's advantage domestically. Internationally it is a must. I urge all my colleagues to give the bill their closest consideration, and to act promptly to insure that the United States speaks with one voice in matters of foreign commerce. I ask unanimous consent that the text of the bill and the technical explanation I have prepared be printed in the RECORD following my remarks.

There being no objection, the bill and explanation were ordered to be printed in the RECORD, as follows:

S. 655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled That (a) chapter 77 of the Internal Revenue Code of 1954 (relating to miscellaneous provisions) as amended by adding at the end thereof the following new section:

"SEC. 7515. INCOME OF CORPORATIONS ATTRIBUTABLE TO FOREIGN CORPORATIONS.

"(a) IN GENERAL.—Where two or more corporations are members of the same affiliated group of corporations—

(1) for purposes of imposing an income tax on any corporation which is a member of such group, no State, or political subdivision thereof, may take into account, or include in income subject to such tax, any amount of income of, or attributable to,

(2) any other corporation which is a member of such group and which is a foreign corporation, unless such amount is includable in the gross income of the corporation described in paragraph (1) for purposes of chapter 1 (including any amount includable in gross income under subpart F of part III of subchapter N of chapter 1) for the taxable year in which or with which the taxable period (or purposes of State or local law) ends.

"(b) INCOME TAX DEFINED.—For purposes of this section, the term 'income tax' means any tax which is imposed on, according to, or measured by net income.

"(c) AFFILIATED GROUP DEFINED.—For purposes of subsection (a), the term 'affiliated group' means a common parent corporation and one or more chains of corporations connected through stock ownership with such common parent corporation.

"(d) CERTAIN CORPORATIONS TREATED AS FOREIGN CORPORATIONS.—For the purpose of this section, a domestic corporation shall be treated as a foreign corporation if under section 861(a)(2)(A) a dividend received from such corporation in the taxable year referred to in subsection (a) would not be treated as income from sources within the United States.

"(e) CERTAIN DIVIDENDS PAID OR DEEMED PAID.—

"(1) DIVIDENDS EXCLUDED FROM TAX.—If a corporation receives in any taxable year a dividend from a foreign corporation (or is by application of section 951 treated as having received such a dividend), in imposing an income tax on such corporation no State, or political subdivision thereof, may tax, or otherwise take into account—

"(A) in the case of a dividend received from a corporation with respect to which an election under section 936 is in effect for the taxable year in which such dividends are paid, the amount of deduction allowed by section 243,

"(B) in the case of a dividend received from a corporation described in subsection (d) which is not described in paragraph (A), more than the lesser of—

"(i) the amount of the dividend exclusive

of any amount of dividend determined under paragraph (3), or

"(ii) the amount by which the dividend plus any amount of dividend determined under paragraph (3) exceeds the excluded portion of the dividend determined in accordance with paragraph (2).

"(C) in the case of a dividend received from any other foreign corporation more than the lesser of—

"(i) the amount of the dividend (exclusive of any amount determined under section 78), or

"(ii) the amount by which the dividend plus any amount determined under section 78 exceeds the excluded portion of the dividend determined in accordance with paragraph (2).

"(2) EXCLUDED PORTION OF A DIVIDEND.—The excluded portion of any dividend shall be determined by multiplying the amount of the dividend (including any amount of dividend determined under section 78 or paragraph (3)) by a fraction—

"(A) the numerator of the fraction shall be the sum of—

"(i) the total amount of tax withheld from all such dividends at the source,

"(ii) the total amount of tax which by application of section 902 or section 960 to all such dividends, the domestic corporation is deemed to have paid, and

"(iii) the total amount of tax deemed paid by application of paragraph (3).

"(B) The denominator of the fraction shall be 46 percent of all such dividends.

"(3) SPECIAL RULE WITH RESPECT TO DIVIDENDS RECEIVED FROM DOMESTIC CORPORATIONS TREATED AS FOREIGN UNDER SUBSECTION (d).—A corporation that receives a dividend which is described in subparagraph (B) of paragraph (1) shall—

"(A) treat as a dividend for purposes of subparagraph (B) of paragraph (1), and

"(B) treat as a tax deemed paid for purposes of subparagraph (A) of paragraph (2), foreign income taxes which such other corporation has paid or deemed paid in the same proportion on or with respect to the accumulated profits of such corporation from which such dividend was paid, which the amount of such dividend bears to the amount of such accumulated profits in excess of all income taxes (other than those deemed paid).

For purposes of this section, only a tax for which a credit against tax would be allowable under section 901 (determined without regard to the limitations in sections 904 and 907) shall be taken into account."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable periods (for purposes of State or local law) beginning after December 31, 1980.

(c) AMENDMENT OF THE TABLE OF SECTIONS.—The table of sections for chapter 77 of such Code is amended by adding at the end thereof the following new item:

"Sec. 7518. Income of corporations attributable to foreign corporations."

EXPLANATION OF PROPOSED LEGISLATION RELATED TO STATE TAXATION OF FOREIGN SOURCE INCOME

BACKGROUND

A number of states have by application of the so-called "world-wide combination" formula undertaken to extend their tax jurisdiction outside the United States and to tax foreign source income prior to the time the Federal government taxes such income. Also, nearly all states tax a greater portion of foreign source income than the Federal government effectively taxes.

The Federal government does not tax the foreign source income of a foreign subsidiary of a U.S. corporation until that income is paid back to the U.S. or deemed paid back to the U.S. by the application of Subpart F. In contrast, those states which use the world-wide combination formula tax currently, as earned, the income of a foreign affiliate even though that foreign affiliate does not do any business in the United States and derives all its income outside the U.S. This extraterritorial exercise of tax jurisdiction by a state is directly contrary to the Federal rule and contrary to basic principles of taxation.

When a dividend is paid by a foreign subsidiary corporation to its U.S. parent, in order to avoid double tax the Federal government allows a credit for foreign tax already paid on these earnings. Thus, for example, if the foreign tax rate is 23 percent and the U.S. tax rate is 46 percent, the Federal government effectively taxes only 50 percent of the dividend. In contrast, the states effectively tax 100 percent of the dividend. This state tax is directly contrary to the Federal rule and contrary to basic principles of taxation.

EXPLANATION OF PROPOSED LEGISLATION

The proposed legislation would conform the state rules to the Federal rules within the very narrow areas of (i) the time at which states tax the foreign source income of foreign affiliates, and (ii) the quantity or portion of foreign source dividends which are taxed.

These results would be accomplished as follows:

First, the proposed legislation would provide that a state may not take into account or include in income subject to tax the income of any foreign corporation in any year prior to the year in which such income is included in income subject to tax under the Internal Revenue Code. Thus, the foreign source income of a foreign subsidiary of a U.S. parent corporation would be taxed only if and to the extent paid back to the U.S. as a dividend or deemed paid back by application of Subpart F. In the case of a foreign parent corporation of a U.S. subsidiary, the foreign source income of the foreign parent (and any of its foreign affiliates) would never be taxed because under the Internal Revenue Code that income is not taxed by the Federal government.

Second, in the case of dividends received by a U.S. parent corporation from a foreign subsidiary, the proposed legislation would permit a state to tax no greater portion of that dividend than the Federal government effectively taxes. The excluded portion of any dividend would be determined by multiplying the amount of the dividend by a fraction. The numerator of that fraction is the total amount of tax withheld at the source on all such dividends plus the total amount of taxes which, by application of section 902 and section 960 to all such dividends, the U.S. parent corporation is deemed to have paid. The denominator of the fraction is 46 percent of all such dividends. For the purpose of applying this fraction, the amount of the dividend includes the amount of any gross-up under section 78.

Example

1. Amount of dividend actually received	$115.50
2. Gross-up dividend to reflect 23 percent foreign tax rate	$150.00
3. Foreign taxes paid (23% × $150)	$ 34.50
4. Grossed-up dividend × 46 percent	$ 69.00
5. Item 3 divided by item 4 (in percent)	50
6. Excluded portion of dividend ($150 × 0.50)	$ 75.00

The rationale for this exclusion of a portion of a foreign source dividend is the same as the rationale for the foreign tax credit—the avoidance of double tax. However, the result is not to require the states to allow a credit for foreign taxes which would tend to wipe out all state tax on foreign source dividends because the national tax rates in most foreign countries exceed the rates of tax imposed by the states. Instead, the result of the exclusion is to permit the states to tax, at whatever rate they apply to other income, only that portion of a foreign source dividend which the Federal government effectively taxes after taking into account the foreign tax credit.

HISTORY AND RATIONALE OF PROPOSAL

A. Worldwide combination

In 1975, the report of the Ways and Means Committee, Task Force on Foreign Source Income, concluded that the worldwide combination formula was inconsistent with basic principles of taxation and concluded that its application should be limited by Federal legislation. In the meantime, the Treasury had negotiated a treaty with the United Kingdom, Article 9(4) of which would have precluded the application of the worldwide combination formula to a U. K. parent corporation. The treaty would not, however, have limited the application of the worldwide combination formula to foreign subsidiaries of U.S. parent corporations. Subsequently, in 1978, the Senate refused to ratify Article 9(4). In the 96th Congress H.R. 5076 and S. 1688 were introduced to preclude worldwide combination as applied to foreign source income.

B. Foreign source dividends

The additional part of the proposed legislation related to dividends, is merely a logical extension of Federal legislation to limit the application of the worldwide combination formula with respect to foreign subsidiary corporations of U.S. subsidiaries. In theory, states should not tax foreign source dividends at all, but the proposed legislation does not go that far. Instead, it merely limits the states to the same proportion of such dividends as the Federal government effectively taxes. H.R. 5076 and S. 1688, in the 96th Congress, placed this same limitation on state taxation of foreign source dividends.

C. Technical revisions in legislation

The proposed legislation differs from H.R. 5076 and S. 1688, as introduced in the 96th Congress, in several technical respects. Primarily these revisions related (1) to clarifying the language of proposed new section 7518(a) to provide the intended result under the orignial bill in the 96th Congress; and (2) and to a revision in proposed new section 7518(c) to apply the exclusion fraction to dividends received from a so-called 80/20 company under section 861(a)(2)(A). This latter change was necessary to correct the unintended result in the original bill that such a company, as well as dividends received from such a company, would be totally free from state tax even though such a company is subject to Federal taxation.●

By Mr. MATHIAS (for himself and Mr. SARBANES):

S. 656. A bill to preserve, protect, and maintain the original boundary stones of the Nation's Capital; to the Committee on Energy and Natural Resources.

NATIONAL CAPITAL BOUNDARY STONES ACT

● Mr. MATHIAS. Mr. President, I am introducing today a bill to restore and protect the original 40 boundary markers of our Nation's Capital City. In the last Congress I introduced similar legislation which, unfortunately, failed to pass the Senate. The House companion bill, however, did successfully pass the House, but, in the press of Senate business in the final days of the 96th Congress, that bill was not considered.

The question of a permanent site for the national seat of government was debated by Congress from 1783 until 1791, when President Washington signed into law an amendment to the Residence Act of 1790 expanding the site of the Nation's Capital to include the eastern shore of the eastern branch of the Anacostia River and including the Port of Alexandria, Va.

The site of our Nation's Capital was, thus, finally determined a 100 square mile district, with boundary lines 10 miles on each of its four sides.

Perhaps because they feared the decision on a permanent site would somehow be abrogated, President Washington and Secretary of State Thomas Jefferson wasted no time in engaging a surveyor as well as private individuals to begin quitely purchasing property on behalf of the Government.

To survey and mark the boundaries of the new District of Columbia, Mr. Jefferson immediately commissioned Maj. Andrew Ellicott of Philadelphia.

Ellicott was a well-known surveyor possessing some of the most advanced surveying instruments in the United States at that time. Most of those instruments are now housed in the Smithsonian Institution.

Ellicott accepted the commission and quickly began looking for an assistant to make the astronomical observations upon which the survey lines and markers would be based. He turned to Benjamin Banneker, a free black man who was a friend and neighbor of his cousin in Ellicott Mills, Md.

Banneker, a self-taught astronomer, was over 60 at the time. He readily agreed to make the astronomical observations for the south cornerstone while Ellicott and field crews did the actual surveying. Between February and April 1791, Banneker made observations and mathematical calculations upon which the first stone marker was placed at Jones Point on the Potomac River in Alexandria, Va. Ill health forced him to return home in April.

Ellicott completed the survey and setting of markers—40 in all—by January 1793.

The 39-year-old surveyor described the marker stones, which were of sandstone quarried at Aquia, Va., as follows:

> Lines are opened and cleared forty feet wide that is twenty feet on each side to the lines limiting the Territory, and in order to perpetuate the work I have set up square mile stones marked progressively with the number of miles from the beginning on Jones' Point to the West corner thence from the West corner to the North corner to the East corner and from thence to the place of beginning on Jones' Point; except in a few cases where the miles terminated on declivities or in waters; the stones are then placed on the first firm ground, and their true distances in miles and poles marked on them. On the sides of the stones facing the Territory is inscribed, "Jurisdiction of the United States". On the opposite side of those placed in the Commonwealth of Virginia is inscribed "Virginia". And on those in the State of Maryland, "Maryland". On the third and fourth sides, or faces, inscribed the year in which the stone was set up, and the conditions of the Magnetic Needle at that place.

Those sandstone markers are now 188 years old. They have fallen on hard times with no one really charged with their maintenance and upkeep. Yet they are important testimonials to the history of the founding of the Nation's Capital, the work of Andrew Ellicott and Benjamin Banneker and the history of early surveying and civil engineering in the United States.

The stones are category II landmarks designated by the Joint Committee on Landmarks of the Nation's Capital. This local designation means they should be preserved or restored, if possible. They are not, however, on the National Register of Historic Places although I understand the State historic preservation officers of the District of Columbia and Virginia are prepared to nominate them to the register.

In 1914, a committee of the District of Columbia Daughters of the American Revolution set about reclaiming the boundary markers. Over the course of the following 3 years, members of the DAR once again located the stones, secured "deeds" from affected property owners to place a fence, installed protective iron fences around them, marked them with a bronze plaque, and assigned continued maintenance responsibility for each stone to one of its chapters.

Were it not for this pioneering preservation effort by the Daughters of the American Revolution, it is very likely the boundary stones of the Nation's Capital would not have survived to today. But development, traffic, remote locations, and vandalism have all taken their toll. The DAR, while as committed as ever to continuing its stewardship role, can no longer assume the financial and personal burden necessary to assure the maintenance of these stones.

Thanks to the efforts of the National Capital section of the American Society of Civil Engineers, in cooperation with the DAR, and the National Capital Planning Commission, a conditions report was prepared on the stone markers as a bicentennial project.

That report titled, "Boundary Markers of the Nation's Capital: A Proposal for Their Preservation and Protection" is a careful history of the survey of the District of Columbia and the current status of the markers.

Several stones are overgrown with weeds; a few are missing; some have been relocated; some badly weathered. Yet others are well cared for by concerned citizens.

There is a clear need to fix responsibility for the stones and their protection and maintenance. It is with this purpose in mind that I am reintroducing legislation today that assigns responsibility for the preservation, protection, and maintenance of the boundary stones to the National Park Service. Such continuing maintenance needs are to be identified by the District of Columbia Daughters of the American Revolution and reported directly to the National Park Service Director for appropriate action. This arrangement, I believe, will continue the DAR's stewardship of those important historic markers and assure their continued maintenance.

A rough estimate of costs for surveying the stones, preparing a conditions report, and preparing a relocation, replacement and marker plan is $40,000 according to the National Capital section of the Society of Civil Engineers. They estimate that capital costs to replace protective fences, replace DAR markers, clean and protectively coat the stones against weathering, and trim the immediate area around those stones now neglected is $200,000. Once these initial costs have been borne, annual upkeep should be about $20,000.

The second purpose of my bill is to assure recognition for the two original surveyors of the Nation's Capital, and the history of their survey, its instruments and techniques. As I noted earlier, many of Andrew Elliott's surveying instruments are held by the Smithsonian Institution. My bill directs the National Park Service in coordination with the Smithsonian to develop such a display, which I hope would be in one of the Smithsonian museums.

Mr. President, too often we find ourselves mourning the loss of some significant historical feature of our Nation. The boundary markers of the Nation's Capital are such endangered monuments of the history of the Federal City. Despite rather overwhelming odds these markers have survived 188 years. With just a little bit of care they can be assured of preservation for decades to come.

Mr. President, I would further like to note that I have received letters supporting the intent of this legislation from the National Capital Planning Commission, the Smithsonian Institution, the D.C. Commission on Fine Arts, the American Society of Civil Engineers, and the D.C. Chapter of the Daughters of the American Revolution, as well as the District of Columbia, Maryland, and Virginia State Historical Preservation officers. I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 656

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Capital Boundary Stones Act".

SEC. 2. (a) Congress finds that because of the deteriorating condition and neglect of the forty original boundary stones delimiting the ten-mile square first set aside by the State of Maryland and the Commonwealth of Virginia as the "seat of government of the United States", there is a need to provide for the preservation, protection, and maintenance of such stones.

(b) The purposes of this Act are to—

(1) assign responsibility for the preservation protection, and maintenance of the boundary stones;

(2) assure perpetuity of these important historic boundary stones for future generations of Americans to view and enjoy;

(3) provide an adequate mechanism for ensuring that the boundary stones are protected and maintained; and

(4) to make available to the public, information, data, and items involving or pertaining to the history of the original survey of the Nation's Capital, including the surveyors, and the instruments and techniques used in connection therewith.

SEC. 2. (a) The Secretary of the Interior, acting through the National Park Service, shall have the responsibility for the preservation, protection, and maintenance of the boundary stones referred to in section 2 of this Act.

(b) Within the twelve-month period following the date of the enactment of this Act, the Director of the National Park Service shall prepare and submit to the Secretary for his approval a program for preserving, protecting, and maintaining such boundary stones. Such program shall include—

(1) a location and condition survey of each corner stone and boundary stone, conducted in consultation with the District of Columbia Daughters of the American Revolution, which shall be referenced to the appropriate State plane grid coordinate system with appropriate ties to property lines and which shall provide for the results to be shown on plats of survey in such form as may be suitable for recording purposes;

(2) with respect to each boundary stone located at each of the four cardinal points of the compass at the corners of the ten-mile square delineating the original site of the Nation's Capital a plan for preserving, protecting, and maintaining such cornerstones;

(3) with respect to each of the other boundary stones, a plan to preserve, protect, and maintain each such boundary stone;

(4) a relocation, replacement, and marker plan for those boundary stones which have been moved or which are missing or which cannot be placed in their original location;

(5) alternative plans for the long-term care, protection, and maintenance of the boundary stones which may include agreements among private individuals, the Federal Government, local governments of areas within the State of Maryland or the Commonwealth of Virginia within which such boundary stones are located, and the governments of the State of Maryland, the Commonwealth of Virginia, and the District of Columbia;

(6) a schedule and financial plan for providing such preservation, protection, and maintenance of such boundary stones; and

(7) in coordination with the Smithsonian Institution, a plan setting forth a display on the history of the survey of the District of Columbia conducted during the years 1791 and 1792, the original surveyors, the instruments and techniques used by such surveyors in conducting the survey of the District of Columbia, and surveying methods and techniques currently in use.

(c) Within the twenty-four-month period following the date of the approval by the Secretary of the Interior of the program pursuant to subsection (b) of this section, the Secretary of the Interior, acting through the National Park Service, shall, in consultation with the District of Columbia Daughters of the American Revolution, implement such program and provide for the preservation, protection, and maintenance of such boundary stones.

SEC. 4. In carrying out the program approved pursuant to section 3 of this Act, the Secretary of the Interior is authorized to acquire, by donation, purchase with appropriated or donated funds, exchange, or condemnation, such lands and interests therein (including easements) together with improvements thereon, as may be necessary to carry out such program.

SEC. 5. Whoever willfully damages or removes any boundary stone referred to in this Act shall be fined not more than $500, or imprisoned not more than six months, or both.

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. HATFIELD (for himself, Mr. JEPSEN, Mr. GRASSLEY, Mr. PACKWOOD, Mr. CRANSTON, Mr. HAYAKAWA, Mr. MOYNIHAN, and Mr. D'AMATO):

S. 657. A bill to designate the Department of Commerce Building in Washington, the District of Columbia, as the "Herbert Clark Hoover Department of Commerce Building."; to the Committee on Environment and Public Works.

HERBERT CLARK HOOVER DEPARTMENT OF COMMERCE BUILDING

● Mr. HATFIELD. Mr. President, I am introducing today a bill to name the Department of Commerce headquarters building in Washington in honor of Herbert Hoover, who served as Secretary of Commerce for the 8 years immediately preceding his inauguration as 31st President of the United States. My distinguished colleagues from Iowa, Senators JEPSEN and GRASSLEY; Oregon, Senator PACKWOOD; California, Senators CRANSTON and HAYAKAWA; and New York, Senators MOYNIHAN and D'AMATO, join me in sponsoring this bill.

Hoover entered President Harding's Cabinet as Secretary of Commerce with an outstanding reputation and as one of America's most prominent citizens. He was referred to as the "Great Engineer" because of his fabulous success as a mining engineer around the globe. He organized American relief efforts in Europe during World War I, and headed the Committee for the Relief of Belgium, which was feeding over 10 million Europeans every day by the end of the war. After the Versailles Peace Conference, John Maynard Keynes termed Hoover "the only man who emerged from the ordeal of Paris with an enhanced reputation."

Hoover's popularity by 1920 was such that Democrats formed "Make Hoover President Clubs" in California and Virginia. Franklin Roosevelt even wrote—

He is certainly a wonder, and I wish we could make him President of the United States. There could be none better.

However, Hoover lacked any political base, and was not a serious candidate.

President-elect Harding, who had campaigned on a theme of bringing the best minds into the government, raised the possibility of a government position with Hoover the day following his election. Two positions were eventually offered—Secretary of Interior and Secretary of Commerce.

Charles Evans Hughes convinced Hoover to accept a position, and he chose the less prestigious of the two, at Commerce, because he believed the Nation's major problems were in the economic area. These included the depression of 1920–22, with its toll of 5 million unemployed, the failure of important sectors of the economy, including agriculture, to successfully shift to a peacetime economy, and the acrimonious labor-management relations in industry.

The Department of Commerce was former in 1903 as the Department of Commerce and Labor, not out of pressing need for such an organization, but largely for symbolic purposes. With the establishment of the Department of Agriculture in 1889, it was inevitable that other economic sectors would seek their own departments. Congress was able to satisfy demands from both business and labor groups with one department.

While the formation of a separate Department of Labor in 1913 removed one essentially incompatible element of the Department, Commerce remained a collection of small, often technical, individual offices which lacked a strong central organization or purpose.

Herbert Hoover gave the Department direction. His telegram of acceptance to Harding set forth three of his specific proposals: a program of persuasion to convince industry to standardise products and reduce waste; a joint effort with the Labor Department to reduce industry-labor conflict; and the bringing of other appropriate Government offices into the Department.

But the new Secretary had more to offer than specific, individual changes. He had vision. He saw the Department as the prime instrument to promote and protect American economic development. According to Prof. Peri Arnold of Notre Dame University, Hoover conceived of a—

Model set of relations between business and government that were founded on the notion of mutual cooperation and gentle guidance of business by government. Central to his view was the idea that the dangers of government coercive powers to a free society could be neutralized through the constant role of businessmen cooperating with appropriate government agencies.

In order that business would have input into the Department's activities, Hoover established 17 commodity divisions at Commerce, corresponding to major industries. These organizations had the role of promoting the industry and collecting and publishing data on market conditions for the industries' benefit.

Hoover also expanded the role of the Bureau of Standards. The responsibility of this Bureau in 1920 had been simply to test materials purchased by the Government. By 1925, some termed it "the largest research laboratory in the world." Its larger focus included assisting business in solving complex problems. One of its programs was to set additional safety standards for industry.

One of the most ambitious programs of the Bureau was the attempt to eliminate waste through standardization of products. The role of the division of simplified practice in the Bureau was to supply technical expertise to industries, and help them use new techniques. Trade associations were mobilized to help discourage product and size proliferation. When agreement was reached under Commerce auspices, the Department would publish the new industry standards, thus making them available to a wide public.

New technology was rapidly incorporated into the Department's operations. Radio beacons were added by the Lighthouse Bureau, the number of lighted runways was tripled by the Department after the Air Commerce Act of 1926, and selective breeding was undertaken by the Bureau of Fisheries. Also a major theme of the Fisheries Bureau was conservation, a particular concern of Hoover's throughout his public career.

Despite the creation of a separate Department of Labor, Hoover remained concerned about working conditions for American workers. Typical of his lifetime approach to social problems, he did not seek legislative or coercive solutions to improve the working conditions of workers. Rather, the Federal Government encouraged State and local governments, private charities, and businesses to press for improvement. As a primary example, he sought a reduction from the 12-hour day to an 8-hour day for steel company employees. By encouraging private studies of the effect of the long working day, warning company leaders of public repugnance against the long hours, and skillfully using the press to further his campaign, Hoover finally won the acquiescence of the companies. He was justifiably proud of this accomplishment.

Hoover's concern with insuring the prosperity of American business, and his familiarity with the world scene led him to follow very closely international economic developments. The Department took a prominent role in decisionmaking on foreign loans, and its generally conservative assessments often brought it into conflict with the State Department.

Another of Hoover's major concerns in the foreign arena was preserving raw materials supplies, and at a reasonable price. He strongly opposed conspiracies of foreign producers to artificially inflate the price of their products. He warned that American producers would retaliate, or that the U.S. Government could approve the formation of buying pools to counteract foreign monopolies. Although favoring open and positive trade relations with other nations, Hoover cautioned that America could defend itself under circumstances of commercial anarchy.

Despite Hoover's promotion of the trade association movement and his hopes for a better coordinated and stable American capitalism, he remained concerned about excessive cooperative activities. In his philosophical work American Individualism, published in 1922, Hoover warned against domination of American society by any interest group, including business. His belief that intra-group cooperation could run to extremes was demonstrated during his Presidency, when he significantly strengthened enforcement of the antitrust laws.

Mr. President, Herbert Hoover gave the Department of Commerce its first real direction and built it into one of the most influential in the Federal Government. Commerce became so closely associated with Hoover's name that Franklin Roosevelt cut back the Department because of its status and reputation as Hoover's creation. Planning for the main Commerce building was initiated during Hoover's tenure as Secretary of Commerce, and the building was completed during his Presidency. It is symbolic that during his Presidency, the largest Federal office building in Washington was constructed for the Department of Commerce. It is time that Congress recognize Hoover's immense contributions to the Department, and name this building, the main Commerce building, in his honor.

Mr. President, I ask unanimous consent that the full text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 657

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Department of Commerce Building at 14th Street and Constitution Avenue, N.W., in Washington, the District of Columbia, shall hereafter be known and designated as the "Herbert Clark Hoover Department of Commerce Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be held to be a reference to the "Herbert Clark Hoover Department of Commerce Building."●

By Mr. EXON (for himself and Mr. ZORINSKY):

S. 659. A bill to amend the authorization for the flood control project for the town of Niobrara, Nebr., and for other purposes; to the Committee on Environment and Public Works.

AMENDMENT OF FLOOD CONTROL PROJECT FOR NIOBRARA, NEBR.

● Mr. EXON. Mr. President, Senator ZORINSKY and I today are introducing this measure to correct a deficiency in the original authorization for the relocation of the village of Niobrara, Nebr. This measure had been introduced in the last Congress as S. 1201, however it was not acted upon by the Congress at that time.

The history of this measure began in 1957, when the U.S. Army Corps of Engineers completed the construction of the Gavin's Point Dam on the Missouri River, located along the Nebraska and South Dakota borders. The project resulted in an increase in surface water which threatened the small nearby community of Niobrara.

Section 213 of the Flood Control Act of 1970 authorized the Secretary of the Army, acting through the Chief of Engineers, to resolve the seepage and drainage problems in the vicinity of Niobrara, that were related to operation of the Gavins Point Dam and Lewis and Clark Lake project. An amount not to exceed $7,800,000 was authorized to be appropriated for the work in the 1970 act.

The Corps of Engineers prepared a feasibility report, which concluded that a nonstructural approach, the acquisition and relocation of the village of Niobrara from its location on Highway 12 to higher ground, was the most feasible method of solving the seepage and drainage problem in the area. The cost of such relocation was estimated at $11.4 million, which exceeded the authorized $7.8 million. In 1974, the amount was increased to $11.4 million. The $3.6 million increase is attributable to the costs of compliance with the requirements of the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970.

Mr. President, in relocating the town, the corps constructed a main street within the new village limits to highway specifications. The corps, however, did not connect the main street to nearby Highway 12. As a result, the community has a main street meeting highway standards but which is not directly connected to the outside world by any main thoroughfare. This omission by the corps is more than a serious inconvenience. It has removed this village from the mainstream of commercial traffic as well as tourism which it enjoyed prior to the relocation. It is a handicap to the continued social and economic growth and well-being of this rural community.

Mr. President, if nonstructural alternative approaches to water resource development in this Nation are to be promoted, and the mandate to mitigate the social and economic consequences of those developments is to be fulfilled, commonsense dictates that we look to the total environmental circumstances. Viewed in the light of these national policy goals, the relocation plan for the village of Niobrara is currently inadequate.

The corps' action has forced the residents of Niobrara to leave their homes and to relocate without access to a main highway. This places an unreasonable burden upon the residents of this rural village and represents a total disregard for the needs and future of that community. Relocation and rehabilitation in this instance is incomplete and can only induce resentment for a Federal bureaucracy which can ill-afford further criticism today.

The relocation of Highway 12 is required as a direct result of the Corps of Engineers' plan to relocate and rehabilitate the village of Niobrara. Because this is an outgrowth of the corps' activity, it is not the kind of action that would be the subject of a chief's report. A proposed plan, formulated by the Nebraska Department of Roads with the cooperation of the Corps of Engineers and the mayor of Niobrara would relocate Highway 12 at an estimated cost of $1,717,527 so that the highway would pass through Niobrara. Rerouting of the highway would insure access to adequately serve the community as nearly as practicable, in the same manner and as reasonably well as before the corps' relocation plan was implemented.

I would urge the Senate's approval of this bill which would authorize the relocation of this highway. The resident's of this village have been waiting since 1978 for the Federal Government to take this action and restore the social and economic livelihood to Niobrara which it enjoyed before the corps' relocation plan. Without this measure, we have sent Niobrara up the creek without a proverbial paddle.●

By Mr. BOREN:

S. 660. A bill to amend title IV of the Social Security Act to provide for a demonstration program of block grants to States in lieu of Federal matching or aid to families with dependent children; to the Committee on Finance.

FAMILY WELFARE DEMONSTRATION PROGRAM ACT

● Mr. BOREN. Mr. President, I am today reintroducing the Family Welfare Demonstration Program Act. This bill provides us an opportunity to utilize State and local units of government which are the most responsive, best equipped and most competent levels of government to develop programs to meet the needs of millions of families with children.

Recipients of aid to families with dependent children (AFDC), welfare administrators, elected officials and taxpayers have been disappointed and frustrated at our inability to accomplish needed reforms in this program. There is probably no single proposition which has met with more unanimous agreement than the need for welfare reform.

Yet, for a decade, the debate has gone on about how to accomplish this end. During that time welfare reforms proposals have run the gamut from total federalization of the program to minor tinkering with the current program to simple financial bail-out of States by changes in the Federal matching formula.

The Family Welfare Demonstration Program Act does not provide massive, permanent reformation of the welfare system of this country, nor does it pump more billions of Federal dollars into the existing system. It does not solve all the problems of many related programs such as food stamps, medicaid, social services, and others. It does not attempt to entice support by promising huge amounts of new Federal money for everyone.

The bill which I introduce today does, on the other hand, put us on the road to meaningful reform of the AFDC program which will result in a better program for recipients and taxpayers alike.

The Family Welfare Demonstration Program Act establishes a period of 5 years, beginning October 1, 1981, as an AFDC demonstration project period during which States could either continue to operate under current Federal requirements or could elect to conduct a block-grant demonstration project.

The single requirement for States which elect to conduct a demonstration project would be that they conduct activities and provide assistance which in their judgment will most effectively benefit and promote the social welfare of children and families with children in that State.

The amount of block-grant funds would be equal to their fiscal 1980 Federal AFDC funding adjusted annually for inflation and population changes. Evaluation studies of the projects would be conducted by the State and by the General Accounting Office with an interim report due by the end of 1985 and a followup report due by the end of 1986.

At the end of the 5-year period, September 30, 1987, the current AFDC program and the demonstration project would both "sunset" unless specifically extended by Congress. At that time Congress will have the benefit of the State projects upon which to make an informed judgment on how to best meet the needs of these families.

It is my firm belief that given the opportunity granted them in this bill, States will show overwhelmingly that they can deliver better benefits, respond quicker and more compassionately to the unique needs of the very people we are trying to help, and do it more efficiently and with greater administrative accuracy than can the Federal Government.

Today, States literally find themselves in the worst of both worlds. They are told that AFDC is a State-administered program with Federal financial participation while at the same time they are deluged with hundreds of pages of regulations on minute administrative requirements and eligibility criteria. I am told that a substantial number of errors in AFDC rates are themselves created by irrational administrative requirements.

Finally, Mr. President, I learned not long ago of a situation in Oklahoma which underscores the need for us to reconsider the direction we are going with the AFDC program.

While serving as Governor of Oklahoma, I initiated legislation which broadened the requirement for work registration and authorized a pilot project for work and training called the work experience program.

This program is voluntary and is available on a statewide basis. Statistics developed by the Oklahoma Department of Human Services indicate that the percentage of those who desire to go to work when given the opportunity is close to 99 percent.

The work experience program placements are solicited from nonprofit community resources and almost 4,000 individuals have been placed voluntarily in about 800 work sites.

The length of placement rarely exceeds 6 months and in many cases results directly in employment or placement in other education or training programs.

I was shocked when informed recently by State officials that this highly successful program is now in jeopardy because of an HHS policy interpretation made late last year.

Such a restriction on the State's ability to implement meaningful programs for recipients of AFDC is disappointing to me and, more importantly, to the thousands of potential beneficiaries of this and other innovative programs. I hope that the new administration will correct this previous misinterpretation of the law.

It is crucial that we get the welfare reform issue off high center and moving toward a solution. I believe the Family Welfare Demonstration Program Act provides an opportunity to do just that. This Congress has a responsibility to seek alternatives to the present welfare systems.

For too long we have used Federal funding as a carrot and as a club and have compounded the problem with overregulation. We must continue our commitment to the poor of this country by providing funding of programs which are responsive to their needs.

The AFDC program is uniquely suited to innovative and responsive programs which can be developed and administered by the States. I urge you to join with me in this effort to move forward in reforming our welfare system.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 660

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Family Welfare Demonstration Program Act".

DEMONSTRATION BLOCK GRANT PROGRAM

SEC. 2. (a) Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"DEMONSTRATION BLOCK GRANT PROGRAM

"SEC. 414. (a)(1) Any State may elect (subject to the provisions of this section) to participate in a block grant program and receive payments under the provisions of this section for any quarter beginning on or after October 1, 1981, and ending prior to October 1, 1987. Any State which elects to participate in such program for any quarter shall not receive any payment for such quarter under section 403 and shall not receive any payment for such quarter under part E with respect to foster care maintenance payments or administrative expenses related to a foster care maintenance payments program, including any payments which may be available as reimbursement for expenditures under part E by reason of section 474(c).

"(2) The Governor of any State which elects to participate in such program shall notify the Secretary of such State's election at least six months prior to the first day of the first quarter for which such State elects to participate in the program.

"(3) No State may begin to participate in such program in any quarter beginning on or after October 1, 1982.

"(4) A State may terminate its participation in such program beginning with any quarter that—

"(A) begins at least two years after the beginning of the quarter for which that State first participated in the program, and

"(B) begins at least six months after the date on which the Governor of the State notifies the Secretary of that State's election to terminate participation in the program.

"(5) This section and section 403 shall cease to be effective, and no payment shall be made under either such section, for any period after September 30, 1987, unless either or both such sections are specifically made effective for any such period by legislation enacted after the date of the enactment of this Act.

"(b)(1) Each State participating in the block grant program under this section for any quarter shall receive, for each such quarter, a payment in an amount equal to 25 percent of that State's adjusted base period amount for the fiscal year in which such quarter falls.

"(2) The base period amount for any State shall be equal to the total amount which the Secretary determines would have been payable to such State for the fiscal year beginning October 1, 1979 (hereinafter in this section referred to as the 'base period'), under paragraphs (1), (3), and (5) of section 403(a), taking into account the provisions of section 1118 of this Act and section 9 of the Act of April 19, 1950 (64 Stat. 47), but computing such total amount without regard to subsections (c) through (j) of section 403, and increasing such total amount by the amount of expenses incurred for social and supportive services provided in accordance with section 402(a)(19)(G).

"(3) The adjusted base period amount for any State—

"(A) for the fiscal year beginning October 1, 1980, shall be equal to the base period amount, and

"(B) for the fiscal year beginning October 1, 1981, and each fiscal year thereafter, shall be equal to the adjusted base period amount for the preceding year as adjusted for such State in accordance with paragraphs (4) and (5).

"(4) The adjusted base period amount for any State as determined under paragraph (3) shall be increased for each fiscal year, starting with the fiscal year beginning October 1, 1981, by an amount equal to the product of—

"(A) the adjusted base period amount as determined (for such State) for the preceding fiscal year, and

"(B) a percentage equal to the percentage increase (if any) in the Consumer Price Index prepared by the Department of Labor, and used in determining cost-of-living increases under section 215(i) of this Act, for the second quarter of the preceding fiscal year as compared to such index for the second quarter of the second preceding fiscal year (rounded to the nearest one-tenth of 1 percent).

For purposes of this paragraph the Consumer Price Index for any quarter shall be the arithmetical mean of such index for the three months in such quarter.

"(5) The adjusted base period amount as determined under paragraph (3) and increased under paragraph (4) for any State shall be increased or decreased (if such State has had an increase or decrease in population) for each fiscal year, starting with the fiscal year beginning October 1, 1981, by an amount equal to the product of—

"(A) the adjusted base period amount as determined (for such State) for the preceding fiscal year, and

"(B) a percentage equal to the percentage increase or decrease in the population of such State on January 1 of the preceding fiscal year as compared to the population of such State on January 1 of the second preceding fiscal year (as determined by the Secretary not later than April 15 of the preceding fiscal year, on the basis of the best estimates available from the Bureau of the Census, and rounded to the nearest one-tenth of 1 percent.)

"(c) Payments under this section shall be used by the State to conduct such activities and provide such assistance as in its judgment will most effectively benefit and promote the social welfare of children and families with children in that State, without regard to the requirements and limitations which would otherwise apply in the program of aid to families with dependent children under this part; and for this purpose the State may waive any or all of such requirements and limitations including those relating to the work incentive program under part C and the child support program under part D of this title.

"(d)(1) Any State participating in the block grant program under this section shall determine who among the individuals receiving assistance or participating in the activities conducted under the program shall be eligible for medical assistance under the State plan approved under title XIX of this Act.

"(2) Individuals determined to be eligible for such medical assistance shall, for purposes of title XIX of this Act, be deemed to be individuals receiving aid under this part; except that no such individual shall be so deemed if he would not be eligible for aid under this part, as in effect immediately prior to the enactment of this section, on account of his family status.".

"(e) For purposes of determining eligibility for adoption assistance payments under part E of this title, any State participating in the block grant program under this part may—

"(1) waive the requirement in section 473(a)(1)(A)(i) which require that the voluntary placement agreement qualify for purposes of Federal payments under section 474, if such agreement would so qualify if the State were eligible to receive Federal payments for foster care maintenance payments under part E; and

"(2) waive the requirement in section 473(a)(1)(B) which requires that the child received aid (or would have received such aid but for a failure to apply for such aid or to be living with a specified relative) under the plan approved under this part for a particular month, if such child received (or would have received but for such a failure) assistance under the block grant program for such month.".

(b) Section 403 of such Act is amended by adding at the end thereof the following new subsection:

"(k) The provisions of this section shall not apply to any State with respect to any quarter for which such State is receiving a payment under section 414 of this Act."

REPORT BY COMPTROLLER GENERAL

SEC. 3. (a) The Comptroller General of the United States shall conduct a study and evaluation of the block grant programs conducted by States pursuant to section 414 of the Social Security Act, and of the aid to families with dependent children programs carried out in States not participating in the block grant program.

(b) The Comptroller General shall submit to the Congress an interim report with respect to such study and evaluation on or before December 31, 1985, and shall submit to the Congress a final report on or before December 31, 1986.

(c) No payment may be made under part A of title IV of the Social Security Act to any State which fails to cooperate with the reasonable requests of the Comptroller General in carrying out his duties under this section, for so long as such failure to cooperate continues.●

By Mr. JEPSEN:

S. 661. A bill to amend title 18 of the United States Code to provide a criminal penalty for robbery of a controlled substance and to establish a commission to make recommendations with respect to the Federal effort to curb pharmacy related crimes; to the Committee on the Judiciary.

ROBBERY OF CONTROLLED SUBSTANCES FROM PHARMACIES

● Mr. JEPSEN. Mr. President, in 1970 Congress enacted the Comprehensive Drug Abuse Prevention and Control Act, to limit the rampant use of illegal drugs. Since that time, pharmacists all across the country have experienced increased threats to their lives as a result of drug-related robberies. Whether drug addicts or hardened criminals commit these crimes, the crimes are always senseless and violent and, many times, tragically result in the death of an innocent pharmacist.

I believe it is fair to say that the Federal Government helped create this situation. The 1970 act tightened Federal laws on controlled substances, thus making it more difficult for drug addicts and criminals to obtain illegal drugs. But as their usual drug connections began to dry up, these desperate individuals turned to a different source—the local pharmacist.

In effect, the pharmacist has become the sacrificial lamb for an inadequate Government program. The 1970 act sought to address one problem, but in the process created another.

Last year, there were 157 Iowa pharmacies broken into. Nationally, pharmacy thefts of controlled substances are reported to have increased a startling 225 percent between 1976 and 1978. Pharmacists are suffering from a drug related problem and it is reaching epidemic proportions.

As you may recall, Mr. President, there was a provision in the criminal code reform bill proposed last year, that would have made the robbery of a controlled substance from a pharmacy a Federal crime, if the robbery involved more than $500 worth of controlled substances.

Unfortunately, this section, as written, would have had a minimal effect on drug-related pharmacy robberies. Several pharmacists have pointed out to me that the majority of drug-related pharmacy robberies do not involve more than $500 worth of a controlled substance.

In addition, the $500 provision raises the question about the actual value of a controlled substance. Do you use the retail price, the wholesale price, or the "street value"? That makes a big difference.

Setting a specific dollar amount almost seems to imply that there is a direct correlation between the amount stolen and the severity of the wounds inflicted. I think the victim's head will hurt just as much whether the robber steals $490 or $510.

For these reasons, my bill does not include a $500 "trigger." I believe that removal of this provision will enhance the deterrent effect of the legislation without unduly infringing on the domain of local law enforcement authorities. Ideally, most of us would like to see this dealt with on the local level. But it is becoming increasingly apparent that local law enforcement officials do not have either the time or the resources to effectively deal with the situation.

Finally, Mr. President, I ask unanimous consent to insert in the RECORD an editorial from the September 1980 edition of American Druggist. I think the editorial speaks for itself and I urge my colleagues to look at it. I believe it vividly points out the seriousness of the problem.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUR DISHONORED DEAD: PHARMACISTS MURDERED BY THE UNPUNISHED

(By Stanley Siegelman)

The pharmacists listed below were killed by armed intruders seeking drugs and cash. They were brutally murdered while serving the public.

At long last, there is a real possibility that legislation will be enacted making violence against pharmacies a Federal crime. That no such law exists dishonors our elected representatives in Washington, as

well as those guiltless pharmacists who suffered the ultimate penalty.

Clip this page and send it to your Congressman. Drop us a note stating you have done so—so that we have more ammunition at hand to further the cause. It is a just cause. Pharmacists deserve the protection of the Federal government. State and local authorities have proved inadequate in dealing with this particularly vicious iniquity.

This list is more eloquent than any editorial we could possibly write.

Sidney Adelman, RPh, Philadelphia, Pa.
Morris Becker, RPh, Yonkers, N.Y.
Samuel Beskin, RPh, Los Angeles, Calif.
Elis Bogan, RPh, Philadelphia, Pa.
Paul Bogart, RPh, Covington, N.Y.
Carl Brooks, RPh, Little Rock, Ark.
Joe Bruce, RPh, Fayetteville, Ariz.
Adele Carr, RPh, Covington, Ky.
William Catoe, Jr., RPh, Columbia, S.C.
Bob Chachere, RPh, New Orleans, La.
Clem Charbonnet, RPh, New Orleans, La.
Lee Craigen, RPh, Seattle, Wash.
Donald Dearth, RPh, Long Beach, Calif.
Jacob Farber, RPh, Philadelphia, Pa.
Peter Friedlander, RPh, Bronx, N.Y.
Hy Gordon, RPh, Malden, Maine.
John Green, RPh, Seattle, Wash.
Pat Horgan, RPh, Long Beach, Calif.
Cyril Russell-Howland, RPh, Atlanta, Ga.
Patrick Hughes, RPh, Roxbury, Mass.
Robert Jorgensen, RPh, Minneapolis, Minn.
Larry Jung, RPh, San Leandro, Calif.
Carvil Kiger, RPh, Wilmington, Del.
William Knox, RPh, Indianapolis, Ind.
A. B. Lanier, RPh, Memphis, Tenn.
Louis Lipschultz, RPh, Philadelphia, Pa.
David MacClarty, RPh, Linthicum, Md.
George Malaith, RPh, Lake County, Ind.
Sol Marr, RPh, Buffalo, N.Y.
John McClain, RPh, Decatur, Ga.
Fred Meek, RPh, Portland, Oreg.
William Middleton, RPh, Baton Rouge, La.
Chester Mitchel, RPh, Shreveport, La.
Woodrow Moulton, RPh, Pensacola, Fla.
Elbert Munsey, RPh, Portales, N. Mex.
Douglas Orchard, RPh, Magna, Utah.
Simon Perioff, RPh, Philadelphia, Pa.
Herbert Roth, RPh, Philadelphia, Pa.
William Sherman, RPh, St. Joseph, Mo.
June Stallcutt, Little Rock Ark.
Herb Silverman, RPh, Hollywood, Fla.
Julius Smith, RPh, Columbus, Ga.
Jesse Stewart, RPh, Fremont, N.C.
John Stockdale, RPh, Indianapolis, Ind.
Irving Tweedy, RPh, Buffalo, N.Y.
Louis Viner, RPh, Philadelphia, Pa.
Mrs. John Volpato, Carlsbad, N. Mex.
Jacob Wallfield, RPh, Philadelphia, Pa.
Max Zalstein, RPh, Philadelphia, Pa.
Leslie Zive, East Hatfield, Mass.●

By Mr. CHILES (for himself and Mr. NUNN):

S. 664. A bill to amend section 481(d) of the Foreign Assistance Act of 1961; to the Committee on Foreign Relations.

USE OF HERBICIDES IN CONTROLLING MARIHUANA

● Mr. CHILES. Mr. President, I am introducing today on behalf of myself and Senator NUNN, legislation to remove the restriction on U.S. assistance funds for the spraying of an herbicide to eradicate marihuana. I am proposing this action as another step in the effort to reinforce our drug-fighting capability. The current restriction on such spraying is one more example of Government policy that only serves to hamper our ability to control the drug flow. The task of combating illicit narcotics is difficult enough without this type of additional burden.

As the Congress and Federal law enforcement agencies grapple with programs and strategies to control the staggering flood of drugs into this country, there is one inescapable conclusion: The most effective means to stop the drugs is at their source. Any enforcement strategy that does not include an effort to cut off the drug supplies in producing countries such as Colombia is doomed to failure. As long as marihuana and opium are produced in bumper crops in foreign nations, a good portion of these drugs will find its way to our shores.

Equally clear is that an eradication program in a foreign nation can have a very significant effect. The use of herbicide spraying in Mexico had unparalleled results in crippling the heroin industry in that country. Heroin supplies coming into this country from Mexico were reduced by 70 percent, and this reduction was accompanied by a sharp drop in U.S. heroin-related deaths.

So, if we know that control programs at the source are essential and that they work, why do not we help nations that want to stop drug production by supporting eradication efforts? The answer is the prohibition contained in section 4 of the International Securities Assistance Act of 1978. When you look at the statute and how it has been implemented, it proves not a very good answer to the question.

Section 4 of the International Securities Assistance Act prohibits use of U.S. funds for any program involving the spraying of a herbicide to eradicate marihuana if the use of that herbicide is likely to cause serious harm to health of persons who may use or consume the sprayed marihuana.

Under this statute, the Secretary of State is required to inform the Secretary of Health and Human Services of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a U.S.-funded program.

The Secretary of HHS must then make a determination on the health question and inform the Secretary of State. The HHS determination is to be made on the basis of scientific information and testing and after consultation with the Secretary of Agriculture and Administrator of the Environmental Protection Agency.

In October 1978, the Secretary of State requested HEW to make a determination on the health effects of paraquat, then in major use in U.S.-funded drug control programs in Mexico. Secretary Califano responded in an August 2, 1979, letter to Secretary of State Vance that paraquat poses a serious health risk to the users of paraquat-contaminated marihuana and consequently U.S. assistance was terminated for any paraquat spraying program.

The herbicide amendment was adopted by the Congress with only limited debate, and I believe little real attention to its potential consequences. It was passed in the wake of a concern that a great many Americans might suffer serious health problems from smoking contaminated marihuana.

In retrospect, I think it can be shown that the amendment addresses a health threat that is questionable at best. I think it can also be shown that it has had a major negative effect on efforts to reduce the illegal flow of marihuana imports.

A troubling difficulty that is often experienced in our efforts internationally to control drug production, is convincing foreign governments that we are truly serious. If we encourage these governments to crack down, provide them financial assistance, and yet turn around and prohibit the use of the most effective eradication tool, it is no wonder there is skepticism.

I know from personal conversations with President Turbay of Colombia, who is waging an aggressive war against the drug traffickers, that questions exist about our resolve to really wipe out the drug trade.

The prohibition on herbicide spraying feeds that type of questioning, and I can not think of a worse signal to be sending to the international community.

At the time Congress passed the herbicide amendment, there was a prevalent expectation that an equally effective eradication mechanism could be quickly developed. This has not proven to be the case. A survey of the scientific inquiry into eradication alternatives points to the unique properties of paraquat for destroying drug raw materials.

The United Nations Study Group on Methods for the Eradication of Illicit Narcotics Crops evaluated the various ways of eradicating narcotics plants and concluded that:

> Chemical attack at the present time offers the best overall opportunities to successfully destroy narcotics crops.

Of the chemicals tested, paraquat produced the most rapid response.

The Mitre Corp., in a study for the Bureau for International Narcotics Matters, Department of State, concluded, on the basis of testing 140 herbicides marketed in the United States, that paraquat is the only herbicide environmentally acceptable for the eradication of opium poppy and marihuana.

The Science and Education Administration of the U.S. Department of Agriculture maintains that:

> Paraquat is currently the most effective herbicide and method for rapidly killing marihuana.

It provides a quicker kill than any other herbicide available and there is no single alternative herbicide that can do an equal, satisfactory job.

There is an obvious need for an eradication effort to substantially reduce the massive supplies of marihuana coming from foreign countries. For the immediate future at least, paraquat is the only effective tool we have for accomplishing large-scale destruction of marihuana crops. In the face of these facts, there must be a clear and compelling reason to justify the prohibition on paraquat spraying. To my mind the case has not been made.

First of all, there is an implicit assumption in the concern over paraquat-sprayed marihuana that marihuana smoking itself is not posing a health risk of any consequence. As the evidence mounts, that assumption is being shown

as quite incorrect. HEW's Eighth Annual Report to Congress, "Marihuana and Health: 1980" underscores the hazardous effects of marihuana smoking. Among the report's more disturbing findings:

> The potency of marihuana in the United States has increased markedly over the past 5 years.
>
> Marihuana may affect the reproductive function of men and women and may affect the unborn child.
>
> It appears likely that daily marihuana use leads to lung damage similar to that resulting from heavy cigarette smoking.
>
> Extended use of marihuana over a period of years may eventually be shown to cause cancer in humans.

Dr. William Pollin, director, National Institute on Drug Abuse concluded:

> If widespread marijuana use, especially among young people, is not curtailed, our society may pay a large price in health consequences and medical costs. . . . Many young people want to view marijuana as a simple herb with the power to enhance their lives. In fact, research is showing it as a complex drug which can negatively affect learning and motor coordination, and may eventually lead to serious health problems.

What we presently know is that marihuana is a dangerous substance, readily available to almost anybody who wants it, and used with increasing frequency.

In short, it is a national problem with serious health and other implications. A look at the potential health consequences to the American public of paraquat-sprayed marihuana presents much less cause for concern.

Contrary to the initial alarm over paraquat, a reasonable analysis would indicate that it can be employed as an eradication technique with minimal risk to U.S. public health.

The current statute requires an assessment of the health risk to persons who smoke marihuana contaminated by an herbicide. To accomplish this, consideration must be given to factors such as the amount of paraquat an individual must inhale to suffer fibrosis; the amount of paraquat-contaminated marihuana in the U.S. market; the concentration of paraquat; and the smoking and purchasing habits of American marihuana users.

Obviously, a large part of such an assessment will be speculative in nature, depending upon statistical projections and extrapolations from animal test data.

The findings by HEW, which resulted in the paraquat ban, represent a structuring of those factors to provide a worst case estimate. Even in a worst case analysis the HEW study indicated that only between 50 to 100 marihuana smokers could be exposed to significant amounts of paraquat-contaminated marihuana.

This represents an extremely small fraction of all American marihuana smokers. With the exception of individuals who may make one very large buy per year of contaminated marihuana, the computer simulation data projected a population approaching zero that might risk exposure to 500 micrograms of paraquat, a dosage considered potentially harmful.

Further, the Department of Agriculture raised serious questions about the validity of even this worst case analysis by HEW. USDA comments:

> Technical evidence presented in your letter dated June 20, 1979, is based on computer simulation studies which largely indicate that marijuana smokers in this country are not subject to exposure levels of paraquat that are judged by health authorities to be harmful. The simulation study based on one large "buy" per year in which an upper limit of 60 persons would be exposed to 500 micrograms of paraquat is based on exposure assumptions we question.

The United Nations Narcotics Laboratory study group confirms this view in its analysis of paraquat, finding that:

> Residues of sprayed formulations on cannabis would not be sufficient to cause toxic effects to the marijuana user.

In light of the seriousness of the marihuana problem and the urgent need for an effective crop eradication program, I think it is time for the United States to again assist foreign nations with herbicide programs to destroy drug raw materials where they are grown.

Such assistance has been demonstrated to be an effective tool in controlling the flow of narcotics. With the ever-increasing traffic in marihuana from abroad, it is a tool we can no longer afford to forgo.

The legislation I am proposing provides for repeal of section 4 of the International Securities Assistance Act of 1978. Such action will allow the use of U.S. assistance funds for herbicide spraying programs to eradicate marihuana.

In order that Congress can assess if any potential health problem may result from paraquat spraying, my bill provides that the Secretary of State will continue to advise the Secretary of Health and Human Services of the initiation of an herbicide spraying program, and the Secretary of HHS will monitor the health impact on persons who may consume sprayed marihuana.

If the Secretary makes a determination that persons are being exposed to amounts of such herbicide harmful to their health, he shall report this to the Congress along with any appropriate recommendations.

Mr. President, I regard this proposal as an important and necessary step toward improved control of narcotics production and trafficking. I urge its prompt consideration and approval by the Congress.

I ask unanimous consent that the text of the bill as well as a letter from Florida Attorney General Jim Smith; a resolution adopted by the National Association of Attorneys General; and a Washington Post editorial be printed at this point in the RECORD.

There being no objection, the bill, letter, resolution, and editorial were ordered to be printed in the RECORD, as follows:

S. 664

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 481(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(d)(1) The Secretary of State shall inform the Secretary of Health and Human Services of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a program receiving assistance under this chapter.

"(2) The Secretary of Health and Human Services shall monitor the impact on the health of persons who may use or consume marihuana of the spraying of a herbicide to eradicate such marihuana in a program receiving assistance under this chapter, and if he determines that such persons are exposed to amounts of such herbicide which are harmful to their health, he shall prepare and transmit a report to the Congress setting forth such determination together with any recommendations he may make.".

DEPARTMENT OF LEGAL AFFAIRS,
Tallahassee, Fla., March 6, 1981.

Hon. LAWTON CHILES,
U.S. Senate,
Washington, D.C.

DEAR LAWTON: My staff advises me that your office is preparing legislative proposals directed at the drug smuggling problem. Nothing is more vital to the future of Florida at this time, and your interest in this problem is much appreciated.

For the past two years I have been working at the State level to help organize the resources available here and achieve some meaningful drug enforcement. As you know, however, Florida has been overrun by the smugglers. We're simply not equipped to make significant gains. Our State has mounted a full effort to combat these smugglers with little gain.

The one measure that has demonstrated its effectiveness in curtailing the importation of drugs is denied us by law. This is the spraying of the crop with herbicides in the field. Mexico's standing as a prime source of marijuana for the U.S. market was destroyed along with the crop after its participation in spraying operations, financed by the United States and Mexico.

An amendment to the Foreign Assistance Act of 1961 prompted by what would seem to be contradictory concern for the health of drug users who might receive a product containing herbicide residues, now prohibits use of foreign aid funds for this purpose. Medical evidence does not, as suggested by the 1978 study of the United National Narcotics Laboratory, support this concern. In fact, no case of herbicide poisoning by marijuana use has ever been reported to health agencies of the federal government that research such matters.

Moreover, the United National Fund for Drug Abuse Control and drug enforcement officials at every level, including those in the Colombian government, proclaim spraying as the only measure assuring success in the near term. Once the product reaches the myriad channels of smuggling, the odds against interdiction and the cost increase exponentially.

This amendment should be repealed, and I strongly recommend that you consider offering such a measure to the Congress. I believe you will find support for repeal at the highest level—including DEA's administrator Peter Bensinger, and Colombia's President Turbay—officials who are close to the problem.

Of course, my staff and I are ready to help at any time, in any way we can.

Sincerely,

JIM SMITH,
Attorney General.

RESOLUTION

Whereas, a national survey estimates 43 million Americans have tried marijuana and 16 million are regular users; and

Whereas, illegal importation and sale of the drug is a significant narcotics enforcement problem; and

Whereas, the most effective method of curtailing the marijuana trade is to interrupt its supply at the point of origin, in the field; and

Whereas, aerial application of a herbicide has been used with demonstrated effectiveness in Mexico; and

Whereas, there is no documented case of human poisoning as a result of herbicide spraying of marijuana; and

Whereas, Colombia is the source of 70 percent of the marijuana illegally imported into the United States, and the Colombian government stands ready to engage in a marijuana spraying program with the financial help of the United States; and

Whereas, U.S. funding for marijuana spraying has been prohibited by the Percy Amendment to the International Security Act of 1978 (Public Law 95-384); and

Whereas, the amendment is contradictory to the U.S. government public policy and throws into question the depth of its commitment to narcotics enforcement.

Now, therefore, be it resolved by the National Association of Attorneys General:

(1) that Congress should commit the United States government to taking the necessary steps to protect security from the debilitating impact of drugs; and

(2) that an essential aspect of that policy is elimination of the supply of marijuana; and

(3) that the Percy Amendment should be repealed; and

[From the Washington Post, July 3, 1980]

GETTING HIGH/GETTING HURT

While the debate over legalization or decriminalization of marijuana rages on, the National Institute on Drug Abuse has recently published two important documents that should change the focus on most people's attention. One is a summary of current research findings on the effects of marijuana on health, and the other is a survey of the extent and intensity of current marijuana use.

The survey shows a continuing trend of more frequent use, by younger individuals, of more potent marijuana. The fraction of 12- to 17-year-olds who have ever used pot has grown from 7 percent in 1967 to 14 percent in 1971 to 31 percent last year. Of this age group, 17 percent are current users—defined as those who have used the drug within the past month. In the past five years, daily use by high school seniors has almost doubled, and now stands at 10.3 percent. Almost 40 percent of this year's graduating class are current users.

These are underestimates, since they are based only on interviews of those actually attending school. Nor do they reflect the increasing potency of the plant. The fraction of THC—marijuana's principal psychoactive component—in plants imported from Mexico has increased twenty-fold since 1973. And marijuana from Colombia, which accounts for more and more of today's supply, is estimated to be twice as potent as the current Mexican crop.

The biological effects of marijuana use are much less certain, since most experiments must be done on animals. But some effects are becoming clear. Marijuana produces lung disease as great as or greater than that caused by tobacco.

It also contains more cancer-producing substances than does tobacco smoke. The Drug Institute concludes that "it appears likely that daily use of marijuana may lead to lung damage even greater than that resulting from heavy cigarette smoking." Research on animals, as yet unconfirmed in humans, shows a definite suppression of the immune system—the body's chief defense against illness. A range of evidence indicates that marijuana affects the delicate balance of glands and hormones that govern sexual development and reproductive function, including effects on fertility in both sexes and damage to the developing fetus.

The most serious effects appear to be psychological—especially in young people. Any biological system is more vulnerable to damage during periods of rapid change than during periods of stability, and 12- to 17-year-olds are in a period of extremely rapid psychological change involving intellectual skills and learning, emotional growth and personality development. There is a growing consensus that each of these functions may be seriously impaired by marijuana use during this period.

While this may seem a pretty sobering list, the sum of what is still unknown is even more scary. Marijuana has only been widely used in this country for just over 15 years. Most cancer latencies are 20 years or longer and, as has been demonstrated in the case of alcohol and tobacco, it may require decades of use by very large numbers of people before even devastating effects of a drug become evident.

Pot is clearly a dangerous substance—at least for 12- to 17-year-olds and possibly for older people as well—and its illegal status has obviously not curbed its availability. While the appropriate legal treatment for marijuana possession and sale is one important issue, there is also an urgent need to find ways to diminish marijuana use by those who are being hurt worst by it.●

By Mr. CHAFEE:

S. 665. A bill to extend the period during which the Secretary of Defense may repay certain educational loans made to persons who serve in the Armed Forces, and for other purposes; to the Committee on Armed Services.

EDUCATIONAL LOAN FORGIVENESS ACT OF 1981

Mr. CHAFEE. Mr. President, today, I am introducing the Department of Defense Educational Loan Forgiveness Act of 1981.

The purpose of this legislation is to provide young men and women with at least 2 years of college education a positive incentive to serve in the U.S. Armed Forces. In the case of this legislation, the motivating factor for enlistment is the forgiveness of educational loans incurred while at college.

In my judgment, this program has several positive features designed to improve the quality of America's military manpower:

Most importantly, it provides a positive incentive for college-level students to join our military services;

Unlike many G.I. bill formulations, it does not draw college-bound soldiers out of the military in order to collect their benefits;

It provides the military with the educational skills of college-level personnel which are so important in today's sophisticated military environment;

There is no penalty for college students who accept educational loans but do not wish to serve in the military forces;

The program is available to both officers and enlisted personnel; and

It is established on a trial basis so that it will cost the U.S. Government virtually nothing if it does not work as intended.

I urge my colleagues to help upgrade the educational level of young men and women entering the U.S. Armed Forces today by supporting the Educational Loan Forgiveness Act of 1981.

MANPOWER PROBLEMS

Mr. President, we are all aware that one of the greatest problems facing the U.S. military today is manpower. We need to recruit more young people into the All-Volunteer Force, and we need to retain those who are already in. Furthermore, we have to improve the quality of the people who are enlisting into the Armed Forces today.

When the All-Volunteer Force (AVF) was established in 1973, I was one of its early supporters. I still believe the AVF is the best possible way to man our military forces in peacetime. However, it is important to realize that the AVF has not provided our Armed Forces with as many recruits or as many of high quality as we originally hoped.

DECLINE IN QUANTITY

In a recent study on manpower problems in the All-Volunteer Force, it was stated that active duty military strength needs to be maintained at least at 2.2 to 2.3 million, along with combat ready and responsive Reserve components, to insure a prudent minimum level with which to meet initial U.S. national security commitments worldwide.

As of July 1980, however, our total active duty forces fell below this minimum level by a figure of from 156,000 to 256,000. These totals were 10 percent below actual fiscal year 1973 strength levels, and 24 percent below fiscal year 1964 levels, which were the last pre-Vietnam war fiscal year figures.

Reserve figures are even more disturbing than these active duty shortfalls.

As of July 1980, selected Reserve force levels were 11 percent below those of fiscal year 1973; approximately 22 to 23 percent below the Department of Defense's stated mobilization; and 14 percent below fiscal year 1964 levels. The individual Ready Reserve currently has about 270,000 unfilled spaces. In July 1980, the Army individual Ready Reserve strength was 72 percent below fiscal year 1973; 47 to 65 percent below various Department of Defense mobilization requirements; and 54 percent below fiscal year 1964 levels.

DECLINE IN QUALITY

Mr. President, these declines in the quality of military personnel are of serious concern. More startling than the decline in quantity of personnel, however, is the decline in quality of personnel.

A Defense Department report published last year showed that 40 percent of current military recruits cannot read at a ninth grade level, while countless others required remedial reading and English language training. Nearly 50 percent of all recruits are in the lowest category of intelligence, and many high school graduates are not mentally capable of passing courses in the service schools. The Air Force alone fell 43 percent short of its hiring goal in engineers in 1979, while its ROTC IQ test scores dropped from 44 percent in the 74 to 95 percent test range in 1972 to 22 percent in 1978–79. Just last week, I was told that the Army has a serious shortage of officer candidates with engineering skills.

A recent study on recruit quality on the All-Volunteer Force concluded in part that the percentage of above average individuals in the enlisted ranks—measured by education, high school graduate status, or intelligence—has declined substantially since the AVF began. This study also revealed that in 1965, 20 percent of all active duty enlisted personnel had some college training. In 1980, that figure had dropped to 10 percent. In 1974, 39 percent of all Reserve enlisted personnel had some college training, while in 1980, this figure stood at 10 percent.

READINESS PROBLEM

The result of this twofold decline in quality and quantity of manpower resources is predictable and alarming. A Navy ship is declared unfit for sea duty by her captain because he lacks enough trained petty officers. An Air Force fighter wing flunks a readiness test, with only one-third of its F-15's fit to fly combat missions—in large measure because 30 percent of the unit's airmen are too inexperienced for their jobs. A recent Army training study "found that 25 percent of the tank gunners did not know where to aim the battlesight when engaging a target * * *."

In short, the decline in quantity and quality of recruits has contributed to the serious decline in readiness of our forces.

Mr. President, in my judgment, it is not sufficient that we simply increase the numbers of young people entering military service in this country today. We must increase the quality of these recruits as well. While the fact of a college education is by no means an absolute standard of whether a young man or woman will make a good soldier, I believe that in most cases a better-educated soldier will be a better soldier in today's highly complex and sophisticated military environment.

You do not need to have flown an F-15 fighter, fired an antitank weapon, or sailed in a guided missile frigate to realize that soldiering today is far more complex than "holding fire until you can see the whites of their eyes." (William Prescott, June 17, 1775, at Bunker Hill.)

EDUCATIONAL LOAN FORGIVENESS

Mr. President, every year, this Government offers over a billion dollars in educational loans so that our young men and women can attend the colleges and universities of their choice. Many young college graduates find themselves deeply in debt at the completion of their education.

By allowing the Department of Defense to repay certain educational loans made to persons who agree to serve in the armed services, my bill solves several problems in a positive manner.

First, it gives these young people a vehicle for reducing or eliminating their burden of debt through military service. In the case of a reservist, this debt can be reduced at the rate of 20 percent or $600 per year, whichever is largest. Since the minimum period of Reserve service is 6 years, this gives the enlistee the opportunity of eliminating the debt by the final year of service. In the case of an active-duty enlistee, this debt will be reduced at a rate of 50 percent or $1,500 per year, whichever is greatest. Thus, active-duty enlistees who must serve 3 years, can relieve their debt by their final year of service as well.

Second, by requiring that each applicant to this program have completed at least 2 years of college education, we assure that we are attracting a significantly better educated recruit than just a high school graduate. This is the type of recruit that our military forces need to perform highly complicated functions in a modern military force.

Third, unlike many GI bill formulations, the benefits of this program are paid at the point the recruit enters the service rather than at the point when the soldier leaves the service. The incentives of the educational loan forgiveness program are designed to attract college-level recruits into uniform rather than to attract college-bound soldiers out of uniform. This means that the military has the use of a more highly educated recruit during his or her term of service, and does not entice upward-mobile soldiers out of service.

Fourth, there is no penalty for students who accept college loans but do not wish to serve in uniform. In other words, this program does not provide a disincentive to a student who wishes an educational loan but does not wish to commit himself to military service at some future date. It is assumed that the specter of indebtedness facing a student well into his or her college career, or upon graduation, will provide the motivating force for enlistment into the service. We are offering a choice rather than a requirement.

Fifth, my proposal for educational loan forgiveness allows the Secretary of Defense the discretion of offering this program to officers as well as enlisted personnel. Thus, a highly motivated or aggressive enlistee who decides to go to officer candidate school (OCS) will not lose benefits under this program on receiving a commission. Nor will this individual be deterred from going to OCS because he or she will lose benefits that otherwise would go only to enlisted personnel.

Finally, this bill does not provide for an expensive new bureaucracy or set of entitlements that will remain in place even if the program itself fails. Rather, it provides substantial discretion to the Secretary of Defense to fashion in a flexible manner a program to meet his immediate and changing needs. If the program fails—that is, if no college-level students respond to the incentive of educational loan forgiveness through military enlistment—no loans will be forgiven. Therefore, no moneys will be paid. Advertising costs and administrative expenses of this program will be modest by most standards, and are estimated by the Defense Department at less than $500,000 for 3 years.

EXPANDED PROGRAM

Mr. President, last year, the Congress passed legislation authorizing a program similar to what I am proposing here today. That program was funded for 1 year on a trial basis, and was a small part of a larger test program to improve military recruitment in general.

What I am proposing here today will expand upon last year's program by extending its duration to 1983, by accelerating the rate of educational loan forgiveness and by allowing the Secretary of Defense to offer these incentives to officers as well as enlisted personnel.

This concept has received the support of my colleagues in both Houses of Congress. In particular, Senator COHEN of Maine and Representative PETRI of Wisconsin have shown outstanding leadership in developing and promoting this concept. This program has also received the warm endorsement of manpower specialists in the Department of Defense and elsewhere.

I urge my colleagues to support this expanded program of providing educational loan forgiveness to college students who offer to serve in uniform. In this way, we can at least begin to reverse the unfortunate and dangerous decline in the numbers of college-educated men and women enlisting and serving in our Armed Forces.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Educational Loan Forgiveness Act of 1981".

SEC. 2. (a) Subsection (a)(2) of section 902 of the Department of Defense Authorization Act, 1981 (94 Stat. 1115; 10 U.S.C. 2141 note), is amended by striking out "an enlisted member" in clauses (A) and (B) and inserting in lieu thereof "a member".

(b) Subsection (b) of section 902 of such Act is amended—

(1) by striking out "15 percent or $500" in clause (1) and inserting in lieu thereof "20 percent or $600"; and

(2) by striking out "33⅓ percent or $1,500" in clause (2) and inserting in lieu thereof "50 percent or $1,500".

(c) Subsection (g) of section 902 of such Act is amended to read as follows:

"(g) The authority provided under this section shall apply only in the case of persons who have satisfactorily completed, as determined by the Secretary of Defense, at least two years of college level education, or the equivalent thereof, and who—

"(1) enlist or reenlist in the Selected Reserve of the Ready Reserve of an Armed Force or enlist or reenlist for service on active duty after September 30, 1980, and before October 1, 1983; or

"(2) otherwise volunteer for and serve in the Selected Reserve of the Ready Reserve of an Armed Force or otherwise volunteer for and serve on active duty after September 30, 1981, and before October 1, 1983.".

SEC. 3. The amendments made by section 2 (b) of this Act shall apply retroactively in the case of persons who enlisted or reenlisted in the Selected Reserve of the Ready Reserve of an Armed Force or enlisted or reenlisted for service on active duty after September 30, 1980, and before the date of the enactment of this Act.

By Mr. CRANSTON (for himself, Mr. HATFIELD, Mr. HOLLINGS, Mr. INOUYE, Mr. LEVIN, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. PELL, Mr. RANDOLPH, and Mr. TSONGAS):

S. 667. A bill to amend the Social Security Act to extend medicaid eligibility to certain low-income pregnant women and newborn children; to the Committee on Finance.

MEDICAID COVERAGE FOR PREGNANT WOMEN

Mr. CRANSTON. Mr. President, I am pleased to introduce today S. 667, legislation that would provide uniform medicaid coverage in all States for low-income women who are pregnant with their first child. The amendment I am proposing to the medicaid program is identical to the amendment I submitted for printing last Congress to S. 1204, the proposed "Child Health Assessment Program" (CHAP), and similar to one I had proposed in the 95th Congress. It is also very similar to the provision passed in the House during the last Congress in H.R. 4962, the companion to S. 1204. I am joined in cosponsoring this amendment by the Senator from Oregon (Mr. HATFIELD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Michigan (Mr. LEVIN), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from New York Mr. MOYNIHAN), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Massachusetts (Mr. TSONGAS).

I was very disappointed, Mr. President, that failure to take up the CHAP bill last Congress also meant failure to act on our amendment to S. 1204, which would have corrected the inequitable situation in many States under which a woman becomes eligible for medicaid coverage after her first child is born, but is not eligible during the critical prenatal, delivery, and postnatal period of her first pregnancy when, to a major extent, the future health of her infant is determined.

Mr. President, the medicaid program was created by Congress to insure financial access to health care for individuals who are unable to afford needed medical services. Under present law, medicaid coverage is mandated for low-income women of child-bearing age who are parents of a dependent child under part A of title IV of the Social Security Act—Aid to Families with Dependent Children (AFDC), who are disabled, or who are blind.

States have the option to provide medicaid benefits to the medically needy—those individuals whose family income exceeds the State's eligibility standard, but who meet the AFDC or SSI categorical criteria and are unable to pay all or part of their medical expenses. Presently, over one-third of the States have determined that a pregnant woman during her first pregnancy does not have a family until the child is born and therefore does not qualify under the AFDC program. Such a requirement precludes medicaid coverage or prenatal, delivery, and postnatal care for many young, low-income women.

States also have the option to extend coverage to financially eligible pregnant women who do not meet the categorical requirements of AFDC or welfare programs. Currently, 32 States do not provide AFDC—and therefore medicaid—coverage to low-income women who are pregnant with their first child and in an intact family. That means that the married pregnant woman whose husband is living in her household and is unemployed or underemployed is not eligible for medical care.

Mr. President, there is no question about the relationship between inadequate care during pregnancy and infant mortality and morbidity and the resultant very large societal costs resulting from the birth of children in ill health. It is therefore my conviction that it makes good sense from both a health care and a fiscal policy point of view for medicaid coverage to be provided, beginning with the prenatal period, for all low-income pregnant women. My amendment would provide such coverage to all low-income women who are pregnant with their first child—whether they are in intact families or not—whose income level would make them eligible for medicaid coverage under the higher of either the State eligibility standard or 55 percent of the poverty level. The latter level is approximately $4,625 for a family of four, and $2,360 for an individual. Coverage would be provided during the prenatal and delivery period and for both the mother and her newborn for a minimum of 60 days after the birth.

THE NEED FOR PRENATAL CARE

Mr. President, inadequate prenatal care is clearly associated with increased newborn mortality and morbidity. Data from the Department of Health and Human Services indicate that women who receive early and frequent prenatal care have better pregnancy outcomes than those who do not. In a New York City study of 142,000 live births, infant death was more than twice as high for mothers who had four or fewer prenatal care visits than it was for those with nine or more visits. If low birthweight is used as a measure of pregnancy outcome, almost two-thirds of women at high risk of having a low-birthweight infant can be identified through prenatal care. According to the Surgeon General's 1980 Report "Healthy People," low birthweight is the greatest single hazard for newborns, increasing their vulnerability to developmental problems and to death. Of all infant deaths, two-thirds occur in infants weighing less than 2,500 grams at birth. These low-birthweight infants have a 20 times greater risk of dying in their first year of life. Low birthweight is also related to infant morbidity such as impairment of the central nervous system leading to such developmental disabilities as mental retardation, cerebral palsy, epilepsy, and autism. Women with such identifiable medical conditions as diabetes, hypertension, or kidney or heart disease, or who experience complications of pregnancy such as toxemia, or infections of the uterus, have a much greater risk of poor pregnancy outcome.

Mr. President, adequate prenatal care can help to identify many of the maternal risks associated with poor pregnancy outcome, and steps can be taken to prevent or reduce these risks, including arranging for the mother to give birth in a hospital equipped with resources suited to the needs of her pregnancy.

Mr. President, despite the importance of timely prenatal care, an estimated 5.6 percent of all pregnant women in this country receive no or inadequate prenatal care. The percentage of women lacking adequate prenatal care is considerably higher among poor, nonwhite adolescent, and unmarried women, those in rural areas, and those over 35 years of age—the very groups most likely to be at high risk during pregnancy due to other factors.

According to data compiled by the National Center for Health Statistics, in 1975, approximately twice the proportion of black as of white mothers received late or no prenatal care, and adolescents and women over 35 were the most likely to receive late or no prenatal care.

The need to provide prenatal, delivery, and postnatal care to those pregnant women unable to afford private care for themselves or their infants cannot be overstated. Last Congress I chaired a hearing on efforts needed to improve pregnancy outcome and reduce infant mortality. The overwhelming weight of the testimony from that hearing confirmed the recommendations of the General Accounting Office and numerous public health experts that the most important step we could take to prevent poor pregnancy outcome would be to insure that every pregnant woman received proper prenatal, delivery, and postnatal care. Similar findings were made by the Select Panel for the Promotion of Child Health which was created by Congress to assess the status of maternal and child health and to develop a comprehensive plan to promote the health of children and pregnant women in the United States. One of the first recommendations made by that panel is to mandate medicaid eligibility for all pregnant women whose family income is at or below the federally-established poverty level, including first-time pregnant women.

Mr. President, experience has shown that without assurance of third-party reimbursement many low-income women will not seek prenatal care. Instead they arrive at the hospital emergency room when the birth of their child is imminent. This practice obviously creates a greater risk for the mother as well as for the child. The medical expenses related to pregnancy are costly and create a real deterrent to medical care for a young woman with limited income. A sample survey conducted by the Health Insurance Institute in December 1978 showed that hospital and medical expenses for

maternity averaged about $1,428 in the United States. These, Mr. President, are estimated average costs and averages now 2 years old. Changes vary tremendously in different areas of the country, particularly between rural and urban areas.

Moreover, the obstacle these high costs present to a low-income pregnant woman is aggravated by requirements of advance payments of cash in certain communities. The January 1980 GAO study "Better Management and Resources Needed to Strengthen Federal Efforts to Improve Pregnancy Outcome"—HRD—80-24—cites numerous examples of economic barriers faced by low-income women in obtaining medical care.

Under my proposed amendment, the expectant mother will be encouraged to seek early prenatal care. The result will be a greater chance for a healthy delivery and a greater chance for a healthy infant.

BLACK-MARKET ADOPTIONS AND ALTERNATIVES TO ABORTION

Mr. President, in the 95th Congress, as chairman of the former Subcommittee on Child and Human Development of the Labor and Human Resources Committee, I chaired hearings on the issue of adoption reform. Several witnesses testified that the provision of birth-related costs to women with problem pregnancies would help stem the tide of black-market adoptions since pregnant women who have no other way of having their pregnancy-related medical costs covered often resort to black marketeers. Those in the business of selling babies, these women have found, are all too ready to provide prenatal, delivery, and postnatal medical coverage in exchange for the child. The data show that teenagers are particularly vulnerable for black-market exploitation. More than three-quarters of mothers who give birth at age 17 or younger have no health insurance. Only one-sixth are covered for prenatal care; fewer than one-fifth are covered for payment of their hospital or doctor bill.

Mr. President, this amendment would also provide an alternative to abortion for many women. The lack of economic resources to pay for the medical care necessary to carry a pregnancy to term can be a factor in leading a pregnant woman to choose to terminate her pregnancy. I feel strongly that no woman should be forced, because of economic pressure, to resort to abortion or black-market baby sellers. The legislation I am introducing would address this situation by providing assurances to women who do not have the economic resources to afford the adequate pregnancy care so necessary for their health and the health of their expected infants. Medicaid coverage for these women would allow them to make decisions about their children free of an economic coercion that should not play a role in this very delicate decisionmaking process.

INADEQUACY OF ALTERNATIVE MEDICAL PROGRAMS

Mr. President, Congress has established a number of programs over the years in an attempt to improve the health of residents of low-income areas. These programs include the title V maternal and child health programs, the neighborhood health centers and migrant health centers, and the National Health Service Corps. In addition, the Hill-Burton Act mandates recipient hospitals to provide a percentage of total care as free care to those people who cannot afford to pay for it.

Some people believe that the title V programs provide the necessary funds for services for low-income pregnant women. However, Mr. President, the findings of the January 1980 GAO study I referred to earlier suggest otherwise. That study shows that the title V programs have not provided States sufficient funding to enable them to provide any prenatal or well-baby care services in some areas and that the services afforded in many other areas are inadequate. Less than 60 percent of the Federal maternal and child health (MCH) formula grant funds were targeted at or appear directly related to extending services to improve pregnancy outcome. It also appeared that relatively little Federal MCH funding has been used for in-hospital care. Although MCH funding has helped pay and promote in-hospital delivery of high-risk women and care for premature or sick infants, most States have established few maternity and infant care or infant intensive care projects, and these projects serve relatively few communities. State MCH directors indicated that only about 4.9 percent in Federal MCH formula funds and about 14.9 percent of their funds from all sources in 1978 were spent on inpatient hospital care, including infant intensive care projects. Only eight States reported to the GAO that they budgeted MCH formula grant funds for inpatient care for mothers or newborns—other than their infant intensive care projects. These States reported to the GAO spending only $2.9 million—or 1.45 percent of the total MCH funds were used in 1978 for in-hospital care.

The GAO study also found that community health centers in many cases are able to provide prenatal care to their patients only through contracts with practicing obstetricians on a part-time basis. This contract procedure leads to a situation in which prenatal care is offered perhaps 1 day a week or only during certain hours. These hours may be virtually impossible for pregnant women who are working. The GAO also found that there may be waits as long as 7 to 10 weeks for an appointment and then a wait of several hours at the clinic once an appointment time is obtained.

Mr. President, I recognize that many federally supported health centers do their best to provide prenatal care, despite limited funds and substandard facilities. But this situation is not a very satisfactory one.

The National Health Service Corps is helping to address this issue. However, the GAO noted various problems. For example, they found in their survey examples such as a National Health Service Corps obstetrician who was unable to provide hospital deliveries to indigent women under her care—regardless of the need for hospitalization—because the patients could not afford the hospital cost, and the hospital would not accept patients who could not pay.

Mr. President, regarding the Hill-Burton requirement for serving low-income patients, the GAO study found two things: That some hospitals had not received any Hill-Burton assistance and that recipient hospitals could fulfill their annual obligations for free care early each years, leaving those needing care later in the year without access to it. Moreover, the National Health Law Project has documented many cases where women in labor were turned away from hospitals because they could not afford to pay, even though those hospitals had been recipients of Hill-Burton funds.

So, Mr. President, I think it is pretty clear that existing Federal programs, although many partially address the needs of pregnant women, do not collectively do the job that needs to be done.

FISCAL IMPACT

Mr. President, I know the Members of the Senate are particularly concerned about the budget implications of any new coverage.

Last year, the Congressional Budget Office estimated that the cost of such legislation when it was offered as an amendment to the CHAP bill would be $30 million in its first full year and estimated increments of another $30 million each subsequent year as women become aware of the coverage of prenatal care and seek medicaid reimbursement, with a projected cost of $140 million in fiscal year 1985.

The CBO's estimates are based on the assumption that the total population of low-income pregnant women eligible for this new coverage—100,000 annually—will not avail themselves of the coverage until fiscal year 1985.

Mr. President, I think this is a small price to pay for the health of these thousands of women and their infants. These costs would be returned many times over in the savings that would be realized from a reduction in pregnancy complications and infant morbidity which result from inadequate prenatal care.

Mr. President, many of these women who would be served under our bill are members of a high-risk group that is the most likely to have low-birthweight infants. These infants, in turn, are ten times as likely to suffer from developmental disabilities as children of normal birth weight. The lifetime costs of care for developmentally disabled individuals is high. Institutional care now runs about $20,000 a year. When applied to a lifetime, estimating an average life of 40 years, the costs would run between one-half and $1 million per individual. The costs of education are double that estimated for the average child—about $2,700 a year. And then there is the lost productive capacity, the addition to the GNP, and the taxes unpaid as a result of such developmental disabilities.

A more immediate expense that can be avoided by adequate prenatal care is the expense of care in a neonatal intensive care unit. For example, HHS, in testify-

ing in the 95th Congress on the adolescent health, services, and pregnancy prevention bill, reported that more than one-third of the 57,000 low-birthweight babies born to teenagers each year require intensive care. This care costs roughly $600 a day for an average stay of about 13 days. HHS reported that for the 21,000 babies requiring this care in 1976, the total cost exceeded $163 million.

Mr. President, these economic costs to society are staggering, and they can be avoided. But I believe we must look beyond the dollars and cents implications of this achievement. We must look to the heartache that is produced, and the human potential that is lost or reduced, through the tragedies of infant mortality and morbidity. These are the ultimate results of lack of good prenatal care.

CONCLUSION

I believe we should do all we can to give all our children the opportunity to develop to their maximum potential. This legislation would provide them with the strong beginning that is essential to their physical and intellectual development.

I ask unanimous consent that the text of the bill we are introducing today be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 667

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1902(a)(10) of the Social Security Act is amended—

(1) by inserting "(i)" after "(A)" in subparagraph (A);

(2) by striking out "clause (A)" and inserting in lieu thereof "subparagraph (A)" each place it appears; and

(3) by inserting at the end of subparagraph (A) the following new clause:

"(ii) for making medical assistance available for care and services provided during pregnancy, and during the 60-day period beginning on the last day of such pregnancy, and to any child born as a result of such pregnancy until the end of such 60-day period, to any woman whose resources (including the resources of her family) are such that she meets the resources test of eligibility for medical assistance under the State plan approved under this title applicable to a family with dependent children, and whose income, including the income of her family, either (I) meets the income test of eligibility for medical assistance under such plan applicable to a family with dependent children, or (II) does not exceed 55 percent of the official poverty line established for an individual or for a family of the same size, as appropriate, by the income poverty guidelines for the nonfarm population of the United States as prescribed by the Office of Management and Budget (and adjusted annually) pursuant to section 625 of the Economic Opportunity Act of 1964;".

Sec. 2. Section 1902(a)(13)(B) of the Social Security Act is amended to read as follows:

"(B) in the case of any individual described in paragraph (10)(A), for inclusion of at least the care and services listed in paragraphs (1) through (5) and (17) of section 1905(a); and".

Sec. 3. Section 1902(e) of the Social Security Act is amended by inserting "(1)" after "(e)", and by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of this title, each State plan approved under this title must provide that any pregnant woman who is eligible for, has applied for, and has received medical assistance under this title and who becomes ineligible for such assistance because of increased income from employment of herself or her family, shall remain eligible for all such medical assistance provided under the State plan until the end of the 60-day period beginning on the last day of her pregnancy, and that any child born as a result of such pregnancy shall remain eligible for all such medical assistance provided under the State plan until the end of such 60-day period.".

Sec. 4. Section 1905(a) of the Social Security Act is amended—

(1) by striking out "or" at the end of clause (vi);

(2) by inserting "or" at the end of clause (vii);

(3) by inserting after clause (vii) the following new clause:

"(viii) women during pregnancy and during the 60-day period beginning on the last day of such pregnancy, and, during such 60-day period, any child born as a result of such pregnancy,"; and

(4) by striking out "and" before "(C)" in paragraph (4), and by inserting ", and (D) prenatal and postnatal services" before the semicolon at the end of paragraph (4).

Sec. 5. (a)(1) Except as provided in paragraph (2), the amendments made by this Act shall apply to medical assistance provided, under a State plan approved under title XIX of the Social Security Act, on or after the first day of the first calendar quarter beginning at least six months after the date of the enactment of this Act.

(2) If the Secretary of Health and Human Services determines that State legislation is necessary to permit amendment of the State plan under title XIX of the Social Security Act to meet the additional requirements imposed by the amendments made by this Act, he shall not find a failure to comply with the requirements of such title solely on the basis of such State's failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(b) The Secretary of Health and Human Services shall issue the regulations required by this Act within six months after the date of the enactment of this Act.

By Mr. JACKSON:

S. 668. A bill to provide for an expedited and coordinated process for decisions on proposed nonnuclear energy facilities, and for other purposes; to the Committee on Energy and Natural Resources.

PRIORITY ENERGY PROJECT ACT

● Mr. JACKSON. Mr. President, I am introducing today the Priority Energy Project Act. This act would:

First. Provide an expedited and coordinated "fast-track" process for decisions by Federal, State, and local governments on proposed nonnuclear energy facilities which are designated as priority energy projects.

Second. Create an Energy Mobilization Board to implement this process. Authorize the Board to designate projects as priority energy projects if it determines that they would reduce the Nation's dependence on imported energy.

Third. Direct the Board to establish a project decision schedule setting deadlines for all Federal, State, and local government decisions on each priority energy project. If the decision deadlines were not met by an agency, the Board could make the decisions under the applicable law.

Fourth. Establish a special procedure for congressional consideration of Presidential proposals to waive provisions of Federal laws. This procedure would be in effect simply an expedited legislative process under which Congress would decide whether to waive the application of specific Federal laws to specific projects which had been designated as priority energy projects.

The need for legislation to expedite decisions on important energy projects has been apparent for some time. The scores of permit requirements in existing laws may delay construction for months or even years, requiring consumers ultimately to pay higher energy and construction costs. Sponsors of important energy projects often must go through seemingly limitless numbers of hoops before they even know whether the Government will allow their projects to be built.

The Priority Energy Project Act is based on the legislation which both Houses of Congress passed last year (S. 1308) and which was agreed to by Senate-House Conferees in June 1980.

Unfortunately, the House of Representatives rejected the conference report largely because many Republican Members who had voted for the bill when it originally passed the House voted against it. In view of that history, I was particularly pleased by Secretary Edwards' February 23 statement to the Committee on Energy and Natural Resources that:

> Measures which should lead to increased domestic production of energy, such as much faster siting and permitting of energy production facilities, will be part of this Administration's program.

I am hopeful that the Reagan administration will support the basic purposes of the bill and that the Senate will act on it soon. I ask unanimous consent that the text of the bill and a summary of its major provisions be included in the RECORD at this point.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 668

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Priority Energy Project Act".

TABLE OF CONTENTS

Sec. 1. Short title
Sec. 2. Purposes.
Sec. 3. Definitions.
Sec. 4. Establishment of the Energy Mobilization Board.
Sec. 5. Meetings, Executive Director, subpena power.
Sec. 6. Power and authority of the Board.
Sec. 7. Reports of the Board.
Sec. 8. Abolition of the Board.
Sec. 9. Authority to designate priority energy projects.
Sec. 10. Authority to apply for priority status.
Sec. 11. Procedures and criteria for designating priority energy projects.
Sec. 12. Extension of deadlines.
Sec. 13. Relation to National Environmental Policy Act.

Sec. 14. Federal agencies required to submit information.
Sec. 15. Information from State and local agencies.
Sec. 16. Promulgation of the Project Decision Schedule; expedition of energy projects.
Sec. 17. Revisions in Project Decision Schedules.
Sec. 18. Agency authority to adopt special procedures.
Sec. 19. Authority to terminate priority designations.
Sec. 20. Enforcement of the Project Decision Schedule.
Sec. 21. Certification of completed agency review.
Sec. 22. Water law.
Sec. 23. Precedence over other laws.
Sec. 24. Limitation of actions.
Sec. 25. Administrative procedures.
Sec. 26. Review in the Temporary Emergency Court of Appeals.
Sec. 27. Actions subject to expedited review.
Sec. 28. Judicial review under the National Environmental Policy Act.
Sec. 29. Limitation on the review of priority designations.
Sec. 30. Intervention authority.
Sec. 31. Supreme Court review.
Sec. 32. Injunctive relief.
Sec. 33. Action on remand.
Sec. 34. Authorization.
Sec. 35. Waiver of new requirements.
Sec. 36. The Alaska Natural Gas Transportation System.
Sec. 37. Project specific expedited congressional review.

PURPOSES

Sec. 2. (a) The purposes of this Act are to utilize to the fullest extent the constitutional power of Congress to regulate interstate and foreign commerce and to provide for the national defense in order to improve the Nation's balance of payments, reduce the threat of economic disruption from oil supply interruptions and increase the Nation's security by reducing its dependence upon imported oil.

(b) Congress finds and declares that these purposes can be served by—

(1) providing a coordinated, prompt, and simplified process for approval of non-nuclear energy facilities that are determined to be in the national interest;

(2) expediting the approval process without unduly interfering with the present statutory authorities and responsibilities of Federal, State, and local agencies; and

(3) fostering the integration of Federal, State, and local procedures for permitting, licensing, and approving energy projects which are determined to be in the national interest pursuant to section 11.

DEFINITIONS

Sec. 3. As used in this Act the term—

(a) "applicant" means any person planning or proposing a project which has been designated a priority energy project;

(b) "approval" means any permit, license, lease, certificate, right-of-way, or other grant, rate, ruling, or decision authorized or issued by an agency of Federal, State, or local government;

(c) "atomic energy" means all forms of energy released in the course of nuclear fission or nuclear transformation;

(d) "Board" means the Energy Mobilization Board created under section 4 of this Act;

(e) "Chairman" means the Chairman of the Board;

(f) "class of energy projects" means any set, collection, or group of energy projects with common characteristics of which no single project has an expected cost in excess of $5,000,000, and the total cost of which is not expected to exceed $250,000,000, as adjusted to take into account the rate of inflation since the date of enactment, as measured by the adjusted gross national product implicit price deflator;

(g) "designation request" means an application filed with the Board pursuant to section 10(a) of this Act for an order by the Board designating an energy project or class of projects as a priority energy project;

(h) "energy facility" means any physical structure, including any structure which incorporates active and/or passive solar devices, any equipment, building, mine, well, rig, pipeline, transmission line, processing facility, transportation device, manufacturing facility, or installation, or any combination thereof, which will facilitate energy conservation or invention, exploration, research development, demonstration, transportation, production, or commercialization of any form of energy other than atomic energy, including, but not limited to, any facility owned or operated in whole or in part by Federal, State, or local government or any combination thereof;

(i) "energy project" means any plan, proposal, program, scheme, or design to produce, build, install, expand, modify the operation of, or alter in any other way, an energy facility;

(j) "Federal agency" means an executive agency as defined in section 105 of title 5 of United States Code;

(k) "local agency" means any executive agency of local government;

(l) "local government" means (i) any government body, including any special purpose government body, of any political subdivision of any State, (ii) any recognized government board of any Indian tribe or Alaskan Native Village which performs substantial governmental functions, or (iii) any general or special purpose government among States or within a State;

(m) "local law" means the rules, regulations, ordinances, codes, case law, and other laws of any local government;

(n) "member" means a member of the Board other than the Chairman;

(o) "person" means any individual, cooperative, partnership, corporation, association, consortium, unincorporated organization, trust estate, nonprofit institution or any entity organized for a common purpose, and any instrumentality of Federal, State, or local government;

(p) "priority energy project" means any project or class of projects which has been determined by the Board to be in the national interest pursuant to its authority under sections 9 and 11 of this Act;

(q) "Project Decision Schedule" means an unrevised Project Decision Schedule promulgated pursuant to section 16 or a revised Project Decision Schedule promulgated pursuant to section 16 and revised pursuant to section 17;

(r) "State" means any of the fifty States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Marians Islands;

(s) "State agency" means any general or special purpose executive agency of State government; and

(t) "State law" means the laws, rules, resolutions and case law of any State.

ESTABLISHMENT OF THE ENERGY MOBILIZATION BOARD

Sec. 4. (a) There is hereby established a special executive agency to be known as the Energy Mobilization Board.

(b)(1) The Board shall consist of a Chairman, who shall hold office at the pleasure of the President, and three members. The Chairman and the three members shall be appointed by the President, by and with the advise and consent of the Senate.

(2) The Chairman shall be an individual who, as a result of his training, experience, and attainments in academia, industry, commerce, public interest activities, and/or government is exceptionally well qualified to perform the duties of his office.

(3) Members of the Board shall be appointed for a term of three years, except that the term of office of the members first appointed shall expire, as designated by the President at the time of appointment, one at the end of one year, one at the end of two years, and one at the end of three years.

(4) The Chairman of the Board shall serve as a full-time employee of the Board and shall receive compensation at the rate prescribed for offices and positions at level I of the Executive Schedule (5 U.S.C. 5313). Members of the Board shall receive compensation at a rate equal to the rate prescribed for offices and positions at level III, including travel time, for each day such member is engaged in the actual performance of duties as a member of the Board. All members of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

The Chairman shall not engage in any other employment or hold any other office or position in the Federal Government during the period of his employment. Members shall not hold any other office or position in the Federal Government during the period of their employment.

(5) The Chairman shall be subject to the same restrictions and requirements imposed upon supervisory employees under title VI, part A of the Department of Energy Organization Act (42 U.S.C. 7211–7218), except that in applying the provisions of title VI, part A to the Chairman, the term "the Board" shall be substituted in place of "the Department".

(7) Members of the Board shall be subject to the reporting requirements imposed upon individuals who are nominated by the President to positions which require the advice and consent of the Senate by title II of the Ethics in Government Act of 1978 (5 U.S.C. App. I).

(8) Except as provided in subsection (b)(7) of this section, members of the Board shall not be subject to any disclosure or divestiture requirements of any law solely by virtue of their service on the Board.

(c) The Board shall be administered under the supervision and direction of the Chairman, and except as provided in section 11, the Chairman shall have final and exclusive decisionmaking authority on all matters within the jurisdiction of the Board. The members of the Board shall advise the Chairman in carrying out his duties.

(d) There shall be a General Counsel to the Board who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed for offices and positions at level III of the Executive Schedule (5 U.S.C. 5314).

MEETINGS, EXECUTIVE DIRECTOR, SUBPENA POWER

Sec. 5. (a) The Board is authorized to sit and act at such places and times as it may determine: *Provided,* That it shall meet no less than once a month for the purposes of conducting its business.

(b) The Chairman may appoint an executive director who shall exercise such powers and duties as may be delegated to him by the Board. The executive director shall receive compensation at the rate provided for level III of the Executive Schedule (5 U.S.C. 5314).

(c)(1) The Chairman shall have the power to issue such subpenas as are necessary for the purpose of monitoring compliance with any Project Decision Schedule or for the purpose of carrying out its authority under section 20. Such subpenas may require the attendance and testimony of witnesses and the production of any records, material or evidence from any Federal, State, or local agency body or any person that relates to any matter within the jurisdiction of the Board. The Board or any member of the

Board or any agent designated by the Board for such purpose, may administer oaths and affirmations, examine witnesses, and receive records, materials, or evidence. Such attendance of witnesses and the production of such records, materials or evidence may be required from any place within the United States at any designated place.

(2) In any case of recalcitrance or refusal to obey a subpena issued under subsection (c)(1), the district court of the United States within the jurisdiction of which said person guilty of recalcitrance or refusal to obey is found or resides or transacts business, upon application by the Board, shall have jurisdiction to issue to such agency or person an order requiring them to appear before the Board, its members, or agents there to produce records, materials or evidence if so ordered, or there to give testimony touching the matter in question; any failure to obey such order of the court may be punished by said court as a contempt thereof. Except as provided in section 31, the Temporary Emergency Court of Appeals shall have exclusive jurisdiction to review an order of a district court pursuant to this section. The Temporary Emergency Court of Appeals shall expedite such review pursuant to the provisions of this Act.

(3) Process and papers of the Board, its members, or agents may be served either upon the agency or person subpenaed in person or by registered or certified mail or by telegraph or by leaving a copy thereof at the residence or principal office or place of business of the person required to be served. The verified return by the individual so serving the same, setting forth the manner of such service, shall be proof of the same, and the return post office receipt or telegraph receipt therefor when registered or certified and mailed or telegraphed shall be proof of service of the same. Witnesses summoned before the Board, its members or agents shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

(4) The Board may, with the approval of the Attorney General, issue an order requiring any person to give testimony or provide other information which he refuses to give or provide on the basis of his privilege against self-incrimination, in the same manner and subject to the same restrictions as a government agency which may issue an order pursuant to section 6004 of title 18, United States Code.

(5) All process of any court to which application may be made under this Act may be served in the judicial district wherein the person required to be served resides or may be found.

(6) Oral testimony given under compulsion of a subpena or materials furnished to the Board pursuant to a subpena shall be matters of public record to the extent required by section 552 of title 5, United States Code.

POWER AND AUTHORITY OF THE BOARD

SEC. 6. (a) The Board shall have the authority, subject to the provisions of this Act and, within the limits of available appropriations, to carry out the purposes of this Act including the authority to—

(1) make full use of competent personnel and organizations outside the Board, public or private; form advisory committees and special ad hoc interagency task forces; and make other personnel arrangements in accord with Federal law; as the Board determines to be appropriate;

(2) enter into contracts or other arrangements as may be necessary for the conduct of the work of the Board with any agency or instrumentality of Federal, State, or local government, or with any person, with or without reimbursement, with or without performance or other bonds and with or without regard to section 5 of title 41, United States Code: *Provided*, That the Board shall not use its authority to become directly involved in the actual construction or operation of any priority energy project;

(3) make advance, progress, and other payments which relate to the functions of the Board without regard to the provisions of section 529 of title 31, United States Code;

(4) accept and utilize the services of voluntary and uncompensated personnel necessary for the conduct of the work of the Board and provide transportation and subsistence as authorized by section 5703 of title 5, United States Code, for persons serving without compensation;

(5) acquire by purchase, lease, loan, or gift, and hold and dispose of by sale, lease, or loan, personal property of all kinds necessary for or resulting from the exercise of authority granted by this Act;

(6) prescribe such rules and regulations as it deems necessary governing the operation and organization of the Board; and

(7) act without regard to the Federal Advisory Committee Act (5 U.S.C. App. I).

(b) Contractors and other parties entering into contracts and other arrangements under this section which involve costs to the Government shall maintain such books and related records as will facilitate an effective audit of the execution of such contracts or arrangements in such detail and in such manner as shall be prescribed by the Board, and such books and records (and related documents and papers) shall be available to the Board and the Comptroller General of the United States, or any of their duly authorized representatives, for the purposes of such audit and examination.

(c) The Board is authorized to secure directly from any executive department or agency information, suggestions, estimates, statistics, and technical assistance for the purpose of carrying out its functions under this Act. Each such executive department or agency shall furnish the information, suggestions, estimates, statistics, and technical assistance directly and expeditiously to the Board upon its request.

(d) On request of the Board, the head of any executive department or agency may detail, with or without reimbursement, any of its personnel to assist the Board in carrying out its functions under this section.

(e) The Board may obtain services of experts in accordance with section 3109 of title 5, United States Code.

(f) In carrying out the provisions of this Act, the Board is authorized to appoint such personnel, subject to the provisions of title 5, United States Code, governing appointments and compensation in the competitive service, as may be necessary. The Board may appoint not to exceed thirty individuals without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(g) In carrying out the provisions of this Act, the Board is not authorized to interfere with labor-management relations, nor to take any actions which conflict with the terms of an existing labor-management contract.

(h) The Board may alter Federal, State, and local law only as specifically authorized by sections 13, 16, 17, 20, 21, 27, 33, and 35 of this Act.

REPORTS OF THE BOARD

SEC. 7. (a) In addition to the specific duties assigned to the Board by this Act, the Board is authorized and directed to review, monitor, and report annually, or more often as necessary, to the Congress on—

(1) the current status of activities and programs being conducted by the Board;

(2) the status of each priority energy project including any significant delays in the completion of the priority energy project and the causes thereof; and

(3) the need for legislation to expedite the completion of priority energy projects.

(b) Not later than December 31, 1982, and annually thereafter, the Board shall prepare and transmit to the Congress a report which contains a comprehensive list of all Federal laws and regulations that significantly hinder the completion of energy projects, and which includes an analysis of why each law or regulation listed in the report is a significant hindrance to the completion of such projects.

ABOLITION OF THE BOARD

SEC. 8. (a) The authority of the Board under section 9 shall expire ten years after the date of enactment of this Act: *Provided*, That the provisions of this Act shall continue to be applicable to all energy projects designated as priority energy projects prior to the expiration of the Board's authority under section 9.

(b) On the last day of the first year after all agency decisions necessary for the completion and initial operation of all priority energy projects have been made, the Board shall be abolished. The personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the operation of the Board shall be transferred to the Treasury or to such agencies of the Federal Government in such fashion as the Director of the Office of Management and Budget shall determine. For the purpose of this section, if an agency issues a final decision denying an approval or declining to perform an action necessary to the completion of a priority energy project, any other agency approvals or actions not yet performed or obtained by the project shall not be deemed necessary.

(c)(1) No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Board shall abate by reason of the abolition of the Board. No cause of action by or against the Board shall abate by reason of the abolition of the Board.

(2) If, before the date of the abolition of the Board, the Board is a party to a suit, then such suit shall be continued with the Director of the Office of Management and Budget or his designee substituted.

AUTHORITY TO DESIGNATE PRIORITY ENERGY PROJECTS

SEC. 9. The Board is hereby authorized to designate any energy project or class of energy projects as a priority energy project pursuant to the procedures and criteria provided in this Act.

AUTHORITY TO APPLY FOR PRIORITY STATUS

SEC. 10. (a) Any person planning or proposing an energy project or class of projects may apply to the Board for an order designating such project or class of projects as a priority energy project. Where known to the applicant, any application may identify (i) any duplicative, overlapping or conflicting requirements, or other requirements which would substantially delay a final decision on the project if all other decisions were timely made and (ii) the critical regulatory problems likely to be encountered by the applicant with recommendations for the resolution of such problems. An application shall include such detailed information concerning the project as the Board may require by rule to enable the Board to make a designation, including a detailed design proposal for the project, detailed economic data on the costs of the project, and an analysis of environmental impacts of the project: *Provided*, That the adequacy of an application under this section shall not be subject to judicial review.

(b) Not later than five days after the receipt of a designation request, the Board shall publish notice of the filing of the designation request, together with a brief description thereof in the Federal Register. The Board shall also keep on file and make available for public inspection and copying at the main office of the Board and in such other places as the Board deems appropriate such portions of the full designation request which are not matters listed in section 552(b) of title 5, United States Code. Interested persons shall be afforded at least thirty days from the date such request becomes available to the public for submitting written comments for the Board's consideration.

(c) A designation request for an energy project or class of projects may be submitted to the Board at any time prior to the completion of the project or class of projects notwithstanding any previous decision by the Board denying the same or a similar request for that project or class of projects.

PROCEDURES AND CRITERIA FOR DESIGNATING PRIORITY ENERGY PROJECTS

SEC. 11. (a) Not later than sixty days after receipt of a designation request, the Board shall determine whether the proposed energy project or class of projects is of sufficient national interest to be designated a priority energy project and shall publish its decision in the Federal Register. If the Board designates the project as a priority energy project, such publication shall contain a brief summary of the reasons for the Board's decision.

(b) No project or class of projects shall be designated a priority energy project without the concurrence of the Chairman and at least two of the three members of the Board.

(c) No project or class of projects shall be designated a priority energy project unless the Board finds that the project directly or indirectly will reduce the United States dependence on insecure foreign oil or petroleum products by, but not limited to, increased energy production, transportation, conservation, refining, storage, or the demonstration of new energy technologies.

EXTENSION OF DEADLINES

SEC. 12. The Board may extend the deadline for receiving public comments under section 10(b) and the time for ruling on an application for priority energy project status under section 11 if more time is necessary to afford interested persons a reasonable time to comment.

RELATION TO NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 13. (a) A determination by the Board under section 11 of this Act is not subject to section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).

(b) Promulgation or revision of a Project Decision Schedule is not subject to section 102(2)(C) of the National Environmental Policy Act of 1969.

(c) Before publication of the Project Decision Schedule, the Board shall determine, after providing a reasonable opportunity for public comment, if any Federal action relating to the priority energy project will be a major Federal action significantly affecting the quality of the human environment within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969 and shall publish notice of its determination in the Federal Register. Such a determination shall be immediately subject to judicial review under the provisions of this Act. If the Board determines that a priority energy project will require such a major Federal action, the remaining parts of this section shall apply.

(d) Notwithstanding any other provision of law, the Board may require that one final environmental impact statement be prepared and that such statement be used by any or all Federal agencies to satisfy the National Environmental Policy Act of 1969 and by any or all State and local agencies to substitute for any comparable statement required by State or local law: *Provided*, That if the Board requires that such statement substitute for a comparable requirement of State or local law—

(1) such statement shall include discussion of all matters required under the comparable State or local law to the same degree and extent as required by such law; and

(2) the Federal agency or agencies preparing such statement shall consult with the appropriate State and local officials during the preparation of the statement with respect to any portions of such statement which will substitute for comparable requirements under State or local law.

(e) Before publishing the Project Decision Schedule pursuant to section 16 of this Act but after consulting with the Council on Environmental Quality, the Board shall designate the Lead Agency for the preparation of the environmental impact statement.

(f) Before publication of the Project Decision Schedule under section 16 of this Act, the Lead Agency shall convene one or more scoping meetings with such other Federal agencies as it deems appropriate and, if the Board has determined that the Federal environmental impact statement shall substitute for any comparable State or local statement or other assessment, with representatives of such States or localities. The purposes of the scoping meetings shall be to identify significant issues, establish the content of the environmental impact statement, and determine whether and how responsibilities should be apportioned among other Federal agencies.

(g) After the scoping meeting(s), the Lead Agency, with the concurrence of the Board, may determine to prepare the environmental impact statement without requiring assistance from any other Federal agency, notwithstanding any decision of the Board to require that one such statement be used by any or all Federal, State and local agencies: *Provided*, That any comments, opinions, or materials submitted by Federal, State, or local agencies shall be considered by the Lead Agency and made available to the public.

(h) At any time prior to the completion of the priority energy project, the Board may assign responsibilities in the preparation of the environmental impact statement to any Federal agency. The Board shall publish such assignments in the Federal Register, and such assignments shall be subject to procedures and deadlines specified by the Board. Such procedures and deadlines shall be incorporated in the Project Decision Schedule and shall be treated as part of the Schedule for the purposes of this Act. Except as provided in this section the deadlines and procedures for carrying out such assignments shall be consistent with the provisions in section 16 of this Act. Such assignments, and the deadlines and procedures for carrying out such assignments, may be modified at any time subject to the limitations in section 17.

(i) All Federal agencies shall comply with the assignments, deadlines and procedures established pursuant to subsection (f) of this section. Nothing in this section shall authorize the Board or the Lead Agency to require any action from any State or local agency in the preparation of the environmental impact statement.

(j) The Board may require any Federal agency to prepare the environmental impact statement at the same time as it performs other actions necessary to process an application submitted by the applicant: *Provided*, That no Federal agency shall issue a final decision on a major Federal action significantly affecting the quality of the human environment until at least fifteen days after the environmental impact statement has been completed.

(k) Notwithstanding any other provision of law, the Project Decision Schedule established under section 16 shall provide that in preparing an environmental impact statement, agencies shall give interested persons an opportunity to submit written data, views, or arguments with or without opportunity for oral presentation and such opportunity shall constitute the exclusive opportunity for parties to submit written data, views, or arguments pertaining to any matter to be considered by the agency pursuant to its obligations under the National Environmental Policy Act.

(l) Notwithstanding any other provision of law, the Board may require any two or more Federal agencies to consolidate any or all aspects of their proceedings for preparing an environmental impact statement.

(m) For the purposes of this Act, the term "Lead Agency" means the Federal agency designated by the Board to supervise the preparation of an environmental impact statement on a priority energy project.

FEDERAL AGENCIES REQUIRED TO SUBMIT INFORMATION

SEC. 14. Not later than thirty days after notice appears in the Federal Register of a decision by the Board designating an energy project or class of projects as a priority energy project, any Federal agency with authority to grant or deny any approval or to perform any action necessary to the completion and initial operation of such project or any part thereof, shall transmit to the Board—

(a) a compilation of all significant actions required by such agency before a final decision or action on any approval(s) necessary to the completion and initial operation of the priority energy project can be rendered or performed;

(b) a compilation of all significant actions required of the applicant before a final decision or action by such agency can be made;

(c) a tentative schedule for completing actions listed in subsections (a) and (b) of this section within two years unless a longer period is necessary;

(d) all necessary application forms which must be completed by the applicant before such approval can be granted; and

(e) information regarding the amount of funds and personnel available to such agency to perform the actions required by such agency before any final decisions can be made and the impact of giving priority status to the applicant on other applications pending before such agency.

INFORMATION FROM STATE AND LOCAL AGENCIES

SEC. 15. (a) Not later that five days after notice appears in the Federal Register of a decision designating a proposed energy project as a priority energy project, the Board shall notify the Governor of any State which is likely to exercise jurisdiction over the priority energy project of the designation and other appropriate officials of political subdivisions of any State which might be significantly affected by a priority energy project, and shall request the Governor to compile and transmit to the Board within twenty-five days—

(1) a compilation of all significant agency actions required by all State and local agencies within the State before a final decision or action on any approval(s) necessary to the completion and initial operation of the priority energy project can be rendered or performed;

(2) a compilation of all significant actions required of the applicant before a final decision or action by such agencies can be made;

(3) a tentative schedule for completing the actions listed in paragraphs (1) and (2) of

this subsection within two years unless a longer period is necessary;

(4) all necessary application forms which must be completed by the applicant before such approval can be granted; and

(5) information regarding the amount of funds and personnel available to such agencies for performing the actions required by such agencies before any final decisions can be made and the impact of giving priority status to the applicant on other applications pending before such agencies.

(b) If at any time the Governor fails to cooperate with the Board in complying with this section, or any State or local agency which is likely to have authority to grant or deny an approval or perform an action necessary to completion of such project fails to cooperate with the Governor, the Board may instruct such agencies directly to provide the information enumerated in subsection (a) and such agencies shall comply with the instruction of the Board.

PROMULGATION OF THE PROJECT DECISION SCHEDULE; EXPEDITION OF ENERGY PROJECTS

SEC. 16. (a) Not later than sixty days after designating a proposed project or class of projects as a priority energy project, the Board shall publish in the Federal Register and in such other places as the Board deems appropriate a Project Decision Schedule containing reasonable deadlines for all significant agency actions and decisions and all significant applicant actions about which the Board has received notice pursuant to sections 14 and 15 of this Act, and for any other actions or decisions which the Board, in its discretion, deems significant. A deadline may require that decisions and actions be performed in a shorter period of time than would be required if the project was not a priority energy project. Where possible, the Board shall negotiate and enter into written cooperative agreements with each affected State and local government establishing the deadlines.

(b) Notwithstanding any other provision of law, the Board may establish special procedures in the Project Decision Schedule for any Federal agency subject to such Schedule. Such procedures shall be consistent with all statutes and rules, regulations, and orders promulgated by the agency except that the Board may require the agency to—

(1) consolidate, to the maximum extent practicable, its proceedings respecting actions and decisions which are subject to the Project Decision Schedule with the proceedings of other agencies, including Federal, State, and local agencies which are also subject to such Schedule;

(2) establish permit, license, and other filing requirements which eliminate unnecessary duplication, and, to the maximum extent practicable, provide for uniform collection, analysis, and reporting of such data;

(3) substitute legislative-type hearings in lieu of trial-type hearings: *Provided*, That, in any cases in which (A) a formal hearing including an opportunity for cross-examination of witnesses is authorized by any provision of statute other than this Act, and (B) the agency determines there is a genuine and substantial dispute of fact which can only be resolved with sufficient accuracy by the introduction of evidence in a formal hearing, the agency shall designate such dispute for resolution in a formal hearing conducted in accordance with the statute providing for such hearing;

(4) shorten time periods for actions required by agency procedures;

(5) conduct hearings, except where such hearings are conducted pursuant to paragraph (3) above, in which parties may submit such written data, views, or arguments and such written responses to the data, views, or arguments submitted by other parties, as the Board, agency, or the presiding employee may specify and in which oral presentation is limited to brief oral argument with respect to the written submissions;

(6) establish procedures for issuing final decisions in which the presiding employee at any hearing may be required to certify the hearing record to the agency for decision without an initial decision. Such procedures may also require the presiding employee to submit the record to the agency without a recommended or tentative decision, but with such analysis of the record as the agency may specify. The agency itself shall omit a tentative or recommended decision if the Board determines that due and timely execution of its function so requires; or

(7) utilize any combination of procedures authorized by this subsection:

Provided, That no requirement under this subsection (b) shall be binding on any State or local agency.

(c) In setting deadlines pursuant to this section, the Board shall consult with the Federal agencies subject to such deadlines. The Board shall also consult with the Governor of any State if any government agency within such State has authority to grant or deny any approval or perform any action necessary to the completion of the priority energy project and shall request the Governor to act as an intermediary between the Board and all State and local agencies: *Provided*, That if the Governor fails to cooperate with the Board or if any State or local agency fails to cooperate with the Governor under this section, the Board may consult directly with such State or local agency. Where possible, the Board shall enter into a written cooperative agreement with each affected State and local government establishing the deadlines.

(d) No Project Decision Schedule shall encompass a period of more than two years unless the Board finds that additional time is necessary.

(e) The deadlines in the Project Decision Schedule shall be consistent with the deadlines submitted to the Board pursuant to sections 14 and 15 unless the Board determines that different deadlines would help expedite or coordinate Government review.

(f) Notwithstanding any other provision of law, the deadlines and special procedures imposed by the Project Decision Schedule shall constitute the lawful decisionmaking deadlines and procedures for reviewing applications filed by the applicant.

REVISIONS IN PROJECT DECISION SCHEDULES

SEC. 17. At any time prior to the completion of the priority energy project, the Board may (i) revise the special procedures for Federal agencies on the Project Decision Schedule; (ii) add new special procedures for Federal agencies on the Project Decision Schedule; (iii) revise any deadline on the Project Decision Schedule; or (iv) add any new deadline on the Project Decision Schedule: *Provided*, That no modification in the Project Decision Schedule shall be allowed unless the Board determines that—

(a) such modification would further the purposes of this Act; and

(b) continued adherence to the Schedule would be impractical or would not be in the public interest; and

(c) in the case of a request for a modification by an agency, that the agency has exercised due diligence in attempting to comply with section 14 or 15 and with the Schedule; and

(d) in the case of a request for a modification by an applicant, that the applicant has exercised due diligence in attempting to comply with the Schedule; and

(e) except as provided by this section, such modification is consistent with the provisions of section 16 and is published in the Federal Register.

AGENCY AUTHORITY TO ADOPT SPECIAL PROCEDURES

SEC. 18. All Federal, State, and local agencies governed by a Project Decision Schedule may establish special procedures which the agency determines to be appropriate for meeting the deadlines on such Schedule. Any agency which is likely to be governed by a Project Decision Schedule at any time may also establish special procedures to govern agency actions and decisions relating to priority energy projects. These procedures shall be consistent with all statutes governing the agency's actions, except that, notwithstanding any other statutes, the agency may—

(1) consolidate, to the maximum extent practicable, its proceedings respecting actions and decisions which are subject to the Project Decision Schedule with the proceedings of other agencies, including Federal, State, and local agencies which are also subject to such Schedule;

(2) establish permit, license, and other filing requirements which eliminate unnecessary duplication, and, to the maximum extent practicable, provide for uniform collection, analysis, and reporting of such data;

(3) substitute legislative-type hearings in lieu of trial-type hearings: *Provided*, That, in any cases in which (A) a formal hearing including an opportunity for cross-examination of witnesses is authorized by any provision of statute other than this Act, and (B) the agency determines there is a genuine and substantial dispute of fact which can only be resolved with sufficient accuracy by the introduction of evidence in a formal hearing, the agency shall designate such dispute for resolution in a formal hearing conducted in accordance with the statute providing for such hearing;

(4) shorten time periods for actions required by agency procedures;

(5) conduct hearings, except where such hearings are conducted pursuant to paragraph (3) above, in which parties may submit such written data, views, or arguments and such written responses to the data, views, or arguments submitted by other parties, as the agency or the presiding employee may specify and in which oral presentation is limited to brief oral argument with respect to the written submissions;

(6) establish procedures for issuing final decisions in which the presiding employee at any hearing may be required to certify the hearing record to the agency for decision without an initial decision. Such procedures may also require the presiding employee to submit the record to the agency without a recommended or tentative decision, but with such analysis of the record as the agency may specify. The agency itself may omit a tentative or recommended decision if it determines that due and timely execution of its function so requires; or

(7) utilize any combination of procedures authorized by this subsection.

AUTHORITY TO TERMINATE PRIORITY DESIGNATIONS

SEC. 19. (a) At any time after an energy project has been designated a priority energy project, the Board may terminate the priority designation if—

(1) the Board determines that the applicant has not exercised due diligence in attempting to comply with any Project Decision Schedule;

(2) the Board determines that the applicant has not attempted in good faith to comply with any law governing the priority energy project;

(3) the Board determines that the priority designation is no longer necessary to expedite agency action or decisionmaking which is necessary to completion and initial operation of the priority energy project;

(4) the Board determines that an agency has denied an application for an approval which is essential for the completion and

initial operation of the project and that the denial is not likely to be reversed by the agency or invalidated by a reviewing court; or

(5) the applicant has requested that the priority designation be withdrawn: *Provided*, That no such request shall be granted if a previous request by the applicant for the same project had been granted and the project had subsequently been redesignated a priority project.

(b) If the Board terminates the priority designation for any priority energy project, the deadlines and procedures in the Project Decision Schedule for that project shall no longer be binding upon any agency, and unless the Board redesignates the project pursuant to section 11, the Board shall no longer have authority to establish binding deadlines for agency actions and approvals relating to the project. In addition, except as provided by subsection (c) of this section, judicial review of any action relating to the project shall no longer be governed by the provisions of this Act: *Provided*, That—

(1) jurisdiction over any action pending at the time the priority designation is terminated shall be retained by the court in which such action is pending if the court determines that the interests of justice would be served by retaining jurisdiction; and

(2) any action or approval relating to a priority energy project which was valid before the priority designation for that project was terminated shall not be deemed invalid on the ground that the priority status has been withdrawn or that a Project Decision Schedule is no longer legally binding.

(c) A decision by the Board to withdraw a priority designation shall be subject to judicial review under the provisions of this Act.

(d) Termination of a priority designation is not subject to section 102(2)(C) of the National Environmental Policy Act of 1969.

ENFORCEMENT OF THE PROJECT DECISION SCHEDULE

SEC. 20. (a)(1) If any Federal, State, or local agency has failed to make a decision or take an action within the time required by a Project Decision Schedule, the Board may make the decision or perform the action in lieu of the agency.

(2) In making the decision or performing the action in lieu of the agency, the Board shall apply the decision criteria in the Federal, State, or local law that would have been applied had the Federal, State or local agency made the decision.

(3) If the Board determines that an agency has failed to make a decision or perform an action within the time required by a Project Decision Schedule and that the Board will decide in lieu of the agency, the Board shall so notify the agency, and the agency shall, upon receiving such notification, transmit to the Board forthwith all records in the possession of the agency pertinent to that decision or action. The Board may take whatever additional action is necessary to develop an adequate record for a final decision or action within the time periods permitted by this Act, such action may, in the discretion of the Board, include a period for written public comment.

(b)(1) If any Federal, State, or local agency has failed or is reasonably likely to fail to comply with a Project Decision Schedule, the Board may bring an enforcement action in United States district court.

(2) In any action brought under this subsection, if the court determines that any Federal, State, or local agency has failed or is reasonably likely to fail to comply with a Project Decision Schedule, the court shall order the agency to act in accordance with the existing schedule where such action would be practical and would not deny any person due process of law.

(3) If the court determines that the agency has failed or is reasonably likely to fail to comply with a Project Decision Schedule but that action in accordance with the Project Decision Schedule would clearly be impractical or would deny any person due process of law, the court shall instruct the Board to revise the Project Decision Schedule to require the agency to complete consideration of the applicant's request as soon as practicable consistent with due process of law. Immediately upon receipt from the Board of a certified copy of the revised Project Decision Schedule, the court shall issue an order directing the agency to comply with such Schedule.

(4) Notwithstanding any other provision of law including any other provision of this Act, any action brought under this subsection shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable, take precedence over all other matters pending on the docket of the court at the time, and shall be expedited in every way by such court. Except as provided in section 31, the Temporary Emergency Court of Appeals shall have exclusive jurisdiction to review all rulings of the district court pursuant to this section. The Temporary Emergency Court of Appeals shall expedite such review pursuant to the provisions of this Act: *Provided*, That the Board may not exercise its authority pursuant to subsection (a) to make a final decision under a State comprehensive siting law before the last deadline on the Project Decision Schedule.

(c) Nothing in this Act shall be construed as denying any Federal, State, or local agency the authority, pursuant to applicable law, to disapprove any application for a permit, license, lease, or other approval required by applicable law for a priority energy project, except at such time the Board exercises its authority pursuant to subsection (a) to make the decision or perform the action in lieu of such agency.

(d) Subject to the provisions of section 17, the Board shall act as provided for in subsection (a) or (b) within sixty days following failure of any Federal, State, or local agency to comply with a Project Decision Schedule, except where the Board determines that more expeditious action would result from deferral of action under subsections (a) and (b), and the appropriate Federal, State, or local agency concurs.

CERTIFICATION OF COMPLETED AGENCY REVIEW

SEC. 21. (a) If the Board has been notified by the agencies with authority to grant such approvals or perform such actions or by a reviewing court that all agency actions and approvals on the Project Decision Schedules relating to a priority energy project (i) have been granted, or (ii) have been performed, or (iii) are not necessary and if judicial review of such actions or approvals is completed or is barred by section 25 of this Act, the Board shall certify the same to the project. Such certification shall indicate any conditions and the expiration date of any approvals that have been granted to the project.

(b) A certificate issued by the Board under subsection (a) of this section shall constitute conclusive evidence in any judicial or executive proceeding that all actions and approvals necessary to the completion and initial operation of the project have been granted for the duration and subject to the conditions specified on the certificate.

WATER LAW

SEC. 22. (a) Nothing in this Act shall be construed as expanding or conferring upon the United States, its agents, permittees, or licensees any right to acquire rights to the use of water.

(b) The United States, its agents, permittees, or licensees shall appropriate water within any State for an energy project pursuant to procedural and substantive provisions of State law, regulation, or rule of law governing appropriation, use, or diversion of water.

(c) The establishment or exercise pursuant to State law, of terms or conditions including terms or conditions terminating use, on permits or authorizations for the appropriation, use, or diversion of water for energy projects shall not be deemed because of any interstate carriage, use, or disposal of such water to constitute a burden on interstate commerce.

(d) Nothing in this Act shall alter in any way any provision of State law, regulation, or rule of law or of any interstate compact governing the appropriation, use, or diversion of water.

PRECEDENCE OVER OTHER LAWS

SEC. 23. Notwithstanding any other provisions of law, the actions of Federal, State, and local officers or agencies pursuant to this Act shall not be subject to judicial review except as provided in this Act.

LIMITATION OF ACTIONS

SEC. 24. (a) Except as provided by subsection (b), any petition for review of any action pursuant to this Act or of the validity of this Act shall be brought not later than twenty days following the date of actual or constructive notice of the final agency action relating to the action which is being challenged.

(b) Any petition for review of the reasonableness of any deadline in a Project Decision Schedule shall be brought not later than thirty days after such deadline is listed on the Project Decision Schedule and published in the Federal Register or such challenge shall be barred. The party challenging the reasonableness of the deadline shall have the burden of proof.

(c) Any petition for review of the validity of this Act or of any action pursuant to this Act shall be barred unless a complaint is filed prior to the expiration of the time limits prescribed by this Act.

ADMINISTRATIVE PROCEDURES

SEC. 25. (a) Except as provided in subsection (b) of this section, the Board shall be exempt from sections 553 through 559 of title 5, United States Code.

(b) The establishment of procedures by the Board pursuant to this Act and the establishment of any special procedures by a Federal agency pursuant to section 18 of this Act shall be subject to sections 553, 704, and 706 of title 5, United States Code and any judicial review of such procedures shall be conducted in the Temporary Emergency Court of Appeals pursuant to section 26 of this Act.

REVIEW IN THE TEMPORARY EMERGENCY COURT OF APPEALS

SEC. 26. (a)(1) A petition for review of the validity of this Act or of any action pursuant to this Act shall be filed in the Temporary Emergency Court of Appeals. Except as provided by this Act, such court shall have exclusive jurisdiction to determine such proceeding in accordance with procedures hereinafter provided and no other district court or Court of Appeals of the United States and no other court of any State or locality shall have jurisdiction over any such challenge in any proceeding instituted prior to, on, or after the date of enactment of this Act.

(2) Notwithstanding any provisions of section 211 of the Economic Stabilization Act of 1970 as amended by the Economic Stabilization Act Amendments of 1971, Public Law 92-210, the Temporary Emergency Court of Appeals shall exercise its powers and prescribe rules governing its procedures in such manner as to expedite the determination of cases over which it has jurisdiction under this Act. Such rules may set page limits on briefs and time limits for filing briefs and motions and other actions which are shorter than the limits specified in the Federal Rules of Appellate Procedure.

(3) In any proceeding before the Tempo-

rary Emergency Court of Appeals, the chief judge of the Temporary Emergency Court of Appeals shall designate at least one judge from the circuit in which the priority energy project or the most significant portion thereof would be located to sit on the panel presiding over the proceeding.

(4) There are hereby authorized to be appropriated such sums as are necessary to expand the capacity of the Temporary Emergency Court of Appeals in order to carry out the provisions of this Act.

(b) Any such proceeding shall be assigned for hearing and completed at the earliest possible date, and shall be expedited in every way by such court and such court shall render its final decision relative to any challenge within one hundred and twenty days from the date such challenge is brought unless such court determines that a longer period of time is required to satisfy the requirements of the United States Constitution.

(c)(1) Notwithstanding any other provision of law, jurisdiction over any challenge to agency action pursuant to this Act which is pending before any court other than the Temporary Emergency Court of Appeals at the time such agency action becomes an action pursuant to this Act shall remain with such court unless the Temporary Emergency Court of Appeals issues an order transferring such civil action to the Temporary Emergency Court of Appeals pursuant to subsection (d) of this section.

(2) If the court before which such civil action is pending retains jurisdiction, such court shall assign the case for hearing and completion at the earliest possible date, and shall expedite the case in every way. All appeals from such court shall be to the Temporary Emergency Court of Appeals and shall be filed within fifteen days of the final decision of such court. On appeal the Temporary Emergency Court of Appeals shall comply with the procedures established in subsection (b) of this section.

(d) If any appeal involving a challenge to any agency action pursuant to this Act is pending before any State appellate court or any United States Court of Appeals other than the Temporary Emergency Court of Appeals at the time such agency action becomes an action pursuant to this Act, the chief judge of the Temporary Emergency Court of Appeals, or any other judge of the Temporary Emergency Court of Appeals designated by the chief judge, may issue an order transferring such civil action to the Temporary Emergency Court of Appeals. Such transfers may be made whenever the transfer will expedite judicial review of the civil action and will not cause material prejudice to any party. Proceedings for the transfer of any action under this subsection may be initiated by the chief judge of the Temporary Emergency Court of Appeals or by any other judge authorized by the chief judge on his own initiative, by the Board, or by any party to the appeal.

ACTIONS SUBJECT TO EXPEDITED REVIEW

SEC. 27. For the purposes of this Act "an action pursuant to this Act" means—

(a) any significant action by the Board pursuant to this Act including, but not limited to, any action pursuant to sections 20 and 21 of the Act. An action of the Board shall be deemed significant if the Board determines that expedited review of such action would expedite completion of any priority energy project; or

(b) any action by any Federal agency or officer if such action is subject to a deadline on a Project Decision Schedule, including any action which is an intermediate step to an action listed on such Schedule; or

(c) any action by any State or local agency or officer if such action is subject to a deadline on a Project Decision Schedule, including any action which is an intermediate step to an action listed on such Schedule;

(d) any other action by any Federal, State, or local agency or officer relating to a priority energy project which the Board determines requires expedited judicial review in order to expedite completion of a priority energy project; or

(e) any action by any United States district court or any State or local trial court with respect to a case involving an action pursuant to this Act.

JUDICIAL REVIEW UNDER THE NATIONAL ENVIRONMENTAL POLICY ACT

SEC. 28. Except as specifically provided by this Act, the scope of judicial review under the National Environmental Policy Act of 1969 shall not be limited by this Act.

LIMITATION ON REVIEW OF PRIORITY DESIGNATIONS

SEC. 29. A decision of the Board designating a project or class of projects as a priority energy project shall not be subject to judicial review and no court shall hold unlawful or set aside any Board or agency action, finding, rule, or conclusion on the basis of a decision designating a project or class of projects as a priority energy project.

INTERVENTION AUTHORITY

SEC. 30. The Board may intervene in any Federal, State, or local agency proceeding and shall appear as a party of right in any judicial proceeding, if such agency or judicial proceeding involves an action pursuant to this Act. The Board shall encourage expedited action or decisionmaking by the agency or court in such proceeding.

SUPREME COURT REVIEW

SEC. 31. (a) The Supreme Court shall have exclusive jurisdiction to review any interlocutory judgment or order of the Temporary Emergency Court of Appeals, or any United States Court of Appeals or the final court in any State in any case involving an action pursuant to this Act. This petitioner must file a petition for certiorari or a certification as provided in section 1254 of title 28, United States Code within fifteen days after the decision of the court of appeals or his appeal shall be barred.

(b) Any review by the Supreme Court shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court.

INJUNCTIVE RELIEF

SEC. 32. (a) Except as provided in subsection (b), no court shall have jurisdiction to grant any injunctive relief lasting longer than ninety days against any action pursuant to this Act except in conjunction with a final judgment entered in a case involving an action pursuant to this Act.

(b) No court shall have jurisdiction to grant any injunctive relief preventing the enforcement of a Project Decision Schedule except in conjunction with a final judgment. If the court on review determines that a deadline on a Project Decision Schedule is not reasonable, the Court may instruct the Board to extend the deadline.

ACTION ON REMAND

SEC. 33. Immediately following any decision remanding to an agency any case or controversy involving the validity of this Act or, an action pursuant to this Act, the Board shall revise the Project Decision Schedule as necessary to expedite any further proceedings required by the decision of the court. Such revisions shall be consistent with section 17 of this Act.

AUTHORIZATION

SEC. 34 There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

WAIVER OF NEW REQUIREMENTS

SEC. 35. (a) The Board is authorized to waive the application of any Federal, State, or local statute, regulation, or requirement enacted or promulgated after the commencement of construction of a critical energy facility, unless Congress explicitly prohibits such waiver. No waiver pursuant to this section shall take effect unless—

(1) the Board finds that the waiver is necessary to ensure timely and cost-effective completion and operation of the facility; and

(2) the Board, after consultation with the agency responsible for implementing the statute, regulation, or requirement to be waived, finds that the waiver will not unduly endanger public health or safety.

(b) For the purposes of this section, "commencement of construction" means that the owner or operator of a critical energy facility has obtained all necessary preconstruction approvals or permits required by Federal, State, or local laws or regulations and either has (1) begun or caused to begin, a continuous program of physical onsite construction of the facility including site clearance, grading, dredging, or land filling in preparation for the fabrication, erection, or installation of the building components of the facility, or (2) entered into binding agreements or contractual obligations, which cannot be canceled or modified without substantial loss to the owner or operator, to undertake a program of construction of the facility to be completed within a reasonable time. For the purpose of this subsection, interruptions resulting from acts of God, strikes, litigation, or other matters beyond the control of the owner shall be disregarded in determining whether such construction is continuous.

THE ALASKA NATURAL GAS TRANSPORTATION SYSTEM

SEC. 36. No provision of this Act nor any action taken pursuant to this Act shall affect or interfere in any way with the requirement established by section 9(b) of the Alaska Natural Gas Transportation Act of 1976 that actions by Federal officers or agencies affecting the transportation system selected by the President and approved by the Congress pursuant to the provisions of that Act be expedited or with the precedence granted by section 9(b) to applications to or requests of Federal officers or agencies by that system.

PROJECT SPECIFIC EXPEDITED CONGRESSIONAL REVIEW

SEC. 37. (a)(1) This section applies to Federal statutes, rules, regulations, and standards which present a substantial impediment to the implementation of a Project, as determined by the Board.

(2) On its own motion or upon petition of a Priority Energy Project, the Board may, in its discretion, recommend to the President, in accordance with this section, the suspension, modification, or amendment of any Federal statute, rule, regulation, or standard as it applies to the Priority Energy Project if such Federal statute, rule, regulation, or standard was enacted, or promulgated, during the period specified in subsection (b).

(3) The Board may exercise its authority under this section to make a recommendation under paragraph (2) only during the period beginning on the date of designation of the energy project as a Priority Energy Project and ending on the date of initial commercial operation of such Project, as determined by the Board.

(b)(1) The Federal statutes, rules, regulations, and standards subject to suspension, modification, or amendment under this section are as follows—

(A) In the case of any Project which commenced construction before the date of enactment of this Act; any Federal statute, rule, regulation, or standard which was enacted or promulgated before the date of enactment of this Act.

(B) In the case of any Project commenced construction on or after the date of enactment of this Act: any Federal statute, rule, regulation, or standard which was enacted or promulgated on or before the earlier of the date on which—

(i) construction of the Project commenced; or

(ii) application is submitted for designation of the energy project as a Priority Energy Project.

The application referred to in clause (ii) is the application which results in designation of the energy project as a Priority Energy Project.

(2) This section shall not apply to any Federal statute, rule, regulation, or standard which is enacted or promulgated after the date of initial commercial operation of the Project, as determined by the Board.

(c) For purposes of this section, the term "commenced construction" has the meaning provided by section 35(b).

(d)(1) Whenever the Board commences, on its own motion or upon petition, to exercise its authority to make a recommendation under subsection (a)(2), the Board shall—

(A) notify the Project, the affected Federal and non-Federal agencies, the Speaker of the United States House of Representatives, the President of the United States Senate, and the Governor of each State in which the Project is, or is proposed to be, located, and

(B) publish notice in the Federal Register.

(2) The notice referred to in paragraph (1) shall identify the Federal statute, rule, regulation, or standard that will be considered by the Board for suspension, modification, or amendment pursuant to a recommendation under subsection (a)(2), set forth the date and place of the hearing referred to in paragraph (3) of this subsection, and provide a brief summary of the possible need for such recommendation. At the time the Board provides such notice, the Board need not indicate the action, if any, it will take under this section.

(3) After notice under paragraph (1), the Board shall conduct an informal public hearing. The hearing shall be completed within forty-five days following the date such notice is provided, unless the Board determines, in its discretion, that a longer period is necessary. The hearing shall be conducted in accordance with such procedures as the Board may prescribe, except that—

(A) the hearing shall be conducted in the vicinity of the Project unless the Board determines that another location would be more convenient;

(B) a transcript of the hearing shall be maintained; and

(C) any interested person, the Project, and any affected Federal or non-Federal agency, shall have an opportunity to present oral and written testimony.

The purpose of the hearing shall be to gain information for the Board to consider in exercising its authority under this section. Sections 554, 556, and 557 of title 5 of the United States Code shall not apply to such hearing.

(e) The Board may not make a recommendation under subsection (a)(2) unless it finds, after the hearing required by this section, that—

(1) the Federal statute, rule, regulation, or standard to which the recommendation applies was enacted or promulgated during the period specified in subsection (b);

(2) the Federal statute, rule, regulation, or standard proposed to be suspended, modified, or amended presents a substantial impediment to the implementation of the Project;

(3) there is substantial evidence that implementation of the recommendation will not result in substantial harm to public health or safety (taking into account (A) the purposes for which the Federal statute, rule, regulation, or standard was enacted or promulgated and (B) the terms and conditions imposed by the Board pursuant to subsection (f) of this section concerning health and safety);

(4) the recommendation is not prohibited in whole or in part under subsection (o); and

(5) adoption of the recommendation is in the national interest and will further the purposes of this Act.

(f) Each recommendation of the Board under subsection (a)(2) shall identify the Project to which the recommendation applies, contain an identification number, and provide—

(1) a detailed identification of the Federal statute, rule, regulation, or standard to be suspended, modified, or amended;

(2) a precise statement of the suspension, modification or amendment; and

(3) such terms and conditions as the Board deems necessary—

(A) to mitigate any adverse effects which are anticipated to result from the proposed suspension, modification, or amendment, including such effects on public health safety, welfare, and the environment (including fish and wildlife and related resources); and

(B) to enhance the environment—

(i) related to the Project, and

(ii) affected by the suspension, modification, or amendment.

(g) Each recommendation of the Board under subsection (a)(2) shall be accompanied by—

(1) a statement of the findings referred to in subsection (e), as well as the basis for each findings; and

(2) a statement of the Board's reasons for making the recommendation.

(h)(1) Upon transmittal to the President, the Board shall publish its recommendation under this section in the Federal Register and shall transmit copies to the Speaker of the United States House of Representatives, the President of the United States Senate, and the Governor of each State in which the Project is, or is proposed to be, located.

(2) The President shall not act upon such recommendation prior to the expiration of at least thirty days from the date of publication of the recommendation in the Federal Register. During such thirty-day period, or such longer period as the President may specify, the public may submit written comments upon such recommendation for the consideration of the President.

(i) The President after considering public comments submitted pursuant to subsection (h) may, in his discretion—

(1) transmit to Congress the Board's recommendation, or any modification thereof;

(2) remand the recommendation to the Board for further consideration;

(3) take no action with respect to the Board's recommendation; or

(4) reject the Board's recommendation.

(j) The President may recommend to Congress a suspension, modification, or amendment pursuant to subsection (i) only if the President determines that—

(1) the Federal statute, rule, regulation, or standard to which the recommendation applies was enacted or promulgated during the period specified in subsection (b);

(2) the adoption of the recommendation is in the national interest and will further the purposes of this Act;

(2) the Federal statute, rule, regulation, or standard proposed to be suspended, modified, or amended presents a substantial impediment to the implementation of the Project;

(4) the recommendation is not prohibited in whole or in part under subsection ((o);

(5) there is substantial evidence that implementation of the recommendation will not result in substantial harm to public health or safety (taking into account (A) the purposes for which the Federal statute, rule, regulation, or standard was enacted or promulgated and (B) the terms and conditions to be imposed by the President under subsection (k) concerning public health and safety; and

(6)(A) to the extent the President's recommendation incorporates the recommendation of the Board, there is substantial evidence to support the Board's recommendation and the findings made by the Board in connection with such recommendation;

(B) to the extent the President's recommendation modifies the recommendation of the Board, there is substantial evidence to support the President's modification.

(k) Any recommendation submitted by the President to the Congress under this section shall identify the Project to which the recommendation applies, contain an identification number and provide—

(1) a detailed identification of the Federal statute, rule, regulation, or standard to be suspended, modified, or amended;

(2) a precise statement of the suspension, modification or amendment recommended;

(3) terms and conditions—

(A) to mitigate any adverse effects which are anticipated to result from the proposed suspension, modification, or amendment including such effects on public health, safety, welfare, and the environment (including fish and wildlife and related resources);

(B) to enhance the environment—

(i) related to the Project, and

(ii) affected by the proposed suspension, modification, or amendment; and

(C) for the imposition of less stringent requirements or other alternatives to the Federal statute, rule, regulation, or standard proposed to be suspended, modified, or amended; and

(4) for enforcement of the recommendation.

(l) Each recommendation of the President to the Congress under this section shall be accompanied by—

(1) a statement of the determinations referred to in subsection (j);

(2) a statement of the President's reasons for making the recommendation, including the reasons for any modification of the Board's recommendation; and

(3) a summary of any agency views received by the Board or the President with respect to the recommendation.

(m)(1) Any recommendation of the President transmitted to Congress under this section shall be transmitted to both Houses of Congress on the same day while such Houses are in session. Immediately following its transmittal, the recommendation shall be referred to the committee having jurisdiction over the Federal statute, rule, regulation, or standard concerned. Upon such transmittal, the President shall publish the recommendation in the Federal Register. The President may not amend or modify the recommendation after its transmittal to Congress.

(2) Any recommendation of the President transmitted to Congress under this section shall be effective and have the force and effect of law only if approved in accordance with this subsection. A recommendation transmitted pursuant to this section may be considered approved in accordance with this subsection only if—

(A) the Senate and House of Representatives pass a joint resolution described in paragraph (4)(B)(i) approving such recommendation during the period beginning on the day after the date of its reciept by the Senate and House of Representatives and ending upon the expiration of sixty calendar days of continuous session of Congress, and

(B) such joint resolution thereafter becomes law.

(3) For purposes of this subsection—

(A) continuity of session of Congress is broken only by an adjournment sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty calendar day period.

(4)(A) This paragraph is enacted by Congress—

(i) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described in subparagraph (B) of this paragraph; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(ii) with full recognition of the constitutional right of either House to change the rules (so far as they relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

(B) For purposes of this section, the term "resolution" means only a joint resolution described in clause (i) or (ii) of this subparagraph.

(i) A joint resolution of either House of Congress—

(I) which is entitled: "Joint resolution relating to Presidential recommendation numbered for Priority Energy Project ";

(II) which does not contain a preamble, and

(III) the matter after the resolving clause of which is: "That the Congress of the United States approves the recommendation for Priority Energy Project , numbered and transmitted by the President to the Congress on , 19 .",

the blank spaces therein appropriately filled.

(ii) A joint resolution of either House of Congress—

(I) which is entitled: "Joint resolution relating to Presidential recommendation numbered for Priority Energy Project ";

(II) which does not contain a preamble, and

(III) the matter after the resolving clause of which is: "That the Congress of the United States disapproves the recommendation for Priority Energy Project numbered and transmitted by the President to the Congress on 19 .",

the blank spaces therein appropriately filled.

(C) A resolution once introduced in accordance with the provisions of this section with respect to a Presidential recommendation shall immediately be referred to the committee having jurisdiction over the Federal statute, rule, regulation, or standard recommended to be suspended, modified, or amended (and all resolutions with respect to the same recommendation shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(D)(i) If any committee to which a resolution has been referred under this paragraph has not reported a resolution of approval described in subparagraph (B)(i) at the end of forty calendar days of continuous session of Congress after its referral and if such committee has not adopted, before the expiration of such forty calendar day period, a motion not to report such resolution in accordance with this subsection, it shall be in order to move either to discharge such committee from further consideration of that resolution or to discharge such committee from further consideration of any other resolution with respect to such recommendation which has been referred to such committee.

(ii) Any motion not to report a resolution of approval described in subparagraph (B)(i) to the appropriate House from the committee under clause (i) may be adopted only by an affirmative vote of a majority of the full membership of the committee at a meeting at which a quorum is present. When such motion is adopted by a committee of either House of Congress, the chairman of the committee shall notify the presiding officer of that House. A quorum for such purposes shall be determined according to the same rules that apply in the committee for purposes of reporting a bill. At any time during the sixty-calendar-day period referred to in paragraph (2)(A) and after adoption by the committee of a motion not to report from the committee a resolution described in subparagraph (B)(i), it shall be in order in the committee to move to approve such resolution. Upon submission of written notice to the chairman by three or more members of the committee requesting a meeting of the committee to consider such resolution, the chairman shall order a meeting of the committee prior to expiration of the forty-calendar-day period referred to in clause (i) at which meeting it shall be in order to consider and adopt a motion to report a resolution under this subsection or to consider and adopt a motion not to report such resolution.

(iii) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged, and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. Except as provided in subparagraph (G)(i), an amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(iv) If, the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same Presidential recommendation.

(E)(i) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(ii) Debate on the resolution referred to in clause (i) shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing such resolution. A motion to further limit debate shall not be debatable. Except to the extent provided in subparagraph (G)(ii), an amendment to, or motion to recommit, the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to.

(F)(i) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(ii) Appeals from the decision of the chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedures relating to a resolution shall be decided without debate.

(G) With respect to any recommendation transmitted by the President to the Congress under this section—

(i) In the consideration of any motion to discharge any committee from further consideration of any resolution on any such recommendation, it shall be in order after debate allowed for under subparagraph (D)(iii) to offer an amendment in the nature of a substitute for such motion—

(I) consisting of a motion to discharge such committee from further consideration of a resolution described in subparagraph (B)(i) with respect to any recommendation, if the discharge motion sought to be amended relates to a resolution described in subparagraph (B)(ii) with respect to the same such recommendation, or

(II) consisting of a motion to discharge such committee from further consideration of a resolution described in subparagraph (B)(ii) with respect to any recommendation, if the discharge motion sought to be amended relates to a resolution described in subparagraph (B)(i) with respect to the same recommendation.

An amendment described in this clause shall not be amendable. Debate on such an amendment shall be limited to not more than one hour, which shall be divided equally between those favoring and those opposing the amendment.

(ii) In the consideration of any resolution on any such recommendation which has been reported by a committee, it shall be in order after the debate allowed for under subparagraph (E)(ii) to offer an amendment in the nature of a substitute for such resolution—

(I) consisting of the text of a resolution described in subparagraph (B)(i) with respect to any recommendation, if the resolution sought to be amended is a resolution described in subparagraph (B)(ii) with respect to the same such recommendation, or

(II) consisting of the text of a resolution described in subparagraph (B)(ii) with respect to any recommendation, if the resolution sought to be amended is a resolution described in subparagraph (B)(i) with respect to the same such recommendation.

An amendment described in this clause shall not be amendable. Debate on such an amendment shall be limited to not more than one hour, which shall be divided equally between those favoring and those opposing the amendment.

(iii) If one House receives from the other House a resolution with respect to a recommendation, then the following procedure applies:

(I) the resolution of the other House with respect to such recommendation shall not be referred to a committee;

(II) in the case of a resolution of the first House with respect to such recommendation, the procedure with respect to that or other resolutions of such House with respect to such recommendation shall be the same if no resolution from the other House with respect to such recommendation had been received; but on any vote on final passage of a resolution of the first House with respect to such recommendation a resolution from the other House with respect to such recommendation which has the same effect shall be automatically substituted for the resolution of the first House.

(iv) Notwithstanding any of the preceding provisions of this paragraph, if a House has approved a resolution with respect to a recommendation, then it shall not be in order to consider in that House any other resolution under this section with respect to such recommendation.

(n)(1) There shall be a separate Presidential and a separate joint resolution for each Federal statute, rule, regulation, or standard to be suspended, modified, or amended pursuant to this section.

(2) Each recommendation submitted by the President and each joint resolution adopted pursuant to this section shall apply to only one priority energy project.

(3) During a single Congress, the President

may not transmit recommendations for suspensions, modifications, or amendments pursuant to this section identifying more than twelve Priority Energy Projects.

(o)(1) No Board or Presidential recommendation may be made under this section and no such recommendation may take effect if the recommendation would—

(A) suspend, modify, or amend any Federal statute, rule, regulation, or standard which relates to—

(i) the rights, working conditions, (including health and safety), compensation, pensions, or hours of employment of workers or their representatives;

(ii) civil rights;

(iii) securities laws, as defined in section 21(g) of the Securities Exchange Act of 1934, or State and local securities laws;

(iv) the Internal Revenue Code of 1954; or

(v) antitrust laws, as defined in section 3(1) of the Public Utility Regulatory Policies Act of 1978; or

(B) cause a violation of any primary air quality standard established under the Clean Air Act;

(C) impair or abridge the rights of any person under the United States Constitution;

(D) contravene any interstate compact, provision of State or local law, or Federal contract, relating to water rights or to the appropriation, delivery, or use of water pursuant to such rights; or

(E)(i) suspend, modify, or amend the criminal sanctions of any Federal, State, or local criminal code; or

(ii) suspend, modify, or amend a criminal sanction in any Federal, State, or local law, unless the recommendation also suspends, modifies, or amends the provision of law which is punishable by such criminal sanction.

(2) No recommendation may be made under this section, and no such recommendation may take effect, if the recommendation would have the effect of reversing or modifying a final Federal or non-Federal agency decision or action made or taken at any time specifically for the Priority Energy Project identified in such recommendation.

(3)(A) The prohibition contained in paragraph (2) shall not apply to a recommendation under this section which would have the effect of reversing or modifying a final agency decision or action as provided in paragraph (2) if the final agency decision or action is made or taken after the Board transmits to the President a recommendation with respect to the Federal statute, rule, regulation, or standard on which such agency decision or action is based.

(B) The prohibition contained in paragraph (2) shall not apply to a recommendation under this section which would have the effect of reversing or modifying a final agency decision or action as provided in paragraph (2) if the final agency decision or action is stayed pursuant to this subparagraph and the recommendation is approved during the period the stay is in effect. If a final agency decision or action is taken or made—

(i) after the date on which the Board provides notice under subsection (d)(1) that it is considering the suspension, modification, or amendment of a Federal statute, rule, regulation, or standard on which such agency decision or action is based, and

(ii) before the Board transmits, or determines not to transmit, the recommendation to the President under this section,

the Board may issue an order staying the application of that agency decision or action. A stay under this subparagraph may be issued only after such agency decision or action becomes final and before the Board transmits the recommendation to the President under this section. The stay shall apply only for such period as determined by the Board to be necessary for the Board, the President, and the Congress to act.

SUMMARY OF MAJOR PROVISIONS, PRIORITY ENERGY PROJECT ACT

1. Composition of the Energy Mobilization Board (EMB).—

The bill would create an Energy Mobilization Board to oversee the fast track process. The Board would consist of a Chairman and three members appointed by the President with the advice and consent of the Senate. The Chairman would have exclusive decisionmaking authority except in the selection of priority energy projects.

2. Designation of Priority Energy Projects.—

No project could be designated a priority energy project unless the Board finds the project will reduce directly or indirectly the Nation's dependence upon imported energy.

3. Deadlines for Decisionmaking.—

The Board would have the power to set reasonable deadlines for decisionmaking by Federal, State and local agencies. The deadlines may be shorter than the time required for agency decisions under existing Federal, State or local law.

Federal, State and local agencies would be authorized to adopt special, expedited procedures for meeting the deadlines set by the Board. These procedures could include substitution of legislative-type hearings for trial-type hearings, shorter time periods than those allowed under existing statutory law, and consolidated agency proceedings. The Board would also have authority to prescribe special expedited procedures for Federal agencies.

If any Federal, State or local agency fails to meet a deadline set by the Board, the Board could make the decision in lieu of the agency, or the Board could seek a court order enforcing the deadline. In making a decision in place of another agency, the Board must apply the decision criteria that the agency would have been required to apply.

4. Grandfather Authority.—

The Board would not have general authority to alter or waive substantive Federal, State or local law. However, the Board could waive Federal, State or local law as it applied to a priority energy project if the law was adopted after construction of the priority energy project had commenced. As a precondition to granting a waiver, the Board would have to find that the waiver is necessary to timely completion of the project and that the waiver would not unduly endanger public health or safety.

5. Expedited Legislative Process.—

The President, upon recommendation by the Board, could recommend to Congress the suspension, modification or amendment of certain Federal statutes, rules, regulations and standards. The recommendation of the President can only take effect if approved by a joint resolution of Congress enacted using the procedures set out in the law.

6. Water Law.—

Water law would be exempt from any waiver provisions in the bill. The bill would explicitly provide that all priority energy projects must obtain water pursuant to State law. The bill would also explicitly provide that terms and conditions on State water law permits for priority energy projects shall not be deemed to constitute a burden on interstate commerce.

7. Environmental Impact Statements.—

The Board would be authorized to require that only one environmental impact statement be prepared on a priority energy project and that the statement be used by all Federal, State and local agencies subject to a NEPA-type requirement. The Board would also be authorized to designate the Lead Federal Agency for preparation of the impact statement and to assessing responsibilities to other Federal agencies for cooperating in preparing the environmental impact statement.

8. Judicial Review.—

All Federal, State and local agency actions involving priority energy projects would be reviewed in the Temporary Emergency Court of Appeals. TECA would have appellate jurisdiction only, but would have authority to remand issues of fact to agencies for further proceedings.●

By Mr. JACKSON:

S. 669. A bill to amend the existing geothermal leasing and permitting laws, and for other purposes; to the Committee on Energy and Natural Resources.

GEOTHERMAL STEAM ACT AMENDMENTS OF 1981

● Mr. JACKSON. Mr. President, I am introducing today the Geothermal Steam Act Amendments of 1981. This bill would modify the Geothermal Steam Act of 1970 to facilitate and require accelerated exploration and development of geothermal steam resources on Federal lands. Among other things, the bill contains provisions designed to assure competition in the geothermal industry and protect nationally significant geothermal features in national parks and monuments. The bill is very similar to S. 1388 as reported by the Committee on Energy and Natural Resources in May of 1980.

I understand that the administration intends to submit a legislative proposal to Congress soon. I also am aware that the geothermal industry is developing legislative recommendations. In view of the broad general agreement on the need to revise the 1970 act, I am hopeful that Congress can act this year.●

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, and Mr. DECONCINI):

S. 670. A bill to amend title 38, United States Code, to improve certain programs of Veterans' Administration benefits for veterans who are former prisoners of war, and for other purposes; to the Committee on Veterans' Affairs.

EX-PRISONERS OF WAR BENEFITS IMPROVEMENTS ACT OF 1981

Mr. CRANSTON. Mr. President, I am introducing today, on behalf of Senators MATSUNAGA and DECONCINI and myself, S. 670, the proposed Ex-Prisoners of War Benefits Improvements Act of 1981. This measure would amend title 38, United States Code, in order to make certain improvements in Veterans' Administration compensation and healthcare programs as they relate to veterans who are ex-prisoners of war. The measure is based, in part, on the findings, conclusions, and recommendations for legislative actions made by the VA in its report, entitled "Study of Former Prisoners of War," which was submitted to the Congress on June 2, 1980, pursuant to section 305 of the Veterans' Disability Compensation and Survivors' Benefits Act of 1978—Public Law 95-479.

BACKGROUND

As former chairman of the Senate Veterans' Affairs Committee and now as ranking minority member, I am well acquainted with the deep concerns that many have—and which I share fully—for these veterans who made such special sacrifices and endured extreme hardships as prisoners of war. Their

strength, courage, and love of freedom helped to preserve our country, and we truly owe them a debt that can never be fully repaid.

I authored the VA study provisions enacted in 1978 because of growing concerns about claims—particularly by ex-POW's from World War II who were interned in the Pacific theater—of long-lasting and progressive physical and psychological damage attributable to the conditions of the internment. The VA study provision was designed to require a comprehensive examination of the service-connected compensation and health-care needs of ex-POW's, including an analysis of the adequacy of repatriation procedures and medical records, disabilities particularly prevalent among ex-POW's, and an analysis of medical research into the health-related problems of ex-POW's.

Mr. President, I would like to summarize very briefly some of the salient aspects of the report on the VA study.

One incontrovertible and very significant finding was that, although the particular type and source of hardship differed significantly according to place and time of internment, American POW's from each of the three most recent wars—World War II, Korea, and Vietnam—were subjected to widespread hardships that often included extreme malnutrition, great psychological stress and abuse, inadequate medical care, brutal living conditions, and, very frequently, physical and psychological torture.

Not surprisingly, data in the report show that, in comparison to other wartime veterans, a far greater proportion of ex-POW's have been determined to be suffering from service-connected disabilities. For example, 42.8 percent of all World War II and Korea ex-POW's as compared to 9.6 percent of all veterans of those conflicts are receiving service-connected disability compensation.

However, the study also showed that there is cause for concern that some disabilities of ex-POW's that may well be attributable to their internment are not considered to be service connected. The report cited the statements of physicians, including ex-POW physicians, to the effect that the conditions to which POW's were subjected can have long-term effects that may not be identifiable for extended periods of time and that, because of the lack of definitive medical knowledge regarding the effects of internment, might never be diagnosed as having their origins in the POW experience. It was also noted that most American physicians have difficulty in recognizing the residuals of malnutrition.

The report quoted the statements that several physicians who were World War II POW's gave in a survey conducted by the War Claims Commission in 1950. One from the European theater stated:

> Since practically all POW's suffered from some degree of malnutrition, gastritis, dysentery, respiratory diseases, skin diseases, arthritis, frostbite, exposure, and/or nervous conditions. I feel that every POW should automatically be service connected for these ailments or any related to them.

Two from the Pacific theater expressed the view that no one could fully recover from the prolonged and severe deprivations that the POW's from that theater experienced. Medical experts consulted by the Commission identified optic atrophy, peripheral neuropathy, and beriberi as being residuals of Pacific theater internment.

In general, the VA report concluded:

> Serious limitations in knowledge as to the delayed effects of such stresses and deprivations as [were] experienced by prisoners of war [are] * * * a major obstacle for decision-makers [in the VA claims adjudications process].

In addition to suffering from disabilities that are difficult to detect or difficult to attribute to a specific cause, ex-POW's from World War II and Korea claiming service connection are often confronted with problems arising from the absence of records of their repatriation examinations. According to the VA report, physicians who reviewed a sample of World War II European and Pacific theater ex-POW's claims folders found that less than one-fifth of the European theater ex-POW's, only three-fifths of those from Pacific, and 85 percent from the Korean conflict who had filed claims for compensation had evidence of a repatriation examination.

Moreover, the physicians who reviewed the folders "made subjective professional judgments on the repatriation examinations." They found the few examinations that they reviewed from the European theater to be "generally * * * satisfactory," but only approximately three-fourths of the exams from the Pacific theater and 85 percent from the Korean conflict to be "good or adequate."

The physicians also found some omissions from the examinations which either made other portions of the examinations difficult to understand or contributed to the examination being judged less than good or adequate. Over half of the examinations contained either no medical history prior to capture or a poor history. Approximately one-third of the examinations had inadequate evaluations of the POW's mental status and psychiatric conditions.

The conduct of the VA medical examinations that are conducted at the time that the ex-POW submits a claim for compensation may also pose problems. As part of the study, the VA had physicians review a sample of claims folders, and the physicians found that 90 percent of VA examinations reviewed were thorough. However, in response to the question whether the information derived from those exams—on the basis of which the claims adjudicators would base their decisions, at least in part—"permitted a reasonable judgment of whether the medical conditions found may be attributable wholly or in part to the POW experience * * *," the physician reviewers said that "the information was adequate or very good for such judgment" in only about three-fourths of the cases reviewed.

Thus, it seems clear that, although relatively high percentages of ex-POW's have been awarded disability compensation, an ex-POW with a disability resulting from the conditions of his internment face practical difficulties in providing that internment was the cause.

In recognition of some of these difficulties, in 1970, Public Law 91-376 was enacted to create rebuttable presumptions of service connection with respect to certain disorders.

Thus, under current law, section 312 (c) of title 38 specifies that, in the case of an ex-POW who was subjected to conditions of dietary deficiencies, forced labor, or inhumane treatment in violation of the terms of the Geneva Conventions of July 27, 1929, and August 12, 1949, and who suffers from one of certain specified disabilities—including avitaminosis, beriberi, malnutrition, and pellagra and any other nutritional diseases—the disability will be considered to be service connected if it has become manifest to a degree of 10 percent or more, despite the fact that there may be no record of such disabilities during the veteran's service. Under section 312 (c), in order for a psychosis of an ex-POW who has suffered such conditions so to be presumed to be service connected, the disability must become manifest to a degree of 10 percent within 2 years following discharge from service.

Most ex-POW's suffering from these specified disabilities do not have to prove that they were subjected to conditions violating the Geneva Conventions in order to benefit from these presumptions. Section 312(b) of title 38 provides that a veteran who was held as a prisoner of war for 6 months or more during World War II, the Korean conflict, or the Vietnam era shall be deemed to have suffered from conditions that violated the conventions.

The presumptions, however, are not conclusive. Section 313 of title 38 provides that a presumption of service connection created by section 312 (b) and (c) may be rebutted by evidence showing that the disease is not actually service connected.

It should be stressed that these current law provisions do not preclude the granting of service-connected compensation to ex-POW's who do not meet the criterion of 6 months of captivity or manifestation of a psychosis within 2 years, or whose disabilities are not specified in section 312(c). Indeed, many ex-POW's now receive compensation from the VA for disabilities incurred as a result of less than 6-months' captivity, for psychoses which became manifest more than 2 years following discharge, and for disabilities not specified in section 312(c). Rather, the current law provisions relieve the ex-POW veteran who meets the criteria from certain evidentiary burdens: Having to submit proof that the disability is service related. However, ex-POW's who do not meet these criteria or who seek service-connected disability compensation for a condition not specified must generally submit such proof.

It should be noted that there are thousands of ex-POW's who do not meet the 6-month period of captivity criterion. According to the VA's study, the largest numbers of European theater POW's was captured after D-Day, and the Battle of the Bulge in December 1944

resulted in the capture of almost 25,000 POW's. The fact that the average length of internment for POW's in the European theater—347 days—is relatively short reflects the fact that most European theater POW's were captured in the 1944-45 period. As a result, it appears, although specific figures on the point have apparently not been compiled, that many European theater ex-POW's fail to meet the 6-month criterion by only a few weeks. Thus, under current law, these veterans must first submit evidence to the VA to substantiate that they suffered from conditions of dietary deficiencies, forced labor, or inhumane treatment in violation of the Geneva Conventions before the VA may apply the presumption that disabilities such as avitaminosis or other nutritional deficiencies from which they suffer are service connected.

With respect to psychosis, the VA's review of pertinent medical literature indicated that "psychosis related to the POW experience frequently appears years after service, not just immediately after separation." According to the report—

> [T]his is understandable in view of the psychological torture and "brainwashing" to which these POW's were subjected.

However, under current law, in order to be presumed to be service related, the psychosis must become manifest within that period.

In the case of diseases or disabilities not specified in section 312(c)—such as residuals of frozen feet, anxiety neuroses, chronic respiratory conditions, and arthritis—the ex-POW generally must also submit satisfactory evidence that the condition is service connected.

SUMMARY OF THE BILL—IMPROVEMENTS RELATED TO VA DISABILITY COMPENSATION

Mr. President, in light of the facts shown in the VA study, it seems clear to us that legislation is needed to help overcome the still unduly burdensome and difficult requirements that some ex-POW's face in trying to prove service connection. Thus, our proposal would make four amendments to section 312 of title 38 in order to relieve the ex-POW of the burden, in certain cases, of producing evidence of the service-related nature of the disability for which compensation is sought. I believe that these changes are particularly appropriate since many of these individuals have already suffered hardships most people cannot even imagine, and the burden of producing documentation years later—particularly in a case in which medical records may be less than complete or the veteran's repatriation examination was only perfunctory or the record of it is missing—is one that may be reasonably removed.

First, our proposal would remove the two-part criterion by which, under current law, certain diseases of ex-POW's who were held captive for 6 months or more are presumed to be service connected. Thus, in the cases of disabilities specified in current law that become manifest to a degree of 10 percent or more—avitaminosis, beriberi, chronic dysentery, helminthiasis, malnutrition, pellagra, and other nutritional diseases—the rebuttable presumption of service connection would apply to all ex-POW's, not just those who either prove that they were subjected to conditions of internment in violation of the Geneva Conventions or are deemed, by virtue of having been held captive for 6 months or longer, to have been subjected to such conditions. Thus, the effect of this legislation would be to provide that certain disabilities manifested by any veteran who was held as a prisoner of war—regardless of the length of captivity or the conditions of internment—would be presumed to have been incurred in or aggravated by military service.

In proposing to remove the 6-month criterion, I want to point out that, with respect to this requirement as enacted in Public Law 91-376, the VA's POW study noted—

> Nowhere in the recorded legislative history of the provision for presumption of service-connection for certain POW-related conditions . . . is there discussion as to how it was decided that a minimum 180 days internment would be required before a former POW would be presumed to have undergone dietary deficiency, forced labor or inhumane treatment.

Second, this measure would remove the 2-years-within-discharge test applicable in the case of a former POW seeking to establish service connection for a psychosis which becomes manifest to a degree of 10 percent or more. The bill thus would have the effect of providing that an ex-POW is to be presumed to be service-connected disabled for a psychosis regardless of when, after service, the psychosis became manifest.

This provision is consistent with the VA recommendation for legislative action that—

> Title 38 be amended to eliminate the requirement that psychoses suffered by POW's must become manifest within two years following service separation before the rebuttable presumption of service-connection arises.

As I noted previously, the VA's study concluded that psychosis related to the POW experience frequently appears years after service. In addition, the VA notes that followup studies on ex-POW's have provided further evidence of a "significant amount of psychosis among former POW's many years after repatriation" and a "significantly higher amount [than would otherwise be statistically predictable] of POW deaths from the time of repatriation to the present attributable to suicides, accidents, and other forms of trauma" that could result from the extreme psychological stress experienced by ex-POW's.

Third, Mr. President, our proposal expand the list of specified disabilities and diseases of an ex-POW that are to be presumed to be related to military experience to include neuroses. In this regard, the VA study concluded:

> The most remarkable finding of the review of the types of former POW disabilities is that anxiety neurosis is the most prevalent disability among former POWs from the time of repatriation to the present. The significance of this disability relative to veterans controls [a control group of veterans] remains regardless of the length of internment. This is especially apparent among former European Theater POWs, in which those POWs interned less as well as more than six months exhibit significantly higher rates of anxiety neurosis compared to other service-connected World War II veterans.

Further, the VA's study showed that in each category of former POW's on which there is data available at this point—World War II Europe, World War II Pacific, and Korean conflict—anxiety neurosis is the statistically most significant service-connected disability.

Thus, this provision is designed to remove from the ex-POW the burden of documentation and evidence and to provide for award of service-connected compensation for a neurosis on a presumption—unrebutted by the VA—that the disability is related to the veteran's service.

The VA's study recommendation in this regard was for administrative action to include an explicit reference to former POW's in its guidelines for the diagnosis, treatment, and rating of post-traumatic stress neurosis. Under those guidelines—to be issued in the very near future as a revision to DVB program guide 21-1—ex-POW's who manifest certain symptoms, such as startle reaction, insomnia, survivor guilt, and memory lapses, that are generally considered to be related to the POW experience, are to be granted service connection for the neurosis.

Although I am in agreement with the steps that the VA has taken pursuant to this recommendation—as far as they go—there appears to be no reason for treating neurosis differently from psychosis in this regard. Thus, the bill would codify the administrative action that the VA has taken with respect to post-traumatic stress neurosis in the cases of ex-POW's and include other forms of ex-POW neurosis as well.

Fourth, and finally with respect to the VA's compensation program, our bill would specify that, consistent with guidelines that would be required to be developed by the Administrator, the disability of a former POW who experienced conditions of internment that the Administrator has determined could reasonably be expected to result in that disability, shall be deemed to have been incurred or aggravated during the veteran's service if it has become manifest to a degree of 10 percent or more. The purpose of this provision is to establish a process under which the Administrator would have the necessary flexibility to specify criteria for the presumption of service-connected disability in the cases of disabilities which are not specified in the law but which would reasonably—though not conclusively—be expected to have resulted from the POW experience. These might include disabilities such as those I mentioned earlier—residuals of frozen feet, chronic respiratory disorders, and arthritis. This provision would provide that the Administrator take into account, in adjudicating claims of former POW's, the expanding body of medical knowledge in terms of the effects of captivity on individuals.

Mr. President, with this authority, the Administrator would also have the flexi-

bility to tailor presumptions for internments at certain periods of time and in certain geographical areas with respect to certain disabilities. Thus, if the Administrator were to determine that the state of medical knowledge warranted a presumption of service connection for certain genitourinary diseases of World War II Pacific Theater ex-POW's only, or certain residual effects of exposure in the cases of World War II European Theater and Korean conflict ex-POW's only, appropriately limited presumptions could be incorporated in the guidelines.

I want to stress in proposing this provision that the intention is for this authority to be used for the benefit of ex-POW's in all situations in which it is reasonable to do so. To that end, the measure mandates—not just authorizes—the prescribing of the guidelines in which the Administrator would specify the disabilities that the Administrator has determined could reasonably be expected to result from internment or from internment in certain places at certain times. In addition, the bill would require the Administrator, in developing or revising the guidelines, to consult with the advisory committee on former prisoners of war—which the bill would establish, and the membership of which would include at least one ex-POW from each of the two World War II Theaters, Korea, and Vietnam—and with representative groups concerned with the well-being of veterans who are ex-POW's and disabled veterans.

The bill would also require the Administrator, not later than 60 days after prescribing or revising the guidelines, to provide the Veterans' Affairs Committees with a report on the reasoning underlying the guidelines.

These provisions—together with the provisions requiring biennial reports from the advisory committee—are designed to keep the process a vital and up-to-date one and to assure that the Congress is fully advised with respect to the use of this authority and of the possible advisability of legislative changes that may be necessitated by any failure of the Administrator to use the authority as fully as it could appropriately be.

HEALTH CARE AND OTHER BENEFITS

Mr. President, the effect of these amendments would be that any ex-POW whose disability is determined to be service connected for purposes of disability compensation under chapter 11 of title 38 as a result of the amendments would also be considered to be service connected for purposes of all other VA programs. Thus, where any additional eligibility criteria are met, the ex-POW would be eligible for vocational and other rehabilitation services and assistance under chapter 31 of title 38 and health-care services under chapter 17 as a service-connected disabled veteran, and, as appropriate, specially adapted housing assistance under chapter 21 and adaptive auto assistance under chapter 39.

In addition, in recognition of the special sacrifices of former POW's, the bill we are introducing would amend section 612(i) of title 38—which establishes four priority categories for the provision of VA outpatient treatment to otherwise eligible veterans—to place former POW's who have no disease or injury that has been determined to be service connected in the third priority category, a category they would share with veterans with service-connected disabilities rated 40 percent or less and thus be afforded priority ahead of all other nonservice-connected disabled veterans. I believe that this provides appropriate recognition for this special class of veterans.

Thus, with respect to VA health-care services, this measure would facilitate to an appropriate degree the ability of ex-POW's to attain eligibility based on the compensable service connection of their disabilities. By operation of the existing chapter 17 provisions with respect to the health-care eligibility of a veteran having a compensable service-connected disability, those who obtain service connection would be eligible for all hospital, nursing home, and outpatient services needed for the care and treatment of their service-connected disabilities. They would also be eligible for hospital and nursing home care for any other disability—without regard to the general requirement that a veteran be unable to defray the costs of care or be over age 65 in order to be eligible for such care for a nonservice-connected disability.

With respect to outpatient eligibility, those whose service-connected disabilities are rated at 50 percent or more would have eligibility for outpatient treatment for any disability, and those rated 100-percent disabled would also have comprehensive dental outpatient eligibility.

In addition, with respect to the section 612(i) priorities for VA outpatient care, all ex-POW's—along with service-connected disabled veterans—would be in the first priority when seeking treatment for a service-connected disability, in the second priority if their service-connected disability is rated at 50 percent or more, and in the third priority in all other cases.

Mr. President, I would note that the provisions of this bill—in addition to providing more assistance to ex-POW's in establishing service connection—thus apply to a far broader range of benefits than a provision that the Senate passed in 1976 in section 103(a) of S. 2908, the Veterans' Omnibus Health Care Act of 1976. Under that provision, which the House rejected, any disability of an ex-POW with more than 6 months captivity would, for purposes of VA health-care eligibility only, have been considered to be service connected unless there were clear and convincing evidence that it was not.

Mr. President, no new eligibility would be created, however, for outpatient care for a nonservice-connected disability of an ex-POW with no service-connected disability, as the VA study recommended be done. The VA study recommended an amendment "to authorize eligibility to former POW's for VA hospital care and medical services for any disease or neuropsychiatric disability." The purpose of this recommendation was to overcome what the study identified as a problem confronting former POW's suffering health problems, the difficulty—because of a frequent absence of medical information at the time of repatriation and the lack of conclusive medical science to link various disabilities to the POW experience—in establishing service connection. Thus, the recommendation was to provide ex-POW's with general eligibility for health care for disabilities that have not been established as service connected. The study concluded that such an amendment "would assure that former POW's receive health-care benefits for all disabilities which may be attributable to their internment." But it would also assure that they receive these benefits for disabilities determined not to be service related.

In evaluating the report's recomendation in this respect, it must be kept in mind that it was made in the absence of the provisions that we are proposing to facilitate the establishment of service connection by means of more advantageous presumptions and otherwise.

In my view, facilitating determinations of service connection in this manner and providing for compensation, health care, and other benefits eligibility to flow from that determination is far preferable to providing all ex-POW's who have no service-connected disabilities—including those to whom a presumption in current law applies but has been conclusively rebutted—with such broad health-care eligibility. Two important considerations, I believe, support our approach.

First, I believe that the VA recommendation would be inequitable to veterans with disabilities that have been determined to be service connected and would, to a certain extent, undermine the integrity of the existing eligibility criteria in chapter 17. With respect to diseases and psychiatric conditions, the VA recommendation would provide ex-POW's who would have been unable—despite all of the special advantages provided for in this bill—to establish the existence of a service-connected disability with the same hospital-care eligibility as any veteran who has a service-connected disability, the same outpatient treatment eligibility as any veteran whose service-connected disability has been rated as 50 percent or more disabling, and much greater outpatient treatment eligibility than is provided to veterans with service-connected disabilities rated as high as 40 percent. With full respect for the sacrifices and special problems encountered by former POW's, I do not believe such a result is justified for those who have no disabilities considered to be service connected. It is far preferable, in my view, to eliminate the real problem identified by the study of actually establishing service connection for all those health problems that can reasonably and appropriately be linked to service.

The second problem inherent in the study recommendation is that, if adopted, its recommendation would establish a new category of veterans eligible for health care at the very time the VA system is under severe budgetary pressure to provide appropriate care to those currently eligible. Again, with full respect for all former POW's, I do not believe that such a result is advisable.

ADVISORY COMMITTEE ON FORMER PRISONERS OF WAR

Finally, Mr. President, as I indicated earlier, my proposal would establish an advisory committee on former prisoners of war, which would be responsible for advising the Administrator on the administration of benefits to former POW's and the compensation, health care, and rehabilitation needs of such veterans. The committee would be required to submit biennial reports to the Administrator on the programs and the activities of the VA that pertain to former POW's, including an assessment of the compensation, health care, and rehabilitation needs. Such reports would also be required to be submitted to the Congress. The committee would consist of veterans who are former POW's from each theater of operations for each period of war occurring after December 6, 1941, and individuals who are recognized authorities in fields pertinent to disabilities prevalent among former POW's. The VA's Chief Medical Director and Chief Benefits Director would serve as ex officio members of the committee.

The establishment of this advisory committee is based on an administrative recommendation made in the VA's POW study. At this time, Mr. President, I ask unanimous consent that there be printed in the RECORD an excerpt from the report outlining the need for and the attempts to establish such a committee, and an exchange of letters between former Administrator Cleland and myself regarding the establishment of the committee.

There being no objection, the exerpt and letters were ordered to be printed in the RECORD, as follows:

EXCERPT FROM VA'S POW STUDY

The review of the literature on the health related problems of former POWs indicates that there are still unanswered questions on the service-connected nature of many alleged former POW disabilities (e.g., are significantly higher ex-POW mortality rates due to trauma and cirrhosis related to the malnutrition and stress of internment? Is a relatively higher amount of arteriosclerotic heart disease in former POWs caused by the stress of internment?) The review of the types and severity of former POW disabilities also raises the question of whether the most recently published NAS/NRC morbidity data on former POW disabilities is still valid in light of currently available VA data on former POW disabilities.

In 1978, the VA Department of Medicine and Surgery proposed that a "blue ribbon" panel, composed of widely respected authorities in such fields as psychiatry, psychology, internal medicine, nutrition, and epidemiology, be formed which could assess the medical evidence on these and related questions and render expert advisory opinions to the Administrator of the VA and his staff concerning these issues.

In 1979, the VA submitted a request to the General Services Administration for formation of an Advisory Committee on Repatriated Prisoners of War. This request noted that such a "blue ribbon" panel was necessary not only because VA medical professionals needed the assistance of such a committee in assessing the medical evidence on former POWs, but also because the convening of such a body of experts would lend considerable credibility and prestige to the VA decisionmaking process concerning former POWs. The request stated the purpose of the committee would be to draw conclusions on existing information concerning the residual effects of internment, review new statistical and clinical information on former POWs (such as the latest POW morbidity study currently being conducted by the NAS/NRC) and identify for the Administrator and his staff those areas where changes in former POW policy might be warranted. The VA is currently negotiating with the OMB to form such a committee.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., October 13, 1980.

Hon. MAX CLELAND,
Administrator of Veterans' Administration
Washington, D.C.

DEAR MAX: I am writing with regard to the VA's proposal, currently under consideration by the General Services Administration, to establish an Advisory Committee on Former Prisoners of War. The proposed charter for this advisory committee would establish as the general objective of the committee the review of the adverse effects of internment on the health and adjustment of ex-POW's. In addition, the proposed charter provides that the committee would report to you only through the Chief Medical Director and the Assistant CMD for Professional Services.

In my view, there are close interrelationships between the difficulties encountered by ex-POW's in connection with compensation claims and the adverse effects of internment on their health and readjustment. For example, the review of specific disorders prevalent among ex-POW's may entail a review of issues arising in the adjudication process and the award or denial of service connection for such disorders. Thus, it seems to me that the proposed charter should include, as a specific objective, the review of compensation issues as they relate to ex-POW's and also require that the advisory committee report through the Chief Benefits Director and the Director of the Compensation and Pension Service as well as through the CMD and the Assistant CMD.

I also understand that the proposed charter would require that the membership of the advisory committee include ex-POW's. I strongly endorse this concept, but I believe that it would be advisable for the charter to specify the inclusion of disabled ex-POW's from each of the three periods of war—World War II and the Korean and Vietnam conflicts.

Max, I would greatly appreciate receiving your views on these recommendations concerning the pending proposed charter. I look forward to receiving early in November your report on the implementation of the various administrative recommendations endorsed by the Committee in its report (S. Rept. No. 96-876, pages 41-43) accompanying S. 2649, including the Committee's recommendation that a contact person be appointed at each VA regional office and medical center for the effective coordination of matters relating to ex-POW's.

Thank you, Max, for your continuing cooperation with the Committee.

With warm regards,

Cordially,

ALAN CRANSTON,
Chairman.

VETERANS ADMINISTRATION,
Washington, D.C., December 3, 1980.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In your letter of October 13, 1980, you requested my views concerning your proposal that the charter for the Advisory Committee on Former Prisoners of War include several additional elements. Specifically, you suggested that the committee report through the Chief Benefits Director of the Compensation and Pension Service as well as the Chief Medical Director and the Assistant Chief Medical Director for Professional Services, and include a review of compensation issues. You also suggested that the charter specify that the committee membership include disabled former POWs from each of the three periods of war.

On October 28, before we had completed our review of your suggestions, we were notified by the Committee Management Secretariat of the General Services Administration that our request to establish the committee had been approved. I should add that the approval related to the charter which we submitted with our letter to the Committee Management Secretariat on September 25. Due to the need for the valuable information and opinions which can be derived from the Advisory Committee on Former Prisoners of War (the establishment of which we first requested in April 1979), the amount of time which is required to form and convene such a committee, and the impact which medical issues have for both health care and compensation, I directed that we proceed at once with implementation of the POW study report recommendation to establish the committee, on the basis of the charter which had been approved.

With regard to the interrelationship between compensation and health care matters, the VA representatives who conducted the study, and others who have familiarity with issues concerning former POWs, agreed early during the development of the advisory committee proposal that many aspects of this committee's activities would involve diagnosis and medical care which have ramifications for the Chief Benefits Director as well. However, in the earlier work and data review on POWs, it seemed that most of the major concerns were in the areas of diagnosis, health status, and availability of health care services. Moreover, there are many aspects of health status that relate to new clinical information and research which may impact on former POWs, and it is frequently clinical studies which lead to decisions relating to compensation and pension review. Even so, we do see value in your proposed revision to the charter to include the review of compensation and pension issues, with the committee reporting through the Chief Benefits Director as well as through the Chief Medical Director. In such a revision, however, we do not think that it would be necessary to also specify the Director of the Compensation and Pension Service in the formal charter.

Since the early planning stages of the advisory committee, we have envisioned that it would be a representative body which would include former prisoners of war from the three periods of war you mentioned—World War II, the Korean conflict, and the Vietnam era. We intend to adhere to this approach.

The proposals concerning the charter reflecting membership of POWs on the committee, the addition of the Chief Benefits Director in the reporting process, and the review of compensation issues would require substantial revision of the formal charter which has recently been approved. The proposed revision would also require review and approval by the Committee Management Secretariat (and the Office of Management and Budget) prior to implementation of any changes. A formal mechanism exists for appraisal and development of recommendations of this type. Paragraph 1 of Transmittal No. 5 of OMB Circular A-63 provides for a comprehensive review of each advisory committee annually. Transmittal No. 5 specifies that this review will result in an agency determi-

nation of whether "to continue, merge, terminate, or revise responsibilities of, as appropriate, each advisory committee established by the agency." We propose to include the suggestions which you have made within the review of the Advisory Committee on Former Prisoners of War during our annual review, which will be conducted within several months. The annual review is an appropriate forum for clarification of any issues which may have an impact on the responsibilities, objectives and scope of the Advisory Committee on Former Prisoners of War. I should also mention that our emphasis on the health care and compensation needs of former POWs and the implementation of the POW study report's recommended administrative actions add to our awareness of the interrelationship between compensation issues, health care and the tasks of the advisory committee.

Thank you very much for providing us with the benefit of your thoughts and suggestions on the advisory committee charter and for the opportunity for continued dialogue on issues concerning former prisoners of war.

Sincerely,

MAX CLELAND,
Administrator.

Mr. CRANSTON. Mr. President, I realize that the VA has, as indicated in the Administrator's December 3, 1980, letter to me, obtained approval for the administrative establishment of the committee from the General Services Administration and that on February 25 a notice was published in the Federal Register indicating that the VA, GSA, and the Office of Management and Budget have determined that establishment of an advisory committee on the needs of ex-POW's is necessary and in the public interest. However, I believe it is important that the committee be given a permanent, legislative authority so that it is assured of existence beyond the 2-year limit imposed on advisory committees by the Federal Advisory Committee Act—Public Law 92-463—and that its responsibilities to the Administrator and the Congress that I have described be specified in law and carried out. Otherwise, the existence of such a committee would depend upon the prevailing mood of the Chief Executive and would not derive from congressional sanction. The freedom of such a committee to make its evaluations and recommendations without undue executive branch pressure would be substantially enhanced by such statutory charter for its activities.

CONCLUSION

Mr. President, I ask unanimous consent that the text of the bill and a document showing the changes it would make in current law be inserted in the RECORD at this point.

There being no objection, the bill and document were ordered to be printed in the RECORD, as follows:

S. 670

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Ex-Prisoners of War Benefits Improvement Act of 1981".

Sec. 2. Section 312 of title 38, United States Code, is amended by amending subsections (b) and (c) to read as follows:

"(b) For the purposes of this title and subject to the provisions of section 313 of this title, in the case of any veteran who, while serving in the active military, naval, or air service was held as a prisoner of war the disease of—

"(1) Avitaminosis,
"(2) Beriberi (including heart disease),
"(3) Helminthiasis,
"(4) Malnutrition (including optic atrophy associated malnutrition),
"(5) Pellagra,
"(6) Any other nutritional deficiency, or
"(7) Psychosis or neurosis

which became manifest as a disability to a degree of 10 per centum or more after such service, shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disease during the period of service.

"(c)(1) For the purposes of this title and subject to section 313 of this title, in the case of any veteran who, while serving in the active military, naval, or air service was held as a prisoner of war, experienced conditions of internment that the Administrator has determined, in accordance with guidelines which the Administrator shall prescribe for resolving the claims for compensation of veterans who are former prisoners of war, generally can be reasonably expected to result in the type of disability from which such veteran is suffering and such disability shall be considered to have been incurred or aggravated by such service if such disability became manifest to a degree of 10 per centum or more, notwithstanding that there is no record of such disability during the period of service.

"(2) In developing the guidelines required to be prescribed by paragraph (1) of this subsection and in developing any revisions of such guidelines, the Administrator shall consult with the Advisory Committee on Former Prisoners of War established pursuant to section 221 of this title and with other organizations that the Administrator determines to be concerned with the well-being of disabled veterans and veterans who are former prisoners of war. Not later than sixty days after prescribing or revising such guidelines, the Administrator shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report describing and explaining the provisions of such guidelines or of the revisions made therein, as the case may be, and describing the activities that were undertaken in compliance with the provisions of the preceding sentence with respect to the prescribing or revising of the guidelines.".

Sec. 3. Section 612(1)(3) of title 38, United States Code, is amended by inserting before the period at the end "and to any veteran who is a former prisoner of war".

Sec. 4. (a) Chapter 3 of title 38, United States Code, is amended by inserting after section 220 the following new section: "§221. Advisory committee on former prisoners of war

"(a)(1) The Administrator shall appoint an advisory committee to be known as the Advisory Committee on Former Prisoners of War (hereinafter in this section referred to as the 'Committee').

"(2) The members of the Committee shall be appointed by the Administrator from the general public, shall serve for terms to be determined by the Administrator, not to exceed three years, and shall include—

"(A) veterans who are former prisoners of war, including at least one veteran from each theater of operations for each period of war occurring after December 6, 1941; and

"(B) individuals who are recognized authorities in fields pertinent to disabilities prevalent among former prisoners of war, including authorities in epidemiology, psychology, nutrition, psychiatry, and internal medicine.

"(3) The Committee shall also include as ex officio members the Chief Medical Director and the Chief Benefits Director, or their designees.

"(b) The Administrator shall, on a regular basis, consult with and seek the advice of the Committee with respect to the administration of benefits under this title to veterans who are former prisoners of war and the compensation, health-care, and rehabilitation needs of such veterans.

"(c) Not later than July 1, 1982, and not later than July 1 of each even-numbered year thereafter, the Committee shall submit to the Administrator a report on the programs and activities of the Veterans' Administration that pertain to veterans who are former prisoners of war and shall include in each such report an assessment of the compensation, health-care, and rehabilitation needs of such veterans, a review of the programs and activities of the Veterans' Administration designed to meet such needs, and such recommendations, including recommendations for administrative and legislative actions, as the Committee determines appropriate. The Committee may also submit to the Administrator such other reports and recommendations as the Committee determines appropriate. The Administrator shall submit with each annual report submitted to the Congress pursuant to section 214 of this title a copy of all reports and recommendations of the Committee submitted to the Administrator since the previous annual report of the Administrator was submitted to the Congress pursuant to such section.".

(b) The table to sections at the beginning of such chapter is amended by inserting after the item relating to section 220 the following new item:

"221. Advisory committee on former prisoners of war.".

CHANGES IN EXISTING LAW PROPOSED TO BE MADE BY S. 670

Changes in existing law proposed to be made by the bill are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—VETERANS' BENEFITS

* * * * *

CHAPTER 3—VETERANS' ADMINISTRATION; OFFICERS AND EMPLOYEES

* * * * *

SUBCHAPTER II—ADMINISTRATOR OF VETERANS' AFFAIRS

210. Appointment and general authority of Administrator; Deputy Administrator.
211. Decisions by Administrator; opinions of Attorney General.
212. Delegation of authority and assignment of duties.
213. Contracts and personal services.
214. Report to the Congress.
215. Publication of laws relating to veterans.
217. Studies of rehabilitation of disabled persons.
218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations.
219. Evaluation and data collection.
220. Coordination of other Federal programs affecting veterans and their dependents.
221. Advisory committee on former prisoners of war.

* * * * *

§ 221. Advisory committee on former prisoners of war.

(a)(1) The Administrator shall appoint an advisory committee to be known as the Advisory Committee on Former Prisoners of War (hereinafter in this section referred to as the 'Committee').

(2) The members of the Committee shall be appointed by the Administrator from the general public, shall serve for terms to be determined by the Administrator, not to exceed three years, and shall include—

(A) veterans who are former prisoners of war, including at least one veteran from each theater of operations for each period of war occurring after December 6, 1941; and

(B) individuals who are recognized authorities in fields pertinent to disabilities prevalent among former prisoners of war, including authorities in epidemiology, psychology, nutrition, psychiatry, and internal medicine.

(3) The Committee shall also include as ex officio members the Chief Medical Director and the Chief Benefits Director, or their designees.

(b) The Administrator shall, on a regular basis, consult with and seek the advice of the Committee with respect to the administration of benefits under this title to veterans who are former prisoners of war and the compensation, health-care, and rehabilitation needs of such veterans.

(c) Not later than July 1, 1982, and not later than July 1 of each even-numbered year thereafter, the Committee shall submit to the Administrator a report on the programs and activities of the Veterans' Administration that pertain to veterans who are former prisoners of war and shall include in each such report an assessment of the compensation, health-care, and rehabilitation needs of such veterans, a review of the programs and activities of the Veterans' Administration designed to meet such needs, and such recommendations, including recommendations for administrative and legislative actions, as the Committee determines appropriate. The Committee may also submit to the Administrator such other reports and recommendations as the Committee determines appropriate. The Administrator shall submit with each annual report submitted to the Congress pursuant to section 214 of this title a copy of all reports and recommendations of the Committee submitted to the Administrator since the previous annual report of the Administrator was submitted to the Congress pursuant to such section.

* * * * *

CHAPTER 11—COMPENSATION FOR SERVICE-CONNECTED DISABILITY OR DEATH

* * * * *

§ 312. Presumptions relating to certain diseases and disabilities

* * * * *

(b) [For the purposes of subsection (c) of this section, any veteran who, while serving in the active military, naval, or air service, was held as a prisoner of war [for not less than six months] by the Imperial Japanese Government or the German Government during World War II, by the Government of North Korea during the Korean conflict, or by the Government of North Korea, the Government of North Vietnam or the Viet Cong forces during the Vietnam era, or by their respective agents, shall be deemed to have suffered from dietary deficiencies, forced labor, or inhumane treatment in violation of the terms of the Geneva Conventions of July 27, 1929, and August 12, 1949.]

For the purposes of this title and subject to the provisions of section 313 of this title, in the case of any veteran who, while serving in the active military, naval, or air service was held as a prisoner of war the disease of—

(1) Avitaminosis,
(2) Beriberi (including heart disease),
(3) Helminthiasis,
(4) Malnutrition (including optic atrophy associated malnutrition),
(5) Pellagra,
(6) Any other nutritional deficiency, or
(7) Psychosis or neurosis

which became manifest as a disability to a degree of 10 per centum or more after such service, shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disease during the period of service.

(c) [For the purposes of section 310 of this title and subject to the provisions of section 313 of this title, in the case of any veteran who, while serving in the active military, naval, or air service and while held as a prisoner of war by an enemy government, or its agents during World War II, the Korean conflict, or the Vietnam era, suffered from dietary deficiencies, forced labor, or inhumane treatment (in violation of the terms of the Geneva Conventions of July 27, 1929, and August 12, 1949), the disease of—

(1) Avitaminosis,
Beriberi (including beriberi heart disease),
Chronic dysentery,
Helminthiasis,
Malnutrition (including optic atrophy associated with malnutrition),
Pellogra, or
Any other nutritional deficiency,

which became manifest to a degree of 10 per centum or more after such service; or

(2) Psychosis which became manifest to a degree of 10 per centum or more within two years from the date of separation from such service;

shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disease during the period of service.]

(1) For the purposes of this title and subject to section 313 of this title, in the case of any veteran who, while serving in the active military, naval, or air service was held as a prisoner of war, experienced conditions of internment that the Administrator has determined, in accordance with guidelines which the Administrator shall prescribe for resolving the claims for compensation of veterans who are former prisoners of war, generally can be reasonably expected to result in the type of disability from which such veteran is suffering and such disability shall be considered to have been incurred or aggravated by such service if such disability became manifest to a degree of 10 per centum or more, notwithstanding that there is no record of such disability during the period of service.

(2) In developing the guidelines required to be prescribed by paragraph (1) of this subsection and in developing any revisions of such guidelines, the Administrator shall consult with the Advisory Committee on Former Prisoners of War established pursuant to section 221 of this title and with other organizations that the Administrator determines to be concerned with the well-being of disabled veterans and veterans who are former prisoners of war. Not later than sixty days after prescribing or revising such guidelines, the Administrator shall submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate a report describing and explaining the provisions of such guidelines or of the revisions made therein, as the case may be, and describing the activities that were undertaken in compliance with the provisions of the preceding sentence with respect to the prescribing or revising of the guidelines.

* * * * *

CHAPTER 17—HOSPITAL, NURSING HOME, DOMICILIARY, AND MEDICAL CARE

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Subchapter II—Hospital, Nursing Home or Domiciliary Care and Medical Treatment

* * * * *

§ 612. Eligibility for medical treatment

* * * * *

(f) The Administrator, within the limits of Veterans' Administration facilities, may furnish medical services for any disability on an outpatient or ambulatory basis—

(1) to any veteran eligible for hospital care under section 610 of this title (A) where such services are reasonably necessary in preparation for, or (to the extent that facilities are available) to obviate the need of, hospital admission, or (B) where such a veteran has been furnished hospital care and such medical services are reasonably necessary to complete treatment incident to such hospital care (for a period not in excess of twelve months after discharged from in-hospital treatment, except where the Administrator finds that a longer period is required by virtue of the disability being treated); and

(2) to any veteran who has a service-connected disability rated at 50 per centum or more.

The Administrator may also furnish to any such veteran such home health services as the Administrator determines to be necessary or appropriate for the effective and economical treatment of a disability of a veteran (including only such improvements and structural alterations the cost of which does not exceed $600 (or reimbursement up to such amount) as are necessary to assure the continuation of treatment or provide access to the home or to essential lavatory and sanitary facilities).

(g) Where any veteran is in receipt of increased pension or additional compensation or allowance based on the need of regular aid and attendance or by reason of being permanently housebound, or who, but for the receipt of retired pay, would be in receipt of such pension, compensation, or allowance, the Administrator, within the limits of Veterans' Administration facilities, may furnish the veteran such medical services as the Administrator finds to be reasonably necessary.

(h) The Administrator shall furnish to each veteran who is receiving additional compensation or allowance under chapter 11, or increased pension as a veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, by reason of being permanently housebound or in need of regular aid and attendance, such drugs and medicines as may be ordered on prescription of a duly licensed physician as specific therapy in the treatment of any illness or injury suffered by such veteran. The Administrator shall continue to furnish such drugs and medicines so ordered to any such veteran in need of regular aid and attendance whose pension payments have been discontinued solely because such veteran's annual income is greater than the applicable maximum annual income limitation, but only so long as such veteran's annual income does not exceed such maximum annual income limitation by more than $1,000.

(i) Not later than ninety days after the effective date of this subsection, the Administrator shall prescribe regulations to ensure that special priority in furnishing medical services under this section and any other outpatient care with funds appropriated for the medical care of veterans shall be accorded in the following order, unless compelling medical reasons require that such care be provided more expeditiously:

(1) To any veteran for a service-connected disability.

(2) To any veteran described in subsection (f)(2) of this section.

(3) To any veteran with a disability rated as service-connected *and to any veteran who is a former prisoner of war.*

(4) To any veteran being furnished medical services under subsection (g) of this section.

By Mr. PELL (for himself, Mr. GLENN, Mr. GOLDWATER, and Mr. HUDDLESTON):

S. 671. A bill to amend section 402 of title 23, United States Code, relating to establishment by each State of comprehensive alcohol-traffic safety programs as part of its highway safety program;

to the Committee on Commerce, Science, and Transportation.

ESTABLISHMENT OF COMPREHENSIVE ALCOHOL-TRAFFIC SAFETY PROGRAMS

Mr. PELL. Mr. President, I am pleased to join today with Senators GLENN, GOLDWATER, and HUDDLESTON in launching a campaign against America's No. 1 highway safety problem: drunk driving.

This is an easy problem to dismiss as having little relevance in our daily lives—until a drunk driver touches your life or the life of someone you know. I learned this all too well just a few years ago, when in the space of 18 months, two of my valued aides were killed in separate accidents due to the actions of drunk drivers.

Both accidents were well publicized, and—just as when any accident occurs involving drinking and the loss of young lives—there was a sense of outrage and, on the part of some, a call for swifter, stronger penalties. But all too often, except for the immediate families and friends of those killed, the image of the tragic accident fades quickly, along with the recognition that our laws must be changed.

As a legislator, the loss of my two aides caused me to consider whether the Federal Government is truly powerless to attack the drunk driver problem. I recognize that any legislative effort will fail without a major change in the American public's acceptance of drinking and driving. But I am convinced that once people realize the odds of a drunk driver affecting their own life, or that of a loved one, that popular attitudes will change, as they have in other countries. Consider a few statistics:

According to the National Highway Traffic Safety Administration, 1 of every 100 infants born this year can expect to die in an alcohol-related traffic accident.

Of all fatal highway accidents, which number consistently between 50,000 and 55,000 each year, slightly more than half are the result of the actions of drunk drivers.

Six of every ten drivers who kill themselves in single-vehicle accidents are drunk at the time. In the 16 to 24 age group alone, alcohol is responsible for 8,000 highway deaths each year, and causes an additional 40,000 young people to be injured, many of them crippled or impaired for life.

I believe the Federal Government can encourage State and local governments to expand enforcement against drunk drivers, and at the same time establish a strong national deterrent which will put every drinking driver on notice that he or she can expect mandatory punishment wherever an arrest occurs. The legislation I am introducing today attacks the drunk driving problem in four key areas:

First. Mandatory sentencing: The cases involving the deaths of my own staff members convinced me of the lack of uniformity in State laws, and the high probability that convicted drunk drivers will receive suspended or deferred sentences from the courts, or some form of probation. Drunk drivers must be on notice that a conviction for this life-threatening offense will involve a mandatory deprivation of their personal liberty. My bill would mandate enforcement programs in each of the States requiring that any person found driving with a BAC level—percentage of alcohol by weight as determined by a blood test—of 0.10 percent or higher shall be deemed to be driving while under the influence of alcohol.

First time drunk driver offenders shall be sentenced to perform a minimum of 10 days of community service, as the alternative and equivalent of jail. This would be a minimum standard, to which the States could add fines or stronger punishment to comport with local standards.

Those persons convicted of drunk driving two or more times within a 5-year period would be sentenced to a mandatory minimum jail sentence of 10 days in jail. This means no suspended or deferred sentences, and no probation.

Second. Rehabilitation and alcohol safety: No effort to attack the drunk driver effort is realistic unless greater emphasis is placed on identifying and rehabilitating the problem drinker. My bill requires that, in addition to the aforementioned criminal penalties, convicted drunk drivers be required to participate in a traffic safety program, or a treatment program for problem drinkers. My own State of Rhode Island, for instance, has a highly innovative and successful "DWI Counterattack School," which is mandatory for all convicted drunk drivers.

Third. Uniform procedures for license suspension and revocation: One of the most effective levers against the drinking driver is the threat of loss of the driving privilege. My bill would establish minimum standards for license suspension and revocation, with the provision for first time offenders to obtain restricted "daytime only" licenses for work-related or other essential driving purposes.

Fourth. Better recordkeeping: One of the most frustrating parts of the drunk driver problem is the inability of the courts to identify repeat offenders. Because of the lack of adequate records, it is possible for some drunk drivers to be arrested repeatedly in different jurisdictions within a State, or in different States, without ever being identified by the courts as habitual offenders. My bill would encourage the establishment of driver record systems, readily accessible to all State courts, which are capable of identifying repeat offender drunk drivers.

In that regard, improved efforts are necessary at the Federal level to help the courts identify drivers whose licenses have been suspended or revoked in other States, because of drunk driver convictions. I am today introducing separate legislation which would upgrade and computerize the functions of the National Driver Register, within the Department of Transportation. This legislation has been introduced in the House by Representative JAMES OBERSTAR of Minnesota, and would go a long way toward helping the courts and licensing agencies keep drunk drivers off our highways.

My bill does not create any additional Federal programs or bureaucracy, and does not involve the appropriation of new Federal funds. By fostering national uniformity in an area where tremendous differences currently exist in State requirements, it demonstrates a seriousness of purpose and resolve to attack a problem that is truly national in scope.

My bill goes hand in hand with stepped up efforts already underway in many States to increase public awareness of the drinking driver problem. As an indispensable part of a comprehensive national effort including preventative education, my legislation has been endorsed by the National Safety Council, the American Council on Alcoholism, and a number of other organizations concerned with highway safety.

The time has come for our society to put an end to the needless slaughter of human life on the Nation's highways. We have the highest rate of alcohol-related traffic fatalities in the world—a problem that is consuming over $5 billion each year in medical payments and property damage, to say nothing of the immeasurable toll in broken human lives. Driving safety is much like a chain; it is only as strong as the weakest link. As long as the Government can estimate that 1 out of every 10 drivers on Friday and Saturday nights is legally drunk, none of us can be safe from the ticking time bomb represented by the drunk driver. My legislation is a realistic response to a problem in which congressional action is long overdue and I urge my colleagues to join Senators GLENN, GOLDWATER, and HUDDLESTON in the campaign against drunk driving.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 671

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402(b)(1) of title 23, United States Code, is amended by adding at the end thereof the following new subparagraph:

"(H) provide for comprehensive alcohol-traffic safety programs to reduce the incidence of driving while under the influence of alcohol, including (i) mandatory enforcement programs which require, at a minimum, that any person found to be driving a motor vehicle on a public highway when the percentage of alcohol by weight in the blood of such person is 0.10 percent or higher shall be deemed to be driving while under the influence of alcohol for purposes of such programs and that any person convicted of driving while under the influence of alcohol (I) perform not less than 10 days of community service and, in the case of a person convicted of driving while under the influence of alcohol more than once in any 5-year period, such person be imprisoned for not less than 10 days for each such conviction after the first, (II) participate in a traffic safety or alcohol treatment program, and (III) have his license or privilege to operate a motor vehicle suspended or revoked for not less than one year, except that, in the case of a first offender who needs such license or privilege for work-related or other essential purposes, the license or privilege of such offender may be restricted for not less than one year in lieu of such suspension or revocation, (ii) alcohol treatment programs, (iii) traffic safety programs, (iv) a driver record system which identifies repeat offenders and is readily accessible to the courts in such State, and (v) monitoring programs to assure compliance with court ordered imprisonment and community service.".

SEC. 2. The amendment made by the first section of this Act shall become effective on the day after the last day of the two-year period beginning on the date of enactment of this Act.

● Mr. GLENN. Mr. President, I am pleased to join Senators PELL and GOLDWATER in sponsoring S. 671. Its prompt enactment will be a strong step toward the elimination of alcohol related deaths on our Nation's highways.

The statistics tell a gruesome story: 25,000 Americans die each year in alcohol related accidents, and tens of thousands more are injured. That means 70 deaths today, Mr. President, 70 deaths tomorrow and the next day. This is a tragic and senseless drain on our Nation, and we must put a stop to it.

Drunk driving deaths can be reduced. Years of experience at the Federal, State, and local levels suggest that the most effective means of attacking the problem is through a program built upon public information, strict enforcement, improved adjudication, assured penalties, and coordinated management. These are like pieces of a puzzle, and our legislation is designed to put the pieces together.

Simply put, the legislation would hinge a State's receipt of Federal highway traffic safety funds on the establishment of a coordinated alcohol traffic safety program. These programs would be buttressed by mandatory minimum sentences for those convicted of drunk driving, providing a nationwide deterrent against this most serious offense. First offenders would serve 10 days in a community service program and would lose their driving privilege for up to 1 year. Repeaters would be dealt with more harshly. Those convicted two or more times within 5 years would serve 10 days in jail, lose their license for at least 1 year, be enrolled in an alcohol treatment program, and be subject to whatever additional penalties the States may determine are warranted.

Mr. President, the word to stress in describing S. 671 is coordination. At the present time, a full scale crackdown on drunk driving in one jurisdiction may go unrecognized and unappreciated in neighboring jurisdictions. Local prosecutors and judges are often unable to handle the increased caseload such crackdowns produce. In fact, judges are too often unaware of whether a drunk driving case involves a first offender or a repeater, and may have no means of obtaining such information.

Such facts are not intended to slight the efforts of State enforcement officials. These men and women are doing the best possible job with the tools available to them. The effectiveness of their efforts is dampened, not by a lack of will or expertise, but by a lack of coordination and uniformity.

Let me take a few moments to explain what our bill is not. It is not another big money Federal program. No additional funds are involved in excess of those already being disbursed through the Department of Transportation's highway traffic safety program. Nor does the bill extend the heavy hand of the Federal Government into the management of a State's affairs. Every State currently has an alcohol traffic safety program, and every one of these programs will continue to be managed by local officials. Our bill simply injects a certain amount of uniformity into these programs, so the right hand knows what the left is doing and all hands are working toward the same end. And it provides a uniform, blanket deterrent against drunk driving in the form of mandatory minimum sentences.

Nor does this legislation conflict with the President's policies. Indeed, the White House budget package released on February 18, in referring to the highway traffic safety program, specifically mentions that grantees should "channel resources into effective traffic programs such as alcohol safety * * *."

After 250,000 highway deaths in alcohol related accidents during the last decade, it should be clear that drunk driving is everybody's business. No community is immune. Who among us has not lost a family member, relative, or friend in this senseless manner? It is time to join forces and do something about it.●

By Mr. PELL:

S. 672. A bill to require the Secretary of Transportation to administer a national driver register to assist State driver licensing officials in electronically exchanging information regarding the motor vehicle driving records of certain individuals; to the Committee on Commerce, Science, and Transportation.

NATIONAL DRIVER REGISTER ACT OF 1981

Mr. PELL. Mr. President, I am pleased today to introduce a bill that is of vital importance in the field of highway safety. This bill is identical to H.R. 2052, and should truly be known as the "Oberstar bill," after its chief sponsor and driving force in the House, Congressman JAMES L. OBERSTAR of Minnesota.

My major concern in the highway safety area has been the threat posed by the drunk driver, and I have introduced comprehensive legislation aimed at ending the slaughter on our highways due to the actions of drinking drivers. A very closely related problem is safety threat represented by the over 20 million drivers on the road today who have had their driving licenses suspended or revoked, many of them for driving while under the influence of alcohol.

The Oberstar bill will help the States prevent the issuance of a license to an individual whose driving privilege has previously been denied or suspended in another State. It will streamline the presently outdated National Driver Register within the Department of Transportation, which for over 20 years has relied on direct mail exchanges between the States for a national clearinghouse to help identify individuals with unsafe driving records.

The files contained in the National Driver Register are limited to those drivers whose licenses have been suspended, revoked, or denied by one or more States. The States voluntarily participate in the NDR by mailing in a notification when an individual's driving privilege has been revoked or suspended, and in turn requesting checks on applicants for original or renewal licenses. Inquiries from the State motor vehicle registeries are received by the NDR through the mail and positive identification reports are mailed back, a process taking about 2 weeks, if everything works well.

Since Congress created the NDR in 1960, its level of effectiveness has been diminishing steadily. Because of the reliance on time-consuming mail exchanges, a number of States have ceased to rely on the Register, especially with the advent of automated driving licensing systems which enable motor vehicle registrars to provide over-the-counter service to applicants. As participation in the NDR has decreased, the accuracy and reliability of its information has decreased, to the point that the National Driver Register is becoming an anachronism.

Improved driver records are an indispensible part of a sensible national highway safety program. At present, there is little to stand in the way of the person with a revoked license who is seeking the driving privilege in another State. Many of the individuals with revoked or denied licenses are chronic offenders responsible for multiple traffic accidents.

A tragic example of the scope of this problem is the story of a southern New Englander named Kenneth Nathanson, who is now the leader of a nationwide citizens group supporting improved driver records. Six years ago, Mr. Nathanson and his family were driving through Rhode Island, on their way to a holiday reunion in nearby Massachusetts. Their automobile was struck from behind by a truck driver, killing their 14-year-old daughter. The truck driver has a record of 25 driving violations in a period of 8 years, including a license suspension 3 months earlier by the State of New Jersey. At the time of the accident which claimed the life of young Kamy Nathanson, the truck driver was using a license he had obtained from the State of Arizona, so he could continue to operate his truck on the highways. An improved NDR system would prevent the issuance of the driving privilege to this type of chronic offender.

The Oberstar bill would convert the existing National Driver Register to an online, rapid response communications network, significantly improving the exchange of problem driver information between the States. Under this proposal, all substantive data on the driver's history would remain in the State of record—only identification data and the name of the State would be maintained by the Register. Incoming inquiries would be referred electronically to the designated State of record, which would then provide an abstract of the driver's record to the State where the new application is sought. The driver history summary would be furnished to the in-

quiring State, by means of the data processing facilities of the Register, within 5 minutes. The Department of Transportation has concluded that this "problem driver pointer system" is the least expensive alternative for providing an effective national clearinghouse on driver records.

Under the improved NDR, the authority for licensure of drivers will remain with the States, and State driver licensing officials will continue to make the final judgment on whether to issue a license. The electronic NDR would only facilitate the exchange of information between different licensing jurisdictions, but at an estimated one-fifth of the cost of the present mail exchange system.

The improved NDR would fully comply with the Privacy Act of 1974, especially in providing criminal penalties for the unlawful use of information obtained through the NDR, and provisions relating to the accuracy and timeliness of data. An individual would continue to have the right to obtain information on his own record as contained in the Register, and to correct records in the event of inaccuracies. The improved NDR would not conflict with the individual's right to appeal any license denial through existing State law procedures.

An improved, more responsive NDR has long had the support of a wide range of interest groups, including State motor vehicle officials, national trucking organizations, and citizen highway safety organizations. The legislation I am introducing is identical to H.R. 2052, and I urge my colleagues to join me in supporting this positive step in assisting the States to carry out their licensing responsibilities.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 672

SHORT TITLE

SECTION 1. This Act may be cited as the "National Driver Register Act of 1981".

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) the term "Advisory Committee" means the National Driver Register Advisory Committee established in section 9(a);

(2) the term "alcohol" has the meaning given such term by the Secretary of Transportation under regulations prescribed by the Secretary;

(3) the term "chief driver licensing official" means the official in each State who is authorized to (A) maintain any record regarding any motor vehicle operator's license issued by such State; and (B) grant, deny, revoke, or cancel any motor vehicle operator's license issued by such State;

(4) the term "controlled substance" has the meaning given such term in section 102(6) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802(6));

(5) the term "highway" means any road or street;

(6) the term "motor vehicle" means any vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power and used on a highway, except that such term does not include any vehicle, machine, tractor, trailer, or semitrailer operated exclusively on a rail or rails;

(7) the term "motor vehicle operator's license" means any license issued by a State that authorizes an individual to operate a motor vehicle on a highway;

(8) the term "participating State" means any State that has notified the Secretary of its participation in the Register system, pursuant to section 5;

(9) the term "Register" means the National Driver Register established under section 4(a);

(10) the term "Secretary" means the Secretary of Transportation;

(11) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(12) the term "State of record" means any State that has transmitted to the Secretary, pursuant to section 6, any report regarding any individual who is the subject of a request for information made under section 7.

REPEAL OF EXISTING STATUTE

SEC. 3. The Act entitled "An Act to provide for a register in the Department of Commerce in which shall be listed the names of certain persons who have had their motor vehicle operator's licenses revoked" (Public Law 86-660; 74 Stat. 526) hereby is repealed, effective at the expiration of the 4-year period following the date of the enactment of this Act.

ESTABLISHMENT OF REGISTER

SEC. 4. (a) The Secretary shall establish and maintain a register to be known as the "National Driver Register", to assist chief driver licensing officials of participating States in exchanging information regarding the motor vehicle driving records of individuals. The Register shall contain an index of the information that is reported to the Secretary under section 6, and shall be designed to enable the Secretary to—

(1) electronically receive any request for information made by the chief driver licensing official of any participating State under section 7;

(2) electronically refer such request to the chief driver licensing official of any State of record; and

(3) electronically relay to such chief driver licensing official of a participating State any information provided by any chief driver licensing official of a State of record in response to such request.

(b) The Secretary shall not be responsible for the accuracy of any information relayed to the chief driver licensing official of any participating State under subsection (a)(3), except that the Secretary shall maintain the Register in a manner that ensures against any inadvertent alteration of such information during such relay.

(c)(1) The Secretary shall determine whether any information contained in any record maintained under the Act described in section 3 shall be maintained in the Register, except that no such information shall be maintained in the Register after the expiration of the 6-year period following the date of the enactment of this Act if maintaining such information is inconsistent with the provisions of this Act. Any other record maintained under the Act described in section 3 shall be disposed of in accordance with chapter 33 of title 44, United States Code.

(2) The Secretary shall not maintain any report or information in the Register for more than a 7-year period after the date such report or information is entered into the Register. Such report or information shall be disposed of in accordance with chapter 33 of title 44, United States Code.

(d) The Secretary shall assign to the administration of this Act such personnel as may be necessary to ensure the effective functioning of the Register system.

(e) The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this Act.

STATE PARTICIPATION

SEC. 5. (a) Any State may become a participating State under this Act by notifying the Secretary of its intention to be bound by the provisions of section 6.

(b) Any participating State may terminate its status as a participating State under this Act by notifying the Secretary of its withdrawal from participation in the Register system.

(c) Any notification made by a State under subsection (a) or (b) shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

REPORTS BY CHIEF DRIVER LICENSING OFFICIALS

SEC. 6. (a) The chief driver licensing official in each participating State shall, before the end of the applicable period established in subsection (c), transmit to the Secretary a report containing the information required in subsection (b) regarding any individual who—

(1) is denied a motor vehicle operator's license by such State, or is granted such a license by such State following such denial;

(2) has his motor vehicle operator's license cancelled, revoked, or suspended by such State, or has such license reinstated following such cancellation, revocation, or suspension; or

(3) is convicted in such State of, or, following such conviction, is acquitted or pardoned of—

(A) a traffic offense comprising the operation of a motor vehicle while under the influence of, or impaired by, alcohol or a controlled substance;

(B) a traffic offense associated with a fatal traffic accident, reckless driving, or racing on the highways; or

(C) any other traffic offense, if the Secretary determines, in accordance with regulations prescribed by the Secretary, that information regarding any individual who is convicted of such traffic offense should be listed in the Register in order to assist any person authorized by section 7 to receive information by means of the Register system.

(b) Any report regarding an individual that is transmitted by a chief driver licensing official pursuant to subsection (a) shall contain—

(1) the legal name, date of birth (including day, month, and year), and sex of such individual;

(2) the name of the State transmitting such report; and

(3) the social security account number and the motor vehicle operator's license number of such individual; except that any report, concerning an occurrence specified in paragraph (1), (2), or (3) of subsection (a) that occurs during the 2-year period preceding the date on which such State becomes a participating State, shall be sufficient if it contains all such information that is available to such chief driver licensing official on such date.

(c) Any report required to be transmitted by a chief driver licensing official of a State under subsection (a) shall be transmitted to the Secretary—

(1) not later than 30 days after any occurrence specified in paragraph (1), (2), or (3) of subsection (a) that is the subject of such report, if the date of such occurrence is after the date on which such State becomes a participating State; or

(2) not later than the expiration of the 2-year period following the date on which such State becomes a participating State, if such report concerns an occurrence specified in paragraph (1), (2), or (3) of subsection

(a) that occurs during the 2-year period preceding such date.

(d) Nothing in this section shall be construed to require any State to report any information concerning any occurrence that occurs before the 2-year period preceding the date on which such State becomes a participating State.

ACCESSIBILITY OF REGISTER INFORMATION

SEC. 7. (a)(1) For purposes of fulfilling his duties with respect to driver licensing, driver improvement, or highway safety, any chief driver licensing official of a participating State may request the Secretary to electronically refer any request for information regarding the motor vehicle driving record of any individual to the chief driver licensing official of any State of record.

(2) The Secretary shall electronically relay to any chief driver licensing official of a participating State who requests information under paragraph (1) any information received from the chief driver licensing official of any State of record regarding an individual identified pursuant to paragraph (1), except that the Secretary may refuse to relay any information to such official if he is the chief driver licensing official of a participating State that is not in compliance with the provisions of section 6.

(b)(1) The Administrator of the Federal Aviation Administration, for purposes of requesting information regarding any individual who has applied for, or received, a license to pilot an aircraft, may request the chief driver licensing official of the State in which the primary office of the Administrator is located, if such State is a participating State, to obtain information under subsection (a) regarding such individual. The Administrator may receive any such information obtained by such chief driver licensing official regarding such individual.

(2) The Chairman of the National Transportation Safety Board, for purposes of requesting information regarding any individual who is the subject of any accident investigation conducted by the Board, may request the chief driver licensing official of the State in which the primary office of the Chairman is located, if such State is a participating State, to obtain information under subsection (a) regarding such individual. The Chairman may receive any such information obtained by such chief driver licensing official regarding such individual.

(3) Any employer of any individual who is employed as a driver of a motor vehicle, or any prospective employer of any individual who seeks employment as a driver of a motor vehicle, may request the chief driver licensing official of the State in which the individual involved is employed, or seeks employment, if such State is a participating State, to obtain information under subsection (a) regarding such individual. Such employer or prospective employer may receive any such information obtained by such chief driver licensing official regarding such individual.

(4) Any individual, for purposes of requesting information regarding such individual, may request the chief driver licensing official of any participating State to obtain information under subsection (a) regarding such individual. Such individual may receive any such information obtained by such chief driver licensing official regarding such individual.

(5) Any request made under this subsection shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

(c) The Secretary shall permit the use of any information maintained by the Secretary relating to the operation of the Register and any information contained in the Register, other than information specified in paragraph (1) or (3) of section 6(b), by any person who requests such information for purposes of conducting statistical research relating to the operation or utilization of the Register. Such person shall pay all direct costs of the processing of such request. Any such request shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

(d) Any request for, or receipt of, information by means of the Register system shall be subject to the provisions of sections 552 and 552a of title 5, United States Code, and any other applicable Federal law, except that—

(1) the Secretary shall not relay, or otherwise transmit, information specified in paragraph (1) or (3) of section 6(b) to any person not authorized by this section to receive such information;

(2) any request for, or receipt of, information by any chief driver licensing official, or by any person authorized by subsection (b) to request and receive information, shall be considered to be a routine use for purposes of section 552a(b) of title 5, United States Code; and

(3) any receipt of information by any person authorized by this section to receive information shall be considered to be a disclosure for purposes of subsection (c) of section 552a of title 5, United States Code, except that the Secretary shall not be required to retain the accounting made under paragraph (1) of such subsection for more than a 7-year period after the date of such disclosure.

CRIMINAL PENALTIES

SEC. 8. (a) Any person, other than an individual described in section 7(b)(4), who receives under section 7 information specified in paragraph (1) or (3) of section 6(b), the disclosure of which is not authorized by section 7, and who, knowing that disclosure of such information is not authorized, willfully discloses such information, shall be fined not more than $10,000 or imprisoned not more than one year, or both.

(b) Any person who knowingly and willfully requests or obtains under false pretenses information specified in paragraph (1) or (3) of section 6(b) from any person who receives such information under section 7 shall be fined not more than $10,000 or imprisoned not more than one year, or both.

ADVISORY COMMITTEE

SEC. 9. (a) There hereby is established a National Driver Register Advisory Committee, which shall advise the Secretary concerning the efficiency of the maintenance and operation of the Register, and the effectiveness of the Register in assisting States in exchanging information regarding motor vehicle driving records.

(b) The Advisory Committee shall consist of 15 members, appointed by the Secretary, as follows:

(1) 3 members from among individuals who are specially qualified to serve on the Advisory Committee by virtue of their education, training, or experience, and who are not employees of the Federal Government or of any State; and

(2) 12 members, geographically representative of the participating States, from among individuals who are chief driver licensing officials of participating States.

(c)(1) Except as provided in paragraph (2) and paragraph (3), each member of the Advisory Committee shall be appointed for a term of 3 years.

(2) Of the members first appointed—

(A) one of the members described in subsection (b)(1) and four of the members described in subsection (b)(2) shall be appointed for a term of one year;

(B) one of the members described in subsection (b)(1) and four of the members described in subsection (b)(2) shall be appointed for a term of 2 years; and

(C) one of the members described in subsection (b)(1) and four of the members described in subsection (b)(2) shall be appointed for a term of 3 years;

as designated by the Secretary at the time of appointment.

(3) Any vacancy in the Advisory Committee shall be filled in the same manner as original appointments. Any member appointed to fill any vacancy shall serve for the remainder of the term for which his predecessor was appointed. Any member may serve after the expiration of his term until his successor has taken office.

(d) The members of the Advisory Committee shall serve without compensation, but the Secretary is authorized to reimburse such members for all reasonable travel expenses incurred by them in attending the meetings of the Advisory Committee.

(e)(1) The Advisory Committee shall meet not less than once each year.

(2) The Advisory Committee shall elect a Chairman and a Vice Chairman from among the members of the Advisory Committee.

(3) Eight members of the Advisory Committee shall constitute a quorum.

(4) The Advisory Committee shall meet at the call of the Chairman or a majority of the members of the Advisory Committee.

(f) The Advisory Committee may receive from the Secretary such personnel, penalty mail privileges, and similar services, as the Secretary considers necessary to assist it in performing its duties and functions under this section.

(g) Not less than once each year, the Advisory Committee shall prepare and submit to the Secretary a report concerning the efficiency of the maintenance and operation of the Register, and the effectiveness of the Register in assisting States in exchanging information regarding motor vehicle driving records. Such report shall include any recommendations of the Advisory Committee for changes in the Register system.

(h) The Advisory Committee shall be exempt from the requirements of section 10 (e), section 10(f), and section 14 of the Federal Advisory Committee Act (5 U.S.C. Appendix).

REPORT BY SECRETARY

SEC. 10. Not later than the expiration of the 9-year period following the date of the enactment of this Act, the Secretary shall prepare and submit to the Congress a comprehensive report setting forth the extent and level of participation in the Register system, and the effectiveness of such system in the identification of unsafe drivers. Such report shall include any recommendations of the Secretary concerning the desirability of extending the authorization of appropriations for this Act beyond the period of authorization provided in section 11.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act for fiscal year 1981, and for each of the succeeding 9 fiscal years.

By Mr. DOMENICI:

S. 673. A bill to amend the Internal Revenue Code of 1954 to provide a 5 barrel-per-day exemption from the windfall profit tax in the case of stripper well oil, and for other purposes; to the Committee on Finance.

FIVE-BARREL-PER-DAY EXEMPTION WINDFALL PROFIT TAX

Mr. DOMENICI. Mr. President, the bill I am introducing would allow a 5-barrel-per-day exemption from the windfall profit tax for stripper oil wells. A stripper well is an oil well that does not produce more than 10 barrels of oil per day. These wells are normally in oilfields that are almost depleted. As these wells

decline in production, the cost of producing the wells exceeds their revenues, often requiring the wells to be abandoned. The purposes of this amendment is to provide additional economic incentive to keep stripper wells in production so that the maximum amount of oil can be recovered.

The Congress recognized the need to provide special treatment for stripper wells in 1973 when stripper wells were exempt from price controls. This exemption allowed wells that produced as little as two or three barrels per days to remain in production. When the Senate passed the windfall profit tax, stripper wells were exempt from this excise tax. Unfortunately, the conference dropped the stripper well exemption. The Senate also passed a two-barrel-a-day exemption for stripper wells on the reconciliation bill but the exemption did not survive conference.

My colleagues will remember that the "theory" of the windfall profit tax was to have the Federal Government recover some of the increased revenues of oil producers resulting from former President Carter's order to gradually decontrol the price of oil. The idea was to tax only the difference between the precontrol price and the postdecontrol price. Because the Congress had already recognized the need for economic incentives for the operation of stripper wells, the price of oil from these wells had already been decontrolled.

By placing a tax on the difference between the decontrolled price and an arbitrary base price established in the windfall profit tax, we effectively reduced the revenues to stripper well operators to levels below those received prior to decontrol. The Interstate Oil Compact Commission (IOCC), an organization of 30 oil and gas producing States, found that the rollback of net revenues to independent operators amounts to 17 percent while major operators experience a 34 percent rollback.

In their report "the effects of the crude oil windfall profits tax on recoverable crude oil resources," the IOCC goes on to calculate that this rollback in revenues will reduce the operating well lifes for stripper wells by 45 years for independents and 8.1 years for majors. What does this mean? It simply means we have reduced the amount of recoverable oil in the United States by 356 million barrels because we will prematurely shut in wells which are not economic to produce.

Mr. President, the stripper wells of this country produce over 1 million barrels of oil per day. This is a resource that we cannot allow to slip away.

The second portion of this bill relates to injection wells, counting them as wells for determining a stripper property. The applicable energy statute, I believe, have always permitted injection and other production selected wells to be counted for stripper status determinations. But, it is necessary to clarify that counting injection wells specifically for windfall profit tax purposes has consistently been the intent of the Congress.

Mr. President, the last portion of the bill I introduce today is an effort to insure that the clear intent of the Congress when it passed the Crude Oil Windfall Profit Tax Act of 1980 is carried out with respect to one of the most successful domestic oil programs initiated by the Department of Energy.

I refer to the DOE's front-end tertiary program established in 1979 by section 212.78 of the DOE regulations. Under that program to date, approximately 350 qualifying tertiary projects have been initiated across the country for the purposes of extracting more oil from declining domestic fields than could be extracted utilizing primary or secondary methods of recovery.

Perhaps the major reasons for the success of this program are its simplicity and the absence of direct Government participation, intervention, or supervision. Through the front-end teritary program, the DOE simply allowed qualified producers to sell certain price-controlled crude oil at market prices to recoup specifically allowed expenses of certain teritary projects directed at increasing production from older, depleted domestic oil fields.

The Congress strongly endorsed this program in the Windfall Profit Tax Act by specifying that until October 1, 1981, the date of decontrol of crude oil under the decontrol schedule, front-end oil is either exempt from the tax or a tax refund is available for the windfall tax paid on front-end oil to the extent that qualifying expenditures exceed the amount actually recovered under the front-end financing program. The exemption is applicable to oil deregulated to finance a tertiary project controlled by independent producers, as defined in the act, and the refund mechanism is applicable to oil deregulated to finance a tertiary project not controlled by independent producers.

The Windfall Profit Tax Act, as everyone knows, is not without ambiguities and, unfortunately that is true with respect to the front-end tertiary provisions. It is generating some confusion and a great deal of legitimate concern on the part of producers, particularly independent producers who undertook expensive, risky tertiary projects fully expecting that the congressional promise of relief from the tax until October 1, 1981, would be kept.

Now, there is some cloud on that prospect as arguments are made that one or two words in the front-end tertiary provisions require that the promised relief from the tax be terminated because of the President's order decontrolling crude oil ahead of the schedule with which the Congress was working when it passed the Windfall Profit Tax Act.

For my part, I understood and supported the front-end tertiary provision on the basis that regardless of the date crude oil was decontrolled, producers establishing qualifying front-end projects could count on either being exempt from the tax or receiving an appropriate refund for sales for oil for recoupment purposes through September 30, 1981. In my opinion, then and now, that understanding is the only way to give meaning and effect to Congress expressed intention that for any oil to be classified as front-end oil, it must be removed from the premises before October 1, 1981. There were no optional deadline dates for removal specified, such as either October 1, 1981, or the end of price controls.

I continue to feel strongly that this relief from the windfall profit tax is essential to make good this Government's commitment to those who undertook expensive and risky tertiary projects and while I feel that existing law allows current tax treatment of front-end oil to be continued until October 1, 1981, I want to remove any lingering questions.

As a final point, it should be noted that, compared with previous and existing projections of revenue from the windfall profit tax, there would be no reduction as a result of this bill. That is true because such projections are based on what I feel are the clear intentions of the Congress—the current tax treatment for front-end oil continuing until October 1, 1981.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objections, the bill was ordered to be printed in the RECORD, as follows:

S. 673

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STRIPPER WELL OIL EXEMPTION.

(a) IN GENERAL.—Section 4991(b) of the Internal Revenue Code of 1954 (relating to categories of oil) is amended—

(1) by striking out "and" at the end of paragraph (3),

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a comma and the word "and", and

(3) by adding at the end thereof the following new paragraph:

"(5) any exempt stripper well oil.".

(b) EXEMPT STRIPPER WELL OIL DEFINED.—Section 4994 of such Code (relating to definitions and special rules relating to exemptions) is amended by adding at the end thereof the following new subsection:

"(f) EXEMPT STRIPPER WELL OIL.—

"(1) IN GENERAL.—For purposes of this chapter, the term 'exempt stripper well oil' means that amount of domestic crude oil produced during a quarter from a stripper well property, within the meaning of the June 1979 energy regulations, which does not exceed the qualified amount for such stripper well property.

"(2) QUALIFIED AMOUNT.—For purposes of this subsection, the qualified amount for a stripper well property for any quarter is the product of—

"(A) 5 barrels, multiplied by

"(B) the number of days in such quarter.

"(3) PRODUCTION EXCEEDS QUALIFIED AMOUNT.—If the production of oil from a stripper well property for a quarter exceeds the qualified amount for such stripper well property, the qualified amount shall be allocated on the basis of removal prices of the oil produced from such stripper well property during such quarter, beginning with the highest of such prices.".

(c) CONFORMING AMENDMENT.—Subparagraph (A) of section 4991(d)(1) of such Code (defining tier 2 oil) is amended to read as follows:

"(A) any oil from a stripper well property (within the meaning of the June 1979 energy regulations) which is not exempt stripper well oil, and".

SEC. 2. DEFINITION OF STRIPPER WELL PROPERTY.

Section 4996 of the Internal Revenue Code of 1954 (relating to other definitions and special rules) is amended by redesignating subsection (h) as (i) and by inserting after subsection (g) the following new subsection:

"(h) STRIPPER WELL PROPERTY.—For purposes of determining whether a property is a stripper well property within the meaning of the June 1979 energy regulations, there shall be taken into account in determining the total number of wells on the property each well which—

"(1) is producing crude oil, or

"(2) is actively utilized for the purpose of injecting water or any other material into a producing reservoir for the purpose of enhancing crude oil recovery.".

SEC. 3. DEFINITION OF FRONT-END TERTIARY OIL.

Subparagraph (B) of section 4994(c)(4) of the Internal Revenue Code of 1954 (defining front-end tertiary oil) is amended by striking out "solely".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable periods beginning after December 31, 1980.

By Mr. THURMOND (for himself, Mr. HEFLIN, Mr. DECONCINI, Mr. SIMPSON, and Mr. EAST):

S. 675. A bill to establish a Federal Jurisdiction Review and Revision Commission; to the Committee on the Judiciary.

FEDERAL JURISDICTION REVIEW AND REVISION COMMISSION ACT

Mr. THURMOND. Mr. President, today I am introducing, along with the Senator from Alabama (Mr. HEFLIN), the Senator from Arizona (Mr. DECONCINI), the Senator from Wyoming (Mr. SIMPSON), and the Senator from North Carolina (Mr. EAST), legislation to establish a Federal Jurisdiction Review and Revision Commission. The Commission would study the jurisdiction and limited sovereignty of the United States in relation to the jurisdiction and limited sovereignty of the States.

The bill is identical to legislation which I introduced during the final days of the last Congress. I offered the bill then as I do now because I believe that the legal system of this country is approaching a crisis through the growing confusion of jurisdiction between State and Federal courts.

I have often felt that perhaps the most important, but most ignored, amendment to the Constitution is the 10th amendment which reserves to the States and people all power not specifically granted to the Federal Government. If greater attention were paid to the 10th amendment, the caseload of the Federal courts would be more manageable and much of the misery and social dislocation we have brought upon ourselves could be avoided.

Last summer, in remarks before the American Law Institute, Chief Justice Warren Burger noted:

In the past decade Congress has enacted not less than 70 new statutes enlarging the jurisdiction of Federal courts. Many of these statutes expand Federal jurisdiction to cover relief already available in State courts. It is fair to say that the Federal courts, and ultimately, the Supreme Court, have tended to give expansive, rather than restricted, interpretation to these statutes, along with a narrowing of the scope of immunity of Government officials.

This commentary by the Chief Justice holds as true today as it did last summer; for in the interim, the situation has grown worse. Increasing caseloads in the Federal courts reveal a trend which could eventually lead to a total breakdown to traditional federalist principles as we know them.

The bill would establish a Commission made up of 16 members: 4 to be appointed by the President; 4 by the Senate; 4 by the House; and 4 by the Chief Justice of the United States. The membership shall be selected in a manner that will represent a broad range of interests, needs and concerns.

The Commission would be asked to study the relevant aspects of Federal and State court jurisdiction, including problems of substantive law, civil and criminal procedure, workload and caseload of the courts, case processing and State and Federal bars. It would also be asked to make recommendation for legislative action. The Commission will be in existence for only 2 years and is to issue a final report upon completion of its work.

Mr. President, often the creation of commissions simply leads to a report that ends up gathering dust on the shelf. I cannot believe, however, that the subject of this study will suffer that fate. The relationship between Federal and State courts is one that should have the attention of everyone interested in our judicial system.

As State courts surrender more and more jurisdiction to the Federal courts, traditional concepts of federalism are eroded. Federal courts were originally intended to deal only with unique and narrow disputes involving national rights and obligations, while State courts were left to deal with the day-to-day legal disputes of citizens. Interest in the development and nurturing of State courts may well diminish if all the emphasis is on Federal courts.

The ultimate question has been stated eloquently by the Honorable Laurence M. Cooke, Chief Judge of the State of New York. In a recent address at Fordham University School of Law in a John F. Sonnett Memorial Lecture, Judge Cooke stated:

The responsibility for providing justice must be divided between the federal and state court systems so as to realize their maximum total potential by employing the full capacity of each as efficaciously as possible. As American citizens we live under a government committed "to establish justice" and a malfunction of our judicial apparatus anywhere is reason for the disquiet of all of us. If we allot spheres of jurisdiction in such a way as to avoid overlapping and free judicial components repetition of effort, then we will not squander our judicial substance, and delay in the delivery of justice will be reduced to a minimum. We can then say, "Waste not, wait not".

Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 675

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Jurisdiction Review and Revision Commission Act".

ESTABLISHMENT AND PURPOSE OF THE COMMISSION

SEC. 2. (a) ESTABLISHMENT AND PURPOSE.—There is established a Federal Jurisdiction Review and Revision Commission (hereafter in this Act referred to as the "Commission"). The Commission shall study the jurisdiction of the courts of the United States and of the several States, and shall report to the President and the Congress on the revisions, if any, of related provisions of the Constitution and laws of the United States which the Commission deems advisable on the basis of such study.

MEMBERSHIP OF THE COMMISSION

SEC. 3. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of sixteen members appointed, within ninety days from the date or enactment, as follows:

(1) Four members appointed by the President of the United States.

(2) Four members of the Senate appointed by the President pro tempore of the Senate, two of whom shall be appointed upon the recommendation of the majority leader and two of whom shall be appointed upon the recommendation of the minority leader.

(3) Four members of the House of Representatives appointed by the Speaker of the House of Representatives, two of whom shall be appointed upon the recommendation of the majority leader and two of whom shall be appointed upon the recommendation of the minority leader.

(4) Four members appointed by the Chief Justice of the United States.

(b) REPRESENTATION OF VARIED INTERESTS.—The membership of the Commission shall be selected in such a manner as to be broadly representative of the various interests, needs, and concerns which may be affected by the jurisdiction of Federal and State courts.

(c) TERM OF OFFICE AND VACANCIES.—The term of office of each member shall be for the life of the Commission. Vacancies in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) CHAIRMAN AND VICE CHAIRMAN.—The Commission shall select a Chairman and a Vice Chairman from among its members.

(e) QUORUM.—Eight members of the Commission shall constitute a quorum.

COMPENSATION OF THE MEMBERS OF THE COMMISSION

SEC. 4. (a) FEDERALLY EMPLOYED MEMBERS.—A member of the Commission who is an officer, or full-time employee, of the United States shall receive no additional compensation for his or her services, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission, but not exceeding the maximum amounts authorized under section 456 of title 28, United States Code.

(b) OTHER MEMBERS.—A member of the Commission from the private sector shall receive $200 per diem for each day (including traveltime) during which he or she is engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties, but not in excess of the maximum amounts authorized under section 456 of title 28, United States Code.

POWERS OF THE COMMISSION

SEC. 5. (a)(1) HEARINGS.—The Commission or, on the authorization of the Commission, any subcommittee thereof may, for the purpose of carrying out its functions and duties, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman or Vice Chairman, or any duly designated members, and may be served by any person designated by the Chairman, the Vice Chairman, or such member.

(2) In case of contumacy or refusal to obey a subpena issued under paragraph (1) of this subsection, any district court of the United States or the United States court of any possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the inquiry is being carried on or within the jurisdiction of which the person guilty of contumacy or refusal to obey is found or resides or transacts business, upon applications by the Attorney General of the United States shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission or a subcommittee thereof, to produce evidence if so ordered, or to give testimony touching the matter under inquiry; and failure to obey such order of the court may be punished by the court as a contempt thereof.

(b) OFFICIAL DATA.—Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, shall furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information and assistance as the Commission deems necessary to carry out its functions under this Act, consistent with applicable provisions of law.

(c) ADMINISTRATIVE POWERS.—Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title, and

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $200 a day for individuals.

(d) CONTRACTING AUTHORITY.—The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) NONGOVERNMENTAL ASSISTANCE.—The Commission is authorized to receive financial assistance from sources other than the Federal Government, including assistance from private foundations.

FINAL REPORT

SEC. 6. The Commission shall transmit to the President and to the Congress, not later than two years after the first meeting of the Commission, a final report containing a detailed statement of the findings and conclusions of the study conducted by the Commission under section 2, together with such recommendations as it deems advisable. The Commission may also submit interim reports prior to submission of its final report.

EXPIRATION OF THE COMMISSION

SEC. 7. Ninety days after the submission to Congress of the final report provided for in section 6, the Commission shall cease to exist.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 9. This Act shall take effect October 1, 1981.

By Mr. STEVENS:

S. 677. A bill to amend chapter 83 of title 5 of the United States Code to provide an equitable system of cost-of-living adjustments for civil service annuitants, and for other purposes; to the Committee on Governmental Affairs.

CIVIL SERVICE COST-OF-LIVING ADJUSTMENT ACT OF 1981

Mr. STEVENS. Mr. President, I am introducing a bill today which should be viewed as an alternative to annualizing the cost-of-living adjustments on Federal retirement under the bill, a Federal employee who retires and receives Federal retirement before age 60 will see his basic annuity adjusted once a year at 50 percent of the Consumer Price Index (CPI). Between age 60 and 65, the same retiree will receive a full CPI adjustment once a year. At age 65 and over, he will receive full semiannual adjustments. Employees who retire on disability will be excluded from this change.

Mr. President, I am introducing this bill today with great reluctance. Last year I fought strenuously to save the semiannual adjustment formula, and we won. This year, however, we face a different scenario. Economic conditions in this country have progressed from bad to worse over the last few years. We must get a handle on the economy and the budget now. We have a mandate from the people of this country to pare the Federal budget wherever possible. Many worthy Federal programs will be cut. Yet, if we want to see the economy of this country turned around, funding for the even most worthy Federal programs must be reduced.

I feel that the Federal retirement systems are of the most worthy Federal programs. Federal retirement is not controversial. It is not a program that produces intangible results. It is a commitment, a covenant, to the people of this country who devoted their careers to Federal service. Retirement benefits are a part of compensation. They are, in a sense, deferred wages and act as an allurement to individuals to accept employment.

Nevertheless, the costs of the Federal retirement program are out of control. Federal retirement accounts for approximately 40 percent of the Federal payroll. In addition, significant numbers of retired Federal employees take private sector jobs after they retire from Federal service. Since the average age of retirement from the Federal Government is 58, even more could get jobs and hence supplement their retirement income.

The cost of living formula can be changed to protect those who are completely vulnerable to inflationary pressures, that is, the elderly and the disabled, and at the same time cut outlays by reducing the adjustments to those who are able to supplement their income. That is why I am proposing semiannual adjustments be retained for retirees age 65 and older and for the disabled. The need to fully adjust retirement income for inflationary changes, however, is not as great for younger and healthy retirees. I understand savings in the first full year of implementation will approximate $350 million as compared to savings of $510 million through simple annualization of annuities. However, savings in the outyears through enactment of this bill will be considerably more than that generated by annualization.

Mr. President, let me say again—I still favor the present semiannual adjustment formula. But, if a change is to be made, let it be the most equitable change possible. I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Service Retirement Cost-of-Living Adjustment Act of 1981".

SEC. 2. (a) Subsection (b) of section 8340 of title 5, United States Code, is amended to read as follows:

"(b)(1) Except as provided in paragraph (2)—

"(A) effective March 1 of each calendar year, each annuity payable from the Fund which has a commencing date not later than such March 1, and—

"(i) which is payable to an employee or Member (or widow or widower thereof) who has not attained the age of 65 on or before such March 1 shall be increased by the percentage increase in the price index published for December of the preceding calendar year over such index for December of the second preceding calendar year, and

"(ii) which is payable to an employee or Member (or widow or widower thereof) who has attained the age of 65 on or before such March 1 shall be increased by the percentage increase in the price index published for December of the preceding calendar year over such index for June of the preceding calendar year; and

"(B) effective September 1 of each year, each annuity payable from the Fund which has a commencing date not later than such September 1 and which is payable to an employee or Member (or widow or widower thereof) who has attained the age of 65 on or before such September 1 shall be increased by the percentage increase in the price index published for June of such year over such index for December of the preceding year.

"(2) In the case of an annuity payable from the Fund to an employee or Member (or widow or widower thereof) who has not attained the age of 60 on or before March 1 of the applicable year, paragraph (1)(A)(i) shall be applied by inserting '50 percent of' before 'the percentage increase'.

"(3) Any percent change in an annuity under this subsection shall be adjusted to the nearest 1/10 of 1 percent.".

(b)(1) Subparagraph (A) of section 8340 (c)(1) of title 5, United States Code, is amended by inserting "(1/12 if such first increase is determined under subsection (b)(1)(A)(ii))" after "½".

(2) Paragraph (3) of section 8340 (c) of title 5, United States Code, is amended by inserting "subsection (b)(1)(A)(i) of" before "this section" the first place it appears.

SEC. 3. The amendments made by this Act shall apply to any increase in any annuity taking effect on or after the date of the enactment of this Act.

By Mr. STEVENS (for himself, Mr. MATHIAS and Mr. GLENN):

S. 678. A bill to amend title 39 of the United States Code to require that any extension of the ZIP code be part of a voluntary service option with a reduced rate; to the Committee on Governmental Affairs.

LEGISLATION TO MAKE NINE-DIGIT ZIP CODE A VOLUNTARY SERVICE WITH A REDUCED RATE

Mr. STEVENS. Mr. President, I am today introducing legislation which would prohibit the U.S. Postal Service from requiring any mailer or individual to use the new proposed nine-digit ZIP code. The U.S. Postal Service has proposed that a "ZIP+4" or nine-digit ZIP code be established. In order to take advantage of technological advances in mail processing equipment, this change would allow the U.S. Postal Service to save some $600 million a year beginning by 1987. As part of the proposal, business mailers who agree to use the nine-digit ZIP code would become eligible for a lower postal rate.

This legislation would put into law the requirement that the ZIP code system be voluntary in nature. The public will not, and we cannot, accept the imposition of a mandatory nine-digit ZIP code. From what I have learned, there is absolutely no reason to make such a code mandatory.

There is a refreshing consensus in this country that at long last we are going to slow down and stop the regulatory burden of the Federal Government on the American public. The electorate has let it be known that the oppressive weight of Government must be lifted starting now. This Congress and President Reagan are going to make a healthy start in that direction. We are also going to cut back on the costs of the Federal Government, a cost ultimately borne by the public. Wherever we can, we must accomplish needed savings through identifying and eliminating waste and inefficiencies. We must look to improve productivity and use of modern technology to cut costs where we can. We do not want to cut back on essential services, however. The U.S. Postal Service should not, and will not, be exempt from this philosophy.

I do not see how we can tie the hands of the Postal Service by limiting their capability to cut future costs. I see no reason why we would want to. In fact, the Postal Service is simply living up to the law which requires them to look for ways to cut costs. None of us wants to see cuts in the service they provide. But we are kidding ourselves if we think the Postal Service can simply wave a magic wand and absorb double digit inflation, budget cuts, increased employee demands, reduction in revenue, without realizing savings, where they are able to, through technological improvements.

There is no way the Postal Service can continue to attempt to give us better service with the tremendous pressures to do more with less, unless they can find some very significant and concrete innovations to do the same job more efficiently. I think they have got a start with the nine-digit ZIP or "ZIP+4" concept.

As chairman of the Governmental Affairs Subcommittee on Civil Service, Post Office, and General Services, I am particularly concerned that we search for ways to achieve efficiencies and economies in the U.S. Postal Service. Our subcommittee has begun a series of hearings on the Postal Service plans for improved automation with its "ZIP+4" or nine-digit ZIP code proposal. The longer ZIP code would be justified only in terms of additional efficiencies and savings in the processing of the mail. Bulk mailers who utilize this longer code would and should get the benefit of those savings through lower postage. After all, it does cost money, considerable amounts of money, for business mailers to change their address files and addressing practices to comply with this four-digit add-on.

We must not restrict the business community from improving their mailing capabilities and from cutting costs by utilizing the nine-digit ZIP code. I think that any nine-digit ZIP code or "ZIP+4" mailing incentive should be available as an additional mailing option along with the presort discounts and other alternatives already offered various mailers. If this new nine-digit ZIP code proposal is limited to mailers who wish to use this option and who will receive a reduced rate for using it, we cannot reasonably prohibit or delay its development or implementation. This proposal will benefit the average American who writes an occasional letter. Although he or she would not qualify for a rate reduction because of lack of volume, he would benefit by a slowdown in future rate increases because of the cost savings.

I believe this bill is a fair and reasonable way to allow the Postal Service and large mailers to utilize this new technology to their financial benefit without inconveniencing the public.

Mr. President, I ask unanimous consent to have the entire text of my bill printed at the end of my comments.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 404 of title 39, United States Code, is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of this title, the Postal Service shall not require the inclusion of any ZIP Code in the address of any mail piece, except as a condition for mailing at a reduced rate or rates for a subclass established to recognize the costs of handling mail bearing such code.".

By Mr. STAFFORD (for himself, Mr. RANDOLPH, Mr. CHAFEE, Mr. PACKWOOD, Mr. CANNON, Mr. GORTON, and Mr. MITCHELL):

S. 681. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; ordered held at the desk.

OIL SPILL LIABILITY AND COMPENSATORY OF 1981

Mr. STAFFORD. Mr. President, on behalf of myself, Senator RANDOLPH, Senator CHAFEE, Senator PACKWOOD, Senator CANNON, Senator GORTON, and Senator MITCHELL I send a bill to the desk to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes.

Mr. President, in connection with that bill, which I am sending to the desk, on behalf of Senator MITCHELL and myself I offer an amendment to that bill.

The PRESIDING OFFICER. The bill and the amendment will be received and appropriately referred.

Mr. STAFFORD. Mr. President, late in the last Congress, the so-called superfund bill was enacted into law, establishing a system of response, compensation, and liability for releases of poisonous chemicals. It had been hoped that the toxics superfund would be amended on the Senate floor to add a title dealing with oil spills and pollution. For a variety of reasons, that was not possible.

As part of the debate in the Senate and in the House of Representatives, I assured several Members that an oil spill bill would be introduced and acted on early in this legislative session. In fulfillment of that commitment, I am today introducing the Oil Spill Liability and Compensation Act of 1981.

I am pleased to say that this bill's other sponsors include Senators PACKWOOD and CANNON of the Committee on Commerce, Science, and Transportation, as well as my good friend, Senator RANDOLPH, who is, of course, the ranking minority member of the Committee on Environment and Public Works; Senators CHAFEE and MITCHELL, who are chairman and ranking minority member of the Subcommittee on Environmental Pollution; and Senator GORTON, who is chairman of the Merchant Marine Subcommittee. Collectively, they represent the Members most concerned with and involved in this issue.

Senator CHAFEE has indicated his intention to hold hearings before the end of the month. With the introduction of this bill and the scheduling of hearings, I consider my personal commitment fulfilled.

I ask unanimous consent that the text of the bill and amendment be printed in the RECORD.

There being no objection, the bill and amendment were ordered to be printed in the RECORD, as follows:

S. 681

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Oil Spill Liability and Compensation Act of 1981".

TITLE I—OIL SPILL LIABILITY AND COMPENSATION

DEFINITIONS

SEC. 101. For the purpose of this act—

(1) the terms "oil", "discharge", "public vessel", "owner or operator", "remove" or "removal", "contiguous zone", "onshore facility", "offshore facility" and "barrel" shall have the meaning provided in section 311(a) of the Federal Water Pollution Control Act;

(2) the terms "navigable waters" and "territorial seas" shall have the meaning provided in section 502 of the Federal Water Pollution Control Act;

(3) the term "act of God" means an unanticipated grave natural disaster or other natural phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight;

(4) the term "claim" means a request, made in writing for a sum certain, for compensation for damages or removal costs resulting from a discharge of oil;

(5) the term "claimant" means any person who presents a claim for compensation under this Act;

(6) the term "damages" means damages for economic loss or the loss of natural resources as specified in section 102(a)(2) of this Act;

(7) the term "facility" means any building, structure, installation, equipment, pipe or pipeline (including any pipe into a sewer or publicly owned treatment works), well, pit, pond, lagoon, impoundment, ditch, landfill, storage container, motor vehicle, rolling stock, or aircraft;

(8) the term "Fund" means the Oil Spill Liability Trust Fund established under title II of this Act;

(9) the term "guarantor" means any person, other than the owner or operator, who agrees with the owner or operator of a vessel or an offshore facility subject to section 105 of this Act or section 311(p) of the Clean Water Act to insure or indemnify any risk under this Act;

(10) the term "liable" or "liability" under this title shall be construed to be the standard of liability which obtains under section 311 of the Federal Water Pollution Control Act;

(11) the term "natural resources" includes land, fish, wildlife, biota, air, water, ground water, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Fishery Conservation and Management Act of 1976), any State or local government, or any foreign government;

(12)(A) the term "owner or operator" means (i) in the case of a vessel, any person owning, operating, or chartering by demise, such vessel, (ii) in the case of an onshore facility or an offshore facility, any person owning or operating such facility, and (iii) in the case of any abandoned facility, any person who owned, operated, or otherwise controlled activities at such facility immediately prior to such abandonment. Such term does not include a person who (either directly or through a trust or singly or in combination with others) (I) holds title to or any indicia of ownership of a vessel or facility and without participating in the management or operation of such vessel or facility, leases or charters to any other person (with whom such person is not otherwise affiliated), or (II) holds indicia of ownership primarily to protect his security interest in the vessel or facility. In the case of an offshore facility, the term includes the operating holder of a leasehold interest or permit for the exploration of oil;

(B) the term "affiliated" means a relationship in which a person owns (in whole or in part), is owned by (in whole or in part), or is under common control with, another person;

(13) the term "person" means an individual, firm, corporation, association, partnership, consortium, joint venture, commercial entity, United States Government, State, municipality, commission, political subdivision of a State, or any interstate body;

(14) the term "refinery" means a terminal which receives oil for the purpose of refinement;

(15) the term "terminal" means any permanently situated onshore or offshore facility which receives oil in bulk directly from any vessel, offshore production facility, offshore port facility, or any pipeline including the pipeline constructed under the Trans-Alaska Pipeline Authorization Act;

(16) the terms "United States" and "State" include the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Marianas, and any other territory or possession over which the United States has jurisdiction;

(17) "vessel" means every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water.

LIABILITY FOR DAMAGES AND REMOVAL

SEC. 102. (a) Except where an owner or operator of a vessel or a facility can prove that a discharge was caused solely by an act of God, an act of war, or an act or omission of a third party as provided in subsection (d)(1) of this section, and notwithstanding any other provision or rule of law, such owner or operator of a vessel or a facility from which oil is discharged in violation of section 311(b)(3) of the Federal Water Pollution Control Act shall be liable for—

(1)(A) all actual costs of removal (including personnel costs, depreciation costs for capital equipment, and overhead) incurred by the United States Government or a State under subsection (c), (d), (e), or (f)(4) of section 311 of the Federal Water Pollution Control Act or under the Intervention on the High Seas Act or section 18 of the Deepwater Port Act of 1974, and

(B) any other costs or expenses incurred by any person to remove oil as the term "remove" or "removal" are defined in section 311(a)(8) of the Federal Water Pollution Control Act, not inconsistent with the national contingency plan; and

(2) the following damages for economic loss or loss of natural resources resulting from such a discharge:

(A) any injury to, destruction of, or loss of any real or personal property;

(B) any injury to, destruction of, or loss of natural resources, including the reasonable costs of assessing such injury, destruction, or loss;

(C) any loss of income or profits or impairment of earning capacity resulting from injury to or destruction of real or personal property or natural resources or loss of use of such property or natural resources, without regard to the ownership of such property or natural resources, to the extent that such damages were sustained during the two-year period beginning on the date the claimant first suffered such loss, and if the claimant derives at least 25 per centum of his earnings from activities which utilize the property or natural resource.

(b) In the case of an injury to, destruction of, or loss of natural resources under subsection (a)(2)(B) of this section, liability shall be to the United States Government and to any State for natural resources within the State or belonging to, managed by, controlled by, or appertaining to such State. The President, or the authorized representative of any State, shall act on behalf of the public as trustee of such natural resources to recover for such damages. Sums recovered shall be available for use to restore, rehabilitate, or acquire the equivalent of such natural resources by the appropriate agencies of the Federal Government or the State government, but the measure of such damages shall not be limited by the sums which can be used to restore or replace such natural resources.

(c)(1) Except as provided in paragraph (2) of this subsection, the liability of an owner or operator of a vessel or a facility for damages and removal costs under this section, including any removal costs incurred on behalf of such owner or operator, and inclusive of the limits of liability established under section 311(f) of the Federal Water Pollution Control Act, for each discharge or incident shall not exceed—

(A) $300 per gross ton or $500,000, whichever is greater, of any vessel carrying oil in bulk as cargo or as residue of cargo;

(B) $300 per gross ton of any other vessel;

(C) the total of all costs of removal under subsection (a)(1) of this section plus $50,000,000 for any offshore facility operated under the authority of or subject to the Outer Continental Shelf Lands Act;

(D) $50,000,000 for any deepwater port subject to the Deepwater Port Act of 1974 (including the liability of the licensee for a discharge from any vessel moored at such port, in any case where $50,000,000 exceeds $300 per gross ton of such vessel); or

(E) $50,000,000 for any other facility.

(2) Notwithstanding the limitations of paragraph (1) of this subsection, the liability of the owner or operator of a vessel or an onshore or offshore facility under subsection (a) of this section shall be the full and total damages and removal costs not offset by any removal costs incurred on behalf of such owner or operator, if (A)(i) the discharge of oil was the result of willful negligence or willful misconduct within the privity or knowledge of the owner or operator, or (ii) the primary cause of the discharge was a violation (within the privity or knowledge of the owner or operator) of applicable safety, construction, or operating standards or regulations, or (B) the owner or operator fails or refuses to provide all reasonable cooperation and assistance requested by a responsible official in connection with removal activities under the contingency plan established under section 311(c) of the Federal Water Pollution Control Act. With respect to regulated carriers subject to the provisions of title 49 of the United States Code or vessels subject to the provisions of title 33 or 46 of the United States Code, subparagraph (A)(ii) of this paragraph shall be deemed to refer to Federal standards or regulations.

(3) Notwithstanding the limitations of paragraph (1) of this subsection or the exceptions or defenses of subsection (a) of this section, all costs of removal incurred by the United States Government or any State or local official or agency in connection with a discharge of oil from any offshore facility operated under the authority of or subject to the Outer Continental Shelf Lands Act or a vessel carrying oil as cargo from such a facility shall be borne by the owners and operator of the offshore facility or vessel from which the discharge occurred.

(4) The President is authorized to establish by regulation, with respect to any class or category of facility subject to paragraph (1)(E) of this subsection, a maximum limit of liability under this section of less than $50,000,000 but not less than $8,000,000. Such regulations shall take into account the size, type, location, storage, and handling capacity and other matters relating to the likelihood of release in each such class and to the economic impact of such limits on each such class.

(5) The President shall from time to time, but at least biannually, review and, when appropriate, increase the liability limits established by paragraph (1) of this subsection to reflect the following:

(A) increased potential for damage due to increases in vessel size, alterations in design or construction, or other relevant changes in circumstances or operation; and

(B) increases in the relative costs of responding to a discharge due to inflation or other circumstances.

(d)(1) There shall be no liability under subsection (a) of this section for a person otherwise liable who can establish by a preponderance of the evidence that the discharge of oil and the damages resulting therefrom were caused solely by an act or omission of a third party other than an employee or agent of the defendant, or than one whose act or omission occurs in connection with a contractual relationship, existing directly or indirectly, with the defendant (except where the sole contractual arrangement arises from a published tariff and acceptance for carriage by a common carrier), if the defendant establishes by a preponderance of the evidence that (a) he exercised due care with respect to such oil, taking into consideration the characteristics of such oil, in light of all relevant facts and circumstances, and (b) he took precautions against foreseeable acts or omissions of any such third party and the consequences that could foreseeably result from such acts or omissions.

(2) In any case where the owner or operator of a vessel or an onshore or offshore facility can prove that a discharge was caused solely by an act or omission of a third party (or solely by such an act or omission in combination with an act of God or an act of war), such third party shall be liable under this section as if such third party were the owner or operator of a vessel or onshore or offshore facility from which the discharge actually occurred. If such third party was the owner or operator of a vessel, other than a vessel which caused the discharge of oil from an offshore facility operated under the authority of or subject to the Outer Continental Shelf Lands Act, the liability of such third party shall not exceed the limitation applicable to such vessel under subsection (c) of this section. Where the owner or operator of a vessel carrying oil as cargo or an onshore or offshore facility which handles or stores oil in bulk or commercial quantities, from which oil is discharged, alleges that such discharge was caused solely by an act or omission of a third party (or solely by such an act or omission in combination with an act of God or an act of war), such owner or operator shall promptly pay to the United States Government, and any other claimant, the costs of removal or damages claimed and shall be entitled by subrogation to all rights of the United States Government or other claimant to recover such costs of removal or damages from such third party under this subsection.

(e) A discharge of oil in or on the territorial sea, internal waters, or adjacent shoreline of a foreign nation shall be deemed to be a discharge in violation of section 311(b)(3) of the Federal Water Pollution Control Act for purposes of this section, and claims for compensation for damages and removal costs may be made under this Act by any citizen of a foreign nation or by any foreign nation, if such damages or removal costs resulted from a discharge of oil, or threat of a discharge of oil, from—

(1) a facility located in the United States or subject to the jurisdiction of the United States;

(2) a vessel incident occurring in the navigable waters of the United States; or

(3) a vessel carrying oil as cargo between two ports subject to the jurisdiction of the United States. This subsection shall apply only if recovery is authorized by a treaty or an executive agreement between the United States and the foreign country involved, or if the Secretary of State, in consultation with the Attorney General and other appropriate officials, certifies that such country provides a comparable remedy for United States claimants.

(f) The owner or operator of a vessel shall be liable in accordance with this section notwithstanding any provision of the Act of March 3, 1951 (46 U.S.C. 183f).

(g)(1) In addition to the damages for which claims may be asserted and without regard to any limitation of liability provided in this section, the owner or operator of a vessel or a facility from which oil is discharged in violation of section 311(b)(3) of the Federal Water Pollution Control Act shall be liable to a claimant for interest on the amount paid in satisfaction of the claim for the period from the date upon which the claim occurred to the date upon which the claimant is paid, inclusive, less the period (if any) from the date upon which such owner or operator shall offer to the claimant an amount equal to or greater than that finally paid in satisfaction of the claim to the date upon which the claimant shall accept such amount, inclusive. However, if such owner or operator shall offer to the claimant, within sixty days of the date upon which the claim was presented, an amount equal to or greater than that finally paid in satisfaction of the claim, such owner or operator shall be liable for the interest on the amount paid in satisfaction of the claim for the periods only from the date upon which the offer was accepted by the claimant to the date upon which payment is made to the claimant, inclusive.

(2) The interest provided in paragraph (1) of this subsection shall be calculated at the average of the highest rate for commercial and finance company paper of maturities of one hundred and eighty days or less obtaining on each of the days included within the period from which interest must be paid to the claimant, as published in the Federal Reserve Bulletin.

(h)(1) No indemnification, hold harmless, or similar agreement or conveyance shall be effective to transfer from the owner or operator of any vessel or facility or from any person who may be liable for a discharge or threat of discharge under this section, to any other person the liability imposed under this section. Nothing in this subsection shall bar any agreement to insure, hold harmless, or indemnify a party to such agreement for any liability under this section.

(2) Nothing in this title, including the provisions of paragraph (1) of this subsection, shall bar a cause of action that an owner or operator or any other person subject to liability under this section, or a guarantor, has or would have, by reason of subrogation or otherwise against any person.

USE OF LIABILITY FUND

SEC. 103. (a) The President shall use the money in the Fund for the following purposes:

(1) payment of any claim for costs of removal or damages finally decided pursuant to section 104 of this title, resulting from discharges or threats of discharges of oil;

(2) all removal costs or expenses or other costs of carrying out the national contingency plan established under section 311(c) of the Federal Water Pollution Control Act resulting from discharges or threats of discharges of oil, including removal costs incurred by any person and approved under such national contingency plan;

(3) subject to such amounts as are provided in appropriation Acts, the costs of providing equipment and similar overhead, related to the purposes of this Act and section 311 of the Federal Water Pollution Control Act (with respect to discharges of oil), and of establishing and maintaining damage assessment capability, for any Federal agency involved in strike forces, emergency task forces, or other response teams under such national contingency plan;

(4) the costs of assessing both short-term and long-term injury to, destruction of, or loss of any natural resources resulting from a discharge of oil;

(5) the costs of Federal or State efforts in the restoration, rehabilitation, or replacement or acquiring the equivalent of any natural resources injured, destroyed, or lost as a result of any discharge of oil;

(6) subject to such amounts as are provided in appropriation Acts, not to exceed $10,000,000 per fiscal year, the costs of research related to the purposes of this Act and section 311 of the Federal Water Pollution Control Act (with respect to discharges of oil) to be performed by Federal agencies including the Environmental Protection Agency, the Fish and Wildlife Service, the Coast Guard, and the National Oceanic and Atmospheric Administration. Such research shall include, but not be limited to, (A) development and refinement of protocols to determine the type and extent of short- and long-term injury or loss of natural resources, (B) development and refinement of the best available procedures to identify the value of injured or lost resources, (C) laboratory or field research on the effects of oil on living and nonliving resources that will provide additional scientific basis for damage assessments, and (D) research on minimizing the damage caused by spill control, dispersal and removal operations; and

(7) subject to such amounts as are provided in appropriation Acts, the administrative and personnel costs of administering the Fund and this Act.

(b)(1) Claims against or presented to the Fund shall not be valid or paid in excess of the total money in the Fund at any one time. Such claims become valid only when additional money is collected, appropriated, or otherwise added to the Fund. Should the total claims outstanding at any time exceed the current balance of the Fund, the President shall pay such claims, to the extent authorized under this Act and subject to section 202(a), in full in the order in which they were finally determined.

(2) Paragraphs (2), (3), (4), (5), (6), and (7) of subsection (a) of this section shall in the aggregate be subject to such amounts as are provided in appropriation Acts.

(c) The President is authorized to promulgate regulations designating one or more Federal officials who may obligate money in the Fund in accordance with this section or portions thereof. The President is also authorized to delegate authority to obligate money in the Fund or to settle claims to officials of a State operating under a contract or cooperative agreement with the Federal Government.

(d) The President shall provide for the promulgation of rules and regulations with respect to the notice to be provided to potential injured parties by an owner and operator of any vessel, or facility from which oil has been discharged. Such rules and regulations shall consider the scope and form of the notice which would be appropriate to carry out the purposes of this title. Upon promulgation of such rules and regulations, the owner and operator of any vessel or facility from which oil has been discharged shall provide notice in accordance with such rules and regulations. With respect to releases from public vessels, the President shall pro-

vide such notification as is appropriate to potential injured parties. Until the promulgation of such rules and regulations, the owner and operator of any vessel or facility from which oil has been discharged shall provide reasonable notice to potential injured parties by publication in local newspapers serving the affected area.

(e)(1) In accordance with regulations promulgated under section 301(c) of Public Law 96-510, damages for injury to, destruction of, or loss of natural resources resulting from discharge of oil, for the purposes of this Act and section 311(f) (4) and (5) of the Federal Water Pollution Control Act, shall be assessed by Federal officials designated by the President under the national contingency plan published under section 311(c) of the Federal Water Pollution Control Act, and such officials shall act for the President as trustee under this section and section 311(f)(5) of the Federal Water Pollution Control Act.

(2) Any determination or assessment of damages for injury to, destruction of, or loss of natural resources for the purposes of this Act and section 311(f) (4) and (5) of the Federal Water Pollution Control Act shall have the force and effect of a rebuttable presumption on behalf of any claimant (including a trustee under section 102 of this Act or a Federal agency) in any judicial or adjudicatory administrative proceeding under this Act or section 311 of the Federal Water Pollution Control Act.

(f) Except in a situation requiring action to avoid an irreversible loss of natural resources or to prevent or reduce any continuing danger to natural resources or similar need for emergency action, funds may not be used under this Act for the restoration, rehabilitation, or replacement or acquisition of the equivalent of any natural resources until a plan for the use of such funds for such purposes has been developed and adopted by affected Federal agencies and the Governor or Governors of any State having sustained damage to natural resources within its borders, belonging to, managed by or appertaining to such State, after adequate public notice and opportunity for hearing and consideration of all public comment.

(g) The Inspector General of each department or agency to which responsibility to obligate money in the Fund is delegated shall provide an audit review team to audit all payments, obligations, reimbursements, or other uses of the Fund, to assure that the Fund is being properly administered and that claims are being appropriately and expeditiously considered. Each such Inspector General shall submit to the Congress an interim report one year after the establishment of the Fund and a final report two years after the establishment of the Fund. Each such Inspector General shall thereafter provide such auditing of the Fund as is appropriate. Each Federal agency shall cooperate with the Inspector General in carrying out this subsection.

CLAIMS PROCEDURE

SEC. 104. (a) All claims which may be asserted against the Fund pursuant to section 103 of this title shall be presented in the first instance to the owner, operator, or guarantor of the vessel or facility from which oil has been discharged, if known to the claimant and to any other person known to the claimant who may be liable under section 102 of this title. In any case where the claim has not been satisfied within sixty days of presentation in accordance with this subsection, the claimant may elect to commence an action in court against such owner, operator, guarantor, or other person or to present the claim to the Fund for payment.

(b)(1) The President shall prescribe appropriate forms and procedures for claims filed hereunder, which shall include a provision requiring the claimant to make a sworn verification of the claim to the best of his knowledge. Any person who knowingly gives or causes to be given any false information as a part of any such claim shall, upon conviction, be fined up to $5,000 or imprisoned for not more than one year, or both.

(2)(A) Upon receipt of any claim, the President shall as soon as practicable inform any known affected parties of the claim and shall attempt to promote and arrange a settlement between the claimant and any person who may be liable. If the claimant and alleged liable party or parties can agree upon a settlement, it shall be final and binding upon the parties thereto, who will be deemed to have waived all recourse against the Fund.

(B) Where a liable party is unknown or cannot be determined, the claimant and the President shall attempt to arrange settlement of any claim against the Fund. The President is authorized to award and make payment of such a settlement, subject to such proof and procedures as he may promulgate by regulation.

(C) Except as provided in subparagraph (D) of this paragraph, the President shall use the facilities and services of private insurance and claims adjusting organizations or State agencies in implementing this subsection and may contract to pay compensation for those facilities and services. Any contract made under the provisions of this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), upon a showing by the President that advertising is not reasonably practicable. When the services of a State agency are used hereunder, no payment may be made on a claim asserted on behalf of that State or any of its agencies or subdivisions unless the payment has been approved by the President.

(D) To the extent necessitated by extraordinary circumstances, where the services of such private organizations or State agencies are inadequate, the President may use Federal personnel to implement this subsection.

(3) If no settlement is reached within forty-five days of filing of a claim through negotiation pursuant to this section, the President may, if he is satisfied that the information developed during the processing of the claim warrants it, make and pay an award of the claim. If the claimant is dissatisfied with the award, he may appeal it in the manner provided for in subparagraph (G) of paragraph (4) of this subsection. If the President declines to make an award, he shall submit the claim for decision to a member of the Board of Arbitrators established pursuant to paragraph (4).

(4)(A) Within ninety days of the enactment of this Act, the President shall establish a Board of Arbitrators to implement this subsection. The Board shall consist of as many members as the President may determine will be necessary to implement this subsection expeditiously, and he may increase or decrease the size of the Board at any time in his discretion in order to enable it to respond to the demands of such implementation. Each member of the Board shall be selected through utilization of the procedures of the American Arbitration Association: *Provided, however*, That no regular employee of the President or any of the Federal departments, administrations, or agencies to whom he delegated responsibilities under this Act shall act as a member of the Board.

(B) Hearings conducted hereunder shall be public and shall be held in such place as may be agreed upon by the parties thereto, or, in the absence of such agreement, in such place as the President determines, in his discretion, will be most convenient for the parties thereto.

(C) Hearings before a member of the Board shall be informal, and the rules of evidence prevailing in judicial proceedings need not be required. Each member of the Board shall have the power to administer oaths and to subpena the attendance and testimony of witnesses and the production of books, records, and other evidence relative or pertinent to the issues presented to him for decision. Testimony may be taken by interrogatory or deposition. Each person appearing before a member of the Board shall have the right to counsel. Subpenas shall be issued and enforced in accordance with procedures in subsection (d) of section 555 of title 5, United States Code, and rules promulgated by the President. If a person fails or refuses to obey a subpena, the President may invoke the aid of the district court of the United States where the person is found, resides, or transacts business in requiring the attendance and testimony of the person and the production by him of books, papers, documents, or any tangible things.

(D) In any proceeding before a member of the Board, the claimant shall bear the burden of proving his claim. Should a member of the Board determine that further investigations, monitoring, surveys, testing, or other information gathering would be useful and necessary in deciding the claim, he may request the President in writing to undertake such activities. The President shall dispose of such a request taking into account various competing demands and the availability of the technical and financial capacity to conduct such studies, monitoring, and investigations. Should the President decide to undertake the requested actions, all time requirements for the processing and deciding of claims hereunder shall be suspended until the President reports the results thereof to the member of the Board.

(E) All costs and expenses approved by the President attributable to the employment of any member of the Board shall be payable from the Fund, including fees and mileage expenses for witnesses summoned by such members on the same basis and to the same extent as if such witnesses were summoned before a district court of the United States.

(F) All decisions rendered by members of the Board shall be in writing, with notification to all appropriate parties, and shall be rendered within ninety days of submission of a claim to a member, unless all the parties to the claim agree in writing to an extension or unless the President extends the time limit pursuant to subparagraph (I) of this subsection.

(G) All decisions rendered by members of the Board shall be final, and any party to the proceeding may appeal such a decision within thirty days of notification of the award or decision. Any such appeal shall be made to the Federal district court for the district where the arbitral hearing took place. In any such appeal, the award or decision of the member of the Board shall be considered binding and conclusive, and shall not be overturned except for arbitrary or capricious abuse of the member's discretion: *Provided, however*, That no such award or decision shall be admissible as evidence of any issue of fact or law in any proceeding brought under any other provision of this Act or under any other provision of law. Nor shall any prearbitral settlement reached pursuant to subsection (b)(2)(A) or this section be admissible as evidence in any such proceeding.

(H) Within twenty days of the expiration of the appeal period for any arbitral award or decision, or within twenty days of the final judicial determination of any appeal taken pursuant to this subsection, the President shall pay any such award from the Fund. The President shall determine the method, terms, and time of payment.

(I) If at any time the President determines that, because of a large number of claims arising from any incident or set of incidents, it is in the best interests of the parties concerned, he may extend the time for prearbitral negotiations or for rendering an arbitral decision pursuant to this subsection by a period not to exceed sixty days. He may also group such claims for submission to a member of the Board of Arbitrators.

(c)(1) Payment of any claim by the Fund under this section shall be subject to the United States Government acquiring by subrogation the rights of the claimant to recover those costs of removal or damages for which it has compensated the claimant from the person responsible or liable for such discharge.

(2) Any person, including the Fund, who pays compensation pursuant to this Act to any claimant for damages or costs of removal resulting from a discharge of oil shall be subrogated to all rights, claims, causes of action for such damages and costs of removal that the claimant has under this Act or any other law.

(3) Upon request of the President, the Attorney General shall commence an action on behalf of the Fund to recover any compensation paid by the Fund to any claimant pursuant to this title and, without regard to any limitation of liability, all interest, administrative and adjudicative costs, and attorney's fees incurred by the Fund by reason of the claim. Such an action may be commenced against any owner, operator or guarantor, or against any other person who is liable, pursuant to any law, to the compensated claimant or to the Fund, for the damages or costs for which compensation was paid.

(d) No claim may be presented, nor may an action be commenced for damages under this title, unless that claim is presented or action commenced within three years from the date of the discovery of the loss or the date of enactment of this Act, whichever is later.

(e) Regardless of any State statutory or common law to the contrary, no person who asserts a claim against the Fund pursuant to this title shall be deemed or held to have waived any other claim not covered or assertable against the Fund under this title arising from the same incident transaction, or set of circumstances, nor to have split a cause of action. Further, no person asserting a claim against the Fund pursuant to this title shall as a result of any determination of a question of fact or law made in connection with that claim be deemed or held to be collaterally estopped from raising such question in connection with any other claim not covered or assertable against the Fund under this title arising from the same incident, transaction, or set of circumstances.

FINANCIAL RESPONSIBILITY

SEC. 105. (a) The owner or operator of any vessel over three hundred gross tons (except a non-self-propelled barge that does not carry oil as cargo or fuel), other than a public vessel, using any port or place in the United States or the navigable waters or any offshore facility shall establish and maintain in accordance with the procedures of section 311(p) of the Federal Water Pollution Control Act evidence of financial responsibility sufficient to meet the liability to which the owner or operator of such vessel could be subjected under section 102(c)(1) of this Act. The provisions of paragraphs (4), (5), and (6) of such section 311(p) shall apply to any vessel, or the owner or operator thereof, subject to this section. This subsection shall take effect October 1, 1981.

(b)(1) The owner or operator of any offshore facility shall establish and maintain evidence of financial responsibility sufficient to meet the liability to which the owner or operator of such facility could be subject under section 102(c)(1) of this Act or $50,000,000, whichever is less. Such evidence of financial responsibility shall be established according to regulations prescribed by the President and comparable to that required under section 311(p) of the Federal Water Pollution Control Act. This subsection shall take effect one hundred and eighty days after enactment of this Act.

(2) The owner or operator of any offshore facility subject to this subsection who fails to comply with this subsection or the regulations prescribed thereunder shall be subject to a fine of not more than $10,000 per day of violation.

(3) Where an offshore facility is owned or operated by more than one person, evidence of financial responsibility covering the facility may be established and maintained by one of the owners or operators, in consolidated form, by or on behalf of two or more owners or operators. When evidence of financial responsibility is established in a consolidated form, the proportional share of each participant shall be shown. The evidence shall be accompanied by a statement authorizing the applicant to act for and in behalf of each participant in submitting and maintaining the evidence of financial responsibility.

(c)(1) Any claim authorized by this Act may be asserted directly against any guarantor for the owner or operator of the vessel or offshore facility from which oil was discharged. In defending such a claim, the guarantor may invoke all rights and defenses which would be available to the owner or operator under this Act. The guarantor may also invoke the defense that the incident was caused by the willful misconduct of the owner or operator, but such guarantor may not invoke any other defense that such guarantor might have been entitled to invoke in a proceeding brought by the owner or operator against such guarantor.

(2) The total liability under this Act of any guarantor shall be limited to the aggregate amount which the guarantor has provided as evidence of financial responsibility under this Act, or any higher amount for which that guarantor has agreed that claims under this Act may be asserted directly against that guarantor, except that nothing in this subsection shall be construed to limit the liability of a guarantor to the owner or operator for refusing to settle any claim in good faith, nor to alter the liability of any person under section 102 of this Act.

(d) Nothing in this Act shall affect the requirements for evidence of financial responsibility for motor carriers under section 30 of the Motor Carrier Act of 1980, Public Law 96-296.

RELATIONSHIP TO OTHER LAW

SEC. 106. Reserved.

AUTHORITY TO DELEGATE, ISSUE REGULATIONS

SEC. 107. The President is authorized to delegate and assign any duties or powers imposed upon or assigned to him and to promulgate any regulations necessary to carry out the provisions of this title.

TITLE II—TRUST FUND ESTABLISHMENT AND COLLECTIONS

ESTABLISHMENT OF OIL SPILL LIABILITY TRUST FUND

SEC. 201. (a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the "Oil Spill Liability Trust Fund" (hereinafter referred to in this title as the "Trust Fund"), consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section or as may be transferred to such Trust Fund under this Act.

(b) TRANSFER TO TRUST FUND OF CERTAIN AMOUNTS.—

(1) AMOUNTS EQUIVALENT TO CERTAIN COLLECTIONS, ETC.—There are hereby appropriated to the Trust Fund amounts determined by the Secretary of the Treasury (hereinafter referred to as the "Secretary") to be equivalent to—

(A) the amounts received in the Treasury under section 4691 of the Internal Revenue Code of 1954,

(B) the amounts recovered or collected on behalf of the Trust Fund under title I of this Act, and

(C) any penalties imposed under title I of this Act or under section 311 of the Federal Water Pollution Control Act (insofar as it relates to oil).

(2) TRANSFER OF FUNDS.—There shall be transferred to the Trust Fund—

(A) the unobligated balance remaining as of the date of enactment of this Act under section 311(k) of the Federal Water Pollution Control Act (and not transferred to the Hazardous Substance Response Trust Fund under Public Law 96-510),

(B) all assets of the Trans-Alaska Pipeline Liability Fund,

(C) all assets of the Deepwater Port Liability Fund, and

(D) all assets of the Offshore Oil Pollution Compensation Fund established under title III of the Outer Continental Shelf Lands Act Amendments of 1978.

(c) EXPENDITURES FROM TRUST FUND.—

(1) IN GENERAL.—Amounts in the Trust Fund shall be available only for purposes of making expenditures which are described in section 103 of this Act (as in effect on the date of the enactment of this Act).

(2) CLAIMS INCLUDE CERTAIN EXPENSES.—For purposes of paragraph (1), the amounts payable out of the Trust Fund shall include the costs incurred by the United States by reason of any claim under title I of this Act (including processing costs, investigating costs, court costs, and attorney fees).

LIMITATION ON PAYMENT OF CLAIMS BY FUND

SEC. 202. (a) GENERAL RULE.—No amount in the Trust Fund established by this title shall be used to pay any claim (other than a claim for removal costs) to the extent that the payment of such claim would reduce the amount in such Fund to an amount less than $30,000,000.

(b) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Trust Fund established by this title is unable (by reason of subsection (a)) to pay all of the claims (other than for removal costs) payable out of such Trust Fund at such time, such claims shall, to the extent permitted under subsection (a), be paid in full in the order in which they were finally determined.

LIABILITY OF UNITED STATES LIMITED TO AMOUNT IN TRUST FUND

SEC. 203. (a) GENERAL RULE.—Any claim for damages filed against the Trust Fund established by this title may be paid only out of that Trust Fund. Nothing in this Act (or in any amendment made by this Act) shall authorize the payment by the United States Government of any additional amount for damages with respect to any such claim out of any source other than the Trust Fund established by this title.

(b) BORROWING FROM GENERAL FUND OF THE TREASURY.—

(1) IN GENERAL.—There are authorized to be appropriated to the Trust Fund established by this title, as repayable advances, such sums as may be necessary to carry out the purposes of the Fund.

(2) LIMITATIONS.—

(A) The maximum aggregate amount which may be appropriated pursuant to paragraph (1) to the Trust Fund which is outstanding at any one time shall not exceed $75,000,000.

(B) No advance may be made under this subsection after September 30, 1985.

(3) REPAYMENT OF ADVANCES.—Advances made pursuant to this paragraph shall be repaid, and interest on such advances shall be paid, to the general fund of the Treasury when the Secretary determines that moneys are available for such purposes in the Trust Fund. Such interest shall be at rates computed in the same manner as provided in section 204(b)(2) and shall be compounded annually.

ADMINISTRATIVE PROVISIONS

SEC. 203. (a) METHOD OF TRANSFER.—The amounts appropriated by section 201(b) shall be transferred at least monthly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amounts referred to in such section. Proper adjustments shall be made in the amount subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(b) MANAGEMENT OF TRUST FUND.—

(1) REPORT.—The Secretary shall be the trustee of the Trust Fund established by this title, and shall report to the Congress for each fiscal year ending on or after September 30, 1981, on the financial condition and the results of the operations of the Trust Fund during that fiscal year and on its expected condition and operations during the next five fiscal years. This report shall be printed as a House document of the session of the Congress to which the report is made.

(2) INVESTMENT.—It shall be the duty of the Secretary to invest such portion of the Trust Fund established by this title as is not, in the judgment of the President, required to meet current withdrawals. Such investments shall be in public debt securities with maturities suitable for the needs of the Trust Fund and bearing interest at rates determined by the Secretary, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities, adjusted to the nearest one-eighth of 1 per centum. The income on such investments shall be credited to and form a part of the Trust Fund.

ADJUSTMENT IN TAX FOR BALANCE IN TRANS-ALASKA PIPELINE LIABILITY FUND

SEC. 204. (a) IN GENERAL.—If the Secretary of the Treasury (or his delegate) determines—

(1) that there is a TAP fund surplus, the amount of such surplus shall be treated as an advance payment of the tax imposed by section 4691 of the Internal Revenue Code of 1954 on crude oil first transported through the Trans-Alaska Pipeline after the date of such determination, or

(2) that there is a TAP fund deficit, the tax imposed by section 4691 on crude oil first transported through the Trans-Alaska Pipeline after the date of such determination shall be increased by 2 cents per barrel until such time as the total amount of such increased tax equals such deficit.

(b) DEFINITIONS.—For purposes of this section—

(1) TAP FUND SURPLUS.—The term "TAP fund surplus" means the excess (if any) of—

(A) the total amount of the assets transferred from the Trans-Alaska Pipeline Liability Fund to the Oil Spill Liability Trust Fund established by this title, over

(B) the amount certified by the Secretary of the Interior as the total amount of the claims outstanding against the Trans-Alaska Pipeline Liability Fund at the time of such transfer.

(2) TAP FUND DEFICIT.—The term "TAP fund deficit" means the excess (if any) of—

(A) the amount certified by the Secretary of the Interior as the total amount of the claims outstanding against the Trans-Alaska Pipeline Liability Fund at the time the assets of such fund are transferred to the Oil Spill Liability Trust Fund established by this title, over

(B) the total amount of the assets transferred from the Trans-Alaska Pipeline Liability Fund to the Oil Spill Liability Trust Fund established by this title.

IMPOSITION OF TAX

SEC. 206. (a) IN GENERAL.—Chapter 38 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subchapter:

"Subchapter C—Additional Tax on Petroleum

"Sec. 4691. Imposition of Tax.
"Sec. 4692. Definitions and Special Rules.

"SEC. 4691. IMPOSITION OF TAX.

"(a) GENERAL RULE.—There is hereby imposed a tax of 1.3 cents a barrel on—

"(1) crude oil received at a United States refinery, and

"(2) petroleum products entered into the United States for consumption, use, or warehousing.

"(b) TAX ON CERTAIN USES AND EXPORTATION.—

"(1) IN GENERAL.—If—

"(A) any domestic crude oil is used in or exported from the United States, and

"(B) before such use or exportation, no tax was imposed on such crude oil under subsection (a),

then a tax of 1.3 cents a barrel is hereby imposed on such crude oil.

"(2) EXCEPTION FOR USE ON PREMISES WHERE PRODUCED.—Paragraph (1) shall not apply to any use of crude oil for extracting oil or natural gas on the premises where such crude oil was produced.

"(c) PERSONS LIABLE FOR TAX.—

"(1) CRUDE OIL RECEIVED AT REFINERY.—The tax imposed by subsection (a)(1) shall be paid by the operator of the United States refinery.

"(2) IMPORTED PETROLEUM PRODUCTS.—The tax imposed by subsection (a)(2) shall be paid by the person entering the product for consumption, use, or warehousing.

"(3) TAX ON CERTAIN USES OR EXPORTS.—The tax imposed by subsection (b) shall be paid by the person using or exporting the crude oil, as the case may be.

"(d) TERMINATION.—The taxes imposed by this section shall not apply after September 30, 1986.

"SEC. 4692. DEFINITIONS AND SPECIAL RULES.

"(a) DEFINITIONS.—For purposes of this subchapter—

"(1) CRUDE OIL.—The term 'crude oil' includes crude oil condensates and natural gasoline.

"(2) DOMESTIC CRUDE OIL.—The term 'domestic crude oil' means any crude produced from a well located in the United States.

"(3) PETROLEUM PRODUCT.—The term "petroleum product' includes crude oil.

"(4) UNITED STATES.—

"(A) IN GENERAL.—The term 'United States' means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, any possession of the United States, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"(B) UNITED STATES INCLUDES CONTINENTAL SHELF AREAS.—The principles of section 638 shall apply for purposes of the term 'United States'.

"(C) UNITED STATES INCLUDES FOREIGN TRADE ZONES.—The term 'United States' includes any foreign trade zone of the United States.

"(5) UNITED STATES REFINERY.—The term 'United States refinery' means any facility in the United States at which crude oil is refined.

"(6) REFINERIES WHICH PRODUCE NATURAL GASOLINE.—In the case of any United States refinery which produces natural gasoline from natural gas, the gasoline so produced shall be treated as received at such refinery at the time so produced.

"(7) PREMISES.—The term 'premises' has the same meaning as when used for purposes of determining gross income from the property under section 613.

"(8) BARREL.—The term 'barrel' means 42 United States gallons at sixty degrees Fahrenheit.

"(9) FRACTIONAL PART OF BARREL.—In the case of a fraction of a barrel, the tax imposed by section 4691 shall be the same fraction of the amount of such tax imposed on a whole barrel.

"(b) ONLY ONE TAX IMPOSED WITH RESPECT TO ANY PRODUCT.—No tax shall be imposed under section 4691 with respect to any petroleum product if the person who would be liable for such tax establishes that a prior tax has been imposed by such section with respect to such product.

"(c) DISPOSITION OF REVENUES FROM PUERTO RICO AND THE VIRGIN ISLANDS.—The provisions of subsections (a)(3) and (b)(3) of section 7652 shall not apply to any tax imposed by section 4691.".

(b) CONFORMING AMENDMENT.—The table of subchapters for chapter 38 is amended by adding at the end thereof the following new item:

"Subchapter C. Additional Tax on Petroleum.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on April 1, 1981.

TITLE III—MISCELLANEOUS PROVISIONS

EFFECTIVE DATES, SAVINGS PROVISION

SEC. 301. (a) Unless otherwise provided, all provisions of this Act shall be effective on the date of enactment of this Act.

(b) Any regulation issued pursuant to any provisions of section 311 of the Clean Water Act which is repealed or superseded by this Act and which is in effect on the date immediately preceding the effective date of this Act shall be deemed to be a regulation issued pursuant to the authority of this Act and shall remain in full force and effect unless or until superseded by new regulations issued thersunder.

(c) Any regulation—

(1) respecting financial responsibility,

(2) issued pursuant to any provision of law repealed or superseded by this Act, and

(3) in effect on the date immediately preceding the effective date of this Act shall be deemed to be a regulation issued pursuant to the authority of this Act and shall remain in full force and effect unless or until superseded by new regulations issued thereunder.

(d) Nothing in this Act shall affect or modify in any way the liabilities of any person under other Federal or State law, including common law, with respect to releases of oil. The provisions of this Act shall not be considered, interpreted, or construed in any way as reflecting a determination, in part or whole, of policy regarding the inapplicability of strict liability, or strict liability doctrines, to activities relating to oil discharges, or pollution.

LITIGATION, JURISDICTION, AND VENUE

SEC. 302. (a) Review of any regulation promulgated under this Act may be had upon application by any interested person only in the Circuit Court of Appeals of the United States for the District of Columbia. Any such application shall be made within ninety days from the date of promulgation of such regulations. Any matter with respect to which review could have been obtained under this subsection shall not be subject to judicial review in any civil or criminal proceeding for enforcement or to obtain damages or recovery of removal costs.

(b) Except as provided in subsection (a) of this section, the United States district courts shall have exclusive original jurisdiction over all controversies arising under this Act, without regard to the citizenship of the parties or the amount in controversy. Venue shall lie in any district in which the discharge or damages occurred, or in which the defendant resides, may be found, or has his principal office. For the purposes of this section, the Fund shall reside in the District of Columbia.

(c) The provisions of subsections (a) and (b) of this section shall not apply to any controversy or other matter resulting from the assessment of collection of any tax, as provided by title II of this Act, or to the review of any regulation promulgated under the Internal Revenue Code of 1954.

(d) No provision of this Act shall be deemed or held to moot any litigation concerning any discharge of oil, or any damages associated therewith, commenced prior to enactment of this Act.

CONFORMING AMENDMENTS

SEC. 304. (a) TRANS-ALASKA PIPELINE AUTHORIZATION ACT.—(1) Section 204(b) of the Trans-Alaska Pipeline Authorization Act (87 Stat. 586) is amended, in the first sentence—

(A) by inserting after the words "any area" the words "in the State of Alaska";

(B) by inserting after the words "any activities" the words "related to the Trans-Alaska Oil Pipeline"; and

(C) by inserting at the end of the subsection the following new sentence: "This subsection shall not apply to removal costs covered by the Oil Spill Liability and Compensation Act of 1981.".

(2)(A) Section 204(c) of the Trans-Alaska Pipeline Authorization Act is hereby repealed. The Trans-Alaska Pipeline Liability Fund is hereby abolished. All assets of that fund, as of the effective date of this section, shall be transferred to the Oil Spill Liability Trust Fund established by title II of this Act. The Oil Spill Liability Trust Fund shall assume any and all liability incurred by the Trans-Alaska Pipeline Liability Fund under the terms of section 204(c) of the Trans-Alaska Pipeline Authorization Act, and shall assume all liability incurred by the officers or trustees in the execution of their duties involving the Trans-Alaska Pipeline Liability Fund, other than the liability of those officers or trustees for gross negligence or willful misconduct.

(B) The Secretary of the Interior shall certify to the Secretary of the Treasury the total amount of the claims outstanding against the Trans-Alaska Pipeline Liability Fund at the time the transfer of assets required under paragraph (A) is made. If the Secretary finds that—

(i) the total amount of the assets so transferred is greater than the total amount of the outstanding claims so certified, subject to subparagraph (D) of this paragraph the difference between the amount of the assets so transferred and the amount of the outstanding claims so certified shall constitute an advance payment toward payment of the tax due under title II of this Act on barrels of oil, and the Secretary may remit such tax until such time as the total amount of the taxes so remitted equals the difference between the amount of the assets so transferred and the amount of the outstanding claims so certified; or

(ii) the total amount of the assets so transferred is less than the total amount of the outstanding claims so certified, the Secretary of the Treasury shall increase by 2 cents per barrel the tax imposed under title II on barrels of oil until such time as the total amount of the 2-cent-per-barrel increase so collected equals the difference between the amount of the certified outstanding claims and the amount of the transferred assets.

(C) If an owner of oil (as that term is used in section 204(c)(5) of the Trans-Alaska Pipeline Authorization Act) who prior to enactment of this Act paid fees to the operator of the pipeline for transfer to the Trans-Alaska Pipeline Liability Fund receives the benefit of an advance payment under subparagraph (B)(i) of this paragraph for the collection or payment of taxes established under title II of this Act, such owner of oil shall compute, based upon accepted accounting procedures, what the oil production tax and what the royalty paid to the State of Alaska would have been had payments not been made to the Trans-Alaska Pipeline Liability Fund in the amount of fees remitted. The difference between the amounts so computed and amounts actually paid to the State of Alaska shall be paid by each such owner to the State of Alaska. Such owner shall make such payment to the State of Alaska during such time the collection of payment of taxes under title II of this Act is remitted.

(D) For purposes of paragraph (B), the term "barrels of oil" means only barrels of oil which would, but for the repeal made by this paragraph, be subject to the fee imposed under section 204(c)(5) of the Trans-Alaska Pipeline Authorization Act. The term "Secretary" means the Secretary of the Treasury.

(b) INTERVENTION ON THE HIGH SEAS ACT.—Section 17 of the Intervention on the High Seas Act (88 Stat. 10) is amended to read as follows:

"SEC. 17. The Fund established under title II of the Oil Spill Liability and Compensation Act of 1981 shall be available to the Secretary for actions taken under section 5 of this Act.".

(c) FEDERAL WATER POLLUTION CONTROL ACT.—Section 311 of the Federal Water Pollution Control Act is amended as follows:

(1) Clause (E) of paragraph (2) of subsection (c) is amended by inserting after the words "of this section" the words "or the fund established under title II of the Oil Spill Liability and Compensation Act of 1981, as appropriate,".

(2) The unobligated balance remaining as of the date of enactment of this Act under subsection (k) of such section 311 shall be transferred to the Fund established under title II of this Act.

(d) DEEPWATER PORT ACT.—The Deepwater Port Act of 1974 (88 Stat. 2126) is amended as follows:

(1) In section 4(c)(1) strike "section 18 (1) of this Act;" and insert in lieu thereof "section 105 of the Oil Spill Liability and Compensation Act of 1981.".

(2) Subsections (b), (d), (e), (f), (g), (h), (i), (j), (l), (n), and clause (1) of subsection (m) of section 18 are deleted.

(3) Clause (3) of subsection (c) of section 18 is amended by striking "Deepwater Port Liability Fund established pursuant to subsection (f) of this section.", and inserting in lieu thereof "fund established under title II of the Oil Spill Liability and Compensation Act of 1981".

(4) Subsections (c), (k), and (m) of section 18 are redesignated (b), (c), and (d), respectively, and clauses (2), (3), and (4) of subsection (m) are redesignated (1), (2), and (3), respectively.

(e) OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS.—Title III of the Outer Continental Shelf Lands Act Amendments of 1978 is hereby repealed.

STUDY

SEC. 304. The President, in cooperation with the Comptroller General shall undertake a study of possible incentives to safer operation of vessels and facilities to reduce the potential of discharges of oil, and generally of measures to prevent or avoid the occurrence of such discharges. Such study shall address (1) the feasibility of a variable fee for replenishment of the Fund under subsection (c) of this section which takes into account the likelihood of a discharge and the operational experience of individuals or classes, and (2) whether current practices in the insurance and banking industries provide any incentives or disincentives to reducing the potential for discharges of oil. Such study shall be conducted in consultation with other appropriate Federal and State agencies, the affected industries, and other interested parties. A first report of such study, together with legislative recommendations, if any, shall be submitted to the Congress not later than July 1, 1983, and as appropriate thereafter.

SEPARABILITY

SEC. 305. If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances and the remainder of this Act shall not be affected thereby.

AMENDMENT NO. 6

On page 31, strike lines 12 and 13 and add a new title and subsection as follows:

"PROTECTION OF PREEMPTION

"SEC. 106. Nothing in this Act shall be construed or interpreted as preempting any State from imposing any additional liabilities or requirements with respect to oil pollution, spills, discharges or other releases within such State."

Mr. CHAFEE. Mr. President, I would like to congratulate the distinguished senior Senator from Vermont for the work he has done on this piece of legislation.

This bill is an effort to try to protect our coastlines from the serious threat of oilspills. It is particularly important to Rhode Island and New England because all of our petroleum is imported into the region, much of it by barge and tanker. It is important that a comprehensive liability system becomes law so that oil shippers will have an incentive to handle their product more carefully.

Under the legislation, shippers will have to demonstrate a significant financial responsibility in order to carry petroleum products on U.S. waters. For a vessel carrying oil as its cargo, the liability is $300 per gross ton, or $500,000, whichever is greater. For any other vessel, the liability is $300 per gross ton. Deepwater ports and Outer Continental Shelf facilities will have a liability of $50 million.

In addition to establishing a comprehensive liability system for handling damages, the bill also establishes a trust fund. This fund, which will be filled by a 1.3-cent-per-barrel fee on oil received in the United States, will be used to compensate persons injured or damaged by spills, and for cleanup of the spills themselves.

If passed, the legislation will provide greater protection for our coastal ecosystems from the chance of catastrophic spills because of these new requirements to be placed on shippers.

The Subcommittee on Environmental Pollution and Resource Protection will hold several days of hearings on the bill later this month. Those hearings will focus on the relationship of this program to existing State programs, as well as the financial burden that this will place on those persons engaged in the business of handling oil.

Mr. MITCHELL. Mr. President, I am

pleased to cosponsor the Oil Spill Liability and Compensation Act of 1981. This legislation will provide a comprehensive system of liability and compensation for damage resulting from oil spills.

A uniform solution to potential catastrophes from oil pollution is long overdue. Those of us who represent coastal States are well aware of the dangers of oil spills. Many of our citizens depend on water resources for their livelihood—from fishing, tourism, and other marine-related activities.

Recent events have highlighted the problem of massive oil spills. In December of 1976, the *Argo Merchant* ran aground 27 miles southeast of Nantucket Island, spilling 8.5 million gallons of fuel oil. The entire Cape Cod coastline was threatened with devastation, which would have occurred had the oil not been blown out to sea. However, the mere threat of millions of gallons of oil washing ashore was sufficient to alert New Englanders to the enormous potential harm of oil spills.

The expense to the United States just to monitor this disaster was approximately $2 million.

The devastation of natural resources that was feared from the wreck of *Argo Merchant* actually occurred 2 years later when the *Amoco Cadiz* went aground off the coast of France. The 240,000-ton supertanker lost its entire cargo of 67 million gallons of oil. The estimates of total claims for damage to real and personal property and to natural resources are over $1 billion.

This country will continue to use petroleum products and the risks associated with transportation of those products will remain with us for the foreseeable future. This bill is an attempt to put into place a comprehensive law to provide adequate and timely compensation to persons who have been victims of oil pollution.

Our bill does this in the following manner:

An owner or operator of a vessel carrying oil is made strictly liable for the discharge of oil into the navigable waters of the United States;

The discharger is responsible for the costs of cleanup of the oil, as well as for damage to a person's real or personal property, a person's loss of use of natural resources, and a person's loss of income resulting from an oil spill;

The discharger is also responsible for compensating the Federal Government, or a State government, for injury to its natural resources;

A fund is established through a fee on each barrel of oil produced in or imported into the United States to provide cleanup costs and compensation for damage resulting from oil spills, when the damage exceeds the limits of the owner's liability or the responsible party cannot be found; and

States retain their ability to enact oil pollution statutes, financed by fees on oil, to provide funds for oil cleanup and compensation to individuals over and above the Federal coverage.

Mr. President, the State of Maine has been in the forefront in enacting comprehensive oil spill legislation. We have long recognized that our water resources are an invaluable and irreplaceable part of our State economy.

In 1969, we enacted the Maine coastal conveyance law. It imposes strict liability for the discharge of oil into any coastal waters, estuaries, tidal flats, beaches and lands adjoining the seacoast of the State, or into any river, stream, sewer, surface water drain, or other waters of the State.

It establishes the Maine Coastal Protection Fund, financed through a 1-cent-per-barrel fee on oil offloaded at a Maine port. The fund provides for the cleanup of oil spills, and for compensation to third parties for damages to real or personal property, or loss of income directly or indirectly as a result of an oil discharge.

The Maine statute remains one of the strongest in the country. But since the Maine law imposes liability only for spills into the State waters and the Maine fee is imposed only on oil contained in vessels which come directly into Maine ports, it does not deal with tankers which pass through the Gulf of Maine enroute to or from other American ports. Obviously, a comprehensive Federal law is needed to provide minimum protection from oil pollution damage. But any State wishing to impose a greater degree of protection for its resources must be permitted to do so. I could not, in good conscience, support legislation that preempts the right of Maine to compensate its citizens more fully than would any Federal law in the event of an oil spill.

Mr. President, there is an urgent need to enact an oil pollution statute that will provide minimum Federal cleanup and compensation requirements.

In this bill, we provide a nonregulatory mechanism to accomplish that end. We are not imposing additional regulations on those who handle oil; we are simply prescribing the consequences for failure to handle oil in an environmentally acceptable manner.

We are at the same time permitting States to continue to provide additional protection for their natural resources if they so desire.

This bill will be given expedited consideration by the Environment and Public Works Committee on which I serve. I look forward to participating in the hearings and committee action on this legislation.

● Mr. PACKWOOD. Mr. President, today legislation is being introduced that will provide compensation to parties damaged by oil spills, and provide uniformity of compensation by combining a number of Federal compensation schemes into one. I, and two other members of the Senate Committee on Commerce, Science, and Transportation, Senators CANNON and GORTON, have agreed to cosponsor this legislation along with several members of the Senate Environment and Public Works Committee. In the past, all oil spill superfund legislation has been jointly referred to our two committees. Because both committees have recognized that such legislation contains substantial areas of interest and concern peculiar to each committee, we have again agreed to a joint referral. This represents a positive first step in developing legislation that is acceptable to the entire Senate, the House of Representatives and the administration.

The interest of the Commerce Committee in this legislation is substantial. Virtually all modes of transportation are affected: Railroads, motor carriers, aircraft, pipelines, and vessels. This legislation involves the activities of the Outer Continental Shelf, the ports and highways of our Nation, and the integrity of our coastal zone resources, including marine fisheries. The objective of the Commerce Committee in dealing with this legislation is to balance the needs of industry and interstate commerce with the necessity to protect our marine resources. The impact of this legislation can affect the smallest domestic business establishments as well as large multinational corporations.

I want the legislation to be workable and effective and to encourage that appropriate responses to oil spills be undertaken by the responsible parties. The legislation should encourage and afford small businesses the opportunity to obtain insurance, where appropriate, for liabilities which they might incur under this act. I want both private and public sector entities to be compensated for damages resulting from oil spills. Such damages should be compensated with a minimum of judicial involvement, and claims should be paid promptly and fairly.

The present legislation attempts to accomplish the goals set out above. Although our two committees have enjoyed an extremely close working relationship during the development of this bill, it is, indeed, possible that changes will have to be made and compromises reached. The close examination of the proposed legislation resulting from committee hearings will highlight those portions of the legislation that will require additional consideration.

Lastly, let me state that both committees have agreed to develop language concerning the relationship between this bill and certain other States and Federal laws. As the legislative process moves along, and as both committees have a clearer view of the ultimate content of the legislation, I am certain that satisfactory language on the above subject can be worked out.

Mr. President, in closing, let me say I look forward to working with my colleagues from the Environment and Public Works Committee on this legislation which is of such importance to our Nation.●

By Mr. RIEGLE (for himself, Mr. EXON, Mr. PRESSLER, Mr. JOHNSTON, Mr. PRYOR, Mr. ANDREWS, Mr. ABDNOR, Mr. ZORINSKY, MTS. HAWKINS, Mr. CRANSTON, Mr. DECONCINI, Mr. LAXALT, Mr. LEVIN, Mr. SASSER, Mr. GRASSLEY, Mr. WILLIAMS, and Mr. DIXON):

S. 682. A bill to place a moratorium on decisions by the Federal Trade Commission in shared monopoly proceedings until the Congress establish the existence of the violation and defines its elements; to the Committee on the Judiciary.

MORATORIUM ON SHARED MONOPOLY CASES

● Mr. LEVIN. Mr. President, my decision to cosponsor the bill introduced by Senator RIEGLE today which places a moratorium on the Federal Trade Commission's shared monopoly cases, is based upon my belief that the shared monopoly doctrine which is being proposed by the FTC, if it exists at all in the antitrust laws, should be pursued by the Justice Department before a Federal judge. A theory, so vague and vast in its reach, should be delineated in the first instance by the Congress or courts, not by an administrative agency.●

By Mr. BAKER (for Mr. DOLE) (for himself, Mr. BAKER, Mr. ROTH, Mr. STEVENS, Mr. DANFORTH, Mr. CHAFEE, Mr. HEINZ, Mr. WALLOP, Mr. DURENBERGER, Mr. ARMSTRONG, Mr. SYMMS, Mr. GRASSLEY, Mr. KASTEN, Mr. JEPSEN, Mr. BOSCHWITZ, Mr. LAXALT, Mr. PERCY, Mr. THURMOND, Mr. HUMPHREY, Mr. WARNER, Mr. TOWER, Mr. HATCH, Mr. SCHMITT, Mr. HAYAKAWA, Mr. GARN, Mr. COHEN, Mr. ANDREWS, Mr. SIMPSON, MTS. HAWKINS, Mr. MURKOWSKI, Mr. HELMS, Mr. EAST, Mr. MATTINGLY, Mr. QUAYLE, Mr. DOMENICI, Mr. NICKLES, Mr. RUDMAN, Mr. MCCLURE, Mr. ABDNOR, Mr. COCHRAN, Mr. LUGAR, Mr. GOLDWATER, Mr. PRESSLER, Mr. D'AMATO, Mr. STAFFORD, and MTS. KASSEBAUM) (by request):

S. 683. A bill to amend the Internal Revenue Code of 1954 to encourage economic growth through reduction of the tax rates for individual taxpayers and acceleration of capital cost recovery of investment in plant, equipment, and real property; to the Committee on Finance.

ECONOMIC RECOVERY TAX ACT OF 1981

(The remarks of Mr. DOLE, Mr. BAKER, Mr. ROTH, Mr. STEVENS, and Mr. CHAFEE appear earlier in today's RECORD.)

The text of the bill reads as follows:

S. 683

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; AMENDMENTS OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Economic Recovery Tax Act of 1981".

(b) TABLE OF CONTENTS.—

SEC. 1. Short title; table of contents; amendment of 1954 code.

TITLE I—INDIVIDUAL TAX RATE CUTS

Sec. 101. Reduction in individual rates.

Sec. 102. Reduction in alternative minimum tax.

TITLE II—INCENTIVES FOR PLANT, EQUIPMENT, AND REAL PROPERTY

Sec. 201. Accelerated cost recovery for plant and equipment.

Sec. 202. Accelerated and simplified cost recovery of certain real property.

Sec. 203. Shorter period requirements for investment tax credit.

Sec. 204. Amendments relating to depreciation.

Sec. 205. Disposition of recovery property subject to recapture under section 1245.

Sec. 206. Minimum tax amendment.

Sec. 207. Earnings and profits.

Sec. 208. Extension of carryover period for net operating losses and certain credits.

Sec. 209 Carryover of recovery attribute in section 381 transactions.

Sec. 210. Effective dates.

(c) AMENDMENTS OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—INDIVIDUAL TAX RATE CUTS

SEC. 101. REDUCTION IN INDIVIDUAL RATES.

(a) IN GENERAL.—Section 1 (relating to tax imposed) is amended by striking out subsections (a), (b), (c), and (d) and inserting in lieu thereof the following:

"(a) GENERAL RULE.—There is hereby imposed on the taxable income, for the taxable years beginning in the calendar years specified in subsection (b), of every—

"(1) married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and every surviving spouse (as defined in section 2(a)), a tax determined under the applicable schedule for the taxable year,

"(2) head of a household (as defined in section 2(b)), a tax determined under the applicable schedule for the taxable year,

"(3) individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined under the applicable schedule for the taxable year,

"(4) a married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined under the applicable schedule for the taxable year, and

"(5) estate and trust a tax determined under the applicable schedule for the taxable year,

"(b) APPLICABLE SCHEDULES.—

"(1) APPLICATION OF SCHEDULES TO INDIVIDUALS.—For purposes of subsection (a) the applicable schedule for—

"(A) individuals described in subsection (a)(1) is schedule 1,

"(B) individuals described in subsection (a)(2) is schedule 2,

"(C) individuals described in subsection (a)(3) is schedule 3,

"(D) individuals described in subsection (a)(4) is schedule 4, and

"(E) estate and trusts described in subsection (a)(5) is schedule 5.

"(2) APPLICATION OF SCHEDULES TO CALENDAR YEAR 1981.—The schedules in effect for taxable years beginning in 1981 are as follows:

"(A) SCHEDULE 1.—MARRIED INDIVIDUAL FILING JOINT RETURNS AND SURVIVING SPOUSES

If taxable income is:	The tax is:
Not over $3,400	No tax.
Over $3,400 but not over $5,500	13% of the excess over $3,400.
Over $5,500 but not over $7,600	$273 plus 15% of the excess over $5,500.
Over $7,600 but not over $11,900	$588 plus 17% of the excess over $7,600.
Over $11,900 but not over $16,000	$1,319 plus 20% of the excess over $11,900.
Over $16,000 but not over $20,200	$2,139 plus 23% of the excess over $16,000.
Over $20,200 but not over $24,600	$3,105 plus 27% of the excess over $20,200.
Over $24,600 but not over $29,900	$4,293 plus 30% of the excess over $24,600.
Over $29,900 but not over $35,200	$5,883 plus 35% of the excess over $29,900.
Over $35,200 but not over $45,800	$7,738 plus 41% of the excess over $35,200.

"(A) SCHEDULE 1.—MARRIED INDIVIDUAL FILING JOINT RETURNS AND SURVIVING SPOUSES—Continued

Over $45,800 but not over $60,000	$12,084 plus 47% of the excess over $45,800.
Over $60,000 but not over $85,600	$18,758 plus 51% of the excess over $60,000.
Over $85,600 but not over $109,400	$31,814 plus 56% of the excess over $85,600.
Over $109,400 but not over $162,400	$45,142 plus 61% of the excess over $109,400.
Over $162,400 but not over $215,400	$77,472 plus 65% of the excess over $162,400.
$215,400 and over	$111,922 plus 68% of the excess over $215,400.

"(B) SCHEDULE 2.—HEADS OF HOUSEHOLDS

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400	13% of the excess over $2,300.
Over $4,400 but not over $6,500	$273 plus 15% of the excess over $4,400.
Over $6,500 but not over $8,700	$588 plus 17% of the excess over $6,500.
Over $8,700 but not over $11,800	$962 plus 21% of the excess over $8,700.
Over $11,800 but not over $15,000	$1,613 plus 23% of the excess over $11,800.
Over $15,000 but not over $18,200	$2,349 plus 25% of the excess over $15,000.
Over $18,200 but not over $23,500	$3,149 plus 29% of the excess over $18,200.
Over $23,500 but not over $28,800	$4,685 plus 34% of the excess over $23,500.
Over $28,800 but not over $34,100	$6,488 plus 40% of the excess over $28,800.
Over $34,100 but not over $44,700	$8,608 plus 44% of the excess over $34,100.
Over $44,700 but not over $60,600	$13,272 plus 51% of the excess over $44,700.
Over $60,600 but not over $81,800	$21,381 plus 56% of the excess over $60,600.
Over $81,800 but not over $108,300	$33,253 plus 60% of the excess over $81,800.
Over $108,300 but not over $161,300	$49,153 plus 65% of the excess over $108,300.
$161,300 and over	$83,603 plus 68% of the excess over $161,300.

"(C) SCHEDULE 3.—UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS)

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $3,400	10% of the excess over $2,000.
Over $3,400 but not over $4,400	$143 plus 15% of the excess over $3,400.
Over $4,400 but not over $6,500	$293 plus 17% of the excess over $4,400.
Over $6,500 but not over $8,500	$650 plus 19% of the excess over $6,500.
Over $8,500 but not over $10,800	$1,010 plus 20% of the excess over $8,500.
Over $10,800 but not over $12,900	$1,470 plus 23% of the excess over $10,800.
Over $12,900 but not over $15,000	$1,953 plus 25% of the excess over $12,900.
Over $15,000 but not over $18,200	$2,478 plus 28% of the excess over $15,000.
Over $18,200 but not over $23,500	$3,374 plus 32% of the excess over $18,200.
Over $23,500 but not over $28,800	$5,070 plus 37% of the excess over $23,500.
Over $28,800 but not over $34,100	$7,031 plus 42% of the excess over $28,800.
Over $34,100 but not over $41,500	$9,257 plus 47% of the excess over $34,100.
Over $41,500 but not over $55,300	$12,735 plus 52% of the excess over $41,500.
Over $55,300 but not over $81,800	$19,911 plus 60% of the excess over $55,300.
Over $81,800 but not over $108,300	$35,811 plus 65% of the excess over $81,800.
$108,300 and over	$53,036 plus 68% of the excess over $108,300.

"(D) SCHEDULE 4.—MARRIED INDIVIDUALS FILING SEPARATE RETURNS:

If taxable income is:	The tax is:
Not over $1,700	No tax.
Over $1,700 but not over $2,750	13% of the excess over $1,700.
Over $2,750 but not over $3,800	$136.50 plus 15% of the excess over $2,750.
Over $3,800 but not over $5,950	$294 plus 17% of the excess over $3,800.
Over $5,950 but not over $8,000	$659.50 plus 20% of the excess over $5,950.
Over $8,000 but not over $10,100	$1,069.50 plus 23% of the excess over $8,000.
Over $10,100 but not over $12,300	$1,552.50 plus 27% of the excess over $10,100.
Over $12,300 but not over $14,950	$2,146.50 plus 30% of the excess over $12,300.
Over $14,950 but not over $17,600	$2,941.50 plus 35% of the excess over $14,950.
Over $17,600 but not over $22,900	$3,869 plus 41% of the excess over $17,600.

"(D) SCHEDULE 4.—MARRIED INDIVIDUALS FILING SEPARATE RETURNS—Continued

Over $22,900 but not over $30,000	$6,042 plus 47% of the excess over $22,900.
Over $30,000 but not over $40,800	$9,379 plus 51% of the excess over $30,000.
Over $40,800 but not over $54,700	$15,507 plus 56% of the excess over $40,800.
Over $54,700 but not over $81,200	$22,571 plus 61% of the excess over $54,700.
Over $81,200 but not over $107,700	$38,736 plus 65% of the excess over $81,200.
Over $107,700 and over	$55,961 plus 66% of the excess over $107,700.

"(E) SCHEDULE 5.—ESTATES AND TRUSTS

If taxable income is:	The tax is:
Not over $1,050	13% of taxable income.
Over $1,050 but not over $2,100	$136.50 plus 15% of the excess over $1,050.
Over $2,100 but not over $4,250	$294 plus 17% of the excess over $2,100.
Over $4,250 but not over $6,300	$659.50 plus 20% of the excess over $4,250.
Over $6,300 but not over $8,400	$1,069.50 plus 23% of the excess over $6,300.
Over $8,400 but not over $10,600	$1,552.50 plus 27% of the excess over $8,400.
Over $10,600 but not over $13,250	$2,146.50 plus 30% of the excess over $10,600.
Over $13,250 but not over $15,900	$2,941.50 plus 35% of the excess over $13,250.
Over $15,900 but not over $21,200	$3,869 plus 41% of the excess over $15,900.
Over $21,200 but not over $28,300	$6,042 plus 47% of the excess over $21,200.
Over $28,300 but not over $41,100	$9,379 plus 51% of the excess over $28,300.
Over $41,100 but not over $53,000	$15,507 plus 56% of the excess over $41,100.
Over $53,000 but not over $79,500	$22,571 plus 61% of the excess over $53,000.
Over $79,500 but not over $106,000	$38,736 plus 65% of the excess over $79,500.
Over $106,000 and over	$55,961 plus 66% of the excess over $106,000.

"(3) APPLICATION OF SCHEDULES TO CALENDAR YEAR 1983.—The schedules in effect for taxable years beginning in 1982 are as follows:

"(A) SCHEDULE 1.—MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES

If taxable income is:	The tax is:
Not over $3,400	No tax.
Over $3,400 but not over $5,500	12% of the excess over $3,400.
Over $5,500 but not over $7,600	$252 plus 14% of the excess over $5,500.
Over $7,600 but not over $11,900	$546 plus 15% of the excess over $7,600.
Over $11,900 but not over $16,000	$1,191 plus 18% of the excess over $11,900.
Over $16,000 but not over $20,200	$1,929 plus 21% of the excess over $16,000.
Over $20,200 but not over $24,600	$2,811 plus 24% of the excess over $20,200.
Over $24,600 but not over $29,900	$3,867 plus 27% of the excess over $24,600.
Over $29,900 but not over $35,200	$5,298 plus 31% of the excess over $29,900.
Over $35,200 but not over $45,800	$6,941 plus 37% of the excess over $35,200.
Over $45,800 but not over $60,000	$10,863 plus 42% of the excess over $45,800.
Over $60,000 but not over $85,600	$16,827 plus 47% of the excess over $60,000.
Over $85,600 but not over $109,400	$28,859 plus 50% of the excess over $85,600.
Over $109,400 but not over $162,400	$40,759 plus 55% of the excess over $109,400.
Over $162,400 but not over $215,400	$69,909 plus 58% of the excess over $162,400.
Over $215,400 and over	$100,643 plus 60% of the excess over $215,400.

"(B) SCHEDULE 2.—HEADS OF HOUSEHOLDS

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400	12% of the excess over $2,300.
Over $4,400 but not over $6,500	$252 plus 14% of the excess over $4,400.
Over $6,500 but not over $8,700	$546 plus 15% of the excess over $6,500.
Over $8,700 but not over $11,800	$876 plus 19% of the excess over $8,700.
Over $11,800 but not over $15,000	$1,465 plus 20% of the excess over $11,800.
Over $15,000 but not over $18,200	$2,105 plus 22% of the excess over $15,000.
Over $18,200 but not over $23,500	$2,809 plus 26% of the excess over $18,200.
Over $23,500 but not over $28,000	$4,187 plus 31% of the excess over $23,500.
Over $28,000 but not over $34,100	$5,830 plus 36% of the excess over $28,000.
Over $34,100 but not over $44,700	$7,738 plus 39% of the excess over $34,100.

"(B) SCHEDULE 2.—HEADS OF HOUSEHOLDS—Continued

Over $44,700 but not over $60,600	$11,872 plus 46% of the excess over $44,700.
Over $60,600 but not over $81,800	$19,186 plus 51% of the excess over $60,600.
Over $81,800 but not over $108,300	$29,998 plus 54% of the excess over $81,800.
Over $108,300 but not over $161,300	$44,308 plus 58% of the excess over $108,300.
$161,300 and over	$75,048 plus 60% of the excess over $161,300.

"(C) SCHEDULE 3.—UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS)

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400	12% of the excess over $2,300.
Over $4,400 but not over $6,500	$132 plus 14% of the excess over $3,400.
Over $6,500 but not over $8,500	$272 plus 15% of the excess over $4,400.
Over $8,500 but not over $10,800	$587 plus 18% of the excess over $6,500.
Over $10,800 but not over $12,900	$907 plus 18% of the excess over $8,500.
Over $12,900 but not over $15,000	$1,321 plus 20% of the excess over $10,800.
Over $15,000 but not over $18,200	$1,741 plus 22% of the excess over $12,900.
Over $18,200 but not over $23,500	$2,203 plus 26% of the excess over $15,000.
Over $23,500 but not over $28,800	$3,035 plus 29% of the excess over $18,200.
Over $28,800 but not over $34,100	$4,572 plus 33% of the excess over $23,500.
Over $34,100 but not over $41,500	$6,321 plus 37% of the excess over $28,800.
Over $41,500 but not over $55,300	$8,282 plus 42% of the excess over $34,100.
Over $55,300 but not over $81,800	$11,390 plus 47% of the excess over $41,500.
Over $81,800 but not over $108,300	$17,876 plus 54% of the excess over $55,300.
Over $108,300 and over	$32,186 plus 58% of the excess over $81,800.
	$47,556 plus 60% of the excess over $108,300.

"(D) SCHEDULE 4.—MARRIED INDIVIDUALS FILING SEPARATE RETURNS

If taxable income is:	The tax is:
Not over $1,700	No tax.
Over $1,700 but not over $2,750	12% of the excess over $1,700.
Over $2,750 but not over $3,800	$126 plus 14% of the excess over $2,750.
Over $3,800 but not over $5,950	$273 plus 15% of the excess over $3,800.
Over $5,950 but not over $8,000	$595.50 plus 18% of the excess over $5 950.
Over $8,000 but not over $10,000	$964.50 plus 21% of the excess over $8,000.
Over $10,100 but not over $12,300	$1,405.50 plus 24% of the excess over $10,100.
Over $12,300 but not over $14,950	$1,933.50 plus 27% of the excess over $12,300.
Over $14,950 but not over $17,600	$2,649 plus 31% of the excess over $14,950.
Over $17,600 but not over $22,900	$3,470.50 plus 37% of the excess over $17,600.
Over $22,900 but not over $30,000	$5,431.50 plus 42% of the excess over $22,900.
Over $30,000 but not over $42,800	$8,413.50 plus 47% of the excess over $30,000.
Over $42,800 but not over $54,700	$14,429.50 plus 50% of the excess over $42,800.
Over $54,700 but not over $81,200	$20,379.50 plus 55% of the excess over $54,700.
Over $81,200 but not over $107,700	$34,954.50 plus 58% of the excess over $81,200.
$107,700 and over	$50,324.50 plus 60% of the excess over $107,700.

"(E) SCHEDULE 5.—ESTATES AND TRUSTS

If taxable income is:	The tax is:
Not over $1,050	12% of taxable income.
Over $1,050 but not over $2,100	$126 plus 14% of the excess over $1,050.
Over $2,100 but not over $4,250	$273 plus 15% of the excess over $2,100.
Over $4,250 but not over $6,300	$595.50 plus 18% of the excess over $4,250.
Over $6,300 but not over $8,400	$964.50 plus 21% of the excess over $6,300.
Over $8,400 but not over $10,600	$1,405.50 plus 24% of the excess over $8,400.
Over $10,600 but not over $13,250	$1,933.50 plus 27% of the excess over $10,600.
Over $13,250 but not over $15,900	$2,649 plus 31% of the excess over $13,250.
Over $15,900 but not over $21,200	$3,470.50 plus 37% of the excess over $15,900.
Over $21,200 but not over $28,300	$5,431.50 plus 42% of the excess over $21,200.
Over $28,300 but not over $41,100	$8,413.50 plus 47% of the excess over $28,300.
Over $41,100 but not over $53,000	$14,429.50 plus 50% of the excess over $41,100.

"(E) SCHEDULE 5.—ESTATES AND TRUSTS—Continued

Over $53,000 but not over $79,500	$20,379.50 plus 55% of the excess over $53,000.
Over $79,500 but not over $106,000	$34,954.50 plus 58% of the excess over $79,500.
$106,000 and over	$50,324.50 plus 60% of the excess over $106,000.

"(4) APPLICATION OF SCHEDULES TO CALENDAR YEAR 1983.—The schedules in effect for taxable years beginning in 1983 are as follows:

"(A) SCHEDULE 1.—MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES

If taxable income is:	The tax is:
Not over $3,400	No tax.
Over $3,400 but not over $5,500	11% of the excess over $3,400.
Over $5,500 but not over $7,600	$231 plus 12% of the excess over $5,500.
Over $7,600 but not over $11,900	$483 plus 14% of the excess over $7,600.
Over $11,900 but not over $16,000	$1,085 plus 16% of the excess over $11,900.
Over $16,000 but not over $20,200	$1,741 plus 19% of the excess over $16,000.
Over $20,200 but not over $24,600	$2,539 plus 22% of the excess over $20,200.
Over $24,600 but not over $29,900	$3,507 plus 24% of the excess over $24,600.
Over $29,900 but not over $35,200	$4,779 plus 28% of the excess over $29,900.
Over $35,200 but not over $45,800	$6,263 plus 33% of the excess over $35,200.
Over $45,800 but not over $60,000	$9,761 plus 38% of the excess over $45,800.
Over $60,000 but not over $85,600	$15,157 plus 42% of the excess over $60,000.
Over $85,600 but not over $109,400	$25,909 plus 45% of the excess over $85,600.
Over $109,400 but not over $162,400	$36,619 plus 49% of the excess over $109,400.
Over $162,400 but not over $215,400	$62,589 plus 52% of the excess over $162,400.
$215,400 and over	$90,149 plus 53% of the excess over $215,400.

"(B) SCHEDULE 2.—HEADS OF HOUSEHOLDS

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400	11% of the excess over $2,300
Over $4,400 but not over $6,500	$231 plus 12% of the excess over $4,400.
Over $6,500 but not over $8,700	$483 plus 14% of the excess over $6,500.
Over $8,700 but not over $11,800	$791 plus 17% of the excess over $8,700.
Over $11,800 but not over $15,000	$1,319 plus 18% of the excess over $11,800.
Over $15,000 but not over $18,200	$1,894 plus 20% of the excess over $15,000.
Over $18,200 but not over $23,500	$2,534 plus 24% of the excess over $18,200.
Over $23,500 but not over $28,800	$3,806 plus 27% of the excess over $23,500.
Over $28,800 but not over $34,100	$5,237 plus 32% of the excess over $28,800.
Over $34,100 but not over $44,700	$6,933 plus 35% of the excess over $34,100.
Over $44,700 but not over $60,600	$10,643 plus 41% of the excess over $44,700.
Over $60,600 but not over $81,800	$17,162 plus 45% of the excess over $60,600.
Over $81,800 but not over $108,300	$26,702 plus 48% of the excess over $81,800.
Over $108,300 but not over $161,300	$39,422 plus 52% of the excess over $108,300.
$161,300 and over	$66,982 plus 53% of the excess over $161,300.

"(C) SCHEDULE 3.—UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS)

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400	11% of the excess over $2,300.
Over $4,400 but not over $6,500	$121 plus 12% of the excess over $3,400.
Over $6,500 but not over $8,500	$241 plus 13% of the excess over $4,400.
Over $8,500 but not over $10,800	$514 plus 14% of the excess over $6,500.
Over $10,800 but not over $12,900	$794 plus 16% of the excess over $8,500.
Over $12,900 but not over $15,000	$1,162 plus 18% of the excess over $10,800.
Over $15,000 but not over $18,200	$1,540 plus 20% of the excess over $12,900.
Over $18,200 but not over $23,500	$1,980 plus 22% of the excess over $15,000.
Over $23,500 but not over $28,800	$2,664 plus 26% of the excess over $18,200.
Over $28,800 but not over $34,100	$4,042 plus 29% of the excess over $23,500.
	$5,579 plus 34% of the excess over $28,800.

(C) SCHEDULE 3.—UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS)—Continued

Over $34,100 but not over $41,500	$7,381 plus 38% of the excess over $34,100.
Over $41,500 but not over $55,300	$10,193 plus 42% of the excess over $41,500.
Over $55,300 but not over $81,800	$15,989 plus 48% of the excess over $55,300.
Over $81,800 but not over $108,300	$28,709 plus 52% of the excess over $81,800.
$108,300 and over	$42,489 plus 53% of the excess over $108,300.

"(D) SCHEDULE 4.—MARRIED INDIVIDUALS FILING SEPARATE RETURNS

If taxable income is:	The tax is:
Not over $1,700	No tax
Over $1,700 but not over $2,750	11% of the excess over $1,700.
Over $2,750 but not over $3,800	$115.50 plus 12% of the excess over $2,750.
Over $3,800 but not over $5,950	$241.50 plus 14% of the excess over $3,800.
Over $5,950 but not over $8,000	$542.50 plus 16% of the excess over $5,950.
Over $8,000 but not over $10,100	$870.50 plus 19% of the excess over $8,000.
Over $10,100 but not over $12,300	$1,269.50 plus 22% of the excess over $10,100.
Over $12,300 but not over $14,950	$1,753.50 plus 24% of the excess over $12,300.
Over $14,950 but not over $17,600	$2,389.50 plus 28% of the excess over $14,950.
Over $17,600 but not over $22,900	$3,131.50 plus 33% of the excess over $17,600.
Over $22,900 but not over $30,000	$4,880.50 plus 38% of the excess over $22,900.
Over $30,000 but not over $42,800	$7,578.50 plus 42% of the excess over $30,000.
Over $42,800 but not over $54,700	$12,954.50 plus 45% of the excess over $42,800.
Over $54,700 but not over $81,200	$18,309.50 plus 49% of the excess over $54,700.
Over $81,200 but not over $107,700	$31,294.50 plus 52% of the excess over $81,200.
$107,700 and over	$45,074.50 plus 53% of the excess over $107,700.

"(E) SCHEDULE 5.—ESTATES AND TRUSTS

If taxable income is:	The tax is:
Not over $1,050	11% of taxable income.
Over $1,050 but not over $2,100	$115.50 plus 12% of the excess over $1,050.
Over $2,100 but not over $4,250	$241.50 plus 14% of the excess over $2,100.
Over $4,250 but not over $6,300	$542.50 plus 16% of the excess over $4,250.
Over $6,300 but not over $8,400	$870.50 plus 19% of the excess over $6,300.
Over $8,400 but not over $10,600	$1,269.50 plus 22% of the excess over $8,400.
Over $10,600 but not over $13,250	$1,753.50 plus 24% of the excess over $10,600.
Over $13,250 but not over $15,900	$2,389.50 plus 28% of the excess over $13,250.
Over $15,900 but not over $21,200	$3,131.50 plus 33% of the excess over $15,900.
Over $21,200 but not over $28,300	$4,880.50 plus 38% of the excess over $21,200.
Over $28,300 but not over $41,100	$7,578.50 plus 42% of the excess over $28,300.
Over $41,100 but not over $53,000	$12,954.50 plus 45% of the excess over $41,100.
Over $53,000 but not over $79,500	$18,309.50 plus 49% of the excess over $53,000.
Over $79,500 but not over $106,000	$31,294.50 plus 52% of the excess over $79,500.
$106,000 and over	$45,074.50 plus 53% of the excess over $106,000.

"(5) APPLICATION OF SCHEDULES OF CALENDAR YEAR 1984.—The schedules in effect for taxable years beginning in 1984 are as follows:

"(A) SCHEDULE 1.—MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES

If taxable income is:	The tax is:
Not over $3,400	No tax.
Over $3,400 but not over $5,500	10% of the excess over $3,400.
Over $5,500 but not over $7,600	$210 plus 11% of the excess over $5,500.
Over $7,600 but not over $11,900	$441 plus 13% of the excess over $7,600.
Over $11,900 but not over $16,000	$1,000 plus 15% of the excess over $11,900.
Over $16,000 but not over $20,200	$1,615 plus 18% of the excess over $16,000.
Over $20,200 but not over $24,600	$2,371 plus 21% of the excess over $20,200.
Over $24,600 but not over $29,900	$3,295 plus 23% of the excess over $24,600.
Over $29,900 but not over $35,200	$4,514 plus 27% of the excess over $29,900.

"(A) SCHEDULE 1.—MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES—Continued

Over $35,200 but not over $45,800	$5,945 plus 32% of the excess over $35,200.
Over $45,800 but not over $60,000	$9,337 plus 36% of the excess over $45,800.
Over $60,000 but not over $85,600	$14,449 plus 40% of the excess over $60,000.
Over $85,600 but not over $109,400	$24,689 plus 43% of the excess over $85,600.
Over $109,400 but not over $162,400	$34,923 plus 47% of the excess over $109,400.
Over $162,400 but not over $215,400	$59,833 plus 49% of the excess over $162,400.
$215,400 and over	$85,803 plus 50% of the excess over $215,400.

"(B) SCHEDULE 2.—HEADS OF HOUSEHOLDS

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400	10% of the excess over $2,300.
Over $4,400 but not over $6,500	$210 plus 11% of the excess over $4,400.
Over $6,500 but not over $8,700	$441 plus 13% of the excess over $6,500.
Over $8,700 but not over $11,800	$727 plus 16% of the excess over $8,700.
Over $11,800 but not over $15,000	$1,223 plus 17% of the excess over $11,800.
Over $15,000 but not over $18,200	$1,767 plus 19% of the excess over $15,000.
Over $18,200 but not over $23,500	$2,375 plus 23% of the excess over $18,200.
Over $23,500 but not over $28,800	$3,594 plus 26% of the excess over $23,500.
Over $28,800 but not over $34,100	$4,972 plus 31% of the excess over $28,800.
Over $34,100 but not over $44,700	$6,615 plus 34% of the excess over $34,100.
Over $44,700 but not over $60,600	$10,219 plus 39% of the excess over $44,700.
Over $60,600 but not over $81,800	$16,420 plus 43% of the excess over $60,600.
Over $81,800 but not over $108,300	$25,536 plus 46% of the excess over $81,800.
Over $108,300 but not over $161,300	$37,726 plus 49% of the excess over $108,300.
$161,300 and over	$63,696 plus 50% of the excess over $161,300.

"(C) SCHEDULE 3.—UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS)

If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $3,400	10% of the excess over $2,300.
Over $3,400 but not over $4,400	$110 plus 11% of the excess over $3,400.
Over $4,400 but not over $6,500	$220 plus 12% of the excess over $4,400.
Over $6,500 but not over $8,500	$472 plus 13% of the excess over $6,500.
Over $8,500 but not over $10,800	$732 plus 16% of the excess over $8,500.
Over $10,800 but not over $12,900	$1,100 plus 18% of the excess over $10,800.
Over $12,900 but not over $15,000	$1,478 plus 19% of the excess over $12,900.
Over $15,000 but not over $18,200	$1,877 plus 21% of the excess over $15,000.
Over $18,200 but not over $23,500	$2,549 plus 25% of the excess over $18,200.
Over $23,500 but not over $28,800	$3,874 plus 28% of the excess over $23,500.
Over $28,800 but not over $34,100	$5,358 plus 32% of the excess over $28,800.
Over $34,100 but not over $41,500	$7,054 plus 36% of the excess over $34,100.
Over $41,500 but not over $55,300	$9,718 plus 40% of the excess over $41,500.
Over $55,300 but not over $81,800	$15,238 plus 46% of the excess over $55,300.
Over $81,800 but not over $108,300	$27,428 plus 49% of the excess over $81,800.
$108,300 and over	$40,413 plus 50% of the excess over $108,300.

"(D) SCHEDULE 4.—MARRIED INDIVIDUALS FILING SEPARATE RETURNS

If taxable income is:	The tax is:
Not over $1,700	No tax.
Over $1,700 but not over $2,750.	10% of the excess over $1,700.
Over $2,750 but not over $3,800.	$105 plus 11% of the excess over $2,750.
Over $3,800 but not over $5,950.	$220.50 plus 13% of the excess over $3,800.
Over $5,950 but not over $8,000.	$500 plus 15% of the excess over $5,950.
Over $8,000 but not over $10,100.	$807.50 plus 18% of the excess over $8,000.
Over $10,100 but not over $12,300.	$1,185.50 plus 21% of the excess over $10,100.
Over $12,300 but not over $14,950.	$1,647.50 plus 23% of the excess over $12,300.
Over $14,950 but not over $17,600.	$2,257 plus 27% of the excess over $14,950.
Over $17,600 but not over $22,900.	$2,972.50 plus 32% of the excess over $17,600.
Over $22,900 but not over $30,000.	$4,668.50 plus 36% of the excess over $22,900.
Over $30,000 but not over $42,800.	$7,224.50 plus 40% of the excess over $30,000.
Over $42,800 but not over $54,700.	$12,344.50 plus 43% of the excess over $42,800.
Over $54,700 but not over $81,200.	$17,461.50 plus 47% of the excess over $54,700.
Over $81,200 but not over $107,700.	$29,916.50 plus 49% of the excess over $81,200.
$107,700 and over	$42,901.50 plus 50% of the excess over $107,700.

"(E) SCHEDULE 5.—ESTATES AND TRUSTS

If taxable income is:	The tax is:
Not over $1,050	10% of taxable income.
Over $1,050 but not over $2,100.	$105 plus 11% of the excess over $1,050.
Over $2,100 but not over $4,250.	$220.50 plus 13% of the excess over $2,100.
Over $4,250 but not over $6,300.	$500 plus 15% of the excess over $4,250.
Over $6,300 but not over $8,400.	$807.50 plus 18% of the excess over $6,300.
Over $8,400 but not over $10,600.	$1,185.50 plus 21% of the excess over $8,400.
Over $10,600 but not over $13,250.	$1,647.50 plus 23% of the excess over $10,600.
Over $13,250 but not over $15,900.	$2,257 plus 27% of the excess over $13,250.
Over $15,900 but not over $21,200.	$2,972.50 plus 32% of the excess over $15,900.
Over $21,200 but not over $28,300.	$4,668.50 plus 36% of the excess over $21,200.
Over $28,300 but not over $41,100.	$7,224.50 plus 40% of the excess over $28,300.
Over $41,100 but not over $53,000.	$12,344.50 plus 43% of the excess over $41,100.
Over $53,000 but not over $79,500.	$17,461.50 plus 47% of the excess over $53,000.
Over $79,500 but not over $106,000.	$29,916.50 plus 49% of the excess over $79,500.
$106,000 and over	$42,901.50 plus 50% of the excess over $106,000.

(b) REPEAL OF MAXIMUM RATE ON PERSONAL SERVICE INCOME.—Section 1348 is repealed.

(c) WITHHOLDING TABLES.—Subsection (a) of section 3402 (relating to requirement of withholding) is amended by striking out the second sentence and inserting in lieu thereof the following new sentence: "With respect to wages paid after June 30, 1981, the tables so prescribed shall be the same as the tables prescribed under this subsection which were in effect on January 1, 1980, except that such tables shall be modified to the extent necessary to reflect the amendments made by section 101 of the Economic Recovery Tax Act of 1981."

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1980.

(2) MAXIMUM TAX.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 1981.

(3) WITHHOLDING TABLES.—The amendment made by subsection (c) shall apply to remuneration paid after June 30, 1981.

SEC. 102. REDUCTION IN ALTERNATIVE MINIMUM TAX RATE.

(a) GENERAL RULE.—Section 55 (relating to alternative minimum tax) is amended by striking out subsection (a) and inserting in lieu thereof the following:

"(a) ALTERNATIVE MINIMUM TAX IMPOSED.

"(1) IN GENERAL.—In the case of a taxpayer other than a corporation, if the amount of gross alternative minimum tax determined under paragraph (2) of this subsection exceeds the regular tax for the taxable year, then there is imposed (in addition to all other taxes imposed by this title) a tax equal to the amount of such excess.

"(2) GROSS ALTERNATIVE MINIMUM TAX.—For purposes of paragraph (1) of this subsection, the amount of gross alternative minimum tax is

"(A) For taxable years beginning before January 1, 1982—

"(i) 10 percent of so much of the alternative minimum taxable income as exceeds $20,000 but does not exceed $60,000, plus

"(ii) 20 percent of so much of the alternative minimum taxable income as exceeds $60,000 but does not exceed $100,000, plus

"(iii) 25 percent of so much of the alternative minimum taxable income as exceeds $100,000.

"(B) For taxable years beginning after December 31, 1981 and before January 1, 1983—

"(i) 10 percent of so much of the alternative minimum taxable income as exceeds $20,000 but does not exceed $60,000, plus

"(ii) 20 percent of so much of the alternative minimum taxable income as exceeds $60,000 but does not exceed $100,000, plus

"(iii) 24 percent of so much of the alternative minimum taxable income as exceeds $100,000.

"(C) For taxable years beginning after December 31, 1982 and before January 1, 1984—

"(i) 10 percent of so much of the alternative minimum taxable income as exceeds $20,000 but does not exceed $60,000, plus

"(ii) 20 percent of so much of the alternative minimum taxable income as exceeds $60,000 but does not exceed $100,000, plus

"(iii) 21 percent of so much of the alternative minimum taxable income as exceeds $100,000.

"(D) For taxable years beginning after December 31, 1983—

"(i) 10 percent of so much of the alternative minimum taxable income as exceeds $20,000 but does not exceed $60,000, plus

"(ii) 20 percent of so much of the alternative minimum taxable income as exceeds $60,000."

(b) CONFORMING CHANGES.—

(1) Subparagraphs (A), (B), and (C) of section 55(c)(2) are amended by deleting "the tax imposed by subsection (a)" each time it appears, and inserting in lieu thereof "the tax imposed by paragraph (1) of subsection (a)".

(2) Subsection (a) of section 56 is amended by deleting "paragraph (1) of section 55(a)" and inserting in lieu thereof "paragraph (2) of section 55(a)."

(3) Paragraph (A) of section 897(a)(2) is amended by deleting "section 55(a)(1)(A)" and inserting in lieu thereof "section 55(a)(2)(A)(i)", and by adding at the end thereof the following new sentence: "For taxable years beginning after December 31, 1981 and before January 1, 1983, the reference to section 55(a)(2)(A)(i) in the first sentence of this subparagraph shall instead be to section 55(a)(2)(B)(i). For taxable years beginning after December 31, 1982 and before January 1, 1984, the reference to section 55(a)(2)(A)(i) in the first sentence of this subparagraph shall instead be to section 55(a)(2)(C)(i). For taxable years beginning after December 31, 1983, the reference to section 55(a)(2)(A)(i) in the first sentence of this subparagraph shall instead be to section 55(a)(2)(D)(i)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

TITLE II—INCENTIVES FOR PLANT, EQUIPMENT, AND REAL PROPERTY

SEC. 201. ACCELERATED COST RECOVERY DEDUCTION FOR PLANT AND EQUIPMENT

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 167 the following new section:

"SEC. 168. ACCELERATED COST RECOVERY DEDUCTION FOR PLANT AND EQUIPMENT.

"(a) ALLOWANCE OF DEDUCTION.—In the case of recovery property, there shall be allowed, in lieu of any deduction allowed by any other section of this part, the recovery deduction provided by this section.

"(b) AMOUNT OF DEDUCTION.—Except as provided in subsection (g) (relating to transitional rules applicable before January 1, 1985) and (h)(2) (relating to recovery property predominantly used outside the United States), the amount of the deduction allowable by subsection (a) for any taxable year shall be the aggregate amount determined by applying to the unadjusted basis of recovery property the applicable percentage determined in accordance with the following table:

ACCELERATED COST RECOVERY

"If the recovery year is:	The applicable percentage for the class of property is: 10-year	5-year	3-year
1	10	20	33
2	18	32	45
3	15	24	22
4	14	16	
5	12	8	
6	10		
7	8		
8	6		
9	4		
10	2		

"(c) RECOVERY PROPERTY.—For purposes of this title—

"(1) RECOVERY PROPERTY DEFINED.—Except as provided in subsection (f), the term 'recovery property' means tangible property of a character subject to the allowance for depreciation—

"(A) used in a trade or business, or

"(B) held for the production of income, and includible in one of the classes described in paragraph (3).

"(2) CLASSES OF RECOVERY PROPERTY.—Each item of recovery property shall be classified as 10-year property, 5-year property, or 3-year property.

"(3) CLASSES DEFINED.—

"(A) 10-YEAR PROPERTY.—The term '10-year property' means—

"(i) qualified owner-user buildings (including all structural components); and

"(ii) public utility property (other than section 1250 property except to the extent clause (i) applies) with a midpoint life of greater than 18 years.

"(B) 5-YEAR PROPERTY.—The term 5-year property means recovery property which is tangible section 1245 property and which is not 10-year property or 3-year property.

"(C) 3-YEAR PROPERTY.—The term '3-year property' means—

"(i) automobiles;

"(ii) light-duty trucks; and

"(iii) tangible section 1245 property used in connection with research and experimentation.

"(4) QUALIFIED OWNER-USER BUILDING DEFINED.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'qualified owner-user building' means any section 1250 property if—

"(i) such property is owned by the taxpayer (other than as a condominium as determined under applicable state law); and

"(ii) at all times during the taxable year in which placed in service and for taxable years thereafter, but before the earlier of the taxable year—

"(I) the property is disposed of, or

"(II) deductions have been allowed under subsection (a) for the full unadjusted basis of such property,

at least 80 percent of the usable area of such property is used by the taxpayer for a qualified use. For purposes of clause (ii) all times during the taxable year shall mean, in the case of the taxable year in which the property is placed in service, after the date such property is placed in service.

"(B) QUALIFIED USE.—For purposes of this paragraph, the term 'qualified use' means use as an industrial building or as a distribution facility.

"(C) SPECIAL RULES.—For purposes of this paragraph—

"(i) MEMBERS OF AFFILIATED GROUP.—Members of the same affiliated group of corporations which file a consolidated return under section 1501 for the taxable year shall be treated as 1 taxpayer.

"(ii) HUSBAND AND WIFE.—A husband and wife, as determined under section 143, shall be treated as 1 taxpayer.

"(D) QUALIFIED OWNER-USER BUILDING CEASING TO QUALIFY.—If, in any taxable year, any property which, for all prior taxable years in which such property was held by the taxpayer, was a qualified owner-user building (within the meaning of subparagraph (A)), ceases to be a qualified owner-user building, the recovery allowance for such taxable year and all subsequent taxable years shall be determined under section 167(r). For purposes of the preceding sentence the property shall be taken into account at its adjusted basis at the beginning of the taxable year in which it ceases to be a qualified owner-user building and the allowance shall be computed under the straight line method using a recovery period of—

"(i) In the case of property described in section 167(r)(1)(A), 18 years less the number of years a recovery deduction was allowed to the taxpayer with respect to such property under subsection (a); and

"(ii) In the case of property described in section 167(r)(1)(B), 15 years less the number of years a recovery deduction was allowed to the taxpayer with respect to such property under subsection (a).

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) PUBLIC UTILITY PROPERTY.—The term 'public utility property' means property described in section 167(l)(3)(A).

"(B) MIDPOINT LIFE.—The term 'midpoint life' means the asset guideline period prescribed as the class life by the Secretary under section 167(m) applicable as by December 31, 1980.

"(C) SECTION 1245 PROPERTY.—The term 'section 1245 property' means tangible property described in section 1245(a)(3) other than subparagraphs (C) and (D).

"(D) SECTION 1250 PROPERTY.—The term 'section 1250 property' means property described in section 1250(c) and property described in section 1245(a)(3)(C).

"(E) SECTION 1245 PROPERTY USED IN CONNECTION WITH RESEARCH OR EXPERIMENTATION.—Section 1245 property is used in connection with research or experimentation if such property is described in section 174(c).

"(F) INDUSTRIAL BUILDING.—The term 'industrial building' means section 1250 property used for manufacturing, production, extraction, cultivation of the soil, raising of livestock (including poultry), furnishing of transportation or communications services, as public utility property, or as a research facility used in connection with any of the activities described in this subparagraph. The term does not include an office building.

"(G) DISTRIBUTION FACILITY.—The term 'distribution facility' means section 1250 property used for the storage or for the sale of goods.

"(H) RESEARCH FACILITY.—The term 'research facility' means section 1250 property used in connection with research or experimentation if such property is described in section 174(c).

"(6) SAME RECOVERY PERIOD FOR COMPONENTS.—For purposes of this section, structural components of 10-year property shall have the same recovery period as the property to which they relate. The recovery period for any such component shall begin when the component is placed in service (but no earlier than the time the property to which it relates is placed in service) except

to the extent that subsection (d)(3) applies. This paragraph shall not apply to any structural components for which amortization (in lieu of depreciation) is properly elected.

"(d) UNADJUSTED BASIS.—

"(1) IN GENERAL.—For purposes of this section, the term 'unadjusted basis' means the basis of the property determined under Part II of Subchapter O of Chapter 1 without regard to the adjustments described in paragraphs (2) or (3) of section 1016(a).

"(2) TIME FOR TAKING BASIS INTO ACCOUNT.—

"(A) IN GENERAL.—Except as provided in paragraph (3), the unadjusted basis of property shall be first taken into account under subsection (b) for the taxable year in which the property is placed in service.

"(B) REDUCTIONS IN UNADJUSTED BASIS.—If the unadjusted basis of property taken into account under subparagraph (A) is reduced (such as by readjustment of the purchase price), the recovery deduction allowable under subsection (a) for the taxable year of the change and succeeding taxable years shall be adjusted in accordance with regulations prescribed by the Secretary.

"(3) SPECIAL RULES FOR PROPERTY NOT YET PLACED IN SERVICE.—

"(A) IN GENERAL.—Any qualified progress expenditure with respect to progress expenditure property shall be treated for purposes of this section as if such expenditure were property placed in service at the time the expenditure is made.

"(B) QUALIFIED PROGRESS EXPENDITURE; PROGRESS EXPENDITURE PROPERTY.—Except as provided in subparagraph (C), for purposes of this subsection, the terms 'qualified progress expenditure' and 'progress expenditure property' have the respective meanings given to such terms by subsection (d) of section 46 (relating to qualified progress expenditures for purposes of the investment credit).

"(C) EXCEPTION.—For purposes of this subsection, clause (ii) of section 46(d)(2)(A) shall be applied by substituting 'recovery property' for 'new section 38 property'.

"(D) COORDINATION WITH PARAGRAPH (1).—The unadjusted basis of property which (but for this paragraph) would be first taken into account when placed in service shall be reduced (but not below zero) by any amount that was a qualified progress expenditure under this subsection with respect to such property.

"(E) PUBLIC UTILITY PROPERTY ELECTION.—For the election for subparagraph (A) not to apply with respect to public utility property, see subsection (h)(3).

"(e) RECOGNITION OF GAIN OR LOSS AND ADJUSTMENT TO UNADJUSTED BASIS ON RETIREMENT OTHER DISPOSITION.—

"(1) GENERAL RULE.—Gain or loss as provided by section 1001(a) shall be recognized on the disposition of recovery property unless nonrecognition is specifically required or permitted by another provision of this chapter.

"(2) MASS ASSET ACCOUNTS.—In lieu of recognising gain or loss, a taxpayer who maintains one or more mass asset accounts of recovery property may, under regulations prescribed by the Secretary, elect to include in income all proceeds realized on the disposition of such property.

"(3) ADJUSTMENT TO BASIS.—Except as provided under regulations prescribed by the Secretary under subsection (h)(7), for purposes of subsection (b), on the disposition of recovery property (other than property with respect to which the election under paragraph (2) is made), the unadjusted basis of such property shall cease to be taken into account as of the beginning of the taxable year in which such disposition occurs.

"(4) DISPOSITION INCLUDES RETIREMENT.—For purposes of this subsection, the term 'disposition' includes retirement.

"(f) PROPERTY EXCLUDED FROM APPLICATION OF SECTION.—

"(1) CERTAIN PROPERTY EXCLUDED.—The term 'recovery property' does not include—

"(A) property placed in service by the taxpayer before January 1, 1981,

"(B) property with respect to which the taxpayer—

"(i) is entitled to elect amortization (in lieu of depreciation), and

"(ii) elects such amortization; and

"(C) section 1250 property (as defined in section 1250(c)) which is not 10-year property (as defined in subsection (c)(3)(A)).

"(2) CERTAIN METHODS OF DEPRECIATION.—The term 'recovery property' does not include—

"(A) property if—

"(i) the taxpayer elects to exclude such property from the application of this section, and

"(ii) for the first taxable year for which a deduction would (but for this election) be allowable under this section with respect to such property in the hands of the taxpayer, the property is properly depreciated under the unit-of-production method or any method of depreciation not expressed in a term of years, or

"(B) property which is a leasehold improvement which the taxpayer properly elects to depreciate or amortize over the term of the lease.

"(3) SPECIAL RULE FOR RRB PROPERTY.—

"(A) GENERAL RULE.—Notwithstanding paragraph (2), the term 'recovery property' includes RRB property.

"(B) RRB PROPERTY DEFINED.—For purposes of this section the term 'RRB property' means property which under the taxpayer's method of depreciation before January 1, 1981 would have been depreciated using the retirement-replacement-betterment method.

"(4) SPECIAL RULE FOR CERTAIN PUBLIC UTILITY PROPERTY.—

"(A) IN GENERAL.—Public utility property (within the meaning of section 167(l)(3)(A)) shall be treated as recovery property only if the taxpayer uses a normalization method of accounting.

"(B) USE OF NORMALIZATION METHOD DEFINED.—For purposes of subparagraph (A), in order to use a normalization method of accounting with respect to any public utility property—

"(i) the taxpayer must, in computing its tax expense for purposes of establishing its cost of service for ratemaking purposes and reflecting operating results in its regulated books of account, use a method of depreciation with respect to such property that is the same as, and a depreciation period for such property that is no shorter than, the method and period used to compute its depreciation expense for such purposes; and

"(ii) either—

"(I) in the case of property for which a recovery allowance would not be allowable but for subsection (d)(3)(A), the taxpayer must make adjustments to a reserve to reflect the deferral of taxes resulting from such recovery allowance, or

"(II) in the case of property to which (I) does not apply, if the amount allowable as a deduction under this section with respect to such property exceeds the amount that would be allowable as a deduction under section 167 (determined without regard to subsection (1) thereof) using the method and period used to compute regulated tax expense under subparagraph (B)(i), the taxpayer must make adjustments to a reserve to reflect the deferral of taxes resulting from such difference.

"(C) PUBLIC UTILITY PROPERTY WHICH IS NOT RECOVERY PROPERTY.—In the case of public utility property which, by reason of this paragraph, is not treated as recovery property, the allowance for depreciation under section 167(a) shall be an amount computed using the method and period referred to in subparagraph (B)(i).

"(5) CERTAIN SALES, LEASES, AND OTHER TRANSACTIONS IN PROPERTY PLACED IN SERVICE BEFORE 1981.—In the case of recovery property acquired directly or indirectly from a person who used such property before January 1, 1981, if—

"(A) after the property is so acquired, the property is leased back to such person;

"(B) the person so acquiring the property bears a relationship specified in section 267(b) or section 707(b)(1) to the person using such property before January 1, 1981;

"(C) the person so acquiring the property and the person using such property before January 1, 1981, are engaged in trades or businesses under common control (within the meaning of subsections (b) and (c) of section 414); or

"(D) under regulations prescribed by the secretary, the property is acquired in a transaction the principal purpose of which is to avoid subparagraph (A) of subsection (f)(1);

then the recovery deduction for the taxable year shall be, in lieu of the amount determined under subsection (b), the amount determined by applying to the unadjusted basis of such property the applicable percentage determined under section 312(k)(3). For property described in this paragraph, subsection (g) shall not apply. For purposes of subparagraph (B), in applying section 267(b) and section 707(b)(1) '10 percent' shall be substituted for '50 percent'. For purposes of subparagraph (C), in applying section 414(b), 'more than 50 percent' shall be substituted for 'at least 80 percent' each time it appears in section 1563(a)(1). For purposes of this paragraph, property owned by an individual shall be treated as also owned by his or her spouse.

"(g) TRANSITIONAL APPLICABLE PERCENTAGES FOR 10-YEAR PROPERTY AND 5-YEAR PROPERTY.—

"(1) IN GENERAL.—The Secretary shall prescribe tables settings forth transitional applicable percentages—

"(A) for 10-year property placed in service before January 1, 1985, and

"(B) for 5-year property placed in service before January 1, 1985.

Except as provided in paragraph (6), paragraph (9), subsection (f)(5), and subsection (h)(2), if for any taxable year for any property there is a transitional applicable percentage, such percentage shall be substituted for the applicable percentage set forth in subsection (b).

"(2) TRANSITIONAL APPLICABLE PERCENTAGES FOR 10-YEAR PROPERTY.—The transitional applicable percentages for 10-year property shall be determined in accordance with the following assigned recovery periods:

"TRANSITIONAL RECOVERY PERIODS FOR 10-YEAR PROPERTY

"For property placed in service in.	The transitional applicable percentage shall be based on a recovery period of the following number of years:
1981	ADR lower limit.
1982	ADR lower limit minus 2 years
1983	ADR lower limit minus 4 years
1984	ADR lower limit minus 6 years

The recovery period determined under this paragraph shall in no case be less than 10 years.

"(3) TRANSITIONAL APPLICABLE PERCENTAGES FOR CERTAIN 5-YEAR PROPERTY.—The transitional applicable percentages for 5-year property shall be determined in accordance with the following assigned recovery periods:

TRANSITIONAL RECOVERY PERIODS FOR CERTAIN 5 -YEAR PROPERTY

"For property placed in service in—	The transitional applicable percentage shall be based on a recovery period of the following number of years:
1981	ADR lower limit.
1982	ADR lower limit minus 1 year.
1983	ADR lower limit minus 2 years.
1984	ADR lower limit minus 3 years.

The recovery period determined under this paragraph shall in no case be less than 5 years.

"(4) ADR LOWER LIMIT DEFINED.—For purposes of paragraphs (2) and (3), the ADR lower limit for any class of property is the lower limit of the asset depreciation range for such class of property under section 167(m) in effect on December 31, 1980. For purposes of the preceding sentence, lower limits in excess of 18 years in the case of 10-year property, or 9 years in the case of 5-year property, shall be treated as equal to 18 years or 9 years, respectively, and any lower limit which is not a whole number of years shall be reduced to the next lower whole number of years. For purposes of this paragraph, in the case of property for which on December 31, 1980 no asset depreciation range was in effect, the ADR lower limit shall be considered 18 years in the case of 10-year property, and 9 years in the case of 5-year property.

"(5) TABLES TO BE SIMILAR TO SUBSECTION (b) TABLE.—The tables prescribed under paragraph (1) for any class of property for any assigned recovery period shall be based on principles similar to those used in the computation of the table under subsection (b) for that class of property.

"(6) SPECIAL RULE FOR CERTAIN 5-YEAR PROPERTY.—

"(A) IN GENERAL.—In the case of 5-year property placed in service after December 31, 1980 and before January 1, 1985, at the election of the taxpayer, paragraph (1) shall not apply to property placed in service with an aggregate unadjusted basis (in whole or in part) not exceeding $100,000 for any taxable year (and for which such year is recovery year 1).

"(B) FISCAL YEARS.—In the case of any taxable year that is not a calendar year and which begins before January 1, 1981 or ends after December 31, 1984, the $100,000 referred to in subparagraph (A) shall be reduced by an amount which bears the same relationship to $100,000 as the number of months of the taxable year before January 1, 1981 or after December 31, 1984, as the case may be, bears to the number of months in the taxable year.

"(C) SHORT TAXABLE YEARS.—In the case of any taxable year that is less than 12 months, the $100,000 referred to in subparagraph (A) and (B) shall be reduced by an amount which bears the same relationship to $100,000 as the number of months less than 12 in the taxable year bears to 12.

"(D) SELECTION OF PROPERTY TO BE TREATED UNDER SPECIAL RULE.—In the case of any taxable year to which this paragraph applies, and in which the aggregate of the unadjusted basis of 5-year property for which such year is recovery year 1 exceeds the applicable limitations determined under subparagraphs (A), (B) and (C), the taxpayer shall select the items of 5-year property to which the transitional applicable percentages determined under paragraph (3) shall apply.

"(E) LIMITATIONS.—For purposes of applying the dollar limitation provided by this paragraph, the following rules shall apply:

"(i) CONTROLLED GROUP OF CORPORATIONS.—

"(I) IN GENERAL.—All component members of a controlled group of corporations shall be treated as one taxpayer.

"(II) APPORTIONMENT.—The dollar limitation shall be apportioned among the component members of such controlled group in accordance with regulations prescribed by the Secretary.

"(III) CONTROLLED GROUP DEFINED.—For purposes of this clause, the term 'controlled group' has the meaning assigned to it by section 1563(a) except that the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' each place it appears in section 1563(a)(1).

"(ii) MARRIED INDIVIDUALS.—In the case of a husband or wife (who are married as determined in section 143) who file a separate return, the limitation shall be one-half of the limitation applicable to the taxpayer without regard to this clause. This clause shall not apply if the spouse of the taxpayer has no 5-year recovery property which may be taken into account under this paragraph for the taxable year of the spouse which ends with or within the taxpayer's taxable year.

"(7) QUALIFIED EXPENDITURES.—For purposes of this subsection, qualified progress expenditures described in subsection (d)(3) shall be considered property placed in service in the year the expenditure are made.

"(8) TRANSITIONAL RULE FOR FISCAL YEAR TAXPAYERS.—If—

"(A) the taxpayer's taxable year is a period other than the calendar year, and

"(B) for purposes of subsection (b) a transitional applicable percentage applies to recovery property

then the transitional applicable percentage with respect to each separate property shall be the appropriate percentage with respect to the calendar year in which the property was placed in service (or qualified progress expenditure was made).

"(9) SPECIAL RULE FOR RRB PROPERTY.—This subsection shall not apply to RRB property (as defined in subparagraph (B) of subsection (f)(3)) that is 5-year property.

"(h) SPECIAL RULES.—For purposes of this section—

"(1) RECOVERY YEAR 1, ETC.—The term 'recovery year 1' means the first taxable year for which a deduction with respect to recovery property is allowable under subsection (a). The immediately following taxable year shall be recovery year 2, and the taxable years which follow shall be numbered accordingly.

"(2) RECOVERY PROPERTY PREDOMINANTLY USED OUTSIDE THE UNITED STATES.—

"(A) IN GENERAL.—In the case of recovery property which, during the taxable year, is predominantly used outside the United States (within the meaning of paragraph (2) of section 48(a)), the recovery deduction for the taxable year shall be, in lieu of the amount determined under subsection (b), the amount determined by applying to the unadjusted basis of such property the applicable percentage determined under section 312(k)(3). For property described in this paragraph, subsection (g) will not apply.

"(B) SPECIAL RULE.—For purposes of this subsection, paragraph (2) of section 48(a) shall be applied by substituting 'recovery property' for 'section 38 property'.

"(3) PUBLIC UTILITY MAY ELECT NOT TO TAKE INTO ACCOUNT PROGRESS PAYMENTS.—

"(A) IN GENERAL.—In the case of public utility property (within the meaning of section 167(l)(3)), the taxpayer may, at its own option and without regard to any requirement imposed by an agency described in section 167(l)(3)(A), elect to treat all expenditures and additions to capital account for the period before the property is placed in service as made during the taxable year in which the property is placed in service.

"(B) EFFECT OF ELECTION.—An election under subparagraph (A) shall apply to all public utility property of the taxpayer for the taxable year for which the election is made and all subsequent taxable years unless the Secretary consents to a revocation of such election.

"(4) MANNER AND TIME FOR MAKING ELECTIONS.—

"(A) IN GENERAL.—Any election under this section shall be made for the taxable year in which the property is placed in service. For purposes of this paragraph, property shall be treated as placed in service in the first taxable year in which expenditures with respect to such property are qualified progress expenditures under subsection (d)(3)(A).

"(B) MADE ON RETURN.—Any election under this section shall be made on the taxpayer's return of the tax imposed by this chapter for the taxable year concerned.

"(C) REVOCATION ONLY WITH CONSENT.—Any election under this section, once made, may be revoked only with the consent of the Secretary.

"(5) SHORT TAXABLE YEARS.—In the case of a taxable year that is less than 12 months, the amount of the deduction under subsections (b), (f)(5), or (h)(2) shall be an amount which bears the same relationship to the amount of the deduction, determined without regard to this paragraph, as the number of months in the short taxable year bears to 12. In such case, the amount of deduction for subsequent taxable years shall be appropriately adjusted in accordance with regulations prescribed by the Secretary. The determination of when a taxable year begins shall be made in accordance with regulations prescribed by the Secretary.

"(6) LEASEHOLD IMPROVEMENTS.—For purposes of determining whether a leasehold improvement which is recovery property shall be amortized over the term of the lease, the recovery period of such property shall be taken into account in lieu of its useful life.

"(7) SPECIAL RULE FOR NONRECOGNITION TRANSACTIONS.—The application of this section in cases in which recovery property is acquired or is disposed of in a transaction in which gain or loss is not recognized, in whole or in part, shall be made in accordance with regulations prescribed by the Secretary.

"(i) CROSS REFERENCE.—For special rules with respect to certain gain derived from disposition of recovery property, see section 1245."

SEC. 202. ACCELERATED AND SIMPLIFIED COST RECOVERY OF CERTAIN REAL PROPERTY.

(a) GENERAL RULE.—Section 167 (relating to depreciation) is amended by redesignating subsections (r) and (s) as subsection (s) and (t), respectively, and by inserting after subsection (q) the following new subsection:

"(r) SHORTENED AND AUDIT-PROOF RECOVERY PERIODS FOR CERTAIN BUILDINGS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), (9), and (11), in the case of section 167(r) property, the allowance under subsection (a) shall be computed under the straight line method using a recovery period of—

"(A) 18 years in the case of residential rental property (other than low-income rental housing), and

"(B) 15 years in the case of—

"(i) low-income rental housing; and

"(ii) all other section 167(r) property.

"(2) TRANSITIONAL RECOVERY PERIODS FOR 15-YEAR PROPERTY.—Except as provided in paragraphs (9) and (11), in the case of property described in subparagraph (B) of paragraph (1) which is placed in service after December 31, 1980 and before January 1, 1983, the allowance under subsection (a) shall be computed under the straight line method using the following recovery periods:

(In years)

"For property placed in service in:	The recovery period is:
1981	18
1982	16

For purposes of this paragraph, qualified progress expenditures shall be considered property that is placed in service in the year the expenditures are made.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) SECTION 167(r) PROPERTY.—The term 'section 167(r) property' means section 1250 property (as defined in section 1250(c) and property described in section 1245(a)(3)(C)) which is not recovery property (as defined in section 168(c)).

"(B) LOW INCOME RENTAL HOUSING.—The term 'low-income rental housing' means property described in subparagraphs (B) and (C) of subsection (k)(3).

"(C) RESIDENTIAL RENTAL PROPERTY.—The term 'residential rental property' means property described in subsection (j)(2)(B) except that 'if more than 20 percent' shall be substituted for 'only if 80 percent or more.'

"(4) 15-YEAR PROPERTY CEASING TO QUALIFY.—If, in any taxable year, any property which, for all prior taxable years in which held by the taxpayer, was either property described in section 168(c) or in subsection (r)(1)(B), becomes property described in paragraph (r)(1)(A), the recovery allowance for the taxable year and all subsequent taxable years shall be determined under this subsection as modified by this paragraph. For purposes of the preceding sentence, the property shall be taken into account at its adjusted basis at the beginning of the first taxable year in which it becomes property described in paragraph (r)(1)(A) and the allowance shall be computed under the straightline method using a recovery period of 18 years less the number of years a deduction was previously allowed to the taxpayer with respect to such property under subsection (a) or section 168(a).

"(5) SHORT TAXABLE YEARS.—In the case of a taxable year which is less than 12 months, the allowance under subsection (a) shall be an amount which bears the same relationship to the amount determined without regard to this paragraph, as the number of days in the short taxable year bears to 365.

"(6) FIRST-YEAR ALLOWANCE.—The allowance under subsection (a), with respect to property described in this subsection, for the taxable year in which such property is placed in service shall be an amount which bears the same relationship to the full year allowance as the number of days the property is in service during such taxable year bears to the number of days in the taxable year.

"(7) LAST-YEAR ALLOWANCE.—The allowance under subsection (a), with respect to property described in this subsection, for the taxable year in which such property is disposed of (including retirement), shall be an amount which bears the same relationship to the full year allowance as the number of days during such taxable year the property is in service bears to the number of days in the taxable year.

"(8) EXCLUDED PROPERTY.—For purposes of this subsection, the following shall not be considered section 167(r) property—

"(A) property placed in service before January 1, 1981;

"(B) property with respect to which the taxpayer—

"(i) is entitled to elect amortization (in lieu of depreciation) including amortization under subsection (k) or section 191, and

"(ii) elects such amortization;

"(C) property which is a leasehold improvement which the taxpayer properly elects to depreciate or amortize over the term of the lease;

"(D) public utility property (within the meaning of subsection (1)(3)(A)), unless the taxpayer uses a normalization method of accounting (within the meaning of section 168(f)(4)(B)).

In the case that public utility property is not considered section 167(r) property by reason of subparagraph (D), the rule described in section 168(f)(4)(C) shall apply.

"(9) CERTAIN SALES, LEASES, AND OTHER TRANSACTIONS IN PROPERTY PLACED IN SERVICE BEFORE 1981.—In the case of section 167(r) property acquired directly or indirectly from a person who used such property before January 1, 1981, if—

"(A) after the property is so acquired, the property is leased back to such person;

"(B) the person so acquiring the property bears a relationship specified in section 267(b) or section 707(b)(1) to the person using such property before January 1, 1981;

"(C) the person so acquiring the property and the person using such property before January 1, 1981, are engaged in trades or businesses under common control (within the meaning of subsections (b) and (c) of section 414); or

"(D) under regulations prescribed by the Secretary, the property is acquired in a transaction the principal purpose of which is to avoid subparagraph (A) of paragraph (8);

then the allowance provided by paragraph (1) shall be computed using a recovery period of 30 years, and paragraph (2) shall not apply. For purposes of subparagraph (B), in applying section 267(b) and section 707(b)(1), '10 percent' shall be substituted for '50 percent'. For purposes of subparagraph (C), in applying section 414(b), 'more than 50 percent' shall be substituted 'for at least 80 percent' each time it appears in section 1563(a)(1). For purposes of this paragraph, property owned by an individual shall be treated as also owned by his or her spouse.

"(10) SAME RECOVERY PERIOD FOR COMPONENTS.—For purposes of this section, structural components of section 167(r) property shall have the same recovery period as the property to which they relate. The recovery period for any such component shall begin when the component is placed in service (but no earlier than the time the property to which it relates is placed in service) except to the extent that paragraph (12) applies. This paragraph shall not apply to any structural component for which amortization (in lieu of depreciation) is properly elected.

"(11) PROPERTY LOCATED OUTSIDE THE UNITED STATES.—In the case of section 167(r) property that is located outside the United States, the allowance provided for by paragraph (1) shall be computed using a recovery period of 30 years, and paragraph (2) shall not apply.

"(12) SPECIAL RULE FOR PROPERTY NOT YET PLACED IN SERVICE.—

"(A) IN GENERAL.—For purposes of this subsection, any qualified progress expenditure with respect to progress expenditure property shall be treated as if such expenditure were property placed in service at the time the expenditure is made.

"(B) QUALIFIED PROGRESS EXPENDITURE; PROGRESS EXPENDITURE PROPERTY.—Except as provided in subparagraph (C), for purposes of this paragraph, the terms 'qualified progress expenditure' and 'progress expenditure property' have the respective meanings given to such terms by subsection (d) of section 46 (relating to qualified progress expenditures for purposes of the investment credit).

"(C) EXCEPTION.—For purposes of this paragraph, clause (ii) of section 46(d)(2)(A) shall be applied by substituting 'section 167(r) property' for 'new section 38 property'.

"(D) COORDINATION WITH PARAGRAPH (1).—The unadjusted basis of property which (but for this paragraph) would be first taken into account when placed in service shall be reduced (but not below zero) by any amount that was a qualified progress expenditure under this subsection with respect to such property.

"(E) PUBLIC UTILITY MAY ELECT NOT TO TAKE INTO ACCOUNT PROGRESS PAYMENTS.—

"(i) IN GENERAL.—In the case of public utility property (within the meaning of subsection (1)(3)), the taxpayer may, at its own option and without regard to any requirement imposed by an agency described in subsection (1)(3)(A), elect to treat all additions to capital account for the period before the property is placed in service as made during the taxable year in which the property is placed in service.

"(ii) EFFECT OF ELECTION.—An election under clause (i) shall apply to all public utility property of the taxpayer for the taxable year for which the election is made and all subsequent taxable years unless the Secretary consents to a revocation of such election.

"(13) MANNER AND TIME FOR MAKING ELECTIONS.—

"(A) IN GENERAL.—Any election under this subsection shall be made for the taxable year in which the property is placed in service. For purposes of this paragraph, property shall be treated as placed in service in the first taxable year in which expenditures with respect to such property are qualified progress expenditures under paragraph (12).

"(B) MADE ON RETURN.—Any election under this subsection shall be made on the taxpayer's return of the tax imposed by this chapter for the taxable year concerned.

"(C) REVOCATION ONLY WITH CONSENT.—Any election under this subsection, once made, may be revoked only with the consent of the Secretary.

"(14) LEASEHOLD IMPROVEMENTS.—For purposes of determining whether a leasehold improvement which is section 167(r) property shall be amortized over the term of the lease, the recovery period of such property shall be taken into account in lieu of its useful life.

"(15) SALVAGE VALUE EXCLUDED.—For purposes of determining the allowance under paragraph (1), salvage value shall not be taken into account.

"(16) COORDINATION WITH SUBSECTION (j).—In the case of property to which this subsection applies, subsection (j) shall not apply."

SEC. 203. SHORTER PERIOD REQUIREMENTS FOR INVESTMENT TAX CREDIT.

(a) APPLICABLE PERCENTAGE.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(7) APPLICABLE PERCENTAGE FOR RECOVERY PROPERTY.—Notwithstanding paragraph (2), the applicable percentage for purposes of paragraph (1) shall be—

"(A) in the case of 10-year or 5-year recovery property (within the meaning of section 168(c)), 100 percent, and

"(B) in the case of 3-year recovery property (within the meaning of section 168(c)), 60 percent."

(b) REVISION OF PROGRESS EXPENDITURE RULES.—

(1) Paragraph (1) of section 46(d) is amended to read as follows:

"(1) INCREASE IN QUALIFIED INVESTMENT.—

"(A) IN GENERAL.—The amount of the qualified investment of any taxpayer for the taxable year (determined under subsection (c) without regard to this subsection) shall be increased by an amount equal to the aggregate of the applicable percentage of each qualified progress expenditure for the taxable year with respect to progress expenditure property.

"(B) APPLICABLE PERCENTAGE.—

"(i) RECOVERY PROPERTY.—For purposes of subparagraph (A), the applicable percentage for recovery property (within the meaning of section 168) shall be determined under subsection (c)(7) based on a reasonable expectation of what the character of the property will be when it is placed in service. The preceding sentence shall be applied on the basis of the facts known at the close of the taxable year of the taxpayer in which the expenditure is made.

"(ii) NONRECOVERY PROPERTY.—For purposes of subparagraph (A), the applicable percentage for property which is not recovery property (within the meaning of section 168) shall be determined under subsection (c)(2) based on a reasonable expectation of what the useful life of the property will be when it is placed in service. The preceding sentence shall be applied on the basis of the facts known at the close of the taxable year of the taxpayer in which the expenditure is made."

(2) Clause (ii) of section 46(d)(2)(A) (defining progress expenditure property) is amended by striking out "having a useful life of 7 years or more".

(3) Paragraph (6) of section 46(d) is repealed and paragraph (7) of section 46(d) is redesignated paragraph (6).

(c) AMENDMENT OF RECAPTURE RULES.—

(1) IN GENERAL.—Subsection (a) of section 47 (relating to certain dispositions, etc. of section 38 property) is amended by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) SPECIAL RULES FOR RECOVERY PROPERTY.—

"(A) GENERAL RULE.—If, during any taxable year, section 38 recovery property is disposed of, or otherwise ceases to be section 38 property with respect to the taxpayer before the close of the recapture period, then, except as provided in subparagraph (D), the tax under this chapter for such taxable year shall be increased by the recapture percentage of the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from reducing to zero the qualified investment taken into account with respect to such property.

"(B) RECAPTURE PERCENTAGE.—For purposes of subparagraph (A), the recapture percentage shall be determined in accordance with the following table:

"If the recovery property ceases to be section 38 property within:	The recapture percentage is: For 10-year and 5-year property	For 3-year property
(i) One full year after placed in service.	100 percent	100 percent.
(ii) One full year after the close of the period described in clause (i).	80 percent	66 percent.
(iii) One full year after the close of the period described in clause (ii).	60 percent	33 percent.
(iv) One full year after the close of the period described in clause (iii).	40 percent	0 percent.
(v) One full year after the close of the period described in clause (iv).	20 percent	0 percent.

"(C) PROGRESS EXPENDITURES.—If, during any taxable year, any recovery property taken into account in determining qualified investment under section 46(d)(1) becomes, with respect to the taxpayer, recovery property of a character other than that expected in determining the applicable percentage under section 46(d)(1)(B)(i), then the tax under this chapter for such taxable year shall be adjusted in accordance with regulations prescribed by the Secretary.

"(D) LIMITATION.—The tax for the taxable year shall be increased under subparagraph (A) only with respect to the credits allowed under section 38 which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carrybacks and carryovers under section 46(b) shall be appropriately adjusted.

"(E) DEFINITIONS AND SPECIAL RULES.—

"(i) SECTION 38 RECOVERY PROPERTY.—For purposes of this paragraph, the term 'section 38 recovery property' means any section 38 property which is recovery property (within the meaning of section 168).

"(ii) RECAPTURE PERIOD.—For purposes of this paragraph, the term 'recapture period' means, with respect to any recovery property, the period consisting of the first full year after the property is placed in service and the 4 succeeding full years (the 2 succeeding full years in the case of 3-year property).

"(iii) CLASSIFICATION OF PROPERTY.—For purposes of this paragraph, property shall be classified as provided in section 168(c).

"(iv) PARAGRAPH (1) NOT TO APPLY.—Paragraph (1) shall not apply with respect to any recovery property."

(2) TECHNICAL AMENDMENTS.—

(A) Subparagraph (D) of section 47(a)(3) is amended to read as follows:

"(D) COORDINATION WITH PARAGRAPHS (1) AND (2).—If, after property is placed in service, there is a disposition or other cessation described in paragraph (1), or a disposition, cessation, or change in expected use described in paragraph (5), then paragraph (1) or (5), as the case may be, shall be applied as if any credit, which was allowable by reason of section 46(d) and which has not been required to be recaptured before such disposition, cessation, or change in use were allowable for the taxable year the property was placed in service.

(B) Paragraph (6) of section 47(a) (as redesignated by paragraph (1) of this subsection) is amended by striking out "paragraph (1) or (3)" and inserting in lieu thereof "paragraph (1), (3), or (5)".

(C) Subparagraph (E) of section 47(a)(7) (as redesignated by paragraph (1)) is amended by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (6)".

(d) TECHNICAL AMENDMENTS RELATING TO CERTAIN PUBLIC UTILITY PROPERTY.—Section 46(f) (relating to limitation of the investment credit in the case of certain regulated companies) is amended:

(1) by adding at the end of paragraph (1) thereof the following new sentence: "In the case of property placed in service after December 31, 1981, other than property to which the immediately preceding sentence applies, subparagraph (A) shall not apply if the taxpayer's cost of service for rate making services is reduced by not more than a ratable portion of the credit allowed by section 38 (determined without regard to this subsection)."

(2) by adding at the end of subparagraph (2) thereof the following new sentence: "This paragraph shall not apply in the case of property placed in service after December 31, 1981."

(e) TECHNICAL AMENDMENT RELATING TO NONCORPORATE LESSORS.—Paragraph (3) of section 46(e) is amended by adding at the end thereof the following new sentence: "For purposes of subparagraph (B), in the case of recovery property (within the meaning of section 168(c)), the following useful lives shall apply:

In the case of—	The useful life is (In years)
3-year property	5
5-year property	10
10-year property	20

(f) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 46(c) is amended by adding the sentence before the table to read as follows:

"(2) APPLICABLE PERCENTAGE IN CERTAIN CASES.—For purposes of paragraph (1), except as provided in paragraphs (3), (6) and (7), the applicable percentage for any property shall be determined under the following table:"

(2) Subparagraph (A) of section 46(c)(6) (relating to special rules for commuter highway vehicles) is amended to read as follows:

"(A) IN GENERAL.—Notwithstanding paragraph (2) or (3), in the case of a commuter highway vehicle the useful life of which is 3 years or more, or which is recovery property (within the meaning of section 168), the applicable percentage for purposes of paragraph (1) shall be 100 percent."

(3) Subparagraph (C) of section 48(1)(2) (defining energy property) is amended by inserting at the end thereof "or which is recovery property (within the meaning of section 168)."

(4) The last sentence of section 48(a)(1) (defining section 38 property) is amended by striking out "includes only property" and inserting in lieu thereof "includes only recovery property (within the meaning of section 168) (without record to any useful life) and any other property".

(g) APPLICATION OF AT RISK RULES TO INVESTMENT CREDIT.—

(1) IN GENERAL.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraphs:

"(8) LIMITATION TO AMOUNT AT RISK.—In the case of any person to whom section 465 (relating to certain amounts at risk) applies, the basis of each new section 38 property under paragraph (1)(A) and the cost of each used section 38 property under paragraph (1)(B) shall not exceed the amount which the taxpayer has at risk (within the meaning of section 465(b) without regard to paragraph (5) thereof) with respect to such property at the time such property is placed in service."

"(9) SUBSEQUENT INCREASES IN THE TAXPAYER'S AMOUNT AT RISK WITH RESPECT TO THE PROPERTY.—

"(A) IN GENERAL.—If, at the close of a taxable year subsequent to the year in which property was placed into service, the amount which the taxpayer has at risk with respect to such property has increased (as determined under subparagraph (B)), such increase shall be taken into account as additional qualified investment in such property in accordance with subparagraph (C).

"(B) INCREASES TO BE TAKEN INTO ACCOUNT.—For purposes of subparagraphs (A) and (C), the amount which a taxpayer has at risk with respect to a property shall be treated as increased by the sum of the cash and the fair market value of property (other than property with respect to which the taxpayer is not at risk) used to reduce the principal sum of any amount with respect to which the taxpayer is not at risk.

"(C) MANNER IN WHICH TAKEN INTO ACCOUNT.—For purposes of determining the amount of credit allowed under section 38 and amount of credit subject to the early disposition rules under section 47, an increase in a taxpayer's qualified investment in property (determined under subparagraph (B)) shall be deemed to be additional qualified investment made by the taxpayer in the year in which the property referred to in subparagraph (A) was first placed into service. However, the credit determined by taking into account the increase in qualified investment under this paragraph shall be considered a credit earned in the taxable year of such increase."

(2) RECAPTURE.—Subsection (a) of section 47 (relating to certain dispositions of section 38 property) is amended by adding at the end thereof the following new paragraph:

"(9) PROPERTY THAT CEASES TO BE AT RISK.—

If the taxpayer ceases to any extent to be at risk (within the meaning of section 465(b) without regard to paragraph (5) thereof) with respect to property, then the tax under this chapter for such taxable year shall be increased by an amount equal to the aggregate decrease in credits allowed under section 38 for all prior taxable years which would have resulted from substituting, in determining qualified investment, the amount determined under section 46(c)(8) with respect to such property if the taxpayer had not been at risk with respect to such property on the date it was placed in service, for the amount of such qualified investment on the date it was placed in service."

SEC. 204. AMENDMENTS RELATED TO DEPRECIATION

(a) RECOVERY DEDUCTION TREATED AS DEPRECIATION.—Subsection (a) of section 167 (relating to depreciation) is amended by adding at the end thereof the following new sentence: "In the case of recovery property (within the meaning of section 168), the deduction allowable under section 168 shall be deemed to constitute the reasonable allowance provided by this section."

(b) NO ADDITIONAL FIRST-YEAR DEPRECIATION FOR RECOVERY PERIOD.—Subsection (a) of section 179 is amended by adding after "In the case of section 179 property" the following: "placed in service before January 1, 1981"

(c) TERMINATION OF CLASS LIFE SYSTEM.—Subsection (m) of section 167 (relating to class lives is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—This subsection shall not apply with respect to recovery property (within the meaning of section 168) and section 167(r) property placed in service after December 31, 1980."

(d) RETIREMENT-REPLACEMENT-BETTERMENT METHOD OF DEPRECIATION.—

(1) GENERAL RULE.—Section 167(s), as redesignated by section 202 of this Act, is repealed as of January 1, 1981 and the allowance for depreciation under section 167(a) for railroad track shall be computed using a ratable method. The repeal of section 167(s) and use of a ratable method shall be treated under sections 446 and 481 as a change of accounting method.

(2) TRANSITIONAL RULE.—

(A) PRE-1981 PROPERTY.—For purposes of section 167(a) with respect to property placed in service before January 1, 1981 to which paragraph (1) of section 204(d) of the Act applies, such property shall be depreciated using a useful life of not less than 10 years and a method described in section 167(b).

(B) COORDINATION WITH SECTION 481.—In the case of any taxpayer required by this section to change its method of accounting as of January 1, 1981—

(i) such change shall be treated as having been made with the consent of the Secretary,

(ii) for purposes of section 481(a)(2), such change shall be treated as a change not initiated by the taxpayer, and

(iii) under regulations prescribed by the Secretary, the net amount of adjustments required by section 481(a) to be taken into account by the taxpayer in computing taxable income shall be taken into account in each of the 10 taxable years (or the remaining taxable years where there is a stated future life of less than 10 taxable years) beginning with the year of change.

(e) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 167 the following new item:

"Sec. 168. Accelerated cost recovery deduction for plant and equipment."

SEC. 205. DISPOSITION OF RECOVERY PROPERTY SUBJECT TO RECAPTURE UNDER SECTION 1245.

(a) GENERAL RULE.—Paragraph (1) of section 1245(a) (relating to ordinary income) is amended by inserting after "December 31, 1962," the following: "or recovery property (as defined in section 168(c)) is disposed of after December 31, 1980,"

(b) RECOMPUTED BASIS.—Paragraph (2) of section 1245(a) (relating to recomputed basis) is amended by adding the following new subparagraph immediately following subparagraph (D):

"(E) with respect to any recovery property (within the meaning of section 168), its adjusted basis recomputed by adding thereto all adjustments attributable to periods for which a recovery deduction is allowed under section 168(a) (as added by the Economic Recovery Tax Act of 1981)."

(c) OWNER-USER BUILDING.—Subsection (b) of section 1250 (relating to additional depreciation defined) is amended by adding after paragraph (4) the following new paragraph:

"(5) OWNER-USER BUILDING.—The term 'additional depreciation' also means in the case of property which for any prior taxable year was a qualified owner-user building (as defined in section 169(c)(4)) in the hands of the taxpayer and which ceased to be a qualified owner-user building, the amount of deductions allowed under section 168(a). In such case, the provision of paragraph (1) relating to property held for more than one year, shall not apply with respect to the deduction allowed under section 168(a)."

(d) CONFORMING CHANGES.—

(1) SECTION 1250.—

(A) Clause (1) of section 1250(a)(1)(A) (relating to general rule) is amended by deleting "(1) or (4)" and inserting in lieu thereof "(1), (4), or (5)".

(B) Subsection (d) of section 1250 (relating to exceptions and limitations) is amended by adding after paragraph (10) the following new paragraph:

"(11) RECOVERY PROPERTY.—Subsection (a) shall not apply to the disposition of property which at the time of such disposition is recovery property (as defined by section 168(c))."

(2) SECTION 1245.—Paragraph (2) of section 1245(a) is amended by inserting after "1976)," each time it appears "168 (as added by the Economic Recovery Tax Act of 1981),".

SEC. 206. MINIMUM TAX AMENDMENT.—

(a) ELIMINATION OF MINIMUM TAX FOR REAL PROPERTY WITH SHORTENED, AUDIT-PROOF LIFE.—Paragraph (2) of section 57(a) (relating to accelerated depreciation on real property as an item of tax preference) is amended by adding at the end thereof the following sentence: "For purposes of the preceding sentence, in the case of property described in section 167(r), the recovery period applicable under that section shall be considered the useful life of such property."

(b) RULES FOR RECOVERY PROPERTY.—Subsection (a) of section 57 (defining items of tax preference) is amended by inserting after paragraph (11) the following new paragraph:

"(12) ACCELERATED COST RECOVERY DEDUCTION.—

"(A) IN GENERAL.—With respect to each recovery property which is subject to a lease, the amount (if any) by which the recovery deduction allowed for the taxable year exceeds the amount determined under section 312(k) for such year with respect to such property.

"(B) LIMITATIONS; CORPORATIONS.—This paragraph shall not apply to any taxpayer which is a corporation (other than an electing small business corporation (as defined in section 1371(b)) or a personal holding company (as defined in section 542)).

"(C) PARAGRAPHS (2) AND (3) DO NOT APPLY TO RECOVERY PROPERTY.—Paragraphs (2) and (3) shall not apply to recovery property (within the meaning of section 168)."

SEC. 207. EARNINGS AND PROFITS.

(a) Subsection (k) of section 312 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) EXCEPTION FOR RECOVERY PROPERTY AND SECTION 167(r) PROPERTY.—

"(A) GENERAL RULE.—Except as otherwise provided in subparagraph (C), if for any taxable year a recovery deduction is allowable under section 168(a) with respect to recovery property (as defined in section 168(c)), or under section 167(r) with respect to section 167(r) property (as defined in section 167(r)(3)(A)), then the adjustment to earnings and profits for depreciation for such year shall be, in lieu of the amount determined under section 168 or 167(r), the applicable percentage of the unadjusted basis determined under subparagraph (B).

"(B) APPLICABLE PERCENTAGE.—The applicable percentages described in subparagraph (A) are as follows:

In the case of:	The applicable percentage is:
3-year recovery property	20 percent.
5-year recovery property	10 percent.
10-year recovery property (other than section 1250 property).	5 percent.
10-year section 1250 recovery property and section 167 (r) property.	3.33 percent.

"(C) ADJUSTMENT AFTER CLOSE OF RECOVERY PERIOD.—

"(i) IN GENERAL.—The adjustment provided under paragraph (A) shall continue with respect to property following the close of the applicable recovery period until the earlier of—

"(I) 100 percent of the unadjusted basis of such property is charged to earnings and profits; or

"(II) the property is disposed of.

"(ii) RECOVERY PERIOD.—For purposes of this subparagraph, the 'recovery period' for any property is the period during which a deduction is allowable with respect to such property under section 168(a) or section 167(a) as the case may be.

"(D) DEFINITIONS AND SPECIAL RULES.—

"(i) FIRST-YEAR APPLICABLE PERCENTAGE.—

"(I) If, with respect to recovery property, the taxable year in which the recovery deduction allowable under section 168(a) is recovery year 1, then the applicable percentage shall be one-half the percentage provided in subparagraph (B).

"(II) If, with respect to section 167(r) property, the taxable year in which the deduction allowable under section 167(a) is the year the property is placed in service, then the applicable percentage shall be the percentage provided in subparagraph (B) times a fraction the numerator of which is the number of days in the taxable year the property is in service, and the denominator of which is the total number of days in the taxable year.

"(ii) RECOVERY YEAR 1.—For purposes of this section, the term 'recovery year 1' has the same meaning as insection 168(h)(1).

SEC. 208. EXTENSION OF CARRYOVER PERIOD FOR NET OPERATING LOSSES AND CERTAIN CREDITS.

(a) NET OPERATING LOSS.—Subparagraph (B) of section 172(b)(1) (relating to net operating loss carryovers) is amended by substituting "10 taxable years" for "7 taxable years".

(b) OPERATIONS LOSS OF LIFE INSURANCE COMPANIES.—Paragraph (1) of section 812(b)(1) (relating to operations loss carrybacks and carryovers of life insurance companies) is amended by substituting "10 taxable years" for "7 taxable years".

(c) UNUSED LOSS DEDUCTION OF MUTUAL INSURANCE COMPANIES.—Paragraph (1) of section 525(d) (relating to unused loss carrybacks and carryovers of mutual life insurance companies) is amended by substituting "10 taxable years" for "7 taxable years".

(d) INVESTMENT CREDIT.—Paragraph (1) of section 46(b) (relating to carryback and

carryovers of unused investment credits) is amended by adding at the end thereof the following new sentence: "In the case of an unused credit for an unused credit year ending after December 31, 1973, this paragraph shall be applied by substituting '10 taxable years' for '7 taxable years' in subparagraph (B), and by substituting '13 taxable years' for '10 taxable years,' and '12 taxable years' for '9 taxable years' in the second sentence."

(e) WORK INCENTIVE PROGRAM CREDIT.—Paragraph (1) of section 50A(b) (relating to carryback and carryover of unused work incentive program credit) is amended by adding at the end thereof the following new sentence: "In the case of an unused credit for an unused credit year ending after December 31, 1973, this paragraph shall be applied by substituting '10 taxable years' for '7 taxable years' in subparagraph (B), and by substituting '13 taxable years' for '10 taxable years,' and '12 taxable years' for '9 taxable years' in the preceding sentence."

(f) NEW EMPLOYEE CREDIT.—Paragraph (1) of section 53(c) (relating to carrybacks and carryovers of new employee credit) is amended by substituting "10 taxable years" for "7 taxable years" in subparagraph (B) and by substituting "13 taxable years" for "10 taxable years" and "12 taxable years" for "9 taxable years".

SEC. 209. CARRYOVER OF RECOVERY ATTRIBUTE IN SECTION 381 TRANSACTIONS.—Subsection (c) of section 381 is amended by adding at the end thereof the following new paragraph:

"(28) METHOD OF COMPUTING RECOVERY ALLOWANCE FOR RECOVERY PROPERTY AND CERTAIN REAL PROPERTY.—The acquiring corporation shall be treated as the distributor or transferor corporation for purposes of computing the depreciation allowance under subsection (r) of section 167 and for purposes of computing the recovery deduction under subsection (a) of section 168 on property acquired in a distribution or transfer with respect to so much of the basis in the hands of the acquiring corporation as does not exceed the adjusted basis in the hands of the distributor or transferor corporation."

SEC. 210. EFFECTIVE DATES.—

(a) GENERAL RULE.—Except as provided in subsections (b), (c), (d), (e), and (f), the amendments made by this title shall apply to property placed in service after December 31, 1980, in taxable years ending after such date.

(b) SPECIAL RULE FOR PROGRESS EXPENDITURES.—The amendment made by subsection (b) of section 203 shall apply to progress expenditures made after December 31, 1980.

(c) SPECIAL RULE FOR SECTION 46(f).—The amendment made by subsection (d) of section 203 shall apply to property placed in service after December 31, 1981.

(d) SPECIAL RULE FOR AT RISK.—The amendment made by subsection (g) of section 203 shall not apply to—

(i) property placed in service by the taxpayer before February 18, 1981, and

(ii) property placed in service by the taxpayer after February 18, 1981, where such property is acquired by the taxpayer pursuant to a binding commitment entered into on or before that date.

(e) SPECIAL RULE FOR RRB PROPERTY.—The amendment made by subsection (d) of section 204 shall apply after December 31, 1980.

(f) SPECIAL RULE FOR CARRYOVERS.—The amendments made by subsections (a), (b), and (c) of section 208 shall apply to net operating losses in taxable years ending after December 31, 1975. The amendments made by subsections (d) and (e) of section 208 shall apply to unused credit years ending after December 31, 1973. The amendment made by subsection (f) of section 208 shall apply to unused credit years beginning after December 31, 1976.

By Mr. THURMOND (for himself, Mr. HATCH, Mr. DECONCINI, Mr. SIMPSON, Mr. HEFLIN, Mr. LAXALT, Mr. LUGAR, Mr. BOREN, Mr. ARMSTRONG, Mr. EAST, Mr. DENTON, Mr. GRASSLEY, and Mr. PRESSLER):

S.J. Res. 43. Joint resolution proposing an amendment to the Constitution to alter Federal fiscal decisionmaking procedures; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT TO PROMOTE FISCAL RESPONSIBILITY

Mr. THURMOND. Mr. President, today, along with Senators HATCH, DECONCINI, SIMPSON, HEFLIN, LAXALT, LUGAR, BOREN, ARMSTRONG, EAST, DENTON, GRASSLEY, and PRESSLER, I am introducing a joint resolution proposing an amendment to the U.S. Constitution to promote fiscal responsibility.

This legislation is similar to a joint resolution I introduced earlier this year, Senate Joint Resolution 9, but contains several technical amendments to Senate Joint Resolution 9 that I believe improve the legislation and will encourage wider support for the resolution.

First, section 2 has been changed by adding the words "be retained for the use of the Treasury in an amount" before the words "which exceeds." This change addresses the concern of some that since receipts in any given year can vary with regard to actual retention by the U.S. Treasury, the Congress may be tempted to estimate incorrectly tax revenues for the next year. Thus, this clarification is intended to insure that revenue levels remain stable from year to year.

The other change in this joint resolution is in section 4 which gives Congress the power to enforce the provisions of the amendment by appropriate legislation. The language in section 4 of Senate Joint Resolution 9 has been criticized as too restrictive. The new language gives more flexibility to the amendment and permits the Congress to take appropriate steps to assure a balanced budget.

Mr. President, the changes that I am offering today to this proposed legislation were similar to ones adopted by the Judiciary Committee prior to a vote on this legislation in March of last year. Although the pending joint resolution failed to be reported from the full committee by a vote of 9 to 8, the changes I have just mentioned did receive approval by the committee prior to a final vote on the resolution.

The effort to reach final approval of legislation sending an amendment to balance the budget to the States for ratification is now close to success. The recent elections have given "balance the budget" supporters the boost I think was needed to get congressional adoption in this Congress.

In addition, 30 States have now passed the necessary legislation calling on the Congress to convene a constitutional convention to consider a balance the budget amendment. Legislative bodies in four more States have recently approved similar legislation that simply awaits approval in companion houses in each of these States. In short, if 34 States call for a constitutional convention, under the provisions of the Constitution, the Congress has no choice but to convene one.

Mr. President, this legislation can be passed early this year and sent to the States for their consideration. I urge my colleagues to join in this effort to restore fiscal responsibility to America.

By Mr. DECONCINI:

S.J. Res. 44. Joint resolution requesting the President to designate July 18 of each year as "National POW/MIA Recognition Day"; to the Committee on the Judiciary.

NATIONAL PRISONERS OF WAR—MISSING IN ACTION RECOGNITION DAY

Mr. DECONCINI. Mr. President, I am introducing today a resolution to establish "National Prisoners of War/Missing in Action Recognition Day" as an annual observance. Both the 95th and 96th Congresses passed legislation designating July 18 as a day of national recognition for our POW's and MIA's, and I think the time has come to pay tribute to these brave individuals on an annual basis.

The entire Nation shared a sense of joy and relief with the safe return of our hostages from Iran. The aftermath of the euphoria surrounding that event is a particularly opportune moment to reflect upon the tremendous sacrifices endured by former POW's, their families, and the families of those who are still listed as missing in action. Despite physical torture, inhumane living conditions, and deprivations of every kind, our POW's maintained total allegiance to their Nation. Despite the severe psychological readjustment problems suffered by many, their families remained loyal. Despite the agony of not knowing the fate of loved ones, relatives of our MIA's have never lost faith. These sacrifices must not be forgotten.

The horrors of war will never be erased from the minds of the combatants. The additional traumas suffered by POW's, who saw their comrades die as a result of torture, starvation, exposure, disease, and the lack of medical attention, have left emotional scars that can never be truly healed. But this Nation can express its debt of gratitude for their selfless service, and it is fitting that we do so.

The numbers of living prisoners of war are not insignificant. The Veterans' Administration indicated that there were approximately 94,176 former POW's still alive on January 1, 1981. These individuals have suffered emotional and long-term health problems as a result of their internment, yet many have found it difficult to prove service connection either because they were not interned for the requisite 6-month period or because there was an absence of adequate medical information available at the time of their repatriation.

I know that Senator CRANSTON is introducing a bill today to rectify some of the problems which our POW's have encountered and I urge the Members of this body to give this legislation the serious attention it deserves. In the interim, I call upon my colleagues to support the resolution I am introducing today to designate July 18 of each year as "National POW-MIA Recognition Day." We owe an enormous debt of gratitude to all our veterans, but the extreme sacrifices endured by our POW's deserve special recognition. Likewise, let us honor the relatives and families of those whose wartime fate remains unresolved. These are indeed the bravest of the brave.

By Mr. HEINZ (for himself, Mr. NUNN, Mr. DURENBERGER, Mr. NICKLES, Mr. JEPSEN, Mr. GOLDWATER, and Mr. BOSCHWITZ):

S.J. Res. 45. Joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT RELATING TO LONG-TERM ECONOMIC RECOVERY

Mr. HEINZ. Mr. President, I believe the Reagan administration deserves commendation for the bold step that its budget submission today represents. By proposing fiscal savings totaling some $55.9 billion for fiscal year 1982, the administration will hopefully be able to reverse the alarming trend of recent years by which the Federal Government consumes an ever-increasing share of the Nation's output as measured by GNP.

As encouraging as the leadership demonstrated by the Reagan administration is, however, I am concerned that we now lack a mechanism for imposing fiscal discipline in future years—when we may not have a President who is willing to demonstrate such leadership and who enjoys such broad popular support.

That is why I am today proposing, along with my distinguished colleague from Georgia (Senator NUNN) and a number of other Senators, an amendment to the Constitution limiting the growth of the Federal Government. Specifically, this amendment limits the growth in Federal spending to the growth in national income as measured by the gross national product.

I should emphasize that is not a balanced budget amendment, although over time it would result in balanced budgets and reductions in the level of public debt. Balancing the budget can be accomplished in one of two ways: By reducing spending, or by increasing taxes. We could easily have a balanced budget of $1 trillion. There would be no Federal deficit—but the burden of taxation resulting would be oppressive and the further growth of the Federal Government at the expense of State and local governments and the economic freedoms supposed to be protected under the Constitution would be intolerable, to my way of thinking.

As President Reagan correctly points out, the key to solving simultaneously the problems of double-digit inflation and high unemployment is to bring under control the amount of our output, the amount of our productive resources, usurped by the Federal Government. That is why the President has proposed an economic program that not only limits the growth of Federal spending and taxation, but also limits other forms of Federal intervention in the economy that have contributed to declining productivity, such as allocation of credit and overregulation. The amendment proposed today is consistent with the goal announced by the Reagan administration of restoring the Federal Government to the role relative to the States and private citizens, envisioned by the framers of the Constitution.

This joint resolution, drafted with the assistance of Nobel laureate Dr. Milton Friedman and the National Tax Limitation Committee, would accomplish this goal in the following ways:

First, it would limit the growth in Federal spending to the growth in national output as measured by nominal gross national product.

Second, it would require that any budget surpluses be used to retire the national debt.

Third, it would authorize increases in the spending limitation following emergency declarations by the President and supermajority votes of Congress.

Fourth, it would prohibit the Federal Government from requiring additional services to be performed by the States without also providing the financial resources to pay for them.

The case for passage of this joint resolution is clear and compelling, as evidenced by the alarming trends of recent years. Federal spending as a percentage of GNP has increased from 18 percent in 1965 to a target level of 23 percent in fiscal year 1981.

For 10 of the past 15 years, Federal spending has increased at a faster rate than has GNP. In 1 year alone, fiscal year 1967, Federal spending increased by more than twice the 8.2-percent increase in GNP. In 3 other years, Federal spending increased by 4.5 percent or more than the most recent increase in the GNP.

My joint resolution—unlike measures which would limit Federal spending to a fixed percentage of GNP—would bring about reductions in the growth of spending gradually. Thus provided would be a reasonable transition period to the fiscal discipline we so desperately need, without drastic cuts in ongoing programs.

Mr. President, thanks to a considerable amount of analysis, I can provide some idea of the benefits of this legislation. For example, had it been in effect just since 1970:

Our national debt would be lower today than it was in 1970, instead of its actually being $624 billion higher.

Interest payments on the national debt would be at least $35 billion lower this year, instead of being over $60 billion.

Federal debt per household would have been cut significantly from $8,098 per household in 1970 to $4,788 today. Unfortunately, in the real world without this legislation, the Federal debt per household today is instead a staggering $11,652.

I ask unanimous consent that tables demonstrating the impact which this measure would have had on Federal outlays since 1965 (table 1) and Federal debt since 1970 (table 2) be inserted in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—TOTAL OUTLAYS OF THE FEDERAL GOVERNMENT, 1965-82

Year	Total outlays (billions)		Year to year (percent change)		Share of GNP (percent)	
	Actual	Amendment	Actual	Amendment	Actual	Amendment
1965	118.4	NA	−0.2	NA	18.0	NA
1966	134.7	NA	13.8	NA	18.7	NA
1967	158.3	NA	17.5	NA	20.4	NA
1968	178.8	NA	13.0	NA	21.5	NA
1969	184.6	NA	3.2	NA	20.4	NA
1970	196.6	200.6	6.5	8.6	20.5	20.9
1971	211.4	215.0	7.5	7.2	20.7	21.1
1972	232.0	224.5	9.7	4.4	20.9	20.2
1973	247.1	241.7	6.5	7.7	20.0	19.5
1974	271.1	265.4	9.7	9.8	19.9	19.5
1975	334.2	294.0	23.3	10.8	22.9	20.2
1976	373.7	313.1	11.8	6.5	23.0	19.3
Transition quarter	96.5	79.8	NA	NA	NA	NA
1977	411.4	339.1	8.0	6.6	22.4	18.5
1978	461.2	375.0	12.1	10.6	22.6	18.4
1979	505.4	413.3	9.6	10.2	22.1	18.1
1980	543.5	456.3	7.5	10.3	21.7	18.2
1981	589.5	502.1	8.5	10.0	21.4	18.2
1982	626.0	544.6	6.2	8.5	20.7	18.0

Source: Actuals: Budget of the United States (1980). Amendment: Simulation assume total outlays are equal to maximum permissible outlays.

TABLE 2.—DEBT OF THE FEDERAL GOVERNMENT, 1970–82

Year	Annual Federal deficit (surplus) (billions)		Total Federal debt (billions)		Federal debt/household (dollars)		Federal interest payments (billions)		Outlays less interest (billions)	
	Actual	Amendment	Actual	Amendment	Actual	Amendment	Actual	Amendment	Actual	Amendment
1970	2.9	6.9	382.6	386.6	5,035	5,088	18.3	18.5	178.3	182.1
1971	23.0	26.6	409.5	417.0	6,319	6,435	19.6	20.0	191.8	195.0
1972	23.4	15.9	437.3	437.3	6,596	6,556	20.6	20.6	211.4	203.9
1973	14.9	8.5	468.4	463.0	6,858	6,779	22.8	22.5	224.3	219.2
1974	6.2	.5	495.2	475.1	6,956	6,797	28.0	27.4	243.1	238.0
1975	53.2	11.0	544.1	492.8	7,653	6,931	30.9	28.0	302.3	266.0
1976	73.7	13.1	631.9	520.0	8,668	7,133	34.5	28.4	339.2	284.7
1977	53.6	(18.7)	709.1	508.2	9,570	6,858	38.0	27.2	373.4	311.9
1978	59.2	(27.0)	780.4	493.3	10,268	6,491	44.0	27.8	417.2	347.2
1979	49.4	(42.7)	830.7	465.0	10,828	5,935	52.8	28.9	452.6	384.4
1980	40.9	(46.3)	909.0	432.6	11,365	5,410	57.0	27.4	496.5	428.9
1981	12.7	(74.8)	940.3	386.4	11,652	4,788	59.1	24.3	530.4	477.7
1982	(26.6)	(108.0)	951.9	316.7	11,566	3,848	59.5	19.8	566.5	524.8

In short, Mr. President, passage of this joint resolution is necessary because—like the compulsive eater, the chronic gambler, and the alcoholic—the Federal Government needs to be saved from itself. Although like following a doctor's advice, many may be reluctant at first to embrace what we prescribe. But I am convinced this treatment will help reverse the habits of nearly two decades that have weakened our economy and productive base.

I believe the end result will be to liberate enormous reserves of creative energy and productivity today latent in America.

I strongly urge my distinguished colleagues to support this constitutional amendment.

I ask that the text of the joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 45

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. (a) Total outlays of the Government of the United States during any fiscal year shall not increase by a percentage greater than the percentage increase in the nominal gross national product during the last calendar year ending prior to the beginning of such fiscal year.

"(b) For purposes of subsection (a), total outlays includes both budget and off-budget outlays, but does not include redemption of the public debt or emergency outlays authorized under section 3 of this article.

"SEC. 2. When, for any fiscal year, total revenues received by the Government of the United States exceed total outlays, the surplus shall be used to reduce the public debt of the United States until such debt is eliminated.

"SEC. 3. Following a declaration of an emergency by the president, the Congress may authorize, by a concurrent resolution agreed to in each House by a two-thirds vote, a specified amount of emergency outlays in excess of the limit prescribed by section 1 for the fiscal year then in progress.

"SEC. 4. The Congress may prescribe, by a concurrent resolution agreed to in each House by a three-fourths vote, a specified amount by which the limit on total outlays prescribed by section 1 may be changed. Any such change shall become effective beginning with the fiscal year beginning after the date on which the Congress adopts such concurrent resolution.

"SEC. 5. The Congress may not require or authorize any department, agency, or instrumentality of the Government of the United States to require, directly or indirectly, that a State or local government, in order to qualify for any program of the Government of the United States, engage in additional or expanded activities unless the Congress requires such department, agency, or instrumentality to compensate such State or local government for the costs incurred in carrying out such additional or expanded activities.

"SEC. 6. The Congress shall have the power to enforce this article by appropriate legislation.".

● Mr. NUNN. Mr. President, today I join Senator HEINZ in introducing a constitutional amendment designed to protect America now and in the future against excessive taxation and spending by the Federal Government. I do not do this lightly. I feel we need a constitutional amendment to address the problem of ever increasing Government spending, because I believe that these increases, left unchecked, will gradually weaken and eventually destroy our economy.

WHY AMENDMENT IS NECESSARY

Consider that total government spending at all levels amounts to almost 45 percent of total personal income. That means that 45 cents out of every dollar the average citizen earns goes directly back to government through one tax or another. This figure does not even include the indirect taxes we pay because of price increases brought about by business taxes, et cetera. By contrast, in 1960, government took 34 cents of every dollar and in 1940 the figure was only 23 cents. If this pattern continues, by the year 2000 government spending will exceed 56 cents of every dollar earned and the taxpayer will have less than 44 cents left. It is, of course, very easy to say that we have reached a peak now but how many people in 1960 were able to envision current government spending levels?

Admittedly, Federal Government spending is only a part of the problem, but a large part; in 1965 it made up 18 percent of the GNP. By 1980 it had almost reached 24 percent. Some States are already making serious efforts to control spending along the same lines we are proposing. Seven States have passed amendments to their constitutions that would not allow State spending to rise faster than personal income—or some other suitable economic indicator. Similar movements exist in many other States. But the States cannot bear this burden without the leadership of the Federal Government. Well over half of all spending already originates at the Federal level.

WHY AMENDMENT IS APPROPRIATE

Throughout the period of Government spending's seemingly inexorable rise, legislators have attempted to slow or stop its growth. Unfortunately, most of those efforts have failed. For instance, the 1974 Congressional Budget Act has not provided the discipline we hoped it would bring. Some progress was made, however, in slowing the rise in Federal expenditures in the 96th Congress. Now, President Reagan has proposed an ambitious program of budget cuts which I believe are essential. I support the President's overall thrust. In the long run, however, I believe statutory efforts to control spending by the Government will still fall short because of the pressures on Congress inherent in our system. As Milton Friedman, a proponent of this amendment, said:

The fundamental defect is that we have no means whereby the public at large ever gets to vote on the total budget of the government.

Our system is one in which each particular spending measure is treated separately. For any single spending measure, therefore, there is always a small group that has a very strong interest in the measure.

BENEFITS OF AMENDMENT

The benefits of passing this constitutional amendment extend beyond correcting the present drift toward ever increasing Government spending. Such an amendment would provide stability for the whole economy. Business, labor, and Government will all know that Government spending will not outstrip economic growth and all three can plan accordingly for not just a few months, but a few years ahead. This increased predictability alone should reduce some of the inflationary pressures on our economy. Businessmen and workers alike can look to the future with increased confidence that what they see is what they will get.

Another major benefit of the amendment is that it provides a structure within which Congress must realistically set priorities. We must realize that there are many worthwhile programs which we simply cannot afford and look at each expenditure in the context of the entire budget. We as Senators know that we need such an overview. President Reagan has asked us this year to review many such programs. This amendment not only insures our taking this approach, but will also make special interest groups aware that their lobbying efforts take place within a finite economic system. Everyone receiving Government money will now have an incentive to find and eliminate waste and purposeless programs.

PROVISIONS OF THE AMENDMENT

This amendment does the following. It ties total Federal outlays to the rate of increase in the GNP so that the Government's share of our wealth may not increase. The limit is tied to increases in GNP over a 21-month period so as to make the amendment countercyclical. The amendment includes off-budget outlays in the limit but excludes emergency outlays.

Section 2 of the amendment provides that any surplus will be applied to reducing the public debt. The combination of this section and section 1 exclusion of redemption of public debt from the limit should contribute to lowering that debt over time, thereby reducing the system's inflationary pressures.

Section 3 allows for the President and Congress to exceed the limit in times of emergency. Such a clause is intended to provide the flexibility needed to handle an unexpected national crisis. For the amendment to achieve its goal of protecting the peoples' purse it is vital that any emergency provision require a supermajority. We choose the two-thirds level which is required in other sections of the Constitution. In a time of genuine emergency, such a majority would certainly be attainable.

Section 4 provides Congress a means for permanently changing the limit should there be a clear national consensus that it had become too low. Such a change would require a three-fourths vote and would obviously only occur if the limitation in the amendment became unacceptable to the vast majority of the American people.

Section 5 assures that the Federal Government will not limit its spending by simply requiring the States to pay for the programs that the Federal Government previously funded.

That is the amendment. I would call attention to the fact that my distinguished Georgia colleague Congressman ED JENKINS cosponsored a similar amendment with Congressman BARBER CONABLE in the 96th Congress. Their House resolution was cosponsored by 109 House Members. This year they have reintroduced their spending limit amendment with good prospects for greatly increasing their support. I look forward to working closely with them on this important matter.

Our amendment will help bring stability to our economic structure; it will also help reduce the inflationary pressure which results from burgeoning Government spending and the deficits which accompany that spending.●

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. MATHIAS, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 2, a bill to amend the Internal Revenue Code of 1954.

S. 20

At the request of Mr. DURENBERGER, his name was added as a cosponsor of S. 20, a bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from a pharmacy.

S. 32

At the request of Mr. CHAFEE, the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from New York (Mr. D'AMATO) were added as cosponsors of S. 32, a bill to grant a Federal Charter to the Italian American War Veterans of the United States of America.

S. 52

At the request of Mr. HAYAKAWA, the Senator from Indiana (Mr. QUAYLE) and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 52, a bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles.

S. 63

At the request of Mr. HEINZ, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steel-making facilities on a case-by-case basis to facilitate modernization.

S. 69

At the request of Mr. CANNON, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 69, a bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

S. 170

At the request of Mr. PACKWOOD, the Senator from Wisconsin (Mr. KASTEN) and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 170, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

At the request of Mr. MOYNIHAN, the Senator from Texas (Mr. TOWER), the Senator from California (Mr. CRANSTON), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 170, supra.

S. 255

At the request of Mr. MATHIAS, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 267

At the request of Mr. DECONCINI, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 287

At the request of Mr. HEINZ, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 287, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 329

At the request of Mr. PELL, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 329, a bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for certain home heating costs.

S. 341

At the request of Mr. EAGLETON, the Senator from Rhode Island (Mr. PELL), the Senator from Missouri (Mr. DANFORTH), the Senator from Kansas (Mr. DOLE), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 341, a bill for the relief of Isaac N. Hulver of Kansas City, Mo.

S. 351

At the request of Mr. WALLOP, the Senator from South Dakota (Mr. ABDNOR), the Senator from Nevada (Mr. LAXALT), the Senator from Texas (Mr. BENTSEN), the Senator from Georgia (Mr. NUNN), the Senator from Hawaii (Mr. INOUYE), the Senator from Mississippi (Mr. STENNIS), the Senator from Iowa (Mr. GRASSLEY), and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of S. 351, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to the surface mining of stone, clay, and sand work.

S. 354

At the request of Mr. PERCY, the Senator from Indiana (Mr. LUGAR), the Senator from Montana (Mr. BAUCUS), the Senator from IOWA (Mr. GRASSLEY), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 354, a bill to amend the Export Administration Act of 1979.

S. 391

At the request of Mr. CHAFEE, the Senator from Wisconsin (Mr. KASTEN), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from North Carolina (Mr. EAST), the Senator from Indiana (Mr. QUAYLE), the Senator from North Dakota (Mr. ANDREWS), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 391, a bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying agents, inform-

ants, and sources and to direct the President to establish procedures to protect the secrecy of these intelligence relationships.

S. 398

At the request of Mr. ARMSTRONG, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 398, a bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes.

S. 445

At the request of Mr. MITCHELL, the Senator from Massachusetts (Mr. TSONGAS), the Senator from California (Mr. CRANSTON), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Rhode Island (Mr. PELL), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Maryland (Mr. SARBANES), the Senator from Montana (Mr. BAUCUS), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 445, a bill to establish a State setaside system for propane, middle distillates, motor gasoline, residual fuel oil, and aviation fuels, and for other purposes.

S. 451

At the request of Mr. LEAHY, the Senator from Montana (Mr. MELCHER), the Senator from New York (Mr. MOYNIHAN), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 451, a bill to require Federal agencies to take steps to mitigate losses of U.S. agricultural land caused by Federal programs or actions, and for other purposes.

S. 508

At the request of Mrs. KASSEBAUM, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 508, a bill to provide for the improvement of the Nation's airport and airway system, and for other purposes.

S. 528

At the request of Mr. JOHNSTON, the Senator from Utah (Mr. GARN), the Senator from Nevada (Mr. CANNON), the Senator from Oklahoma (Mr. BOREN), the Senator from North Dakota (Mr. ANDREWS), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of S. 528, a bill to establish reasonable limits on the power of courts of the United States in the imposition of injunctive relief in suits to protect the constitutional rights of individuals in public education and to authorize the Attorney General to institute suits to enforce such limits.

S. 533

At the request of Mr. MOYNIHAN, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 533, a bill to establish public buildings policies for the Federal Government, to establish the Public Buildings Service in the General Services Administration, and for other purposes.

S. 569

At the request of Mr. JEPSEN, the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from South Dakota (Mr. ABDNOR), the Senator from Arkansas (Mr. PRYOR), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 569, a bill to amend the Internal Revenue Code of 1954 to provide an investment tax credit for certain soil and water conservation expenditures.

S. 574

At the request of Mrs. KASSEBAUM, the Senator from North Dakota (Mr. ANDREWS), and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of S. 574, a bill to amend the Internal Revenue Code of 1954 to allow the estate of a decedent a deduction for certain bequests of interests in property used in farms or other trades or businesses, and for other purposes.

S. 597

At the request of Mr. JEPSEN, the Senator from Washington (Mr. GORTON) and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 597, a bill to eliminate the position of elevator operator in the Senate office buildings.

S. 612

At the request of Mr. BOSCHWITZ, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 612, a bill to amend the Internal Revenue Code of 1954 to clarify the valuation, for estate tax purposes, of farm and other real property when such property is rented by a member of a decedent's family, and for other purposes.

S. 628

At the request of Mr. TOWER, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 628, a bill for the relief of Martin Alfredo P. Marasigan, M.D., also known as Freddie del Prado Marasigan, M.D.

S. 651

At the request of Mr. BENTSEN, his name was added as a cosponsor of S. 651, a bill to provide for the reinstatement and validation of U.S. oil and gas lease No. W-46102.

SENATE JOINT RESOLUTION 4

At the request of Mr. BURDICK, the Senator from Iowa (Mr. GRASSLEY), the Senator from Minnesota (Mr. BOSCHWITZ), and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of Senate Joint Resolution 4, a joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE JOINT RESOLUTION 28

At the request of Mr. MATHIAS, his name was added as a cosponsor of Senate Joint Resolution 28, a joint resolution designating the week beginning March 8, 1981, as "Women's History Week."

At the request of Mr. HATCH, the Senator from Oklahoma (Mr. BOREN), the Senator from Kentucky (Mr. FORD), the Senator from Vermont (Mr. STAFFORD), the Senator from Idaho (Mr. SYMMS), the Senator from Iowa (Mr. JEPSEN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S.J. Res. 28, supra.

SENATE JOINT RESOLUTION 40

At the request of Mr. RIEGLE, the Senator from Vermont (Mr. LEAHY), the Senator from Delaware (Mr. ROTH), the Senator from Delaware (Mr. BIDEN), the Senator from New York (Mr. D'AMATO), the Senator from Iowa (Mr. GRASSLEY), the Senator from Tennessee (Mr. BAKER), and the Senator from Indiana (Mr. QUAYLE) were added as cosponsors of Senate Joint Resolution 40, a joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam era."

SENATE CONCURRENT RESOLUTION 14—CONCURRENT RESOLUTION RELATING TO EXTENSION OF AGREEMENTS WITH TAIWAN AND KOREA ON FOOTWEAR

Mr. HEINZ (for himself, Mr. TSONGAS, Mr. WILLIAMS, Mr. MITCHELL, Mr. RANDOLPH, Mr. COHEN, Mr. MOYNIHAN, Mr. GLENN, Mr. EAGLETON, Mr. PELL, Mr. HOLLINGS, Mr. SARBANES, Mr. LEVIN, Mr. KASTEN, Mr. KENNEDY, Mr. SASSER, Mr. CHILES, Mr. FORD, Mr. BAKER, Mr. BUMPERS, and Mr. SPECTER) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 14

Whereas two hundred forty thousand Americans in thirty-eight states depend on the domestic footwear industry for employment;

Whereas following two unanimous findings of injury due to imports by the International Trade Commission, limited import relief in the form of two Orderly Marketing Agreements with Taiwan and Korea and authority to impose controls on imports from other nations was instituted in 1977;

Whereas no action was taken to control the surge of imports from countries not covered by the Orderly Marketing Agreements;

Whereas these uncontrolled imports have retarded the beneficial effects intended by Congress in the Trade Act of 1974 and total shoe imports did not decline, resulting in the loss of thirteen thousand additional footwear manufacturing jobs;

Whereas the benefits intended by Congress would be realized if existing import restrictions and control authority were given additional time to work; and

Whereas the footwear industry and the affected unions have filed for an extension of the import relief program as provided for in the Trade Act of 1974.

Be it resolved by the Senate (the House of Representatives concurring), That the Congress urges the President to extend for three years at current levels, under Section 203(h)(3) of the Trade Act of 1974 (19 USC § 2253(h)(3)), the Orderly Marketing Agreements entered into in June 1977, between the United States and Taiwan, and between the United States and the Republic of Korea, which limit the exportation from Taiwan and the Republic of Korea, respectively, of nonrubber footwear to the United States and the authority to take appropriate action against surge countries.

● Mr. HEINZ. Mr. President, along with 20 of my colleagues I am today submitting a concurrent resolution expressing support for a further extension of our footwear orderly marketing agreements with Taiwan and Korea.

This is the second time since I began my term in the Senate that this industry has come to the International Trade Commission for help. In 1977 when relief was being considered, Pennsylvania was the most important footwear-producing State in the country, with nearly 18,000 employees in 82 establishments. Today, despite the relief that was provided, we have fewer than 14,000 employees in 68 establishments, a continuation of the shrinkage that has been occurring in this industry for the past 15 years.

What is happening in my State is not unique. Nationally, import penetration is up, domestic production is down, employment is down, factories are continuing to close. This data is provided in detail in a factsheet following this statement. It leads to two questions: Why is this happening, and what, if anything, should the Government be doing about it?

There are two answers to the first question. The decline continues, in part, due to the same complex of factors the Commission considered in 1977. The international terms of trade are changing; this industry is threatened with losing its comparative advantage and is faced with countries that for a variety of reasons have been successful at penetrating our market. This problem, of course, is a long-term one and is the very difficulty the 201 process is supposed to assist in correcting by providing time for adjustment.

I should add that the footwear industry is not alone in this situation, though it has not had the size and political clout of some other industries and has not secured for itself their degree of protection.

The other reason for the industry's difficulties relates directly to the pending care before the ITC—the failure of the import relief provided in 1977. I recall at that time the Commission recommended a tariff-rate quota, but that the administration instead negotiated orderly marketing agreements with Taiwan and Korea. Hindsight suggests that the Commission was right and the administration wrong, and that the latter greatly oversold the utility of the form of relief they decided upon. The OMA's leaked as Taiwan circumvented them by transshipping through other countries, and as increased imports from third countries more than offset the decline from Taiwan and Korea. Assurances by the administration that these problems would be dealt with if they occurred were not honored, at least not until a year ago, when the essential damage was already done.

In short, despite the Commission's best effort, a disappointing effort by the past administration made sure this industry never received in fact the relief the Commission decided it merited and that it was told it was getting.

Parenthetically, I might add that part of the blame for this rests on deficiencies in the interagency process that reviews Commission recommendations. The role of the U.S. Trade Representative in essentially brokering a compromise among other agencies which almost always take predictable positions on import relief regardless of the merits of the case usually produces a lowest common denominator solution which might please everyone but in reality solves nothing. At another time and place I intend to comment more extensively on that problem.

For present purposes, however, second question is the more important—what is the Government's responsibility in these circumstances?

The answer, in my judgment, can be summed up in one word: adjustment. Very simply, free trade and changing economic conditions create victims, and it is the Government's responsibility to help those victims adjust, as the price of our free trade policy.

The 201 escape clause process was created for precisely this reason—to determine, through a judgment of injury caused by imports, if an industry has been import-impacted in a serious way, and to propose a solution to that problem. This is not a process unique to the United States. The safeguard concept is a GATT-sanctioned internationally agreed-upon device to help industry deal with import surges or long-term changes in comparative advantage.

Relief is to be limited in duration and should not increase in magnitude over time. I do not think anyone in Congress regards the escape clause process as a device to indefinitely protect inefficient industries from real competition.

On the contrary, it is perceived as a mechanism for buying some time to help industry adjust to new circumstances by becoming more competitive. Adjustment does not mean and should not mean saving every plant and every worker.

But it does mean giving every one of the plants and workers a chance to save themselves by becoming more competitive. At the end of the prescribed relief period, if the industry has not used the time wisely, has not developed new technology, new marketing strategies or new products, then the Government rightly should not sustain it indefinitely.

In the case of the footwear industry, however, it is clear the relief program has not functioned effectively, and that the industry, therefore, has not received the fair chance to adjust I believe it is entitled to. The only conclusion, it seems to me, is that the Government should continue the program and this time get it right.

Under the law, the Commission's present responsibility is clear—to advise the President as to whether removal of the relief would adversely affect the industry. The answer to that question is equally clear—it would.

The industry has spent considerable time and effort in the past 4 years modernizing and finding new markets and marketing techniques.

Exports, for example, have nearly tripled. The American Shoe Center has been established in Philadelphia to assist in the development of new technology to improve productivity. But the favorable impact of these efforts has been negated by the incomplete nature of the import relief program.

Clearly what is needed beyond a simple extension of the existing OMA's is their proper enforcement and renewed administration commitment to take other action if imports move beyond acceptable levels. The Commission should begin this process by making a clear statement that removal of the OMA's would adversely affect the industry. This resolution encourages precisely that decision.

Finally, Mr. President, we should all understand the depth of support this industry has in the Congress. The footwear industry in the United States, though no longer as large as it once was, retains the interest and strong support of many Members of Congress. In 1977, when the administration was considering the Commission's recommendation, nearly 50 Senators wrote the President to urge its implementation.

Today I am introducing a resolution of support for extension of the OMA's with a total of 21 sponsors. If the Commission agrees with us that the relief should be extended, I expect many additional Senators to join me in writing President Reagan on the industry's behalf.

I think the reason for this high degree of support is clear. The history of this industry is well-known in Congress. Its problems have existed for some time, and many members view it as kind of a test case of the liability of our escape clause procedures.

If we as a nation wish to follow a policy of free trade, then we must also be prepared to share in the burden of adjustment for those industries that become targets of import competition.

Notice I say share in the burden, because it is the industry itself that must make the greatest investment in its own future. The escape clause process is not a "bail-out" for industry.

It is a means of giving an industry a fair opportunity to preserve itself. If the opportunity is not used in good faith, then the industry should not expect additional Government support.

In the case of footwear, however, it is not the industry's good faith but the Government's that is being tested. The industry asks only for the opportunity you originally decided it should have in 1977. I believe it should have that opportunity, and I hope the Commission will so indicate in its advice to the President.

Mr. President, I ask that a fact sheet from the American Footwear Industries Association appear at this point in the RECORD.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

[Fact Sheet]

EXTENSION OF IMPORT RELIEF FOR THE NON-RUBBER FOOTWEAR INDUSTRY

ISSUE

The domestic non-rubber shoe industry requires a full three-year extension of the Orderly Marketing Agreements (OMA's) with Taiwan and Korea.

BACKGROUND

1. After two unanimous findings of serious import injury by the International Trade Commission (ITC), the domestic non-

rubber footwear industry received a four-year (1977 to 1981) import relief program. The program consisted of two Orderly Marketing Agreements with Taiwan and Korea and the authority of the U.S. Government to take appropriate actions against any footwear "surge" countries.

2. With the four-year program expiring on June 30, 1981, the domestic industry has petitioned the ITC for a full three-year extension of the OMA's with Taiwan and Korea. A hearing before the ITC will be held on March 9, and the Commission will issue its report/recommendation to the President on April 22.

3. The domestic industry (management and its unions) has filed this petition for continued import relief since we are one of the most import-impacted industries in the U.S. Shoe imports account for 48.5% of the domestic market, compared to roughly 16% for steel and 27% for automobiles.

Why an extension of import relief is justified:

1. Import penetration is higher now than when the "import relief" program was initiated.

When President Carter announced his intention to grant the industry import relief in 1977, he stated "only problems as extreme as those faced by the American shoe industry could force me to see even modest mandatory limits on imports". In 1977, import penetration was 47%. By 1979, it had increased to an all-time record of 51%, and thus far in 1980 imports account for a high 48.5% of the non-rubber footwear market.

There has been no rollback in non-rubber imports. Imports rose from 370 million pairs in 1976 to a record 404.6 million pairs in 1979. Thus far this year, imports still are nearly as high as they were in 1976, the base year of the OMA's, and the year that imports reached the disastrous levels that prompted the President to grant relief to the industry.

2. Taiwan and Korea have circumvented the Agreements.

Both countries used a technical loophole to circumvent the Agreements. They shipped essentially non-rubber footwear under a category not covered by the OMA's—so called rubber/fabric footwear.

In 1978, Korea's total exports of non-rubber and rubber/fabric footwear were higher than ever before (90.1 million pairs compared to 75.4 million pairs in 1976).

While Taiwan's exports of non-rubber footwear under the OMA's dropped by 24.7% between 1976 and 1978 (to 117.2 million pairs from 155.7 million pairs), its total non-rubber and rubber/fabric exports decreased by only a modest 4% (to 212 million pairs from 220.9 million pairs).

In 1978, Taiwan transshipped footwear through Hong Kong to avoid the quota restrictions of the OMA's. This necessitated the negotiation of a Certificate of Origin program with Hong Kong in November, 1978.

3. Dramatic surges from third countries totally negated the rollback in imports from Taiwan and Korea.

Between 1976 and 1979, non-rubber footwear imports from Taiwan and Korea declined by 50.4 million pairs, but imports from the rest of the world surged by 85 million pairs.

During this period, imports from some traditional suppliers such as Italy increased dramatically. In addition, a number of new countries, such as Hong Kong, the Philippines, and Singapore, whose imports had been minimal, quickly became major footwear exporters.

Imports from Italy rose from 47.2 million pairs to 97.1 million pairs—an increase of 106%.

Imports from Hong Kong rose from 6.6 million pairs in 1976 to 22.1 million pairs in 1979—an increase of 233%.

Imports from the Philippines grew from a negligible 400,000 pairs in 1976 to 13.2 million pairs in 1979.

Singapore, which exported virtually no footwear to the U.S. in 1976, shipped 5.6 million pairs in 1979.

The People's Republic of China (PRC) could emerge as a major threat to the U.S. footwear industry. Imports rose to 1.6 million pairs in the first ten months of 1980 from 700,000 pairs in the comparable year earlier period.

4. Effective action was not taken to halt the surges in imports.

It was not until February, 1980, after imports already had reached record high levels in 1979, that the Administration recognized that footwear imports were excessive and committed to take "appropriate" action if imports did not fall towards pre-surge levels. By this time, 2½ years of the four-year import relief program had elapsed and an additional period of time is necessary to make the program effective.

Impact of higher imports on the domestic non-rubber footwear industry:

1. Domestic production and employment have continued to decline.

Production declined from 423.5 million pairs in 1976 to 398.5 million pairs in 1979, its lowest level since 1956.

Thirteen thousand jobs were lost between 1976 and 1979.

2. Lack of effective import relief hampered the industry's effort to revitalize.

The industry has undertaken a number of initiatives to enhance its competitiveness and adjust to import competition.

An ambitious export program has resulted in a near tripling of exports in 1980—from 5.4 million pairs in 1977 to nearly 14 million pairs projected for this year—with additional gains likely in the future.

Roughly one-third of domestic firms have taken advantage of a special trade adjustment assistance program administered by the Department of Commerce, which promises to result in marketing, management, and productivity improvements.

The American Shoe Center was established in 1980 to foster technological improvements in the industry.

However, many benefits are still to be realized and the industry needs additional time in which to become more competitive.

SOLUTION

The growth in imports and import penetration indicates that there is no "magical barrier" at which imports will stop. The OMA's with Taiwan and Korea have the potential, if properly enforced, to moderate import growth and must be extended for the maximum allowable period (three years) at current levels. Also, the Administration must take other appropriate actions necessary to ensure the effectiveness of the relief program.

NONRUBBER FOOTWEAR FACTS

	1970	1976	1977	1978	1979	January to October 1980	Percent change 1976–79
Import penetration:							
Nonrubber imports (million pairs)	241.6	370.0	368.1	373.5	404.6	305.9	+9.4
Imports as a percent of apparent domestic consumption	30.1	47.0	47.1	47.6	51.0	48.5	+8.5
Domestic production/employment:							
Production (million pairs)	562.3	422.5	418.1	418.9	398.5	335.3	−5.7
Employment (thousand workers)	212.7	164.2	156.9	158.4	151.2	151.5	−7.9
Net factory openings/(closings)	(55)	(2)	(12)	10	(29)	[1](7)	[2](31)
Cumulative openings/(closings) since 1970	(55)	(227)	(239)	(229)	(258)	(265)	[2](31)
Surge countries (million pairs):							
Taiwan	42.0	155.7	166.5	117.2	124.9	118.7	−30.8
Korea	1.9	44.0	58.7	90.6	24.4	30.5	−19.6
Taiwan and Korea	43.9	199.7	225.1	147.8	149.3	149.2	−50.4
Italy	80.7	47.2	39.7	62.9	97.1	80.6	+49.9
Hong Kong	5.5	6.6	8.7	20.3	22.1	17.0	+15.5
Philippines		.4	.6	8.4	13.2	12.0	+12.9
Singapore				1.2	5.6	2.6	+5.6
Other	111.5	116.1	94.0	124.9	117.3	84.5	+1.2
Total other	197.7	170.3	143.0	225.7	255.3	156.7	+85.0
World total	241.6	370.0	368.1	373.5	404.6	305.9	+34.6

[1] January to June 1980.

[2] Net factories closings, 1976–79.

CONSUMER PRICE INDEX (CPI)

[Percentage increase over preceding period]

	1977	1978	1979	January to November 1980
CPI:				
Footwear	4.7	4.4	7.9	7.9
All items	6.5	7.7	11.3	13.6

SENATE RESOLUTION 89—RESOLUTION DISAPPROVING THE PAY RECOMMENDATIONS OF THE PRESIDENT WITH RESPECT TO MEMBERS OF CONGRESS

Mr. BAKER (for himself and Mr. ROBERT C. BYRD) submitted the following resolution; which was ordered placed on the calendar:

S. RES. 89

Resolved, That, with respect to the recommendations of the President which were transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate disapproves the recommendations for increases in rates of pay for positions described in subparagraph (A) of section 225(f) of such Act (2 U.S.C. 356(A)), relating to Members of Congress.

SENATE RESOLUTION 90—RESOLUTION DISAPPROVING THE PAY RECOMMENDATIONS OF THE PRESIDENT WITH RESPECT TO CERTAIN OFFICES AND POSITIONS IN THE LEGISLATIVE BRANCH

Mr. BAKER (for himself and Mr. ROBERT C. BYRD) submitted the following resolution; which was ordered placed on the calendar:

S. RES. 90

Resolved, That, with respect to the recommendations of the President which were transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate disapproves the recommendations for increases in rates of pay for positions described in subparagraph (B) of section 225(f) of such Act (2 U.S.C. 356(B)), relating to certain positions in the legislative branch.

SENATE RESOLUTION 91—RESOLUTION DISAPPROVING THE PAY RECOMMENDATIONS OF THE PRESIDENT WITH RESPECT TO CERTAIN PERSONNEL IN THE JUDICIAL BRANCH

Mr. BAKER (for himself and Mr. ROBERT C. BYRD) submitted the following resolution; which was ordered placed on the calendar:

S. RES. 91

Resolved, That, with respect to the recommendations of the President which were transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate disapproves the recommendations for increases in rates of pay for positions described in subparagraph (C) of section 225(f) of such Act (2 U.S.C. 356(C)), relating to certain positions in the judicial branch.

SENATE RESOLUTION 92—RESOLUTION DISAPPROVING THE PAY RECOMMENDATIONS OF THE PRESIDENT WITH RESPECT TO OFFICES AND POSITIONS UNDER THE EXECUTIVE SCHEDULE

Mr. BAKER (for himself and Mr. ROBERT C. BYRD) submitted the following resolution; which was ordered placed on the calendar:

S. RES. 92

Resolved, That, with respect to the recommendations of the President which were transmitted to the Congress with the President's budget for fiscal year 1982 pursuant to section 225(h) of the Federal Salary Act of 1967 (2 U.S.C. 358), the Senate disapproves the recommendations for increases in rates of pay for positions described in subparagraph (D) of section 225(f) of such Act (2 U.S.C. 356 (D)), relating to certain positions under the Executive Schedule.

AMENDMENTS SUBMITTED FOR PRINTING

OIL SPILL LIABILITY AND COMPENSATION ACT OF 1981

AMENDMENT NO. 6

(Ordered held at the desk.)

Mr. STAFFORD (for himself and Mr. MITCHELL) submitted an amendment intended to be proposed by them to the bill (S. 681) to provide a comprehensive system of liability and compensation for oil spill damages and removal costs, and for other purposes.

(The remarks of Mr. STAFFORD on this amendment appear with his remarks on the introduction of S. 681.)

NOTICES OF HEARINGS

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY AND THE DISTRICT OF COLUMBIA

Mr. MATHIAS. Mr. President, the Subcommittee on Governmental Efficiency and the District of Columbia of the Governmental Affairs Committee will hold a hearing on S. 640, a bill to extend the borrowing authority for the District of Columbia government. The hearing will be held on Wednesday, March 18, 1981, at 9:30 a.m. in room 6226 of the Dirksen Senate Office Building.

For information, contact Margaret Sims of the subcommittee staff at 224-4161.

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Subcommittee on Labor of the Labor and Human Resources Committee will hold 2 days of public hearings on March 24 and 25. The subject of the hearings will be youth unemployment as it relates to the provisions of the Fair Labor Standards Act. Two bills on this subject have been introduced thus far: S. 348 by Senator HATCH and S. 430 by Senator PERCY. Today, I am introducing a third proposal. The hearings will start at 9:30 a.m.

Those persons wishing to testify should send a written request to the Senate Labor Subcommittee as soon as possible.

COMMITTEE ON THE BUDGET

Mr. DOMENICI. The Senate Budget Committee will meet to mark up a second revised budget resolution for fiscal year 1981, incorporating fiscal year 1982 reconciliation instructions during the week of March 16–20. Sessions will begin every morning at 10 a.m. in room 6202 of the Dirksen Senate Office Building, and afternoon and evening sessions are likely.

For more information, contact Mr. Bill Stringer of the Budget Committee staff at 224–0538.

CHANGE IN TIME FOR BUDGET COMMITTEE HEARING

Mr. DOMENICI. The Senate Budget Committee hearing with David Stockman, originally scheduled for 10 a.m. on Thursday, March 12, 1981, has been changed to convene at 9:30 a.m. The hearing will be held in room 6202 of the Dirksen Building as originally planned.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON LABOR

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Labor of the Committee of Labor and Human Resources be authorized to meet during the session of the Senate today to hold hearings on S. 398, a bill to amend the Walsh-Healey Act.

Mr. President, I ask unanimous consent that the Subcommittee on Labor of the Committee of Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, March 12, to hold hearings on S. 351 and S. 496, bills to amend the Mine Safety and Health Act.

ADDITIONAL STATEMENTS

MEXICAN MIGRATION: A NECESSARY BUT TEMPORARY SAFETY VALVE

● Mr. SCHMITT. Mr. President, if several of recently published recommendations of the Select Commission on Immigration and Refugee Policy are implemented, we will be marching down a road ending in chaos for Mexico and eventually for the United States. The effect of "restrictionism," the policy that underlies the Commission's recommendation on undocumented workers from Mexico, will be to seriously hurt an important ally; foster discrimination against our own Hispanic citizens; deprive thousands of small- and medium-sized businesses of ready, willing, and able workers; and eliminate many jobs for U.S. citizens which depend on these workers. In short, a policy aimed at closing a border 2,000 miles long, at employer sanctions without discrimination, and at identity cards for workers in a free country has no relation to domestic or international reality.

The March 4, 1981, edition of the Washington Post included an article by Lee Lescaze which reported comments by President Reagan concerning Mexican worker migration. In contrast to the Select Commission on Immigration and Refugee Policy, the President is quoted as being favorably disposed toward the free movement of people between the United States and Mexico. This proposal will be discussed by the President when he meets President Jose Lopez Portillo late next month, and follows on the President's earlier statement favoring some form of temporary worker program for Mexican nationals.

The President recognizes something that the Select Commission on Immigration and Refugee Policy has reportedly decided to ignore. Reagan has noted the fact that seasonal and temporary migration to this country acts as a "safety valve" for Mexico. The President said—

> It is to our government's interest also that that safety valve is not shut off so that there is no breaking of the stability south of the border.

That observation is a key to S. 47, the United States–Mexico Good Neighbor Act, introduced on January 5 of this year. This bill is virtually identical to a bill which I and others sponsored in the 96th Congress. The Good Neighbor Act is the legislative proposal for a program I call Los Companeros, that is, the friends or companions. S. 47 would create a temporary worker program which would allow Mexican citizens to obtain a temporary visa for 240 days during which they could work at any worksite in this country unless the Labor Department certifies there are adequate and willing domestic workers. Freed from the restric-

tions of a site-specific labor contract or illegality, the temporary visa holder could reap the full benefit of U.S. law and derive more benefit from his labors. The employment acts as an efficient form of foreign aid to Mexico.

In contrast to this approach, the Select Commission on Immigration and Refugee Policy decided to concentrate their attention on the issue of restricting migration without regard to the upheaval this will cause in Mexico. I, like others, recognize that the American populace does not want a permanent underclass of temporary workers coming to this country for work. But this desire cannot be achieved unless we create a self-enforcing program that relates with reality.

The reality is that Mexico has 20 to 30 percent of unemployment in a population, 50 percent of which is under the age of 15, while we have a substantial number of low-skill seasonal jobs that would go unfilled at a tremendous, unnecessary cost to American businesses and their employees unless Mexican migrant workers have access to them. Furthermore, we cannot keep them out unless we are willing to create and enforce a so-called Tortilla Curtain at great economic and human cost to both the United States and Mexico.

The beauty of the Los Companeros program is that if it is enacted, we will not have to radically increase our border enforcement. At present, although illegal migration may average several million persons annually, most return to Mexico after an average stay in the United States of approximately 6 months. Several recent studies document this fact, notably, "Mexican Migration to the United States: Causes, Consequences and U.S. Responses," published by the Center for International Studies at the Massachusetts Institute of Technology by Dr. Wayne Cornelius, now at the University of California, San Diego. Thus, S. 47, if passed, would be a self-enforcing program. With a sunset provision of 10 years, it would give Mexico adequate time to react to a tightened U.S. immigration policy without causing a social upheaval in Mexico that would destabilize our southern borders.

I commend S. 47 to my colleagues and would welcome their cosponsorship along with Senators GOLDWATER, HATFIELD, LAXALT, LUGAR, and MCCLURE who have already cosponsored this bill.

Mr. President, I ask that the article I referred to earlier be printed in the RECORD.

The article follows:

REAGAN EYES OPEN U.S.-MEXICAN BORDER

(By Lee Lescaze)

President Reagan said yesterday that he is intrigued by a proposal that the Mexican-American border be opened to free movement by the citizens of both countries and that Mexicans currently in the United States illegally be given the right to remain.

Reagan said he would discuss this proposal with Mexican President Jose Lopez Portillo when they next meet in late April.

Reagan said that Mexico's unemployment rate creates pressures for which immigration to the United States is a vital "safety valve."

"It is to our government's interest also that that safety valve is not shut off" so that there is no "breaking of the stability south of the border," Reagan told Walter Cronkite in an hour-long interview broadcast last night by CBS.

In addition, if immigrants had legal status, U.S. employers could not take advantage of them and the U.S. Treasury would benefit from their taxes, Reagan said.

"They would be able to legally back across the border if they wanted to, and come back across, but the border would become a two-way border for all our people," Reagan said in describing the proposal that has been suggested by governors of U.S. and Mexican border states.

On foreign policy questions, the president told Cronkite that one obstacle to a Soviet-American summit might be removed if the Soviets indicated they would eventually withdraw their troops from Afghanistan.

He also said that there is no parallel between El Salvador today and Vietnam in the early 1960s, but that it is important to draw the line against communist activity because "it isn't just going to stop at El Salvador. We know that there are evidences of this."

Reagan said that he only learned after the fact of one of his administration's first moves against the Soviet Union. He said that he had no advance word that the State Department had decided to withdraw Soviet Ambassador Anatolly Dobrynin's privilege of riding in his limousine directly into the State Department building.●

EXPORT TRADING COMPANIES—V

● Mr HEINZ. Mr. President, at the International Finance and Monetary Policy Subcommittee's hearing on February 18, Mr. Douglas R. Stucky, first vice president of the First Wisconsin National Bank of Milwaukee, presented testimony on behalf of the American Bankers Association endorsing S. 144, the Export Trading Company Act of 1981. Mr. Stuckey persuasively stated the case for expanding our present export situation where only 250 of the 250,000 business organizations in this country account for 80 percent of all U.S. exports. He also defended the need for banks to have equity positions, including control, of export trading companies, one of the important issues being debated in this bill. Mr. President, I ask that Mr. Stucky's testimony be printed in the RECORD at this point.

The testimony follows:

S. 144—THE EXPORT TRADING COMPANY ACT OF 1981

(Testimony of Douglas R. Stucky)

Mr. Chairman, and Members of the Subcommittee, I am Douglas R. Stucky, First Vice President of the First Wisconsin National Bank of Milwaukee and a member of the American Bankers Association's International Banking Division's Executive Committee. In addition, I served as Chairman of the Task Force assigned to study the forerunner of your bill, The Export Trading Company Act of 1980. The American Bankers Association is a trade association with a membership of over 90 percent of the nation's 14,500 full service banks.

Gentlemen, we are pleased to have the opportunity to express our strong support for passage of S. 144, The Export Trading Company Act of 1981. As you know, Mr. Chairman, the ABA testified last year in support of S. 2718 which passed the Senate by a vote of 77–0, but eventually expired in the House of Representatives.

One need only view the United States continually growing deficit in our balance of payments to realize that the United States must increase its exports of high quality goods and services today, if it is to have a chance of reducing the trade deficit tomorrow. The purpose of this legislation is to improve U.S. export performance by creating U.S. export trading companies which would perform export services for tens of thousands of small and medium-sized producers. The concept of this legislation dates back to early 1978 when this subcommittee recommended the establishment of U.S. export trading companies. Since then, numerous hearings have been held canvassing virtually every sector of the commercial, financial and governmental communities and as a result of those hearings, I believe everyone can draw the same conclusion and that is—Establishing U.S. Export Trading Companies Can Improve Our Export Performance.

Mr. Chairman, the ABA testimony today will attempt to address the following issues:

(1) Do small and medium-sized firms actively participate in the U.S. exporting effort? Why or why not?

(2) What are the essential elements (i.e., antitrust and trade financing) that must be included in S. 144?

(3) Why it is prudent and necessary for banking organizations to have the right to have equity positions (possibly up to 100 percent) or control of export trading companies (ETC's).

(4) Competitive equality for firms, both commercial and financial intermediaries, and banking organizations, that elect to form export trading companies.

THE PARTICIPATION OF SMALLER FIRMS IN EXPORTING

It is estimated that of the 250,000 business organizations in the United States only about 25,000 directly engage in the sale of their goods and services in overseas markets. Of the 25,000 organizations that export, it is further reported that 250 firms account for 80 percent of U.S. exports. This would certainly seem to support the conclusion that major corporations tend to dominate or account for the nation's present export performance, and, correspondingly that most other firms—regardless of size—are either not committed to or do not have the expertise to actively participate or seek sales in overseas markets. The non-exporting firms to which I allude are indeed the smaller and medium-sized firms of the United States. The Department of Commerce realistically estimates that at least 20,000 U.S. firms could become exporters—primarily those of the economic size just mentioned.

Why don't or aren't small and medium-sized firms involved in exporting? The following reasons are cited:

(1) In spite of good efforts and programs by the Department of Commerce, most firms still don't know how to find or assess the size of overseas markets for their products.

(2) They do not have the financial resources or flexibility to staff up for an independent, internal group to seek export business. Or, alternatively, they may choose to allocate their resources to the domestic market where lesser risks are perceived or a better return on available capital can be obtained.

(3) The documentation required for export sales, the labyrinth of U.S. and foreign regulations that must be contended or complied with the longer cash flow cycle related to the conclusion of most export orders, and other concerns, are impediments for a businessman trying to decide whether his firm should actively, on an on-going basis, seek sales in offshore markets.

(4) Limited—but prior—experience with an export order has been unpleasant or resulted in a potential or real business loss—possibly because the firm did not seek or could not obtain good advice on how to control or minimize the various risks involved in an export sale.

(5) Qualified personnel often cannot be

obtained to establish a full-fledged export department within the existing wage and salary policies of a corporation.

(6) Commercial banks, for various reasons, are not able or prepared to provide facilities to support all the credit needs that a corporation has for both domestic and export sales.

No doubt you could cite other valid reasons besides those just mentioned. In our opinion, a properly organized and staffed ETC offers the smaller exporter the opportunity to overcome the above problems, but yet allows it to gain the "economy of scale" benefits of a larger organization (the ETC) at an affordable price, while transferring or minimizing most of the risks to an export order to an ETC who is experienced and prepared to assume the related political and commercial risks of an overseas sale. In effect, the ETC has the ability to convert an export order to the equivalent of a domestic sale for the smaller firm.

ESSENTIAL ELEMENTS FOR INCORPORATION INTO S. 144

The preamble of S. 144 effectively highlights the needs and reasons why U.S. firms, both financial and non-financial, should be allowed and openly encouraged to form ETC's. The ABA strongly supports the needs and commercial justification for forming trading companies. In our opinion, the following areas of the proposed legislation are critical to the improved export performance of our nation and to the success of ETC's which are formed:

(1) Antitrust Exemption.—

It is realistic to assume that successful ETC's will and must deal with numerous smaller firms that have products which in most cases will be complementary but in isolated cases may be competitive. This competitive aspect should not be magnified out of proportion, because there are natural factors in the marketplace, that limit the practical reality of an ETC being able to control or monopolize the smaller firm. Most foreign buyers make the actual purchase decision and will not delegate such responsibility to a little-known ETC. Additionally, the ETC sales representative cannot understand the technical specifications of a product as well as the actual user. Finally, one must not overlook the very real fact that most products—especially capital goods—are produced by multiple manufacturers in both the U.S. and foreign countries. This virtually assures that the competitive, global marketplace will provide an effective counterbalance to the limited, but logical antitrust exemption that an ETC requires to properly represent sizable numbers of smaller firms, some of which may, on occasion, be competing for the same foreign order. We feel that the bill, as proposed, has adequate controls to punish any firms which might intentionally violate the spirit of the antitrust provisions of the bill.

(2) Bank Equity Participation.—

Mr. Chairman, the ABA is aware of the concerns of this Subcommittee, the federal banking agencies, and other parties have expressed on the issue of controlling interests by a commercial bank in an ETC. Our member banks are just as interested as this Committee in avoiding the problems that some banks have encountered in their REIT ventures, foreign exchange dealings, and other similar experiences in various specialized areas of banking. We also want the legislation to provide reasonable controls or safeguards that would prevent the occurrence of similar difficulties in the activities of bank-controlled export trading companies.

Initially, we wish to declare our position that the American Bankers Association strongly supports the position of the right of banks to have controlling interests in Export Trading Companies. We intend to look at this position from the following viewpoints:

(a) The implied responsibilities of non-controlled investments by banks.

(b) Safeguards, through statutory language, that would clearly spell out those activities in which ETC's with controlling bank ownership would be excluded from engaging or arranging through such firms.

(c) Structural forms in which bank-controlled ETC's might operate.

(d) The analysis of risks inherent to ETC's and whether such risks need unfavorably impact on a bank or bank holding company.

It is our conviction that the legislation should recognize that while the ETC concept is well-known around the world, it is in its infancy in the United States. Thus, final language should provide for flexibility to allow for the concept to develop in this country in line with actual experience of ETC's, the evolving role ETC's will logically play in a changing world of the future, and provide for administrative freedom to modify permitted activities and roles for an ETC without having to pass amendatory language each time a change is agreed upon by the requisite federal authorities.

NON-CONTROLLED INVESTMENT BY BANKS

Many commercial banks regardless of size or location, have had unfavorable experiences with investments in banking affiliates wherein they have had a minority and non-controlling equity position. This results from the fact that a bank is often—in such situations—not in a position to preclude such activities that it considers unsound simply because it does not have either voting or management control of an affiliate. No matter what public declarations are made, the parent bank is unable to avoid the implied responsibilities that go with any investment made by a bank in a non-controlled affiliate. Thus, the rationale is adopted that if implied financial responsibility attaches to a bank—regardless of ownership position—then bank management will undoubtedly decide to invest in firms where it has equal responsibility and ownership positions.

Not all commercial banks will want controlling ownership rights in an ETC firm for reasons of policy or philosophy best known to them—but this should not preclude other banks from having controlling ownership in such enterprises. We believe that controlling positions are best processed on a specific application or approval basis by the appropriate Federal banking agencies. This is in line with the present language and controls of S. 144.

STATUTORY SAFEGUARDS

When we appeared here last July concerns were raised that the current language in S. 2718 could conceivably allow bank-related ETC's to use such enterprises to become security dealers or underwriters or even commodity traders. As assessed from discussions by both the ABA Trading Company Task Force and its Government Relations Council, let me assure you that it is not the intent of bank-related ETC's to engage in the above mentioned activity or activities. Furthermore, S. 144 specifically states that a bank-related ETC may engage in security business only to the extent that its bank investor is permitted under Federal and State banking laws and regulations.

Some discussion has also evolved around the meaning of the term "principally engaged" as it relates to ETC's. We would hope that any attempt at defining such term would include language that would allow an ETC to be involved in the exportation or importation of products, or for that matter, permit an ETC to be formed to carry out project-type activities required by buyers desiring a turn-key sales proposal. While the emphasis on exporting activities must predominate, it is realistic to recognize that an ETC can fill a useful role by also handling the importing needs of an existing client as well. From the ETC management viewpoint, it allows them to better rationalize its staff, its fixed assets, and its distribution network, if allowed to serve both the exporting and importing needs of a client. No doubt such additional activities—without undue risk—could also enhance the operating profits and financial substance of an ETC.

From a client standpoint it is advantageous to (a) have "one-stop" shopping for both export and import activities, and, (b) the cost benefits of larger scale purchases by an ETC, and, (c) relief from credit facilities of a client at his local bank, and, (d) assured compliance with trading regulations and documentation for both buyer and seller.

Additionally, we feel it might be helpful if some clarification could be provided in the legislative language which prohibits bank-related ETC's from engaging in manufacturing or agricultural production activities. We could envision a problem arising out of a possible joint venture arrangement between a bank and a manufacturing or agriculture production concern. The current language appears to be too broad and sweeping and quite frankly a bit discriminating in view of the fact that this prohibition applies exclusively to bank-related export trading companies. Further, we cannot uncover why this prohibition was included in this section of the bill and that is the principal reason why we would hope that this provision could be modified or at least clarified.

STRUCTURE OF EXPORT TRADING COMPANIES

ETC's will be formed in many different ways to capitalize on the ingenuity of different management philosophies of both financial and nonfinancial corporations. This is sound and appropriate because it allows changing trading customs and patterns to be accommodated by capable marketers operating in the global environment. The final language of S. 144 should attempt to capture this needed flexibility so as not to inhibit the growth and success of the total ETC concept likely to be employed by diverse U.S. firms.

Some banks, with large international branch networks and/or trade service arms, will wish to have wholly-owned ETC subsidiaries to best serve the needs of their existing or potential export clients. This form could result in better risk minimization and more efficient banking systems or forms for both the ETC and the client.

In a different part of the ETC spectrum, other banks—probably the regionals—may wish to enter into joint venture ETC's with certain customers of the bank. The idea of including an existing customer in a joint venture would be to tap the superior marketing or technical skills of a firm that is already highly sophisticated in handling international business. Let it be said that it may be advantageous—in joint venture or consortium arrangement—to have both U.S. or foreign partners that can contribute their own special skills and contacts to the operations of an ETC. The foreign partners could and should be allowed to be either banking and/or non-banking partners.

Similarly, it is not unrealistic to assume that private companies, such as grain dealers, could be very successful ETC's. They probably have excellent contacts with foreign government officials who make sizable purchase commitments on behalf of their nations.

Consumable goods would logically and conveniently be best sold through such ETC related firms. Finally, capital goods manufacturers, who have existing dealer networks spanning the globe in many countries, could

very logically form an ETC that would purchase and sell accessory or complementary products used by local buyers of the basic capital goods produced by other U.S. based or multinational firms. Such multinational firms could choose to form an ETC as a wholly-owned subsidiary, or, a joint venture with U.S. and/or foreign partners.

It is clear to us that early passage of ETC legislation is more important than the extent to which the legislation describes the approved organizational structure that an ETC might have. The longer it takes to pass S. 144 the greater time it allows traders in other countries to lock up new markets or obtain greater market shares in existing territorities. The job of exporting is now, not later.

RISKS INHERENT TO ETC'S

Prior testimony before this Subcommittee on ETC's during the 96th Congress has adequately addressed most of the risks, or such issues may be addressed by other witnesses appearing today. We have thus purposely chosen not to duplicate such efforts.

In summary, Mr. Chairman by no means do we see the enactment of S. 144 as a panacea for our export deficiencies, but the ABA does feel that this legislation is a much needed step in the right direction. It is in this spirit that the American Bankers Association strongly endorses S. 144.

We thank the Committee for the opportunity to appear today and we would be pleased to answer any questions you might have.●

STATEMENT OF FORMER SENATOR FANNIN ON TRADE BETWEEN JAPAN AND UNITED STATES

● Mr. GOLDWATER. Mr. President, a highly respected former colleague of ours, the Honorable Paul Fannin, who has for many years held a deep interest in trade between Japan and our country, testified before the Senate Finance Committee this past week on aspects of this subject that bother him. It is a brilliant paper and I ask that Senator Fannin's testimony be printed in the RECORD.

The material follows:

TESTIMONY OF THE HONORABLE PAUL J. FANNIN

Mr. Chairman, Members of the Finance Committee:

As I will illustrate later in my remarks, I believe the United States will subsidize the Japanese Government in the next year by fifty billion dollars or more.

Back over the years, while their country was becoming a world-wide leader in the electronic industry, the steel industry, and becoming the largest ship-builders in the world as well as builders of more cars than any other nation, it is my opinion that the United States subsidized Japan with several hundred billion dollars.

This has been done by the United States assuming most of what should have been Japan's fair share of defense expenditures for the maintenance and increased building of a military complex for the protection of the countries of the free world. Since the early sixties, Japan's economy has been in a position to allocate a larger share of their GNP than have most of the NATO nations, including the United States, but as you know, has only devoted a small percentage of their GNP compared with the NATO countries.

Japan, being relieved of the principal part of their fair share of defense obligations, has been able to have lower taxes for individuals, business and industry, and to give special concessions on interest rates, along with many other inducements for the promotion of manufacturing, especially on items to be exported. This savings has been a great factor in their steel, ship-building and other industries, having such a rapid and successful growth.

For about ten years of my tenure in the US Senate, I was involved with our Japanese trade relationship. In that connection, my work outside the Senate was with American corporation executives who were promoting exports, with our State Department, the Japanese Embassy officials in Washington; and in Japan as a Congressional Delegate where we were trying to get Japanese cooperation for more equitable trade and tariff regulations.

Although I devoted considerable time on this subject before becoming a member of the Finance Committee, most of my work on this problem was in connection with the Finance Committee which was responsible for Tariff and import quota, reciprocal trade agreements and revenue matters generally. I quote from a speech made by me on the floor of the Senate on January 26, 1973:

"In the years just after World War II the United States was so dominant in world trade that we could virtually ignore foreign economic relations. Political relations were foremost in the minds of our government leaders and we could afford to be generous in trade agreements."

"The situation began to change by the mid-1950's, and it should have been evident by the 1960's that trouble was ahead. The Kennedy Round of Trade Negotiations was supposed to ease trade problems, but it only compounded them as far as the United States was concerned. We demolished our barriers to imports, but got nothing in return."

"In 1971, we had our first trade deficit of the century. In 1972 our trade deficit plunged even deeper and continued downward." I made other statements on this subject on the Senate floor, in Finance Committee meetings and to various groups in Arizona and other states.

As a result of this lack of awareness and concern, our government did not seriously challenge discrimination against US goods in Foreign Markets. We tolerated the closed economy of Japan, and at the same time, we maintained a substantial open-market policy on imports of goods into America.

I'm not taking away from the greatness of Japanese industries or their workers. Again, I am saying, we have, and are still subsidizing Japan, Inc., by relieving them of financing their fair share of the free world defense including their own defense.

Auto manufacturing is the bloodstream of our nation's economy, creating one out of every twelve manufacturing jobs in addition to being one of the largest purchasers of basic materials.

As our automobile factories decrease in production capabilities so does our potential defense effort in time of war.

Chrysler is a large producer of tanks and other defense materials, as are the other automotive companies.

A good percentage of our war production during World War II came from these companies and the conversion to war-time production of these plants would be only a fraction of the time it would take to build new factories.

This committee is to be commended for holding these hearings to determine what can be done to assist in maintaining a healthy automotive industry in our nation and still be fair with other nations that are importing cars into this country.

Since presently about 20 percent of our car imports are from Japan, they are creating our most immediate problem. Part of the time while I was in the Senate, the shoe was on the other foot. The Japanese were fighting to keep American cars from being shipped into their country. At that time I observed the hopelessness of getting American products into Japan if the Japanese government did not want them to compete with their manufactured products and I understand that circumstance still prevails today, even in the automotive industry.

Now they say, "We do not have any tariff on American cars shipped into Japan" but I know your committee has determined all the other requirements on car imports including modifications, so realize we pay a tremendous penalty in exporting cars to Japan.

In the early seventies I was a member of a Congressional delegation meeting in Tokyo with the Japanese government and business leaders to discuss trade and tariff regulations. As one of the spokesmen for the Senate members, I asked if the Japanese would assist the United States in correcting the inequities in the General Agreement on Tariff and Trade Schedules on United States exports of cars into Japan. Their answer was a firm "No." They stated that they were satisfied with the provisions.

Why wouldn't they like the stipulations which gave them full access to our markets for a 4½ percent tariff going down ½ percent a year with their tariff at that time being 17½ percent base with an additional charge on each American car for weight, wheel base, motor size, etc. Bringing the total import fee to 100 percent or more usually doubling the price of even a medium size car.

The world situation has changed dramatically since we negotiated agreements with Japan. Thirty years of varying degrees of prosperity have changed the world order. The commitments made and responsibilities assumed by the United States for an overwhelming share of the defense of the free world is no longer a viable solution to actual defense requirements. Events in recent years and more pointedly in recent months clearly illustrate the necessity of the other free nations of the world to carry heavier commitments.

In regard to Japanese responsibility to share in the defense of the free world and their own nation, I quote excerpts from a speech I made in the Senate on May 15, 1975, speaking on defense commitments of the free world nations: "We've had a relationship with Japan that has been in effect since World War II. This relationship has proved the ability of the victor to assist a nation that has gone down in defeat in making an almost unbelievable comeback. Japan was a devastated nation, but one with great determination: and they have made an industrial comeback that has been the envy of the world. We have participated in that endeavor, being the greatest foreign contributor to their efforts in making this remarkable recovery."

"But we have a responsibility to the American people to recognize the responsibility that the Japanese have to our nation."

"This relationship of complete dependence must cease, and the Japanese must accept the burden of defense which their productive economy can sustain." End of quote.

When Japan was getting their exports booming, they were spending less than ¼ of 1 percent of their Gross National Product on defense, whereas the United States was spending from 5 to 9.3 percent of our GNP. In the seventies we averaged about 5.5 percent while Japan was still spending only around ¼ of 1 percent late in the decade when they claimed they worked up to 9/10 of 1 percent of GNP in 1979.

As I understand—in the United States 1981 budget ending September 30, 1981, we will spend 5.5 percent or more of our GNP on defense. The total budget amount for 1981 will be about $650 billion with over $170 billion for defense if present projections hold. This does not include the U.S. billions

spent in the Middle East and other areas of the world that affect the oil lanes on which the Japanese are even more dependent than the United States.

The 1980 reported Japanese budget ending April 1, 1981, provided for total expenditures of $202.8 billion with defense expenditures at $10 billion, including one billion for supporting U.S. forces in Japan.

The Carter budget submitted for 1982 is approximately $740 billion with defense spending listed at approximately $180 billion. In the new Reagan budget, reported defense expenditure will be near $200 billion, or about 7 percent of our GNP. That is, of course, dependent on Congressional approval.

The reported contemplated Japanese budget for their fiscal year ending April 1, 1982, will be $223.8 billion with defense expenditures as reported, being around $12 billion, or about 1 percent of Japan's GNP.

This indicates that just our increases in defense spending will amount to over four times their total defense budget.

Japan has one-half the population of the United States, a GNP of approximately 40 percent the size of the United States' with a budget that was running about ½ the size of the United States'. I feel that Japan has an obligation to have a defense budget of at least ½ the size of that of the United States.

On that basis they should have a defense expenditure next year of not $12 billion but over $20 billion.

This year if Japan equaled economically troubled Great Britain's 5 percent defense expenditures as a percentage of GNP, the free world's defense budget would increase by 20 percent.

Following is a comparison of some of the free world nations in regard to the percentage of their defense expenditures as to their GNP:

For the year 1979:	(Percent)
United States (plus)	5.0
Great Britain	4.7
Turkey	4.5
Belgium	3.5
West Germany	3.4
France	3.3
Canada	1.8
Japan	0.9

Russia's defense expenditures are estimated to be averaging about 15 percent of their GNP.

Senator Orrin Hatch, shortly after coming back from participating in the October 1980 Tokyo Conference to Commemorate the 20th anniversary of the United States-Japan Mutual Security Treaty, reported the following from speeches of two former Japanese Defense Agency Chiefs. Former Defense Chief Asao Mihara stated: "The Japan-United States security system actually has played a decisively important role as a pillar of freedom, peace, security and prosperity for Japan for nearly thirty years. Under the security-treaty system, the Japanese people were able to fully exercise their national energy concentrating their efforts, first on recovery from World War II and then on the development of our economic strength and attaining the status of a great economic power, becoming the country with the second highest industrial production in the free world."

Mihara said there was no mutualness in the current security treaty since although the United States was obligated to defend Japan, Japan was not required to do the same. "This may have been permissible when Japan's economy was only one-tenth that of the United States," said Mihara, "but today, when the ratio is one to two the treaty needs to be revised."

Another former Defense Agency Chief, Shin Kanemaru, said: "Japan's defense capabilities should not be determined by arbitrarily mathematical formulas such as the current government policy restricting defense expenditures to 1 percent of the GNP."

Kanemaru also said that the "Japanese defense posture is so weak it can not be considered a fighting force," and urged the nation to improve drastically its defense forces.

Japan should heed the words of its own defense ministers.

American Ambassador to Japan, Mike Mansfield, had some success in getting Japan to build up their defense budget and I praise him for that great effort. But still it's just a start, and we must insist that more be done . . . many times as much.

One of the leaders of Japan, Heigo Fujii, a Vice President of Nippon Steel Corporation had this to say back in the early seventies, when he wrote an article in a book titled Japan and Current World Affairs. I quote: "Defense spending now requires only 8 to 9 percent of Japan's national budget and until some years ago there was almost no defense spending by Japan at all. It was because Japan was able to divert the greater part of its capital accumulation to both public and private investment that it was able to achieve such a rapid economic growth."

"To the best of our knowledge it was, unfortunately, Japan that started the Pacific War, and, as a result paid a great price . . . and lost. If the United States, which had paid the greatest sacrifices since Pearl Harbor had demanded half of Japan's territory or even the island Kyushu; Japan, under the conditions existing at the time the war ended was in no position to say "No." However, the United States did not seek any territory whatever. Instead, America provided 3½ billion dollars worth of economic aid to Japan, and earnestly cooperated in Japan's economic reconstruction. At the same time the United States abetted Japan in setting up the new system called Democracy in Japan. All this made possible the economic growth Japan has achieved today." End of quote.

No longer can we accept excuses of the Japanese Constitution or obsolete treaties prohibiting a defense buildup. The freedom of all Western countries is at stake with Japan one of the most vunerable to Russia's powerful navy and air forces.

Whatever needs to be done to enable Japan to meet their fair share of the free world's defense must be rapidly accomplished.

If we had subsidized Chrysler to the extent of 15 to 20 percent of their budget, as we have subsidized Japan and its industries, Chrysler would be prosperous today.

What are my conclusions as to the actions that should be taken to keep many of the leading manufactures of our nation from bankruptcy and to give equitable treatment to the Japanese during these troubled times when the very survival of the free world is threatened?

Number One:

Immediately Japan and the United States should negotiate an orderly marketing agreement as a temporary measure. If the Japanese refuse to act with fairness in this regard, we must at once cut back on their imports and insist on changes in GATT to protect our interests.

Number Two:

Within three years the defense expenditures of the Japanese should equal the average of the NATO countries on a GNP basis. The NATO countries and Japan should equal the United States in defense spending on an equitable formula basis within five years.

Number Three:

The failure of Japan to increase their defense expenditures on a fair and equitable basis comparable to the NATO nations will result in a continuance of the United States subsidy to their economy. Therefore, if the Japanese insist their industries have the unfair advantage over our industries, we must follow the lead of other nations in drastically reducing their imports that are flooding our markets.●

CHESTER ALLEN BITTERMAN III

● Mr. SPECTER. Mr. President, it is with a deep sense of loss and outrage that I rise today to speak in memory of Chester Allen Bitterman, formerly of Lancaster, Pa. His violent death last Saturday at the hands of Colombian guerrillas stands in shocking contrast to the selfless, committed work to which he devoted his life. Living in Colombia to help translate Bibles for Colombian Indians, Chester Bitterman became an innocent victim in the political struggle between the M-19 guerrilla group and the Colombia Government. His lifetime's work, despite allegations of U.S. Government involvement, was far removed from politics and even farther from the violence by which he died. As Saturday's State Department statement so clearly noted: Mr. Bitterman "had come to Colombia as a man of peace and faith and was innocent of any wrongdoing."

I join in strongly condemning the guerrilla group which participated in this tragic and senseless death. Mr. Bitterman was one of those rare human beings who chose to live his life in service of others. In a sense, he was also forced to die in that service. His family's strength in this time of great personal loss is a tribute to the strength and courage which guided Chester's life and continues to guide the lives of those closest to him. That strength comes in part from the knowledge that his short 28-year life was rich with great personal reward and sacrifice. Mr. Bitterman's work will continue through the hundreds of Bibles he has made intelligible for the Colombian tribes and through the selfless example he has set.

His death points up again the desperate need for a concerted world effort against terrorism, kidnapings, and other brutal ways of using human beings as political pawns.●

SERVICES ATTRACTING MORE BETTER PEOPLE

● Mr. COHEN. Mr. President, a recent Baltimore Sun article lends encouragement to all of us who are concerned about the ability of the Nation's armed services to attract and retain quality personnel.

The article, "Services Attracting More Better People, Pentagon Figures Say," appeared in the February 12 Sun. It detailed how the Armed Forces are showing measurable improvement in numbers and quality of new enlistees, as well as better success in retaining trained personnel.

The improvements are described in the piece as "a source of encouragement to the Reagan administration." That is the light in which they should be viewed.

The services must build on the early successes in this fiscal year, rather than become complacent or overly optimistic about recruiting trends. At the same

time, those of us in Congress who are concerned about our Armed Forces must use the legislative initiatives we approved last year as the base for further improvements.

We continue to have serious manpower problems. The positive results of one quarter are encouraging, but they remind us of how much more remains to be done.

So that my colleagues have the benefit of this information, I ask that the Sun article, along with a Defense Department news release on the recruiting results, be printed in the RECORD.

The material follows:

[From the Baltimore Sun, Feb. 12, 1981]

SERVICES ATTRACTING MORE, BETTER PEOPLE, PENTAGON FIGURES SAY

(By Charles W. Corddry)

WASHINGTON.—The armed forces are showing measurable improvement in numbers and quality of new enlistees as well as better success in retaining trained personnel.

Latest results are not bringing raves in the Defense Department, but they are a source of encouragement to the Reagan administration, which opposes any return to compulsory service if it can be avoided.

Figures made public at the Pentagon yesterday showed that all-service enlistments totaled 101 percent of the goal for the October–December quarter, compared with 96 percent in the same quarter of 1979.

Of the new male recruits, 75 percent had high school diplomas, compared with 50 percent in the 1979 quarter. The number of women high school graduates was up from 87 percent to 91 percent. The services find high school graduates far more likely to succeed in military service than high school dropouts.

The percentage of enlistees scoring in the first three categories in military qualification tests bounced up from 69 in 1979 to 78 in 1980.

In the all-important matter of retaining trained manpower, the services reported that reenlistment rates for career personnel went up from 70.5 percent in the 1979 quarter to 76.5 percent a year later.

Defense officials attributed the better picture of recruiting and retention to economic conditions, that is, youth unemployment, and to the allocation of both money and manpower to a drive to buck up the services.

The retention situation may have been brightened somewhat by the 11.7 percent pay raise voted by Congress last fall, though officials were inclined to think the benefits of that raise and others now planned would be seen later on. Some reenlisted on the gamble the raise would come through; more will stay, probably, now that the raise is real.

Numerous other possible factors behind the improved manpower situation were cited: Congressional mandates that the services focus on improving the quality of enlistees, draft registration requirements which made young men more aware of the services and caused 15 percent of those registering to indicate their names could be passed on to recruiters, an upsurge of patriotism caused by the hostage holding in Iran.

Whatever the reasons, one official said, "The picture is pretty good—much improved over a year."

The figures showed that the services wanted 79,000 recruits in the last quarter of 1980 and signed on 80,100. The Army missed it goal of 29,200 by just 300 and the Navy, Marine Corps and Air Force exceeded theirs.

In two measures having to do with quality of personnel, over which Congress made an issue, the statistics showed that the services are exceeding legislated goals.

The Army, Congress decided last year, must recruit high school graduates to the tune of 65 percent of all new males enlisted. In the last 1980 quarter, 72 percent of its male recruits met the test compared with 40 percent the year earlier.

Congress also ruled that no more than 25 percent of recruits servicewide could score in the fourth, or bottom, category in qualification tests.

The results published yesterday showed that 22 percent were in that category. For the Army alone, however, the figure was 39 percent and, under the congressional mandate, this must be brought down to 25 percent in 1982.

MILITARY MANPOWER STRENGTH ASSESSMENT, RECRUITING AND REENLISTMENT RESULTS FOR OCTOBER–DECEMBER 1980*—ACTIVE FORCE

Mr. Robert A. Stone, Acting Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), announced that the active force strength of the four Military Services at the end of December 1980 was 2,050,000. This was about 8,000 higher than the December 1980 plan as shown in the President's FY 1982 Budget. The Navy attained 101% of its planned strength for December, while the other Services were at 100% of planned strength.

ACTIVE MILITARY STRENGTH[1]

END OF DECEMBER 1980, 1ST QUARTER FISCAL YEAR 1981

[In thousands]

Service	December 1980 objective in President's fiscal year 1982 budget	Actual	Actual as percent of objective
Army	769	772	100
Navy	527	532	101
Marine Corps	187	187	100
Air Force	560	560	100
DOD total	2,042	2,050	100

[1] Excludes active duty military personnel paid from civil functions and Reserve and National Guard appropriations.

RECRUITING SUMMARY

Mr. Stone noted that the Military Services achieved 101% of the DoD-wide recruiting objective for the first quarter of FY 1981 (October–December) as compared to 96% for the same period a year ago. The Navy, Air Force and Marine Corps each exceeded their overall first quarter objectives. The Army achieved 99% of its overall objective. The Army recruiting objective for FY 1981 is considerably below FY 1980. FY 1980 Army recruiting requirements were high due to the need to overcome the recruiting shortage that resulted in FY 1979.

* Numbers in all tables may not add due to rounding.

Service	October–December, fiscal year 1981			October–December, fiscal year 1980		
	Objective	Actual	Percent of objective	Objective	Actual	Percent of objective
Enlisted accessions—All sources:						
Army	29,200	28,900	99	40,500	38,400	95
Navy	22,300	22,900	103	21,900	21,500	98
Marine Corps	8,600	9,200	107	8,100	7,900	98
Air Force	18,900	19,000	101	16,800	16,800	100
DOD total	79,000	80,100	101	88,200	84,700	96

Mr. Stone said that the Navy, Marine Corps and Air Force essentially met or exceeded their recruiting objectives in all three general categories of personnel for which objectives were established, non-prior service male and female and prior service personnel. While exceeding its objective for prior service accessions, the Army achieved 97% and 91% of its non-prior service male and female objectives, respectively. Each Service recruited more prior service personnel in the first quarter of FY 1981 compared to the same period last year, accounting for a DoD-wide increase of over 50%.

Service	October–December, fiscal year 1981			October–December, fiscal year 1980		
	Objective	Actual	Percent of objective	Objective	Actual	Percent of objective
Nonprior service accessions—Male:						
Army	20,400	19,800	97	33,300	29,000	87
Navy	17,800	17,900	101	17,300	16,700	97
Marine Corps	7,700	8,100	105	8,200	7,000	85
Air Force	14,200	14,300	101	12,700	12,700	100
DOD total	60,100	60,100	100	71,500	65,400	92
Nonprior service accessions—Female:						
Army	4,680	4,270	91	4,450	5,890	132
Navy	2,130	2,130	100	2,770	2,840	102
Marine Corps	370	420	115	480	450	95
Air Force	3,080	3,050	99	3,450	3,450	100
DOD total	10,250	9,880	96	11,140	12,630	113
Prior service accessions:						
Army	4,110	4,860	118	2,700	3,550	131
Navy	2,400	2,910	121	1,830	1,960	107
Marine Corps	550	670	122	390	510	131
Air Force	1,640	1,640	100	610	610	100
DOD total	8,700	10,090	116	5,530	6,620	120

Mr. Stone noted that the number of male high school diploma graduates recruited by all of the Services in the first quarter was about 9,700 above the number recruited last year for the same time period. This is a 27 percent increase. This year each Service exceeded the number and proportion of male high school graduates recruited in the first quarter of FY 1980. The Army recruited almost 2,900 more high school graduates and increased its proportion of male graduates from 40 percent in the first quarter of FY 1980 to 72 percent for the same quarter of FY 1981. Compared to the first quarter last year, all the Services increased the proportion of female non-prior service accessions with high school diplomas. Somewhat fewer female high school graduates were recruited overall, however.

NON-PRIOR-SERVICE ACCESSIONS

	High school diploma graduates—Male				High school diploma graduates—Female			
	October–December, fiscal year 1981		October–December, fiscal year 1980		October–December, fiscal year 1981		October–December, fiscal year 1980	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Army	14,300	72	11,500	40	4,000	94	4,100	78
Navy	13,000	73	9,900	56	2,000	92	2,400	86
Marine Corps	5,700	70	4,200	60	400	105	400	99+
Air Force	12,200	85	10,100	79	2,900	94	2,700	79
DOD total	45,300	75	35,600	50	9,000	91	9,700	87

NON-PRIOR-SERVICE ACCESSIONS—MALE AND FEMALE AFOT CATEGORIES I–III

Service	October–December, fiscal year 1981		October–December, fiscal year 1980	
	Number	Percent	Number	Percent
Army	14,700	61	16,600	48
Navy	17,200	86	16,200	84
Marine Corps	6,800	80	5,700	77
Air Force	15,700	91	14,900	92
DOD total	54,400	78	53,700	69

Mr. Stone indicated that the number of non-prior service enlistments DoD-wide that scored in Categories I, II or III on the Armed Forces Qualification Test (AFQT) during the first quarter of FY 1981 was about the same as a year ago. Except for the Air Force, each Service's proportion of new accessions attaining test scores in Categories I, II or III increased above the proportion for the first quarter of FY 1980. The Army experienced the largest increase going from 48 percent to 61 percent over the year.

The number and proportion of black non-prior service enlistees entering military service in this quarter decreased for each Service compared to the number and proportion recruited in the first quarter a year ago. Overall, the proportion of new accessions that were black declined from 34 percent in the first quarter of fiscal year 1980 to 20 percent in fiscal year 1981.

BLACKS

Service	October–December, fiscal year 1981		October–December, fiscal year 1980	
	Number	Percent	Number	Percent
Army	6,940	29	11,300	33
Navy	2,550	13	2,720	14
Marine Corps	1,770	21	1,800	24
Air Force	2,590	15	2,880	18
DOD total	13,850	20	18,700	24

REENLISTMENT SUMMARY

Mr. Stone said that all of the Services reenlisted a larger proportion of their eligible separatees in the first quarter of fiscal year 1981 than in the same period last year. As a result, the Services reenlisted a total of approximately 4,100 more men and women than in the same three-month period last year.

1ST TERM AND CAREER REENLISTMENTS

Service	October–December, fiscal year 1981			October–December, fiscal year 1980			Fiscal year 1980 (percent)
	Eligibles	Reenlist	Percent	Eligibles	Reenlist	Percent	
Army	27,300	18,100	66.4	33,300	20,700	62.2	62.2
Navy	23,400	13,500	57.7	20,000	9,100	45.6	48.2
Marine Corps	8,600	3,600	41.6	9,300	3,700	39.7	35.4
Air Force	25,100	16,700	66.6	23,000	14,400	62.4	60.0
DOD total	84,400	51,900	61.5	85,600	47,900	55.9	55.4

First-term reenlistment rates for the Navy and Air Force increased by 11.7 and 3.6 percentage points, respectively, over the same period last year. Army and Marine Corps rates remained relatively stable compared to last year.

1ST TERM REENLISTMENTS

Service	October–December, fiscal year 1981			October–December, fiscal year 1980			Fiscal year 1980 (percent)
	Eligibles	Reenlist	Percent	Eligibles	Reenlist	Percent	
Army	8,000	4,200	51.8	17,700	6,400	50.9	50.6
Navy	13,500	6,200	45.6	12,700	4,300	33.9	36.7
Marine Corps	5,400	1,300	23.9	5,200	1,300	24.9	23.3
Air Force	11,200	5,000	44.2	10,900	4,400	40.6	35.8
DOD total	38,200	16,600	43.4	41,500	16,500	39.7	38.1

Career reenlistment rates for all Services were higher than last year for the first quarter. The Navy and Marine Corps experienced the most significant increases of 8.0 and 13.8 percentage points, respectively.

CAREER REENLISTMENTS

Service	October–December, fiscal year 1981			October–December, fiscal year 1980			Fiscal year 1980 (percent)
	Eligibles	Reenlist	Percent	Eligibles	Reenlist	Percent	
Army	19,200	13,900	72.5	29,700	14,300	48.1	53.3
Navy	9,900	7,300	74.1	7,300	4,800	66.1	67.9
Marine Corps	3,100	2,300	72.4	4,100	2,400	58.6	58.8
Air Force	13,900	11,800	84.8	12,100	9,900	82.0	81.8
DOD total	46,200	35,300	76.5	44,100	31,400	71.2	70.5

WHERE HAVE ALL THE LAWYERS GONE?

● Mr. MATHIAS. Mr. President, compromise is a crucial ingredient in the operation of a democracy. While no one profession can claim a monopoly over the virtues of compromise and reason, the law teaches its students, in the face of divergent interests, to seek an acceptable common ground.

A recent article appeared in the National Law Journal which points out that the number of lawyers in our national and local legislatures is decreasing. Some believe that now narrow interests will supplant reason and, therefore, will cripple the democratic process. Others welcome the decline of legalistic parochialism and look forward to expanded horizons of experience. Perhaps some people are thinking along the lines of Henry VI (Part 2)—"the first thing we do, let's kill all the lawyers."

Inevitably, it appears, the professional backgrounds of legislators are changing, but let us hope that reason and compromise do not become lost arts. For the benefit of all of us who work in a legislative capacity and in deference to our colleague Senator Joseph D. Tydings, who brought the article to my attention, I ask that this article, entitled "Where Have All the Lawyers Gone?" be printed into the RECORD.

The article follows:

WHERE HAVE ALL THE LAWYERS GONE?

(By Stephen Barlas)

When the second Continental Congress met in June 1776 to draft what became the Declaration of Independence, Virginia attorney Richard Henry Lee proposed the motion that ". . . these united Colonies . . . are absolved from all allegiance to the British Crown . . ." John Adams, another lawyer and future president, seconded Mr. Lee's motion. A committee of four, all members of the bar, took Mr. Lee's loosely worded motion into a backroom and emerged with the Declaration's historic language.

Eleven years later, when 55 delegates to the Constitutional Convention met at the Philadelphia State House, attorneys again predominated. From that beginning, the legal establishment more or less controlled the reins of state legislatures and Congress for the next 200 years, becoming to elective politics what doctors are to medicine.

But during the past couple of decades, the number of attorneys in legislatures has been ebbing. Between 1966 and 1979, according to the Insurance Information Institute, the percentage of lawyers in state legislatures dropped from 26 to 20. There are no lawyers in the Delaware legislature, for example.

The just-ended 96th Congress had fewer lawyers than any other Congress in the past 30 years. For the first time in those three decades, less than a majority of the 435 House members had law degrees. And the drop in the number of lawyer/congressmen from 1977 to 1979 was the steepest in 30 years.

Only eight of the 18 new U.S. senators elected in 1980 hold law degrees and a number of those have not practiced law in quite some time.

The unheralded demise of the lawyer/legislator is clearly worrying national and state bar leaders. "I don't think it is good for the country," says Leonard Janofsky, immediate past president of the American Bar Association. "And I don't think it is good for the profession."

"It's like taking all the chemists out of the chemical/petroleum industry," adds former Sen. Joseph Tydings, D-Md., who is now associated with the Washington, D.C., law firm of Dickey, Dansansky & Tydings.

Laymen tend to be much less gloomy about the dwindling ranks of legislating lawyers. "What you want is people of expertise and intelligence, and I don't think professional background would be that important," explains Sen. Malcolm Wallop, R-Wyo., a rancher and the first non-attorney appointed to the Senate Judiciary Committee. "It is not good to have a predominance of any background."

Adds Norman J. Ornstein, a congressional expert and adjunct scholar at the American Enterprise Institute, "We may get a little more intelligibility in political discussion, debates and our law-making."

Mr. Ornstein explains, though, that the increasing absence of lawyers from Congress may also have debilitating side effects. Their places will be frequently taken by members of non-establishment, insurgent groups who are political products of grass roots movements.

Such potentially hard-headed partisans who arrive in Washington with heavy obligations to single-issue lobbies are less likely than litigation-wise attorneys to accept the importance of legislative compromise, Mr. Ornstein says. "There is bound to be more posturing and less concern with the details of legislating," he adds.

Despite unmistakable evidence of the growing disappearance of lawyers from legislatures, no one seems quite sure whether attorneys are just running less frequently for office or whether they are running as often but losing more often.

Those who believe lawyers are running less frequently give a number of reasons for their reluctance to chase seats in state bodies, traditional gateways to Congress.

Until very recently, many state legislatures met for only a few months every other year. Legislating seldom seriously interfered with a state assemblyman's or senator's private law practice.

Today, 37 states are required to convene annual legislative sessions and 18 of those do not limit the duration of the session. According to the National Conference of State Legislatures, the average session lasts 139 days. When sessions end, it is not unusual for interim committees to meet.

Writing in a recent issue of the American Bar Association's Bar Leader, Washington State Senate Majority Leader Gordon L. Walgren explained: "Particularly in those states where legislative pay is low, the difficulty experienced in finding the time to serve one's clients can translate into the harsh economic reality that further public service is not financially feasible."

Joe Gaylord, the Republican National Committee official responsible for recruiting party members for local and state office, says, "When I'm at seminars [for prospective candidates] around the country and I ask people what they do for a living, I don't get the attorney stuff as much anymore."

The U.S. Supreme Court's decision in 1977 allowing attorneys to advertise "routine" legal services may have also hastened the demise of the lawyer/state legislator. According to John Saxon, a counsel to the U.S. Senate Ethics Committee, lawyers—particularly in rural areas—ran for state senate and assembly posts prior to 1977 as a means of advertising their law practice. "Many of them didn't care whether they won or lost," notes Mr. Saxon. "They wanted those free newspaper stories publicizing the name of their firm."

Attorneys may also be running less frequently for legislative posts because of the conflict of interest laws adopted by many states and Congress in the mid-1970s in response to Watergate and the "good government" prodding of various public interest groups. In Alabama, for instance, the percentage of attorneys in the state legislature dropped from 30 in 1977 to 18 in 1979. One reason for the decline, according to former state bar president Oakley Melton Jr., is "a very strict ethics law that prohibits public officials, including legislators, from representing state and local boards or agencies."

Aside from the conflict of interest restrictions that govern congressional service, lawyers contemplating a run for the U.S. House of Representatives face an $8,625 limit on earned outside income if they make it to Washington. The ceiling for U.S. Senators is set at $25,000.

While House rules allow members to affiliate with law firms, the Senate prohibits affiliation as well as the use of a member's name, even as "of counsel," by his former law firm.

Says William Sweeney, executive director of the Democratic Congressional Campaign Committee, "I've met attorneys who say the outside earned income limit makes it too costly for them to be a congressman."

Former Senator Tydings points out that congressional salaries, now at $60,662, are significantly less than that earned by many fellow attorneys in private practice and that congressional pay, in terms of real dollars, has been savaged by inflation. "If I was still in the U.S. Senate," explains Mr. Tydings, "I would have taken a 50 percent pay cut.

"People are willing to put up with much less than fair compensation because of the glamour, excitement and ego gratification," adds Mr. Tydings. "But there is a point beyond which you cannot do it."

Mr. Ornstein is one of those who believe attorneys are running for legislative office as often as ever. But he says they are being elected less frequently because of stiffening competition from non-lawyers.

He explains the civil rights and anti-war movements proved political stepping stones for many non-lawyers. More recently, activists concerned with abortion, the Equal Rights Amendment, consumer issues and right-to-work laws have parlayed grass-roots organizing experience into legislative careers.

Judy Heffner, director of public affairs for the National Conference of State Legislatures, says an example of this trend toward non-establishment legislators is reflected in the doubling of women in state bodies during the past 10 years. "Those women tend not to be lawyers," she says.

None of the five women elected to Congress in 1980 has a law degree. The only incumbent woman to leave Capitol Hill this year, Rep. Elizabeth Holtzman, D-N.Y., is an attorney.

While lawyers are faced with an increasing array of well-financed political challengers, they must also, at the same time, fight a public perception that many members of their profession are less than trustworthy.

Part of the profession's "image" problem stems from Watergate. Of 19 key figures involved, 11 were attorneys. Citing lawyers' Watergate-soiled reputations, a March 1974 U.S. News & World Report cover story asked: "America's Lawyers: A Sick Profession?"

More than six years later, the public seems to be answering that question in the affirmative.

For instance, a November 1980 Louis Harris poll asked 1,199 respondents to express their confidence in leaders of 13 American institutions. Educators were given the highest marks, with 36 percent of those answering saying they had "a great deal of confidence" in the leaders of higher education. Even with the Abscam millstone around their necks, Congress' leaders came out at 18 percent, putting them 5 percentage points ahead of lawyers, who were dumped at the bottom of the barrel.

While Wyoming's Senator Wallop disputes any notion that lawyers are more unethical than other professionals, he agrees they have an image problem. "As we subside into a legalistic society where the only solutions are in the courts, through lawsuits," he says, "people find more and more of their lives confronted by members of the legal profession."

The nation's legislatures are unlikely to be denuded of barristers anytime soon. But if the profession is as worried about the trend as it appears, practitioners might want to note the words of Supreme Court Justice Louis D. Brandeis, who said: "What the lawyer needs to redeem himself is not more ability . . . but the moral courage in the face of financial loss and personal ill-will to stand for right and justice.●

NEED FOR CONGRESSIONAL ACTION ON EMERGENCY PETROLEUM ALLOCATION PLAN

● Mr. EXON. Mr. President, today the U.S. Senate is considering a measure to provide for an international emergency petroleum allocation system. This program recognizes the need to unite with other nations in a coordinated effort to decrease dependence on foreign oil and hopefully reduce the strategic and economic vulnerability of the member countries which this dependence has fostered.

As we all know, on January 28, President Reagan ordered the immediate decontrol of crude oil and refined product price and allocation controls. The President's order accelerated the phased decontrol program by some 9 months, since the Emergency Petroleum Allocation Act would expire on October 1, 1981. Although I have been a proponent of decontrol, I believe that the phased decontrol program was a more prudent approach. Phased decontrol was designed to soften the inflationary impact of this action as well as provide a transition period where industry, government, and consumers could prepare for the free market forces to take hold.

Although I was opposed to the administration's January 28 order to immediately decontrol, the economy has been operating since that time in a decontrolled environment. This Senator must concur with the recent Federal court decision by Judge Harold H. Greene, that a reimposition of controls would be unwise. The effects on the economy from repeated switching from controlled to decontrolled and back, during a period of but a few months could not fail but to result in greater disruption to the economy. Consumers have been harmed already due to the increases in energy prices as a result of the decontrol order. An "on-again, off-again" policy, however, could only aggravate this situation and would be contrary to the public interest.

In this Senator's mind, decontrol is no longer the issue. We must now face up to what our postdecontrol policy must be and to prepare for inevitable supply interruptions of our Middle East oil lifeline.

Mr. President, it is indeed ironic that we have acknowledged the need for an international emergency petroleum allocation system, but remain unprepared regarding our domestic policy on this crucial matter. On October 1 of this year, there will be no framework provided by law to insure a fair distribution of crude oil and refined products in the event of a severe cutoff by the oil producing nations.

The existence of a crude oil and petroleum product "safety value" is especially important to the agricultural sector of our Nation's economy. Timing is critical to our farming operations. A short disruption in fuel supplies at the wrong time can spell disaster for a full food and fiber production. Although farm energy use represents only 3 percent of total U.S. energy consumption, interruptions in the energy needs for the agricultural community would adversely affect every American consumer and nearly $40 billion in annual exports.

In addition, Mr. President, 45 percent of all on-farm petroleum fuel needs are met by some 8 independent refineries owned and operated by 13 regional farmer cooperatives. Farming and rural energy needs are particularly vulnerable to supply disruptions and it is important that cooperative and other independent refiners serving rural markets receive adequate supplies and at the right time. The administration's January 28 order, however, has left the rural market without assurances that specific needs can be met in shortage periods and has abandoned the emergency set-aside provisions. Pullouts by the major suppliers in the Midwest area have added to the apprehensions of the farm and rural communities.

Mr. President, long before the gas lines appeared around the country in 1979, the American farming community was desperately searching for adequate diesel supplies in a decontrolled diesel market. Absent the set aside allocation program, the agricultural sector would have experienced even greater economic dislocations. The free market can temporarily fail, and it is imperative that some allocation "safety valve" be provided for in the event of supply interruptions.

There is a need for a limited but essential standby authority to deal with supply disruptions which are sure to occur in the future. I am a cosponsor with Senator JOHNSTON on his bill, S. 409, the Standby Petroleum Authorities Act.

I would urge the Senate to act quickly to consider the various standby allocation proposals which have been introduced to address this issue. We cannot afford to wait. We have recognized the importance of a framework for an international petroleum allocation program. We must now move forward to protect our domestic interests with some sort of emergency allocation plan. Our economy and our national security most certainly demand it.●

TOWARD A NEW KIND OF DRAFT

● Mr. GOLDWATER. Mr. President, the subject of a draft is one that is constantly before us and as we attempt to bring up the strength and quality of our military, whether we like it or not, this is going to have to be considered at some time. The Association of the United States Army, which has long been interested in this subject, has prepared its thoughts on a new kind of a draft and I have found it to be most interesting and challenging. I ask that it be printed in the RECORD.

The material follows:

TOWARD A NEW KIND OF DRAFT—A STATEMENT PREPARED BY THE ASSOCIATION OF THE UNITED STATES ARMY

To a greater or lesser degree, all our armed forces are suffering from the impact of having to compete for a dwindling manpower pool, which by 1992 will require the enlistment each year of one in four of the American males who become eligible for military service. Because of its size and the intrinsic nature of service in its ranks, the Air Force has the smallest problem and, for corresponding reasons, the Army has the greatest. All the services are, at the moment, reaching their arbitrary active duty manpower quotas but they are doing so at undue expense in terms of dollars used for recruiting, in terms of the competition among the services to attract highly qualified young people to their ranks, and in terms of the societal imbalances of the recruited force. Further, at least as far as the Army is concerned, our national commitment to a purely voluntary mode of acquiring new service members is also inflicting a costly real decrease in overall readiness by shrinking enlistments in our reserve force at a time when these reserve forces are required to play an enhanced and vital role in any future military contingency.

The impact of the volunteer concept is also felt in another, far more subtle, way—the deliberate depression of manpower authorizations as a way to control the growth of spending on national defense in general and manpower costs in particular. Unlike any other cost-reducing project (base closures or project terminations, for example) there is one absolute truism: the surest and quickest way to cut costs is to cut people. Over the years of our volunteer experience, the authorized strength of the services has been driven mostly by budgetary considerations rather than the recognized need to support basic military tasks. Our Army today is at least 50,000 smaller than it should be to do all the things we expect of it even in its peacetime role.

We have an operative draft today, one of economic coercion, because many young men and women are enlisting for the wrong reasons. They often enlist not because they want to serve but because there are few other acceptable options open. In these instances the military becomes the employer of last resort. The unjustly contorted Selective Service law of the early Vietnam era unfairly discriminated by drafting the less affluent youth who were unable to take advantage of the avoidance authorized by the law of that time. A large percentage of today's volunteers serve because a period in uniform offers something they have not been able to find elsewhere—a *job*. The injustices of the Vietnam draft and the realities of today's economic situation have accomplished the same end; they have brought more economically distressed people into the military ranks and excused the more fortunate. Ever since Vietnam, middle America has not been in the uniform of its country.

When the switch to a purely voluntary system of military accessions was being considered, the Association of the United States Army warned loudly and often that the monetary cost would be high and that the new system would work only if it was supported unstintingly by future administrations and congresses. We never believed this would happen. Our fears were well-founded as the facts will attest. The buying power of military compensation has slipped at least 15 percent behind comparability with the civilian sector, effective educational incentives were permitted to lapse and, as the number

of people serving was driven downward without a corresponding reduction in worldwide military responsibilities, many career personnel found themselves spending more time overseas than at home—one of the most devastating effects of the whole fruitless effort.

The costs associated with keeping people in uniform have continued to rise. Today it is estimated that 80 percent of the Army's budget is committed to feed, pay and house people and to keep the basic system going. In spite of our increased monetary support of people, we have wound up with a force that is substantially undermanned, undertrained and underqualified. This must be the ultimate measure of the failure of the all-volunteer effort.

After eight years of the volunteer experiment, certain facts are clear:

The recruiting effort has been generally successful in supporting authorized active force levels although these levels have been substantially below those actually required.

Recruiting for the reserve components, particularly in the Army, has not been entirely successful, jeopardizing the elevated reliance our current structure places on reserve readiness.

Frequent overseas deployments and noncompetitive compensation have brought pressures on career personnel that are driving them from the ranks in substantial numbers, seriously depleting the level of professionalism through the services.

All of our forces have become unrepresentative of our society.

A herculean recruiting effort has siphoned off thousands of the best and brightest officers and NCO's of all the services, at an annual cost of about one billion dollars, and has put the services in direct competition as they strive to attract highly qualified enlistees from an ever-decreasing pool of eligibles.

The time has come for us to acknowledge the failure of a volunteer ideal as we have attempted to make it work. We must now decide what further extraordinary efforts in the form of compensation and incentives might possibly eliminate the shortfalls, or try another more realistic approach.

The pressure by the new administration to reduce government spending in the interest of restoring economic stability must surely turn aside many of the only effective measures that could have any chance of building a completely viable force of volunteers. We must find other ways to build that essential force. The only obvious system is a form of selective service that brings service to the country back into proper national perspective.

The popular perception of an inequitable Selective Service System, as operated during most of the Vietnam War period, still impacts unfairly on most American thought and public rhetoric. It must be made clear at the outset that any operative selective service plan has to be completely fair for all.

The existing Military Selective Service Act, as modified in 1968, provides a fair and equitable selection system. Under it, 95 percent of our young physically qualified men have an equal opportunity to be considered for military service. Principal elements of the now existing law provide for:

A lottery to provide random selection of the order of call by birthdate.

Exposure to callup for only a year, permitting individuals and employers to make long-term plans.

Elimination of occupational, agricultural, student and paternity deferments.

Stringent controls over deferments for extreme hardship, for medical and ministerial students, and elected officials.

Award of conscientious objector status when properly verified.

Revelation, on request to local and appeals boards, of reasons for adverse classification actions.

Making local boards more representative by lowering the minimum age for members to 18 and forbidding service on a board for more than 20 years.

The Military Selective Service Act could be usefully modified to provide more appropriate punishments for failure to comply with the Act. Instead of the present counterproductive penalty of a $10,000.00 fine and up to five years in jail, it would seem more fitting if the failure to comply with this responsibility of citizenship involved the loss of some of the privileges of citizenship, such as the right to vote, ineligibility for any government assistance, or government employment.

In order to assure the most equitable distribution of the available manpower for all the services, the following regulatory actions must be taken by the Defense Department.

1. All services must be required to gain their first-term non-career personnel through the Selective Service System. (This is most significant.)

Individuals who may wish to volunteer for a specific service might do so but only through the Selective Service System and only within the designated quota for that service for a specified period.

2. The services would be permitted to recruit only for their career force.*

Selectees would be permitted to make a career choice after induction, but only within the limits of the required career content of that service.

3. The total number of inductions in any given period would be based on the difference between the required strength of the services and the actual strength.

4. The term of induction should be for a period of two years.

5. Those eligible to be drafted would be permitted to opt for training and service in local Reserve or National Guard units but with a longer total period of service than that required of those serving a full active tour.

Another option would be available for training and service in the Individual Ready Reserve which would entail a still longer period of obligation. We have a legal shortfall affecting the individuals in the IRR and it may require legislative action to track the individuals involved through IRS or Social Security channels.

6. An educational benefit must be a basic part of any new selective service plan with benefits graduated to be most generous for those who spend the longest period in the active ranks. Those who start in the draft force would have their service applied to their eligibility for this benefit as they moved into the career force.

7. The entire volunteer/inductee portion of the force would be paid at an apprentice level during the statutory period of active service for inductees. Pay and other special emoluments for the career force would be maintained at a level of comparability with the civilian sector.

As an indication of the numbers involved, the following chart reflects the Army's initial full manpower requirement from the Selective Service System. When the noncareer portions of the Air Force, Navy and Marine manpower requirements are added, it can be postulated that a very large percentage of the physically able young men coming of age each year will be required to serve in their country's armed forces.

*A careerist is defined in the case of enlisted personnel as one who reenlists following an initial enlistment; and, in the case of officers, after completion of the initial obligatory service period.

ARMY REQUIREMENTS FOR AN ACTIVE DRAFT[1]

	Required strength	Career content	Non-career	Annual SS requirements
Active Army	850,000	[2] 425,000	425,000	[3] 170,000
Selected Reserve	700,000	[2] 350,000	350,000	[4] 93,000
Individual Ready Reserve	500,000	NA	500,000	[5] 83,000
Total				346,000

[1] Selective Service accessions for the Air Force, Navy and Marines would be in addition to this.
[2] Assumes a career content level of 50 percent.
[3] Assumes a 2-yr SS active duty obligation and a 20 percent level of volunteers.
[4] Assumes a 3-yr obligated assignment to a Selected Reserve unit before being transferred to the IRR.
[5] Assumes a 6-yr IRR obligation and a decision to build to strength gradually. After the 2d yr of an active force draft and the 3d yr of a selected reserve draft the need to draft directly for the IRR would be eliminated.

There are many advantages to this system:

READINESS

The active services could be rebuilt to a level of required personnel strength.

The reserve components could be maintained at a level supportive of their mobilization mission.

The large pool of trained manpower represented by the IRR and the Standby Reserve could be reestablished and kept at the desired level.

Several thousand highly qualified officer and NCO recruiters could be returned to normal military duties, retaining a recruiting structure just large enough to generate enlistments for the career force.

COST

Recruiting costs could be reduced to a minimal level, requiring enough funding to support recruiting for the career force only.

Attrition among selectees would be held to the lowest possible level.

Funds now appropriated to support the educational subsidies of the Department of Education should be redirected to support the educational benefit for those serving in the military. The yardstick for governmental educational support should be service to country or disability.

This paper has deliberately avoided the issue of a draft for women. It has long been the Association's position that a draft for women is entirely fair and equitable, but whether they are to be included is a matter for the Congress or the courts to decide. What is not at issue, however, is the numbers of women in the Armed Forces. They have reached, and in some cases passed, the prudent level. All of the services are reevaluating requirements for women in light of experience to date.

CONCLUSION

Eight years have elapsed since we began the experiment to find ways to have the essential and arduous duty of military service taken care of without involving or inconveniencing the bulk of those who reap the rewards from our form of government.

In this, as in other areas, we Americans find it difficult to believe that the problem cannot be resolved simply by throwing more money at it. This is not an economic equation.

The basic issue is disarmingly simple. Capable, credible military forces are essential to our national policy and interests. The responsibility for the funding and manning of such forces falls on all citizens—as do taxes and other governmental inconveniences that we accept willingly for a lawful and peaceful community.

History shows not one successful substitute for the citizen's direct involvement in his destiny. It is time for us to accept once more the duty, obligation and privilege of

our citizenship and respond to what our country's needs demand of us.●

HOLMES ALEXANDER HAS THE LAST WORD

● Mr. MATHIAS. Mr. President, when a wise and witty observer of the Washington scene puts down his pen after 34 years of service, it behooves us all to pause and to listen to his final thoughts on America, democracy, and Washington. I call to the attention of my colleagues a series of columns entitled "Down the Home Stretch," by Holmes Alexander. These articles represent the literary culmination of one journalist's view of Washington that is both gracious and demanding. He recalls that "in the aftermath of World War Two, this Capital City did have a holy glow about it, and to be any part of it was something of an honor." He is gracious toward the ideals that Washington represents in the way of democracy, but, at the same time, he is extremely demanding of the elected officials who are called upon to maintain those ideals.

His reflections at times border on despair but are never far removed from the embrace of hope. He writes:

You never hope to lose the flicker of that first fine careless rapture when you believed Washington was the New Jerusalem, every person with "Hon." before the name was a true statesman, and you yourself were like the fly on the emperor's chariot wheel—believing that you helped to turn the earth.

Never one to expatiate on the glorious goals of American democracy, Mr. Alexander used invective and raillery in his effort to make those goals a reality. We would all do well to remember his observation that "fatigue is a disposable waste. Enthusiasm is a renewable resource." I commend these three articles as the distillation of one man's experience with our shortcomings and because in the end, despite all of it, he believes that hope is, by no means, lost. I ask that they be printed in the RECORD at this time.

The articles follow:

DOWN THE HOME STRETCH

(By Holmes Alexander)

(Editor's note: After many years as a writer, Holmes Alexander is retiring from the Washington scene. These upcoming three columns are his last ones.)

WASHINGTON, D.C.—I value my life, and therefore abhor idleness and boredom. "When a man is tired of London," declared Samuel Johnson who among much else covered the House of Commons debates, "he's tired of life." I say with Johnson, "Same here."

After 34 years as a Washington-based journalist, I sometimes feel pooped, but never blase about this thrilling capital city. Lose that fascination and you're done for. When the glamour goes, curtains.

Tired of Washington? I ride a bike to my appointments. Quite apart from economy and exercise, my personal vehicle has sentimentally bound me to the city. Between my 25th street, N.W. home (near the Watergate) and the National Press Building at 14th street, there are sidewalk flower borders that would never be noticed from subway or cab. For three-fourths of the year these simple posies gladden the heart. All year long they flash upon that inner eye which the poet calls "the bliss of solitude."

In the past summer of 1980 the District government blocked off traffic and installed a landscaped plaza with pathways at the Foggy Bottom Metro station. I formerly had to wait for blooms, pedaling to work, until the little park at the Interior Department, 18th and Eye streets. But before she left, Lady Bird Johnson lined the rest of my route with flora at the approaches of Treasury and Commerce. I could choose to reach the Press Building by two routes. One led down Pennsylvania Avenue past the Albert Gallatin statue to the Treasury's north. But ideologically I preferred the southern side which sports the bronze Alexander Hamilton, arch conservative.

Since the crime wave of the 60's, Metropolitan cops don't whistle down bikers who use the sidewalks. This allows me, homeward bound on the eliptical pavement, a panoramic view of the sweeping White House lawn, its playing fountains, the graceful breastlike curve of the "Truman gallery" where it grows out of the gleaming Mansion.

In lustier days I have biked to Secretary McNamaras' Pentagon conferences, but somehow the 14th street bridge has lengthened with the years. When I rode to Capitol Hill, I would foil thieves (9 out of my 10 bikes have been stolen) by locking up in the press room of the Senate Dirksen Building. It's exceptional nowadays when I take the long journeys, but recently I had to be finger-printed to own a legal gun, so I pumped all the way to the D.C. police headquarters in the down town melee of 7th street.

Soon afterwards, westbound on mid-K street, I was unhorsed by an idiot-motorist who suddenly flung open his lefthand door. With a knapsack of books, I crashed into his car, bounced off, was sideswiped by an oncoming stationwagon, and flung to the concrete. My wounds were superficial, but the shakeup made me know I wasn't born yesterday.

Mr. Truman was a first-term President when I became charmed with the outdoor statuary of this shining town, and researched an article titled "How to Win a Monument." It sold to Colliers Magazine, which folded; sold to Bill Buckley's National Review, just beginning; sold in revised form with the collaboration of a Press Club chum, Lou Warren to the Evening Star. Monuments are privately financed, breeding many coming anecdotes about the donors and subjects. I think I could have traded indefinitely on the material, but JFK's Interior Secretary Stewart Udall began uprooting the personal monuments and shipping them to their home states.

Tired of Washington . . . tired of life? Not this ink-stained veteran! We do not live on flowers and statuary, which make the city beautiful, but on nostalgia, patriotic excitement and comradeship. As long ago as the Ford administration, I came away from a Presidential coffee hour in company with a columnist Roscoe Drummond, another old-timer, and he kidded me about the inclines built into the sidewalk curbs for wheelchairs but which help us bike-riders too.

Probably arranged for you by some corrupt lobby," Roscoe joshed me.

You never tire of the friendship and easy joking that goes with the work. You can always put up your feet and rest after a tiring day. You can always summon memories that set the heart dancing with the daffodils. No doubt the physical and psychologic tensions can get you down, and wear you out on this demanding job—but this city not only takes your energy, it also restores it.

DOWN THE HOME STRETCH

(By Holmes Alexander)

(Editor's note: This is the second of three related columns.)

WASHINGTON, D.C.—As Hon. Barbara Jordan (D. Texas) remarked upon her voluntary departure from the House of Representatives, the longer you stay in Congress, the harder it is to quit.

It's the same with quitting a syndicated column. All columnists, great and small, cling to the byline like a liferaft. It takes an act of self-discipline to cast off and swim for it, even if you've been at it since 1946 and haven't set the lake afire or accumulated any delusions about being missed.

You don't quit because you're tired of life, or tired of Washington. You quit because you don't want to get that tired. You hope never to lose the flicker of that first fine careless rapture when you believed Washington was the New Jerusalem, every person with "Hon." before the name was a true statesman, and you yourself were like the fly on the emperor's chariot wheel—believing that you helped to turn the earth.

Rep. Jordan was leaving Congress without a nudge from behind, but this is less true in the case of an elderly freelance writer, certainly not in my own case. In the gloaming of a journalistic career, there are plenty of persons around with pitchforks to assist. I recall the kindly editor who didn't write to cancel the column, but only to observe that my next birthday was a good occasion "to retire on your laurels." And the old friend who congratulated me on "how hot you used to be." And the up-and-comer who dropped the word "has-been" at the clubhouse dining tables and then apologized the way President Carter did to Senator Kennedy ("Nothing personal, Ted.") after an oblique reference to Chappaquiddick. And there are public and personal "friends" whose calendars become too full for an appointment, or who no longer return your phone calls. All these persons carry a pitchfork to speed the parting scribe, and to make him think a little less of the human race.

But discouragement, even disparagement, won't face the committed writer who regards such things as no worse than a bad cold. It's true that all competitive animals—the race horse, the boxer, the politico, the journalist—feel a letdown when the novelty goes, and the task is all to do again next time. But fatigue is a disposable waste. Enthusiasm is a renewable resource. "If there's a typewriter in your house," said a byliner who recently retired "you'll always be writing."

I intend to do that. I intend also to go on believing that in the aftermath of World War II, this capital city did have a holy glow about it, and to be any part of it was something of an honor. Many who then carried the title of "Hon." were deserving of it. We who came aboard when America was in her golden hour, bathed in the worship and aspirations of the liberated world, were not wrong in believing that there were giants of integrity in those days—Vandenberg and Taft, Harry Byrd and Abe Ribicoff, Paul Douglas and George Marshall, and the Latter Day hero, Harry Truman.

Looking back, Mr. Truman is not memorable for anything gigantic about his leadership. But he was so genuine that he loomed large. Something has been missing in every President since. Eisenhower was too distant. Kennedy too immature. Johnson too unlucky at falling heir to JFK's martyrdom and failures in Cuba and Indochina. Nixon too unworthy of the office. Ford too lacking in inspiration. Carter too inept to be a leader. The nation's Decline can be traced by those names of men who were deficient in the Real Stuff to lead America.

It was an adventure in a losing battle, a heart-wringing and extended defeat, to have been no more than an observer through those years, and to have been on the watch for the Right Stuff to turn the country around. When it couldn't be Barry Goldwater, we had to wait for Ronald Reagan and the conserva-

tive domination of the U.S. Senate brought about by the 1980 elections.

When I came to Washington, it was downright uncouth to be an avowed conservative. In all honesty, I was like the Moliere character who had to be told he'd been speaking prose all his life—I didn't know I was a rightwinger until many persons said so. But I must have known from the instinct as I know now from experience, that the terms conservative and pro-American are synonymous. Not that the liberals are anti-American by nature, but they are non-American by putting other causes ahead of their country's well being.

As Rep. Jordan said, quitting comes harder as time goes by. I am glad to have had my say, and to have saved the last word for the Inaugural of Ronald Reagan.

DOWN THE HOME STRETCH

(By Holmes Alexander)

(Third and final.)

WASHINGTON, D.C.—Note the difference—it has deep significance. When Harry Truman victoriously ran in 1948, he flogged the 80th Congress for being "no-account and do-nothing." When Ronald Reagan won in 1980, the 96th Congress was not so much vulnerable to Trumanic bombast as to God's wrath.

Seven members were under criminal indictment for bribery and conspiracy, one had been expelled by the House Ethics committee, another resigned and several others were "censored" by their peers in various terms of disapproval.

The incoming Congress, the 97th, was elected with Republican majorities larger than Mr. Reagan's. While the country had been amused by President Truman's allies, it was outraged in 1980 by the performance of a chief executive and Congress alike. During that span (1948-80), which coincided with my own term as a Washington-based writer, America had sunk so low in military and diplomatic defeats, in the immorality of its governing personnel, that it would not be unreasonable, or unfair to ask—"Is the United States capable of self-government?"

Washington journalism is a zoo with many species of the animal kingdom. The nobility of the majestic lion and the thoroughbred horse are there. The lesser breeds of harmless moo-cow and fawning lapdog can be seen. The lower forms of jackal, viper and buzz fly are on exhibition with the strutting peacock and the swollen toad.

No individual, expressly this one, is free from the faults of the herd. I have a theory that this variety exists within the press corps because it mirrors the social environment that supports, encourages and tolerates it. I refer to the American political community, from the White House to the backstairs lobby.

Our ever-increasing access to the ballot-box has progressively lowered the quality of our chosen leadership. We have beaten the bushes to bring out more voters, women suffrage, a lowered voting age, the outlawing of poll taxes, the liberation of residency requirements, the absentee ballot, the federal enforcement of voting rights and the federal subsidizing of candidates, all have coincided with lower participation on election day and lower standards of decency and mentality afterwards.

Again, we see the animal fair of purebreeds and monerels, a menagerie where the democratic theory is debunked as quackery, for the people's choices are several cuts lower than the people themselves. Despite some splendid species that have paraded through the executive mansion, the congressional aisles, the persuasion parlors where legislators are massaged by Nobel prisemen as well as fleshpot merchants, national politics has become more and more a profession of, for and by the unclean. The bureaucracy, which is the servant class of our rulers, draws undeserved salaries from protected jobs. These lackeys extend the absurd pretension of self-government as a human or philosophic value.

I would feel cowardly to end my valedictory without suggesting remedy. Only yesterday I heard it seriously proposed that Richard Nixon be executed for his crimes against the American people, and that capital punishment be made the mandated punishment for all major offenses to the public good. Although not wholly won over to such extreme measures, I am convinced that a factor of authoritarianism must be introduced if the Republic is to survive. Not a dictator, but a take-charge ruler, like DeGaulle must be raised up by popular consent.

Looking back on three decades of writing from the Washington beat, I cannot believe that it improved any talents I may have brought here, or that the political environment has been good for the men and women with whom I have worked. Rarely is there an Adam Smith, a Maynard Keynes, a Karl Marx, a Ben Franklin who develops from the modern press corps. It feeds on the material of legislation and administration which has little relation to the eternal verities. Seldom does the byline correspondent meet with politicians whose sincerity is inviolate, whose purpose is undiluted patriotism, not mixed with trivial considerations and covert vanity. The wide world is not without hypocrisies in any society, but there is no worse offender than the society of politics.●

THE PHARMACISTS PROTECTION ACT

● Mr. DURENBERGER. Mr. President, it is a pleasure to join this morning in cosponsoring S. 20, which amends title 18 of the United States Code to make the robbery of a controlled substance from a pharmacy a Federal crime.

Present law in pharmaceutical robberies presents a disturbing paradox. Under provisions of the Controlled Substances Act of 1970, the Drug Enforcement Administration now controls who may prescribe drugs, and the illnesses for which those drugs may be prescribed. A tough accounting standard to prevent illegal sales and possession is included in the agency's regulations. Once a pharmaceutical robbery has occurred, and stolen drugs are placed in the stream of commerce, there are multiple grounds on which the Federal Government can assert jurisdiction over the use, movement or resale of the drugs. The only step in the chain of criminal activities where the Federal Government does not have jurisdiction is the robbery of the pharmacy itself.

This paradox appears to result from omission rather than design. But its consequences are significant. Drugstore robberies are reaching epidemic proportions, particularly in the Nation's urban centers. Over the last few years dozens of pharmacists have lost their lives in robberies. One of those, Robert Jorgensen, was from my own State of Minnesota. But these satistics actually understate the problem. They do not measure nonfatal injuries inflicted in the course of these robberies. Nor do they take account of the economic loss sustained in the robberies, or the costs sustained by pharmacists forced to install expensive crime control systems. Armed robbery is a chilling experience, but it is now a fact of life for most pharmacies.

Ironically, the success enjoyed by the Federal Government in closing traditional channels of illicit drug supply has magnified the pharmacists problem. Even where supplies are available, the uncertain purity and concentration of drugs sold on the street is an incentive for addicts to take criminal action to obtain prescription grade narcotics. There is no logical rationale for excluding the pharmaceutical robbery from a chain of events that is otherwise within the scope of Federal law enforcement authority. The Senate recognized this fact when it unanimously passed an amendment similar to S. 20 during consideration of the Criminal Code Reform Act during the 95th Congress. Similar language was included in the Criminal Code revision that passed the Judiciary Committee a year ago. But the controversy surrounding these omnibus Criminal Code reform bills doomed their chance of passage, and the provisions protecting pharmacists died with those bills in each of the last two Congresses.

With the incidence of pharmaceutical robberies increasing at geometric rates, we can no longer delay action on this simple but essential change in the Federal Criminal Code. The bill I cosponsor this morning would make the theft from a pharmacy of any substance listed in schedules I through IV of the Controlled Substances Act a Federal crime subject to a prison term of 10 years, a fine of $5,000 or both. S. 20 closes a serious loophole in the Criminal Code, and I urge every one of my colleagues to give it their full support.●

NATIONAL SEA GRANT COLLEGE PROGRAM

● Mr. PELL. Mr. President, the administration's proposal to eliminate entirely the national sea grant college program is a budgetary blunder.

The reason given by the administration is totally wrong and mistaken. The budget documents submitted to the Congress today state that the sea grant program should be terminated because it has "largely achieved [its] original purpose to develop State and local capability for addressing marine and coastal issues."

As the author of the original sea grant legislation and as one who has conducted every Senate reauthorization and oversight hearing on the program, I know the intent of the Congress was and is that the program be a continued partnership between the Federal Government and State and local interests with each paying a share of the costs. That intention has been made crystally clear by the Congress time and again. I regret that the administration has misstated the purpose of the program to justify its proposal to kill it.

The fact is that the sea grant college program is the most cost-effective marine resource program we have. A recent compilation by an ad hoc sea grant study group showed the program has produced annual direct economic benefits of more than $200 million. The program is a public investment in technological innovation and increased productivity.

The administration's program would kill the sea grant program as of October 1 of this year. It is a decision that could only have been made almost blindly in some frenzied midnight search for budget cuts. I am confident that the Congress, after examining the program in the light of day, will decide that the sea grant program should be continued.

In fact, the Senate Committee on Labor and Human Resources, acting yesterday on its fiscal year 1982 budget submission, included $35 million for the sea grant program. That is a budget cut of less than 10 percent, and the funding for the program was supported by the Republican majority as well as the Democratic minority.

I support the President in his effort to curb Federal Government spending, and I expect that the sea grant program will bear its share of austerity, but I will vigorously oppose the proposal to kill this program.●

REGULATION OF SURFACE MINING

● Mr. BENTSEN. Mr. President, I am pleased to join Senator WALLOP, Senator BUMPERS and others in cosponsoring S. 351, a bill to relieve sand, gravel, stone, and clay operators from costly, excessive and unwarranted Federal regulation by transferring oversight of these industries from the Mine Safety and Health Administration (MSHA) to the Occupational Safety and Health Administration (OSHA). This bill is similar to S. 625, which passed the Senate twice during the 96th Congress but has not yet been enacted into law.

There is an emerging consensus in this country, Mr. President, behind the drive to curb the regulatory impulse and insist that any regulations promulgated from Washington at least be cost effective.

This is not to suggest that we should abandon the important progress we have made over the past decade toward cleaner air and water and a safe workplace. We must, however, be prepared to examine the costs, as well as the potential benefits, of past and future regulations.

One of the most dangerous and important jobs in this country is going down into a deep shaft to mine coal. Everyone would agree that the health and safety of brave people who do this work should be protected.

For that reason we passed the Mine Safety and Health Act of 1977; even a cursory review of the act's legislative history reveals that it was intended to address the very real dangers inherent in deep shaft coal mining.

But what has happened, Mr. President, is that the regulators in MSHA have taken the definitions, problems, hazards, and remedial measures that pertain to the coal mining industry and tried to apply them to the excavation of sand, gravel, stone, and clay, most of which takes place above ground.

That is the sort of regulatory absurdity that can no longer be tolerated in America. The risks are different, the industries are different—but we will take the worse-case, deep mining rules, and try to force-fit them to construction aggregates. The process, of course, is cumbersome, it is expensive, and it does not work.

Let me review briefly some of the inequities that have resulted from application of a single set of regulatory standards.

MSHA presently imposes extensive training requirements on mine operators. The training is intended to teach safety techniques applicable to underground sites and therefore has little if any relevance to surface operations. Furthermore, the financial strain of providing federally mandated instruction is especially burdensome considering that approximately 85 percent of all sand and gravel mines and 66 percent of all stone operations employ 10 or fewer workers and considering that conservative estimates put the cost of training a single employee at something in excess of $150 per day.

A second major difficulty in applying the MSHA standards to these surface mining operations relates to the penalty system imposed when noncompliance with the regulations is found. Under the 1977 act, a rigid penalty formula—in use for coal mines since 1974—has been extended to cover surface operations. In 1979, MSHA estimated that penalties assessed in any given year may cost the noncoal mining industry up to $25 million or an average of $1,200 to $1,500 per year for each noncoal surface mine. This constitutes an extraordinary cost to the operators, particularly in view of the fact that the median size noncoal mine has about five employees and that the federal mine safety inspectors regularly assign penalties for violations as innocuous as paper on the lunchroom floor.

In addition, there is ample evidence that these surface mines are far safer than the coal operations with which they have been grouped for regulatory purposes. During the first half of 1980, for instance, the accident rate for sand and gravel operations was 4.48 injuries per 200,000 man-hours, while the average number of injuries in coal mining during the same period exceeded twice that number.

Mr. President, it makes no sense to apply the same regulatory requirements to all mining operations when the differences among them warrant individualized treatment. It makes no sense because it imposes an unreasonable and unnecessary burden on the small businessman, his employees, and on the American taxpayer who is ultimately responsible for paying the costs of over regulation in the form of higher prices in the market piace and more taxes to implement unwarranted Federal restrictions.

Accordingly, I urge each of my colleagues to support this effort to provide long overdue regulatory relief for the thousands of operators and employees working in sand, gravel, stone, and clay mines across the United States.●

THE OUTLOOK FOR EDUCATION

● Mr. EAGLETON. Mr. President, I call the attention of the Senate to a speech delivered last month by the Senator from Rhode Island (Mr. PELL) on the subject of the Federal role in education.

Senator PELL points out that although Federal support is minimal in terms of the overall costs of education, that support has been and continues to be vital to assuring equal educational opportunity for all children. Senator PELL also stresses the quality of education as the foremost concern of today. The call for prompt attention at all levels to this problem is long overdue.

Mr. President, I ask that Senator PELL's speech to the Association of American Publishers be printed in the RECORD.

The speech is as follows:

THE OUTLOOK FOR EDUCATION—A DEMOCRATIC PERSPECTIVE

It's a pleasure to be with you this evening.

When I received your invitation in September, I did not anticipate the events that took place on November 4th. In September, I expected to be still directing, at this time, the activities of the Senate Subcommittee on Education, which I had been doing since 1969. However, the election changed all that, and I am grateful that you still decided that you wanted to hear what I would have to say.

I should say at the outset that I probably have as many questions as you do about the future course of Federal educational policy. We all know the campaign stances that the President took, and we all are aware of many of the campaign promises made by members of the new Republican Senatorial majority. Only time will tell whether the rhetoric of the campaign can be translated to the day to day reality of running a government. It is important to stress, however, that change of control in the Senate does not in itself mean bad things for education.

Our Subcommittee and full committee have always operated on a bipartisan basis, and education legislation has always had bipartisan support. The new Chairman of the Subcommittee, has been a supporter of Federal education programs in the past. I think he'll continue the bipartisan approach that has characterized our efforts in the past, and I look forward to working with him as the ranking minority member. However, although Senator Stafford has supported these programs in the past, many questions have arisen throughout this country about the effectiveness of them, and our Subcommittee will have to address those questions seriously over the next few years.

In addressing these questions, it is important that we analyze the current state of affairs honestly, and in a manner that does not perpetuate many of the myths that exist today. For example, we should carefully try to figure out what the Federal Government can and cannot do in the area of education. Despite all of the rhetoric to the contrary the Federal Government does not play a dominant role in education throughout this country. That role is still played, and should be played, by state and local governments.

In reality, Federal education spending is a small part of the nation's total education budget; in actuality, it's about one tenth of that total budget. For higher education, the Federal portion is 13.7 percent; for elementary and secondary education, 8.5 percent. That small part, however, is extremely important. It helps schools meet unmet needs, and in many cases provide the cutting edge—the vital resources—for new efforts. There are areas of education that would go unaided if it were not for Federal funds.

So in analyzing these programs, we have to be flexible enough to recognize that some of our past solutions might not be appropriate for today's problems. Yet, the limited purpose of these programs—to help the disadvantaged, to assure equal educational opportunity for all—is still valid today. No amount of myth-making about the dominant role of the Federal Government in the area of education will dismiss the reality that without Federal assistance, albeit limited, poor children would not receive the kind of educational services they do today; that children with limited English speaking skills would learn English less quickly, that handicapped children would find their educational needs unmet; and that many children, desiring the chance to improve their lives by securing a college education, would find that they could not afford one. Federal educational programs help all of these children receive educational benefits that they might not otherwise receive. This, in my opinion, is a sound, reasonable national investment.

And despite the myths, dismantling the Department of Education would be merely a blow for symbolism. The Department of Education is not a problem for our country's schools. The actions of the government that upset these entities come for the most part not from the Department of Education, but from the Justice Department and the Internal Revenue Service. Dismantling the Department of Education won't change this. What it will do is downgrade the status of education within the Federal Government.

In my opinion, the education of its young is the most important domestic priority of any nation. And Federal efforts in doing that should be supported, not denigrated. Dismantling the Department of Education will not solve our nation's education problems, of which there are many. It will merely be a symbolic gesture, full of sound and fury, and signifying nothing. In my opinion, we could spend our time more profitably on other matters.

And these other matters are important, and they deserve our careful attention. Let me give you a brief glimpse into what I think will be the major issues confronting Federal educational policy makers over the next few years. They're crucial issues, and if we can get away from the myths and the nonproductive issues, we might be able to address these important matters in a way that will truly be beneficial to the nation.

The first issue is quality. If there is one point that keeps being made over and over again, it is the fact that people throughout this country believe that there is a lack of educational quality in our schools today. Parents believe this, school boards believe this, and policy makers believe this. It is an issue we at the Federal level should address. In the past the Federal Government has concentrated on providing equal access to educational services. The time may be ripe for us now to shift our emphasis to the quality of the services provided. We have to begin to look more and more at the outcome of educational programs. At the Federal level, we are spending billions of taxpayers dollars on education. These dollars must lead to quality education.

I realize that educational quality is an elusive issue, and one that will most effectively be dealt with at the state and local level, rather than at the Federal level. Yet there are some steps that the Federal Government can take, steps that can set an example for the rest of the nation. For some time now, I have advocated a national test, similar to the Regents test in the State of New York, be made available to every American high school senior.

I believe that every high school senior should master a certain basic body of knowledge that is not subject to regional or geographic distinctions. There must be certain universal realities which we must comprehend and master in order to receive a high school diploma. I believe a national test can be devised to determine whether a high school senior has mastered these, and how he or she compares with fellow high school seniors throughout the country. And the fact that this test is available will in itself act as a spur to get schools to adjust their curriculum so that a larger percentage of their students who take the test may pass it. Every time I have offered this proposal, it has been met with almost universal opposition from the educational community. Maybe now the time is ripe for its consideration. It's a small step, but in my mind it's a step in the right direction.

Another area where the Federal Government could make a blow for quality is in the area of progress in higher education. I think we should make sure that if a student is receiving Federal funds to go to college, that student should pass at least half of his or her college courses. I offered this proposal last Congress, but again was opposed by an almost universal educational community. I think the proposal made sense last year, and I think it makes sense today. For if we are ever to improve the quality of education in this country, we are going to have to require more from those who participate in Federal, state, or local programs. I think these two Federal steps would be positive indications that we mean business, that we are concerned with quality, and that we are doing something about it. If we continue to do business as we have been doing, I think we will be rightfully criticized as being part of the problem, and not part of the solution.

Another issue which we will be confronted with is aid to non-public schools. This issue has been slowly growing for some time now and may be at full peak. For the fact is that many parents are sending their children to non-public schools because they are dissatisfied with public schools. And these parents believe that they are entitled to assistance. In the past, we have actually sidestepped the issue. We cannot do that any longer. I hold to the belief that our first priority is to our nation's public schools. They are free institutions, open to all, and that system of free public education is one of the reasons that this nation of ours is so great. Yet, that does not mean that we cannot help non-public schools.

If free public education is one of the strong points of our nation, so is the fact that our system of education is diverse. Non-public schools allow this educational diversity, and they can use Federal help. I do not think the question any longer is whether we provide this help or not. The issue will be how we structure this assistance. There are several alternatives all of which have their supporters and opponents.

One proposal I had was to extend the existing Basic Grant program to secondary school students. I think this proposal makes sense, for it takes a program that is already working, and working well, and builds on its successes. The administrative mechanisms for this program are already in place, and no new forms, procedures, or bureaucracies would have to be developed to carry out the program. Arguments as to the constitutionality of this approach, or other approaches, will certainly be raised. Yet that is an issue for the courts to decide.

Over the years the Supreme Court has gradually extended its concept of what types of public aid could be made available to non-public schools. The issue for us is to decide whether such aid makes good public policy sense. In my opinion it does, and I think we should address the issue creatively, and leave to the courts those issues which only they can decide.

Block grants will once again be an issue. We tried some consolidation, or a block grant approach, in the 1974 Education Amendments. Some of it worked, and some of it did not. Some advocates of block grants would have the Federal Government give one single sum of money to states with little in the way of requirements attached. This concept is really a successor to the education revenue sharing proposal of the Nixon Administration. From all of the signals I hear, taxpayers are demanding more accountability for their Federal tax dollars, and I for one do not think that a no-requirement transfer of funds from the Federal Government to states will meet this demand for accountability. As a Federal official, I want to know what is being done with Federal dollars.

This is not to say that a block grant route will not be taken. I think block grants ought to be given careful consideration. We have an awful lot of programs, many of which are duplicative, and many of which place over and over again identical paperwork and reporting requirements that states and local school districts have to deal with. This has to be changed. Block grants may be a reality. It may be time for us to stop fighting them, and try to make them work. If we are going to have them, here are some features that I think they should contain. First, we should combine programs that have similar purposes. To pit aid to the handicapped and aid for economically disadvantaged students against each other in competition for federally consolidated or block grant dollars is cruel, and it is not the type of competition that is beneficial to the nation.

Thus, we should combine similar highly targeted Federal dollars in one block category, rather than lumping all Federal dollars in a single block grant. Once we have combined similar programs, we should give state and local governments greater flexibility in deciding how educational services should be provided. We should reduce reports and paperwork, closely monitoring what the states and districts are doing with Federal dollars, but clearly giving states and districts the authority and the responsibility to use Federal monies wisely.

What I am talking about is a reexamination of Federal categorical programs, with the hope of eliminating many of the unnecessary ones, combining similar one where possible, and giving states and local school districts more autonomy in deciding how they will use the Federal dollars they receive to meet the needs of special groups, which the Federal programs will continue to identify as deserving of special Federal attention. I think this is a reasonable approach to the block grant concept, and one that will probably go a long way toward improving Federal efforts in the area of education.

The final issue I see looming in the years ahead is one that confronts us in all walks of life—and that is money, or the lack of it. The Federal Government should not pay for frills. Educational budgets at the Federal level will be austere ones, with funds targeted at the most essential programs. If our schools are to work and effectively prepare our children for the future, we have to be willing to pay for them. The proper role for the Federal Government in this regard is to assist states and localities to best fulfill their responsibilities. Education is a state and local function.

The Federal Government should not assume the burden of financing that function, but should supplement the efforts of the states and localities. For example, the $3 billion Title I of the Elementary and Secondary Education Act program does not say to state and local education agencies that the Federal Government will educate disadvantaged children.

Rather, it says that the Federal Government will provide funds to state and local governments so that disadvantage children, who might not otherwise receive special services, can be given the extra educational help, designed by local school districts and administered by local school districts, that they desperately need to succeed. This is the role that the Federal Government should pursue. It may mean a stricter accounting and a tighter analysis of what programs are needed and what are not, but it will guarantee to the taxpayers that Federal funds are going for necessities, not frills.

Before closing, I would like to raise one issue that should be particularly disturbing to everyone in this room tonight. There are signs that censorship is beginning, once again, to rear its ugly head. Self-appointed moral vigilantees are cropping up making lists of books to which they object and which they would therefore deprive others of. Censorship of any kind is wrong, and threatens the liberty of all of us. It is particularly opprobrious in the area of academics and education.

I find it incredible that a group such as the Heritage Foundation, a conservative think tank which seems to have the ear of many of the closest advisers to President Reagan, on the one hand quite properly rails against Federal involvement in the area of curriculum and the control of education, while on the other hand urges the Department of Education to "establish procedures to ensure that the factual and scientific accuracy and public acceptance of any education activity, project, or program administered or supported by the Federal Government are determined before such activity, project, or program is proposed for use or implementation in school classrooms." In other words, the Federal Government acts as a censor. The censor role is not, in my opinion, the proper role of the Federal Government. All of us will have to be on guard to see that this does not happen.

There are other issues that will arise over the next few months. Some will be the result of programs expiring.

In this regard, we will have to consider what to do with the Federal public library support programs. Libraries throughout this nation are having trouble meeting expenses, and now that the White House Library Conference has been held and its results tabulated, some new approaches to libraries may be forthcoming. Also, we will have to reexamine the Federal Vocational Education program, to make sure that it is working as well as it can, and to see if there is a proper relationship between the world of work and the world of schooling. And this Congress may even see the enactment of a Youth Employment Initiative, tying job programs more closely to educational training.

I envy you as publishers, especially as publishers of textbooks. Your arena is the mind of the child, and what is contained in your works quite often leaves a lasting impression. The national leader who cites a lesson from history recalls it from one of your texts read as a student. The scientist who embarks upon a new discovery received the first spark of inspiration from a book in a school classroom. The underprivileged youngster who first discovered a world beyond the doors of his tenement home in the pages of a book as well as the youngster from a well-endowed home who never knew poverty until visiting it through a book—all these are your fruits.

You as publishers, and I as a public official share a common responsibility. We in government endeavor to make a better world, while you seek both to convey that visition to the young and bring its realization within the grasp of our people. It is an extraordinary responsibility, and one that deserves all of our attention and efforts. I pledge my cooperation. For we have a difficult job in store for us. Educating our citizens is not an easy task. Sir William James once said that "the world is only beginning to see that the wealth of a nation consists more than anything else in the number of superior men that it harbors." Our responsibility is to increase that number of men, and women, so that this nation of ours reaches its fullest potential. I hope we can all work together in that noble endeavor.

Thank you for inviting me to be with you this evening.●

REYE'S SYNDROME

● Mr. GLENN. Mr. President, I am pleased to join Senator MELCHER as a cosponsor of S. 290, the Reye's Syndrome Act of 1981. Reye's syndrome is a life-threatening illness which suddenly strikes young children and teenagers, usually as they are recovering from a viral illness such as the flu or chickenpox. The cause and cure are unknown.

The National Reye's Syndrome Foundation was founded in Bryan, Ohio, by Mr. and Mrs. John Freudenberger in 1974. The purposes of the foundation are to promote research into the cause, treatment, cure, and prevention of Reye's syndrome; and to promote awareness among the public and the medical community of this tragic disease. Thanks in large part to the efforts of John and Terri Freudenberger and other concerned citizens, more parents and medical personnel are aware of Reye's syndrome. Thus more cases are being detected and treated earlier, and the death rate is declining.

However, additional research is needed to combat Reye's syndrome. S. 290 establishes the Reye's Syndrome Coordinating Committee at the National Institutes of Health. The committee will oversee the awarding of $1.5 million in annual grants to researchers studying Reye's syndrome, and will establish mobile research teams to be sent to gather information in areas with a high incidence of Reye's syndrome cases.

While researchers are working to find the cause and cure of Reye's syndrome, it is also important to further increase public and professional awareness. Early detection and immediate hospital treatment are necessary in order to prevent death or severe brain and liver damage. We must be particularly alert during the flu season, January, February, and March, when the number of Reye's syndrome cases is highest. Parents are urged to seek immediate medical attention if their children have the following symptoms: Persistent vomiting, listlessness, personality change to combativeness and irritability, disorientation, and convulsions.

I commend Senator MELCHER on his efforts here in Congress to combat Reye's syndrome, and I will continue to work with him to insure early congressional action on S. 290, the Reye's Syndrome Act of 1981.●

THE PUBLIC LANDS

● Mr. EAGLETON. Mr. President, more and more we are hearing from angry Westerners over the Federal Government regulating them to death. The rebellion has been coined the Sagebrush Rebellion. It started a little over a year ago when Nevada passed a law to seize 49 million acres of Federal lands within its borders. Other Western States have signed up, and the rebellion has grown sizably.

Last year, Senator HATCH, joined by other Western Senators, sponsored a bill to allow States to reclaim their lands. The bill is soon to be reintroduced.

As a neighboring State to the Western lands, Missourians have been watching the rebellion with interest. I have received a number of concerned inquiries from Missouri hikers, campers, hunters, and fishermen over the proposed land grab. Last month, the Conservationists, a publication of the Missouri Department of Conservation, printed an excellent editorial on the issue of public lands. I ask that the text of James F. Keefe's, editor of the Conservationists, editorial be printed in the RECORD.

The editorial follows:

THE PUBLIC'S LANDS

Most of us take some comfort from the compromise Alaska lands bill that finally made its way through Congress in December. Even though most of us will never see them, it is somehow good to know that some of Alaska's wild lands will remain wild.

Many Alaskans opposed federal control of lands there, and the exploiters were hopeful they could get control for their own purposes. But public lands do not belong to Alaskans alone. Missourians have a stake in them, too, just as we have a stake in the national parks, the national forests and the large holdings of the Bureau of Land Management elsewhere in the United States.

The Alaska lands bill is sure to be attacked in future Congresses, and if we don't want to lose the gains we have made, we must keep a steady pressure on our representatives to stand fast for continued public ownership of the Alaskan lands set aside for national parks, refuges and wildernesses.

Even more threatening, but only because it is closer, is the so-called Sagebrush Rebellion, as the LASER movement is known. The League for the Advancement of States Equal Rights (LASER) and interests associated with it, have as their announced goal the redress of grievances against federal land-holding agencies, such as the U.S. Forest Service and BLM. It is true that there has been mismanagement of some federal lands, the result of what Harlan Cleveland called "tackling 20-year problems with five-year plans, staffed with two-year personnel, working on one-year appropriations." Given time, these things can be worked out, but not if public lands are turned over to private interests for exploitation. And that is the ultimate aim of the Sagebrush Rebellion—to divest the American people of their public lands and open them to private exploitation.

A number of special interests in the western states—grazing, mining, energy, state legislatures, county commissions, inholders and others—each have "grievances" against the federal agencies administering public lands. Through their campaign to get these corrected, many see the opportunity to get the federal government "off their backs" and off the lands they want for their exclusive use.

Although some want only lands of the Bureau of Land Management, others have their sights set on the national forests, wildlife refuges and all other federal holdings except national parks and monuments and active defense installations. The Sagebrushers scorn the environmental do-gooders and despise bureaucrats.

In our Bicentennial year, 1976, Congress enacted the Federal Land Policy and Management Act, declaring as national policy the retention and improved management of the

public domain. Passage of that Act is supposed to have sparked the Sagebrush Rebellion. Tighter management brought howls of complaint from special interests who were using—and profiting from—the public lands, creating the "grievances" we spoke of above. Withdrawals of wilderness and wilderness study areas from the national forests brought protests from the mining and lumbering interests. When you put the entire mix together, you get the League for the Advancement of States Equal Rights.

If you are tempted to shrug and say that's a matter for Arizona, or Utah or Montana, keep in mind that those are your lands that the LASER folks want to take away. They are lands future generations will need for hiking, backpacking, camping, hunting, fishing and as reserves of wild America. We must let our representatives know we want no part of this land grab.●

THE RETIREMENT OF ELMER B. STAATS, COMPTROLLER GENERAL OF THE U.S. GENERAL ACCOUNTING OFFICE

● Mr. GLENN. Mr. President, last Friday one of the most dedicated public servants in the U.S. Government retired after a 40-year distinguished career that most recently included discharging the obligations of the Office of Comptroller General of the United States. Elmer Staats' 15-year stewardship of the General Accounting Office was marked by significant expansion of the activities of the GAO, particularly in the area of program auditing.

When I was chairman of the Subcommittee on Energy, Nuclear Proliferation and Federal Services, which had oversight responsibilities over the GAO, I had many occasions to meet personally with Mr. Staats. No one will find a more fair-minded man or a more consummate professional.

A year ago we achieved the culmination of a long effort initiated by Elmer Staats when the General Accounting Office Act of 1978 was passed. This act expanded considerably the ability of the Comptroller General to audit the expenditure of taxpayers money by Federal agencies, and gave the GAO the authority to go to court, if necessary, to obtain access to the books and accounts of Federal contractors and consultants.

At a time when fiscal austerity has become the order of the day in Washington, it is especially important that this tool be applied by the GAO in insuring that fair value is received for expenditures of Federal money.

There could be no better monument to the outgoing Comptroller General than for the organization he headed for 15 years to use all the tools at its disposal to see that fraud and waste are eliminated.

In seeking to raise the level of achievement, competence, and integrity in Government, there is no better model we could look to than the career of Elmer B. Staats. I am certain I speak for all my colleagues in the Senate in wishing him well on the occasion of his retirement, and hoping that he will still allow us from time-to-time, to call upon him to provide us with the benefit of his expertise in Government.●

LECH WALESA

● Mr. BIDEN. Mr. President, as the political situation in Poland evolves, the name Lech Walesa, head of the trade union solidarity has become a international household word. He is both a leader of their revolution and a major force for reason and moderation. Many observers have felt that the survival of pluralism in Poland will profoundly affect all of Eastern Europe and consequently, East-West relations. And the survival of this pluralism may well depend on one man: Lech Walesa.

In Sunday's Washington Post, there appeared an interview of rare quality. The personality of Lech Walesa emerges with extraordinary force. And he describes the failure of communism in the most simple and profound terms. When the interviewer asks, "Do you mean that communism has failed?" Walesa responds:

If you choose the example of what we Polish have in our pockets and in our shops, then I answer that communism has done very little for us. If you choose the example of what is in our souls instead, I answer that communism has done very much for us. In fact, our souls contain exactly the contrary of what they wanted. They wanted us not to believe in God, and our churches are full. They wanted us to be materialistic and incapable of sacrifices; we are antimaterialistic, capable of sacrifice. They wanted us to be afraid of the tanks, of the guns, and instead we don't fear them at all.

I submit for the RECORD the interview in its entirety for the benefit of my colleagues.

The interview follows:

[From the Washington Post, Mar. 8, 1981]

LECH WALESA: THE MAN WHO DRIVES THE KREMLIN CRAZY

LECH WALESA. One moment. First of all we have to clear things up. I am not a diplomat. I am not a master of ceremonies and even less an intellectual. I am an uncouth man, a worker. I have never read a book in my life, and I am a man with a goal to reach, so I don't give a dam for certain things. Not for the books, not for the interviews, not for the Nobel Prize and even less for you. I have no complexes, I don't. Neither toward the generals nor toward the prime ministers, nor toward you. I can give a punch on the desk of a prime minister, I can leave a general in the lurch without saying goodbye, and as for you I can do the same. Anyway, I am the one who puts the first question: What do I lose, how much do I lose with this interview? Besides, why do you look at me that way?

ORIANA FALLACI. I look at you because you resemble Stalin. Has anybody ever told you that you resemble Stalin? I mean physically. Yes, same nose, same profile, same features, same mustache. And same height, I believe, same size.

A. Nie, nie, nie. No, no, no, nobody told me and I don't care. I didn't know it. I don't want to know it and you haven't answered my question yet. So I put another one: This interview, how do you write it? Question and answer, question and answer, or all together with the comments inside? Because the comments inside, I don't like them. It isn't fair, it is the reader who must make his comment and decide if the guy is right or wrong.

Q. Listen, Walesa. My interviews are written question and answer, question and answer, always. Whether you gain or you lose with this one, I don't know, because it depends on what you will tell me. And if you don't mind, I am the one who asks. Now let's start. Seven months ago, nobody knew your name outside Poland and very few, I guess, inside Poland. Today you are one of the most famous men in the world and you drive Brezhnev crazy with your Solidarity movement, you put [former Polish Communist Party Chief Edward] Gierek out of a job, you give [present Polish Communist Party chief Stanislaw] Kania a headache each time you call for a strike. When you go to Rome you are received by the Pope as a head of state or a star and . . .

A. Stop, stop, stop, stop.

Q. Why? What happened?

A. It happens that you have a very authoritarian style, a typically dictatorial one. And as I do too, we have a problem. The problem is to find a compromise. So let's make a deal. From now on I will be nice with you and you will be nice with me, OK?

Q. OK. Here is the question: When you measure this glory, this power which fell on your shoulders, don't you ever say, my God, this is too much for me, I cannot keep it?

A. Yeah, yeah, yeah. The Holy Virgin knows. I'm tired, bloody tired, and not only in my body because I never sleep, my heart doesn't work as it should, it throbs, it hurts. I'm tired inside, in the soul. This life is not for me. Meeting people for whom you must wear a tie, knowing good manners, listening to recommendations: Don't do this, don't do that, please smile. Ties strangle me, I cannot wear them, and why in hell should I smile when I don't feel like it? Nothing is permitted to me anymore, nothing. I cannot have a drink, I cannot pick up a girl, else the whole world falls apart and they say that the soda water went to my head. It isn't right. And you must say it, you must explain that men are men even if they make politics, men are sinners, so what?

Q. Yes, but I meant something else, Walesa. I meant the responsibility you took in front of your country and of history. Don't you ever feel scared by it, inadequate?

A. Nie, nie, nie. No, no, no, because I am a man of faith and because I know that this moment needs a guy like me. A guy who can make decisions with good sense and solve problems in a cautious, moderate way. I am not a fool. I do understand that too many injustices got accumulated during these 36 years, so things cannot change from morning to night. It takes patience, it takes wisdom. I mean, the rage that people would like to burst like a bomb must be controlled. And I know how to control it, because I know how to reason though I am not a learned man and I know how to say things with the proper words. Like I did with the peasants at the strike in Jelenia Gora, for instance, when I yelled at them: "You've started the wrong strike, you idiots, you champions of stupidity, I'm against you." And 300 people remained speechless. Well, speaking to the crowds, isn't always the art of going against the crowds and . . . Do I look pretentious?

Q. You don't. Why?

A. Because sometimes I give this impression. But I am not pretentious, believe me. I am a guy who wants to help people. For instance, if you ask me a favor, get me there, get me something, I immediately do my utmost. And I get you there even if I get myself into trouble, even if my friends say: "Mind your business. Is it your business?" I like to make myself useful. It was so even in December 1970 and in August 1980, when I did what I did because nobody wanted to do it. It was so when I worked in the opposition, and today it is the same. I mean, I know how far we can go with our demands, I know what country we live in and what our realities are. I know the path we must follow. And the danger is to abandon such a path, to stray from the line because of a

few blockheads or a few hotheaded idiots who don't understand.

So I have to keep repeating to them that things cannot be obtained too fast, that the demands must be put at the right time, without impatience. Look at the monument we erected for our dead, our workers killed by the police in 1970. Had we built it at once or two years later, now it would be simply the branch of a tree, easy to cut. Instead, today it's a tree and its roots are so deep that nobody can extirpate them, and if it will be cut it will blossom again.

Q. Lech, where did you learn to talk like that, from whom?

A. I don't know. I told you that I never read a book, anything. I never had teachers either, nor examples to imitate. I always solved my problems alone. Even the technical ones, like to fix a TV set or a sink. I think them over and I fix them in my way. Politics is the same. I think it over and I find the solution, or at least a solution. As for the moderate line I gave to Solidtarity, however, I can tell you that I set it after the defeats of 1968 and 1970. It was then that I realized the necessity of working without impatience; otherwise, we would break our heads. I said to myself; Lech, a wall cannot be demolished with butts, we must move slowly, step by step, otherwise the wall remains untouched and we break our heads. You know; I have been arrested a hundred times, more or less, usually 48-hour arrests, and one thinks very well in jail because in jail there aren't noises and one is alone. It was in jail that I also found the way of sowing doubt into the minds of my jailers, to make them release me and to make them understand how wrong they were toward the country and themselves. Finally, it was in jail that I discovered the system of informing people about my arrests. Because it is useless to be arrested if people don't know.

Q. What was this system, Lech?

A. Well, when they released me and I went home, I placed myself in front of a bus stop and even if I had money to buy my ticket I pretended to be pennilea. So I asked the people to buy my ticket, explaining that I had been arrested and why. People got interested and bought my ticket. Then I took the bus and during the trip I continued to explain. I held sort of a rally for them to warm up feelings. I did so for years. Wherever I went, whatever I did, I made something happen.

Q. This is great politics, Lech.

A. Nie, nie, nie. I am no politician. I have never been. Maybe one day I'll be one. I have just started to look around and understand their tricks, their calculations, but today I am no politician. The proof is that if I were a politician I would like doing what I do now. I would never have enough of it. Instead I'm fed up and I tell you at once what I am: I am a man full of anger, an anger I have kept in my stomach since I was a boy, a youngster. And when a man accumulates the anger I have accumulated for so many years, he learns to manage it all right. Which explains why I control so well the crowds and the strikes. Ha! One has to be very angry in order to know how to control the anger of the people. One has to have learned to live with it. Listen, my rage has been stored up for so long that I could keep it in at least five more years. That is, until 1985. It burst in August 1980 because I became aware that the occasion was bigger than I could hope. And I jumped beyond the fences of the Lenin shipyards in Gdansk.

Q. Let's talk about that, Lech, about the day you jumped beyond the fences.

A. Well, long before it happened we had considered the possibility of some big strike in Gdansk. We had considered it in our meetings when we taught the workers the history of Poland and the union laws. In fact, I had made myself ready to avoid an extensive situation and I had told the workers if there is an uproar I want to be informed at once. And when I was informed I immediately realized that the uproar had burst early because the situation was ripe, thus I had to get into the shipyards. The trouble was that four gentlemen—I mean, four policemen—watched me day and night. I got them lost—I won't tell you how, because I might need that trick again in the future—and I got to the shipyards and I jumped inside. I got there at a crucial moment. In fact, there was a meeting of 2,000 workers and the big boss was asking them to leave, making his promises. And nobody cared to oppose him. As a matter of fact, they were already leaving. I felt my blood boil. I elbowed my way through the crowd. I set myself in front of him and—do you know boxing? I landed him a straight left and I put him down so quickly that he almost fell out of the ring. I mean, I shouted at him that the workers wouldn't go anywhere if they weren't sure they had obtained what they wanted. So they felt strong, and I became their leader, and I still am.

Q. Lech, what does it mean to be a leader?

A. It means to have determination, it means to be resolute inside and outside, with ourselves and with the others. Here is what it means: I have been always so, even as a boy, when I was a poor boy living in the country and I wanted to become an aviator. I have always been the ringleader, like the billygoat that leads the flock, like the ox that leads the herd. People need that ox, that billygoat, otherwise the herd goes on its own here and there, wherever there is some grass to eat, and nobody follows the right road. A flock without an animal that leads is a senseless thing without a future. However, I don't know if I really am a leader. I simply know that I smell things, I feel situations, and when the crowd is silent I understand what it silently says. And I say it with voice, with the proper words. But now I have something to ask you. Because you travel a lot, and you know a lot of people, and you can answer. What do people say about me in the West?

Q. Well, they ask themselves, "Who really is this Walesa?"

A. Ha! This is a question they put to themselves in the East, too. "Who is this guy who makes our soldiers sleep in their boots for six months?" "Is he a general?" And it goes without saying that, in the East, they gave themselves an answer already.

Q. Yes, they call you an anarchist, a counterrevolutionary, an enemy of socialism, according to Tass and Pravda.

A. Tell them that I only am a man who wants some justice, a man who wants to be useful to them too, beyond any frontier and color and ideology. The hungry hare has no frontiers and doesn't follow ideologies. The hungry hare goes where it finds the food, and the other hares don't block its passage with tanks. They should learn from the hares. But let's not talk about the East, let's talk about the West. What do they say about me in the West?

Q. Some say that you are a Christian Democrat, others say that you are a grandchild of Rosa Luxemburg [a Polish-born early associate of Lenin who broke with him over the issue of democracy within communism], others that you are a Social Democrat. And there are even some who call you a Eurocommunist. What shall we answer to them?

A. Nothing, because I refuse to express myself with their words, their labels, their slogans, left and right—socialism and communism, capitalism and Luxemburgism, Christian Democrat and Social Democrat. I express myself with my words: good, bad, better and worse. And I say: If it serves the people, it is good. If it doesn't serve the people, it is bad. Of course, one has to see how and in what sense it serves. One day I shared a little piece of bread with a nice girl, and I felt happy. Another day my wife served me a large portion of excellent sausages, but she did it so rudely that I felt unhappy and I couldn't eat them. I mean, having much food isn't enough and sometimes a little piece of bread is better than a large portion of excellent sausages. At the same time, one has to admit that if there isn't even that little piece of bread we cannot know happiness at all. Thus, we should build up a system which combines the two things: food and happiness. Then I say: Damn it, we live on this earth 50 or 60 years and on one side there are the rich who get richer and richer, on the other side there are the poor who get poorer and poorer. It doesn't work. Richness must be shared. But what do they store up, those rich who don't divide with the others? Anyhow they die, and when they die they leave all to heirs who are never satisfied and who curse them all the same.

Q. But, more or less, the socialists and the communists say these same things, Lech.

A. Nie, nie, nie. I told you that I don't want to use slogans invented by them.

Q. Do you mean that communism has failed?

A. Ha! It depends on the way you measure the concept of good, bad, better, worse. Because if you choose the example of what we Polish have in our pockets and in our shops, then I answer that communism has done very little for us. If you choose the example of what is in our souls instead, I answer that communism has done very much for us. In fact, our souls contain exactly the contrary of what they wanted. They wanted us not to believe in God, and our churches are full. They wanted us to be materialistic and incapable of sacrifices; we are antimaterialistic, capable of sacrifice. They wanted us to be afraid of the tanks, of the guns, and instead we don't fear them at all.

Q. Lech, let's go back to the sausages without freedom. How to obtain it?

A. Freedom must be gained step by step, slowly. Freedom is a food which must be carefully administered when people are too hungry for it. Suppose that Solidarity obtains some access to TV and through TV it starts yelling: "Away with the thieves, the rascals, the gangsters who robbed us for so many years." How would people react? Cutting off heads, I tell you, flooding the streets with blood. It would be chaos, anarchy. It already happened in the countryside, I saw it with my eyes. All at once the government got busy selling TV sets to the peasants, TV filled their houses with programs which attacked religion, and as a consequence many peasants lost their faith. They even became atheists. Nie, nie, nie. Things cannot change suddenly. It's dangerous. Don't you agree?

Q. Not really. I think that we should never be afraid of freedom, because there is only one thing which teaches freedom, and this is freedom itself. Freedom should never be administered by drops, like a spoonful of milk in the stomach of a starving person.

A. Well . . . On the other hand, one cannot exaggerate it as you do in the West, with all those political parties which don't know what they want, and one disturbs the other, doesn't let the other work, yet one supports the other—what kind of brothel is that? It seems a brothel to me and nothing else. Never mind that here in Poland it wouldn't be possible to have political parties, because things stay as they are. Here the control must be exercised by the unions. If we will be able to do it, we'll function better than your parties, which waste their time biting each other, insulting each other, accusing each other, collecting gossip on each other: He goes to sleep with her, she goes to sleep with someone else. It doesn't seem to me that your parties have done much, and in all that brothel I see only one indisputable fact: They say they want something and they do the reverse. Am I right?

Q. Yes, but if the unions substitute for

the political parties, there is no pluralism, there is only a sharing of power between the party and the unions. Don't you want the pluralism, Lech?

A. Yeah, yeah, yeah. Sure. Every person, every group in the whole society must have the right to express itself. But why imitate the parties and use the word party? One can say "association," "club." The club of those who raise canaries, for instance. Or the club of those who pray with the rosary. And as wheat doesn't grow on stones—I mean, as in Poland we cannot have political parties but the one which already exists, as men must adapt themselves, let the canaries' breeders get together. Let them have a statute which welcomes the formation of other clubs—the club of those who raise rabbits, or pheasants, or ducks—and let us all become breeders of canaries, rabbits, pheasants, ducks, chickens. The important thing is that such groups exist freely, so they can serve society, and that the master does not arrest them. Do I say stupid things?

Q. No, Lech, you don't say stupid things.

A. Well, maybe I do. I don't know much about concepts. I never have time to think, and there are so many problems that I must fix in my mind. With you I'm rather thinking out loud. Yet I like it. Gee, do I like it. Because it happens so rarely that you hear the right questions. And right questions make me think. I mean, sometimes it is in talking with others that one gets an idea and says: "Why didn't I think of it before?" Yes, that's how ideas blossom, and this canaries idea might turn out very well.

Q. Yet the idea of growing wheat on stones is good, too.

A. Yeah, yeah, yeah. The problem is that one should remove the stones first. And what if under the stones there isn't the soil to grow wheat? What if the wheat grows short and deformed?

Q. Better than nothing.

A. I don't know. Maybe you are right, maybe you are wrong. But I think that you are wrong, and I am going to demonstrate it. If you want a child, and you want it with all your heart, desperately do you prefer to have a deformed dwarf or not to have him at all? Oh I would like to be less tired and to express myself better. I would like . . . Let's go on. But don't put those difficult questions to me, because they give me a headache, and now I have a headache.

Q. All right an easy question, then. I know that your stepfather lives in America, so I guess that he has invited you many times to join him there. Have you ever planned to emigrate there?

A. Nie, nie, nie, never. I could never leave Poland, never. Besides, I've always thought that a man must live where he was born and grew up. In order to give back to his country what he got from it. Yes, my second father has invited me many times. I call him my second father because he married my mother after the death of my father. My real father died in 1945 from the privations he suffered in the extermination camp where the Germans put him. "Come here. What do you do there?" my second father wrote. But besides the fact that I couldn't live outside Poland, I felt that his invitation didn't come from his heart. It came from the dollars in his pockets.

And I was not wrong because, when I met him again in Rome last month, I did not recognize him. In Poland he was a poor man, yet always ready to make sacrifices and divide what he had with others. Now he thinks only about money, amusements, and he had lost humanity. The dollars went to his head, I guess, and the result is that I don't get along with him anymore. I see life in a different way. I don't like money as he does. Yes, it's good to have money, we need money to live and raise our children properly, but money isn't all and doesn't give dignity. On the contrary, it gives a lot of temptations and sometimes makes people nasty. Which is why I would never try to become a millionaire.

Q. Then tell me, Lech: Were you angry at your stepfather when he let himself be photographed with Reagan?

A. Nie, nie, nie, nie. I like Reagan, Yeah. I like him a lot. The way he moves, the way he talks: just like me. Well, maybe he talks a little better than me, but for sure he moves like me. Look how he walks, or how he waves his hands and his arms. I only hope that he doesn't change, that he doesn't forget where he comes from. It would be a pity. Has he already changed? I'll see when I go to America and I will meet him, I hope.

Q. When will you go to America, Lech?

A. On the one hand I would like to go at once, on the other hand, never. Because, I'm still black and blue from the hugs of the Roman crowds and I don't like it when people push me and touch me and kiss me like that. Anyhow, I'll go soon. As soon as I've put some order in the movement, let's say in six or seven months if nothing bad happens. Poland needs help. Not dollars help. I mean political help, economic help, and in order to obtain such help we must have contacts abroad. Nor should we forget that in the west there are people who make cold calculations, agreements, who would like to use the blood of Poland to solve their problems. Yes, I really must go to America. And with the help of our queen, the Holy Virgin, I shall go.

Q. Is that why you wear on your jacket this image of the Black Virgin (a statute of the Madonna that Poles credit with turning back a 17th-century Swedish invasion)? And isn't that image a label too?

A. Nie, nie, nie. It isn't a label, it is a habitat. Or, better, a blessing. The Black Virgin has always been a sort of blessing for us Polish, and this particular one . . . I don't even remember who gave it to me, or when. Someone must have put it on my jacket after a pilgrimage. With the rosary also, it happened like this. Someone put a rosary in my hands, and I kept it until it broke. This is not easy for you westerners to understand, I know. The church has never been for you what it has always been for us, a symbol of struggle, I mean, the only institution which never submitted to the oppressors. And when we examine the factors which led to what is happening today in Poland, it is not enough to mention the workers' uprisals in 1956, 1968, 1970, 1976. It isn't even enough to consider our contact with foreigners. I mean the fact that we have been traveling abroad very much in these years and that we have seen how you live in your countries. We also have to consider the election of Pope Wojtyla, his travel to Poland and the continuous obstinate smart work of the church. Without the church nothing could happen, my case itself would not exist, and I would not be what I am. I'll say more: If I hadn't been a believing soul, I wouldn't have resisted, because I had so many threats. So many.

Q. But have you always been so religious, Lech?

A. Yeah, yeah, yeah. Ask my bishop. Even at school, when they taught us communism and I didn't pay any attention. Only between 17 and 19 I got far from the faith. Ha! I got on the wrong path: drinking, idleness, girls. Then something happened. One day I felt very cold, very tired, and I started looking for a place where I could go inside and rest. But there was nothing except a church in the area, so I entered the church and I sat down on a bench. And immediately I got well. So well that I left the wrong path. Now don't misunderstand me, don't believe I am an angel. Angels do not exist and I am no angel. I'm rather a Satan. However, I go to church every morning, and every morning I receive communion, and if I have some major sin to confess, I also go to confession. I say so because I am not that bad, after all. Since I've lived in this world I only got drunk a couple of times, and as for the girls . . . Listen, my wife is not bad. I rather say that she is the ideal woman for me. Had I another wife, by now I would be divorced or killed with a kitchen knife. So I have no reason to betray her. Besides, we have six children. Doesn't that show that we make love well? Much and well. Well, of course, when I happen to be far from her for many weeks as I was recently, I get temptations. I told you that I am no saint.

Q. OK, Lech, it seems to me that your headache is over. So let's go back to the difficult questions. Don't you ever have fears about being manipulated? For example, yesterday in Warsaw a high prelate said to me: "Walesa never does what the cardinal doesn't want."

A. In this respect it is true. I would never do a thing against the faith, the church and even less against Cardinal Wyszynski. He is a great man, his wisdom is immense and his help has been enormous. All the time and in every way. People don't know that it was Cardinal Wyszynski who arranged our meetings with Gierek and Kania, and even during the strikes of the peasants of Rzeszow and Bielsko-Biala I had to ask him to give me a hand. Without his intervention I wouldn't have been able to call an end to these strikes. So it would be stupid of me if I did something against the cardinal. Nor would he permit anyone to do something against me. Not even somebody with a black skirt [a priest's cassock]. But if somebody with a black skirt tries to use me . . . Listen, I cannot swear that no one tries, on any side. But I can swear that I don't permit anybody to manipulate me, not even to influence me. And if someone tries, I break his nose.

Q. What about the intellectuals, in that sense?

A. From the intellectuals and the peasants, liberas nos Domine [free us, Lord]! I say so. You would never believe the hangover I got from those peasants during their strikes. I kept yelling: "You are mean. Selfish, mean. Stubborn, mean. Don't you understand the situation we are in?" The intellectuals are like them, in a sense. Because they are unable to adjust themselves to the reality of the moment. During the struggle they were perfect, in fact I respect them a lot, yet now they cannot adjust. They would like to go on with the methods we followed before August 1980. Which is the reason why I always shout: "Be realistic. Use your brain." And this proves that I am not manipulated by them. Neither by the church nor by them. Then why do you keep so many professors and teachers and university lecturers in your movement, you may ask. Ha! Because, should I refuse them, they would dig underground like moles and they would get in all the same, through the tunnel. Better say: Come in, sit down. Besides, they're intelligent, and intelligent people are always useful. Provided you don't get inferiority complexes toward them. I don't. Know why? Because intellectuals need a lot of time to understand things, and even more to make a decision. They stay there to discuss, examine, discuss, and in five hours they reach the same conclusion I reached in five minutes or five seconds.

Q. And what about the Communist Party, Lech? I always asked myself why they let you rise so high and so fast. To exploit you? To use you as an alibi or as a scapegoat? Or maybe to assimilate you?

A. Nie, nie, nie. Being assimilated by the powers is a possibility that I don't even consider. If I wanted such a thing, I would have done it when I was Mr. Nobody. You can't imagine the offers I had. Being assimilated by the powers? I'd rather shoot myself in the head. Dignity counts more than life. Listen, they let me emerge because they didn't have another choice. Literally. Of course, this

doesn't . . . I mean, when we speak about Poland we have to consider also the situation abroad. We are controlled. Thus, victims cannot be avoided. People always ask me: "Lech, aren't you afraid of being killed?" And as an answer I shrug my shoulders. I do so little to protect myself. Some of my friends try, they follow me wherever I go, but what is the use? One can be murdered in so many ways, not only with guns. They killed my best friend, they might kill me. I'm a fatalist. If it must happen, it will happen. And I will go to paradise.

Q. Lech, there is a three-month armistice between the government and Solidarity. But not all armistices end up with a peace treaty. What will happen then?

A. To begin with, Solidarity did not sign any armistice. We only said that we wouldn't be hostile toward the new government of [Premier Wojciech] Jaruzelski. Poland needs a strong government, a government capable of governing, and Jaruzelski can do it. Because he is a soldier, a general, therefore used to giving orders and to imposing discipline on others and on himself. As a soldier, he also should have the clean hands which are necessary to clear the country out of bastards with dirty hands. We must let him work. But if the hostilities will come from him and his government, we'll fight. We will, I promise. Whether someone likes it or not.

Q. Whether the Soviets like it or not, you mean. And what if Jaruzelski fails?

A. If he fails and our "brothers" don't "help" us, if he fails and our "allies" don't intervene, then it should be Solidarity that takes the responsibility of government. It is not very likely—as a matter of fact, it's so unlikely that such a possibility seems to me fantastic. Yet it is a possibility. Yet it is a possibility, it exists. Now let me make this clear; I don't want it, Solidarity doesn't want it, we only want to arrange it so the poor people eat a little more and are a little more satisfied. We want to arrange it, not to make politics, not to govern. But if other choices will not exist, Solidarity must be the choice. If the government says, "This is a mess, we resign," Solidarity should take the responsibility and I should take the situation into my hands. I say it in a firm way. And I add: Poland will never go back to being what it was before August 1980. Never.

Q. Lech, I want to make sure I have understood you. Did you really say that, should this government fail, Solidarity should govern and you should take the situation into your hands?

A. Yes, I said it.

Q. So you were not joking. And do you believe that you would be capable?

A. Yes, I believe it.

Q. Do you also believe that the Communist Party and the Kania government would accept such a capitulation? Yesterday in Warsaw a very important member of the government who also is a very important member of the [Communist Party] central committee said to me: "We shall never agree to share power, and even less to give up power."

A. Today they say so. Tomorrow, who knows? Great empires have fallen during the history of man.

Q. And what would the consequences be with your "brothers," your "allies"—I mean, with the Soviets? How can you hope that they would permit such a thing, that they wouldn't intervene to help?

A. This is the point, this is the problem, this is why I said that I regard such a possibility as a fantastic possibility.

Q. Less fantastic than a Soviet intervention if you even think to take over, Lech? So let us pronounce these two words that you Polish never pronounce, not even whisper, as if avoiding them could serve to exorcise them: Soviet intervention, Soviet intervention. Brezhnev says them, instead. And Kania, too. Publicly.

A. Oh, oh, oh, how often people raise their voices in order to scare. Don't we do the same in the opposition? I don't think that a violent confrontation would serve them, and they know it. So they will not do it. Or, better . . . Listen, somebody once said to me that everything would start in Poland and that we would obtain all or almost all, and that then we would suddenly lose all, to be resurrected one day and be men again. Well, I don't accept such prophecies, yet I admit that they might contain some truth. Just because of that possible truth I tell you that we don't want to pay such a price. Here is why we follow this tortuous path, and why I fight those who would like to change the moderate line of Solidarity, and why I keep talking of political patience, and why I yell at the intellectuals and at the peasants. And why I remain so vague in speaking with you.

Q. Come on, Lech. Do you really believe that Brezhnev cares about the way we talk? It is not the words that count, it is the facts. And when Kania has to deal with you, when Jaruzelski has to deal with you, when . . .

A. How many times have you seen the Soviet tanks in Poland? How many times have the Soviet tanks come here from August on?

Q. In Czechoslovakia they waited almost eight months.

A. But that solution has never been applied to Poland. Four times at least, Poland has found itself in a tragic situation during the last 25 years, yet we overcame it without the Soviet tanks. This time it will be the same. Besides, Czechoslovakia is not Poland.

Q. It isn't Hungary, either. Yet in Hungary too the Soviet tanks intervened. It is not Afghanistan either, yet Afghanistan is invaded by the Soviets.

A. Poland is different, Poland is different.

Q. Then let me say this: Isn't it true that the Polish students have asked and obtained, at least on paper, abolition of the obligatory teaching of Marxism and of the Russian language in their universities?

A. It's true.

Q. Isn't it true that, if the agreement is not respected and the students' strikes are not taken into consideration, the workers will strike for them?

A. Yes, it's true. Solidarity approves what the students are doing on that matter and it will fully support them in that struggle. We are with them, I am with them. The only reason why I did not go to the Lodz university during the students' strike is that I had to stay with the peasants in Rzeszow. The peasant strike's problem was more urgent. But I sent my advisers to Lodz, and they remained there all the time, and every two hours I called to tell them what should be done. Finally, I am the one who arranged the meeting of the students with the deputy premier, [Mieczyslaw] Rakowski.

Q. Well, do you expect the Soviets to accept such a national refusal of their ideology and of their language? Do you really believe that such heresy will go unpunished forever?

A. Nie, nie, nie, and what do you expect from us, then? That we give up? That we stop everything, that we go back to what we were and we say, sorry, it was a joke, we did not mean it, because we don't want to be punished? Should we give up the duty of being men and forget? What other solution do we have but to do what we are doing? I said it and I repeat it: We don't want to pay the price of a violent confrontation, we really don't. But if it will be necessary to pay that price, we will. Nobody will say that we are cowards. Personally I am more than ready to die. I am not as ready to kill: I am not able to kill, not even a chicken to make soup; my stomach gets upset when I see people killing a chicken. Yet if I were attacked, if I had to defend my country, my house, my children, my friends, my fellow workers, I wouldn't hesitate. Oh, why do you make me say these things? Why? You give me a headache again. Now I have a headache again.

Q. I do too, now. I have it too, Lech. So let's keep our headache, both of us, and let's face the last difficult question: But are the Soviet tanks indispensable? Aren't, wouldn't the Polish tanks be enough."

A. Nie, nie, nie, nie. I shall not consider that, no. Not even for a second. I refuse to believe that our bonzes [literally, Buddhist monks] are unable to find a bloodless solution. I refuse to believe that our soldiers will kill our workers. We will solve everything without pain, profitably for the two sides. Why do you ask such a thing?

Q. Because that very important member of the government also said to me: "The Polish army is devoted to the party one thousand percent." A lie?

A. Here is the only question which I cannot answer. This house is filled with microphones. Yes, microphones, and God knows how many there are listening now to this conversation. Yes, since 1972 they have tapped me with their bloody machines, and sometimes I ask myself: How long will it last, how long?

Q. And you, Lech, how long will you last?

A. If they don't kill me, you mean? If everything goes on smoothly? Well, coldly speaking, I would say that from now on I can only descend. Gradually or with a headlong fall. This is because I am not fitted for normal times and I cannot submit myself to the rules and the games. Because I am dead tired and my heart is in bad shape, my health goes to pieces. Because I cannot repeat myself—that is, I cannot repeat what I have done in August and until today. And finally because, if the worst happens, all the rage of the people will turn on me. And the same ones who applauded me, erected altars for me, will throw stones at me, will trample on me. They will even forget that I acted for good, in good faith. You know, if I were selfish and shrewd, I would cut my mustache and go back to some shipyard. But I shall not do it. I cannot do it. From now on, the situation will become more and more complicated, more and more difficult, and we are going to receive many blows. Yes, many blows. I must stay where I am: To struggle, to extinguish the unnecessary fires, like a fireman, to transform the movement into an organization, to . . .

Q. To raise canaries that sing much and well. Thank you, Lech. Good luck, Lech.

A. Good luck to you, and thanks to you, with all my heart. You have been nice to me and it isn't true that you throw the chador into the face of the people you interview [a reference to the Persian robe Fallaci removed during her interview with the Ayatollah Khomeini in 1979]. I have enjoyed these hours we spent together so much, though you gave me a headache twice. You offered me so many ideas which I'll think over. I shall never forget you. And, if the Polish censors will permit publication of your book, "A Man," I will read it. And it will be the first book I've read in my life. Anyhow, if I go to paradise, I'll save a seat for you. So we can talk about the wheat that grows on the stones.●

PETROLEUM POLICY AND IMPLICATIONS FOR U.S. AGRICULTURE

ISSUES AND CONCERNS OF THE NATIONAL COUNCIL OF FARMER COOPERATIVES

● Mr. ANDREWS. Mr. President, agriculture is the backbone of the U.S. economy. Not only does the agricultural community provide the food and fiber essential to the health and economic prosperity of the United States, but, in a very

real sense, feeds the rest of the world as well.

Perhaps no element of our economy fulfills such a crucial, global responsibility. If agriculture in this country were, for some reason, unable to meet that responsibility efficiently, the effects would be felt all too swiftly on a worldwide scale.

Less than 3 million farm families produce enough food and fiber to feed and clothe 225 million Americans.

These same farm families also export enough agricultural products to pay for half of our $80 billion annual bill for oil imports.

The high level of U.S. agricultural productivity, taken for granted by many, depends heavily on critical petroleum fuel inputs to convert energy from the Sun into food and natural fiber.

To achieve full food and fiber production, farmers must have fuel in sufficient quantities and at the appropriate time and place.

While farm energy use represents only 3 percent of U.S. consumption, interrupting the energy needed for full food and fiber production would adversely affect farmers, rural residents, and ultimately every American consumer.

Accordingly, the National Council of Farmer Cooperatives (NCFC) presents this paper to help insure that the U.S. agricultural community is able to efficiently execute its vital responsibilities to the Nation and to the world.

PURPOSE

The purposes of this statement are threefold:

First, to highlight the absolute dependence of U.S. agriculture on energy—and, more particularly, on petroleum products.

Second, to isolate certain energy policy issues and, in the process, to express concerns of the farmer cooperative community and its 2 million farmer owners.

Third, to suggest specific actions that must be taken to insure that we, as a nation can efficiently discharge our agricultural responsibilities.

FUNDAMENTAL GOAL—A SOUND NATIONAL PETROLEUM POLICY

The National Council of Farmer Cooperatives and its members are calling for immediate action to implement a sound national petroleum policy. Such a policy must contain assurances of fuel supplies at equitable prices for agriculture. This can be achieved by providing for timely access to crude oil at competitive prices for farmer-owned and other efficient refiners serving rural markets during disruptions.

IMPACT OF DISRUPTIONS

Petroleum supply disruptions, as history has demonstrated, can impact severely on agriculture both as to supply and as to price.

SUPPLY

Farm fuel shortages can place unacceptable burdens on the American consumer.

One USDA study estimated that a 10-percent fuel shortage at the farm could lead to as much as a 55-percent increase in farm commodity operations.

Given the vagaries of nature, timing is critical to farm operations.

Even a short disruption in fuel supplies at the wrong time can result in crop losses or reduced yields for that year.

Farmers must have fuel in sufficient quantities at the appropriate time and place to insure full food and fiber production.

PRICE

Sharp rises in energy costs, even in the absence of shortages, are also obviously cause for concern.

Such increases could impair the ability of many family farms to survive.

Costs that can be passed through the food system would have a heavy impact on wholesale and retail prices.

For example, each 10-percent increase in energy costs across the food system can raise food prices about 1.3 percent.

COOPERATIVE PETROLEUM ROLE

Farmers embarked upon their first cooperative petroleum venture in the 1920's. This was their initial attempt to assure themselves of more secure fuel supplies, better quality service, and fairer prices.

Today, 13 regional farmer cooperatives own and operate eight efficient refineries with a total production capacity of about 460,000 barrels per day.

Though this represents only 2.5 percent of U.S. refining capacity, cooperatives market petroleum products in more than 40 States and currently supply about 45 percent of all on-farm petroleum fuels.

About three-fourths of the petroleum products sold by farmer cooperatives go to farmers. The remainder is sold to other rural residents.

Cooperative refiners are unique because individual farmers have invested their hard-earned savings in these petroleum operations to enhance the security and viability of their farming operations.

Any cost savings from cooperative refineries are distributed back to farmer-owners on the basis of their fuel use.

Farmer cooperatives represent the only segment of the petroleum industry in which the consumers of its products are also its owners. This feature carries with it a unique accountability in terms of commitment of supply, service, and price.

FARMERS ARE VULNERABLE

The American farmer is dependent upon the world community for fossil fuel inputs.

Thus, world events which affect petroleum supply and price have a direct bearing upon this Nation's agricultural system.

The Arab oil embargo in 1973 and the Iranian disruption in early 1979 placed great stress on fuel supply lines to rural areas, with many farmers experiencing difficulty in getting sufficient fuel for spring planting. The threat of further disruptions still exists.

Such disruptions hit hard on farmer-owned refineries. For example, in early 1979 cooperatives lost a major portion of their crude oil supplies. Cooperative refinery runs were reduced to 50 percent of capacity, when the industry average was 85 percent. Further, crude oil acquired by farmer cooperatives was priced well above the national average.

Tho results were predictable. Rural areas had serious diesel fuel shortages. Farmers bore a disproportionate share of the OPEC-driven price increases.

Two painful lessons are clear:

Most importantly, unless cooperatives and other refiners serving rural markets are able to get adequate supplies of crude oil, the likelihood of serious fuel shortages on the farm remains extremely high.

Disproportionately higher crude costs mean disproportionately higher farm fuel costs.

DISRUPTIONS LIKELY

It is obvious that the United States will remain dependent upon significant amounts of imported crude oil for the foreseeable future. Equally obvious is the fact that world oil demand and supply will continue to be in tight balance over the long term.

In addition, political and economic conditions within various oil producing countries are likely to result in individual and collective actions that will periodically limit crude oil availability.

Even small disruptions will be quickly felt in the world marketplace. And the United States will be vulnerable to supply and price uncertainties tied to foreign suppliers.

DECONTROL NO GUARANTEE OF FREE MARKET

President Reagan's decontrol of crude oil and refined petroleum product prices and allocation controls on January 28 was designed to correct many of the problems affecting the petroleum market. The National Council has consistently supported certain decontrol measures to encourage domestic energy production under free enterprise. Government involvement is appropriate only when competitive forces are deficient or consumers' product needs are not met.

It must be understood, however, that there is a difference between a decontrolled market and a free market. Cooperative refiners and their farmer-owners are facing market circumstances that do not reflect the basic free-enterprise environment.

Early post-decontrol signals indicate several definite trends emerging:

First, although decontrol has only been in effect for a short time, major refiners have stepped up their planned withdrawals from rural markets.

Second, overall product prices have risen dramatically.

Finally, farmers and rural residents continue to bear a disproportionate share of rising energy costs.

LIMITED DOMESTIC ACCESS

Because of instabilities in the foreign crude oil market, farmer-owned refiners have tried to obtain more secure supplies in the domestic market. They have attempted to increase their self-sufficiency in crude oil. For example, exploration and production expenditures have expanded from about $15 million annually in 1973 to more than $115 million annually in 1980. In spite of these efforts, owned production represents only 7 percent of the requirements of farmer cooperatives.

These efforts have been limited for two reasons:

First, major refiners own the majority of domestic crude oil production. In 1979, the 16 largest integrated refiners got about 75 percent of their domestic crude oil supply from their own production. They also have access to additional domestic crude oil through their ownership of gathering lines and pipeline connections.

Second, cooperative domestic exploration and production activities have been restricted by capital availability.

Consequently, cooperative refiners have been forced to look to the international market for a much greater share of their total crude oil supplies.

LIMITED FOREIGN ACCESS

Attempts by farmer cooperatives to purchase foreign crude oil at competitive prices have also encountered major obstacles:

Foreign crude oil production has historically been dominated by a small group of international oil companies whose interests have often been the centerpiece of U.S. foreign policy in the major oil-producing countries.

During the first half of 1979, the ARAMCO—Arabian-American Oil Company—partners got 88 percent of their foreign crude oil from captive sources. This compares with 55 percent for the 16 integrated refiners, and less than 10 percent for farmer cooperatives.

Politically motivated and economically unjustified differences in foreign crude oil prices have jeopardized the long-term delivery capability of the rural petroleum system.

Saudi Arabian light, a medium-sulfur crude oil, is presently priced at $32 per barrel to the ARAMCO partners. Similar quality oil elsewhere is being priced from $4 to $5 per barrel higher for other buyers.

In certain countries, oil payments must be accompanied by additional considerations such as exploration premiums or investment considerations.

Price distortions resulting from the Iranian disruption have persisted. The Iran/Iraq war has permitted OPEC producers to maintain and amplify these distortions.

Low-sulfur crude oil from North Africa and the North Sea is priced at $39 to $41 per barrel, prior to payment of premiums.

Compounding these price disparities is the act that many of the long-term cooperative contracts were terminated during shortages caused by the Iranian revolution. Since then, it has been difficult for cooperative refiners to enter into long-term foreign crude oil contracts at competitive prices.

Most crude oil offered recently on contract to cooperative refiners has been African sweet crude oil. For political reasons, this oil continues to be priced at levels substantially above the going market rate.

The end result is disproportionately higher fuel costs for farmers and rural residents.

EROSION OF COMPETITION

The combined effect of domestic production control by the major oil companies and the foreign pricing structure could have very serious consequences for farmers and rural communities.

One of the realities of petroleum marketing is that product prices must ultimately reflect higher raw material costs. Because of this, major refiners with lower crude oil costs can choose to match the highest product prices of cooperative refiners and thereby enjoy handsome profits. Or, they can price their product below a farmer's own cooperative and eventually reduce that cooperative's ability to serve its owners.

Complicating the problem further is the fact that, according to the USDA, cooperatives are now the sole petroleum supplier to over 900 rural communities. And the total continues to grow each year.

The bottom line is that total absence of Government involvement in the crude oil market is likely to have an effect exactly opposite that envisioned by "free market" proponents. Rather than establishing a competitive market, opportunities for noncompetitive activity will increase; and rural communities will become even more vulnerable to supply disruptions and price disparities.

PETROLEUM POLICY RECOMMENDATIONS

In view of the precarious outlook for the world petroleum market, the National Council of Farmer Cooperatives urges adoption of the following program:

First. Establishment of a standby crude oil access program.—This program would address both supply and price irregularities by assuring access to crude oil at competitive prices. It would assure crude oil availability for cooperatives and other efficient refiners. It would thus assure petroleum supplies for farmers and other high priority users adversely affected by disruptions.

Second. Establishment of a standby petroleum product allocation program.—This program would assure that petroleum products would be made available to priority users during a petroleum supply disruption. Agriculture would be assured fuel for planting, growing, and harvesting operations. Other high priority users would also be assured of product to meet critical needs.

The National Council also asks U.S. policymakers to urgently consider the following actions to address these critical energy issues:

A clear reaffirmation of policy by the administration and Congress that a healthy agricultural community, with reasonable access to petroleum, is in the Nation's best interest. Public policymakers must continue to recognize the linkage between the agricultural community's well-being and the availability of sufficient petroleum supplies at equitable terms for agriculture.

Maintenance of the emergency buy/sell program in a state of operational readiness to deal with any crude oil disruptions through September 1981. Even now the program is being dismantled, with staff being transferred elsewhere. Elimination of this program is a dangerous and unnecessary gamble. Agricultural petroleum supply disruptions are a certainty without timely action that can only come from an operational program.

Joint development of petroleum policy by the administration and Congress in the few months remaining before expiration of authorities under the Emergency Petroleum Allocation Act on September 30, 1981. Congress should initiate legislative hearings as soon as possible so the policymaking process can proceed in a logical fashion toward sound post-EPAA legislation.

Mr. President, farmer-owned cooperatives are not asking for a subsidy or "free ride." The cooperative petroleum system is efficient and performs its role under truly free market conditions. To the extent the market functions normally, Government programs would have no role. However, the realities of the marketplace dictate that all too often access to crude oil at competitive prices is denied due to disruptions and market anomalies. The essential role of cooperatives in supplying fuel at reasonable prices to agriculture and rural America must be maintained during such periods.

This Nation cannot afford to wait and use agriculture as a "testing ground" for petroleum supply disruptions. The chaos that would occur could have a serious impact on food production. And it could lead to bad legislation drafted in the midst of crisis.

The National Council of Farmer Cooperatives and its members are ready to work with Congress, the administration, and all interested groups in an effort to develop a sound and equitable agricultural component of national petroleum policy.●

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints to the Organization for Economic Cooperation and Development/International Energy Agency (OECD–IEA) Parliamentary Symposium on Energy and the Economy, April 10-11, 1981, Paris, France, the following Senator as a delegate: the Senator from New Jersey (Mr. BRADLEY).

ORDER FOR RECOGNITION OF SENATOR HEFLIN ON THURSDAY, MARCH 12, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that on Thursday, after the recognition of the two leaders and after the recognition of any Senator previously provided for by special order, that the Senator from Alabama (Mr. HEFLIN) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. BAKER. Mr. President, in looking over my calendar of general orders, I find a few items that are marked here on this side as available for passage by unanimous consent. I wonder if the distinguished minority leader would be in

a position to advise me on Calendar Order No. 30, Senate Joint Resolution 26, and perhaps Calendar Order No. 31, Senate Joint Resolution 22, in respect to a clearance on his side of the aisle.

Mr. ROBERT C. BYRD. Mr. President, those two items are cleared for unanimous-consent adoption on this side of the aisle.

Mr. BAKER. Mr. President, I thank the distinguished minority leader.

Mr. President, I ask unanimous consent that the Chair lay those items before the Senate.

The PRESIDING OFFICER. Without objection it is so ordered.

WOMEN'S HISTORY WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 28) designating the week beginning March 8, 1981, as "Women's History Week."

Mr. HATCH. Mr. President, on November 13, 1980, with great pleasure, I joined Representative BARBARA MIKULSKI, of Maryland, in sponsoring a joint resolution designating the week of March 8, 1981, as "Women's History Week." I have offered an identical resolution this year in which I am joined by 34 of my colleagues from both parties as cosponsors. I think it is appropriate that the Congress endorse and encourage the study and celebration of our national heritage and I am very pleased that this resolution has received such prompt and enthusiastic consideration in the Senate. I want to single out the distinguished chairman of the Judiciary Committee for his generous assistance in moving this legislation forward.

Mr. President, young citizens need an understanding of our country's founding and growth in order to both understand the present and plan for the future. Women have played such a vital role in shaping our American society that it is only fitting that we pause to recognize and rediscover their achievements. Women have provided the impetus for many important social reforms and have made individual contributions in the fields of science, education, medicine, religion, and government. They have helped build America as homemakers and pioneers and they have clearly led the way in establishing the charitable and philanthropic organizations which have greatly improved the quality of American life.

Utah is proud of those women who courageously crossed half a continent to settle in the Salt Lake Valley. Utah is unique in that half of the pioneers who arrived in 1847 were women. The hardships they endured along with their male counterparts to settle and civilize the American West often go unrecognized by those of us fortunate enough to live in an era of easy communications, rapid transit, and frozen foods.

Another element of history often forgotten is Utah's leadership in the area of women's political rights. Utah considered the suffrage question far ahead of its time. Women in Utah were granted the right to vote in 1870, though the Nation did not adopt the 19th amendment to the Constitution until 1920. Ironically, when Utah became a State in 1896, the Federal Government forced Utah to abrogate its women's suffrage law in order to conform to U.S. policy in that era.

Dr. Leonard J. Arrington, professor of economics at Utah State University, contributed some significant information and insights in his article, "Women as a Force in the History of Utah," which appeared as a forward to a special issue of the Utah Historical Quarterly. I commend it to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

WOMEN AS A FORCE IN THE HISTORY OF UTAH

(By Leonard J. Arrington)

Three women came with the advance company of Mormon pioneers to the Salt Lake Valley in July 1847. An additional sixty women marched with the Mormon Battalion from Fort Leavenworth, Kansas to Santa Fe, New Mexico, and spent the winter of 1846-47 at Pueblo, Colorado, before entering the Salt Lake Valley just a few days behind the advance company. They were accompanied by twenty women who had migrated from Mississippi and Illinois and wintered with the Battalion women at Pueblo. Before the end of July 1847, there were almost as many women in Utah as there were men—a fact which set Utah apart from most western territories. In the companies which subsequently migrated from the midwestern and eastern United States and from Europe, there were approximately as many women as there were men. The "different world of Utah" began with a partnership of men and women, and that pattern has continued to characterize the "family state" of Utah.

One is tempted to suggest that the process of settlement placed a heavier burden on the women than on the men. Often away on "missions" for their church and other assignments, the men left the women home to milk the cows, plant the crops, and care for the children. A reading of the diaries kept by Utah's pioneer women suggests that, in many instances, women provided most of the support of their growing families by producing food and clothing, and, in some instances, even built the family dwelling places. If it is true, as many writers have asserted, that Utah farmers were among the best in American history, the credit is often due to the women who did much of the farming. If it is also true that "Utah's best crop" was its children, then the credit, again, belongs largely to the women who supported, nourished, and educated them.

Herodous included women in his history, as did Tacitus and other ancient writers of history. Not really a subjected sex in the conventional sense, women in every culture have played important roles in their struggles for liberty, their endeavors to improve the human lot, and their strivings for perfection in the fields of religion and art.

The same can be said of the women of Utah. Utah's women were the first in the nation to exercise the right of suffrage in voting for city, county, and territorial officers. Utah women were among the first to serve as jurors, mayors, and state legislators. Utah women played a prominent role in the livestock industry, in communications, and in the creation of literary symbols. In the last half of the nineteenth century, Utah probably possessed the largest number of midwives and women doctors in the United States. Utah women founded the first "permanent" magazine for women west of the Mississippi River, pioneered the operation of telegraph offices, and led out in the efforts to improve the social and economic status of the Indians.

It is fitting that the Utah State Historical Society should celebrate the contributions of women in this special issue of the Quarterly, timed for distribution during the month which marks the centennial of women suffrage in Utah. It is also fitting that three of the essays are by skilled Utah women writers. While the coming of woman suffrage is told by T. A. Larson, president-elect of the Western History Association, and Thomas G. Alexander, a member of the Board of Editors of the Utah State Historical Society, the remaining essays are by Jean Bickmore White, Raye Price, and Helen Zeese Papanikolas, all of whom, in addition to rearing families, have played an active role in the cultural, educational, and political life of modern Utah.

Every student of Utah history has his own favorite candidate for the most forceful woman in Utah's history. Some will choose the refined and sensitive Eliza R. Snow—poetess, Relief Society president, and leader in many women's causes. Others may prefer the brilliant and stately Emmilene B. Wells—editor of the Women's Exponent for forty years and a founder of Utah's Republican party. Still others may select the loving and lovable Susanna Bransford Emery Holmes Delitch Engalitcheff—Utah's silver queen, famous hostess, patron of the arts, and philanthropist. Some may favor a woman of today—a political leader, a teacher, a business woman, an artist, or a dispenser of charity. This writer's favorite is Susa Young Gates. Author of a dozen books of merit, both fiction and non-fiction; founder of many regional and national women's organizations, including the Daughters of Utah Pioneers; a leader in the National and International Councils of Women; an editor, poet, temple worker, musician, and woman suffragist, Susa Young Gates was also the mother of thirteen children! Let her "Notes for the Day's Work" for a single day in 1895 illustrate the many concerns and contributions, both large and small, of Utah's women: [1]

NOTES FOR THE DAY'S WORK: PROVO, UTAH, AUGUST 19, 1895

Go down cellar with Emma Lucy (later, world famous coloratura soprano) and show her how to clean it.

Go to Aunt Corneel's and take her to Elkens and get hers and my fruit. Darn Dan's stockings. Boil over the bottle of spoiled fruit.

Practice on my bicycle. Write down plan of altering the house which came to me in the night.

Clean my office. Answer Leah's, Sterling's, Sis, Taylor's, and Mrs. Grey's letters, and Carlos's. Prepare talk on "Women and Literature" and go to the (Brigham Young) Academy's opening exercises at 10 o'clock.

Talk to Aretta Young about her story. Write to Pres. Joseph F. Smith, Pres. George Q. Cannon, Apostle Franklin D. Richards, and Elder B. H. Roberts about writing for Young Woman's Journal. Also write Mrs. M. E. Potter and Marie D.

Write and thank Carol for her lovely gift. Get the cloth for Dan's pants and boys' clothes and send them to the tailor. Finish the last chapter of "John Stevens' Courtship" for The Contributor. Sketch out editorials for Young Woman's Journal.

Wash my head. Get the kitchen carpet and have the girl and Dan put it down. Get cot and crib from store. Also washstand and glass and wardrobe. Get vegetables and fruit for dinner. Take my bicycle dress over to Polly and have it fixed. Take clothes to the Relief Society. Get consecrated oil. Bless Cecil (B. Cecil Gates, later director of the Mormon Tabernacle Choir) to do his chores well. Administer to baby Franklin (later an outstanding figure in the early days of radio).

EQUAL RIGHTS

Now the voice of womankind is startling all the world;
Woman must have equal rights with man.
Everywhere beneath the sun her banner is unfurled,
Woman must have equal rights with man.
We but ask for freedom and the right to live and be,
What we are designed in God's great plan;
And we're sure all thinking men will very shortly see,
Woman must have equal rights with man.
We but ask for freedom and the right to live and be
What we are designed in God's great plan;
And we're sure all thinking men will very shortly see
Women must have equal rights with man.
Should it be that in the land o'er which our standard waves
And our eagle soars so proud and free,
Mothers, sisters, daughters should all be held as slaves,
Should they have to beg for liberty?
We must pay our taxes, and the laws we must obey.
And it's time an era now began
When in the elections we can also have a say—
Woman should have equal rights with man.
Come my sisters, let us rise and educate our minds,
Put aside our follies great and small;
Work with heart and soul to help all womankind,
Gather 'round our standard one and all.
Do not pause nor falter, but be valiant in the fight,
And the flame of liberty we'll fan.
Till it spreads o'er all the land, then hail the time of right,
When woman shall have equal rights with man.

[1] The note is in the "Susa Young Gates" folder in the Manuscript Archives of the Brigham Young University Library, Provo, Utah. I have taken a few liberties with the wording and order of the original.

● Mr. MATHIAS. Mr. President, with few exceptions the contributions of our Nation's women have been eclipsed in our oral histories, our textbooks, our celebrations of national heritage. To bring women back into view is to set a one-sided record straight and to realine our vision for the future. The resolution to designate the week of March 8, 1981, as National Women's History Week seeks to do just that, by celebrating the wealth of women's accomplishments with special school and citizen events.

Women have long contributed and will continue to add to the strength and breadth of our country's economic, political, cultural, and scientific attainments. My own State of Maryland has been the home of a number of little-known women achievers, of whom we are enormously proud. Many people can recount the story of Harriet Tubman, the former slave who led the underground railroad to bring hundreds of other runaways to freedom. But few recall the legacy of the many other women who have served their country and its people so well.

There is Margaret Brent, the first woman landowner in Maryland and the first female "attorney" in the colonies, who in 1648 was the first woman to petition for voting rights. Anna Ella Carroll of Dorchester County was a brilliant military strategist and one of President Lincoln's political confidantes. Edith Hamilton, a giant among America's classical scholars, was the first to serve as headmistress of Baltimore's Bryn Mawr School, among the first college preparatory schools for girls in the country. And Helen Taussig, who developed the "blue baby" heart operation, had her home in Maryland.

We pledge ourselves to rediscover and credit the accomplishments of these and other unsung women and to acclaim the countless others who have worked in the home, in the labor force, and in volunteer capacities to make America strong.

In proclaiming Women's History Week we will be looking back with deep pride and looking forward with high expectations to the contributions of women throughout our land. Mr. President, it is my pleasure to cosponsor Senate Joint Resolution 28.●

● Mr. JEPSEN. Mr. President, Sunday, March 8, marked the beginning of Women's History Week. The week is dedicated to focusing the attention of all Americans on the all-encompassing place of women in American society—a place that has involved activity in business, education, government, and other diverse fields, as well as the home and church. No one can argue with the contributions women have made in shaping American society. But we have not done enough to recognize the fact.

More specifically, I have a particular interest in the contributions many Iowa women have made. These stalwart women who pioneered the uncharted and undeveloped land of Iowa withstood the rigors and discouragement of a dismal and lonely existence to help establish the land we know today as Iowa.

During the Civil War, for instance, over 78,000 Iowa men declared their allegiance to the Union. Annie Wittenmeyer, of Keokuk, worked to improve the sanitation conditions for the wounded soldiers and eventually won the title, "Iowa's Wartime Heroine."

Iowa also claims Amelia Jenks Bloomer, of Council Bluffs, who, although she did not popularize the "bloomer" style, wrote about it and thus promoted the "reform dress" style during the 19th century.

In 1935, 2 years before her death, Ola Miller, of Washington County, founded the Iowa State Highway Patrol after convincing the State legislature that a statewide law enforcement agency was needed.

Cora Hillis, of Bloomfield, is credited with organizing the first PTA branch in Iowa, and served as president for 6 years over a century ago.

In the area of education, Agnes Samuelson, of Shenandoah, received national recognition in the 1920's as an authority on providing services to rural schools.

Additionally, during the early 1900's two women, Ida Smith and Jessie Benford, worked actively for the social welfare of children.

From the early years of Iowa's statehood, many women have made significant contributions to the political structure of the State. Perhaps none, however, as significantly as my good friend Mary Louise Smith, who over the past decade has given the Republican Party in Iowa definitive leadership by promoting confidence in politics at a time when the Nation's faith in our political system is waning.

Mr. President, at this time I would like to ask my colleagues to join me in supporting Women's History Week.

We have taken for granted the primary role women have always played, and will continue to play, in American society. Because their contributions have been in fact, so fundamental, their contributions have gone largely unrecognized.

This week, although symbolic, sets the stage for a continued awareness and appreciation for the American woman.●

The joint resolution (S.J. Res. 28) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S.J. RES. 28

Whereas American women of every race, class, and ethnic background helped found the Nation in countless recorded and unrecorded ways as servants, slaves, nurses, nuns, homemakers, industrial workers, teachers, reformers, soldiers, and pioneers;

Whereas American women have played and continue to play a critical economic, cultural, and social role in every sphere of our Nation's life by constituting a significant portion of the labor force working in and outside of the home;

Whereas American women have played a unique role throughout our history by providing the majority of the Nation's volunteer labor force and have been particularly important in the establishment of early charitable philanthropic and cultural institutions in the country;

Whereas American women of every race, class, and ethnic background served as early leaders in the forefront of every major progressive social change movement, not only to secure their own right of suffrage and equal opportunity, but also in the abolitionist movement, the emancipation movement, the industrial labor union movement, and the modern civil rights movement;

Whereas despite these contributions, the role of American women in history has been consistently overlooked and undervalued in the body of American history: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning March 8, 1981, is designated as "Women's History Week", and the President is requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

FREEDOM OF INFORMATION DAY

The Senate proceeded to consider the joint resolution (S.J. Res. 22) authorizing the President to proclaim March 16 of each year as "Freedom of Information Day," which had been reported from the Committee on the Judiciary with an amendment: On page 2, line 4, strike "of each year" and insert "1981".

The amendment was agreed to.

The joint resolution was ordered to be

engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, was passed, as follows:

S.J. Res. 22

Whereas a free press exists to serve the American people whose daily decisions rest on their having information;

Whereas a fundamental principle of our Nation is that given information, the people can make the decisions that determine their present and their future;

Whereas if these decisions are to be wise, they must be reached after weighing the facts and considering the alternatives and consequences;

Whereas the freedom we cherish in this land is rooted in information;

Whereas this freedom of information deserves to be emphasized and celebrated annually;

Whereas many Americans, because they have never known any other way of life, take the freedom of information provided under the First Amendment of the Constitution for granted;

Whereas many Americans do not recognize fully how this provision of the Bill of Rights affects their daily lives; and

Whereas March 16 is the birthday of James Madison, who was the Founding Father who recognized and supported the need to guarantee individual rights through the first ten amendments to the Constitution: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate March 16, 1981, as "Freedom of Information Day", and to call upon Federal, State, and local government agencies, and the people of the United States to observe such day with appropriate programs, ceremonies, and activities.

Amend the title so as to read "Joint resolution authorizing the President to proclaim March 16, 1981, as 'Freedom of Information Day'".

ORDER TO HOLD S. 681 AT THE DESK

Mr. BAKER. Mr. President, the distinguished Senator from Vermont (Mr. STAFFORD), the chairman of the Environment and Public Works Committee, has just recently introduced the Oil Spill Liability Compensation Act of 1981, S. 681.

In connection with that measure, Mr. President, I ask unanimous consent that the bill be held at the desk pending further disposition by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECORD OPEN UNTIL 6 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that Senators may have until 6 o'clock this evening in which to introduce bills, resolutions, statements, petitions, and memorials.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL THURSDAY, MARCH 12, 1981, AT 11 A.M.

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11 a.m. on Thursday next.

The motion was agreed to; and at 5:23 p.m., the Senate recessed until Thursday, March 12, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate on March 6, 1981, by the Secretary of the Senate pursuant to the order of the Senate of March 5, 1981:

COMMODITY CREDIT CORPORATION

C. W. McMillan, of Virginia, to be a member of the Board of Directors of the Commodity Credit Corporation, vice P. R. Smith.

DEPARTMENT OF AGRICULTURE

C. W. McMillan, of Virginia, to be an assistant Secretary of Agriculture, vice P. R. Smith.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

David B. Swoap, of Virginia, to be Under Secretary of Health and Human Services, vice Nathan J. Stark, resigned.

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10, of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. John W. Baxter, 039-26-9418.
Maj. John D. Broman, 476-38-4598.
Maj. Mario H. Buenrostro, 451-52-1212.
Maj. Kenneth J. Clark, 430-84-0175.
Maj. Peter L. Drahn, 396-40-8242.
Maj. Charles W. Duke, Jr., 450-54-1641.
Maj. Robert S. Dutko, Sr., 144-28-6334.
Maj. Donald L. Eby, 268-38-9312.
Maj. Robert D. Franke, 311-42-0824.
Maj. Paul H. Henretty, 221-18-7907.
Maj. Robert A. Heyart, 370-32-5949.
Maj. Thomas Hollinger, Jr., 150-30-2616.
Maj. Raymond J. Inman, 465-64-9319.
Maj. Madison R. Jones III, 539-34-3180.
Maj. Charles H. King, 007-36-5414.
Maj. Philip E. Laflin, 510-28-7181.
Maj. Jon L. Larson, 480-50-3487.
Maj. Gerald D. Main, 468-44-9647.
Maj. Stanley P. May, 529-38-7909.
Maj. Emmett L. McCutchin, 419-40-8737.
Maj. William L. Nichols, Jr., 512-34-1268.
Maj. Edward A. Payne, 544-36-6724.
Maj. David H. Rand, 020-28-4550.
Maj. Thomas E. Salaman, 350-34-1426.
Maj. Michael D. Soule, 382-38-6643.
Maj. Donald L. Stevlingson, 516-46-2781.
Maj. Guy S. Tallent, 409-58-5258.
Maj. Howard G. Tart, 239-68-3791.
Maj. Richard M. Wessbard, 080-22-8996.
Maj. Horace G. Williams, 423-44-5433.

JUDGE ADVOCATE

Maj. Kenneth C. Robbins, 028-32-4423.

MEDICAL CORPS

Maj. James D. Pearl, 542-44-1242.
Maj. David D. Newton, 324-36-0733.

DENTAL CORPS

Maj. Douglas B. Neumann, 398-40-1749.

IN THE NAVY

The following-named lieutenant of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualifications therefor as provided by law:

Halwachs, James E.

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line officers), 5773 (staff corps officers), and 5791, subject to qualifications therefor as provided by law:

LINE

Currie, George H., III
Mitchell, Curtis E.
Mosely, Charles L.
Sellers, Patrick M.
Witt, Stuart O.
Zumbrunnen, David A.

CIVIL ENGINEER CORPS

Jacques, David E.

NURSE CORPS

Fillingame, Mary S.
Richards, Catherine R.

The following-named officer of the line of the United States Navy, for appointment in the Civil Engineer Corps, as permanent lieutenant (junior grade) and temporary lieutenant, pursuant to title 10, United States Code, sections 5582(b) and 5572, subject to qualifications therefor as provided by law:

Vaughan, Charles F.

The following-named officers of the line of the United States Navy, for appointment in the Supply Corps, as permanent ensign, pursuant to title 10, United States Code, sections 5582(b) and 5572, subject to qualifications therefor as provided by law:

Bethel, John S.
Brown, William A.
Reidy, Donald J.

The following-named officer of the Supply Corps of the United States Navy, for appointment in the line, as permanent ensign and temporary lieutenant (junior grade), pursuant to title 10, United States Code, sections 5582(a) and 5572, subject to qualifications therefor as provided by law:

Meisman, David C.

The following-named officer of the Supply Corps of the United States Navy, for appointment in the line, as permanent ensign, pursuant to title 10, United States Code, sections 5582(a) and 5572, subject to qualifications therefor as provided by law:

Aasheim, Larry D.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 10, 1981:

DEPARTMENT OF THE TREASURY

Roscoe, L. Egger, Jr., of the District of Columbia, to be Commissioner of Internal Revenue.

John E. Chapoton, of Texas, to be an Assistant Secretary of the Treasury.

Paul Craig Roberts, of Virginia, to be an Assistant Secretary of the Treasury.

FEDERAL RAILROAD ADMINISTRATION

Robert W. Blanchette, of Maryland, to be Administrator of the Federal Railroad Administration.

DEPARTMENT OF TRANSPORTATION

John M. Fowler, of Pennsylvania, to be General Counsel of the Department of Transportation.

Judith T. Connor, of New York, to be an Assistant Secretary of Transportation.

Lee L. Verstandig, of the District of Columbia, to be an Assistant Secretary of Transportation.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. James W. Stansberry, 106-20-0475FR, U.S. Air Force.

IN THE ARMY

The U.S. Army Reserve officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a), 3371, and 3384:

To be major general

Brig. Gen. Robert Milton Erffmeyer, 387-20-1774.
Brig Gen. Louis Holmes Ginn III, 224-52-4013.
Brig. Gen. Angelo David Juarez, 348-22-1697.
Brig. Gen. Harley Lester Pickens, 063-20-1509.
Brig. Gen. Berlyn Keasler Sutton, 247-38-8926.

To be brigadier general

Col. James Eugene Beal, 537-28-5415.
Col. Elmus Snider Ussery, 459-30-7019.
Col. William Peter Sylvester, Jr., 158-14-4248.
Col. Richard Hubbard Bailey, 003-18-8024.
Col. Donald Michael Merz, 386-22-0994.
Col. Augusto Rafael Gautier, 582-36-1171.
Col. Peter Dewitt Hyman, 247-24-9579.
Col. Carl Lester Newhouse, 394-32-1250.
Col. Robert Leroy Duewerth, 331-26-2846.
Col. Gregorio Clemente Brevetti, 106-30-5295.

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, section 593(a) and 3385:

To be brigadier general

Col. Vernon Junior Andrews, 382-26-3639.
Col. Paul Nicholas Cotra-Manes, 529-30-3194.
Col. Bruce Gordon Grover, 114-22-9199.
Col. Patrick Wallace Harrison, 410-30-3098.
Col. Robert Lee Howell, 266-34-5086.
Col. Dale Owen Laubach, 448-28-6579.
Col. James Augustus Lynch, Jr., 013-22-5775.
Col. Roland Lavern Parkhill, 413-48-4104.
Col. Jack Strukel, Jr., 514-26-3746.
Col. James Jomac Wesson, 443-34-1943.

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. William Fremont Engel, 530-14-4237.
Brig. Gen. Ansel Martin Stroud, Jr., 437-12-4785.
Brig. Gen. Ralph Taylor Tice, 513-12-4597.

To be brigadier general

Col. Norman Eugene Duckworth, 440-30-0313.
Col. Hubert Gerald Lane, 232-30-2250.
Col. Lincoln James Lett, 499-20-1509.
Col. Alexis Theodore Lum, 576-20-8455.
Col. Dean Douglas Mann, 503-24-9672.
Col. Jerry Lee Wheichel, 506-32-2094.

IN THE NAVY

The following-named captains of the line of the Navy for temporary promotion to the grade of rear admiral, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualification therefor as provided by law:

To be rear admiral

Virgil W. Moore, Jr.
John F. Addams
Robert B. Rogers
Albert J. Herberger
Don H. McDowell
Richard L. Thompson
Allan G. Paulson
Ted C. Steele, Jr.
George M. Furlong, Jr.
Edwin R. Kohn, Jr.
James H. Flatley III
Warren E. Aut
John R. Batzler
Ronald F. Marryott
Theodore A. Almstedt, Jr.
James D. Williams
Laverne S. Severance, Jr.
Richard M. Dunleavy
Roger E. Box
Harold L. Young
Richard J. Grich
Ronald J. Kurth
William A. Walsh
Kendall E. Moranville
James S. Storms III
Joseph S. Donnell III
William J. Holland, Jr.
Ronald E. Narmi
Robert W. Schmitt
Morton E. Toole
John H. Fetterman, Jr.
John W. Nyquist
Walter L. Chatham
Bruce Demars
Stanley R. Arthur
Peter M. Hekman, Jr.
Ming E. Chang

The following-named woman captain of the line of the Navy for temporary promotion to the grade of rear admiral under the provisions of title 10, United States Code, section 5767(c):

Pauline M. Hartington

The following-named captains of the Navy for temporary promotion to the grade of rear admiral in the staff corps, as indicated, pursuant to title 10, United States Code, sections 5772 and 5791, subject to qualification therefor as provided by law:

MEDICAL CORPS

To be rear admiral

Norman V. Cooley, Jr.
Quintous E. Crews, Jr.
Robert C. Elliott
James A. Zimble

SUPPLY CORPS

Joseph S. Sansone, Jr.
Edward K. Walker, Jr.
Donald E. Wilson

CIVIL ENGINEER CORPS

Donald L. Conner

DENTAL CORPS

Carlton J. McLeod

MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of major general under the provisions of title 10, United States Code, section 5769:

Thomas R. Morgan
Ernest C. Cheatham, Jr.
John V. Cox
John Phillips
Wesley H. Rice
Gregory A. Corliss
Harold G. Glasgow

The following-named officers of the Marine Corps for temporary appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5769:

James R. Vandenelzen
William G. Carson, Jr.
Lloyd W. Smith, Jr.
Edwin J. Godfrey
William R. Etnyre
Eugene B. Russell
Donald L. Humphrey
William A. Bloomer
Paul D. Slack
George H. Leach
Hugh T. Kerr
Joseph E. Knotts
John H. Gary III

IN THE AIR FORCE

Air Force nominations beginning George G. Abbott; to be colonel, and ending Michael P. Mills, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 5, 1981.

Air Force nominations beginning Michael R. Ackley, to be first lieutenant, and ending Anthony E. Zompetti, to be first lieutenant, which nominations were received by the Senate on February 10, 1981, and appeared in the CONGRESSIONAL RECORD of February 16, 1981.

IN THE NAVY

Navy nominations beginning Robert S. Chan, to be captain, and ending Julian D. McCarthy, to be lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 5, 1981.

Navy nominations beginning Alexander V. Abary, to be commander, and ending Margaret J. Hamman, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 5, 1981.

Navy nominations beginning Clinton E. Adams, to be lieutenant commander, and ending Christine E. Miller, to be lieutenant commander, which nominations were received by the Senate on February 10, 1981, and appeared in the CONGRESSIONAL RECORD of February 16, 1981.

EXTENSIONS OF REMARKS

A SHORTAGE OF ENGINEERS IN THE OFFING

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WALGREN. Mr. Speaker, I want to take this opportunity to raise a matter of concern to my colleagues: If present trends continue, our current shortage of engineers, scientists, and technicians to run our industries and to revitalize their productivity will intensify. Just when the Nation needs more and better trained manpower to maintain our technical leadership in a world of increased industrial competition, we are entering a declining phase of training fewer of the right kind of people.

This is the message my colleagues and I have been getting in hearings before the Subcommittee on Science, Research, and Technology. The hearings are part of a review process for authorizing the programs and budget of the National Science Foundation. They are being held at a time when the Office of Management and Budget is proposing to eliminate the Foundation's role in science and engineering education altogether.

I do not think we should shrink from questioning why a basic research agency should be involved in education and training. We ought to be very clear on whether and why science and science training belong together.

Many years ago when Congress first decided there should be a Federal agency to support basic research, a conscious decision was made to concentrate that support in the universities. At the same time, and following the same reasoning, they took care to write science education into the charter of the Science Foundation.

Then, and over the years since then, Congress has understood the vital connection between science and education. In this country, as opposed to some others, the two activities have been mutually supportive and inextricably connected.

We only need to look at the Nobel Prize roster to see that we must have done something right. Why, then, is there now a proposal to cut the education activities of the Science Foundation virtually to zero?

I believe any administration, when faced with demands for budget cutting, will be tempted to sacrifice long-term gains for short-term advantages. But, I also believe that many of the present difficulties in the industrial technology of our country reflect the crippling consequences of more than a decade of short-term, shortsighted policies in industrial investment. Now is not the time for repeating those mistakes in science education policy.

We live in a technological world. How well we understand and use science and its products determines the health of our citizens, the strength to defend against all comers, and the commercial vitality on which it all depends. If we are going to be a leader among nations, we need workers capable of making and handling modern machines, and citizens capable of making informed decisions about energy supplies and other important issues.

I do not see this as a time for backing away from science and science education as a vital national commitment. For the present, as we gear up to surge back into the lead, we have no choice. Science education is too important to be neglected, or to be taken out of the one agency with a comprehesive responsibility for the health of our scientific enterprise. Let us continue to do some things right.

A recent editorial in Science magazine by Dr. Philip H. Abelson, the President of the National Academy of Sciences, addresses further insight into the problems I have just outlined. I commend it to my colleagues:

PREPARED MINDS

In its efforts to restore American prestige, productivity, and strength, the Reagan Administration should not lose sight of the crucial roles of education and basic research. All administrations, when faced with public demands for budget cutting, are tempted to sacrifice long-term needs for short-term political advantages. The present status of the country reflects the consequences of more than a decade of shortsighted policies.

The need for a continuing flow of well-trained scientists and engineers is obvious. But the continuation of support for basic research at universities is not guaranteed and may require sturdy defense. A variety of questions have been raised. For example, why should this country conduct so much of its basic research at universities? Why not do it in industrial laboratories or concentrate it in specially created institutes? Why is it necessary for the United States to support basic research? After all, the Japanese attained their strong industrial position without doing much basic research. Aren't the present stocks of knowledge sufficient? Why increase them when the libraries are already bulging?

It is not my intention to answer all these questions here. Most of them have been treated elsewhere, though the importance of conducting basic research at universities merits repeated emphasis. Faculties at universities know that teaching and research are closely intertwined. The professor who stops doing research usually ceases to be intellectually active and ceases to be an effective teacher. To be effective as an educational institution, a university must do more than certify that a student has completed the requisite number of courses. Merely taking courses and spending 4 or 8 years at a university can be a costly waste of the individual's as well as the public's money. Much more than reading books and regurgitating facts on demand is required. To attain the best results, students must experience a superior, stimulating, exciting intellectual climate. The students will mutually provide some of this, but an essential portion must be derived from professors who are intellectually vibrant. Beyond that, students of science and engineering can be adequately trained only if they have access to the kinds of equipment they will be using when later employed elsewhere.

Another matter that has not been adequately discussed is the value of stocks of knowledge. In one sense, books and bound volumes of journals are the most valuable assets possessed by humanity. Yet in another sense they are worthless—mere accumulators of dust and mold. They are valuable only insofar as prepared minds can use their contents. In science, the people who can best use the stocks of knowledge are those who are engaged in creating them. They can interweave their special knowledge, experience, and judgment with facts from books or computers to create valid interpretations and new insights.

Participation in a highly active, highly competitive field of basic research requires unusual dedication and self-discipline. In its way, it demands an effort analogous to that of athletes who train to become champions. A few of the intellectual athletes receive recognition as Nobel laureates, but in general, the physical athletes are far more highly rewarded. What is not generally appreciated is the enormous potential value to the nation of creative scientists as problem solvers. To get a measure of this value one has only to peruse Vannevar Bush's book Modern Arms and Free Men. During World War II a few thousand scientists and engineers, mainly drawn from academic-type institutions, created a series of weapons systems that saved hundreds of thousands of lives and hundreds of billions of dollars. Before the war most of the key people were engaged in basic research. Times have changed, and it is unlikely that basic research sicentists will play much of a role in the coming Reagan rearmament program. Most of the funds will be used to procure arms and to train people to fight. How much will be spent to enable the nation to function well under the unpredictable circumstances that will prevail 10 years from now is problematical.—Philip H. Abelson●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

THE DEATH PENALTY AND THE DAWN OF ENLIGHTENMENT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. STARK. Mr. Speaker, I commend to my colleagues the following editorial from today's Los Angeles Times:

COMES THE DAWN—WHEN?

Steven Judy, with the cooperation of the state of Indiana, has gone to the death that he welcomed in the electric chair.

"I've lived my hell," he said. "So (the hereafter) has to be better." His last words were: "I don't hold no grudges. I'm sorry it happened. I know what I'm doing."

Judy, 24, was a psychopathic killer. At age 13 he raped, stabbed and beat a woman who survived the attack. After that atrocity he was committed to an Indianapolis mental hospital, but was set free in less than two years.

His life after his release was a continuing story of horror. By his own admission he committed 13 rapes, 50 armed robberies and 200 burglaries. And then, in the spring of 1979, came the ultimate horror. He encountered a woman and three small children in a car with a flat tire. She accepted his offer of a ride, and he raped and strangled her and drowned the children in a nearby creek.

Immediately captured, Judy became an ideal candidate for death. He urged the jury to condemn him. He refused to ask for clemency. He wanted an end to a monstrous existence that began with his abandonment as a child by his mother and his father, who was a wife beater and an alcoholic and who, by the way, has been a fugitive since 1971 from the same prison where his son died at 12:12 a.m. Monday.

Judy is no longer a threat to his fellow human beings, but could not society have protected itself by incarcerating him for life? Must a civilized country respond to savagery with savagery, and does capital punishment advance the cause of civilization? We think not, but we agree with Justice Stanley Mosk of the California Supreme Court that "the anticipated dawn of enlightenment does not seem destined to appear soon."●

MILITARY MYTHS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BEDELL. Mr. Speaker, I commend to my colleague's attention the February 15 column of Donald Kaul, columnist for the Des Moines Register, who in his typical style of wit and humor debunks some of the great myths of our day on military preparedness and strength.

For some years now, Donald Kaul's column "Over the Coffee" has been standard fare at most Iowa breakfast tables. His observations and comments on the issues of the day are direct and to the point. This article is must reading for those who question our capabilities in military strength and our position in world order.

Entitled "Debunking Big Myths of Today," the article follows:

DEBUNKING BIG MYTHS OF TODAY

(By Donald Kaul)

There are two great myths being foisted on the American public these days, apparently with some success.

The first is that Jimmy Carter's foreign policy gave global superiority to the Russians, leaving us naked to our enemies; and the second is that Ronald Reagan's much-heralded budget-cutting is significant.

Both notions are fundamentally unsound. First, the myth of Russian superiority:

Imagine, if you will, that Canada is the most populous nation in the world—and that it hates us above all other nations. It has stationed a half-million troops on our border to watch us and, to match their gaze, we have had to station a half-million troops of our own on that border.

Imagine further that Mexico and Central and South America form the No. 2 economic power in the world and that they, too, are opposed to us. They have 180,000 troops on our southern border and they point hundreds of missiles at the hearts of our major cities.

Then suppose that Texas, because of economic problems, has gone socialist and is threatening to leave the Union, a development that has caused unrest in New Mexico, Arizona and California.

Additionally, suppose that we've had to send troops to Hawaii to put down an insurrection and that they're still there—85,000 of them.

Our economy, in this nightmare, is in ruins, of course. We can't grow enough food to feed our people. Computer technology is beyond us. Our productivity is abysmally low, and the horizon yields no sign of improvement.

What would you say about Jimmy Carter if he had left us with a situation like that? He'd have had to seek sanctuary in a foreign country.

Well, that's basically the position of the Soviet Union these days, but all you ever hear is how we've allowed ourselves to fall behind the Russians and how we have to start acting more like them if we want to catch up. Baloney!

What if Ronald Reagan were an incoming Soviet leader, talking to the Russian people about the mess the previous administration had left him?

"Comrades," he would say, "when I was a boychik you could put the hammer-and-sickle insignia in the lapel of your suit, if you had one, and walk unharmed through any revolution in the world. The Soviet Union was respected. But now we have become a pitiful, helpless giant, afraid to help our Polish neighbors deal with the subversive, capitalistic elements in their midst. We are bogged down in a land war in Afghanistan. We have lost China. Our aged leadership has been empty of ideas. Let the torch pass to a new generation of 70-year-olds so that the Soviet Union can once again take its rightful place as a shining dictatorship on a hill."

Or words to that effect.

The other myth, that President Reagan's budget-cutting means something, is the result of a marvelous selling job. Every day, Reagan's chief hatchetman, David Stockman, director of the budget, comes out with a new budget announcement. "We're going to cut aid to the bewildered," he says, and the screams of anguish start. "Aid to disabled countries is out," he says, and the screams turn to groans. "We're ending light-bulb regulation," he says, and critics swoon in indignation. It's all hype.

I'm all for cutting the budget. Like going on a diet, it's wonderful for the spirit. But as for having a tremendous impact on inflation, it won't. Curbing inflation with the kind of cuts the Reagan administration is talking about is like trying to steer an ocean liner with a Ping-Pong paddle.

If you're really serious about cutting the budget, you have to get into the biggies—welfare, Social Security, defense, Medicare. If you're going to exempt those—and Reagan says he will—you're just putting on a show.

Perhaps the biggest single thing Reagan could do to lower inflation is to take mortgage rates out of the cost-of-living index. It does little good to raise interest rates to fight inflation when the very act of raising them increases the index which, in turn, fuels the inflation rate.

To do that, however, would take political courage, and that, I'm afraid, is no more to be found among conservative Republicans than among liberal Democrats.●

SMALL BUSINESSMAN OF THE YEAR NOMINATION

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mrs. SNOWE. Mr. Speaker, I want to draw my colleagues attention to the vast accomplishments of Mr. Roger Michaud of Lewiston, Maine, who has recently been nominated for Small Businessperson of the Year. Mr. Michaud is president of American Stabilis, Inc., in Lewiston, Maine, a corporation which manufactures commercial heating products and energy saving controls.

In 1972, American Stabilis started operations with a 4,500-square-foot leased space and four employees. Today, American Stabilis employs over 100 people and has expanded its operations several times. During the past several years, the sale growth of the company has been outstanding. In fiscal years 1978–79, the company sales increased by 100 percent, and during the 1979–80 fiscal year, sales increased by an even greater 250 percent.

The company's commercial heating products include perimeter heating products for offices, schools, stores, airports, and many other applications for either total or supplementary heating. The Enertrol line of energy saving controls represents a major innovation by bringing computer logic and speed to the average residential and commercial heating needs. Utilization of these devices can result in savings of fuel consumption of up to 25 percent.

Mr. Michaud is a highly skilled, versatile businessman who recently represented his company and the State of

Maine on a trade mission to Germany and Switzerland. We in Maine are proud of Mr. Michaud and his accomplishments. His record stands as a model for small businessmen across the country. The award would be a fitting tribute to his record.●

VOICE OF DEMOCRACY REPRESENTATIVE FROM ALABAMA IS SAMUEL R. SIMON

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. NICHOLS. Mr. Speaker, each year the Veterans of Foreign Wars conducts a voice of democracy contest in which thousands of high school students compete for scholarship money. Students from each State are chosen to come to Washington, and I am very proud that Mr. Samuel Richard Simon of Auburn, Ala., is this year's Alabama representative in this contest.

Having composed and presented the following speech on "My Commitment to My Country," I believe it is refreshing to note the strong feelings of patriotism and sensitive expression of appreciation this young American conveys in his speech. It is worthwhile reading for each of my colleagues in the House.

The people of the United States differ from every other country in the world today, in that our commitment to our country is made of our own free will and consent.

This commitment is not a yoke or burden laid upon our shoulders under which we must struggle all our lives. This commitment is not a scepter wielded by one hand or one group of hands to whom we owe loyalty and obedience. This commitment is not one to hopeless poverty and forced labor. No, our commitment and our loyalty is to ourselves and our freedom. Thus it was stated in our first democratic document, "We the people. . ." Not one class, one race, one ethnic group, one religion, but "We the people." Inclusive of all. Excluding none. So the choice of our commitment is our own.

This commitment consists of three things: privilege, loyalty, and respect. The first and foremost of these is privilege. We of this nation have the privilege of electing our own government, of leading our own lives. We have the privilege of speaking freely, thinking freely, writing freely, and with these tools we have grown together to become the great nation we are today. Without these privileges we would linger in the labyrinths of oppression and tyranny. But we have the right to these privileges only so long as we practice them. Unless we exercise our privileges, use them with foresight and with justice, the foundations of our nation will crumble under us. Thus, our first commitment is to defend and uphold these privileges.

Loyalty to our nation and to our rights and to our fellowman must be our second commitment. And it must not be a "sunshine patriot" loyalty. It must be a loyalty that survives and withstands the storms of the times; through good and bad leadership, through times of economic plenty and times of economic strain, in times of war or in times of peace. This loyalty must be unconditional and we must stand united behind it (for united is the only way we can stand) knowing that our final cause, is the freedom of man everywhere.

Respect also enters our commitment. We must have respect for ourselves, for our leaders, for our ideals and for our fellow countrymen. It is their responsibility to earn our respect, and ours to earn theirs. But once this respect is earned let us give it freely and receive it freely. In this way we forge the common bond.

How should I fulfill my commitment to my country? I should exercise my privileges, support my country and its leaders, speak out for what I think is right and protest against what I think is wrong and do both with equal respect for those involved. I should try to excel in my chosen profession and take pride in myself and in my work, for if I do not have respect for myself, I cannot have respect for others. If I have no ideals I can support no ideals. I must be prepared to defend my country in any way I can at any time, and I must take an avid interest in what is going on throughout the country and the world, for it is by the might of the mind that I am best prepared and most committed.

The end purpose of my commitment, to my country, is the continuance and improvement of the institution of democracy and the ideas of freedom, liberty and equality which it embraces. For the people of my age today will be the leaders of tomorrow, the citizens of tomorrow and the future defenders of democracy. We must be prepared to come into this responsibility. To us the gift is given, this gift of freedom. We must recognize its merits and seek to improve its faults. If we do not accept this gift in faith and in gratitude and use it wisely and well, it shall surely be taken from us.●

MAKING LAWS NOW, MAKING AMENDS LATER

HON. RICHARD BRUCE CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. CHENEY. Mr. Speaker, I am asking that an article by Mr. Steven L. Abrams, "Making Laws Now, Making Amends Later," which originally appeared in the National Law Journal, February 9, 1981, be reprinted in the CONGRESSIONAL RECORD. In this article, Mr. Abrams presents his view of the causes and effects of what he sees as a recent unfortunate change in the legislative process in which Congress is abdicating responsibility for important choices to others and acting in ways which have major, unintended consequences. While I do not necessarily agree with Mr. Abrams, I thought it would be useful to my colleagues to have the benefit of his views on this matter. The article follows:

MAKING LAWS NOW, MAKING AMENDS LATER

(By Steven L. Abrams)

The 1978 Ethics in Government Act, which has been in the news as a serious roadblock discouraging potential nominees from accepting posts in the administration of President Ronald Reagan, is only the latest of a series of laws adopted by Congress with a "pass now, ask questions later" attitude producing undesired effects.

To be sure, vague laws and evasion of responsibility are nothing new for Congress. But legislation in the past would put the government on record as favoring certain aims, often going no further. The bark of these laws are worse than their bite.

This is different from a growing body of laws that prescribe solutions to largely undefined, symbolic problems in a way that creates substantial unintended future consequences.

The Ethics Act is one example. The law's financial disclosure and divestiture requirements, observers now claim, are scaring qualified men and women who value their privacy away from administration posts.

The same measure has also been roundly criticized recently for two other provisions.

The law makes it a felony to accept a job in certain government-related areas for a substantial time after an individual has left government service. This provision forced some Carter administration officials to resign before the act's 1978 effective date in order to avoid becoming "unemployable," as one undersecretary put it, and threatens to shrink the pool of potential public servants even further.

Another even more controversial aspect of the law is the section that compels the attorney general to appoint special prosecutors to investigate even unsubstantiated allegations against executive branch officials. This provision was the root of many of the much-publicized "evils" of President Carter's inner circle. When Hamilton Jordan, Mr. Carter's chief of staff, was accused on shaky evidence of using cocaine, Attorney General Benjamin R. Civiletti had to appoint a prosecutor, who later cleared Mr. Jordan. The same sequence of events occurred when Tim Kraft, another top aide, was probed on drug charges.

It is no surprise that all these problems arose from a law which, according to congressional observer Norman Ornstein of Catholic University, was "little noticed at passage."

It seems that Congress originally had passed the sweeping legislation in deference to the climate of the "post-Watergate morality," which, in the late 1970s, had become even thicker with the widening investigations of Carter friend and office of management and budget chief Bert Lance on bank fraud charges and several congressmen involved in the "Koreagate" scandal.

Congress only minimally considered the long-range effects of what it was doing when it hastily passed the Ethics Act in response to these revelations.

Besides the Ethics Act, bill after well-intentioned bill, in education, welfare, environment, health care and other areas has been passed without adequate attention being paid to substantive implications.

The pattern can be traced to the early 1970s, the start of a tremendous transformation in Congress, in which the body became increasingly decentralized. There had been a rapid turnover of membership, an increase in the number of subcommittees and staff and a weakening of the seniority system.

In such a highly decentralized system, hundreds of members share relatively equal power to bargain, but few posses sufficient resources to do so effectively.

As a result, the coalition-building task is being left to "issue symbolism," a form of unilateral action that does not entail bargaining. Members of Congress vote on legislation that poses issues in terms of abstract objectives, fundamental rights or questions of morality—aims to which all can subscribe, but that specific language fails to achieve.

Because issue symbolism deals with complex issues superficially, the conflicting demands of interest groups fail to be taken into account, and the absent "legislative struggle" is transferred to other institutions, particularly the bureaucracy and courts. Hence, seemingly minor and often unnoticed provisions of legislation have had a major impact on national policy because Congress has pursued principles without calculating the consequences.

It is likely that this problem will persist into the 1980s. Congressmen now have a stake in the decentralized status quo and will resist change. New members have their interests reflected in the current structure as well. Besides, even the reformers perceive that Congress is less worried about internal structural matters than bread-and-butter constituent needs.

Regardless of whether the breakdown of power in Congress continues, the fallout from what has already occurred will continue to affect the country. The problems raised by laws such as the Ethics in Government Act have only begun to surface. Unless there is a return of structures of power able to forge and maintain a consensus, America's laws, as the founding fathers once warned, will stand as nothing more than "monuments of deficient wisdom."●

VIOLENCE IN NORTHERN IRELAND

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WEISS. Mr. Speaker, I am gravely concerned about continuing violence in Northern Ireland. During the past 10 years, while Great Britain has ruled Northern Ireland, some 2,000 people have died, civil and human rights have deteriorated, and the region has been devastated.

It is vital that Congress commit itself to ending the violence in Northern Ireland. As a member of the Ad Hoc Congressional Committee for Irish Affairs, I recently joined my colleague from New York (Mr. BIAGGI) and 36 other of my colleagues in sending a letter to President Reagan urging him to maintain the 19-month embargo on U.S. arms shipments to the Royal Ulster Constabulary. The United States would not play a useful role in resolving the strife in Northern Ireland by providing weaponry.●

THE REAGAN BUDGET—THE PEOPLE'S RESPONSE

HON. GEO. W. CROCKETT, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. CROCKETT. Mr. Speaker, most of my mail these days, and I am sure most of the mail received by my colleagues, as well, concerns President Reagan's proposed cuts in the budget and tax rates.

My mail on this subject has been decidedly against the Reagan proposals. That mail is best exemplified by the following letter to the President which was forwarded to me by Ms. Matilda Bobbie Graff of Michigan, which details the deep concerns of my constituents over the lack of careful analysis and humanitarian insight that have gone into the Reagan budget.

I include the text of that letter for the benefit of my colleagues:

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR SIR: Our country is looking for positive leadership from you. You said you would be president for all the people; that your administration would right the wrongs and the abuses of government inherrent in past administrations; that you would address the problems of the twin evils, inflation and unemployment.

Mr. President, I must observe that your budget proposals demonstrate an uneven-handedness in dealing with these problems. It betrays your stated concerns for the poor and low income families and indicates a real concern for the already rich. The subsidies allowed for the tobacco industry but not for farm and food concerns me. The tax proposal is heavily weighted in favor of the wealthy and the "big" corporations. The lifting of the ceiling on oil prices is hurting those least able to absorb the increase while the oil companies report record profits.

We seek an end to fraud, waste and abuse in many government programs, but we must not forget that the most abusive and wasteful department in government is the military. Yet it is given carte blanche to continue and billions more in funding without any concern for our real security or concern for the waste, fraud and abuse it generates.

I find it difficult to believe the statements attributed to your aides indicate that they would not hesitate to involve our country in a war (El Salvador or Cuba). While I realize that in the past military commitments have served to boost a troubled economy, I cannot conceive of you endorsing such a policy, especially in this nuclear age. You like so many of us value life too highly.

I urge a re-examination of your proposed budget and the direction that Mr. Haig and the State Department are pursuing in world affairs. We do need a new approach to our national and international problems, but waving the bomb or the gun in this nuclear age is not the answer.

Yours truly,

MATILDA BOBBIE GRAFF.●

SAY IT IS NOT SO SECRETARY WATT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. STARK. Mr. Speaker, one of the encouraging aspects of the new administration for this Member was the clear, uncompromising commitment expressed early on to defer to the wishes of State and local governments when it comes to the question of managing natural resources.

That inviolate principle of the Grand Old Party has been cast aside by the Secretary of the Interior's unilateral proposal to open thousands of acres of the Outer Continental Shelf off the northern California coast to oil and gas exploration.

Who supports this move by Secretary Watt? Not the Governor. Neither U.S. Senator. Not 11 of my colleagues from northern California. Not the fishing industry. Not the shipping industry. Not the local governments of the affected coast lands.

Secretary Watt should heed the advice of California. The following editorial by KNBR radio would be advice well taken.

President Reagan has often said State and local governments should have more power over things that affect their interests. But the new Secretary of the Interior, James Watt, apparently doesn't have the message. Despite a storm of protest from California, Mr. Watt is proposing oil and gas drilling off the coasts of Santa Cruz, San Mateo, Marin, Sonoma, Mendocino, and Humboldt Counties. He is opposed by the overwhelming majority of State and local officials, including Governor Jerry Brown, Senators Alan Cranston and S. I. Hayakawa, and 11 northern California Congressmen. Only last October, the Federal Government withdrew the areas from oil leasing plans. Cecil Andrus, then Secretary of the Interior, said he did so out of regard for "The Preferences and Well-Being of People in the Coastal Areas"—and because there is not enough oil there to make it worth the risk. In a strong letter to Mr. Watt, Governor Brown says the risks to the environment and to the tourists and fishing industries clearly outweigh the benefits of drilling. We think home rule is good for California. And we urge Secretary Watt to withdraw his proposal.●

CHANGE OF COMMAND AT GRISSOM AIR FORCE BASE

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. HILLIS. Mr. Speaker, several weeks ago I was pleased to have the opportunity to attend a change of command ceremony held at Grissom Air Force Base, located in my

congressional district in the State of Indiana.

This change of command marked the departure from Grissom of Col. Richard S. Wallace, who had served as Wing Commander of the 305th Air Refueling Wing since April of 1979.

As a member of the House Armed Services Committee and one who has had close contact with Grissom Air Force Base for several years, I am well aware of the special challenges which confront commanders in the military today. In addition to personnel and management problems, a stateside commander has the responsibility of maintaining good relations with those communities which are located near their military installations.

During his command at Grissom, Colonel Wallace distinguished himself both as an outstanding military leader and as one with a special concern for the civilian population living near the base.

This concern was demonstrated on one occasion in particular when I was visiting Grissom to observe a military training exercise. A serious automobile accident had taken place at the intersection of the base entrance and a major highway. This intersection had been a chronic safety problem for many years and the site of several serious accidents. Despite suggestions by Colonel Wallace and others, no action had been taken up to that point to correct this safety problem.

Immediately after this incident, Colonel Wallace and I arranged a meeting with the Governor of Indiana to personally discuss the necessity for the State highway department to alleviate the problem at this intersection. The result has been the completion of a new access lane from the highway to the base entrance, which has greatly reduced the danger to those who travel on that highway near Grissom.

This type of genuine community concern is just one example of the way in which Colonel Wallace built excellent relations with the people who live and work near Grissom Air Force Base. It was further demonstrated by his strong support for the Grissom Community Council and by the many close friends he made among local government and civic leaders.

Mr. Speaker, I could list many awards which Colonel Wallace has received during his 28 years in the Air Force. Among those awards are the Air Force Commendation Medal, the Bronze Star, and the Legion of Merit Award which was presented to him during the recent change-of-command ceremonies. However, his 2 years at Grissom have made it clear to me that Rich Wallace is more than a good military man; he has shown himself to be a good friend and neighbor, as well.

We who live in central Indiana wish him well as he and his wife Medra assume their new responsibilities at Robins Air Force Base in Georgia.●

MRS. MARY BABB RANDOLPH

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. RAHALL. Mr. Speaker, I would like to take this opportunity to express my deepest sympathies to a man, for whom we all have the utmost respect and love. Senator JENNINGS RANDOLPH, upon learning of the passing this morning of his dear wife, Mary.

Since 1933, the two of them have been together, and their strong bond certainly carried each of them through sickness and health.

I speak not only for myself, but for my entire family. Even before I was elected to Congress, we had a very close relationship with the Randolphs, and the Rahall family shares their grief today upon the passing of this truly brave lady.

To Senator RANDOLPH, to his sons, Jay and Frank, I offer condolences, love, and prayers.

JENNINGS RANDOLPH has always been there when needed, and today he should know that we are here if he needs us.●

THE SINGING SPEER FAMILY—AMERICA'S NO. 1 GOSPEL TRADITION

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BONER of Tennessee. Mr. Speaker, in a profession which is tumultuous as gospel music, it takes a group with a message and great ability to last 60 years at the top. The Singing Speer Family of Nashville, Tenn., has withstood this test, however, as it was organized in 1921 by G. T. (Dad) Speer and has been witnessing ever since.

Dad Speer was a Georgia farmboy who began teaching and writing music when he was only 17. It was during one of the singing school sessions he attended in Tennessee, that he fell in love with a very attractive piano player, named Lena Brock. They were married on February 27, 1920.

The first Singing Speer Family was formed in 1921, consisting of Mom and Dad (Lena and Tom) Speer and Pearl and Logan Claborn, Dad's sister and her husband. A tradition had begun.

Soon after Mom and Dad married, they started their family, who were to become second generation Speers. Brock was born December 1920, Rosa Nell was born in 1922, Mary Tom was born in 1925, and Ben came along in 1930. All the Speer children began singing at very early ages. Once Pearl and Logan Claborn left the group, the Speers consisted of Mom and Dad, plus Brock, Rosa Nell, and Mary Tom. Ben was added a little later. Rosa Nell became an excellent pianist and the others developed strong voices. The Singing Speer Family was complete. Their faith in God was stronger than ever and the road ahead was as happy as the next singing convention.

In 1948, Rosa Nell was the first to marry. Brock followed suit a couple months later and married Faye Ihrig, who became an immediate Singing Speer since Rosa Nell had left the group after her marriage. Ben was married in 1953. Mary Tom escaped the altar longer than the rest, but finally married in 1954.

At this point, Mary Tom and Faye also left the group to raise their children. This was the beginning of hiring girls outside the Speer family to sing in the group. The years to follow produced many adopted Speers.

The Speers experienced a great loss in 1966 when Dad Speer passed away. Mom Speer continued to sing with the Speers until her death in 1967.

The Speers have long been a tradition in gospel music and have won many awards for their excellence in gospel music. Their primary goal has remained the same through the years—reaching people for Jesus Christ through their music. The group today consists of Brock, Faye (Brock's wife), Ben, and Brian (Brock's son), who is a third-generation Speer. The adopted members are Harold Lane, who has been with the Speers for 14 years; Penny Cardin, lead singer and pianist; and Dave Clark, playing bass guitar.

Although a Speer concert is inspirational entertainment at its best, it is also a witness. This is a concept that guided Dad Speer's career and he instilled the belief into the hearts of his family as well. No matter what the listener's spiritual needs might be, the music will find a response. In every performance, they seem to create a personal relationship with their audiences, a rapport which moves the listener to respond with joy and appreciation.

The Speers' musical excellence has been rewarded in many ways through the years. For several years, they have received the Gospel Music Association's Dove Award for the best mixed gospel group. Brock has served as president of the Gospel Music Association for 2 years and the entire group is heavily involved in the operation of the organization. At times there have been as many as four Speer representatives on the GMA board of directors.

Mr. Speaker, it is particularly fitting that the House of Representatives honor this uniquely American institution on the 10th of March. Today marks the 90th anniversary of Dad Speer's birth. I feel that it is fitting and proper for this legislative body to honor this family which has been conducting the Lord's ministry for the past 60 years.●

DIXON-KEMP RESOLUTION CONCERNING AFRICAN REFUGEES

HON. JACK KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. KEMP. Mr. Speaker, political turmoil and server food shortages account for an estimated 2.2 million refugees in Africa—more than in any other region in the world. For many of these destitute people, famine is not a historical relic—it is a present fact of life. And their numbers are growing.

Accordingly, at the initiative of my colleague Mr. JULIAN DIXON, I am cosponsoring a resolution whose purpose is to enhance public recognition of this increasingly serious problem, and to urge private charitable contributions to recognized relief agencies that can channel food and supplies to the refugees in Africa.

While our resolution is addressed to the citizens of this country, I would hope, at the same time, that it will serve to engender greater awareness among the people of all nations of the real needs of the refugees in Africa. For while Americans are a generous and humanitarian people, our efforts alone are not enough. The suffering of the African refugees is a truly international concern, and the need for compassion does not stop at our borders.●

H.R. 4: THE INTELLIGENCE IDENTITIES PROTECTION ACT

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. MAZZOLI. Mr. Speaker, press accounts in the New York Times and the Washington Post in recent days indicate that the people of Covert Action Information Bulletin are back at their nasty tricks again.

These people have one goal: To destroy America's foreign intelligence capability.

They pursue this benighted goal by disclosing, periodically, the names, addresses, and other identification of U.S. undercover intelligence agents posted abroad.

They knowingly—but uncaringly—expose fellow citizens who are in the honorable service of their Nation, and their innocent families, to personal dangers by blowing their cover.

A death—in Athens—and shooting incidents—most recently in Jamaica—have been the predictable result of this treacherous conduct.

Now, six Americans have been expelled by Mozambican Government authorities for alleged espionage, subversion, and interference in that nation's affairs. Implicated were Cuban intelligence people aided and abetted by members of the staff of Covert Action Information Bulletin.

And, Mr. Speaker, the really distressing thing is that, even when no physical injury or property damage follows these disclosures, the agents named are rendered ineffectual in their duty stations abroad. They have to be reassigned and, for some, it marks the end of a productive Government career.

Compounding this distressing reality, is that the reprehensible people of Covert Action Information Bulletin have it both ways. Whether they identify undercover agents accurately or misidentify nonintelligence foreign-service employees, they terminate effectively the careers of all individuals named.

On January 4, the chairman of the House Intelligence Committee, Representative EDWARD BOLAND, and I, among others, introduced H.R. 4, the Intelligence Identities Protection Act.

It would protect the lives and the property and the productive careers of undercover intelligence agents by criminalizing the disclosure of their identities under certain carefully controlled circumstances.

The bill is the measure, word for word, phrase for phrase, which was approved last Congress unanimously by the House Intelligence Committee and by a vote of 21 to 8 by the House Judiciary Committee.

On February 25, Majority Leader WRIGHT and Minority Leader MICHEL joined together to announce their support for H.R. 4 and pledged to do all they could to move the bill to final passage. I applaud their stand.

The recent despicable events in Mozambique only further underscore the need for the 97th Congress to move expeditiously with H.R. 4.

I am planning to reintroduce H.R. 4 and I would welcome the support of my colleagues.●

TRIBUTE TO CALVIN MALONE

HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WILLIAMS of Ohio. Mr. Speaker, on Saturday, March 7, 1981, I participated in a testimonial dinner honoring Calvin Malone, recently retired president of International Union of Operating Engineers, Local No. 6, where he served effectively as apprentice, administrator, business agent, local union officer, as well as president.

Those in the trade movement acknowledge that Cal's contributions have led to better working conditions, improved wages, and quality of life. Cal Malone has worked long, hard, and successfully for his membership who join me and many from the 19th Ohio District to salute the untiring efforts of Calvin Malone. It was a pleasure to join a grateful community in lauding him on his special night, and to wish him well in his future plans.●

PRODUCTION DIFFICULTIES OF TRIDENT SUBMARINES

HON. DAN DANIEL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. DAN DANIEL. Mr. Speaker, the Trident submarine is a fundamental element of America's strategic capability for the future, but its difficulties in production are many and have been much discussed. A great deal of finger pointing has gone on as to who is to blame—the Navy, the contractor, both, or perhaps neither; with circumstances being the real culprit. Hopefully we will learn more of the facts when the House Seapower Subcommittee headed by our distinguished colleague, Mr. BENNETT, holds hearings on this issue over the coming months. Meanwhile, there have been several published articles which put the problems in perspective, suggesting that personalities may be the crux of the problems and serve to indicate how difficult it has been to keep the program on track.

In any event, this is a time when we see the land-based leg of our strategic Triad becoming increasingly vulnerable, and with no settled, quick way to address that vulnerability. Thus, the continuation and improvement of our SLBM force is critically important—too important to let the Trident submarine be delayed by moss-backed bureaucracy.

[From the New York Times, Dec. 29, 1980]

SECRETARY OF NAVY CRITICIZES RICKOVER—SAYS HE HURTS TRIDENT PROGRAM BY SUGGESTING CONTRACTOR WON'T MEET DELIVERY SCHEDULE

(By Richard Halloran)

WASHINGTON.—The Secretary of the Navy, Edward Hidalgo, who is scheduled to leave office Jan. 20, has fired a parting salvo evidently aimed at Adm. Hyman G. Rickover, the independent-minded proponent of nuclear power at sea.

Without naming him directly, Mr. Hidalgo asserted in an interview last week that Admiral Rickover sought to hamper the construction of the Trident submarines, which are intended to carry missiles as part of the nation's nuclear deterrent force, by trying

to create ill will between the Navy and the shipbuilder.

The first of the Tridents, the Ohio, was originally scheduled for delivery in May 1979. The date was later revised to June 1981, because of faulty workmanship, steel that did not meet specifications and changes ordered by the Navy in design, engineering and equipment.

In recent disclosures to the news media, unnamed critics of the program have alleged that the Ohio would not be delivered until 1982. Mr. Hidalgo called the prediction "completely irresponsible" and asserted that the ship would be delivered in mid-1981.

CHANTING ALARM

Then, taking apparent aim at Admiral Rickover, Mr. Hidalgo said, "No constructive purpose is served, indeed a very negative purpose is served, by chanting alarm and chanting doom without any justification or basis for that at all."

Mr. Hidalgo said such predictions were "provocations" that were "unfair" to both the Navy and to the shipbuilder, the Electric Boat Company, a subsidiary of General Dynamics.

"They were unfair to both sides and I think they, indeed, have a negative effect on national security," Mr. Hidalgo said.

Mr. Hidalgo left no doubt as to the target of his criticism. In response to a question on that point, he said: "I think by his own words that Admiral Rickover seems to have a different view of the situation than I do."

Admiral Rickover's office said that he was away on leave and was not available for comment. The 80-year-old father of the nuclear Navy has become something of an institution in Washington and has usually been immune to criticism.

DISPUTE OVER CONTRACT SETTLEMENT

The roots of the conflict between the Secretary and the Admiral appear to go back to June 1978, when Mr. Hidalgo, then an assistant secretary of the Navy, arranged a $2.8 billion compromise settlement between the Navy and three shipbuilders, including Electric Boat, on cost overruns on Navy contracts.

At that time, Admiral Rickover publicly and vigorously opposed the settlement, contending that the shipbuilders should be kept to the letter of their contracts even though many of the additional costs were caused by changes ordered by the Admiral or his staff.

The dispute between the Secretary and the Admiral simmered until earlier this year, when a memo from Admiral Rickover to Mr. Hidalgo found its way into print in a trade publication, Defense Week, devoted to military affairs. The memo said that it was "only a matter of time until the Navy will again be confronted with omnibus claims" from shipbuilders who will try to blame the Navy for more cost overruns. The Navy has inspectors, who are under Admiral Rickover's general supervision, in the shipbuilding yard.

DELAY AS CAMPAIGN ISSUE

Mr. Hidalgo responded to the memo in a June letter to Representative Charles E. Bennett, Democrat of Florida, chairman of the Subcommittee on Seapower and Strategic and Critical Materials of the House Armed Services Committee. Mr. Hidalgo said, "There is no basis whatsoever for linking these developments with predictions for future claims comparable in any way with those in the past."

The dispute continued, largely out of sight, until recent news articles alleged that delivery of the Trident was being delayed again, until 1982. Republicans made an issue of the alleged delay in the Presidential campaign, criticizing President Carter for neglecting the nation's defense.

Then, two weeks ago, Mr. Hidalgo attended the launching of an attack submarine, the Baltimore, also built by Electric Boat. There, he delivered remarks that he said later were unprepared but that he had thought about on the way to the ceremony.

"THEY WANT US TO FAIL"

Again without mentioning Admiral Rickover directly, Mr. Hidalgo said, "I think it is well for us to realize that all our dreams, all our ambitions, all our fulfillments, are not unopposed."

Referring to what he called "an avalanche of this opposition lately," the Secretary said, "Those who do not wish us well would do well to understand that we are going ahead and succeed not only in spite of but because of their opposition and because of their irresponsible criticism."

"They want us to fail," Mr. Hidalgo asserted. "We shall not fail."

Elaborating on those remarks in last week's interview in his Pentagon office, Mr. Hidalgo said that he had spoken out because of "an accumulation of things." There has been a "continuous suggestion" in newspapers and magazines that more problems for the Trident program are on the way, Mr. Hidalgo said.

"I thought no useful purpose was served by talking of things that hadn't happened, particularly in view of the long history of the negative consequences," the Secretary said.●

LEGISLATION TO OBTAIN EQUITABLE TREATMENT FOR SOYBEAN PRODUCERS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. FLORIO. Mr. Speaker, I am pleased to announce my cosponsorship of H.R. 2335, introduced by Representative JAMIE L. WHITTEN on March 4, 1981. This legislation will provide soybean producers with the same protection from natural disasters as producers of wheat and feed grains.

Soybean producers are not offered the protection of the disaster aid program which is currently available to producers of grains, cotton, and rice. The disaster payment program, administered by the Agricultural Stabilization and Conservation Service, provides Federal disaster payments when yields are reduced by droughts, floods, and other natural hazards.

This past year, the farmers in my district suffered devastating crop losses as a result of the lack of rainfall in south Jersey. The drought was the culmination of the destructive weather conditions, including wind and hail storms, of last spring. Some of the farmers have indicated that they are on the brink of financial ruin. The farmers need assistance to relieve their losses and cover operating costs. Unfortunately, the existing emergency loan program and the disaster payment program have inadequately addressed their needs.

Despite the improvements which Congress achieved by the establishment of the new Federal crop insurance program, there still is a need to give soybean producers equitable treatment with the other major commodity producers. I will be working to insure that the needs of soybean producers are adequately addressed in the farm bill that is drafted, and I urge my colleagues to join me in support of H.R. 2335.●

1981 WORLD FREEDOM DAY RALLY OF THE REPUBLIC OF CHINA

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LENT. Mr. Speaker, our good friend and former colleague, Hon. John W. Wydler, has recently returned from a visit to the Republic of China. He came back to the United States full of praise for that island nation and convinced that in both the people and the Government of Taiwan, America has a true friend. I wholeheartedly agree.

The purpose of Jack's trip to Taiwan was to participate in a World Freedom Day Rally on January 23, 1981. The ceremonies took place in the Sun Yat-sen Memorial Hall in Taipei, and I understand over 3,000 persons were in attendance. Among them were more than 130 guests from 25 foreign countries, including parliamentarians, political party officers, generals, high-ranking officials, college professors, and youth leaders.

Jack told me he was especially impressed by one of the major addresses to the rally which was given by His Excellency Sun Yun-suan, Premier of the Republic of China.

I would like to share those remarks with my colleagues in the U.S. Congress. His words should be an inspiration to all of us who seek peace and freedom for people the world over.

The address follows:

ADDRESS BY HIS EXCELLENCY SUN YUN-SUAN, PREMIER OF THE REPUBLIC OF CHINA, AT THE 1981 WORLD FREEDOM DAY RALLY OF THE REPUBLIC OF CHINA

Mr. Chairman, Distinguished Guests, Ladies and Gentlemen, "World Freedom Day" is a glorious symbol of freedom's victory over slavery and justice's triumph over evil. This rally has become all the more meaningful with the participation of parliamentarians, anti-Communist leaders and youth representatives from different countries and the presence of anti-Communist freedom-fighters. It is designed, as expressed in its main theme, "for the return of Chinese mainland to freedom, democracy

and things Chinese." It is devoted, as demonstrated in its political call, to "helping all the world's captive nations and peoples win freedom and democracy." Through this movement, the voice against Communism and for freedom has penetrated through the Iron Curtain and been heard across the globe. First of all, I want to express my warm welcome to all distinguished guests coming from faraway lands.

Twenty-seven years ago today, more than 22,000 Chinese and Korean POWs repudiated Communism in Korea and succeeded in obtaining freedom they had longed for. The 14,000 Chinese boys among them resisted Chinese Communist temptation, deception and coercion before they could return to the fold of the free motherland. Their never-say-die spirit and action shocked the Chinese Communist regime, electrified the hearts of the people behind the Iron Curtain, and drew attention in the world. To mark their courage and determination, the various circles of the Republic of China initiated this "January 23" freedom movement. Later, the World Anti-Communist League decided to turn it into a "World Freedom Day" movement to augment the influence struggling against slavery and for freedom. Since, the day has become a spiritual signpost for the struggle against Communism and tyranny.

Freedom is precious but not God-sent. The story of the 14,000 anti-Communist POWs proved that to snatch back freedom from the hands of the devil calls for extraordinary courage, strong determination, bitter struggle and a spirit of sacrifice in blood and flesh. Their return to freedom convinced us that only when freedom is respected and upheld can democracy be advanced and peace ensured. These are the reasons:

First, democracy is derived from freedom. Democracy is the mainstream of world political thought and system. As democracy is derived from freedom, only reasonable freedom can assure democracy. In politics, China has been traveling on the road of democracy, and our implementation of constitutional government is to carry out the basics of freedom and democracy. Today, we are working hard to enlarge political participation and safeguard freedom and human rights, because we seek to establish democracy and freedom on the foundation of common will of the people, national interests, moral values and dignity of law, whereas what the Chinese Communists have done run counter to freedom and democracy. They carry out class struggle to deepen the hatred among the people; they rule by violence under the name of proletarian dictatorship. They implement the people's commune for controlling the people's lives, obliterating private ownership, and squeezing the people's energy. They persecute the intellectuals, oppress the minority nationalities, and deprive the people of their rights to live and work. As a result, more than 60 million people have lost their lives and more than 100 million have been subjected to labor reform or surveillance. Under this tyrannical Communist rule, there is no freedom at all, not to mention democracy.

Second, peace is founded on freedom. Peace is a world ideal, and a common aspiration of humankind. But human freedom must be insured before world peace can be realized. The Chinese people stress the virtues of faith, mutual-respect, love and peace. The Republic of China is founded on Dr. Sun Yat-sen's Three Principles of the People with world peace as its highest goal. Our hard work in developing our bastion during the last 32 years have advanced the democratic and free way of life for our people, curbed Chinese Communist expansionism, turned Taiwan, Penghu, Kinmen and Matsu into a lighthouse of freedom and democracy in the Pacific, and made great contributions to world peace. During the same period, the Chinese Communists have worked hand in glove with Soviet Russia to start an armed rebellion and seized the mainland, bringing unprecedented catastrophe to the Chinese people. All the wars and turmoils of the past years in Asia are, without exception, the extension of this tragedy on the Chinese mainland. Therefore, the Chinese Communists are the principal culprits and sources of these aggressive wars. In recent years, they have turned to the tactic of international united front and the ploy of anti-hegemonism in their effort to conquer the world by spreading disorder through infiltration, subversion, narcotic traffic, export of violence, and by bolstering the insurgent organizations in the free world. All these are evidence that they are the ringleader of the crime against freedom and the common enemy of world peace.

Ladies and gentlemen, now we have known the character of the Chinese Communists and the fact they have turned away from peace because they have trampled freedom and destroyed democracy. So, if we want to create an era of democracy and peace, we must first restore human rights and freedom to the people on the Chinese mainland. As the Chinese Communists announced long ago that they had made communization of the world their final goal, there is absolutely no possibility for the free world to "co-exist" with them. If the free world chooses to ignore their united front trick and is deceived by their smiling faces into harboring the illusions of "balance of power" and "detente," it will fall into their trap and provide them with the opportunity for dividing and conquering the free world through infiltration and subversion.

In the past year, the Chinese Communists have failed to reverse their adverse economic trend, and their social order has worsened. The trials of the Lin Piao and Chiang Ching cliques have pulled down the mask of power struggle raging in the Chinese Communist Party and have proved the absolute failure of Marxism-Leninism on the Chinese mainland. From these trials we can see how capricious the Chinese Communists are and how truth has been distorted in the endless power struggle. The scope of their internal purge will enlarge, and their factional contradictions will sharpen. Instead of attaining the goal of "stability and solidarity," the Chinese Communist regime will be further weakened by the increasing chaos. Because of the built-in drawbacks of planned economy, technological backwardness, and shortage of talent and technology, there is no condition for carrying out the "four modernizations," which have turned out to be just another hollow slogan. As the people on the mainland are living in such a state of political corruption and tyranny and economic privation, it is not hard to imagine the magnitude of torment they have suffered and loath they have had toward the Communists.

All the people on the Chinese mainland are Communist victims, and all of them are opposed to the Communists. This explains why anti-Communist actions have never come to an end. Among the Chinese Communist students receiving advanced training abroad, Chuang Hung-chi defected to freedom in Belgium, Yang Ching-chiang and Yang Szu-yung returned to Taiwan with their families, and some others have committed suicide. At the same time, a number of people have escaped the mainland and arrived in Taiwan. All these are evidence that the people on the mainland have repudiated the tyrannical Communist rule and longed for democracy and freedom. They also testify that the Communist system is on the road of bankruptcy.

In the last thirty years, the Republic of China has been bent on developing Taiwan based on Dr. Sun Yat-sen's Three Principles of the People. Our experience and achievements have laid the groundwork for democratic and constitutional government, established a prosperous and egalitarian economic system, and provided the blueprint for a peaceful, happy and harmonious society. All what we have done are in tune with Chinese culture, in harmony with Chinese way of life, and for the need of future development of the Chinese society. We have set up an example for a free, peaceful and unified modern China. What have happened here are diametrically opposed to those on the Chinese mainland—the opposition is between benevolence and violence, order and disorder, justice and evil, humanity and bestiality, and between moral and vice. Ours is a land of freedom, prosperity and progress, while theirs is one of slavery, poverty and backwardness. Our success has engendered in the hearts of the people on the mainland a strong longing for emulating Taiwan. This tendency is our best assurance for victory. The burning task of our compatriots at home and abroad is to bring the fruition of our development based on the Three Principles of the People to the mainland, so that our compatriots there can also enjoy the benefits of the Three Principles of the People. Ladies and gentlemen, here I want to call on you to harden your belief that freedom will eventually prevail over slavery and justice over violence, to promote the anti-Communist solidarity of the free world, to overthrow the Communist tyrannical rule, to fight to the finish for world peace, and to join hands in writing a new page for the book of human history!●

DR. JAMES B. EDWARDS

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. HARTNETT. Mr. Speaker, I would like to share with my colleagues a newspaper article written by Mr. Anthony Harrigan of the U.S. Industrial Council. The article is an excellent tribute to my good friend, Secretary of Energy James B. Edwards.

Ronald Reagan's choice of Dr. James B. Edwards as Secretary of Energy is immensely cheering.

I have known Jim Edwards since he was a dental surgeon in my hometown of Charleston, S.C. He is a man of intelligence, reasonableness, informed conservative convictions, and absolute integrity. The Nation will be well served by this distinguished South Carolinian.

Like so many other Reaganites, Dr. Edwards got into politics because of his concern for the distressing state of the Nation. He served as an officer in the Navy before

he attended dental school. He has an abiding faith in America and concern for its security. When the Democratic Party in South Carolina had a mixup involving its candidate for Governor, Jim Edwards sailed into office. His administration was outstanding, and he commands wide respect in the State.

As South Carolina is deeply involved with nuclear energy—the State has the hydrogen bomb materials plant and a nuclear materials reprocessing plant—Dr. Edwards is thoroughly familiar with the key energy issues facing the Nation. He is a strong believer in the importance of nuclear energy.

This is a top requirement for the head of the Department of Energy. The country cannot hope to achieve energy independence if it fails to push for rapid licensing and construction of nuclear plants.

While Dr. Edwards is on record as favoring the dismantling of the Department of Energy, the administration will have to make important energy decisions for the next 4 years. Dr. Edwards is a good man to formulate energy policy. He is a prudent, practical man with an informed faith in the working of the free enterprise system and a healthy distrust of statist solutions.

Energy issues will remain at the top of America's agenda for decades to come. Almost every nation in the world faces serious energy problems. America's security and standard of living depend on the availability of energy. Energy prices are a major factor in whether the country enjoys prosperity or slides into depression. Our overriding need is to make maximum use of the energy we have in the continental United States and on the adjacent seabed. The United States leads in energy technology, especially in the undersea engineering skills necessary to drill for oil and gas in deep ocean areas.

The Carter administration refused to push offshore drilling. It bowed to environmental extremists. It encouraged the drafting of a Law of the Sea Treaty that yielded vital ocean areas to Third World nations with no undersea engineering skills and no right to share in the undersea wealth in oil and gas.

Dr. Edwards also will have an important say in U.S. relations with our neighbors, Mexico and Canada. The energy resources of those countries are very important to the United States. It is in our national interest—as well as that of our neighbors—to seek continental economic integration, to the extent that is possible for sovereign countries. Dr. Edwards will offer wise counsel on such policy matters.

Dr. Edwards has the competence to deal with these and all the other issues facing his Department. President Reagan could not have made a better choice.●

RICH VERSUS POOR MISSES THE POINT

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. GINGRICH. Mr. Speaker, some of those who oppose President Reagan's plan for a 10-percent, across-the-board tax cut have argued that it favors the rich over the poor.

I believe there is a danger in the rhetoric of we versus they. In hard times, people tend to talk in terms of battles, as though the rich and the poor were lined up in trenches shooting at one another.

The reality is that they are in the same sinking boat, and it does not really matter who gets to sit on top of the mast and be the last one to drown.

First, we must begin an economic program that will save the boat from sinking. Having done so, we can then try to find the most equitable seating arrangement.

The object of tax cuts is not to favor one group over another, but to improve the economy so that all benefit. We do not want to scrap over forever shrinking pieces of economic pie, but to bake a bigger pie so that whether a person's share is the largest or the smallest, it is bigger than it was before.

One of the best essays I have seen on this subject recently was published in the Atlanta Journal, March 5, 1981. Columnist Robert Akerman, who is not thought of as an arch conservative, effectively did away with the rich versus poor argument.

The text of his column follows:

TAX CUT BASICALLY FAIR

(By Robert Akerman)

In my Tuesday column on President Reagan's tax-cut proposals I argued that the same Keynesian logic which justified fiscal policies favorable to low-income people in a period of serious deflation should justify tax relief for higher-income people in a period of acute inflation.

This is somewhat ironic, since liberals who once called themselves disciples of economist John Maynard Keynes are attacking Reagan's proposals for "favoring the rich"; on the other hand, the supply-siders who support Reagan profess to reject the ideas of Keynes.

While in the past I have criticized the Kemp-Roth approach to tax reduction as oversimplified, I do believe that at the present time it would work better than a traditional liberal type of tax cut skewed to favor low-income people.

But what about the question of social justice? Even if a case can be made in terms of economic theory that an across-the-board tax cut at this time would help the economy as a whole, is it morally right to reduce the rich man's taxes in the same proportion as the poor man's?

Well, if it is truly a less inflationary form of tax relief than some alternatives, then it has to give the poor man back some proportion of what it takes from him, for inflation is still a greater enemy of the poor than it is of the rich. Many forms of aid to the poor have been indexed to rise with the cost of living, but not all of them have, and not all low-income people get this aid. And the inflation that inhibits rich people from investing in industry will, in the long run, deprive low-income people of the opportunity for better jobs and better income.

But the most basic point is that an across-the-board tax cut is not in itself inequitable. True, a rich person would get more tax relief than a poor person, but that's only because he's been paying higher taxes in the first place. Proportionately, the tax burden would be just as fair as it was before the 10 percent relief.

Take an example. Your federal income tax bill was $500; somebody you know paid $5,000. If everybody's bill is reduced 10 percent, you save $50; the other fellow saves $500. Sure, he will be saving more. But look at the other side. Your new tax bill is $450; his is $4,500—exactly 10 times yours, just as it was before. Yet the liberals will concentrate on the other fellow saving $500 compared to your $50 without mentioning that he's still paying $4,500 compared to your $450.

The truth is, of course, that due to inflation pushing everyone into higher income brackets (without people necessarily becoming richer in terms of what that income will buy), the tax cuts of recent years have not been real; they represent only a partial refund to taxpayers of the windfall profit that inflation brings to government. But, since these so-called tax cuts usually were tilted more toward the low-income levels, then it is also true that real taxes all these years have been getting proportionately higher for higher-income people.

Unless they can find a tax shelter. A lot of rich people find ways to avoid paying taxes on some of their resources. I would like to see the loopholes which divert capital into socially unproductive tax shelters closed. At the same time a real reduction in taxes would reduce the incentive for tax avoidance and provide greater incentive for more productive uses of capital. Nonetheless, the idea that unfair loopholes exist has nothing to do with the question of what fair rates should be, except that the fairer the rates, the less need for loopholes.

The reservations I have about President Reagan's 10 percent across-the-board tax-cut proposal therefore are not based on its alleged inequity. After two decades of periodic liberal "tax cuts" supposedly favoring the poor over the rich, the average man feels that his taxes are too high. So something has to be wrong with the shibboleths of liberal tax policy, and it's time to try something different.●

HOW DOES A MEMBER OF CONGRESS SAY "NO"?

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. HYDE. Mr. Speaker, the good news is that everyone agrees we have to cut Government spending. The bad news is that no one seems to agree on which programs should be cut.

The American people overwhelmingly elected President Reagan and gave him and us a mandate for change. The majority of the people fully support the President's economic program; my own mail is running 50 to 1 in favor of the President's efforts. One of my constituents wrote that although her husband works for the Chicago Transit Authority, which might be affected by the budget cuts, both she and her husband "back President Reagan in all the programs he wants cut." Another constituent commented: "The health of the country is at stake. I will be watching."

Indeed, Americans all over the country are watching and waiting, even as

the hordes of special interests descend on Capitol Hill.

In a recent article in the Chicago Tribune, columnist Joan Beck discussed this phenomenon and the "Chicken Little" syndrome of the special interest lobbyists. How does a Member of Congress say "no"? I hope my colleagues will heed Ms. Beck's counsel:

HOW DOES A MEMBER OF CONGRESS SAY "NO"?

(By Joan Beck)

"The way to get any congressman to play ball is to give him a way to finish this sentence to his constituents, 'I'd like to help you, but . . .'"—U.S. representative quoted in Newsweek.

Members of Congress are going to need that "but . . ." no matter how sympathetic they are to the Reagan administration's economic program. Every special interest in the country—and most of us belong to several—is gearing up to persuade Congress not to cut its particular piece of the appropriations pie.

Chicken Little lobbyists for every one of the 83 programs targeted for appropriations cuts by the Reagan administration are cackling that the sky is about to fall on western civilization as we know it. So are the well-paid flacks for industry, professional, ethnic, economic, and good-cause special interest groups not on the endangered list who can turn any federal spending cut into hyped-up need for their Congress-pressuring strategies.

Never mind that the federal government kicks in only about 5 per cent of the money spent on the arts; the proposed $85 million slash in grants for the National Endowment for the Arts will turn us into cultural barbarians. Cut back on energy conservation and development programs and the Arabs will be able to buy New York.

Reduce spending for the National Science Foundation and our Galileos and Einsteins will have to turn into used car salesmen to survive. Tighten eligibility for food stamps and our big cities will become Calcuttas of the starving. Chop away at spending for public broadcasting and we'll be forced to watch "That's Incredible" and "Dallas" or read a book.

So we are urged to write our congressmen. To sign this petition. Copy that form letter. Start a postcard barrage. Join the lobbying caravan to Washington. Tell sad stories about lost jobs and heart-sick people to reporters. Drop references to campaign support, past and future. Organize a protest group and call in the media. And, of course, send money to lobby headquarters.

How does a Congressman say no?

Manipulated by a good lobbyist—and a nation of special interests is also a nation of lobbyists—a member of Congress who votes for cutting the budget is not only going to feel like Santa Claus refusing to give toys to good little girls and boys, but also like a racist, a bigot, and a boor.

He needs a "but . . ." he can believe in.

Already, black organizations are planning to coordinate their anguished objections to the Reagan proposals. A broad-based coalition is being formed to oppose cutbacks in food stamps—in public lamenting the effects on the poor and in private also admitting concern about administrative jobs. And assorted Democrats and liberal spenders in Congress are attacking the whole philosophy of the Reagan economic plan.

The "but . . ." has to be convincing not only to members of Congress, but also to their constituents.

Maybe the Reagan program will work. Maybe enough members of Congress can read a "but . . ." into election results to hold out against those who oppose the spending cuts. Maybe they are concerned enough about an uncontrollable federal budget and runaway inflation to write their own convincing "but . . ."

It's too soon, however, to count on it, even to the goodwill glow of a new administration. Historically, taxpayers have been no match for special interest groups and now the special interests are descending on Congress in hordes.

If Congress can't bring itself to cut federal spending significantly, it may be time for some other "but . . . s." Taxpayers in Michigan flirted with one of them last week in short-lived but widespread protest against high taxes. Future protests may be harder to quell.

Members of Congress should also be reminded that 29 out of the necessary 34 states have voted for a constitutional convention to draft an amendment limiting federal spending. There are lots of problems and objections to the idea. But the Constitution was intended, originally, to protect our freedom from unnecessary encroachment from government. What could be more logical than adding an amendment to safeguard our right to a reasonable portion of our own earnings from a confiscatory government? That would be a "but . . ." that would work.●

NATIONAL EMPLOY THE OLDER WORKER WEEK

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WEISS. Mr. Speaker, many ill-founded assumptions exist today concerning the feasibility and desirability of hiring older workers.

The net impact is that many workers in their forties, fifties or sixties are discovering that advancing age is a serious employment barrier.

Yet, these individuals have much to offer employers. They are less likely to be absent from work than younger persons. They usually have more on-the-job experience. Their productivity compares favorably with younger individuals.

Several independent studies also reveal that older workers perform as well on the job as their younger counterparts, and in some cases noticeably better.

However, major educational efforts are needed to inform the public—as well as private and government employers—about the true capabilities of middle-aged and older workers.

This takes on added importance and timeliness because the week of March 8 is National Employ the Older Worker Week.

Several private organizations representing older Americans and government agencies will sponsor appropriate ceremonies and information campaigns to alert employers about the many benefits of hiring mature workers.

As a Member of Congress, I have had a very keen interest in promoting employment opportunities for middle-aged and older workers.

I have always maintained that functional capacity—not chronological age—should determine whether a person is hired, fired, promoted, or demoted.

Our Nation will never achieve its full potential if some of its most productive citizens are relegated to the sidelines. A job should not be off limits simply because an individual's hair is graying at the temples.

Age-ism is just as vicious and self-defeating as other forms of discrimination because it robs our Nation of the skills and talents of productive citizens. It also denies them an equal opportunity to participate fully in our society.

Much more can be gained from an effective national policy to maximize job opportunities for all Americans.

I want to reaffirm that I shall continue to work for enactment of legislation to increase employment opportunities for all persons, whether they are young or old.

For these reasons, I wish to commend the national organizations and government agencies that are participating in National Employ the Older Worker Week.

I sincerely hope that the goodwill derived from this campaign can be translated into a long awaited national employment policy for older workers.●

U.S. INTERVENTION IN EL SALVADOR

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. STOKES. Mr. Speaker, thank you for this opportunity to address my colleagues in the House about the situation in El Salvador and the potential ramifications of continued U.S. involvement in that country. This situation is on the minds of not only Americans but on the minds of people throughout the world. Accordingly, it is time that we pause to take a close look at exactly what we are doing in El Salvador.

Many high ranking U.S. officials put forth the notion that the internal political struggle in El Salvador is actually a fight for control between the forces of capitalism through the regime of Duarte and the alleged Communist guerrilla forces. Therefore, as the champion of a free society, we are dutybound to act as a knight in shin-

ing armor and stave off the Communist forces.

But, Mr. Speaker, this is a myth and accordingly our efforts are misguided.

To set the record straight, first of all, we have no concrete proof that the leftist guerrillas who are fighting the Government are indeed backed by Cuba or another Communist force. Instead, what we have are innuendoes and allegations from the administration. To this date, no concrete proof has been provided to the American people to substantiate our position.

Second, the struggle in El Salvador is a political one. Thus, no external force—not even the United States—should intervene in El Salvador.

Nonetheless, this country has put forth what we deem a solution by providing millions of dollars of economic aid and military equipment to Duarte's regime in El Salvador. Increasing our level of visibility and involvement in El Salvador, just last week we sent high ranking military advisers to meet with their counterparts in the Duarte regime.

Mr. Speaker, all of this has been done in the name of keeping a democratic society intact in El Salvador while serving the best interest of the people. But, I submit, Mr. Speaker, we are actually hurting the people in El Salvador more by our preoccupation with the struggle.

Mr. Speaker, what we are witnessing in El Salvador is the inability or unwillingness of the Duarte regime to control that country's armed forces. As a result, under the guise of rooting out the leftist guerrilla forces, innocent people throughout that nation are brutally killed or raped and villages are pillaged.

There is documented proof that the atrocities I just stated are regularly committed with guns, grenades, and other weapons supplied to the Duarte regime by the United States. Mr. Speaker, more than 9,000 people were killed in El Salvador during the past year and to my knowledge, no arrests have been made.

Mr. Speaker, I ask my colleagues if we can really cloud the issue or hide from the truth by saying that we are intervening only because we are helping the people of El Salvador. We are actually indirectly killing and bringing havoc to the people of El Salvador. This must come to an end.

Mr. Speaker, I have just read an article written by Mr. Darrell Holland in the Cleveland Plain Dealer. This article puts the situation and the actual impact of U.S. aid to El Salvador in the proper perspective as well as the root cause of the trouble in El Salvador. At this time, Mr. Speaker, I would like to insert this article in the RECORD.

WASHINGTON MISSES ROOT CAUSE OF EL SALVADOR STRIFE

It is unfortunate that the reports from Washington this week about U.S. policy in El Salvador have included few expressions of concern about the suffering of the poor there.

President Reagan and State Department officials have apparently made up their minds that the social and political upheavals in the tiny Central American nation are simply a classic contest between communism and capitalism.

If the Reagan administration really wants to know the root causes of the conflict in El Salvador, it should ask missionaries working there.

The missionaries would tell the administration about the slave-like conditions of the poor and that the root cause of the conflict is the unjust social system under which the poor are nearly destroyed, while a few live in luxury.

The best, and most merciful, solution to El Salvador's civil strife is a political settlement between the right and the left that would contain provisions for social, political and economic reforms to improve living conditions for peasants.

In the long run, it will make no difference whether the right or the left wins the present conflict, or whether the United States is successful in propping up an unjust rightist government for a few years.

A permanent and stable Salvadoran government must be constructed on principles that narrow the gap between the rich and the poor.

Anything short of that will only create conditions for another revolutionary situation in a few years.

But the Reagan administration appears to have decided otherwise. It is sending military aid to the Salvadoran government and has strongly warned the Soviet Union and Cuba to stop sending arms to rebels there.

The Salvadoran government, dominated by rightists and the wealthy, has done little to control the violence from the right wing factions against the poor. About 10,000 people were killed last year.

Indiscriminately, the right has unleashed its weapons, and the army which it controls, against innocent peasants, while attempting to run down the guerrilla forces that are attempting to overthrow the government.

If the United States supplies more weapons to El Salvador, it will result in death for more innocent people caught in the conflict between right and left, but will do little to deal with the social causes of the unrest.

The Jesuit-published America magazine rightfully suggested in a recent editorial that it is simplistic to view the conflict there as primarily an encounter between the United States and the Soviet Union.

Regardless of soviet or cuban actions in supplying arms to the guerrillas, El Salvador is one of the most unequal states in the world. It is fertile ground for Marxism or any other political system that offers freedom from poverty and despair among the poor.

Archbishop Arturo Rivera Damas, the Roman catholic leader in El Salvador, has asked all other nations, including the United States and Marxist countries, to stop shipping arms to his country.

The solutions to the problems of El Salvador, Rivera Damas has said, will not come from military action, but from "social reforms of a structural kind."

Of course, the Reagan administration likely would dismiss the archbishop's words as an example of a priest meddling in politics, an activity for which clergymen and nuns have been strongly criticized by a State Department official.

Ernest W. Lefever, assistant secretary of state for human rights and a Presbyterian clergyman, reportedly said this week that some priests and nuns have overstepped their bounds in getting involved in political struggles in Latin America.

Without offering any proof, Lefever said nuns have hidden machines guns for insurgents.

With that charge, Lefever has smeared the reputation of countless American missionaries, including 10 from the Cleveland Catholic Diocese, who have been working in El Salvador to serve the spiritual needs of the people and to awaken in the people yearnings for a more just existence.

Lefever's charge also besmirches the memory of the four Catholic missionaries, including two from Cleveland, who were killed Dec. 2 in El Salvador, almost certainly by rightists.

The four were killed because the right wing, the ruling oligarchy, believed they were involved in political activity when the missionaries helped victims of the conflict.

The murders are still unsolved, despite an investigation by Salvadoran authorities, who were assisted by an FBI team that went to El Salvador.

U.S. officials have declined to release results of the investigation. It can be surmised that their refusal to do so is because the report suggests that security forces of the U.S.-backed Salvadoran government are responsible for the missionaries' deaths.

Such a disclosure would be very embarrassing to both the United States and El Salvador. It would probably also stir up U.S. public opinion against Reagan's policies in Central America.●

BREAKFASTS IN WHITE HOUSES

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. KILDEE. Mr. Speaker, a few days ago a verbal exchange of ideas took place in the House Subcommittee on Elementary, Secondary, and Vocational Education of which I am a member.

We had before us as witnesses representatives of vocational education, industry, and business. We were discussing the administration's budget cut recommendations in education.

A colleague had just finished describing to the witnesses a breakfast at the White House that morning with other Republican freshmen, President Reagan, and David Stockman. Our colleague informed our witnesses of the breakfast conversation which described the budget cutting imperatives, including the necessity, according to the administration, of cuts in education.

In his turn, another colleague, Congressman PAT WILLIAMS of Montana, gave a response which I want to share with the Members of this House.

Mr. WILLIAMS' statement follows:

Mr. Chairman, unlike our Republican colleague, I am neither Republican nor a freshman. I congratulate our colleague for being both; but like our colleague, I, too, was late for this hearing. Like our colleague, I, too, was at a breakfast at the "white house," my "white house," having an overly lengthy breakfast with my wife.

Let me tell you, my wife is genuinely furious. Because she is a former teacher and because she and I enjoy our three children who are in school now, she is genuinely furious that this Nation is considering the abandonment of its long commitment to education. She reminded me this morning in our "white house" breakfast that the importance of education was present at the birth of democracy in ancient Athens, in the persons of Socrates, Plato, and Aristotle; and that it was present again at the birth of our Republic in the person of Thomas Jefferson, her particular hero.

She understands that excellence in education is costly; but she and I know, as others have stated before us, that war is not won on the missile launching pads. It is won in the little school huts with thatched roofs in the back jungles of Brazil.

Crime is neither cured nor prevented in prisons. It is prevented in Head Start and in the first and the second and the third grades and in junior high school.

She understands that employment will not be reduced by what happens down at OMB. It will be reduced because this Nation will maintain and expand its long commitment to preparing people for jobs.

Now, I invite the Republican freshmen, and David Stockman, to come to my house for breakfast.●

GAO STUDY CITES CARTER ADMINISTRATION AS CAUSE OF SLOW OCS PRODUCTION

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. FORSYTHE. Mr. Speaker, over 1 year ago I requested a series of four studies from the General Accounting Office identifying delays and hindrances to the leasing, exploration, development, and production of energy resources owned or controlled by the Federal Government. Two of these four studies have just been released and GAO has found that the major impediments to increasing, or maintaining, current levels of domestic oil and gas production have been the arbitrary policies and practices of the Carter administration.

Those of us that have been involved in this issue for the past several years are well aware of the impact the past administration has had on our domestic energy picture because of the implementation of personal political policies that went far beyond the dictates or requirements of any statute or court order.

I need not go into any great detail outlining the energy problems this Nation faces. Everyone is aware of the precarious position we are in as pertains to our inordinate dependence and resultant vulnerability on foreign nations for such a great percentage of our domestic oil needs.

Last year, I introduced House Joint Resolution 573—Senate Joint Resolution 184—which was sponsored by the Republican leadership in the House and Senate, as well as two House Democrats. That joint resolution, by eliminating the arbitrary leasing, land use, and permitting policies of the executive branch, would open access to the abundant domestic energy and strategic and critical material resources, thereby making it possible to more than double the domestic production of oil and gas within the next 18 to 20 years. The provisions of that resolution would accomplish this end simply by forcing the executive branch to obey the dictates of our statutes and court orders. That resolution also would not change a single statute or court order.

This increase in domestic production is possible because the Federal Government in the name of the American people has become the owner of over 85 percent of this Nation's remaining oil, 85 percent of our remaining tar sands, over 40 percent of our remaining natural gas, and various high percentages of our other energy and strategic and critical material resources. Therefore, the executive branch has complete control over the leasing, exploration, and production of these energy resources. By discontinuing the practices of the past administration of implementing personal political policies not contained in any law, many of our energy problems could be solved.

These most recent GAO studies put the primary blame for delays and hindrances in the Outer Continental Shelf postlease activities on the Environmental Protection Agency, the Department of the Interior, and the Army Corps of Engineers. These reports also point out that the issuance of some OCS permits that could take no more than 30 days have taken up to 2 years. Another example of delays concerns the Corps of Engineers permits for fixed structures and dredging operations that take 150 days to be issued. The report also points out, "although the legislative and regulatory requirements are extensive," the agencies generally do not actively monitor, enforce, or even evaluate their effectiveness.

It is also interesting to note that the GAO found, after a full year of investigations, that industry had developed a credible record in the pursuit of oil and gas on the Outer Continental Shelf.

In this last report the General Accounting Office makes numerous recommendations, the following of which are just a few: First, we must improve the quality and timing of environmental reviews by the Department of the Interior, and others; second we must speed up the issuing of permits by the Environmental Protection Agency and the Army Corps of Engineers; third, we must monitor, enforce, and evaluate the effectiveness and real need for various regulatory requirements; and fourth, we must take certain legislative initiatives such as the establishment of a reasonable time within which all Federal agencies, particularly the Department of the Interior, shall complete approval and issue permits.

Mr. Speaker, I anxiously await the final two General Accounting Office reports because, as has been the case with the first two studies, I am sure they will supply further evidence of the negative impact the nonelected bureaucrats have had on the welfare of our American citizens.●

STOP THE SALE OF ADDITIONAL AIR POWER TO SAUDI ARABIA

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LENT. Mr. Speaker, I am saddened and dismayed by the weekend announcement from the Reagan administration that it intends to allow Saudi Arabia to procure military equipment that would drastically increase its offensive air strength.

The President and his advisers are offering the Saudis one of the most sophisticated air-to-air missiles, the AIM-9L, along with auxiliary fuel tanks which will more than double the range of the highly sophisticated F-15 fighter planes which the Carter administration mistakenly permitted the Saudis to purchase in 1978.

Mr. Speaker, I totally opposed the sale of the F-15 fighters in 1978, and I totally oppose the sale of this additional military equipment today.

In announcing the decision, a State Department spokesman cited as justification for the sale "the serious deterioration in security conditions in the Middle East-Persian Gulf region." My grave concern, Mr. Speaker, is that this proposed sale will contribute to the deterioration in security conditions in that volatile region, rather than curb it. Let me outline my reasons for stating that.

First of all, the additional offensive weapon capability will not improve the security of Saudi Arabia, already threatened by internal stability. In fact, it could well exacerbate tensions throughout the Middle East by upsetting the delicate balance of military capability there. With the auxiliary

fuel tanks, Saudi Arabian F-15's, operating from any base in Saudi Arabia, could hit any target in Israel. Furthermore, Egypt, Iraq, and Iran would also come within range of Saudi air attack. Couple this added range with the most advanced air-to-air Sidewinder missile—the sophisticated AIM-9L—and you have a deadly new combination which can only increase tension, suspicion, and uneasiness in the volatile Middle East. This sale not only is contrary to the best interests of the United States and Israel, it is contrary to the best interests of Saudi Arabia.

Second, this sale of arms will do little or nothing to strengthen the Arab-Israeli peace process or to moderate the punitive oil policies of the Saudis. Remember, 3 years ago we heard assurances that we would reap great foreign policy benefits from the sale of the F-15's. Yet today, Saudi Arabia remains just where it was then—a leading opponent of the Camp David accord. Today, Saudi Arabia continues as a leading supporter of the OPEC nations' oil cartel—a cartel which has more than doubled the price of its crude oil in the past 3 years.

Such are the rewards of appeasement. And believe me, Mr. Speaker, it is painfully clear that the world will regard the sale of these offensive weapons to the Saudis as appeasement in the face of Saudi threats to reduce oil production.

Third, the proposed sale would add a new, totally unnecessary burden to Israel's defenses. Israel is our one reliable ally in the Middle East. Why add unnecessary strain to this one reliable bastion guarding American interests in this critical area of the world?

Last, Mr. Speaker, this proposed sale violates a most solemn commitment made by the U.S. Government to the Congress and to Israel. In 1978, the U.S. executive branch gave written assurances to us in the Congress that this additional offensive equipment for the F-15's would be withheld from Saudi Arabia. Assurances also were given to Israel. It is terribly disheartening to see these solemn assurances thrown aside.

Mr. Speaker, we in the Congress must take action to prevent this sale. Today, I am introducing legislation forbidding the sale of this additional war material to Saudi Arabia. I urge my colleagues to support this resolution in the best interests of the United States, and in the best interests of the Middle East.

We must prevent the President and his foreign policy advisers from making this serious foreign policy error.●

THE ECONOMY IN THE 1980'S

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. MURTHA. Mr. Speaker, President Reagan has presented Congress with a strong, dramatic economic program. It is now the duty of Congress to review that plan, improve it where we can, and help the President forge a united economic policy. There has already been enough rhetoric, now it is time to get down to developing firm plans.

We have come through a roller coaster ride of economic ups and downs in the 1970's. Now, we must stabilize the economy to protect our citizens and our national strength. As great as our defense strength must be, so too must our economy be strong to lead the free world and offset Communism's economic influence. There is no doubt we face a most difficult task in stabilizing the economy and this must remain a national priority.

In the next few paragraphs, I want to look at some of the key areas of Government economic policy. In too many cases in the 1970's we lurched from crisis to crisis, without a blueprint or clear plan of action. What we need now is to pull all the parts together into a coherent plan, recognizing the economic factors the Government can affect, and leaving what we cannot influence to private industry and market forces.

SPENDING

I congratulate President Reagan for focusing needed attention on the Federal budget. We must control the growth in spending, move to a balanced budget, and then make sure we retain budget control.

In my years in Congress, I have voted for over $75 billion in budget cuts. I hope we can achieve cuts this year at the $40 to $45 billion level recommended by the President, although I think there will have to be some additions and subtractions in his suggestions.

I have again cosponsored a bill with Majority Leader JIM WRIGHT of Texas that would require a balanced Federal budget in the future and provide a legislative mechanism to insure it is balanced. We cannot reach a balanced budget in 1 year's time without causing severe economic problems, but we can reach it within a few years—the President's goal is 1984—and when we reach it, we must stay there.

TAXES

I believe we should control Federal spending before moving to a personal income tax cut. I do not think we should consider the administration's plans for a $54 billion personal income tax cut in conjunction with a budget that will still be $45 billion in the red even with the Reagan budget cuts.

I think the one tax step we should take in the near future is passage of the so-called Jones-Conable bill—which I have cosponsored—which will provide an incentive for business to expand, increase productivity, and create more jobs.

In the future on personal income taxes, I think there are two keys to guide us. First, we want to find a way to finance social security over the long haul without continually adding to the social security tax. Second, we need to refocus on tax reform. We have lost the momentum toward strong reform of the tax system, but there remain loopholes and unfair advantages which Congress should remove.

ENERGY

No economic plan is going to succeed without a strong, workable national energy plan. It is ironic, that on the same day President Reagan announced his budget cuts which could reduce inflation by up to 0.5 percent, eight OPEC oil ministers met and agreed on a $2 a barrel increase in the price of oil which would immediately wipe out the inflation savings of the budget cut, and eventually add as much as 1.1 percent to inflation.

Energy prices created as much as one-fourth of the inflation of the 1970's. I think there are several steps to stress in national energy planning:

First, continue the conservation effort which has been largely responsible for reducing our oil imports by 1 million barrels a day.

Second, make coal—our most plentiful domestic energy source—a cornerstone in energy policy and stress the development of synfuels for the later part of the decade.

Third, make sure we can use the nuclear power we have safely and with the confidence of the people; without the electricity being produced at the 70 online nuclear plants, we would need 1.3 million barrels of additional imported oil.

Fourth, we must continue to stimulate research and development of options such as solar power, and energy from the wind and oceans; these are our best hopes for the future.

Where private industry can do the job, it should. We must acknowledge, though, that many areas simply are not going to move as quickly as they must unless the Government pushes them.

And push we must. My major economic concern to this point in the Reagan administration has been a lack of attention coordinating an energy policy. I think this must be their next priority. We are still vulnerable to a cutoff of oil from the Mideast at any time. A professor at New York University estimated what the economic impact of such a total cutoff over 6 months would be:

First, 16 million Americans would be laid off, raising unemployment to close to 25 percent, 1 out of every 4 Americans out of work.

Second, households would have an average of $3,000 less in disposable income to spend after payment of taxes.

Third, the Nation's gross national product would be reduced between 15 and 25 percent.

Fourth, all automobile traffic would be cut in half.

We cannot afford to have our economy remain that vulnerable to arbitrary decisions made by foreign governments.

REGULATIONS

Everyone loves to criticize Federal regulations, and many of them certainly deserve that heavy criticism. Some regulation is needed to insure fairness and the proper administration of the laws.

What we need is some commonsense applied to regulations. We need to keep them simple. Also, I would make two suggestions. First, each new regulation should include an economic impact statement on business and individuals so we know the effect. Second, the White House should review all regulations coming from administration agencies so there can be a coordination of policy priorities. In Congress, we need to make certain regulations do not go beyond the intent of Congress so they become laws within themselves.

There are not great economic savings in better regulations, but they can produce a greater sense of fairness, show the Nation our economic concern, and indicate that Washington regulations need not interfere with every aspect of life in America.

EMPLOYMENT

I believe we need a jobs policy aimed at economic "hotspots." These are sectors of the economy so vital to our stability and national growth that we cannot allow them to falter.

As examples, there must be a Government plan to stabilize the rubber, rail, and steel industries because they are vital to national defense. In addition, America's economy will only be strong when the coal, auto, and housing industries are sound because of their huge employment and national growth impact. We need to shape policies aimed directly at these industries that provide a mix of incentives, easing of Federal regulations, and Government assistance to make certain these areas of the economy are strong and growing.

INTEREST RATES

Maybe no single economic factor aside from energy has damaged the economy so much as high interest rates. They prevent business from investing, and prevent individuals from buying homes, cars, and other stables of economic growth.

Interest rates will follow inflation downward, but in the interim there are a couple steps Congress can take. New ways must be found to insure that the President, Congress, and the Federal Reserve work together to coordinate policy. We can only succeed by going ahead together. Also, the Federal Reserve should annually report on how monetary targets have been selected, a step which will add to stability and certainty in financial markets.

PRODUCTIVITY

Industry's output per worker-hour, popularly known as productivity, has declined from 3.1 percent growth from 1948 to 1968, to 2.2 percent from 1968 to 1973, and now to only 0.8 percent since 1973. Part of what this reflects is that industry is not investing in remodeling their plants, they are not undertaking new projects; instead of adding to productivity, they are hedging their investments. That is understandable in today's economy. Those productivity figures, though, must be reversed and that can be aided by the lowered interest rates, tax incentives for investment, and reasonable, consistent regulations outlined here.

In conclusion, I want to note that in many ways the last decade proved just how great and strong a nation we have. Despite our economic uncertaintees, four different President administrations, the oil embargo of 1974, and other potentially disastrous impacts, we have emerged as a nation united and committed to the 1980's. By putting together this type of economic planning, I believe the 1980's will see us stronger and healthier than ever, as a nation and in our personal economic lives.●

TRIBUTE TO GLADYS NOON SPELLMAN

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Ms. FERRARO. Mr. Speaker, it is with great respect and sadness that I join my colleagues in paying tribute to Representative Gladys Noon Spellman.

Last week's vote to vacate Mrs. Spellman's seat was, for me and many other Members who know Gladys well, an act heavily weighted with regret. It would have been far more satisfying emotionally to have fought the resolution, to have fought to keep the seat open for Gladys' return. But ultimately, the guiding principle of Gladys Spellman's political career was the best reason for voting to vacate the seat.

Gladys has dedicated her life to serving the public. It has been said that she had the best constituent service operation ever seen on Capitol Hill. She would have strenuously objected to leaving her constituents without representation. As the Washington Post said in a recent editorial praising Mrs. Spellman:

> To have watched Mrs. Spellman on the campaign trail, on the phones, in the schools or up and down the aisles and office hallways of Congress was to see a woman obviously reveling in her work and loving her constituents.

And she brought all her zest and enthusiasm to her legislative work as well. Having served with her on the Committee on Post Office and Civil Service in the 96th Congress, I can say that no Member showed greater dedication and hard work, or provided better service to her people, than Congresswoman Spellman.

As much as any other person's, Gladys Spellman's career epitomizes the strength and ability of the women in this country who are begining to move into the top ranks of government and business. Before entering public life in 1962, Glayds taught in the Prince Georges County Public School System. By the time she left to enter public life, she had become president of the County's Council of PTA's.

In 1962, Gladys was elected to the board of county commissioners, the first woman ever elected to that body in Prince Georges County. As a matter of fact, Gladys' career is a series of "the first woman this" and "the only woman that". She was reelected in 1966, served as board chairman, and when Prince Georges County adopted its charter in 1971, she was elected councilor-at-large.

In 1972, Gladys served as president of the National Association of Counties; again, the only woman ever to have held the post. In 1974 she was elected to Congress with 53 percent of the vote. Since then the voters of Maryland's Fifth District have shown exceptional judgment by reelecting Gladys every 2 years by constantly increasing margins.

For 6 years, Gladys Noon Spellman has served as a model of a devoted, conscientious, and, above all, effective Member of Congress. As her friends, we will all miss her personally. The people of her district and of the Nation as a whole will miss her contributions to our Government. My prayers go out to her and to her family for her speedy and complete recovery and her quick return to this House.●

THE SIZE OF THE FEDERAL GOVERNMENT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WEISS. Mr. Speaker, it is popular now to base calls for cutting the Federal budget on the overgrown size of the Federal Government. A column which recently appeared in the New York Times refutes the claim that the Government has grown beyond its manageable limit.

The author of "An Oversized Nonissue," documents the fact that the Government is not significantly larger today than it was two decades ago. Citing key facts such as the number of Federal employees on payroll, the percent of our gross national product which comes from taxation, and the amount of Federal outlays compared to GNP, this column shows that the Federal Government has not expanded as many advocates of budget cutting claim.

The column which follows merits the attention of my colleagues. I urge them to consider and remember the facts presented in this column as Congress works with President Reagan's budget proposals.

[From the New York Times, Feb. 24, 1981]

AN OVERSIZED NONISSUE

(By Zahid Shariff)

CHICAGO.—The political agenda, it is reasonable to believe, is so cluttered with pressing and important issues that nonissues recede into oblivion. Not so. Consider the persistent interest in the size of the Government. Richard M. Nixon and Gerald R. Ford promised to get the Government off our backs and out of our pockets, Jimmy Carter ran against Washington, and Ronald Reagan has identified Government as the problem.

The underlying assumption of this orthodoxy is that the Government is too big and that it has expanded too rapidly. Now that drastic steps are being undertaken with a view to addressing this alleged issue of "big government," let's review the record since 1968—that is, for the years that it has appeared consistently and prominently on the political agenda.

Though there is no single method of measuring the size of the Government, bureaucracy may be viewed as an indicator. The Federal bureaucracy is widely believed to be busily multiplying itself; in fact, one of Mr. Reagan's first acts was a hiring freeze. However, the fact is that the number of civilian Federal employees was 2.9 million in 1968 and 2.8 million in 1980.

Or take Federal spending. It includes the "boondoggles," cost overruns, "uncontrollable" entitlements, and "give-away" programs. Surely they explain why the economy is out of control. Or do they? In 1968, Federal outlays constituted 21.5 percent of the gross national product and in 1980 they were 22.1 percent.

If nothing else substantiates the popular faith, certainly the frequently heard cries about the ever-bigger tax bite will. Again, the figures do not fully justify the screams of distress. In 1968, the Government took in, from all receipts, 18.5 percent of the gross national product, and in 1980 the figure was 19.8 percent.

Those who seek complexity are bound to find or create it. The defenders of the faith have suggested some adjustments to refine the data on the size of the Government. Prominent among their arguments are these: The exclusion of off-budget figures from the Federal budget artificially lowers the volume of Government spending; the costs of many regulations do not appear in the budget, since they have been pushed on to local and state governments, consumers, and producers, but their impact is often indistinguishable from the raising of taxes; extensive use is made of consultants even though they do now show up in the figures for civil service personnel. The effect of these adjustments, in sum, clearly adds up to an expanded public sector.

However, final judgment would have to be withheld until at least another set of adjustments has also been considered. Among them, these are important: The full fiscal impact of Government spending should be seen in relation not to the current gross national product but to a full-employment or nonrecession G.N.P.; the figure for Government spending should be lowered to the extent that the prices of things that the Government buys increase at a faster rate than those that households buy; the size of the G.N.P. should be revised upward to include the value of goods and services that are produced but not reflected in it—in other words, there should be adjustment for the "underground economy."

When the impact of both sets of adjustments is carefully calculated, the conclusion that will unequivocally emerge is that the size of the Government has shrunk.

The obsessive fear of big government among Americans is profoundly ironic for additional reasons. The rate of national public spending and taxation is considerably lower in the United States than in any of the Western European democracies. That notwithstanding, state and local tax revolts are spreading and 29 of the necessary 34 states have asked the Congress to call a constitutional convention for the purpose of proposing an amendment to limit Federal expenditures as well. Furthermore, in view of the hysteria concerning the Government's role in supposedly bankrupting the country and mortgaging the future, it is appropriate to mention that particularly high government spending and taxing policies in democratic countries is not consistently related to either slower growth or higher inflation.

Well, maybe it is not the taxes and Government spending that are the problem. Perhaps it is the deficits. Contrary to popular belief, however, actually there is no overall fiscal deficit in America when the money spent and revenue collected by all governmental units—there are about 80,000—are taken into account. Nor has it been established that it is the deficits at the Federal level that cause inflation even though that continues to be stated with solemn conviction.

Thus, a real problem to explore is why a nonissue continues to get so much attention. Perhaps there is a kind of Gresham's law at work, according to which nonissues drive out the real ones.●

VOCATIONAL TRAINING PROGRAM FOR VETERANS OF THE VIETNAM ERA

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. DASCHLE. Mr. Speaker, recently released Department of Labor statistics show that over 500,000 Vietnam veterans are now out of work. This figure is an increase of over 150,000 from 1 year ago and is indicative of the continuing struggle Vietnam veterans are facing in finding employment. Though many of these people undoubtedly may never find suitable employment, I am deeply concerned that every opportunity be given to those that can and do desire to find work.

Previous efforts to train and employ Vietnam veterans have largely been a failure. The most notable examples have been the HIRE I, HIRE II, and CETA programs which have all fallen far short of their veteran employment goals. Of the major programs to employ and train veterans, only the VA administered on the job training program (OJT) has met with genuine success. From a high of 212,000 in 1974, over 500,000 veterans have utilized the OJT program to train for employment purposes.

As a result of the continuing high unemployment rate in Vietnam veterans I am introducing legislation that would address this problem by authorizing educational assistance for a Vietnam veteran to pursue a program of on the job training or a program of education with a vocational objective. These benefits would be available to any veteran identified by a counselor at a readjustment counseling center, State employment office, veteran's assistance office, or a Veterans' Administration medical facility to be in need of educational assistance. A veteran would be eligible whether or not he has been delimited.

There are definite advantages to my approach. One is that this program is designed to work within the existing framework of the VA's OJT program. The OJT program as I have already stated, has been tremendously successful. A VA study has revealed that the OJT program has the highest completion rate, 85 percent, and placement rate of any program designed to train or employ Vietnam veterans. This study also shows OJT graduates with increased earnings over their counterparts and states that 95 percent used their OJT training in their job.

Mr. Speaker, another issue that needs to be addressed is the budgetary impact this program is likely to have. At this time, I wish to assure my colleagues that this program is designed to fit within the parameters of what

we all know will be a tight budget. No additional bureaucracies will be created as all the functions that will need to be performed in this legislation can be handled in existing VA programs. This will also eliminate the need for expensive outreach efforts, administrative overhead, and additional personnel.

Probably, the most important aspect of this legislation, however, is that it is essentially targeted to those Vietnam veterans that are visiting the recently established psychological readjustment—vet—centers. Data compiled on the program reveals that 23,000 or 48 percent of the veterans visiting the vet centers list employment or vocationally related difficulties as a major impediment to their successful rehabilitation. Unfortunately, the counselors at the vet centers have had little to offer or refer them to. This legislation would be an important conduit if this situation is to be addressed.

Finally, Mr. Speaker, my legislation is but a modest effort to help those Vietnam veterans who for one reason or another remain unemployed. These men have given the prime of their lives to this country and deserve all the help we can realistically provide them. Though our past efforts have been in good faith, a significant number of veterans have slipped through our fingers unassisted. These are the men now visiting the vet centers, many of them still trying to sort out their lives. Time is short and I believe that this bill is a last opportunity to show our desire and willingness to bring these men back into the mainstream of society. I sincerely hope that my colleagues will be able to join me in supporting this legislation.●

FLINT JOURNAL EDITORIAL ON EL SALVADOR

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. KILDEE. Mr. Speaker, the crisis in El Salvador has drawn much concern and attention lately, and I would like to share with my colleagues a recent newspaper editorial which I considered particularly timely, insightful and precise. The editorial was written by Edgar E. Backus, an editorial writer for the Flint, Mich., Journal, and published on March 2, 1981. The editorial follows:

HELP EL SALVADOR, BUT NOT WITH GUNS

The American people voted for stronger leadership when they overwhelmingly chose Ronald Reagan in last November's election. Since Reagan moved into the White House, he has been trying to respond to that expectation.

Reagan has been forceful in his approach to foreign policy, but with mixed results. There is a legitimate concern that Reagan is overreacting to the El Salvador insurgency, reaching for outmoded "cold war" strategies that were tested in Vietnam and found wanting.

Why should the United States send military advisers and increased military aid to a tiny coffee bean republic? Is it necessary to risk American prestige and leadership by interfering in the affairs of this strife-torn country?

Gunboat diplomacy worked for Teddy Roosevelt. But these are different times. People have not forgotten the Vietnam tragedy, nor should they. They still remember how it all began, with John Kennedy's domino-theory justification of our involvement in another tiny country, Laos. Once again an American president is asserting the right to intervene in a civil war, contending that U.S. vital interests require it.

One of our concerns when The Journal endorsed Reagan for president was his tendency to view world events in terms of the Soviet-American contest. It was our hope that the presidency would broaden his understanding of the complexities of Third World tragedies like El Salvador. Perhaps Reagan is learning that the perceptions he brought to the presidency do not necessarily coincide with what is really happening. We hope so, because it is important that a president be flexible as well as strong.

The State Department and the Pentagon have gone to great pains to demonstrate that the Russians and Cubans and other countries in the Communist Bloc have been exploiting the bloody conflict in El Salvador, supplying arms via Nicaragua and Honduras.

This is indeed a matter of concern. The Reagan administration is right to bring it to world attention. And, of course, this country has an obligation to encourage peace and stability in El Salvador. More than 13,000 have died in the brutal fighting there, including American citizens. But is increased military involvement necessary to achievement of this goal?

The need for continued military assistance is questioned even by members of the governing junta. El Salvador's defense minister is on record as saying the U.S. is overestimating the leftist military threat. What the junta is urging is that we provide increased economic aid, which they believe can serve as a catalyst for a political solution.

El Salvador's forces recently defeated the guerrillas in a major confrontation, making the Reagan administration rationale exceedingly suspect. It seems that Reagan is buying the Pentagon line without question, risking much credibility on an assumption that we can impose a military solution in a country stalked by terrorists of both the right and left.

A wiser course would be to concentrate on economic assistance, carefully monitoring the junta's efforts to restore stability. A return to gunboat diplomacy can only further taint efforts to improve Uncle Sam's image in Latin America.●

BIRTHDAY OF TOMAS G. MASARYCK

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. NELLIGAN. Mr. Speaker, I wish to note that March 7 was the anniversary of the birth of the founder and first president of Czechoslovakia, Tomas G. Masaryck.

Masaryck distinguished himself in the eyes of his countrymen and the world through his achievements as an educator, patriot, and statesman. His contributions to the people of Czechoslovakia spanned many years and many fields.

Because of his work as a professor of philosophy at the Czech University of Prague, Masaryck was elected to the Austrian Parliament where he was known as a defender of minority rights. His advocacy of an independent Czechoslovakia led to charges against him of high treason, forcing him into exile.

Masaryck continued to advance his cause, and traveled throughout the free world seeking support. His goal was realized when, in 1918, the Republic of Czechoslovakia was recognized by the Allied powers. Masaryck became the first President of the new nation, a position he held through three reelections, until he resigned due to poor health.

Tomas G. Masaryck devoted himself to the service of others as a teacher and a leader. His dedication to the ideals of freedom and independence serves as an inspiration to those who live in the shadow of oppression.●

COTTER PLAN TO INCREASE SAVING FOR RETIREMENT

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. COTTER. Mr. Speaker, I have been developing a plan to increase saving for retirement by increasing the maximum contribution limit on individual retirement accounts, and expanding the number of individuals eligible to open these accounts. I am placing a general explanation of my bill, H.R. 2346, at this point in the RECORD.

COTTER PLAN

PRESENT LAW

An individual generally is entitled to deduct the amount contributed to an individual retirement account or individual retirement annuity, or used to purchase retirement bonds (referred to collectively as "IRAs"). The limitation on the deduction for a taxable year is generally the lesser of 15 percent of compensation for the year or $1,500. The $1,500 contribution limit is increased to $1,750 for a spousal IRA for a year where (1) the contribution is equally divided between an individual and the spouse of the individual, and (2) the spouse has no compensation for the year. However, no IRA deduction is allowed for a taxable year to an individual who is an active participant during any part of the year in a tax-qualified pension, profit-sharing or stock bonus plan, a tax-sheltered annuity,

or a governmental plan (whether or not qualified).

Many qualified plans provide for contributions by both the employer and the employee. In some cases, the employee contributions are mandatory (i.e., required as a condition of employment, as a condition of participation in the plan, or as a condition of obtaining additional employer-derived benefits). In other cases, employee contributions are voluntary. A plan can provide for both mandatory and voluntary employee contributions.

Income allocable to an employee's contributions to a qualified plan is generally not taxed to the plan or the employee prior to the time the income is distributed or made available to the employee or the employee's beneficiary. However, the employee is not qualified to a deduction or exclusion for employee contribution to a plan.

In the case of tax-sheltered annuities (including custodial accounts investing in shares of a regulated investment company) purchased by certain tax-exempt institutions for their employees or purchased by schools for teachers, employees are entitled to an exclusion, within limits, from gross income for amounts contributed on a salary reduction basis.

EXPLANATION OF PROVISIONS

Increased deduction for retirement.—Under the bill, the annual limit on deductions for contributions to an IRA would be increased to 100 percent of the first $2,000 of compensation for an individual who is not an active participant in a qualified plan, a tax-sheltered annuity, or a governmental plan. For spousal IRAs, the annual limit would be increased to $2,500.

Deduction for retirement plan participants.—The bill would generally allow a deduction for up to $500 for contributions by an employee who is an active participant in a tax-qualified retirement plan, a tax-sheltered annuity, or a governmental plan. The deduction would be allowed, subject to the annual $500 limit, (1) for contributions to an IRA and (2) for designated employee contributions to a qualified or governmental plan or under a tax-sheltered annuity if the plan or annuity contract meets certain accounting requirements.

Under the bill, an employee could designate voluntary cash contributions as deductible for a taxable year. Designated contributions by each employee would be recorded in a separate qualified employee account under the plan or annuity contract. An employee's right to the balance of designated contributions (including gains, losses, income, and expenses relating to the account) would be fully vested at all times and withdrawals could be made by the employee at least annually. Withdrawals from qualified employee accounts would be subject to tax unless rolled over to an IRA or to another qualified employee account. As in the case of an IRA, withdrawals made by an employee before attaining age 59½ would be subject to an additional 10 percent tax unless the employee is disabled. An employee would receive an annual report on the qualified employee account.

To encourage the growth of qualified plans, the bill does not allow a deduction for contributions to a qualified plan by a self-employed individual.

Minimum deduction.—Under the bill, individuals (other than self-employed individuals) who are presently barred from making deductible IRA contributions would be allowed a deduction for IRA contributions. The deduction would be limited to 100 percent of the first $500 of the individual's compensation. The minimum deduction rule would apply, for example, to an active participant in a tax-qualified plan. The bill also permits limited income splitting by married couples under the minimum deduction rules. For example, if a wage-earner has compensation of at least $1,000 for a year, that $1,000 could be split with the wage-earner's spouse so that $1,000 could be deducted for IRA contributions (up to $500 for each spouse) even though one or both of the spouses is an active participant in a qualified plan. However, the contribution can be unequal. For example, a $750 contribution between two persons could be divided by placing $500 in one account and $250 in the other account.

Disclosure.—The bill expands the pre-investment disclosure rules with respect to IRAs. Under the bill, a financial institution which provides more than one investment medium for IRAs would be required to disclose the features of the alternative investments.

Effective date.—Generally, the bill would apply for taxable years beginning after December 31, 1981. The disclosure provisions would apply beginning on January 1, 1982.●

PERSONAL EXPLANATION

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BONER of Tennessee. Mr. Speaker, last week I was unavoidably absent from the House of Representatives while it considered House Resolution No. 67. My absence was the result of my being a patient at Parkview Hospital in Nashville, Tenn. Had I been here, Mr. Speaker, I would have voted in the affirmative on this legislative matter.●

IT IS TIME TO PROVIDE RELIEF FROM THE FOREIGN EARNED INCOME TAX

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. FIELDS. Mr. Speaker, as we embark in the coming months on a program of economic recovery, we must not overlook the importance of foreign trade to our Nation. In 1976, for instance, nearly 10 percent of all U.S. goods and services were sold abroad, adding $163 billion to the domestic economy. Obviously, healthy growth in foreign trade is essential to our economic well-being.

Unfortunately, however, America's ability to compete in foreign markets during the next decade is in jeopardy. This situation has occurred because it is increasingly difficult for U.S. citizens to work profitably overseas. Americans living abroad must pay exceedingly high costs in order to even approach their standard of living in the United States. Everyday expenses such as housing, schooling, and transportation, as well as relocation costs, are typically much greater than those at home.

Because of the higher cost of living overseas, American workers are generally paid a premium for relocating there. Salaries often reach a level thousands of dollars above average salaries in the United States, yet these higher salaries provide no greater financial benefit when used to compensate for higher expenses.

Since 1976, however, the Federal Government has begun taxing foreign earned income with little regard to cost differentials between the United States and countries abroad. Legislation enacted by Congress that year reduced the longstanding tax exemption on a significant portion of foreign earned income. The result has been that many Americans are moving back home to escape this punitive taxation.

Some U.S. businesses operating overseas have thus begun to hire foreign nationals to replace the departing Americans. As a consequence, many jobs are being lost at a time when unemployment is near critical levels at home. Further, U.S. firms are losing their competitive advantage in that they are unable to offer affordable American skills and materials to foreign customers. Surveys conducted by the Organization Resources Counselors, Inc. in 1976 and 1980 found that a serious decline in the number of American workers employed at U.S. firms had indeed taken place. In 1976, surveyed firms employed 73 percent of their work force with Americans; by 1980, surveyed firms employed only 37.2 percent of their work force with U.S. citizens.

Additionally, other U.S. firms have stopped trying to compete with foreign concerns. In many cases, competition is impossible given the fact that no other major trading nation taxes the earned income of its citizens living abroad. Consequently, American businesses employing Americans must cope with considerably higher costs than their competitors. In 1980, the flight of Americans working overseas cost our economy 280,000 jobs, 5 percent of our total exports, and approximately $6 billion to $7 billion in business activity.

Without question, the Internal Revenue Code changes contained within the Tax Reform Act of 1976 have subjected Americans living abroad to extreme hardship. Although Congress attempted to undo this damage in the Revenue Act of 1978, our foreign markets will not recover fully and we will not be able to lower our astronomical trade imbalance until a simplified and sizable exemption from the foreign earned income tax law is made available.

For this reason, I have recently cosponsored H.R. 911, a bill introduced by Congressman ARCHER, to provide for an immediate exclusion of $75,000 a year from U.S. personal income taxes on income earned abroad by individuals.

I would urge my colleagues to join in this effort by cosponsoring and supporting this most important proposal.●

IN TRIBUTE TO REPRESENTATIVE GLADYS SPELLMAN

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 3, 1981

● Mr. CLAY. Mr. Speaker, I am sad, but honored to pay tribute today to my friend and colleague Gladys Noon Spellman. The political career of Congresswoman Spellman might be a role model for any of us in public office. Gladys' wisdom, courage and dedication made her an outstanding Representative of the people of Maryland's Fifth Congressional District, and a valuable asset to the U.S. Congress.

Although it is very easy to recall the brilliant career of our esteemed colleague, it is very difficult to accept, if not impossible to understand, the untimely illness which prevents Congresswoman Spellman from claiming her seat in the 97th Congress. The presence and the contributions of the distinguished lady from Maryland will be greatly missed. But, it is my prayer that Gladys Spellman, who has been our dear friend and colleague, will soon make a remarkable recovery.●

SAFETY NETS FOR THE TRULY NEEDY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WEISS. Mr. Speaker, President Reagan has declared that budgets for programs which serve as safety nets for the truly needy will not be reduced. Marshall Matz, former special counsel to the Senate Committee on Agriculture estimates that cuts in the school lunch program would force 9 million children out of the program. His article in the New York Times offers persuasive arguments against reductions in the child nutrition programs. The article follows:

BYE, SCHOOL LUNCHES FOR THE "TRULY-NEEDY"

(By Marshall L. Matz)

WASHINGTON.—While seeking to cut $1.575 billion from the $3.918 billion child-nutrition budget in fiscal 1982, the Reagan Administration has listed school lunches for the "truly needy" as one of seven programs that will not be affected by the drive to reduce Federal spending. On the contrary, poor children will be affected, for millions who qualify for a free or reduced-price lunch under the nutrition program stand to be lopped from it.

Granting that the Administration is proceeding in good faith, it appears that its analysis of the lunch program is being limited to only one dimension: direct Federal support to the states for free lunches.

Students qualifying for a reduced-price lunch are not being considered "truly needy," and the Federal subsidy for such lunches would be slashed substantially. Though some six million middle-class students—those whose family of four earns more than $15,630 a year—are likely to drop out of the program because of dramatic increases in lunch prices, the Administration apparently considers this irrelevant to the availability of the program to the poor. However, as participation drops, many schools, unable to finance the programs or unwilling to continue them because they no longer serve all the students, will end them, and they will be lost to the entire community, including the poor. Overall, of the 27 million in the program, conservatively nine million can be expected to drop out or be forced out.

The Agriculture Department's commodity-support program constitutes a major part of the proposed cutback in general assistance. Commodity support, unlike cash assistance, cannot be divided between free and paid meals. The commodities (such as potatoes, peaches, ground beef) are shipped in bulk to the states and then to schools; it is not possible for cooks to use different amounts of such commodities in preparing free meals and paid meals. Thus, the commodity cut will be felt across the board, affecting poor children receiving free lunches along with everyone else.

Not considered in the President's claim that the $1.575 billion cut will not hurt the "truly needy" is the effect on lunches of the Administration's proposal to deduct the cost of school meals from a person's food-stamp allotment. This request, labeled a "food-stamp cut," seems to be viewed as irrelevant to the lunch program. Other assistance called "nonessential" includes nutrition education and training, as well as equipment assistance to schools, both of which benefit the poor.

Under current law, the general subsidy for each lunch served in the 1981-82 school year (fiscal 1982) will be 39.5-cents per student per meal in cash and commodities. If the Administration's proposals are enacted, the 39.5-cent subsidy will be completely eliminated and the cost of a lunch can be expected to approximately double. It is this cut that represents the bulk of the child-nutrition savings. It is also this modest subsidy to middle-class students that has prevented the lunchroom from becoming economically and, in some cases, racially segregated.

The school-lunch program operates like a business. It receives income from four sources—Federal, state, and local governments, and the students—and if income does not equal expenses, local programs will close. Unlike food stamps or aid to families with dependent children, the lunch program does not involve direct payment to individuals. All income, from whatever sources, goes into the same school-lunch cash register. It is not possible to withdraw $1.575 billion from the child-nutrition budget and reasonably expect that the poor will not be affected.

The Federal effort to eliminate child malnutrition dates back at least to the creation, in 1946, of the national school-lunch program. Since then, the Federal commitment to child nutrition has grown steadily, along with the evidence of its success. When a team of medical doctors returned in the late 1970's to the poor rural counties they had visited 10 years earlier to determine if any progress had been made in combating hunger, they concluded, and reported to Congress: "Our first and overwhelming impression is that there are far fewer grossly malnourished in this country today than there were 10 years ago." Their report attributed the progress directly to Federal nutrition programs.

America's nutrition programs have been amazingly successful, perhaps more than any other social-policy endeavor. The "war on hunger," originally declared by President Richard M. Nixon in 1969, has been an unsung bipartisan success story that has dramatically reduced malnutrition and increased human productivity. It is incumbent on those who advocate cutting back our nutrition programs to show that such changes will not reverse the progress we have made.●

PROBLEMS OF ALCOHOL ABUSE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BROWN of California. Mr. Speaker, I would like to call to the attention of my colleagues a speech that was delivered by William N. Plymat, executive director of the American Council on Alcohol Problems, before the House of Parliament in London, England. The subject of the speech was alcoholism and alcohol abuse. Not only does Mr. Plymat discuss the problems associated with alcoholism and alcohol abuse, but offers some alternatives to address this problem. While I am not totally in agreement with all of these suggested alternatives, I would like to point out two proposals he suggested: First, to disallow as a tax deduction expenses associated with the advertising of alcoholic beverages; and second, to require health warnings on alcoholic beverage labeling and advertising.

I am presently sponsoring two measures to address the problems of alcohol abuse. H.R. 1800 proposes to disallow alcohol advertising as a business expense. H.R. 2251 proposes to require that health warnings be placed on alcoholic beverage labeling and advertising. I urge my colleagues to read Mr. Plymat's statement and to join me in cosponsoring these bills.

The statement follows:

STATEMENT OF WILLIAM N. PLYMAT, SR.

I believe the underlying question relevant to your considerations today is: "Do facts, circumstances and conditions warrant a public policy aimed at holding down the consumption of alcoholic beverages?" If the answer is: "Yes" then the next question is:

"How can we achieve this objective and can restrictions on advertising be a part of a total effort in that direction?"

Alcoholic beverages create severe problems. They cause more death, injury, illness and human misery than all other drugs combined. The financial cost is enormous. The U.S. government agency dealing with alcoholism (NIAAA) issued a report to Congress in 1975 and estimated the U.S. cost at $42,750,000,000 annually breaking this down as follows:

Lost production	$19,640,000,000
Health and medical	12,740,000,000
Motor vehicle accidents	5,140,000,000
Violent crime	2,860,000,000
Social responses	1,940,000,000
Fire losses	430,000,000
Total	42,750,000,000

Undoubtedly today the cost is much higher.

THE SPECIAL DANGERS OF ALCOHOL

There is no common agreement as to the causes of alcoholism nor on any single correct therapy to cope with it. A doctor who was associated with Alcoholics Anonymous in its early days said it involved an obsession of the mind and an allergy of the body. There appear to be both physical and psychological causes. There may be hereditary and genetic origin factors. And one authority I respect says there are metabolic differences between alcoholics and non-alcoholics citing some very unusual differences. For a sizable minority alcohol is a powerfully addictive drug. An unknown percentage of those who become addicted seem able to break their addiction and find permanent sobriety. Those who fail face death at the end of the road. There appears to be a special danger for youth. Dr. Jorge Valles, a psychiatrist, was in charge of the therapy program at the U.S. Veterans Hospital in Houston, Texas until his retirement. He contends in his book: "From Social Drinking to Alcoholism" that the hypothalamus is in an imbalanced state in the case of youth and that organ is extremely sensitive to alcohol and its effect. He said: ". . . the younger the age at which an individual starts to ingest alcohol, the greater the chances that he will develop into a chronic alcoholic."

Youth are generally ignorant of the dangers of drinking too much too fast and many in my country die as a result. Immature youth are very susceptible to the clever advertising messages that are often aimed at them to use alcohol to achieve social acceptance and happiness. We owe a special duty to youth to protect them as much as possible from an industry that seeks to recruit them into using a drug that is extremely dangerous.

THE REPORT OF TWO U.S. GOVERNMENT AGENCIES

On November 25, 1980 the U.S. Department of Health, Education, and Welfare (HEW) and the bureau of Alcohol, Tobacco and Firearms (BATF) reported on a study they made on the extent and nature of birth defects associated with alcohol consumption by pregnant women, the extent and nature of other health hazards associated with alcoholic beverages, and the actions that should be taken by our government under two federal laws to inform the public of such health hazards. The study was ordered on December 19, 1979 by our Congress.

They found that two drinks a week during pregnancy increase the chance of miscarriage. Two drinks a day can cause babies to weigh less at birth. And the Fetal Alcohol Syndrome, a pattern of multiple deformities and mental retardation, can occur as a consequence of various levels of alcohol intake.

They found an increased risk of cancer, and that smoking and drinking interact with each other to further raise cancer risk. They found adverse effects on the heart, damage to the nervous system present in 50 to 70 percent of alcoholics who enter treatment, contribution to diseases of the liver and pancreas, association with depression and suicide with approximately one third of suicides involving alcohol, dangerous interaction of alcohol and drugs, and alcohol involved in approximately one third of traffic deaths.

Alcoholism is the alcohol problem that creates the greatest concern, but there are multitudes of other alcohol problems. In 1979 the Comptroller General of the U.S. in a report to Congress placed on the cover of his report the following: "Alcohol is the single largest factor in highway deaths—about 25,000 persons die annually in drinking driving accidents. . . ."

ALCOHOL CONSUMPTION LEVELS AFFECT ALCOHOLISM PREVALENCE

Dr. Wolfgang Schmidt, of the Addiction Research Foundation of Ontario, the provincial government agency coping with alcohol problems reported in 1971 the following:

"No matter what cut-off point is used to define alcoholism, its prevalence is invariably determined by the overall level of consumption. . . . It follows, therefore, that any factor that affects the volume of consumption inevitably affects the alcoholism prevalence and vice versa. . . . We suggest that the magnitude of the alcoholism problem can be reduced through reducing the general level of alcohol consumption . . . there is no hope of reducing the numbers of alcoholics or of those who drink at levels hazardous to their health—without rolling back the overall consumption of alcohol throughout our society."

Mr. H. David Archibald, Executive Vice Chairman of the Addiction Research Foundation said in a speech in 1973:

"As for the effects of advertising, we find there is no reason to believe that alcoholic beverages differ in any way from any other consumer goods. The volume and pattern of alcohol sales are affected by advertising just as are sales of television sets or cars. There seems to be no question, judging in part from the industry's own use of the media, that advertising—particularly by television—exerts a powerful influence over drinking styles and particularly over the developing habits of young people."

My son, William N. Plymat, Jr., is now advertising manager of an industrial farm machinery company in the U.S. I should like to quote from his article:

"The alcoholic beverage industry, spending an estimated $400 million a year to promote the increased sales of its products, is in effect increasing the size of the alcohol problem. Brand preference is not the only goal of advertising, increased total consumption is another. The level of alcohol sales is not a predetermined figure that is merely divided up between companies on the basis of advertising competition. Advertising affects total consumption . . . No industry spends nearly a half-billion dollars a year on advertising without a good idea of the value received. Liquor ads are so lucrative to magazines, newspapers, and broadcasters that the liquor industry has been able to exert substantial control over the media's reporting of news related to alcohol problems. In the case of one major distiller, should the publisher of a newspaper place a news item about any alcohol problem on the same page with an ad, a second free placement is requested. This is obvious intimidation. The threatened loss of revenue, even covertly implied, is enough to exert tremendous pressure on all media, with the result that the American people erroneously believe alcohol problems to be less significant now than in previous decades. Public attention has not been focused on alcohol problems in proportion to their importance, and advertising by the liquor industry is partly responsible for that state of affairs. . . . Freedom to advertise is commonly limited by law for the protection of the consumer, and should be in those cases where the product being merchandised has the potential to be manifestly destructive. There is no democratic precept that requires the freedom to portray dangerous materials as wholesome and beneficial products."

WHAT ACTIONS CAN BE TAKEN

Here are actions that can be taken:

(1) *Prohibit advertising.*—When legal systems permit, a total prohibition of advertising of alcoholic beverages should be instituted. This is happening in some countries as I feel sure others will report. In the U.S. our Constitution limits the power of the Federal Government to inter-state commerce in this area. Thus our Federal Government could ban advertising going across state lines, but could not stop advertising within states. A state prohibition would discriminate against local advertisers in favor of those in inter-state media such as magazines, newspapers and radio and TV.

(2) *Put an economic damper on this advertising.*—Most producers in the U.S. are in the 46% tax bracket and inability to deduct their advertising costs would mean an increase of something over $200,000,000 in federal taxes if they maintained present expenditures. But facing this we believe they would reduce expenditures, but if they merely passed on the extra tax in higher prices this would also have an effect of reducing consumption.

(3) *Place limitations on copy in advertisements.*—In the U.S. under our constitution it is difficult, if not impossible, to create any system of censorship. But in one province of Canada I noted a plan proposed some time ago to prohibit "life style" ads which would feature people in social settings implying great value in drinking. I do not know if that system is now in effect, but it may be soon if it is not now.

(4) *Place warnings on the dangers of alcohol in ads and on labels of beverages.*—In 1980 my organization published a leaflet outlining the dangers in the use of alcohol and calling attention to our proposal of a specific warning proposal for labels and ads. We printed over 500,000 copies of this leaflet and they are now being used in state-owned liquor stores in eight states. The warning is as follows:

"WARNING

"Using this product: Too fast may cause sickness or death; may impair driving ability; may create dependence or addiction; and during pregnancy may harm the unborn.

"Legal age required for purchase."

Our leaflet in a series of panels explains each section of the proposed warning. The warning alerts and the leaflet informs. We are having a wide distribution of the leaflet now in schools, churches and in business firms.

Bills will be introduced in the U.S. House and Senate to mandate a health warning on liquor bottle labels. We are hopeful that our proposed warning will be the one required because a specific warning is needed. A general warning will not be adequate.

I am hopeful that your Parliament will adopt one or more of the actions I have suggested. We must realize that in taking action in this field we should not think we are "solving the problem" with advertising prohibitions or restrictions. There are many fruitful actions that need to be taken to hold down and hopefully reduce consumption, and it would be unfortunate, if after taking action against advertising, we were to become complacent and avoid taking other actions.●

CLAIMS OF PAUL D. CAMP, SR.

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing legislation that would correct a gross injustice to one of our Nation's veterans that occurred due to improper treatment at Keesler Air Force Base, Miss.

The bill states that the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to Mr. Paul D. Camp, Sr., of Fairbanks, Alaska, the sum of $1,000,000 on account of his claims against the United States arising out of medical care and treatment which resulted in the amputation of his right hand and forearm. Such care and treatment, with respect to an injury to a finger of his right hand was accorded Paul Camp, during the period April 1973 to June 1975 at Keesler Air Force Base, Miss. These claims are not cognizable under the Federal tort claims provisions of title 28, United States Code. The provisions of sections 8116 (b) and (c) of title 5, United States Code, do not apply with respect to the claims of Paul D. Camp, Sr., dealt with in this act.

In April 1973, Mr. Camp received an injury at Keesler AFB that resulted in a stiff right little finger. Improper treatment of this minor injury led to his having his right arm amputated, complete uselessness of his upper right extremity—called causalgia major and continuous and severe pain. The man is 100 percent disabled and cannot work. A million dollars may sound like a lot of money. I feel it is more than justified after totaling the losses that this man has incurred due to the negligence of this hospital. He has lost years of wages and he has lost the possibility of ever making a living for his family and himself again. He has endured extreme pain and suffering and probably always will. He has lived with a disfigurement. The present and future security of his family added to these other factors, warrants, I think this settlement.

I would like to submit excerpts from Mr. Camp's own summary of the events which led to his tragic situation. I omit the names of the doctors.

It is my opinion that I am a victim of extreme malpractice in as much as I feel that I was used by doctors to gain experience in hand surgery. I am informed that a zig-zag incision known as a Brenner's Incision is never used in hand surgery but this type of incision was used on my hand.

Multiple operations were performed on my hand within a ten months period. I am told that multiple operations should never have been performed on a hand in less than one year and the time should be eighteen months. It should be noted that the tendon graph, used to replace the Hunter's Prothesis, was taken from my left leg rather than the left arm as I had been told would be the case.

Even though I was losing ground, in relation to my hand and arm, I was put on a worldwide status back to duty and am thoroughly convinced that this was done to try and cover up the malpratice or the wrong doings of my operable procedures.

It is also my opinion that if I had been sent to Duke University as requested by my doctor in 1975, but denied by the hospital commander, I would at least have some usefulness of the hand and would have never had Causalgia Major or an amputation as I now have.

The physical therapist at Keesler also suggested that my little finger be amputated after many months of physical therapy but the doctor disagreed. I feel strongly that this also would have probably saved my hand from amputation and the Causalgia Major.

It became readily apparent, after I acquired the services of an attorney, that all medical personnel backed off when it came to doing anything with my hand, in fact, with any part of my case. After the doctor left the Air Force, the other doctors did not want to become involved in my case because of pending lawsuits I had against the Air Force.

I have been fighting for six and a half years to try and get some relief from the malpractice that was involved in early 1973. As of this date I am in extreme pain most of time. Any stress, excitement, sexual activity, anxiety or weather change all trigger the electrical type shocks and burning sensation all the way up to the base of my skull.

I am asking for the support of my colleagues for due compensation for this veteran, who through the gross negligence on the part of U.S. Air Force doctors, has had his life shattered.●

IN TRIBUTE TO THE LATE JOHN WILLIAM McCORMACK, A GENTLEMAN'S GENTLEMAN

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. HAMMERSCHMIDT. Mr. Speaker, what remains to be said about John McCormack that has not already been said by this Nation's most powerful men and women? The answer is nothing. And that in itself reveals a great deal about this great American who came to be loved in such a special way by so many.

Taking this opportunity to honor the memory and service of this rare individual, the moving words of Speaker O'NEILL as he anounced Mr. McCormack's passing come to mind as a fitting summary of his life: "There was a great man among us; and now he is gone."

I had the distinct pleasure of serving under Speaker McCormack during my freshman term in the U.S. House of Representatives. I can still recall during our first meeting when this truly gentle man took the time to discuss my own political situation as one of the first Republican Representatives to be elected in Arkansas for nearly a century. This was one effort on his part to give encouragement to a colleague of different philosophical persuasion on government, and certainly one which I appreciated.

Although Mr. McCormack presided over the House during tumultuous times, it was his private character which never ceased to amaze me. He had a presence that was impressive. His face radiated a confidence that left no doubt in anyone's mind that he was indeed the leader of this Chamber.

As presiding officer of the House, he was impeccably fair, impartial, patient, and a master of parliamentary skills. His strength was his personal consideration of all Members, which inspired affection and a desire to compromise and cooperate in return. In actuality, he devoted himself for 42 years to the legislative process. Upon approaching his retirement he stated, "My heart is in this House, I have an intense love for this body." I was fortunate to have had the chance to witness that love.

A staunch Roman Catholic, he demonstrated an intense hatred of communism to the day of his death because it is based solely on atheistic dogma. Furthermore, he was a Christian who lived his faith. He demonstrated tremendous compassion for the poor of our Nation because of his own humble beginnings. Although he was able to rise above his childhood poverty through sheer determination, he never forgot where he came from. The disadvantaged of our country had a fine champion in John McCormack. Despite a demanding schedule in Washington as Speaker, he attended faithfully to the needs of his home district. He knew every street of his district, and his schedule was never too busy to prevent him from returning to the people.

His devotion to his wife Harriet was legendary in Washington. Although they were married for more than half

a century, it is said that they never spent a night apart. After he left office, the Speaker spent practically all his time nursing his wife at her bedside in Providence Hospital in Washington. During her long illness he spent each night for more than a year in an adjacent hospital room.

My colleagues in the House of Representatives can learn a great deal from this man's life, which was marked by hard work, determination, and high goals. These principles through which Mr. McCormack attained his greatness should be an inspiration to all who serve the citizens of our great Nation.

It is said that Speaker Rayburn was an effective Speaker because the Members feared him. Well, it should be added that Speaker McCormack was effective because the Members of this body respected him. This man has been described in many ways by many people, but no one dared to accuse him of not being convinced that his actions were not in the national interest, or that he lacked the courage of his convictions to communicate his beliefs and ideals.●

REAGAN ADMINISTRATION REVIEW OF THE LAW OF THE SEA TREATY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. DERWINSKI. Mr. Speaker, I was pleased to see the Reagan administration is calling for a review of the text of the Law of the Sea Treaty in its draft form. In view of its efforts to reach a satisfactory U.S. position, I believe that it is important for the administration to thoroughly study the text.

In this regard, I would like to insert the second part of a speech by our colleague, JOHN BREAUX, before the American Oceanic Organization, concerning the Law of the Sea Conference. His remarks follow:

The fact is that virtually every sector of American industry affected by the negotiations, not just the ocean mining sector, has been critical of them. The U.S. Chamber of Commerce had identified in the American business community at large little support for, but considerable objection to, the emerging agreement and serious concerns have been expressed by the American Petroleum Institute, the American Mining Congress, the National Ocean Industries Association, the National Association of Manufacturers, the Licensing Executives Society, and even members of the Aerospace Industries Association. Professional organizations, including the American Bar Association and the International Law Association (American Branch), have also strongly criticized the work of the Law of the Sea Conference. Many industry and academic participants in the Law of the Sea Advisory Committee have voiced powerful objections to the product of the negotiations.

Congressional expectations relating to the Law of the Sea negotiations on the seabed regime are largely reflected in Title II of the recently enacted Deep Seabed Hard Mineral Resources Act, and it is apparent, even to the casual observer, that the Conference negotiating text falls far short of meeting fundamental requirements. Statements by key Senators and Congressmen during Floor action on that legislation reveal very substantial objections to major elements of the Law of the Sea ocean mining regime, and that was before the Senate changed so drastically on November 4.

It should be noted, as well, that both the investigative and research arms of the Congress have recognized the difficulties for private enterprise which have been created by the Conference negotiations. The General Accounting Office and the Congressional Research Service have each issued reports and studies which substantiate the concerns expressed by United States industry.

I must emphasize that I prefer a good treaty to no treaty at all. I believe that some elements of the treaty could be useful, but that key provisions of this present Draft Convention require considerable revision, if the final product is to pass the ultimate test of advice and consent and implementation in domestic legislation. To that end, a thorough review by the Reagan Administration is essential. If this Administration, with its stated political and economic philosophies, allows this treaty to go forward in its present form for signature in Caracas this year, I am confident that the Senate will not approve it.

The schedule of the Conference, set by previous Administration officals, ought not to dominate the review process. What is of prime importance is that our substantive interests be protected. If that adds a few more months or years to a negotiating process that has consumed more than a decade, the consequences for the Conference should be manageable enough. Ultimately, our interest and that of the international community in U.S. adherence to the treaty will be served.

In closing, I would like to say that, although it is popular to lay at the feet of former Secretary of State Kissinger many major U.S. concessions on ocean mining, the quid pro quo that he demanded was assured access to seabed minerals. And, he made clear the U.S. determination to proceed with unilateral mining, if necessary. I quote him on the point:

"What the United States cannot accept is that the right of access to seabed minerals be given exclusively to an international authority, or be so severely restricted as effectively to deny access to the firms of any individual nation including our own. . . .

". . . this country is many years ahead of any other in the technology of deep sea mining, and we are in all respects prepared to protect our interest. If the deep seabeds are not subject to international agreement the United States can and will proceed to explore and mine on its own."

I strongly suggest to you in the ocean community that this guid pro quo has not been satisfied in the present Draft Convention. Unfortunately, the sheer momentum of the lengthy Law of the Sea Conference process could produce a fundamentally unacceptable result. Therefore, it is crucial that you get involved personally and with commitment. I am encouraged by the basic approach of the newly placed officials in this Administration. I think that they may be responsive to our fundamental concerns. They are guided by a party platform that is critical of the treaty negotiations and is committed to a greater attention to our vital minerals interests. Secretary of State Haig is particularly sensitive to the strategic materials requirements of the United States and to the necessity of protecting our system of values against the hostile forces of the international arena. He has, significantly, expressed his determination to make sense of United States policies toward the escalating demands of the Third World and pressures of the Soviet Bloc.

I am personally committed to continuing my public statements and actions concerning the treaty. But my actions are not enough. You must add your voices to the process. For the many of you who share my concerns, there is, finally, someone willing to listen.●

HUNT SCHOOL STUDENTS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LONG of Maryland. Mr. Speaker, it is with special pleasure that I welcome students from the Hunt School in Baltimore, Md., who have journeyed to Washington for a first-hand look at their Nation's Capitol.

These students, led by Ms. Kathy Daly, Mrs. Philip Moore, Mr. and Mrs. Dockman, and Mrs. Tsakalos, will observe the House in session, and will tour the Capitol Building.

I am delighted these young Americans are taking the opportunity to expand on their classroom learning, and look forward to discussing with them the legislative process and listening to their questions about national issues.

Students who are visiting us today are: Nancy Canfield, Katie Caputo, Louis Dockman, Catie Fisher, Michael Lark, Jenner Manson, Mac McCulloch, Nate Moore, Allison Obrecht, Timothy Roberts, Heather Ryan, Katy Spencer, Michael Tsakalos, and Sarah Wellner.●

ARTS AND HUMANITIES ENDOWMENTS FUNDING

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. WEISS. Mr. Speaker, last week, the highly respected pollster and distinguished national chairman of the American Council for the Arts, Mr. Lou Harris, testified before the Subcommittee on Postsecondary Education. His testimony in opposition to the proposed 50-percent reduction in the Endowments for the Arts and Humanities offers persuasive arguments for increased funding for the Endowments. The testimony is, I believe, of such importance that these Members of the House who do not serve on the subcommittee will also benefit from it. Mr. Harris' testimony follows:

TESTIMONY OF LOUIS HARRIS, CHAIRMAN, AMERICAN COUNCIL FOR THE ARTS

Mr. Chairman, my name is Louis Harris and I am here today in my capacity as National Chairman of the American Council for the Arts, a major private sector organization which both provides service to arts organizations and institutions, as well as advocating positions on public issues as they affect the non-profit world of the arts.

I come before you today directly in response to the call by President Reagan in his economic message before the Congress for cutting Federal funding of the non-profit arts by the Federal Government from the $175 million level in the Carter budget to roughly 50 percent of that amount, down to $88 million for fiscal year 1982.

Mr. Chairman, let me say at the outset that I have seen the Congress gradually and steadily support the arts over the past decade. I recall well that the National Endowment for the Arts began under modest circumstances, indeed. Under President Johnson, a Democrat, it was no more than a $7.5 million authorization. The endowment support grew most dramatically not under Democratic, but instead Republican Presidents, with President Nixon initiating the most dramatic rises in backing. This was in no small part due to the yeoman efforts of the then chairman of the endowment, Nancy Hanks, who got me personally involved in this effort in the first place, and who is one of my predecessors as chairman of the ACA.

Despite these rises in Federal funding of the arts, and contrary to the view that this country has been generous in its backing for the arts, the United States, by any comparison with other nations, has been playing catch-up in this matter of helping the non-profit arts. Let me give you some comparisons from the latest data available. In America, we are appropriating all of 74 cents per capita at the Federal level for the National Endowment for the Arts.

This compares with $2.15 for Australia, $3.60 in Great Britain, $6.07 in Canada, $11.88 in France, and $28.23 in Denmark. By any standard, Federal support for the arts here in this country is meager, indeed. And, now, we are being asked to cut it back to 41 cents per capita.

We at ACA deeply believe that such a cutback is not only wrong, but it is not a reflection of what our people want nor what is wise for the psychological and spiritual well-being of our people. Yet, let me point out that we in the arts do not come before you as destitute paupers, as veritable alms beggars pleading for a pittance. We come before you because we are convinced, and the evidence backs this contention up, that with the help of the Federal establishment, as well as the private sector, the arts have earned greater support from the people of this country. If I might put on my professional cap for a moment, I would like to lay out for you some highly significant facts from a survey of a cross-section of the American people taken last July.

First, we found that under the press of inflation, the number of work hours had risen from 40.6 per week to 46.9 hours, and time for leisure pursuits had shrunk from 26 to 19 hours per week for the average adult in the U.S. Put bluntly, this meant that for the arts and other leisure-time activities, competition was becoming more acute. People had less time and money to spend.

Despite this time crunch, attendance at arts presentation has gone up since 1975—across the board. More people are now attending live theatre performance, popular music, live classical music, opera or musical theatre, dance, and art museums than ever before. These results are even more significant when it is realized that people also reported a fall-off in sports viewing and attendance, and in doing things around the house, such as gardening, for instance.

Even more dramatic is the personal participation of people in the arts, in every part of the country. The number who are involved in photography as a form of artistic expression—up from 19 to 44% in just 5 years. The number who play a musical instrument—up from 18 to 30%. The number who write creatively—up from 13 to 22%. The number who dance either modern dance or ballet—up from 9 to 20% in five years. The number in a choir or choral group—up from 11 to 21%. Rises are also evident in the number who sculpt or make pottery, the number of who paint, draw, do needle work, or work with local theatre groups.

Taken together, these findings show that there has been a veritable explosion of participation in the arts by the American people. The singular mark of the patterns that emerge is that at all levels, in all areas, the movement of involvement has been up. In this period of serious economic troubles, it is significant that literally millions of people across the country have taken to creative expression in a variety of arts activities. The urge to partake of the arts personally runs deep and is expanding rapidly. Yet, at the same time, fully 33 percent of our people who want to go to the theatre have no facilities around where they live, 30 percent have no center available where they can learn arts and crafts, 46 percent have no concert hall, and 41 percent have no accessible art museum.

Specifically, people want more children's theatres, outdoor arts festivals, more exhibitions of painting or sculpture, more plays, musicals, pantomimes, and other adult theatre performances, more classical music concerts or recitals, more folk or ethnic dance performances, more ballet, and modern dance performances.

Mr. Chairman, the lives of many Americans these days are tough. They live in deep worry about making ends meet, of how they will next be cheated or have their pocket picked by the ravages of inflation, along with the insecurity of a high level of unemployment. People are highly articulate about the arts and what they mean to them. By 70–25 percent, a majority feel that "the arts allow you to find a source of creative expression and experience in a troubled world." By 75–22 percent that the arts "give you an uplift from everyday experiences." By an even higher 80–16 percent that the arts "just give you pure pleasure to experience or participate in."

I would make the claim that the arts are fast becoming an essential ingredient in the daily lives of our people, as that precious respite from the worries and the drains of everyday existence. They help enormously to enhance the quality of the human experience in a well nigh indispensable way.

And, they favor Federal backing of the arts with money, by 59–39 percent, a solid majority are willing to pay $15 more in taxes, if need be, to assist the arts financially. That is 20 times the amount now funded by the Federal Government. By 59–36%, a solid majority also favor a plan under which for every $3 an arts organization gleans from the private sector, there ought to be $1 of matching Government monies. People see the two as going hand-in-hand. The Federal Government to provide seed money, while the private sector to be the main bulwark of financial assistance.

Lest there be any misunderstanding about just how generous or supportive the private and public sector have been to the arts, let me cite some facts, as of 1978, which is the latest information that exists. For all of the performing arts, 60% of their revenues are derived from earned income, 20% from the private sector and 14% from Government funding. In the case of art museums, 47% is derived from earned income, 24% from the private sector, and 29% from Government. I might add that a majority of the governmental financial support is generated far more from State and local government than at the Federal level.

What, then, is the proper role of Federal funding of the arts? Basically, it is monies which help our most prestigious institutions undertake new and exciting programs to meet needs on a broader basis. The Bell System, for example, has undertaken a program under which leading symphony orchestras are funded but only if they schedule concerts in communities which have never had a live orchestra there before. This idea stemmed directly out of the activities of both the ACA in the private sector and the endowment in the public sector. But the basic bill is being paid by the private sector. There would not be the dance in America on its current scale, if it had not been for the existence of Federal seed money to bring it to more and more communities on a professional basis. Much the same could be said for many other disciplines in the arts. The Federal Government can encourage and can fund through the seed money approach to expansion of the arts in countless communities across the country. The number of community arts councils has grown from close to zero 15 years ago to over 1,800 today. These do not have big budgets, the professionals in them work for roughly half what their counterparts are paid in universities, which is about half in turn of what corporate America pays comparable people. They grow out of their communities, they are totally grass roots and indigenous. This is real and its growth has been explosive. Shall we now tell them that they are engaged in a fruitless endeavor, that there no longer will be a partnership between the public and private sector to allow people to participate in and to enjoy the arts in this country?

Mr. Chairman, you could eliminate all Federal funding of the arts from the national endowment, and if you do, then an unfortunately large part of the American scene will go gray, colorless. And, mark it well, you have made no dent at all in cutting back Federal spending. The arts must surely represent the least amount of Federal outlay for an area which is reaching more people across the country in a highly positive way. The arts don't need much money. They have never asked for much.

But to keep the current level of $159 million for the National Endowment for the Arts or to keep the recommended $175 million in the face of what is an average increase of 30 percent expansion that is

taking place in the arts in this country every year, surely is not being profligate. Indeed, for a burgeoning area such as the arts, simply to stand still in Federal monetary assistance is the equivalent of asking for much pain and further sacrifice from those involved in the professional, nonprofit arts in this country. To cut that budget in half will send forth a signal that now this Government is saying loud and clear that the best buy ever made with taxpayer money, the small but memorable pleasures of partaking of a positive and emotional experience in one's life, is now to be muffled out. We talk about the great benefits of being a free people and the tight bonds that are kept over people in communist countries. In their way, and it is not a small contribution in the aggregate, the arts have come to stand for this freedom of expression, a burst of creative experience that make much of the rest endurable. So we ask you to restore these proposed cuts in authorization—not in the name of saving starving artists, but as an expression of tangible encouragement for a job well done, but one that is at best only half finished. Our people deserve no less.●

RELIEF OF JERRY L. CROW

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing legislation to provide for the relief of Mr. Jerry L. Crow. This measure was introduced during the 96th Congress and it was passed, after appropriate committee consideration, by the Senate. Due to the fact that the action taken last Congress occurred late in the session, the House of Representatives did not have adequate time to address this legislation. It is my hope that this bill will receive prompt and expeditious consideration early in the 97th Congress.

The purpose of this measure is to allow Mr. Crow to purchase up to 10 acres of public land and lease up to 70 acres of surrounding lands in Alaska for a trade and manufacturing (T. & M.) site. The lands which would be conveyed or leased to Mr. Crow were originally described in the applications he filed for a T. & M. site in 1967, pursuant to the act of May 4, 1898.

Clearly, there is a need for this bill. Initially, Mr. Crow's application was denied by the Bureau of Land Management (BLM), the Interior Board of Land Appeals, and the U.S. district court because it did not meet the legal tests set by BLM regulations. The grounds for this rejection were based upon Mr. Crow's failure to prove that the campground he had constructed on the site could qualify as a productive industry.

Mr. Crow however, has worked to develop the campground, improve the site, and operate the facility in a productive manner to make a good-faith effort to move his application forward for the T. & M. site. Unfortunately, the long period which elapsed between the filing of his application and the field examinations and decision by the BLM, combined with the requirements that were not made clear to Mr. Crow at the beginning of this period, resulted in the failure of his application.

In view of the circumstances surrounding Mr. Crow's application, the equities of the situation are such that Mr. Crow should be permitted to purchase up to 10 acres of land from the Federal Government at the fair market value as of 1967 which is the date of his application for a trade and manufacturing site. In addition, a long-term lease of up to 70 acres of the remaining land covered by the T. & M. site should be permitted.

Mr. Speaker, enactment of this bill would not result in costs to the Federal Government nor would it affect future decisions under the act of May 14, 1898, but it would rectify an inequity and allow Mr. Crow an opportunity to operate his campground. I ask my colleagues to join me in supporting this legislation.●

LEGAL SERVICES CORPORATION: A MATTER OF JUSTICE

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. OBERSTAR. Mr. Speaker, the Legal Services Corporation is not perfect; no program is. The administration of the Corporation, as well as the authorizing legislation itself, could use improvement. The Corporation, however, has certainly fulfilled the mandate given it by Congress: The provision of legal services to the Nation's low-income people.

I do not believe Congress made a mistake in granting that mandate. Consequently, I view the administration's interest in abolishing the Corporation with deep concern. Abolition would raise fundamental questions about the commitment of the Federal Government to the concept of equal justice embodied in our founding charters.

During the past year, I have heard from the dedicated attorneys in my district who work in Corporation-funded programs. I know the kind of work they are doing for the people of my district. I want that work to continue.

I have received persuasive testimony to the effectiveness of the legal aid program, from the State and local officials who, on a daily basis, see what the program means to the people we represent.

The New York Times on Sunday, March 8, ran an editorial which, in a most succinct and compelling manner, outlines the strong case for retention of the Legal Services Corporation. I ask that that editorial be included in today's RECORD.

[From the New York Times, March 8, 1981]

SAVING MONEY? NO, PRESERVING JUSTICE

So it isn't the cost, after all, that bothers Mr. Reagan about legal services to the poor. It's the very idea of this program, which has enriched American justice, that sticks in the craw of a President who tilted against its lawyers when he was Governor of California. He offers to let the states use some of their other Federal money to sustain the program, if they like. But he knows not many will. Mr. Reagan aims to kill the Legal Services Corporation. He should be stopped.

The issue here is not just another worthy social program that America can't fully afford. It is a matter of protecting a fundamental principle of a fair society—equal justice. Legal Services represents in civil law what public defenders represent in criminal law: a chance for poor people to establish their rights by means available to the rest of society.

Ever since the Supreme Court ruled in 1963 that indigents charged with crimes are entitled to free representation, they have been routinely supplied with public defenders. But the same is not true when poor people are harassed by arrogant welfare agencies or hostile landlords. Without the Federally funded Legal Services program, they would have to represent themselves or rely on overworked legal aid bureaus and inexperienced law students.

The Federal lawyers have not only moved energetically to press individual grievances but have also brought class actions to correct systematic injustice. And that, of course, is why the program has made few friends among the elected officials, businessmen and bureaucrats it has beaten in court. Mr. Reagan has never forgiven California's Rural Legal Assistance program for requiring him to spend more than he wanted on welfare and Medicaid.

Governors and state legislators cannot be relied on to support some decentralized version of the program. Their policies and agencies are often the targets of suits by these lawyers. Legal equality for the poor ought to rest on a sounder foundation.

Legal Services is no radical scheme for the redistribution of wealth. The American Bar Association warmly supports the program because conservative and liberal lawyers alike know it is a plan for fairly establishing rights. The relief it manages to obtain for the poor can be won only under laws passed by legislatures and interpreted by the courts. But a legal right, like a tax benefit, is meaningless for those who cannot afford the experts to claim it.

There may be aspects of Legal Services worth debating; it may even be that economies could be found in its $320 million budget. But to kill the program, under the pretense that the states are free to keep it alive, is unconscionable. The issue is not whether to save money; it is whether to preserve justice.●

EDUCATION

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mrs. CHISHOLM. Mr. Speaker, educational opportunities for a number of Americans have improved considerably due to the availability of educational programs funded by the Federal Government and administered by State, county, or municipal agencies. If the Reagan Administration's proposal to trim the budget of some 57 programs for the educationally disadvantaged by 20 percent is carried out many will suffer.

The Reagan proposal also includes a plan that would divide funds for educational programs into two block grants to be administered by the State and local agencies. Many foresee problems with this provision and insist that the Federal role in education be maintained to insure that all children are educated to their full potential.

Much has been accomplished by the role of the Federal Government in education: An area which many view as the sole province of the State or local government. It is important that those of us who favor an end to this role keep in mind that the Federal Government assumed this role because of the failure of local and State governments in this area.

The children's defense fund pioneered much of the work that resulted in educational programs for the educationally disadvantaged and the handicapped. Following is the CDF's assessment of the Reagan proposal and the ill effects it could have on education in this country.

EDUCATION

THE PROBLEMS

Over 1 million school-aged children are not enrolled in school. They are disproportionately Black, Hispanic, Native American, and handicapped. Many are out of school not by choice but because they have been excluded or failed by the state and local educational systems.

Others in school are not learning. Thousands of white and minority youths are unable to read, write, or compute well enough to get or hold a job. In some of the nation's largest school districts, one young person drops out of school for every one who graduates.

There are already over 4 million high school dropouts between the ages of 16 and 24. High school dropouts are twice as likely to be unemployed as high school graduates. Youths, particularly minority youths, who drop out of school before completing junior or senior high school find themselves two to three times more likely to remain unemployed for long periods of time. The underachievement and educational victimization of minorities mirror high unemployment, and mean excessive welfare, hospitalization, and institutional care costs for the future.

Over 4.1 million school-aged children are handicapped and require some kind of special education. Of these children some 220,000 are still waiting to be evaluated and some 120,000 already evaluated are waiting for proper placements. Today, in New York City alone, 15,000 handicapped children are on a waiting list for evaluation and special education placement.

Nationally, there are over 3.5 million school-aged children who do not speak English. Although these children represent over 90 different language minority groups, about 70 percent speak Spanish. Dropout rates are well over three times higher for Hispanic youth with limited English speaking ability than for Hispanic youth who do not face a language barrier. Among Hispanic children, one drops out of school for every Hispanic youth who graduates. And, most Hispanic children who drop out of school, do so before reaching 9th grade.

WHAT DOES THE REAGAN ADMINISTRATION PROPOSE?

The Reagan Administration wants to consolidate and cut 20 percent of the funding for 57 education programs which would be divided into two block grants: one administered by state educational agencies and the other flowing directly to local educational agencies. the local education agency block grant includes six large programs: Grants for the Disadvantaged (Title I, ESEA); Education for the Handicapped (P.L. 94-142); Bilingual Education (Title VII, ESEA); Emergency School Aid/ (Desegregation, title VI ESEA); Adult Education Act; and School Libraries and Instructional Resources (Title IV-B, ESEA). The first three of these are the very backbone of support to poor, educationally deprived, handicapped and limited English speaking children. They would be lumped together and stripped of provisions that ensure targeting, procedural safeguards, individualized programming, parent involvement, non-supplanting of state and local resources, and civil rights enforcement. State and local educational agencies would be freed from all legislative and regulatory prescription and allowed to set their own priorities on the amounts and manner programs for vulnerable populations of children are to be funded and implemented, if at all. The proposed savings in budget authority for fiscal year 1982 is projected at $1.827 billion.[1]

WHAT WOULD BE THE IMPACT OF THE REAGAN ADMINISTRATION'S PROPOSALS?

Disadvantaged children.—In 1981, some 5.9 million disadvantaged students (low-income and educationally deprived) participate in Title I funded compensatory education programs in 90 percent of the nation's school districts. An average of $450 is expended per pupil. Recent evaluations of the program indicate that Title I students are achieving measured gains in reading and mathematics. However, due to a lack of full-funding, only 67 percent of the eligible children are participating.

Cutting the Title I program by 20 percent would eliminate approximately 1 million children from the program and severely affect resources available to urban depressed school districts where the need for Title I funds is most crucial. However, given the block grant proposal, it is impossible to determine the exact scope of such a cutback—since school districts would be relieved of all federal responsibility to spend any of the funds on compensatory education. And, even should school districts choose to provide compensatory programs, there is no guarantee that resources and services would go to the poorest schools within the LEA or to the most needy children.

Handicapped children.—Perhaps the most ambitious of any federal education program is the Education for All Handicapped Children's Act, P.L. 94-142. Under federal law, it guarantees every handicapped child, the right to a free appropriate public education.

P.L. 94-142 is allocated $922,000,000 in the fiscal year 1981 continuing resolution. It is grossly underfunded even at this level. While the authorizing legislation provides for federal funding up to 40 percent of the handicapped, somewhat less than 12 percent will be covered with the $922,000,000 appropriation. Part of the problem in implementing the law has been the lack of resources at the state and local levels. Although required to provide special services for handicapped children, school districts have balked when federal funds were not substantial enough to pick up more costs.

The Reagan Administration plans to consolidate P.L. 94-142 into the local block grant and cut funding by twenty percent. The entitlement to a free appropriate education in the least restrictive environment would in effect be eliminated. Under the block grant proposal school boards would be free to spend 100 percent of their money on libraries or equipment and not spend any funds on handicapped, poor, racially isolated or bilingual children.

The impact would be devastating. School districts would be free to pick and choose which handicapped children, if any, receive a special education. Thousands and thousands of children can be expected to be denied appropriate services and a right to education and training.

Bilingual children.—The Bilingual Education Act, Title VII, ESEA, provides grants to local educational agencies to develop bilingual education programs. The grants are discretionary and are funded at approximately $174,963,000 in fiscal year 1981. Presently, 12 states mandate bilingual education for limited English speaking students. The federal program allows local agencies with a high concentration of limited English speaking (LES) children to provide special transitional programs for these students, even if the state has no policy. Some 556 local projects serving children were funded in fiscal year 1980. The average placement of LES children in bilingual education programs is no longer than two years before they are integrated fully into school programs taught in English.

The Reagan Administration wants to cut funding for the bilingual education program by 20 percent and put it into a block grant. Its distinct nature would be lost. Many of the local bilingual education programs now operating with federal assistance would very likely be eliminated. The incredibly high drop-out rates for language minority children could increase. Language minority children drop out of school in such large numbers because they can not understand English and are not learning. They become illiterate, and all too often, unemployed teenagers and adults. The economic and human costs are great.

EDUCATION CUTS AND CONSOLIDATIONS HURT THE TRULY NEEDY

The Reagan education budget and its proposed block grants will severely hurt poor,

[1] Significant savings in outlays do not begin until fiscal year 1983 due to the forward funding requirement of most education programs. However, rescissions in outlays for fiscal year 1981 can be expected in future proposals from the Reagan Administration.

disadvantaged, handicapped, limited English speaking and racially isolated children and their families.

Budgetary cuts of twenty percent are awesome in themselves, but the stripping away of all targeting, procedural safeguards, parent involvement, maintenance of state and local effort, and civil rights provisions, in effect, completely nullifies sixteen years of federal legislation designed to remedy deficiencies of will and/or ability at the state level to provide equal educational opportunity for all children.

IS THE ADMINISTRATION'S PROPOSAL PRO-FAMILY?

No. The Reagan Administration says that parents should have more say in the education of their children. That's why, it says, it will endorse tuition tax credits for private school attendance. By proposing block grants and drastic budget cuts for public education and tuition tax credits for private education, the Administration is practicing a reverse Robin Hood mentality. Poor parents of disadvantaged and handicapped children would lose their rights to hold schools accountable under existing laws. Middle-income and upper-income parents would escape the lowering of academic quality in the public schools, accelerated by the 20 percent cut in federal funds, by enrolling their children in private schools that can legally avoid educating disadvantaged and handicapped children.

WILL THESE PROGRAM REDUCTIONS ENCOURAGE SELF-SUFFICIENCY?

No. Millions of additional disadvantaged students would be denied crucial compensatory education programs at critical stages in their educational development.

ARE THE PROPOSALS COST-EFFECTIVE?

No. Severe budget cuts in education and the removal of all categorical programs would mean that children whose education required greater than average costs—educationally disadvantaged children, handicapped children, and limited English speaking children—would tend to fall by the wayside.

Yet, providing appropriate services to these special groups of children is preventative medicine against school failure, dropping out, and exacerbated social costs down the road. Failure to provide such services is also a denial of equal educational rights to children.

THE FEDERAL ROLE IN EDUCATION

Much is touted these days about the Tenth Amendment and education being the responsibility of state governments. Yet, our educational system has actually benefited from a decentralized, shared governance at the local, state and federal levels. The limited, but critical, federal role in education came about because of the failure of state and local governments to educate all of our children to their full potential.

The Constitution states that the federal government shall provide for the national welfare. Educating all of our children, which can only be guaranteed with retention of a federal presence in education policy, funding, and governance is clearly in the national welfare.

HEAD START

WHAT IS HEAD START?

Project Head Start is a federally funded, child development program for three- to five-year-old children from low-income families. Head Start is unique in its: parent involvement; community sponsorship; breadth of services.

Since 1965 Head Start has provided medical, dental, nutrition, educational, social, and mental health services to 7.5 million children and their families. Head Start's average cost is $1,900 per child per year.

WHO BENEFITS FROM HEAD START?

Head Start now serves 374,000 children—or 20 percent of those who are eligible. At least 90 percent of the children enrolled in Head Start are from families with incomes below $7,450 per year for a non-farm family of four; nearly 12 percent of all Head Start children are handicapped. (These include children with orthopedic handicaps; learning disabilities; visual, hearing, language, speech, and health impairments; and children who are mentally retarded, and emotionally disturbed. Some 61 percent of Head Start's children are Black or Hispanic; 65 percent live in urban areas.

HEAD START WORKS

Head Start improves children's health.

Head Start improves children's nutrition and reduces the prevalance of anemia.

By the end of 1978–79, 82 percent of all Head Start children were medically screened, 90 percent of those identified as needing further treatment, received it.

By the end of 1978–79, 67 percent of all Head Start children had received dental examinations; 88 percent of those who needed further treatment got it.

The immunization rate for Head Start children is 20 percent higher than the national average for poor children.

Head Start provides children with a better chance in school.

A follow-up of 820 Head Start children showed gains in school performance lasting as long as 13 years.

Children who have participated in Head Start and other preschool intervention programs are less likely to require expensive, special education and more likely to be in the correct grade level for their age.

On fourth-grade standarized tests, children who have been in Head Start or preschool scored significantly higher in mathematics achievement than those in the control group and tended to score higher in reading as well.

Head Start's benefits outweigh its costs by 236 percent, when the costs of Head Start are weighed against its benefits including increased projected lifetime earnings for Head Start children and the high costs of special educational services later for non-Head Start children.

Head Start involves parents in their children's education and development.

For every 15 children enrolled in Head Start, 10 parents provide volunteer services to the program.

Head Start parents involve their children more in household tasks, read to their children more, and show more interest in their children's reading and writing skills than non-Head Start parents.

In a survey of Head Start graduates' parents, 82 percent reported going to their children's elementary school to meet and talk with their child's teacher.

Head Start increases the self-sufficiency of parents.

Some 12,000 Head Start parents have received college training for credit through the Head Start program. Over 1,000 Head Start parents have A.A. or B.A. degrees.

One-third of the trainees for Child Development Associates (certified child care degrees) are parents of current or former Head Start children.

One-third of all Head Start staff are parents of current or former Head Start students.

WHAT THE REAGAN ADMINISTRATION IS PROPOSING

The Reagan Administration has recognised Head Start's success and recommended a $950 million appropriations for the program in FY 82; a $130 million increase over the FY 81 level.

WHAT IS THE PROPOSAL'S IMPACT ON CHILDREN?

Because funding for Head Start has not kept pace with inflation—Head Start has had only one significant funding increase in the past 12 years—local centers have been forced to cut corners severely in their efforts to preserve a quality program. The vast majority of the Administration's proposed increase will be used to offset these past effects of inflation on program quality. None of the funds will be used to expand the program, which will continue to be able to serve only 20 percent of the eligible children.

Despite the Reagan Administration's promise not to harm the Head Start program, cuts proposed by the Administration in other areas will seriously affect Head Start centers.

Head Start does not operate in a vacuum. In Fiscal Year 1982 the Office of Management and Budget projects that Head Start will receive: $79.1 million from the United States Department of Agriculture for child nutrition programs; $26.9 million from the Comprehensive Employment and Training Act (CETA) to hire Head Start staff; $12.1 million from Title XX social services.

The Reagan Administration has proposed extreme cuts in each of these three areas as well as in child welfare, food stamps, low-income energy assistance, and Medicaid—all programs that Head Start's low-income families depend on for survival.

It is critically import to thousands of poor children and their families that the Reagan adminstration has recognized the success of Head Start in its budget proposals. What is needed is to look at the other programs that affect children with the same concern for what works, and what doesn't; what helps the needy and what doesn't. Across the board cuts of consolidated programs evades this process—and will hurt the poorest most vulnerable children.●

POSTAL EMPLOYEES DESERVE A PAT ON THE BACK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. DERWINSKI. Mr. Speaker, there are times when the Post Office does not seem to have a friend in the world. There is even a tendency among postal employees to bum rap the organization that employs them.

However, I was especially pleased to note a different approach as stated in an editorial which appeared in the Daily Journal of Kankakee, Ill., of February 16, which I wish to insert for the benefit of the Members:

[From the Daily Journal, Feb. 16, Kankakee, Ill.]

GUESS WHOSE BUSINESS WAS GOOD IN 1979–80?

Guess whose business increased during the past fiscal year by 6.5 billion? Guess who had a 95 percent quality of service rating this past year? Guess whose employees increased productivity 5.5 percent in 1980, exceeding their goal of 3 percent?

Guess what agency actually reduced its reliance on a federal subsidy by $92 million last year and now gets only 4 percent of its total budget from the federal government compared to 25 percent just 10 years ago? Guess what federal agency has not raised rates in almost three years—a period when prices of most goods and services skyrocketed?

If you guessed the U.S. Postal Service, you are right. But, how many Americans would have answered that way just a few short years ago. Before the U.S. Postal Service was established, the post office was the brunt of jokes from coast to coast and almost every comedian used it for at least one laugh per routine.

A lot of people still like to grumble about it. Stamps cost too much, they say. "Six years ago, a letter I was waiting for got lost." The letter carrier walks across the lawn. Etc. Etc. Etc.

But, the proof is in the statistics. Mail volume has increased 25 percent in the past 10 years and the work force has decreased 10 percent. Productivity has increased nearly 35 percent in the past decade and it still costs far less to mail a letter in this country than it does in any other country.

Postmaster General William F. Bolger and the thousands of postal service employees across this nation deserve a pat on the back and our stamp of approval for a job well done.●

NEW AMERICAN CITIZENS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LONG of Maryland. Mr. Speaker, it is with particular pleasure that I congratulate 25 residents of Maryland's Second Congressional District who have chosen to become American citizens, accepting all of the responsibilities that freedom and citizenship entail. I hope that my colleagues will join me in welcoming these new Americans and extending to them our wishes for a happy and prosperous life in the land we love.

They are: Natividad Kuszmaul, Nikolaos Kosmakos, Lambro Mavrikos, Stanford Reid, Mehr Khan, Anil Modi, Indu Sapra, Chul S. Oh, Norman Cunningham, Marie Dahan, Rachel Kalmanovich, Sofia Kizhner, Semion Kizhner, Yong S. Stewart, Kambiz Noorani, Paul Bodzas, Ileen Barnett, Janet R. Miser, Hortense Myers, Fruma Sandler, Yon Chung, Seif Matumla, Annette K. Shirley, Shawki Malek, Marc Torin, Gilberte Torin.●

COMPREHENSIVE TAX REDUCTION PACKAGE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. ANDERSON. Mr. Speaker, I am today introducing legislation which will revise our Nation's tax structure by reducing personal income taxes, indexing these taxes for inflation, and providing businesses with the incentives necessary to reindustrialize our country.

The growth in revenues coming into the U.S. Treasury this year may total $100 billion, the largest revenue increase in the Nation's history. As a percentage of our gross national product, this will break our previous record. And this estimate is made without assuming the enactment of any tax increase; it will happen if present laws are simply allowed to remain in force. Something must be done.

Under my bill, wage earners earning $15,000 a year will enjoy a 9-percent saving as a result of its rate reduction provision, while those making $100,000 annually will benefit from a 3-percent reduction in their taxes. So, this is not the same as those simplistic across-the-board cuts endorsed by others which will do little to help middle class America, but benefit mightily the wealthy few. It is surely a more equitable approach than those, and one more in keeping with our Nation's proud heritage.

This legislation will also increase the personal exemption taxpayers may claim for themselves and their dependents from $1,000 to $1,100 a year. Americans at the lower end of the income scale will be able to take advantage of an increase in the zero bracket amount—formerly known as the standard deduction—and the earned income credit. Others will enjoy the repeal of the illogical and unnecessary marriage tax that forces many couples to pay more in taxes than they would if they were single. Also included is a liberalization of taxes on those working abroad in activities that encourage U.S. exports. A General Accounting Office report released on February 27 and entitled "American Employment Abroad Discouraged by U.S. Income Tax Laws", encourages the enactement of such a provision.

One important feature of my bill can be found in those sections which will help prevent future unlegislated tax increases by instituting an indexing system. Under current law, as individuals' salaries are increased to keep up with inflation, they move into higher tax brackets and so, owing to the graduated nature of our system, they get a higher percentage of their incomes taken away in taxes. This gives the Federal Government more money to spend, which of course it does, thus further fueling inflation. This vicious cycle repeats itself, year in and year out. My bill would automatically revise the tax brackets, increase the zero bracket amount, the personal exemptions, and the earned income credit as inflation goes up, so that people will not pay higher percentages of their income into the Government just because they receive cost-of-living raises.

Mr. Speaker, during last fall's reelection campaign, I spoke frequently about the reindustrialization of America. The bill I am introducting today will help make this more than just the popular cliche which others may use, it will help make it happen. Its capital cost recovery provision will allow the more rapid depreciation of new plants and plant equipment. American industry needs to modernize to keep pace with foreign competition, and they will be able to do so under this legislation. Accordingly to one report, investment for plant and equipment as a percentage of gross national product has declined by a half in recent years. If there is one lesson to be learned from the Nation's railroads, it is that the failure to invest in capital facilities may save a dollar today, but will cost many dollars tomorrow. Our American industries are now paying the price for their downturn in capital investment. In the city of Torrance, Calif., which I represent, a U.S. steel plant had to close its doors because it was not as efficient and could not compete with its ultramodern West German and Japanese competitors. We must help American plants remain open by helping to stimulate their capital investment. My proposal is similar to the 10-5-3 plan which has justifiably received attention, but I feel it constitutes a more reasonable approach by allowing businesses to write off their investments in either 2, 4, 7, or 10 years, or 20 years in the case of most structures.

And businessmen and women will also have a greater incentive to invest in research and experimentation of the kind that has, through the years, put our country constantly in the forefront of technological innovation. It is difficult, presently—and especially during the current hard times—to invest scarce resources into research that may or may not bear fruit. And yet, this is the research that needs to be done if we are to maintain the strength that other provisions of this legislation will help rekindle. My bill will encourage research and experimentation by providing tax credits for this type of investment.

Mr. Speaker, I feel the legislation I am introducing today is a more reasonable approach to the massive economic problems facing our country

than are many other suggestions that we have been hearing about. It is a comprehensive approach that recognises the repeated failures we have seen when attempts are made to deal with the Tax Code in a fragmented manner. For too long, too many have tried to improve the system by fixing one of its component parts, unaware of the negative repercussions the remedy might have in some other area of our economy. That kind of tampering is doomed to failure from the start, and it is that kind of approach that I have tried to avoid.

I know, of course, that this legislation is not perfect. I am convinced that no single Member of Congress can prepare such legislation on any subject, let alone when working on laws as archaic as those found in our tax codes. That is why I hope our Ways and Means Committee will move quickly to act on my legislation, as well as on other tax-related proposals that are being suggested by the administration and by some of our colleagues.

And when a final bill is approved, I hope it is not one that is simply a collection of special-interest provisions. It was that approach that perhaps helped get us into our present position. The bill which we enact must rather be one that is simply and solely in the best interests of America. And if that should happen, Mr. Speaker, I am confident that we will be enacting legislation that is similar to the bill I am introducing today.●

GREAT LAKES MARITIME ACT OF 1981

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. OBERSTAR. Mr. Speaker, I am introducing the Great Lakes Maritime Act of 1981 today. This legislation is important to the entire Great Lakes region. It seeks not to advance our region at the expense of any other port area, but to insure our region benefits deriving from the designation in 1970 of the Great Lakes as America's fourth seacoast.

While I expect that the strongest support for this legislation will come from our colleagues from the Great Lakes region, I hope that in the interest of fairness to the Great Lakes, this legislation will enjoy support from Members throughout the United States. The entire Nation can benefit from the improvement of our export transportation system which would result from enactment of the provisions of the Great Lakes Maritime Act of 1981.

The legislation builds upon legislation introduced last year by the former chairman of the Merchant Marine and Fisheries Committee, Lud Ashley, who represented so ably the Great Lakes Port of Toledo.

It incorporates proposals that have been introduced in previous Congresses as separate pieces of legislation. I hope that this bill will serve as a focal point of legislative activity for those of us, in and out of the Congress, who are interested in the future of the Great Lakes.

The Great Lakes coastal area is fundamentally different from the gulf, Atlantic, and Pacific coastal areas in that we have freshwater ports and we are served by an international waterway, the St. Lawrence Seaway, which closes for approximately 3½ months during the winter. The closure of the seaway and the freezing of our waters are special circumstances which determine the extent and nature of lakes operations.

The Great Lakes Maritime Act is a modest bill, which will cost the Treasury very little in additional outlays. It is not a big ticket bill, requiring outlays of hundreds of millions of dollars.

The bill authorizes new spending of less than $15 million. The largest authorization is for a 2-year environmental study of the Great Lakes.

The major thrust of the legislation is the reduction of discriminatory policies affecting the Great Lakes.

Title I of the bill is identical to H.R. 845, legislation I introduced on January 13, 1981, to restructure the financing of the St. Lawrence Seaway Development Corporation. This title would convert the outstanding capital construction debt into equity ownership by the Federal Government. It would retain the requirement that seaway tolls be sufficient to meet all operating and maintenance costs of the seaway. User fee policy would remain stricter than on any other federally constructed waterway. The provision would make our financing comparable to that of Canada, which has invested approximately four times as much as the United States in the building of its seaway locks. I discussed H.R. 845 in greater detail in my RECORD statement of yesterday, March 9, 1981 (p. 3810).

Title II recognizes the need to provide alternative means of shipment of goods from Great Lakes ports during winter months. It authorizes the Secretary of Commerce to permit the use of operating differential subsidies (ODS) during the winter for cargo shipped from the Great Lakes via intermodal means to tidewater ports. The Merchant Marine and Fisheries Committee accepted a similar provision which I offered as an amendment to the Omnibus Maritime Act during our 1979 markup session. Congress did not complete action on that legislation, however.

The purpose of this provision is to encourage American-flag service to the Great Lakes. It is essential to the development of new service.

Title III addresses the issue of Canadian diversion—the shipping of U.S. cargo for exportation by rail to Canadian ports and the importation of goods to the United States through Canada. A loophole in the Shipping Act of 1916 permits the movement of cargo through Canada without the filing of tariffs with the Federal Maritime Commission.

The Canadian Government does not regulate ocean carriers and consequently, U.S. carriers are severely disadvantaged when competing for export cargo. Canadian shippers may also absorb the charges of rail transportation to Canadian ports from the interior of the United States. The Maritime Administration estimates that in 1979, 886,450 long tons of cargo were diverted through Canada for exportation and 1,225,773 long tons were imported through Canadian ports. This represents a staggering loss to U.S. ports on the Great Lakes and seacoasts of the handling of an estimated $3.4 billion worth of cargo.

Title III does not restrict the movement of cargo. It closes the loophole in the 1916 act by treating cargo that is diverted through Canada as if it were being imported or exported through U.S. ports. It will allow American ports to compete with Canadian ports by insuring that shippers via Canadian ports will provide the same data as is required of American carriers shipping through American ports.

Title IV establishes an interagency task force, under the leadership of the Department of the Interior, to conduct a 2-year comprehensive environmental study of the Great Lakes.

In 1970, Congress authorized a demonstration navigation season extension program on the Great Lakes-St. Lawrence Seaway system. That program, which concluded in 1979, demonstrated the feasibility of techniques necessary to maintain year-round navigation on the upper Great Lakes. There remains question as to the environmental consequences of year-round navigation, particularly in the area of rivers and channels. Any decision on a permanent season extension program must be preceded by a study of the possible environmental consequences. Title IV authorizes that study under the direction of an interagency task force with specific directions for consultation with State and local units of government. The section does not authorize navigational activity.

The language dealing with interagency task force was developed in consultation with our colleague, the gentleman from Michigan (Mr. BONIOR), during consideration of the water resources development bill in 1979 by the House Public Works Committee. The language we developed in

1979 authorized a season extension program. Title IV does not contain that language. It does, however, contain language directing the Corps of Engineers to study the transportation needs of residents of several islands in the St. Mary's River in Michigan.

Title V directs the Corps of Engineers to determine whether regulation of the waters of Lake Superior by the International Joint Commission in 1973 caused damage to riparian interests. It directs the corps to develop a mechanism for compensation of those damaged by that regulation. The title does not authorize compensation; Congress will have the opportunity to review the corps recommendation and evaluate the extent of the Federal Government's liability.

Title VI amends the Great Lakes Pilotage Act of 1960 to limit the liability of U.S. registered pilots to $1,000 for damage which results from negligence in navigating a vessel in U.S. waters. This provision limits the liability of U.S. pilots to the same level as that of Canadian pilots on the Great Lakes.

Canada's 1972 Pilotage Act limited the liability of Canadian pilots to $1,000. Canadian pilots are considered civil servants and the 1972 act proclaimed that the Government was not liable for damages caused by negligence, although shipping companies may be sued if the ship's master can be proven to have been in error.

The U.S. pilots are not civil servants and the United States has no similar Federal tort claims act. Thus, pilots assume huge risks but presently are uninsured. No insurance company is willing to accept the risks without a ceiling on the liability of U.S. pilots. This title provides for reciprocal and equitable participation by the United States and Canadian pilots in the recovery of damages of vessels on the Great Lakes.●

THERE IS NO TOBACCO SUBSIDY

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BONER of Tennessee. Mr. Speaker, tobacco is Tennessee's fourth ranked agricultural product, and much of it is grown in Robertson and Cheatham Counties.

Currently, there is a great deal of speculation and concern in Robertson and Cheatham Counties and throughout all of the tobacco producing areas in the State, over what the President is planning to do with respect to Federal tobacco programs.

The greatest fear that the growers have is that since there is a great deal of misunderstanding surrounding Federal tobacco programs, decisions could be made based on misinformation rather than fact.

Therefore, I would like to take the time to share with you and all of our colleagues here today an analysis of the Federal tobacco programs which I feel puts to rest many of the misconceptions surrounding tobacco programs.

Thank you, Mr. Speaker.

The analysis follows:

THERE IS NO TOBACCO SUBSIDY

One of the most misunderstood facets of the tobacco industry is the price support program. Industry critics denounce a federal bureaucracy that encourages farmers to grow the leaf while discouraging smokers from using tobacco products.

Ending the tobacco "subsidy," they argue, will put an end to this apparent dichotomy.

In fact, there is no tobacco subsidy. There is a government price support program. It guarantees farmers a minimum price for their tobacco. And their corn, rice, peanut and cotton crops—13 different commodities altogether.

The money isn't a gift. It's a loan, repaid with interest. In the 47 years since the tobacco price support program began, it has been the most successful farm program the government has ever had.

HOW IT ALL BEGAN

More than a half century ago, the Great Depression was threatening to destroy the American economy. The stock market had crashed. Businesses were closing. Unemployment lines stretched across the nation. Consumer purchasing power was low and agriculture prices could not sustain farm families.

The 1932 tobacco crop sold for nine cents a pound, and farmers were using leaf as fuel rather than sell at a loss.

To remedy the situation and to prevent a recurrence, the nation's leaders proposed and Congress approved permanent government programs aimed at stabilizing the national economy, including agriculture. Tobacco and other farm commodities were covered in price stabilization and production control legislation.

The 1938 Agricultural Adjustment Act established acreage allotments, marketing quotas and a regulated marketing system for tobacco. The program ensured that the farmer would earn a reasonable return on his considerable investment, yet provided for an adequate supply of tobacco to meet domestic and export needs.

HOW IT WORKS

All types of tobacco are eligible for price support. The program is voluntary, with growers of each type of tobacco given the option, via referendums every three years, to participate. Currently, 20 of the 24 types of tobacco produced in the U.S. and Puerto Rico are under the program.

Tobacco farmers accept strict acreage and poundage allotments set yearly by the U.S. Department of Agriculture (USDA). Total allotments, the "national marketing quota," equal the amount USDA estimates will meet domestic tobacco industry and foreign buyer needs.

The price support program does more than control quantity. It establishes a minimum price for tobacco sold at auction. This minimum price is especially important to the tens of thousands of farm families who grow tobacco on acreage so small that no other crop there could support a family.

Most tobacco today is sold at a warehouse auction after grading for type and quality. The grade determines the per pound price support.

If leaf is unsold at the government-pegged minimum price, and if the tobacco grower has not exceeded his production quota, he is eligible for a government loan equal to the support price. The tobacco is taken as loan collateral by a government-funded, grower-owned and operated cooperative, which processes and stores it for future sale.

The money the cooperative pays the farmer is loaned to it by USDA's Commodity Credit Corporation (CCC), the price support program overseer.

WHAT IT COSTS

Among the most imperishable of farm crops, tobacco can be stored as long as several years before being sold in a more favorable market.

Loans are made on a crop-year basis, and it may take a number of years to dispose of loan receipts from a particular crop. However, when the cooperative sells the tobacco, each government loan is repaid with interest. If sale proceeds don't cover the loan, the unpaid balance is written off as a program cost. If proceeds exceed the loan, the net is distributed to the growers.

In 47 years of tobacco price support, the CCC has loaned farmers more than $5 billion. The repayment rate has been about 99 percent. Loan repayments plus interest have exceeded losses in almost all 47 years.

The $57 million net loss currently on CCC books is the result of but two or three major losses. They amount to just one-tenth of one percent of all losses for all commodity price support programs (see table).

Admitting the programs frequently receives an underserved "bum rap" from critics, Agriculture Secretary John R. Block told a national television audience in 1981 he wasn't going to complain about the cost of tobacco price supports. "It's making us money," he said.

The government does incur other minimal expenses, such as inspection and market news service costs. Recent administrative costs have totaled about $6.6 million annually, varying downward in earlier, pre-inflation years.

During the half-century that taxpayers have "lost" $57 million on the programs, tobacco product purchasers paid the U.S. Treasury more than $72 billion in excise taxes, including federal tax of eight cents on each package of cigarettes. They have provided state governments with an additional $56 billion and local governments with another $2 billion in the same period.

Government Price Support Loans—Net Loss on Commodity Inventory and Loan Operations, October 1933–September 1980

[Millions of dollars]

Corn	$3,208
Wheat	2,962
Cotton	2,337
Peanuts	1,141
Sorghum	999
Rice	412
Barley	225
Oats	210
Soybeans	120
Tobacco	*57
Rye	33
Sugar Beets	17
Honey	1

Source: U.S. Department of Agriculture, Agricultural Stabilization and Conservation Service, Commodity Credit Corporation, Report of Financial Condition and Operations as of September 30, 1980.

*$17 million of this amount is offset by interest payments on the loans on which the losses were incurred.

THERE IS NO TOBACCO SUBSIDY

So there is no tobacco subsidy. Some misinformed critics argue that, even if there is no subsidy, the program makes tobacco products more readily available. But they ignore two basic facts:

1. The program is intended to, and does, keep tobacco leaf prices higher than they would be without it.

2. The program is intended to, and does, keep domestic tobacco supplies lower than they would be without it.

Ending the program could bring these disastrous results: overplanting by big farmers and by newcomers, a drop in price, a decrease in income for many small farmers who depend upon income from an acre or two of leaf for their existence, and the squeezing of small farmers off the land because banks and other financial institutions will not provide operating loans without guarantee of repayment, which is presently assured by the price support program.

There would be widely decreased tax collections in 22 states that grow tobacco, widespread disruptions in banking and commercial systems, and—to continue the scenario to its logical conclusion—regional recessions.

If Congress were to heed critics, considerably increased acreage could be devoted to tobacco. With restrictive quotas gone, a larger tobacco supply would enter the market, at reduced prices.

ENCOURAGES SMOKING?

Does the price support program encourage starting or continuing to smoke? Yes, say critics. No, say government health officials.

John Pinney, director of the government's Office on Smoking and Health, declared in 1980: "We've reached the conclusion that the price support program in no way affects any aspect of cigarette smoking. It doesn't have anything to do with whether or not they quit smoking."

And Joseph Califano, then-secretary of the Department of Health, Education and Welfare, testified before Congress in 1978: "I do not believe that anyone smokes or doesn't smoke or decides to begin or continue or stops smoking because of the tobacco subsidy. I don't think it is in any way related to that."

He gave the program the wrong name in calling it a subsidy. But he gave it an accurate assessment.●

TRIBUTE TO MINNESOTA STATE SENATOR NICK COLEMAN

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. VENTO. Mr. Speaker, it is with deep sorrow that I address my colleagues today. The people of Minnesota and I have lost a good friend, State Senator Nick Coleman, who died last Thursday of complications from leukemia.

Nick had a long and illustrious career in public administration. Serving as a State senator and ultimately as senate majority leader, Nick committed his career to assisting those who needed help. Many of the essential social programs now in place in Minnesota are the direct result of Nick Coleman's efforts. Among his many achievements are lower taxes for the working poor, a program which is a national model; State assumption of most local welfare costs; reform of the State's public employee bargaining system and the 1973 Human Rights Act.

While in the legislature, Nick earned the respect of his colleagues for his hard work, abilities as a legislator and debator, his Irish charm, his commitment, and his willingness to be open to all points of view. Because of his leadership qualities, Nick became the first Democrat to serve as majority leader in 114 years.

Both in the State legislature and in Congress, I worked closely with Nick on a wide variety of issues. His experience, commitment, and insights were of invaluable assistance to me. I will sorely miss the friendship and counsel of Nick, and the people of Minnesota will miss his dedication and leadership.

At this time, I would like to call to my colleagues' attention an article from the March 6 issue of the St. Paul Pioneer Press on this Minnesota leader.

NICK COLEMAN DIES AT 56—LEUKEMIA CLAIMS FORMER SENATE MAJORITY LEADER

(By Jack Rhodes)

Nicholas Coleman, former Minnesota Senate majority leader died at University of Minnesota Hospitals in Minneapolis Thursday night of complications from leukemia.

A hospital spokesman said Coleman died at 11:05 p.m. following multiple complications of his most recent chemotherapy treatment.

Coleman had decided in early February to try an even more intensive course of treatment in an effort to achieve a third remission of his disease, the spokesman said. At the time of his death, Coleman's bone marrow showed no sign of leukemia, the spokesman said.

With him when he died were his wife, mother, sister and six children.

Coleman, 56, of St. Paul, an 18-year legislative veteran from St. Paul, was considered the most influential member of the Senate during the 1970s and among the most effective legislators of the past quarter century.

Regarded as the Senate's best debater, he played a key role in passing much of the state's social legislation in recent years. He was quick-witted and well-liked by fellow senators and the press, and known for his ability to shred an opponent's arguments without ridiculing him.

Coleman was a victim of acute, nonlymphoblastic leukemia. The exact cause of death was not immediately available.

His leukemia was first diagnosed last spring. Coleman had become ill while engaging in one of his favorite pastimes—a canoeing and camping trip in the Boundary Waters Canoe Area.

He was admitted to Midway Hospital last June 6, the day after more than 500 people attended his retirement roast at the Prom Center in St. Paul.

Two days later, he was transferred to the Masonic Cancer Center at University of Minnesota Hospital to undergo drug treatment for the disease.

He was released July 23 and continued to receive anti-cancer drugs on an outpatient basis. In early August, his doctor said the leukemia was in remission—that is, signs of the cancer were absent. He was readmitted to the center for treatment several more times before his death.

He caught many people by surprise on Feb. 6, 1980, when he announced that he would not seek reelection in District 65. The district includes the Crocus Hill, Summit-University and West Seventh Street neighborhoods, downtown St. Paul and parts of the East Side.

"The current cycle of ultraconservativism, the climate of self-preservation, the political myopia, have created a climate that I do not suit, nor do I wish to," he said at the time.

A graduate of Cretin High School, Coleman received a political science education at the College of St. Thomas and served in the U.S. Navy during World War II. He was a school teacher for a brief time in Tyler, Minn., before returning to St. Paul and entering the advertising business.

In addition to being a legislator for 18 years, Coleman was president of a St. Paul advertising agency, Coleman Christison Inc. It handled a wide range of advertising and marketing, ranging from political campaigns to health insurance. Among its clients are Minnesota Zoological Garden, the U.S. Energy Department and Blue Shield of California.

Coleman became involved in DFL politics by working on Eugene McCarthy's first campaign for the U.S. House of Representatives in 1948, when McCarthy defeated incumbent Republican Edward Devitt, now a federal judge. Coleman helped McCarthy win his first bid for the U.S. Senate in 1958 and was Minnesota director for the Johnson-Humphrey presidential campaign in 1964.

In the meantime, he was elected to political office himself, gaining his Senate seat in 1962 and winning easily in four following elections.

Coleman rose to assistant minority leader in 1967, minority leader in 1971 and in 1972 became the first Democratic majority leader since another Irishman, Richard Murphy, held the job 114 years earlier.

With DFLers in control of both houses of the Legislature and the governor's office, Coleman helped steer state government on a new course. DFLers quickly passed a law requiring legislative candidates to run with party affiliation for the first time since 1913.

Among his achievements as majority leader were lower taxes for the working poor (Minnesota's law became a national model), state assumption of most local welfare costs, handgun regulation and unemployment compensation for strikers.

He also helped put lay members on professional regulatory boards, enact the 1973 Human Rights Act that prohibited discrimination based on sex, age, marital status and public assistance, and overhaul the state's public employee bargaining system.

His positions on such issues as handgun control, liquor reform, a temporary ban on completing Interstate 35E and support of a new underground Capitol building created political enemies and kept him in the middle of many controversies.

A political winner, Coleman also experienced defeat.

In 1970, he sought DFL endorsement for governor, but lost to Wendell Anderson.

Party leaders, including the late Sen. Hubert Humphrey, wanted Coleman to run for lieutenant governor, but he already had agreed to support Rudy Perpich for the No. 2 spot. With Coleman's help, Perpich was endorsed for lieutenant governor and elected to the office.

In 1978, following Humphrey's death, Perpich, who by then had become governor, had to make a U.S. Senate appointment. Perpich "owed" Coleman because of his support for lieutenant governor. But Coleman, recognizing the sensitivity of the issue, didn't push for the job and Perpich appointed Humphrey's widow, Muriel.

Coleman was a candidate for DFL nomination to the U.S. Senate seat briefly that year, but withdrew and left the field to U.S. Rep. Donald Fraser.

Although two of the governors he served with as majority leader—Anderson and Perpich—were fellow DFLers, Coleman's first loyalty was to the Senate. He conferred with both governors, but no one ever called him a rubber stamp for either one.

It was his wit as much as his undisputed leadership qualities that distinguished Coleman from his legislative colleagues. In the heat of debate, or in flashing his own brand of Irish anger, Coleman would always rely on his silver tongue and a good one-liner to ease the tension.

One of his chief political opponents, Independent-Republican Sen. Robert Ashbach, the minority leader, branded Coleman a "grinning shark," a compliment to a man Ashbach deeply respected.

To the editors of the St. Paul Pioneer Press and Dispatch, he once wrote:

"I have lost all hope that I could ever educate you or your editorial staff on the intricacies of the state tax system. But the sheer multitude of errors, oversimplifications and faulty logic in your Aug. 4 editorial compels me to try once more."

Lawyers and judges were frequent Coleman targets. He once described judges as "lawyers in long, funny, black dresses."

He viewed his role of keeping peace among DFL senators with widely varying political views as "one of preventing you guys from biting each others' hind legs off." He also said his job could best be filled by a "manic-depressive."

To critics of government he would say, "It's a good thing we don't get all the government we pay for."

Lobbyists also found him disarming. When they came to see him in his office on the second floor of the Capitol, he often would greet them with, "Hello, may I be of some resistance to you."

Coleman is survived by his wife, Deborah Howell, assistant managing editor of the Pioneer Press. They lived at 835 Osceola Ave.

Surviving children from a previous marriage include Patrick, Christopher and Emmett of St. Paul, Brendan and Meghan of Minneapolis, and Nicholas, a Minneapolis Tribune reporter on leave to study in Ann Arbor, Mich.; his mother, Hannah of St. Paul; a brother, David of St. Paul; and a sister, Rosemarie Johnson of White Bear Lake.

Coleman's father, David, died in November 1979.

At Coleman's request, a leukemia research fund is being established at the Masonic Cancer Center. Contributions should be sent to the Coleman Leukemia Research Fund, Box 277, University of Minnesota Hospitals, Minneapolis, Minn. 55455.

Funeral arrangements are pending.●

"MEGACAP" FOR VETERANS?

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. OBERSTAR. Mr. Speaker, yesterday, I advised the President of my serious concern over a proposed budget reduction which will work economic hardship on disabled, compensable veterans. I refer to the attempt to cap disability benefits from all sources without regard to the lifetime lost wages suffered by many veterans who, as a result of disabilities received in service to their country, never achieve their full economic potential.

A ceiling on disability benefits will similarly affect any worker in our economy who, sometime in his or her work career, suffered a loss of earning ability for which compensation is being paid. I believe the impact on veterans, however, will be the most severe as the majority of them will have sustained their injuries early in life and will have the greatest number of low-income years when lifetime wages are averaged for social security purposes.

I trust my colleagues will be interested in my letter to the President:

WASHINGTON, D.C., *March 9, 1981.*

Hon. RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am alarmed at reports that new budget reductions will recommend a "megacap" on social security disability benefits with special emphasis on eliminating the supposed duplication of benefits to compensable veterans.

If reports I have received are correct, you are offering a proposal to offset social security benefits so that such benefits, combined with other disability payments from any source, will not exceed 80% of a prior average social security wage.

Benefit reductions authorized last year by Public Law 96-265 averaged 15%, but were as much as 30% for young disabled workers with families. This reduction was achieved by capping maximum benefits at 85% of a prior average wage. Your proposal would reduce such benefits an additional 6%. However, I am most concerned over the reduction which would be applied to persons entitled to compensation from another source.

The Social Security Act now recognizes that "prior average wage," computed as the average of all covered earnings over a working lifetime, with minimal drop out provisions, as indexed to the date of disability, is not the same as pre-disability earnings.

Under current law, an individual entitled to a combination of workers' compensation benefits and social security disability is "capped" at 80% of "average current earnings" which is the higher of (1) prior average indexed wages, (2) average monthly earnings from covered employment during the highest five consecutive years after 1950, or (3) average monthly earnings based on one calendar year of highest earnings during the five year period preceding disability.

Although this formula cannot recognize the value of employment related fringe benefits such as group health insurance and life insurance, the income replaced by combined benefits provides an income bearing some relationship to the wage earner's income at the time disability occurs.

An incentive to return to the work force, if possible, is built in to the law in that cost of living adjustments in workers' compensation are always fully offset. Although social security increases are provided, long term disabled workers and their families suffer a gradual, but sometimes severe, decline in benefits relative to earnings. If benefits are "megacapped" as you suggest, workers who at the time of disability were earning wages substantially above their lifetime average could receive no social security benefits whatsnever.

But what about compensable veterans, Mr. President? What will a dollar for dollar offset of social security because of compensation mean to them and their families?

If the severe disability which renders a veteran incapable of employment is service related, a 100% disability rating, perhaps with a higher statutory award for multiple disability, and added benefits for family members will insure a decent standard of living.

That will not be the case for a compensable veteran whose totally-incapacitating disabilities are not service related.

The very purpose of disability ratings for veterans is to measure wage earning limitations imposed by service-incurred disabilities and diseases and to supplement low wages with compensation. Throughout their lifetimes, many veterans with disabilities rated 20%, 30%, or more are in and out of the labor market, in and out of medical facilities, and locked-in to low income, dead-end jobs because of disabilities associated with military service. If their service-connected disabilities remain less than total, but they subsequently become unemployable due to a combination of impairments or to a completely unrelated disorder, their prior average wage under social security will be low due to a poor wage history.

If low social security benefit payable on their wages is offset by compensation designed to supplement these low wages, the benefit payable will insure that those veterans who are "truly disabled" also are "truly needy."

I feel certain disabled veterans will appreciate knowing what safeguards against this eventuality are provided in your recommendation?

I look forward to receiving your explanation of the effect of your proposal on compensable veterans whose service-connected disabilities are rated less than 100%.

Sincerely,

JAMES L. OBERSTAR,
Member of Congress.●

ST. PATRICK'S DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. RODINO. Mr. Speaker, I am proud to recognize the men and women of Irish heritage during this season when we honor St. Patrick, the courageous patron saint of Ireland.

This Sunday, March 15, the citizens of New Jersey's 10th Congressional District and representatives from 140

Irish-American associations in New Jersey will join together for the 46th annual St. Patrick's Day parade, starting in my home city of Newark. This year's grand marshal is Charles Cryan and deputy grand marshal is Jane McFadden, but it is a great tribute to the Irish people that men and women of all backgrounds will join the march in honor of St. Patrick.

The Irish are very proud of their patron saint, who brought a message of spiritual growth and fulfillment to the Emerald Isle in A.D. 431. At first, St. Patrick was faced with the dangerous situation of preaching a new faith to a foreign population. Nonetheless, he was fearless in doing good works, preaching Christianity and establishing many schools and churches. By the end of his life in A.D. 493 St. Patrick had become a beloved friend and a symbol of hope to the Irish people.

As Americans we acknowledge a debt to St. Patrick through the many contributions Irish Americans have made to the growth and development of our Nation.

The Irish played a key role in constructing the railroads which link our two coasts, and the many talents of the Irish have been represented throughout our country's history in the arts, athletics, science, and religion.

In politics, too, the Irish have served to make our Nation a more progressive and prosperous nation. The legacy of President John Fitzgerald Kennedy reminds all Americans that our goal as a nation should always be toward a more just society—one that is committed to equal rights and opportunities for all our citizens.

While I join with the citizens of New Jersey and my House colleagues in commemorating St. Patrick's Day 1981, I cannot help but feel saddened by the bitter struggle that continues to disrupt the lives of those people living in Northern Ireland. This terrible discord demands our attention and deep concern, and St. Patrick's Day provides a special opportunity to apply the same commitment the Irish gave to their new faith in A.D. 431 toward ending the present tragedy of social injustice there.

Certainly there could be no more fitting tribute to the memory of Ireland's patron saint than the restoration of peace and justice in Northern Ireland.●

BUDGET CUTS TAKE ON HUMAN DIMENSION IN AREA SERVICES

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LELAND. Mr. Speaker, week before last I participated with my colleagues in a special order on the President's economic proposals. The statements of all those who participated were enlightening and I am sure we all benefited from the views of our colleagues. However, missing from our discussion were real people situations. That is, how these proposals will touch the lives of Americans everywhere.

Mr. Speaker, Margaret Downing, in an article which appeared in the Houston Post on March 1, 1981, did an excellent job of translating the rhetoric and charts into reality.

We often get lost in our charts and statistics and forget how our actions so directly impact on the lives of our fellow Americans. The examples in this article are vivid reminders of what the actions of the administration and the Congress do to our people. I hope my colleagues will take the time to read this article and remember those people who appear in the story, and the millions like them across this country, in the days ahead as we tackle the difficult task of developing our economic program.

Mr. Speaker, I insert the Houston Post article at this point in the RECORD:

[From the Houston Post, Mar. 1, 1981]

BUDGET CUTS TAKE ON HUMAN DIMENSION IN AREA SERVICES

(By Margaret Downing)

The Major is stretched out in the center of the hospital bed, one hand steadying an ashtray, endlessly chain smoking while he listens to music from a small portable radio.

Even in the subdued lighting of the sparsely furnished room, the waxen cast to his skin is evident.

In January he started having difficulty swallowing, so he went to the Nassau Bay Public Health Service Hospital across the street from the Johnson Space Center. In a matter of days he had his verdict: Cancer of the esophagus.

The hospital he's in awaits a verdict of its own. The Nassau Bay facility is on President Reagan's hit list of the dispensable and, like job training programs, food stamps and other federal services targeted for change or eradication, a nod of Congress will implement Reagan's plans.

In the new administration's charge toward federal thrift and sifting search for the "truly needy," some people see themselves as guinea pigs in the lab test of financial philosophies. The programs they always thought would be there for them are threatened.

For the 67-year-old retired infantry officer known as The Major, that means the health care he'd always expected.

It was only the promise of a comfortable atmosphere—fellow patients who were military personnel and merchant seamen—that convinced The Major to enter the Nassau Bay hospital.

The Major says doctors told him if he hadn't come in when he did that "in two or three months I would probably kick the bucket." He says now at least he has an early start on his fight with cancer.

Twenty-six years in the service," says the gray-haired man who still maintains a precise military burr haircut. "They always said we'll give you medical treatment for the rest of your life. That's when you're in. You get out and they say 'space available.'"

A pause while he stubs out the cigarette. "This is all right." Another studied pause. "Unless you're sick." He laughs.

"You get to go to San Antonio, but they say 'space available.' There's the VA, but the can't take care of people in the inner city . . . besides, I don't want Baylor students prodding on me. I know they have to learn, but not on me."

The Major says he's all for Reagan and "all he's going to do.

"He's going to build bombers, tankers . . . My friend (Secretary of State Alexander) Haig is telling the Russians to keep their nose clean. To go along with that you better have hospitals."

Merchant seamen find themselves doubly endangered by Reagan's budget-cutting proposals. Not only do they stand to lose their hospital, but also their federally financed medical care system in effect since 1798.

Getting health insurance, when the average age of merchant seamen is 50 years will be a little tough, they say.

"Even if the shipping companies or the (seamen's) union had a health-care program, these men are not good risks because of their age and existing poor health conditions," says a Nassau Bay hospital administrator as he tours the floors.

"He (Reagan) might as well dig a hole and put us in it," says Terral McRaney, a 67-year-old merchant seaman in a room near The Major.

Beset by Anemia, an ulcer, low blood pressure and a cataract, McRaney says after 35 years at sea, the only insurance he has is a death policy that will give his wife $5,000.

"In terms of the availability of services, we're geared to seamen," the Nassau Bay administrator says. "We have some understanding of the unique working environment they work in. They're comfortable here."

Comfort and financial expediency sometimes collide, though. At the National Maritime Union, 8329 Lawndale, merchant seamen say they have been betrayed by Reagan.

"We backed him all the way. He's supposed to give us more ships, more jobs. He's taking things away from us," says Jesse Taylor. "The hospitals were built for us. We put our own money into them."

Most of the men are in their 50s. They say they are too old to move on to other jobs and must hang on to the benefits promised them.

"The younger people have found better opportunity elsewhere. We're hanging in there, probably the only thing we can do," says Charles Ackerly.

Kirby Smith McDowell, the National Maritime Union's Houston Port agent, sees Reagan's plans as short-sighted. If the public health service hospitals are closed down, something will still have to be done for the people it was serving, McDowell explains.

"The government's going to have to pay one way or the other," he says. Right now, McDowell says, it costs between $500 and $1,000 to treat the average seaman at the public service hospitals.

"If he has to go to a private hospital, it would cost him maybe $5,000 to $10,000."

Merchant seamen complain the "romance" is going out of their lives. "Romance" seems the word furthest from the minds and lives of food stamp recipients in Houston where hard-luck stories abound.

The food stamp building on East 11th Street in north Houston is a dingy, red brick building. Inside, recipients line up by faded blue walls, scuffling their feet on the worn linoleum floors. There are no chairs to ease the wait.

On the eastern edge of downtown is the Bell Street building—a cleaner, brighter facility that Texas Department of Human Resources people point to with pride. But clients accustomed to picking up their stamps at the old Navigation Street facility sail by the metal building, which still has no identifying sign out front.

Once a food stamp recipient gets his coupons and leaves the building, he is confronted with a line of old men who spend their days stationed in front of the centers, handing out meat market shoppers. The system is rigid. You get a shopper on the way out, not on the way in.

At all full-time food stamp locations in the city, the poor receive their monthly allotments from employees of Brink's Inc., an armored car service. The guards, most of whom make little more than minimum wage, express small warmth for the people receiving the coupons.

The only exception the guards make is for the "old people." These are the people who really can't work, the guards say, and they are sure it is the elderly who will be the most hurt by any food stamp cutbacks.

The government is not talking about eliminating the food stamp program, "but reducing it seriously and significantly," notes Charles Ternes, spokesman for the Houston office of the TDHR. The Reagan administration has promised, however, those deemed "truly needy" would retain food stamp privileges.

So who will be hurt? There were approximately half a billion dollars spent in food stamps last year, Ternes says. "That's one horrendous benefit for the food and agriculture industry."

How would some recipients deal with a decrease in food stamps?

Rose Price arrives in a shaky old pickup truck with bad brakes. "I don't get but $17 worth (of food stamps) and that don't take care of everything," the widow says. Decrease that and, Price says with a certain fatalism, "I'll just have to be short, that's all."

The 73-year-old woman had to pay an elderly neighbor to drive her there—a common practice according to the security guards who distribute the food stamps.

"While the centers are all on bus lines, not all our clients are," says Ternes. Case in point: a cab pulls up and members of two families jump out and run into the food stamp center while the meter ticks.

Odia Bell will be 60 Wednesday. A heavy woman, she walks painfully to the front of the room.

"Well it's going to be bad on me," she says of any cutback. "I'm unable to work. I had a operation in October. I'm just disabled. I have high blood pressure. I got two broke ankles and they took a bone out of my hip.

"It's just myself, but food and things are just so high. What you get for $10 you can carry home in one bag. I'm on a special diet."

Reagan's plans have her neighbors and friends worried, Bell says.

"That's all they talk about," she says, shaking her head sadly. "There is some in worse shape than I am. Some are in wheelchairs. Some are walking on canes."

Not that Bell is saying there couldn't be some weeding out in the food stamp program. "The young ones, if they're able to have babies, they're able to work.

Others say that being able to work is not the question.

A 32-year-old man arrives to pick up food stamps for his family. He came to Houston from McAllen two years ago and says he hasn't been able to find work lately.

Speaking in Spanish, he says he calls the same places every day, looking for work as a carpenter's helper or concrete worker—anything to do with manual labor.

He has a 31-year-old wife and four children, ages 7, 8, 12, and 16. The family receives $332 a month in food stamps. If the food stamps were eliminated or substantially decreased, he says, "There wouldn't be anything I could do but try and find a (better-paying) job or have my wife and children work."

Not everyone is taking the news about the possible cuts as evenly.

Guards at the Bell Street facility said one young man swore last week that if his food stamps are pulled he will "get a gun and just start robbing people."

Others like Deann Yerby aren't too attached to food stamps.

Last week the 30-year-old joined the food stamp rolls for the first time.

"This is the very first time I did this," she says, balancing her youngest child in one arm while she holds on to the coupon books with her other hand. It was a three-hour wait before she was finally given the stamps, she says.

"I got divorced in December after 12½ years of marriage. I was used to having my husband provide the food. I have four kids, 10, 10, 11 and 16 months. Yes, twins," she says with a smile.

Yerby says she is more concerned with finding a job than returning for another food stamp allotment. After her visit she says she can't believe there are too many cheaters on welfare, not when they have to wait as long as she did to be processed.

The program whose death knell has all but sounded is of course public service jobs under Title VI and Title II-D of the Comprehensive Employment and Training Act.

Last week, it was learned Reagan has decided upon an immediate hiring freeze to take effect Monday. This effectively scuttles the plans of VGS Inc. to add 650 workers to its rolls by September and the Houston Area Urban League to add 30 clients.

It was also learned there will be an attempt to pull back some of the already allocated CETA funds and a last-minute attempt to enroll clients before the freeze deadline was blocked.

Mrs. E. M. Amos is a CETA trainee now with the Houston Housing Authority. Before CETA, the 43-year-old woman says she spent a year submitting job applications around town.

"You just get the usual, 'We're not hiring now,'" she says. "I went to CETA one day and filled out the application and I was hired the next day."

Workshop sessions and on-the-job training gave her a chance to succeed at her new job, she says.

"If they would have just put me on a job, even though you have the skills to work, when you come into this new environment, you want to learn all over again what the supervisor wants," she says.

Amos says one thing her CETA training stresses is not to get upset about temporary setbacks in the job world. Amos figures this will stand her in good stead if the CETA program is dropped.

"They tell you, you either accomplish something while working in this position, or you don't accomplish anything," she says. "If this is the way it's going to be, I'm not going to get upset."●

CALL TO CONSCIENCE VIGIL, 1981

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LEHMAN. Mr. Speaker, I am pleased to participate in this year's "Call to Conscience Vigil, 1981." For the past 3 years, I have spoken on behalf of Lev Roitburd, former prisoner of conscience and longtime refusenik. This year's vigil marks an important difference for Lev Roitburd for he is a free man.

In January, Lev Roitburd arrived in Israel accompanied by his wife, Lila, and son, Alexsandr. Their courage, determination and persistence over many years have finally restored their basic human rights. After 8 long years of repeated denial and abuse, Lev Roitburd and his family are finally at home.

In recent days, the Soviet Union has displayed what might be regarded as a good will gesture. We have witnessed a sudden increase of exit visas issued to Soviet Jews, and Iosef Mendelevich, one of the three remaining defendants of the 1971 Leningrad trials, was released. It is difficult to predict what this means for the future. It certainly appears to confirm the familiar Soviet pattern of bartering with human lives.

We still face a great challenge in trying to keep open the emigration spout for Soviet Jews. Recently, the Soviet Union imposed severe restrictions, making it extremely difficult for Soviet Jews to submit applications for exit visas. These restrictions require that all immediate members of the emigrating family must be willing to leave the Soviet Union, that, if denied, a 1-year waiting period prior to reapplication must be observed, and that applicants must submit an invitation from an immediate relative residing in Israel.

There has been a sharp decline in the numbers of Jews allowed to emigrate since 1979. In 1979, 51,000 Jews were permitted to leave compared to only 21,000 in 1980—30,000 fewer in a 1-year period. The recent State Department report on human rights practices indicated that the drop may be due to the deterioration in East-West relations and Soviet fears of a Jewish "brain drain." According to the report's estimations, there are still over 200,000 Jews now holding letters of invitation from Israel.

It seems clear that we in Congress must continue in our efforts to help Soviet Jews and to express our strong determination in speaking out against

continued Soviet human rights violations. Let us help restore the basic rights to all Soviet Jews who wish nothing more than to live with their families in the place of their choice.●

SOVIET THREATS TO FREEDOM

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. DERWINSKI. Mr. Speaker, well justified is the assertion that the Soviet Union poses a threat to the freedom of all peoples throughout the world. Just as real is the continued suppression that the people within the U.S.S.R. face, who are held captive under the Communist dictatorship. One of the most unique peoples of non-Russian origin, within the U.S.S.R., are the Armenians, whose determined nature have allowed them to maintain their national identity.

The Armenian Weekly of Boston, Mass., recently reprinted an article by Rouben Gavoor, which originally appeared in the Manchester Union Leader. The article, which recounts the Armenian revolt against Soviet Russia, follows for the Members' attention:

FIRST SUCCESSFUL REVOLT AGAINST SOVIET RULE

(BY ROUBEN GAVOOR)

Very few people are aware that the month of February this year marks the 60th anniversary of the first and only successful revolt against Soviet Russia.

After six hundred years of subjugation at the hands of the Turks, and to a lesser degree the Russians, Armenians gained their independence on May 28, 1918 without any aid from the outside

The newly established Armenian Republic was patterned after the American system of government. The new Republic was recognised by 46 nations, including the United States, Soviet Russia and Turkey.

The newly elected government after a democratic election proceeded with the herculean task of trying to improve the urgent economic, social, educational and cultural needs of its citizens who had sacrificed everything for their freedom and independence.

One outstanding British Foreign Officer of high rank was sent to Armenia on an important mission in 1918. He describes the tragic and chaotic conditions in every segment of life of the suffering people in his classic book "The Near Eastern Checkerboard."

In 1920 this same British statesman was again sent to Armenia on an urgent mission. In essence this is what he said: Never in my life as a foreign service officer of over three decades have I witnesses such miracles performed by a newly established government and its people within two short years. There were no longer any beggars in the streets, no starving people. People were better dressed, happier and eager to improve the country further. The government had already established public schools, had laid the foundation for a university and had sent 50 or more bright students to European universities to study.

It soon became apparent that the Soviets could not stomach such a dynamic democratic government within their sphere of influence. They soon began sending infiltrators, agitators, and poured financial aid to the Communists within to disrupt the orderly process of government. They also aided and encouraged Turkey and Azerbaijan to attack Armenia. Pressed between the Communists and the Turks, the Republic, after much serious deliberation, decided to hand the reins of government to the Communists. The latter in turn pledged that there will not be any reprisal or persecution of leaders of the Republic. But the new Communist regime did not honor its pledge and began to persecute and imprison former leaders.

Within the next few months, the angry peasants, without leadership, revolted against the new regime, took over the government, freed the imprisoned leaders. The communists escaped, taking all monies and supplies with them. This historic and unprecedented event took place in February 1921.

Unfortunately, this first successful revolt against Soviet rule came to an end when the 11th Division of the Red Army was sent to crush the Republic, a few months later. Now Armenia is one of the Soviet Republics. And it is one of the most advanced ones in the Soviet Empire.

When freedom is at stake, no tyrannical regime, no matter how powerful, is invincible. The Armenian people proved this in this historic, daring and successful revolt.●

ADMINISTRATIVE RULEMAKING REFORM BILL H.R. 1776—HONOR ROLL

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. LEVITAS. Mr. Speaker, since the opening of the 97th Congress just 2 months ago, 160 Members have already joined me in sponsoring a bill to help the American people regain control of our Government.

My administrative rulemaking reform bill, H.R. 1776, will give Congress the right to review, and, if necessary, veto, in advance, any rule or regulation issued by unelected bureaucrats.

Laws should be made by persons elected by and accountable to the citizens of this country. It is, therefore, most appropriate that the number of this bill, H.R. 1776, is a reminder of the year of American independence and liberty.

This bill is not partisan; it is neither conservative nor liberal and its sponsors come from all across America and all across the political spectrum. It simply means that the duly elected representatives of the people will have the chance to consider rules and regulations before they go into effect, and the chance to stop them from going into effect if they are outside the intent of the law, overly burdensome, arbitrary, or just plain stupid.

The time has come for the enactment of this legislation. It deserves the support of President Reagan. I believe him to be a man of his word and one who keeps his promises. This issue—the enactment of a legislative veto—will give President Reagan the opportunity to demonstrate that he backs up his words with action. During last fall's campaign he spoke on October 8, 1980, in Youngstown, Ohio, on the subject of regulatory reform. He said there, clearly, directly, and unequivocally:

> To better control the growth of federal regulations, we should * * * give both Congress and the President greater authority to veto regulations approved by executive agencies.

The time has come for Mr. Reagan to redeem that promise with strong bipartisan support.

The following is a list of those Members who have already joined the H.R. 1776 "Honor Roll" for congressional control of and accountability for the laws. I welcome our other colleagues to join us and add their names to the H.R. 1776 Honor Roll.

LIST OF COSPONSORS FOR H.R. 1776

Mr. Albosta, Mr. Alexander, Mr. Applegate, Mr. Archer, Mr. Atkinson, Mr. AuCoin, Mr. Badham, Mr. Bafalis, Mr. Bailey of Missouri, Mr. Bailey of Pennsylvania.

Mr. Barnard, Mr. Beard, Mr. Benjamin, Mr. Bereuter, Mr. Bevill, Mr. Blanchard, Mr. Boner of Tennessee, Mrs. Bouquard, Mr. Bowen, Mr. Breaux.

Mr. Brinkley, Mr. Brown of Ohio, Mr. Butler, Mrs. Byron, Mr. Campbell, Mr. Clausen, Mr. Clinger, Mr. Coats, Mr. Coelho, Mr. Coleman.

Mr. Courter, Mr. Daniel B. Crane, Mr. D'Amours, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. Daschle, Mr. Daub, Mr. Derwinski, Mr. Dickinson, Mr. Donnelly.

Mr. Dougherty, Mr. Dornan of California, Mr. Duncan, Mr. Edwards of Oklahoma, Mr. English, Mr. Erlenborn, Mr. Evans of Georgia, Mr. Evans of Indiana, Mrs. Fenwick, Ms. Ferraro, Mr. Flippo.

Mr. Forsythe, Mr. Fountain, Mr. Frenzel, Mr. Frost, Mr. Gilman, Mr. Gingrich, Mr. Ginn, Mr. Gradison, Mr. Gramm, Mr. Gregg, Mr. Grisham, Mr. Guyer, Mr. Sam B. Hall, Jr., Mr. Hamilton, Mr. Hance, Mr. Hansen of Idaho, Mr. Hatcher, Mr. Hefner, Mr. Heftel, Mr. Hendon.

Mr. Hightower, Mr. Hinson, Mrs. Holt, Mr. Hopkins, Mr. Horton, Mr. Hubbard, Mr. Hughes, Mr. Ireland, Mr. Jacobs, Mr. Jeffries, Mr. Jenkins.

Mr. Jones of North Carolina, Mr. Jones of Tennessee, Mr. Kazen, Mr. Kemp, Mr. Kildee, Mr. Kindness, Mr. Kogovsek, Mr. Kramer, Mr. Lagomarsino, Mr. LeBoutillier.

Mr. Lee, Mr. Lent, Mr. Livingston, Mr. Loeffler, Mr. Lott, Mr. Lujan, Mr. Lungren, Mr. McDonald, Mr. McGrath, Mr. McKinney.

Mr. Madigan, Mr. Marlenee, Mr. Marriott, Mr. Mazzoli, Ms. Mikulski, Mr. Miller of Ohio, Mr. Mineta, Mr. Mitchell of New York, Mr. Montgomery, Mr. Moore.

Mr. Morrison, Mr. Motti, Mr. Murphy, Mr. Myers, Mr. Neal, Mr. Nelson, Mr. Nichols, Mr. Nowak, Mr. Panetta, Mr. Parris.

Mr. Pashayan, Mr. Patterson, Mr. Petri, Mr. Price, Mr. Pritchard, Mr. Pursell, Mr. Robinson, Mr. Roe, Mr. Rose, Mr. Roth.

Mr. Rousselot, Mr. Russo, Mr. Santini, Mr. Sawyer, Mrs. Schroeder, Mr. Sensenbrenner, Mr. Shelby, Mr. Shumway, Mr. Smith of New Jersey, Mr. Solomon.

Mr. Stangeland, Mr. Stump, Mr. Synar, Mr. Tauke, Mr. Thomas, Mr. Trible, Mr. Volkmer, Mr. Walker, Mr. White, Mr. Whitehurst.

Mr. Whittaker, Mr. Wilson, Mr. Winn, Mr. Wolf, Mr. Wolpe, Mr. Yatron, Mr. Young of Missouri, Mr. Zeferetti.●

TAX AMERICANS WORKING ABROAD MORE SENSIBLY

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. JACOBS. Mr. Speaker, although I believe that in the past there has been some unjust enrichment as a consequence of the Internal Revenue Code's treatment of income by Americans working abroad, I am convinced that the reform legislation a few years ago swung the pendulum too briskly and that it missed the dead center of equity.

It remains true that other industrial nations do not impose income taxes on their citizens working in other countries. I can see that this does not necessarily mean that the practice of complete exemption is justified.

But there is a noticeable trend away from using American business representatives in other countries to facilitate the sale of our products. This is not in the best interests of our own country.

H.R. 911, authored by our stalwart bipartisan Texas duo, Mr. ARCHER and Mr. PICKLE, would not fully exempt income earned by Americans who worked in other countries. But it would make the taxation of that income more sensible. Consequently I have joined the dynamic duo as a cosponsor of their effort toward equity in this area.●

GOD AND SCIENCE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BROWN of California. Mr. Speaker, all of us have seen press accounts of the calls to end the teaching of evolution in public schools. While some of these news stories were thorough discussions of the issues, many were superficial and even provocative. It is good drama to pit God against science, but this is hardly reality.

This unnecesseary confrontation is more than just public drama. There is real danger that this fight will carry over to the support for scientific research and science education. Government should not try to tell people what to believe, but neither should those with particular religious beliefs try to impose that particular belief upon others. Science has always challenged the conventional view of the world. Those who wish to cling to particular beliefs frequently feel threatened by the advances of science. Yet both science and religion have been able to evolve and are still evolving today.

Mr. Speaker, while the discussion of theology is not normally in order in this body, it is important that we all realize that there is a long-standing role of Government to promote the advancement of science. The recent press stories about conflicts between God and science should not be construed by Members as evidence that support for science is a matter of controversy.

Two articles recently brought to my attention help illustrate this point. One article, written by a man uniquely qualified to discuss the matter, was authored by the senior minister of the Covenant Presbyterian Church of Long Beach, Calif. Dr. Hugh David Burcham is also a member of the Long Beach Community College board, as well as a former member of the Long Beach Unified School District Board of Education. The second article was written by columnist George Will, who needs no further introduction. The two articles follow:

[From the Long Beach Press-Telegram, Mar. 7, 1981]

NO NEED TO CHOOSE BETWEEN BIBLE, SCIENCE, PASTOR SAYS

(By Dr. Hugh David Burcham)

I am writing out of concern for what would seem, at least in the way the issue is being presented in some press releases, to require a sharp choice. I am referring to the controversy that made headlines on the front page of several newspapers including the Press-Telegram some time ago: namely a court case in which certain individuals are challenging the State Board of Education on the policy of what should be taught in the public schools regarding the origin of life.

The impression seems to be left that either a person opts for what the scientific community overwhelmingly accepts as the most reasonable explanation of the beginnings of physical life on this planet, on the one hand, or for what Scripture teaches, particularly in the first chapters of Genesis in the Old Testament, on the other.

For one, I must reject the suggestion that one has to make that kind of a choice. My basic premise is that if a matter is true, it cannot be against God. God is the author of all truth. Therefore, whatever is demonstrated convincingly as being scientifically the most reasonable explanation for anything is, to me, a signal that would appear that God made it that way.

So, I do not fear the march of scientific evidence; rather I welcome it. For, the more we know about our universe, the more magnificent is our conception of the great God who created it.

Just as fervently as I believe the above, I also accept the authority of Scripture. However, Scripture, to me, is not a scientific textbook. It is rather the account of God's revealing Himself to mankind across the millenia.

As a Christian, I believe that supremely God revealed Himself in Jesus Christ. That story is climaxed for us on the pages of the New Testament. Christians believe that the Old Testament is authoritative, especially so as it prepared the way for the New.

Having said this, I must also acknowledge that the authority of Scripture lies in the area of our relationship with God as spirits to Spirit, apprehended in faith. We distort the purpose of Scripture when we try to make of it an authoritative text in such fields as geology or anthropology or any other physical or biological science. It rather speaks with power and truth to the person of faith of man's growing understanding of God and God's supreme purpose for His world.

With that kind of perspective, Scripture in no way is in contradiction to what science is teaching. They complement each other.

Before closing, I must express my own feeling that in the kind of religiously pluralistic society we live in, the position on curriculum that has been taken by our State Board of Education is, in general, the right one. It is not the business of the state to attempt to introduce a religious interpretation to scientific studies.

This violates our honored principle of separation of church and state and, at best, would please only that segment of the religious community that happened to agree with the particular religious interpretation introduced. It seems to me that the course we in the religious community should rather pursue is to add in our churches, synagogues and homes that dimension of spiritual interpretation that would at once be faithful to the best in biblical scholarship, and consistent with the growing body of scientific discoveries about our universe.

I would maintain that this is excitingly possible. And, for me, it is faith-reinforcing.

[From the Washington Post, Mar. 8, 1981]

LIGHT-YEARS OF WONDERING

(By George F. Will)

Last week, while some California "fundamentalists" were putting science on trial, with Darwin in the dock, some California scientists reported what may be additional evidence for the "Big Bang" theory of the origin of the universe. That theory has moved a distinguished science writer, Robert Jastrow, to say (in his book "God and the Astronomers"): "The scientist has scaled the mountains of ignorance; he is about to conquer the highest peak; as he pulls himself over the final rock; he is greeted by a band of theologians who have been sitting there for centuries."

Astronomers have detected four hitherto unknown galaxies that are 10 billion light-years away. (The light, traveling 186,000 miles per second, took 10 billion years to get to California.) Until now the most distant known galaxy was eight billion light-years away. If the scientists who believe the universe began with a bang 18 billion years ago are correct, the light now received from the recently discovered galaxies comes from more than halfway back in time to the "Big Bang"—or, if you prefer, to creation.

In 1913, an astronomer discovered that numerous galaxies near us were racing away from us and each other at millions per miles per hour. The fact that all galaxies seem to be doing that and the fact that the universe is bathed in radiation suggests that matter

and motion originated in a single stupendous explosion. If the expansion of the universe is slowing, it may reverse and the universe may collapse in on itself, with unsettling consequences for the insurance industry. Meanwhile, the evidence suggests the essence of Genesis: Man is the result of events set in train by a cataclysm of light and energy.

California's litigious "fundamentalists" say their "rights" are abused by schools that do not teach "creationism" as they understand it (God created man directly as man, a few—perhaps 10—thousand years ago) as a "scientific" alternative to the theory of evolution. But reasonable faith receives no injury from the theory of evolution, and can receive sustenance from astronomy.

John Wheeler, an eminent physicist, notes that the inertial forces produced by the "Big Bang" and responsible for the expansion of the universe are astonishingly balanced throughout the universe, and "locally" in galaxies, such as ours, by the mutual gravitation of matter. This makes possible, among many other things, our solar system and life.

Furthermore, it took two billion years on earth for life to rise from algae to the amoeba. If the "Big Bang" had been less violent, the expansion of the universe would have been less rapid, and the universe would have collapsed in a short time—a few million years, perhaps a few minutes. The fact that the universe is congenial to life on Earth is theologically suggestive because it is staggeringly improbable.

The "Big Bang" theory is incompatible with the idea that God created man directly as man, and recently. But Darwin's theories are compatible with the idea that the universe and all its parts, including man, are the result of a Divine Purpose rather than of randomness. John O'Keefe, an astronomer with NASA, writes:

"Among biologists, the feeling has been since Darwin that all of the intricate craftsmanship of life is an accident, which arose because of the operation of natural selection on the chemicals of the earth's shell. This is quite true; but to the astronomer, the earth is a very sheltered and protected place."

It is strangely, suggestively sheltered. Compare, O'Keefe says, the lushness of Earth with the cratered, smashed lunar landscape. Yet the moon is a friendly place compared with Venus, where a rain of sulfuric acid falls toward a surface that is hot as boiling lead. Even this is homelike compared with other known conditions. "We are, by astronomical standards, a pampered, coseted cherished group of creatures. . . . If the Universe had not been made with the most exacting precision we could never have come into existence. It is my view that these circumstances indicate that the Universe was created for man to live in."

Perhaps astronomy validates the sense of Divine Purpose that Darwinism, improperly understood, seemed to have drained from the universe. However, the theological concept of creation involves a kind of causality beyond the ken of science. Perhaps that is why Einstein said of the early evidence that the universe is expanding: "This circumstance irritates me." The "Big Bang" theory traces cause and effect back to the First Cause, "to which," said Aquinas, "everyone gives the name of God."

The evidence—if such it is—that the universe had a moment of creation, and the difficulty of explaining that creation, should induce the sort of awe—a kind of cosmic surprise—that can be the beginning of a religious sensibility. Certainly modern science does more than religion's anti-scientific "defenders" do to instill that sensibility.●

TRIBUTE TO DR. MEYERSTEIN

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. CARMAN. Mr. Speaker, I wish to call the attention of the House to one of the great men of the community of Farmingdale, N.Y., Dr. Albert Meyerstein.

Dr. Meyerstein, who is now 80 years young, was born in Germany, where he later practiced medicine. After Hitler's Nazis took power, Dr. Meyerstein was an object of their persecution and finally fled. He came to the United States in 1939, without a penny. It is fortunate for my community that the doctor came through Farmingdale, one day, by train. He liked what he saw and has been here ever since.

Dr. Meyerstein was the physician for the Farmingdale School System for 15 years. He was also the football team's doctor in recent years and still attends every game. He has been extremely active in civic groups like Rotary, and the library board. The Interservice Club once picked him to be man of the year.

He was also instrumental in the formation of the Interfaith Council of Women in Farmingdale. At that time, he reportedly said:

If they (the women) do so well separately, how much more good they'll do together.

We residents of Farmingdale owe a great deal to Dr. Meyerstein and wish him many more years of health and happiness.●

AUSTINITE WALKS AWAY WITH GRAMMIES

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. PICKLE. Mr. Speaker, a gifted Austinite hit paydirt at Radio City Music Hall last month. Christopher Cross walked away with four grammy awards, including Record of the Year, Album of the Year, Song of the Year, and Best New Artist. Cross' song, "Sailing," was judged the best arrangement.

After years of working in the musical vineyards, arranging concerts, writing songs, playing at pizza parlors, and losing count of tour buses, 1980 was the year when suddenly, Cross' sounds hit the airwaves coast to coast. Much has been written in recent years about the "Austin Sound," an amalgamation of country-rock strains. But the last few years have seen an expansion into jazz, pop, and Latin influences. Although he has lived all around Texas, Christopher Cross is an apt reflection of the Austin Sound in talent and personality.

Mr. Speaker, I would like to submit an article about Christopher Cross from the current issue of Austin magazine. Upon reading the article, you will discover the man is as genuine and dedicated as his music is beautiful and unique. Christopher Cross is an inspiration. His years of hard work and his total concentration on music without gimmicks have earned him a place in our list of people who contribute to popular culture at the cutting edge.

The Congress congratulates Christopher Cross, his friends, family and associates. It is with hometown pride and respect for musical talent that I submit this article:

CHRISTOPHER CROSS GRABBING TOP AWARDS IN POP MUSIC WORLD

(By Robert McCorkle)

Austin, Texas became known in the 1970s among record industry moguls as the city that launched "progressive country," or "redneck rock," with performers like Willie Nelson and Jerry Jeff Walker strumming it into the limelight. But in 1980 another Texan—Christopher Cross—rumbled across the national music scene like an unannounced earthquake. For all practical purposes, last year should be dubbed by Austin artists as the "year of the flamingo," Cross' logo.

With elaborate production, crisp arrangements and a jazz-reggae-folk rock sound highlighted by lush vocals, Cross' singles, "Ride Like the Wind" and "Sailing," shot up the Top 40 pop charts like a meteor, with his first album hitting the 2,000,000 mark in 1980. But Cross' Horatio Alger-like overnight rise from being the leader of an Austin party band to Warner Brothers' hottest music property with a certified platinum album is a bit misleading. But then, where this talented Texan is concerned, things are not always as they seem on the surface or as neatly categorized as they might be.

An unwavering confidence in himself and his music plus a touch of gambling spirit propelled Cross from relative obscurity to new-found fame and fortune in less than a year's time.

Sitting in the kitchen of his newly refurbished and fashionable west Austin home, the soft-spoken 29-year-old San Antonio native munches on a candy bar—one of the few vices he allows himself—and reflects on the lean past and his changing fortunes. Two pieces of gold jewelry—a guitar and flamingo made by a local craftsman—are barely visible around his neck. The jewelry is one of the few ostensible signs of his newfound wealth in his two-story, 1930s vintage house.

He and RoseAnn, his petite 24-year-old wife, "kept going through the fog figuring it would work out one way or the other," says Cross of his struggling career as a musician. "But everything has sort of fallen into place."

This is a gross understatement, coming as it does from a man who became Warner Brothers' first artist to have two hit singles

in the Billboard Top 10 off a debut album. The album, titled simply "Christopher Cross," came out in January, 1980. By the end of the summer, if had sold one million units. And the album was recently awarded Billboard Magazine's top ratings, including "Top New Male Artist," "Top New Artist Single" and "Top LP." After 15 years as just another struggling musician, Cross has arrived.

A prolific songwriter who often inks as many as three songs a day, Cross and his loyal band spent much of the 1970s as a so-called "copy band," playing everyone from the Beatles and Boz Skaggs to the Eagles and Doobie Brothers. While the band earned its bread at night playing small clubs, pizza parlors and fraternity parties in Dallas, Houston and college towns like Austin and San Marcos, Cross and his buddies settled for trying to find a way to butter if by working on original material during the daytime.

Cross explains, "Our formula was to keep our sanity by making enough money to pay the bills, so we played copy material. We decided not to play our own material but to wait for soul gratification later and make some money in the meantime."

Things got a little lean at times, and everyone battled recurring bouts of frustration, Cross admits. But he kept on doggedly, writing songs and working with longtime pal and engineer Chet Himes, developing the sound he was sure would open the L.A. music industry doors when he finally found the right key.

"We were in Houston from 1975 to 1977 playing the Village Inn under the name Heather Black," recalls bassist Andy Salmon. "We played by night for money, but by day we were going nuts, doing demos. Then we moved to Austin and started doing frat parties—stuff like Boz Skaggs—that we didn't necessarily like to play. We were just hoping the first album would sell maybe 50,000 copies. We didn't expect it to do as well as it did."

Cross didn't set out initially to become a rock or pop music star. Raised as a typical army brat moving from city to city, Cross and his doctor father and nurse mother settled in San Antonio. Inspired by Dave Brubeck records, he took up drumming in the seventh grade and formed his first group, the Psychos. But Cross switched at age 13 to guitar because "You couldn't write songs on the drums too well." And later at Alamo Heights High School, he joined a band called Flash.

It was while living in San Antonio that Cross met the man who was later to engineer the album that would lead to his eventual breakthrough in the music industry. Himes remembers listening to a tape Cross had recorded back when they were teens that was "so much superior to anything anyone else was doing at the time, and thinking this guy is a potential superstar."

Cross' subsequent success has been both gratifying and a relief to his family, who viewed Christopher with some skepticism when he dropped out of the pre-med program at San Antonio College and moved to Austin to work fulltime at his musical pursuits.

"I think they're relieved from a financial standpoint that I've made it," says Cross, who with his young wife moved from apartment to apartment during the days as a copy band. "They probably had their doubts about what we were doing with ourselves, quitting school. But my dad's reaction was positive. He said, 'Go for it.' He'd played bass throughout college and told me those were the happiest times of his life."

Things began looking up for Cross when in 1977 he hooked up with manager Tim Neece of Artist Communications in Austin. Neece initiated a deal with Free Flow Productions. With the help of Free Flow's Michael Brovsky and Witt Stewart, who had moved from New York to Austin, Cross cut another tape and approached Warner Brothers with his material again. This time, Michael Ostin, son of Warner Brothers president Mo Ostin, heard the tape and fell in love with it. From there, it has been clear sailing for Cross.

Warner Brothers sent representatives to Austin on Halloween night to hear Cross and his band showcase his original sound at the now defunct Alamo Roadhouse. Impressed with the performance, the prestigious label signed Cross the following year.

It wasn't long before word of the remarkable Texas talent was making the rounds in the L.A. music community. Cross and his band were invited by California blues rocker Bonnie Raitt to tour with her. Back from that successful sojourn, Cross and the boys were asked to be the opening act on the 1979 summer tour of rock heavyweights Fleetwood Mac. Says Cross of the experience, "It was a real good opportunity and a revelation of sorts. But I still didn't feel that secure even after 200,000 albums had sold."

A couple of months later, the Christopher Cross album went gold (500,000 albums sold) and it dawned on the Texas discovery that "things would probably keep on going—that it wasn't just a flash in the pan."

Keep on going it did. Cross went on to tour with the Eagles who took a special liking to the unusual Texan. He also appeared on television's "Midnight Special" and "Solid Gold" and was approached to appear on "Saturday Night Live," according to Neece. As icing on the cake, Cross spent last November playing small concert halls in Japan, returning to Austin just in time for Thanksgiving.

Despite his sudden fame, Cross is the same guy he has always been, say his friends. Himes, who with his wife, Debbie, are Christopher and RoseAnn's closest friends, characterizes his longtime pal as shy and somewhat introverted around people he doesn't know. "All artists have their little eccentric ways. But once you break the first barrier, he'll talk to you forever."

A no-nonsense, egotistical sort, Cross credits primarily his own perseverance and the support of his wife and close friends for his long-awaited success. Cross is also obviously proud that he did things his way without succumbing to the siren song of the L.A. music scene, traditionally the place bands to pay their dues while awaiting discovery by the major labels. "We've gotten over in a short period of time a lot of small humps most artists go through the first few years," grins Cross. "It's like a person getting all of his vaccinations in one big shot."

Frustrated by years of repetitive club work and peanut butter sandwiches, Cross was tempted several times during the past decade by those who wanted to purchase the publishing rights to the songs he had penned. And there was always the thought lurking in the back of his mind, he says, of the minor labels like Ariola Records which he could have signed with to produce his album. Instead, the determined singer-songwriter decided to gamble on his talents and bide his time until the right opportunity presented itself.

Cross formed Pop 'N' Roll Music which holds all publishing rights to his material. It is the royalties from those publishing rights, Cross explains, not so much his cut of the album sales at this point, that made him and his family secure financially. He admits it was not easy during hard times to pass up the chance to sell those rights for "a hunk of money," around $100,000.

Cross has chosen to sink his roots in the rocky, Texas Hill County soil. He is considering building an "L.A.-quality" recording studio in Austin where he can work on his records and be close to his family. It would be the best studio in Austin with 24 tracks, vows Cross. By recording at home, the husband and father hopes to reduce significantly the four months and 700 studio hours it took him on the West Coast to perfect his first release.

The studio is just one outward indication of a change in lifestyle Cross' newfound success has brought. He says he intends to spend part of the proceeds from his first album's profits to finish furnishing their 43-year-old home. Both he and RoseAnn agree the ability to buy a house after so many years of apartment living has been the greatest change in their lifestyle to date. It has also permitted the Austin couple to get a piano for their 4-year-old son, Justin.

But to look at the young musician lounging in jeans and a faded brown sports shirt, with mop-headed Justin and Eddie the pet cat sitting on the vine-covered patio, Cross defiles the image of the pop music star.

For the most part, Cross eschews the California music establishment and its "life-in-the-fast-lane" world of alcohol, drugs and wild parties. Cross is a devoted family man who doesn't like to be on the road more than a month or two at a time. Sometimes he even takes his family along with him.

As musicains go, Cross is an anomaly who is about as straight an arrow as can be found in the rock music world. He drinks only on special social outings, doen't smoke tobacco or pot and generally avoids drugs.

For Chris, as his friends call him, his music is his high. Explains Cross, "I could take 10 pounds of drugs and nothing would equal writing a new song, getting together to play with the gang and seeing it all come together. That sort of artistic satisfaction is so much more of a high than anything else."

But that's not to say Cross hasn't enjoyed rubbing shoulders with the stars in Hollywood. Cross says one of the biggest advantages of touring is getting to meet and play with musicians of stature. But he concedes, "The traveling part is a drag."

Both mom and dad think it's better for Justin to be reared in Austin than the live-and-let-live environment of southern California. For Chris and RoseAnn, Austin represents a "sort of mecca" with its laid-back atmosphere, beautiful scenery and old friends.

"I love to get together with my friends," Cross says in his low, staccatto delivery so unlike the mellow voice one hears on his records. "I only have six or seven close ones, but they're our special little group."

As one might suspect, those best friends include Himes, Neece, and longtime band members Tommy Taylor, the drummer; Rob Meurer, keyboards; and Andy Salmon, bassist. In addition, Cross has added another keyboards man, Hank Hehmsoth, and percussionist James Fenner, both Austinites, to his touring entourage.

Hehmsoth studied classical piano and earned a music degree from UT. He then

moved into the local jazz club scene and joined Cross last year when offered the job. Hehmsoth, is a composer as well and is currently working under a much coveted grant from the National Endowment of the Arts. Percussionist Penner, another family man with three children, also played with several Austin jazz bands before jumping on Cross' bandwagon. In addition, another Austinite who has benefited from Cross' success is guitar maker Mike Stevens, who custom-designed the musician's double neck guitar.

Cross left San Antonio because he felt it was stagnant musically. He lived in Houston for a while but finally moved back to his beloved Austin, a city he considers a "little San Francisco." An extensive traveler who has been overseas and all over the United States, Cross gives Austin the nod as the best place to live. He puts it this way: "Austin just seems to have a niche for us."

Austin is cutting a niche for Cross, too. You'll hear "Ride Like the Wind"—marching band style—reverberating from high school football stadiums, and last summer Mayor McClellan declared Aug. 8 "Christopher Cross Day."

Tugging on his scraggly, black goatee, Cross continues, "I think you have to live here to know what I'm talking about. Austin will grow, but I think it will retain its uniqueness."

Another plus that goes along with living in Austin, Cross confides, is the enigmatic aspect of being from a small Texas city far removed from the West Coast recording rat race. Instead of living in L.A. with all the other struggling musicians, he feels there's a certain amount of mystique about a musician from Texas. Cross says he often receives a better reception than he might enjoy otherwise from California audiences suffering from glut of Hollywood hopefuls.

"Like when we play the Roxy Theater," points out Cross, "there's a lot of interest there because we're from Texas, and they don't know what to expect. It was really nice to be received that way in L.A. because it's the ultimate community in music."

Another thing that sets the Texan apart from the beautiful people of the recording jet set is Cross' looks, which are not exactly out of the Jackson Browne mold. But that is of little importance to the curly-headed Austinite.

He explains, "Certain artists depend very heavily on the way they look. That's a big marketing point, but their talent doesn't necessarily match. I want to be able when I'm old to say I made it because my music was real good and I was an artist and people liked my music, not just the way I looked."

Cross scoffs at groups like Kiss who play up the theatrical and visual aspects of pop music, contending such antics have no place in true art. To him, "Music is art for the ear." And unlike some of his more hedonistic and bizarre colleagues in the rock world, Cross is not out for the cheap thrills that have become synonymous with a rock star's on-the-road, harried lifestyle. It is yet one more paradox where the unusual Texas product is concerned.

It is the music—pure and simple—that turns on Christopher Cross. He is not unlike a new papa with a baby boy where his hit album is concerned. He talks openly of how he conceived some of the remarkable tunes that have made him an instant hit.

For Christopher, songwriting is a form of meditation and experimentation. He says, "I'll just sit down with my guitar and start playing. I've done it for so long it comes easy. Usually I'll get a hook like 'Got such a long way to go, make it to the border of Mexico,' and put other verses with it."

Like a talented fiction writer drawing on his past, Cross theorizes he must be subconsciously thinking about experiences or feelings when he starts to write a tune.

He notes that "Ride Like the Wind" apparently stemmed from all the nights of watching old cowboy serials like the "Lone Ranger" and "Roy Rogers" where the criminal is trying to escape the lawman's noose by fleeing across the border to Mexico.

"When I wrote that song about two years ago," Cross says, trying to conjure up the magic moment, "I was in Houston just sittin' in my apartment. Justin was sleeping and RoseAnn was at work. I just got my guitar out and wrote for two or three hours. That day, I had probably written two or three things before that song." That tune alone made it to No. 2 in the nation and held there for five weeks, reaching more than 900,000 in sales.

Cross says that for him there is never any conscious effort to any song. "I don't say 'I'm gonna write a song about this or that'; they just come out," he explains. "That level of music God has given me pushes me on."

In addition to his natural penchant for writing smash hits like "Sailing," Christopher Cross is also an accomplished guitarist. Although he had some able help on his debut album from the likes of Larry Carlton and Eric Johnson, Cross can pick out a quicksilver lead with the best of them.

On stage at a summer performance in north Texas last year, the pudgy Cross, wearing blue jeans, tennis shoes, and an Oilers jersey personally bestowed by Earl Campbell's manager worked with intensity, cutting loose on his specially-built tandem, dual-neck Fender guitar.

His stage persona is a contradiction of the man who backstage seems impatient, preoccupied and almost irritable before going before a live audience. Once in the spotlights, Cross warmed up rapidly to the crowd's enthusiasm, at one point even doing an impromptu soft shoe while roadies struggled with a malfunctioning public address system.

But whether live or on record, Cross' music is as refreshing as a Texas fall breeze in today's saturated record market, glutted with homogenized genres of contemporary music mimicking one another. As Cross' longtime buddy and engineer, Himes, explains, "To make it in the music business today, you've got to have a style that's identifiable and constant. Chris does, and that's what makes him great."

So why did it take Cross so long to catch on in an era when his style of soft rock and mellow vocals was in vogue?

"It's hard in the record business to get exposed to the right people," Cross says. "It took us a long time to get signed, too, because we didn't pursue it 24 hours a day. It's a process that just takes a lot of years."

Cross is already hard at work on his next project, an album he reveals will depart little from the successful formula of his first. He immodestly predicts it will be "as good or better than the first."●

ST. STEPHEN'S 107TH ANNIVERSARY

HON. PETER W. RODINO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. RODINO. Mr. Speaker, St. Stephen's United Church of Christ in my congressional district will have a special service this Sunday, March 15, to commemorate its 107th year in Newark.

The people of Newark are deservedly proud of St. Stephen's role in the history of the Ironbound section of our city. While its original parishoners were of German descent, the church now serves people of many ethnic backgrounds. St. Stephen's also takes an active role in providing social services to the people of the Ironbound. The church guild provides transportation and other help to elderly persons; and the church helps get youngsters involved in community projects and neighborhood activities.

The efforts by St. Stephen's pastor, Rev. David Burgess, to help improve the living conditions in Newark's neighborhoods are appreciated throughout the city. At Sunday's service Reverend Burgess will be joined by Bishop Joseph Francis, auxiliary to the Catholic Archbishop of Newark, who is chairman of the Greater Newark Urban Coalition. I am sure it will be a memorable occasion, celebrating one of Newark's great institutions.●

APPROPRIATE TECHNOLOGY: OPTIMIZING CAPITAL AND LOCAL RESOURCES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. BROWN of California. Mr. Speaker, the adaptation of technology to the needs of specific communities and cultures is a topic of concern in this country and abroad. In order to use capital, labor, and natural resources most efficiently, technologies used in one situation need alteration when used in another situation. Unfortunately, this commonsense statement is often overlooked or ignored.

I was impressed with a recent story in the Wall Street Journal which described efforts by the Dutch N. V. Philips Co., which has made a concerted attempt to improve exports by practicing this commonsense approach.

U.S. industry could learn from this approach, which could be of benefit to everyone involved. I commend this article to my colleagues. The article follows:

[From the Wall Street Journal, Feb. 27, 1981]

PILOT PLANT TESTS AND TRAINS, AIDING THIRD-WORLD INDUSTRY

(By Alan L. Otten)

Third world nations need technology that suits their own markets and production methods. So machinery from suppliers in "advanced" Western nations often doesn't fill the bill. N. V. Philips, the Dutch electrical and electronic giant, is trying to do something about it.

Philips has a special unit in Utrecht custom-tailoring solutions to Third World problems. For instance, an emerging African nation wanted its own television-set factory. The molding machines used in European plants to make TV cabinets cost about $150,000—an economic investment for a factory producing 100,000 sets a year, but far too large an outlay for an African plant aiming at 3,000 to 5,000 sets a year.

The Philips people took a process commonly used for automobile dashboards and developed a mold of epoxy resins. With that, they produced cabinets from polyurethane foam finished with plastic foil. The epoxy resin mold cost about $2,150.

Practically every Third World country wants local plants to turn out radio and TV sets, irons, mixers and all the other things of the good life. But often the small local market requires only modest output—with machinery and production processes far less costly and complex than those used in the U.S. or Europe for large home markets and for export.

Tools and machines must be inexpensive, simple to use, and simple to maintain or repair. Production line and assembly operations must be easy to keep going. Inventory control, accounting and other management procedures can't be too intricate, either.

Adapting Western industrial methods to the economic needs and technical abilities of developing nations is tougher than it might seem. Substituting a small machine for a big one or breaking down a procedure into several steps may not solve the problem. The smaller machine may not exist; the process may not be readily divisible.

This kind of "appropriate technology"—from designing a small hand tool to setting up an entire factory—has been tackled for 20 years with much success by the Philips "pilot plant." It may be the only such permanent unit maintained by any major multinational company, and it has some lessons for others bringing advanced technology to the Third World.

"We engineer for low investment, small production, easy installation and maintenance," says Pierre Pijs, a veteran Philips executive who is the manager—and evangelical advocate—for the pilot plant. "The need is getting bigger all the time, both because of the diversity of products these countries want and the diversity of their levels of competence."

The pilot plant, a low warehouse-type building on the outskirts of Utrecht, devotes one large area to mini-production lines, where Philips technicians and engineers apply and test a variety of simplified machines and procedures, and at the same time train people from foreign countries where plants are to be established. This part of the plant constantly changes its layout and systems to handle new assignments.

Another section contains a model stockroom with more than 4,000 parts, where foreign trainees are taught to keep inventory. "When you run out of screws in Africa, you can't dash into town to buy a few more," says Mr. Pijs.

Still another part of the plant houses a 15-man crew of universal engineers, who figure out how to adapt existing tools, machines and processes to local needs—and who invent new ones if necessary. To substitute for the computer-controlled machines that in large plants make the printed wiring boards for TV sets, the engineers made a simple hand-controlled machine that can produce 12 boards at a time. To replace a normal mechanized production line, they mounted two rails on fiberboard, with hand-pushed trolleys to carry the items being assembled from worker to worker.

In one office, a small staff prepares dozens of extra-simple technical manuals—with a minimum of text and a maximum of easily understood diagrams, perspective drawings and photographs—on everything from "foil/foam technique" to "budgeting for nonaccountants." One thing the pilot plant doesn't provide advice on, however, is personnel. "So much depends on the local culture," Mr. Pijs says. "We just tell them to get themselves a good personnel officer."

So far, the pilot plant has worked with more than 20 developing nations, ranging across the Third World from Indonesia and Bangladesh in Asia, to Tanzania and Ghana in Africa, to Colombia and Peru in South America. The plant may be busy on a score of projects at any one time. The chief purpose, says Mr. Pijs, is "to support our own commercial activities." There is an obvious bonus in the good will created among governments and foreign businesses.

Typically, when a particular plant or type of operation is to be set up in a Third World country, a small Philips team from Utrecht visits the country and selects the most efficient machines and production lines for the job.

Then they set up a prototype production line at the pilot plant, using existing or improvised tools and machines, and see how it actually works. Usually, the likely plant manager, production line supervisor or other important workers from the proposed plant are on hand for three days to six weeks, working in turn at each job—checking in new supplies, preparing quality-control tests, performing steps in the production process.

The Philips experts travel later to the client country to be on hand when the plant is being assembled or when operations are starting, and to give further training and to trouble-shoot problems.●

SOME ARE JUST TOO GOOD TO GET RID OF

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. PICKLE. Mr. Speaker, all of us at one time or the other have gone against the general grain. By this, I mean that at times we are inconsistent, so it seems, in our positions.

I support reducing Federal spending. I believe that deficit spending, as we have had over the past 11 years, is a major cause of inflation. I believe that if we could reduce Federal spending, it would go a long way in restoring the confidence of the people in their Government and the future of our Nation. I have sponsored a proposed constitutional amendment to require a balanced Federal budget.

Because of this background, I applaud President Reagan's efforts to control spending. Many programs are out of control.

But it is just commonsense to note that when the President recommends some 100 specific cuts, he makes a few errors in judgment. In other words, President Reagan has picked some programs for extinction that are not out of control, and which should not be abolished.

The Economic Development Administration is such a program.

This is not a large program, and it never has been. It has not ballooned into a large self-serving bureaucracy. When created in 1966, it spent about the same amount of money it does now in terms of constant dollars.

But more important than being a small, and tightly managed agency, EDA has created jobs, and more jobs. EDA has created jobs in the rural sections of my congressional district; EDA has created jobs in the urban areas in my district; EDA has created jobs in the ghetto, in the suburbs, in the country; EDA has created jobs for whites, browns, blacks, and Indians. Where economic development is needed, EDA has been there.

EDA has created these jobs for an average $3,789 one-time, up-front investment in its public works programs. The number of total jobs is nearly 25,000. These are permanent jobs, not make-do jobs that are temporary in nature.

Finally, EDA does this work in mostly pockets of poverty areas—where the larger geopolitical unit might have healthy figures, but smaller areas have high levels of unemployed and underemployed.

Mr. Speaker, I say that we should keep EDA. Maybe at a reduction compared to the original $674 million request, but I do not support doing away with one of the best little agencies in Government.●

CRIME

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 10, 1981

● Mr. MAZZOLI. Mr. Speaker, the Chief Justice of the United States, Warren E. Burger, recently presented his annual address to the American Bar Association. His topic was crime in American society.

I congratulate the Chief Justice on his excellent statement and support him in his call for a national commit-

ment to a safer America for every citizen.

His thoughtful comments and suggestions deserve the full consideration of the Congress and the country.

I have, therefore, prepared excerpts from the Chief Justice's address for my colleagues' study.

Portions of the speech follow:

ANNUAL REPORT TO THE AMERICAN BAR ASSOCIATION BY THE CHIEF JUSTICE OF THE UNITED STATES, HOUSTON, TEXAS, FEBRUARY 3, 1981

Today, for the twelfth time, you allow me this forum to lay before you problems concerning the administration of justice as I see them from my chair. For this I thank you, Mr. President and fellow members of the association.

On previous occasions I have discussed with you a range of needs of our system. Your responses beginning in 1969 where a major factor in bringing into being the Institute for Court Management, the National Center for State Courts, the provision for court administrators in the Federal system, and many other changes. In light of my subject today, I should also mention the important contributions made beginning in 1970 by your Commission on Correctional Facilities and Services. The value of these improvements is beyond precise Calculation. We do not always agree, but our differences are few indeed. All I ask for is equal time.

The new president who has just assumed office is confronted with a host of great problems, domestic and world-wide: inflation, unemployment, energy, an overblown government, a breakdown of our eductional system, a weakening of family ties, and a vast increase in crime. As he looks beyond our shores, he sees grave, long-range problems, which begin ninety miles off the shores of Florida and extend around the globe.

Today I will focus on a single subject, although one of large content. Some might label it "Crime and Punishment." Crime and the fear of crime have permeated the fabric of American life, damaging the poor and minorities even more than the affluent. A recent poll indicates forty-six percent of women and forty-eight percent of Negroes are "significantly frightened" by pervasive crime in America.

Seventy-five years ago, Roscoe Pound shook this association with his speech on "The Causes of Popular Dissatisfaction With the Administration of Justice." In the 1976 Pound conference, we reviewed his great critique but also examined criminal justice.

When I speak of "crime and punishment" I embrace the entire spectrum beginning with an individual's first contact with police authority through the stages of arrest, investigation, adjudication and corrective punishment. At every stage the system cries out for change, and I do not exclude the adjudicatory stage. At each step in this process a primary goal, for both the individual and society, is protection and security. This theme runs throughout all history.

When our distant ancestors came out of caves and rude tree dwellings thousands of years ago to form bands and tribes and later towns, villages and cities, they did so to satisfy certain fundamental human needs: Mutual protection, human companionship, and later for trade and commerce. But the basic need was security—security of the person, the family, the home and of property. Taken together, this is the meaning of a civilized society.

Today, the proud American boast that we are the most civilized, most prosperous, most peace-loving people leaves a bitter taste. We have prospered. True we are, and have been, peace-loving in our relations with other nations. Like it or not, today we are approaching the status of an impotent society—whose capability of maintaining elementary security on the streets, in schools, and for the homes of our people is in doubt.

I thought of this recently in a visit to the medieval city of Bologna, Italy. There, still standing are walled enclaves of a thousand years ago with a high corner tower where watch was kept for roving, hostile gangs. And when the householder left his small barricaded enclave he had a company of spearmen and others with cross-bows and battle-axes as guards.

Possibly some of this problem of behavior stems from the fact that we have virtually eliminated from public schools and higher education any effort to teach values of integrity, truth, personal accountability, respect for others' rights. This was recently commented on by a distinguished world statesman, Charles Malik, former president of the U.N. General Assembly. He said:

"I search in vain for any reference to the fact that character, personal integrity, spiritual depth, the highest moral standards, the wonderful living values of the great tradition, have anything to do with the business of the university or with the world of learning."

Perhaps this is not irrelevant to what gives most Americans such deep concern in terms of behavior in America today.

I have pondered long before deciding to concentrate on this sensitive subject and I begin by reminding ourselves that under the enlightened Constitution and Bill of Rights, whose bicentennials we will soon celebrate, we have established a system of criminal justice that provides more protection, more safeguards, more guarantees for those accused of crime than any other nation in all history. The protective armor we give to each individual when the state brings a charge is indeed great. This protection was instituted—and it has expanded steadily for nearly two centuries—because of our profound fear of the power of kings and states developed by an elite class to protect the status quo—their status above all else—and it was done at the expense of the great masses of ordinary people.

Two hundred years ago we changed that—drastically. Some now question whether the changes have produced a dangerous imbalance.

I put to you this question: is a society redeemed if it provides massive safeguards for accused persons including pretrial freedom for most crimes, defense lawyers at public expense, trials, and appeals, re-trials and more appeals—almost without end—and yet fails to provide elementary protection for its decent, law-abiding citizens? I ask you to ponder this question.

Time does not allow—nor does my case require—me to burden you with masses of detailed statistics—I assure you, the statistics are not merely grim, they are frightening. Let me begin near home: Washington, D.C., the capital of our enlightened country, in 1980 had more criminal homicides than Sweden and Denmark combined with an aggregate population of over twelve million as against 650,000 for Washington, D.C. and Washington is not unique. From New York City, to Los Angeles, to Miami the story in increase in violent crime from 1979 to 1980 is much the same. New York City with the same population as Sweden has 20 times as many homicides. The United States has one hundred times the rate of burglary of Japan. Overall violent crime increased from 1979 to 1980, continuing a double-digit rate. More than one quarter of all the households in this country are victimized by some kind of criminal activity at least once each year.

The New York Times recently reported that one documented study estimated that the chances of any person arrested for a felony in New York City of being punished in any way—apart from the arrest record—were 108 to 1. And it is clear that thousands of felonies go unreported in that city as in all others.

For at least ten years many of our national leaders and those of other countries, have spoken of international terrorism, but our rate of casual, day-by-day terrorism in almost any large city exceeds the casualties of all the reported "international terrorists" in any given year.

Why do we show such indignation over alien terrorists and such tolerance for the domestic variety?

Are we not hostages within the borders of our own self-styled enlightened, civilized country? Accurate figures on the cost of home burglar alarms, of three locks on each door—and sadly, of handgun sales for householders—are not available but they run into hundreds of millions of dollars. All this in a "civilized", "enlightened" society.

I have spoken now of crime and the criminal but for each crime there are victims. The criminals often seem to engage the attention of the mass media more than the victims—unless the victim happens to be a celebrity.

What people want is that crime and criminals be brought under control so that we can be safe on the streets and in our homes and for our children to be safe in schools and at play.

It needs no more recital of the frightening facts and statistics to focus attention on the problem—a problem easier to define than to correct. We talk of having criminals make restitution or have the state compensate the victims. The first is unrealistic, the second is unlikely. Neither meets the central problem. Nothing will bring about swift changes in the terror that stalks our streets and endangers our homes, but I will make a few suggestions.

To do this I must go back over some history which may help explain our dilemma.

For a quarter of century I regularly spent my vacations visiting courts and prisons in other countries, chiefly Western Europe. My mentors in this educational process were two of the outstanding penologists of our time: The late James V. Bennett, Director of the United States Bureau of Prisons and the late Torsten Erickson, his counterpart in Sweden, where crime rates were then low, poverty was nonexistent, correctional systems enlightened and humane. Each was a vigorous advocate of using prisons as educational and vocational training.

I shared and still share with them the belief that poverty and unemployment are reflected in crime rates—chiefly crimes against property. But if poverty were the principal cause of crime as was the easy explanation given for so many years, crime would have been almost nonexistent in affluent Sweden and very high in Spain and Portugal. But the hard facts simply did not and do not support the easy claims that

poverty is the controlling factor; it is just one factor. The crime rate today exceeds our crime rate during the Great Depression.

We must not be misled by cliches and slogans that if we but abolish poverty crime will also disappear. A far greater factor is the deterrent effect of swift and certain consequences: Swift arrest, prompt trial, certain penalty, and—at some point—finality of judgment.

To speak of crime in America and not mention the drugs and drug-related crime would be an oversight of large dimension. The destruction of lives by drugs is more frightening than all the homicides we suffer. The victims are not just the young who become addicts. Their families and, in turn, their victims and all of society suffer over a lifetime. I am not wise enough to venture a solution. Until we effectively seal our many thousands of miles of borders—which would require five or ten times the present border guard personnel and vastly enlarge the internal drug enforcement staffs—there is little else we can do. Our fourth and fifth amendments give the same broad protection to drug pushers as they give to you and me and judges are oath bound to apply those commands.

It is clear that there is a startling amount of crime committed by persons on release awaiting trial, on parole, and on probation release. It is not uncommon for an accused finally to be brought to trial with two, three or more charges pending. Overburdened prosecutors and courts tend to drop other pending charges when one conviction is obtained.[1] Should we be surprised if the word gets around in the "criminal community" that you can commit two or three crimes for the price of only one?

Deterrence is the primary core of any response to the reign of terror in American cities. Deterrence means speedy action by society, but that process runs up against the reality that many large cities have either reduced their police forces or failed to keep them in balance with double-digit crime inflation.

A first step to achieve deterrence is to have larger forces of better trained officers. Thanks to the F.B.I. academy we have the pattern for such training.

A second step is to re-examine statutes on pre-trial release at every level along the lines suggested. This requires that there be a sufficient number of investigators, prosecutors and defenders—and judges—to bring defendants to trial swiftly. Any study of the statistics will reveal that "bail crime" reflects a great hole in the fabric of speedy law enforcement and the consequent deterrence.

To change this melancholy picture will call for spending more money than we have ever before devoted to law enforcement, and even this will be for naught if we do not re-examine our judicial process and philosophy with respect to finality of judgments. The search for perfect justice has led us on a course found nowhere else in the world. A true miscarriage of justice, whether 20, 30 or 40 years old, should always be open to review, but the judicial process becomes a mockery of justice if it is forever open to appeals and retrials for errors in the arrest, the search, or the trial.

At this point judicial discretion and judicial restraint require me to stop and simply to repeat that governments were instituted and exist chiefly to protect people. If governments fail in this basic duty they are not excused or redeemed by showing that they have established the most perfect systems to protect the claims of defendants in criminal proceedings. A government that fails to protect both the rights of accused persons and also all other people has failed in its mission. I leave it to you whether the balance has been fairly struck.

Let me place this in perspective: (1) The bail reform statutes of recent years, especially as to non-violent crimes, were desirable and overdue; (2) The provisions for a lawyer for every defendant were desirable and overdue; (3) Statutes to insure speedy trials were desirable if the same legislation provides the means to accomplish the objective.

Many enlightened countries succeed in holding criminal trials within four to eight weeks after arrest. First offenders are generally placed on probation, free to return to a gainful occupation under close supervision. I hardly need remind this audience that our criminal process often goes on 2, 3, 4 or more years before the accused runs out all the options. Even after sentence and confinement, the warfare continues with endless streams of petitions for writs, suits against parole boards, wardens and judges.

So we see a paradox—even while we struggle toward correction, education and rehabilitation, our system encourages prisoners to continue warfare with society. The result is that whatever may have been the defendant's hostility toward the police, the witnesses, the prosecutor, the judge and jurors—and the public defender who failed to win his case—those hostilities are kept alive. How much chance do you think there is of changing or rehabilitating a person who is encouraged to keep up years of constant warfare with society?

The dismal failure of our system to stem the flood of crime repeaters is reflected in part in the massive number of those who go in and out of prisons. In a nation that has been thought to be the world leader in so many areas of human activity our system of justice—not simply the prisons—produces the world's highest rate of "recall" for those who are processed through it. How long can we tolerate this rate of recall and the devastation it produces?

What I suggest now—and this association with its hundreds of State and local affiliates can be a powerful force—is to "survey the wreckage" and begin a damage control program. It will be long; it will be painful; it will be costly—but less costly than the billions in dollars and thousands of blighted lives now hostage to crime. It is as much a part of our national defense as the Pentagon budget.

Sometimes we speak glibly of a "war on crime." A war is being waged by a small segment of society against the whole of society. It will not be won simply by harsher sentences; not by harsh mandatory minimum sentence statutes; not by abandoning the historic guarantees of the Bill of Rights. And perhaps, above all, it will not be accomplished, by roving, self-appointed armed citizen police partols. At age 200, this country has outgrown the idea of private law and vigilantes. Volunteer community watchman services are quite another matter.

Now let me present the ultimate paradox: After society has spent years and often a modest fortune to put a single person behind bars, we become bored. The media loses interest and the individual is forgotten. Our humanitarian concern evaporates. In all but a minority of the States we confine the person in an overcrowded, understaffed institution with little or no library facilities, little if any educational program or vocational training. I have visited American prisons built more than 100 years ago for 800 prisoners, but with two thousand crowded today inside their ancient walls.

Should you look at the records you will find that the 300,000 persons now confined in penal institutions are heavily weighted with offenders under age thirty. A majority of them cannot meet minimum standards of reading, writing, and arithmetic. Plainly this goes back to our school systems. A sample of this was reflected in a study of pupils in a large city where one-half of those completing the third grade could not meet minimum reading standards. This should not surprise us, for today we find some high school graduates who cannot read or write well enough to hold simple jobs.

Here are a few steps which ought to be considered immediately:

(1) Restore to all bail release laws the crucial element of future dangerousness based on a combination of the particular crime and past record, to deter crime-while-on-bail;

(2) Provide for trial within weeks of arrest, except for extraordinary cause shown;

(3) Priority for review on appeal within eight weeks of final judgment;

(4) Following appellate review, confine all subsequent judicial review to claims of miscarriage of justice; and finally:

A. We must accept the reality that to confine offenders behind walls without trying to change them is an expensive folly with short term benefits—a "winning of battles while losing the war";

B. Reexamining treatment of first non-violent offenders—intensive supervision and counselling and swift revocation if probation terms are violated;

C. A broad scale physical rehabilitation of all prisons (perhaps on a federally-funded matching grant basis) to provide a decent setting for educational and vocational programs;

D. Make all vocational and educational programs mandatory with credit against the sentence for educational progress—literally a program to "learn the way out of prison," so that no prisoner leaves without at least being able to read, write and do basic arithmetic;

E. Generous family visitation in decent surroundings to maintain family ties, with rigid security to exclude drugs or weapons;

F. Counselling services after release paralleling the "after-care" services in Sweden, Holland, Denmark. All this should be aimed at developing respect for self, respect for others, accountability for conduct, appreciation of the value of work, of thrift, of family.

G. Encourage religious groups to give counsel on ethical behavior and occupational adjustment.

The two men I spoke of as my mentors beginning twenty-five years ago—James V. Bennett and Torsten Eriksson of Sweden, were sadly disappointed at the end of their

[1] The official D.C. reports show that in the last quarter of 1975, i.e., October, November and December 1975, 560 of all the persons arrested for serious crimes were, at the time of their arrest, awaiting trial on one or more prior indictments. In that same period 402 persons who were arrested were, at the time of arrest, at large either on parole from a penal institution, on probation after a judgment of conviction, or on a conditional release other than the traditional parole. Remarks of Warren E. Burger at the ALI Opening Session, May 18, 1976.

careers, on their great hopes for rehabilitation of offenders. Have we reached the stage where we must now accept the harsh truth that there may be some incorrigible human beings? Are there people who cannot be changed except by God's own mercy to that one person? We cannot yet be certain and in our own interest—in the interest of billions in dollars lost to crime and blighted if not destroyed lives—we must try to deter and try to cure.

This will be costly in the short run and the short run will not be brief. This illness our society suffers has been generations in developing, but we should begin at once to divert the next generation from the dismal paths of the past and try to make homes and schools and streets safe for all.●

HOUSE OF REPRESENTATIVES—*Wednesday, March 11, 1981*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

In the words of St. Francis we pray:

Lord make us instruments of Your peace,
Where there is hatred, let us now love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
And where there is sadness, joy.
O Divine Master, grant that we may not so much seek to be consoled as to console;
To be understood, as to understand;
To be loved as to love.
For it is in giving that we receive;
It is in pardoning, that we are pardoned.
And it is in dying, that we are born to eternal life.

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2166. An act to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program.

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 22. Joint resolution authorizing the President to proclaim March 16, 1981, as "Freedom of Information Day"; and

S.J. Res. 28. Joint resolution designating the week beginning March 8, 1981, as "Women's History Week."

The message also announced that the Vice President, pursuant to Public Law 83-420, appointed Mr. D'AMATO to be a member, on the part of the Senate, of the Board of Directors of Gallaudet College.

The message also announced that the Vice President, pursuant to Public Law 93-642, appointed Mr. DANFORTH to be a member, on the part of the Senate, of the Harry S. Truman Scholarship Foundation Board of Trustees.

HOUSE SETS TIMETABLE FOR CONSIDERATION OF PRESIDENT'S PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to include extraneous matter.)

Mr. WRIGHT. Mr. Speaker, I should like to report to our colleagues an unprecedented agreement reached yesterday by leaders of the majority and minority, under the Speaker's guidance and upon his initiative, to develop a specific timetable for the consideration of the President's program and its various components.

Never before, to my recollection, have the majority and minority leaders of the House, the chairmen and ranking minority members of the Committees on Budget, Appropriations, Rules, and Ways and Means, sat down together and established definite target dates for each step in the process—the budget resolution, the reconciliation bill, and such tax reductions as the Congress in its wisdom may approve.

Under the plan mutually agreed upon, we expect and intend that this entire program should be completed before the end of July and prior to the August recess and District work period.

In the months ahead, there undoubtedly will be differences over details of the President's recommendations. This is the way of a parliamentary democracy. But there is no disagreement on the schedule and the appropriate times for considering that program.

Manifestly there is no desire on the part of any to impede or delay; nor is there any desire on the part of others to stampede or deny to the public its rights to be heard.

This agreement is a convincing demonstration of the capacity of responsible bipartisanship to help this institution to function at its best. It is reminiscent of the spirit of understanding and mutual trust which prevailed during the Eisenhower administration between Sam Rayburn and Joe Martin, Lyndon Johnson and Everett Dirksen.

The schedule we have set will be a difficult schedule. It will require the maximum cooperation of all the committees to meet the deadlines. But it is a schedule which will permit the American people to be heard on these issues before decisions are made. It is emphatically not the intention of the leadership to shut out any segment of our society from this great debate.

With the best efforts of all of us and with the cooperation of the administration, the House will complete action on the budget, reconciliation, and the tax reduction bill and meet the target dates.

Mr. Speaker, the agenda is as follows:

AGENDA FOR FIRST RESOLUTION FISCAL YEAR 1982 AND RECONCILIATION

On or about March 10: Congress receives details of President Reagan's budget revisions and/or additions.

[From now to adoption of First Budget Resolution:* Appropriations Committee hearings.]

March 20: Committees submit views and estimates on Carter budget and President Reagan's February 18th "Program for Economic Recovery".

March 30: Committees may submit additional views and estimates incorporating President Reagan's March budget revisions and/or additions.

Week of April 6: Budget Committee markup and resolution ordered reported; resolution will consist of three titles: Title I will revise the FY 81 budget; Title II will set forth the FY 82 budget; and Title III will provide reconciliation instructions.

April 15: Resolution report printed and available.

April 28-30: Floor consideration of budget.

May 4-7: Conference with Senate; conference report filed.

May 12: Floor consideration of conference report (adoption of conference report sets reconciliation process into action).

[From adoption of First Budget Resolution until Sept. 16:* Appropriations Committee markup and final Congressional action on appropriations and other spending bills.]

June 15: Instructed committees submit reconciliation proposals to Budget Committee.

June 15-July 14: Reconciliation bill reported, floor consideration and conference completed.

By July 15: Congress completes action on reconciliation.

During this period of time, Ways and Means perfects tax reduction bill.

House will consider tax reduction following House action on reconciliation, will expect to conclude action prior to end of July.

Mr. MICHEL. Mr. Speaker, would the gentleman yield?

Mr. WRIGHT. I yield to my distinguished friend, the Republican leader.

Mr. MICHEL. Mr. Speaker, may I applaud the distinguished majority leader for the statement he has just

*Tentative agenda of House Committee on Appropriations in brackets.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

made, and join in that tribute to the Speaker and the majority leader for the manner in which they have received the minority in the Speaker's office, and to come to this unprecedented, or at least historic, agreement on a time schedule.

I think the time for argument over the schedule has passed. As the gentleman indicated, there is going to be plenty of room for argument on the disagreements we will have on the substantive pieces of legislation that will be before us.

Mr. WRIGHT. I thank the gentleman.

WHITE HOUSE COOPERATION NEEDED TO MOVE PRESIDENT'S ECONOMIC PROGRAM THROUGH CONGRESS

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, as the House leaders on both sides agreed to a fast-track scheduling of the President's spending cut proposals, as the majority leader has said, we all agree that his plan deserves prompt consideration.

We now ask the President to cooperate with the Congress. The President first laid out his economic plans in a speech on February 18, but it turned out that the plan was incomplete inasmuch as it has not provided sufficient information upon which the Congress can act on how changes are to be made, who would be affected and to what extent, and what laws might need to be changed by the recommendations.

Now, it appears that yesterday's budget submission by the President still lacks sufficient detail. My colleagues in the committees of the House have been trying to move forward on the President's economic package, but have been hampered by the lack of information, by the refusal of the departments to supply the details, and by the delays requested by administration witnesses who seem to be unprepared to testify on the specifics of the President's proposal.

The Congress has now set a timetable for itself to move the budget package along a legislative track. We hope the President will work with the Congress in order to complete that schedule.

BUDGET AND TAX DECISIONS MUST BE SOLD ON MERIT, NOT ON ADVERTISING EFFORTS

(Mr. FLIPPO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLIPPO. Mr. Speaker, it is of great interest to me that the Republican Party intends to spend $6 million in, using Representative VANDER JAGT's words, a "promotional gimmick" and media blitz campaign to pressure Congress into adoption of the President's economic plan. I believe we all have an obligation to take a very serious approach to budgetary responsibilities and to promote and encourage frank debate and thorough factual analysis. The President has presented very extensive budget and tax proposals. Some of them will result in fundamental changes in national policy. They require careful and thoughtful study—away from the hyped-up campaign atmosphere and political fray.

Making budget and tax decisions are among our most important actions. It affects the lives of millions of our fellow citizens. It must be sold on the basis of its merit, not on the basis of the advertising dollars behind it. A legislative proposal should speak for itself. That the Republicans feel compelled to budget $6 million to sell their plan lends a Madison Avenue element that will not contribute to a more sound consideration of the budget.

REDUCED FEDERAL PERSONNEL: A TAXPAYER'S SHELLGAME OR REAL SAVINGS?

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FERRARO. Mr. Speaker, for more than a month I have been trying to determine whether actual savings will result from President Reagan's Federal personnel freeze and reduced personnel ceilings. I am not talking about paper savings which are determined by multiplying the average pay for a Federal employee by the number of slots eliminated. We have played that shellgame before only to see costly overtime and the increase in the "invisible bureaucracy" consume all the so-called savings.

In determining the actual savings one must consider additional expenditures for activities such as increased overtime, increased contracting and consulting, and freeze and ceiling administration. The cost of reorganizations and early retirements must also be factored into the equation, as well as the loss of productivity which is caused by the imbalanced work force resulting from across-the-board cuts.

I think it is important that everyone understand that the hiring freeze has not applied to $50,000 a year political appointees. The highest turnover rates are always in the lowest paying jobs. So for 2 months the administration has not been replacing people who process social security checks and provide job education counseling to veterans. They have not replaced employees who actually generate more dollars than they cost such as IRS agents or customs inspectors. No, the administration has been letting the vital services lag while loading the bureaucracy with $50,000 a year political appointees.

In order to prepare for my subcommittee's work on the budget, I wrote to the President on February 5, to request the administration estimates of the costs associated with freezes and reductions. I asked how contracting for consultants and other personnel would be controlled. I asked about other hidden costs. I have not yet received a response. I can only assume that these costs have not been calculated, nor have they been factored into the well publicized figures which have been released.

Mr. Speaker, there are responsible ways to realize savings from personnel reductions. As programs are eliminated, authorized personnel strength should be reduced. The number of top salaried officials should be reduced in proportion to reductions at the lower grades. But I do not feel that this Congress can base important budgetary decisions on proposed savings which cannot be substantiated or delivered.

NOT US VERSUS THEM

(Mr. JENKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JENKINS. Mr. Speaker, as Congress begins work on the President's economic proposals, it is important to dispel the notion that in the weeks ahead we will be joined in a fierce partisan battle, with all Democrats arrayed on one side of every issue against all Republicans on the other.

To prove that this will not be the case, we need only look to the action taken Monday by the Republican-controlled Senate Committee on Labor and Human Resources in their voting to reject certain key spending cuts in social welfare programs proposed by President Reagan. And in the reaction by Republicans in the House Education and Labor Committee yesterday to the President's request for deep cuts in Federal feeding programs.

Conversely, the week before, the Agriculture, Nutrition, and Forestry Committee in the Senate voted to support the President in delaying a scheduled increase in dairy price supports, a decision reached with Democratic as well as Republican support.

It is too early to discern the final shape of the budget and tax proposals, and that is as it should be. For Congress has a constitutional role to play in reviewing what the President proposes and then disposing of it in ways that it feels will be most fair to the American people and responsive to their needs.

I am sure we will find throughout this process more than a few Democrats voting with the President on some issues, and more than a few Republicans voting against him on some others.

It is misleading to cast for Congress only one of two roles: either obstructionist or a rubberstamp to the President's program. History and commonsense tell us that Congress reaction will be somewhere in between these two extremes as members of both parties attempt to be attentive to the President's proposals and at the same time responsive to the people's wishes.

□ 1513

THE EFFECT OF PROPOSED CUTS IN STUDENT AID

(Mr. PEYSER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks, and to include extraneous matter.)

Mr. PEYSER. Mr. Speaker, this morning Secretary Bell of the Department of Education appeared before our committee and laid out the program to slash student aid in this country.

Mr. Speaker, I must say that we are certainly going to need the time the majority leader spoke of to let the people of this country understand what is going to happen to the young people who are going on to higher education, because they are really bearing the burden of President Reagan's program of so-called balancing the budget.

Today, Mr. Speaker, I am including in the RECORD a letter from Lawson State Community College in Birmingham, Ala., which is located in Representative SMITH's district; a letter from the Cleveland Institute of Music, located in Representative LOU STOKES' district; a letter from the University of Arizona, located in Representative MORRIS UDALL's district; and a letter from the University of Delaware, located in Representative TOM EVANS' district.

We will continue each day to let the Members know what the institutions, the college institutions in their districts, think of these proposed programs that will basically devastate student aid in the country.

Mr. Speaker, the letters to which I referred are as follows:

LAWSON STATE COMMUNITY COLLEGE
Birmingham, Ala., February 23, 1981.

Congressman PETER A. PEYSER,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: Thank you very much for your letter concerning the student assistance program. Lawson State Community College, a predominantly black college, is very supportive of your efforts in this regard.

95% of our students come from low income families and student assistance is their only means for securing a college education. Please know that I am with you in the fight to save these programs.

Please let me know if there is anything that I can do to help you in this regard.

Very truly yours,

JESSE J. LEWIS,
President.

THE CLEVELAND INSTITUTE OF MUSIC,
Cleveland, Ohio, March 3, 1981.

Hon. PETER A. PEYSER,
House of Representatives,
Washington, D.C.

SIR: We applaud your effort to fight the attack on the student loan program. This is a vital part of the American educational system and given the current inflationary trend may be the only means by which many middle-income students will be able to attend school in the future.

We will be happy to participate in your effort to establish student loans as a high-priority item on the President's budget.

Very truly yours,

Dr. RHODA PAYNE, *Dean.*

THE UNIVERSITY OF ARIZONA,
Tucson, Ariz., March 5, 1981.

Hon. PETER A. PEYSER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: Thank you very much for informing me of your interest and commitment to the student loan programs that our federal government has sponsored. The University of Arizona has come to depend heavily upon these funds, and we certainly support your effort to see that the student loan program remains strong. It has certainly been one of the most effective programs that the government has initiated on behalf of education, and it has enabled millions of deserving young people to take advantage of the educational opportunities that our institutions of higher learning have to offer. I will do what I can to support your efforts.

Yours sincerely,

JOHN P. SCHAEFER, *President.*

UNIVERSITY OF DELAWARE,
Newark, Del., March 3, 1981.

Hon. PETER A. PEYSER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: Thank you for your letter of February 24th concerning the area of student loans. I assure you that all of us here at the University of Delaware are supportive of student assistance programs.

The University currently receives approximately $2 million in Pell Grant funds which assists over 3,000 of our students. We project that if supplemental funding is not made available, there will be a 35 percent reduction in funding from the Pell Grant Program for our students.

In the National Direct Student Loan Program, the University has about 1,300 students participating. The continuing resolution which would provide interim funding for fiscal year 1981 calls for a $100 million reduction in this program. This translates into a 20 percent reduction in the National Direct Student Loan Program for students at the University.

The University has over 7,000 students who are receiving approximately $14 million for the academic year 1980–81 through the Guaranteed Student Loan Program. There may be other methods to achieve cost effectiveness in the Guaranteed Loan Program other than the implementation of a needs test. For example, one method of reducing costs in the Guaranteed Student Loan Program may be to place greater control on the financial incentives offered to the lending community.

I hope these few facts are of value to you.

Sincerely,

E. A. TRABANT, *President.*

A NEW DEVELOPMENT IN U.S. POLICY FOR NORTHERN IRELAND

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, as we approach the annual celebration of St. Patrick's Day, I wish to bring to the attention of my colleagues a significant development in our Nation's policy regarding Northern Ireland.

Yesterday, I received a letter in my capacity as chairman of the bipartisan Ad Hoc Congressional Committee for Irish Affairs from Presidential Assistant Max. L. Friedersdorf. His letter was in response to one I and 35 of my colleagues on the ad hoc committee had sent to President Reagan just prior to his meetings with British Prime Minister Thatcher.

The letter states:

Please know that the President shares your concerns toward the achievement of a peaceful political solution in Northern Ireland. As the situation now stands, the administration is holding to the policy of not approving licensing for sale of hand guns to the Royal Ulster Constabulary.

I commend the President for this significant and positive decision. It was my 1979 amendment which led to the imposition of this embargo. The sale or weapons to the RUC, Northern Ireland's main police force, is in conflict with section 502(b) of the Foreign Assistance Act. This provision bars the sale or export of any U.S. weapons to any nation or organization with a proven record of human rights violations. The RUC on repreated occasions has been cited for violating human rights of prisoners and suspects. Yet, in January 1979, our Department of State approved the sale of 3,500 rifles to the RUC.

HUEY P. LONG IN REVERSE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, in the 1930's Huey P. Long, Governor and later Senator from Louisiana, began a program called share the wealth.

Ronald Reagan has now given us his 1981 version, "Concentrate the Wealth."

If there is one criticism of the administration's program, and there is not, there are several, it is that the benefits accrue mainly to the wealthy. The budget cuts penalties fall mainly on the poor and the working poor. And the tax cuts grace the rich. As the Colorado Daily queried the other day, "Do Mink Coats Really Trickle Down?"

The middle class will avoid most of the budget cuts, but neither will they receive solace from the tax cuts. In fact, taxflation will ratchet them up the tax brackets.

Second, in reality the administration's 1982 budget divides up the Federal deficit and ships it out to the Governors, mayors, and county commissioners. Good luck to all of you. In the same way, Federal tax cuts will appear later as State and local tax increases.

Third, the defense sector is confided with a war budget looking for a war. In essence, the administration is applying the Monroe Doctrine to the entire world.

Fourth, the budget is laced with economic forecasts and estimates that ring about as probable as the annual National Enquirer predictions.

Many of the alleged savings are based entirely upon gossamer expectations about the rosy state of the economy several years hence.

Fifth, huge chunks of the budget are swept under the rug with devices called stretch out and deferral. What that means is that we will buy it later when it is more expensive. Weapons systems often double or triple in price because the procurement process drags out over many years.

IMPORT QUOTAS: THEY WOULD NOT SOLVE AUTOMAKERS' PROBLEMS, BUT THEY COULD CREATE QUITE A FEW

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute.)

Mr. GLICKMAN. Mr. Speaker, it seems like more and more people are calling on the President to impose mandatory import quotas on Japanese automobiles to protect our domestic automakers. I admit that is a popular idea these days, but it is a terribly unproductive solution. Import quotas would merely cover up a symptom of the underlying problems of our auto industry. Putting quotas on would not be in the interest of the country nor in the long-term interests of the auto industry which they are presumably intended to help.

I think it is absolutely essential that we bring some balance to this discussion. In considering this issue, the President needs to remember that last year Japan imported more than $20 billion in U.S.-produced goods and they were the single largest importer of U.S. agricultural commodities. It is also important that he not forget that we have a much more serious, in fact dangerous, trade deficit with the OPEC nations on whom we rely for vital petroleum. If Americans cannot buy fuel-efficient cars—from whatever source—we are merely perpetuating that deficit, and we are pushing back the time when our automakers manufacture those kinds of vehicles.

I have today circulated a letter to the President urging that these factors be considered in his assessment of the import quotas question. I intend to send the letter to the White House on Friday, and I hope a good number of my colleagues will agree to sign it. Anyone wishing to sign can just let me know or call my office.

SHADES OF WATERGATE

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, the one thing I would have expected that a conservative administration would want to conserve is the Constitution of the United States. But the Reagan administration has reportedly begun a major attack on the rights of the American people unparalleled since the resignation of Richard Nixon. Under the guise of combating a domestic terrorist threat that has not been shown to exist, the President is expected to issue an Executive order to unleash the intelligence community on the American people by eliminating the few restraints we now have on domestic spying activities.

The draft order, which is now being circulated among the agencies involved, would authorize a wide variety of intrusive and unconstitutional spying on our citizens. For example, the order would: Allow almost unlimited searches, surveillance, and infiltration; permit surreptitious entries without a warrant; remove the requirement that information be gathered by the "least intrusive means possible"; eliminate any requirement to show probable cause for political surveillance; and severely restrict the ability of the Attorney General, or anyone else, to examine the legality of proposed intelligence activities.

We must not allow our basic rights to privacy and freedom of speech to be compromised by Executive fiat. I urge my colleagues and all citizens to speak out against this dangerous threat to our society, and to our Constitution. Mr. Speaker, has Watergate taught the Reagan administration nothing?

THE SAVINGS INCENTIVE ACT OF 1981

(MR. DANIELSON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, we hear a lot today about cutting expenditures and cutting taxes and thereby providing money for investment and for savings, and I am all for that. We need savings if we are going to be able to form enough capital for the type of industrial expansion which we need. But mindful of the remarks just made by the gentlewoman from Colorado (Mrs. SCHROEDER), it occurred to me that I ought to mention something I have done just recently.

As Members know, the savings and the benefits of tax cuts should go not just to the rich but to the poor as well. With that in mind, I recently introduced a bill which I call the Savings Incentive Act of 1981, which would provide to every taxpayer a $1,000 tax exemption for interest earned from savings. In that way, even the poor, even people like myself, who could save $1,000, $2,000, or $3,000, could exempt from income taxation, interest earned from savings up to $1,000 per person per year.

This would bring more money into savings than any of the programs so far advanced by the administration. As we know, the fact that we are cutting taxes for the rich does not mean they are going to place the money saved into savings or investment. They will just buy more of those mink coats to tickle the rich, when, as far as I am concerned, we should put this into savings and expand our industrial base.

Mr. Speaker, I invite all my colleagues to join me in this great effort to stimulate savings. Members would be welcome as cosponsors.

THE ADMINISTRATION'S BUDGET CUTS—LET THEM EAT TAX CREDITS

(Mr. GARCIA asked and was given permission to address the House for 1 minute.)

Mr. GARCIA. Mr. Speaker, yesterday morning I received a copy of President Reagan's final proposed budget cuts. I noted with alarm that the President plans to reduce public services in virtually every single area. This is potentially the worst news which the poor of America have heard in decades. The administration's proposals are morally indefensible, and I will fight it on each of its elitist budget cuts, therefor.

Let me mention just a few of my concerns. The President plans a 25-percent reduction in vitally needed health and social services in fiscal year 1982. The school lunch program is to be reduced in the name of tax reform, such reductions ostensibly predicated upon the notion "let them eat credits." The Federal Housing Administration home subsidies programs will be reduced $565 million in fiscal year 1981 and another $1.8 billion in fiscal year 1982. Apparently the second round of housing budget cuts is designed to assure that shelter will be denied any poor folk who were missed in the first round. Food stamps are to be reduced $150 million in fiscal year 1981, and the President also wishes to eliminate certain social security benefits. Aid to families with dependent children will lose $520 million in fiscal year 1982. The President will freeze all CETA public service employment jobs and provide no CETA funding at all in fiscal year 1982.

How on Earth can I ask my South Bronx district to bear this kind of hardship? Why must my constituents and the poor throughout this land bear such a grossly disproportionate share of President Reagan's and the Republicans' imposed burden on our country? Does the President really believe that private industry will provide all social services to the poor?

The President and his administration simply must reconsider their proposals. Supply side economics just will not put food on the table the way food stamps do.

DAUB DISCUSSES DOUBLE STANDARD

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, I rise today in full support of the initiative to halt and reduce the shocking increases in committee staff and spending. This is a controllable cost. It is not a cost tied to annual adjustments dictated by inflation. It is not a cost that, if trimmed back, would result in undue hardship or suffering. Quite frankly, this is a cost from which we, alone, profit.

If we, as Members of this House, are unwilling to economize in the area of committee expenditures, how can we expect our constituents to make the sacrifices we ask of them.

However, if we, as Members of this House, take action to reduce our committee costs, we will serve notice, to all Americans, that their Congress is willing to take the lead in economizing.

In Nebraska, our unicameral legislature has responded to the clear voice of the people, which has demanded that their elected officials scrutinize all areas of government for cost savings. The Nebraska State senators have gone so far as to limit the number of bills that may be introduced so that adequate attention is given to substantive areas of business.

The business of the people deserves this attention and the American people are looking to this House at the Federal level for the lead. The people are watching to see if our actions are consistent with our words. If we have listened to the message of the people and if we have heard and heeded our own words then we will act responsibly by reducing the budget and accepting a government that gets by on less so that the people may have more.

Mr. Speaker, I feel it paramount that we demonstrate to the people that we are listening—that we can act responsibly. If we do not, we stand before the people as an example of government as usual—a government that lives by a double standard—willing to ask others to sacrifice while exempting itself.

ANTITRUST LAWS IMPEDE FOREIGN EXPORTS

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, I am introducing a bill today to establish a commission to conduct a comprehensive study of the international aspects of the antitrust laws of the United States, their administration and judicial interpretation, and to make necessary recommendations for reform. A companion bill, S. 432, was introduced in the other body on February 5, 1981, by Senator MATHIAS, and as S. 1010, a very similar measure passed the Senate late in the last Congress, although a shortage of time and other circumstances did not allow action to be taken on this side.

I am pleased to note that this legislation has attracted considerable outside support, including the endorsement of the National Foreign Trade Council, an organization representing about 650 companies engaged in foreign trade and investment.

Some members of the business community have long maintained that the antitrust laws are injurious to or constitute a deterrent to American exports and investments abroad. The Department of Justice, among others, takes a contrary position. Because the primary interest of both enforcers and scholars has been on the domestic impact of our antitrust laws, rather than their international consequences, this debate continues without much new light emerging from either side. In the meantime, however, our overseas trade deficit grows daily, and our exporters confront very tough competition from monopolistic foreign buyers and sellers. I expect the commission to proceed with full awareness of these factors.

In making its comprehensive study and recommendations, the commission will specifically address the application of our antitrust laws in foreign commerce and their effect on the ability of American firms to compete effectively abroad, particularly against foreign-controlled or foreign-assisted enterprises in market and nonmarket economies; the effect of our antitrust laws on our relations with other countries; the jurisdiction and scope of our laws as applied to foreign conduct and foreign parties; reciprocity in access to markets, equal opportunities for foreign investment, and antitrust enforcement; the proper scope and effect of the rules governing sovereign immunity, the act of state doctrine, the defense of "foreign sovereign compulsion" and the doctrine of comity; the application of our rules of court, such as the "per se" and "rule of reason" doctrines, to international antitrust law enforcement; and the application of our antitrust laws to joint ventures, mergers, acquisitions, and distribution and licensing arrangements between and among American and foreign or foreign-based enterprises.

On this last point, I have observed that under some interpretations of the antitrust laws, particularly by the Federal Trade Commission, defensive joint ventures between U.S. and foreign companies which would have the effect of protecting other American enterprises and the jobs of our workers from going the way of our vanished domestic television manufacturing industry may be found to be illegal. If the end result of such an interpretation is severe injury to our own economy and rich rewards for our foreign-based competitors, it may be concluded that the law needs to be reformed.

The Commission will have a membership of 18 persons appointed by the President, drawn from the executive branch and, on a bipartisan basis, from both Houses of Congress and the private sector. The President will designate the Chairman and the Commission itself will select the Vice Chairman. The Commission's report will be transmitted to the President within 1 year after its first meeting. The recent experience of the National Commission for the Review of Antitrust Laws and Procedures suggests that an appropriation of $550,000 will enable the Commission to hire staff, conduct hearings, and publish its report. I consider this a very modest investment for what may be an extremely useful end result.

If it does its job properly, and I have every expectation that it will, the Commission will deal forthrightly with the issues before it and will provide Congress and the administration with the informed policy guidance and useful legislative recommendations which I believe characterize the report of the recent National Commission for the Review of Antitrust Laws and Procedures. I invite my colleagues who share my interest and concern to cosponsor this important legislation.

BUDGET REVISIONS SIGNAL NEW DIRECTION FOR U.S. ECONOMY

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, Congress has now received President Reagan's budget revisions for fiscal year 1982. He is calling for the elimination of $46.6 billion in additional spending proposed by former President Jimmy Carter for fiscal year 1982. It should be noted that even with these changes, President Reagan's budget will total more than $695 billion—6.1 percent above 1981 spending. President Carter had proposed an 11.6-percent increase for this year. What is being cut is the rate of increase in spending that the previous administration had sought.

This budget is a signal to the Nation and to the world that the President is dead serious about revitalizing America and strengthening our economy. It signals recognition that—however well-intentioned and desirable many Federal programs may be—we simply cannot afford to continue diverting more and more of our national resources to a constantly expanding welfare-type government.

This budget also embodies a profound rethinking as to the proper role of the Federal Government in our national economy, and in its relationships with State and local governments. It rejects the notion that has become popular in recent years—and one which has helped to bring on double-digit inflation and extraordinarily high interest rates—that the Federal Government is, should, and can be all things to all people. It revives the concept that our economic wealth and vitality is produced by the people of America rather than by Government.

President Reagan was elected on a campaign to reduce the size and cost of the Federal Government. He has delivered on the first installment of that promise and it is now up to the Congress. I intend to use every resource at my command to get it passed. In the past two decades Federal spending has grown from $100 billion in fiscal year 1962 to nearly $700 billion in fiscal year 1982. In the past 2 years, Federal spending has increased by over $150 billion—we simply cannot continue with such spending—financed by huge amounts of borrowing—and remain a strong Nation.

This Congress has no alternative than to bring spending and taxes into line with today's needs.

□ 1530

APPOINTMENT AS MEMBERS OF JAPAN-UNITED STATES FRIENDSHIP COMMISSION

The SPEAKER. Pursuant to the provisions of section 4(a), Public Law 94-118, the Chair appoints as members of the Japan-United States Friendship Commission the following Members on the part of the House: Mr. ZABLOCKI of Wisconsin and Mr. CONTE of Massachusetts.

APPOINTMENT AS MEMBERS OF MIGRATORY BIRD CONSERVATION COMMISSION

The SPEAKER. Pursuant to the provisions of title 16, United States Code, section 715a, as amended, the Chair appoints as members of the Migratory Bird Conservation Commission the following Members on the part of the House: Mr. DINGELL of Michigan and Mr. CONTE of Massachusetts.

APPOINTMENT AS MEMBERS OF ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

The SPEAKER. Pursuant to the provisions of section 3(a), Public Law 86-380, the Chair appoints as members of the Advisory Commission on Intergovernmental Relations the following Members on the part of the House: Mr. FOUNTAIN of North Carolina, Mr. RANGEL of New York, and Mr. BROWN of Ohio.

LET US GIVE THE PRESIDENT A CHANCE

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, as I sat here, I thought of the words "deja vu." Sometimes it is difficult to figure out what that means, but there was a certain familiarity as I listened to most of the Members of the other side of the aisle discuss matters and particularly express their particular concern about the President's budget. You would think we never had November 4, which was a small interlude in our discussions here. It is called an election.

There I thought the people spoke very loudly that they accepted what President Reagan had to say about budget cuts and about tax cuts.

Unfortunately, it sometimes seems true you have to repeat things before the message gets through.

I am especially intrigued about the complaint about his tax cut when people keep saying that it happens to be directed toward the rich. What they are really saying is that those people who have paid are going to be the ones to get back the tax cut. They seem to think we ought to do something else.

In other words, they are suggesting those who paid more, get less. Those who paid less, get more, and those who paid nothing, get something.

That may be good redistribution of wealth, but it does very little to reinvigorate a national private economy, the type of economy we need if we are going to pay for those social programs that are so necessary for those people in need.

In other words, if we want to restructure the concept of Government we have had for the last 30 years, we have got to be willing to take the large step and go along with President Reagan.

Unfortunately, from the chorus of boos that I hear on the other side, it is going to be very, very difficult.

I say, let us give the President a chance. Let us not hogtie him before he even gets out to shoot.

Let us try and see if the American people can get a free chance at what they attempted to do on November 4 and that is to make a change.

ACTION ON PRICE SUPPORTS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, among the first tests of congressional will on budget reductions will be H.R. 1986, the dairy price support legislation.

We have only 21 days to act on this legislation, yet hearings will not begin until tomorrow.

This bill will avert a substantial increase of $147 million in dairy price supports scheduled to take effect on April 1. It will halt an imminent increase in both large surpluses and higher market prices for dairy products.

Mr. Speaker, I think swift action on this legislation will send a signal to the American people that we are sincere about budget cutting across the board and that the Congress intends to move ahead with all due speed.

There is no reason for delay. There are no excuses for inaction. We must be committed to an extraordinary timetable, because these are extraordinary times.

I include in the RECORD an excellent editorial on the subject of price supports which appeared in the Washington Star March 7, 1981:

MILKING PRICE SUPPORTS

Between now and April 1 President Reagan will have won or lost what might be his First Battle of the Marne, an engagement that would dramatically affect the administration's budget-reduction war. The battle will be to end the twice-a-year adjustments in price supports for the dairy industry.

The 14-2 vote Wednesday by the Senate Agriculture Committee to end the two-a-year dairy adjustments—"a scandal," in the judgment of the president's budget-biter, David Stockman—was distinctly encouraging. But that was only half, and perhaps the easier half, of this set-to. In the House, the tight three-week deadline to skim off some of the milk-price cream offers a wonderful opportunity for the Democratic opposition. Indeed, the chairman of the House Agriculture subcommittee that will handle the matter, Rep. Tom Harkin of Iowa, is murmuring that it will be "very difficult" for his lads to act on milk-price supports before April 1.

The federal Commodity Credit Corporation ended 1980 in custody of 274 million pounds of surplus butter, twice the amount in 1979, and more than 184 million pounds of cheese, against 20 million the previous year—the largest surplus in 20 years. The cost to the federal government for the dairy price-support program will be an estimated $2 billion in this fiscal year, compared to $1.3 billion last year.

The crux of the problem represented by those figures is not farm price supports themselves—which, by various formulas, cover food and fiber from corn to flax. The case for building a government floor under commodity prices to provide market stability and assure farmers a decent return is graven in governmental stone.

But the dairy industry, which knows its way around the political pasture, has been particularly successful in keeping its price-support levels elevated. In 1977, the dairymen persuaded Congress that twice-a-year adjustments would be dandy. This has encouraged dairy farmers to increase herds and expand production even further beyond market requirements, knowing that the feds will buy however much they produce. The farmers argue that even favorable dairy support levels have not permitted them to stay even with inflation. But a General Accounting Office study recently found that dairy farm income between 1977 and 1979 rose 46 per cent, after inflation.

So far, the dairy industry says it might be willing to accept modifications in the price-support structure—but only if those changes do not result in fewer dollars-and-cents than the old levels. Or, put another way, heads we win, tails you lose. And the industry is not budging on the sanctity of twice-a-year adjustments.

That won't do. Mr. Reagan is right on this issue—and it is incumbent that the House stir itself to keep the higher price adjustment from automatically taking effect on April 1.

OVERREACTION TO CIVIL RIGHTS ACT

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, the civil rights laws which have been adopted by our country have been designed to protect individuals from discrimination based on color, creed, sex, or national origin. The objective has been to make the law "colorblind." That our American Constitution is and should remain colorblind can be amply demonstrated from a mere cursory review of the Civil Rights Act as well as court cases involving the Civil Rights Act.

We have seen in recent years that in carrying out the objectives set forth in the Civil Rights Act there has been an overreaction resulting in quotas and harassing of private individuals, educational institutions, and businesses. A quota system, whether for jobs or for education, does not advance the rights of all Americans. On the contrary, quotas close off avenues of opportunity for qualified individuals; quotas substitute a false numerical standard for merit. These arbitrary quotas give special privileges to a few while rejecting the qualifications of others. Minorities, who would presumably stand to gain from quota systems, are stigmatized when advancement is gained, not through merit, but through the privilege accorded to them by virtue of their being a part of a particular race.

One of the clear results of the mandate in last November's election is that American voters are fed up with this type of social engineering by an overzealous Federal Government. It is my hope that we will begin to recognize and confront legal excesses where they exist and to eliminate the mania our Federal Government has for quotas.

In a heartening development last week, the Supreme Court acknowleged the fact that the Civil Rights Act has been misinterpreted by some Supreme Court rulings in the recent past. The Court clarified that affirmative action does not mandate preferential treatment of certain racial groups and that employers cannot be forced to reconstruct their employment practices to maximize the number of minorities and women hired. I trust that this encouraging ruling serves as a harbinger of less race consciousness in our national policies and an end to the forced discrimination which results from numerically based formulas.

LEGISLATION PROVIDING FOR EXEMPTION UNDER WINDFALL PROFIT TAX

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOEFFLER. Mr. Speaker, I am pleased to join my colleague, the gentleman from Texas (Mr. HANCE), in reintroducing legislation which has strong bipartisan support of more than 180 Members of the House. The bill which we are introducing today provides for an exemption from the windfall profit tax for the first 1,000 barrels of daily production by independent producers and royalty owners.

Mr. Speaker, I have consistently opposed the windfall profit tax—which is, in reality, a severe excise levy unrelated to profits—because I believe that the American people want more energy, not more taxes, and certainly not more Government. In particular, I strongly believe that we must provide relief during this Congress for the many royalty owners across the country, who are the only owners of private property in this Nation to have had the value of their property cut in half by the Federal Government through the enactment of the windfall profit tax. Additionally, exempting the small, independent producer will insure the creation of additional supplies of domestic energy by allowing these individuals—who must depend upon capital they and others invest with no assurances of success—to enhance their rate of wildcat discoveries and thus provide desperately needed additions to oil and gas reserves.

This legislation is similar to that which received overwhelming support during the 96th Congress. I urge my colleagues to join me in this important effort so that we may be successful in providing necessary incentives to increase domestic production of energy, easing the burden on private individuals and landowners and returning energy self-sufficiency to its status as one of this country's highest priorities.

HOUSE MUST SHOW AMERICAN PEOPLE IT IS COMMITTED TO FISCAL RESTRAINT

(Mr. WORTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WORTLEY. Mr. Speaker, in the near future, we will have a unique opportunity to show the American people that the House of Representatives is committed to fiscal restraint.

What better way to demonstrate that commitment than by voluntarily curbing that portion of our legislative budget earmarked for the various legislative and select committees.

In the last 25 years, the committees in the House have grown like Topsy. Much of the increase in the committee staffs and resources has been legitimate. However, the time has come to seriously examine the increase in the funds we routinely set aside for this purpose.

Many of my colleagues in the last week or so have taken the floor and addressed themselves to this same issue. I will not belabor the many valid points that they have made.

Suffice it to say that I am in full agreement with those Members in this body who genuinely want to keep committee costs at a reasonable level by making certain that we do not spend our resources imprudently and that they are fairly allocated to both majority and minority members.

The American people are looking toward Congress for a sign that it understood the message that they sent last November. They are more than willing to do their part by accepting cutbacks in Federal programs. Surely, we should be just as willing to clamp down on committee expenses as a good-faith effort toward achieving the mutual goals of fiscal restraint and a responsible allocation of our resources.

CUTTING BUDGET ON COMMITTEE STAFFS

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, in the next 2 weeks, Congress will finalize its committee staff funding for 1981. We are all concerned with reducing our spending here on the Hill.

The House has been looking to the Senate side where the Republicans have the majority, to see what the total staff committee authorization is for 1981. Combining comparable costs we find the total Senate staff costs $50,321,299. This includes total committee authorizations of $41,696,299 plus the overall computer costs of $8,625,000. Since the Senate does not separate statutory and investigative committees, they add in overall computer expense to provide a combined total of $50,321,299 for all Senate committee staff expenses.

Now let us look to the House. We have a statutory and an investigative budget. The House has already authorized $24,705,000 for statutory. Last year the House authorized $42,100,000 for investigative, for a total House staff committee authorization of $66,805,000.

The House is controlled by a 51-vote Democratic majority. The Democrats now are faced with the responsibility of reducing committee staff funding so that we can show the Nation that Congress is ready to lead the way in cutting expenses.

If the House cut their 1981 investigative expenses by $15,483,701 we would be operating at the same level as the Senate. This would mean a 37-percent average cut from the 1980 investigative fund level.

On the Senate side committee staff funding is based on two-thirds assigned to the majority party and one-third going to the minority party. On the Senate side where the Republicans control, they allocate one staff member to the Democrats for every two staffers that the Republicans have on their staff.

We are not that fortunate on the House side where the Democrats control. Some ratios have been as high as 18 to 1. And most of the staffs are at least 6 to 1 as the Democrats have allocated from control instead of equity in recognizing the 44-percent ratio of Republicans in the House membership.

But the big challenge is with the Democratic leadership.

In the Senate, where the Republicans have already voted and have shown their determination to cut Government spending, their total committee staff funding is only $50,321,299.

As a Democratic leadership deliberates, we call on them to cut spending here on committee staff budgets and let us reduce and establish the same efficiency level that the Senate maintains with its Republican leadership.

We have the same legislation before us in the House that they do in the Senate and all we need is the same size committees.

LEGISLATION FOR POSTAL SERVICE TO RAISE NEEDED REVENUE

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, the President's economic program calls for a $632 million cut by 1982 in Postal Service subsidies and elimination of some subsidies altogether. In light of the administration's proposal to slash postal subsidies, and the Postal Service's controversial requests for postal rate increases, I have today introduced a bill to help the Postal Service find reasonable—and less painful—ways to raise much-needed revenue.

My proposal is that Congress expressly authorize the Postal Service to raise revenue by accepting advertising—other than political advertising—for display at any facility or on any property of the Postal Service. Specifically, I envision the limited sale of advertising in specially designated areas of post offices, on postal vehicles—similar to advertising on public transit—on the unmarked sides of stamp booklets, and, emulating other countries, on the backside of stamps.

My bill, however, does not specify where advertising shall be placed; instead, the Postal Service is granted broad authority to design an advertising format suitable to its needs and in a manner appropriate to an independent agency of the Federal Government. Moreover, unlike another proposal introduced in this Congress, my bill does not require, nor do I support, the printing of advertising on the face of stamps.

At a meeting of the Treasury, Postal Service, General Government Subcommittee of the House Appropriations Committee, Postmaster General William F. Bolger agreed that making the Postal Service more self-sufficient by permitting it to sell advertising space in a limited and strictly regulated manner is an idea worth pursuing. My bill would give the Postal Service the authority to pursue this goal.

CONGRESS SHOULD REDUCE COMMITTEE AUTHORIZATIONS

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, President Reagan is making a conscious effort to reduce areas of the executive branch that are duplicative and counterproductive. Congress should follow this example by putting its own House in order. Congress can contribute to reducing Federal spending by making reductions in committee funding.

Committees employ two different types of staff—statutory and investigative. Each committee, except for Budget and Appropriations, are granted 30 statutory staff to perform committee business. In addition to these statutory staff, committees hire investigative staff whose salaries are provided through the committee funding resolutions.

In 1973 there were 570 investigative staff and 308 statutory staff. By 1979 the number of statutory staff had grown to 738 while the number of investigative staff had exploded to 1,221.

Total committee staff has grown from 817 in 1972 to 1,939 in 1979. The cost of these staff has gone from $14 million to $96 million during the same period of time, a 586-percent increase. The salaries for the investigative staff alone represent about 90 percent of each committee's expenditures.

In 1973 a survey revealed that only 16.7 percent of the House committee staff were assigned to the minority. In 1979 a survey conducted by the minority leader showed that 19.3 percent of the committee staff were serving Republican members. With Republicans constituting 44 percent of the House, the difference in staff allocations for committees is clearly inequitable.

Spending for committees is out of control. These excess committee staff are promoting unnecessary legislation that results in more regulations and taxes for the American people.

The election in November 1980 revealed that the American people want less government, less regulation, and less taxes. Congress can do its part by reducing committee authorizations.

PERSONAL EXPLANATION

Mr. McCLORY. Mr. Speaker, I was unavoidably absent on rollcall No. 15, the final vote on H.R. 2166, the Energy Policy and Conservation Act amendment, which would extend the antitrust exemptions. If I had been present, I would have voted "aye."

CONGRESS SHOULD NOT ACT IN HASTE ON BUDGET

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GEPHARDT. Mr. Speaker, I am concerned about some messages all of us are beginning to receive about the pace of the budget process. Rome was not built in a day and a budget of almost $700 billion cannot be crafted in a month, but I think it is important for the American people to know where we are in the process now and why.

Yesterday we received the first chapter of President Reagan's budget. It contains a provocative message and calls for radical changes. Some of them may be justified and ultimately win our approval. Some will doubtless be rejected. But the entire plan has not been received. For instance, we do not have the specifics on the complicated block grant proposals.

It is my belief that the American people would never forgive us if we gave these proposals nothing more than a cursory look before approving them and sending them on their way.

It would be better if we learned about the flaws in these plans, and there will inevitably be some, so they could be amended prior to approval. Acting in haste now may create chaos later.

Our Budget Committee stands ready to begin an intensive review of the President's proposals as they are received. But until the entire plan is in hand, our progress will be limited. Those correspondents who have been writing to ask why we have not enacted the President's budget yet would do well to direct their question to the other end of Pennsylvania Avenue.

□ 1545

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent to take my special order for today out of order and speak first.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from New York?

There was no objection.

TRIBUTE TO TOM IORIO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the eulogy to Tom Iorio.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ADDABBO. Mr. Speaker, I have taken a special order today to pay tribute to Tom Iorio, whom we buried this morning, partly because I feel it is proper to pay homage to any person who devotes 36 years of his life to this body and partly because Tom was a unique person who played a very special role to the Members of this body.

Tom Iorio went to his grave believing that he was the luckiest of men, because he had been privileged to spend the bulk of his lifetime working in this Chamber with men and women whose ideas and dedication set the tone for the country. In all truthfulness, Tom probably passed more legislation himself than any single Member who ever served in this body and that was because Tom was the conduit that people used to get others to support their proposed legislation. I do not know how many times I went to Tom when I had a bill and I would ask him to see what he could do and inevitably he would come back with as many cosigners as it was possible to achieve.

Every one of us were assisted by Tom in this way and in all the other ways where he was so adept at clearing away problems. If there was any way to summarize all that Tom did on this floor, it would create a whole new category of government service. Tom, in essence, took on every challenge that was ever given to him and came back with it resolved.

Some years ago the Members of the New York congressional delegation decided that they wanted to sponsor a trip every other year to show off our city to the Members of this body who, coming from other parts of the country, have not been exposed to the wonders of New York City. It was, of course, Tom Iorio who took over the complex task of putting this trip together and making it work. For more years than anyone here can remember, Tom Iorio made the New York trip something decidedly special, which lived in the memories of those who went on the trips forever.

It is ironic that we will go on the New York trip this coming May and for the first time in history we will go without Tom. But even here, his dedication to his work did not stop because of his illness. Until the very last, Tom worked on this trip with a zeal to make sure that this particular New York trip would be the best ever.

We will go on that trip in May, many Members of this House and I, and we will take time to remember that it was put together by a man who devoted his life to solving the problems of others.

Tom used to say that while the 36 years he spent working on the floor were a joy to remember, the proudest accomplishment of his life had been that he had been a professional baseball player in his youth. True, it was minor league ball and his team never got out of the borough of Brooklyn, which was his birthplace and his pride and joy, but it was professional baseball and it was his own skill that had gotten him there, and he was proud as punch of it.

We know from the obituary notices that appeared in the daily papers after his death about the tributes and the honors accorded him during his lifetime. I will not go into those here at this time. More importantly, the tributes that he received on a daily basis from the people he worked with in this Capitol and the Members with whom he associated were the most important tributes as far as Tom was concerned.

Tom had a wonderful relationship with his wife, Clara, and, had he lived, he would have celebrated his 52d wedding anniversary some 8 weeks from now. And he had two children he loved dearly, Carmen and Connie, and six beautiful grandchildren and loving sisters, nieces, and nephews. He loved them all, spent as much time with them as he possibly could, and cherished them as few families are cherished. But even having said that, you must say—as Clara so often remarked over the years—that Tom Iorio has one wife and one mistress, the House of Representatives.

Few people have stayed here longer than Tom Iorio or experienced so many sweeping national changes. From President Harry Truman to President Ronald Reagan, through the cold war, the Korean war, Vietnam, and Watergate, up to today, Tom Iorio saw it all and worked in the midst of this Chamber where so much of history started. He worked as faithfully and with as much dedication as a single person could give and he did it as a patriotic American who was proud to serve his country by working for his Government.

He lived a full and complete life, nearly 80 years old at the time of his death. He died with more friends than most people ever dream of having. He will be missed by an unusually large number of people beyond his family and his friends and his neighbors. People flew across this continent to be with him at his last Mass this morning. I think that is a measure of the affection that people who met Tom Iorio felt for him, whatever their station in life and wherever they came from.

For insertion are two newspaper clippings on the subject of this special order.

THOMAS D. IORIO, 79, WAS DEPUTY SERGEANT-AT-ARMS FOR THE HOUSE

Thomas D. Iorio, 79, the deputy sergeant-at-arms of the House of Representatives and an employe there since 1945, died of lung cancer Saturday at his home in Silver Spring.

Mr. Iorio, who was born in Brooklyn, began his public career as a deputy sheriff in Kings County, which is Brooklyn. For the rest of his life, he kept in touch with the Democratic Party organization in Brooklyn. In 1945, he came to Washington under the auspices of former Rep. John Rooney, a Brooklyn Democrat. He went to work for the sergeant-at-arms, serving as an aide on the House floor.

In nonelection years, Mr. Iorio organized trips to New York sponsored by the New York congressional delegation. He continued this activity from the mid-1940s until recently.

In 1976, he received the John W. McCormack Award, which is named after the late Speaker of the House and is presented to House employes who have provided outstanding service to representatives. In the same year, he was named "Man of the Year" by the Doorman's Association.

In 1974, Mr. Iorio received a decoration from the Italian government for his efforts to improve Italian-American relations.

Survivors include his wife, Clara, of Silver Spring; a daughter, Connie Furlong of Mount Airy, Md.; a son, Carmine, of Silver Spring; three sisters, Mary Muratore and Molly Barbera, both of Ozone Park, N.Y., and Anne Cusare of Margate, Fla., and six grandchildren.

The family suggests that expressions of sympathy be in the form of contributions to the Villa Rosa Italian Home for the Aged, Mitchellville, Md.

[From the Long Island Press, April 1976]

CONGRESS THANKS A VALUED AIDE

(By Dick Seelmeyer)

WASHINGTON—Tom Iorio left his beloved Brooklyn 31 years ago to go to work for the House of Representatives. Today, as he nears his 75th birthday, many New Yorkers serving in Congress will tell you that Iorio is as close to being an indispensable man as there is.

New Yorkers have known that for years; what makes it news is that next month Iorio will pick up two of the most coveted awards that can be given to people who work for the House, the John W. McCormack Award of Excellence, and the annual Man of the Year award from the Doormen's Society.

If Iorio was Brooklyn when he got to Washington, he soon became New York to those who needed his advice and guidance. In 1945, Brooklyn was the strong delegation among New Yorkers. Today, the state delegation's strength lies with Queens, and delegation chairman James Delaney of Astoria, and vice chairman Joseph Addabbo of Ozone Park rely on Iorio as much or more as did Brooklyn's late John Rooney.

Known best for the congressional New York trip that he puts together on behalf of the city delegation every two years, Iorio, the House Deputy sergeant at arms, is a fount of information about legislation, current and past, parliamentary procedures and whatever else a Congressman needs to know when he steps onto the floor.

Iorio is the man congressmen talk to when they want to know how the leadership would like them to vote on a measure. He is the man that the leadership talks to when they want to know how the members feel about a pending piece of legislation.

Most members of Congress have busy schedules and cannot sit on the floor listening to all the debate on every bill. They run between office and meetings and the floor for votes all day long. And so someone like Tom Iorio, who stays on the floor from opening bell to the closing whack of the gavel, often knows more about legislation than do the members who can cast their vote.

Delaney observes of Iorio that, "he is a big help to all of us, Republican or Democrat, because his word is always good. He tells you the facts about bills, not what his opinion is. You soon learn who can be trusted and who can't. Everyone trusts Tom."

Addabbo adds, "I don't know of anyone who doesn't hold Tom in the highest esteem, and he has earned twice over every bit of respect that he gets."

A couple of years ago, the New York delegation sought to convince Iorio to stand for election as sergeant at arms of the House, a position of great authority. He turned them down. The opportunity came 10 years too late, he said.

It is that ability to render unemotional judgments that has made Iorio one of the keenest political people in Washington.

In his last race for Congress against former House member Allard Lowenstein, the late John Rooney invited Iorio over for a talk about the race.

"If you don't change your ways," Iorio told Rooney, a man of explosive temper, "you'll lose. Al Lowenstein is a good and tough campaigner and you are out of touch with people."

As Iorio had anticipated, Rooney blew up and yelled a lot. When he finally calmed down, he asked "what would you suggest?"

One by one, Iorio ticked off his suggestions, watching Rooney's bald pate turn more and more red. "I'm not doing that," Rooney declared hotly.

"Then lose," he was told. Eventually and grudgingly, Rooney gave in. Iorio took a leave of absence from his job and personally worked one especially tough district that Rooney had lost consistently for years. He made Rooney sit down and talk for the first time in years with the community's black leaders and to their amazement and to Rooney's, each found they had goals and aspirations more in common than not.

Rooney won the district by the largest margin ever and that district turned out to be the edge that gave Rooney the narrow primary win that sent him back to Congress.

The following January, Speaker Carl Albert ran into Rooney and congratulated him on his win. "Hell, Carl," came back Rooney's reply, "I didn't win that race. Tom Iorio did."

Iorio will only be the sixth person to win the McCormack Award which is the highest honor that can be given to a House of Representatives employe.

He will be proud of it. More than 10,000 other House employes were considered for the prize. But two earlier awards remain closest to his heart. In 1968, the republic of Italy presented him the title of Cavaliere Ufficiale in the Order of Merit, and two years ago, Italy presented him with the highest civilian award given to a foreign national, the title of commendatore.

"I have had the most interesting life a man could ask for," he summed up one day last week. "Clara and I have enjoyed every minute of everything."

It is a long way from the courts of Brooklyn where he started to the highest awards that the Congress and a foreign nation can bestow, but Iorio has moved serenely to conquer every challenge facing him.

Years ago, during Prohibition, Tom Iorio smuggled his wedding champagne off the train under his bride's billowing skirts, laughing happily because life was young and fresh and certain to offer adventure. Now he has six grandchildren and when they crowd around he tells them to smile because their lives are young and fresh and certain to offer adventure. If anybody knows, he tells them, Grampa does.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Speaker, I rise to join my good friend and colleague from New York, the Honorable JOSEPH P. ADDABBO, in paying tribute to Mr. Thomas D. Iorio, Deputy Sergeant at Arms of the House of Representatives, who died recently at the age of 79.

Tom Iorio rendered honorable and outstanding service to Members of the House for 35 years, and he will be missed by those of us who had the privilege of getting acquainted with him. With great tact and creative independence, he served in devotion to the highest standards of excellence, for he was a man who always went that extra mile.

Tom was a native of Brooklyn, N.Y., where he lived during the years he served as a Kings County deputy sheriff. It was in 1945 that he came to Washington and began work as an aide in the Sergeant at Arms Office. In 1974, the Italian Government decorated him for his efforts to improve Italian-American relations, and in 1976, he was a recipient of the John W. McCormack Award, which is given to House employees who provide the most outstanding of service, and he also received the 1976 "Man of the Year" designation of the Doorman's Association of the House of Representatives.

Thomas D. Iorio was always capable and dedicated in his work, and he certainly earned the respect and admiration of those who knew him. Mrs. Annunzio and I extend our deepest sympathy to his wife, Clara; his daughter, Connie Furlong; his son, Carmine; and to his three sisters, Mary Muratore, Molly Barbera, and Anne Cusare.

Ms. FERRARO. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentlewoman from New York.

Ms. FERRARO. Mr. Speaker, I thank the gentleman for yielding. I just want to add my comments with reference to Tom Iorio. When I first came down he went out of his way to be nice and to help me. Whenever I had missed a session he helped to be sure I was prepared for my vote.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Speaker, it is with a great sense of sadness and loss that I rise today to pay tribute to a great man and friend of this Member and the House—Thomas D. Iorio, who

passed away this past Saturday at his home in Silver Spring, Md.

Tom's exemplary career of service to this House spanned 35 years. His responsibilities, especially on the House floor, were as critical as any employee. Tom was always helpful—always accessible to Members, and always dispensed valuable information. Tom was also a great teacher to the legislative staff people on Capitol Hill. My own legislative staff were very close to Tom and share my loss.

Tom was born in Brooklyn and, like many New Yorkers, maintained a lifelong relationship with the city. An example of this was Tom's regular work on arranging trips to New York for our colleagues who were not from the city.

As a testimonial to his effectiveness, Tom was awarded the John W. McCormack Award, named for our late great Speaker. This award is presented to House employees who have provided outstanding service to Representatives. Also in 1976, Tom was named "Man of the Year" by the Doorman's Association.

Tom maintained an active role in the Italian-American community of this area and the Nation. In 1974, Tom received a decoration from the Italian Government for his efforts to improve Italian-American relations.

I will miss Tom Iorio. He was a good friend and a trusted employee of this House. He was a man who enjoyed his work and was dedicated to excellence. I extend my most sincere condolences to his wife, Clara, his daughter Connie Furlong, his son Carmine, his three sisters, Mary Muratore, Molly Barbera, and Anne Cusare and six grandchildren. We in this House share their grief and hope they will take solace in the fact that Tom will be remembered for years to come by all those fortunate enough to have known him.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Speaker, I wish to thank our colleague JOE ADDABBO for taking this special order and thereby providing an opportunity for the many friends of Tom Iorio to remember him and to express our sympathy to his family.

As with substantially everyone who is here, my acquaintance with Tom Iorio dates from the time that I came to the Congress. Tom was one of the first persons I met when I entered into these duties and I remember clearly how helpful he was to me as a brand-new Congressman, in finding my way around the place and in learning how to get things done. Even though this is my 11th year in the House of Representatives, I found that I never did learn enough to be past the stage where I did not need to ask him for help from time to time. It seemed to me that during his long tenure with the House of Representatives he had seen everything done at least a few times and thus he was an invaluable source of information to the Members.

Tom Iorio also had one of the most pleasant dispositions that I can imagine. I can recall no time when he was not pleasant, agreeable, and helpful to me no matter what the situation might be. That quality alone is enough to create and preserve a strong bond of friendship. Then, too, I found that I could always rely on Tom to see to it that I was paired on those occasions when it was not possible for me to be on the floor for a vote.

As with everyone in the House I have missed Tom Iorio during the period of his illness and I know that I, and all of us, will miss his help and presence in the time to come.

I extend my most sincere condolences and sympathy to Tom's family and hope that they will receive some comfort from knowing the high regard in which he was held by all of us.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, the passing of Tom Iorio marks the final chapter in the life of a longtime career adjunct of this House of Representatives. Indeed, Tom Iorio has been an associate and close friend of many of us in this body. Tom Iorio's friendship was characterized by his gentle manner, his helpfulness, and his concern for our best interests both during our presence here on Capitol Hill and wherever else we might be found together.

A New Yorker hailing from Brooklyn, Tom Iorio loved to have Members of this body join in an annual trek to New York City. Tom undertook most of the arrangements, the travel, the accommodations, the details of our agenda in New York City, including the business and social events, which were placed on our busy schedule. At a time when we are made aware of the slogan, "I Love New York," we should recall that no one of my acquaintance induced greater love for New York than Tom Iorio. He made sure that every comfort, every convenience, and every advantage available on these annual New York trips were provided for each of us. It was a personal responsibility which he assumed and carried out quietly and unpretentiously.

Mr. Speaker, in expressing my high esteem for Tom Iorio, my respect for his career and my gratitude for having had the privilege of a long and close association with him, I wish also both in my own behalf and in behalf of my wife, Doris—herself a New Yorker—to add my praise and high regard to his memory and to express my deep sympathy to his wife, Clara, and to all members of his family.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I thank the gentleman for yielding and taking this special order. I also join in the remarks that have been made concerning Tom.

My particular thought is his willingness to always help new Members when they first arrived in understanding the procedures and being able to act correctly in many of the legislative matters. He was a great help to all of us. He will certainly be sorely missed.

I thank the gentleman for letting us express our sympathy at this time.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, I appreciate the gentleman yielding to me. I want to express my appreciation to him for taking this special order.

Tom Iorio was a special friend to all of the Members of this House. As a relatively new Member I remember how kind and generous he was when I first arrived in this body, and he continued to be a source of help and guidance throughout the time I served here.

We shall all miss him. I want to join with the gentleman in the well in expressing my condolences to his family.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Illinois (Mr. O'BRIEN).

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman.

Tom had a special quality. I was not his oldest friend. I was not certainly his best friend, but he made me feel like both. I will miss him, and I express to his family the profound sympathy of my wife and myself.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the Speaker.

Mr. O'NEILL. Mr. Speaker, it is with sad and strong emotional feelings that I rise to join my colleagues in paying tribute to one of the most beloved employees of the House, Tom Iorio, on the occasion of his passing.

Tom Iorio was not only a truly outstanding employee of the House of Representatives, but he also had special personal qualities which all of us in public life admire and respect so much. Always kind, friendly, conscientious, hard working, and truly dedicated to the House of Representatives, Tom was one of the finest human beings I have ever known. I wish all employees of the House were like Tom Iorio; and if everyone in the world had the same dedication and willingness to

help his fellow man as Tom Iorio, what a wonderful world it would be.

For more than three decades Tom, in his friendly, unassuming, and quiet way, worked methodically and meticulously in pairing Democrats on their votes. He treated everyone equally; he was loved by all Democratic Members of the House; so thorough was Tom in the performance of his duties that whether a Member himself or a staff person called Tom for a pair, the Member knew that Tom would take care of it and do everything possible to give him a live pair. In every form of measurement, Tom was a superb House employee.

Prior to his tenure as a House employee, Tom had a fulfilling career in Democratic politics. He was deputy sheriff of Kings County from 1937 to 1942, and was campaign manager for both Gene Keogh and John Rooney in their congressional campaigns. The American Legion in New York awarded him the "Man of the Year" citation in 1952. In fact, Tom was so well known and respected in New York politics that anyone who actively campaigned for public office in that State wanted Tom Iorio out there working for him.

Tom was especially proud of his Italian heritage and received recognition for this outstanding achievements from the Italian Government. In 1971, he received the award of "Cavalier," and in 1974 he was made "Commander of the State of Italy," the highest award that the Italian Government gives to a person who is not an Italian citizen.

Tom Iorio was an honorable, decent, and highly principled human being. Tom had many friends in the House, Members and employees alike, because Tom was such a good and loyal friend himself. He liked people, he cared about people, and his self-effacing wit, charm, and concern for his colleagues made everyone who knew and worked with Tom respond warmly to him.

We will all cherish Tom's memory and our happy times working with him.

Millie joins me in extending our sincere condolences to Tom's wife, Clara, his children, Carmine and Connie, and his entire family.

Mr. AKAKA. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Hawaii.

Mr. AKAKA. Mr. Speaker, it is with heavy heart that I rise to pay tribute to Thomas D. Iorio, the Deputy Sergeant at Arms and majority pair clerk for the House of Representatives. Tom worked for this august body for 36 years before he died in his home in Silver Spring last Saturday night. In those 36 years Tom's accomplishments were indeed great.

In 1976 the Doorman's Society named him "Man of the Year." In the same year he received the John W. McCormack Award for outstanding and consistent service to the House over a long period of time. And in 1974 he received a decoration from the Italian Government for his efforts to improve Italian-American relations.

But Tom was more than just an outstanding employee. He was a man who did his job with a grace and sense of purpose which are indeed rare today. He was always willing to share his extensive knowledge of the legislative process with each of us in the House. He gave freely of his spirit, of his knowledge, of his personal feelings, and of his experience.

To everyone who ever sought his counsel Tom Iorio was a friend. Tom was a special friend to me. His personal advice and friendship assisted me with my work on the Floor of this House. We frequently shared lunch at the House restaurant. We enjoyed chatting at the rails in the Chamber of the House. He loved New York so much that he meticulously arranged trips to share his fabulous city with Members of this body every 2 years.

Over the years, his warmth and generosity have touched the hearts of all us. Proud of spirit, proud of our country, proud of his family, Tom is a man who will long be remembered by all of us here in the House.

I ask my colleagues to join in prayer for him, his wife, Clara and children, Carmine and Connie.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I thank the gentleman for yielding.

I want, too, to thank the gentleman for arranging for this opportunity for us to pay our last respects to Tom Iorio. There is little that I can add to what has been so eloquently said.

But I would like to add a personal note or two. I recall very well when I was a freshman Member of this body the immediate kindness that Tom Iorio showed to me and his willingness to provide guidance in the intricacy of floor procedures. He was always wonderfully perceptive in his work in helping us on pairs, because he knew often without being told how we would like to be paired on a given issue. He always tried to protect his Members from possible embarrassment or any failure to be recorded if it was possible for him to do so.

He also, as the gentleman from Hawaii (Mr. AKAKA) has just stated, had a great love for the city of New York, and particularly for his Borough of Brooklyn. He showed this in many ways. He was a true New Yorker, although he lived in Washington for many years, and he was well known for his excellent arrangements in terms of visits that Members have paid to our great city every year.

□ 1600

All of us will miss Tom Iorio. He was a cheerful, kindly presence in this House. I want to join with our colleagues in expressing to his wife and family our deepest sympathy.

Mrs. BOGGS. I thank the gentleman for yielding.

It is very gracious of the gentleman to allow me to say what a wonderful person Tom Iorio has been and what a great contribution he has made to the institution of the House. He had a great affection for this House and its Members and he served both enormously well. He was a true gentleman in the best sense of that word.

His word was his bond. He was totally dedicated to duty. He had a way of serving with such grace and such dignity that all of us felt that he was our very own person in the House of Representatives. I extend to Mrs. Iorio and to all the members of the family my heartfelt sympathy and my admiration for a lovely human being.

● Mr. ZABLOCKI. Mr. Speaker, it was with a deep sense of personal regret that I learned of the death of Thomas D. Iorio, who served this body so effectively for over 3½ decades—most recently as the Deputy Sergeant at Arms.

Tom Iorio was a loyalist—in the best sense of that term: He was loyal to the Democratic Party, to his native Brooklyn, and especially to his longtime friend and original sponsor, our late colleague, John Rooney. He was also loyal to his colleagues in this House and dedicated to the highest principles of public service.

As majority pair clerk, he was scrupulously fair and effective in working out the necessary voting arrangements in accordance with House rules, gaining the respect and confidence of Members of both sides of the aisle.

Tom eventually received a number of well-deserved awards for his many and diverse activities—not the least of which was a decoration from the Italian Government for his efforts to improve Italian-American relations. Above all, however, he was representative of those many dedicated employees who work quietly and efficiently behind the scenes and without whom, this body could not function as an institution.

To Tom's widow, Clara, his family and many friends among the New York delegation, and far beyond, I extend my deepest sympathy, as well as my highest personal regard for an outstanding record of service to this House and to the Nation.●

● Mr. ROSTENKOWSKI. Mr. Speaker, it is with a sense of great loss and sorrow that I now pay tribute to the late Thomas Iorio, Deputy Sergeant at Arms and majority pair clerk. On March 7, Tom lost his private struggle with cancer.

When I first came to Washington, I remember Tom was always helpful in assisting me on the rules and procedures of the House. I can say without hesitation that from my first day of service he received me warmly. I imagine the best way to describe his character is to say that he had a way of making you feel totally at ease even when your inexperience caused you to ask him a naive or elementary question.

Tom was a man of unselfish attitude, always seeking ways to help others and always trying to promote the well-being of the membership. Through his unselfish ways, there is no question he enhanced the stature of this institution.

I most admired Tom's understated presence. While he knew more about the legislative process than most of us, there was never any indication of arrogance regarding his vast knowledge. Very simply, Tom Iorio never carried himself in a manner other than one of genuine humility.

Tom Iorio—a dedicated public servant, a man of unquestioned integrity, a dear friend—will long be missed by this Member of Congress.●

● Mr. RODINO. Mr. Speaker, when I learned of Tom Iorio's death this weekend, I felt the deep sadness that comes from losing a close friend, I also felt like a part of the House of Representatives had passed away—an institution was gone.

For over three decades Members of Congress relied on Tom to do the right thing for them. He brought to the position of Deputy Sergeant at Arms a sense of tradition and an understanding of history that instilled pride in all those who work here.

He loved this House, and he was devoted to it. I remember when I arrived here as a freshman Congressman from Newark in 1949, Tom Iorio said simply that he was here to help.

So, he was indeed an institution, but he was also a dedicated friend. Not only to me, or to the other senior Members, or to his fellow Democrats, but to all who served here. Members on both sides of the aisle can tell countless stories of Tom Iorio going out of his way to be helpful. Tom extended his kindness to everyone—and that is why he was blessed with so many friends and admirers.

He certainly enriched my life with his friendship. I will miss him dearly. I extend my deepest sympathy to his wife, Clara, to whom he was so devoted, and to all the members of his family.●

● Mr. STOKES. Mr. Speaker, thank you for providing me with this opportunity to pay tribute to a distinguished gentleman and extraordinary human being who served this esteemed body for over 35 years—the late Thomas D. Iorio. As many of my colleagues know, Mr. Iorio died last Saturday at the age of 79.

Many accolades and tributes to Tom Iorio are fitting on this occasion. But, it is important that I interject the thought that the highest compliment and tribute to Tom Iorio was indeed his life.

Mr. Speaker, my good friend, Tom Iorio was that rare kind of individual who gave unselfishly of his time and energy for others every moment of his life. In his job as the Deputy Sergeant at Arms in the House, he was always extremely helpful and more importantly, always went that proverbial extra mile for the Members of this body. In every sense, Tom Iorio was the ideal employee and a model public servant.

Tom Iorio's career was one of public service. He began as the deputy sheriff in Kings County in Brooklyn. As a result of that assignment, he developed strong ties with the Democratic Party organization in Brooklyn and in 1945 came to Washington, to work for the former Congressman John Rooney. He went to work for the Sergeant at Arms while serving as an aide on the House floor. He progressed through the ranks to his last position as Deputy Sergeant at Arms.

But, Mr. Speaker, to many of us, Tom Iorio was more than just another House employee or exceptional public servant. Rather, he was a dear friend. The positive attitude that he always presented boosted our spirits and provided encouragement during the difficult days in this body.

Mr. Speaker, Tom Iorio's commitment to the Members of this body transcended official House business. In nonelection years, Tom Iorio organized trips to New York sponsored by the New York congressional delegation. He continued this activity from the mid-1940's until recently.

His work won him many honors and citations. In 1976, for example, Tom Iorio was presented the John W. McCormack Award which is presented to House employees who have provided outstanding service to Representatives. In that same year, he was named man of the year by the Doorman's Association.

In closing, Mr. Speaker, I would like to say that my good friend, Thomas Iorio was a giant of a man. He was the kind of dedicated human being that people meet, perhaps, once in a lifetime. He will be missed greatly by this body.

To his wife, Clara and family, my wife Jay and I extend our heartfelt condolences. The pleasure and joy that Tom gave and the support he brought to the House will serve as an eternal tribute to him in our hearts.●

● Mrs. BOUQUARD. Mr. Speaker, it is with deep regret and a personal sense of loss that I rise to join with the many friends of Tom Iorio in mourning his passing. Tom was to all of us an institution of the House. His always ready wit and sage advice will be sorely missed in the 97th Congress.

There were many times when the flow of legislative business left tempers frayed, or built frustrations, and Tom would always find the right word or story to ease the strain.

Along with his family, we all share the loss of Tom's company; and this Chamber will be a little poorer for his absence.●

● Mr. ZEFERETTI. Mr. Speaker, it is with deep sadness and regret that I pay tribute to the memory of the late Thomas Iorio, Deputy Sergeant at Arms and majority pair clerk, who died March 7 at the age of 79. As a dear, cherished friend of mine and fellow Brooklynite, I can attest to Tom's unique warmth as a human being.

Tom was a good friend to all of us who have served in this body through the years. During the 6 years I have been privileged to be a Member of the House of Representatives and particularly through my freshman term, I often looked to Tom for help, direction, and expert counsel.

Tom had a truly remarkable career in the 36 years he worked for the House of Representatives. He was the recipient of numerous awards for his service to the House and general public. His contributions to all the Members of the House are countless.

Mr. Speaker, I want to express my deepest sympathies to Tom's wife and family. I echo the feelings of my colleagues in saying that we will sorely miss him.●

● Mr. FOGLIETTA. Mr. Speaker, I would like to take this opportunity to add my voice to the chorus remembering Deputy Sergeant at Arms Thomas D. Iorio. There are few individuals who have had such an impact on the workings of the Congress. The many awards he received during his 35 years as a floor aide testify to the respect given him by the Members of Congress and his colleagues. I consider it a great honor to participate in this tribute to a fellow Italo American, who accomplished so much not only in his work here in the Congress, but also was the recipient of the Order of the Commendatore for his dedication to improving Italian-American relations. I would like to extend my sympathies to his widow, Clara, their children and grandchildren. Tom Iorio will be sorely missed.●

● Mr. RICHMOND. Mr. Speaker, I rise today in sadness to pay tribute to my dear friend, Tom Iorio, Deputy Sergeant at Arms and majority pair clerk, whose personal struggle against cancer ended with his death last Saturday, at the age of 79.

Tom was not only a friend. He was as dedicated and dependable in serving

the public as he was generous in sharing his wisdom, experience and good humor with all of us year in and year out.

He prided himself on his roots in the 14th Congressional District and I was honored to call him my constituent. As a constituent and as a veteran of over 30 years with the House, Tom freely dispensed his advice and sage counsel to me throughout my career on the Hill.

We will miss Tom. He was much beloved by his friends, all of us with whom he worked and, of course, his wonderful family, with whom we share both the sorrow of Tom's passing and the delightful memories of his years among us.●

● Mr. MINISH. Mr. Speaker, I am honored to join my colleagues in eulogizing the late Thomas D. Iorio, long a valued employee of the House of Representatives.

At a time when we are debating limitations on the congressional staff, when there is much talk about wasteful bureaucrats in Washington, the death of Tom Iorio reminds us that there are good, faithful public servants whose careers should be a model for all. Since the end of World War II, Tom served as a floor assistant in the House with a diligence and good humor which endeared him to everyone. His invaluable service, year in and year out, made him a true institution in the House, one who taught the Members as he helped them. His experience, wisdom, and character were our common resource.

Tom achieved some well-deserved recognition in the course of his career, but his awards and honors are secondary to the deep respect and affection which he earned in our hearts.

To Tom's family, I convey condolences that his long and productive life has come to an end. In a sense we in the House became Tom's other family, and we share in your loss. Tom has left a legacy of public service and gentlemanly conduct for which we are all richer.●

Mr. ADDABBO. Mr. Speaker, in closing, I express the thanks and appreciation of the Iorio family to all those who have expressed their thoughts on the passing of our beloved friend, Tom, and express the appreciation of myself and the Iorio family to Tom's peers here in the House, the staff and fellow officers of the House of Representatives who took up their time and made the Iorios' burden a little easier.

SAVING STUDENT AID FOR HIGHER EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PEYSER) is recognized for 60 minutes.

Mr. PEYSER. Thank you, Mr. Speaker.

Mr. Speaker, if 5 months ago someone had suggested that I would be standing in the well of the House to discuss saving student aid for higher education, I would have said that there was no reason to be worried or concerned because the House of Representatives, with only 15 Members dissenting, passed the higher education bill. That bill encompassed the programs that had been carefully thought out and worked on by the Postsecondary Subcommittee at that time under Chairman FORD and the full committee under Chairman PERKINS. We seemed to be in very solid agreement that the programs as laid forth, and the rules and the regulations were well founded.

Even our new Director of the Office of Management and Budget, Mr. Stockman, voted for this legislation. So it certainly seemed to have all the necessary increments going for it, and practically every Member of the House agreed.

But today, less than 5 months since that happened, we have received a proposal from the administration that will devastate this program. It will cut back literally hundreds of thousands of students who are now eligible for what are known as the Pell grants (formerly called basic educational opportunity grants) which are targeted for the poor and the lower middle income, and which are supposed to give them the opportunity of attending higher education institutions.

We are also seeing proposed changes in the eligibility requirements concerning the guaranteed student loan program, which is a program that, for the first time in 1978, reached out to the middle-income families of this country. In the Middle Income Student Assistance Act of 1978, we said to the middle income families of this country, "Your children have the right to borrow money," I would like to emphasize that I am saying, "borrow money," in order that students can go to college or to any other institution of higher learning. This is not a grant. This program has been a great success. I have heard the comment recently that the program is out of control. It is not out of control, this is what the Congress had in mind that families would use it because they needed it.

This morning, Mr. Speaker, the Secretary of Education, Mr. Bell, appeared before our committee. In his testimony which I have here, there is nothing that offers any proof of what the real impact of these proposed legislative changes are. However we have far more proof of what the disastrous effects are. We have received this information from colleges and students across the country who have testified before the subcommittee.

I am amazed that the Secretary would come before us with nothing to support his statement that, "I think everything is going to be all right and these students, the needy students and others do not have to worry."

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding.

Mr. Speaker, I want to thank my colleague and friend from New York for calling this special order. The subject that we are discussing today—proposed reductions in the student financial assistance programs—is a matter of critical importance for students and families across the Nation.

Just last year, this Congress voted overwhelmingly to expand the financial assistance programs which provide opportunities for thousands upon thousands of students to attend the college or university of their choice. Drastic, indiscriminate slashes in these financial assistance programs now, just 1 year later, will prevent thousands of youngsters from pursuing further education.

The American Council on Education estimates that due to the proposed changes in Pell grants, 600,000 students would become ineligible. Hundreds of thousands would be denied guaranteed student loans. The council also estimates that due to this drastic curtailment in aid, another 500,000 students may be forced to choose a lower cost institution, or perhaps a public college instead of a private institution.

These cuts could be devastating for smaller, independent colleges. Because the number of potential enrollees will drop due to increased financial burdens, many of these small private institutions may be forced to close their doors forever.

This certainly is ironic for the Members of this Congress. With the passage of the Higher Education Act last year, the Members of this House, and of the Senate, announced our commitment not only to higher education, and to students, but also a commitment to access and choice. The guiding priniciple of that legislation was to provide students with the option to attend a private, public, or community college of his or her choice. The decision to attend a particular college or university would no longer have to be based, solely on the financial resources of the student's family. Now, we have been asked by this administration to turn our backs on the students, to turn our backs on this commitment, and abandon the intent of the Higher Education Act.

I urge my colleagues, particularly those who do not serve on the Education and Labor Committee, those who

are not privileged to hear witness after witness testify that their colleges may close, or that their children may not be able to enroll, to study these proposed reductions very carefully. Cutting education programs is not going to bring an end to the alarming rate of inflation. Instead, I submit, if these reductions are enacted, we, the Members of this Congress, will be abandoning the future of this Nation, the young people of this Nation.

Mr. PEYSER. I thank the gentleman for his comments.

As he is an active member and a participating member of the Postsecondary Education Subcommittee, and one of our jobs is going to be, as I see it, and the reason for this special order today and other orders that will be taken on this subject in the future, is to let the public know. When the President stood here in the House just 1 month ago and the statement was really that if the Congress did not act the President would have to go to the people.

My feeling is the Congress ought to be going to the people, to let the people know the impact of some of these programs and in particular on the future of our country as represented by students.

Mr. SUNIA. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from American Samoa.

Mr. SUNIA. I thank the gentleman for yielding.

I would like to congratulate the gentleman for arranging for this special order so that we may address this item of very serious importance to the Nation.

The territory of American Samoa will be in deep trouble, Mr. Speaker, if the administration is allowed to proceed with its proposal to cut college student assistance programs. American Samoa has only one institution of higher learning, an accredited community college which provides students with liberal arts and vocational training at the junior college level, preparing them for university training in Hawaii and elsewhere in the continental United States.

Most of our students attending universities come from socially and financially disadvantaged families. They rely heavily on programs such as BEOG, SEOG, the guaranteed Federal student loans, and so forth, to pay part of their education, let alone leaving home to acquire it. The proposed cuts in educational assistance programs will, therefore, hurt us, perhaps much more than any other community within the American family of States and territories. It will definitely reduce the number of our young people seeking university education and slow down our efforts to rise to the edges of equality with everyone else in our Nation.

What this cut will amount to, Mr. Speaker, as far as American Samoa is concerned, is that only students from families which have always had everything, and these represent only a very small portion of our community, will have the opportunity to get university education. The bulk of our young people, and many of them are excellent college material, will have to be contented with junior college education.

To us it is not a question of having the opportunity of higher education; it is, Mr. Speaker, the question of not affording such education.

Mr. PEYSER. I thank the gentleman for his comments.

I would like to try to take one or two of the specifics that the administration is recommending in a way of informing the people and my colleagues of the type of thing we have to be concerned with.

One of the things being suggested by the administration, is that students who have guaranteed student loans will have to pay interest during the years they are in college or in their universities.

I am reading directly from the statement of Secretary Bell this morning because I think it is important to be accurate. If a student over a 4-year period were to borrow $10,000, or an average of $2,500 toward his educational costs each year, in his freshman year he would have interest of $225 to pay, in his sophomore year, $450; in his junior year, $675 and in his senior year, $900.

Now, I do not know if any of us realizes the impact of trying to pay those moneys during the period of time when the student is in college because the average cost of a private independent college today is approximately $5,800 a year.

Now, the $2,500 student loan does not begin to cover the actual cost. But what it does do, it provides the opportunity, with the help of the family, with the student being able to work, with the student perhaps in a work-study program, to be able to have enough money to stay in college.

Under the administration's proposal, the cost of the loan to the student will increase by $4,300, an increase of nearly 27 percent.

Now this, to me, is certainly not the way to encourage young people who want a higher education to gain one. I think this interest factor is one that we would have to defeat.

Mr. WASHINGTON. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Illinois.

Mr. WASHINGTON. I thank the gentleman for yielding. Mr. Speaker, the Reagan administration plan to cut college aid for moderate-income students will, if adopted, block the path to educational advancement for thousands of our young people. But it will not hurt just those students.

It would also impose new financial dislocations on institutions of higher education already suffering because of declining enrollments. It will hurt American industry by reducing the pool of well-educated workers in an economy which has increasing need for skilled employees.

It is an unfairly targeted program. It will cause the most harm to precisely those families which are struggling hardest to obtain a good education for their children.

I know which families will be hurt most severely in my district. They are the families of moderate-income working people—perhaps a husband who works in a factory, a wife employed as a secretary—who want to see their children become the first in their family to obtain a college education. They have worked hard to buy a modest home. They will make considerable sacrifices to pay a large part of the cost of a college education. But they simply cannot bear the full burden. They do not have easy access to private sources of loan money. They cannot afford to pay the interest, at full market rate, while their children are in school. Their son or daughter will search hard for a part-time job so that he or she can help pay the cost of education. But that student is not likely to find a job, because of the tremendous shortage of jobs for young people. In our community, the youth unemployment rate is officially pegged at about 40 percent, but the true figure may be closer to 80 percent.

The proposed cuts will hurt all kinds of colleges and universities. They will hurt different kinds of institutions in very different ways. Because my district is the home of several outstanding educational institutions, I was able to conduct a preliminary survey which provides a good indication of the variety of harmful effects which will be felt by comparable schools across the country.

At our branch of the Chicago City College, Kennedy-King College, nearly two-thirds of the students depend on Pell grants. Tuition payments are financed primarily from Federal and State student loan and grant programs. Kennedy-King is located in one of Chicago's poorest communities, and it provides outstanding educational opportunities for students who could otherwise never afford to attend college. Most students will continue to qualify. But some will not, and college officials have told me that they are certain that many will be forced to drop out and join our vast army of unemployed, undereducated young people.

The University of Chicago is universally recognized as one of our Nation's

greatest research institutions. That university is already stretched to the limit in providing student assistance funds. Though it operates on a budget deficit, the university allocates more than $8 million a year of its revenues to student aid. The University of Chicago will be hardest hit by the elimination of Federal interest subsidies for many middle-income students. Currently, 4,000 students, more than half the student body, receive $14 million a year in guaranteed student loans. Many of them come from families which will lose the interest subsidy but do not have sufficient income to pay today's high interest costs through 4 years of college. In addition, the proposed income cutoff for Pell grants would eliminate benefits for one-fifth of the school's 600 Pell grant recipients. All have demonstrated that they need the aid. No funds are available to replace the grants they will lose.

Chicago State University is one of our Nation's finest predominantly black universities. It offers a full range of undergraduate and graduate programs to more than 7,000 students. Nearly three-fourths of the student body depends on Federal loan or grant programs, and half of them are Pell grant recipients. If Chicago State University or its students lose any of the Federal assistance they now receive, the school's educational programs will suffer, enrollment will drop, and we will lose a significant part of our next generation of teachers, nurses, business managers, and other trained professional people.

Mr. PEYSER. I thank the gentleman for his comments.

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With respect to the Pell grant, another proposal of the administration is that a student must earn and contribute $750 toward his education, basically in order to qualify for his Pell grant. No one argues the point that students should work and do part-time work and work in the summertime to earn as much money as they can toward their education. There is no argument on that. But, the facts are that unemployment among teenagers, who would be the ones involved, is now at over 19 percent. For minority teenagers, it is over 34 percent.

Now, it is wonderful to talk about how much has to be earned. But if these young people cannot get jobs during that period of time, it is obvious that they would not be able to qualify for their Pell grants. How can the President say that we were spreading a safety net to guarantee that the needy and the poor would not be caught or hurt in these programs? It appears to be that the safety net has some gaping holes in it that a lot of people can fall through who should not.

We often hear people say—well meaning people and the public—"Oh, students do not really do the kind of work they ought to do, and when I was in school 30 years ago or 40 years ago everybody worked, and that is the way we got through."

I would like to submit for the RECORD today statements from three students that were submitted this morning, and these are students from various schools; one from Yale University, and two from New York University. They outline what they do in order to stay in college. I will not read these at this time, but in each case we have these students holding one or two jobs, getting money under Pell grants, borrowing under the guaranteed student loan program and in the work-study programs in order to stay in college, in order to complete their higher education.

Now, what the administration does not seem to understand is, if you tamper and affect any one of these programs, you jeopardize the student's ability to finance his education because everything is balanced very carefully. The administration told me this morning, "Well, if they are short $300 or $400 they can find a way of making it up." That just is not so.

I can tell you they are doing everything that they can do to get through school, and making up $300 or $400 becomes impossible. So, I believe that the attempt that is being made by the administration today through proposed legislation and revision of the BEOG regulations is an attempt to fool the American people, and certainly those students, into thinking that they really are not doing anything to directly hurt the programs. But the regulations are going to be arranged in such a way that you just do not qualify. And, of course if you do not qualify for a program, it is really not anybody's fault and no one is taking anything away. It just was not meant for you. But, that is not the way the Congress felt just 5 months ago.

Finally, in closing, I would like to say that we have made in this country a commitment to our students. I wonder how anybody in the Congress today who last fall voted for the program and said to the students, "Go ahead with your education, here is the means, here is the plan that you can follow." Students, believing the Congress and believing in their Government, went ahead and made their commitments and made their plans to go on with higher education; and having done this, 5 months later the Congress is asked to change all those plans and say to those students who made that commitment, "Well, we really did not mean that for the full term of your college. We only meant it for one semester because now we are going to change the rules. Some of you are going to have to leave. Some of you are going to have to change your schools, but that is the way it is."

Well, my colleagues, I do not think that is the way it has to be. America has grown strong and great on the education of its young people and the vigor of its young people and their willingness to contribute to themselves, but today they have needed our help and we have given it to them. So, I am hopeful, my colleagues, that when the time comes to talk to our friends on the budget committees—and I know that my chairman of the Postsecondary Education Committee, Mr. SIMON, is certainly playing an active role in helping us put together a package—that we are going to be able to save these students, to save this program, and to keep our own self-respect in this Congress.

Mr. Speaker, I ask unanimous consent to include at this point the statements of the three students which I have mentioned earlier.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PEYSER. Mr. Speaker, the statements follow:

STATEMENT OF BILL LASH, STUDENT AT YALE UNIVERSITY

Mister Chairman, members of the subcommittee. Thank you for allowing me to speak to you today. My name is Bill Lash and I am a junior at Yale Univesity, New Haven, Connecticut, and I am chairman of the Connecticut Independent Student Coalition, an affiliate of COPUS.

I speak to you now, not as chairman of a coalition, but as an individual student, dependent on federal financial aid programs for my pursuit of an education. The same programs that the present administration proposes to cut.

I am one of two children of working parents, my father is a postal worker, and my mother is a nurse. I have an older sister, a senior at Lafayette College, who is planning on going to medical school. Our combined educational costs this year were over 18,000 dollars, a figure that represents nearly 40% of my families total income. There is no way that we could pay for our educations without federal financial aid.

Costs at Yale this past year were in excess of ten thousand dollars. I receive a $2,794 scholarship from Yale. This leaves 72%, over seven thousand dollars left to be paid. My parents are forced to borrow from banks and credit unions to pay their $2,500 parental contribution to Yale and another three thousand dollars to Lafayette.

My financial need after I pay $950 of my $1300 summer earnings directly to Yale, is $8570. This comes from federal and state financial aid programs. My state of New Jersey scholarship of $100, covers less than 1% of my costs. The remaining need is covered by Pell grants, supplemental Educational Opportunity grants (SEOG) and Guaranteed student loans. I receive a $226 Pell grant, a $750 SEOG and a $2,500 GSL. I was previously receiving a National Direct Student Loan, (NDSL) but was forced from the program due to eligibility requirements. My New Jersey scholarship is in danger of

being cut, and I will probably be forced out of that program as well.

I have not neglected to help myself. During the academic year I hold three jobs. I am a researcher-clerk, American Express agent and a bartender. My sister has done the same, working as a dormitory guard, botany teacher and waitress. We normally work during our spring, winter and summer vacations, and have done all of this while carrying full course loads and maintaining B plus grades.

The proposed cuts to the Pell grants and GSL programs would force me to leave Yale, one year away from graduating. The return to pre-Middle Income Student Assistance Act (MISAA) levels of eligibility will make me ineligible for these forms of financial aid, because a computer has said that my family income is too high. The Middle class student attending an independent institution will be caught in a Catch-22 type of bind. He will be unable to afford to attend the college that he has chosen due to a lack of money, but he finds his family makes too much money to qualify him for the aid he needs to attend the college he cannot afford.

Enrollment at our independent institutions will shrink while the numbers at the state colleges will swell and become unmanageable. Many smaller private colleges will be forced to close their doors and will cease to operate. Larger, more famous institutions like Yale will still be open, but with a large difference in their student population. The child of the doctor, the banker and the corporate executive will still be there, but what becomes of the bus driver's daughter, the mechanic's son and the children of the postman? They will be forced to disappear from the expensive, private campuses, which once again will become the exclusive domain of only the very rich. They will return to the already over-crowded state universities or perhaps to the marketplace or the farm. Equal access to education will become but a fond memory. These cuts will bring the death of diversity on campus. The elimination of the in school-interest subsidy poses still another problem to the educational and career plans of thousands of students. If a student were to borrow a GSL at current rates with no in school interest subsidy, he would become so deeply indebted that he would be forced to accept the most lucrative job offer he received and not the one he truly wanted. I plan to become a lawyer. The decision of whether to practice in the slums of Harlem or in a Wall Street skyscraper would not be made by me, but by my friendly neighborhood banker. Vital but low paying jobs such as the Peace Corps or Legal Aid worker would go unfilled, while competition on the corporate ladder grew hotter still.

These programs must be maintained for the thousands of students and families that depend on them. When you cut an education budget, you are not cutting mere dollars and cents. You are slashing human lives, careers and dreams.

The thousands of students like myself who depend upon these vital programs must be given the same opportunity for an education as the children of the wealthy.

I urge Congress to fund these programs at existing levels without any cuts.

Once again, I thank you for allowing me to voice my concerns.

STATEMENT OF MICHAEL CARUSO, STUDENT AT NEW YORK UNIVERSITY

Good Morning. I would like to tell you a story about a New York State student who has been a beneficiary of state and federal student aid programs in the past, but who is concerned about the future effectiveness of the aid programs that helped put him through college. For the sake of convenience, let's call this student Michael.

When Michael embarked on his college career in 1977, he had the good fortune of entering on the merits of an open enrollment public junior college, Nassau Community College.

During Michael's high school years, he had not fared very well in comparison with his fellow classmates. Like many students, Michael was a late starter.

Through the encouragement of his high school guidance counselor and others, he pursued his academic career at Nassau with the plan that he would one day attend, and graduate from, a well known and prestigious major university.

During Michael's two years at Nassau, he worked hard and proudly, achieved a place on the Dean's List. In addition, he was elected and served as President of the Student Government as well as other positions of leadership and ability, where he made many contributions to the academic and college community as a whole.

However, along the way Michael encountered a number of unforeseen obstacles.

Late in his freshman year, Michael's parents' marriage ended in divorce, and out of necessity to save both his academic career and mental well-being, he left home to avoid the conflicts which had developed. Fortunately, college tuition at Nassau was relatively modest, and through a small savings and part-time job, he was able to afford the cost of completing his two years.

In May of 1979, Michael graduated from Nassau with an Associates Degree and moved on to the institution of his choice, New York University.

However, in attempting to meet his tuition cost, Michael encountered a Catch-22 situation. Due to his difficult situation at home, Michael was unable to get any assistance from his parents, and yet was ineligible for emancipated status under New York State and Federal Law. Under most circumstances if a New York resident is under twenty-two years of age and emancipated, he/she is ineligible for a Tuition Assistance Grant (TAP). Federal Law requires that a student claiming emancipated status present a notarized document illustrating that he/she is not dependent upon his/her parents, nor claimed on their income tax return. Due to the tension of the family situation, Michael was unable to obtain this document; and subsequently, a vital $2200 need-based university scholarship, $1800 TAP award, and a college work-study job were lost. Michael did however receive an $1800 Basic Educational Opportunity Grant (BEOG) covering less than twenty-five percent of his total educational costs, but much appreciated. This coupled with a small but necessary personal loan from his brother and several summer and in-school jobs, enabled him to meet the cost of attending N.Y.U.

The following summer (1980), Michael worked two jobs and at that time finally qualified for New York State Tuition Assistance (TAP), College Work-Study employment (CWS); and based on his academic performance and financial need, he also qualified for a small but helpful Universtity scholarship of $1000.

During the current academic year, Michael has been working under the federally subsidized college work-study program, which has provided him with nominal funds to pay for books and other expenses. He is approaching attainment of his Bachelors Degree and is looking forward to graduation this June.

Although Michael may not sound like a "typical" student, there are thousands more in similar situations and many far worse-off.

As you may have already surmised, the Michael of whom I speak is myself. And although I will owe $5000 in loan repayments (plus interest) upon graduation, I, like so many other students accept the additional commitments of loans and in-school employment in order to obtain the best possible education.

I believe I speak for thousands of college students who will long be indebted to the authors of the financial aid legislation that have helped put them through school; and perhaps most importantly, afforded them the opportunity to matriculate through our country's unique system of diversity in post-secondary education.

The Reagan Administration's proposed cuts to student aid programs threaten to deny thousands of college students their basic right to attend the institution of their choice.

STATEMENT OF DAWN SOLARI, STUDENT AT NEW YORK UNIVERSITY

My name is Dawn Solari and I am presently a Junior at New York University. I am a politics major, following a pre-law curriculum.

To begin my testimony, I would like to briefly tell you about my background in order to impress upon you the necessity of financial aid for my education.

In 1970, my father deserted my mother and I. His whereabouts have been unknown ever since. Subsequently, three years later, my mother passed away and I have been residing with my sister and her two children for the past eight years. At the present time, my only means of support is a $370 monthly check from my mother's Social Security benefits. This check provides me with clothing, dormitory fees and any other bare necessities. As a result of my situation, I have become totally dependent upon state and federal aid for my education.

For the academic year 1980–81. I received $1600 from the Tuition Assistance Program (T.A.P.), $1750 from a Pell Grant (formerly known as the Basic Educational Opportunity Grant), and $2070 in New York University aid, $500 of which is a Supplementary Education Opportunity Grant and $1570 of which is a scholarship.

Now, I am faced with cutbacks in my Social Security benefits due to President Reagan's budget proposals. In addition, I am fearful that I will not be able to complete my education due to the proposed cuts in aid programs.

Ever since I was in high school, I have yearned to become an attorney. When the time came to apply to college, I wanted to attend a renowned, prestigious university in order to receive an adequate liberal arts education. However, I could not simply choose any university that accepted me. My choice was limited to the college that provided the most aid.

I have been extremely fortunate thus far in regard to aid. New York University, as well as the state and federal government, have been very good to me. In turn, I have put the aid to good use by trying to get the most out of my educational experience. I have been successful in my academics and I

have been a student leader for the past three years as well as a member of the Independent Student Coalition since the beginning of this semester. In addition, I maintained a full-time summer job with a legal firm in my home town and have continued on a part-time basis during the academic year. I would like to continue my attempt in achieving my goals but unfortunately the future looks very dismal. After working very hard, I might be denied the basic right to complete my education—an aspect of my life that has always been very important to me.

I have already witnessed the $200 reduction in my tuition assistance award for no apparant reason other than the fact that I am an upperclassman and it is assumed that I will receive more money from summer employment. However, my tuition as well as the cost of living has been increasing every year and therefore I honestly cannot accept this rationale as valid.

In conclusion, I would like to express my sincere gratitude for allowing me to testify today. I come here, most importantly, as a representative of my fellow students from the largest private university in the state. Many other students are experiencing the same fears as I in regard to not being able to return to New York University in the fall. In addition, there are thousands of high school seniors who will be denied the chance to attend the university. I have come as a spokesperson to ask all of you not to allow this devastation to occur.●

● Mr. MOAKLEY. Mr. Speaker, I rise today to express my strong opposition to President Reagan's proposed reductions in the Federal student financial aid programs for higher education. Not only has the President proposed major reductions in these programs, but he also wishes to severely tighten the eligibility requirements, gutting the program for the vast majority of middle- and working-class Americans. The President believes this effort will reduce the Federal budget and alleviate the financial pressures on the middle class; clearly this is not the case and this measure will have just the opposite result.

There is no greater investment in the future of our Nation than in the education of our youth. Thousands of middle- and working-class families, who are not eligible for the existing grant and scholarship programs available for lower income households, rely heavily on these guaranteed student loans to help defray the high cost of a college education. These families will simply not find it economically feasible to send their children to school without assistance from these affected Federal student loan programs.

In Massachusetts alone, an estimated 10,000 students will be unable to finish their education if the President's budget recommendations are passed in present form by the Congress. I have received hundreds of letters from students and their parents who will be devastated by the loss of student loans, many of whom will be forced to leave school altogether.

These people are not low-income families who must rely on complete Federal assistance for an education. Rather, these are middle- and working-class families, the backbone of our society, who want to pay their own way but simply cannot afford the high capital investment in these economically hard-pressed times which a modern education requires. In the majority of families with one or more students attending postsecondary schools, both the parents, as well as the student, must work just to meet a part of the overwhelming expenses. These people, who pay the overwhelming majority of the taxes which support our Government, ask very little from us as a nation. I believe that we owe to them a student loan program which will assist with perhaps their most important goal—a quality education for their children.●

● Mr. FRANK. Mr. Speaker, I commend my colleague, the gentleman from New York (Mr. PEYSER) for reserving this special order so that we could discuss the disastrous cutbacks being proposed in the student loan and grant programs by the administration.

This Nation became great because its people and its leaders had the opportunity to receive a full education. In today's highly complex and technological society, we have a need to expand educational opportunities. With tuition and other costs of higher education escalating dramatically, we face the very real possibility that only the wealthiest among us will be able to afford a college or graduate program. The inevitable result will be a widening of the divisions between the various segments of our society and a rise of an elitist class able to dominate simply because of their access to educational opportunity. That prospect is quite frightening.

The President's proposals in this area strike me as shortsighted. In particular the elimination of the interest subsidy now provided to students while in school will cripple the guaranteed student loan program. It is just not feasible to expect students to be able to meet the costs of interest while attending school, especially on a full-time basis. Nor is it sensible to believe that lending institutions will wish to participate in the program without this feature. Furthermore, the removal of the special allowance paid to banks for parent loans, thereby forcing parents to pay market rates—currently in the vicinity of 18 percent—will in all likelihood wipe out this program as well.

Furthermore, the Pell grants programs will be seriously undermined. The administration's proposed requirement that students contribute $750 toward their education may in some cases prevent access to this grant. While the budget revisions sent to Congress on March 10 did not detail the amount expected to be contributed to a student's education by a family, I fear that this proposal will likewise greatly restrict the Pell program.

Mr. Speaker, there may well be, as the President claims, serious abuses in the loan program. For instance, in his February 18 message to Congress, the President stated that funds intended to be used for student loans were being used to make investments in such things as money market funds. Assuming that this claim is true, there are ways to curb or eliminate this type of abuse short of crippling the programs as the President proposes. If the administration is concerned that student loans are being reinvested elsewhere it seems only prudent that lenders make payment directly to the educational institution or to the student and institution jointly. An approach that simple would end this abuse but preserve the integrity of the program. In addition, if the administration is concerned that wealthy families should not be allowed to participate in the loan program, I suggest that he propose a realistic and equitable income limitation.

What is at stake here today is our most valuable resource—our young people. An investment toward education is perhaps the wisest, indeed the most cost effective in today's parlance, choice we can make as a society. I urge my colleagues to join with me and oppose the thrust of the President's proposals.●

● Mr. SIMON. Mr. Speaker, I want to join my colleague, the distinguished gentleman from New York (Mr. PEYSER), who took a leadership role last year during congressional reauthorization of the Higher Education Act and is taking a leadership role this year in assessing, where appropriate, and assailing, when necessary, the Reagan administration's proposed reductions in the two major Federal student assistance programs. As chairman of the Postsecondary Education Subcommittee, I applaud his leadership and continued vigilance on this important issue.

I want to call to the attention of all Members of this House the reality of what the administration is proposing in the area of student aid. Only yesterday, after many leaks and much waiting, Members of Congress were provided with enough detail to start to evaluate the true impact of the Pell grant and guaranteed student loan reductions on their student constituents and the postsecondary institutions in their districts. The subcommittee has gathered additional information to help Members assess the impact of the proposals on parents, students, and institutions. Let us look at some of the facts:

The total number of grants this school year for all Federal student assistance programs will total approximately 8.5 million. Although there is some overlap among recipients receiving more than one kind of student aid, it is fair to say that more than one-half of the 12 million students enrolled in postsecondary institutions are receiving some form of Federal student aid.

The December 17, 1980, continuing resolution (Public Law 96-536) established a maximum Pell grant award for the 1981-82 school year of $1,800. Present CBO estimates would require a supplemental of at least $1.3 billion to fully fund the program, while the administration has requested only $661 million, including $258 million to make up a fiscal year 1980 deficit.

Approximately 5.2 million students will apply for Pell grants for the 1981-82 school year. The administration's legislative proposals and regulatory changes would force some eligible recipients to accept lower grants, could frustrate the legitimate efforts of many eligible grantees to qualify and receive Pell grants, and will deny grant aid entirely to some students made eligible by the Middle Income Student Assistance Act.

The Middle-Income Student Assistance Act has worked. In independent colleges alone, of 599,000 Pell grant recipients in 1979-80, one out of every five recipients would be excluded from the needs program by the administration's proposal which has the effect of establishing a $25,000 family income ceiling excluding many "two-in-college" families from participating in the Pell grant program.

The guaranteed student loan program is the only current avenue that is available for parents/students with family incomes above $30,000 and for graduate students, who must borrow larger amounts to finance the increasing costs of obtaining the master's and Ph. D. degrees so vital to the growth and development of the scientific, mechanical, cultural, and social expertise of Americans. The administration is seeking to rescind $103,000 in a program that needs $1.1 billion to provide some help and some hope to Mr. Corker, a constitutent of mine, who told me last week that he will have to pay $142,000 in tuition alone over the next 5 years to provide a college education for his four children and his wife, who is finishing her bachelor's degree after raising four fine children. He may have to do this for all four children and his wife on a $25,000 salary, with no Federal loan subsidy, if we adopt the President's proposal.

President Richard Stephens of Greenville College summed up the institutional perspective well, when he told our subcommittee last week:

> Unfortunately, all three of NAICU's central public policy interests in the student assistance field are threatened by the proposed cuts in student assistance programs outlined by President Reagan in his message on February 18. Institutions of higher education, already suffering from a substantial decline in college-age students in our nation's population, would be hard-pressed to find funds to make up the proposed cutbacks in Pell grants and Guaranteed Student Loans. Although we are sure the Administration did not set out to undermine the economic security of independent higher education, it is hard to imagine a set of budgetary reform proposals which would be more damaging either to our schools or to the students and families we serve.
>
> The burden of the proposed cuts would fall disportionately upon the independent sector of higher education, the sector represented by NAICU. Our institutions are totally dependent upon endowments, private gifts, and student receipts, including student aid funds. We do not have a state legislature to fall back upon to make a short-fall in federal funds. For example, Greenville College has an annual operating budget of $4.6 million. Over 77 percent of our income ($3.6 million) is derived from direct payments by students and their families. Since the families in our constituency are by no means affluent, they—and we, in turn—are highly dependent upon sources of financial aid.

The administration's proposals are shortsighted. The proposals deny a college education to many of the poor and those who need a hand with college costs in the name of austerity and budget restraint. This Congress should not, I hope, will not mortgage America's future. The price the Nation will pay in the years ahead cannot be measured only in lost dollars and cents, but also will be measured in human lives and potential lost and dreams deferred.

I am reminded of the great poet Langston Hughes' penetrating question:

> HARLEM
>
> What happens to a dream deferred?
> Does it dry up like a raisin in the sun,
> Or fester like a sore and then run?
> Does it stink like rotten meat,
> Or crust and syrup over like a sugar sweet?
> Maybe it just sags like a heavy load,
> Or does it explode?●

● Mr. BIAGGI. Mr. Speaker, I join my colleagues today to express my concern over the dramatic implications of the proposed changes in our student financial aid programs by the Reagan administration. There is no disputing the fact that there is both a need and a national demand that we both reduce Government spending and reduce taxes. In doing so, we must make absolutely sure that any reductions that are made are made equitably. In reviewing the proposals released by the administration yesterday for these student aid programs, I fear that the changes being imposed would destroy programs we have spent years to build. More importantly, their effectiveness and value has been well proven.

As New York's ranking member on the House Education and Labor Committee, and an advocate for these programs since I began serving on this committee 13 years ago, the impact of these cuts upon my own State of New York are staggering. The so-called reforms being recommended to the Pell grant and guaranteed student loan programs demonstrate an obvious lack of understanding on the part of the administration as to who these programs are serving.

With respect to the Pell grant program, the administration plans to: First, increase family contribution toward educational costs by changing the family contribution schedule; second, requiring a $750 "self-help" contribution by the student to be used in calculating the amount of eligibility for grant aid; third, curtailing allowable educational cost components; and fourth, eliminating the administrative allowances paid to institutions for processing these awards.

With respect to the guaranteed student loan program, which was estimated to provide $1 billion in loans to New York students next year, the administration proposes to: First, limit the amount of loans to the amount of "need" as determined after all other sources of aid are considered; second, eliminating the special allowances paid to lenders for the parent loan program and allowing them to charge the prevailing market rate; third eliminating the in-school interest subsidy for loans to students and allowing lenders to charge this interest against the principal when the student goes into repayment after graduation or allowing lenders to charge the interest to the borrowers as it accrues; and fourth, eliminating the administrative allowance to institutions for processing these loans. In addition to these changes in the loan program, also proposed is the elimination of the guarantee by the Secretary of Education of debts of the federally financed Student Loan Marketing Association (Sallie Mae).

Both the Pell grant and the guaranteed student loan programs assist students in paying in whole or in part for their education. They are not what have been called give away programs. Pell grants are awarded to students at both public and independent institutions, 2-year and 4-year, and form the base of support for many needy students. By accepting these proposals to restrict this program, we not only risk forcing thousands of students out of school, but we also face the very real possibility of institutions closing down because of these drastic student dropouts.

The changes proposed in the guaranteed loan program are of particular concern to me. In 1978, this Congress made a major commitment to middle-income families in passing the Middle-Income Student Assistance Act. This bill allows us to now point to the fact

that every student in this country—regardless of age or income—is eligible for some form of financial assistance. I was an original cosponsor of that legislation and I have witnessed its dramatic growth over the past 4 years. My own State of New York is a leader in this program and a model for the Nation. Middle-income families are now being given a small break in helping to pay for the college education of their children. To take this away from them, at a time when inflation is eating away the ability of many people to maintain an adequate existence, is both unreasonable and unacceptable.

I join today with my colleagues to express my concern over the implications of all these proposed cutbacks. While the exact impact of these changes is still unknown to us, what we do know is that the financial security and educational future of millions of students and their families is being threatened.

I plan to join with my colleagues on the Education and Labor Committee to insure that access to postsecondary opportunities is maintained for all students, particularly the middle-income students. The weeks ahead will be critical to us in terms of the changes we can make to insure that this access is upheld. I urge my colleagues here in Congress to join with us in reaffirming that commitment which this Congress has made time and time again for our Nation's students—that education should remain a right to all and not the privilege of the few who can easily afford it.●

● Mr. OTTINGER. Mr. Speaker, the administration wants to sharply reduce student financial aid programs by refocusing them on the so-called truly needy and curtailing loans to middle- and upper-income families. If these cuts are approved, I am extremely concerned about the future of higher education in this country.

According to the American Council on Education, the President's proposed cuts in financial aid programs could force 500,000 to 750,000 students out of college in the 1981–82 school year and shut down 281 smaller institutions of higher learning. This would be simply devastating—a real step backward in our effort to assure access and choice in postsecondary education.

Just last year, we passed the Higher Education Act of 1980 which made important improvements in the higher education programs authorized by it. The basic educational opportunity grant program was expanded to provide a larger maximum grant and to increase the proportion of the total cost of education that may be provided by these grants. The national direct student loan program and the guaranteed student loan program were both increased moderately and a new parent loan program was established to help parents meet the expected family contribution to the cost of postsecondary education.

Passage of this legislation reaffirmed and continued the Federal role in postsecondary education—to achieve the goal of equal educational opportunity. Now just 6 months later, we are being asked to adopt measures to effectively repeal the gains made under this act and the Middle Income Student Assistance Act of 1978. I want to urge my colleagues to stand by our commitment to support student financial aid programs and reject the administration's proposed cuts.

I want to include in the RECORD a letter I received today from the distinguished president of Iona College in New Rochelle, N.Y. This letter points out very clearly the impact of these proposed cuts on Iona College and its 6,000 students. The text of the letter from Brother John Driscoll, president of Iona College, follows:

IONA COLLEGE,
New Rochelle, N.Y., March 9, 1981.

Hon. RICHARD L. OTTINGER,
House Office Building,
Washington, D.C.

DEAR MR. OTTINGER: This letter is a distress signal!

Iona College is an independent institution with an enrollment of 6,000 students in undergraduate and graduate programs.

Approximately 50 percent of our students depend on some form of Federal financial assistance. The proposed changes by the Administration in the Pell and Guaranteed Student Loan programs would have a devastating effect on our student body and could ultimately threaten the viability of the institution.

PELL GRANT PROGRAM

At present, 1200 recipients at Iona College received $1,250,000 for the 1980–81 academic year with the maximum grant at $1750. Of those recipients, 17 percent have family incomes above $25,000 and receive an average grant of $517. They received awards due to large family size and more than one child in college.

Under the proposed changes, therefore, at least 17 percent of our eligible population would be disenfranchised if a $25,000 income limitation was imposed. In addition, if a supplemental appropriation for this program is not approved by Congress, we understand that the maximum grant would approximate $1250 for the 1981–82 academic year. Given the same number of eligible applicants, our program would be reduced by one third resulting in a loss of almost $425,000. Should the ratable reduction formula be implemented above and beyond the lower grant because the program would not be fully funded, our program would be severely diminished.

To include a self-help student contribution of $750 across the board, as proposed by Mr. Reagan, then tax a percentage of the student's earnings and savings (a calculation in the present formula) would be double taxation and unfair to the student who works to assist in covering his educational expenses.

The latest proposal requesting refunds from the institution for the $10 per Pell Grant administrative expense allowance authorized by Congress is absurd.

NATIONAL DIRECT STUDENT LOAN

The National Direct Student Loan program appropriation was previously reduced under the Continuing Resolution which expires on June 5, 1981. Unless $100 million is restored to the program, there will be insufficient funds to meet the conditional guarantees promised under the FISAPP process. Because of the State Allotment formula, New York State will receive 21 percent less in its allocation which means that this college will receive no new Federal Capital Contribution even though its default rate is below 10 percent. At least 100 out of our 235 recipients in this program will not receive an NDSL.

GUARANTEED STUDENT LOAN (GSL)

Over 1800 students (31 percent of our entire enrollment) applied for a GSL to assist them in covering their costs for undergraduate and graduate studies.

Under the proposed changes, our staff would be inadequate to process the influx of paper which would create excessive time delays. Serious disruptions in the delivery system would also occur resulting in cash flow difficulties for our students, their families, and this institution. While we agree that the costs of the GSL program need to be controlled, we must point out that the families of our students are not in a position to compensate for such reductions in student financial aid.

We advocate that Congress consider delaying the implementation of major revisions until the impact of the proposed restrictions can be ascertained.

Cognisant of your interest in reducing Federal expenditures while preserving the goals of access and choice, I urge you to consider the following recommendations:

1. adopt an adjusted gross income (AGI) limitation ($40,000 suggested) to determine eligibility for Federal interest benefits.

2. establish size of family and number of dependents in college as factors in determining the AGI.

3. retain the "need" for a GSL as currently determined—the difference between costs of attendance and financial aid resources.

4. require those students who were ineligible for Federal interest benefits because the AGI was beyond the cut-off to pay the interest directly to the bank perhaps at treasury bill rate plus two percent. The Federal Government would have no obligation in these cases to pay a special allowance to lenders.

I would be quite willing to have our Director of Financial Aid, Ms. Harlene Mehr, elucidate these proposals for your staff.

Thank you for your continued efforts at serving the interests of our students and the higher education community.

Cordially,
JOHN G. DRISCOLL, C.F.C. Ph. D.,
President.●

● Mr. CORRADA. Mr. Speaker, I want to associate myself with the remarks of my colleague from New York, PETER PEYSER, and commend him for taking the initiative to combat the cuts on student financial aid proposed by the administration.

The future of our Nation is in the hands of our youth, and up until this point the Federal Government, in realization of this, has strived to make the fullest possible education a reality to all who desire it. If we are to deny a low-income youth from attending the

school of his choice, we are in effect limiting his opportunity in the business world and making wealth the prerequisite to education and subsequently to careers requiring college-level work. I cannot believe this administration would purposely create such a situation, but I can find no other meaning in their proposed alterations to the various student aid-programs.

Providing funds for the education of our youth is the most cost-effective means of assuring their participation as efficient members of society. You can imagine the importance this has in Puerto Rico, where we as an island are struggling to escape the spirals of a welfare-based economy.

My major concern involves the guaranteed student loan program, for which not only reductions in funding are being requested, but participation requirements are being altered. Effective July 1, 1981, OMB would eliminate any in-school interest subsidy, forcing the student to bear this burden at full market rate. On top of this, the administration would predicate participation in the GSL program on a family contribution of $750. I wonder how the low-income family will be able to produce this amount, particularly in view of simultaneous cuts in welfare programs and the demands of inflation on an already overextended personal budget.

What this requirement would effectively do is to restrict the low-income student to institutions of learning where tuitions total less than $3,800—$1,800 maximum under the Pell grant program, $2,000 under SEOG. In these days of inflation, I would like to see the list of universities which fall in this category.

We cannot afford to postpone the education of our children—they are our Nation's lifeblood. How can we expect to achieve an economic recovery if we refuse to invest in our human capital?

America, the land of opportunity, must continue to defend the rights of all citizens to equal educational opportunity. These proposed savings will indeed help to lower the Federal budget in 1982. But what answer will we have in 1992 when our children grow up without the educational qualifications necessary to raise themselves from the welfare rolls? What then?●

● Mr. GONZALEZ. Mr. Speaker, the most direct and vital investment in our Nation's future and productivity is education. To continue to aspire to what this Nation represents, we must maintain the broadest possibilities in education.

Mr. Speaker, I, too, am concerned about the state of our economy, as a strong and healthy economy is a prerequisite to our Nation's success. However, the President's outline for economic recovery in the area of postsecondary education deeply disturbs me. The proposed budget reductions will do great harm to the student financial assistance programs. By targeting cuts to Federal student loans and grants to needy students, program costs will be reduced by an overwhelming $9.2 billion in 1981–86. Regrettably, by doing so, equal access to higher education and opportunity will diminish appreciably.

One of the programs to be hardest hit is the Pell grant program. Formerly known as the basic educational opportunity grant program—a program introduced by the previous Republican administration in 1972—this program serves as the foundation of financial support, particularly for the neediest; 80 percent of the program's recipients come from families with incomes of less than $12,000. The administration expects parents to use discretionary income to help pay for their children's educational costs while simply ignoring the fact that most of these parents have little if any discretionary income to use.

The guaranteed student loan (GSL) is another program which faces possible reduction. If adopted, the GSL proposals will eliminate 80 to 90 percent of the partcipants in the program. In other words, over 2 million students will be negatively affected.

In my district alone, the 20th District of Texas, most of the small universities and colleges will be adversely affected by the proposed financial aid cutbacks. Many of the students at these schools come from a minority background and must receive funds in order to attend college. In most cases, they are the first generation to attend college in their families. More than 50 percent of the students are dependent on some type of financial aid. If the proposed cutbacks become a reality, most of these students will be barred from valuable education and the institutions of higher learning in some cases will be forced to shut their doors due to lack of funding. The administration's proposal seems to sugest that placing more of the costs on parents and students is the best solution. This does not seem to be a good policy, especially when one realizes that many parents and students will not have the available income to fully meet the higher loan obligation. Defaults will be greater and those who truly need the assistance will be forced to forgo their education. Mr. Speaker, I think it is important to keep in mind that the single intent of saving money is not the answer to achieving a healthy economy. All factors must be considered. The proposed changes in postsecondary programs are in direct conflict with the Federal Government's historic commitment to access as well as excellence in higher education. We as a nation are continuously striving to improve this great Nation's standing—socially, culturally, economically, and technologically. These primary challenges we face today are dependent on education and research to help increase productivity and insure solid economic recovery. By investing in the student aid programs and making sure they are adequately funded is a positive investment in this country's future and can be assured to pay for itself for many years to come.●

● Mr. DE LUGO. Mr. Speaker, I speak for a constituency composed of low- and middle-income families, the U.S. Virgin Islands. These families must rely on student aid programs in order for any hope of higher education opportunities to materialize. In an increasingly technological age the future of any community presupposes young people capable of meeting the needs of a complex society. The United States cannot afford the archaic view that only the children of wealthy families are to be educated. Nor can this country afford the imbalance reflected in educating only the very poor and the wealthy. The times require a populace with the skills to meet the demands of our age. This populace includes the broad segment of our society that are struggling just above the poverty level. For these families education without student aid is not a sacrifice, it is an impossibility.

President Reagan has proposed an $0.2 billion cut in the January 1981 budget request for the Pell grant program (BEOG) for fiscal year 1982. The purpose of this cut is to eliminate assistance to those families earning as mush as $30,000 per year, allowing the grant money to be targeted at the truly needy. Given college and university tuition increases of 14 to 18 percent in private and 9 percent in public institutions resulting in tuitions of $10,000 per year and over, figures which are reflective of the inflation rate families must face on all levels, the truly needy are families earning $30,000 per year.

President Reagan also proposes to limit guaranteed student loans by, first, limiting loans to need demonstrated after all other financial assistance and family contribution have been counted; second, requiring the students to assume the in-school interest cost of the loan; and third, removing the special allowance lenders receive on loans they make to parents of students. Under this proposal students suffer a 27-percent increase in the cost of their loans. Preliminary reports from banks, particularly smaller banks, indicate that participation in student loan programs will no longer be feasible due to the increased administrative cost of needs analysis and the removal of the in-school subsidy.

A final cut in higher education is found in the President's proposed elimination of general institutional subsidies for training health profes-

sionals, a phasing out of training for mental health professionals, and a general reduction of subsidies for health education.

The country stands ready and willing to cut back where the sacrifice will be beneficial. Cutbacks in education, however, can cripple the ability of this country to compete in today's world. This is particularly true for a small, insular area like the U.S. Virgin Islands which relies on stdent aid programs to educate needed local professionals such as doctors, nurses, engineers, and teachers.

I therefore implore Congress to consider the needs of the Virgin Islands and other communities in this country whose ability to survive requires an emphasis on higher education for more of our youth than President Reagan's crippling program anticipates.●

FOURTH ANNIVERSARY OF IMPRISONMENT OF ANATOLY SHCHARANSKY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 60 minutes and to revise and extend his remarks.

Mr. BINGHAM. Mr. Speaker, I have requested this time so that we may take note of the fourth anniversary of the imprisonment of Anatoly Shcharansky. The Shcharansky case is of particular interest to me. I have, through the Greater New York Conference on Soviet Jewry, adopted Shcharansky as my "prisoner of conscience." I intend to do everything I can to secure Anatoly Shcharansky's release. It is good to know that I have the support of the Greater New York Conference in this effort and of so many Members of the House of Representatives.

The Shcharansky case is an outrage and an offense to free men and women everywhere. Despite rumors about Shcharansky's release being imminent, the facts are that the conditions of his imprisonment have greatly worsened. Shcharansky is in solitary confinement. All his visitation rights have been canceled for the duration of 1981. He is allowed to send out one letter every 2 months—on the condition that he mention no other person in the letter, including his wife, Avital. His rations have recently been cut in half and he is allowed only 20 minutes of exercise a day. His health is very bad.

Shcharansky's imprisonment is especially cruel because of his separation from his wife, Avital. Avital had to leave the Soviet Union for Israel 1 day after their wedding on July 4, 1977. At that time she was told that her husband would soon follow. It has now been 4 long and lonely years.

The Soviet Government must understand that we shall not forget Shcharansky who now sits in prison because he dared to dream of, and work for, a life for himself and his wife Avital in Israel. It is that simple. Shcharansky was sentenced to 13 years in prison for his "anti-Soviet activity." But his real "crimes" were that he was a leader in the movement to gain unrestricted rights of emigration. He was also a major figure in the movement to monitor Soviet compliance with the Helsinki accords. The Shcharansky case is a mockery of the Soviet criminal justice system. Shcharansky was denied the barest requirements of due process—a lawyer of his choice, the right to call defense witnesses, a copy of the judgment against him. The Shcharansky case is a travesty.

Anatoly Shcharansky, himself, in the closing statement from his trial, eloquently points to the kind of "justice" he has been subjected to. We also see the kind of man he is. This is what he said:

In March and April 1977, during the preliminary interrogations, those conducting the investigations warned me that in view of the position taken by me during the investigation, the one which I have maintained during the course of this trial, I will be likely to be given the death sentence or, as a minimum, 15 years of confinement. I was told that if I agreed to collaborate with the KGB in order to destroy the Jewish emigration movement, then I will be given a short sentence, quick release and even the possibility of joining my wife.

Five years ago, I applied for a visa to Israel, but now I am further than ever away from the attainment of my dream. It might appear that I must have regrets about what has happened. But this is not so. I am happy. I am happy that I have lived honestly, in peace with my conscience, and have never betrayed my soul, even when I was threatened with death. I am happy that I have helped people. I am proud to have known brave people as Sakharov, Orlov, Ginsburg—they who are continuing the finest traditions of the Russian intellectuals. I am happy that I can be a witness to the redemption of the Jews in the USSR. These absurd accusations against me and against the whole Jewish emigration movement will not hinder the liberation of my people. My near ones and friends know how I wanted to exchange activity in the emigration movement for a life with my wife, Avital, in Israel.

For more than 2000 years the Jewish people, my people, have been dispersed. But wherever they are, wherever Jews are found, each year they have repeated: "Next year in Jerusalem." Now, when I am further than ever from my people, from Avital, facing many arduous years of imprisonment, I say, turning to my people, my Avital: Next year in Jerusalem!

The imprisonment of Anatoly Shcharansky cannot continue. We, the friends and supporters of Shcharansky, shall work for his release until the day we see him free and reunited with Avital in Israel. Anyone who believes that, in time, we shall forget Shcharansky and leave him to his fate should recall the Alfred Dreyfus case. Agitation for Dreyfus' release did not end despite the fact that Dreyfus himself was chained to his cell on Devil's Island. In the end, Dreyfus was freed and exonerated. A turning point in that case was when a great writer, Emile Zola, pointed his finger at the French Government and said, "I accuse." Today we, Members of the Congress of the United States of America, accuse the Soviet Government of knowingly keeping an innocent man in prison, away from his family. We pledge that we shall not forget Shcharansky and that we shall see the day of his reunification with Avital. We urge the Soviet authorities to help crack the ice of the hardening cold war by freeing this good and innocent man, Shcharansky.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. BINGHAM. I will be glad to yield to my colleague from New York.

Mr. WEISS. Mr. Speaker, I want to commend our distinguished colleague, the gentleman from New York (Mr. BINGHAM), for requesting this special time on the House floor to discuss the prolonged and worsening plight of Soviet refusenik Anatoly Shcharansky. This coming Sunday, March 15, marks the fourth anniversary of the imprisonment of this courageous man, and I join my colleagues in demanding an end to this gross abuse of justice.

Four years ago, Anatoly Shcharansky was imprisoned in Lefortovo Prison in Moscow. At his trial, which was a mockery, he was sentenced to 13 years in jail. Today he is forced to live under inhumane conditions in solitary confinement. Soviet authorities have canceled all of his visitation rights for the rest of 1981, his already meager rations have been cut in half, and he is permitted less than half an hour of exercise each day. In addition, his right to write to friends and relatives has been severely curtailed. This attack on Shcharansky is cruel and disgraceful.

Shcharansky is an important force in the Soviet Union and is recognized as a dynamic speaker and leader. He is generally acknowledged to have been a major planner of the refusenik movement and helped found the Group to Monitor the Helsinki Agreement in the U.S.S.R. His bravery and strength are known and respected worldwide.

I have joined my colleagues in repeated appeals to Soviet authorities on Shcharansky's behalf, and will continue to do so. It is almost incredible that Soviet authorities have failed to release him.

It is clear that the present ordeal of this 33-year-old martyr is a result of false justice. The charges brought against him by the Soviets—that he was a CIA agent—were categorically and publicly denied by President Carter. Shcharansky's mother, Ida Milgrom, described the kangaroo proceedings which led to his unjustified conviction this way: "The judge declared that the court, in its administrative session, had already decided in advance to conduct the judicial investigation of the charge of espionage in closed court. By doing this, the court forbade all reference in open sessions of the court to the testimony of the witnesses, conclusions of the experts, and documents connected in any way to the accusation of espionage."

We must continue to focus the eyes of the world on this injustice until Anatoly Shcharansky is freed. We are contributing to that effort today.

I join in the hope shared by people around the world that next year at this time we will be celebrating the freedom of Anatoly Shcharansky from his terrible imprisonment.

Mr. FRANK. Mr. Speaker, will the gentleman yield?

Mr. BINGHAM. I will be happy to yield to the gentleman from Massachusetts.

Mr. FRANK. Mr. Speaker, I thank the gentleman from New York for yielding, and congratulate him for taking this special order to mark this very tragic anniversary.

The fourth year that now goes by that Anatoly Shcharansky spends in prison is a very dramatic reminder that the issue of human rights remains a very, very real one. The Soviet Union's continued brutal mistreatment of the Shcharansky family, most recently leading to his being placed in solitary confinement and being subjected to the restrictions the gentleman from New York has just talked about, is an international scandal, and it behooves all of us to continue with every opportunity to remind the rulers of the Soviet Union that this kind of blatant denial of fundamental human rights—indeed, this decision to punish Anatoly Shcharansky precisely because he is a symbol of human rights—is morally unacceptable and remains, unfortunately, a major barrier between the Soviet Union and many in this country who would like to see an improvement in relations.

I hope that as the Soviet leadership considers what it is going to do with regard to the new administration, that they take account of the terrible, deep wounds that they inflict on Soviet-American relations with this kind of brutal mistreatment of a man who is not only innocent, but in fact has been a genuine hero for his commitment to the cause of international human rights.

Mr. Speaker, I do not think anyone has worked any harder on behalf of Anatoly Shcharansky and others internationally who have been denied their human rights than my very distinguished and able predecessor, Father Robert Drinan.

At this point I ask unanimous consent to insert into the RECORD a statement recently prepared by Father Drinan outlining his own thoughts on this fourth anniversary of the terrible imprisonment of Anatoly Shcharansky.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK. Mr. Speaker, Father Drinan's statement follows:

AN APPEAL TO PRESIDENT REAGAN ON BEHALF OF ANATOLY SHCHARANSKY

(By Robert F. Drinan, S.J.)

Four years ago, on the Ides of March, I learned that Anatoly Shcharansky had been arrested in Moscow. I was not surprised at the cruelty of the Kremlin; instead I was moved to do all I could to undue this tragic mistake.

I recalled my stay in Moscow in August, 1975 when Shcharansky was my guide and translator. We struck an instant friendship when I presented him with a color photo of his wife Avital taken in the radiant sun of Jerusalem. His wife had been forced to leave the Soviet Union just 24 hours after they were married. The Soviet authorities lied saying that they would be reunited in Israel in only a matter of months.

I remembered the ways Shcharansky was shadowed by the KGB while he was my companion. It was predictable that he would be apprehended; he was a natural leader. The community of Jews in Moscow who wished to emigrate depended on him in critical ways. He was unique and indispensible source of information to the Western press. He was creative and resourceful in devising methods to dramatize the problems facing Jews who wanted to leave, and he was close friends with Dr. Andre Sakharov and other leaders in the dissident community.

Since his arrest and subsequent trial, an international campaign has been constantly and consistently working for his release. Through vigils, lectures, newspaper ads, meetings with American, European, and East-bloc countries, Shcharansky's case has remained a symbol for all those who are oppressed in the Soviet Union. Most recently, at the Madrid Conference to review the Helsinki Accords, his wife Avital discussed with delegates of the 35-nations gathered there ways to seek his release.

The charges brought against Shcharansky stem from the accusation that, in the course of his meetings with people from the West, he had made contact with the CIA. On assuming office, President Carter specifically denied that this charge was true. When the trial had ended, Shcharansky was found guilty and sent to Chistopol Prison and then to Perm Labor Camp where he now serves at hard labor.

It is an anxious time for Soviet Jews. On the one hand, we witness an increased number of exit visas issued prior to the recent Communist Party Congress and the joyful release of Iosef Mendelevich, only to learn that Anatoly Shcharansky has been removed from his quarters in the labor camp to be placed in a solitary confinement cell for at least six months. He was recently informed that all family visits for the remainder of the year are cancelled, that he may not write any more letters to his wife in Israel, and that his rations have been cut in half. Is there nothing that can be done?

I believe something can be done. There is no doubt that the Soviet Union is seeking ways to re-create the dialogue between the two superpowers. For its own reasons, the Soviet Union would like to have the grain embargo lifted, as well as a reduction in the escalating arms race. Would it not be possible for the United States to say to the Soviet Union that Shcharansky's release would open the door to new arms talks, or give cause for the Administration to lift the grain embargo, or some other measure? An appeal to the Soviets—similar to the one made by President Carter—might be just the symbol the Soviets need to trigger Shcharansky's release.

Moreover, an appeal by President Reagan might be politically attractive to his Administration by renewing faith to those who doubt him that the nation remains committed to human rights.

The card is in Mr. Reagan's hand. If he is willing to indicate to the Soviet Union that Shcharansky's release is deserving enough to warrant an equivalent U.S. gesture of goodwill, it may be reason enough for the Kremlin to act. The result would give hope to political prisoners and oppressed peoples everywhere.

(NOTE.—Robert F. Drinan, S.J. is Chairman of the International Committee for the Release of Anatoly Shcharansky, a project of the Union of Councils for Soviet Jews.)

Mr. BINGHAM. I thank the gentleman for his contribution, and particularly for his tribute to our former colleague, Representative Robert Drinan of Massachusetts, who was such a leader in this fight to free Anatoly Shcharansky.

● Mr. REUSS. Mr. Speaker, I regret that it is necessary to mark the passage of yet another year of imprisonment for Anatoly Shcharansky. It has now been 4 years since his incarceration, and reports are that the conditions of his confinement have greatly worsened and his health is failing. If Soviet officials intend to carry out Shcharansky's full 13-year prison term, it is nothing less than a death sentence which they invoke. The passage of much more time will render meaningless a future early release. The Soviet Union must act now to end its outrageous and inhumane treatment of an innocent man.

Soviet spokesmen have recently enunciated their interest in reviving détente. President Breshnev has called for a summit meeting with President Reagan and has written to Western leaders, proclaiming his desire to avoid an arms race with the United States. If the Soviet authorities are sincerely interested in resuming a constructive dialog with this Nation, let them prove it through the immediate release of Anatoly Shcharansky. Or let them not wonder at our reluctance to negotiate in good faith with a leadership whose continued persecution of one of its own citizens represents an affront to all humanity.●

● Mr. BOLAND. Mr. Speaker, I join my colleagues today as we mark the fourth anniversary of the arrest of Anatoly Shcharansky, a leader of the fight for human rights in the Soviet Union. On March 15, 1977, Shcharansky was arrested by the KGB for anti-Soviet activities. Though the

charges were completely unfounded, he was sentenced to serve 13 years in prison.

Shcharansky's arrest and imprisonment were a shock to the civilized nations of the world. These events focused the world's attention on the Soviet Union's callous disregard for the God-given rights which are the foundation of free nations like ours. In spite of protests and expressions of outrage which have come from every corner of the globe, the Soviets have continued Shcharansky's senseless incarceration. The conditions of his imprisonment have actually worsened since this time last year, and he is said to be in poor health.

It is important that we take the time today to continue our appeal in behalf of this most courageous and tireless champion of human rights. We must again convey to the Soviet Union the message that its pattern of repression and cruelty will not go unchallenged by the free world.●

● Mr. LANTOS. Mr. Speaker, I would like to add my voice to those expressing outrage at the continued imprisonment of Anatoly Shcharansky by the Soviet Union. I thank my colleague, Mr. BINGHAM, for arranging this opportunity to bring further attention to Shcharansky's plight.

While we were all rejoicing at the release of Yosef Mendelevich, we were disturbed by the news he brought with him. Mendelevich reports that Anatoly Shcharansky has been put in solitary confinement for refusing to work in a dangerous part of the prison camp. The daily allotment of food for prisoners in solitary confinement is very small and they are permitted to walk outside for only one-half hour a day.

Mendelevich told an interviewer that Shcharansky was loved by all his fellow prisoners and that this love triggered even greater hostility on the part of the prison authorities. Shcharansky's mother, Ida Milgrom, had suspected bad news after receiving a letter from her son dated February 9 in which he reported that: All meetings with family members were canceled for 1981; instead of two letters per month, as previously permitted, he may now write only one letter every 2 months; the contents of his letters must be directed to one person only, which means he cannot include messages to his wife and friends; he was given 4 of his mother's letters and told that 14 others, addressed to him, were being withheld.

Mr. Speaker, this latest news can only inspire us to redouble our efforts to free this brave hero. There is no need to recount the history of his case; the facts speak for themselves. Anatoly Shcharansky suffers in solitary confinement for the simple fact of his desire to leave the Soviet Union and to join his wife whom he has not seen since the day after their marriage. Soviet law, international human rights agreements, and human decency demand that Shcharansky be freed.●

● Mr. BIAGGI. Mr. Speaker, on March 15, the world will observe a somber anniversary—the fourth anniversary of the imprisonment of Anatoly Shcharansky by the Soviet Union. I am pleased to participate in today's special order which will put myself and a number of my colleagues on record against the brutality of the Soviet Union in their treatment of political prisoners and their overall deprivations of basic human rights for their citizens and those of their captive satellites.

The case of Anatoly Shcharansky constitutes a moral and legal outrage. Shcharansky for the offense of seeking to emigrate to Israel with his wife—was instead found guilty of the trumped up charge of treason and sentenced to 13 long years of imprisonment. This sentence is being served and 4 years have been completed.

The Soviet Union has repeatedly raised hopes in this Nation and around the free world that Shcharansky would be released. Yet today, all these hopes constitute nothing more than a cruel hoax. Shcharansky is in solitary confinement and all of his visitation rights have been suspended for the balance of this year. He is permitted only to send one letter every 2 months and even that letter is subject to censorship and scrutiny. His rations have been sliced in half—and he can only have 20 minutes of exercise per day. Reports indicate that these factors are contributing to a precipitous decline in his health.

The Soviet Union cannot be permitted to violate the human rights of people with impunity. It seems almost cynical that at the time when Soviet leaders are extending an offer of rapprochement with the United States—they continue to violate principles we consider essential for any normalization of relations—namely respect for human rights.

We cannot waver in our linkage of human rights with improved relations with the Soviets. It is a matter of integrity and principle. The free world looks to this Nation for leadership and we must always rise to the challenge.

If the Shcharansky situation were not enough—figures have been released today which disclose that the number of Jews granted exit visas from the Soviet Union declined dramatically. This came after a brief increase in these visas in February. It is consistent with a steady decline of visas issued in 1980 as compared with previous years. In response to this—and on behalf of all imprisoned Soviet Jew political prisoners, I have introduced House Resolution 85 which expresses the sense of the House in support of "Solidarity Sunday" scheduled for May 31.

As part of my statement I wish to enclose the full text of this resolution which has been cosponsored by over 60 of my colleagues. I renew my appeal to the Soviet Union for the immediate release of Anatoly Shcharansky.

H. RES. 85

A resolution to express the sense of the House of Representatives in support of "Solidarity Sunday"

Whereas on May 31, 1981, the eighty-five constituent agencies of the Greater New York Conference on Soviet Jewry will sponsor "Solidarity Sunday" to reaffirm our resolve to secure freedom for Soviet Jews and beleaguered people everywhere; and

Whereas Americans of all faiths will participate with the conference in a number of activities on that day seeking to express their solidarity with the almost three million Jews in the Soviet Union; and

Whereas the right to emigrate freely and to be reunited with their families abroad is being denied Soviet Jews and others; and

Whereas the Declaration of Human Rights adopted by the General Assembly of the United Nations, the Soviet Constitution, and the Final Act of the Helsinki Accords clearly guarantee those rights; and

Whereas the Government of the Soviet Union has recently implemented additional restrictive measures sharply reducing the number of people eligible to emigrate; and

Whereas the Government of the Soviet Union is persecuting its Jewish citizens and denying them even those rights and privileges accorded other recognized religions in the Soviet Union; and

Whereas the Government of the Soviet Union discriminates against Jewish cultural activities by banning and suspending Hebrew and Jewish culture classes, and legal and scientific seminars, by threatening Hebrew teachers, and by closing the Jewish kindergarten called the Gan; and

Whereas leading Soviet Jewish activist and cultural figure, Dr. Viktor Brailovsky, was arrested in November 1980 and charged with slandering the Soviet State; and

Whereas a virulent anti-Semitic campaign continues unabated in the Soviet press and Soviet Jews are increasingly deprived of job and educational opportunities; and

Whereas thousands of innocent Jews and other persons, after applying to leave the Soviet Union, have been subjected to illegal induction into the armed forces, incarceration in mental institutions, expulsion from school, and constant surveillance and harassment; and

Whereas the Government of the Soviet Union will not succeed in isolating Soviet Jews from their friends in the West so long as those of us who cherish liberty will continue to speak out on behalf of beleaguered people everywhere; and

Whereas "Solidarity Sunday" will serve as an expression of determination to continue efforts to secure freedom for the Soviet Jewish Prisoners of Conscience incarcerated solely because of their desire to emigrate, and the veteran refuseniks who have awaited exit visas for up to twelve years; and

Whereas the Government of the Soviet Union refuses to remove all obstacles to the free emigration of their Jewish citizens and others who wish to leave and live in other countries, and insure the free exercise of religious beliefs and cultural expression: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Congress supports "Solidarity Sunday" in an effort to achieve these goals.●

● Mr. LAGOMARSINO. Mr. Speaker, I would like to commend the gentleman from New York (Mr. BINGHAM) for arranging this special order so that we might once again plead the case of Anatoly Shcharansky.

As a continuing symbol of the total disregard for human rights and human dignity, the Soviet Union keeps this Jewish mathematician in prison for crimes of treason. Yet his crimes are merely to speak the truth and monitor the Soviet's compliance with the Helsinki accords. The Soviet Union accepted the terms of the Helsinki agreement in 1975, and yet it has done nothing to live up to the terms of the agreement. When Soviet citizens, like Shcharansky, cite Soviet failures, they are charged with crimes against the state and subjected to cruel and inhuman punishment.

This fourth anniversary of Shcharansky's imprisonment is an appropriate time to appeal to the Soviet Union to release him and allow him to emigrate to Israel to join his wife. Ten days ago Soviet leaders claimed they want improved relations with the United States. I am certain that the Reagan administration will not accept the Soviets' proposals for improved relations without some demonstration of their willingness to conduct themselves more responsibly in international affairs. At the same time, I believe the administration should emphasize to the Soviets the importance of allowing Jewish dissidents the right to emigrate. The appeal must be made not only for Shcharansky but also for the many other dissidents and refuseniks who are being persecuted in the Soviet Union.

I hope that the occasion of this special order will remind my colleagues that all the Soviet's pronounced desires for respect for human rights and human dignity cannot erase the reality of that nation's scorn for the rights of others, whether in its own country, or Afghanistan or Poland or Central America.

I urge my colleagues to dedicate themselves to the struggle to preserve and protect the freedom of the individual and to fight for all those who are captive in the Soviet Union and throughout the world.●

● Mr. DWYER. Mr. Speaker, a critical situation regarding the fate of Anatoly Shcharansky now exists in the U.S.S.R. and demands the immediate attention of Soviet officials.

The Soviet record on human rights is getting worse—as bad as it has been in a decade—according to the State Department's annual human rights report. The Shcharansky case tragically underscores this continuing, and in fact, escalating indifference by the Soviets to the liberty, health, and welfare of countless brave individuals and their families who are unwilling to submit to Soviet repression.

Anatoly Shcharansky, in his fourth year of a 13-year prison term on trumped-up charges of treason, is fighting for his life. Ironically, as he sits in solitary confinement, all visitation rights denied him for the rest of this year, he is among the nominees for the Nobel Peace Prize. He and three others recently nominated by my colleagues on the Commission on Security and Cooperation in Europe face a decade of imprisonment for monitoring Soviet compliance with the 1975 Helsinki Final Act.

Mr. BINGHAM, thank you for calling this special order. It is well timed, for though Congress again and again has implored the Soviets to take action on Shcharansky's behalf, now we have behind us the force of a proposed commitment by President Brezhnev to normalize relations between the two nations.

The immediate release of Anatoly Shcharansky would signal that the Soviets intend to deliver on that promise.●

● Mr. FASCELL. Mr. Speaker, March 15 marks the fourth anniversary of the arrest of Anatoly Shcharansky, founding member of the Moscow Helsinki group and leading figure in the Jewish emigration movement. The Soviet authorities have been particularly harsh in their reaction to Shcharansky's activities: His role in the ongoing struggle for emigration rights for all Soviet citizens—including, of course, Soviet Jews—and his part in the citizens' Helsinki movement to publicize Soviet violations of its human rights pledges, including greater civil, national, social, and religious rights for all Soviets, espoused in the Helsinki Final Act.

On July 14, 1978, the Soviet Government sentenced Anatoly Shcharansky to 3 years in prison and 10 years in a strict regimen camp on the totally spurious charge of treason plus the more usual assertion of anti-Soviet agitation and propaganda. The harsh sentence and cruel conditions of Shcharansky's imprisonment provoked a storm of international protest which continues to the present.

After serving his time in Chistopol, the terrible new prison for political prisoners—where his cell mate was Viktoras Petkus, founder of the Lithuanian Helsinki group—Shcharansky was sent to finish his term in Perm Camp No. 35 where there are many other political prisoners. We have received news recently that Shcharansky was sent for 6 months to the camp prison with even further restrictions of his rights to see his family and to send or receive letters.

In tribute to Mr. Shcharansky's brave work, the Commission on Security and Cooperation in Europe has nominated him and three others—Prof. Yuri Orlov, leader of the Moscow Helsinki group; Mr. Mykola Rudenko, leader of the Ukrainian Helsinki group; and Mr. Viktoras Petkus, founder of the Lithuanian Helsinki group—for the 1981 Nobel Peace Prize. In our letter of nomination, we stated:

The public monitoring activity of these Soviet citizens exemplifies moral courage and civic conscience which has set an example for people in other Helsinki signatory states.

Indeed, one need only look at the many citizens' Helsinki groups in many countries, including our own, to see the success and significance of the international Helsinki rights movement.

I was very pleased when Iosif Mendelevich recently was released and allowed to go to his family in Israel. In our joy at Mendelevich's release, however, we should not forget two other members of the 1970 Leningrad hijacking trial who are still imprisoned: Yuri Federov and Aleksey Murzhenko. Likewise, as we all struggle to obtain the release of Mr. Shcharansky, we should not forget the other 51 imprisoned members of the Soviet Helsinki groups. Certainly the release of many Soviet prisoners of conscience—including, of course, Anatoly Shcharansky—is an essential element for any improvement in United States-Soviet relations. Recent actions, such as the slight increase in Jewish emigration from the Soviet Union, may indicate that the Soviets want to reopen the road to détente.●

● Mr. WILLIAM J. COYNE. Mr. Speaker, March 15 marks the fourth anniversary of the imprisonment of Anatoly Shcharansky. I want to join my fellow colleagues today in expressing my deep concern over the plight of Mr. Shcharansky.

Anatoly Shcharansky was born in 1948. He graduated from the Moscow Institute's physics department of computers and applied mathematics in June 1972. Mr. Shcharansky was denied a visa in the early 1970's by Soviet authorities on the grounds that it was against state interests. This, despite the fact that he has never engaged in any sensitive work. From that time on Anatoly Shcharansky was unable to obtain employment.

Anatoly and Avital Shcharansky were married in July 1974. Mrs. Shcharansky was forced to emigrate to Israel shortly after their wedding. She now lives in Jerusalem, hoping that someday soon her husband will be permitted to join her.

Mr. Shcharansky joined other Jewish activitists in 1976 to establish the Moscow Watch Committee, which attempted to monitor Soviet compli-

ance with the Helsinki agreements. He was accused in the Soviet newspaper Izvestia, of working for the Central Intelligence Agency. Anatoly Shcharansky was picked up by the security police in March 1977 and was held incommunicado in Moscow's Lefortovo Prison until his trial in July of 1978. He was convicted of treason, espionage and anti-Soviet agitation and subsequently sentenced to 3 years in prison followed by 10 years in a labor camp.

Ida Milgrom, mother of Anatoly Shcharansky, recently received a letter from her son dated February 2, 1981. In it he told her that all meetings with family members have been canceled for 1981, and instead of two letters per month as previously permitted, he may now write only one every 2 months.

The treatment of Anatoly Shcharansky is in blatant violation of the Helsinki agreement. I urge the Soviet Union to comply with the Helsinski agreements and release Anatoly Shcharansky.●

● Mr. SCHUMER. Mr. Speaker, today, I join with my colleagues in Congress in calling for the immediate release of Soviet Jewish prisoner of conscience Anatoly Shcharansky on this, the fourth anniversary of his imprisonment. Our combined messages today take on a particularly urgent note in view of the steadily worsening prison conditions and deteriorating health of this brave and innocent man. The Soviet Union is to be condemned for Mr. Shcharansky's continued incarceration in violation of all international standards of human rights and human conduct. The barbaric treatment of Mr. Shcharansky remains the single most glaring example of the Soviet Union's overall attitude toward its Jewish citizens and toward all those in the U.S.S.R. who work for human rights and human dignity.

In recent weeks we have celebrated the release of the prominent Soviet Jewish prisoner of conscience Yosef Mendelevich, and the apparent increase in the number of Soviet Jews being granted exit visas. Yet these cases are just drops in the bucket, and we must not permit our joy for these individuals to overshadow the terrible fate that continues to befall Anatoly Shcharansky and so many thousands of other Soviet Jews who are harassed, imprisoned, and sent into internal exile for seeking to emigrate to Israel. What could be crueler than to deny an individual the right to rejoin his family? Yet the Soviet Union has kept Avital Shcharansky waiting for 4½ years to see her husband again. She is not an isolated case; I have recently personally adopted Dr. Naum Meiman, who is 70 years of age and has been waiting for 7 years to join his daughter in Israel. Many, many others, who are tragically often only nameless and faceless statistics to us, wait to journey to their chosen home in Israel and often wait in vain.

The Soviet Union must no longer be allowed to trample on the most basic human freedoms with impunity. Anatoly Shcharansky and countless others have demonstrated tremendous human courage in defense of their beliefs in the face of overwhelming odds. Their dedication and perseverance must serve as an example to all of us. We, as Members of the Congress of the United States, must give Anatoly Shcharansky and his colleagues our total support, and continually seek to remind the world that they have not and will not be forgotten.●

● Mr. MOAKLEY. Mr. Speaker, March 15 will mark the fourth anniversary of the unjust imprisonment of Anatoly Shcharansky. I am appalled at the Soviet Union's continued violation of the basic human rights of this man. Shcharansky first applied for a visa to emigrate to Israel in 1973. He was denied a visa on the grounds that he held "classified information" in spite of the fact that he worked in an institute which was unclassified. Since that time, many other injustices have occurred and are still occurring. The day after his marriage, Shcharansky's wife Avital was forced to leave the Soviet Union, with the promise that her husband would soon follow. He did not. Because of his protesting of emigration restrictions, Shcharansky was closely watched, harassed, and arrested on numerous occasions. In 1978 he was charged with treason, espionage, and anti-Soviet agitation and was sentenced to 13 years imprisonment.

In 1979, the first time in over a year he was allowed visitors, his mother and brother did not even recognize Shcharansky because of his deteriorating health. His father died in 1980 yet Shcharansky was not allowed even to attend the funeral. In April 1980, he was transferred to a Soviet work camp where he will spend the next 10 years of his sentence. His health has failed further and he has been diagnosed as suffering osteoarthritis, a severe spinal disease.

The Soviet Union's President Brezhnev has said that he would like to normalize relations with the United States. I would hope that this normalization could begin with the immediate release of Anatoly Shcharansky. This man has suffered much mental anguish and physical pain since his initial wish to emigrate. He has never done anything wrong other than to express his desire to join his wife in Israel where they could begin a new life together. The Soviet Union has nothing to gain by the continued detention of Anatoly Shcharansky. There is much to be gained by his release, in terms of Soviet relations with the United States as well as the rest of the world, not to mention Shcharansky's own, long-overdue personal happiness. I urge the leaders of the Soviet Union to release Anatoly Shcharansky from prison and to grant him a visa so that he may join his wife and find a life of fulfillment in Israel.●

● Mr. AuCOIN. Mr. Speaker, I rise today to join my colleagues in honoring a great man, a man who has climbed to heroic proportions in the hearts and minds of the American people. Ironically, he is a man whose greatness was gained with a simple dream and a simple, obscure act.

The man: Anatoly Shcharansky. His wish: To emigrate to Israel. His act: Applying for an emigration visa to realize his dream.

But Shcharansky's greatness is no comfort to him, because as a result of his dream and desire to fulfill it, he today sits in jail, the victim of Soviet repression and anti-Semitism. He is our reluctant hero and we are his reluctant admirers. I know I speak for my colleagues in stating my deep-felt wish that Anatoly Shcharansky would never have achieved greatness, indeed, that he would never have come to our notice, at this dear price.

But he has. And in so doing, he has come to symbolize all that is great in men wanting to be free and all that is great in the simple human wish to live where you want with whom you want. Simple rights which we in the United States take so much for granted and which are denied to so many Jews like Shcharansky in the Soviet Union.

The story of Shcharansky's journey to greatness is well-known by now. After being denied an emigration visa in 1973, Shcharansky became increasingly concerned about the plight of his fellow Jews and he became increasingly active on their behalf. Repression followed. Finally, on March 15, 1977, Shcharansky was arrested, charged with treason and ultimately sentenced to 3 years in prison and 10 years in a labor camp.

Despite our efforts in the Congress, the tireless work of Shcharansky's wife, Avital, and many, many thousands of people around the world, the Soviet State still holds Shcharansky—fearful of his dream to live in Israel but even more, fearful of his greatness.

For the past 3 years, I have joined with my colleagues in marking the anniversary of Mr. Shcharansky's arrest to protest the circumstances of his imprisonment, to show our apprehension for his fate and to voice the strongest concern of the American people that such a code of justice could exist in a nation that is signatory to the Helsinki accords.

Next year, I hope we can meet on this occasion to welcome Mr. Shcharansky personally and pay tribute to him for his dream and perseverance in wanting to realize it. Our first steps

toward this goal begin today in calling attention to his plight. We salute this great man and pledge our work to the cause of human rights.●

● Mr. JEFFORDS. Mr. Speaker, I rise today in recognition of the fourth anniversary of the unjustifiable imprisonment of Anatoly Shcharansky by the Soviet authorities.

In 1973, Mr. Shcharansky made his first formal application for an exit visa to emigrate to Israel. He was repeatedly denied the visa on the grounds that he was in possession of classified information despite the fact that the Moscow Institute of Physics and Technology where he was employed was unclassified. Two years later, he was dismissed from the institute and worked as a tutor of English, mathematics, and physics. He also worked as a secretary for a group of scientists.

Mr. Shcharansky then became active in the movement to protest emigration restrictions and helped found the Helsinki Watch Committee in 1976. He soon became closely watched by the KGB and was imprisoned on treason charges in March 1977. After almost 16 months of solitary confinement, he was tried on charges of espionage and treason and sentenced to 13 years in prison.

In the last several months, there has been a great deal of concern about Mr. Shcharansky's health. Last September, he suddenly collapsed while working as a lathe operator and was hospitalized for 1 month with severe stomach and back pains. His mother, Ida Milgrom, has since disclosed that he is suffering from osteoarthritis, a disease that results in the degeneration of the disks in the spine. Soviet authorities have canceled the next meeting he was to have had with his family which was scheduled for early this year.

If the Soviet Union truly wants to maintain the spirit of détente, permission should be granted Anatoly Shcharansky to emigrate to Israel to be with his wife. I thank my colleague from New York, Mr. BINGHAM, for calling this special order and join him and other Members of Congress in calling for the immediate release of Mr. Shcharansky.●

● Mr. McGRATH. Mr. Speaker, today we observe another day of infamy for the Soviet Union, the anniversary of the imprisonment of Anatoly Shcharansky. Once again we speak out in freedom against the totalitarian regime which looks upon international human rights policy with scorn. While it is easy for us to exercise our rights in this great assembly, Anatoly Shcharansky has done the same in the midst of a society where the certainty of persecution and imprisonment strikes most opponents of Communist policies dumb with fear. Shcharansky stands as a giant in the ongoing struggle for human rights behind the Iron Curtain and we must support him and the millions he speaks for.

Separated from his wife and confined under the harshest conditions, Anatoly Shcharansky has demonstrated a powerful and courageous spirit in the face of Soviet terror. I respectfully request my colleagues and all Americans who cherish the freedoms we enjoy to keep Anatoly Shcharansky in their thoughts and prayers. I also urge officials of our Government to continue their efforts to free Shcharansky using every available resource.●

● Mr. HOLLENBECK. Mr. Speaker, I welcome this opportunity to once again rise and join with my colleagues in appealing to the Soviet Union for the release of Anatoly Shcharansky. It will be 4 years ago March 15 that Mr. Shcharansky was arrested. As we all know, Anatoly received a severely inflated 13-year prison term in July 1977—the result of trumped-up espionage charges. This 13-year sentence was imposed by the Soviet authorities despite Presidential intervention attesting that Mr. Shcharansky was not in any way associated with the Central Intelligence Agency.

Now 4 years later, I am sad to state that the situation has worsened. Mr. Shcharansky not only remains imprisoned but his health has continued to deteriorate. Latest available information indicates that he has been placed in solitary confinement and he is not receiving necessary medical treatment. Furthermore, while imprisoned, his family has been denied visitation rights.

The Soviets' handling of this case has been recognized worldwide as a blatant example of injustice and a violation of human rights. To imagine that such an unjust series of events, in direct violation of the Helsinki accords, can actually occur in modern times is indeed a depressing thought. As civilized people with an inherent respect for human rights, we must not relent in our efforts to secure the release of Anatoly Shcharansky. We must continue to persevere as we hope and pray that Anatoly is able to persevere.

I am proud to join my colleagues in condemning the Soviet Union for their shameful injustices in the case of Anatoly Shcharansky. I can only hope that civilized people worldwide will not relax their efforts to achieve Mr. Shcharansky's expeditious release.●

● Mr. GREEN. Mr. Speaker, I am saddened that March 15 is the fourth anniversary of the imprisonment of Anatoly Shcharansky. It is not suprising, given the human rights practices of the Soviet Union, that this courageous man is still in jail, but it is depressing nonetheless.

There is no point in my exhorting the qualities of Anatoly Shcharansky. His courage and perseverance are known worldwide. At this point the question is why? Why does the Soviet Union continue to torment this man?

The suppression of dissidents by the Soviet Union must appear to Soviet eyes as a way to keep a dissatisfied citizen from making complaints world known. In an attempt to keep people like Anatoly Shcharansky from talking they are isolated so talking is impossible.

We must prove to the Soviets that this practice is foolish. For every dissident the Soviets keep from speaking we must express the outrage of 10. It is only then that the Soviets will realize this elaborate covering up of Soviet life, this cruel treatment of outstanding people, is a losing, counterproductive battle.

Anatoly Shcharansky will spend the entire year of 1981 by himself. He is in a solitary confinement cell, and is allowed no visitors. His food rations have been cut in half and even his writing of letters is limited to six a year. The Soviets, in the face of world outrage, have made conditions for Shcharansky worse.

The Soviets have said that they would like better relations with the United States. The release of Anatoly Shcharansky and the many others facing his same plight would be a substantial step in the right direction.

However, I am not suggesting that we barter with the life of Anatoly Shcharansky. No person should be treated as he is being treated. He should be released not because of any potential benefit to United States-Soviet relations, he should be released because he is a human being.●

● Mr. RITTER. Mr. Speaker, Sunday, March 15, will mark the fourth year of the incarceration of Anatoly Shcharansky in the Soviet Union. Mr. Shcharansky has committed no crime, nor is he a criminal. The reason for his imprisonment is his expressed desire to emigrate and join his wife, Avital, in Israel. The repression and harassment Mr. Shcharansky has received at the hands of Soviet authorities is an example of the Soviet's nonadherence to the Helsinki accords and their disregard for human rights.

At age 31, much of Mr. Shcharansky's adult life has been spent either in prison or under the watchful eye of the KGB. Requesting a visa permit to Israel in 1973, Mr. Shcharansky's life has been a living nightmare from that time onward. In 1975, Shcharansky lost his job as a computer programer at the Moscow Research Institute for oil and gas. On March 15, 1977, he was imprisoned by Soviet authorities. This action followed an article in a party paper which described him as a traitor and an agent for the CIA. Later in 1977, his wife Avital, was forced to emigrate from the Soviet Union to Israel one day after the couple's July 4 wedding. In July 1978, fol-

lowing a kangaroo court trial, Mr. Shcharansky was convicted of being a traitor and fomenting anti-Soviet agitation. He was sentenced to 13 years imprisonment.

As a nation founded upon and committed to the ideals of human rights and God-given freedoms, we Americans cannot turn our backs on those who seek these rights. The Soviet Union must come to see that the spirit of détente can never be resurrected if they continue a war of repression against their own citizens and the peoples of Eastern Europe. So many artists, intellectuals, writers, and scientists are confined today in isolation from their families, work, and friends, often in cold dark cells.

The Soviets must prove to us that they respect the 1975 Helsinki accords which they signed if they wish us to observe our side of the treaty. In the first few years after the Helsinki accords, progress had been made in permitting Soviet citizens to emigrate to Israel. In 1977, 16,738 Soviet Jews were allowed exit visas. By 1979, the number had more than tripled to 51,320. But last year the number of Soviet Jews allowed to emigrate dropped to only 21,408. As 1 of 12 congressional Members on the Commission on Security and Cooperation in Europe, I have the duty to observe Soviet adherence to the Helsinki accords. It is my earnest hope that the Soviets will permit more emigration from their borders during 1981 and will cease the incarceration of Anatoly Shcharansky.

Today, Anatoly Shcharansky is a sick man. His years of solitary confinement have weakened his health, distorted his vision, and made haggard his appearance. Doctors say he is suffering from osteoarthritis—a disease resulting in degenerating discs in the lumbo-sacral spine area. In addition he is plagued by severe back and stomach pains. His mother, upon seeing her son for the first time after many months of incarceration claimed her son "looked like a prisoner from Aushwitz."

At this time I join with many of my colleagues and those who respect freedom throughout the world in an appeal to the Soviet leadership to let Mr. Shcharansky emigrate to Israel and join his family and loved ones. His release would be welcomed by the United States as a friendly gesture on the part of the Soviet authorities.●

● Mr. PEYSER. Mr. Speaker, this Sunday marks the fourth anniversary of the imprisonment of Anatoly Shcharansky. Four years ago the world heard the sentencing of Anatoly and mourned along with his wife, family, friends, and concerned citizens. This year, Mr. Shcharansky observed his 33d birthday behind bars inside the Perm labor camp. He is presently languishing in solitary confinement under extremely harsh conditions. His rations have been cut in half and his physical condition continues to deteriorate. We are still uncertain of his precarious future, and he remains a victim of continual harassment and persecution.

Because of his candor, Mr. Shcharansky was found guilty of treason, anti-Soviet agitation, and propaganda. He received a 13-year sentence, the first 3 years to be served in prison and the remainder in a strict-regime labor camp, an extremely harsh sentence which could, and inevitably is, killing him.

Anatoly Shcharansky was a member of a group monitoring the 1975 Helsinki agreement. As a signatory of the United Nations Universal Declaration on Human Rights and as a party to the Helsinki Final Act, the Soviet Union had indicated its commitment to internationally recognized human rights. The world's regard for the Soviet Government's observance of human rights has certainly sharply declined as a result of the harsh and discriminatory treatment of this man. In addition, dozens of individuals are already imprisoned and, inescapably, all other individuals involved in protecting the rights and freedoms of citizens in the Soviet Union are and will continue to be silenced, whether it be by imprisonment or by other means that the Soviet aggressors will eventually decide.

Mr. Shcharansky is no more guilty than the rest of the citizens of the world who speak out against prejudice, aggression, and injustice. Mr. Shcharansky's real crime appeared to be an expression of freedom of speech, the desire to emigrate to Israel, and a history of helping other Soviet Jews who have been victims of Soviet aggression. Yet he remains a prisoner, unable to receive the many letters sent by his family. Moreover, he may now only write one letter every 2 months and may only direct that letter to one person, eliminating any possibility of including messages to family and friends.

We, as Members of Congress, must actively fight for the freedom of Anatoly Shcharansky. We must show the world that we will not sit idly by and watch Jewish citizens who continue to press for human rights be silenced. It is still our turn to fight this repression.●

● Ms. FERRARO. Mr. Speaker, I would like to take this opportunity to draw attention to the imprisonment of Anatoly Shcharansky. March 15 will mark the fourth anniversary of Mr. Shcharansky's imprisonment in the Soviet Union.

The Shcharansky case stands as one of the most blatant violations by the Soviet Union of the basic human rights of their people. In July of 1978, Shcharansky was tried on charges of treason and espionage and was found guilty. He was sentenced to 13 years of imprisonment. The only act of which this man was guilty was that of wishing to emigrate to Israel with his wife.

Anatoly Shcharansky has experienced repeated pressure from Soviet officials, urging him to assist them in their efforts to dissolve the Jewish emigration movement within the Soviet Union.

This excerpt from a statement he made at his trial exemplifies this man's strength of character:

> If I would agree to cooperate with the investigation for the purpose of destroying the Jewish emigration movement, they promised me early freedom and a quick reunion with my wife . . . Now, I'm further than ever from my dream. It would seem to be cause for regret. But it is absolutely otherwise. I am happy. I am happy that I lived honestly, in peace with my conscience. I never compromised my soul, even under the threat of death . . . .

I am sure that many people throughout the world share our concern and compassion for this man, who continues to be the victim of such cruel and unjust punishment. It is difficult, however, to realize the pain felt by Anatoly Shcharansky's wife, who has been waiting for over 4 years for her husband to join her in Israel. It is also difficult to realize the sadness shared by the many Soviet people who fear their future may hold similar injustices.

I call on my colleagues to join me in protesting the case of Anatoly Shcharansky. His unjust imprisonment by Soviet officials and their refusals of his requests to emigrate are in gross violation of the Helsinki agreements. We cannot stand silently by and allow these unreasonable acts to go unmentioned. We must voice our opposition to such practices and help keep the spirit of Anatoly Shcharansky alive with the Soviet community.●

● Mr. ROSENTHAL. Mr. Speaker, I speak to you today on behalf of a harassed and persecuted Soviet citizen, Anatoly Shcharansky. Mr. Shcharansky's plight is one more contemptible example of Soviet disregard for basic human freedoms. Ironically, in signing the 1975 Helsinki Accord on Human Rights, the Soviet Union pledged to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion, or belief." Mr. Shcharansky's "crime against the Soviet state" consisted of caring about the rights of others, being a Jew, and wishing to exercise his legal rights to emigrate.

Shcharansky's initial exit visa application was denied in 1973 on the grounds that he was in possession of classified information. Two years later, he was dismissed from his position as a member of the faculty of the Moscow Institute of Physics and Technology. This is not an uncommon occurrence. Once a Jew in the Soviet Union applies for an exit visa, he essentially sets himself up for continuous harassment. A systematic smear campaign is devised to discredit him, whether he be a world-renowned scientist or an ordinary citizen. Those merely wishing to be reunited with their families abroad are absurdly linked with revolutionary movements and labeled "enemies of the state." They are arrested as suspected subversives and tried in mock trials on trumped-up charges.

Shcharansky's activism on behalf of his fellow Jews aroused the suspicion of Soviet officials. As a member of the Helsinki Watchdog Committee, Shcharansky tried to convince the Kremlin to abide by the 1975 Human Rights Accords. He was subjected to KGB surveillance and harassment, and was labeled in the Soviet press as a "hooligan * * * receiving handouts from the West."

On March 15, 1977, Shcharansky was arrested and, after 16 months of incommunicado imprisonment, was brought to trial. Shcharansky was charged with "treason and espionage" and "anti-Soviet agitation," and was sentenced to 13 years imprisonment.

Shcharansky's wife, Avital, whom he married on July 4, 1977, was forced to leave the Soviet Union for Israel the day after their marriage, with Soviet assurances that her husband would soon join her there. Three-and-a-half years later, Avital Shcharansky still awaits her husband's arrival.

Appalling conditions in the Soviet labor camp where Shcharansky is serving his sentence have made relatives fear for his health and safety.

Rumors of Mr. Shcharansky's imminent release were dashed by a March 5 New York Times article reporting his transfer to the prison compound within the labor camp.

Soviet Party Chief Leonid Brezhnev seeks to organize a Soviet-American summit in the coming months. Compliance with recognized human rights provisions on the part of the Soviets should be a condition for American participation in such a meeting. Mr. Shcharansky's perseverance is admirable, given the brutality and perverse injustices of the Soviet system. Admirers of his personal courage and those believing in human dignity and freedom everywhere should rally for his release.●

● Mr. ADDABBO. Mr. Speaker, to many of us here in the United States, protected by a Government concerned with upholding the rights of the people, March 15, will have no particular special meaning. To most of us it will be just another day of going about our business, and spending time with our loved ones. Others in this world will not be so fortunate that day. To Anatoly Shcharansky, thousands of miles away, somewhere in a Soviet prison, alone, fearful of his life, and in ill health, it will mark the fourth anniversary of his imprisonment by the Soviet authorities. It will mark yet another day of solitary confinement, meager food rations, lack of exercise, and despair. Living under the harshest and cruelest of conditions, his life is in jeopardy. Until the day he is allowed to walk away from that prison, leave the Soviet Union, and join his wife Avital in Israel, we must continue to call upon the Soviet Union to recognize the right to self-respect, liberty, and expression in opposition to oppression.

The arrest of Anatoly Shcharansky by the Soviet police in Moscow in 1977, on treason charges, drew much needed attention to the Soviet Union's blatant disregard for human rights, in particular to their inhuman treatment of Soviet Jews and of their desire to emigrate to Israel and the United States. The name Anatoly Shcharansky became synonymous with the conditions Jewish people must contend with in Russia. It became synonymous with all the other untold prisoners of conscience and refuseniks who are suffering in Soviet jails and who are refused emigration visas; and it became synonymous with the anti-Semitism that the Soviet Union encourages.

Anatoly Shcharansky is but one of many who needlessly suffer for crimes they have not committed, suffering because they wish to be accorded human rights embodied in constitutions and accords throughout the world. On March 15, we must remember that we must continue to work on behalf of the poor, the weak, and the helpless in the Soviet Union who cannot help themselves. To forget one, is to forget them all.●

● Mr. WAXMAN. Mr. Speaker, the prayer, "Next Year in Jerusalem" is echoed each year at the traditional Passover seder. It has meaning for every generation, and today has come to symbolize the plight of Soviet Jewry. To Anatoly Shcharansky these words have a special meaning. For 4 years, Shcharansky has been incarcerated in a Soviet labor camp—denied basic human decency—guilty only of working to insure that he and his fellow Soviet citizens could experience the basic human right to emigrate.

March 15, 1981, is the fourth anniversary of the imprisonment of Anatoly Shcharansky. Arrested on trumped-up charges of espionage and treason, Shcharansky's true crime was merely his desire to emigrate and his refusal to be silenced. An ardent human rights advocate, deeply committed to the values embraced in the Helsinki accords, he became a founding member and the chief spokesperson for the Helsinki Watch Group, an organization created to monitor the Helsinki accords and to secure Soviet compliance with its provisions. Anatoly Shcharansky, along with so many others, became a victim of the struggle.

The brutal mistreatment of prisoners by the Soviets is well known. Today, the 33-year-old Shcharansky has completed 4 years of a 13-year sentence in a labor camp under extremely harsh conditions. He was recently reported to have spent 2 weeks in solitary confinement. His health has worsened considerably. Few letters—even from family—are permitted to reach him. Personal visits from his mother, Ida Milgrom, and his brother, Leonid, are forbidden. And Anatoly has been separated for 5 years from his beloved Avital, whom he married 1 day before she was forced to leave the Soviet Union without him.

Officials in the Soviet Union have clearly tried to make an example of Shcharansky, hoping that his fate would serve as a warning to other dissidents who refused to silence their hopes and grievances. His imprisonment is compelling evidence of Soviet efforts to put down Jewish dissidence and of the persistence of traditional anti-Semitism in that country. But the Soviets have failed. The terrible experience of Anatoly Shcharansky has not gone unprotested. It has been denounced from all four corners of the globe.

Although the plight of Shcharansky is but one of the thousands upon thousands of other refuseniks, he has come to symbolize them all. Mr. Speaker, we who so cherish our freedom cannot turn our backs on Anatoly Shcharansky nor can we ignore the 200,000 other refuseniks who have been denied permission to emigrate or simply forbidden to practice their religion and be faithful to their heritage.

In his closing words at his trial, Anatoly Shcharansky declared, "Now when I am further then ever from my people, my Avital, facing many arduous years of imprisonment, I say, turning to my people, my Avital: Next year in Jerusalem!" His prayer, and his spirit, endures.

Mr. Speaker, in our country that is so free, it is incumbent upon us to see that the dreams of Anatoly Shcharansky and the thousands of other Soviet refuseniks come true. Today we reaffirm our commitment.

The most recent account of Anatoly Shcharansky's fate was reported in the New York Times on March 5, 1981:

[From the New York Times, Mar. 5, 1981]

SHCHARANSKY IS PLACED IN LOCKUP WITHIN HIS LABOR CAMP IN SOVIET

(By Anthony Austin)

Moscow, March 4.—Anatoly B. Shcharansky, a convicted dissident, has been placed in a prison inside the labor camp where he is serving a 13-year sentence on charges of treason and espionage, his brother, Leonid, said today.

"We suspected as much when we received a letter from him recently telling us that he now has more time to read and that he is allowed to write us once every two months," Leonid Shcharansky said. "That is the quota for people in prison. Up to then, he was allowed to write twice a month."

Leonid Shcharansky said he and his mother, Ida Milgrom, inquired two days ago at the Moscow office that administers labor camps, and "they confirmed to us that my brother has been in prison since December."

"They said they did not know why he was put in prison but would ask," he said, "although they added that they would not necessarily pass the information on."

Mrs. Milgrom and Leonid Shcharansky were permitted to visit Anatoly Shcharansky in the labor camp, near Perm, last April. They reported that his health, which earlier had caused them worry, was improving, and that he was learning metalworking.

Anatoly Shcharansky, a computer technician, had been active in the human rights and Jewish emigration movements. Accused in the Government newspaper Izvestia of betraying secrets to the Central Intelligence Agency, he was picked up by the security police in March 1977 and was held incommunicado in Moscow's Lefortovo Prison until his trial in July 1978. He was convicted of treason, espionage and anti-Soviet agitation and was sentenced to three years in prison followed by 10 years in labor camp. A prison term is considered a harsher sentence than a term in labor camp.●

● Mr. LEVITAS. Mr. Speaker, I am pleased to join my colleague, Mr. BINGHAM, and others in participating in this special order for Anatoly Shcharansky, on the fourth anniversary of his imprisonment in the Soviet Union.

Now confined in the Perm Labor Camp in the Ural Mountains, Shcharansky has recently been placed in solitary confinement for at least 6 months, his already meager rations have been cut in half, and his annual family visit has been canceled. He is confined in a damp cell, with a room temperature of 56 degrees Fahrenheit and a light bulb that burns 24 hours a day, at the expense of his already impaired eyesight. He is not permitted to communicate with his wife, who was forced to leave the Soviet Union 7 years ago, just 1 day after their marriage. He is only permitted to write to his mother, who remarked 19 months ago, after she was finally allowed to see her son for the first time in a year, that he looked "like a prisoner from Auschwitz." Since that time, his health has continued to deteriorate as this injustice has continued.

Shcharansky's troubles began 8 years ago, when he formally applied to emigrate to Israel. He was repeatedly denied a visa, on the ground that his work caused him to possess classified information, even though it was well known that his work as a computer programer at the Moscow Research Institute for Oil and Gas did not involve classified information. Over the next 4 years, he was dismissed from the institute, his wife was forced to emigrate alone to Israel, and he was subjected to repeated arrests and detainment and constant surveillance. This pressure from the KGB was caused by Shcharansky's involvement in protesting emigration conditions. The pressure was increased after Shcharansky became a member of the Helsinki Watchdog Committee in 1976. Shcharansky was singled out for threats and punishment largely because he served as the connection between the Jewish and non-Jewish groups, and provided information and sustenance to groups such as the Baptists and the Seventh-Day Adventists.

Shcharansky was arrested on March 15, 1977, and—after over a year of imprisonment incommunicado—he was tried in July 1978 for treason and espionage and Anti-Soviet agitation, and was sentenced to 13 years imprisonment. His family was not permitted to see him until August 6, 1979. It was after that visit that his mother remarked that his condition reminded her of other concentration camp victims in Nazi Germany. On January 20, 1980, his 75-year-old father, Boris, died of a heart attack on his way to a Moscow celebration of Anatoly Shcharansky's 32d birthday. His father had not seen Anatoly since his arrest in 1977. When his mother and brother visited him briefly in 1980, he was finally allowed—for the first time in 2 years—to spend some time in the sunlight. Even that privilege has been withdrawn now, as Anatoly Shcharansky is now allowed a maximum of one-half hour of sunlight per day. As other prisoners have said, this is one of the most cruel punishments that can be used against a prisoner psychologically.

This continued outrage clearly demonstrates that the Soviet Union has flagrantly violated the principles set forth in the Helsinki accords. Not only have the Soviets engaged in repression of thought and repression of fundamental human rights with subhuman conditions of unjust confinement, they have used the international context to divide a family. There can be no claim here by the Soviets that this is merely an internal matter. The Soviet Union has reached out to the United States recently, asking for a summit, and asking for technological exchange. Let us today in Congress put the Soviet Union on notice that before such matters are even considered by the United States, they must demonstrate by their actions that they want such an improved relationship. The continued imprisonment of Anatoly Shcharansky leaves the Soviet Union on the level of Nazi Germany, operating a modern-day Auschwitz. We cannot countenance this horror in today's world. If the Soviet Union is serious about improving relations with the United States, it must, as a bare minimum, release Anatoly Shcharansky and reunite him with his wife in Israel. I urge my colleagues to be continually aware of this particularly outrageous violation of human rights.●

● Mr. FORD of Michigan. Mr. Speaker, one of the individuals most on my mind today is Anatoly Shcharansky who has just spent his fourth year locked in a Soviet prison. Since his arrest and trial, many of us have been part of an international campaign working for his release.

Shcharansky was sentenced to 13 years in prison and labor camps following a closed trial at which no lawyer of his choice nor any witnesses for the defense were allowed. Anatoly was charged with treason and anti-Soviet agitation. In fact, Shcharansky broke no Soviet laws, but was actively engaged in working for the human rights of Jews and other minorities in the Soviet Union, all in accord with Soviet law and international agreements signed by the U.S.S.R. He was actually upholding the requirements of the Helsinki accords which require citizens to monitor their own country's behavior toward their own people.

I will continue to bring to the attention of the Soviet authorities my concern for human rights, including the rights to emigrate, and my concern for the plight of those who suffer imprisonment and exile for their beliefs. I want to stress to the Soviets the seriousness with which the American people take our mutual commitments under the U.N. Charter, the U.N. Universal Declaration of Human Rights, and Helsinki Final Act. Soviet leaders must understand that our commitment to human rights is not transient and will continue to occupy a central place in our dialog.●

● Mr. DOUGHERTY. Mr. Speaker, how much longer must we witness the horrors of Russian policy toward Soviet Jews? More than 10 years ago, during the Leningrad trials, we became acutely aware of the abuse of human rights by Soviet authorities. Almost 6 years ago we signed the Helsinki agreement with the Soviet Union to protect fundamental rights for all people. Four years ago, Anatoly Shcharansky was imprisoned under the false charge of treason. Shcharansky remains imprisoned and reportedly must endure harsher treatment since being placed in a prison within the labor camp where he is serving a 13-year term.

Like so many other prisoners of conscience, the only charge Soviet officials can make against Anatoly Shcharansky is his desire to emigrate to Israel. Anti-Jewish sentiment throughout Russia is used against Shcharansky and other dissidents. For our friends trying to leave it has become part of the horrible ordeal. It is my hope that Moscow will cease this needless persecution so reminiscent of violent anti-Semitism in past Jewish history.

Unfortunately, Soviet aggression toward these people within their country impedes true peace and progress with the rest of the world. The Helsinki accords were made in the spirit of peaceful coexistence, but have been broken by prejudice and inhumanity. The deterioration in the relationship between the United States and the Soviet Union has been partially caused by the repression of dissidents. Stopping these activities could bring about improvement in this vital area. The release of Yosef Mendelevich is but vinegar in the mouth of a thirsty man. The immediate release of Anatoly Shcharansky could bring about the lessening of tensions surrounding human rights causes around the world.●

● Mr. FISH. Mr. Speaker, I join my colleagues today in expressing my continuing outrage that Anatoly Shcharansky remains imprisoned in the Soviet Union. For 4 years, this man, a prisoner of conscience, has received inhumane and unfair treatment in a cold and lonely prison for his "crimes" of free speech and religious conviction.

Recently, the plight of Mr. Shcharansky has worsened. He is now subjected to solitary confinement and his food rations and opportunity for physical exercise and news of the outside world have been severely curtailed. Faced with a sentence of 13 years of which he has only served 4, Anatoly Shcharansky can only be slightly encouraged, under the circumstances, assuming he is even aware of the intensive lobbying on his behalf. The international community committed to his cause will not rest until Mr. Shcharansky and others, who share his plight, are released and allowed to freely emigrate.

I last had the opportunity to meet with Mr. Shcharansky in 1978 in the Soviet Union at which time he spoke of his heartfelt desire to settle in Israel and be reunited with his loving wife, Avital. We all recall when Mrs. Shcharansky last visited the Capitol to meet with us and appeal for our help on his behalf. The tragedy of her sorrow cannot be overstated.

Mr. Speaker, although the Soviet authorities saw fit to release Yosef Mendelevich and have increased the number of exit visa applications they are willing to review, the basic issue remains unchanged and we must remain vigilant in our appeals to the Soviet Union.

I am participating in today's special order to reaffirm my own commitment and, particularly, my fervent hope that Soviet officials will see fit to restore Anatoly Shcharansky's dignity and freedom by allowing him to live out the remainder of his life in the land of his choice with his loved ones. In closing, I reiterate Mr. Shcharansky's own words and deelpy hope he will be, "next year in Jerusalem."●

● Mr. HARKIN. Mr. Speaker, I join my colleagues in honoring Anatoly Shcharansky, the world renowned and beloved Soviet dissident, and in calling upon the Government of the Soviet Union to release him immediately and allow him to emigrate and join his family in the West.

The years of harassment, abuse, and repression of Anatoly Shcharansky say more about the Soviet Union than anything that Tass or Pravda can write. If the brilliance of Mr. Shcharansky's intellect and the independence of his thought are subversive, it is no wonder that political, cultural, and economic life in the Soviet Union are in shambles. Anatoly Shcharansky's life and work are indeed subversive—he subverted the repression, anti-Semitism, and abuse that characterize the Government of the Soviet Union.

On August 6, 1979, Anatoly's family was permitted to see him, after he had been imprisoned for 17 months. His mother, Ida Milgrom, did not even recognize him at first. She said: "He looks like a prisoner from Auschwitz." And in September of 1980, Anatoly collapsed, unconscious, with severe back and stomach pains. It has been reported that he is suffering from a degenerative disease of the spine.

Anatoly Shcharansky's imprisonment will continue to rebuke the Soviet authorities and serve as a telling reminder of the evils of that totalitarian system. It is my greatest hope that he will be freed immediately, along with the thousands of other political prisoners in the Soviet Union.●

● Mr. BLANCHARD. Mr. Speaker, I would like to take this opportunity to join the special order called by my good friend, the distinguished gentleman from New York (Mr. BINGHAM) to call attention to the plight of the Soviet political prisoner Anatoly Shcharansky.

Anatoly Shcharansky was imprisoned in 1977 for the crime of wishing to emigrate to Israel. The trumped-up charges of malicious hooliganism against him and the show trial that convicted and sentenced him to 13 years in prison were an outrage to all of us concerned with human rights. His continued stay in a Soviet prison continues to be an unspeakable violation of not simply the Helsinki accords, but of basic human justice.

The rulers of the Soviet Government have indicated an interest in improving relations with the Reagan administration. Freeing Anatoly Shcharansky would be an important indication of the Soviets true intentions in that regard. At the very least, freeing Shcharansky would be the right thing, the decent thing, to do.●

● Mr. PORTER. Mr. Speaker, March 15 marks the fourth anniversary of the Soviet imprisonment of Anatoly Shcharansky and I rise today to protest this continued human rights violation. Soviet authorities convicted him on charges of treason. Yet his wish to emigrate to Israel with his wife, Avital, was his only crime.

The conditions of his imprisonment have deteriorated. He is now being held in solitary confinement in an internal prison within the Perm Labor Camp. His rations have been cut in half and he is only allowed to see the light of day during one-half hour exercise period per day. All family visits have been canceled at least until the end of 1981. He is permitted to write one letter to his mother every 2 months, provided that he does not refer to any other person including his wife.

Mr. Speaker, the constant harassment and mistreatment of Jews and others in the Soviet Union must be condemned. We must continue our work in the Congress to bring these flagrant violations of human rights to world attention and maximize pressure on the Soviets to live up to the obligations they undertook at Helsinki 6 years ago.

● Mr. RANGEL. Mr. Speaker, the treatment of Anatoly Shcharansky, by the Soviet Union, is clearly a violation of the Helsinki accords. He has been charged with the crime of treason, but his only wish is the desire to leave the Soviet Union for Israel.

March 15 marks the fourth anniversary of his imprisonment, which I consider an affront to the concepts of basic human rights as espoused in the Helsinki accords. Shcharansky has been denied his visitation rights for the duration of 1981; he is only allowed to send an average of one letter every 2 months; his rations have been cut in half; he is allowed only 20 minutes of exercise a day; and he is in failing health. These conditions are atrocious. It does not say very much for the way the Soviets plan on treating dissenters. Due to this treatment I am presuming that they are going to deal with their dissenters by subjecting them to conditions which are unfit for human beings. Of course, this will make it impossible for those like Shcharansky to express their opinions. I fail to see the openness and fairness of this type of attitude.

The Soviets refuse to treat their citizens with some sense of human rights or dignity. I feel the release of Anatoly Shcharansky would be a sign of good faith by the Russians. I strongly urge the Soviet Government to release Anatoly Shcharansky now.●

ECONOMIC RECOVERY PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tlemen from Florida (Mr. McCollum) is recognized for 30 minutes.

● Mr. McCOLLUM. Mr. Speaker, last week the House Committee on Banking—of which I am a member—heard testimony from Office of Management and Budget Director David Stockman regarding the administration's economic recovery program.

During the hearing, I had the opportunity to express to Mr. Stockman my view on this program: I fully support it, but the spending cuts are not deep enough. To really get our country back on its feet, we need to cut Federal spending by figures more in the area of $145 billion, rather than $45 billion.

I firmly believe this, which is one reason I recently cosponsored House Joint Resolution 169, which calls for a constitutional amendment to limit Federal spending and ultimately balance the budget. It is based primarily on the word of Dr. Milton Friedman, the economist who authored "Free to Choose" and was awarded a Nobel Prize for his work.

There are many amendments being proposed in Congress to balance the budget, but I believe this is the only one which adequately deals with the underlying problems plaguing our economy. It is a strict amendment, and requires much fewer Federal programs and spending than most Americans have been used to since the Great Depression.

Basically, this amendment limits growth of Federal spending to the degree of productivity gains in the economy, and tightens spending dramatically when the inflation rate exceeds 3 percent. Specifically, the amendment will not allow the Government to increase spending by a percentage any greater than the percentage growth in the gross national product. For example, if the GNP—the measure of our Nation's productivity in terms of goods and services—increased by 3 percent, then Federal spending will only be allowed to increase by 3 percent.

However, if the inflation rate exceeds 3 percent, then the permissible growth in Federal spending must be reduced by a percentage equal to one-fourth of the amount the inflation rate exceeds 3 percent. For example, if the inflation rate is 11 percent, then the allowed growth in Federal spending must be reduced by 2 percent—since inflation is 8 percent over the limit and one-fourth of 8 percent equals 2 percent. In a year in which the GNP grew 3 percent, this would mean Federal spending could only be increased by 1 percent.

As one can see, when inflation gets out of control, like it is now, this amendment would force huge reductions in Federal programs, because they simply could not be funded at inflation market rates.

I favor this amendment because it attacks the two underlying causes of inflation: Huge Government deficit spending—which creates too many dollars, lessening their worth—and a decline in productivity, which forms the basic intrinsic value of the dollar in the absence of the gold or silver standard. This plan of attack is exactly what President Reagan is attempting to utilize, but success now does not mean future Congresses and presidents will not try to go back to the same old big Government that got us in this sad state of high inflation and high interest. The amendment is basically a balanced budget measure that is a perfect means of insuring that future Congresses do not let matters get out of control again.●

AN INADVERTENTLY ERRONEOUS STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. Jones) is recognized for 60 minutes.

Mr. JONES of Oklahoma. Mr. Speaker, I rise in an effort to correct what I am sure was an inadvertently erroneous statement made yesterday by the gentleman from Pennsylvania (Mr. Walker) when he said that the gentleman from Arkansas (Mr. Alexander) had made and, I quote, "an inadvertently erroneous statement."

The gentleman from Pennsylvania went on to say in reference to the administration's budget submissions that, and I quote, "* * * the complete package has been received on Capitol Hill, and the gentleman from Oklahoma and the Budget Committee can now proceed on the fast track * * *"

Now, I think there has been a great deal of confusion as to whether or not all of the package has been submitted to Congress so that the Congress can move ahead on the fast track that was announced yesterday. It is also possible that the gentleman from Pennsylvania has a desk drawer full of administration legislative proposals which the gentleman from Oklahoma does not have, and which the gentleman from Illinois, the distinguished minority leader, does not have; and perhaps the gentleman from Pennsylvania can explain to the House, or even to the miners of his own State of Pennsylvania, exactly what the administration's black lung proposal is.

□ 1630

On February 18, the President announced a savings of $378 million in the black lung proposal, but yesterday that savings had disappeared. The administration seems to intend to increase taxes on coal tonnage and to restrict benefits to those who are "truly medically disabled," but the budget document submitted yesterday states, and I quote, that—

Since the precise distribution between outlay reductions and revenue increases depends upon legislation that is still being developed, the savings resulting from these changes are reflected in the allowance for contingencies—

And I end quote.

Perhaps the gentleman from Pennsylvania can tell me how the House Committee on Education and Labor will proceed on black lung legislation based on this sketchy information now before the Congress. Perhaps the gentleman from Pennsylvania can provide this body with the details of the 123 rescissions aimed at saving $14.5 billion which this body has not yet received.

The administration in its budget document yesterday indicated, through savings and deferrals, a savings in this fiscal year of $16.5 billion. That would impact on 126 separate programs. However, only three programs totaling $100 million in savings were submitted yesterday, and we were told the savings for the other $16.4 billion in savings pertaining to the other 123 programs will be available hopefully some time next week—unless the gentleman from Pennsylvania has those details, and I hope that he would furnish them to the Budget Committee and to the Appropriations Committee.

We have been working diligently in the Budget Committee, even before the administration's economic program was sent forth, calling forth witnesses, analyzing the 1982 current policy budget, and working out ways in which that budget can be cut and spending can be restrained on a full-time, permanent basis.

We have had before our committee just today the Chairman of the Council of Economic Advisers, Dr. Murray Weidenbaum. Last week the Budget Committee chairman sent to Dr. Weidenbaum a letter, a two-page letter, asking for specific information pertaining to the economic assumptions used by the administration to build its budget.

For example, the administration in 1982 predicts that interest rates will be 8.9 percent. Most others who look at the monetary policy for 1982 predicted interest rates will be around 11 percent. Now, the Members may ask, what difference does it make, 8.9 percent in interest rates or 11 percent in interest rates? Well, the fact of the matter is that the interest on the national debt is one of the largest items in the Federal budget, and missing those interest rate targets by 2 percentage points amounts to a missing of the budget targets by about $12 billion.

So in that one category alone, instead of having a $45 billion deficit, we would have a $57 billion deficit if the administration's assumptions are wrong. Therefore, we have asked Dr. Weidenbaum for specific information as to how these economic assumptions were arrived at, and Dr. Wiedenbaum at the hearing today said he would have the information we requested by the end of this week. That will give our committee an opportunity to analyze it and to begin building the budget, at least as it pertains to the economic assumptions.

This afternoon, before the Budget Committee, we had the Secretary of Agriculture, Mr. Block, John Block, and he was speaking in direct answer to a question as to whether or not they are going to have a new farm bill, and what will that farm bill be composed of? And I asked, for example, "Do you intend to eliminate the target prices?"

Secretary Block said that that is his recommendation, to eliminate target prices, but it has not been settled yet. And he said he would try to have before the Congress by sometime next week a farm bill.

The Agriculture Committee tells the Budget Committee that they cannot act on the administration's program until they get the program before the Agriculture Committee. I asked Secretary Block to be sure to try to get this detailed program to the committee next week, because if we did not do it, if we did not have it, we would have a very difficult time meeting the fast-track timetable that the Democratic leadership and the Republican leadership of the House set forth yesterday.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. JONES of Oklahoma. I would be happy to yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, in reviewing the matter, let me ask the committee chairman, with the Secretary of Agriculture and in explaining to him the necessity of having a detailed presentation available for consideration by the Budget Committee in order for the Budget Committee to maintain its schedule, what response did the gentleman receive from the Secretary of Agriculture, and what commitment did the gentleman perceive that he made in attempting to comply with the gentleman's request?

Mr. JONES of Oklahoma. The Secretary of Agriculture said that his own recommendations were pretty well formulated, but that he has to take it through the various apparatuses of the administration, and it ultimately has to be discussed at a Cabinet meeting, which he hoped would occur next week, and if it were approved, if his program were approved, that he would want to transmit that to the Congress sometime late next week.

I hope that that ambitious schedule on their part can be adhered to, because if it is, then we will be able to keep on the timetable we have.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield further?

Mr. JONES of Oklahoma. Yes, I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, let us assume for some reason that is unforeseeable to those of us who are concerned about maintaining this fast track schedule that the Secretary of Agriculture in this instance or some other member of the President's Cabinet in other instances should delay their presentation of the specific recommendations to the Budget Committee; what would be the impact occasioned by those delays upon the fast track process that we have set in motion?

Mr. JONES of Oklahoma. Well, it depends on how long the delays occur. In order for this fast track timetable that has been agreed to on a bipartisan basis as of yesterday to be achieved, we literally will need the administration's program in its details, I would think, by the end of next week. It would be very difficult to move ahead with the entire package if we do not have those details.

What we would attempt to do in those areas where the administration does not have the program ready, we would attempt to work around it, using current policy. But I would prefer that we have the entire program so we could put it into effect at one time.

Mr. ALEXANDER. Mr. Speaker, if the gentleman will yield further, I was not here at the beginning of this special order, and I do not know whether or not the chairman has attempted on previous occasions to get the specific details of the President's program.

The program, as I see and hear and read in yesterday's news, was sent to the Congress. Has the gentleman had an opportunity to examine the details of the President's proposal, and, if so, is it complete in its present form? And if it is not, what details are lacking in order for the Congress to begin work on these proposals?

Mr. JONES of Oklahoma. Well, the program is not complete in its present form, and as I pointed out, members of the administration who have testified to the committee today have indicated that their complete program will not be ready even this week. Some of it will not be ready until next week, and some of it will not be ready until thereafter.

Our Budget Committee staff is analyzing the budget document that was sent up yesterday, and we do not have a full analysis of that yet. We have asked each committee chairman in the House to furnish to the Budget Committee what information they are lacking in order to proceed ahead on the administration's program.

I just want to clarify and make this point clear, I hope, once and for all, and I hope we can take the partisanship out of this issue of foot-dragging or obstructionism.

From the very beginning the chairman of the committee and the Budget Committee itself set out a very ambitious program to enact the spending cut program and the tax cut program before the August recess. I had personally set a July 15 target to complete the whole program. Subsequent to that, there were charges of obstructionism and delay, and I never even dignified them with a response because they seemed so patently false.

Yesterday all of those charges, I hope, were or will be put to rest by the fact that the Republican leadership and the Democratic leadership of the House agreed to the schedule that the Budget Committee chairman announced on February 19.

As a matter of fact, Mr. Speaker, under my unanimous-consent request granting permission to include in the Record extraneous matter, I will include here the press release and the speech made on the House floor on February 19 that outlined the fast track timetable which was endorsed by the leaders of both parties in the House yesterday.

Mr. Speaker, the material to which I referred is as follows:

Budget Committee Ready To Act Expeditiously

Mr. Jones of Oklahoma. Mr. Speaker, I want to inform the House that not only has the Budget Committee already begun to act on the 1981 and 1982 budgets, but we are prepared to act expeditiously on the program recommended by President Reagan last night.

But in order to be successful and to meet the timetables that all of us want, and that all of the American people are expecting, we are going to need considerable cooperation from the administration. Right now, the Budget Committee is hamstrung because we do not have specific figures on about half of the proposed budget, including national defense and some of the other categorical programs and consolidations that the administration recommends. If we are able to get the specific recommendations, the specific budget proposals, from the administration by March 10, then the Budget Committee will act very expeditiously. We hope that we can report to the House, and pass through the Congress, an omnibus bill, including a reconciliation title that will include serious and significant spending cuts that will help reduce inflation. I think we will have such an omnibus bill passed by the Congress by mid-July, and that it will put in place the opportunity to have a tax cut before we recess for August.

In order to meet this timetable, however, we are going to require significant cooperation in getting the proper numbers and the proper details of the program from the administration. I think the Democrats on the Budget Committee as well as the Republicans are going to be very cooperative. We all want to move ahead so that we can get this economic program moving and get our econ-

omy back on a path toward real growth for all Americans.

CHAIRMAN'S OPENING STATEMENT

Last night President Reagan submitted a message to the Congress outlining his proposals for the 1981 and 1982 budgets. He stated his hope that "this combination of transmittals will allow the Congress to proceed in accordance with the timetables established in the Congressional Budget Act and will permit rapid consideration of this entire program."

I fully expect that the Congress can consider these budget proposals expeditiously and adhere to the timetable set forth in the Budget Act. Accordingly, the Budget Committee proposes the following agenda for the budget process this year.

The authorizing and Appropriations Committees will report to the Budget Committee their views and estimates on the Carter budget and the Reagan budget revisions by March 20, five days later than normal. Although many details of the Reagan proposals will not be provided until March 10, the substance of the proposals is sufficiently clear to enable the committees to begin their deliberations.

Following receipt of the committees' views, the Budget Committee will hold hearings on the fiscal year 1982 and fiscal year 1981 budget revisions.

By April 15, the Budget Committee will report to the House a budget resolution consisting of three titles: Title I will revise the fiscal year 1981 budget; Title II will set forth the budget for fiscal year 1982; and Title III will provide reconciliation instructions.

Congress will complete action on the budget resolution by May 15.

By June 15, the appropriate committees will submit their reconciliation proposals to the Budget Committee which will assemble them into a single bill and report that bill to the House.

By the July 4 recess, Congress will complete action on reconciliation.

This timeable would permit consideration of a tax reduction bill, either as part of the reconciliation bill or separately, by the August recess.

I realize that this schedule is rigorous and will place severe demands on committee members and staff. I also understand that the information currently available from the Reagan Administration is incomplete. However, if we are to meet the timetable required by the Budget Act and also to discharge our responsibility to the American people to review carefully the far-reaching proposals submitted by the Administration, we must all get to work immediately. The Budget Committee, its staff, and the Congressional Budget Office will provide every possible assistance to the Congress in this vital endeavor.

You may know that there was an effort to bypass the authorizing committees entirely and permit the Budget Committee to have sole jurisdiction over all the legislative changes proposed by the new Administration. This committee strongly and successfully opposed this scheme. The authorizing committees alone have the knowledge and ability to make changes in the programs within their jurisdiction. The Budget Committee's only requirement will be that it receive the results of the committees' deliberations in time to put together a reconciliation bill by June 15.

This will be a difficult year but I know we can all work together to carry out the reforms the American people clearly demand.

Now, let me welcome the Secretary of the Treasury, the Honorable Donald T. Regan, a man who has shifted his distinguished career from the corporate board room to the congressional hearing room.

Mr. Secretary, thank you for coming here today at the start of the long and difficult process which we all hope will lead to regaining control of the Federal budget.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield further?

Mr. JONES of Oklahoma. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, I have one further point. I want to thank the gentleman from Oklahoma (Mr. JONES) for the initiative that he has taken and the leadership he has provided and the seriousness with which he has undertaken his responsibilities in the House. The gentleman has captured, in my judgment, the spotlight in providing the kind of leadership that is needed in order to make this proposal a reality, and I want to thank the gentleman for the initiative that he has provided.

I want to ask one additional question. I am not sure that people understand in general what it is that must be done in order to implement these proposals.

Some people think we can act on it next week, and so forth.

Is it not true, for example, I will ask the committee chairman, that the chairman of the Committee on Appropriations, the gentleman from Mississippi (Mr. WHITTEN), said that in the deliberations on the appropriations for last year, for the last Congress, rather, the 96th Congress, more than 10,000 witnesses were heard by the Committee on Appropriations during that 2-year period? And did he not say that he wanted to give the opportunity to those same number of witnesses in order to have a full hearing before his committee?

Is this the kind of hearing that committee chairmen are expected to conduct in order to comply with even the fast track process that the gentleman envisions?

Mr. JONES of Oklahoma. Well, in the past the House of Representatives, being the people's institution, has been very open and very desirous of hearing from any public witnesses who desire to testify on any of the programs of the Federal Government. This year obviously we are in a different situation, and we are going to accelerate that time period much faster than has ever been done, certainly in the time that I have been in Congress. And as a student of Congress, I do not know of any timetable that has been accelerated as fast as this perhaps since the early 1930's.

For example, in the Budget Committee, because we were unable to hear all the witnesses who wanted to be heard for or against the program, we have established nine temporary task forces to go into different parts of the budget.

All I am saying is, yes, we are going to hear from the public, but we are going to do it on an accelerated program. We are going to cooperate, and we are going to give this economic program of the administration every opportunity to work.

Mr. ALEXANDER. Mr. Speaker, I have one further question pertaining to Members of Congress.

Suppose there are those of us who want to appear before the Budget Committee and have our say in order to establish the priorities which we interpret to be most meaningful to us. What is the time frame within which Members of Congress will have an opportunity to present their views to the Budget Committee?

Mr. JONES of Oklahoma. Mr. Speaker, toward the end of this month, probably the third week of March, we are going to have 3 open days for testimony before the Budget Committee.

One of those days will be to hear the OMB Director, Mr. Stockman. Another one of those days will be to hear the Chairman of the Federal Reserve System, Mr. Volcker, and the third of those days will be what we call a "Member Day" so that Members of Congress can testify and give us the benefit of their suggestions. That particular day will be announced probably within the next week.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. JONES of Oklahoma. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding, and I particularly want to thank him for conferring on me all the power he did in the opening of his remarks.

Mr. JONES of Oklahoma. I did not think the gentleman was here to hear my remarks.

Mr. WALKER. I was happy to hear the gentleman say that a number of pieces of legislation and proposals were on my desk, and I assure the gentleman that I am no better informed about some of those things than he is.

I simply reflect that as of yesterday I did have delivered to me a document that indicated that the budget revisions of the administration had indeed been presented on Capitol Hill, and what I was reflecting on in my remarks on the House floor was the fact that the gentleman from Arkansas had indicated that this administration had not lived up to its commitment to present the House with the details of its budget program prior to the date of March 10. I was reflecting on the floor that I thought that statement was erroneous, that we did in fact have in our possession this document.

I would be the first to admit to the gentleman that not all aspects of the entire legislative package are prepared yet. The gentleman went into some great length about rescissions. It is my impression at least that the rescissions would not be before the gentleman's committee, so, therefore, the fact that the rescissions have not yet been received in the package brought to the Hill would not prevent his committee at all from proceeding on the fast track he outlined.

Mr. JONES of Oklahoma. Mr. Speaker, if the gentleman will allow me to reply, it would to this extent, because the fiscal year 1981 third budget resolution has to go through the Budget Committee, and that resolution is based to a great extent on the rescissions. How much we have to add to the budget will depend on how much we subtract in terms of rescissions.

Mr. WALKER. Mr. Speaker, if the gentleman will yield further, I would say to the gentleman that the administration has taken that into consideration in the budget revisions that they are representing to the Congress. They have based that on the 1982 fiscal year, and it would seem to me that the gentleman does have, and his committee does have before it, a document from which they can work in terms of overall budget categories.

If they have questions of the administration, I think it would be legitimate to raise questions with the administration about how we implement programs of block grants or how we set the legislative proposals, but I would, in addition say to the gentleman that I have to read his remarks and those of the gentleman from Arkansas yesterday in light of the great number of objections that are coming from the gentleman's side of the aisle. To accuse this side of the aisle of making partisan a lot of remarks about that timetable certainly fits in with the remarks that have been given here in 1-minute speeches for the last several days in which there are indications that a majority of the Members from the gentleman's side of the aisle do not want this administration to proceed on the fast track schedule and in fact are opposed to a great many of the proposals that are being put forth.

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Mr. JONES of Oklahoma. I am telling the gentleman two points, the gentleman from Pennsylvania. I would hope that when he refers to the gentleman from Oklahoma, that he would not tie my thinking or my speeches into any other speech that any other Member of this body makes on either side of the aisle, and I would extend the same courtesy to him.

I would not associate the gentleman from Pennsylvania with all the speeches, the 1-minute speech varieties that I hear on the other side of the aisle, and I am not sure the gentleman would want to be.

Mr. WALKER. If the gentleman will yield further, I certainly agree with him. I was not tying his position directly to that. I am saying that the partnership is not one sided on this matter, that certainly there have been partisan expressions from his side of the aisle with regard to this budget and to many items in the budget.

I believe the gentleman is sincere about going about a fast track.

I was disappointed to be sitting in my office and listening to the gentleman indicate that you know he was disturbed at the administration not being forthcoming. I think there is information to work from. If not all the information is there, I would hope the administration is going to be forthcoming with that information. I would like to see that fast track adhered to.

Mr. JONES of Oklahoma. That is precisely what the gentleman from Oklahoma and the Budget Committee intends to do.

The second point I was about to make. I am certain the gentleman from Pennsylvania does not want to mislead in his statements as to where the problems are. I think we must take partisanship out of this process and it is precisely what the gentleman from Oklahoma has been putting in 18 and 19 hours a day attempting to do.

All I am saying is it does not serve this bipartisan effort well to lead the public to believe that the entire program is before Congress ready to be acted on, because that statement cannot be supported even by members of the administration.

So all we are trying to do is lay before the public what the true facts are. Most of the budget is before us, and we are working on it and we are going to adhere to a fast track.

But if we do not have the specifics of a farm bill, if we do not have the specifics of a rescission, if we do not have the specifics of a nutrition program changes, if we do not have the details on how you convert 35 categorical programs into 2 block grants programs with the distribution formula, who gets the distribution, how it is to be distributed then the Congress itself cannot act on the program.

I think we have a responsibility to lay out exactly where we are in this budget process. I think we have a responsibility to demand of the administration and demand of Congress candor and as much bipartisan approach as possible so that we can put together a realistic budget that we can be proud of and that will hold up to the test of time.

The one thing I do not want is to accept a bunch of phony figures from any source either in Congress or the administration and to have to come back here next year and raise that budget and tell the American people that we are no more honest or no more accurate about our budget than we have been in the past.

The American people want to break with the past. They want honest budgets. They want some change in fiscal policy. I think it is going to take all of us working together. It does not do well to say that we have it all before us and all we are waiting on that we ought to act on it right quick. That is the point I am trying to get across.

I hope the gentleman from Pennsylvania did not intend that, but that was the way I read it.

Mr. WALKER. I certainly did not intend at any point to indicate that we are not willing to cooperate with the gentleman in those kinds of efforts. However, it does seem to me that there is some question in my mind as to how fast some of the authorizing committees are willing to proceed on some of that very legislation the gentleman refers to.

The administration does have a duty to get its proposals up here, but of course until we can be absolutely certain they fit into the budgetary process, we are going to be dependent upon the authorizing committees to take their actions relevant to those proposals.

I would certainly hope we are not going to delay the budget process until the authorizing committees have taken the actions that they would have to for instance on converting to block grants.

Mr. JONES of Oklahoma. The point is as the gentleman well knows, you cannot write a reconciliation bill unless you have specific language to specifically amend present statutory language. Theoretically, the administration will want to give their recommendations in details as to specifically how to amend the statutes.

And the point is, as long as I am chairman of this committee, we are going to point out where deficiencies are, where problems are, because I am committed and I think the Budget Committee is committed on both sides of the aisle to make this budget process work.

What I hope we can put beside us today, put in the background is the bipartisan bickering and snipping and feet dragging for some vague reason. I hope when we have a delay that we will be able to point to a specific reason for the delay and to put pressure on eliminating that delay so that this timetable can be adhered to.

Mr. WALKER. If the gentleman will yield further, I would certainly commend him for those remarks. I would certainly like to agree with the spirit of that and remind the gentleman

that my speech was not made initially that the partisanship began on his side of the aisle and I was reacting to a speech from his side of the aisle, so I hope his side of the aisle will agree with that spirit across the board as well.

I thank the gentleman.

Mr. JONES of Oklahoma. I thank the gentleman. I can assure him that my speech at the time or in reading it since the time has no flavor of partisanship and no intent of partisanship.

THE U.S. FLAGSHIP FAIR COMPETITION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, last summer, President Reagan stated that—

Our maritime industry is at a critical stage. Ninety-five percent of our trade moves in foreign vessels—a serious situation. Our active U.S.-flag fleet has declined to 533 ships—about one-third of the total lost by our country during World War II. As the world's leading trading nation, as an island of have-nots in the area of strategic commodities, and as the chief guarantor of freedom of the Western World, the United States is in dire need of a rational, reasonable and effective maritime policy.

This was not merely campaign rhetoric. The decline in U.S. shipbuilding capacity, and in U.S. flagships, has cost thousands of U.S. jobs as well as the security—both military and economic—that a sound merchant marine insures. That is why I am joining with my colleagues today to introduce the U.S. Flagship Fair Competition Act. Our bill would strengthen the American merchant marine by reducing the current 14½-year depreciation rate for U.S. ships and shipbuilding facilities to an immediate 5-year writeoff. This package has both labor and industry support, and was developed over the past 6 months with the help of a broad coalition of labor, community, research and industry groups.

A new strategy for revitalizing our declining maritime industry must be an essential part of a strategy for restoring full employment. Most of our major cities are port cities—they grew up as maritime towns. The shipbuilding industry proved a major technical training facility for youth and minorities in a host of related industries. Now, with the decline of our port areas comes a devastating decline in job opportunities and hope for the future. Over one-half of the members of the International Longshoremen's Association in Buffalo today are either unemployed or only working part time—and that part time work is not maritime related. The ILA in New York State has not accepted any new members into their union since 1962, which means that no new longshoreman jobs have been created in New York for 18 years.

A strong merchant marine is also crucial to our role as the world's leading producer. As President Reagan has said, "The world trades by sea," and the United States is the world's largest trading nation. We are heavily dependent on ships to bring in foreign goods, petroleum, and raw materials for our industries, and we need ships to carry our manufactured products, agricultural products and raw material exports to the world's markets.

Three decades ago the United States was the most powerful maritime nation in the history of the world. Our U.S. Navy was over 1,000 ships strong. Today, the Navy is down to less than 500 ships, many overaged. As for commercial shipping, the 500-odd oceangoing vessels flying our flag today currently carry less than 5 percent of our own commerce, while 95 percent of U.S. trade is carried by ships of other countries, whose availability in time of crisis is uncertain at best.

Our maritime industry plays an integral role in our overall foreign policy. Four years of increasing Soviet belligerence has been encouraged by our inability to project our military and economic strength in any coordinated manner. Today the Soviet Union—primarily a land power—can claim the world's largest navy. The Soviet Union has more oceangoing surface warships than the U.S. Navy, and they are building new ships at a faster rate than we are. Commercially, the Soviet Union has emerged as a rapidly expanding maritime power. Since 1950, the Russian merchant fleet has increased from 400 ships with under 2 million tons of capacity to over 2,500 ships totaling almost 20 million tons. This fleet carries over 65 percent of Soviet foreign commerce and, through freight rate manipulation, an increasing share of the commerce of the free world.

Though many factors have contributed to this dangerous decline in our maritime industry, U.S. Federal tax policy certainly played a major role. The governments of most maritime nations provide substantial incentives for shipping, and one of the most effective forms of assistance they receive is rapidly accelerated depreciation. Great Britain allows a 1-year writeoff, Sweden allows a 5-year writeoff, and Germany allows its shipbuilders to write off almost half in the first year alone. In addition, most shipping nations allow the writeoff to commence as soon as construction begins. Soviet shipping lines are heavily subsidized to the extent that the capital cost of vessels in the fleet, replacement provisions, and their depreciation expense are not imposed on Soviet carriers.

Now, I am certain that U.S. shipping is more than up to the foreign shipping challenge. But our merchant marine needs to be allowed to compete fairly, on the same terms.

As a first step in our program of recovery for the U.S. shipping industry, we are today introducing the U.S. Flagship Fair Competition Act, which will put our maritime industry on more equal footing with its foreign competitors. The bill would provide an even more effective incentive for shipping than the administration's tax program due to four key provisions.

(1) TIME OF DEDUCTION

The depreciation process for vessels and shipyards would begin as soon as ship construction begins; under 10-5-3, depreciation would be delayed until the ship entered service. Since shipbuilding is a lengthy process, and many other countries allow such immediate writeoffs, this bill would do more than 10-5-3 to put U.S. shipping on equal footing with other countries.

(2) TRANSITION RULE

The change to a 5-year depreciation schedule for shipping would begin immediately in 1981; under 10-5-3, a phase-in would delay the change until 1985. In addition, the Fair Competition Act would allow the new 5-year writeoff to be used on existing vessels for the balance of their depreciable lives. Unlike most tax situations, this will not result in a big revenue loss to the Treasury. This transitional rule is extremely important to U.S.-flag shipping, as there is an urgent need for our country's fleet to change over to energy efficient diesel-powered ships as soon as possible due to the huge increases in fuel cost. The Fair Competition Act will enable them to write down existing ships in order to form the capital needed to make this costly change.

(3) FLEXIBILITY OF APPLICATION

Since shipping is a highly cyclical business, the Fair Competition Act would allow U.S. shipbuilders to delay the depreciation over a longer schedule if preferred; under 10-5-3, no such provision exists.

(4) RECAPTURE PROVISION

The Fair Competition Act provides an incentive to maintain the U.S. registry of ships treated by the new depreciation schedules by imposing a significant tax on any transfer of the vessel to a foreign registry; 10-5-3 has no such provision.

If the United States is to survive as a viable and progressive Nation, we must develop and undertake a maritime policy that will both demonstrate our understanding of the importance of the seas to America's future and reestablish the U.S.-flag commercial fleet as an effective economic instrument capable of supporting U.S. interests abroad. A strong merchant marine is essential for world security, for our domestic economy, and for the future of thousands of American workers nationwide. The U.S. Flagship Fair Competition Act would take us a long way toward creating that kind of strong and sound maritime industry. A copy of this legislation follows:

H.R. 3456

A bill to amend the Internal Revenue Code of 1954 to provide that, in the case of certain vessels documented under the laws of the United States, the deduction for depreciation may be computed using a useful life of 5 years, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 167 of the Internal Revenue Code of 1954 (relating to deduction for depreciation) is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

"(r) ALTERNATIVE DEPRECIATION FOR VESSELS AND VESSEL CONSTRUCTION FACILITIES.

"(1) GENERAL RULE.—Under regulations prescribed by the Secretary, the taxpayer may elect to compute the depreciation provided by subsection (a) attributable to eligible vessels and vessel construction facilities by using a useful life of five years and by using a method allowed by subsection (b).

"(2) TIME OF DEDUCTION.—An amount paid by the taxpayer with respect to an eligible vessel or facility will be subject to the allowance under paragraph (1) in the taxable year paid by the taxpayer without regard to the date the eligible vessel or facility is placed in service.

"(3) CARRYOVER OF ALLOWANCE.—In any year the taxpayer does not claim the entire amount of the depreciation allowed under paragraph (1), the unclaimed amount may be carried forward and claimed in any subsequent year in addition to the allowance claimed in that year pursuant to paragraph (1). The deduction for any taxable year may be increased or decreased at any time before the expiration of the period prescribed for making a claim for refund of the tax imposed by this chapter for such taxable year.

"(4) TRANSITIONAL RULE.—In the case of any eligible vessel, but not including vessel construction facilities, for which an allowance for depreciation under subsection (a) has been claimed for a prior taxable year, the balance in the capital account not yet claimed under subsection (a) may be treated by the taxpayer as property subject to the allowance of this subsection if the taxpayer so elects, in accordance with regulations prescribed by the Secretary.

"(5) RECAPTURE PROVISION.—If, in any taxable year, any eligible vessel with respect to which deductions were made under this subsection is documented or registered under the laws of a nation other than the United States, then the taxpayer must include in his gross income for the taxable year, an amount equal to the excess of the accelerated depreciation claimed under this subsection over the depreciation that would have been allowed on a straight line basis over the actual life of the vessel.

"(6) DEFINITIONS.—For the purposes of this subsection—

"(A) ELIGIBLE VESSEL.—The term 'eligible vessel' means a vessel documented, or to be documented, under the laws of the United States that is operated in the foreign, international, or domestic commerce of the United States.

"(B) VESSEL.—The term 'vessel' means a vessel and any cargo handling equipment affixed to the vessel and a container complement not exceeding three times the vessel's capacity.

"(C) VESSEL CONSTRUCTION FACILITIES.—The term 'vessel construction facility' means an item of real or personal property, excluding land, that is utilized in the construction, modification, or maintenance process of eligible vessels and that was placed in service after the effective date of this subsection.

"(7) EFFECTIVE DATE.—The provisions of this subsection shall apply to taxable years ending after the date of enactment of this subsection."

CREDIT CARDS: CHECK THE ALTERNATIVES!

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the days of using credit cards indiscriminately are gone. With over 600 million credit cards in use the effect on consumers is staggering.

To make matters worse, the credit card industry is in the midst of change resulting in chaos for the consumer. People are now being asked to pay fees for a service that used to be free. Even higher interest rates and fees are on the way.

Banking institutions everywhere are once again changing the rules on consumers. The people using these cards must be told that they do have other options.

The people hurt worst are those who use cards for necessary purchases. They accept these new terms only because they believe there is no alternative. Many of these people believe there is only one VISA or MasterCard even though this is not the case. These cards are issued by each financial institution and the cost to the consumer varies.

It is for this reason that I ask all consumers to protect themselves by shopping around and exercising good judgment in making decisions on credit choices. There are alternatives and consumers must educate themselves before committing to costly credit card arrangements.

In New York City, for instance, the situation is being called a credit card war. The battle lines are drawn between banks charging an annual fee on their MasterCard and VISA credit cards and those who are not charging a fee. In addition, the various banks issuing these cards do not charge the same interest rates. This same situation exists throughout the entire country.

Consumers must be wary. The variable costs involved demand that consumers must seek out those banks offering the best prices on credit card services.

In the past I have urged consumers to fight increased credit card costs by boycotting credit card purchases. I continue to believe the best way for consumers to fight increased costs is to stop using the cards. While encouraging cash purchases instead of credit card purchases, I am enough of a realist to know that in many cases credit cards are a necessity.

As the incomes of all Americans suffer in the grip of inflation, people must be aware of how they are spending their money. Consumers do have the ability to protect themselves by shopping around. There is no reason to pay unnecessary charges for credit card services.●

OVERSIGHT HEARINGS ON THE IMMIGRATION AND NATURALIZATION SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. MAZZOLI) is recognized for 5 minutes.

● Mr. MAZZOLI. Mr. Speaker, I wish to announce that the Subcommittee on Immigration, Refugees, and International Law, of the House Judiciary Committee will hold 2 days of public hearings to review the fiscal year 1982 authorization submission for the Immigration and Naturalization Service. These hearings will be held on March 17 and 18, 1981, in room 2237, Rayburn House Office Building, and will commence each day at 9 a.m.

In addition to considering the fiscal year 1982 budget for the Immigration and Naturalization Service, the hearings will also explore management problems confronting that agency and particular emphasis will be placed on the funding requests for the border patrol and for INS inspectors and investigators.

Representatives from the central office and regional offices of the Immigration and Naturalization Service are scheduled to testify at the hearings, as well as John Kratzke, from the President's Management Improvement Council, who has just completed a comprehensive, independent management analysis of INS, as mandated by Public Law 96-132. Testimony will also be received from officials of the airline industry, international airports, and the American Federation of Government Employees.●

EFFECTIVE DATE FOR DEPRECIATION REFORM PROVISIONS OF TAX BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI), is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, I want to take this opportunity to bring to the attention of my colleagues the following statement which was issued today by the chairman and the ranking minority members of the

Committee on Ways and Means and the Committee on Finance regarding the effective date of any depreciation reform provisions which may be included in the tax reduction legislation currently under consideration:

JOINT STATEMENT ON THE EFFECTIVE DATE OF ANY CHANGES RELATING TO DEPRECIATION

The following is a joint statement made by Chairman Dan Rostenkowski (D., Illinois), House Committee on Ways and Means and Ranking Republican Member Barber B. Conable, Jr., (R., New York), Chairman Bob Dole (R., Kansas), Senate Committee on Finance and Ranking Democratic Member Russell B. Long (D., Louisiana), with respect to the effective date of any depreciation reform that may be included in the tax cut bill:

There has been increasing concern that businesses may delay going forward with their investment plans until Congressional action on a tax bill is completed. The Chairman and the ranking minority members of both tax writing committees believe it is important to state their intent to support making any changes relating to depreciation reform effective no later than today, March 11, 1981. This announcement is not intended to rule out an earlier effective date, such as January 1, 1981. The precise effective date will be decided during the legislative consideration of the tax cut bill.

DAN ROSTENKOWSKI,
Chairman,
Committee on Ways and Means.
BARBER B. CONABLE, JR.,
Ranking Minority Member,
Committee on Ways and Means.
BOB DOLE,
Chairman,
Committee on Finance.
RUSSELL B. LONG,
Ranking Minority Member,
Committee on Finance.●

FEDERAL WORKER PORTRAIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, we all carry in our minds stereotypes of groups in our society. They often little resemble reality.

Take the workers in the Federal civilian work force. It is probably true that this very title conjures up in the American mind an image of paper shufflers wearing green eye shades at their desks in obscure Washington offices. It is probably true as well that these nondescript figures are regarded as overpaid, underworked and that they multiply geometrically.

Sadly, this picture is terribly distorted. It squares not at all with the way things really are.

The people who are lumped together, sometimes derisively, as Government workers are doctors, lawyers, electricians, brickmasons, accountants, shipbuilders, deep sea divers, oceanographers, scientists, typists, mechanics, secretaries, architects, librarians, teachers, mailmen, and so forth.

In short, they are the people who live next door. The only difference is that they do not work for General Motors, United States Steel, Prudential Life Insurance, the local supermarket or the neighborhood automobile dealership. On the average they earn about $20,000 a year, which closely parallels the median family income in the United States. They raise about the same number of children as other Americans, have home mortgages and automobile payments and other expenses like the family down the block.

At last count there were 2,907,259 men and women working full time for the Federal Government, not including the military.

And to put to rest the notion that these are mostly bureaucrats in musty Washington offices, consider this:

Only 7.64 percent of all Federal employees work in the District of Columbia. Actually there are more Federal workers in the State of California than any place else in America—nearly 300,000 of them for a total of 10.65 percent of the total Federal workforce. Michigan has 53,350; New York 166,194; Texas 148,022; Illinois 101,687; Ohio 89,444; Georgia 75,941; Alabama 59,857; Pennsylvania 128,018.

It is disheartening to hear, as we do these days, blanket condemnations of Federal Government workers. All too frequently they are the brunt of jokes as they are portrayed as freeloaders at the public trough. Nothing could be farther from the truth.

The truth is that if we did not have Federal workers spread across the face of this land we would have to invent them.

They build and repair our Navy's ships. They deliver our mail. They guide our commercial airliners in and out of crowded airways. Every day they are developing new treatment and cures for disease. They make sure that the food we eat is safe. They make possible the flow of commerce. Without them our kind of society could not survive.

The farmers in America would find their lives a good deal more difficult without county agricultural agents who test their soils, recommend rotation practices and perform countless other services. Of the 93,843 employees in the Department of Agriculture, very few are necessary paper shufflers in Washington. Mostly they work near the farm lands in occupations ranging from soil conservationists to veterinarians. For the record, there are 3,200 people working for the Federal Government in the field of veterinary medical science. Among other things, they guarantee that our food supplies are not contaminated by disease.

The next time you are tempted to think of these public servants as pencil pushers, remember that mathematicians and physicists employed by the Federal Government launch our space vehicles. There are 9,834 persons employed in the physical sciences. Remember, too that it is the investigators at the FBI and lawyers at the Justice Department—in cities across America—who protect our laws and prosecute those who violate them. This is a nation of laws populated by more than 200 million citizens. The figure of 20,882 persons working in legal and kindred employment hardly sounds unreasonable.

It is true that the largest single concentration of white-collar workers is in Washington. But this is hardly surprising since Washington houses the headquarters for most departments and agencies.

We hear a lot about waste and inefficiency in the Federal Government. Of course there is some. It would indeed be surprising if there were not. We will find some waste and inefficiency in the best managed American corporations. It is unavoidable in any undertaking—from the lowest household to the largest corporation. The difference is that Government is always under close scrutiny because it spends the public's money. Reporters do not look for waste at General Motors, United States Steel, IBM, or Texas Instrument, even though the public pays for waste and inefficiency in the business and industrial community through higher prices.

Government does have a special obligation to insure that the people's money is spent wisely. Waste and fraud should be pursued diligently. Where it is found it should be cut out. But this should be done surgically, not with a meat ax. In trimming the fat we must take care not to mutilate the steak.

It has taken two centuries to build the machine that is our Federal work force. The vast majority of workers are in their jobs because there is indispensable work to be done to keep the Nation operating. There is no question that unneeded jobs should be eliminated, that unnecessary workers be let go and procedures streamlined wherever possible. But we should avoid a helter-skelter approach that threatens, in the name of economy, the vital work that must be done.

When we set out to eliminate jobs, we must know precisely what we are doing. Before we act we must have a good idea of the consequences. Do we have too many food inspectors, too many customs officials, too many social security clerks, too many doctors at the National Institutes of Health, too many county agricultural agents, or too many air traffic controllers?

Just these few examples provide an insight into the importance of Federal workers to our daily living. Without them we could not travel safely. We could not trust the very food we eat. So many of the services on which we depend would not be there without the Federal worker.

We have become a very complex society. It requires considerable expertise to keep it operating. There are those of us old enough to remember the Model-T Ford. Pop and the boys could usually keep it running with a few inexpensive parts that were relatively easy to install. Anyone who has looked under the hood of an automobile today understands that keeping it on the road is no job for the average backyard mechanic. And what has happened to the automobile is really a microcosm of what has happened to our society.

This means a lot of people. But consider this: The total number of full-time Federal workers has remained virtually unchanged since 1967 and the ratio per 1,000 population has declined from 16.3 to 12.4 since 1952.●

PAPERWORK AWARENESS ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, day after day, Members of Congress, business persons, educators, labor leaders, and administrators at every level of our society speak out against the proliferation of paperwork and the burdensome requirements placed on them by the Federal Government. This problem has been addressed by endless pieces of legislation, numerous Executive orders, and thousands of campaign promises. Yet the problem continues to increase. With our industries, hospitals, schools, and city halls burdened by paperwork and individual citizens crying out for relief, I feel the day of reckoning has come. It is time for Members of Congress to face up to the fact that reducing these burdens must begin during the legislative process. We must address these matters as part of our deliberating process before casting our yeas and nays. For this reason, I am introducing today the Paperwork Awareness Act of 1981.

This bill would require committee reports on proposed legislation to contain statements of the reporting and recordkeeping requirements which will be imposed on individuals, private industry, and State and local governments as a result of the enactment of such proposed legislation. It is important to note that this legislation is not meant to be a discussion of the pros or cons of the legislation but rather to serve as a useful tool for identifying the impact of that legislation. Members of Congress have a critical need for this information regarding the burdens a particular bill would impose on society at the time the proposal is actually considered.

Although I have personally sponsored and joined my colleagues in sponsoring many different pieces of legislation that work toward the elimination or reduction of existing paperwork requirements, I have often wondered why these matters were not considered at the time the legislation was adopted by the Congress. The fact of the matter is: Congress is often blinded by the merits and good intentions of a proposal and fails to look at the consequences of the legislation at the time of passage. Mr. Speaker, I contend that if Members of Congress knew a particular bill would require pages of regulations to administer and mountains of paperwork to comply, at significant cost to the private and public sector, they may have defeated the legislation or considered a better alternative to accomplish the same legislative objective.

The need for this legislation can easily be understood when one considers the burden placed upon individuals, businesses, industries, organizations, associations, and State and local governments. The Federal Paperwork Commission estimated several years ago that the cost of Federal paperwork requirements amounted to over $100 billion a year. Two years ago, the Office of Management and Budget estimated that the public devoted 786 million hours—nearly 33 million days—to filling out Federal forms. When will this runaway burden be brought under control? When will we, as Members of Congress, be able to address our constituents back home and responsibly inform them that the paperwork requirements were carefully considered before we cast our vote on a legislative matter?

It is simply not enough that we address the reduction of paperwork. We must also address the creation of paperwork. Just as a responsible physician has an obligation to treat the cause of a disease as well as the symptoms, this act would give Members of Congress the needed information to address the disease. To this end, my bill would require all congressional committees to include in their legislative reports on a specific bill a statement which estimates the extent and cost of Federal paperwork which would be generated by enactment of the reported bill. It would also estimate the complexity of the forms which would be necessary for compliance, and the potential cost in time and money which would result from bookkeeping under the new statute. These changes would force the Congress to consider the potential paperwork impact of proposed legislation at the time it is debating the merits of such a bill. And, in turn, it would hopefully serve to prevent the proliferation of unnecessary redtape by creating a greater awareness within the Congress of the paperwork problem.

I urge you to join with me in the fight against paperwork. It is critical that as decisionmakers we have all the information concerning a legislative matter before casting our vote. The Paperwork Awareness Act of 1981 will do just that. A text of the bill follows:

H.R. 2440

A bill to require committee reports on proposed legislation to contain statements of the reporting and recordkeeping requirements which will be imposed on individuals, private industry, and State and local governments as a result of the enactment of such proposed legislation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) part 5 of title II of the Legislative Reorganization Act of 1970 is amended by adding at the end thereof the following new section:

"NEW PUBLIC REPORTS AND RECORDS REQUIRED BY PROPOSED LEGISLATION

"SEC. 254. (a) The report accompanying each bill or joint resolution of a public character reported by any committee of the House of Representatives (other than the Committee on Appropriations) shall contain a statement estimating—

"(1) the number of reports which would be required to be made, and records which would be required to be kept, by individuals, organizations, associations, private business enterprises, and State and local governments, as a result of the enactment of such bill or joint resolution,

"(2) the complexity of the forms which would be required in making such reports and keeping such records, and

"(3) the cost and time which would be required in making such reports and keeping such records.

"(b) It shall not be in order in the House of Representatives to consider any such bill or joint resolution if such bill or joint resolution was reported in the House, as the case may be, after the effective date of this section and the report of that committee of House which reported such bill or joint resolution does not comply with the provisions of subsection (a) of this section."

(b) The table of contents of the Legislative Reorganization Act of 1970 is amended by adding at the end of part 5 of title II thereof the following new item:

"Sec. 254. New public reports and records required by proposed legislation."

SEC. 2. The first section of this Act is enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives, and as such it shall be considered as part of the rules of the House, respectively; and such rule shall supersede other rules only to the extent inconsistent therewith; and

(2) with full recognition of the constitutional right of the House to change such rules (so far as relating to the procedure in the House) at any time, in the same manner, and to the same extent as in the case of any other rule of the House.●

TRAGEDY IN ATLANTA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Puerto Rico (Mr. CORRADA), is recognized for 5 minutes.

● Mr. CORRADA. Mr. Speaker, it is with a great sense of sadness and out-

79-059 O - 84 - (Vol 127 Pt.3) - 84

rage that I join our colleagues today in expressing our sorrow to the families and friends of the children in Atlanta who have fallen victim to a vicious and sick killer.

We pray that the killer will be caught soon before more innocent lives are lost. For the children of Atlanta, particularly young black boys and their families, the anguish and fear continues, at the expense of their mental and emotional stability. For it is a great tragedy when we, as parents, have to instill fear and mistrust to our children. But this the parents of Atlanta's children must do to insure their safety.

The police in Atlanta theorize that the killer is a person of authority and one who instills confidence from the children. Otherwise, how can so many children have gone with him without so much as a fight?

And unfortunately, the situation which exists in Atlanta is evidence of a climate of violence that surrounds our society. At an age when children should be allowed to be independent and to learn to deal with society as they become adults, we have to teach them to be extra careful and to mistrust adults for fear of danger to them. We are thus creating insecurities in our children; insecurities which will remain with them for the rest of their lives.

The tragedy in Atlanta is, as a result, not only limited to the families and friends of the children that have died, but makes us all the losers by fomenting fear and mistrust amongst ourselves.

I join with all my colleagues in praying for those who have died and are missing and for the prompt arrest of the killer who has created such havoc in so many lives.●

HOW "MODERATE" IS SAUDI ARABIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHUMER), is recognized for 5 minutes.

● Mr. SCHUMER. Mr. Speaker, the Reagan administration is seeking approval to break assurance made in 1978 to both Congress and Israel in its wish to sell our most sophisticated offensive weaponry to Saudi Arabia. The administration is basing its request on its perception of Saudi Arabia as a "moderate" Middle Eastern nation worthy of conciliatory gestures.

Let us, for a minute, take a close look at how moderate the Saudi Arabians really are:

Oil prices: True Saudi willingness to cooperate with the United States is most accurately reflected in Saudi oil policy. However, instead of supporting oil price moderation, Saudi Arabia instigated the rapid escalation of OPEC oil prices after the Iranian revolution, and has continued threats to reduce oil production—a dangerous charge from a nation that exports 25 percent of the world's oil supply. The Saudi Arabians also threatened the Carter administration with oil cutbacks if the President complied with a congressional mandate to resume filling the strategic petroleum reserve, a stance of unwarranted interference with American policy. While Saudi Arabia did to a minor degree moderate its oil prices in 1980, international analysts believe it did so more to assert its own independence within OPEC, rather than aid the American oil consumer.

Camp David: Instead of supporting the first peace agreement to be reached between Israel and Egypt, the Saudis opposed the peacemaking efforts of the United States by leading the Arab League in condemning the treaty and organizing an economic and political boycott of Egypt.

PLO: The Saudi Arabians have redoubled their support of the PLO since the signing of the Camp David accords. Currently, they provide major financial assistance to the PLO and support its terrorist activities against Israel.

Islamic Conference, Taif: As recently as January of 1981, Saudi Arabia led the Moslem states at the Islamic Conference at Taif in calling for a "jihad" or holy war against Israel. At the same conference, Saudi Arabia severely pressured Turkey to sever its relations with Israel. In a revealing moment, Crown Prince Fahd himself participated in an Islamic prayer for the aid of Allah in "cleansing Jerusalem of the Jews."

Military bases: In statements made by the White House and Pentagon officials after the 1978 arms sale, they indicated that the ultimate objective of the sale was to persuade the Saudi Government to give U.S. forces access to military bases in Saudi Arabia. Despite increasing U.S. concern over the role of the Soviets in the Persian Gulf region, the Saudis consistently and adamantly refuse to satisfy this condition.

In view of such a past, another arms sale would not be proof of improved United States-Saudi relations, but would instead be a demonstration of Saudi ability to obtain what it wants from our country without regard for U.S. benefit. At the very least, the Reagan administration should defend its integrity and the integrity of the United States itself by holding the Saudis to its share of the 1978 bargain. The United States has a right to insist, in its own national interest, that Saudi Arabia assume an anti-Soviet leadership role in the Middle East, drop its threats to reduce oil production, support the Camp David agreement, abandon its hostility toward Egypt, cease aiding the PLO, and curb its call for a "jihad" against Israel.

Without the presence of such conditions, I cannot vote to approve the sale, and will attempt to convince my colleagues that the sale is not in our interest, in Israel's interest, nor in the interest of peace. To concede to an extremist government in the Middle East would be to reward aggressiveness and militance, rather than to encourage moderation. We owe more than that to the Middle East peace process, of which we are a guarantor, to Israel, our long-time ally and close friend, and to the American people, in whose best interest we must always serve.●

SUPPORT FOR PRESIDENT

(Mr. MICHEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MICHEL. Mr. Speaker, a number of organizations across the country have expressed their support for President Reagan's economic program, despite the fact that their members, like all Americans, will have to do their part to make the program work.

One of those organizations is the American Meat Institute. I insert at this point in the RECORD, the institute's statement on behalf of the President's program:

The American Meat Institute supports President Reagan's recently announced economic recovery program. The package submitted by the President represents a comprehensive attempt to revitalize the economy by dealing squarely with the economic problems that have long plagued our nation. The President's program is the first serious attempt in decades to reverse the spiraling growth in Federal spending and the growing role of the Federal Government in the private sector.

In particular, the depreciation reform provisions of the President's tax reduction program will do much to increase the productivity of American meat packers and processors by generating new capital for investment.

The American Meat Institute endorses President Reagan's program because we recognize that a vital, economically healthy meat industry is dependent on an American economy rid of double-digit inflation, high interest rates, low productivity and lack of sufficient investment capital. The economic recovery program is an important step in improving the economic outlook for the meat industry and the country.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 22. Joint resolution authorizing the President to proclaim March 16, 1981, as "Freedom of Information Day"; to the Committee on Post Office and Civil Service;

S.J. Res. 28. Joint resolution designating the week beginning March 8, 1981, as "Women's History Week"; to the Committee on Post Office and Civil Service; and

S.J. Res. 38. Joint resolution to provide for designation of March 6, 1981, as "Teacher Day, United States of America"; to the Committee on Post Office and Civil Service.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GINGRICH), to revise and extend their remarks and include extraneous material:)

Mr. CONABLE, for 30 minutes, today.
Mr. KEMP, for 15 minutes, today.
Mrs. HECKLER, for 5 minutes, today.

(The following Members (at the request of Mr. DYSON), to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. WAXMAN, for 5 minutes, today.
Mr. ENGLISH, for 5 minutes, today.
Mr. WILLIAM J. COYNE, for 5 minutes, today.
Mr. MAZZOLI, for 5 minutes, today.
Mr. ROSTENKOWSKI, for 5 minutes, today.
Mr. FORD of Michigan, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GINGRICH) and to include extraneous matter:)

Mr. DORNAN of California.
Mr. MARKS.
Mr. GREEN.
Mr. MICHEL in three instances.
Mr. BEREUTER.
Mr. LENT.
Mr. MCCLORY.
Mr. DERWINSKI in three instances.
Mr. PHILIP M. CRANE.
Mr. WORTLEY.
Mr. KEMP in three instances.
Ms. FIEDLER.
Mr. LEBOUTILLIER.
Mr. LAGOMARSINO in two instances.
Mr. GRISHAM.
Mr. DUNCAN.
Mr. JEFFRIES.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. MINISH.
Mr. MAZZOLI.
Mr. MAVROULES in two instances.
Mr. ROSENTHAL in two instances.
Mr. ASPIN in two instances.
Mr. CORRADA in two instances.
Mr. ROE in two instances.
Mr. PICKLE in 15 instances.
Mr. HAMILTON in two instances.
Mr. GARCIA in two instances.
Mr. BOLAND.
Ms. BOGGS.
Mr. JONES of North Carolina in two instances.
Mr. FOLEY.
Mr. RODINO in two instances.
Mr. YATRON.
Mr. OTTINGER in two instances.
Mr. AUCOIN.
Mr. BRODHEAD.
Mr. FLIPPO.
Mr. FASCELL.
Mr. HOLLAND.
Mr. JONES of Tennessee.
Mr. BENNETT.
Mr. LEHMAN.
Mr. WEISS in five instances.
Mr. HUGHES.
Mr. BEDELL.
Mr. EDGAR.
Mr. SWIFT.

ADJOURNMENT

Mr. ALEXANDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 54 minutes p.m.), the House adjourned until tomorrow, Thursday, March 12, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

758. A letter from the Acting Comptroller General of the United States, transmitting his review of the deferrals and revised deferral of budget authority contained in the message from the President dated February 13, 1981 (H. Doc. No. 97-19), pursuant to section 1014 (b) and (c) of Public Law 93-344 (H. Doc. No. 97-30); to the Committee on Appropriations and ordered to be printed.

759. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of March 1, 1981, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 97-31); to the Committee on Appropriations and ordered to be printed.

760. A letter from the Acting Under Secretary of Defense (Research and Engineering), transmitting detailed information used in preparation of the annual report on independent research and development and bid and proposal costs; to the Committee on Armed Services.

761. A letter from the Acting Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the proposed conversion to contract performance of the laundry and dry cleaning function at Fort Meade, Md., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

762. A letter from the Acting Assistant Secretary of the Army (Installation, Logistics and Financial Management), transmitting notice of the proposed conversion to contractor performance of the laundry and dry cleaning function at Fort Riley, Kans., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

763. A letter from the Assistant Secretary of the Air Force (Research, Development and Logistics); transmitting notice of the proposed conversion to contractor performance of the family housing maintenance function at Moody Air Force Base, Ga., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

764. A letter from the Acting Secretary of the Treasury endorsing two drafts of proposed legislation submitted by the previous administration (Executive Communication No. 310); to the Committee on Banking, Finance and Urban Affairs.

765. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the Corporation's first report on its administration of the Change in Bank Control Act of 1978, pursuant to section 7(j)(14) of the Federal Deposit Insurance Act; to the Committee on Banking, Finance and Urban Affairs.

766. A letter from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to repeal the first section of the act entitled "An Act to amend the Railroad Retirement Act of 1974 to extend certain cost-of-living increases"; to the Committee on Energy and Commerce.

767. A letter from the General Counsel, Civil Aeronautics Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

768. A letter from the Chairman, National Transportation Safety Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

769. A letter from the Deputy Assistant Secretary of Housing and Urban Development for Administration transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

770. A letter from the Acting Comptroller General of the United States, transmitting a report and recommendation on the claim of S. Sgt. Anne M. Fisher, USAR, pursuant to the act of April 10, 1928; to the Committee on the Judiciary.

771. A letter from the Acting Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed reprograming of funds to develop Centaur upper-stage capability for the Space Shuttle, pursuant to section 4(3) of Public Law 96-316; to the Committee on Science and Technology.

772. A letter from the Chairman, Railroad Retirement Board, transmitting notice that the administration has endorsed two drafts of proposed legislation previously submitted by his office (Executive Communications Nos. 356 and 321); jointly, to the Committees on Energy and Commerce, and Ways and Means.

773. A letter from the Comptroller General of the United States, transmitting a report on the need to improve the planning methodology by the Veterans' Administration to reduce the construction costs of operating rooms (HRD-81-54, Mar. 3, 1981); jointly, to the Committees on Operations, and Veterans' Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolu-

tions were introduced and severally referred as follows:

By Mr. ALBOSTA (for himself, Mr. BROOMHEAD, and Mr. VANDER JAGT):

H.R. 2436. A bill to extend duty-free treatment to imports of chipper knife steel; to the Committee on Ways and Means.

By Mr. ANDREWS:

H.R. 2437. A bill to amend the Domestic Volunteer Service Act of 1973 to extend the authorization of appropriations for the national older Americans volunteer programs; to the Committee on Education and Labor.

By Mr. BARNARD:

H.R. 2438. A bill to reduce regulatory barriers to trade financing by private institutions; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BARNES:

H.R. 2439. A bill to amend the Export Administration Act of 1979 to restrict the export of goods which have been found to be hazardous to the public health; to the Committee on Foreign Affairs.

By Mr. BEDELL:

H.R. 2440. A bill to require committee reports on proposed legislation to contain statements of the reporting and recordkeeping requirements which will be imposed on individuals, private industry, and State and local governments as a result of the enactment of such proposed legislation; to the Committee on Rules.

By Mr. BIAGGI:

H.R. 2441. A bill to prohibit Federal assistance to rental housing projects for the elderly and handicapped if such projects do not allow tenants to have pets; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CAMPBELL:

H.R. 2442. A bill to amend section 404(a) of title 39, United States Code, to expressly permit the Postal Service to raise revenue by accepting advertising (other than political advertising) for display at any facilities, or on any equipment or other property, of the Postal Service; to the Committee on Post Office and Civil Service.

By Mr. COELHO:

H.R. 2443. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. COLLINS of Texas:

H.R. 2444. A bill to amend the Securities Exchange Act of 1934 to establish margin requirements of 50 percent for extensions of credit for the purchase of securities; to the Committee on Energy and Commerce.

By Mr. COUGHLIN (for himself, Mr. BARNARD, Mr. BURGENER, Mr. DAUB, Mr. DOUGHERTY, Mr. FLORIO, Mr. FORSYTHE, Mr. GINGRICH, Mrs. HOLT, Mr. KOGOVSEK, Mr. MURPHY, Mr. PRICE, Mr. STOKES, Mr. WHITEHURST, and Mr. YOUNG of Alaska):

H.R. 2445. A bill to amend the Internal Revenue Code of 1954 to provide a basic $7,500 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 2446. A bill to amend title X of the Public Health Service Act to provide that grants and contracts may not be made under that title to any entity which provides abortion counseling to minors without the knowledge and consent of their parents or guardians, and for other purposes; to the Committee on Energy and Commerce.

H.R. 2447. A bill to prohibit the payment of any Federal funds to or for the benefit of any entity which provides abortion counseling to minors without the consent of their parents or guardians; to the Committee on Energy and Commerce.

By Mr. D'AMOURS (for himself, Mr. PRITCHARD, Mr. JONES of North Carolina, and Mr. SNYDER) (by request):

H.R. 2448. A bill to authorize appropriations to carry out the National Advisory Committee on Oceans and Atmosphere Act of 1977 during fiscal years 1982, 1983, and 1984, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. D'AMOURS (for himself and Mr. JONES of North Carolina):

H.R. 2449. A bill to amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to authorize appropriations for such title for fiscal years 1982, 1983, and 1984, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FAUNTROY:

H.R. 2450. A bill to amend the Bank Holding Company Act of 1956 to limit the property, casualty, and life insurance activities of bank holding companies and their subsidiaries and to prohibit discrimination in the sale of insurance; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. HANCE (for himself, Mr. LOEFFLER, Mr. WRIGHT, Mr. MICHEL, Mr. ALBOSTA, Mr. ALEXANDER, Mr. ANDREWS, Mr. ANTHONY, Mr. ASHBROOK, Mr. ATKINSON, Mr. BADHAM, Mr. BAILEY of Pennsylvania, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BEARD, Mr. BENEDICT, Mr. BEREUTER, Mr. BETHUNE, Mrs. BOGGS, Mrs. BOUQUARD, Mr. BOWEN, Mr. BREAUX, Mr. BROOKS, Mr. BROOMFIELD, Mr. BROWN of Colorado, Mr. BROYHILL, Mr. BURGENER, Mr. CAMPBELL, Mr. CARMAN, Mr. CHAPPELL, Mr. CHAPPIE, Mr. CHENEY, Mr. CLAUSEN, Mr. CLINGER, Mr. COELHO, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. COUGHLIN, Mr. COURTER, Mr. CRAIG, Mr. DANIEL B. CRANE, Mr. PHILIP M. CRANE, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, Mr. DAUB, Mr. DAVIS, Mr. DE LA GARZA, Mr. DECKARD, Mr. DERWINSKI, Mr. DICKINSON, Mr. DORNAN of California, Mr. DREIER, Mr. DUNCAN, Mr. DUNN, Mr. EDWARDS of Alabama, Mr. EDWARDS of Oklahoma, Mr. EMERSON, Mr. EMERY, Mr. ENGLISH, Mr. ERDAHL, Mr. ERLENBORN, Mr. EVANS of Georgia, Mr. FAZIO, Mr. FIELDS, Mr. FINDLEY, Mr. FISH, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. GINGRICH, Mr. GOLDWATER, Mr. GOODLING, Mr. GRAMM, Mr. GRISHAM, Mr. GUYER, Mr. RALPH M. HALL, Mr. SAM B. HALL, JR., Mr. HAMMERSCHMIDT, Mr. HANSEN of Idaho, Mr. HARKIN, Mr. HARTNETT, Mr. HENDON, Mr. HIGHTOWER, Mr. HILER, Mr. HILLIS, Mr. HINSON, Mr. HOLLAND, Mrs. HOLT, Mr. HOPKINS, Mr. HORTON, Mr. HUBBARD, Mr. HUCKABY, Mr. HUTTO, Mr. HYDE, Mr. IRELAND, Mr. JEFFRIES, Mr. JOHNSTON, Mr. JONES of North Carolina, Mr. KAZEN, Mr. KEMP, Mr. KINDNESS, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEATH of Texas, Mr. LEE, Mr. LEWIS, Mr. LIVINGSTON, Mr. LONG of Louisiana, Mr. LOTT, Mr. LOWERY of California, Mr. LUJAN, Mr. LUNGREN, Mr. MCCLORY, Mr. MCCURDY, Mr. MCDONALD, Mr. MCGRATH, Mr. MADIGAN, Mr. MARLENEE, Mr. MARTIN of New York, Mr. MARTIN of North Carolina, Mr. MARTIN of Illinois, Mr. MATTOX, Mr. MILLER of Ohio, Mr. MONTGOMERY, Mr. MOORE, Mr. MOORHEAD, Mr. MYERS, Mr. NAPIER, Mr. NATCHER, Mr. PANETTA, Mr. PASHAYAN, Mr. PATMAN, Mr. PATTERSON, Mr. PAUL, Mr. PICKLE, Mr. PORTER, Mr. PRICE, Mr. PURSELL, Mr. QUILLEN, Mr. RAILSBACK, Mr. RHODES, Mr. RITTER, Mr. ROBERTS of South Dakota, Mr. ROBERTS of Kansas, Mr. ROBINSON, Mr. ROEMER, Mr. ROGERS, Mr. ROUSSELOT, Mr. RUDD, Mr. SAWYER, Mrs. SCHROEDER, Mr. SENSENBRENNER, Mr. SHUMWAY, Mr. SKEEN, Mrs. SMITH of Nebraska, Mr. SPENCE, Mr. STANGELAND, Mr. STATON of West Virginia, Mr. STENHOLM, Mr. STUMP, Mr. SYNAR, Mr. TAUKE, Mr. TAUZIN, Mr. TAYLOR, Mr. THOMAS, Mr. TRIBLE, Mr. VANDER JAGT, Mr. WAMPLER, Mr. WATKINS, Mr. WEBER of Minnesota, Mr. WHITE, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WILLIAMS of Montana, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr. WINN, Mr. WIRTH, and Mr. YOUNG of Alaska):

H.R. 2451. A bill to amend the Internal Revenue Code of 1954 to provide, in lieu of the reduced rates for independent producer oil, an exemption of 1,000 barrels per day from the crude oil windfall profit tax for independent producers and royalty owners; to the Committee on Ways and Means.

By Mr. HANCE (for himself Mr. ANTHONY, Mr. ENGLISH, and Mr. SYNAR):

H.R. 2452. A bill to amend the Internal Revenue Code of 1954 to exempt from the crude oil windfall profit tax oil from stripper well properties; to the Committee on Ways and Means.

By Mr. JENKINS:

H.R. 2453. A bill to amend the Tennessee Valley Authority Act of 1933 to make the enhancement of the economic and social well-being of people residing and owning property in the Tennessee and Mississippi River basin a purpose of that act; to the Committee on Public Works and Transportation.

H.R. 2454. A bill to extend duty-free treatment to certain freight containers; to the Committee on Ways and Means.

By Mr. JONES of Tennessee (for himself and Mr. JEFFORDS):

H.R. 2455. A bill to establish a National Endowment for Soil and Water Conservation, and for other purposes; to the Committee on Agriculture.

By Mr. KEMP (for himself, Mr. BREAUX, Mr. ROUSSELOT, Mr. JONES of North Carolina, Mr. BIAGGI, and Mr. MARTIN of North Carolina):

H.R. 2456. A bill to amend the Internal Revenue Code of 1954 to provide that, in the case of certain vessels documented under the laws of the United States the deduction for depreciation may be computed using a useful life of 5 years, and for other purposes; to the Committee on Ways and Means.

By Mr. LENT:

H.R. 2457. A bill to provide for the protection of the public health for unnecessary exposure to radiation; to the Committee on Energy and Commerce.

By Mr. LOWERY of California (for himself, and Mr. HUNTER):

H.R. 2458. A bill to amend title 10, United States Code, to eliminate the requirement that students in Junior Reserve Officer Training Corps units be citizens or nationals of the United States; to the Committee on Armed Services.

By Mr. MCCLORY:

H.R. 2459. A bill to establish a Commission on the International Application of Antitrust Laws; to the Committee on the Judiciary.

By Ms. OAKAR:

H.R. 2460. A bill to amend title 5, United States Code, to provide that any Federal employee retiring with accrued sick leave may elect a lump-sum payment for one-third of such days in lieu of having such sick leave included in years of service for computing retirement benefits, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 2461. A bill to amend title 5, United States Code, to provide that any Federal employee's child who is ineligible for survivor annuity, life insurance, or health benefits coverage because of being married may qualify for such coverage if that marriage is terminated by reason of death, annulment, or divorce; to the Committee on Post Office and Civil Service.

H.R. 2462. A bill to amend title 5 of the United States Code to provide paid leave for Federal employees participating in certain athletic activities as official representatives of the United States; to the Committee on Post Office and Civil Service.

H.R. 2463. A bill to amend title 5, United States Code, to provide for voluntary withholding of State income tax for civil service annuitants; to the Committee on Post Office and Civil Service.

H.R. 2464. A bill to amend title 5, United States Code, to allow for survivor annuities for former spouses of Federal employees; to the Committee on Post Office and Civil Service.

H.R. 2465. A bill to amend title 5, United States Code, to allow the continuance of a civil service survivor annuity of a student while the student's education is interrupted because of illness; to the Committee on Post Office and Civil Service.

H.R. 2466. A bill to amend title 5, United States Code, to increase the uniform allowances available to Federal employees; to the Committee on Post Office and Civil Service.

By Mr. OBERSTAR:

H.R. 2467. A bill to restructure the financing of the St. Lawrence Seaway Development Corporation, to amend the Merchant Marine Act, 1936, to provide equitable U.S.-flag service for Great Lakes ports, to amend the Shipping Act, 1916, to provide for the filing of tariffs by certain common carriers, to authorize an environmental study of the Great Lakes, to amend the Great Lakes Pilotage Act of 1960 to limit liability of U.S.-registered pilots, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. OTTINGER:

H.R. 2468. A bill to require that agencies of the U.S. Government eliminate year-end spending practices; to the Committee on Government Operations.

By Mr. RUSSO (for himself, Mr. FAUNTROY, Mr. BONIOR of Michigan, Mr. DOWNEY, and Mr. ZABLOCKI):

H.R. 2469. A bill to amend title 18 of the United States Code with respect to firearms; to the Committee on the Judiciary.

By Mr. RUSSO (for himself, Mr. FAUNTROY, Mr. BONIOR of Michigan, Mr. DOWNEY, Mr. ZABLOCKI, Mr. MURPHY, and Mr. DE LUGO):

H.R. 2470. A bill to amend title 18 of the United States Code to modify the mandatory penalty for certain firearms offenses; to the Committee on the Judiciary.

By Mr. RUSSO:

H.R. 2471. A bill to amend title 18 of the United States Code to provide that the street value of drugs seized in certain cases involving controlled substances violations shall be the presumptive minimum bail; to the Committee on the Judiciary.

By Mr. SHANNON:

H.R. 2472. A bill to amend the Internal Revenue Code of 1954 to increase the charitable contribution deduction allowable for property constructed by the taxpayer and contributed for use for educational purposes or for research or experimentation; to the Committee on Ways and Means.

By Mr. SHANNON (for himself, Mr. HEFTEL, Mr. JENKINS, and Mr. MARTIN of North Carolina):

H.R. 2473. A bill to amend the Internal Revenue Code of 1954 to treat deductions for research and experimental expenses attributable to activities conducted in the United States as allocable to income from sources within the United States; to the Committee on Ways and Means.

By Mr. SHANNON (for himself, Mrs. SCHROEDER, Ms. MIKULSKI, Ms. FERRARO, and Ms. OAKAR):

H.R. 2474. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit to offset the marriage penalty; to the Committee on Ways and Means.

By Mr. SHUMWAY:

H.R. 2475. A bill to withdraw certain lands in Mono County, Calif., from settlement, sale, location, or entry for the purpose of protecting the watershed supplying water to the city of Los Angeles, and to rescind such withdrawal for certain other lands in Mono County, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. SOLOMON:

H.R. 2476. A bill to amend the Internal Revenue Code of 1954 to allow certain low- and middle-income individuals a refundable tax credit for a certain portion of the property taxes paid by them on their principal residences or of the rent they pay for their principal residences; to the Committee on Ways and Means.

By Mr. SWIFT:

H.R. 2477. A bill to designate certain lands in the Mount Baker-Snoqualine National Forest, Wash., for inclusion in the National Wilderness Preservation System; jointly, to the Committees on Interior and Insular Affairs, and Agriculture.

By Mr. TRAXLER:

H.R. 2478. A bill to establish quantitative limitations on the importation of automobiles and to impose restrictions on the domestic sale of automobiles; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. VANDER JAGT:

H.R. 2479. A bill to extend until the close of June 30, 1984, the existing suspension of duties on certain metal waste and scrap, unwrought metal, and for other articles of metal; to the Committee on Ways and Means.

By Mr. WAXMAN (for himself and Mr. GRAMM):

H.R. 2480. A bill to amend the Public Health Service Act to revise and extend the program for health maintenance organizations; to the Committee on Energy and Commerce.

By Ms. FERRARO:

H.J. Res. 203. Joint resolution to designate the week beginning April 19, 1981, as "Cooperative Education Week"; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H.J. Res. 204. Joint resolution proposing an amendment to the Constitution of the United States to repeal the 25th amendment of that Constitution; to the Committee on the Judiciary.

By Mr. ROE:

H.J. Res. 205. Joint resolution designating March 1981 as "American History Month"; to the Committee on Post Office and Civil Service.

H.J. Res. 206. Joint resolution to provide for the designation of the the third week in February of 1982 as "National Patriotism Week" and to provide for the designation of the third Monday in February of 1982 as "National Holiday of Freedom"; to the Committee on Post Office and Civil Service.

By Mr. SOLOMON:

H. Con. Res. 91. Concurrent resolution calling upon the Union of Soviet Socialist Republics and others not to intervene in the domestic affairs of the Polish People's Republic; to the Committee on Foreign Affairs.

By Mr. GONZALEZ:

H. Res. 108. Resolution expressing the sense of the House of Representatives that up to $3 million should be offered by the Attorney General as a reward to solve the murder of Federal District Judge John Wood and the attempted murder of Assistant U.S. Attorney James Kerr; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

19. The SPEAKER presented a memorial of the Legislature of the State of Utah, relative to fair competition in the international marketing of steel; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AKAKA:

H.R. 2481. A bill for the relief of Cynthia Gambon Rabena; to the Committee on the Judiciary.

By Mr. JOHN L. BURTON:

H.R. 2482. A bill for the relief of Concepcion del Carmen Arostegui; to the Committee on the Judiciary.

By Mr. KOGOVSEK:

H.R. 2483. A bill to provide for the reinstatement and validation of U.S. oil and gas lease No. E. S. 20644; to the Committee on Interior and Insular Affairs.

By Mr. TAUKE:

H.R. 2484. A bill for the relief of Raymond W. Quillin and Katherine R. Quillin; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 4: Mr. HYDE, Mr. SAWYER, Mr. ASHBROOK, Mr. MOORHEAD, Mr. LUNGREN, Mr. KINDNESS, Mr. SENSENBRENNER, Mr. FISH,

Mr. BUTLER, Mr. MICHEL, Mr. APPLEGATE, Mr. COURTER, Mr. SOLOMON, and Mr. MARTIN of New York.

H.R. 84: Ms. FERRARO, and Mr. OTTINGER.

H.R. 85: Mr. WEAVER, Mr. LOWRY of Washington, Mr. MITCHELL of Maryland, Mr. LONG of Maryland, Mr. PATTERSON, Mr. DE LUGO, Mr. NEAL, Mr. BARNARD, Mr. MCHUGH, Mr. GRAY, and Mr. BEDELL.

H.R. 181: Mrs. BYRON.

H.R. 637: Mr. LOTT, Mrs. HOLT, Mr. SHUMWAY, Mr. DANNEMEYER, Mr. LAGOMARSINO, Mr. BADHAM, Mr. DORNAN of California, and Mr. FRENZEL.

H.R. 913: Mr. GOLDWATER, Mr. BARNARD, Mr. LOWERY of California, and Mr. GREGG.

H.R. 1003: Mr. MILLER, of Ohio.

H.R. 1339: Mr. LUJAN, Mr. HUTTO, Mr. PETRI, and Mr. DORNAN of California.

H.R. 1340: Mr. LUJAN, Mr. HUTTO, Mr. PETRI, and Mr. DORNAN of California.

H.R. 1378: Mr. TAUKE, Mr. FROST, Mr. JOHNSTON, Mr. PRITCHARD, Mr. WYDEN, Mr. IRELAND, Mr. GREGG, Mr. MINETA, Mr. GRADISON, Mr. HANCE, Mr. BARNARD, Mr. SMITH of New Jersey, and Mr. ROUSSELOT.

H.R. 1444: Mr. MARTIN of New York.

H.R. 1463: Mr. FISH.

H.R. 1604: Mr. OBERSTAR.

H.R. 1640: Mr. STOKES.

H.R. 1765: Mr. WHITE, Mr. BROWN of California, and Mr. LANTOS.

H.R. 1817: Mr. FLORIO, Mr. MOTTL, Mr. ANNUNZIO, Mr. WILSON, Mr. APPLEGATE, Mr. NOWAK, Mr. TRAXLER, Mr. EVANS of Georgia, and Mr. BUTLER.

H.R. 1852: Mr. BROWN of California.

H.R. 1863: Mr. WILLIAMS of Montana and Mr. BAILEY of Pennsylvania.

H.R. 1873: Mr. GUYER and Mr. UDALL.

H.R. 1988: Mr. MCGRATH and Mr. GREEN.

H.R. 2024: Mr. EDGAR.

H.R. 2125: Mr. ATKINSON.

H.R. 2153: Mr. WASHINGTON, Mr. OBERSTAR, Mr. MURPHY, Mr. LUJAN, Mr. ROE, Mr. STOKES, Mr. SIMON, Mr. VENTO, and Mr. MCDONALD.

H.R. 2154: Mr. WASHINGTON, Mr. APPLEGATE, Mr. MURPHY, Mr. LUJAN, Mr. ROE, Mr. STOKES, Mr. SIMON, Mr. VENTO, Mr. MINETA, and Mr. MCDONALD.

H.R. 2317: Mr. OTTINGER, Mr. DORNAN of California, and Mr. NEAL.

H.R. 2326: Mr. EDWARDS of California and Mr. HUGHES.

H.J. Res. 56: Mr. ZEFERETTI, Mr. FIELDS, and Mr. DONNELLY.

H.J. Res. 160: Mr. MURPHY, Mr. WINN, Mr. FAZIO, Mr. RODINO, Mr. DE LA GARZA, Mr. BOWEN, Mr. ROE, Mr. MCDONALD, Mr. BARNARD, Mr. GUYER, Mr. MADIGAN, Mr. BROOMFIELD, Mr. BLANCHARD, Mr. GUARINI, Mr. CARMAN, Mr. DAUB, Mr. NEAL, Mr. SIMON, Mrs. HOLT, Mr. ADDABBO, Mr. PEPPER, and Mr. MONTGOMERY.

H.J. Res. 169: Mr. FOWLER, Mr. MCCOLLUM, Mr. STUMP, Mr. COURTER, and Mr. BADHAM.

H.J. Res. 176: Mr. CHENEY and Mr. RICHMOND.

H. Res. 36: Mr. BROOKS, Mr. GORE, Mr. FROST, and Mr. GUYER.

H. Res. 85: Mr. ADDABBO, Mr. ALBOSTA, Mr. AUCOIN, Mr. BEARD, Mr. BINGHAM, Mr. BLANCHARD, Mr. BROOMFIELD, Mr. COLLINS of Texas, Mr. CONTE, Mr. CORRADA, Mr. JAMES K. COYNE, Mr. DOWNEY, Mr. EDGAR, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAUNTROY, Ms. FIEDLER, Mr. FLORIO, Mr. FOGLIETTA, Mr. FORSYTHE, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. GARCIA, Mr. GOLDWATER, Mr. GORE, Mr. GUARINI, Mr. GUYER, Mr. HERTEL, Mr. HOLLENBECK, Mr. HUGHES, Mr. JEFFORDS, Mr. KEMP, Mr. KILDEE, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEHMAN, Mr. LENT, Mr. LEVITAS, Mr. LOWERY of California, Mr. MCDADE, Mr. MCGRATH, Mr. MARKS, Mr. MURPHY, Mr. PEPPER, Mr. RITTER, Mr. ROSENTHAL, Mr. ROUKEMA, Mr. SCHEUER, Mr. SMITH of New Jersey, Mr. SOLARZ, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEBER of Minnesota, Mr. WEISS, Mr. WILSON, Mr. WIRTH, Mr. WON PAT, Mr. WORTLEY, Mr. YATES, Mr. YOUNG of Missouri, Mr. GREEN, and Mr. FAZIO.

EXTENSIONS OF REMARKS

ALLARD LOWENSTEIN

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. WEISS. Mr. Speaker, 1 year ago on March 14, 1980, Allard Lowenstein was shot to death in New York City. I believe it especially timely to remember the extraordinary efforts of Al Lowenstein, who served in this House from 1969–71, and the principles of social change for which he fought. In commemorating this anniversary, I would like to share with my colleagues the following articles which appeared in the New York Daily News and the New Yorker magazine shortly after his death:

[From the New York Daily News, Mar. 10, 1980]

ANOTHER NIGHT, ANOTHER ROOM . . . AND DEATH

(By Jimmy Breslin)

It was a night from a long time ago, from the 1960s, with empty coffee containers on a table and William Sloane Coffin talking about Martin Luther King and people singing to a guitar and coats thrown everywhere and children sitting on laps, and death.

This was on Friday night in a room on the sixth floor of St. Clare's Hospital. They had Al Lowenstein one floor below. The blood would not remain in the body and he was trying to live on his spirit. As this was so limitless in the life he led, there seemed no reason to assume it would not carry him through the hours of the night.

Peter Yarrow sang "Puff the Magic Dragon" and Steve Smith Jr. held Tommy Lowenstein on his lap. And you thought of a night in another room and Robert Kennedy saying to Jeff Greenfield or Adam Walinsky, "Did you find Al Lowenstein yet?" And the one on the phone saying, "We're trying. He's out on Long Island." And Robert Kennedy nodding and saying, "I can't wait. I'll try him when I get back here. It's important that I speak to him." And then Robert Kennedy walking out of the room and taking the elevator down to the hotel ballroom to be shot. And now here, on Friday night, the connection had carried across the years and it was Al Lowenstein's turn to be shot.

"Your father was shot five times," a doctor said to Frankie Lowenstein, who is 13.

"Five times?" the boy said.

"Five," the doctor said.

Then the doctor said, "The one that was the worst came in from underneath. It went through the diaphragm and the lung and it clipped the edge of the heart. It clipped the muscle. It didn't go in."

"Does that mean there is no interior bleeding, in the chamber?" the boy asked.

The doctor tried to say no.

Steve Smith came into the room. Arcs the color of dark coffee were under his eyes. From too much practice, he went directly to the kids.

"What are you doing here?" he said to Tommy, the 10-year-old.

"Sitting here."

Somebody was telling a story about a dwarf. Smith said to Tommy, "Do you believe that?"

"I don't know," Tommy said.

"I think it's a lie," Smith said.

"I think so too," Tommy said.

"Don't be afraid, tell him he's a liar," Smith said.

William Sloane Coffin sat on the floor. Somebody asked him how he had met Al Lowenstein and Coffin began talking about the day Lowenstein was married. "There was a reception on Beacon Hill before the ceremony and when I arrived, one of Jenny's aunts, one of these Brahmins, said to me, 'I don't know one of the people who are here.' So I said to her. 'Well, see that tall man over there? I'll bet you voted against him at least 24 times. That's Norman Thomas.' And the aunt said, 'That Socialist!' "

"Did you know the fellow who shot him?" Coffin was asked.

"No, all I know is that he's one of these kids Al picked up when he was the dean at Stanford. There were 16 of them and you know how that loyalty string held with Al. If you were with him once, you were with him forever. He was in Mississippi with Al and then Al lost track of him, but whenever he'd see one of the bunch from Stanford, he'd say, 'Hey, have you seen Sweeney? Where is he, what is he doing?

"Jenny said that Sweeney was at their house in Brooklyn a year ago. He was very mixed up. Jenny said that Sweeney told her that evil was coming out into the world from his teeth. Al felt sorry for him. Al thought that Sweeney had all this trouble because of his time in Mississippi. He wanted to help him."

The talk was of all the places in all the years where Al Lowenstein had been. His politics were those of the parched. He was rumpled and gentle and annoying and one of the very few in the last 30 years who understood that always the true calling is to engage the most popular evil. Al Lowenstein went to Mississippi when he was an outside agitator: he was against the war in Vietnam at a time so early that the nation thought any such stand was treasonous.

Outside in the hallway, Secret Servicemen arrived, Edward Kennedy was flying from Chicago. Lowenstein's brother, Larry, and other members of the family kept going from the room to the hallway downstairs, to wait outside the operating room.

At a couple of minutes after 11 p.m., the room on the sixth floor was nearly empty. Tommy Lowenstein sat on a chair, and Steve Smith's son was talking to him and now there was a crowd at the door, a doctor and a nun and relatives, and the boy's mother came into the room and knelt in front of her son and told him that his father had died.

People grabbed for the coats and left the room as the family came in.

Outside in the hallway, Steve Smith was walking alone to the elevator when a man from the hospital staff, thinking he was one of the Lowenstein family, said, "You know in one of these matters, a shooting like this, there is a procedure that is out of our hands. The body must go to the coroner."

"You're telling me that?" Smith said.

On Saturday morning, the suspect was at the Criminal Court Building. A clerk held up papers bound in yellow, docket No. 13616. The typing on the page said, "Deponent is informed by the defendant that the defendant, with intent to cause the death of Allard Lowenstein, caused the death of Allard Lowenstein by shooting him with a .380-caliber pistol. Detective Vito Verni, No. 537."

Verni, somber and handsome, brought his defendant, Dennis Sweeney, into the seamy room. Sweeney was lanky with a gaunt doomed Irish face and hair becoming gray. He wore a green rainjacket. He stared down and said nothing.

The assistant district attorney said that Sweeney had made admissions, and that he had said that Mr. Lowenstein was one of six people that he had strong feelings against.

Sweeney was put back in a cell and Verni walked out of the room.

"Who were the other names he was angry at?" Verni was asked.

"He didn't give us names," Verni said.

"You know what I'm asking you."

"I know what you're asking me," Verni said. "And I'm telling you he didn't mention any names."

Al Lowenstein's candidate was at the New York Hilton yesterday morning. The night before had brought back the pain of the '60s, and now it brought back the glory: Teddy Kennedy, everything he always should have been, thundered at an audience, "We will not accept a society in which health is a function of wealth . . . we will not accept a society in which houses are boarded up while hundreds of thousands of families wait in rat-infested tenements . . . we will not accept a society in which whole sections of our cities become a blighted wasteland . . . we will not accept a society in which a handgun can be bought today and fired tomorrow to kill a man like Al Lowenstein."

And if Lowenstein himself had been alive, and able to move yesterday, everybody knows where he would have been. Not with Kennedy, but down at the Criminal Court Building trying to do something for Dennis Sweeney. Sometimes you get a guy who goes this way.

[From the New Yorker, Mar. 31, 1980]

THE TALK OF THE TOWN

When Allard K. Lowenstein died, last week, of gunshot wounds that are alleged to have been inflicted by a onetime colleague in the civil-rights movement of the nineteen-sixties, there was a deeper, more widespread, and more passionate sense of loss in the American political community that could be accounted for by the brief eminence he achieved as a congressman, or even by the considerable size of his accomplishment, which included probably indispensable contributions to the civil-rights movement and to the antiwar movement. It was not easy to define what he had been. Although he had clearly been a public man, devoted to the public good, he did not fit the customary mold of a politician. He had

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

served for a term in Congress, but one did not tend to think of him primarily as a congressman—not did he think of himself that way. In 1969, shortly after being elected, he confessed to a reporter, "I never think of myself as a congressman. I'm sometimes surprised when people remind me that I am one." He also said to the reporter, "There is nothing inherently immoral about trying to succeed, and in politics this society's idea of success is to get yourself elected. But once that has become the goal, all the other values and goals can be forgotten. The test of virtue becomes success, and people measure success by whether you get more votes. . . . So why shouldn't you think first about how to get more votes? So that becomes the 'first rule' of that kind of politics. It's also what makes the whole process so much less productive and honest. If you don't want to fall into that trap, you have to say no, you won't accept that view of things. My first rule in Congress is that if I don't do more by being there about the things I care about than I would if I weren't there, then I shouldn't be there." He was not there long, but that was because he lost his bid for reelection after his district had been gerrymandered to exclude many of his supporters and he never did manage to win elective office again. Yet it would be impossible to class him among those who, while holding fast to their ideals, never manage to put them into practice: the barriers of segregation were breached and the politics of the South was transformed; the Vietnam War did finally come to an end. In their tributes to him, his friends from the political world acknowledged his peculiar effectiveness. Representative Andrew Jacobs, Jr., called him "a gentle tornado." Senator Edward Kennedy called him "a one-man demonstration for civil rights," and said, "With his endless energy, with his papers, his clothes, his books, and seemingly his whole life jammed into briefcases, envelopes, and satchels—all of it carried with him everywhere—he was a portable and powerful lobby for progressive principles." William F. Buckley, Jr., described him as being "in our time the original activist." Though Lowenstein, who was as scrupulous in his political means as he was selfless in his ends, did not survive long in office, few men were more profoundly devoted to the American political system than he. Allying himself with movements that were born on the street, he led them into electoral politics, thus both diverting them from possible violence and refreshing the mainstream with new thought and energy. But it was not with the aim of restraining angry activists that he led his supporters into electoral politics (that would have been nothing more than what radicals of the nineteen-sixties used to call co-optation); it was to bring their causes, in which he strongly believed, to fruition. It's often said that politics is the art of the possible. Lowenstein, ceaselessly busy in outlying regions of what is usually recognized as "politics," shifted the boundaries of the possible, so that other, more "political" men could bring it into being.●

UNICO AWARDS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. RODINO. Mr. Speaker, the Newark chapter of UNICO National will hold its sixth annual achievements awards breakfast on Sunday, March 22. It will be a very special event for all of us who appreciate the work of UNICO—the organization of Americans of Italian descent that is dedicated to community service and the advancement of Italian heritage in America.

Each year UNICO honors those who have distinguished themselves through good works and the pursuit of excellence. This year's four awardees exemplify these goals of UNICO.

My dear friend Geta Spatola O'Connor is known throughout the city of Newark for her tireless devotion to civic and charitable causes. As president of the St. Gerard Ladies Guild of St. Lucy's Church, she has led efforts to aid the poor, the infirmed, the elderly, and many disadvantaged persons in our city. She also serves as director of social services at the New Villa Victoria housing projects.

The second award will be presented to a man who also has brought honor to his Italian heritage by his accomplishments and community involvement. Dr. Louis Saporito has devoted his time to the Boys Club, YMCA, and Exchange Club of Newark. He is the first American of Italian background to serve as president of the Essex County unit of the New Jersey American Dental Society.

Anthony Miele, the third awardee, has contributed a lifetime of effort to his community. He presently serves as chairman of the board of trustees at East Orange General Hospital. He also is a former Essex County freeholder and county superintendent of elections.

Finally, UNICO's Brian Piccolo Memorial Award will be presented to Thomas Valente, a young man who excelled as captain of the track team at Essex Catholic High School. Tom Valente's pursuit of excellence has been an inspiration to his classmates, as he served as president of the National Honor Society, secretary of the student council, and was active in the Christian Youth Organization, the Boys Club of Newark, and the St. Stephen's Youth Group in our city.

Mr. Speaker, I am proud of the four individuals UNICO has chosen to honor this year. They reflect well on their Italian heritage and on their community.

I salute UNICO national's Newark chapter for it's continued commitment to promote community involvement.●

ANTI-SEMITISM AT THE U.N.

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. LEHMAN. Mr. Speaker, ever since the U.N. adopted a resolution in 1975 condemning Zionism as a form of racism, some members of that body have acted as though the resolution was a license to renew anti-Semitism. For a while, people sensitive to the distinction between anti-Zionism and anti-Semitism preferred to believe that Jews as Jews were not being attacked at U.N. forums. It has become increasingly clear, however, that anti-Semitism has been institutionalized at the U.N. That the resurgence of anti-Semitism in a world body such as the United Nations has gone largely unprotested may testify more to the unhealthy state of today's U.N. than to the possibility that this phenomenon does not disturb its observers both in and outside the U.N.

I prefer to hope that this new anti-Semitism, whose sentiments are well represented by Jordan's U.N. Ambassador Hasem Nuseibeh, is not allowed to continue unchecked. The obsessive preoccupation with isolating Israel at every juncture wastes time, funds, and other resources that should be more constructively spent in trying to resolve some of the world's pressing problems.

As the United States response within the United Nations continues to take shape, I would like to bring my colleagues' attention to a thoughtful essay by Dr. Harris O. Schoenberg, Director of the U.N. Office of the International Council of B'nai B'rith, which was presented at the special meeting for nongovernmental representatives in the U.N. which took place in New York on March 10, 1981:

ANTI-SEMITISM AT THE U.N.

(By Harris O. Schoenberg)

Anti-Semitism is spreading like a political cancer through the body politic of the United Nations. As part of the Arab rejectionists' campaign against the legitimacy of Israel, UN forums are increasingly used to amplify and spread hate messages which defame the Jewish people. And the atmosphere which results has made the UN Secretariat a difficult place for sensitive Jewish officials to work, or for young Jews to find a job. Even the State of Israel has less than one-third of the staff positions to which its citizens are entitled.

For centuries anti-Semites have hallucinated with dangerous irrationality about Jews. In every age they have conjured up new reasons for persecution, robbery, and murder. In the Dark Ages the mistreatment of Jews was considered an act pleasing to God. Monstrous canards led gullible masses to believe that Jews poisoned wells or drank babies' blood. Hitler and the Nazis justified the dehumanization and extermination of Jews by identifying them alternately as a "race" of capitalists or of communists from whom the "Aryan race" had to be purified. Nazi propagandists also relied for their anti-Jewish themes on a well-known forgery prepared by the Okhrana, the Tsarist secret police. Its name was "The Protocols of the Elders of Zion" and it purported to reveal the plans of a Jewish conspiracy to take control of the world. The title of a book on the subject explained its effect. The "Protocols" became "A Warrant for Genocide".

In recent years the "Protocols" have been republished in two different areas of the world. The Soviet Union may have abandoned other manifestations of the Tsarist period, but it is the principal producer and exporter of anti-Semitic literature of this type. The other producers are Arab rejectionist states such as Saudi Arabia, Kuwait, Jordan and Libya. This literature is circulated all over the world on behalf of the PLO, and we have evidence of a Soviet anti-Semitic propagandist named V. Emelyanov, since convicted for butchering his wife, advising the PLO.

From the point of view of Soviet leaders, anti-Jewish propaganda serves a number of domestic and foreign policy objectives. On the home front, it helps to justify permission to emigrate for Soviet Jews whom the Soviet leaders ultimately wish to be rid of since they identify Jews as involved in disproportionately high numbers in democratic and liberalization movements in Eastern Europe. At the same time, persecuting Jews helps to deter other sectors of the populace from seeking to leave. Portraying Jews as enemies also helps to justify large military and related expenditures to the PLO and its friends at the expense of domestic consumer production. In the foreign field, anti-Semitism is a cheap way to win the approval of those regimes that are hostile to Jews. It singles out an element of the population in Western countries that has been particularly vocal in support of increased spending for self-defense. And anti-Semitism also provides the glue for holding together a working relationship through the PLO with extremists on the right.

Perhaps the most blatant example of Soviet anti-Semitism at the UN was produced by Soviet Ambassador Y. Malik during the Yom Kippur War of 1973, when he sought to support the Egyptian and Syrian surprise invasion of Israel. "Like savage, barbaric tribes, in their mad destruction the Jews have annihilated, destroyed, and tried to remove from the surface of the earth cities, village, the cultural heritages of mankind. They have ravaged entire civilizations," Malik asserted.

Also at this level was the late Saudi Ambassador Jamil Baroody, who would spend hours in the Security Council and various committees of the General Assembly accusing the Jewish people of responsibility for World Wars I and II, as well as all problems in the Middle East. If European racists considered Jews as vermin to be exterminated because of their Asian origin, Baroody contended that Jews were really Khazars from southern Russia and therefore had to be rooted out of the Middle East.

As William Buckley noted on "Firing Line" (September 8, 1974 program), Baroody was always there and always had something to say. "He has an anti-Semitic view of history which he cultivates and enthralls the anti-Semites." Buckley added that the UN had become "the most concentrated assembly of anti-Semitism surely since Hitler's Germany" and that Baroody's "insistence on the anti-Zionist, anti-Semitic theme . . . is in part a pathology, but it is in part also, I think, a gradual crystallization of the third world ethos . . ." (See also Buckley's chapter on Baroody in Buckley's "United Nations Journal: A Delegate's Odyssey" (New York: G. P. Putnam's Sons, 1974, pp. 63–75).

Baroody's fantasy world lives on in the minds of PLO bigots. During the first week in December 1980, for example, when the PLO exhibit for "Solidarity Day" appeared in the lobby of the General Assembly building, a PLO agent, operating illegally as a guide, told visitors that Jews are incapable of sympathy for other human beings and that Jews teach their children that Arabs drink the blood of Jews—a new variant on the old blood libel theme.

But Baroody's most vocal successor is Ambassador Hazem Nuseibeh of Jordan. On March 16, 1979, for example, Nuseibeh asked rhetorically in the Security Council: "Has the world been polarized into an omnipotent race [Jews] and subservient Gentiles [non-Jews] born into this world to serve the aims of the 'master race'?" Ambassador Nuseibeh explained that "every day a Mr. Rothschild meets with a cabal in London, behind closed doors to decide on fixing the price of gold. A flash is sent out to agents around the world to observe the price. That, of course, extends to monetary and other financial manipulations. How can the billions of struggling human beings—and we are trying to build a New International Economic Order based on justice—compete with such awesome powers. . . . I have no doubt that the B'nai B'rith, the Gestapo of the Zionist movement, will put me on their long black list as an anti-Semite . . ." Nuseibeh concluded.

On December 8, 1980, the Jordanian ambassador declared to the General Assembly that the Arab world had long been "held in bondage and plundered" by the Jewish "people's cabal, which controls and manipulates and exploits the rest of humanity by controlling the money and wealth of the world." During the same debate Ambassador Failou Kane of Senegal added that news organizations are "dominated by Jews." Kane is Chairman of the PLO-dominated Palestinian Committee of the General Assembly.

Ambassador Richard Petree of the United States was the only person to speak up in protest, outside of Ambassador Yehuda Z. Blum of Israel. Petree declared on December 15th that "we object to this forum being used for counter-productive polemics, such as we heard earlier in the debate on this item from the distinguished Permanent Representative of Jordan. Such interventions, we are confident, do not represent the view of this body."

A New York Times editorial attacked the problem with a great deal more vigor and precision, expressing "disgust with the diplomats" who resorted to ugly forms of anti-Semitism, and condemning in particular "Jordan's anti-Semitic bilge." Added the Times: "The members of the UN seem ready to tolerate the most explicit racism provided only that it comes in an anti-Israel context." Weak and late as Petree's reaction was, by comparison, it was far stronger than that of Ambassador James Leonard who, under similar circumstances (the earlier Nuseibeh outburst), saw fit to condemn the rhetoric of both sides.

Both Jordan and Senegal are considered in UN terms "moderate" states, so there is a tendency among diplomats concerned with human rights questions to overlook these statements as aberrations or the result of personal shortcomings. In the case of Jordan, at least, which forbids citizenship by law to Jews, anti-Semitism has been integrated into the official school curriculum and is manifested in the cultural life of the country. Thus, a third year high school text entitled "The Palestinian Problem," quotes from "The Protocols of the Elders of Zion" that the slogan of Jews "is force and deceit" and their means are "bribery, lies and treachery." It claims further that the Bible justifies these measures. A fifth year junior school text entitled "Islamic Teaching," teaches that "it is the obligation of Muslims to guard the Holy Land and not to let Jews stay in any part of the country."

Over the years, Jordan has banned a number of prominent performing artists who are Jewish, including Danny Kaye (UNESCO's ambassador to the children of the world), Edward G. Robinson, Eddie Cantor, Paul Newman, Elizabeth Taylor, and Isaac Stern the violinist. The Jordanian censor revoked a ban on the "music" of Leopold Trepper, now an Israeli citizen, after it was discovered that Trepper is not a musician and that the "Red Orchestra" he headed was the code name for a famous anti-Nazi network in World War II. But the censor did ban Verdi's opera "Nabucco" because the work presents an historic event "in a way that sheds a favorable light on the Jews." And Radio Amman carried a religious program on September 22, 1978 which denounced "these impure, accursed and treacherous Jews," called for a "jihad" (holy war) against them, and asked Allah "to return all those who have been led astray by the Jews."

The classical form of anti-Semitism, which postulates a global Jewish conspiracy, presumably accounts for the "covert objections", recently reported, to the Jewish origins of a candidate for UN Secretary General in 1971. Alongside it, a new form of anti-Semitism has appeared within the last twenty years aimed against Israel and its supporters.

The new anti-Semitism asserts that the Jewish people is imaginery, that it has never existed, that it does not now exist, that it never had connections with the Holy Land that the Holocaust never happened, and that the Jewish people, accordingly, has no rights accorded to other peoples. These views are reflected in the publications of the UN Special Unit which services the Palestinian Committee and of the UN Economic Commission for Western Asia, which seats the PLO as a member-state, but not a real state such as Israel. Thus, the PLO frequently claims that the ancient Canaanite peoples mentioned in the Bible—the Canaanites, Hittites, Hivites, Perizzites, etc.—were really Palestinian Arabs, and Yasser Arafat, speaking of the Palestinian Arabs, told the UNESCO General Conference in Belgrade on October 27, 1980 that "our people [sic] was invaded by the Roman army and dared to defy Rome and the Roman soldiers." Of course, if it were not for the three revolts which the Jewish people launched against Roman imperialism, the Jews would never have been forcibly dispersed from their homeland, which the Romans renamed Palestine in order to obliterate all traces of its Jewish identity. The publications of the UN units named above try to follow the example of the ancient Roman imperialists, in retelling the history of the Middle East.

When Ambassador Baroody declared in the UN Security Council that the Holocaust was fiction and described Anne Frank's diary as a forgery, he was challenged only by the ambassador of the Netherlands, where Anne Frank is as much a heroine of the Dutch as she was a child of Jews. A variant on the obliteration of the Holocaust theme was offered by a representative of Iraq who, at a meeting of the PLO dominated UN Palestinian Committee, urged the Committee to oppose strongly a BBC television production of a film entitled "The Hol-

ocaust," on the grounds that such material "was undoubtedly pro-Zionist propaganda."

But the ultimate anti-Semitic act of the UN thus far was committed on November 10, 1975. On that night, just thirty years after the defeat of the Nazis, the General Assembly adopted a resolution, promoted by Cuba and Kuwait, which declares that Zionism—the movement of Jews to live free in their own land—is a form of racism and racial discrimination. This resolution, which has perverted UN efforts since 1975 to combat both racism and sexism, came out of the Assembly's Third Committee, which deals with Social, Humanitarian, and Cultural affairs. A British critic, Gorondwy Rees, a non-Jew, who was present at the moment the Third Committee adopted the Zionism resolution, described the atmosphere in these terms; as quoted by Daniel Patrick Moynihan in "A Dangerous Place" (Boston: Atlantic-Little Brown & Co., 1978):

"There were ghosts haunting the Third Committee that day, the ghosts of Hitler and Goebbels and Julius Streicher, grinning with delight to hear not ony Israel, but Jews as such, denounced in language which would have provoked hysterical applause at any Nuremberg rally * * *.

"And there were other ghosts also at the debate: the ghosts of the 6,000,000 dead in * * * [the] extermination camps, listening to the same voices which had cheered and jeered and abused them as they made their way to the gas chambers. For the fundamental thesis advanced by the supporters of the resolution, and approved by the majority of the Third Committee, was that to be a Jew, and to be proud of it, and to be determined to preserve the right to be a Jew was to be an enemy of the human race."●

A DISTINGUISHED MILITARY OFFICER, MAJ. GEN. FRED K. MAHAFFEY, USA

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BOLAND. Mr. Speaker, I was pleased to learn recently that Maj. Gen. Fred K. Mahaffey, currently the Director of Requirements, Office of the Deputy Chief of Staff for Operations, Department of the Army, has been appointed as commander of the 3d Infantry Division, VII Corps, U.S. Army Europe (USAREUR). General Mahaffey has served for the last several years in his present position and also as manager of the Army Tactical Intelligence and Related Activities (TIARA).

He has been a frequent witness before the Permanent Select Committee on Intelligence. Those occasions have convinced all the member of the committee of his outstanding qualities. He has made a very perceptive and effecive contribution to organizing and managing the Army TIARA programs. His presentations to the committee have always been lucid and well defended. The Army has been well served by his service as TIARA manager.

Mr. Speaker, the position which General Mahaffey will assume in the near future is an important infantry command. I am certain that he will perform in as distinguished a fashion commanding the 3d Infantry Division as he has in managing a very difficult, complex, and demanding organization here in Washington.

I am certain that he is destined to have a successful and even more productive career in Europe and in the future. The committee will miss his careful and valued presentations. The Nation, however, will profit from the continued advancement of this distinguished military officer.●

A NATIONAL ENDOWMENT FOR SOIL AND WATER CONSERVATION

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. JEFFORDS. Mr. Speaker, I am pleased to join with my colleague ED JONES of Tennessee in sponsoring the National Endowment for Soil and Water Conservation Act of 1981.

This bill fits very well the intent and the concepts of the Soil Conservation Act of 1981 which we introduced last week. It would increase the assistance available to landowners who wish to improve the food and fiber productivity of their land while safeguarding water quality and other values. It would further strenghten the ability of the private sector to support soil and water conservation and to address issues that are of importance at the local and State level.

Most important, it would increase the protection of soil and water resources without impacting on the Federal budget. The $150,000 yearly appropriation for administrative costs authorized by the act is an insignificant amount compared with any other program and compared with the potential of this program for increasing the awareness of conservation needs and action on them.

The endowment would be supported mainly by private contributions that would be tax exempt. Endowment moneys would be used to support cost-sharing payments, loans and grants-in-aid as well as to fund special studies and workshops.

The endowment would be administered by a board of governors whose chairman would be a private citizen, and most of whose members would be private citizens. The Secretary of Agriculture or his designee would be a member, as well as a non-USDA Federal official closely interested in soil and water conservation. These two members would add a perspective of national concerns or priorities to blend with the private initiatives.

The board could if it wished correlate the programs of the endowment with existing Federal programs, other public programs, or those of private groups. It could at its option use existing administrative functions or structures of USDA or State agencies for financial and technical assistance in order to reduce overhead expenses and maximize effective conservation.

In the first 5 years of the endowment, no more than 30 percent of the funds available could be used, so that emphasis would be on both building the endowment and achieving conservation on the land. Thereafter 70 percent could be used each year.

I believe that another important concept of the National Endowment for Soil and Water Conservation Act is that endowment funds could be used not only for installing conservation practices or systems but also for maintaining these practices or systems. There are many private lands where effective control of water and wind or effective improvement of food and fiber productivity depend on the continued ability of conservation practices to do their job. Repairs or modifications to make them continuously effective often are expensive or beyond the scope of existing USDA conservation assistance programs. Maintenance often is considered the responsibility of the landowner—or, in the case of a project-type activity such as watershed protection and flood prevention, the local sponsoring organizations.

I believe that a privately endowed fund would be very well spent to help out in those cases where a conservation practice or system is seriously impaired and it is to the benefit of the landowner and the community to restore the effectiveness of the conservation work.

Members of the board of governors would be appointed by the President with the advice and consent of the Senate and with consideration of suggestions by leading national or regional organizations of soil and water scientists, landowners, conservation contractors, soil and water conservation districts, communications media, planners, and related groups. This arrangement will help assure that the highest caliber, nationally recognized conservation leaders will direct the board—and it will serve as well to recognize these leaders for their longtime service in the cause of soil and water conservation.

Mr. Speaker, I ask that my colleagues strongly support the creation of a National Endowment for Soil and Water Conservation in order to address a seriously aggravated soil erosion problem that threatens our Nation's future ability to produce sufficient food and fiber.●

JOHN GORRIE JUNIOR HIGH SCHOOL BAND

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BENNETT. Mr. Speaker, last Thursday, I had the great pleasure of arranging for the John Gorrie Junior High School Band from Jacksonville, Fla., to play on the House steps. Despite cold and rainy weather, the band performed outstandingly for half an hour, playing a stirring assortment of musical selections.

Special credit for this polished performance should go to Dolores Douglas, the band director, for the wonderful job she has done in molding these talented young musicians into a first-rate concert band.

I would like to point out to my colleagues that this junior high school is named for John Gorrie, of Florida, the 19th century physician who first developed mechanical refrigeration to alleviate the suffering of the sick. His research led the way to the development of air-conditioning and mechanical icemaking. A statue of John Gorrie graces Statuary Hall, one of the two statues presented to the U.S. Capitol by the State of Florida.●

THE THERMOSTAT MENTALITY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. OTTINGER. Mr. Speaker, as the President recently eliminated the Federal regulations that kept building temperatures at sensible levels to save energy, I think that the following editorial from the New York Times is particularly of note.

The fact is that these regulations have saved the United States millions of barrels of oil since their inception, and I oppose their elimination.

A THEORY OF THERMOSTATS

We were saying the other day that judicious Federal regulation of, say, electrical appliances can help hold down the real cost of energy while reducing the nation's dependence on imported oil. Relying on the free market's high costs of energy won't necessarily speed conservation.

With this thought in mind, it will be interesting to see where Americans set their thermostats now that President Reagan has abolished the Federal temperature rules for public buildings. Those rules, no higher than 65 in winter, no lower than 78 in summer, were sometimes inconvenient. But they saved millions of barrels of oil without much bureaucracy.

President Reagan says that "voluntary and market incentives will achieve substantially the same benefit without the regulatory cost." We hope so, but we have our doubts. Too many people like toasty stores in winter and frosty theaters in summer, and are willing to pay the dollar cost. The trouble is that all the costs are not measurable in dollars and are not, in any event, paid only by building owners. Wasters of energy make oil scarcer, pushing up prices for everyone. And who pays for a Rapid Deployment Force designed to protect foreign oil supplies? Not just building owners.

We'll soon feel the effects of this particular piece of deregulation. Luxurious winter heat and summer cool will be signs that Mr. Reagan's theory doesn't apply in every season.●

THE GAO FINDS WAYS TO TRIM THE PENTAGON BUDGET

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. WEISS. Mr. Speaker, the President plans large increases in our already massive military budget, but a recent General Accounting Office study found that at least $4 billion could be saved by eliminating waste and mismanagement from Pentagon programs. During congressional review of the administration's budget proposals, it will be important to scrutinize every aspect of the budget closely. In fact, several recent studies have documented the favorable benefits of social service spending as compared to defense spending, and we should consider these alternatives when the budget is brought before us. Certainly no area of spending should be exempt from close examination.

Elmer Staats, the recently retired Comptroller General of the GAO, summarized the GAO study's findings in an article which recently appeared in the Washington Post. I urge my colleagues to consider Mr. Staats' thoughts carefully.

The article follows:

GAO CHIEF TELLS THE PENTAGON OF 15 AREAS WHERE IT CAN SAVE

(By Morton Mintz)

The outgoing comptroller general of the United States has sent a letter to Defense Secretary Caspar W. Weinberger declaring that mismanagement and waste are now adding "several billion dollars a year" to the Pentagon budget, which the Reagan administration proposes to increase dramatically.

The letter, sent to Weinberger on his first day in office by Elmer B. Staats, head of the General Accounting Office, listed 15 major areas where large amounts of money could be readily saved. Staats called them "some of the most apparent high payoff opportunities" in the defense budget.

GAO has 1,000 accountants and other professionals continuously studying Pentagon programs, and Staats' letter was based on repeated audits they have made. Weinberger has yet to respond to the letter in detail. President Reagan vowed to root out mismanagement and waste throughout the government during last year's campaign.

Just the 15 areas cited have the potential to save an "absolute minimum" of $4 billion a year by the end of Reagan's term in 1985, Staats said in an interview last week. If implemented, other Department of Defense (DOD) economies urged by the GAO would increase annual savings by 1985 to "substantially more" than $10 billion, Staats said.

Staats' estimates come as the administration is preparing to increase the defense budget by billions of dollars next year, while cutting back on domestic programs. The administration has said it will seek to hold down the defense increase by finding savings wherever it can in the Pentagon. But, so far, it has not specified any.

Staats' proposed savings do not challenge the basic defense policies laid down by Congress and the Joint Chiefs of Staff.

Among the major points made by Staats in his letter and the interview:

Thirty GAO reports since 1976 have cited serious flaws in the way DOD accounts for goods and services provided under the foreign military sales program. These have resulted in "improperly" made payments of more than $1 billion. Some progress has been made, but "more improvement is needed."

At the outset of a new weapons system, the Pentagon often tries to hold down the apparent total cost by downplaying the need for the spare parts and back-up equipment needed over the long term. This means that the parts and equipment must be bought later, at greater cost. In the case of the F18 fighter, the savings potential in proper logistical planning and discipline throughout its life cycle would be more than $350 million.

In many geographic areas, the Army, Navy, Air Force, and Marines each have one or more bases. Instead of sharing such things as repairs and supplies, each of the armed forces provides them separately. The potential savings from consolidation: at least $376 million annually.

Management of consumable items, such as ammunition and motor vehicle parts, is scattered. Consolidation would yield yearly savings exceeding $280 million.

In the last 16 months, the estimated cost of the Navy's LAMPS III (light airborne multipurpose antisubmarine weapon system) has almost doubled, from $3.6 billion to $7 billion. Now, the plan is to buy fewer of them. But that does not solve the questions raised by a GAO review "about the ability of the system to carry out its missions."

DOD plans to buy large numbers of F14, F15, F16, F18 and A10 aircraft for noncombat purposes, asserting that they would be needed in event of war. Staats said that such planning was "very sloppy" and claimed that sharpening it up could save up to $5 billion.

"A hard look at this area by the secretary of defense is needed," he said. "If these aircraft are in fact required for combat purposes, they should be justified as such and approved in that context by the secretary, the OMB and the Congress."

In 1972, the Army got started on its supertank, the M1. The cost was to be $507,000 a copy. By January 1980, when a GAO report warned that the tank's reliability was "uncertain," the unit cost had more than tripled to $1,651,000. The number of tanks in the program was 7,058.

Now the estimated unit cost has shot up to $2,549,000. Meanwhile, the GAO is still reviewing reliability and other aspects of the M1.

Four weeks after the Staats letter went out, the Pentagon issued its quarterly report on the life cycle estimated costs of 47

selected major weapons systems. The figure for Dec. 31 was $47.6 billion higher than it had been only three months earlier. DOD cast inflation as the chief villain behind the increase, which over the three-month period was at the rate of $359,300 a minute.

Liberals in Congress have traditionally denounced the defense budget as excessive. Now, with costs rising dramatically, some conservatives have begun to seek further justification as well. Last Wednesday, an unusual strong joint plea for "decisive action" against defense waste went to Weinberger from Republican Sen. Barry Goldwater and liberal Democratic Sen. Howard M. Metzenbaum.

"Runaway cost characterize our entire defense procurement program," although they "have nothing to do with maintaining the strength of our military forces," the senators said in a letter to Weinberger. "They are, pure and simple, the result of a system that permits DOD officials to operate as though the public purse has no limits."

Staats, who had four top GAO defense specialists at his side during the interview, said the Pentagon has repeatedly ignored documented advice on how to eradicate mismanagement and waste. At the same time, he praised DOD for accepting GAO recommendations that in the last five years produced "measurable savings" of $8.9 billion—54 percent of the total for the entire government. The DOD share of the budget has been much smaller, about 24 percent.

Staats brings the prestige of his office and his long, nonpartisan government service to his plea for defense economies. He is retiring Friday after 15 years as comptroller general and will make his last public appearance before Congress today when he testifies before the House Budget Committee.

This is "the ideal time" to change direction at the Pentagon, he said in the interview.

He has received support from many sources. One, the Republican Study Group in the House, when it was headed by GOP conservative John H. Rousselot (Calif.) last August, released a summary of 19 months of GAO reports showing potential DOD savings of $16 billion.

Staats began immediately after the November election to alert key Reagan aides to government-wide cost-cutting opportunities, sending what he called "vast amounts" of GAO materials to Edwin Meese III, counselor to the president; Weinberger, whose cost-cutting in earlier government service earned him the nickname "Cap the Knife," and budget director David A. Stockman.

Up to now, the Staats letter had elicited only an acknowledgement from the defense secretary. But, Staats and his aides said, there are "all kinds of indications" that the Pentagon is taking the letter "very seriously."

Many Pentagon critics share a hope that Weinberger will renounce attitudes of the kind held in the Carter administration by W. Graham Claytor, secretary of the Navy and then deptuty secretary of defense. "I have said many times there is nothing wrong with the Navy that money won't fix," he once told the Senate Armed Services Committee.

In a speech in 1979, Gordon W. Rule, who had retired after being honored by the Navy as its most distinguished civilian procurement specialist, termed Claytor's view "reprehensible." In his own recent letter to Weinberger, he charged that the military is "almost devoid of demonstrable cost consciousness and accountability for mistakes or poor judgment decisions."

Staats, for whom salty talk like Rule's would be out of character, stops short of such drastic judgments. "The accountability system isn't as good as it ought to be," he said.

But he spoke plainly about what may happen if an unreformed Pentagon gets the five-year $169.5 billion spending boost proposed by Reagan.

Insofar as the funds go for new initiatives rather than purposes such as strengthening conventional forces, there "would be a problem," Staats said. "You just cannot absorb much [new] money very fast."

The adminstration's "Program for Economic Recovery," as announced two weeks ago, projected reductions in defense outlays in the four fiscal years 1981 through 1984 of $13.9 billion, including $5.9 billion in the final year. But the program listed almost no specifics, especially as compared with the detailing of plans to reduce outlays in nonmilitary areas by about $41.5 billion.●

INNOVATION TASK FORCE REORGANIZES

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. AuCOIN. Mr. Speaker, the House Task Force on Industrial Innovation and Productivity has just completed reorganizing for the 97th Congress, and I want to take this opportunity to announce the officers and members.

The task force was organized 2 years ago as a long-term, bipartisan effort to help build a new political climate for improving productivity, investment, and economic innovation. The purpose of the task force is to push for legislation which encourages the best and most efficient use of the Nation's vast economic and human potential, and also helps to step up the pace of development of new products and new technologies. Industrial innovation can provide the basis for expanding productivity, stabilizing prices, and increasing the competitiveness of U.S. products—both at home and abroad.

There are many possible ways to increase innovation. The task force has discovered that changes are needed in tax laws, export policies, patent procedures, research and development programs—a lengthy agenda by almost any standard. The task force will continue to work to accomplish some of these changes by raising the visibility of this issue, by acting as a "whip service" of sorts for innovation issues, and by bridging the gap between committees having jurisdiction over innovation issues.

One of its first activities in this Congress will be to announce the results of a business innovation survey conducted last fall to identify the impediments to innovation. This will help to lay the groundwork for our efforts to push for enactment of tax legislation to stimulate innovation and increase productivity. The press conference will be on Wednesday, March 18 at 1 p.m. in room 2105 Rayburn.

Mr. Speaker, I call on my colleagues to join the task force in its efforts and welcome them as members. I insert in the RECORD the names of the members and officers:

Les AuCoin, chairman; W. Henson Moore, co-chairman; James Shannon, co-chairman; Beryl Anthony; Eugene V. Atkinson; Don Bailey; Adam Benjamin; Don Clausen; Norman D'Amours; Don Edwards; Norm Dicks; Robert Dornan; Thomas J. Downey; Dan Glickman; Albert Gore, Jr.; Augustus F. Hawkins; Margaret Heckler; Cecil Heftel; Harold Hollenbeck; Frank Horton; Ed Jenkins; Ray Kogovsek; John LaFalce; Robert Lagomarsino; Tom Lantos; Michael Lowry; Stanley N. Lundine; Edward J. Markey; Dan Marriott; Paul McCloskey; Anthony Toby Moffett; Bill Nelson; Richard Ottinger; Joel Pritchard; Robert A. Roe; Toby Roth; Patricia Schroeder; John Sieberling; Gerald Solomon; Harold Volkmer; Wes Watkins; Howard Wolpe; and Ron Wyden.●

NEBRASKA'S FARMERS TELL CONGRESS ABOUT FARM PROGRAMS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BEREUTER. Mr. Speaker, yesterday I had an opportunity to testify before the House Agriculture Committee with recommendations for the 1981 farm program. The recommendations I made were based on the advice that I received from farmers in my congressional district.

I submit the statement to be printed in the CONGRESSIONAL RECORD.

TESTIMONY BY HON. DOUG BEREUTER BEFORE THE HOUSE AGRICULTURE COMMITTEE, TUESDAY, MARCH 10, 1981

Thank you, Mr. Chairman.

I would like to thank you and the Members of the Agriculture Committee for providing me the opportunity to appear before you today. Although I am not a member of the committee, I am fully aware of the long and arduous task you have in shaping this country's farm programs for the next four years. I would like to pledge my assistance to you in any way that may help make that task easier.

Mr. Chairman, we are facing a crisis today in agriculture. Escalation of interest rates have made it almost impossible for many farmers to secure the necessary funds to operate their farms, and there has been little credit for farmers to support those operating costs. In order to learn first-hand the problems Nebraska farmers are facing, so that I could make a more meaningful statement to the committee, I recently conducted a series of five Agricultural Advisory Committee meetings throughout my Congressional District. Participation in these Advisory Committee meetings was voluntary. The response, however, was most encouraging. Over 260 farmers and representatives of farm organizations attended these meetings.

My testimony that follows, Mr. Chairman, provides recommendations for the 1981

Farm Program. These recommendations are more than the views of one Congressman from a rural district. They are the recommendations of those Nebraskans who know farming best.

1. GRAIN RESERVE PROGRAM

The grain reserve program was widely endorsed, as long as it remains a farmer-held reserve. The main concern with the program is that the emphasis now seems directed mostly at stabilizing prices near or below the call level. I believe that instead the emphasis should be shifted more in the direction of providing a supply of carry-over grain beyond that amount normally in the "pipeline." With another harvest like the one last year, we could be faced with a very short supply of feed grains with which to continue our export sales of grain. Of course, grain exports are essential to reach a balance with our oil imports.

Buyer anticipation of a reserve call creates a somewhat artificial short run market condition. First, the market rises faster than overall supply and demand conditions would warrant. Once the call has been made the reverse happens and prices fall faster than overall supply and demand forces would justify because buyers are waiting for forced grain sales.

The present call procedure contributes to the disruption of the orderly marketing of grain. Private enterprise has invested heavily to provide grain cars, loading facilities and auxiliary equipment to provide for an orderly movement of grain. To most effectively use this equipment orderly marketing of grain is necessary. Call of all reserve grain results in movement of grain from farm storage to commercial storage and gluts the pipeline at commercial storage and transportation facilities. Generally, representatives of my Agriculture Advisory Committees believe that the reserve program is a sound approach which is valuable both for insuring adequate food supplies for consumers and in helping to stabilize prices for producers.

They believe that the grain reserve program could be improved by calling reserve grain on a more gradual basis, rather than all at one time. They also believe that there needs to be a wider spread between release and call levels for feed grains.

There is a realization that a number of different means could be used to achieve this shift. My personal preference would be to drop the call provision entirely, leave the release price at the present relationship to the loan price and let market price be the primary determinant of movement of grain out of the reserves. Since I believe that the grain reserve is in the public interest, public incentives to encourage participation should be maintained.

Another method would be to give the Secretary of Agriculture the option of calling some or all reserves when the call price is reached. The Secretary's decision would be based upon achieving a set goal of projected carry-over of grains. Either a first-in-first-out method or a call of a percentage of everyone's grain could be used to determine which reserve grain would be called on partial calls.

A third approach would be to allow a reinstatement period whenever the average national price falls below the call price for more than 5-15 days. The period for determining call level may also need to be increased beyond the present 5-day average. Thus, in a situation in which the grain supply is not short enough that the call level price is maintained after a call, producers would have the option of placing called grain back into the reserve. Such a method would allow price levels to help determine the level of supply in the grain reserve and allow for more orderly movement of grain.

2. PRICE SUPPORT PROGRAM

There was general agreement that there should be some sort of support program. If the rules of the game were the same for everyone in the economy, the preference would be for a completely free market.

Opinion was generally divided on whether parity or cost of production should be the basis for the price support program. Those favoring parity generally felt loan prices should be in the 50-90% parity bracket. Although a majority appeared to favor use of cost of production as the basis, strong agreement on how to arrive at that figure did not exist. Most did favor including some land costs in the calculation.

The Advisory Committees felt that USDA's cost of production figures are misleading since they do not reflect a fair return to labor and management of owner-operators and their families.

There was also support for regionalizing release and call levels, perhaps by the State ASCS Committee. CCC loans should be financed through a revolving fund since appearance of high annual appropriations for CCC loans is misleading to the general public. It was suggested that now would be a good time to begin such a fund by committing reserve grain loan repayments to this fund.

Most farmers favor lighter loan prices to take into account rising production costs. For instance, four years ago the loan price for corn was set at $2.00 per bushel. If annual adjustments had been made to account for inflation as reflected by the consumer price index, the loan rate on corn would now be $2.90 per bushel. The present $2.25 per bushel loan rate has certainly not kept up with inflation.

Many feel that the target price is probably already on the way out; although some people supported the retention of the target price as an inducement to producers who entered into long term contracts with the Government to improve soil and water conservation practices.

An idea that surfaced several times was that the Government has attempted to legislate low prices for agricultural products, and then tried to pacify farmers with low interest loans instead of aiming at a fair price for the farmers' products. Every year farmers are sliding further into debt. Young farmers are having, resultantly, a very hard time getting started in farming. The best solution is to get earned income back into the farm economy, so that more investment can be financed from retained earnings.

The Normal Crop Acre (NCA) concept was somewhat controversial with many saying it has been difficult to administer and frequently inequitable—often penalizing the livestock farmer who uses crops as alfalfa which is not included in the NCA. Many feel that farmers practicing good conservation are penalized for doing so by the program, rather than being rewarded. One suggestion was to base NCA on a three-year moving average, rather than the 1977 planted acreage.

Opinion on the expanded Federal Crop Insurance Corporation program to replace the disaster program was generally divided. Much of the risk associated with farming is related to price variation, which is not covered by FCIC. There was much skepticism about a government run insurance program. On the other hand they supported the idea of farmers having the option to participate in the insurance program. Several agreed that some individuals had abused the disaster program in the past. Farmer acceptance of the crop insurance program during the next few years will determine whether this program is more valuable than the disaster program has been. Congress should write legislation in definite language—i.e., don't provide for as much interpretation by USDA. There is a need for more congressional oversight.

Another comment which seemed to sum up feeling about the farm program was that we support an extension of a leaner farm law administrated with a more common sense approach. When the government uses agricultural products as a tool of foreign policy, then producers should be compensated—with interest.

3. INTERNATIONAL TRADE

My farm constituents strongly support free trade, but they want it to be equitable to agriculture and not have their products singled out as the object of trade embargoes. With regard to the Soviet grain embargo, I continue to believe that without the cooperation of other nations that embargo will be less than effective in attaining its stated goals. Unless the embargo is expanded to cover all of our exports to the Soviet Union the embargo will continue to be unfair to the American farmer.

There was support for the efforts of commodity organizations and the U.S. Feed and Grains Council in developing foreign markets. There was disagreement on the value of bilateral agreements and liberalizing credit to foreign customers. There is also a feeling that bilateral agreements have generally had more political overtones then economic basis. Farmers feel that there is a need for someone to represent producer interest in foreign trade. There is general support for an increased role by Co-ops in international trade, but also a need for producer commitment to them in order for them to work.

In many cases market organization is hampered by uncertainties, embargoes, letters of credit and other trade restrictions. There may be a need for the government to guarantee payments to private firms who are dealing with unstable governmenta.

There was little, if any, support for either a grain marketing board such as the Canadian Wheat Board or for forming a grain cartel. Many did feel that there is a need for better reporting and oversight of activities by international grain companies to allow the farmer a fair chance to learn what is affecting the market.

There was support for moderate use of Public Law 480. The U.S. should probably control food reserves, since the U.N. is influenced by third world countries too often.

They are concerned that unions and other groups in this country can prevent loading and delivery of agricultural exports and thereby adversely affect farmers income. The point was made that if producers have no assurance of delivery of commodities either through embargoes, other trade rules, or loadings at ports of call, then we do not have free trade. If we do not have free trade, then producer protection should be available to supplement market prices paid to producers.

4. SOIL AND WATER CONSERVATION AND ENVIRONMENTAL REGULATION

There were several different viewpoints expressed on the means needed to encour-

age soil and water conservation. Most supported more education and technical assistance and tax deductions for conservation expenditures. A majority favored the use of low cost loans, particularly for medium sized projects, and cost sharing programs such as the Agricultural Conservation Program (ACP).

Most expressed the opinion that there are too many agencies involved, that these programs should be consolidated, perhaps with a block grant approach to the states or through the Soil Conservation Service. They generally supported the idea of pooling funds which would be administered at the local level.

Soil loss assessments and penalties as well as increased regulation were strongly opposed. Cross-compliance provisions tied with a higher target price were favored by a minority of those with whom I visited.

Groundwater control should be left to state and local agencies although it was recognized that if action is not taken, the Federal government would likely intervene.

May feel that government programs have contributed to erosion problems by encouraging the breakup of marginal lands and by penalizing producers who have practiced conservation.

5. OTHER COMMENTS

Mr. Chairman, there were also comments made about issues over which this committee has no jurisdictional authority; however, I feel compelled to include them in my testimony because of their importance to agriculture.

Taxes were of great concern to my farm constituents. Of special concern is the need to change inheritance, estate, death and gift taxes to make it possible for a farm couple to pass the farm on to the next generation. The money that was earned to buy and build up the farms was taxed as it was earned, taxed each year by property taxes and should not be further taxed at death. Farmers generally live very conservatively and save so that the farm can be preserved for the next generation, only to result in the sale of the farm in order to pay the inheritance tax. They strongly support increasing the amount of tax free inheritance and gifts to reflect the effect of inflation. Instances were cited where sons are paying more taxes on inherited land than their father paid to buy the farm originally.

The non-capital efforts of a woman involved in a farming enterprise should be recognized in law as a contribution to the estate. Many women devote their entire working lives to the farm—doing fieldwork, caring for livestock, keeping the books, etc.—only to discover upon the death of their husband that the farm estate, jointly built, is considered a gift to her. She is often forced to sell it to pay the inheritance taxes.

Many of these issues already discussed relate to the question of what should be the U.S. government's role in relation to the structure of agriculture. Most of the farmers I've visited with do not support the idea of selectively removing (1) their option to use cash accounting in computing their income taxes; (2) their eligibility for using investment tax credits; (3) the present capital gains tax provisions, or (4) eliminating the provisions allowing farm loss write-offs against non-farm income for those not materially participating in farming.

CONCLUSION

I would like to close by using a quote which I received from a farmer for it reflects the considered judgment of many farmers in my district: "After 30 years experience I have come to the conclusion that a major factor in the success and maintenance of a small farm is attitude and direction of the farm management to maintain an efficient operation. This includes money management, machinery size, livestock balance with the rest of the farming operation, the use of economically efficient storage facilities to maximize returns on sale of grain, and above all a willingness to provide a judicious amount of hard labor instead of expecting to do everything with some exotic and expensive machine."

Mr. Chairman, I would like to request that the record remain open in order that I may include in my testimony the results of an agricultural questionnaire I have recently mailed to my constituents.

Thank you again, Mr. Chairman for giving me the opportunity to appear before you today.●

POW-MIA DAY

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MINISH. Mr. Speaker, I rise to join my distinguished colleague from the State of New Jersey, Mr. HOLLENBECK, in cosponsoring his House Joint Resolution 134 which would designate July 18, 1981, as National POW-MIA Recognition Day. Similar legislation was approved during the last session of Congress, and I would hope for swift consideration of this measure as well.

It is just and appropriate that we establish 1 day dedicated to the brave individuals held in captivity or missing in action, who sacrificed years of their lives in defense of our country. I believe that a commemorative day is also needed so those of us who enjoy freedom and a comfortable life can fully comprehend the magnitude of the sacrifices endured by these men.

As we establish a National POW-MIA Day, let us not simply contemplate the brave deeds of our servicemen or hold parades and rallies full of hollow rhetoric. Let us instead use the day as a catalyst toward greater awareness of the problems facing former veterans and be willing to support them in their task of reintegrating into society. If each one of us took a more sensitive and responsible stance toward the one or two veterans we know, we would serve them better than by attending a parade.

As all of America anxiously suffered the ordeal of 52 Americans forcibly held by barbarous Iranians, we have realized anew how torturous it is for families and friends to endure the strain of their loved ones' captivity. After a celebrated homecoming for the Iranian hostages, I believe it appropriate that rightful appreciation is shown to all our servicemen.

Therefore, Mr. Speaker, it is with pride that I cosponsor this House joint resolution to mark the calendar with a fitting remembrance of our courageous servicemen.●

THE B-1 BOMBER IS WASTEFUL

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. WEISS. Mr. Speaker, the Reagan administration has renewed efforts to generate support for the wasteful B-1 bomber, prudently rejected by President Carter and the Congress in 1977. The B-1 would do little to improve our defense capabilities, but would cost taxpayers an estimated $180 million per plane. It is simply unwise to approve funding for this project when the money is sorely needed elsewhere.

An editorial which appeared recently in the New York Times provides a succinct analysis of the many reasons the B-1 should not be built. I urge my colleagues to apply the reason of this editorial to their consideration of the defense budget.

THE B-1 ROARS AGAIN

President Carter cancelled development of the B-1 bomber almost four years ago for the very good reason that it promised to add little to America's strategic forces. Its gold-plating was partly designed to permit flight at supersonic speed—at the supersonic price of $102 million per plane. But these projects do not expire as fast as Presidents.

With Mr. Carter out of the way, the Air Force thinks the Republicans might want to honor their campaign pledge to revive the B-1. It is back with an "improved B-1 variant," which is to be held to subsonic speed and to the inflation-adjusted price of only $180 million each. And the Pentagon has decided to seek funds for either this project or a costly adaptation of the FB-111 medium bomber.

President Reagan would be foolish to buy either of these projects. Delay on the new bomber was never a valid symbol of defense neglect. A "Stealth" bomber with far greater prospects of penetrating Soviet air defenses is on the horizon. Until it is ready in the early 1990's, the existing B-52 bomber and the long-range cruise missiles it will carry will adequately meet strategic needs.

If Mr. Reagan accepts such wasteful new expenditures, he is unlikely to hold public support for the effort to cut social programs while increasing spending on other, more pressing military projects. There is already too much waste in the Pentagon budget: somewhere between $5 billion and $15 billion a year on unnecessary items, like bases of marginal value.

Besides replacing possibly vulnerable land-based missiles, the defense priority of the next few years lies not in strategic nuclear weapons but in conventional forces. As Gen. David Jones, the Chairman of the Joint Chiefs has warned, the country needs to improve existing forces and equipment before leaping at "the more visible and glamorous weapons system."

The Air Force is seeking $7 billion in the 1981-83 budgets for development of the B-1 variant, but that is only the camel's nose under the tent. The real price of this project can be surmised from the projected costs of the original B-1 in 1977. They contemplated and expenditure of $25 billion for 244 planes. Over the bomber's lifetime and including operations, it would have been the most expensive weapons system in history—at least $40 billion, and, counting aerial tankers, missiles and spares, perhaps as much as $100 billion.

The Administration owes Congress a report next month on possible replacements for the B-52 by 1987. But no replacements by that date are essential. Only a squadron or two of the B-1 variant could be ready by then in any case. An adaptation of the FB-111 would be faster, but its limitations make it not worth the cost. An expensive crash program might develop the Stealth bomber by 1987, but a normal program can bring it into operation in the early 1990's, which is soon enough.

Despite concern about the obsolescence of the B-52, the staff of the Joint Chiefs acknowledged only last month that retention of the bomber in the active inventory "into the next century" is now planned and feasible. If Americans are to be asked to sacrifice for defense, it should be only for the most essential, defensible projects.●

EGYPT TODAY PROGRAM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues the upcoming plans for Egypt Today, an exposition of ancient and modern Egyptian culture featuring over 70 exhibits in three American cities.

Egypt Today activities will open March 16, 1981, in Washington, D.C., and will be followed by openings in Houston and Los Angeles with the keynote address delivered in each city by Egypt's First Lady, Mrs. Anwar al-Sadat. Mrs. Sadat will be attending previews and openings of a number of events in each city.

Preparations have been underway for over 2 years to present this American celebration with programs that include art exhibitions, lectures, and workshops, film festivals and concerts of music and dance.

Three American sponsors have been responsible for the development of this historic cultural celebration, with the full cooperation of the Government of Egypt: the Smithsonian resident associate program, the Middle East Institute and Meridian House International. Major funding has been provided by the National Endowment for the Humanities, the National Endowment for the Arts, the U.S. International Communication Agency and the Government of Egypt.

The concept of developing a series of international cultural symposia to take place in Washington, D.C., and other U.S. cities was originated by the National Endowment for the Humanities. Early in 1977 a symposium on 20th-century Canadian culture was funded by the Humanities Endowment with the encouragement and support of the Canadian Government. The next symposium focused on the contemporary culture of Mexico. The National Endowment for the Arts joined in support of that symposium which was presented in the fall of 1978 with the support of the Mexican Government. Similarly, both endowments funded Japan Today, spring 1979, and Belgium Today, spring 1980. Egypt Today follows these excellent past programs.

These programs are intended to increase the American public's understanding of the contemporary cultures of other countries and to dramatize common interests and social questions. Selected leaders in special fields from the participating countries are invited to discuss important aspects of their country and society with Americans. Series of major art exhibitions, lectures, films, and performing arts events are presented. Special events for scholars, and programs for schools, colleges, radio, and television are also developed.

Mr. Speaker, this Egypt Today celebration in the United States will provide Americans with an unique opportunity to learn more about an important country and people in the critical Middle East and will strengthen the growing ties between our two countries.

I urge fellow Americans to participate in this celebration and learn more about one of the world's oldest and richest civilizations and, in the modern day, an important friend of the United States and a critical player in the search for peace in the Middle East and stability throughout the region.●

THE PRESIDENT'S TAX PACKAGE: THE ROYKO PERSPECTIVE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MICHEL. Mr. Speaker, last week I asked that a column about the President's economic recovery program by Chicago Sun Times writer Mike Royko be inserted in the RECORD. That column dealt with the contradictory facts about who benefits from many of the social programs which President Reagan's budget proposal asks be examined and curtailed.

The other part of the President's message is his tax reduction proposal. In recent days I have heard discussion about how the American people will use their tax savings, assuming the President's package is adopted in an acceptable manner. All such discussion overlooks the fact that the money belongs to the people to begin with.

Mr. Royko in his own vivid style has again brought home the basic truth concerning the President's tax proposals. As the clock ticks away on the very short time we have to deal with President Reagan's proposals, I think Mr. Royko's column will help us all grasp the essential message many of us are hearing from home. I am, therefore, inserting in the RECORD, "A Taxing Dilemma," by Mike Royko, from the Sunday, March 1, 1981, issue of the Chicago Sun Times.

WHO'LL SPEND OUR CASH? A TAXING DILEMMA

During a recent committee hearing, some Democratic congressman were loudly hassling a Reagan Cabinet member about the proposed cut in income taxes. They were worried about whether the tax cut would cause further inflation.

One of them angrily said: "What guarantees can you give us that people will save that money instead of spending it? You can't give us any guarantees."

And another chimed in: "How do you know that instead of saving that money, or investing it, people won't take the money and buy some gas for their car and make a trip? Or go spend it at a McDonald's?"

How about that. Congressmen are now worried about what we will do with our money—money we've worked for.

They are upset at the terrible possibility that we might actually spend our own money.

Well, that's possible. We might spend it. I'm sure that if there is a tax cut, some people will become so giddy with their new wealth that they will rush out to put gas in their cars so they can go to a McDonald's and buy themselves a quarter-pounder with cheese and a large fries. Or a pair of Western boots, or some new underwear, or a car. Or they might buy a round of drinks for the boys down at Louie's Pub, or put a bet on a horse.

Me? I don't know what I'll do with mine. I might prudently stash it away where it will draw interest, so next year I can pay taxes on the interest. Then Congress can find a way to spend the interest I earned.

On the other hand, I might just up and spend it at Hairline Creations to see if they can make me look as handsome as Steve Ontiveros or Toni Pritsch.

Or maybe I'll use the money to buy Rita Jenrette a golden bauble and ask her if she'd like to see what our courthouse steps look like in the moonlight.

I'm really not sure what I'll do with the money that the congressmen are so worried about.

The truth is, nobody can say for sure what everybody will do with their tax-cut money. Some people will happily spend it all, some will carefully save it all, and some will save a little and spend a little.

But there's one thing we can be sure of: If we don't get a tax cut, and the money is paid in taxes instead, Congress will definitely spend it.

And that's what is bothering those congressmen. They don't like the idea that we might decide to spend our own money. They'd prefer to take it from us—so they can find ways to spend it.

That's the only thing Congress knows how to do with money. It doesn't know how to save it. It's terrible at stretching it. It's not even very good at counting it. But, oh, how it can spend it.

Ordinary people, when they think of a big evening out on the town, think in terms of $50 or $100.

But Congress, when it is thinking small, thinks in terms of $100 million here, $500 million there, a billion for this, another billion for that.

They think about spending numbers so big that most of us aren't sure how many zeroes the numbers have.

They like spending it on things that will get them votes—pork-barrel projects for the folks back home. They like spending it on things that will make influential lobbyists happy. They like spending it on bigger and better bombs.

They can think of a thousand new ways to spend our money. Then they have the guts to worry out loud about whether some of us might spend our own money on a tank of gas and a quarter-pounder.

They're concerned that some working stiff might completely flip out and do something foolish with his two or three hundred extra dollars. So they want to protect us from ourselves by taking our money and spending it.

Not being a congressman or an economist, I'm a little foggy on what difference it will make to the inflation rate if we spend our money on a tank of gas and a quarter-pounder or if Congress takes it and spends it on something useless, or gives it to someone else who will spend it.

If Congress spends it, or gives it away to someone else to spend, it will be inflationary. So why shouldn't you at least have the pleasure of spending it yourself before the quarter-pounder goes up in price?

One of the congressmen who yelled loudest about the possibility of people not being prudent and saving their money is a liberal Democrat from New York. And that is funny. If there is anyone in this country who cannot lecture anybody else about saving their money, it is a liberal Democrat from New York.

These are people who turned spending, wasting and giving other people's money away into a new art form.

Their idea of a perfect economic system would be to tax everyone at a rate of about 100 percent. Then they would have all the money in the country and they would give us a little each week, and they could find ways to spend the rest.

That way, someone who is rich would have exactly the same amount of money as someone who is poor. And somebody who is middle-class would have as much money as someone who is rich. And the same as somebody who is poor.

So we would no longer have poor people envying middle-class people, and middle-class people envying rich people, because everybody would have the same amount of money. What could be fairer?

And to see how well this system works, just check New York's credit ratings.

I advise congressmen not to worry so much about Americans going on a wild spending binge if there's a tax cut. Millions of ordinary Americans save money every payday. Who do they think buys all those savings bonds—congressmen's wives?

Most people have more money sense than your average congressman. Remember, most of this country's economic problems were either created by Congress or are problems that Congress has been unable or unwilling to solve.

So do us a favor—trust us with our money the way you ask us to trust you with our money.

And even if somebody buys a quarter-pounder, so what? A least it's something you can understand.

When was the last time Congress gave you anything you could understand? Besides a headache.●

LATIN AMERICAN SITUATION

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. GARCIA. Mr. Speaker, the Latin American situation is very serious. Events in the last year, especially in Nicaragua and El Salvador, strongly suggest a need to reevaluate our national policy toward Latin America in general. Documentary evidence provided by the U.S. Department of State indicates a growing Communist involvement throughout Central America. Alleged Communist assistance, in the form of material and organization, has compounded the instability throughout this region inciting further atrocities on all sides.

As in every conflict, the poor and landless, who form the majority are caught up in a war of attrition. It is a war that polarizes and destroys the fabric of society. The sale of additional arms will not, I believe, render the chaotic Latin American situation any more resolvable. Evidence suggests, contrary to the present popular call for massive arms expenditures, that increasing arms transfers only serve to increase the likelihood, severity, and duration of the conflict.

Questions need to be asked about the advisability of arming governments which, in lieu of a demonstrative interest in the livelihood of their people, choose to wage war and trumpet the insidious hand of communism. There is no doubt that Communist interests would be served in a destabilized Latin America. However, there is doubt that our interests, and the interests of the majority of Latin Americans, would be served by the massive transfer of American arms.

I believe a case-by-case study needs to be conducted to determine where and when and in what form American aid should be offered. Second, we need to step back and get a perspective on the long-range problems many of these countries will encounter, with or without U.S. aid, in the future. Finally, in our haste to establish a bulwark against increasing Soviet pressure throughout the world, we should not lose sight of the fact that we equally stand to lose more by fueling the flames of war.

A resolve to uphold the rights and dignity of each man, and a willingness to see our responsibilities in perspective should dominate all our foreign policy thinking.●

ILLEGAL IMMIGRATION PROBLEM: EMPLOYMENT IS THE KEY, SOCIAL SECURITY CARD THE SOLUTION

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BONKER. Mr. Speaker, I believe immigration—especially illegal migration—will be among the hottest issues of the decade. At this time there is great dissatisfaction with our present laws and their administration. The problem of illegal immigration will only become more volatile and divisive until Congress takes action on what has become a situation that is out of control. I am reintroducing legislation today which goes to the heart of the problem.

My colleagues should have received today the final report and recommendations of the Select Commission on Immigration and Refugee Policy, "U.S. Immigration Policy and the National Interest." The distinguished Chairman of the Commission, Father Theodore Hesburgh, recently made the following comments concerning the Commission's findings:

The first order of priority is bringing undocumented/illegal immigration under control * * * Such migration to the United States is so extensive that hundreds of thousands of persons annually enter this country outside of the law * * * Many undocumented/illegal migrants were induced to come to the United States by offers of work from U.S. employers who recruited and hired them under protection of present U.S. law * * * The Select Commission is well aware of the widespread dissatisfaction among U.S. citizens with an immigration policy that seems to be out of control * * *

One does not have to be able to quantify in detail all of the impacts of undocumented/illegal aliens in the United States to know that there are some serious adverse effects. Some U.S. citizens and resident aliens who can lest afford it are hurt by competition for jobs and housing and a reduction of wages and standards at the workplace. The existence of a fugitive underground class is unhealthy for society as a whole and may contribute to ethnic tensions. In addition, widespread illegality erodes confidence in the law generally, and immigration law specifically, while being unfair to those who seek to immigrate legally.

In response to the problem of illegal migration, the Commission emphasizes the need for legislation which both penalizes employers who hire undocumented/illegal aliens and provides a verifiable employment eligibility system.

I heartily concur with these recommendations.

In fact, more than 3 years ago I first introduced legislation which is in keeping with these very recommendations and which would establish a simple, humane, and cost-effective program to stem the flow of illegal immigrants into this country. In the 3 years since I introduced this measure, perhaps 2 or 3 million additional illegal aliens have entered this country in search of jobs.

Rather than invest in costly and draconian measures to make a Berlin Wall out of our borders, as some suggest, or harass American citizens of foreign extraction, we must focus attention on the root cause of the illegal alien problem—the employment of illegal aliens in the United States.

As the Select Commission notes, it is well known that noncitizens pour into this country by the tens of thousands every month to look for work. Without the lure of employment in the United States, these people would probably never leave their homelands.

Jobs are now readily available to the undocumented worker. Some employers are eager to make use of the large, cheap, and willing pool of illegal labor; and they face no penalty for doing so.

But sanctions against those who hire illegal aliens, in the absence of a simple and reliable system of identification, unfairly burden the employer. Without such identification, employer sanctions would also contribute to job discrimination against certain ethnic groups. Most businesses have neither the resources nor the inclination to verify the identity of a worker who may possess a counterfeited temporary work permit—green card—social security card, or other bogus forms of ID that are easily obtained. The question, then, is how best to document worker eligibility and where to place the burden for identifying and enforcing the violations.

The Social Security Act has always required that all gainfully employed people have a social security number and that this number be given to the employer. Thus, the basic system for controlling employment eligibility through a single document is already in place.

My bill would require the Federal Government to issue counterfeit proof social security cards. Anyone applying for a social security card must present proof of U.S. citizenship—as required by the 1972 amendments to the Social Security Act—or of legal entry confirmed by the Immigration and Naturalization Service, to the local social security office. An employer would be required to check a new employee's social security card and could ask for additional identification, approved by the Attorney General, in the case of an old social security card to insure that the bearer of the card is the valid holder.

What is important to remember about this approach is that the major responsibility for determining the legal employability of a person is on the Government, not the employer. Using the counterfeit proof social security card, shown only to obtain employment, would help to solve another problem—the harassment of Hispanic Americans and other citizens of foreign origin seeking work.

With the careful issuing of counterfeit-proof social security cards, we would have a simple and efficient means of controlling the employment of illegal aliens. By removing the lure of jobs in the United States, the incentive for illegal immigration would be greatly diminished.

Public opinion surveys and editorial endorsements have repeatedly demonstrated widespread support for this commonsense approach to the burgeoning problem of illegal immigration. I hope that my colleagues will agree that this is necessary and timely legislation, and I invite their cosponsorship.

H.R.—

A bill to amend the Social Security Act to require the issuance of social security cards designated to reveal any unauthorized alteration, to require that alien employment restrictions be marked on such cards and that such cards be presented to employers by prospective employees, to limit the use of such cards as identification cards, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 205(c)(2) of the Social Security Act (42 U.S.C. 405(c)(2)) is amended—

(1) in subparagraph (B)(ii) thereof, by adding at the end thereof the following new sentence: "For purposes of section 264(b) of the Immigration and Nationality Act, the Secretary shall be deemed to have been designated by the Attorney General."; and

(2) by adding at the end thereof the following new subparagraph:

"(D)(i) On and after the effective date of this subparagraph, any social security account number assigned to any individual shall be issued on a card in a form designed to prevent any unauthorized alteration or duplication.

"(ii)(I) If such card is issued to any individual who is an alien and is in the United States under conditions which do not permit him to engage in employment, such card shall be clearly marked 'Not for Employment' to indicate that such individual may not be employed lawfully.

"(II) If such card is issued to any individual who is an alien and is in the United States under conditions permitting restricted employment, such card shall be clearly marked 'For Restricted Employment', shall indicate any such restriction on employment, and shall clearly indicate any applicable expiration date.

"(III) Any card marked as required in subclause (I) or subclause (II) may be reissued to reflect any change in employment status at the request of the individual to whom such card was issued, or at such time as the Secretary may determine that the employment status of such individual has changed.

"(IV) Before issuing any card in accordance with subclause (I) or subclause (II), or reissuing any card in accordance with subclause (III), the Secretary shall obtain from the Attorney General such evidence as may be necessary to determine the employment status of the individual involved, and to comply with the requirements of this clause.

"(iii) On or after the effective date of this subparagraph, the Secretary shall reissue a card under this paragraph to any individual who is a citizen of the United States, and to whom a card has been issued before such date, at the request of such individual.

"(iv) Before any reissuance of any card under this paragraph, the Secretary shall require the individual involved to return any card previously issued to such individual. Such individual shall, in connection with any such reissuance, comply with the requirements of subparagraph (B)(ii).

"(v)(I) In any case in which any individual or the Secretary seeks issuance or reissuance of any card under this paragraph, and satisfactory application therefor is made in such manner and form as the Secretary may prescribe, the Secretary shall issue to such individual a certification of pending issuance or reissuance.

"(II) Such certification shall be marked as described in clause (ii)(II) or clause (ii)(III), if applicable, and may be used in the same manner as a card, for purposes of this subparagraph, for a period of forty-five days. Such expiration date shall be clearly marked on such certification. Before the close of such period, the Secretary shall issue or reissue a card to the individual involved in accordance with the provisions of this paragraph.

"(vi) On or after the effective date of this subparagraph, no person may employ any individual in the United States unless such individual has been issued a card or certification under this subparagraph and such person examines the card or certification so issued to determine that such individual may be lawfully so employed; except that an individual holding a card issued before the effective date of this subparagraph may be employed upon presenting such card without having been issued a new card or certification under this subparagraph, subject to such safeguards and conditions as the Attorney General may prescribe to assure that the employment of such individual (in the position involved) would be lawful. In either case, such person shall ascertain through other evidence of identity that such individual is the individual to whom the card or certification involved was issued.

"(vii) Nothing in this subparagraph shall be construed to require any individual to carry on his person any card issued under this paragraph, nor shall such card be required or used for the identification of such individual, except as provided in this subparagraph.

"(viii) Notwithstanding any other provision of this Act, any person who knowingly violates clause (vi), where such violation results in the employment of any alien who is not eligible to be employed lawfully in the United States, shall be—

"(I) fined not more than $500 or imprisoned for not more than six months, or both, for the first such employment of such alien by such person, and

"(II) fined not more than $1,000 or imprisoned for not more than one year, or both, for each subsequent such employment.

"(ix) Any person who falsely makes or manufactures a card or document which is to be or could reasonably be used as a card issued or reissued under this subparagraph, or who counterfeits, alters, or reproduces a card so issued or reissued, or who utters, publishes, or knowingly uses a card or document so made, manufactured, counterfeited, altered, or reproduced, shall (in addition to any other penalties provided by law) be fined not more than $5,000 or imprisoned for not more than five years or both.

"(x) For purposes of this subparagraph, the term 'card' means any card or other tangible object issued by the Secretary to any individual as official evidence of the assignment of a social security account number to such individual.".

Sec. 2. The amendments made by the first section of this Act shall take effect one hundred and eighty days after the date of the enactment of this Act.●

REIGN OF THE KING CRIME

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. GONZALEZ. Mr. Speaker, I am reintroducing a resolution that would provide the sense of the House directing the President of the United States to make available to the Justice Department, the Attorney General, up to $3 million as a reward to solve the murder of Federal District Judge John Wood and the attempted murder of Assistant U.S. Attorney James Kerr.

Many of my collegues will recall that I spoke about this horrendous and heinous crime periodically throughout the 96th Congress, which I appropriately referred to as the reign of the "King Crime." The murder of Federal Judge John Wood and the attempt to murder Assistant Federal District Attorney James Kerr remains unsolved.

In May of 1979, Judge Wood was the victim of the most dastardly crime of the century. The deadly crime was committed in a portion of San Antonio, adjacent to the district I represent, in the most affluent, sedate, suburban area of the city. Six months prior to this calculated murder, Attorney Kerr walked out of his home at 8 a.m. on his way to his office only to be confronted by an M-1 rifle firing at him from the back of a van. By mere fate, he was able to shield himself from the gunfire and escaped unharmed.

It has become obvious that both crimes are connected and that one followed the other. There is also the fact that these infamous crimes are unprecedented in American Federal jurisprudence. This is a direct challenge as well as an intimidation of one branch of the Government, the judiciary.

Still, today, this situation is intolerable. It is appalling that this well-planned, well-organized crime has become endemic to our society. Syndicates and organized crime networks have been able to penetrate every single layer of our Government, and our law enforcement agencies have been failing in their attempts to cope with it.

A direct challenge has continued to confront the basic rights of the Constitution. It is a threat to the success of our democratic participatory government.

For this reason, I am reintroducing this legislation. It is my hope, which is a realistic one, that the monetary reward is the only way this unpunished crime will be at last unbroken. Not only will those immediately involved be arrested and convicted, but those sinister influences behind the real crime.

Mr. Speaker, this is without doubt the gravest and most serious crime in our century, for the third branch of our Government has been threatened directly.●

COAL EXPORTS: EXPANDED PROSPECTS FOR OUR PORTS AND SHIPPING

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mrs. BOGGS. Mr. Speaker, interest continues to mount in efforts to overcome obstacles to the development of U.S. coal exports, particularly steam coal. Recently the Department of Energy released the interim report of the interagency coal export task force, which analyzes the national significance and potential benefits to the Nation of increased coal exports. According to the task force, these benefits include reducing our allies' dependence on imported oil, increasing domestic employment and substantially improving the Nation's balance of payments.

I would like to share with my colleagues two recent articles which touch on difference aspects of the development of a strong U.S. coal export capability. The first article appeared in the Wall Street Journal and it highlights the need to develop capacity at our coal export terminals. The second, a pamphlet published by the American Maritime Officers Service, discusses the tremendous opportunities for the revitalization of our domestic bulk-cargo maritime fleet.

The texts of the article and pamphlet follow:

[From the Wall Street Journal, Feb. 27, 1981]

INADEQUACY OF U.S. COAL-EXPORT TERMINALS SPARKS OIL-MONEY PUSH TO EXPAND CAPACITY

(By Thomas Petzinger Jr.)

Oil money may break up a logistical logjam in the coal industry.

Coal-hauling railroads in the U.S. and coal buyers abroad have been at a standoff for a year. Mounting prices for energy have sharply increased foreign demand for relatively cheap American coal. Colliers to carry that coal to overseas markets have been queuing up at major coal ports on the East Coast.

Coal piers can't handle the traffic. The railroads that own them have been reluctant to expand their unloading capacity. They cite the risk of commiting millions of dollars for new piers, equipment and storage areas when other countries are buying coal only on a short-term basis. But foreign importers, chiefly European utilities, are refusing to make long-term commitments precisely because of the shortage of port capacity.

Enter the coal companies, particularly the ones owned by cash-rich petroleum companies. They are moving into this traditional domain of the railroads, investing hundreds of millions of dollars in new oceanside coal terminals.

PROJECTS ABUILDING

"We're not going to be starved to death by inadequate exporting facilities," says Dan McQuade, manager of special projects at A.T. Massey Coal Co., a joint venture of St. Joe Minerals Corp. and the Royal Dutch/Shell Group.

Massey is spending about $70 million to buy and upgrade unloading facilities at Newport News, Va., and is studying other projects. The company also refurbished an export terminal at Charleston, S.C., and recently shipped its first load of coal from Charleston to a utility in Ireland.

The coal companies see their port investments as a good bet. Last year's record coal exports of nearly 90 million tons strained existing U.S. port capacity. Analysts expect the coal export boom to continue for some years. They predict that in 1985, U.S. producers will export at least 110 million tons, and considerably more in later years. That suggests a near-term need for at least 30% more capacity in coal unloading.

Last year, foreign utilities paid nearly $1 million in demurrage, or waiting, charges to each of scores of foreign vessels that stood at anchor for weeks for a load of Appalachian coal. Recently more than 145 colliers were waiting empty at the Virginia coal port of Hampton Roads. That means an average delay of 60 to 70 days.

EXCESS CAPACITY?

Despite the boom in coal and the prospect that it will continue, the coal producers investments in new ports are already beginning to look risky. The reason: It appears that too much new unloading capacity is being planned.

A recent Dravo Corp. study concluded that, by 1985, more than 13 terminals with a loading capacity of more than 150 million tons will be competing with one another. Another report, released by the government last month, forecast that if planned projects are completed on schedule, capacity in 1985 will be "greatly in excess of any forecasted level of U.S. coal export and coastal trade."

Coal companies—and in some instances coal brokers, government bodies and other investors—are planning to build terminals in Baltimore; Wilmington, Del.; Savannah, Ga.; Morehead City, N.C., and other areas. Conrail, backed by $26.5 million from the state of Pennsylvania, is planning a major expansion of a coal terminal in Philadelphia.

Projects are being considered in Baton Rouge, New Orleans, Houston, Galveston and other port cities. The Virginia Port Authority has proposed a 50-million-ton-a-year "superport" at Portsmouth, and a group of three coal producers already is considering a more modest (20 million tons a year) terminal there.

The U.S. Army Corps of Engineers is studying projects for $1.48 billion of dredging at the ports of Baltimore, Hampton Roads, Mobile and New Orleans, to equip them for loading giant vessels that currently can't call at U.S. ports.

VOLATILE INDUSTRY

Coal executives aren't surprised that coal-port capacity might swing from shortage to excess in as little as four years. "The whole history of the coal business in this country goes from one extreme to another," says Massey's Mr. McQuade. "You have to stick your neck out on the basis of a projected market."

The swelling of foreign coal demand, traceable to rising oil prices, is a blessing for the U.S. coal industry. The domestic market has been languishing for three years. "Were it not for the surge in export demand in 1980, many of the smaller and marginal coal producers currently in operation would have exited the coal industry long ago," says Jack Kawa, a coal analyst at Wheat, First Securities.

There is another factor: Without the new facilities, coal industry executives say, the expected increases in foreign demand would be filled by other coal-rich nations, chiefly Canada, South Africa and Australia.

MARKETING MATTERS

The coal producers have other motives for getting involved. "The coal companies are the major new entrants in this business because they otherwise can't control the loadings of their own coal. They're using these projects as marketing tools," says Jeffrey Bell, manager of terminals development of Soros Associates, a port contractor involved in plans for a $150 million terminal in Baltimore.

Michael Gawinski, a marketing specialist at a Dravo division that designs and builds ports, says coal companies are "scurrying because the best way to be competitive in the export market is to get these ports built now."

Most coal companies say they expect to avoid creating excess port capacity by making sure they have sufficient tonnage locked up under long-term contracts.

COAL: THE BOOM CARGO

(By the American Maritime Officers Service)

There is a boom cargo with important implications for the U.S. flag merchant fleet: it's coal! The United States is uniquely positioned with the world's major deposits which gives us a commodity showing promise of a magnitude similar to the fabled tea and cotton trade. Since competing energy resources, oil and natural gas, have risen extremely high in price, and nuclear energy has met with heavy opposition we are left with the alternatives of wind and solar energy as well as synthetic fuels. The problem with these resources is their development. The research is very costly and significant results for its expanded practical use will not be available in the foreseeable future. That leaves coal—it's available and we've got it.

Virtually every study on energy agrees that coal has a great future, and the U.S., with its vast deposits, should be on the ground floor of further development. No sooner will the new administration come into office than a 10-year old clear air act will go on review. The White House will work to restructure the old act to remove some of the heavy industrial restrictions pertaining to the use of coal. With that much business in the offering (already bulk carriers are lined up on major coal ports) one would think U.S. operators would be breaking down the doors to enter the trade. It just isn't so. Why? U.S. ports need lots of work. That means capital for new bulk-loading facilities and Government dredging funds.

At the moment there are two bills in Congress, one proposed by Senator John Warner of Virginia, and Senator Bennett Johnson of Louisiana, and H.R. 55 sponsored by Congresswoman Lindy (Mrs. Hale) Boggs of Louisiana, which are designed to appropriate dredging funds for Norfolk and New Orleans harbours to a depth of 55 feet. At the present time the maximum draft is about 40 feet. This depth makes it impossible for large coal colliers to top off. Because of this impediment, vessels must call at ports such as Richards Bay, South Africa, where the channel is 60 feet deep. In 1980 over 50 million tons of coal were loaded at that port. As far as the construction of the bulk-loading facilities in this country is concerned, the Administration has made no commitment at this time. Hence private capital must be forthcoming for the new facilities. How the money is obtained for the facilities must be done soon if the U.S. hopes to meet the future worldwide demand for coal.

An item even more important than the loading facilities is the dangerously growing neglect toward our U.S. Merchant Fleet. Right now the fleet has only about 20 bulk carriers, many of which are of World War II vintage. This problem is reflected in the record of coal trade in International Commerce in 1977 when some 200 million tons of coal were traded worldwide and only 5 million tons of coal came from the U.S. The distressing point is that U.S. flag ships carried only 2½% of the entire bulk trade according to a study done by the Massachusetts Institute of Technology. The majority of the balance of trade was carried by some of the 900 odd bulk carriers under Liberian and various other flags, many of which are owned by U.S. companies. The "Pride of Texas," launched late in 1980, was the first collier to be built in the U.S. since the "Sugar Islander" sailed out of Puget Sound on her maiden voyage in 1973. If this slack in U.S. shipbuilding continues, this country is in serious trouble on another front because the Merchant Marine is our fourth line of defense. With the condition of the U.S. Flag Merchant Fleet today, we would be in serious difficulties if there was an armed conflict.

The remedies suggested so far, including those from the outgoing administration, don't seem to address the major difficulty—the severe cost disadvantage that potential U.S. flag carriers bear both in terms of initial vessel construction and subsequent operations. With these problems the U.S. cannot possibly take full advantage of the coal trade leaving Australia, South Africa, and Colombia (major deposits were recently found in Colombia S.A.) to capitalize on trade that should belong to the United States. According to the prestigious study overseen by MIT, the demand for coal could reach anywhere from 560 to 980 million tons per year by the year 2000. Urgent action is needed.

Whatever is done to resolve the problems the solution will have to address what the recent study by MARAD described as the "most fundamental obstacle of all," that the international bulk contract market "does not place a premium on U.S. flag vessels. The market is one that does not support the luxury of service preferences and rate fixing conferences. It is a market where the skipper (the owner of the cargo) can compete only if he can deliver his product to his customer at the lowest price." Cargo preference and bilateral cargo-sharing agreements—much favored by liner operators—"may be useful where a strictly bilateral trade exists, but the result of imposing such programs with their higher shipping costs on the American foreign commerce in contract commodities would be simply to divert business away from American suppliers to foreign competitors who can ship their products on the least expensive vessels." There is little hope that technology will provide any help.

A possible solution would be for a unique four-corner bulk trade-offense such as: bulk cargoes outbound to Europe from the east coast, containers from Europe to South Africa and Australia and bulk cargoes to Japan. If this is to succeed we would need a bilateral cargo-sharing agreement with the Japanese government in order to carry various products such as steel to the U.S. It's obvious that this proposal of circumventing the globe with such a mixed service could give some hope to the U.S. Merchant Marine.●

WHITTINGTON—BEST SPELLER

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. COLLINS of Texas. Mr. Speaker, on this House floor we spend much time discussing quality education. Let us look at some constructive programs of quality education.

We have just completed the Dallas County spelling bee championship.

We had 56 of the best spellers in the county compete. Maria Whittington correctly spelled "placebo" and became the Dallas County champion.

This type of competition is stimulating and constructive. The championship finals were held on the campus of Southern Methodist University. The winner, Maria Whittington, is an 8th grade student at St. Lukes School in Irving, Tex. She is the daughter of Mr. and Mrs. John Whittington of Irving.

It was an exciting contest, as she finally won out over J. P. Porier of Lancaster.

These top spellers represented students from the fifth through eighth grades. Each of the finalists had been the top speller within their school.

People might say this is oldtime fundamental education. Whatever it is called, it is sound, constructive, and it provides us with better educated youngsters for the future. I am mighty

proud of Maria Whittington who has a great future ahead of her.●

SOCIAL SECURITY: CONGRESS CONSIDERS THE OPTIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. HAMILTON. Mr. Speaker, I insert my Washington report for Wednesday, March 11, 1981, into the CONGRESSIONAL RECORD:

SOCIAL SECURITY: CONGRESS CONSIDERS THE OPTIONS

Congress is considering several measures to make the social security system healthy once again. Without trying to make a recommendation at this early stage of consideration, let me describe the options that have received most attention.

The main options to increase social security revenues are these:

General revenue financing: Proponents of this idea have many suggestions. One is to permit the trust funds to borrow from the Treasury as their assets decline. Another is to set aside general revenues to make up for the social security tax lost during periods of high unemployment. The most common suggestion is to direct general revenues into the trust fund and then assign the entire social security tax to the other trust funds. Proponents argue that medicare benefits paid by the hospital trust fund are unrelated to social security tax payments.

Income tax credit: An alternative to the direct use of general revenues is an income tax credit designed to offset increases in the social security tax. There would be an additional increase in the social security tax beyond those already scheduled, but an even larger income tax credit would negate its impact on workers' paychecks and employers' profits. Proponents claim that this alternative would preserve the self-financing character of social security.

Extended participation: The extension of social security participation has also been mentioned as a means of increasing revenues. There are three basic proposals. One would bring into the system the 2.5 million civil service workers who are not covered currently. The other would make social security mandatory for all new civil service workers. A third envisions the extension of participation to all federal employees, employees of state and local governments, and employees of non-profit organizations. Proponents say that such changes could be made without endangering the pensions of any workers.

Taxation of benefits: Social security benefits are currently exempt from income tax, but changes have been recommended. One idea is to subject all benefits to income tax. Another is to tax only half of them. A third is to tax either some or all benefits, but only when total retirement income exceeds a certain large amount. Any tax collected would be paid directly into the trust funds. Proponents maintain that taxation of benefits would place social security and private pensions on a more even footing.

The main options to decrease social security outlays are these:

Retirement age: It has been suggested that the age at which an individual may receive full social security benefits be raised from 65 to 68 years, gradually and beginning about the year 2000. Such an action would reduce the benefits paid out as it kept workers paying in for a longer time. Proponents argue that people are now remaining healthy longer than at the time when 65 years was chosen as the retirement age.

Indexation of benefits: Another proposal to decrease outlays is to change the method by which social security benefits are indexed to inflation. One alternative is to modify the Consumer Price Index (CPI) by substituting in it the lower cost of renting for the higher cost of housing. A second is to "cap" the CPI either at a certain percentage each year or by annual congressional review. A third is to adjust benefits in step with the lower of wage or price increases that occur in the economy. This last method has attracted attention because employees' wages have tended to rise more slowly than consumers' prices. Proponents claim that beneficiaries should not be given more consideration than workers.

Reduction of benefits: It has also been suggested that certain kinds of social security benefits be totally eliminated or else gradually reduced by denying them to future recipients. From time to time, the minimum benefit, the lump-sum death benefit, the benefit for young surviving parents with older children, and the post-secondary student benefit have been recommended for elimination or reduction. Proponents say that the benefits are not tied closely enough to social security tax payments or else are not needed because they are duplicated by other forms of government aid. It has been proposed as well that the formula used to calculate initial benefits be changed in a way that would reduce benefits for future recipients.

Each of these measures has its opponents. In the view of many people, general revenue financing blurs the distinction between social security and welfare. Critics of the income tax credit say that it is too complicated. Government workers see the extension of participation as a threat to their pensions. The taxation of benefits and all the plans to decrease outlays meet with opposition from labor groups and the elderly. They argue that contributions to the system have already been taxed, that many other persons cannot work beyond age 65, that the elderly should not bear the brunt of inflation, and that all benefits are necessary just to get by.

None of these measures is pleasant to consider. On the other hand, one or more of them will have to be passed by Congress if the integrity of the social security system is to be maintained. If policy makers do not make hard decisions soon, drastic action will be needed later.●

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. OTTINGER. Mr. Speaker, according to the House Select Committee on Aging, a vast number of older Americans are overpaying their income taxes because they fail to take advantage of the legal tax reduction provisions available to them. The committee recently released its checklist of itemized deductions for use in taxable year 1980. I believe it is extremely important that this information be available to all senior citizens so I am inserting the checklist in the CONGRESSIONAL RECORD at this time:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Tax Return Information for Use in Taxable Year 1980)

A. FILING REQUIREMENTS

Single Individuals

Single individuals under the age of 65 must file a return if they had gross income of $3,300 or more for the year. Those over age 65 must file if they had gross income of $4,300 or more.

Married Individuals

Married individuals under the age of 65 must file a return if the couple's combined gross income was $5,400 or more. If only one spouse is age 65 or older, the filing level is $6,400. If both spouses are age 65 or older, the filing level is $7,400.

An individual who is married and whose spouse files a separate return must file a return if gross income was $1,000 or more.

Qualifying Widow or Widower

Qualifying widows or widowers must file a return if they had gross income of $4,400 or more during the year. For qualifying widows or widowers who are 65 or older, the filing level is $5,400.

Self-Employed Persons

Self-employed individuals must file a return if they had net earnings from self-employment of $400 or more.

B. PERSONAL EXEMPTIONS

Each taxpayer is entitled to a $1,000 personal exemption. Married taxpayers generally are entitled to an additional $1,000 exemption for their spouses. Furthermore, additional exemptions are provided for age (65 or older) and blindness. Finally, individuals may take an exemption for each person who qualifies as a dependent.

C. ZERO BRACKET AMOUNT

The zero bracket amount (formerly, the standard deduction) is the portion of an individual's income which is not subject to tax. The zero bracket amount is (1) $3,400 for married individuals filing jointly, or qualifying widows or widowers, (2) $2,300 for single individuals, or heads of households, and (3) $1,700 for married individuals filing separately.

D. EXCLUSIONS

Capital Gains

In general, 60 percent of net long-term capital gain is excluded from gross income.

Sale of Personal Residence

Individuals who are age 55 or older may elect to exclude, on a one-time basis, up to $100,000 of the gain from the sale of a personal residence. For the exclusion to apply, the taxpayer must have owned and occupied the residence for 3 of the 5 years ending on the date of sale.

Dividends and Interest

In general, individuals may exclude up to $100 ($200 on a joint return if each spouse has at least $100 of dividends) of dividends received during the year.

For 1981 and 1982 tax years (to be reflected on 1981 and 1982 tax returns), $200 ($400 in the case of joint returns) of interest and dividends may be excluded from gross income.

Disability Income Exclusion

Certain individuals may exclude up to $5,200 per year of disability income. In general, to qualify for this exclusion, an individual must be under age 65, must have retired on disability, and must have retired because of permanent and total disability.

E. ITEMIZED DEDUCTIONS [1]

Medical and Dental Expenses

The portion of medical expenses that exceeds 3 percent of a taxpayer's adjusted gross income may be deducted. (However, medicine and drug expenses are taken into account only to the extent that they exceed 1 percent of adjusted gross income.)

One-half of the amount spent for medical insurance (up to $150) may be deducted without regard to the 3-percent floor. The remainder is lumped with other medical expenses and is subject to the 3-percent floor.

Taxes

In general, State, local or foreign income tax, real property tax, personal property tax, and general sales taxes are deductible.

Interest

Interest payments are deductible by individuals who are legally liable to make them. Items commonly deducted as interest include: Mortgage interest, "points" paid by a borrower, mortgage prepayment penalties, separately stated finance charges, bank credit card plan interest, interest on personal loans, and interest on business loans.

Contributions

Contributions of cash or property to qualified organizations may be deducted. In general, the deduction may not exceed 50 percent of an individual's adjusted gross income.

Casualty and Theft Losses

Personal casualty and theft losses are deductible to the extent that they exceed $100 per occurrence and are not reimbursed through insurance or otherwise.

Miscellaneous Deductions

In addition to medical and dental expenses, taxes, interest, charitable contributions, and casualty and theft losses, a number of other, miscellaneous expenses may be claimed as itemized deductions. Some of the more common expenses in this category include: dues paid to professional societies, employment-seeking expenses, employment-related education, subscriptions to professional journals, union dues, investment counsel fees, safe deposit box rental, and tax counsel and assistance.

F. TAX CREDITS

Credit for the elderly

Individuals who are age 65 or older, or who are under age 65 and receive a taxable pension or annuity from a public retirement system, may be entitled to claim the credit for the elderly. The maximum amount of the credit is 15 percent of one of the following amounts: (1) $2,500 for a single person, head of household, or qualifying widow or widower; (2) $2,500 for a married individual filing a joint return, if only one spouse is 65 or older; (3) $3,750 for a married individual filing a joint return, if both spouses are 65 or older; or (4) $1,875 for a married individual filing a separate return, if the individual and his or her spouse were not members of the same household during the year.

[1] For further details see itemized deductions.

Child and Disabled Dependent Care Credit

Taxpayers may be entitled to a credit equal to 20 percent of the amount paid for the care of a dependent under the age of 15, a disabled dependent, or a disabled spouse, if the payment is made to enable the taxpayer to work or look for work. For a taxpayer with one qualifying dependent, the maximum credit is $400. If there are two or more qualifying dependents, the maximum credit is $800.

Earned Income Credit

Taxpayers with dependent children generally are entitled to a refundable credit equal to 10 percent of the first $5,000 of earnings (for a maximum credit of $500). The credit phases out a rate of 12.5 percent as income rises from $6,000 to $10,000 (that is, a reduction of 12½ cents for each additional dollar of income).

Residential Energy Credit

Taxpayers are entitled to a credit equal to 15 percent of the first $2,000 spent on qualifying energy-saving items. Qualifying energy-saving items include: insulation, storm or thermal windows or doors, caulking or weather stripping, clock thermostats, furnace replacement burners, and meters that display the cost of energy use.

In addition, taxpayers may receive an additional energy credit for amounts spent on solar, wind-powered, or geothermal equipment for their homes. This credit is for 40 percent of the first $10,000 of those costs.

Credit for Political Contributions

Taxpayers may take credits for up to one-half of political contributions made during the year. The maximum credit is $50 on a single return and $100 on a joint return.

G. PRESIDENTIAL ELECTION CAMPAIGN FUND CHECKOFF

Additionally, an individual taxpayer may voluntarily earmark $1 of taxes ($2 on joint returns) each year for the Presidential Election Campaign Fund. (This does not result in any increase or decrease of the tax liability.)

ITEMIZED DEDUCTIONS

A. CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and Dental Expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

Insurance Premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and Medicines

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other Medical Expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nursing services for medical care, including nurse's board paid by you.
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.
Splints.
Supplementary medical insurance (Part B) under medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Television set if individual has a hearing impairment and the set is specially equipped with a visual display of the audio portion of television programs. Similarly the cost of an adaptor for a conventional television that performs the same function is now considered a medical deductive by the IRS.
Transportation expenses for medical purposes (9¢ per mile, plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge

is made regardless of when the bank is repaid.

Taxes

Real estate.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., social security, veterans' pensions or compensation payments, railroad retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 9¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or Theft Losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for chamber of commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Transportation expenses for business purpose (20 cents per mile for the first 15,000 miles, and 11 cents per mile in excess of 15,000 miles, plus parking and tolls or actual fares for taxi, buses, et cetera.)

B. OTHER TAX RETURN INFORMATION ITEMS

Tax Tables

Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemise deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $1,000 for each exemption because these amounts are also built into the tax table for you.

Multiple Support Agreements

In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) support; (2) gross income; (3) member of household or relationship; (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $1,000 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence

You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of the sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.●

REAGAN—SHORT ON PUERTO RICO

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. CORRADA. Mr. Speaker, the San Juan Star, of the Scripps-Howard chain of newspapers, and one of Puerto Rico's largest newspapers, reacted to the 1982 budget revision announced by the Office of Management and Budget for the food stamps and child nutrition programs, in an excellent editorial appearing in its March 10 edition.

It reflects the initial reaction of Puerto Rico's public opinion to the proposed cuts in the most important food nutrition Federal programs and to the discriminatory treatment these cuts represent in the case of Puerto Rico.

The editorial reads as follows:

REAGAN—SHORT ON PUERTO RICO

President Reagan is either short of memory or short-sighted when it comes to Puerto Rico. His administration's drastic budget cuts for the island prove the contention.

The White House's Office of Management and Budget not only intends to cut dangerously into Puerto Rico's food assistance programs but also to do it in a discriminatory manner different from the way the same programs will be treated in the states.

Why can't Reagan and his adviser see the difference between a fat and complacent mainland United States economy, sated with success and needing drastic reform, and a poor, still developing Puerto Rican economy, slowly growing but fragile?

The Reagan proposal for slashing some $300 million out of the island's approximately $1.2 billion worth of food programs is to lump them all together and then knock off 20 percent.

That looks for all the world like cavalier treatment from on-high to the colonies—and not at all like the candidate Ronald Reagan of early 1980. The Reagan of those pre-election days, writing in the Wall Street Journal, spoke of why Puerto Rico should be a state of the union. He said that as president he would "initiate legislation, which really means that I would take the lead in persuading the people of Puerto Rico—the mainland United States—all American citizens, that statehood will be good for all of us."

He saw Puerto Rico as a strategic bulwark in the Caribbean against Soviet Union designs, "a positive bridgehead into the Caribbean, Latin America and the developing world."

Can he now see no connection between fostering that idea of a healthy, developing Puerto Rico and the reckless budget slashing that his Office of Management and Budget is preparing to wreak on this island? His administration seems bent on forcing much too sudden disruptions in the Puerto Rican economy, actions that can not only hurt this island's economic health but also its position as the U.S. representative in the Caribbean.

"To show the world that the American idea can work in Puerto Rico is to show that our idea can work everywhere," Reagan said last year.

But today his administation, if it continues with its discriminatory heavyhandedness, will show the world that Ronald Reagan has little feeling or respect for Puerto Rico—and no loyalty to his own intentions, voiced as a candidate.

Is it a short memory? Perhaps.

It is certainly shortsightedness to cut so deeply and suddenly into Puerto Rico's economy without cushioning alternatives of some sort. It will imperil economic gains made painstakingly over the past 25 years; and it will hurt Reagan's image in the Caribbean, particularly Central America, the very area he and his strategists have chosen for their first serious skirmish with the Soviet Union to show U.S. superiority and power.

It doesn't make any sense, no matter how you look at it.●

DEFENSE SPENDING: GETTING OUR MONEY'S WORTH

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MAZZOLI. Mr. Speaker, our ability to maintain the security of our Nation depends upon effective and reliable weaponry which can by utilized by the average GI under normal battlefield conditions.

For this reason, I am very distressed by the findings of a recent General Accounting Office (GAO) report entitled "Effectiveness of U.S. Forces Can Be Increased Through Improved Weapon System Design" which concluded that overly complex designs and a lack of attention to the abilities of the soldiers who use the weapons threaten the defense of our Nation.

The level of our military spending is defensible if—and only if—it strengthens the protection or our security interests.

Mr. Speaker, I urge all our colleagues to read the following digest to the above-mentioned GAO report.

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS: EFFECTIVENESS OF U.S. FORCES CAN BE INCREASED THROUGH IMPROVED WEAPON SYSTEM DESIGN

The United States' ability to fight a war may be severly hampered because many of the aircraft, ships, tanks, ordnance, and other systems the Armed Forces must use are suffering from numerous problems. While these systems may have the capability to perform their missions, it is often of little value because not all the systems can be adequately operated, maintained, or supported.

GAO has reported on these problems in the past and believes that many of them can be traced to the Department of Defense's (DOD's) system acquisition process, particularly the early phases before system design is set. The pressures to attain specific performance goals, such as speed, range, and firepower, within tight time and cost constraints have often led management to trade-off or otherwise not give adequate attention to long term "ownership considerations."

GAO examined three ownership considerations which appear to be among the most prominent detractors from the effectiveness of deployed systems—logistic support, human factors, and quality assurance. DOD has made changes to direct more attention to these three factors, but GAO believes that several additional actions need to be taken if these considerations are to receive adequate emphasis in the design of military systems and equipment. These actions will have to include greater support by the Congress and DOD for activities, such as logistics and human factors research, testing, and analysis.

LOGISTIC SUPPORT

Logistic support requirements, such as replacement parts, tools, test equipment, technical manuals and facilities, and the time and cost of providing these, are not being adequately addressed when designing systems and equipment. This contributes to low system readiness rates when deployed because the military supply and maintenance systems cannot meet the demands placed on them.

DOD is now placing greater emphasis on logistic support requirements during the acquisition process, including adopting a policy that supportability is as important as cost, schedule, and performance. The positive impact these changes need to have may never fully materialize because:

The process for interfacing logistic considerations with other design considerations—logistic support analysis—is very difficult to do. Much of the data needed for design decisions is difficult to obtain; there is a shortage of trained people to do the analysis; and the analysis can be costly, especially if duplicative analyses are not eliminated. (See pp. 22 and 23.)

The quantitative analysis needed to assess logistic plans, resources, and support-related parameters for meeting system readiness goals may be very difficult to perform because the analytical models for making such assessments may not be adequate. (See p. 23.)

There is very little guidance to insure that critical program documents contain the language needed to get systems designed that are supportable. (See p. 24.)

Testing a system's supportability before it is deployed is difficult to do, requires dedicated test time and articles, and is expensive. (See pp. 24 and 25.)

There is little incentive for management to either invest development funds or to trade-off technical performance to improve the supportability of a system because it is very difficult to quantify the benefits of such investments and trade-offs. (See p. 25.)

HUMAN FACTORS

Limitations such as skill levels, proficiency, availability, environmental stress, and fatigue of the personnel who operate and maintain military systems contribute to human-induced system failures. Indications are that these types of failures are quite high. New policy emphasis on human limitations in the design of systems may have a very limited impact because:

Human factor specifications, standards, and handbooks used in designing and developing systems and equipment do not adequately address human limitations. (See p. 31.)

There are no common methodologies and data sources for use by system designers in forecasting skill levels of future military personnel. (See pp. 31 and 32.)

DOD testing policies and procedures do not tend to identify and resolve potential human-induced failures during the developmental stages of the acquisition process. (See pp. 32 and 33.)

QUALITY ASSURANCE

Systems being deployed are not as reliable as they are intended to be. Part of the problem is that the reliability inherent in system designs is being lost in the transition from design to production and deployment.

The extent of the problem is very difficult to quantify, but its existence points up the need for designing systems which can be manufactured to the tolerances called for in the specifications and then tested to confirm compliance. DOD recognizes the problem, but attempts to place greater emphasis on designing these types of features into systems are hampered because:

There is a lack of guidance to project managers on how to evaluate designs for quality assurance. Part of the problem may be that there is only one person in the Office of the Secretary of Defense assigned to the policy aspects of quality assurance. (See p. 38.)

Files on contractor quality histories have not been fully established and the cross-service product quality deficiency reporting requirement has not been fully implemented. (See p. 38.)

Government engineers with adequate training in quality assurance are in short supply. (See p. 39.)

RECOMMENDATION TO THE CONGRESS

GAO recommends that the Congress direct more attention during its deliberations on DOD's budget to such matters as logistic support, human factors, and quality assurance considerations in the design and development of weapon systems.

RECOMMENDATIONS TO THE SECRETARY OF DEFENSE

Logistic support

GAO recommends that the Secretary of Defense

Develop new or modify current data reporting procedures to provide the information needed for performing logistic support analyses,

Establish logistic support research and study programs to develop improved quantitative assessment methods (see p. 26),

Provide detailed guidance to ensure that critical program documents contain the language needed to obtain systems which are supportable, and

Provide for improved testing and evaluation of the supportability of systems before they are deployed.

Human factors

GAO recommends that the Secretary of Defense

Modify human factor specifications, standards, and handbooks used in system design so that they adequately address all human limitations which can result in human-induced system failures.

Develop common methodologies and data sources for use by system designers in forecasting skill levels of military personnel 5 to 10 years in the future, and

Ensure that all major systems are subjected to adequate testing and examination from a human factors standpoint throughout the acquisition process, particularly in the developmental stages.

Quality assurance

GAO recommends that the Secretary of Defense

Produce comprehensive guidance for program managers as to how a design should be evaluated for quality assurance,

Ensure that the quality history files on contractors are fully established and that the cross-service quality deficiency reporting requirement is fully implemented, and

Strengthen the quality assurance work force so as to permit their active involvement in the design phase of the acquisition process.

AGENCY COMMENTS

DOD agreed with GAO's findings, conclusions, and recommendations. (See app. III.) Changes were made to the report, where appropriate, to reflect specific comments.●

SPENDING CUT PROPOSALS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. ASPIN. Mr. Speaker, I intend to give all the President's proposals a thorough eyeballing. I will not reject any out of hand. Basically, I am very much in sympathy with his spending cut proposals.

I cannot say the same thing about his tax-cut proposals. We have a serious inflation problem. If we are serious about getting it under control, we have got to do two things: Move more rapidly toward a balanced budget and stimulate the investment necessary to increase productivity. The Reagan tax cuts do neither.

The Reagan budget actually calls for more cuts in taxes than in spending. That means the Reagan proposals will actually result in a higher deficit. Of course, Mr. Reagan tells us the budget will be balanced 3 years from now. But President Carter was always telling us the budget would be balanced 3 years from now, too. The problem is that, like tomorrow, 3 years from now never comes.●

INCENTIVE STOCK OPTIONS

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SHANNON. Mr. Speaker, a major problem facing growth-oriented small businesses is the necessity of competing with larger firms in attracting and retaining highly trained employees. More established firms are frequently able to outbid emerging companies by offering higher salaries and more job security. This limits the growth rate of developing firms, despite the fact that small businesses are responsible for generating most of America's new jobs. On January 9, I introduced H.R. 822 to help alleviate this problem by creating a new catagory of employee stock options called incentive stock options.

To date, there are three types of stock options—restricted, qualified, and nonqualified. They differ according to the tax treatment of the bargain element. The bargain element is the difference between the option price and the fair market value of the stock for which it is subsequently exchanged. The bargain element for incentive stock options differs from other types of options in these ways: the time when the tax is levied on the bargain element; whether the business can claim a deduction for the option; whether the bargain element is taxed at ordinary income or more favorable capital gains rates; and the special requirements which an option must meet to qualify for this more favorable tax treatment.

Congress created restricted stock options with the passage of the Revenue Act of 1950. Thirteen years later, the Kennedy administration recommended repeal of these provisions. They argued that the gap between taxing the bargain element at capital gains rates, rather than as ordinary income, resulted in a significant loss of revenue. At that time, however, capital gains were taxed at 25 percent and ordinary income was taxed at rates up to 92 percent. In 1964, Congress responded by repealing restricted stock options and instituting qualified options. In 1976, Congress abolished these qualified stock options, except for some transitional options which will continue to qualify through May 20, 1981. At that time, only nonqualified stock options will remain in the Internal Revenue Code.

Under nonqualified stock option plans, taxation of the bargain element occurs at the time the option is exercised, at ordinary income tax rates. Frequently, if the employee is to meet his tax burden, the stock must be sold within the year. This leaves the employee with little gain and no potential for a future gain. The purpose of stock options is to motivate employees on the theory that they will strive to improve the company's growth if they can share in the profits. However, under nonqualified stock options, most of this incentive is removed. In fact, under nonqualified stock options, employers benefit more than employees, since employer's may claim the value of the bargain element as a tax deduction.

My bill corrects this situation. Benefits accrue to employees, rather than employers. Incentive is restored. Employers would no longer be allowed to take the value of the bargain element as a tax deduction. Business would benefit by their increased ability to attract and motivate highly qualified personnel. Employees would reap the financial benefits. The size of the benefits would be tied to the success of the firm, and employees could contribute to that success. Under incentive stock options, taxation would not occur until the stock is sold by the employee and, at that time, capital gains rates would apply. Employees would not have to dispose of their newly acquired stock immediately in order to meet their tax obligation. Rather, they could continue to hold it and allow their economic fortunes to rise and fall with those of their employer. Incentive does not have to stop at the time of the option exercise.

This taxation of the bargain element at rates more favorable than those for ordinary income is justified. Stock options are not the same as compensation in the form of salaries. Although they are offered to employees as complements to wages, they do not represent spendable income to employees when they are granted. An employee accepts a stock option as a calculated risk. The purchase of stock options encourages personnel to invest effort and energy in an attempt to foster the growth and productivity of the firm. If the sum of these individual investments leads to increased profits and stock values, the options will be exercised. Otherwise, they will be allowed to lapse. There is a parallel between the traditional gamble of a stock purchase and the investment of management expertise. The gains of these two types of investments should receive similar tax treatment at the lower capital gains rate.

Incentive stock options afford an opportunity for high-caliber employees to acquire potential equity in a firm. This potential acts as a catalyst for employees to translate their expertise and energies into greater profits. As stock prices rise, employees exercise their options and actualize that potential ownership. The requirement in the bill, that employees hold the stock for at least 2 years from option grant and 1 year from stock purchase further encourages this productivity/profits cycle.

Incentive stock options offer special benefits for small growth-oriented businesses. If small businesses, which cannot otherwise afford to attract and motivate talented employees, are allowed to offer this form of employee compensation, they will be unable to compete successfully with larger, more established firms and the benefits which would accrue to our economy from their growth would be lost. Small businesses are responsible for generating most of America's new jobs. Thus, by permitting these firms to provide work incentives to their employees in this manner, incentive stock options will promote both increased productivity growth and create jobs.

An additional advantage of H.R. 822 is that it provides another approach to capital formation. This bill would alleviate the cash-flow problems of new ventures. Funds normally earmarked for higher salaries could be retained and reinvested in the company and, when the options are exercised by the employees, supplemental capital would become available to the firm.

H.R. 822 accomplishes the goals of stimulating productivity growth, job creation, and capital formation without signficant revenue loss to the Treasury. Because businesses would no longer be allowed to claim a deduction equal to the value of the bargain element, over a 5-year period there would be a net revenue gain of $37.5 million. Revenue losses would accrue at the rate of $2.5 million for fiscal years 1982 through 1984, but gains of $15 million and $30 million would result for fiscal years 1985 and 1986, respectively.

In summary, H.R. 822 should be enacted by this Congress before the May 20 deadline, after which only nonqualified options would remain. The basic impetus for the 1964 changes that led to the repeal of restricted stock options no longer exists. Recent legislation has considerably narrowed the gap between maximum tax rates for ordinary income 50 percent and capital gains 28 percent. In addition, my bill, by providing a mechanism for increased employee incentives, addresses the three key issues before the Congress—productivity, capital formation, and job creation. It does so at no revenue loss to the Treasury. Its adoption will signal our growing commitment to the small business community so vital to America's economy.●

LT. COL. HERBERT WILLIAMS, RETIRED

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MARKS. Mr. Speaker, I rise today to ask my colleagues to take a few minutes out of their busy schedules to pay tribute to an outstanding man who passed away last week. Herbert Williams, lieutenant colonel, retired, or Herbie, as he was called by his many friends, was a city councilman in Farrell, Pa. When he was elected to the city council in 1977, he became the first member of my party to have done so since 1932. He was the type of city councilman every city needs—interested, informed, articulate, concerned. He cared deeply about both the city of Farrell and the people in it, and he fought to make his home a better place in which to live.

Herb Williams believed in Farrell, and that is one of the reasons he fought so hard to make the city work. But he also believed in America, and he became an example of the American dream. He worked hard for what he got, and he was quite a success at everything he did. He graduated from Farrell High School as a star all-around athlete: football, track, and basketball. He went to Youngstown State University on a football scholarship and graduated in 1955. He received his master's degree from the University of Southern California in 1959.

In Vietnam, Herb Williams again distinguished himself, and was decorated as an artillery officer. He also taught at Tuskegee Institute, before returning home to Farrell, serving first as a teacher and then as a councilman. He distinguished himself and his community in many ways, serving on the Mercer County Regional Planning Commission; the Mercer County NAACP; PUFF; and the board of directors of the Mercer County Hall of Fame. Everything he did, he did with distinction. We shall miss him.●

REMARKS OF RAFAEL RIVERA GARCIA

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. GARCIA. Mr. Speaker, a dear friend of mine, Mr. Rafael Rivera Garcia, recently spoke before the National Conference of State Historic Preservation Officers here in Washington. I believe his remarks are extremely important and express several thoughts which at times, it seems, become lost in the Nation's discussions of new immigrants from Latin America and from Southeast Asia. I would like to submit the remarks for my colleagues to read and consider.

The article follows:

STATEMENT OF RAFAEL RIVERA GARCIA BEFORE THE NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS—MARCH 10, 1981

On March 4, 1980 the Special Resolutions Committee of the National Conference of State Historic Preservation Officers resolved that the name of the Special Jurisdictions Committee be changed to reflect the growing national desire to insure that there is a dedication to preserve and enhance our diverse traditional heritage.

On March 18, 1980, I testified before the House Subcommittee on National Parks and Insular Affairs, Committee on Interior and Insular Affairs.

The subsequent law, titled H.R. 5496, the National Historic Preservation Act Amendments of 1980, passed on November 17, 1980. Under section 101, in reference to matching grants-in-aids to States, part B states, "the Secretary may also, in consultation with the appropriate State historic preservation officer, make grants or loans or both under this section to Indian tribes, and to non-profit organizations representing ethnic or minority groups for the preservation of their cultural heritage."

In section 502 the law states, "the Secretary, in cooperation with the American Folklife Center of the Library of Congress

shall, within two years after the date of the enactment of this act, submit a report to the President and the Congress on preserving and conserving the intangible elements of our cultural heritage such as arts, skills, folklife, and folkways. The report shall take into account the view of other public and private organizations, as appropriate. This report shall include recommendations for legislative and administrative actions by the Federal Government in order to preserve, conserve, and encourage the continuation of the diverse traditional prehistoric, historic, ethnic, and folk cultural traditions that underlie and are a living expression of our American heritage."

My interpretation of the law as now written is that, at last, cognizance is taken in regards to the minorities in the historic preservation phenomena.

If America is to grow in a healthy balanced manner, there is no doubt that efforts must be made to record, study and preserve the cultural traits of groups which comprise this great Nation. Not to take cognizance of and not to study, preserve, and propogate could lend to confusion and turmoil.

America is a Nation of many acting as one, but in a format never experienced before. Certainly not experienced in such a diverse and unique manner. The United States consists of peoples of all nations representing all ethnic groups.

Is it, as is felt by some, a negative phenomena; the fact that to preserve a foreign language will somehow contribute to the balkanization and destruction of America?

Is it a negative phenomena to encourage these cultural differences? I believe not.

It is a fallacy to believe that America was built only by the White Anglo-Saxon American. The development of the American Nation within the continental 48 has relied upon the work and influx of immigrants from all parts of the world which created the labor forces, backbone, and democratic elaboration of the U.S. Constitution and the Bill of Rights. America was built by, and opened its doors to, peoples of all cultural identities. These groups brought with them their cultural traditions, languages, and ways of life. They adapted to the geography, and constitutional formula of the American Nation. To not realise that this process continues on into the present would truly be an unreal vision of what the American Nation is. It is also a fact of history that the U.S. expansion has encompassed lands which are not part of the continental 48. In these instances, the cultural traditions are more deeply rooted because there was not a movement of cultural groups into the U.S. but rather an incorporation with those cultures of American democracy and certain American traditions.

The cultural phenomena manifest in present day America is again one of immigration. Peoples again flock to our shores, but now they come from south of the border, southern Asia and the Caribbean. To deny to these peoples an opportunity to share in our freedoms is certainly as bad as to deny a people's pride in their heritage, pride in their very being.

The basic premise of cultural preservation should be a realization that there is incorporation with the English language and a North American or westernized way of life, but, that at the same time there are carryovers of strong cultural traditions and that these traditions do not represent a threat to the democratic American way of life, but rather that they represent the rich cultural diversification possible under a democratic life style.

Under a democratic society, which is the American Nation, diverse cultural ethnic and miniority groups can maintain a harmonious heterogeneity and yet still share a common way of life under an economic and constitutionally homogenous Government.

As a member of the American Nation and as a representative of a vigorous minority, and as a representative of our collective sentiments, I might state that we are all the product of invasion, war, social upheaval.

We are products of history—the history of the growth of the American Nation. Therefore, the American Nation has a responsibility to allow the present and future generations a clear view of the roots of all of us that are still creating the American Nation.

We now have a law which demonstrates a recognition of this treatise.

Will it be carried out or will it fail?

I believe it is in our hands.●

TRIBUTE TO WALTER CRONKITE

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. GREEN. Mr. Speaker, last Friday night most of us watched as Walter Cronkite anchored his last broadcast of the "CBS Evening News." Mr. Cronkite's brief goodby was characteristic of the way he handled himself for two decades on television. He was composed, dignified, friendly, witty. I am proud to have him as a constituent.

Much has been said about his leaving—Mr. Cronkite suggested that too much has been said—and columnists and commentators across the Nation have reminded us of his journalistic accomplishments. I would like to take a few moments, therefore, to note some accomplishments that are not as well known, accomplishments of Walter Cronkite the private citizen. Although not as far-reaching as his work as a journalist, this work has touched the lives of many of his fellow New Yorkers.

For years Mr. Cronkite has served as a member of the board of directors of the Neighborhood Committee for the Asphalt Green in New York City, a nonprofit organization which promotes athletics, the arts, and energy conservation and development. Mr. Cronkite has generously donated time and energy to this project and his help has been partly responsible for its success.

Seven years ago the Neighborhood Committee for the Asphalt Green began to pursue its goal of developing a youth center for sports and recreation in Yorkville. Now this beautifully landscaped complex includes a grass playing field for football, soccer, and softball, public tennis courts, and outdoor basketball courts. At the eastern end of the Asphalt Green stands an abandoned asphalt mixing plant which was designated a land mark in 1976. The structure is being renovated for sports and arts events. Incorporated into the building's conversion are solar designs which will significantly reduce energy consumption.

Another important part of this program is the fireboat house station at 90th Street which, after suffering considerable damage in a fire, is being recycled into an environmental and energy studies center.

It seems fitting that Mr. Cronkite would be involved with such a project. His interest in sports and the arts—a combination that serves as an example to us all—is well known. The Asphalt Green's promotion of new energy sources brings to mind his comments during space shots. For years he urged us to pursue our goals in space, offering his sympathy when we failed, hailing us when we succeeded. So in many ways, the Walter Cronkite we have come to know on our television sets is Walter Cronkite the private citizen. I doubt he would have it any other way.

The old asphalt plant at the Asphalt Green is an impressive piece of architecture. A soaring concrete structure in the shape of a parabola, the building reminds one of the Arch in St. Louis, except on a more imposing scale. It was not built to honor the work of Walter Cronkite—and if it were, I am sure he would have nothing to do with it—but it would seem an appropriate tribute. At once it is steadfast yet graceful, overpowering yet reassuring, complex yet simple. It is all the things we have come to associate with this man. It would seem an appropriate tribute indeed.●

INVESTMENT IN EDUCATION OR MORE WELFARE?

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. OTTINGER. Mr. Speaker, I want to bring to the attention of my colleagues a recent column by Albert Shanker, president of United Federation of Teachers, which describes the devastating inpact President Reagan's proposed cuts in education would have if adopted. Without a doubt our investment in education pays off—to cut these funds would be nonsensical. As Mr. Shanker clearly points out, "We'll pay later for education cuts now." The text of Mr. Shanker's remarks follow:

WHY IS REAGAN BOOSTING WELFARE COSTS?

(By Albert Shanker)

Who would have thought that one of the first acts of President Ronald Reagan would be to propose a huge increase in welfare costs for the nation? Of course, this is not what President Reagan has proposed outright, but, whether he knows it or not, that will be the inevitable result of his policies just as surely as long-term neglect of defense leads to international disaster.

The welfare rolls are filled with different kinds of people. There are the elderly with no other source of support. There are mothers alone taking care of their children. There are those who are too ill to work. There are undoubtedly some cheats, although their numbers have been reduced by recent vigilant search efforts. But a large part of the welfare population consists of people who cannot earn a living because they have no skills they can sell to get a job. Some are illiterate. Many of them dropped out of school at an early age . . . or were frequent truants . . . so that in addition to never learning properly how to read, write or count, they got into the bad habit of not even showing up for work.

There have been many programs designed to reach these welfare recipients, to teach them the skills they need to earn a living. Some of these programs have worked. It's never too late. But once someone has grown up without the needed skills, it's much harder and more expensive to succeed in giving them to that person.

On Tuesday President Reagan will tell us exactly what is to be cut from the federal budget. If his cuts this week are anything like the proposals announced over the last few weeks, the consequences, whether the President intends them or not, will be big increases in welfare costs in the future. Federal aid to education is not money which is evenly spread—it is highly targeted. The funds go to help children who come from America's poorest families, children who are likely to end up in life right where their parents are now—in poverty—unless they get special help.

Has the special help worked? These days it's popular to say that you can't solve problems by throwing dollars at them. That's true, but neither are you going to solve them by giving children fewer teachers, fewer books, fewer paraprofessionals, fewer guidance counselors.

There is hard evidence that in this case, federal aid to the education of the disadvantaged, the programs have worked.

In 1967, only half of all young black adults were high school graduates. By 1977, the rate had risen to 76%—very close to the 80% of all American students who by then were being graduated from high school.

A recent study by the National Assessment of Educational Progress reports that in the last decade there was no major change in the ability of most American students in writing skills, with one exception: "Black teenagers improved on almost all of the writing tasks administered to 13- and 15-year-olds, narrowing the gap between their performance and that of the nation on some items and performing on the national level on others."

A 1978 report of the Rand Corporation, "Race Differences in Earnings: A Survey and New Information," showed that median black male income, which was 64% of median white male income in 1967, had risen to 73% by 1975. The report said that the main reason was education. Blacks and whites were becoming more alike "in terms of characteristics producing higher wages," and education accounted for 47% of the growth in black income that the researchers could trace to the increasing similarity.

It should be noted, of course, that the federal programs are not targeted to blacks but to the poor, most of whom are white. (Vernon Jordan pointed out recently that the majority of people on welfare, half of food stamp recipients, 80% of those who receive social and nutritional services for the aged, the majority of those who hold CETA jobs—are white.) The progress made by blacks, for whom statistical records are kept, is evidence of the same progress for huge numbers of poor whites, for whom statistical records are not kept. It is reasonable to assume, for example, that such black and white progress is reflected in the sharp increase in enrollment in American colleges and universities. In 1966, there were 6.4 million students enrolled. By 1976, the number had increased to more than 11 million.

What this means is that millions who would have been on welfare will not be because they have the skills to work. Instead of using up the taxes of others, they will be working and paying taxes. If the extra help we have given these kids is taken away, we may go back to the days of poorer achievement at a huge cost.

We now recognize that Japan, Germany and others are successful in competition with us because of research and development investments which they made 10 or 15 years ago. Success in business depends on long-term investment strategy, and we are paying heavily now for our failure to make the same investments a decade ago that our competitors made. But the same is true of the investment we make in those in school today. They will be the workers, inventors, scientists, doctors . . . or welfare recipients . . . of tomorrow.

President Reagan seems to understand this. He has promised not to cut the funds for Head Start, because the evidence is overwhelming that the investment in good preschool education pays off. It saves huge costs when those who have had it don't need very expensive special services later in school and in life. But up to now, those who have been in Head Start have also had the benefits of federal aid to education through their regular school years. If we take that follow-up help away—as the proposed budget cuts threaten to do—there is a likelihood we will undo the benefits of Head Start as well.

Senator Ted Kennedy put it well in a recent speech. "If this Administration can understand investment when it comes to $160 billion in new incentives for factories and equipment," he said, "then it should be capable of understanding that investment in education must be at the heart of any investment strategy for the prosperity of America."●

GREEK INDEPENDENCE DAY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. PORTER. Mr. Speaker, every year on March 25 we are given the opportunity to participate in the anniversary of the Greek War of Independence. Not only do we have cause to celebrate the endurance of the brilliant Greek cultural and democratic heritage through four centuries of Ottoman domination, but we also have the opportunity to show our appreciation for outstanding individuals of Greek descent who have made contributions to every facet of American life.

In accordance with this tradition, the Illinois chapter of the United Hellenic Voters of America will be honoring five of these individuals at their second annual Most Distinguished Greek-Americans Awards dinner on March 14, 1981. Recipients of these awards will be: Dr. Stanley Fistedis, for his substantial contributions to science; Dr. Angeline Caruso, for her dedication to public education and her consistent efforts to provide equal educational opportunity to the children of Chicago; Ms. Evangelin Gouletas, for her spectacular achievement in the real estate business; the Bishop of Iakovos, for his continued humanitarian service to the groups and people of Chicago; and the Honorable Nicholas J. Melas, for his fine contributions and leadership in the metropolitan sanitary district and other units of local government.

It is my privileged opportunity to congratulate these five outstanding Greek Americans for their exceptional achievements and relay my hope that the recognition and reaffirmation of past and present ideals and excellence through this celebration may serve as an inspiration to us all.●

IT IS "SNOWING" IN HOLLYWOOD EVERY DAY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. DORNAN of California. Mr. Speaker, mass media molds the mind of mankind and television is king. This fact is irrefutable: Television influences people. It shapes views, molds opinions, and has the potential to exert more power over more minds than any device known to mankind in all of history. The images television projects are of major importance. The men and women who choose those powerful electronic images obviously hold extremely sensitive positions which bear great responsibility. That is why this second article by TV Guide's Frank Swertlow on cocaine addiction in Hollywood needs to be read. Mr. Swertlow is an investigative reporter with the heart of a lion. He has done his Nation a great service with this chilling report.

[From TV Guide, Mar. 7, 1981]

HOLLYWOOD'S COCAINE CONNECTION—"IT'S SNOWING IN HOLLYWOOD EVERY DAY"

(By Frank Swertlow)

Tall, handsome young men are chatting about their TV ratings, real estate and new Mercedes. The women, like the men, are dressed in form-fitting jeans from Rodeo Drive boutiques. Designed shirts, or blouses, are opened carefully, revealing chests and breasts and strings of gold jewelry. The

shoes come from Italy, the boots from Texas. Hollywood celebrities as well as the less-famous faces of producers, directors and writers are present.

The party's host, an ambitious producer, emerges from the kitchen, carrying a black laquered tray. As he moves across the room he stumbles. Suddenly, heads turn. The TV man desperately steadies the tray and what it carries: a brandy snifter. But the battle is lost. The snifter tumbles, scattering a snowy powder across the carpet. No one moves. Then, almost as if someone yelled "Go," the host and his guests fall to the floor and rub their noses in the rug.

In Beverly Hills, vacuum cleaners are not used on thousands of dollars' worth of cocaine. While this scene may sound like an outtake from "Annie Hall" or a ludicrous parlor game, it isn't. It happened. Cocaine use and abuse is widespread in the TV industry. But at most parties cocaine doesn't fall onto floors. It is gently snorted from delicate spoons or through straws, some made from tightly rolled dollar bills and others from hand-tooled silver.

How common is cocaine use in the Los Angeles area? Epidemic, according to the Los Angeles Police Department, whose agents seized 183 pounds of cocaine during 1980. That's a record the LAPD, and a 41-percent increase over the previous year, which also saw a record haul.

But Capt. Bob Blanchard, head of the LAPD's narcotics division, says his agents find it difficult to penetrate the entertainment industry. "Their use of cocaine is confined to areas not normally accessible to our enforcement. They are discreet. They stay in their houses or their offices. If they are going to use it in a car, they will have a chauffeur drive."

Federal agents agree that cocaine use in the entertainment industry is heavy. "It's caught on like hot cakes there," said one agent. "It's part of their life style."

Added another: "If you don't have a bowl of coke on the table in Hollywood, you're a nobody."

"Coke is the biggest problem facing the TV industry," says a veteran TV producer, who asked for anonymity. "It is destroying people. Before I hire anyone, I ask, 'Do you do drugs? If you do, I don't want you.' Believe me, it is very tough to find clean people these days."

Medical authorities agree that the drug can destroy talent. Dr. Ronald K. Siegel, a psychopharmacologist at UCLA School of Medicine who specializes in cocaine use, says, "For chronic users, cocaine becomes their life, their love. They become preoccupied with drug-seeking and drug-taking to the exclusion of all else in their lives."

Dr. Siegel, whose patients include many members of the entertainment industry, says that chronic users eventually become psychotic and lose contact with reality. "I had one client who thought little white snakes were coming out of his hands. He took a knife and started cutting the snakes off. He brought them to us in bottles. They were pieces of dried skin."

The cocaine habit is extremely hard to break, according to Dr. Siegel, who has patients who spend as much as $3,000 a week for the drug. "It is the ultimate pleasure-giver," he says. "The brain likes it. In Hollywood, when people like something and have a lot of money, they will get it. It becomes a toy."

"I first came in contact with coke," said actor Peter Strauss, "when I was doing a show and the doctor in the studio came up to me and said he could do something to get me through the all-night shooting. At the time, we had to work to 2 A.M. 'If you are really feeling down,' the doctor told me, 'the nurse has a little something for you.' It was coke."

Strauss said he has come in contact with actors, producers and directors who constantly use cocaine. "I don't like to work with these people, but I understand why they turn to drugs. These people feel they need to get themselves up; they need some electricity, some excitement in their performance. They want to capture some crazy, wild emotion that the drug will give them. It's terrible working with these people. The actors are OK when they are doing scenes that call for anger and rage, but when you are trying for some intimacy, some subtle moment, they can't come down. The scene is destroyed."

Strauss said he purposely avoids Hollywood parties because of the drug scene. "I don't want a crutch to lean on, but some people do, because they know that coke will do it for them, even for a little while. It's desperation, but a lot of people in Hollywood will kill just for five minutes of glory on a screen. That's why there is a saying that 'It is snowing in Hollywood every day'."

Nowhere is this champagne-priced drug—about $125 per gram—more affordable than in Los Angeles, where, overnight, huge sums of money are made in the entertainment industry. "It's a status thing," Los Angeles deputy district attorney John M. Watson has said. "Rock stars, people in the entertainment industry, give it a great deal of prestige." Coke, said one Los Angeles narcotics investigator, has become so chic that "it's like wearing boots and jeans." Indeed, reports about coke use involving TV personalities are growing common: Richard Pryor, Louise Lasser, Tommy Rettig, Gail Fisher, Freddie Prinze, Mackenzie Phillips, Robert Evans . . .

"Coke is all over the place—directors, writers, producers, everyone," said a top network official. "It's horrendous."

Moments before saying this, the network vice president was smoking marijuana with a vice president from another network, an executive from a major studio and a TV producer who had just finished a film about drug abuse. The incident took place inside a game room cottage at Hugh Hefner's Playboy mansion in the exclusive Holmby Hills section of Los Angeles. "I smoke pot to relax after work," said the first vice president. "It's like a cocktail."

Cocaine is stronger than a cocktail. A few gentle sniffs are taken from a white powder that looks as pure as snow. For 15 minutes or so, a tremendous, exhilarating high fills the user. Then, when the euphoria abates, the drug must be used again, and again. While cocaine is probably not physically addicting, it creates a powerful psychological dependence.

"People use cocaine because it creates a sense of indestructibility," said a veteran TV writer who works on several series. "It's a false sense, but they feel they need it. Physically, cocaine is not incapacitating. If you drink too much alcohol or take too many Quaaludes, you can't walk. If you take too much speed [amphetamines], you can't stop talking. Cocaine doesn't work that way. I've watched people take cocaine during a long period of insecurity."

Actress Elizabeth Ashley makes a similar point. "Everybody knows, even though they don't say so, that cocaine can get you up to do a show," she says. "It may not be the best thing for you, but it's far from the worst. And it works. Especially if you are sick and down."

A producer of shows on two networks thinks it's a good deal more serious than that. He believes that cocaine use stems from the tremendous amount of wealth handed TV performers, who, too often, are unready for it. "Remember this," he said. "You are dealing with young people who have millions of dollars and incredible fame. They don't know what to do. When they reach 40, who knows what is going to happen to them? Television isn't kind to the old, so they feel they must get as much as they can, now. And they do—the cars, the houses, the fame. But it doesn't matter, because in their hearts they are unhappy. One day some guy comes by and says, 'Put this up your nose and you'll feel good.' And they do and they feel good, but it passes, and they do it again and again. They have a good argument for using the stuff. Who knows where they will be tomorrow? What they don't know is that this stuff makes tomorrow come very early."

Chasing away insecurities is not the only reason for coke. "A lot of guys get into coke because of women," said the producer, in his Hollywood office. "You can't get a girl with money, but she'll take drugs. You can really get a better grade of women with coke. This may sound funny, but coke is used by a lot of actresses to keep their weight down. When you take coke, you don't want to eat."

"My addiction began," said a longtime producer of TV-movies and series, "with the pace of putting together a network comedy series. We had to do a lot of all-night rewriting, sometimes working 18 or 19 hours a day. I needed something to increase my physical endurance. You soon start making all sorts of other excuses: we need the coke to keep the writers going; we need the coke to be more creative. Soon you start wanting it because you feel good. You begin to develop this hip superiority, a false sense of reality sets in. Everything you do is terrific. One night we started shooting and things began to get tense. We really weren't worried about the shooting. We wanted the pusher. We got very edgy until she came."

Pushers. Who were the pushers? In many cases, the producer said, the pusher was a technician who set up shop in a corner of a sound stage. "It's very easy," he said. "It's dark. A pocket is opened and one hand passes the money and another drops the coke." On other occasions, he said, dealers blended into a production by simply putting on a T-shirt with the name of the show written on it.

"A lot of the dealers I met were young girls," said the producer, who used cocaine daily for two years. "They had their territories, like people selling stationery, or the Avon lady. It's funny, a lot of these women are legit now. They made important friends and became writers or minor executives at a network or studio. They made contacts."

Once, the producer's dealer got lost at the studio where he was working. "I was at Universal at the time, and I got a call from the exective tower," he recalled. "Some girl was looking for me. Well, my career passed before my eyes. I had this vision of a hippie floating through the executive suites selling drugs. I was wrong. They finally brought her to me, and she was dressed in a business suit, perfectly coiffed and wearing Gucci loafers. She also carried an attaché case. 'You look like a lawyer,' I said. 'I have some very big customers,' she replied."

The woman then opened her attaché case. "I looked inside," he remembered, "and she had a rolodex with her clients' names neatly typed out. Next to it was a schedule of her appointments: Fox 9 A.M.; Paramount 10 A.M.; Universal 11:15 A.M. She had regular runs. Then she began talking. 'I have some exotic stuff coming up from Chile that you might be interested in and some really good stuff coming in from Mexico.' As she continued, I noticed that she had a drug newsletter in her briefcase. 'Why do you have that?' I asked. 'You read the trade papers,' she replied. 'Well, I have to keep up on my business'."

As cocaine began to take hold, the producer found himself unable to break his habit. "I felt I was doing my best work when I used it," he said. "I was free and on top of my game, on top of the world. Looking back, I was deluding myself. Cocaine is very destructive. It changes your personality. You get into fights; you become paranoid. In television, the creative person is in terror of the network organization. To fortify yourself, you take a drug that takes away the fear."

The producer became bolder, openly smoking marijuana in front of network executives. "It was very natural," he recalled. "You get to a point where you feel above it all. You no longer want to sneak into corners." Another time, the producer dissuaded a network executive from New York from firing an actor because he was "stoned" on coke. "'So what!' I screamed. 'Why not use him? We created the show stoned; we cast it stoned. He fits right in'."

The producer's marriage crumbled because of his addiction. So did his career. Finally, with the help of friends, he overcame his habit. It took a year. "When you start using the stuff, you think it's a passing fad. It's not. People's lives are destroyed; their families are affected; their jobs. There is only one place all this can lead—death. You have to understand something. Cocaine is not a hard sell. We live in a seller's market."

Cocaine chases the blues, but it also destroys talent. And now, people in Hollywood are beginning to wonder: will it also destroy the TV industry?●

BLACK LUNG BENEFITS RECIPIENTS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. YATRON. Mr. Speaker, I rise today to express my strong opposition to any attempt by the Reagan administration to reduce benefits for present black lung recipients, or to narrow eligibility guidelines for future recipients.

Black lung is a serious and debilitating disease that results from inhaling coal dust. It incapacitates a person by making it extremely difficult to breathe.

The American coal miner has sacrificed many years in the dirty and dangerous mines to produce this country's most vital energy resource—coal. Those who have become afflicted with black lung deserve these benefits. We cannot neglect them; we cannot forget them in their time of need.

We want to reward productivity and hard work, not discourage it. The miner's job is neither easy nor popular. Every day that he engages in his job he risks his life and his health. When a miner contracts black lung disease, he has earned a right to these benefits.

I worked very hard for the passage of the Black Lung Reform Act in 1977 because I believe the program is of tremendous value and merit. I do not intend to stand by and see it rendered ineffective by unjust cuts. I have personally communicated my concerns directly to President Reagan and Office of Management and Budget Director, David Stockman.

While I certainly support efforts to reduce Government spending and eliminate budget deficits, the Government must not fail to live up to its obligations to the miners. If a miner has black lung disease, he deserves the benefits. To deprive him of this is wrong, and will also deter efforts to increase U.S. coal production, which is desperately needed at this time.

One of the costs to the miner for his years of sacrifice is the possibility of getting this insidious and crippling disease. Our society must be willing to bear the costs of producing coal and to compensate the miners adequately for their efforts, if we are to continue increasing coal production.

I fully intend to continue to do everything I can to insure that the black lung program is not diluted in any way.●

THE PLO REFUSES TO JOIN THE SEARCH FOR PEACE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. ROSENTHAL. Mr. Speaker, the search for peace in the Middle East continues. From both Israel and Egypt we see dedicated efforts to solve through negotiations the issues which separate the Arab countries from Israel—the need for Israel's military security, the desire for Arab Palestinians to find a vehicle for their national aspirations, the future status of Jerusalem.

The need is greatest for other Arab nations to abandon their shrill cries for war, and sit down and discuss the problems facing both sides. Peace is made between enemies, not between friends. All nations in the region pay lipservice to a preference for a negotiated settlement rather than another round of war. Yet only Israel and Egypt have had the courage to talk to one another.

In some quarters the fiction is alive that the Palestine Liberation Organization is capable of entering a serious discussion with Egypt and Israel. Alas that is only a fiction. I have searched fruitlessly for a moderate word from the PLO indicating a desire for negotiation, compromise, and mutual accommodation. Successive statements from Chairman Arafat demonstrate that cavalier, intemperate violence which have earned him a position of prominence among the terrorists of the world.

In early February, Chairman Arafat gave an interview in English to Robert Fisk, correspondent of the London Times, for airing on the Canadian Broadcasting Radio Network on Sunday, February 8, 1981. Here was an opportunity to express himself to a friendly journalist and reach an English-speaking audience where he might win friends for his cause.

The complete interview text follows. It demonstrates that the PLO is not yet ready to plan a constructive role in the search for peace in the Middle East.

FISK. Mr. Arafat were you surprised that President Reagan attacked you as a terrorist just after his inauguration?

ARAFAT. I can understand that they are using these slogans during the election campaign, but I was astonished when he gave some statement and in the first interview he made against the P.L.O. He can say what he wants concerning Israel but he has (not) to insult the P.L.O., or the Palestinian people.

FISK. What can you do to change American policy? If Mr. Carter had been re-elected perhaps life would have been easier for the P.L.O.?

ARAFAT. No. No. No. I still remember what happened with Carter. He gave his famous slogan "Homeland For The Palestinians". What was the result?

FISK. Did you believe it?

ARAFAT. You see, in the beginning we said "O.K. let us wait and see". We are not looking for what they are saying. We perfer to wait and see.

FISK. You want Mr. Reagan to recognize the legal rights of the Palestinian people—is there anything you can do, or the P.L.O. can do? Is there any concession or any other word you want to use which you can make to the Americans?

ARAFAT. We had offered two solutions. We, the victims, had offered two solutions. In 1969, you remember we declared our first slogans about our democratic state where Jews, Christians and Moslems can live together—all the Jews! All of them—to live together in—in my homeland, in our homeland, the Palestinian land, but on equal footings, equal rights. In 1974 we offered the second solution. We said that we are ready to establish our independent state in any part from which Israel will withdraw or to be liberated. So we the victims had offered solutions, but they are offering nothing but new slavery to my people. If you are in my place would you accept this tragedy to continue, definitely not. So what we are doing we are resisting against this occupation, against this tragedy, against this very hard circumstances with which we are living.

FISK. Supposing you were sitting here and Ronald Reagan was sitting there. You will laugh when I say this, but let us suppose,

and you said this to Mr. Reagan and he would say to you * * *

ARAFAT. If, big if.

FISK. OK, big if.

ARAFAT. No, I don't.

FISK. Let's suppose that you said that to Mr. Reagan.

ARAFAT. You are in the West pragmatic. I am too (also) pragmatic.

FISK. You are too. Mr. Reagan thinks you are pragmatic perhaps, and he would say to you, all right, I accept what you say, now what will you give?

ARAFAT. I am playing building castles in the air. If, big if, make nothing. Give some dreams.

FISK. Would you give Mr. Reagan any dreams? Could you offer anyone security; secure borders, this is the E.E.C.'s * * *

ARAFAT. Secure border, who is need for secure border?

FISK. Israel says it does. You know you have * * *

ARAFAT. Another big lie! Another big rumours! They have between 18 and 20 atomic bombs, they have the hugest military force in this area and they are facing all the Arab area, and they are needing for security. Why is need for security? I am asking for security. You are observing the hell which you are living in the South, as an example, the hell my people are living under the occupation. We are in need of guarantees and security. Daily we have aggression, from the sea, from the air, from the land.

FISK. Let me ask about the other Arab States. Let me ask about you relations with Jordan. There are rumours in Beirut, which you will now deny, that you are still in considerable contact with King Hussein, that there is an agreement between you that perhaps at some future date, you and King Hussein could co-operate even in some overall Western idea of autonomy for the West Bank, not Camp David, but something else. Maybe the Jordanian option. How are relations with King Hussein?

ARAFAT. We have a good relations with King Hussein and in Mecca Conference, and in the Taif Conference I met him. We have fruitful talks. But concerning the Jordanian option it is King Hussein himself in his speech in the Taif, in the Islamic Conference * * * he declared that it is no, nothing concerning a Jordanian option.

FISK. But there is no kind of unwritten or private agreement between you and King Hussein, of something for the future?

ARAFAT. You see I have declared it many times that during the Rabat summit conference in 1974 I have declared it that we are ready to make a special relation, a special relation, between the Palestinian state and the Jordanian state.

FISK. I spent two months in Afghanistan last year. There is a lot of propoganda about what the Russians are doing but some of it is true. I can't imagine you are totally happy with the behaviour of the Soviet Union in Afghanistan. Are you?

ARAFAT. In my opinion and as a friend to the Afghanistian people I am looking for a solution for this issue, on the principle that Afghanistan is part of the Islamic group. Afghanistan is a member of the non-aligned countries movement and no interference * * * in the internal affairs of Afghanistan.

FISK. Would you be prepared to be a mediator of any kind in the Afghanistan dispute for example?

ARAFAT. If the Afghanistian people ask me? I will do? Why not?!

FISK. You'd go to Moscow?

ARAFAT. Why not? Any place. It is my duty! The Afghanistian people are my brothers.

FISK. Let me ask you about the revolution. This is a difficult question, I think. But a lot of people ask me this question. Especially when I go to Israel, to Palestine, they put this one to me. Why is it that in South Africa, in Rhodesia before independence, in Northern Ireland, the guerrilla armies attack oil installations, trains, buildings, soldiers, yet in Israel * * *

ARAFAT. Only—only babies, only babies yes?! * * * only children's * * *

FISK. Kibbutz? Buses full of * * *?

ARAFAT. Only babies and children.

FISK. And school children?

ARAFAT. Do you believe them? Do you believe them? Only babies!

FISK. Sometimes, they are * * * sometimes.

ARAFAT. In all the operations they are preparing the old women and the small child.

FISK. I am not saying only children die, but on many occasions it seems difficult for even some Palestinians to defend what happens.

ARAFAT. No, always they are preparing in their military communique, always they are preparing the small child and the old woman.

FISK. But it does happen sometimes.

ARAFAT. It doesn't * * * Why they are occupying my country? I have the right to resist against this occupation. Let them withdraw from my homeland, from our homeland. We are offering solutions, but they are offering to us genocide and death.

FISK. But I must still come back to * * *.

ARAFAT. Yes, yes, why not?

FISK. When women and babies are killed as they sometimes are * * *.

ARAFAT. I am against it.

FISK. It's a mistake?

ARAFAT. Yes * * * I am against it, but it happens. But you have to ask these citizens why are they living in my homeland. They are living there, they are participating in this tragedy, they are participating in this crime with their government, with the Israeli military junta. They have to stop it! We don't want to live as refugees, outside of our homeland. We have the right to live as human beings. I am fed up from carrying my gun. I want to live as a human being, but I am ready to carry on my resisting and my fighting, defending my people till the end of my life, but I am looking to find a solution, I am looking to find a way of life, a place under the sun for my people.●

OUR STAR, OUR MOTHER

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MAVROULES. Mr. Speaker, I wish to commend to your attention the inspiring poetry from one of my constituents, Mr. Theodore Safine, from Peabody, Mass. The following verse is Mr. Safine's heartwarming tribute for Mother's Day:

OUR STAR, OUR MOTHER

Father, we miss your bright, cheery smile,
Your love and your dear, kindly face.
Though friends have attempted to lessen our grief,
No one can ever take up your place.
Mother needs always your love and your care,
Her brow now wears deep, sad new lines,
And on her once smiling and bright, happy face
No laughter these days ever shines.
We children are showing our great love for her
Always in words and in our deeds.
We sing and we dance and cavort for her sake
But it's your kind heart she needs.
Days have past slowly since you went away,
Each week seems as once a year did.
But we'll try to submit, Father dear, to this shock
And do as dear God has bid.
Fear not, our dear Father so far away,
Mother shall have our best of care.
We promised you that and we'll keep our word,
How ever we children must fare.
Earth knows no sorrow that Heaven can't heal—
So ran the old song long ago.
And we'll draw down from heaven at close of each day
Manna to soften her blow.
No more shall she work and worry and plod,
No more shall she toil for our sake.
And we know we shall be blessed children of God
For the happiness spread in our wake.
Her tears shall be dried, her tired limbs find rest,
In a cozy armchair shall she sit,
A fire burning brightly shall gladden her days,
With nothing to do but to knit.
To knit and to talk with the friends that she loves.
To read the good books she'll adore.
And then if she longs for anything else
We'll get that and considerable more.
There's nothing too good for this Mother of ours,
The best of the land shall she wear.
Tho we never can quite make up for her loss
We at least can save her from care.
So Father in Heaven, look down on us here—
You know your dear wife best of all.
Send a message to help us to gladden her heart
E'er she too goes beyond our recall.●

CRITICS OF THE PRESIDENT'S EL SALVADOR POLICY: THEY LEARN NOTHING, FORGET NOTHING

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MICHEL. Mr. Speaker, it was said of the Bourbon kings that they learned nothing and forgot nothing. Much the same can be said about many of the current critics of President Reagan's decision to support the government in El Salvador.

These critics tell us that the El Salvador Government violates human rights. These same critics, a few years ago, were telling us that the Government of South Vietnam violated

human rights. Is there anyone who would care to argue that the Communist government in Vietnam today is more attentive to human rights than the government it replaced? Ask the survivors of the boat people and the Vietnamese Catholics who, according to recent reports, are now becoming victims of the inevitable Communist hatred of religion. Ask the Cambodians—if you can find any.

These critics condemn the Government of El Savador. They tell us we should not support the government, yet they offer absolutely no criticism of the Communist-armed guerrillas. They make no prediction as to how human rights would survive under a Communist-dominated regime. All we are told is that the current government is no good. There is never a single word of criticism said about the Communist-led guerrillas. They, one supposes, are supposed to represent the hope of human rights. Some hope.

The last time these critics had their way, millions of Southeast Asians were condemned to slavery, or death, hundreds of thousands were forced into concentration camps euphemistically called "re-education camps," thousands died in the great tragedy of the boat people. Are these critics repentant over the role they played in aiding the victory of those totally opposed to human rights? No, they want to do the same to the people of El Salvador as they did to the people of Southeast Asia.

The irony of all this is that some of these critics wrap themselves in the mantle of religion or some higher morality. In fact, their moral stand consists of nothing more than supporting Communist terrorism through the sin of silence and destroying the last hope for a gradual approach to freedom by criticizing any American attempt to help the government.

I would like to issue a challenge to any of these critics. Let them produce the evidence that Communist-led guerrillas have ever offered anyone, anywhere, human and civil rights. Do this and I might begin to stop thinking of these critics as hypocrites—or worse.

At this time I ask unanimous consent to insert in the RECORD, "El Salvador Is Not Vietnam" by Laurence H. Silberman, former ambassador to Yugoslavia (Los Angeles Times, Mar. 4, 1981) and "Vietnam Renews Anti-Catholic Campaign" by Keyes Beech (Los Angeles Times, Feb. 5, 1981).

[From the Los Angeles Times, Mar. 4, 1981]

EL SALVADOR IS NOT VIETNAM

THE DIFFERENCES ARE VAST, U.S. CRITICS TO THE CONTRARY

(By Laurence H. Silberman)

The Communist-led insurgency in Central America—like a subcutaneous infection that develops and spreads before bursting the skin—threatens to become a running sore there and on the American body politic. Weakened remnants of the enormous political force that opposed (at least in the latter stages) American involvement in Vietnam are mobilizing to challenge U.S. support for the anti-Communist, Christian Democratic-led junta in El Salvador. Is this simply a reprise of Vietnam, another foreign and domestic disaster in the making? Similarities there are, but also vast differences. Appreciations of both must govern our policy.

American involvement in Vietnam was doomed from the start. The denouement of the Korean War convinced the North Vietnamese that they would incur no strategic loss no matter how long they fought in South Vietnam. And, in fact, U.S. war aims in Vietnam were limited to preserving a non-Communist South Vietnam. At no time, despite the pain we inflicted, did we threaten the existence of the Communist regime in North Vietnam. Our limited commitment was defined by our unwillingness to risk an Asian land war with the Chinese—or a nuclear alternative. By contrast, the North Vietnamese commitment, supported by the Chinese and the Soviets, was open-ended in terms of cost, risk and time. Only a serious and permanent threat to North Vietnam would have made possible any other outcome.

In other words, in the 1960s (unlike the 1940s) the United States never really determined that Indochina was vital to our interests.

In Central America, geostrategic factors immensely favor the United States, and our interests are even more compelling. Besides our special concerns for neighboring Latin America—which, after all, were expressed by the United States more than 150 years ago in the Monroe Doctrine—Central America fits neatly between the two great oil producers in the Western Hemisphere, Mexico and Venezuela. We cannot any longer ignore the spate of nations that have fallen under Communist control since our defeat in Vietnam. Momentum—the Soviets call it the inevitable triumph of Marxism-Leninism—is as important in world affairs as it is in domestic politics.

Consequently, after a recent briefing by Secretary of State Alexander M. Haig Jr., Sen. Charles H. Percy (R-Ill.), chairman of the Senate Foreign Relations Committee—by no means a hard-liner—almost off-handedly said, "The United States will do whatever is necessary to prevent a Communist takeover in El Salvador." That is, of course, language that nations use to describe their vital interests.

But American domestic political opposition, buttressed by support in Europe and Mexico, has quickly begun singing the false siren songs that beguiled us in Vietnam. The critics insist that the insurgents in El Salvador include many non-Communists who fight against past oligarchic abuses. Therefore, they argue, it is "simplistic" to perceive the insurgency as a Communist export. Remember similar arguments in Vietnam? The answer is, of course, that the Communists always seek power in the clothing of a popular front, and on achieving power, always liquidate, politically or literally, their non-Communist allies, as they have recently done in Vietnam. How long, O Lord, how long will it be before the lesson is learned?

The United States should not ally itself with repressive right-wing dictatorships, even to oppose Communists, is another oft-heard argument. (Soon we will hear demands, as we heard in Vietnam, for free elections in the middle of the war.) But the Salvadoran junta is hardly right-wing; its economic policies are to the left of those of liberal Democrats in the United States. In any event, the more threatened an anti-Communist regime, the more it turns to repression. The pursuit of human rights, then, in the short run as well as in the long term, depends in large part on making the present Salvadoran government secure.

A political solution, it is said, is preferable to a military solution. But a satisfactory political solution for the Communists, as a matter of doctrine and practice, is a negotiated victory and an ensuing Communist dictatorship. There have been no other internal political solutions negotiated with a Communist-led movement—ever.

We should not be unduly influenced by European or Mexican views of Central America. The Europeans, as a group, are not a world power and, unfortunately, do not seem any longer to have a world view (as we see so painfully in the Middle East and in the Persian Gulf area). As was true during the Vietnam War, the European left is tacitly encouraged by other Europeans to focus on faraway Central American rather than on Europe, to avoid undermining European determination to meet the Soviet Union's challenge in Europe. Mexican support for the Salvadoran leftists indicates how vulnerable Mexico's domestic politics truly are. Communist-led guerrillas are operating along the Mexican-Guatemalan border near the Mexican oil fields, and the Mexicans wish that their attention were confined (at least in the short term) to Guatemala.

Just as the key to success in South Vietnam was a true threat to the existence of the Communist regime in North Vietnam, the key to El Salvador is Nicaragua. The Sandinista leadership, despite persistent American illusions, is Communist. Anyone who carefully reads their literature or talks with them must conclude that the Sandinistas' doctrine is indistinguishable from classic Marxism-Leninism. Gradually, but inexorably, the Nicaraguan private sector will be squeezed out of existence; free expression is already a bleeding casualty, and assassinations of leading anti-Communists occur without undue press attention in the United States.

Still, the vast majority of Nicaraguans are non-Communist; many fought Gen. Anastasio Somoza's struggle against the tightening Communist vise. The Sandinista leaders, therefore, are vulnerable, and their vulnerability leads them to support Communist takeovers in neighboring states from which anti-Sandinista forays could be mounted. But that vulnerability also provides the United States with a range of options not present in Vietnam that could reduce Communist pressure on El Salvador.

Although reasonable men and women differ as to whether U.S. forces or advisers have a positive or counterproductive effect on various aspects of the Central American struggle, the one clear lesson of Vietnam is that a graduated introduction of U.S. power, in whatever form, governed by a limited commitment is folly. It is this lesson that explains the President's assurance that El Salvador will not be another Vietnam.

[From the Los Angeles Times, Feb. 25, 1981]

VIETNAM RENEWS ANTI-CATHOLIC CAMPAIGN

(By Keyes Beech)

LAEM SING, THAILAND.—Apparently wary over the powerful role the Roman Catholic church has played in the Polish revolution, Vietnamese communists have tightened the

screws on the church in southern Vietnam, recently arrived refugees say.

Two Catholic priests, one of whom asked to remain anonymous for fear of reprisals against his family, said communist officials acknowledged that a renewed campaign against the church is linked to events in Poland.

About 100 of the 500 or more refugees in this camp on the Gulf of Thailand are Catholics.

The priests said the communists look upon the church as a potentially "destabilizing" element that must be watched. But there was no indication that the regime regards the church as an immediate challenge to its power, as is the case in Poland.

Although a minority, Vietnamese Catholics exercised influence out of all proportion to their numbers before the communist takeover of the South in 1975. This was especially true during the regime of President Ngo Dinh Diem, a Catholic who was murdered in a coup in 1963.

Of the 800,000 people who fled from North to South Vietnam when the country was partitioned in 1954 after the communists defeated the French, about 600,000 were Catholics. Under Diem's regime they were given preferential treatment in resettlement in the South.

Father Alphonse Tran Duc Phuong, 38, a former South Vietnamese army chaplain, said that although people are free to worship, there is pressure on the church on the village level and on the priesthood.

Church authority has been broken down so as to forestall any large-scale action, Phuong reported. Only a handful of priests have been ordained since 1975 and only one seminary, in Ho Chi Minh City, formerly Saigon, is still operating.

Priests who were arrested or died have not been replaced. "The communists say there are already too many priests," said Phuong, who spent four years in a "reeducation center" before escaping to Thailand three weeks ago.

The Catholics are not alone in feeling communist pressure. Buddhist monks have also been severely restricted in their movements and their religious activities curtailed. Some monks have escaped and resettled in the United States.

It is the Catholics, however, whom the communists distrust most.

In 1975, an estimated 10% of Vietnamese were Catholics, the highest proportion in any Far Eastern country except the Philippines.●

TRIBUTE TO WALTER CRONKITE

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. JEFFRIES. Mr. Speaker, last Friday night a milestone in broadcast journalism was reached when Walter Cronkite retired as the CBS Evening News anchorman. He spent almost 20 years at this post and during that time he became one of the most trusted men in America.

It is rare when a person from the media gains the recognition that Walter has. He, more than anyone else, has been the role model for television news anchor men and women. Many historical events have happened during his tenure, but through the years he gave the public a natural and old-fashioned approach to the news. Most importantly, he gave straightforward news to the public, avoiding bias and personal commentary in his reporting. By realizing the importance of giving the public the facts, he instilled in the American public trust and respect for this broadcast media pioneer.

Walter's nightly presence in America's living rooms will be missed by his legion of viewers, including myself. His ability to disseminate the confusing and sometimes frightening day's events into an understandable and cohesive newsstory is a rare achievement. Whether he was covering a political convention, man's first landing on the Moon, or an assassination, he always set a high standard for broadcast jounalism.

I would like to take this opportunity to thank Walter Cronkite for his years of service and wish him a rewarding and successful future. Walter, we will miss you.●

RESEARCH REVITALIZATION ACT OF 1981

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SHANNON. Mr. Speaker, on February 17, I introduced H.R. 1864, the Research Revitalization Act of 1981, to provide a very necessary tax incentive to promote research and development. Research and development has played a vital role in this Nation's economic success for many years. It has led to the unparalleled success of this Nation's high-technology industries since 1945.

Research and development spending will enhance product quality and choice, expand national markets and living standards, and reduce inflationary pressures. R. & D. spending has been a rewarding investment to individual companies, and to the Nation as a whole. It is difficult to understand why it has received such scant attention from national policymakers.

The position of the United States as the world's leader in innovation and technology has begun to slip. It can be seen in our large trade deficits; in declining productivity; in an increase in the number of U.S. patents issued to citizens of foreign countries; in the decrease in the number of new products being introduced into commerce; and in a shift in emphasis to short-range research by U.S. companies. A declining national commitment to R. & D. is one of the major underlying causes of the problem. Lagging industrial innovation—the development of new products and processes—is the result.

How can the situation be reversed? By recognizing that the decision to invest in research or in new plants or equipment is based on economic incentive. U.S. tax policy is often identified as the largest impediment to adequate capital formation. By modernizing the Tax Code to remove the Government-created disincentives to capital formation, the ability of business to invest will be greatly enhanced.

A number of legislative proposals which would accelerate the return of capital invested in industrial plants and equipment are now before Congress. The reason for enabling business to reinvest its resources rapidly is obvious.

However, unless we continue to expand our technological base, and to develop new technology-intensive products, the investments made by U.S. firms simply cannot yield the profitable and productive results sought.

A very significant change in the industrial innovation process has been the gradual shift of university research efforts away from the needs of industry. Over the last 30 years, pressures on the R. & D. dollar have forced a major part of industry to favor short-term profitability over long-term more risky growth objectives. During this same period, the Federal Government increased its funding of university research so that it is now responsible for about three-quarters of all research. Business accounts for less than 4 percent of the total.

Under the best of conditions, industry-university collaboration is limited by questions of patents and publication policies, and so forth. This country desperately needs a continuous flow of invention, innovation, and production in which universities play a substantial role. A solution to this problem is possible in the legislation which I have introduced—the Research Revitalization Act of 1981, H.R. 1864.

What will the Research Revitalization Act do? Primarily, it is designed to increase the amount of money available for university research. It would make it possible for companies to justify investing in basic and and exploratory research where risks are usually high and the payback period is substantially longer than is generally acceptable.

The bill would permit business firms to establish tax-exempt reserve accounts to receive, accumulate, and distribute funds, allowing accumulation for up to 4 years without penalty. It would provide a 25-percent tax credit plus a tax deduction for such expenditures. This approach would allow business to redirect some of the universities' research activities back to the needs of the U.S. industry.

In dollars and cents, a company choosing to use the provisons of the proposed bill would be able to obtain $1.86 worth of research for $1 spent. This is quite significant. A recent survey of its members conducted by the Scientific Apparatus Makers Association (SAMA) shows that high technology companies spend an average of one and a half times as much each year on R. & D. as they do on new plants and equipment—an amount equal to 87 percent of after-tax profits, and 6 percent of total company sales. These figures are two and three times greater than those for almost all U.S. manufacturing industries.

Recognizing the need to provide business with incentives necessary to justify investment in university research, three-quarters of the respondents to the survey said that they would increase their outlays for university research by about 65 percent, should this measure become law. That would nearly double the university research funded by these companies.

When the Research Revitalization Act was first introduced in the 96th Congress by my distinguished former colleague, Mr. Vanik, he pointed to the need to replenish this Nation's reservoir of research and development:

> More than anything else, American enterprise needs a peacetime stimulent to generate new ideas, more products, and new technology. Our domestic and export business must be restored to its former competitive position. There are new domestic markets. . . . if we can reach them with new ideas or better ideas. . . . for a little tax incentive, we will put into motion a huge job-creating system for domestic and export goods. This legislation may help restore America's traditional role as a world leader in technology development.

I agreed with that assessment then as did a bipartisan group of nearly 70 cosponsors. I agree with this assessment today.●

GOVERNMENT FIGHTS GOVERNMENT—THE LEGAL SERVICES CORPORATION—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. McDONALD. Mr. Speaker, it is always said that the bureaucrat, or at least some bureaucrats, will do anything to save their own jobs. Recently proof of this came to light in the form of a memorandum prepared by Mr. Alan W. Houseman, of the Legal Services Corporation, dated January 5, 1980. While his call for battle is couched in terms of helping the poor, all but the completely uninformed are aware that the Legal Services Corporation has spent most of its time taking cases designed to reshape society along the radical lines favored by nearly all of those who populate the Legal Services Corporation. Part I of the memorandum follows:

LEGAL SERVICES CORPORATION,
December 29, 1980.

To: State Coordinators and Other Interested Parties.
From: Alan W. Houseman.
Subject: Summary of our Overall Activities, Strategy and Perspective.

To assure that there is full knowledge among all critical actors in the effort we are undertaking to preserve aggressive legal services, I have prepared this summary of our activities, strategy and perspectives. Much of this comes from the oral remarks that have been given at the Regional Meetings and will not be new to most of you. Most of this information has been and will be supplemented in more detailed ways.

OVERALL PERSPECTIVE

Today we face a severe threat to the continuation and growth of aggressive legal services. At stake is the survival of the legal services movement. By that I mean:

Survival of committed, aggressive and political staff whether they are lawyers, paralegals, support staff or other advocates;

Survival of aggressive advocacy, (i.e., advocacy which utilizes the full scope of representation including legislative and administrative representation, litigation and community education; advocacy which seek all possible remedies; and advocacy which is not restricted in what defendants can be sued, e.g., government entities);

Survival of client involvement and control.

All three of these are essential to the legal services movement. All three of these are under attack and must be pressured and strengthened.

Far more is at stake that the survival of Legal Services. Many social benefit and entitlement programs that have developed during the 60's and 70's to provide concrete benefits to poor people are threatened. As we proceed in our fight, we must take all the steps necessary at national, local or state levels to assure the continuation of other social benefit and entitlement programs. It is essential that we join with others in preventing cutbacks in these programs, and preventing changes in other federal policies; such as affirmative action, which are essential to the continued development of poor people and minorities in this country. At no time must we let our own concerns override the more basic concerns of poor people.

BASIC PRINCIPLES

It is useful to repeat the basic principles which guide the actions that will be collectively taken to preserve legal services.

1. Using all methods of counseling and representation, legal services exists to provide highest quality legal services to all those unable to afford legal assistance in a manner which best enables poor people to assert their rights and interests and effect change in ways that they themselves choose.

2. LSC and the legal services community will continue to emphasize utilization of program resources in a manner that has the greatest impact on the largest number of poor people.

3. Legal Services must be accountable to the low-income community in program governance, allocation of limited resources, and addressing the most pressing legal problems of a particular local community.

4. The staff attorney system of delivery is essential to effective legal services and will remain the core of our delivery system.

5. LSC and the legal services community will resist any and all efforts to dismantle effective, existing programs. We will never compromise the basic values and structures of this program and we will continue to resist efforts that would impose restrictions or undermine aggressive advocacy for poor people.

SCOPE OF POTENTIAL THREAT

We will certainly face serious efforts by opponents of aggressive legal services to:

(1) Appoint members to the LSC Board who are not supportive or even hostile to aggressive legal services and the staff attorney system. Currently fine terms are up; in June, the additional six positions will be up for nomination.

(2) Add additional restrictions on the types of representation (legislative and administrative advocacy), on types of cases (aliens, education, abortion, suits against government entities), or on attorney fees, support and training.

(3) Reduce our appropriations and/or earmark existing or new funds.

(4) Increase control of legal services staff and advocacy through a hostile bureaucracy, through political pressure from Congress, or through local and state government.

(5) Substantially alter our current delivery system and reallocate current resources to judicare and other private attorney models of delivery.

(6) Increase the role of local and state governments in funding and overseeing legal services delivery.

There will also be attempts by the "far right" to dismantle or eliminate the legal services program. These proposals have surfaced during the transition and will also rise during consideration of our reauthorization in 1981.

We can not now predict what efforts will be made, by who and their timing to restrict or dismantle legal services. There are many possible scenarios that may develop both in the short and long run. What we are doing is to plan for every possible development.

POLITICAL SITUATION

We have a new administration headed by a President who has historically shown hostility to Legal Services. While Governor of California, President-elect Reagan attempted to veto and dismantle California Rural Legal Assistance. He also sought to impose additional controls on aggressive advocacy by Legal Services attorneys.

In the only public statement (in the *American Bar Association Journal*), the President-elect gave great deference to the pro bono efforts of private attorneys and called for an evaluation of the Legal Services Corporation to ensure "that it is serving the purpose for which it was intended." He went on to say: "Such a program should not be used to fund, at taxpayers expense, suits which are in reality attempts to force a judicial resolution of political and public policy issues properly left to the elective branch through its representatives in Congress . . . I would also like to explore possible alternatives to the monolithic federal approach to the legal problems of the poor. I believe there is room for increased activity on the part of local government and local bar associations."

Some of President-elect Reagan's senior advisers and key cabinet members are people who may not be particularly support-

ive of legal services and who lack understanding of our program.

We face a much more conservative Senate which is now controlled by Republicans and southern Democrats. Many of the newly elected Senators are ideologically opposed to legal services. While we have some strong support in the Senate Committee on Labor and Human Resources, we face severe problems with the entire Senate.

While the House is still in Democratic control, it is much more conservative. Many believe there is now a majority of conservatives in the House which can block most liberal legislation. Although, our committee will remain supportive, we will continue to face, as we have in the past, severe problems on the floor.

The American Bar Association, though remaining steadfast in support of aggressive legal services, has moved to introduce legislation seeking to mandate the involvement of private attorneys in the delivery of legal services. We must not let this development affect their support for effective, aggressive advocacy.

Many of our allies are themselves politically weakened. Moreover, the organizations from which we traditionally received support have not yet made the survival of legal services a high priority. We may not have reached out sufficiently to other potential allies whether on a national or local level.

We have lost the support of large numbers of clients and poor people. Client involvement and control has not become a reality in most programs. Client organizations both on a local and national level have few resources to affectively advocate continuation of legal services.

We are not prepared for battle. We are not effectively united. The Legal Services Corporation has not had to face a major political crisis since its inception. The Legal Services Community has not had to face a political crisis of this severity since 1973. There are many new people in Legal Services. Some may not share the values of the community's leadership. Some may not be willing to take political risks to preserve aggressive advocacy.

On the other hand, we do not start from a position of weakness. We are stronger and more geographically diverse than ever before. We have able and committed staff working in programs throughout the country.

The Legal Services Corporation is an independent entity. Many people on the Hill, in the administration and the press perceive LSC to be an efficient and well run institution.

We have more resources to devote to this effort than we have had in the past. We are more sophisticated politically at both national and local levels.

WHAT WE ARE DOING TO WAGE THIS BATTLE

First, we are attempting to unite and join together in this struggle. We have formed a coalition with PAG, the National Clients Counsel (NCC), NLADA, the National Organization of Legal Services Workers (NOLSW) and the Minority Caucus. It will be expanding to include others from within the legal services community, such as National Association of Indian Legal Services (NAILS), migrant farm workers group, women's caucus, Organization Legal Services Backup Centers (OLSBUC), state support and others. It will also expand to include organizations who are allies and supporters of legal services.

The coalition members will be forming an outside entity to lobby and coordinate survival activities on behalf of the legal services community. This entity will be established soon and will begin to function early in 1981.

Second, we are expanding and strengthening our state coordination network. This is essential in order to assure effective communications within the community and for our congressional efforts.

Third, we are seeking to diversify and strengthen the base of local and state programs. It is essential to broaden the base. In the short run, a strong local political base will be critical if we are to successfully obtain support from Congress for the continuation of an aggressive legal services program. Effective lobbying in Washington will require local programs to establish credibility and a base in their communities and to develop allies who can and will assist them in persuading their Congressman and Senators to support legal services. In the long run, a strong local base will be necessary to survive possible efforts at local and state control through block grants or private bar control.

These plans involve a series of regional meetings that will attempt to help programs identify how to shore up and strengthen their base of support including support from the private bar, increased support from organizations that can be effective allies, effective use of the media and improved relations with Congressional offices. In addition to the meetings, there will be technical assistance, training and other assistance available to local programs.

Fourth, we are strengthening our base of support nationally by developing closer ties and better relationships with Civil Rights, labor, elderly, consumer and many other organizations and individuals who have been allied with us in the past. We are also reaching out to new organizations as well to develop alliances and obtain support. Because legal services is only one of many issues with which these organizations are concerned, the National Support Centers and others will by joining with these organizations in common efforts to prevent benefit program reductions.

Fifth, we are addressing short-term issues that require immediate action. Through the National Legal Aid and Defender Association the coalition has identified potential nominees for the ISC Board of Directors who are supportive of legal services but also acceptable to the Reagan Administration. In addition, we are working to acquaint key people in the Reagan Administration and in Congress (including the new Senate leadership) with our program, its independence, and its achievements. We are shoring up and strengthening the support we have among some members of the Reagan team. We are identifying those who can influence members of the transition teams and the appointees of the new administration.

Sixth, we are taking steps to protect programs and our overall delivery system. We will address basic bureaucratic and programmatic vulnerabilities that have been identified by GAO reports and by others. We are also reviewing our entire support structure to make sure it is sufficiently insulated from political pressure and can function effectively in the future.

Seventh, we will be increasing the Washington lobbying efforts of the Corporation and our organizations. NLADA, for example, has hired a full-time experienced lobbyist to work on legal services and other matters. The new entity being formed will substantially expand our lobbying capacity.

Eighth, we are developing an affirmative legislative strategy to deal with the difficult situations we face in the next session of Congress with regard to both appropriations and reauthorization.●

SIGNATURE FINANCIAL MARKETING, INC.—A TRIBUTE TO THE FREE ENTERPRISE SYSTEM

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. PORTER. Mr. Speaker, there is a true American success story unfolding within my district, one that I should like to enter as a vivid example of the free enterprise system at work.

It is a story that began 8 years ago with one employee and today has 550 persons providing services to Americans all over the Nation. And with its sense of direction, civic participation and social responsibility, it embodies all that is good about our incentive oriented, free enterprise system.

The company is Signature Financial Marketing, and it is the direct response marketing subsidiary of Montgomery Ward & Co.

Signature recently celebrated its first anniversary within my district at 2020 Dempster, in Evanston, Ill. It already is a pioneer in the direct-marketing field. Under the inspired leadership of its founder and president, Richard E. Cremer, Signature strongly supports community involvement and has sought to stimulate its employees from both business and personal interests.

Thus a variety of programs have been established for employees to become involved in the community as well as to quit smoking, lose weight, and become more physically fit.

Chairman Edward S. Donnell of Montgomery Ward & Co. and executive vice president of finance Gordon Worley should be commended for having the foresight to give Signature the opportunity to grow in the dynamic direct-response industry. These men serve on Signature's board and recognized and placed confidence in the fledgling enterprise.

The Signature story began 8 years ago, during the centennial of Aaron Montgomery Ward's new idea for selling mail-order merchandise to rural families. Signature has revived the Ward name in the direct-mail merchandise field, and its scientific tests have added another dimension to the company. Direct-response marketing has become known as the third force at Montgomery Ward, complementing the retail and catalog businesses.

Signature started in 1973 with an idea—to insure its credit customers in case they lost their jobs through no

fault of their own. The loss-of-income insurance, which would make a customer's monthly payments, is called the charg-all security plan. Charg-all security plan now has more than 1.2 million subscribers.

That one idea has blossomed into more than 550 employees working in 8 companies and many more support divisions. Signature's first employee worked out of the telephone equipment room of the Montgomery Ward corporate office in Chicago. That successful venture produced other ideas: The Montgomery Ward Auto Club in 1974 and Montgomery Ward Enterprises, which in 1975 began offering merchandise by direct mail to Ward's customers. The fast-growing auto club is the country's third largest, with 1.2 million members.

By 1977, Signature assumed one whole floor of the corporate office and soon needed more space. The company moved to Chicago's North Side in 1978, and continued expansion necessitated last year's move to Evanston. Mr. Cremer's commitment to high employee moral and to a productive working environment were factors in the move to Evanston, as were the area's living and working environment.

Signature expects to double the number of employees by 1985 to more than 1,000. The company now is offering its products, clubs, and services to other credit card companies and banks, as well as anyone wanting to pay cash. Signature also includes the Wards Credit Card Security Service, Wards Home Protection Plan, Wards Wide World of Travel, Signature Card, and a number of other companies and divisions.

Concerned about the health and fitness of not only its own employees, but all Americans, Signature currently is launching a family aerobic exercise club called Wards Good Healthkeeping Club. A company health and fitness laboratory was completed in March of this year to conduct scientific tests for the club and also to offer employees a place to work out, test equipment, and improve their physical well-being at the same time.

Signature employees started a community relations committee 2 years ago to improve the community well-being. The volunteer group of nonmanagement employees has awarded more than $8,000 in money and equipment to deserving local organizations and charities. Signature is pledged to match any amount the employees raise in fundraising projects.

Signature should be applauded for its commitment to its employees and to the community in which it operates. The company's rapid success story has been an inspiration to all new businesses and established ones alike.

Happy anniversary.●

WE NEED TO SUPPORT THE PRESIDENT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. MICHEL. Mr. Speaker, as we prepare to consider carefully, and hopefully enact, the President's program for economic recovery, we should restudy the basic lessons of inflation.

A recently issued GAO report, "Stronger Federal Effort Needed To Foster Private Sector Productivity," states in the first paragraph:

> U.S. productivity growth has declined dramatically over the past 12 years. In the past 3 years it has virtually ceased. Concern over this serious problem is increasing since declining productivity fuels inflation and reduces both our standard of living and our international competitiveness.

For those who are interested, the cost of living went up again last month, 169 consecutive months in a row, debasing the dollar further. Relentless Government deficit spending and taxation continues to destroy the assets of individuals, as well as corporations. One may properly ask if there is a correlation between Government fueled inflation and taxation on one hand, and the decline in productivity and standards of living on the other? The answer is definitely yes.

Following my remarks is a table taken from a recent issue of the prestigious Bank Credit Analyst. The table shows how extraordinarily difficult it is to preserve the purchasing power of assets after inflation, taxation, and controls. Across the top of the table is a column showing different rates of inflation, starting with 2.5 percent through 200 percent. Along the left side of the table is a list of taxation rates, starting with 0 percent through 90 percent. This matrix of varying inflation and taxation rates shows the rate of return you would need from an investment just to break even for any combination of tax and inflation rates.

For example, if you have a 12.5-percent rate of inflation and a 70-percent top marginal tax rate, you would need a 41.7-percent rate of return just to break even. With a 12.5-percent inflation rate, and a 30-percent tax bracket, one would still need a 17.9-percent return to break even, and that does not even take into consideration a real rate of return on one's investment or savings. Is it any wonder why corporations cannot float long-term bonds, which provide the capital for investment in new plant and equipment for job creation, and thus are forced into the short-term borrowing market just to stay afloat? When people see their savings eaten up by inflation, while that same inflation is pushing them into higher tax brackets, is it any wonder that the United States has one of the lowest savings rate in the industrialized world? How can productivity increase if there is little savings in the economy, or people refuse to buy long-term bond issues? Lenders will no longer subsidize borrowers. Asset values of individuals, as well as of businesses, continue to be destroyed with double-digit inflation. What was once considered the bedrock basis of Western society—the government or corporate bond—has become the invidious instrument of monetary annihilation.

In commenting on this matter, the Bank Credit Analyst states:

> It should be understood that the people at risk are not necessarily those with assets or fixed capital. Those without assets, dependent on their jobs for income while they work, and on their pensions, insurance and limited savings afterwards, have the most to fear. Inflation affects everyone but its worst consequences are for the less well off.
>
> Essentially, inflation means that there is no such thing as the long term anymore; there are no real investments, only gambles. You can't rely on anything having value anymore and you can't plan for the future. Inflation increases the unpredictability of economic and financial forces. It increases (the) volatility and instability of everything. It raises the risk of credit defaults, controls, sociopolitical upheavals and military involvement. The latter derives from the fact that inflation and all its consequences sap the economic strength and vitality of nations. All of these destructive forces feed and reinforce each other.

Mr. Speaker, it is time we stopped the inflationary process by cutting out deficit spending and reversing the growth of Government spending. By cutting down the size of Government, we will increase the size of the productive private sector. We must also accompany this with a tax cut. We can no longer afford to tax at high levels the productive sector of society for the sake of the nonproductive. This is what supply side economics is all about and what President Reagan wants to do.

Yes, Mr. Speaker, the time has come for the Congress to respond to the President's sincere attempt to save our country from the ravages of inflation. If we do our duty, it will be all the people who will benefit.

The table follows:

INVESTMENT RETURNS REQUIRED TO MAINTAIN CONSTANT PURCHASING POWER UNDER VARYING INFLATION AND TAXATION RATES

	Inflation rates (percent)																
	2.5	5.0	7.5	10.0	12.5	15.0	17.5	20.0	25.0	30.0	35.0	40.0	45.0	50.0	75.0	100.0	200.0
Taxation rates (percent):																	
0	2.5	5.0	7.5	10.0	12.5	15.0	17.5	20.0	25.0	30.0	35.0	40.0	45.0	50.0	75.0	100.0	200.0
10	2.8	5.6	8.3	11.1	13.9	16.7	19.4	22.2	27.8	33.3	38.9	44.4	50.0	55.6	83.3	111.1	222.2
20	3.1	6.3	9.4	12.5	15.6	18.8	21.9	25.0	31.3	37.5	43.8	50.0	56.3	62.5	93.8	125.0	250.0
30	3.6	7.1	10.7	14.3	17.9	21.4	25.0	28.6	35.7	42.9	50.0	57.1	64.3	71.4	107.1	142.9	285.7
40	4.2	8.3	12.5	16.7	20.8	25.0	29.2	33.3	41.7	50.0	58.3	66.7	75.0	83.3	125.0	166.7	333.3
50	5.0	10.0	15.0	20.0	25.0	30.0	35.0	40.0	50.0	60.0	70.0	80.0	90.0	100.0	150.0	200.0	400.0
60	6.3	12.5	18.8	25.0	31.3	37.5	43.8	50.0	62.5	75.0	87.5	100.0	112.5	125.5	187.5	250.0	500.0
70	8.3	16.7	25.0	33.3	41.7	50.0	58.3	66.7	83.3	100.0	116.7	133.3	150.0	166.7	250.0	333.3	666.7
80	12.5	25.0	37.5	50.0	62.5	75.0	87.5	100.0	125.0	150.0	175.0	200.0	225.0	250.0	375.0	500.0	1,000.0
90	25.0	50.0	75.0	100.0	125.0	150.0	175.0	200.0	250.0	300.0	350.0	400.0	450.0	500.0	750.0	1,000.0	2,000.0

Source: Bank Credit Analyst, Dec. 15, 1980 ●

OMNIBUS FARM BILL

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. JEFFRIES. Mr. Speaker, as the House and Senate Agriculture Committees begin hearings on the 1981 omnibus farm bill, I would like to emphasize the importance of these deliberations.

While Congress considers the renewal of farm loans, production controls, and direct payment programs, the Reagan administration is signaling that it wants to hold down costs. These two trains of thought must be reconciled, and they must be reconciled in such a way that we do not dislocate or severely harm the farm economy.

If we are to shift from an array of heavily subsidized programs to a group of free-market-oriented ones, then the move must be carefully calculated and carried out, if it is to be done, in a manner that does not kill the goose that lays the golden eggs.

Farmers in my district in Kansas, and farmers everywhere, are open to change. They are willing to do their part to control inflation, because they know that if it is not controlled then they will ultimately suffer the consequences.

But we cannot overlook the fact that farmers are already facing a number of severe problems: Reduced farm income in 1980, high interest rates, increasing debt, and, of course, inflation. These problems must be addressed in any deliberations affecting our future farm programs.

If predictions of higher farm income prove to be correct, then perhaps there are programs which are outdated and in need of dramatic overhaul or elimination. Perhaps farm programs should be based to a greater extent on need. But I would urge my colleagues on the Agriculture Committees to take great care in establishing the yardsticks to determine true need. Farmers who need help should and must get it.

While I do not serve on the Agriculture Committee in the House, I am well acquainted with farm problems, having been a farmer myself and representing a district in which the farm economy is so important. As a member of the congressional rural caucus, I will be following the formulation of a new farm policy very closely, and I would urge my fellow caucus member to do the same.●

SPEECH BY BASEBALL GREAT HANK AARON

HON. JOHN J. DUNCAN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. DUNCAN. Mr. Speaker, on February 13, 1981, I was privileged to attend the fourth annual diamond dinner in Knoxville, Tenn., sponsored by the Knoxville Baseball Club, the University of Tennessee, and the Knoxville Bureau of Recreation. Former Atlanta Braves baseball star and homerun king Hank Aaron honored us with his attendance and delivered a fine speech entitled "The Times in Which We Live." I would like to share Mr. Aaron's message with my colleagues, and therefore enter the text into the RECORD.

THE TIMES IN WHICH WE LIVE

In a few years, you students will leave the relatively safe atmosphere of this college. You will find yourself in the real world, the world of jobs, salary disputes, promotions, competition, perhaps periods of unemployment, bills to pay, families to support and community obligations.

No matter how much education you may get here, there will be some things you will have to learn first-hand, from experience. Book education is very important. But no matter how much book learning you get, when you try to apply that learning to people, it doesn't always work. What I am trying to tell you is that when you graduate from this fine college, don't think your education is over. In many ways, your education will only be starting. Practical experience now begins to come into play within your lives.

Sometimes we think that the solution to all our problems can be found in books. For example, if we look at the scene in our Nation's Capital . . . Washington, D.C. . . . we will find some of the most outstanding scholars of our times. And yet, they can not solve the problems of inflation and unemployment and energy. Obviously, the answer to all our problems are not in books. Sometimes, we need to use commonsense.

When most of you graduate from this fine college in a few years, you will join the job market, the political scene, the business world. And the duty to solve some of these problems will fall into your laps. Therefore, I want to encourage all of you to take a good look at yourselves in the mirror of life. And ask, what do I have to offer? What can I contribute? What good can I bring to the world? And when I say "world," that doesn't mean the whole world but your world, your home, your community.

A lot of people will say that we can not solve these problems because it's just the times in which we live. I disagree. I think we can solve problems of poverty and peace, problems of racism and sexism, problems of energy and inflation. In my opinion, it is not the times in which we live, it is how we live in the times. Most of the problems we face whether in South Boston or other tense parts of the world, we created. We, human beings, created the problems; and we can find the solutions. As you finish your education here and go out into the world, this will be your job.

Unfortunately, so many people today refuse to do their jobs. They put them off on somebody else. They make excuses for not doing what they should have done. I urge you not to be like this; I encourage you to keep in mind that you are the captain of your own ship through the waters of life. You are the master of your own destiny. You can do what you will. That may be nothing; although I sincerely hope it is something. I truly believe that everybody ought to do something in life and with life.

If you are a musician, be a good musician. If you can dance, by a good dancer. If you can sing, sing the best you know how. If you are a good academic student, be the best. If you are an athlete, make the most of it. You can look around you and see what some people have done with their lives and very little opportunity. Having grown up in south Alabama, I know that men like Joe Louis and Willie Mays did not have much chance for formal education, so they turned to sports. Joe Louis became heavyweight champion of the world. And Willie Mays became an outstanding baseball player. Even Muhammad Ali barely made it out of high school when it came to books, but he took an interest in boxing; he dedicated himself to it . . . night and day, day-in and day-out . . . until he became the best boxer of our times and the most recognized face in the world. His face, according to some poll taken a few years ago, was more familiar than the Pope, the President of the United States and even the Beatles. That's truly amazing.

Who was Joe Willie Namath? A nobody. But he made himself a somebody. Who was John F. Kennedy? Just the son of a wealthy

Irish businessman. He could have lived off his daddy's money and made nothing of himself. But he wanted to be somebody and he became one of our best-beloved Presidents. Martin Luther King . . . who was he? Just the son of a Georgia preacher. But he wasn't content just to get an education, find himself a church and preach from the pulpit every Sunday morning. He took his Christian message to the streets and into the hearts of millions of people around the world.

The poet, Henry Longfellow said, "The lives of great men all remind us that we can make our lives great and, in departing, leave behind footprints on the sands of time."

Martin Luther King, Jr., left his footprints . . . John F. Kennedy . . . Abraham Lincoln . . . Muhammad Ali . . . Joe Namath . . . Willie Mays . . . Joe Louis, all of these people left their footprints on the sands of time. And I have come here to tell you that you, too, can leave your footprints on the sands of time.

It may mean sacrificing some pleasures in life. It may mean giving up some good times. It may mean disagreeing with your friends and neighbors. It may mean marching to the beat of a different drummer. It may mean death. But the choice is yours: you can choose to live ordinary lives and die of old age, and when you look back on your lives, you can point to nothing that you are proud of. . . . because you did nothing outstanding. Or you can choose to dare, to be different, to challenge accepted practices and leave a spiritual fortune for those who will come after you. The choice is yours. Some key points to remember as you strive for success in life: they are the 5-D's. The first is desire. Desire is a thought impulse transmitted from your sub-conscience mind telling you it wants something. Desire is to want. Many people desire things in life, but then forget about them, thinking to small. "Oh, I can't do this." or "that's impossible." With that attitude you will never get anywhere in life. A strong desire recognizes no such word as impossible or failure. If your desire is not far fetched, then go after it and achieve what you want. Once you desire something, you must put a plan in action and go get it. There are no limitations to the mind except those we acknowledge. This is the 1st D in our list of 5-D's.

The 2nd is drive. Drive comes from within. You must have an inner feeling to push forth and do what you have to do to succeed. Drive is like a motor engine. It turns off and on, goes fast and slow, and sometimes dies down. The key is to keep a steady and comfortable pace in achieving your goals. Drive measures your ability to move ahead quicker than others. A quitter never wins, and a winner never quits.

Now you have a desire and the drive to achieve. The next D is determination. If you want to do something, you can. Determination is the willingness to accomplish wnat you want, making a definite decision in your mind. You must be dead set and persistent once you've attained an idea or goal, or else you'll never get it. A definite purpose and plan is needed.

The next D is discipline. Here we have one of the most common reasons for failure. Discipline is self-control. Self-control over outside influences and to keep plugging away at your goal, letting nothing stop you. Discipline is self taught. Be honest with yourself. Your feelings and the feelings of others and the ability to achieve will be yours. Work hard everyday and don't let up. Discipline is the willingness to assume full responsibility.

The next D is a key factor in many unsuccessful attempts to make it. Direction. Many people can motivate their desire into hard work and plug away at becoming successful. But, are they going about it properly? Don't just do things because you think they are right. Be sure that your game plan is sufficient before wasting time spinning your wheels. Use your imagination. Have definite, practical plans. Set specific short and long term goals with a realistic approach. Many people work so hard for so many years and achieve nothing. Perhaps they've been working hard in a direction that is not suited or appropriate for their particular desires. Be careful and be sure you are going in the right direction in life.

You should not confuse fame with greatness. Because fame comes quickly and it goes away even quicker. But greatness endures forever.

I believe it was Shakespeare who said, "Some people are born great; some achieve greatness; and others have greatness thrust upon them." I doubt that you or I were born Great. And nobody seems willing to hand us any greatness. So, that means you and I will have to achieve greatness.

As a baseball player for 23 years, I know I achieved fame. I can look at the telegrams and letters and pictures and momentoes. But did I achieve greatness? Only time will tell. But if I did, you can. Even if I did not, you still can, as I said before, the choice is up to you.

When you look at the men I named earlier, from different walks of life, they all had one common quality: a burning desire to achieve. They were single-minded in their desire to do their best. And nobody can say they never tasted defeat. Certainly they did. Joe Louis lost his heavyweight crown to Max Schmeling but came back to win it when the chips were down. Muhammad Ali won his title three times, the only heavyweight champion to ever do that.

Martin Luther King, Jr., suffered defeats in Albany, Georgia where his attempts to integrate that city failed; he tried to achieve open, integrated housing in Chicago and failed. When the civil rights marchers tried to march from Selma, Alabama to Montgomery, they were met with physical violence. But Dr. King suffered his losses and kept on trying because he believed in his cause and he knew that some day the cause of freedom, justice and equality would win out over the forces of evil.

Great men can be self-motivated without being selfish. They can have an ego without being egotistical. They can drive toward success without being driven by success. They know that winning means "we" and not "I". They believe that they . . . and all of us are part of the human family, and when any one of us is denied his or her rights, all of us are denied. They know that the senseless killing of any one of us kills a little bit of all of us.

And so, you are faced with some powerful choice . . . to be free to achieve, to choose what is right over what is wrong, to give of your time and talent to those less fortunate, to want a better world to live in for yourselves, your families and all families; and finally, to go away from here and make the world a better place for all of us.

I cannot say that what I have said will make any difference. But I believe you will come to crossroads in your life some day. And I only hope that these few words of inspiration will help you to choose the right path.●

WORKING FAMILY TAX REDUCTION ACT

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SHANNON. Mr. Speaker, a major issue in tax policy is the appropriate relationship, if any, between marital status and Federal income tax liability. The persistent claims by both single and married people that they are treated unfairly by the Tax Code, underscore both the complexities of the problem and the difficulties in constructing alternatives to the present system. It is unfortunate that, for many individuals, Federal tax laws are a consideration in their decisions to marry or divorce. To the greatest extent possible, the Tax Code should be made neutral with respect to the marital status of taxpayers.

One of the most blatant impediments to this desired neutrality is the so-called marriage penalty which, for many couples, results in a greater tax burden following marriage than would result had the two couples remained single. Similarly, an ever increasing proportion of married couples are faced with the situation where they could lower their taxes by getting divorced. This marriage penalty exists in nearly all two-earner households where the lower earning spouse contributes more than 20 percent of the combined household income. The closer the spouses are to equal incomes, the more severe the penalty becomes.

Two factors of current tax law contribute to the marriage penalty. First, a married couple's zero bracket amount is less than twice the size of the zero bracket amount allowed to single taxpayers. Singles are exempted from income taxes on the first $2,300 of their income. For a married couple, this nontaxable amount is only $3,400. Clearly, if two individuals choose to remain single, rather than marry, they can shelter an additional $1,200 from Federal income taxes. This disadvantage, of course, applies only to those couples that take the standard deduction.

The second feature of the current tax law that causes the marriage penalty is the tax rates that apply to the income of the second worker. Single and married persons use different rate schedules, with the single schedule applying higher rates than the joint schedule on a given taxable income. Thus, a one-earner household faces lower taxes than that earner would pay if he or she had remained single—this is the so-called marriage-bonus. However, since tax liability on a joint return is based on a combined income, the second earner's income is taxed at

higher rates than it would have been had that person remained single. If the lower earning spouse makes less than 20 percent of the total income of the couple, the couple is still better off filing jointly. However, if the second wage-earner contributes more than this, the marriage penalty comes into play.

The marriage penalty did not just happen. It was created, unintentionally, in response to some specific pressures on the Federal tax structure. Initially all taxpayers were taxed as individuals and there was only one tax schedule. Under this system it was advantageous for individuals with high incomes to shift as much of their income as possible to other family members to take advantage of lower tax rates. This problem was exacerbated by the fact that each taxpayer was allowed a larger personal exemption than he or she would have received as a dependent. Shifting of unearned income was fairly easy since it involved simply switching property ownership to a different family member. Shifting of earned income was not permitted.

With the advent and application of community property laws in many States, however, the shifting of earned income became possible. This greatly exacerbates the problem. A 1930 Supreme Court ruling allowed married couples in States with community property laws to divide all income evenly. Such a split, of course, minimizes a couple's tax burden under a progressive tax system. Following the large tax increase necessitated by World War II, many States switched to community property in order to give their citizens the benefits of income splitting.

This transition from one form of property ownership to another, motivated by a desire to lower Federal tax burdens, was difficult and burdensome for both State and Federal courts, for administrators, and for legislators. Many States resented being forced to adopt community property in response to Federal actions, but simultaneously they had trouble resisting the clamor of their married citizens for the tax relief that this change would offer. Federal relief from the problem was sought.

The Revenue Act of 1948 was designed to equalize the tax treatment of married couples in community property and noncommunity property States, thus eliminating the incentive provided by the Federal Tax Code for States to alter their property ownership laws. This act institutionalized income splitting, which permitted married couples to divide their combined income in half, compute the tax owed on one-half, and then double this amount. With the introduction of the joint return, the unit of taxation was, for the first time, switched from the individual to the married couple. This provision afforded all married couples the maximum tax benefits they could achieve if their State adopted community property. The greater the difference in income levels between the spouses, the greater the tax savings through income splitting. Marriage almost always resulted in a tax reduction, and divorce almost always resulted in a tax increase. The marriage bonus—which still exists in households where one spouse contributes little or no income—had been created.

It is important to remember that, even though the Revenue Act of 1948 created the marriage bonus and removed neutrality with respect to marital status from the Federal tax system, this was not its intention. The goal of the law was to equalize tax treatment among the States. Contrary to the arguments that one hears today, favorable treatment for married couples was not instituted because of the belief that couples generally have greater living expenses than do single people and, thus, should have a reduced tax liability.

While single people, now required to use the same rate schedules as married couples were unhappy with this change in the tax laws, the ones who appeared to have the most legitimate grievance were those singles who, although unmarried, were responsible for the care of one or more dependents. Thus, in 1951, Congress responded by creating the head-of-household rate schedule for single people who maintain a household for certain relatives. This provided a divorce bonus to couples with children if they had relatively equal incomes, a provision which still exists in the tax laws. Neutrality was gradually disappearing. It evaporated even further in 1954 when Congress created a new filing status called surviving spouse and extended the benefits of income splitting to widows and widowers for a limited period of time.

In spite of these revisions, singles were still generally discriminated against by Federal income tax laws. At some income levels, the difference in tax liability between a single person and a married couple reached 42 percent. In the Tax Reform Act of 1969, Congress made many changes attempting to reduce this discrimination. First, a new rate schedule was created for single persons, which limited their tax liability to no more than 120 percent of the tax liability of a joint return with the same amount of income. Basically, singles were given about half of the tax advantage of income splitting. Second, a new head-of-household schedule was created halfway between the single and joint tax schedules, that is, affording these individuals about three-fourths of the advantages of income-splitting. The result was a big reduction in the discrimination against singles, but an increase in the divorce bonus and the creation of a new problem—the marriage penalty. It became, and still is, advantageous to marry if one spouse will contribute little or no income, but to divorce or remain single if both individuals have significant earnings. The neutrality of the tax system has been completely destroyed, albeit in response to some very legitimate concerns about equity between the States and among different classifications of taxpayers.

In an attempt to restore some of the lost neutrality to the tax system, I am today introducing a bill to eliminate the marriage penalty, without shifting the burden to single people. Admittedly, even with passage of this bill some nonneutrality would remain, that is, the divorce bonus and the marriage bonus for one-earner households. However, it is necessary to take this first step. The marriage penalty is the most serious impediment to neutrality. Over 90 percent of all taxpayers file as either singles or marrieds filing jointly. Approximately half of all wives living with their husbands now work outside the home and an ever-growing majority of these working wives contribute sufficient portions of the household income to incur a marriage penalty. This penalty, or the difference between what a couple pays filing jointly compared with what their combined taxes would be had they remained single, can reach thousands of dollars, even for households with relatively modest incomes. Mr. Speaker, I ask consent that a table showing the distribution of marriage penalties and bonuses by income class and relative earning powers of the spouses be printed at the end of my statement.

Currently, there are two major proposals aimed at alleviating the marriage penalty. Each of these has certain problems. My bill offers a third alternative which overcomes many of these difficulties.

One proposal which has received a lot of attention would allow a deduction against joint income for 10 percent of the lower-earning spouse's income. Such a solution offers only a partial recompense for the marriage penalty, and applies unevenly among couples. It also can create the situation of giving a further tax break to those couples currently enjoying a marriage bonus, even if the deduction is only allowed to couples where the lower-earning spouse contributes more than 20 percent of the combined income.

Another popular proposal would allow optional separate filing by married individuals. This plan places a considerable additional burden upon the taxpayer who must compute tax liability using two separate methods.

For a couple to determine their most advantageous method of filing, they would need to complete three entire tax returns—one joint and two singles. This option would also open a Pandora's box of tax avoidance by encouraging couples to shift unearned income and property ownership from the higher-earning to the lower-earning spouse. We would be right back where we were over half a decade ago.

The bill I have introduced overcomes the problems in the above plans which make them inadequate and hard to use and administer. My bill gives every couple a tax credit for the marriage penalty, if any, on its earned income, but does so without requiring additional taxpayer computation. Taxpayers would determine their credit through use of an IRS-supplied table, which would list the average marriage penalty, if any, for each combination of spouses' incomes in increments of $2,500. In this way, one-earner households are provided with no new tax advantages, and the penalty on earned income is completely removed. In addition, the potential for tax avoidance through the shifting of assets is eliminated since no compensation is provided on unearned income. This also results in a substantially smaller revenue loss and shifts the relief to where it is most urgently needed, that is, to the lower and middle income classes.

Mr. Speaker, I fear that as long as we retain a progressive tax system, neutrality with regard to marital status will never be completely implemented. However, this bill takes a major first step in that direction. It eliminates the marriage penalty on earned income in a manner that is both easy to compute and to administer.

TABLE 1.—EFFECT OF MARRIAGE ON TAX LIABILITY AT SELECTED INCOME LEVELS AND EARNINGS SPLITS BETWEEN HUSBAND AND WIFE [1]

Total family income	Share of lower-earning spouse										
	0	5	10	15	20	25	30	35	40	45	50
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
$5,000	−250	−210	−170	−133	−98	−63	−28	0	0	0	0
$7,000	−378	−315	−252	−189	−126	−66	−10	46	98	147	188
$10,000	−475	−370	−275	−180	−85	10	100	162	182	206	202
$15,000	−710	−515	−328	−148	32	132	193	200	236	243	251
$20,000	−1,092	−760	−460	−160	47	150	238	300	355	381	391
$25,000	−1,505	−1,055	−630	−268	−30	160	310	447	535	594	611
$30,000	−1,929	−1,334	−749	−334	−26	214	439	644	785	875	903
$40,000	−2,801	−1,821	−939	−338	177	667	1,031	1,329	1,584	1,644	1,652
$50,000	−3,344	−2,094	−1,094	−286	454	1,133	1,731	2,121	2,429	2,574	2,674
$100,000	−3,464	−1,214	359	1,691	2,699	3,474	4,014	4,314	4,569	4,804	4,894

[1] Assumes that taxpayers have no dependents and do not itemize deductions. Marriage penalties would be smaller, and marriage bonuses larger, for itemizers. Marriage penalties are positive in the table, marriage bonuses are negative.

NATIONAL ENDOWMENT FOR SOIL AND WATER CONSERVATION ACT OF 1981

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. JONES of Tennessee. Mr. Speaker, I am today introducing the National Endowment for Soil and Water Conservation Act of 1981. This bill will promote and foster expanded soil and water conservation in the United States.

Current conservation programs and initiatives are addressing only a small percentage of recognized needs. This situation is continuously allowing unacceptable levels of soil erosion from our farmlands yearly.

The encouragement and support of national progress in soil and water conservation, while primarily a matter for private and local initiative, also are appropriate for concern by the Federal Government.

It is necessary and appropriate for the Federal Government to complement and assist programs of local, State, regional, and private entities, organizations, and individuals for the wise management of soil and water resources.

There is a clear and present danger threatening both our water supplies and our food and fiber production base being created by massive soil erosion and related problems in the United States.

At current rates of erosion, America's topsoil could be depleted in as few as 200 years, endangering our ability to produce food and fiber for our people.

This eroding soil, together with chemical pollutants carried with it, enters our waterways, creating over half of the daily loading factor—which becomes the single largest volume contributor to water pollution in the United States.

A major coordinated voluntary attack on soil erosion is needed that involves the landowner, the government, and our major corporations. In order to combat these problems, it is desirable to establish a National Endowment for Soil and Water Conservation, utilizing a variety of funding sources to stimulate soil and water conservation.

This bill includes establishing an endowment fund which can be used for cost-sharing payments, loans, and grants-in-aid for installing and maintaining soil and water conservation measures, special studies, and workshops.

The administration of the fund will be by a Board of Governors composed of a Chairman and six other members. Five of the members including the Chairman will be appointed by the President, with the advice and consent of the Senate, from among private citizens of the United States recognized for their interest and expertise in soil and water conservation. The other two Board members will be the Secretary of Agriculture or his designee and a representative of a non-USDA Federal agency with a close interest in soil and water conservation.

The Board may correlate the programs of the Endowment with existing Federal programs, other public agency programs, or private groups, and may use existing administrative structures of the U.S. Department of Agriculture or State agencies for financial and technical assistance functions.

The financing of the Endowment will be primarily from tax-exempt contributions of currency, securities, or property donated by individuals, groups, or corporations.

The administrative costs of the fund will be supported by an annual appropriation of $150,000.

The cost to the Federal Government to establish and maintain such a fund is very insigificant when compared to the funding provided by the private sector of our country. The Endowment will provide some of the additional funding and incentives needed to assist in installing and maintaining soil and water conservation practices to reduce the serious soil erosion and related problems that still exist in the United States.

I urge my colleagues to join me and JIM JEFFORDS in supporting the passage of this bill to establish the National Endowment for Soil and Water Conservation, which will help to assure our future supply of food and fiber and guard our water quality for many uses.●

OUTSTANDING TREE FARMER

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. FOLEY. Mr. Speaker, I would like to share with my colleagues Rich Landers' article from a recent issue of American Forests on the subject of Mr. Albert Deishl.

Mr. Deishl, a constituent of mine from Otis Orchards, Wash., was honored last year as Outstanding Tree Farmer of the Year and has just completed his term of service. Mr. Landers' article gives us some insight into the type of man Mr. Deishl is and the ideas which have won him national recognition.

ALBERT DEISHL

(By Rich Landers)

Albert Deishl always was a cut above some of his fellow landowners. It might have been a small clearcut here or a selective cut there, but it was enough to take him all the way to the President of the United States.

Deishl, a 70-year-old native of Otis Orchards, Washington, has just finished serving his term as Outstanding Tree Farmer of the Year. It's a distinction awarded by the American Forest Institute, a forest-industry, public-relations group. He says his scrapbooks full of honors and handshaking photos with the likes of Governor Dixy Lee Ray, Congressman Tom Foley, and President Jimmy Carter are products of nothing more than common sense.

More than 40 years ago, Deishl and his wife Ella were using every acre of their small farm to make a living. They milked a few cows and raised some beef; they grew a little grain and some hay and raised chickens, pigs, geese, and turkeys, to say nothing of a two-acre garden and four kids. And they farmed trees, in a way that was a little ahead of their time.

"I couldn't afford to let the 55 acres of timber on the old place go to waste," Deishl said. From those 55 acres, he harvested firewood to heat his home, posts to fence his land, and enough logs every year to keep extra cash in the savings account. In 1938, foresters from Idaho and Washington colleges were traveling to Deishl's place to study his methods—word was out that this man was making money from timberland without harming its resources.

"You would have to have known Albert all the years I have known him to understand what makes him tick," Ella said. "He sees things others do not see."

When he began surveying his thick tangle of woods, he noticed some trees that were bigger than the rest. "I figured those were the strongest of the bunch, so I left them to grow." He could see large stumps, remnants of an old cut. "I figured those trees were the virgin growth. I looked at their spacing and arrived at a figure of about 16 feet. That is the spacing I used for thinning."

But although Deishl is openly proud of the way most big forest-products companies are managing timber on their lands, he and Ella are spending much of their retirement trying to get the word out to the small-woodland owners.

"A cattleman thinks about raising cattle, not about timber management," Deishl said. "I say, even if you only have five acres of timber on your land, you at least should manage it for your firewood."

He cited a more tempting example: "Say you have 1,500 acres on your farm, and 500 acres of it is timber. That means the 500 acres probably are dry and rocky—if it was a No. 1 site, you would be plowing it, right? Now then, depending on the conditions, you could produce maybe 150 to 200 board-feet an acre off the land. That would work out to about $7,000 dollars a year in profit without depleting your stand of timber."

From there, the benefits of managing private timberlands multiply. "I almost always use a selective cut, leaving the best trees for future production," he said. With this sort of management, he minimizes the chances of insect infestations that proliferate on decaying timber.

Proper management can enhance wildlife habitat. "Look there," he said, pointing toward the forest from his kitchen window. "The red-stemmed ceanothus has come in real good in that thinned area. That's good browse for deer."

A healthy secondary crop of huckleberries keeps Ella happy, and a few local black bears too. Porcupines, however, aren't welcome freeloaders. "I don't want to exterminate them, " Deishl said, "but put it this way: if porcupines are going to do $25,000 damage to my place in a year, I can't afford them."

Even hunters benefit from this private timber management. "We allow hunters to come in and take a few bears and deer every year off the 1,100 acres of timber we own," Deishl said, noting that excess populations of either species will either nip off the trees' new growth or begin gnawing at bark and killing trees outright.

And private timber management in general has a role of a much grander scale. About 40 percent of the woodland in the United States is scattered among six million private landowners. With the world's demand for forest products growing every year, these private lands are becoming increasingly important. For this reason, Deishl is an ardent advocate of the American Tree Farm System, established in 1954 by the American Forest Institute.

"By being a certified tree farmer," he said, "you get national and regional publications that show you what other people are doing with their timberlands and what programs are available."

State and U.S. Soil Conservation Service foresters also are available to help landowners manage their timber. The SCS, for instance, can provide you with soil maps and help you devise a management plan.

If you don't have time to manage your timber, you can devise a plan and have a small logger do the work for you. "The catch," Deishl said, "is that you have to request help. A lot of free advice is out there, but you have to ask for it. And why not? You're paying taxes on your timberland, so you might as well get the most from it."●

VICTOR J. BARICH

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. GRISHAM. Mr. Speaker, I am pleased to take this time to pay tribute to a man, Victor J. Barich, whose career in public service stands as a fine example to his fellow Americans.

Our criminal justice system encompasses thousands of men and women, each of whom carries out a task vital to the smooth and efficient execution of justice in our Nation.

For 34 years, Victor J. Barich served in such a capacity, enriching the lives of all who worked with him. During this time, he served the people of Los Angeles County, devoting to them the talents and resources that he brought to the various positions he has held.

He began his career in Los Angeles as a clerk in the civil and criminal departments of the Los Angeles Judicial District downtown. He then spent 10 years at the San Pedro Branch Court as clerk in charge.

For the past 18 years, Victor Barich has become a familiar face in the city of Downey, where he has served as clerk and administrative officer of the Downey Municipal Court since May 1, 1963.

The dedication that Victor Barich showed toward his work has been more than matched by his dedication to his community. He is a member of the Knights of Columbus, the Croation Fraternal Union, a charter member and charter president of the Monte Vista Activity Club, and a member of the Los Angeles County Employees Association.

Within his profession, Victor Barich has been held in high esteem by his coworkers, as evidenced by the offices to which he has been elected. Mr. Barich has served on the board of directors of the Municipal Court Clerk's Association of California, and as chairman of the Los Angeles County Municipal Court Clerk's Association. He has also served as that organization's chairman of the civil service committee for 11 years.

Before entering service to our community, Victor Barich served his nation in the southern Pacific theater during World War II.

Of Victor Barich it can truly be said that he has devoted his life to his nation, his community, and his family. Victor Barich and men like him are the strength of our Nation, and I am proud to be able to honor him in this manner.

I am sure that his wife, Helen, two fine daughters, and four sons join me in saying "thank you," to an outstanding American.●

TRIBUTE TO FATHER VINCENT D. PULICANO

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BIAGGI. Mr. Speaker, a great man and dear friend passed away on February 26, 1981. Father Vincent D. Pulicano, the director of pastoral care

at Cabrini Medical Center in New York City died at the tragically young age of 44 after a prolonged and valiant struggle with cancer.

Father Vincent, as his friends would call him, was born in Chicago in 1937. He entered the Scalabrian Fathers in Chicago and made his novitiate and philosophy studies at St. Charles Seminary on Staten Island. He was then sent to Rome where he obtained a Licentiate in Sacred Theology at the Gregorian University. After ordination in Rome, Father Vincent was first assigned to teach at St. Charles Seminary on Staten Island. His next assignment brought him back to Rome where for 8½ years he was chaplain to Catholic University students at the Pensionato Universitari Catholici and at the same time he was bursar to the Pontifical College of Immigration.

Father Vincent then returned to the United States and became the director of pastoral care at Cabrini Medical Center. While at Cabrini, he ministered to the sick and poor, recruited eye bank donors, and initiated the development of medical offices in medically underserved areas, such as Little Italy and Bensonhurst, Brooklyn. He was responsible for a successful medical morals committee at Cabrini and was recepient of the Cabrini Employee of the Year Award in 1977.

Yet, Father Vincent will best be remembered as being the driving force behind the development of the now world famous hospice program at Cabrini. Hospice care, a recent but vitally important health care service, provides the terminally ill with a humane method of care. The remarkable aspect of Father Vincent's work was the fact that he put endless hours of effort into the development and maintenance of the Cabrini Hospice while he himself was enduring tremendous daily pain with terminal bone cancer. The Cabrini Hospice, is one of only two federally designated and funded demonstration projects in all of New York State.

Father Vincent's personal courage, deep compassion for other's suffering, and endless drive left a lasting impression on everyone who had the opportunity to meet or know him. I recall last April a benefit held in his honor at the New York Sheraton Centre, where Father Vincent was honored by over 1,500 people for his outstanding achievements and leadership, exemplary commitment, and extraordinary contributions to the Italian American community in New York. His total commitment to the Cabrini Hospice included having his many friends in the entertainment world, including Frank Sinatra and Luciano Pavarotti conduct benefit performances to raise funds for the hospice.

I delivered a eulogy at the funeral mass for Father Vincent and was honored to pay tribute to this remarkable and wonderful human being. He epitomized all of what is good in man, and his was a model to be emulated by all. His long, painful, and debilitating bout with cancer is mercifully over, but the joy he brought to the lives of others will endure for years to come. I now wish to place into the RECORD an obituary of Father Vincent written by Don Gentile of the New York Daily News.

MOURN PRIEST WHO AIDED TERMINALLY ILL

(By Don Gentile)

The sign in the lobby of the Cabrini Medical Center read: "Love is Father Vincent."

"That says it all," said Sister Josephine Tsuei, hospital president. "Love sums up what he was all about."

Father Vincent was the Rev. Vincent Pulicano, 44, who died Thursday after a long and painful battle against bone cancer. The Rev. Pulicano, director of pastoral care at Cabrini, was dedicated to comforting the dying and establishing hospice care for the terminally ill in New York City.

Yesterday was a time for remembering the corpulent and jovial priest who could quell the sorrow of imminent death with a smile and a caring word.

"He never stopped . . . he was always on the go," said Sister Josephine, who was with the priest when he died in the medical center's acute-care section. "All day long, 24 hours, he was available when a person was dying. He gave orders he was to be called."

It was nearly three years ago that the Rev. Pulicano fell as he walked into the Cabrini Medical Center, at 227 E. 19th St. He limped after that, and doctors told him to have an X-ray.

Bone cancer, however, already had spread to his hip.

"The first year of the disease, he walked with a cane or a walker. The second year, he was in a wheelchair. In the end, he couldn't get up from the chair," Sister Josephine said.

But before he died, the Rev. Pulicano saw his dream of a hospice for the terminally ill come true. Through federal grants and contributions, including one from Mr. and Mrs. Frank Sinatra, the Cabrini hospice for dying cancer patients opened last October in a townhouse at 215 E. 21st St.

Although he knew he was dying, the Rev. Pulicano said he was unafraid because it was God's will and because of the love shown him by his friends.

He counted Mayor Koch, Rep. Mario Biaggi (D-Bronx), opera tenor Luciano Pavarotti and Sinatra among his friends. All are expected to attend a funeral Mass tomorrow at the Epiphany Church, Second Ave. and 22d St.

The priest's body will be on view in the hospital's chapel today. A second Mass will be celebrated at noon Monday in Our Lady of Pompeii Church, 25 Carmine St., Greenwich Village. The priest's body again will be on display for an hour following the Monday Mass.

Burial will be in Chicago, where the Rev. Pulicano's relatives live.●

EXTENDING THE AUTHORIZATION OF THE MARINE SANCTUARIES PROGRAM

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. JONES of North Carolina. Mr. Speaker, I am pleased to join with my colleague from New Hampshire, Mr. D'AMOURS, in introducing a bill to extend the authorization of the marine sanctuaries program. The sanctuaries program was established by the Marine Protection, Research and Sanctuaries Act of 1972 and is maintained by the National Oceanographic and Atmospheric Administration of the Department of Commerce.

The congressional intent of the sanctuaries program is to recognize that there are sites of sensitive and irreplaceable biologic and ecological value in the ocean waters. These areas often contain valuable fishery, oil, and gas resources; consequently, a designated sanctuary site can benefit greatly from a well-balanced and integrated management program of research, monitoring, education, recreation, resource exploitation, long-term planning, and regulation.

During the 96th Congress, four new sanctuary sites were designated, bringing the total number of sanctuaries to six. The sanctuary sites include: the wreck of the Civil War Ironclad, the U.S.S. *Monitor*, off Cape Hatteras, N.C.; the Key Largo coral reef, in the northern Florida Keys; the Channel Islands off the coast of California; the Looe Key off the Florida Reef; Gray's Reef, east of Sapelo Island, Ga.; and Point Reyes-Farallon Islands off the California coast, north of San Francisco.

The marine sanctuaries program received an appropriation of $2.25 million for fiscal year 1981, the same amount authorized by the Committee on Merchant Marine and Fisheries during the 96th Congress. The bill which was introduced today seeks level funding of $2.25 million for fiscal year 1982, and the necessary funds for both fiscal year 1983 and 1984.

I urge my colleagues to support this unique marine environmental program and the necessary extension of authorizations when the bill returns to the full House of Representatives.●

CONGRESSIONAL SALUTE TO ST. NICHOLAS ROMAN CATHOLIC CHURCH, PASSAIC, N.J., IN COMMEMORATION OF ITS LANDMARK STATUS ON THE NATIONAL REGISTER OF HISTORIC PLACES AND HISTORIC PRESERVATION PROGRAM

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. ROE. Mr. Speaker, on Saturday, March 14, the residents of the city of Passaic, my congressional district and State of New Jersey will join the pastor, Rev. Michael J. Conway, and the congregation of St. Nicholas Roman Catholic Church of Passaic, N.J., to commemorate the completion of their historic preservation program, celebrate their having achieved landmark status for this most historic church on the National Register of Historic Places, and offer thanksgiving for over a century and decade of total dedication and devotion in service to God and the cause of brotherhood, goodwill, and understanding among all mankind.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and best wishes to the pastor and congregation of St. Nicholas Roman Catholic Church on this most historic and significant occasion. Their eucharistic celebration will be highlighted with a concelebrated Mass of thanksgiving celebrated by the priests of the parish and the city of Passaic, and special plaudits are extended to the esteemed clergy, Mayor Robert Hare, and other distinguished citizens of the city of Passaic who have been helpful in providing a most comprehensive commemorative program, as follows:

ACKNOWLEDGMENTS

Main Celebrant: Monsignor John E. Morris, Pastor, Holy Trinity Church, Vicar, Lower Passaic Vicarate.

Concelebrants: Reverend Michael J. Conway, Pastor, Saint Nicholas Church; Reverend Manuel Hernandez, Associate Pastor; Reverend John J. Lojewicz, Associate Pastor; Reverend Charles Waller, Chaplain, Beth Israel Hospital, Clergy of the City of Passaic.

Lectors: Mrs. Mildred Gallagher and Mr. Nelson Rabayo.

General Intercessions: Mr. James McBride.

Offertory Procession: Sisters of Charity, Saint Nicholas School.

Music: Mrs. Donna Taylor, Saint Nicholas Choir. Trumpets: Mr. Timothy Griffin and Mr. James Jordan. Flute: Miss Jean VanderWoude.

Flag Bearers: Mr. Jerome Gallagher and Mr. Robert Halkard.

Servers: Eric Topczij, Brian Montague, Peter Melendez, and Robin Zurawa.

Cantor: Miss Jean Morris.

Mr. Speaker, the St. Nicholas Parish was founded in 1868 to meet the spiritual needs of Catholic immigrants settling in the north Jersey area. In 1885, following a tragic fire that destroyed the original church, the present church was dedicated. On May 31, 1979, the Heritage Conservation and Recreation Service of the U.S. Department of the Interior, after 3 years of extensive research, entered St. Nicholas Roman Catholic Church into its National Register of Historic Places. This historic treasure stands today as one of the oldest churches in the immediate area and the mother church of many of our local parishes.

Mr. Speaker, with your permission I would like to insert at this point in our historic journal of Congress an excerpt from church history records which has intertwined the outstanding services of a devout and dedicated nucleus of revered priests and sisters whose leadership and responsibilities for the spiritual needs and well being of the members of their congregation with their hard work and personal commitment to improve the quality of life for all of our people. A profile of the history of the church leading to its designation as an historic landmark and enrollment on the National Register of Historic Places is, as follows:

ST. NICHOLAS ROMAN CATHOLIC CHURCH, ST. NICHOLAS OF THE CHILDREN, PASSAIC, N.J.—A HISTORY OF A PARISH, ITS HERITAGE AND ITS PEOPLE

ST. NICHOLAS CHURCH, THE MOTHER CHURCH OF PASSAIC

Through the determination and efforts of our pastor, Father Michael Conway and Associate pastor, Father John Lojewicz, our Church of St. Nicholas now takes its place among the Historical Sites of the United States of America.

Such distinction has been earned not merely by the passage of time alone, but by years of sacrifice, hardship, and labor of the clergy and parishioners working together to fulfill the dream of Father John J. Schandel, appointed as the first pastor of St. Nicholas Parish in the year 1871. Father Schandel lived with one of the Catholic families in the community. For a while, he gathered his small assemblage of parishioners in the Algonquin Mill on Passaic Street for Mass, instruction, and religious services. Then, a parcel of land located on Main Avenue and Prospect Street was purchased where he erected a two-story combination rectory and church. This wooden structure became the first Roman Catholic church in the city of Passaic.

After establishing the foundation for the parish of St. Nicholas, Father Schandel was transferred to Holy Cross Church in Harrison, N.J. and was succeeded by Father Louis Schneider in the year 1873.

The property where the present church and rectory are located was purchased by Father Schneider in 1874.

The following year, on December 21, 1875, an arsonist set a fire that destroyed the church, rectory, and school. Undaunted by the tragedy, Father Schneider set himself the task of rebuilding once again. In 1876 he purchased the Spencer Academy property on Howe Avenue and an ever larger St. Nicholas School was established. While on a "sick call" in Clifton, Father Schneider was seriously injured when thrown from his carriage. A gradual deterioration of his health resulted and in 1884 he passed away.

Appointed the third pastor of St. Nicholas was Father John A. Sheppard who immediately plunged into the duties of his pastorate. On the land previously purchased by Father Schandel, Father Sheppard erected the present Gothic church in 1885, which, along with the rectory built the following year, amounted to a combined cost totaling $80,000. This was followed in 1886 by the purchase of a residence for the Sisters located on Washington Place. In 1892, he constructed a school across the street from the church, which for many years was known as the "old school".

After fourteen distinguished years building and expanding the parish, Father Sheppard was assigned to St. Michael's in Jersey City, N.J. in 1898, and was eventually elevated to the rank of Monsignor in the year 1903.

On April 5, 1898, Father Thomas J. Kernan became the fourth pastor of St. Nicholas Church. Having previously served as an assistant to Father Schneider in 1884, Father Kernan was well acquainted with his new assignment. He built a convent to house the teaching Sisters of Charity, and, to accommodate the ever-increasing numbers of children entering St. Nicholas School, constructed another school on the corner of Hamilton Avenue and Jefferson Street at a cost of $26,000. With the larger population came the less fortunate and less affluent to the city. To care for them, Father Kernan organized the St. Vincent de Paul Society * * *.

Father Kernan purchased eighteen acres of land in Lodi to be used as a consecrated burial ground. He provided St. Nicholas Church with what are perhaps the most beautiful and elaborate stained-glass windows in any church in the United States. These were purchased from and installed by Franz Mayer, Inc. of Munich in a series depicting the Old and New Testaments and their application to modern times.

Father Kernan's effort and ability as pastor of St. Nicholas did not go without notice, for, on July 23, 1922, the Rt. Rev. John J. O'Connor, Bishop of Newark, conferred upon him the rank of domestic prelate with the title of Monsignor.

Msgr. Kernan spent many years of service as dean of all clergy in the city of Passaic before being called to God on the night of February 17, 1933.

Four months later, on June 3, 1933, the Rev. William V. Dunn was named as fifth pastor of St. Nicholas Church.

In recognition of his excellence as a pastor in guiding his parish through the troubled years of the depression and World War II, Father Dunn was elevated by Pope Pius XII to the rank of Rt. Rev. Monsignor on July 23, 1942.

On October 20, 1954, Monsignor Dunn died at the age of seventy-eight and Bishop James A. McNulty announced to the parishioners that the sixth pastor of St. Nicholas Church would be Msgr. Philip J. Coyne.

Ordained at Seton Hall on December 21, 1918, his first assignment was as curator to the Rt. Rev. Msgr. Thomas Kernan, pastor of St. Nicholas Church. He became administrator to the parish upon the death of Msgr. Kernan in 1933, and continued to serve his beloved people until called to become pastor of St. Mary's Church in Dover, N.J. in 1941. Four years later he was to have the distinction of serving simultaneously as pastor of St. Agnes in Paterson and St. Philip the Apostle in Clifton. His return as their pastor to St. Nicholas in 1955 was a joyous occasion for the parishioners. He continued to dedicate his life in the priestly service of St. Nicholas Parish for another thirteen years until he announced his retirement in June of 1968.

While he stayed on, as Pastor Emeritus in residence at the rectory, Father Charles B. Cassidy was appointed by Bishop Lawrence Casey to serve as the seventh pastor of St. Nicholas.

Father Cassidy, like his successors before him, immediately set about the duties of his office. He had the sanctuary completely refurbished. In keeping with Vatican II, he removed the old altar and had it replaced with a new one of Italian marble, which is still in use today and allows the priest to face his congregation during the celebration of the Mass. This work was completed, and the main altar consecrated by Father Cassidy on November 28, 1968, just weeks before he was to act as honorary chairman of a twin celebration honoring the 100th Anniversary of the parish and the Golden Jubilee of Pastor Emeritus Philip J. Coyne.

He continued practicing his ministry at St. Nicholas until September 16, 1969, when he was appointed pastor of St. Theresa's church in Paterson.

Assigned to replace Father Cassidy was Father Thomas J. Trepasso, pastor of St. Gerard's in Paterson, the eighth pastor of St. Nicholas Church.

Father Trepasso encouraged the formation of the "Hispanic Community Center" and closer ties of the English and Spanish speaking parishioners in St. Nicholas. His devoted service to the parish continued until he was transferred to Our Lady of the Lakes Church in Mt. Arlington, N.J. in 1971.

Succeeding Father Trepasso as pastor of St. Nicholas was Father Leo P. Carey, former pastor of St. Jude Church in Mt. Olive, New Jersey.

On September 22, 1975, our own Father Michael J. Conway was officially installed as the tenth pastor of St. Nicholas Church. Born and raised in Ireland, he studied for the priesthood at St. Kieran's Seminary in Kilkenny and was ordained in June 1960. After six years of service in Scotland he was transferred to St. James Parish in Totowa, New Jersey. From there he went to Holy Family Church in Florham Park and later taught at Bayley Ellard High School. He was then stationed at St. Jude's in Budd Lake, New Jersey, and, just before coming to St. Nicholas, served at St. Paul's Parish in Prospect Park.

The lights of the rectory burned late many evenings while Father Mike and his associates, Father John Lojewicz, Sister Dorothy Vespia and Father Ronald Sordillo joined with numerous parishioners and nonparishioners to discuss church and civic affairs. This team was later to include Father Vidal Arboleda, Father Manuel Hernandez, Sister M. Vincetta Scanlon, Sister Mary Ann Cirillo and Father Charles Waller. During an initial survey of church grounds, Father Mike realized the potential hazard two vacant buildings presented to the area. He had them torn down and the grounds landscaped to beautify the vicinity.

Father Mike converted the Sacristy into what is now known as "Our Lady's Chapel". The interior was completely refurbished, a small altar installed and portable kneeling benches to accommodate about thirty people were added. He also had a ramp constructed at the entrance to make access to the Chapel easier for the elderly and handicapped.

Shortly after Father Mike's installation as pastor, requests were received from the "Historic Commission" for information concerning the former years of St. Nicholas Church and its church architecture. An application for a review by them was submitted by Father Mike, and what had begun as past recollections developed into a review of the history of St. Nicholas Church, as three years of research followed into the church's history. In a letter to Father John Lojewicz from a Montclair historian-architect who surveyed St. Nicholas, it was stated, "* * * that the brightly colored walls and frescoes were typical of the Gothic Period, the most striking detail of the church was its fantastic stained-glass windows imported from Munich and that the Church exemplified one of the finest eclectic statements of its time."

Many others shared this opinion and on February 16, 1979, St. Nicholas Church was declared a "Landmark of Historic Preservation Status" by the State Registrar of Historic Places; and entered in the National Register of Historic Places, Washington, D.C. on May 14, 1979.

With matching funds now available, Father Mike initiated the "St. Nicholas Church Restoration Fund" campaign whose financial resources enabled him to have the entire antiquated electrical system in the church rewired, new speaker systems installed, the stained-glass windows strengthened and the entire interior beauty of the church restored with freshly painted artistic decorations and new carpeting.

St. Nicholas Parish has had the privilege of having Father John Lojewicz with the parish for the past nine years.

The former grandeur of St. Nicholas was recaptured. The seed of Father Schandel's dream which was planted in a small settlement of muddy roads, plank sidewalks and fragile wooden houses has nurtured itself on its own sweat, blood and ashes struggling each day for another tomorrow, until it grew to become the "Mother Church" of Passaic. Father Schandel was followed by a line of pastors that would rekindle the spirit of his aspirations and yet add to it their own unique personalities and style.

Mr. Speaker, our Nation was founded on the cornerstone of our people's faith in God which is truly the spirit, conscience and very being of our society. It is indeed with great honor that I ask you to join with me today in tribute to the congregation of St. Nicholas Roman Catholic Church of Passaic and its pastor, Rev. Michael J. Conway, whose dedication, devotion, and untiring efforts toward the spiritual and cultural enrichment of others deserve the national recognition of the Congress of the United States. We do indeed salute the St. Nicholas Roman Catholic Church in commemoration of its landmark status on the National Register of Historic Places and historic preservation program which has truly enriched our community, State, and Nation.●

JAMES O. "BUCK" BUCHANAN

HON. IKE ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. ANDREWS. Mr. Speaker, the following tribute to Mr. James O. "Buck" Buchanan on the occasion of his retirement from the Farmers Home Administration in North Carolina, January 30, 1981. The remarks were read at a dinner honoring Mr. Buchanan and his wife in Raleigh, N.C.

I am happy to join with the many friends and associates of Mr. James O. "Buck" Buchanan in honoring Buck on the occasion of his retirement from the Farmers Home Administration in North Carolina.

We are all deeply appreciative of the 41 years of dedicated service which Buck has given to the Farmers Home Administration in North Carolina. First, as a county supervisor and later in the FmHA State office, Buck's superior administrative skills and deep professional commitment were noted. In 1962, he became Chief of the Real Estate Loan Section then later became Chief of the Rural Housing Section, a position he held until his retirement. As a tribute to his professional excellence, Buck received the Department of Agriculture superior service award in 1978 and quality awards in 1967 and 1977. We are all aware that under his leadership, the rural housing program in North Carolina has been an outstanding one and has met the needs of rural families. The active caseload is indicative of Buck's unique leadership qualities. It has been my pleasure to know Buck over the years and to have the satisfying opportunity to share his concerns for rural families both in North Carolina and in the Nation.

Therefore, I take pride, along with all of you, in saluting Buck's personal and professional achievements, in commending him for his long and dedicated service on behalf of rural housing, and in wishing for him and his lovely wife, Barbara, the very best in the years ahead. Whatever he does, and wherever he is, we know we can count on Buck to serve his community and Nation ably and well.●

HAIG'S BEST-LAID PLANS

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SHANNON. Mr. Speaker, I wish to submit an article by Anthony Lewis that was recently printed in the New York Times. Mr. Lewis succinctly describes the very dangerous situation that the United States will be involved in if we continue to attempt to impose an American solution on a Salvadoran problem.

[From the New York Times, Mar. 8, 1981]

HAIG'S BEST-LAID PLANS

(By Anthony Lewis)

WASHINGTON.—When Secretary of State Haig chose to begin by concentrating his public energies on El Salvador, he evidently

calculated that he had a political winner. The public seemed to be in the mood for tough talk of a military stand against Communism. But things have not worked out exactly as planned.

Haig's strident words caused immediate uneasiness among our allies; there were expressions of concern in Bonn, Paris, London, Ottawa. In recent days it has become clear that a good many Americans, too, are worried about what we are doing in El Salvador. The question is being asked in newspapers, in churches, on college campuses. The policy is not going down so easily.

At his press conference the other day President Reagan was asked whether he thought there was a valid analogy between El Salvador and Vietnam. He answered no—predictably, and in a narrow sense correctly: the two situations are vastly different in geography and history and military posture.

But the reason Vietnam is in people's minds is not that the analogy is exact. It is that in El Salvador, as in Vietnam, we must beware of simplicities—of a policy based on slogans, on ignorance of the indigenous reasons for disorder in a society.

When we went into Vietnam, we knew nothing of its history or culture. Our politicians said we were drawing a line against Chinese Communist expansionism—a theory so absurd that it is hard to imagine anyone ever believed it. And the present Administration's statements on El Salvador ring with the same kinds of empty simplicities.

El Salvador is under attack by "terrorists," General Haig and the President say; Cuba and the Soviet Union are trying to infiltrate terrorism into the Americas. But anyone who cares to know is aware that most of the killing in El Salvador has been done by security forces nominally but not really under the Government's control. And everyone knows that the revolutionary movement did not originate abroad but began as an indigenous response to a century of right-wing exploitation enforced by state terrorism.

To portray U.S. policy as protecting Central America from external intervention is in any case laughable. The United States has been intervening there for a century. The term "banana republics" was not coined in Moscow. In Guatemala, next door to El Salvador, the C.I.A. in 1954 installed a right-wing regime whose heirs have just been charged by Amnesty International with mass political murder.

Or consider the arguments that Secretary Haig is using El Salvador to signal the Russians—to warn them that they had better behave in Afghanistan and Poland. Is that really the message Moscow is going to get? Not bloody likely.

The message of the Haig policy is that a superpower will not tolerate political upsets in its own backyard. If that is true for us in El Salvador, why should it be any different for the Soviet Union in Poland or Afghanistan? What are we doing in El Salvador will in fact make it easier for Moscow to justify intervention in Poland if it ever takes that fateful step.

General Haig's policy on El Salvador puts the United States down hard on the side of the status quo. Is that a line likely to serve Americans interests in a world of poverty and discontent and change?

These are some of the questions giving rise to public doubts about El Salvador. The Administration may have the votes in Congress to send its arms and advisers. But doubts of this fundamental kind matter. Americans are not informed in detail on El Salvador, but after Vietnam they are skeptical of a policy based on simplicities and bluster.

By now it is a good guess also that the White House is wondering about the political wisdom of General Haig's El Salvador caper. For one of its effects has been to subordinate what President Reagan and his advisers wanted to keep at the top of the public agenda: the Reagan economic program. The television news programs are giving more prominence now to El Salvador, and it was the subject of more questions at the President's press conference than his tax and budget proposals.

In Washington generally, murmurs of doubt are beginning to be heard about the sagacity of Alexander Haig. It is not just El Salvador. Even his advertised skill at bureaucratic in-fighting has proved flawed. He suffered an unecessary public setback right at the start when the White House held up his plans to reorganize the national security structure. He accepted a dodo, the President's friend William Clark, as his deputy.

The contrast with Henry Kissinger is asserting itself in people's minds. For all his love of right-wing governments and military force, Kissinger would never have been so self-defeatingly crude in El Salvador. He would have managed his relations with the White House more smoothly, too. But then Haig has an inescapable problem with the President's men. They know that he aches to be President himself.●

DEFENDING THE ECONOMIC DEVELOPMENT ADMINISTRATION

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. EDGAR. Mr. Speaker, the Honorable STAN LUNDINE spoke out in defense of the Economic Development Administration before the Subcommittee on Economic Development. His statement may be helpful to both the House and Senate in understanding the importance of targeted programs of development. His remarks follow:

REMARKS OF HON. STANLEY LUNDINE

On behalf of the Northeast-Midwest Congressional Coalition, I welcome the opportunity to appear before you today. I want to thank the members of the Subcommittee for scheduling hearings on one of the most important—and controversial—issues before the Congress this year: the proposed elimination in President Reagan's budget of the Economic Development Administration, the Title V Regional Commissions, and the Appalachian Regional Commission (ARC) non-highway programs.

I also would like to express my personal appreciation to Representatives Jim Oberstar and Bob Edgar, members of the Coalition's Executive Committee, for their active involvement in shaping our nation's economic development policy. In addition, I want to acknowledge the substantial efforts in this area of Representative Bill Clinger who is a former general counsel of the Economic Development Administration and who serves with me as co-chairman of the Coalition's Task Force on Economic and Community Development. It is in that capacity as Task Force co-chairman that I appear before you today.

I think you will agree with me, Mr. Chairman, that this is an odd time to be considering the termination of the federal government's major economic stimulus programs. We are now in a state of economic emergency. Not since the 1930's has this nation faced such serious economic difficulties. An inflation rate of nearly 13 per cent has become ingrained in our economy, the prime interest rate is just below 20 per cent, unemployment borders on 7.5 per cent, and productivity is actually declining. America's economic hegemony has been seriously challenged by foreign competitors, major cities have hovered on the brink of bankruptcy and entire industries have been threatened with extinction.

Despite this grim economic landscape, termination of EDA and ARC is indeed what we are being asked to accept in the name of fiscal restraint. Under the circumstances, such action seems to me an instance of penny wisdom and pound foolishness.

As you know, the Economic Development Administration provides a comprehensive program of grants, loans, loan guarantees, and technical assistance aimed at stimulating long-range economic development in areas of serious unemployment and low family incomes. EDA's assistance is intended to leverage community investment and to create new, permanent employment in the private sector. The preliminary evaluation, for example, of EDA's fiscal 1980 activities, indicates that about $610 million of federal investment will generate or preserve more than 200,000 jobs and leverage approximately $2.5 billion in private investment.

In its recent economic message to the Congress, the Reagan Administration dismisses EDA's importance with the perfunctory claim that "there is no convincing evidence that these programs have been effective in creating new jobs or capital investment, or are actually needed to promote local and regional economic development." I hope your Subcommittee will insist on something more than this glib assertion from the Administration before acquiescing in the dismantling of these programs.

I believe the Administration's weak rationale can be refuted first on grounds of national policy and secondly on the basis of practical experience. I would begin by pointing out that President Reagan bases his entire economic recovery program on a projected surge in private investment. The strategy for encouraging this added investment lies exclusively in the domain of macro-economic policy: tax cuts, spending cuts, reduced government regulation and so forth. Even if we accept this expectation as reasonable (and there are many who doubt its validity), I think we must acknowledge that this same expectation that economic environment determines economic activity also applies on the local level. An already distressed local area is unlikely to attract business expansion, particularly if the economy is generally favorable in the rest of the country.

Despite our preoccupation with macroeconomics, then, it is worth remembering that successful economic development still depends upon local initiative. In the words of Franklin Roosevelt, whose wisdom President Reagan has been known to cite, "The times call for the building of plans that build from the bottom up and not from the top down, that put their faith once more in the forgotten man at the bottom of the pyramid."

It is in this context that EDA's role has evolved. We cannot possibly expect that economic improvement will be experienced equally in every area. The same incentives which President Reagan believes will encourage investment nationwide will certainly encourage businesses to choose some sites for development over others. EDA and ARC are good examples of the kind of programs which can ensure more balanced growth.

This theoretical justification for federal intervention is, I think, born out by practical experience. Let me share with the Subcommittee a few examples with which I am personally familiar. In 1975, Allegheny-Ludlum Steel Corporation decided to liquidate its Bar Products division in Dunkirk and Watervliet, New York. The Dunkirk plant was the largest employer in its area and the shut-down would have had a severe impact on the local economy. The reasons for the imminent closing reflected the causes of industrial decline throughout the region: nearly fifteen years of unprofitability abetted by insufficient plant investment, growing foreign competition and remote corporate management.

Fortunately, some of the plant's managers refused to accept liquidation as inevitable. They were convinced the operation could return a profit given sufficient capital improvements and more aggressive marketing and management. The result was that, in 1976, 35 senior employees purchased the plant and formed the Al-Tech Specialty Steel Corporation. By the end of 1978, the new company had produced a profit for two consecutive years, expanded net employment by 250 jobs, increased productivity at an annual rate of 9%, added $10 million in capital investment and paid out almost $40 million in wages, excluding benefits.

This dramatic example of economic recovery owed its success to one essential financial measure: a $10 million loan from EDA, through its Title IX program, for the purchase of the two plants. In testifying before a Congressional subcommittee two years ago about his experience with Al-Tech, the current chairman of the firm explained the importance of the EDA loan to the project:

"Our biggest problem was to obtain long-term debt for the purchase. With no past history of our own and with an extremely poor past history under the prior owners, it was absolutely impossible to obtain any long-term financing. Any further short-term financing beyond the working capital requirements would have made chances for success highly questionable."

Here, then, is a striking example of a local development project that could not have succeeded—even in the best of national economic circumstances—if it had been forced to depend entirely upon private investment.

The Al-Tech case illustrates, I believe, the folly of President Reagan's opposition to federal development programs. On a strict, cost-effective basis, EDA's loan to Al-Tech can readily be justified. If the firm had been liquidated, the federal cost in unemployment compensation, possibly trade adjustment benefits, and ultimately food stamps, welfare and medicaid would have been substantial. On the other hand, because the firm was rescued, employees paid more in federal income taxes in the first two years than the total amount of EDA's loan and the company directly contributes $25 million annually to the local economy which, with a multiplier effect, adds up to an even larger local impact.

Certainly, EDA's rescue of Al-Tech is its most spectacular success in the 39th District of New York. But, it is not the only one. The city of Hornell, New York is another textbook example of urban decline which, thanks to both EDA and ARC, may have a story book ending. In 1976, Conrail decided to close the railroad repair shops which had formed the core of the city's economy for decades. This decision threatened to permanently cripple this small city of 15,000 people. However, an Appalachian Commission grant of $400,000 enabled the city to gain control of the shops and a $1.5 million public works grant under EDA funded rehabilitation of the structures and construction of adequate water and sewer service for them. Within two years, General Electric had taken over the shops, at a private investment cost of $5 million, to serve as a major repair center for rail and subway cars. Today, as a result of further public-private development projects, Hornell is a city that can be optimistic about its future.

I might also mention two ARC grants in New York's Southern Tier, totaling more than $1 million, which have preserved transportation infrastructure when reliance upon private investment became untenable. A purchase of Short Line track in Cattaraugus County has preserved rail service for six local businesses, while purchase of the Bath to Wayland rail spur has been essential to local businesses with more than 1,000 jobs.

The list could go on. In my district, EDA and ARC have funded industrial parks and primary medical care centers, water system expansions and day care facilities. But, what it all adds up to is that federal development assistance has been essential to areas of lagging growth.

Members of this Subcommittee know that many Northeastern and Midwestern states have still not recovered from the last recession. They face serious, long-term economic problems, and the region continues to lag behind the rest of the country in virtually every category of economic growth. In fact, a recent study by the Coalition points out that the economic gap between the Northeast and Midwest region and the other parts of the country is widening rather than narrowing.

I am not here today, however, to suggest that EDA is important to only one quadrant of the country or that other regions' problems should be ignored. In fact, our Coalition has been saying—rather energetically, I think—that the different regions of the nation have different problems and potential contributions and that federal policy should be responsive to those differences. Historical economic patterns have differed. Consequently, some areas face the disruptions accompanying rapid growth while others face the harsh realities of stagnation and decline. All regions share an interest in evening out this economic activity.

Recognition of that mutual interest has been manifested in two remarkable "regional summit meetings" which our Coalition has held with the Southern Growth Policies Board in Boston, Massachusetts and Asheville, North Carolina. The result has been a welcome understanding that we, in the North, are not just trying to rob St. Petersburg to pay St. Paul.

Cooperation has also been forged on the programs before us this afternoon. Last year, during the reauthorization of the National Public Works and Economic Development Act, members of the Task Force which I chair as well as from the Coalition of Northeastern Governors worked with members of the Southern Growth Policies Board in urging tighter targeting of our scarce federal resources to areas of greatest need. All of us argued that federal investments in economic development could scarcely have a concentrated impact in distressed areas if they were spread all over the map. Under a program of broad eligibility, businesses may well use public works grants, or loans or loan guarantees to leave declining areas in favor of the healthier areas that are also eligible. Similarly, there might be little incentive for start-ups to take place in areas encountering serious distress, if those capital development tools could be utilized elsewhere.

Unfortunately, our joint efforts on behalf of targeting did not succeed. The legislation which Congress eventually approved last year authorizes 80 percent of the country to be eligible for EDA assistance. I would urge this Subcommittee to reconsider this matter of improved targeting in the months ahead. I am pleased to note, however, that despite the broad eligibility criteria in the current law, EDA has used considerable discretion in awarding its assistance and, in fact, the major portion has gone to communities that are most distressed.

A related concern of the Task Force which I chair is that EDA assistance be focused more upon small- and medium-sized businesses. Available evidence suggests that two distinct capital market "gaps" exist for these businesses: shortage of venture or equity capital and unavailability of long-term debt capital.

A commonly held belief is that these smaller- and medium-sized firms are less profitable and more risky and that the marketplace has acted rationally in keeping capital away from them. A recent study, however, points out that the rate of return on capital for smaller manufacturing businesses actually is greater than that of most other size classes. In addition, we know from Professor Birch's study at MIT that smaller firms generate two thirds of all new jobs in the United States.

As with the recommended targeting criteria, the EDA reauthorization passed by the 96th Congress did not include any language focusing on the needs of smaller businesses. Nevertheless, the Coalition's research has shown that the number of large corporations assisted by the Economic Development Administration has been declining since fiscal 1974. In fact, 90 percent of all the loans and 84 percent of the loan guarantees issued by EDA between fiscal 1976 and 1980, went to small businesses. And in 1980 alone, 30 percent of these were new starts.

H. L. Mencken once said, "For every human problem, there is a solution that is simple, neat and wrong." Mr. Chairman, eliminating all of our economic development programs may be simple. It is undoubtedly very neat. But in my view it is completely wrong. I believe there are many messages that should be gleaned from last November's election results. But I do not believe voters were telling us that all federal assistance for distressed areas has been a mistake. Barely a year ago this House approved an enormous expansion of EDA's authority—up to $2.5 billion. It is hard for me to believe the shift has been so complete in the intervening year that we would actually kill that same program today. I hope the House, under this subcommittee's leadership, will stand fast in its commitment to these vital programs.

At this point, I would like to ask that the Coalition's analysis of President Reagan's proposed budget reductions for EDA, ARC

and the Regional Commissions be inserted in the record for today's hearing.●

AMENDING THE AUTHORIZATION OF THE NATIONAL ADVISORY COMMITTEE ON OCEANS AND ATMOSPHERE

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. JONES of North Carolina. Mr. Speaker, today, I joined the distinguished gentleman from New Hampshire, Mr. D'AMOURS, in introducing a bill to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of the act for fiscal year 1982.

The administration's requested funding authorization contained in the bill is $555,000; this level of funding represents a slight increase from last year's appropriation of $551,000.

The National Advisory Committee on Oceans and Atmosphere (NACOA) consists of 18 members who are appointed by the President for their knowledge and expertise in marine and atmospheric policy areas. The advisory committee is charged with the responsibility to undertake a continuing review of the Nation's oceanic and atmospheric programs, to report annually to the President and Congress on the status of U.S. marine and atmospheric activities, to advise the Secretary of Commerce regarding programs of NOAA, and to provide any other reports on these matters that are commissioned by either the President or Congress.

In previous Congresses, members of the Merchant Marine and Fisheries Committee and other distinguished Members of Congress have called upon NACOA to provide both a full committee consensus viewpoint, and recommendations and ideas from panel groups on issues pending before Congress.

I am confident the advisory committee will aid the executive branch and the Congress as effectively as in the past and I urge my colleagues to support the reauthorization of the National Advisory Committee on Oceans and Atmosphere.●

ELLIOT RICHARDSON REBUTS CRITICISMS OF LAW OF THE SEAS TREATY

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BEDELL. Mr. Speaker, few people can speak more authoritatively on the law of the seas (LOS) negotiations than Elliot Richardson, who for most of the past 4 years has served as the President's Special Representative to the LOS Conference.

When Ambassador Richardson took control of the LOS negotiations he faced the extremely difficult task of renegotiating terms that he himself had declared "fundamentally unacceptable." Since then our delegation has made tremendous progress towards agreement, based on consensus, on 320 provisions covering all ocean uses. In shaping a treaty that protects our Nation's many and varied ocean interests, Ambassador Richardson has guided our participation in the LOS Conference through its most fruitful period.

It is very disturbing, therefore, to hear the new administration declare that past LOS commitments are meaningless and that all prior agreements are renegotiable, especially in the area of deep seabed mining.

The most serious charge made against the current draft treaty is that it represents capitulation to Third World demands for a "New International Economic Order." In a recent letter to the Wall Street Journal, Ambassador Richardson rebutted this charge noting that our LOS delegation "fought tenaciously and articulately on behalf of the free enterprise system and its benefits for the world community as a whole." He further reminded us that the LOS Treaty can only be negotiated as a "package deal;" that this must include a seabeds regime as inducement for developing countries; and that the mining companies themselves require an internationally accepted seabeds regime because no single nation can grant exclusive rights to individual mining sites.

The full text of Ambassador Richardson's letter follows:

[From the Wall Street Journal, Mar. 9, 1981]

ELLIOTT RICHARDSON ON THE SEABED TALKS

There have been disturbing manifestations lately of the notion that U.S. negotiators in multilateral forums have been easy marks for Third World ideologies. Should this notion gain ground the result would be to undermine the confidence of other countries in the continuity and good faith of U.S. representation.

This is not, I hasten to add, the reason the Reagan administration decided to seek deferment of final conference action on the Law of the Sea treaty. It is understandable that a new administration should want key officials, many of whom are only now coming on board, to have the opportunity to review these complex, protracted, and highly important negotiations. The administration's action would concern me, however, if I thought it reflected the view expressed by Mark Lilla in his editorial page article of Jan 26. Mr. Lilla cited the Law of the Sea treaty as illustrating his thesis that our failure to stand up for our ideology and openly contest developing nations' arguments for what they call the New International Economic Order (NIEO) results in bad agreements. Unfortunately for his thesis, he chose a poor example.

As the Special Representative of the President for the Law of the Sea Conference for most of the last four years, I can attest to the fact that the Draft Convention represents neither a loss for the United States nor a victory for the Group of 77. Rather, it embodies balanced and, I believe, acceptable compromises that emerged from tough and protracted battles between the conflicting ideologies and interests of both sides. This would not have been possible had not the representatives of the United States fought tenaciously and articulately on behalf of the free enterprise system and its benefits for the world community as a whole. The Western industrial countries succeeded as a result in getting into the Draft Convention a framework for assured access to seabed minerals by our companies on fair and reasonable terms and conditions whenever economic conditions make such investments worthwhile.

Even the most ideological members of the Group of 77 have been brought to recognize that seabed mining will never occur unless and until private capital can be induced to invest in it. The most important issue for negotiation at the coming conference session is the degree to which special protection can be secured for those companies engaged in developing seabed mining technology so as to encourage them to continue and increase their investments in the years before the convention can enter into force—scarcely a tenet of the NIEO.

To call the linkage of seabed and nonseabed issues in the LOS negotiation a "strategic blunder," as Mr. Lilla did, reveals a lack of understanding of what this momentous negotiation is all about. In the first place, negotiation of a "package deal" with something in it to induce all states to become parties is the only way to produce a convention that can effectively bring to an end the steady expansion of claimed coastal state jurisdiction, an expansion that has already damaged and seriously threatens important American interests, including free military and commercial navigation. A seabeds regime is an essential part of any package deal.

Secondly, seabed miners need exclusive rights to mine specific sites—rights that no nation can give. If it made sense for seabed miners to invest on the basis that the resources are available for all on an equal basis as a freedom of the high seas, that would be one thing; but because seabed mining must rest on an exclusive legal right we have been compelled to join in creating an international regime capable of conferring that right. It is precisely our own interests that compel us to deal with exploitation of seabed resources as a global issue that requires a negotiated, global solution.

I have no doubt that the leaders of the Group of 77 in the LOS conference are subject to a mirror-image attack by the guardians of the NIEO ideology on the ground that the Draft Convention represents a sellout to economic imperialism. The truth, however, is that the Draft Convention affords no better support for that position than it does for the views of those who have questioned the capacity or zeal of the U.S. delegation.

ELLIOTT L. RICHARDSON.●

RETIRMENT OF FONDA HARRINTON AND NADINE RHOADS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I rise today to acknowledge and bring to the Member's attention the retirement of Fonda Harrinton and Nadine Rhoads from the Ventura County Veterans Service Office.

Fonda started with the veterans service office in July 1945 as a stenographer; she subsequently became a senior service officer and has held that position since 1974.

Nadine has worked as a secretary for 30 years, starting on March 1, 1951.

During that time they have served the veterans of Ventura County in many ways, assisting with every problem that can confront a veteran. They have provided the necessary forms for filing for benefits, have assisted in completing them and then followed through to see that benefits due the veterans were forthcoming.

These two ladies will be sorely missed by the veterans of Ventura County because their faithful services to all veterans have been of inestimable value.●

FAMILY RIGHTS SUBVERSION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, today I introduced a simple bill, with a very simple effect. It simply makes clear that the Congress of the United States is not appropriating dollars to be used to encourage or provide abortions to minor children without the knowledge or consent of their parents.

This legislation is not directed at prohibiting abortion. Nothing in my bill would prohibit the Department of Health and Human Services from making grants to private organizations which counsel abortions, or even provide abortion services. The amendment would simply require that, before such a grant, or other form of financial assistance could be made, the organization in question would have to require notification and consent in advance of delivering abortion counseling or services.

Mr. Speaker, the present situation is intolerable. Right now, in the United States, a doctor can perform an abortion on a minor child without the consent of her parents. He can perform that abortion without the knowledge of her parents. He can even see to it that she gets legal help, paid for by the Government, to help keep her parents from finding out about it. To me, that situation is inexcusable, it is unnecessary, and we should not support, financially, private organizations which take advantage of that situation. If a private group wants to encourage abortions without the consent of parents, and the Supreme Court pronounces the practice legal, that may be the ruling in that case. But the Supreme Court has not decided that the American taxpayer has to subsidize this subversion of family rights; this bill would make certain that no such subsidy takes place. Since we are discussing the Supreme Court, we should remember that just last year the Court decided that Congress need not pay for abortions. In the same vein, this bill would insure that Congress does not subsidize abortion services or counseling provided to a minor child without informing her parents.

To be honest, Mr. Speaker, I do not know what agencies this bill will affect. It may well be that no private organization which received public funds, counsels or provides abortions to minor children without the knowledge and consent of their parents. I sincerely hope that none does. But if perchance some organization does receive public money, and does counsel or provide abortions without parental knowledge and consent, that private organization will have to make a choice: either give up the practice, or give up the Federal money.

Some may ask why this amendment is limited to private organizations. Is it not true that many public, State and local, institutions such as schools and county health departments, counsel and provide abortion services? Yes, it is true, and while I hope that they are not doing so without parental consent, if they are, they are amenable to the political process. The school board members may be elected, certainly those who appoint them are; the county commissioners are elected. And the citizens who are outraged by their actions can avenge themselves at the polls, and I have no doubt they will.

But a private organization is not susceptible to the political process in the same way. They are beyond the reach of the voter, except insofar as they receive the taxpayer's money. To that extent, we can reach them, and we will reach them with this legislation.

Note that the abortion, or the counseling of abortion, does not have to be carried out with Federal funds. The ban is on the transfer of any Federal money to a private organization which would otherwise receive appropriated funds, if that organization counsels or provides abortions on minors without parental consent. We simply appropriate no money for such organizations.

And of course, when we say parental consent, Mr. Speaker, we mean the consent of the legal guardian or whoever is legally responsible for making such decisions in the case of a minor child. Whatever would be required before a minor child could have an appendix taken out, this is what would be required by this bill.

Mr. Speaker, I find it hard to believe that anyone could object to the thrust of this bill. I find it hard to believe, in the first place, that there are organizations which are so ignorant and careless of the nature of the parental responsibility that they would counsel abortions, or perform abortions, without parental consent.

In the second place, I find it hard to believe than any responsible public official, whether elected or appointed by the President, would approve any financial support for an organization which does counsel or provide abortions without parental consent.

In the third place, I would find it very hard to believe that anyone would stand on the floor of this House and argue that we should appropriate money for the support of such an organization. I do not know how the Speaker feels about it, but I for one, do not want to face the voters in my district, and tell them that I have spent their money to support organizations which trample on their rights as parents. I do not want them to be able to accuse me of subsidizing organizations which will encourage their minor children to undergo abortions without their consent, without even them knowing about it.

Mr. Speaker, we should not care what the Supreme Court says about it. The issue here is not abortion, but the sanctity of the family. The issue is whether the family has rights against the State. Certainly recent court decisions have eroded those rights.

Frankly, Mr. Speaker, Congress should not be bound by what the Supreme Court decides. If the Court wants to botch its decisions, no doubt it can do so. But we have an independent responsibility, totally separate from that of the Court, to uphold the parents in our districts, to maintain their rights. Above all, we have an obligation to protect them from subsidizing attacks on themselves.

Rather, since tax dollars are scarce and precious, let us allocate them to private organizations which meet the standards we feel to be necessary, which give the proper weight to a father's knowledge, to a mother's prayer. Let us subsidize, if subsidize we must and I wish we could eliminate all such subsidies, only those organizations acting in a socially responsible manner, a manner consistent with the long-term maintenance of the family.

Let us, Mr. Speaker, appropriate no funds for the use of those who seem to be dedicated to the destruction of the family. I would like to acknowledge United Families of America for its help in preparing this important pro-

posal. I invite my colleagues who would like to join my bill to restrict the use of Federal funds under title X of the Public Health Act to contact my office and ask to be listed as a cosponsor.●

BULGARIAN INDEPENDENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BIAGGI. Mr. Speaker, March 3, 1981, marked the 103d anniversary of the Bulgarian Independence Day. I wish at this time to direct attention to the plight of Bulgaria and captive nations throughout the world.

On March 3, 1878, the Bulgarian people gained their independence after many centuries of Turkish oppression. Tragically, they enjoyed that freedom for only 66 years before Soviet troops invaded the country and installed a repressive Communist government.

Their proud resistance and protest is a symbol to citizens of captive nations throughout the world. These people refuse to give up hope of one day attaining the human, civil, political, and religious rights which are entitled to every citizen on Earth.

The Soviet Union's increasing deprivation of these basic rights continues to plague captive nations throughout the world. The United States must continue to denounce Soviet aggression and repression, reaffirming our strong commitment to human rights. The right to self-determination is a fundamental and moral policy objective of the United States. We cannot forget the sacrifice and determination of courageous Bulgarians and freedom fighters throughout the world as they continue to strive for the peace and liberty we have been blessed with for the past 200 years.

The United States must continue to lead the free world and strongly express our concern for those in Bulgaria who are less fortunate than ourselves. The plight of the Bulgarian people is indeed tragic; yet their strength and determination serves as an inspiration to us all.●

ACCELERATED DEPRECIATION

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SHANNON. Mr. Speaker, the President has recommended that Congress enact a tax bill this year that contains only one provision to reduce corporate taxes. That provision is, of course, a modified version of the Capital Cost Recovery Act.

While this bill had many cosponsors in both this and the last Congress, there is growing concern that enactment of the accelerated depreciation plan as proposed by the President would be unwise. This concern is bolstered by the reasoned analyses of many economists. I am enclosing, for my colleagues' review, an editorial by Robert Eisner which appeared in the Washington Post on March 9, 1981. Mr. Eisner is the William R. Kenan professor of economics at Northwestern University.

I am confident that the House of Representatives will review the President's tax proposals and pass a tax bill which will not create the artificial investment distortions which the President's bill would.

WRITE OFF 10-5-3

(By Robert Eisner)

The Reagan administration is proposing a momentous and far-reaching change in business taxation. With only minor initial effect, it would cost the Treasury $60 billion in lost revenues in 1986 and the amount of the annual loss would continue to grow rapidly after that.

The new "10-5-3" or "accelerated cost recovery system" would junk traditional business tax deductions for depreciation. It would substitute tax write-offs at accelerated rates of 10, 5 and 3 years for most nonresidential property. To sweeten the package further, current restrictions on the investment tax credit would be eased. The ostensible purpose of all this is to compensate for effects of inflation and to stimulate business investment in plant and equipment.

In work with Robert Chirinko for the Office of Tax Analysis of the Treasury (released last month as OTA papers 46 and 47), I undertook a careful, critical examination of 10-5-3, along with other investment tax incentives. We found little evidence that a dollar of lost tax revenues from 10-5-3 or the investment tax credit would ultimately gain more than 40 cents in added investment. It would be more cost-efficient to have the government buy the new plants and equipment and give them to business.

But even that estimate overstates considerably the potential of 10-5-3 to increase business investment now. In an effort to soften the fiscal impact, its framers have provided for a "phase-in" process. Thus anyone contemplating building or buying into a new shopping center for tax shelter and capital gains would have reason to delay investment until 1985, when it would be subject to the most favorable tax treatment.

This program to stimulate business investment thus paradoxically may reduce it during the critical next four years. Yet eliminating the phase-in provision would greatly accelerate the loss in tax revenues and contribute further to the budget deficits that Congress is apparently anxious to reduce.

But there is indeed much more wrong with 10-5-3. It is highly uneven and capricious in its effects. For some forms of investment, particularly in the automobile industry, depreciation is already very rapid, and three-year capital recovery would be less advantageous than what is currently available. For buildings and long-lived equipment, in public utilities and elsewhere, the tax advantages would be enormous.

What this means for the economy is a tremendous distortion of investment. While business investment that meets a free-market test can be expected to add to productivity, investment now would be directed to tax savings rather than productivity. Some forms would be carried far beyond the point of positive real returns. Others would be starved as the combination of tax incentives and tight money would make credit prohibitively costly or unavailable.

Most hard hit would be less capital-intensive, generally small businesses crowded out in the tax-saving orgy by large capital-intensive firms in older industries. High-technology, research-oriented firms would on balance suffer as the tax changes drew resources elsewhere. And inner cities and urban areas of the Northeast and Middle West would suffer all the more as firms abandoned public and private capital to reap tax advantages in new investment in the suburbs and the Sun Belt.●

A TRIBUTE TO MRS. JO CONA

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. LENT. Mr. Speaker, I would like to direct the attention of my colleagues to an event of major importance in the Fourth Congressional District of New York, which I have the honor to represent. On March 28, 1981, the chamber of commerce of the village of Freeport will install its first woman president in its 50 years of existence, Mrs. Jo Cona.

Never was the time more appropriate for this precedent-shattering event. In Jo Cona, the chamber has found an astute and successful businesswoman with unchallenged leadership ability. With her husband, Frank, Mrs. Coan owns and operates an ocean-to-table fishing business under the name Apache.

Their commercial fishing vessel, *Apache I*, plies the waters off Long Island and supplies a wide variety of fresh fish to the Cona's wholesale and retail fish markets, Apache II, as well as to their adjacent restaurant, the Apache III. The entire operation, one of the leading businesses of Long Island's fishing industry, is located in the village of Freeport, the fishing capital of the East.

March 28 is a particularly appropriate date for conferring of the chamber of commerce presidency on Mrs. Cona. That is precisely 6 years to the day from the time the Conas berthed their fishing boat in Freeport and set up a business, after concluding a highly successful business operation in Brooklyn, N.Y.

Jo Cona, who has resided on Long Island for nearly 20 years, has established an outstanding record as a community leader in Freeport. She has served the village chamber of commerce as director, treasurer and first and second vice president. She currently heads the chamber's Waterfront Commission, which has sponsored such successful events as the Canoe Race, In-the-Water Boat Show and Offshore Power Boat races.

Last year, the ladies auxiliary of the chamber of commerce honored Mrs. Cona as its Woman of the Year. Mrs. Cona is a past trustee of the Enrico Fermi Sons of Italy Lodge. She personally sponsors the Apache II twirlers, an aggregation of 10-year-old girls who have gathered rave reviews—and a host of trophies—within and without Long Island's Nassau County.

In her "spare" time, Mrs. Cona serves as a mayoral designee on a village group which is working, through the Coastal Zone Management Act, to upgrade Freeport's crowning jewel, its sparkling waterfront.

Mrs. Cona, mother of Louis, 25 and Roslyn, 16, and a grandmother of one, credits her husband with providing the support and encouragement which has enabled her to take the lead in village betterment projects.

Aside from her goal of continuing a positive climate for business to prosper in Freeport, Mrs. Cona has established as her special mission an agressive effort to build greater rapport and sense of unity among residents, village officials and chamber members.

Mr. Speaker, I know my colleagues will wish to join me in saluting the members of the Freeport Chamber of Commerce for their wisdom in selecting Mrs. Jo Cona to be their 1981 president, and in extending our sincere congratulations and best wishes to Mrs. Cona as she assumes this new leadership responsibility. We know she will do a great job.●

EL SALVADOR SITUATION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I make this statement for myself and for my distinguished colleagues Mrs. FENWICK and Mr. GILMAN.

It seems as though everyone is comparing the situation now in El Salvador to the situation in Vietnam in the 1960's. It might be just as valid to compare El Salvador under President Duarte to South Korea under President Chun.

A recent editorial in the Santa Barbara News-Press (March 5, 1981) describes a dramatically different situation in South Korea under President Chun this year compared to what he did last year.

South Korea under President Chun may well demonstrate that President Reagan's approach to human rights and U.S. security interests is the correct approach.

I urge my colleagues to reflect on the implications of the South Korean example.

[From the Santa Barbara News-Press, Mar. 5, 1981]

THE CASE OF TWO CHUNS

The national attention has been turned to the problem of helping a ruling junta in El Salvador defend itself against Marxist guerrillas. Meanwhile, a new president of South Korea delivered his inaugural address in a gymnasium in Seoul without attracting much American notice. That's unfortunate, because it was a remarkable speech, in need of close follow-up attention here.

Chun Doo Hwan, a rather obscure army general, grabbed the power following the assassination of the despot, Park Chung Hee, in late 1979. The army helped Chun strengthen his authority, which became dictatorial and repressive. Political opponents were squelched or jailed. The press was shackled; information was spoon-fed to the people. With all internal opposition eliminated, Chun directed the writing of a constitution, calling for the election of a president to a seven-year term. There was never any doubt who would be elected.

President Carter's human rights policy got a straining test. Our investment in the protection of South Korea against a communist takeover by North Korea has been immense, and remains so today. Chun was an embarrassment.

Having assured himself of uncontested power, Chun came to visit the new Reagan administration. The details of those conversations aren't fully known. But when Chun went home again, a different Chun began to assert himself. Nearly 3,400 prisoners were released. The sentences of 1,836 others were reduced. Then came Chun's inaugural address.

He promised to turn South Korea into a "mature, modern industrial democracy." He pledged that there would be no more "political repression and abuses of power." He promised again that he would step down voluntarily at the end of his seven years. He said: "New leaders must continually emerge . . . I will not fail to establish the tradition of peaceful transfer of power, a long-delayed task."

This Chun seemed to be a complete stranger to the earlier Chun. Which is the real Chun? It is going to take some close observation in the coming months before we can decide.●

CHURCH AND SYNAGOGUE DESECRATION

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Ms. FIEDLER. Mr. Speaker, I rise today to bring to the attention of the House H.R. 2394, a bill to stop the desecration of our churches and synagogues.

In recent months in my community and communities across this country small groups of bigots have proven their cowardice by spreading their hate in the dark of night. They have painted swastikas on temples, desecrated cemeteries, burned crosses on lawns, and generally shown a resurgence of things many of us had hoped had become a part of history.

Recently over 2,000 persons attended a cleansing ceremony at the Simon Wisenthal Center for Holocaust Studies in Los Angeles. Many of my fellow elected officials were there. Also there was a man who has spent his life fighting the hatred and bigotry we are now seeing—Simon Wisenthal.

There were many speeches that day. But, perhaps the most eloquent statement was made by a young lady, Donna Marlene Josephs, who attends Yeshiva University High School at the Center. Miss Josephs told those of us there:

I was asked to express my feelings about what has taken place here. Yet, before I do, I would like to define a word often used—Anti-Semitism. This is an intellectual way of saying prejudice, discrimination against, or intolerance of Jews, as the dictionary denotes.

Being in a Yeshiva all my life, with an Orthodox background, I learned all about anti-semitism starting from the Spanish Inquisition to the Holocaust. Yet being in this generation, I never really experienced what it was like to be hated. I have never really seen an action taken against the Jewish people in all the fifteen years of my life, until now. Sure, I'm naive, living in America with a misconception of what our "peaceful" world is all about, but it just hit me. My school has been defaced as a result of anti-semitism.

I've been asked what I think should be done about this vandalism. Yet, this isn't just vandalism; anti-semitism is a deeply rooted emotion; it is an ideal of distorted and disturbed minds. Now, how can we "fight" this intangible remnant of history? Indeed, it is an inexorable part of the evil which haunts our world.

I have also been asked whether I think the Jews should defend themselves. Well, don't you see, we have been defending ourselves. Not in a physical sense, because we are a peaceful people. Rather, we're defending ourselves by preserving our faith which has been keeping us alive through all the centuries. In the face of this present crisis, we must not lower ourselves by using the methods of the aggressor, but rather increase our commitment to Jewish learning, ideals, and mitzvoth. We must ultimately stand as a living testimony to the triumph of the Jewish Spirit. We can only defeat the ugly remnant and spirit of anti-semitism by challenging it with the greater spirit inherent in Judaism, in its people, and in all of you here today who share and support our ideals.

Together, we will not be defeated.

Truly, Mr. Speaker, Miss Josephs spoke for all people of good will.

Yet, despite the efforts of local officials in Los Angeles, the State of California, and other communities and States, we cannot put a stop to this menace without the help of the Federal Government. For many of these organized hate groups are regional or national in scope. With modern communication and transportation, they can move about our country with alacrity, striking where they will and then moving on just as quickly.

We must be able to bring to bear the resources of our Government to bring these bigots to justice. That is why the passage of H.R. 2394 is so important.

It will amend chapter 65 of title 18 of the United States Code by adding the following new section:

"§ 1365. Desecration of religious structures and consecrated graves and placement of antireligious symbols on property of another

"(a) Whoever—

"(1) travels in interstate or foreign commerce or uses a facility or instrumentality of interstate or foreign commerce with intent to injure, destroy, or desecrate any consecrated grave, religious structure or religious article contained therein, or to place a swastika, burning cross, or other antireligious symbol or article on the property of another without such person's consent; or

"(2) with an intent to injure, intimidate, or interfere with any person or any class of persons in the free exercise of religion secured by the Constitution or laws of the United States, or because of having so exercised the same, willfully injures, destroys, or desecrates any consecrated grave, religious structure or religious article contained therein, or places a swastika, burning cross, or other antireligious article on the property of another without such person's consent, or attempts to do any of the same;

shall be fined not more than $25,000, or imprisoned not more than two years, or both; and if bodily injury results, shall be fined not more than $25,000, or imprisoned not more than ten years, or both; and if death results, shall be subject to imprisonment for any term of years or for life.

"(b) As used in this section—

"(1) the term 'religious structure' means a building or other structure owned or operated by a church, synagogue, or other religious organization; and

"(2) the terms 'consecrated cemetery', 'religious structure or religious article contained therein', and 'property of another' shall apply only to property located in the United States, any territory of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any possession of the United States.

"(c) In any prosecution under paragraph (1) of subsection (a), proof that a defendant engaged or attempted to engage in one or more of the acts of injury, destruction, desecration, or placing of antireligious symbols described therein and (1) has traveled in interstate or foreign commerce, or (2) has use of or used any facility or instrumentality of interstate or foreign commerce to communicate with or broadcast to any person or group of persons prior to such acts, such travel or use shall be admissible proof to establish that such defendant traveled in or used such facility of interstate or foreign commerce.

"(d) Nothing in this section shall be construed as indicating an intent on the part of Congress to prevent any State, any possession or Commonwealth of the United States, or the District of Columbia, from exercising jurisdiction over any offense over which it would have jurisdiction in the absence of this section; nor shall anything in this section be construed as depriving State and local law enforcement authorities of responsibility for prosecuting acts that may be violations of this section and that are violations of State and local law.

"(e) If any provision of this section or the application thereof to any person or circumstance is held invalid, the remainder of this section and the application of such provision to any other person or circumstance shall not be affected thereby.".

Sec. 2. The table of sections of chapter 65 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"1365. Desecration of religious structures and consecrated graves and placement of antireligious symbols on property of another.".

Mr. Speaker, I urge my colleagues to join with me in supporting H.R. 2394 in order to consign to history these despicable acts.●

FOOD STAMP CUTS

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mrs. CHISHOLM. Mr. Speaker, because we live in one of the richest countries in the world, it is often difficult for many of us to believe that there are hungry Americans. It is even harder to believe that a working person or his family could be hungry. Yet, the reality is that there are some 22 million food stamp recipients who are among the poorest people in the country; 53 percent of those who receive food stamps are under 17 and another 12 percent are elderly or disabled persons. Still, the program reaches only a percentage of those eligible.

The situation for many families receiving food stamps has worsened over the years and the supplemental assistance of $0.44 per person for each meal hardly meets today's food costs.

In chapter VI of "The Children's Defense Budget: A Response to President Reagan's Black Book," CDF challenges the wisdom of reducing aid to the Nation's neediest families and the 90-day retrospective accounting procedure to determine a family's eligibility.

FOOD STAMPS

In the late 1960's, the Field Foundation found widespread hunger and malnutrition among the poor of the United States. A decade later, when the foundation returned to communities it had visited, it found the health and well-being of poor families greatly improved. It pointed to the food stamps program as the key factor in this significant change.

WHO BENEFITS FROM FOOD STAMPS?

Food stamps is the only income maintenance program which is not limited to specific categories of people and provides coverage based on need alone.

The 22 million food stamp recipients are among the poorest people in America. The Agriculture Department's latest survey of recipients, taken in the fall of 1979, showed that:

They have very low incomes. The average annual gross income for a food stamps household was $3,900; more than half of those households had gross incomes of less than $3,600 a year.

Many are dependent on welfare programs. Forty-two percent of food stamp recipients also received public assistance benefits such as Aid to Families with Dependent Children.

They have few assets. Three-fifths of recipients households had no liquid assets at all.

They are mostly very young or very old. Children under 17 made up 53 percent of recipients; 12 percent were elderly or disabled persons. Thirteen percent of recipients were single parents with children.

Even when food stamps are added to the welfare benefits a family of four receives, in three-fourths of the States that family's situation is still worse off today than it was in 1973–74.

FOOD STAMP RECIPIENTS HAVE A SPARTAN DIET

Food stamp benefit levels are based on the thrifty food plan, the lowest priced of the Agriculture Department's four family food plans. Sample menus prepared by the Department for the low-cost plan rely heavily on starches with relatively small quantities of meat, fruits, and vegetables.

Recent Department of Agriculture surveys found that five out of six families buying food at the thrifty plan cost level do not get 100 percent of the recommended daily allowance for nutrients. Most food stamp families spend additional amounts on food—beyond the cost of the thrifty food plan—in order to get by.

WHAT IS BEING PROPOSED BY THE REAGAN ADMINISTRATION?

The Reagan administration currently proposes cutting close to $2 billion from the food stamp program for fiscal year 1982. The proposed major cuts include:

	Estimated savings
A school lunch/food proposal, which would deduct school lunches from a family's food stamp allotment where children have access to a school lunch program.	$265 million in 1982 due to part-year implementation; $680 in all future years.
90 day retrospective accounting, determining a family's eligibility for food stamps based on its average income over the 3 months before the family applied for the program.	Uncertain.
Reducing gross income limits, eliminating families above those levels.	Up to $500 million.
Changing the cost of living adjustment so that food stamp benefits lag 4 to 15 months behind the actual cost of the thrifty food plan.	$500 million.

Of all the food stamp proposals, the school lunch/food stamp proposal and the 90 day retrospective accounting proposal are the most regressive, cutting food moneys for many of the poorest households very severely.

The food stamp program must be considered as an income maintenance program as well as a nutrition program. It is part of the overall support structure for poor families. Many AFDC families have extremely low incomes—as low as $1,680 a year from AFDC for a family of four with no other income in Texas. As most States have frozen or cut AFDC benefits, these families have fallen further and further behind. To make additional deep cuts in the food stamp benefits these families receive, by counting school lunches, is extremely harsh. While cutting the moneys available for food, the administration also intends to reduce poor families' income through proposals to cut medicaid, fuel assistance, social services such as child care, and income maintenance.

Because food stamp benefits now average only 44 cents per person per meal, it is not correct to view the free school lunch as duplicative by providing a fourth meal. Families cannot get three solid meals a day from the thrifty food plan. In fact, when the Department of Agriculture adopted the thrifty food plan in 1975, amidst substantial criticism that it was inadequate, the Ford administration cited the availability of free school lunches as a reason for its decision to adopt the rather spartan thrifty plan.

The school lunch/food stamp proposal has other serious flaws. It assumes that a child enrolled in a school with a lunch program always receives a lunch. Thus food stamp benefits are lowered even while a child is sick at home. In addition, it is extremely complex to administer and is vigorously opposed by nearly all State administrators. It flies directly in the face of the administration's stated intentions of streamlining and simplifying programs.

The 90-day retrospective proposal not only presents a bureaucratic nightmare, but also denies families food stamps when they need them most and allows families to keep receiving benefits when they no longer need them.

If a family is in need due to a change in circumstances—such as being laid off, having a husband desert a family, or having an ex-spouse cut off child support payments—it would have to wait up to 3 months to begin receiving food stamps. Many of these households have limited or no income. This will cause serious hardship.

Families who do not need food stamps will receive them. If an unemployed worker returns to work, he will continue to receive food stamps for up to 3 months after he has gone back on the job and no longer needs them.

This is an administrative nightmare. It requires that food stamp workers verify a family's eligibility and benefits for 3 months back in time, and recompute a new 3-month income average every 30 days. It will increase administrative costs, complexity, and error rates.

Clearly the food stamp proposals hit the poorest families very hard. And poor children, one of the most nutritionally vulnerable groups in the population, will disproportionately suffer.●

WEAPON SALES TO SAUDI ARABIA

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BRODHEAD. Mr. Speaker, I wish to express my deep concern about the administration's plans to sell additional F-15 weaponry to Saudi Arabia. I do not believe that the administration has demonstrated that the sale is in the interests of the United States, I believe that it will add to the instability in the Middle East, and I am gravely concerned that it will jeopardize the security of our friend and ally, Israel.

The stability of the current regime in Saudi Arabia is unquestionably in the interests of the United States as part of our effort to counter the influence of the Soviet Union in the Middle East. However, the equipment that the administration proposes to sell is not designed to enhance the security of Saudi Arabia, nor is it necessary to do so. Rather, the subject of the proposed sale is weapons which will significantly increase the Saudi's offensive capabilities, which would enable Saudi Arabia to launch attacks on targets near to its borders. In view of Saudi Arabia's failure to support the Camp David peace process and its repeated statements of animosity toward Israel, the prospect of its having an improved offensive fighting capability is an unfortunate one.

It would also be pointed out that the previous administration gained approval for the 1978 F-15 sale to Saudi Arabia largely on the basis of its commitment not to supply advanced offensive weaponry. I regard these commitments as having been made to the Congress, to the American people, and to Israel itself, and I regard the new administration's decision to sell the weaponry as a violation of this commitment. Certainly, circumstances can change, and the new administration is not necessarily bound by the commitments of the old. However, no clear and convincing case has been made to justify so radical a departure from a policy so recently established. Unless our friends—and our enemies—can count on a continuity of U.S. foreign policy, it will be extremely difficult for us to conduct foreign policy effectively. Thus, I seriously question whether this proposed sale can be said to be within America's long-term foreign policy interests.

I believe that it would be in the best interests of the United States and Israel if this sale were disapproved by the Congress, and I intend to support a resolution of disapproval when the administration presents its formal proposal. I am also aware that those of us who have opposed arms sales in cases such as this have not always prevailed, and that there remains the strong possibility that the sale will go through. In that event, I consider it essential that we look again at Israel's defense capabilities and needs, and take whatever action is necessary to insure that these needs are met. Only in this fashion can the United States remain an effective advocate of peace and stability in the Middle East.●

RESEARCH AND EXPERIMENTATION EQUIPMENT DONATIONS TAX ACT OF 1981

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SHANNON. Mr. Speaker, I am introducing legislation today which would amend the Internal Revenue Code to increase the tax deduction that is currently allowed for donations of newly manufactured equipment to universities, colleges, and vocational schools.

This bill would help accomplish two vital national goals. First, it will enable our educational institutions to develop and expand their programs of research and experimentation. Second, it will reduce the shortage of trained technical personnel which currently exists in American industry.

UNIVERSITY RESEARCH AND EXPERIMENTATION

Research conducted by our educational institutions is one key to developing the advanced, innovative technologies we need to solve our productivity problems, and strengthen our economy.

An important means of funding these innovative efforts has been private philanthropic giving, including the contribution of state-of-the-art technical equipment, such as laboratory instrumentation and computer systems. The donation of such property by the private sector has served as an important resource to American universities and colleges for more than a century. In fact, this cooperation began when support from the Massachusetts textile industry formed Lowell Technological Institute, which is today the University of Lowell.

However, today the costs involved in creating a new technical program for research or instruction are all too often prohibitive. Specifically, the capital costs involved in acquiring the needed equipment are sometimes beyond a school's reach. The result is that advanced research projects that could yield the technological solutions to our productivity problems are hin-

dered because the proper technical tools are not available to our researchers.

INDUSTRY PERSONNEL

American industry, on the other hand, has faced another kind of shortage over the past several years; namely, a shortage of human resources. Advanced technological fields, in particular, are expanding so quickly that the need for talented people has far exceeded supply.

For example, the high-technology electronics and computer industries are growing annually at rates of 30 and 40 percent, creating tens of thousands of new jobs each year. However, the potential of these industries is needlessly limited by the shortage of trained technical staff. Our universities, colleges, and technical schools simply are unable to meet industry's demand for trained personnel.

INCREASED EQUIPMENT DONATIONS

One promising approach to addressing the problems of both educational and industrial communities is the contribution of new equipment—such as laboratory instrumentation and computer systems—to schools to help them increase their research and development efforts and to train students for competitive positions in industry.

Unfortunately, recent contributions have fallen short of the need, because the Internal Revenue Code currently limits the deduction for charitable contributions which a taxpayer can claim to the cost of manufacturing that product. This is usually substantially less than the fair market value of the product which the taxpayer would receive by selling the product.

The result of this limitation is a substantial loss for the taxpayer when he donates the product. This places an unnecessary constraint on the amount of inventory which is contributed to educational institutions each year. Companies that do make contributions limit them severely, and other firms simply choose not to make them at all.

The bill I am introducing today would amend the Internal Revenue Code to allow corporations to deduct the fair market value of equipment which they donate to an educational institution. The equipment must be newly manufactured and must be used by the donee solely for educational, research, or experimentation purposes. If the equipment had been used by the contributing corporation prior to its donation, the deduction is reduced to recapture any previously taken depreciation deductions or investment tax credits. In addition, the educational institution must supply the corporation with a written statement stipulating the recipient's adherence to rules governing use and subsequent disposition of the equipment.

This bill is consistent with recent reforms in the Internal Revenue Code governing charitable contributions, but it would significantly increase the incentive for firms to make these valued donations. This bill will strengthen the partnership between the industrial and educational communities, a partnership which is crucial to revitalizing our economy.●

FLORIDA PAYS TRIBUTE TO MICHAEL J. PERRICONE FOR 33 YEARS OF SERVICE TO VETERANS

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. FASCELL. Mr. Speaker, nearly three and one-half decades ago Mr. Michael J. Perricone joined the Florida Department of Veterans Affairs as assistant service officer at the Old Veterans Administration Hospital in Miami, this quiet event marked the beginning of a remarkable period of service to the veterans of our State. Mr. Perricone retired at the end of 1981 and will be honored at a testimonial dinner this month. I take pleasure in drawing the attention of our colleagues to this event and in commending Mr. Perricone for his devotion to the needs of others.

Mike Perricone, who saw distinguished service himself during World War II, was a constant source of hope and direction for the veterans seeking his help. As service officer at the hospital, he was the caring, knowledgeable person a veteran could work with in resolving simple problems or in dealing with devastatingly difficult ones. Mike helped his own fellow veterans of World War II and those who served during the Korean conflict and the Vietnam era, always adapting to new programs, easing the way for those he served. He saw the world move forward from his own military days in the glider infantry to the current age of nuclear submarines. The times changed, the people changed, but the problems were always there and so was Mike.

He actively promoted wider understanding of programs for the veteran through his participation in training conferences and meetings, welcoming the opportunity to speak to interested groups. My own staff considered him to be the finest gentleman they could have to work with on veteran-related problems. Mike was and is widely respected for his work in Miami and, during the past 2 years, for his service to the entire State of Florida as bureau chief of veterans field and support services.

Mike Perricone's career has been a full and rewarding one. He should look back with pride at the positive influence of his work on the lives of Florida's veterans. His contributions have been outstanding and his retirement is well deserved. I know I am joined by all the individuals who received his help in wishing him the very best for the years ahead.●

A CENTENARIAN WITH GLASS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. HUGHES. Mr. Speaker, on all too infrequent occasions, I have the pleasure of honoring a constituent who, through hard work and a long life, has distinguished himself and benefited the Nation. Frank H. Wheaton, who turns 100 on March 16, deserves our praise. Through his diligence and canny business instincts, he has guided the growth of Wheaton Industries into one of the country's major producers of glass and plastic containers. Equally important, his enterprise and leadership have resulted in a 200-fold increase in employment at Wheaton Industries, from 50 when he began to 10,000 employees today. Mr. Wheaton's generous philanthropy has also benefited many of my constituents.

Frank Wheaton has become so respected by the business community that he was recently biographed by the world's most widely read newspaper, the Wall Street Journal, in a front page article. I submit the article below, along with my sincere congratulations to Frank Wheaton on 100 years of productive life. We are very proud of him and take this opportunity to share this profile of a great American.

AT 99, THE CHAIRMAN STILL DOESN'T HANKER FOR A LIFE OF LEISURE

WHEATON INDUSTRIES' WHEATON IS MORE THAN FIGUREHEAD; 3 MAIN BUSINESS PRINCIPLES

(By John Helyar)

MILLVILLE, N.J.—Frank H. Wheaton, 99-year-old chairman of Wheaton Industries, lights up his first Italian cigar of the day and begins to expound on the many things that bother him.

His arthritic left knee bothers him. The large number of Americans who collect welfare bothers him. And all those Wheaton Industries employes who take early retirement at age 62 bother him even more. "Most of our people these days seem to want the free and easy life on pension," he says disapprovingly.

Nobody could accuse Mr. Wheaton of living the free and easy life. He has worked here nearly every day for the last 82 years. When he started, William McKinley was President of the U.S. and the firm's 50 employes made glass containers by hand. Now there are 10,000 employes. Forty-one plants in the U.S. and another in Brazil produce 65 million glass and plastic containers a week and rack up annual sales of more than $300 million.

Yet it is still a private family firm, and the driving force behind its growth is still a driven man. "I have no intention of retiring," he says.

TOO MUCH FUSS

That's why he doesn't much care for all the fuss about to be made over him. Mr. Wheaton turns 100 on March 16, and this drab mill town 50 miles south of Philadelphia will come alive with a big parade and party in his honor. "I only wanted maybe 15 or 20 people," Mr. Wheaton says. "I caved in to the boys on this one." One of his boys is Frank Jr., 68, the company's president and chief executive officer since 1966. The other is LaurDon, 62, who has already retired.

Mr. Wheaton undoubtedly will do what he can to play down the occasion, perhaps with the same line he used at his 95th-birthday party. "The only thing that bothers me," he said then, "is that they'll probably give me another party in five years and some of you won't be there.

He has become hard of hearing; his sight is weak, even aided by thick, gold-rimmed glasses; he broke a hip three years ago and gets around now in a wheelchair. But he still has a full head of close-cropped white hair, smokes 10 Italian cigars a day, wolfs down soft-shell crabs every Saturday night and has a razor-sharp mind. He is more than just a figurehead at the company. "When there's a critical situation, I notice they still go into Poppa's office and close the door," observes one former Wheaton executive. Frank Jr. says, "He knows much more about the financial and sales end than I do." And Poppa is the one who calls the board of directors' meetings.

Mr. Wheaton never did like taking it easy. "Oh, he used to say he was taking a vacation," says Martin Weber, a former purchasing director who now is compiling a company history. "But he'd never go where there weren't customers to visit, and he always came back with a pocketful of orders."

His "philosophy of life" is best expressed by a small wooden box on his desk. "The secret of success" is imprinted on its top. When the lid is lifted, one word is found inside: "Work." He doesn's care to discuss it further, implying with a wave of his hand that the object speaks volumes for itself.

He does, on the other hand, say something more to those abandoning their work while still little more than whippersnappers. Complains Frank Jr.: "I bring the retirees in to shake hands, and he says, 'What the hell are you doing retiring?' "

Mr. Wheaton's central business principles are simple and unswerving:

First, never borrow. His father put the company in debt in 1902 to start a plate glass operation; the operation soon failed, but the company had to labor 10 years to pay the debt off. Mr. Wheaton never borrowed a dime while president, from 1926 to 1966, nor did he let Frank Jr. take on any debt until last year.

Second, pay your bills. A local factory-supplies distributor, James Smith, say he has gotten the same greeting from Mr. Wheaton for decades: "Do we owe you any money?"

Third, keep the customer satisfied. Another industry old-timer, Ball Corp. Chairman John W. Fisher, says admiringly, "Attention to detail—knowing the customers' needs and being able to deliver—that's his hallmark."

Wheaton industries produces small specialty containers, primarily for the pharmaceuticals and cosmetics industries. The aspirin bottle in your medicine chest may well have been made here. Odds are that an Avon perfume bottle was.

Mr. Wheaton became a rich man long ago, but he has lived in the same modest 2½-story house for 60 years. A widower for 25 years, he has a live-in housekeeper, round-the-clock nurses and an on-the-blink television set. It goes unfixed because, he says, "It's against my principles to pay a man $15 just to come look at it."

His one indulgence is dining out Saturday nights with small groups of relatives, friends or visitors from Wheaton Industries' 26 international affiliate companies. He has his one drink of the week then, a Manhattan. He has been known to ask those who order lobster how they could possibly enjoy anything that costs so much.

Yet as tight as he is with a dollar for his own pleasures, he is a philanthropist of some area renown. Millville Hospital, for instance, named its new cancer-treatment center for him. What he is mostly known for, though, is his leadership of Wheaton Industries, the cornerstone company of the area's economy, and a look at one recent day shows how he still does it.

OUT AT 8:15

At 8:15 a chauffeur comes by Mr. Wheaton's house, only a few hundred yards from the firm's complex of factory buildings. Mr. Wheaton, sporting a big brown fedora, gets in the Buick's front seat, his nurse (who will sit on a corner couch at the office) in the back. They first swing by the warehouse so that Mr. Wheaton can see what is being shipped that day.

By 8:30 he is in his spacious office, across the hall from his son's. He begins this day with George Straubmuller, a vice president and director, to dicuss a potential affiliate in Portugal.

Later, the Portuguese company's representative, a middle-aged man in a blue suit, is ushered in. So is David Hardy, Wheaton's international vice president. Mr. Wheaton, somewhat more casually attired in navy blue sportcoat, red vest-style sweater and maroon bow tie, greets them. They take chairs in front of his desk, while corporate secretary David Slack sits off to the side.

"We're coming to some kind of agreement," Mr. Hardy says loudly. The chairman nods deliberately, his mouth shaking slightly, a cigar propped at a jaunty angle in the corner of his mouth. He tells the Portuguese representative, "George gave you a good recommendation from start to finish. You take a look around here, and everything you want to see, tell the man it's all right with me."

PLEASANT NEWS

When they leave, Mr. Slack begins reading loudly the highlights of the day's newspapers. They are loaded with the first details of proposed federal budget cuts, a visibly pleasing development to the conservative Mr. Wheaton.

Other managers begin reporting in. As each comes through the door, at the far end of the office from his desk, Mr. Wheaton barks, "Who's that?" They identify themselves, advance to one of the chairs and start rattling off numbers.

The pharmaceuticals sales manager says orders are "up briskly since January—the flu and all." The export department, says its earnest young man, got an 11,000-piece order form Puerto Rico yesterday morning and shipped it that afternoon. There are other much bigger orders reported but the quick-turnaround one clearly tickles the chairman most. Wheaton's liaison man with Shulton Industries, makers of the Old Spice line of men's toiletries, fills him in on the latest trends with that important customer.

As the liaison man is about to leave, Mr. Wheaton asks his age. It's 62. "Now don't get that 62 retirement fever," Mr. Wheaton growls.

By doctor's decree, Mr. Wheaton's schedule ends at 11 a.m. The chauffeur appears at the door. The chairman's handshake for the parting visitor is firm, as is his offer: "If you think the old man is senile," he says, "come on down and investigate me some more."

ST. STEPHAN'S 107TH ANNIVERSARY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. RODINO. Mr. Speaker, St. Stephan's United Church of Chirst in my congressional district will have a special service this Sunday, March 15, to commemorate its 107th year in Newark.

The people of Newark are deservedly proud of St. Stephan's role in the history of the Ironbound section of our city. While its original parishioners were of German descent, the church now serves people of many ethnic backgrounds. St. Stephan's also takes an active role in providing social services to the people of the Ironbound. The church guild provides transportation and other help to elderly persons; and the church helps get youngsters involved in community projects and neighborhood activities.

The efforts by St. Stephan's pastor, Rev. David Burgess, to help improve the living conditions in Newark's neighborhoods are appreciated throughout the city. At Sunday's service Reverend Burgess will be joined by Bishop Joseph Francis, auxiliary to the Catholic archbishop of Newark, who is chairman of the Greater Newark Urban Coalition. I am sure it will be a memorable occasion, celebrating one of Newark's great institutions.●

SUCCESSES OF THE SPACE PROGRAM

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. FLIPPO. Mr. Speaker, in his speech before the National Space Club, Thomas Young, Director of the Goodard Space Flight Center suggests we occasionally stop and reflect as individuals, as organizations, and as a nation upon what we have accomplished through our national space program. He emphasizes that space has become a critical part of our lives and plays a major role in our economy, safety, and security.

I recommend Mr. Young's speech to my colleagues:

SUCCESSES OF THE SPACE PROGRAM

(By A. Thomas Young)

I appreciate very much the opportunity to talk to the members and guests of the National Space Club. We appropriately talk a lot about our problems. My objective today is to give equal time to our successes.

A characteristic which is dominant for space program implementors is that we are problem oriented. Our time is dominated by the identification and solution of problems. The positive aspect of this characteristic is that it is probably the foundation of our success. It is the discipline that assures we do the proper analysis, test, independent verification, and review. The negative aspect of this characteristic is that it can distort our views of the space program, or taking liberties with a song title, it can give the impression "is that all there is to space?" We spend little time on success because success does not demand attention. Our preoccupation with problems is contagious and can become the focus of our interfaces, such as our interfaces with the media and Congress. I am not suggesting we change because of the importance I assigned earlier to this characteristic, but I am suggesting we occasionally stop and reflect as individuals, as organizations, and as a nation upon what we have accomplished—the successes we have realized. That is what I plan to do with the time I have here today.

The U.S. space program began slightly more than two decades ago. Our initial approach was tentative, and we all know from watching professional football that being tentative doesn't produce a winner. Then, the challenge of the Soviet Union and the mandate of a President unleashed our full capabilities through the Lunar program. When Apollo was finished, the reaction was, "well, that's done—we've completed the space program." Those of us involved in the space program have been looking for the next goal, but maybe another strength is that the absence of an Apollo-type goal has not impeded significant accomplishments and successes.

Where are we today? First, let's take a macro examination. Today there is no longer only the NASA space program; there are several space programs which make up the U.S. space program. There are the DOD, NOAA, and commercial space programs, as well as the NASA space program. Internationally space involvement has grown from two countries (U.S. and U.S.S.R.) to 10's of countries who are involved in space either directly or cooperatively.

Space is no longer only R&D; today each element of the U.S. space program has an operational involvement. A whole new industry has been developed by the space program—communications utilizing satellites. An entirely new technology has evolved that makes a major contribution to our economy, safety, and recreation—meteorology from space. We are in the process of transition to the operational phase of land remote sensing. It is interesting to note that as we have been doing R&D, parts of the land remote sensing program have effectively become operational because of needs that cannot wait. These are in the areas of agriculture and in the search for non-renewable resources. As our global needs for resources require new discoveries and recognized limitations require resource management, the availability of this new technology and capability is timely.

I often have wondered how we gain a full appreciation of the contributions of our current operational capabilities. If one were to briefly interrupt these capabilities, we would find our communications severely limited, and our economy, safety, and recreation grossly compromised.

A good example of the power of some of these operational capabilities was displayed on Inauguration Day. People in this country and throughout the world watched an extraordinary event that is a fundamental strength of our country—the orderly transition of power. We also watched another enormously important event taking place on another continent—the release of our hostages. At times we went from Washington on half of our TV screen to Algiers on the other half.

What is the source of these operational capabilities that we've come to take for granted? They grew from space R&D. They grew from programs such as Nimbus, Tiros, applications technology satellite, and Earth resources technology satellite now called "Landsat." The R&D of today in spacecraft systems, data processing, sensors, and land, ocean, and atmosphere remote sensing is the basis for the operational systems of tomorrow, as well as the intelligence to effectively use the operational systems. Applications has grown from a program seeking creditibility and looking for users to a program with a highly developed scientific and technology base, having to be selective in satisfying the expanding needs of users.

In addition to operational systems and R&D for new and improved operational systems of the future, our space program is concerned with the advancement of knowledge and exploration. Our knowledge of our near-Earth space, our solar system, and the universe is dominated by what we have learned from space in these last two decades. Knowledge, derived from the scientific aspects of the space program, ranges from the radiation belts around Earth to climate changes on Mars to volcanoes on Io to black holes in the depths of our universe. We are methodically unraveling the mysteries of our universe. Each time we look in different parts of the electromagnetic spectrum or with higher resolution, we are astounded by the new discoveries. Just the thought of what we will learn from programs, such as space telescope, gamma ray observatory, and Galileo stimulates our anticipation. Knowledge from our space science activities has also become "operational," if you will allow me some liberty with the word. By operational I mean it has become a major part of our children's textbooks and reference materials, such as encyclopedias, as well as the reading material we obtain from the newsstand and the educational entertainment we obtain from television.

Space science also has a way of being the advanced R&D of applications of the future. Study of our upper atmosphere is one example; and undoubtedly, some day lunar and asteroid materials will be a major resource of space manufacturing.

Space science is more than the important function of acquiring new knowledge; it is exploring new worlds. Man has a basic need and interest in exploring which has probably existed since we first became mobile. The enormous interest of the world in our exploration of the Moon, Mars, Jupiter, and Saturn are clear examples. We tend to think that all the great exploration adventures happened in the past, but that is wrong; they're happening now and in a much more exciting way for all of us. Explorations of the past, such as Columbus coming to the new world or Lewis and Clark exploring the Northwest, were reserved for the privileged few who were able to go on the exploration. Others were only able to hear the stories of the explorers when they returned with no ability to participate in the thrill of exploration or to see the new worlds directly. Exploration of our solar system is different. It's not limited to the privileged few who are involved. The exploration of the Moon, Mars, Jupiter, and Saturn was participated in directly by millions of people in this country and throughout the world. We all were able to see and experience the excitement and fulfillment of exploring new worlds.

In carrying out our space science and exploration activities, we, the U.S., have landed men on the Moon and safely returned them to Earth; we have landed and operated scientific spacecraft on the surface of Mars; and we have sent spacecraft past Jupiter and Saturn. These are explorations no one else has ever done, and I question if anyone else has the capability or resolve to do them.

All our accomplishments to date have utilized expendable transportation systems and spacecraft. Transportation is always a limiting factor in the opening of a new frontier; and, I believe, this is also true for space. We cannot possibly imagine the opportunities and uses of space that will become available as we provide easy and economical access to space. Space shuttle is of critical importance in the evolution of easy and economical space transportation. When we examine the space shuttle, we tend to slip into our problem orientation of comparing it with what we expect for the ultimate in space transportation. It isn't the end objective; it is a major positive step. I believe we will look back on the successful first flight of the Columbia with the same or greater recognition of importance that we give to the driving of the "golden spike" for the first transcontinental railroad. It opened the economic door to the West, as the shuttle will open the economic door to space.

So, in summary, what has occurred in the slightly more than two decades in space? Several U.S. and international space programs have evolved. A new industry has developed and new technology has been put into operation. A strong R&D base has been built and continues. Knowledge from space has become "operational" and new discoveries continue to expand our understanding of our solar system and universe. Exploration has never been so exciting or available to so many. We're on the threshold to easy and economical space transportation which is the key for full utilization of space. Maybe the most significant thing that has happened is that space has become a critical part of our lives. Space plays a major role in our economy, safety, security, intellect, and interest.

I want to cite two less tangible, but no less important, results of our space program. These have to do with pride and prestige. As we all know, pride is one of the most valuable things parents can give to their children, organizations can give to their people, and nations can give to their citizens. I believe the successes of our space program have been a source of great national pride for the people of the U.S. We stood a little taller when we recently demonstrated to ourselves and to the world what we are capable of doing through the Voyager encounter with Saturn. We talk a lot about the "American way," and there are many similar definitions. My definition is a willingness to take difficult (some may appear impossible) challenges, to carry out the challenges in an open manner for all to see whether things are going well or whether there are major problems, and to successfully complete the challenge. To me, that describes the U.S. space program. I believe the space program is one way we demonstrate to the world what we are all about and that the successes have been a source of international prestige for our country that goes well beyond our recognition.

So, is all well with the space program? The answer is "no." Are there problems? The answer is "yes." But, they are subjects for other talks. Today, we pause to reflect on our successes. When we view the shuttle standing on its launch pad, we can see two things. We can see some schedule delays and cost growth, or we can see a technological marvel produced by extraordinary people of an extraordinary country, which will open the door of opportunity for the future. I don't mean to lightly pass off the importance of the first, for we must continue to pursue ways to more efficiently utilize the resources entrusted to us, but I do want to highlight the significance of the latter.

Thank you for the opportunity to briefly get away from the problems and to talk, in general, about our successes. I believe our contributions of the past and our current capabilities are clear indicators of our future potential in meeting national needs.●

WASHINGTON STATE RARE II BILL

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. SWIFT. Mr. Speaker, today I am introducing a bill to place certain lands of the Mount Baker-Snoqualmie National Forest into our National Wilderness Preservation System. As with the bill I first introduced in the last Congress, this measure also designates certain lands for release to the multiple-use management category as a way of symbolizing my concern that some method be found to assure a continued supply of timber for the wood products industry of the Pacific Northwest.

Washington State has been blessed with a number of beautiful roadless areas, many of which have already been placed in protective status, most of it wilderness. The 51,000-acre Boulder River area has a unique quality that recommends it for wilderness consideration as well. It is not remote. It is accessible. It is only 50 miles northeast of metropolitan Seattle and only 25 miles east of Everett.

In short, Boulder River is one of the last low-lying areas with major stands of virgin timber around Puget Sound. And because it is low lying, it is accessible even to people who are not prime candidates for an assault on Mount Everest.

I have hiked the trail in this area. It is scenic, secluded, and breathtaking with its virgin forest, its raging river, and its magnificent waterfall. And as we moved up the valley, we met not only the hardcore backpackers, but families with small children and senior citizens who were not only able to get there, but able to navigate its relatively easy terrain. Those are the reasons I think Boulder River should become a part of the wilderness areas in the Northwest.

However, we must be mindful that much of the economy of this part of the Nation is still reliant on the forest products industry which provides thousands of jobs and materials all Americans use. It is for this reason that I am strongly interested in finding a method of assuring release of studied land so that it does not become de facto wilderness without congressional action.

Even as I introduce the bill to put this relatively small area into wilderness, I am keenly aware of the crunch in the forest products industries. I am not talking about the huge wood products conglomerates. Rather, the businesses that are hurt by indefinite planning are the small companies who do not own their own timber stands and must rely on federally owned lands for their timber supply. These industries, that hire anywhere from scores to a few hundred employees each account for substantial employment in the aggregate. They need their source of logs to be reliable and predictable.

This issue does not have to be addressed with specific release language, such as is contained in my bill. However, it must be addressed satisfactorily in final legislation.

Finally, Mr. Speaker, let me say that I view this bill as part of a comprehensive Washington State RARE II bill. It is my hope that, with the Washington State delegation taking the lead, Congress can come to a consensus on RARE II lands in my State and that that consensus will include the Boulder River Wilderness Area and a satisfactory solution to the release issue. In that way we can achieve a balance between legitimate recreational and economic needs of our people. Trees made the Northwest. Trees are still our symbol. Trees must continue to serve their double role as the backbone of our resource economy and as the sentinels that guard space which our modern society needs so badly to refresh itself and save its soul.●

PATRIOTISM IN AMERICA IS NOT DEAD

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. ANDERSON. Mr. Speaker, as you know, Public Law 96-421 designated the week commencing with the third Monday in February of 1981 as "National Patriotism Week." From letters and reports I have received from throughout our country, this was a highly successful period in which our thoughts were directed to our great Nation's heritage and what it stands for. I am indeed proud to have authored the bill that made this possible.

I would like to share with you and our colleagues just one incident in this week's activities that I believe proves that patriotism in America is not dead, as some would like us to believe. Mr. Ronald J. Lewis, who is principal of the Pacific Heights Elementary School in San Bruno, Calif., has written informing me of the winners of the school's patriotism speech contest. Pacific Heights School is not located in my congressional district, but I feel the winners should be recognized and congratulated for their efforts to promote and preserve America's patriotic heritage. Therefore, following is the list of winners and the text of their speeches. I urge all of my colleagues to read how a few of our younger citizens really feel about this great land of ours. It is indeed heartwarming and inspiring to read what some of our younger people in the first through eighth grades have written, and I also wish to congratulate our colleague, TOM LANTOS, on having such a fine group of young people in his district.

STACY LANDAU, 1ST PLACE—8TH GRADE

Mr. Lewis, Faculty and Friends—

U.S.: THE "MELTING POT"

This is a slang phrase that has come about through the mingling and mixing of people throughout the world. Their customs and ideas have made the world what it is today.

People have come here from different places, at different times, and for many different reasons. There must really have to be some bad times for them to come to a foreign country not knowing what they'll seek in the future. I know if I lived somewhere else I'd think about what I'm getting into and what type of lifestyle I'd have before I would go.

Everyone that comes here or at least tries to isn't 100% guaranteed to get in or have some of the satisfactions we do. But at least they can attempt to come here, after all, it doesn't hurt to try.

The U.S. always seems like the best answer for a place to come when times are bad for a country The U.S. has its ups and downs, advantages and disadvantages. But at least it wouldn't be unrighteous as the other countries.

America really is a melting pot because look at all of the different races, religions, and nationalities that are mixed together in Pacific Heights, including mine, let alone the whole entire nation. People really must have an experience with different people and cultures when they come here.

The biggest highlight of a foreigner's life must be when they're considered a "true American" and pledge to the flag. I mean, just to know you can have the same rights and justices, except for voting, as an Ameri-

can is really exciting. It must be a good feeling to do all of these things.

All I can say is that I'm glad we take part or at least try to help people with their problems. No other country that I know of has done this. It really makes me feel good inside. America really is the land of opportunity.

So, remember the next time you categorize someone you're just putting down yourself because we, Americans, live here and we are all in a way a part of each other.

Thank you.

CHERYL MARSHALL, 2D PLACE—8TH GRADE

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

I am proud to be an American, because in the world where most people seem to be playing a role, I have decided that I just want to be me. One is surrounded from all sides by people or groups telling one how to act. For example, television tells us that "we have come a long way, baby". Fashion magazines say that the way to be is thin, pretty and always aware that someone just may be looking at us.

Politicians say that we should love Mom, Dad, God, and apple pie. If anyone were to consider all these groups and their images of the perfect Cheryl Marshall, my head would be a swarming mass of contradictions. I do not want to be told how to act, look, or feel. I am a human being like anyone else—independent in my own thinking.

All I wish for and want is to be myself and live in the manner in which I choose to live. I love living and want to get the most out of it that I can.

If I do not fit into any set image of what Cheryl Marshall is, then that is too bad for all the people who like to categorize me, for I do not want to be anyone's ideal young lady except my own. I feel that I can be myself in America.

ARAM KALOUSTIAN, 3D PLACE—8TH GRADE

Mr. Lewis, Faculty and Friends—

WHY I'M PROUD TO BE AN AMERICAN

America is one of the base countries of the world today. We are involved everywhere. Being a base, we are free and do or become anything we desire.

America started itself with a revolution. This ignited the idea of democracy which led to us having freedoms and liberties. This also gave us opportunity to change the world or really try and help it. We can express our views. We can vote for our government officials and even be an official.

I know America had made many mistakes but when being the axis of an entire world, you make mistakes. However, errors can be useful by learning from them. Other countries criticize our mistakes but don't understand the position we are in. Once they come to live here, then they like it.

We are also an advanced civilization. No one has ever lived the way we do. Some areas of the world can't even have food when they want it while we have various ways of obtaining food. We can also enjoy life instead of working all day just to earn a small fee like some places are. All I'm saying is—we should be thankful for our lifestyle.

Another advantage we have is our free public education. Some of the world's finest universities are found in the U.S. This gives us the opportunity to be somebody and we should exercise this right.

But the real reason that makes our nation so great is the combination of people from just about everywhere in the world. Immigrants from all over have the right to come here and be a citizen. I know because my parents were immigrants and because they came here then. I now live free and enjoy life.

Finally, I want to say that we are the closest to perfect anywhere, and being the closest we must help other nations to be that way as well. These are major reasons that make me proud to be an American.

RAHAMEN LEMBERGER, 1ST PLACE—7TH GRADE

Mr. Lewis, Faculty and Friends—

WHY I'M PROUD TO BE AN AMERICAN

A few years ago I went to New York. One of the places I went sightseeing was the Statue of Liberty. When I reached the top and looked out the window at the water below, I realized I was standing in the statue that was the first thing my grandparents saw when they came to America. Why would people leave their homeland, their families, and friends to come to America? Maybe it's because the land they were born in did not allow them to practice their religion or to make a living to feed their families. Maybe in the land they came from some people were treated badly all the time as if they were nothing or not important in anyway. While other people always lived "high off the hog" and got all the opportunities.

America became home to my grandparents, and here they can be what they want without fear that they will be kicked around or fired for no reason. They can have dinner without fear that soldiers will come barging in. They know when they close the door nobody can come in unless they let them.

I think that this is a great land, a beautiful land; and I am going to hold my head up high when I say that I live in America.

MIA BANKS, 2D PLACE—7TH GRADE

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

I am proud to be an American because I know that there are people in America who are willing to help anybody with any problem that he or she has. I think that most people are concerned about others in America. People help each other in America with causes such as Red Cross, Salvation Army and Goodwill. We have these different organizations so we can help poor people who are not able to pay their own expenses.

I am proud to be an American because in America we are free and in most countries they are not free. For instance, if we don't agree with the government and a particular policy, we can protest and you won't get put in jail; but in a lot of countries you're not permitted to speak, such as Russia and China.

Everybody would like to have freedom, I know. We are lucky that we are in America because most people in other countries are dying of hunger and are being tortured. Others have different diseases because they don't have the right medicines for the diseases. We have something to eat. We have freedom and the doctors and scientists have the correct medicines for our diseases. In America we are free. We are free to speak. We have freedom of religion. We are free to live wherever we please. In some countries you have to tell the government that you are moving somewhere else, why you are moving, where, and when you are moving. We are free to have all the educational opportunities that we think is best for ourselves.

America is one of the richest countries in the world, and America is one of the best organised countries.

In this speech I have tried to give you a few of the reasons I am proud to be an American.

JONATHAN ASKER, 3D PLACE—7TH GRADE

Mr. Lewis, Faculty and Friends—

WHY I'M PROUD TO BE AN AMERICAN

I am proud to be an American because I get freedom. I don't have to work like a salve. I am able to do things. I am able to dance, laugh, sing, and jump for joy. I am proud to be an American, because I may say what I please, speak the language I wish to speak, walk, talk, and live like a truly great American; go to school and not have to worry about being separated from other children. I may get a job and not get fired because I am different from others. You may walk where you want to walk; see what you what to see, and live where you want to live and have peace throughout the country, walk to school and know that you are safe, go to school and learn more and new things. That is why I am proud to be an American.

MARIA ELENA ROBLES (GRADE 6), 1ST PLACE—GRADES 5-6

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

America is the envy of the world. Although She is supreme in the race for nuclear power and other modern warfares, She employes the most human approach to Her own people and the people in the world.

Her government sticks to the principle of Human Rights and constantly asks other countries to follow the same. It is based on the principle that "all humans are born free and equal in dignity and rights." Adhering to this doctrine, She gets involved with giving aids to the poor countries of the world. She fights side by side with countries being threatened by Communism.

She sends medicine, clothes, and food to needy countries like Cambodia. She welcomes refugees from Vietnam, Cambodia, Cuba and others with open arms. She does all these beautiful things to these people all over the world outside from caring for and protecting Her own people.

I would not think of any other country which is so unselfishly dedicated towards this end except America, and this is the reason why I am proud to be an American.

STEPHEN WAITE (GRADE 5) 2D PLACE—GRADES 5-6

Mr. Lewis, Faculty and Friends—

WHY I'M PROUD TO BE AN AMERICAN

I'm proud to be an American because people from foreign places can live here in peace and freedom when they are in trouble. We have the best opportunity to go to school and college to plan for our future lives.

I am proud of how our country acted about the hostage situation. We showed other countries that care about our people here and that we don't allow terrorists to tell us what we do. We set a good example about how we can bring about peace without war and killing.

We have freedom to speak our own minds. We can visit any countries. We have freedom to choose what president. We can start our own building or our homes. People in other countries aren't so privileged.

SCOTT ROGGE (GRADE 5) 3D PLACE—GRADES 5-6

Mr. Lewis, Faculty and Friends—

WHY I'M PROUD TO BE AN AMERICAN

I am proud to be an American because we can vote for whomever we want.

We have good people to lead us like Governor Brown, mayor Feinstein and President Reagan. We should respect our president because he makes big decisions.

We should honor our flag for its fifty stars that represent our fifty states and its 13 stripes representing our 13 original colonies.

I am also glad to be an American because we have schools to learn new things.

We should be grateful for the things we have like food and water, a house for shelter, blankets to keep us warm, and vehicles for transportation. We are lucky to have televisions and jobs to make money.

I am glad we have enough money to buy things like clothing, food and shelter.

We are a lucky country. Some countries have their own laws and ways of doing things. We are allowed to travel anywhere in the United States. In some countries you can't travel at all.

Our government would never hold anyone hostage but the Iranians did. They were cruel! they did not give the hostages mail from their loved ones and they wore weapons and they threatened to kill them. I'm glad we live in this country.

That's why I'm proud to be an American.

BRENDA MEJIA (4TH GRADE), 1ST PLACE—GRADES 3-4

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

I am proud to be an American for many reasons. My first reasons are because we have freedom of the press, freedom of speech, and freedom of religion. In this country there is nothing impossible—all people are created equal and have many rights—they have the right to vote and the right choose a religion.

But most of all because of America's patience with Iran. America is not like any other country. Other countries would have started a war with Iran.

I am proud to be an American because in America no one is treated differently, but they are treated equal—even blacks and whites.

And that's why I, Brenda Mejia, am proud to be an American.

Thank you.

RONNIE DILLENDER (GRADES 4), 2D PLACE—GRADES 3-4

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

I am proud to be an American because we have freedom of speech and we have religious freedom. In some countries the people have to go to the church or synogogue the government wants them to.

Some countries have people in their country that starve to death because the government can't provide for them. The United States is one of the highest food-producing countries in the world. The state of California produces more food than many countries in the world. The United States sends food and supplies to many countries that are in need to help them.

We also have the right of not letting the police search without warrants, the freedom of press and a fair trial.

We can bear guns and we have the freedom of vote. In some countries they won't let you. The leader of the country picks the new leader after the other dies. All these reasons and others are why I am proud to be an American.

MARY MELILLO (GRADE 3), 3D PLACE—GRADES 3-4

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

Because there is freedom in the United States. There are schools to learn, spell and read. There are people to keep us safe. And there is food too. And we got our hostages back without a war. Our country is beautiful and it has pretty sights because it was made beautiful. We can find out what is happening in the world on T.V. and in the newspapers. That's why I am proud to be an American.

NANCY DILLENDER (GRADE 2), 1ST PLACE—GRADES 1-2

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

I am proud to be an American because my family has been in America for over four generations. My great great grandpa came to the United States over 100 years ago. One of my great great grandfathers served in the Civil War. My grandfather and over ten of my great uncles fought in World War II. My Dad was in the Army in Vietnam. I am proud of my relatives because they love America, too. They have defended our freedom and tried to help others. I am proud to be an American.

JUSTINE S. KIM (GRADE 2), 2D PLACE—GRADES 1-2

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

America loves children. I care for America, my Mom cares, my whole family cares about America. And now we have a new president and all the people who were kept in another country came back free, so I am proud of them too, because they are Americans just like me.

TAMMY PERKINS (GRADE 1), 3D PLACE—GRADES 1-2

Mr. Lewis, Faculty and Friends—

WHY I AM PROUD TO BE AN AMERICAN

I am proud to be an American because America is a free country. That is why I like to be an American. And we are free to go to school and do lots of things. We also can pick our president.●

A THANK YOU TO SWITZERLAND FOR SERVICE DURING HOSTAGE CRISIS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. McCLORY. Mr. Speaker, the extraordinary service rendered to our Nation by Switzerland and particularly by the Swiss Ambassador to Iran, Mr. Erik Lang, deserves the highest praise from all Americans.

Following the release of the American hostages, Ambassador Lang expressed himself in no uncertain terms regarding the violation by the Iranian Government of its international obligations toward the United States, Switzerland, and toward the American hostages. There were some critics who felt that Ambassador Lang's expression of outrage at the Iranian behavior was somehow undiplomatic or inappropriate.

I was pleased when the Swiss Secretary of State, and former Ambassador to the United States, Raymond Probst, defended Ambassador Lang and recalled his persistent and able service on behalf of our Nation in the hostage affair.

Mr. Speaker, yesterday I addressed a letter to Secretary Probst, which I am pleased to attach to these remarks. I am sure that I express the views of the entire membership of this body in communicating our gratitude to the Swiss Government and to Ambassador Lang for his courageous and highly professional service in behalf of our Nation throughout the entire hostage ordeal.

My letter to Secretary Probst follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 9, 1981.

The Honorable RAYMOND PROBST,
Secretary of State,
Berne, Switzerland.

DEAR RAYMOND: Having observed over a long period of time the highly professional and useful service performed by the Swiss government in behalf of our nation, I wish to commend in the highest terms the service in this regard of the Swiss Ambassador to Iran, Ambassador Erik Lang.

I met Ambassador Lang and his family some years ago when Erik was attached to the Swiss Embassy in Washington. Accordingly, I have personal knowledge of his extraordinary qualities as a diplomat and of his great courage and devotion to your nation and to the cause of free governments everywhere. Erik's special services in connection with the welfare and the final release of the American hostages is a source of profound gratification on the part of all Americans. In this regard, I feel that I am expressing their gratitude through this communication to you.

Also, I want to join with you in defending the action of Ambassador Lang and your government in rejecting the unfounded criticisms which have been expressed by some who lack knowledge of the disorganized and sometimes chaotic state of affairs which prevail in Iran. You, Mr. Secretary, have expressed yourself appropriately in support of Ambassador Lang's service and on the hostage issue. I want you to know that we applaud you and Ambassador Lang for your extraordinary service in behalf of the people of our nation.

Finally, I find this service to be consistent with the great traditions of Switzerland, a nation for which I have—as you know—a profound respect and affection.

Respectfully yours,

ROBERT MCCLORY,
Member of Congress.●

MEDIA BLACKOUTS

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mrs. CHISHOLM. Mr. Speaker, receiving recognition from the media poses special problems when you are known and even more problems when you are not.

During the hostage negotiations the American Ambassador to Algeria, Ulric C. Haynes, Jr., played an extremely critical role. However, many newspeople did not recognize him when cameras photographed him greeting the former hostages. The following letter and editorial written by Dr. Rosalyn Terborg-Penn and Dorothy Gilliam of the Washington Post discuss the problem of media blackout.

DR. ROSALYN TERBORG-PENN,
Columbia, Md., January 27, 1981.

NEWS PRODUCERS, NBC-TV,
Rockefeller Plaza,
New York, N.Y.

DEAR NEWS PRODUCERS: On January 20, 1981, John Chancellor and Roger Mudd commented upon the NBC coverage of the American hostage release from Iran. For two hours these veteran newsmen commented upon the negotiations, the political situation, as well as the on-scene events concerning the release of the hostages. I was very pleased to see the American ambassador to Algeria, Ulric S. Haynes, Jr., and his wife greeting the hostages upon their arrival in Algeria. It was apparent to me that Ambassador Haynes and his wife were familiar, welcomed sights for the former hostages who embraced them. Yet, to my dismay, Mr. Chancellor and Mr. Mudd did not identify the Haynes, nor make note of the Ambassador's relationship to the hostage crisis. If the newsmen were ignorant of who Haynes was, that might explain why the news team did not identify him. I hardly believe that Chancellor and Mudd did not know Ambassador Haynes. Perhaps, as Ralph Ellison has written, the Haynes were invisible, or perhaps their status seemed so insignificant that the newsmen did not deem them worthy of discussion. In this case the NBC news team exhibited racism in broadcasting by use of a news blackout.

I am particularly sensitive to his issue because I recently attended a conference in Baltimore and participated in a workshop—"Racism in the Media." News blackout was one of the significant topics discussed heatedly in relationship to blacks on TV. Your coverage of the hostage release seemed quite indicative of that to me.

As a black scholar, I did not want to assume the presumptuous posture of many of those in the mainstream, so I questioned myself. Did I over react? Hence, I asked friends and neighbors if they had seen the presentation and whether they knew who were the black couple that greeted the hostages in Algeria. Their responses confirmed my original reaction. Most had no idea who Haynes was, but had questioned why the media had not identified him. As I prepared to write my indictment of what appears to me as racist coverage of the news on your part, I read the enclosed article by Dorothy Gilliam about Embassador Haynes (Washington Post, Jan. 26, 1981). Gilliam describes the ambassador as an unsung hero of the hostage crisis, and diplomatically removes his invisibility.

As a citizen and professor of history, I can go further. I do not have to be diplomatic about exposing and criticizing a news blackout. I can also report to you the growing number of blacks who are becoming disillusioned by NBC coverage of the news and other events as a result.

With indignation,

ROSALYN TERBORG-PENN.

P.S. Haynes is originally from Brooklyn, where his mother is still.

[From the Washington Post, Jan. 26, 1981]

AMBASSADOR TO ALGERIA IS ONE OF THE GOOD GUYS

(By Dorothy Gilliam)

The tall, mustachioed figure was often just a few paces behind Warren Christopher during the tense negotiations for the release of the hostages. And in the emotional moment when millions of Americans caught first sight of the former captives as they came off the airplane in Algiers, his was one of the faces on which the 52 Americans planted their grateful double-kisses.

While the hostage drama has rightly focused on Deputy Secretary of State Warren Christopher as the giant in the negotiations, one unsung hero was the mustachioed man accustomed to dwelling diplomatically in the background: U.S. Ambassador to Algeria Ulric S. Haynes, Jr.

Not only was he a key part of the negotiating team—an important facilitator—but as U.S. envoy to Algeria for the last three years, he was vital in smoothing out Algerian anti-Americanism that ultimately would make it feasible for Algeria to play the difficult and delicate role of middleman.

"Rick gave us incredible support," said Arnold L. Raphel, a member of Christopher's negotiating team. "He made the decision not to be involved in direct negotiations. But he spoke fluent French. No one on the negotiating team spoke French. In terms of how you cooperate with Algerians, Rick was very useful and got us great access. In a crucial area, he was our entree to the Algerians. His was an invaluable role as a go-between."

But Haynes' greatest work may have been accomplished long before the Americans were seized by Iran, and long before last November, when it was announced that Algeria would serve as Iran's intermediary with Washington. Haynes had played a quiet diplomatic role in a number of unusual developments between the United States and the socialist government in Algiers.

Part of it is a question of timing. For years, Algeria was a thorn in the United States' side, the landing pad for airplane hijackers and terrorists, and a haven for such 1960s American militants as Eldridge Cleaver.

When Rick Haynes went to Algiers in 1977, Algeria was under the leadership of a hardliner, President Houari Boumediene, and although the two countries maintained economic ties, political relations were at a low point—strained and tense. Haynes, called "incredibly personable" by negotiating team member Raphel, is credited with markedly improving the environment for U.S. interests.

When Boumediene died in 1979, President Chadhi Bendjedid took over and relations continued to improve, partly because the non-aligned Algerians want to court the United States, without alienating Moscow, in an effort to resolve the long dispute over American support of Morocco, which has been engaged in a lingering war in the western Sahara desert against Polisario guerrillas headquartered in Algeria. Any progress in settlement of the Saharan dispute must lie partly with the quiet diplomacy of Haynes, observers say.

"He is seen as a very strong ambassador," said George Dowley, formerly with the State Department and now with the Civil Aeronautics Board. "When relations on the scene improve, the ambassador on the scene usually gets the credit."

In one sense, as a black ambassador, Haynes probably played the same kind of role that Andy Young once played as the United States ambassador to the United Nations—he brought a certain credibility to United States' dealings with the Third World.

While there is no magic in being black, many blacks tend to go into the diplomatic service with a certain degree of sympathy and are prepared to take a country like Algeria seriously, so it probably was easier for Haynes to have greater sensitivity toward Third World concerns.

The more typical white American view was most likely the French one—it was a socialistic Third World government that is suspect because it is nonaligned and not clearly pro-West.

Haynes, 48, of Columbus, Ind., a former specialist on Africa on the National Security Council staff during the Johnson administration, was graduated from Amherst College, holds a degree from Yale Law School, and in the most recent years, before taking the ambassadorial posts, was with Cummins Engine Co. as vice president for the firm's Middle East and Africa concerns. He lived in Iran for several of his years with Cummins. After serving with the United Nations in Europe and Africa, he worked for the Ford Foundation. From 1975 to 1976 he served on the National Security Council staff.

Thus, when the Iranians chose the Algerian government to play the difficult role of adjudicating the monetary guarantees required before hostages were released, and the Algerians agreed to accept being placed in that tough position, they set into motion the resolution of a problem that had confounded and humbled the United States, tearing its emotions apart as had no event in recent memory. The heroes and villains of this long drama are fast becoming legendary. It's nice to know one of the good guys was a diplomat who wore a black hat.●

TAX RELIEF NEEDED—TO INCREASE AMERICA'S PRODUCTIVITY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. PICKLE. Mr. Speaker, one of the problems many Members of Congress have with the Kemp-Roth tax bill is that it leaves out some very important tax cut measures. The examples of such measures is action on the marriage penalty tax, dividend reinvestment, tax exclusion for savings and interest earnings, lower death taxes, tax-bracket creep, LERA's, research and development credits, and I could go on.

The administration says that after passing Kemp-Roth it will send us another tax bill. This tax bill No. 2 is supposed to have all the tax reductions that most people, of both political parties want.

But lo and behold, the budget figures Congress has been given by the administration do not include any room for tax bill 2. As a result, many of us have been saying to drop the Kemp-Roth 10-10-10, and instead pass the kinds of tax relief measures that will help savings, address inequities, increase productivity, and stimulate research and development.

There are alternatives to Kemp-Roth, and Congress should enact them.

I would like to put into the RECORD a story that discusses the lack of room for the supposed tax bill 2.

[From the Washington Post]

PROJECTIONS OMIT A VARIETY OF TAX TRIMS

(By Sandra Evans Teeley)

President Reagan's new five-year budget projections leave no room for any of a variety of tax-cut plans he has promised to propose "at an early date."

Among those promises are a softening of the so-called "marriage penalty" by which married couples pay more than they would if they were single, tuition tax credits, indexing taxes for inflation, and easing inheritance taxes on family-owned farms and businesses.

Office of Management and Budget Director David Stockman said yesterday that exclusion of these items from the budget figures do not mean that the administration has abandoned the ideas, but he gave no clue as to where it would come up with the money to pay for them.

"[The omission] only means that they won't be proposed at this time," Stockman said. "We have made it clear we want a clean bill" on depreciation and individual tax cuts.

In addition, the projections do not include continuation of some expiring tax proposals, such as exclusions for interest and dividends that Congress approved through calendar 1982 and that the administration would like to continue, but these also would reduce revenues.

The only major tax changes taken into account are Reagan's proposed 10 percent across-the-board cuts for individuals and much faster depreciation for businesses.

Even with those large proposed tax cuts—to total $44.2 billion for individual taxpayers in fiscal 1982 and $9.7 billion for depreciation—taxes in dollar terms still would rise steadily for individuals and would dip only in the first year for businesses before starting upward again.

The 10-percent-a-year-for-three-years cuts would amount to an estimated $126.4 billion by fiscal 1986, and faster equipment and building write-offs would take $59.3 billion from businesses' tax bills that year. Still, total tax receipts would increase from an estimated $650.3 billion in fiscal 1982 to $920.2 billion in fiscal 1986, the administration figures show.

As a percentage of gross national product—another way of measuring the nation's tax bite without the comparison being skewed so much by inflation—taxes are projected to drop from a fiscal 1981 level of 21.1 percent to 19.3 percent in fiscal 1984, about the same as it was in 1978. Under the Carter administration budget, they would have risen to 22.1 percent of GNP in fiscal 1982.

But the administration still is counting on its tax plan to "provide increased incentives for work and saving" for individuals and more capital expansion and productivity from business. This, in turn, is supposed to result in higher income, more tax receipts and contribute to a balanced budget in later years.

One simple change in the administration's economic assumptions boosted projected tax receipts by a much-needed $2 billion without the ordeal of trying to get legislation through Congress. OMB changed its projections on corporate profits for the next four fiscal years by $4 billion over the figures given in the Feb. 18 budget, resulting in boosted tax estimates of about $2 billion. This made up for Reagan's rejection of a proposed gasoline tax hike in the Feb. 18 budget figures, which President Reagan later rejected, and helped offset losses from other revised economic assumptions.

The Reagan budget-cutters lost a net of $2.5 billion by dumping all of the tax changes proposed by Carter in his January budget, which included a substantial gasoline tax increase.

The administration gained $3.5 billion on the outlays side in the Treasury Department budget by scrapping Carter's proposal for refundable tax credits for business. That plan would have allowed some unprofitable businesses to get a check from the government when they didn't have enough tax liability to take all the investment tax credits they are entitled to.●

AVAILABILITY OF INSURANCE IS A RIGHT TO BE SECURED

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. FAUNTROY. Mr. Speaker, I am pleased to introduce the Nondiscrimination in Insurance Act, a bill which brings together several concerns which many of us in the Congress have had over the past several years relating to the sale of insurance.

Unlike other bills which have concerned themselves with either strictly the question of discrimination, without concern for the potential concentration of insurance sales by the subsidiaries of bank holding companies, or with only the question of concentration, without due attention to the lack of insurance to our inner cities, this bill seeks to meet both concerns in a single coherent package.

Numerous studies have concluded that the insurance industry is failing to meet the insurance needs of our urban areas. Studies have shown this failure in New York, Chicago, Detroit, and my own studies have shown it in Washington, D.C. The negative consequences arising from these situations are spelled out in appalling detail in a HUD sponsored study which concludes simply:

> Without property insurance, one cannot operate freely in today's housing and business markets. Simply put, without insurance, people cannot buy or expand homes or businesses. In fact, the economic and social fate of the entire neighborhoods or even communities can hinge on the availability of insurance.

When one examines, as I did recently, the pages of the telephone directory in this city—our Nation's Capital—one finds very quickly that the availability of insurance is grossly lacking in our core communities—our inner-city communities. Some of the biggest firms associated with the largest retailers do not even have sale outlets in their city stores. Of course, however, they do have them in their suburban stores and unabashedly advertise the fact. No greater form of discrimination against our city and our inner-city residents can possibly exist.

This bill is an effort to impress upon the insurance community that while many of us are cognizant and concerned with the problems of their industry we cannot stand idly by as they practice discrimination.

The concern they have about competition from bank holding companies, while a legitimate economic expression of theirs, is not one to which I will give much expression until I am satisfied that the same standards of access for insurance are applied to the insurance industry that we have applied to the financial institutions. There is as much an interest in insuring our neighborhoods as there is in obtaining credit. In some instances, that interest is greater.

There are ample enough similarities between the dual problems of mortgage redlining and insurance redlining that should permit us to use the experiences acquired through dealing with the former issue as a guide for future action. Just as mortgage redlining most severely affected lower- and middleincome families, the impact of insurance redlining also affects these persons. Homeowners and investor-owners are painfully aware of the practice of nonrenewal of policies which in many cases have been in force for years. Other individuals have resorted to second mortgages from consumer finance companies or banks in order to obtain minimal insurance because no insurance agent would write a policy. Sad as it is to state, I have had to conclude that many of the denials were based on race, income, religion, and the location of the property.

Like fixed mortgage redlining, insurance redlining occurs in subtle ways such as ZIP code underwriting and advertising; refusal to write or renew based on such alleged factors as age, value of structure, conditions and/or abandonment of surrounding struc-

tures; simple arbitrary withdrawals from whole communities and neighborhoods; offering only limited forms of coverage instead of whole coverage; cancelling inner-city agents contracts; and increasing rates and transferring policies to the FAIR plan. Many of these activities are carried on by people whom we would generally want to regard as upstanding citizens in our communities. This bill would require insurance agents to disavow the use of such discriminatory practices without infringing upon State's authority to regulate the insurance industry.

Additionally, this bill would also require that the Federal Trade Commission compile and report publicly on the availability of insurance through a technique which has been used and perfected in disseminating information on the availability of mortgage funds. All insurance companies with placements over $1 million that covers residences and businesses with sales under $1 million shall report to the FTC by census tract where they have made their underwritings. In an effort to keep this process as short and simple as possible, for I hope ultimately that these mechanisms will not be necessary, I have further required that at the end of 2 years, the Department of Justice, in consultation with HUD, SBA, the Federal Reserve Board, the Federal Home Loan Bank Board, and the FTC, report to Congress on the impact of this act and to include such other recommendations which may be necessary to end insurance discrimination.

This bill is not a panacea for our communities. It is, however, one of the components which will enable them to fully rebuild abandoned sections that have now been neglected often for the simple lack of insurance. I urge my colleagues to join me in support of this objective.●

FINANCIAL REPORT OF THE CONGRESSIONAL TEXTILE CAUCUS, QUARTERLY STATEMENT OF EXPENSES AND FUND BALANCE

HON. KEN HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. HOLLAND. Mr. Speaker, the Steering Committee of the Congressional Textile Caucus has approved the quarterly financial statement for the quarter ending on September 30, 1979. I am herewith submitting the statement for insertion into the CONGRESSIONAL RECORD so that all Members of Congress may review it.

The statement follows:

Financial report of the Congressional Textile Caucus: Quarterly statement of expenses and fund balance

[For the period ending Dec. 31, 1980]

Statement of expenses:	
Telephone	$83.08
	96.85
	51.34
	51.23
Total	342.50
House office supply	17.56
	29.58
Total	47.14
Savin Corp	126.75
	135.00
	135.00
Total	396.75
IBM	706.00
	185.00
	198.00
	174.00
Total	1,263.00
Congressional Quarterly	22.00
	1.50
Total	23.50
Miscellaneous:	
Tom Lankford	639.80
Postmaster	15.00
Total expenditures	2,727.69
Fund balance:	
Fund balance Sept. 30, 1980	12,555.74
Total dues deposited this quarter	0.00
Interest on account	175.37
Total balance before expenses	12,731.11
Less expenses	2,727.69
Balance, Dec. 31, 1980	10,003.42●

A FANTASY SPEECH ON NATIONAL SECURITY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. BROWN of California. Mr. Speaker, one thing every elected official shares is the oath of office to preserve and protect this Nation. We often differ, however, on how best to do this.

The recent election is presumed to mark a dramatic shift in U.S. foreign and military policy. Yet, the facts of last year are still the facts of this year, even if policies and programs change.

Mr. Speaker, I recently read a paper by a University of Michigan political science professor, which cuts through much of this rhetoric and gets to the heart of our national security dilemma. The format is a fantasy speech for a successful political candidate. I commend the following paper to my colleagues:

ARMAMENTS, SECURITY, AND PROSPERITY: A CONGRESSIONAL MAIDEN SPEECH

(By J. David Singer)

Like most of the political campaigns in our country since World War II, the current one is contributing nothing to the electorate's understanding of national security policy. To the contrary, the candidates, their spokesmen, and the media are once again offering up the familiar evasions, misinformation, and simplistic interpretation, assuring that we will be no more capable of rational choice after the election than we were before it. There is, however, one small ray of hope. Whether incumbent or challenger, Democrat or Republican, the conventional candidate is always eager to assert—in defense of his or her mindless campaign—that "you can't do a thing unless elected." Regardless of the accuracy of that bromide, it has an interesting implied corollary: that, if elected, one can do all sorts of wonderful things for the country. With this implied responsibility in mind, let me propose here the possible text of a maiden speech on the floor of the House or Senate, if not for the inaugural address of our next President.

Mr. Speaker (etc.). I rise this morning to address an issue that was somehow neglected during my recent and successful campaign for this revered office. Preoccupied as I was with those bread and butter issues so dear to my constituents, I seldom ventured into the more risky waters of foreign and military policy. And when I did, it was usually to assure the voters that I would bend every effort to make our armed forces leaner and meaner, our nation second to none in military strength, and our policies firm but just. Like most of my colleagues in this chamber, my primary concern was to win the election, and having succeeded in that enterprise, I would hope to vindicate my constituents' faith in my judgment, patriotism, and intergrity. To do so, it is clear that I can no longer ignore these fundamental questions of war and peace, survival and prosperity, and I thus turn now to what may be the most urgent and pressing issue facing this great nation of ours. I refer, of course, to the dangerous and costly arms race in which we and the Soviet Union have been engaged for more than 30 years.

THE ARMS RACE AND ITS DANGERS

For a third of a century, both societies have been pouring their resources into one new weapon system after another, along with the treasure that goes just to keep the military establishment fed, housed, and maintained. Let none think that these resources have been well invested. Our land and homes and factories are less secure today than ever before in the nation's history. Even though I would heavily discount some of the assertions we hear today from the militarists of both political parties regarding Soviet capabilities and the vulnerability of our land-based missiles, there is no doubting the fact that we cannot—no matter how much we spend and what weapons we deploy—protect ourselves from a nuclear attack. As a matter of fact, as long as we continue to test, build, and deploy just about every new weapon system that is technologically feasible, the chances are that we will become even less secure.

This is for two reasons. One is that our Russian rivals, despite their inferior technology and weaker industrial base, have the

capacity and the will to pretty much keep with our weaponry in quality and quantity. Some may believe that we can out-distance the adversary and thus regain the military superiority we "enjoyed" in the 1950s and 1960s, but they are dead wrong. Modern weapons technology, while it is inherently provocative and destabilizing, has one important virtue: it makes numerical or qualitative superiority difficult to achieve. And even if it could be achieved, it would have no value in terms of physical security or political influence or diplomatic leverage. "Throwing money" at our national security problems is not only as wasteful, corrupting, and inflationary as throwing money at our domestic problems; it is also much more dangerous because it alarms and provokes our adversaries, leading them to give even greater power and resources to their military establishment. And virtually every increase in so-called preparedness on their part similarly strengthens the case for giving more resources and power to our military establishment. Certain sectors and groups on both sides may temporarily benefit, but the net result is an increasingly dangerous arms race and decreasing availability of resources for the serious domestic problems that each society faces.

There is, of course, a second reason for opposing this continuing madness. Each new round of expenditures threatens our security in the domestic and social sense of the word as well. Not only does it strengthen the "hawks" on both sides and weaken the forces of prudence and reason in foreign affairs; it also weakens the claims of those here at home whose basic needs are just not being met. And how much longer these people—here and in the Soviet empire—are going to tolerate this misallocation is anybody's guess. The disadvantaged among us—be they in Detroit or Danzig (Gdansk), Livonia or Leningrad—will eventually claim their due, and appeals to patriotism will hardly suffice to pacify them. Those who, in asking for social justice, threatened the domestic tranquility of our society, looted our shops, burned down our cities, and paralyzed our police and fire departments, are relatively no better off today than in the late 1960's. It is not only a matter of decency and fairness that we respond to their very legitimate demands for jobs, housing, health, and education. It is essential that we do so if we value our domestic security.

There is yet a third set of reasons for urging a slowdown and then a reversal of the arms race. It is increasingly clear, even to the most conventional economists, that military spending is a major factor in our double digit inflation rates, and has been for over a decade. This is because it puts substantial income into the hands of the military sector without providing those commensurate goods and resources that could be purchased with that income. Furthermore, the weapons producers need a great deal of capital, natural resources, manufactured components, and skilled labor, and in competing for these scarce items with civilian production firms, they help drive the prices up. This is, in turn, amplified by the fact that military production is generously reimbursed and cost over-runs often tolerated, making it easy to outbid the producers of the more competitive civilian goods. Plentiful money "chasing" scarce goods and services is the classic mechanism for driving prices upward. Military spending is also a major factor in unemployment; this is because money for weapons development and production goes into the more capital-intensive sector where a few people (highly specialized and well-paid) work with a lot of machinery, rather than into the more labor-intensive sectors. For example, every million dollars spent on housing provides nearly twice as many jobs as the same amount spent on weaponry. Similarly, if the tax revenues used to finance our military growth were returned to the private sector, this too would create more employment, not to mention more capital for improving industrial efficiency.

Then there is the balance of payments problem, which affects the world-wide value of the dollar as well as American economic and political influence around the globe. The inflation generated by the arms race drives up the prices of our goods and makes them less attractive abroad. Also, as a large fraction of the research and development (R & D) expenditures in this country are devoted to the military, as is engineering talent as well, American industrial innovation has deteriorated dramatically. As a result, our productivity per worker has declined vis-a-vis that of our European and Asian competitors, making their products on the world market appreciably cheaper and often better than ours. Moreover, they now come out with more new and innovative exportable goods than we do, further reducing American sales abroad and further increasing our trade deficit.

GETTING INTO THE ARMS RACE

Now some will contend that "we have no choice" and that the U.S.S.R. compels us to engage in this spiraling expenditure. I find this a rather dubious line of argument. First of all, it takes two (or more) to get an arms race going, and since the end of World War II, our own country has pursued—and maintained—an overall superiority in strategic capabilities. At no time have the Soviets been ahead in the categories that matter, (such as accuracy or the number of deliverable bombs and warheads), and it is only under the SALT arrangements of the past decade that they have approached approximate parity.

Nor is this trend toward parity a result of negligence or treason, as the big military spenders would have us believe. Partly it was the result of a sustained Soviet drive to achieve a rough equality on the strategic weapons front, and partly it was the result of intelligent planning and meticulous, hard bargaining over the provisions of the SALT I and SALT II agreements. Our negotiators knew very well what they were doing, and nothing has been given away; as a matter of fact, the U.S. has come out of these negotiations in a better position than the other side, largely because the Soviets have been extremely eager to get an agreement. While there is no question that the Kremlin can and will keep up with the U.S. in strategic preparedness, their leaders strongly prefer to stay more or less abreast of us at lower levels. And their reasons are essentially the same as the ones that should guide us: the realization that higher levels—qualitative and quantitative—make for a more provocative, unstable, and dangerous relationship, plus the need to attend to pressing social and economic problems at home.

A second reason for doubting the assertion that we are compelled by Soviet policies to perpetuate the arms race is that even if they sought strategic superiority and were able to achieve it, the overall deterrence picture would not change. They realize that it would take an overwhelming superiority—perhaps a three- or four-to-one ratio—in deliverable nuclear warheads to make a credible first strike threat. Anything less than a massive preponderance would not only not intimidate American strategists, but would rather serve to provoke us. We should, similarly, understand that there is no military or political payoff in striving for strategic superiority. Unless one side can credibly threaten to wipe out virtually all of the other's retaliatory force, there is no justification in seeking a numerical advantage. Although today's weapons technology is highly dangerous in that: (a) it creates strong incentives to go first in a crisis; and (b) the actual use would be catastrophic, it does offer one virtue, if that is the appropriate word; as I noted earlier, one side can fall very far behind the other and still not be any less secure. To the contrary, it may even be preferable to be behind, because your deterrent effect remains relatively high and your provocation effect relatively low, and the rational objective is to have a maximum deterrence-to-provocation ratio.

Of course, all of this assumes that both parties have accepted the rather obvious proposition that nuclear war is to be considered only as a last dismal resort, entered into only if the other does so. But if there are voices, even minority voices, arguing that nuclear war is not so bad, and that it can be initiated, fought, and won, then we have an entirely different situation. Tragically enough, such voices have existed since the 1950s on both sides, and their influence has gone up and down as the technology advanced or stabilized, as political relations between the superpowers have fluctuated, and as domestic politics waxed and waned. Today, thanks to the technology that gives higher "kill probabilities" to both side's offensive forces, and thanks to a wide range of domestic and foreign moves on both sides, those voices had become louder, more insistent, and more influential. Now, sadly enough, advocates of the "credible first strike" strategy on the U.S. side have been able to get their views embodied in July's Presidential Directive 59. While this document need not constitute an irreversible commitment to a whole new round of weapon acquisitions, dictated by the logic of trying to destroy the Soviet missiles in their silos, it is indeed an ominous step. It legitimizes the drive for the MX and cruise missile systems, for example, and it shifts the burden of the strategic argument. The more prudent and far-sighted among defense analysts are now on the defensive, and the quality and tone of the policy-making process will be increasingly determined by those whose virility and patriotism cannot be questioned. They, after all, have the courage to think about the unthinkable, and to face nuclear holocaust without flinching.

One could, of course, go into much greater detail as to how we got into this highly dangerous situation, and why it is so dangerous, but my point should be quite clear: we must find a route out of this mess, and quickly. Is there a range of moves by which the U.S. might seize the initiative, and begin to extricate the world from this imbecilic state of affairs?

GETTING OUT OF THE ARMS RACE

In my view, there is. My examination of the problem and my consultation with people who are competent foreign policy analysts and world politics specialists leads me to a sense that there may still be time. All is

not yet lost, although there is little question that the Soviet-American momentum toward showdown will not easily be stopped in time. While this occasion does not permit much attention to detail, let me—despite the risks of being misunderstood and/or misquoted—suggest some steps that might possibly head off the final plunge into nuclear oblivion.

I would begin by having our government accept as promptly as possible the standing offer from the U.S.S.R. for a formal agreement on "no first use" of nuclear weapons of any size or shape. On the heels of that critical move, we should shift back to a strategic doctrine that in both word and deed reflects the "no first use" commitment, and accepts the proposition that mutual assured destruction—however flimsy and irrational it may be as the foundation of a nation's security—is preferable to a first strike, counter-force, silo-busting, pre-emptive doctrine.

From this, the abandonment of the MX system is the logical consequence, and the same holds for the cruise missile and the newly-revived plans for an anti-ballistic missile system. Then, as we move—in doctrine and in deployment—away from the "we might go first" doctrine toward a "retaliation only" doctrine, the SALT II treaty becomes relevant once again. Thus, I would urge the President to reactivate its passage through the Senate as rapidly as possible. At the same time, to eliminate any serious economic losses to firms and communities which have been associated with military growth, the government should encourage and aid in the conversion from military production to production for civilian needs. A crash program of economic conversion could indeed be a major element in turning America away from its obsession with military force.

Once we are back on the road to a sane and prudent strategic policy, my prediction is that the U.S.S.R. will be more than happy to join us. Even if it takes a while for them to get things sorted out at home, and to bring the skeptics on board and begin to comprehend that we have indeed decided to move back from the brink, our security is not jeopardized. To reiterate my earlier point, even if we were well behind the adversary, there is no way that the Soviets can contemplate a rational first strike any more than we can. True, either side could, in the months and years ahead, wipe out a fair fraction of the other's land-based ICBM weapons, but to what purpose? Even the Soviets, whose sea-based and air-based retaliatory forces are dramatically weaker than ours, would still be able to ride out an American first strike and then retaliate with devastating swiftness and destruction. In my judgment, there is absolutely no question of the survivability of our retaliatory forces. Even if our entire ICBM force were destroyed, the retaliatory blow delivered by our submarine, aircraft, and European-based systems would lay waste to Russia—and most of Eurasia to boot.

Since there is so much talk these days of current or impending Soviet superiority, let me summarize my understanding of the balance of terror, and on the basis of official Pentagon figures, indicate why I consider this talk to be ill-informed—and because it inhibits serious consideration of arms control and disarmament measures—pernicious as well.

Yes, the U.S.S.R. is ahead in missiles by 2,350 to 1,700, but if manned bombers are included to arrive at a total of strategic delivery vehicles, the gap is a somewhat smaller 2,500 to 2,058. Too many of our propagandists stop here, as if the number of delivery vehicles were a valid indicator of relative capability. More relevant is the number of deliverable warheads, and here the U.S. has an advantage of about 9,200 to 6,000.

Then there is the notorious "throw weight" figure, which reflects the total tonnage that can be delivered via missiles, and in this case the U.S.S.R. holds an advantage of 9,036,000 to 4,326,000 for the U.S. This figure, however, is too crude, and a more valid indicator is that of stockpiled megaton equivalents, in which the Soviet edge is a more modest 5,900 to 3,600. But even this is too crude, as it says nothing about the ability to hit targets. Thus, many analysts use a "lethality index," reflecting total numbers of warheads, their megaton equivalents, and their accuracy, and on this index the U.S. has an edge of about 44,800 to 33,500.

One could go on and itemize the estimated results of all sorts of nuclear war scenarios, but my point should be clear. The U.S. is not behind the U.S.S.R. in the nuclear strength categories that matter, nor do the current trend lines point toward a reversal of the ratios that would enable the Soviets to launch an effective "disarming first strike." Moreover, the SALT II agreements, despite their very limited scope, will make it impossible for them to achieve such superiority without obvious—and easily detected—violation of the production bans.

Finally, and most important, I do not suggest that Americans or Russians or any others are more secure with a superiority in deliverable warheads or in an overall lethality score. Both sides today are dangerously overarmed in strategic weapons (conventional weapons are another matter), and if both follow current production and deployment plans within the SALT constraints, they will soon be even more dangerously overarmed.

One reason, unfortunately, is that both governments still have people who believe that nuclear wars can be initiated, fought, and won, and that having some first-strike components is militarily and politically desirable. In my view, this borders on insanity, and it bodes ill for everyone's security. Nuclear weapons should be looked upon in purely second-strike and retaliatory terms, and the sooner we cut back to the levels needed for that more prudent role, the sooner we can begin the imperative but delicate task of nuclear disarmament.

In sum, despite the dangers to us that are inherent in today's strategic balance, the adversary is in an even more vulnerable position all across the board. It would be not only responsible, but good politics, for the more powerful of the rivals to make the first move back to sanity. We may never be friends with the Russians politically, but if we could merely try to do business with them in a clear-headed fashion, all of us would be better off.

Mr. Speaker, I thank you for your attention and trust that these remarks will strike my colleagues as both reasonable and reassuring, and that this body will move quickly to implement the policies that they imply.●

BUDGET CUTS ON TRACK—TO MOVE QUICKLY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 11, 1981

● Mr. PICKLE. Mr. Speaker, between paid advertisements by certain businesses, trade associations, and of course, statements from the White House, there seems to be a campaign to convince the American people that Congress is trying to go slow with the economic program as presented by President Reagan.

This is just not true. Yesterday, the Congress received the budget cuts, and already the House and Senate has a program to move forward on the proposals.

I am personally proud of the House Democratic leadership and its dignity in moving forward in cooperation with the administration while ignoring ill-placed and orchestrated criticism. I am asking that an article from the paper be placed in the CONGRESSIONAL RECORD discussing the plan of action on budget cuts.

The article is also interesting in that it quotes the Republican chairman of the Senate Finance Committee, which will handle the President's tax proposal. The chairman, Senator ROBERT DOLE of Kansas, points out that in spirit his group will be with the President, but the so-called Kemp-Roth bill will be changed. He points out that it would be risky to cut taxes in the future without any assurance of future spending cuts. Democrats on the House Ways and Means Committee have been saying the same thing.

I am glad to see that the House Democrats and the Republican chairman on the Senate Finance Committee are on the same track.

The article follows:

[From the Washington Post, Mar. 11, 1981]

HOUSE LEADERS JOIN SENATE IN PUTTING SPENDING CUTS ON FAST TRACK

(By Helen Dewar)

Even Democrats said yesterday that President Reagan will probably get most of his proposed spending cuts through Congress, and House leaders joined the Senate in putting his plan on a fast track toward passage by mid-summer.

There was also agreement among House leaders of both parties to hold up final action on the administration's tax cut until passage of the spending cuts is assured.

House Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.) and other Democrats protested that the administration still has not submitted crucial details necessary for Congress to act on its spending recommendations.

There were also assorted protests against the spending proposals. Bar associations (on legal services), mortgage bankers (FHA loan guarantees), the president of Amtrak (passenger service outside the Northeast), the governor of North Carolina (Medicaid), all were heard from.

Even so, both houses greeted Reagan's submission of his revised 1982 budget with pledges of cooperation and prompt consideration.

The president is "entitled to his experiment with the American economy" and Democrats will not stand in the way unless it goes too far, said Senate Minority Whip Alan Cranston (D-Calif.) in predicting that Reagan will get "at least 75 percent" of the dollar-volume of the cuts that he is seeking.

Senate Majority Leader Howard H. Baker Jr. (R-Tenn.) was even more optimistic, suggesting that Congress will approve "closer to 90 percent" of what Reagan wants.

Sen. Lowell P. Weicker (R-Conn.) said liberal-to-moderate Republicans like himself could be expected to join Democrats in resisting cuts in programs such as education, housing, job training, health and transportation, but added, "I think the president has the votes . . . . I don't think there's any question about it."

In the House, where Democratic and Republican leaders reached a rare joint agreement over handling of the budget, Budget Committee Chairman James R. Jones (D-Okla.) said, "$25 billion to $30 billion is certainly a realistic figure, and it could go higher."

Republicans, meanwhile, introduced the Reagan tax bill in both houses.

The joint agreement on scheduling for the House anticipates final action on program cuts for fiscal year 1982 by July 15, with approval even sooner for a package of $16.5 billion in rescissions and deferrals for money set to be spent before the 1981 fiscal year ends Sept. 30.

House Republicans had been pushing for quick action on the 1981 cuts, but could not push too hard in light of the fact that Reagan has yet to submit most of his specific 1981 spending reduction proposals to Congress.

For their part, O'Neill and some other Democrats had been complaining about overly hasty treatment of the economic package, but wound up agreeing on a schedule that, at its windup at least, differs little from the timetable set by the Senate Republican majority

The Senate schedule also calls for completion of the spending cuts by mid-July, but the Senate plans to start more swiftly, beginning with Senate Budget Committee mark-up of program reduction instructions to various legislative committees next week.

Baker, in what he described as "breakneck speed," said the Senate expects to pass the instructions by April 15, maybe even by April 1. The House, tying the cuts to the 1982 budget resolution and following a more deliberative course, plans to pass its committee instructions by the end of April.

Under this so-called "reconciliation" process, legislative committees are instructed by both houses, based on recommendations from their budget committees, to make overall dollar savings in programs under their jurisdictions.

The committees are given a deadline to come up with specific savings, and these savings are then enacted in a package by Congress. The process erodes traditional committee powers, and some committees have already balked at cuts as deep as Reagan wants.

Even the Republican-controlled Senate Labor and Human Resources Committee on Monday chipped $2 billion off the $11 billion in cuts that Reagan proposed for various health, education, jobs and social service programs, but Baker predicted yesterday that Reagan will win in the end.

Senate Budget Committee Chairman Pete V. Domenici (R-N.M.) was quoted as telling Republicans yesterday that he would resist all such erosions of the Reagan package.

Democratic complaints about missing links in the Reagan package included the absence of specifics on proposed 1981 cuts and what O'Neill described as incomplete information on how Reagan would merge a number of categorical grants into general block grants, giving state and local governments more flexibility over spending while the overall amount of spending is reduced.

"Nor has the administration yet provided any greater analysis of the impacts of their proposed cuts. Who will be affected? How will changes in one program affect another program?" O'Neill asked.

After introducing the tax package, Sen. Bob Dole (R-Kan.), chairman of the Finance Committee, said the underlying philosophy of the administration's proposal will win strong support among members of his panel.

Dole said he has been reluctant about a full commitment to individual tax reductions of 30 percent over three years because substantial spending cuts and continued fiscal responsibility are necessary ingredients in the Reagan program.

"My reservations have been based upon a concern that, if we enacted a tax cut before spending cuts were acted upon, there would be little assurance that the spending limitations would ever be enacted," he said.

Dole said it would be unrealistic to assume that the Finance Committee will not modify specific provisions before sending Reagan's package to the Senate floor.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 12, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 13

8:30 a.m.
Armed Services
Strategic and Theater Nuclear Forces Subcommittee
To hold hearings on the national security implications of the worldwide energy situation; to be followed by closed hearings to review the Department of Energy's defense programs.
224 Russell Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
To resume hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction and consider recommendations which it will make thereon to the Budget Committee, receiving testimony from officials of the Departments of the Interior and Agriculture.
3110 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
235 Russell Building

10:00 a.m.
Select Committee on Small Business
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
424 Russell Building

MARCH 16

8:30 a.m.
Armed services
Strategic and Theater Nuclear Forces Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, receiving testimony on civil defense programs.
224 Russell Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

10:00 a.m.
Budget
Business meeting, to mark up proposed revisions to the Second Concurrent Budget Resolution for Fiscal Year 1981, incorporating fiscal year 1982 reconciliation instructions (S. Con. Res. 9).
6202 Dirksen Building

Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax bills, S. 352, 483, 502, and 565.
2221 Dirksen Building

1:30 p.m.
Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, and Health and Human Services.
1114 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

MARCH 17

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings to review the proposed budget for fiscal year 1982 for the Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Veterans' Administration.
1224 Dirksen Building

Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Attorney General, Department of Justice.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on proposed authorizations for fiscal years 1982 and 1983 for the National Railroad Passenger Corporation (Amtrak).
1202 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Older Americans Act.
4232 Dirksen Building

10:00 a.m.
Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for Fiscal Year 1981, incorporating fiscal year 1982 reconciliation instructions (S. Con. Res. 9).
6202 Dirksen Building

Finance
To hold hearings on the administration's proposed spending reduction proposals for economic recovery.
2221 Dirksen Building

Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of Energy, focusing on departmental management.
Room S-128, Capitol

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Health and Human Services.
1114 Dirksen Building

Armed Services
Manpower and Personnel Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the Department of Defense, focusing on military compensation.
224 Dirksen Building

MARCH 18

9:00 a.m.
Energy and Natural Resources
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focusing on U.S. Army posture programs.
1223 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Inspector General, Department of Agriculture, and the General Accounting Office.
1224 Dirksen Building

*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Health and Human Services, and Education.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Bureau of Investigations, Offices of U.S. Attorneys, U.S. Marshals Service, and bankruptcy trustees, Department of Justice.
S-146, Capitol

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on S. 640, extending through fiscal year 1983 the authority of the District of Columbia to borrow U.S. Treasury funds for capital improvement projects.
6226 Dirksen Building

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for Fiscal Year 1981, incorporating fiscal year 1982 reconciliation instructions (S. Con. Res. 9).
6202 Dirksen Building

Finance
To continue hearings on the administration's proposed spending reduction proposals for economic recovery.
2221 Dirksen Building

Governmental Affairs
Federal Expenditures, Research, and Rules Subcommittee
To hold oversight hearings on Public Law 96-511, providing for the reduction of Federal paperwork requirements and duplications, and consolidating statistical policy activities with information management in the Office of Management and Budget.
3302 Dirksen Building

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on S. 648, authorizing funds for fiscal year 1982 for certain youth programs under the Comprehensive Employment and Training Act (CETA).
4232 Dirksen Building

1:30 p.m.
*Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Education.
1114 Dirksen Building

MARCH 19

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focusing on manpower and reserve forces programs.
1223 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
Business meeting, to continue consideration of those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.
3110 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Science and Education Administration, Office of the Secretary, Departmental Administration, Office of Governmental and Public Affairs, and the Office of the General Counsel, Department of Agriculture.
1224 Dirksen Building

Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Community Services Administration, and the Corporation for Public Broadcasting.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Immigration and Naturalization Service of the Department of Justice, and the Coordinating Council on Juvenile Justice and Delinquency Prevention.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration
235 Russell Building

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on proposed legislation on youth employment.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Urban Mass Transportation Administration, Department of Transportation.
1318 Dirksen Building

Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for Fiscal Year 1981, incorporating fiscal year 1982 reconciliation instructions (S. Con. Res. 9).
6202 Dirksen Building

Finance
To continue hearings on the administration's proposed spending reduction proposals for economic recovery.
2221 Dirksen Building

Labor and Human Resources
Employment and Productivity Subcommittee
To continue hearings on S. 648, authorizing funds for fiscal year 1982 for certain youth programs under the Comprehensive Employment and Training Act (CETA).
4232 Dirksen Building

Select on Intelligence
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

MARCH 20

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

9:30 a.m.
Special on Aging
To hold oversight hearings on the impact of proposed budget reductions in programs affecting the elderly, focusing on income security programs.
1202 Dirksen Building

10:00 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building

Budget
Business meeting, to continue markup of proposed revisions to the Second Concurrent Budget Resolution for Fiscal Year 1981, incorporating fiscal year 1982 reconciliation instructions (S. Con. Res. 9).
6202 Dirksen Building

MARCH 23

9:00 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

9:30 a.m.
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for national centers for health statistics, health services research and health care technology programs, national research service awards, and medical library assistance programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (Amtrak).
1114 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 601, to reduce and simplify certain licensing requirements in the broadcast industry.
235 Russell Building

Select on Indian Affairs
To hold oversight hearings on the activities of the Bureau of Indian Affairs, Department of the Interior, and the Indian Health Service, Department of Health and Human Services; and to review budgetary recommendations for fiscal year 1982 for Indian education programs.
1202 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

MARCH 24

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings to discuss major intergovernmental issues of the 1980's.
357 Russell Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Foreign Agricultural Service, Office of International Cooperation and Development, Federal Crop Insurance Corporation, Economics and Statistics Service, and the World Food and Agricultural Outlook and Situation Board.
1223 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
235 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for low-income energy assistance programs.
5302 Dirksen Building

Labor and Human Resources
*Labor Subcommittee
To hold hearings on S. 348, 430, and 658, bills to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings to examine current shortages and future supply trends of anthracite coal used for residential heating.
3110 Dirksen Building

Finance
To resume hearings on the administration's proposed spending reduction proposals for economic recovery.
2221 Dirksen Building

2:00 p.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Drug Enforcement Administration, and prison service programs, Department of Justice.
S-146, Capitol

MARCH 25

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for alternative fuel programs and the Economic Regulatory Administration, Department of Energy.
1114 Dirksen Building

Select on Intelligence
*Budget Subcommittee
To resume closed hearings on proposed authorizations for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the office of the Secretary, General Administration, Economic Development Administration, and the Regional Action Planning Commissions, Department of Commerce.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue oversight hearings to review supplemental assistance and restructuring policies for Consolidated Rail Corporation (Conrail), and on proposed authorizations for fiscal year 1982 for the U.S. Railway Association.
5110 Dirksen Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act.
2228 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To continue hearings on S. 348, to increase job opportunity by allowing employers to pay young people the minimum wage at a reduced rate.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Highway Administration, Department of Transportation.
1223 Dirksen Building

Finance
To continue hearings on the administration's proposed spending reduction proposals for economic recovery.
2221 Dirksen Building

2:00 p.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings on S. 45, simplifying the administration of national policy requirements applicable to Federal assistance programs to State and local governments.
3302 Dirksen Building

MARCH 26

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorization of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of the Interior and certain related agencies.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Oceanic and Atmospheric Administration, and the Maritime Administration, Department of Commerce.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Finance
To continue hearings on the administration's proposed spending reduction proposals for economic recovery.
2221 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of State; and to review certain foreign assistance programs.
S-126, Capitol

MARCH 27

9:00 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Maritime Administration, Department of Commerce.
235 Russell Building

Special on Aging
To resume oversight hearings on the impact of proposed budget reductions in programs affecting the elderly, focusing on health and human services programs.
6226 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Highway Traffic Safety Administration, Department of Transportation.
1224 Dirksen Building

MARCH 30

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Drug Abuse Prevention, Treatment and Rehabilitation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Aviation Administration, Department of Transportation.
1114 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 601, to reduce and simplify certain licensing requirements in the broadcast industry.
235 Russell Building

MARCH 31

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Soil Conservation Service, Agricultural Stabilization and Conservation Service, and the Animal and Plant Health Inspection Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Trade Administration, Scientific and Technical Research Service, and the Patent and Trademark Office, Department of Commerce.
S-126, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
To hold oversight hearings on the implementation of family planning programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Management and Budget.
S-146, Capitol

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development; and to continue review of certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the White House Office, Office of Administration, official residence of the Vice President, executive residence, special assistance to the President, compensation of the President, and other unanticipated needs.
S-146, Capitol

APRIL 1

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Farmers Home Administration, Rural Electrification Administration, and the Farm Credit Administration.
1223 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Emergency Management Agency and the Selective Service System.
S-126, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the economic and statistical analysis program, U.S. Census Bureau, National Telecommunications and Information Administration, and the Minority Business Development Agency, Department of Commerce.
S-146, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain adolescent pregnancy programs of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.
1224 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, international affairs programs, Bureau of the Mint, Bureau of Engraving and Printing, and Bureau of Government Financial Operations of the Department of the Treasury.
1224 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

Special on Aging
To hold oversight hearings on the implementation of the Older Americans Act.
5110 Dirksen Building

APRIL 2

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior; and the Smithsonian Institution.
1114 Dirksen Building

9:30 a.m.
*Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, Veterans of World War I, and Noncommissioned Officers Association.
457 Russell Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service.
S-146, Capitol

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

11:00 a.m.
*Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS
457 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco and Firearms.
S-146, Capitol

APRIL 3

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation and related agencies.
1114 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

12:30 p.m.
Finance
Economic Growth, Employment, and Revenue Sharing Subcommittee
To hold hearings on the use of tax incentives to increase employment, focusing on ways to increase the level of employment by reducing the additional labor costs imposed by Federal taxes.
2221 Dirksen Building

APRIL 6

9:30 a.m.
Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Alcohol and Drug Abuse Education Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Railway Association and Consolidated Rail Corporation (Conrail).
1114 Dirksen Building

APRIL 7

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Nutrition Service, and the Food Safety and Quality Service, Department of Agriculture.
1223 Dirksen Building

Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for the National Science Foundation.
4232 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

APRIL 8

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the National Regulatory Council.
S-126, Capitol

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court and the Committee for Purchase From the Blind and Other Severely Handicapped.
1318 Dirksen Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, and naval petroleum reserve programs, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on proposals to require a balanced Federal budget.
2228 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Domestic Volunteer Services Act.
4232 Dirksen Building

Special on Aging
To hold oversight hearings to determine whether certain energy assistance programs are meeting the financial and health needs of elderly victims of extreme heat and cold.
457 Russell Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, Department of Transportation, and to review overall budget recommendations.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability.
1318 Dirksen Building

APRIL 21

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity Futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural Cooperative Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1318 Dirksen Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain community/migrant health centers and the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

APRIL 23

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for certain child abuse and adoption opportunity programs.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126, Capitol

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

Labor and Human Resources
Education Subcommittee
To hold hearings to review certain educational programs.
5110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international monetary programs of the Department of Treasury.
S-126, Capitol

APRIL 29

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act.
457 Russell Building

Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.
6226 Dirksen Building

APRIL 30

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126, Capitol

MAY 4

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol

MAY 6

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1223 Dirksen Building

MAY 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and fossil energy programs.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain international aid programs.
S-126, Capitol

MAY 12

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

Labor and Human Resources Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Peace Corps.
S-126, Capitol

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National

Gallery of Art, and the Bureau of Mines, Department of the Interior.

1223 Dirksen Building

9:30 a.m.

Labor and Human Resources

Labor Subcommittee

To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.

4232 Dirksen Building

MAY 14

9:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.

1223 Dirksen Building

10:00 a.m.

Appropriations

District of Columbia Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

2:00 p.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for certain international programs.

S-126, Capitol

MAY 19

10:00 a.m.

Appropriations

District of Columbia Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

MAY 20

9:30 a.m.

Appropriations

*HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.

1224 Dirksen Building

MAY 21

9:30 a.m.

Appropriations

*HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.

1224 Dirksen Building

10:00 a.m.

Appropriations

District of Columbia Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.

1114 Dirksen Building

JUNE 2

9:30 a.m.

Appropriations

*HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.

1224 Dirksen Building

CANCELLATIONS

MARCH 12

9:30 a.m.

Judiciary

To resume oversight hearings to review the administration's budget recommendations of the Federal Trade Commission.

2228 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, Department of the Interior.

1114 Dirksen Building

MARCH 16

9:00 a.m.

Energy and Natural Resources

Business meeting, to consider those matters and programs which fall within the committee's jurisdiction with a view toward submitting its views and budgetary recommendations to the Committee on the Budget by March 15.

3110 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Maritime Administration, Department of Commerce.

235 Russell Building

MARCH 19

2:00 p.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.

1114 Dirksen Building

MARCH 20

9:30 a.m.

Labor and Human Resources

To hold hearings on proposed legislation authorizing funds for certain public health categorical programs of the Department of Health and Human Services.

4232 Dirksen Building

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